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HOUSE OF REPRESENTATIVES—*Monday, July 28, 1975*

The House met at 10 o'clock a.m.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Thou shalt do that which is right and good in the sight of the Lord; that it may be well with Thee.—Deuteronomy 6: 18.

Our Father God, we thank Thee for the rest of the night and for the coming of a new day with its opportunities of serving Thee and the people we represent. With faith and courage may we lead our country and our districts in right and good paths.

Guide our President in his journeys. Out of his efforts may there come good news for free people everywhere.

Direct these Representatives as they think together, plan together, and work together for the highest good of our beloved land. May their efforts be for good and result in good for our people.

In the word of the Master we pray. Amen.

THE JOURNAL

The **SPEAKER**. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a bill and concurrent resolution of the House of the following titles:

H.R. 5327. An act to reserve a site for the use of the Smithsonian Institution.

H. Con. Res. 143. Concurrent resolution to authorize the printing of the hearing on nomination of Nelson A. Rockefeller to be Vice President of the United States.

The message also announced that the Senate having proceeded to reconsider the bill (S. 66) entitled "An act to amend the Public Health Service Act and related health laws to revise and extend the health revenue sharing program, the family planning programs, the community mental health centers program, the program for migrant health centers and community health centers, the National Health Service Corps program, and the programs for assistance for nurse training, and for other purposes," returned by the President of the United States with his objections to the Senate, in which it originated, it was resolved that the said bill pass, two-thirds of the Senators present having voted in the affirmative.

The message also announced that the Senate had passed with amendments, in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 8070. An act making appropriations for the Department of Housing and Urban Development, and for sundry independent executive agencies, boards, bureaus, commissions, corporations, and offices for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes;

H.R. 8365. An act making appropriations for the Department of Transportation and related agencies for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes;

H.R. 8561. An act making appropriations for Agriculture and related agencies programs for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes; and

H.R. 8597. An act making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 8070) entitled "An act making appropriations for the Department of Housing and Urban Development, and for sundry independent executive agencies, boards, bureaus, commissions, corporations, and offices for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McClellan, Mr. Proxmire, Mr. Pastore, Mr. Stennis, Mr. Mansfield, Mr. Bayh, Mr. Chiles, Mr. Huddleston, Mr. Johnston, Mr. Moss, Mr. Young, Mr. Mathias, Mr. Case, Mr. Fong, Mr. Brooke, and Mr. Bellmon to be conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 8365) entitled "An act making appropriations for the Department of Transportation and related agencies for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Bayh, Mr. Stennis, Mr. Magnuson, Mr. Pastore, Mr. Robert C. Byrd, Mr. Eagleton, Mr. McClellan, Mr. Case, Mr. Stevens, Mr. Mathias, Mr. Schweiker, and Mr. Young to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 8561) entitled "An act making appropriations for Agriculture and Related Agencies programs for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McGee, Mr. McClellan, Mr. Stennis, Mr. Proxmire, Mr. Robert C. Byrd, Mr. Talmadge, Mr. Fong, Mr. Hruska, Mr. Young, and Mr. Hatfield to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 8597) entitled "An act making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Montoya, Mr. Bayh, Mr. Eagleton, Mr. McClellan, Mr. McGee, Mr. Bellmon, Mr. Hatfield, Mr. Young, and Mr. Schweiker to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills and a concurrent rseolution of the following titles, in which the concurrence of the House is requested:

S. 253. An act for the relief of Janice Elaine Groves and her daughter, Anna Groves;

S. 907. An act to authorize the Smithsonian Institution to plan museum support facilities;

S. 1649. An act to amend the act of March 4, 1927, to authorize the Secretary of Agriculture to accept and administer on behalf of the United States gifts or devises of real and personal property for the benefit of the National Arboretum;

S. 1657. An act to amend the National Portrait Gallery Act to redefine "portraiture";

S. 1800. An act to amend and extend the National Foundation on the Arts and Humanities Act of 1965, to provide for the improvement of museum services, and to provide indemnities for exhibitions of artistic and humanistic endeavors, and for other purposes;

S. 2114. An act to amend title 37, United States Code, relating to special pay for nuclear qualified officers, and for other purposes; and

S. Con. Res. 35. Concurrent resolution approving a bilateral commercial agreement between the United States and the Socialist Republic of Romania.

THE HOUSE MUST REVERSE OUR VOTE ON MILITARY ASSISTANCE TO TURKEY

(Mr. STRATTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STRATTON. Mr. Speaker, I want to join with the President of the United States and the majority leader of the Senate in urging the House to reconsider this week the very damaging vote that we took on aid to Turkey last Thursday.

Within 24 hours the structure of our security in the eastern Mediterranean began to fall apart. If we do not reverse that vote, within a year I believe, we will see the great alliance of the postwar world end in complete collapse. I predict that vote of last Thursday will go down in history along with another infamous congressional boo-boo, the refusal to fortify Guam just before the attack on Pearl Harbor.

We heard a lot of talk about principle last Thursday, but most of us recognize that a lot of people were just playing political games, trying to harpoon the White House or the Secretary of State, or protecting our rears in the 1976 election.

What disturbed me most was to see two distinguished retired military leaders lending their support to these games. One can understand General Van Fleet. He has been out of touch for the last 10 years. But I cannot forgive Admiral Zumwalt, who until a year ago, was a member of the Joint Chiefs of Staff.

Why, Admiral Zumwalt is on page 1 of the Washington Post this morning to complain that the Russian Navy is far ahead of our own. Yet, the vote he helped to engineer last Thursday, if not reversed, will shut off the very vital eyes and ears of all the U.S. defense forces in the eastern Mediterranean and will go far to help the Soviet air and missile forces also take a big lead over their American counterparts; and acquire a new and dangerous capability for surprise attack.

PERMISSION FOR COMMITTEE ON RULES TO FILE PRIVILEGED REPORT

Mr. MADDEN. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file a privileged report.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

CONGRESS SHOULD RECONSIDER ARMS EMBARGO AGAINST TURKEY

(Mr. RYAN asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. RYAN. Mr. Speaker and Members of the House, in retrospect the vote on the continued arms embargo to Turkey last Thursday was less a move to relieve the suffering of Cypriots of Greek and Turkish extraction than an exercise and renewal of an age-old war of vengeance between Turks and Greeks going back to pre-Biblical time.

In Thursday's House action millions of Greek Americans used the United States to vent their hatred of a neighbor who is far more powerful and strong today than they are.

It is surprising that the vote of 206 to 223 was as close as it was, given the degree of emotional involvement of the Greek Americans in this matter. It is inevitable, however, that unless some action is taken to reverse U.S. directions, U.S. interests in the Middle East will undergo vast shifts in the balance of power which we cannot predict today. Among the early losers of such a shift will be two small nations who have need of U.S. protection through our alliance with other countries. They are, of course, Greece itself, and Israel.

I urge the leadership to take appropriate action in the next few days.

PRESIDENT FORD'S LATEST VETO

(Mr. O'NEILL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. O'NEILL. Mr. Speaker, the President's vetoes now reach across the board.

The President has said no to jobs, no to housing, no to energy, no to education and health.

You name it; he has vetoed it.

It is hard to think of any group of Americans who have not been hurt by President Ford's vetoes. He has turned back every constructive piece of legislation that would help the people.

It is a strange way to run the country. It is an even stranger way to run for President. He is a good friend, but he has been a disaster for the country.

This health bill veto is the most callous yet. These are not new programs in this bill. This bill provides authorization for etablished, ongoing programs which are now providing services for the people.

By vetoing this bill, the President is taking away health services from the people.

I applaud the action of the Senate in voting to override. I urge every Member of the House to do the same.

TURKISH ACTION

(Mr. ROUSH asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. ROUSH. Mr. Speaker, Turkey has taken precipitate action in halting all activities at U.S. bases in that country in immediate retaliation for refusal by this House to lift the arms embargo. Let us look at what has actually happened.

Turkey is offended because we refuse to sell her arms. We have so refused not out of spite or vindictiveness, but because Turkey has used arms provided by us in a manner contrary to the conditions of such sale and contrary to law. Thus our action in this House was based on the conviction that we cannot ignore the restraints in all foreign assistance legislation which limit aid to defensive purposes. If we abandon this limitation, as Turkey would have us do, in one instance, we cannot expect to avoid having similar situations arise elsewhere. If we ignore our own law on the grounds of expediency we establish a precedent that is dangerous and irreversible.

Turkey has now not only endangered a traditional friendships with the United States, but has also placed an intolerable strain on the whole NATO alliance. Preservation of that alliance is surely as important to Turkey as to the United States. The trust and good will of all NATO nations has been severely strained by Turkey's angry and intemperate actions.

In virtually telling us that we are no longer welcome in Turkey, that nation also shows monumental ingratitude. Over the years since World War II the United States has supplied in excess of $6 billion worth of economic and military aid to Turkey. This is the thanks we get. If Turkey feels aggrieved with us for obeying our own law, how about our reaction to Turkey's demands? It makes you wonder if Turkey is really a friend and an ally who can be relied upon in times of stress or a fair weather friend? It makes you wonder if it is worth it for us to strain ourselves committing our troops, our arms, our prestige to the defense of such a country when that country does not want us there unless we are willing to violate our own law to meet their demands?

It is not the House of Representatives that needs to have second thoughts. It is Turkey which should reconsider the action they have taken.

CALL OF THE HOUSE

Mr. HOWARD. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 438]

Addabbo
Anderson, Calif.
Andrews, N.C.
Badillo
Baucus
Bedell
Bell
Biaggi
Blouin
Brinkley
Brooks
Broomfield
Buchanan
Burke, Calif.
Burton, John
Chappell
Clancy
Clay
Cochran
Conyers
Crane
Daniels, N.J.
Danielson
Davis
Dellums
Dent
Devine
Dingell
Duncan, Oreg.
Edwards, Ala.
Erlenborn
Esch
Eshleman
Evans, Ind.
Flood
Flowers
Ford, Mich.
Ford, Tenn.
Forsythe
Fraser
Frey
Fulton
Fuqua
Gibbons
Gilman
Ginn
Green
Hanley
Harkin
Harrington
Harsha
Hastings
Hébert
Heinz
Helstoski
Hillis
Hughes
Jarman
Jeffords
Johnson, Colo.
Jones, Okla.
Kastenmeier
Kindness
Landrum
Latta
Levitas
Litton
Lott
McEwen
McKinney
Macdonald
Matsunaga
Moorhead, Pa.
Murphy, N.Y.
Neal
Nix
Nolan
Patten, N.J.
Pepper
Peyser
Pike
Railsback
Randall
Rangel
Risenhoover
Rosenthal
Ruppe
Scheuer
Sisk
Smith, Nebr.
Solarz
Staggers
Steiger, Ariz.
Steiger, Wis.
Stephens

Stuckey
Teague
Thone
Thornton
Traxler
Udall
Ullman
Vander Jagt
Vigorito
Waxman
Whitehurst
Wiggins
Wright
Wydler
Wylie
Young, Alaska
Zeferetti

The SPEAKER. On this rollcall 322 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PERSONAL EXPLANATION

Mr. DAN DANIEL. Mr. Speaker, in the CONGRESSIONAL RECORD of Friday, July 25, it is recorded on page 24834 that I did not respond to rollcall No. 435.

I was on the floor and inserted my card, but apparently it did not record properly. I would therefore like to request unanimous consent that the permanent record reflect that it was my intention to vote in the affirmative.

The SPEAKER. The gentleman's statement will appear in the RECORD.

APPOINTMENT OF CONFEREES ON H.R. 8597, APPROPRIATIONS FOR TREASURY DEPARTMENT, U.S. POSTAL SERVICE, EXECUTIVE OFFICE AND CERTAIN INDEPENDENT AGENCIES

Mr. STEED. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 8597) making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and foı other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma? The Chair hears none, and appoints the following conferees: Messrs. STEED, ADDABBO, ROYBAL, SIKES, BOLAND, FLYNT, PATTEN, LONG of Maryland, MAHON, MILLER of Ohio, MCEWEN, ARMSTRONG, and CEDERBERG.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
July 28, 1975.

Hon. CARL ALBERT,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 11:45 A.M. on Saturday, July 26, 1975, and said to contain a message from the President wherein he transmits the third quarterly report of the Council on Wage and Price Stability.

With kind regards, I am,

Sincerely,

W. PAT JENNINGS,
Clerk, House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

THIRD QUARTERLY REPORT OF THE COUNCIL ON WAGE AND PRICE STABILITY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Banking, Currency and Housing:

To the Congress of the United States:

In accordance with section 5 of the Council on Wage and Price Stability Act, as amended, I hereby transmit to the Congress the third quarterly report of the Council on Wage and Price Stability. This report contains a description of the Council activities during the past few months in monitoring wages and prices in the private sector and reviewing various Federal Government activities that lead to higher costs and prices without creating commensurate benefits. It discusses in some detail the Council's studies of steel and metal can prices, cost-of-living escalator clauses and marketing spreads for food products. In addition, it contains a discussion of wages and prices during the first quarter of 1975 and the outlook for the rest of the year. Also included is a special chapter prepared by the Department of Health, Education, and Welfare on the cost of medical care.

Although it requires continuing attention, progress has been made in reducing the rate of inflation. With price increases now decelerating, moderation in wage settlements becomes very important. Wage increases that substantially raise unit labor costs could create new inflationary pressures. Moreover, the recovery of the economy should not be used as an occasion for business to raise prices in anticipation of stronger demand. The Council on Wage and Price Stability also will continue to monitor closely actions taken by the Government and will call to public attention unjustified activities that could have an adverse impact on price levels.

GERALD R. FORD.

THE WHITE HOUSE, *July 26, 1975.*

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
July 28, 1975.

Hon. CARL ALBERT,
The Speaker, U.S. House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 7:20 P.M. on Friday, July 25, 1975, and said to contain a message from the President concerning food stamps.

With kind regards, I am,

Sincerely,

W. PAT JENNINGS,
Clerk, House of Representatives.
By: W. RAYMOND COLLEY,
Deputy Clerk.

FOOD STAMP PROGRAM—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94-224)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Agriculture and ordered to be printed:

To the Congress of the United States:

Due to the existing law which invites almost unlimited expansion of the Food Stamp program, the cost of the program has nearly doubled in the past six months. The unemployment rate has also been a factor in the increase. To continue the Food Stamp program for the remainder of this fiscal year, I am forced to ask the Congress for an additional $3 billion over the $3.8 billion which I requested in my budget submitted in February.

Accordingly, I am today transmitting to the Congress a budget amendment requesting these additional funds.

The flaws in the existing law easily can be seen. Only 10 years ago, there were fewer than 500,000 people participating in the program at a cost of $36 million. Today, the number of participants has expanded to 20 million and the cost to $6.8 billion. Furthermore, if all those presently eligible under current law suddenly signed up for the program, estimates are that between 40 and 60 million persons would be receiving food stamps.

In short, what has evolved in just 10 years is another massive, multi-billion dollar program, almost uncontrolled and fully supported by Federal taxpayers.

Some claim that the Food Stamp program cannot be controlled and that ever-increasing costs are inevitable. I refuse to accept that proposition. Every public program is controllable. The Food Stamp Act was placed on the Statute books by the Congress which has the power and authority to amend the law.

Earlier this year, I submitted a proposal which would have required all participants in this program to pay a proportionate share of their total income for food stamps. This plan would have continued assistance to those in need and would have distributed benefits on an equitable basis. This reform was rejected by the Congress. Had it been approved, a savings of $1 billion in fiscal year 1976 at the current rate of participation would have resulted.

In submitting this revised budget request, made necessary by the existing law, I once again ask the Congress to work with me on needed changes. We must work toward two goals:

—In fairness to those truly in need, we must focus food stamp assistance on them;

—In fairness to the overburdened taxpayers who must pay the bills, we must tighten eligibility and participation requirements.

More than 70 members of the Congress already have joined in supporting legislation which would recognize the need for changes in the Food Stamp Act. Their proposal would concentrate resources on assistance to low-income

Americans and relate the Food Stamp program to other assistance programs directed toward these same families. It would introduce a number of positive objectives which should be supported by everyone who shares the desire to assist those truly in need and to control costs.

I urge in the strongest terms possible that the Congress begin hearings on these proposals at the earliest possible date. If this program is to be contained, even within its current bounds action must be taken immediately.

GERALD R. FORD.

THE WHITE HOUSE, *July 25, 1975.*

METRO TRANSIT POLICE

Mr. DIGGS. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H.R. 8719) to provide for an amendment to the Washington Metropolitan Area Transit Regulation Compact to provide for the protection of the patrons, personnel, and property of the Washington Metropolitan Area Transit Authority and ask unanimous consent that the bill be considered in the House as in the Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the bill as follows:

H.R. 8719

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress hereby consents to, and adopts and enacts for the District of Columbia, amendments to articles I and XVI of title III of the Washington Metropolitan Area Transit Regulation Compact (D.C. Code, sec. 1–1431 note) as follows, which amendments have been adopted substantially by the Commonwealth of Virginia and the State of Maryland:

(1) Section 1(g) of article I is amended by striking "and" at the end thereof.

(2) Section 1(h) of article I is amended to read as follows:

"(h) 'Transit Zone' or 'Zone' means the Washington Metropolitan Area Transit Zone created by and described in section 3, as well as any additional area that may be added pursuant to section 83(a); and".

(3) Section 1 of article I is amended by adding at the end thereof the following:

"(i) 'WMATC' means Washington Metropolitan Area Transit Commission.".

(4) Section 76 of article XVI is amended to read as follows:

"76. (a) The Authority is authorized to establish and maintain a regular police force to be known as the Metro Transit Police, to provide protection for its patrons, personnel, and transit facilities. The Metro Transit Police shall have the powers and duties and shall be subject to the limitations set forth in this section. It shall be composed of both uniformed and plainclothes personnel and shall be charged with the duty of enforcing the laws of the signatories, the laws, ordinances, and regulations of the political subdivisions thereof in the Transit Zone, and the rules and regulations of the Authority. The jurisdiction of the Metro Transit Police shall be limited to all the transit facilities owned, controlled, or operated by the Authority, but this shall not limit the power of the Metro Transit Police to make arrests in the Transit Zone for violations committed upon, to, or against such transit facilities committed from within or outside such transit facilities while in hot or close pursuit, or to execute traffic citations and criminal process in accordance with subsection (c). The members of the Metro Transit Police shall have concurrent jurisdiction in the performance of their duties with the duly constituted law enforcement agencies of the signatories and of the political subdivisions thereof in which any transit facility of the Authority is located or in which the Authority operates any transit service. Nothing contained in this section shall either relieve any signatory or political subdivision or agency thereof from its duty to provide police, fire, and other public safety service and protection, or limit, restrict, or interfere with the jurisdiction of or the performance of duties by the existing police, fire, and other public safety agencies.

"(b) Except as otherwise provided in this section, a member of the Metro Transit Police shall have the same powers, including the power of arrest, and shall be subject to the same limitations, including regulatory limitations, in the performance of his duties as a member of the duly constituted police force of the political subdivision in which the Metro Transit Police member is engaged in the performance of his duties. However, a member of the Metro Transit Police is authorized to carry and use only such weapons, including handguns, as are issued by the Authority, and only in the performance of his duties or while on the transit facilities owned, controlled, or operated by the Authority in direct transit to and from a duty assignment. A member of the Metro Transit Police is authorized to carry such weapons only while in direct transit to and from a duty assignment and is subject to such additional limitations in the use of weapons as are imposed on the duly constituted police force for the political subdivision in which he is engaged in the performance of his duties.

"(c) Members of the Metro Transit Police shall have power to execute on the transit facilities owned, controlled, or operated by the Authority any traffic citation or any criminal process issued by any court of any signatory or of any political subdivision of a signatory, for any felony, misdemeanor, or other offense against the laws, ordinances, rules, or regulations specified in subsection (a). However, with respect to offenses committed upon, to, or against the transit facilities owned, controlled, or operated by the Authority, the Metro Transit Police shall have power, except in the State of Maryland, to execute criminal process within the Transit Zone.

"(d) Upon the apprehension or arrest of any person by a member of the Metro Transit Police pursuant to the provisions of subsection (b), the officer, as required by the law of the place of apprehension or arrest, shall either issue a summons or a citation against the person, book the person, or deliver the person to the duly constituted police or judicial officer of the signatory or political subdivision where the apprehension or arrest is made, for disposition as required by law.

"(e) The Authority shall have the power to adopt rules and regulations for the safe, convenient, and orderly use of the transit facilities owned, controlled, or operated by the Authority, including the payment and the manner of the payment of fares or charges therefor, the protection of the transit facilities, the control of traffic and parking upon the transit facilities, and the safety and protection of the riding public. In the event that any such rules and regulations contravene the laws, ordinances, rules, or regulations of a signatory or any political subdivision thereof which are existing or subsequently enacted, these laws, ordinances, rules, or regulations of the signatory or the political subdivision shall apply and the conflicting rule or regulation, or portion thereof, of the Authority shall be void within the jurisdiction of that signatory or political subdivision. In all other respects the rules and regulations of the Authority shall be uniform throughout the Transit Zone. The rules and regulations established under this subsection shall be adopted and published in accordance with all standards of due process, including, but not limited to, the publishing or otherwise circulating of a notice of the intended action of the Authority and the affording to interested persons the opportunity to submit data or views orally or in writing, and the holding of a public hearing. Any person violating any rule or regulation of the Authority shall, upon conviction by a court of competent jurisdiction, pay a fine of not more than $250 and costs.

"(f) With respect to members of the Metro Transit Police, the Authority shall—

"(1) establish classifications based on the nature and scope of duties, and fix and provide for their qualification, appointment, removal, tenure, term, compensation, pension, and retirement benefits;

"(2) provide for their training and for this purpose, the Authority may enter into contracts or agreements with any public or private organization engaged in police training, and this training and the qualifications of the uniformed and plainclothes personnel shall at least equal the requirements of each signatory and of the political subdivisions therein in the Transit Zone for their personnel performing comparable duties; and

"(3) prescribe distinctive uniforms to be worn.

"(g) The Authority shall have the power to enter into agreements with the signatories, the political subdivisions thereof in the Transit Zone, and the public safety agencies located therein, including those of the Federal Government for the delineation of the functions and responsibilities of the Metro Transit Police and the duly constituted police, fire, and other public safety agencies, and for mutual assistance.

"(h) Before entering upon the duties of office, each member of the Metro Transit Police shall take or subscribe to an oath or affirmation, before a person authorized to administer oaths, faithfully to perform the duties of that office.".

SEC. 2. The Mayor of the District of Columbia is authorized and directed to enter into and execute on behalf of the District of Columbia amendments, substantially as set forth in the first section of this Act, to title III of the Washington Metropolitan Area Transit Regulation Compact with the State of Maryland and the Commonwealth of Virginia, which amendments shall become effective immediately upon execution of same.

SEC. 3. (a) Subchapter II of chapter 9 of title 11 of the District of Columbia Code is amended by adding at the end thereof the following new section:

"§ 11–924. Jurisdiction with Respect to Violations of the Rules and Regulations of the Washington Metropolitan Area Transit Authority

"The Superior Court has jurisdiction with respect to any violation, committed in the District of Columbia, of the rules and regulations adopted by the Washington Metropolitan Area Transit Authority under section 76(e) of title III of the Washington Metropolitan Area Transit Regulation Compact.".

(b) The chapter analysis for such chapter 9 is amended by inserting immediately after the item relating to section 11–293 the following new item:

"11–924. Jurisdiction with Respect to Violations of the Rules and Regulations of the Washington Metropolitan Area Transit Authority.".

SEC. 4. The right of Congress to alter, amend, or repeal this Act is hereby expressly reserved.

COMMITTEE AMENDMENT

The **SPEAKER**. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Page 8, before line 16, insert the following:

SEC. 4. Notwithstanding any other provision of this Act or of any other law, the Council of the District of Columbia shall have authority to enact any act adopting on behalf of the District of Columbia amendments to the Washington Metropolitan Area Transit Regulations Compact.

And on line 16, strike out "Sec. 4," and insert "Sec. 5.".

The committee amendment was agreed to.

Mr. **DIGGS**. Mr. Speaker, I move to strike the last word.

Mr. Speaker, the bill we have under consideration today, H.R. 8719, gives the consent of Congress to setting up a separate police force for the new subway system now under construction in the Washington, D.C. area.

The Washington Metropolitan Area Transit Authority which is building and will operate the new rail system is set up by an interstate compact between the District of Columbia and the States of Virginia and Maryland. Congress gave its consent to that compact by statutes adopted in 1960 and 1969.

In order to provide adequate policing for the safety of the passengers, employees and property of the new subway an amendment to the interstate compact has to be made and consented to by Congress. Section 1 of H.R. 8719 sets out the language of that compact amendment. This language has been carefully worked out over the last 3 years by the eight local jurisdictions involved. The legislatures of the States of Maryland and Virginia have already passed bills adopting the compact amendment in substantially the form it appears in this bill. The Council of the District of Columbia 2 weeks ago passed a resolution endorsing the compact amendment.

By adopting H.R. 8719, the Congress will be giving its consent to the interstate agreement, as required by U.S. Constitution, article 1, section 8, clause 3, which states in part:

> No state shall, *without the consent of Congress* . . . enter into any agreement or compact with another state . . ."

This bill has nothing to do with the financial problems and cost overruns in construction of the full subway system. Those questions may come to us at a later time.

The present bill is needed now because part of the subway system has already been built. As the Members know the first phase of the rail system is scheduled to start carrying passengers this fall. Additional tracks will be in service in 1976 and later years to the Pentagon and National Airport and the Capitol station being built here at D Street and 2d SE., and to other parts of the area.

The separate police force we are authorizing today will provide security on those trains and throughout the system.

The need for a small separate security force for the METRO trains is apparent. The trains will be passing through eight different local jurisdictions each with separate police departments in a matter of minutes. The police forces of the local jurisdictions will be able to give good protection to passengers at the train stations and parking lots in each political subdivision. The METRO police are needed to provide the protection as the trains pass from jurisdiction to jurisdiction. For example, the trains from Alexandria, Va., will be stopping at National Airport where the FAA police have authority, on the Pentagon station where the Federal Protective Service will be on duty, and into the District of Columbia which has a separate force. The Capitol Hill station over here will have an exit on the Capitol grounds at 1st and D streets SE., under the jurisdiction of the Capitol Hill police.

We cannot allow responsibility for public safety on the trains to be fragmented between all of these local forces. Coordination and continuity must be provided by the areawide operation of the METRO transit police.

Uniform regulations WMATA will adopt under this compact amendment will provide additional uniformity of police protection systemwide.

The purpose of the bill (H.R. 8719), as reported (H. Rept. 93–379), is to amend the Washington Metropolitan Area Transit Regulation Compact, articles I and XVI of title III (D.C. Code, title I, sec. 1431), in order to authorize the Washington Metropolitan Area Transit Authority—WMATA—to establish and maintain a regular Metro Transit Police Force.

The bill provides congressional consent to amendments to the compact substantially adopted by the Commonwealth of Virginia—on April 8, 1974—and the State of Maryland—on May 31, 1974—and enacts such amendments for the District of Columbia. The bill defines the role and jurisdiction of the Metro Transit Police Force; authorizes the issuance of rules and regulations by the Transit Authority for safe and effective transit facility operations; designates the Superior Court of the District of Columbia as the court of competent jurisdiction in the District of Columbia for prosecution of violations against Transit Authority rules and regulations in the District of Columbia; and clarifies the authority of the Council of the District of Columbia to enact amendments to the compact agreement.

MAJOR PROVISIONS OF THE BILL

SECTION 1. DEFINITIONS, ESTABLISHMENT OF METRO TRANSIT POLICE

In this section, the transit zone of the Washington Metropolitan Area Transit Authority's facilities is defined. The Transit Authority is authorized to establish a regular Metro Transit Police Force with defined powers to be the same as those of law enforcement officers of the signatory jurisdictions. The transit police force is provided authority to enforce the laws of the compact signatory jurisdictions, and is given concurrent jurisdiction with the law enforcement agencies of the signatories and their political subdivisions.

Transit police will be restricted in their use of weapons by the regulations imposed upon the regular police forces of the political subdivisions in which the transit police are performing their duties. Transit police force personnel are authorized to carry and use only such weapons as are issued by the Transit Authority, and may only carry and use such weapons when in the performance of their duties, or while on transit facilities in direct transit to or from a duty assignment.

Transit police force members are authorized to execute traffic citations and criminal process if issued by any court of a signatory jurisdiction, for any offense against the laws and regulations of the signatories, their political subdivisions or the regulations of the Transit Authority. The transit police, except in the State of Maryland, may execute criminal process for offenses upon or against transit facilities.

In amending section 76(d) of the Washington Metropolitan Area Transit Regulation Compact, H.R. 8719 defines the transit police officer's procedure upon making an apprehension or arrest. By the provisions of this section, such officer shall either issue a summons or citation against the person, book the person, or deliver the person to the constituted police or judicial officer of the signatory jurisdiction or its political subdivision, where the apprehension or arrest is made, for disposition in accordance with the laws of the place of apprehension or arrest.

The bill, in amending section 76(e) of the compact, authorizes the Washington Metropolitan Area Transit Authority to adopt rules and regulations governing the safe and orderly use of transit facilities, providing that such rules and regulations are uniform throughout the transit zone, and provided that such rules and regulations are adopted in accordance with due process. Basic requirements for due process are defined in this subsection. Violation of rules and regulations of the Transit Authority are punishable by a maximum fine of $250, and costs. Any Transit Authority rules and regulations which contravene the laws of a signatory or its political subdivisions shall be void within such a jurisdiction.

The amendments to compact section 76(f) authorize the establishment of duty classifications and qualifications for the transit police, authorize training of such police, and provide for distinctive uniforms for the transit police personnel, as prescribed by the Washington Metropolitan Area Transit Authority.

The amendments to compact section 76(g) provide that the Transit Authority may enter into agreements defining the functions and responsibilities of the transit police, and may establish agreements for mutual assistance with the signatories, their political subdivisions, and the public safety agencies.

Members of the transit police force shall be administered an oath of office to perform the duties of their office faithfully.

SECTION 2. DUTIES OF THE MAYOR OF THE DISTRICT OF COLUMBIA

In this section, the Mayor of the District of Columbia is authorized and directed to execute, on behalf of the District of Columbia, any amendments substantially set forth in section 1 of this legislation. Such amendments will become effective immediately upon execution.

SECTION 3. JURISDICTION OF THE DISTRICT OF COLUMBIA SUPERIOR COURT

This section provides that the District of Columbia Superior Court shall have jurisdiction and regulations of the Washington Metropolitan Area Transit Authority, adopted pursuant to the provisions of the legislation.

SECTION 4. AUTHORITY OF DISTRICT OF COLUMBIA COUNCIL

This section clarifies the authority of the Council of the District of Columbia to enact legislation on behalf of the District of Columbia adopting amendments to the Washington Metropolitan Area Transit regulation compact.

SECTION 5. RESERVATION OF CONGRESSIONAL RIGHT

This section expressly reserves the right of Congress to amend, alter, or repeal this act, pursuant to the customary practice regarding interstate compact consent legislation.

COMMITTEE AMENDMENT

The amendment is as follows:

Page 8, before line 16, insert the following:

SEC. 4. Notwithstanding any other provision of this Act or of any other law, the Council of the District of Columbia shall have authority to enact any act adopting on behalf of the District of Columbia amendments to the Washington Metropolitan Area Transit Regulation Compact."

And on line 16, strike out "Sec. 4." and insert "Sec. 5.".

The committee amendment makes it explicitly clear that the Council of the District of Columbia has the authority to enact legislation on behalf of the District of Columbia adopting amendments to the Washington Metropolitan Area Transit Regulation Compact.

Congressional action was taken in this respect in H.R. 8719 to clarify the District Council authority and to insure adoption of the amendments to the compact within the short time period projected for the start of initial rail system operations. Although initial operations of the rapid rail system are projected for November 1975, the committee had received estimates that the earliest effective date for legislation by the City Council would be December 1975.

Under this amendment, the signatories to any future amendments to this compact will continue to be required to obtain the usual consent of Congress. As to all such future amendments to this compact, Congress would be acting solely for itself pursuant to the customary consent procedure for interstate compact amendments, and no longer for and on behalf of the District of Columbia.

Mr. Speaker, I reserve the balance of my time at this point so that the gentleman from South Carolina (Mr. MANN), through whose subcommittee this matter was considered, may enter into a full explanation of the bill.

GENERAL LEAVE

Mr. MANN. Mr. Speaker, I ask unanimous consent that all Members may be permitted to revise and extend their remarks on the bill under consideration.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. MANN. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, for the information of the Members, the current plan of the Washington Metropolitan Transit Authority is to open 4½ miles of subway on or about November 1 of this year and an additional 18 miles in June of 1976. They have had a little slippage, and they may have more, but that is the plan at the moment.

Mr. Speaker, H.R. 8719 would grant consent of Congress for the State of Maryland, the Commonwealth of Virginia, and the District of Columbia to amend the Washington Metropolitan Area Transit Regulation Compact—herein, the "Transit Regulation Compact," or "the Compact." The purpose of the proposed interstate compact amendment is to provide the Washington Metropolitan Area Transit Authority—herein "WMATA"—with authorization to establish and maintain a systemwide Metro transit police force adequate to insure the protection and safety of Metro passengers, personnel, and transit facilities.

The Transit Regulation Compact (sec. 76, art. XVI) in its present form provides only for a minimal transit security capability comprised of special watchmen and related personnel. The compact amendment embodied in H.R. 8719 would authorize maximum protection through a regular transit police force, mutual aid agreements between WMATA and the local transit zone jurisdictions, and uniform rules and regulations for transit zone.

In order to generate the relatively high and sustained level of ridership necessary to assure a successful operation by Metro, the public must have a strong sense of confidence in its personal safety and security. The President's 1967 Commission on Law Enforcement and Administration of Justice reported that crime affects the use of public transportation, because "fear of crime" was found to be an important consideration in the decision to use or not to use public transportation. Urban transit systems have suffered loss of ridership due directly to the problem of fear of victimization. Metro presents a unique opportunity in this regard, because it is a new and functionally designed, modern rapid rail transit system, unencumbered by station and other facility-structured design characteristics which aid and abet criminals. In addition, an adequate security program will be required to deal with a wide range of further concerns, including crowd management, vandalism, and such potential hazards as fire, power failures, and individual emergencies. Such protection will require a highly trained and skilled Metro security force.

The reported legislation provides that Metro transit police and local police shall have concurrent jurisdiction on all transit facilities. However, it is understood that Metro transit police will have primary law enforcement responsibility for the trains and tunnels, and local police will have primary enforcement duties regarding station platforms and parking lots.

The jurisdiction of the Metro transit police normally will be limited to transit facilities, except that they may make arrests anywhere in the transit zone for violations committed upon, to, or against transit facilities while in hot or close pursuit. In addition, Metro transit police will be authorized to execute criminal process throughout the transit zone for offenses committed upon or against Metro facilities, except in the State of Maryland.

Metro transit police will be authorized to enforce the laws of the signatory jurisdictions; the laws, ordinances, and regulations of the political subdivisions within the transit zone; and WMATA rules and regulations.

The powers of the Metro transit police will be identical to those of the duly constituted police force of the jurisdiction in which they are on duty. However, a Metro transit police officer may carry and use a weapon only in performance of his duties or while on transit facilities in direct transit to and from a duty assignment.

The proposed legislation had been referred jointly to the Subcommittee on Judiciary, of which I am chairman, and the Subcommittee on Commerce, Housing and Transportation, chaired by the distinguished gentleman from Georgia (Mr. STUCKEY). Our subcommittees requested and received written comments and views on this legislation from 45 officials and other interested parties in the jurisdictions to be served by Metro. These officials included mayors, county executives, local legislators, judges, police chiefs, local prosecutors, and others including WMATA representatives.

On July 17, 1975, the two subcommittees held hearings and markup on this legislation, during which consideration was given to the aforementioned views and comments, as well as to testimony by Mayor Walter E. Washington's representative, the Metropolitan Council of Governments' representatives, WMATA's representatives, and a prepared statement submitted by the Council of the District of Columbia. These comments and testimony covered the need for a Metro transit police force, the extent of its authority, and overwhelmingly supported the establishment and maintenance of such a force.

The subcommittees were sensitive to the limited time remaining before the expected opening of the first segment of the Metro subway this fall. The reported legislation does not purport to deal with all aspects of every issue raised during subcommittee consideration of this matter. However, the basic need for the Metro transit police has been established, and the essential elements concerning its powers, duties, and operations have been defined by this legislation. Some issues raised will, of necessity, have to be dealt with at a future time, and the subcommittees intend to maintain a continuing oversight responsibility as to this legislation.

The subcommittees reported to the full committee H.R. 8719, by which the Congress would consent to, adopt and enact for the District of Columbia the transit regulation compact amendment to authorize WMATA to establish and maintain a Metro transit police force. Upon consideration by the Full Committee on the District of Columbia, an amendment was offered by our distinguished chairman, CHARLES C. DIGGS, JR., who provided most able leadership at the full committee level. His amendment was adopted by the full committee when it unanimously reported out H.R. 8719 on July 21, 1975. The effect of the committee amendment is to provide that although the Congress would adopt and enact the compact amendment for and on behalf of the District of Columbia at this time, any future amendments to the transit regulation compact may be adopted and enacted by the Council of the District of Columbia acting in its own legislative capacity. It should be noted that any such future amendment to the compact adopted and enacted by the council for the District of Columbia, will continue to be subject to the consent of Congress acting pursuant to the usual procedure for interstate compact amendments under article I, section 10, clause 3, of the U.S. Constitution.

Mr. Speaker, before I conclude, I would like to commend the distinguished gentleman from Maryland, Mr. GILBERT GUDE, who played such a key role in sponsoring this bill reported by the full committee, and greatly assisted us throughout the course of the legislative process of this measure so important to the protection and security of all who would use the Metro transit system facilities.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. MANN. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, I notice that this bill apparently is going to cost the Federal Government, according to the figures I have seen, $1.5 million for the first year of operation and $2.5 million in each subsequent year.

Why is the Federal Government authorizing this amount for a District of Columbia government function or is that a mistaken figure? If it is not, why is the Federal Government being asked to pay any part of this, since Metro is part of the responsibilities of a local jurisdiction?

Mr. MANN. Mr. Speaker, those are figures in the report, but in the bill the Federal Government is not requested or required to pay any part of this. This is an operating expense, just like any other operating expense.

Mr. BAUMAN. Is the Metro not supposed to operate out of its own revenues and the funds of the Government of the District of Columbia rather than at the expense of all Federal taxpayers?

Mr. MANN. It is. This bill does not authorize the allocation of these funds. That data is merely in the report for information purposes. This is an operating expense of the Metro, and hopefully it will come out of operating revenues.

Mr. BAUMAN. However, there is apparently some plan to ask the Federal Government to subsidize that?

Mr. MANN. Mr. Speaker, I am afraid we can expect that with reference to many mass transportation plans. We do not concede, I do not concede, and the gentleman does not concede that this is proper, and hopefully it will not happen. In this case the cost of the Metro police is not being handled any differently than the cost of railroad cars or equipment or anything else.

Mr. BAUMAN. Mr. Speaker, I thank the gentleman.

Mr. GUDE. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, the Metro subway system is scheduled to begin operations in the fall. We are all awaiting this event with great anticipation because it will herald the realization of a project for which we have labored so long and so hard.

As construction is completed and Metro inaugurates service, Metro will have to turn its attention to the problems peculiar to the operation of a subway system. One of these problems is security. For Metro to be a successful solution to the transit problems of the Washington metropolitan area, it will be necessary to insure the safety of Metro's passengers, personnel, property, and profits. Your constituents as well as the local residents cannot reasonably be expected to use the subway and Metro personnel cannot be expected to operate the subway if they are concerned about their personal safety. In addition, Metro will never be a financially viable system if its property and profits are not protected.

During construction of Metro, concern for security has been embodied in the design of the system which will minimize the potential for crime. Through the use of lighting and the absence of hiding places such as structural recesses and restrooms, Metro stations will not have any of the physical characteristics common in other subways which a person intent on committing a crime can use to his advantage.

The design of the subway system must be supplemented, however, with the deployment of personnel to deter criminal conduct, to apprehend those who choose to violate the law, to provide crowd control, and to assist with accidents. The most common vehicle for transit authorities to meet this need for security personnel has been the creation of a special transit security force which is recruited, trained, and deployed to cope with the particular types of problems presented by a transit system.

The State of Maryland and the Commonwealth of Virginia have adopted an amendment to the Washington Metropolitan Area Transit Regulation Compact which would provide for the Metro transit police. This security force would have authority to enforce the laws of the signatories, the laws, ordinances, and regulations of their political subdivisions within the transit zone, and Metro rules and regulations which WMATA would be empowered to adopt for the safe, convenient, and orderly use of its transit facilities. The Metro transit police would be limited in their jurisdiction to the transit facilities owned, controlled, or operated by WMATA and would be subject to the same limitations in the performance of their duties as are imposed upon the police force of the political subdivision in which the Metro transit police member is engaged in the performance of his duties.

This system was designed in consultation with the police chiefs and prosecuting attorneys of the various political subdivisions in the area served by Metro and was endorsed by the Public Safety Policy Committee of the Metropolitan Washington Council of Governments.

Before the compact amendment providing for the security force can become effective, it must be adopted on behalf of the District of Columbia, and Congress must give its consent. The need for the Metro transit police should be obvious. The need for us to enact this legislation as quickly as possible is equally clear. Metro will commence operations in the fall, and they must have a sufficient amount of time to recruit, hire, train, and deploy the security force that is so essential to the successful operation of the subway. Many of your constituents will be coming to the Nation's Capital for our Bicentennial celebration, and they will want to use the new subway to go to the monuments, the museums, and the downtown business district. We must insure their safety so that their visit here will be a happy one. Therefore, I hope that we can consider the matter before us with all due dispatch, and I urge the prompt passage of H.R. 8719.

Mr. BIESTER. Mr. Speaker, will the gentleman yield?

Mr. GUDE. Yes, I yield to the gentleman from Pennsylvania.

Mr. BIESTER. Mr. Speaker, I rise in support of H.R. 8719, legislation amending the Washington Metropolitan Area Transit Regulation Compact to provide for a Metro transit police force.

There is no doubt that a Metro security force is an absolute necessity for the successful operation of the Metro system. A subway system, regardless of its convenience, attractiveness, and speed, will not attract riders if the public is fearful for its safety on the subway or in the Metro stations. As the committee report indicates:

> Several studies . . . have found a direct relationship between levels of transit ridership and fear of victimization while patronizing public transit systems.

I believe protection of riders is the primary and most obvious reason for the creation of a transit security force. In subcommittee deliberations on this legislation, I made the point that the wording in this bill should more precisely specify the protection of patrons utilizing the transit facilities than merely the safeguarding of the facilities alone. Although the language in section 76(a) was not made more explicit, I was assured by committee counsel and WMATA officials that it is clearly the intention of the legislative language to protect the riding public. The committee report, on page 10, underscores this by stating that—

> The language and intent of this Section [76(a)] clearly imposes a duty upon Metro Transit Police to protect its patrons and personnel as well as transit property. Metro

> Transit Police are charged with enforcement of all laws, ordinances, rules and regulations applicable in the Transit Zone.

Mr. Speaker, I am hopeful that with passage of this legislation and the creation of a Metro transit police force, residents of and visitors to the Washington area who will begin riding Metro in November of this year will do so with assurance that their rights and personal safety are being protected.

Mr. **WHALEN**. Mr. Speaker, will the gentleman yield?

Mr. **GUDE**. I yield to the gentleman from Ohio.

Mr. **WHALEN**. Mr. Speaker, I rise in support of H.R. 8719 as amended and reported by the Committee on the District of Columbia. In both human and economic terms, I believe there is a compelling need to establish the Metro police force which this legislation would authorize.

First, with respect to the citizens of the Washington metropolitan area, it is understandable that a major factor on which they will predicate their use of the Metro system will be its security. As the committee's report stated:

> Several studies, including one conducted by the President's Commission on Law Enforcement and Administration on Justice, have found a direct relationship between levels of transit ridership and fear of victimization while patronizing public transit systems.

During the subcommittees' hearings, Metro officials pointed out that as a result of modern construction techniques and through their own planning program, the stations and trains have been designed to provide maximum personal passenger safety. Thus, by approving H.R. 8719 this morning, the House will enable the District to join Virginia and Maryland authorities in further cooperating with WMATA personnel in efforts to generate public confidence in the Metro system.

My second point, which concerns the economic aspects of the Metro rapid rail system, is related to the first. That is, a lack of security for the public will result in reduced ridership and, consequently, a loss of revenue for Metro. I am aware of the reports which indicate the strong possibility that the system will not be able to generate revenues sufficient to cover costs. It appears that this could be the case even when the system becomes fully operational. Therefore, unless every effort is made to encourage public use, there will be little opportunity to reverse those predictions. However, enactment of H.R. 8719 can be a significant move toward that reversal.

Mr. Speaker, I urge the House to adopt this legislation.

Mr. **HARRIS**. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, I would like to state my strong support for the enactment of H.R. 8719, a bill to grant the consent of Congress for the State of Maryland, the Commonwealth of Virginia and the District of Columbia to amend the Washington Metropolitan Area Transit Regulation Compact. This action would grant the Washington Metropolitan Area Transit Authority—WMATA—the authority to create a Metro transit police force for the purpose of providing safety and protection to the public on the Metro rapid rail system scheduled to begin operation this fall.

This bill provides for concurrent jurisdiction of Metro and local police on all transit facilities. Primary law enforcement responsibility for the trains and tunnels will rest with the Metro police while the local authorities will retain primary responsibility for stations and parking lots. The Metro police can make arrests anywhere in the transit zone for violations committed upon, to, or against transit facilities while in hot pursuit.

In order to generate the high and sustained level of ridership necessary to make Metro a successful operation, the public must have a strong sense of confidence in its personal safety and security. Metro is a totally new, functionally designed modern transit system. It is unencumbered by station and other facility-structured design characteristics. The Metro transit police force would guarantee a high level of security that is vital to its acceptance and use by the public.

The citizens of the Washington metropolitan area have reached agreement on how the Metro system should be policed. Maryland and Virginia legislatures have already enacted Metro transit police force legislation in substantially the form contained in this bill. The plan has also been endorsed by city and county officials and police chiefs throughout the metropolitan area. It is vitally important that this legislation be considered by Congress as soon as possible since the transit system is scheduled to open within the District of Columbia in September of 1975.

Moreover, it is essential that a trained and experienced Metro transit police force be operational in order to aid and protect visitors to the Nation's Capital during the Bicentennial. I urge my colleagues to support this bill which is of great importance to our Nation's Capital.

Mr. **FRASER**. Mr. Speaker, the committee amendment to H.R. 8719—a new section 4—is a restatement of the power of the Council given by the Home Rule Act. As we were told in the full committee markup session, the Council acts under time limitations which make it necessary for Congress to bypass the Council in this one instance, and adopt section 2 of H.R. 8719 enacting the compact change on behalf of the District of Columbia, in order that the new police force will be in operation on the November 1 opening date of subway service.

The time schedule we were given in full committee showed that if the Council enacted the compact change in early October, after its scheduled hearing of September 18, the need for a layover of 30 congressional legislative days would postpone the effective date of the Council act until mid-December, too late for the opening of Metro rail service.

As long as the Council has adopted its Resolution 1–100 of July 15 favoring the Metro police force under this compact change, I believe Congress is acting within the spirit of the Home Rule Act by adopting H.R. 8719 as amended.

The broad delegation of legislative authority granted by Congress to the Council of the District of Columbia by the Home Rule Act is contained in the following words from that act:

> The legislative power of the District shall extend to all rightful subjects of legislation within the District . . . (Sec. 302).

That is the same language used in other statutes granting power to territorial legislatures. It is always clear that a legislature granted this power is to pass bills effective only within its boundaries but that the subject matter of legislation can be extensive, without coming back to Congress for separate enactment.

Under this grant of power territories have regularly joined interstate compacts. The Virgin Islands Legislature, for example, has enacted the interstate compacts on education, on parole and probation, and on civil defense. There has been no need to have Congress enact the compacts on behalf of the Virgin Islands. Once Congress has given consent to the compact, it is up to the territorial legislature whether to enact the compact, just as it is up to a State legislature whether to enact an interstate compact on behalf of its State.

Among the special restrictions on the council of the District of Columbia is section 602(a)(3). The wording of that clause first appeared in a home rule bill adopted by the Senate in the 85th Congress. In the context of its adoption I believe it was intended to clarify one special feature of the powers proposed for the new local government of the District. The new government would naturally have to amend acts formerly adopted by Congress, because all local law had been adopted by Congress since 1874.

The purpose of 602(a)(3) is to except those congressional statutes which mention the District but are not local in nature, such as the National Capital Planning Commission statutes or the many Federal programs which contain the words, "for the purposes of this act the District of Columbia shall be considered a State." It was logical that the new District of Columbia government would not have the power to amend these nationwide acts or adopt acts which conflict with them or with other Federal laws dealing with the functions and property of the Federal Government. For that reason the wording of section 602(a)(3) was inserted as follows:

> The Council shall have no authority . . . to . . . enact any act, or enact any act to amend or repeal any Act of Congress, which concerns the functions or property of the United States or which is not restricted in its application exclusively in or to the District.

The explanation of the Home Rule Act given on the floor of the House by the subcommittee chairman, the gentleman from the State of Washington (Mr. ADAMS) makes the meaning clear. He said the Council is prohibited from "repealing any act of the Congress which concerns the functions or property of the United States not limited or restricted in its application exclusively to the District."

Mr. **FAUNTROY**. Mr. Speaker, I am pleased to support the bill, H.R. 8719, which would grant the consent of Congress to amend the Washington Metropolitan Area Transit Regulation Compact to provide for the protection of the patrons, personnel, and property of the Transit Authority.

This bill, Mr. Speaker, is vitally necessary if the Metro system is to begin operation in November 1975 with the full support of the area residents without fear on their part for their safety, either as the result of acts directly perpetrated against them, the system or of any failure of the system. This security force not only will act to protect the system, it will serve as the primary coordinator of any emergency process which may have to be implemented by reason of fire, power failure, or other disaster.

Your Committee on the District of Columbia has taken extensive testimony on every aspect of this bill. I believe that it has concluded, as I have, in my capacity as the District of Columbia Delegate, that this bill is well drafted and represents the considered judgment of all of us who believe that we must act to insure the viability of the Metro system at every step of the way.

While I am fully supportive of the bill, I would like to draw your attention to the committee's amendment which would insert a new section 4—page 8 at lines 13 to 17—to provide the District of Columbia with authority to: "enact any act adopting on behalf of the District of Columbia amendments to the Washington Metropolitan Area Transit Regulation Compact."

I do not believe that this amendment is necessary since the Self-Government and Governmental Reorganization Act seems to provide adequate authority to the City Council to enter compact agreements subject always—as would be the case in any State—to the consent of the Congress. The Congress cannot, of course, delegate to another body its power to grant or withhold consent. Thus, the amendment appears to me to be redundant to the city's existing authority.

I do not, however, intend to offer any amendment to eliminate the language since I do not believe that it affects the substance of the bill and, indeed, may clarify some questions which have been raised about the authority of the city to enter into compact agreements.

I would like to also note the fact that this Congress action with respect to this compact does not entail any additional costs to the system which have not already been planned nor will it have any adverse inflationary impact upon the budgets of the Federal or local jurisdictions.

Mr. STUCKEY. Mr. Speaker, I rise in support of H.R. 8719. This bill authorizes the Washington Metropolitan Area Transit Authority—WMATA—to establish and maintain a regular Metro transit police force.

The legislation was the subject of hearings cochaired by Congressman JAMES R. MANN, chairman of the Judiciary Subcommittee, and myself, as chairman of the Subcommittee on Commerce, Housing and Transportation, of the Committee on the District of Columbia.

In brief, the bill enacts for the District of Columbia amendments to the WMATA regulation compact to permit this transit police force. Such amendments have already been substantially adopted by the Commonwealth of Virginia and the State of Maryland, the other areas which, with the District, comprise WMATA.

NEED FOR LEGISLATION

In its present form, the Washington Metropolitan Area Transit Regulation Compact provides for a limited security system for the regional mass transportation system. Article 76 of the compact provides:

> 76. The Board is authorized to employ watchmen, guards and investigators as it may deem necessary for the protection of its properties, personnel and passengers and such employees, when authorized by any jurisdiction within the Zone, may serve as special police officers in any such jurisdiction. Nothing contained herein shall reli(e)ve any signatory or political subdivision or agency thereof from its duty to provide police service and protection or to limit, restrict or interfere with the jurisdiction of or performance of duties by the existing police and law enforcement agencies.

As stated in article 76 of the compact, the transit authority is authorized to hire special police officers, or investigators, but, under present compact provisions, may not employ a regular, or transit police force. At this time, there is legal authorization for special police, or their equivalent, in the District of Columbia, Maryland, Virginia, and in all their political subdivisions. Such special police officers are available to provide transit system security on a purely local basis, and as such, their jurisdiction is limited to the appointing locality.

Local police forces, although they would not require major additional costs for administration of transit security, would experience patrol dead time on overlapping patrols where transit lines crossed State boundaries, because their personnel would have to make return trips after the transit system crossed each jurisdictional boundary. Similarly, use of statewide police forces would again result in some patrol dead time as State boundaries are crossed, and, in addition, would require the establishment of new administrative structures to provide State protective services, along with additional costs for such administration.

In addition, the proposed Metro Transit Police Force—as opposed to State or local police forces—must be prepared and will be required to deal with unique problems associated with underground rapid rail systems—including crowd management, vandalism, fire hazards, system power failures, and individual emergencies. A highly trained and skilled transit police force is essential to meet these needs. It would not be cost-effective for each separate jurisdiction to train State or local police in these skills.

It is the opinion of the committee that the continued use of special police forces to provide security for the Washington regional mass transportation system is neither practical nor economically feasible, particularly in situations currently projected, in which not only will the rapid rail system begin its operation across jurisdictional boundaries, but also, the system will provide mass transit services to numerous visitors to our National Capital Bicentennial celebrations.

The first two phases of rail system operation would include 4½ route miles with six stations for the first phase scheduled to initiate operations in November 1975, and an additional 18 route miles with 25 stations scheduled to start operations in June 1976. By the start of the second phase, the rapid rail and coordinated bus systems will cross interjurisdictional boundaries, with projected peak-hour ridership of as many as 100,000 patrons, and would require that security provisions be arranged for the transit operations. Additional ridership of the mass transit system is projected for 1976, with the influx of persons to the District of Columbia to attend Bicentennial events and celebrations. Estimates of visitors to the District during 1976 have ranged as high as 30 million persons, or nearly 200,000 persons per day.

If there is to be established a regular Transit police force, the estimated recruiting and training period for the initial transit force is 6 months, and if other provisions are to be made for security provision by the signatory jurisdictions, the estimates for such arrangements range up to 1 year. Accordingly, the States of Maryland and Virginia have adopted proposed amendments to the Transit regulation compact to provide for a regular, Transit police force for the Washington metropolitan area mass transit system. This legislation provides for adoption of the proposed amendment on behalf of the District of Columbia, and provides congressional consent for its adoption by the signatory jurisdictions.

As to the size of the Metro Transit police force, the testimony before the committee was that the current budget estimates for the Security Department of the Washington Metropolitan Area Transit Authority provide for an initial 96-member regular Transit police force, which when the transit operations expand, will be increased to an approximately 200-member force.

BACKGROUND

The Washington Metropolitan Area Transit Authority is the interstate compact agency with primary responsibility for construction of Metro rapid transit facilities, operation of such facilities, and the administration and operation of the bus system for the Washington metropolitan region. Construction of the initial segments of the Metro rail system—designed to serve as a regional rapid rail transit system for the District of Columbia and parts of Maryland and Virginia—are nearly completed, with operations of the first 4½ miles projected to begin November 1, 1975. Two additional phases of subway system operations are currently projected to start during 1976, along with coordination of the regional bus system and transit system passenger parking lots to provide access to Metro rail stations.

The Washington Metropolitan Area Transit Authority is responsible for providing security for its operations, personnel, patrons, and facilities in a transit zone embracing the District of Columbia, portions of two States, four counties, several independent cities, and other municipal corporations, and in which each individual government has varying laws, ordinances, regulations, law enforcement and judicial processes which have an impact upon the security programs for the mass transit system. In previous years, the Transit Authority provided security for the construction of mass transit facilities through the employment of watchmen, guards, and special police. The authority has also, since consolidation and initiation of their control over various regional bus systems, used similar personnel or private firms to provide security for the bus system facilities; and local police forces in the District and in the Virginia and Maryland suburban areas have provided passenger security when needed for the bus system.

Provision of security for initial operating phases of the rapid rail system, as well as for buses, parking and other elements of the coordinated mass transit systems for the region, involves consideration of several factors.[1] First, the costs of operating and maintaining the Metro system, as well as those associated with depreciation and transit system bond debt, under the current funding arrangements are to be handled in the same manner as other operating expenses. A rather high, consistent level of system ridership will be necessary in order to generate sufficient revenues to cover such costs. In order to generate relatively high levels of ridership, the Metro security system must generate public confidence with regard to the comparative safety of patronizing the mass transit system. Several studies, including one conducted by the President's Commission on Law Enforcement and Administration of Justice, have found a direct relationship between levels of transit ridership and fear of victimization while patronizing public transit systems. Presumably, the effectiveness of the Transit Authority's security system will have a recognizable impact upon its level of ridership and upon its revenues.

Next, the rapid rail system has been designed to begin operations under a schedule phased over a minimum 5-year period. Protection will be needed for Metro subway system stations and other facilities before they are operational for patron use, during stages of partial construction completion, and during periods of facilities testing. It has been estimated that rail system facilities in construction and preoperational phases will require security protection for as long as 2 years.

Finally, the adopted mass transit system for the Washington metropolitan area involves a high-speed, interjurisdictional rapid rail system through the two States, the District of Columbia, four counties, and numerous municipal jurisdictions indicated, whose rules, regulations, laws, and ordinances must be enforced by public safety agencies both in transit facilities and near such facilities. The security provision for the regional mass transit system must provide for interjurisdictional coordination, must be capable of effectively protecting transit operations across jurisdictional boundaries, and must be capable of effectively providing security in high-speed, technologically sophisticated transit operations.

As a result of the complex factors involved in developing a security system for the regional rapid transit operations, the Washington Metropolitan Area Transit Authority in 1972 retained a consulting firm to study the security needs for their proposed operations. The consultants reviewed security provisions of other transit systems and the specialized needs of the Washington metropolitan region. Their report, completed in December 1972, concluded that watchmen, guards, investigators, or any system of special police would not provide effective protection of regional transit operations, particularly because of the numerous local statutes and ordinances regulating the actions of special police in the compact signatory jurisdictions. The report recommended a regular, interjurisdictional transit police force which would work in cooperation with local police forces of the affected jurisdictions.

A similar concept has been used to provide security for various other mass transportation systems, including those of Chicago and New York City. The security system used in Chicago consists of a specialized branch of the city police department, with responsibility for surveillance of all transit system facilities and operations, including the system's trains, parking lots, buses, and maintenance facilities. Similarly, the systems used by New York City transit agencies include separate, specially trained regular police forces, also responsible for the protection of all transit system facilities and operations.

In 1973, a committee of officials representing various jurisdictions within Virginia and Maryland, and representing the District of Columbia, drafted an amendment to the Washington metropolitan area transit regulation compact, authorizing the Transit Authority to establish a regular, interjurisdictional transit police force. The concept of a joint transit system policing force was approved by 17 regional and local entitles in 1973 and 1974:

APPROVAL BY REGIONAL AGENCIES OF THE JOINT POLICING CONCEPT FOR WMATA

Washington Metropolitan Area Transit Authority Board of Directors—June 14, 1973.

Metropolitan Washington Council of Governments Public Saftey Policy Committee—Oct. 4, 1973.

Metropolitan Washington Council of Governments Board of Directors—Oct. 10, 1973.

Northern Virginia Transportation Commission—Unknown, 1973.

Washington Suburban Transit Commission—Unknown, 1973.

Montgomery County Executive—Unknown 1973.

Montgomery County House Delegation—Oct. 16, 1973.

Prince Georges County Executive—Nov. 7, 1973.

Prince Georges County Council—Nov. 7, 1973.

Arlington County—Jan. 26, 1974.

Fairfax County, Va.—Aug. 6, 1973.

City of Alexandria, Va.—Mar. 14, 1973.

City of Falls Church, Va.—Jan. 14, 1974.

City of Fairfax, Va.—Jan. 15, 1974.

City of Bowie, Md.—Mar. 5, 1973.

City of Takoma Park, Md. (agreed with county)—Mar. 20, 1973.

Council of the District of Columbia—July 15, 1975.

Source: Washington Metropolitan Area Transit Authority and Council of the District of Columbia.

In March 1974, the State Legislature of the Commonwealth of Virginia adopted Senate bill 315, the compact amendment, with some insubstantial modifications, on behalf of Virginia and authorized the Governor to execute the document. The Governor of Virginia signed the document on April 8, 1974. The Maryland State Legislature made further insubstantial modifications in the draft amendment, adopted Senate bill 733 in March 1974, on behalf of Maryland, and authorized the Governor of Maryland to sign the document on May 31, 1974.

At that point, the District of Columbia, as the third signatory of the Washington Metropolitan Area Transit Regulation Compact needed to agree to the compact amendment. Representatives of the District of Columbia government testified in favor of the concept of the amendment with some clarification in committee hearings held on the compact amendment. As a result, legislation (H.R. 8719) was required to authorize District of Columbia agreement to the compact amendment agreed to, in substance, by the other compact signatories.

Mr. DIGGS. Mr. Speaker, I move the previous question on the bill.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DIGGS. Mr. Speaker, I ask unanimous consent that all Members may be permitted to revise and extend their remarks on this bill (H.R. 8719).

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

EXTENSION OF NONDISCRIMINATORY TREATMENT TO PRODUCTS OF ROMANIA

Mr. GREEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of a House concurrent resolution (H. Con. Res. 252) approving the extension of nondiscriminatory treatment to the products of the Socialist Republic of Romania, and pending that motion, Mr. Speaker, I ask unanimous consent that general debate on the concurrent resolution be limited to 1 hour.

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[1] The security director for WMATA testified at the Joint Subcommittee hearings on July 17, 1975, "... we would have authority to put police officers on a bus. You would only do that with the consent of the chief of police of the jurisdiction you are operating in."

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. CONABLE. Mr. Speaker, reserving the right to object, may I ask the gentleman from Pennsylvania, the distinguished chairman of the subcommittee, whether it is his intention that this 1 hour of debate be split equally?

Mr. GREEN. Mr. Speaker, as the gentleman knows, the rules provide for that.

Mr. CONABLE. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Pennsylvania (Mr. GREEN).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of House concurrent resolution (H. Con. Res. 252), with Mr. FOLEY in the Chair.

The Clerk read the title of the concurrent resolution.

By unanimous consent, the first reading of the concurrent resolution was dispensed with.

The CHAIRMAN. Pursuant to Public Law 93-618 and the unanimous-consent agreement, general debate will be limited to not to exceed 1 hour, 30 minutes of the time to be controlled by the gentleman from Pennsylvania (Mr. GREEN), and 30 minutes to be controlled by the gentleman from New York (Mr. CONABLE)

Mr. GREEN. Mr. Chairman, I yield myself such time as I may consume.

Mr. GREEN. Mr. Chairman, House Concurrent Resolution 252 approves the extension of nondiscriminatory treatment to the products of the Socialist Republic of Romania as provided in the Presidential proclamation transmitted by the President on April 24, 1975.

Approval of the resolution with concurrent Senate action permits the President's proclamation, transmitted to the Congress on April 24, to become effective. That proclamation provides that the agreement on trade relations between the United States of America and the Socialist Republic of Romania signed on April 2, 1975, shall enter into force according to its terms and nondiscriminatory treatment shall be extended to Romanian products on the date of exchange of written notice. Approval will also remove the prohibitions on Romanian participation in any U.S. program which extends credits or credit guarantees or investments guarantees as contained in section 402 of the Trade Act of 1974.

In addition to the trade agreement and the Presidential proclamation, the President also transmitted a report to the Congress concerning Romanian emigration practices pursuant to section 402 (c)(1) of the Trade Act and an Executive order waiving the application of the emigration requirement contained in subsections (a) and (b) of section 402.

Public hearings were held by the Subcommittee on Trade on May 7 and 8. Testimony from the executive agencies was favorable. Testimony from public witnesses was largely favorable with a reservation by organized labor. On July 9, the Subcommittee on Trade favorably reported the resolution for consideration by the full committee. On July 14, the resolution was favorably reported to the House by the Committee on Ways and Means.

Mr. Chairman, this agreement was negotiated under the provisions of section 405 of the Trade Act of 1974 which sets forth tightly drawn requirements with respect to commercial agreements with nonmarket economy countries. Your committee believes that the statutory requirements have been met and that the provisions of the agreement are satisfactory.

For example, the instrument contains a stringent safeguards provision that allows either party to impose restrictions it considers necessary on imports from the other party to prevent or remedy actual or threatened market disruption. Provisions of the agreement are subject to suspension or termination at any time for national security reasons and do not limit the rights of the United States to take action necessary to protect its security interests. There are also extensive provisions on business facilitation in order to assure U.S. businessmen the conditions necessary to successfully conduct commercial relations with Romania.

The trade aspects of the agreement include establishment of a goal of tripling the bilateral trade during the next 3 years. Trade has quadrupled since 1972 and throughout this period U.S. exports to Romania have consistently been more than double our imports from Romania.

With regard to reciprocity and maintenance of a satisfactory balance of concessions during the period of the agreement, the instrument reaffirms the commitment in Romania's accession protocol to the General Agreement on Tariffs and Trade—GATT—which provides that Romania will increase its imports from GATT member countries at the same rate as its overall import as provided in its national economic plan. This commitment is significant in that it recognizes that the Romanian economy differs from those of market economy GATT members and also because it links achievement of the U.S. trade goal to the Romanian 5-year plan.

Mr. Chairman, your committee has taken particular note of the President's report to the Congress on April 24 invoking the Trade Act's freedom of emigration waiver. While your committee feels that the President's language transmitting the agreement and invoking the waiver could be clearer, we note that Romanian emigration has taken an upward trend in recent weeks indicating that the Trade Act's freedom of emigration provisions are beginning to achieve their purpose. We believe that future Romanian emigration developments should be closely monitored.

In this connection, the committee recognizes that the waiver will remain in effect until July 1976 when it could be extended for a 12-month period, if approved by both Houses of Congress. Your committee has been assured that the President will recommend an extension of the waiver only in the event of a continued upward emigration trend.

Mr. Chairman, with regard to the foregoing comments your committee wishes to make clear that the United States-Romanian trade agreement is an individual case to be judged on its own merits and the committee does not consider the language of the President's report, in this instance, to be a precedent for any future consideration of bilateral agreements with nonmarket economy countries under section 402 of the Trade Act of 1974.

Based on its examination, the Committee on Ways and Means believes House Concurrent Resolution 252 to be meritorious and urges its approval.

I include the following:

ROMANIAN EMIGRATION PERFORMANCE AS OF JULY 25, 1975

Visas issued for departure to the U.S. in 1975: January, 4; February, 5; March, 14; April, 23; May, 20; June, 29; and July, 63.

Approvals for departure to the U.S. granted by the Romanian Government since May: Over 750; higher than for any previous year.

Emigration to Israel: Approvals granted since January 1975, over 2,000.

Actual departures: January-May, 300; June, 200; July, over 350.

CONFERENCE OF PRESIDENTS OF
MAJOR AMERICAN JEWISH ORGANIZATIONS,
New York, N.Y., July 21, 1975.

Congressman AL ULLMAN,
Chairman, Committee on Ways and Means,
Washington, D.C.

DEAR MR. CHAIRMAN: The American Jewish community is encouraged by the increase in emigration from Romania which has developed in recent weeks. The reports that Romanian officials issued over 1,000 exit approvals during the month of June are a welcome indication of a positive trend that we trust will be continued and reflected in the actual number of departures. On this basis, we support favorable Congressional action on the U.S.-Romanian Trade Agreement which would make Romania eligible for Most-Favored-Nation Status.

In making our recommendation, we are mindful that the situation of Romania, both in terms of the history of that country's emigration practices and its special position within the Communist bloc, distinguishes it from the rest of Eastern Europe.

We trust that Romanian good faith and cooperation regarding emigration throughout the next eleven months will justify the recommendation we make today and will allow us to make a similar favorable recommendation when M.F.N. comes up for renewal at the end of this period. We are pleased to note that Assistant Secretary of State Hartman, in his appearances before the Finance and Ways and Means Committees, gave assurances that the administration will recommend an extension of the waiver of the Jackson-Vanik provision of the trade act only in the event of continued upward movement in Romanian emigration throughout the waiver period.

We believe from the positive response thus far by the Romanian government that the emigration provision of the trade act is meaningful and viable.

I wish to extend the appreciation of the Conference of Presidents of Major American Jewish Organizations for the support of the overwhelming majority of both houses of Congress which was responsible for the inclusion of the emigration provision in the Trade Reform Act of 1974, and hope you will convey our thanks to your colleagues on the Committee on Ways and Means for their steadfast support of this vital humanitarian issue.

Sincerely yours,
Rabbi ISRAEL MILLER,
Chairman.

Mr. CONABLE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I also support House Concurrent Resolution 252. I wish to thank the distinguished chairman of the subcommittee for the even-handed way in which he has approved the subject of nondiscriminatory tariff treatment for the Socialist Republic of Romania.

This has been an interesting issue. I suspect what we do in this respect will also have some impact on future negotiations not just with Romania itself but also with other Communist nations.

There are both economic and political considerations I would like to address in recommending adoption of this concurrent resolution, Mr. Chairman. Of course, I would like to do this from a purely American viewpoint, although I acknowledge that the Romanians themselves are very anxious to have this nondiscriminatory treatment because of their position which they conceive to be between the East and West in a very badly divided world.

Mr. Chairman, we have already two Communist countries which have been accorded most-favored-nation treatment. They are Poland and Yugoslavia. I do not wish to address the merits of our having accorded them in times past most-favored-nation treatment but I will say that in many ways a better case could be made for giving most-favored-nation treatment to Romania than to either of the other two. There have been, of course, many considerations involved in according most-favored-nation treatment to other countries in the past and that certainly was true with respect to Yugoslavia and Poland.

It is in the interest of this country, I think, to try to divide the Eastern bloc nations and one way to do that is to normalize relations between our country and those inclined to trade with us as much as possible and to give those countries a vested interest in normal commercial relations.

I think it is desirable also, Mr. Chairman, that we do this on a country-by-country basis, because if we are going to have difficulty in trading with the Communist countries, it is probably just as well that we understand what those problems are likely to be before we unleash a torrent of trade with nonmarket economies.

Romania has pursued an independent course with respect to the West, as the chairman of the subcommittee has said. This has been based on what they call their unanimity of foreign policy. The Romanians have said in their foreign policy that while they adhere to the Marxist doctrine, they are not going to accept Communist solidarity in foreign policy, unless the Communists are, in fact, in agreement about what their foreign policy interests are. That leaves them in the delightful position of having a Russia and a China unable to agree. Therefore, Romania finds itself free to pursue a somewhat independent course with respect to the West, something that has resulted in Romania having much more extensive trade with the West, unlike most of the other nonmarket countries.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, I appreciate the gentleman yielding.

I know the great argument is that there are concessions and agreements by the Communist states predicated on, as the gentleman just stated, normalizing relations. I wonder if the gentleman could give us any area where Romania, Poland, and Yugoslavia in voting in the United Nations have shown independence from the Communist bloc. I do not believe the normalizing relations have occurred and I can see no change in the patterns.

Mr. CONABLE. Mr. Chairman, I hate to predicate any actions on foreign policy on their relations with the United Nations. I am not sure how Romania has been voting in the United Nations.

I will say that Romania has interposed as a negotiator, as an intermediary between East and West, particularly with Middle Eastern matters, and has on other occasions tried to find some way in which it could act as an intermediary in negotiations between the various countries. Perhaps others in the room are more familiar with foreign policy and could answer this question.

There is little doubt that Romania has engaged in a much more lively commercial interchange with the other countries of the West than other Communist countries.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. CONABLE. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I thank the gentleman for yielding.

At the time when the Soviet Union and other Communist countries broke relations with Israel, Romania did not. It has maintained and still maintains diplomatic relations both with Israel and with China, and has shown considerable independence in those matters.

For example, at a recent conference the Romanians made it clear that they, unlike the other Communist countries, had conducted an independent foreign policy. I think this fact is well known in the Communist camp.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield further?

Mr. CONABLE. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, I think sometimes we create a fiction in this question on what I call the real gut issues where the United States is involved. I did not predicate Romania's performance on the United Nations only but that is one particular place where bloc votes do occur and their solidarity on really important East-West issues is shown.

I know of no instance where Romania has shown what one might call this so-called independence.

Mr. CONABLE. I would like to point out to the gentleman from Ohio that there are a great many countries engaging in bloc voting in the United Nations with whom we have elsewhere, apparently, friendly relations, but whose votes in the United Nations would not reflect any great degree of friendship.

Mr. FRENZEL. Mr. Chairman, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Chairman, in addition to the remarks made by the gentlewoman from New Jersey with respect to normalized trade and other relations with Israel, Romania is the only member of the Warsaw Pact which did not support Russian rejection of the Trade Act last January. Romania belongs to GATT and IMF, which is unusual for a Warsaw Pact nation.

It has not allowed Russia to conduct military training operations which were requested, and in general has tried to act independently. We cannot make Romania non-Communist. It is a Communist country, but it has indicated its willingness to work with us, and I believe should be rewarded for that willingness, as the gentleman suggests by the passage of this resolution normalizing trade relations.

Mr. CONABLE. I thank the gentleman, and I would like to expand on that somewhat.

Mr. GREEN. Mr. Chairman, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Pennsylvania.

Mr. GREEN. Mr. Chairman, the gentleman from Minnesota (Mr. FRENZEL) is correct in his remarks. In addition during the embargo by the Arab countries in the Middle East, Romania continued to supply us with oil. It is important to note that 75 percent of our imports from them are oil.

Mr. CONABLE. I think it is also of interest that Romania continues to see a trade agreement with the United States actively and vigorously in the face of the obvious disapproval by the Soviet Union. The Soviet Union, as the Members will recall, denounced their own trade agreement with the United States by reason of the immigration requirements set by Congress. Romania was the only east European state which did not endorse the Soviet action. So Romania does seem to have a special position with respect to the Soviet bloc nations as far as trade is concerned.

As the chairman of the subcommittee has said, they have made clearly apparent efforts to meet the immigration requirements of the Trade Act. I must say that the statistics have been somewhat erratic in this respect. I, for one, am not sure of all the results behind the erratic statistics, but let me review a few of them that are somewhat reassuring at this point.

Only 95 persons immigrated to the United States from Romania between January and June of this year. However, the State Department reports that it has picked up, with 694 applications for departure being approved over the last 2 months. Available information indicates that there are about 200 Romanian Jews who have been approved for immigration to Israel so far this year, and about half of that number have actually left the country. Of course, the President will recommend an extension of the waiver under section 402(c) of the Trade Act only if the immigration trend continues upward, or if there are other clearly demonstrable reasons why it is not, such as tension in the Middle East which does affect emigration from Romania, as one would expect.

Let us look at the economic considerations, quite apart from these political considerations. I think the political considerations indicate that we are taking a justified risk in extending most favored nation status to Romania as a possible bellwhether among the Soviet bloc nations and as a general recognition of her special status between East and West. But, let us look at the economic consideration.

For more than a decade, United States-Romanian trade has shown a positive balance in favor of the United States. It is possible to postulate circumstances evolving over the next few years where this favorable trade balance would be narrowed, but most of the trade experts who look at the nature of the trade between Romania and the United States would expect that we would have a favorable balance of trade with them for at least the next 5 years.

The volume of trade has grown dramatically from about $100 million 3 years ago to $400 million in 1974. U.S. imports from Romania totaled $130.5 million in 1974. Exports to Romania were more than double that amount, $277 million. It is estimated that the total trade between the two countries could reach a level of $1 billion by 1980, with the United States continuing to enjoy during that entire period a favorable balance.

The gentleman from Minnesota has referred already to the fact that Romania has apparently a widespread interest in integrating their economy into the world system, evidenced by its membership in GATT, the International Monetary Fund, and the World Bank.

About half of Romania's trade is already with the West.

Increases in trade with Romania have been concentrated in a relatively few, but important, items.

In 1974, increase in U.S. exports to Romania was largely in corn, raw cotton, and aircraft.

The increases in imports from Romania have been dominated by shipments of petroleum and petroleum-related products. The value of mineral fuels imported from Romania in 1974 was over $76 million.

The trade agreement we are considering assures U.S. access to the Romanian market. Negotiators have been able to establish a link between the provision in the bilateral agreement for extension of MFN tariff treatment and Romania's protocol of accession to GATT. In other words, these two actions are tied together. That protocol includes a commitment that imports from market economies will increase in proportion to growth of total imports to Romania, signaling Romania's intention to continue to do increased trade with the West and not in any way to use it as a special counterbalance with respect to the other Communist nations.

I think it is important that we recall the provisions of the Trade Act specifically the provisions there to include extensive safeguards for American workers from possible dumping of goods by Communist countries operating under slave labor, as many people feel they do.

The sensitive articles, such as textiles, watches, certain electronic, steel, footwear, glass, and other products, would not be eligible for generalized preference treatment under the Trade Act. I mention this since some people have been concerned about extending GSP to these items because of their nature. Less than 10 percent of U.S. imports would be eligible for generalized tariff preferences.

In the Trade Act there are stringent safeguards for domestic industry generally. Either party could impose restrictions which are considered appropriate on imports from the other party in order to prevent actual or threatened market disruption, and the provisions of the agreement are subject to suspension or termination at any time for national security reasons.

Mr. Chairman, I want to refresh the memory of the committee here as to what the action has been in the committee with respect to this concurrent resolution.

The public hearings were heavily in favor of the proposal. STR, Commerce, State, and Treasury strongly endorsed it, as did many citizen and business groups.

Opposition came from organized labor; the Stone, Glass and Clay Coordinating Committee; our colleague from New York (Ms. HOLTZMAN) also opposed the measure; and several ethnic and religious groups testified against it.

The resolution was, however, overwhelmingly approved by the full committee on a 24-to-3 vote. The subcommittee vote was 14 to 2.

It seems to me, Mr. Chairman, that this is a wise and appropriate action for us to take in respect to Romanian trade at this time, and I recommend to the Members of this body approval of the concurrent resolution.

Mr. BIESTER. Mr. Chairman, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Pennsylvania.

Mr. BIESTER. I thank the gentleman for yielding.

Mr. Chairman, I wish to express my strong support for ratification of the United States-Romania Trade Agreement. I firmly believe the agreement is in the best economic and political interest of the United States.

Earlier this year, in my capacity as ranking minority member of the International Relations Committee Subcommittee on International Trade and Commerce, I had the opportunity to visit Romania. My discussions in Bucharest and rural areas with a number of Romanians provided a valuable insight into various social, political, and economic aspects of that country and convinced me that nondiscriminatory trade status means a very great deal to the Romanians. Indeed, I came away from Romania convinced that the trade agreement is of the utmost political and economic significance to them, as well as to the United States.

In general foreign policy and international econmic relations Romania has demonstrated a remarkable degree of independence from the Soviet Union. To the extent practical and possible Romania has made its own policy decisions, free of direct control by Moscow or undue coercion from the Warsaw Pact. Romania's diplomatic relations with Israel are a dramatic case in point. Throughout the severe strains of the Arab-Israel dispute, Romania has maintained both diplomatic and economic relations with Israel, and, unlike all other Eastern European countries, did not cut ties even temporarily following the six-day war. In 1972, then Prime Minister Golda Meir made a state visit to Bucharest, and as recently as the end of May through early June of this year, Israeli Foreign Minister Yigal Allon visited Romania. The communique issued following that visit stressed Romanian-Israel agreement on extending cooperation in cultural, scientific, and technical matters. I am informed by the Israel Embassy in Washington that a number of Israelis have also visited Romania during the past year in a private capacity—but with the express approval of the Israel Government—to promote Israel exports to Romania.

American political and economic ties with Romania have improved on a step-by-step basis over the past several years leading to an exchange of visits at the head of state level, the establishment of a joint economic commission in 1973, and culminating in a trade agreement which extends nondiscriminatory treatment to Romanian products. Since approximately two-thirds of Romania's current exports to the United States are affected by present tariffs and many Romanian export products are virtually prohibited from entering the U.S. market, such most-favored-nation status quite clearly is of great importance to them.

The Romanians have similarly expanded their economic and political ties with other Western nations.

Romania is a member of the International Monetary Fund, the General Agreement on Trade and Tariffs, has secured substantial financial credits from the United States, the United Kingdom, France, and West Germany, as well as the European Community and the World Bank, and presently allows 49-percent Western ownership in selected industries.

Romania boasts one of the highest growth rates in Europe with gross national product increasing at an average of 9 percent from 1971–1973. Playing an important role in that growth are substantial imports of Western technology. Approximately 5 percent of the machinery placed in the production line each year in Romania is Western in origin. It is clear that the Romanians want to continue to import Western technology and to build on an already solid base of cooperative economic relations with the West.

To do so, however, they must sell more goods and commodities in the West to earn the hard currency necessary to cover desired increased purchases. We in the United States have the kind of industrial technology which the Romanians want. Thus, a mutually beneficial trade agreement allowing the Romanians to sell more here in order to be able to buy more here seems eminently sensible and desirable. It is clearly in our own economic interest.

It is also in our political interest. By moving to normalize trading relations, we also strengthen Romania in its ability to pursue an independent foreign policy stance. This most certainly does not mean that through increased trade we can either buy an ally or guarantee that Romania will support our position in any international dispute or controversy. It does mean we will support a healthy trend by strengthening ties with a country that has demonstrated considerable independence from a once monolithic, Soviet-dominated bloc, and has allowed a greater degree of cultural and religious diversity and freedom of movement than found anywhere in Eastern Europe.

I deeply hope that, like the Senate last week, the House will give overwhelming approval to this important step in improved economic relations with Romania.

Mr. CONABLE. Mr. Chairman, I thank the gentleman from Pennsylvania for his contribution.

I think there is no doubt that the rest of the eastern Communist bloc will watch the extent to which Romania benefits as a result of this trade agreement. If this turns out to be in Romania's interest and if this turns out to be as successful as we hope, it will teach a lesson to those countries that have been shutting themselves off from world trade by reason of Soviet dependency and ideology.

Mr. BIESTER. Mr. Chairman, I believe the gentleman is correct.

Mr. GREEN. Mr. Chairman, I yield such time as he may consume to my colleague, the gentleman from Ohio (Mr. VANIK).

Mr. VANIK. Mr. Chairman, it is my sincere hope that the House will today approve House Concurrent Resolution 252, the resolution of approval of the United States-Romanian trade agreement. In my judgment, Romania has met with good faith and action the fundamental tenets of the Trade Reform Act of 1974 as relates to title IV.

The approval of this agreement between our two great nations is the first to be consummated under the provisions of title IV of the Trade Reform Act of 1974.

I wish to congratulate my colleagues of the Subcommittee on International Trade of the House Ways and Means Committee for their keen understanding and hard labor on the substance of this agreement. Everything which this very new subcommittee, led by my distinguished colleague, WILLIAM GREEN, has done, has been precedent-setting. Likewise, everything we do here on the floor today, is precedent-setting.

Therefore, I would emphasize the fact that the language of our amendment, which was supported by 319 colleagues in the House in December of 1973, clearly asks the President to supply assurances to the Congress. Instead, the President based his request for this waiver upon solution of humanitarian problems. This has not been taken by our Committee on Ways and Means to be a precedent-setting adjustment of the specific language of our amendment but an isolated case which we in Congress take to have been fully and properly interpreted through the subsequent actions taken, in good faith, by the Romanian Government—which fully complies with the letter as well as the spirit of title IV of the Trade Reform Act of 1974.

The Congress, by its action today, coupled with the approval by the other body last Friday by a vote of 88 to 2, allows the President's request for a waiver, thus allowing a trial of title IV for the next 11 months. During these months, we feel confident that there will continue to be full compliance with the letter and spirit of our joint agreement. Romania has indicated its strong desire to build a lasting bond of friendship based upon communications at all levels. The leadership and people of Romania are to be congratulated on their long-standing commitment to goals we commonly share.

I look forward to steady improvements in our relationships. The next year will demonstrate the depth and breadth of growing friendship in human and commercial terms, which I hope will serve as a model to the world of how these interrelationships can and will flourish to the benefit of two great peoples.

It is my intention to support this request by the President for a waiver and I urge my colleagues to do the same based upon a record of cooperation which is steadily emerging. It is my fervent hope to be able to do the same when the renewal of this agreement comes to the House in about eleven months. Continuing progress during the coming months, I am sure, will justify our encouragement and support.

It is my hope, also, that this agreement will clearly demonstrate the worth and soundness of title IV of the Trade Reform Act of 1974. It is further my hope that other similar agreements will soon be forthcoming, so the trade can truly become a meaningful vehicle for the development of close ties of understanding and of peace among our people and the peoples of nonmarket economy nations.

Finally, having cited the enormous contributions of the members of the Subcommittee on International Trade for their excellent work, I wish to express my thanks to Harry Lamar, David Rohr, and Tom Hendershott who staffed the work of the subcommittee.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. VANIK. Yes, I yield to the gentleman from New York.

Mr. CONABLE. Mr. Chairman, I would like to thank the gentleman in the well, the gentleman from Ohio (Mr. VANIK), for his very constructive and helpful attitude on this concurrent resolution.

In view of the strong voice he brought to the Trade Act, his help was very necessary. It was freely given from an open mind.

Mr. Chairman, I would like to pay tribute to the leadership that he has exhibited on the issue.

Mr. VANIK. Mr. Chairman, I thank the gentleman.

Mr. ADAMS. Mr. Chairman, will the gentleman yield?

Mr. GREEN. I will be happy to yield to the gentleman from Washington.

Mr. ADAMS. Mr. Chairman, I thank the gentleman from Pennsylvania for yielding.

Over a year ago, I was a delegate to the Interparliamentary Union meeting in Bucharest, and I know of the Romanians' desire to have this indication of support in the matter of United States-Romanian trade.

While there, I discussed this with the Minister of Heavy Industry and Transportation on the particular topics of airplanes and other heavy industrial products.

The Romanian Government had just purchased a number of United States jet aircraft and are actively seeking the sale of certain industrial products to the United States in order to maintain their balance of trade.

I have also had experience with the emigration policies of the Romanians, and, in conjunction with our Ambassador, was successful in seeing a loosening of restrictions in a particular case.

The Romanian Government has been trying to move toward better relations with this country, which is seeking better relations with them, and it is trying to maintain an independent stand in its foreign relations. It is a step forward in strengthening our position in this part of the world, which I think is encouraging.

I believe that we should take this step-by-step approach in developing our future trade policies on an individual-country basis so that we will not produce a flood of goods which will injure our domestic industries. Romania exports oil to the United States, and certainly that is not harmful to us.

Mr. PICKLE. Mr. Chairman, will the gentleman yield?

Mr. GREEN. Yes; I yield to the gentleman from Texas.

Mr. PICKLE. I thank the chairman for yielding.

I simply want to ask the chairman whether some consideration has been given toward recognition of nations such as Czechoslovakia.

I am mindful that this particular bill is an extension of the nondiscriminatory treatment of products of Romania and that under the procedure this must be recommended by the President under the Negotiations Act.

Was consideration of the committee given only to Romania and not to other countries, such as Czechoslovakia?

Mr. GREEN. There was consideration in the Trade Subcommittee only of Romania because our Government and the Romanian Government have reached an agreement. That has not been the case with Czechoslovakia.

If that were to happen, the subcommittee would consider immediately any such agreement.

There are, as the gentleman knows, I think, some pretty stringent time requirements so that this House and Senate must act within 60 days of the transmittal of any such agreement by the President of the United States.

I can assure the gentleman from Texas that should such an agreement be forthcoming, we would consider it immediately.

Mr. PICKLE. I thank the chairman.

Does the gentleman know whether negotiations are being carried on now by our State Department?

Mr. GREEN. I know of no such negotiations.

Mr. PICKLE. Has the committee been contacted with reference to any possibility of recognition by Czechoslovakia?

Mr. GREEN. The committee has not been contacted.

Mr. PICKLE. I thank the gentleman.

I see that under the procedure it should be a matter between the State Department and any other nations involved.

I am not mindful of any big problem that could not be handled, even though there has been some question about the sale of gold and possibly some old claims. We have millions of Czech citizens in this country. If that nation, Czechoslovakia, could meet the requirements under our Trade Act, I should think our committee would consider that in due time, and I hope the committee will keep that in mind.

Mr. GREEN. The committee will keep that in mind and I thank the gentleman for his contribution.

Mr. CONABLE. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. Mr. Chairman, I rise in opposition to House Concurrent Resolution 252. In addition to its obvious foolishness on the merits, extending most-favored-nation treatment to products imported from Romania would further add to our Nation's unemployment problem.

As is the case with other Communist nations, Romania has a state-managed economy. This makes competition with its products virtually impossible.

In a free market economy such as ours, the price of a product is based on the cost of production and distribution, plus a margin for profits. Labor costs are a large part of the total product price.

In a state-run economy such as Romania's labor is available at little cost. They do not rely on the marketplace or collective bargaining to determine wages. The wages are whatever the party bosses rule them to be. This allows Communist nations to produce items for export far lower than their true cost.

In the past we have protected ourselves against these state-produced goods by requiring payment of a statutory rate of duty. Granting Romania most-favored-nation status would lower the required payments. The result is that Romania could place cheap, state-produced products on the U.S. market which would cause American producers to cut back and American workers to lose their jobs.

Given our current economic problems it makes no sense to grant most-favored-nation status to a Communist state such as Romania. It will only mean fewer jobs for Americans. The next step, you can be certain, will be extension of credits to this Communist country. We hear glowing estimates of U.S. exports to Romania. How will they pay? The beleaguered American taxpayer will pay.

Another aspect of this question must also be discussed. This body placed freedom of emigration requirements under title IV of the Trade Reform Act of 1974. Romania's adherence to these requirements is doubtful at best. Neither Jews nor Christians have a free right of emigration.

Persecution continues of Christians in Romania. Evangelical Christians are not allowed to practice their faith undisturbed. The Orthodox Church has been emasculated.

The best description of internal Communist practices in Romania is neo-Stalinist. The dictator of the country had put into existence his own personality cult and crushes any dissent with an iron hand through the use of the pervasive secret police.

Romanians have to line up to get soup bones. Apartments are shared among three or four families. It has been reported that Romanians are the only East Europeans with a standard of living lower than that of the Russians themselves.

If this body has any regard for human liberties, it will overwhelmingly reject this resolution.

We are not just talking about trade with Romania. We are here considering a bill which would put Romania on an equal level with our best friends. The most free and open countries in the world. Romania does not deserve this status.

Mr. GREEN. Mr. Chairman, I yield such time as he may consume to the gentleman from Louisiana (Mr. WAGGONNER).

Mr. WAGGONNER. Mr. Chairman and my colleagues, I would like to pick up, for the moment, where the gentleman from Ohio (Mr. ASHBROOK) left off, and that is the gentleman's inference, or his statement, that we, if we pass this legislation, will be putting our stamp of approval on everything that goes on in Romania. That is simply not the case. It is not our intention by attempting to normalize trade relations with Romania to say that we approve of everything they do any more than we would expect their approval of everything that we do in this country. I want to make clear that I do not approve of everything the Romanian Government does, or how it operates. Yet I favor normalizing trade relations with them because of their efforts to be independent.

Mr. ASHBROOK. Mr. Chairman, would the gentleman yield at that point?

Mr. WAGGONNER. I will be happy to yield to the gentleman.

Mr. ASHBROOK. Mr. Chairman, the gentleman from Louisiana says "everything". I was just speaking of basics. I only talked about the basic concepts of freedom, dissent, repression, I did not talk about "everything".

I would say that those things are basics that any government ought to accord its citizens before this country would put them on the same level that we extend to other countries relying on trade with this country.

I repeat, I was only talking about the basics.

Mr. WAGGONNER. If the gentleman from Ohio would expand the objective and hold to it systematically and continuously, rather than changing positions from country to country, we could go along with the gentleman, but the gentleman has been rather inconsistent in that respect.

Mr. ASHBROOK. Will the gentleman yield?

Mr. WAGGONNER. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Will the gentleman name those inconsistencies?

Mr. WAGGONNER. The gentleman stands up here and says that is not for others to tell us what we ought to do and by the same token it is not for us to tell others internally what they ought to do.

Mr. ASHBROOK. The gentleman says I was inconsistent. We are talking about what we are doing for them or giving them.

Mr. WAGGONNER. We are not giving them anything.

Mr. ASHBROOK. Why do we have this bill if we are not giving them anything?

Mr. WAGGONNER. Because we are attempting to normalize trade relations. The biggest misnomer of all is the term "MFN" which means most favored nation. It means nothing at all in the world except we are going to trade with these people on exactly the same basis as we do with others and that we do not penalize these people as we have been doing by trading with them.

Mr. ASHBROOK. If the gentleman will yield further, the gentleman still has not indicated in what countries I have been inconsistent. He made a statement. I think it has not been answered.

Mr. WAGGONNER. I think the gentleman any time he takes the position we ought not trade with somebody else does that. And the gentleman has asked me to name it? How about Rhodesia? The gentleman voted with regard to the sale of chrome in Rhodesia in a completely opposite position from the position he takes today. I am sorry the gentleman asked me that but that points up an inconsistency.

Mr. ASHBROOK. How does the gentleman say that is not consistent? I did not say we should not trade.

Mr. WAGGONNER. The hue and cry was: Do not buy chrome from Rhodesia because of the discriminatory policies. The gentleman says: Let us buy chrome from Rhodesia. He voted for that. I did too.

Mr. ASHBROOK. I am talking about giving credits and giving them a position that is equal.

Mr. WAGGONNER. Romania already belongs to the IMF and it belongs to GATT. They are different and apart from most of the Warsaw nations. The gentleman is just out on this to a point where he cannot get back at all.

Mr. ASHBROOK. I am sorry but the gentleman is not making a point.

Mr. WAGGONNER. If the gentleman will listen a while I will make my point.

All we are trying to do is normalize relations with somebody we are already trading with. We need to expand our trade with other nations in the world to get in trade those things we cannot produce for ourselves. We must do it on a country by country basis. And in doing it on a country by country basis we must make these people prove themselves that they are worthy of this effort. I think Romania has done exactly that.

We have steadily been expanding our trade with Romania. Over 10 percent of the trade we do with nonmarket countries now is done with Romania. This is true of our imports and this is true of our exports with regard to the nonmarket countries. Romania belongs to GATT and it belongs to IMF. They deserve this consideration.

Another speaker in the well was asked earlier a question, and I believe the gentleman from Ohio asked it of the gentleman from New York (Mr. Conable). He asked what Romania's track record was with regard to the other Warsaw Pact nations as far as voting in the United Nations was concerned. This is not exactly a United Nations voting record, but in yesterday morning's Washington Post, on page A-8, there was an item headed, as the Members can see: "Romania Leaves Soviets Grinding Teeth." Here it is, word for word in its entirety, six columns of it. They talk about how much a bone of contention the Romanians have become to the Russians when they talk in their conference on security and what Romania demands, the independence they have demonstrated, how much they believe they have got to break away from the Iron Curtain.

Mr. Chairman, when we are in the full House I am going to ask permission to insert this in its entirety in the Record because it speaks for itself.

The material referred to follows:

Romanian Leaves Soviets 'Grinding Teeth'

(By Don Cook)

Geneva.—By common agreement among his professional colleagues, the star diplomatic performer in the long and often tedious and frustrating negotiations at the Conference on Security and Cooperation in Europe has been Romanian Ambassador Valentin Lipatti.

Lipatti is the son a concert pianist, was reared and schooled much of his prewar youth in France and has a lively intellect and humor as well as exceptional diplomatic talents both on intricate detail and broad perceptions. The fascination Western diplomats hold for him has been deeped by his audacious and persistent display of independence often open opposition to the Soviet Union.

"You could almost hear the Russians grinding their teeth every time Lipatti asked for the floor," one Western diplomat said. "It was not just that he would take independent positions at variance with the rest of the Soviet bloc. He seemed to delight in going out of his way to needle the Russians and flaunt Romania's position in front of the conference, rubbing it in on the rest of the Eastern European diplomats all the time."

There were endless minor day-to-day examples of Lipatti action, but here are some of the major examples of Romanian independence:

Romania fought even harder than the Western powers for the security conference agreement on advance notification of military maneuvers within 150 miles of any European frontier. The United States was not overly excited about the problem since it has satellite detection methods to monitor military movement, but for the Romanians this was at least a form of protection against "another Prague" from their Soviet ally.

Romania sided solidly with the Swiss, the Swedes, the Yugoslavs and others in demanding—against obvious Soviet reluctance—that there had to be a full review conference in two years to examine how all parties live up to their new obligations and undertakings in the security conference agreement.

Conversely, when the Soviet Union finally agreed to a flock of concessions to the West on freer movement of peoples and exchange of information and easier visas and travel arrangements for reporters, Romania reversed course and held out against them.

"We don't have to explain to a diplomat when we declare him persona non grata, why should we have to explain to a journalist why we are expelling him?" Lipatti asked. Romania keeps a very tight grip internally however independent it might seem to be externally. And in the end, Lipatti did go along with the new press and information clauses.

The Romanian-Soviet side show went on right up to the very last hour of the Geneva negotiations. At 3 a.m. at the final meeting of the conference coordinating committee, Lippatti suddenly announced that he wanted to propose a motion of thanks to the Fninish, Swiss and Yugoslav governments for holding past, present and future conference meetings. The Soviet delegate, Vladimar Mendelevitch, was the chairman.

He first stalled by insisting that the Romanian proposal must first be translated into all six of the official conference languages, and then when he got a Russian text he proceeded to tear it apart on the ground that the resolution was a revival of Romania's strong pressures for regular future meetings of the security conference.

"Well, if the Soviet delegate does not wish to thank the Finnish, Swiss and Yugoslav governments, the Romanian delegation does," Lipatti replied.

Mendelevitch was so irritated that he banged his gavel and adjourned the entire conference without a parting word from anybody.

Mr. Chairman, if there is a nation among the Warsaw Pact nations today which has demonstrated some willingness to break away, it is Romania.

I am telling my friends that this country must of a necessity if we expect anybody to believe that our way of life might be better, than theirs, when they demonstrate some willingness to at least try to see if we cannot normalize relations.

Mr. MATHIS. Mr. Chairman, will the gentleman yield?

Mr. WAGGONNER. I yield to the gentleman from Georgia.

Mr. MATHIS. Mr. Chairman, I would like to say, I am a little surprised to see the gentleman from Louisiana using the Washington Post as an authority to make a point.

Mr. WAGGONNER. Mr. Chairman, I do make an apology for that. I would like to point out that they reprinted it from another paper. I will not give them credit for that.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. WAGGONNER. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, could the gentleman enlighten me where Romania was when the Czechoslovakian uprising took place in 1968 and what position they took on that issue, whose side were they on, ours or the Soviets?

Mr. WAGGONNER. I do not think we are talking about 1956, 19 years ago. I think we are talking about 1975, 19 years later.

Mr. GREEN. Mr. Chairman, will the gentleman yield?

Mr. WAGGONNER. I yield to the gentleman from Pennsylvania.

Mr. GREEN. Mr. Chairman, I would say the Romanians have demonstrated with what happened in Czechoslovakia, which I abhor as the gentleman does, have demonstrated greater courage in standing up to the Soviet Union.

Second, the gentleman from Louisiana (Mr. Waggonner) and the gentleman from Minnesota (Mr. Frenzel) mentioned their stand in the embargo. The Romanians demonstrated a certain amount of courage and the gentleman from Ohio should admire them, as I do.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. WAGGONNER. I yield to the gentleman from Ohio.

Mr. VANIK. Mr. Chairman, I want to point out to the gentleman from Idaho, (Mr. Symms), that our own country was not very helpful to Czechoslovakia in 1968? At that time, the Government of Czechoslovakia was pleading with us to give them favored-nations status, a consideration that might have prevented the invasion if we had responded at that time. We were not able to do it because of problems legislatively and within our own Government. We were not able to help at a time when our help might have turned the tide.

Mr. SYMMS. Mr. Chairman, will the gentleman yield further?

Mr. WAGGONNER. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, for the life of me, I cannot understand how favored-nation status would have done anything to stop the savagery of Russian tanks rolling down the streets of Czechoslovakia.

Mr. WAGGONNER. Mr. Chairman, let me bring my remarks to a close by saying the record speaks for itself. I apologize for using the reference to the Washington Post. I only do so from the fact it was reprinted from the Los Angeles Times; but the fact of the matter is that these people deserve this chance. It is a two-way street. If we fail or falter along the way, we can undo what we have done here.

Mr. CONABLE. Mr. Chairman, I yield 3 minutes to the gentleman from Tennessee (Mr. Duncan).

Mr. DUNCAN of Tennessee. Mr. Chairman, I rise in opposition to House Concurrent Resolution 252.

Mr. Chairman, it would be unwise for the Congress to approve the United States-Romanian trade agreement at this time. My view is based on the following considerations:

First. It is anything but clear that Romania has met, or intends to meet, the freedom of emigration requirements under title IV of the Trade Act of 1974. Numerous witnesses appeared before the Ways and Means Committee's Subcommittee on Trade to tell of friends, relatives, and others who have been unable to leave that country. Although there apparently have been assurances from Romanian officials that restrictions on departures have been relaxed, there is no clear proof that those who wish to leave may do so freely. In fact, emigration from Romania to the United States actually has declined, dropping from a monthly average of 34 in 1974 to 13 over the first 5 months of this year.

The law in this regard is clear. It may be true, as some have insisted, that the level of Romanian exit approvals showed improvement in recent weeks, but more than mere indications are needed. The fact remains that a weakened interpretation of title IV in its first congressional test could set a hazardous precedent for the future.

Second. Our unemployment rate is high, and our economic growth has slowed. Romania, on the other hand, has a state-managed economy and a very low wage rate compared to that of the United States. It can produce items for export very inexpensively, and if most-favored-nation tariff treatment were extended, it is reasonable to assume that our imports of its finished products would rise substantially, thus posing even more problems for an economy already beset with difficulties.

Romania is, of course, but one country. Its exports to the United States would not overwhelm us. But it does have a state-run economy, and according to some reports, its managers insist that at least 50 percent of what is produced be exported. Therefore, in the context of these times, the extension of MFN treatment very well could be a real threat to U.S. jobs and industry.

Third. Advocates of the trade agreement point to glowing prospects for greatly expanded U.S. exports to Romania. But there is a question as to how this, or any other East European country, can pay for what it would like to buy from us. According to the New York Journal of Commerce, this is a real concern on the part of many Western observers. A recent article in that publication stated:

> Fears on this score are plainly more pronounced regarding Romania, which admits to a deterioration of its 1974 payments deficit with the non-socialist countries by $200 million.

The article further notes, from observers, that Romania's "till is empty" and that payments due are coming more slowly.

There is no doubt that the Romanians need and want to expand their trade with the United States. We have the sophisticated equipment required for an industrial buildup, and they understandably are most anxious to buy. It is less clear whether they have the hard currency to pay.

In view of these considerations, the Congress should not now approve House Concurrent Resolution 252.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. DUNCAN of Tennessee. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, I want to thank the distinguished gentleman from Tennessee for taking the time to write minority views which appear in the report on this bill. He has presented a point of view which the other Members would have been denied had he not done so. Too many times we see instances in which some committees seem to push an issue through, and on this particular issue I think the honorable gentleman from Tennessee has taken the side which in the long reach of history will be correct. He has recognized the true nature of international communism and its world design. He and I share the same caution about appeasement of our enemies, and an understanding of the meaning of communism and how we ought to deal with it.

Today we see a President of the United States going to Helsinki to sign a treaty recognizing the present European borders over which a whole war was fought. We seem to want to recognize Cuba, a Communist bastion on our very doorstep, and now we are being asked to ratify a favorable trade arrangement with a Communist country which is literally working against us every day in foreign affairs even as Portugal falls to Communism, as a few weeks ago South Vietnam and Cambodia fell.

I want to commend the gentleman for at least having the sense, along with the gentleman from Ohio (Mr. ASHBROOK) and others, to realize the fundamental nature of international struggle which still goes on despite the blindness of our Government.

I might add that I want to thank the gentleman from Ohio (Mr. ASHBROOK) for his remarks in this debate. He has been one of the most consistently anti-Communist members of this body, both on issues of international trade and internal subversion. I only wish most Members share his consistency.

Mr. CONABLE. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Chairman, I strongly support this resolution. Having participated in the process which brought this important measure to the floor, I have satisified myself that it is in the best interests of the United States that Congress approve of increased trade with Romania.

Basically the resolution means that we recognize and appreciate Romania as a good trading partner and a friendly state.

This concurrent resolution takes the form of congressional approval of the extension to Romania of most-favored-nation—MFN—status, according to the Presidential waiver provisions of the Trade Reform Act. As has already been stated, the waiver came about as a result of the new agreement on trade relations between the United States and Romania. That agreement contains 12 articles and a few of the most important ones deserve description.

First, there are tough safeguard provisions which can be implemented if either country feels that its markets are being unfairly disrupted by imports, or other, trade barriers. Another provision establishes certain goals for improving the environment for increased business development. Romania has already responded in this regard by passing a law permitting U.S. and Romanian firms to engage in joint ventures. One Minnesota firm—Control Data Corp.—is already participating in a Romanian joint venture. It is the first and only such firm to do so. I hope there will be many more.

Finally, either country may take any action it deems necessary to protect its security interests. I believe that the agreement is a good one. It amply protects American interests, and promises mutual benefits for both partners.

The economic benefits to the United States from increased Romanian trade are significant. In 1974 the United States maintained a 2 to 1 positive trade balance with Romania; U.S. exports reached $277 million and imports to the United States from Romania totaled $126 million—10.8 percent of our total trade with nonmarket countries. Most of our exports to Romania are agricultural products, nearly $94 million in 1974. Our major import is oil. In 1974 we imported $76 million in petroleum products from Romania. That is about two-thirds of all Romanian exports. Romania did not participate in the Arab oil embargo. It continued to ship us petroleum under strong pressure to join the embargo.

Another very important factor in this agreement is the Romanians' compliance with title IV of the Trade Act which relates to freedom of emigration. In spite of poor performance during the first 6 months of this year, since June Romania has substantially increased the number of visa approvals. Recent figures on total immigration into Israel reveal that immigration, even from totally free countries, is down. I believe that the last few months' performance indicates Romania's strong desire to comply with emigration requirements in exchange for MFN. The review by the committee and its Trade Subcommittee has established a good precedent for careful congressional scrutiny of any future proposed waivers of the Trade Reform Act.

Romania's past actions in treatment of Jews and other minorities has been a good one. Since World War II, over 300,000 Jews have been allowed to emigrate to Israel. Last year alone, almost 3,600 Jews went to Israel, and many others came to the United States and other Western European nations. Romania is the only Eastern Bloc country which maintains strong diplomatic and trade ties with Israel. It is also the only member of the Warsaw Pact which did not support the Soviet rejection of the Trade Act in January. It has not allowed Russia to conduct military training operations. Romania belongs to

GATT and IMF. These dramatic examples of independence, along with the improved emigration figures, indicate to me that Romania is worthy of our trust and cooperation.

Finally a word about trade and détente. Détente has been under attack lately as a process in which the United States only loses and the other side wins. Critics of détente no doubt understand better than I the historical patterns and events of these nations. Undeniably, there is much which can legitimately be criticized in those histories. But, the other side of the coin from détente is confrontation and cold—sometimes hot—war. I should think this resolution would satisfy both sides in the argument, since it is essentially a friendly act toward one government, Romania, and, at the same time it is a strong sign to Russia that détente has to do us some good too. It is, in effect, a challenge to Russia to prove that détente is a two-way street.

I believe that détente policy is worth the risk. And trade is an important part of the entire process. East-West trade is only 2 percent of our total trade with all nations. But, according to the International Trade Commission, nearly 20 percent of our total positive trade surplus comes from that nonmarket country trade.

In today's world, economic strength has come to be closely associated with national security. The positive trade balances with countries like Romania indicate that we have little to lose from improved economic relations and a great deal to gain. Most projections call for substantial improvements in our overall trade with nonmarket economies in the next few years.

Eventually, we hope our trade, overall, will be balanced so that all can share in the benefits. But along with the economic benefits will come more normalized relations and better understandings.

The United States has enjoyed good relations with other MFN nations such as Poland and Yugoslavia for many years. Romania has shown good faith in carving out an independent course for herself and her efforts to date should be recognized by congressional approval of the United States-Romania Trade Agreement. I urge my colleagues to support the concurrent resolution.

Mr. GREEN. Mr. Chairman, I have no further requests for time, but I would just like to say, briefly, that I agree with what my colleague and friend, the gentleman from New York (Mr. CONABLE) had to say. This is not the millennium, but what we are doing here in the case of Romania is extending to them, as the gentleman from Minnesota (Mr. FRENZEL) said, an international trade arrangement that we extend to most nations in the world.

I agree with the gentleman from Louisiana (Mr. WAGGONNER) that "most favored nation" is a most unfortunate phrase. Some people might think that means this particular nation, Romania, would be given better treatment than all other nations, which, of course, is not the case. What we are doing is recognizing the fact that Romania has at least to some extent an independent foreign policy and that they have cooperated with us in a number of international situations, not the least of which is the fact that 73 percent of what we import from Romania is oil, and during the oil embargo that source of supply was not cut off.

Mr. Chairman, I concur with the gentleman from New York and say that this resolution should be passed.

Mr. PATTEN. Mr. Chairman, in discussing the passage of House Concurrent Resolution 252 on the United States-Romanian trade agreement and the extension of nondiscriminatory tariff treatment to the Socialist Republic of Romania, I am joining the gentleman from New Jersey and others in stressing that our support of the bill is contingent upon improved performance by Romania in the fields of humanitarian concerns, that is, the reunification of separated families and better treatment of the religious and national minorities, particularly the almost 2.5 million Hungarian community in Transylvania.

We were heartened by the remarks of Assistant Secretary of State, Arthur A. Hartman, in this connection promising to discuss the matters with the Romanian Government on the diplomatic level. Promises were also made to me by the Romanian Ambassador in regard to reunification of families of U.S. citizens.

At this point we would like to warn that the U.S. Congress expects improved performance during the waiver period of 18 months which we are now extending under the Trade Reform Act of 1974 to Romania in accordance with the Presidential proclamation of April 24, 1975. We would like to emphasize that détente and improved relations must be a two-way street and not a sanctimonious acceptance of the continued abridgment of human and civil rights as acceptable measures without any consequences in the Catholic and Protestant Churches in Romania, the oppression of the Hungarian community in that country will not be solved by the granting of the MFN treatment but only by remedial action on the part of the Romanian Government and we hope that our State Department will make our feelings clear to the Romanian representatives on the diplomatic level. The coming visit of President Ford to Bucharest may offer a good opportunity to do so.

Mr. FINDLEY. Mr. Chairman, today at long last the House of Representatives will pass a measure which grants Romania most-favored-nation tariff status. This is imoprtant recognition of this small East European country's persistent pursuit of an independent foreign policy despite the fact that it is well within the Soviet orbit.

Romania has pursued a course independent of Soviet domination for well over a decade. As a consequence, in 1969 I first introduced a resolution authorizing MFN for Romania. I felt strongly then, as I do today, that the Romanians should be recognized for their steadfast resistance to dictation from Moscow.

The Romanians have displayed their determination in many ways.

They refuse to participate in Warsaw Pact maneuvers. They refused to join in the invasion of Czechoslovakia and made it known that if the Soviets attempted to invade Romania, such a move would be met with force.

They have maintained diplomatic relations with Israel, hosted an American President on their soil, and to some extent alligned themselves with the Third World countries.

In international economic policy, Romania has pursued an independent course also. It is the only Warsaw Pact member of the International Bank for Reconstruction and Development and the International Monetary Fund. It trades more with non-Communist countries than it does with the Soviet Union and its satellites.

Romania's most recent demonstration of independence is directly related to the resolution we are considering today. After the Congress unwisely tied trade with Communist countries to emigation policies, the Soviet Union loudly declared that it was abrogating earlier agreements with the United States and would forego most-favored-nation tariff treatment. This was a signal no Warsaw Pact nation could miss.

But Romania refused to "follow the leader." Romania has always maintained a liberal emigration policy, and that policy was continued and expanded after the new trade bill was passed. As a direct consequence, today the House will doubtlessly vote to grant MFN to Romania.

This is a fitting—indeed an historic—moment in international politics. By passing this resolution, the United States—the leader of the free world—demonstrates its willingness to work with those nations which do not toe the Moscow line. Romania is one such country, and the recognition we shall accord this courageous country today is richly deserved.

Mr. VIGORITO. Mr. Chairman, I rise in support of House Concurrent Resolution 252 which would extend nondiscriminatory treatment with respect to the products of the Socialist Republic of Romania. The time has come for the United States to normalize its trade relations with Romania by extending to it nondiscriminatory tariff treatment.

It is a fact that during recent years both political and trade relationships between the United States and Romania have grown and progressed very satisfactorily. We all recognize that the Romanian position in Eastern Europe is a rather unique one as it pursues an independent foreign policy line, seeking to improve relations with developing countries and with the West.

Trade improvements between the United States and Romania have been impressive during the past 4 years particularly. In 1970, United States two-way trade with Romania was about $79 million, and by 1974 it had increased to $407 million. Interestingly enough, U.S. exports made up more than 68 percent of the 1974 total.

While U.S. firms have taken advantage of the increased trade with Romania, that country's specific identification in the trade agreement will enable all U.S. firms to take greater advantage of the liberalized Romanian regulations in establishing business offices in Romania and equity participation in joint enterprises with Romanian enterprises.

This two-way interest that has been exhibited by the United States and Romania should be permitted to increase and prosper in the years ahead. However, the inability of the United States to extend nondiscriminatory tariff treatment has become the outstanding problem between the two countries and a rejection of this resolution would be a serious setback for both countries in normalizing relations.

The legislation does offer safeguards for our domestic industries that might be disrupted by a large flow of imports. The trade agreements provides that whenever it is believed that imports are causing or threatening to cause market disruption within a domestic industry, the United States will immediately consult with the Romanians in order to reach agreement on appropriate action to remedy the problem. Other safeguards are included in the agreement which strengthens, rather than weakens, the interests of our domestic industries.

Again, I affirm my support for this trade agreement with Romania. It will provide increased impetus for the development of United States-Romanian economic and trade relations and for the expansion of cooperation between the two countries on a solid and long-term basis.

Mr. HELSTOSKI. Mr. Chairman, on June 26, 1975, I sponsored with six of my colleagues House Concurrent Resolution 326 for the purpose of insuring that the long-standing plight of the oppressed ethnic and religious minorities in the Socialist Republic of Romania would be raised by officials of our Government with the Romanian authorities concomitant with approval of the bilateral trade agreement extending most-favored-nation status to that country. The resolution specifically requested the President to discuss this situation with the Romanian Government and to certify to the Congress that he has received assurances that the guarantees of the Romanian Constitution respecting human and civil rights of all citizens of that country will be observed and enforced.

Subsequently, during the meeting of the Trade Subcommittee of the Ways and Means Committee on July 9 preceding the vote on the United States-Romanian Trade Agreement, I raised this matter of humanitarian concern with the Assistant Secretary of State for European Affairs, Arthur A. Hartman. The text of the exchange follows:

Mr. Helstoski. Would there be any intention on the part of the State Department to enter into a dialogue and discussion relative to the protection of minority groups within the country (Romania) internally?

Mr. Hartman. We would certainly, if matters are brought to our attention where such an intervention would be desired, we would certainly look with favor on taking this up with the Romanian authorities.

Mr. Helstoski. In terms of assurances and guarantees that are provided for under the Romanian Constitution and the United Nations Charter; you will recall that I had questions about this situation in Transylvania.

Mr. Hartman. Yes, we would be willing to discuss this situation with the Romanian Government.

Having been given this assurance, House Concurrent Resolution 326 was not presented to the subcommittee as an amendment to the resolution now before the House.

Shortly thereafter, I wrote to the Assistant Secretary of State as follows:

House of Representatives,
Washington, D.C., July 11, 1975.

Hon. Arthur A. Hartman,
Assistant Secretary for European Affairs,
Department of State
Washington, D.C.

Dear Secretary Hartman: I want to thank you for your assent and the willingness which you expressed at the July 9 meeting of our Ways and Means Subcommittee on Trade to enter into dialogue with the Romanian Government relative to the situation of minority groups within that country, particularly in regard to the abridgement of human and civil rights of the almost 2.5 million Hungarians who are mostly concentrated in the province of Transylvania.

In response to my inquiry on this matter, you indicated that the Department of State would look with favor on taking this up with the Romanian authorities "if matters are brought to our attention where such an intervention would be desired." Your commitment to pursue this area of humanitarian is most laudable.

I am taking the liberty of summarizing some of the major issues which were raised before our Trade Subcommittee and before the Senate Finance Committe during consideration of House Concurrent Resolution 252, providing for approval of the Trade Agreement between the U.S. and the Socialist Republic of Romania. For further references and documentation, I refer you to the text of the testimony and supporting materials presented by the American Hungarian Federation which deal with these individual problems at length.

The most immediate complaints concern the implementation measures of the Law about National Cultural Treasures. The danger exists that once the documentary material is transferred to State administration, it will not be cataloguel and/or made available to researchers and that the haphazard confiscation of many of the church documents suggest that some irreplaceable documents of the history of Transylvania might be physically destroyed.

Another major grievance involves the declining number of educational institutions, particularly at the secondary and higher education levels, which still offer a majority of the subjects in Hungarian. Statistics show that in the last ten years, their number decreased by more than one-third at the elementary level and more than one-half at the secondary level, and that all professional and vocational schools have Romanian sections only. Insofar as the Hungarian sections also have three subjects (Romanian language and literature, history and geography) taught in Romanian, the arguments posed that the continued existence of Hungarian sections would educate a group unfamiliar with the language, literature and history of the Romanian nation are not valid. A secondary, but justified complaint is the severity with which any graduate of any Hungarian section school on the elementary and secondary level is judged during his entrance examination (in Romanian only) to the next higher level of schools.

A third problem relates to the difficulty of using the Hungarian language officially or in public in Transylvania. Despite Constitutional guarantees, people are unable to make use of the language before the courts and the police in many areas and, if the official in question speaks any Hungarian, his knowledge of Hungarian is poor at best. Some clarification of the status of the Hungarian language, spoken by almost 2.5 million in Transylvania, or about one-third of the population, and an official recognition of the same as a second language of the province would be beneficial.

The reports of continuing harassment of the churches constitute a serious problem, especially for the minority churches. Three issues have been raised in this regard: (1) The 1974 law which forbids ministers and priests to receive any donations or gifts from abroad while individual Romanian citizens may do so. This greatly impairs the Roman Catholic, Protestant Reformed, Lutheran and Unitarian Churches in Romania, all of which are minority churches—Hungarian or German. (2) The constant interference of the Ministry of Cults into appointment of ecclesiastical positions even on the lowest level (chaplains). (3) The pressures exerted officially and unofficially on parents who would like their children to receive religious instruction.

There is a general pattern of dispersal of the graduates of Hungarian ethnic background into purely Romanian areas. While some dispersion may be inevitable, the intensity and frequency of these graduates being dispersed indicate a manifest tendency of state and university authorities to do so. Conscious efforts in assigning the first jobs to university graduates of Hungarian ethnic background to mixed or Hungarian areas in Transylvania would be desirable.

Finally, examples of job and housing discrimination directed against Hungarians as well as the inadequacy of programming of TV and radio programs in Hungarian were noted in the previously mentioned testimony of the American Hungarian Federation.

May I respectfully ask and urge you again to raise these issues with the Romanian Government as soon as feasible so that we will have the benefit of your views and their response before a floor vote on House Concurrent Resolution 252?

Looking forward to your kind reply, I am
Sincerely,

Henry Helstoski,
Member of Congress.

I have not as yet received an official reply.

In view of the foregoing circumstances, I am lending my support to approval of this bilateral commercial agreement in good faith that the willingness expressed before our Trade Subcommittee earlier this month to pursue these crucial issues regarding protracted grievances and discrimination of minorities in Romania will be complied with by the Department of State.

The President departed the country this past weekend to sign the Declaration of the Conference on Security and Cooperation in Europe in Helsinki which, on paper, secures human rights and more freedom to all of the peoples in Europe. We recognize, however, that words and signatures do not guarantee the implementation and day-to-day fulfillment of human and civil rights.

With the President's forthcoming visit to Bucharest in mind, 38 of my colleagues joined me in sending a letter on July 25 to President Ford requesting that he discuss these vital concerns regarding the abridgment of human and civil rights with President Ceausescu of the Socialist Republic of Romania. Following is the text of this letter:

House of Representatives,
Washington, D.C., July 22, 1975.
Hon. Gerald R. Ford,
President of the United States, The White House, Washington, D.C.

Dear Mr. President: We, the undersigned, members of the United States House of Representatives, have been examining the United States-Romanian Trade Agreement and your Proclamation of April 24, 1975 extending non-discriminatory tariff treatment to the Socialist Republic of Romania.

Before a final vote on this agreement and in view of your forthcoming trip to Romania which will afford you an opportunity to discuss with President Ceausescu matters concerning our relations with Romania, we would like to call to your attention the following humanitarian problems in Romania which constitute a great concern to us:

(1) The internal policies of the government are overly repressive even measured against standards of other countries of the Warsaw Pact organization.

(2) Ethnic minorities, particularly the close to 2.5 million Hungarians, and religious minorities, such as the evangelistical Protestant denomination, are subjected to additional forms of repression, harassment and abridgment of their human rights in the areas of education, religious instruction, housing, cultural activities and jobs. A bill of particulars was presented in testimony before the House Ways and Means Subcommittee on Trade hearings and a summary of the principal areas of concern is enclosed.

Assistant Secretary of State Arthur A. Hartman in testimony before the Trade Subcommittee has indicated a willingness on the part of the State Department to have these matters discussed with the Romanian Government.

May we respectfully ask to have the State Department advised to proceed with such discussions and may we also respectfully request your raising the humanitarian question or the abridgment of human and civil rights of the ethnic and religious minorities in your discussions with President Ceausescu of the Socialist Republic of Romania?

With every good wish for your forthcoming trip to Europe, we are

Sincerely yours,

Philip M. Crane, Alphonzo Bell, Barry M. Goldwater, Jr., John M. Ashbrook, Robert E. Bauman, Frank Annunzio, James J. Howard, Claude Pepper, John M. Murphy, John W. Wydler, Hamilton Fish, Jr., Henry Helstoski, Joseph P. Addabbo, Ray J. Madden, Edward J. Patten, Dominick V. Daniels, Clement J. Zablocki, William L. Dickinson, Fred B. Rooney, William C. Wampler, Charles Thone, Silvio O. Conte, Marjorie S. Holt, Gus Yatron, Jack F. Kemp, Clarence J. Brown, John D. Dingell, Frank Horton, J. William Stanton, Helen S. Meyner, Larry P. McDonald, Matthew J. Rinaldo, Clair W. Burgener, Henry J. Nowak, John Buchanan, J. Herbert Burke, Frank Thompson, Jr., John J. Duncan, Joseph G. Minish, *Members of Congress.*

Summary of Principal Areas in Which the Human and Civil Rights of the Hungarian Minority in Romania Are Being Abridged

1. Decree Law on National Cultural Treasures. All archival materials over 30 years old are nationalized, including the written records of the Hungarian past of Transylvania. Fear exists that they will not be catalogued and made available to researchers any more.

2. Constant closing of Hungarian sections of schools. Insofar as Hungarian sections in Romanian schools teach three subjects in Romanian, they would not educate an elite alienated from the mainstream culture in Romania. Hungarian sections in the last 15 years decreased by 33 percent on the elementary level and by 50 percent on the high school level.

3. The Hungarian language, spoken by close to 2.5 million Hungarians in Transylvania, cannot be used in courts and in conversation with other officials in most parts of Transylvania and in mixed Romanian-Hungarian areas. The public use of Hungarian is discouraged. This situation prevails despite Constitutional guarantees for the free use of the language before the courts and other authorities.

4. State agencies are consciously dispersing the small number of university graduates among the Hungarian minority into purely Romanian areas by job assignments. This deprives the minority to a large extent of its educated and professional leadership.

5. There is apparent job discrimination and the same situation persists in the allotment of new housing in the Transylvania cities directed against members of the Hungarian minority.

6. Churches are forbidden by a 1974 Decree Law from receiving gifts and donations from abroad. The law does not, however, apply to individual citizens. A related problem concerns parents who are intimidated from registering their children for religious instruction, especially in the cities.

On August 18, 1965—almost 10 years ago—during a House floor debate concerning the gravity of the Hungarian situation in Transylvania, I made the following remarks:

> We cannot forget about the anguished cries of the persecuted and then maintain that our intent is to build bridges to the peoples of Eastern Europe. We must remain true to our principles which cannot countenance the implicit recognition of persecution by rewarding those who oppress unless they mend their ways. To me the issue is not whether to build bridges but how do we build bridges and how to avoid becoming unwilling partners in the abridgment of human rights to groups of people and minorities in these countries now ruled against their wish by Communist governments.

I feel there is a measure of relevancy in this statement for our reflection at this time.

Mr. SKUBITZ. Mr. Chairman, I rise in strong support of House Concurrent Resolution 252 which approves the extension of nondiscriminatory treatment to the products of Romania.

Last March, it was my privilege to visit Romania at the request of the USIA and open one of our exhibits. During that visit it was my privilege to visit with a number of the officials of that country, discuss with them problems of mutual interest to our countries. I was urged by them to speak to Speaker Albert and encourage him to visit the country and to bring other representatives so that a better understanding between our countries might develop. I spoke to Mr. Albert. He advised me that he was seriously considering such a visit.

Romania like Yugoslavia is attempting to pursue an independent course. Both countries desire to establish closer relationships with this country. There is no doubt in my mind that the passage of this resolution is of political importance to this country. I urge its passage.

Mr. McDONALD of Georgia. Mr. Chairman, House Concurrent Resolution 252 which is before us today requires great care and debate before final approval. While we all sympathize with its aims and objectives to establish better relations with the Socialist Republic of Romania and to encourage its semi-independent stance on international affairs, we must also realize the other side of the coin.

The internal policies of the Socialist Republic of Romania are universally condemned, even by those who would like to promote closer relations with its government. The general repression of the citizens is worse than in most of the other Communist countries of the region and religious and national minorities in the country, particularly as regards the smaller Protestant denominations and the Hungarians of Transylvania who constitute a bloc of almost 2.5 million people, and are seemingly out for special harassment and oppression.

Some meaningful alleviation of their situation should be a must quid pro quo for our increasing trade, investment and credit involvement into the Romanian economy. We have been always the champions of human rights for oppressed people and the rights these religious and national minorities covet are not only part of the universal declaration of human rights but also part of the several paragraphs of the Constitution of the Socialist Republic of Romania.

Those who can vote for House Concurrent Resolution 252 by virtue of having received the promise of the Assistant Secretary of State Arthur A. Hartman on July 9, 1975—in the Subcommittee of Trade of the Ways and Means Committee—that the State Department will conduct discussions with the Romanian Government on these problems are leaning on a slender reed in my view. Traditionally, our State Department always professes to see improvement in the behavior of Communist nations, and I doubt any changes will be recommended after the 18-month waiver period is ended. We will simply have another undeserving Communist nation on the MFN list.

Mr. MIKVA. Mr. Chairman, I rise in support of House Concurrent Resolution 252, which would extend most favored-nation status to Romania. Passage of this measure would be a positive step in improving both the economic and political relationship between our country and Romania. Moreover, should Romania win most-favored-nation status, I believe that it would be a victory not only for that nation but also for all those who view human rights as basic and worthy of expansion.

Politically, Romania has pursued a foreign policy independent of the Soviet bloc. Far before the word "détente" became fashionable, Romania sought out opportunities for improving its relations with the West and developing countries, often to the displeasure of Moscow. Such independence explains why Romania was the only Eastern European country not to endorse the Soviet denunciation of the United States-U.S.S.R. trade agreement, made by the Soviets because of the human rights' provision in that agreement. This kind of stance deserves support and House Concurrent Resolution 252 should provide a strong psychological boost to this political independence.

Economically, both countries would

gain by Romania acquiring most-favored-nation status. Romania will benefit through greater access to our market, eligibility for credit programs, and greater opportunity for technological connections with us. We benefit as well by gaining greater access to the Romanian economy, an economy with which we have enjoyed a trade surplus for the past 14 consecutive years. This relationship, thus, has consistently been favorable to our balance of trade position. Moreover, Romania is one of our primary nonmarket trading partners from whom we chiefly import oil and oil related products. With the oil flow from abroad presently being vulnerable to great uncertainties, and with our hope to be independent of such imports as yet unrealized, the wisdom of improving our ties with Romania is apparent.

Finally, passage of House Concurrent Resolution 252 would represent a positive action that would facilitate the emigration of those who wanted to emigrate from Romania. Similar to the intent of the Jackson-Vanik amendment, an understanding has developed that congressional approval of most-favored-nation status was conditioned upon the prior improvement of the emigration position of Romania. This year, Romania has approved 694 emigration applications to the United States—the highest ever. Further, 3,600 Romanian Jews emigrated to Israel in 1974 and 2,000 more such applications have already been approved for this year. This being so, we have reason to believe that this essential requirement has been met. Moreover, many of us hope to see the further expansion of these emigration policies. Should for some reason this hope not be fulfilled, Congress would have the right not to renew most-favored-nation status next July.

Accordingly, Mr. Chairman, I urge support for House Concurrent Resolution 252.

The CHAIRMAN. All time for debate has expired.

The Clerk will report the concurrent resolution.

The Clerk read as follows:

Resolved by the House of Representatives (the Senate concurring), That the Congress approves the extension of nondiscriminatory treatment with respect to the products of the Socialist Republic of Romania transmitted by the President to the Congress on April 25, 1975.

The CHAIRMAN. Pursuant to Public Law 93-618, section 151, no amendment to the concurrent resolution is in order. Pursuant to that law, the Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. FOLEY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution, H. Con. Res. 252, approving the extension of nondiscriminatory treatment to the products of the Socialist Republic of Romania, he reported the concurrent resolution back to the House.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. Pursuant to section 151(e)(1) of Public Law 93-618, the Trade Act of 1974, the question is on the adoption of Senate Concurrent Resolution 35, a similar implementing resolution which has been passed by the Senate.

The Clerk will report the Senate concurrent resolution.

The Clerk read as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress approves the extension of nondiscriminatory treatment with respect to the products of the Socialist Republic of Romania transmitted by the President to the Congress on April 25, 1975.

Passed the Senate July 25 (legislative day, July 21), 1975.

The SPEAKER. The question is on the Senate concurrent resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 355, nays 41, not voting 38, as follows:

[Roll No. 439]

YEAS—355

Abdnor
Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashley
Aspin
AuCoin
Bafalis
Baldus
Barrett
Beard, R.I.
Bedell
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brodhead
Brooks
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Burgener
Burke, Calif.
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Chisholm
Clay
Cleveland
Cohen
Collins, Ill.
Conable
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
de la Garza
Delaney
Dellums
Derrick
Derwinski
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
du Pont
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Florio
Flynt
Foley
Ford, Mich.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harris
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Hechler, W. Va.
Heckler, Mass.
Hefner
Helstoski
Henderson
Hicks
Hightower
Hinshaw
Holland
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Jeffords
Jenrette
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kelly
Ketchum
Keys
Koch
Krebs
LaFalce
Lagomarsino
Latta
Leggett
Lehman
Lent
Litton
Lloyd, Calif.
Long, La.
Lott
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Madden
Madigan
Maguire
Mahon
Mann
Martin
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Milford
Miller, Calif.
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Pickle
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Richmond
Riegle
Rinaldo
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rostenkowski
Roush
Roybal
Russo
Ryan
St Germain
Sarasin
Sarbanes
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Ullman
Van Deerlin
Vander Veen
Vanik
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki

NAYS—41

Ashbrook
Bauman
Beard, Tenn.
Bennett
Brinkley
Buchanan
Burke, Mass.
Clausen, Don H.
Clawson, Del
Collins, Tex.
Conlan
Crane
Davis
Dent
Devine
Dickinson
Duncan, Tenn.
Early
Gilman
Ginn
Hansen
Harsha
Ichord
Kasten
Kemp
Krueger
Lloyd, Tenn.
Long, Md.
Lujan
McDonald
Mathis
Miller, Ohio
Pike
Roberts
Rousselot
Runnels
Santini
Satterfield
Shipley
Spence
Symms

NOT VOTING—38

Anderson, Calif.
Badillo
Baucus
Bell
Broomfield
Clancy
Cochran
Diggs
Dingell
Esch
Flood
Flowers
Ford, Tenn.
Fulton
Harrington
Hastings
Heinz
Hillis
Jacobs
Jarman
Johnson, Colo.
Kindness
Landrum
Levitas
Macdonald
Peyser
Risenhoover
Rosenthal
Ruppe
Scheuer
Stephens
Teague
Udall
Vander Jagt
Vigorito
Whitten
Young, Alaska
Zeferetti

So the Senate concurrent resolution was concurred in.

The Clerk announced the following pairs:

Mr. Zeferetti with Mr. Bell.
Mr. Badillo with Mr. Esch.
Mr. Baucus with Mr. Clancy.
Mr. Risenhoover with Mr. Hastings.
Mr. Rosenthal with Mr. Ford of Tennessee.
Mr. Udall with Mr. Jacobs.
Mr. Teague with Mr. Broomfield.
Mr. Vigorito with Mr. Kindness.
Mr. Flood with Mr. Landrum.
Mr. Macdonald of Massachusetts with Mr. Heinz.
Mr. Fulton with Mr. Anderson of California.
Mr. Harrington with Mr. Peyser.
Mr. Diggs with Mr. Cochran.
Mr. Flowers with Mr. Ruppe.
Mr. Dingell with Mr. Hillis.
Mr. Stephens with Mr. Jarman.
Mr. Whitten with Mr. Young of Alaska.
Mr. Levitas with Mr. Vander Jagt.

The result of the vote was announced as above recorded.

A similar House concurrent resolution (H. Con. Res. 252) was laid on the table.

GENERAL LEAVE

Mr. GREEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous matter, on the two matters just under consideration, House Concurrent Resolution 252 and Senate Concurrent Resolution 35.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON CEMETERIES AND BURIAL BENEFITS OF THE COMMITTEE ON VETERANS' AFFAIRS TO SIT DURING HOUSE SESSION ON JULY 28, 1975

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent that the Subcommittee on Cemeteries and Burial Benefits of the Committee on Veterans' Affairs be allowed to meet on the afternoon of July 28, 1975, during general debate and under the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 6219, AMENDING THE VOTING RIGHTS ACT OF 1965

Mr. MADDEN. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 640 and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That, immediately upon the adoption of this resolution, the bill (H.R. 6219) to amend the Voting Rights Act of 1965 to extend certain provisions for an additional ten years, to make permanent the ban against certain prerequisites to voting, and for other purposes, with the Senate amendments thereto, be, and the same hereby is, taken from the Speaker's table, to the end that the Senate amendments be, and the same are hereby, agreed to.

The SPEAKER. The Chair recognizes the gentleman from Indiana (Mr. MADDEN).

Mr. MADDEN. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio (Mr. LATTA) for debate only, pending which I yield myself such time as I may consume.

Mr. Speaker, this resolution provides that immediately upon the adoption of this resolution, the bill (H.R. 6219) to amend the Voting Rights Act of 1965 with the Senate amendments, will be taken up for consideration.

The most important Senate amendment to this legislation provides for an extension of the Voting Rights Act for 7 years instead of the 10 years provided in the House bill.

Mr. Speaker, I want to commend the Committee on the Judiciary, the chairman of that committee, the gentleman from New Jersey (Mr. RODINO), and the chairman of the subcommittee, the gentleman from California (Mr. EDWARDS) for the great service their committee has rendered in bringing this legislation before the Congress. I urge the adoption of House Resolution 640 and H.R. 6219, with the Senate amendments, because the current Voting Rights Act expires on August 6.

There may not be time to have a conference on the bill before the recess. This extension is urgently needed. I ask that we accept the Senate amendment.

Mr. Speaker, I yield to the gentleman from Ohio (Mr. LATTA).

Mr. LATTA. Mr. Speaker, unless the House acts on this resolution this act will expire on August 6 of this year. The action taken by the Rules Committee is not unprecedented but when we adopt House Resolution 640 we will actually be voting to agree to the Senate amendments to H.R. 6219, the amendments to the Voting Rights Act of 1965.

As has been explained by the gentleman from Indiana, there is one major amendment and some technical amendments added by the Senate to this bill. The major Senate amendment is a reduction of the 10-year extension as passed by the House, to 7 years in the Senate version.

I might point out that this legislation passed the House on June 4 by a vote of 341 to 70 and 2 voting "present."

Mr. McCLORY. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Illinois (Mr. McCLORY).

Mr. McCLORY. Mr. Speaker, while I did oppose a number of the provisions in this legislation, I think the Senate amendment is an improvement in that it does provide for a 7-year extension instead of the 10-year extension. I am sorry we have some of these other provisions in the bill with respect to voting rights of Eskimos and Indians as well as language minority groups that were not included in the original Voting Rights Act of 1965—nor in the extension of that act in 1970. However, I am going to support this resolution and vote for the bill.

Mr. Speaker. I am fearful that some of these other provisions which will require ballots and voting materials to be provided in various languages—some of which do not exist in written form—will impose unconscionable and unnecessary inconvenience and expense in many States and counties of our Nation.

Mr. Speaker, the extension of this act for 7 years for the benefit of black Americans is justified. The problem with the other racial and ethnic groups should be taken care by education—and not in the Voting Rights Act.

Mr. LATTA. Mr. Speaker, I reserve the balance of my time.

Mr. MADDEN. Mr. Speaker, I yield such time as he may consume to the gentleman from New Jersey (Mr. RODINO).

Mr. RODINO. Mr. Speaker, I commend the chairman of the Rules Committee and the members of the Rules Committee for bringing this legislation to the floor at this time. It is urgently needed because, as the chairman has already expressed, the act will expire on August 6 unless we take this action.

As chairman of the Committee on the Judiciary, which monitored this legislation, I would say it is a good piece of legislation and despite the fact that there has been a reduction in the time during which this act will actually be operative I believe this is an effective piece of legislation which the House should adopt.

I urge immediate adoption of this resolution.

Mr. Speaker, the legislation we consider this morning is certainly as vital as any that will come before the 94th Congress.

We are dealing with the most important piece of civil rights legislation ever enacted by the Congress. That legislation is due to expire in a matter of days.

Last month, as you know, the House voted a 10-year extension and important expansions of the provisions of the voting rights act. The Senate has now passed the House bill with amendments that I urge the House to concur with this morning.

The Judiciary Committee has carefully monitored the proceedings in the Senate. Numerous cloture votes were required in light of an attempted filibuster by opponents of extension. What has emerged from the vigorous debate in the Senate is less than we would like, but it is nonetheless a very significant extension of the provisions of the Voting Rights Act.

The Senate amendments do not endanger the expanded scope of the act's special remedies. However, the Senate, by a vote of 52 to 42 simply agreed to reduce the extension from 10 years to 7. Ten years is of course preferable to 7, but even 7, remember, is a longer extension of the act than has ever been accomplished before.

Nonetheless, I opposed this amendment by the Senate. Together with the distinguished subcommittee chairman, Mr. EDWARDS, I made my opposition to this amendment known at the time the Senate was considering it. I much prefer the 10-year extension voted by the House.

We are faced, however, by practical choices at this point, shaped by the exigencies of time and the necessary procedures of the Congress. It is my view that an effort to restore the 10-year extension through a conference would risk losing entirely the timely extension of the act.

If we go to conference with the Senate, it is unlikely that we can get the full 10 years restored. We would likely come out with, at best, 8. Whatever the result, consideration of any conference report on the floor of the Senate will likely require at least two more cloture votes. Even assuming that the votes for cloture could be mustered twice more in the Senate, the debate would consume a minimum of 4 or 5 days. Then there is the question of whether we could win approval of additional years on the Senate floor. The act expires August 6, and the Congress is scheduled to recess August 1.

Mr. Speaker, desirable as I believe it would be to restore the extra 3 years, we must not expose this critical legislation to the parliamentary hazards of any additional time squeeze. We must also recognize what we do accomplish by accepting these amendments in the enactment of landmark legislation: extending, protecting, and expanding hard-earned triumphs in the struggle for equal rights.

Mr. Speaker, the Committee on Rules is to be highly commended for bringing this resolution to the floor in such an expeditious manner. I urge the House to adopt the resolution.

I include the following:

Urgently request that voting rights bill passed by Senate be cleared for House approval. In the Senate opponents used so-called perfecting amendments to slow passage. Delays caused by these actions were clearly designed to make a House-Senate conference necessary. Any effort to send the Senate bill back to conference will cause more delay and increase the risk of getting no bill.

CLARENCE MITCHELL,
Director, Washington Bureau, NAACP.

Mr. MADDEN. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. EDWARDS).

Mr. EDWARDS of California. Mr. Speaker, I rise today to ask that the Members of this body adopt a resolution to accede to the Senate amendments made to H.R. 6219, a bill to extend the Voting Rights Act of 1965. As passed by the House on June 4, H.R. 6219 extended the Voting Rights Act for 10 additional years and expanded the act's coverage to provide for the protection of the voting rights of language minorities.

During its recent deliberations on the House-passed measure, the Senate adopted three amendments to the bill. First, it shortened the extension period for currently-covered jurisdictions from 10 to 7 years. Second, it amended title III of the bill to make clear that in the case of language minorities where there has only been the recent development of written language forms, only bilingual oral assistance would be required for voting and registration, not a written ballot or other printed materials in the newly-written language. Third, the Senate adopted a perfecting amendment which amended the title of the bill to indicate that the extension would be for 7 rather than for 10 years.

The disappointment which I—and I am sure which most of us—experienced when the Senate agreed to the 7-year amendment was tremendous. We had passed our 10-year measure by a vote of 341 to 70; and having received such an overwhelming vote within our ranks, it now makes it very difficult for me to come before you to ask for adoption of a resolution that we agree to something less. Nevertheless, despite my regrets and disappointments, I feel that I must now ask that we agree to that something less.

After discussions with Senate proponents of the bill and the Senate leadership, I sincerely believe that the best course of action would be to agree to the 7-year extension amendment rather than push for a conference at this the eleventh hour. The 7-year amendment was adopted by a vote of 52 to 42 in the Senate, not an insignificant margin to overcome in terms of the adoption of a conference report recommending a 10-year extension. Furthermore, there were several "cliff-hanger" votes in the Senate, where amendments which would have "gutted" the act were only narrowly defeated. Under these circumstances, I do not feel it advisable to send the measure back for further Senate action.

The timing is too short. With an August 6 expiration date for the act and an August 1 recess sheduled, I do not feel that we can risk taking the time that would be involved in meeting in conference. Even then, assuming that a 10-year extension could be reported out of conference, the time that would be involved in obtaining a cloture vote in the Senate to actually get the conference report adopted on that side would be a minimum of 2 days. With only 5 more legislative days left before the August recess and with only 10 days before the act expires, I believe that the only sound and prudent course to take is to accept the 7 years.

Here and now, I would like to make very clear that our acceptance of 7 years does not in any way indicate withdrawal by either the Judiciary Committee or the House of Representatives from our commitment that there be fair redistricting and reapportionment in the covered States after the next decennial census. You will recall that the major thrust or purpose of the 10-year extension was to insure that the protections of the act's preclearance provisions were present during the redistricting and reapportionment which will necessarily take place after the 1980 decennial census. We felt that by insuring the presence of those protections through 1985, we would be insuring that the meeting of the "one-man/one-vote" standard did not result in the dilution of minority voting strength.

Now, as amended by the Senate, H.R. 6219 would provide for Federal preclearance of redistricting plans only through approximately August of 1982 in many of the currently-covered areas. We have been advised that the census data needed for redistricting should be available in early-to-mid-1981, which means that local governmental bodies should be moving to redistrict around that time. Of course, there is always the danger that those intent upon discriminating will attempt to stall and redistrict only after the expiration in 1982 of the Federal preclearance requirement, a requirement which would subject those redistricting plans to scrutiny for purposes of determining their discriminatory impact.

If such stalling attempts are made, I now give fair warning that the Congress will not stand idly by and allow the act to expire in the face of such attempts. The act, with its preclearance provisions, can be extended again in 1982 and in fact will be extended again, if redistricting has not taken place by then in covered areas who seek to stall until a time when they will be free to discriminate.

A 7-year extension is far from an ideal situation, but it can be lived with. And rather than endanger the life of the act itself, I believe that live with it, we must.

Although I have not been able to obtain a copy of the decision, I should like to note, somewhat as an aside, how pleased I was to hear that only a few days ago the District of Columbia Court of Appeals had upheld the lower court's decision in Harper against Kleindeinst. In that case the Justice Department had refrained from subjecting a South Carolina State Senate redistricting plan to section 5 or preclearance scrutiny because the local South Carolina District Court has approved the plan. The U.S. District Court for the District of Columbia found that the Attorney General had acted improperly and ordered him to make a "reasoned decision" on the Senate plans. It was that district court decision that was recently upheld and in so doing the court of appeals has again underscored the importance of having the system of section 5 review—whether it be carried out by the Attorney General or the U.S. District Court for the District of Columbia.

As for the other Senate amendment to H.R. 6219, the amendment which requires only oral bilingual assistance for registration and voting where the language of the language minority groups is only recently set-down in writing or, in other words, where the language is historically unwritten, I believe that this amendment can be accepted without doing any damage to the protections to be afforded by the bill. This amendment was offered by Senator STEVENS of Alaska and simply codifies what both myself and Senator TUNNEY, the Senate floor manager of the bill, already viewed as the clear intent of the bill. Languages recently developed by anthropologists, which are obviously not used or widely used by citizens of voting age within the language group, have always been, for our purposes, "oral" or "unwritten" languages.

Therefore, the mandate imposed under such circumstances was not one for printed bilingual election materials but rather one for bilingual oral assistance in registration and voting. The Stevens amendment, as accepted by the Senate, simply codifies this understanding. Also, I would like to make clear that although the language of the Stevens amendment has been placed only in title III of the bill, as far as my understanding of the bill is concerned, this is in no way to imply that a contrary interpretation is to be given to the bilingual elections mandate as it appears in title II.

As I have stated before, it has always been my interpretation of both titles II and III that where there is only a recently developed written form of the language, then only oral bilingual assistance is required for the 10-year coverage periods for titles II and III. The coverage periods for these titles in the bill were not shortened in the Senate. The Department of Justice, I have been informed, also has this same understanding as to the manner in which the bilingual elections mandates of both titles II and III are to work. A letter from the Justice Department to that effect is attached to my statement. Also, although the language of the Stevens amendment appears to carve out an exception solely for Alaskan Native languages which are historically unwritten, I do not believe that the intent of the language is to be so narrow in its application.

I believe that the Alaskan Native reference was added to the language solely because it was within the context of that group that debate was taking place at the time that the amendment was added. Clearly, if an American Indian language were also only recently developed in written form, then for that language too only oral assistance would be the form of the mandate, not printed election materials in the "new" written language.

I have been informed by the minority members of the Subcommittee on Civil and Constitutional Rights that there are several technical amendments which they had hoped would have been made to H.R. 6219 on the Senate side. I have now taken under advisement the possibility of sometime in the future dropping in a bill which would make those technical amendments. However, the matter is not one of extreme urgency since the amendments are few, only very minor in nature, and, in my opinion, are not required in order to effectuate a proper interpretation of the act.

For example, one proposed amendment is that in both titles II and III, where the mandate is for oral assistance where the language of the applicable group is unwritten, the word "bilingual" is sought to be added to insure that English assistance is not interpreted to be a fulfillment of the requirement. While the addition of the word "bilingual" would help make that clear, I believe that that is the only reasonable interpretation to be given the language, even in the absence of such a technical amendment. The thrust of the remedy is to provide for election procedures in the languages that can be understood by language minorities. It would be absurd to interpret the oral assistance requirement as having been fulfilled by the providing of oral assistance in English, a language not understood by the members of group.

Another possible technical amendment is one which states that a bailout suit under title III can be brought in "an appropriate" U.S. district court rather than "the" U.S. district court. Again, the absence of the amendment would have no effect on the interpretation of the statute. It could only be in the "appropriate" court, especially for purposes of jurisdiction and venue, that the case could be heard. It may be recalled that, as originally drafted, title III bailout actions were limited to the U.S. District Court for the District of Columbia and the point is that in its current form, there is no such exclusive jurisdiction within the District of Columbia Court. Exclusive jurisdiction is retained in the District of Columbia Court for other bailout actions under the act.

I close now by simply again asking for your vote to agree to this resolution adopting the Senate amendments to H.R. 6219. The Voting Rights Act must survive, and I ask for your vote so that we can quickly get this measure to the President for his signature.

The letter referred to follows:

DEPARTMENT OF JUSTICE,
Washington, D.C., July 28, 1975.

Hon. DON EDWARDS,
Chairman, Subcommittee on Civil and Constitutional Rights, Committee on the Judiciary, U.S. House of Representatives, Washington, D.C.

DEAR CHAIRMAN EDWARDS: This is in reply to your staff's inquiry concerning the proviso included in Titles II and III of H.R. 6219 which reads:

Provided, that where the language of the applicable minority group is oral or unwritten, the state or political subdivision is only required to furnish oral instructions, assistance, or other information relating to registration and voting. H.R. 6219, Sec. 203, (f) (4); Sec. 301(c).

It has been the understanding of the Department of Justice that this proviso, which was added to the Act on the floor of the House, should be read broadly to include languages of protected language minority groups which are not in fact written by the language minority group itself. Thus, it has been our interpretation of this proviso, together with the related portions of the Act, that if a written language has been developed linguistically, but has little or no relevance to the persons who speak the language, a jurisdiction would not be required to print election and registration materials in that language, but instead would be required to provide oral assistance to registrants and voters. This interpretation was confirmed by the floor manager of the bill in the Senate, Senator Tunney, when he said:

"There is no intent in this bill to require bilingual elections in a language that has historically never been written, except by a few anthropoligsts in a university somewhere." Cong. Rec., S13650-51, July 24, 1975.

Therefore, it is my judgment that Amendment No. 779 proposed by Senator Stevens and agreed to by the Senate on July 24, 1975, while it may clarify the meaning of this proviso, does not add or detract from it. I might add that because in my view H.R. 6219 does not require the printing of languages which are basically only of anthropological significance, Senator Stevens' Amendment should not be read as allowing oral assistance only to Alaskans with an historical language. Jurisdictions covered by Titles II and III would not be required, for example, to print American Indian languages which are not in fact written and read by those who speak the language, but could meet the bilingual requirements of the Act by providing oral assistance in the language of the language minority group.

In addition, because in my judgment it has been the intent of Congress that the proviso contained in Titles II and III be interpreted in this fashion, and since Senator Stevens' Amendment is only clarifying in nature, amending Title II to include Senator Stevens' Amendment similarly would not add to or detract from the meaning of the bill as now written.

I hope that this information is of assistance to you.

Sincerely,
J. STANLEY POTTINGER,
Assistant Attorney General, Civil Rights Division.

Mr. CONYERS. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of California. I yield to the gentleman from Michigan.

Mr. CONYERS. Mr. Speaker, I thank the gentleman from California (Mr. EDWARDS) for yielding to me and commend him for his excellent leadership in extending the Voter Rights Act of 1965.

I feel compelled to express my displeasure in having to accept a 7-year rather than a 10-year extension of the Voting Rights Act. Unfortunately, the Senate version of the act has the House over a barrel: We either go along with the Byrd amendment with its 7-year extension or else we witness the expiration of the act's vital provisions in August. It is unconscionable that legislation that goes to the core of our constitutional principles of equal justice and the consent of the governed is to be diminished through apparent horsetrading in the Senate.

During the past 4 years under the present Voting Rights Act a number of States covered by the act have used various means to circumvent its intent and purpose. Adoption of at-large elections, changes in polling places, redistricting, annexations, and switches from elective to appointive offices have been undertaken to dilute, if not irreparably weaken, the voting strength of those for whom the act was intended to assist. There is the distinct danger that the covered States will delay redistricting necessitated by the results of the 1980 census, which would give greater representation to all of our citizens, until the expiration of the act in 1982, thus once again allowing them to stymie the realization of full voting rights for all Americans.

Mr. GOLDWATER. Mr. Speaker, when this legislation was before the House a few weeks ago, I voted against it. I did not and do not disagree with the objectives of the legislation. The case has been more than adequately made that many of the States have permitted voter registration discrimination to occur. The record is equally clear that many States having once been made aware of the illegality of the practice have rejected corrective measures and allowed them to continue. I voted against the bill because of my deep misgivings over the fairness and wisdom of some of the provisions.

First, both the Constitution and traditional American practice leave election law to the control of the States. The Voting Rights Act extension interjects the direct presence of the Federal Government in that area of State jurisdiction. The bill would have continued that situation for another 10 years—for certain States—when there is substantial evidence that voter registration discrimination has been reversed and almost eliminated in some areas.

Second, the intervention of the Federal Government would be activated by a mechanism that does not distinguish between voter apathy and registration discrimination. American citizens are entitled not to vote if they so choose. I felt that the Government should not be permitted to intervene except where there was legitimate showing of registration discrimination.

Third, the bill's provisions did not apply equally to all the 50 States. Since

1965, when the Voting Rights Act was first passed, the distribution of racial and ethnic minorities has greatly changed. Further, some States have eliminated registration problems. To continue the coverage of the law to selected areas ignores the changes that have occurred and may even encourage new abuses. Out of my concern for these problems and the failure of the House to correct them, and out of my belief that my "no" vote in combination with others in the House would encourage the Senate to make some of the changes, I voted no.

Well, as you all know, the Senate made only one substantive change. It reduced the life of the extension from 10 to 7 years. While this definitely improved the legislation, it did not correct the other provisions that concern me. The report accompanying the bill clearly shows that voter registration discrimination still exists. In spite of the law citizens are still being denied their rights—their right under the Constitution—to vote.

Without this legislation, there is no guarantee that those situations will be corrected. Furthermore, in spite of the existence of this law and of numerous court decisions upholding it and striking down discriminatory practices, too many States have failed to pass corrective legislation of their own. I am always one of the first to rise in support of States and localities having as much original power and authority as they can exercise. But, in the case of ending voter registration discrimination, we can see that too many jurisdictions have failed to act and act responsibly.

Consequently, Mr. Speaker, in spite of the weaknesses I see in this bill, I will vote for the extension of the Voting Rights Act of 1965. The States have failed to come up with reasonable, viable alternatives. Consequently, the Congress and the Federal Government must act to preserve a basic right of our citizens.

Mr. MILFORD. Mr. Speaker, I rise in opposition to this conference report on the bill to amend the Voting Rights Act of 1965.

I voted for final passage of this bill when it was before the House after supporting a number of amendments to improve it, which unfortunately failed.

I voted for final passage because I believed then, and I still believe, that every effort must be made to encourage every citizen to vote, and to make it as easy as possible for every citizen to vote.

Since that vote, I have had numerous lengthy conversations about the legislation with officials of the State of Texas and a number of legal experts. The intervening period has also given me time to make a much more thorough study of my own of this legislation than was possible before the bill was originally presented to the House.

Mr. Speaker, this bill has a fine title, and I do not believe anyone in this Chamber is opposed to the right to vote in principle.

But this particular bill is bad legislation, no matter how high sounding its title may be. I do not believe we Texans, or the people in any of the other States affected, need someone looking over our shoulders when we draw our precinct boundaries, for example. This bill is simply too restrictive, and superimposed restrictions are something the voting process does not need.

This bill's application in Texas and the other selected States would create a chaotic situation which I believe would, in fact, discourage participation in the election process, rather than encourage it.

Texas, which is included in this bill, is in the vanguard among States striving to make it easy for every citizen to vote. Texas has postcard registration, for example. You do not need to take a test to register to vote. You do not even have to go to some special place to register to vote. All you have to do is fill out a postcard and mail it in. In those areas of Texas where there are sufficient numbers of Spanish-speaking citizens to justify the expense, ballots in Spanish are available. And I might add, this includes a large part of the State.

Mr. Speaker, I hope this conference report is rejected overwhelmingly, and that we can go back to work on an extension of the Voting Rights Act which will, in fact, guarantee the right to vote and encourage our citizens to vote in all of the 50 States, not just a select few.

Mr. BADILLO. Mr. Speaker, I am delighted that the House, by its overwhelming passage of House Resolution 640, assured a 7-year extension of the Voting Rights Act.

The legislation just approved by Congress retains amendments I have introduced in the Judiciary Committee to protect the rights of language minorities. As a consequence, the measure shortly to be sent to the White House contains triggering mechanism which will assure that jurisdictions in which, first there are large concentrations of persons of Spanish heritage, Asian Americans, American Indians, and Alaskan Natives, second, certain election and registration materials were printed only on English in 1972, and third, less than 50 percent of the persons of voting age voted in the Presidential elections of November 1972 will be covered by the Voting Rights Act.

In addition, this law also broadens the Attorney General's discretionary authority under section 3 by allowing him to bring suit and seek to have certain provisions of the act apply to any State or political subdivision when in his judgment substantial evidence exists that such State or subdivision is denying or abridging the voting rights of any citizen.

It would have been better, of course, to have a 10-year extension. But August 6, the date of expiration, is staring us in the face. Protracted conferences may have resulted in a lapsing of the law. By agreeing to the Senate-stipulated 7-year extension the House assured that the vital protection of our most momentous civil rights legislation will remain intact.

I hope that enactment of this legislation will be recognized by the language minorities—particularly the Spanish speaking who numerically are the largest group affected—as an indication of the desire of Congress to safeguard their rights and increase their participation in the political process. The provisions just enacted will afford them protection identical to that afforded black minorities in the South by the passage of the Civil Rights Act of 1965. I trust that they will take advantage of the law and utilize it to assure increased registration and increased representation in the years to come.

Mr. MADDEN. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced the ayes appeared to have it.

Mr. McCLORY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 346, nays 56, answered "present" 1, not voting 31, as follows:

[Roll No. 440]

YEAS—346

Abdnor
Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Ashley
Aspin
AuCoin
Bafalis
Baldus
Barrett
Beard, R.I.
Bedell
Bennett
Bergland
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carney
Carr
Carter
Cederberg
Chisholm
Clausen, Don H.
Clay
Cleveland
Cohen
Collins, Ill.
Conable
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Devine
Diggs
Dingell
Dodd
Downey, N.Y.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Florio
Flowers
Foley
Ford, Mich.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harris
Harsha
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Helstoski
Henderson
Hicks
Hightower
Hillis
Hinshaw
Holland
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jeffords
Jenrette
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kemp
Keys
Koch
Krebs
Krueger
LaFalce
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McFall
McHugh
McKay
McKinney
Madden
Madigan
Maguire

Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pickle
Pike
Pressler
Preyer
Price
Pritchard
Quie
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Richmond
Riegle
Rinaldo
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rostenkowski
Roush
Roybal
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Taylor, Mo.
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Tsongas
Ullman
Van Deerlin
Vander Veen
Vanik
Walsh
Waxman
Weaver
Whalen
White
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki

NAYS—56

Archer
Armstrong
Ashbrook
Bauman
Beard, Tenn.
Bevill
Bowen
Burgener
Burleson, Tex.
Butler
Casey
Chappell
Clawson, Del
Cochran
Collins, Tex.
Conlan
Crane
Daniel, R. W.
Dickinson
Downing, Va.
Edwards, Ala.
Flynt
Haley
Hansen
Hébert
Kazen
Kelly
Ketchum
Lagomarsino
Lott
McDonald
McEwen
Milford
Montgomery
Moore
Moorhead, Calif.
Passman
Pettis
Poage
Quillen
Roberts
Robinson
Rousselot
Runnels
Satterfield
Shuster
Spence
Steiger, Ariz.
Symms
Talcott
Treen
Waggonner
Wampler
Whitehurst
Whitten
Wiggins

ANSWERED "PRESENT"—1

Gonzalez

NOT VOTING—31

Anderson, Calif.
Badillo
Baucus
Bell
Broomfield
Clancy
Esch
Flood
Ford, Tenn.
Fulton
Harrington
Hastings
Heinz
Jacobs
Jarman
Johnson, Colo.
Kindness
Landrum
Long, Md.
Macdonald
Mills
Peyser
Risenhoover
Rosenthal
Ruppe
Teague
Udall
Vander Jagt
Vigorito
Young, Alaska
Zeferetti

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Zeferetti with Mr. Teague.
Mr. Flood with Mr. Landrum.
Mr. Badillo with Mr. Bell.
Mr. Baucus with Mr. Esch.
Mr. Risenhoover with Mr. Heinz.
Mr. Rosenthal with Mr. Kindness.
Mr. Vigorito with Mr. Broomfield.
Mr. Harrington with Mr. Long of Maryland.
Mr. Fulton with Mr. Clancy.
Mr. Ford of Tennessee with Mr. Peyser.
Mr. Anderson of California with Mr. Jarman.
Mr. Macdonald with Mr. Ruppe.
Mr. Udall with Mr. Young of Alaska.
Mr. Jacobs with Mr. Vander Jagt.
Mr. Mills with Mr. Hastings.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER. The Clerk will notify the Senate of the action of the House.

ANNOUNCEMENT BY THE MAJORITY LEADER RELATIVE TO VOTE ON SENATE CONCURRENT RESOLUTION 54

(Mr. O'NEILL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. O'NEILL. Mr. Speaker, I take this time to advise the House that the Speaker will lay before the House Senate Concurrent Resolution 54, providing for an adjournment of the two Houses from Friday, August 1, 1975, until Wednesday, September 3, 1975.

The Senate adopted this concurrent resolution on July 22 and under section 132 of the Legislative Reorganization Act of 1946, as amended, both Houses must vote by rollcall to adjourn for this period. Since under the precedents an adjournment reslution of this sort is not debatable, I have taken this time for the convenience of the Members to notify them of the forthcoming vote.

Mr. RHODES. Mr. Speaker, will the majority leader yield?

Mr. O'NEILL. I yield to the minority leader.

Mr. RHODES. Mr. Speaker, I support the Senate concurrent resolution.

I do want to make sure, however, that the program for the rest of the week provides for further consideration of H.R. 7014, and it is my hope that this bill will have been passed by the time the recess occurs.

Mr. O'NEILL. Mr. Speaker, we were hoping, of course, that we would be able to complete the consideration of the bill. The program is the same as was scheduled; it is the same as that which I reported to the House on Friday last. There are no changes up to this present time. If there are changes, we will be happy to notify the Members.

Mr. Speaker, we do expect, in answer to the question that was asked, to go ahead with consideration of H.R. 7014.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, does the distinguished majority leader not feel that it might be better to vote on this issue later this week after the House has resolved the energy impasse so that our constituents are not faced with the possible situation in which prices of oil and gas will increase drastically?

Mr. O'NEILL. Mr. Speaker, the answer is that this Senate concurrent resolution is going to be laid before the House at this particular time. If that is the feeling of the gentleman, he may vote either way he wishes to at this time.

PROVIDING FOR A CONDITIONAL ADJOURNMENT OF THE TWO HOUSES FROM AUGUST 1, 1975, UNTIL SEPTEMBER 3, 1975

The SPEAKER laid before the House the Senate concurrent resolution (S. Con. Res. 54) providing for a conditional adjournment of the Congress from August 1, 1975, until September 3, 1975.

The Clerk read the Senate concurrent resolution as follows:

S. Con. Res. 54

Resolved by the Senate (the House of Representatives concurring), That when the two Houses adjourn on Friday, August 1, 1975, they stand adjourned until 12 o'clock noon on Wednesday, September 3, 1975, or until 12 o'clock noon on the second day after their respective Members are notified to reassemble in accordance with section 2 of this resolution, whichever event first occurs.

Sec. 2. The Speaker of the House of Representatives and the President pro tempore of the Senate shall notify the Members of the House and the Senate, respectively, to reassemble whenever in their opinion the public interest shall warrant it or whenever the majority leader of the House and the majority leader of the Senate, acting jointly, or the minority leader of the House and the minority leader of the Senate, acting jointly, file a written request with the Clerk of the House and the Secretary of the Senate that the Congress reassemble for the consideration of legislation.

Sec. 3. During the adjournment of both Houses of Congress as provided in section 1, the Secretary of the Senate and the Clerk of the House, respectively, be, and they hereby are, authorized to receive messages, including veto messages, from the President of the United States.

The SPEAKER. Under the law, the vote on this Senate concurrent resolution must be taken by the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 293, nays 109, not voting 32, as follows:

[Roll No. 441]

YEAS—293

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Ill.
Annunzio
Archer
Armstrong
Ashley
Aspin
Baldus
Barrett
Beard, R.I.
Bergland
Bevill
Biaggi
Bingham
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brodhead
Brooks
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Burgener
Burke, Calif.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, Phillip
Butler
Byron
Carney
Carter
Casey
Cederberg
Chisholm
Clawson, Del
Clay
Cleveland
Cochran
Collins, Ill.
Collins, Tex.
Conlan
Conyers
Corman
Cornell
Crane
Daniel, Dan
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derwinski
Dickinson
Diggs
Dingell
Downey, N.Y.
Downing, Va.
Duncan, Oreg.
du Pont
Early
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Eshleman
Evans, Colo.
Evins, Tenn.
Fary
Fenwick
Findley
Fish
Fisher
Florio
Flowers
Foley
Ford, Mich.
Forsythe
Fraser
Fuqua
Giaimo
Gibbons
Ginn
Gonzalez
Goodling
Gradison
Hagedorn
Hall
Hamilton
Hanley
Hannaford
Hansen
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Heckler, Mass.
Helstoski
Hicks
Hightower
Hillis
Hinshaw
Holt
Holtzman
Horton
Howard
Howe
Hungate
Hutchinson

Hyde
Ichord
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Ketchum
Keys
Koch
Krebs
Krueger
LaFalce
Latta
Leggett
Lehman
Lloyd, Calif.
Long, La.
Long, Md.
Lott
Lujan
McCloskey
McCormack
McDonald
McEwen
McFall
McHugh
McKay
Madden
Madigan
Maguire
Mahon
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Milford
Mineta
Minish
Mink
Mitchell, Md.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Myers, Pa.
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pike
Poage
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Reuss
Rhodes
Richmond
Riegle
Roberts
Rodino
Roe
Roncalio
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Russo
Ryan
St Germain
Santini
Sarbanes
Satterfield
Scheuer
Schneebeli
Seiberling
Sharp
Shipley
Shriver
Sikes
Simon
Sisk
Slack
Smith, Iowa
Snyder
Solarz
Spellman
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Stephens
Stokes
Stratton
Stuckey
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Thompson
Thornton
Treen
Tsongas
Ullman
Van Deerlin
Vander Veen
Waggonner
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Winn
Wirth
Wolff
Wright
Wydler
Yates
Young, Ga.
Zablocki

NAYS—109

Ambro
Andrews, N.C.
Andrews, N. Dak.
Ashbrook
AuCoin
Bafalis
Bauman
Beard, Tenn.
Bedell
Bennett
Biester
Blanchard
Brinkley
Buchanan
Burke, Fla.
Carr
Chappell
Clausen, Don H.
Cohen
Conable
Conte
Cotter
Coughlin
D'Amours
Daniel, R. W.
Derrick
Devine
Dodd
Drinan
Duncan, Tenn.
Edgar
Emery
English
Evans, Ind.
Fascell
Fithian
Flynt
Fountain
Frenzel
Frey
Gaydos
Gilman
Goldwater
Grassley
Green
Gude
Guyer
Haley
Hammerschmidt
Harkin
Harris
Harsha
Hechler, W. Va.
Hefner
Henderson
Hubbard
Hughes
Kasten
Kelly
Kemp
Lagomarsino
Lent
Levitas
Litton
Lloyd, Tenn.
McClory
McCollister
McDade
McKinney
Mann
Miller, Ohio
Mitchell, N.Y.
Moffett
Moorhead, Calif.
Mottl
Murtha
Myers, Ind.
Natcher
Neal
Pettis
Pickle
Pressler
Regula
Rinaldo
Robinson
Rogers
Rooney
Sarasin
Schroeder
Schulze
Sebelius
Shuster
Skubitz
Smith, Nebr.
Spence
Steiger, Ariz.
Steiger, Wis.
Studds
Taylor, N.C.
Thone
Traxler
Vanik
Walsh
Wampler
Wilson, Tex.
Wylie
Yatron
Young, Fla.
Young, Tex.

NOT VOTING—32

Anderson, Calif.
Badillo
Baucus
Bell
Broomfield
Burton, John
Clancy
Esch
Flood
Ford, Tenn.
Fulton
Harrington
Hastings
Heinz
Holland
Jarman
Johnson, Colo.
Kindness
Landrum
Macdonald
Miller, Calif.
Mills
Peyser
Rees
Risenhoover
Ruppe
Teague
Udall
Vander Jagt
Vigorito
Young, Alaska
Zeferetti

So the Senate concurrent resolution was concurred in.

NO ADJOURNMENT WITHOUT AN ENERGY SOLUTION

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. BAUMAN. Mr. Speaker, before the just concluded rollcall on the resolution which authorized the adjournment of the Congress for the month of August, I raised the question with the distinguished majority leader (Mr. O'NEILL) whether or not it would be better to defer this matter until the end of the week when the House would have a clearer picture of where we stand on the energy issue.

I regret that the leadership decided that the vote should come now when we have little idea what the situation might be. Under one possibility, I have heard discussed, the Congress and the President may well continue in a stalemated position which could result in the expiration of all controls on the price of oil at the end of August. While I support gradual decontrol, this would undoubtedly result in an immediate and drastic oil price increase which would cause great economic harm to all Americans.

If the Congress, after nearly 2 years, cannot reach some accord on the energy issue, I firmly believe that we should stay in session to achieve such a solution, regardless of any personal discomfort this may present to individual Members.

For these reasons, I felt compelled to vote against the adjournment resolution at this time, in spite of my general belief that the country and the people are probably better off when this particular Congress is not in session and thus unable to do any more damage.

MESSAGE FROM THE SENATE

The SPEAKER laid before the House the following message from the Senate:

The Senate having proceeded to reconsider the bill (S. 66) entitled "An Act to amend the Public Health Service Act and related health laws to revise and extend the health revenue sharing program, the family planning programs, the community mental health centers program, the program for migrant health centers and community health centers, the National Health Service Corps program, and the programs for assistance for nurse training, and for other purposes", returned by the President of the United States with his objections to the Senate, in which it originated, it was

Resolved, That the said bill pass, two-thirds of the Senators present having voted in the affirmative.

NATIONAL HEALTH SERVICE CORPS PROGRAM—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (S. DOC. NO. 94–92)

To the Senate of the United States:

I am today returning, without my approval, S. 66, a bill to amend the Public Health Service Act to provide support for health services, nurse training, and the National Health Service Corps program.

This bill is very similar to two separate bills which I disapproved during the last session of the 93rd Congress, H.R. 14214 and H.R. 17085. In my memorandums of disapproval, lated December 23, 1974, and January 3, 1975, respectively, I cited a number of reasons why I could not approve those bills. Those objections remain valid for the measure before me today.

As in last year's bills, S. 66 would authorize excessive appropriation levels. I realize that in considering the bill this year, the 94th Congress made some reductions in the total cost of the measure. However, the levels authorized are still far in excess of the amounts we can afford for these programs. The bill would authorize almost $550 million above my fiscal year 1976 budget request for the programs involved, and it exceeds fiscal year 1977 levels by approximately the same amount resulting in a total increase of $1.1 billion. At a time when the overall Federal deficit is estimated at $60 billion, proposed authorization levels such as these cannot be tolerated.

When I signed the Tax Reduction Act of 1975, I pledged to do everything in my power to keep this year's deficit from exceeding $60 billion and to restrain the longer-run growth in Federal spending. I stated that I would resist every attempt by the Congress to add to that deficit. Bills currently being considered by the Congress would add $25 billion to the fiscal year 1976 deficit and $45 billion to next year's deficit. If they were to become law, they would lock us into a permanent policy of excessive spending and make the Federal budget a primary cause of inflation for years to come. To avoid this, I have no choice but to veto these bills if the Congress insists upon sending them to us.

Apart from its excessive authorization levels, S. 66 is unsound from a program standpoint. In the area of health services, for example, the bill proposes extension and expansion of Community Mental Health Centers projects which have been adequately demonstrated and should now be absorbed by the regular health services delivery system. S. 66 also would continue and expand such separate categorical programs as Community Health Centers and Migrant Health Centers. In addition, it would authorize several new narrow categorical, and potentially costly programs which duplicate existing authorities, including $30 million for the treatment of hypertension, $17 million for rape prevention and control, $10 million for home health service demonstration agencies, and $16 million for hemophilia treatment and blood separation centers. Three new national commissions on specific diseases also would be established. The expansion of the Federal role in health services delivery through such narrow categorical programs is not consistent with development of an integrated, flexible health service delivery system.

The Administration repeatedly and vigorously has opposed measures such as S. 66 and urged passage of a more effective and more equitable approach to Federal assistance for health services. H.R. 4819 and S. 1203, which reflect our proposals, would consolidate various separate programs into the flexible project grant authority of the Public Health Service Act to allow funding of a wide variety of health services projects based on State and local needs. Moreover, such programs would be for demonstration purposes. Once a new service model has been adequately tested, its adoption into the delivery of services can—and should—be the primary responsibility of the private sector and State and local governments.

The Federal role in overcoming barriers to needed health care should emphasize health care financing programs—such as Medicare and Medicaid for which spending is estimated at $22 billion this year. These programs establish specified eligibility and benefits standards and provide assistance generally available to those most in need, such as the poor and the aged. S. 66, on the other hand, would have the Federal Government select individual communities and groups for special funding assistance. In my view, this is clearly an inequitable approach to health problems and an unwise attempt to substitute judgments made in Washington for those of responsible persons in State and local governments and the private sector.

In extending the registered nurse training authorities, S. 66 inappropriately proposes continuation of large amounts of capitation and construction support. These support mechanisms have outlived their usefulness. They were introduced to stimulate nursing schools to educate more general-duty nurses because of an overall shortage. The schools responded, with enrollments in baccalaureate and associate degree programs rising by more than 90 percent during the period 1970–74. As a result, with no further Federal stimulation, we can expect the supply of active registered nurses to increase by more than 50 percent during this decade.

With these increases, the employment market for general duty nurses already is tightening in some areas. As early as January 1973, the American Nurses' Association stated that ". . . it appears that the shortage of staff nurses is disappearing." Our failure to limit growth now could result in our training an excess number of nurses, creating the same kind of oversupply that has left thousands of elementary and secondary schoolteachers disillusioned with the lack of teaching opportunities.

The general nursing student assistance provisions contained in this bill are largely duplicative of existing undergraduate student aid programs offered by the Office of Education, and represent just one more unnecessary categorical program.

The bill also fails to shift emphasis in any meaningful way from problems of aggregate supply shortages to the problem of geographic maldistribution, which is reflected in very substantial intra- and inter-State differentials in nurse-to-population ratios.

S. 66 continues to treat nurse training separately from the other health professions. The Congress is now considering various measures for Federal support for education in other health professions. Nurse training should be considered as part of that debate to interrelate health manpower education programs rather than to perpetuate a fragmented Federal health professions policy.

Finally, S. 66 provides for a 1-year extension of the National Health Service Corps. I support this fine program, and the Administration has submitted legislation to the Congress for its extension. I believe, however, that the authorization level proposed in S. 66 of $30 million for fiscal year 1976 is excessive.

Good health care and the availability of health personnel to administer that care are obviously of great importance. I share with the Congress the desire to improve the Nation's health care. I am convinced that legislation can be devised to accomplish our common objectives which does not adversely affect our efforts to restrain the budget or inappropriately structure our health care system. I urge the Congress to pass such legislation, using the bills I have endorsed as the starting point in such deliberations.

GERALD R. FORD.

THE WHITE HOUSE, *July 26, 1975.*

The SPEAKER. The objections of the President will be spread at large upon the Journal.

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that further consideration of the veto message from the President on the Senate bill, S. 66, be postponed until Tuesday, July 29, 1975.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

MILITARY CONSTRUCTION AUTHORIZATION, FISCAL YEAR 1976 AND 197T

Mr. ICHORD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 5210) to authorize certain construction at military installations, and for other purposes..

The SPEAKER. The question is on the motion offered by the gentleman from Missouri.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 5210), with Mr. MIKVA in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Before the Committee rose on Friday, July 25, 1975, it had agreed that title I of the committee amendment in the nature of a substitute ending on page 58, line 25, would be considered as read and open to amendment at any point.

Are there any amendments to title I?

AMENDMENT OFFERED BY MR. HICKS

Mr. HICKS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. HICKS: Page 52, strike line 25.

Mr. HICKS. Mr. Chairman, Members of the committee, this is the amendment to strike out the production line of the nerve gas. It does not strike out the production line, but it strikes out the military construction authorization that provides space where the production line will go, and that appropriation for the production will be included in the military appropriation bill.

There are two reasons for this amendment. First, we have ongoing negotiations at the present time conducted by our disarmament agency in Geneva to ban the use of lethal chemical agents. Second, and more important as far as I am concerned, is that until the United States learns to utilize our defensive equipment, we should not proceed with the modernization of the munitions themselves. I want to read to the Members a short statement from Col. Carl Cunningham, retired Chemical Corps officer, and this is what he has got to say—and it is accurate:

> I can say that most American tactical commanders know far less about the capabilities and employment of chemical weapons, and the safety precautions that would be attendant to them than they know about doctoring mules.

I will say the same thing applies to many members of Armed Services Committee of the House of Representatives too, for that matter.

"The complicating factor in defense against chemical agents is continuity. Protective masks are only good so long as a beard does not break the air seal around the face. A man must eat or eventually remove it to rest. Men are very unlikely to be able to sleep for any appreciable period in a mask—or be willing to try, because during sleep the individual could easily dislodge it.

"How have these matters been dealt within our Army in training? Have realistic tests of large numbers of troops over at least 3- or 4-day periods simulating a toxic environment been conducted?"

The answer to that is no.

In questioning this year in the Armed Services Committee, I questioned General Weyand about this matter. General Weyand said that we will have defensive equipment in place by 1981.

If we do not have our equipment in place by 1981, our defensive equipment, and we cannot train with it all until 1981, then there is not any point in proceeding this year to get ready to produce the munitions themselves, particularly since we have the ongoing negotiations to ban the use of all lethal chemicals.

Under Secretary of the Army Augustine was before our committee. I questioned him. Mr. Augustine said:

> Sir, we spend three-fourths of our R&D on defense, and have for some time.

I said: "Well, there sure isn't anything to show for it."

Secretary Augustine said:

> The fact that our forces are not very well equipped to protect themselves in a chemical environment—and I think that is what you are saying—is absolutely true.

The following is testimony of General Brown, Chairman of the Joint Chiefs of Staff:

> Mr. Hicks. What have we been doing the last number of years? We have had this offensive weapon virtually sitting around since World War II. We have done nothing on the defensive aspect.
>
> General Brown. I have great difficulty telling what is a defensive weapon and what is an offensive weapon. I think the same rifle can serve either purpose. It depends on what purpose you use it for.
>
> Mr. Hicks. Well, there is no question about defensive clothing, is there, General?
>
> General Brown. No. None.
>
> Mr. Hicks. That is defensive, and you can't talk about it being used offensively.
>
> General Brown. With regard to protective equipments, you are absolutely right.
>
> Mr. Hicks. We have done nothing with that, have we, up to now?
>
> General Brown. We have done very little.

Secretary Schlesinger, in his response to us about why we have to have this retaliatory role, said it forces "the enemy to adopt the same highly restrictive defensive measures as he is forcing on us. Due to the heat, bulk, limited vision, and restricted manual dexterity imposed by current protective equipment, the defender suffers an overwhelming disadvantage if he cannot force the enemy to adopt a similar restricted posture."

I agree with that.

The CHAIRMAN. The time of the gentleman from Washington has expired.

(By unanimous consent, Mr. Hicks was allowed to proceed for 3 additional minutes.)

Mr. HICKS. The point is that you cannot utilize that defensive posture if you do not train for it. The Soviets do train for it. They train a great deal. But we cannot get our military to do anything, and particularly we will be unable to do so if we let them go ahead and produce these binary munitions.

We have a lieutenant colonel who is the head of our chemical warfare for the whole Army. What do the Soviets have? They have a lieutenant general. They put emphasis on chemical warfare. We should put emphasis on chemical warfare, but if we do not wish to put the cart before the horse, we should put the emphasis on defense first. We bought 100,000 suits of protective clothing from the British. Where are they? They are in a warehouse someplace. We do not train with them, we do not do anything except take them down to the Committee on Appropriations and put them on a mannequin to show the committee members what the protective clothing looks like. We do not train sufficiently, and we have virtually no defensive capability. And, with no defensive capability, we have little capability to use our munitions offensively.

I do not care how many binary munitions we have, we must train, train, train. That is the word. And we do not do so. How much are we talking about? This is just $562,000, but it is first step toward a program of between $750 million and $1 billion. That is what we are talking about. This is the first step along the way, and we should not take it. We should not give the military an inch until they decide that they are going to go out and train. They are not going to be completely ready for that before 1981.

Further, as long as we have ongoing negotiations taking place in Geneva to ban the use of lethal chemicals, then we should not go forward with this binary program at this time.

Dr. Ikle, the head of the Arms Control and Disarmament Agency, made that clear when he was before the Subcommittee on Defense Appropriations, that we should not proceed with this program, in his view.

Mr. Chairman, that is my view, and I ask that the Members support the amendment.

Mr. ICHORD. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I hope that the Members of the Committee are listening very closely to the debate at this point. If the Committee is listening, I am sure that the Committee will most certainly reject the amendment offered by the gentleman from Washington (Mr. Hicks).

Bearing upon the issues presented by this amendment, Mr. Chairman, are three items, and the amendment offered by the gentleman from Washington seeks to delete one of those items; namely, the construction of binary munition facilities at Pine Bluff, Ark.

The other two items are the one in the R. & D. section of the military procurement bill, an item for $8.8 million for research and development in binary, and the third item is in the military appropriations bill, providing money to equip the facility at Pine Bluff, Ark.

I would have hoped that the military procurement bill would have been considered before this legislation, because there is language in the military procurement bill that, when adopted, will in effect render the amendment offered by the gentleman from Washington moot.

In the military procurement bill we assure the House of Representatives and the Nation and the SALT negotiators that there will be no production of binary munitions until both of two things happen: First, the President certifies that the production of binaries is essential in the national defense to the national security of the Nation; and, second, that the Congress appropriates money for the production of binary munitions.

This is language which I will support. I think the language is not meritorious, but we did reach an agreement in the conference committee as a matter of compromise.

It is my position that we should start production immediately of binaries as a safety program to replace the unsafe, dangerous poison gases that we now have in inventory and restrict our operations to strictly a safety program.

The language which we have adopted in the military procurement bill and which I will support as a matter of compromise is as follows:

> Notwithstanding any other provision of law, none of the funds authorized to be appropriated by this or any other Act shall be used for the purpose of production of lethal binary chemical munitions unless the President certifies to Congress that the production of such munitions is essential to the national interest and submits a full report thereon to the President of the Senate and the Speaker of the House of Representatives as far in advance of the production of such munitions as is practicable.

Mr. Chairman, I will support this amendment. This will come along with the procurement bill. It renders the amendment offered by the gentleman from Washington moot, and I ask that the House proceed to vote down the amendment.

Mr. EVANS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from Colorado.

Mr. EVANS of Colorado. Mr. Chairman, I listened with great interest to the gentleman from Washington (Mr. Hicks), the author of this amendment.

I would, therefore, ask the gentleman in the well to respond to some of the points raised by the gentleman from Washington (Mr. Hicks). In the first place, he stated that testimony before the gentleman's committee was to the effect that no defensive training can be undertaken until 1981. Is this correct?

Mr. ICHORD. Is the gentleman saying that no training can be undertaken?

Mr. EVANS of Colorado. No defense training.

Mr. ICHORD. No defense training will be undertaken until 1981?

Mr. EVANS of Colorado. If I understood the gentleman correctly.

Mr. ICHORD. I did not understand the gentleman from Washington to state that. I think what the gentleman from Washington is complaining about, and in this respect, I will have to agree with the gentleman from Washington, because it has no bearing on this amendment, is that we should do more in defense training in the field of chemical warfare than we are doing. I agree with the gentleman from Washington. There is, however, no prohibition of defensive training.

The CHAIRMAN. The time of the gentleman from Missouri (Mr. Ichord) has expired.

(On request of Mr. Evans of Colorado and by unanimous consent, Mr. Ichord was allowed to proceed for 3 additional minutes.)

Mr. ICHORD. Mr. Chairman, in specific response to the gentleman from Colorado (Mr. Evans), in answer to his question, I would state here that all we are trying to do is to give ourselves the option of whether we are going to produce binaries or not.

It will take 2 years for us to get into a position to start producing binaries. Personally, I would say to the gentleman from Colorado, I think we should, as long as we are going to maintain any chemical warfare capability at all, for the reason that we will be protecting the gentleman from Colorado and his constituents, all of those who are close to Utah where, as the gentleman knows, the terrible accident occurred, because these munitions are dangerous and are unsafe to handle. Therefore, I think we should proceed with a binary program or a one-for-one replacement program.

Mr. EVANS of Colorado. If the gentleman will yield further, that raises another question I wanted to raise: Could the gentleman inform the committee as to the status of the destruction of these old and dangerous binary weapons that are in storage?

Mr. ICHORD. I am talking about existing stocks.

Mr. EVANS of Colorado. That is what I am asking about.

Mr. ICHORD. Of chemical munitions.

Mr. EVANS of Colorado. I am asking about that, yes. How long is it going to take them to get those destroyed, does the gentleman know?

Mr. ICHORD. Those stocks are old now.

Mr. EVANS of Colorado. That is right.

Mr. ICHORD. They are rapidly deteriorating.

Mr. EVANS of Colorado. And highly dangerous.

Mr. ICHORD. And they are highly dangerous, both in storage and in handling. However, if we had the binary program, we could replace those dangerous stocks with stocks that are safe.

Mr. EVANS of Colorado. That is not the question I am asking, if the gentleman will yield further.

Can the gentleman tell the committee how much longer it is going to take for the Army to destroy these old and dangerous chemical weapons that are in existence and storage now?

Mr. ICHORD. I would state this: I think that if we made the unilateral decision to unilaterally disarm in the field of chemical warfare, we could destroy them quite rapidly. Within a 5- to 10-year period, we do not have to do anything and those stocks will be destroyed. They will have to be destroyed in the period of between 5 and 10 years. We are destroying the stocks as they deteriorate.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, I thank the gentleman for yielding.

Actually, it is my understanding that the surplus stocks of gas on hand within the United States are being destroyed as rapidly as possible. It will take several years to get rid of them, but I do not think anybody is proposing to destroy the stocks that are on hand abroad where they will be available in case of attack.

One of the points the gentleman from Washington (Mr. Hicks) has been making is that we have enough on hand over there to do the job. So he does not want those stocks destroyed. But what the gentleman from Washington overlooks is the fact that those supplies of chemical munitions on hand in Europe are deteriorating, as the gentleman from Missouri (Mr. Ichord) has already pointed out.

Mr. ICHORD. And they will continue to deteriorate.

Mr. STRATTON. Absolutely. Therefore, we want to get them replaced with something that will be safer and will not deteriorate as rapidly.

Mr. ICHORD. That is quite true. The binary chemical program is just separating the components of the chemicals and they are completely safe as long as they are separated. They are not dangerous until they unite after they are fired in a particular weapons system.

Mr. STRATTON. If the gentleman will yield further, the gentleman from Washington (Mr. Hicks) has said that we cannot undertake any offensive effort in chemical warfare until we have some defensive capability. But would not the chairman of the subcommittee agree that our inability to distribute any defensive material such as clothing and masks to our own troops is certainly not going to deter some enemy from using gas against us?

In fact, it is going to encourage him to attack.

So does not the gentleman agree that in this kind of a situation the best defense is still to have a strong offensive capability?

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. Ichord was allowed to proceed for 2 additional minutes.)

Mr. ICHORD. Mr. Chairman, I would say to the gentleman from New York that the nation at the present time that has the greatest capability in the field of chemical warfare is the Soviet Union. They are researching like mad in this field, and they are continuing to build up their stocks. If we were to unilaterally disarm what are we going to have as a deterrent to the use of chemical warfare? The only deterrent I would say would be the atomic bomb, but I do not think we would want to use the atomic bomb in response to a chemical warfare attack.

Mr. STRATTON. In other words, the best deterrent to an attack by the Soviets would be a strong offensive capability, would it not?

Mr. ICHORD. The gentleman is absolutely correct.

Mr. STRATTON. I thank the gentleman.

Mr. THORNTON. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from Arkansas.

Mr. THORNTON. Mr. Chairman, I would like to commend the gentleman from Missouri (Mr. Ichord) for his strong, positive statement in favor of the United States continuing to have a deterrent capability in order to be able to meet a certain level of force with a measured level of response, if that is necessary. Also to be able to do so with a weapons system which is safe to handle and safe to use. I think this is an important feature of this bill, and that the gentleman's position should be sustained.

Mr. ICHORD. I thank the gentleman from Arkansas. I would hope we will be able to get an agreement that will enable us to destroy the stocks of chemical warfare weapons, but until this is done we have got to maintain a capable deterrent, otherwise the only response we would have would be to drop the atomic bomb, and I do not think any Member would want to do that.

Mrs. SCHROEDER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, one of the arguments often used to support binary nerve gas munitions is the need to retaliate in kind. We are told that four countries violated the Geneva Protocol by using gas in warfare, and in all four instances, gas was used against countries that could not retaliate in kind. The four countries were Japan against Manchuria, Italy against Ethiopia, Germany against the Soviet Union, and Egypt against Yemen.

This argument makes little sense to me for the following reasons:

First. We already can retaliate in kind; we do not need another generation of nerve gas weapons to do so. The binary munitions in the latest stages of research and development will replace weapons that still have close to half of their 20 year useful life remaining.

Second. No less an authority than the Secretary of Defense has gone on record in saying that we do not necessarily have to retaliate in kind. We can retaliate by whatever means we deem appropriate. Secretary Schlesinger was asked in his June 20 press conference whether the U.S. response to a Soviet chemical warfare attack in Europe would be with nuclear weapons. The Secretary responded:

> We will not eliminate any option under such circumstances and that it is certainly a possible response, although not a required response, for the Western Alliance.

There are many conclusions that can be drawn from the scattered use of chemical weapons in warfare since the signing of the Geneva Protocol in 1925. Certainly it is true that in every instance, chemical weapons were used against countries that could not retaliate in kind. But a far more useful observation is that in all four cases, chemical weapons were used against countries that didn't have the proper defensive equipment and training. The lack of proper defensive equipment and training made the idea of a chemical attack feasible; the defending side could have all the capacity in the world to retaliate in kind and it would have done no good without the proper defensive equipment and training.

If there is a lesson to be drawn from history here, it ought to be that we need the best possible defenses against chemical attack, not that we need another generation of nerve gas munitions.

I think that we also have got to remember that there are intensive negotiations going on in Geneva, and they have been going on for quite awhile, on chemical weapons. If we move into the production of binary weapons, we may inhibit those negotiations.

Mr. ICHORD. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from Missouri.

Mr. ICHORD. I thank the gentlewoman for yielding.

The gentlewoman seems to think by the statement that she has just made that we are going to move into the production upon the adoption of this bill. There is nothing in this bill; there is nothing in the appropriations; there is nothing in the R. & D. bill for the production of binaries. In fact, as I informed the committee previously, we have just adopted an amendment in the conference committee that will absolutely prohibit the production until Congress appropriates for it and until the President makes the necessary certification.

Mrs. SCHROEDER. It is my understanding that this is for the preparation of production if we should decide to go ahead, and I am saying why should we spend the money to prepare for production when it is very conceivable we are not going to need it when we have a 10-year supply which will not be outdated for another 10 years. We have a lot of it on hand, and we have other alternatives. We still have not come up with a defensive capability. I think those are all the questions we have to consider, and I think it is unnecessary to spend the money at this time.

Mr. ICHORD. If the gentlewoman will yield further, the purpose, I will state to the gentlewoman from Colorado, is to give us the option. Personally, I hope that we reach an agreement with the Soviet Union. However, I rather doubt that we will because there is also the nation of China with a considerable number of troops on the Soviet border, and I rather doubt that the Soviet Union will agree to destroy all of their stocks of chemical warfare because of that situation.

Mrs. SCHROEDER. It seems to me, though, that we have taken care of when we are going to produce these by allowing the President and the Congress to take action at the time that they determine that it is needed. It seems that we can defer this judgment as to whether or not we are going to spend this half million dollars—which really does not sound like that much—but, nevertheless, we can defer this judgment whether we are going to need to spend that until we make that decision. I am sure we can crank up the time if we suddenly find that there is an instant emergency. But what I take issue with the gentleman on is I hear him say we are unilaterally disarming. We are not unilaterally disarming. Research and development is going ahead, and if we decide to go into production, we can. We still have chemical stocks that are left. I think all of those things are certainly in order, and I think when money is so precious, we can hold off that decision until we really decide we are going to produce it. But once we make that decision, we are going to start building the production facilities, and then so many times these things gain their own momentum.

Mr. ICHORD. If the gentlewoman will yield further, I know that this is a very unpleasant subject to discuss, but I will say to the gentlewoman from Colorado it is going to take us 2 years to get into the position of making the decision, and that is the purpose of this military construction item at this time. The gentlewoman will have plenty of opportunity later on at the time of appropriations for production to make her point, but we have got to do this in order to retain the option; otherwise we will be unilaterally disarming, because those stocks we have at the present time are rapidly deteriorating. They are being destroyed, and they have to be destroyed because they are becoming too dangerous to handle and store.

Mrs. SCHROEDER. No; most of them are not being destroyed. Most of them have 10 years at least of useful life. I really question how fast this production needs to crank up, because there are two harmless chemicals that go into the binary system. They are both produced commercially at this time in this country, and it does not seem to me that complex a thing. We are not talking about a technology that is new.

The CHAIRMAN. The time of the gentlewoman has expired.

Mr. EVANS of Colorado. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I still have some questions on this issue. I want to congratulate the gentleman from Washington for bringing this before us, because it relates to an item that has been of great concern to us in Colorado and, I know, to other parts of this Nation that have found themselves to be the recipients of storage of these chemical agents. I have one question. I do not know whether it would appear in this budget or not—I suppose it would not—but would the gentleman from Missouri be in a position to answer the question anyway. Are any funds authorized in this year's procurement budget defensive gear?

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. EVANS of Colorado. I yield to the gentleman.

Mr. ICHORD. I thank the gentleman for yielding.

I will state to the gentleman from Colorado that that is not a line item. That will be the military appropriations measure, so certainly all the gentleman from Colorado has to do is to provide for such funds in his committee. We do not authorize defensive equipment in the Committee on Armed Services.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. EVANS of Colorado. I yield to the gentleman from California.

Mr. SIKES. I thank the gentleman for yielding.

I think that I would like to answer that question since I serve on the Defense Subcommittee.

There is presently no money in the budget for supplies and equipment for defensive training. There should be, and the committee is giving consideration to adding items for defensive clothing and other materials. We are certainly deficient in those areas.

Mr. EVANS of Colorado. I am delighted to hear the gentleman say that because I think we have got to have a rounded picture. It seems to me totally insensible to spend a great deal of money as we have in the past on systems such as chemical agents we are talking about and to give little attention to our men who may have to face these chemical agents in the hands of an enemy in the future.

I am glad we have had a chance to talk about this. I hope the gentleman from Florida will give consideration to this in the future when that comes up.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. EVANS of Colorado. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, I agree with the gentleman and the gentleman from Florida. There should be more done in the defensive field.

Mr. EVANS of Colorado. I would like to pose another question. We have a little more than $500,000 which this amendment addresses itself to which would be cut out of the bill if this passes. What is in this now, bricks and mortar or assembly line or what?

Mr. ICHORD. This is to rehabilitate an existing facility at Pine Bluff, Ark., into which equipment will be moved for possible production of the binaries if the Congress appropriates for the equipment.

Mr. EVANS of Colorado. Can the gentleman give me any idea of the total final cost of what these rehabilitations and equipment add up to?

Mr. ICHORD. The total final cost is $562,000, the amount in the bill.

Mr. EVANS of Colorado. If that is appropriated and spent then we will be in a position, without having to request any more funds for capital construction and plant and machinery and equipment, to go into production of these chemical agents?

Mr. ICHORD. I can answer the gentleman in the affirmative. There will be approximately $8 million equipment cost and that is in the appropriation request this year too.

Mr. EVANS of Colorado. Another question I would like to pose to the gentleman is this. One of the appalling discoveries in relation to these weapons now on hand was that many of these weapons were deteriorating and becoming dangerous, that when they were designed and built there was not any thought given to how we could detoxify them safely.

Mr. ICHORD. I am sorry I did not understand the gentleman because the committee was not in order.

Mr. EVANS of Colorado. In order to detoxify these old weapons systems that are becoming dangerous they have to build expensive facilities to handle them safely on a one-by-one basis, taking extreme precautions so nobody would get hurt. They have discovered that these old items were built without any thought given to detoxifying them safely in the future. My question is, knowing this, have the gentleman and his committee looked into the plans they have now for the manufacture of new weapons system to make absolutely certain that this does not happen again?

Mr. ICHORD. I believe the Army has really done a very poor job of explaining this program and I have gone into the program very deeply. As I understand the program it should be sold on a safety program basis. What we should be doing is destroying all the existing stores that the gentleman is concerned about and that I am concerned about and replacing them with these binary munitions because they are safe. They are safe.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

(By unanimous consent, Mr. Evans of Colorado was allowed to proceed for 2 additional minutes.)

Mr. EVANS of Colorado. Mr. Chairman, if I understand the gentleman's answer—and correct me if I am wrong—the committee has looked into the safety features of new weapons systems that might be built and is insisting that any weapons systems that will be built will be safe until armed, and if armed will be safe until employed, and can be destroyed safely.

Mr. ICHORD. The program is greatly misunderstood. It is not my desire nor the desire of the committee to enhance the chemical warfare capability of this Nation at all but it is important to make the weapons we have much safer.

Mr. EVANS of Colorado. That is what I am getting at. I take it then the answer is yes, the gentleman has looked into this and he has made this concern well known to the Army and he intends to make known to the Army that is what he intends to do. Is that correct?

Mr. ICHORD. We are going to follow very closely this entire project in all its aspects, I would state to the gentleman from Colorado.

Mr. EVANS of Colorado. I have one more question.

Mr. ICHORD. The gentleman realizes we are not making any decision to go into production of binaries.

We are not making any decisions to go into the production of binaries. I differ with the conference committee. I think we should have put this on a safety basis. We could have destroyed the existence of stocks and come in with the binaries that are safe, because we separate the chemicals into two components that are safe to handle.

Mr. EVANS of Colorado. Mr. Chairman, I hope the committee oversees that. I am constrained to support the amendment. There has been no disagreement with the statement of the gentlewoman from Colorado with respect to the period of time we have ahead of us with respect to existing stocks of these weapons. I think the gentlewoman mentioned 10 years, so it is not a matter of having the bargaining chips. We have the bargaining chips now in the existence of these old weapons. That being the case, I agree with the gentlewoman that spending $500,000 plus now is going to develop a momentum of its own. Why not wait? We have weapons on hand. What is the hurry?

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. EVANS of Colorado. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, the gentleman said there was no argument with the statement of the gentlewoman from Colorado (Mrs. Schroeder) with the time schedule on chemical munitions. I think the gentlewoman said that these current supplies would be available to us for at least 10 years. My understanding from the chairman of the subcommittee is that these current stocks are deteriorating rapidly. Many will have to be destroyed within at least 5 years; so this is not a 10-year schedule, as the gentlewoman from Colorado said.

In addition, as the gentleman from Missouri (Mr. Ichord) pointed out to the conference committee, it will take us at least 2 or 3 years to get into production of a new safe binary replacement; so at the most we would have a period of only about 2 years to get these supplies to the places we need them, if we should need them, before the stocks presently on hand become militarily useless.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

(By unanimous consent, Mr. Evans of Colorado was allowed to proceed for 1 additional minute.)

Mr. EVANS of Colorado. Mr. Chairman, it is my understanding that the technique and the chemicals on hand are off shelf and are simple to put together. Is that right or wrong?

Mr. STRATTON. My understanding is that it would take about 2 years to get into production of binary area chemicals. We have to get the machinery ready. We have to get the plant built. That is what the money is for in this particular bill. So even if we produce posthaste, today we cannot produce anything for at least 2 years.

Mr. EVANS of Colorado. Mr. Chairman, taking the gentleman's estimate, we have 5 years of equipment and weapons on hand. The gentleman says it takes 2 years. The gentleman from New York and the gentleman from Missouri state that they will not go ahead and build until Congress authorizes, until Congress appropriates the funds. That being the case, I think it is a mistake to appropriate these moneys at this time.

Mr. OTTINGER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the real question before us is whether we are going to give the green light via the backdoor, that is, by authorizing the construction of facilities to house binary production in this military construction bill, for going ahead with a complete multimillion dollar refurbishing of the very horrible chemical weapons of war—and make this decision in the midst of very delicate negotiations that are going on to ban these chemical weapons in Geneva. That such agreements are achievable is quite clearly demonstrated in the fact that we have already reached agreement with respect to banning biological weapons, and the stocks of these biological weapons around the world are, in fact, being destroyed subject to international agreement. It is the same kind of an agreement that is being sought to be arrived at with respect to chemical weapons.

Mr. Chairman, I think we ought to give the ongoing international negotiations every opportunity to succeed before we go ahead with the development of a new generation of chemical weapons, as this bill facilitates.

It is my understanding that the Director of the Arms Control Agency takes the position that going ahead with the development of these binary weapons at this time, developing these new binaries, could well prejudice the negotiations that are going on. Under these circumstances, we certainly should not prejudice the success of these negotiations.

If we reach that agreement, then of course all the money that is proposed to be spent at the present time is going to be totally wasted.

What we are really addressing here is the key issue of whether we should go ahead with this binary development for which specific provision is made in the defense authorization and appropriations bills that are coming before us. Last year the House, in its wisdom, struck out this money, feeling that we should not undertake this tremendous multimillion obligation while negotiations were going on. We should just continue with research and development. I think we should maintain that position.

I got interested in this because I took on to my staff Ms. Dee Coridini, legislative assistant for our former colleague, the gentleman from Utah, Wayne Owens, upon whose motion binary appropriations were struck from the appropriations bill last year. I do not think the situation really differs any at the present time.

The Arms Control and Disarmament Agency testified that they are making progress in negotiations, that there is hope for an agreement, and that going ahead with binary production at this time could prejudice the negotiations. I think we ought not authorize this money.

It is quite clear, and there is testimony before the committee, that there is no sense at all in going ahead with this construction unless we go ahead with the binary program. The construction decision cannot be separated from the binary decision.

The testimony was from Maj. Gen. Kenneth Cooper, Assistant Chief of Engineers, U.S. Army. In that testimony he said, ". . . The key as to whether this project should be approved or not will be in connection with the equipment that is in another portion of the bill for $8.8 million."

Mr. Shumate then asked, "That is in the procurement bill?"

General Cooper said, "In the procurement bill."

Mr. Bennett then asked, "You are saying, if that is turned down, we ought not to build this?"

General Cooper responded, "That is correct. The two have to be tied together."

I do not think we ought to prejudice the underlying binary decision by authorizing construction at this time. I think the construction ought to be voted down, and when the defense appropriations bill comes up, I think binary development itself ought to be voted down and that we should give the negotiations in Geneva a fair chance to succeed so that this new generation of chemical weapons does not have to be built at all.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. OTTINGER. I yield to my colleague from New York.

Mr. STRATTON. Mr. Chairman, the gentleman has said that he does not think we ought to go ahead with this construction while negotiations are going on. But we have negotiations going on now with respect to our nuclear arsenal and our long range missiles, SALT II. Yet there has been no reduction in our own ongoing efforts to improve our own capabilities in the missile field.

So why should we stop trying to protect ourselves in the chemical warfare field simply because negotiations are going on? If those negotiations do not succeed, then we will simply have lost time and will be in a poorer position to respond 2 or 3 years down the line if we have to in order to protect ourselves.

Mr. OTTINGER. Well, we have adequate protection at the present time with the existing chemical stocks that we have, and I think, unlike the nuclear situation where the ultimate deterrent in nuclear warfare is our defensive retaliatory capability, the chemical class of weapons is very similar to the biological class of weapons. We have a situation where it is very hard to control the use of these kinds of weapons. They pose a tremendous danger to our own troops.

I am told, and I got a briefing from the military on this, that defensive equipment presently as developed by both sides is so cumbersome that it is very difficult for a serviceman to operate wearing this equipment. They cannot work for a great deal of time in the protective gear and their movements are very restricted in it.

Therefore, this is a classification of weapons on which international agreement is very likely to be reached, just like biological weapons on which such an agreement has been reached. Since the disarmament people who are conducting these negotiations feel that going ahead with binary development would hurt the possibility of reaching that agreement, I think we should at least give them another year.

Mr. STRATTON. Does the gentleman not recognize that in the absence of defensive equipment, the basic defense we have in chemical warfare is a strong offensive capability that will deter any enemy attack?

Mr. OTTINGER. It is my understanding that we have an adequate chemical warfare capability for the time being, and I do not think we should go into a multimillion-dollar development of a new generation of chemical warfare weapons while we have a good chance of reaching an agreement.

Certainly I do not think we ought to do that by the back door, by saying we ought to construct the buildings now and decide later whether the activities for which the buildings are intended will be approved.

Mr. RANDALL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I want to take just a moment to correct a statement made by the gentleman from New York about this item at Pine Bluff, Ark., being or becoming a multimillion-dollar program. Such a happening is simply not possible. You heard the comment made by the subcommittee chairman a few moments ago, that we have just concluded a conference with the Senate where there was an agreement on the procurement bill that there be no production. Such agreement was a compromise. It has now been worked out. Our counterparts in the other body have agreed. Whether we proceed with gas production was very vigorously debated in conference. The conference committee report will show there can be no gas production until the President certifies that gas production is necessary to our national security. With a conference report like this—how can there be a multimillion-dollar program.

Actually the live item concerns an old building out at Pine Bluff known as buiding 52–220. All we are doing is providing for some alterations, some partitions, and a small addition.

So I refer again to the most inaccurate comment made that this starts a multimillion-dollar program and say such is false and untrue because there cannot be any start on production under the compromise that was reached in the conference with the Senate.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. RANDALL. Yes, I yield to the gentleman. Let us see if the gentleman from New York can refute what has just been said.

Mr. OTTINGER. I thank the gentleman for yielding.

As I understand it, there is $8.8 million that is in the appropriations bill, subject only to certification by the President.

Mr. RANDALL. Oh, but it is not an appropriation. Nothing has been appropriated and will not be until certified by the President.

Mr. OTTINGER. If the gentleman will yield further, that is all that is required, a certification by the President.

Mr. HICKS. Mr. Chairman, will the gentleman yield?

Mr. RANDALL. I yield to the gentleman.

Mr. HICKS. I thank the gentleman for yielding; $562,000 improves the building. In the defense appropriation bill this year is $8.8 million to put the production line into the building. That is not producing anything, but it puts the line in. I hope this straightens that matter out.

Mr. RANDALL. I hope it also straightens out the fact that we are not starting any multimillion-dollar production until the President certifies the matter.

Mr. ZABLOCKI. Mr. Chairman, I rise in support of the amendment to delete the authorization of funds for a binary nerve gas munitions production line.

Let me stress at the outset that I am in agreement with many of the necessary national security objectives met by H.R. 5210. Under the able leadership of the distinguished chairman, the gentleman from Illinois (Mr. PRICE), and the subcommittee chairman, the gentleman from Missouri (Mr. ICHORD), the Armed Services Committee has labored hard on this measure. However, on this one important aspect of the bill dealing with binaries, I feel compelled to register respectful but firm exception.

This is not a position taken lightly. As a matter of fact, it was arrived at only after much serious thought and consideration. Primarily, my views on this question are based on extensive hearings held by the Subcommittee on International Security and Scientific Affairs in May 1974 on "U.S. Chemical Warfare Policy."

The binary issue was thoroughly reviewed in those hearings because of its serious and far-reaching implications to U.S. national security and foreign policy. On the basis of that hearing review, and as reconfirmed by more recent developments, it is my firm belief that U.S. national security interests would be served best by postponing this funding request.

The following reasons—all fully documented in the hearing record—dictate my position:

The $562,000 requested in this bill and the $8.8 million in the Defense appropriations bill represent only a first step phase. Testimony in our hearings indicates that the ultimate total cost will more likely be $2 billion—$1 billion for full procurement and an additional $1 billion for disposal of existing stockpiles. Thus, this is but the proverbial camel's nose under the tent.

Approving this funding authorization carries with it the inherent danger of violating established weapons standardization procedures. By the executive branch's own admission, the binary system has not had adequate open-air testing. The question therefore is whether we want to authorize the implementation of a weapons system which has not yet been proven militarily effective.

It is also apparent that there is no firm position within the executive branch regarding the desirability of the binary system. Thus, if this authorization remains it could, in effect, be interpreted as congressional approval of the system by both the Defense Department and by other countries.

Implementation of the binary will probably prove highly destablizing to negotiations at the Conference Committee on Disarmament at Geneva and thereby seriously jeopardize the chances of reaching a comprehensive international agreement on CW.

While the chief—and legitimate—rationale for the binary is increased safety in storage and transportation, there is every reason to believe that our current stockpile is adequate.

Finally, there is doubt regarding the willingness of our NATO allies—West Germany in particular—to accept replacement supplies of the binary weapons, thereby putting into serious question the necessary advantage of forward-based deployment. Mr. Leon Sloss, Politico-Military Affairs, Department of State, in answer to a question on this issue stated before my subcommittee on May 14, 1974:

> I am not in the position to offer a judgment on whether the introduction of binaries would be accepted or resisted by our allies. I think there is some uncertainty of that, but I think it is clear that if we were to attempt to increase the stockpile or to increase the number of sites where we had weapons stockpiled that this would run into difficulties.

In conclusion, Mr. Chairman, I should note that in opposing the binary I am reflecting the respected and authoritative concern of none other than the Director of the Arms Control and Disarmament Agency, Dr. Fred C. Ikle. Twice within the last 4 months—before my own subcommittee on March 5, and before the

House Defense Appropriations Subcommittee on June 9—Dr. Ikle observed that it would be "premature" for the United States to go into production on the binary nerve gas program. He further warned that such a step might well "stimulate third countries" to produce the binary since it is a "relatively easy" process. I quote again from Dr. Ikle: "I see no urgency in moving toward production" closed quote.

Mr. Chairman, I share those sentiments. It is time that we close the gap between this Nation's often-repeated chemical warfare policy objectives as measured against its actions. That time is now. I urge support for the amendment deleting the authorization of funds for a binary nerve gas munitions production line.

Mr. FRASER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I was listening to the debate, and I had the impression that nothing finally had been decided, so I picked up the committee report, and it is very clear. It says:

> At Pine Bluff Arsenal, the Committee approves a binary munitions facility.

So if we want a binary munitions facility, we will vote against this amendment. I think it is very clear, in light of the testimony by Dr. Ikle, that it is imprudent to proceed at this point, and the point that he makes is that the development of binary weapons is going to offer to other countries the very inexpensive, easily developed new weapons system, which is going to be troublesome to the whole world.

I think to the extent we can show restraint and work on an agreement it is clearly in our interest.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. FRASER. I yield to the gentleman.

Mr. ICHORD. I thank the gentleman for yielding. As was pointed out, we are just reserving the options of going into production of binary munitions by this authorization and the appropriation in the appropriation bill and by the R. & D. money which has already passed. But I would like to ask the gentleman a question. Is it true that the gentleman from Minnesota is not in favor of unilaterally disarming in the field of chemical warfare?

Mr. FRASER. If the gentleman will yield, of course I do not think we should.

Mr. ICHORD. If we do not make this decision somewhere in the next 5 or 10 years to go into the production of binary munitions, all of our stocks will be destroyed. They are deteriorating. They are unsafe to handle. They are unsafe to store.

Mr. FRASER. If the gentleman will yield further, it is my understanding that the particular munitions we are interested in, most of them have closer to a 10-year life remaining than a 5-year life.

This gives us plenty of time to make a decision. We do not have to make the decision now; we should not make it now.

Mr. ICHORD. Of course, this is all over 5 years. The testimony is that it will be between 5 and 10 years when our chemical warfare capability will be gone.

It is my position that we must maintain an offensive capability so that we do not expose ourselves to a chemical warfare attack. It would be only used as a retaliatory measure.

I point out that this is a very emotional subject and it is an unpleasant subject, but yet poison gas has been used four times during this century. Each time it was used, it was used against a nation that did not have a chemical warfare capability.

Mr. FRASER. But I would remind the gentleman that we have plenty of time left. Moreover, in this era of nuclear weapons, both tactical and strategic, it would be crazy for the Soviets or anyone else to launch a chemical attack in the face of a retaliatory nuclear strike on whatever level is required.

Nuclear weapons are far more effective than chemical warfare. The use of chemicals in many respects is becoming outmoded, and the only thing we need to do is maintain some capability so that we will have a modest defensive capability in the face of other countries' having chemical warfare weapons. In considering the use of chemical warfare weapons, it falls far short of the effectiveness of nuclear weapons, which we have in great abundance.

So this is not a great problem which the gentleman raises.

Mr. ICHORD. Mr. Chairman, if the gentleman will yield further, I hope that the gentleman is not saying we should respond in a nuclear fashion if we were subjected to a very limited chemical warfare, attack.

Mr. FRASER. Of course, we are talking about the European Theater, which is obviously where the issue would be met. It is my impression that the use of chemical warfare, which would be in violation of international agreements, would provide the basis for retaliating on an appropriate level with tactical nuclear weapons.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington (Mr. Hicks).

The question was taken.

Mr. HICKS. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred one Members have appeared. A quorum of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

RECORDED VOTE

The pending business is the demand that a recorded vote be taken on the amendment offered by the gentleman from Washington (Mr. Hicks).

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 219, noes 185, not voting 30, as follows:

[Roll No. 442]

AYES—219

Abdnor
Abzug
Adams
Addabbo
Ambro
Anderson, Ill.
Andrews, N.C.
Armstrong
Aspin
AuCoin
Badillo
Baldus
Barrett
Beard, R.I.
Bedell
Bergland
Biester
Bingham
Blanchard
Blouin
Boland
Bolling
Bonker
Brademas
Brodhead
Brown, Calif.
Broyhill
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Carney
Chisholm
Clay
Cohen
Collins, Ill.
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
Daniels, N.J.
Danielson
Dellums
Derrick
Diggs
Dodd
Downey, N.Y.
Drinan
Duncan, Oreg.
du Pont
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
Esch
Evans, Colo.
Evans, Ind.
Fary
Fascell
Fenwick
Fish
Fisher
Fithian
Florio
Foley
Ford, Mich.
Forsythe
Fraser
Frenzel
Fuqua
Gaydos
Giaimo
Gibbons
Gradison
Green
Gude
Hagedorn
Hall
Hamilton
Hannaford
Harkin
Harrington
Harris
Hawkins
Hayes, Ind.
Hechler, W. Va.
Hefner
Heinz
Helstoski
Hicks
Holland
Holtzman
Horton
Howard
Hughes
Hungate
Jacobs
Jeffords
Jordan
Karth
Kasten
Kastenmeier
Keys
Koch
Krebs
Krueger
LaFalce
Leggett
Lehman
Levitas
Litton
Long, Md.
McCloskey
McCormack
McDade
McHugh
McKinney
Madden
Maguire
Martin
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Mink
Moakley
Moffett
Mollohan
Moorhead, Pa.
Mosher
Moss
Mottl
Murphy, Ill.
Myers, Pa.
Neal
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
Ottinger
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pickle
Pike
Pressler
Preyer
Pritchard
Quie
Railsback
Rangel
Reuss
Richmond
Riegle
Rinaldo
Rodino
Roe
Roncalio
Rooney
Rosenthal
Rostenkowski
Roush
Roybal
Ruppe
Russo
Ryan
St Germain
Sarasin
Sarbanes
Scheuer
Schneebeli
Schroeder
Seiberling
Sharp
Simon
Solarz
Spellman
Stanton, James V.
Stark
Steelman
Steiger, Wis.
Stokes
Stuckey
Studds
Thompson
Thone
Traxler
Tsongas
Ullman
Van Deerlin
Vander Veen
Vanik
Waxman
Weaver
Whalen
Wilson, Tex.
Wirth
Wolff
Wright
Wydler
Yates
Yatron
Young, Ga.
Zablocki

NOES—185

Alexander
Andrews, N. Dak.
Annunzio
Archer
Ashbrook
Ashley
Bafalis
Bauman
Beard, Tenn.
Bennett
Bevill
Biaggi
Boggs
Bowen
Breaux
Breckinridge
Brinkley
Brooks
Brown, Mich.
Brown, Ohio
Buchanan
Burgener
Burleson, Tex.
Butler
Byron
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Collins, Tex.
Conable
Conlan
Crane
D'Amours
Daniel, R. W.
Davis
de la Garza
Delaney
Dent
Derwinski
Devine
Dickinson
Dingell
Downing, Va.

Duncan, Tenn.
Edwards, Ala.
English
Erlenborn
Eshleman
Findley
Flowers
Flynt
Fountain
Frey
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Grassley
Guyer
Haley
Hammerschmidt
Hanley
Hansen
Harsha
Hays, Ohio
Hébert
Heckler, Mass.
Henderson
Hightower
Hillis
Hinshaw
Holt
Howe
Hubbard
Hutchinson
Hyde
Ichord
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kemp
Ketchum
Lagomarsino
Latta
Lent
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Lott
Lujan
McClory
McCollister
McDonald
McEwen
McFall
McKay
Madigan
Mahon
Mann
Mathis
Michel
Milford
Miller, Ohio
Mills
Minish
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Morgan
Murphy, N.Y.
Murtha
Myers, Ind.
Natcher
Nichols
O'Brien
Passman
Patman, Tex.
Pepper
Perkins
Pettis
Poage
Price
Quillen
Randall
Regula
Rhodes
Roberts
Robinson
Rogers
Rose
Rousselot
Runnels
Santini
Satterfield
Schulze
Sebelius
Shipley
Shriver
Shuster
Sikes
Sisk
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Spence
Staggers
Stanton, J. William
Steed
Steiger, Ariz.
Stephens
Stratton
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thornton
Treen
Vander Jagt
Waggonner
Walsh
Wampler
White
Whitehurst
Whitten
Wilson, Bob
Wilson, C. H.
Winn
Wylie
Young, Fla.
Young, Tex.

NOT VOTING—30

Anderson, Calif.
Baucus
Bell
Broomfield
Carr
Daniel, Dan
Evins, Tenn.
Flood
Ford, Tenn.
Fulton
Hastings
Jarman
Jenrette
Johnson, Colo.
Kelly
Kindness
Landrum
Macdonald
Mitchell, Md.
O'Neill
Peyser
Rees
Risenhoover
Skubitz
Teague
Udall
Vigorito
Wiggins
Young, Alaska
Zeferetti

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there further amendments to title I? If not, the Clerk will read.

The Clerk read as follows:

TITLE II

SEC. 201. The Secretary of the Navy may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment for the following acquisition and construction:

INSIDE THE UNITED STATES

THIRD NAVAL DISTRICT

Naval Submarine Base, New London, Connecticut, $17,513,000.

Naval Weapons Station, Earle, New Jersey, $879,000.

Naval Underwater Systems Center, New London, Dresden, New York, $150,000.

NAVAL DISTRICT, WASHINGTON

Naval District, Washington, District of Columbia, $1,704,000.

Naval Research Laboratory, Washington, District of Columbia, $4,824,000.

National Naval Medical Center, Bethesda, Maryland, $100,000,000.

Uniformed Services University of the Health Sciences, Bethesda, Maryland, $64,900,000.

Naval Ship Research Development Center, Carderock, Maryland, $550,000.

Naval Surface Weapons Center, Dahlgren, Virginia, $2,375,000.

FIFTH NAVAL DISTRICT

Commander in Chief, Atlantic Fleet, Norfolk, Virginia, $4,246,000.

Fleet Combat Direction Systems Training Center, Atlantic, Dam Neck, Virginia, $4,383,000.

Naval Air Station, Oceana, Virginia, $3,293,000.

Naval Weapons Station, Yorktown, Virginia, $14,743,000.

SIXTH NAVAL DISTRICT

Naval Air Station, Cecil Field, Florida, $2,557,000.

Naval Air Station, Jacksonville, Florida, $3,382,000.

Naval Station, Mayport, Florida, $3,169,000.

Naval Hospital, Orlando, Florida, $2,978,000.

Naval Training Center, Orlando, Florida, $5,588,000.

Naval Air Station, Pensacola, Florida, $4,282,000.

Naval Air Station, Whiting Field, Florida, $967,000.

Charleston Naval Shipyard, Charleston, South Carolina, $2,748,000.

Fleet Ballistic Missile Submarine Training Center, Charleston, South Carolina, $250,000.

Naval Station, Charleston, South Carolina, $2,100,000.

Polaris Missile Facility Atlantic, Charleston, South Carolina, $195,000.

EIGHTH NAVAL DISTRICT

Naval Personnel Center, New Orleans, Louisiana, $21,300,000.

Naval Support Activity, New Orleans, Louisiana, $1,856,000.

NINTH NAVAL DISTRICT

Naval Training Center, Great Lakes, Illinois, $10,448,000.

Navy Public Works Center, Great Lakes, Illinois, $1,151,000.

ELEVENTH NAVAL DISTRICT

National Parachute Test Range, El Centro, California, $1,345,000.

Long Beach Naval Shipyard, Long Beach, California, $3,322,000.

Naval Air Station, Miramar, California, $20,746,000.

Naval Air Station, North Island, California, $13,817,000.

Naval Construction Battalion Center, Port Hueneme, California, $1,920,000.

Naval Electronics Laboratory Center, San Diego, California, $3,795,000.

Naval Training Center, San Diego, California, $5,455,000.

TWELFTH NAVAL DISTRICT

Naval Weapons Station, Concord, California, $264,000.

Naval Air Station, Moffett Field, California, $2,400,000.

Naval Air Station, Fallon, Nevada, $554,000.

THIRTEENTH NAVAL DISTRICT

Naval Regional Medical Center, Bremerton, Washington, $29,959,000.

Naval Air Station, Whidbey Island, Washington, $1,082,000.

FOURTEENTH NAVAL DISTRICT

Naval Submarine Base, Pearl Harbor, Hawaii, $2,605,000.

Naval Communication Station, Honolulu, Wahiawa, Hawaii, $2,500,000.

MARINE CORPS

Marine Corps Base, Camp Lejeune, North Carolina, $13,423,000.

Marine Corps Air Station, Cherry Point, North Carolina, $3,547,000.

Marine Corps Air Station, New River, North Carolina, $1,983,000.

Marine Corps Air Station, Beaufort, South Carolina, $2,782,000.

Marine Corps Air Station, Yuma, Arizona, $1,164,000.

Marine Corps Supply Center, Barstow, California, $700,000.

Marine Corps Base, Camp Pendleton, California, $9,480,000.

Marine Corps Air Station, El Toro, California, $2,000,000.

Marine Corps Base, Twentynine Palms, California, $3,159,000.

Marine Corps Air Station, Kaneohe Bay, Hawaii, $5,410,000.

TRIDENT FACILITIES

Various locations, Trident Facilities, $186,967,000, of which not more than $7,000,000 shall be available for community impact assistance as authorized by section 608 of Public Law 93–552.

POLLUTION ABATEMENT

Various locations, Air Pollution Abatement, $3,262,000.

Various locations, Water Pollution Abatement, $44,827,000.

ENERGY CONSERVATION

Various locations, $28,828,000.

NUCLEAR WEAPONS SECURITY

Various locations, $6,580,000.

OUTSIDE THE UNITED STATES

TENTH NAVAL DISTRICT

Atlantic Fleet Weapons Range, Roosevelt Roads, Puerto Rico, $2,128,000.

ATLANTIC OCEAN AREA

Naval Air Station, Bermuda, $78,000.

Naval Air Station, Guantanamo Bay, Cuba, $3,264,000.

Naval Station, Guantanamo Bay, Cuba, $450,000.

INDIAN OCEAN AREA

Naval Support Activity, Diego Garcia, Chagos Archipelago, $13,800,000.

PACIFIC OCEAN AREA

Naval Communication Station, Finegayan, Guam, Mariana Islands, $1,200,000.

Naval Security Group Activity, Hanza, Okinawa, $697,000.

POLLUTION ABATEMENT

Various locations, Water Pollution Abatement, $250,000.

SEC. 202. The Secretary of the Navy may establish or develop Navy installations and facilities by proceeding with construction made necessary by changes in Navy missions and responsibilities which have been occasioned by: (1) unforeseen security considerations, (2) new weapons developments, (3) new and unforeseen research and development requirements, or (4) improved production schedules, if the Secretary of Defense determines that deferral of such construction for inclusion in the next Military Construction Authorization Act would be inconsistent with interests of national security, and in connection therewith to acquire, construct, convent, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, in the total amount of $10,000,000: *Provided*, That the Secretary of the Navy, or his designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization will expire upon enactment of the fiscal year 1977 Military Construction Authorization Act, except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to that date.

SEC. 23. (a) Public Law 90–408, as amended, is amended under the heading "INSIDE THE UNITED STATES," in section 201 as follows:

(1) With respect to "Naval Coastal Systems Laboratory, Panama City, Florida," strike out "$9,397,000" and insert in place thereof "$11,321,000".

(2) With respect to "Naval Postgraduate School, Monterey, California," strike out "$1,847,000" and insert in place thereof "$2,064,000".

(b) Public Law 90-408, as amended, is amended by striking out in clause (2) of section 802 "$244,059,000' and "$250,924,000" and inserting in place thereof "$246,200,000" and "$253,065,000", respectively.

Sec. 204. (a) Public Law 91-511, as amended, is amended under the heading "Inside the United States," in section 201 as follows:

(1) With respect to "OMEGA Navigation Station, Haiku, Oahu, Hawaii," strike out "$3,162,000" and insert in place thereof "$3,762,000".

(b) Public Law 91-511, as amended, is amended by striking out in clause 2 of section 602 "$247,869,000" and "$275,007,000" and inserting in place thereof "$248,469,000" and $275,607,000", respectively.

Sec. 205. (a) Public Law 92-545, as amended, is amended under the heading "Inside the United States," in section 201 as follows:

(1) With respect to "Naval Shipyard, Charleston, South Carolina," strike out "$5,316,000," and insert in place thereof "$7,916,000."

(2) With respect to "Naval Shipyard, Puget Sound, Bremerton, Washington," strike out "$5,992,000" and insert in place thereof "$7,792,000."

(b) Public Law 92-545, as amended, is amended by striking out in clause (2) of section 702 "$488,493,000" and "$533,410,000" and inserting in place thereof "$492,893,000" and "$537,810,000," respectively.

Sec. 206. (a) Public Law 93-166, as amended, is amended under the heading "Inside the United States," in section 201 as follows:

(1) With respect to "Naval Station, Norfolk, Virginia," strike out "$18,183,000" and insert in place thereof "$20,472,000."

(2) With respect to "Long Beach Naval Shipyard, Long Beach, California," strike out "$6,808,000" and insert in place thereof "$11,508,000."

(3) With respect to "Navy Public Works Center, San Diego, California," strike out "$2,471,000" and insert in place thereof "$5,982,000."

(4) With respect to "Puget Sound Naval Shipyard, Bremerton, Washington," strike out "$2,300,000" and insert in place thereof "$3,531,000."

(5) With respect to "Naval Station, Pearl Harbor, Hawaii," strike out "$4,060,000" and insert in place thereof "$4,824,000."

With respect to "Marine Corps Air Station, Cherry Point, North Carolina," strike out "$1,821,000" and insert in place thereof "$9,700,000."

(7) With respect to "Marine Corps Air Station, New River, North Carolina," strike out "$3,245,000" and insert in place thereof "$6,755,000."

(8) With respect to "Marine Corps Supply Center, Barstow, California," strike out "$6,210,000" and insert in place thereof "$6,862,000."

(9) With respect to "Marine Corps Air Station, Kaneohe Bay, Hawaii," strike out "$5,988,000" and insert in place thereof "$6,495,000."

(b) Public Law 93-166, as amended, is amended by striking out in clause (2) of section 602 "$522,006,000" and "$580,839,000," and inserting in place thereof "$547,049,000" and "$605,882,000," respectively.

Sec. 207. (a) Public Law 93-552 is amended under the heading "Inside the United States," in section 201 as follows:

(1) With respect to "Naval Air Station, Cecil Field, Florida," strike out "$6,893,000" and insert in place thereof "$9,214,000."

(2) With respect to "Naval Station, Mayport, Florida," strike out "$3,239,000" and insert in place thereof "$3,654,000."

(3) With respect to "Naval Air Station, Corpus Christi, Texas," strike out "$1,830,000" and insert in place thereof "$5,430,000."

(4) With respect to "Naval Air Station, Miramar, California," strike out "$11,722,000" and insert in place thereof "$13,732,000."

(5) With respect to "Naval Air Station, North Island, California," strike out "$12,943,000" and insert in place thereof "$14,903,000."

(6) With respect to "Naval Station, Adak, Alaska," strike out "$7,697,000" and insert in place thereof "$10,642,000."

(7) With respect to "Puget Sound Naval Shipyard, Bremerton, Washington," strike out "$393,000" and insert in place thereof $623,000."

(8) With respect to "Marine Corps Air Station, Kaneohe Bay, Hawaii," strike out "$5,497,000" and insert in place thereof "$5,606,000."

(b) Public Law 93-552 is amended by striking out in clause (2) of section 602 "$509,498,000" and "$550,956,000" and inserting in place thereof "$523,038,000" and "$564,496,000," respectively.

Mr. ICHORD (during the reading). Mr. Chairman, I ask unanimous consent that title II be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

AMENDMENT OFFERED BY MR. SIKES

Mr. SIKES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Sikes: On page 60, after line 25 insert the following: "Naval Air Station, Pensacola, Florida, $450,000 from funds authorized in this Act for other projects at Pensacola Naval Air Station."

Mr. SIKES. Mr. Chairman, as the committee will note, my amendment does not add money to the bill. It specifies that of the money now authorized by the bill for the Naval Air Station at Pensacola, $450,000 can be used for a project for which a serious need has been demonstrated. It is for a building to house a simulator, the 2B24 simulator for the UH-1 helicopter. The Navy is very short on simulators. It is well known to the committee that simulators are a very important part of the military training programs. This is particularly true of pilot training. Simulators significantly reduce training costs, because prospective pilots can learn a great deal from a simulator. Much of what they need to learn in the air can come from the use simulators. This is much less costly. It saves energy. It saves wear and tear on aircraft.

Mr. Chairman, the Navy has not pursued the use of simulators as effectively as other services. They are very short of simulators. The Navy has no simulator of the type they now propose to purchase. It is needed very much in the helicopter training program. We find that a simulator can be obtained without delay. This was not known at the time that the bill now before the House was marked up by the committee. Without a building the simulator cannot be used. Unless the building is funded this year, there will be a year's delay in the savings that the Navy can obtain from this simulator. That is why I now ask for its inclusion in this bill.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, I agree with the distinguished gentleman from Florida that simulators have achieved greater importance during these days of energy shortages. They do permit us to save a lot of fuel for training purposes.

With the understanding that the $450,000 would be taken out of the funds authorized in this section for Pensacola Naval Air Station, I would have no objection to the amendment on this side.

Mr. SIKES. I appreciate my good friend's comments.

Mr. WHITEHURST. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Virginia.

Mr. WHITEHURST. Mr. Chairman, the amendment is certainly satisfactory on this side of the aisle.

Mr. SIKES. I thank the gentleman very much.

Mr. DELLUMS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, members of the committee, I simply seek the floor to ask the distinguished chairperson of the subcommittee a question or two.

No. 1, if one assumes that the committee held hearings and they reasonably justified expenditure of *x* number of dollars at Pensacola Naval Air Station in Florida, and have not held hearings on the issue presented in the amendment offered by the gentleman from Florida, how can we on the floor, without any testimony, say that we can authorize the transfer of $450,000 for a project where there was no testimony taken, when we took testimony to justify the expenditure of $450,000 for a specific set of projects at Pensacola Air Station in the first instance.

It certainly leads this Member to believe that there is no justification for the $450,000 in the first place if, on the floor of Congress, we can simply say that we are authorizing transfer of $450,000 to another project. I would like the very distinguished chairman to answer that question.

Mr. ICHORD. Mr. Chairman, if the gentleman will yield, let me state to the distinguished gentleman from California that the committee did take testimony authorizing the various projects at the Naval Air Station at Pensacola, Fla. The gentleman from Florida (Mr. Sikes) has advised me that the military command at the Naval Air Station does believe that a simulator would have greater priority than do others.

I have no way of stating at this time which has the higher priority, but I would point out that this does not increase their money. This amendment would make them take it out of their own pocket. If the military command wants to put the simulator ahead of some of the other items, I have no objection, but I cannot justify the item as opposed to other items in the bill. I would have to admit that to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, I would just add one additional observation, that if we assume that the Pentagon, in making its presentation before the subcommittee, justified the expenditure of a specific amount of money for specified projects at Pensacola, Florida, then one would have to question the justification on the basis of priority if here, on the floor of Congress, we simply take the distinguished gentleman's amendment.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. DELLUMS. I yield to the gentleman from Florida.

Mr. SIKES. Mr. Chairman, at the time the bill was marked up in committee, it had not been determined that a simulator of the type which is needed could be made available. Now, it has been determined that a simulator will be available long before this building could be constructed. If we were to wait to obtain the building until the next military construction program is before Congress, we would lose that time plus the time required for the building to be constructed. That could mean additional unnecessary costs in training.

As I stated earlier, the Navy does not have any modern simulators of this type for the UH-1 helicopter. We are trying to save money that would go into training and savings of gasoline for energy and savings on time and equipment. The reason that a request was not made to the committee earlier is that the availability of a simulator has developed since the bill was reported.

I can assure the gentleman that the Navy officials will substantiate what I have said.

Mr. DELLUMS. In conclusion, Mr. Chairman, I would simply say that I do not in any way question the motives of my distinguished colleague. I simply say that this is a very bad precedent to make this kind of decision concerning the transfer of $450,000 without adequate justification before the committee process. I intend to oppose the gentleman's amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. SIKES).

The question was taken; and on a division (demanded by Mr. DELLUMS) there were—ayes 63, noes 12.

So the amendment was agreed to.

Mr. MONTGOMERY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I take this time to have a colloquy with the chairman on the side of the aisle and also the ranking minority member pertaining to the construction funds for the Regular Forces versus the construction funds for the Reserve and National Guard that are in this bill.

I know the gentleman from Missouri and also the gentleman from Virginia feel like I do, that as we move to reducing our Regular Forces, we have to turn to the Reserve and the National Guard to keep this Nation strong militarily, also the Reserve and the National Guard are really a good buy for the taxpayers of this country.

So I take this time, Mr. Chairman, to say that I have noticed that the National Guard and the Reserve are getting less than 5 percent of this total authorization. The total authorization is around $4 billion. The National Guard and Reserve—and I am speaking of the Navy Reserve, Marine Reserve, Army Reserve, Air Reserve, and Air Guard—are getting a total of $205 million.

Mr. Chairman, what I would like to point out is that of the total force concept, if we call all of the Army units up on active duty tomorrow, 45 percent of these units in the Army would be made up of Army National Guard and Army Reserve units. Forty percent of these units will be combat units from the National Guard and Reserve. Of the total Air Force squadrons, authorized for the Regulars and Reserve and Air Guard over half of them would be Air Guard or Air Reserve. So about half of the air combat units in this country are in the Reserves.

My problem with this, I say to the distinguished chairman, is that the Guard and the Reserve only get less than 5 percent of the total authorization, yet they almost have 50 percent of the total military combat capability of this country.

Mr. ICHORD. If the distinguished gentleman will yield, I will point out to the distinguished gentleman from Mississippi that the DOD has requested in this military construction bill a sum of $4,201,605,000.

The committee has reduced that request in the sum of $243,165,000.

But the subcommittee follows the thinking of the gentleman from Mississippi, in that we did not reduce the requested authorization for the Army National Guard, for the Army Reserve, for the Navy and Marine Corps Reserve, for the Air National Guard and the Air Force Reserve.

The problem is that DOD is not requesting and making a sufficient effort to upgrade, in my opinion, our Reserve Forces.

Personally, I agree with the gentleman from Mississippi.

The cheapest way to get a defense for this country is through its Reserve Forces. We should be upgrading the Reserves, and, in fact, I would say that circumstances will dictate in the future that we make this decision whether we like it or not.

In these days of very serious fiscal problems and decreasing military dollars, I think we must make the decision to obtain greater defense capabilities from our Reserve Forces, by building up our Reserve Forces to the point that they can be rapidly mobilized in order to meet emergency defense needs of the Nation. We can learn much, I submit, by studying the reserve forces of the nation of Israel which has the ability of mobilizing its reserve forces into a fighting force on very short notice.

Mr. WHITEHURST. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from Virginia and thank the gentleman from Missouri for his strong remarks.

Mr. WHITEHURST. Mr. Chairman, I will just say that I appreciate the comments of the gentleman in expressing the sentiments of the subcommittee.

I will call the gentleman's attention to the paragraph on page 55 of the report indicating that the increase this year is 36 percent over the fiscal year 1975 authorization, and that this is the fifth consecutive year in which the committee has approved a substantial increase in the facilities program.

All of us are well aware of the gentleman's keen interest in this field, and we are grateful for that. We appreciate his keen interest in the Guard and in the Reserves, and I hope the committee will share his feeling.

Mr. MONTGOMERY. Mr. Chairman, I appreciate the gentleman's comments.

What concerns me is whether the folks over at the Pentagon realize that we must give good facilities to the Guard and to the Reserves. If we do not give them good facilities to use, to train in, and to store their equipment, they are not going to be able to carry out their mission of being combat ready.

Mr. Chairman, I think this is very important, and I am glad the gentleman sees our point. As a matter of fact, less than 5 percent of the construction money is going to the Guard and the Reserves, and they have almost 50 percent of the available combat units.

The CHAIRMAN. The time of the gentleman from Mississippi (Mr. MONTGOMERY) has expired.

(By unanimous consent, Mr. MONTGOMERY was allowed to proceed for 1 additional minute.)

Mr. McEWEN. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from New York.

Mr. McEWEN. Mr. Chairman, I want to commend the gentleman in the well for bringing up this subject. I would like to associate myself with his remarks.

May I say for the benefit of the distinguished chairman of this authorizing subcommittee that as the ranking minority member I am pleased to know that we did not make cuts when it came to construction for the National Guard and the Reserves.

The gentleman from Mississippi is absolutely right. At a time when we are upgrading facilities for our Active Forces, I think we should make better provisions for the Guard and the Reserves. I will say to the gentleman that I have recently had occasion to see the new recruit barracks of the Army. Some have said that they are possibly a little too lush and a little too ornate.

Then I have seen the facilities where the National Guard and the Reserves are called on to do their annual training, and they are often old, dilapidated World War II facilities. I do not think there is any question but what they should be upgraded.

The gentleman from Missouri, the chairman of the subcommittee, said we are going to have to do something. We are bringing young men into the Army and we are bringing young women into the Army, and we are giving them first-class facilities from the time they are recruited and go through training.

Mr. Chairman, I agree with the gentleman from Mississippi. If we are going to keep men in the National Guard and in the Reserves, the gentleman is right when he says we must do something about it.

Mr. DOWNEY of New York. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I agree with the gentleman from Mississippi (Mr. MONTGOMERY) that our Reserves and National Guard forces hold tremendous potential for the future.

One of the things that disturbs me, however, is a recent GAO report that indicated there was tremendous waste in the Reserves and that we are wasting a lot of our manpower and a lot of their time.

I would like to ask the chairman of the subcommittee a question about whether or not he would agree that we should have more integration and more hybridization at lower levels in the Guard and the Reserves.

I think the Reserve can be a good buy, and it is absolutely necessary for an adequate defense. However, one of the things we found the Defense Department reluctant to do is to integrate the Reserve forces, at levels less than battalion.

Mr. Chairman, will the gentleman comment on this point?

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. DOWNEY of New York. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, I will state to the gentleman from New York that they do have plans in progress at the present time for this integration. Personally, I think that we should do more of it.

I will state this also: As far as waste is concerned, particularly in the National Guard units, it is much like decentralization, as opposed to centralization. We must remember that in the case of the National Guard we have 50 different commands.

Some of the Guard units, I think, are in excellent shape; some are possibly too fat.

So the problems are different. Many of the commands do stand out very well. But this is a cheap way to get our defense requirements, and as we reduce the number on active military duty, I think we should look very hard and very closely at getting an upgrading and taking out the fat of some of our Reserve forces and using them more effectively for the defense of the Nation.

Mr. MONTGOMERY. Mr. Chairman, if the gentleman will yield, his question concerns the National Guard, whether there should be more integration in the Guard?

Mr. DOWNEY of New York. Yes, integrating the Guard into the active forces and hybridizing the units, at lower than a battalion level or a grade level possibly lower than that, say the company level.

One of the things that the GAO report pointed out, and I think that it was a very complete and excellent report, was the fact that we have thousands—886,000, by the way—in the various reserve forces, and that we can make them more productive if we gave them an opportunity to serve with our active duty forces.

That is something I am very interested in, as well as in tailoring the training for our reserve forces, because some of the men need more training and some of the men need less training.

Mr. MONTGOMERY. Mr. Chairman, I agree. I think competition between the Reserve and the regulars would be a good thing. If we are talking about putting a National Guard battalion into an infantry regiment, I certainly agree with the gentleman.

I think it would improve the training of the National Guard and the Reserve as well as of the regulars.

Mr. DICKINSON. Mr. Chairman, will the gentleman yield?

Mr. DOWNEY of New York. Yes, I yield to the gentleman from Alabama.

Mr. DICKINSON. Mr. Chairman, I, too, would like to commend the gentleman from Mississippi (Mr. MONTGOMERY) for bringing this problem to light.

I think we all appreciate the fact that the decision to be made, for the most part, is for the Pentagon.

This is active duty service we are talking about. When a cut has to be made, they are not going to cut the active duty personnel. They are going to cut the Reserves and the Guard.

Therefore, Mr. Chairman, I think it is high time that we call the attention of the active duty military to our concern that the best buy we can get in our whole defense structure, in our defense posture, is in the Guard and the Reserve.

The gentleman is right about the GAO report, and we do have people who have had great esprit de corps who are losing interest and getting out. We are losing that technology and that expertise because they feel like stepchildren just being kicked around.

I think it is time that we did devote more time, more money and more interest to the Reserve and the National Guard.

Mr. Chairman, I thank the gentleman.

Mr. LEGGETT. Mr. Chairman, will the gentleman yield?

Mr. DOWNEY of New York. Yes, I yield to the gentleman from California.

Mr. LEGGETT. Mr. Chairman, I want to commend the gentleman for presenting the GAO report and also the gentleman from Mississippi (Mr. MONTGOMERY) for bringing up the need to push the Reserve units and the Guard units in the Congress.

Naturally, we have jealousy between the Regular Forces and the Reserve Forces.

As an example, the two F–5E squadrons we had as surplus from the Vietnam war we thought would be an excellent capability for the Guard. The Air Force said they would like those planes in the Regular Forces as counterfighting units. The Guard could well perform this mission. The Guard and Reserve need new equipment: if they get it, they can perform with distinction a significant military mission, but not with F–100 aircraft.

The CHAIRMAN. The time of the gentleman from New York (Mr. DOWNEY) has expired.

(On request of Mr. LEGGETT and by unanimous consent, Mr. DOWNEY of New York was allowed to proceed for 1 additional minute.)

Mr. LEGGETT. Mr. Chairman, if the gentleman will yield further, in addition, I think practically every Member of this House has cited his local reserve and Guard units for the activities they have engaged in during the year of rescue and in firefighting work and in various kinds of special emergency situations. This is counted as wasted time by GAO. Certainly, it is not wasted time as far as any type of humanitarian evaluation of the service is concerned.

Therefore, Mr. Chairman, I think we need to do two things: one is to upgrade the equipment and establish better units and provide for better facilities, and also to take an overall look at what the GAO means by waste.

Mr. DOWNEY of New York. Mr. Chairman, I would just reiterate the points of the gentleman from Alabama and Mississippi. Too long have the reserves been considered as a stepchild.

To provide some competition between them and the regular duty forces, I think, would be an advantage to all of our services.

AMENDMENT OFFERED BY MR. EDWARDS OF ALABAMA

Mr. EDWARDS of Alabama. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EDWARDS of Alabama: On page 59, strike out lines 22 and 23.

Mr. EDWARDS of Alabama. Mr. Chairman, I want to make very clear, right off the bat, that what this amendment will do, if it passes, will be to finish off the Uniformed Services University of the Health Sciences, better known as the Military Medical University.

There has been a lot of buttonholing going on around here about this amendment today, and that is fine. But I think that if all of the Members just listen to the facts, they will agree with me that it is awfully hard to justify.

This bill calls for $64.9 million in construction money for the Military Medical University out at Bethesda. If we continue on this course we will spend by fiscal year 1981 in construction and facilities and getting this medical university on the road, some $270 million—a university designed to graduate by 1982 or some time beyond there, 150 graduates. We have had two different studies of this university. Let me say that in 1971 I was one of 31 or so Members who voted against this thing. I have not said anything about it since. But then in May of this year the interim report to the President and the Congress from the defense manpower group, dated May 16, 1975, came out. It was designed to take a good look at the defense agencies, and its recommendations was: Get rid of this medical university. It is not economical, and there is no way it can pay for itself. This report also suggested that it is going to cost about $150,000 to educate and graduate one medical student.

This report also suggested that under the scholarship program which was passed at the same time as the medical university law, we could put graduates through under that program for about $35,000.

That caught my interest, and caught the interest of my Subcommittee on Defense. So we had the surveys and investigations staff of the Committee on Appropriations take another look at it. They reported back just a few days ago that, according to their figures, it will cost a little over $199,000 to graduate one student from this medical university.

Their figures show that the scholarship payments for this year of 1975 and for the next few years to come would cost a little over $43,000 to graduate a student under that scholarship program.

What this means is that if we go forward with this military medical university we are going to be paying four to five times as much to graduate a military medical student, just because we have got him in our own Government-owned university than we would be paying if we put that same student through under the scholarship program at the other medical universities of this country.

There is no way to justify this extravagance.

I know that it had a good beginning, and there were good people behind it with good intentions for it, but it is just not working out that way. I know that I am going to get cut up here today, and I have the feeling that we are going to lose, but I have to tell the Members that I could not, in good conscience, after seeing all these figures, fail to get up here and offer this amendment.

There are better ways to educate the medical doctors we need than to go this route. And this is the last chance. If we do not knock this out now, I will not be back up here next year on this same subject because we will be in too deep.

Now the reports show that we can terminate this university for $10 million, and have done with it, and we can continue on with our scholarship program.

It would cost us $30 million to graduate 150 medical students from this medical school each year, while we could educate the same number through the scholarship program in the private and public universities for $6,480,000.

There is no way to justify continuing with this program.

Mr. ICHORD. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I am reminded, as the gentleman from Alabama quotes his statistics, of a comment of a very famous American humorist who came from my State, Mark Twain. He said about statistics, without quoting him in the entirety:

> Once you get them down, you can do anything you want with them.

The gentleman has used the figures of the cost of educating a medical student at the Military Medical University at Bethesda. I happen to have some different figures. The DOD advises me that the average cost of educating a doctor for 4 years at a civilian medical school is approximately $200,000, while the cost of educating a student at the medical hospital at Bethesda is estimated for a 4-year period to be $186,000, which includes the pay of the student. Of course, one can gather all kinds of figures, all kinds of statistics, as to cost. But I hope, Mr. Chairman, that this committee is not going to adopt this amendment which would be penny-wise and pound-foolish at this time. It would be the height of folly to abandon the University of Health Services at this late date in reliance upon a misinterpretation of cost statistics.

We just authorized the university only 3 years ago in 1972. At the same time we authorized the scholarship program to complement the medical university. I must dispute the gentleman from Alabama when he states that it is cheaper to educate these students under the scholarship program. How are we going to get our military doctors into the civilian medical schools all over the United States?

I am sure that every Member of Congress has had the same experience that I have had. A large percentage of our applicants' cannot gain admittance to a medical university in this country. But at the same time under the scholarship program I would state to the gentleman from Alabama that he must remember that we are only getting service on a 1-for-1 basis, 1 year for 1 year.

Under this program we will be getting approximately an average of 11 years out of the young doctor because he has to obligate himself for 7 years. Then also the internship and the additional training that he will take in residency will be obligated service, so for every student that graduates from the military university we are going to get approximately 11 years of military obligation. When we obligate a young man for 11 years, we are pretty well assured of having him for at least 20 years. So over the lifetime service of the student, it is going to be much cheaper to educate these students in the military university than it is under the scholarship program.

Mr. EDWARDS of Alabama. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from Alabama.

Mr. EDWARDS of Alabama. I appreciate the gentleman yielding.

I am intrigued by one comment the gentleman made that the scholarship program was designed to supplement the military university. The scholarship program was designed to turn out over 1,200 doctors a year and the military university is designed to handle only 150 graduates a year. It would seem that the military university is, in fact, a very expensive supplement to the scholarship program.

Mr. LLOYD of California. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I want to bring out only one point in all of this and that is that the medical schools today are saturated. There is no room. If we take a doctor into the military who would normally go into civilian practice we can have only one doctor, and, therefore, a loss to civilian practice. If we have a medical school for the military it means we will have additional doctors not taken from the civilian area.

I really am not qualified to discuss the costs that are involved. All I know is, it will be beneficial, first of all because the doctors going into the medical service from the medical school in Bethesda will relieve the pressure on other medical schools so that the civilian population will have a more adequate medical care. I think this is really the criterion we ought to address ourselves: as to what is needed for the medical care of the military and civilian population.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. LLOYD of California. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, the gentleman has put his finger on the real problem. The medical scholarship is a very fine program but the problem I am sure that the gentleman from California has run into and that I have run into and that many other people have run into is that our students say: "I would love to get one of these scholarships but I cannot find a medical school anywhere in the country that will accept me." Time and time again we have people who want to go to the medical schools and they cannot be accepted because there are too few schools and so they wind up going to Guadalajara or some place like that.

This school will help increase the supply of new doctors. If we have 150 new doctors coming out of this new medical school that will help the overall situation because it will be a great addition to our medical services.

Mr. EDWARDS of Alabama. Mr. Chairman, will the gentleman yield?

Mr. LLOYD of California. I yield to the gentleman from Alabama.

Mr. EDWARDS of Alabama. Mr. Chairman, I think it is important to know the military does not go out and find students to give scholarships to and then put them in the universities. The military goes to the medical schools and finds students already enrolled and gives them scholarships.

But in any case where we have thousands of students across the country in medical schools, and we spend $270 million to try to get a school going for just 150 graduates, that is unbelievable. Think of what we could do with $270 million in the medical schools of this country to help them turn out those graduates and then think of what we are going to do by putting $270 million into this facility which is to graduate 150 a year. It just does not make commonsense.

Mr. ANNUNZIO. Mr. Chairman, will the gentleman yield?

Mr. LLOYD of California. I yield to the gentleman from Illinois

Mr. ANNUNZIO. Mr. Chairman, I compliment the gentleman from California, the gentleman in the well for stating the problem as it actually exists. It is a known fact as the gentleman from California stated that our medical schools are overcrowded, that people cannot get into medical schools.

I also would like to point out that the ground for this institution has already been broken. I repeat: The ground has already been broken. The need for a school to serve the military not only at home but throughout the entire world is great because if we are to maintain a strong military posture throughout the world it is necessary, especially now when we have a volunteer Army, the volunteer Army must be serviced and be medically healthy and be medically equipped to meet the needs of the men and women who are volunteering in the armed services of the United States.

I compliment the gentleman from California for his grasp of the situation and I associate myself with his remarks.

Mr. LLOYD of California. I thank the gentleman from Illinois.

Mr. CARR. Mr. Chairman, will the gentleman yield?

Mr. LLOYD of California. I yield to the gentleman from Michigan (Mr. CARR).

Mr. CARR. Mr. Chairman, I thank the gentleman from California for yielding.

I regret that I have to disagree with my friend, the gentleman from California, on this issue and I applaud the courageous efforts of the gentleman from Alabama.

I think the fundamental problem here is the shortage of doctors for everyone, not only the military but also the civilian population. This Congress finally is going to take and has taken the leadership role in increasing and augmenting the supply of doctors. We have already dealt with the problem of extra pay in order to recruit and retain doctors in the military services.

The answer though is not to create more empire building on the part of DOD and perhaps our Armed Services Committee so we can have monuments to our public works program.

We need to have effective programs; $200 million worth of programs going to medical schools throughout the country will do a great deal to solve that shortage problem.

The CHAIRMAN. The time of the gentleman from California has expired.

(At the request of Mr. STRATTON and by unanimous consent, Mr. LLOYD of California was allowed to proceed for an additional 3 minutes.)

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. LLOYD of California. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, I would like to respond to the point made earlier by the gentleman from Alabama (Mr. EDWARDS), who complains that only 150 students are going to be graduated from this medical school. I am not an expert on medical schools, but the average rate of most medical schools has been around 50 or 75 or something of that kind. My alma mater is the University of Rochester and the University of Rochester Medical School is one of the outstanding ones in the country. They graduate about 50 or 60 graduates a year. I do not know the entire endowment of that school, but is well exceeds the $270 million that is going to go into this new medical university of the armed services.

Mr. Chairman, certainly any medical school takes a lot of money; but if we are going to try to get more doctors for the civilian economy, we have to generate more doctors. We do not increase the number of doctors by just paying more money to the people going to the same schools. We have to increase the number of schools themselves. And that is what this bill is going to do. If its graduates go into the military services, then that is fewer doctors we have to try to lure away from civilian health needs.

Mr. LLOYD of California. Mr. Chairman, I would like to respond to the gentleman from Michigan. The point is not who controls. I am sure that could be debated, whether that would be the Department of Defense or whether it should be the American Medical Association or the individual States. The key factor in all this is there are only so many doctors being turned out by our medical facilities today. Those facilities are overcrowed. They are at their absolute peak in the production of doctors. There are very valuable young men and women who would like to participate in the medical training today. I think they should be given an opportunity.

Mr. CARR. Mr. Chairman, will the gentleman yield?

Mr. LLOYD of California. I yield to the gentleman from Michigan.

Mr. CARR. Mr. Chairman, I asked the gentleman to talk to me in the committee. We had testimony about the shortage of veterinarians and dentists in the armed services. Where does this stop? Are we going to have a military veterinarians school? Are we going to have a military dental school?

Mr. Chairman, I think we have to rely on the medical schools of this country to turn out doctors. I think we have to devise programs to encourage doctors to go into the service, rather than create these monuments.

Mr. LLOYD of California. Mr. Chairman, the point I make to the gentleman from Michigan is this. It really does not make any difference where the doctors come from. A medical doctor in the military is just as dedicated to the practice of medicine as a doctor in Oshkosh or California or wherever it may be, because they are in medicine dealing with health and healing of the Nation. We are not concerned whether a person is wearing a uniform or not. They are concerned with the health situation.

Mr. Chairman, we need more doctors and this is an opporunity to get them. I think we ought to go forward with that program.

Mr. TREEN. Mr. Chairman, I rise in opposition to the amendments.

I rise to make just three points. With all due respect to my colleague, the gentleman from Alabama, and the gentleman's intentions, figures can be made to show almost anything, as we all know.

For example, in the figure that the gentleman from Alabama cited from the Defense Manpower Commission of what it would cost to educate in a private school, I do not believe that included a cost that we provided for in a bill which we passed just recently. I refer to the capitation grant for medical students, which is $8,100 per student for a 4-year period, which we approved less than 1 month ago. That would have to be added to the cost in showing the cost of putting a student through a private school.

Another thing we are trying to do is build up a professional medical corps and to build it with people who are going to remain in the service.

Under the terms of the statute setting up the university, a person going to the university would be obligated for 7 years in addition to 2 years of residency, so we have got that person in the service for 9 years as a result of his going through the university. We feel that we will capture for a full 20-year period most of these doctors and dentists and other health professionals because they will have 9 years at a minimum toward their 20-year retirement. So, we think there will be a great incentive to keep these people in for the full 20 years.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. TREEN. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. Mr. Chairman, I am simply asking a question for information. What happens to a person who becomes disabled in some way? They would let him out, would they not?

Mr. TREEN. I do not know that I can answer that question. Perhaps someone on the committee could. Does the gentleman mean retired from the service because of disability?

Mr. LONG of Maryland. That is right.

Mr. TREEN. I would think he would probably have the same rights as others.

Mr. LONG of Maryland. I am wondering whether there are other ways in which a person who had gotten his medical education would have to be let go for some reason or other, so that we are not absolutely guaranteed to have a person for 9 years.

Mr. TREEN. No. Of course, he could be killed in action.

Mr. LONG of Maryland. Right, but, of course, the Government has put its money into education, and the Government would be the loser—if the person pays for his own education in whole or in part the Government would not lose as much—if the person has to be separated.

Mr. TREEN. Well, I think we are comparing the costs here. The gentleman from Alabama was talking about the cost for the scholarship program as opposed to going through the university. There is another study that shows that the difference is very small. If we consider the fact that we are getting 7 years rather than 4 years of obligated service, then, I think it clear the most effective way is to provide for the university.

Let me finish my other point during the time I have remaining. One of the men on the public scene today who is pretty well known for economy, and, in fact he has been vetoing quite a few bills lately in the name of economy, was out to the groundbreaking of this university less than 3 weeks ago, and he supports it fully. I would like to quote the concluding words of President Ford at the groundbreaking at Bethesda:

I am here to say a few words and participate in the groundbreaking, and to express my faith in what I believe will prove to be true: a great American undertaking, one that we can all be proud of, and one that will pay great human dividends in the form of outstanding health care for the men in our uniformed services as well as humanity on a global basis.

Mr. BENNETT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I was privileged to be one of the original introducers of this legislation. The reason why I introduced the legislation was because it came to my attention that there just were not enough opportunities for doctors to go to private schools to provide the needed doctors for the military. We drafted civilian doctors because they were doctors, not the usual draft of a citizen for military service. There seemed to be a feeling in the medical colleges that they could not make an adequate number available, and there was no great pressure among those colleges toward making more doctors available in the needed numbers.

Under the circumstances, the only way in which the military could make available more opportunities for people to become military doctors without subtracting from the civilian sector was to create this new medical school. Medical scholarships are fine, but they just eliminate somebody from private practice other than the military. We get these scholarship doctors a few years for the military, but that is at the expense of the private practice among citizens generally, and there is a great doctor shortage throughout the country.

So, the only real way in which the military can make a contribution to this field is by the process of having this school.

Another thing I would mention is that a great deal has been said here about the cost of doctors under the private college procedure, and the cost under this military medical college procedure. I think the facts really show that doctors are going to be cheaper to produce under the military school, than with private schools.

But, there is another factor I would like to bring into consideration and that is that these private schools are not getting all their money entirely from the private sector. They are getting many millions of dollars from the Federal Government in tremendous subsidies, and they have been for years on end. Furthermore, that subsidy is increasing. It is not decreasing.

Furthermore, even when they got financing that did not come directly from the Federal Government, a great deal of it came from private donations from people who got a tax deduction. There is nothing wrong about that. But this really is a Federal subsidy or expenditure. I have been a party to making such donations in the past, and I hope to be a party to it in the future.

So when we are talking about this private education being free to the Federal Government, it is not.

In private schools, we have nothing to say about the curriculum of that school. We will have something to say about the curriculum of this military medical school. We will have something to say about the special needs in the field of orthopedics, for instance. In this school we can set up special studies of particular need and importance to the military.

I think there is one other factor to consider. I think this school will provide dedicated military doctors. I think there is such a thing as a person who wants to be a military doctor. I think there are people who would like to give their lives toward serving the military and their country as doctors.

I think this institution will fill that need. I do not think any other institution will do exactly that.

Mr. GIAIMO. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I commend the gentleman from Alabama, with whom I serve on the Defense Appropriations Subcommittee, and I might say to the Members of this Committee of the Whole that we held extensive and thorough hearings into this question of the University of the Health Sciences. I commend the gentleman from Alabama also because he is concerned at all times, as I can tell the Members, with what is best for the United States, and especially insofar as expenditures for the armed services are concerned.

I understand why he is offering this amendment because he is convinced, as I am, together with many others, that this is an absolute waste of money.

Let us not debate here the question of the total availability of doctors in the United States. At differing times there may or may not be difficulty in getting into medical schools. At differing times there may or may not be shortages of doctors to a greater or lesser degree. Be that as it may, it is a problem which this Nation has to face up to, the total availability of doctors, paramedical personnel, nurses and others and we will face up to that. Already in recent years new medical universities have been created including on in my own State of Connecticut.

Mr. Chairman, I submit to the Members that the way to face up to that is to treat it as a total national problem, as we have begun to do, and not by giving the job to the Department of Defense.

I would like to question one other item of debate, and that is the question of cost.

The gentleman from Alabama has clearly indicated from the report of the Defense Manpower Commission, the President's own Commission, that it recommends the abolition of this University, and he has told us how it would cost at least five times more per doctor through creation of this new University than it would if we obtained our medical people for the Armed Forces through existing scholarship programs.

Members of the Armed Services Committee say that the gentleman from Alabama's statistics are incorrect and they try to tell us it is going to be cheaper if we let the Department of Defense build its own medical school to obtain doctors. Would the Members believe that? Would the Members seriously believe that in any venture we can do the job cheaper by letting the Department of Defense do it than by letting the private sector do it? Do not believe it. If the Members have any experienc at all with budgets—as we do—if the Members have any experience at all with Department of Defense expenditures—as we do—I can guarantee the Members, without fear of contradiction, that the cost not only will not be cheaper, it will cost the taxpayers more. That argument falls of its own weight.

Let us also remember that the Department of Defense has very serious and important things to do to provide adequately for the defense of this Nation.

Let us recognize that our defense costs are escalating tremendously because of the extreme cost of new weapons. For example, just in the last several weeks the President has asked for a new strike cruiser, one cruiser which is going to cost us $1.2 billion.

The Department of Defense has plenty to do with a budget which is in the neighborhood of $100 billion and which will grow every year. We have been trying in the Committee on Appropriations to give them the muscles and the sinews that they need to provide real defense and deterrents for the United States. We are also trying to curtail and cut wherever we can unnecessary expenditures and unnecessary ventures in which the Department of Defense involves itself.

I submit to the Members that this is one of the areas where we can say to the Department of Defense, "You have got enough to do in providing defense for this Nation and providing all of the things allied with defense; you do not have to get into the business of running a medical school."

They are not having trouble getting doctors. Under the present scholarship program they are getting doctors. They are getting doctors through the private universities and through the State universities, and there is no need for getting the Department of Defense into the medical school business at this time.

If we are going to terminate this university, today is the day to do it. The bill today authorizes the construction of buildings and, if we are going to terminate this, now is the time to do it, before we spend hundreds of millions of dollars in this area.

Mr. Chairman, I urge a "yea" vote on this amendment.

Mr. BIAGGI. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, one of the happiest moments of my career in Congress was the opportunity that was provided me not too long ago to authorize the construction and the establishment of a medical school.

Throughout the Nation, we have been listening to people from all walks of life lamenting about the absence of medical services and doctors—yes, from the poor areas to the middle-income areas, and, of course, the wealthy always have theirs. But nevertheless the pressure is there.

In my judgment, the American Medical Association might be suspect of conspiring to limit the number of doctors that would be funneled into our society. I do not know whether that notion is with substance or without substance. However, I am still not relieved of that suspicion.

We look to the private sector of our communities to start new medical schools, so badly needed and ultimately we look to one place that has come to be the last hope. The Congress of the United States the House and those responsible for this school, and they are to be congratulated and commended for this extraordinary precedent-setting event. Some of us offer the precedent as a liability; I say it deserves commendation.

This will not be the first time we have established precedent-creating legislation in areas where heretofore Congress never ventured. This precedent would be created for the purpose: to alleviate the medical problems of the population of this Nation.

Mr. Chairman, we have already authorized the school, the ground has already been broken, and here at this late date we find opposition: this crippling amendment is offered.

My friend, the gentleman from Alabama, said that he expects difficulty with this amendment, and hopefully he is right. Hopefully, it will be overwhelmingly defeated.

But let us talk in terms of reality. The medical profession is not completely altruistic, many doctors, while they are in school, say, "I am going to commit myself and dedicate myself to those areas where we do not have proper facilities. Let me go out in the Appalachian areas, into the ghettos, and into the barrios."

That is what they say when they are in school. In fact, experience dictates that once they graduate, they are like most human beings.

They become concerned about creature comforts. In order to get those creature comforts, one has to pursue the material. What they wish the consequent abdicating of idealist nations do is to be better than their fellow doctors.

How does that relate to the military? I noted what the gentleman from Florida (Mr. BENNETT) said. We will have a medical group that will be militarily oriented, especially as far as some of those medical problems peculiar to the military are concerned. More than that, however, again the medical profession in civilian life will benefit. They will not be subject to being recruited into the military service.

Mr. Chairman, one thing that we do owe our boys in the military services is the best type of medical equipment and medical service that can be guaranteed. We can get that via this new medical school.

There is one other question. The argument was offered by the gentleman from Connecticut (Mr. GIAIMO) that the DOD, the military, would be running this. The fact is that this would be under the supervision of civilians. It would be a civilian board of regents that would be supervising this medical school. That is not conjecture; that is fact.

The precise question is, Do we have enough doctors in the Nation? The answer, we know, is no. Even further in extension of that question, Do we have enough doctors or are we sure of having enough doctors in the military? The answer, we know, is no.

It is a significant first step that we have a medical school initiated by the Congress. New York State, recognizing that there is a shortage of doctors in that State, recognizing there is a shortage of opportunity in this country for those who desire to become doctors, just enacted a law which would create another medical school for the State.

Why should it be necessary for our boys to travel the medical schools of the world to become doctors?

The CHAIRMAN. The time of the gentleman from New York (Mr. BIAGGI) has expired.

(By unanimous consent, Mr. BIAGGI was allowed to proceed for 1 additional minute.)

Mr. BIAGGI. To continue, Mr. Chairman, why should it be necessary for our boys to travel the world to make application for medical schools? More than 50 percent of them are never permitted the opportunity to realize their life's ambition.

The gentleman from Connecticut (Mr. GIAIMO) said that the numbers vary at different times. That is true. They do vary at different times, but they vary in this sense: The numbers who aspire increase. The number of slots available remain static, and proportionally speaking, opportunity diminishes substantially. Americans who want to go on into the medical profession are denied the opportunity to realize that life's ambition.

Mr. Chairman, to vote for this amendment really is to strike a mortal blow at the concept of increasing the numbers in the medical profession. I suggest that this concept should be broadened.

With respect to this bill on this day, vote on it as it deals with the military. In the light of the absence of the private sector to fully discharge its mortal obligation, I suggest in the future, this Congress will vote for additional medical schools in this country.

Mr. Chairman, I strongly urge that this amendment be defeated.

Mr. HICKS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment; however, I want first to express my admiration for the gentleman from Alabama (Mr. EDWARDS), who offered the amendment, even though I am not in sympathy with it. I know of the interest, the effort, and the admirable work that he puts in on the Defense Appropriations Subcommittee.

I want to tell him about the Army Hospital that I have close to my district, the Madigan Army General Hospital, and of the problem we had there a year or so ago when there were not sufficient doctors to be able to provide the care for the large retirement community surrounding it.

In looking into that, I found a couple of interesting points. One was that of the doctors who were trained, that is, who had their residency training at Madigan Army Hospital—and for that matter, at all the Army hospitals—27 percent would extend beyond their obligated service, and that was at a time when we were drafting doctors.

But of those who did not take their training in the military medical centers only 1 percent did extend beyond their periods of obligated service.

Surely we need a university that will provide the dedicated people who will lead the rest of the doctors that come into the military.

The gentleman from Alabama (Mr. EDWARDS) spoke of the high cost. Certainly it will be a high cost. But if we were to compare the cost of many of the Ivy League schools with the cost to graduate from West Point, Annapolis, and the Air Force Academy, and the gentleman's subcommittee from the Committee on Appropriations has done just exactly that because it found that there were too many who were not completing their courses and it gave some thought or, at least discussion, to the proposition of possibly disbanding our military academies and sending the cadets to civilian schools.

That makes almost as much sense, not quite, but almost, as to do the same with this medical facility, it seems to me. It is going to cost more, but we will get more, and what we are going to get will be this dedicated corps of men who will help us to retain the medical personnel that we need in our military services. And, again, I think that the best figures that can be given are from the experience that we had in the residency training where of those who were trained in the military hospitals, 27 percent extended beyond their obligated service, compared to only 1 percent who did not have their training in the military atmosphere. That is exactly what they will have if we can provide a military atmosphere in a military medical university. I think that is the big advantage of this school.

And then, of course, it adds 150, or however many we finally can crank out of this institution; it adds that many more to our supply of doctors. Certainly we do not have sufficient doctors; there is no question about that.

Mr. Chairman, I see the gentleman from Alabama (Mr. DICKINSON) apparently trying to get the floor, and I will be glad to yield to the gentleman if the gentleman wants to make any comments on this issue.

Mr. DICKINSON. Mr. Chairman, I appreciate the gentleman's willingness to yield to me, but I will seek my own time.

Mr. HICKS. Mr. Chairman, I certainly hope that the House will vote down this amendment.

Mr. DICKINSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I find myself upon the horns of a delimma here. I do want to commend my colleague from Alabama (Mr. EDWARDS) upon sincerity. I know the gentleman believes that he is right, but it just so happens, Mr. Chairman, that I believe that this amendment is not in the best interest of our military.

I am now delighted to yield to the gentleman from Alabama.

Mr. EDWARDS of Alabama. Mr. Chairman, I thank the gentleman for yielding me this time, as I would like to make a few more comments. I do not want to drag this thing out forever, but something more needs to be said.

There is one thing that I thought the gentleman from Connecticut (Mr. GIAIMO) pointed out very clearly, that I would like to elaborate on. There is no way on this Earth that a Federal military medical university can operate as efficiently as our universities back in our own home towns. There is just no way.

In 1981 when this medical university is supposed to be operating at full steam, or hoping to be doing so, the operating budget in 1975 dollars is estimated now, and we know that it will grow, at $29,122,000, and that is to operate that university for 1 year, and we still have to add that, and then some, on top of the $270 million that I was talking to the Members about earlier—and again think what we could do with that much money in the universities across this land in educating doctors.

Let us talk figures for just a minute. The Department of Defense will bring in, in 1975, about 3,125 doctors, and in 1976 about 2,811 doctors, but it looks like an average of about 3,000 doctors over the next few years coming in. Where are these doctors coming from? We have been talking about 150. About 1,200 of the doctors will come from the scholarship program. One hundred fifty, assuming all of this goes through as planned, will come from this military university, and 1,650 doctors, making up an average of about 3,000 doctors, will come from other sources—people who will join the military service because they want to, or perhaps will be drafted, or whatever. We are here talking about 150 doctors out of 3,000 at a cost to get started of $270 million and a cost to operate every year of at least $29 million. There is just no way to justify this kind of expenditure.

The gentleman from Louisiana referred to the capitation grant. Taking the $8,000 that a student would get, or that the school would get because the student is there, that still only runs the scholarship program up to $51,000 for 4 years as compared with $200,000 to put the student through this military university. There is just no way we can justify it.

The gentleman from Washington (Mr. HICKS) talked about the doctors out there at the Military Hospital and how few would stay in the service, but there were no scholarship doctors in that group. The scholarship program is new. There is no trend data available to say how the retention rate will be under the scholarship program because it is just coming into existence. But we know that as they come in and as they have had their education paid for by the Federal Government, they are dedicated to that extent, and then they will have a higher retention rate. But there is no trend data in that regard.

Let me close by saying this: As I said earlier, I am not going to bring this up every year, because if we go this route today, we are committed; we will build it, and that will be the end of it unless it is knocked out of the military construction appropriations bill. But the day will come in this Congress when we will look at that facility out there, and we will know that we have got a boondoggle we cannot handle. It is going to be a gigantic expense. It cannot compare in any way with the education of our young men in the medical universities of this country. I say again this is the last chance we are going to have to go in a better direction.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LONG of Maryland. Mr. Chairman, I move to strike the last word.

I wonder if I could ask the gentleman from Alabama a few questions. Would the gentleman agree that if we improved the salaries of doctors in the military, this would be a cheaper way of keeping doctors in the military than the device of a medical school?

Mr. EDWARDS of Alabama. If the gentleman will yield, certainly, I would agree that any time we raise somebody's pay, there is a greater effort at retention and a greater ability to retain. I think we have done pretty well in that regard.

Mr. LONG of Maryland. There has been a great deal of concern over the cost of malpractice insurance. Is it not true there are many doctors who find it very difficult to establish practices who are available for the military these days and will be in the years to come?

Mr. EDWARDS of Alabama. If the gentleman will yield further, I really have no reading on that. I would assume there would be some who would find a haven for that reason, but I doubt it will attract that many doctors for that reason.

Mr. LONG of Maryland. Is there not going to be a considerable attrition in the doctors who will graduate from these medical schools, notwithstanding any requirements that they stay in for a certain number of years?

Mr. EDWARDS of Alabama. Oh, surely; the gentleman is correct.

Mr. LONG of Maryland. We are not going to get 100 percent of these doctors staying on for the full time that was theoretically thought of as being the service requirement?

Mr. EDWARDS of Alabama. No.

Mr. LONG of Maryland. I thank the gentleman.

Mr. Chairman, I support his amendment.

Mr. JOHN L. BURTON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the only reason I am speaking on this issue is it was the first issue I ever raised a question about when I was first sworn into the Congress. Then I think there was $15 million authorized for this appropriation, and I asked the question if we were going to find the following year it would be running into maybe $100 or maybe $200 million, and I thought the answer was no. If the figures of the gentleman from Alabama are correct, this year we are talking about $270 million.

Mr. EDWARDS of Alabama. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I yield to the gentleman from Alabama.

Mr. EDWARDS of Alabama. Mr. Chairman, the $270 million is based on construction of $149 million-plus, procurement of $12 million-plus, R.D.T. & E. of $5.9 million, operations and maintenance of $75,182,000, and military personnel of $24,701,000, and that is an estimated cost up to $270 million to get the university in operation.

Mr. JOHN L. BURTON. I would say this, that 150 doctors are not going to cure the doctor shortage anywhere in America. I think my good friend, the gentleman from Ohio (Mr. CARNEY), said this is the only thing in this whole bill that does something to cure people instead of kill them. and that is a little bit persuasive, but I do think the taxpayers' money could be better spent using scholarships for doctors.

I would just say this. It was $200 million which was the price tag that caused the veto of a farm bill and caused some problems for the farmers in our State and throughout this Nation. As we look at the budgets, and I would assume that this amendment is going to be voted down, I would assume also the gentleman from New York (Mr. BIAGGI) is right. If I thought this was a precedent to get the the Federal Government in the business of building and constructing medical universities throughout this country to provide medical services for the people of this country, I would think this was the greatest thing since popcorn.

But what we usually find in this country is we have Government help for everybody if it is in the nature of a defense budget, but as soon as we try to extend that type of service to the general civilian population, it becomes a socialistic policy and certainly none of us would want anything to do with a socialistic policy.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. As soon as I have finished talking I will be glad to yield to the gentleman from New York.

Mr. STRATTON. Fine. I thank the gentleman.

Mr. JOHN L. BURTON. All right.

I think the amendment is very well taken. I think there comes a time when we have to say: Does it make sense or not? I did not think it made sense last year but about when they said really with this initial amount of money it will not be much more than that, and then the total outlay will be $270 million to bring out 150 doctors, I think we could go out and entice 150 doctors in private practice for one-tenth of this amount and they would go into the Army as long as we keep the commissaries open and do something about recomputation of pay, I think they would go into the Army and serve.

I think it is a good amendment and a tough one. We are definitely trading in a lumberyard to get back a toothpick and that does not make much sense.

I yield now to my colleague, the gentleman from Upstate New York.

Mr. STRATTON. I thank the gentleman for yielding.

The gentleman says these 150 new doctors are not going to be much of a drop in the bucket; but does the gentleman know of any other medical school that has been started lately? We are always talking about the need for more doctors; but here is one way to do something about that shortage.

Mr. JOHN L. BURTON. Yes. The University of California at San Francisco, in the heart of the beautiful Fifth Congressional District, has opened.

Mr. EDWARDS of Alabama. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I yield to the gentleman from Alabama.

Mr. EDWARDS of Alabama. We just started a medical school in my hometown, in Mobile, 4 years ago and they are struggling to get $8 or $10 million to keep the school going. They, like many other medical schools could make efficient use of part of that $270 million.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. We have had a new medical program in Ohio in the last 2 years and we will be opening another one.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I yield to the gentleman from Connecticut.

Mr. GIAIMO. Mr. Chairman, just a few years ago we opened a medical school in Connecticut. It is having great difficulty staying alive and it is costing a great deal less than this boondoggle.

Mr. RANDALL. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I yield to the gentleman from Missouri.

Mr. RANDALL. Mr. Chairman, I think we should put this issue more in perspective. We are throwing this figure of 150 graduates around very loosely but the point is neglected that 150 will be graduated each and every year.

Mr. JOHN L. BURTON. It is 150 a year.

Mr. DOWNEY of New York. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I yield to the gentleman from New York.

Mr. DOWNEY of New York. Mr. Chairman, we just opened a medical school in the State of New York in my district, for the gentleman's information.

Mr. JOHN L. BURTON. Mr. Chairman, I yield back the balance of my time, but I would like to point out there are 36 States yet to be heard from that have medical schools.

Mr. HÉBERT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment.

Mr. ANNUNZIO. Mr. Chairman, will the gentleman yield?

Mr. HÉBERT. I yield to the gentleman from Illinois.

Mr. ANNUNZIO. Mr. Chairman, I appreciate the gentleman yielding.

Mr. Chairman, we heard so much a few moments ago about all these medical schools that have opened around the country. I was trying to find out from one of the individuals who took the floor how much Federal money was involved in all these facilities that we were building throughout America, medical facilities. I would like to ask that question. How much Federal money was involved?

Mr. EDWARDS of Alabama. Mr. Chairman, will the gentleman yield?

Mr. HÉBERT. I yield to the gentleman from Alabama.

Mr. EDWARDS of Alabama. Mr. Chairman, there is a lot of Federal money.

Mr. ANNUNZIO. That is absolutely correct. We were spending Federal money, just like we are in this legislation.

Mr. EDWARDS of Alabama. That is what I am trying to say. With all the Federal money in the medical colleges of this country, we ought to make better and more efficient use of them.

Mr. ANNUNZIO. We do the best we can with medical facilities to make them available to all our citizens.

Mr. LLOYD of California. Mr. Chairman, will the gentleman yield?

Mr. HÉBERT. I yield to the gentleman from California.

Mr. LLOYD of California. Mr. Chairman, there are two points I would like to make to be sure we understand. One, the moneys that are being talked about are for a 10-year period of time.

The other item is that this school, once established, will not be run by just the "admirals and generals." It will be run by a board of directors who emanate or come from the medical school or arena. We can make that assumption without any reservation, that the procedures and practices of running this school will be identical to other medical schools.

Mr. HÉBERT. Mr. Chairman, I do apologize for continuing this debate for a few minutes, but I believe that I am compelled to, because for 22 years I have struggled to get this medical school started. I hope it will be continued here today.

Mr. Chairman, I respect my dear friend, the gentleman from Alabama, saying today is the day of decision. I respect the fact that the gentleman has come here in his own conscience. I think the gentleman is wrong. I think the gentleman is a victim of false figures which have been fed to the gentleman by the Defense Manpower Commission.

The report was put out by this Defense Manpower Commission. Their consultants advised them not to put the report out. They were advised not to circulate it. They were told it was erroneous. In spite of that, they put it out, because one man wanted to put it out, because he has always been opposed to this school, and that is a fact.

Now, the figures they used were used in the very, very beginning. Let me say this to my good friend, the gentleman from Alabama, regarding the $270 million that the gentleman is pitching around here today. When this bill was first brought before this House for a decision I answered the gentleman from Iowa (Mr. GROSS) who was a Member of the House at that time, and told the gentleman that the cost would be $240 million over a 10-year period.

Every argument in the news media, every philosophical, financial and political argument was used when this bill was brought before this body. All the facts were laid out on the table so everybody could see them.

Ladies and gentlemen of the House, do we know what the House did at that time? After hearing all these same arguments, after weighing everything that was said, the House voted 351 to 31 in favor of the school. Only 31 Members of this House objected to the passage of that bill, and I must say to my dear friend, the gentleman from Alabama, the gentleman from Alabama was one of the 31.

I must say to my dear friend from Alabama that he was one of the 31, so he has been after the school. But the thing that concerns me more is the insidious attack that is being made against this institution. It is the most insidious thing I have seen; it is a covert action; it is being fed by people who, for their own reasons, do not want the school.

They are throwing in erroneous implications, saying, for instance, that the American Medical Association is against it. The American Medical Association was against it. The American Medical Association today is for it, and a member of the board of regents, Dr. Todd, the immediate past president of the American Medical Association, is for it.

A lot has been said about private schools and private institutions. It has been said that they are against it. Are they against it? I have in my hand a letter written on June 25, 1975. From whom is that letter? That letter is from the Association on American Medical Colleges, and it is signed by John A. D. Cooper, M.D., Ph.D., president. I will not read the whole letter into the RECORD, but I will read a paragraph here.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

(By unanimous consent Mr. HÉBERT was allowed to proceed for 3 additional minutes.)

Mr. HÉBERT. Mr. Chairman a paragraph from the letter follows:

> The AAMC is now convinced that a high-quality medical school can be established as part of the Uniformed Services University of the Health Sciences. Your success in recruiting a dean and faculty members of high caliber and in generating support for the school in the scientific community has alleviated our earlier concerns and demonstrated that a good school can be created.

I insert the letter as a matter of record:

Association of
American Medical Colleges,
Washington, D.C., June 25, 1975.
Anthony Curreri, M.D.,
President, Uniformed Services University, of the Health Sciences, 6917 Arlington Road, Bethesda, Md.

Dear Tony: The Interim Report of the Defense Manpower Commission, as submitted to the President and the Congress on May 16, has raised new questions about the desirability of establishing a Uniformed Services University of the Health Sciences. The AAMC has received inquiries from several sources asking our position on this issue. The Executive Committee carefully considered this question at its most recent meeting, reviewing both our initial opposition to the legislative proposal and our subsequent support of your diligent efforts to develop a high-quality medical school.

In testimony before the House Armed Services Committee in 1971, the AAMC opposed the establishment of the proposed military medical school. One of our major concerns at that time was the degree of commitment of the Congress to provide adequate funding for the establishment of a high-quality academic institution. As you well know, the education and training of medical students is a costly process, and the quality of that process cannot be left dependent on waivering political support.

The AAMC is now convinced that a high-quality medical school can be established as part of the Uniformed Services University of the Health Sciences. Your success in recruiting a dean and faculty members of high caliber and in generating support for the school in the scientific community has alleviated our earlier concerns and demonstrated that a good school can be created.

The broader issue of whether it is economically or politically wise to continue the establishment of the Uniformed Services University of the Health Sciences is a Federal policy question which ultimately must be settled by the Congress and the President. This Association, as an organization which is now involved in the evaluation of the quality of the educational programs of the USUHS, cannot take a position on this political issue. However, we see no reason why any party would oppose establishment of the school on the basis of the quality of the program.

Sincerely,

John A. D. Cooper, M.D.

That is from the Association of American Medical Schools, which appeared before the committee in opposition to the school when it first started. It goes right down the line. Those who have been informed and given the facts have changed and come around.

I heard this business about 150 students for $270 million. How ridiculous can one get? Others say we have enough doctors and we do not have any trouble recruiting doctors. What an unfounded statement. Then, the statement that we will get more doctors if we pay them more money. We are paying them now $350 per month added to their ordinary salary, and giving them up to $13,500 a year bonus, and still we cannot get the doctors. We have no draft. The doctors are gone.

We should realize and understand that in promoting this particular phase of the school, which is only a phase, we are relieving the impact on the civilian doctor supply. Nobody has mentioned here today the great expansion of the school. It will have 1,680 students by 1984, and they will not all be medical students. There will be nurses, there will be technicians, there will be corpsmen being trained, there will be administrators—the whole vast field of medical care specialists will be there.

This institution is not going to be a parochial or provincial institution. By the time it is fully expanded, by the time it has grown out to its great potential, the world will know it as a great, global institution. One will find doctors and scientists from all over the world coming to visit this great institution, which is surrounded by Bethesda Naval Hospital, Walter Reed Hospital, the National Institutes of Health, and other great hospitals in this area.

Ladies and gentlemen of the committee, I agree with the gentleman from Alabama that this is the day of the answer. This is the day of reckoning. This is the day of decision, and if we want to insure the future of our military and the health of our military, vote down this amendment.

Mr. GIAIMO. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Seventy-seven Members are present, not a quorum.

The Chair announces that he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The question is on the amendment offered by the gentleman from Alabama (Mr. Edwards).

The question was taken.

RECORDED VOTE

Mr. EDWARDS of Alabama. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 190, noes 221, not voting 23, as follows:

[Roll No. 443]

AYES—190

Abdnor
Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Ill.
Archer
Armstrong
Ashbrook
Ashley
Aspin
Badillo
Bafalis
Bauman
Bedell
Biester
Bingham
Blanchard
Blouin
Brademas
Breckinridge
Brodhead
Broyhill
Buchanan
Burke, Calif.
Burke, Fla.
Burton, John
Burton, Phillip
Carr
Chisholm
Clay
Cochran
Cohen
Collins, Ill.
Conable
Conlan
Conyers
Cornell
Cotter
Coughlin
Crane
Dellums
Derrick
Devine
Dingell
Dodd
Drinan
Duncan, Tenn.
Early
Eckhardt
Edwards, Ala.
Edwards, Calif.
Emery
English
Erlenborn
Esch
Evans, Ind.
Evins, Tenn.
Fary
Fascell
Fenwick
Findley
Fisher
Fithian
Florio
Flowers
Fountain
Fraser
Frenzel
Frey
Fuqua
Giaimo
Gibbons
Goldwater
Gradison
Grassley
Green
Hagedorn
Hannaford
Harkin
Harrington
Harris
Harsha
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Hefner
Heinz
Hightower
Holtzman
Jacobs
Jenrette
Johnson, Colo.
Jordan
Karth
Kemp
Ketchum
Keys
Koch
Krebs
Krueger
LaFalce
Lehman
Lent
Long, Md.
Lujan
McClory
McCollister
McCormack
McDade
Madden
Madigan
Maguire
Mann
Martin
Mazzoli
Metcalfe
Mezvinsky
Milford
Miller, Calif.
Miller, Ohio
Mineta
Mink
Mitchell, Md.
Moakley
Moffett
Moorhead, Pa.
Mosher
Moss
Myers, Ind.
Natcher
Neal
Nolan
Nowak
Obey
Ottinger
Pattison, N.Y.
Perkins
Pickle
Preyer
Pritchard
Quie
Rangel
Regula
Reuss
Rhodes
Richmond
Riegle
Robinson
Rosenthal
Rostenkowski
Roybal
Ruppe
Santini
Sarasin
Scheuer
Schneebeli
Schroeder
Sebelius
Seiberling
Sharp
Shriver
Shuster
Simon
Smith, Iowa
Smith, Nebr.
Solarz
Stanton,
  J. William
Stanton,
  James V.
Stark
Steelman
Steiger, Ariz.
Stokes
Studds
Symms
Thone
Tsongas
Vander Veen
Vanik
Waxman
Weaver
Wiggins
Wirth
Wydler
Wylie
Yates
Young, Fla.
Young, Ga.

NOES—221

Andrews,
  N. Dak.
Annunzio
AuCoin
Baldus
Barrett
Beard, R.I.
Beard, Tenn.
Bennett
Bergland
Bevill
Biaggi
Boggs
Boland
Bolling
Bonker
Bowen
Breaux
Brinkley
Brooks
Brown, Calif.
Brown, Mich.
Brown, Ohio
Burgener
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carney
Carter
Casey
Cederberg
Chappell
Clancy
Clausen,
  Don H.
Clawson, Del
Cleveland
Collins, Tex.
Conte
Corman
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dent
Derwinski
Dickinson
Diggs
Downey, N.Y.
Downing, Va.
Duncan, Oreg.
du Pont
Eilberg
Eshleman
Evans, Colo.
Fish
Flynt
Foley
Ford, Mich.
Forsythe
Gaydos
Gilman
Ginn
Gonzalez
Goodling
Gude
Guyer
Haley
Hall
Hamilton
Hammer-
  schmidt
Hanley
Hansen
Hébert
Heckler, Mass.
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Holland
Holt
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jeffords
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kasten
Kastenmeier
Kazen
Kelly
Kindness
Lagomarsino
Latta
Leggett
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Lott
McCloskey
McDonald
McEwen
McFall
McKay
McKinney
Macdonald
Mahon
Mathis
Matsunaga
Meeds
Melcher
Meyner
Michel
Mikva
Mills
Minish
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead,
  Calif.
Morgan
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Pa.
Nedzi
Nichols
Nix
Oberstar
O'Brien
O'Hara
O'Neill
Passman
Patman, Tex.
Patten, N.J.
Patterson,
  Calif.
Pepper
Pettis
Pike
Poage
Pressler
Price
Quillen
Railsback
Randall
Rees
Rinaldo
Roberts
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Roush
Rousselot
Runnels
Russo
Ryan
St Germain
Sarbanes
Satterfield
Schulze
Shipley
Sikes
Sisk
Skubitz
Slack
Snyder
Spellman
Spence
Staggers
Steed
Steiger, Wis.

Stephens
Stratton
Stuckey
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson
Treen
Ullman
Van Deerlin
Vander Jagt
Vigorito
Waggonner
Walsh
Wampler
Whalen
White
Whitehurst
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wright
Yatron
Young, Tex.
Zablocki

NOT VOTING—23

Anderson, Calif.
Andrews, N.C.
Baucus
Bell
Broomfield
Edgar
Flood
Ford, Tenn.
Fulton
Hastings
Jarman
Landrum
McHugh
Peyser
Risenhoover
Teague
Thornton
Traxler
Udall
Whitten
Wolff
Young, Alaska
Zeferetti

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. LEGGETT

Mr. LEGGETT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Leggett: Page 64, strike lines 10 through 12.

(Mr. LEGGETT asked and was given permission to revise and extend his remarks.)

Mr. LEGGETT. Mr. Chairman, I would hope that the House would not take any prejudice on account of the chairman's allegation that this amendment is controversial. This is the Diego Garcia amendment. It has created some controversy in the past. I think if we keep order I am not going to have to ask for extensions of time, which I am probably not going to get anyway.

I was part of the Stratton traveling junketing group that spent some 3 nights on a week end traveling some 25,000 miles in and out of Somalia looking at the Russian base at Berbera, and it was a very interesting trip. I believe we did verify that the Soviets have a base as far as I am concerned at Berbera, and it was extremly educational.

We arrived at this base in the middle of the afternoon with 106° F. temperatures in the shade. Some temperatures ranged to 140 on the runway that is being constructed.

To be sure, the Soviets have a capability at Berbera but I think we should look at that capability and monitor it very carefully. We have photographs by various means, nonclassified, that we have shown to the Somalians indicating our concern for what they are doing at this facility. The Somalians in return have offered to bunker American ships at the Somalia base if they were ever to get the capability of bunkering, which they do not have at the present time.

Now, I think to understand Diego Garcia, we have to understand a little bit about Somalia. I am not going to spend too much time on the Somalia issue; however, the Soviets have a transmitting facility and a receiving facility at Berbera. They have a 1,000-ton ship that has been tied up alongside the dock there for 2 or 3 years and has the capacity to house personnel. There is a dilapidated housing project with some house trailers in it that have housed large numbers of Soviet personnel.

Frankly, my view of the people that were there in the summer, I could not figure out whether or not they were serving there or had been sentenced there from Siberia, because it is an onerous mission and place, indeed.

There was, in addition, a runway going in, about 3 miles, that is being constructed extremely slowly. It was being constructed last year when we argued the Diego Garcia amendment and at that time was passed $14 million, if I recall. It went to conference and we decided not to spend the $14 million until the President certified that the national security required that we spend more money on the Diego Garcia matter. We are now completing the spending of the $14 million we suspended last year and $13 million in this bill, for a round total of $27 million. We have already approved some $5 million for the Air Force. That is not the whole program.

Back to Somalia. The question is, How much of a threat does the runway being constructed in Somalia pose to the United States? How much does the transmitter and receiver site pose to the United States? How much threat does the 1,000-ton barracks ship pose to the United States?

What about the POL facility? We found Berbera has a POL facility. That is the total capacity, between 50,000 and 100,000 barrels of miscellaneous kinds of petroleum; but we have to keep in mind this is the main base for supplying all of the petroleum oil and logistics products for northern Somalia. This is not an unreasonable amount of petroleum for those purposes.

There is no off-loading capability at the present time. There is no capability of bunkering any Soviet or any other ships at the present time. Our Defense Agency has no information that any ship has ever been bunkered there.

The CHAIRMAN. The time of the gentleman from California has expired.

(By unanimous consent, Mr. Leggett was allowed to proceed for an additional 5 minutes.)

Mr. LEGGETT. Mr. Chairman, in addition to that, there are approximately about 20 or 30 acres with a fence around them that has half a dozen igloos in it. These igloos are obviously for munitions.

Somebody, not our committee, saw a Styx-missile crate. I cannot figure out why the Styx-missile crate was there, because the Soviets are not shooting Styx missiles these days. They do not need a resupply facility.

The other thought, as explained by Senator Bartlett by hearsay to our committee, there is another boat that might be provided to the Somalia Navy, which is nonexistent at the present time.

Now, what have we got? We have the base at Asmara. In that vicinity we have a boat facility, one MSC–48 satellite terminal, one HF trunk to Pirmasens, one HF trunk to Diego Garcia, one DSC contingency entry, one ship-shore-ship multichannel termination, one UHF air-ground, and one HF air-ground.

Total expenditures at this facility at the present time approximate $135 million.

That is where we have a base, and that is the base in this area. It might be one of the reasons why the Soviets would approach their rather modest base at Berbera.

What do we have today at Diego Garcia? Communications and ship-to-shore broadcast with limited transmitter support; limited ship-to-shore circuit; one defense communications system—DCS—HF trunk to the Western Pacific area and one to the European area; two DCS satellite channels to the Pacific area; one high frequency communication to Mauritius for weather reporting; one safety flight high frequency air-ground circuit unit.

Now, what does all this translate into? It translates into one heck of a capability that we have currently at Diego Garcia. We have today 60,000 barrels of JP–5 storage at Diego Garcia. Do we have a dirt runway like these at Berbera? No, we have got an 8,000 foot concrete strip. Is it an 8,000-foot strip? No, that is not correct either, because there is 1,000 feet added at one end and 1,000 feet at the other end. I have all the pictures here; they are unclassified.

This picture is of a small city of about 400 units at one end of Diego Garcia. I asked the briefing officers last week, "What is this?"

They said, "That is the Seabee camp." We have a small city right there in Diego Garcia. We have got the transmitter facility; we have got the 10,000 foot strip; G–3 operating out of Diego Garcia today on ASW.

We have got reconnaisance capability at this base today. What are we going to do? The program is to expand this into fueling from 60,000 barrels, which is just about the capability of Berbera except that they have no delivery capability. We can actually use this JP–5 for our airplanes. We are going to put in, with this bill, 160,000 additional JP–5 barrels; 320,000 new barrels of Navy distillate; 160,000 barrels of Air Force JP–4, for a total of 640,000 barrels of new capability which will be added to the 60,000 barrels, giving us some 700,000 barrels of new capability, a total capability at Diego Garcia.

In addition to that, we have only got 2,000 square yards of cement parking ramp at Diego Garcia at the present time. We have no parking ramp at Berbera. This program we are asked to enact here today calls for a new 90,000 square yards of concrete for purposes of housing aircraft and squadrons, things of that nature. We have got a runway requirement—I indicated we have got 10,000 feet at the present time. They plan on adding 2,000 feet more to this runway, for a total of 12,000 feet.

Mr. Chairman, this amendment would terminate new construction authorization for Diego Garcia in the Indian Ocean.

Now I expect most of you who at this time plan to support Diego Garcia hold this position for two reasons: You think it would not cost very much, and you think we need this base to supply Israel or to keep up with the Soviets. Let us take these one at a time.

The amount of authorization in this bill is only $13.8 million: peanuts by modern military standards. But let us look at it a little more closely. If you read

Secretary Schlesinger's testimony, you find him saying:

"The total cost of the improvements we have requested on Diego Garcia, including the salaries of the construction personnel, their food and fuel, the replacement costs of equipment used in the construction process, the procurement of hardware for the communications station, and all other operating and maintenance costs would be about $108 million, or roughly the cost of a single navy oiler.

Now let us look at the cost more closely still. I recently asked representatives of the Navy and Air Force to come to my office and brief me on this program; information they supplied to me indicates that total cost will be on the order of $173 million, which puts us in the big leagues.

I have a complete itemization of these costs, which I insert in the RECORD at this point, and which I have available here for any Member who would like to look at them:

BASE DEVELOPMENT COSTS—NAVY DIEGO GARCIA

[In millions of dollars]

	Seabee costs [1]	Other costs
1. Projected cost of authorized communications station:		
MCON		20.45
MPN	20.940	
O. & M.N	11.370	.453
OPN	9.760	2.314
	42.070	23.217
Total	65.287	
2. Projected cost of fiscal year 1974, supplemental MCON:		
MCON		[2] 29.000
MPN	25.210	
O. & M.N	17.690	0.500
OPN	13.840	0.630
	56.740	30.130
Total	86.870	
3. Projected cost of fiscal year 1976 MCON (completion of Navy expansion):		
MCON		[2] 5.232
MPN	7.022	
O. & M.N	4.688	.408
OPN	3.522	.145
	15.232	5.785
Total	21.017	
4. Total cost of communications station logistics facilities expansion:		
MCON		54.682
MPN	53.172	
O. & M.N	33.748	1.361
OPN	27.122	3.089
	114.042	59.132
Total development cost	173.174	

[1] Seabee operating cost is continuous regardless of location.

[2] Includes construction planned to complete the communications station.

DIEGO GARCIA FACILITIES DEVELOPMENT PLAN

FISCAL YEAR 1975

POL Storage—320,000 BBL, $5,492,000.

Pier, $4,000,000.

Runway Extension/Aircraft Parking Apron, $3,500,000.

Power Plant Expansion (Phase I), $1,165,000.

Substation, $252,000.

Subsistence Building Addition, $393,000.

Subtotal, $14,802,000.

FISCAL YEAR 1976 *

POL Storage—160,000 BBL.

Power Plant Expansion (Phase II).

Aircraft Parking Apron/Runway Extension.

Hangar.

Operations Building Addition.

Air Field Transit Storage.

BEQ—277MN.

BOQ—32MN.

Ready Issue Ammunition Magazine.

Cold Storage, 4,190 SF.

General Warehouse, 13,200 SF.

Receiver Building Addition, 1,250 SF.

Amphibious Vehicle Repair Hardstand, 1,110 SY.

Aircraft Arresting Gear.

Utilities Distribution System.

Armed Forces Radio and Television Station.

Subtotal, $13,800,000.

FISCAL YEAR 1977 *

Corrosion Control Wash Rack.

Crash Fire Station, 7,232 SF.

Structural Fire Station, 3,000 SF.

Aircraft Ready Issue Refueler.

Shed Storage, 7,100 SF.

Fleet Recreation Pavillion, 6,000 SF.

Outdoor Recreation.

Public Works Shops, 16,570.

Flammable Storage, 2,670 SF.

Chapel Addition.

Club Addition, 2,774 SF.

Hobby Shop Addition, 1,500 SF.

Navy Exchange Warehouse, 5,400 SF.

Special Services Issue and Office, 1,580 SF.

Theater, 3,500 SF.

Library Addition, 2,500 SF.

Education Center, 4,124 SF.

Subtotal, $5,900,000.

FISCAL YEAR 1975 AIR FORCE PROJECTS

Aircraft Parking Apron, 25,000 SY.

POL Storage, 160,000 BBL.

Munitions Storage, 6,000 SY.

Subtotal, $3,300,000.

Total, $37,800,000.

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* Fiscal year 1976 and fiscal year 1977 are subject to price growth due to inflation. Current estimates are based upon fiscal year 1976 price projections.

DIEGO GARCIA OPERATIONAL CAPABILITY COMPARISON (NAVY AND AIR FORCE)

Operational support function	CURRENT		PROPOSED IMPROVEMENTS	
	Scope	Capability	Scope	Capability
1. POL:				
(a) Storage	60,000 bbl JP-5	Turn around refueling for transient aircraft.	+160,000 bbl JP-5 (new total 220,000) +320,000 bbl Navy distillate. +160,000 bbl, JP-4 (Air Force). Total +640,000 bbl.	Resupply for 21 days plus 7 day reserve. Aircraft carrier OPS. Resupply for 21 days plus 7 day reserve nominal carrier task group (9 ships); capability for air-to-air refuel of strategic forces.
(b) Pier	None	Slow offload for island resupply (COMM. STA; turn-around).	550 ft.	Capability for 24 hr load/offload 180,000 bbl Tanker—Fast turn-a-round to support task group OPS.
2. Aviation operations:				
(a) Runway	8,000 by 150 ft	All aircraft except B-52's and loaded KC-135's.	+4,000 by 150 ft (new total 12,000 by 150 ft.)	Loaded KC-135 aircraft; safe recovery of tactical jet aircraft with systems failures which prevent carrier recovery. No B-52's.
(b) Parking apron	20,000 yd^2	2 C-141's	+90,000 yd^2 (new total 110,000 yd^2)	+1 C-141; (new total 3-C-141's or 1C-5; +4-P3s; +1 carrier on-deck delivery (COD). +20 carrier aircraft in emergency conditions.
(c) Ammo storage	None	None	2,000 ft^2 VP/VQ ready issue magazine 6,000 yd^2 open storage (A.F.).	Provide VP/VQ ordnance supporting ocean surveillance/ASW OPS. Capability to store conventional ordnance contingency operations.

Now, we have heard a lot about the Soviet installation at Berbera, which may possibly have a storage depot for Styx missiles. Why anyone would want to store these ship-to-ship missiles in a politically unstable area where they could all be blown up by a single saboteur is not clear. But consider the following:

Suppose I told you the Soviets now stored 60,000 barrels of naval jet fuel in Berbera, and were in the process of adding on another 160,000 for a total of 220,000 barrels. Suppose I told you they were also adding capacity to store 320,000 barrels of Naval ship fuel, plus 160,000 barrels of Air Force jet fuel.

Suppose I told you they were building an anchorage for the largest combat ships in the world, plus a 550-foot pier at which a tanker can unload 180,000 barrels of oil in only 24 hours. Suppose I told you the Soviets had an 8,000 foot runway with two, 1,000-foot extensions, and were now enlarging it to 12,000 feet. Suppose I told you the Soviets were installing at Berbera 110,000 square yards of aircraft parking plus 6,000 square yards of open ammunition storage and 2,000 square feet of ready issue ammunition magazine.

As signs of Soviet designs on a permanent presence in the Indian Ocean, suppose I cited a 6,000 square foot recreation pavillion, a 1,500 square foot hobby shop addition, and a 4,190 square foot cold storage area. Also a football field and baseball diamond.

Ladies and gentlemen, if I told you these things were going on under Soviet auspices at Berbera, you would be alarmed in the extreme. Well, they are not going on at Berbera. What I have been reading you is a portion of the official summary of our own plans, completed and in progress, for Diego Garcia. Except for the aircraft runway, the Soviets have nothing resembling these capabilities at Berbera. They may or may not have some ship-to-ship missiles stored there, but even if they do, you could put a facility of that type down in the middle of what we are planning for Diego Garcia and you would never notice the addition.

What is happening is essentially an attempt to create a mission. The Indian Ocean has not been a location of United States-Soviet confrontation, but if we work at it hard enough, we can make it into one. It is not so much a question of who is being the most aggressive; it is a question of whether our empire-building is going to stimulate their empire-building which will in turn restimulate our efforts, or whether both sides are going to show some restraint.

In the minute I have left, I want to talk about the application of the Diego Garcia base to Israel: There is little or none at all. We would not be able to use it for sealift in a crisis, because we would not be able to get through the Suez Canal. We would not want to try airlift by this route either, because our transports would have to fly a gauntlet of hostile antiaircraft activities going up the Red Sea. Our airlift and sealift to Israel is going to have to continue to be from the east coast through the Mediterranean. This is why we have C–5's, and why we are going to modify the Civil Reserve air fleet 747's.

In summary: If you liked Vietnam, you will love Diego Garcia. If you want to stimulate a new area of crisis and tension, vote against this amendment. But if you want our politico-military affairs to be conducted in a reasonable and restrained manner, you will support this amendment.

Mr. STRATTON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, while the chart I have here is not quite big enough to fit on the easel and apparently we do not have a smaller easel, I think perhaps I can hold it up here and try to explain a little bit about what we are actually doing in connection with this proposal.

The principal purpose of the amount of money in the bill to which the amendment of the gentleman from California is directed really has very little to do with Somalia, and I do not propose to give the Members a guided tour of Somalia. But Diego Garcia is a question that has been before us on several occasions, for the construction basically of a fueling facility for the U.S. Navy in the middle of the Indian Ocean.

It is one of the great oceans of the world and one in which the United States has obviously considerable interests and where we can probably take advantage, as we hope, of the freedom of the seas.

One of the major interests in the area, of course, is that this ocean includes the basic oil lifeline, both of the United States and Europe, coming out of the Persian Gulf and going down around the Cape of Africa and heading around into the United States or into Europe.

The Soviet Union has for some time had a substantial naval force operating in the Indian Ocean, regularly 5 to 10 ships at a time. This practice has been going on for a number of years.

With the opening of the Suez Canal, they now no longer have to go all the way around Africa to get to the Indian Ocean. They can come down through the Suez Canal and out into the Indian Ocean. This Soviet interest in the Indian Ocean has, as I have said, been going on for some time. They have maintained two naval operating bases very close to the mouth of the Red Sea, one of them at Aden, and the other at Berbera in Somalia. That base, which our subcommittee saw at first hand, is a new, substantial base in the process of development for the Soviet navy. It represents a major capability, and it is the largest naval support facility available to the Soviet Union outside the Soviet home land itself. So it is not something to be brushed readily aside.

Ever since the outbreak of the war between Pakistan and India, and later with the outbreak of the 1973 war between Israel and the Arab States, the U.S. Navy has recognized a need for operating, taking a look at what is going on, in the Indian Ocean. But our major trouble is that we have not a single fueling facility available in the Indian Ocean for our own Navy and, therefore, even with a nuclear carrier task force we are considerably limited in the number of hours we can spend operating in the Indian Ocean; because sooner or later we have to go back to Norfolk, over here in the Atlantic, or over to Subic Bay, in the Philippines, some 4,000 miles away, to refuel our escort ship and give jet fuel for our aircraft.

So the Navy conceived the idea, "Would it not be nice to have a fueling facility somewhere in the Indian Ocean?" And it so happened that on this tiny atoll, down here, called Diego Garcia, about 14 miles long, we did have a small naval communication station; and so since 1973 the Navy has been trying to get $30 million to set up these fueling facilities at Diego Garcia so that our Navy ships operating in this area—and only occasionally we do get a task force into the Indian Ocean—could come in and get fuel.

We do have some small oil storage tanks there, as the gentleman from California (Mr. LEGGETT) has already said, but there is no pier where the ships can come alongside to get fuel. And so the $30 million proposal of the Navy proposes, first of all, to install these tanks, similar to the kind of thing that the Soviets already have built in Berbera; second, to put in a pier where the ships can come alongside to get that fuel; third, to dredge out the lagoon—it is just a tiny shallow lagoon—so that the ships can come inside; and finally, to lengthen the 8,000-foot runway to 12,000 feet so that C–5's and C–141's, planes of that kind, can come in with cargo—or with passengers, for that matter—although the island is so small that there are very few facilities for anybody to live there.

That is all that the Navy is asking for. They have made two requests, one of them was a $14 million request in last year's military construction budget, which the House passed intact, but which the Senate held up and the conference finally agreed to a new arrangement under which one House can veto the expenditure of that money. The Senate is now considering a motion for such a veto, but it has a deadline of the end of this week.

The CHAIRMAN. The time of the gentleman from New York has expired.

(By unanimous consent, Mr. STRATTON was allowed to proceed for 5 additional minutes.)

Mr. STRATTON. Mr. Chairman, the money in this bill today represents the second installment for Diego Garcia. This is another installment, for another $13.8 million, although the actual construction has not even begun yet because we do not yet have the final OK on last year's funds, as I have just explained. But the total would simply include these facilities for fueling our own ships as they operate in the Indian Ocean rather than requiring them to go all the way back to Subic Bay, or to bring a couple of fleet oilers to keep up with the carriers. And it would provide for enlarging the existing runway by 4,000 feet so we can land the larger cargo planes there; and it would provide funds also to put in a pier so that ships seeking fuel can come alongside.

We also have a communications facility on Diego Garcia. But it is not really as extensive as the one at Berbera. The Soviet facility at Berbera is a major, long-range communications facility which communicates with the Soviet Union. The one we have here on Diego Garcia only communicates with ships operating at sea, and we could not match on Diego Garcia the size facility that they have at Berbera, because the available real estate is too small for the large ground antennas required.

I have pictures of Diego Garcia here, and any of the Members can look at them if they wish. This is just like one of those familiar Pacific atolls from World War II. In the beach area, for example, one could run the hundred-yard dash from one side to the other.

So, it seems to me that in view of the fact that the two facilities at Adan and at Berbera together give the Soviet Union an opportunity to conduct unlimited operations along our vital oil lifeline from the Persian Gulf, without having to return to either Vladivostok or Petropavlosk or up here to the Black Sea, it would be only the course of wisdom for us to provide a similar fueling capacity to our own Navy in the Indian Ocean so we can keep an eye on what the Russians are doing and prevent any possible interdiction of that lifeline.

Mr. SOLARZ. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from New York.

Mr. SOLARZ. Mr. Chairman, I appreciate the gentleman's yielding.

I am trying to follow this debate in terms of trying to make a judgment about the strategic implication of establishing a base at Diego Garcia.

My question is this: In the event the Soviets, using their naval facilities at Berbera and the other place the gentleman indicated, attempted at some date in the future to interdict tankers leaving the Persian Gulf with oil destined either for the United States or Western Europe, would the kind of facility at Diego Garcia the gentleman is talking about enable us to effectively prevent the Soviet Union from accomplishing that objective?

Mr. STRATTON. Mr. Chairman, it certainly would contribute to it. As things stand now, the ability of a naval carrier task force to operate in the Indian Ocean depends entirely on the fuel supply that is available to it.

If there is not a similar fuel supply somewhere out there and we cannot get any in the Indian Ocean, then the number of days such a force can stay on station to combat the Soviet force would be very dramatically reduced. So obviously if we put fuel facilities in Diego Garcia, we permit our force to remain a much longer time in the Indian Ocean area.

If the Soviet fleet were blocking the oil lifeline along the east coast of Africa or at the mouth of the Red Sea, our task force would be in a much better position to prevent that from happening; and without such a refueling station available to us we would be drastically limited in trying to prevent that, and in keeping our lifelines open.

Mr. SOLARZ. Mr. Chairman, does the Soviet fleet which is presently in the Indian Ocean have the capacity, in the absence of our establishing a facility on Diego Garcia, to effectively interdict and to prevent tankers emerging from the Persian Gulf to get out of the Indian Ocean and proceed toward their destination?

Mr. STRATTON. I would think they very definitely would. Certainly they would be in a position to do just that at the start.

Although a carrier task force, if we could spare one in that area, could do very severe damage to a marauding Soviet force for a period of time, it could not remain there long enough to give continuous protection. That is basically what we have to do; we want to protect. Otherwise we would have to go in just now and then on a raid or a foray. We would not be able to keep a force in the Indian Ocean long enough to keep those lifelines open and we would not be able to stay there long enough to accomplish our purposes.

Mr. SOLARZ. Mr. Chairman, would the gentleman say that in the absence of an installation on Diego Garcia, the Soviets in the future, with their capacity in the Indian Ocean, if they so chose, could effectively blockade any tankers from going to the Persian Gulf?

Mr. STRATTON. Mr. Chairman, I do not think there is any question but what that is indeed the case. In fact the building of a new naval missile facility at Berbera, which we saw, means that these Soviet ships could come in and pick up surface-to-surface missiles, like the Styx, for example, which proved to be so very damaging in combat when they were used against the Israeli destroyer Eilat in the 1967 war.

The CHAIRMAN. The time of the gentleman from New York (Mr. STRATTON) has expired.

Mr. STRATTON. Mr. Chairman, I ask unanimous consent that I be allowed to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. ICHORD. Mr. Chairman, reserving the right to object, and I do not intend to object, I would point out, Mr. Chairman, that the House has debated this issue three times—I believe this is the third time—and the House has been going since 10 o'clock this morning. Many Members have come up to me and expressed concern as to about what time we are going to leave this afternoon.

I am wondering whether we could get some agreement as to a limitation of time. I am wondering how many Members would like to speak further on this amendment.

Mr. Chairman, I am wondering whether we could get unanimous consent that all debate on this amendment and all amendments thereto will expire at a quarter of 5 o'clock.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

Mr. STRATTON. Mr. Chairman, reserving the right to object, does this include my 3 minutes, I will ask the gentleman from Missouri?

Mr. ICHORD. Yes, including the 3 minutes of the gentleman from New York.

Mr. STRATTON. Mr. Chairman, I wthdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

Mr. SEIBERLING. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. ICHORD. Mr. Chairman, I move that all debate on this amendment and all amendments thereto expire at 15 minutes until 5 o'clock.

The CHAIRMAN. The question is on the motion offered by the gentleman from Missouri (Mr. ICHORD).

The motion was agreed to.

The CHAIRMAN. Members standing at the time the motion was made will be recognized for approximately three-quarters of 1 minute each.

There is currently pending a unanimous-consent request by the gentleman from New York (Mr. STRATTON) that he be allowed to proceed for 3 additional minutes.

Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. Yes, I yield to the gentleman from Maryland.

Mr. LONG of Maryland. Mr. Chairman, I have been on both sides of this question, so I am in something of a quandary.

One of the reasons that I am sort of inclined to vote for this is the problem we are having in staying in a number of countries.

I wonder whether our increasing uncertainty as to our tenure in countries like Turkey and, of course, Thailand, is a major factor in the gentleman's mind in feeling that this is an important project to go ahead with?

Mr. STRATTON. To answer the gentleman, certainly there are not very many spots in the Indian Ocean area where we can settle. Therefore, this is one place in which our tenure is not in doubt.

If the gentleman is raising any question as to whether the British are going to kick us out, we have a lease there for 50 years, I believe. I do not think that tenure there is a problem.

I might say in this connection, incidentally—and this was mentioned a year ago when we had this question before us—that if, by any chance, we should lose the right to use the Azores, we would have a problem in trying to supply Israel with materials by air, as we did with the C–5's. Well, if we get the Diego Garcia runway enlarged to 12,000 feet, then we can fly the C–5's into Israel the back way, via Diego Garcia. This would be a long trip around, of course, but it is one way to get into the area if we are going to have chaos in Turkey, Greece, and Cyprus, as now seems entirely possible.

Mr. LONG of Maryland. If the gentleman will yield further, in Turkey, of course, we have had a very large number of important communications bases. I understand that communication facilities here are an important aspect in this situation. Will these facilities in any way fill the void left?

Mr. STRATTON. No, no. These are only limited ship-to-shore communications. This is just for communications with ships operating in the Indian Ocean itself. It is nothing of the kind that the Soviets have in Berbera, which represents a very long-range type of communication facility. To duplicate that, one would have to have a lot of real estate available. We just do not have enough territory of that size available in Diego Garcia.

Mr. CHARLES WILSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. Yes; I yield to the gentleman from Texas.

Mr. CHARLES WILSON of Texas. Mr. Chairman, if the gentleman will recall, last year in this debate, one of the strongest opponents against the establishment of Diego Garcia was Mrs. Gandhi, with her great moral authority.

Would the gentleman agree with me that that moral authority is somewhat diminished at this time?

Mr. STRATTON I would certainly think so, in view of what has happened recently to civil liberties in India, yes.

Mr. SEIBERLING. Mr. Chairman, if the gentleman will yield, I am sorry that the gentleman from Pennsylvania (Mr. MORGAN) is not here, although I realize that maybe military strategy has become an end in itself, but could the gentleman tell me what diplomatic purposes are served by having a presence in the Indian Ocean?

Mr. STRATTON. We are not concerned about diplomatic purposes in our particular committee, but we are concerned about the ability——

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. SEIBERLING yielded his time to Mr. STRATTON).

Mr. STRATTON. Mr. Chairman, I do not know about diplomatic purposes because I am not involved in that particular field. But I do believe our overall purpose around the world is to deter aggression. If we can maintain a force that can effectively operate in the Indian Ocean, then they can deter the Soviets from interrupting our oil lifelines there. That is very much in our basic national interest.

Mr. SEIBERLING. Does the gentleman know of any attempts that have been made to reach an agreement so that we would not have to have either a Russian presence or an American presence in that area?

Mr. STRATTON. Considering the progress the Soviets have made in both Somalia and Aden, I am not sure they would ever agree to get out of the Indian Ocean.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from Missouri (Mr. RANDALL).

Mr. RANDALL. Mr. Chairman, the question of diplomatic significance, if any, of Diego Garcia was raised here a moment ago, well if there is no involvement in the Indian Ocean by the United States then the international community will regard such as a trend toward further isolationism. The littoral nations should have no objection because if we do not stay in the Indian Ocean it will be regarded by them as a continuation of the British system of pulling out everything from east of Suez.

Then if we do not have a presence in the Indian Ocean such would be a step backward from the geopolitical strategy which have always called for the maintenance of free oceans. Then, of course, if we do not have an Indian Ocean presence we are overlooking a potential diplomatic advantage in our future dealing with the oil nations of the Middle East.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from Virginia (Mr. DOWNING).

(By unanimous consent, Mr. DOWNING of Virginia yielded his time to Mr. ICHORD).

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. LEGGETT).

Mr. LEGGETT. Mr. Chairman, the Members have only heard part of this debate. We have never gotten onto the cost of the program on Diego Garcia; I am not trying to disestablish Diego Garcia, but at the present time we have invested there $23 million in military construction and $42 million worth of Seabee support construction, or a total investment of about $65 million. We have already authorized some $15 million and appropriated that. The Seabee component of that is about $35 million. So that if these two items are lumped together, we have a capability already authorized and appropriated and in being at Diego Garcia, without this appropriation, of over $100 million, which is probably 10 times the amount that has been spent by the Soviets.

If we want to stimulate them to spend more money, and stimulate the United States to build up an $8 billion Indian Ocean Navy, then let us go ahead with the program, but let us know where we are going.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan (Mr. DIGGS).

Mr. DIGGS. Mr. Chairman, I would like to ask the gentleman from New York (Mr. STRATTON) a question.

I am inclined to be in favor of this matter because I am getting nervous about some of our unprotected agencies in that area, and about some of the options that we are losing because of the political situation in other countries. If there is an option that will give us a foothold on Somaliland or an atoll that will permit us to protect ourselves, I think that is another consideration.

The question I would like to ask is has any Member of either body had an opportunity to examine this base? To my knowledge, no Member of Congress has ever been to the Diego Garcia, and that our entire argument here is based upon material information provided by the Department of Defense.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from California (Mr. LLOYD).

Mr. LLOYD of California. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I wish to address some brief remarks to the proposal for expanding naval facilities on the island of Diego Garcia. In the total military construction bill, the funds for Diego Garcia represent a very small percentage. The expansion plan is relatively small in terms of dollars, and not absolute in terms of the ability of the U.S. Navy to operate in the Indian Ocean.

Yet, a vote to deny the funds for Diego Garcia would be a vote to penalize our Navy when they must go and do what our national interests require of them.

The United States has sent and will continue to send ships and aircraft into the Indian Ocean as well as any other areas of the world when we consider it to be in the best interests of this country. We have that capability and both our friends and potential adversaries know it.

The expansion of logistics support capabilities at Diego Garcia is not intended to gain strategic advantage or to alter our country's foreign policy objectives; it is a matter of efficient resource management. Our Navy must be responsive and we need to make it easier for our forces when they must respond to whatever situations require their presence.

We are not involved in a plan for a larger U.S. Naval presence in the Indian Ocean. We are attempting to enhance the provision of more efficient logistic support for whatever forces may be in the area, either on a periodic basis of normal operations or in times of crisis.

We should not overlook the view from the other side in which a perception of clear deficiencies in U.S. military capabilities in that region might cause us to lose political and diplomatic influence by default. Therefore, a support facility in the Indian Ocean is in response to our actual foreign policy needs rather than being a potential motivator of policy.

The Navy exists to further U.S. interests and for that reason must be ready to respond. If we have interests in the Indian Ocean, and I believe that we do, and if the Navy is expected to support these interests in the future, it follows that the essential tools should be there to do the job effectively.

It does not serve the best interests of the United States to send ships and aircraft into the Indian Ocean without improving facilities that are already there for proper and efficient logistical support of our Navy. Diego Garcia is the most logical solution, and I urge support for the military construction authorization for this project.

I yield the balance of my time to my colleague, the gentleman from New York (Mr. STRATTON).

Mr. STRATTON. Mr. Chairman, I want to say to the gentleman that as far as I know, nobody has visited it. I have not visited it, but there is very little to see there anyway. We have photographic information on Diego Garcia available here. I think the gentleman could see everything there is to see in Diego Garcia in these photographs and I invite his close inspection.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from Florida (Mr. BENNETT).

Mr. BENNETT. Mr. Chairman, I think it has been unfortunate that this thing has been blown out of proportion. This facility is important to the national defense. It is important to retain a viable Navy and the operations of the Navy. It is basically a fuel supply and communications center. It is not a tremendous project of the United States in the Indian Ocean. It will make it cheaper for us to do the operations we must do to keep the commercial lines open throughout the seas of the world. That is part of the function of the United States, to see that that occurs. It is not an aggressive, belligerent sort of thing; it is a thing that will help us do what we have been doing, keeping the seas open. The facility should be approved.

The CHAIRMAN. The time of the gentleman has expired. The Chair recognizes the gentleman from Michigan (Mr. CARR).

Mr. CARR. Mr. Chairman, I rise in support of the gentleman's amendment.

Mr. Chairman, I yield the balance of my time to the gentleman from California (Mr. LEGGETT).

Mr. LEGGETT. Mr. Chairman, we have only gotten into a portion of this activity at Diego Garcia. As a practical matter, our total investment that is programed there is not $30 million, which is included in this year's bill and last year's bill, and the Seabee's component which was included in last year's bill, but they anticipate a total expenditure there of $173 million, and this is allegedly just for the single purpose of supplying a POL support, which does not need a football field or a baseball field.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from Kansas (Mr. SKUBITZ).

Mr. SKUBITZ. Mr. Chairman, the gentleman from New York has answered my question. I yield back the remainder of my time.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia (Mr. WHITEHURST).

Mr. WHITEHURST. Mr. Chairman, I would just cite some salient facts. First of all, the Soviet Union for several years now has maintained a larger force in the Indian Ocean than we have. No. 2, there is no port, really none, on the East Coast of Africa that the United States can utilize for logistical purposes.

No. 3, I also made a trip to Somalia with my colleagues. I would like to ask a question: How much more do the Russians have to do out there for them to get our attention?

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from Missouri (Mr. ICHORD) to close debate.

Mr. ICHORD. Mr. Chairman, as I mentioned previously, this is the third time that this committee has debated the Diego Garcia. I would point out for the benefit of the members of the committee that there basically are three views regarding what this Nation should do with Diego Garcia. The extreme view of the right is that we should build Diego Garcia into a major base. The extreme view on the left is that we should do nothing in Diego Garcia. The committee brings us a middle view that we maintain our communications facility on Diego Garcia, and we build it up—this is only a $13.8 million appropriation—sufficiently to support a periodic presence of American naval forces in the Indian Ocean.

The United States, Mr. Chairman, has an important interest in the stability of the Indian Ocean area. I would point out that last year we disposed of this matter by requiring the President to certify that the building of the facilities was in the national interest before we would proceed. The President did that. That message lay here 60 days.

No one did anything about it. This is no time to reverse ourselves on Diego Garcia.

I ask that the amendment be voted down, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. LEGGETT).

The amendment was rejected.

The CHAIRMAN. Are there any further amendments to title II? There being none, the Clerk will read.

The Clerk read as follows:

TITLE III

SEC. 301. The Secretary of the Air Force may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment for the following acquisition and construction:

INSIDE THE UNITED STATES

AEROSPACE DEFENSE COMMAND

Tyndall Air Force Base, Panama City, Florida, $10,697,000.

AIR FORCE LOGISTICS COMMAND

Kelly Air Force Base, San Antonio, Texas, $5,535,000.

McClellan Air Force Base, Sacramento, California, $3,461,000.

Newark Air Force Station, Newark, Ohio, $2,117,000.

Robins Air Force Base, Warner Robins, Georgia, $6,517,000.

Tinker Air Force Base, Oklahoma City, Oklahoma, $8,104,000.

Wright-Patterson Air Force Base, Dayton, Ohio, $8,038,000.

AIR FORCE SYSTEMS COMMAND

Edwards Air Force Base, Muroc, California, $5,330,000.

Eglin Air Force Base, Valparaiso, Florida, $8,390,000.

Kirtland Air Force Base, Albuquerque, New Mexico, $5,373,000.

AIR TRAINING COMMAND

Columbus Air Force Base, Columbus, Mississippi, $1,453,000.

Craig Air Force Base, Selma, Alabama, $419,000.

Keesler Air Force Base, Biloxi, Mississippi, $43,140,000.

Lackland Air Force Base, San Antonio, Texas, $104,596,000.

Laughlin Air Force Base, Del Rio, Texas, $11,017,000.

Lowry Air Force Base, Denver, Colorado, $9,162,000.

Randolph Air Force Base, San Antonio, Texas, $5,128,000.

Vance Air Force Base, Enid, Oklahoma, $1,270,000.

Webb Air Force Base, Big Spring, Texas, $4,382,000.

ALASKAN AIR COMMAND

Eielson Air Force Base, Fairbanks, Alaska, $471,000.

Elmendorf Air Force Base, Anchorage, Alaska, $568,000.

Various Locations, $12,468,000.

HEADQUARTERS COMMAND

Andrews Air Force Base, Camp Springs, Maryland, $6,906,000.

Bolling Air Force Base, Washington, District of Columbia, $3,089,000.

MILITARY AIRLIFT COMMAND

Altus Air Force Base, Altus, Oklahoma, $996,000.

McChord Air Force Base, Tacoma, Washington, $1,189,000.

McGuire Air Force Base, Wrightstown, New Jersey, $1,740,000.

Scott Air Force Base, Belleville, Illinois, $1,488,000.

STRATEGIC AIR COMMAND

Beale Air Force Base, Marysville, California, $3,590,000.

Carswell Air Force Base, Fort Worth, Texas, $1.992,000.

Fairchild Air Force Base, Spokane, Washington, $1,000,000.

Griffiss Air Force Base, Rome, New York, $372,000.

Kincheloe Air Force Base, Kinross, Michigan, $670,000.

Malmstrom Air Force Base, Great Falls, Montana, $622,000.

Offutt Air Force Base, Omaha, Nebraska, $1,437,000.

Plattsburgh Air Force Base, Plattsburgh, New York, $400,000.

Vandenberg Air Force Base, Lompoc, California, $2,696,000.

Wurtsmith Air Force Base, Oscoda, Michigan, $447,000.

TACTICAL AIR COMMAND

Cannon Air Force Base, Clovis, New Mexico, $1,876,000.

George Air Force Base, Victorville, California, $3,646,000.

Langley Air Force Base, Hampton, Virginia, $1,336,000.

Luke Air Force Base, Glendale, Arizona, $439,000.

Mountain Home Air Force Base, Mountain Home, Idaho, $8,541,000.

Nellis Air Force Base, Las Vegas, Nevada, $990,000.

Seymour Johnson Air Force Base, Goldsboro, North Carolina, $612,000.

POLLUTION ABATEMENT

Various locations: Air pollution abatement, $600,000.

Various locations: Water pollution abatement, $10,098,000.

ENERGY CONSERVATION

Various locations, $46,952,000.

SPECIAL FACILITIES

Various locations, $9,866,000.

NUCLEAR WEAPONS SECURITY

Various locations, $7,909,000.

OUTSIDE THE UNITED STATES

UNITED STATES AIR FORCES IN EUROPE

Germany, $5,346,000.
United Kingdom, $13,524,000.
Various locations, $74,738,000.

UNITED STATES AIR FORCE SECURITY SERVICE

Various locations, $981,000.

SPECIAL FACILITIES

Various locations, $2,666,000.

NUCLEAR WEAPONS SECURITY

Various locations, $5,591,000.

SEC. 302. The Security of the Air Force may establish or develop classified military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, in the total amount of $3,982,000.

SEC. 303. The Secretary of the Air Force may establish or develop Air Force installations and facilities by proceeding with construction made necessary by changes in Air Force missions and responsibilities which have been occasioned by: (1) unforeseen security considerations, (2) new weapons developments, (3) new and unforeseen research and development requirements, or (4) improved production schedules, if the Secretary of Defense determines that deferral of such construction for inclusion in the next Military Construction Authorization Act would be inconsistent with interests of national security, and in connection therewith to acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the total amount of $10,000,000: *Provided*, That the Secretary of the Air Force, or his designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization will expire upon enactment of the fiscal year 1977 Military Construction Authorization Act, except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to that date.

SEC. 304. (a) Section 301 of Public Law 91–511, as amended, is amended under the heading "INSIDE THE UNITED STATES" as follows:

(1) Under the subheading "AIR TRAINING COMMAND" with respect to "Laughlin Air Force Base, Del Rio, Texas", strike out "$310,000" and insert in place thereof "$375.000".

(2) Under the subheading "AIR TRAINING COMMAND" with respect to "Reese Air Force Base, Lubbock, Texas", strike out "$1,047,000" and insert in place thereof "$1,110,000".

(3) Under the subheading "AIR TRAINING COMMAND" with respect to "Webb Air Force Base, Big Spring, Texas", strike out "$349,000" and insert in place thereof "$416,000".

(b) Public Law 91–511, as amended, is further amended by striking out in clause (3) of section 602 "$192,133,000" and "$256,385,000" and inserting in place thereof "$192,328,000" and "$256,580,000", respectively.

SEC. 305. (a) Section 301 of Public Law 92–145, as amended, is amended under the heading "INSIDE THE UNITED STATES" as follows:

(1) Under the subheading "AIR TRAINING COMMAND" with respect to "Lowry Air Force Base, Denver, Colorado", strike out "$8,435,000" and insert in place thereof "$8,902,000".

(b) Public Law 92–145, as amended, is further amended by striking out in clause (3) of section 702 "$226,697,000" and "$247,560,000" and inserting in place thereof "$227,164,000" and "$248,027,000", respectively.

SEC. 306. (a) Section 301 of Public Law 92–545, as amended, is amended under the heading "INSIDE THE UNITED STATES" as follows:

(1) Under the subheading "AIR FORCE SYSTEMS COMMAND" with respect to "Edwards Air Force Base, Muroc, California", strike out "$534,000" and insert in place thereof "$828,000".

(b) Public Law 92–545, as amended, is further amended by striking out in clause (3) of section 702 "$234,125,000" and "$292,683,000" and inserting in place thereof "$234,419,000, and $292,977,000", respectively.

SEC. 307. (a) Section 301 of Public Law 93–166, as amended, is amended under the heading "INSIDE THE UNITED STATES" as follows:

(1) Under the subheading "STRATEGIC AIR COMMAND" with respect to "Kincheloe Air Force Base, Kinross, Michigan," strike out "$2,430,000" and insert in place thereof "$2,893,000".

(b) Section 301 of Public Law 93–166, as amended, is amended under the heading "OUTSIDE THE UNITED STATES" as follows:

(1) Under the subheading "UNITED STATES AIR FORCES IN EUROPE" with respect to "Germany", strike out "$5,181,000" and insert in place thereof "$6,663,000".

(2) Under the subheading "UNITED STATES AIR FORCE SOUTHERN COMMAND" with respect to "Howard Air Force Base, Canal Zone", strike out "$927,000" and insert in place thereof "$1,827,000".

(c) Public Law 93–166, as amended, is further amended by striking out in clause (3) of section 602 "$260,727,000"; "$21,302,000"; and "$283,029,000" and inserting in place thereof "$261,190,000"; "$23,684,000" and "$258,874,000", respectively.

SEC. 308. (a) Section 301 of Public Law 93–552, is amended under the heading "INSIDE THE UNITED STATES" as follows:

(1) Under the subheading "AIR TRAINING COMMAND" with respect to "Reese Air Force Base, Lubbock, Texas", strike out "$836,000" and insert in place thereof "$1,194,000".

(2) Under the subheading "AIR TRAINING COMMAND" with repect to "Webb Air Force Base, Big Spring, Texas", strike out "$776,000" and insert in place thereof "$1,673,000".

(b) Public Law 93–552 is further amended by striking out in clause (C) of section 602 "$307,786,000" and "$390,773,000" and inserting in place thereof "$309,041,000" and "$392,028,000", respectively.

Mr. ICHORD (during the reading). Mr. Chairman, I ask unanimous consent that title III be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The CHAIRMAN. There being no amendments to title III, the Clerk will read.

The Clerk read as follows:

TITLE IV

SEC. 401. The Secretary of Defense may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, for defense agencies for the following acquisition and construction:

INSIDE THE UNITED STATES

DEFENSE INTELLIGENCE AGENCY

Bolling Air Force Base, Washington, District of Columbia, $70,900,000.

DEFENSE MAPPING AGENCY

Defense Mapping Agency Topographic Center, Bethesda, Maryland, $195,000.

DEFENSE SUPPLY AGENCY

Defense Depot, Memphis, Tennessee, $377,000.

Defense Electronics Supply Center, Dayton, Ohio, $96,000.

Defense Fuel Support Point, Melville, Newport, Rhode Island, $352,000.

Defense Fuel Support Point, Norwalk, California, $197,000.

Defense Property Disposal Office, Colorado Springs, Colorado, $440,000.

Defense Property Disposal Office, Elmendorf, Alaska, $403,000.

Defense Property Disposal Office, Monterey, California, $635,000.

Defense Personnel Support Center, Philadelphia, Pennsylvania, $1,400,000.

NATIONAL SECURITY AGENCY

Fort George G. Meade, Maryland, $3.012,000.

POLLUTION ABATEMENT

Various locations: Air pollution abatement, $2,426,000.

Various locations: Water pollution abatement, $322,000.

ENERGY CONSERVATION

Various locations, $175,000.

OUTSIDE THE UNITED STATES

DEFENSE NUCLEAR AGENCY

Johnston Atoll, $4,033,000.

Enewetak Auxiliary Airfield, $14,100,000.

DEFENSE SUPPLY AGENCY

Defense Property Disposal Office, Nuremberg, Germany, $500,000.

Defense Property Disposal Office Seckenheim, Germany, $237,000.

SEC. 402. The Secretary of Defense may establish or develop installations and facilities which he determines to be vital to the security of the United States, and in connection therewith to acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the total amount of $10,000,000: *Provided*, That the Secretary of Defense, or his designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including real estate actions pertaining thereto.

SEC. 403. (a) Public Law 92–545, as amended, is amended under the heading "INSIDE THE UNITED STATES", "DEFENSE SUPPLY AGENCY" in section 401 as follows:

With respect to "Defense General Supply Center, Richmond, Virginia" strike out "$1,171,000" and insert in place thereof "$1,365,000".

(b) Public Law 92–545, as amended, is amended by striking out in clause (4) of section 702 "$33,004,000" and inserting in place thereof "$33,198,000".

SEC. 404. (a) Public Law 93–166, as amended, is amended under the heading "DEFENSE SUPPLY AGENCY" in section 401 as follows:

With respect to "Defense Depot, Tracy, California," strike out "$747,000" and insert in place thereof "$1,384,000".

(b) Public Law 93–166, as amended, is amended by striking out in clause (4) of section 602 "$10,000,000" and inserting in place thereof "$10,637,000".

Mr. ICHORD (during the reading). Mr. Chairman, I ask unanimous consent that title IV be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The CHAIRMAN. There being no amendments to title IV, the Clerk will read.

The Clerk read as follows:

TITLE V—MILITARY FAMILY HOUSING

SEC. 501. The Secretary of Defense, or his designee, is authorized to construct or acquire sole interest in existing family housing units in the numbers and at the locations hereinafter named, but no family housing construction shall be commenced at any such locations in the United States, until the Secretary shall have consulted with the Secretary of the Department of Housing and Urban Development, as to the availability of suitable private housing at such locations. If agreement cannot be reached with respect to the availability of suitable private housing at any location, the Secretary of Defense shall notify the Committees on Armed Services of the Senate and the House of Representatives, in writing, of such difference of opinion, and no contract for construction at such location shall be entered into for a period of thirty days after such notification has been given. This authority shall include the authority to acquire land, and interests in land by gift, purchase, exchange of Government-owned land, or otherwise. If the Secretary of Defense, or his designee, determines it is in the best interests of the Government to acquire sole interest in privately-owned or Department of Housing and Urban Development held family housing units in lieu of construction, the Department of Defense may do so: Provided, That family housing units so purchased do not exceed the cost limitations specified in section 502 of this Act nor the limitations on size specified in title 10, United States Code, section 2684: *Provided further*, That no interest in family housing units shall be acquired through the exercise of eminent domain authority.

(a) The Department of the Army, two thousand one hundred units, $73,500,000.

Fort Ord, California, three hundred and fifty units.

Fort Stewart/Hunter Army Airfield Georgia, seven hundred and fifty units.

Fort Polk, Louisiana, one thousand units.

(b) The Department of the Navy, six hundred and seventy-eight units, $23,730,000.

Naval Facility, Nantucket, Massachusetts, eighteen units.

Marine Corps Base, Camp Lejeune, North Carolina, two hundred and fifty units.

Naval Complex, Bangor, Washington, four hundred units.

Naval Radio Station, Sugar Grove, West Virginia, ten units.

SEC. 502. (a) Authorizations for the construction of family housing provided in section 501 of this Act shall be subject, under such regulations as the Secretary of Defense may prescribe, to the following limitations on cost, which shall include shades, screens, ranges, refrigerators, and all other installed equipment and fixtures, the cost of the family unit, design, supervision, inspection, overhead, the proportionate costs of land acquisition, site preparation, and installation of utilities.

(b) The average unit cost for all units of family housing constructed in the United States (other than Alaska and Hawaii) shall not exceed $35,000 and in no event shall the cost of any unit exceed $51,000.

(c) When family housing units are constructed in areas other than that specified in subsection (b), the average cost of all such units shall not exceed $45,000, and in no event shall cost the of any unit exceed $51,000.

SEC. 503. The Secretary of Defense, or his designee, is authorized to accomplish alterations, additions, expansions, or extensions not otherwise authorized by law, to existing public quarters at a cost not to exceed—

(1) for the Deparmtent of the Army, $35,000,000.

(2) for the Department of the Navy, $34,230,000, including $7,200,000 for energy conservation projects.

(3) for the Department of the Air Force, $51,000,000, including $16,000,000 for energy conservation projects.

(4) for the Defense Supply Agency, $127,000.

SEC. 504. Notwithstanding the limitations contained in prior Military Construction Authorization Acts on cost of construction of family housing, the limitations on such cost contained in section 502 of this Act shall apply to all prior authorizations for construction of family housing not heretofore repealed and for which construction contracts have not been executed prior to the date of enactment of this Act.

SEC. 505. The Secretary of Defense, or his designee, is authorized to construct or otherwise acquire at the locations hereinafter named, family housing units not subject to the limitations on such cost contained in section 502 of this Act. This authority shall include the authority to acquire land, and interests in land, by gift, purchase, exchange of Government-owned land, or otherwise. Total costs shall include shades, screens, ranges, refrigerators, and other installed equipment and fixtures, the cost of the family unit, and the costs of land acquisition, site preparation, design, supervision, inspection, overhead, and installation of utilities.

(a) Bethesda Naval Hospital, Maryland, one unit, at a total cost not to exceed $70,000.

(b) Twelve family housing units at various overseas locations for the Defense Intelligence Agency, at a total cost not to exceed $1,320,000. This authority shall be funded by use of excess foreign currency when so provided in Department of Defense Appropriation Acts.

(c) Three family housing units in Cairo, Egypt, at a total cost not to exceed $180,000. This authority shall be funded by use of excess foreign currency when so provided in Department of Defense Appropriation Acts.

(d) Naval Base, Keflavik, Iceland, two hundred and fifty units, at a total cost not to exceed $17,500,000.

SEC. 506. The Secretary of Defense, or his designee, is authorized to accomplish repairs and improvements to existing public quarters in amounts in excess of the $15,000 limitation prescribed in section 610(a) of Public Law 90-110, as amended (81 Stat. 279, 305), as follows:

Fort McClellan, Alabama, twenty-six units, $465,900.

Fort Richardson, Alaska, two hundred and eight units, $4,000,000.

Fort McNair, Washington, District of Columbia, five units, $195,000.

Fort Sill, Oklahoma, thirty-two units, $654,400.

Fort Eustis, Virginia, one hundred eighty-five units, $3,140,000.

Fort Lewis, Washington, one hundred thirty-six units, $2,503,000.

Naval Station, Adak, Alaska, thirty-six units, $665,000.

Public Works Center, Pearl Harbor, Hawaii, one hundred forty-five units, $2,500,000.

Marine Corps Recruit Depot, Parris Island, South Carolina, one hundred seventy-eight units, $2,685,000.

SEC. 507. (a) Section 515 of Public Law 84-161 (69 Stat. 324, 352), as amended, is further amended by (1) striking out "During fiscal years 1975 and 1976", and (2) revising the third sentence to read as follows: "Expenditures for the rental of such housing facilities, including the cost of utilities and maintenance and operation, may not exceed: For the United States (other than Alaska, Hawaii, and Guam) and Puerto Rico, an average of $245 per month for each military department, or the amount of $325 per month for any one unit; and for Alaska, Hawaii, and Guam, an average of $310 per month for each military department, or the amount of $385 per month for any one unit."

(b) Section 507(b) of Public Law 93-166 (87 Stat. 661, 676), as amended, is further amended by striking out "$355", "$625", and "twelve thousand" in the first sentence, and inserting in lieu thereof "$380", "$670", and "fifteen thousand", respectively.

SEC. 508. There is authorized to be appropriated for use by the Secretary of Defense, or his designee, for military family housing as authorized by law for the following purposes:

(1) for construction or acquisition of sole interest in family housing, including demolition, authorized improvements to public quarters, minor construction, relocation of family housing, rental guarantee payments, and planning an amount not to exceed $208,277,000, including $1,900,000 for the period July 1, 1976, through September 30, 1976.

(2) for support of military family housing, including operating expenses, leasing, maintenance of real property, payments of principal and interest on mortgage debts incurred, payment to the Commodity Credit Corporation, and mortgage insurance premiums authorized under section 222 of the National Housing Act, as amended (12 U.S.C. 1715m), an amount not to exceed $1,434,676,000, including $308,739,000 for the period July 1, 1976, through September 30, 1976.

SEC. 509. Section 509 of Public Law 93-552 (88 Stat. 1745, 1759), is hereby amended by changing the period to a comma and by adding "except as authorized by the Committees on Armed Services of the Senate and House of Representatives for unusual circumstances resulting from excessive noise, adverse environmental conditions, or health of the occupants."

Mr. ICHORD (during the reading). Mr. Chairman, I ask unanimous consent that title V be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The CHAIRMAN. There being no amendments to title V, the Clerk will read.

The Clerk read as follows:

TITLE VI

GENERAL PROVISIONS

SEC. 601. The Secretary of each military department may proceed to establish or develop installations and facilities under this Act without regard to section 3648 of the Revised Statutes, as amended (31 U.S.C. 529), and sections 4774 and 9774 of title 10, United States Code. The authority to place permanent or temporary improvements on land includes authority for surveys, administration, overhead, planning, and supervision incident to construction. That authority may be exercised before title to the land is approved under section 355 of the Revised Statutes, as amended (40 U.S.C. 255), and even though the land is held temporarily. The authority to acquire real estate or land includes authority to make surveys and to acquire land, and interests in land (including temporary use), by gift, purchase, exchange of Government-owned land, or otherwise.

SEC. 602. There are authorized to be appropriated such sums as may be necessary for the purposes of this Act, but appropriations for public works projects authorized by titles I, II, III, IV, and V, shall not exceed—

(1) for title I: Inside the United States, $638,310,000; outside the United States, $167,536,000; or a total of $805,846,000.

(2) for title II: Inside the United States, $686,407,000; outside the United States, $21,867,000; or a total of $708,274,000.

(3) for title III: Inside the United States, $379,135,000; outside the United States, $102,846,000; section 302, $3,982,000; or a total of $485,963,000.

(4) for title IV: A total of $109,800,000.

(5) for title V: Military Family Housing $1,642,953,000.

SEC. 603. (a) Except as provided in subsection (b), any of the amounts specified in titles I, II, III, and IV of this Act, may, in the discretion of the Secretary or Director of the Defense Agency concerned, be increased by 10 per centum when inside the United States (other than Hawaii and Alaska), and by 15 per centum when outside the United States or in Hawaii and Alaska, if he determines that such increase (1) is required for the sole purpose of meeting unusual variations in cost, and (2) could not have been reasonably anticipated at the time such estimate was submitted to the Congress. However, the total cost of all construction and acquisition in each such title may not exceed the total amount authorized to be appropriated in that title.

(b) When the Secretary of Defense determines that a project within the amount named for any construction or acquisition in title I, II, III, or IV of this Act must be increased by more than the applicable percentage prescribed in subsection (a), the Secretary or Director of the defense agency concerned may proceed with such construction or acquisition after a written report of the facts relating to the increased cost of such project or any reductions in approved scope of the project, and including a statement of the reasons for such increase, has been submitted to the Committees on Armed Services of the Senate and House of Representatives, and either (1) thirty days has elapsed from date of submission of such report or (2) both committees have indicated approval.

(c) The Secretary of Defense shall submit an annual report to the Congress identifying each individual project which has been placed under contract in the preceding twelve-month period and with respect to which the then current working estimate of the Department of Defense based upon bids received for such projects exceeded the amount authorized by the Congress for that project by more than 25 per centum. The Secretary shall also include in such report each individual project with respect to which the scope was reduced in order to permit contract award within the available authorization for such project. Such report shall include all pertinent cost information for each individual project, including the amount in dollars and percentage by which the current working estimate based on the contract price for the project exceeded the amount authorized for such project by the Congress.

SEC. 604. Contracts for construction made by the United States for performance within the United States and its possessions under this Act shall be executed under the jurisdiction and supervision of the Corps of Engineers, Department of the Army, or the Naval Facilities Engineering Command, Department of the Navy, or such other department or Government agency as the Secretaries of the military departments recommend and the Secretary of Defense approves to assure the most efficient, expeditious, and cost-effective accomplishment of the construction herein authorized. The Secretaries of the military departments shall report annually to the President of the Senate and the Speaker of the House of Representatives a breakdown of the dollar value of construction contracts completed by each of the several construction agencies selected together with the design, construction supervision, and overhead fees charged by each of the several agents in the execution of the assigned construction. Further, such contracts (except architect and engineering contracts which, unless specifically authorized by the Congress shall continue to be awarded in accordance with presently established procedures, customs, and practice) shall be awarded, insofar as practicable, on a competitive basis to the lowest responsible bidder, if the national security will not be impaired and the award is consistent with chapter 137 of title 10, United States Code. The Secretaries of the military departments shall report annually to the President of the Senate and the Speaker of the House of Representatives with respect to all contracts awarded on other than a competitive basis to the lowest responsible bidder.

Sec. 605. As of January 1, 1977, all authorizations for military public works, including family housing, to be accomplished by the Secretary of a military department in connection with the establishment or development of installations and facilities, and all authorizations for appropriations therefore, that are contained in titles I, II, III, IV, and V of the Act of December 27, 1974, Public Law 93-552 (88 Stat. 1745), and all such authorizations contained in Acts approved before December 28, 1974, and not superseded or otherwise modified by a later authorization are repealed except—

(1) authorizations for public works and for appropriations therefore that are set forth in those Acts in the title that contain the general provisions;

(2) authorizations for public works projects as to which appropriated funds have been obligated for construction contracts, land acquisition, or payments to the North Atlantic Treaty Organization, in whole or in part before January 1, 1977, and authorizations for appropriations therefor;

(3) notwithstanding the repeal provisions of section 605 of the Act of December 27, 1974, Public Law 93-552 (88 Stat. 1745, 1761), authorizations for the following items which shall remain in effect until January 1, 1978:

(a) Barracks with mess construction in the amount of $535,000 at Camp A. P. Hill, Virginia, that is contained in title I, section 101 of the Act of November 29, 1973 (87 Stat. 661), as amended.

(b) Barracks with mess construction in the amount of $476,000 at Camp Pickett, Virginia, that is contained in title I, section 101 of the Act of November 29, 1973 (87 Stat. 661), as amended.

(c) Military Police Barracks with support facilities construction in the amount of $1,831,000 and confinement facility construction in the amount of $6,287,000 at Fort Leonard Wood, Missouri, that is contained in title I, section 101 of the Act of November 29, 1973 (87 Stat. 661), as amended.

(d) Barracks Complex construction in the amount of $8,622,000 at Fort Ord, California, that is contained in title I, section 101 of the Act of November 29, 1973 (87 Stat. 662), as amended.

(e) Barracks construction in the amount of $2,965,000 at Aberdeen Proving Ground, Maryland, that is contained in title I, section 101 cf the Act of November 29, 1973 (87 Stat. 662), as amended.

(f) Barracks with mess construction in the amount of $466,000 at Natick Laboratories, Massachusetts, that is contained in title I, section 101 of the Act of November 29, 1973 (87 Stat. 662), as amended.

(g) Barracks without mess construction in the amount of $3,060,000 at Fort Greely, Alaska, that is continued in title I, section 101 of the Act of November 29, 1973 (87 Stat. 662), as amended.

(h) Relocate Weapons Ranges from Culebra Complex in the amount of $12,000,000 for the Atlantic Fleet Weapons Range, Roosevelt Roads, Puerto Rico, that is contained in title II, section 204 of the Act of November 29, 1973 (87 Stat. 668), as amended.

(i) Authorization for acquisition of lands in support of the Air Installation Compatible Use Zones at Various Locations not limited to those in the original project in the amount of $12,000,000 that is contained in title III, section 301 of the Act of October 25, 1972 (86 Stat. 1145), as amended by section 605(3) (K) of the Act of December 27, 1974 (88 Stat. 1762), as amended.

(j) Authorization for acquisition of lands in support of the Air Installation Compatible Use Zones at Various Locations not limited to those identified in the original project in the amount of $18,000,000 that is contained in title III, section 301 of the Act of November 29, 1973 (87 Stat. 671), as amended.

Sec. 606. None of the authority contained in titles I, II, III, and IV of this Act shall be deemed to authorize any building construction projects inside the United States in excess of a unit cost to be determined in proportion to the appropriate area construction cost index, based on the following unit cost limitations where the area construction index is 1.0:

(1) $35.00 per square foot for permanent barracks;

(2) $37.00 per square foot for bachelor officer quarters;

unless the Secretary of Defense, or his designee, determines that because of special circumstances, application to such project of the limitations on unit costs contained in this section is impracticable: *Provided*, That notwithstanding the limitations contained in prior Military Construction Authorization Acts on unit costs, the limitations on such costs contained in this section shall apply to all prior authorizations for such construction not heretofore repealed and for which construction contracts have not been awarded by the date of enactment of this Act.

Sec. 607. Chapter 150 of title 10, United States Code, is amended:

(1) By striking out the figure "$300,000" in the item relating to section 2674 in the analysis and inserting "$400,000" in place thereof.

(2) By striking out the figure "$300,000" in the catchline of section 2674 and inserting "$400,000" in place thereof.

(3) By striking out the figures "$300,000," "$100,000," and "$50,000" in section 2674(b) and inserting "$400,000," and "$200,000," and "$75,000," respectively, in place thereof.

(4) By striking out the figure "$50,000" in sections 2674 (a) and (e) and inserting "$75,000" in place thereof.

(5) By striking out "quarterly" in section 2662(b) and inserting in place theerof, "annually."

(6) By striking section 2662(c) and inserting in place thereof:

"This section applies only to real property in the United States States, Puerto Rico, Guam, the American Virgin Islands, American Samoa and the Trust Territory of the Pacific Islands. It does not apply to real property for river and harbor projects or flood control projects, or to leases of Government-owned real property for agricultural or grazing purposes or to any real property acquisition specifically authorized in a Military Construction Authorization Act."

(7) By adding the following new subsection to section 2667:

"(f) Notwithstanding clause (3), subsection (a), real property and associated personal property, which have been determined excess as the result of a Defense installation realignment or closure, may be leased to State or local governments pending final disposition:

"(1) The Secretary concerned determines that such action would facilitate State and local economic adjustment efforts, and

"(2) The Administrator, General Services Administration, concurs in the action."

(8) By adding the following new section:

"Sec. 2672 a. Acquisition: interests in land when need is urgent. Subject to the provisions of 10 U.S.C. 2662, the Secretary of a military department may acquire any interest in land that—

"(1) he or his designee determines is needed in the interest of national defense; and

"(2) is required to maintain the operational integrity of a military installation; and

"(3) considerations of urgency do not permit the delay necessary to include the required acquisition in an annual Military Construction Authorization Act.

"Appropriations available for military construction will be used for the purposes of this section. The authority to acquire an interest in land under this section includes authority to make surveys and acquire interests in land (including temporary use), by gift, purchase exchange of land owned by the United States, or otherwise."

(9) By striking from the catchline and analysis relating to section 2675 the second colon and all that follows:

(10) By striking the following words from the first sentence of section 2675, "that are not located on a military base and".

Sec. 608. In addition to all other authorized variations of cost limitations or floor area limitations contained in this Act or prior Military Construction Authorization Acts, the Secretary of Defense, or his designee, may permit increases in the cost limitations or floor area limitations by such amounts as may be necessary to equip any projects with solar heating and/or cooling equipment.

Sec. 609. The Secretary of the Navy or his designee is authorized and directed to convey to the Guam Power Authority an agency of the Government of Guam without monetary consideration but subject to such reservations and terms and conditions as the Secretary of the Navy or his designee should determine to be necessary to protect the interests of the United States, all rights, titles, and interests of the United States, in and to those certain parcels of real property situated at Cabras Island, territory of Guam known and identified as lot 257 and lot 261 containing 63.58 acres, more or less.

Sec. 610. Titles I, II, III, IV, V, and VI of this Act may be cited as the "Military Construction Authorization Act, 1976."

Mr. ICHORD (during the reading). Mr. Chairman, I ask unanimous consent that title VI be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

AMENDMENT OFFERED BY MR. DOWNEY OF NEW YORK

Mr. DOWNEY of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DOWNEY of New York: Page 100, between lines 13 and 14, insert the following:

"Sec. 610. The Secretary of Defense shall submit an annual report to Congress which shall set forth, with respect to each contract of more than $500,000 for construction outside the United States and its possessions which is authorized pursuant to this Act, a summary of the number and nationality of the foreign nationals who were hired to perform services in regard to such contract during the reporting period, the type of skills provided by such foreign nationals, and the average hourly or other wage rate paid to foreign nationals in each skill category."

Page 100, line 14, strike out "610." and insert "611.".

Mr. DOWNEY of New York (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read, and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. DOWNEY of New York. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, as I understand what the gentleman is asking this House to do, it is to require the DOD to submit a report of foreign nationals who may be hired on military construction projects on foreign land. Is that correct?

Mr. DOWNEY of New York. That is correct?

Mr. ICHORD. And what is the purpose of getting this information, I would ask the gentleman?

Mr. DOWNEY of New York. The purpose is threefold. Right now in domestic construction we keep records as to the type, nature, scope of the jobs, salary levels, and the like. I am asking that this reporting procedure be extended to our foreign military construction as well. I think we need the factual basis for determining possibly at future times if U.S. workers would be cheaper to use and it is just to get an indication of what foreign military assistance we are providing.

Mr. ICHORD. If the gentleman will yield further, the gentleman from New York has provided the committee with a copy of the amendment. I would announce that on this side we have no objection.

Mr. WHITEHURST. Mr. Chairman, if the gentleman will yield, we have no objection on this side of the aisle.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. DOWNEY).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to title VI? If not, the Clerk will read.

The Clerk read as follows:

TITLE VII

GUARD AND RESERVE FORCES FACILITIES

SEC. 701. Subject to chapter 133 of title 10, United States Code, the Secretary of Defense may establish or develop additional facilities for the Guard and Reserve Forces, including the acquisition of land therefor, but the cost of such facilities shall not exceed—

(1) For the Department of the Army:

(a) Army National Guard of the United States, $54,745,000.

(b) Army Reserve, $44,459,000.

(2) For the Department of the Navy: Naval and Marine Corps Reserves, $34,800,000.

(3) For the Department of the Air Force:

(a) Air National Guard of the United States, $55,100,000.

(b) Air Force Reserve, $16,500,000.

SEC. 702. The Secretary of Defense may establish or develop installations and facilities under this title without regard to section 3648 of the Revised Statutes, as amended (31 U.S.C. 529), and sections 4774 and 9774 of title 10, United States Code. The authority to place permanent or temporary improvements on lands includes authority for surveys, administration, overhead, planning, and supervision incident to construction. That authority may be exercised before title to the land is approved under section 355 of the Revised Statutes, as amended (40 U.S.C. 255), and even though the land is held temporarily. The authority to acquire real estate or land includes authority to make surveys and to acquire land, and interests in land (including temporary use), by gift, purchase, exchange of Government-owned land, or otherwise.

SEC. 703. Chapter 133, of title 10, United States Code is amended by striking out the figure "$25,000" in paragraph (2) of section 2233a, and inserting the figure "$50,000" in place thereof.

SEC. 704. This title may be cited as the "Guard and Reserve Forces Facilities Authorization Act, 1976."

Mr. ICHORD (during the reading). Mr. Chairman, I ask unanimous consent that title VII be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mrs. SCHROEDER. Mr. Chairman, I would like to call the attention of my colleagues to an authorization for $64,900,000 for the Uniformed Services University of the Health Sciences. The authorization for this funding is found in title II, section 201 of the military construction authorizations bill now being considered.

As a member of the House Armed Services Committee I have reviewed this program, and support the finding of the Defense Manpower Commission that the program should be terminated. I feel that the committee's inclusion of this line item in the fiscal year 1976 military construction budget was clearly a mistake. The committee's action on this program should be corrected before any appropriations are appropriated for the military construction budget. If the Appropriations Committee does not strike the program's funding from their bill then floor action will have to be taken.

The Defense Manpower Commission, in its May 16, 1975, report, opposed the current plans to proceed with the construction of this medical school. The USUHS approach was determined to be the most expensive possible approach to the armed services' problem of recruitment and retention of medical personnel. It was the recommendation of the Commission that the USUHS program should be terminated immediately. The Commission further urged that the armed services utilize existing scholarships, subsidies, and bonus programs to meet current and future procurement and retention goals for military professional medical personnel of high quality.

To illustrate the astounding wastefulness of this USUHS approach I offer the following cost evaluation arrived at by the Defense Manpower Commission:

> It appears that the accession cost per medical graduate will be no lower than $150,000 and may well exceed $200,000. This is about four to five times the $34,000 cost to the Government of obtaining a graduate through the scholarship program and is also far more expensive than procuring trained physicians through the use of the bonus.

I do not intend to offer an amendment striking this funding from the military construction authorization bill now being considered. However, I will certainly introduce such an amendment should the program still be included in the appropriations bill reported out by the Committee on Appropriations.

With this in mind, I would like to include for my colleagues' consideration some background information about the Uniformed Services University of the Health Sciences and the problems the program was designed to alleviate. The following are some particularly useful sections of the Defense Manpower Commission analysis of the USUHS program. For the sake of brevity I will not include the entire discussion included in the Commission report.

I urge my colleagues to read through the entire Commission evaluation of the Uniformed Services University of the Health Sciences before the appropriations bill is considered. Having done so, I feel certain that you will agree with the conclusions of the report as I do. In these days of urgent budget limitations the Congress cannot afford to toss off $65 million of the taxpayers' money on a project which has been proven financially unsound before it has even been begun.

I include the following:

DEFENSE MANPOWER COMMISSION, INTERIM REPORT TO THE PRESIDENT AND THE CONGRESS, MAY 16, 1975

CONCLUSIONS

1. The Commission's major conclusion is that Chapter 105, P.L. 92–428 providing for scholarships and subsidies, and that P.L. 93–274 providing for bonuses constitute an adequate and economical means of procuring and retaining the professional military medical personnel of high quality required for the Armed Forces. Conversely, Chapter 104, P.L. 92–428 providing for the Uniformed Services University of the Health Sciences, is an unjustifiably costly method for securing this objective, and relatively inflexible once established.

2. The original estimates of construction costs, start-up costs, and operating costs of $102 million have proven to be substantially understated. The actual costs would very probably be well over double this. Much, though not all, of the underestimation resulted from an increase in the medical student enrollment and inflation rates which could not reasonably have been foreseen.

3. The future costs of the University are highly uncertain, and will be until it has been in operation for some time. Conservative assumptions have been made concerning these costs, omitting certain categories completely. It appears that the accession cost per medical graduate will be no lower than $150,000 and may well exceed $200,000. This is about four to five times the $34,000 cost to the government of obtaining a graduate through the scholarship program and is also far more expensive than procuring trained physicians through the use of the bonus.

4. Career retention goals for physicians have not been carefully formulated; specifically, they usually ignore the very heavy retirement costs associated with retention for a 20-year career. A 25% career retention goal mentioned by the Department of Defense does not appear unreasonable. This goal, or higher goals, can probably be obtained with the scholarship program and the bonus. This is less costly than attaining retention with the University program and the bonus.

5. The scholarship program has been successful in attracting applicants. The bonus was implemented too recently for an evaluation of its impact on retention. Preliminary indications are that physicians are responsive to the bonus. In any event, both the bonus and the scholarship program could be liberalized considerably, if necessary, and still be less costly than the University.

6. There have been substantial increases in the number of medical schools, the annual number of graduates, and the physician/population ratio in the United States since legislation to establish a military medical university was first introduced more than 25 years ago, and especially since 1965.

7. If the University is discontinued, the savings in construction costs alone would be $96,000,000 for the medical schools; in constant 1975 dollars, these savings would amount to $87,000,000. A minimum estimate of the savings in annual operating costs may be obtained by taking the lowest estimate of the cost per graduate of the University minus depreciation costs, which is $125,000, and subtracting the $34,000 cost of a graduate from the scholarship program. The difference of $91,000, multiplied by 150 graduates of the medical school annually, yields an estimated annual savings of $13,650,000, in 1975 dollars.

8. Finally, bids for the first major construction at the University for a basic science building, for which $15,000,000 have been appropriated, are to be opened on May 22, 1975. A decision as to the future of the University should be made, preferably before major construction is underway.

RECOMMENDATION

Notwithstanding the minimal start-up expenditures that have already been made, the Commission recommends that: (1) The Uniformed Services University of the Health Sciences approach be terminated; and (2) more extensive utilization be made of existing scholarship, subsidies and bonus programs as a more cost-effective way to meet current and future procurement and retention goals for military professional medical personnel of high quality.

Mr. FRENZEL. Mr. Chairman, the military construction authorization, H.R. 5210, is about one-third more than last year's, even though it is under the budget request. If the Congress is to apply consistent standards to its scrutiny of authorizations and appropriations, this bill should not pass.

I would have liked the bill better if the amendments deleting funds for the armed services medical school, and for the new installations on Diego Garcia, had passed, but I still could not have supported the bill at anywhere the level of a 33-percent increase over last year.

Even if about $300 million is subtracted for the transition quarter, the increase is too large at a time of deficits variously estimated to fall between $60 and $80 billion for the fiscal year. Every expenditure must, however vital, must be carefully considered. Every one which is over budget, or substantially over fiscal year 1975 ought to be a candidate for rejection. Since the increase in H.R. 5210 far exceeds inflation or cost-of-living increases, I shall vote against it.

Mr. McCLORY. Mr. Chairman, in our consideration today of the military construction authorization bill, I am pleased to note that funds totaling $11,599,000 are being approved for three projects at Great Lakes Naval Training Center.

The largest item, totaling $10,448,000, will enable the Service School Command at the Great Lakes Naval Training Center to develop technical training facilities, which will include improved classrooms and laboratories to support enginemen, operations specialists and instructors for the training school. This will involve building additions and alterations at three locations in the Service School Command area and will augment the electronics training facilities, part of which is occasioned by the closure of the electronics training school at Treasure Island.

Mr. Chairman, an additional project at the Navy Public Works Center will also result in a much needed improvement at this great naval training center.

Mr. Chairman, additionally, I note that energy conservation construction has been authorized at Great Lakes totaling $2,530,000. This expenditure should contribute substantially to our program toward self-sufficiency in petroleum and enable our Nation to reduce imports of petroleum from the OPEC nations.

Mr. Chairman, recent developments around the world indicate the ever-increasing importance of a strong Navy. The modernization of facilities at Great Lakes Naval Training Center, and the particular emphasis on service school training in electronics, electricity, and other sophisticated programs associated with the new modern Navy, justify the approval today by the House of Representatives of these items of proposed expenditure at Great Lakes.

Mr. Chairman, I am confident that the House will give overwhelming approval to the measure in which these items are included.

Ms. ABZUG. Mr. Chairman, recent articles in the Washington newspapers amply detail the faults of this provocative new project on Diego Garcia.

On July 20, George C. Wilson of the Washington Post wrote that "a tiny island in the Indian Ocean threatens to usher in a new naval armaments race." We should be negotiating with the Soviet Union in the spirit of détente to keep the Indian Ocean clear of naval confrontation. Many States in the area have formally requested us and the Soviet Union to desist from escalating the arms race there.

In yesterday's Star, George C. McGhee writes that—

> There is * * * no justification for the permanent earmarking of substantial U.S. naval forces to the Indian Ocean.

He writes further that—

> Any attempt to establish in peacetime the bases we might need for war would probably start a war.

McGhee doubts the Soviets plan a naval buildup in the Indian Ocean, unless we provoke them.

Finally, this project, implying as it does new ship procurement and deployment, could turn out to be horribly costly. It is unwise and harms the cause of peace.

Mr. DRINAN. Mr. Chairman, the military construction authorization for fiscal year 1976 contains $64,900,000 for completion of the Uniformed Services Health Sciences University which was established under Public Law 92-426 in September 1972. Since that time further thought has been given to this project by educators, Members of Congress, and the Defense Manpower Commission which was created by the Congress to provide a unified and comprehensive approach to the Nation's defense manpower needs over the next decade.

Approval of the requested $64,900,000 would commit the Nation to complete support and funding for this project although it has already been acknowledged that it will cost the Federal Government more to obtain a medical graduate from the military medical school than from the Armed Forces medical scholarship program.

Justification for the project has rested upon the need for procurement and retention of physicians within the armed services. The establishment of a Uniformed Services University of the Health Sciences is an unjustifiably costly method for securing this objective and relatively inflexible once established. Added to this is the question of whether the characteristics of military training are compatible with the central tenets of medicine and, secondly, whether we are letting the military extend its influence in society past the point of necessity.

The Defense Manpower Commission found that the construction cost of $102 million has proven to be substantially understated. The actual cost will be well over double this amount. The future costs of the university are highly uncertain. It appears that the accession cost per medical graduate will be no lower than $150,000 and may well exceed $200,000. This is about four or five times the $34,000 cost to the Government of obtaining a graduate through the scholarship program. Both the scholarship and bonus programs could be liberalized and still be less costly than the University. If the University is discontinued the savings in construction costs alone would be $96,000,000. The Defense Manpower Commission estimates that a minimum projection of the savings in annual operating costs is $13,650,000 in 1975 dollars. The Commission recommended that the project be abandoned and that existing scholarship, subsidies and bonus programs be expanded as a more cost-effective way to meet current and future procurement and retention goals for military professional medical personnel of high quality.

Behind much of the opposition on an ideological level is the philosophical question whether the establishment of a Federal university is in accord with the tradition of American higher education.

The shortage of physicians in this country is a national concern that goes beyond the needs of defense. Yet there has been a steady increase in the number of medical schools and there has also been increased Federal aid to medical education during the past 12 years. We can hope that this trend continues.

In 1972 the Association of American Medical Colleges stated that it did not believe that the establishment of a self-contained Government medical school would adequately meet either the problems of procurement or retention.

The reasoning behind this belief was thoughtfully set forth by the prestigious National Academy of Sciences:

> The academic preparation for medicine and other professional careers in health involves a carefully integrated process of education, training, and controlled experience which must be carried out in a broad and diverse community setting which will permit encounter with the full range of diseases,

disabilities and health problem . . . The manner in which this broad community base could be developed for a purely military medical school seems to present a number of difficulties. More importantly, little would seem to be gained from such a step that would compare with the sizable contributions that could accrue both to the nation at large as well as to military needs by continuing the expansion of our existing system of state and privately supported medical institutions for the health professions. It is this series of institutions with their deep community roots and involvement that can provide the soundest base for the development of the highly qualified professionals needed to cope with the full range of health and medical problems, civilian and military.

The CHAIRMAN. Are there any amendments to title VII?

If not, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. MIKVA, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 5210) to authorize certain construction at military installations, and for other purposes, pursuant to House Resolution 601, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted in the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. EDWARDS of Alabama. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 369, nays 47, not voting 18, as follows:

[Roll No. 444]

YEAS—369

Abdnor
Adams
Addabbo
Alexander
Ambro
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Aspin
Bafalis
Baldus
Barrett
Bauman
Beard, R.I.
Beard, Tenn.
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Corman
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dent
Derrick
Derwinski
Devine
Dickinson
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Duncan, Oreg.
Duncan, Tenn.
du Pont
Eckhardt
Edwards, Ala.
Eilberg
Emery
English
Erlenborn
Esch
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Florio
Flowers
Flynt
Foley
Ford, Mich.
Fountain
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harris
Harsha
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Hinshaw
Holland
Holt
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Michel
Mikva
Milford
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Natcher
Neal
Nedzi
Nichols
Nix
Nowak
Oberstar
O'Brien
O'Hara
O'Neill
Passman
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Rees
Regula
Reuss
Rhodes
Richmond
Riegle
Rinaldo
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rostenkowski
Roush
Rousselot
Runnels
Ruppe
Russo
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Schneebeli
Schroeder
Schulze
Sebelius
Sharp
Shipley
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Stuckey
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thone
Traxler
Treen
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Whalen
White
Whitehurst
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki

NAYS—47

Abzug
AuCoin
Badillo
Bedell
Blouin
Burton, John
Burton, Phillip
Chisholm
Clay
Conyers
Cornell
Crane
Dellums
Drinan
Early
Edgar
Edwards, Calif.
Forsythe
Fraser
Frenzel
Harkin
Harrington
Hechler, W. Va.
Heckler, Mass.
Holtzman
Kastenmeier
Maguire
Mezvinsky
Miller, Calif.
Mitchell, Md.
Moffett
Myers, Pa.
Nolan
Obey
Ottinger
Rangel
Rosenthal
Roybal
Ryan
Scheuer
Seiberling
Simon
Stark
Stokes
Studds
Thompson
Weaver

NOT VOTING—18

Anderson, Calif.
Baucus
Bell
Broomfield
Flood
Ford, Tenn.
Fulton
Hastings
Jarman
Landrum
Peyser
Risenhoover
Teague
Thornton
Udall
Whitten
Young, Alaska
Zeferetti

So the bill was passed.

The Clerk announced the following pairs:

Mr. Zeferetti with Mr. Bell.

Mr. Baucus with Mr. Ford of Tennessee.

Mr. Teague with Mr. Broomfield.

Mr. Risenhoover with Mr. Jarman.

Mr. Anderson of California with Mr. Young of Alaska.

Mr. Udall with Mr. Whitten.

Mr. Fulton with Mr. Hastings.

Mr. Flood with Mr. Peyser.

Mr. Landrum with Mr. Thorton.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. ICHORD. Mr. Speaker, pursuant to the provisions of House Resolution 601, I call up from the Speaker's table the Senate bill, S. 1247 to authorize certain construction at military installations, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

AMENDMENT OFFERED BY MR. ICHORD

Mr. ICHORD. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ICHORD: Strike out all after the enacting clause of S. 1247 and insert in lieu thereof the provisions of H.R. 5210, as passed, as follows:

TITLE I

SEC. 101. The Secretary of the Army may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment for the following acquisition and construction:

INSIDE THE UNITED STATES

UNITED STATES ARMY FORCES COMMAND

Defense Support Activity (Fargo Building), Boston, Massachusetts, $8,000,000.

Fort Bragg, North Carolina, $13,214,000.

Fort Campbell, Kentucky, $60,680,000.

Fort Carson, Colorado, $10,732,000.

Fort Hood, Texas, $46,281,000.

Fort Sam Houston, Texas, $870,000.

Fort Lewis, Washington, $31,861,000.

Fort George G. Meade, Maryland, $2,892,000.

Fort Ord, California, $32,209,000.

Fort Polk, Louisiana, $54,361,000.

Fort Richardson, Alaska, $545,000.

Fort Riley, Kansas, $14,879,000.

Fort Stewart/Hunter Army Airfield, Georgia, $40,100,000.

UNITED STATES ARMY TRAINING AND DOCTRINE COMMAND

Fort Benning, Georgia, $44,212,000.

Fort Eustis, Virginia, $633,000.

Fort Gordon, Georgia, $6,945,000.

Fort Jackson, South Carolina, $14,546,000.

Fort Knox, Kentucky, $42,898,000.

Fort Lee, Virginia, $719,000.

Fort McClellan, Alabama, $41,090,000.

Fort Rucker, Alabama, $13,239,000.

Fort Sill, Oklahoma, $15,772,000.

Fort Leonard Wood, Missouri, $4,984,000.

UNITED STATES ARMY MATERIAL COMMAND

Aberdeen Proving Ground, Maryland, $5,000,000.

Aeronautical Depot Maintenance Center, Texas, $642,000.

Army Materials and Mechanics Research Center, Massachusetts, $976,000.

Natick Laboratories, Massachusetts, $222,000.

Redstone Arsenal, Alabama, $1,571,000.

Sierra Army Depot, California, $1,160,000.

White Sands Missile Range, New Mexico, $3,715,000.

Yuma Proving Ground, Arizona, $778,000.

UNITED STATES ARMY COMMUNICATIONS COMMAND

Fort Huachuca, Arizona, $7,517,000.

Camp Roberts, California, $415,000.

UNITED STATES MILITARY ACADEMY

United States Military Academy, West Point, New York, $3,883,000.

UNITED STATES ARMY HEALTH SERVICES COMMAND

Fort Detrick, Maryland, $972,000.

Walter Reed Army Medical Center, Washington, District of Columbia, $3,580,000.

POLLUTION ABATEMENT

Various locations: Air Pollution Abatement, $2,647,000.

Various locations: Water Pollution Abatement, $51,846,000.

DINING FACILITIES MODERNIZATION

Various locations, $16,547,000.

ENERGY CONSERVATION

Various locations, $31,963,000.

NUCLEAR WEAPONS SECURITY

Various locations, $2,652,000.

Outside the United States

UNITED STATES FORCES COMMAND

Fort Buchanan, Puerto Rico, $2,480,000.

EIGHTH UNITED STATES ARMY, KOREA

Various locations, $9,281,000.

UNITED STATES ARMY SECURITY AGENCY

Various locations, $1,176,000.

UNITED STATES ARMY, EUROPE

Germany, various locations, $20,599,000.

Various locations: For the United States share of the cost of multilateral programs for the acquisition or construction of military facilities and installations, including international military headquarters, for the collective defense of the North Atlantic Treaty Area, $80,000,000 and an additional $20,000,000 for the period July 1, 1976, through September 30, 1976: *Provided*, That, within thirty days after the end of each quarter, the Secretary of the Army shall furnish to the Committees on Armed Services and on Appropriations of the Senate and House of Representatives a description of obligations incurred as the United States share of such multilateral programs.

NUCLEAR WEAPONS SECURITY

Various locations, $34,000,000.

SEC. 102. The Secretary of the Army may establish or develop Army installations and facilities by proceeding with construction made necessary by changes in Army missions and responsibilities which have been occasioned by (1) unforeseen security considerations, (2) new weapons developments, (3) new and unforeseen research and development requirements, or (4) improved production schedules if the Secretary of Defense determines that deferral of such construction for inclusion in the next Military Construction Authorization Act would be inconsistent with interests of national security, and in connection therewith to acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities and equipment; in the total amount of $10,000,000: *Provided*, That the Secretary of the Army, or his designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization will expire upon enactment of the fiscal year 1977 Military Construction Authorization Act except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to that date.

SEC. 103. Section 108(a), Public Law 88–390 as amended, is amended under the heading Inside the United States in section 101 as follows:

(1) With respect to Letterman General Hospital, California, strike out $15,424,000 and insert in place thereof $15,704,000.

(b) Public Law 88–390 as amended, is amended by striking out in clause 1 of section 602 $257,098,000 and $308,159,000 and inserting in place thereof $257,378,000 and $308,439,000, respectively.

SEC. 104. (a) Public Law 90–110, as amended, is amended under the heading "Inside the United States," in section 101 as follows:

With respect to "Fort Lee, Virginia" strike out $2,575,000" and insert in place thereof "$3,615,000."

(b) Public Law 90–110, as amended, is amended by striking out in clause (1) of section 802 "$288,355,000" and "$391,748,000" and inserting in place thereof "$289,395,000" and "$392,788,000", respectively.

SEC. 105. (a) Public Law 92–145, as amended, is amended under the heading "Inside the United States," in section 101 as follows:

(1) With respect to "Walter Reed Army Medical Center, District of Columbia," strike out "$112,500,000" and insert in place thereof "$134,652,000."

(b) Public Law 92–145, as amended, is amended by striking out in clause (1) of section 702 "$363,626,000" and "$405,607,000" and inserting in place thereof "$385,778,000" and "$427,759,000," respectively.

SEC. 106 (a) Public Law 93–166, as amended, is amended under the heading "Inside the United States," in section 101 as follows:

(1) With respect to "Fort Polk, Louisiana," strike out "$29,276,000" and insert in place thereof "$44,536,000."

(2) With respect to "Eglin Air Force Base, Florida," strike out "$2,950,000" and insert in place thereof "$3,461,000."

(3) With respect to "Fort Rucker, Alabama," strike out "$3,987,000" and insert in place thereof "$4,810,000."

(4) With respect to "Fort Leonard Wood, Missouri" strike out "$44,482,000" and insert in place thereof "$54,283,000."

(5) With respect to "Aeronautical Depot Maintenance Center, Texas," strike out "$6,284,000," and insert in place thereof "$7,353,000."

(6) With respect to "Natick Laboratories, Massachusetts," strike out "$466,000," and insert in place thereof "$617,000."

(7) With respect to "White Sands Missile Range, New Mexico," strike out "$3,843,000," and insert in place thereof "$6,339,000."

(8) With respect to "Yuma Proving Ground, Arizona," strike out "$6,472,000" and insert in place thereof "$7,991,000."

(b) Public Law 93–166, as amended, is amended by striking out in clause (1) of section 602 "$485,827,000" and "$599,927,000" and inserting in place thereof "$517,457,000," and "$631,557,000," respectively.

SEC. 107. (a) Public Law 93–552 is amended under the heading "Inside the United States" in section 101 as follows:

(1) With respect to "Fort Benning, Georgia," strike out "$36,827,000" and insert in place thereof "$37,156,000."

(2) With respect to "Fort Jackson, South Carolina," strike out "$19,078,000," and insert in place thereof "$21,269,000."

(b) Public Law 93–552 is amended under the heading "Outside the United States" in section 101 as follows:

With respect to "Fort Buckner, Okinawa," strike out "$532,000," and insert in place thereof "$944,000."

(c) Public Law 93–552 is amended by striking out in clause (1) of section 602 "$491,695,000," "$120,184,000" and "$611,879,000" and inserting in place thereof "$494,215,000," "$120,596,000," and "$614,811,000," respectively.

TITLE II

SEC. 201. The Secretary of the Navy may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment for the following acquisition and construction:

Inside the United States

THIRD NAVAL DISTRICT

Naval Submarine Base, New London, Connecticut, $17,513,000.

Naval Weapons Station, Earle, New Jersey, $879,000.

Naval Underwater Systems Center, New London, Dresden, New York, $150,000.

NAVAL DISTRICT, WASHINGTON

Naval District, Washington, District of Columbia, $1,704,000.

Naval Research Laboratory, Washington, District of Columbia, $4,824,000.

National Naval Medical Center, Bethesda, Maryland, $100,000,000.

Uniformed Services University of the Health Sciences, Bethesda, Maryland, $64,900,000.

Naval Ship Research Development Center, Carderock, Maryland, $550,000.

Naval Surface Weapons Center, Dahlgren, Virginia, $2,375,000.

FIFTH NAVAL DISTRICT

Commander in Chief, Atlantic Fleet, Norfolk, Virginia, $4,246,000.

Fleet Combat Direction Systems Training Center, Atlantic, Dam Neck, Virginia, $4,383,000.

Naval Air Station, Oceana, Virginia, $3,293,000.

Naval Weapons Station, Yorktown, Virginia, $14,743,000.

SIXTH NAVAL DISTRICT

Naval Air Station, Cecil Field, Florida, $2,557,000.

Naval Air Station, Jacksonville, Florida, $3,382,000.

Naval Station, Mayport, Florida, $3,169,000.

Naval Hospital, Orlando, Florida, $2,978,000.

Naval Training Center, Orlando, Florida, $5,588,000.

Naval Air Station, Pensacola, Florida, $4,282,000.

Naval Air Station, Whiting Field, Florida, $967,000.

Charleston Naval Shipyard, Charleston, South Carolina, $2,748,000.

Fleet Ballistic Missile Submarine Training Center, Charleston, South Carolina, $250,000.

Naval Station, Charleston, South Carolina, $2,100,000.

Polaris Missile Facility Atlantic, Charleston, South Carolina, $195,000.

Naval Air Station, Pensacola, Florida, $450,000 from funds authorized in this Act for other projects at Pensacola Naval Air Station.

EIGHTH NAVAL DISTRICT

Naval Personnel Center, New Orleans, Louisiana, $21,300,000.

Naval Support Activity, New Orleans, Louisiana, $1,856,000.

NINTH NAVAL DISTRICT

Naval Training Center, Great Lakes, Illinois, $10,448,000.

Navy Public Works Center, Great Lakes, Illinois, $1,151,000.

ELEVENTH NAVAL DISTRICT

National Parachute Test Range, El Centro, California, $1,345,000.

Long Beach Naval Shipyard, Long Beach, California, $3,322,000.

Naval Air Station, Miramar, California, $20,746,000.

Naval Air Station, North Island, California, $13,817,000.

Naval Construction Battalion Center, Port Hueneme, California, $1,920,000.

Naval Electronics Laboratory Center, San Diego, California, $3,795,000.

Naval Training Center, San Diego, California, $5,455,000.

TWELFTH NAVAL DISTRICT

Naval Weapons Station, Concord, California, $264,000.

Naval Air Station, Moffett Field, California, $2,400,000.

Naval Air Station, Fallon, Nevada, $554,000.

THIRTEEN NAVAL DISTRICT

Naval Regional Medical Center, Bremerton, Washington, $29,959,000.

Naval Air Station, Whidbey Island, Washington, $1,082,000.

FOURTEEN NAVAL DISTRICT

Naval Submarine Base, Pearl Harbor, Hawaii, $2,605,000.

Naval Communication Station, Honolulu, Wahiawa, Hawaii, $2,500,000.

MARINE CORPS

Marine Corps Base, Camp Lejeune, North Carolina, $13,423,000.

Marine Corps Air Station, Cherry Point, North Carolina, $3,547,000.

Marine Corps Air Station, New River, North Carolina, $1,983,000.

Marine Corps Air Station, Beaufort, South Carolina, $2,782,000.

Marine Corps Air Station, Yuma, Arizona, $1,164,000.

Marine Corps Supply Center, Barstow, California, $700,000.

Marine Corps Base, Camp Pendleton, California, $9,480,000.

Marine Corps Air Station, El Toro, California, $2,000,000.

Marine Corps Base, Twentynine Palms, California, $3,159,000.

Marine Corps Air Station, Kaneohe Bay, Hawaii, $5,410,000.

TRIDENT FACILITIES

Various locations, Trident Facilities, $186,967,000, of which not more than $7,000,000 shall be available for community impact assistance as authorized by section 608 of Public Law 93–552.

POLLUTION ABATEMENT

Various locations, Air Pollution Abatement, $3,262,000.

Various locations, Water Pollution Abatement, $44,827,000.

ENERGY CONSERVATION

Various locations, $28,282,000.

NUCLEAR WEAPONS SECURITY

Various locations, $6,580,000.

OUTSIDE THE UNITED STATES

TENTH NAVAL DISTRICT

Atlantic Fleet Weapons Range, Roosevelt Roads, Puerto Rico, $2,128,000.

ATLANTIC OCEAN AREA

Naval Air Station, Bermuda, $78,000.

Naval Air Station, Guantanamo Bay, Cuba, $3,264,000.

Naval Station, Guantanamo Bay, Cuba, $450,000.

INDIAN OCEAN AREA

Naval Support Activity, Diego Garcia, Chagos Archipelago, $13,800,000.

PACIFIC OCEAN AREA

Naval Communication Station, Finegayan, Guam, Mariana Islands, $1,200,000.

Naval Security Group Activity, Hanza, Okinawa, $697,000.

POLLUTION ABATEMENT

Various locations, Water Pollution Abatement, $250,000.

SEC. 202. The Secretary of the Navy may establish or develop Navy installations and facilities by proceeding with construction made necessary by changes in Navy missions and responsibilities which have been occasioned by: (1) unforeseen security considerations, (2) new weapons developments, (3) new and unforeseen research and development requirements, or (4) improved production schedules, if the Secretary of Defense determines that deferral of such construction for inclusion in the next Military Construction Authorization Act would be inconsistent with interests of national security, and in connection therewith to acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation,, appurtenances, utilities, and equipment, in the total amount of $10,000,000: *Provided*, That the Secretary of the Navy, or his designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization will expire upon enactment of the fiscal year 1977 Military Construction Authorization Act, except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to that date.

SEC. 203. (a) Public Law 90–408, as amended, is amended under the heading "INSIDE THE UNITED STATES," in section 201 as follows:

(1) With respect to "Naval Coastal Systems Laboratory, Panama City, Florida," strike out "$9,397,000" and insert in place thereof "$11,321,000".

(2) With respect to "Naval Postgraduate School, Monterey, California," strike out "$1,847,000" and insert in place thereof "$2,064,000".

(b) Public Law 90–408, as amended, is amended by striking out in clause (2) of section 802 "$244,059,000" and "$250,924,000" and inserting in place thereof "$246,200,000" and "$253,065,000", respectively.

SEC. 204. (a) Public Law 91–511, as amended, is amended under the heading "INSIDE THE UNITED STATES," in section 301 as follows:

(1) With respect to "OMEGA Navigation Station, Haiku, Oahu, Hawaii," strike out "$3,162,000" and insert in place thereof "$3,762,000".

(b) Public Law 91–511, as amended, is amended by striking out in clause 2 of section 602 "$247,869,000" and "$275,007,000" and inserting in place thereof "$248,469,000" and "$275,607,000", respectively.

SEC. 205 (a) Public Law 92–545, as amended, is amended under the hearing "INSIDE THE UNITED STATES," in section 201 as follows:

(1) With respect to "Naval Shipyard, Charleston, South Carolina," strike out "$5,316,000," and insert in place thereof "$7,916,000."

(2) With respect to "Naval Shipyard, Puget Sound, Bremerton, Washington," strike out "$5,992,000" and insert in place thereof "$7,792,000."

(b) Public Law 92–545, as amended, is amended by striking out in clause (2) of section 702 "$488,493,000" and "$533,410,000" and inserting in place thereof "$492,893,000" and "$537,810,000," respectively.

SEC. 206. (a) Public Law 93–166, as amended, is amended under the heading "INSIDE THE UNITED STATES," in section 201 as follows:

(1) With respect to "Naval Station, Norfolk, Virginia," strike out "$18,183,000" and insert in place thereof "$20,472,000."

(2) With respect to "Long Beach Naval Shipyard, Long Beach, California," strike out "$6,808,000" and insert in place thereof "$11,508,000."

(3) With respect to "Navy Public Works Center, San Diego, California," strike out "$2,471,000" and insert in place thereof "$5,982,000."

(4) With respect to "Puget Sound Naval Shipyard, Bremerton, Washington," strike out "$2,300,000" and insert in place thereof "$3,531,000."

(5) With respect to "Naval Station, Pearl Harbor, Hawaii," strike out '$4,060,000'" and insert in place thereof "$4,824,000."

(6) With respect to "Marine Corps Air Station, Cherry Point, North Carolina," strike out "$1,821,000" and insert in place thereof "$9,700,000."

(7) With respect to "Marine Corps Air Station, New River, North Carolina," strike out "$3,245,000" and insert in place thereof "$6,755,000."

(8) With respect to "Marine Corps Supply Center, Barstow, California," strike out $6,210,000" and insert in place thereof "$6,862,000."

(9) With respect to "Marine Corps Air Station, Kaneohe Bay, Hawaii," strike out $5,988,000" and insert in place thereof "$6,495,000."

(b) Public Law 93–166, as amended, is amended by striking out in clause (2) of section 602 "$522,006,000" and "$580,839,000," and insert in place thereof "$547,049,000" and "$605,882,000," respectively.

SEC. 207. (a) Public Law 93–552 is amended under the heading "INSIDE THE UNITED STATES," in section 201 as follows:

(1) with respect to "Naval Air Station, Cecil Field, Florida," strike out "$6,893,000" and insert in place thereof "$9,214,000."

(2) With respect to "Naval Station, Mayport, Florida," strike out "$3,239,000" and insert in place thereof "$3,654,000."

(3) With respect to "Naval Air Station, Corpus Christi, Texas," strike out "$1,830,000" and insert in place thereof "$5,430,000."

(4) With respect to "Naval Air Station, Miramar, California," strike out "$11,772,000" and insert in place thereof "$13,732,000."

(5) With respect to "Naval Air Station, North Island, California," strike out "$12,943,000" and insert in place thereof "$14,903,000."

(6) With respect to "Naval Station, Adak, Alaska," strike out "$7,697,000" and insert in place thereof "$10,642,000."

(7) With respect to "Puget Sound Naval Shipyard, Bremerton, Washington," strike out $393,000" and insert in place thereof "$623,000."

(8) With respect to "Marine Corps Air Station, Kaneohe Bay, Hawaii," strike out "$5,497,000" and insert in place thereof "$5,606,000."

(b) Public Law 93–552 is amended by striking out in clause (2) of section 602 "$509,498,000" and "$550,956,000" and inserting in place thereof "$523,038,000" and "$564,496,000," respectively.

TITLE III

SEC. 301. The Secretary of the Air Force may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment for the following acquisition and construction:

INSIDE THE UNITED STATES

AEROSPACE DEFENSE COMMAND

Tyndall Air Force Base, Panama City, Florida, $10,697,000.

AIR FORCE LOGISTICS COMMAND

Kelly Air Force Base, San Antonio, Texas, $5,535,000.

McClellan Air Force Base, Sacramento, California, $3,461,000.

Newark Air Force Station, Newark, Ohio, $2,117,000.

Robins Air Force Base, Warner Robins, Georgia, $6,517,000.

Tinker Air Force Base, Oklahoma City, Oklahoma, $8,104,000.

Wright-Patterson Air Force Base, Dayton, Ohio, $8,038,000.

AIR FORCE SYSTEMS COMMAND

Edwards Air Force Base, Muroc, California, $5,330,000.

Eglin Air Force Base, Valparaiso, Florida, $8,390,000.

Kirtland Air Force Base, Albuquerque, New Mexico, $5,373,000.

AIR TRAINING COMMAND

Columbus Air Force Base, Columbus, Mississippi, $1,453,000.

Craig Air Force Base, Selma, Alabama, $419,000.

Keesler Air Force Base, Biloxi, Mississippi, $43,140,000.

Lackland Air Force Base, San Antonio, Texas, $104,596,000.

Laughlin Air Force Base, Del Rio, Texas, $11,017,000.

Lowry Air Force Base, Denver, Colorado, $9,162,000.

Randolph Air Force Base, San Antonio, Texas, $5,128,000.

Vance Air Force Base, Enid, Oklahoma, $1,270,000.

Webb Air Force Base, Big Spring, Texas, $4,382,000.

ALASKAN AIR COMMAND

Eielson Air Force Base, Fairbanks, Alaska, $471,000.

Elmendorf Air Force Base, Anchorage, Alaska, $568,000.

Various Locations, $12,468,000.

HEADQUARTERS COMMAND

Andrews Air Force Base, Camp Springs, Maryland, $6,906,000.

Bolling Air Force Base, Washington, District of Columbia, $3,089,000.

MILITARY AIRLIFT COMMAND

Altus Air Force Base, Altus, Oklahoma, $996,000.

McChord Air Force Base, Tacoma, Washington, $1,189,000.

McGuire Air Force Base, Wrightstown, New Jersey, $1,740,000.

Scott Air Force Base, Belleville, Illinois, $1,488,000.

STRATEGIC AIR COMMAND

Beale Air Force Base, Marysville, California, $3,590,000.

Carswell Air Force Base, Forth Worth, Texas, $1,992,000.

Fairchild Air Force Base, Spokane, Washington, $1,000,000.

Griffis Air Force Base, Rome, New York, $372,000.

Kincheloe Air Force Base, Kinross, Michigan, $670,000.

Malmstrom Air Force Base, Great Falls, Montana, $622,000.

Offut Air Force Base, Omaha, Nebraska, $1,437,000.

Plattsburgh Air Force Base, Plattsburgh, New York, $400,000.

Vandenberg Air Force Base, Lompoc, California, $2,696,000.

Wurtsmith Air Force Base, Oscoda, Michigan, $447,000.

TACTICAL AIR COMMAND

Cannon Air Force Base, Clovis, New Mexico, $1,876,000.

George Air Force Base, Victorville, California, $3,646,000.

Langley Air Force Base, Hampton, Virginia, $1,336,000.

Luke Air Force Base, Glendale, Arizona, $439,000.

Mountain Home Air Force Base, Mountain Home, Idaho, $8,541,000.

Nellis Air Force Base, Las Vegas, Nevada, $990,000.

Seymour Johnson Air Force Base, Goldsboro, North Carolina, $612,000.

POLLUTION ABATEMENT

Various locations: Air pollution abatement, $600,000.

Various locations: Water pollution abatement, $10,098,000.

ENERGY CONSERVATION

Various locations, $46,952,000.

SPECIAL FACILITIES

Various locations, $9,866,000.

NUCLEAR WEAPONS SECURITY

Various locations, $7,909,000.

OUTSIDE THE UNITED STATES

UNITED STATES AIR FORCES IN EUROPE

Germany, $5,346,000.

United Kingdom, $13,524,000.

Various locations, $74,738,000.

UNITED STATES AIR FORCE SECURITY SERVICE

Various locations, $981,000.

SPECIAL FACILITIES

Various locations, $2,666,000.

NUCLEAR WEAPONS SECURITY

Various locations, $5,591,000.

SEC. 302. The Secretary of the Air Force may establish or develop classified military installation and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, in the total amount of $3,982,000.

SEC. 303. The Secretary of the Air Force may establish or develop Air Force installations and facilities by proceeding with construction made necessary by changes in Air Force missions and responsibilities which have been occasioned by: (1) unforeseen security considerations, (2) new weapons developments, (3) new and unforeseen research and development requirements, or (4) improved production schedules, if the Secretary of Defense determines that deferral of such construction for inclusion in the next Military Construction Authorization Act would be inconsistent with interests of national security, and in connection therewith to acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the total amount of $10,000,000: Provided, That the Secretary of the Air Force, or his designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization will expire upon enactment of the fiscal year 1977 Military Construction Authorization Act, except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to that date.

SEC. 304. (a) Section 301 of the Public Law 91–511, as amended, is amended under the heading "INSIDE THE UNITED STATES" as follows:

(1) Under the subheading "AIR TRAINING COMMAND" with respect to Laughlin Air Force Base, Del Rio, Texas", strike out "$310,000" and insert in place thereof "$375,000".

(2) Under the subheading "AIR TRAINING COMMAND" with respect to "Reese Air Force Base, Lubbock, Texas", strike out "$1,047,000" and insert in place thereof "$1,110,000".

(3) Under the subheading "AIR TRAINING COMMAND" with respect to "Webb Air Force Base, Big Spring, Texas", strike out "$349,000" and insert in place thereof "$416,000".

(b) Public Law 91–511, as amended, is further amended by striking out in clause (3) of section 602 "$192,133,000" and "$256,385,000" and inserting in place thereof "$192,328,000" and "$256,580,000"; respectively.

SEC. 305. (a) Section 301 of Public Law 92–145, as amended, is amended under the heading "INSIDE THE UNITED STATES" as follows:

(1) Under the subheading "AIR TRAINING COMMAND" with respect to "Lowry Air Force Base, Denver, Colorado", strike out "$8,435,000" and insert in place thereof "$8,902,000".

(b) Public Law 92–145, as amended, is further amended by striking out in clause (3) of section 702 "$226,697,000" and "$247,560,000" and inserting in place thereof "$227,164,000" and "$248,027,000", respectively.

SEC. 306. (a) Section 301 of Public Law 92–545, as amended, is amended under the heading "INSIDE THE UNITED STATES" as follows:

(1) Under the subheading "AIR FORCE SYSTEMS COMMAND" with respect to "Edwards Air Force Base, Muroc, California", strike out "$534,000" and insert in place thereof "$828,000".

(b) Public Law 92–545, as amended, is further amended by striking out in clause (3) of section 702 "$234,125,000" and "$292,683,000" and inserting in place thereof "$234,419,000, and $292,977,000", respectively.

SEC. 307. (a) Section 301 of Public Law 93–166, as amended, is amended under the heading "INSIDE THE UNITED STATES" as follows:

(1) Under the subheading "STRATEGIC AIR COMMAND" with respect to "Kincheloe Air Force Base, Kinross, Michigan", strike out "$2,430,000" and insert in place thereof "$2,893,000".

(b) Section 301 of Public Law 93–166, as amended, is amended under the heading "OUTSIDE THE UNITED STATES" as follows:

(1) Under the subheading "UNITED STATES AIR FORCES IN EUROPE" with respect to "Germany", strike out "$5,181,000" and insert in place thereof "$6,663,000".

(2) Under the subheading "UNITED STATES AIR FORCE SOUTHERN COMMAND" with respect to "Howard Air Force Base, Canal Zone", strike out "$927,000" and insert in place thereof "$1,827,000".

(c) Public Law 93–166, as amended, is further amended by striking out in clause (3) of section 602 "$260,727,000"; "$21,302,000"; and "$283,029,000" and inserting in place thereof "$261,190,000"; "$23,684,000" and "$258,874,000", respectively.

SEC. 308. (a) Section 301 of Public Law 93–552, is amended under the heading "INSIDE THE UNITED STATES" as follows:

(1) Under the subheading "AIR TRAINING COMMAND" with respect to "Reese Air Force Base, Lubbock, Texas", strike out "836,000" and insert in place thereof "$1,194,000".

(2) Under the subheading "AIR TRAINING COMMAND" with respect to "Webb Air Force Base, Big Spring, Texas", strike out "$776,000" and insert in place thereof "$1,673,000".

(b) Public Law 93–552 is further amended by striking out in clause (c) of section 602 "$307,786,000" and "$390,773,000" and inserting in place thereof "$309,041,000" and "$392,028,000", respectively.

TITLE IV

SEC. 401. The Secretary of Defense may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, for defense agencies for the following acquisition and construction:

INSIDE THE UNITED STATES

DEFENSE INTELLIGENCE AGENCY

Bolling Air Force Base, Washington, District of Columbia, $70,900,000.

DEFENSE MAPPING AGENCY

Defense Mapping Agency Topographic Center, Bethesda, Maryland, $195,000.

DEFENSE SUPPLY AGENCY

Defense Depot, Memphis, Tennessee, $377,000.

Defense Electronics Supply Center, Dayton, Ohio, $96,000.

Defense Fuel Support Point, Melville, Newport, Rhode Island, $352,000.

Defense Fuel Support Point, Norwalk, California, $197,000.

Defense Property Disposal Office, Colorado Springs, Colorado, $440,000.

Defense Property Disposal Office, Elmendorf, Alaska, $403,000.

Defense Property Disposal Office, Monterey, California, $635,000.

Defense Personnel Support Center, Philadelphia, Pennsylvania, $1,400,000.

NATIONAL SECURITY AGENCY

Fort George G. Meade, Maryland, $3,012,000.

POLLUTION ABATEMENT

Various locations: Air pollution abatement, $2,426,000.

Various locations: Water pollution abatement, $322,000.

ENERGY CONSERVATION

Various locations, $175,000.

OUTSIDE THE UNITED STATES

DEFENSE NUCLEAR AGENCY

Johnston Atoll, $4,033,000.

Enewetak Auxiliary Airfield, $14,100,000.

DEFENSE SUPPLY AGENCY

Defense Property Disposal Office, Nuremberg, Germany, $500,000.

Defense Property Disposal Office, Seckenheim, Germany, $237,000.

SEC. 402. The Secretary of Defense may establish or develop installations and facilities which he determines to be vital to the security of the United States, and in connection therewith to acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the total amount of $10,000,000: Provided, That the Secretary of Defense, or his designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including real estate actions pertaining thereto.

SEC. 403. (a) Public Law 92-545, as amended, is amended under the heading "INSIDE THE UNITED STATES", "DEFENSE SUPPLY AGENCY" in section 401 as follows:

With respect to "Defense General Supply Center, Richmond, Virginia" strike out "$1,171,000" and insert in place thereof "$1,365,000".

(b) Public Law 92-545, as amended, is amended by striking out in clause (4) of section 702 "$33,004,000" and inserting in place thereof "$33,198,000".

SEC. 404. (a) Public Law 93-166, as amended, is amended under the heading "DEFENSE SUPPLY AGENCY" in section 401 as follows:

With respect to "Defense Depot, Tracy, California," strike out "$747,000" and insert in place thereof "$1,384,000".

(b) Public Law 93-166, as amended, is amended by striking out in clause (4) of section 602 "$10,000,000" and inserting in place thereof "$10,637,000".

TITLE V—MILITARY FAMILY HOUSING

SEC. 501. The Secretary of Defense, or his designee, is authorized to construct or acquire sole interest in existing family housing units in the numbers and at the locations hereinafter named, but no family housing construction shall be commenced at any such locations in the United States, until the Secretary shall have consulted with the Secretary of the Department of Housing and Urban Development, as to the availability of suitable private housing at such locations. If agreement cannot be reached with respect to the availability of suitable private housing at any location, the Secretary of Defense shall notify the Committees on Armed Services of the Senate and the House of Representatives, in writing, of such difference of opinion, and no contract for construction at such location shall be entered into for a period of thirty days after such notification has been given. This authority shall include the authority to acquire land, and interests in land by gift, purchase, exchange of Government-owned land, or otherwise. If the Secretary of Defense, or his designee, determines it is in the best interests of the Government to acquire sole interest in privately-owned or Department of Housing and Urban Development held family housing units in lieu of construction, the Department of Defense may do so: *Provided*, That family housing units so purchased do not exceed the cost limitations specified in section 502 of this Act nor the limitations on size specified in title 10, United States Code, section 2684: *Provided further*, That no interest in family housing units shall be acquired through the exercise of eminent domain authority.

(a) The Department of the Army, two thousand one hundred units, $73,500,000.

Fort Ord, California, three hundred and fifty units.

Fort Stewart/Hunter Army Airfield, Georgia, seven hundred and fifty units.

Fort Polk, Louisiana, one thousand units.

(b) The Department of the Navy, six hundred and seventy-eight units, $23,730,000.

Naval Facility, Nantucket, Massachusetts, eighteen units.

Marine Corps Base, Camp Lejeune, North Carolina, two hundred and fifty units.

Naval Complex, Bangor, Washington, four hundred units.

Naval Radio Station, Sugar Grove, West Virginia, ten units.

SEC. 502. (a) Authorizations for the construction of family housing provided in section 501 of this Act shall be subject, under such regulations as the Secretary of Defense may prescribe, to the following limitations on cost, which shall include shades, ranges, screens, refrigerators, and all other installed equipment and fixtures, the cost of the family unit, design, supervision, inspection, overhead, the proportionate costs of land acquisition, site preparation, and installation of utilities.

(b) The average unit cost for all units of family housing constructed in the United States (other than Alaska and Hawaii) shall not exceed $35,000 and in no event shall the cost of any unit exceed $51,000.

(c) When family housing units are constructed in areas other than that specified in subsection (b), the average cost of all such units shall not exceed $45,000, and in no event shall the cost of any unit exceed $51,000.

SEC. 503. The Secretary of Defense, or his designee, is authorized to accomplish alterations, additions, expansions, or extensions not otherwise authorized by law, to existing public quarters at a cost not to exceed—

(1) for the Department of the Army, $35,000,000.

(2) for the Department of the Navy, $34,230,000, including $7,200,000 for energy conservation projects.

(3) for the Department of the Air Force, $51,000,000, including $16,000,000 for energy conservation projects.

(4) for the Defense Supply Agency, $127,000.

SEC. 504. Notwithstanding the limitations contained in prior Military Construction Authorization Acts on cost of construction of family housing, the limitations on such cost contained in section 502 of this Act shall apply to all prior authorizations for construction of family housing not heretofore repealed and for which construction contracts have not been executed prior to the date of enactment of this Act.

SEC. 505. The Secretary of Defense, or his designee, is authorized to construct or otherwise acquire at the locations hereinafter named, family housing units not subject to the limitations on such cost contained in section 502 of this Act. This authority shall include the authority to acquire land, and interests in land, by gift, purchase, exchange of Government-owned land, or otherwise. Total costs shall include shades, screens, ranges, refrigerators, and other installed equipment and fixtures, the cost of the family unit, and the costs of land acquisition, site preparation, design, supervision, inspection, overhead, and installation of utilities.

(a) Bethesda Naval Hospital, Maryland, one unit, at a total cost not to exceed $70,000.

(b) Twelve family housing units at various overseas locations for the Defense Intelligence Agency, at a total cost not to exceed $1,320,000. This authority shall be funded by use of excess foreign currency when so provided in Department of Defense Appropriation Acts.

(c) Three family housing units in Cairo, Egypt, at a total cost not to exceed $180,000. This authority shall be funded by use of excess foreign currency when so provided in Department of Defense Appropriation Acts.

(d) Naval Base, Keflavik, Iceland, two hundred and fifty units, at a total cost not to exceed $17,500,000.

SEC. 506. The Secretary of Defense, or his designee, is authorized to accomplish repairs and improvements to existing public quarters in amounts in excess of the $15,000 limitation prescribed in section 610(a) of Public Law 90-110, as amended (81 Stat. 279, 305), as follows:

Fort McClellan, Alabama, twenty-six units, $465,900.

Fort Richardson, Alaska, two hundred and eight units, $4,000,000.

Fort McNair, Washington, District of Columbia, five units, $195,000.

Fort Sill, Oklahoma, thirty-two units, $654,400.

Fort Eustis, Virginia, one hundred eighty-five units, $3,140,000.

Fort Lewis, Washington, one hundred thirty-six units, $2,503,000.

Naval Station, Adak, Alaska, thirty-six units, $665,000.

Public Works Center, Pearl Harbor, Hawaii, one hundred forty-five units, $2,500,000.

Marine Corps Recruit Depot, Parris Island, South Carolina, one hundred seventy-eight units, $2,685,800.

SEC. 507. (a) Section 515 of Public Law 84-161 (69 Stat. 324, 352), as amended, is further amended by (1) striking out "During fiscal years 1975 and 1976", and (2) revising the third sentence to read as follows: "Expenditures for the rental of such housing facilities, including the cost of utilities and maintenance and operation, may not exceed: For the United States (other than Alaska, Hawaii, and Guam) and Puerto Rico, an average of $245 per month for each military department, or the amount of $325 per month for any one unit; and for Alaska, Hawaii, and

Guam, an average of $310 per month for each military department, or the amount of $385 per month for any one unit."

(b) Section 507(b) of Public Law 93-166 (87 Stat. 661, 676), as amended, is further amended by striking out "$355", "$625", and "twelve thousand" in the first sentence, and inserting in lieu thereof "$380", "$670", and "fifteen thousand", respectively.

Sec. 508. There is authorized to be appropriated for use by the Secretary of Defense, or his designee, for military family housing as authorized by law for the following purposes:

(1) for construction or acquisition of sole interest in family housing, including demolition, authorized improvements to public quarters, minor construction, relocation of family housing, rental guarantee payments, and planning an amount not to exceed $208,277,000, including $1,900,000 for the period July 1, 1976, through September 30, 1976.

(2) for support of military family housing, including operating expenses, leasing, maintenance of real property, payments of principal and interest on mortgage debts incurred, payment to the Commodity Credit Corporation, and mortgage insurance premiums authorized under section 222 of the National Housing Act, as amended (12 U.S.C. 1715m), an amount not to exceed $1,434,676,000, including $308,739,000 for the period July 1, 1976, through September 30, 1976.

Sec. 509. Section 509 of Public Law 93-552 (88 Stat. 1745, 1759), is hereby amended by changing the period to a comma and by adding "except as authorized by the Committees on Armed Services of the Senate and House of Representatives for unusual circumstances resulting from excessive noise, adverse environmental conditions, or health of the occupants."

TITLE VI

GENERAL PROVISIONS

Sec. 601. The Secretary of each military department may proceed to establish or develop installations and facilities under this Act without regard to section 3648 of the Revised Statutes, as amended (31 U.S.C. 529), and sections 4774 and 9774 of title 10, United States Code. The authority to place permanent or temporary improvements on land includes authority for surveys, administration, overhead, planning, and supervision incident to construction. That authority may be exercised before title to the land is approved under section 355 of the Revised Statutes, as amended (40 U.S.C. 266), and even though the land is held temporarily. The authority to acquire real estate or land includes authority to make surveys and to acquire land, and interests in land (including temporary use), by gift, purchase, exchange of Government-owned land, or otherwise.

Sec. 602. There are authorized to be appropriated such sums as may be necessary for the purposes of this Act, but appropriations for public works projects authorized by titles I, II, III, IV, and V, shall not exceed—

(1) for title I: Inside the United States, $638,310,000; outside the United States, $167,536,000; or a total of $805,846,000.

(2) for title II: Inside the United States, $686,407,000; outside the United States, $21,867,000; or a total of $708,274,000.

(3) for title III: Inside the United States, $379,135,000; outside the United States, $102,846,000; section 302, $3,982,000; or a total of $485,963,000.

(4) for title IV: A total of $109,800,000.

(5) for title V: Military Family Housing $1,642,953,000.

Sec. 603. (a) Except as provided in subsection (b), any of the amounts specified in titles I, II, III, and IV of this Act, may, in the discretion of the Secretary or Director of the Defense Agency concerned, be increased by 10 per centum when inside the United States (other than Hawaii and Alaska), and by 15 per centum when outside the United States or in Hawaii and Alaska, if he determines that such increase (1) is required for the sole purpose of meeting unusual variations in cost, and (2) could not have been reasonably anticipated at the time such estimate was submitted to the Congress. However, the total cost of all construction and acquisition in each such title may not exceed the total amount authorized to be appropriated in that title.

(b) When the Secretary of Defense determines that a project within the amount named for any construction or acquisition in title I, II, III, or IV of this Act must be increased by more than the applicable percentage prescribed in subsection (a), the Secretary or Director of the defense agency concerned may proceed with such construction or acquisition after a written report of the facts relating to the increased cost of such project or any reductions in approved scope of the project, and including a statement of the reasons for such increase, has been submitted to the Committees on Armed Services of the Senate and House of Representatives, and either (1) thirty days has elapsed from date of submission of such report or (2) both committees have indicated approval.

(c) The Secretary of Defense shall submit an annual report to the Congress identifying each individual project which has been placed under contract in the preceding twelve-month period and with respect to which the then current working estimate of the Department of Defense based upon bids received for such project exceeded the amount authorized by the Congress for that project by more than 25 per centum. The Secretary shall also include in such report each individual project with respect to which the scope was reduced in order to permit contract award within the available authorization for such project. Such report shall include all pertinent cost information for each individual project, including the amount in dollars and percentage by which the current working estimate based on the contract price for the project exceeded the amount authorized for such project by the Congress.

Sec. 604. Contracts for construction made by the United States for performance within the United States and its possessions under this Act shall be executed under the jurisdiction and supervision of the Corps of Engineers, Department of the Army, or the Naval Facilities Engineering Command, Department of the Navy, or such other department or Government agency as the Secretaries of the military departments recommend and the Secretary of Defense approves to assure the most efficient, expeditious, and cost-effective accomplishment of the construction herein authorized. The Secretaries of the military departments shall report annually to the President of the Senate and the Speaker of the House of Representatives a breakdown of the dollar value of construction contracts completed by each of the several construction agencies selected together with the design, construction supervision, and overhead fees charged by each of the several agents in the execution of the assigned construction. Further, such contracts (except architect and engineering contracts which, unless specifically authorized by the Congress shall continue to be awarded in accordance with presently established procedures, customs, and practice) shall be awarded, insofar as practicable, on a competitive basis to the lowest responsible bidder, if the national security will not be impaired and the award is consistent with chapter 137 of title 10, United States Code. The Secretaries of the military departments shall report annually to the President of the Senate and the Speaker of the House of Representatives with respect to all contracts awarded on other than a competitive basis to the lowest responsible bidder.

Sec. 605. As of January 1, 1977, all authorizations for military public works, including family housing, to be accomplished by the Secretary of a military department in connection with the establishment or development of installations and facilities, and all authorizations for appropriations therefor, that are contained in titles I, II, III, IV, and V of the Act of December 27, 1974, Public Law 93-552 (88 Stat. 1745), and all such authorizations contained in Acts approved before December 28, 1974, and not superseded or otherwise modified by a later authorization are repealed except—

(1) authorizations for public works and for appropriations therefor that are set forth in those Acts in the titles that contain the general provisions;

(2) authorizations for public works projects as to which appropriated funds have been obligated for construction contracts, land acquisition, or payments to the North Atlantic Treaty Organization, in whole or in part before January 1, 1977, and authorizations for appropriations therefor;

(3) notwithstanding the repeal provisions of section 605 of the Act of December 27, 1974, Public Law 93-552 (88 Stat. 1745, 1761), authorizations for the following items which shall remain in effect until January 1, 1978:

(a) Barracks with mess construction in the amount of $535,000 at Camp A. P. Hill, Virginia, that is contained in title I, section 101 of the Act of November 29, 1973 (87 Stat. 661), as amended.

(b) Barracks with mess construction in the amount of $476,000 at Camp Pickett, Virginia, that is contained in title I, section 101 of the Act of November 29, 1973 (87 Stat. 661), as amended.

(c) Military Police Barracks with support facilities construction in the amount of $1,831,000 and confinement facility construction in the amount of $6,287,000 at Fort Leonard Wood, Missouri that is contained in title I section 101 of the Act of November 29, 1973 (87 Stat. 661), as amended.

(d) Barracks Complex construction in the amount of $8,622,000 at Fort Ord, California, that is contained in title I, section 101 of the Act of November 29 1973 (87 Stat. 662), as amended.

(e) Barracks construction in the amount of $2,965,000 at Aberdeen Proving Ground, Maryland, that is contained in title I, section 101 of the Act of November 29, 1973 (87 Stat. 662), as amended.

(f) Barracks with mess construction in the amount of $466,000 at Natick Laboratories, Massachusetts, that is contained in title I, section 101 of the Act of November 29, 1973 (87 Stat. 662), as amended.

(g) Barracks without mess construction in the amount of $3,060,000 at Fort Greely, Alaska, that is continued in title I, section 101 of the Act of November 29, 1973 (87 Stat. 662), as amended.

(h) Relocate Weapons Ranges from Culebra Complex in the amount of $12,000,000 for the Atlantic Fleet Weapons Range, Roosevelt Roads, Puerto Rico, that is contained in title II, section 204 of the Act of November 29, 1973 (87 Stat. 668), as amended.

(i) Authorization for acquisition of lands in support of the Air Installation Compatible Use Zones at Various Locations not limited to those in the original project in the amount of $12,000,000 that is contained in title III, section 301 of the Act of October 25, 1972 (86 Stat. 1145), as amended by section 605(3) (K) of the Act of December 27, 1974 (88 Stat. 1762), as amended.

(j) Authorization for acquisition of lands in support of the Air Installation Compatible Use Zones at Various Locations not limited to those identified in the original project in the amount of $18,000,000 that is contained in title III, section 301 of the Act of November 29, 1973 (87 Stat. 671), as amended.

Sec. 606. None of the authority contained in titles I, II, III, and IV of this Act shall be deemed to authorize any building construction projects inside the United States in excess of a unit cost to be determined in proportion to the appropriate area construction cost index, based on the following unit cost limitations where the area construction index is 1.0:

(1) $35.00 per square foot for permanent barracks;

(2) $37.00 per square foot for bachelor officer quarters;

unless the Secretary of Defense, or his designee, determines that because of special circumstances, application to such project of the limitations on unit costs contained in this section is impracticable: *Provided*, That notwithstanding the limitations contained in prior Military Construction Authorization Acts on unit costs, the limitations on such costs contained in this section shall apply to all prior authorizations for such construction not heretofore repealed and for which construction contracts have not been awarded by the date of enactment of this Act.

SEC. 607. Chapter 159 of title 10, United States Code, is amended:

(1) By striking out the figure "$300,000" in the item relating to section 2674 in the analysis and inserting "$400,000" in place thereof.

(2) By striking out the figure "$300,000" in the catchline of section 2674 and inserting "$400,000" in place thereof.

(3) By striking out the figures "$300,000," "$100,000", and "$50,000" in section 2674(b) and inserting "$400,000," and "$200,000," and "$75,000," respectively, in place thereof.

(4) By striking out the figure "$50,000" in sections 2674 (a) and (e) and inserting "$75,000" in place thereof.

(5) By striking out "quarterly" in section 2662(b) and inserting in place thereof, "annually."

(6) By striking section 2662(c) and inserting in place thereof:

"This section applies only to real property in the United States, Puerto Rico, Guam, the American Virgin Islands, American Samoa and the Trust Territory of the Pacific Islands. It does not apply to real property for river and harbor projects or flood control projects, or to leases of Government-owned real property for agricultural or grazing purposes or to any real property acquisition specifically authorized in a Military Construction Authorization Act."

(7) By adding the following new subsection to section 2667:

"(f) Notwithstanding clause (3) subsection (a), real property and associated personal property, which have been determined excess as the result of a Defense installation realignment or closure, may be leased to State or local governments pending final disposition if:

"(1) The Secretary concerned determines that such action would facilitate State and local economic adjustment efforts, and

"(2) The Administrator, General Services Administration, concurs in the action."

(8) By adding the following new section:

"SEC. 2672. a. Acquisition: interests in land when need is urgent. Subject to the provisions of 10 U.S.C. 2662, the Secretary of a military department may acquire any interest in land that—

"(1) he or his designee determines is needed in the interest of national defense; and

"(2) is required to maintain the operational integrity of a military installation; and

"(3) considerations of urgency do not permit the delay necessary to include the required acquisition in an annual Military Construction Authorization Act.

"Appropriations available for military construction will be used for the purposes of this section. The authority to acquire an interest in land under this section includes authority to make surveys and acquire interests in land (including temporary use), by gift, purchase, exchange of land owned by the United States, or otherwise."

(9) By striking from the catchline and analysis relating to section 2675 the second colon and all that follows:

(10) By striking the following words from the first sentence of section 2675, "that are not located on a military base and".

SEC. 608. In addition to all other authorized variations of cost limitations or floor area limitations contained in this Act or prior Military Construction Authorization Acts, the Secretary of Defense, or his designee, may permit increases in the cost limitations or floor area limitations by such amounts as may be necessary to equip any projects with solar heating and/or cooling equipment.

SEC. 609. The Secretary of the Navy or his designee is authorized and directed to convey to the Guam Power Authority an agency of the Government of Guam without monetary consideration but subject to such reservations and terms and conditions as the Secretary of the Navy or his designee should determine to be necessary to protect the interests of the United States, all rights, titles, and interests of the United States, in and to those certain parcels of real property situated at Cabras Island, territory of Guam known and identified as lot 257 and lot 261 containing 63.58 acres, more or less.

SEC. 610. The Secretary of Defense shall submit an annual report to Congress which shall set forth, with respect to each contract of more han $500,000 for construction outside the United States and its possessions which is authorized pursuant to this Act, a summary of the number and nationality of the foreign nationals who were hired to perform services in regard to such contract during the reporting period, the type of skills provided by such foreign nationals, and the average hourly or other wage rate paid to foreign nationals in each skill category.

SEC. 611. Titles I, II, III, IV, V, and VI of this Act may be cited as the "Military Construction Authorization Act, 1976."

TITLE VII

GUARD AND RESERVE FORCES FACILITIES

SEC. 701. Subject to chapter 133 of title 10, United States Code, the Secretary of Defense may establish or develop additional facilities for the Guard and Reserve Forces, including the acquisition of land therefor, but the cost of such facilities shall not exceed—

(1) For the Department of the Army:

(a) Army National Guard of the United States, $54,745,000.

(b) Army Reserve, $44,459,000.

(2) For the Department of the Navy: Naval and Marine Corps Reserves, $34,800,000.

(3) For the Department of the Air Force:

(a) Air National Guard of the United States, $55,100,000.

(b) Air Force Reserve, $16,500,000.

SEC. 702. The Secretary of Defense may establish or develop installations and facilities under this title without regard to section 3648 of the Revised Statutes, as amended (31 U.S.C. 529), and sections 4774 and 9774 of title 10, United States Code. The authority to place permanent or temporary improvements on lands includes authority for surveys, administration, overhead, planning, and supervision incident to construction. That authority may be exercised before title to the land is approved under section 355 of the Revised Statutes, as amended (40 U.S.C. 255), and even though the land is held temporarily. The authority to acquire real estate or land includes authority to make surveys and to acquire land, and interests in land (including temporary use), by gift, purchase, exchange of Government-owned land, or otherwise.

SEC. 703. Chapter 133, title 10, United States Code is amended by striking out the figure "$25,000" in paragraph (2) of section 2233a, and inserting the figure "$50,000" in place thereof.

SEC. 704. This title may be cited as the "Guard and Reserve Forces Facilities Authorization Act, 1976."

The amendment was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 5210) was laid on the table.

GENERAL LEAVE

Mr. ICHORD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 5210, the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
July 28, 1975.

Hon. CARL ALBERT,
The Speaker,
House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 11:45 A.M. on Saturday, July 26, 1975, and said to contain a message from the President wherein he transmits five rescissions and reports 23 new deferrals of budget authority available for obligation in fiscal year 1976 under the Impoundment Control Act of 1974.

With kind regards, I am
Sincerely,
W. PAT JENNINGS,
Clerk, U.S. House of Representatives.
By: W. RAYMOND COLLEY,
Deputy Clerk.

FIVE PROPOSED RESCISSIONS AND 23 NEW DEFERRALS UNDER CONGRESSIONAL BUDGET AND IMPOUNDMENT CONTROL ACT OF 1974—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94–225)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith propose five rescissions and report 23 new deferrals of budget authority available for obligation in fiscal year 1976. The rescission proposals total $90.2 million and the new deferrals total $541.8 million. In addition, I am reporting an increase of $1.0 million in deferrals previously transmitted.

Rescissions of budget authority are proposed for programs in the Community Services Administration and the Departments of Agriculture, Interior, and Health, Education, and Welfare. The rescissions are proposed for a variety of reasons: to avoid duplicative efforts, to preserve the effective and limited uses of demonstration programs, and because program objectives can be met with lesser amounts than have been made available.

The majority of the new deferrals I am reporting—14 of 23—defer the obligation of funding provided by the continuing resolution for 1976 (Public Law 94–41). I have proposed that several ongoing programs be reduced, terminated, or transferred to other agencies beginning in fiscal year 1976. The Congress has not yet completed action on the 1976 regular appropriation bills or on my proposed modifications of certain programs. In the meantime, it has generally provided for all programs to receive temporary appropriations at ongoing rates. I am deferring obligations above the levels I have proposed, pending completion of Congressional action on my proposals. The remaining new deferrals are routine in nature and have little or no effect on program levels.

The details of each deferral and proposed rescission are contained in the attached reports.

This special message increases to eight the number of rescissions now pending before the Congress. I urge prompt, positive action on each of them.

Gerald R. Ford.

The White House, *July 26, 1975.*

COMMUNICATION FROM JOHN O. MARSH, JR., COUNSELOR TO THE PRESIDENT OF THE UNITED STATES, INCLUDING A LETTER FROM THE PRESIDENT OF THE UNITED STATES

The **SPEAKER** laid before the House the following communication from John O. Marsh, Jr., Counselor to the President of the United States, including a letter from the President of the United States:

The White House,
Washington, July 28, 1975.

The Honorable the Speaker,
U.S. House of Representatives,
Washington, D.C.

Dear Mr. Speaker: The President has asked me to transmit to you the attached communication which was received at the White House Situation Room this morning from Bonn, West Germany.

The full text of the President's message to you is set out on the accompanying attachment.

With kindest personal regards, I am
Sincerely,

John O. Marsh, Jr.,
Counselor to the President.

The White House,
Washington, D.C., July 28, 1975.

The Honorable the Speaker,
U.S. House of Representatives,
Washington, D.C.

Dear Mr. Speaker: The consequences of the House action in failing to lift the arms embargo on Turkey are now becoming apparent. As President of the United States my responsibility for the national security and conduct of foreign affairs have led me to urge in the strongest terms that the House lift the embargo. Despite the House action and subsequent events, I do not believe that the situation is irretrievable today.

It is difficult to overstate the importance of the major installations we will lose in Turkey if we cannot remedy the action. Their loss would seriously downgrade our capabilities in major areas of national security. These installations are not replaceable.

In reviewing the debates of the last several months, any fair-minded person would agree that there is not a fundamental dispute on the objective of achieving a peaceful and equitable solution to the tragic Cyprus problem. The Congress has chosen means to accomplish that end which in my judgment would not only delay and impede a Cyprus settlement but, as now can be seen clearly, cause a disastrous deterioration in our security relations with Turkey and in the Eastern Mediterranean in general. In addition, these effects will certainly not make for an improvement in relations between Greece and Turkey, without which a Cyprus settlement is not possible.

My Administration has been and will continue to pursue the cause of a just and peaceful settlement in Cyprus. But I must emphasize in the strongest terms how seriously hobbled our efforts will be if the embargo against Turkey is maintained.

I, therefore, urge through you, Mr. Speaker, the immediate reconsideration of last week's House action. Only if we preserve our vital security relations with Turkey will I be able usefully to assist the parties in the area toward better relations.

Sincerely,

Gerald R. Ford.

PERMISSION FOR SUBCOMMITTEE ON ENERGY RESEARCH, DEVELOPMENT AND DEMONSTRATION, FOSSIL FUELS, OF THE COMMITTEE ON SCIENCE AND TECHNOLOGY TO MEET ON WEDNESDAY AFTERNOON, JULY 30, 1975, DURING THE 5-MINUTE RULE

Mr. **HECHLER** of West Virginia. Mr. Speaker, I ask unanimous consent that the Subcommittee on Energy Research, Development and Demonstration, Fossil Fuels, of the Committee on Science and Technology be permitted to meet on Wednesday afternoon, July 30, 1975, during debate under the 5-minute rule.

The **SPEAKER**. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

PERSONAL ANNOUNCEMENT

Mr **SKUBITZ**. Mr. Speaker, on rollcall No. 442, the Hicks amendment, I was detained in committee and did not get to the floor in time to vote. Had I been on time I would have voted "yea" on the amendment.

PROVIDING FOR THE PAYMENT OF WITNESSES FOR APPEARING BEFORE THE HOUSE OR ANY OF ITS COMMITTEES

Mr. **LONG** of Louisiana. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 517 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 517

Resolved, That rule XXXV of the Rules of the House of Representatives is amended to read as follows:

"Rule XXXV

"Pay of witnesses

"The rule for paying witnesses to appear before the House or any of its committees shall be as follows: For each day a witness shall attend, the same per diem rate as established, authorized, and regulated by the Committee on House Administration for Members and employees of the House, and actual expenses of travel in coming to or going from the place of examination; but no per diem shall be paid when a witness has been summoned at the place of examination.".

The **SPEAKER**. The gentleman from Louisiana (Mr. Long) is recognized for 1 hour.

Mr. **LONG** of Louisiana. Mr. Speaker, I yield the usual 30 minutes to the distinguished minority member, the gentleman from Mississippi (Mr. Lott) for the purposes of debate only and, pending that, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 517 amends rule XXXV of the Rules of the House of Representatives to read as follows:

> The rule for paying witnesses to appear before the House or any of its committees shall be as follows: For each day a witness shall attend, the same per diem rate as established, authorized, and regulated by the Committee on House Administration for Members and employees of the House, and actual expenses of travel in coming to or going from the place of examination; but no per diem shall be paid when a witness has been summoned at the place of examination.

The purpose of House Resolution 517 is to provide that the per diem and reimbursement rate for witnesses and the per diem and reimbursement rate for Members and employees of the House, as established, authorized, and regulated by the Committee on House Administration shall be the same. The effect of this change in the rules of the House is to permit adjustments in the per diem and reimbursement rate amounts without requiring future changes in the rules of the House.

The current per diem rates are $20 per day and 12 cents per mile for witnesses and $50 per day and 20 cents per mile for Members and employees of the House.

The gentleman from Ohio (Mr. Hays) the chairman of the Committee on House Administration testified before the Committee on Rules during our hearings on House Resolution 517. He requested the Committee on Rules to report this resolution in order that the per diem and reimbursement rate for witnesses may in the future be tied to the per diem and reimbursement rate for Members and employees of the House.

Mr. Speaker, I urge the adoption of House Resolution 517.

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as the gentleman has explained, House Resolution 517, is a matter within the original jurisdiction of the Committee on Rules, and therefore, is privileged.

This resolution provides for the updating of rule XXXV of the House rules, which governs pay of witnesses. The existing rule XXXV allows for the payment of $20 per day and actual expenses of travel in coming to or going from the place of examination, not to exceed 12 cents per mile; but nothing is paid for travel when the witness has been summoned at the place of examination.

House Resolution 517 proposes to modify the above rate of witness pay by establishing the following changes to rule XXXV:

> For each day a witness shall attend, the same per diem rate as established, authorized, and regulated by the Committee on House Administration for Members and employees of the House, and actual expenses of travel in coming to or going from the place of examination; but no per diem shall be paid when a witness has been summoned at the place of examination.

Mr. Speaker, I have no objection to the passage of this resolution.

Mr. LONG of Louisiana. Mr. Speaker, I have no requests for time.

I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. LONG of Louisiana. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution (H. Res. 517) just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 6844 AMENDING THE CONSUMER PRODUCT SAFETY ACT

Mr. LONG of Louisiana. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 624 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

> H. Res. 624
>
> *Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6844) to amend the Consumer Product Safety Act, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Interstate and Foreign Commerce now printed in the bill as an original bill for the purpose of amendment under the five-minute rule. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions. After the passage of H.R. 6844, it shall be in order in the House to take from the Speaker's table the bill S. 644 and to move to strike out all after the enacting clause of the said Senate bill and insert in lieu thereof the provisions contained in H.R. 6844 as passed by the House.

The SPEAKER. The Chair recognizes the gentleman from Louisiana (Mr. LONG).

Mr. LONG of Louisiana. Mr. Speaker, I yield the usual 30 minutes to the minority, the distinguished gentleman from Ohio (Mr. LATTA). Pending that, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 624 provides for an open rule with 1 hour of general debate on H.R. 6844, a bill amending the Consumer Product Safety Act.

House Resolution 624 provides that it shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Interstate and Foreign Commerce now printed in the bill as an original bill for the purpose of amendment under the 5-minute rule.

House Resolution 624 provides that after the passage of H.R. 6844, it shall be in order in the House to take from the Speaker's table the bill S. 644 and to move to strike out all after the enacting clause of S. 644 and insert in lieu thereof the provisions contained in H.R. 6844 as passed by the House.

H.R. 6844 extends the authorization for the Consumer Product Safety Act and other acts administered by the Consumer Product Safety Commission through fiscal year 1978. It authorizes appropriations in the amount of $193 million for that period.

H.R. 6844 amends the Consumer Product Safety Act, the Federal Hazardous Substances Act, the Flammable Fabrics Act, and the Poison Prevention Packaging Act to provide for uniformity of administration on Federal preemption of State and local requirements. To obtain an exemption from this requirement, a State has to demonstrate that its own requirement provides a significantly higher degree of protection and would not cause a product to be in violation of a Federal requirement relating to a possible risk incurred by use of a product.

Mr. Speaker, I urge the adoption of House Resolution 624 in order that we may discuss and debate H.R. 6844.

Mr. LATTA. Mr. Speaker, I would like to say I know of no opposition to this rule but this bill does have some good and some bad in it. I think during general debate both will be brought to the attention of the House.

I might say I am glad to see the committee reporting out a bill that once again emphasizes that this Commission does not have any authority over ammunition and firearms. I might also point out that the administration is strongly opposed to this bill unless the bill is amended to delete authority for the Consumer Product Safety Commission to: First, represent itself in all civil enforcement and subpena enforcement proceedings; and second, appoint personnel without complying with Civil Service rules and regulations.

I might also say that the authorization levels in H.R. 6844 are excessive and a provision should be added to repeal subsection 27(k) of the Consumer Product Safety Act which provides for concurrent Consumer Product Safety Commission transmittal of budget information to OMB and the Congress.

Mr. Speaker, I have no request for time and I reserve the balance of my time.

Mr. LONG of Louisiana. Mr. Speaker, I have no request for time.

I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. SYMMS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 387, nays 22, not voting 25, as follows:

[Roll No. 445]

YEAS—387

Abdnor
Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Chisholm
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conable
Conlan
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Devine
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Esch
Eshleman
Evans, Ind.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Florio
Flowers
Flynt
Ford, Mich.

Forsythe
Fountain
Fraser
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Green
Gude
Guyer
Haley
Hall
Hamilton
Hanley
Hannaford
Harkin
Harrington
Harris
Harsha
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jeffords
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
LaFalce
Lagomarsino
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack

McDade
McDonald
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Martin
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Pressler
Preyer
Price
Pritchard
Quie
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Richmond
Riegle
Rinaldo
Robinson
Rodino

Roe
Rogers
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Symms
Talcott
Taylor, N.C.
Thompson
Thone
Traxler
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Weaver
Whalen
White
Whitehurst
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki

NAYS—22

Burleson, Tex.
Clancy
Collins, Tex.
Crane
Davis
Dickinson
Duncan, Tenn.
Hagedorn

Hammerschmidt
Hansen
Hightower
Holland
Jenrette
Krueger
Mathis

Montgomery
Quillen
Roncalio
Poage
Runnels
Taylor, Mo.
Treen

NOT VOTING—25

Anderson, Calif.
Baucus
Bell

Broomfield
Diggs
Evans, Colo.
Evins, Tenn.

Flood
Foley
Ford, Tenn.
Fulton

Hastings
Hébert
Jarman
Landrum
Risenhoover

Roberts
Stanton, James V.
Teague
Thornton

Udall
Waxman
Whitten
Young, Alaska
Zeferetti

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Zeferetti with Mr. Bell.
Mr. Baucus with Mr. Whitten.
Mr. Teague with Mr. Broomfield.
Mr. Flood with Mr. Jarman.
Mr. Risenhoover with Mr. Young of Alaska.
Mr. Udall with Mr. Roberts.
Mr. Fulton with Mr. Landrum.
Mr. Anderson of California with Mr. Thornton.
Mr. Ford of Tennessee with Mr. James V. Stanton.
Mr. Hébert with Mr. Evans of Colorado.
Mr. Foley with Mr. Diggs.
Mr. Evins of Tennessee with Mr. Waxman.

The result of the vote was announced as above recorded.

The motion to reconsider was laid on the table.

Mr. VAN DEERLIN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6844) to amend the Consumer Product Safety Act, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from California.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 6844, with Mr. Bergland in the Chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from California (Mr. Van Deerlin) will be recognized for 30 minutes, and the gentleman from Nebraska (Mr. McCollister) will be recognized for 30 minutes.

The Chair recognizes the gentleman from California (Mr. Van Deerlin).

Mr. VAN DEERLIN. Mr. Chairman, I yield myself 6 minutes.

Mr. Chairman, I rise in support of H.R. 6844, the Consumer Product Safety Commission Improvements Act.

The bill arises from the submittal of legislative recommendations to Congress by the Consumer Product Safety Commission in March. The recommendations are the result of the experiences of the Commission in its first 2 years of operation. The Consumer Product Safety Act was enacted in October 1972, and the Consumer Product Safety Commission, established by the act to administer the comprehensive product safety program called for by the legislation, began operating in October 1973. These first 2 years of operation revealed certain difficulties and deficiencies in the existing legislation. H.R. 6844 is a response to these problems.

Let me briefly highlight some of its major provisions:

The bill makes clear that the Commission has no jurisdiction to ban or take other regulatory action against firearms, ammunition, tobacco, or tobacco products. It protects the Commission from political pressure and interference from the White House in appointing noncareer executive positions. Such appointments do remain subject to approval by the Civil Service Commission. It enhances the Commission's authority to keep off the market products which present substantial product hazards. It authorizes the Commission to conduct its own civil litigation, and it provides a uniform preemption provision for all acts administered by the Commission.

In addition, the legislation extends the authorization for appropriations for the Commission. Appropriations of $51,000,000 for fiscal year 1976; $14,000,000 for the transition period; $60,000,000 for fiscal year 1977; and $68,000,000 for fiscal year 1978 are authorized.

I have mentioned our effort at insulating noncareer executive appointments from White House political clearance. H.R. 6844 prohibits the White House from requiring that top-level policy appointees of the Commission be subjected to the White House for political approval. Political clearance from the White House is totally inappropriate for an independent regulatory agency, for it compromises the ability of the agency to function in an independent and objective manner. An independent regulatory agency should be removed as far as possible from the influences of partisan politics or control. Because the Commission has resisted efforts to require political clearance for top management positions, a number of key policy level appointees submitted to the Civil Service Commission for approval in December, 1973, have not yet been approved by the Civil Service Commission. Section 4 of H.R. 6844, by prohibiting White House interference and requiring the Civil Service Commission to act on proposed appointees within 20 days, will enhance the independence of the Commission.

A letter from Civil Service Commission Chairman Hampton recently circulated by the able minority leader, Mr. Rhodes, contains a number of totally false statements regarding the provisions of H.R. 6844. Contrary to Chairman Hampton's claims, the bill does not authorize the Commission to establish 25 noncareer positions, it does not exempt the noncareer positions from the removal requirements that apply to preference eligibles, and it does not authorize the Commission to establish 15 supergrade positions.

Since these provisions bear no resemblance to H.R. 6844, we can only question whether Chairman Hampton read the bill before commenting on it.

In another possibly controversial step, H.R. 6844 gives the Commission the authority to use its own attorneys in civil litigation. Criminal litigation and Supreme Court appeals would continue to be conducted by the Department of Justice. Giving the Commission authority to represent itself in civil litigation is part of a continuing trend by Congress which recognizes that independent regulatory agencies should be removed from political pressures as much as possible. Reliance upon the Department of

Justice, which is headed by a political appointee who serves at the pleasure of the President, may subject court actions by the independent agencies to political review. Other agencies which have litigation authority are the Interstate Commerce Commission, the Securities Exchange Commission, the Federal Power Commission, the Federal Trade Commission, and the National Labor Relations Board.

Self-representation by an agency assures that there will be uniformity in regard to the interpretation of the acts administered by the agency. Present reliance on Department of Justice attorneys and U.S. attorneys scattered in 94 locations throughout the United States can result in inconsistent interpretations of even a single statute.

Self-representation also is more efficient. Presently, Justice Department attorneys must duplicate the work of the agency's attorneys by familiarizing themselves with the technical intricacies of the agency's laws and regulations. The agency attorneys are already familiar with the laws and regulations, and eliminating the Justice attorneys merely eliminates an added layer of bureaucracy. Further, rapid response required in matters such as injunctions is severely hampered when a significant amount of time is required to brief Justice attorneys.

H.R. 6844 puts the Consumer Product Safety Act—CPSA—on an equal footing with the other acts administered by the Commission—that is, the Flammable Fabrics Act, the Federal Hazardous Substances Act, and the Poison Prevention Packaging Act—by allowing the Commission to regulate a hazardous consumer product under the CPSA rather than under the other acts if the Commission determines that such action is in the public interest.

Present law requires that the Consumer Product Safety Act be used only as a last resort, thus relegating the CPSA to a subordinate role. Such a role is hardly justified since the Consumer Product Safety Act was intended to be an omnibus product safety bill, with a tremendous amount of time and care spent by the Congress in drafting its provisions.

Giving the Commission greater flexibility to use the Consumer Product Safety Act rather than one of the other acts administered by the Commission will not be unfair to businesses regulated by the Commission, as some have argued. Those existing regulations with which business is familiar will continue in effect, and any time the Commission determines to take new regulatory action under the CPSA, such action must be taken in accordance with broad notice and procedural due process requirements in the act. Those potentially subject to regulations will have ample opportunity to be informed and participate in any rulemaking process. As a matter of fact, the Consumer Product Safety Act provides more opportunity for participation by business in the rulemaking process. It requires that the Commission consider and make findings regarding the economic impact on industry of regulatory action, a requirement not found in the other acts. Rather than being unfair to business, action under the Consumer Product Safety Act could provide greater protections to business.

The bill contains a provision which provides a uniform preemption provision for all acts administered by the CPSC. Such an amendment should clarify the presently unclear interpretations of the preemption provisions in the Federal Hazardous Substances Act and the Flammable Fabrics Act. This amendment balances the need of business to have one uniform Federal standard with that of the States to provide for the safety of their citizens. Basically the amendment provides that a Federal standard will preempt any State standard unless a State standard would, first, provide a significantly higher degree of safety; second, not conflict with the Federal standard; and third, not unduly burden interstate commerce. A State which wishes to put its own standard into effect when there is a Federal standard covering the safe safety need must apply to the Commission and show the above three items before it will be allowed to put its own standard into effect.

The minority views in the committee report complain that the preemption amendment should not have been extended to the Consumer Product Safety Act and the Poison Prevention Packaging Act, since those acts had preemption provisions which provided for virtually total Federal preemption. These are several reasons why the preemption amendment should be the same for all the acts administered by the Commission. First, the preemption scheme provided in H.R. 6844 is somewhat complex. The preemption provision presently in the Consumer Product Safety Act is also very complex. Ease and uniformity of administration will be enhanced if the Commission has only one complex preemption provision to administer. Also, the preemption provision in H.R. 6844 represents a careful balancing of the interests of the States and the interests of industry. The preemption provisions currently in both the Consumer Product Safety Act and the Poison Prevention Packaging Act virtually eliminate the role of the State in providing for the safety of its citizens.

The preemption provision in H.R. 6844 will permit the States to play a role, but it will not permit needless State regulation which could prove unfair and burdensome to businesses seeking to market products on a national basis. Since the preemption provision in H.R. 6844 is an improvement on the preemption provisions in the Consumer Product Safety Act and the Poison Prevention Packaging Act, the original provisions in those bills should be replaced by the committee bill.

Enactment of the Consumer Product Safety Act of 1972 was hailed as a milestone in the area of consumer protection. H.R. 6844 will enable the purposes of the act to be more efficiently and effectively achieved. For these reasons, I urge passage of this bill.

Mr. McCOLLISTER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, before we have some discussion of some of the defects of this bill. I think it would be well to remind the Committee that when this act was passed in 1972, it was readily admitted at that time that the Consumer Product Safety Commission was the most powerful and most independent agency that the Congress had yet created. I think that that billing has been true, that the Agency has been more independent than any other agency, and its powers have been more extreme than any other independent regulatory agency.

There are certain provisions in this bill about which many of us have some really serious reservations. If those provisions can be corrected with some amendments, then I think that there is every reason to believe that the bill should pass.

We have given the Commission a very considerable task, that is, to rid the marketplace of unsafe consumer products. In doing so, the Congress exempted clases of products from the Commission's jurisdiction.

The gentleman from California (Mr. VAN DEERLIN) has made reference to the fact that tobacco, tobacco products, weapons, and ammunition have had their jurisdiction even more clearly removed from the provisions of this legislation and from the Commission.

It was determined in two court cases some months ago that the Commission did have jurisdiction to regulate tobacco and handgun ammunition under the Federal Hazardous Substances Act, another act administered by the Commission.

The legislation, I think, clearly resolves this question by excluding tobacco and tobacco products and handgun ammunition from any Commission jurisdiction.

I am pleased with the committee's decision in this regard since it was never the intention of the Congress that these classes of products fall within the jurisdiction of the Commission. It is my hope that the clear language of the bill will finally resolve that question.

The bill also contains several problem areas which I think it important to bring to the committee's attention.

The committee adopted, by a 17 to 15 vote, an amendment which prohibits the Consumer Product Safety Commission from incorporating or referencing a sampling plan in a safety standard. I have great concern about the wisdom of such a provision. Statistical sampling is an accredited method of quality control. The alternative to sampling is testing all products coming off the assembly line. Although 100 percent testing for some products may be feasible—at some considerable additional cost, I might add—it certainly is not feasible if destructive testing is necessary.

Further, I believe that such an approach will hamper the enforcement activities of the Commission. In a recent letter to Senator WARREN G. MAGNUSON, Richard O. Simpson, Chairman of the Consumer Product Safety Commission states:

> I believe mandatory sampling plans actually both strengthen and make easier the application of civil and criminal penalties when compared to the situation where we

have a safety rule which does not include a mandatory sampling plan.

Chairman Simpson goes on to fully detail his reasons for this conclusion, and when we get back into the House, I will ask unanimous consent to submit the entire text of his letter for the RECORD.

Section 12 of H.R. 6844 gives the Consumer Product Safety Commission authority to represent itself by its own attorney in any civil proceeding except an appeal to the Supreme Court. I strongly oppose this provision.

At the present time, the Department of Justice has authority over the conduct of litigation involving the United States or its agencies. This policy has developed to guarantee fair and consistent enforcement of the laws and because of the need for the Government to speak with one voice in issues common to the various agencies.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. McCOLLISTER. Yes, I yield to the gentleman from Texas.

Mr. ECKHARDT. There is one thing that is bothersome to me about the position of the gentleman in the well on this point because I recall his concern, along with mine, about keeping an agency with great regulatory powers sufficiently independent to exercise its regulatory powers and not subject to executive control.

It would seem to me that under his and my general philosophy on this proposition, it would strengthen the Commission's independence to permit it to proceed to enforce its orders without having to go to the Attorney General.

I suppose we are not going to get another Attorney General like the last one, but it is always a possibility, because the Attorney General under all administrations tends to be someone very close to the President, a law partner or a brother, perhaps.

Mr. McCOLLISTER. I can appreciate the gentleman's concern.

Let me say that in 2 years the Consumer Product Safety Commission has not had this problem, which power the bill proposes to give, and that there has never been a case in which the Justice Department refused to bring a civil suit which the Commission has requested.

So that I think there has been no argument developed at all that argues for the Commission being able to represent itself in a civil proceeding.

Mr. ECKHARDT. Mr. Chairman, if the gentleman will yield further, briefly, does the gentleman know whether there have been any civil suits under the Consumer Product Safety Act or the other acts administered by the Commission?

Mr. McCOLLISTER. The Justice Department has brought every civil case referred to it including those arising under the Federal Hazardous Substance Act.

I think it is very important, I say further to the gentleman from Texas, that the position of a single agency is a question of general concern to the Federal Government, as represents the best interests of the Federal Government, and not just an interest of the particular agency in winning a particular case.

When the Consumer Product Safety Commission was established, we transferred to it the administration of certain other acts, including the Flammable Fabrics Act, the Federal Hazardous Substances Act, and the Poison Prevention Packaging Act. As I am sure some of the Members will remember, we did consider and, indeed, rejected the notion of repealing those other acts and allowing the Commission to regulate only under the Consumer Product Safety Act. Instead, we provided in section 30(d) of the act that if a risk of injury could be eliminated or reduced to a sufficient extent by action taken under one of the transferred acts, the Commission must use the transferred act rather than the Consumer Product Safety Act.

Section 13 of the bill would amend section 30(d) to use the Consumer Product Safety Act, the CPSA, rather than the transferred act if the Commission determines that such action is in the public interest.

I am concerned that if such a provision is enacted that it will allow the Commission to pick and choose the legislative scheme under which it operates and regulates. I believe that the Congress should either repeal the various transferred acts or, alternatively, require their use rather than delegating to the Commission the decision as to whether and when the transferred acts will be used.

Finally, Mr. Chairman, I would like to say a few words on the question of preemption with which the committee dealt. During the hearings we heard repeated testimony about the inadequacies of the preemption provisions of the Flammable Fabrics Act, and the Federal Hazardous Substances Act. I believe the preemption provision in the bill is a good attempt to deal with this product, although I am displeased that the Consumer Product Safety Act preemption provision—a provision that has yet to be used—has also been amended.

The preemption provision agreed upon by the committee would provide for the preemption of all State standards which are not identical to the Federal standards unless the State applies for an exemption. An exemption will not be granted unless the State can show that its standards provide a significantly higher level of protection for its citizens and does not unduly burden interstate commerce.

In using the phrase "undue burden on interstate commerce," we did not mean to apply the traditional constitutional standards of the commerce clause. Consequently, we defined those elements to be considered in making this determination and required that the Commission make affirmative findings in this regard.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield further?

Mr. McCOLLISTER. I will yield briefly to the gentleman from Texas, since the gentleman from North Carolina would also like to have some time.

I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, I would like to know from the gentleman from Nebraska whether or not the gentleman agrees on the general policy of creating a sort of transition from the special acts from which certain authorities are transferred, so that ultimately instead of having a great number of acts, we have the Consumer Product Safety Commission simply take authority under the broad Consumer Product Safety Act alone.

Mr. McCOLLISTER. I believe that what we should do is repeal some of the transferred acts and instead apply the Consumer Product Safety Act. There are some problems there.

Mr. BROYHILL. Mr. Chairman, will the gentleman yield?

Mr. McCOLLISTER. I yield to the gentleman from North Carolina.

Mr. BROYHILL. I appreciate the gentleman's yielding on that point. I appreciate his feeling about this, but it is only a feeling, because we have held no hearings.

Mr. McCOLLISTER. That is correct.

Mr. BROYHILL. We really have no idea what the effects would be.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield further?

Mr. McCOLLISTER. I would, if the gentleman can be brief.

Mr. ECKHARDT. The three transferred acts we are referring to are the Federal Hazardous Substances Act, the Flammable Fabrics Act, and Poison Prevention Packaging Act. There are certain rules and standards which have been issued under these acts, but, as I understand, the Product Safety Commission has not yet gotten around to making rules under the Consumer Product Safety Act. The gentleman would agree, I assume that when they do begin issuing rules under the Product Safety Act, we should envelop these other areas under the rule of a single act.

Mr. McCOLLISTER. If I may take back my time, one of the reasons I objected to the proposition offered by the gentleman from Texas on being able to pick and choose from the transferred acts was the difference in those acts as to the requirements of the Commission here and there. I think that failing the requirement of hearings and some investigation of what we were getting into, it was quite inappropriate to transfer or give to the Commission the opportunity to pick and choose from the transferred acts, and that that should have waited for a more basic review of the whole question so that we could, if it were the decision then to repeal the transferred acts, then enact one act. It seems to me that would be the better way to do it.

Mr. ECKHARDT. If the gentleman will yield further, we had decided that we would transfer administration of those three acts to this Agency. Pending the time the administration of those acts develops standards under the Product Safety Act, it would seem to me that the only thing that can be done is to administer those other acts. But I think we all agree that ultimately the Commission should act and develop rules in each of these areas and then should move to the Product Safety Act. In the meantime it must in a sense pick and choose or else it might act too precipitously.

Mr. McCOLLISTER. I regret that I cannot agree with the gentleman.

Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina (Mr. BROYHILL).

Mr. BROYHILL. Mr. Chairman, I was involved in the writing of the original Consumer Product Safety Act. With one or two exceptions, I think it was a good approach to regulating unsafe products. The record does show the need for some regulation in this area.

The reason this bill is up today is because of the 3-year authorization that was included in the original act. I do not think anyone has any objection to the 3-year authorization. That is not a point of any controversy at all, but there are several of us who do have some very strong objections to amendments that were adopted in this bill.

I point out to those who might be interested, this is not the same bill that was adopted in the subcommittee. The subcommittee did bring a good bill out and, unfortunately, it was changed in the full committee.

As the gentleman from Nebraska has pointed out, the bill would prohibit sampling plans to be used to show compliance to a safety standard. In other words, 100 percent testing would be required. I question how this can be achieved. Does this means that we are going to have to set fire to all of the products to determine if all of the products comply with flammable standards? Some products may have to meet strength tests. Does that mean that we have to test to destruction? I do not think this is very practicable, and I would urge that we would delete the amendment that was adopted in the committee.

The costs of complying with a standard like this are staggering. The consumer would have to pay the bill and the consuming public in my opinion would not be well served by this provision, so I ask that it be deleted.

Mr. Chairman, I am also concerned with the provision that was added to the bill which was the subject of colloquy between the gentleman from Texas and the gentleman from Nebraska. That is a provision that would permit the agency to pick and choose the authorities they have to regulate a potential hazard. This sounds good, but let us look at some of the background.

When this agency was created and the basic authorities were granted to the agency under the Consumer Product Safety Act, other authorities that the Congress had considered and passed in prior years were also transferred to this agency. There was some consideration as to whether or not we would repeal all the other acts but we rejected this, and the reason we did reject it was that these other acts—and I would enumerate them: the Federal Hazardous Substances Act, the Flammable Fabrics Act, and the Poison Prevention Packaging Act—were enacted to regulate some specific problems and achieve specific goals, thus authorities were set forth in these acts to go after some specific problems.

So what we said, was that if the risk of injury could be reduced under these Acts the Commission must use these acts.

But now the amendment that was adopted permits the agency to pick and choose. It gives me concern. How would the regulated agencies know which act they are going to be regulated under? Businesses have enough problems in this day and time with overregulation by the Federal Government and certainly there is no need to cause more uncertainty, and I do not think any need has been shown to make this necessary.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL of North Carolina. I would be glad to yield to the gentleman on this point.

Mr. ECKHARDT. I think where we run into this difficulty is that present law provides that the Consumer Product Safety Act must be used as the last resort. The other acts must be used first and unless they are inadequate to cover the problem, we never move to the Consumer Products Safety Act.

I think we in the Committee all recognized ultimately we wanted to have something like a uniform control of safety questions, instead of dealing with them piecemeal. So what we have done is to move cautiously toward that goal.

But if we leave the language as it now stands it seems we more or less fix in concrete the existing acts as administered by a single agency. We do not give that kind of flexibility to move toward a single safety act and toward uniform rulemaking authority.

Mr. BROYHILL. Mr. Chairman, I do not agree. May I say with great respect for the gentleman, I do not agree with his analysis of this because I can read the language just as the gentleman can, the language which is in the act. My objection to this is that there is no hearing record whatsoever to substantiate doing this. We have not analyzed the authorities under the Flammable Fabrics Act, for example, or the Hazardous Substances Act, or the Poison Prevention Packaging Act or compared these with the authorities contained in the Consumer Product Safety Act to see if these authorities are appropriate or in order to regulate the products covered by these other Acts.

Mr. Chairman, for example the Congress made the policy judgment in passing the Flammable Fabrics Act, saying that the Federal Government is going to regulate fabrics to make sure that they are not a hazard, a safety hazard to the consuming public, but they did say that certain findings would have to be made by the agency exercising these authorities prior to issuing the regulations. The Product Safety Act does not contain this kind of requirement.

Now, what we have done with the amendment that we have added here is to say, in effect, that the Commission now has authority to regulate fabrics under another act—under another act—without taking the Flammable Fabrics Act into consideration, without taking the findings they have to make under the Flammable Fabrics Act into consideration.

So what we have done is to create an uncertainty as to which act will be used to get at these alleged safety problems.

I say that not only are the regulated industries greatly affected by this, but the added costs will be passed on to the consumers. The consumers are not well served by this at all.

So I would urge that an amendment be supported to delete this part from the bill.

Mr. McCOLLISTER. Mr. Chairman, I reserve the balance of my time.

Mr. VAN DEERLIN. Mr. Chairman, I yield 5 minutes to the gentleman from Texas (Mr. ECKHARDT).

Mr. ECKHARDT. Mr. Chairman, I rise here to clarify a point that I attempted to make a moment ago. The section in the present law regulating the choice of various acts is this. The risk of injury which is associated with consumer products and which could be eliminated or reduced to a sufficient extent by action under the Federal Hazardous Substances Act, the Poison Prevention Packaging Act of 1970, or the Flammable Fabrics Act may be regulated by the Commission only in accordance with the provisions of those acts.

Mr. McCOLLISTER. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Nebraska.

Mr. McCOLLISTER. Mr. Chairman, if the gentleman will recall, the reason we did it that way is because nowhere in the testimony we took in those days was there any question raised that the Flammable Fabrics Act was not in and of itself sufficient to deal with flammable products. The same thing with the Federal Hazardous Substances Act and the Poison Prevention Packaging Act.

To my knowledge, there was never a claim made that those acts were not sufficient unto themselves to deal with the questions that were regulated. We were just giving the question of regulation to the Consumer Products Safety Commission.

Mr. ECKHARDT. So we were at that time trying to embrace under one administration blanket all the dangers to consumers; but we were not willing at that time to move rapidly away from the provisions in those acts.

Now, I think we were wise to do that, but I think we probably, although that may have been all right at the time, we probably put too much of a restraint on the Commission in calling on the Commission to use only those acts when the hazards could be eliminated or reduced to a sufficient extent by those acts. What we are doing in H.R. 6844 is merely providing that the Commission may take action under the Consumer Product Safety Act against a risk only if the Commission, by order published in the Federal Register, finds it is in the public interest to regulate such risk or injury under this act; so nobody is surprised, nobody is regulated under this act without knowing they are going to be so regulated.

Indeed, under this act the gentleman from Nebraska and the gentleman from North Carolina have both worked with me, and we are in agreement that the procedure for rulemaking under this new act should be far more strict, should be far more amenable to due process, should go beyond the due process protection of any other agency, I believe, except the Federal Trade Commission, under the rules we rightly formed for them.

Then, there are the provisions contained in the other acts which are enveloped in this agency, so if we go into the other acts, the rule is promulgated pursuant to the informal rulemaking provisions of 5 U.S.C. 553, and if we go under this act, it is much more open for rulemaking participation.

Mr. McCOLLISTER. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Nebraska.

Mr. McCOLLISTER. Mr. Chairman, let us forget for a moment that we are talking about consumer product safety and give an example on another subject of great concern to all of us, and that is the environment. We gave the Environmental Protection Agency authority for administering the Clean Air Act, the Safe Water Act, the Drinking Water Act, the Water Pollution Act, all of the various acts that have been enacted by this Congress, and gave to them the power to deal with those specific subjects in a specific way. It seems to me that is what we did with the question of product safety.

Mr. ECKHARDT. I could not disagree more. What we did in those cases was to pass acts dealing with specific subject matter such as air or water pollution. In this case, we came in and cleaned up a great number of piecemeal controls on various matters that had certain, if I may use the term, "pizzazz," to the public such as things like toy safety, poison products, things of this nature.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. VAN DEERLIN. Mr. Chairman, I yield 5 additional minutes to the gentleman from Texas (Mr. ECKHARDT).

Mr. ECKHARDT. As I was saying, we came in with a broad act. We decided, "Look, why deal with these things separately? Why not simply protect consumers from threats to their safety," and we are attempting that through a standard act with very ample procedural protection.

Mr. BROYHILL. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from North Carolina.

Mr. BROYHILL. That is exactly what we are objecting to. There have been no hearings on this. We have no idea how the regulated industries will be affected. They have been regulated, for example, under the Flammable Fabrics Act.

The textile industry, the biggest industry in my district—and of course I am concerned about this—will comply with the Flammable Fabrics Act, but if the Commission, not by act of the Congress, but by regulation of some people who have been appointed, not elected, suddenly say that an industry like this is going to be governed and regulated by another act, how will they know what to do? How will they know what regulations to comply with? What standards will they have? It is an entirely new ballgame, and this has been done without proper showing, without hearing.

Mr. ECKHARDT. If the gentleman will yield me my time, how do they know? They can read the Federal Register. How do they know what the ruling will be? They can participate in the rulemaking hearing.

And, may I say this one other thing: The gentleman is talking as if different persons administered the various acts. The same people administer them. The Commission, the Product Safety Commission, administers the acts, but if they choose the Product Safety Act, they are required to use those much more careful procedures of notice and hearing.

Mr. BROYHILL. If the gentleman will yield further, I can agree in part but not in whole, because as the gentleman knows, there are certain findings that have to be made under the Flammable Fabrics Act that do not have to be made under the other acts. What sort of standards of judicial review would be required of the Commission if they regulate under one act as opposed to the other? These facts are not in the hearing record and it would take us several weeks to obtain them.

Mr. ECKHARDT. If the gentleman will yield me just a sliver of my time, I would say this, that we considered all of these matters in hearings. We have heard evidence on all of these acts, and we heard evidence on this act last. One reason why certain particular standards were set in the other acts is because the hearing procedure was not nearly as adequate as the hearing procedure in this case for rulemaking.

Mr. Chairman, I submit to the gentleman that we have considered these matters, and we are moving only a slight way in this amended language from the previous language. The previous language gave an absolute preference to the other act. This does not give an absolute preference to the Product Safety Act, but says that the Commission may, after publication in the Federal Register, utilize the Product Safety Act where that is a more appropriate means, in its opinion, of administering the law.

Mr. McCOLLISTER. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Nebraska.

Mr. McCOLLISTER. I thank the gentleman for yielding.

Mr. Chairman, at the time we heard that testimony in the 92d Congress was when we decided to make the Commission use the authority under the transfer acts. That was the conclusion we reached after hearing their testimony. We did not have any such testimony during the markup sessions of this bill.

Mr. ECKHARDT. But we have heard all of these facts discussed. We simply are using our judgment, after an agency has gained a little more maturity, to say that this agency should move toward a greater uniformity, both with respect to the procedure and with respect to the application of standards. That is all we are asking.

Mr. BROYHILL. Mr. Chairman, will the gentleman yield on that point?

Mr. ECKHARDT. I yield to the gentleman from North Carolina.

Mr. BROYHILL. I thank the gentleman for yielding.

Mr. Chairman, I must respectfully disagree. I have seen no analysis of the comparisons of the different authorities. If the gentleman has that, I will appreciate it if he will share it with us on the minority side, if there are some comparisons. If I have overlooked it, then I certainly apologize. But I have not seen it.

Mr. VAN DEERLIN. Mr. Chairman, I yield 3 to 5 minutes to the gentleman from Michigan (Mr. BRODHEAD).

Mr. BRODHEAD. Mr. Chairman, I think we have pretty well covered the ground here. It seems to me that we have here a good piece of legislation. It has been pretty hotly contested, both in the subcommittee and in the full committee, but I think there are few areas of disagreement and areas that we can work out.

I do not share the concern that they have on the minority side, particularly with concern to the question of litigation. It seems to me that the amendment that was made in the full committee with respect to litigation; namely, that the Product Safety Commission could engage in civil litigation on its own, was a sound amendment. It is certainly not without precedent. There are certain other independent regulatory agencies that have this power. It produces greater efficiency.

One of the problems with litigation going on over at the Justice Department is that very often the litigation is in a very technical area. The attorneys with the regulatory agency in question are very familiar with the subject matter, and then when the litigation has to be transferred over to the Department of Justice, we have to find then a whole new set of people to familiarize themselves with some very intricate problems and make the same kind of decision that has already been made at the level of the agency.

Mr. Chairman, another advantage, it seems to me, of keeping the power to engage in civil litigation in the Safety Commission itself is the question of uniformity of interpretation. If you have 94 different U.S. attorneys making a decision about what is going to be the Government's position and engaged in litigation all across the country, you stand a very good chance of having different standards being applied, to the point where businessmen who are being regulated under the law do not know what the law is going to be; whereas, if the decisions are made in one place, in the Product Safety Commission, you have a better chance of getting a uniform interpretation of what the law is. So from the standpoint of the agency and from the standpoint of uniformity, it is a great advantage to have the bill remain in the same form it is in with respect to the point of civil litigation.

Mr. Chairman, I hope the Members will resist the amendment that is undoubtedly going to be offered to change this.

I thank the gentleman from California

(Mr. Van Deerlin) for offering me this opportunity to express my support of the bill.

Mr. STAGGERS. Mr. Chairman, this bill was introduced in March 1975 as the legislative recommendations of the Consumer Product Safety Commission. Under the Consumer Product Safety Act, the Commission is required to submit legislative recommendations concurrently to the Congress and to the President. As ordered reported by the Interstate and Foreign Commerce Committee H.R. 6844 contains several amendments to the introduced bill, but retains most of the clarifying and strengthening provisions.

The principal purposes of H.R. 6844 are to extend the authorization of appropriations for the Commission, not to exceed $51 million for fiscal year 1976; $14 million for the interim period; $60 million for fiscal year 1977; and $68 million for fiscal year 1978. Our committee believes these funding levels are conservative, and in line with the amounts appropriated.

H.R. 6844 will also eliminate the regulation of firearms and ammunition, as well as tobacco and tobacco products from the Commission's jurisdiction.

The Commission will be authorized to conduct its own civil litigation, but criminal litigation will continue to be conducted through the Department of Justice.

One of the major provisions of the bill will provide for uniformity of administration on Federal preemption of State and local requirements by amendments to the four major acts administered by the Commission—the Consumer Product Safety Act, the Federal Hazardous Substances Act, the Poison Prevention Packaging Act of 1970, and the Flammable Fabrics Act.

Mr. VAN DEERLIN. Mr. Chairman, I have no further requests for time.

Mr. McCOLLISTER. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. Pursuant to the rule, the Clerk will now read the committee amendment in the nature of a substitute printed in the reported bill as an original bill for the purpose of amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

Section 1. This Act may be cited as the "Consumer Product Safety Commission Improvements Act of 1975".

Mr. VAN DEERLIN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Bergland, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 6844) to amend the Consumer Product Safety Act, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. VAN DEERLIN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 6844, the bill under consideration today.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

CONFERENCE REPORT ON H.R. 6799, FEDERAL RULES OF CRIMINAL PROCEDURE AMENDMENTS ACT

Mr. MANN submitted the following conference report and statement on the bill (H.R. 6799) to approve certain of the proposed amendments to the Federal Rules of Criminal Procedure, to amend certain of them, and to make certain additional amendments to those rules.

Conference Report (H. Rept. No. 94-414)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6799) to approve certain of the proposed amendments to the Federal Rules of Criminal Procedure, to amend certain of them, and to make certain additional amendments to those Rules, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That this Act may be cited as the "Federal Rules of Criminal Procedure Amendments Act of 1975".

Sec. 2. The amendments proposed by the United States Supreme Court to the Federal Rules of Criminal Procedure which are embraced in the order of that Court on April 22, 1974, are approved except as otherwise provided in this Act and shall take effect on December 1, 1975. Except with respect to the amendment to Rule 11, insofar as it adds Rule 11(e)(6), which shall take effect on August 1, 1975, the amendments made by section 3 of this Act shall also take effect on December 1, 1975.

Sec. 3. The Federal Rules of Criminal Procedure, as amended by the amendments that were proposed by the United States Supreme Court to the Federal Rules of Criminal Procedure which are embraced by the order of that Court on April 22, 1974, are further amended as follows:

(1) Rule 4 is amended by striking out subdivisions (a), (b), and (c); and inserting in lieu thereof the following:

"(a) Issuance.—If it appears from the complaint, or from an affidavit or affidavits filed with the complaint, that there is probable cause to believe that an offense has been committed and that the defendant has committed it, a warrant for the arrest of the defendant shall issue to any officer authorized by law to execute it. Upon request of the attorney for the government a summons instead of a warrant shall issue. More than one warrant or summons may issue on the same complaint. If a defendant fails to appear in response to the summons, a warrant shall issue.

"(b) Probable Cause.—The finding of probable cause may be based upon hearsay evidence in whole or in part.".

(2) Rule 4 is further amended by redesignating subdivision (d) as (c).

(3) Rule 4 is further amended by redesignating (e) as (d), and paragraph (3) of such subdivision is amended to read as follows:

"(3) Manner.—The warrant shall be executed by the arrest of the defendant. The officer need not have the warrant in his possession at the time of the arrest, but upon request he shall show the warrant to the defendant as soon as possible. If the officer does not have the warrant in his possession at the time of the arrest, he shall then inform the defendant of the offense charged and of the fact that a warrant has been issued. The summons shall be served upon a defendant by delivering a copy to him personally, or by leaving it at his dwelling house or usual place of abode with some person of suitable age and discretion then residing therein and by mailing a copy of the summons to the defendant's last known address.".

(4) Rule 9(a) is amended to read as follows:

"(a) Issuance.—Upon the request of the attorney for the government the court shall issue a warrant for each defendant named in the information, if it is supported by oath, or in the indictment. The clerk shall issue a summons instead of a warrant upon the request of the attorney for the government or by direction of the court. Upon like request or direction he shall issue more than one warrant or summons for the same defendant. He shall deliver the warrant or summons to the marshal or other person authorized by law to execute or serve it. If the defendant fails to appear in response to the summons, a warrant shall issue.".

(5) Rule 1(c) is amended to read as follows:

"(c) Advice to Defendant.—Before accepting a plea of guilty or nolo contendere, the court must address the defendant personally in open court and inform him of, and determine that he understands, the following:

"(1) the nature of the charge to which the plea is offered, the mandatory minimum penalty provided by law, if any, and the maximum possible penalty provided by law; and

"(2) if the defendant is not represented by an attorney, that he has the right to be represented by an attorney at every stage of the proceeding against him and, if necessary, one will be appointed to represent him; and

"(3) that he has the right to plead not guilty or to persist in that plea if it has already been made, and that he has the right to be tried by a jury and at that trial has the right to the assistance of counsel, the right to confront and cross-examine witnesses against him, and the right not to be compelled to incriminate himself; and

"(4) that if he pleads guilty or nolo contendere there will not be a further trial of any kind, so that by pleading guilty or nolo contendere he waives the right to a trial; and

"(5) that if he pleads guilty or nolo contendere, the court may ask him questions about the offense to which he has pleaded, and if he answers these questions under oath, on the record, and in the presence of counsel, his answers may later be used against him in a prosecution for perjury or false statement."

(6) Rule 11(c)(1) is amended to read as follows:

"(1) In General.—The attorney for the government and the attorney for the defendant or the defendant when acting pro se may engage in discussions with a view toward reaching an agreement that, upon the entering of a plea of guilty or nolo contendere to a charged offense or to a lesser or related offense, the attorney for the government will do any of the following:

"(A) move for dismissal of other charges; or

"(B) make a recommendation, or agree not to oppose the defendant's request, for a particular sentence, with the understanding that such recommendation or request shall not be binding upon the court; or

"(C) agree that a specific sentence is the appropriate disposition of the case.

The court shall not participate in any such discussions.".

(7) Rule 11(e)(2) is amended to read as follows:

"(2) Notice of Such Agreement.—If a plea agreement has been reached by the parties, the court shall, on the record, require the disclosure of the agreement in open court or, on a showing of good cause, in camera, at the time the plea is offered. Thereupon the court may accept or reject the agreement, or may defer its decision as to the acceptance or rejection until there has been an opportunity to consider the presentence report.".

(8) Rule 11(e)(3) is amended to read as follows:

"(3) Acceptance of a Plea Agreement.—If the court accepts the plea agreement, the court shall inform the defendant that it will embody in the judgment and sentence the disposition provided for in the plea agreement.".

(9) Rule 11(e)(4) is amended to read as follows:

"(4) Rejection of a Plea Agreement.—If the court rejects the plea agreement, the court shall, on the record, inform the parties of this fact, advise the defendant personally in open court or, on a showing of good cause, in camera, that the court is not bound by the plea agreement, afford the defendant the opportunity to then withdraw his plea, and advise the defendant that if he persists in his guilty plea or plea of nolo contendere the disposition of the case may be less favorable to the defendant than that contemplated by the plea agreement.".

(10) Rule 11(e)(6) is amended to read as follows:

"(6) Inadmissibility of Pleas, Offers of Pleas, and Related Statements.—Except as otherwise provided in this paragraph, evidence of a plea of guilty, later withdrawn, or a plea of nolo contendere, or of an offer to plead guilty or nolo contendere to the crime charged or any other crime, or of statements made in connection with, and relevant to, any of the foregoing pleas or offers, is not admissible in any civil or criminal proceeding against the person who made the plea or offer. However, evidence of a statement made in connection with, and relevant to, a plea of guilty, later withdrawn, a plea of nolo contendere, or an offer to plead guilty or nolo contendere to the crime charged or any other crime, is admissible in a criminal proceeding for perjury or false statement if the statement was made by the defendant under oath, on the record, and in the presence of counsel."

(11) Rule 12(e) is amended to read as follows:

"(e) Ruling on Motion.—A motion made before trial shall be determined before trial unless the court, for good cause, orders that it be deferred for determination at the trial of the general issue or until after verdict, but no such determination shall be deferred if a party's right to appeal is adversely affected. Where factual issues are involved in determining a motion, the court shall state its essential findings on the record.".

(12) Rule 12(h) is amended to read as follows:

"(h) Effect of Determination.—If the court grants a motion based on a defect in the intsitution of the prosecution or in the indictment or information, it may also order that the defendant be continued in custody or that his bail be continued for a specified time pending the filing of a new indictment or information. Nothing in this rule shall be deemed to affect the provisions of any Act of Congress relating to periods of limitations.".

(13) Rule 12.1 is amended to read as follows:

"Rule 12.1. Notice of Alibi

"(a) Notice by Defendant.—Upon written demand of the attorney for the government stating the time, date, and place at which the alleged offense was committed, the defendant shall serve within ten days, or at such different time as the court may direct, upon the attorney for the government a written notice of his intention to offer a defense of alibi. Such notice by the defendant shall state the specific place or places at which the defendant claims to have been at the time of the alleged offense and the names and addresses of the witnesses upon whom he intends to rely to establish such alibi.

"(b) Disclosure of Information and Witness.—Within ten days thereafter, but in no event less than ten days before trial, unless the court otherwise directs, the attorney for the government shall serve upon the defendant or his attorney a written notice stating the names and addresses of the witnesses upon whom the government intends to rely to establish the defendant's presence at the scene of the alleged offense and any other witnesses to be relied on to rebut testimony of any of the defendant's alibi witnesses.

"(c) Continuing Duty To Disclose.—If prior to or during trial, a party learns of an additional witness whose identity, if known, should have been included in the information furnished under subdivision (a) or (b), the party shall promptly notify the other party or his attorney of the existence and identity of such additional witness.

"(d) Failure To Comply.—Upon the failure of either party to comply with the requirements of this rule, the court may exclude the testimony of any undisclosed witness offered by such party as to the defendant's absence from or presence at, the scene of the alleged offense. This rule shall not limit the right of the defendant to testify in his own behalf.

"(e) Exceptions.—For good cause shown, the court may grant an exception to any of the requirements of subdivisions (a) through (d) of this rule.

"(f) Inadmissibility of Withdrawn Alibi.—Evidence of an intention to rely upon an alibi defense, later withdrawn, or of statements made in connection with such intention, is not admissible in any civil or criminal proceeding against the person who gave notice of the intention.".

(14) Rule 12.2(c) is amended to read as follows:

"(c) Psychiatric Examination.—In an appropriate case the court may, upon motion of the attorney for the government, order the defendant to submit to a psychiatric examination by a psychiatrist designated for this purpose in the order of the court. No statement made by the accused in the course of any examination provided for by this rule, whether the examination shall be with or without the consent of the accused, shall be admitted in evidence against the accused on the issue of guilt in any criminal proceeding.".

(15) Rule 15(a) is amended to read as follows:

"(a) When Taken.—Whenever due to exceptional circumstances of the case it is in the interest of justice that the testimony of a prospective witness of a party be taken and preserved for use at trial, the court may upon motion of such party and notice to the parties order that testimony of such witness be taken by deposition and that any designated book, paper, document, record, recording, or other material not privileged, be produced at the same time and place. If a witness is committed for failure to give bail to appear to testify at a trial or hearing, the court on written motion of the witness and upon notice to the parties may direct that his deposition be taken. After the deposition has been subscribed the court may discharge the witness.".

(16) Rule 15(b) is amended to read as follows:

"(b) Notice of Taking.—The party at whose instance a deposition is to be taken shall give to every party reasonable written notice of the time and place for taking the deposition. The notice shall state the name and address of each person to be examined. On motion of a party upon whom the notice is served, the court for cause shown may extend or shorten the time or change the place for taking the deposition. The officer having custody of a defendant shall be notified of the time and place set for the examination and shall, unless the defendant waives in writing the right to be present, produce him at the examination and keep him in the presence of the witness during the examination, unless, after being warned by the court that disruptive conduct will cause him to be removed from the place of the taking of the deposition, he persists in conduct which is such as to justify his being excluded from that place. A defendant not in custody shall have the right to be present at the examination upon request subject to such terms as may be fixed by the court, but his failure, absent good cause shown, to appear after notice and tender of expenses in accordance with subdivision (c) of this rule shall constitute a waiver of that right and of any objection to the taking and use of the deposition based upon that right.".

(17) Rule 15(c) is amended to read as follows:

"(c) Payment of Expenses.—Whenever a deposition is taken at the instance of the government, or whenever a deposition is taken at the instance of a defendant who is unable to bear the expenses of the taking of the deposition, the court may direct that the expense of travel and subsistence of the defendant and his attorney for attendance at the examination and the cost of the transcript of the deposition shall be paid by the government.".

(18) Rule 15(e) is amended by striking out "as defined in subdivision (g) of this rule" and inserting in lieu thereof the following: "as unavailability is defined in Rule 804(a) of the Federal Rules of Evidence".

(19) Rule 15(g) is deleted and subdivision (h) is redesignated as (g).

(20) Rule 16(a)(1)(A) is amended to read as follows:

"(A) Statement of Defendant.—Upon request of a defendant the government shall permit the defendant to inspect and copy or photograph: any relevant written or recorded statements made by the defendant, or copies thereof, within the possession, custody or control of the government, the existence of which is known, or by the exercise of due diligence may become known, to the attorney for the government; the substance of any oral statement which the government intends to offer in evidence at the trial made by the defendant whether before or after arrest in response to interrogation by any person then known to the defendant to be a government agent; and recorded testimony of the defendant before a grand jury which relates to the offense charged. Where the defendant is a corporation, partnership, association or labor union, the court may grant the defendant, upon its motion, discovery of relevant recorded testimony of any witness before a grand jury who (1) was, at the time of his testimony, so situated as an officer or employee as to have been able legally to bind the defendant in respect to conduct constituting the offense, or (2) was, at the time of the offense, personally involved in the alleged conduct constituting the offense and so situated as an officer or employee as to have been able legally to bind the defendant in respect to that alleged conduct in which he was involved.

(21) Rule 16(a)(1)(B) is amended to read as follows:

"(B) Defendant's Prior Record.—Upon request of the defendant, the government shall furnish to the defendant such copy of his prior criminal record, if any, as is within the possession, custody, or control of the government, the existence of which is known, or by the exercise of due diligence may become known, to the attorney for the government.".

(22) Rules 16(a)(1)(D) is amended to read as follows:

"(D) Reports of Examinations and Tests.—Upon request of a defendant the government shall permit the defendant to inspect and copy or photograph any results or reports of physical or mental examinations, and of scientific tests or experiments, or copies thereof, which are within the possession, custody, or control of the government, the existence of which is known, or by the exercise of due diligence may become known, to the attorney for the government, and which are material to the preparation of the defense or are intended for use by the government as evidence in chief at the trial.".

(23) Rule 16(a)(1)(E) is deleted.

(24) Rule 16(b)(1)(A) is amended to read as follows:

"(A) Documents and Tangible Objects.—If the defendant requests disclosure under subdivision (a)(1)(C) or (D) of this rule, upon compliance with such request by the government, the defendant, on request of the government, shall permit the government to inspect and copy or photograph books, papers, documents, photographs, tangible objects, or copies or portions thereof, which are within the possession, custody, or control of the defendant and which the defendant intends to introduce as evidence in chief at the trial.".

(25) Rule 16(b)(1)(B) is amended to read as follows:

"(B) Reports of Examinations and Tests.—If the defendant requests disclosure under subdivision (a)(1)(C) or (D) of this rule, upon compliance with such request by the government, the defendant, on request of the government, shall permit the government to inspect and copy or photograph any results or reports of physical or mental examinations and of scientific tests or experiments made in connection with the particular case, or copies thereof, within the possession or control of the defendant, which the defendant intends to introduce as evidence in chief at the trial or which were prepared by a witness whom the defendant intends to call at the trial when the results or reports relate to his testimony.".

(26) Rule 16(b)(1)(C) is deleted.

(27) Rule 16(c) is amended to read as follows:

"(c) Continuing Duty To Disclose.—If, prior to or during trial, a party discovers additional evidence or material previously requested or ordered, which is subject to discovery or inspection under this rule, he shall promptly notify the other party or his attorney or the court of the existence of the additional evidence or material.".

(28) Rule 16(d)(1) is amended to read as follows:

"(1) Protective and Modifying Orders.—Upon a sufficient showing the court may at any time order that the discovery or inspection be denied, restricted, or deferred, or make such other order as is appropriate. Upon motion by a party, the court may permit the party to make such showing, in whole or in part, in the form of a written statement to be inspected by the judge alone. If the court enters an order granting relief following such an ex parte showing, the entire text of the party's statement shall be sealed and preserved in the records of the court to be made available to the appellate court in the event of an appeal.".

(29) Rule 17(f)(2) is amended to read as follows:

"(2) Place.—The witness whose deposition is to be taken may be required by subpoena to attend at any place designated by the trial court, taking into account the convenience of the witness and the parties.".

(30) Rule 20(d) is amended to read as follows:

"(d) Juveniles.—A juvenile (as defined in 18 U.S.C. § 5031) who is arrested, held, or present in a district other than that in which he is alleged to have committed an act in violation of a law of the United States not punishable by death or life imprisonment may, after he has been advised by counsel and with the approval of the court and the United States attorney for each district, consent to be proceeded against as a juvenile delinquent in the district in which he is arrested, held, or present. The consent shall be given in writing before the court but only after the court has apprised the juvenile of his rights, including the right to be returned to the district in which he is alleged to have committed the act, and of the consequences of such consent.".

(31) Rule 32(a)(1) is amended to read as follows:

"(1) Imposition of Sentence.—Sentence shall be imposed without unreasonable delay. Before imposing sentence the court shall afford counsel an opportunity to speak on behalf of the defendant and shall address the defendant personally and ask him if he wishes to make a statement in his own behalf and to present any information in mitigation of punishment. The attorney for the government shall have an equivalent opportunity to speak to the court.".

(32) Rule 32(c)(1) is amended to read as follows:

"(1) When Made.—The probation service of the court shall make a presentence investigation and report to the court before the imposition of sentence or the granting of probation unless, with the permission of the court, the defendant waives a presentence investigation and report, or the court finds that there is in the record information sufficient to enable the meaningful exercise of sentencing discretion, and the court explains this finding on the record.

"The report shall not be submitted to the court or its contents disclosed to anyone unless the defendant has pleaded guilty or nolo contendere or has been found guilty, except that a judge may, with the written consent of the defendant, inspect a presentence report at any time.".

(33) Rule 32(c)(3)(A) is amended to read as follows:

"(A) Before imposing sentence the court shall upon request permit the defendant, or his counsel if he is so represented, to read the report of the presentence investigation exclusive of any recommendation as to sentence, but not to the extent that in the opinion of the court the report contains diagnostic opinion which might seriously disrupt a program of rehabilitation, sources of information obtained upon a promise of confidentiality, or any other information which, if disclosed, might result in harm, physical or otherwise, to the defendant or other persons; and the court shall afford the defendant or his counsel an opportunity to comment thereon and, at the discretion of the court, to introduce testimony or other information relating to any alleged factual inaccuracy contained in the presentence report.".

(34) Rule 32(c)(3)(D) is amended to read as follows:

"(D) Any copies of the presentence investigation report made available to the defendant or his counsel and the attorney for the government shall be returned to the probation officer immediately following the imposition of sentence or the granting of probation, unless the court, in its discretion otherwise directs.".

(35) Rule 43(b)(2) is amended to read as follows:

"(2) after being warned by the court that disruptive conduct will cause him to be removed from the courtroom, persists in conduct which is such as to justify his being excluded from the courtroom.".

And the Senate agree to the same.

James R. Mann,
Ray Thornton,
Martin A. Russo,
Charles E. Wiggins,
Henry J. Hyde,
Managers on the Part of the House.

John L. McClellan,
Philip A. Hart,
James Abourezk,
Roman L. Hruska,
Hugh Scott.
Managers on the Part of the Senate.

Joint Explanatory Statement of the Committee of Conference

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6799) to approve certain of the proposed amendments to the Federal Rules of Criminal Procedure, to amend certain of them, and to make certain additional amendments to those Rules, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House and Senate conferees met twice to resolve the differences between the House and Senate versions of H.R. 6799. As a result of these meetings, the Managers on the part the House and the Managers on the part of of the Senate have resolved all differences between the two versions of H.R. 6799.

The conferees agreed to several technical, perfecting and nonsubstantive changes in the Senate amendment. In addition, the Conferees made a few technical and nonsubstantive changes in the Senate amendment. The Conference, besides adopting these technical, perfecting and nonsubstantive changes, adopted the following provisions:

Rule 4(e)(3)

Rule 4(e)(3) deals with the manner in which warrants and summonses may be served. The House version provides two methods for serving a summons: (1) personal service upon the defendant, or (2) service by leaving it with someone of suitable age at the defendant's dwelling *and* by mailing it to the defendant's last known address. The Senate version provides three methods: (1) personal service, (2) service by leaving it with dwelling, or (3) service by mailing it to defendant's last known address.

The Conference adopts the House provision.

Rule 11(c)

Rule 11(c) enumerates certain things that a judge must tell a defendant before the judge can accept that defendant's plea of guilty or nolo contendere. The House version expands upon the list originally proposed by the Supreme Court. The Senate version adopts the Supreme Court's proposal.

The Conference adopts the House provision.

Rule 11(e)(1)

Rule 11(e)(1) outlines some general considerations concerning the plea agreement procedure. The Senate version makes nonsubstantive change in the House version.

The Conference adopts the Senate provision.

Rule 11(e)(6)

Rule 11(e)(6) deals with the use of statements made in connection with plea agreements. The House version permits a limited use of pleas of guilty, later withdrawn, or nolo contendere, offers of such pleas, and statements made in connection with such pleas or offers. Such someone of suitable age at the defendant's evidence can be used in a perjury or false statement prosecution if the plea, offer, or related statement was made under oath, on the record, and in the presence of counsel. The Senate version permits evidence of voluntary and reliable statements made in court on the record to be used for the purpose of impeaching the credibility of the declarant or in a perjury or false statement prosecution.

The Conference adopts the House version with changes. The Conference agrees that neither a plea nor the offer of a plea ought to be admissible for any purpose. The Conference-adopted provision, therefore, like the Senate provision, permits only the use of statements made in connection with a plea of guilty, later withdrawn, or a plea of nolo contendere, or in connection with an offer of a guilty or nolo contendere plea.

Rule 12.2(c)

Rule 12.2(c) deals with court-ordered psychiatric examinations. The House version provides that no statement made by a defendant during a court-ordered psychiatric examination could be admitted in evidence against the defendant before the trial of fact that determines the issue of guilt, prior to the determination of guilt. The Senate version deletes this provision.

The Conference adopts a modified House provision and restores to the bill the language of H.R. 6799 as it was originally introduced. The Conference-adopted language provides that no statement made by the defendant during a psychiatric examination provided for by the rule shall be admitted against him on the issue of guilt in any criminal proceeding.

The Conference believes that the provision in H.R. 6799 as originally introduced in the House adequately protects the defendant's fifth amendment right against self-incrimination. The rule does not preclude use of statements made by a defendant during a court-ordered psychiatric examination. The statements may be relevant to the issue of defendant's sanity and admissable on that issue. However, a limiting instruction would not satisfy the rule if a statement is so prejudicial that a limiting instruction would be ineffective. Cf. practice under 18 U.S.C. 4244.

Rule 15(g)

Rule 15 deals with the taking of depositions and the use of depositions at trial. Rule 15(e) permits a deposition to be used if the witness is unavailable. Rule 15(g) defines that term.

The Supreme Court's proposal defines five circumstances in which the witness will be considered unavailable. The House version of the bill deletes a provision that said a witness is unavailable if he is exempted at trial, on the ground of privilege, from testifying about the subject-matter of his deposition. The Senate version of the bill, by cross reference to the Federal Rules of Evidence, restores the Supreme Court proposal.

The Conference adopts the Senate provision.

Rule 16

Rule 16 deals with pretrial discovery by the defendant and the government. The House and Senate versions of the bill differ on Rule 16 in several respects.

A. *Reciprocal vs. Independent Discovery for the Government.*—The House version of the bill provides that the government's discovery is reciprocal. If the defendant requires and receives certain items from the government, then the government is entitled to get similar items from the defendant. The Senate version of the bill gives the government an independent right to discover material in the possession of the defendant.

The Conference adopts the House provisions.

B. *Rule 16(a)(1)(A).*—The House version permits an organization to discover relevant recorded grand jury testimony of any witness who was, at the time of the acts charged or of the grand jury proceedings, so situated as an officer or employee as to have been able legally to bind it in respect to the activities involved in the charges. The Senate version limits discovery of this material to testimony of a witness who was, at the time of the grand jury proceeding, so situated as an officer or employee as to have been legally to bind the defendant in respect to the activities involved in the charges.

The Conferees share a concern that during investigations, ex-employees and ex-officers of potential corporate defendants are a critical source of information regarding activities of their former corporate employers. It is not unusual that, at the time of their testimony or interview, these persons may have interests which are substantially adverse to or divergent from the putative corporate defendant. It is also not unusual that such individuals, though no longer sharing a community of interest with the corporation, may nevertheless be subject to pressure from their former employers. Such pressure may derive from the fact that the ex-employees or ex-officers have remained in the same industry or related industry, are employed by competitors, suppliers, or customers of their former employers, or have pension or other deferred compensation arrangements with former employers.

The Conferees also recognize that considerations of fairness require that a defendant corporation or other legal entity be entitled to the grand jury testimony of a former officer or employee if that person was personally involved in the conduct constituting the offense and was able legally to bind the defendant in respect to the conduct in which he was involved.

The Conferees decided that, on balance, a defendant organization should not be entitled to the relevant grand jury testimony of a former officer or employee in every instance. However, a defendant organization should be entitled to it if the former officer or employee was personally involved in the alleged conduct constituting the offense and was so situated as to have been able legally to bind the defendant in respect to the alleged conduct. The Conferees note that, even in those situations where the rule provides for disclosure of the testimony, the Government may, upon a sufficient showing, obtain a protective or modifying order pursuant to Rule 16(d)(1).

The Conference adopts a provision that permits a defendant organization to discover relevant grand jury testimony of a witness who (1) was, at the time of his testimony, so situated as an officer or employee as to have been able legally to bind the defendant in respect to conduct constituting the offense, or (2) was, at the time of the offense, personally involved in the alleged conduct constituting the offense and so situated as an officer or employee as to have been able legally to bind the defendant in respect to that alleged conduct in which he was involved.

(C) *Rules 16(a)(1)(E) and (b)(1)(C) (witness lists).*—The House version of the bill provides that each party, the government and the defendant, may discover the names and addresses of the other party's witnesses 3 days before trial. The Senate version of the bill eliminates these provisions, thereby making the names and addresses of a party's witnesses nondiscoverable. The Senate version also makes a conforming change in Rule 16(d)(1). The Conference adopts the Senate version.

A majority of the Conferees believe it is not in the interest of the effective administration of criminal justice to require that the government or the defendant be forced to reveal the names and addresses of its witnesses before trial. Discouragement of witnesses and improper contacts directed at influencing their testimony, were deemed paramount concerns in the formulation of this policy.

D. *Rules 16 (a)(2) and (b)(2).*—Rules 16 (a)(2) and (b)(2) define certain types of materials ("work product") not to be discoverable. The House version defines work product to be "the mental impressions, conclusions, opinions, or legal theories of the attorney for the government or other government agents." This is parallel to the definition in the Federal Rules of Civil Procedure. The Senate version returns to the Supreme Court's language and defines work product to be "reports, memoranda, or other internal government documents." This is the language of the present rule.

The Conference adopts the Senate provision.

The Conferees note that a party may not avoid a legitimate discovery request merely because something is labelled "report", "memorandum", or "internal document". For example if a document qualifies as a statement of the defendant within the meaning of the Rule 16(a)(1)(A), then the labelling of that document as "report", "memorandum", or "internal government document" will not shield that statement from discovery. Likewise, if the results of an experiment qualify as the results of a scientific test within the meaning of Rule 16(b)(1)(B), then the results of that experiment are not shielded from discovery even if they are labelled "report", "memorandum", or "internal defense document".

EFFECTIVE DATE

The House version provides that the effective date of the proposed amendments together with the further amendments made by this Act, is August 1, 1975. The Senate version provides that such effective date shall be December 1, 1975.

The conference adopts the Senate provision with a change.

The Conferees intend that the amendments proposed by the Supreme Court, together with the amendments made by this Act shall, except as to Rule 11(e)(6), take effect on December 1, 1975. Section 2 of the Act as proposed by the Conferees further delays the effective date of the rule changes proposed by the Supreme Court, which had been delayed to August 1, 1975, by Public Law 93-361. Until December 1, 1975, the rules presently in force shall apply. It is provided that Rule 11(e)(6) shall take effect on August 1, 1975.

James R. Mann,
Ray Thornton,
Martin A. Russo,
Charles E. Wiggins,
Henry J. Hyde,
Managers on the Part of the House.
John L. McClellan,
Philip A. Hart,
James Abourezk,
Roman L. Hruska,
Hugh Scott,
Managers on the Part of the Senate.

PERSONAL EXPLANATION

Mr. BALDUS. Mr. Speaker, on rollcall vote 431, S. 555, farm disaster loans conference report, and rollcall vote 437, H.R. 5900, economic rights of labor, I was absent because of official business of the House Agriculture Committee, taking the place of Chairman Ed Jones at the Dairy and Poultry Subcommittee field hearings in Burlington, Vt. Had I been present I would have voted yes for both of these bills.

THE LATE HONORABLE LESTER JOHNSON

The SPEAKER pro tempore (Mr. McFall). Under a previous order of the

House, the gentleman from Wisconsin (Mr. ZABLOCKI) is recognized for 60 minutes.

GENERAL LEAVE

Mr. ZABLOCKI. Mr. Speaker, I ask that all Members may have 5 legislative days in which to extend their remarks on the life character and public service of the late Honorable Lester Johnson.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. ZABLOCKI. Mr. Speaker, I have requested this special order to recognize the fine contributions which our former colleague, Lester Johnson of Wisconsin, has made to his country. I am sure that all who were privileged to serve with Lester Johnson remember our late colleague with affection and respect. He served for 12 years in Congress from 1953 to 1965, and was an outstanding Member of Congress.

Our former colleague was born in 1901 in Brandon, Wis. After graduation from the University of Wisconsin Law School in 1941 he commenced practice in Black River Falls, Wis. A former LaFollette Progressive, Lester was elected as a Democrat to fill the vacancy caused by the death of Congressman Merlin Hull. This election made Lester the first Democratic Congressman in history to be elected in Wisconsin's old Ninth District. His victory was regarded as a political upset in the normally Republican district and many observers regarded Lester Johnson's victory as a repudiation of policies of the recently elected Eisenhower administration, especially those policies affecting farmers. Lester served in the House of Representatives for six terms and I was sorry to see him retire in 1964.

Many of the present Members of Congress remember Lester most affectionately for his warm, engaging personality, and for his efforts and genuine interest in helping with other people's problems. Because of his low-key approach, good judgment, and great knowledge, Lester was consulted by his colleagues for advice particularly on agricultural matters and many other issues which arose in Congress. There was nothing severe or solemn about Lester and he always had something pleasant to say, in the unassuming manner which endeared him to so many.

Lester prided himself on his record for doing what he thought was right even in the face of substantial criticism. And he prided himself on providing representation in every sense to his congressional district. When someone had a Federal problem, they knew Lester Johnson would try to help them. They knew that if they wrote to him, he would answer their correspondence. But, most of all, they knew that the basic philosophy of the area he served would be represented in Lester's contributions to public policy.

Lester's greatest accomplishments and the ones of which he was most proud, were those relating to the preservation and improvement of our environment. He was an ardent conservationist, in days when "ecology and environment" were not even a part of the legislative vocabulary. When historians look back and review the efforts on environmental quality in our era, Lester will certainly be considered one of the early crusaders to protect our natural systems, to control pollution, and to preserve our national heritage.

Had Lester Johnson's commitment to the environment not been so deeply ingrained we might not have accomplished some of our present-day environmental goals. He was instrumental in the enactment in 1961 of a measure to speed up acquisition of waterfowl areas under the 1929 Migratory Bird Conservation Act and amended the Migratory Bird Hunting Stamp Act. This law was an important authority for the establishment of bird and wildlife conservation practices.

Lester's major committee responsibilities as a House Member came to him as a member of the Agriculture Committee. He made energetic and informed contributions to the work of the committee and to the complex affairs of the American farm community. He was not a man who sought headlines but one who had the satisfaction that comes from doing the best job which one can do, and it is clear that he left his mark on many pieces of farm legislation. He ardently defended the American farmer against the interest of those who sought to compromise the cause of agriculture.

As chairman of the Dairy Subcommittee, of the House Agriculture Committee, Lester worked hard to insure that the problems of the small farmer were heard and acted upon. He understood and was deeply sympathetic to the problems the family farmers were facing in the late 1950's and early 1960's—supply continuing to outrun demand, farm prices and income wavering and declining, and surpluses increasing. Close friends of Lester say that it was not unusual to find him visiting the homes of farmers in his district late in the evening in order that he could discuss such things as price supports, production incentives and controls, food prices, consumer problems and other major issues related to farm policy. In the difficult era following World War II, a consensus could never be found for a thoroughgoing and permanent policy of a free market or a sharply managed farm economy. In the tug and pull of party, regional, and commodity interests, Lester Johnson contributed to important compromises designed to protect farm income while at the same time preserving small farmers.

Mr. Speaker, Lester was also a great friend of the American veterans and their dependents. He supported enthusiastically those attempts to expand those veterans' services and programs which were designed to help the veteran make an easy and successful transition back to civilian life.

Mr. STRATTON. Mr. Speaker, will the gentleman yield?

Mr. ZABLOCKI. I am happy to yield to the gentleman from New York.

Mr. STRATTON. Mr. Speaker, I appreciate the gentleman from Wisconsin yielding to me, and I just wished to join with the gentleman in paying tribute to Lester Johnson.

I knew Lester Johnson well when I first came to this body a number of years ago. I came to know him particularly because my district, too, at the time, had a very substantial amount of dairy activity going on, and what the gentleman from Wisconsin has said about the contributions that Lester Johnson made to agricultural legislation and dairy legislation are certainly very true.

Lester Johnson was a very effective Member and a highly respected Member. He represented a considerable power trust in terms of being elected from an area of Wisconsin that had never sent a Democrat to the Congress before.

I would just like to conclude by saying that Lester Johnson was a great person to serve with, and we will all miss him very greatly.

Mr. ZABLOCKI. Mr. Speaker, I thank the gentleman from New York (Mr. STRATTON) for his kind remarks about our former colleague, Lester Johnson. True, he worked hard in agricultural matters but his interest in the welfare of veterans was just as intense. He worked to provide educational opportunities, business, or other opportunities lost while in service.

Like everything Lester Johnson did in his 74 years, his service as a U.S. Representative was a credit to him, to his family, and to his constituents, and to all Americans. I have always been proud to call Lester Johnson my friend and I share the sorrow of those whom he has left behind. Yet I know that his wife, Marjorie, and his daughters, Mary Jane, Jane, and Jone, are consoled, as I am consoled, by the thought that he lived a rich life, and enriched all of us who were fortunate enough to know him.

Mr. Speaker, our dear friend will be sorely missed. My wife joins me in extending deepest sympathy to his wife and family.

Mr. Speaker, I am delighted to yield to the gentleman from Wisconsin (Mr. BALDUS), a very dear friend of Lester Johnson's.

Mr. BALDUS. Mr. Speaker, I was saddened to hear of the passing away last Thursday evening of former Congressman Lester Johnson. Lester was a personal friend and had represented part of the western Wisconsin district that I now represent.

Congressman Johnson began his career in Washington in October of 1953 when he won a special election to fill the vacancy created by the death of Representative Merlin Hull. His election gained national attention because it was seen as the first test of national reaction to the Eisenhower administration. During that first campaign, Lester promised to uphold the progressive tradition of Merlin Hull, and anyone familiar with his years in office can verify that he epitomized the fine tradition of the progressive spirit.

In 1959, Lester became chairman of the Dairy and Poultry Subcommittee of the House Agriculture Committee. In his first year as chairman, he linked the interests of his dairy farming constituents with the interests of District of Columbia consumers by negotiating the relaxing of District milk regulation and the adoption of the U.S. milk code as a national standard. The result was a 2 cents per quart decrease in the cost of milk in Washington and the creation of a new market for the milk of Wisconsin dairymen.

Lester's ability was testified to by the fact that he was reelected to six terms in Congress before deciding not to seek reelection in 1964. His career as a public servant earned him the widespread respect of those he had served.

Lester was justifiably proud of his years in Washington and he was always eager to share his experiences with me. Early in my congressional campaign he paid a visit to my headquarters and brought with him a box of memorabilia from his own campaigns and from his years in office. As we sat together and looked through the contents of the box, his love for the people of Wisconsin and for his role as their representative was evident. It was a moving experience for me as I stood at the brink of my own career representing these people in Washington.

Letter quickly dug to the bottom of the box and pulled out his prized memento, a framed editorial which had been printed in one of the small weekly papers. The editorial spoke in glowing terms of the fine work Lester was doing in Washington, but gave special notice to the warmth and dedication with which he approached the problems of his constituents. Lester said that he had hung that article on the wall of his office as a constant reminder to his staff of his dedication to the people of Wisconsin. He was especially proud of the editorial because it had been written by a Republican editor who had supported his election opponent.

One of the highlights in my own campaign occurred when Lester took out the newspaper ads with our pictures side by side and a list of reasons why he was supporting my candidacy. I felt then and I feel today that it was a singular honor to have Lester put my name next to his. It is my sincere hope that I will be able to serve with the same distinction as Lester Johnson did.

Mr. ZABLOCKI. I thank the gentleman from Wisconsin (Mr. BALDUS), my dear friend, for his very kind remarks.

Mr. Speaker, I yield to my friend, the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. I thank the gentleman from Wisconsin for yielding.

Mr. Speaker, I did not serve with Lester Johnson, but I certainly knew him well in my years in the State legislature, and certainly got to know him very well after I came to Washington in 1969.

Lester Johnson began his public life in 1935 as chief clerk of the Wisconsin Assembly. He later served with the State banking commission and as district attorney of Jackson County. As the gentleman in the well has indicated, in 1953 he was elected to the 83d Congress and served until 1965.

I share, I think, two common bonds with Lester Johnson. The first is because of reapportionment I had the privilege of representing some of the counties which he used to represent in this body; and, secondly, I, like Lester Johnson, was elected to this House in a special election. I, like Lester Johnson, was also elected in a tough Republican district against high odds.

I think to me one of the most encouraging things during that campaign was a letter which I received from Lester Johnson urging me to continue to work because he said:

> If I can do it, you can do it, and we can surprise the country twice.

I will never forget coming to Washington and seeing as one of the first telegrams on my desk in my office a telegram from Lester Johnson congratulating me on duplicating his feat in 1950.

History will remember Lester Johnson, as the gentleman from Wisconsin has indicated, as the first Democrat to represent the Ninth District in Congress, but I think those who knew Lester well will remember him for something else. They will remember him for his continuous trips back to his district and for the way he used to stroll casually down Main Street of virtually every town and village in his district. He did that not just because it was the politically smart thing to do but because he loved it. He loved to get out and talk to the average man and the average woman and find out what the problems were. He never became a stuffed shirt or got Potomac fever. The people of his district knew and cherished him for it.

I think the main quality which would summarize his character would be the quality of humility. I noticed in a small story in the Wisconsin newspaper a couple of days ago the story of Lester's first election when he came to the Congress and he stepped off the plane and was confronted in a press conference by some Washington reporters. They asked how it felt to be the terror of the GOP? He said:

> I do not like it. I would rather be just plain Lester Johnson from River Falls.

But just plain Lester was a special man and it was a privilege to know him.

I extend my sympathies to his family as I recall very many fond memories.

Mr. ZABLOCKI. I thank the gentleman from Wisconsin for his very kind remarks. All of them are absolutely true.

Mr. RHODES. Mr. Speaker, I join my colleagues in the House in paying tribute to a former Member of the House, Lester Johnson, who was with us for 11 years. He was a dedicated public servant, who worked hard for the dairymen in his district, and contributed much to the understanding of the public of the problems faced by the American dairy farmer. He was a conscientious Member of the House, and I share the great sense of loss that his home State of Wisconsin feels in his passing. His hard work and dedicated service to his constituents earned him respect from both sides of the political aisle. I extend my condolences to his wife and two daughters, and to his many friends in Augusta, Wis.

Mr. KASTENMEIER. Mr. Speaker, it is with personal sadness that I note the unfortunate death of our former colleague, Lester Johnson. No other Member from Wisconsin has worked harder or served with greater distinction than did Lester in his tenure of some 11 years as a Member of this House.

Lester Johnson's basic interest always centered on the problems facing agriculture and our rural communities. As a member of the Committee on Agriculture and chairman of the Dairy Subcommittee, he was known as a leader in the fields of dairying, conservation, and rural electrification. His efforts to bring about reform in Federal agricultural legislation, opening national markets to Wisconsin dairy products, and helping to assure consumers of adequate supplies of pure and wholesome milk will long be remembered.

But Lester Johnson was also keenly aware of the relationship between agricultural production and good conservation practices—long before "the environment" became a national concern. During his service in this House, Lester took the lead in expanding the watershed conservation program. He was instrumental in establishing that great memorial, the Ice Age National Scientific Preserve in Wisconsin.

During my first 6 years as a Member of Congress, no one aided me more greatly and cooperated in council with me more fully than did Lester Johnson. I was proud and honored to serve with Lester, and I join my colleagues in mourning the death of an able legislator and a distinguished Wisconsinite.

Mr. EVINS of Tennessee. Mr. Speaker, I want to associate myself with the remarks of the gentleman from Wisconsin (Mr. ZABLOCKI) and others in paying a brief but sincere tribute to the memory of our former colleague and friend, Lester Johnson, of Wisconsin.

Following an upset victory as a Democrat in a special congressional election in 1953, Lester Johnson served in the House with dedication and distinction for some 12 years before his retirement in 1965.

Lester Johnson was an able, conscientious, genial, and personal Member—he was devoted to his work in the Congress and represented his district, State, and Nation faithfully and well.

He was an outstanding member of the Committee on Agriculture where he assisted in the drafting of much important farm legislation.

Lester Johnson was a great American, an outstanding legislator and his contributions to his country during his career of public service will serve as a monument to his memory.

I want to take this means of extending this expression of my deepest sympathy to members of the Lester Johnson family.

Mr. REUSS. Mr. Speaker, today I join my colleagues in paying homage to our late, good friend, Lester Johnson.

Lester Johnson was a man of integrity, a warm and helpful friend, and a capable legislator. He was a dedicated public servant and a skilled parliamentarian. His advice was always eagerly sought by his colleagues, and the Wisconsin delegation in Congress was strengthened by his presence. His decision not to run for reelection in 1964 was a loss to this body and to our State. His death last week was a loss to his friends here and at home. His lifetime of service well merits the tribute we pay to his memory today.

NEED FOR MORE PENSION REFORM

The SPEAKER pro tempore (Mr. Beard of Rhode Island). Under a previous order of the House, the gentleman from Wisconsin (Mr. Cornell) is recognized for 10 minutes.

Mr. CORNELL. Mr. Speaker, the Employee Retirement Income Security Act of 1974 is unquestionably a landmark piece of legislation in pension reform. Included in its provisions are tax incentives for retirement savings for individuals not covered by a pension plan. Under this law individuals not part of a qualified retirement plan are entitled to take a tax deduction of 15 percent of earned income up to $1,500 a year for retirement savings and to defer the tax liability until they start drawing their pension. However, there is no provision for such an Individual Retirement Account—IRA—if the employer provides any type of pension program—no matter how inadequate it may be.

In a message to Congress on December 8, 1971, President Nixon pointed out that many individuals are not covered by private pension plans and he recommended that employees who wish to save independently for their retirement or to supplement employer-financed pensions should be allowed to deduct amounts set aside for these purposes. He specifically suggested the provisions incorporated in the law regarding individuals whose employers had no pension program, but he added:

> This proposed reduction would be available to those already covered by employer-financed plans, but in this case the upper limit of $1,500 would be reduced to reflect pension plan contributions made by the employer.

It is my understanding that while the provision allowing individuals to supplement their employer-financed pension was considered by the Ways and Means Committee, it was decided to drop this feature in view of the revenue loss to the Treasury.

This is an inequity which I and some of my constituents believe should be rectified. Why should not individuals be entitled to supplement their employer-financed pension program by setting aside the difference between what the employer contributed and the $1,500 maximum permitted? Today, I am introducing a bill to amend the Internal Revenue Code of 1954 to accomplish this.

IRA is already available to those not actively participating in a pension plan, regardless of their income. Now is the time to establish equity by permitting individuals with insufficient pensions to add to their employer's plan through a supplemental IRA account.

I submit for the Record a section-by-section analysis of this bill:

Section-by-Section Analysis of H.R. 8990

A bill to amend the Internal Revenue Code of 1954 to allow persons covered by certain other retirement plans to establish personal savings for retirement.

BACKGROUND

Under existing law (P.L. 93-406), individuals not covered by a tax-qualified pension plan, a government retirement plan, or a tax-sheltered annuity contract (available to employees of certain tax-exempt organizations) are permitted to take annual tax deductions for retirement savings of the lesser of 15 percent of compensation or $1,500. (Social Security and Railroad Retirement are not considered Government plans.) This bill would extend this provision to individuals covered by these retirement plans by enabling them to supplement employer financed pensions subject to certain limitations and restrictions.

SECTION 1

Section 1 of H.R. 8990 amends part VII of Subchapter B of chapter 1 of the Internal Revenue Code of 1954 (code) (relating to additional itemized deductions for individuals) by striking section 219 in its entirety and inserting in lieu thereof a new section 219 which would allow individuals a limited deduction for certain amounts saved for retirement purposes.

Existing law allows in the case of an individual, a tax deduction for amounts paid in cash during the taxable year by or on behalf of such individual for his benefit into (1) an individual retirement account (described in section 408(a)), (2) an individual retirement annuity (described in section 408(b)), (3) a retirement bond (described in section 409 but only if the bond is not redeemed within 12 months of the date of its issuance). The new section 219(a) would retain these provisions and also allow tax deductions for employee contributions into a tax-qualified retirement plan (described in section 401(a) and which is exempt from tax under section 501(a)), and for the purchase of a tax-sheltered annity contract (described in section 403(b)) which is available to employees of certain types of tax-exempt organizations. Section 219(a) also provides, as with existing law, that any amount paid by an employer constitutes payment of compensation to the employee (other than a self-employed individual who is an employee within the meaning of section 401(c)(1)) which is includable in the employee's gross income, whether or not a deduction for such payment is allowable under this section to the employee after the application of new section 219(b).

The new section 219(b)(1) retains the current maximum tax deduction allowable to an individual for any taxable year for retirement savings in an amount not to exceed 15 percent of the compensation includable in his gross income for such taxable year, or $1,500, whichever is less. However, new subsection 219(b)(2) provides that the limitation otherwise determined under proposed section 219(b)(1) is to be reduced by the amount of any contributions made on behalf of the taxpayer during such taxable year by his employer (including an employer within the meaning of section 401(c)(4)) to an employees' trust described in section 401(a) which is exempt from tax under section 501(a) and for the purchase of an annuity contract described in section 403(b).

Section 219(b)(2) provides that in regulations to be prescribed by the Secretary of the Treasury, the amount of contributions paid on behalf of an individual by his employer for his taxable year may, at the option of the individual, be considered to be the lesser of 7 percent of his compensation, or the percent arrived at by dividing the employer's aggregate contribution to the plan by the aggregate compensation paid to employees covered by the plan times his compensation.

The new section 219(b)(3) provides that, in the case of a taxpayer who has earned income which is not subject to tax under the Self-Employment Contributions Act (chapter 2 of the code), the Federal Insurance Contributions Act (chapter 21 of the code), or the Railroad Retirement Tax Act (chapter 22 of the code), no deduction is to be allowed with respect to amounts described in the first sentence of proposed section 219(a) except to the extent that such amounts exceed an amount equal to the tax (or, if the taxpayer has some earned income which is subject to any of such taxes, the increase in tax) that would be imposed upon such income by section 3101 of the code (relating to the rate of tax on employees under the Federal Insurance Contributions Act) for such taxable year if such income constitutes wages (as defined in section 3121(a) of the code) received by the taxpayer with respect to employment (as defined in section 3121(b) of the code).

The remaining provisions of section 1 retain existing law in regard to contributions after age 70½, recontributed amounts, amounts contributed under endowment contract, and definitions and special rules.

SECTION 2

This amendment applies with respect to taxable years beginning after December 31, 1974.

ACCELERATING CAPITAL FORMATION MEANS A HIGHER STANDARD OF LIVING—MORE JOBS AND HIGHER REAL WAGES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Kemp) is recognized for 60 minutes.

Mr. KEMP. Mr. Speaker, there are two ways to guarantee productivity and prosperity.

On one hand, the workers can work harder and longer.

On the other, we can have more and better tools.

Given those two options—and with a strong personal belief that every American wants to improve our standard of living, so our children will have a better life—I have been at the forefront of efforts to renew America's commitment to guaranteeing enough investment capital to buy the tools we must have to increase our productivity and to create jobs.

Look at the past 200 years—or even the past 100 years—of our history. Compare the standards of living then with today. The average American family today enjoys a standard of living which, only a century ago, was not dreamed of. The things we take for granted today were not even invented then.

One hundred years ago, men and women were working 12 to 16 hours a day and 6 or more days each week. Child labor was common. Horses were drawing the coal from the mines. Electrical power was only at the threshold of being harnessed. The internal combustion engine was in its infancy. Machines were only beginning to come into substantial use. And the use of these machines created jobs; it did not eliminate them.

Prosperity reached a level never known in the world's history. Workers' wages reached a level unprecedented in any economy.

This happened not because we worked longer or harder—leisure time today is unparalleled in any society—but because we had better, more efficient tools.

The foundation for this prosperity was capital—the funds with which to build plants and buy and replace equipment. It is capital and its system—capitalism—that has helped more than any other factor to improve our standard of living.

Without that capital, the American worker would not produce more and better things per hour of work than the serfs of feudal days. He would not earn more. And he, like them, would live on a thin line of existence.

All measures which preclude adequate capital formation or even cause capital decumulation are, therefore, both antilabor and antisocial in effect. They are antilabor in the sense they destroy or threaten jobs. They are antisocial because they reduce our ability to resolve human problems.

Proof of this abounds.

James Watt, the inventor of the steam engine, which started to revolutionize the modern world, and those who followed him in the competitive struggle to make a better engine and sell it for less, did more to take women and children out of the coal mines and off the towpaths of the canal boats, more to take children out of the factories, than all the 19th century social activists combined. Yet Watt would be unknown today if a man named Matthew Boulton had not risked $150,000 of capital on Watt's invention.

Aluminum was so expensive in 1870 that Napoleon III of France had an aluminum table set for state dinners, for it was more valuable than gold. Today, aluminum is found in all American kitchens, no matter how humble.

As far back as the Second World War, it was estimated that electric power alone in this country was performing the work equal to the labor of half a billion men—500,000,000—working 8 hours a day—4 billion man-hours per day. It would be many times that by now.

Just 100 years ago, it took a week to produce the same amount of wheat that today can be produced with just a single hour of human labor. What did it? The steel plow, tractor, harvester, better seed and cheap transportation. Coincidentally, it is American wheat that today is asked to feed those nations that adopted the anticapitalistic views of Karl Marx.

All the inventions of Edison, Ford, Whitney, McCormick, Steinmetz, and all the other countless inventors of the age would have been for nothing, if it had not been for the investment capital it took to get those productions onto the production line and into our homes and factories. It has been more and better tools, representing capital investment, that has made the difference in the conquest of starvation.

Capital is the key to tomorrow's growth, as much as it has been to our past growth, prosperity, jobs and freedoms.

TAX REFORM SHOULD FOCUS ON CAPITAL FORMATION

In March of this year I introduced a bill, the Jobs Creation Act of 1975, a bill designed to accelerate the formation of capital needed to assure a growth in jobs and productivity—a growth in prosperity. The act, most recently reintroduced as H.R. 8053, is now cosponsored by over 80 Members of the House, and support for its enactment grows daily.

I testified last Friday before the House Committee on Ways and Means in support of tax reforms designed to foster capital accumulation more quickly.

I use this opportunity to bring to the attention of my colleagues the points I made in that testimony.

I feel confident most Members share the same basic objectives of tax reform:

First, assuring more jobs within the private sector, so as to reduce unemployment and to return persons to tax-generating, instead of tax-consuming, status;

Second, increasing our standard of living in real, not inflated, terms;

Third, improving production efficiency, so as to produce more goods at less costs, goods which are improved in their quality; and,

Lastly, attaining a durable, stable economic recovery without added reliance on the instruments of governments and its policies, which too often have unforeseen counterproductive effects.

A steady and durable economic recovery—first bringing jobs which were lost back into being and then creating new ones for a growing work force—can be buttressed by tax reform. This must be our focus.

There is little room here for the classic lines of debate, be they Liberal against Conservative, Democrat against Republican, management against labor, or the "little guy" against the "fat cat." Ideological doctrines, public posturing, partisan attitudes, and adherence to real or imagined interest alliances cannot be substituted for well-reasoned conclusions derived with precise logic from sound premises.

As most Members are aware, I have concentrated my efforts on trying to help create jobs and improve our standard of living. As a member of the Committee on Appropriations, I am deeply aware of the difficulty of setting, and then adhering to, priorities and of determining the best ways to achieve goals embodied in them. It is also a difficult task to give consistency to what emerges from our committees.

My own studies have drawn me toward certain conclusions about what probably lies before us. We know we can better forecast the future behavior of people, governments, and economies by better understanding their past behavior. This is no less true for the ways in which tax policies, spending patterns, and regulations relate to our own economy and way of life.

Tax reform can be instituted most effectively within this context.

THE BASIS FOR FUTURE ACTION

Only people pay taxes.

They pay some taxes directly—income taxes, sales taxes, et cetera. They pay others indirectly—through higher prices they pay for goods and services they purchase, for corporations taxes are a cost of doing business that is passed to the consumer. These latter taxes include corporate taxes, real estate and sales taxes paid by corporations, and so forth. The point is: Only the people pay taxes.

And, they are paying more taxes every year. And, it should not be that way. Why is it?

When an institution knows it will have a known amount of dollars with which to work, it usually devises means to expend those dollars. Parkinson's law, thus, states spending will rise to meet income. That is a truth demonstrated by our national experience in recent years. There is a corollary to Parkinson's law which more accurately describes the tendencies of Congress: Present spending rises to exceed present income in expectation that future increases in revenues will cover that spending. This has meant an ever-increasing amount of dollars being taken from the taxpayers by governments.

Federal, State, and local tax collections have risen markedly, as percentages of national income, during the past half century. In 1929, such tax collections constituted only 13 percent of total national income. By 1950, it had risen to 26 percent. By 1974, it had risen to 40 percent. If present trends continue, by 1985, total Government's share of national personal income will have increased to 54 percent—more than half the people's earnings. And, of course, this is only the nominal collection, not the total, for it does not reflect the effects of inflation—the unlegislated tax.

There are ways in which this problem can be addressed.

We can reduce the rate of growth of Government spending, thereby lessening both tax burdens and inflation-fueling deficits. Any significant reduction in the growth of Government spending is unlikely to occur in the near future, given present realities, even though I strongly advocate it.

Or, we could place a ceiling on Government revenue—a ceiling on total tax collections—established in relation to aggregate national personal income. Government revenue could continue to grow, as the national economy grew, but the percentage that revenue bore to the peoples' livelihood could not grow. Priorities would have to be more stringently established within Government, and the growth of Government in relation to the total economy would be brought under effective control. I have introduced legislation, title I of the Fiscal Integrity Act, H.R. 4175, which would accomplish these objectives.

Or, we can, more realistically, hold the size of Government at more or less its present level, including the taxes needed to sustain its activities, bring our productivity back into competition with that of other countries, regain and create jobs for a growing work force, increase our standard of living in real, not inflated terms, and resolve problems by relying on Government as the final, not the first, resort—all by concentrating on the formulation of capital.

The greatest inequity of all in our tax system is the lack of adequate jobs and the income which would have been derived from them, losses occasioned by anticapital tax policies. Capital-conscious tax reforms should be enacted during this Congress.

It is time we stop talking about how to divide the economic pie among the various segments of the economy and start concentrating on ways in which to increase the size of that pie. The most effective way that can be done is to increase per capita investment within the economy. The pie can be increased: Look at the past 200 years of our national existence and compare the standards of living. That is the proof.

THE ROLE OF CAPITAL

As I said earlier, capitalism has improved the standard of living of the wage earners to an unprecedented level.

The increase in capital, relative to the work force, is the key, not only with respect to recovery from the immediate recession, but also as to the longrun assurance of prosperity.

It is an undeniable fact of economics that the real wage is determined by the productivity of labor. The greater the productivity of labor, the higher the real wage. The productivity of labor is determined in largest measure by the amount and quality of capital with which the work force has to work. The productivity of labor increases in large part as the quantity and quality of the capital stock increases. The demand for labor increases as labor productivity increases. Therefore, the surest way to create jobs and higher real wages—as well as a larger tax base and economic growth—is to create capital.

This established principle of economics is respected throughout the world and is challenged by posturing principally only in the United States and Great Britain, the two countries in the industrialized world now with the lowest gross savings as a percent of gross national product. In the United States and Great Britain the belief is too widely found that the way to create jobs and economic growth is through Government stimulation of consumption. The aggregate demand fixation of the United States and Great Britain, which pictures Government spending as a substitute for investment spending in job creation, is not found as pervasively elsewhere in the world.

In view of the worldwide emphasis on capital formation, certain statements before the Committee on Ways and Means in recent weeks have caused me concern.

These statements describe measures designed to promote savings and investment as "unusual" and allege they distort the tax structure. They find it generous, normal, and equitable that investment income in the United States is, to their way of thinking, only taxed twice—once at the corporate level at an approximate effective rate of 35-percent and again at the individual's level at what they say is an effective rate of 32-percent.

In the worldwide context, it is these views which are truly unusual.

They also define the cost of any measures designed to aid the formation of capital in a noneconomic way. Capital formation cannot be meaningfully described as "tax expenditures." Not only does capital formation increase the tax base, but the relevant cost concept in economics is opportunity cost. And, the opportunity cost of not aiding the formation of capital is the economic growth, higher real wages, and jobs that are foregone. It is impossible to aid any group by penalizing capital formation, as welfare-oriented Sweden readily understands.

Views, such as these, are sometimes portrayed as representative of progressive economic opinion, but it would be more accurate to portray such views as isolated. That such views are in a minority does not discredit them, but that they are associated with policies that have brought about the economic decline of Great Britain and which threaten the viability of the U.S. economy does.

The allegations that there is no capital shortage and that the only constraint on investment is the recession leads to the advocacy of the same old policies that have caused much of the trouble.

TAX POLICIES CANNOT BE SEPARATED FROM MONETARY POLICIES

The policy idea that Government deficits are ipso facto stimulative is false. The problem with all deficits is that they must be financed.

The Government can finance its deficits by borrowing from the Federal Reserve and by borrowing from the private sector of the economy. When the Government borrows from the Federal Reserve, the supply of money increases relative to the supply of goods, thus sooner or later forcing prices to rise and the value of dollars to fall. In effect, with newly created money in the hands of Government spending agencies and their beneficiaries, goods and services are bid away from the private sector, which in our economy is where capital formation predominantly takes place.

When the Government borrows from the private sector of the economy, no new money creation takes place. But in order to purchase the Government's bonds the private sector must reduce either its current consumption or its current investment. Since the Government's expenditures consist heavily of transfer payments which go for current consumption, to the extent that the bond sales which finance these expenditures are at the expense of private investment, the net effect through time of Government borrowing from the private sector is to increase the demand for currently produced goods relative to the demand for future produced goods. The composition of total expenditures is altered toward more current consumption demands and less current investment demands. The effect through time is to decrease the supply of goods relative to the demand for goods, thus causing the average of all prices to rise. In this way, even deficits that do not result in money creation can be inflationary. Deficits, however they are financed eat into capital formation, either through inflation or the crowding out of investment.

Whether the Government's deficits are financed by the Federal Reserve or by the private sector of the economy, their effect is to reduce the formation of capital. Potential capital is, thus, destroyed in the billions by crowding out and by inflation.

To continue with the policy advocated by many is to worsen the capital shortage. We are now paying the costs of having concentrated too heavily on consumption. The slow pace of capital formation in our country is attributable in large measure to the bias of our present tax laws. The United States devotes less of its gross national product to investment than any other major nation.

The following figures relate the rate of investment to economic growth in seven industrialized countries:

THE COSTS OF FAVORING CONSUMPTION

	1960–73 investment as a percentage of real gross national product		1970–73 growth rates			
			Output per man-hour		Real gross national product	
	Percent	Rank	Percent	Rank	Percent	Rank
Japan	35.0	1	10.6	1	10.6	1
Germany	25.8	2	5.8	4	4.7	4
France	24.5	3	5.9	3	5.8	2
Canada	31.8	4	4.4	5	5.4	3
Italy	20.5	5	6.6	2	5.4	3
United Kingdom	18.5	6	3.9	6	2.9	6
United States	17.5	7	3.6	7	4.3	5

Sources: Weekly staff letter, David L. Babson & Co., Inc., Investment Counsel, Boston, Mass., Thursday, June 12, 1975, and "The Need for Productive Tax Reform to Energize Economic Growth and Employment," prepared under the auspices of The Business Roundtable, May 1975.

Mr. Speaker, these figures bring several points to mind.

First, Japan has increased its output per man-hour and its real GNP faster than any other nation. The next four countries are in the middle performance range, while the United States and the United Kingdom, both with low investment rates, are at the bottom both in terms of productivity gains and economic growth.

Second, nearly all these nations give more favorable tax treatment to capital investment. Unless changed, this means further loss of markets and jobs to these competitor countries, and it means a decline of our world position.

Third, the United States will, moreover, have to provide jobs for 7 million more persons in its labor force by 1980, and upgrade the productivity and earning power of the present labor force. By 1980, it will take an investment of nearly $35,000 to support the average worker with needed plant and equipment, and in some industries the figure is many, many times that.

Fourth, it is estimated that in the period 1977–80, nonfinancial corporations will have to raise and invest about $312 billion each year, compared with $210 billion in 1974. If this is not done, the Nation faces a worsening situation of chronic inflation, unemployment, and stagnation.

How badly biased against savings and investment are our tax laws?

The major sources of Government revenue include, first, taxes on consumption, such as sales taxes and excise taxes; second, taxes on income, such as wages, profits, capital gains, and so forth; and, third, taxes on wealth, largely real property.

The following figures show the breakdown of tax receipts from major sources in nine developed nations for 1972, the most up-to-date information publicly available:

THE TAX BIAS AGAINST SAVINGS AND INVESTMENT

	Consumption		Personal income		Corporate income		Wealth	
	Percent	Rank	Percent	Rank	Percent	Rank	Percent	Rank
Canada	29	4	38	6	16	8	4	4
France	35	2	21	9	36	1	1	6
Germany	27	5	41	3	25	4	2	5
Italy	33	3	32	8	27	3	1	6
Japan	20	7	35	7	28	2	5	3
Norway	39	1	39	5	17	7	2	5
Sweden	29	4	49	1	18	8	1	6
United Kingdom	26	6	40	4	15	9	11	2
United States	17	8	43	2	22	5	13	1

Source: Weekly Staff Letter, David L. Babson & Co., Inc., Investment Counsel, Boston, Mass., Thursday, June 12, 1975.

Several points are in order with respect to these figures too.

First, the United States obtains more of its revenue from taxes on corporate income and wealth than any other nation shown, except France. By the same token, the United States relies the least on consumption taxes. This relative emphasis, between taxes on production and taxes on consumption, points up the extent to which Federal economic policies have favored consumer demand at the expense of savings and capital.

Second, the United States collects 43 percent of its tax receipts from personal income. The largest part of these earnings—about $4 out of $5—comes from wages and salaries. Another 10 percent is accounted for by capital gains, interest, dividends, and other investment returns, while the remainder is derived from miscellaneous sources.

Third, personal income is taxed largely on a graduated scale in which the top Federal rate on an added dollar of income is 70 percent. Even for middle-income groups, State and local levies can bring the incremental rate up to 35 to 40 percent or more. In addition to hurting incentives, high rate scales make it difficult to accumulate capital out of current income.

Fourth, moreover, as inflation pushes more and more families into the higher brackets, taxes take an increasing share of income without any change in legislation. Nearly 2 out of every 5 families now earn over $15,000 a year, compared to one 1 in 20 in 1960. The faster rise in income taxes than in earnings deepened the decline in average real take-home pay during recent years.

As to this last point, Canada recently puts its graduated income tax brackets on an inflation-adjusted basis. This is commonly referred to as indexation, or indexing, and I support it. As prices rise, the boundaries of each bracket go up as well, so that inflationary income gains do not raise the overall tax rate. By removing the extra advantage that Government revenues derive from inflation, this adjustment imposes a little more discipline on public spending policies.

THE BASIC CHOICES BEFORE US

There are essentially two choices before us.

We can continue in the direction of policies designed to assure prosperity through increased consumption. This has been the policy of the more recent past, and its failure ought to convince us that prosperity cannot be assured in this manner.

Or, we can renew policies designed to accelerate the formation of the investment capital needed to assure prosperity through increased productivity. Put in another way, is the probem—short-term and long-range—in the American economy most effectively remediable by stimulation of demand or by stimulation of production, of supply.

What the preceding section boils down to is a number of points, but a key one relates to the higher price-inducing characteristics of continued stimulation of demand.

The presentations and questions-and-answers before the Committee on Ways and Means have focused on an awareness of this choice—stimulate demand or stimulate supply. The fundamental role of capital, as well as the legitimacy of assertions that it is in shorter supply, have been debated at length. The capital shortage is called, by some, no shortage at all, or at worse only a brief reflection of the recession. Plant production is held by them to be at much less than full capacity, and this is viewed as a conspiracy of sorts to hold down production.

THE CAPITAL SHORTAGE IS A REALITY

There is a capital shortage in the United States. And, it is not a passing product of the current recession.

During the 1960's, a period which saw much prosperity and most certainly preceded the present recession, the United States had the worst record of capital investment among the major industrialized nations. Correspondingly, our records of productivity growth during this period were also among the lowest of the major industrialized nations.

As other nations have channeled relatively more of their resources into capital formation and have thereby acquired more modern plants and machinery, they have eroded our competitive edge in world markets. The logical consequence of such patterns has occurred: The loss of jobs in the American work force.

Among the industrialized nations, a high rate of capital formation and investment is clearly associated with advances in productivity and real per capita income. Conversely, low rates of capital investment go with sluggish growth and constitute an actual penalty on real labor income.

That the average private investment, as a percentage of the gross national product, has a direct affect on the average annual growth in productivity, measured as output per man hour, is clearly shown by the following table:

INTERNATIONAL COMPARISONS OF INVESTMENT AND PRODUCTIVITY, 1960-73

	Average private investment as a percent of gross national product (excluding defense expenditures)		Average annual growth in productivity (output per man-hour)	
	Percent	Rank	Percent	Rank
Japan	33.4	1	10.7	1
Germany	26.2	2	5.8	4
France	24.9	3	5.9	3
Canada	22.4	4	4.3	5
Italy	21.4	5	6.2	2
United Kingdom	18.9	6	4.2	6
United States	18.0	7	3.3	7

Source: Organization for Economic Cooperation and Development and U.S. Department of Labor, as reported in congressional staff briefing on capital formation, NAM, Feb. 20, 1975, p. 1.

Mr. Speaker, it is time our Nation—and this Congress—be more fully concerned with the relationship between capital investment and prosperity.

History and economic theory show true prosperity, measured in real and constant terms, is a direct consequence of increases in capital investment per capita. I have elaborated on this point elsewhere in my remarks.

We have a growing work force. Many things will affect the productivity and real wage rates of that work force.

If we want to maintain the post-World War II ratio between capital and labor, we can project the capital formation growth requirements. If that were all there were to it, we could let the market work it out. But, that is not all there is to it.

We have new capital requirements, required by law as reflections of existing public policy, principally those relating to environmental and occupational safety standards. There has been a very large increment of government-mandated capital requirements. This is the problem—of assuring additional capital growth, beyond the post-World War II levels, to meet these new requirements as well as the old, plus a known growth factor. If we do not, the ratio will be substantially altered against jobs, and the real wage rates will rise more slowly in the future.

Looked at positively, if we find the capital to make up for the potential shortfall of capital, we would reduce poverty by millions, create millions of new jobs and construct millions of new housing units and increase the standard of living substantially. This is an objective well worth the pursuit of the Congress and the Nation.

Looked at negatively, if we fail to find the capital to make up this potential shortfall, we will not see poverty reduced by that level, or that many new jobs created, or that many new housing units built, or that standard of living attained. This is well worth avoiding.

We should never be under an illusion that every dollar placed into capital goes into expansion of production. To the contrary, capital is usually divided in four ways. Some of it does go into expansion. But, a large component, usually the largest, goes for replacement of existing capital assets with nearly identical ones. Other capital goes into conversion of existing capital assets into similar but technologically improved ones. And, other capital goes into pollution abatement equipment and OSHA-mandated compulsory conversions.

Parenthetically, another substantial factor, which will come into our equation in the figures we will soon be receiving on the past fiscal year, are capital requirements for conversion from oil and gas to coal. This will be included in the conversion column but the growth in that column will be at the expense of expansion.

Specific instances of inadequate capital are legion, and a great number have been presented before the Committee on Ways and Means.

Let me mention but a few.

First, last week the Republic Steel Corp. announced it was idling about 700 immediately at its Buffalo area plant, with a projected total idling of about 1,200 to 1,400. Similar Republic Steel operations were idled in Canton and Massillon, Ohio. The corporation had been unable to put into place modern bar mill and fabricating mill equipment because of inadequate capital. That problem preceded the recession and was accentuated over the past 10 years by jawboning, then mandatory controls, then more jawboning.

Second, members of the American Paper Institute invested a record $3 billion in capital this year. Yet, known capital requirements for its members during the next 10 years average $7.5 billion a year. The anticipated capital shortfall is 40 percent. If and when they do not obtain necessary capital, it means the loss of jobs which could have been created in that particular industry, and it means the jeopardizing and possible loss of jobs in those other industries dependent upon paper supply.

Third, members of that institute have already announced postponements and cancellations of projects amounting to an estimated 1 million tons of capacity by 1977, or about 18 percent of the planned expansion between 1974 and 1977. Again, we are talking about jobs, not to mention our position in world markets, the effects the loss of foreign sales will have on the balance of payments, and the effect of that imbalance on inflation.

Fourth, on May 21, Rinfret Boston Associates, Inc., of New York City, predicted that as a result of inadequate current capital investment:

> Shortages are likely to show up in specialty steel products, foundry products, coal, oil and natural gas. A flat-out economy, which is entirely possible by late 1976, will generate shortages in paper, chemicals, fertilizers, capital equipment (certain types), and electric motors.

Fifth, the research and consulting firm, Arthur D. Little, Inc., has concluded the steel industry should spend about $2.3 billion a year through 1983 to replace obsolescent facilities, about $1.7 billion a year to expand production to meet future demands, and about $1.4 billion a year to meet government environmental and occupational safety requirements. This totals $5.4 billion each year, in comparison to an average invested of $1.7 billion per year between 1968 and 1972.

These examples could be repeated a hundred-fold, a thousand-fold if all the needs were assembled before us.

AN EXAMINATION OF PLANT CAPACITY

There is another way to measure inadequate capital investment: Look at the percentage of use of plant capacity.

American industry was short of effective production capacity long before we hit the current and worst recession since the 1930, why?

The higher the current operations as a percent of available capacity, the less margin an industry or a corporation has to expand production to meet a growth in demand.

An example is in order. If a plant is operating at 95 percent capacity, and it then receives an order which could constitute an expansion in production of roughly 10 percent, it cannot possibly—without expansion of plant and/or machinery—fill that order. It thus does not take the order, and we have shortages resulting—shortages which can cause layoffs in the companies dependent upon the materials this company could have produced had it had sufficient capacity. Again, this means the loss of jobs.

When the economy starts to recover, capacity, which has declined somewhat in utilization in recent months because of the recession, may not be able to keep pace.

The following table reflects this:

CAPACITY UTILIZATION (PERCENT)

Industry	September 1974	April 1975
All industries	87.4	75.5
Manufacturing	91.2	79.2
Nonmanufacturing	77.5	69.4
Manufacturing	91.2	79.2
Durable goods	89.9	76.6
Primary metals	96.3	82.1
Iron and steel	96.2	86.1
Nonferrous metals	96.4	77.7
Electrical machinery	85.1	74.0
Nonelectrical machinery	92.9	78.8
Transportation equipment	NA	71.0
Motor vehicles and parts	92.0	67.4
Aerospace	71.4	72.8
Stone, clay and glass	86.6	71.8
Other durable goods	91.8	78.9
Nondurable goods	92.6	81.2
Food and beverage	88.6	80.3
Textiles	90.2	71.3
Paper	96.8	78.5
Chemicals	90.3	72.5
Petroleum	93.9	85.0
Rubber	90.9	63.1
Other nondurable goods	88.69	86.4
Nonmanufacturing	77.6	69.4
Mining	93.5	96.2
Railroad	91.4	75.0
Air transportation	75.4	53.8
Other transportation	87.6	97.4
Public utilities	74.3	65.4
Electric	72.2	63.1
Gas and other	90.7	89.9
Commercial and other	90.7	92.0

Source: Rinfret Boston Associates "Surveys of Capacity Utilization", Special Report, May 9, 1975, p. 2.

Mr. Speaker, stretched-out capacity means there has been inadequate capital with which to expand. It is one of the most telling—and accurate—of all measures. A certain percent of capacity is always outdated and its utilization results in high production costs.

INVESTMENT IS WHAT CREATES JOBS

What we are talking about here is jobs for the labor force.

The ability of business to create jobs and thereby reduce unemployment depends on its ability to equip workers with the tools of production, and to equip new workers requires new investment in machinery, equipment, and plant.

The costs of creating new jobs has risen markedly. According to the July 9 testimony of Walker Winter, Chamber of Commerce of the United States, the costs of creating new jobs within the Fortune 500 are now as follows:

[*Per job cost*]

Petroleum refining	$177,680
Mining	147,852
Metal manufacturing	50,101
Chemicals	44,752
Motor vehicles and parts	28,473
Metal products	25,112
Appliances, electronics	22,531
The median for all industries was	33,658

Capital investment is also essential to not losing jobs to overseas corporations and to not losing our share of world markets. Some 8.6 million people in the United States are employed in foreign-trade related activities. Exports in 1974 accounted for 10 percent of the gross national product, providing roughly 10 percent of the Nation's employment. Each additional billion dollars of exports creates about 60,000 new jobs at home.

The creation of direct jobs in manufacturing means many things to a community.

If a company adds 100 extra jobs to its payroll, here is what it means for a community: 351 more people, 97 more households, 79 more children, $1,036,000 additional personal income per year; $490,000 more in bank deposits; $565,000 more in retail sales per year.

Sixty-eight workers employed in nonmanufacturing breaks down as follows: 21 in wholesale and retail trade; 3 in construction; 17 in professional services; 11 in transportation, commercial, and utilities; 5 in business and personal services; 6 in finance, insurance and real estate; and 5 in other industry.

The $565,000 more in retail sales per year breaks down as follows: $119,000 in groceries; $43,000 in eating and dining places; $59,000 in department stores; $30,000 in clothing and shoes; $89,000 in auto dealers; $41,000 in gas stations; $23,000 in lumber yards and building material dealers; $19,000 in drug stores; $26,000 in furniture and furnishings; and $116,000 in other stores.

When one understands fully that there must be a dollar of savings and investment for every dollar of capital outlay, the need to reform our tax laws to encourage savings and investment, to stop the bias against such constructive activity, becomes even more apparent.

THE SHORTAGE OF CAPITAL FUNDS

Business has four basic "sources" of funds for investment: depreciation, retained earnings, new equity shares of stock, and new debt.

Depreciation is a means of recapturing capital allowances solely through accounting measures, but reports of the Department of Commerce conclude allowable depreciation for business in 1974 fell short of inflated replacement costs by about $23 billion. This is a shortfall in itself.

Retained earnings are crucially important. Business profits are overstated by the effects of inflation—underdepreciation and phantom inventory profits. If these illusory elements are stripped out, Secretary of the Treasury, William E. Simon, says that retained earnings fell from $20 billion in 1965 to $6 billion in 1973, and a negative $10 billion in 1974.

Historic dollar accounting has overstated corporate profits during the inflation which has occurred since 1966.

The following table reflects to what extent this has happened:

THE OVERSTATING OF COPRORATE PROFITS AVAILABLE FOR CAPITAL IMPROVEMENTS, ALL NONFINANCIAL CORPORATIONS

[Dollar amounts in billions]

Year	Adjusted pretax profits	Income taxes	Effective Income (percent)	Adjusted after-tax earnings	Dividends paid	Adjusted retained earnings
1967	$62.4	$28.4	46	$24.0	$18.9	$15.1
1968	65.5	34.1	52	31.4	20.9	10.5
1969	58.3	33.7	58	24.6	20.7	3.9
1970	44.3	27.5	62	16.8	20.0	−3.2
1971	$51.6	$29.7	58	$21.9	$20.3	$1.6
1972	61.9	33.4	54	28.5	22.2	6.3
1973	69.1	40.7	59	28.4	23.7	4.7
1974	64.0	45.6	71	18.4	(E) 26.5	(E) −8.1

Source: Weekly Staff Letter, David L. Babson & Co., Inc., Investment Counsel, Boston, Mass., Thursday, June 12, 1975.

These figures are of interest to us for several reasons.

First, the effective tax rate on adjusted pretax earnings reached 71 percent last year. And, the dividends paid exceeded adjusted after-tax earnings by over $8 billion. In other words, U.S. companies actually paid out more than they earned in real terms, thus reducing their aggregate capital base.

Second, the funds paid out as dividends—including returned capital—were taxed a second time—at the shareholders' personal tax rate. This double taxation imposed on corporate earning power further impairs the rate of capital formation.

Third, capital gains taxes are considered by law as levies on income, but, in effect, they are a direct tax on accumulated capital. To the extent that an asset's value has risen because of inflation, the capital gains tax is another instance of rewarding the Government with higher revenues for the inflation it has created.

Fourth, one-half of realized long-term gains is taxed, so the maximum Federal rate is 35 percent. In addition, investments must be held longer than 6 months to qualify for this treatment. Short-term gains are taxed at the full personal rate. By contrast, most other developed countries either have no tax on capital gains or tax them very lightly.

I will return to business profits in one moment.

New equity shares of stock are relied upon much less during a recession. With real earnings so low, and real return on investment down from 10.1 percent in 1965 to 4.5 percent in 1974, investors are reluctant to invest in new shares issued by business. In 1974, new shares provided less than 2 percent of the new capital raised by business.

New debt is a severe problem too. With all other sources of funds failing, business has been going deeper into debt. In this precarious condition, many companies are unable to ride through temporary setbacks, and the number of bankruptcies is rising. Some industries, especially the capital-intensive utilities, are in deep financial trouble.

A comparison of long-term debt, as a percent of net worth, from fiscal year increased markedly in those years.

The New York Exchange has concluded from its research that these ratios would 1965 and fiscal year 1971, the latest available data year from IRS statistics, shows the ratio of long-term debt to net worth show an even higher rate of change, if current statistics were available.

These points are confirmed by these figures:

LONG-TERM DEBT AS A PERCENT OF NET WORTH

(Fiscal 1965 and Fiscal 1971)

Selected industrial divisions	Fiscal 1965	Fiscal 1971	Percent change
Selected industrial divisions	38.3	48.2	+25.9
Agriculture, forestry, and fishing	46.8	79.1	+69.0
Wholesale and retail trade	23.7	32.2	+35.9
Transport, communication, electric and gas utilities, and sanitary services	76.5	94.4	+23.4
Mining	27.3	31.1	+13.9
Contract construction	39.2	43.9	+12.0
Services	88.7	92.1	+3.8
Finance, insurance, and real estate	42.8	42.1	−1.6

Source: "Statistics of Income, 1970 Corporation Income Tax Returns," Internal Revenue Service, Department of the Treasury, Washington, D.C., as reported in "The Need for Equity Capital," The New York Stock Exchange, Feb. 1975, p. 7.

Seen in the context of overall debt, corporate debt is even more alarming. In the past 2 decades, corporations have overtaken the Federal Government as the largest debtor group. America's corporations now account for nearly half of all debt in the United States—46 percent—while the Government's debt, big as it is, has shrunk from 38 percent to 16 percent of all outstanding debt. These figures reflect these changes in status:

	1954	1964	Change 1954–64 (percent)	1974	Change 1964–74 (percent)
Corporations	182.6	409.6	+124	1,265.0	+209
Consumers	32.5	80.3	+147	190.1	+137
State and local governments	35.5	90.4	+155	200.0	+121
Mortgage debt	74.1	193.3	+161	405.0	+110
Federal Government	230.4	271.5	+18	441.0	+62

Source: U.S. News & World Report, "Soaring Debt in U.S.: Is It Getting Out of Hand?" Feb. 24, 1975.

A case can be made from these statistics that the Federal Government has been able to keep its debt increase down principally at the expense of the other segments of the economy, which has, in turn, occasioned the dramatic rises in those other units.

Businessmen will try to close the gap in debt-equity ratios by reducing investment in plant and equipment, by cutting back inventory buying, and by cutting back financial asset holdings. The result in all cases is reduced business activity, more unemployment, slower growth in productivity, and the kind of chronic inflation and stagnation which produces severe distress in the economy and among the people.

INCREASING THE CAPITAL POOL AND PROTECTING THE INDIVIDUAL TAXPAYER: INDEXATION OF INCOME TAXES

Government presently derives a direct benefit from inflation. It, unfortunately therefore, has a motive in fostering it.

As inflation occurs, demands are created within the work force for higher wages. When those wages are obtained—even if it is just to keep pace with the rate of inflation and even if the increase is automatic because of inflation—the wage earner will rise from a lower bracket into a higher tax bracket.

Government reaps a benefit in two ways. First, since more money is being earned, there is more base to tax. Second, as a person rises from one bracket into a higher one, he moves into a higher rate of taxation, because of the progressivity of our tax laws—the more money you make, the higher rate at which you will pay taxes on it. If inflation went up 12-percent and wages went up 12-percent, one would be taxed at a higher rate on the same level of real income.

The way to avoid this inequity is by indexation of income taxes. This clearly helps everyone, from the "little guy" to the "fat cat," to use those terms. It puts a halt to government benefiting by additional revenues from an economic crisis—inflation—which its policies and deficit financing spawned. I am for the indexing of income taxes, and I will push for legislation to require it. And, I think it should be incorporated into this Congress tax reforms.

Indexation relates directly to capital formation, for indexation would prevent the wage earners from being forced to give up greater shares of their real earnings, thus allowing them to maintain their savings and investments. Even if one believes that we should stimulate the economy through consumption, rather than production, one should favor indexation, because it would leave more in the hands of the consumers, rather than shifting it to government.

INCREASING THE CAPITAL POOL: CORPORATE INCOME TAXES

Remembering that the people pay all the taxes, I think we should begin to reduce the heavy tax burdens borne directly by the corporations and ultimately by the people. And, we should reduce them for a number of reasons for businesses both large and small.

Profits are a cost of doing business.

We must see taxes on corporate profits for what their real effects are. They are excises on commitments to savings by corporations. And, as such, they raise the cost of capital. In turn, since this can mean less capital, the demand for labor services, jobs, is lowered.

This loss of jobs occurs in three ways.

It means the construction trades which build the plants will not be building them, so unemployment in the construction trades goes up or does not go down.

It means the loss of jobs in the company that wanted to replace its equipment or the deferral of plans to create new jobs because additional new equipment and facilities have not been built or bought.

Last, it means a loss of jobs in the plants of those who would have built the equipment or materials for the construction.

Nonfinancial corporate business has sharply increased the proportion of external funds in its financing operations during the past 25 years.

As shown in the table which follows, the ratio of external to internally generated funds—depreciation, plus retained earnings—has risen almost steadily from 29 percent in 1950 to 85 percent in 1974, despite the alternating patterns of growth and decline in the economy during this period.

These figures are no less than dramatic:

Percent of external to internal sources of funds

Year:	*Percent*
1950	29
1955	32
1960	35
1965	35
1966	41
1967	52
1968	48
1969	68
1970	72
1971	66
1972	72
1973	77
1974*	85

*Average, 1st and 2d quarters, seasonally adjusted, at an annual rate, 1974.

Sources: "Supply and Demand for Credit in 1974," Salomon Brothers, New York, New York, and "Flow of Funds," Board of Governors of the Federal Reserve System, Washington, D.C., as reported in "The Need for Equity Capital," New York Stock Exchange, February 1975.

BROAD-BASED CAPITAL FORMATION TAX RELIEF IS NECESSARY

What all of this adds up to is the need to generate sufficient capital in this country through a wide variety of measures. There is no single tax reform which will make all the difference. There is no one segment of the economy whose changed status will assure the overcoming of these problems.

Capital formation must be addressed at as many levels as possible: Business—large and small—farmers, investors, households, workers.

This is what the Jobs Creation Act is all about. It is an attempt to deal with this problem of capital formation through reaching as much of our economy as possible.

THE JOBS CREATION ACT

Eighty Members of the House have joined in the cosponsorship of a measure designed to accelerate the formation of the investment capital required to expand both opportunities and productivity in the private sector.

Those Members are Mr. Archer, of Texas; Mr. Armstrong, of Colorado; Mr. Ashbrook, of Ohio; Mr. Bauman, of Maryland; Mr. Beard, of Tennessee; Mr. Broomfield, of Michigan; Mr. Brown, of Ohio; Mr. Burgener, of California; Mr. Carter, of Kentucky; Mr. Cederberg, of Michigan; Mr. Clancy, of Ohio; Mr. Don H. Clausen, of California; Mr. Del Clawson, of California; Mr. Cleveland, of New Hampshire, Mr. Cohen, of Maine; Mr. Conlan, of Arizona; Mr. Crane, of Illinois; Mr. Robert W. Daniel, Jr., of Virginia; Mr. Davis of South Carolina; Mr. Derwinski, of Illinois; Mr. Devine, of Ohio; Mr. Dickinson, of Alabama; Mr. Duncan, of Tennessee; Mr. Edwards, of Alabama; Mr. Emery, of Maine, Mr. Esch, of Michigan; Mr. Eshleman, of Pennsylvania; Mr. Frenzel, of Minnesota; Mr. Gilman, of New York; Mr. Goldwater, of California; Mr. Goodling, of Pennsylvania; Mr. Grassley, of Iowa; Mr. Guyer, of Ohio; Mr. Hagedorn, of Minnesota; Mr. Hansen, of Idaho; Mr. Hastings, of New York; Mrs. Heckler, of Massachusetts; Mr. Heinz, of Pennsylvania, Mr. Hillis, of Indiana; Mrs. Holt, of Maryland; Mr. Hutchinson, of Michigan; Mr. Hyde, of Illinois; Mr. Johnson, of Pennsylvania; Mr. Kasten, of Wisconsin; Mr. Ketchum, of California; Mr. Kindness, of Ohio; Mr. Latta, of Ohio; Mr. Lent, of New York; Mr. Lott, of Mississippi; Mr. Lujan, of New Mexico; Mr. McClory, of Illinois; Mr. McCollister, of Nebraska; Mr. Madigan, of Illinois; Mr. Martin, of North Carolina; Mr. Mathis, of Georgia; Mr. Michel, of Illinois; Mr. Milford, of Texas; Mr. Montgomery, of Mississippi; Mr. Moore, of Louisiana; Mr. Myers, of Indiana; Mr. O'Brien, of Illinois; Mrs. Pettis, of California; Mr. Pressler, of South Dakota; Mr. Quie, of Minnesota; Mr. Quillen, of Tennessee; Mr. Robinson, of Virginia; Mr. Rousselot, of California; Mr. Runnels, of New Mexico; Mr. Sarasin, of Connecticut; Mr. Shuster, of Pennsylvania; Mr. Sebelius, of Kansas; Mr. Sikes, of Florida; Mr. Spence, of South Carolina; Mr. Steelman, of Texas; Mr. Steiger, of Arizona; Mr. Symms, of Idaho; Mr. Talcott, of California; Mr. Thone, of Nebraska; Mr. Treen, of Louisiana; Mr. Vander Jagt, of Michigan; Mr. Waggonner, of Louisiana; Mr. Walsh, of New York; and Mr. Whitehurst, of Virginia. In addition, Mr. McDonald, of Georgia.

Known as the Job Creation Act of 1975, and most recently reintroduced as H.R. 8053, this legislation is intended by its supporters to be a basis for discussion of what the committee and the Congress ought to do to encourage capital formation through tax reform this session.

We are not 100 percent wedded to the specific language of its specific provisions. As a matter of fact, the bill has been amended in at least 30 instances since its initial introduction on March 13, and we are aware of additional changes which are in order.

The process which we are going through in respect to this specific legislation is closely similar to that through which the Committee on Ways and Means must go. We are cognizant of this.

The Jobs Creation Act would reduce taxes for businesses, large and small, so profits could be turned into creating jobs and improving production.

Its enactment would mean savings would flow back into the banks and savings and loan institutions, so funds would be more available for home construction at lower interest rates, and for plant expansion and equipment purchases.

Its enactment would help assure the preservation of family farms and family businesses.

They would, consequently, begin a major nationwide shift from tax-consuming jobs to tax-generating jobs and would reduce unemployment compensation and similar aid through a reduced need for them.

The proposed act consists of the following provisions:

It amends the corporate normal tax rate and increases the corporate surtax exemption, including provisions for reduced taxes for small business, which combined with other measures in the bill gives an effective corporate income tax reduction in the range of 5 to 6 percent.

It eliminates the present system of double taxation of common dividends.

It grants a $1,000 exclusion of capital gains for each capital transaction qualifying.

It increases the investment tax credit to 15 percent and makes it permanent.

It allows taxable year price-level adjustments in property and allows increases in class life variances for purposes of depreciation—the latter increasing the asset depreciation range—ADR—from 20 to 40.

It provides for a complete writeoff in 1 year of required but essentially nonproductive pollution control facilities and equipment.

It increases the estate tax exemption for family farming operations to $200,000.

It allows an exclusion from gross income of qualified additional savings and investments made during a tax year—an exclusion up to $1,000 or $2,000 for a married couple filing a joint return.

It grants an extension of time for payment of estate taxes where the estate consists largely of small business interests.

It provides for employee stock ownership plan financing, giving our work force a bigger stake in the productivity and profits of corporations.

Surely, the provisions of this bill or measures similar to those provisions will not alone accomplish all that must be done to assure an adequate investment of job-creating capital over the next decade, but they are important first steps, steps which ought to be taken this session.

As I indicated a moment ago, we are aware its provisions must be further refined. We not only do not deny this problem, we welcome the help of this committee and its staff in making those refinements as its provisions are incorporated into tax reform measures reported by the Committee on Ways and Means to the House.

At least these points need to be resolved:

Section 101. Which is the preferable approach: To treat the amount of such investments and savings as a tax credit or as an exclusion from gross income? How can we assure additional investment and savings, instead of mere transfers to take advantage of the credit or exclusion? How can we assure additional investments and savings will remain so invested or saved, perhaps for a minimum of time, such as treatment of capital gains under existing law?

If a withdrawal or disinvestment occurs before the expiration of such a minimum time period, ought the additional tax liability to be applied to the year for which the exclusion or credit was taken or for the current tax year? Handle on an incremental basis? Include capital invested in small business?

Section 102. Ought the elimination of double taxation on common dividends to be remedied by tax reforms on the corporate side or the shareholder side? Phase in over a period of time, for example 3 years, to reduce impacts on either Government revenue or stock market?

Section 103. If a limited exclusion of certain capital gains of $1,000 per transaction is agreed to, what device can be instituted to preclude the division of an otherwise-large transaction and gain into a multiple number of $1,000-each gains? Would it be preferable to limit the number of qualifying transactions or the total amount of qualifying gains in dollar terms?

Section 201. Is this tax structure unnecessarily complicated? Would it be more appropriate to make it a flat percentage across the income range, with the present surtax being similarly amended? And, if so, should that surtax begin at a different dollar base?

Sections 204 and 205. Should these two approaches be integrated, or should they be left distinct with corporations electing among them? Or, should that election similarly include the alternative set forth in H.R. 7543, the proposed Capital Recovery Allowances Act introduced by two members of the Committee on Ways and Means, Mr. WAGGONNER and Mr. ARCHER?

Title III. Because of the magnitude of a possible broad-based acceptance of this plan, should it be considered separately from the tax reform hearings now underway? In what ways can we guarantee against the loss of shareholders' equity in existing stock without transferring the loss in value to the taxpayers?

Compared to the larger picture of assuring adequate formation and thereby assuring a stable, durable economic recovery, these specific questions are minor points to be resolved on the way to attaining those broader goals. We welcome, however, the cooperation of the Committee on Ways and Means, their staff, and others in their resolution. We remain convinced that increased capital formation through the private sector is the way in which this country should be going.

PROJECTED LOSSES IN TREASURY REVENUE WILL BE OFFSET

A question can be raised concerning the projected loss of revenue to the Treasury which would result from the enactment of the bill. This is a legitimate question, for we should all have concern over the deficits created by Government expenditures in excess of its revenue. Crowding out of investment capital and inflation would be the results, and these would be counterproductive to the purposes of this legislation.

Several points are, therefore, in order.

The sponsors of this legislation are on record in support of reduced Federal spending. In addition to advocating this revenue-reduction bill, we have, individually and collectively, pointed out areas where spending should be cut and we have voted to make those cuts. It is our hope the growth of Government can be reduced, and we will work toward that goal.

There is much evidence that the losses in revenue will be substantially offset by additional, other revenues generated through increased productivity and jobs. That will reduce the loss. In addition, Federal expenditures will decrease through enactment of the bill, principally through people moving from tax-consuming unemployment and similar Government-sustained and corporate-contribution sustained benefits to tax-generating jobs. That will reduce the loss even more.

In response to a request directly from me, the Economics Division of the Library of Congress' Congressional Research Service prepared an analysis of projected losses in revenue which would result from enactment of the bill—without any offsets from additional economic activity. Their conclusions are reflected in this chart:

SECTION, SUBJECT AND PROJECTED ANNUAL LOSS

[In billions]

101. Tax credits for qualified savings and investments, $5–13.

102. Exclusion from gross income of amounts received by an individual as dividends from domestic corporations, $7.

103. Limited exclusion of certain capital gains.[1]

104. Extensions of time for payment of estate tax where estate consists largely of interest in closely held business.[2]

105. Interests in family farming operations, $0.2.

201. Adjustments of corporate normal taxes, $1.2–1.5.

202. Increase in investment credit, $6.

203. Increase in corporate surtax exemption, $0.8.

204. Taxable year price level adjustments in property, $7.3.

205. Increase in class life variance for purposes of depreciation, $1.2–1.5.

206. Alternative amortization of pollution control facilities, $0.1.

301. Employee stock ownership plan financing.[3]

Source: Memorandum of Jane G. Gravelle, Analyst in Taxation and Fiscal Policy, Economics Division, Library of Congress, April 21, 1975.

Mr. Speaker, these provisions would, in summary, reduce individual paid taxes within a range from $12.2 billion to $20.2 billion, and would reduce corporate taxes in a range from $16.6 billion to about $17.2 billion. The total investment-creating and job-creating tax reduction would be from $28.8 billion to $37.4 billion.

With this initial information in hand, I asked two research units to analyze the bill as to net revenue effect. These were the Economics Division, Congressional Research Service, Library of Congress, and the Chase Manhattan Bank's econometric division. Despite the fact that both research units ran the bill's provision through complicated formulae, presumably composed of neutral, unbiased equation factors, the results were not consistent.

Let me first quote from the Library of Congress analysis:

> It is generally agreed that the initial revenue impact of a tax cut will differ from the net revenue impact since the increased income resulting from a tax cut will increase the tax base.
>
> The DATA Resource, Inc. (DRI) quarterly model of the economy was used to simulate the change. Input into the simulation was based on the initial revenue estimates supplied to you earlier.
>
> Overall, regardless of what monetary policy is followed the initial impact of the tax cut would be to increase the Federal deficit.
>
> In all cases the tax cut will provide some economic stimulus, as can be seen from the increase in gross national product in both current and constant 1958 dollars. The unemployment rate would also decline, but only temporarily if there is no accommodative monetary policy. A combined monetary and fiscal stimulus, however, would reduce the unemployment rate by more than a full percentage point by 1977.
>
> The cost of such a policy would be paid in the form of more rapid inflation. Initially, largely because of productivity gains that accrue to an economy recovery from recession the inflation rate may fall, but in the long run, the additional demand pressures will result in greater inflation.
>
> In conclusion it can be seen that the assumed tax cuts will generate some additional Federal income, but not necessarily enough to completely offset the impact of the tax cut on the Federal deficit. In the short run, however, the rate of economic growth will be accelerated, reducing the rate of unemployment, but at the expense of at

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[1] Estimate combined with sec. 204 estimate.

[2] Negligible.

[3] Cannot be computed because no way to ascertain the degree of participation.

> least some additional inflation. The precise duration of any induced expansion and its strength, however, and therefore the extent to which the tax cut is offset by increased Federal receipts and reduced expenditures—will depend on the coincident monetary policy.

The attachment to the Library of Congress/DRI analysis is a complete computer read-out of the projections made through the DRI economic model. That read-out shows economic consequences of enactment of the Jobs Creation Act which support its enactment in my opinion:

If the measure is enacted, unemployment would drop by 1977 from 8.9 percent to 6.1 percent. This compares to a drop of only 8.9 percent down to 7.4 percent, if these measures are not adopted. This difference of 1.3 percent in total unemployment translates into about 1.2 million people.

By 1977, the $81 billion Federal deficit should shrink, as a result of the bill's enactment, to $58 billion, a $23 billion reduction in that year.

While these figures are not as encouraging as those derived from the Chase Manhattan economic model study—which I will discuss in one moment—they do show the wisdom of enacting capital formation measures, especially as compared to doing nothing in this subject area—as some have even proposed. I believe putting 1.2 million back to work is of crucial importance. I think reducing the deficit by $23 billion is similarly important.

Let me comment very briefly on why these two studies may have produced different conclusions. An economic model is an equation. The answers it gives are products of assumptions translated into factors in the equation. The accuracy of those assumptions is always subject to question. As a general rule, an economic model works more accurately when things are going well in the economy; when the economy is in a turndown, many factors are not as predictable. What were minor problems in the equation can turn into substantial ones.

The Chase Manhattan study indicated increased economic activity would add about $75 billion to the overall gross national product each immediate year. This would, according to that analysis, entail additional Federal Government revenues of about $25 billion. The process, however, would not completely occur within the first year, and it would take 2 years for the full effect of the tax cut to be felt. The tax cut would be, therefore, about $60 billion, with offsetting revenues of about $25 billion. This would leave about $35 billion in total revenue losses for the first 2 years.

The analysis then points out that there would, however, be an impact on Government spending. Unemployment insurance payments, for example, would be lower, as would welfare payments, especially food stamps. Transfer payments for unemployment programs would probably drop by a cumulative total of $15 billion, and food stamp expenditures could be reduced by an additional $2.2 billion. The net impact would be a cumulative deficit over the 2-year period of $17.8 billion, or only $8.9 billion per year.

Yet, even these losses may be totally overcome. We have an excellent recent corporate tax cut parallel from which to make this judgment.

Several years ago the Canadian Government cut its corporate taxes drastically. The effective rate of taxation was reduced from 49 percent to 40 percent, amid cries that it would bring about a substantial decline in revenue to the treasury. Yet, because of the substantial increase in productivity and jobs generated by that tax cut—through the removal of disincentives to investment and savings—there were no losses in revenue. Instead of the net loss projected at the time of its enactment, a surplus was generated. This Canadian experience is dealt with extensively in remarks which I made on December 20, 1974. Those remarks are found at pages 41907–41908 of the RECORD of that date.

At the present time, I do not know why the Library of Congress and the Chase Manhattan analyses were so drastically different in their conclusions. Presumably, it is because the formulas have different stresses. It is not inconceivable the one has a consumption bias, while the other has a production slant. It is also conceivable the formulas are not geared for this type of proposal. Let me briefly quote from the Library of Congress analysis, for it may reflect what is wrong with its approach:

> In addition, we were unable to . . . adjust the savings rate to reflect increased levels of savings due to individual tax changes.

Inasmuch as the premise of the proposed act rests on capital formation acceleration and inasmuch as increased savings is a major key to that formation, one can understand why their projected increases in economic activity—and commensurate reductions in revenue losses—may not be accurate.

The cosponsors of the Jobs Creation Act know what this bill will do. It will create jobs, cause additional home construction and plant expansion, cause major new equipment purchases. All of this will automatically generate additional revenue for the Treasury in the form of corporate and individual income taxes and will reduce Government expenditures.

CAPITAL FORMATION MEASURES SHOULD BE ENACTED

Capital formation measures are, most certainly, not the only ones which should be incorporated in the committee's tax reform bill or bills this Congress, but they must not fail to be incorporated.

The viability of our economic—and our political—systems rests on our capacity to assure a continued growth in the standard of living, and capital assets are the keys to assuring that growth. To tamper negatively with capital savings is to tamper with our future. To reform constructively our tax laws to assure adequate capital formation is to guarantee the strength of that future.

There is growing support for capital formation-inducing tax reform. This is not just the expected support from the corporate community. It is support, also, from the media, the general public, labor on certain aspects of it, small business.

An example of this support is a telegram which I received last week as I was preparing to testify before the Committee on Ways and Means from the prestigious National Federation of Independent Business, which represents thousands of small businesses across America. That telegram follows:

> Hon. JACK KEMP,
> *Washington, D.C.:*
>
> The National Federation of Independent Business strongly endorses the concept that the preservation of working capital enables small businesses to grow, creates more jobs, and increases productivity. Equitable tax reform measures, such as those pending in your Jobs Creation Act of 1975, would stimulate this concept. This kind of reform is long overdue.
>
> WILSON S. JOHNSON,
> *President, National Federation of Independent Business.*

TAX REFORM: A RESPONSIBILITY TO BE EXERCISED CAREFULLY

Mr. Speaker, tax reform is a responsibility to be exercised carefully. Tax policies can affect substantially the behavior of our economy. They can help move us toward a real, sustained growth built upon increases in productivity and real wages, or they can send us into an inherently self-defeating artificial growth, the price of which is left to be paid by our children and our children's children.

If we believe, as all of us do, that the economy can be helped toward recovery by tax reforms which turn out to be good ones, we must admit our economy can be hurt by reforms which turn out to be bad. Thus, it is the nature of specific tax reforms and the premises on which they rest which are the keys to assuring, through the actions of the committee and the Congress, the nature of our future economic conditions. The Congress had best make no mistakes.

The people are remembering that private capital at work means people at work; that private capital not at work means people not at work. Those who fail to see this will be held accountable by the people for it, when our economic conditions worsen as a consequence of that failure. All of us, therefore, now have that choice.

FOOD STAMP REFORM—A MUST FOR THE 94TH CONGRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. KASTEN) is recognized for 15 minutes.

Mr. KASTEN. Mr. Speaker, last week the President of the United States sent a message to Congress requesting an astounding $3 billion in additional appropriations to continue the food stamp program. This request is in addition to the $3.8 billion requested in the President's budget for fiscal year 1976. The President, in his message said:

> Some claim that the Food Stamp program cannot be controlled and that ever-increasing costs are inevitable. I refuse to accept that proposition. Every public program is controllable. The Food Stamp Act was placed on the Statute books by the Congress which has the power and the authority to amend the law. . . .
>
> In submitting this revised budget request, made necessary by the existing law, I once

again ask the Congress to work with me on needed changes. . . .

Mr. Speaker, the President cited legislation that I and more than 70 of my colleagues introduced on June 23 as indicative of the types of changes which need to be considered by Congress. I join the President in urging Congress to begin hearings on the National Food Stamp Reform Act of 1975 at the earliest possible date.

H.R. 8146, the National Food Stamp Reform Act of 1975, is designed to provide long-needed reform of the food stamp program by:

Eliminating food stamp eligibility for higher income people and the "voluntarily poor";

Adjusting food stamp purchase prices to more nearly conform with what average households spend on food;

Tightening up the administration of the food stamp program and closing numerous eligibility "loopholes";

Providing fiscal incentives for States and counties to better administer the program;

Transferring the Federal administration of the program from the Agriculture Department to the Department of Health, Education, and Welfare; and

Increasing food stamp allotments.

It has become all too obvious over the past year that the food stamp program—as presently constituted—has embarked on a period of almost uncontrolled expansion, that many of the benefits are going to those with relatively high incomes or those who are voluntarily unemployed, and that the program subsidizes many non-food-related expenditures. In the past year alone, food stamp costs have climbed by almost 40 percent, and the number of recipients has jumped to some 20 million persons—almost 10 percent of our population. If current rates of expansion continue, it may well be that nearly 40 million people—close to 20 percent of the population—will be on the food stamp rolls within 2 years—at a cost of over $10 billion a year.

Now that food stamps have become one of the most costly welfare programs, I feel it is time that we take a close look at the program and make the reforms necessary to keep it from becoming an overwhelming burden on Federal and State treasuries. With the implementation of the reforms proposed in H.R. 8146, it is my expectation that the phenomenal growth of the food stamp program will be curtailed and that the American taxpayer can once again have confidence that food stamps aid only those truly in need of help in purchasing an adequate diet.

COMMODITIES TO FOOD STAMPS: SURPLUS DISPOSAL TO NUTRITIONAL MAINTENANCE

The current food stamp program began in 1961, as a pilot initiative of the Kennedy administration. The original thought behind the establishment of the program was that it would be a better way of disposing of our agricultural surpluses and that it would provide a better opportunity for those in need to supplement their diets—better than the distribution of federally purchased surplus commodities. This set of goals—more efficient utilization of agricultural surpluses and a real chance to obtain an adequate diet—formed the declaration of purpose in the Food Stamp Act of 1964.

Rather than a surplus commodity package—the contents of which were determined by what was in surplus rather than by what poor people needed to maintain an adequate diet—the food stamp program would give recipients additional food purchasing power in the grocery store, where they would have the ability to choose freely.

With the establishment of the food stamp program, the emphasis of this Nation's domestic food assistance policy began to shift from surplus disposal to nutritional maintenance—from an emphasis on agriculture to an emphasis on needy people. And today, with agricultural surpluses rarer and rarer, nutritional maintenance has become the primary aim of the food stamp program, and the older commodity distribution system has been totally supplanted by food stamps.

However, in our rush to make sure that all those who needed aid were eligible and that the benefits were adequate to the task, we have changed the character of the food stamp program. Nutritional maintenance for the needy is still the end goal. But the program operates in such a way that much of the value of the benefits given out actually subsidizes nonfood consumption—either through blackmarketing or because recipients are charged less for their food stamps than they would normally spend on food and use the difference for other purposes—and eligibility extends to a point far beyond any reasonable definition of those truly in need.

It is this overextension of the food stamp program that has given us the $5-billion-going-on-$7-billion food stamp costs we face today.

THE GROWTH OF THE FOOD STAMP PROGRAM

The food stamp program has grown with astonishing speed in the last few years. The slow, steady growth of the late 1960's has changed to rapid upward jumps in the 1970's.

In its first year of really full-scale operation—fiscal 1966—the food stamp program cost the Federal Government about $70 million and provided aid to about 860,000 people in some 300 counties around the country. Benefits averaged $6.25 per person per month. In my own State of Wisconsin, about $650,000 in benefits were distributed to 18,000 people in 13 counties.

By fiscal 1969, the program had grown substantially as many new counties began to participate. In 1969, nationwide participation was 2.9 million persons; Federal costs were $250 million; nearly 1,500 counties operated the program; and average benefits were roughly $6.50 per person per month. Wisconsin experienced similar increases—participation climbed to about 48,000 people; $2.9 million in benefits were distributed; and the number of participating counties increased to 34.

Overall, the program grew by over 200 percent in its first years of operation. But almost all of this growth was due to the fact that many areas of the country were switching from the commodity distribution program to food stamps and many other areas were beginning to grant food assistance for the first time. Benefits stayed roughly the same and eligibility standards were not, on the whole, liberalized.

However, when food stamp eligibility standards and benefits were liberalized starting in 1969, new cost-creating factors were added to geographical expansion, and program participation and costs began to soar.

From fiscal 1969 to 1970 alone, Federal costs went up over 100 percent to $578 million; participation jumped almost 50 percent to 4.3 million people; and average benefits increased 60 percent from $6.50 to $10.50 per person per month. Some 450 new counties also came on to the program, but they were no longer the only thing pushing food stamp costs upward.

The trend that began in fiscal 1970 has continued through fiscal 1975—the last year in which geographical expansion was a factor. From fiscal 1970 through fiscal 1975, Federal costs have leaped over 700 percent to nearly $5 billion; participation has climbed more than 400 percent to just under 20 million persons; average benefits have more than doubled to about $22 per person per month; and the addition of some 900 counties has expanded the program to all areas of all 50 States, the District of Columbia, Puerto Rico, the Virgin Islands, and Guam. In Wisconsin, benefits distributed have climbed by well over 400 percent from $5.7 million in fiscal 1970 to over $29 million in fiscal 1975; and the number of recipients has jumped from about 72,000 to over 160,000 persons. All 72 of Wisconsin's counties now operate the food stamp program—up from 36 in fiscal 1970.

Given the fact that the food stamp program is now available in virtually every part of the country—thus removing geographical expansion as a growth-causing factor—we should have been able to expect some respite from the phenomenal expansion since 1970. However, due to the program's built-in provisions for escalating benefits and eligibility standards, the Agriculture Department now tells us that fiscal 1976 food stamp costs will probably go to between $6 billion and $6.8 billion—in other words, a 1-year increase of between 20 percent and 36 percent.

Mr. Speaker, it is clear that, unless we are willing to pay for increases in food stamp costs on the order of $1 billion and $2 billion every year, we must do something quickly to reform the program.

FOOD STAMP ABUSES

Paralleling the expansion of food stamp participation and costs has been a growing realization that the intent of the program is being abused.

What started out as a program aimed at helping the very needy supplement their diets now offers benefits to some households with gross incomes near the median family income level—about $11,000 a year. For example, although the nominal food stamp income eligibility cutoff is $6,480 per year for a four-person household—well above the $5,000 a year poverty level—the real cutoff point is well above that. For an "average" four-person household, the real cutoff point can easily be as high as $7,000 to $8,000 a year and more. This happens because certain types of income are simply not counted when eligibility and benefits are calculated; and most household expenses—shelter, child care, taxes, et cetera—are deducted when an applicant's "food stamp"—net—income is figured. As a result, applicants can have very substantial gross incomes and still qualify for benefits because much of their income is never even considered as income.

Although the law directs that eligibility standards governing liquid and nonliquid resources—assets—be promulgated, current food stamp rules include only a half-hearted attempt at restricting eligibility based on an applicant's resources. The most common household assets are not even considered—the value of the home, personal belongings, and a car. Moreover, although there is a $1,500 per household limit on liquid resources such as a savings account, there is nothing to prevent applicants from simply transferring these to a friend or not reporting them in order to qualify.

Food stamp purchase prices have remained basically unchanged since 1969–1970, while food stamp allotments have been escalated by over 50 percent. Food stamp recipients now pay well under 20 percent of their total cash income for food—as their food stamp purchase price—while consumer expenditure surveys tell us that average American households put up a considerably larger proportion of their income for food. This is grossly unfair. Moreover, the difference between what food stamp households must pay for their food stamps and what they would be paying without food stamps—as shown in consumer expenditure surveys—amounts to a Government subsidy for nonfood consumption since precisely that amount of household income is "freed up" and can be used for other purchases.

Those who are voluntarily unemployed—students, strikers, and those who simply quit their jobs—are eligible for food stamp benefits, even though they have chosen to place themselves in a situation where they have little or no income. The only restriction on this is a relatively ineffective work registration system.

Those who receive some type of cash welfare grant are "automatically" eligible for food stamps—regardless of their income or resources. This has led to a situation where a welfare recipient may actually have a higher income than a nonwelfare household and still be eligible for food stamps, while the nonwelfare household is not.

There is no minimum age requirement for food stamp participation. As a result, children who simply choose to leave their families can apply for and receive food stamps—often free of any charge.

Work registration requirements are generally ineffective. There are no requirements that recipients actually go out and search for a job; too many types of persons are simply excluded from having to register; and, in too many cases, jobs are deemed not "suitable" and the recipient is freed of the requirement to accept a job offer.

Although the food stamp program is administered by welfare agencies at the State and local level and even though it is, in essence, a "welfare" program, it is still being administered by the Agriculture Department at the Federal level. This leads to unnecessary complications in administering the program since regular cash welfare programs and social services are administered out of the Federal Department of Health, Education, and Welfare.

Fraud and abuse are actually facilitated by the general laxity in the program's administration. Although income is the prime determinant in food stamp eligibility, welfare agencies have only the most limited means for cross-checking and verifying what an applicant tells them. There is no effective system to prevent people from receiving food stamps in more than one jurisdiction. There is no requirement that income be reported on a regular basis. Food stamps are easily negotiable, even by those who are not the actual recipients; and, as a result, black marketing and counterfeiting of food stamps grows as more and more stamps go into circulation.

Although State and local welfare agencies are responsible for most of the day-to-day administration of the program, there is no incentive for them to administer the program efficiently since they have no stake in the cost of benefits improperly issued. Benefit costs are paid from the Federal Treasury.

These and other abuses are the main reasons the food stamp program has gotten out of hand. If the program is to be brought under a reasonable degree of control, we must move soon to eliminate abuse of the intent of the food stamp program.

ADEQUATE DIETS FOR THE POOR, NOT WELFARE FOR THE MIDDLE CLASS

Mr. Speaker, the food stamp program is intended to serve a very real need—the need for increased food purchasing power among the poor so that they can obtain an adequate diet.

Millions of Americans do not have incomes which are high enough to purchase an adequate diet. And, I would submit that these are the people with incomes at or below the "poverty levels"—some 25 million people, about 400,000 in Wisconsin, who today live on incomes less than about $5,000 a year—for a family of four.

Yet, Mr. Speaker, the Agriculture Department estimates that some 44 percent of food stamp recipients have incomes above the poverty levels.

We must face this abuse of the intent of the food stamp program squarely and restrict eligibility to those truly in need, those below the poverty levels. The National Food Stamp Reform Act I have proposed would do just that—first, by requiring that all income counted in determining eligibility; second, by mandating the official poverty levels as the cutoff point for food stamp income eligibility; and third, by requiring realistic limitations on assets.

Mr. Speaker, the original intent of the food stamp program was to give recipients a supplement to their normal food expenditures which allowed them to purchase an adequate diet. However, over time, this has been distorted to the point that food stamp recipients now pay a purchase price that is not by any stretch of the imagination their "normal" food expenditure but substantially less than what average American families devote to food.

The National Food Stamp Reform Act would return purchase prices to a realistic range—what other, similarly situated families devote to food, but no more than 30 percent of total income—in recognition of the claim that other necessities have on a household's income.

Mr. Speaker, eligibility "loopholes" and lax administration in the food stamp program permit too much abuse. Minors, the voluntarily unemployed, and relatively well-off welfare recipients have no trouble getting food stamps. Fraud and blackmarketing go on essentially unchecked because there are only half-hearted attempts to deal with these abuses.

The National Food Stamp Reform Act would close those loopholes, mandate effective action to prevent fraud and blackmarketing, and give the States a stake in the cost of the program that would encourage them to better administer the program.

Mr. Speaker, the food stamp program is, for all intents and purposes, a welfare program, and it should be officially recognized as such. Leaving Federal administration of the program in the Agriculture Department makes little sense.

The National Food Stamp Reform Act would place the Federal administrative responsibility where it should be—with the Department of Health, Education, and Welfare, along with our other public assistance programs.

And, finally, let us face up to one more issue—the current food stamp allotments are not enough to give a needy family a real chance at obtaining an adequate diet. I would submit that the economy food plan now used as the basis for food stamp allotments does not fulfill the intent of the program; $5.40 a day—the current allotment for a 4-person household—provides recipients with only the smallest chance of actually purchasing an adequate diet.

The Federal courts have already ruled that the current allotments do not fulfill the intent of the Food Stamp Act. And, I believe that the Congress should recognize its responsibility to see to it that food stamp allotments are truly adequate to the task—as long as the program directs benefits at the really needy and charges reasonable purchase prices.

The National Food Stamp Reform Act would raise allotments some 29 percent by mandating the use of the Agriculture Department's low-cost food plan.

As it operates now, the food stamp program costs too much and tries to accomplish too much—offering benefits to some middle-income households, opening eligibility to the voluntarily poor, and, in effect, subsidizing both food and nonfood consumption with low purchase prices. Moreover, it short-changes those really in need by not providing an adequate allotment. H.R. 8146, the National Food Stamp Reform Act, would redirect food stamp benefits to the truly needy and make sure that those benefits are really enough to reach the goal of adequately supplementing the food purchasing power of the poor.

SOVIET GRAIN SALES SECRECY

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. SMITH) is recognized for 10 minutes.

Mr. SMITH of Iowa. Mr. Speaker, after the experience in July of 1972, it should be clear that any information secured by the Department of Agriculture relative to world grain production and consumption should be made immediately and accurately available and that failure to do so gives an unfair advantage to big grain exporters and through them to the purchasers of this grain at the expense of producers in this country. In 1972, the information on Soviet purchases was held within the Department for 3 weeks. Since that time I have had a bill pending which requires immediate filing by export companies of information concerning sales and the immediate revelation of those sales. Secretary Butz has steadfastly opposed such legislation, at first saying it could not be done, but recently saying that it is not necessary because he will see to it that information is available.

A pattern has emerged during these past 3 weeks which is different than 1972 but has some of the same results. It is one where confusion and inaccurate statements issued on a piecemeal basis have been detrimental to the same interests who were hurt by total secrecy in the 1972 grain transactions. I am not saying the world grain situation is the same as that which existed in 1972. In fact it is quite different.

In 1972 we had the only reserve of wheat in the world and instead of treating it as a valuable commodity and demanding its value, the Department even subsidized its sale at an extremely low price and the Department kept secret the increased demand due to bad weather in the Soviet Union until big grain exporters could buy contracts on the Board of Trade for several hundred million bushels at low prices; thus indirectly transfering the cost of this secrecy to producers and local grain dealers.

In 1975, it appears we have adequate supplies of grain and the possibility of cornering the market is negligible especially in view of the fact that we now have a Commodities Commission with authority to keep the market honest. If supply estimates hold up, an increase in Soviet purchases of 10 million tons of wheat and 10 million tons of feed grains will only prevent U.S. grain prices from dropping to extremely low levels; but are not likely to prevent prices from dropping to lower levels than they were a year ago.

While the information is eventually emerging, this piecemeal issuance of underestimates and downplaying the world demand by the Secretary of Agriculture and his deputies has been very detrimental to the very people the Secretary is supposed to represent. While constantly minimizing the extra demand for grain during the past 3 weeks, the Secretary has made it easier for big exporters to hedge sales at lower prices. It has undoubtedly resulted in some producers selling at a lower price than they needed to. All this comes on top of the refusal of the Secretary to make meaningful loans on grain so farmers could hold grain and wait for a better market.

I suppose some confusion could be expected but a documentation of the statements and actions of the Department in the past 3 weeks indicates that the confusion and statements have in every instance been those which would be beneficial to exporters and foreign buyers rather than to producers and grain dealers in this country. The very worst possible example of this kind of stewardship was exhibited on July 24 when on the very same day that the Department is publicly announcing that they believe the Soviets have ended their current grain buying, the Secretary of Agriculture at a private party indicates that he thinks purchases will be far in excess of any estimates which have previously been announced; and not until this conversation was repeated throughout the next session of the Board of Trade did the Department confirm that the Secretary's private statements indeed estimated far greater needs for the Soviet Union than did his Department's public report.

I do not think we should any longer rely upon the Secretary of Agriculture voluntarily securing sales reports from international exporters. My bill H.R. 3281 should be passed and the spotlight should be thrown upon the Department so that they will constantly keep people in this country informed as to the world demand and supply picture. We are very dependent upon world trade for income in this country and for foreign credits for which to pay for oil. When secrecy prevents Americans from getting their full price for their products, it results in this country having a larger deficit in its balance of payments because we then receive less for our exports.

This is a sorry performance as far as producers in this country are concerned and those millions of employees who depend upon producer income for the sale of the products they produce. I have documented the basis for these statements and I set it forth as follows:

July 7—There are press reports that bad weather in the Soviet Union will result in large sales of grain to the Soviet Union and that they are now negotiating for such purchases.

July 8—The Department of Agriculture issues its weekly review of world farm production and made no mention of the Soviet harvest situation which would be a key factor in determining how much grain Russians might need.

On the same date, Deputy Assistant Secretary of Agriculture Bell said he has no evidence the Soviets are going to buy large quantities of U.S. grain.

People identified as hedging for large grain companies are seen buying on the Board of Trade in quantities which cause others to believe there is substance to the Soviet Grain storage story.

July 9—Secretary of Agriculture Butz in answer to questions by reporters says the Soviets may have to buy U.S. grain this year.

July 11—Butz tells Senate Agriculture Committee that the "upper range" of Soviet grain sales is 10 million tons.

Bell quoted in Journal of Commerce as saying Soviets are expected to buy 3.8 to 5.1 million tons of corn. (Journal of Commerce, July 11, 1975).

July 13—Reports received by some Members of Congress from lower level Administration sources indicate the Soviet shortfall is likely to be 20 million tons consisting of approximately one-half wheat and one-half feed grains.

July 14—Butz quoted as saying he believes Soviets may buy up to 6 million tons of U.S. grain.

July 16—Bell says Cook will sell 2 million tons of wheat to Soviets and Cargill announces that its Geneva subsidiary will sell Soviets 1.2 million tons of wheat.

July 17—The Department of Agriculture's Foreign Agriculture Service reports on world grain output expectations and said that the Soviets may buy a net of 10 million tons of foreign grain.

July 21—U.S.D.A. announces that Continental has sold 4.5 million tons of corn to Soviets, most of it U.S. corn.

July 22—Cook announces that it plans to sell another 1 million tons of wheat to the Soviets.

July 23—Butz says he believes Soviets have ended their current grain buying.

On the same evening Secretary Butz attends a dinner party in Washington at which it is later revealed he was quoted as saying that the Soviets may be forced to purchase as much as 29 million tons of foreign grain.

July 24—As the Board of Trade opens at 10:00 a.m., rumors of Butz's statement of the night before caused a flurry of new buying and reporters pound the Department with new inquiries.

After the Board of Trade has closed, U.S.D.A. confirmed that Butz had commented in private conversation the night before that if weather continues to deteriorate Russia may buy as much grain in the world market as in 1972.

U.S.D.A. also now estimates that the Soviet grain import needs have increased by 5 million tons and that they will need 20 million tons.

The Minneapolis Tribune reports that Dreyfus has sold 4 million tons of corn to Soviets.

STATEMENT IN OPPOSITION TO THE CONCORDE SST

The **SPEAKER** pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. ABZUG) is recognized for 30 minutes.

Ms. ABZUG. Mr. Speaker, as a member of the Government Activities and Aviation Subcommittee of the Government Operations Committee, I participated in hearings held last week on the FAA certification of the Concorde SST for landings in this country. I submitted testimony at those hearings and am including that statement in the RECORD:

TESTIMONY OF BELLA S. ABZUG

Though the question of whether or not to allow SST operations in the United States has been debated for some time, it is still a live and critical issue, and deserves the focussed attention of this Subcommittee.

We now find that the FAA is prepared, even in the face of the most serious evidence of environmental damage, to permit the Concorde SST to land on a regular commercial basis in the United States at Dulles Airport near Washington and at JFK Airport in New York, with five other East Coast airports as alternates. In making this irresponsible decision, the FAA flies in the face of the Congressional intent which was clearly expressed when Congress voted down further appropriations for an American SST some time ago. There is overwhelming proven evidence against the FAA's decision, which would benefit only the handful of wealthy people who could afford the exorbitant fares necessary to support SST operations. The well-being of thousands of our citizens would clearly be prejudiced by permitting these aircraft into the United States. If the FAA will not put a halt to this senseless plan, it becomes the duty of Congress to take the proper action.

I have been among those who have voiced the many objections to the FAA draft Environmental Impact Statement on the SST landings. The Environmental Protections Agency, too, has gone on record as having reservations concerning the effects of permitting these planes to operate in the U.S., and believes that the draft Impact Statement does not contain sufficient information to assess fully the environmental impact of the proposed landings.

The Environmental Defense Fund, in its comments on the draft EIS, brought to light a Department of Transportation Information Brief, dated December 11, 1973, not meant for public perusal but discovered in the course of litigation, which states in part, "Considerable organized adverse public reaction can be expected if the Concorde is permitted to operate into the U.S., because of the expected high noise levels."

Some of the flaws in the EIS that the Environmental Defense Fund cites include the fact that the data on noise in the Study were not gathered by the FAA itself, but merely reflect claims reported by the British and French manufacturers. The environmental group also noted that the draft EIS lists the Concorde's maximum range at 3,800 statute miles, and then goes on to state that the distance from Paris to Dulles Airport, one of the proposed routes, is 3,838 statute miles. This discrepancy is a reflection of the kind of incomplete analysis upon which the FAA is making a major decision. The arguments for permitting the operation of the SST in the U.S. are unsubstantiated; however, the arguments against it raise serious questions.

It is evident that the SST is a wasteful, destructive and noisy machine. It uses three times the fuel for each of its 100 to 125 passengers as the jumbo jets use for each of their 200–400 passengers. Their widespread use would certainly be an unnecessary aggravation of the current energy shortage. The emissions from the plane, which flies in the stratosphere, where pollutants remain for an inordinately long period, will have a detrimental effect on the ozone layer. The ozone layer provides our only protection from dangerous ultraviolet radiation. Additional research into this effect is certainly needed before any decision can be made.

The low frequency noise the SST produces on take-off spreads over a great distance and dissipates slowly; however, the draft EIS is devoid of any meaningful commentary on the problems of noise dispersion, with incomplete contour maps that do not consider the low-frequency rumble caused by the supersonic aircraft.

Department of Housing and Urban Development statistics have shown that noise on take-off and landing from only four SST flights daily at JFK Airport in New York City would place an additional 2,500 people under conditions which the Department describes as "unacceptable." Twenty-five flights daily into that Airport would place yet another 10,000 people under the same unacceptable conditions. Though the structures in which these people live may be able to withstand these conditions, it is well documented that high noise and vibration levels can have a distressing effect on individuals. The psychological damage to these people that will result is incalculable.

The FAA has shown itself to be unwilling to bar the SST from United States Airports, and so it is up to the Congress to put a halt to this blind, senseless technology which is applied at the expense of the general public. Putting both the airlines and the manufacturers on notice now that the environmental destruction which the Concordes causes is too great a burden for us to accept, will be an effective method for preventing the further construction and development of this wasteful machine.

Apart from the environmental concerns, some questions have been raised regarding the State Department's handling of the issue with the British and French governments. I hope that these hearings will be able to shed some light on this area. Many serious allegations against former President Nixon, the State Department, our ambassador to France, Mr. Arthur Watson, FAA administrator John Shaffer and against other high government officials have been made, regarding the making of unauthorized commitments to grant permission for landings to Britain and France. Before any decision is made concerning SST operations, we must look into these charges. Were assurances of U.S. operation given by the FAA in clear violation of the law requiring impact studies be performed? Did President Nixon write to the British and French Prime Ministers, as it is my understanding he did, indicating that he would do all he could to insure that the Anglo-French Concorde be "treated equitably in the United States"? I have written to President Ford concerning letters possibly written by former President Nixon to former Prime Minister Heath and former President Pompidou on January 19, 1973, concerning White House support for the Anglo-French Concorde. I received in reply a letter stating that these letters were unavailable because they were subject to the Order of the United States District Court in the case of *Nixon* v. *Sampson, et al.*

I am concerned that the Administration had already made a decision regarding the SST by the time those letter were written by Mr. Nixon on January 19, 1973, and that the results of the formal proceedings and tests that are being undertaken as part of the decision making process will not be the determining factor in the FAA's decision on this issue. The Congress has a definite responsibility not to let the SST into this country until these questions are answered, especially in view of the dire environmental consequences which the FAA has evidently chosen to ignore. The FAA has also chosen to ignore the wishes of Congress and the American people not to permit the SST to fly in this country which were clearly expressed in 1971 when further appropriations for an American SST were voted down.

While the State Department does admit that it has assured the British and French governments that the Concorde would be treated "fairly in all aspects of U.S. Government regulation," it denies that any promises have been made regarding landings in the U.S.

Through these admissions, the State Department attempts to make that argument that the Congress must not prevent SST operations in this country, because to do so would be to go over the heads of the proper government regulatory agencies, a move which might be interpreted by the British and French as prejudicial treatment, and thus possibly affect U.S. trade with those countries. However, we must look beyond this very narrow view of the SST to what is best for the citizens of the United States. We should remember that the Governments of France and England were looking after their own people when they closed their airports at night, requiring preferential runways to protect their people on the ground. Until it is made clear exactly what type of commitments President Nixon or President Ford may have made regarding the SST, it will be very difficult to fully understand the State Department's motives in making these pleas for the SST. The questions that have been raised recently regarding State Department pressure on the FAA to approve SST flights must be investigated. We cannot allow political considerations to be introduced into this issue in a manner which may compromise the National Environmental Policy Act. This should be the only standard upon which the decision is based. Until all of the questions regarding the FAA's handling of the SST have been satisfactorily answered, I believe it is unconscionable that we could even seriously consider beginning SST operations in the United States.

TRUTH IN BUDGETING ACT OF 1975

Mr. SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. BLANCHARD) is recognized for 10 minutes.

Mr. BLANCHARD. Mr. Speaker, the 93d Congress took a giant step forward in passing the Congressional Budget and Impoundment Control Act of 1974. This act went a long way in returning to Congress its rightful control over the budget. If we are to remain a full and coequal branch of Government, however, we must go one step further.

Congress should not sacrifice its right to review, expand, or contract programs. Under the current budgetary mechanism, where detailed reviews are conducted only for budgetary increases we have, in effect, sacrificed our duty and power to oversee the Federal bureaucracy. Congress must not only consider requests for budgetary increases, but we must also review all Federal spending.

Today, I am introducing the Truth in Budgeting Act of 1975. This bill will require the Congress to evaluate and review all Federal spending programs at least once every 2 years. No longer will programs be allowed to continue ad infinitum, without formal review. Administrators will now be required to justify their programs' existence on a regular and continuing basis.

A good case can be made that some programs, after a period of years, no longer serve the purposes for which they were intended and should probably be discontinued. The proper route for such pruning, however, would be through a periodic review of programs by Congress during the budget cycle rather than through unilateral Presidential action without the benefit of congressional hearings or review.

The Truth in Budgeting Act of 1975 requires an evaluation of all Federal programs every 2 years from the ground up to be conducted by the respective standing committee in the House and Senate. The committees should determine, among other things, whether the programs' objectives remain relevant, whether the methods used continue to be the best possible methods considering the available funds, and whether the program is having a substantial impact and if not, why not.

The results and recommendations arising from these reviews will then be submitted to the Budget Committees of the House and Senate. It is my belief that with the increased information generated, Budget Committees as well as the House and Senate will be far better able to review the overall budget.

Currently, we in the Congress devote the bulk of our time to studying new programs and budgetary increases. This bill will force both Federal agencies and Congress to conduct a detailed examination of the total spending of a program, not just the requested increase. The academics call it zero-base budgeting, I call it good sense.

Zero-base budgeting would require that each program be periodically reviewed and justified from the ground up. Each program would be broken down into discrete activities which are then described in concise "decision packages." Each decision package enumerates alternatives—and mutually exclusive—ways of performing a given activity and also specifies different levels—increments—at which the activity could be carried on. Both the alternatives and increments for the activity, are evaluated in terms of their probable costs and benefits. They are also weighed against other activities carried on by the Government, all of which have been analyzed in similar decision packages. With this increased knowledge, Congress can then select the activities, methods of pursuing these activities, and levels of operation which appear to be in the best interests of the Nation.

This bill calls for every Federal spending program to be reviewed each Congress, but this does not mean every Federal program will grind to a halt after 2 years. Just as it is absurd to let programs continue indefinitely, it would be absurd to arbitrarily end every program after 2 years.

A major shortcoming of previous proposals for large-scale budgetary review was that they provided for termination of programs if Congress failed to conduct review of those programs. Thus, programs could be quietly abolished simply by not holding hearings. Under the Truth in Budgeting Act, if hearings on a program are not held, the program would simply continue at the same level of funding. Thus, good and hard fought-for programs would not be abolished without due process of review.

Every Federal program will be subject to review. In programs such as interest on the Federal debt or social security where levels of Federal spending are uncontrollable, only the administration of the program need be reviewed. I am not questioning the level of benefits, but rather the efficiency in which they are allocated.

The bill calls for the Congressional Budget Office to conduct a 1-year study and draw up the necessary forms. The Budget Office will then conduct a 1-year pilot program to resolve any difficulties. After this 2-year study period, the Truth in Budgeting Act will be implemented throughout the Government.

Mr. Speaker, this bill will transform the budget into a statement of current, rather than past, national priorities. No longer will we be locked into programs with no required reviews. Congress will conduct an ongoing review, constantly updating the budget to fulfill the current needs of the country.

This is not a spending bill. This is a bill to control spending. The moment a program is outdated, the moment a program is duplicated by another agency, the moment a program no longer has the expected impact, it will be reviewed. No longer will programs continue to operate that have long outlived their function. I would conservatively estimate that savings from this bill will run into the billions.

The only question I have not discussed is perhaps the most important. In theory the concept of zero-base budgeting sounds great, but is it viable in practice? The answer is "Yes." The State of Georgia successfully implemented zero-base budgeting beginning in fiscal year 1973. Texas has implemented zero-base budgeting for fiscal year 1976.

New Mexico, Illinois, and the city of Honolulu are currently experimenting with this technique. Zero-base budgeting not only works in theory, but also, and more importantly, it works in practice.

Mr. Speaker, I submit that zero-base budgeting would impose a beneficial discipline on Federal budgeting. It would shift the attention of administrators from the objects of expenditures to the purposes and functions of spending. It would institute systematic procedures for evaluating the cost and benefits of alternative methods of achieving a given goal and possible levels of effort. It would combine budgeting with the planning, management, and decisionmaking processes.

It would identify duplicated efforts and outdated programs. Finally, zero-base budgeting would establish a basis for budget cutting as opposed to the additive process implicit in our current incremental budgeting.

Just as the establishment of the Congressional Budget Committees was not a cure-all, neither will the new budgeting mechanism of zero-base budgeting as called for in the Truth in Budgeting Act, be the only answer. Each of these bills, however, brings Congress, and the American people, one step closer to controlling the ever-increasing Federal bureaucracy and its increasing budgetary demands. For the consideration of the Congress, a text of the bill follows:

H.R. 8968

A bill to amend the Congressional Budget Act of 1974 to require full congressional review of each Federal program once every two years under zero-base budgeting procedures

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Truth in Budgeting Act of 1975".

SEC. 2. (a) Title VII of the Congressional Budget Act of 1974 is amended by inserting immediately after the heading of the title the following:

"PART A—SPECIFIC REVIEW, EVALUATION, AND RELATED FUNCTIONS".

(b) Title VII of such Act is further amended by adding at the end thereof the following new part:

"PART B—FULL CONGRESSIONAL REVIEW OF ALL FEDERAL PROGRAMS EVERY TWO YEARS

"CONDUCT OF REVIEW BY STANDING COMMITTEES

"SEC. 711. (a) IN GENERAL.—Each committee of the House of Representatives and the Senate which has jurisdiction to report legislation authorizing appropriations for any Federal program shall conduct a comprehensive review of such program, as though it were being initially proposed for enactment, at least once every two years. Such review shall include or take into account the matters specified in section 712, and shall be conducted in the manner provided in section 713 in accordance with the schedule and guidelines prescribed under subsections (b) and (c) of this section.

"(b) SCHEDULE.—The Committees on the Budget of the House of Representatives and the Senate, acting jointly or in consultation, shall divide the total Federal budget into two equal divisions for purposes of review under this part. Federal programs falling into one such division shall be subject to review under this section in even-numbered years, and Federal programs falling into the other such division shall be subject to such review in odd-numbered years. Each program shall be reviewed in the House of Representatives and the Senate in the same year; and, to the maximum extent feasible, comparable programs shall be placed in the same division so that they may be reviewed concurrently.

"(c) GUIDELINES.—The Director of the Congressional Budget Office shall be responsible for the implementation of this part. In the exercise of this responsibility he shall establish guidelines for the conduct of the review and related activities provided for in this part, based on zero-base budgeting concepts and incorporating zero-base budgeting procedures, and shall prescribe the forms and standards to be used in such review.

"CRITERIA FOR REVIEW

"SEC. 712. Each comprehensive review conducted by a committee with respect to a Federal program under section 711 shall include a detailed consideration of the past experience under the program and a projection of the expected future experience of the program, a consideration of alternate ways of carrying out the activities involved and alternative funding levels for such activities, an evaluation of each such alternative in terms of its probable costs and benefits, a comparison of each such alternative with other programs and activities in the same or related fields, and an evaluation of the overall success or failure of the program. More specifically, it shall include consideration of—

"(1) whether the program objectives are still relevant;

"(2) whether the method of the program continues to be the best possible method for the funds available;

"(3) whether the program has had and is having any substantial impact on solving the problems and objectives dealt with in the program, and, if not, the reasons therefor;

"(4) whether and to what extent the program is being duplicated in another sector of the economy, private or public; and

"(5) what portion of program funds goes toward payroll.

"METHOD OF REVIEW

"SEC. 713. (a) IN GENERAL.—The comprehensive review conducted by a committee with respect to a Federal program shall follow the guidelines established by the Director of the Congressional Budget Office under section 711(c). Each such review in any year shall consist of a detailed analysis of the President's budget request for the program involved, carried out through the consideration of 'Decision Packages' (as described in subsection (b)) which shall be submitted to the Congress for purposes of such review along with such budget request as provided by section 201(j) of the Budget and Accounting Act, 1921.

"(b) DECISION PACKAGES.—A Decision Package is a detailed statement and analysis of the funds and services needed to support a Federal program at a particular level of operations and activities. The Decision Packages to be submitted to the Congress and included in a review of any Federal program under this part shall be as follows:

"(1) A Minimum Level Decision Package, expressing in terms of service and cost the level of effort below which it is not feasible or realistic to carry on the program at all.

"(2) A Base Level Decision Package, expressing in terms of service and cost the actual level of effort under the program during the preceding fiscal year and no more.

"(3) A Workload Decision Package, qualifying and explaining in terms of service and cost any additional funds being requested to meet increased workload at the functional level under the existing program.

"(4) A New or Improved Decision Package, qualifying and explaining in terms of service and cost (A) any changes or improvements being sought in existing operations or activities under the program, or (B) any new operations or activities for which authorization is being sought within the existing program. Any request for a completely new program or major function shall be reviewed through a separate series of Decision Packages (and not as a part of a New or Improved Decision Package) notwithstanding any relationship it may have to one or more existing programs or functions.

"REPORTS AND OVERALL REVIEW

"SEC. 714. Upon completing its review of a Federal program under this part, each committee of either House shall submit to the Committee on the Budget of that House a full report setting forth the results of such review and its recommendations arising therefrom. The Committees on the Budget of the two Houses, acting jointly or in consultation after receiving and coordinating all of such reports for any year, shall make an overall review of all of the programs involved and shall submit the results of such review, together with its recommendations in connection therewith, to the House of Representatives and the Senate.

"LIMITATION ON CONSIDERATION OF BUDGET INCREASES IN ABSENCE OF REVIEW

"SEC. 715. It shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution (or amendment thereto) which authorizes appropriations for any Federal program for any fiscal year (or for any particular operation or activity within such program) in excess of the appropriations made for that program (or that operation or activity) for the preceding fiscal year unless that program has been the subject of comprehensive review under this part during the year in which the bill or resolution is being reported or in the preceding year.

"MISCELLANEOUS PROVISIONS

"SEC. 716. (a) COMMITTEE PROCEEDINGS.—Insofar as possible, the committees of the House of Representatives and the Senate which have jurisdiction over any Federal program shall conduct the review of such program under this part at the same time. In conducting any such study, such committees shall receive testimony and evidence in hearings which shall be open to the public; and any proceedings or hearings held in the conduct of such review by the committees involved may be held jointly.

"(b) INFORMATION TO BE TRANSMITTED BY EXECUTIVE BRANCH.—Prior to the conduct by any committee of the review of a Federal program under this part, the head of the department or agency of the Government which administers such program (or any part thereof) shall transmit to the committee (along with or separately from the Decision Packages submitted as required by section 201(j) of the Budget and Accounting Act, 1921) a detailed description of such program (or part), including a statement identifying, evaluating, and ranking in order of importance each operation or activity which it performs under or in connection with such program.

"(c) UNCONTROLLABLE EXPENDITURES.—Notwithstanding any other provision of this part, review of any Federal program under section 711 shall be limited to the administration of the program, and shall not include consideration of the level of effort under the program, to the extent that the program involved Federal expenditures which are uncontrollable as determined in accordance with the guidelines established by the Director of the Congressional Budget Office under section 711(c)."

(c) The table of contents in section 1 of the Congressional Budget and Impoundment Control Act of 1974 is amended by inserting immediately before the item relating to section 701 the following:

"PART A—SPECIFIC REVIEW, EVALUATION, AND RELATED FUNCTIONS";

and by inserting immediately after the item relating to section 703 the following:

"PART B—FULL CONGRESSIONAL REVIEW OF ALL FEDERAL PROGRAMS EVERY TWO YEARS

"Sec. 711. Conduct of review by standing committees.
"Sec. 712. Criteria for review.
"Sec. 713. Method of review.
"Sec. 714. Reports and overall review.
"Sec. 715. Limitation on consideration of budget increases in absence of review.
"Sec. 716. Miscellaneous provisions."

SEC. 3. (a) Section 2 of the Congressional Budget and Impoundment Control Act of 1974 is amended by striking out "and" at the end of paragraph (4), by striking out the period at the end of paragraph (5) and inserting in lieu thereof "; and", and by inserting after paragraph (5) the following new paragraph:

"(6) to provide for regular comprehensive review by the Congress of all Federal programs under zero-base budgeting procedures.".

(b) Clause 1(e)(3) of Rule X of the Rules of the House of Representatives, and clause 1(r)(2) of Rule XXV of the Standing Rules of the Senate, are each amended—

(A) by striking out "and" at the end of subdivision (C),

(B) by striking out the period at the end of subdivision (D) and inserting in lieu thereof "; and"; and

(C) by adding after subdivision (D) the following new subdivision:

"(E) to perform the functions with respect to the comprehensive review of Federal programs which are provided for in sections 711(b) and 714 of the Congressional Budget Act of 1974."

(c) Section 202 of the Congressional Budget Act of 1974 is amended by adding at the end thereof the following new subsection:

"(h) COMPREHENSIVE REVIEW OF FEDERAL PROGRAMS.—The Director, through the personnel of the Office, shall exercise responsibility as provided in part B of title VII for the implementation and conduct of the congressional review of Federal programs under that part."

(d) Section 308(c) of such Act is amended by adding at the end thereof (after and below paragraph (3)) the following new sentence:

"Such report shall also indicate the Federal programs which are scheduled to be the subject of comprehensive congressional review at various times during the period covered by the preceding sentence."

(e) Section 201 of the Budget and Accounting Act, 1921 (31 U.S.C. 11), is amended by adding at the end thereof the following new subsection:

"(j) The Budget transmitted pursuant to subsection (a) for each fiscal year, beginning with the fiscal year ending June 30, 1976, shall include or be accompanied by a series of Decision Packages (as described in section 713(b) of the Congressional Budget Act of 1974) with respect to each Federal program for which funds are requested therein; and copies of such Decision Packages with respect to any Federal program shall at the same time be submitted to the committees of the House of Representatives and Senate having jurisdiction over such program, and to the Director of the Congressional Budget Office."

(f) Section 204(b) of the Legislative Reorganization Act of 1970 (31 U.S.C. 1154(b)) is amended by striking out "and" at the end of paragraph (1), by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; and", and by inserting immediately after paragraph (2) the following new paragraph:

"(3) assist such committee or joint committee in the conduct of its comprehensive review functions under part B of this title."

SEC. 4. (a) Subject to subsections (b) and (c), the amendments made by this Act shall become effective on January 1, 1977.

(b) As soon as possible after the date of the enactment of this Act the Director of the Congressional Budget Office shall conduct a study to determine the best methods for implementing the provisions of part B of title VII of the Congressional Budget Act of 1974 (as added by section 2 of this Act), and shall prepare the necessary forms for implementing such provisions. During the calendar year 1976, on the basis of such study, the Director shall conduct a pilot program designed to place some or all of such provisions in actual practice in a limited way for the purpose of identifying and resolving any problems or difficulties which might be involved in such implementation; and any of such provisions which may be specified and reported to the House of Representatives and the Senate by the Director for purposes of such pilot program shall (to the extent necessary for such program) become effective on January 1, 1976 (or on such later date during 1976 as the Director may specify).

(c) Section 715 of the Congressional Budget Act of 1974 (as added by section 2 of this Act) shall not be effective before January 1, 1978.

STATE COURTS IMPROVEMENT ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. RODINO) is recognized for 10 minutes.

Mr. RODINO. Mr. Speaker, I am today introducing the State Courts Improvement Act, legislation dealing with some of the most difficult problems facing the Nation's criminal justice system.

I am introducing the bill at the request of the Conference of Chief Justices, an organization representing the highest judicial officers of the States and territories. I am confident it will stimulate discussion of the issues, which are central to the operation of the Federal Government's most ambitious program to deal with crime.

The bill was drafted by the Conference's Committee on Federal Funding of the State Courts, chaired by Chief Justice Howell T. Heflin of Alabama. It is based on more than 6 years' experience of State and local courts with operations of the Law Enforcement Assistance Administration, and its State planning agencies, under the Omnibus Crime Control and Safe Streets Act of 1968.

The legislation has been endorsed in principle by the American Bar Association and has been approved by the Advisory Council of the National Center for State Courts which includes representatives of 20 national judicial and law-related organizations such as the ABA and the American Judicature Society.

There can be no question but that the State and local courts, which must handle some 95 percent of the Nation's rapidly expanding criminal case load, are now in urgent need of help. It is also apparent that the courts, given the constitutional doctrine of separation of powers, have unique problems under the Safe Streets Act since they must appeal to State executive branch agencies in seeking Federal funds allocated to State criminal justice agencies.

The State Courts Improvement Act is an effort by State court officials to deal with their problems, insofar as they can, by correcting deficiencies they see after extensive experience with the Safe Streets Act.

Briefly, the bill establishes a flexible formula to assure adequate LEAA funding of the courts. It also would require judicial participation to assure the comprehensive criminal justice planning envisaged by the Congress when it passed the Safe Streets Act. I am certain the bill will be helpful to the Congress when the Subcommittee on Crime begins oversight hearings on LEAA late this year and when it begins consideration next year of new authority for the agency.

CONGRATULATIONS CAPTAIN DASH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. FUQUA) is recognized for 5 minutes.

Mr. FUQUA. Mr. Speaker, this afternoon I participated in a small way in a ceremony marking the promotion of a career Navy officer to the rank of captain.

To me that ceremony carried more than just the normal meaning. It marked a great accomplishment for a personal friend; but more so, it said something to me about the Navy and its role in the defense of our Nation today.

D. Dashwood Hicks was a proud man as his father pinned on his new shoulder board. All of his friends who gathered for the brief ceremony were proud too.

Capt. Robert Von Gerichten presided over the brief ceremonies and it was fitting that he do so. Captain Von Gerichten is Director for Research and Technology for the Navy and Captain Hicks is his assistant.

As it was pointed out by Captain Von Gerichten, the Navy is being called upon for ever increased responsibilities with fewer resources, and men such as Captain Hicks are going to have to get every ounce out of every resource if we are going to have a powerful deterrent force at sea.

As I listened to his remarks, I thought about the tradition of the Navy from the sailing ships of the Revolutionary period, the armored hulks that were such an advancement during the Civil War, to the nuclear submarines of today. There was a time when men with little skill could be of use in some way on a sailing vessel. Today, almost all have to be highly trained specialists with great skill and a high degree of technical training.

The tasks of men in the Navy today are not easy. There is an unawareness in this Nation today for a strong Navy. The Nation that can control the seas is in the best position to defend itself.

Yes, the role for the men and women of the Navy today is a difficult one to fill. But it is vital that they do so.

The future of our country is tied up in how well we meet that challenge.

Captain Hicks received a commission in the Marines in 1954 as he completed his pilot training at the naval air station in Pensacola, Fla.

Since then he has had an outstanding career on both land and sea. He served three tours in Vietnam and this afternoon he reached the pinnacle of his career thus far when he put on the stripes denoting the rank of captain. It is interesting to note that this is the rank he held in the Marines when he transferred to the Navy.

In a larger sense, this day that meant so much to his family also said much about the role of today's Navy. Because we are strong, we have been able to help bring the benefits of freedom to other lands.

I feel that those of us today will be no less faithful to that obligation than were our forefathers.

And so to my good friend, I extend congratulations.

THE 23D ANNIVERSARY OF THE COMMONWEALTH OF PUERTO RICO—SPEECH BY GOV. RAFAEL HERNANDEZ COLON

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BADILLO) is recognized for 60 minutes.

Mr. BADILLO. Mr. Speaker, Friday, July 25, marked the 23d anniversary of the Commonwealth of Puerto Rico. I had the honor of participating in commemorative ceremonies at my birthplace, Caguas, Puerto Rico. During these ceremonies the Governor, the Honorable Rafael Hernandez Colon, delivered a speech which dramatized the fact that the spirit of self-help which made possible the famous Operation Bootstrap is still vibrantly alive. In the words of the Governor:

> Our future is within ourselves. We have to shape it with our vision, our imagination, our intelligence; we have to mold it with our work, with our hands, with the sweat of our brows. Our future is a constant challenge that tests each Puerto Rican's ability to overcome, his capacity for work, his will to flight, and his constructive and creative strength.

For the information of my colleagues, I am inserting the Governor's remarks into the RECORD.

SPEECH BY GOV. RAFAEL HERNANDEZ

> My I extend my special greeting to those labor leaders here today; to those who will participate in the parade; to all those listening on the radio and watching on television; and to the hundreds of thousands of men and women who make up the country's work force, and, to whom, these words are dedicated.
>
> On the occasion of the 23 anniversary of the Commonwealth of Puerto Rico, I want to begin my message with some thoughts of Luis Muñoz Rivera—thoughts that reflect with great emotion the unalterable reality of our lives: "I was born in Puerto Rico," Muñoz said, "I love Puerto Rico; the mother, small and poor", "Proud the son that owes her his life".
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> Today, as in the time of Muñoz Rivera, we have to find the strength to forge our destiny within each and every one of us. The small and poor mother can not give her sons great natural riches for a comfortable life. All she gives us is life, and with life, the whole range of potentialities of which man, with skill and strength, is capable.
>
> Our future is within ourselves. We have to shape it with our vision, our imagination, our intelligence; we have to mold it with our work, with our hands, with the sweat of our brows. Our future is a constant challenge that tests each Puerto Rican's ability to overcome, his capacity for work, his will to fight, and his constructive and creative strength.
>
> Starting off with these realities, the Puerto Rican people channeled its political development toward autonomy, rejecting the two extreme political status positions that have ripped away at the country's body politic since the beginning of the century. One, because of loss of citizenship, markets and financing and the other because of loss of identity and fiscal autonomy impede the people from achieving the full potential of their aspirations for progress, justice and the good and decent life.
>
> Moving within the limits our reality has fixed, the Puerto Rican people, under the leadership of Muñoz Marín, created, on the basis of its own experience and with notable originality, a creative new form of political status that today is 23 years old: the Commonwealth of Puerto Rico.
>
> In shaping the Commonwealth—joining self-government and self-realization with citizenship, fiscal autonomy, access of United States markets for our goods and financial needs—the people of Puerto Rico by means of a compact with the Congress have created for themselves a political status of dignity that affords the best opportunities for using the full productive potential of Puerto Ricans in industry, agriculture, construction, commerce, in short, all sectors of our economy.
>
> Thus we see, the Commonwealth is a political instrument at the service of our progress the fruit of the productive work of our people.
>
> In this constant task, the first claim on our consciences must be to open the way to bring into the productive effort all those who have been left along the wayside of progress. Those who suffer that cruel and inhuman world, marked by extreme poverty, abandoned mothers, unemployment, and especially injustice. From these areas the specter of poverty rises to lay claim to consciences of each of us and of the country.
>
> A short time ago, I revealed the extraordinarily low incomes of 59,000 Puerto Rican families who are receiving food stamps. The country did not react. I got the feeling we did not want to accept this reality; that we want to close our eyes to the thousands of chronically unemployed or to the frustrated

young people who can't find work or the opportunity to use their talents.

Today, Commonwealth day, I want to remember those unemployed, those young people and everyone who is not able to participate in progress Puerto Rico has had. I want to remember then all because the Commonwealth was created to make Puerto Rico a more just society for all its members. By means of this instrument, we have made great advances. Nevertheless as with all human task, much remains to be done. Therefore, with renewed determination we must grip this tool of progress that is 23 years old today to meet the challenges brought on by a new world economic reality.

The new reality is one in which production has been internationalized in such a way that technology, labor and capital jump national boundaries to form worldwide productive networks. A reality in which the Third World is flexing energetically its muscles in order to achieve greater benefits and, to accomplish this, is adopting determined measures such as the joint increase in the price of oil. The Commonwealth affords us the means, that no other status can, to deal with these new realities. But we must go even further.

To compete, Puerto Rico must develop a force of professionals and technicians that by their skill, capacity and will will constitute the basis of a new production. Now we are not talking of cheap Puerto Rican labor. Puerto Rico can not compete with the low wages of Korea, Haiti, Singapur and Hong Kong. Puerto Rico has entered the competitive world where the brain rules the muscle, where knowledge becomes production, where education is the arch that supports the new aspirations of the people. Puerto Rico needs men and women who see the world as their backyard, education as a powerful arm and collective effort as their salvation.

Puerto Rico needs skilled workers that can compete with the Japanese, chemists for it petrochemical industry, astronomers for the Arecibo observatory, sales executives who are equally comfortable in Texas as in Teheran; scientists and technicians to create its own industries and local investors with courage and faith in Puerto Rico and Puerto Ricans to invest their money in production and progress.

The productive capacity of our workers must be supported by services and facilities provided at price and quality needed by all sectors of the Puerto Rican economy to expand and compete in diverse markets. Electricity, telephone and maritime transportation for our products are some examples of such services. Also it is necessary to make maximum use of capital, energy and our mining and agricultural resources, developing industries derived from them and that we substitute our imports by greater local production, specially in the agriculture sector.

By joining all of these elements, into a unified production scheme, the Puerto Rican economy must reach new levels of expansion and growth that will represent thousands of new jobs and will make possible the entrance of greater numbers of the unemployed into the work force.

The lesson down through the centuries from Athens to arid Israel is without question that the quality of the people is the determining factor of its development.

Our lives are challenged and will always be. Our arms before the challenges are our will to create, to create a new man to create a new vision and new jobs, jobs that dignify man, jobs that enrich especially when performed for the common good.

Those who have jobs must think of them not only as source of personal satisfaction and remuneration, but also as part of a larger whole that constitutes the country's economy. Each worker fulfills a function which unfulfilled not only affects himself and his family, but also directly affects the other sectors of the Economy.

For sometime now a series of factors has led to the deterioration of relations between workers and management. Some of these factors are: inflation and recession which have thwarted expectation and the hardening of antagonistic positions arising from the tension and conflict, that have characterized our times. Recently we have seen the efforts of a small minority trying to create a climate of irreconcilable conflict between those who work and those for direct production. Inspired by ideologies than run counter to democracy and that deny individual freedom as the base of economic initiative, these leaders rely on all types of tactics to set worker against owner.

To these Puerto Ricans I want to say today that every bomb that explodes or every strike whose resolution is delayed by political motives represents pain and suffering for thousands of Puerto Rican families and the unemployed; that nothing good can be built on a base of hate and violence; that respect for liberty and individual rights is essential for our progress and good of all; that the injustices they point out within our society cannot be corrected with the sacrifice of individual liberty; and that one of the best examples in the world of a people inspired by the fact social justice can be attained by the democratic route is the clear example given by our own Puerto Rican people to impose on an unjust system bred with enslaving misery that would pale the most serious injustices of our present, economic and social conditions. The country cannot remain passive before the problems of the times and before those who continuously cause us harm. Action is required, not action in different directions, but united action with a definite direction, with unity of purpose.

This unity of purpose must be embedded the length and breadth of Puerto Rico from the most removed barrios of the mountains to the largest urbanizations of the cities; it must be embedded in the workers, executives, entrepreneurs; among poor and rich, among the young and mature; it must be embedded in the very essence of our people. To resolve the problems of our times that shout for creative Puerto Rican solutions we have what was and is Commonwealth: Fomento, land reform, mutual help and self-help, achievement born of the originality of our people and that have now gone beyond our shores.

The political, economic and social imagination of the Puerto Rican people is looking now for an inward expression of the dynamics of our times; in the last quarter of the 20th century, at the threshold of the 21st century. It is looking for expression, manifestation and realization following the peaceful and democratic path of our people.

In the last quarter of this century, the Puerto Rican people are looking for something more than quantitative changes. As would be more housing, more schools, more roads. All this is necessary.

But our people want changes that will improve the quality of our social and economic relations.

It is necessary to develop new relationships between the working sector, capital and technology, so that they are bound indisolubly by the elements of participation, equality, understanding and loyalty.

In the enterprise of the future, that in which true solidarity is manifested, it is imperative to share, as indicated by Pope John XXIII: "The work place must become a community of persons in their relations, functions and the relationship of all to the whole subject to it . . . that the relations of the entrepreneurs and leaders on one side, and the workers on the other, have the imprint of respect, appreciation, understanding, active, loyal collaboration and interest as if in a joint, common endeavor".

It is necessary that each worker see his position not only in relation to those that are higher up in the income bracket, but also in relation to those that are lower than his. Our progress must be balanced in such a way that it allows the workers to advance united. The advancement of some cannot be achieved at the expense of poverty for others. Poverty for many can mean progress for no one.

It is imperative that we bring forth, from our endeavor and our toils, a sense of equality and justice in the social order and the acknowledgement among all Puerto Ricans that our community, our well-being, our progress deserve our first loyalty, over all partisan interests, individual interests or ideology.

Above all interests, Puerto Rico comes first, Puerto Rico comes next, and always Puerto Rico.

Let us bring forth this spirit of Puerto Rican solidarity in our work. Individual work cannot have a purpose if it is not seen as part of a greater collective effort.

Through our work in the factories, in the country side, in the stores, in the offices, in the building projects, or in the streets, the Puerto Ricans are sharing anxieties and hopes, suffering and happiness. With our hearts spirits and wills in unison we are making our history.

I have no doubt that Puerto Rican workers and their genuine leadership are conscious of the importance of work, especially in difficult times such as these.

And the country also knows that Puerto Rican workers and their true leadership are united in loyal solidarity to the country and, therefore, will react responsibly to the challenges we are facing.

The country acknowledges this and is grateful, and we recognize it publicly today, directly, and through those worthy representatives of the Puerto Rican workers present here today.

Through our creative effort we will continue to build tomorrow's Puerto Rico. The energy that is imprinted by the basic directives of this collective effort of all Puerto Ricans comes from our people.

Through the democratic process, the people face their problems, reconcile their differences and work out solutions that will be implemented through representative government.

Our democracy is the way of Puerto Rican public life and the source of our peaceful living. It means freedom for the people and the individual; freedom to think, to believe, to love, to create, to choose what is best and discard what is not suitable. It also means respect for those same rights in others and loyalty to the decisions made by the majority.

The proper use of this freedom in a manner inherent to our tradition means open minds—against uprising dogmas, in the words of Muñoz Rivera—to focus objectively on our problems, elaborate creatively on possible solutions and choose in the light of our ideals and values as a people, those that give the most well-being to all Puerto Ricans.

As a result of the mandate given by our people in 1967, the Committee named by the President of the United States and by me to develop self-government within the Commonwealth status is ending its task this month of July.

Some mistaken impressions have spread in the country concerning the work of this committee. I can assure you that up to now, the recommendations that are being formulated by the committee, represent developments of great importance toward the implementation of our people's mandate.

Although the final report has not been prepared yet, all seems to indicate that the committee will firmly support the constitutional thesis that Puerto Rico, as well as the United Nations, has sustained officially that this status is based upon the association through the free will of both countries, expressed in an agreement that can only be altered through the expressed wishes of both parties, and that it is a status that has full political dignity, as much dignity as any other type of political status and that it is of a dynamic nature which responds to the needs and aspirations of our people and the demands of our times.

Similarly, it seems the committee will recommend changes to enlarge our self-government within our permanent union with the United States of America. We hope changes will allow us to establish here in Puerto Rico better conditions to stimulate, with the effectiveness needed in these times, the economic development of the country.

At the same time, we hope it will permit us to solve with more realism our pressing social needs. The last and decisive meeting is still to take place, but if the committee continues its work in the manner we all hope, we will owe a tremendous debt of gratitude to those Puerto Ricans that have gallantly represented our people in this committee and to the understanding by high principles with which the United States representatives have responded.

My fellow citizens: Today I have spoken to you of three lines of action of public policy that set the paths in the economic, the labor, the social and political sectors that we are taking or must take in order to carry out a good deal of our economic, social and political goals.

These three paths, however, reach a point where they must join, and join other paths which I cannot go into today due to time limitations, to form in the end a modern highway through which the total progress of the people of Puerto Rico will flow.

The effective implementation of a new economic development strategy, together with the development and implementation of a new labor and social policy which at the same time united to the wise exercise the new authority that may correspond to the people of Puerto Rico as a result of the changes in the present commonwealth agreement—will allow us to face successfully the challenges of our times and improve the quality of our lives.

It is now our turn, for all Puerto Ricans, to take these paths. The strength needed to overcome the obstacles that will be found is within ourselves. It is within each Puerto Rican, within his heart, his will, his dignity, in his passion for justice and in his respect and consideration towards others.

So that this strength will come through with all its force, we must not lose our sense of indignation at the great evil, injustices and inequities that we still find in our society. It is good that we become indignant at the irregularities of a public servant, but it is very wrong that we do not become indignant when we hear that 59,000 Puerto Rican families live on $6.10 a month.

It is very well that we become indignant against anyone who while able to work does not, but is very wrong that we do insist vehemently that the social conditions that allow so many Puerto Ricans to go without the minimum necessary to subsist decently be attacked.

It is very well that we become indignant at the high cost of living, but it is wrong that we do not become indignant at our own indifference to increase our production. It is very well to become indignant at the high unemployment we have in Puerto Rico, but it is wrong that we do not become indignant at the sabotage and terrorism that contribute to enlarge it. Today I am calling on all Puerto Ricans to put indignation, will and the generosity of their spirit behind the effort this country is making to overcome the obstacles that we have ahead of us. I call upon you to unite in a joint effort as one team that is getting ready to face the challenges of history. To a great collective indignation toward all injustice, all indifference or sloth.

This is the moment to commit our consciences and unit our hearts to face with firmness and confidence our appointment with destiny.

Each in the firing line of their daily toil, inspired by our great collective purpose will inspired by our great collective purpose will be fighting the battle for the well-being of all Puerto Ricans. We will triumph.

HEW AND THE SEPARATION OF POWERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. THOMPSON) is recognized for 10 minutes.

Mr. THOMPSON. Mr. Speaker, my great and distinguished colleague from Michigan, JAMES G. O'HARA, testified before the Subcommittee on Equal Opportunities of the House Education and Labor Committee on July 14. His prepared remarks dealt with the question of whether the regulations issued by the Department of HEW were inconsistent with title IX of the Education Amendments of 1972. His remarks also presented a learned and lucid discussion of the constitutional separation of powers and the problems of bureaucratic arrogance and encroachment on the legislative functions of Congress. While I disagreed with the gentleman from Michigan on the merits in this specific case of alleged overreaching by HEW, I could not agree more with the constitutional argument he so ably advanced. His remarks merit the careful attention of all Members of the House.

The statement of Congressman O'HARA follows:

STATEMENT OF JAMES G. O'HARA

Mr. Chairman, I appreciate this opportunity to appear at your Subcommittee's hearing on H. Con. Res. 330. This concurrent resolution deals with an important subject matter in and of itself, but the procedural and constitutional questions involved are even more significant. So I will turn my attention first to those issues.

H. Con. Res. 330 is the first example of the exercise by Congress of a new procedure, created by law in the summer of 1974, designed to safeguard the exercise by the Congress of its most fundamental constitutional duty.

The very first sentence of the Constitution of the United States says: "All legislative Powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives."

That Constitution, which we have taken an oath to protect and defend, gives to the Executive Branch the duty to see that the laws are faithfully executed, and it gives to the judiciary the right to determine cases and controversies arising under those laws.

But to the Congress, and to the Congress alone, it gives the right to make law.

This was not an accident, Mr. Chairman. The men who wrote the Constitution knew from bitter experience that the authority to make law had to be kept jealously guarded in the hands of those who could be held responsible *to* the people.

They did not assume that the Congress would be necessarily possessed of greater wisdom than the employees of the Executive Branch, or the judges. They did not believe that the Members of the Congress would be more benevolent, more understanding, more selfless than their fellow citizens. It was not for any of these reasons that they gave the exclusive and unshared legislative power to the Congress.

They gave that authority to the Congress because the Congress is answerable, at very frequent intervals, to the people from whom all government power is borrowed, and to whom its use must always be accountable.

That separation of powers, Mr. Chairman, that fundamental constitutional concept, has frequently been under attack. And for most of the time any of us have been in this Congress, it has been under unremitting attack. The attacks were not begun in this Administration, nor in its ill-fated predecessor. But the efforts of the Executive Branch to assume the power to make the law, to rise above the law when its policies suggested it, and to violate the law when it thought it was doing so in a good cause, certainly rose to a crescendo in the last six years—and led directly to the constitutional crisis which was so narrowly avoided less than a year ago.

The attack on the right of the Congress to make the law, and on the duty of the Executive Branch to abide by the law, did not, of course, take the form of a violent coup d'etat. There were no Seven Days in some recent May, with armed hordes of GS-12's charging Capitol Hill to oust the Representatives from their work and the Senators from their rest. It didn't even take the form of flamboyant defiance of the express prohibitions of the law.

The assault was more insidious and more difficult to resist than an outright confrontation. The bureaucracy doesn't simply tell us to buzz off while they do what they think is right. No, they very politely and with a great outward show of deference take the laws and busily write regulations, explaining the laws to themselves, defining the terms already defined in the laws, adding exceptions and exemptions and explications and explanations until what the public is told to do by regulation bears only a general resemblance to what the law tells them to do.

We are always assured, Mr. Chairman, that the regulations are only what is necessary. We are frequently assured that they are only meant to carry out the "intent of the Congress." And we are constantly assured that these regulations, these "improvements" in the text of the law are so desirable, so righteous, so necessary for some high cause or another than they transcend the need of more legality.

Secretary Weinberger expressed that frame of mind very eloquently in his testimony on the recent Title IX regulations when he appeared before my Subcommittee. He said of the process of developing those regulations: "It has been extraordinarily difficult first, to interpret the intent of Congress, and, secondly, to accommodate the concerns of a wide diversity of interest groups and individuals."

In other words, the Secretary of HEW, in devising a set of regulations designed to carry out the law, and deriving all of their authority from the law, has felt himself empowered not only to follow the law, but also to exercise the separate legislative function of trying to accommodate the "concerns of a wide diversity of interest groups and individuals."

And this bureaucratic attitude leads beyond the mere rewriting of statute. It leads to the widespread view that the only real law in town is the regulation, and that until some GS-15 has explained the statute, there is no real law out there to concern anyone.

Title IX is a good example, but not the only one. Many of the individuals and groups who supported us when we enacted Title IX have accepted without serious argument the incredible proposition that a law, enacted by the Congress and signed by the President in 1972, has not yet become effective, and will not until and unless a set of regulations is issued by the Executive Branch.

"The Congress may propose, the President may endorse, but until the bureaucracy has acted," runs this theory, "there is no law worthy of the name."

It was with the phenomenon of administrative law-making in mind, Mr. Chairman, that, a year and more ago, I offered in this very Committee, an amendment to a then-pending education bill. My proposal, which was unanimously agreed to by the Committee on Education and Labor, and which became law with a few minor changes, but without serious opposition on either side of the aisle or in either House, is now Section 431(d) and (e) of the General Education Provisions Act.

In effect, these subsections provide that whenever rules, regulations or guidelines are issued to govern a Federal education program, those rules or regulations shall lay before the Congress for the last 45 days prior to their going into effect. And during those 45 days, the Congress can review them to find if they are, in fact, consistent with the statutory authority from which they must derive all of their force.

If the Congress makes a finding of inconsistency, the regulations, to the extent they are inconsistent, may be returned to the agency by a concurrent resolution. The resolution must specify the findings of inconsistency, and the agency has the option to return those inconsistent regulations to the Congress, modified to meet the objections, for another review.

Sec. 431 does not give us the right to change statute by concurrent resolution, of course. That would be in violation of the Constitution. It does not give us the right to amend regulations. It does not give us the right to return regulations because we don't like them, or because they are just plain dumb, or because we have changed our minds since we wrote the law, or because we think we can do the work of the bureaucrats better than they can. We must make a finding of inconsistency with the law, and we may not apply that finding to any of the regulations except to those which it fits.

I had no particular law or set of pending regulations in mind when I offered Sec. 431. It was a bi-partisan effort, to stem the phenomenon I have described above—the attitude one might call the Spirit of San Clemente.

And although there have been no concurrent resolutions offered under Sec. 431 until now, there have been several sets of regulations submitted to the Congress in accordance with its provisions, and to the extent they have been brought before my Subcommittee, they have been carefully examined with Sec. 431 very much in mind.

The Title IX regulations are the first to which these procedures have been applied to the extent of actually developing a resolution of disapproval and conducting public hearings.

Let me now turn to the specifics of what the resolution of disapproval finds wrong with the Title IX regulations.

H. Con. Res. 330 would disapprove four of the regulations contained in the June 14th submission to the Congress.

Regulation 86.3(c) requires each institution to meditate on its past sins, write them down, and refrain from committing them in the future. The whole law and the whole set of regulations requires the latter, of course, but the law itself is totally silent on requiring a formal process of self-contemplation.

H. Con. Res. 330 finds that regulation to fail because it requires something the law does not require. The regulation writer in this case, perceiving the failure of the good-hearted but inept Congress, drew upon his experience and assumed authority to make good our inadequacies.

Regulation 86.3(d) requires the preservation, to be made available to the Director, of the record of this self-evaluation. Again, the regulation writer has decided here to add to the requirements of the law.

Regulation 86.8 requires every recipient institution in America to appoint an employee to work on compliance, and to establish an internal grievance procedure to settle sex discrimination complaints.

In all three of these cases, the regulation writer has come up with a pretty good idea. Perhaps the Congress ought to have at least strongly recommended internal grievance procedures. I consider internal grievance procedures to be far better ways to assure individuals of their right to equal treatment under the law than those "affirmative action" procedures that so often, in plan unvarnished fact, require that one person be discriminated against on the basis of race or sex so that some other person can be compensated for earlier discrimination against another on the basis of race or sex.

But, Mr. Chairman, the Congress did not mandate internal grievance procedures. It did not mandate self-evaluation. It did not mandate preservation and production of the records of such self-evaluation. And until and unless the Congress mandates such behavior under the law, no bureaucrat, however exalted, can constitutionally require private persons or institutions in this country to obey his will under the color of requiring obedience to the law.

I know, Mr. Chairman, that it has been argued that these provisions are necessary for the implementation of Title IX, and that they are generally similar to what is required under various Executive Orders.

But I think a little of the history of Title IX could usefully be described at this point to shed some light on whether or not these regulations are required or even whether there is useful precedent for them.

When Title IX was first proposed in this Committee by our former colleague, the gentlewoman from Oregon, Mrs. Green, she suggested that we simply add the word "sex" to Title VI. I think there was a substantial majority in the Committee in agreement that this was a worthy and desirable objective.

But when it was raised in Committee, it was I who pointed out the immediate parliamentary impact of such an amendment. "If we go to the floor with an amendment to Title VI," I said, "it will open all of Title VI to further amendment—and most of those amendments will be very hostile to Title VI as well as to the concept we are seeking to extend in the proposed Title IX." So, to protect the substance of Title VI from hostile amendment, the Committee instead wrote a statute embodying the words of Title VI, but substituting the word "sex" for the word "race".

In the course of the process, certain exceptions were made, largely at the insistence of certain prestigious private colleges and universities, but otherwise, the language and method of Title IX is the language and method of Title VI.

Mr. Chairman, I point out that the regulations issued by HEW for the implementation of Title VI of the Civil Rights Act of 1964 do not and never have provided for self-evaluation. They do not require an internal grievance procedure. Perhaps, here, too, Title VI ought to be changed and the regulations changed with it. But it has not been done, and it is, in my opinion, a further expression of the boundless and growing effrontery of the Executive Branch that they are able to find in 1975 authority to require behavior that the same language did not give them authority for in 1964.

The fourth regulation disapproved by the Concurrent Resolution, Mr. Chairman, dealt with the procedure for applying for the religious exemption which the Congress wrote into the law. Regulation 86.12(a) merely repeats the language of the law, and was not subject to the resolution of disapproval. But Regulation 86.12(b), in the opinion of the Subcommittee, prescribed a procedure for "applying" for that exemption which seemed to us to put some GS–18 in the Office of Civil Rights in the role of a government theologian, deciding whether or not a regulation was or was not, as humbly claimed by an applicant institution, in contravention of the religious tenets of that institution. The regulation sought, Mr. Chairman, not very subtly to shift the burden of proof from the government to the institution.

Secretary Weinberger, to be sure, sent us a letter assuring us that he certainly didn't intend to have any of his underlings actually do anything about these applications. And that letter left me just as bewildered as ever as to why such an application procedure was considered necessary.

I have elsewhere used a metaphorical example in another legislative field, Mr. Chairman, and I would share that metaphor with you today because I think it is applicable.

The laws of the land, now impose a 55 m.p.h. speed limit upon drivers. This is the law. There is no ambiguity about it. It is enforceable like other laws are enforceable. If a driver is found exceeding 55 m.p.h., he can be stopped, ticketed, and otherwise dealt with by the normal processes of the traffic laws.

And the speed limit is a matter of grave national concern. It is directed both at the crucial task of saving gasoline resources, and at the equally vital task of saving lives. These are not small matters that are involved.

But let us suppose the Department of Health, Education, and Welfare's regulation writers had been turned loose upon the 55 mile an hour law, and told to write regulations for its enforcement.

Under the heading of self-evaluation, they could require each driver to maintain a log of his driving. Every time he took out the car, the odometer readings would have to be logged, together with the time he started and the time he ended a particular segment of his trip.

If a driver were suspected of exceeding the speed limit, the traffic law enforcement people could ask him to produce his log, which would, by a simply arithmetical process, be utilized to prove that he had, or had not broken the speed limit.

Finally, as a form of internal grievance procedure, each automobile could be outfitted with a warning system. Whenever the driver exceeded the national speed limit, the regulations could provide for a mandatory alarm system.

It is no more absurd to predicate that kind of proliferation of regulations on the basis of a simple statutory prohibition against exceeding the speed limit than it is to have the offending parts of the Title IX regulations on the simple statutory language of Title IX. Some of those traffic safety regulations might be legitimate and praiseworthy Mr. Chairman. I think a subdued alarm system might be a very good idea. But until and unless the law requires it, I trust no bureaucrat in the traffic safety business will start thinking he has the authority to do so.

So it is with the Title IX regs.

Mr. Chairman, let me get back to the key issues involved because they can easily get lost among accusations of improper motives to which the supporters of this regulation have been loudly subjected in the past few days.

And there are, Mr. Chairman, two charges which have been directed at the resolution of disapproval which I believe must be exposed here and now, not as honest differences of opinion, but as downright misstatements.

The resolution of disapproval, Mr. Chairman, has no relevance whatever to the so-called athletic issue. We looked at the athletic regulation along with the rest of the set of regulations, and whatever our individual conclusions about its wisdom or its importance, there was no finding of inconsistency with regard to that regulation. I have reservations about the *wisdom* of those regulations, and I have introduced legislation to clarify the law in this respect. But that is a very different thing than disapproving the regulations. Whatever the fate of the concurrent resolutions, the athletic regulations will go into effect on July 21 along with the rest of the regulations which are not disapproved by the resolution before us.

And there we hit on one other continuing misrepresentation of the process involved in Section 431. As the author of Section 431, I think I can speak with some degree of authority as to its impact, and I can state unequivocally here and now that it is not true that disapproving one regulation will disapprove the whole group. If the pending resolution were enacted by the Congress, every one of the regulations except the four singled out for disapproval would go into effect as scheduled unless HEW, of its own volition, were to completely reverse its own stated position and, in spite of not being directed to do so by the Congress, were to withdraw those regulations which were *not* found inconsistent. Even I, who have not always expressed perfect faith in HEW's good intentions, would not anticipate that kind of administrative blackmail on the Department's part.

Let me reiterate that once more. If the resolution before you were enacted, the bulk of the Title IX regulations would go into effect right away, including the enforcement mechanism which would be as complete as the present enforcement mechanism under Title VI, on which Title IX is wholly based.

The substantive matters involved in the resolution of disapproval were of monumental proportions. Honest people can easily disagree over whether or not self-evaluation, record maintenance, and the imposition of a grievance procedure are good ideas, and do or do not serve the purposes of Title IX. Honest and concerned defenders of religious freedom can differ over the wisdom of Regulation 86.12(b).

But there are some issues on which I think we do have to draw the line. There are some issues which can have an impact on the future of our constitutional system. One of these issues is the supremacy of law—the supermacy of law over the transient opinions of particular legislators, particular cabinet members, particular presidents, or particular pressure groups.

Honest people may differ about the merits of Title IX itself, though I know of no one in this room who opposed it. I was certainly one of the enthusiastic supporters of the law when it was before us three years ago, and I would vote for it again today if it were coming before us to be legislated. But it does not follow from our unanimity about Title IX that we must always be unanimously supportive of everything that is done in its name.

One of the most disturbing arguments I have heard is the one that suggests if the regulations are good—if they achieve a desired purpose, then we should not even question whether or not they are within the law. This is, from my point of view, indistinguishable from the argument on the other side that if a regulation achieves a purpose we do not support, we should quickly and casually make a finding of inconsistency with the law whether or not there is any evidence on which to base such a finding.

Both such arguments have been advanced with regard to certain of the Title IX regulations. The former argument was advanced as an objection to the whole process of review, and the latter was advanced by stern foes of one provision of both the law and the regulations.

Mr. Chairman, this is a constitutional and procedural issue, not a substantive one. Whatever we may think about the merits of the regulations, it is their authority in the legislation to which we must address ourselves, and that alone must be the basis for whatever action we take. If we don't like a given set of legitimate regulations, we are free to proceed with legislation to change the law. And if we think a given regulation is beyond substantive criticism, but it has no basis in the law, we have not only the right but the duty to reject it.

It is always easy Mr. Chairman, to oppose the plans of those who seek to do us harm. It is the plans of those who want to do us good that we have to look out for.

As Mr. Justice Brandeis observed:

"Experience should teach us to be most on our guard to protect liberty when the governments purposes are beneficient . . . men born to freedom are naturally alert to repeal invasion of their liberty by evil-minded rulers . . . the greatest dangers to liberty lurk in insidious encroachment by men of zeal, well-meaning but without understanding."

The ancient Roman jurists had a different maxim, Mr. Chairman, on which they rested a good deal of their legal system—a legal system which prevails to this day but a legal system which provides a basis for authoritarian governments in much of the world.

That maxim was, "What pleases the Prince has the force of law."

Mr. Chairman, what pleases the Prince does *not* have the force of law—not as long as this Congress sits and a free people are able to tell our "Princes" that they are wrong!

LEGISLATION TO IMPROVE SOCIAL SECURITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. BONKER) is recognized for 10 minutes.

Mr. BONKER. Mr. Speaker, this week, I am introducing a comprehensive social security improvement package. The legislation is aimed at further assisting those senior citizens who are out on their own, trying to remain self-sufficient on limited retirement incomes. It is a program aimed at improving a social security system that has not lived up to its promises or expectations.

The legislation provides for:

First. Assurances that all social security recipients will receive the full benefit of cost-of-living increases;

Second. The equalization of benefits afforded men and women;

Third. The removal or lessening of sanctions which discourage senior citizen participation in the work force; and

Fourth. Extended coverage for health-related services and items under Medicare. The bill's major provisions are explained below.

IMPROVING THE COST OF LIVING INCREASE

On July 3, all social security recipients theoretically received an 8-percent increase in social security benefits. Yet because of regulations governing other Federal and State programs, many senior citizens will never receive this cost-of-living increase. Many will actually experience a decrease in their total incomes.

Supplemental social security. The supplementary social security program, for example, provides a basic Federal benefit which is supplemented differently from State to State. Some seven or eight States automatically decrease the State supplement as Federal benefits increase. A number of other States do the same thing as a matter of practice. These States, rather than the thousands of SSI recipients who live in them, reap the benefits of the cost-of-living raises. My bill would direct SSI administrators to disregard increases in social security when computing SSI benefit levels, and thereby halt this practice.

Veterans benefits. Social security increases may trigger a cut or complete loss of a veteran's pension. I have already cosponsored legislation to insure that no veteran's pension will be cut because of increases in social security.

Food stamp eligibility. Currently, any increase in social security benefits will increase the amount an individual must pay for food stamps. My bill would remove social security increases from the income determination process and thus prevent a rise in food stamp costs every time there is a social security increase.

Low-income housing. The rental charges for low-income public housing also rise with each social security increase. Senior citizens in such housing do not receive the full benefit of an increase; they simply pay it back in rent. My bill provides that social security increases will be disregarded when determining the income of those applying for low-income public housing or subsidized mortgages.

CORRECTING SOCIAL SECURITY INEQUITIES

When the social security laws were first enacted in 1935, lawmakers designed a system in tune with the economic and family structure of the era. Men were assumed to be the primary wage earners; women and children were their financial dependents.

The economic structure of the American family has changed significantly in the intervening decades. More than one-half the women of America work at some time during the year. Twenty-three percent of all households are headed by women. Yet the social security system still has provisions which discriminate against the female wage earner.

For example, if a male wage earner dies his widow with a dependent child receives benefits until the child reaches 22. If a female wage earner dies, no comparable benefits are awarded to the widower. Such a difference is not fair to husbands who have lost a family wage earner but must still support dependent children. Nor is the difference fair to the women who have contributed equal amounts to the social security system, but do not earn comparable benefits.

The advisory council on social security has recommended that these and other sexually discriminatory provisions of the social security law be adjusted so that female wageearners are awarded equal benefits. Recent court decisions indicate that these changes may be constitutionally mandated. I am cosponsoring legislation to make the necessary statutory adjustments.

One other problem concerns widows and widowers who wish to remarry. Under current law, if they remarry they stand to lose certain social security survivors' benefits. Unable to make ends meet on a diminished combined income, they are effectively prohibited from remarrying. My bill would provide that the remarriage of widows and widowers would not terminate their prior entitlement to benefits.

ENCOURAGING THE WORKING ELDERLY

Many senior citizens wish to continue to work past the age of 65. Some work part-time to supplement inadequate retirement incomes. Others work full-time simply because they wish to extend active, productive careers. But limitations on social security benefits inhibit elder Americans' efforts to continue their employment. To correct this situation, my bill would:

First. Raise outside income limitations to $4,000 per year. The American Association of Retired Persons recommends this immediate increase in the outside earnings limit, with a view toward ultimately abolishing the outside earnings limitation;

Second. Exempt individuals over 65 from the social security tax. Senior citizens should not be required to continue to pay social security taxes when they are trying to supplement inadequate social security benefits or are forgoing social security benefits entirely as they continue to work;

Third. Prevent the imposition of a "means test" on senior citizen social service programs. Under regulations taking effect in October, senior citizens with higher incomes would be prohibited from taking part in certain social service programs. These programs provide needed social contacts for isolated, and often lonely, elder Americans. Every senior citizen should have access to counseling services, home health and homemaker services, and senior citizen lounge facilities—regardless of his or her income. I have sponsored legislation to prohibit these new regulations from taking effect.

EXPANDING MEDICARE BENEFITS

The medicare program was originally intended to cover the great majority of health care costs incurred by elder Americans. Yet because of items and services not subject to medicare coverage, and because of spiraling medical costs, medicare now covers only 37 percent of the elderly's health care costs. I am sponsoring legislation to significantly expand services and items covered by medicare. The extended coverage would include:

First. Prescription drugs for individuals with chronic illnesses such as arthritis, diabetes, and heart disease;

Second. Eye and ear examinations, eyeglass lenses, hearing aids, and dentures;

Third. Yearly Pap tests. Women over 65 are among those individuals most likely to develop uterine cancer, yet least likely to be tested for it.

I strongly support the enactment of a national health care system for all Americans. But until such time as this system is put into effect, improvements in the medicare system must be made.

THE BLIND: A MINORITY WITHOUT PRESS—SPEECH BY DR. KENNETH JERNIGAN

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. Burke) is recognized for 15 minutes.

Mr. **BURKE** of Massachusetts. Mr. Speaker, on Wednesday July 23, Dr. Kenneth Jernigan, president of the National Federation of the Blind, was the guest speaker at a special headliner's luncheon at the National Press Club in Washington, D.C.

In his capacity as President of the National Federation of the Blind, Dr. Jernigan serves as the elected leader of the blind of America. Himself blind, Dr. Jernigan has earned numerous awards, including a Presidential Citation, for his pioneering work in leading the blind to a place of equal status with their fellow citizens. His speeches and writings have served to generate positive thought about the abilities and capacities of the blind today. Increasingly, the Nation's press is becoming enlightened about the problems of the blind, and this awareness is only now being translated into expanding opportunities for the blind. Dr. Jernigan's special appearance at the National Press Club did much to further this progress, and I thought that I would share this event with my colleagues.

THE BLIND: A MINORITY WITHOUT PRESS

(By Kenneth Jernigan)

When the orange-billed seagull scares from my shadow and flees from my pass, I look up and see the sun laughing a smile on the water.
When mothers and fathers shout and hit their children for discipline, I look up and see the sun lure transient clouds to cover her face.
And when the blind man, dogless, loses his homeward path, I have seen the stranger straighten his solo way while the sun sets.
I have wondered: Is there a land where the birds are unafraid, where the little children are uncried, and the blind people see—
Where the sun won't laugh at the seagulls and hide from the children and leave when the blind man is lonely.

That poem—which appears on the wall of a California coffee house—portrays to a remarkable degree (even if only in microcosm) both the best and the worst traits of humanity: compassion, bigotry, sensitivity, obtuseness, concern, arrogance, perceptive awareness, and a total lack of understanding. Certainly with respect to blindness it exemplifies every misconception of the darkest middle ages. When the blind man (dogless or otherwise) is lonelier than others—when he has it so bad that the sun itself must flee from his plight, it is not the blindness which should be mourned but the social attitudes and the cultural heritage—the root causes of the broken spirit and the blighted soul. Second-class status and deep despair come not from lack of sight but from lack of opportunity, lack of acceptance, lack of equal treatment under the law, and (above all) lack of understanding.

This is why the National Federation of the Blind came into being. In 1940 a small band of blind people from seven states met at Wilkes-Barre, Pennsylvania, to begin the movement. At first it was mostly faith and dreams, but that was over a generation ago. Today (with more than 50,000 members) we are a nationwide crusade with local chapters in every state and the District of Columbia.

Our problem is so different from what most people imagine, that it is hard for them even to comprehend its existence. It is not the blindness, nor is it that we have lacked sympathy or goodwill or widespread charity and kindness. We have had plenty of that—too much, in fact. Rather, it is that we have not (in present day parlance) been perceived as a minority. Yet, that is exactly what we are—a minority, with all that the term implies.

Do I exaggerate? In the summer of 1972 the National Federation of the Blind held its convention in Chicago. A local television station sent a black reporter to do coverage. She went directly to the exhibit room and used most of her film on various mechanical aids and gadgets. She then came to me and asked that I comment on the value and benefit of it all.

I responded obliquely, asking her how she would feel if she were at a national meeting of the NAACP or the Urban League and a reporter came and said he was there to film the shoe shining and the watermelon eating contest. She said she wouldn't like it. "Well," I said, "suppose the reporter took another tack. Suppose he wanted to spend his time and film on an exhibit of gadgets, on display as an incidental sidelight of the meeting, ignoring the real problems which brought the group together in the first place." She said she wouldn't like that either. In fact, she said, it would be worse since the question about the shoe shining and the watermelons could be easily discredited, while the other approach was just as bad but far less apparent and, therefore, more destructive.

I then told her about a reporter who came to one of our meetings and said, "I'd like to get pictures of blind persons bowling and of some of them with their dogs." I tried to explain to him that such a story would be a distortion—that we were there to discuss refusal by employers to let us work, refusal by airlines to let us ride, refusal by hotels to let us stay, refusal by society to let us in, and refusal by social service agencies to let us out. He said he appreciated my telling him and that it had been enlightening. Then he added, "Now, can I see the dogs and the bowlers? I am in a rush."

As I told this story, the black reporter was obviously uncomfortable. She seemed truly to understand, but when I asked her if she still intended to feature the gadgets, she stuck to her guns. "In the first place," she said, "I've already used all of my film. In the second place my editor told me to do it, so that's the way it has to be." The television coverage appeared on schedule—usual image, usual distortion. There is nothing wrong with bowling or dogs or canes or exhibits, but it was a bad scene.

A year later (in June of 1973) the blind were again in Chicago—this time for a different reason. The National Accreditation Council for Agencies Serving the Blind and Visually Handicapped (NAC) was meeting, and the blind were demonstrating and picketing. Formed in the mid 1960's by the American Foundation for the Blind, NAC symbolized (as it still does) everything odious and repulsive in our long and painful tradition—custodialism by governmental and private social service agencies, ward status, vested interest, intimidation, exclusion, and second-class citizenship. Our attempts to gain representation on NAC's board were answered by double-talk and tokenism, by Uncle Toms representing nobody but themselves and their masters, and by threats and reprisals. Finally, we had had enough.

So when (without warning and in violation of its own policies) NAC tried to hide from us by changing its meeting from Cleveland, Ohio, to an out-of-the-way motel in Chicago (a motel in the midst of construction and remodeling), we came to confront them. And not just a few of us, but the blind of the nation. It was short notice and difficult doing, but we came—hundreds of us, from all over the country: California, New England, the deep South, and the Midwest.

It was a day of dramatic importance. It was the first time in history that the blind as a people (not just a local group of us or a given segment but the blind as a people) had mobilized to take to the streets for collective action. There were state delegations, placards and signs, marches in downtown Chicago, and a rally at Civic Center Plaza. Was it newsworthy? By every test known to journalism, the answer would have to be yes.

Yet, the Chicago Tribune for June 21, 1973, carried not a single line about the demonstrations. It was not that the Tribune forgot us. Far from it. There was not just one, but two stories about the blind. And what were these stories that were of such importance as to be more newsworthy than the first national demonstration by the blind in history? One was headlined "Busy blind man finds time to help children." The other was captioned "Blind, he directs music in city school."

What a commentary! It was all there. The blind are especially talented in music. They are also burdened and deprived. Therefore, when one of them (instead of just doing the normal thing and receiving) turns it around and gives to others (particularly, children), it has human interest and news value. What would have happened if Martin Luther King had been leading the first black demonstrations in Chicago and the papers had ignored it—printing, instead, "Busy black man finds time to help children" and "Black, he directs music in city school"? I think you know what would have happened, and so do I. There would have been a furor of massive proportions. Yet, the incidents I have related passed without notice or ripple, almost as a matter of routine.

What I have said must be seen in perspective. The Tribune writers and the other members of the Chicago press were not trying to put us down or conspire against us. They were calling it as they saw it, writing what tradition had taught them to write. Like any other cross-section of society, they doubtless were (and are) people of integrity and goodwill. It was not a matter of morals or motives, but of comprehension. It was all tied up with their notions about blindness. Pathos, compensatory talents, musical ability, inspiration, bravery against odds, world of darkness, heartrending tragedy—these they (and even their editors) could understand: run-of-the-mill, good human interest, no sweat. But the blind as a minority? Discrimination? Marches? Confrontation with the social service agencies, the very people who were trying to help the blind? Ridiculous! The reporters couldn't understand it, and (at least, at the emotional level) they didn't believe it. So how could they write it? And even if they did, how could their editors approve it, or the public buy it? Forget it. Don't think about it. Let it alone.

Of course, the attitudes of the press are representative of the broader society, and the situation is certainly not unique. It is exactly the way the blacks were treated fifty years ago. They were lumped together and seen as a single caricature—good natured, irresponsible, rhythmic, shiftless, and a mite dishonest—second-class all the way. A black person was never shown in a straight role on the stage or in the movies but only as a foot-shuffling, jolly simpleton. It was Amos and Andy and Uncle Remus and Aunt Jemima; and not only the blacks but all of us will bear the scars for generations to come because of the failure to understand, the lack of concern to care, and the absence of the courage to act. Fifty years ago it was the blacks. Today it is the blind. But we are organized, and we are on the move. We want no strife or confrontation, but we will do what we have to do. We are simply no longer willing to be second-class citizens. They tell us that there is no discrimination—that the blind are not a minority. But we know who we are, and we will never go back.

Lest you think I am picking on Chicago, let me say that New York was about the same. In July of 1973 (only a month after the NAC demonstrations in Chicago) the largest group of blind people ever to assemble anywhere in the world up to that time met in New York. For almost a week we discussed our hopes and our problems—planned and dreamed. Some 2,000 of us marched on NAC headquarters. There was a considerable amount of local radio and television coverage, and a little in the papers. Nationally there was hardly a ripple. I can only explain it as before.

It was not conspiracy or deliberate put-down. In some ways it was worse, for an individual can be made ashamed of prejudice and repression—but rarely of charity and kindness. They didn't understand it; they didn't believe it; and (above all) they didn't know how to write it. It didn't fit the image and the preconception.

Not only must we deal with the working press but also with Mr. Magoo—lovable Mr. Magoo. Because he is almost blind he bumbles and blunders through a series of bloopers—walking into telephone poles and apologizing to them because he thinks they are people, patting the tops of fire plugs and speaking to them as children, and walking up half-finished skyscrapers to the brink of disaster and ruin. It's funny because he can't see and makes such stupid goof-ups. Never mind that blindness isn't like that and that no blind person in the world is so incompetent or stupid as to hit a telephone pole and believe it's a human or think the top of a fire plug feels like the head of a child or wander up the girders of an open building. It fits the stereotype, so it's hilariously comical.

But what does it do to blind people—to our public image and our private lives? A few weeks back I received a call from a blind woman in Indianapolis. She said, "The other day I was at the home of a friend, who is also blind, and her four-year-old son was watching Mr. Magoo on television. He turned to his mother in hurt and bewilderment and said, 'Mother, why are they making fun of you?' " My caller went on to tell me that later that same week she was walking down the street when a small child spit on her and said, "You're old Mr. Magoo." She was so shaken by the two incidents coming together that she called to ask what the Federation could do about it.

Of course, this negative behavior is not surprising from small children, or even from the public at large; but surely we have the right to expect better from the social service agencies, the very people who are supposedly knowledgeable and established to help us. Yet, an outfit in Seattle calling itself Community Services for the Blind (ultrarespectable and approved by the United Way) decided this spring to make Mr. Magoo the principal focus of its public relations and funding. The leaders of our Washington affiliate protested, but to no avail. A blind man on the Community Services board (Uncle Toms are, indeed, pathetic; and we have our full quota) thought it was funny, and even constructive. But the board's sighted president put it all in perspective:

"The advertising message," he said in a letter to one of our members, "is especially directed at people who are *responsible* for the blind—not at the blind themselves. We don't feel the blind person will tend to identify himself with Mr. Magoo, necessarily; in fact, many may not even know who he is . . . If there is any kind of a negative aspect in the fact that Mr. Magoo has poor eyesight, it is all the more effective, just as a crippled child on a muscular dystrophy poster is more effective than a normal child." Emphasis added.

What a damning self-indictment! What an ironic commentary on the end of an era and the death of a system. Yet they tell us that there is no discrimination—that the blind are not a minority. But we know who we are, and we will never go back.

To round out the picture of the public mind, consider the following recent examples:

A dental hygiene student wrote to me from Fresno, California:

"I am working on a research paper," she said, "concerning the special needs of visually handicapped or blind people with regard to dental care. I hope to determine:

1. how the dental procedure needs to be altered to accommodate them and

2. special dental problems of these patients."

An expert on penology and social reform wrote to me to say that, in his opinion, the blind (regardless of their misdeeds) should not be put in the penitentiary. "If the seriousness of their offense merits incarceration," he said, "they should be dealt with in a special manner." In other words even in the "big house" we should be second-class and segregated.

A doctor at the Mayo Clinic wrote: "I am sorry to say she is blind and cannot be helped.

"Anything you can do to make her life easier would be greatly appreciated."

In 1972 James Reston, the well-known syndicated columnist, commented on Senator Eagleton's forced withdrawal from the Democratic vice-presidential nomination:

"This is not primarily Eagleton's fault," Reston said, "but the system's. That system is very compassionate to human beings whose age and health interfere with the efficient execution of their work. It tolerates Supreme Court justices who are in serious ill health or who are even almost blind." (Reston, James, "System at Fault in Eagleton Case," *The Kansas City Star*, Kansas City, Missouri, July 31, 1972.)

The key word (as I am sure I don't have to tell you) is *even*. That "even" is at the center of our problem as blind people. It takes for granted (as an obvious commonplace, needing no argument) that the blind are unable to perform competently as Supreme Court justices; in fact, that it is ridiculous even to assume that they might; and that any system which tolerates such manifest irrationality can only be explained on the basis of compassion.

Compassion, indeed! The compassion is often misplaced. Recently, for instance, we held a luncheon for employers so that they could get acquainted with blind job applicants, and the East Moline, Illinois, Metal Products Company saw no reason to come.

"Because of the type of business we are in," their letter said, "metal stampings and weldments involving punch presses, shears, brakes, and welders we feel that we have nothing to offer the blind inasmuch as we have nothing in a counting or packaging type of work.

The irony is that one of the people attending the luncheon (totally blind from childhood) works every day shearing steel and operating presses. He has done it for fifteen years and is considered the best in the plant.

In Michigan in 1970 Tom Munn (a blind man) took a state Civil Service examination for the position of mechanic. He passed with a score of 96, and his name was placed on the register. He was not offered employment; others (with lower scores) were hired. In 1972 the Civil Service Commission created a separate list for the handicapped. Munn's name was transferred from the open register to the separate list, and his score was reduced from 96 to 70—which (regardless of performance) was the grade to be given to all so-called "successful" future blind applicants. Munn requested that his performance be evaluated. The request was refused. In 1974 (acting on his own) he secured a work trial evaluation with the Motor Transport Division of the Department of Management and Budget. He did the job without difficulty. The results were ignored. In 1975 (his patience finally exhausted) he contemplated a lawsuit. Officials of the state agency for the blind (the very people charged by law with the duty to help him) allegedly tried to coerce him into silence. Tom Munn and the National Federation of the Blind have now brought action in the federal courts against both the state agency and the Civil Service Commission. Yet, they call it compassion and say we are incompetent. They tell us that there is no discrimination—that the blind are not a minority. But we know who we are, and we will never go back.

What a dreary picture! We are dogless and lonely; we are Mr. Magoo; we have different dental needs; we must be segregated, even in the penitentiary; we cannot shear steel or operate presses; we cannot compete in the Civil Service but must be content with a separate list and a score of 70. It would seem that all that is left is to pack it in; and even that is taken care of in an article on the right to death by choice appearing in the January, 1974, Atlantic:

"I do not wish," the author says, "to survive any accident or disease resulting in vision too impaired to see or read. A world without beauty seen is no world for me. A life without freedom and movement is no life for me. If age and illness deny me these, I choose death." (Maguire, Daniel C., "Death by Chance, Death by Choice," Atlantic, Boston, Massachusetts, January, 1974.)

So where does all of this leave us? In the first place it leaves us with the need for perspective; for as the saying goes, we have never had it so good. Despite the exclusions and the denials, we are better off now than we have ever been. It is not that conditions are worse today than they were ten or twenty years ago, but only that we are more aware of them. In the past we wouldn't have known of their existence, and even if we had, we wouldn't have been able to do anything about it. Today we are organized, and actively in the field. The sound in the land is the march of the blind to freedom. The song is a song of gladness. Yes, there are discriminations and misconceptions; but there are also joy and promise. The old is dying, and the new is at hand.

Change is apparent in every segment of society—and nowhere more than in the press. One only has to look at the front page of the Wall Street Journal for July 10 of this year to see what I mean. That hard-hitting article by Jeff Tannenbaum contains not a single shred of the old misconceptions and stereotypes, and it tells it like it is. It couldn't have been written or published even as recently as a year ago. The fact of its publication now spotlights our momentum and our progress. And there are other signs: our feature on the Tomorrow Show in late June; the improved quantity and quality of coverage at our National Convention in Chicago earlier this month (including, I might say, the Tribune); and, of course, my appearance here today.

It is true that not all sighted people have goodwill toward us, but most do. As we begin to move toward first-class citizenship (especially, as we insist upon our rights), we will inevitably provoke hostility; but surely we will also inspire understanding and respect.

It is to this end that I have come to speak to you; for you are not only reporters of public opinion but you are also molders of that opinion. We the blind know that accomplishment is made of high hopes and hard work, and drudgery and dreams. We are willing to work, and work hard; but we also dare to dream—and in our work and our dreams we ask for your help and your understanding. We have the faith to believe that, when you know who we are, you will give us both.

COMMISSION ON PAPERWORK CAN HELP ELIMINATE UNNECESSARY PAPERWORK

(Mr. SIKES asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, there is a Commission on Paperwork. It is made up of a number of distinguished Americans in and out of Congress. Its work is just beginning. If the average businessman were asked what aggravates him most about government, probably he would say, "Too much paperwork." Year after year, the volume of paperwork required of business and industry goes up. It has reached the point where the average businessman must employ additional personnel just to fill out forms. Whether the majority of these forms ever see the light of day or serve any useful purpose is questionable.

Most of them stem from new regulations. Every agency in government seems to be in the business of issuing regulations which have the effect of law. The private businessman is harassed by forms he does not know how to fill out and does not have the time for.

Almost in the same vein is the rapidly increasing number of agencies, bureaus, commissions, and so forth. As I recall, we have gotten rid of only one in the past decade or two. We probably have created hundreds. May I respectfully request that the Commission on Paperwork could be a great boon to the American business community by helping to provide some relief from unnecessary and unwanted regulations, paperwork, commissions, and so forth.

TRUTH AND GUTS NEEDED

(Mr. SIKES asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, the Armed Forces Journal for June 1975, contained an inspiring letter by Gen. Ferdinand J. Chesarek, a dedicated and able soldier who contributed much to our country's defense before his retirement. He continues to contribute as this letter to the President demonstrates. I submit also the prelude in the Armed Forces Journal entitled, "Truth and Guts Needed":

Truth and Guts Needed

As its Bicentennial begins, the United States is sobered by the first war it has lost in 200 years.

Indochina is over. It did not end easily. Fifty-seven thousand Americans gave their lives trying to insure freedom for the people of a less privileged land. The remains of the last two Servicemen to be killed in Vietnam have yet to be brought home. Hundreds of our prisoners who are missing in action still remain to be accounted for.

A very hard decade is behind us. By instinct, history and upbringing, our Nation is not used to losing.

What the past decade means to the American people, to our military institutions, and what it could, or could not portend for the future has been eloquently summarized, in our view, by a recently retired American general, Ferdinand J. Chesarek, in this letter to our President. It's the first he has ever written to his Commander-in-Chief. We are grateful for his permission to share it with Journal readers around the world.

April 30, 1975.

The President of the United States,
The White House,
Washington, D.C.

Dear Mr. President: I have just watched with anguish and anger the 2½ hour spectacular put on by Walter Cronkite of CBS on the subject of the end of the war in Vietnam. It highlighted savagery, brutality, and failure. The truly wonderful morale, bravery, ingenuity and dedication of our fighting men, which was so obvious for anyone to see that wished to see on that battlefield, was conspicuous by its absence in that television program.

This is the first letter I have ever written to a President, or any other public official. I feel strongly that these portrayals by newsmen who seek to write history in their image of events, unless challenged officially, will undermine our national will and create opportunities for our adversaries and chaos abroad amongst our friends. I cannot sit by and accept such portrayal as an unchallenged historical fact. It is all very well for you to counsel the nation to turn our backs on defeat and address the future, provided that first the factual record be set straight.

Mr. President, surely you know, as Commander in Chief of the Armed Forces of the United States, the definition of national strategy so well articulated by Lord Wavell of the British Army. National strategy, he said, is the disposition of a nation's power and assets in such a manner as to maximize the probability of victory while at the same time minimizing the consequences of defeat. General of the Army Douglas MacArthur's statement that there is no substitute for victory should also be kept firmly in mind. Our failure in Vietnam was due to political abuse of these clear precepts, not the will or professionalism of our forces.

The war in Vietnam was fought with unrivalled valor and dedication by our forces in the field. No doubt tactical errors were made, as people are not infallible. But let us not leave the impression throughout the world, as well as at home, that those who fought so well and died, were wounded, or survived performed poorly, were drug addicts, mutinied, and contributed to the ultimate collapse of our objective. Quite the contrary. In my many visits to Vietnam, it was always a thrilling experience to see the fantastic morale, dedication, ingenuity and resolve of the men up front. Of course there were isolated instances of cowardice, of abuse of power, of lack of resolve. They occur in everyone's daily lives. They were not as one might judge from the portrayal by Cronkite and Company, the norm by a factor of 1000 to one.

Mr. President, the security of this nation lies in the hands of its President. His tools, in the final analysis, are his Armed Forces and their morale, will, and resolve. I cannot sit back and accept a national posture of "let's forget the past." No one, least of all our enemies, will do so consciously or unconsciously. Let us admit failure of resolve of our people at home, comfortable and secure because of a lack of understanding of the political motive. The least we can do is to dramatize positively the truly outstanding effort of our men sent to a distant land to perform a tough job directed by their Commander in Chief.

We Americans are not losers, by instinct, history, or upbringing. We are adventurous, we are risk takers; we are strong. That is why we are a prosperous nation. You, Mr. President, are a tough man. I appeared before the House Appropriations Subcommittee many times. I always found you to be a sharp questioner, but very fair and objective. Yet I do not see in the media portrayal your gutsy nature rising up at this anguished time. You are by nature a Churchill, as anyone who knows you can attest. This is not a time for humility, of turning our backs on failure. Let us instead do two things: put the blame where it belongs; on the people and their elected representatives. At the same time you must see to it that the world is told of the fantastic effort of our forces sent to execute a fuzzy political objective. The objective was indeed fuzzy, no victory or positive objective, but the performance was magnificent.

New crises are bound to occur. Our armed forces, on which the nation must in the final analysis rely upon, must be respected and feared by our adversaries. Our response to the defeat in Southeast Asia should be neither recrimination or turning our backs. It must be a posture of facing the facts; rebuilding the forces; creating a national morale of confidence and guts. What do we fear—ourselves?

We are, Mr. President, the greatest nation on earth. Let us act like we are. No deprecating broadcast or report should go unchallenged. Ego is what builds people and nations. There is nothing wrong with ours that truth and some guts will not correct. Our performance in the field was magnificent. Let no one fail to understand it, most of all ourselves, so tell the world about it now, before it is too late. We did not suffer a Dunkirk or a Pearl Harbor in Vietnam. Should we walk away and let ourselves and the world believe we did?

Sincerely yours,

F. J. CHESAREK,
General, U.S. Army (Ret.).

RESOLUTIONS FROM THE SONS OF THE AMERICAN REVOLUTION

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, the Sons of the American Revolution, a patriotic and highly respected organization dedicated to a strong, sound, and safe America, has adopted a series of resolutions which I feel should be reprinted in the CONGRESSIONAL RECORD. This organization is entitled to the thanks of the American public for their continued efforts for a better America. The resolutions printed below were adopted at the 85th Annual Congress of the Sons of the American Revolution in Boston on June 28 to July 2, 1975:

RESOLUTIONS

The National Society of the Sons of the American Revolution, at its 85th Annual Congress, assembled from June 28 through July 2, 1975 at The Copley Plaza, Boston, Massachusetts, adopted the following resolutions:

RE-EXAMINATION OF THE NATION'S FOREIGN POLICY: RESOLUTION NO. 1

Whereas, the policy of detente between the United States and the Soviet Union has not resulted in a peaceful status quo between the two nations, but rather represents a new tactic in the pronounced aims and long range goal of the Soviet Union for world conquest and domination, and is designed to promote the accomplishment by the Soviet Union of complete military superiority; and

Whereas, the Strategic Arms Limitation Treaty provided for certain strategic missile supremacy of the Soviet Union over the United States, and the Soviet Union has continued to exceed such superiority; and

Whereas, the recent defeat and humiliation of our Allies in South Vietnam was in important part accomplished by the supplying of arms, munitions and materials to the North Vietnamese, thus enabling them to violate the cease-fire agreement signed in Paris;

Resolved that there be a re-examination of this Nation's foreign policy to the end that a more realistic foreign policy may be adopted which will primarily and properly advance the interests of the United States, and depart from the present ruinous policy of detente between this country and the Soviet Union.

NATIONAL DEFENSE

RESOLUTION NO. 2

Whereas, the armament and military equipment of the United States during the past ten years have not kept pace with the greatly increased development of armaments and military equipment by the Soviet Union so that in certain respects, the Soviet Union has, or is, approaching superiority in nuclear weapons, air power, sea power and land warfare; and

Whereas, the primary duty of the Government of the United States is to protect and defend the Nation and its citizens from the threat of domination or conquest by any foreign power;

Resolved that the National Society of the Sons of the American Revolution urge that prompt, effective action be taken:

(1) to obtain a provision in any second Treaty for Strategic Arms Limitation for effective nuclear weapons for the United States;

(2) to provide the United States with the best and most advanced military aircraft, anti-aircraft equipment and missiles, submarines and other naval vessels, anti-tank missiles and all other military equipment for the adequate defense of the United States, and superior to such armament and military equipment of any foreign power; and

(3) to strengthen the moral fiber and will of all citizens of the United States of America to use any and all weapons as needed to defend our Constitution against all enemies, both foreign and domestic.

ENFORCEMENT OF THE CRIMINAL LAW, AND ELIMINATION OF ERRONEOUS DECISIONS OF THE SUPREME COURT OF THE UNITED STATES

RESOLUTION NO. 3

Whereas, during the past thirty years, the number and rate of occurrence of crimes in the United States have greatly increased so that the security of the people of the United States in their persons and property has been gravely impaired and threatened; and

Whereas, the prompt and effective enforcement of the criminal laws, both State and Federal, is recognized as the best deterrent to the commission of crime, and properly protects the law-abiding citizen; and

Whereas, many informed jurists and others charged with the obligation to enforce the criminal laws of the several States and of the United States have concluded that various decisions of the Supreme Court of the United States in the field of criminal law have greatly and unnecessarily expanded the supposed "rights" of those charged with the commission of crimes far beyond the rights guaranteed to such persons by the Constitution of the United States, and have imposed those supposed "rights" upon the several States and State law enforcement officials contrary to prior decisions of the Supreme Court, itself, and contrary to a proper interpretation of the provisions of the Fourteenth Amendment to the Federal Constitution; and

Whereas, the Congress of the United States under the authority granted to it by Article III, Section 2 of the Constitution of the United States, has the power to restrict, abolish or limit the appellate power of the Supreme Court, and also under Article III to define the jurisdiction of the Federal Court inferior to the Supreme Court;

Resolved, That the National Society of the Sons of the American Revolution urge its members to study the impact and influence of the more recent decisions of the Supreme Court of the United States upon the substantial increase of crime at both the State and National levels;

Resolved, That its members study the feasibility of a proper limitation by Congress upon the appellate powers of the Supreme Court of the United States and the jurisdiction of the lower Federal Courts to the end that unnecessary and harmful strictures and limitations upon the enforcement of the criminal law can be removed, and such laws be more effectively enforced.

FEDERAL LAND USE PLANNING

RESOLUTION NO. 4

Whereas, in the last two years, efforts have been made in the Congress of the United States to establish criteria for land use in the several States by use of Federal money in grants to complying States and a denial of Federal grants to those States which do not comply; and

Whereas, if accomplished, another layer of bureaucratic Federal control will be placed upon the use of private property by owners, without any provision for the payment of just compensation to the great injury of such owners, and to the impairment of the powers of those States which may surrender their rights in the field of land use planning by the acceptance of Federal grants conditioned upon compliance with Federal criteria;

Resolved, That the National Society of the Sons of the American Revolution alert its members to the dangers of Federal Land Use Planning Legislation; and

Resolved, That the National Society of the Sons of the American Revolution oppose such Federal Land Use Planning Legislation.

REESTABLISHMENT OF THE HOUSE COMMITTEE ON INTERNAL SECURITY AS A STANDING COMMITTEE OF THE HOUSE OF REPRESENTATIVES

RESOLUTION NO. 5

Whereas, the House of Representatives of the Congress of the United States has eliminated its Committee on Internal Security as one of the Standing Committees, and has transferred its functions to another Standing Committee of the House of Representatives; and

Whereas, this action by the House of Representatives greatly weakens the operations of the House Committee on Internal Security at a time when its operations in protecting the people and Government of the United States against the increased subversion activities of their enemies;

Resolved that the National Society of the Sons of the American Revolution urge its members to support all efforts to have the House Committee on Internal Security reestablished as a Standing Committee of the House of Representatives with the same powers, functions and operations that it had before transfer of such powers, functions and operations to another Standing Committee of the House of Representatives.

GUN CONTROL LEGISLATION

RESOLUTION NO. 6

Whereas, citizens of the United States have the right to keep and bear arms guaranteed to them by the Federal Constitution and, also have the right to protect themselves against assaults upon their persons and against the theft and vandalization of their property; and

Whereas, it has been shown by experience that compulsory registration or prohibiting the carrying and use of such weapons by law-abiding citizens of handguns and other weapons has not resulted in the decrease of crimes of violence in jurisdictions having such laws but, on the contrary, has resulted in part, in a disarming of the law-abiding citizen without disarming the criminal, thus leaving the law-abiding citizen at the mercy of the armed criminal; and

Whereas, required registration of weapons in certain European nations has provided a ready means of completely disarming law-abiding citizens by those who have subverted and overcome the governments of such European nations so that any effective citizen resistance to such subversive forces has been effectively eliminated;

Resolved, That the National Society of the Sons of the American Revolution urge its members to study carefully any proposed legislation in their respective States or in the Congress of the United States requiring the registration of weapons or substantially limiting their possession or use by law-abiding citizens and, if such proposed legislation impairs the Constitutional rights and the ability of law-abiding citizens to protect themselves, to resist such proposed legislation by every lawful and effective means.

Obscenity, Undue Emphasis on Sex, and Undermining of Family and Civic Authority in Public School Textbooks

RESOLUTION NO. 7

Whereas, the National Society of the Sons of the American Revolution has learned of the strong and welcome protest made by Citizens of the State of West Virginia against the use of certain textbooks in the public schools of that State; and

Whereas, those textbooks contain shocking examples of the use of obscene words, the degrading of family relationships, undue emphasis on sex, incitement of disregard of authority in school and elsewhere and actual instructions in methods of violation of the criminal law; and

Whereas, there is genuine concern that the public school textbook problem in West Virginia may be national in scope and represents a real threat to the American System by weakening the moral and ethical fiber of the youth of the Nation;

Resolved, That the National Society of the Sons of the American Revolution take the necessary and proper steps to alert the State Societies, the Chapters and members of the Sons of the American Revolution to the serious danger the Nation faces in the inclusion of obscenity and other un-American material in textbooks of the education system, and that the various Chapters conduct a grass-roots investigation and evaluation of the schools in their respective communities in order to report to the National Society in regard to the extent of this danger and a proper response to that danger.

Central Intelligence Agency

RESOLUTION NO. 8

Whereas, there appears to be a concerted effort among certain groups, including part of the news media, either to abolish the Central Intelligence Agency or to so restrict its activities as to prevent it from performing its functions effectively; and

Whereas, there is a definite need and requirement in the Government of the United States to have such an arm of the Executive Branch of that Government to investigate and to protect it, and the people of the United States, in regard to matters that either are not within the purview of the powers and duties of the Federal Bureau of Investigation, or are so intertwined with national and international matters of interest and intrigue as to require special and delicate handling by the Central Intelligence Agency.

Resolved that the National Society of the Sons of the American Revolution is of the opinion and does hereby declare that the reasons and purposes for the existence and proper operation of the Central Intelligence Agency are very much with the Nation at the present time, and that there should be no downgrading of its activities, but on the contrary, the Central Intelligence Agency should be continued with necessary powers and appropriations to perform effectively its most important work under the direction of the Executive Branch of the Government of the United States.

Courtesy Resolution

RESOLUTION NO. 9

Whereas, the National Society of the Sons of the American Revolution recognizes that its 85th Annual Congress has been successful in every respect; and

Whereas, that success has resulted from the efforts of those who planned and implemented the program for the National Congress;

Resolved by the National Society of the Sons of the American Revolution that it hereby expresses its deep appreciation and gratitude to:

1. The President General for his able and dynamic leadership.
2. The Officers, Chairmen and Members of their Committees.
3. The Executive Secretary and the loyal Headquarters staff for their constant and effective efforts in providing for an efficient operation.
4. The speakers, Lieutenant General Vernon A. Walters, USA, Deputy Director, Central Intelligence Agency, and The Reverend (Dr.) John McLaughlin, S.J., former Special Assistant to the President of the United States for their timely and inspiring addresses.
5. Mrs. Ralph H. Richardson and Miss Page Miller for their talented vocal contributions to the music of the Congress.
6. The Massachusetts Society Continental Guard for furnishing color guards and escorts.
7. Mr. William Mitman and the entire staff of The Copley Plaza for their many services and courtesies, beyond normal limits of a host hotel.
8. The news media for their coverage of the Congress.
9. The Massachusetts Society for its contribution to a successful 85th Annual Congress.
10. To the Committee on Resolutions and its Chairman for the prompt and efficient preparation of proposed resolutions, so that they could be presented to the Congress at its monday meeting and voted upon at its Tuesday meeting in accordance with the established order of the business of the Congress, rather than at later times as in previous Congresses of the Society.

Reaffirmation of Prior Resolutions

RESOLUTION NO. 10

Resolved that the National Society of the Sons of the American Revolution, at its 85th Annual Congress assembled, reiterates and reaffirms all previous Resolutions adopted at prior Congresses.

ON REPRESSION IN THE REPUBLIC OF KOREA

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I think it would be helpful to our colleagues to have the correspondence available to them that I have had with President Ford and Assistant Secretary of State Philip C. Habib, on the subject of our continued economic and military aid to the Republic of Korea. The correspondence follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 20, 1975

Hon. GERALD R. FORD,
President,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: In today's New York Times there is a report that on March 19, the Assembly of the Republic of Korea adopted an amendment to the present criminal code which would forbid South Koreans to speak to foreigners about domestic political suppression. According to the Times, "the measure could be applicable to remarks made by opposition politicians to foreign journalists or to dispatches filed by South Korean newsmen working for foreign publications." The article also reported that "the well-known dissident poet Kim Chi Ha was turned over to the prosecution office today, for possible indictment on charges of having violated the South Korean stern anti-Communist law. If convicted, he could be sentenced to seven years in prison." Apparently, Mr. Kim, who last week was again arrested by the Korean Central Intelligence Agency, had described to a Seoul newspaper, his life in prison. According to Mr. Kim, the "government had tortured persons accused of belonging to the outlawed People's Revolutionary party into making false confessions."

The reason I write to you, Mr. President, is that the United States currently supports the Republic of Korea, in the form of $145 million in military assistance for fiscal year 1975. While I am not one of those who believe that we can only support countries operating in our image, and indeed, there are few countries in the world that could be considered democratic, I do believe that we must not give financial support to countries which are engaged in actions so repressive as to shock the conscience of the world. Mr. President, at this point can we really distinguish between the totalitarian government of the People's Democratic Republic of Korea and the totalitarian government of the Republic of Korea? If we cannot, should we be assisting South Korea?

In my judgment, the actions of South Korea can only be characterized as repressive. I ask you, whom I know to be a decent human being, whether you don't recoil in horror as I do, and therefore would oppose our continued funding of such a regime. Please do give me your thoughts on this matter.

Sincerely,

EDWARD I. KOCH.

HOUSE OF REPRESENTATIVES,
Washington, D.C., April 10, 1975.

Hon. GERALD R. FORD,
The President,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I wrote to you on March 20th concerning repression in the Republic of Korea and enclosed a New York Times article of the same date. I write today with respect to the continuing repression in that country and enclose a new article which appeared in today's New York Times.

I urge your attention to these serious matters for which we continue to have some responsibility because of our economic assistance to the Republic of Korea.

Sincerely,

EDWARD I. KOCH.

HOUSE OF REPRESENTATIVES,
Washington, D.C., May 12, 1975.

Hon. GERALD R. FORD,
The President,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: On March 20th and again on April 10th I wrote to you with respect to the repressive actions of South Korea. I have received an acknowledgement of those letters from Vernon C. Loen, one of your assistants, which can only be termed an interim response.

You know that we suffered a military defeat in Southeast Asia because the American people ultimately concluded that it was wrong for the United States to spend its blood and money in support of corrupt and repressive regimes. Undoubtedly, the focus will now shift to Korea as well it should, where we are supporting a repressive regime. I am not one of those who believes that we can only support democratic administrations in our own image because I recognize that most of the world's nations will not qualify and we do have security considerations. However, there are limits and when a regime is as repressive as that of South Korea, we must either take the necessary diplomatic action to end that repression or end the flow of our money and troops now supporting it.

This is of such grave importance that I would hope that I could have the benefit of your comments on this matter.

All the best.

Sincerely,

EDWARD I. KOCH.

JUNE 20, 1975.

Hon. PHILIP C. HABIB,
Assistant Secretary for East Asian and Pacific Affairs, Department of State, Washington, D.C.

DEAR MR. HABIB: In our discussion of June 19 before the House Foreign Operations Subcommittee I mentioned a letter that I had sent to President Ford regarding the Republic of South Korea to which I have not received a substantive response. I am enclosing a copy of that letter, which you may have already seen, with the request that you urge the President to respond in a meaningful way to the issues raised.

Thank you for your assistance.

Sincerely,

EDWARD I. KOCH.

DEPARTMENT OF STATE,
Washington, D.C., July 21, 1975.

Hon. EDWARD I. KOCH,
House of Representatives,
Washington, D.C.

DEAR MR. KOCH: Thank you for your letter of June 20, regarding your letter of May 12 to the President, in which you expressed your concern over internal political developments in the Republic of Korea. I regret the delay in replying to you.

I have been informed that Mr. Max L. Friedersdorf of the President's staff answered your letter on behalf of the President on July 10, enclosing a copy of my June 24 statement before Congressman Donald Fraser's hearings on human rights in Korea and the Philippines.

As I outlined in my testimony, we are not associated with and do not attempt to justify domestic actions of the Korean Government which violate international standards of human rights. We do not condone repression and will use our influence against repressive practices. The Korean Government is fully aware of our views and the adverse reactions in this country to certain of their domestic policies.

At the same time, we must not lose sight of the fact that we have important security interests in Korea in seeing that the peace that has survived since 1953 is maintained. Our Mutual Defense Treaty, our troop presence, and our military assistance program are essential elements of this interest.

Koreans are unified in their determination to resist any aggression by North Korea, and we should not misjudge their internal cohesion in this respect. Whatever their criticisms of President Park's methods and powers, his domestic opponents believe that their country's security relationship with the United States is essential and do not favor reductions in our present programs.

In concluding, let me note that U.S. troops and assistance are not intended to support a particular political leader or government in Korea, but rather to enable the Republic of Korea to preserve its freedom and independence. I cannot deny that the magnitude and historical nature of our presence in Korea does involve us in that country's internal affairs. We will therefore continue to conduct our relations with the goal of an evolution of democratic institutions much in mind, while balancing our equally important objectives of peace and security in Korea and Northeast Asia.

I hope that the foregoing has been useful to you.

Sincerely,

PHILIP C. HABIB,
Assistant Secretary for East Asian and Pacific Affairs.

HOUSE OF REPRESENTATIVES,
Washington, D.C., July 28, 1975.

Hon. PHILIP C. HABIB,
Assistant Secretary for East Asian and Pacific Affairs, Department of State, Washington, D.C.

DEAR MR. HABIB: I want to acknowledge with thanks your letter of July 21 responding to my letter of June 20 which was a follow-up to my letter of May 12th to President Ford. Your letter states, "we are not associated with and do not attempt to justify domestic actions of the Korean Government which violate international standards of human rights." That was exactly the position our government had vis-a-vis the repression that the South Vietnamese Government visited upon its own citizens and which led to the American public's overwhelming opposition to continued United States' support of that regime. And that regime ultimately collapsed. I believe it is not sufficient for the United States to simply state as you put it, "We do not condone repression and will use our influence against repressive practices" when we make it possible for a repressive government to continue those practices because it has our financial and military support.

I am not suggesting that we only support countries in our own democratic image, but there is a limit to the repressive actions our government can tolerate and when pressed past that limit must cause us to end our support. That limit has been passed in my judgment in the Republic of Korea and I believe that the American public will ultimately demand our withdrawal of economic and military aid from that country unless and until the repression against the people of the Republic of Korea is ended by the government of the Republic of Korea.

Never was it more apropos than to repeat the words of George Santayana, "Those who cannot remember the past are condemned to repeat it."

Sincerely,

EDWARD I. KOCH.

WHAT PRESIDENT FORD DID NOT SAY AND WHY

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, most interesting were the press reports on what President Ford read—and more important what he left out—of his prepared statement upon departing from Andrews Air Force Base for Europe on July 26. President Ford omitted the mention of the three Baltic States that had been part of his written text and made other changes in a number of passages in the statement. For example, in his reading he omitted the statement:

> The United States has never recognized the Soviet incorporation of Lithuania, Latvia, and Estonia and is not going to do so in Helsinki.

And the statement that U.S. policy supports the "aspirations for freedom and national independence of the peoples of Eastern Europe by every proper and peaceful means" was altered to "the aspirations for freedom and national independence of peoples everywhere."

What is the significance of the omissions and the alterations? I suppose it is simply another aspect of President Ford's refusal to make comments or meet people that the Soviet Union would think of as disagreeable. That was why he admittedly refused to see Alexandr Solzhenitsyn, defender of dissent, who is a barb in the side of the Soviet colossus.

I agree with President Ford that the Helsinki agreement is not intended to place the U.S. imprimatur on Soviet annexations of such states as Lithuania, Latvia, and Estonia. It is intended to be a recognition that existing boundaries will not be changed by force of arms. But it is distressing that the agreement which most observers consider to be primarily for the benefit of the Soviet Union is not to be signed in tandem with an agreement coming out of the mutual and balanced force reduction talks ongoing in Vienna and which were initially to be part of a total package.

I hope that those who condemned the division of Europe at Yalta and Potsdam under Democratic Presidents will condemn at the very least President Ford's insensitivity to the issue today which allowed him not even to mention in his oral statement the names of Lithuania, Latvia, and Estonia. Mr. Speaker, I believe in détente with the Soviet Union, but always on a reciprocal basis and never at the expense of principle or of the rights of subjugated nations and peoples.

THE UNITED NATIONS: "AN EMPTY SHELL"

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I believe in consistency and so I feel compelled to speak out in opposition to the campaign which has been initiated in the current meeting of the Council of Ministers of the 46-nation Organization of African Unity to have South Africa's status as an independent sovereign state declared illegal within the world community. South Africa was denied the right to participate in the 29th General Assembly session and a move to expel South Africa was initiated last October but was vetoed by the votes of the United States, Britain, and France. The decision in effect expelling South Africa from the General Assembly was regarded by Western legal experts as illegal. But legality is no longer a requirement of the General Assembly's actions in the United Nations. That organization is now dominated by the Soviet-Arab-African bloc which works its will by the tyranny of mechanical majorities and extortion.

While there is no question that South African policies of racial separation, apartheid, must be condemned, there is also no question in my mind but that the same kind of racism is practiced against different groups in other countries including some of the black African countries as well. Indeed it is particularly macabre that the Chairman of the Organization of African Unity happens to be President Idi Amin of Uganda whose regime has engaged in large-scale atrocities, massacre, and racism.

If membership in the United Nations were conditioned upon the decency or legitimacy of a particular government there would be few in the world eligible for membership. Surely the Soviet Union, a major violator of human rights in this century, would not be eligible.

Recently Secretary of State Kissinger, quite correctly concerned that arbitrary tactics at the United Nations would weaken American public support and that the "integrity and survival of the General Assembly itself was at stake," concluded that—

> Those who seek to manipulate United Nations membership by procedural abuse may well inherit an empty shell.

Mr. Speaker, I am sure it was startling to many but not to me to learn that my March questionnaire sent to my constituents ascertained that of those responding to the question:

> Should the United States consider not participating in the next General Assembly and thereby register our protest against the U.N.'s blatant pro-Arab bias and disregard for the principles on which it was founded? And that we not contribute to the U.N.'s special agencies for a year, but maintain our seat and veto on the Social Council for security reasons?

Forty-nine percent said "Yes," 46 percent opposed, 5 percent had no opinion. What is particularly significant, I think, is that my district, the 18th District of New York, which is comprised of Greenwich Village and the Upper East Side, has within its very boundaries the United Nations itself and was at one time the most supportive constituency of the United Nations. But no longer, because of its arbitrary and illegal actions.

NICHOLAS VON HOFFMAN TAKES AIM AGAIN AT THE POMPOSITY AND WASTE AT THE FEDERAL RESERVE

(Mr. PATMAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PATMAN. Mr. Speaker, on July 14, I released a staff report of the Domestic Monetary Policy Subcommittee on waste at the Federal Reserve and I am happy to note that this document has received a great deal of attention in the news media across the Nation.

Judging from the mail which has come into my office, the American people are highly dissatisfied that the Congress has allowed the Federal Reserve to remain outside accountability and they are angry about the waste of resources in this huge monetary agency.

Nicholas Von Hoffman, who writes for the Washington Post, has been consistent in pointing out the foibles of the Federal Reserve System, and is one of the few writers to really puncture the overblown balloon of Federal Reserve infallibility. Von Hoffman is hard on the pompous and this fact must keep Arthur Burns and his public relations men up nights.

Mr. Speaker, utilizing the material of our subcommittee report, Nicholas Von Hoffman has detailed some of the absurd expenditures of the Federal Reserve in a column under the head of "Waltzing Down Easy Street With the Federal Reserve Board." Mr. Speaker, I place in the RECORD a copy of this column:

[From the Washington Post, July 23, 1975]

WALTZING DOWN EASY STREET WITH THE FEDERAL RESERVE BOARD

(A commentary by Nicholas von Hoffman)

Last year the Federal Reserve System spent $8,204 to move one of its employees the long distance from Jacksonville, Fla., to Atlanta, Ga.

The Fed has assets of almost $114 billion, mostly in the form of U.S. government securities on which you and I pay the Fed nearly $6 billion a year in interest. It is these profits which permit the Fed to be so understanding about moving expenses; they also enable it to escape going to Congress for an annual appropriation as every other part of our government—even the meanypoos of the CIA—must do.

The Fed spends as it pleases and answers questions about it only when it cares to. In addition to its wealth and profits, this agency also handles transactions totaling over *$30 trillion* a year, and all of this happens without an outside audit. The Pentagon is subject to outside audit, the White House is subject to outside audit, but the Fed audits itself and asks us to take its word for its honesty, frugality and sagacity.

Recently that marvelous, old-time Texas Fed fighter, Rep. Wright Patman, has had his staff look into how this unique agency spends the public's money running itself. In the last decade the Fed's expenses have gone up almost 200 per cent to a total of nearly $600 million. (The profits the Fed doesn't spend on itself are turned in to the Treasury.)

Here are a few amusing items. Last year the New York Federal Reserve Bank spent $4,749 for office Christmas decorations. It also spent $9.67 for bowling score sheets, $1,372 on membership dues to the Council on Foreign Relations, $123,073 on American Airlines tickets and $119.32 on golf tees.

The Louisville Branch of the St. Louis Fed laid out $1,226 on booze and dinner for 19 people. Houston treated itself to a $2,172 luncheon, while the Chicago Fed found out a way to spend $122,000 recruiting new employees, while the larger New York Bank said it could do the same job for under $10,000. Given the thousands and thousands of dollars in bills the Fed piled up on jewelry, flowers, limousines, parties and other forms of recreation, you wouldn't imagine they'd have to spend anything on recruitment.

Fed employees even have two pension plans: a regular government type and something called the Thrift Plan, a mutual fund, to which the agency has generously contributed more than $10 million from 1970, when it was begun, to the end of 1974. Last year the Fed kicked in another $270,000 for athletic activities and to the Federal Reserve Clubs which put on picnics, parties and other fun activities for Fed Chairman Arthur Burns' overworked and underpaid employees.

If, in a private business, the stockholders want to spend their money that way, there would be no reason to take exception. What is eyebrow-lifting here is that the Fed is a public agency operating as though it were a private one. That is exactly what some of the opponents of the original Federal Reserve Act back in 1913 predicted would happen. No, President Wilson assured them, the law "provides for public instead of private control, thus making the banks what they should be—servants and not the masters of business. . . . With government control, there is created a force which, while it will not attempt to run the business of the banks, will be clothed with some authority to prevent injustice from the banks to the general public. Under the proposed plan, recognition is given the interests of the people, and there is established the principle of some other control of credit than arbitrary control by the banks. . . . This is a great principle."

It is also a dead one. The hundreds of thousands of dollars the Patman staff report shows the Fed spends on pouring Scotch over the rocks is less important than the evidence demonstrating the degree to which the banking industry controls the Fed. Why, for example, should the Fed provide the banking industry with $47 million worth of free armored car service? More millions are being spent by the Fed to develop automated currency handling equipment for the industry. Aren't these the ordinary costs of doing business which every private enterprise can be reasonably expected to bear for itself?

The Patman report also raises the question of some very gross sorts of conflict of interest in the Fed's hiring of compromised persons as consultants from the banking industry and its professorial apologists in the universities. Beyond that kind of garden-variety prostitution we have officers of the Federal Reserve personally owning more than $100 million worth of stocks while making official decisions that can affect their price on every stock exchange in America. Lastly, there is the question of the Fed's using its power to make the banks bail out failing, inefficient and possibly corrupt corporations—junk socialism to save the rich and the stupid from the consequences of their own business incompetence. Without an outside audit these practices can't be prohibited; they can't even be properly detected and understood. The Fed needs a lot of fundamental new legislation beside a compulsory outside audit, but Patman's bill to make the Fed show its books is a necessary beginning to give us what Woodrow Wilson said would be ours 62 years ago.

CONFERENCE ON THE ECONOMY OF DEMOCRATIC STEERING AND POLICY COMMITTEE

(Mr. McFALL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. McFALL. Mr. Speaker, yesterday the House Democratic steering and policy committee held a conference on the economy. Appearing at that conference were four eminent economists, including those who turned the American economy around and brought a decade of prosperity to our Nation during the 1960's, following the recession-ridden years of the Eisenhower administration during the 1950's.

Because of the proven record of success of these men in managing our economy well—a record very unlike that of those who are now in charge—I believe that their views should be accorded special significance. In the past, when others were wrong, these people were right, and the records of high national production, low unemployment, and general national well-being prove this fact. I see no reason to expect that the situation is any different now, especially when the administration's crew of economic managers has provided us with such ample evidence of their capacity to mismanage the economy. For example, we will be lucky to have industrial production back to its 1973 levels by 1976.

Once again, now, those who have managed our economy well and those who have not are saying different things. In developing economic policies over the balance of this session, I believe we would do well to listen closely to those who have been consistently right in the past, and not to those who have brought us to our present state of affairs. For that reason I am inserting in the Record today the statements of the economists who appeared at yesterday's House Democratic leadership conference on the economy: Gardner Ackley, Otto Eckstein, Walter Heller, and Frank Schiff:

Statement by Gardner Ackley, University of Michigan

Government economic data released last week confirm beyond doubt that the U.S. economy has now begun to recover from its longest and most severe business recession since 1937. The new evidence on the shape of the recession, and the turn to recovery, should dispel any remaining fears that the difficulties of the past year-and-a-half were of a character somehow qualitatively different from the 23 other recessions the American economy has experienced over the past century, including the 6 since the end of World War II. Moreover, it should be reassuring to recall that, at the end of each of these recessions—whether brief or long, mild or severe—the recovery, once begun, proceeded rather steadily to erase all, or a very large part, or—typically—more than all of the previous decline. There is every reason to expect such a recovery this time.

I do not mean by these comments to imply that all is now well, or that there are no challenges ahead for economic policy. Indeed, the very fact that this recession reverted to the severity and duration more characteristic of the 19th century and the first third of the 20th than of the relatively mild and short recessions of the post-war period itself raises disturbing questions. My own view is that there are more than enough special and accidental factors to account for this, without assuming any return to the "bad old days", or an evolution toward a greater degree of instability. The two major reasons for the recession's unusual severity appear to be (1) the tremendous deflationary shock of the sudden jump in oil prices; and (2) the highly restrictive government policies pursued until late in the recession. In sharp contrast to what had occurred in each earlier postwar recession, monetary policy this time increased in restrictiveness after the recession began, remaining highly restrictive for nearly a year thereafter; fiscal policy also became steadily more restrictive, and was not eased until the second quarter of 1975. One has the right to hope that shocks like oil will not come often again; and that monetary and fiscal policy mistakes like those of 1974 can and will be avoided in future recessions. The impact of these two major deflationary forces was probably compounded by the uncertainties created by the unprecedented peacetime inflation (itself mainly the result of accidental factors), by the recent shift to a new international financial system, and by the political confusion and turmoil in the United States associated with the Watergate affair. Together, these reasons seem more than adequate to account for the unusual length and severity of the recession that began in November of 1973 and ended in May or June of this year.

This backward look at the severity of the recession is of more than academic interest, I think. It seems very relevant in at least two ways to the current problems of the country and the Congress. First, it should help us to put an end to the sense of helplessness, confusion, and indecision about the economy's problems and our ability to deal with them, which has been the product of the view that we have experienced some strange, new—and possibly progressive—economic malady. This sense of helplessness has left too many of the victims of the doctrinaires of both right and left—who interpret everything that has happened as vindication of their own previous warnings. I am unshaken in my own view that the doctrinaires of right and left were and still are wrong in their analyses and their advice; I am as convinced as ever that there is a major constructive role for sensible policies of limited government action and intervention in support of economic stability, growth, and prosperity—consistent with the mainstream of modern economics since J. M. Keynes, and in the tradition of the administrations of Presidents Roosevelt, Truman, Kennedy, and Johnson.

The second relevance of my backward look at the severity of the recession is to remind us how far away the economy now is from where it ought to be and can be, and how much room there consequently is for constructive policies to shape and aid the natural forces of recovery. The first year of recovery from postwar U.S. recessions has typically brought gains in real GNP of roughly 7–8%. Gains at even this rate, however welcome as a change, would still leave a vast and disgraceful gap, a year from now, between where we were and where we needed to be. And there are several good reasons for thinking that, if we do nothing more, the pace of recovery this time will be somewhat slower than usual, and almost no reasons for expecting that it might be faster than usual.

I do not believe that we should be content with the prospect only of a normal or less than normal first year of recovery. A 10% rate of real GNP expansion would not be too fast for this first year or year and a half of recovery, although there may be little chance of achieving that.

Now is the time, however, for our fastest expansion. At a later time—necessarily well before full employment of labor and full utilization of plant and equipment (however reasonably defined) are achieved—the rate of expansion will have to decelerate, if we are successfully to negotiate the turn from recovery to normal growth at the roughly 4% a year rate consistent with any constant degree of resource utilization. The faster we expand at first, the greater will be our ability to achieve what ought to be our two main economic goals: (a) minimizing the cumulative sacrifice of production, jobs and incomes over the period from now to full recovery; and (b) achieving the transition from recovery to growth, without either sliding unintentionally into a new recession, or overshooting the mark in a way which makes drastic restrictive action—and an intentional recession—seem necessary.

As your colleague Henry Reuss pointed out so well on the Times' "Op-Ed" page on Monday, there is real danger that, by doing too little to stimulate the economy this year, there will be pressures next year, which (in an election year) even our conservative Administration will be unable to resist, to do too much. Of course, making much difference in the first year's recovery rate requires almost immediate action, legislative or administrative; and you know better than I what is feasible. Whatever it is, it needs to be action which can easily and quickly be phased out—if possible, which requires no positive action to terminate.

Fiscal policy should be made more stimulative, which of course requires an increase in the prospective 1976 fiscal-year deficit. Quite clearly, this year's temporary cuts in personal withholding rates should be extended. Other moderate but temporary cuts in personal income or payroll taxes should be considered. In principle, expenditure programs would do just as well as tax cuts, so long as the effects of any changes will be felt promptly and can be quickly terminated.

The amount of the appropriate additional fiscal stimulus depends very much on the outcome of the current showdown over oil prices, along with future action by OPEC. My own tentative target would be a full offset (gradually phased out) to the impact on aggregate disposable income of any further increases in consumer prices for petroleum products, in addition to the extension of this year's personal tax rate reductions.

I recognize that Congress has no direct control over monetary policy. But it has considerable influence, and should continue to exert it. In my view, the proper goal for monetary policy this year is very simple: to keep short-term interest rates at a level which avoids any diminution of the flow of savings into thrift institutions, and thus avoids any interference to the recovery of homebuilding. I don't care what this implies for the growth rate of M_1 or any variant—though I doubt that it implies anything very exciting.

If the Congress moves in these directions, you will hear a renewed outcry about "scandalous deficits", an imminent "money crunch" and "crowding out" of private investment, dangerous "capital shortages", and the threat of "runaway inflation". My advice is to ignore it. So long as our economy suffers from anything like the current vast and tragic underutilization of its human and material resources, these are purely mythical dragons.

Statement of Dr. Otto Eckstein, Data Resources, Lexington, Mass.

Mr. Speaker, distinguished members of the committee, the Congress is going to face a series of issues on economic policy over the next 12 months that are exceptionally difficult, and what I will try to do today is just to make a few factual points, to give you some sense of the forward progress of the economy, and then to make some recommendations.

First, the recovery, near term, is assured, according at least to our studies. The turn in inventories will be very sharp. Business is getting rid of its inventory so quickly some restocking will make all economic statistics take on a temporarily positive view.

The real GNP is likely to grow at seven or eight per cent. The inventories alone assure three per cent of that over the next 12 months. Housing will show some kind of mild recovery, though it will be nothing like normal and, of course, the boost in purchasing power is beginning to show up even in car sales, a sector that has been hurt worst.

But the problem really is to look through this temporary lift in the economy of nine or 12 months. The period when a v-shaped decline converts itself into a temporary v-shaped balance, when those inventories get back to zero or normal.

We have to first examine what kind of recovery we are really looking at when we look beyond these very temporary figures, and it is our conclusion that the recovery, to the extent there is any information about it now, will be weak.

We say this for three reasons. First, the housing industry has problems that will not clear themselves up within 12 months. The stock of unsold homes is very great and the housing tax credit has very mild effects at best. At the current rate it would take over three years to get rid of the excess housing inventories.

The apartment field is in a state of depression. The volume of new starts is down by something like 80 per cent from what it was two years ago.

In the housing industry you cannot expect a good recovery until the inventory is gone, until mortgage rates and the other costs, including the energy costs, get back to something more normal and so we are not looking at the normal role of that industry in the recovery.

Second, the automobile industry is not going to sell the 12.5 or 13 million cars that it would sell if this were just another business cycle and just another recovery. The cost of operating a car is up about 10 per cent compared to the cost of everything else and that is a deviation from a historical pattern that had held for over 25 years. It is simply not the same situation for cars that it was in the past and there is nothing in the short run that we can do about it. It is simply a by-product of the energy problem.

Third and perhaps this is the most important: Our trading partners are not in a normal recovery pattern.

In West Germany, for example, which is, after all, the steadiest of our trading partners, this year there was some hope in April their economy had turned around. It was grossly disappointing. The West German economy is likely to show a three per cent real decline this year compared to their normal six per cent growth and the government is acting in a very slow way. The government has not taken the kind of firm actions that the Congress did last spring.

The government keeps hoping that things will turn around and now they are looking in an unrealistic fashion at the United States, thinking that if we go up they will be carried up with us, but it isn't really so.

West Germany exports more to the oil producers than it does to the United States. In the case of West Germany it really is time for them to help themselves.

In the case of France, the decline this year will be between two and three per cent and there is no reason why next year should be a good year.

In the case of Italy, it has just begun to turn around. In the case of the United Kingdom, they are near the beginning of a process of bringing their inflation down and they can only show decline for the next 12 months.

Under these circumstances—and the situation in Canada and Japan is not much different—we cannot get the usual help from the rest of the world and so we are going to have to help ourselves and, indeed, we have a very considerable responsibility to create the kind of environment in which the others can act and in which the others can show some kind of recovery.

Given these factors and given the very high level of unemployment that already exists, we feel it is virtually unavoidable, even with the best policies in the world, to get the unemployment rate in this country down to seven per cent by the end of 1976. We know we are in for several years of high unemployment and the question really is, can we be sure we are on the road to improvement or are we running the risk the economy will stall when unemployment is still in the seven or eight per cent area. And God only knows what the outcome of that would be.

The policy issues that are in front of you I think are fairly straightforward. The biggest issue is the fiscal issue: Will you extend the tax reductions that were in the 1975 tax reduction bill or not?

Now, I think on the present evidence one would not yet say there should be a replay of the rebates, but I don't believe it is a close decision to go for an extension of that $9.6 billion of tax reduction which was built into the withholding schedules and into the tax structure itself. That would be principally the $50 tax credit and a change in the low income and minimum standard deduction.

We have done some studies which show that, if the Federal Reserve does not defeat the move by tighter money, the unemployment rate by 1976–1977 would be better by three or four-tenths of a percent.

That would mean it might be 7.2% instead of 7.5%. There is no chance the unemployment rate would be really low. It creates very little risk it would have measurable impact on prices.

I feel the Congress could move with full speed on the extension of that tax reduction.

Second, you want to be very careful that we don't get confused about the tax rebate for the energy policy and the extension of the stimulus tax cut. It is readily possible that the Administration will say "Extend those tax cuts" but that will just offset their energy policy. That is not enough. We need the tax cuts for their own sake in order to avoid a premature end of the policy of stimulus. We need the tax cuts to match the energy policy, to neutralize that second deliberate policy move.

On the spending side, I would urge you to hang on to the gains the Congress has made in gaining control of the budget through the new Congressional Budget Office, and the Budget Committees. I think it is a time to be careful on the growth of spending.

On the other hand, I go along with Dr. Heller that any temporary spending programs like unemployment insurance liberalizations or public service empolyment and perhaps even public works can be justified easily in the current environment.

In terms of the deficit, we find that, if you did extend those tax cuts which would be worth about $9.5 billion in direct stimulus to purchasing power, in the fiscal year 1976 there would be added about $7 billion to the deficit.

In fiscal '77 it would add about $4.5 billion to the deficit and that would still leave that deficit well below $70 billion according to our calculations for the next year and would bring the deficits perhaps to $42 billion in fiscal 1977.

On the third major issue, that is energy, this is not the time to go into all the ins and outs in the distinctions between the congressional approach and the President's approach.

I would urge you to do the following:

I would urge you, with whatever you finally do, to do it very carefully. If decontrol is the answer—and I think one can argue with that, though decontrol is as practical a way as there is to get the American people to conserve in the use of oil and to stimulate domestic production—do it over 40 months; do it over 50 months; do it in a way that the increase will be a fraction of one percent. When all is said and done, it will raise the price level by perhaps a percent and a half, perhaps even a bit more depending on how you do it. If you space it out over several years, it is simply not that decisive a matter. If you do it quickly, if you do it over two and a half years, it is more than the economy could stand at this time.

Finally, on the question of food, we are told over and over again that the sales of grains to Russia have no effect on the price of agricultural products. This is impossible. If you sell ten million tons of grain, it is going to raise the price of grain and if you raise the price of grain you raise the price of bread and meat.

On the other hand, that is true of any other products as well. That is no reason to prohibit all exports and we are lucky the Russians are demanding a part of this very huge crop that we apparently are producing, but it does require us to be realistic. It does mean that we are going to have a small fraction of extra inflation; we have to be prepared to deal with that. But we cannot then refuse to provide the money supply to accommodate these extra energy and food inflations we are building in by deliberate policies.

It does mean that a 7.5 percent money supply target will be quite inadequate over the next year and a half.

This is to me at the moment the most pressing issue of economic policy.

The control the Congress has over monetary policy is light in the short run, but nonetheless, you have to recognize that the interest rates are up too much and too soon. The federal funds have already gone from five to six and a half percent on essentially one month of good statistics. Where will those interest rates be if the Federal Reserve stays on its present path for a year? It is enough to make an outside observer worry.

The only way this economy can continue this expansion beyond that first year—that first year we do feel fairly secure about—is if the monetary policy is not aborted, and that does mean that federal funds may have to stay below seven percent even a year from now; that means the Treasury bill rates have to stay below 7 percent; it means the mortgage interest rates have to go down from 9 to 6.5 or 8. Otherwise it just won't work out.

Excerpts From Statement of Walter W. Heller

The Wall Street Journal reported Friday that the White House is in a euphoric mood about economic developments, and this upbeat mood seemed to prevail in Chairman Greenspan's testimony yesterday before the Joint Economic Committee.

Apparently, the combination of an on-schedule turn-around in the economy, plus the prospect of a considerable rebound (perhaps at a 7% rate of real growth in the next nine months or so), plus the prospect of moderating inflation have sent the White House into this orbit of joy.

Nor is this mood likely to be dispelled in the next few months by the indexes of output, GNP, profits, and inflation. As consumers spend their tax rebates and producers restock their shelves, the economy will begin the long climb out of the depths of our worst post-war recession.

All that will be left behind is human beings—the nine to ten million unemployed (including parttime and discouraged workers) who won't find jobs on the gentle slopes of recovery.

Indeed, even with a year of steady recovery at, say, a 7% clip, unemployment would still hover near 8%, that is, above the worst levels reached at the trough of any previous post-war recession. Excess capacity would abound—from today's 66% operating rates in manufacturing, we might have moved all the way up to 75%—again, still a recessional level by the test of our five previous recessions since World War II.

What's more, the forces that would convert this year's rebound into next year's solid recovery are not yet in sight. Housing and autos are hardly on the threshold of another boom, let alone health. Plant and equipment spending are still sufferinng the ravages of recession (which have cost us over $20 billion in foregone savings and investment). And if we smite the consumer with a jump in oil prices and a cutoff of tax relief at the end of 1975, the consumer will be poorly positioned to lead a robust economic expansion.

Given the long lead times in economic policy, any euphoria about the present should quickly be replaced by concern about the future. In order to convert rebound into recovery, make major inroads on unemployment, and stop the appalling waste of $200 billion a year of our productive capacity, Congress and the White House should be hammering out a 1975 economic action program for sustained recovery without rekindled inflation in 1976.

Instead, we find something close to stalemate. The Congress seems to be cowed by the brandishing of the deficit spectre and the veto sword. As a result, it is being tarred with a do-nothing brush. But on the economic front, the real culprit is a do-nothing White House. Do nothing more to strengthen the forces of recovery. Do nothing to keep the grip of the tax system and the budget from tightening once again in 1976. Do nothing to assure the unemployed, the consumer, and business that expansion will be the order of the day until the American economy again nears the limits of its huge productive potential.

Can Congress, the White House, and the Federal Reserve System find common ground on which to provide that assurance? I don't see why not.

The centerpiece of the program must be an assured continuation of tax relief into 1976. And cheek-by-jowl with a move to avoid the untimely death of the 1975 tax cuts should be further tax reductions (a) to keep the Federal fiscal noose from tightening again in the face of intolerable unemployment and slack in the economy and (b) to keep oil price increases from eroding purchasing power and undermining economic recovery. (On the latter point, I was glad to see Alan Greenspan renew the President"s commitment to "a full rebate to consumers of the induced loss in purchasing power from the energy price increases.")

A sizable net tax cut for 1976 would clearly be good liberal medicine, an effective antibiotic for the massive unemployment that plagues the economy. And it would also accord with the best of conservative doctrine:

In an economy subject to endemic inflation, nominal or money income—on which taxes are based—rises faster than real income. Add the element of progression, and the result is that Federal taxes rise steadily and stealthily as a proportion of real income and GNP—surely not a consummation devoutly to be wished by conservatives.

Congress could remove this fiscal overburden by expanding government programs. Or it could index the income tax, thereby adjusting it continually for inflation. But that would provide tax relief in both recession and boom.

The coupling of liberal and conservative objectives could be realized by periodic tax cuts (a) so designed as to remove the tax overburden fastened on us by inflation (b) so timed as to boost a lagging economy.

In short, the tax cut for 1976 could serve the interests of longer-run fiscal neutrality (in an aggressive sense) while providing vital short-run stimulus needed for sustained recovery. On the expenditure side, guidelines for an anti-recession or pro-recovery policy seem reasonably clear:

Don't increase baseline expenditures to fight recessions or promote recovery, that is, for anti-cyclical reasons alone.

But do provide generously for public service jobs, anti-recession grants to hard-hit cities and states, and perhaps—in this deep and stubborn a recession—some public works speed-ups. Trigger them to come on stream only at high unemployment levels and to self-destruct when unemployment drops below, say, 5½%. (Counter-cyclical revenue sharing.)

Such programs move people from relief rolls to payrolls, serve to get badly needed jobs done, and phase out as the private economy returns to prosperity. Once again, the liberal and conservative objectives coalese.

Next, what about the interplay of congressional budget policy and Federal Reserve monetary policly? Let me urge you not to forget the tradeoffs here. If the Fed jumps to the ramparts of tighter money every time it hears a twig crack—as it did in late June, with predictable shell-shock in the money and capital markets—the Congress will have to raise its sights on budgetary stimulus accordingly.

But if you could strike a bargain with the Fed to pursue a "hold harmless" policy of essentially stable interest rates in the early stages of recovery in exchange for greater fiscal restraint, your anti-recession tax cuts and budget programs could be correspondingly smaller. The net result would be an agreed policy for economic expansion tilted toward investment stimulus not via tax-incentive gimmicks but instead by promoting lower interest rates and shifting some funds from consumption into savings.

Won't a program of tax cuts and temporary expenditure programs risk a rekindling of inflation and an overdose of deficits? No.

Neither excess demand nor a new round of commodity inflation is anywhere in sight:

Even two or three years of economic expansion at a 7% or 8% real growth rate won't press against the economy's supply potential.

As for commodity inflation, its true that the June jump in food and gasoline prices is a sobering reminder of where inflation forecasts went wrong in 1973–1974. But with economic recovery lagging in the rest of the industrialized world, with rosy U.S. crop prospects, and with the dollar strengthening, only oil looms as a threat here.

The greatest threat may well be the concentrated industries and powerful labor unions that appear to be more and more impervious to competitive forces and to the downdrafts of massive unemployment and excess capacity. The Council on Wage and Price Stability may find—indeed, I believe *will* find—that it needs far more than subpoena power to cope with this threat.

Finally, what about the deficit constraint under the new Congressional budget procedure? Can a $69 billion deficit limit accommodate an adequate fiscal policy for sustained recovery? I don't see how:

A $69 billion deficit budget is a next-to-no stimulus budget.

It cushions but does not propel.

The recession alone accounts for a short fall of about $50 billion in Federal revenues and a boost of nearly $20 billion in unemployment benefits.

To do the fiscal policy job needed to ensure rigorous recovery plainly demands an expansion of the $69 billion ceiling by an amount representing the sum of (a) net tax cuts in the first half of 1976, (b) compensating tax cuts as rebates to restore the purchasing power leached away by oil price hikes, and (c) temporary job-creating programs costs.

So far, all the risks have been centered on a too-slow recovery, too-high unemployment, and too-big sacrifice of output. It's time for Congress to redress the balance of risks.

Statement by Frank W. Schiff, Vice President and Chief Economist, Committee for Economic Development

Mr. Speaker and Members of the Democratic Steering and Policy Committee: It is an honor and a pleasure to have been asked to participate in today's Conference on the Economy. Let me emphasize at the outset that my comments here are made in a personal capacity rather than as a representative of the Committee for Economic Development.

There are now strong indications that the economic downturn has come to an end and a recovery is getting underway. It makes no more sense, however, to take this as a sign that the health of the economy has virtually been restored than to announce that a patient with a high fever is cured as soon as his temperature drops from 104 to 103 degrees.

The economy has a long way to go before its state of health can be declared satisfactory. Industry is operating at only about three-quarters of capacity and unemployment is still close to 9 percent. Even the more optimistic forecasts suggest that the unemployment rate by the end of next year will still be well above 7 percent, and the Administration's own mid-year budget projections assume that the rate will not fall to 5 percent until 1980. Among other things, this means our economy will for years be unable to generate adequate job opportunities for new entrants into the labor force and that a sizable number of young people will be without a chance to find a regular job throughout their formative years.

While the inflation rate has substantially receded from its peak levels, the upturn in the consumer price index for June was disappointing and the threat of a renewed resurgence of inflation remains very real. But does this mean, as is being widely suggested, that the way to prevent a renewed acceleration of inflation is a deliberate policy of aiming at a relatively sluggish rate of recovery, such as 6 percent a year or less? The answer, in my view, should clearly be "no."

The kind of inflation that we have recently experienced has largely stemmed from the cost and supply side rather than from excessive total demand. In the year ahead, the economy will still be operating sufficiently far below potential that even a relatively rapid increase in overall demand is not likely to lead to widespread capacity and supply bottlenecks and consequent inflationary pressures. Nor is there merit to the argument that Federal deficits which are needed to generate an adequate recovery will add to inflation by crowding out private credit demands; the very purpose of these deficits is to substitute for the short-fall in such demands. (I discussed this "crowding out" issue in more detail during a recent talk and will be glad to leave a copy of my talk with you if you wish.)

Indeed, the prescription for vigorous rather than sluggish growth during the early stages of the recovery should on balance actually lead to less rather than more inflation. This is confirmed by an analysis made by your own Budget Office with respect to the next year. The principal explanation for this result is that the sharp productivity gains during a rapid upturn from a severe slump tend to produce a significant net reduction in unit labor costs. It should also be noted that an extended period of economic sluggishness may well add to inflationary cost-push over the longer run. Slow sales lead to insufficient investment in new plant and equipment that may be needed some years from now to avert capacity and supply bottlenecks. High unemployment imposes significant extra costs on the economy through heightened social unrest and dissatisfaction.

Given this background, what should be the basic elements of a strategy for recovery during the rest of 1975 and in 1976?

First, the underlying goal of economic policy for the year ahead should be a vigorous rate of economic recovery, not an anemic one. By vigorous, I have in mind an annual rate of growth in real GNP of around 8 percent, or perhaps somewhat more. This would be in line with the average rate of expansion in the first year of recovery after the 1953–54, 1957–58, and 1960–61 recessions. Because the current recession has been much deeper than earlier ones and there has been a significant growth in the economy's potential since the recession started, an 8 percent recovery rate would still leave unemployment in the 7½ to 8 percent range by the middle of next year. But such a result would be substantially better than holding the pace of the recovery down to 6 percent or less, as is advocated by the proponents of a "go slow" policy.

Second, it seems to me essential that monetary as well as fiscal policy be explicitly geared to the goal of vigorous expansion. I am not suggesting that the Federal Reserve should be put in a strait-jacket or be subject to rigid guides with respect to money supply or interest rates. However, it is not possible to have a coherent and effective national policy for economic revival if the broad recovery targets pursued by the Federal Reserve differ significantly from the targets underlying Congressional and Administration decisions on the budget.

The most recent tightening moves by the Fed make it hard to avoid the impression that the Fed's basic economic goals are in fact at variance with those which the Congress had in mind in passing the recent budget resolutions. Certainly, the Fed's actions do not seem conducive to achieving the kind of target I have cited. In my view, the appropriate policy for moving toward this target would be to prevent the kind of interest rate upsurge we have just witnessed; to place emphasis on holding interest rates reasonably steady as credit demands strengthen; and to let money supply grow faster than is permitted by the current Fed targets. Perhaps I am not interpreting the recent Fed move correctly. But in any case, the Fed's support for a vigorous upturn should be made clear to the public now so that fears of premature monetary tightening will not cause business firms to hold back from longer-term commitments that are needed to give strength to the recovery.

Third, the decision to promote a vigorous recovery should in no way mean that measures to cope with the inflation problem ought to be deemphasized or deferred. Quite to the contrary: an essential counterpart of the program for expansion should be a systematic and well-publicized effort to assure that policies to stimulate demand will not overshoot their mark once capacity limits are approached. This means not only great stress on effective implementation of the new Congressional budget procedure but also strict and built-in time limits on countercyclical tax and expenditure programs. An equally systematic program is needed to reduce cost-push and supply-related inflation.

Fourth, the recovery program should as much as possible be designed in a way that will help in dealing with the country's more continuing and longer-term needs—and particularly the preservation and strengthening of manpower skills, the improvement of public services, and enlargement of our capital stock and energy producing capacity.

Let me discuss some of these elements of policy strategy in somewhat more detail.

1. What policies will be needed to produce a vigorous recovery? I believe the economy will come fairly close to the goal I have cited if the present amount of fiscal stimulus is continued and if monetary policy is adequately accommodative. As of this moment, this would particularly suggest that the lower withholding tax rate and the higher investment tax credit should be extended for a year. Since further significant increases in oil prices due to possible decontrols and OPEC actions would have similar effects as a tax increase, it will also be important that the deflationary impact of such increases be promptly and adequately offset by additional tax relief or expenditure measures.

2. On the expenditure side, I see a particularly urgent need for a program of countercyclical revenue sharing for cities with unusually high unemployment rates. Such program should not simply allow poorly-run cities to escape from the financial consequences of bad management. But cities should have a right to expect compensation for the share of their financial losses that stems directly from the severe weakening in the national economy. Moreover, it makes little sense for the Federal government to enact tax cuts to create added jobs if the effects of such measures are simultaneously offset by large-scale dismissals of municipal employees.

3. I also believe that we need augmented countercyclical public service employment and accelerated public works programs that provide useful services and have a high payoff in terms of creating jobs. It clearly makes sense to use our idle manpower for slum rehabilitation; for repairing our deteriorating railroad beds; and for various other worthwhile jobs that might otherwise not get done. Given the fact that we will have high unemployment for a number of years to come, the time horizon for such programs does not necessarily need to be limited to a year. But to minimize the risk that such programs will merely prove wasteful and inflationary, a comprehensive screening and monitoring process should be set up to assure that the program will indeed be countercyclical and that the projects included will be those that rank highest in terms of their contribution to society and the prospects for prompt initiation and timely completion. To reinforce this monitoring process, I would hope that the Congress will use systematic score sheets that will permit continuous assessment of the way in which the various projects measure up to the criteria cited, using something like the procedure that has just been initiated for the 1976 budget. It would also be useful to explore whether more use cannot be made of projects that are developed on the basis of local community initiatives—private as well as public—along the lines of the Canadian Local Initiatives Program.

4. I would further like to suggest that more attention be paid to possible ways of alleviating the unemployment problem that would not involve extra budgetary costs. For example, outright layoffs in the case of production cutbacks are creating increasing problems for business and unions because of charges of reverse discrimination when firings are based on seniority. These problems could often be avoided and full-time unemployment would be reduced if greater incentives for share-the-work arrangements were provided through appropriate changes in the unemployment insurance laws. Suppose a firm with 100 workers has to cut back output by 20% and, instead of firing 20 of its workers, would prefer to put all 100 workers on a four-day week. This would become far more acceptable to these workers if they could draw unemployment insurance for the fifth day, something that is not permissible under present law. The amount of unemployment insurance paid out to 100 workers for one day should in principle be no more than that paid out to 20 workers for five days. It would not be easy to bring about the kind of reform in the unemployment insurance system that would be needed. But procedures along this line are now in use abroad and a proposal to permit one-day unemployment insurance payments in New York State has recently been made by the Governor of that state. It would thus seem worthwhile to explore this approach further.

5. To help cope with the problems of cost-push inflation and of strengthening competitive forces, the Council on Wage and Price Stability should be given strong support and ample funding. Far too many of the inflationary difficulties of the past few years arose because we were taken by surprise by developments that should have been readily foreseen. I am particularly concerned that the Council be able to play a stronger role in identifying possible future supply and capacity bottlenecks and in proposing measures to avert such bottlenecks, including selective investment incentives where necessary. I also believe that every effort should be made to make serious use of inflation impact statements and that the Congress itself should systematically develop such statements in connection with proposed new legislation. If necessary, special staff should be added to the new Congressional Budget Office to carry out this function.

6. Finally, let me reemphasize that success for the kind of strategy I have outlined—pushing for rapid expansion now but putting in ample safeguards to assure that it won't overshoot its mark once full employment is approached—depends crucially on successful implementation of the new budget procedure. Keeping control not only over this year's budget but over the general shape of the budget 3–5 years hence is not only important to prevent future inflation. It is also the single most important requirement for assuring that the country's massive long-term needs for capital will be met, and that it will prove possible to finance these needs at reasonable interest rates. As long as the economy is seriously underemployed, sizable budget deficits are both necessary and appropriate. But the Congress needs to make adequate preparations now for the prospect that at high employment, a sound budget will call for a sizable surplus—not merely balance.

I would like to comment on a specific issue: namely, crowding out, the question of whether the financial markets will be able to handle the kind of deficits now in prospect without seriously choking off private credit demands or forcing up interest rates to levels which would abort the recovery. My answer, in a nutshell is, yes, the markets should be able to handle these deficits provided that monetary policy is sufficiently accommodative and provided, too, that adequate steps are taken now to assure the markets that fiscal and monetary actions taken today to move the economy back toward high employment won't overshoot their mark in 1977 or thereafter and then seriously add to inflation.

Let me give a few of my reasons for this conclusion in a little more detail. Most of this year's deficit and probably over $50 billion of the deficit of $70 billion or more expected next year is attributable to a weak economy. The congressional budget committees estimate, for example, that every extra 1 percent of unemployment increases the deficit by $16 billion or so because of lower tax receipts and higher outlays for unemployment compensation. That part of the deficit doesn't crowd out private credit. It merely compensates for the shortfall in private credit demands.

The second part of the deficit is based on active policies to stimulate the economy: tax cuts and expenditures. If one thinks, as I do, that such extra stimulus is in fact needed to bring about an adequate recovery, then it isn't very reasonable to say that deficits required to produce this result are going to crowd out private credit demands. The question really is: Crowd out compared with what? Suppose we had no tax cut and no extra fiscal stimulus. Then the recovery would probably not get off the ground at all, and this would really depress private credit demands by causing much greater inventory liquidation, cutbacks in capital investment, and so on.

Now, if one looks at various available projections of flows of funds, one finds that most estimators feel that with a reasonably expansive monetary policy, involving a money supply growth for the next year that may perhaps go somewhat about Arthur Burns's target range but not necessarily a great deal, there will be enough savings forthcoming in fiscal years 1975 and 1976 to finance both private and public credit demands without too much difficulty.

There are a series of reasons for this conclusion. They include, among others, the slowdown in credit demands as a result of inventory liquidation and further cutbacks in investment spending and the expected additions to the supply of capital through the influx of OPEC funds. Also, and this is a point that is often overlooked, if there is a stimulative policy and it raises incomes, this itself will produce extra financial resources because savings will increase and tax receipts will rise.

Of course, numerical projections do not tell the whole story, and no one can be entirely sure that the estimates I have cited will turn out to be correct. It is certainly possible that credit demands over the near-term future will be substantially larger than the estimates suggest. This could be the result of further liquidity crises of various kinds and could also stem from a more general inclination of business firms to borrow ahead of current needs in order to build up an extra liquidity cushion before the recovery gets under way. In such a situation, the money supply increase required to accommodate private credit demands plus the budget deficits needed for recovery might have to be quite large.

The question then arises: What should be the basic target for monetary policy—the state of the economy or the rate of money supply growth? If a reasonably vigorous rate of economic recovery calls for an unusually rapid rate of money supply growth, should the Federal Reserve supply the reserves to permit such growth? Or should it decide that money supply expansion in excess of some stated rate will automatically be inflationary and cannot be permitted, even if this means that the hoped-for recovery will be aborted?

I would submit that the principal guide to policy should be the state of the economy. Even a relatively rapid rate of money supply expansion need not be inflationary per se as long as the real rate of recovery is held within reasonable bounds and the economy is still operating far below capacity. At the present time, we can, indeed, afford a quite vigorous recovery because it is likely to take quite some time before capacity limits will again be approached. With regard to inflation, it is safer to have a fast rate of expansion when there is a great deal of slack in the economy than later on when capacity pressures again start to come to the fore.

In fact, I think one can argue that if money is tightened too much too soon and interest rates are raised, this could be more inflationary in the long run than if monetary policy were directed at accommodating a relatively vigorous rate of economic recovery. The reason is that excessive monetary tightening now would tend to choke off the private investment urgently needed for building new capacity in key industries and for preventing the reemergence of serious bottlenecks in these industries a few years hence.

Indeed, one can see a number of industries right now that are cutting back on investment for new capacity even though it seems clear that they ought to have that capacity available several years from now.

Having said all that, I certainly don't want to imply that there isn't any problem with the budget or that there is no connection between the budget and the threat of inflation. But the problem is not with the kinds of deficits that are currently needed to produce a reasonable rate of recovery. The problem has to do with bad budget policy. If Congress does not act responsibly in dealing with the budget and does not follow the procedure that Dr. Rivlin has outlined, if it overshoots the mark in providing fiscal stimulus so that federal spending becomes excessive later on when extra stimulus is no longer needed, if the Federal Reserve fails to shift to a less accommodative policy once liquidity becomes excessive, then there will be very bad inflationary effects. Moreover, a foreknowledge of such a prospect can indeed affect the markets today. So, the key point is to make sure that all kinds of steps are taken now to prevent future inflation, including not only the use of appropriate budget and monetary policies but numerous structural measures to overcome supply bottlenecks and strengthen the competitive system. The public debate about the threat of inflation ought to focus on these kinds of issues, rather than on the deficits that are required to produce a healthy rate of economic recovery.

LEAVE OF ABSENCE

Mr. BROOMFIELD (at the request of Mr. RHODES), on account of official business.

Mr. UDALL (at the request of Mr. McKAY), until further notice on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. PATMAN, for 30 minutes, tomorrow, and to include extraneous matter.

(The following Members (at the request of Mr. MOORHEAD of California) to revise and extend their remarks and include extraneous material:)

Mr. KEMP, for 60 minutes, today.

Mr. KASTEN, for 15 minutes, today.

(The following Members (at the request of Mr. BRODHEAD) to revise and extend their remarks and include extraneous matter:)

Mr. SMITH of Iowa, for 10 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Ms. ABZUG, for 30 minutes, today.

Mr. BLANCHARD, for 10 minutes, today.

Mr. RODINO, for 10 minutes, today.

Mr. FUQUA, for 5 minutes, today.

Mr. BADILLO, for 60 minutes, today.

Mr. BRADEMAS, for 5 minutes, today.

Mr. THOMPSON, for 10 minutes, today.

Mr. BONKER, for 10 minutes, today.

Mr. BURKE of Massachusetts, for 15 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. McFALL, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $1,287.

Mr. MADDEN, to revise and extend and include extraneous matter.

Mr. ZABLOCKI, and to revise and extend his remarks, prior to the vote on binary nerve gas deletion amendment on H.R. 5210 in the Committee of the Whole today.

Mr. BAUMAN, and to revise and extend his remarks immediately after the vote on Senate Concurrent Resolution 54 in the House today.

Mr. BRODHEAD and all Members, to include extraneous material on H.R. 5210 in the Committee of the Whole today.

(The following Members (at the request of Mr. MOORHEAD of California) and to include extraneous material:)

Mrs. PETTIS in two instances.

Mr. MARTIN.

Mr. CRANE.

Mr. MICHEL.

Mr. FORSYTHE.

Mr. STEIGER of Wisconsin in two instances.

Mr. COLLINS of Texas in two instances.

Mr. FRENZEL in three instances.

Mr. KEMP in two instances.

Mr. RHODES.

Mr. CONTE.

(The following Members (at the request of Mr. BRODHEAD) and to include extraneous matter:)

Mr. DOWNEY of New York in five instances.

Mr. RANGEL in 10 instances.

Mr. BRODHEAD in two instances.

Mr. ICHORD in two instances.

Mr. OBEY in 10 instances.

Mr. GONZALEZ in three instances.

Mr. ANDERSON of California in three instances.

Mr. ANNUNZIO in six instances.

Mr. FRASER.

Mr. EVINS of Tennessee.

Mr. WAXMAN.

Miss JORDAN in two instances.

Mr. BALDUS.

Mr. McFALL.

Mr. HALL in two instances.

Mr. CARR in five instances.

Mr. CHARLES H. WILSON of California.

Mr. McCORMACK.

Mr. GAYDOS in seven instances.

Mr. STARK.

Mr. RUSSO in 10 instances.

Mrs. KEYS.

Mr. MATSUNAGA in two instances.

Mr. BOLAND in two instances.

Mr. ROSTENKOWSKI.

Mr. BREAUX.

Ms. CHISHOLM.

Mr. PATTEN.

Mr. FAUNTROY.

Mr. WOLFF.

Mr. DRINAN.

Mr. OBERSTAR.

Mr. McDONALD of Georgia in two instances.

Mr. STEED.

Ms. ABZUG.

Mr. ULLMAN.

Mr. DINGELL.

Mr. PEPPER.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 253. An act for the relief of Janice Elaine Groves and her daughter, Anna Groves; to the Committee on the Judiciary.

S. 1649. An act to amend the Act of March 4, 1927, to authorize the Secretary of Agriculture to accept and administer on behalf of the United States gifts or devises of real and personal property for the benefit of the National Arboretum; to the Committee on Agriculture.

S. 1657. An act to amend the National Portrait Gallery Act to redefine "portraiture"; to the Committee on House Administration.

S. 1800. An act to amend and extend the National Foundation on the Arts and Humanities Act of 1965, to provide for the improvement of museum services, and to provide indemnities for exhibitions of artistic and humanistic endeavors, and for other purposes; to the Committee on Education and Labor.

S. 2114. An act to amend title 37, United States Code, relating to special pay for nuclear qualified officers, and for other purposes; to the Committee on Armed Services.

ENROLLED BILLS SIGNED

Mr. **HAYS** of Ohio, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 5327. An act to reserve a site for the use of the Smithsonian Institution;

H.R. 6219. An act to amend the Voting Rights Act of 1965 to extend certain provisions for an additional 7 years, to make permanent the ban against certain prerequisites to voting, and for other purposes; and

H.R. 7731. An act to suspend the duty on open-top hopper cars exported for repairs or alterations on or before June 30, 1975.

BILLS PRESENTED TO THE PRESIDENT

Mr. **HAYS** of Ohio, from the Committee on House Administration, reported that that committee did on July 25, 1975 present to the President, for his approval, bills of the House of the following title:

H.R. 5447. An act to amend the act of August 16, 1971, as amended, which established the National Advisory Committee on Oceans and Atmosphere, to increase and extend the appropriation authorization thereunder, and for other purposes;

H.R. 5522. An act to give effect to the International Convention for the Conservation of Atlantic Tunas, signed at Rio de Janeiro May 14, 1966, by the United States of America and other countries, and for other purposes; and

H.R. 7767. An act to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans and to increase the rates of dependency and indemnity compensation, and for other purposes.

ADJOURNMENT

Mr. **BALDUS**. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 43 minutes p.m.), under its previous order, the House adjourned until tomorrow, Tuesday, July 29, 1975, at 10 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1472. A letter from the President of the United States transmitting a draft of proposed legislation to amend the Clean Air Act to continue 1975–76 Federal automobile emission standards through the 1981 model year to permit a balance among the important objectives of improving air quality, protecting public health and safety, and avoiding unnecesary increases in consumer costs for automobiles, decreases in gasoline mileage, and increases in the Nation's dependence on imported oil (H. Doc. No. 94–226); to the Committee on Interstate and Foreign Commerce and ordered to be printed.

1473. A letter from the Counsellor to the President of the United States, transmitting a communication from the President urging reconsideration of the House action maintaining the arms embargo against Turkey; to the Committee on International Relations.

1474. A letter from the Deputy Administrator, Energy Research and Development Administration, transmitting a summary of effects and comparisons of ERDA's budget amendments submitted by the President on July 21, 1975; to the Committee on Appropriations.

1475. A letter from the President and Chairman, Export-Import Bank of the United States transmitting a report on loan, guarantee and insurance transactions supported by Eximbank during June 1975 to Communist countries; to the Committee on Banking, Currency and Housing.

1476. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of act No. 1–27, "to establish for the District of Columbia a Commission on the Arts and Humanities, and for other purposes," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

1477. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of act No. 1–33, "to establish Advisory Neighborhood Council areas and single-member districts within each Neighborhood Council area; petition procedures for establishment of Advisory Neighborhood Councils; qualifications for candidates for said Advisory Neighborhood Council and election procedures," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

1478. A letter from the District of Columbia Auditor, transmitting a copy of the preliminary report on Department of Human Resources Personnel Funding, pursuant to section 455(d) of Public Law 93–198; to the Committee on the District of Columbia.

1479. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to extend the Rehabilitation Act of 1973; to the Committee on Education and Labor.

1480. A letter from the Chairman, Indian Claims Commission, transmitting the final determination of the Commission in docket No. 87–B, *Pyramid Lake Paiute Tribe of the Pyramid Lake Reservation*, plaintiff, v. *The United States of America*, defendant, pursuant to 25 U.S.C. 70t, 60 Stat. 1055; to the Committee on Interior and Insular Affairs.

1481. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the intention of the Department of the Army to offer to sell certain defense articles and services to the Government of Jordan, pursuant to section 36(b) of the Foreign Military Sales Act, as amended; to the Committee on International Relations.

1482. A letter from the Assistant Secretary for Congressional Relations, Department of State, transmitting notice of the intention of the Department of State to consent to a request by the Government of Australia for permission to transfer certain U.S.-origin defense articles to the Government of Malaysia, pursuant to section 3(a) of the Foreign Military Sales Act, as amended (22 U.S.C. 2753(a)); to the Committee on International Relations.

1483. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate Jacob M. Myerson, and his family, pursuant to section 6 of Public Law 93–126; to the Committee on International Relations.

1484. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate Albert W. Sherer, Jr., and his family, pursuant to section 6 of Public Law 93–126; to the Committee on International Relations.

1485. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to section 112(b) of Public Law 92–403; to the Committee on International Relations.

1486. A letter from the Attorney General transmitting, a draft of proposed legislation to amend the Omnibus Crime Control and Safe Streets Act of 1968, as amended, and for other purposes; to the Committee on the Judiciary.

1487. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204 (d) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MANN: Committee of conference. Conference report on H.R. 6799 (Rept. No. 94–414). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS of North Dakota:

H.R. 8955. A bill to amend the Land and Water Conservation Fund Act of 1965 so as to authorize the development of indoor recreation facilities in certain areas; to the Committee on Interior and Insular Affairs.

By Mr. DRINAN:

H.R. 8956. A bill to implement the Federal responsibility for the care and education of the Indian people by improving the services and facilities of Federal Indian health programs and encouraging maximum participation of Indians in such programs, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. EDWARDS of California:

H.R. 8957. A bill to raise the limitation on appropriations for the U.S. Commission on Civil Rights; to the Committee on the Judiciary.

By Mr. FASCELL:

H.R. 8958. A bill to revise the effective date provisions for pay comparability adjustments under title 5, United States Code, so that such adjustments apply to all executive branch employees on the same date; to the Committee on Post Office and Civil Service.

By Mr. HASTINGS (for himself, and Mr. McDade):

H.R. 8959. A bill to amend section 402 of the Regional Rail Reorganization Act of 1973 with respect to the percentage of the Federal share of rail service continuation subsidies; to the Committee on Interstate and Foreign Commerce.

By Mr. HOWARD:

H.R. 8960. A bill to amend title 5, United States Code, to require the heads of the respective executive agencies to provide the Congress with advance notice of certain planned organizational and other changes or actions which would affect Federal civilian employment and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. MATHIS:

H.R. 8961. A bill to amend title XII of the Public Health Service Act to revise and extend the program of assistance for emergency medical services systems; to the Committee on Interstate and Foreign Commerce.

H.R. 8962. A bill to amend the Federal Water Pollution Control Act relating to permits for the discharge of dredged and fill material, and for other purposes; to the Committee on Public Works and Transportation.

H.R. 8963. A bill to amend the Civil Rights Act of 1968 and title 5 of the National Housing Act to prevent discrimination based on marital status; jointly to the Committees on the Judiciary, and Banking, Currency and Housing.

By Mr. METCALFE (for himself, Mr. Carr, Mr. Brown of California, Mr. Conyers, Mr. Won Pat, Mr. Nix, Mr. Corman, Mr. Ottinger, Mr. Mikva, Mr. Stark, Mr. Dellums, Mr. Helstoski, Mrs. Spellman, Mr. Fraser, Mr. Leggett, Mr. Moakley, Mr. Mitchell of Maryland, and Mrs. Burke of California):

H.R. 8964. A bill to amend section 1979 of the Revised Statutes (42 U.S.C. 1983) to permit suits against bodies politic and the District of Columbia with respect to certain violations of civil rights; to the Committee on the Judiciary.

By Mr. SISK (for himself, Mr. Hungate, Mr. Roush, Mr. Whitehurst, Mr. Charles Wilson of Texas, Mr. Winn, and Mr. Yatron):

H.R. 8965. A bill to amend title II of the Social Security Act to provide that when an adverse decision is made on a claim for benefits thereunder, the claimant shall have the right to reconsideration, including an informal conference and statement of the case, prior to hearing; to impose time limits and make other improvements in the procedures for determining such claims; and to regularize the appointment of administrative law judges hearing such claims; to the Committee on Ways and Means.

By Mr. TRAXLER:

H.R. 8966. A bill to amend the Federal Food, Drug, and Cosmetic Act to establish certain limitations respecting the authority of the Secretary of Health, Education, and Welfare to regulate vitamins and minerals under that act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. RODINO (by request):

H.R. 8967. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968, and for other purposes; to the Committee on the Judiciary.

By Mr. BLANCHARD:

H.R. 8968. A bill to amend the Congressional Budget Act of 1974 to require full congressional review of each Federal program once every 2 years under zero-base budgeting procedures; to the Committee on Rules.

By Mr. BONKER:

H.R. 8969. A bill to amend the Food Stamp Act of 1964 to assure that recipients of assistance under that act will not have the amount of such assistance reduced, or entitlement thereto discontinued, because of increases in monthly social security benefits; to the Committee on Agriculture.

H.R. 8970. A bill to amend the U.S. Housing Act of 1937, and the National Housing Act, to provide that future social security benefit increases shall be disregarded in determining eligibility for admission to or occupancy of low-rent public housing or the rent which an individual or family must pay for such housing, and that such increases shall also be disregarded in determining eligibility for (and the amount of) other Federal housing subsidies; to the Committee on Banking, Currency and Housing.

H.R. 8971. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to provide assurance that social security recipients will receive the full benefit of cost-of-living increases to provide that the remarriage of a widow, widower, or parent shall not reduce entitlement to certain benefits, to further encourage senior citizen participation in the work force, and for other purposes; to the Committee on Ways and Means.

H.R. 8972. A bill to amend titles II and XVIII of the Social Security Act to include coverage for eye and ear examinations, yearly Papanicolaou tests, hearing aids, eyeglass lenses, dentures and certain qualified drugs; to the Committee on Ways and Means.

H.R. 8973. A bill to amend title II of the Social Security Act to eliminate the special dependency requirements for entitlement to husband's and widower's insurance benefits, to provide benefits for widowed fathers with minor children, and to make certain other changes so that benefits for husbands, widowers and fathers will be payable on the same basis as benefits for wives, widows, and mothers; to the Committee on Ways and Means.

By Mr. BROWN of Michigan:

H.R. 8974. A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses; to the Committee on Interstate and Foreign Commerce.

By Mr. BROWN of Michigan (for himself and Mr. Vander Jagt):

H.R. 8975. A bill to amend the Federal Trade Commission Act to provide that under certain circumstances exclusive territorial arrangements shall not be deemed per se unlawful; to the Committee on Interstate and Foreign Commerce.

By Mr. CLAY (for himself, Mr. Jacobs, Mr. Perkins, Mr. Rees, and Mr. Charles Wilson of Texas):

H.R. 8976. A bill to restore to Federal civilian and Postal Service employees their rights to participate voluntarily, as private citizens, in the political processes of the Nation, to protect such employees from improper political solicitations, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. DENT:

H.R. 8977. A bill to provide for an increase in judicial salaries, and for other purposes; jointly to the Committees on Post Office and Civil Service, and the Judiciary.

By Mr. DERWINSKI (for himself, Mr. Burgener, Mr. Lagomarsino, Mr. Harkin, and Mr. Rooney):

H.R. 8978. A bill to authorize the construction and maintenance of the Gen. Draza Mihailovich Monument in Washington, District of Columbia, in recognition of the role he played in saving the lives of approximately 500 U.S. airmen in Yugoslavia during World War II; to the Committee on House Administration.

By Mr. DODD (for himself, Mr. Beard of Rhode Island, Mr. Carr, Mr. Cotter, Mr. Esch, Mr. Fish, Mr. Giaimo, Mr. Gilman, Mr. Harrington, Mr. McHugh, Mr. McKinney, Mr. Moffett, Mr. Pattison of New York, Mr. Roe, Mr. Sarasin, Mr. Simon, Mr. Thompson, Mr. Traxler, Mr. Vander Veen, and Mr. Zeferetti):

H.R. 8979. A bill to amend the Regional Rail Reorganization Act of 1973 with respect to the percentage of Federal subsidies for rail service continuation and to require the U.S. Railway Association to analyze certain railroad branch lines for inclusion in the final system plan; to the Committee on Interstate and Foreign Commerce.

By Mr. FOLEY (for himself, Mr. Cleveland, Mr. Ford of Michigan, Mr. McEwen, Mrs. Meyner, Mr. Rinaldo, Mr. Ryan, Mr. Sarbanes, Mrs. Spellman, and Mr. Studds):

H.R. 8980. A bill to amend the act of August 24, 1966, as amended, to assure humane treatment of certain animals, and for other purposes; to the Committee on Agriculture.

By Mr. FRENZEL:

H.R. 8981. A bill to amend title XIII of the Public Health Service Act to revise and extend the program for the establishment and expansion of health maintenance organizations; to the Committee on Interstate and Foreign Commerce.

By Mr. HELSTOSKI:

H.R. 8982. A bill to provide for regulation of business franchises, to require a full disclosure of the nature of interests in business franchises, to provide for increased protection of the public interest in the sale of business franchises, and to provide for fair competition in the negotiation of franchise agreements; to the Committee on Interstate and Foreign Commerce.

By Mr. HELSTOSKI (for himself and Mr. Carr):

H.R. 8983. A bill to require the establishment, on the basis of decennial censuses, of congressional districts composed of contiguous and compact territory for the election of Representatives, and for other purposes; to the Committee on the Judiciary.

Mr. KOCH (for himself and Mr. Phillip Burton):

H.R. 8984. A bill to amend certain provisions of the Controlled Substances Act relating to marihuana; to the Committee on Interstate and Foreign Commerce.

By Mr. RIEGLE:

H.R. 8985. A bill to create a national system of health security; to the Committee on Ways and Means.

By Ms. SCHROEDER:

H.R. 8986. A bill to amend the Foreign Military Sales Act to allow Congress to disapprove any sale to a country of defense articles or services which causes the total annual sales to such country to exceed $50 million; to the Committee on International Relations.

H.R. 8987. A bill to amend the Foreign Military Sales Act to revise the procedure for disapproval by Congress of a proposed sale under such act; jointly to the Committees on International Relations and Rules.

By Mr. STRATTON (for himself and Mr. Walsh):

H.R. 8988. A bill to prohibit any increase in the price of certain consumer commodities by any retailer once a price is placed on any such commodity by such retailer, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ULLMAN:

H.R. 8989. A bill to amend the Internal Revenue Code of 1954 to provide the same tax exemptions and general tax treatment to recognized Indian tribes as are applicable to other governmental units; to the Committee on Ways and Means.

By Mr. CORNELL:

H.R. 8990. A bill to amend the Internal Revenue Code of 1954 to allow persons covered by certain other retirement plans to establish personal savings for retirement; to the Committee on Ways and Means.

By Mr. HAWKINS:

H.R. 8991. A bill to amend the Community Services Act of 1974 to make certain technical and conforming amendments; to the Committee on Education and Labor.

By Mr. BRODHEAD:

H.J. Res. 591. Joint resolution designating John Philip Sousa's "The Stars and Stripes Forever" as the national march of the United States; to the Committee on Post Office and Civil Service.

By Mr. HANNAFORD:

H.J. Res. 592. Joint resolution to provide that the Washington Monument, the Lincoln Memorial, and the Jefferson Memorial be illuminated all night during calendar year 1976; to the Committee on Interior and Insular Affairs.

By Mr. McCORMACK:

H.J. Res. 593. Joint resolution authorizing the President to proclaim October 26 of each year National Solar Energy Day; to the Committee on Post Office and Civil Service.

By Mr. McDADE:

H.J. Res. 594. Joint resolution to require the Attorney General of the United States to conduct an investigation to determine whether antitrust violations are occurring in the manufacture or marketing of replacement home canning lids, and for other purposes; to the Committee on the Judiciary.

By Mr. SIKES (for himself, Mr. Oberstar, Mr. Young of Alaska, Mr. Runnels, Mr. Bonker, Mr. Johnson of California, and Mr. Dominick V. Daniels):

H.J. Res. 595. Joint resolution asking the President of the United States to declare the fourth Saturday of each September National Hunting and Fishing Day; to the Committee on Post Office and Civil Service.

By Mr. BINGHAM (for himself and Mr. Roybal):

H. Con. Res. 364. Concurrent resolution disapproving the proposed sales to Jordan of the Hawk missile and Vulcan antiaircraft systems; to the Committee on International Relations.

By Mr. HELSTOSKI:

H. Con. Res. 365. Concurrent resolution expressing the sense of Congress concerning the right of self-determination of the peoples of Lithuania, Latvia, and Estonia; to the Committee on International Relations.

By Mr. ICHORD:

H. Con. Res. 366. Concurrent resolution providing for the printing of the annual report of the Committee on Internal Security for the year 1974; to the Committee on House Administration.

By Mr. STAGGERS (for himself, Mr. Dingell, Mr. Eckardt, Mr. Ottinger, Mr. Sharp, Mr. Brodhead, Mr. Maguire, and Mr. Moffett):

H. Res. 641. Resolution disapproving the proposed amendment by the President to remove existing price controls relating to crude oil; to the Committee Interstate and Foreign Commerce.

By Mr. ECKHARDT (for himself, Mr. Mikva, Mr. Moss, Mr. Moffett, Mr. Wirth, and Mr. Bergland):

H. Res. 642. Resolution establishing a Select Committee on Energy; to the Committee on Rules.

By Mr. FRENZEL (for himself, Mr. Andrews of North Dakota, Mr. Archer, Mr. Brown of Ohio, Mr. Brown of Michigan, Mr. Broyhill, Mr. Burgener, Mr. Conte, Mr. Dickinson, Mr. Duncan of Tennessee, Mr. du Pont, Mr. Gradison, Mr. Grassley, Mr. Gude, Mrs. Holt, Mr. Horton, Mr. Hyde, and Mr. Jeffords):

H. Res. 643. Resolution to amend rule XI of the Rules of the House of Representatives to eliminate proxy voting in committees; to the Committee on Rules.

By Mr. FRENZEL (for himself, Mr. Ketchum, Mr. Lott, Mr. McCollister, Mr. McEwen, Mr. Mitchell of New York, Mr. Moore, Mr. Mosher, Mr. O'Brien, Mrs. Pettis, Mr. Regula, Mr. Rinaldo, Mr. Robinson, Mr. Steelman, Mr. Talcott, Mr. Thone, Mr. Vander Jagt, Mr. Walsh, and Mr. Wydler):

H. Res. 644. Resolution to amend rule XI of the Rules of the House of Representatives to eliminate proxy voting in committees; to the Committee on Rules.

PETITIONS, ETC.

Under clause 1 of rule XXII.

179. The SPEAKER presented a petition of the Board of Airport Commissioners, relative to aircraft noise standards; to the Committee on Public Works and Transportation.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FISHER:

H.R. 8992. A bill for the relief of Mohammad Sajid Munir; to the Committee on the Judiciary.

By Mr. TSONGAS:

H.R. 8993. A bill for the relief of Command Sgt. Maj. Robert M. Delia, U.S. Army; to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 7014

By Mr. HECHLER of West Virginia:

On page 345, between lines 15 and 16 insert the following new section:

"Sec. 708. Any employee of the Administrator, or of the Secretary of the Interior, who performs any function or duty under this Act, and who has a direct or indirect financial interest in any corporation, company, association, firm, partnership, or other private entity engaged in the business of exploring, developing, producing, refining, transporting by pipeline, or selling (other than at the retail level) coal, natural gas, or petroleum products, or has any interest in property from which coal, natural gas, or petroleum is commercially produced, shall, beginning on February 1, 1977, annually file with the Administrator (or the Secretary of the Interior, as the case may be) a written statement concerning all such interests held by such employee during the preceding calendar year. Such statement shall be available to the public. Whoever knowingly violates the provisions of this section shall, upon conviction, be punished by a fine of not more than $2,500, or by imprisonment for not more than one year, or both. The Administrator (and the Secretary of the Interior, as the case may be) shall (1) within ninety days after enactment of this Act publish regulations, in accordance with 5 U.S.C. 553, to establish the methods by which the provisions of this section will be monitored and enforced, including appropriate provisions for the filing by such employees and the review by the Administrator (or the Secretary of the Interior, as the case may be) of such statements, and (2) report to the Congress on June 1 of each calendar year on the actions taken and not taken during the preceding calendar year under this section. The Administrator (and the Secretary of the Interior, as the case may be) by regulation published in accordance with 5 U.S.C. 553, may identify specific positions within their respective agencies which are of a nonregulatory and/or nonpolicymaking nature and provide that employees occupying such positions shall be exempt from the requirements of this section."

By Mr. JEFFORDS:

Page 306, line 20, after the period, add the following: "With respect to beverage containers, the term 'energy use' means energy efficiency."

Page 306, line 23, after the period, add the following: "With respect to beverage containers, the term 'energy efficiency' means the ratio (determined on a national basis) of:

"The capacity of the beverage container times the number of times it is likely to be filled, to

"the units of energy resources consumed in producing such container (including such container's raw materials) and in delivering such container and its contents to the consumer.

The Secretary, in determining the energy efficiency shall adjust any such determination to take into account the extent to which such containers are produced from recycled materials."

Page 308, after the period in line 12, insert the following: "With respect to beverage containers, the term 'manufacture' also means the recycling or reuse of a beverage container."

Page 309, after line 5, add the following:

"(16) The term 'beverage container' means a bottle, jar, can, or carton of glass, plastic, or metal, or any combination thereof, used for packaging or marketing beer or any other malt beverage, mineral water, soda water, or a carbonated soft drink of any variety in liquid form which is intended for human consumption."

Page 309, after line 18, insert the following:

"(12) Beverage Containers."

Page 309, line 19, strike out "(12)" and insert in lieu thereof "(13)".

Page 310, line 11, strike out "(11)" and insert in lieu thereof "(12)".

Page 312, line 6, after "(9)", insert "and paragraph (12)".

Page 312, line 14, strike out "(12)" and insert in lieu thereof "(13)".

Page 313, line 11, strike out "(11)" and insert in lieu thereof "(12)".

Page 315, after line 16, insert the following:

"(4) If the Secretary determines that consumer products of the type described in paragraph (12) of section 551(b) achieve the energy efficiency target described in section 554(a)(1), then no labelling requirement under this section may be promulgated or remain in effect with respect to such type."

Page 315, line 22, strike out "(11)" and insert in lieu thereof "(12)".

Page 317, line 20, strike out "(11)" and insert in lieu thereof "(12)".

Page 331, after line 10, add the following:

TITLE VI—ENERGY LABELING AND EFFICIENCY STANDARDS FOR BEVERAGE CONTAINERS

DEFINITIONS AND COVERAGE

Sec. 601. For purposes of this part

(1) The term "beverage container" means a bottle, jar, can, or carton of glass, plastic, or metal, or any combination thereof, used for packaging or marketing beer or any other malt beverage, mineral water, soda water, or a carbonated soft drink of any variety in liquid form which is intended for human consumption.

(2) The term "energy" means electricity or fossil fuels.

(3) The term "energy use" means energy efficiency.

(4) The term "energy efficiency" means the ratio (determined on a national basis) of:

The capacity of the beverage container times the number of times it is likely to be filled, to

The units of energy resources consumed in producing such container (including such container's raw materials) and in delivering such contained and its contents to the consumer.

The Secretary, in determining the energy efficiency account the extent to which such containers are produced from recycled materials.

(5) The term "manufacture" means to manufacture, produce, assemble or recycle or reuse or to import into the customs territory of the United States.

(6) The definitions in paragraphs 5, 7, 8, 9, 10, 12, 13, 14, and 15 of section 551 of this act shall apply to this section except that beverage containers, as defined in this section, are to be considered as consumer products for the purposes of said definitions.

TEST PROCEDURES

Sec. 602. The provisions of section 552 of this act with respect to consumer products, shall be applicable to beverage containers as defined in section 601.

LABELING

SEC. 603. The provisions of section 553, except paragraph (B) of subsection (a)(1), shall be applicable to beverage containers as defined in section 601. In addition, if the Secretary determines that a beverage container achieves the energy efficiency target described in section 604, then no labeling requirement under this section may be promulgated or remain in effect with respect to such type.

ENERGY EFFICIENCY STANDARDS

SEC. 604. The provisions of section 554 of this act with respect to consumer products shall be applicable to beverage containers as defined in section 601 except that energy efficiency targets provided for in said section with respect to beverage containers, shall be designed so that if met, aggregate energy efficiency of all beverage containers which are sold in 1980 will improve by 25 per cent over the aggregate energy efficiency achieved by all beverage containers sold in 1974.

REQUIREMENTS OF MANUFACTURERS AND PRIVATE LABELERS

SEC. 605. The provisions of section 555 of this act with respect to consumer products to which a rule under section 553 applies shall be applicable to beverage containers as defined in section 601.

EFFECT ON STATE LAW

SEC. 606. The provisions of section 556 of this act with respect to consumer products shall be applicable to beverage containers as defined in section 601.

RULES

SEC. 607. The provisions of section 557 of this act with respect to part B of title V shall also be applicable to this title.

AUTHORITY TO OBTAIN INFORMATION

SEC. 608. The provisions of section 558 of this act with respect to part B of title V shall also be applicable to this title.

EXPORTS

SEC. 609. The provisions of section (559) of this act with respect to consumer products shall also be applicable to beverage containers as defined in section 601.

IMPORTS

SEC. 610. The provisions of Section (560) of this act with respect to consumer products shall also be applicable to beverage containers as defined in Section 601.

PROHIBITED ACTS

SEC. 611. The provisions of Section 561 of this act with respect to consumer products shall also be applicable to beverage containers as defined in Section 601.

ENFORCEMENT

SEC. 612 The provisions of Section 562 of this act with respect to consumer products as defined in Part B of Title V shall also be applicable to beverage containers as defined in this title.

INJUNCTIVE ENFORCEMENT

SEC. 613 The provisions of Section 563 of this act with respect to consumer products as defined in Part B of Title V shall also be applicable to beverage containers as defined in this title.

ADMINISTRATIVE PROCEDURES AND JUDICIAL REVIEW

SEC. 614. The provisions of Section 564 of this act with respect to consumer products as defined in Part B of Title V shall also be applicable to beverage containers as defined in this title.

COOPERATION WITH OTHER AGENCIES; DELEGATION

SEC. 615. The provisions of Section 565 of this act with respect to consumer products as defined in Part B of Title V shall also be applicable to beverage containers as defined in this title.

Renumber subsequent titles accordingly.

Page 331, after line 10, add the following:

PART C—ENERGY LABELING AND EFFICIENCY STANDARDS FOR BEVERAGE CONTAINERS

DEFINITIONS AND COVERAGE

SEC. 570—for purposes of this part

(1) The term "beverage container" means a bottle, jar, can, or carton of glass, plastic, or metal, or any combination thereof, used for packaging or marketing beer or any other malt beverage, mineral water, soda water, or a carbonated soft drink of any variety in liquid form which is intended for human consumption.

(2) The term "energy" means electricity or fossil fuels.

(3) The term "energy use" means energy efficiency.

(4) The term "energy efficiency" means the ratio (determined on a national basis) of:

The capacity of the beverage container times the number of times it is likely to be filled, to

The units of energy resources consumed in producing such container (including such container's raw materials) and in delivering such container and its contents to the consumer.

The Secretary, in determining the energy efficiency shall adjust any such determination to take into account the extent to which such containers are produced from recycled materials.

(5) The term "manufacture" means to manufacture, produce, assemble or recycle or reuse or to import into the customs territory of the United States.

(6) The definitions in paragraphs 5, 7, 8, 9, 10, 12, 13, 14, and 15 of section 551 of this act shall apply to this section except that beverage containers, as defined in this section, are to be considered as consumer products for the purposes of said definitions.

TEST PROCEDURES

SEC. (571) The provisions of section 552 of this act with respect to consumer products, shall be applicable to beverage containers as defined in section 570.

LABELING

SEC. (572) The provsions of section 553, except paragraph (B) of subsection (a) (1), shall be applicable to beverage containers as defined in section 570. In addition, if the Secretary determines that a beverage container achieves the energy efficiency target described in section 573, then no labeling requirement under this section may be promulgated or remain in effect with respect to such type.

ENERGY EFFICIENCY STANDARDS

SEC. (573) The provisions of section 554 of this act with respect to consumer products shall be applicable to beverage containers as defined in section 570 except that energy efficiency targets provided for in said section with respect to beverage containers, shall be designed so that if met, aggregate energy efficiency of all beverage containers which are sold in 1980 will improve by 25 percent over the aggregate energy efficiency achieved by all beverage containers sold in 1974.

REQUIREMENTS OF MANUFACTURERS AND PRIVATE LABELERS

SEC. (574) The provisions of section 555 of this act with respect to consumer products to which a rule under section 553 applies shall be applicable to beverage containers as defined in section 570.

EFFECT ON STATE LAW

SEC. (575) The provisions of section 556 of this act with respect to consumer products shall be applicable to beverage containers as defined in section 570.

RULES

SEC. (576) The provisions of section 557 of this act with respect to part B of this title shall also be applicable to part C.

AUTHORITY TO OBTAIN INFORMATION

SEC. (577) The provisions of section 558 of this act with respect to part B of this title shall also be applicable to part C.

EXPORTS

SEC. (578) The provisions of section 559 of this act with respect to consumer products shall also be applicable to beverage containers as defined in section 570.

IMPORTS

SEC. (579) The provisions of section (560) of this act with respect to consumer products shall also be applicable to beverage containers as defined in section (570).

PROHIBITED ACTS

SEC. (580) The provisions of section 561 of this act with respect to consumer products shall also be applicable to beverage containers as defined in section 570.

ENFORCEMENT

SEC. (581) The provisions of section 562 of this act with respect to consumer products as defined in part B of this title shall also be applicable to beverage containers as defined in part C.

INJUNCTIVE ENFORCEMENT

SEC. (582) The provisions of section 563 of this act with respect to consumer products as defined in part B of this title shall also be applicable to beverage containers as defined in part C.

ADMINISTRATIVE PROCEDURES AND JUDICIAL REVIEW

SEC. (583) The provisions of section 564 of this act with respect to consumer products as defined in Part B of this title shall also be applicable to beverage containers as defined in Part C.

COOPERATION WITH OTHER AGENCIES; DELEGATION

SEC. (584) The provisions of section 565 of this act with respect to consumer products as defined in Part B of this title shall also be applicable to beverage containers as defined in part C.

By Mr. **KRUEGER**:

Page 214, after line 3, insert the following new section; and redesignate the following sections accordingly:

OIL PRICING POLICY

SEC. 301. (a) The Emergency Petroleum Allocation Act of 1973 is amended by adding at the end thereof the following new section:

"CRUDE OIL PRICE REGULATION

"SEC. 8. (a) For the purposes of this section:

"(1) The term 'crude oil' means a mixture of hydrocarbons that existed in liquid phase in underground reservoirs and remains liquid at atmospheric pressure after passing through surface separating facilities, and lease condensate which is a natural gas liquid recovered in associated production by lease separators.

"(2) The term 'domestic crude oil' means crude oil produced in the United States.

"(3) The term 'producer' means a person who produces crude oil or any person who owns crude oil when it is produced.

"(4) The term 'property' means the right to produce domestic crude oil which arises from a lease or from a fee interest.

"(5) The term 'base period control level' means—

"(A) the total number of barrels of domestic crude oil produced and sold from a property in the months of May through December 1972; divided by—

"(B) the number of months in which domestic crude oil was produced and sold during the months of May through December 1972 (excluding any month in which there occurred any shutdown in production from the property).

"(6) The term 'current cumulative deficiency in base period control level crude oil' means the total number of barrels by which production and sale of crude oil has been less than the base period control level, for all months in which production and sale of crude oil has been less than the base period control level subsequent to the first month in which new crude oil was produced and sold, minus the total number of barrels of domestic crude oil produced and sold in each prior month which was in excess of the base period control level for that month, but which was not sold for a price in excess of the ceiling price specified in—

"(A) 10 C.F.R. 212.73(b) (as in effect on June 30, 1975); or

"(B) subsection (c)(1) of this section.

"(7) The term 'new crude oil' means, with respect to a specific property, the total number of barrels of domestic crude oil produced and sold in a specific month, less (A) the base period control level for that month, and less (B) the current cumulative deficiency in base production control level crude oil.

"(8) The term 'old crude oil' means the total number of barrels of crude oil produced and sold from a property in a specific month, less the total number of barrels of new crude oil for that property in that month, and less the total number of barrels of released crude oil for that property in that month.

"(9) The term 'released crude oil' means that part of the base period control level crude oil for a property in a particular month which is equal to the total number of barrels of new crude oil produced and sold from that property in a specific month. The amount of released crude oil for a property in a particular month shall not exceed the amount of the base period control level crude oil for that property in that month.

"(10) The term 'decontrol base production level' means, with respect to a property, the total number of barrels of old crude oil produced and sold from the property during the three calendar months ending June 30, 1975, divided by three. The decontrol base production level for each property shall be based upon each well on that property having been maintained at the maximum feasible rate of production during the three calendar months ending June 30, 1975, in accordance with recognized conservation practices, and not significantly curtailed by reason of mechanical failure or other disruption in production. In a case where production from a property was not so maintained, the President shall assign a decontrol base production level which fairly represents the production level which would have been attained if that property had been so maintained.

"(11) The term 'adjusted decontrol base production level' means the decontrol base production level, less—

"(A) with respect to any month during the 12-month period which begins on the decontrol effective date, 1.5 per centum of the decontrol base production level for that property multiplied by the number of months, beginning with the month in which the decontrol effective date occurs, through the current month;

"(B) with respect to any month during the 12-month period which begins one year after the decontrol effective date—

"(i) 18 per centum of the decontrol base production level for that property, plus

"(ii) 2.5 per centum of the decontrol base production level for that property multiplied by the number of months, beginning with the month in which the decontrol effective date occurs, through the current month; and

"(C) with respect to any month which begins two years after the decontrol effective date—

"(i) 48 per centum of the decontrol base production level for that property, plus

"(ii) 3.5 per centum of the decontrol base production level for that property multiplied by the number of months, beginning with the month in which the decontrol effective date occurs, through the current month.

"(12) The term 'current cumulative deficiency in adjusted decontrol base production level" means the total number of barrels by which production and sales of crude oil after the decontrol effective date has been less than the adjusted decontrol base production level for all months in which production and sale of domestic crude oil has been less than the adjusted decontrol base production level subsequent to the first month after the decontrol effective date in which production and sale of domestic crude oil exceeded the adjusted decontrol base production level, minus the total number of barrels of domestic crude oil produced and sold in each month after the decontrol effective date and prior to the current month of production which was in excess of the adjusted decontrol base production level for that month, but was not sold for a price in excess of the ceiling price established pursuant to subsection (d)(1) of this section for sales made after the decontrol effective date.

"(13) The term 'decontrolled old crude oil' means, with respect to a specific property, the total number of barrels of old crude oil produced and sold in the current month in excess of the adjusted decontrol base production level for that month, less the current cumulative deficiency in adjusted decontrol base production level.

"(14) The term 'stripper well lease' means a property whose average daily production of domestic crude oil and production condensates, including natural gas liquids, per well did not exceed 10 barrels per day during the preceding calendar year.

"(15) The field price on a particular date for a particular grade of crude oil in a field is the highest posted price at 6 o'clock antemeridian, local time, on such date for such grade of crude oil at such field; or if there was no such posted price for such grade of crude oil at that field, the related price for such grade of crude oil which . . .

"(16) The term 'decontrol effective date' means the first day of the first full month which follows the date of passage of the concurrent resolution referred to in subsection (d) of this section.

"(b) No producer may charge a price which is higher than the ceiling price established under subsection (c) or (d) for the first sale of domestic crude oil.

"(c) Except as provided in subsection (d)—

"(1) except as provided in paragraph (2), the ceiling price for a particular grade of old crude oil in a particular field is the sum of

"(A) the field price on May 15, 1973, and

"(B) a maximum of $1.35 per barrel;

"(2) the ceiling price for a particular grade of new crude oil, released crude oil and crude oil production from a stripper well lease is the lesser of—

"(A) the field price on January 31, 1975 (excluding any field price applicable to 'oil crude petroleum' under section 212.73 of title 10 of the Code of Federal Regulations, as in effect on January 31, 1975), or

"(B) $11.50 per barrel.

"(d) If the Congress finds, and so declares by concurrent resolution, that there are in effect appropriate Federal taxes with respect to crude oil, enacted under regularly constituted procedures and within established committee jurisdictions, and that such taxes remove from the producers of oil excessive profits attributable to deregulation,

"(1) the ceiling price specified in subsection (c)(1) shall apply only to old crude oil less any decontrolled old crude oil; and

"(2) the ceiling price for new crude oil, released crude oil, decontrolled old crude oil and crude oil production from any stripper well lease shall be—

"(A) for crude oil produced from a property from which crude oil was produced and sold on May 15, 1973, or prior thereto, the sum of

"(i) the May 15, 1973, field price, plus

"(ii) $7.60 per barrel, plus

"(iii) an amount equal to $.05 per barrel multiplied by the number of months, beginning with the month in which the decontrol effective date occurs, through the current month for a maximum of 39 months;

"(B) the crude oil produced from a property from which crude oil was not produced and sold on May 15, 1973, or prior thereto, the sum of—

"(i) $11.50 per barrel, plus

"(ii) an amount equal to $.05 per barrel multiplied by the number of months, beginning with the month in which the decontrol effective date occurs, through the current month for a maximum of 39 months.

"(3) No price ceilings specified under this subsection shall apply after the 39-month period which follows the decontrol effective date.

"(e) Notwithstanding section 4(e)(2) of this Act and section 405 of the Act entitled 'An Act to amend section 28 of the Mineral Leasing Act of 1920, and to authorize a trans-Alaska oil pipeline, and for other purposes', approved November 16, 1973 (Public Law 93–153), the ceiling price for any first sale of domestic crude oil shall be as specified in subsection (c) or (d) of this section, as the case may be.".

(b) Section 5(a) of the Emergency Petroleum Allocation Act of 1973 is amended by adding at the end thereof the following:

"(3) A violation of section 8(b) of this Act shall be treated as if it were a violation of the regulation promulgated under section 4(a) of this Act.".

(c) The amendments made by this section shall take effect on the first day of the first full month following the date of enactment of this Act.

By Mr. SNYDER:

Page 334, line 24, insert "(i)" after "(A)".

Page 335, insert after line 2 the following:

"(ii) The Administrator shall not issue any order under this subsection which applies to any power plant which was in existence on June 30, 1975, which during the 12-month period preceding such date did not burn petroleum products, and which the Administrator determines will be operated on natural gas only for the purpose of providing electric power which would otherwise be provided by one or more of the base load power plants of the same electric power system which cannot be operated because of an air pollution emergency or because of an unanticipated equipment outage or an act of God."

SENATE—*Monday, July 28, 1975*

The Senate met at 10 a.m., and was called to order by Hon. WENDELL H. FORD, a Senator from the State of Kentucky.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O Lord, who has promised that where two or three are gathered together in Thy name Thou art in the midst of them, make us vividly aware of Thy presence now and in each moment of this day's toil. Amid the stresses and strains of a fast-moving agenda give us "the peace of those whose minds are stayed on Thee." We do not ask for mystic revelations of finished programs and ready-made legislation, but only that we may take one step at a time wisely, in obedience to conscience and in accord with Thy will. If Thou wilt answer our prayer, strengthen and help us, then shall we be better than we are, wiser than we know and stronger then we dream. Bestow upon this body, its officers and servants the seal of Thy benediction.

We pray in the name of the great Redeemer. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The **PRESIDING OFFICER**. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., July 28, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. WENDELL H. FORD, a Senator from the State of Kentucky, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. **FORD** thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Saturday, July 26, 1975, be dispensed with.

The **ACTING PRESIDENT** pro tempore. Without objection, it is so ordered.

REQUEST TO WAIVE THE CALL OF THE CALENDAR

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent that the call of the legislative calendar, under rule VIII, be dispensed with.

Mr. **ALLEN**. Mr. President, reserving the right to object, I point out to the distinguished majority leader that we have a number of matters coming over under the rule, the first being Senate Resolution 209 to declare a vacancy in the office of U.S Senator for the State of New Hampshire for the term beginning January of this year

The **ACTING PRESIDENT** pro tempore. The Chair points out that that would precede the call of the calendar.

Mr. **ALLEN**. The Chair points out what?

The **ACTING PRESIDENT** pro tempore. The Chair points out that resolutions coming over under the rule would precede the call of the calendar whether there is objection or not.

Mr. **ALLEN**. Yes, I know, if I object. That is the reason why I am reserving the right to object, wondering if we might agree on a vote on that resolution.

Mr. **MANSFIELD**. No.

Mr. **ALLEN**. I object.

The **PRESIDING OFFICER**. Objection is heard.

Mr. **MANSFIELD**. Mr. President, I understand that there are two objections, because the distinguished Republican leader indicated that he was going to object, also.

The **ACTING PRESIDENT** pro tempore. The Senator from Pennsylvania.

DETERMINATION OF SENATE ELECTION IN NEW HAMPSHIRE

Mr. **HUGH SCOTT**. Mr. President, far more than a flyspeck on the body politic is the New Hampshire election. On this one the Senate is full of flyspecks, and they are all over our face, because we got nowhere and, in my judgment, we are not going to get anywhere, unless we send this contest back to New Hampshire.

I have read the Washington Post this morning, and I ask unanimous consent that at the end of my remarks the Post editorial appear at that point in the RECORD.

The **ACTING PRESIDENT** pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. **HUGH SCOTT**. I note the overtone of desperation on the part of the Post editorial writer that nothing seems to be done and, perhaps, the contestants ought to take the lead in discussing some compromise.

I have no objection to the contestants discussing it with each other. It is the Senate's business and, if they can work it out for us that is great. There is no objection to their talking it over making each other some proposals.

Mr. **MANSFIELD**. Mr. President, will the Senator yield right there?

Mr. **HUGH SCOTT**. Yes.

Mr. **MANSFIELD**. Mr. President, I notice that the distinguished Republican leader has stated "It is the Senate's business."

It truly is the Senate's business because if the Senator will turn to article I of the Constitution of the United States he will find that in section 5 it states:

> Each House shall be the judge of the elections, returns, and qualifications of its own Members.

Mr. President, I think the Senate has been unduly castigated because it is facing up to its constitutional responsibilities. There is nothing I would rather do than get this Wyman-Durkin matter out of this Chamber. But much as I would like to see that done, I have no choice as a Senator of the United States and a Senator from Montana but to adhere to article I, section 5 of the Constitution of the United States which says:

> Each House shall be the judge of the Elections, Returns, and qualifications of its own Members.

It is not an easy job to be in this position and to uphold the Constitution of the United States and to be criticized for it day in and day out by the press of this Nation.

Do they not believe in the Constitution? Evidently not. But I do, and I intend to uphold my oath of office and carry out my responsibilities in upholding the Constitution, to the best of my ability. This is the basic document on which we govern, and I do not think it should be turned aside lightly, and I do not think that we should be criticized for upholding the Constitution of the United States.

It is as simple as that. I thank the Senator.

Mr. **HUGH SCOTT**. Not at all.

Mr. President, and it is also as complicated as that, as one newspaper editorial points out:

> It is equally possible to argue that since neither Mr. Wyman nor Mr. Durkin is yet a member of the Senate that the Senate has no jurisdiction whatsoever.

But the Constitution provides us with further guidance, much in keeping with logic and an application of the framework of the system under which we are governed. Article V of the Constitution provides:

> . . . . and that no State, without its consent, shall be deprived of its suffrage in the Senate.

Now, the legislation of the State of New Hampshire has said this deprivation is without its consent, has asked that the certificates be sent back and that the seat be declared vacant, and that a new election be held. So the State is proceeding under Article V.

Under the 17th amendment:

> The Senate of the United States shall be composed of two Senators from each State, elected by the people thereof, for 6 years; and each Senator shall have one vote. The electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislatures.

Now, moreover, it is entirely within the responsibility of the Senate, exercising its constitutional responsibility, as the distinguished majority leader has pointed out, in being the judge of its own membership, the Senate has the constitutional right to send this election back. No one has contested it, no one has argued otherwise. There is no question whatever that in the course of judgment of its membership the Senate may call for a new election or it may declare the seat vacant, as indeed the Senate has in Illinois, in Pennsylvania, in Iowa, and in numerous other States.

Mr. MANSFIELD. Mr. President, will the Senator yield briefly?

Mr. HUGH SCOTT. Yes.

Mr. MANSFIELD. I only wish to point out what we have been endeavoring to do is to have the evidence presented to the Senate, and no evidence has been presented as yet.

The Committee on Rules and Administration reported a resolution, I understand, 8 to 0. We have not got to the first—we have completed the first issue of that bill, but there are in excess of 30 issues to be faced up to.

I have not seen the evidence yet. I want to keep an open mind. We are not trying to steal this election, as has been alleged. There has been no hanky-panky. There has been no subterfuge. All we want to do is to see the evidence and to face up to these issues which have been reported to the full Senate by the Committee on Rules and Administration, and we are denied that chance except for one issue, just one.

The RECORD ought to be clear. This is a constitutional matter, and article I, section 5, regardless of what anyone says, is the law of the land. We cannot shirk that responsibility. We cannot avoid it much as we, some of us, would like to.

As I say, Mr. President, and to my friend, the distinguished Republican leader, there is nothing I would rather do than to get this Wyman-Durkin contest out of this Chamber, but I cannot, I will not and I shall not forego my constitutional responsibility as a Senator of the United States nor will I forego the Constitution which, when I came in, I swore to defend and uphold, and I will.

Mr. HUGH SCOTT. Mr. President, there is no shirking of responsibility in sending this election back. That, too, is under the Constitution, and there is no shirking responsibility in recognizing that New Hampshire has had one vote only on numerous important issues.

There is no shirking of responsibility if we let these two contestants see what they have to say about it. But, above everything else, the Constitution will be observed no matter which way we go. I point out when issue (1) was invoked it was invoked against our clear and valid and, I would say, constitutionally unquestionable right to have 10 precincts tallied, and our right to have Mr. Wyman's protests heard after Mr. Durkin's were heard. That is not justice, and I am not very much in favor—I am not at all in favor—of that procedure.

I yield to the Senator from Connecticut.

EXHIBIT 1

[From the Washington Post, July 28, 1975]

THE EMPTY SENATE SEAT

It is incredible that the Senate should go on vacation for a month without settling the New Hampshire Senate election case. But that is what the Senate intends to do. Majority Leader Mike Mansfield has decided the controversy has become so bitter and snarled that further votes should be deferred until September—without even any agreement to resolve this tedious business then. Meanwhile, the people of New Hampshire have already been denied one Senate vote on voting rights, defense policy, tax cuts, jobs legislation and a host of other bills. Each day the seat stays empty is another day of denial of a whole state's right to equal representation in the Senate.

Partly because of the complexities of the case, but mostly out of partisan stubbornness, the 99 seated senators have maneuvered themselves into a stalemate. The Democrats have the votes to keep the Republicans from declaring the seat vacant and clearing the way for a new election in New Hampshire. The Republicans have the votes to block cloture and keep the Democrats from imposing a solution in the Senate. The partisan lines have gotten more rigid every week, and neither party leaders nor rank-and-file senators seem inclined to abandon those lines and negotiate a procedural accord. If this state of affairs persists, the seat could stay empty-but-not-vacant for a long, long time. Conceivably, it could even remain so for five years and five months, until the term of the unseated senator runs out and New Hampshire voters elect someone in 1980.

Such a collapse of governmental competence cries out for intervention by some dispassionate and decisive force. However, no magic mediator is available. One side or the other has rejected every suggestion that the unresolved issues be turned over to the General Accounting Office or the American Arbitration Association. Since this is not your average labor-management dispute, the Federal Mediation Service can't be called in, nor can anyone invoke the Taft-Hartley Act. The people of New Hampshire cannot settle the thing among themselves unless the Senate sends it back. Neither the President nor the courts may intervene because the Constitution gives the Senate the power to judge election cases. There is no standing for an appeal to the United Nations, the World Court or the Organization of American States, or, for that matter, the Marines.

Since no distinterested party can be called in, it seems to us that the responsibility for an extraordinary effort to end the impasse rests more than ever with those who have the most direct stake in the result. By that we mean the two contenders, Republican Louis C. Wyman and Democrat John Durkin. No one else has more sensitivity to the concerns of New Hampshire, and no one else has more influence with various senators than the candidates on whose behalf this bitter battle has been carried on. We are not suggesting that Messrs. Wyman and Durkin flip a coin to see who should withdraw. But they certainly could sit down together and try to agree on dropping some challenges, stipulating certain readings of New Hampshire law, naming someone to make the final tally, and recommending a deadline for decision when the Senate reconvenes. If the two candidates could work out a reasonable way to a settlement, their respective partisans in the Senate would have no excuse for not taking it. This may sound unappealing to both sides. It would involve some concessions and some risks. But if nobody concedes anything, no one will ever win. That empty seat can only be won by one candidate and only if both are mature enough to risk losing it.

Mr. WEICKER. I thank the distinguished Senator from Pennsylvania and I wish to be associated with his comments.

I would like to go point-by-point because, aside from the passion exhibited by the distinguished Senator from Montana, I think it is necessary to keep the very simple facts of the case before the American people.

I do not think the distinguished Senator from Montana is suggesting that when the Senate sent back the Smith Brookhart election they were acting unconstitutionally, and this is exactly what happened in previous Senates.

I do not think the Senator from Montana would suggest that he is the only champion of the Constitution on the floor and that those of us who feel it should go back to New Hampshire are shirking our constitutional oath.

Mr. MANSFIELD. Will the Senator yield there?

Mr. WEICKER. In a minute.

Mr. MANSFIELD. I want to ask, was the evidence presented to the Senate ahead of time?

Mr. WEICKER. I am going to get to the evidence in a minute.

The fact is that article I, section 5, which the distinguished Senator from Montana refers to, says:

> Each House shall be the judge of the elections, returns, and qualifications of its own Members.

Now, I have to ask a rhetorical question of the distinguished Senator from Montana, Where does article I, section 5, say that each House shall be the judge of the elections, returns, and qualifications of its own Members, and shall make such determination by referring it to a Rules Committee or by votes on the Senate floor?

It says nothing, it is silent.

What I am saying to the distinguished Senator from Montana is that the Constitution leaves open the question of how each House shall do this. It could very well be a Rules Committee determination is the best way, or on the Senate floor.

For myself, feeling politics has very much opened up in these things, they do not take place behind closed doors and in the Senate Chamber any more, I feel the best determination can be made by the people of New Hampshire themselves. This is the open, clean way, and not wheel and deal in the cloakroom or in the Rules Committee or on the Senate floor.

I happen to be a great admirer of the distinguished majority leader, I do not think anybody has more courage than he, but on the issue of the Constitution, he is just plain wrong, and trying to go ahead and raise a false alarm, which is not the case at all, the Constitution provides that we shall be the judge of the qualifications of our own Members, it does not say how we do it.

But it has been suggested now, almost 6 months, that a far better determination can be made by the people of New Hampshire. That is a far better mechanism to use than sitting here and negotiating out what are the rights of the people of New Hampshire.

Point two is to the issues. Unfortunately, for the distinguished Senator from Montana, the last time we had the issues discussed, there was a rollover right here in the well of the Senate Chamber and the distinguished Senator from Montana will remember the issues had been decided a minute or so before the rollcall in favor of the position taken by the minority side, and with 1 or 2 minutes to go on that vote there was a great deal of scurrying around in the well of the Chamber here.

Mr. HUGH SCOTT. Will the Senator yield?

With no minutes left to go.

Mr. WEICKER. With almost no minutes left to go.

Votes were switched and the majority position then prevailed.

Yes, we got taught a very valuable lesson and that is that far from being an open matter that would be discussed and decided on its merits, there was going to be a straight down the line party exercise.

So that I personally am going to follow the admonition of, once shame on you, twice shame on me, and I will insist and continue to do so on resolving this matter in the best possible way, which is to send it back to New Hampshire.

One last point, if I might, that each Senator might contemplate. I have several of my staff and constituents that recently spent some time in New Hampshire and they found out how pleasant and delightful life is in New Hampshire and the life in New Hampshire seems to be going along very well with only one Senator. If this takes hold, half of us can be out of a job as people realize that the business of the Nation can as well be conducted with one Senator as two Senators.

So I would suggest to all my colleagues that they might keep this in mind because if it goes longer and New Hampshire continues to prosper and the country continues to prosper, it might be determined by the people of New Hampshire to cut the size of this Chamber in half, and I am not so sure that would not be to the benefit of the entire Nation.

What I am saying is that whether we cut it in half or whether both Senators ought to go ahead, or do not seat either, the fact is that if there is a violation to the spirit of the Constitution, it is the way this matter is being handled.

Never before have we gone ahead and not seated anyone. We have seated somebody without prejudice to the person that was appealing.

But the problem is that this was Mickey Moused right from the beginning, Mr. Majority Leader. We did not follow our precedents.

Mr. ROBERT C. BYRD. Mr. President, I am going to have to ask for the regular order. The distinguished leader is entitled to some time, but they have had 15 minutes now; the standing order is 10 minutes each. I will not ask for it, Mr. President.

The ACTING PRESIDENT pro tempore. The Senator from West Virginia makes a point.

Mr. ROBERT C. BYRD. I would like the leader to have a chance.

Mr. MANSFIELD. Will the Republican leader——

Mr. WEICKER. I thank the minority leader.

Mr. MANSFIELD. I would like to ask one question of the distinguished Senator from Connecticut. Did the Senator, during the course of his discourse, use the phrase, "straight party line" in relation to this matter?

Mr. WEICKER. But for certain members of the side, notably Mr. Allen and two or three others, there has been party discipline exercised by the majority on the votes on their side.

Mr. MANSFIELD. The only straight party line has been on the Republican side and there has not been a straight party line on the Democratic side, is that correct?

Mr. WEICKER. The Republican position is not to have the matter resolved here at all, but send it back to New Hampshire.

Mr. MANSFIELD. Will the Senator answer?

Mr. WEICKER. I have answered.

Mr. MANSFIELD In other words, then, I will state the answer. The Republicans have been solid at all times. There have been divisions within the Democratic Party on this side of the aisle, not just one, but more than one, on a number of occasions, and then as far as cloture is concerned there has been four that I can recall offhand, so as far as the straight party line matter is concerned, that is a Republican truism, but as far as we are concerned, does not hold water, and I know the Senator would agree?

Mr. WEICKER. I would agree that the Republican position of sending it to New Hampshire has been adhered to and there has been response on the other side that was shared.

But when we got to the issues, the arm twisting exercise that took place in the well was incredible.

Mr. MANSFIELD. I do not know how to arm twist.

Mr. WEICKER. I saw a lot of votes change so very fast.

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania may sum up.

Mr. HUGH SCOTT. Mr. President, I would prefer to sum up by yielding, if I may, a brief time to the Senator from Oregon, pointing out only this. Our view is that it was unconstitutional to deny Mr. Wyman the seat in the first place when he had a certificate by a two-vote majority, and it is against the rules of this Chamber for votes to be changed in the well after a motion for the regular order has been made.

I yield the remainder of my time.

Mr. ROBERT C. BYRD. Mr. President, there is no remainder of time.

The ACTING PRESIDENT pro tempore. There is no remainder of time.

Mr. ROBERT C. BYRD. I will not raise a point of order, but there is no remainder of time. The time has expired.

Mr. HATFIELD. Mr. President, I thank the distinguished minority leader for yielding.

I might make one observation, I would say up to now the Republican or minority position has been the bipartisan position. The majority party has had the straight partisan position because ours has been votes cast by both Democrat and Republican. That makes our position bipartisan.

Mr. MANSFIELD. Will the Senator yield?

That is the most unusual explanation I have ever heard of bipartisanship.

Mr. HATFIELD. I appreciate the distinctive character that has been applied to my observation by the majority leader.

Mr. President, I would just like to point out one thing. Back on January 3, 1953, the Republican Party controlled the Senate at that time and Senator Taft requested that Senator Chavez should be permitted to take the oath and be seated without prejudice, and it was done.

At no time was any charge or suggesting of election fraud or irregularity made against the Senator.

So even though this was a Republican body controlled by the Republican Party, Senator Dennis Chavez, a Democrat, was seated without prejudice.

Mr. MANSFIELD. Will the Senator yield there?

What was the vote differential between Senator Chavez and his opponent at that time?

Mr. HATFIELD. It is right here in the Record. I would say it is more than two votes.

Mr. MANSFIELD. Yes, considerably more than two.

Mr. HATFIELD. But the basic——

Mr. MANSFIELD. But I would point out that this Senate this year seated the distinguished Senator from Oklahoma (Mr. Bellmon) despite the fact that there was a contest and, if I recall correctly, the difference was somewhere between 4,000 and 5,000 votes in Mr. Bellmon's favor, so there is no question there.

Mr. HATFIELD. Mr. President, I think the basic principle is still valid. That is, only Mr. Wyman held and holds a valid certificate of election.

The ACTING PRESIDENT pro tempore. The time for the majority and minority leaders has expired.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. Ford) laid before the Senate the following letters, which were referred as indicated:

Proposed Legislation Relating to Automobile Emission Standards

A communication from the President of the United States transmitting a draft of proposed legislation relating to automobile emission standards (with accompanying papers); to the Committee on Public Works.

Proposed Legislation by the Secretary of Commerce

A letter from the Secretary of Commerce transmitting a draft of proposed legislation to amend the Public Works and Economic Development Act of 1965 to extend the authorizations for a 3-year period (with accompanying papers); to the Committee on Public Works.

Proposed Amendment to Request for Appropriations for the Department of Agriculture—(S. Doc. 94-94)

A communication from the President of the United States transmitting an amendment to the request for appropriations for the fiscal year 1976 in the amount of $3,137,095,000 and for the transition period July 1 through September 30, 1976, in the amount of $788,883,000 for the Department of Agriculture (with accompanying papers); to the Committee on Appropriations, and ordered to be printed.

Report of the Secretary of Transportation

A letter from the Secretary of Transportation transmitting, pursuant to law, a report from the driver education evaluation program (with an accompanying report); to the Committee on Public Works.

Report of the Assistant Secretary of Defense

A letter from the Assistant Secretary of Defense transmitting a list of contract award dates for the period July 15, to October 15, 1975 (with accompanying papers); to the Committee on Armed Services.

Proposed Act by the Council of the District of Columbia

A letter from the Chairman of the City Council of the District of Columbia transmitting, pursuant to law, copies of an act adopted by the Council establishing Advisory Neighborhood Council areas and single-member districts (with accompanying papers); to the Committee on the District of Columbia.

Report of the Office of the District of Columbia Auditor

A letter from the District of Columbia Auditor transmitting, pursuant to law, a report on Department of Human Resources Personnel Funding (with an accompanying report); to the Committee on the District of Columbia.

Amendments to the Budget of the Energy Research and Development Administration

A letter from the Deputy Administrator of the Energy Research and Development Administration summarizing the effects of proposed amendments on ERDA's programs and showing the changes being requested as compared to the original budget submitted to Congress (with accompanying papers); to the Joint Committee on Atomic Energy.

Reports of the Immigration and Naturalization Service

A letter from the Commissioner of the Immigration and Naturalization Service transmitting, pursuant to law, reports concerning visa petitions which have been approved by the Service covering the period May 16 through May 30, 1975 (with accompanying papers); to the Committee on the Judiciary.

Proposed Regulation of the Department of Health, Education, and Welfare

A letter from the Executive Secretary to the Department of Health, Education, and Welfare transmitting, pursuant to law, a copy of a proposed regulation entitled, "Guaranteed Student Loan Program" (with accompanying papers); to the Committee on Labor and Public Welfare.

PETITIONS

Petitions were laid before the Senate and referred as indicated.

By the ACTING PRESIDENT pro tempore (Mr. Ford):

Senate Concurrent Resolution No. 71 adopted by the Legislature of the State of Louisiana; to the Committee on Appropriations:

"Senate Concurrent Resolution No. 71

"A concurrent resolution to memorialize the Congress of the United States to maintain funding of the Law Enforcement Assistance Administration budget in such amount as will not reduce the funds allocated towards the education and training of law enforcement officials

"Whereas, in recent years there has been a marked increase in the crime rate across the nation, to the extent of being a real threat to the orderly functioning of society; and

"Whereas, it is generally recognized that the first line of defense against crime in the community is the local law enforcement agency; and

"Whereas, the purpose of the Law Enforcement Assistance Administration is to assist state and local government to reduce crime and at this time approximately ten percent of all uniformed police in this country have been trained with assistance from the Law Enforcement Assistance Administration; and

"Whereas, the Law Enforcement Education Program is the particular program which provides the financial assistance for the education of local law enforcement officers and this vital program would be directly affected by a cut in the budget of the Law Enforcement Assistance Administration.

"Therefore, be it resolved by the Senate of the Legislature of Louisiana, the House of Representatives thereof concurring, that the Congress of the United States is hereby memorialized to maintain the budget of the Law Enforcement Assistance Administration at such a level that the Law Enforcement Education Program may continue in operation at present level of effectiveness or above.

"Be it further resolved that a copy of this Resolution shall be transmitted to the presiding officer of each house of the Congress."

Senate Concurrent Resolution No. 97, adopted by the Legislature of the State of Louisiana; ordered to lie on the table:

"Senate Concurrent Resolution No. 97

"A concurrent resolution to memorialize the United States of America to pass United States House of Representatives Resolution 335 in order to establish a House Committee to conduct a complete investigation and study of the problem of United States servicemen presently designated as missing in action as a result of military operations in Southeast Asia

"Whereas, there exists a grave national concern with respect to those United States servicemen presently designated as missing in action as a result of military operations in Southeast Asia; and

"Whereas, because of the absence of conclusive information concerning the plight of these United States servicemen designated as missing in action, the families of such servicemen have experienced a prolonged period of anxiety and uncertainty; and

"Whereas, the families of these servicemen designated as missing in action have admirably displayed sustained strength and courage under very trying circumstances; and

"Whereas, these United States servicemen designated as missing in action have by their many acts of valor exemplified the highest ideals of patriotism and heroism in their service to the United States and those principles for which it stands; and

"Whereas, the United Sates of America; in due recognition of such patriotism and heroism, owes these servicemen and their families an incessant obligation to ascertain the true plight of all such brave Americans; and

"Whereas, Michael B. Varnado, a native resident of the state of Louisiana and a United States Army helicopter pilot in Southeast Asia, has not been conclusively accounted for since May 2, 1970; when his aircraft was shot down by enemy weapons fire; and

"Whereas, the parents of Michael B. Varnado have continually received conflicting reports as to the true plight of their son; and

"Whereas, as a result of the great sorrow and anguish associated with the death of a close relative or friend, there exists a great need for conclusiveness and accurateness in the reporting procedures concerning the plights of those United States servicemen presently designated as missing in action as a result of military operations in Southeast Asia.

"Therefore, be it resolved by the Senate of the Legislature of Louisiana, the House of Representatives thereof concurring, that the Congress of the United States of America is hereby memorialized to pass United States House of Representatives Resolution 335, in order to establish a House Committee to conduct a full and complete investigation and study of the problem of United States servicemen presently designated as missing in action as a result of military operations in Southeast Asia.

"Be it further resolved that copies of this Concurrent Resolution shall be transmitted to each of the members of the Louisiana Congressional Delegation, the speaker of the United States House of Representatives, the president of the United States Senate and the president of the United States of America."

Senate Concurrent Resolution No. 55 adopted by the Legislature of the State of Florida; to the Committee on Post Office and Civil Service:

"A concurrent resolution to urge and request the Louisiana Congressional delegation to take whatever steps they deem necessary to assure that the United States Bureau of the Census will conduct a more accurate census in the future

"Whereas, the United States census has been conducted in such a manner that social, economic, and political factors have influenced, and in part caused, a questionable margin of error therein, affording noteworthy discrepancies in federal funding on the state and local level which the citizens of Louisiana feel should be corrected in the future; and

"Whereas, the education of the public toward the necessity of an accurate census, providing information to them as to the benefits which may accrue on the basis of the census, might contribute to and assist in obtaining a closer approximation of true and accurate results in the census; and

"Whereas, the census is conducted from a 25 percent sample base of the entire population and the results can only be as accurate as the data plotted, and this is further complicated by the fact that the census funding is based on one dollar per sample person interviewed, which economically curtails the hiring of qualified personnel with an expertise in demography and statistical analysis so vitally necessary for the accuracy in the conduct of such a census; and

"Whereas, this situation often has the effect of perpetuating the necessity of district directors being political appointees who in the majority of the cases lack the necessary expertise in demography and statistical analysis and the ability to follow up with checks and balances on the information obtained; and

"Whereas, a combination of these social, economic, and political factors has produced census figures which have been shown, by subsequent censuses or by other demographic tools, to be significantly inaccurate, and these errors, due to the use of the census for numerous governmental programs, are compounded countless times over in the application and implementation of such programs.

"Therefore, be it resolved by the Senate of the Legislature of Louisiana, the House of Representatives thereof concurring, that the legislature does hereby urge and request the Louisiana Congressional delegation to take whatever steps they deem necessary to assure that the Bureau of the Census will conduct a more accurate census in the future.

"Be it further resolved that a copy of this Resolution be forwarded immediately to the presiding officers of the House of Representatives and of the Senate of the United States Congress, to each member of the Louisiana Congressional delegation, to the Director of the Bureau of the Census, and to the President of the United States, the Honorable Gerald R. Ford."

Senate Concurrent Resolution No. 109 adopted by the Legislature of Louisiana; to the Committee on the Judiciary:

SENATE CONCURRENT RESOLUTION No. 109

"A concurrent resolution to apply to the Congress of the United States for a convention to propose an amendment to the Constitution of the United States

"Whereas, an ever-increasing public debt is inimical to the general welfare of the people of the United States; and

"Whereas, the national debt is already dangerously high and any further increases will be harmful and costly to the people of the United States; and

"Whereas, a continuous program of deficit financing by the federal government is one of the greatest factors supporting the inflationary conditions presently existing in this country and therefore has been the chief factor in reducing the value of the American currency; and

"Whereas, payment of the increased interest required by the ever-increasing debt would impose an undue hardship on those with fixed incomes and those in lower income brackets; and

"Whereas, it is not in the best interest of either this or future generations to continue such a practice of deficit spending particularly since this would possibly deplete our supply of national resources for future generations; and

"Whereas, by constantly increasing deficit financing the federal government has been allowed to allocate considerable funds to wasteful and in many instances nonbeneficial public programs; and

"Whereas, by limiting the federal government to spend only the revenues that are estimated will be collected in a given fiscal year, except for certain specified emergencies, this could possibly result in greater selectivity of federal government programs for the benefit of the public and which would depend upon the willingness of the public to pay additional taxes to finance such programs; and

"Whereas, there is provision in Article V of the Constitution of the United States for amending the Constitution by the Congress, on the application of the legislatures of two-thirds of the several states, calling a convention for proposing amendments which shall be valid to all intents and purposes when ratified by the legislatures of three-fourths of the several states, or by conventions in three-fourths thereof, as the one or the other mode of ratification may be proposed by the Congress.

"Therefore, be it resolved by the Senate of the Legislature of Louisiana, the House of Representatives thereof concurring, that we do hereby make application, pursuant to Article V of the Constitution of the United States, to the Congress of the United States to call a convention of the several states for the proposing of the following amendment to the Constitution of the United States:

"AMENDMENT —

"SECTION 1. Except as provided in Section 3, the Congress shall make no appropriation for any fiscal year if the resulting total of appropriations for such fiscal year would exceed the total revenues of the United States for such fiscal year.

"SEC. 2. There shall be no increase in the national debt and such debt, as it exists on the date on which this article is ratified, shall be repaid during the one-hundred-year period beginning with the first fiscal year which begins after the date on which this article is ratified. The rate of repayment shall be such that one-tenth of such debt shall be repaid during each ten-year interval of such one-hundred-year period.

"SEC. 3. In time of war or national emergency, as declared by the Congress, the application of Section 1 or Section 2 of this article, or both such sections, may be suspended by a concurrent resolution which has passed the Senate and the House of Representatives by an affirmative vote of three-fourths of the authorized membership of each such house. Such suspension shall not be effective past the two-year term of the Congress which passes such resolution, and if war or an emergency continues to exist such suspension must be reenacted in the same manner as provided herein.

"SEC. 4. This article shall apply only with respect to fiscal years which begin more than six months after the date on which this article is ratified."

"Be it further resolved that this application by the Legislature of the state of Louisiana constitutes a continuing application in accordance with Article V of the Constitution of the United States until at least two-thirds of the legislatures of the several states have made similar applications pursuant to Article V, but if Congress proposes an amendment to the Constitution identical with that contained in this Resolution before January 1, 1976, this application for a convention of the several states shall no longer be of any force or effect.

"Be it further resolved that a duly attested copy of this Resolution be immediately transmitted to the Secretary of the Senate of the United States, the Clerk of the House of Representatives of the United States; to each member of the Congress from this state; and to each house of each state legislature in the United States."

Senate Memorial No. 1384 adopted by the Legislature of the State of Florida; to the Committee on Interior and Insular Affairs:

"SENATE MEMORIAL No. 1384

"A memorial to the Congress of the United States, urging Congress to take appropriate action to allow the continuation of agricultural activities in the Hole-in-the-Donut area of the Everglades National Park.

"Whereas, the Hole-in-the-Donut area of the Everglades National Park is a unique and extremely productive farming area which has been in agricultural use for over 60 years, and

"Whereas, the Hole-in-the-Donut area was excluded from the original boundaries of the park in recognition of its value for agricultural use, and

"Whereas, in 1970, the Congress of the United States authorized the acquisition of agricultural holdings in the park, including the Hole-in-the Donut area, and legislation was enacted requiring all farming to cease on the government-acquired lands within the Hole-in-the-Donut area, and

"Whereas, individual efforts by growers over the past 5 years to reach a compromise agreement with the Department of the Interior to allow farming to continue have been fruitless, and

"Whereas, the remaining agricultural leases for the 3,500-plus acres farmed in the Hole-in-the-Donut area this year will expire on June 30, 1975, and

"Whereas, an independent study of farming in the Hole-in-the-Donut area indicates that there is no history of, and no indication of future environmental damage as a result of farming in the area, and

"Whereas, the cessation of farming in the Hole-in-the-Donut area will have extremely severe social, economic, and environmental impacts as it will lead to the virtual destruction of the Hole-in-the-Donut area's tomato industry, which during a certain 6-week period produces up to half of all the tomatoes packed in the United States, and the unemployment of thousands of farmworkers, and

"Whereas, the continuation of farming in the Hole-in-the-Donut area is in the best interests of the nation and the park itself, as well as of the people of Florida, Now, therefore,

"Be it resolved by the Legislature of the State of Florida:

"That the Congress of the United States is urgently requested to immediately take appropriate action to allow the continuation of farming in the Hole-in-the-Donut area of the Everglades National Park by providing for the continuation of the long term agricultural lease of 5,000 acres within that area.

"Be it further resolved that copies of this memorial be dispatched to the President of the United States, to the President of the United States Senate, to the Speaker of the United States House of Representatives, and to each member of the Florida delegation to the United States Congress."

Resolution No. 138 adopted by the Legislature of the Ponape District, Eastern Caroline Islands; to the Committee on Interior and Insular Affairs:

"RESOLUTION No. 138

"A resolution respectfully requesting the Administering Authority of the Trust Territory to cease and desist from any and all activities and negotiations with separate districts of Micronesia; to allow Micronesians to exercise their right of self-determination; and urging the peoples of Micronesia to utilize the central legislative body in determining their future; directing the Committee on Judiciary and Government Relations to exercise any means necessary in ensuring the fulfillment of the intent and purpose of this Resolution; and for other purposes

"Whereas, it is the sense of the Third Ponape District Legislature, Sixth Regular Session, 1975, that the United States, as Administering Authority for the Trust Territory of the Pacific Islands, is obligated under the United Nations Charter and the Trusteeship Agreement of the Former Japanese Mandated Islands to foster the political, economic, social and educational advancement of the inhabitants of Micronesia and to promote, to the fullest extent possible, the development of the Territory toward self-sufficiency and self-government; and

"Whereas, it is also the sense of this Legislature that because of the smallness and isolated nature of the islands of Micronesia, and because of the limited resources, personnel, and labor force available in the Trust Territory, economic, social and political advancement toward self-sufficiency can only be accomplished through a high degree of political cooperation and economic interaction between and among the districts of Micronesia; and

"Whereas, despite the long tradition of consolidated administration by the German, the Japanese and the American administrations, and despite repeated protests by the Congress of Micronesia and strong criticism by the 1973 United Nations Visiting Team to the Trust Territory, the United States, in promoting its own territorial and military interests in the Northern Mariana Islands, has instituted separate status negotiations with the political subdivision of the Trust Territory Government known as the Mariana Islands District for its incorporation into the territorial possessions of the United States of America; and

"Whereas, the United States has initiated these separate negotiations with this important segment of the Trust Territory of the Pacific Islands which is rich in potential for economic and social growth and equipped by the United States with the most highly developed infrastructure of all the islands of Micronesia, without any consideration of the crucial importance of the Northern Mariana Islands for the future development and economic vitality of the remainder of Micronesia; and

"Whereas, the unprecendented action of the United States Government in negotiating separately with the Mariana Islands District has unwittingly encouraged various interest groups within the other districts of Micronesia to exploit the possibilities of asserting the right of separate status negotiations at a time when the Trust Territory is faced with political and economic crisis, significantly jeopardizing the viability of our central legislative body and the fragile thread of unity in Micronesia so essential for the maintenance of the territorial integrity and economic vitality in the Trust Territory; and

"Whereas, the Congress of Micronesia through repeated acts and resolutions, and the esteemed traditional leaders of the islands of Micronesia, assembled in conference, by resolution and petition, have sought in every way possible to counteract the disruptive activities of the Administering Authority which are resulting in the fractionalization and disunification of Micronesia; and

"Whereas, the Congress of Micronesia has further sought to enable all the people of Micronesia to decide, in accordance with duly established and recognized means of democratic political expression, what form of political status and future government is best for them, by calling for a Constitutional Convention with delegates representing every district of Micronesia to convene in July, 1975; and

"Whereas, the Congress of Micronesia, in its most recent Regular Session passed legislation calling for a national referendum not later than July 12, 1975, which among other things, will seek to determine whether the people of Micronesia wish to continue the unified nature of Micronesia; now, therefore,

"Be it resolved by the Third Ponape District Legislature, Sixth Regular Session, 1975, for and on behalf of the people of Ponape District, that the Administering Authority of the Trust Territory of the Pacific Islands is hereby respectfully requested to cease and desist from any and all activities and negotiations with the separate political subdivisions of Micronesia which disrupt the territorial integrity of Micronesia in order to promote its own territorial and military goals within the Trust Territory of the Pacific Islands, and to allow the people of Micronesia, through their inherent right of self-determination, to develop for themselves the nature and scope of the government of Micronesia; and

"Be it further resolved that all the peoples of Micronesia are hereby humbly requested and beseeched to utilize the legal modes of self-expression provided by the central legislative body of the Trust Territory Government to determine the future of Micronesia, and to approach the Constitutional Convention for Micronesia with open minds and a sense of cooperation necessary to ensure a viable political future for all the peoples of Micronesia; and

"Be it further resolved that the Committee on Judiciary and Governmental Relations of the Ponape District Legislature is hereby authorized and directed to exercise any means necessary, court action or otherwise, to ensure that the intent and purpose of this Resolution is realized; and

"Be it further resolved that certified copies of this Resolution be transmitted to the United Nations Trusteeship Council, the President of the United States of America; the Secretary of the United States Department of the Interior, Ambassador Franklin Haydn Williams, each of the United States Congressmen and Senators, the U. S. House of Representatives Committee on Interior and Insular Affairs, the U. S. Senate Committee on Interior and Insular Affairs, the Director of the Office of Territorial Affairs, the High Commissioner of the Trust Territory of the Pacific Islands, the Presiding Officers of the Congress of Micronesia, the Presiding Officers of all six District Legislatures in the Trust Territory, the Pre-Convention Committee of the Micronesian Constitutional Convention, and the Traditional Leaders of Micronesia."

House Resolution No. 44 of the Legislature of the State of Illinois; to the Committee on Foreign Relations:

"House Resolution 414

"Whereas, A female civilian American citizen has been held by Communist-controlled police for at least three weeks without formal charges and was moved from police headquarters to the offices of the former Center for National Documentation for formal interrogation, according to police sources; and

"Whereas, The center formerly carried out investigation of political infractions but was ordered disbanded after last month's de facto take-over of power by the Communist Pathet Lao; and

"Whereas, U.S. Embassy officials said they were not aware of the move and requested to visit the prisoner, who has been held since her arrest on June 4, 1975, despite laws forbidding the detention of prisoners for more than 24 hours without formal charges being made, but there has been no reply to that request; and

"Whereas, The State Department reported that an American Consulate official was allowed to see the prisoner in her cell on June 6 and understood that she would be released on the condition she leave the country, but no expulsion order was issued and she was not released; and

"Whereas, About a week later the prisoner told an Associated Press Reporter, through a window in the wooden police station where she was then held: "I don't know why I am being held. I have been here seven days. They kept me in two sets of handcuffs until yesterday."; and

"Whereas, Pathet Lao Radio and the Laotian news agency have accused the prisoner of working for the Central Intelligence Agency in an attempt to smuggle American T–28 fighter-bombers out of Laos, but those charges have not been confirmed by the Laotian government, which told State Department officials it had issued no such information; and

"Whereas, The prisoner, Mrs. Rosemary Ann Conway, nee Curtin, a native of Chicago, Illinois, graduated with honors from the Academy of Our Lady, a Chicago Catholic school, in 1956, and taught in a South Suburban school until she began teaching English in Laos in 1972; and, therefore be it

"*Resolved,* By the House of Representatives of the Seventy-ninth General Assembly of the State of Illinois, that we memorialize the Congress of the United States of America to take such action as may be necessary and expedient to effect the immediate release of Mrs. Conway, a civilian and natural born citizen of the United States of America and the State of Illinois, from the Communist-controlled prison in Laos; and, be it further

"*Resolved,* That a suitable copy of this preamble and resolution be sent by the Office of the Secretary of State to the President and Vice-President of the United States of America, to the Majority and Minority Leaders of both Houses of the Congress of the United States of America, to the two United States Senators and the 24 United States Representatives elected by the People of the State of Illinois, and to the brother and the sister of Mrs. Conway."

Assembly Resolution No. 145 adopted by the Assembly of the State of New York; to the Committee on Finance:

"Joint Resolution No. 145

"Joint resolution of the Legislature of the State of New York memorializing the Congress of the United States to remedy the existing deficiencies in the Federal Supplemental Security Income program

"Whereas, the United States Congress acted to create a single, national Supplemental Security Income program to replace more than eleven hundred fifty State and local programs of welfare for the aged, blind, and disabled, effective January 1, 1974; and

"Whereas, the Congress so acted with the express purpose of creating a minimum income program under which those too old and infirm to support themselves might live in dignity, free of dependency on the welfare system; and

"Whereas, the wisdom of the Congress in so acting has been demonstrated in that nearly one hundred fifty thousand aged and disabled New York State citizens who might never have applied for "welfare" status have now been accepted into the SSI program; and

"Whereas the Congress, recognizing that the basic Federal SSI grant would be insufficient to meet the needs of many aged, blind, or disabled persons, encouraged the States to provide supplemental payments by permitting States to do so and yet be forever "held harmless" at 1972 State and local costs for aid to the aged, blind, and disabled regardless of how the SSI caseload might grow after January 1, 1974; and

"Whereas, the Congress also encouraged the "cashing out" of the food stamp program for the SSI population by permitting the States to include the cash value of food stamp supplemental payments subject to the "hold harmless" limitations on State and local costs; and

"Whereas, The state of New York, on behalf of its two hundred seventy thousand AABD beneficiaries, actively supported the creation of the SSI program, chose to supplement the basic Federal SSI grants, and elected to cash-out the food stamp program for the SSI population, with the latter decision grounded in the assumption that it was far better social policy to provide ten dollars monthly to all SSI recipients rather than provide the equivalent amount in food stamps to the less than half of the SSI population who would actually use them; and

"Whereas, The Congress has failed to act on a number of critical issues which, if not remedied, threaten to undermine the promise of the SSI program for New York's aged, blind and disabled citizens, to wit:

"The Congress has failed to modify the hold harmless mechanism so that the state of New York and a number of other states might pass along increases in the basic Federal SSI grant voted and funded by the Congress—increases which SSI recipients in those states without optional supplementation programs are now benefiting from;

"The Congress has failed to provide federal funding for emergency needs of the SSI population—emergencies such as eviction, utility disconnection, loss of household goods due to fire or flood and loss or theft of checks and cash;

"The Congress has failed to provide the means by which states providing the cash value in lieu of food stamps could increase the cash-out payment in the event the bonus value of food stamps is raised nationally;

"The Congress has failed to create new definitions of disability for adults and children under the SSI program which would recognize the significant differences in needs and abilities of this population in comparison with those served by Social Security insurance programs;

"The Congress has failed to make special provision for SSI beneficiaries in need of minimal supportive care and services either in non-medical congregate living facilities or in their own homes; now, therefore, be it

"*Resolved*, That the Congress of the United States be and hereby is respectfully memorialized to remedy these deficiencies so that the full promise of the Federal Supplemental Security Income program will be realized for both the SSI beneficiaries and taxpayers of New York state; and be it further

"*Resolved*, That copies of this resolution suitably engrossed be transmitted to the President of the Senate of the United States, the Speaker of the House of Representatives, and to each member of the Congress of the United States from the state of New York."

Senate Concurrent Resolution No. 138 adopted by the Legislature of the State of Louisiana; to the Committee on Commerce:

"Senate Concurrent Resolution No. 138

"A concurrent resolution to memorialize the president of the United States, the Louisiana Congressional Delegation, the United States House of Representatives and Senate, and the chairman of the Federal Communications Commission to investigate the manner in which the Public Broadcasting Service and related federally funded agencies employ the use of tax free monies and grants to produce programs purportedly of a documentary nature which in reality serve to abuse and defile a significant segment of the American population such as the program "The Good Times Are Killing Me" recently broadcast by the Public Broadcasting Service

"Whereas, the Acadian people and their culture epitomize the graciousness and warmth characteristic of Louisiana life; and

"Whereas, approximately thirty-five percent of Louisiana citizens are of Acadian descent and contribute unselfishly to the development of the economy of Louisiana particularly in the fields of oil and gas production and agriculture; and

"Whereas, a significant number of Louisiana state officials, businessmen, and women, professional men and women, farmers, educators, clergy and manufacturers, are proud of their Acadian heritage; and

"Whereas, no part of the United States can surpass southwest and south Louisiana in hospitality and genuine friendliness; and

"Whereas, those citizens of Louisiana affectionately known as Cajuns have never been afraid to deliver an honest day's work nor ashamed to exhibit their religious feeling or loyalty to the United States of America; and

"Whereas, certain federal agencies such as the Public Broadcasting Service have chosen to depict a proud, heritage-rich people as stupid, childish, and completely devoid of manners and means through the use of so-called documentaries such as "The Good Times Are Killing Me," recently broadcast by the Public Broadcasting Service.

"Therefore, be it resolved by the Senate of the Legislature of Louisiana, the House of Representatives thereof concurring, that the president of the United States, the Louisiana Congressional Delegation, the United States House of Representatives and Senate and the chairman of the Federal Communications Commission are hereby memorialized to investigate the use of federal tax free funds by federally funded agencies and more particularly the Public Broadcasting Service in producing programs styled as documentaries which in fact demean, abuse, and defile any ethnic or cultural group of American citizens such as the program "The Good Times Are Killing Me".

"Be it further resolved that a copy of this Resolution be transmitted to the president of the United States, the Louisiana Congressional Delegation, the speaker of the United States House of Representatives, the president of the United States Senate, and the chairman of the Federal Communications Commission."

House Joint Resolution No. 6–104 adopted by the Congress of Micronesia; to the Committee on Armed Services:

"House Joint Resolution No. 6–104

"A House joint resolution requesting the Secretary of the United States Department of Defense to grant Trust Territory medical referrals special exemption to the new schedule of higher inpatient and outpatient medical charges to be levied by military medical facilities in Guam and Hawaii.

"Whereas, the health and well-being of the people of Micronesia have been and will continue to be one of the primary concerns of the Trust Territory Government; and

"Whereas, until it has sufficient medical staff and equipment in its hospitals and dispensaries to provide emergency medical care for severe illnesses, injuries, specialized treatment and surgery, the Trust Territory will require continued reliance upon military facilities for referral care of Trust Territory patients both in Guam and Hawaii; and

"Whereas, the Trust Territory Government has been formally advised by the United States Surgeon General of the impending increase in outpatient and inpatient medical charges to be levied in military medical facilities in Guam and in Hawaii and that referral rates at military hospitals may be increased to $147 a day for Micronesians beginning with Fiscal Year 1976; and

"Whereas, in a letter dated May 23, 1975, Dr. Richard R. Taylor, Department of the Army, refused a request by the Department of the Interior to continue the rate of $66 per day for Micronesian referral patients in military hospitals, and indicated that the rate would be raised to $147 for Fiscal Year 1976; and

"Whereas, this increase of more than one hundred percent would effectively reduce the number of referrals that could be made by the Trust Territory Government by one-half, thereby endangering the life and health of the citizens of the Trust Territory; and

"Whereas, the Fiscal Year 1976 budget has already been presented to the United States Congress under the assumption that the referral rate would remain at $66 per day; and

"Whereas, the United States Government has a treaty obligation to 'protect the health of the inhabitants' of Micronesia under the provisions of Article 6 (3) of the Trusteeship Agreement for the Former Japanese Mandated Islands; and

"Whereas, this decision to more than double the referral rate for Trust Territory inhabitants is in direct violation of this treaty obligation undertaken by the United States Government; now, therefore,

"Be it resolved by the House of Representatives, Sixth Congress of Micronesia, First Special Session, 1975, the Senate concurring, that the Department of Defense is hereby requested to continue the rate of $66 per day for Micronesian referral patients in military hospitals; and

"Be it further resolved that certified copies of this House Joint Resolution be transmitted to the President of the United States, the Secretaries of the Departments of Defense and the Interior, the Speaker of the House of Representatives and the President of the Senate, United States Congress, and the High Commissioner of the Trust Territory of the Pacific Islands."

"Adopted: July 1, 1975."

House Joint Resolution No. 6–107 adopted by the Congress of Micronesia; to the Committee on Appropriations:

"House Joint Resolution No. 6–107

"A House joint resolution requesting the United States Congress to appropriate an additional $6,950,000 for the Trust Territory of the Pacific Islands as an additional appropriation for fiscal year 1976

"Whereas, the sum of $15,000,000 was authorized as a supplemental appropriation for the Trust Territory for Fiscal Year 1975; and

"Whereas, the United States Congress only appropriated $8,050,000 of the authorized amount as a supplemental appropriation for Fiscal Year 1975; and

"Whereas, the $6,950,000 which was not appropriated included $945,000 for Fiscal Year 1974 deficit, $1,500,000 for cost increases in Public Works, $100,000 for cost increases in Transportation and Communications, $150,000 as the United States contribution to the preparation of the Comprehensive Economic and Social Development Plan for Micronesia, $4,055,000 for the purchase of field trip ships, and $200,000 for the architectural and engineering fund; and

"Whereas, these programs are badly needed in Micronesia to offset the cost increases in fuel oils and other supplies to provide for planning studies, and to provide for urgently needed field trip vessels; and

"Whereas, because the $2,545,000 requested for cost increases was not appropriated, the government has had to request a reprogram of $2,500,000 funds badly needed for capital improvement projects in order to keep the power plants and ships operating; and

"Whereas, because the $4,055,000 requested for field trip ships was not appropriated, over half of Micronesia's population living in the outer islands continues to suffer from a dangerously inadequate shipping service; and

"Whereas, the United States Congress has already indicated that the request for these funds was justified by passing legislation authorizing the appropriation of the full amount requested; now, therefore,

"Be it resolved by the House of Representatives, Sixth Congress of Micronesia, First Special Session, 1975, the Senate concurring, that the United States Congress is hereby requested to appropriate an additional $6,950,000 for the Trust Territory of the Pacific Islands as an additional appropriation for Fiscal Year 1976; and

"Be it further resolved that certified copies of this House Joint Resolution be transmitted to the Speaker of the House of Representatives and the President of the Senate of the United States Congress."

A resolution adopted by the County Council of St. Louis County, Missouri, supporting an amendment to the Constitution on the subject of abortions; to the Committee on the Judiciary.

A resolution adopted by the Council of the City of Schenectady, New York, supporting continuation of the Federal Revenue Sharing program; to the Committee on Finance.

A resolution adopted by the Council of the City of Cleveland, Ohio, urging funds for the creation of public service jobs; to the Committee on Labor and Public Welfare.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

REPORTS OF COMMITTEES

The ACTING PRESIDENT pro tempore. The Chair now calls for reports of standing and select committees.

The following reports of committees were submitted:

By Mr. NUNN, from the Committee on Government Operations, without amendment:

S. 2195. A bill to establish a National Center for Productivity and Quality of Working Life; to provide for a review of the activities of all Federal agencies including implementation of all Federal laws, regulations, and policies which impede the productive performance and efficiency of the American economy; to encourage joint labor, industry, and Government efforts to improve national productivity and the character of working conditions; to establish a Federal policy with respected to continued productivity growth and improved utilization of human resources in the United States; and for other purposes (Rept. No. 94–335).

FEDERAL RULES OF CRIMINAL PROCEDURES AMENDMENTS ACT OF 1975—CONFERENCE REPORT—(REPT. NO. 94–336)

Mr. McCLELLAN submitted a report from the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6799) to approve certain of the proposed amendments to the Federal Rules of Criminal Procedure, to amend certain of them, and to make certain additional amendments to those rules, which was ordered to be printed.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The ACTING PRESIDENT pro tempore. The Chair now recalls for the introduction of bills and joint resolutions.

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. ROBERT C. BYRD (for himself and Mr. ALLEN):

S. 2187. A bill to amend the Internal Revenue Code of 1954 to increase the exemption for purposes of the Federal estate tax to increase the estate tax marital deduction, and to provide an alternate method of valuing certain real property for estate tax purposes. Referred to the Committee on Finance.

By Mr. HATFIELD:

S. 2188. A bill to amend the Federal Energy Administration Act of 1974 in order to discourage the use of electricity and natural gas in large amounts and to provide minimal rates for small users. Referred to the Committee on Commerce.

S. 2189. A bill to require the Interstate Commerce Commission to establish nondiscriminatory rates and charges for the transportation of recyclable and recycled solid waste materials. Referred to the Committee on Commerce.

S. 2190. A bill to direct the Secretary of Transportation to make an investigation and study to determine a National Transportation Policy which will result in maximum energy efficiency in our national transportation system. Referred to the Committee on Commerce.

S. 2191. A bill to amend the Federal Energy Administration Act of 1974 to provide for a study of conservation measures applicable to building construction and of the extent to which agencies of the Federal Government are encouraging energy conservation in such construction, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

S. 2192. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit for contributions to a neighborhood corporation and to provide other financial assistance to such corporations organized under State law to furnish their own neighborhood services. Referred to the Committee on Finance.

By Mr. MUSKIE:

S. 2193. A bill to amend the Fish and Wildlife Act of 1956 in order to authorize the Secretary of Commerce to make loans to United States fishermen to cover the costs of damages to their vessels and gear by foreign vessels. Referred to the Committee on Commerce.

By Mr. BARTLETT (for himself and Mr. BELLMON):

S. 2194. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the McGee Creek project, Oklahoma, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. NUNN (for himself, Mr. PERCY, Mr. JAVITS, Mr. JACKSON, Mr. CHILES, Mr. ROTH, and Mr. BROCK):

S. 2195. A bill to establish a National Center for Productivity and Quality of Working Life; to provide for a review of the activities of all Federal agencies including implementation of all Federal laws, regulations, and policies which impede the productive performance and efficiency of the American economy; to encourage joint labor, industry, and Government efforts to improve national productivity and the character of working conditions; to establish a Federal policy with respect to continued productivity growth and improved utilization of human resources in the United States; and for other purposes. Referred to the Committee on Government Operations.

By Mr. HARRY F. BYRD, JR.:

S. 2196. A bill to amend the Internal Revenue Code of 1954 to provide that certain Government publications, including the Congressional Record received by Members of Congress, shall not be treated as capital assets, thereby denying a deduction for contributions of such publications. Referred to the Committee on Finance.

By Mr. STEVENSON:

S. 2197. A bill to extend the Emergency Petroleum Allocation Act of 1973 for 90 days. Referred to the Committee on Interior and Insular Affairs.

By Mr. GARN (for himself, Mr. LAXALT, Mr. CURTIS, Mr. THURMOND, Mr. FANNIN, Mr. HRUSKA, and Mr. HELMS):

S. 2198. A bill to amend the Fair Labor Standards Act of 1938 to repeal provisions relating to State and Local employees. Referred to the Committee on Labor and Public Welfare.

By Mr. MONDALE:

S. 2199. A bill to amend title 42, U.S. Code, Section 503(a)(3). Referred to the Committee on Labor and Public Welfare.

By Mr. CHILES:

S. 2200. A bill to extend coverage of the automobile assistance program and the specially adopted housing program to those veterans qualifying for assistance under section 351 of title 38, United States Code. Referred to the Committee on Veterans' Affairs.

By Mr. JACKSON (for himself and Mr. FANNIN) (by request):

S. 2201. A bill to provide for the administration of oaths and affirmations and for the issuance of subpoenas in investigations, hearings and proceedings in the Department of the Interior. Referred to the Committee on Interior and Insular Affairs.

By Mr. HUMPHREY:

S. 2202. A bill to delay the use of funds for military construction on the island of Diego Garcia. Referred to the Committee on Armed Services.

By Mr. HARTKE (for himself, Mr. GRAVEL, and Mr. HUMPHREY):

S. 2203. A bill to provide for paper money of the United States to be embossed to indicated the denomination thereof. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nomination of Maj. Gen. Kenneth L. Tallman to be a lieutenant general.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

U.S. AIR FORCE

The legislative clerk read the nomination of Maj. Gen. Kenneth L. Tallman, U.S. Air Force, to be lieutenant general.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators entered the Chamber and answered to their names:

[Quorum No. 67 Ex.]

Allen
Bartlett
Byrd, Harry F., Jr.
Byrd, Robert C.
Ford
Hatfield
Mansfield
Scott, Hugh
Sparkman
Weicker

The ACTING PRESIDENT pro tempore. A quorum is not present.

Mr. ROBERT C. BYRD. Mr. President, I move that the Sergeant at Arms be instructed to request the attendance of absent Senators.

The motion was agreed to.

The ACTING PRESIDENT pro tempore. The Sergeant at Arms will execute the order of the Senate.

Pending the execution of the order, the following Senators entered the Chamber and answered to their names:

Abourezk
Bayh
Beall
Bentsen
Biden
Brock
Brooke
Bumpers
Burdick
Cannon
Case
Clark
Cranston
Culver
Curtis
Dole
Domenici
Eagleton
Fannin
Fong
Garn
Glenn
Gravel
Griffin
Hansen
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Johnston
Laxalt
Leahy
Long
Magnuson
McClellan
McClure
McGee

McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pearson
Percy
Proxmire
Randolph
Roth
Schweiker
Scott,
  William L.
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Talmadge
Thurmond
Tower
Tunney
Young

Mr. ROBERT C. BYRD. I announce that the Senator from Florida (Mr. CHILES), the Senator from Idaho (Mr. CHURCH), the Senator from Mississippi (Mr. EASTLAND), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Rhode Island (Mr. PASTORE), the Senator from Rhode Island (Mr. PELL), the Senator from Connecticut (Mr. RIBICOFF), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Oklahoma (Mr. BELLMON), the Senator from Arizona (Mr. GOLDWATER), the Senator from New York (Mr. BUCKLEY), the Senator from New York (Mr. JAVITS), the Senator from Maryland (Mr. MATHIAS), and the Senator from Ohio (Mr. TAFT) are necessarily absent.

The PRESIDING OFFICER. A quorum is present.

ORDER OF PROCEDURE

The PRESIDING OFFICER. The first order of business is advising and consenting to the first nomination on the calendar.

Mr. HUGH SCOTT. Mr. President, may I respectfully inquire of the distinguished assistant majority leader whether this is a filibuster or not?

Mr. ROBERT C. BYRD. Not in the usual sense, in regard to which the distinguished Republican leader and his colleagues have shown themselves to be very adept.

Mr. HUGH SCOTT. I want the country to know that, in the opinion of the minority leader, this is a filibuster designed to prevent us from having a vote on New Hampshire before the recess. I shall make that point from time to time between now and the recess.

Mr. ROBERT C. BYRD. Mr. President, the Senator has had numerous votes already. I think he has had eight votes on the motion to send the matter back to New Hampshire, so he has been given plenty of opportunities to vote.

He was given an opportunity to vote on the Mansfield amendment, but what did he do? He moved to table the amendment and he lost on that motion.

He probably will get other chances this week.

Mr. HUGH SCOTT. If we get some other chances this week, I shall feel, I would say, rather moderately better about it. I shall feel best of all if we were to succeed in prevailing. We have a chance of prevailing if we allow the roll to be called, have the Senators stay out of the well, and let the rollcall vote be announced accordingly. One may harbor the thought, as the French say, and in that way, one may march forward with some progress.

Mr. ROBERT C. BYRD. The marching, I think, was done not at the request of the leadership on this side. If there was any marching done, it must have been ordered elsewhere. We know nothing about it.

Mr. HUGH SCOTT. I thank the distinguished assistant majority leader, and I understand he will now proceed with the filibuster.

Mr. ROBERT C. BYRD. I thank the distinguished Republican leader. The leadership on this side is simply reacting to the actions that were evident, beginning on last Saturday, when the distinguished Senator from Alabama (Mr. ALLEN), exercising his right under the rules, objected to my unanimous-consent request that there be a 10-minute period for the transaction of routine morning business today with a 2-minute limitation on statements therein. That was a clear signal that the Senate was going to have to operate under rule VII this morning, and so the leadership on this side has just protected itself accordingly.

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I would just as soon get on with the nominations but, yes, I will yield.

Mr. JOHNSTON. It just occurred to me, since we were speaking so critically about filibusters, whether it might not be an appropriate time to get a time limitation agreement on the whole question of Durkin-Wyman.

Mr. ROBERT C. BYRD. That is the solution. The leadership on this side has repeatedly made such a proposal to the leadership on the other side and, exercising their rights, they have rejected it repeatedly.

Mr. JOHNSTON. I wonder if the distinguished Senator from Pennsylvania would be in a mood to speak about a time limitation on all questions with respect to Durkin-Wyman so we can bring this matter to a close and end the filibuster?

Mr. ROBERT C. BYRD. Mr. President, I ask for the regular order. However, I will allow the Republican leader to answer to question——

Mr. HUGH SCOTT. We appreciate the chance.

Mr. ROBERT C. BYRD (continuing). Before I ask for the regular order.

Mr. HUGH SCOTT. We do appreciate the chance, as an oppressed minority, one of the leading American minority groups, to be given an opportunity to be heard, in a squeaky sort of way, every now and then.

Mr. ROBERT C. BYRD. Well, the distinguished Republican leader knows we are discussing legislative business in an executive session, which is not in order.

Mr. HUGH SCOTT. In response to what has been said about a possible time limit, of course, all the 99 Senators need to be consulted on that, and there may be reasons why Senators on both sides of the aisle would prefer an opportunity to send the election back to New Hampshire. But our problem is when our first and strongest, as we view it, our strongest, issue of the 35 issues stated in the resolution, came up, one in which we felt that every aspect of justice would be served if we could only have a tally, that is, just a count, to see how many people dropped pieces of the paper in the ballot box in 10 precincts, just to count the papers not to count the votes, we were denied that privilege.

That compelled us to conclude we were subject to the tyranny of the majority by 61 to 38, and that we have no hope of prevailing through the process suggested, namely, that we go ahead with a vote on every issue, so that the majority can roll us one by one 34 more times. We just do not like being rolled that much.

Mr. ROBERT C. BYRD. The Senator is not being "rolled," and on that first issue the vote was not 61 to 38. A good many Democrats voted with the Republicans, but the Republicans voted solidly.

Mr. HUGH SCOTT. I will say to the Democrats who voted with us there are some reasonable people on the other side of the aisle, and we welcome this excess of logic, and we anticipate more of it.

Mr. ROBERT C. BYRD. Well, there are reasonable people on both sides of the aisle, and I would like to feel that every Senator in this body is a reasonable man.

As to "rolling" the minority, that is pure horseradish.

Mr. President, I ask for the regular order.

U.S. AIR FORCE

The PRESIDING OFFICER. The regular order is advising and consenting to the nomination.

The Senate resumed consideration of the nomination of Maj. Gen. Kenneth L. Tallman to be a lieutenent general.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The assistant legislative clerk read the nomination of Lt. Gen. Robert E. Huyser, to be a general.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The assistant legislative clerk read the nomination of Lt. Gen. Daniel James, Jr., to be a general.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The assistant legislative clerk read the nomination of Maj. Gen. George E. Schafer, to be Surgeon General of the Air Force in the grade of lieutenant general.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The assistant legislative clerk read the nomination of Maj. Gen. William Y. Smith, to be a lieutenant general.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

NOMINATION PASSED OVER—MAJ. GEN. ALTON D. SLADE TO BE LIEUTENANT GENERAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the next nomination go over.

The PRESIDING OFFICER. Without objection, it is so ordered.

The assistant legislative clerk read the nomination of Maj. Gen. Charles E. Buckingham to be a lieutenant general.

The PRESIDING OFFICER. Without

objection, the nomination is considered and confirmed.

The assistant legislative clerk read the nomination of Maj. Gen. Wilbur L. Creech to be a lieutenant general.

The **PRESIDING OFFICER**. Without objection, the nomination is considered and confirmed.

The assistant legislative clerk read the nomination of Maj. Gen. Thomas W. Morgan to be a lieutenant general.

The **PRESIDING OFFICER**. Without objection, the nomination is considered and confirmed.

The assistant legislative clerk read the nomination of Lt. Gen. William J. Evans to be a general.

The **PRESIDING OFFICER**. Without objection, the nomination is considered and confirmed.

The assistant legislative clerk read the nomination of Maj. Gen. George Rhodes to be a lieutenant general.

The **PRESIDING OFFICER**. Without objection, the nomination is considered and confirmed.

The assistant legislative clerk read the nomination of Maj. Gen. Devol Brett, to be a lieutenant general.

The **PRESIDING OFFICER**. Without objection, the nomination is considered and confirmed.

The assistant legislative clerk read the nomination of Lt. Gen. Felix M. Rogers, to be a general.

The **PRESIDING OFFICER**. Without objection, the nomination is considered and confirmed.

The assistant legislative clerk read the nomination of Maj. Gen. John F. Gonge to be a lieutenant general.

The **PRESIDING OFFICER**. Without objection, the nomination is considered and confirmed.

The assistant legislative clerk read the nomination of Maj. Gen. Raymond B. Furlong to be a lieutenant general.

The **PRESIDING OFFICER**. Without objection, the nomination is considered and confirmed.

The assistant legislative clerk read the nomination of Maj. Gen. George G. Loving, Jr., to be a lieutenant general.

The **PRESIDING OFFICER**. Without objection, the nomination is considered and confirmed.

The assistant legislative clerk read the nomination of Maj. Gen. Robert T. Marsh to be a lieutenant general.

The **PRESIDING OFFICER**. Without objection, the nomination is considered and confirmed.

LEGISLATIVE SESSION

Mr. **ROBERT C. BYRD**. Mr. President, I move the Senate return to legislative session, and I ask for the yeas and nays on the motion.

The **PRESIDING OFFICER**. Is there a sufficient second? There is not a sufficient second.

Mr. **ROBERT C. BYRD**. Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER**. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. **ROBERT C. BYRD**. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **ROBERT C. BYRD**. Mr. President, I ask for the yeas and nays on the motion to return to legislative session.

The **PRESIDING OFFICER**. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. **ROBERT C. BYRD**. Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER**. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. **ROBERT C. BYRD**. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

The question is on the motion of the Senator from West Virginia. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. **ROBERT C. BYRD**. I announce that the Senator from Florida (Mr. CHILES), the Senator from Idaho (Mr. CHURCH), the Senator from Mississippi (Mr. EASTLAND), the Senator from Massachusetts (Mr. KENNEDY) the Senator from Rhode Island (Mr. PASTORE), the Senator from Rhode Island (Mr. PELL), the Senator from Connecticut (Mr. RIBICOFF), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PELL) would vote "yea."

Mr. **GRIFFIN**. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Oklahoma (Mr. BELLMON), the Senator from New York (Mr. BUCKLEY), the Senator from Arizona (Mr. GOLDWATER), the Senator from New York (Mr. JAVITS), the Senator from Maryland (Mr. MATHIAS) and the Senator from Ohio (Mr. TAFT) are necessarily absent.

The result was announced—yeas 84, nays 0, as follows:

[Rollcall Vote No. 339 Ex.]

YEAS—84

Abourezk
Allen
Bartlett
Bayh
Beall
Bentsen
Biden
Brock
Brooke
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Clark
Cranston
Culver
Curtis
Dole
Domenici
Eagleton
Fannin
Fong
Ford
Garn
Glenn
Gravel
Griffin
Hansen
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Johnston
Laxalt
Leahy
Long
Magnuson
Mansfield
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pearson
Percy
Proxmire
Randolph
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Talmadge
Thurmond
Tower
Tunney
Weicker
Young

NAYS—0

NOT VOTING—15

Baker
Bellmon
Buckley
Chiles
Church
Eastland
Goldwater
Javits
Kennedy
Mathias
Pastore
Pell
Ribicoff
Taft
Williams

So the motion was agreed to.

LEGISLATIVE SESSION

The **PRESIDING OFFICER** (Mr. BUMPERS). The motion having been agreed to, the Senate is once again in legislative session.

DISAPPROVAL OF CONSTRUCTION PROJECTS ON THE ISLAND OF DIEGO GARCIA

The **PRESIDING OFFICER**. Two hours having elapsed, the Senate will now resume the consideration of unfinished business, Senate Resolution 160, which the clerk will state.

The legislative clerk read as follows:

A resolution (S. Res. 160) disapproving construction projects on the Island of Diego Garcia.

The **PRESIDING OFFICER**. The time for debate on the resolution, any debatable motion, or appeal, is limited to 5 hours, to be equally divided between and controlled by the Senator from Mississippi (Mr. STENNIS) and the Senator from South Carolina (Mr. THURMOND), with one-half hour each reserved for the Senator from Virginia (Mr. WILLIAM L. SCOTT) and the Senator from Ohio (Mr. TAFT), in addition to the 5 hours.

Mr. **MANSFIELD**. Mr. President, I believe that I am entitled to half the time, because the Senator from Mississippi and the Senator from South Carolina are both against the resolution of disapproval. I would hope that the distinguished Republican leader would take that up with the distinguished Senator from South Carolina, because there has to be a division of time, and I think I am entitled to it as the author of the resolution.

Mr. **HUGH SCOTT**. The Senator, of course, is making a reasonable request——

The **PRESIDING OFFICER**. The Senate will be in order. Senators will please take their seats or retire to the cloakroom.

Does the Senator from Pennsylvania wish to proceed?

Mr. **HUGH SCOTT**. Mr. President, the Senator from South Carolina is here, and the Senator from Mississippi is temporarily off the floor. Because the Senator from South Carolina is here, he can, of course, speak for himself. But I understand he is willing to agree to a reasonable division of time, if the distinguished majority leader will also work it out that the chairman of the committee——

Mr. **MANSFIELD**. Oh, yes, I know the distinguished chairman of the committee and the distinguished Senator from South Carolina would like to split the time; and I would ask unanimous consent that I be given half of the time and the distinguished Senator from South Carolina, for the Senator from Mississippi, be given the other half.

Mr. HUGH SCOTT. To be divided——

Mr. MANSFIELD. Equally.

Mr. HUGH SCOTT. The other half of the time to be divided equally, by agreement between the Senator from Mississippi and the Senator from South Carolina.

Mr. MANSFIELD. That is all right. That is a matter that the Senator from Mississippi and the Senator from South Carolina would have to agree on. But I would like to have the half of the time on this side.

Mr. HUGH SCOTT. Yes; the Senator from South Carolina advises that that is satisfactory with him if it is with the Senator from Mississippi.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. I understand, then, that half of the time would be under my control or whomever I may designate.

The PRESIDING OFFICER. The Senator is correct.

Mr. MANSFIELD. Mr. President, the Senate has now proceeded to the consideration of Calendar No. 199, Senate Resolution 160, a resolution disapproving construction projects on the island of Diego Garcia.

As the Senate knows, Diego Garcia is a flyspeck in the Indian Ocean, an atoll, socalled, situated approximately 1,000 miles south of India, if my recollection is correct. The Navy has been endeavoring to establish a base in Diego Garcia since the early 1960's; and, over the opposition of the late, great Senator from Georgia, Richard Brevard Russell and others, it seems to be on the threshold of making further progress, but we shall see.

There is at the present time a resolution of disapproval of the recommendation of the President of the United States, who had advocated that the funds mentioned last year—$13 million or $14 million—be used for further construction purposes on that flyspeck in the Indian Ocean.

Mr. President, to the best of my knowledge, I know of no negotiations which have been conducted between this country and the United Kingdom relative to the use of Diego Garcia. I know of no treaty which has been before the Committee on Foreign Relations, seeking to bring about, openly, an agreement on this particular atoll.

It is my understanding that an amendment was submitted to S. 1517, the omnibus foreign relations authorization bill, on Friday last, expressing the sense of Congress that the President should seek negotiations with the Soviet Union to achieve agreement on mutual limitations of naval and other deployments in the Indian Ocean.

It is my understanding that all the nations along the littoral—Asia and Africa—have indicated that they are opposed to what is being undertaken in Diego Garcia. I realize, of course, that we have been assured privately—very privately—that while that is the public attitudes of the nations along the littoral, underneath they really want us to go ahead.

I am in receipt of letters from the Ambassadors of Malagasy—formerly known as Madagascar—off the coast of Africa, and Somalia, expressing their concern over what the United States is attempting to do.

I should mention, also, that in addition to no treaty, to the best of my knowledge, there is no executive agreement—or, if there is, it has not been brought to the attention of Congress—by means of which the United Kingdom grants certain rights to the United States on this uninhabited flyspeck, this atoll, in the Indian Ocean.

Mr. President, I think there has been too much hanky-panky in the field of forging policy so far as the military is concerned. I recall, for example, that some years ago, a General Burchinal, I believe—either the commander of the U.S. 8th Air Force in Europe or the deputy commander—carried on negotiations with the Government of Spain. If those negotiations, conducted without the knowledge of Congress, had been put into effect, we would have been involved, in our relationship with Spain, to participate under certain circumstances on the African continent. Fortunately, that was found out in time.

I do not blame General Burchinal, because he was acting under instructions. But I do not like the idea of negotiations being carried on in behalf of this country in that manner; because when they are, the civilians, who are supposed to be supreme in the conduct of the government of this country, under the Constitution, are left out in the cold and are presented with facts when it is too late, usually, to do anything.

So, Mr. President, I know of no treaty with the United Kingdom which gives us rights on Diego Garcia. I know of no executive agreement which gives us rights on Diego Garcia, though I anticipate that there may well be one. I have tried for years to find out about it, and so far I must admit failure.

What the countries bordering the Indian Ocean want is an ocean of peace, a sphere of peace. What our Navy wants is to spread itself halfway around the world, and what I think the significance is is the closeness of Diego Garcia to the oilfields of the Middle East.

The significance also is that this means the start of a three-ocean Navy. If the Senate and Congress and the American people want to do that, they should lay it all out in the open. A three-ocean Navy—we have enough to do looking after the two oceans, the Atlantic and the Pacific, on the east and on the west.

So, Mr. President, I think that this amendment, which was agreed to by the Committee on Foreign Relations and which will be before the Senate shortly, is a critical one because it requests the administration to pursue fully diplomatic channels on this matter before both nations—the United States and the Soviet Union—embark on the path of increased competition in the Indian Ocean region, a competition which would clearly pose high economic costs. The figure projected, and I have the figure at my disposal, is something just under $200 million. But if we start this program, it is going to extend into the billions of dollars.

In addition to high economic cost, there is the question of political uncertainties and the danger of heightened tensions. Are we going to put a chip on our shoulder and dare the Soviet Union to build up its naval strength in the Indian Ocean? Are the Russians going to put a chip on their shoulder and dare us to build up our naval strength in the Indian Ocean? Are we going to hear about hobgoblins during the course of this debate? Incidentally, may I say, in reading the conference report on the military authorization bill, it appears to me that, to a large extent, the Pentagon has come out on top in anything, in almost everything, it desires. They are getting the Rickover nuclear missile cruiser—only $60 million to start with, but the total cost, as of now, will be between $1.2 and $1.3 billion.

Do you know, Mr. President, how many of those missile cruisers they want, costing between $1.2 and $1.3 billion? Twenty-five to twenty-eight. They have retained the B–1 when the B–52's are capable of still continuing in operation for anywhere from 10 to 20 years.

Where is all this money coming from? When is it going to stop? Have we not learned anything from Vietnam? We have neither the resources nor the manpower to be the policeman of the world. And here, we want to go into the Indian Ocean and, for the time being, spend just tens of millions of dollars, but eventually, down the road, and not too far down the road, billions of dollars. Why? So that we can develop a flyspeck in the Indian Ocean, Diego Garcia, so that we can have a three-ocean navy.

When is Congress going to wake up? When is it going to recognize that it represents all the American people? When is it going to learn the lesson of Vietnam? Or is it ever?

I think, Mr. President, that we ought to give this matter the most serious consideration, because, while perhaps the Soviet Union does intend to expand its naval presence in the Indian Ocean, I think we ought to see if something cannot be worked out by means of which the Indian Ocean can remain a sphere of peace and not be subject to what has been happening in the Pacific Ocean in recent years. It is a time to seek mutual restraint on naval deployments and it is time to do so before those deployments become a fait accompli.

So, Mr. President, as we consider this bill later today, I hope that, despite the recommendation of the President of the United States, enough Senators will have the gumption to stand up and say no to this further expansion of American military power, to this continuation of a "policeman of the world" policy, to this exorbitant cost, which this country can no longer undergo. The stakes are great as far as this particular atoll, this flyspeck in the Pacific Ocean, is concerned.

I hope that the debate—and I am sure it will be—will be spirited, that the facts will be laid out, and I hope, also, that emotions will not supersede responsibilities and a recognition of the facts of life. After all, if we undertake this program, the American people can be prepared to pay and pay and pay; and for what? A flyspeck in the Indian Ocean, which is wanted by none of the littoral states, the states bounding the ocean; a flyspeck which will be very close to the Middle East, where a large portion of the world's oil is in the ground or in production. It will take us half-way around the globe to an area in which we have no business, an area which can bring about a situation which will produce a new spiraling of armaments and the costs attached thereto, an area of possible danger, which I think we should forego while we can still see clearly, before we have the chance, deliberate or otherwise, to send American men into that area and repeat, in the future, another Vietnam.

Mr. President, I am against any Vietnams, anywhere in the world. I hope that, at long last, we have learned the lesson of misadventure, that tragedy, which cost 55,000 American lives, which cost 303,000 American wounded, which cost approximately 150 billion American dollars, and which, before we get through paying for it, is going to cost this Nation at least, at the very least, $435 billion—and the payment will extend well into the last portion of the first half of the next century.

I urge my colleagues later today to give the most serious consideration to all the implications contained in the Diego Garcia situation and to weigh them most carefully, because we will pay and pay through the nose in the years and in the decades ahead.

I, for one, am sick and tired of sending American men and women to fight or to be placed in a position where they may have to fight in foreign areas of the world, unless—unless—it is necessary for the security of the United States. Vietnam was not. Diego Garcia is not.

Mr. President, I have spent about 20 minutes this morning explaining my position on Diego Garcia, that flyspeck in the Indian Ocean upon which so much money has been spent so far, and tens of millions of dollars of expenditures are contemplated in the immediate future, and in my opinion billions of dollars in the not-too-distant future.

Mr. President, Richard B. Russell, one of the giants of the Senate's past, spent more than half his natural life in the U.S. Senate. His expertise concentrated on military policy and strategy. He left a great imprint on all with whom he served, including the Senator from Montana now speaking. On Vietnam he and I agreed and both of us opposed in the beginning, and that also includes the distinguished chairman of the Committee on Armed Services, the Senator from Mississippi (Mr. STENNIS)—all three of us opposed in the beginning—the real beginning going back two decades—direct American involvement; we parted after that decision for direct involvement was made—after the flag was planted—but that divergence was based more on our separate opinions of how best then to serve the honor of our country.

The Senate never really had a crisp decision on the direct involvement in Southeast Asia. We are afforded today, however, the opportunity to determine whether the American flag will in effect be embedded in the Indian Ocean. The tragic mistake of Southeast Asia—a mistake that touched and must be shared by every administration of the past three decades—a mistake which in addition to the great losses of life and treasure turned son against father and brother against brother to a degree unequaled since the War Between the States—is behind us by a matter of mere weeks—and we are considering a new and dramatic venture into South Asia. This is not simply an issue of $14 million today or $175 million in the near future or even the additional $8 billion that is necessary for the three-ocean Navy; it is also a matter of extending and intruding in dramatic fashion U.S. military presence and might in a relatively untouched area of the globe. The proponents would argue that this is different from Vietnam, from Cambodia, from Laos, from Thailand—that there are no people to alienate on Diego Garcia.

That is correct. There is no people, and there have been no people in Diego Garcia except U.S. military personnel in recent years, and very recent years I may say.

But our ships will be there. Our destroyers and carriers and whatever else will use this base to patrol every inch of water off the 30 countries comprising the littoral of this ocean—maintaining an American presence but with all——

Mr. STENNIS. May we have quiet, Mr. President? We want to hear.

The PRESIDING OFFICER. The Senator's request is appropriate. Let the Senate and the galleries be in order so that the speaker may be heard.

Mr. MANSFIELD. I will repeat:

Our destroyers and carriers and whatever else will use this base to patrol every inch of water off the 30 countries comprising the littoral of this ocean—maintaining an American presence and with all the sophistication of the seventies—a moving rather than a stationary target. What a narrow lesson to have learned from three decades in Southeast Asia, and its cost in 55,000 dead Americans, 330,000 wounded Americans, 150 billion American dollars, and the cost of that war will reach at least, based on prices in 1972 $435 billion. Think what has happened since inflation. Based on 1972 prices, it will cost this country $435 billion for that misadventure, that tragedy in Southeast Asia.

Very few of us went to Vietnam but our sons and our brothers did. It is going to be your sons and your grandsons who are going to be paying for Vietnam well into the last quarter of the first half of the next century, the 21st century.

Was our mistake there simply a matter of tactics? Or was it something more profound? Did we not learn that America should have no design on maintaining a modern-day empire by replacing the autonomy of individual nations. Did we not learn that we cannot and should not attempt to make the nations of the world in our own image and our own likeness. And this is what must be understood as we are permitted today to vote clearly on an issue with its full significant before us this time. We are being warned ahead, not being told after the fact.

On May 19 when this resolution of disapproval was introduced, I asked, "Why, in the face of the fact that all nations bordering on the Indian Ocean have asked the United States and the Soviet Union not to escalate the arms race in the Indian Ocean area, has the administration forwarded this letter of certification?" Again, I ask the question. The 30 nations on the littoral of the Indian Ocean have all publicly asked the United States to refrain from deployment at Diego Garcia. These nations include Australia, Pakistan, Iran, Thailand, Singapore, Indonesia, Somalia, Malagasy, and others. Does this opposition mean anything to the administration?

Does it mean anything to this Congress? Does it mean anything to the people of this Nation who sent us here and whose surrogates we are?

I remember most vividly, when the Soviet Union was building a missile base in Cuba that posed a direct threat to our mainland the U.S. military forces were placed in a state of war readiness. What arrogance on our part to ignore the wishes of the littoral nations. Is it that their state of war readiness is so insignificant to us? Oh, the proponents will say, some of the representatives of these nations secretly invite us to go into the Indian Ocean but publicly they cannot admit it. What a familiar ring. Were these not the whispers of our allies around the globe during our tragedy in Southeast Asia?

Have we not heard this refrain year after year after year from our Pentagon and our State Department and previous administrations as well as this? Of course we have. How often are we going to be goaded at appropriate times during the year with these whispers, these insinuations, these innuendoes?

I hope we have matured beyond the point of whispered displomacy and public policy arrived at in secret. If the public officials of the nations of the littoral insist publicly that we refrain from expanding our presence in the Indian Ocean, who are we attempting to influence by going against that publicly expressed judgment?

The issue is more than just money, but it is time as well that we consider the taxpayer's pocketbook. Navy figures in the possession of the Military Construction Appropriations Subcommittee indicate that this base will cost approximately $175 million. I contend that the money the administration is requesting to start construction of a Navy facility on Diego Garcia is only a downpayment. Oh, yes, you will hear figures that the most it will cost is about $35 million in construction, but this simply is not so. What about the costs of equipment; costs to pay Seabees to build this base? I have figures that show that it will cost not only $175 million to build the base and $8 billion to expand the fleet to operate from that base, but also approximately $800 million each year for these expanded fleet operations. These are all dollars coming out of the American taxpayers' pockets. And those are just the costs for expanded naval operations.

In January 1974, the Air Force, when it appeared that they would be left out of the Diego Garcia program, came in with a request to extend the runway by 4,000 feet and to spend $3.3 million for Air Force-related operational facilities. The Air Force has admitted that they want to operate C–135 tankers out of Diego Garcia. For what use? The answer is Air Force reconnaissance over the Indian Ocean; but the added capacity extends as well the U.S. strategic air capacity from the western Pacific into the full reaches of the Indian Ocean.

From the beginning, it has been my contention, when the request first was made by the Navy, that the creation of an operational facility at Diego Garcia was only the entering wedge for a three-ocean Navy. I know there are elaborate projections saying that the U.S. Navy will operate only in the Indian Ocean on an interim basis, which amounts to approximately 6 months out of every 12-month period. I am well aware of the fact that the Navy contends that they will be able to operate in the Indian Ocean with a carrier force of 12 in number, a reduction from the present 15-carrier force. But, I say to my colleagues, you can expect in future years that the Navy will come to the Congress saying that because of the Russian presence in the Indian Ocean, we must have additional carriers—an additional buildup.

I beg my colleagues to remember that we started in Vietnam by placing a few hundred advisers to train the Vietnamese Army and not more than a few hundred million dollars. It can be all but assured that if we start a naval base on Diego Garcia, it will be the beginning of an escalation that will lead to an all-out arms race in the Indian Ocean area. And then there is oil. The argument is used over and over again that our presence in the Indian Ocean is vital to keep the sea lanes open for U.S. petroleum interests. I submit that our presence in the Indian Ocean had absolutely no effect on the oil situation during the Yom Kippur war of October 1973. The Arabs shut the oil off. The U.S. Navy, the U.S. Department of Defense, and the U.S. State Department could do nothing about it. The Arabs simply said they would not sell us oil and they can do it again. But the argument is still used that the Navy will insure oil over the transit routes of the Indian Ocean.

In each year that the Navy has had the request before the Congress for an operational base on Diego Garcia, there is always the new threat.

Mr. President, it is difficult for me to understand why Senators cannot see through the Berbera, Somalia, testimony by the Department of Defense. Past history indicates that when DOD wants to get a new appropriation through the Congress that is controversial, we generally hear the words "the threat, the threat—the United States must counter the threat." Now the threat is that the Russians are building a base at Berbera, in Somalia. Last year it was Socotra and Umm Zasr in Iraq.

The United States has had a limited operating base in the Indian Ocean-Persian Gulf since 1948. We have communications facilities there; we have a supply ship that stands by; and we operate two destroyers out of Bahrein. At Berbera, Somalia, the Russians have communications facilities; they have a so-called barracks shop there; and they operate submarines and surface ships out of Berbera. There is an airfield being built that the Somalis say will be 4,000 meters in length, and there is a missile-handling facility. However, there is no indication that there are any bunkering facilities for Russian naval ships in the harbor of Berbera. In fact, the Somalis contend that the fueling facilities will hold 130,000 barrels of fuel, which certainly is not much fuel. On the other side of the coin, I must point out that the Navy wants 600,000 barrels on Diego Garcia.

We have an advance communications facility already on Diego Garcia, a communications facility which was put on Diego Garcia only because we were being forced out of a communications facility at Kagnew in Ethiopia; and when we were forced out, our military did not want to get out.

We have an advanced communications facility already on Diego Garcia; already an 8,000-foot runway—so you can see that anything that the Russians have at Berbera, the United States already has at Diego Garcia. We have reached status quo.

Speaking of Berbera, it is interesting to note that the Somalian Government has invited—I believe through Under Secretary of Defense Clements—U.S. Navy ships to visit Berbera. If my information is correct, plans are now under way—perhaps dates have been set—for U.S. Navy ships to visit Berbera in August or September. If I am wrong in that respect, I hope the Department of Defense will correct me.

Perhaps we can find out by going to the office of the Vice President, where there is a task force drumming up support against this resolution of disapproval. So they have their guns all out—the Pentagon, the State Department, the White House—and all we have are 99 Senators, who may or may not exercise good judgment in this instance, who I am sure will vote their convictions.

I do think it is odd for a flyspeck in the Indian Ocean to have this array of heavy artillery, even outside this Chamber, buttonholing Senators and asking them, perhaps telling them—I hope no Senator would ever be told by anybody in the executive branch—how they should vote on a measure which is our responsibility and ours only.

I hope these lobbyists will go away and occupy themselves doing the duties which are theirs under the law. Those duties are not to try to twist arms in the Senate, to try to get us to do something against our will, and I hope the Senate will keep that in mind.

Then, there is the argument that to operate in the Indian Ocean, we must have in Diego Garcia a bunkering facility to fuel American warships. I believe that the term repeatedly being used is "a filling station." What sarcasm.

According to the information furnished by the Committee on Armed Services, U.S. naval ships have access today to 16 countries around the Indian Ocean littoral—may I repeat, Mr. President: U.S. naval ships have access today to 16 countries around the Indian Ocean littoral—for the specific purpose of fueling and bunkering. In fact, the Soviets are welcome in only 13 of the littoral states. So it is not that we do not have a place to refuel our ships or ports to visit. It is really that the Navy wants a new operating base in Diego Garcia—halfway around the world and on a flyspeck in the Indian Ocean. They have wanted such a facility for many years, well over a decade, to my personal knowledge; I believe two decades, perhaps a little more. Usually Congress, and especially the Senate, especially the Senate, has stood up on its hind legs and opposed this unwarranted expansion.

In fact, a study was made by the Joint Chiefs of Staff in the late 1950's concerning the "strategic island concept." It was decided then—then, in the late fifties—by the Navy that it should have an operating facility on the island of Diego Garcia. The strategic premises for this operating facility go that far back. As my colleagues are well aware, negotiations were started 9 years ago for an operating base at Diego Garcia.

I want to state that regardless of Russians in the Port of Berbera, Somalia, the Navy would still want an operating base at Diego Garcia. Secretary Schlesinger, appearing before the Military Construction Subcommittee in June, was asked the question: If there were no Russian naval operations out of the Port of Berbera, Somalia, would the Navy still want the base on Diego Garcia?

His answer? An emphatic "Yes." The Navy would still want the base on Diego Garcia.

The arguments go beyond raising the strategic threshold in that area of the world. The Alice in Wonderland logic of the "bargaining chip" has returned: Let us build up Diego Garcia and our presence in the Indian Ocean, the whispers in the Senate corridors say, and then we will be able to negotiate it away, probably with great drama, by a future administration in a decade to come, and we all will feel good that another step toward peace has been achieved.

And at what cost? How, Mr. President, can we participate in such a charade, such a perversion of logic and reason? Today, the Indian Ocean, thank God, is not yet an area of superpower confrontation. In fact, it is one of the last areas of the world in which neither of the superpowers has permanent installations. The Soviet Union has received a bunkering and logistics welcome from 13 nations in the littoral of the Indian Ocean. In turn, the United States has a similar welcome in 16 countries. The Somalian facility, investigated by our own colleagues, offers no greater assistance than the present U.S. facilities in the Persian Gulf.

The distinguished Senator from Iowa

(Mr. CULVER), who has demonstrated such insight and attention to this matter during his years in Congress, and especially since he came to the Senate—a most welcome addition—argues for a further period of pause to permit the commencement of talks with the Soviets on preventing a further arms race in the Indian Ocean. Why now must we rush to accelerate the arms race? Why must we now convert a relatively peaceful and stable part of the globe into another area of potential conflict, confrontation, and, yes, even war? This flyspeck is pretty close to Middle East oil.

Just a few weeks ago, the Senate considered the military procurement authorization bill. It was only a matter of days after the Nation's abrupt withdrawal from Southeast Asia. From all sectors, we heard voices of reason, voices calling for a reevaluation of American foreign policy and the strategic and military arms that would complement that policy as we approached the future.

I was one who listened to those voices with fresh hope. For years with many of my colleagues in this body, I have attempted to confront the issues wrought by American military forces who have been stationed abroad for three decades. Almost 25 percent of all our military forces are stationed on foreign soil. Not since the time of the Roman Empire have so many ventured so far from home in peacetime. I have believed that existing American foreign policy can be achieved with far fewer stationed abroad. I still do, and did when the military procurement bill was before us. But, like others, I refrained from raising again that issue at that time. I believed the overwhelming Senate sentiment desired maintenance of the status quo in the context of foreign affairs until the dust of Vietnam and Southeast Asia had settled. Even expanded requests for military hardware, considered necessary for existing commitments, were permitted to pass through awaiting an honest reassessment.

I refer in that instance to the so-called Rickover nuclear cruiser, which was opposed by the Department of Defense, which was opposed by the OMB, which is going to cost $1.2 to $1.3 billion at present day prices, and for which they have plans numbering somewhere between 25 and 28. The cost is going to go way up, beyond $1.2 to $1.3 billion, even before the first one is built.

The Senate did not approve the *Rickover* nuclear cruiser and the chairman of the Committee on the Budget, who I hope and expect will speak on this matter when the conference report is before us, had something to say about the President himself busting the budget which he sent down. So I hope we will keep that factor in mind, too.

As a matter of fact, this year, the Pentagon has gotten just about everything it requested and a little more. When are we going to wake up?

Why, then, should not the same attitude, of maintaining the status quo on commitments, on new ventures into new areas, apply? What is our post-Vietnam foreign policy? What are the lessons of Vietnam and Southeast Asia? How best should we manifest American foreign policy abroad? Can the United States live in harmony with other nations of the world, regardless of their cultural, governmental, or social structures? Is our policy now, "live and let live," rather than "in our image and likeness"?

I think these and many other questions that are basic to a reevaluation of American foreign policy are essential before new ventures are undertaken.

The momentum of a past policy should not foreclose a possible option for restraint in the arms race. To build a base as a bargaining chip to give it away is a logic that might also need reassessment. I hope our final judgment will reflect the maturity of a settled nation entering its third century and not just the bravado of a growing boy.

At the outset of these remarks, I invoked the memory of a great Senator of the past, Richard Russell of Georgia, who chaired the Committee on Armed Services. About a decade ago the Navy had another request before that committee. It was for a new type vessel that could move men and their equipment faster and in greater number than ever before. The vessel in question was the so-called FDL. Senator Russell opposed that Navy request not because the vessel would not do what the Navy said it would do, not because the cost was too high for the mission it would accomplish, but rather for a more basic and sensible reason. Senator Russell said:

> If we make it easy for the Navy to go places and do things, you can be assured that they will always be going places and doing things.

Mr. President, that is the issue today. To expand the present Navy facility on Diego Garcia, we will certainly be making it far easier for the Navy to go to the Indian Ocean and to go there en mass. Once there in full force, I am sure that it will find many things to do. Today, the Senate has a unique opportunity. I hope that the Senate will exercise this opportunity so as to create a pause—a pause that might open a positive opportunity toward world peace.

Mr. President, may I say that, in a certain sense, I speak as a veteran. I was an enlisted man in the Navy, discharged honorably with the rank of seaman second class. I was an enlisted man in the Army, discharged honorably with the rank of private. I was an enlisted man in the Marine Corps, discharged honorably with the rank of Pfc. I have given 5 years in the service of my country in uniform. I think I know what I am talking about. I only hope that the Senate will weigh this matter carefully and will be fully aware—as some of us have tried to be—fully aware of just what this means in the future; $10 million, $13 million, $175 million, $8 billion, and what do you have in this ocean of peace? An arms race; chips on the shoulders of the Soviet Union and the United States. They build, we build. They send ships, we send in ships. We cannot afford a three-ocean Navy. We are stretched to the limit to take care of a two-ocean Navy to guard us on the Atlantic on our east and the Pacific on our west.

So far there is no indication that Vietnam and Southeast Asia have taught us a lesson. We are spending more than ever, going beyond what the Pentagon wants in some instances. Are we going to be taken for a ride, or are we going to face up to our responsibilities as Senators of the United States?

Mr. STENNIS. Mr. President, I yield myself such time as I may use.

Now, Mr. President, I think we all agree this is a highly important decision which is to be made. I have dealt with this issue for several years, as one Senator, and I did not readily agree at all to back this expansion. I did agree last year that we approve an amendment making this a special part of the bill so that the Senator from Montana or anyone else could bring it before the Senate at a special matter on the facts. We finally agreed to that in conference and provided that the President of the United States, Mr. Ford, who was then just very recently in office, would have to make a certification—let us get these facts now about where the authorization is, that he would have to make a certification—as President, as to the need for this facility, and then a resolution of disapproval would be in order, within a 60-day period, to be passed on by either the House or the Senate. If the resolution of disapproval passed then the appropriation would be killed, otherwise it would not be.

Let us remember the money has already been authorized, over half of it. It has been authorized this year for a second amount, the second installment, and this will be the last one except a minor one that I will mention.

Mr. President, may we have order—may we have quiet, I mean. There may be some who are looking for the facts.

We agreed in the committees, in the authorization language, that the second sum also would follow the disposition of this matter that is now before us.

So there is no complication about it except that this is an additional proceeding here that gives everyone a chance to be heard. I think this is a policy question. I just mention that I have helped to bring to a conclusion this situation in which we are passing on this matter today.

Now, Mr. President, let us be certain we get the facts on this matter. Talking about a third-ocean Navy with these huge sums of money, no one that I know of in a position of authority, who has dealt with this matter, has given any figures except the figures that are now before us, I mean, based on the realities. Here is a more recent affirmation of the Chief of Naval Operations, a man who, I think—and I am sure all of us think—is a man worthy of belief, Admiral Holloway. Last year I wrote him a letter referring to the sums of money authorized and I asked him whether or not there were any other plans or further expenses to be incurred.

In his response, dated November 26, 1974—that is about the time we had this matter in conference—Admiral Holloway, as Chief of Naval Operations, said:

> Other than the $26.8 million from fiscal year 1975 and 1976 proposed for the fleet logistics support function, and so forth, the Navy has no plans for future military construction programs for Diego Garcia.

Now, on June 10, 1975, at a hearing, I referred to the above letter and asked Secretary of Defense Schlesinger—

> What is the situation now, Mr. Secretary, as to any further plan for an expansion of this island into a more permanent base?

Secretary Schlesinger said:

> The plans are unchanged, Mr. Chairman, the improvement cost and the requested cost amount to about $37 million. We intend an austere support facility.

Now, that is the direct evidence upon this project. The cost and the plan.

Later, we have had this certification from the President of the United States in response to a law that Congress passed that he must make an evaluation. He must make an evaluation as the Chief of State, as the head of the administration, and we decide the matter finally after he has made his evaluation. He certified here in a solemn declaration that is before us. It is in the report, I am sure, and I do not have it right now where I can reach it.

That covers the point as to the cost, and that covers the point as to the need now.

Mr. President, right today, now, as I am told, we have talk about a third ocean navy. We now have a small task force over there in the Indian Ocean. We are already in there. We have no base; we are not planning a base. We are planning a supply depot, or a filling station, or storage area for fuel, for gasoline and oil. That is all, and we are already there.

Now, where is that? That is in the Indian Ocean.

I am told, Mr. President, that now, day or night, at any given time, of all the oil that is moving on the high seas in the world, at least half of it is right there in that area.

That means something. I am sure it means something to us. It means a lot to me as I, more or less, fumble along in the hearings on the appropriations requested for long-range research and development for new and additional sources of energy.

This is where our present supplies of oil are. They can be cut off. Maybe it does not make any difference, but I believe that it is highly important that we at least have a presence there that is capable of meeting a situation.

We pray to God that no such situation will arise, but if oil to the whole free world is on the move there and it is intercepted for very long, I think we would have to do something. Certainly if it is known that the source of fuel for our ships is 3,500 miles away—and those are the facts—then that makes trouble more likely.

As I say, we have a task force there now. I wish the Indian Ocean could be set up as an area of peace, along with others. They are not going to paint me into a corner as a warmonger during this debate, either, because the record shows to the contrary.

But I say now, this is a point of preparedness for us, certainly, to this modest extent.

It is 3,500 miles from there to the Philippines, and that is where we have to go and come, back and forth, with these naval vessels that carry those oil supplies.

I brought the map along. I am not strong on having all these maps lined up there, but I thought this was one case where everyone would have a chance to see and understand.

Mr. President, may I wait until I can have the attention of the Senators?

I invite attention to that route now from the Philippines over to Diego Garcia, through a particular strait through which our vessels carry these supplies. This is not really good. It is what is known in naval terms as a torturous route. Whatever fuel we have, except for 60,000 gallons that I will refer to later, we are cut off from it, and there is that 3,500-mile journey from the Philippines.

I say it is just commonsense. We do not have to argue what the foreign policy is going to be in the Mideast, or who is in danger there, or how much Israel may be concerned, or Iran might be concerned, or Saudi Arabia. I mention now that they have not a chance in the world to cope with this problem. They are not going to have any third-ocean navy. They cannot have a one-ocean navy.

If we mean business now about protecting against what might be a danger for the free world nations, and I include ourselves as No. 1, we better at least go this far in preparing for the future.

I said I was slow to move with my actual support for this project. Well, I have no doubt about it now, especially in view of this oil situation.

I do not want to frighten anyone. I just say, look in depth at the facts. Look in depth at the facts as to where we would be, should steps become necessary. What about those we are supposed to be protecting, where would they be? Where would they be should this area there be imperiled?

I am the one that moved to table the amendment here for additional military aid to Israel, that is, when the military authorization bill was up.

I certainly was not running out on whatever promise or obligation we have to Israel or anyone else in that area. But it seemed to me that there was a lack of preparedness out on this highway, where all the oil in the world is moving, in motion every day and every night, and we would be failing to anticipate possibilities and take a reasonable, small step for preparedness.

What is this island? What is Diego Garcia? They are talking about building up a port for a third ocean navy. Diego Garcia is a small island, 1,000 miles away from any continent, an island that has approximately 10 square miles of land—10 square miles. That is a totality of only 10 square miles, something like 6,500 to 6,700 acres. It is in a half new moon shape, and only 7 feet above the sea level—7 feet. How are you going to build a great port or a base there for the operation of a navy? Such things are just beyond possibility because of the physical limitations this little dot on the sea.

Some of the things that are said about the possibility of this installation are imaginary.

I say again, Mr. President, there is no doubt about us having a legitimate interest. Beyond that, there is an absolute necessity, for the time being, for us to keep these channels open for control of two-thirds of the world's supply of oil. As I have already said, one-half of the world's oil in transit at any given time is in ships on the Indian Ocean. We will hear debate later from an eyewitness as to what the Soviets are doing over there in Somalia. I do not come here to try to frighten anyone. These are facts of life. I do not go out and try to frighten anyone, or talk about things as I wish they were, or as they ought to be. We have to deal with facts as they are.

I know just a little about the attitudes of those nations around there. They are not in a position to be asking us to come there. I think I am on safe ground in saying that virtually every one of them would be very glad for us to have a little more fuel. I have not heard of any official protest, and I cannot find any protest—official protest. Somebody might have made a speech over there or voted for a resolution, but I mean an official protest about our coming in there, except perhaps by one of these small nations.

I believe that, as a practical matter, it just does not work out or pan out that these other places do not want us to do anything about the situation.

I do not think there is any doubt of what is safer for Israel, also Iran, Saudi Arabia, and others.

I do not think we have heard or will hear any meaningful complaints to influence the President or this Government, those complaints coming from those nations.

I overlooked saying that this island of Diego Garcia is uninhabited. I thought they called them atolls. That is the Pacific term, I am told. But on the side of the world where Diego Garcia is, they call that an island.

I do not see any grounds either—and I would not now favor—building any huge fort there. Of course, for a naval base they cannot and will not do anything without the consent and money from the Congress. The President of the United States cannot do it and the Navy cannot do it. Only the Congress can supply those funds.

We have gone on now for at least 2 years arguing about this matter and the supporting facts have become stronger and stronger and stronger and stronger. We are going to hear from one of the most alert Members of this body as to what the real facts are there at Berbera. This is not what is claimed to be the facts or any self-serving declarations or something of that kind, but the facts as he found them there with his own eyes and ears and the impressions of his mind, assisted in this problem by a very versatile group of outstanding ability, the men who went with him.

We have been standing by. What about our capabilities? We have not done a thing. Except for 60,000 gallons of fuel and we are still depending upon fuel 3,500 miles away. This proposal would provide for 700,000 barrels of fuel, approximately, and about half of it would be for planes from the carriers, and the other half would be fuel oil—fuel oil for naval vessels.

As I understand, this Navy task force in the Indian Ocean now is oil burning. They are not nuclear ships. That is my point.

As I recall, we have only one operational carrier which is a nuclear powered carrier. We are, and will be for a long time, a Navy that requires this liquid fuel.

I am not for any all nuclear Navy. We never did agree on anything like that in conference. It was the Senate conferees that held this thing down so that ships would not be nuclear wherever the President of the United States would certify that a nuclear type would not serve the interests of the Nation at that particular time and for that purpose.

I will not dwell on this much, but the Soviet Union has been steadily increasing its basic capabilities in this area while we have made no increase. They have started constructing new facilities at Berbera, Somalia, which will significantly increase their ability to operate.

I wish this had not been the case. I can long for agreements as strongly as anyone else. I wish this had not been the case. I wish that international agreements could be worked out to limit naval deployments in the Indian Ocean. But as long as we are showing this weakness by not getting this facility here for the fuel, I think we are just straying that much farther and farther from getting any agreement. Those are realities of the matter. Some individual over there in the Soviet Union may say something to the contrary. They have said those things to me, years ago. But often it does not pan out.

I think we have waited long enough. I think we ought to move forward on this supply question, anyway. I have no doubt, if the Members of this body get all the facts in this case, that the judgment of a sizable majority will say that we had better move, at least to this extent.

One word further about some kind of an agreement. Our committee expressed the hope that an evaluation would include a thorough exploration of the possibility of achieving, with the Soviet Union, mutual military restraints, without jeopardizing U.S. interests in the area of the Indian Ocean.

I think the United States has done well as a whole, in its negotiations with the Soviet Union in recent years, largely as a result of fine efforts on the part of not only Mr. Kissinger, but also valuable Members of this body and the House of Representatives. I am advised now that the State Department did explore the possibility of negotiating mutual restraints in the Indian Ocean, and that the President then elected not to approach the Soviet Union before the Diego Garcia issue was decided. It is bound to have been the President who decided that, because that is the course taken. His recommendation is here. We had written it out into the law that this thing could not move until he had made this review and had certified it to us.

Mr. CULVER. Mr. President, will the Senator yield?

Mr. STENNIS. If the Senator will excuse me, I want to finish these points, and then I will yield to the Senator. I lean toward the idea of yielding, but I believe we are just cutting too much into whatever continuity of thought we have to offer; so, if the Senator from Iowa will excuse me, I will yield later. I think the he understands.

I can fully appreciate, Mr. President, the concern about this matter. I had some concern myself, I repeat for emphasis, when it started. There is nothing that I have ever followed any more thoroughly than I have tried to follow this issue here, this very question.

This resolution today resolves itself right down to the bare bones of supplying fuel—necessary fuel—within a reasonable time for any action that we might have to take. Do not say we will not have to take any. Who would ever have thought that our ship would be attacked over there on the other side of the world, in international waters, but near Cambodia and Thailand? This essential energy, upon which our economy is built and upon which, unfortunately, we are so dependent moves on the highroads, the travel lanes, the ship lines of the world moving through this area day and night, and this will continue for years to come.

The idea of our holding back just with a hope or a wait-and-see attitude, holding back the building of a new supply source for this energy, is something I just cannot abide.

I am no pessimist, I hope. But I have seen during all these years that we have had the benefit of the Azores, the benefits that came to our Navy and Air Force, our power, and our strength; and I see that now, of course, in the utmost jeopardy. We can no longer depend on it, really.

In the Indian Ocean area, we have only a little naval facility which is totally inadequate or incapable of giving any large degree of support—Bahrein, I believe it is pronounced—just a little place with room for the berthing of one ship, and no large ship. And then in Spain—I remember I was in Spain when the original agreement was signed about the bases. I read yesterday about the tremendous development of the Spanish economy in those intervening years. But everyone knows that our renegotiation for U.S. bases there is underway, and is proceeding with difficulty.

I have referred to the Philippines several times. That is where we have some fuel supplies. But President Marcos has publicly stated that he intends to take over those U.S. bases within 3 years, and convert them to a joint operation.

I do not think that is a threat. It is the way he feels about it now. Anyway, it means that we are not getting stronger there. There is something underneath that is uncertain. In Greece, we know the tremendous pressure there against the bases. In Turkey—where are we going from here?

One of the very best presentations I have ever heard on this floor was with reference to giving the President of the United States some continued leeway and negotiating room, some kind of a hand, with reference to the situation there in Turkey-Greece-Cyprus. And we have held up on that, I say respectfully, I think too much and too long.

Now, here is one place where we have a friendly free nation that has given us a lease over here in this vital area. Do not say that it is off over there where it does not matter. It does matter. These Arab diplomats who are interested in this. Their pictures are on the front page, not off on page 22. It is the very opposite of domination for us to be picking up the fuel capacity a little, and to be a little more alert and not so unfortunately unprepared, so far as time is concerned, in having to go 3,500 miles to get a simple little thing like fuel.

Mr. President, I yield briefly to the Senator from Iowa, if he wishes.

Several Senators addressed the Chair.

Mr. CULVER. Mr. President, will the Senator yield?

Mr. STENNIS. I will yield the floor, Mr. President, just as soon as the Senator from Iowa has had a chance to ask his question. I appreciate the fact that he has waited.

Mr. CULVER. I thank the distinguished chairman for his willingness to yield to me for the purpose of a question.

The question, Mr. President, is: Is the distinguished chairman supporting base expansion at Diego Garcia simply for the logistical fuel convenience that it provides?

Mr. STENNIS. Yes; that is the primary reason. There are two different kinds of fuel, of course, as the Senator knows. There is oil for the ships and fuel for the jets, to power the aircraft.

Mr. CULVER. But the support of the distinguished chairman is for that purpose, and he does not envision a more elaborate utilization of that facility or further development of that facility. Is that correct?

Mr. STENNIS. That is correct. It is presented on those facts, and those are the facts. I know there is speculation to the contrary, and the facts may change. But that is my primary purpose now.

Mr. CULVER. Is the distinguished chairman willing to make the legislative history clear at this point that, if the proposed construction is allowed, it is not intended to approve either further base development in the Indian Ocean area or the costly construction of a new Indian Ocean fleet?

Mr. STENNIS. That is certainly not my purpose now, to try to lay the groundwork for the items that the Senator mentioned, but I have learned by experience that it is better to wait until the facts are in in future years before saying what we are going to do. It was sent up here, as I understand it, for us to use judgment based on the facts.

Mr. CULVER. The reason for the question is, as the distinguished chairman I am certain appreciates, to try to ascertain his own personal perception of what steps we are taking now and the extent to which he is determined to see, as was described by Secretary Schlesinger, an austere facility here.

Mr. STENNIS. That is right.

Mr. CULVER. If that is the current intent of the Senator, should the legislative history on this occasion make that clear?

Mr. STENNIS. There is no doubt about it, I say to the Senator from Iowa. I have tried to state it, and that is my purpose. But I speak for myself and for the present facts only.

Mr. CULVER. The thing that, of course, concerns me, I say to the Senator from Mississippi, is that he mentioned and made reference to Admiral Holloway's statements and also to statements of Secretary Schlesinger concerning the present intention for that base facility and any subsequent use concerning the growth to a three-ocean navy. It is true that Secretary of Defense Schlesinger testified on June 10 before our committee that it was:

> Not now our intention permanently to deploy ships into the Indian Ocean.

The operative words being "not now our intention to permanently deploy ships in the Indian Ocean."

Mr. President, however, in a March 1974 interview with Seapower magazine, the then Vice President of the United States, Mr. Ford, himself stated, and I quote:

> Now, I think also that we've got to actively explore the desirability of having an Indian Ocean fleet.

Of course, the concern that some of us have already expressed is that such a fleet will mean a cost estimated at 5 to 8 billion additional dollars, and annual maintenance and operation costs of an estimated $800 million for the three carriers, plus the additional planes and ships, and the support ships that would have to accompany such a development.

So these fears, I say to our distinguished chairman of the committee, with all due respect, I do not think can be cavalierly dismissed.

We have heard from military analysts, from independent sources, such as the Brookings Institution, we have heard from other naval officers on this point and we know that the Navy for many years has sought the opportunity to have a three-ocean naval presence and sought that base and other bases in the Indian Ocean area for that purpose.

Mr. STENNIS. Mr. President, if the Senator will yield, without being at fault, the Senator has gone far beyond the idea of asking questions. I yielded on my time only for a question with reasonable additions thereto.

Does the Senator want to use some of his own time?

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND and **Mr. CULVER** addressed the Chair.

Mr. CULVER. Will the Senator yield for a question?

Mr. STENNIS. I yield for a question only on my time but within limit on that, too, Mr. President.

Mr. CULVER. I think it is useful to have a colloquy on these matters.

Mr. STENNIS. I am merely referring to the time, I say to the Senator.

Mr. MANSFIELD. How much time does the Senator desire?

Mr. CULVER. I just want to address a question to the distinguished chairman.

Mr. STENNIS. It will be on my time, if the Senator has just one question.

Mr. CULVER. Mr. President, the chairman has made reference in his statement to the report language of the Committee on Armed Services of a year ago, where it was stated in the committee, the committee that the Senator so ably chairs——

Mr. STENNIS. Mr. President, I hope the Senator will get on with his question. A complaint has been registered with me that I am yielding too much time.

Mr. CULVER. Mr. President, in view of the concern that repeatedly has been expressed by my distinguished chairman, I ask unanimous consent that the time it takes for me to pose my question to him, to express it properly, be attributed to me, the Senator from Iowa. I do not want to encroach upon his valuable time. His side has only 2½ hours, and I can realize the anxiety with which he is watching the clock.

Mr. STENNIS. No.

Mr. CULVER. Just put that aside. We have quibbled back and forth on who has time and who is using time. Put it on my time. I ask unanimous consent for that.

The PRESIDING OFFICER. The Senator from Iowa has no time.

Mr. MANSFIELD. Mr. President, I yield sufficient time for that purpose to the distinguished Senator from Iowa.

Mr. STENNIS. Mr. President, who has the floor?

Mr. CULVER. Who has the time?

The PRESIDING OFFICER. The Senator from Mississippi has the floor.

Mr. STENNIS. Mr. President, I make this statement——

Mr. MANSFIELD. But the Senator yielded.

Mr. STENNIS. I understand that.

We all operate under the Senate rules, and other Senators have a right to time in these matters. I am willing to try to answer the questions of the Senator. I know the rules of the Senate. A Senator yields only for a question. If one goes over the line a little, that is all right.

So let me have the Senator's question, briefly put, please, and my answer will be brief. Then I want to yield the floor and let the debate proceed, under the rules of the Senate.

I yield to the Senator now, under those circumstances.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. CULVER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CULVER. Am I being recognized in my own right?

Mr. STENNIS. Mr. President, I have not yielded the floor.

The PRESIDING OFFICER. The Senator from Iowa has no time.

Mr. MANSFIELD. Oh, yes; I yielded him such time as he may desire to pose his question.

The PRESIDING OFFICER. The Senator has as much time as he desires, yielded to him by the Senator from Montana. The Senator from Mississippi now has the floor and has yielded to the Senator from Iowa to pose a question.

Mr. STENNIS. I appreciate that ruling. I have not yielded the floor. I am trying to accommodate my friend.

Mr. MANSFIELD. This is not on my time, now.

The PRESIDING OFFICER. It is not on the time of the Senator from Montana. We are on the time of the Senator from Mississippi.

Mr. CULVER. Mr. President, the fear in this situation is that we might have a debate. I hope the greatest deliberative body in the world could risk a momentary debate.

My question to the chairman is this: The Senator properly stated that the Committee on Armed Services express its "hope" that "such" an evaluation would include a thorough explanation of the possibility of achieving with the Soviet Union mutual military restraint without jeopardizing U.S. interests in the area of the Indian Ocean."

The wisdom of that request was based on the fact that the United States is proceeding forward here without having exercised any diplomatic option, without having initiated any conversation with the Soviet Union since 1971.

Despite the wise statements by our committee, under the able leadership of the Senator from Mississippi, the administration replies that they have consciously decided not even to attempt negotiations with the Soviet Union. They have arrogantly disregarded the expressed recognition and request of the distinguished chairman's own committee. Assistant Secretary of State Robert McCloskey wrote me a letter in which he said:

> It was decided not to approach the Soviets at the present time.

I respectfully ask the Senator from Mississippi, as the able and distinguished chairman of this committee, whether or not, in his judgment, that inadequate, inept, pathetic response from our U.S. Department of State constitutes an adequate exploration with the Soviet Union about the prospects and the possibilities of mutual arms restraint in the Indian Ocean?

Mr. STENNIS. I think some effort has been made. I have evidence to believe that some effort has been made in that field. It is not a one-way street. Other nations in that part of the world have to be consulted, and have been, to an extent.

The best I can say now is that, in spite of that effort, the conclusion was that it was better to go on with this modest improvement, as I have outlined.

I helped put this provision in the bill, that the President of the United States would have to certify what he thought. He has acted, and he has done the best he could. I think he had grounds for that act, I say to the Senator from Iowa.

Mr. President, I yield the floor. How much time did I consume? What time is charged to me?

The PRESIDING OFFICER. The Senator from Mississippi has 29 minutes remaining.

Mr. STENNIS. Twenty-nine minutes out of how much?

The PRESIDING OFFICER. Out of a total of 75 minutes.

Mr. MANSFIELD. Mr. President, I thought we had 2½ hours apiece.

The PRESIDING OFFICER. The Senator is correct. However, this morning, the 2½ hours belonging to the Senator from Mississippi was divided between Senator STENNIS and Senator THURMOND.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all the time, under the usual rule, be accorded to the distinguished chairman of the committee, and he can work out something with the Senator from South Carolina.

I withdraw the request.

Mr. President, I ask unanimous consent that when I am not in the Chamber, the time on this side be under the control of the distinguished assistant majority leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BARTLETT. Mr. President——

The PRESIDING OFFICER. Is the Senator from Oklahoma asking for recognition?

Mr. BARTLETT. Yes.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. HUMPHREY. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. BARTLETT. I yield.

Mr. HUMPHREY. Mr. President, I appreciate the courtesy of the Senator from Oklahoma.

I ask unanimous consent that my legislative assistant, Sally Horn, have the privilege of the floor during the consideration of Senate Resolution 160.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BARTLETT. Mr. President, in connection with the dialog that took place between the distinguished chairman and the Senator from Iowa concerning whether or not the administration has been interested in evaluating the possibilities of mutual arms restraint in the Indian Ocean, I should like to read McCloskey, Assistance Secrtary for Con- a letter which I received from Robert J. gressional Relations of the Department of State, concerning this matter. It is dated July 17 of this year.

DEPARTMENT OF STATE,
Washington, D.C., July 17, 1975.

HON. DEWEY F. BARTLETT,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BARTLETT: With respect to the question of arms limitations in the Indian Ocean, which you and Under Secretary Sisco have been discussing telephonically, I hope the following information will be helpful to you.

Before certifying to Congress that the expansion of facilities on Diego Garcia was essential to the national interest, the Administration re-evaluated the military and foreign policy implications of the Diego Garcia proposal, including the matter of arms limitations talks with the Soviet Union. On the basis of that review, it was decided not to approach the Soviets at the present time.

A significant factor in this decision was the evident lack of Soviet interest in such talks. As you know, in 1971 we responded officially and favorably to a Soviet suggestion that we explore the possibilities of arms limitations in the Indian Ocean area. We have heard nothing from them since that time, despite several public iterations of our willingness to consider constructive suggestions. Moreover, we need to resolve the issues relating to our proper role in the Indian Ocean. Debate on this began in early 1974, centered around our expansion plan for Diego Garcia. From extensive experience in negotiations on arms control, we believe the chances for any useful talks with the Soviets would be improved were the Diego Garcia matter resolved in such a way as to demonstrate that the U.S. is determined, and has the means, to protect its security interests in the Indian Ocean. As the Secretary has indicated, we would be prepared in these circumstances to explore the possible methods of limitations, which we have been studying within the Government, bearing in mind the need to guard against an imbalance in the area which would adversely affect our security interests.

Our periodic deployments to the Indian Ocean—and our proposed limited expansion of facilities at Diego Garcia to support them more efficiently and effectively—do not, we believe, fuel an arms race in the area. We remain interested in constructive proposals for limitations, but an adequate level of U.S. presence in that important area is essential.

I can assure you that we take seriously the concerns expressed by several Senators, and we have read with interest accounts of their recent discussions in the USSR. As you know, we are pursuing improved relations with the Soviet Union on a broad front. Arms limitations talks with the USSR are a part of that process and, in each case, specific negotiations have been undertaken when we thought mutual interests, timing, and circumstances were most propitious. Experience has shown that this approach is best calculated to produce a successful outcome.

If I can be of further assistance on this subject, please do not hesitate to contact me.

Sincerely,
ROBERT J. MCCLOSKEY,
Assistant Secretary for
Congressional Relations.

Mr. CULVER. Will the Senator yield?

Mr. BARTLETT. Yes, I yield to the Senator from Iowa on his time.

Mr. CULVER. I appreciate the Senator's yielding.

Mr. President, the proposed base expansion on Diego Garcia is an issue on which honorable individuals can have a sincere difference of opinion.

This does not concern me.

What does concern me is that some good Americans who saw the mistake of our Government's policies in Vietnam so prophetically and who fought so courageously to change those policies now seem inclined to tolerate this Diego Garcia expansion as just another minor item in a $100 billion defense budget.

I can well understand a strong pro or con position on this issue based on differing views as to the direction our foreign and defense policies should take in the years ahead.

What I cannot understand, in the light of our recent traumatic experience in Vietnam, is the failure to see the portent of this provocative step of military expansion in a vast area of the world which is comparatively stable and in which our interests are not significantly threatened.

It is true that the island of Diego Garcia is a flyspeck of coral atoll, five miles wide by 13 miles long, in the far reaches of the Indian Ocean, 1,000 miles southwest of India and about the same distance east of Africa. It is also true that most Americans do not know what Diego Garcia is or where it is or how it relates to such urgent, close-at-hand problems as unemployment and the rising cost of living.

But only a few years ago, the Tonkin Gulf was similarly unknown to most of us.

Now it is a household term identified with the fateful escalation of our military intervention in Southeast Asia.

The Tonkin Gulf incident, the Tonkin Gulf resolution and the Vietnam war are now history.

But we have an overriding responsibility to avoid making the same kind of mistake over again.

If we proceed with this expansion in the Indian Ocean at this time—without even trying the peaceful, less costly, no-risk alternatives—then we will indeed be simply replaying the first act of a scenario identical with that which took us into the quagmire of Vietnam.

We have time. We have alternatives. Let us at least try the less costly, peaceful options. If the options do not work, then we can proceed with the proposed base expansion. But, remembering Vietnam, let's take time to look before we leap.

We have, in effect, come to the first major test of our ability and determination to chart a new, more constructive direction in foreign and defense policy that does not rely exclusively on automatic military escalation and gunboat diplomacy.

In the post-Vietnam reassessment dialogue, one point that has been emphasized is the urgent need for closer integration of our foreign and defense policies. Our defense effort and our military spending should be geared to specifically identified foreign policy objectives. Too often, in the past, the Pentagon has gone out ahead, creating its own policies, leaving those responsible for our foreign policy to catch up. The proposed base expansion on Diego Garcia is a classic example of the Pentagon creating foreign policy.

The background of Diego Garcia is as follows:

For nearly 20 years, the Pentagon has pushed for a base expansion on this island which we have leased from the British.

Last year, the Senate turned down the appropriation for this project, specifying that the $20 million authorized for the project was not to be spent until the President certified that the base was in the national interest. The President has gone through the formality of certifying this, but no one has made a convincing case that this expansion is needed.

This year, the Pentagon is featuring as the centerpiece for its selling of Diego Garcia to Congress the revelation that the Soviets have constructed some naval support facilities at Berbera in Somalia.

Obviously, we cannot regard any Soviet activity lightly. Recent eyewitness accounts by U.S. congressional delegations report the facilities include an airfield, petroleum storage tanks, barracks, a communications facility, and a building designed for storing and handling missiles.

The implication is that this Soviet activity ipso facto makes it necessary for us to counter with the expansion on Diego Garcia.

The Berbera matter has been spectacularly publicized amid conjecture as to exactly what is there and how major a facility it is that the Russians are building.

Lost in the superficial dramatics are the basic points that are really vital to the decision on Diego Garcia:

One, that the Soviet activity, even if the most exaggerated accounts of its extent are accepted, does not pose sufficient threat to our national interest to warrant the risk of opening up the superpower arms race in a vast new area of the world.

We must remember that the major new Soviet activities at Berbera came after the Pentagon proposal to go ahead with Diego Garcia expansion, and that Secretary Schlesinger has testified that we would want that base even if the Russians shut down their activities at Berbera. In the absence of negotiations and mutual limitations, the Soviets can be expected to increase their naval presence in the Indian Ocean, according to CIA predictions.

Two, that the Diego Garcia move might actually weaken, rather than strengthen our security position in the area by disturbing our present good relations with the littoral nations of the Indian Ocean, who, if they perceive us to be precipitating an arms race in the region, may deny us the access we now have to their ports and facilities.

Three, that there are feasibly, less provocative alternative actions that we can take to counter the Soviet activity and to preserve the strategic balance.

Finally, contrary to the impression many people are getting from this controvery, the present U.S. military position in the Indian Ocean is one of solid strength, not weakness, as compared to that of the Soviet Union, so haste for the go-ahead of the expansion on Diego Garcia is not in any sense imperative.

This means that we have time to consider and try out the no-risk options available to us as alternatives to military escalation.

Mr. President, I am not talking about permanently foreclosing the proposed base expansion. I am asking for time to try less costly, less dangerous initiatives that we have not given a chance, as yet. Admittedly, we have no way of knowing what the U.S.S.R.'s eventual plans are in Berbera, how important their facility may become and how it will be used. Given that uncertainty, we need to proceed with care and restraint aiming at the protection of our long-range interests and friendly relations with the other nations of the area. The conditioned reflex reversion to military buildup does not always generate strength in the long run.

I want no part of any move that will weaken the strategic position of the United States. I believe the peaceful moves I am proposing for the Indian Ocean will strengthen our overall security position, not weaken it, in the long range. In the short range, exercising these options simply does not risk that much.

Specifically, I have proposed these initiatives:

First, that the expansion of the Diego Garcia base be postponed until next year so that the alternatives can be explored.

Second, that the United States initiate negotiations at once with the Soviet Union for mutual arms restraint in this region.

Third, that the present restrictions on economic and technical aid to Somalia, restrictions imposed in 1971 because ships from other nations bearing the Somali "flag of convenience" were transporting cargoes to Cuba and North Vietnam, should be lifted. If the administration does not see fit to take this action, as it is in its power to do, Congress should proceed with appropriate legislation.

Fourth, that a policy be inaugurated of U.S. ship visits to Somalia leading toward generally improved political relationships. It is my hope, too, that agreement will be reached in the near future for U.S. naval vessels to visit Somalia ports. President Siad of Somalia offered to permit this, at the time he visited President Ford, last November.

Fifth, that basic economic aid and technical assistance programs be developed to further a new era of peaceful relations with Somalia.

Mr. President, Barry M. Blechman, a senior fellow at the Brookings Institution, summarizes in an article recently published in the Washington Post, the overriding reason against proceeding with the Diego Garcia expansion at this time.

"A U.S. base at Diego Garcia," he writes, "would constitute another step toward increased competition with the Soviet Union in the Indian Ocean, a region relatively remote from both superpowers. The fact that the U.S.S.R. already has taken a comparable step does not compel us to follow suit."

Mr. Blechman goes on to point out that increased United States-Soviet rivalry in the Indian Ocean would divert limited U.S. military resources from more pressing needs, such as the Mediterranean, would increase the risk of our getting involved in some future conflict in the region, and would impair relations with friendly nations in the area.

He writes:

> And finally, it means another step toward the establishment of a requirement in U.S. military planning for the maintenance of a permanent U.S. fleet in the region; a move that, in the absence of cuts in U.S. naval deployments elsewhere, could imply incremental defense expenditures on the order of $5 to $8 billion for ship and aircraft procurement and $800 million per year in operating costs.

In this reference, it is interesting to note that Secretary of Defense Schlesinger testified before the Armed Services Committee that—

> It is not now our intention permanently to deploy ships in the Indian Ocean.

However, in a March 1974 interview, Mr. Ford himself stated:

> Now I think also that we've got to actively explore the desirability of having an Indian Ocean fleet.

By contrast, Mr. Blechman concluded his article with this statement:

> The obvious, if remote, solution to the incipient superpower competition in the Indian Ocean is a formal treaty in which both the United States and the Soviet Union agree to limit their naval deployments there.

Mr. President, I think the distinguished Senator from Oklahoma (Mr. BARTLETT) has put his finger on the single most crucial issue in this entire debate this afternoon. That, simply stated, is why, oh why, is the U.S. Government afraid to initiate diplomatic discussions with the Soviet Union toward seeking mutual arms restraint in the Indian Ocean?

I was interested in the letter that the Senator received from Mr. McCLOSKEY. He may also be interested in the origin of that letter. That letter was eventually written because the Senator from Iowa wrote to our Department of State on June 12. I wrote them, one, to accept the Somalian invitation to have our Ambassador go visit that Port of Berbera. I also wrote them and inquired why the U.S. Department of State has failed, since 1971, even seriously to raise the question of diplomatic negotiations toward achieving some sort of mutual arms restraint in the Indian Ocean.

Since 1971, we have had what some people call détente. It may or may not be what a lot of people hope and pray it may be, but the fact of the matter is the relationship between the United States and the Soviet Union has, in a very significant way, been altered since 1971.

We have been in SALT talks with the Soviet Union, affecting the most sensitive and strategic survival questions in our mutual relationship. We have had every other conceivable initiative across the whole range of our relationships—economic, political, social, and, this week, shaking hands in outer space.

The question is why, in view of that backdrop, has our Department of State refused to negotiate or even offer to negotiate with the Soviet Union mutual arms restraint in the Indian Ocean, particularly when we have all these scares about missile crises, about the Russians are coming, about all these other concerns?

I wrote them and I asked them a question. Does Senator BARTLETT know this? They never even responded to that part of my letter. They answered the first part. They did not even answer that part about negotiations until several weeks later.

The fact of the matter is, the U.S. Government is not interested in negotiations on the Indian Ocean. The fact of the matter is that the Pentagon, once again, is the driving force in American foreign policy in the post-Vietnam period.

I was interested in hearing all this talk today about this being only a tiny atoll; it is 5 miles wide, 10 miles long; it is a rock. The distinguished chairman of the Committee on Armed Services said it is not even inhabited by anybody.

Let me tell you something, Mr. President: the Gulf of Tonkin did not have a lot of bodies floating in it. Nobody on this floor had heard about the Gulf of Tonkin before that war started, and nobody had heard about places like Khe Sanh, either, and I lost my best friend there. We are at the crossroads.

Have we learned the lessons of Vietnam? We are going to find out in a very significant way this afternoon. We came off the back of Vietnam. People wrung their hands and said, oh, America is going to hunker up in the hole, America is going to retreat to Fortress America, it is going to be a period of neoisolationism. Well, if the alternative to interventionism and acting as global policeman is neoisolationism, then I reject that alternative. There is a middle ground and today, we are going to find out.

Mr. President, the State Department finally answered my letter and said that they thought about negotiations with the Soviet Union, but they decided that, because there was a lack of interest, they were not even going to initiate an inquiry. And do you know why? Because the Department of Defense was leaning on them so hard.

We should give that Secretary of Defense Schlesinger double pay, because he is doing two men's jobs. He is Secretary of Defense and of State.

I came to the U.S. Congress 11 years ago, served on the House Foreign Affairs Committee for 10, under the naive assumption that the foreign policy of America was set by civilians, by Presidents, by the Department of State, and by the appropriate committees of Congress in the area of foreign affairs and foreign relations. One does not have to be around here long to know how fundamentally false that assumption is.

We have not even talked to the Russians about this question since 1971. All I say to this body is why? What are we afraid of? We are not weak in the Indian Ocean; we are powerful. Any time we dispatch an American carrier task force over to the Indian Ocean, it is like putting a 400-pound man in a washtub; there is not any water left. The fact of the matter is that the French fleet alone—the French fleet alone—equals the Soviet fleet today in the Indian Ocean. Four to 6 out of every 12 months since 1973, we have put American carrier task forces over there.

We put the U.S.S. *Enterprise* in there—with 36 attack airplanes carrying 7.5 tons of ammo under their wings, and 24 F–14 fighters. Do we have to fear interdiction of oil lines? Rubbish.

The fact of the matter is that the Soviet Navy has one diesel sub over there, one diesel sub in their fleet, and it is only equal to the French fleet. And the British have their own significant capability.

The Director of the CIA, Mr. Colby, has testified that interdiction of oil supplies is not going to come from Soviet subs. It is going to come at the wellhead—embargoes. That is where it is going to come from.

We have 29 countries in the littoral area states, 29 friendly nations in large part because right now, we can go into 36 ports in 18 countries for refueling over there. We refueled over there all during the 1973 oil embargo. But not one of those countries favors our expanding in Diego Garcia.

The Australian Prime Minister was here last January, and he said, "Do not go in there." But we are going arrogantly to disregard all the heartfelt opinion of mankind in that area and, in classic, cold war fashion, America is going to stick its big nose under the tent of an arms race.

We are on the slippery slope of military escalation. We are at the crossroads. It is a rock today, but it is going to be a benchmark tomorrow. Mark my words.

Why not look before we leap? If there is one lesson out of Vietnam—I am on my time, Mr. President. If there is one lesson out of Vietnam——

Mr. BARTLETT. Will the Senator yield for a second?

The only thing I want to straighten out, without interrupting his remarks, is to make sure this is on his time. I am not sure he has time.

Mr. CULVER. That is right; it is on my time, and I am assured I have ample time.

The PRESIDING OFFICER. The Senator has been given time by the distinguished majority leader. He is now on that time.

Mr. CULVER. We are at the crossroads. When people say, have we learned the lesson of Vietnam, we are going to find out today. They say, "What is that little tiny place? What is it called?" You are going to find out tomorrow.

The chairman talks about just a modest expansion. Well, we have independent military analysts who tell us that it is going to mean a three-ocean Navy, $5 to $8 billion, three carriers, all the support ships and airplanes that can go on them.

All I say, Mr. President, is that there is no Senator who will tolerate for one moment America being in an inferior status in a military position of vulnerability in the Indian Ocean or anywhere else.

The hard fact of the matter is that America is not weak today; it is strong. The only people talking about how weak America is are the Secretary of Defense, the Secretary of State, and the President of the United States, and I am sick and tired of that poor-mouthing.

We are bristling with power. When you put the U.S.S. *Enterprise* into the Indian Ocean, with all the accompanying ships afloat, and you put the A–6's, A–7's, and the F–14's on those decks, who cares if they have got all their Styx missiles out there.

Do you know why they have so many in Berbera? The Soviet missiles are so lousy in large part that their navy cannot have the operational sophistication and reliance that our fleet possesses. They are 20-nautical mile range, late 1950 vintage. To hear the Pentagon and hear some of the Members in the Chamber talk you would think they were intercontinental ballistic missiles with nuclear warheads poised and aimed on Honolulu. Hogwash. Hogwash.

Let us talk facts. All I am saying is this: yes, it is a modest request now. But I am saying before we make this modest request, before we approve it, let us insist in this age of détente, if détente means anything, that we at least initiate a serious overture to the Soviet Union to negotiate. Negotiate what? Mutual naval arms limitations agreement in the Indian Ocean; for example, a limitation on ship-days on both sides. You can verify that. It is enforceable.

What are the advantages in doing that?

Well, the advantages are clearly, first and foremost, that we avoid this costly, dangerous arms race. The chairman talks about the danger of confrontation there with the Soviet Union over the oil lines. That is far more sensitive than the strategic arms limitation talks going on right now. If it is that serious we ought to talk.

Now, second, what else does it do? It achieves the advantage of not flying in the face of the considered opinion of every ally we have got in the area. It is stupid to go ahead and plunge into this when all the countries in the region, including Australia, say, "Do not do it."

It is stupid when we could get resupplied, refueled over there all during the embargo. How many of those countries, Mr. President, that now make available to us some 36 ports, are going to close them down? If we go ahead with this base expansion, arrogantly disregarding the opinion of those countries, how many are going to be inflamed with anti-American judgments? That is a great and burning issue. The Indian Ocean may not mean much to us; Diego Garcia may be a flyspeck, an atoll, somewhere but, my friends, there are some 29 countries which live along the Indian Ocean, and who are we in the post-Vietnam period to start at once again arrogantly to disregard their judgment, their opinion, their sensitivities?

If the Soviet Union says, "Nyet, nyet, we do not want to talk," OK, OK, they do not want to talk. We will burn them up in the arms race. They cannot stay with us. They are not even with us today.

When we have to go ahead with Diego Garcia, Mr. President, we will be going forward, sir, with the burden the USSR. The onus, the blame, will be clear. It was America which made the good-faith effort; it was America which tried its best with diplomatic civility, enlightenment, compassion and concern to go forward to work out a rational relationship and understanding and resolution of the problems of the Indian Ocean.

Let the Soviets explain to world opinion, Mr. President, why they are not willing to enter into this mutual and humanitarian approach and response.

Now, Mr. President, every year since 1971, every single year, the General Assembly of the United Nations has come forth with a statement called the "zone of peace," begging the superpowers of the world who heretofore had remained out of the Indian Ocean to stay out. "Leave us alone. We do not want to be caught up in these big power politics. We do not want to be put in a situation where we are being muscled under through gunboat diplomacy. Respect our sovereignty. Respect our integrity. Play in your own sandboxes."

Always, they will concede, we have to have rights of navigation, freedom of the seas. That is what the law of the seas is all about, and we should insist to the end on that right.

But, Mr. President, every year since 1971 the General Assembly has said, "Keep the superpowers out." All the littoral area states have said, "Please stay out," including Australia. And yet we go forward and we go in.

Mr. President, it is said there are a few of these countries that will privately say that they want us to come in, they want Diego Garcia. Well, Mr. President, that has an awfully painful familiar ring to me, too. I remember as a new boy in the House Foreign Affairs Committee in 1965 going to Vietnam. I remember leaving Vietnam and going to Thailand, and I remember talking to officials in various parts of Southeast Asia, and they said, "You know, we are all for you but we cannot say a word about it publicly."

Let me just tell you something, Mr. President, the day you get politicians saying privately they are all for you and publicly going out into the town square and whipping them up against America so they can get elected, you are on pretty shaky ground. If there is one lesson of Vietnam, that clearly ought to be it.

Mr. President, we are right back into the bargaining chip game. That is what Secretary Kissinger is saying to us,

> I want it for a bargaining chip.

Why invest hundreds of millions of dollars of the taxpayers' money, money from Dubuque, Iowa, into a theory when we can determine the genuine intentions of the Soviet Union in a matter of minutes?

One of the last big bargaining chips is that white elephant called an ABM that my people are still paying for.

No, Mr. President, if there ever was a time to negotiate, the time is now. I believe that we should talk before we build. I believe that we should build before we fight and, I believe, Mr. President, that we should fight to the death before we surrender. But you have got to get your orders straight. You have got to get it in the regular order, Mr. President, regular order. Talk before we build, build before we fight, and fight before we surrender. We have got the cart before the horse again. We have got the State Department running around with its tail between its legs trying to catch up with foreign policy as it is set by the Defense Department. That is what is happening.

Now, finally, Mr. President, let us make that serious effort. Some of us were in the Soviet Union—one of the cochairmen was the distinguished Senator from Minnesota (Mr. HUMPHREY)—and we explored in formal sessions with the Soviets the extent of their willingness seriously to discuss the question of mutual naval arms restraint in the Indian Ocean.

As we reported to our Secretary of State immediately upon our return—the following day—and as we worked closely with our own State Department escort officers on the trip, and as we reported in subsequent correspondence to the Secretary of State, we said that although the initial response of the Soviet Union was general and vague, we had subsequent reason to believe that the Soviet Union would respond positively to the initiation of a formal request to enter into negotiations and discussions over the question of mutual naval arms restraint in the Indian Ocean.

That is all we said. We gave them chapter and verse on what exact and specific evidence we had to substantiate that hope.

That was just a hope. It may be wrong. It does not take long to find out if it is wrong, or not, but we feel that the signal we had should not be disregarded; it should be explored.

What is lost in that no risk policy? No risk.

We can find out whether they want to be responsible and act in good faith, constructive and substantial. We can find out in a matter of a few months, and what is lost, Mr. President, to delay long enough to find out? Nothing is lost, I submit, and there is everything to gain—the prospects of the outside hope, remote though it may be, that we will not have to go to a three-ocean Navy; $5 to $8 billion more money to the taxpayers of America at a time this country is going bankrupt.

We are not going bankrupt as a result of ADC, we are going bankrupt because of this insane arms race and overkill.

We talk about national security interests, as the able Senator from Missouri so frequently has had the opportunity and the good sense to remind us, but we do not listen. When we talk about national security interests, we talk about a three-legged stool: Guns and tanks, arms which we have got so much of that they get in the way; and we talk about the strength and fundamental and basic health of an economy which is the engine and heartbeat of the whole effort; and we talk about the morale and the welfare of the people, their confidence in the political institutions and the intelligence of decisionmakers to allocate priorities in a compassionate humane, logical and rational way.

Mr. President, I have mentioned the three-legged stool; today it has one good leg and two that are about ready to fall off, and the only good one is the guns and tank leg.

So we have nothing to lose by making this serious approach to the Soviet Union. What do we have to gain? We might avoid an arms race. We may also salvage a few friends in that area in the critical continent of Africa and the subcontinent of India. We may also keep open some of those refueling opportunities that were open to us all during the 1973 embargo.

What we are talking about here on Diego Garcia—and we have already spent $63 million for a communications center, is about $37 million more to dredge the harbor, extend the runways, build some officer barracks, and so forth.

The Navy has wanted this thing since the late 1950's. They not only wanted Diego Garcia, but bases all over the Indian Ocean. The minute the British pulled out, they thought, hot dog, let us pick up those properties.

As the late Senator from Georgia, Mr. Russell, once said, make it easy for the Navy to go places and do things, and they will go places and do things. I do not blame them. I do not blame them for wanting every toy in the store. I blame us for having the stupidity to give them that and more.

I do not blame them. That is their job. They are professional military people. I do not think they are acting irresponsibly when they want places for convenience, but it is we who are supposed to represent the larger national interest. It is we who are supposed to have the maturity to give consideration in the calculus of America's best interests, whether or not in fact that national security interest largely defined, is best served by this particular narrow escalation of military power.

That is our job. That is not their job.

Now, we talk here about this Indian Ocean.

Right now the French are here in Reunion Island. They are equal to the Soviet fleet.

We are talking about 30 days in gas and oil for aviation, planes, and to fuel ships.

In view of the fact that the Senator from Mississippi made this argument, I would just like to address it.

When we send a task force, carrier task force of the U.S. Navy, into the Indian Ocean—we have been doing it on a regular basis ever since 1973—it is out there for about 6 months of the year. One of the reasons our Navy costs so much is because they properly have a mission to handle global responsibilities, to get out to sea and stay at sea.

The Soviet Navy is not so designed or constructed; it does not have a mission of comparable magnitude.

When we go out, we can stay at sea 30 days. The American taxpayers pay a lot of money to permit them the capability.

No other country in the world even has such powerful aircraft carriers. We have got 13 right now. The Soviets have a few with helicopters on them. So what?

We sail out the U.S.S. *Enterprise*, a nuclear aircraft carrier. It has got so much stuff on it, so much firepower, it can hardly float. It can hardly float.

We talk about a Styx missile, 20-mile range. It is ludicrous. The Styx missile, late 1950 vintage, has been given to 13 different countries by the Soviet Union already. Egypt has got them. India has them. Everybody has got them.

The incredible irony to me is that we are in one room, all excited about that. We have seen a few crates. So what? The missiles are coming. OK.

They do not have the patrol boats yet. They have got to have a patrol boat to put the missile on to shoot it 20 miles at sea. Big deal.

They are going to Somalia. Our own DOD, our own intelligence, admits they are going to the Somalians. All right, good luck. I hope they can keep them in repair. So what? They are nonnuclear, they are not going anywhere. We have got the A-6 and A-7 flying off that aircraft carrier. We have cruisers, destroyers, we have oilers—oilers—keep that in mind—oilers.

They are out there 30 days without the need for anything. Except it really is a good thing those nations have sandy shores because when you put the U.S. Navy in that little bathtub, they wash people up on the beach.

If they do not know it, we will need some new admirals.

We are not lacking firepower. We are lacking will and intelligence.

Now, they are out 30 days. If they run out of fuel and want to stay on, stay 30 days, what kind of global contingency are we trying to deal with?

Do we face a serious interdiction? Do we mean we have a problem with Soviets coming up, wanting to risk world war III over stopping that oil?

What do we think the French will do then, or the British, what do we think we are going to do then?

I will say that we will be closer to world war III then than with SALT talks. Why not have some talks if that is the risk? That is not even the risk.

The Soviet Navy now has one diesel submarine, one diesel submarine in the Indian Ocean. That is all they have got. Big deal. We have got nuclear Russian submarines off the coast of America. Why do we not close down and go pray? What difference does it make? One diesel sub. Is that what we are building this base in Diego Garcia for?

Let us give negotiations a try for a few months, put the ball in the Russians' court, put the burden on their back and say to the Soviet Union, "You talk peace all the time, you talk about détente all the time, put up or shut up."

Mr. President, it is disturbing that they are building at Berbera. It is rather primitive. The able and distinguished Senator from Oklahoma will give us a firsthand account. There has never been any doubt in terms of the character of those potential capabilities. We do know that the Somalian Government has extended naval visitation invitations formally to the U.S. Government. Let us take them up on it. Let that U.S. Navy fleet steam into Berbera. If we are talking about political perceptions of the littoral area States, let them take a look at the U.S.S. *Enterprise*, the nuclear carrier, and then compare any silly thing the Soviet fleet can finally float down there. Let them compare that, if we want to show the flag, if we want to muscle up for the boys when we go into port.

We have plenty of opportunities to do that.

I think, Mr. President, we should not only exhaust our diplomatic initiatives; we should exhaust our economic initiatives. Here is Somalia, one of the seven poorest countries in the world, with $70 per year per capita income. We cut them off from foreign aid. We cut them off in 1971. Do the Senators know why? Because those poor, pathetic people happened to have a permitted registry of foreign ships, under a contract negotiated with an earlier government, which made runs to Cuba and North Vietnam. We cut them off and let those people starve.

Somalia went to every country in the Western world. They went to America, to Great Britain, to Italy, and they said, "Give us some help." Nobody would help them. So they got a phone call one day and it was Mr. Khrushchev. He said, "Come to Moscow. We will help you." They have been providing economic and military assistance to them ever since.

But as Mr. BARTLETT can personally attest, they have 3 million people and one-half million of them are in danger of starving to death. They have 1 doctor for every 20,000 people. They want to have the American Navy come and visit; they want to make Berbera an international port. We are the ones who will force that nation into the Soviet bloc with our pigheadedness. We are the ones who will guarantee that. They are yearning for assistance from the West. They are yearning to get back in better shape with their Moslem brothers in the Middle East.

That is another point. We are pouring arms into Iran and Saudi Arabia to build up their own forces in the Persian Gulf. They are having a meeting, Mr. President, of the Persian Gulf States this fall. One of the matters at the top of the agenda is going to be a collective security agreement and a formal insistence that the superpowers get out of the Indian Ocean. We already know that. Yet we persist in the insane step of getting on this slippery slope just a little more.

Mr. President, all I am saying is just take 6 months off. Make a serious shot at negotiations. Say to the Soviets, "Put up or shut up. We are prepared to build this base." I will be the one leading the fight to get it built. I do not think we will need additional help, but I will be here leading the fight to get it built, if the Soviet Union is going to act irresponsibly, not respecting the mutual self-interest we share in having a naval arms limitation agreement for the Indian Ocean.

But, Mr. President, if we have learned anything out of Vietnam, I think it should be that we look before we leap, that we proceed with caution. We, as a matter of fact, have not even exercised the diplomatic option and we are called upon to respond in a cold war way which, Mr. President, in all respects I greatly fear will lead to the three-ocean Navy with all the additional cost of $5 to $8 billion on the hard-put American taxpayer, with all the additional risk of confrontation on the high seas, and the prospects and probability that there will soon follow an escalation into a more serious and potentially disastrous consequence for all mankind.

Finally, Mr. President, if we proceed in arrogant disregard of the opinion of all the littoral states including some of our finest, greatest, and most historic supporters in the region, then, Mr. President, I am afraid the answer is we have not learned much, if anything at all, from Vietnam. We are responding to the tragic misadventure and trauma of Vietnam in a way which shows we did not learn anything but are only hellbent in our madness to reassert our machismo in a reckless fashion which will not serve the long-term interests of America's true national security or the prospects of world peace.

Mr. BARTLETT. Mr. President, I would say to the distinguished Senator from Iowa that that was a lengthy question and it will take a little time to answer.

I would first like to say that the letter that I read, which stimulated the distinguished Senator from Iowa to expound at length on Diego Garcia and other matters, makes it very clear that the administration is interested and has been studying the matter of negotiations; that they are interested, certainly, and should be, in protecting the security interests of this Nation in the Indian Ocean and believe that that can best be done with a modest expansion of Diego Garcia.

The Secretary says:

> . . . [W]e would be prepared in these circumstances to explore the possible methods of limitations, which we have been studying within the Government, bearing in mind the need to guard against the imbalance in the area which would adversely affect our security interests.

The distinguished Senator from Iowa mentioned that foreign policy is dictated by the military in this country. I would like to bring to his attention that there have been several efforts already, discussions, hearings, and debate on this floor on the authorization bill for Diego Garcia and on the bill to provide appropriations. Then there has been the certification process by the President with the debate pending today and the resolution by the distinguished majority leader. So I think we can see that the Congress is playing a very large role in formulating the policy that we will be following in the future in the Indian Ocean.

The distinguished Senator mentioned that the Soviets have one attack submarine, a diesel submarine. His intelligence must be different from mine because the intelligence available to the committee points out that in addition to 1 attack submarine there are 4 major surface combatants, 2 amphibious ships, 2 mine sweepers, 6 logistics ships, and one intelligence collector, for a total of 16 currently dispatched in the Indian Ocean.

The distinguished Senator mentioned on several occasions the three-ocean navy. I think this figure of speech is a matter of semantics to some extent. I think what he is really talking about is numbers of ships. It could very well be that the future requirements that this Nation envisions for its best interests in the Indian Ocean would require additional ships.

Certainly, all indications today are that Soviets are continuing to increase their number in this vital area of the world.

The distinguished Senator knows, and the majority leader who also mentioned this point knows, that expanding Diego Garcia does not, in itself, increase the number of ships that will be deployed on a deployment basis or permanently in the Indian Ocean.

Mr. President, the distinguished Senator from Iowa made a very impassioned plea that we permit just 6 months, just another extension of delay, in order to give us the opportunity for arms reduction negotiations with the Soviets.

I am very surprised that he makes this point so strongly, because delay in itself would force the United States to negotiate from weakness rather than from a position of parity or near parity. This delay that the Senator is recommending could possibly be looked upon by the little nations of the Indian Ocean as a sign of weakness, or even of lack of interest on the part of this country. That would certainly encourage the little nations to tie their stars to the Soviets rather than to the Western nations, and I think that this could be the reason that those countries are unwilling to speak out in public as they do in private to express just how they do feel about the presence of the United States in the Indian Ocean with an expansion of Diego Garcia.

What the Senator is suggesting is adding to the already 1 year of delay of the modest expansion of Diego Garcia, while the Soviets continue to expand their facilities, as they have in the past.

Such a delay is to the advantage of the Russians and to the disadvantage of this country. This delay would require the United States to unilaterally refrain from increasing its narrow capability in the Indian Ocean, the Senator says, for 6 months. He does not know how long the negotiations would take. It obviously would be much longer than that, but he wants us to refrain from increasing the military capability of this country in the Indian Ocean while the Soviets continue to expand their facilities for several years, at least.

I point out to the Senator that this would be another victory for the Soviets along with the Greece-Turkey controversy, which certainly has had some impetus from the Congress, and which of course is weakening the eastern end of NATO, like the opening of the Suez Canal, the expulsion of U.S. forces from Turkey, and the withdrawal of U.S. forces from Southeast Asia. Though balanced force limitation would increase stability in the region and reduce the danger of conflict, arms control in itself is not useful for security unless the capabilities of all parties are correspondingly diminished.

I would like to point out that agreement with the Soviets on mutual arms restraint would be a very lengthy process, and would require a lot of time. It would be a mistake to undertake an initiative with the Soviets while the Diego Garcia matter is still pending congressional approval. It could possibly leave the mistaken impression that we would be willing to sacrifice Diego Garcia in the event of an arms limitation agreement.

Any arms control agreement will require land-based aircraft for verification. Diego Garcia has already been invaluable for surveillance of Soviet activities.

Only after Diego Garcia construction is under way should we consider any arms control negotiations with the Soviets in the Indian Ocean area—at least this is my opinion—and only after we have developed a technically feasible arms control approach.

The United States cannot be placed in a position where dilatory Soviet negotiating procedures could deprive us of badly needed facilities on Diego Garcia, at a time when our vital and legitimate interests could soon be jeopardized, and I think this is what the Senator from Iowa is advocating.

Even if we were to assume the Soviets would act in good faith, the very difficult and technical negotiations would likely be protracted.

The President cannot accept any negotiation requiring either a link between Diego Garcia and arms control or a requirement that we proceed to talk to the Soviet Union on this question.

We are, of course, carefully studying the possibilities for arms control measures in the Indian Ocean, and will consider a Soviet approach on its merits should they approach us. There are many special difficulties in developing workable arms control measures for the Indian Ocean, and the United States is actively working to see if solutions can be found.

Multiple asymmetries between the naval needs and structures of the United States and the U.S.S.R. create very serious negotiation difficulties. The fact is that the United States and its Western European allies have an especially vital interest in assuring that sea lanes of communication to the Persian Gulf oil supply are kept open. The Soviets do not have an equal problem of communication, of keeping open sea lanes of communication, for their oil supplies.

Any agreement limiting United States and Soviet deployment must also take into account the large and growing military forces of a number of littoral states. Unconstrained, these forces might become a major source of instability in a generally unstable region.

When considering "nuclear free zones, zones of peace, and mutual withdrawal of naval forces" proposals, it is apparent that the Soviets do not have a realistic quid pro quo to offer. In any agreement which merely limits the forces deployed to a particular region, as Indian Ocean limitations would do, rather than the total inventories of both sides, as SALT does, for example, we must pay particular attention to the relative capabilities of each side to bring in forces from outside the region in the event the agreement breaks down. Soviet geographical advantages result from proximity of land-based aircraft and Black Sea naval forces—with the June 5 reopening of the Suez.

There are many technical difficulties such as measurement difficulties—ship days versus ships versus tonnage; questions about what kinds of forces are included; for example, submarines, minesweepers, auxiliaries, trawlers; questions about the role of land-based airpower in the naval balance; problems about treating forces outside the region versus forces in the Indian Ocean itself; problems arising from the existence of other forces in the region belonging to littoral states as well as other otuside powers.

So I think the distinguished Senator from Iowa should know that what he is suggesting is a very complicated series of negotiations that would take many years to culminate, and without any assurances of success.

Mr. President, I would like to comment at this point on the trip that we took to Somalia, Berbera, and Mogadiscio. This was authorized by the Committee on Appropriations and also the Armed Services Committee. There was a group of experts, so that the conclusions that I have reached in the recent report that was released last week are my own, but based on the expertise of many others and the observations of the entire team which spent 6 hours in Berbera.

First, the obvious conclusion to us, as we saw the situation at Berbera, was that the facilities have significant military potential, and second, that the Soviets control or at least have access to all facilities at Berbera.

The facilities at Berbera are still undergoing expansion, and the total scope of the effort planned cannot be accurately determined. However, I shall outline the capabilities of the observed and analyzed facilities.

I would comment on the statements made by the distinguished Senator from Iowa, as well as the distinguished majority leader, because in both instances they downgraded, in comparison, the facilities at Berbera which the Soviets control and have access to, compared to the planned modest expansion of facilities at Diego Garcia.

At the present time, the harbor at Berbera has depths of 50 to 60 feet, whereas at Diego Garcia, inside the atoll, it would be necessary to dredge in order to create a good harbor area for a task force of six ships.

Berbera at the present time has ample depth and ample space for a large task force, much larger than that contemplated at Diego Garcia. There is also adequate berthing space, material handling of equipment, storage space, and access roads to enable the port facility to serve a naval task force which it does do.

The communications facility is a long-range, high-powered facility capable of very long transmissions and receptions completely under the control of the Soviets.

Incidentally, just to show the interest of the Soviets in those transmission facilities, when we approached the gate from some 100 feet away the Somalian guards drew their rifles on us in the lead car and then later on one particular individual who walked up to the gate to see if he could gain entry.

The same thing happened at the other facility, the receiver facility.

As to the missile handling and storage facility, the Senator from Iowa said that this is just a Styx missile facility. There have been Styx missile crates seen there, and there were some small dollies also seen which would be for handling missiles, probably bigger than the Styx. But there is a great capability there with a 25-ton crane and a capability to handle any of the missiles that the Soviet Navy would be using in surface to surface or any air to surface missiles that would be used by the Air Force. It is capable, according to the experts, of handling any missiles that the Soviet Union has for its Navy.

It is also apparent that the Somalians have no use for this facility. They do not now have even the ships to fire the Styx missile, although they say that they will have them soon. Their officers had no knowledge of and could not respond to routine questions, that were asked of them about the facility.

The airport facility, of course, is under construction at Berbera but will be in the neighborhood of 13,000 to 14,000 feet long. The planned airport at Diego Garcia is for 12,000 feet. Certainly they would be comparable when completed. However, the length of the one at Berbera, is under construction, whereas, the one at Diego Garcia is only planned as an extension of the current 8,000-foot runway.

A number of outbuildings are under construction, and it is impossible to tell just how they would be used, but there were other prefabricated structural members in a storage area that also were designated for additional buildings at the airport facility. There is much construction going on, including housing, a new water supply, and other buildings that they identified as a hospital, which obviously was not a hospital because of its very strong and unique construction.

So the Soviets are there in large numbers, estimated at 1,500, compared to an estimated 600 that would be at Diego Garcia if this expansion is approved.

The fuel storage facility at Berbera is being expanded from 40,000 to 170,000 barrels. I know that the distinguished majority leader was advised by his staff member that there are no bunkering facilities available at the present time at Berbera. We were advised of this by the Somalians. But it does not make any sense to accept this fact as the facts in the case and as the gospel truth because they also said that the expansion of the bunkering facilities is for the purpose of enabling the Berbera port facility to engage in trade and business with the opening of the Suez Canal with the commercial fleets. So if this is the case, they certainly are willing to use the bunkering facilities.

Also, the Soviet Navy does make a great use of oilers in bunkering their ships and have, on many occasions, had the oilers tied up in the harbor filling their ships as well as filling the storage facilities. The storage facilities will also provide gasoline jet fuel for the airport. There is a pipeline under construction from the POL facility to the airport and also to the significant missile facility.

So I think that the distinguished Senator from Montana and the distinguished Senator from Iowa are being misled if they are of the opinion that this is not a significant naval facility and air facility that the Russians control and to which they have access. I am advised that as a naval facility it exceeds any other facility to which the Soviets have access, including Cuba, outside of the Soviet Union.

Mr. PASTORE. Mr. President, may I ask the Senator a question?

Mr. BARTLETT. Yes, I will be glad to yield on the Senator's time.

Mr. PASTORE. I was wondering if the Senator is in opposition to the resolution?

Mr. BARTLETT. Would the Senator like to obtain time from the distinguished majority leader?

Mr. PASTORE. About what?

Mr. BARTLETT. I just asked if the Senator would like to obtain time.

Mr. PASTORE. I may be on the Senator's side for all I know. From whom am I going to ask for time? I am asking a question. If it is a matter of time, I will just sit down.

Mr. STENNIS. No.

Mr. THURMOND. I will grant the distinguished Senator time.

Mr. PASTORE. Now everyone wants to grant me time.

The question I ask is this: My mind is open on this. I have not made up my mind, but a lot of questions have been raised by the distinguished majority leader, the Senator from Iowa, my own colleague, and the distinguished Senator from Missouri.

Essentially, why do we have to be in the Indian Ocean? Will the Senator tell me the answer to that question? Why do we have to be there?

Mr. BARTLETT. I will be glad to.

Mr. STENNIS. I will answer.

Mr. PASTORE. I do not care who answers the question. I do not care. I want to make my mind up what the right thing is.

Mr. BARTLETT. I think the answer to that is a very long-winded answer.

Mr. PASTORE. Do not get winded or make it long.

Mr. BARTLETT. It requires an effort to evaluate the proper role of this Nation.

But certainly I think the area of the Indian Ocean is an unstable area and it butts right up to the Mideast. There is not only the oil supply routes that flow out of the Gulf of Suez and into the Indian Ocean, but also the production sites of oil in the Middle East.

Another reason for our interest is that the Navy by its very nature is a great ambassador for this country and has been on many occasions.

Mr. PASTORE. Is it to keep the sea lanes open?

Mr. BARTLETT. It is to keep the sea lanes open. It is a protective area. If the Senator would just let me, I will cover a few other points.

Mr. PASTORE. Yes.

Mr. BARTLETT. Certainly this facility is for contingency purposes. It is in support of our friends. We want to see the Indian Ocean remain a stable region and not dominated by one outside power.

I mention just a few things about the fact that naval power is ideal for balance. It is historically acceptable and tends to be flexible. It does not have the provocation of territorial military commitments. It is very valuable in times of disaster to our friends, and it provides local self-sufficiency in needs of defense. It is a visible sign of interest. It can deter harassment and blackmail. It can maintain existing rights and facilities that the United States has. It is a safe means of evacuating civilians, commands respect of our enemies, and so on.

Mr. PASTORE. May I interrupt the Senator for just a moment?

I am a member of the Subcommittee on Defense Appropriations. Frankly, when the military came before our committee—and this is an old chestnut, this matter of Diego Garcia; this is not something that just came up last week—I was quite impressed when they made their presentation. But since then many questions have been asked, and many reasonable people are a little confused about this—why very reasonable people should be on one side and very reasonable people should be on the other side.

I was told that this was strictly a refueling depot, an oil refueling depot. Is that correct?

Mr. BARTLETT. This is a depot for bunkering naval ships for providing additional fuel for aircraft, for surveillance by aircraft. It also would have a dredged outharbor area accommodating a six-ship task force, and it would have other facilities.

Mr. PASTORE. The Senator said this is a sensitive part of the world, and indeed it is. I think many other places are, also. But why are all the countries in the perimeter surrounding the Indian Ocean against our presence there? Why is that so, if we are there to keep peace?

Mr. BARTLETT. I think that one very good reason is that they are afraid of the Soviet presence; they are afraid to express themselves as they really feel. They wonder whether or not our delays are a matter of indecision or lack of interest or whether we really are committed to a presence there.

Mr. CULVER. Mr. President, will the Senator yield?

Mr. BARTLETT. Has the Senator finished?

I will yield to the Senator in a moment, but first I want to wind up my comments on Berbera.

The Berbera location is extremely valuable. As the Senator knows better than I, it is right on the trade routes going through the Suez and coming out of the Persian Gulf. It is also right across from Aden, where the Soviets have a very significant facility, with access to both naval and air facilities.

Another point I should like to make, which is an area that was mentioned by the Senator from Iowa, is that the Government of Somalia says that they would like to improve relations with the United States. I believe that we very definitely should evaluate this; but as soon as we do—and I am sure we will—it is then going to be up to them to take some steps in the direction of friendly relations or parity relations with us, because they certainly have gone all out to permit the Soviets to have a very significant military facility or series of facilities in the Berbera area.

I recommend that we proceed with the proposed expansion of Diego Garcia. I believe that this expansion is justified, notwithstanding the existence of a significant Soviet military capability at Berbera. The results of this trip greatly reinforce the arguments in favor of this proposed expansion of Diego Garcia. I think the President is correct in certifying that it serves a great need to the United States in its overall interests in the Indian Ocean.

Mr. President, I hope my colleagues will defeat the Mansfield resolution, and we will show the people of this Nation that we do have a concern for the overall interests of the United States, wherever they exist.

I yield the floor.

Mr. STENNIS. Mr. President, will the Senator yield to me for a question, a genuine question?

Mr. BARTLETT. I yield.

Mr. STENNIS. The Senator went to Berbera. He viewed a missile installation there, as to the size and capability. Much has been said here about the Styx missile. With respect to the capacity and capability of the building that the Senator saw, for possible future use, was it large enough to take care of ship-to-ground missiles?

Mr. BARTLETT. The Senator is correct.

Mr. STENNIS. The Senator is versed in this field to a considerable degree. Was that his impression, based on the information he received then?

Mr. BARTLETT. This was my impression. Perhaps even more important, our missile expert said that this facility had much greater capability than that required of the Styx missile. In fact, he said that the Styx missile can be disassembled without any elaborate equipment. But this facility does have a 25-ton hoist. It has a clear span of 30 feet. It is a significant facility, capable of handling any missile the Soviet Navy has.

Mr. MANSFIELD. What is the range of the Styx?

Mr. STENNIS. It is a short range, in the neighborhood of 25 miles.

Mr. BARTLETT. The missile storage and handling capability is far beyond the Styx missile.

Mr. STENNIS. Is it large enough, in the Senator's opinion, to be used for submarine-launched missiles? I mean, to handle those missiles and care for them, keep them in shape, for use by submarines.

Mr. BARTLETT. Yes. It has the capability of handling submarine missiles.

Mr. STENNIS. Did the Senator raise that point there with his experts?

Mr. BARTLETT. I was given full assurance by our experts, on the trip and on return, that this facility has that capability.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. STENNIS. I thank the Senator for yielding to me.

Mr. SYMINGTON. What is the definition of "expert"? Who were the people involved?

Mr. BARTLETT. This gentleman is an Air Force major who was provided to us.

And who has adequate background in the area. He was briefed particularly on this base from aerial photographs prior to our leaving.

Mr. SYMINGTON. I thank the Senator.

Mr. CULVER. Mr. President, will the Senator yield?

Mr. BARTLETT. I yield. On whose time? I think my time is up.

The PRESIDING OFFICER. Who yields time?

Mr. MANSFIELD. How much time does the Senator want?

Mr. CULVER. How much time might be available?

Mr. MANSFIELD. We have 76 minutes available, to be divided among 6 Senators.

I yield 5 minutes to the Senator.

Mr. CULVER. I thank the distinguished majority leader.

I ask the Senator from Oklahoma whether, in the entire course of the testimony on this issue or as a result of any of the briefings he has had, he has been advised that the present missile capability or potential capability of the facility at Berbera, even if expanded, would result in a Soviet-controlled capability that would affect the tactical or strategic balance of the Indian Ocean region, given the current disposition of forces. Has the Senator been told that by any source?

Mr. BARTLETT. No, I have not been told that. Let me say that that does not mean it is not correct.

Mr. CULVER. It is my understanding, from all the testimony we have had, that in no way has it been implied by the Department of Defense or any other witness that, even given the worst case scenario of Soviet capability in Berbera, in the use of this facility, it is going to have that kind of potential impact.

As a matter of fact, the Soviet ship-to-ship missiles do not exceed a 40- or 50-mile range, anyway, as the chairman mentioned. The Soviets do have some submarines that carry four antiship cruise missiles of 250- to 500-mile range. The hooker is that these missiles require a plane near the target for final guidance. In short, there is no real offensive power there.

The French Navy already has the Exocet missile, with a 20-nautical-mile range, and that is in the French fleet, which equals the Soviet presence now.

The Senator from Rhode Island is properly concerned about the adequacy of American strength in the region vis-a-vis this proposed threat. Take the U.S.S. *Enterprise* alone, which has been steaming around over there this year. As a matter of fact, I say to the Senator from Rhode Island, ever since 1973 we have spent approximately 4 to 6 months a year over there with carrier task force groups. Take an American aircraft carrier, with all the firepower on it, and put it in, and as I mentioned earlier, it is like putting a 400-pound man in a washtub. There is no other power on Earth that can match our aircraft carriers. We have 13 of them.

What do we have on the U.S.S. *Enterprise*, for example? We talk about the Styx missile craze. That Styx missile has been given to 13 countries all over the globe. In one room in this place, we are talking about the fear of the Styx missile; we are holding hearings next door about the most sophisticated antimissile missile stuff going into the Middle East. By the droves, we are hawking that stuff.

Back to the U.S.S. *Enterprise*. The U.S.S. *Enterprise* alone carries 12 A–6 planes, each of which has a 750-mile radius and can deliver 7.5 tons of ordnance on each one of those planes off the *Enterprise* alone.

In addition, we have 24 A–7's on the *Enterprise*, with a 700-mile radius and a 7.5-ton capacity on each plane.

Mr. PASTORE. Will the Senator yield? I have asked some very simple questions, if I could only get them answered in the RECORD. The trouble here is that the time is being devoured by those who are for it and those who are against it, people who have made up their minds. There are a lot of people in the Senate who have not made up their minds. We would like to have the answers to the questions. We do not get them.

The question I should like to have answered is this: Do we have to be in the Indian Ocean at all?

Mr. CULVER. I think we have to be in the Indian Ocean to the extent that we, in our national interest, have to maintain a global presence. I think it is consistent with the law of the seas, with the right of access to all the oceans. How we are in the Indian Ocean and what form and shape that presence takes is what the debate today is all about.

Mr. PASTORE. I understand. Before we get off on another tangent, my question is, if we have to be in the Indian Ocean, what is wrong with having a fuel depot for the escort ships that have to protect the *Enterprise*, which is nuclear? What is wrong with it?

Mr. CULVER. First of all, the thing I think is wrong with it is that Diego Garcia constitutes a permanent U.S. presence in the Indian Ocean. It is a permanent base presence which, in my judgment, is clearly not necessary in terms of our security interests. It is a matter of intervention.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. MANSFIELD. I yield another minute.

Mr. CULVER. It is not essential to U.S. national security interests.

If we go ahead with that base, we essentially have two concerns. One is that we are going ahead with that base in arrogant disregard of the expressed and formal considered judgment of everyone of the 29 littoral area states, including Australia.

Also, every year since 1971, the U.N. General Assembly has urged a zone of peace for the region.

Finally, we are going ahead without even attempting the most feeble efforts at negotiating with the Soviet Union, on a bilateral basis, for a mutually agreeable naval arms agreement in the region.

The PRESIDING OFFICER. The Senator's additional time has expired.

Mr. MANSFIELD. I yield 1 additional minute. Then I shall have to parcel out the time to people who have been waiting.

Mr. PASTORE. It is not a matter of who has been waiting all day. The question is that the people who have been talking on the subject have made up their minds, one way or the other. There are a lot of people around here who have not made up their minds at all.

Mr. MANSFIELD. One minute to the Senator from Iowa.

Mr. CULVER. I say to Senator PASTORE that one other problem with going forward, in the judgment of some of us, is the very real danger that at the present time, where we have 36 ports, according to DOD, where the United States can refuel already in the littoral region, and where, in part, we were allowed to refuel even during the 1973 oil embargo itself, when we beefed up our presence in the Indian Ocean, we run the risk of many of those ports being closed down to us if we go ahead against their opinion.

Mr. MANSFIELD. Mr. President, I yield 10 minutes to the distinguished Senator from Vermont (Mr. LEAHY).

Mr. LEAHY. I thank the distinguished majority leader.

Mr. President, the proposed expansion of naval facilities on Diego Garcia not only signals a new escalation of the defense budget but carries with it in my estimation, far-reaching implications for our long-range foreign policy goals.

The $108 million required for the completion of the facility is relatively small when compared with major weapons systems and the overall military budget. However, it could well be but the opening wedge for the eventual expenditure of billions of dollars.

The fact is that the expansion of the base on Diego Garcia cannot be justified unless the Navy plans to station a carrier task force full-time in the region. This would give the Navy, which is scheduled to reduce from 15 to 12 carriers, the perfect excuse to keep 15 carriers. According to a Brookings Institution report, the eventual deployment of an aircraft carrier task force in the Indian Ocean would cost between $5 billion and $8 billion in new ship construction. In addition, taxpayers would be saddled for years to come with an annual increase in Navy operating costs of $800 million.

Therefore, I think that, from just a dollars-and-cents point of view, it is imperative that the expansion of these facilities be absolutely justified before we embark on such a course. No one doubts that the expansion will indeed add to the capability of the Navy to operate in the Indian Ocean.

But far too little consideration has been given to its impact on our foreign policy and to its tax implications. The tactical advantages of such a step cannot be considered in a void.

Do we really need this expanded base? Does the increased Soviet presence in the area require an immediate response of this magnitude? These questions cannot really be answered in the absence of any steps by our Government to avoid a naval arms race and a superpower confrontation in the Indian Ocean.

In its 1974 report on the military construction authorization bill, the Senate Armed Services Committee deferred funds for Diego Garcia until the administration could make a "full reevaluation" of the matter, in the hope that this would include a "thorough explanation of the possibility of achieving with the Soviet Union mutual military restraint without jeopardizing U.S. interests in the area of the Indian Ocean."

The conference report at that time merely called upon the President to advise the Congress that he had evaluated all military and foreign policy implications of the expansion and to advise the Congress in writing that the project is in the national interest.

We asked the President to certify to Congress whether it is necessary, and the administration, in what I thought was a rather arrogant attitude, in curt, two-sentence communication, advised Congress on May 12, 1975, that, yes, it is necessary. Somehow, Congress, which is supposed to have oversight responsibility in this area, is expected to jump at those two sentences and go ahead. The President offered no analysis of his evaluation and offered no explanation of how the expanded base will enhance our defense posture or further our foreign policy goals. There was no attempt whatever to bring Congress into the decision-making process on this issue in any meaningful way. Once again, the Congress is being asked to rubber stamp an administration proposal which can eventually have tremendous effect on the budget and which can signify a major shift in our foreign policy.

Mr. President, the fact is that no meaningful efforts have been made by the administration to extend détente to the Indian Ocean. We have not raised the issue of arms restraint in the Indian Ocean with the Soviet Union since 1971. It is not a case where diplomacy has failed; it has not even been tried. The Congress and the American people have yet to learn what our foreign policy is that requires a costly military buildup in a relatively unmilitarized area of the world.

We know that each year since 1971 the United Nations General Assembly has urged that the Indian Ocean be made a "zone of peace." We know that none of the 29 nations bordering on the Indian Ocean has given public support for the expansion of our Diego Garcia base. Quite to the contrary, India, the nearest major power to the island, opposes our building the base; and our closest allies in the area, Australia and New Zealand, have publicly expressed their opposition.

Why, then, the haste to proceed with this expansion? Will our national security be endangered if this matter is delayed a few months or a year until we have explored all diplomatic prospects?

Let us take a look at the map over there. It is the same kind of map that we have when the Pentagon comes before the Armed Services Committee and asks for anything new. If we look at that map and look at the red stars which indicate where the Soviets have military installations, it would appear that they totally surround the United States. The same maps give the appearance that the United States has extremely few bases. Mr. President, why not just give up? We have all those Soviet red stars around surrounding us, and a couple of little U.S. blue stars to indicate that the United States is somehow valiantly holding on.

Mr. President, it does not mention the fact that we now have over 3,000 military, naval, and air bases scattered throughout the world, and that does not include those in the United States. Of that number, 300 are classified as major installations. More than half a million American servicemen and servicewomen are stationed abroad including 60,000 afloat with our fleets in all the seas of the world. How much more do we need?

The maps certainly show a different picture than if the Pentagon provided maps showing where all our bases are and all our people are—land and air and sea—as compared to the Soviet Union. It would be an entirely different picture.

As the leader of the free world we have a responsibility to use our power to maintain peace and stability. But we do not have a mandate to act as the world's policeman with a military base on every block, so to speak.

No nation on the Indian Ocean littoral is threatened by aggression. For more than 30 years this area of the world has been relatively tranquil without benefit of huge superpower military bases. When Congress approved $5.4 million in 1970 for an austere naval communications facility on Diego Garcia, it was with the clear understanding from the administration that there were no plans for a larger base.

Why, then, the rush to build a multipurpose facility without a prior attempt to negotiate an arms free zone? Whose security is suddenly endangered? What changes have there been since 1971? Has the balance of power in the area changed to drastically as to warrant a headlong rush to commit billions of dollars without first pursuing all diplomatic routes available to us? Or did the administration purposely hold back its plans at the time of the initial expenditures.

Secretary of Defense Schlesinger has raised the specter of a new Soviet base at Berbera, Somalia, as a major reason for immediate action on our part in expanding the Diego Garcia base. While there is considerable evidence that the Soviets are building air and naval facilities at Berbera, there is no evidence to indicate that the strategic balance in the Indian Ocean is being upset by the present level of Soviet construction there. This construction will not make Berbera a major naval base.

From all reports, the facilities there are simply not extensive enough to permit the Soviet Navy to conduct major operations or maintain a continuous presence in the Indian Ocean. Perhaps a major base is planned. We do not know. But the present expansion at Berbera only marginally increases the capabilities of the Soviet Navy and is not indicative that a major base will be built.

The United States has, and will continue to have, the capability of deploying substantial naval forces in the Indian Ocean. We twice sent carrier task forces into the Indian Ocean in 1971, and have sent others on a regular basis since 1973. The administration has not presented any facts to Congress to indicate that the tactical naval balance or the overall strategic balance in the Indian Ocean which now favors the United States and our allies has been seriously affected by the Soviet construction at Berbera.

Mr. President, I grant that this construction signifies an increased Soviet interest in the Indian Ocean, and carries the disturbing possibility of future military expansion. However, I do not believe that this fact by itself is justification enough for our going forward at this time with military and naval expansion in the Indian Ocean.

Essentially, we have two options open to us. We can, as the administration and the Pentagon have requested, match the Russians ship for ship and base for base in another never-ending vicious cycle of escalation. Or, before taking that momentous step, we can seek negotiations with the Soviet Union on naval arms limitations in the Indian Ocean. We have nothing to lose and everything to gain by trying to maintain the peaceful status of that area of the world. If the Vietnam debacle taught us anything, it taught us the need for caution and restraint before committing our power.

On our recent trip to the Soviet Union as part of the Senate delegation to the U.S.-U.S.S.R. Parliamentary Conference, Senator Culver, Senator Gary W. Hart, and I discussed this situation with several Soviet officials. We received indications that their Government might be willing to negotiate a limitation of naval arms in the Indian Ocean. We relayed these impressions to the Secretary of State urging that he further explore the possibility of such negotiations.

To forgo diplomatic initiatives until after we are already on a path of costly competitive military escalation in the area might be to lose the opportunity which exists today for a real test of détente. In order to provide an opportunity for such negotiations, I strongly support the resolution of the distinguished majority leader, Senator Mansfield, to postpone for this year further expansion of the Diego Garcia facilities.

Mr. President, no one denies that the United States has vital interests in the Indian Ocean. However, those interests can best be served by our making every effort to make the area a "zone of peace." Should the attempt to do so fail, we always have the option of proceeding with the expansion at Diego Garcia and with whatever else might be necessary. But, it is not necessary at this time.

A lesser, but often repeated, rationale for this project is the argument that it is important to the United States and the industrialized free world to keep the sea lanes in the area open and unfettered and that, somehow, an expanded Diego Garcia base would enable us to do so.

The 7th Fleet was present in the Indian Ocean during the oil embargo in the fall of 1973, and failed to alter the course of events. As the proposed expansion on Diego Garcia would only increase the length of time the U.S. Navy could remain on station in the Indian Ocean, it is unclear to me how that expansion would give the Navy the ability to affect another Arab-initiated oil embargo, short of outright military action. I wonder, Mr. President, if that is what the administration is suggesting to us?

Unthinkable as that might be, it would be the height of naivete to think that such action could be limited to a minor conflict or even to the Indian Ocean, much less that Diego Garcia would play much of a role, if any, in its eventual outcome. However, if the administration feels that the expansion at Diego Garcia is necessary to increase our capability to fight a major war in the Indian Ocean, then the Congress should be told now that this is just the first step in what would have to be a long and costly road toward a creation of a three-ocean Navy. It should not be unreasonable to ask for honesty from the administration in discussion of its military policy.

Mr. President, to proceed at this time would run counter to our best national interests. It would be an admission to the world of the failure of our foreign policy to solve international problems without resort to flaunting our military might. It would trigger a serious escalation of the arms race. It would cost taxpayers billions of dollars and weaken our ability to deal with pressing domestic problems. It would show our complete disregard for the views of the nations in that area of the world.

In view of the risks and the potentially enormous costs, I strongly urge that the Diego Garcia expansion be delayed until the administration has shown a serious attempt to negotiate an arms limitation in the area. Let us show the world that with all our immense power we can act with caution and restraint. If such efforts are unsuccessful, and they may well be, then the responsibility for any subsequent events will rest squarely on the Soviet Union.

Mr. President, I grow very, very concerned that we are falling into a situation where what Congress does might well be ignored. We might as well simply let the Pentagon decide each year what it wants. Perhaps we are at a point where instead of having a military budget or a military debate we should simply put into law that on July 1 of each year the Pentagon can take two tanks and several large trucks to the Treasury building and just load up with whatever it wants, because it does not seem to make much sense what we do. We are still going to be faced with these kinds of charts which, I think, are terribly, terribly misleading and make no sense of what we are doing.

Mr. President, we are the leaders of the free world, and especially now, with the post-Vietnam era, this puts a far, far greater responsibility on us than we ever had. I do not think we are carrying out that responsibility by expanding militarily in the Indian Ocean without first trying to negotiate a peaceful zone in that huge area.

I thank the distinguished majority leader for yielding to me, and I yield back my time.

Mr. PELL addressed the Chair.

Mr. MANSFIELD. Mr. President, I yield to the Senator from Rhode Island and then, on his own time, I yield to the distinguished Senator from Virginia (Mr. William L. Scott).

Mr. PELL. I thank the majority leader.

Mr. President, it is difficult to add much that is new to the debate concerning Diego Garcia. For over a decade, the advocates of an American naval presence in the Indian Ocean have favored the development of this small coral island; for just as long, many Members of Congress and other individuals have joined in efforts to oppose this proposed expansion of American commitment abroad. Nevertheless, with this vote on Senator Mansfield's Senate Resolution 160, the debate has arrived at a crucial turning point, thus requiring my making some additional comments.

Supporters of the efforts to expand the U.S. naval facilities on Diego Garcia emphasize certain factors. They correctly point out that American dependence upon oil resources in the Middle East and Persian Gulf is growing, while the dependence of our allies in Western Europe and Japan on these supplies is already great. In addition, it has been shown that the Soviet Union, facilitated by the opening of the Suez Canal and new privileges in Somalia's port of Berbera, has steadily increased its naval presence in the Indian Ocean. Asserting that an enlarged American naval presence is required to protect these vital economic interests and balance the Soviet naval activity, these individuals are advocating the expansion of naval facilities on Diego Garcia to improve the United States position in the area.

Where I find myself in disagreement with advocates of the Diego Garcia project is not so much with their observations as with their conclusions. While it is evident that the United States is and will be increasingly dependent upon imported sources of oil, it is not clear how an expanded naval presence in the Indian Ocean will serve to alleviate this problem.

Manipulation of oil supplies and prices has occurred at the wellhead by the local producers exercising their political and economic powers. The threat to the oil trade is not coming from the interdiction of tankers by the Soviet Union or anyone else; as a result, the solution to the oil problem lies not in the deployment of additional naval force, but rather in a sound program of domestic conservation coupled with the development of both new sources of oil and alternative forms of energy.

Much space has been allotted by the media recently to the Soviet presence in the Indian Ocean, and specifically to their status in the Somali port of Berbera. The logic often expressed in that since the Soviets now have a facility in the area the United States must have one as well. But this line of thinking is oversimplified and tends to distort the situation. Not only does the United States already enjoy the use of facilities at Bahrein, Subic Bay, Philippines, and elsewhere around the region, but it is often forgotten that Somalia has offered the United States facilities similar to those provided the Soviet Union at Berbera.

In addition, it is necessary to consider the geographical proximity of the Indian Ocean to the Soviet Union. When one recalls the major importance of this ocean to the Soviet economy, a Soviet naval presence in the area—even one larger than the American presence—appears both understandable and justified. The Indian Ocean is to the Soviets what the Panama Canal and the Caribbean Sea are to the United States—the body of water through which ships move between the Atlantic and Pacific Oceans.

There are other factors which also contribute to the conclusion that it is not in the national interest to go ahead with the Diego Garcia proposal. While the cost of this particular project remains relatively modest, the estimated cost of a major Indian Ocean naval presence is staggering. Diego Garcia is but the wedge of a commitment that will lead to an expansion of our Navy from its present 12-carrier format to a 15-carrier format. According to an estimate provided by the Brookings Institution, the price tag attached to making the United States a 3-ocean navy will entail acquisition costs of $5 to $8 billion, and annual operating costs of $0.8 billion.

In addition, possible costs go beyond the realm of economics, as it is all too likely that the Indian Ocean will become the scene of yet another destabilizing arms race between the two great powers. The avoidance of such a competition would not only save the United States considerable money, and perhaps prevent a needless confrontation with the Soviet Union, but would also be welcomed by the littoral states of the region who have been virtually unanimous in voicing opposition to the growing presence of outside parties.

In its vote today, the Senate is considering more than the immediate prospect of expanding the facility on the Island of Diego Garcia. Also being determined is the course of American foreign policy in a part of the world where the United States has traditionally maintained a low profile without having sacrificed any vital interests. Future decisions regarding the American presence in this area will inevitably be based upon the "commitment" established by going ahead with this proposal. Rather than approving Diego Garcia and initiating a new and potentially major commitment in the Indian Ocean at this time, the United States would do far better to postpone any such decision and instead seek an agreement with the Soviet Union limiting the deployment of military force in the area while the opportunity still exists.

Today's vote bears added significance as well. Not only will the Senate's decision affect the future course of American foreign policy in the Indian Ocean, but it will provide a general indication of the future direction of American foreign policy after the experience in Indochina. For too long the United States has been indiscriminate in its commitments, while at the same time overemphasizing the military dimension of foreign policy. The United States cannot afford simply to react to alleged Soviet intentions, nor can it continue to base its foreign policy on the premise that expanded military commitment provides the best means of safeguarding national interests. By supporting the Mansfield amendment, and opposing the Diego Garcia expansion, the Senate will demonstrate that it has learned from past errors and is prepared to direct American foreign policy on a more sensible course in the future.

Mr. KENNEDY. I ask unanimous consent that Mr. Robert Hunter be permitted the privilege of the floor during the present debate.

The PRESIDING OFFICER (Mr. Laxalt). Without objection, it is so ordered.

The Senator from Virginia is recognized.

Mr. WILLIAM L. SCOTT. Mr. President, I ask unanimous consent that Kathryn Newman, a member of my staff, be granted the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILLIAM L. SCOTT. Mr. President, I yield myself 15 minutes.

Mr. President, I have listened to the discussion between various members of the Armed Services Committee and the other Senators, and particularly, the report given by my friend and colleague from Oklahoma (Mr. Bartlett) with regard to his trip to Somalia.

There is no doubt in my mind that the Soviet Union is using, or intends to use, Somalia as a base of operations, and I know this area includes the path that will be taken by tankers which will be bringing oil from the Middle East to oil consuming nations throughout the world. The Chairman of the Joint Chiefs of Staff, General Brown, in testimony before the Senate Armed Services Committee has said that 75 percent of Western Europe's oil requirements and 85 percent of Japan's requirements must be imported from the Middle East. Yet we have tentatively agreed to construct facilities on British islands at our expense with joint decisions in case of any controversy regarding our use of the base. I also understand that France has territory within this area and a sizable naval force which may even exceed the Russian presence. Mainland Australia and a number of Australian Islands are in the general area.

It seems odd to me that only a few weeks ago Britain announced that it planned to quit using the South African naval base at Simonstown, just 30 miles from Capetown. I am told this is the best equipped base between the Persian Gulf and Norfolk, Va., in the United States. It also seems odd that we have not used this base since 1967. Yet, we plan to spend approximately $38 million as the initial cost of the Diego Garcia base.

Experience teaches us, moreover, that once we start a project of this nature, there is a tendency to expand its usage, its capabilities, and its cost and, I continue to be concerned about the United States bearing a disproportionate share of the responsibilities and costs within the free world.

It is my understanding that we have docking privileges in the Persian Gulf at Bahrain and although it has limited facilities, a command flagship is homeported there, as well as destroyers at this base. More importantly, however, is that vessels going to and from Europe or the American continent would move around the Cape of Good Hope past the naval facility in South Africa. I know, Mr. President, that we do not approve of the racial policies of South Africa, and I have no brief at all for any apartheid program separating races within a given nation from one another, but we attempt to have détente or to carry on friendly relations with the Soviet Union, with Red China, with other nations within the free world. Now, the activities of the Soviet Union are the cause for consideration of the establishment of a base in the Indian Ocean. We do not approve of either the internal policies of the Soviet Union or its efforts at world domination. Therefore, it seems that for us to fail to use an available base at Simonstown is inconsistent with our efforts to establish the best possible relations with the Soviet Union, and other Communist nations, regardless of what they do.

It is interesting to note here that, according to the Library of Congress, the base at Simonstown is not segregated and discrimination would not be shown American naval personnel should they enter the base.

It is said that we plan on normalizing relations with Cuba, we have been reading about that in the last few days. Yet, an Associated Press story yesterday indicated Fidel Castro said that the Portuguese revolutionary movement can rely on the firmest support from Cuba; that they are brothers in the struggle against capitalism and fascism. We appear willing to seek normal relations with the Communist world regardless of its actions but seem unwilling to use existing facilities of a friendly nation because of its internal policies. This looks like cutting off our nose to spite our face, to me.

Mr. President, I regret having to take a position different from the administration, different from a majority of my colleagues, but believe that this Diego Garcia matter is another indication that the United States is going it alone in an area of apparent importance to Western Europe, Japan, Australia and other oil consuming nations. We have a major naval base in the Philippines, use of a docking facility in the Persian Gulf, we have a friendly nation with a major base in South Africa, as well as a nuclear task force with ships that can operate up to 13 years without refueling now in use or under construction. When other nations are more dependent on Middle East oil than we are, why should they not provide bases for use by the free world?

There has been much talk of the interdependence of the free world nations and the fact that the United States can no longer be the policeman of the entire world and, yet, once again we apparently are going it alone in this matter without the aid of other free world nations. The United Kingdom, Australia and France have islands in the Indian Ocean and presumably their oil lifelines along with those of other free world nations could be cut by Soviet naval action in the Indian Ocean. It might well be an act of war, but it could happen. If the Soviet naval threat in this area has increased as suggested, why is it that the United States alone must react to this threat? Are the European nations only willing to face a Communist threat in Europe while we face it anywhere it appears in the free world. Why is not Australia interested enough to provide any necessary base on one of its islands in the area?

We have an opportunity today to indicate to other nations that we will no longer be the solitary policeman for the free world. We have been at war or on the brink of war almost constantly for a generation. We have also thrown our economic resources around the world as if they were inexhaustible.

Sharing our resources with almost every other nation, even those well able to care for themselves, may have caused nations able to help themselves and others to assume that the United States would take care of their needs and may have discouraged those nations from assuming their reasonable share of responsibility. It could have the same affect on our military allies. In my opinion, we need to establish a new understanding, a new relationship, a relationship which says, "We will help, if you will do what you can. We will work with you but will not provide either military or economic assistance unless you are doing your best to help yourselves and cooperating with other nations of the free world." It is time to for us to think first about the welfare of our own country and then cooperate with others when it is in our national interest and they are willing to do their fair share to maintain peace and security within the family of nations.

Mr. President, these are some of the reasons why I intend to support the resolution of the distinguished majority leader. I know pressure has been put on all of us but I would hope that Senators will carefully consider this matter on a nonpartisan basis and vote in the best interests of the Nation.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. MANSFIELD. I yield 10 minutes to the distinguished Senator from Missouri, and then I would expect the other side to yield some of its time.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. SYMINGTON. Thank you, Mr. President.

Now that the Mansfield resolution, Senate Resolution 160, which would deny funds for the further expansion of the U.S. naval facility at Diego Garcia, is before the Senate for a final congressional determination of the issue, I would make the following brief observations.

May I say before doing so, this is where I came in on the ABM. We had the charts, we had the same people arguing for it, and we ended up by passing on a tie vote of 50 to 50 the amendment to cut it out. Since that time it has been scrapped, but not before it cost the American taxpayer over $10 billion.

I commend the able Senator from Iowa for his presentation on this matter. As he talked I could remember the talks that were made on that particular subject which was so costly to all our taxpayers.

The premise of my position has to do with the importance, the equal importance, of a sound economy and a sound dollar as part of our national security.

By its own admission, Mr. President, the administration has made no serious effort to initiate discussions with the Soviet Union on the possibility of mutual arms restraint in the Indian Ocean.

Last year, the Committee on Armed Services noted that the serious defense and foreign policy questions related to the administration's request for expanding the facility at Diego Garcia required further consideration, and urged the administration to make "a thorough exploration of the possibility of achieving with the Soviet Union mutual military restraint without jeopardizing U.S. intersts in the Indian Ocean."

This year, at the Armed Services Committee hearing on Diego Garcia on June 10, the administration representative was asked whether any effort had been made to initiate with the Soviet Union a discourse on the possibility of mutual arms restraint. His answer was, "No."

Such lack of initiative would appear absolutely inexcusable. We can always build up militarily in the Indian Ocean, but the opportunity for negotiation, as we continue on the road downward from the standpoint of our monetary and fiscal problems, should not be bypassed.

The nations in the Indian Ocean region have repeatedly urged adoption of the concept that this ocean should be the one ocean that could be called a zone of peace, and several resolutions to that effect have been passed in the United Nations.

Yet the administration has opposed the establishment of such a peace zone in the Indian Ocean on grounds that it would restrict "freedom of the seas."

Mr. President, may we have order? I have listened to other Senators and I would ask that we have order when I am speaking.

The PRESIDING OFFICER (Mr. WILLIAM L. SCOTT). The Senator is entitled to be heard. The Senators will please take their seats and cease conversation.

The Senator has asked for order. Let the Chair try to obtain it.

The Senator may proceed.

Mr. SYMINGTON. I thank the Chair for his consideration.

Many of you no doubt heard the Prime Minister of Australia on Meet the Press, one of our most noted media programs, when he stated that not only did Australia oppose this development, but that there was not a single country on the Indian Ocean that supported it. I would have hoped that would have had some influence on the Armed Services Committee and its distinguished chairman, especially as they did nothing whatever to follow the advice that the Senate Armed Services Committee report recommended be done from the standpoint of negotiation a year ago.

President Ford himself stated in his letter to the Congress on May 23, 1975, justifying the Diego Garcia expansion, noted that the project:

> Has been criticized by a number of regional states which favor the concept of a special legal regime limiting the presence of the great powers in the Indian Ocean, as expressed in the several Indian Ocean Zone of Peace resolutions adopted by the United Nations General Assembly.

The administration has opposed the establishment of such a peace zone in the Indian Ocean on grounds that it would restrict "freedom of the seas."

In the same letter, the President observed that U.S. policy has been to oppose such measures because they "would constitute an unacceptable departure from customary international law concerning freedom of navigation on the high seas."

Now, Mr. President, that really takes a lot of semantic interpretation to understand why. We have built submarines that are costing $1,800,000 apiece, submarines that go 6,000 miles. We can have retrofitted Poseidon submarines that can also go 6,000 miles.

It is a growing mystery to me why we have to extend all of our resources all over the world and at the same time have these tremendous ranges for our other weapons.

This interpretation of American interest in freedom of the seas as precluding negotiations to achieve a "zone of peace," or arms restraint, in the Indian Ocean is difficult indeed to understand. It seems almost unconscionable that our Nation would pass up the opportunity to try to prevent further naval competition in a faraway ocean under this pretext.

It is true that the Soviet Union has gradually expanded its presence in the Indian Ocean, but this presence is very limited and provides no real military threat of any kind whatever to the United States and allied forces in the area which, collectively, possess greater strength than the Soviets and have access to a larger number of ports.

When it first came up some 8 years ago, the discussion had to do with the importance of having this base in order to get our people out of Ethiopia, especially Eritrea.

Now, because of the development of the energy problem, the argument has shifted to the importance of protecting oil in that part of the world.

Actually, in this connection, the French alone have more combatant ships permanently deployed in the Indian Ocean than either the Soviet Union or the United States. They also possess more port facilities.

And when the United States brings a carrier task force into the area, the scales of power in the Indian Ocean tip heavily in favor of the United States.

The administration has cited the development of a Soviet base at Berbera as a major reason for expanding our facility at Diego Garcia. But even with a new base at Berbera the Soviet position in the Indian Ocean is still modest; and in the absence of a significant new Soviet threat in this Ocean, it would be not only a waste of money, but also a possible provocation for the United States to expand its presence at Diego Garcia.

Mr. President, the longer I listen to some of these discussions going on, the more convinced I am that there are people who would not object to a direct confrontation with the Soviet Union. May I say I hope, based on my limited experience—I have been bombed a good many times—that that never happens, because this time it would not mean the loss of a few blocks in a city, but could well mean the end of civilization as we know it.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. SYMINGTON. I ask for 4 more minutes.

Mr. MANSFIELD. I yield the Senator 3 additional minutes.

Mr. SYMINGTON. In this regard, consider CIA Director Colby's testimony in 1974 that:

> Should the United States make a substantial increase in its naval presence in the Indian Ocean, a Soviet buildup, faster and larger . . . would be likely.

It would appear that the prudent course for us to follow at this time, therefore, would be to enter into negotiations with the Soviet Union and other powers involved in the Indian Ocean to prevent what could turn out to be a costly naval arms race.

Considering that the administration has thus far not taken this initiative, passage of the Mansfield resolution, S. 160, disapproving the Diego Garcia expansion, might well help achieve such negotiations and would certainly save the taxpayers of America billions of dollars in the long run at no expense to security.

In summary, Mr. President, to all Senators who desire to work for peace and a sound economy, I would respectfully urge them to vote for the Mansfield resolution.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Mr. President, I yield the distinguished Senator from Texas 5 minutes, if he is ready to speak.

Mr. TOWER. Mr. President, inherent in the arguments of those who support the Mansfield amendment is the suggestion that if we will simply negotiate from a position of weakness, we will be more likely to achieve agreement with the Soviet Union on a standdown of our respective presence in the Indian Ocean.

I know of no time in history when we have been able to negotiate successfully with the great powers from a position of weakness.

It seems to also be the suggestion that the United States may be in the role of provocateur, that by being in the Indian Ocean, we will accelerate the state of Soviet preparedness and capability in that area. Again, there is nothing in history to suggest that this is a valid contention.

They also suggest that the French have a sizable naval force in the Indian Ocean. Well, the French are to be commended for recognizing that they have a selfish interest in that area. When have we known, in recent years, the French to do anything for purely altruistic reasons? They do so because of perceptions of their national interest there. Whether those perceptions are right or wrong—and we can criticize French perceptions in terms of their withdrawal from tne NATO command structure—Mr. President, I do not think that we can rely on the French—and I mean this without disparagement to our good friends, our oldest allies, the French. I do not think we could rely on the French to look after the American national interests in that area.

For 188 years that area of the world was policed by the British. The British historically, in maintenance of the "egg-and-spoon" doctrine, in their efforts to control czarist Russia, did indeed act in effect as the world's policemen. They did so, not because of any visionary concept about some British moral obligation to the rest of the world, but because they followed the precept that trade follows the flag.

Mr. President, the British are withdrawing from that area of the world because they simply do not have the economic strength to maintain the kind of military establishment necessary to allow them to assume even a fraction of the scope of worldwide responsibility that they assumed so ably for so many years.

It is incumbent on us to recognize our national interest. Most of the oil that courses from the Persian Gulf area to the Western World comes down through the Indian Ocean, indeed, comes through the Mozambique Channel and around the cape. That is another thing that we had better be aware of: the fact that Mozambique, as it is freed by the Marxist regime in Portugal, will itself assume a Marxist configuration, and we can assume that American influence will be a nullity in that country and that Soviet influence will be dominant.

There are maps there. Senators can look at the Mozambique Channel and see that that is the vital passage through which 70 percent of the oil to come from the Persian Gulf area flows in its journey around the cape and thence to the west.

Mr. President, it is naive for us to assume that if we will just be good guys, the Soviets will reduce something. We are talking about the same Soviets that established the Berlin blockade shortly after World War II; the same Soviets that, while we were demobilizing our Armed Forces, were remobilizing rehabilitating their own; the same Soviets that swallowed up Eastern Europe in contravention to solemn agreements and pledges of free elections. We are talking about the same Soviets that established the Berlin Wall. We are talking about a Soviet Union that maintains a first-strike capability. We are talking about a Soviet Union that maintains a clandestine infrastructure in practically every country in the world, in efforts to subvert those countries politically. We are talking about a Soviet Union——

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. THURMOND. I yield the Senator 5 more minutes.

Mr. TOWER. The fact of the matter is that while they maintain these infrastructures, we do not. We do not have aggressive designs on the rest of the world. We seek only to maintain a climate in this world in which people can aspire to self-determination and have some reasonable hope of realizing that aspiration. There has been no more aggressive and virulent imperialism in the history of the world than Soviet imperialism.

We are naive, if we think they are any more afraid of or concerned with a preemptive attack by the United States. My God. We could have fought a preemptive war against them when they established the Berlin blockade, in the first place, and wiped them off the face of the earth. Even later, during the period of the Korean war, when plainly they were supporting the aggressors, we could have fought a preemptive war and wiped them off the face of the earth. But we did not.

Do not tell me that they have some fear that the United States now, in a period when we are barely militarily in parity with them, is going to mount some major military offensive against them. They are no more concerned about that than they are concerned about the resurgence of German militarism or the resurgence of British colonialism. I am afraid détente has made us a little euphoric.

I support détente. I think that we should maintain a climate in which we can communicate with each other as rational people and try to identify common interests consistent with our respective national perceptions of such.

But we had better understand that, during the course of this period of détente, they continually improve upon their military capability and we carp and crab over the expenditure of money here in the Congress of the United States, about any expansion of our expenditure. We try to keep it at current levels. They keep going up, in terms of their percentage of their budget and their gross national product, and in terms of real ruble value, of what they spend their money for. They continue to improve their military capability.

What kind of fools are we? If we assume that, if we will just do nothing, perhaps they will negotiate with us and make the Indian Ocean a great neutral sea, a sea of peace.

We worry about the views of the littoral nations. Since when are the Soviets ever worried about the views of other countries? Since when have they been concerned about the image they project among other nations of the world?

There are those who think that, if we will simply unilaterally disarm the rest of the world, that will bring great moral pressure to bear on the Soviet Union to do the same. What dangerous baloney that is.

Since when have the Soviets ever responded to moral pressure?

The only thing that they understand is strength, and the only way we can negotiate with them is from a position of strength.

We intend to spend only a few million dollars to upgrade this facility that is already there. If it is such a provocation, then let us move everything we have in there out right now. It is there. We simply want to make it more useful.

The fact of the matter is there are going to be periodic American naval deployments into the Indian Ocean.

We are damn fools if we do not deploy in there periodically. From the economic standpoint alone, we would be pennywise and pound-foolish if we did not enhance that facility there which will make it less expensive and less risky to achieve American naval deployments in that area.

No one is going to look out after the vital interests of the United States and no one can be counted on to, except the United States.

With the British retreating steadily from what remains of their global responsibilities or their global presence, it becomes incumbent upon us to look to the protection of our own national interests in that area.

I think that what we propose to do here and what the administration proposes to do, which the Mansfield amendment will wipe out, is minimal. We can do no less.

Let us make no mistake. If we do less, we are ill-serving the national interest of the United States.

Oh, Congress has been so anxious over the past couple of years to assert itself in the field of foreign policy, a field that has traditionally been left to the executive branch, with the acquiescence, the advice, and consent of the Senate. Oh, it has delegated away all our power in the domestic field. We do not seem to be too anxious to retrieve that. We delegated all that away to massive bureaucracy.

I wish we would concentrate more on trying to retrieve lost legislative power in that area than the vital area of foreign policy, because the Senate cannot negotiate on a day-to-day basis, and the Senate cannot formulate and implement foreign policy in a fast-changing world on a flexible basis.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. TOWER. Mr. President, will the Senator yield me 3 minutes?

Mr. THURMOND. Three minutes.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. I yield 3 minutes.

The PRESIDING OFFICER. The Senator from South Carolina yields 3 minutes.

Mr. TOWER. Therefore, Mr. President, I think it is incumbent upon us, particularly in the light of what has happened over the past few weeks, to do this minimal job of enhancing our capability in Diego Garcia.

Look what has happened to us. We have been thrown out of Southeast Asia. We have ourselves, in Congress, grasped to our breast the coordinate power to formulate and implement foreign policy with the executive branch, the responsibility for throwing Turkey out of NATO. Oh, that was really in the national interest. Oh, what a great moral thing we did.

What we did was to appease an ethnic movement in this country that did not even perceive the interests of Greece properly in this instance.

So we have denied ourselves a vital intelligence-gathering capability in Turkey, denied ourselves the capability of verifying Soviet strategic capability and intentions, mainly contrary to the national interests, in order to play up domestic political emotions.

That is the most shallow politics imagined.

We can see what is happening in the southern littoral of NATO.

If we fail here to enhance our capability in the Indian Ocean, we are serving notice on the world that the withdrawal of the United States will be progressive and that ultimately we will withdraw our defense perimeters to our own shores, and, Heaven help us, when we do that and ignore a concept established in the Elizabethian period that, when confronted by powerful adversaries or a potential adversary, it is incumbent on you to maintain your defense perimeter as far from your own shores as possible and as close to that potential possible adversary's shores.

Mr. President, it is vitally incumbent on the Senate to reject the Mansfield resolution.

Mr. THURMOND addressed the chair.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. THURMOND. Mr. President, I rise in opposition to Senate Resolution 160 which would disapprove the expenditure of $31.9 million proposed by the Department of Defense for construction of facilities at Diego Garcia. I contend this is only a modest and reasonable improvement to existing facilities which will allow our Navy to operate more efficiently in the Indian Ocean.

For several years now we have been observing the growth of Soviet naval power in the Indian Ocean. When this process began nearly 8 years ago, with a small squadron of Soviet ships moving into the area, it was easy to minimize its importance. These ships spent most of their time at anchorages in international waters and were not very active except for occasional port visits. In the last few years, the level of Soviet activity has increased, and the construction of significant support facilities at the port of Berbera in Somalia has cast a new light on their intentions.

Mr. President, in 1972 and 1973, the Soviet permanent naval presence in the northwest Indian Ocean averaged more than a dozen ships in the area on any given day. In 1974, following the Arab-Israel War, their permanent presence jumped to an average of more than 19 ships, including eight combatants such as missile-armed ships and submarines.

According to Mr. Colby, the Director of the Central Intelligence Agency, who testified on this matter on July 11, 1974:

> By mid-1973, the typical Soviet Indian Ocean force included five surface warships, one gun-armed cruiser or missile equipped ship, two destroyers or destroyer escorts, a mine sweeper and an amphibious ship. There was also usually a diesel submarine and six auxiliary support ships, one of which was a merchant tanker.

He further stated in his testimony that:

> Today there are six surface combatants, one submarine, nine mine sweepers, and 11 support ships in the Indian Ocean, not substantially different from that typical showing, except for the increase in mine sweepers.

In addition, he said:

> Recently, a Soviet intelligence collection ship has been deployed to the Indian Ocean for the first time since the Indian-Pakistan war, and is apparently monitoring developments in the Persian Gulf area.

That level is being maintained thus far this year.

The U.S. Navy has also increased its presence in this vital area where more than half the world's oil imports are in transit every day, but our permanent presence of two destroyers and a converted landing ship is much less than the permanent Soviet presence. It is necessary for this small permanent U.S. force to be reinforced with major naval units from time to time in order to demonstrate that the United States will not sit idly back while the balance of power shifts in the Soviet favor.

Mr. President, the most recent increases in the Soviet presence have occurred since they began using the facilities which they built for the Somali at Berbera. Over the past year, their development of these facilities has exceeded anything the Somali could use, judging from aerial photography presented at committee hearings on June 10 and judging from the report made by Senator BARTLETT after his visit to Somalia. This installation is beginning to emerge as a significant support facility for the Soviets. The Soviets have constructed barracks and imported a barracks ship which together could accommodate 1,500 personnel; they have expanded the fuel storage capacity; they have installed a high frequency communications station, which, by the way, Senator BARTLETT was not allowed to visit; they are constructing an airfield which will have the longest runway in the entire Indian Ocean area; and they have nearly completed a missile storage and handling facility which will give the U.S.S.R. the capability of storing and assembling missiles to arm their ships, submarines, and aircraft in the area. I might add this particular facility is far more than is required to handle the Styx missile.

These facilities are more extensive

than anything we have seen in any of the other nations which have relied on the Soviets for military support—including those nations which have repaid the Soviets by giving them access to support facilities. And the location of Berbera, dominating the entrance to the Red Sea and the only sea route to the Suez Canal, speaks for itself. Its location also provides easy access to the Arabian Sea, which is the crossroads of the tanker traffic from the Persian Gulf. Recently, during a worldwide naval demonstration by the Soviet Union, their Indian Ocean forces focused their exercise activity in this critical area of the northern Arabian Sea with missile ships and submarines.

Mr. President, I believe the United States must retain the capability to counterbalance this buildup of Soviet force. Only with that capability can we pursue the several reasonable and legitimate American policy objectives relating to the Indian Ocean:

First, to signal the Soviets of our intention to extend American power to the Indian Ocean, if necessary.

Second, to assure our friends of continued American support.

Third, to deter threats to shipping and assure a continued flow of oil to the United States, Western Europe, and Japan.

Fourth, to remain a stabilizing influence in the nations of the Indian Ocean littoral.

I would like to emphasize that more than a quarter of all U.S. oil imports originate in the Persian Gulf. Those energy supplies should not have to reach us courtesy of the Soviet Navy.

Many will insist that American objectives in the Indian Ocean can be achieved in other ways and that the expansion of Diego Garcia is but one step in a permanently increased military presence which could even end in involvement in distant hostilities. To those who feel this way I say the best assurance of peace is unmistakable readiness to protect it. But the argument deserves more specific examination.

There is, for instance, the so-called zone of peace proposal. This proposal, heard in the U.N. and elsewhere, would bar great power intrusion into the Indian Ocean. Not only is this proposal visionary, but it is contrary to the historic and important principle of freedom of the seas. American naval presence in the Indian Ocean is not, after all, to prepare for war. It is to emphasize our commitment to peaceful use of international waters by all nations. That is why we were satisfied to keep only a very small, token presence in the Indian Ocean until the Soviets began their naval expansion there. But for the already expanded Soviet naval presence and our rightful commitment to freedom of the seas, I would scarcely be advocating the improvement of Diego Garcia, except as a refueling situation.

Mr. President, another alternative which some have advanced is to seek agreement with the Soviet Union each to limit its permanent naval presence in the Indian Ocean. Even if I believed the Soviets would observe an agreement, I point to the testimony of record that the United States has already sought such an agreement, without success. It was the Soviets who, in 1971, failed to follow up on negotiations aimed at preventing an Indian Ocean arms race. The position of our Government has consistently been one of willingness to consider any constructive position or suggestion on this matter.

Mr. President, the first contact by the Soviet Union with the United States on Diego Garcia was in March 1971, when Ambassador Dobrynin suggested to Secretary Rogers the possibility of a joint declaration of mutual restraint in the Indian Ocean. What happened after that?

In July of 1971, Mr. Beam, our Ambassador at the time, advised Secretary Gromyko of our interest and asked for further clarification. No further clarification has been received. So agreement with the Soviets has also been proved to be a false option.

We are left then with the necessity to be prepared to protect our national interests with the U.S. Navy. It is certainly my expectation that a credible readiness to deploy in the Indian Ocean will be sufficient. If it is not, the Navy will be ready. In either case, we will be glad we have the support facility at Diego Garcia. Thus, we are advocating merely an expansion of Diego Garcia sufficient to support a modest deployment should that deployment become necessary. Diego Garcia will not be a combatant base as a result of this expansion, nor will our deployments in the Indian Ocean necessarily increase. Instead, our readiness and capabilities will be increased. That, in turn, enhances our credibility in that part of the world. It shows that we can act if we choose to act.

The expansion program which has been proposed includes lengthening of the runway, addition of fuel storage for ships and aircraft, construction of a pier, and development of the harbor and shore facilities to provide sufficient support for a normal carrier task group to operate for a month without having to rely on any nation in the area and without relying on a chain of tankers stretching as much as 4,000 miles or even more to the nearest U.S. base in the Philippines. We are talking about more than just tankers. We need an airfield where our planes can land and be serviced while keeping track of military activities in the region. This is particularly important at a time when our access to airbases in Thailand and elsewhere is increasingly in doubt.

With the Suez Canal open once again and the lines of communication for the Soviet Navy shortened by some 9,000 miles, and with U.S. national interests increasingly at stake, we cannot afford to base our own security on the dubious hope—and it is just a dubious hope—that if we just ignore the Soviets, they will go away or that someone else will make them go away. It is always more enlightening to watch what the Soviets do rather than listening to what they say, and their naval expansion in the Indian Ocean indicates that they intend a meaningful naval presence there.

Since I do not believe that we should count on Soviet good will in an area of great importance to our own economic survival, I strongly support the proposed expansion of the facilities at Diego Garcia. In my view, it represents an inexpensive insurance policy in support of our immediate and long-term interests. The only real alternative is wishful thinking, and that often turns out to be more expensive in the end.

Mr. President, the requested modest expansion of facilities is in our best interests and I, therefore, urge that Senate Resolution 160 be defeated.

Mr. President, I want to say that, after all, I do think we have to consider the position of the President of the United States, the Department of Defense, and others who are supposed to be better informed on this than anyone else. What is the position of President Ford on this matter?

In a letter written May 23, 1975, to the Senate by Mr. Max L. Friedersdorf, assistant to the President, Mr. Friedersdorf indicates, the President of the United States, Gerald Ford, supports the construction of U.S. facilities on Diego Garcia as being essential—he did not say desirable, he said it is essential—to the national interest of the United States. That is the position of the President of the United States.

Now, what does Dr. Schlesinger, the Secretary of Defense, who is charged with keeping this country prepared and keeping this country free, say? He says:

> Our concern is first with the stability of the nations of that area. We would not want them to be overshadowed by the naval presence of the Soviet Union. Second, we are concerned with the very critical dependence of the entire industrialized world on the oil shipments coming out of the Persian Gulf—some 75 percent of Western Europe's requirements comes from the Middle East, and some 85 percent of Japan's requirements. A threat against the security of these lines of communication could be of catastrophic significance for the United States and its allies. That is our primary concern.

Mr. President, he goes on and tells the other advantages. I shall not take time right at this very moment to elaborate upon it. I want to say that I think we have to consider, too, the position of the Joint Chiefs of Staff. What is their position on this matter? General Brown is Chairman of the Joint Chiefs of Staff. Let us see what he says about it. He is the top military man of the United States. He says:

> The first point I would like to make, Mr. Chairman, is that the Indian Ocean is obviously of tremendous strategic importance. Not only are the lines of communication across the sea that carry oil from the Persian Gulf, as the Secretary mentioned, both around Africa and through the Straits of Malacca to Japan important but also the minerals that move from the coast of Africa to the United States. Also to be remembered are the air routes that cross the Indian Ocean. Diego Garcia would serve to help with those lines of communication in support of any air or sea movements that the United States might wish to make into the Indian Ocean.

So, Mr. President, he has brought out the point that we not only need it from the standpoint of oil, but we need it from the standpoint of minerals.

The second point is that we have important interests in the area in addition to the materials that I mentioned. First, we have friends in the area who look to us for some support, principally Iran and Pakistan with whom we participate in the CENTO organization.

And the third point, in summary, is we seek to demonstrate our interest in the area and our concern that it not be dominated by any single outside power.

After all, the Soviets are an outside power, too.

Diego Garcia will be a modest facility, far less in extent than the Secretary has indicated the Soviets have developed and are developing at Berbera.

It was not intended that we would have any military forces deployed or stationed at Diego Garcia. It is intended only that the support facility be manned by those personnel needed to operate the support activity, communications, servicing of aircraft and ships; in total, about 600 personnel.

Mr. President, that is the statement of General Brown, the Chairman of the Joint Chiefs of Staff.

Mr. President, our Committee on Armed Services considered this matter carefully. By a big majority, we have recommended that we go forward with this program. The committee's position on this matter is given in the report on page 13. I shall not take time to go over that, but I ask unanimous consent that that be printed in the Record at this point in my remarks.

There being no objection, the position was ordered to be printed in the Record, as follows:

Committee Position

The Committee agreed that the United States should have the capability to maintain a naval presence in the Indian Ocean and that construction of facilities at Diego Garcia would most appropriately provide such a capability. Thus the Committee felt that construction of facilities at Diego Garcia was in the U.S. national interest and should begin immediately.

In reaching this conclusion, the Committee emphasized that the United States has vital national interests in the Indian Ocean and must be prepared to counter the growing Soviet presence in the Indian Ocean. Construction of the proposed facilities in the Indian Ocean would contribute to both the protection of U.S. interests and the maintenance of stability.

1. The U.S. has vital interests in the Indian Ocean area

The United States and the other industrialized nations of the world depend heavily on the Indian Ocean sea lanes that lead from the vast natural resources of Africa, India and the Middle East. This reliance can be most readily illustrated by a few facts concerning oil. More than two-thirds of the known reserves of crude oil in the world are found in the Middle East and Africa. Today, approximately twenty percent of the crude oil that the United States imports comes from the Middle East; Europe is seventy-five percent dependent on Middle East oil and Japan eighty-five percent dependent. The oil embargo in the Fall of 1973 provided a warning of the consequences that would result from a loss of imported crude oil. At any time, fifty percent of the sea borne oil is in transit on the Indian Ocean sea lanes. The United States and the remainder of the industrialized free world cannot afford to let any nation restrict those Indian Ocean sea lanes.

2. Soviet presence in the Indian Ocean has steadily grown

The Soviet presence in the Indian Ocean has gradually increased by one or two ships per year in the past few years. They now maintain a force of 15–20 ships of which half can be classified as combatants. The United States maintains a small task-force on station in the Indian Ocean about one-third of the year and in addition has three ships stationed permanently at Bahrain.

Very recently the Soviet Union has greatly increased its capability to operate in the Indian Ocean. First, the Suez Canal has been reopened, and second, the Soviet Union is nearing the completion of a naval support facility at Berbera, Somalia, that includes a major runway, housing for 1,500 personnel and a missile storage and repair facility. The expansion at Diego Garcia would provide the United States a comparable capability to sustain naval operations in the Indian Ocean area, and the Committee is convinced that it is necessary to counter the increased Soviet capability and to maintain the balance of power in the Indian Ocean.

3. The construction of modest logistical facilities at Diego Garcia is a prudent action.

The U.S. facilities at Diego Garcia are strictly support in nature. The Navy has indicated that no further construction of facilities at Diego Garcia beyond those presently requested will be necessary.

The expanded fuel storage requested for Diego Garcia will increase U.S. operating flexibility in the Indian Ocean by providing contingency support for U.S. naval force operating in the area. In the absence of Diego Garcia the nearest independent U.S. fuel supply is now 4,000 miles away at Subic Bay in the Philippines.

The relatively limited expansion of facilities at Diego Garcia will be very low political and military profile by virtue of Diego Garcia's location, lack of indigenous population, and its British sovereignty. At the same time it will strengthen our signal to the rest of the world that we do have vested interests in the area of the Indian Ocean and are prepared to protect those interests.

It has been argued that the expansion of facilities at Diego Garcia will lead to an arms race in the Indian Ocean; the Committee does not agree. The proposed logistical facilities at Diego Garcia provide merely an improved capability for U.S. deployments in the Indian Ocean. The deployments themselves will depend on developments in the area, particularly the level of Soviet naval activity. Moreover, past experience indicated that Soviet expansion in the Indian Ocean will proceed regardless of U.S. restraint. During the last year when the United States suspended all construction of facilities at Diego Garcia, the Soviet Union substantially expanded their "presence" at Berbera.

The Committee is sympathetic to the concept of a zone of peace in the Indian Ocean. However, the Committee does not believe that a zone of peace can be achieved through unilateral U.S. restraint.

Mr. THURMOND. I shall just mention the three main points that the committee brought out. First, that the United States has vital interests in the Indian Ocean area.

Second, the Soviet presence in the Indian Ocean has steadily grown.

Third, the construction of modest logistical facilities at Diego Garcia is a prudent action.

That is the position of the Senate Committee on Armed Services, which went into this question in great detail. I have quoted to the Senators, too, the opinion of Mr. Colby of the CIA. So, Mr. President, we have the top people in the executive branch of the Government, the President, the Chairman of the Joint Chiefs of Staff, the Secretary of Defense, all of whom feel that it is in the best interests of the United States that we go forward with this.

Mr. CULVER. Will the Senator yield?

Mr. THURMOND. I shall not yield at this time. When I have finished, I shall yield to the distinguished Senator from Iowa on his time if he wishes me to.

Mr. President, in addition to that, there is some question here as to whether or not Somalia is building these facilities over there or the Soviets were building facilities in Somalia, in Berbera. Every Senator here who wanted to go had an opportunity to go over there. The Senate Committee on Armed Services sent the distinguished Senator from Oklahoma (Mr. Bartlett) there. I am not going to take time to go into all of his conclusions, but here are a few of the points he brought out: No. 1, the Soviets control—listen to this—the Soviets control Somalia, or at least have access to all facilities at Berbera.

Another point: the facilities at Berbera are still undergoing expansion and the total scope of the effort planned cannot be accurately determined.

Then he goes into detail and tells about the port facility, the communications facility, the missile handling and storage facility, the airport facility, the fuel storage facility, and other facilities that are being built there by the Soviets.

Here is a man who sits right in the Senate who went over there and saw this with his own eyes, after Somalia had denied there was any such thing there, after the Soviets have denied it. He went there and he saw these facilities.

Furthermore, Mr. Bartlett said, "The Soviets are currently in Berbera in substantial numbers." Not only the facility being built, but the Soviets themselves are there, he says, in substantial numbers.

It is impossible to make an accurate estimate, but a range of 500 to 1,500 represents a consensus of team opinion based on observations and the capability of the available housing.

That is the statement of Senator Bartlett, who went there.

Another point:

The Berbera location is very advantageous from a strategic point of view. The Berbera facilities, combined with the Aden facilities, could control the confluence of the sea-lanes from the Suez Canal and the Red Sea into the Persian Gulf and the Indian Ocean.

Then, Mr. President, Senator Bartlett ends up with this position:

The position of the Department of Defense with regard to the significance of Berbera is valid. The team's conclusions do support the Berbera argument which favors the expansion planned for Diego Garcia. In order for the United States—

There has been talk here about negotiating. The distinguished Senator from Iowa and some others, maybe, said, why not negotiate first? Listen to what Senator Bartlett says:

In order for the United States to negotiate with the Soviet Union from a position of relative parity regarding mutual restraint in the Indian Ocean, the Diego Garcia expansion is essential and should be approved—

When? Afterwards? No. Now, he says—

> should be approved prior to initiating any negotiations.

In other words, if we go forward with Diego Garcia, then we have something to offer the Soviets. Now we have nothing to offer. We are not going to get a mutual agreement unless we have something we can trade with the Soviets.

Then when they trade with you they generally do not keep their agreements. But they certainly are not even going to offer to trade unless you have got something to trade. Senator BARTLETT has brought this out in very fine style.

Then Senator BARTLETT made this statement:

> This trip greatly reinforces the arguments in favor of the proposed expansion of Diego Garcia.

Mr. President, I brought out here that the executive branch, the military, the CIA, the Senate Armed Services Committee all favor this construction.

There has been something said here that I want to answer about the great military disparagement and how wrong we are in what we are spending, and all of that. I just want to say that the big spending about which there has been a lot said here today, that we are going to bust this Government with big spending, I agree with that. But who is doing the big spending? It is not the Defense Department. It is the domestic programs rather than defense.

I want to give some figures right here to go in the RECORD on that point. Defense spending is rising less, much less, than other spending.

Let us consider the figures. Total Federal spending is estimated at $360 billion for fiscal year 1976 under the budget resolution. That is an increase of $53 billion from fiscal year 1975.

Let us consider where that increase is. Defense spending rises by $5 billion or 6 percent. Nondefense spending rises by $48 billion or 21 percent. Now, during this next year, where is the big spending? Is it in defense or is it in nondefense? I say it is nondefense. It is absolutely false when people say that it is the Defense Department that is causing this big spending.

I want to say, Mr. President, that nondefense spending is rising nine times as much, $48 billion versus $5 billion, as defense spending and three times as fast, 21 percent versus 6 percent.

The simple facts leave no room for the allegation that defense spending is rising while the other spending is being cut back.

Now, Mr. President, that is 1 year. I want to take the last 20 years. Some people say,

> Well, previous years caused this.

Previous years spending by the Defense Department did not cause it. For the past 20 years, 1956 to 1976, defense spending is up $51 billion or 128 percent. Everything is up, of course, due to inflation.

What did nondefense do? Nondefense spending is up $246 billion or 800 percent. I want those figures to be known. Defense spending is up $51 billion compared with $246 billion or 128 percent for defense and 800 for nondefense.

Mr. President, I will not take more time at the present. I just wanted to bring out those figures to show that people who are making statements here to try to prejudice the public against the Defense Department are not only inaccurate in what they are saying but they are doing a great injustice to this country. If it were not for the Defense Department, the man in uniform, we would have no way to protect ourselves. I applaud the man in uniform, I am proud of him. He fights to defend us. He brought us our freedom and he maintains our freedom.

Mr. STENNIS. Mr. President, I am happy to yield 10 minutes to the Senator from Washington.

Mr. JACKSON. Mr. President, the issue before the Senate is whether the United States ought to proceed with plans to develop a naval base and support facility on the coral atoll of Diego Garcia in the Indian Ocean. The issue is not, nor, in my judgment, has it ever been whether such action on our part would result in a contest between ourselves and the Soviets for naval supremacy in the Indian Ocean. The increasing importance of the Indian Ocean and Persian Gulf area must be clear to everyone who has learned the lesson of the 1973 oil embargo: For the foreseeable future it is vital to our national interests and security that we be in a position to assure a continuing flow of oil from the Persian Gulf. This in turn requires that communications by sea must be secure, both for ourselves and our allies. And there can be no such security for the United States without the ability to project our naval forces into the Persian Gulf and Indian Ocean should it become necessary to protect vital shipping lanes and to assist our friends and allies. Apart from oil, it is important to our foreign policy that the United States should be in a position to provide timely assistance to our friends in the area in the event that their security and our interests are threatened.

It seems to me far too narrow to conceive of our strategic position in the Indian Ocean area solely in terms of what the Soviet Union chooses to do there—although we should be concerned at the Soviet buildup and it would be wise to take steps to counter it. Apart from the question of Soviet naval facilities in such places as Somalia—facilities that have turned out on inspection to be as they were described by the Secretary of Defense—there is the overriding geographical fact: The Soviets are able to operate, from land and sea in the Indian Ocean area in a way that we, 5,000 miles away, are not. Thus the actual current extent of Soviet Indian Ocean deployments, disturbing as it is, is only one factor in a complex geopolitical situation.

It is a situation in which we are at an inherent disadvantage with respect to the Soviets; and it is a situation marked by the sort of instability that cries out for every effort to keep all of our options open. We face in the Indian Ocean a set of problems that would continue to exist even if the Soviet Union were not able to bring its influence to bear in such places as the Persian Gulf and the littoral states. In this sense an agreement between the United States and the Soviet Union respecting naval deployments in the Indian Ocean would not obviate our naval interests there.

Clearly, however, an agreement between the United States and the Soviet Union to limit naval deployments in the Indian Ocean would be of value to both countries and perhaps to the cause of world peace. For this reason an effort should have been made to raise this issue with the Soviets. I am sorry to say that the administration failed to make such an effort, and it did so despite a clear congressional requirement that it do so. The administration's indifference to the sentiments of the Congress on this matter is yet another example of the one-man-show quality from which our foreign policy has suffered. It is difficult to take seriously the administration's call for a bipartisan foreign policy in the face of the obvious contempt with which it has treated the views of the Congress in this matter—and in many others.

Because it is my judgment that a support facility at Diego Garcia is important to our security and would remain important even in the context of an agreement with the Soviets limiting deployments in the Indian Ocean area, I shall vote against the pending resolution. But I must say that I do so with grave reservations about the administration's handling of this whole matter. I simply cannot vote to punish this country and our allies because the administration has behaved badly and short-sightedly in failing to comply with the desire of the Congress for an American-Soviet discussion of security in the Indian Ocean. It is my hope that the administration will initiate such discussions, and that it will not regard today's vote as relieving it of that responsibility.

Mr. President, I urge my colleagues to find some means other than a vote for the pending resolution to make it plain to the administration that cooperation in matters of foreign policy must become a two-way street.

Mr. President, I yield the remainder of my time to the distinguished Senator from Mississippi.

The PRESIDING OFFICER (Mr. LAXALT). The Senator from Mississippi.

Mr. STENNIS. Mr. President, I yield such time as I may use for myself.

Mr. President, I commend the Senator from Washington very highly for pointing out here with force and clarity that the real question we are down to now in this subject that has had all the legislative attention one could have, that is, whether or not we think, on balance, there should be a beefing up of facilities at Diego Garcia. That is the issue here, the only issue.

I am in sympathy with his thought that negotiations are always in order and ought to be pressed.

I would talk further about this, but

this issue has come the legislative journey, all the way, and it is not subject to an amendment or anything of that kind. It has nothing to do with the size of our fleet. We already have a presence there and the question is whether or not we are going to properly supply it, that is all.

I think the overwhelming facts are as he said. We have got to stand one ground, and we are going to supply our Navy.

Mr. JACKSON. Will the Senator yield?

Mr. STENNIS. I yield to the Senator.

Mr. JACKSON. The chairman of the committee will recall that I was the one, of course, who raised the issue of negotiations with the Russians.

Mr. STENNIS. Correctly.

Mr. JACKSON. As a specific condition of the approval of the initial work at Diego Garcia. Subsequently, that was modified and it was contained in report language, and that is why, Mr. President, I regret that the administration did not take seriously our request and I think that every effort should be made to limit naval forces in the area.

As I pointed out in my remarks, however, this does not prevent the building of this facility, so that we will have that option available to us, even if we agree to limit naval forces. That is the key point.

If we are going to have an option available to limit forces, and I think and I would hope we could reach an agreement to lessen tensions in that area, to limit naval forces on both sides, we need to proceed at least this far, Mr. President, on the facility at Diego Garcia.

If we do not go forward, we do not have anything to negotiate, nothing to limit, and I think that is the point where there is so much confusion in the debate and the discussion.

Mr. CULVER. Will the Senator yield?

Mr. STENNIS. Mr. President, I will yield in time.

Mr. JACKSON. Could I yield to the Senator?

Mr. STENNIS. I want to make a point, too. I have not been on the floor 2 hours.

Mr. President, someone has said that if we go ahead with this relatively small matter, we will be to blame for the consequences. We will be to blame for all the evil consequences that somebody else is making up.

There will be blame attached to us, as I see it, but we will be to blame for not taking a reasonable precaution. We must look forward with a basic step of preparation here for the fleet that we already have and are going to have in this ocean.

I am not going to take more than a few minutes.

So I emphasize, Mr. President, and a great deal has been said about the littoral nations, I have here a memorandum that gives a report about the littoral nations, and this is from responsible sources. This is from the administration.

They say:

> The official position taken by many of the same countries who publicly express a desire to keep the Indian Ocean free of major powers is quite different. A State Department survey taken May of this year indicated that of the 29 countries polled, 9 supported the U.S. planned expansion, 7 opposed, and the remaining nations took no position at all. That result should be expected. Nations of the free world do not want to lose out to communism by default. Every nation will express desires for peace, but peace depends on a balance of power and the Soviet Union is fast becoming a dominant power in the Indian Ocean.

So, Mr. President, I think that again has been totally refuted here by this actual report of a survey taken as late as May of this year.

Mr. President, I have other matters here in the way of documents, but for the time being I am going to yield the floor.

How much time do I have remaining, Mr. President?

The PRESIDING OFFICER. The Senator has 22 minutes remaining on his time.

Mr. STENNIS. I yield the floor, Mr. President.

The PRESIDING OFFICER. Who yields time?

Mr. TAFT. Mr. President, I believe that I have 30 minutes on the bill.

The PRESIDING OFFICER. Under the order.

Mr. TAFT. Under the order.

I yield myself 15 minutes out of that time.

Mr. President, I intend to vote against the resolution of disapproval and thereby support the planned construction on Diego Garcia. I give my support both conditionally and reluctantly, and I wish to make both my condition and my reluctance clear.

The condition under which I support the construction of a logistics facility on Diego Garcia is that it is clearly understood that this is all I am supporting. I support no implication that the construction of this facility constitutes a U.S. commitment to become the main counterbalancing power against Soviet influence in the Persian Gulf and the Indian Ocean. I support no understanding on the part of anyone, at home or abroad, that we have taken on any new commitments or enlarged any existing commitments by the construction of this base. I have no intention, under the present circumstances in the Indian Ocean, of supporting anything beyond a "gas pump" for what ships we should happen to have, on an off-and-on basis, in that area.

I do support the base as a logistics convenience for the Navy. The distance between the Indian Ocean and our nearest bases, at Yokusuka and Subic Bay, is so great that it is highly inefficient to supply our ships from those bases, by tanker.

Indeed, let me point out, during the recent crisis in the Middle East, there were orders all over the world, which I trust we have now taken care of by other legislative action, by the OPEC countries not to sell to any of our ships anywhere in the world, no matter where those ships might happen to be, whether they were going to the Indian Ocean or not going to the Indian Ocean, those orders were standing orders and they were complied with even by American oil companies.

As I say, this is a situation we could not tolerate and it was a situation that did exist in the recent Middle East crisis and points out, I think, the benefit for at least having a logistics facility, even though I have expressed the other reservations that I have expressed.

The Diego Garcia facility will, seen as a logistics facility and nothing more, be a cost-effective investment.

Even with the condition that it is nothing more than a logistics facility, I give my support reluctantly, because I believe the whole question of the proper U.S. role in the Indian Ocean and Persian Gulf has not been thought through clearly. There are two possible approaches which apparently have not been attempted. They are interconnected, as will be developed.

The first is to negotiate a naval deployment limitation agreement with the Soviets and other powers for the area in question.

I would like to point out that other powers are vital to such negotiations. We cannot simply be talking with the Russians about it. Otherwise, another nation coming into the area with considerable force—and there are other forces operating in the area today—could upset, I believe, the balance of any agreement that we arrived at with the Soviets.

It is, of course, impossible to say that we could obtain such an agreement. It is possible the Soviets do not want to agree to limit their presence in this area. However, how can we know until we try? And we are advised that we have not tried. We have not made any formal approach to the Soviet Union on this question.

The administration has given some indication that it intends to explore such a possibility, and perhaps it sees a commitment to the facility on Diego Garcia as a possible bargaining chip in negotiations with the Soviets. On the other hand, perhaps it is the feeling that after developing Diego, the climate for such an agreement might improve. I do not know whether it will be useful for such bargaining or not, but I do hope that negotiations are pursued, whichever way this vote turns out. It would be to the advantage of the United States, the Soviet Union, the states which border on the Indian Ocean, and world peace, if major power naval deployment limitation agreement could be achieved.

There is, however, another approach to understanding the situation in the Indian Ocean and developing an appropriate U.S. policy for that area. This approach—the approach of recognizing that the Indian Ocean is an appropriate area for European and perhaps Japanese—not American leadership—should be adopted even if we are not able to achieve an arms limitation agreement with the Soviets.

I know that the Japanese do not have forces with which to undertake such a responsibility at this time, and we do not see in the near future, at least, the likelihood that such forces will be developed.

But anyhow, I think they have such a vital interest in it from an economic point of view—over 85 percent of their oil coming from this area, as I understand it—that they should be included in a discussion of such a matter.

As I noted in my "Additional Views" in the committee report on this resolution:

> The only significant reason for any non-littoral power to be interested in the Persian Gulf or the Indian Ocean is because of the oil imported from that area. In fact, however, the United States imports comparatively little oil from the Persian Gulf States. In 1974, only 8% of the petroleum products consumed by the United States came from Persian Gulf States. While it would be highly inconvenient if the United States were deprived of the imports from that area, it would not be catastrophic.

As the Department of Defense noted in response to a question of mine, "It is true that the European nations are more dependent on Persian Gulf oil than is the United States" in 1972, the Common Market imported 62 percent of its total consumption from the Persian Gulf—again, compared to 8 percent for the United States in 1974. It therefore follows that the Persian Gulf and the Indian Ocean are fundamentally European, not American, areas of concern.

The European nations, led by France, recognize this fact very clearly, not merely by what they say but even more by what they do.

Since 1970, French naval ship-days in the Indian Ocean have consistently been in excess of Soviet ship-days; that continued to be the case for the first half of 1975.

I point that out, that that was true even before the Suez Canal was opened.

The French forces at times include an aircraft carrier, a type of ship the Soviets do not yet possess. If British forces deployed in the area are added to the French, their total ship-days outnumber the Soviets heavily.

The Europeans are fully capable, militarily, of balancing the growing Soviet power in the Indian Ocean. France possesses a large, modern, and powerful navy. The French today have two aircraft carriers, two cruisers, 22 destroyers, 52 antisubmarine frigates and corvettes, and 19 attack submarines. French plans call for the construction, by 1985, of two nuclear-powered aircraft carriers, two nuclear-powered helicopter carriers, 30 frigates and corvettes, and 20 attack submarines, some of which will be nuclear powered.

If you ask what are the French going to do with such ships as nuclear powered carriers or nuclear powered helicopters, very clearly they are going to use them in such areas as the Indian Ocean where the ships' planes are vitally important to their economy because of the terrific dependence they have upon the Middle East oil coming from that area.

Great Britain also possesses a large fleet, consisting of an aircraft carrier, 12 cruisers, 61 frigates, and 29 attack submarines, 7 of which are nuclear powered. Other European nations possess smaller but also modern and useful navies.

The opening of the Suez Canal is as great a help to the Europeans, in terms of deploying ships into the Indian Ocean, as it is to the Soviets. The French are currently rebasing both of their aircraft carriers from Brest, in the Atlantic, to Toulon, in the Mediterranean.

The Europeans also possess an extensive network of naval bases in the Persian Gulf and the Indian Ocean. The French have bases at Diego Suarez, Djibouti, Reunion Island, and in the Comoro Islands. Britain has bases at Gan Island and on Mauritius.

I would also point out that the Union of South Africa has a considerable navy and has obviously its home base, major port facilities, on the Indian Ocean.

I believe that we should recognize that Europe has a far greater interest in the Persian Gulf and the Indian Ocean than does the United States, and that the European nations have the military capability to defend that interest. Accordingly, we should engage in negotiation with European nations and encourage and welcome European leadership in this area, with particular emphasis on France.

Not only is it a matter of the economic burden that is involved, and it is a considerable one, but I think all of us recognize that in the NATO situation in Europe, while our forces at the present time, unfortunately, seem to be vital there to maintain the balance, in all fairness there should be a taking up of some of that burden over the years by these nations which are no longer struggling, poor nations recovering from a postwar crisis, but are now very strong and self-sufficient nations with economies in a number of cases that are, in their size, proportionately equal in their health and vigor to our own.

We should be fully willing to cooperate with European leadership, recognizing that our interest would be best served by being a "junior partner" to the Europeans in this area. If we move unilaterally to assume the leadership role we discourage our allies and invite charges of imperialistic expansion from the littoral powers. This does not mean we should not indicate our willingness to participate in balancing Soviet influence in this area, not by taking on that burden unilaterally, but by contributing periodically to joint naval squadron in the Indian Ocean. Such a squadron could, for example, be based alternately on French, British, and American aircraft carriers. I have inquired if the United States has explored the possibility of such a joint squadron. The Department of Defense replied that we have not done so.

As a practical matter, however, I believe we have been cooperating very closely in our cooperation with the British forces and the French forces already in the area. Formalizing and establishing the responsibility for it in those nations it seems to me would be a very easy thing to do, something that would be welcomed, I believe, by our allies, and something which I believe we ought to pursue.

Our policy, in summation, should be to recognize and encourage European leadership in the Persian Gulf and the Indian Ocean.

We should not take it upon ourselves to be the main Western power in the area.

I would point out that there are small nations and many of these developing nations around the Indian Ocean area as a matter of their own domestic policy, and their foreign policy is connected with domestic policy, which feel it is a great feather in their cap to twist what used to be the lion's tail but now is Uncle Sam's tail.

I think having us as the principal power in an Indian Ocean task force, rather than contributing to the peace of the area and trying to calm down and stabilize the area so that we can assure that the shipping which must necessarily go through the Indian Ocean will be able to proceed without interruption, will take U.S. leadership in preventing the littoral powers from perceiving this to be a cause celebre, which they will seek to make a good deal out of, just as recent events in India which have led to efforts to persuade the Indian people that somehow the United States is trying to do them in, I think, will obviously lead to this kind of reaction on the part of the Indians.

I do think we need logistic space, as I said earlier, but it should be only that, not a basis on which to build our dominance in the Indian Ocean area.

We should recognize that this, too, would require some change in our basic thinking, which has often resisted European, and particularly French, attempts to provide leadership in transatlantic affairs. But this is a clear case where Europe has both the most vital interest at stake and the military capability to defend that interest. We do ourselves no service by attempting to take this burden upon our own shoulders, alone.

I noted with interest a report to the Washington Post datelined Paris, July 24, an article by Bernard Kaplan entitled "Saudi's Visit Seen Widening France's Role," which comments on the recent visit to France by Crown Prince Fahd as widening France's role in the area.

The article reads:

> French and Saudi officials here imply that Fahd's discussion with President Valery Giscard d'Estaing dealt with expanding France's political role in the Middle East, specifically through the creation of a "privileged" relationship with Saudi Arabia.
>
> According to sources, the crown prince, who left for London today, conducted himself throughout his talks here not only as the effective political leader of his own country but as spokesman for a number of other Arab governments including Qatar and the United Arab Emirates.
>
> Timed to coincide with the visit was confirmation that the Saudi government has offered more than $1 billion to finance French industrial projects, including a nuclear power station, in Saudia Arabia and possibly other Arab nations. Fahd's visit also produced an announcement that a Franco-Saudi Arabian Intergovernmental Commission will begin meeting on a twice-yearly basis in October to develop "economic, financial, industrial, agricultural and cultural relations."

I note that it does not say, however, national defense relations, though I believe it should do so.

I believe we should welcome rather than be discouraged by such developments as this. It points out, I think, the matters the Senate should have judged in considering this matter. I hope not only that the Senate will give consideration to them, but that those in the executive department, both in the State Deparment, the Defense Department, and the White House will take note of these factors and not allow just a sort of growing-like-Topsy attitude in the Diego

Garcia matter to lead us into the trap of considering that we are or should be the principal naval power in the area, just because the Soviets appear to be increasing their presence in the area, which they would probably do regardless of what we do. The question should be what is best for the future of the United States in this area.

The PRESIDING OFFICER. Who yields time?

Mr. MANSFIELD. Mr. President, how stands the time?

The PRESIDING OFFICER. The Senator from Montana has 31 minutes, the Senator from Mississippi 22 minutes, the Senator from Virginia 17 minutes, and the Senator from Ohio 15 minutes.

Who yields time?

Mr. MANSFIELD. Mr. President, with the permission of the distinguished chairman of the committee and the distinguished Senator from Ohio, and hopefully the distinguished Senator from Virginia (Mr. WILLIAM L. SCOTT), I suggest the absence of a quorum, with the time to be taken equally out of all four sides.

The PRESIDING OFFICER. Is there objection?

Mr. STENNIS. Mr. President, reserving the right to object, and I want to cooperate with the Senator, I really have control of only half of half the time, equal to a total of one-fourth, and some others that I think may want some time are out. Let us see if we cannot put a cap on that some way.

Mr. MANSFIELD. On my time.

Mr. STENNIS. I am willing to yield some of that, I might say, Mr. President.

Mr. MANSFIELD. Mr. President, I make the proposal that the time for the quorum call not exceed 4 minutes. That takes a minute apiece out of the time.

Mr. TAFT. Mr. President, I am sure that the Senator from South Carolina would be agreeable to that, and I am authorized to speak for him.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded, and that I may yield the assistant majority leader and the Senator from Virginia not to exceed 30 seconds each.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME LIMITATION AGREEMENT—SENATE RESOLUTION 54

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as it is called up and made the pending question before the Senate, there be a time limitation on Senate Resolution 54, a resolution continuing and authorizing additional expenditures by the Select Committee on Nutrition and Human Needs, of 1 hour, to be equally divided between the Senator from Nevada (Mr. CANNON) and the Senator from South Dakota (Mr. McGOVERN); a time limitation on any amendment thereto of 30 minutes; and a time limitation on any debatable motion, appeal, or point of order if submitted to the Senate of 20 minutes; and that the agreement as to the division and control of time be in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the unanimous-consent agreement is as follows:

> *Ordered*, That, during the consideration of S. Res. 54 (Order No. 313), a resolution continuing and authorizing additional expenditures by the Select Committee on Nutrition and Human Needs, debate on any amendment shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the resolution, and debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the resolution: *Provided*, That in the event the manager of the resolution is in favor of any such amendment, debatable motion, appeal, or point of order, the time in opposition thereto shall be controlled by the Minority Leader or his designee.
>
> *Ordered further*, That on the question of agreeing to the said resolution, debate shall be limited to 1 hour, to be equally divided and controlled by the Senator from Nevada (Mr. CANNON) and the Senator from South Dakota (Mr. McGOVERN): *Provided*, That the said Senators, or either of them, may, from the time under their control on agreeing to the said resolution, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

The PRESIDING OFFICER. Who yields time?

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum under the same stipulations, and this will be included in the 4 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I yield 5 minutes to the distinguished Senator from Colorado (Mr. GARY W. HART).

The PRESIDING OFFICER. The Chair recognizes the Senator from Colorado.

Mr. GARY W. HART. Mr. President, I thank the Senator from Montana, the distinguished majority leader.

Mr. President, I wish to comment on a couple of items that occurred in the debate this afternoon with regard to the resolution regarding Diego Garcia.

First of all, I call the attention of our colleagues to the intelligence estimates regarding our position in the Indian Ocean and call particular attention to the fact that we spend a great deal of money each year to assess intelligence; therefore, I think the estimates that the intelligence community provides to us, particularly those that are unclassified, deserve a great deal of attention in this body.

In testimony before the Committee on Armed Services on July 11, 1974, the Director of the Central Intelligence Agency, Mr. Colby, said as follows:

> . . . the normal composition of the Soviet force there—

Being the Indian Ocean.

> —particularly the lack of a significant submarine capability—suggests that interdiction of Western commerce, particularly oil shipments from the Persian Gulf, has not been a major objective.

The implication is, of course, the major objective of the Soviet Union.

I also call our colleagues' attention to a letter directed to the chairman of the Committee on Armed Services, the distinguished Senator from Mississippi (Mr. STENNIS) from Mr. Colby. The letter is dated July 21, 1975. In that letter Mr. Colby says as follows:

> The Soviets recognize the importance to the West of Persian Gulf oil, but the normal composition their Indian Ocean force suggests, that interdiction of Western commerce has not been a major objective.

Thus, repeating his remarks of a year earlier.

He also says as follows:

> The level of Soviet naval activity—

Which we have heard so much about here today—

> in the area has grown slowly but steadily since 1968, and this pattern is expected to continue.

What is that activity?

The Colby letter says:

> The regular force usually consists of six surface combat units, a diesel-powered submarine and about seven support ships—

Which I understand some testimony before our committee to be minesweepers and so forth.

> This routine presence is occasionally augmented by other units—for example, ships being transferred from the western fleets to the Pacific.

That is the Soviet presence as of July 21, 1975.

Mr. Colby continues:

> Increases in the U.S. presence could result in a somewhat more rapid buildup in the Soviet forces. The Soviets have clearly shown a sensitivity to U.S. activity, and this will be *one* of the factors in their determination of Indian Ocean requirements.

Then, I conclude from Mr. Colby's letter to the chairman of the committee:

> The Soviets probably would not be particularly bothered by the mere fact of a modest U.S. base on Diego Garcia, for example, but would be inclined to accelerate the development of their Indian Ocean contingent if we maintain sizable forces in the area.

The suggestion is clear from Mr. Colby's testimony before the committee in 1974, repeated as of this month, 1975, that the Soviets will respond to whatever the United States does in this area.

I also call the attention of the Senate to testimony given our committee——

The PRESIDING OFFICER. I am sorry, but the time of the Senator has expired.

Mr. GARY W. HART. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield 1 minute to the Senator.

Mr. GARY W. HART. General Brown testified before our committee that the base at Berbera will support and sustain naval combat operations; whereas, the facilities that we hope to put on Diego Garcia are far removed from that. His suggestion is that the Berbera base, on which the Soviets are developing, will rival the Subic operation. I suggest to our colleagues that that is utter nonsense. The Berbera base is a harbor 1 mile long and 2 miles wide, 30 to 60 feet deep. It will not even begin to house the kind of fleet that the Subic Bay area contains—room for 160 ships, 9 piers, 5 of which are a thousand feet long. I think the suggestion by the Chairman of the Joint Chiefs in this regard is misleading and does not serve the efforts of the Senate of the United States to reach a rational decision on this issue.

The question before the Senate today is whether we are going to negotiate or even attempt to reach some sort of agreement with the Soviet Union on reducing naval presence mutually in this area. I have yet to hear a remark or a comment or a rejection of that argument.

When we were seeking appropriations, any time a question was raised about what the Defense Department wanted, somebody from the Defense Department—the Secretary of Defense or someone else—was on the phone, and somebody was here on the floor of the Senate, saying, "I have just spoken to the Secretary of Defense, and this is what their position is."

Mr. CULVER. Mr. President, may we have order? The Senator is making a very important statement on the merits, and I think he should be listened to.

The PRESIDING OFFICER (Mr. Stone). The Senator's time has expired. The Senate will be in order.

Mr. STENNIS. Mr. President, I yield the Senator 1 minute.

The PRESIDING OFFICER. The Senator is recognized for 1 additional minute.

Mr. GARY W. HART. I thank the Senator.

The point is that I have yet to hear any opponent of this resolution who has spoken to the Secretary of Defense or the Secretary of State today state why it is not in our best interest to sit down and discuss this matter with the Soviets.

With the Senator from Iowa and the Senator from Vermont, I happen to be one of those who raised this issue in negotiations and discussions with deputies from the Supreme Soviet, and at that time they were not willing to state their position. However, later they told us that they very much wanted to sit down with this Government to determine whether we could mutually limit naval presence in this area. I have yet to hear anybody in the debate today suggest why the Secretary of State or the Secretary of Defense is unwilling to do that.

I thank the Senator from Mississippi.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. Mr. President, will the Senator from Montana yield?

Mr. MOSS. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield 3 minutes to the Senator from Utah.

Mr. MOSS. Mr. President, I support the resolution introduced by my good friend from Montana, the majority leader. Ostensibly, the issue is whether we should expand our naval and air facilities at Diego Garcia, a small atoll in the middle of the Indian Ocean. But I believe that Diego Garcia stands for more than that.

Certainly, the nations in that area of the world see Diego Garcia as signifying more.

The Prime Minister of Australia said on "Meet the Press"—

> . . . there is no nation around the Indian Ocean which welcomes the buildup on this uninhabited British group of islands.

When asked if he would like to see the United States withdraw entirely from the Indian Ocean, regardless of what the Russians do, he replied:

> No; certainly not. Russia and America are the world's great naval powers—they can sail wherever they choose—that's clear. But we don't want a proliferation of armaments in the Indian Ocean which up till now has been freest of all the world's oceans, of this American-Soviet confrontation.

Not a single one of the 32 nations in that area of the world has supported U.S. plans to beef up Diego Garcia. Some, including allies, have openly opposed it.

If those nations that surround the Indian Ocean, including our allies, are not disturbed by the Russian presence there, then why should we be?

I thought we had learned that we cannot police the whole world, especially where we are not invited.

The Department of Defense contends that Australia's Government for political reasons is publicly denouncing Diego Garcia but in private is urging us to expand the base.

I must say, if the stance against Diego Garcia is a charade, the Australian Government is taking great pains to perform it well.

The Australian Embassy sent me a stack of speeches that the Australian Prime Minister made all over the world in which he urged our Government not to expand Diego Garcia. In the Prime Minister's report to Parliament, in press conferences in Bonn, in The Hague, in Colombo, in Washington, D.C., at the United Nations, in Hansard, and in press releases from the Department of Foreign Affairs, the stance has been consistently against expansion of Diego Garcia.

I think that it is important to note that we can send powerful fleets into the Indian Ocean to respond to crises whether Diego Garcia is improved or not. In the past 18 months we have sent five carrier task forces and two groups of major combat surface ships to the Indian Ocean. In the past year we have had such an augmented presence in the Indian Ocean for one-third of the year. Diego Garcia would merely make deployment in the Indian Ocean more convenient for our Navy and Air Force.

Furthermore, according to William Colby of the CIA, who presented testimony on this subject last year, the Soviets will probably avoid any large navy buildup in the Indian Ocean because such a fleet could be too easily bottled up if the Suez Canal were closed.

Some will say it is not much money—only about $30 million—at stake here. I think that is $30 million of the taxpayers' dollars that can be saved. And I do not believe for a moment that we can approve expansion of the harbor, runway, and fuel facilities and not expect eventually to hear appropriation requests for new Navy ships to use Diego Garcia.

To me Diego Garcia is a weathercock issue. Should we expand our military presence in the Indian Ocean at no small cost to our people when the nations there including many friendly nations clearly don't desire this expansion and apparently consider it harmful to their interests? The more basic question is, do we still intend to be the policeman of the world?

I urge my colleagues to support Senate Resolution 160.

Mr. MANSFIELD. Mr. President, I yield 3 minutes to the distinguished Senator from Massachusetts (Mr. Kennedy), and then the remainder of the time, the full 9 minutes, to the distinguished Senator from Iowa (Mr. Culver)—but after a while.

Mr. KENNEDY. I thank the Senator.

Mr. President, the Senate today is again being asked to decide whether or not to proceed with expansion of our military facilities on the Indian Ocean island of Diego Garcia. This is not the first time we have considered this matter: The administration first requested funds for these facilities in fiscal year 1970, and the Congress rejected this request. In the following year, Congress approved a "limited communications facility." A renewed request for a fleet support facility was made for fiscal year 1974, and rejected by Congress. The request was repeated for fiscal year 1975. At that time, we stipulated the procedure we are following today. But we have no illusions that this is the end of the debate. Certainly this will not be the last time the Senate will debate the future military role of the United States in the Indian Ocean.

The amount of money involved in this project this year may be relatively small in terms of total appropriations for U.S. defense needs; $32 million is less than half the cost of a B-1 bomber, or the cost of two F-14s, and it is only a tiny fraction of the cost of a nuclear aircraft carrier. In fact, the Navy argues that, for the capabilities that this money will buy, it is an irresistible bargain.

So far, Congress has consistently acted with studied caution in deciding whether to proceed with Diego Garcia. We have known all along that something more substantial is involved—that larger questions of principle and policy are at stake in this decision. At heart, this debate is not about whether we should extend the runway at Diego Garcia another few thousand feet, or dredge the harbor to accommodate larger ships, or put up some barracks to house several hundred military personnel. This debate is about the role the United States will play in the coming years in the Indian Ocean and in the nations that line its shores. It concerns whether the United States will push ahead and build a three ocean Navy—a decision involving billions of dollars—a decision which the Brookings Institution estimates could require an additional $800 million per year in operating costs and $5 to $8 billion in new ship construction. It is about our view of the world of the late 1970's and 1980's and America's position in that world.

It is about whether the achievements and prospects of détente will be limited primarily to strategic nuclear policy, or will apply to other areas of vital importance in East-West relations.

Are we content to let the Defense Department dictate the evolution of American foreign policy in the Indian Ocean, based on its definition of military convenience and perceived strategic requirements? Are we going to begin another era of over-extended military commitments out of step with our overall political and economic objectives in the decades to come? Or are we going to recognize a most valuable lesson of the last decade: the need to put political objectives and interests first; to think through problems before acting; and to exhaust diplomacy before once again reaching for the instruments of war?

Symbolically, a decision to proceed with construction on Diego Garcia means that the United States has more or less given up hope of getting an arms control agreement with the Soviet Union.

In this case, however, we are giving up before having really started. Last month the administration testified before the Armed Services Committee that there has not been a diplomatic approach to the Soviet Union on the question of the Indian Ocean since 1971. Yet it has been largely since 1971 that the significant events have taken place which are shaping the Pentagon's perceptions of our strategic needs in that area. The State Department, in a letter from Ambassador McCloskey to our distinguished colleague from Iowa (Mr. CULVER), suggested that the chances for negotiations on mutual limitations of military forces in the Indian Ocean would be improved if we first expand the facility on Diego Garcia.

But this sounds to me like just a tired playback of the old "bargaining chip" argument. "Continue to build up," so the argument goes, "in order to convince the other side of our determination, and to give them incentives to negotiate downward again." But as we have seen in the past, particularly in our strategic arms negotiations, it becomes increasingly difficult to de-escalate a competitive situation. The upward spiralling competition builds a momentum that fulfills its own predictions, and justifies mutual suspicions. Bargaining chips have simply failed to live up to what has been promised for them.

In part, the President has justified the U.S. need for Diego Garcia in terms of maintaining "stability and peace in the area." But the states of the region—the 29 littoral nations surrounding the Indian Ocean—apparently think otherwise. The administration itself made a survey of the littoral nations and, in reporting the results, grudgingly acknowledged that not one state in the region has expressed support for the project; indeed many have strong objections. Even Australia, a strong American ally, has consistently and publicly voiced its disapproval of taking actions which will lead to the establishment of a major naval arms race in that region. The United Nations, with the support of the littoral states, has every year since 1971, passed resolutions declaring a desire to make the Indian Ocean a "zone of peace," and has appointed an ad hoc committee to implement this resolution. Yet for the relatively minor tactical advantages of "greater maneuverability and flexibility" in the Indian Ocean, we are apparently prepared to ignore the policy objectives of the littoral states, themselves; imperiously dismiss loud protests from many Indian Ocean states; and explain to them that we are taking this action for their own good.

Mr. President, I have no illusions about the reality of increased Soviet naval presence in recent years, in many areas including the Indian Ocean. The Soviet Union seems determined to extend the global reach of its Navy. It has indeed upgraded its facilities at Berbera, Somalia. But let us keep a sense of proportion about the Soviet naval presence in the Indian Ocean. Despite the flurry of statistics flowing out of the Pentagon, it is a relatively small and limited force, which presents no major threat to the American, British or French forces deployed there. The French alone have a greater number of combatant ships permanently deployed in the Indian Ocean, as well as a greater number of port facilities, than any other power. And the combined American, British and French forces in the region are clearly superior to Soviet forces. What is important to remember is that in moving to escalate the American presence in the area, we are inviting a strong Soviet response.

Mr. Colby, the Director of the CIA, testified less than a year ago that if the United States significantly increased its presence in the area, the Soviet Union would likely buildup its forces faster than would be the case otherwise.

Mr. President, last Friday, the Senate Foreign Relations Committee, without objection, adopted an amendment which I introduced with my distinguished colleagues Senators CRANSTON and PELL, to the Omnibus Foreign Relations Authorization bill. This amendment would put the Senate firmly on record in urging the President to begin a diplomatic initiative with the Soviet Union, and seek negotiations for mutual limitations of military forces in the Indian Ocean. We are at the crucial turning point on this issue. I am convinced that not enough has been done to explore diplomatic possibilities. In the post-Vietnam era, our policy for new and questionable military commitments in remote regions of the world should be one of extreme caution and prudence.

Mr. President, I was in the Chamber earlier this afternoon and heard, as many of my colleagues did, the very comprehensive, rational, and intelligent presentation of the distinguished Senator from Iowa in his handling of the points that are at difference during this debate. There are just two very small but important points I wish to make, which I think help substantiate his splendid argument.

First, on Friday the Committee on Foreign Relations unanimously adopted a resolution urging the President of the United States to make a best effort to achieve negotiations with the Soviet Union, and report back to Congress, on the whole question of limiting arms in the Indian Ocean. So we have a very clear expression by the full membership of the Committee on Foreign Relations, indicating that we want to talk with the Russians, rather than take what I think would be an unfortunate step in the escalation of the arms race.

Second, the Committee on Armed Services, in its report on page 4, last year urge the administration to move ahead into discussions with their Soviet counterparts, to find whether we can reach some limitation in the arms race, with respect to the Indian Ocean.

Finally, the President of the United States is on his way to Helsinki to have talks with Mr. Brezhnev relating to the European security conference and other matters. We have our own negotiators in Geneva to consider the complex issues at the SALT talks. We have our people in Vienna to consider the issues at the MBFR talks.

We have recognized these as areas in which we are prepared to negotiate with the Soviet Union, in an effort to improve not only our security but also the security of people all over the world. Today's resolution is an attempt to recognize that here is an additional area in which we should first bring the best efforts of the United States to try to reach some kind of negotiated solution. Those of us who support the resolution of the distinguished Senator from Montana wish to identify ourselves with his efforts and those of the distinguished Senator from Iowa.

Why are we not prepared to talk about arms limitation in the Indian Ocean, but are prepared to do it at SALT? The Committee on Foreign Relations and the Committee on Armed Services have recognized the importance of such talks in terms of the peace and security of our country and of the world, let alone the extraordinary escalation not only of the arms race but also of the continued outpouring of American taxpayers' funds, which will do very little to increase our security or the cause of peace.

For these reasons, I hope that the position of the majority leader and the Senator from Iowa will be upheld.

I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 19 minutes remaining.

Mr. STENNIS. I yield myself 5 minutes.

Mr. President, I do not like to repeat, but the membership in attendance varies from time to time.

This is an extremely serious matter. The argument is made that we should let the other forces in the area take care of any situation that might develop for us.

We appreciate our allies; but they have not always been able to come to our rescue in situations such as this.

Mention has been made of the British force. No one knows how long they will be there or what their plans are to stay. Certainly, if this whole area means anything to us, we had better depend on ourselves, to the extent of having a supply of fuel. That is what this is a matter of, fuel for any planes that we might have involved or any oil-burning vessels that we might have involved.

This matter has been gone over with the utmost completeness. This is no idle matter about the President making the request for these funds. He came in as a new President. My position last year, in the conference, was that we should have his judgment on this. He has given it to us here in a very positive and explicit way. I shall not read it now, but I shall later, or I shall show it to anybody. It is in the RECORD.

Let me read briefly from something he had before him from the Department of Defense, concurred in by the Department of State and concurred in by the Arms Control and Disarmament Agency. I quote this communication to the President, and I am taking the liberty of citing this.

> It is significant that the Soviets have failed to combine their criticism of United States plans for Diego Garcia with any proposal for a mutual force reduction, despite the obvious appeal for propaganda purposes, nor is there evidence to suggest that they would be prepared to dismantle their own facilities in Somalia in response to any change of United States policy regarding Diego Garcia.

This is dated sometime in May of this year. Since then we have had eyewitness proof, by Senator BARTLETT, as well as others, of that amazing, large, missile facility they are building there, while we are doing nothing but talk.

> As a result, we are not optimistic about the prospects for an effective arms control agreement with the USSR under present circumstances in the Indian Ocean, and we are concerned that a delay in construction of facilities at Diego Garcia during prolonged negotiations could result in an actual or apparent asymmetry in the support available to our respective forces in potential crisis situations. We have on several occasions—most recently to the British Government—expressed our willingness to consider constructive——

The PRESIDING OFFICER. The 5 minutes of the Senator is up.

Mr. STENNIS. I yield myself 1 more minute.

> To consider constructive proposals for mutual arms restraint in the Indian Ocean, but we believe that proposals for limitations of force presence would be hindered rather than helped by linking them explicitly to the separate issue of support facilities. This matter is discussed in greater detail in the interagency response to NSSM 199, "Indian Ocean Strategy."

For years, since the start of these arms limitation talks, we have, over and over, appropriated money for more missiles, more armaments, everything of that kind, on the belief that to show a weakness would lessen our negotiating chances. So this is just another case.

I yield to the Senator from Arkansas.

Mr. McCLELLAN. Mr. President, I thank the Senator for yielding.

I am concerned about one aspect of this. I have not yet determined definitely that I shall support appropriations for this item. I am concerned that the action proposed here today is tantamount to repealing all existing authorizations for this improvement. Am I correct?

Mr. STENNIS. The Senator's concern is well placed. If the position of those opposed to Diego Garcia prevails here today that kills all the prior authorizations, it kills the prior partial appropriation, and it kills any current authorizations that are in progress now and any prospective appropriations, because there would be no authorization for any more money.

The PRESIDING OFFICER. The Senator's time is up.

Mr. STENNIS. I yield myself 1 minute.

Mr. McCLELLAN. Then we have made some appropriations and we have made some improvement on this island.

Mr. STENNIS. There has been some improvement, dredging and so forth. Some of this money I am referring to has been appropriated but not spent.

Mr. McCLELLAN. Do we have improvements on this island now?

Mr. STENNIS. Oh, yes.

Mr. McCLELLAN. This is an expansion or an addition to those facilities, improvement of what we already have?

Mr. STENNIS. That is what the argument is about.

Mr. McCLELLAN. This action would repeal all authority for that expansion?

Mr. STENNIS. Yes.

Mr. McCLELLAN. This has been authorized subject to the President's certification.

Mr. STENNIS. Yes.

Mr. McCLELLAN. He has so certified. Now we would retreat from the authorization that we made and the President's certification of the need for it.

Mr. STENNIS. Absolutely. That is exactly what the resolution will do, if it prevails.

The House, I am just told, has just voted down the proposal to strike down money that is in their current military construction bill, or the military construction appropriation.

Mr. McCLELLAN. What I want to say to the distinguished Senator from Mississippi is whether we make this appropriation or not is something that as yet, we can decide. But I think we are signalling today a retreat and I do not think that is very definitely in the interest of our country. We can signal this retreat. We can do this and it signals a retreat, because somebody is afraid that maybe we are going to provoke another aspect of an arms race.

Well, Mr. President, I think we should remember that what action Russia takes, she takes and does not announce it to the world, as we do. We have to find it out by other means. We have discovered the expansion she is making in this area.

I am not ready to vote for an appropriation today, but I do not want to vote to repeal this authorization and the President's certification of the need for it.

Mr. FORD. Will the Senator from Mississippi yield for a question?

Mr. STENNIS. Yes, I will.

May I yield for a request already in? I yield to the Senator from New Jersey 2 minutes.

Mr. CASE. Mr. President, I thank the Senator from Mississippi. I shall be surprised if I have to take very much longer than a minute to state my position.

The Senator from Rhode Island (Mr. PELL), the other day offered, in the Committee on Foreign Relations, and the committee approved, an amendment to the State Department authorization bill stating that it was the sense of the committee—and if adopted as law—that this bill will provide that it is essential to the President that this country make an exploration, with the countries bordering on the Indian Ocean, of the possibility of an arms agreement in that whole area, the ocean and the littoral, of naval and air and all military installations. It seems to me, Mr. President, that that is the way this matter ought to be left, and that we should not, on a unilateral basis now, on this bill, reject the possibliity of an agreement based upon bilateral and multilateral concessions and agreements on the part of all the parties at interest. Therefore, as much as I regret to disagree with the majority leader on any matter of importance, I feel that it is up to us not to prejudice the possibility of a broad agreement which could come from the action that I have referred to.

Mr. STENNIS. I thank the Senator very much.

Mr. President, I yield myself 1 minute to answer a question.

Mr. FORD. The Senator from Mississippi made a statement a few minutes ago that the House had just voted down the funds for Diego Garcia. Did I understand the Senator correctly?

Mr. STENNIS. That is what I was told, that on a voice vote, they refused to strike out the funds that are in a bill over there for Diego Garcia. I think that was a new military construction bill, I say to the Senator, for fiscal 1976. That is my information.

Mr. FORD. Can the Senator tell me what percentage of funds is spent by the United States so far as NATO is concerned? What is the amount of money in percentages that are carried by this country?

Mr. STENNIS. By their country, you can estimate those amounts in various different ways, I will say to the Senator from Kentucky. There is no way to approach it unless you lay down the ground rules.

The PRESIDING OFFICER. Does the Senator yield time?

Mr. STENNIS. I yield a half-minute to myself. In other words, do you charge all the long-range bombers part to NATO and part to us? How much of the fleet do you charge?

Mr. FORD. It is true that the United States carries the biggest burdens.

Mr. STENNIS. Yes; we carry a considerable part of those. We have been trying to reduce the amount.

Mr. FORD. Is it not true the French and the British have an overwhelming presence in the Indian Ocean; that they are the foremost military operation there, and that they could be the front runner for a change instead of our carrying the load?

Mr. STENNIS. I think we have the greatest——

The PRESIDING OFFICER. Does the Senator yield additional time?

Mr. STENNIS. I am sorry, I am about out. How much time do I have?

The PRESIDING OFFICER. Who yields time?

Mr. MANSFIELD. Mr. President, the Senator from Mississippi and I find ourselves in a difficult position because of the time which is more than we have, allotted to the Senators from Ohio and Virginia.

Mr. President, will the Senator yield some of his time?

Mr. TAFT. Mr. President, I would be happy to yield some time. I would like to make a few remarks before I do. It seems to me we have missed the point here to a great extent.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. TAFT. I yield myself 5 minutes.

I do not want to have the Senator or the administration fail to consider the point I made. I feel strongly that this facility should go ahead. I do not want to see the U.S. Navy, if it is in that part of the world—I think parts of it at least are going to be in that part of the world—cut off without any oil, as it was at the time of the Middle East crisis, and I think we have to go ahead with this improvement to assure it does not happen again.

At the same time, I think negotiations should be engaged in, but not bilateral negotiations. This is the thing, I think, that ought to be said, and said clearly. We have been talking all afternoon about negotiating with the Russians, without talking about negotiating with anybody else. The French have more ship-days alone, not counting the British days, in the Indian Ocean, not considering what the Russians are doing. They have a navy building two nuclear carriers, two nuclear helicopter carriers, and are obviously planning to undertake responsibility at this time.

To have the United States take the lead in this picture, I think, is a great mistake. I think it is provocative to the littoral states in a way it would not be if we got our allies to go along.

What I believe, and believe strongly, is we ought to bring into this negotiation our allies.

The distinguished Senator from Iowa said none of the allies are going ahead with their development. That is a lot of nonsense. A lot of the littoral countries, if anybody is going ahead with further activity in the area, obviously they are.

Some of the other nations, however, Great Britain, has made the treaty with us certainly which gives us the right to go ahead with the developments that are planned here. The French certainly have not expressed any opposition to it. While there has been, perhaps, official opposition in the Arab fraternity by Iran, there have been private assurances, as I understand, that there is certainly no opposition and certainly no——

The PRESIDING OFFICER. The Senate is not in order, and the galleries are not in order. The Chair requests no conversation except by the Senator who is recognized in the Chamber.

The Senator from Ohio.

Mr. TAFT. Mr. President, I just want to get that point through that these are multilateral negotiations that are called for. We ought to call for a conference with the nations that are concerned with the supply of oil coming through this part of the world.

In my opinion, we also ought to try to include the littoral nations in it, at least have their opinions on it, before we get into such negotiations.

I think it is true, I think there is something to be said for the argument, that the Soviets, having gone ahead with Berbera, that if we go ahead and develop this facility to a degree that is planned now—and it is a limited development, it is not a major naval base in any sense of the word, it is basically a logistics facility with support for that logistics facility—we will be in a better position not only to negotiate with the Soviets but to negotiate with the other nations of the world, and to negotiate with the littoral powers.

I do not believe we ought to run away from the situation. At the same time, I feel very strongly we should not get ourselves into the position of becoming a dominant force in the area and, thereby, invite the opposition of the littoral powers which is more likely, in my opinion, to disturb the peace of that particular area than it is to help bring it about and keep it in a state in which it should be.

What I do not want to see, however, is the U.S. Navy out there operating on its own or in connection with our other purposes without any source of fuel for its oil supply to its ships. I do not want us to be out there in a sea of oil without any oil, and I think that is the basic question we have to decide on here.

As to the future, I hope there will be some understanding on the part of the administration, the State Department and the Defense Department, and members of the legislative branch as to what the realities are in this area. The fact is that we should not take the lead, and others should, but we should participate in it and help others as much as we can in a lesser, a minor-like, role rather than a leading role.

Mr. President, I would be willing now to yield time to the distinguished Senator from Mississippi or the distinguished Senator from Montana.

Mr. MANSFIELD. How much time will the Senator yield?

Mr. TAFT. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 7 minutes remaining.

Mr. TAFT. Mr. President, I would be glad to yield 3 minutes to the distinguished Senator from Montana.

Mr. MANSFIELD. Mr. President, I yield 3 minutes to the distinguished Senator from Connecticut (Mr. RIBICOFF) and 2 minutes to the distinguished Senator from Minnesota (Mr. HUMPHREY).

Will the Senator withhold for a minute?

Mr. WILLIAM L. SCOTT. Mr. President, if no one has any objection, I believe I have 17 minutes left, and I would like to——

The PRESIDING OFFICER. The Senator has 15 minutes remaining.

Mr. WILLIAM L. SCOTT. Fifteen minutes.

Mr. President, I have no further remarks to make, and I will yield 5 minutes to the discretion of the distinguished majority leader, 5 minutes to the chairman of the committee, Mr. STENNIS, and 5 minutes to Senator THURMOND.

Mr. MANSFIELD. I thank the distinguished Senator. I yield 3 minutes to the distinguished Senator from Connecticut (Mr. RIBICOFF).

Mr. RIBICOFF. I thank the distinguished majority leader.

Mr. President, I have been dismayed with the innuendoes and the attacks that have been made on three distinguished Members of this body, the Senator from Iowa (Mr. CULVER), the Senator from Colorado (Mr. GARY W. HART), and the Senator from Vermont (Mr. LEAHY).

I was a member of a group of 14 Senators who visited the Soviet Union over the Fourth of July, and I could never be more proud of Members of the U.S. Senate than the 14. But I pay a special tribute to Senators CULVER, GARY HART, and LEAHY.

It has been indicated or said that these three men were pawns of the Soviet parliamentarians. It has also been said they were negotiating on behalf of the United States.

At no time were these men pawns of the Soviet parliamentarians, and at no time did they attempt to negotiate for the United States of America.

When we sat there for 17 hours and really in debate and confrontation with the Soviet parliamentarians, I was filled with pride when the Senator from Iowa presented the position of the United States on the whole problems of SALT, and the problems of disarmament. This was a strong U.S. Senator talking. This was a U.S. Senator who knew his subject. This was a U.S. Senator who loved and was proud of his country.

To think that those in the executive branch, because he took a position contrary to the results they wanted and desired, through their own means sent those innuendoes out through the press and their statements, I, for one—and I think every Member of this body—should be proud of JOHN CULVER, GARY HART, and PATRICK LEAHY.

Mr. MANSFIELD. Mr. President, following up what the distinguished Senator said, it has come to my attention that there was a leakage of cables which got into the hands of certain people outside the government, which came to the attention of at least one of the Senators concerned. He did not mention it except in passing.

I thought it was outrageous that there are leaks in the executive branch of this government to be used for the purpose of scarifying and attacking a Senator of the United States. I think every Senator in this body, regardless of his political philosophy, is entitled to the same kind of consideration as any other Senator, and I resent the idea of the fact that these leaks were made and that this Senator was faced with them, and that he had to take them in stride and make the best of allegations which were not true.

Mr. RIBICOFF. As all of us know, those who seek to besmirch or change a position have their own ways——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MANSFIELD. One more minute.

Mr. RIBICOFF [continuing]. Of casting doubts on a man's integrity or his bona fides.

I watched with dismay because they were contrary to what I know. I was there and it became very obvious what was attempted. They were trying to change in a close position a vote on the floor of the U.S. Senate, and what better way could this be done, by putting a dirty stick against a distinguished Senator. I can assure my colleagues that JOHN CULVER never gave anything away that belonged to the people of the United States of America, or the U.S. position. He was ably assisted at all times by GARY HART and PATRICK LEAHY.

I love these three men and I think they are great U.S. Senators and we do not have the executive branch using their sneaky methods to try to smear a U.S. Senator.

Mr. MANSFIELD. One more minute, Mr. President.

May I say on my own time that today, we have the Secretary of Defense calling up various Members of the Senate, we have the White House liaison out in force, we have the State Department liaison out in force.

What they are trying to do is tell us how we should vote.

What did the people mean when they elected all of us to the Senate? To exercise our own judgment to vote according to our conscience or to be told how to vote by a Secretary of Defense, minions of the Secretary of State, or people at the White House?

I hope that the Senate is aware of this intensive, high barrage campaign which has been conducted against this bill at the present time.

I yield 2 minutes to the Senator from Minnesota.

Mr. JAVITS. Would the Senator let me join in this colloquy?

Mr. MANSFIELD. Yes.

Mr. JAVITS. I shall probably go the other way in this matter from Senator CULVER, and other Senators mentioned, but I, too, was in Moscow in these negotiations.

I do not know anything about the incidents which are being described, but I would like to join Senator RIBICOFF, with whom I sat side by side, in testifying to my pride as an American and U.S. Senator in the magnificent performance of these three Senators led by JOHN CULVER, whom we unanimously, without regard to party, named as chief spokesman on these delicate military matters, just as we considered others, Senator RIBICOFF and myself, in other respects in these very critical discussions in Moscow. It is a duty I feel as a U.S. Senator.

Senator CULVER and his colleagues are fine, upstanding men of whom we can be very proud as Senators of the United States and to carry the flag of our country with the greatest skill, intelligence, and pride.

Mr. MANSFIELD. Mr. President, I yield 3 minutes to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I shall not take much time to express my great admiration for the Senator from Iowa, the Senator from Colorado and the Senator from Vermont, the names mentioned here.

I, too, was present, as this body knows, and I can assure that any comment as to any softness on the part of these Senators relating to the Soviet Union is sheer nonsense and it ought to be dismissed as such.

But that is not the issue here. We know our Senators, we know their sincerity just as we know the sincerity of people who have a different point of view here, and we can dismiss that quickly. Any charge of lack of sincerity can be dismissed.

The central issue is, Is this base necessary now? That is the issue.

It is my judgment, Mr. President, that what this Senate ought to be doing is to lay down an order, which I gather the parliamentary situation will not permit, that would say in substance.

> That notwithstanding any other provision of law, no funds heretofore authorized for the construction of any military facility on the Island of Diego Garcia may be obligated for such purpose—
>
> (1) prior to September 1, 1976, unless the President determines and notifies the Congress in writing that the Soviet Union has, after the date of enactment of this Act, continued to construct and substantially expand military facilities in Somalia, the Indian Ocean, and the Persian Gulf area.
>
> (2) after September 1, 1976, unless the President is unsuccessful in negotiating an agreement with the Soviet Union by September 1, 1976, to limit the military presence of both the Soviet Union and the United States in the Indian Ocean area.

I had intended to offer such an amendment. This would not have done away with the authorization, it would have kept the authorization as it is.

But it is my judgment, Mr. President, that the evidence is clear and unequivocal that despite the direction of the Congress of the United States and at least the Senate of the United States, the executive branch has not sought to negotiate some kind of limitation of arms control within the Indian Ocean area. It is not as if tomorrow morning we did not start construction, that our security was going to be threatened. To the contrary, our security is here.

I would hope we would keep in mind the necessity of limiting this arms race wherever we can under mutual agreement.

The PRESIDING OFFICER. Who yields time?

Mr. MANSFIELD. Mr. President, how lies the time?

The PRESIDING OFFICER. The Senator has 14 minutes; the Senator from Mississippi has 11 minutes; the Senator from South Carolina has 5 minutes, and the Senator from Ohio has 3 minutes.

Mr. MANSFIELD. Mr. President, I yield myself 3 minutes.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. MANSFIELD. Mr. President, what we are considering is a new and drastic venture into the area of South Asia. This is not simply an issue of $13 million or $14 million today, or $175 million—according to the Navy figures—or even the additional $8 billion that is necessary for a three-ocean navy. But what I am concentrating on is the fact that what we are seeing in my opinion, the creation of a three-ocean navy.

Why in Diego Garcia of all places?

We do not own it, I am not sure we have lease rights, but it is close to the oil of the Middle East. It does create a means by which we can push out into a new area and it does mean we are flexing our muscles.

What have we learned from Vietnam? Where is the reassessment in our foreign policy? What does the future portend for us? Have we not learned anything after three decades in Southeast Asia? Was our mistake there simply a matter of tactics? Or was it something more profound? Did we not learn that America should have no design on maintaining a modern-day empire by replacing the autonomy of individual nations?

And the 30 nations around the perimeter of the Indian Ocean have indicated they do not want us disturbing the zone of peace.

Did we not learn that we cannot and should not attempt to make the nations of the world in our own image and in our own likeness?

I hope, Mr. President, that all these facts will be kept in mind because this is a most serious move we are contemplating and I would express the hope that the Senate in its wisdom would step back before it is too late, because if we go so far, it is too late to drop back.

Remember what we did in South Vietnam. A few hundred advisers, first, I believe a telegraph company, then a few hundred more, then a few thousand, and what was the price?

Fifty-five thousand American dead, 303,000 American wounded, 150 billion American dollars spent, and we will be paying for that into the first half of the next century to the tune—at 1972 prices—to the tune of $435 billion.

Think about it.

We are not in the Indian Ocean to any extent. Look at that map, look at that space. Remember how the nations feel around the perimeter of the Indian Ocean.

All I can say, to use an old railroad phrase, is stop, look, and listen.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President——

Mr. HRUSKA. Mr. President——

The PRESIDING OFFICER. The Senator from Nebraska will be recognized on whose time?

Mr. HRUSKA. The Senator from South Carolina.

The PRESIDING OFFICER. The Senator from South Carolina has 5 minutes.

Mr. HRUSKA. I do not want to take up his time. He may have some use for that time other than my engaging in remarks. I will withhold my remarks at this time.

Mr. STENNIS. Mr. President, perhaps I should proceed.

I will be partly repeating.

I am not going to let anyone outdo me in complimenting our valued Members that we are so proud of, those who went to Russia and other countries. They are fine, intelligent Members of this body, Messrs. CULVER, LEAHY, and HART. I am proud of them. I have not heard anything to the contrary, so if anyone said anything on this side of the Atlantic Ocean or the other side of the Atlantic Ocean, I join in the resentment expressed by fellow Senators as well as fellow committee members.

Mr. President, let us not go astray on other matters.

I would like to have the chance to have the attention of the Senators.

The PRESIDING OFFICER. Will the Senators please take their seats?

Mr. STENNIS. Thank you, Mr. President.

This matter came up in 1972, Mr. President, and for my part I did not have a chance to get into it enough to be satisfied about it. In 1973 I was not here. I do not know to what extent it was considered. But in calendar year 1974 I voted as a member of the committee because the leader, the Senator from Montana, wanted a chance to get this matter out on the floor in a special way. I understood the committee position was to give him a chance to do it, but something happened that they did not bring it up that way. I voted for the position of the committee to give this a special consideration.

We went to conference. The Senator from Missouri worked hard on this thing. I held out over and over, and we got this into the law. That is why it is up here today.

Let us not say it has not had consideration; that we have not been through it. Certainly, the legislative branch of this Government has been through this thing over and over and over, and has acted already to the extent of authorizing about half the money and appropriating that money, subject to this amendment I have been talking about which required it to come back here.

If this resolution against Diego Garcia is favorably approved by this body, that goes back and kills the prior authorization and kills the appropriation, something that we have already done and have brought here for a special consideration on the merits.

No one has been asleep about it in the Legislative Branch of the Government.

A great deal has been said about other matters, but what has been said about what preparation we have been making in this Indian Ocean. This issue comes alive again on this oil question, it comes alive again on the opening of the Suez Canal? What have we done about it? Not a single blessed thing except talk, talk, talk. And we are still talking.

What have the Soviets done? In addition to talking, they have gone there and built a missile facility. You cannot call it a lot of hogwash when there is a missile facility there with a 25-ton crane, as I understood the Senator from Oklahoma, large enough to take care of the loading, unloading and handling of missiles fired from submarines under the surface, missiles fired from ship to shore, from ship to ship—all kinds of missiles. That is what they have been doing while we have been talking. We have been thorough, so let us not say now we do not have the facts. We have virtually all the facts.

Now some bring up, "Well, let the French protect us" or, "Let the British protect us," if we have interests there. I believe the American people have interests there and they do not want us to stand around waiting to see what the French or the British will do. They want us to be ready.

It is not a question of how much we are going to put out there in the way of naval vessels. Is this just a question of supplies, the vital necessities of life, the food for the men? No, this relates to the fuel for any planes we might see fit to have there and also the oil, the oil that is necessary for these naval vessels. We have only one nuclear carrier at sea now. So we are getting down to the vitals of this matter. We are backing off for what? There are no more facts to be had.

I made the point in conference that the new President of the United States should be brought into this thing. I said let us write it in that he must certify. He had before him the evidence by Mr. Schlesinger and Mr. Kissinger. I know Mr. Schlesinger joined in it as he told me so.

I want to say another thing. Nobody has called me and told me what to do, what to say, or what not to do. I do what little I can as a Senator with the aid of capable men. I answer the telephone calls. But we will never have an important bill without some interest shown by other branches of the Government. They should show some interest.

Let me read this paragraph from a document made available to the President:

> It is significant that the Soviets have failed to combine their criticism of U.S. plans for Diego Garcia with any proposal for a mutual force reduction, despite the obvious appeal for propaganda purposes, nor is there evidence to suggest that they would be prepared to dismantle their own facilities in Somalia in response to any change of U.S. policy regarding Diego Garcia.

Instead, they are building. They are on the move.

> As a result, we are not optimistic about the prospects for an effective arms control agreement with the USSR under present circumstances in the Indian Ocean, and we are concerned that a delay in construction of facilities at Diego Garcia during prolonged negotiations could result in an actual or apparent asymmetry in the support available to our respective forces in potential crisis situations. We have on several occasions—most recently to the British Government—expressed our willingness to consider constructive proposals for mutual arms restraint in the Indian Ocean, but we believe that proposals for limitations of force presence would be hindered rather than helped, by linking them explicitly to the separate issue of support facilities.

Well, I had a hope when we had the first arms limitation talks that that might mean a new situation. But all the evidence was to the contrary, Mr. President, and from then until now we have not held back on our missiles, our Minuteman III, we have not held back the Trident, we have not held back all the other things that go to make up what we think is our necessary strength to back up a foreign policy.

So, after all, to make this little change over there——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. STENNIS. One minute more.

The PRESIDING OFFICER. All the time of the Senator from Mississippi has expired.

Mr. CULVER. Mr. President, I am glad to yield 1 minute of my time to the Senator from Mississippi.

Mr. STENNIS. Do I have no time left?

Mr. MANSFIELD. Mr. President, I am glad to yield the Senator I minute.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. STENNIS. The majority leader yields me 1 minute. I yield it to the Senator from Washington.

Mr. JACKSON. Mr. President, I shall be very brief. I just wish to state that after the vote on this matter, regardless of the outcome, I am prepared to introduce a resolution—I believe a number of my colleagues may join in it; we have not had an opportunity to circulate it—directing the President of the United States to open discussions with the Soviet Union with a view to putting forward U.S. proposals for limitations in the Indian Ocean and Persian Gulf area affecting naval deployments, facilities, and land-based airpower.

The PRESIDING OFFICER. The Senator's minute has expired.

Mr. JACKSON. Could I have 30 seconds?

Mr. TAFT. Mr. President, I am glad to yield the distinguished chairman 3 minutes.

Mr. STENNIS. The Senator yields me 3 minutes. I yield the Senator from Washington 1 minute of my 3.

Mr. JACKSON. I will not take quite all that.

Mr. President, I regret, as I stated earlier in my statement, and I think those supporting the resolution have a very strong point on this question, that the administration has failed to carry out the directive of the committee in connection with the military construction bill; but I would hope that we would proceed, however, in the meantime, with the work on this base. What we all want to limit is not simply bases; it is the totality of air, sea, and naval forces in the area.

Mr. CULVER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The Senator's additional minute has expired.

Mr. JACKSON. I would hope that would be done.

Mr. MANSFIELD. Mr. President, I yield 2 minutes to the Senator from Missouri (Mr. SYMINGTON).

Mr. SYMINGTON. Mr. President, first let me commend the able Senator from Connecticut on the remarks he made with respect to Senators CULVER, CLARK, and LEAHY. Having served longer than anyone else except the chairman of the Committee on the Senate Armed Services Committee, I would say these three able men have created a new and pleasant atmosphere on that committee when it comes to any real objective analysis of various military requests.

Let me repeat what I said an hour or so ago because my name was recently mentioned.

> Last year, the Committee on Armed Services noted that the serious defense and foreign policy questions related to the administration's request for expanding the facility at Diego Garcia required further consideration, and urged the administration to make "a thorough exploration of the possibility of achieving with the Soviet Union mutual military restraint without jeopardizing United States interests in the Indian Ocean."
>
> This year, at the Armed Services Committee hearing on Diego Garcia on June 10, the administration representative was asked whether any effort had been made to initiate with the Soviet Union a discourse on the possibility of mutual arms restraint. His answer was, "No."

The PRESIDING OFFICER. Who yields time?

The Senator from South Carolina has 5 minutes remaining, the Senator from Mississippi has 2 minutes remaining. The Senator from Montana has 7 minutes remaining.

SEVERAL SENATORS: Vote! Vote!

The PRESIDING OFFICER. If no one yields time——

Mr. THURMOND. Mr. President, if the other side is ready to yield back its remaining time, I am ready to yield back mine.

Mr. MANSFIELD. Mr. President, I yield 7 minutes to the distinguished Senator from Iowa (Mr. CULVER), and I hope he uses them all.

Mr. CULVER. Mr. President, I thank the majority leader for yielding me this time, and at the outset I would like also to thank Senator RIBICOFF and the others who have made reference to our trip to the Soviet Union, when the Soviet leaders did express their interest in mutual arms limitation and restraint in the Indian Ocean.

While the initial discussions were vague on that subject, as we reported to Secretary of State Kissinger, we did have subsequent reason to believe that the Soviets would be willing to sit down and discuss the subject. We reported these facts very carefully, and I think very accurately, to the Secretary of State, and I also mentioned them to the President himself, when I had the opportunity to participate in a meeting with him following our visit, that we had explored this subject with the Soviets.

Mr. President, no one knows whether or not the Soviets will respond formally and officially on a constructive, positive basis to this overture, if we ever make one. No one knows because it has never been tried. There has been no effort by the U.S. Government since 1971 to even formally raise this issue with the Soviet Union.

I listened with interest when the distinguished Senator from Washington spoke of his own initiative in the Armed Services Committee report of a year ago, where the committee expressly directed the administration to explore with the Soviet Union all possible means of achieving a bilateral mutual arms restraint agreement.

They did this at a time that they were considering the Diego Garcia request and, as Senator JACKSON says, they viewed that as an essential prerequisite to acting favorably on the subsequent authorization and appropriations for Diego Garcia, because they wisely perceived that we are at the crossroads when it comes to which direction we go with Diego Garcia. We are about to make a decision which is going, in significant part, to determine whether America moves toward a three-ocean Navy, at an estimated cost of $5 billion to $8 billion for three new carriers, all the associated aircraft, and the necessary support capabilities in the Indian Ocean.

We are at the crossroads of determining whether America, in the wake of Vietnam, is going to say once again that we are insensitive and indifferent when it comes to respecting the heartfelt opinions of other nations in the world; that we have come off of Vietnam, not in a neo-isolationist mood, but with an obsession to regain our lost machismo, so we do not touch the defense budget, and we pick the first occasion we can to build a new permanent base 10,000 miles from here.

For years I sat in this Congress and listened to people say, "What are we doing 10,000 miles from home? Why can't we just get out of there?"

We no sooner get out of there until we see the first big push to go back.

Diego Garcia? Who has ever heard of Diego Garcia? Whoever heard of the Gulf of Tonkin? Who ever heard of Khe Sanh? Those became bloody, tragic words to America.

I am under no illusion about the necessity for the American power and flag to be prominently positioned in the Indian Ocean.

I say to my fellow Members of the U.S. Senate, we are now prominently positioned in the U.S. naval forces in the Indian Ocean.

With all due respect to the distinguished chairman, since 1971, we have not been talking, we have not even raised this question with the Soviet Union; and since 1973, rather than talk, talk, talk, we have been deploying, deploying, and deploying.

Nearly 6 months out of the last year we have had a carrier task force steaming around the Indian Ocean. The Soviet Navy does not even have an aircraft carrier.

I get so sick and tired of everyone poor-mouthing our military.

I believe in our military. I voted to give them sufficient strength.

We have power. We do not have to apologize to anyone in the Indian Ocean or elsewhere.

The facts of the matter, as so ably articulated by the distinguished Senator from Ohio a few moments ago, are simply these:

The French naval fleet is equal to or exceeds the Soviet Navy tonight in the Indian Ocean. When we put the U.S. carrier *Enterprise* in there with all those 60 airplanes, with 7.5 tons of ordnance under the wings of each plane, it is like putting a 400-pound man in a little bathtub. It overwhelms everyone else there.

Mr. President, the Senator from Ohio has pointed out that the French Navy in the Indian Ocean is equal to or bigger than the Soviet Navy now. When we add the British, we have an advantage without even having the U.S.S. *Enterprise* come by, and it comes by all the time, and if we need to we can send it by more and more.

Our ships can stay 30 days at sea. That is why we have been spending billions, billions, and billions of dollars, American taxpayers' money, so they do not have to run into every port, nook, and cranny, and refuel like that pathetic Soviet Navy does.

We have a different navy. It can stay 30 days at sea. Guess what? If it wants to refuel for 30 more days, which is all we say we want Diego Garcia for, there are two ways we can get it. We can bring two oil tankers along with us to give us all the aviation and ship fuel we need. Of course, the nuclear aircraft carriers do not need any refueling.

Tonight, according to the Department of Defense, we can go into 36 ports in some 18 countries that will now refuel us. We did that during the 1973 embargo. We were refueled at a number of these ports. How many of these ports are going to close down in view of the fact that——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CULVER. Mr. President, will the chairman yield me 2 additional minutes?

Mr. MANSFIELD. How many more minutes do we have left?

There is no time remaining.

Mr. CULVER. Mr. President, will someone yield me an additional minute?

Mr. WILLIAM L. SCOTT. I do not have any time remaining.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the Senator may proceed for 2 additional minutes.

Mr. MANSFIELD. Mr. President, I will do that.

Mr. President, I ask unanimous consent that there be an additional time period of 4 minutes, to be equally divided between the manager of the bill and the Senator from Iowa (Mr. CULVER).

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from Iowa has 2 additional minutes.

Mr. CULVER. Mr. President, the question before us now is how many of those 36 ports are going to close down to us.

Every year since 1971, the United Nations General Assembly has urged this to be a zone of peace, to keep the two major super powers out. None of the 29 littoral states have publicly officially gone on record in support of this U.S. development in Diego Garcia. Most publicly oppose this base expansion. Admittedly, some have gone privately and whispered in the corridors and said:

> Listen, don't listen to my public speeches to my people. We are all for it.

There have been a few who have apparently said that.

Is that not one other painful lesson that I had hoped we had learned from Vietnam? Is that not one other painful lesson?

So, Mr. President, when they talk about the French and they disparage their capability, who doubts that the French are going to look out for their own strategic interest? What do they have the navy for?

They have known, Mr. President, for a lot longer than the U.S. Senate how critically important that lifeline is to them, and that is why they are there. Make no mistake about that.

But they are certainly going to be sympathetic and supportive of any significant opposition to Soviet moves in those areas.

Finally, Mr. President, this is all we are really saying here. When the distinguished Senator from Washington says we want the administration to look at this, that we want those in the administration to explore all these diplomatic opportunities, the fact of the matter is they have not. They have not done one single thing, and they want another bargaining chip. That is all they want—one more bargaining chip.

I want to tell the Senators here is one U.S. Senator who refuses to impose upon the back of the taxpayers of his State one more foolish bargaining chip theory when in a matter of a few months we can determine the good faith interest of the Soviet Union in negotiations, and if they prove to be unresponsive then we can go ahead with Diego Garcia and all the nations of the area will know that we made a good faith effort at restraint.

The **PRESIDING OFFICER**. The time of the Senator has expired.

Mr. **CULVER**. If there is an unwilling response, then there is ample opportunity to do what we must do in America's interest.

The **PRESIDING OFFICER**. The time of the Senator has expired.

Mr. **HUGH SCOTT**. Mr. President, will the Senator yield me 30 seconds?

Mr. **THURMOND**. Mr. President, I yield to the distinguished Senator from Pennsylvania.

Mr. **HUGH SCOTT**. Mr. President, the only justification for the expansion of the support facilities on Diego Garcia is that this project will protect the legitimate security interests of the United States. This is the basic issue. We are a major world power. There is no way we can renounce the responsibilities that go with that position. If we do not look after our own interests, no one is going to do it for us. And it is this fundamental reality of international politics which is missing from any of the arguments being advanced in favor of Senate Resolution 160. I believe the establishment of reliable support facilities in the third largest ocean of the world and in an area where U.S. interests are growing rapidly is both reasonable and prudent. What are the arguments raised against this measure?

First, we are told that this project will jeopardize our good relations with the nations of that area. What nations are we talking about? There are indeed a small number of states in the Indian Ocean which are extremely vocal in their opposition to a U.S. presence. The leader of this faction is—and has always been—the government of Mrs. Gandhi in India. Mrs. Gandhi has never hesitated to offer us advice on almost any subject, but there is some question about her qualifications to preach to others in view of the events which are being reported in India today.

Against this faction at one end of the spectrum, there is another group of Indian Ocean states which recognizes the value of a U.S. presence to counterbalance the growing Soviet naval expansion. In an ideal world, these nations would prefer to see no major power presence in the area—and I think we can all agree that would be desirable. But this is not an ideal world, and nations must still be concerned about their security. Pakistan, Iran, and Singapore have indicated publicly their belief that a U.S. presence in the Indian Ocean contributes to the security and stability of the area, and other nations have made the same point privately.

However, the large majority of nations in the area have never found it necessary to comment on the subject at all, beyond the annual ritual of voting for the Indian Ocean Peace Zone in the U.N. General Assembly. If one goes beyond the voting record and examines the regional reaction to the recent revelation of Soviet construction activities in Somalia, the inevitable conclusion would be that U.S. relations with most of the states in the Indian Ocean would not be jeopardized by the maintenance of an effective U.S. presence.

We are told that construction on Diego Garcia will lead to a Soviet military reaction and a possible arms race. In making this argument, it is conveniently forgotten that the planning and construction of a major missile support facility by the Soviet Union was already underway in Somalia before the United States ever began its policy of periodic naval deployments to the area. That construction is now largely complete, and the largest airfield in Africa is being built next door to it, while we are here debating whether to spend $37 million for the modest expansion of support facilities on Diego Garcia. The only Soviet response to the documented evidence of their activities in the area has been either to claim that it was merely a desert mirage or to insist that it was a very large meat packing plant. In the concern for our own interests, are we going to accept the word of Tass or the first hand report of those Members of Congress who undertook a grueling trip to see for themselves?

We are told that this proposed construction is only the beginning of the expenses, that we will have to spend billions more in establishing a new fleet for that area. In contrast, we have the public statements of the Secretary of Defense and the President of the United States that these very limited fuel storage and other logistical installations are intended to support the periodic deployment of U.S. forces into the area. The facilities are not intended for the permanent basing of operational forces and do not imply an increase in the present level of forces deployed to the region. One has only to examine the extremely modest nature of the proposed construction project to realize that Diego Garcia is not planned to be another San Diego or Subic Bay. On the contrary, the proposed construction would appear to be entirely consistent with its projected role of providing limited support for occasional deployments. Those who claim otherwise should be able to offer us more than their own hypothetical calculations.

Finally, we are told that we should delay any action on this measure while we wait to see if the Russians are willing to consider mutual arms limitations. In my view, the surest way to insure that the Russians will not talk seriously about arms limitations is to open discussions at a time when there is a perceived imbalance in available support facilities and to make our own plans hostage to Soviet delaying tactics. We do not need any further delay to demonstrate Soviet intransigence on this issue. They have already given ample evidence of this by their actions since 1972 in building a significant new facility in Berbera. The evidence is there and fully documented for those who wish to see it. Those who do not, I submit, will not be convinced by yet another delay in a proposal which has now been under consideration in Congress for 19 months.

On the contrary, if we want to have an effective arms control arrangement in the Indian Ocean, let us first get our own house in order. Let us indicate to the U.S.S.R. that we take our interests in this area—where half the world's seaborne oil is in transit at any given moment—very seriously. If we expect the Soviets to take seriously our concern, we must take it seriously ourselves and give them some tangible evidence of a firm and united U.S. policy.

The proposal to expand the facilities at Diego Garcia is carefully designed to permit a degree of flexibility and independence to U.S. forces operating far from any reliable sources of logistical support. That flexibility is a necessary ingredient of an American policy which is concerned over the continued peace and stability of an area which is directly related to the economic well-being of our own Nation and much of the industrialized world. I urge the Senate to examine this issue in terms of the hard facts, not wishful thinking.

I urge the Senate to look at America's real interests and responsibilities at a time of rapid change and great uncertainty. And I urge Senators to join me in opposing Senate Resolution 160.

The **PRESIDING OFFICER**. Who yields time?

Mr. **WILLIAM L. SCOTT**. Mr. President, will the Senator yield?

Mr. **THURMOND**. Go ahead.

The **PRESIDING OFFICER**. The Senator from Mississippi and the Senator from South Carolina each has 4 minutes. That is the sole time remaining.

Mr. WILLIAM L. SCOTT. Mr. President, will the Senator from South Carolina yield some time to me?

Mr. THURMOND. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Four minutes.

Mr. WILLIAM L. SCOTT. I will just take 2 minutes.

Mr. THURMOND. Does the Senator desire 2 minutes?

Mr. WILLIAM L. SCOTT. Two minutes.

Mr. THURMOND. Mr. President, I yield 2 minutes to him.

Mr. WILLIAM L. SCOTT. Mr. President, I appreciate the Senator yielding me 2 minutes.

I spoke at some length earlier today. There were very few Senators in the Chamber at that time.

But I speak in favor of the resolution of the distinguished majority leader.

The Chairman of the Joint Chiefs of Staff, General Brown, indicated to us that 75 percent of the Western European oil came from the Middle East, that 85 percent of the Japanese oil came from the Middle East.

It is my recollection, and I may be wrong, but somewhere near 7 percent of the U.S. supply comes from the Middle East.

Their need is far greater than ours. This is a long way from home. We can use the base at Bahrain in the Persian Gulf. We have a flagship there and a couple of destroyers. This is right where the oil is. We can use the South African base, perhaps the best base between the Persian Gulf and the base in Norfolk, Va.

But it just seems unreasonable to me for us to try to protect the interests of the entire world when they can do this for themselves.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. WILLIAM L. SCOTT. Mr. President, will the Senator yield 1 additional minute?

Mr. STENNIS. I yield 1 additional minute to the Senator from Virginia.

Mr. WILLIAM L. SCOTT. Mr. President, we have two nuclear carriers. We have the *Enterprise* and the *Nimitz*. The *Nimitz* is not fully available. But I have visited on that carrier. It has nuclear power, and it can go 13 years without refueling. I think the same is true of the *Enterprise*.

We are well able to protect the American interests without this base, and I think it is time there is a sharing of global responsibility, that we do not see it this time, and I am going to support this resolution.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND address the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. How much time do I have?

The PRESIDING OFFICER. Two minutes remaining.

Mr. THURMOND. Mr. President, in fact, I have just 2 minutes. I just want to remind the Senate that——

The PRESIDING OFFICER. The Senate will be in order. Senators will take their seats.

Mr. THURMOND. I just want to remind the Senate that the President of the United States has taken the position that the construction of the facilities in Diego Garcia are essential to the national interests of the United States. I am sure that we all have information, but he may have more information than we do on that point.

Mr. LEAHY. Mr. President, will the Senator yield?

Mr. THURMOND. Mr. President, I do not yield. My time is limited.

I also remind the Senate that Dr. Schlesinger, the Secretary of Defense, feels exceedingly strongly about this matter to protect our national interests.

I remind the Senate that General Brown, the Chairman of the Joint Chiefs of Staff, has made a very strong statement on this matter, as found on page 23 of the Committee on Armed Services hearings on this subject.

I remind the Senate that the Committee on Armed Services went into this matter carefully, and their conclusions are found in the report of the committee. They mention mainly three points: First, the United States has vital interests in the Indian Ocean; second, the Soviet presence in the Indian Ocean has grown steadily; third, the construction of modest logistical facilities at Diego Garcia is a prudent action. That is a result of hearings about which I have told the Senate.

Senator BARTLETT went over there and saw the situation. He came back and recommended strongly that we go forward on Diego Garcia.

Mr. STENNIS. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 3 minutes remaining.

Mr. STENNIS. I will not use all of it. My intention is just to review two points.

First, if this resolution of disapproval is agreed to, it will kill and cancel money, heretofore authorized and appropriated—the first half of these funds—and that will be all for this year.

Second, I have here the evaluation of the President of the United States. He has reviewed all the military and foreign policy implications and certifies that the construction there is essential to the national interests of the United States.

Mr. President, we now have there in Diego Garcia just 60,000 barrels of fuel for aircraft. How much do we have for vessels? Not one barrel. Where are they going to get it if they need it? Should they have to go around and buy it wherever they can? Does that make sense?

What is the other choice? Go 3,500 miles. I have been saying 3,500; it is 3,560 miles. They would have to go to Subic Bay, in the Philippine Islands. It would take 8 days for the oil tanker to get to Diego Garcia.

We have talked about it, the President has considered it, and time has passed. Things are moving on the other side. What are we going to do? Do we think the President can turn around in 3 weeks or something like that and get any kind of agreement with respect to the Indian Ocean? For years, we have had these arms reduction talks and have made just a little headway. We need not think we are going to get something out of them quickly in this Indian Ocean matter.

Time has run out for us—and my time, too, Mr. President.

ADDITIONAL STATEMENTS ON SENATE RESOLUTION 160

Mr. BAYH. Mr. President, today we are debating another major issue regarding this country's defense policy. The decision we make today will have a profound impact upon the future of our foreign policy and the size of defense expenditures in years to come.

I am heartened by the depth of discussion on this issue as I was heartened by the wide-ranging debate we had on the whole spectrum of defense and foreign policy issue this past June. Regardless, of what decisions have been and will be made, it is encouraging that the attention of this body and of the public has been focused on the difficult choices which confront the Nation. If there was any lesson in our experience in Southeast Asia, it was that such choices must be made critically and thoughtfully for they can carry immense consequences.

Mr. President, I believe that we should make every effort to keep the Indian Ocean free from the dangers of United States-Soviet military competition which expansion of our facilities at Diego Garcia would guarantee. Each year since 1971, the United Nations General Assembly has urged that the Indian Ocean be a "zone of peace." The littoral nations of that area, including such steadfast allies as Australia and New Zealand, have opposed the establishment of foreign military bases and great power rivalry in the region. It would be most unfortunate if we were to upset the balance which now exists.

At present, the United States has the capability of showing the flag and deploying large naval forces in the Indian Ocean. We have access to the ports of 18 Indian Ocean nations. There is at this time no real danger to U.S. interests in the area due to Soviet deployments. France has a greater number of ships permanently stationed in the Indian Ocean than any other nation.

Much talk in recent weeks has centered around Soviet activities in Somalia. Unfortunately, these activities have not been put in proper perspective. Construction at the present level does not, as some have stated, upset the strategic balance in the Indian Ocean. They indicate, rather, a greater Soviet interest in the area and a disquieting potential for growth.

The question before us is whether we should now seek to match the Soviet move as quickly as possible and add fuel to Indian Ocean arms race. In my judgment, we should not.

The Director of the CIA, William Colby testified last year that Soviet actions in the Indian Ocean have been "highly responsive" to U.S. activity in that area.

This underscores quite clearly the point that expansions of facilities in Diego Garcia will insure that the potential for growth demonstrated by present activities in Somalia shall be developed and that growth will become a reality. It also indicates that restraint on our part may lead also to Soviet restraint.

In my opinion, the reasonable course is to follow last year's directive of the Armed Services Committee and explore the possibilities of reaching an agreement with the U.S.S.R. limiting activities in the Indian Ocean. If détente has any substantive basis, such an agreement, should not be out of reach. Indeed, it should be quite attainable.

The fruits of mutual restraint would be great. First, it would enable us to concentrate our naval resources in areas where needs are much more pressing, such as the Mediterranean. Second, it would reduce the risks that the United States would get drawn into some future conflicts in this remote area. Further, mutual limitations of military activity would aid us in maintaining favorable relations with our friends in the region who oppose any kind of buildup. And finally, and most importantly, it would eliminate the need to maintain a three-ocean navy.

The Brookings Institution estimates that it would cost an additional $800 million per year in operating costs to maintain a permanently deployed carrier task force in the Indian Ocean. The new ships we would have to build to maintain this presence would cost from $5 to $8 billion. When we are struggling to meet the needs of our people in the fields of health and education, when we are straining to ease the burdens of 8½ million unemployed Americans, we should not embark upon such a costly course unless it is absolutely necessary.

Mr. President, the Defense Department's total request for $108 million for expansion of facilities on Diego Garcia represents only the tip of the iceberg, when one considers the total political and economic costs of expanding the facilities on the island. I believe it is imperative that the Senate disapprove the proposed expenditures. Rather than expanding our facilities in the Indian Ocean now, the United States should make a serious effort to negotiate mutual restraint with the Soviet Union. If the Soviets will not agree to such restraint, and it becomes clear that they intend a major buildup in the ocean, we can reconsider the issue of Diego Garcia next year.

There is no urgent need to act now. Instead, let us make it clear to the world, that if the Indian Ocean becomes the center for a new arms race between the superpowers, the Soviet Union, not the United States, will be to blame.

Mr. HRUSKA. Mr. President, I associate myself with the various remarks of my Senate colleagues, who have spoken against Senate Resolution 160.

What is at stake here is of vital concern to the United States and our free world allies. Diego Garcia occupies a strategic position within the Indian Ocean. Through that ocean run the oil routes from the Persian Gulf to Western Europe, Japan and the United States. At present, 85 percent of Japan's oil requirements and 75 percent of those of Western Europe must be imported from the Middle East. Should either the Middle Eastern sources of oil or the shipping routes themselves be disrupted, the industrial nations of the free world would be faced with a most difficult situation.

The Soviet Union's naval strength in the Mediterranean Sea and the Indian Ocean, makes the potential for such disruption very great. As a counter to these forces, the United States operates the 6th Fleet in the Mediterranean and occasional naval task forces in the Indian Ocean. These latter forces must be supplied by either local sources of fuel or by tankers based out of U.S. facilities at Subic Bay in the Philippines over 4,000 miles away.

Even if we retain our base at Subic Bay during times of grave international crisis, this would be a very long and perilous supply route. During such times local supplies might well be lacking. On the other hand, additional fuel storage capability at Diego Garcia would permit a normal carrier task force to operate for about 30 days independent of other sources of supply.

There may be those who would take the position that the Soviet naval forces either would not, or could not, interfere with our control of these vital sea lanes. The facts, however, should dispel this notion.

In today's Washington Post, there is a lengthy article by George C. Wilson based upon an interview with retired Adm. Elmo Zumwalt. In that article, Admiral Zumwalt is reported as saying that the Soviet Mediterranean Navy had the upper hand during the 1973 October war. According to Admiral Zumwalt, the Soviets sent us a "savage" ultimatum and the United States had to back down because our ships were outnumbered 98 to 65 and furthermore, our carriers would have come under air attacks from different directions.

Since the October war, the Soviets have taken steps to expand their naval capabilities in Berbera, Somalia. This facility, along with their one at Aden, will give the Soviets the ability to control the eastern approaches to the Persian Gulf, the Suez Canal and the Mediterranean Sea. Such control could spell disaster to the free world.

Thus, the proposed expansion of U.S. facilities at Diego Garcia, at a rather minor cost, is crucial if we are to maintain the balance of power, not just in this area, but because of the far-reaching importance of the oil routes, throughout the world.

Now, Mr. President, let us approach the subject in a little different light and viewpoint. From the viewpoint of the commitment of the United States to maintain naval forces in the Indian Ocean on a regular basis as an integral part of our national policy. That is a wise policy. It is highly desirable. It subserves and secures our national interests.

Whether or not the United States goes forward with the Diego Garcia facility, that naval presence in the Indian Ocean will go forward. It will and should continue.

With this in mind, the query arises: How can that policy be best and most meaningfully executed? Shall it be first, with the programed facilities and improvements; or second, without them and on the basis heretofore utilized?

Logistic strains on the Navy would be greatly eased if it could rely on support and refueling facilities at Diego Garcia. The operation would be more efficient. It would be more economical. It would be more effective for its declared purposes.

What is needed in order to continue the capability of maintaining that naval presence? The essence is logistical support. Such items as, first, supply of all kinds: fuel, food, parts for machinery, weapons, and equipment; second, upkeep—maintenance of all kinds and repair services are very important and should be as close to the area of patrol as possible; third, to host and service the patrol aircraft which provide air surveillance support to our ships; and fourth, port facilities for large ships as well as lesser ones, for submarines, and for aircraft attached to the mission.

Chief item of supply is fuel. As I mentioned earlier, at present dependence in that part of the world, is on local sources, or upon a chain of tankers stretching over 4,000 miles to the Philippines. As an indication as to what the tanker chain involves, consider these points: When the carrier *Hancock* was sent into the Indian Ocean during the 1973 October war in the Middle East, it took three tankers and two supply ships from the Western Pacific to support the carrier task force.

Similarly, the supply route now existing is highly expensive and wasteful, in addition to the undue, potential hazards of that type of logistical arrangement. Such strains would be greatly eased if reliance for support for refueling activities would be accorded by facilities for storage in Diego Garcia. Hence, the request for fuel storage capacity for ships as well as for aviation fuel.

Such storage capacity would make for greater certainty, stability, and reliability. It would introduce substantial economies as well as greater flexibility.

Similar advantages would accrue in other forms of supply, as well as in services.

The requested facilities would make available: First, limited in-port upkeep for ships which can now be afforded such services only by way of the long voyage to the Philippines and back again; second, periodic repair services; third, storage for critical supplies other than fuel, such as food, repair parts, ammunition—antisubmarine warfare and other ordnance, and contingency munitions; fourth, servicing of patrol aircraft which provides surveillance support for our ships in the Indian Ocean.

In each of these instances and in their totality, the advantages upon completion of the requested program will constitute a vast improvement in the maintenance of those naval forces which are considered as a must; that is to say, a vast improvement over the fashion in which it is presently utilized.

Mr. President, I return to my original proposition: A national policy which includes a commitment to maintain a degree of navy forces in the Indian Ocean. The question then is: How can that policy and commitment be best achieved.

The answer is that the present methods are not efficient, nor are they economical. In fact, they are costly and wasteful. Present methods do not instill that respect and that regard for the mission of such presence to which it is entitled.

It would be far better to complete the installation and the improvement of the facilities which the President has certified as "essential to the national interest of the United States."

That completition does not constitute a significant increase in military presence. It does not signify our intent to deploy additional forces.

But it does signify our interest in freedom of the seas and of the air lanes above them. Also that we have an interest in protecting the vital air and sea lanes of communication.

In fact, Mr. President, it would clearly indicate that along with our commitment of a naval presence, there would be a sturdy and meaningful assurance that we are able to have and maintain the capacity to respond where ever and whenever our national interests are challenged.

The resolution should not be agreed to. The improvements should go forward according to the planned program.

In conclusion Mr. President, I would like to add this observation:

Certainly all of us would prefer that there be no Soviet naval buildup in the Indian Ocean then we would not need additional facilities of our own; but who can say with certainty that the Soviets, in the absence of a strong U.S. capability, would curb their historic adventurism and exercise self-restraint? On the contrary, during their naval exercise in April of this year, the number of Soviet ships in the Indian Ocean was doubled. The northern Arabian Sea, the crossroads of the tanker lanes from the Persian Gulf, was the center of their activity. This exercise was supported by long-range aircraft operating from the Soviet Union. Additionally, maritime patrol aircraft from Soviet air bases in Somalia took part.

This exercise clearly demonstrates the Soviet understanding of and capability to disrupt these vital sea lanes. Not to respond to this danger by providing for additional U.S. capabilities at Diego Garcia could be a mistake of potentially disastrous dimensions.

Mr. President, perhaps history will one day show that these fears were unwarranted, that the United States and the Soviet Union were able to achieve a true "détente," that the world became peaceful and secure, and that this relatively inexpensive expansion of these facilities was unnecessary. Nothing would please me more. In the absence of such evidence, however, we must go ahead with the expansion of our Diego Garcia program. We cannot allow the Soviets the opportunity to, in effect, take over one of the world's most vital areas. To do so could lead to a profound and disastrous shifting of power between the free world and the Soviet Union.

Mr. HOLLINGS. Mr. President, Diego Garcia, a tiny island in the Indian Ocean, has been one of the important policy problems facing the Congress for several years. The issue of Diego Garcia relates directly to the larger issue of American influence in the Indian Ocean and what our policy should be in this respect. Recent events lead me to believe that this little island also will be the focal point in the argument over whether this Nation means to continue its roll as a maritime power unmatched on the seas. It is time the Congress met the issue head-on and settled the argument permanently in favor of a strong and strategically viable fleet.

Just what is the importance of Diego Garcia in this issue?

As early as November 1973, the Department of Defense indicated that the United States was heading toward a policy of more frequent fleet deployment in the Indian Ocean. Shortly after that statement by Secretary Schlesinger, the carriers Hancock and Oriskany led a task force into the Indian Ocean. This action came right after the "Yom Kippur" war of October 1973 and emphasized just how critical the United States considered the Persian Gulf resources to be to this Nation and to our allies. Our naval task force reiterated our desire for security and stability in the area, and it reflected our growing concern over the dramatic increase in the Soviet naval presence in the Indian Ocean, with its great potential for political erosion and pressure throughout that corner of the world.

We have been operating in this manner in the Indian Ocean, on a periodic basis, ever since World War II, and for good reason. Our purpose has always been to give visible evidence of the U.S. interest in and concern for the well-being of the countries in the area and to remind our friends of the support that the United States will provide to deter aggressive measures by neighbors or foreign powers, and in this fashion to promote stability in an area of new and rapidly evolving nations.

Most certainly, there is nothing new about the U.S. interest in the countries surrounding the shores of the Indian Ocean. We have had commercial and financial interests of long-standing in the Indian Ocean area, and clearly the United States has demonstrated its continual sympathetic concern for the evolution of many of these countries from colonial status into modern nation states. The record of our aid programs and diplomacy makes quite clear that we have sought stability and peaceful solutions to the many complex problems that have arisen in the Indian Ocean area.

To this normal concern for stability and peace in the area, Mr. President, there has been added an extra dimension to the policy question of whether our Navy should continue to operate freely in the Indian Ocean.

One of our most important interests involves the energy resources concentrated in the Arabian peninsula and the Persian Gulf countries. These energy resources are important not only to us but also to our allies and economic partners of western Europe and Japan. To the extent that the OPEC cartel and the consuming nations can agree on a price for energy, we must be assured of open sea-lanes on which to transport this oil and gas. Despite the opening of the Suez Canal, the Indian Ocean will continue to be significant in the transportation of oil. The Suez Canal is presently too narrow and shallow to handle an estimated 70 to 80 percent of the tankers presently sailing these routes, and will require 7 to 10 years to widen and deepen the Canal to permit handling this traffic.

Clearly, keeping the sealanes open to guard and protect our vital lifeline to the energy resources of the Persian Gulf involves a highly mobile and well-supported fleet, a fleet sustained logistically by a built-up and well-equipped port of call.

The Soviets are developing such a port at Berbera, Somalia. Berbera is situated on the north coast of Somalia on the southwestern edge of the Gulf of Aden near the southern entrance to the Red Sea. The port has a natural harbor 1.5 miles long and about a half-mile wide with depths of 30 to 60 feet. It is the Soviet Union's principal port of call in the area, and the Soviets keep ships there on a continuous basis. They have an auxiliary supply ship permanently based in Berbera Harbor which serves as a barracks ship and repair shop. The Soviets also maintain a radio station at Berbera, along with POL storage and housing. A short distance from Berbera, they are also working on an airstrip. There is every indication that the Soviets have been building their base at Berbera since 1968 in order to service and supply a large fleet. With the reopening of the Suez Canal, a still greater increase in Soviet naval presence in the Indian Ocean will be both possible and probable.

Clearly, the Soviets see the need for establishing a major operating port in the Indian Ocean, and they are doing so.

Meanwhile, the nearest U.S. support facility to the Indian Ocean is Subic Bay in the Philippines. For a Navy task force to operate either in the Persian Gulf or the Arabian Sea, using Subic Bay as a port, requires a 10,000-mile round trip to receive logistic support. A carrier task force operating in the Arabian Sea requires at least four tankers shuttling back and forth from U.S.-controlled storage at Subic Bay. Because of the distance involved, a task force is restricted to an operating period of about 60 days in the Indian Ocean.

If we had an operating port in the Indian Ocean, such as we propose at Diego Garcia, the round trip for logistic support would be reduced to just 3,000 miles. Only two tankers, instead of four, would be required. And the operating time of a task force in the Indian Ocean would be increased from 60 days to about 6 months. The longer operating cycle would reduce time lost in transit, permit maintenance of a continuing carrier presence and would mean far less down time for 7th Fleet ships operating in the western Pacific.

The logic, therefore, of upgrading Diego Garcia seems plain to me in terms of increasing our effectiveness in the Indian Ocean and cutting our costs in the process. But there is another consideration which, I am sure, my colleagues can appreciate and which they have no doubt considered. That consideration, frankly, has to do with changing world conditions and how we shall adjust to them.

We no longer automatically call the tune in the western Pacific or Southeast Asia. Our holdings and our interests there no longer are automatically assured. Vietnam and Cambodia are lost to American influence. Thailand has invited us to leave. There are rumblings that we may even have to give up our large base at Subic Bay. There is no hope that Indonesia will allow us to develop a large naval base there.

I think this consideration makes an upgrading on Diego Garcia imperative. We know that our national interests will dictate the operation of naval forces in the Indian Ocean, in the western Pacific and the South China Sea. Logic indicates we will continue to send naval forces to the Indian Ocean whenever necessary, whether we have facilities on Diego Garcia or not. I would think that prudent planning dictates that we be able to support these forces in the most rational and economic manner possible. The requested facilities for Diego Garcia will serve this purpose.

I know all about the arguments against Diego Garcia. There are those who say the United States has no business being in the Indian Ocean. I counter that argument by saying that America cannot neglect that area of the world any more than it can ignore any other place on the globe. Our interests in the Indian Ocean are directly linked with our interests in Europe and Asia, with our interest in uninterrupted energy imports and with our fundamental interest in maintaining worldwide stability.

In April 1974, Admiral Zumwalt, then chief of naval operations, had this to say about our role in the Indian Ocean:

> In the judgment of many observers, the Indian Ocean has become an area with the potential to produce major shifts in global power balance over the next decade. It follows that we must have the ability to influence events in that area and the capability to deploy our military power in the region is an essential element of such influence. That, in my judgment, is the crux of the rationale for what we are planning to do at Diego Garcia.

What, exactly, are we planning to do at Diego Garcia? We are not, as some claim, establishing, for the first time, a U.S. naval facility in the Indian Ocean. We have been operating, in a small way, at Diego Garcia for some time. What we propose to do now is upgrade our facilities there. Specifically, the Navy wants to enlarge the anchorage area of the lagoon in order that ships can anchor in safety. Fuel storage capacity will be increased. The existing 8,000-foot runway will be lengthened to 12,000 feet. The airfield ramp area will be increased, additional personnel quarters will be built and our existing communications facilities will be improved.

These improvements do not imply a new role for our naval forces in the Indian Ocean, nor do they mean that additional naval forces will be required or stationed there. But they will give us the capability for this, and they will save us money in the process.

Mr. President, I support the efforts to make necessary improvements to the facilities on Diego Garcia in order that our ships operating in the Indian Ocean will be able to receive fuel and supplies in an economical manner. The building of these facilities is a matter of saving money and of "keeping our powder dry."

Mr. CLARK. Mr. President, I am sure everyone in the Senate favors a strong defense establishment for this country. There is overwhelming support for every program necessary to insure the defense of this Nation and to give credibility to our worldwide responsibilities. But this does not mean that we are so concerned about defense that we are ready to sanction each and every new opportunity to spend the taxpayers' dollars on new military and naval programs.

The proposed Diego Garcia naval base in the Indian Ocean is an example of a step which has implications going far beyond those appearing on the surface. This is no small step made to shorten refueling lines. It is, without doubt, the beginning of a struggle for naval supremacy in the Indian Ocean.

Is this new stage of the arms race really necessary? Or is it possible that through talks with the Soviet Union our two nations might come to an understanding that it is in the interest of neither to get into yet another contest involving perhaps $5 to $8 billion in procurement funds and something approaching a billion dollars a year in operating costs?

However remote a treaty covering the Indian Ocean might seem at this moment, there have been developments involving our two countries in recent years which also seemed unlikely only a short time before.

But whether a treaty can be reached or not, the case here and now for a naval base in the Indian Ocean is not convincing. The arguments for it appear to be far more those of convenience than necessity.

Should American defense policy be based on convenience?

Is it really in our best interests to risk an expensive new round in the arms race simply to make it easier and cheaper to operate our naval forces in that area?

And what saving is there if having a base there will produce new demands from the Navy for more carriers, more escort ships and all the rest?

Mr. President, in place of this new investment in naval stalemate I believe we must bend our best efforts to invest in more constructive ways in the future of this part of the world. The little nation of Somalia, which finds itself suddenly a pawn in a power struggle between the Soviet Union and the United States, needs help in finding a future for itself outside the Soviet orbit. The die is not yet cast there or anywhere else in the south of Africa. With wisdom and foresight the United States can yet win that fight. But building naval bases and getting caught up in a struggle for naval supremacy will contribute little toward this kind of goal.

Eventually, I concede we may have to do this. There may be reasons why we cannot escape such a struggle. Yet the burden of proof rests with the Navy and its proponents in the Congress. I have yet to see such proof.

Until a real effort has been made to negotiate with the Soviet Union on Indian Ocean deployments and until a convincing case can be made that the Diego Garcia naval base is a necessity and not just a convenience I shall continue to oppose this new adventure in brinksmanship.

I intend to vote in favor of Senate Resolution 160 disapproving construction of the proposed naval base. I commend our distinguished majority leader, Senator MANSFIELD, for introducing it. I intend to vote for the resolution and urge my colleagues to do the same.

Mr. BENTSEN. Mr. President, I rise to speak in support of the proposed expansion of our military facilities on Diego Garcia.

This small island—located in the Indian Ocean, near both the Red Sea and the Persian Gulf, about midway between Africa, South Asia and Southeast Asia—may indeed be one of the most strategically situated of all our military facilities throughout the world. The Persian Gulf and Indian Ocean are critically important to the United States, Mr. President, not only because of Middle East oil but also because of the key air and sea lanes running through it. And the United States is not alone in having a critical interest in the Persian Gulf; our allies in NATO and Japan have an interest that goes just as deep.

It is evident, Mr. President, that the Soviet Union too has a deep interest in the region and intends to undertake a sizable buildup of its naval forces there. The recent reopening of the Suez Canal will substantially enhance the ability of Russia to support and reinforce its units in the Indian Ocean. At present the Soviets have at least fourteen naval facilities in the West Indian Ocean, the most important being at Berbera, Somalia. The United States has no facility comparable to these bases in this entire region, the closest similar base being at Subic Bay in the Philippines, 4,000 miles away.

Clearly then, Mr. President, we must demonstrate our resolve that no outside power will be permitted to dominate the Persian Gulf. We must take steps to insure that our interests, and those of our allies, are fully protected. Failure by the United States to counter Soviet encroachment in the Indian Ocean would threaten our national security, thereby threatening world peace and world stability. Mr. President, the proposal to expand and strengthen the U.S. facilities on Diego Garcia has my support and I urge my colleagues to approve this proposal.

DIEGO GARCIA? WE STILL HAVE TIME

Mr. HUMPHREY. Mr. President, on May 19, 1975, Senator MANSFIELD introduced Senate Resolution 160, disapproving Department of Defense construction on the island of Diego Garcia. After a thorough examination of the issue, the Senate Armed Services Committee reported that resolution adversely. The vote, as we all know, was not unanimous in committee. That, in my opinion, is as it often is on an issue as complex and important as this one, which involves not only military but also diplomatic factors.

Today, on the floor of the Senate, our distinguished colleague from Iowa, Senator JOHN CULVER, presented one of the most lucid and well-reasoned expositions of the various issues involved in Senate Resolution 160. I think that all of us on the floor of the Senate at the time of his presentation will agree that he is one of our most articulate spokesmen on national security issues, and is to be commended for his thoughtfulness and insight into these issues.

As chairman of the Senate delegation to the Soviet Union from June 28 to July 2, I also would like at this point to thank the junior Senator from Iowa, Mr. CULVER, for his contribution to our delegation. I can attest personally to his ability to forcefully and effectively discuss national security issues with foreign officials from the perspective of the U.S. Senate and U.S. national security interests.

My decision to support the Mansfield resolution was made after a thorough examination of the background of the Defense request to expand facilities on Diego Garcia. In reaching this decision, I reviewed the arguments for and against the request and the findings of the Senate delegation to Somalia, and discussed the Diego Garcia project with Department of Defense officials. Had it been possible to offer an amendment to the resolution of disapproval, I would have done so, in order to make clear that the intent of the Senate was not to scuttle the project, but to give us time to enter negotiations and try to prevent an arms race in the Indian Ocean area. I will speak more of this later, but first let me share with you some of the thinking which went into my final decision.

BACKGROUND ON DIEGO GARCIA

Diego Garcia is an atoll in the Indian Ocean over which the United Kingdom exercises sovereignty. Per two agreements with the British Government—1966 and 1972—the United States is authorized to use Diego Garcia "to meet the needs of both Governments for defense" and for "a limited naval communications facility."

Currently, the United States maintains a limited communications facility on Diego Garcia. It has an 8,000 foot runway and a dredged turning basin in the lagoon for ships. The latter is used by ships which provide logistical support of the communications station. About 430 U.S. personnel and 20 British military personnel are based in Diego Garcia.

The improvements proposed by Department of Defense would upgrade the runway and lagoon, develop an ammunition and fuel storage complex, and develop support facilities for the personnel assigned to Diego Garcia—for example, chapel, club, recreational facilities, hobby shop, theater, library. As a result of these improvements, C–5A's and, in emergencies, B–52's would be able to land on Diego Garcia and aircraft carriers could dock in the port. The U.S. permanent presence on the atoll would be increased to 600. Total cost of this construction is $37,802,000.

An ad referendum agreement to permit this construction has been reached with the British. The British will not sign the agreement until Congress approves the construction.

ARGUMENTS FOR CONSTRUCTION

Three arguments for improving U.S. facilities on Diego Garcia were offered by DOD, and those in the Senate who supported DOD's request. These were that the expanded facilities are necessary:

First. To enable the United States to counter the increasing Soviet presence in the Indian Ocean area;

Second. To enable the United States to protect its vital interests in the Indian Ocean area—access to crude oil and freedom of the seas; and

Third. To provide secure support, at a reasonable cost, to the U.S. forces in the event of contingencies.

ARGUMENTS AGAINST CONSTRUCTION

Nine arguments were advanced by opponents of the expansion. They were:

First. Prior to embarking on construction, we should try negotiation. Despite congressional interest in negotiation—expressed in the Armed Services Committee report at the time that the Congress voted to require Presidential certification of the essential need—no attempt to engage the Soviets in discussions or negotiations for mutual restraint in the Indian Ocean area were made. Most, if not all, the nations of the area would support mutual restraint.

Second. The publicly stated opinions of the littoral nations should be respected. To disregard the public statements of leaders in the area could create ill will toward the United States.

Third. The Soviet presence in the area, including the reported facility at Berbera, is limited. It provides no major challenge to the American, French, and British forces in the area which collectively are much stronger than Soviet forces in the area and have access to a greater number of ports. The French alone have a great number of port facilities and a greater number of ships permanently deployed in the Indian Ocean than any other power.

Fourth. The Soviet facilities at Berbera are not as ominous as DOD claims. The Soviet presence in Somalia represents a potential threat in the future, but not a current risk to U.S. interests. The tactical and strategic balance in the Indian Ocean still favors the United States and its allies.

Fifth. The United States has no treaty obligations in the area. Since we have no obligation to consider deployment of forces into the countries of the region, there is no need to expand the facilities on Diego Garcia in order to adequately support a larger contingent of forces in the area. Our interests in maintaining freedom of the seas and safe transit for oil supplies can be served by working in concert with other nations.

Sixth. While stability in the Indian Ocean area is important to us, it is less essential to our security than to the security of some of our allies.

We should act in concert with them, rather than attempt to unilaterally police the area. It is reasonable to assume that France and Britain, which are far more dependent than the United States on Persian Gulf oil and which retain facilities in the area, would act to protect their access to oil supplies and freedom of navigation.

Seventh. The primary threat to United States, French, and British interests is a cutoff of oil supplies. This is a threat posed by Persian Gulf nations, not the Soviet Union.

Eighth. There is no firm agreement with the British on usage of the facilities on Diego Garcia. The ad referendum agreement reached provides for use of the facility for routine operations. The British have publicly stated that use of the facilities other than for routine purposes would "be a matter of joint decision of the two governments."

Ninth. Expansion of facilities on Diego Garcia would not provide us with sufficient capabilities to conduct major military operations in the Indian Ocean area. The expansion of facilities on the island is not necessary if our only goal is to show the flag. If our goal is greater, this and the associated costs of a three-ocean Navy—$5 to $8 billion operating costs—should be acknowledged.

OTHER FINDINGS

In addition to considering these arguments, I considered the findings of the Senate delegation, led by Senator BARTLETT, which visited Somalia during the July 4 recess.

The members of the group agreed that the Soviets do have some facilities in Somalia—missile storage and communications. The latter are definitely under Soviet control; the former may be. The group also agreed that the Soviets have access to other facilities—an airfield and port facilities. But, the group members differed in their interpretations of the military capabilities and significance of the facilities they saw. Some felt that the Soviet military potential in Somalia is significant and helps justify construction on Diego Garcia—others considered the Soviet potential less substantial.

I also discussed the need for Diego Garcia with DOD officials. They indicated that a decision to permit the construction would not affect the U.S. capability to deploy forces to the area so much as it would the cost of deploying the forces. This I took as a clear signal that it is not vital that we go ahead now with the expansion on Diego Garcia—the expansion may be important to our interests, but it is not an urgent priority which should override all other considerations.

We discussed the possibilities of limiting superpower military presence in the Indian Ocean area. The DOD officials argued that, if we were to enter negotiations to limit superpower military presence now, without having first decided to expand our facilities at Diego Garcia, we would be at a disadvantage—the Soviets could tie us up for years in negotiations while they expanded their facilities in Berbera. This argument has some merit.

MY DECISION

I reached my decision to support the Mansfield resolution only after carefully weighing all of the above arguments, pro and con.

Quite frankly, I share my colleagues' concern about the potential impact which a decision to go ahead with the construction may have on the possibilities for preventing an arms race in the Indian Ocean area. I would have greatly preferred the administration first attempting to negotiate an agreement to limit Soviet and United States military presence in the area. At the same time, I sympathize with the argument that to approve the Mansfield resolution might encourage the Soviet Union to string out negotiations. I would have preferred, in this situation, to amend the Mansfield resolution to delay for 1 year the expansion of facilities on Diego Garcia unless during this period of time the Soviets significantly expanded their presence in the Indian Ocean and Persian Gulf area or the President was able to reach an arms limitation agreement.

In the first case, we would go ahead immediately with the construction. In the second, we would forgo expansion. Since I was unable to offer a bill to do this because of the parliamentary situation, I decided to support the Mansfield resolution as the approach more likely to encourage effective negotiation and discourage another arms race.

While I was unable to offer my bill during the debate, I would like to share it with the Senate now, as an expression of my sentiments on this issue. I ask unanimous consent to have it printed in the Record.

There being no objection, the copy of the proposed bill was ordered to be printed in the Record, as follows:

S. —

A bill to delay the use of funds for military construction on the island of Diego Garcia

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any other provision of law, no funds heretofore authorized for the construction of any military facility on the Island of Diego Garcia may be obligated for such purpose—

(1) prior to September 1, 1976, unless the President determines and notifies the Congress in writing that the Soviet Union has, after the date of enactment of this Act, continued to construct and substantially expand military facilities in Somalia, the Indian Ocean and the Persian Gulf area.

(2) after September 1, 1976, unless the President is unsuccessful in negotiating an agreement with the Soviet Union by September 1, 1976 to limit the military presence of both the Soviet Union and the United States in the Indian Ocean area.

Mr. MUSKIE. Mr. President, the resolution (S. Res. 160) to disapprove military construction on Diego Garcia island in the Indian Ocean involves both budgetary and foreign policy questions.

Construction of the proposed naval facility and improvements to the air base facilitiy on Diego Garcia will cost $118 million over a 2-year period. Included in these costs are military construction of $37.8 million, operations and maintenance of $25.3 million, procurement of $19.7 million and military personnel costs of $53.2 million.

The naval facility would support a carrier task force operating in the Indian Ocean for approximately 30 days, while the air base improvements would allow the operations of fighter aircraft, large transports and aerial refueling tankers. In testimony before the Senate Armed Services Committee, Secretary of Defense James R. Schlesinger said:

> This $118 million base expansion is a small insurance investment with regard to logistical capability.

Said Schlesinger:

> We are dealing with $100 million, rather than vast expenditures.

I must correct the impression that this is an inconsiderable sum of money, and hence not a budget issue. Recently, I joined the Senate in rejecting an amendment to the child nutrition bill (H.R. 4222) proposed by Senator McGovern and others to offer reduced price meals under the school lunch program to students from families in certain income brackets just as free meals are now provided to the neediest students. That amendment would have cost only $200 million this year. Although I was in sympathy with its purposes, I opposed the amendment for one reason only: It was above the budget targets we agreed to in May, and would have increased the deficit. It is my firm view that we must apply the same standards of austerity to all Federal programs. In this regard, military programs must stand on the same footing as school children.

Mr. President, as matters stand today, we face the very real prospect that the defense authorization and appropriations bills now making their way through the legislative process will exceed the budget targets which we all agreed to in May, not by $100 million or $200 million, but by $1 billion or $2 billion or more. In this situation, it would be the height of irresponsibility to dismiss a $118 million project as of no budgetary significance.

The proposed construction on Diego Garcia should meet the strictest test of necessity if it is to win our approval in this time of painful budget choices. I believe that the proposal fails that test, and I intend to vote for Senate Resolution 160, in order to disapprove the proposed naval facility.

The foreign policy issue is whether the United States should establish a permanent naval base in the Indian Ocean at this time, as a prelude to greater unilateral military involvement in that region of the world.

The interest of the free world in maintaining the flow of oil from the Persian Gulf through the Indian Ocean cannot be doubted, and for this reason the political stability of the nations in that part of the world should concern us.

The question is whether building a naval facility at Diego Garcia is the right step to take at this time in order to protect these interests.

The present military balance is not unfavorable to the free world. It is true that the Soviet Union has gradually expanded its naval forces in the Indian Ocean, and presently maintains a small force of about nine warships in the area.

The Soviet Union is also building a naval facility at Berbera, in Somalia. But collectively the American and French forces in the area are stronger and have access to a greater number of ports. And the United States periodically deploys large additional forces to the area for extended cruises.

The nations of the Indian Ocean littoral—which includes some of our closest allies—are not enthusiastic about the proposed U.S. naval base at Diego Garcia. Even Australia has publicly expressed its opposition to the proposed construction. The United Nations General Assembly, on several occasions since 1971, has urged that the Indian Ocean be a "zone of peace." In view of these attitudes, it is hard to see how our general interests in the area will be served by the proposed construction.

Moreover, according to testimony last year by CIA Director William Colby before the Senate Armed Services Committee, there is a very real prospect that the Soviet Union will match any increase in the U.S. presence in the Indian Ocean. It does not require much imagination to see that this could lead to a United States-Soviet naval arms race in the Indian Ocean, requiring large permanent fleet deployments in that area. The Brookings Institution has made a conservative estimate that an Indian Ocean fleet, if added to our present naval deployments, would require $5 to $8 billion in new ship construction and $800 million per year in direct operating costs.

Defense Secretary Schlesinger recently testified that the Navy has no present plans for expanded operations in the Indian Ocean. But as my colleagues are aware, these positions have a way of changing over time. I have do doubt that if the Diego Garcia facility is approved, it will not be long before the need to sustain Indian Ocean operations will be used to justify an increase in the number of Navy warships.

Should the Soviets make a serious move to establish military dominance in the Indian Ocean, we would have no choice but to respond. But in view of the current absence of any serious threat, it is my judgment that there is ample time for diplomatic initiatives to avoid a naval arms race in the region.

Last year the Senate agreed that we should not approve construction on Diego Garcia until the President certified in writing to the Congress that he had fully reevaluated the military and foreign policy implications of the proposed lease. In its report on the fiscal 1975 military construction authorization bill, the Senate Armed Services Committee stipulated that the reevaluation should include "a thorough explanation of the possibility of achieving, with the Soviet Union, mutual military restraint without jeopardizing U.S. interests in the area of the Indian Ocean."

But in a letter to Senator CULVER dated July 15, the State Department reports that the administration has decided not to approach the Soviets at the present time. In fact, the administration has not sought a Soviet response to any proposal for arms limitations in the Indian Ocean since 1971.

In view of the administration's utter lack of initiative in this question, and in view of the large stakes involved, I have joined as cosponsor of an amendment proposed by Senators KENNEDY, PELL, and CRANSTON to S. 1517, the omnibus foreign relations authorization bill. This amendment expresses the sense of the Senate that the President should seek negotiations with the Soviet Union to achieve mutual limitations of naval and other military deployments in the Indian Ocean.

It is, of course, possible that the Soviets have no interest in such a proposal. But we should first make the effort to establish this fact. If this diplomatic initiative should fail despite a good faith effort by the administration to establish naval limits in the Indian Ocean, I still do not believe the only response open to the United States is a unilateral expansion of our own military involvement. One avenue which would be worth exploration in that event has been suggested by Senator TAFT.

He has wisely noted that our European allies have a far greater interest in the Persian Gulf and the Indian Ocean than does the United States, and that the Europeans have naval forces capable of defending that interest. If efforts to avoid an arms race in the Indian Ocean should fail, I believe we then should encourage our allies to take the appropriate steps to defend their interests.

I would like to add that I also support another important diplomatic initiative recently recommended by Senator BARTLETT of Oklahoma following his visit to Somalia to examine the Soviet naval base and missile facility at Berbera. Senator BARTLETT's report indicates to me a serious interest on the part of the Somali Government in establishing better relations with the United States, possibly as a counterweight to Soviet influence in that country. I strongly endorse the Senator's recommendations that the President explore every opportunity to exploit this diplomatic opening.

In sum, I shall support S. 160, to disapprove military construction on Diego Garcia. I believe the expenditure of $118 million to construct this naval facility is not justified at this time by the national interest. To undertake this marginal project before exploring all diplomatic opportunities to limit our naval involvement in the Indian Ocean and prevent a destabilizing arms race would be the wrong thing to do, both in terms of our budget priorities and in terms of our foreign policy objectives.

Mr. HELMS. Mr. President, Senate Resolution 160 appears to overlook entirely the strategic importance of the Indian Ocean to the Free World. The Indian Ocean constitutes 28 million square miles. It is bordered by 40 countries containing the world's richest known supplies of minerals and fuels.

The continent of Africa, which borders this vast body of water, contains all of the world's 53 most important minerals, including 34 percent of its bauxite, 23 percent of its uranium, 60 percent of its gold, and 96 percent of the world's diamonds. Many of these natural resources are located in southern Africa, and are vitally significant to the United States. Zambia and Zaire, for example, provide the United States with 47 percent of its cobalt requirements; South Africa supplies 24 percent of our chrome requirements; and Madagascar provides 22 percent of our graphite.

Soviet penetration of the Indian Ocean creates a clear and present danger to the economic and military interests not only of the African states, but to those of every country in the Free World. Since 1968, the Soviets have been quietly building up their naval presence in the Ocean. In addition to its facilities along the Mediterranean in North Africa, the Soviet Navy has established naval facilities in Ethiopia, Somalia, Kenya, Tanzania, Mauritius, Jordan, North and South Yemen, Aden, Iraq, Kuwait, Iran, India, Pakistan, Ceylon, and Singapore. More facilities may soon be built in Madagascar and even Mozambique.

Some of these facilities are quite extensive, as seen in Somalia. In Aden, the Soviets have both port and air facilities at two former British bases. According to the U.S. Chief of Naval Operations, the Soviets also maintain several permanent mooring buoys in the Indian Ocean and fleet anchorages in several locations near the island of Socotra and near the Chagos Archipelago.

What is more, the Soivet Union has also been actively engaged in a program of expanding many of its facilities in the host countries. It has constructed a communications station near Berbera; it has assisted in the enlargement of facilities at the Iraqui naval base at Umm Qasr and at the Indian naval base at Vishekhapatnam. Most important, it has built a very significant deep water port at Berbera in Somalia.

The increased activity of the Soviet Navy in this area of the world can also be seen when we examine the number of ship days accumulated by the Soviet Navy in recent years. In 1968, according to the Chairman of the Joint Chiefs of Staff, the number was a mere 529. In 1970 it climbed to 1,670. In 1972, the Soviet Navy logged 2,387 ship days in the Ocean, and in 1973 rose to 2,487. These figures, I might add, involve only combatant ships and do not include auxiliary and support vessels. In contrast to Soviet naval presence in the Indian Ocean, the highest number of ship days recorded by the U.S. Navy during this period was 1,410 in 1973.

Mr. President, there is no doubt in my mind that the Indian Ocean is rapidly becoming a Soviet lake. The implications of this are far reachinf when we stop to consider not only the tremendous natural wealth of Africa, but the political instability and Communist activity that is presently plaguing so many of the African countries. At this very moment, the situation is critical in Angola; and in Mozambique there is the possibility of Soviet control of that Nation's harbors, the most important of which is the vital deep water port of Nacala. If the Soviets were to control Nacal and Diego Suarez, the important military base that the French are evacuating, they could effectively block the narrow Mozambique channel between Madagascar and Mozambique and thus interdict the oil traffic from the Persian Gulf to Western Europe and the North American Continent.

Through control of these strategic areas, the Soviet Union would be in a position to cripple the West economically; and it would also allow the Soviets to exploit any revolutionary situations that might develop—and are likely to develop—in the future.

The conclusion is inescapable, Mr. President, that even the development of Diego Garcia is an inadequate response to the Soviet build-up in the Indian Ocean. To prohibit the construction of military facilities at Diego Garcia is therefore tantamount to giving the Soviets domination of the Indian Ocean. In the words of Mr. J. A. Parker, a very knowledgeable American black leader who has studied Africa extensively:

> The combined U.S.S.R. strategy of political influencing onshore and naval penetration offshore in the Indian Ocean is likely, in the absence of decisive countering by the Western alliance, to be intensified in the event of a Portuguese withdrawal from Angola and, in particular, Mozambique.
>
> This in turn would strengthen the Communist potential to interdict oil supplies and mercantile traffic in general to and from Western nations, and would entrench and strengthen the prior presence of the USSR along the Eastern seaboard of Africa. Thus Soviet capability for exploiting any possible revolutionary situations or conflict crises that might occur in the future grows rapidly, and signals danger to the industrialized West, which relies on the free supply and passage from one of the world's richest known sources of strategic minerals.

Mr. President, I think Senators will be interested in a fine commentary on the general subject of our security interests in the Persian Gulf and the Western Indian Ocean. This commentary was written by the distinguished author, Anthony Harrigan.

I ask unanimous consent that Mr. Harrigan's commentary be printed in the RECORD at the conclusion of my remarks.

There being no objection, the commentary was ordered to be printed in the RECORD, as follows:

SECURITY INTERESTS IN THE PERSIAN GULF AND WESTERN INDIAN OCEAN

(By Anthony Harrigan)

(NOTE.—Anthony Harrigan is a former newspaper editor and the author of seven books on military and national affairs, including "Defence Against Total Attack" and "A Guide to the War in Vietnam." He is a former Research Associate at the Georgetown University Centre of Strategic and International Studies and former Managing Editor of the American Security Council's Washington Report. He has contributed widely to professional military journals in the United States and in allied countries. He has lectured at the U.S. National War College, South African Defence College and other academic institutions. Since 1970, he has been Executive Vice President of the United States Industrial Council.)

Since the opening of the twentieth century, the Atlantic and Pacific Oceans have been the primary theatres of history for the people of the United States. Two world wars and lesser conflicts have been fought on those oceans and on the continents they separate. As we approach the final quarter of the twentieth century, however, it is increasingly clear that the Indian Ocean is becoming the new arena of political conflict. More particularly, one of the arms of that ocean—the 500-mile long Persian Gulf—has become a focus of our strategic concerns.

The vastness of this ocean region is little comprehended by the U.S. public. The entire Indian Ocean is 4,000 miles wide by 4,000 miles long. One statistic indicates the scope of the naval security problems involved in this region. From Durban, South Africa to Aden, at the entrance to the Red Sea, is a distance of 3,275 miles. The sea frontier from Aden on the Arabian Peninsula to the Gulf of Oman is more than 1,200 miles. The Western Indian Ocean, the area of special concern to the United States and the NATO countries, embraces the Arabian Sea—the waters between Arabia and India—and a vast stretch of ocean to the south in which are located several major island groups. It has been an ocean of destiny since the dawn of history, with Indians, Chinese, Romans, Arabs and many other peoples trading and waging war on its reaches.

The source of the conflict today can be encapsulated in a single word: oil. The energy needs of the industrialized Northern Hemisphere countries dictate a profound concern with access to the oil resources of the Persian Gulf (more than sixty per cent of the world's proven reserves) and with the security of the tanker routes through the Gulf and across the Western Indian Ocean in time of war or political crisis.

Widespread concern with the Persian Gulf and Western Indian Ocean dates from comparatively recent times in the United States and in the NATO countries. In 1967, when Great Britain began to withdraw from its bastions east of Suez, the Persian Gulf was virtually a British lake. Britain maintained key control points in the Indian Ocean from Aden in the west to Singapore in the east. But within a year of the British withdrawal, which created a power vacuum, the Soviet Union began to dispatch strong naval forces into the Indian Ocean. Iraq, at the head of the Persian Gulf, is not a Soviet client state. The Soviets have facilities at Indian ports. As the results of various agreements, they have access to ports in Aden, Somalia and Mauritius. Indeed almost all the control points in the Western Indian Ocean—Zanzibar on the East African coast, Socotra at the entrance to the Red Sea, Madagascar, Ceylon (Sri Lanka)—are in the hands of powers hostile to the West. Of these extensive British strong points, only the Cape of Good Hope—the "Bastion of the South"—remains under anti-Communist Western control.

It was from these shore and island positions that Great Britain dominated the Indian Ocean world. The Soviet Union is well on its way to controlling or influencing the nations that hold the majority of these key points. The only recent gain by the West—and it is a very modest gain—is the development of a U.S. Navy communications station on the British island of Diego Garcia south of the Indian subcontinent. This small station helps close a gap in America's worldwide communications system. But in no sense is it a major naval base. The 8,000 foot runway on Diego Garcia is an element—but only a single element—in the network of airfields the West needs in order to deploy aerial might in the region in the event of a crisis. Satellites provide intelligence data, but any lengthy interruption of surface shipping or other hostile action would require deployment of tactical aircraft appropriate to the situation.

OUR DEPENDENCE ON OIL

It is the danger of interrupted oil movements that gives concern in the United States, Europe and Japan. The most vulnerable country is Japan. Almost ninety per cent of its energy comes from the Persian Gulf. An oil embargo or interruption of tanker traffic would shut down Japanese industrial production and plunge the world's third strongest economy into crisis. While the Japanese seek new oil sources in Indochina and Australia and are pushing ahead with nuclear power plant construction, their dependence on the Persian Gulf will continue well into the 1980s.

Europe's dependence is almost as great. Japan and Europe together import more than 700 million gallons of oil per day from the Persian Gulf. European imports from the Gulf are expected to increase 450 per cent over the next decade, despite development of the North Sea oil and gas fields and French advances in nuclear technology. The figures are revealing. Britain obtains 66.1 per cent of her oil from the Gulf states, Italy 84.5 per cent, France 51.1 per cent and West Germany 62 per cent. Australia, which gets 69 per cent of its oil from the Persian Gulf, also has a tremendous security stake in the area.

Until recently, the Persian Gulf was not a significant source of energy for the United States, with only three per cent coming from that source. Over the next five years, however, imports from the Gulf may account for twenty-five per cent of U.S. oil supplies despite the U.S. goal of energy sufficiency. The dollar drain for these Persian Gulf oil purchases already is enormous. A total of $2.1 billion was spent for Middle East oil in 1970. The Petroleum Council estimates of costs range from $9 billion to $13 billion in 1985. This is not surprising, however, in view of the fact that the United States is the largest consumer of petroleum in the world.

Given the projected size and cost of the Persian Gulf oil imports, it is no wonder that the Gulf and the Western Indian Ocean suddenly have become very significant areas to the United States. Drew Middleton, Military Editor of the *New York Times*, has said that "Military planners expect that the strategic interests of the United States and global strategy in general will pivot on the Persian Gulf late in this decade as a result of competition for the area's oil."

It already has been a shock to many Americans to realize the extent of their growing dependency on energy from this remote, unstable, and often hostile part of the world. Before long, the American government and people are likely to find this dependency intolerable. The United States, as a result, should move ahead on a crash basis to develop its domestic energy sources—to expand coal production, to institute new coal gasification methods, to open Arctic and offshore oil fields, to extract oil from shale and sands, which exist in vast quantities in North America, and to accelerate progress toward fast breeder nuclear reactors and the fusion process. Faced by great challenges, the United States has shown the capacity to work scientific, engineering and economic miracles. In all likelihood, however, it will take the United States a decade to augment its domestic energy sources to the point where it need not be vastly concerned about oil imports. In the meantime, the United States will be dependent on oil from the Persian Gulf that is moved by tanker across the Western Indian Ocean.

In this connection, it is pertinent to note the danger of proposals that the United States should by its own investment policy become dependent upon imports of Soviet fuels, as the Federal Republic of Germany is doing. Such action would give hostage to an enemy for our future behaviour.

William F. Case, an oil expert with the U.S. Department of Transportation, has drawn the conclusion that "if events are allowed to follow a natural course, the United States will almost certainly face an eight to ten year period beginning in 1975–77 of critical dependence on Middle East oil."

For Western Europe, the dependence may last considerably longer—until the atomic fusion process is perfected and working on a large scale. Few Western states are free of major worries with respect to energy. Ironically, one of these is an Indian Ocean country without any oil. As the *South African Financial Gazette* has pointed out:

"South Africa, with its vast, readily available coal reserves, is in the vanguard of countries determined to be self-sufficient in its energy resources, and can regard the present situation with a degree of equanimity . . . In the case of South Africa, its oil from coal production know-how and huge coal and uranium reserves render it much less vulnerable than most Western nations to the inevitable fuel price increase of the near future."

SHAPING A STRATEGY

The United States and the NATO countries are not in this happy situation, however, and must develop an overall strategy for maintaining access to Persian Gulf oil. And although the United States played the major role in developing oil in Saudi Arabia, it is at a severe disadvantage in shaping a politico-military strategy for the period ahead, in which it must have access to oil from the Gulf.

First, there is the problem of distance. The only U.S. facilities in the area are the communications stations at Diego Garcia and at Northwest Cape in Australia. Indeed the U.S. position in Australia may be insecure in view of the increasingly pacifist policy of the current Australian government.

America's overseas base structure was designed for conflicts in the Atlantic and Pacific, not for the remote Indian Ocean. The well-equipped naval base at Simonstown at the Cape of Good Hope is a useful facility for American warships, but the Johnson Administration ordered a halt to U.S. ship visits to South African ports and ended the joint naval exercises that had been standard procedure during the Eisenhower Administration. This policy of snubbing a vital, technologically advanced ally in the Indian Ocean remains in force.

It is doubtful that the United States could maintain adequate naval and air contingents in the Western Indian Ocean without recourse to Simonstown. Deployment of ships and aircraft from the United States to the Indian Ocean requires a huge investment in dollars and manpower. Dr. Alvin J. Cottrell, Director of Research for the Centre for Strategic and International Studies at Georgetown University, has noted:

"Some people talk about a modest increase of two U.S. ships at Bahrein (in the Persian Gulf), which would be possible under the established ceiling. But to put two more ships there, we would need a total of twelve ships. Sending them all the way from the East Coast of the United States means a requirement of 3:1 in terms of ships on station to ships en route and being readied."

Some observers may question whether a limited U.S. commitment of ships would so alter the power balance in the Western Indian Ocean as to add significantly to U.S. security in the area or to enhance the protection of the oil traffic in which the United States is vitally interested. Time and again throughout the post-World War period the Soviets have been checked in their ambitions by a limited U.S. presence. Certainly, the U.S. Berlin garrison could not stop a serious

Soviet assault. The embarked battalion of U.S. Marines in the Mediterranean is a token force compared to what the Soviets could quickly muster in the area. In practice, the Soviets have been unwilling to risk a major confrontation involving U.S. armed forces, whatever their size, whereas they might be tempted to risk a *fait accompli* in the Western Indian Ocean in the absence of any U.S. naval forces. Moreover, the deployment of a limited U.S. force would be essential to inducing other Western nations to make commitments of forces to a greater allied presence.

Recognizing that the great powers will be drawn more and more into the Indian Ocean, it is necessary to consider also the respective possibilities for the deployment of Free World and Communist airpower. As mentioned earlier, the U.S. facility on Diego Garcia in the middle of the Indian Ocean provides only a very limited capability for handling aircraft, though a small number of reconnaissance flights could be made from the island. What would be needed in a crisis situation, however, would be airfields closer to the major sea lanes. The airfields in Western Australia, though available, are far removed from the danger points. The airfield of Perth, for example, is approximately 5,000 miles from Aden.

Fortunately, the Iranians have pushed airfield construction. At present, they have military jet fields at Bushire, Kish and Bandar Abbas on the Persian Gulf of Oman near the Pakistan border. This base will be ideally situated to provide air cover for ships operating in the Arabian Sea.

The French have important airfields at Djibouti on the Gulf of Aden and on Reunion Island 400 miles east of Madagascar. Djibouti is especially important because (given French cooperation with the United States and other Western countries) aircraft based there could monitor ocean areas around the Horn of Africa and south along the coast of Somalia. Diego Suarez, the former French naval base on Madagascar, would be of tremendous value to the West in any naval confrontation or oil movement crisis in the Indian Ocean. At this time, however, access to naval bases and airfields in the Malagasy Republic is not available. Obtaining access to these facilities should be a priority political objective for the oil consuming nations of the West.

The decision of the Portuguese to withdraw from Mozambique is a very serious setback to Western interests. Up to early 1974 there was some reason to hope that ports and airfields in Mozambique might become available to the West in time of crisis in the Indian Ocean. But the radically altered political situation in that territory eliminates that possibility.

Given the revolutionary change in Mozambique, the United States will have to take a new look at the possibility of defence coordination with the Republic of South Africa.

Indeed, co-ordination with Portugal's successors and the Republic of South Africa is imperative if the tanker traffic is to be safeguarded on both the Indian Ocean approaches to the Cape of Good Hope and in the adjacent South Atlantic area. South Africa has a significant navy, equipped with modern French submarines, British-built frigates and a variety of other ships and weapons. It possesses a truly modern communications headquarters at Simonstown, capable of monitoring ship movements through a large area of the Western Indian Ocean. It has a network of fully modern airbases, plus supporting aircraft facilities, throughout its coastal zones. Its air force is equipped with French Mirage fighters and other superlative equipment, lacking only long-range maritime aircraft. All elements of the South African defense forces are in a high state of combat readiness. They could play a key role in any situation involving a threat to oil lifelines of the Western countries.

In the event of a major crisis, it must be assumed that the Soviet Union could execute a forward deployment of its own involving dispatch of aircraft to Aden, India and Somalia. Tanzania is oriented towards Peking rather than Moscow, and the Chinese Communists have been building a military airfield near Dar-es-Salaam; but Soviet access to that airfield cannot be ruled out in view of Tanzania's stance against the Western powers.

The deployment of U.S. naval vessels and/or squadrons is not a substitute for a national strategy covering the Western Indian Ocean. The situation has changed completely since the days when the British were dominant in the area. Aside from the Soviet naval presence, which consists of a substantial task force of approximately a dozen or more modern ships, there are the rapidly expanding military capabilities of several littoral nations plus the problem of serious subversion and insurgency in others. Thus, the Western Indian Ocean area equation gets more complicated year by year.

CONFLICT SITUATIONS

In the Gulf itself—the immediate, vital zone—there are numerous tensions and deeply rooted problems: disputes over undersea boundaries, the Iranian claim to Bahrain, Iraq's threatening actions toward Kuwait, a subversive miniwar in Dhofar, Saudi hankerings after parts of Abu Dhabi and Oman. Each of these disputes could have a trigger effect on a conflict involving external powers.

The major conflict situation, however, involves Iraq and Iran. On April 9, 1972, Iraq entered into a treaty of friendship with the Soviet Union, which provides for military cooperation. Iran, on the other hand, is linked to the United States and is currently in the midst of a significant military buildup. The Iranian armed forces are being equipped with the latest United States and British weapons, including F-4 Phantom jets and Hovercraft assault vehicles. The Shah has evidenced strong determination to make Iran the leading Persian Gulf power and to control ship traffic through the Straits of Hormuz. In addition, he envisages Iran's security perimeter extending beyond the straits into the Indian Ocean.

A complication has been added in the form of an Indian training mission to Iraq that trains Iraqi pilots to fly Soviet-supplied MIG fighters. The participation of the Indians in the training scheme is another indication of India's close collaboration with the Soviet Union in trying to eliminate all Western influence from the Indian Ocean.

The Indian government denies that it has given facilities to the Soviet Navy on India's coasts or outlying islands. But the denial fails to convince many observers who note the presence of numerous Soviet naval advisers and the transfer of Soviet ships to India. Hanson W. Baldwin wrote in his book, "Strategy for Tomorrow," regarding the common features of Soviet and Indian military and naval planning. He noted that the first steps had been taken for the "integration" of the Indian military establishment with the Soviet.

In another decade, given conditions of peace, Iran will have attained a very considerable degree of industrialization. Reforms introduced by the Shah are designed to bring Iran fully into the modern world. But the next decade will be fraught with difficulties and dangers because of the weakness an vulnerability of the small states on the Arabian peninsula and because of Communist-inspired insurgency. The Union of Arab Emirates, composed of seven small states, is very weak. It is subject to subversive pressure from both Soviet and Chinese Communist elements in the so-called Popular Front for the Liberation of Oman and the Arab Gulf. This type of subversive activity can be found almost anywhere along the rim of the western Indian Ocean—from the Eritrean Liberation Front in Ethiopia to the FRELIMO terrorist organization in Mozambique, an organization dominated by pro-Peking elements, which today appears to have inherited the Portuguese mantle.

Current American concern with respect to the western Indian Ocean is almost completely related to the need for adequate oil supplies. But no appraisal of the area would be complete without mention of the Chinese Communist penetration of Tanzania on the East African coast and the operation of terrorists against Mozambique and Rhodesia. These terrorist groups, with their parallel sanctuaries in Tanzania and Zambia, look to the Chinese Communist construction of the Tan-Zam Railroad as an instrument for creating a Red belt across Central Africa from Tanzania on the Indian Ocean to Zaire's window on the South Atlantic.

While the primary U.S. emphasis on the Indian Ocean has to do with oil, strategic planners cannot ignore the fact that the United States depends on Indian Ocean routes for access to strategic minerals and materials in Africa, including beryl, chrome, ore, antimony, asbestos, copper, columbium, lead, nickel and uranium. The United States is not only facing an energy crisis in the mid and late 1970s but a minerals crisis as well. Access to strategic minerals will be an increasingly serious national concern in the latter part of this decade. The same situation applies to the NATO countries, of course. Africa has been a source of essential minerals for Europe. The security of the Indian Ocean route is of prime importance to Europe, especially with respect to the movement of copper.

On top of all the national rivalries and confusion of states and political movements on the rim of the western Indian Ocean there is the problem of the Arab-Israeli contest. Emotional and religious issues have become involved in the struggle over oil, for example as the Arab nations debate the curtailment of oil supply as a means of altering American and West European policies on the Arab-Israeli confrontation. No more complicated problem has confronted U.S. statesmen and military planners than that of devising an overall policy designed to protect America's vital interests in the western Indian Ocean world.

THE PSYCHOLOGICAL FACTOR

A further complication—and it is one that the U.S. public must recognize—is that the threatened loss of energy sources in a remote region comes at a time when a mood of withdrawal is dominant in the United States and when Congress and many citizens oppose foreign involvements of any sort. Add to this the intensity of the anti-defence campaign conducted by some elements of the media and one gets an outline of the restrictions inhibiting U.S. policy planners in devising an appropriate response to the dangers emerging in the western Indian Ocean.

The threat, of course, is real and clear—politically ordained cut-offs of oil that the U.S. Europe and Japan must have and/or a combination of insurgency and Soviet naval support for revoluntionary elements bent on overthrowing Persian Gulf governments that are reasonably friendly to the United States. Faced with threats in the Atlantic and Pacific in recent years (Dominican Republic, Taiwan, etc.), the United States has had ready forces to intervene or to bar enemy intervention. But the U.S. is without effective forces in the western Indian Ocean. It has only a token, show-the-flag contingent of two ships in the Persian Gulf.

This would not be the first time that the mood of the American public and Congress has deterred the U.S. from taking measures necessary to provide for national security. The isolationism that followed World War I effectively prevented the United States from opposing Japan's militarization of the former German islands in the Pacific north of the equator. This American passivity resulted in a shift in the strategic balance and encouraged Imperial Japan to strike at the United States in 1941.

This experience is applicable to developing conditions in the Persian Gulf and western Indian Ocean. The U.S. has a tremendous strategic interest in the oil-production and resulting maritime commerce, but it may lack the means and the public will to interpose strong forces that would fully stabilize the area.

SOME SECURITY IMPERATIVE

Some additions to U.S. strength in the western Indian Ocean are imperative, however, if America is to maintain any degree of credibility as a power that can translate its words into deeds. Logically, the naval units assigned to the western Indian Ocean would be homeported at Simonstown. But considerations of politics in the United States would seem to rule out the adoption of this logical, pragmatic solution. The U.S. government would not be likely to order such homeporting in view of the certainty of an outcry from elements willing to sacrifice the nation's strategic interests for considerations of domestic politics and ideology.

Nevertheless, there is a possibility that a new formula could be devised that would permit a valuable coordination of air and naval operations involving surveillance of tanker traffice and Soviet warships. Practical ways might be found to combine U.S. and South African naval strengths in keeping the sea lanes open. American military military aircraft do visit South African airfields from time to time. Joint naval manoeuvres were held to devise arrangements that would give U.S. forces the benefit of communications and technical facilities at Simonstown while affording South Africa new opportunities for coordination and receipt of maritime Intelligence data.

The augmentation of forces in the Indian Ocean would necessarily be modest, however, in view of the costs and the lack of public policy. In the main, therefore, the U.S. in order to protect its interests, will have to rely on assistance to and cooperation with friendly powers in the area. It also will be vital for the U.S. to enter into cooperative arrangements with the principal West European powers which share our strategic stake in unrestricted access to and movement of the Persian Gulf oil.

The most important U.S. relationship in the area is with Iran, which is the premier power of the Gulf region and which has long standing ties with the United States. As the Iranians make ever-greater use of American defense equipment and long-term commitments for training, spare parts and replacements, the bonds of alliance will be strengthened. These arrangements are eased in that Iran is not involved in a military confrontation with Israel. The historic Iranian strategic concern is with Soviet pressure from the north, now gaining a new dimension because of Soviet seapower in the Indian Ocean.

The other major Gulf power with which the United States needs to develop improved relations is Saudi Arabia. This task poses a greater problem for the United States because of the vulnerability of Saudi Arabia to pressure from more militant Arab countries. Saudi Arabia's great wealth makes it an object of envy in the Arab world. It is virtually forced to give financial aid to other Arab states as a device to buy peace. It must be borne in mind, moreover, that the revolutionary Arab states are ideologically opposed to the traditional system of government in Saudi Arabia. The vastness and relative emptiness of this desert country are an invitation to attack. Saudi Arabia has a population of about seven million scattered over a huge territory—833,000 square miles, or a region about three times the size of Texas. Thus, Saudi Arabia has legitimate cause for anxiety about its security.

In these circumstances, the United States has done well to agree to sell arms to Saudi Arabia and adjacent Kuwait. The latter state, very small and enormously rich in oil revenues, is a prime target for revolutionary forces in the Arab world.

In selling arms to certain Arab nations *and* Israel, the United States government has emphasized what it calls a policy of even-handedness. The goal—and it is a sound one—is a policy towards Saudi Arabia and Israel that combines friendliness with restraint. Pragmatic policy planners in the United States know that even if a sharp tilt toward the Arab countries were desirable right now, the realities of domestic politics, as seen and accepted by successive administrations, render such a drastic change of course exceedingly unlikely.

Thus, the U.S. approach must be one of modest adjustments, coupled with provision to Saudi Arabia of modern defence systems capable of coping with the offensive weapons that the Soviet Union furnishes to the revolutionary Arab nations. Anything less than this almost certainly would result in a future takeover of Saudi Arabia by revolutionary, anti-Western elements.

THE EUROPEAN INTEREST

In devising plans to protect its interests in the Persian Gulf and western Indian Ocean, the United States also has to calculate the future role of the NATO countries. Three of these countries—Britain, France, and Portugal—have a history of activity in the Indian Ocean. All retain interests in this oceanic theatre. France, for example, controls the small, highly strategic Afars and Issas territory at the mouth of the Red Sea and Reunion Island in the Indian Ocean. Britain continues to maintain limited naval forces between Cape Town and Singapore. Ships of the Royal Navy make regular calls at Simonstown naval base under terms of the 1955 Simonstown Agreement which provides joint naval security measures with South Africa. Together, the members of the North Atlantic Treaty Organization account for fifty-six per cent of the shipping (25,000 ships a year) that go around the Cape of Good Hope.

In summary, the NATO countries are dependent on the Cape Route and tanker traffic to the Persian Gulf. Yet there are no substantial or coordinated efforts by the West European nations to protect their interests in this crucial region. Patrick Wall, M.P., writing in NATO's *Fifteen Nation* (*The Hague*), has commented:

"This is of course absurd, but because of Western politicians' fears of becoming embroiled in the politics of Southern Africa, NATO is not allowed to plan for the South Atlantic or South Indian Ocean .... What is sorely needed is official NATO recognition of the Simonstown Agreement—and the provision of adequate communications and joint planning facilities . . . . Surely it is near lunacy not to make adequate provisions now.

Major Wall wrote those words a year or so prior to the West's sudden burst of concern about access to Persian Gulf oil. Today, the urgency of West European commitment to defence planning in the Western Indian Ocean is vastly greater. It is unlikely, however, that the needs of the situation will be met by NATO's ponderous consultative machinery. The commitment of ships to the Indian Ocean—and that's what is needed—most probably will have to be sought on a nation-by-nation basis. The West European nations which want to be sure they have access to Persian Gulf oil in the mid-seventies must be made to understand that the United States will not furnish security for their sea communications between the Cape of Good Hope and the Gulf.

No doubt it will be a shock to many West European nations to realize that they have a strategic requirement for deploying forces "East of Suez." These nations have come to depend on the United States to assume all the defence burdens in remote regions. But the financial cost of involvement in the Indian Ocean is nothing as compared to the shock that West European nations would experience if they found their customary oil supplies from the Gulf suddenly interrupted or terminated. In pressing for naval commitments from the West European nations, the United States will have to utilize stern diplomacy, linking the naval commitments in the new danger region to American force levels in Europe. In turn, the European nations undoubtedly would find that deployment of fleet units to the tanker routes and to the waters of the oil-producing countries would give their diplomatic efforts a new credibility.

This independent deployment of warships and supporting sea-based aircraft by several European nations may seem to be a rejection of alliance after two decades of the NATO experience. It is important, therefore, to remember that the warships of several West European countries operate in North European and Mediterranean waters without NATO control. France has been going her own way for some years.

And in the Baltic, Danish, German and Swedish units operate independently, although all are concerned about the Soviet naval threat in those waters. In the Indian Ocean, U.S., British, French, Australian, South African and other Western countries maintain naval units wholly independent of one another. Independent operation can continue in the future. The real need is for immediate augmentation of Western naval forces and for coordination in time of crisis.

These proposed political and military measures constitute a feasible, albeit limited, initiative on the part of the United States and other Western nations. Compared to some of the actions the United States has taken in the past in Europe and South East Asia, the steps outlined here may seem overly cautious and restricted in scope. It would be desirable to develop at least one base under American control, and to deploy U.S. Air Force units in the area, but major undertakings of this sort don't appear feasible in the immediate, post-Vietnam era. Any suggestion of large-scale action wouldn't be a practical contribution to solving a serious, developing security problem. At this point in American history, only minimum commitments have a chance of winning congressional and public approval. Even the proposals for a limited commitment will probably be strenuously opposed. One can only hope that as the nation gains a clearer understanding of the dimensions of the threat to its energy sources, responsible leaders will be enabled to take prudent security measures.

"WAIT-AND-SEE" WON'T DO

The shift of the global danger point from the great ocean basins of the Atlantic and Pacific was foreseen over a decade ago by two prescient American admirals, Arleigh Burke, former Chief of Naval Operations, and John S. McCain, Jr., former Commander-in-Chief Pacific. They warned numerous times of the need to establish a U.S. naval presence in the Indian Ocean.

The requirements of the Vietnam War put creation of an Indian Ocean task force temporarily beyond U.S. capabilities. Even as the war wound down, however, and the West began to get an inkling of the emerging energy crisis, American policy planners accorded the Indian Ocean a low priority. As late as 1971, Ronald Spiers, Director of the Bureau of Politico-Military Affairs of the Department of State, told the House Foreign Affairs Committee that "there appear to be no requirements at this time for us to feel compelled to control or even decisively influence any part of the Indian Ocean or its littoral." This statement was made at a time when the Soviet Union was sharply stepping up its deployment of naval forces in the Indian Ocean.

The "wait-and-see" policy of the U.S. with respect to the Indian Ocean has been overtaken by events. Political change in Madagascar has resulted in the removal of French influence. Tanzania has permitted the Chinese Communists to build a naval base that could be used by small missile-firing craft capable of interdicting tanker traffic. Elsewhere the situation has deteriorated drastically.

For the moment, the Persian Gulf nations possess an Aladdin's lamp of riches and international political leverage. By the end of this century, after the advanced Western nations have developed new energy processes on their territories, the oil-producing countries will cease to have a central position in world affairs. But, for the time being, the West cannot ignore the powerful genie in the oil wells of the Middle East. The United States and its allies in Western Europe must make certain that their political and military policies assure them access to the vital energy resources represented by Persian Gulf oil.

The **PRESIDING OFFICER**. All time has expired. The question on agreeing to the resolution.

Mr. **STENNIS**. A parliamentary inquiry, Mr. President.

Mr. **MANSFIELD**. Mr. President, is not the rollcall automatic?

The **PRESIDING OFFICER**. The rollcall is not automatic.

Mr. **MANSFIELD**. I ask for the yeas and nays.

The **PRESIDING OFFICER**. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. **STENNIS**. Mr. President, may I ask——

The **PRESIDING OFFICER**. Does the Senator from Mississippi wish the resolution stated?

Mr. **STENNIS**. Yes.

The **PRESIDING OFFICER**. The resolution will be stated.

The legislative clerk read as follows:

Resolved, That the Senate does not approve the proposed construction project on the island of Diego Garcia, the need for which was certified to by the President and the certification with respect to which was received by the Senate on May 12, 1975.

The **PRESIDING OFFICER**. The question is on agreeing to the resolution. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. **ROBERT C. BYRD**. I announce that the Senator from Mississippi (Mr. Eastland) is necessarily absent.

Mr. **GRIFFIN**. I announce that the Senator from Oklahoma (Mr. Bellmon) and the Senator from Arizona (Mr. Goldwater) are necessarily absent.

The result was announced—yeas 43, nays 53, as follows:

[Rollcall Vote No. 340 Leg.]

YEAS—43

Abourezk
Bayh
Biden
Brooke
Bumpers
Burdick
Church
Clark
Cranston
Culver
Eagleton
Ford
Gravel
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Huddleston
Humphrey
Inouye
Kennedy
Leahy
Long
Mansfield
Mathias
McGovern
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Pell
Proxmire
Randolph
Ribicoff
Scott, William L.
Symington
Tunney
Williams

NAYS—53

Allen
Baker
Bartlett
Beall
Bentsen
Brock
Buckley
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Curtis
Dole
Domenici
Fannin
Fong
Garn
Glenn
Griffin
Hansen
Helms
Hollings
Hruska
Jackson
Javits
Johnston
Laxalt
Magnuson
McClellan
McClure
McGee
Morgan
Nunn
Packwood
Pastore
Pearson
Percy
Roth
Schweiker
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Taft
Talmadge
Thurmond
Tower
Weicker
Young

NOT VOTING—3

Bellmon
Eastland
Goldwater

So the resolution (S. Res. 160) was rejected.

Mr. **STENNIS**. Mr. President, I move to reconsider the vote by which the resolution was rejected.

Mr. **THURMOND**. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DISAPPROVAL OF THE PRESIDENT'S PROPOSAL TO DECONTROL OLD OIL PRICES

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar No. 279, Senate Resolution 145.

The **VICE PRESIDENT**. The clerk will report.

Mr. **HUGH SCOTT**. Mr. President, reserving the right to object——

The **VICE PRESIDENT**. First the clerk will report.

The legislative clerk read as follows:

Calendar No. 279, S. Res. 145, a resolution to express the disapproval of the Senate of the President's proposed amendment to the regulations promulgated under Sec. 4(a) of the Emergency Petroleum Allocation Act of 1973 to remove price controls from domestic crude oil, residual oil, propane, and refined petroleum products.

The **VICE PRESIDENT**. The question is to proceed to the consideration of the resolution.

Mr. **FANNIN**. I object.

Mr. **MANSFIELD**. Mr. President, I move that the Senate proceed to the consideration of Senate Resolution 145 by Mr. Jackson, and others.

The **VICE PRESIDENT**. The question is on agreeing to that motion.

CLOTURE MOTION

Mr. **ROBERT C. BYRD**. I send a cloture motion to the desk.

The **VICE PRESIDENT**. The cloture motion having been filed the Chair, without objection, directs the——

Mr. **FANNIN**. Mr. President, there was an objection.

Mr. **MANSFIELD**. I moved though.

The **VICE PRESIDENT**. There is objection. The Chair will have to hear the motion. Is there objection?

Mr. **SYMINGTON**. Reserving the right to object, what is the resolution?

The **VICE PRESIDENT**. It is a cloture motion which the clerk will read unless there is objection. If there is, the Chair will have to state the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, pursuant to the provisions of Rule XXII of the Standing Rules of the Senate do hereby move to bring to a close the debate on the motion to proceed to the consideration of S. Res. 145, a Resolution to express the disapproval of the Senate of the President's proposed amendment to the regulations promulgated under sec. 4(a) of the Emergency Petroleum Allocation Act of 1973 to remove price controls from domestic crude oil, residual oil, propane, and refined petroleum products.

Henry M. Jackson, Claiborne Pell, Alan Cranston, Walter D. Huddleston, Frank E. Moss, William Proxmire, Edward M. Kennedy, William D. Hathaway, John C. Culver, Thomas F. Eagleton, Dick Clark, Hubert H. Humphrey, Harrison A. Williams, Jr., Ernest F. Hollings, Walter F. Mondale, Gary W. Hart, Philip A. Hart.

Mr. **CURTIS**. Mr. President, parliamentary inquiry.

The **VICE PRESIDENT**. Does the Senator from Montana yield?

Mr. **PASTORE**. May we have order, please.

The **VICE PRESIDENT**. Order in the Chamber, please.

Mr. **MANSFIELD**. I am not at all certain that the original request was fully understood, and just to avoid any confusion, I ask unanimous consent that the Senate turn to the consideration of Senate Resolution 145.

The **VICE PRESIDENT**. That is the motion before the Senate.

Mr. **FANNIN**. Mr. President, the Senator from Arizona did voice objection.

Mr. **MANSFIELD**. That was the reason I moved, but I thought I might have been mistaken.

The **VICE PRESIDENT**. That motion can be made without a unanimous-consent request, and it is now the pending question.

POSTAL SERVICE COMPLIANCE WITH THE OCCUPATIONAL SAFETY AND HEALTH ACT

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent that the pending business be laid aside and that the Senate turn to the consideration of Calendar No. 325, H.R. 2559, which is a bill having to do with various matters within the Postal Service, but also has to do with salary increases for members of the different branches of the Government, and I ask unanimous consent that a copy of the bill be incorporated in the RECORD at this point, and also that appropriate sections of the report be printed.

Mr. ALLEN. I object.

The VICE PRESIDENT. The clerk will report.

The legislative clerk read as follows:

Calendar No. 325, H.R. 2559, an act to amend title 39, United States Code, to apply to the United States Postal Service certain provisions of law providing for Federal agency safety programs and responsibilities, and for other purposes.

Mr. ALLEN. I object.

The VICE PRESIDENT. Is there objection?

Mr. ALLEN. I object.

Mr. MANSFIELD. Mr. President, may I say the reason I asked that a copy of the bill be put in and the pertinent parts of the report was so that nobody would get any idea that anything was being done under the table. The record will have to speak for itself.

The VICE PRESIDENT. Is there objection to printing——

Mr. ALLEN. I object.

Mr. MANSFIELD. Mr. President—just a moment—I could read the bill into the record.

Mr. ALLEN. I object.

Mr. MANSFIELD. I could read the report.

Mr. ALLEN. I object to the immediate consideration. I have no objection——

The VICE PRESIDENT. Is there objection to the inserts? The Chair hears none, and it is so ordered. They will be printed.

Mr. MANSFIELD. All right, pertinent portions of the report and the bill itself.

There being no objection, the bill and excerpts were ordered to be printed in the RECORD, as follows:

PURPOSE

Under the July, 1973, collective bargaining agreement with the National Postal Unions, the Postal Service is bound to comply with the applicable section of the Occupational Safety and Health Act of 1970. The purpose of H.R. 2559 is to reinforce this responsibility by imposing upon the Postmaster General the statutory requirement that he comply with the Act by establishing and maintaining an effective and comprehensive occupational safety and health program for the Postal Service.

BACKGROUND

With certain exceptions, the Postal Reorganization Act (section 410), provides that no Federal law dealing with public or Federal contracts, property, works, officers, employees, budgets, or funds shall apply to the exercise of the powers of the Postal Service. The Occupational Safety and Health Act is not specifically applicable to the Postal Service. Section 410(b) of title 39 lists laws which are exceptions to the general non-applicability provision. H.R. 2559 adds section 19 of the Occupational Safety and Health Act of 1970 (29 U.S.C. 668) to the list of exceptions.

The addition of section 19 of the Occupational Safety and Health Act brings the Postal Service within the purview of that Act. Thus, the Postmaster General would be required to establish and maintain an effective and comprehensive occupational safety and health program. After consultation with representatives of Postal Service employees, the Postmaster General would be required:

to provide safe and healthful places and conditions of employment.

to acquire, maintain, and require the use of safety equipment, personal protective equipment, and devices reasonably necessary to protect employees.

to keep adequate record of all occupational accidents and illnesses for proper evaluation and necessary corrective action.

to consult with the Secretary of Labor with regard to the adequacy as to form and content of the records kept.

to make an annual report to the Secretary of Labor with respect to occupational accidents and injuries and the Postal Service's health and safety program.

The Postal Service expresses no objection to the enactment of H.R. 2559, but views it as unnecessary, since the Postal Service is already complying with the requirements of the legislation under its collective bargaining agreement with the National Postal Unions.

STATEMENT

The Committee is concerned over the occupational safety and health program of the Postal Service and believes that the program would be improved if compliance with the Occupational Safety and Health Act were required by law rather than by negotiated agreement with the Unions. Hearings in 1973 conducted by the House Post Office and Civil Service Committee's Postal Facilities, Mail, and Labor Management Subcommittee and a Staff Report issued by that Subcommittee reveal lapses in the Postal Service's safety program—shortcomings which the Committee believes would be more expeditiously eliminated if compliance with safety standards were required by law.

The House Subcommittee hearings and Staff Report show:

The steel, textile, automobile, and shipbuilding industries have substantially lower accident rates than the Postal Service does.

Union officials were severely critical of Postal Service management's efforts in the field of safety.

The Postal Service probably should increase its complement of professional safety experts.

Unhealthy and unsafe conditions were noted by the House Subcommittee's staff at several Post Offices.

COST

Enactment of this measure will not result in increased costs to the Postal Service, since the Postal Service is currently complying with section 19 of the Occupational Safety and Health Act of 1970.

TITLE II

PURPOSE

The purpose of the amendment to H.R. 2559 which constitutes Title II of the bill as reported is to provide a minimal salary adjustment for top executive, legislative and judicial officers and employees of the United States who last received an increase in compensation in March 1969. By so doing, Title II would meet what the Comptroller General of the United States has called "a critical need." It also would provide a measure of relief to the increasing numbers of senior civil service employees on the General Schedule affected by the $36,000 ceiling in effect now for 76 months.

The adjustment proposed in each instance would be an amount, rounded to the nearest multiple of $100 (or if midway between multiples of $100, to the nearest higher multiple of $100, equal to the percentage set forth in the report transmitted to the Congress under section 5305 of title 5, which pertains to annual adjustments in the rates of pay under the General Schedule. The adjustment would take effect at the beginning of the first month in which the adjustment under section 5305 occurs. Unless altered by an alternative plan proposed by the President, which is not disapproved by either the Senate or House of Representatives, that adjustment occurs as of the beginning of the first applicable pay period commencing on or after October 1 of each year.

While Title II of the bill would not correct the pay gap which has grown since 1969 or the problem of compression which has taken place in the higher reaches of the Government's salary schedules, it would put a stop to the continued growth of the pay gap occasioned by the increased cost of living since March 1969 and the pay adjustments which have occurred in other segments of the economy over that period of time. It would provide a cost-of-living type of relief to those officials and employees whose purchasing power has been eroded by almost a third because of inflation.

It is anticipated that the matter of the pay gap will be reviewed by the next Quadrennial Commission on Executive, Legislative, and Judicial Salaries during Fiscal Year 1977.

BACKGROUND

Salary adjustments for top-echelon officials of the Government are provided for under the Federal Salary Act of 1967, which authorizes a Commission on Executive, Legislative, and Judicial Salaries, whose function is to study and review the compensation of the personnel affected and report its recommendations to the President no later than January 1 of the year following the close of the fiscal year in which the Commission is appointed to make its quadrennial review.

The President then makes his recommendations on the rates of pay for the offices and positions with which the Commission is concerned to the Congress, including those recommendations in his Budget message. The President's recommendations become effective at the beginning of the first pay period which begins after the thirtieth day following the transmittal of his recommendations, unless Congress enacts a conflicting law or specifically disapproves all or part of his recommendations.

The last pay adjustments provided for under this Act took effect in March 1969. The most recent Commission was appointed by then-President Nixon in December, 1972, too late for it to include a review and make a report by January 1, 1973. Thus, that report was delayed a year, being submitted to Congress on February 4, 1974. The Committee on Post Office and Civil Service reported a resolution (S. Res. 293) on February 28, 1974, which would have permitted all provisions of the President's proposal, except those providing adjustments in the pay of Members of Congress, to take effect. The Senate, however, amended the Resolution to disapprove all of the President's recommendations and thus rejected the entire proposal on March 6, 1974.

Prior to the events of early 1974, the Committee on Post Office and Civil Service had reported a bill (S. 1989) which would have provided for a biennial review and adjustment, rather than a quadrennial review and adjustment, and which would have provided for the President's recommendations to be submitted to Congress no later than August 31 of every second year beginning in 1973. That bill was passed by the Senate but failed in the House of Representatives.

Subsequent to the Senate's disapproval of the President's recommendations in 1974, hearings were held on proposed legislation with respect to the rates of pay for Levels III, IV, and V of the Executive Schedule and certain positions in the Legislative and Judicial branches, as well as legislation to provide for a unified system for making pay adjustments for all civilian employees and officers.

STATEMENT

The salaries of the Government's key personnel, including Cabinet officers, other presidential appointees, Members of Congress, the Federal Judiciary from the Chief Justice down, and, as the result of provisions of the law freezing other employees' salaries, about 14,600 other employees covered by statutory pay systems and 600 officers of the armed services, are fixed. For many, they have been fixed since March of 1969.

In March of 1969 the Consumer Price Index stood at 108.0. In May of 1975, it stood at 159.3, up 47.5 percent. The effect has been to eat away at the purchasing power of the affected officers and employees. By May 1975, according to information supplied the Committee by the General Accounting Office, individuals holding these positions had lost almost a third of the purchasing power of their March 1969 salaries.

Executive level	*March 1969 salary*	*May 1975 purchasing power*
I	$60,000	$40,680
II	42,500	28,815
III	40,000	27,120
IV	38,000	25,764
V	36,000	24,408

To put it another way, a Level V official would have to earn about $53,000 a year just to maintain the same standard of living he had in 1969.

Since the last salary adjustment for personnel on the Executive Schedule or in comparable Legislative or Judicial posts, General Schedule employees have received seven pay raises accumulating to about 50 percent. As a result, increasing numbers of employees in the General Schedule are affected by the pay limitation provision, 5 U.S.C. 5308, which provides that General Schedule employees may not be paid at a rate in excess of the basic rate for Level V of the Executive Schedule, which has been $36,000 for the past 76 months.

This salary compression weakens two statutory principles—equal pay for equal work and the maintenance of proper pay distinctions in keeping with responsibility. A June 1974 study by the Civil Service Commission showed that intergrade differentials between private sector equivalents to GS–15 to GS–18 were as follows:

Between grades:	*Percentage differential*
GS–15 and GS–16	24.6
GS–16 and GS–17	26.3
GS–17 and GS–18	27.5

The same situation applies to the Federal Judiciary. Attorney's salaries, as surveyed by the United States Department of Labor, have risen 43.9 percent since 1969, while the salaries of U.S. Judges have not risen at all. Salaries of State Chief Judges have increased 44.2 percent in the same period, and, whereas in 1969 only one state (New York) paid its judiciary at a rate greater than the pay of a United States District Court Judge, there now are 20 states compensating their judges at rates equal to or greater than the pay of Federal District Court Judges.

Another study entitled, "Report of Special Survey of Level of Quality of Patient Care at Veterans' Administration Hospitals and Clinics," relating to the pay of physicians, dentists, and nurses in V.A. Hospitals, includes the following recommendation:

> In the opinion of the Task Force, the top priority to be considered is remuneration for physicians.
>
> We recommend that legislative action be sought in the current session of the Congress to obtain incentive pay for physicians, dentists, and nurses. Such actions are critically important because the pay raise anticipated in October, 1974, will have no benefit for 1,850 physicians and dentists and an additional 835 will not be able to realize the full percentage increase of the raise due to the $36,000 per annum salary restriction. If improved remuneration is not forthcoming in the next few months, we are convinced that the VA's ability to recruit well-qualified physicians will be seriously impaired and there will be an acceleration of resignations and conversions to part-time employment for economic reasons.

The Committee is aware of any number of anomalous situations created by the present $36,000 pay ceiling. Continuation of a policy which can only progressively wipe out pay distinctions can only erode morale within the work force and have a negative effect upon the career incentives of people in key positions. Indeed, as the General Accounting Office has pointed out in a paper presented to the Committee, "The salary ceiling along with cost-of-living adjustments for Federal retirees has provided increased incentives for eligible executives to retire."

Between November 1, 1974, and February 1, 1975, the retirement rate of eligible Government executives was almost 300 percent higher than the Government-wide average. And they retire at a younger age, resulting in added costs to the retirement fund. The GAO reports that at least seven former Government officials now receive annuities greater than $36,000.

SECTIONAL ANALYSIS OF TITLE II

Section 202 of the bill provides a new method for annual adjustment of rates of pay for each level of the Executive Schedule. The adjustment would become effective whenever a comparability adjustment is made under 5 U.S.C. 5305 in the statutory salary systems (normally in October of each year). The amount of the adjustment would equal the percentage of the comparability adjustment, rounded to the nearest $100.

Section 203 relates to the salary of the Vice President and provides a method for the automatic adjustment of the rate of pay for the Vice President under a formula identical to the formula prescribed for the Executive Salary Schedule.

Section 204 covers the rates of pay for Members of the Congress and officials of the legislative branch and includes in 204(d) an amendment to the Federal Pay Comparability Act of 1970 to reflect the level of pay currently authorized for certain officers and employees of the legislative branch. The section provides that the pay of the affected Members, officials and employees would be adjusted under the same formula used for the Executive Salary Schedule.

Section 205 relates to the salaries in the judicial branch, which also would be adjusted under a formula identical to that used for the Executive Salary Schedule.

Section 206 would correct an oversight in the Federal Salary Act of 1967, title II, Public Law 90–206, so as to include the offices of Vice President and certain legislative branch officials within the purview of the quadrennial salary review of the Commission on Executive, Legislative, and Judicial Salaries. It also provides that the salaries of those offices may be adjusted as are other legislative branch salaries under the provisions of this bill.

COSTS

Cost estimates are based on the following accounting of affected personnel:

NUMBER OF EMPLOYEES

Executive schedule:	
Level I	12
Level II	53
Level III	102
Level IV	347
Level V	271
Total	785
Legislative (Members and top officials)	560
Judicial:	
Chief Justice of the United States	1
Associate Justices, Supreme Court	10
Judges, Circuit Court of Appeals	144
Judges, Court of Claims	10
Judges, Court of Military Appeals	3
Judges, Court of Customs and Patent Appeals	6
Judges, District Courts	502
Judges, Customs Court	12
Judges, Tax Court of the United States	22
Administrative Assistance to Chief Justice	1
Director, Federal Judicial Center	1
Director, Administrative Office of the U.S. Courts	1
Deputy Director, Administrative Office of the U.S. Courts	1
Commissioners, Court of Claims	16
Referees in Bankruptcy (full-time maximum)	190
Referees in Bankruptcy (part-time maximum)	30
U.S. Magistrates	133
Total	1,083
Affected by $36,000 ceiling:	
Executive branch:	
General Schedule	8,750
Veterans Schedule	2,000
Foreign Service Schedule	1,300
Others	2,100
Judicial branch	350
Legislative branch	100
Total	14,600

In addition to the above, there are 600 officers in the armed services whose pay is limited by the $36,000 ceiling.

The October 1975 comparability increase for employees on the General Schedule is estimated at about 8 percent. On that basis, the increased cost to the Government as the result of passage of Title II of H.R. 2559 would be $49.7 million, broken down as follows:

	In millions
Executive schedule	$2.4
Legislative	1.8
Judicial	3.5
Affected by compression	42.0
Total	49.7

These cost figures are computed on the basis of an average increase of $3,200 for the top officials and an increase of $2,880 for employees affected by the pay ceiling. The total is less than estimated in the Comptroller General's report which uses a cost of approximately $6.5 million for each 1 percent or a total of $52 million.

The actual range of possible increases in the General Schedule at this time runs from 8.6 percent to 5 percent, the latter representing a possible ceiling which the President might recommend as an alternative. Thus, the annualized cost could range from approximately $52 million to approximately $31 million, depending upon future developments. Future annual costs would be dependent upon the results of annual pay comparability studies.

The executive branch has advised that since the top executive salaries and the employees affected by the compression are spread throughout the entire executive branch, all costs for the executive branch will be absorbed by each applicable agency without any requests for additional appropriations for the current fiscal year.

GENERAL ACCOUNTING OFFICE

The executive pay problem is becoming increasingly critical

In February 1975, we reported to the Congress that there was a critical need for a better system for adjusting top executive, legislative, and judicial salaries. As we reported, the impasse on adjusting top officials' salaries has frozen salaries since March 1969 for Members of Congress, judges, Presidential and other appointees, and about 14,700 career civil service personnel.

The quadrennial review and adjustment process has failed. It is much too long a period in our dynamic economy. Increases should be automatic. The last increase was proposed in 1974. A significant percentage increase was needed but the Senate rejected the President's proposed three stage increase. Failure to adjust top officials' salaries and resultant compression in other systems create great inequities and are having serious adverse effects on recruitment, retention, and incentives for advancement throughout the Federal service.

To date, no action has been taken on the General Accounting Office recommendation that legislation be enacted to reform the salary adjustment process for top officials. This paper updates information included in our February report which shows that the situation continues to worsen for Federal executives and their employing agencies and promises to deteriorate even further.

Erosion of purchasing power

Inflation has continued to erode the purchasing power of executive, legislative, and judicial salaries. By May 1975, individuals holding these positions had lost almost a third of the purchasing power of their March 1969 salaries.

Executive level	*March 1969 salary*	*May 1975 purchasing power*
I	$60,000	$40,680
II	42,500	28,815
III	40,000	27,120
IV	38,000	25,764
V	36,000	24,408

To put it another way, a Level V official would have to earn about $53,000 a year just to maintain the same standard of living he had in 1969.

The Compression Problem is Becoming More Severe

Since March 1969, General Schedule employees have received seven pay raises accumulating to about 50 percent. Estimates of the General Schedule increase, scheduled for October 1975, run as high as nine percent. While the President has indicated a desire to hold the raise to five percent, additional employees will reach $36,000 regardless of the percentage increase.

GS	Percent of employees at $36,000		
	Current pay rates	If October raise is—	
		5 percent	9 percent
18	100	100	100
17	100	100	100
16	89	100	100
15	19	46	62
14			3

Non-Federal executives have received substantial pay increases

From 1969 through 1974, non-Federal executives' salaries increased about 37 percent and were projected to increase another 10 percent during 1975. Similarly, senior civil service employees in other countries have had substantial pay increases since 1969. The pay of top government positions in England, Germany, and Italy increased anywhere from 50 to 150 percent between 1969 and 1975. Many officials in these countries now receive more compensation than their U.S. counterparts. These officials generally received pay increases at the same time increases were given the lower paid civil servants.

Retirement is more financially attractive than continuing to work

The salary ceiling along with cost-of-living adjustments for Federal retirees has provided increased incentives for eligible executives to retire. Since the last salary increase for top officials, retirees have received incrases of approximately 55 percent. Another increase of 5.1 percent will be granted to retirees on August 1, 1975. Employees who retire by this date will also have the 7.3 percent increase of January 1, 1975, considered in their annuity calculations. For example, if a GS–18 with 30 years of service had retired in December 1974, his annual annuity after the August adjustment would be $23,843. If he continues to work through July 1975, his annuity on August 1, 1975, would be $22,836. If he retires after July 1975, his annuity would be only $21,724—$2,119 less than if he had retired in December and $1,112 less than if he had retired in July.

Between November 1, 1974, and February 1, 1975, the retirement rate of eligible Government executives was almost 300 percent higher than the Government-wide average. The greatest number of retiring executives was in the 55 to 59 age group. The greatest number of total retirements among all employes was in age group 62 and over. The earlier retirements of Government executives result in added costs to the retirement fund in addition to the cost of their replacements. At least seven former Government officials now receive annuities greater than $36,000.

H.R. 2559

An act to amend title 39, United States Code, to apply to the United States Postal Service certain provisions of law providing for Federal agency safety programs and responsibilities, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—POSTAL SERVICE

SEC. 101. Section 410(b) of title 39, United States Code, is amended—

(1) by striking out the word "and" at the end of paragraph (5);

(2) by striking out the period at the end of paragraph (6) and inserting in lieu of the period a semicolon and the world "and"; and

(3) by adding immediately below paragraph (6) the following paragraph:

"(7) section 19 of the Occupational Safety and Health Act of 1970 (29 U.S.C. 668).".

TITLE II—EXECUTIVE SALARIES

SEC. 201. This title may be cited as the "Executive Salary Cost-of-Living Adjustment Act".

SEC. 202. (a) Subchapter II of chapter 53 of title 5, United States Code, relating to Executive Schedule pay rates, is amended by adding at the end thereof the following new section:

"§ 5318. Adjustments in rates of pay

"Effective at the beginning of the first applicable pay period commencing on or after the first day of the month in which an adjustment takes effect under section 5305 of this title in the rates of pay under the General Schedule, the annual rate of pay for positions at each level of the Executive Schedule shall be adjusted by an amount, rounded to the nearest multiple of $100 (or if midway between multiples of $100, to the next higher multiple of $100), equal to the percentage of such annual rate of pay which corresponds to the overall average percentage (as set forth in the report transmitted to the Congress under such section 5305) of the adjustment in the rates of pay under the General Schedule.".

(b)(1) That part of section 5312 (relating to level I of the Executive Schedule) of title 5, United States Code, immediately below the section heading and immediately above clause (1) is amended to read as follows:

"Level I of the Executive Schedule applies to the following positions for which the annual rate of basic pay shall be the rate determined with respect to such level under chapter 11 of title 2, as adjusted by section 5318 of this title:".

(2) That part of section 5313 (relating to level II of the Executive Schedule) of title 5, United States Code, immediately below the section heading and immediately above clause (1) is amended to read as follows:

"Level II of the Executive Schedule applies to the following positions, for which the annual rate of basic pay shall be the rate determined with respect to such lever under chapter 11 of title 2, as adjusted by section 5313 of this title:".

(3) That part of section 5314 (relating to level III of the Executive Schedule) of title 5, United States Code, immediately below the section heading and immediately above clause (13) is amended to read as follows:

"Level III of the Executive Schedule applies to the following positions, for which the annual rate of basic pay shall be the rate determined with respect to such level under chapter 11 of title 2, as adjusted by section 5318 of this title:".

(4) That part of section 5315 (relating to level IV of the Executive Schedule) of title 5, United States Code, immediately below the section heading and immediately above clause (1) is amended to read as follows:

"Level IV of the Executive Schedule applies to the following positions, for which the annual rate of basic pay shall be the rate determined with respect to such level under chapter 11 of title 2, as adjusted by section 5318 of this title:".

(5) That part of section 5316 (relating to level V of the Executive Schedule) of title 5, United States Code, immediately below the section heading and immediately above clause (1) is amended to read as follows:

"Level V of the Executive Schedule applies to the following positions, for which the annual rate of basic pay shall be the rate determined with respect to such level under chapter 11 of title 2, as adjusted by section 5318 of this title:".

(6) The analysis of subchapter II of chapter 53 of title 5, United States Code, is amended by adding the following new item at the end thereof:

"5318. Adjustments in rates of pay.".

(c) Subsections (a) and (c)(1) of section 5305 of title 5, United States Code, relating to annual pay reports, are each amended by adding at the end thereof the following new sentence: "The report transmitted to the Congress under this subsection shall specify the overall percentage of the adjustment in the rates of pay under the General Schedule and of the adjustment in the rates of pay under the other statutory pay systems.".

SEC. 203. Section 104 of title 3, United States Code, relating to the rate of salary of the Vice President, is amended by striking out "$62,500, to be paid monthly." and inserting in lieu thereof "the rate determined for such position under chapter 11 of title 2, as adjusted under this section. Effective at the beginning of the first month in which an adjustment takes effect under section 5305 of title 5 in the rates of pay under the General Schedule the salary of the Vice President shall be adjusted by an amount, rounded to the nearest multiple of $100 (or if midway between multiples of $100, to the nearest higher multiple of $100), equal to the percentage of such per annum rate which corresponds to the overall average percentage (as set forth in the report transmitted to the Congress under section 5305 of title 5) of the adjustment in such rates of pay. Such salary shall be paid on a monthly basis.".

SEC. 204. (a) Section 601(a) of the Legislative Reorganization Act of 1946 (2 U.S.C. 31) is amended to read as follows:

"SEC. 601. (a)(1) The annual rate of pay for—

"(A) each Senator, Member of the House of Representatives, and Delegate to the House of Representatives, and the Resident Commissioner from Puerto Rico (except as otherwise provided in subparagraphs (B) and (C) of this paragraph),

"(B) the President pro tempore of the Senate, the majority leader and the minority leader of the Senate, and the majority leader and the minority leader of the House of Representatives, and

"(C) the Speaker of the House of Representatives,

shall be the rate determined for such positions under section 225 of the Federal Salary Act of 1967 (2 U.S.C. 351–361), as adjusted by paragraph (2) of this subsection.

"(2) Effective at the beginning of the first applicable pay period commencing on or after the first day of the month in which an adjustment takes effect under section 5305 of title 5, United States Code, in the rates of pay under the General Schedule, each annual rate referred to in paragraph (1) shall be adjusted by an amount, rounded to the nearest multiple of $100 (or if midway between multiples of $100, to the next higher multiple of $100), equal to the percentage of such annual rate which corresponds to the overall average percentage (as set forth in the report transmitted to the Congress under such section 5305) of the adjustment in the rates of pay under the General Schedule.".

(b) Subsections (a) through (d) of section 203 of the Federal Legislative Salary Act of 1964 (78 Stat. 415), relating to the annual rate of pay of certain legislative officials, is amended to read as follows:

"Sec. 203. (a) The compensation of the Comptroller General of the United States shall be at an annual rate which is equal to the rate for positions at level II of the Executive Schedule of subchapter II of chapter 53 of title 5, United States Code.

"(b) The compensation of the Deputy Comptroller General of the United States shall be at an annual rate which is equal to the rate for positions at level III of such Executive Schedule.

"(c) The compensation of the General Counsel of the United States General Accounting Office, the Librarian of Congress, and the Architect of the Capitol shall be at an annual rate which is equal to the rate for positions at level IV of such Executive Schedule.

"(d) The compensation of the Deputy Librarian of Congress and the Assistant Architect of the Capitol shall be at an annual rate which is equal to the rate for positions at level V of such Executive Schedule.".

(c)(1) Section 303 of title 44, United States Code, relating to the compensation of the Public Printer and Deputy Public Printer, is amended to read as follows:

"§ 303. Public Printer and Deputy Public Printer: Pay

"The annual rate of pay for the Public Printer shall be a rate which is equal to the rate of level IV of the Executive Schedule of subchapter II of chapter 53 of title 5. The annual rate of pay for the Deputy Public Printer shall be a rate which is equal to the rate for level V of such Executive Schedule.".

(2) The item relating to section 303 in the chapter analysis for chapter 3 of title 44, United State Code, is amended to read as follows:

"303. Public Printer and Deputy Public Printer: pay.".

(d) Section 4(d) of the Federal Pay Comparability Act of 1970 (84 Stat. 1952) is amended by striking out "level V" and "section 5316" and inserting in lieu thereof "level III" and "section 5314", respectively.

Sec. 205. (a)(1) Chapter 21 of title 28, United States Code, relating to general provisions applicable to courts and judges, is amended by adding at the end thereof the following new section:

§ 461. Adjustments in certain salaries

"(a) Effective at the beginning of the first applicable pay period commencing on or after the first day of the month in which an adjustment takes effect under section 5305 of title 5 in the rates of pay under the General Schedule (except as provided in subsection (b)), each salary rate which is subject to adjustment under this section shall be adjusted by an amount, rounded to the nearest multiple of $100 (or if mid-way between multiples of $100, to the next higher multiple of $100) equal to the percentage of such salary rate which corresponds to the overall average percentage (as set forth in the report transmitted to the Congress under such section 5305 of the adjustments in the rates of pay under such Schedule).

"(b) Subsection (a) shall not apply to the extent it would reduce the salary of any individual whose compensation may not, under section 1 of article III of the Constitution of the United States, be diminished during such individual's continuance in office.".

(2) The analysis of chapter 21 of such title is amended by adding at the end thereof the following new item:

"461. Adjustments in certain salaries.".

(b)(1) Section 5 of title 28, United States Code, relating to salaries of justices of the Supreme Court, is amended to read as follows:

"§ 5. Salaries of Justices

"The Chief Justice and each associate justice shall each receive a salary at annual rates determined under section 225 of the Federal Salary Act of 1967 (2 U.S.C. 351–361), as adjusted by section 461 of this title.".

(2) Section 44(d) of title 28, United States Code, relating to salaries of circuit judges, is amended to read as follows:

"(d) Each circuit judge shall receive a salary at an annual rate determined under section 225 of the Federal Salary Act of 1967 (2 U.S.C. 351–361), as adjusted by section 461 of this title.".

(3) Section 135 of title 28, United States Code, relating to salaries of district judges, is amended to read as follows:

"125. Salaries of district judges

"Each judge of a district court of the United States shall receive a salary at an annual rate determined under section 225 of the Federal Salary Act of 1967 (2 U.S.C. 351–361), as adjusted by section 461 of this title.".

(4) The second sentence of section 173 of title 28, United States Code, relating to salaries of judges of the Court of Claims, is amended to read as follows: "Each shall receive a salary of an annual rate determine under section 225 of the Federal Salary Act of 1967 (2 U.S.C. 351–361) as adjusted by section 461 of this title."

(5) The second sentence of section 213 of title 28, United States Code, relating to salaries of judges of the Court of Customs and Patent Appeals, is amended to read as follows: "Each shall receive a salary at an annual rate determined under section 225 of the Federal Salary Act of 1967 (2 U.S.C. 351–361), as adjusted by section 461 of this title."

(6) The second sentence of section 252 of title 28, United States Code, relating to judges of the Customs Court, is amended to read as follows: "Each shall receive a salary at an annual rate determined under section 225 of the Federal Salary Act of 1967 (2 U.S.C. 351–361), as adjusted by section 461 of this title.".

(7) So much of the first sentence of section 792(b) (relating to salaries of Court of Claims commissioners) of title 28, United States Code, as precedes ", and also all necessary traveling expenses" is amended to read as follows: "Each commissioner shall receive pay at an annual rate determined under section 225 of the Federal Salary Act of 1967 (2 U.S.C. 351–361), as adjusted by section 461 of this title".

(8) The first sentence of section 40a of the Bankruptcy Act (11 U.S.C. 69(a)), relating to compensation of referees in bankruptcy, is amended to read as follows: "Referees shall receive as full compensation for their services salaries to be fixed by the conference, in the light of the recommendations of the councils, made after advising with the district judges of their respective circuits, and of the Director, at rates, in the case of full-time referees, not more than the rate determined for such referee under section 225 of the Federal Salary Act of 1967 (2 U.S.C. 351–361), as adjusted under section 461 of title 28, United States Code, and in the case of part-time referees, not more than one-half of such rate, as so adjusted.".

Sec. 206. (a) Section 225(f)(A) of the Federal Salary Act of 1967 (2 U.S.C. 365(A)), is amended—

(1) by inserting "the Vice President of the United States," immediately before "Senators";

(2) by striking out "and" immediately after "Representatives,"; and

(3) by inserting immediately before the semicolon a comma and the following: "the Speaker of the House of Representatives, the President pro tempore of the Senate, and the majority and minority leaders of the Senate and the House of Representatives".

(b) Until such time as a change in the rate of pay of the offices referred to in the amendment made by subsection (a) of this section occurs under the provisions of the Federal Salary Act of 1967 (2 U.S.C. 351–361), as amended by subsection (a) of this section, such rates of pay shall be the rates of pay in effect immediately prior to the date of enactment of this Act, as adjusted under sections 203 and 204 of this title.

Amend the title so as to read: "An Act to amend title 39, United States Code, to apply to the United States Postal Service cerain provisions of law providing for Federal agency safety programs and responsibilities, to provide for cost-of-living adjustments of Federal executive salaries, and for other purposes.".

The **VICE PRESIDENT**. Is there objection to proceeding to the consideration of the bill?

Mr. **ALLEN**. I object.

Mr. **GRIFFIN**. There was objection.

Mr. **MANSFIELD**. This is not taking up. This is printing the bill and the report. There was objection to taking up the bill.

NAVAL PETROLEUM RESERVES

Mr. **MANSFIELD**. Now, Mr. President, I ask unanimous consent that the pending business be laid aside temporarily, and that the Senate turn to the consideration of Calendar No. 329, S. 2173, a bill to fully explore and develop the naval petroleum reserves of the United States and to permit limited production, with revenues derived therefrom to be placed in a special account, and for other purposes, without any action tonight.

This is a bill very close to the heart of the President of the United States.

The **VICE PRESIDENT**. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 2173) to fully explore and develop the naval petroleum reserves of the United States and to permit limited production with revenues derived therefrom to be placed in a special account, and for other purposes.

Mr. McCLURE. Mr. President, parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. McCLURE. Was it correct that the distinguished majority leader had asked unanimous consent that the pending business be laid aside?

The VICE PRESIDENT. Temporarily.

Mr. MANSFIELD. Temporarily.

Mr. McCLURE. Another parliamentary inquiry, Mr. President.

The VICE PRESIDENT. The Senator will state it.

Mr. McCLURE. What is the pending business?

The VICE PRESIDENT. The motion to proceed to Senate Resolution 145.

Mr. HUGH SCOTT. Parliamentary inquiry.

Mr. WEICKER. Do I understand the pending situation is the pending business is Senate Resolution 145, and the distinguished majority leader has made a unanimous-consent request that that be laid aside and that—I do not know the number, but I imagine it is the Elk Hills bill——

Mr. MANSFIELD. S. 2173.

Mr. WEICKER.—Become the pending business?

Mr. MANSFIELD. Not to be taken up tonight, but tomorrow.

The VICE PRESIDENT. Is there objection?

Mr. WEICKER. Reserving the right to object, I wonder if I might, through the Chair, ask what the intention is with the completion of action on Elk Hills, and whether the intention is to return to Senate Resolution 145.

Mr. MANSFIELD. If the Senate so desires. But if it does not we could take up other measures which should come before the Senate before we recess on Friday.

Mr. WEICKER. I suggest the absence of a quorum.

Mr. GRIFFIN. Will the Senator withhold that for a parliamentary inquiry?

Mr. MANSFIELD. For example, S. 391, a bill to amend the Mineral Leasing Act of 1920, and for other purposes, on which there is a time limitation also, or others.

The VICE PRESIDENT. The absence of a quorum has been suggested.

Mr. GRIFFIN. Mr. President, will the Senator withhold that?

Mr. WEICKER. I withhold that.

Mr. GRIFFIN. Mr. President, parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. GRIFFIN. Is the cloture motion at the desk to invoke cloture on Senate Resolution 145 or on the motion to proceed to the consideration of Senate Resolution 145?

The VICE PRESIDENT. It is not at the desk. The Senator from Michigan has it.

Mr. GRIFFIN. I send it to the desk.

The VICE PRESIDENT. Now it is at the desk.

It is a cloture motion on the motion to proceed.

Mr. GRIFFIN. Then in the ordinary course of things there would be a vote on the cloture motion on Wednesday having to do with bringing to a close the question of proceeding to consideration before we would get to Senate Resolution 145 itself; is that correct?

The VICE PRESIDENT. Assuming the Senate is in tomorrow and Wednesday, the answer is yes.

Mr. GRIFFIN. I thank the Chair.

Mr. HUGH SCOTT. Mr. President, parliamentary inquiry. On the pending business, is it debatable?

The VICE PRESIDENT. The motion to proceed is debatable.

Mr. HUGH SCOTT. On the so-called Elk Hills oil bill, is it debatable?

The VICE PRESIDENT. That is a pending unanimous-consent request.

Mr. HUGH SCOTT. Is it under a time limitation?

Mr. MANSFIELD. It is——

The VICE PRESIDENT. No, just that the Senate lay aside the unfinished business, the pending business, excuse me.

Mr. HUGH SCOTT. I thank the Senator.

Mr. WEICKER. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. May we have order in the Senate, Mr. President?

The VICE PRESIDENT. The Senator from Michigan.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER (Mr. STONE). Senators will take their seats. Senators and staff will clear the aisles and take their seats and cease conversation. Senators wishing to converse will withdraw to the cloakrooms. Senators will take their seats.

Mr. GRIFFIN. Mr. President——

The PRESIDING OFFICER. The Senator from Michigan.

Mr. GRIFFIN. What is the pending question?

The PRESIDING OFFICER. There is pending a unanimous-consent request that the pending question be laid aside temporarily so that the Senate may proceed to the consideration of S. 2173.

Mr. GRIFFIN. If that consent is granted and we do proceed to the bill, is there a time agreement, and what is the time agreement that would be in effect?

The PRESIDING OFFICER. There is a time agreement. There are 2 hours on the bill, 1 hour on amendments, 30 minutes on debatable motions and appeals.

Mr. GRIFFIN. May I ask the Chair, would amendments to the bill have to be germane under the agreement?

The PRESIDING OFFICER. The unanimous-consent agreement does not contain an agreement for germaneness.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that amendments to the bill would have to be germane.

The PRESIDING OFFICER. Is there objection?

Mr. GRIFFIN. I think that may have been an oversight.

The PRESIDING OFFICER. Is there objection?

Mr. MANSFIELD. Well, I think that was the way worked out with the distinguished Senator from Arizona—Elk Hills.

Mr. GRIFFIN. Is it all right to have it germane?

Mr. HUGH SCOTT. Elk Hills, yes.

The PRESIDING OFFICER. Is there objection? Without objection——

Mr. MANSFIELD. Will the Senator yield?

The PRESIDING OFFICER. Is there objection?

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Will Senators take their seats. The Senate will be in order.

The Senate will be in order. The Senate will be in order.

The Senator from Michigan.

Mr. GRIFFIN. Mr. President, I wonder if I could suggest to the majority leader that he might modify his unanimous-consent request to provide that under the agreement only germane amendments could be considered?

Mr. MANSFIELD. I thought that had been agreed to.

Mr. GRIFFIN. I think it is pending.

Mr. MANSFIELD. Yes, I would be glad to.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. MANSFIELD. Now, Mr. President, I ask the Senator from Nevada——

Mr. ROBERT C. BYRD. Mr. President, what is the pending question before the Senate?

The PRESIDING OFFICER. The pending question is still the motion to proceed.

Is there objection to laying the pending business aside temporarily and proceeding to S. 2173, is there objection?

Mr. HUGH SCOTT. Mr. President, reserving the right to object, S. 2173 is Elk Hills.

The PRESIDING OFFICER. The request is for S. 2173.

Mr. HUGH SCOTT. There is no objection where Elk Hills is concerned.

Mr. GRAVEL. Mr. President, reserving the right to object, taking it up tomorrow——

Mr. ROBERT C. BYRD. The understanding is that there would be no action on the bill tonight.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The PRESIDING OFFICER. Now, the Senate will proceed to S. 2173.

Mr. ROBERT C. BYRD. Mr. President, I would suggest that Senators not leave yet because the answer to the distinguished Republican leader's question is that there would be no votes on this measure tonight. We do not know what may happen on a motion to adjourn or recess or——

Mr. HUGH SCOTT. Mr. President, we on this side never do know what is going to happen, but we suspect a lot.

Mr. MANSFIELD. Mr. President, I suggest the absence of quorum briefly.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I yield to the Senator from Washington.

TO DIRECT THE PRESIDENT TO ENTER INTO NEGOTIATIONS WITH THE U.S.S.R. RELATING TO LIMITING MILITARY DEPLOYMENTS IN THE PERSIAN GULF AND THE INDIAN OCEAN

Mr. JACKSON. Mr. President, I send a Senate resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 224) to direct the President to enter into negotiations with the USSR relating to limiting military deployments in the Persian Gulf and the Indian Ocean.

Mr. JACKSON. I ask for its immediate consideration.

Mr. GRIFFIN. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard. The resolution will go over under the rule.

The resolution (S. Res. 224) is as follows:

S. RES. 224

Whereas the Senate of the United States believes that discussions between the Soviet Union and the United States aimed at limiting naval deployments, bases facilities and land-based air power in the Indian Ocean/Persian Gulf area could be in the interests of the United States, the Soviet Union and the cause of world peace; and

Whereas past expressions by the Congress to this effect have been ignored by the President and the Secretary of State and no discussions aimed at negotiating such limitations have been initiated;

Therefore be it resolved that it is the sense of the Senate that the President is directed to open discussions with the Soviet Union with a view to advancing United States proposals for limitations in the Indian Ocean/Persian Gulf area affecting naval deployments, bases, facilities and land-based air power; and be it further resolved that the President shall report to the Congress on the status of discussions conducted with the Soviet Union prior to the submission of any further request for authority to develop further American facilities at Diego Garcia.

Mr. MANSFIELD. Mr. President, I yield to the Senator from Minnesota.

EXPANSION OF U.S. NAVAL PRESENCE IN THE INDIAN OCEAN

Mr. HUMPHREY. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 225) relating to the expansion of U.S. Navy presence in the Indian Ocean.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

Mr. GRIFFIN. I object, Mr. President.

The PRESIDING OFFICER. Objection is heard. The resolution will go over under the rule.

The resolution (S. Res. 225) is as follows:

S. RES. 225

Whereas the Congress has approved the expansion of U.S. military facilities on the island of Diego Garcia in order to enable the United States to protect its interests in the Indian Ocean area at the lowest possible cost;

Whereas the expansion has been justified as providing the U.S. with a capability comparable to the Soviet Capability to sustain naval operations and maintain the balance of power in the Indian Ocean area;

Whereas the expansion is intended to provide secure logistical support at a reasonable cost, to U.S. forces periodically deployed to the area and preclude the need for a costly increase in naval tankers and other logistic forces; and

Whereas the President has certified that there is not intent to permanently station operational units in the Indian Ocean and that the installation would not imply an increase in the level of U.S. forces deployed to that region: Now, therefore, be it

Resolved, That the Senate declares that its approval of the U.S. facilities on Diego Garcia shall not be considered as constituting approval of substantial expansion of U.S. naval presence in the Indian Ocean or the establishment of a permanent U.S. Indian Ocean fleet.

Mr. KENNEDY. Will the majority leader yield for a half-minute?

Mr. MANSFIELD. I yield.

Mr. KENNEDY. If I could remind my friends, an amendment very similar to this resolution, practically identical, has been introduced by the distinguished Senator from Rhode Island (Mr. PELL) in behalf of himself, myself, and the Senator from California (Mr. CRANSTON), urging these negotiations to take place immediately.

It has been accepted unanimously by the Committee on Foreign Relations and, hopefully, will be on the floor in the next few days. I think it moves a long way.

I have just had a chance to review briefly the resolution of the Senator from Washington. I think the substance of it is incorporated in the Pell-Cranston-Kennedy amendment and I hope we can bring it to the floor very quickly.

Mr. JACKSON. The whole purpose is to expedite this and get it passed as soon as possible with whichever resolution or bill comes out first.

Mr. KENNEDY. I thank the Senator.

Mr. HUMPHREY. Will the Senator yield?

Mr. MANSFIELD. I yield.

POSTAL SERVICE COMPLIANCE WITH OCCUPATIONAL SAFETY AND HEALTH ACT

Mr. MANSFIELD. Mr. President, if the Senator from Connecticut (Mr. WEICKER) does not enter any objection, I would like to lay before the Senate——

The PRESIDING OFFICER. The Senate will be in order. The Senate will give attention to the Senator from Montana.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business be laid aside temporarily—this is the third time—and that the Senate turn to the consideration of Calendar No. 325, H.R. 2559, for a period of not to exceed one-half hour.

The PRESIDING OFFICER. Is there objection?

Mr. HARRY F. BYRD, JR. Mr. President, reserving the right to object, and I do not propose to object, as I understand it this proposal will be discussed this evening but will not be voted on for at least 24 hours.

Mr. MANSFIELD. That is correct. I believe the distinguished Senator from Alabama (Mr. ALLEN) wanted to speak for 20 to 30 minutes on the substance of the bill.

The Senator from Virginia is correct, that this is just a temporary move in this direction.

Mr. McCLELLAN. Is that an appropriation bill?

Mr. MANSFIELD. No, it is from the Post Office and Civil Service Committee and has something to do with raises for Members of Congress and others in the Government based on a formula which I think could perhaps be referred to as indexing, tied to the cost of living.

Mr. GRIFFIN. Reserving the right to object, and I do not intend to object, for information purposes is it correct that while there would be up to 1 hour spent on the bill today——

Mr. MANSFIELD. One-half hour.

Mr. GRIFFIN. There is no time limit on the bill itself and we can go back on it again?

Mr. MANSFIELD. That is correct.

Mr. GRIFFIN. What would be the situation?

ORDER FOR RECOGNITION OF SENATOR ALLEN

Mr. MANSFIELD. First, Mr. President, I ask unanimous consent that if the Senate agrees with my request, the distinguished Senator from Alabama (Mr. ALLEN) be allowed to proceed for from 20 to 30 minutes.

Mr. ALLEN. It will not be that long. About 15 minutes.

Mr. MANSFIELD. For not to exceed 20 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 2559), to amend title 39, United States Code, to apply to the United States Postal Service certain provisions of law providing for Federal agency safety programs and responsibilities, and for other purposes, reported with an amendment.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

There being no objection, the Senate proceeded to consider the bill (H.R. 2559) which had been reported from the Committee on Post Office and Civil Service with an amendment to strike out all after the enacting clause and insert the following:

TITLE I—POSTAL SERVICE

SEC. 101. Section 410(b) of title 39, United States Code, is amended—

(1) by striking out the word "and" at the end of paragraph (5);

(2) by striking out the period at the end of paragraph (6) and inserting in lieu of the period a semicolon and the word "and"; and

(3) by adding immediately below paragraph (6) the following paragraph:

"(7) section 19 of the Occupational Safety and Health Act of 1970 (29 U.S.C. 668).".

TITLE II—EXECUTIVE SALARIES

SEC. 201. This may be cited as the "Executive Salary Cost-of-Living Adjustment Act".

SEC. 202. (a) Subchapter II of chapter 53 of title 5, United States Code, relating to Executive Schedule pay rates, is amended by adding at the end thereof the following new section:

"§ 5318. Adjustments in rates of pay

"Effective at the beginning of the first applicable pay period commencing on or after the first day of the month in which an adjustment takes effect under section 5305 of this title in the rates of pay under the General Schedule, the annual rate of pay for postion at each level of the Executive Schedule shall be adjusted by an amount, rounded to the nearest multiple of $100 (or if midway between multiples of $100, to the next higher multiple of $100), equal to the percentage of such annual rate of pay which corresponds to the overall average percentage (as set forth in the report transmitted to the Congress under such section 5305) of the adjustment in the rates of pay under the General Schedule.".

(b)(1) That part of section 5312 (relating to level I of the Executive Schedule) of title 5, United States Code, immediately below the section heading and immediately above clause (1) is amended to read as follows:

"Level I of the Executive Schedule applies to the following positions for which the annual rate of basic pay shall be the rate determined with respect to such level under chapter 11 of title 2, as adjusted by section 5318 of this title:".

(2) That part of section 5313 (relating to level II of the Executive Schedule) of title 5, United States Code, immediately below the section heading and immediately above clause (1) is amended to read as follows:

"Level II of the Executive Schedule applies to the following positions, for which the annual rate of basic pay shall be the rate determined with respect to such level under chapter 11 of title 2, as adjusted by section 5318 of this title:".

(3) That part of section 5314 (relating to level III of the Executive Schedule) of title 5, United States Code, immediately below the section heading and immediately above clause (1) is amended to read as follows:

"Level III of the Executive Schedule applies to the following positions, for which the annual rate of basic pay shall be the rate determined with respect to such level under chapter 11 of title 2, as adjusted by section 5318 of this title:".

(4) That part of section 5315 (relating to level IV of the Executive Schedule) of title 5, United States Code, immediately below the section heading and immediately above clause (1) is amended to read as follows:

"Level IV of the Executive Schedule applies to the following positions, for which the annual rate of basic pay shall be the rate determined with respect to such level under chapter 11 of title 2, as adjusted by section 5318 of this title:".

(5) That part of section 5316 (relating to level V of the Executive Schedule) of title 5, United States Code, immediately below the section heading and immediately above clause (1) is amended to read as follows:

"Level V of the Executive Schedule applies to the following positions, for which the annual rate of basic pay shall be the rate determined with respect to such level under chapter 11 of title 2, as adjusted by section 5318 of this title:".

(6) The analysis of subchapter II of chapter 53 of title 5, United States Code, is amended by adding the following new item at the end thereof:

"5318. Adjustments in rates of pay.".

(c) Subsections (a) and (c) (1) of section 5305 of title 5, United States Code, relating to annual pay reports, are each amended by adding at the end thereof the following new sentence: "The report transmitted to the Congress under this subsection shall specify the overall percentage of the adjustment in the rates of pay under the General Schedule and of the adjustment in the rates of pay under the other statutory pay systems.".

SEC. 203. Section 104 of title 3, United States Code, relating to the rate of salary of the Vice President, is amended by striking out "$62,500, to be paid monthly." and inserting in lieu thereof "the rate determined for such position under chapter 11 of title 2, as adjusted under this section. Effective at the beginning of the first month in which an adjustment takes effect under section 5305 of title 5 in the rates of pay under the General Schedule the salary of the Vice President shall be adjusted by an amount, rounded to the nearest multiple of $100 (or if midway between multiples of $100, to the nearest higher multiple of $100), equal to the percentage of such per annum rate which corresponds to the overall average percentage (as set forth in the report transmitted to the Congress under section 5305 of title 5) of the adjustment in such rates of pay. Such salary shall be paid on a monthly basis.".

SEC. 204. (a) Section 601(a) of the Legislative Reorganization Act of 1946 (2 U.S.C. 31) is amended to read as follows:

"SEC. 601. (a)(1) The annual rate of pay for—

"(A) each Senator, Member of the House of Representatives, and Delegate to the House of Representatives, and the Resident Commissioner from Puerto Rico (except as otherwise provided in subparagraphs (B) and (C) of this paragraph).

"(B) the President pro tempore of the Senate, the majority leader and the minority leader of the Senate, and the majority leader and the minority leader of the House of Representatives, and

"(C) the Speaker of the House of Representatives,

shall be the rate determined for such position under section 225 of the Federal Salary Act of 1967 (2 U.S.C. 351–361), as adjusted by paragraph (2) of this subsection.

"(2) Effective at the beginning of the first applicable pay period commencing on or after the first day of the month in which an adjustment takes effect under section 5305 of title 5, United States Code, in the rates of pay under the General Schedule, each annual rate referred to in paragraph (1) shall be adjusted by an amount, rounded to the nearest multiple of $100 (or if midway between multiples of $100, to the next higher multiple of $100), equal to the percentage of such annual rate which corresponds to the overall average percentage (as set forth in the report transmitted to the Congress under such section 5305) of the adjustment in the rates of pay under the General Schedule.".

(b) Subsections (a) through (d) of section 203 of the Federal Legislative Salary Act of 1964 (78 Stat. 415), relating to the annual rate of pay of certain legislative officials, is amended to read as follows:

"SEC. 203. (a) The compensation of the Comptroller General of the United States shall be at an annual rate which is equal to the rate for positions at level II of the Executive Schedule of subchapter II of chapter 53 of title 5, United States Code.

"(b) The compensation of the Deputy Comptroller General of the United States shall be at an annual rate which is equal to the rate for positions at level III of such Executive Schedule.

"(c) The compensation of the General Counsel of the United States General Accounting Office, the Librarian of Congress, and the Architect of the Capitol shall be at an annual rate which is equal to the rate for positions at level IV of such Executive Schedule.

"(d) The compensation of the Deputy Librarian of Congress and the Assistant Architect of the Capitol shall be at an annual rate which is equal to the rate for positions at level V of such Executive Schedule.".

(c)(1) Section 303 of title 44, United States Code, relating to the compensation of the Public Printer and Deputy Public Printer, is amended to read as follows:

"§ 303. Public Printer and Deputy Public Printer: pay

"The annual rate of pay for the Public Printer shall be a rate which is equal to the rate for level IV of the Executive Schedule of subchapter II of chapter 53 of title 5. The annual rate of pay for the Deputy Public Printer shall be a rate which is equal to the rate for level V of such Executive Schedule.".

(2) The item relating to section 303 in the chapter analysis for chapter 3 of title 44, United States Code, is amended to read as follows:

"303. Public Printer and Deputy Public Printer: pay.".

(d) Section 4(d) of the Federal Pay Comparability Act of 1970 (84 Stat. 1952) is amended by striking out "level V" and "section 5316" and inserting in lieu thereof "level III" and "section 5314", respectively.

SEC. 205. (a)(1) Chapter 21 of title 28, United States Code, relating to general provisions applicable to courts and judges, is amended by adding at the end thereof the following new section:

"§ 461. Adjustments in certain salaries

"(a) Effective at the beginning of the first applicable pay period commencing on or after the first day of the month in which an adjustment takes effect under section 5305 of title 5 in the rates of pay under the General Schedule (except as provided in subsection (b)), each salary rate which is subject to adjustment under this section shall be adjusted by an amount, rounded to the nearest multiple of $100 (or if midway between multiples of $100, to the next higher multiple of $100) equal to the percentage of such salary rate which corresponds to the overall average percentage (as set forth in the report transmitted to the Congress under such section 5305 of the adjustments in the rates of pay under such Schedule).

"(b) Subsection (a) shall not apply to the extent it would reduce the salary of any individual whose compensation may not, under section 1 of article III of the Constitution of the United States, be diminished during such individual's continuance in office.".

(2) The analysis of chapter 21 of such title is amended by adding at the end thereof the following new item:

"461. Adjustments in certain salaries.".

(b)(1) Section 5 of title 28, United States Code, relating to salaries of justices of the Supreme Court, is amended to read as follows:

"§ 5. Salaries of justices

"The Chief Justice and each associate justice shall each receive a salary at annual rates determined under section 225 of the

Federal Salary Act of 1967 (2. U.S.C. 351–361), as adjusted by section 461 of this title.".

(2) Section 44(d) of title 28, United States Code, relating to salaries of circuit judges, is amended to read as follows:

"(d) Each circuit judge shall receive a salary at an annual rate determined under section 225 of the Federal Salary Act of 1967 (2 U.S.C. 351–361), as adjusted by section 461 of this title.".

(3) Section 135 of title 28, United States Code, relating to salaries of district judges, is amended to read as follows:

"135. Salaries of district judges

"Each judge of a district court of the United States shall receive a salary at an annual rate determined under section 225 of the Federal Salary Act of 1967 (2 U.S.C. 351–361), as adjusted by section 461 of this title.".

(4) The second sentence of section 173 of title 28, United States Code, relating to salaries of judges of the Court of Claims, is amended to read as follows: "Each shall receive a salary at an annual rate determined under section 225 of the Federal Salary Act of 1967 (2 U.S.C. 351–361), as adjusted by section 461 of this title.".

(5) The second sentence of section 213 of title 28, United States Code, relating to salaries of judges of the Court of Customs and Patent Appeals, is amended to read as follows: "Each shall receive a salary at an annual rate determined under section 225 of the Federal Salary Act of 1967 (2 U.S.C. 351–361), as adjusted by section 461 of this title.".

(6) The second sentence of section 252 of title 28, United States Code, relating to judges of the Customs Court, is amended to read as follows: "Each shall receive a salary at an annual rate determined under section 225 of the Federal Salary Act of 1967 (2 U.S.C. 351–361), as adjusted by section 461 of this title.".

(7) So much of the first sentence of section 792(b) relating to salaries of Court of Claims commissioners) of title 28, United States Code, as precedes ", and also all necessary traveling expenses" is amended to read as follows: "Each commissioner shall receive pay at an annual rate determined under section 225 of the Federal Salary Act of 1967 (2 U.S.C. 351–361), as adjusted by section 461 of this ttile".

(8) The first sentence of section 40a of the Bankruptcy Act (11 U.S.C. 68(a)), relating to compensation of referees in bankruptcy, is amended to read as follows: "Referees shall receive as full compensation for their services salaries to be fixed by the conference, in the light of the recommendations of the councils, made after advising with the district judges of their respective circuits, and of the Director, at rates, in the case of full-time referees, not more than the rate determined for such referee under section 225 of the Federal Salary Act of 1967 (2 U.S.C. 351–361), as adjusted under section 461 of title 28, United States Code and in the case of part-time referees, not more than one-half of such rate, as so adjusted.".

Sec. 206. (a) Section 225(f)(A) of the Federal Salary Act of 1967 (2 U.S.C. 365(A)), is amended—

(1) by inserting "the Vice President of the United States," immediately before "Senators";

(2) by striking out "and" immediately after "Representatives,"; and

(3) by inserting immediately before the semicolon a comma and the following: "the Speaker of the House of Representatives, the President pro tempore of the Senate, and the majority and minority leaders of the Senate and the House of Representatives".

(b) Until such time as a change in the rate of pay of the offices referred to in the amendment made by subsection (a) of this section occurs under the provisions of the Federal Salary Act of 1967 (2 U.S.C. 351–361), as amended by subsection (a) of this section, such rates of pay shall be the rates of pay in effect immediately prior to the date of enactment of this Act, as adjusted under section 203 and 204 of this title.

ORDER OF PROCEDURE

Mr. MANSFIELD. Now, Mr. President, for the information of the Senate, I would like to indicate that following disposal of S. 2175, the petroleum reserves bill, it is hoped that we would be able to turn to S. 391, the Mineral Leasing Act of 1920, and maybe following that to S. 963, the diethylstilbestrol bill, upon which some action has been taken, and the so-called red-lined bill, which was discussed briefly on Saturday afternoon.

If the distinguished assistant majority leader has a motion he wants to make about the post office bill, now is the time to do it.

Mr. PASTORE. Will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. PASTORE. How about the State, Justice, and Commerce bill? It has been reported out and is on the calendar. It is an appropriation bill.

Mr. MANSFIELD. The only thing is we had an agreement. We intend to proceed to the State, Justice, and Commerce bill this week.

Mr. President, on behalf of the joint leadership——

Mr. ROBERT C. BYRD. Mr. President, will the distinguished majority leader yield?

Mr. MATHIAS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. The Senate will be in order. Senators will take their seats. If the Senator from West Virginia will suspend for a moment, the Senate will be in order. Senators will clear the well.

Mr. MANSFIELD. Mr. President, on behalf of the distinguished Republican leader——

The PRESIDING OFFICER. The Chair will now entertain a request that the order for the quorum call be rescinded.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TEMPORARY COMMISSION ON THE OPERATION OF THE SENATE

Mr. MANSFIELD. Mr. President, on behalf of the joint leadership, the distinguished Senator from Iowa (Mr. Culver), the distinguished Senator from Pennsylvania (Mr. Hugh Scott), the distinguished Senator from Michigan (Mr. Griffin), the distinguished Senator from West Virginia (Mr. Robert C. Byrd), the distinguished Senator from Nevada (Mr. Cannon), the distinguished Senator from Tennessee (Mr. Brock), the distinguished Senator from Alabama (Mr. Allen), the distinguished Senator from West Virginia (Mr. Randolph), and myself, I send to the desk a resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated.

The assistant legislative clerk read as follows:

A resolution (S. Res. 227) to establish a temporary Commission on the Operation of the Senate.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

Mr. ALLEN. Mr. President, let us hear the rest of the resolution, if we may, please. May it be read in full?

The PRESIDING OFFICER. The clerk will read the resolution.

The assistant legislative clerk read as follows:

Resolution to establish a temporary Commission on the Operation of the Senate

Whereas the responsibilities of Members of the Senate and the Senate have increased many-fold in recent years, as have expenditures of Federal funds to sustain these responsibilities;

Whereas the administrative machinery, facilities, and other elements in the structure and practices of the Senate which support the discharge of these responsibilities have been expanded and adjusted in a piecemeal and uncoordinated fashion;

Whereas the support structure, facilities, and administrative practice of the Senate have never been subjected to an over-all independent examination; and

Whereas the modernization and improvement of the cost-effectiveness of the administrative machinery, facilities, practices, and support-services of the Senate can be facilitated by an impartial, over-all study conducted by a group independent of the Senate: Now, therefore, be it

Resolved, That (a) there is hereby established a Commission on the Operation of the Senate (hereafter in this resolution referred to as the "Commission"), which shall be composed of nine members appointed from private life and 2 ex officio members who are presently officers or employees of the Senate and who shall participate without vote. All Commissioners shall be appointed by the President of the Senate upon the joint recommendations of the Majority Leader and the Minority Leader of the Senate.

(b) Any vacancy in the Commission shall be filled in the same manner as the original appointment.

(c) The Commission shall elect a Chairman and a Vice Chairman from among its members.

(d) Five members of the Commission shall constitute a quorum but two members may conduct hearings.

(e) Not more than two former Members of the Senate may serve as members of the Commission and no individual whose relevant experience is preponderantly in the executive branch of the Government shall be appointed as a member of the Commission.

Sec. 2. (a) It shall be the function and duty of the Commission to make a comprehensive and impartial study of the organization and operation of the United States Senate. Such study shall include, but not be limited to—

(1) the functioning of Members, officers, and employees of the Senate in the light of the responsibilities of the Senate in the areas of law-making, representation, and oversight;

(2) conflicts in the programming of business;

(3) office accommodations and facilities;

(4) information resources; and

(5) internal management administrative support structure (including electronic and technical aids, foresight capacity, accommodation for and coverage by the news media, workload, lobbying, pay and allowances, and conflicts of interest).

Such study shall not include an examination of the question of the jurisdictions of the committees of the Senate over subject matter.

(b) The Commission shall also study ways of improving Senate communication, cooperation, and coordination with the House of Representatives and with the executive and judicial branches of the Government, giving due consideration to the separation of powers provided by the Constitution.

SEC. 3. Members of the Commission shall receive, for each day on which they are engaged in the performance of their duties as Members of the Commission, compensation at a daily rate equal to the per diem equivalent of the highest rate of gross compensation which may be paid to an employee of a standing committee of the Senate; and shall be entitled to reimbursement for transportation expenses and to receive a per diem, in lieu of subsistence, at the same rate as is payable to employees of the Senate, for each day on which they are away from their homes or regular places of business or employment and are engaged in the performance of their duties as Members of the Commission or in traveling to or from the place where such duties are to be performed. *Ex officio* members of the Commission shall serve without pay.

SEC. 4. (a) The Commission shall appoint, prescribe the duties and responsibilities of, and fix the compensation of a staff director, an associate staff director, and such other employees as may be necessary to enable it to carry out its functions and duties. The staff director and associate staff director may each be paid at a maximum annual rate of compensation not exceeding the maximum annual rate which may be paid to the two committee employees of a standing committee of the Senate referred to in section 105(e)(3)(A) of the Legislative Branch Appropriations Act, 1968, as amended and modified, and other employees of the Commission may be paid at a maximum annual rate of compensation not exceeding the maximum annual rate which may be paid to the four committee employees of a standing committee of the Senate referred to in such section.

(b) The Commission is authorized to procure the temporary or intermittent services of individual consultants, or organizations thereof, in the same manner and under the same conditions as a standing committee of the Senate may procure such services under section 202(i) of the Legislative Reorganization Act of 1946.

(c) Subject to the provisions of section 7, the Commission is authorized to make such expenditures from the contingent fund of the Senate as may be necessary to carry out its functions and duties.

SEC. 5. (a) The Commission is authorized to utilize the services, information, facilities, and personnel of the Office of the Secretary of the Senate, the Office of the Sergeant at Arms of the Senate, the Office of the Secretary for the Majority, the Office of the Secretary for the Minority, the Library of Congress, and the General Accounting Office; and the Secretary of the Senate, the Sergeant at Arms of the Senate, the Secretary for the Majority, the Secretary for the Minority, the Librarian of Congress, and the Comptroller General of the United States are authorized to furnish such services, information, facilities, and personnel as may be requested by the Commission.

(b) Office space and office furniture, furnishings and equipment shall be provided to the Commission in the same manner as other offices of the Senate.

SEC. 6. (a) The Commission shall submit an interim report to the Majority Leader and Minority Leader of the Senate not later than March 31, 1976, and shall submit a final report to the Majority Leader and Minority Leader of the Senate not later than September 30, 1976, which shall set forth the results of the study made under this resolution, together with its findings and recommendations. The Commission may submit such other reports to the Majority Leader and Minority Leader of the Senate as they may request or as the Commission deems advisable. The Majority Leader and Minority Leader shall transmit to the Senate all reports received by them under this subsection.

(b) Sixty days after the date of submission of its final report under subsection (a), the Commission shall cease to exist.

SEC. 7. The expenses of the Commission, which shall not exceed $500,000, shall be paid from the contingent fund of the Senate upon vouchers signed by the Chairman of the Commission and approved by the Majority Leader or the Minority Leader of the Senate, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

Mr. ALLEN. Reserving the right to object, Mr. President, I think a resolution of this sort, this magnitude, and wide scope should go to the Committee on Rules and Administration. If the proponents of the resolution think otherwise, I have to object and let it come over under the rule to be reconsidered on tomorrow. I object.

Mr. MANSFIELD. Mr. President, I can understand the feelings of the Senator from Alabama (Mr. ALLEN). I point out that this was a matter which was discussed at the Democratic Conference. It was agreed to unanimously. It was discussed at the Republican Conference. It was agreed to unanimously.

The joint leadership worked together to try to come forth with some proposition of substance based on the initiative of the distinguished Senator from Iowa (Mr. CULVER). The matter has been discussed in detail with the chairman and the ranking member of the Committee on Rules and Administration, Senator CANNON of Nevada and Senator HATFIELD of Oregon. We thought that it might be better to do it that way, with this approval on the part of both party conferences or caucuses behind us. We did take it up on a joint leadership basis.

I would like to receive immediate consideration so that a study of this sort could get underway. It is going to be a difficult job if something needs to be done.

But if the Senator wishes to object, of course, it will go to the Committee on Rules and Administration, as he well knows.

So, Mr. President, I ask unanimous consent for the immediate consideration of the resolution.

Mr. ALLEN. I object.

The PRESIDING OFFICER. Is there objection?

Mr. ALLEN. I object.

The PRESIDING OFFICER. Objection is heard. The resolution goes over under the rule.

Mr. ALLEN. May I be added as a cosponsor also?

Mr. MANSFIELD. I thank the Senator from Alabama.

I ask unanimous consent that the Senator from Alabama (Mr. ALLEN) be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 9 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

TEMPORARY COMMISSION ON THE OPERATION OF THE SENATE

Mr. MANSFIELD. Mr. President, I had prepared a statement prior to the introduction of the resolution creating a temporary commission on the operation of the Senate, the so-called Culver commission, and I ask unanimous consent that that statement precede the printing of the resolution in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Pursuant to a subsequent request the foregoing statement is not printed in the RECORD.)

ORDER OF PROCEDURE—TIME ALLOCATION—H.R. 2559

Mr. ROBERT C. BYRD. Mr. President, so that Senators may know whether or not we are going to have any more rollcall votes tonight, I ask unanimous consent that after H.R. 2559, the act to apply to the U.S. Postal Service certain provisions of law providing for Federal agency safety programs and responsibility, that after the time that was agreed to—how much time was agreed to on that bill, Mr. President, tonight?

The PRESIDING OFFICER. Twenty minutes this evening.

Mr. ROBERT C. BYRD. How much?

The PRESIDING OFFICER. Twenty minutes for the Senator from Alabama.

Mr. ROBERT C. BYRD. Very well. I ask unanimous consent that——

Mr. HARRY F. BYRD, JR. Would the Senator permit me to have 5 minutes on the same bill?

Mr. ROBERT C. BYRD. I ask unanimouse consent that the Senate now proceed to the consideration of H.R. 2559 with Mr. ALLEN to be recognized for 20 minutes, Mr. HARRY F. BYRD, JR., to be recognized for 5 minutes, and——

Mr. McGEE. Mr. President, I ask if my name was mentioned there.

Mr. ROBERT C. BYRD. Mr. McGEE to be recognized for how many minutes?

Mr. McGEE. This is tonight?

Mr. ROBERT C. BYRD. Yes.

Mr. McGEE. Ten.

Mr. ROBERT C. BYRD. Ten minutes.

Mr. ALLEN. I would like the distinguished Senator from Wyoming to start off and explain the bill.

Mr. McGEE. Yes.

Mr. ALLEN. And explain the bill and let the Senator from Alabama make inquiries and submit an amendment.

Mr. McGEE. And Senator FONG also.

Mr. FONG. I ask 10 minutes also.

ORDER FOR RECOGNITION OF SEVERAL SENATORS TONIGHT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed now to the consideration of H.R. 2559 with Mr. McGEE to be allotted 10 minutes, Mr. FONG 10 minutes, Mr. ALLEN 20 minutes, and Mr. HARRY F. BYRD, JR., 5 minutes, after which that measure be laid aside and the Senate proceed to the consideration of the naval petroleum reserve bill, with no action to be taken on that bill tonight, that it just be laid down and it would be the unfinished business tomorrow.

The PRESIDING OFFICER. Is there objection?

Mr. HARRY F. BYRD, JR. Reserving the right to object, and I shall not object, as I understand the request of the Senator from West Virginia, there is no unanimous-consent involved for tomorrow insofar as that.

Mr. ROBERT C. BYRD. None whatsoever, none in connection with H.R. 2559.

Mr. THURMOND. There would not be a vote on that.

The PRESIDING OFFICER. Is there objection?

Without objection, so ordered.

Mr. ROBERT C. BYRD. Mr. President, I wonder if the distinguished assistant Republican leader, the distinguished Senator from Alabama (Mr. ALLEN), and I could assure our colleagues there would be no more rollcall votes tonight.

Mr. ALLEN. Yes.

Mr. ROBERT C. BYRD. Very well.

There will be no more rollcall votes tonight, Mr. President.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. BROCK. Mr. President, I ask unanimous consent that I be added as a cosponsor of the resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McGEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

The Senate will be in order.

Mr. McGEE. Mr. President, I hesitate to ask what the pending business is. I will say what is the parliamentary situation?

The PRESIDING OFFICER. The Clerk will state the pending business for the information of the Senate.

The pending business is H.R. 2559.

POSTAL SERVICE COMPLIANCE WITH THE OCCUPATIONAL SAFETY AND HEALTH ACT

The Senate proceeded to consider the resolution (H.R. 2559), an act to amend title XXIX, United States Code, to apply to the U.S. Postal Service certain provisions of law providing for Federal agency safety programs and responsibilities, and for other purposes.

Mr. McGEE. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time consumed in calling the quorum does not come out of anyone's time. It is just allotted here as a courtesy for one of the Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. McGEE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McGEE. Mr. President, by our agreement here this evening, we will discuss the proceedings that have been taking place for several months in the Committee on Post Office and Civil Service, the companion group in the House of Representatives, with the Comptroller General of the United States, with the President of the United States, and with the Chief Justice of the United States.

With the burden of this collection of discussions, that have now run since early February of this year, we have united on a very simple legislative proposal for this body, recognizing that our earlier legislation did not anticipate or at least did not foresee the impact of double-digit inflation on the reforms that were made in earlier years, both in the comparative law for the civil service employees and for the Salary Reform Act of 1967.

We have sought other ways of trying to readjust the inequities in the system. We could obtain no agreement on when or to what levels we should proceed on salary readjustments. But one thing that all segments in the Government have agreed upon is that a basic reform is necessary, that prior reform is too shortsighted and should be corrected, and that all employees of the Government of the United States should be subject to what has loosely come to be called the cost-of-living adjustments.

That procedure, sometimes called comparability, is undertaken by an agent representing the President of the United States, which takes a reading in the spring on what the cost-of-living factors should be; and after their finding, they submit it to the President for his consideration.

To illustrate: This year, the President's agent reported that the cost-of-living change since a year ago was about 8.6 percent. Under the existing law, the next step is this: The President then has to decide whether to allow the recommendation of the Presidential agent in this instance or to reduce the figure. He cannot increase it, but he decides whether he is to decrease the figure or leave it alone.

We have had no firm indication from President Ford yet as to what he will do. He earlier indicated that he is likely to allow a 5-percent figure, rather than the 8.6 percent that the agent reported.

I use that by way of illustration, Mr. President, for the simple reason that all the pending measure does is to put under the same mechanism, without any exemptions or exceptions—in other words, there are no sleepers anywhere in this—those persons at the executive level, the supergrades, and the judiciary and the legislative branches of the Federal Government. The theory is that the cost of living affects everybody; and this is for the future, down the road ahead, and does not include any retroactive consideration of the facts.

A very small group is so affected, but it is a leadership group in the Government, and not without the problems attendant upon the current status of the economy of our country.

The total cost for this reform, for this year, is estimated to be approximately $34 million if the President's judgment is a 5-percent cost-of-living factor. It would be slightly higher than that if he allowed the full 8.6 percent.

I have in my hand a letter from the President of the United States to the Vice President, who is the Chairman of the President's panel on government pay, and thus presented to us in his behalf, in which the President stresses that while he believes that other corrections must be made when our economic picture is improved and when the Nation's priorities are better sorted out, he believes that it is indispensable that this one reform correction be made without delay now.

Mr. President, I also hold in my hand a joint letter signed by the majority and minority leaders of the Senate, in which they beseech the Committee on Post Office and Civil Service to examine the necessary steps that should be taken in order to update the existing mechanism as a reform move, simply in terms of adjusting to the cost-of-living readings for the future—not retroactively.

Mr. MANSFIELD. Mr. President, will the Senator forgo the word "beseech" for "request"?

Mr. McGEE. Request. I am sorry for my loose English. The rest of us were waiting to be beseeched because we thought we had been besieged so long by the encroachment of the cost of living. We appreciate whatever little crumbs are tossed to us as we go along. I am very grateful to the Senator.

TEMPORARY COMMISSION ON THE OPERATION OF THE SENATE—SENATE RESOLUTION 227

Mr. MANSFIELD. Mr. President, I offered a resolution this evening on behalf of the leadership. I had thought that when it was objected to, it would go on the calendar along with other proposed legislation. I am informed that it goes on "Resolutions and Motions Over, Under the Rule."

I do not wish a Senate matter of that nature to become a part of the New Hampshire situation, so I ask unanimous consent that the resolution and my remarks pertaining to it be withdrawn.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent for the immediate consideration of that resolution.

The PRESIDING OFFICER. The clerk will report.

Mr. ALLEN. I object, Mr. President.

Mr. MANSFIELD. I ask unanimous consent that under the rule it be read twice and that it go over and be placed on the calendar.

Mr. ALLEN. I object. That is not the case with respect to a resolution. That is only the case with respect to bills.

Mr. MANSFIELD. The Senator objects to its being placed on the calendar?

Mr. ALLEN. I object.

Mr. MANSFIELD. And the Senator would much prefer to have it under "Resolutions and Motions Over, Under the Rule," at which time, it would follow four resolutions having to do with a vacancy in the office of U.S. Senator from New Hampshire for the term commencing January 3, 1975?

Mr. ALLEN. It would not take long to dispose of those, if we faced up to the issues.

Mr. MANSFIELD. Mr. President, the resolution is no longer included under "Resolution and Motions Over, Under the Rule." Is that correct?

The PRESIDING OFFICER. That was the status prior to the unanimous-consent request being made, and objection was heard.

Mr. ALLEN. I object to the immediate consideration.

Mr. MANSFIELD. So it is no longer under the heading "Resolutions and Motions Over, Under the Rule"?

Mr. ALLEN. It is.

The PRESIDING OFFICER. If the Senator now withdraws it, or has withdrawn it, it would not be.

Mr. MANSFIELD. Mr. President, I thought I had withdrawn it. Then I had made another motion, asking that it go on the calendar, and that was objected to.

The PRESIDING OFFICER. That is correct.

Mr. MANSFIELD. I did not think that brought it back under "Resolutions and Motions Over, Under the Rule."

Mr. President, again I ask unanimous consent that the resolution which I offered under the joint leadership and the majority and minority conferences, which has been placed under "Resolutions and Motions Over, Under the Rule" be withdrawn, and I hope I will be accorded that courtesy.

The PRESIDING OFFICER. Is there objection?

Mr. ALLEN. I certainly allowed the majority leader to do that a moment ago; and if he wishes to do that again, he certainly has my permission.

Mr. MANSFIELD. I do.

The PRESIDING OFFICER. Objection not being heard, the resolution is withdrawn.

POSTAL SERVICE COMPLIANCE WITH THE OCCUPATIONAL SAFETY AND HEALTH ACT

The Senate continued with the consideration of the bill (H.R. 2559) to amend title 39, United States Code, to apply to the U.S. Postal Service certain provisions of law providing for Federal agency safety programs and responsibilities, and for other purposes.

Mr. McGEE. Mr. President, I urge affirmative action on H.R. 2559, a bill reported by the Committee on Post Office and Civil Service to correct mechanisms in the pay adjustment formula for all Federal employees.

This bill would only provide that the annual pay adjustment made for the bulk of Federal employees in the general schedule and other statutory salary systems would be applied at the same time and at the same percentage rate to the salaries of those officials and employees who have received no pay raises since March of 1969.

H.R. 2559 as amended would take one step, small but substantive, toward the solution of a Federal personnel problem which has been neglected too long. It is a problem which becomes more pressing as, month by month, the Consumer Price Index mounts higher. It is a problem which demands attention now. The heart of the matter is the fact that these officials have not had a pay raise in 6 long years and more.

The salaries of the Government's key personnel, including Cabinet officers, other Presidential appointees, Members of Congress, the Federal judiciary from the Chief Justice down, and approximately 14,000 other employees covered by statutory pay systems are frozen. Most of these salaries have been frozen since March 1969.

Between March 1969, and May 1975, the Consumer Price Index rose by 47.5 percent, seriously eroding the purchasing power of the officials involved and creating a horrendous pay logjam as the compensation of statutory employees rose to the lowest sub-Cabinet level and stopped there at $36,000, creating inequities and dissatisfaction, and prompting early retirement.

By May 1975, Cabinet-level officials have lost since 1969 almost a third of the purchasing power of their 1969 salaries. A level V official, still compensated at the rate of $36,000 a year, would have to earn about $53,000 a year now, just to maintain the same standard of living he had in 1969.

Since March 1969, the salaries of statuory Federal employees not subject to the salary compression logjam have been increased under the comparability principle, more than 40 percent. During that period, non-Federal pay, constantly prodded by inflation, has increased by the same percentage amount.

Enactment of this bill is of paramount importance because it will indicate that at last Congress recognizes and is willing to deal with pay inequities which have been allowed to become more and more serious each year. H.R. 2559 is indeed a modest proposal. It does not reimburse the officials involved for the purchasing power they have lost since 1969. It makes no effort to provide a "catch up" pay increase for anybody. But it does meet what the Comptroller General of the United States has called "a critical need." And it would provide some relief to the increasing numbers of senior civil service employees in the general schedule held down by the $36,000 ceiling in effect now for 76 months.

The bill provides a new method for the annual adjustment of pay rates for each level of the executive schedule. Members of Congress, and judges and officials of the judicial branch. The adjustment would become effective whenever a comparability increase is made in the statutory pay systems, usually in October of each year. The amount of the adjustment would be equal to the percentage comparability increase, rounded to the nearest $100.

Last year the comparability increase was 5.5 percent. In 1973, the increase was 4.8 percent—modest incremental adjustments matching the increase in pay of comparable position outside of Government. Yet if the law had permitted these increases to be applicable to the top Government officials involved, a 1969 salary of $42,500 would over the years have been increased to $63,869 today.

H.R. 2559 does nothing to interfere with the mechanism by which the pay percentage adjustment is arrived at. That mechanism sets the pay of some 1.3 million statutory Federal employees whose annual payroll is $17 billion. Their pay follows the pay of similar positions in private industry in accordance with the principle of equal pay for equal work. Each spring, the Bureau of Labor Statistics conducts comparability surveys in the private sector. Data from these surveys are used as the basis for recommendations to the President for pay adjustments. By law, his proposals to the Congress become effective in October of each year unless Congress intervenes. Since 1969 there have been seven of these adjustments.

The law also provides that the President may send to Congress an alternative pay plan if he believes that a national emergency or economic conditions warrants a departure from the general comparability rule. Congress may or may not accept his alternative plan. It may, instead of accepting his plan, disapprove it. In that case, the comparability percentage derived from the BLS survey becomes effective.

It is our understanding that the President believes economic conditions this year necessitate a 5-percent ceiling on Federal pay. We do not know whether or not he will submit an alternative pay plan pegged at 5 percent; nor do we know whether or not Congress would reject such a plan and insist upon the 8.6 percent which the BLS survey indicates. In any event, this bill is totally silent on the amount of the increase, and the applicable percentage increase under this measure would be the one finally accepted by the Congress.

Mr. President, the record will show that this is not my first appearance here as an advocate of measures to break the pay-compression logjam and provide some relief for all those who have endured the long pay freeze since 1969. In midsummer of 1973, the Post Office and Civil Service Committee reported S. 1989, a bill to provide for biennial rather than quadrennial review and adjustment of top-echelon legislative, executive, and judicial pay. Inflation was rampant, and it was clear that consideration of pay every 4 years was not frequent enough. That bill was passed by the Senate but failed in the House of Representatives.

Again last year, I strongly advocated a resolution reported by the committee which would have permitted, with one exception, all pay increases proposed by the President upon the basis of the recommendation made to him by his Quadrennnial Pay Commission. The excetion was congressional pay. The committee believed that the Congress might be willing to face up to the pay-compression problem if it could escape the onus of voting itself a pay raise, however small. On March 6, 1974, however, the Senate amended the resolution to disapprove all of the President's recommendations and thus rejected the entire proposal.

Those congressional rejections are regrettable, in my opinion. Had either the 1973 or 1974 measures been enacted, it would not now be necessary for us again to seek solutions to a problem that just will not go away.

It is my hope and belief that, this year, the advocates of affirmative action on pay will be successful. We have strong allies. Senators MANSFIELD and SCOTT have written to me as Post Office and Civil Service Committee chairmen urging an early effort to lift the 6-year ban on pay increases. Their letter, advocating legislation almost identical to H.R. 2559, reads in part:

> The type of authorization [advocated] would at least serve to keep pace with the inflationary spiral from now on. It is not our intention to recommend nor do we advocate any initial lump sum adjustment to "catch up" on the more than 40 percent which has already been denied. But, henceforth, the adjustment will at least afford this group equal treatment with all other employees of the Government.

Mr. President, I ask unanimous consent that the full text of the letter from Senators MANSFIELD and SCOTT be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. McGEE. Mr. President, as ranking Republican member of the committee, Senator FONG joined me in discussing this issue with President Ford and Vice President ROCKEFELLER, who is Chairman of the President's Panel on Federal Compensation, a special pay study group appointed to review all aspects of Government pay. The President and Vice President endorse legislation to halt the erosive effect of inflation upon top-echelon Federal compensation, and the President believes that further action to bring equity in this area should await the findings of the Panel headed by the Vice President. Title II of H.R. 2559 provides the pay relief recommended by the President.

Mr. President, I ask unanimous consent that a letter from the President of the United States bearing directly on this matter be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. McGEE. Mr. President, perhaps a review of the pay-setting procedures for top echelon officials of the three branches would be in order here. Salary adjustments for these officials are provided for under the Federal Salary Act of 1967, which authorizes a Commission on Executive, Legislative, and Judicial Salaries. The Commission which is appointed every 4 years, studies and reviews the compensation of the officials affected and reports its recommendations to the President no later than January 1 of the year following the fiscal year in which the Commission is appointed to make its quadrennial review.

The President, using the recommendations of the Commission, proposes pay adjustments to the Congress in his budget message. His proposal on pay becomes effective 30 days after it is delivered unless Congress enacts a conflicting law or specifically disapproves all or part of his proposal.

The last pay adjustment provided for under the Federal Salary Act of 1967 took effect in March 1969. The most recent Commission was appointed by then President Nixon in December 1972, too late for it to conclude a review and make a report by January 1, 1973. Thus, that report was delayed a year, being submitted to Congress on February 4, 1974. The Committee considered the President's proposal and reported the resolution which I described earlier. The resolution, endorsing the raises for all officials except Congress, was defeated in the Senate on March 6, 1974.

H.R. 2559 does nothing to interfere with this present pay-setting mechanism. The quadrennial Commission will be appointed in fiscal year 1977 and will make its recommendations to the President in December of that year. Some Members of the Senate believe that H.R. 2559 does not go far enough. Some want a "catchup" pay raise. Others do not believe the yearly percentage increase provided will prove to be sufficiently high when considered in the light of the 6-year freeze. These Members I would urge to wait until 1977, when the quadrennial Commission will report, for a more substantial increase. H.R. 2559, as I have stated, now enjoys broad bipartisan support in both Houses, and the pay section of the bill is endorsed by the White House. It is my belief that attempts to liberalize the bill by amendment would imperil its chances of enactment.

Mr. President, a concluding word about the critical situation which this bill would ameliorate. The four top grades of the general schedule suffer from the $36,000 ceiling. The pay rates for GS–18 and the top step of GS–17 reached the ceiling in January 1971. With each annual comparability increase, the ceiling has progressively penetrated into the lower grades. Last October, the salaries of 14,700 employees were limited by the ceiling. A GS–18, now limited to $36,000, would now be making $46,336 if he had been allowed the comparability step increases which the law says are due him under the "equal pay for equal work" policy principle. The ceiling has now reached into grade GS–15 and the penetration into GS–14 will continue and may accelerate.

The risk of losing some of our most able career executives increases each year. More than 1,000 supergrades are eligible to retire. Approximately 300 of them become eligible in 1975. By remaining in Government, these executives are foregoing cost-of-living annuity increases they would have received if they had elected to retire. Annuities were raised almost 12 percent in 1974. In the absence of pay relief, career officials are electing to retire on annuities adjusted upward as the cost of living goes up and by accepting more remunerative positions outside Government.

Robert E. Hampton, Chairman of the Civil Service Commission, has written an extremely perceptive article, which appears in the Federal Times of July 30, 1975, describing the effect on Government of the early retirements prompted by the $36,000 ceiling. He characterizes this effect as "a danger to the continuity of effective management of Government operations." I ask unanimous consent that his article be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 3.)

Mr. McGEE. Mr. President, I ask unanimous consent that a comparison of executive compensation in the largest private enterprise firms and the Federal Government be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 4.)

Mr. McGEE. Mr. President, we are told that recruitment and retention at the sub-Cabinet level is becoming increasingly difficult because the compensation offered by the executive schedule compares so unfavorably with pay outside Government. These are the officials who effectuate Federal policy as established by the Congress and by the President. The country needs top level men and women in these positions, and we must pay them adequately.

The pay of Federal judges—men and women who stand as the central figure in the administration of justice in this country—is encouraging more resignations now than at any time in our history. In the judicial branch, top classified employees as well as judges are frozen in their present salaries. Referees in bankruptcy, U.S. magistrates, clerks of court, and probation officers who are at the top of their grades can no longer receive increases in salary as long as the district judge's salary remains static. New law school graduates this year are being employed at a starting salary of $20,000 by law firms in big cities, while a district judge's salary is pegged at $40,000.

Since 1969, the salaries of State chief judges have increased 44.2 percent. Until recently, Federal judicial salaries have been higher than top salaries in almost all State systems, but that pattern is changing. In 1969, only one State, New York, paid its judges more than a U.S. district judge. Now 20 States pay their judges at rates equal to or more than Federal district court judges are paid.

Enactment of H.R. 2559 would mark a vital first step in correcting these inequities.

Mr. President, the pay provisions I have described appear as title II of H.R.

2559. Title I of that measure brings the Postal Service under the provisions of the Occupational Safety and Health Act, so that the Postmaster General would be required by law to maintain an effective and comprehensive safety and health program for the Postal Service. The Postal Service now complies with that act under its agreement with the national postal unions. The committee believes the safety program of the Postal Service would be improved if compliance were required as a matter of law. I urge favorable consideration of H.R. 2559.

I yield the floor, Mr. President.

In a moment some questions will be raised, but I think Senator Fong, the ranking minority member, should take some time now, and then we will answer questions.

EXHIBIT 1

U.S. Senate,
Office of the Majority Leader,
Washington, D.C., June 11, 1975.
Hon. Gale W. McGee,
Chairman, Committee on Post Office and Civil Service, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: The almost daily reminders of the inflation brings to our attention, once again, the group of officials in the Federal Government who have had their salaries frozen, effective March 1, 1969, for a period of more than six years. In very simple terms, this means that the pay of these positions has been cut 42.98% in terms of purchasing power since that is the amount of pay increases that have been authorized for Government employees since March 1, 1969. This is an average reduction of more than 7% each year.

The Comptroller General of the United States in his report to Congress, dated February 25, 1975, relative to the subject of the critical need for a better system for adjusting salaries of higher Federal officials, including judges and Members of Congress, stated that anyone at a salary of $36,000 on March 1, 1969 had a purchasing power in December, 1974 of $27,600 and without relief, this would drop to $24,200 by January 1977.

Just recently, a local newspaper reported that the possibility of another automatic pay adjustment as high as 10% for Government employees on October 1, 1975 is very likely. If this occurs, it would then mean a total of at least 53% rise in salary increases covering eight separate adjustments in a period of six and one-half years. It would average out to an increase of at least 8% per year. This would create an even greater loss to the small segment of officials of the Federal service who are excluded from the pay adjustments.

It is also generally recognized that many officials and employees in positions of high responsibility are prematurely retiring because of the limitation on the salary of their positions. We cannot overlook the fact that a principal reason for early departure from Government service, in all probability, is the salary freeze.

Along with judges, higher executives of agencies, some Members of the Congress have also expressed themselves on this subject. Those with young families and little or no income other than their salary are experiencing the same financial pinch. The obligations of a Member of Congress are in many respects, more demanding than anyone else in Government service. As for others, the President of the United States on his 1975 budget message containing recommendations for executive, legislative and judicial salary adjustments stated that a very serious and adverse effect has occurred in the areas of recruiting, retention, and incentive for advancement throughout the Federal service.

Therefore, it is our joint recommendation that this matter be dealt with in a straightforward fashion and that legislation be presented to the Congress that would extend the same cost of living percentage increase for the positions listed on the attached schedule as is provided for employees of the Government generally.

In our judgment, the legislation should be handled with dispatch so that the authorization for the heretofore excluded positions will be included in the next cost of living increase which is scheduled to go into effect October 1, 1975.

This type of authorization would at least serve to keep pace with the inflationary spiral from now on. It is not our intention to recommend nor do we advocate any initial lump sum adjustment to "catch up" on the more than 40% which has already been denied. But, henceforth, the adjustment will at least afford this group equal treatment with all other employees of the Government.

We attach herewith proposed legislation to accomplish this recommendation and suggest that you and Senator Fong, the ranking Minority Member of your Committee, meet and discuss with Senator Ernest Hollings, Chairman, and Senator Richard Schweiker, ranking Minority Member of the Subcommittee on Legislative Appropriations of the Committee on Appropriations, the most expeditious and best possible legislative vehicle for early enactment.

For your information, we are also addressing a letter to Senator Hollings with the same suggestion for a meeting and discussion of our recommendation with you and Senator Fong.

With best wishes, we are
Sincerely yours,
Hugh Scott, *Republican Leader.*
Mike Mansfield, *Majority Leader.*

Enclosure.

THE IMPACT OF THE $36,000 SALARY LIMITATION

The Civil Service Commission has been gathering data from agencies on the effect the $36,000 limitation on pay is having on the executive branch's efforts to recruit and retain a high-quality managerial and professional workforce.

The data reveals that almost all agencies are faced with similar problems. Hundreds of the Federal Government's most valuable officials are quitting their jobs or retiring early because of the $36,000 salary limitation. The result is that many key positions are being left vacant and important services performed by the Government are beginning to suffer. The growing size of the problem is shown by these official figures: The rate of resignations among professional employees has doubled since 1970. Retirements increased by 50 percent in the single year from 1973 to 1974. Early retirements of executives are plaguing many Government agencies. The Internal Revenue Service reports, for example, the average age of its retirees has gone from 62.4 years in 1969 to 56 years currently.

Many critical and important jobs are going unfilled for months. For example: The position of chief actuary of the entire Social Security system has been vacant for 15 months. The GS–18 position of Director of the National Institute on Aging at the National Institutes of Health has been vacant since it was established in May 1974. The positions of Program Director for Chemotherapy and Program Director for Cancer Centers in the National Cancer Institute have been vacant for months. Only three out of 15 vacant positions (due to early retirement) of administrative law judges have been filled at the National Labor Relations Board. The list goes on and on. In all cases it is clear that the $36,000 salary limitation is a major reason why positions requiring outstanding qualifications and capabilities, in addition to the assumption of awsome responsibilities, are so difficult to fill.

Another aspect of the problem involved the refusal of key employees to move into positions of greater responsibility. Aside from the assuming of greater responsibilities at no increase in salary, it also generally involved moving to a different part of the country, uprooting of family and in addition bearing the expense that moves generally entail. Even the most dedicated employees must consider this very carefully. For example: The Project Manager for the Apollo Soyuz Test Project refused the Directorship of the Kennedy Space Center, indicating that he could not afford to absorb the cost of moving his family to Florida. At the National Weather Service, a GS–16 employee declined a promotion to the GS–17 position of Associate Director for Systems Development. At the Department of Transportation a GS–17 Regional Director refused reassignment to the position of Associate Administrator for Airports since it would involve moving to Washington, bearing the cost of the move and the disadvantage of living in a high-cost area without any additional compensation. Once again, the examples cited are just a very small fraction of an ever-growing list.

Perhaps the greatest impact of the $36,000 limitation is felt when attempting to attract outstanding candidates from the private sector to fill top level vacancies. This is especially true in the legal, medical and scientific areas. Applicants who are curious enough to apply, or who are solicited because they are currently in similar positions in the private sector, are quickly turned off by the $36,000 salary or with the prospect that it represents the end of the road as far as salary is concerned. In most cases, these people are already making far more money in their current jobs.

The general higher level of compensation in the private sector for positions similar in nature and scope of the executive levels in government not only serves as a barrier for halting the flow of executive level types from industry into the government, but at the same time serves as a gateway for government executives to leave government employment for the greener pastures of private enterprise. At the Commerce Department, the Chief Economist of the Bureau of Economic Analysis, GS–16, resigned to take a higher-paying position in private enterprise. At the National Cancer Institute the Clinical Director resigned to accept a higher-paying position at a University. At the Justice Department, a Supervisory Trial Attorney at the GS–16 level resigned to accept a position in private industry at a substantially increased salary. At the Department of Agriculture, the GS–17 Director of Automated Data Systems resigned to take a $70,000 position in private industry.

At the same time, at HEW, a candidate rejected the GS–18 position of Director of the Office of Child Development because she was currently making $50,000 in private industry. At the Department of Interior, a candidate declined the position of Deputy Assistant Secretary for Energy and Minerals to accept a position with a consulting firm paying over $50,000. At the Commerce Department, a candidate declined appointment to a GS–16 Associate General Counsel position to accept a position paying $50,000. At the Small Business Administration, a candidate declined the position of Associate Administrator for Finance and Investment because it would involve a loss of $14,000 of his current salary in the private sector.

The Civil Service Commission itself has been hit by premature retirements among its top staff. Many of these key persons retired within months after becoming eligible for retirement. For example: An Executive Director at age 55, A Deputy Executive Director at age 57, a General Counsel, age 55, An Assistant Executive Director, age 55, A Regional Director, 55, Two Bureau Directors, 55 and 56, and two Deputy Bureau Directors at 55. These executives had valuable experience and skills and the ability to render additional valuable service for perhaps five or ten more years. Many of them, in fact, are still working full-time outside of the Federal service.

It is apparent that if the situation remains static, that is, if the $36,000 limitation remains and at the same time the level of compensation in the private sector remain free to adjust in an open market, we are sure to see the problems of attracting and retaining quality executives become even more pronounced.

Exhibit 2

The White House,
Washington, July 26, 1975.

Hon. Nelson A. Rockefeller,
President of the Senate,
Washington, D.C.

Dear Mr. President: As you are aware from discussions we have had over the past few months, a serious problem has been developing in the recruitment and retention of senior-level executives and judges in the Federal Government.

This problem has now reached the critical stage. Essentially, it stems from the fact that there has been no pay raise for executive level managers or judges for six years. As a result:

Notwithstanding the clear intent of our Federal pay system that the varying levels of responsibility should be reflected in salaries, we now have a situation where some 15,000 employees in top grades (Executive Level V, GS–18, GS–17, GS–16 and even GS–15) all receive the same pay. The reason is that, as employees have received pay increases over the past six years, more and more of them come up against the six-year-old statutory pay ceiling of Executive Level V.

More than 20 percent of the Government's top officials are either quitting their jobs or retiring early. From 1969 to the present, the rate of executive resignations and retirements has more than doubled. In fact, employees whose salaries are frozen are retiring early at three times the rate of all Government employees, mostly in the 55–59 age range, depriving the Government of five or ten years of additional service by these experienced workers.

Several dozen of the Government's top posts are unfilled at this time simply because many of the executives we want to bring into Federal Service cannot, in fairness to their families, accept the huge cut in compensation that would be involved.

Key Government officials are turning down offers to move into Federal positions of greater responsibility in new localities. They cannot afford to uproot their families and bear the expense of moving at no increase in salary. There are hundreds of instances of this problem.

Since March, 1969, when pay for upper echelon Federal employees was last adjusted, the salaries of those *not* subject to the freeze have risen 50 percent. During this same period, a rise in the cost of living of 47.5 percent has reduced the purchasing power of those with frozen salaries by nearly one-third.

The same problem applies to the judicial and legislative branches. The Chief Justice advises me that as a result of such frozen compensation schedules, a number of Federal judges have left the bench to return to private law practice and many others are planning to do so.

While the salaries fixed in 1969 quite understandably seem more than adequate to many, we must face the fact that such salaries are today far out of line with comparable salaries in the private sector—and indeed in a growing number of State and local governments—for skilled, experienced administrators, senior professionals and judges. Actually, executive pay in the private sector and earnings of private attorneys have both increased by about 44 percent since 1969.

The Civil Service Commission has conducted an extensive survey and I am enclosing a summary of its report which contains specifics on this problem. I urge you to read it.

As you know, the Senate Civil Service Committee has reported out H.R. 2559 to extend to employees of the Executive, Judicial and Legislative branches whose pay has been frozen so long, increases commensurate with those granted to other employees whose salaries are not frozen.

This statutory change will not result in any "catch-up" for the last six years and will not solve all of the inequities we now have. But I feel we must move at once in this direction. I consider H.R. 2559 as a vital first step. Further action to solve the problem will be addressed by the Panel on Federal Compensation which I established recently and by the next Quadrennial Commission on Executive, Legislative and Judicial salaries.

The added cost of the compensation adjustments of H.R. 2559 will come to a fraction of one percent of the Federal payroll. In my judgment, this action is essential if we are to recruit and retain qualified and competent senior-level people to conduct our Government's business. I, therefore, urge the Congress to enact this bill promptly.

Sincerely,

Gerald R. Ford.

Exhibit 3

[From the Federal Times, July 30, 1975]

The Ceiling on Salaries Is Hurting Nation

(By Robert E. Hampton)

The freeze on executive salaries is becoming an absurdity—and a danger to the continuity of effective management of government operations.

Competent career managers, at the peak of their performance, are finding it financially more rewarding to retire than to continue working. And each time one leaves, government and the people are losing invaluable leadership and management know-how which simply cannot be spared.

To be very personal about it, my agency, the Civil Service Commission, can't stand much more of the brain drain that has been occurring in recent months.

We pride ourselves on thinking and planning ahead, and on developing the managers we will need in the future. But enough is enough! Since last December, we have lost or are in the process of losing:

An extremely able executive director, at the age of 55.

A distinguished deputy executive director, at the age of 57.

A general counsel who has excelled in numerous areas of personnel law, individual rights, freedom of information, and privacy, at the age of 55.

An assistant executive director who has done more for equal employment opportunity than anyone I know, at age 55.

A top-notch regional director in Philadelphia, at the age of 55.

Each of these executives has the know-how, the skill, the experience, and the intellect that we need, very badly, for another five to ten years.

Yet we lost them, and as I will point out later, our experience in this one small agency is typical of the tragedy that is occurring throughout the federal government.

What is the problem that is leading to this exodus of talent? It is a two-bladed saw that is ripping both ways. One blade is an executive pay law that has failed to meet expectations. The other blade is inflation itself. And while the executive pay law has proved to be a failure another law designed to protect federal pensioners against the ravages of inflation is working exactly as it was intended. The irony is that while the well-intended, completely justifiable and proper law for keeping annuities abreast of inflation is working well for pensioners, it is serving as an unintended and completely undesirable magnet to draw frozen-salaried executives away from active service at the prime of their working lives.

Government's highest level executives, in what we call the Executive Schedule, ranging from Level I (members of the Cabinet) through Level V (our executive director) have not had a pay adjustment since early 1969, even though executive pay adjustments are supposed to be made every four years. During that time, salaries for top executives in the private sector have increased by 44 percent.

The salary at Executive Level V, now $36,000, establishes a ceiling for career executives because there is a statute which says that a civil servant's pay may not exceed the pay of a Level V executive.

Under the law that provides annual pay adjustments for general schedule workers and others who are linked to the general schedule, all GS–18's and a few GS–17's bumped their heads against the salary ceiling in January 1971.

As pay adjustments have been made annually for civil servants, more and more GS employees have hit the ceiling. At present, there are 15,000 members of the "Asterisk Club," so named because the rates of pay they should be receiving under comparability with private industry are indicated by asterisks on pay tables, with a footnote indicating their actual earnings are limited to $36,000.

While the freeze already affects many GS–15's in the upper three steps of the grade, the asterisk is expected to cover still more GS–15's and even some GS–14's when the October 1975 pay adjustment is made. This will increase the membership in the Asterisk Club to something in excess of 20,000 persons.

Frozen salaries for this critical group of people impact on the individual in two ways—erosion of purchasing power and reduction of computed annuity.

In a study sent to Congress on February 25, the Comptroller General reported that the 1969 salary of $60,000 for a cabinet member had been eroded by inflation to a purchasing power of $41,700 as of last December, and that it will have been reduced to $36,570 by January 1977. At Level V, the $36,000 salary established in 1969 had dwindled in purchasing power to $25,020 in December of 1974 and was headed for $21,942 in 1977. The GS–18's salary of $36,000, established in January 1971, nearly two years after Level V, had decreased in purchasing power to $27,600 in 1974 and will decrease to about $24,200 by January 1977.

And here is how a salary freeze affects the individual's retirement: Civil service pensions are computed under a complex formula that keys primarily on highest annual salary averaged over three consecutive years, and on length of service. The employee whose salary is frozen does not receive any pay raises, any "step increases," or any monetary benefit from promotions, for the salary is the same from the top of grade 15 through Level V.

Thus, with no dollar increases to improve his or her earnings, the only advantage in remaining on active duty is that the pension is increased two percent for each year the employee continues to serve. In other words, only one of the computation cylinders is working.

Having established the adverse impact of frozen salaries upon purchasing power and pension computations, now let us turn to that feature of the retirement law which permits increases in pensions every time the Consumer Price Index increases by three or more percent.

Since June of 1971, this law has provided pension increases of 4.5 percent, 4.8, 6.1, 5.5, 6.4, 7.3, and to become effective August 1, another 5.1 percent increase in pensions.

With pension increases of 10 percent or more per year, coupled with salaries which have been frozen for as long as six and a half years, we now have five Executive Branch annuitants who retired in 1971 and 1972 at earnings of $36,000 per year who are drawing more in annuity than they would be drawing in salary if still employed!

Perhaps the greatest tragedy of it all is the age at which salary frozen executives are retiring. A recent commission study showed that the retirement rate for frozen-salary executives in the 55–59 age bracket was three times the normal rate for employees in that age group.

As salary-frozen executives leave government through early retirement or through resignations to take higher paying jobs in the private sector, their agencies are experiencing great difficulty in obtaining top-quality replacements.

Some agencies have reported that career executives in the field, already frozen at lower grades, have declined reassignments to higher-graded but not higher-paying jobs in Washington, because they felt the move would result in a pay cut, in the form of higher living costs, rather than a pay raise for assuming greater responsibility.

By the same token, critical jobs in government have gone unfilled because private sector executives drawing far more money have been unwilling or unable to take a major cut in salary to come into government, even though they were strongly motivated toward public service.

Difficulties in recruiting and retaining high-caliber executives is measurable, but the effect of lost managerial talent on the quality of government is more difficult to quantify.

An official in the Office of Management and Budget nailed one dimension of it when he said the manager of a billion-dollar operation, managing at only 98 percent of capacity, conceivably could cost the taxpayers two percent of a billion dollars or $20 million in the course of a year.

The director of the National Cancer Institute would have more difficulty in measuring the cost of missing research scientists, but in my view the cost would be profound.

To me, the cost is a more personal thing, for it grieves me to the very roots to see valuable employees, like those I identified earlier, leave the government at the prime of their lives. I'd be thrilled to know that I would not receive another invitation to a retirement party in the next two years, for I have said farewell to altogether too many able people in recent years. And I believe I am expressing the sentiments of every agency head in the government when I say this.

What we need is relief from an arbitrary salary ceiling on top executives, which in and of itself establishes a companion ceiling on career managers. Not just a one-time, Band-Aid type of remedy, but an enduring procedure which will insure that the present conditions of salary compression do not recur.

Exhibit 4

Comparison of Executive Compensation in Largest Private Enterprise Firms and the Federal Government

(Source: private enterprise compensation data drawn from Business Week/Peat, Marwick, and Mitchell study published in May 12, 1975, issue of Business Week)

The heads of nine of the Nation's largest banks receive compensation (salaries plus bonuses) averaging $277,000, while the Secretary of the Treasury receives $60,000, the Chairman of the Board of Governors of the Federal Reserve receives $42,500, and the Comptroller of the Currency receives $40,000.

The heads of three of the Nation's largest wood products firms receive compensation averaging $249,000, and the heads of five of the largest paper companies average $316,000. The head of the U.S. Forest Service receives $36,000.

The heads of nine of the largest food product companies in the country receive compensation averaging $294,000, while the Secretary of Agriculture receives $60,000.

The heads of three of the country's large retail store chains receive an average of $311,000, while the General Services Administration's Commissioner of the Federal Supply Service receives $36,000.

The heads of five of the country's largest airlines receive an average of $239,000 in compensation, and the heads of four large railroads receive an average of $309,000. The Secretary of Transportation receives $60,000, the Administrator of the Federal Aviation Administration receives $42,500, and the Administrator of the Federal Railroad Administration receives $40,000. The Chairmen of the Civil Aeronautics Board and the Interstate Commerce Commission each receive $40,000.

The heads of eight of the country's large power companies receive compensation averaging $188,000. The Chairman of the Federal Power Commission receives $40,000, as does the Chairman of the Board of Directors of the Tennessee Valley Authority. The Administrator of the Bonneville Power Administration receives $36,000.

The heads of twelve of the country's largest oil companies receive average compensation of $429,000. The Administrator of the Federal Energy Administration receives $42,500.

The heads of five of the country's largest communications companies receive compensation averaging $441,000. The Chairman of the Federal Communications Commission receives $40,000.

The heads of five of the largest aircraft manufacturing companies receive an average of $348,000, and the heads of the four major automobile makers average $292,000. The heads of the seven largest steel companies average $337,000. The Secretary of Defense receives $60,000.

The heads of four of the Nation's large publishing companies receive average compensation of $238,000. The Public Printer of the United States receives $40,000.

The heads of six of the Nation's largest mining companies receive average compensation of $316,000. The Secretary of the Interior receives $60,000, and the Director of the Bureau of Mines receives $36,000.

Mr. **FONG**. Mr. President, title I of H.R. 2559 brings the Postal Service under the Occupational Safety and Health Act of 1970. The Postal Service is presently complying with that act.

Title II was added by the Senate Post Office and Civil Service Committee as an amendment to H.R. 2559 in order to provide a new method for the annual adjustment of pay rates for each level of the executive schedule, Members of Congress, and judges and officials of the judicial branch.

The adjustment would become effective whenever a comparability adjustment is made in the statutory pay system, usually in October of each year. On October 1 last year, the increase was 5.5 percent. This year, the increase is expected to be between 8 and 9 percent.

Mr. President, the time has come when we must take action to bring relief to hard-pressed Federal officials in the upper echelons whose salaries have been frozen since March 1969.

The salary rates that are now in effect for the Government's leaders were last adjusted more than 6 years ago.

Since then, the cost of living has risen 48 percent. Salaries for top management in private enterprise have gone up over 44 percent. Pay rates for the Government's lower level general schedule employees have gone up more than 50 percent, following wage movements for comparable workers in private enterprise.

Despite all these increases in the cost of living and in pay rates throughout the rest of the economy, the salaries of senior Federal officials have remained frozen at their 1969 level.

This salary freeze has been doubly unfair, for it has been unfair not only to the affected 17,000 public servants—the great majority of them career employees—but it is also unfair to the rest of the Nation's citizens, for it is rapidly eroding the great store of skills and talents our country has developed in its corps of senior public servants.

The Government as an employer does not operate in a vacuum. We must compete for talent with other employers in the economy. Some may say that there are many people who would leap at the chance for a $36,000 salary, and that is certainly true, but we are not talking about jobs that just anyone can fill. There is a tremendous scarcity of skilled, experienced administrators and senior professionals in this country today, and whether we like it or not, these people are going to work for those employers who will appreciate and reward their skills and abilities.

Last year, the Civil Service Commission made a survey of private industry pay for work equivalent to the Government's supergrades. That survey showed that private industry, a year ago, was paying an average of $45,146 for GS–16 work, $56,011 for GS–17 work, and $71,076 for GS–18 work. Today these salaries would be 8 to 10 percent higher, yet the Government pays only $36,000 for each of these levels of responsibility.

With this kind of disparity between Government and private industry pay rates, is it any wonder that the agencies are having more and more trouble attracting qualified managers and professionals? We may not feel that the Government can, or should, fully match private enterprise pay at the executive levels, but how great a financial sacrifice can we expect talented individuals to make in order to come to work for the Government?

The General Accounting Office compiled a major study of the executive pay problem in February of this year. In that report, the Comptroller General pointed out case after case where outstanding candidates refused Government positions because they could not afford the drastic salary cuts they would have had to take. And many of these cases were not even private industry executives—they were university faculty members or officials of State or local government.

The Comptroller General is deeply concerned that our inability to compete for skilled managers is making it increasingly difficult for the Government to administer its programs economically and efficiently. I think we all have to share this concern.

On top of our inability to compete in the labor market for qualified managers and professionals from outside the Government, we are losing at an increasing rate those trained senior career civil servants we now have. It is certainly easy to understand why the Government's managers and professionals feel frustrated and even embittered by the executive pay freeze.

A 1969 salary of $36,000 is only worth $24,200 in constant dollars today. This means that a 1969 $36,000 employee who has not had a salary increase since then has had a one-third reduction in his purchasing power and in his standard of living, and he is helpless to do anything about it—unless he leaves the Government and takes a job outside.

Another aspect of this problem is the impact of salary compression. Salary compression is what happens when there are employees in two or more levels of an organization—a chief and his deputy, for example—receiving the same salary.

In the executive branch, we now have five levels—GS-15, GS-16, GS-17, GS-18, and executive level V—all at the same pay rate of $36,000. And with the next Federal pay raise this October, salary compression may even reach down into GS-14.

This salary compression problem is resulting in agencies having trouble filling their key jobs, even from within, because they cannot give a pay increase of a single dollar, despite the tremendously increased duties and responsibilities that are involved in promotions at these levels. Even worse are the problems when an agency wants one of its executives to relocate, yet cannot offer a pay increase to offset the many costs of moving.

This executive pay freeze problem is resulting in the early retirement of many of the Government's most capable executives. Under the civil service retirement law, annuities are increated as the cost-of-living increases. However, these annuity increases go only to those who are actually on the annuity rolls, or who retire before the next cost-of-living increase.

This results in a situation where some employees who remain in the service can end up with smaller annuities than they would have had if they had retired earlier. This problem is particularly bad in the case of frozen salary employees, since these employees have not been benefiting from the normal increase in their high 3 years of basic pay, one of the factors in the computation of their annuities.

These frozen salary employees see their potential annuities rapidly falling behind the annuities of those who have already retired. At the present time, there are five former employees on the annuity rolls who retired several years ago from $36,000 positions and are now receiving annuities of more than $36,000.

Faced with this problem of their future economic security, the Government's executives are retiring at an ever-increasing rate. Frozen-salary employees are retiring at almost three times the normal rate, with the highest rate being among those 55 to 59 years of age, the youngest retirement eligibles, who still have a number of valuable years ahead of them.

This executive pay problem has been getting worse and worse for several years, and has now reached a point where we are going to see a disastrous decline in the quality of Federal management, when the agencies can neither hire new managers nor keep the ones they have.

The only solution to this problem is a pay raise for Federal managers and professionals. These people have suffered long enough from congressional inaction, and the time has come when we must act, despite the controversy that may ensue.

In order to provide the proper level of pay for the Government's top managers and professionals, true comparability should be restored. The executive schedule should be adjusted upward to eliminate the compression of the general schedule supergrades. And legislative and judicial salaries should be raised accordingly. We will never solve this problem until we adjust the top salaries adequately. This bill before us will not accomplish this.

I realize there is a reluctance to make a major effort at this time to adjust the top level salaries, even though such adjustment is long overdue and even though simple justice and equity demand such adjustments.

Speaking for myself, I am disappointed and distressed that we are not moving more actively to try to bring proper relief to the Federal managers and professionals. In acting on the bill before us today, we are taking only a limited—though necessary—step forward to ease the pressure on the upper echelon officials who have been denied any pay increase for such a long period of time. It is far from an adequate solution, but it is the only step which appears to have a reasonable chance of being enacted into law at this time.

I call upon my colleagues to join in speedily approving the bill before us. If enacted, the measure would provide the same percentage pay increase to the Government's top officials as the white collar employees below them and members of the military. Of course, the increase would be far from sufficient to bring it to the level where it should be. It would only help to prevent their pay scale from becoming more distorted and their financial standing from deteriorating further.

Let us act swiftly and decisively to bring this small measure of relief to the hard-pressed executives of our Government. Let us act to show our appreciation for their valuable services. Let us not allow them to be denied even the very limited help they would receive under the bill before us.

Mr. HARRY F. BYRD, JR. Mr. President, the pending legislation and the committee report have this title: "Postal Service Compliance With the Occupational Safety and Health Act." Mr. President, that is a very small part of this total piece of legislation. I think it is unfortunate that the major part of this legislation is not identified at all, insofar as the title of either the committee report or the act is concerned. The major part of this legislation deals with the salaries of the Vice President of the United States, the Federal judges, the Members of the Senate and the House of Representatives, and the supergrades in the executive branch of Government.

It occurs to me that the public would have more confidence in Congress if we would handle these salary matters in a more forthright way. Yet they are buried in an entirely extraneous piece of legislation dealing with the Postal Service compliance with the Occupational Safety and Health Act.

As a matter of fact, Mr. President, there is no need for the legislation putting the Postal Service under the Occupational Safety and Health Act. I have no objection to it but there is no need to do that, as page 3 of the report points out. In a letter signed by W. Allen Sanders, Assistant General Counsel, Legislative Division of the U.S. Postal Service, the last paragraph of the letter says this:

> Since the Postal Service already necessarily complies fully with section 19 of OSHA, we see no need for, but have no objection to, legislation proposed by H.R. 2559 to make that compliance a specific requirement of title 39.

Mr. President, that is the feeling of the Senator from Virginia. It is perfectly satisfactory to pass this legislation in regard to putting the Postal Service under the Occupational Safety and Health Act, but it is of no consequence either way because the Postal Service is already complying.

That dramatizes, to my mind, that the real purpose of this bill is something entirely different, namely, to put under the cost-of-living increases the supergrade levels of the executive branch, all of the Federal judges, the Vice President, and all of the Members of the Congress of the United States.

This is coming at a time when just today the Government announced that the deficit for the past fiscal year, which ended this past June 30, was the highest deficit the Government has had in 30 years. The deficit approached—was in round figures—$45 billion. The estimate for the current fiscal year is $70 billion.

I think there is a matter of policy involved in this legislation. Is it wise to make applicable the cost-of-living increases to the Members of Congress?

The **PRESIDING OFFICER** (Mr. PHILIP A. HART). The 5 minutes available have expired.

Mr. McGEE. I ask unanimous consent that the Senator have another 4 minutes.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. What this tends to do is this insulates Congress against inflation. And yet, in my judgment, Congress is the major cause of the inflation we are facing today. Congress is the major factor in this because it is Congress that has created these huge Government deficits, and the Government deficits are the major cause of the inflation.

So I am very doubtful about the principle of putting Congress under this automatic cost-of-living increase. The Members of Congress then will be, insofar as they are personally concerned, insulated from inflation because every time inflation goes up their salaries automatically will go up also.

I am not certain of the exact figures, but my recollection and understanding are that of all the laboring people of this country only about 15 percent are involved in the cost-of-living increase. In other words, only about 15 percent of all the working people have available to them an automatic increase in their own salaries whenever the cost-of-living goes up.

So I think it unfortunate that a matter of this importance is buried in a bill dealing with an entirely different subject.

I am glad the Senate will not vote on this measure tonight. I think it would be a great mistake to bring it up and immediately bring it to a vote, but that will not be done. I think it is certainly an appropriate procedure that it not be done.

I say again I have grave doubts about the aspect of the bill which puts Congress under, gives to Congress an automatic increase in the cost-of-living whenever another Federal agency, under the chairmanship of the Vice President, asserts that the cost of living has gone up x percent. It insulates Congress against the inflationary pressures, and yet it is Congress, in my judgment, which is the major factor in causing the inflation.

Mr. McGEE. Mr. President, what is the time situation on the earlier allotment of time?

The PRESIDING OFFICER. The Senator from Wyoming has 2 minutes; the Senator from Alabama, 20.

Mr. McGEE. Mr. President, I yield myself 2 minutes.

Mr. President, I want to say to my friend from Virginia in the order in which he brought up the questions that he legitimately raises, first of all, H.R. 2559 is a very legitimate piece of legislation, as he knows best of all, for the reason that our problem with the executive branch often is that what the branch chooses to give on Tuesday they can take away a year from Tuesday or a week from Tuesday.

We wanted to make sure that the intent of Congress was clear on this. We had another bill up today involving the Bureau of the Census in which this same issue was at stake, in which they make available data on the growth matters that affect communities that are dependent upon or having as part of their budgetary problem revenue sharing, and they do it now. But every once in a while they lapse and do not do it, and it is not very helpful to the communities. So we simply wanted to make sure in this piece of legislation the intent of Congress was abundantly clear.

Now the Senator's second question is why did you put this complicated little amendment involving, cluing, Congress and the judiciary and the executive branches, and so on, into the comparability procedures under the already existing salary laws of the country.

The answer is very simple, Mr. President. There is no deviousness here, and I think my colleague may be being unfair to the committee.

We did not choose the device of going through allowances or deductions or other various ways that legislators of the past have indulged in.

We laid it out exactly like it is, with no subterfuge. The catch is that at the time we finally arrived at an agreed procedure with the President and the House and the Chief Justice, by that time we were already locked in an impasse here in this body so that the origination of a bill with this title was no longer a matter of feasibility.

Mr. President, I ask unanimous consent that I may have 2 more minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McGEE. Therefore, the only way in a parliamentary sense that we could attempt it, with the leadership on both sides and the time schedule the Senate had allotted for it, was to attach it to a noncontroversial bill so far as the two Houses of Congress were concerned in order to bring it publicly before this body, and I stress publicly. It was released over the weekend as soon as the committee was able to clear it by its own judgment. The report was filed, and it has been filed since Friday, and it is a matter of public knowledge since the filing of the report.

So I hope that my good friend from Virginia would at least give us the credit of trying to be forthright about it and yet trying to abide by the parliamentary procedures that are available at this stage in this particular phase of the session.

Having said those two things, Mr. President, I would only add that my colleagues here, I think, are not unmindful of the inflationary forces in the land and that has no validity or connection or relationship to whatever may be happening to the budget.

The members of the three groups I have just described have not received any cost-of-living adjustment, or anything else, since 1969, and by all measures the Consumer Price Index is now 47.5 percent higher, and the salary that the higher echelon people are receiving is now compressed, as it is in the supergrades, to the same level of the employees over which they preside.

We are trying to make some equitable adjustments there for the future, so it does not get into that bind again. The legislative branch is in the same kind of boat.

It would not have happened that way if we had been looking ahead to this prospect of double-digit inflation when we made past salary efforts that were constructive and ongoing by all standards that exist in most private sectors of industry. We just left out the inflationary factor.

We do not strike in these bodies and never will, must not, should not, but of all other forms of labor, with all due respect to the Senator's figure, about the only group left in this country that have had no commensurate adjustment in the cost of living are the three groups mentioned here.

To be sure, this would put them under the heading that would make them subject to the estimates given the President automatically on an annual basis, but those fluctuate and there will come that time, I presume, when the economy will level off. Everybody takes his chance.

But do not say of this body that they are unmindful of the inflationary forces at loose in the land, those forces are very considerable and many Members of this body can attest to that.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. McGEE. This is one of the constructive reforms in the mechanism that is designed for nothing else. There is no attempt to restructure salary schedules and that sort of thing.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Under the order, the Senator from Alabama is recognized.

Mr. ALLEN. I thank the Chair.

Mr. President, I oppose this bill as a whole and I oppose it insofar as it grants an increase in salary to the Members of Congress, House and Senate.

I have been impressed, Mr. President, since coming to the Senate that there seems to be a tendency on the part of Members of Congress to avoid, whenever possible, the taking of a stand and a direct vote on a salary increase.

I came to the Senate in 1969. In 1967, I believe under the sponsorship of Mr. UDALL, over in the House, this Federal Salary Commission was set up that provided that this Commission would set the salaries and turn it over to the President. He could grant that, or suggest that raise, or cut it down and then submit it to the Congress, and Congress, one House or the other, had to veto the raise or it would go into effect.

Ever since that time, those who are pushing for a raise for Members of Congress have sought to avoid an up-and-down vote on a salary raise.

I want to express my admiration for the distinguished Senator from Wyoming (Mr. McGEE) and to express my appreciation to him for advising me that this bill was going to be brought up and the nature of the amendment that is contained in the bill, he knowing that I have been opposed to the salary raises for Members of the Congress.

If the Congress wants to raise the salary of its Members, they have a perfect right to pass a statute to that effect. That is the last thing they want to do. They want to, more or less, come in the back door, and I do not believe that we should follow this around.

I do not believe at a time when inflation is abroad in the land, when the savings of our people are being eroded by inflation, when the wages and salaries of our people are being eroded through inflation, that now is the time under this device, shall I say—we have had device mentioned a whole lot in recent debate—but under this device to provide for annual increases in salary for the Members of Congress.

Another thought occurs to me, and the distinguished Senator from Virginia came very near suggesting it, he suggested that Congress would have a builtin insulation or cushion against inflation.

I am thinking, too, that if they are lumped in with the rest of the Federal employees and the President refuses to allow the full amount of the raise, if the cost of living goes up 10 percent and the President sets it at 5 percent and submits it to Congress, Congress, it would seem to me, would have a conflict of interest in this regard because they would, if I understand the procedure correctly, and if I do not I am sure the distinguished Senator from Wyoming will correct me, but as I would understand that procedure, the Congress would have a right to say whether the full amount of the raise went into effect or only the part that the President assessed.

So I would think that would set up a conflict of interest on the part of the Congress, having an interest in this raise that all the Federal employees would be getting, and they would be more inclined, it would seem to the Senator from Alabama, to vote for a full increase inasmuch as they would participate in it, and it might not be in the best interests of the country to grant the entire raise.

I do not believe that we would be acting in the best interests of the image of Congress at this time of recession and inflation to rush in and set up a builtin annual salary increase for Members of Congress.

Another aspect of the whole bill which occurs to me is that it is all out of line, these salaries, in that, for instance, the Chairman of the Board of Governors of the Federal Reserve System, possibly the most powerful man in the country, certainly over the country next to the President, would receive as a base his present $42,500 and yet a Deputy Secretary of Defense, two of those, receive the same amount.

The Deputy Secretary of State would receive $42,500. I think a member of the Cabinet receiving $60,000, members of the Supreme Court—and that is the worst illustration of salaries that are out of line because the members of the Supreme Court receive $60,000 a year and, without paying in one single penny to a retirement system, on his retirement from the bench he receives an annual retirement of $60,000.

To say that a man in that position, without paying into the retirement system, is guaranteed $60,000 the rest of his life, and to say that he needs a cost-of-living increase is just absolutely ridiculous, Mr. President. I hope we will not go along with this.

If Members of Congress want to raise the salaries of Members, I would like to see them put in a bill saying that the salaries of Members of Congress shall be so much per year and let it stay at that until such time as the Congress raises it. But do not go in the back door and provide a builtin annual salary without Congress doing a thing. I think Congress ought to review these situations every now and then. Congress would not have to take any action at all. These recommendations would come in from the President, and if we did not like what the President raised everybody, we would see that the full raise was granted. I do not believe it is right.

Just for starters, Mr. President, I have at the desk and I am going to ask that it be reported—there will be no vote on it—an amendment which would strike out the Members of Congress. If we get this amendment passed and the Members of Congress eliminated from this salary raise, I think you are going to see this enthusiasm for the bill greatly damaged. I do not believe there will be a whole lot of enthusiasm for the bill once this amendment is adopted.

I would like to have it stated.

Mr. HARRY F. BYRD, JR. Will the Senator yield to me first?

Mr. ALLEN. Yes.

Mr. HARRY F. BYRD, JR. Is the understanding of the Senator from Virginia correct that if this legislation is enacted the Members of the Congress each year, assuming there is any inflation, would get an automatic increase in salary?

Mr. ALLEN. If inflation continues. It may be that it would come twice a year. I am not sure. The distinguished floor manager of the bill could answer that. I believe it is twice a year with the Federal establishment.

Mr. McGEE. No. It is once a year and only in the event of a continued inflationary process.

Mr. ALLEN. I imagine, though, if we start into a real recession when the cost of living is going down, that these persons who are pressing for this legislation might want a revision then if the salaries are going down. I do not know, but I do not look for that any time soon.

Mr. HARRY F. BYRD, JR. If the Senator will yield, I do not believe there is any chance of a noninflationary atmosphere in this country with the Congress appropriating enough funds, $1 billion a day, $365 billion this year, which will represent a deficit of at least $70 billion. Yet, the Congress, even though it is the one which is taking that action, will have automatic pay increases, depending upon what the inflationary rate is, while 85 percent of all the working people of this country will be unprotected.

Mr. ALLEN. If the Senator's statistic is correct on the 15 percent covered by cost-of-living increases, that would be right. I say one of the worst features of the bill is adding cost-of-living increases to members of the Federal judiciary who are well cared for under the present law.

Mr. HELMS. Will the Senator yield?

AMENDMENT NO. 832

The PRESIDING OFFICER. The Senator from Alabama has offered an amendment. The amendment will be stated.

The legislative clerk read as follows:

AMENDMENT

On page 6 beginning with line 6, strike all over to and including line 6 on page 7.

Mr. ALLEN. This does effectively, I believe, eliminate the Members of Congress from this raise. As I suggested, if this amendment is adopted I believe the bill will sort of die on the vine somewhere along the line between now and final enactment. I yield to the Senator from North Carolina.

Mr. HELMS. I thank the distinguished Senator for yielding. I fully agree with the Senator. I would like to ask him if he will do me the honor of allowing me to be a cosponsor of his amendment.

Mr. ALLEN. Yes. I ask unanimous consent that the distinguished Senator from North Carolina (Mr. HELMS) be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. The distinguished Senator from Virginia mentioned the figure of 15 percent of the workers of America being covered by cost-of-living increases in their compensation.

Mr. McGEE. If the Senator will yield, automatic cost-of-living increases. Most all labor groups have cost-of-living allowances every year by negotiations.

Mr. HELMS. Will the clerk insert the word "automatic" at the proper place?

There is an interesting relationship between that 15 percent and the 15 percent of the American people, according to the latest polls, who approve of the way the Congress is being operated. It seems to me, I will say to the distinguished Senator, that next year we will observe the Bicentennial of this great Nation. If this sort of legislation is approved by the Senate it comes to my mind that we may have another American revolution 1 year earlier prior to the Bicentennial. I commend the Senator on his comments, and also the distinguished Senator from Virginia.

Mr. ALLEN. I thank the distinguished Senator from North Carolina. I yield back the remainder of my time.

Mr. HARRY F. BYRD, JR. Will the Senator from Wyoming yield for a question?

Mr. McGEE. I will yield for a question through whatever time we can mobilize through unanimous consent.

I ask unanimous consent for an additional 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. May I say to the Senator from Wyoming, I took this report home over the weekend and studied it but I left a marked copy at home. I do not have that one with me. I have another copy of the report.

As I recollect, somewhere in this committee report, and I cannot find it at the moment, is a statement that some 600 military officers would be included?

Mr. McGEE. It is a group of 600 officers who are under the same ceiling, at the top.

Mr. HARRY F. BYRD, JR. Perhaps the Senator from Wyoming will clarify this. The 600 officers, are they lieutenant generals, generals, major generals, with corresponding ranks in the Navy?

Mr. McGEE. In the Pentagon it is wherever the $36,000 ceiling automatically took effect.

Mr. HARRY F. BYRD, JR. Where does that take effect?

Mr. McGEE. It takes effect at the level of $36,000.

Mr. HARRY F. BYRD, JR. I know, but what rank?

Mr. McGEE. I cannot tell the Senator what rank without getting from the Pentagon the report of those over the $36,000 ceiling. Those vary. The Senator knows that. He is on the Armed Services Committee.

Mr. HARRY F. BYRD, JR. I know it varies. That is why it seems to me it would be well if we had that information here when we are considering this bill. There are 600 military officers involved who will benefit by this proposal. I think we ought to know what their rank is, what the purpose is that is involved, and all of that.

Mr. McGEE. With all due respect, I do not see the relevance of their rank if they are under the ceiling of $36,000. With all due respect, it is the ceiling that is the controlling factor. The Pentagon determines its ranking officers and their level in relative terms of their pay; $36,000 at one time covered the differentiation, but with the other grades that have gone up in their salaries that has been closed and those at the top, in the highest administrative ranks, are the ones that are affected, the 600. There are 10,000 of them in the supergrades.

Mr. HARRY F. BYRD, JR. I am speaking of uniformed personnel, at the moment.

Mr. McGEE. I am saying we do not have their ranks.

Mr. HARRY F. BYRD, JR. It just occurs to me to be something that would be of help to the Senate if the committee could get that information.

Mr. McGEE. I will make sure that we have the report directly from the Pentagon before we return to this question tomorrow. The Senator will have to give us this evening to get the report; we did not request that, because it is automatically controlled by the $36,000 figure. But we will request that first thing in the morning.

Mr. HARRY F. BYRD, JR. Then this new proposal would apply to all individuals who receive $36,000 or more at the present time, as I take it.

Mr. McGEE. That is correct. Those who come under that ceiling.

Mr. HARRY F. BYRD, JR. And is it not correct that some uniformed officers receive higher pay than the Members of Congress? Of course, they would be involved in this also.

Mr. McGEE. Some members of the Government, such as Cabinet members and——

Mr. HARRY F. BYRD, JR. No, some members of the uniformed services.

Mr. McGEE. I cannot answer that without seeing the list from the Pentagon.

Mr. HARRY F. BYRD, JR. Anyway, I thank the Senator for ascertaining that information for the benefit of the Senate.

Mr. McGEE. We will procure that overnight.

Mr. President, I just want to stress here, in the remaining few moments of this last segment of the time, that the President of the United States, in his communication to us, expressed one thing: that we are talking about, to quote him, "an insignificant sum, a tiny fraction of 1 percent of the Federal payroll," to borrow the President's precise language. A tiny fraction of 1 percent of the Federal payroll. And this action is important. As the two leaders in this body and the President have all three stressed, the issue here is not giving them an equitable salary; it is not trying to give them incentive in competition with another segment of the private economy in our country. It is rather to permit them to stay on as proven experts in administration, only by keeping up with the costs that they have incurred, that they have already taken on, like kids in college, as an illustration, or payments on a house.

They are interested in holding those who have proved their competence as successful administrators. They are the ones also who are being lost. And since the President made something of a point of that factor, I use it to illustrate that the whole emphasis on this question has nothing to do with the salary infrastructure in the Federal Government; it has only to do with trying to make sure that we hold those people we can, without any adjustment in salary per se. And I stress once more that what this is is an adjustment based on the readings and other statements on the cost of living.

The Senator from Alabama rightfully raised the question he put to me as to whether or not there might be a conflict of interest on the part of Members of Congress, since they would be involved here, and under the law that now exists, when the cost of living rating is made, 8.6 percent for this year, the council has reported, if the President does not allow that, would not the Congress run pell-mell into increasing that to the full amount, 8.6 percent?

Mr. McGEE. Well, we have a couple of times overridden the Preisdent's decision on that matter, because the Federal employees were behind the cost of living and all other sections of labor.

So the question now is, what would Congress be likely to do? I honestly cannot tell the Senator what Congress would be likely to do. It would be my judgment that Federal employees would just as soon Congress was not in on the act, because they are more restrained in going that route, rather than more gung ho, and they would be better off if Congress were not a part of it.

Mr. ALLEN. Suppose a Member of Congress says, "I do not want the full amount for myself but I have got to take care of these other employees; therefore, I would raise it up to the limit."

Mr. McGEE. The Senator may be suggesting a convenient approach for a speech for some Members of Congress, but I think it is a matter of record that a rollcall vote is required under those circumstances; there is no end run, sticky bat, or anything else, and this is where they stand and be counted, and be judged.

Mr. ALLEN. Does not the Senator see, though a built-in conflict of interest?

Mr. McGEE. I would suppose, as long as we have a body with legislative duties and governing responsibilities, we could not avoid a conflict of interest unless we asked our neighbors in Canada or Mexico, perhaps, to make that judgment; because somewhere, as Harry Truman used to say, the buck has to stop. It stops here, and I think we have to take the responsibility and the risk that goes with it, whichever way the decision would be made.

Mr. ALLEN. There is one point I do not believe the Senator has made clear. These $60,000 Supreme Court judges and $60,000 cabinet people, when would their first increase come if this bill should become law, say, by the 1st of August?

Mr. McGEE. It would come, under the present law——

Mr. ALLEN. No, under this law.

Mr. McGEE. Under this law, as being amended here, it would come at the regular time that it does under the existing law now, and that is by October 1. If the President does not act at all it goes into effect automatically. If he does act, then, without an alternative plan being proposed by Congress, that goes into effect.

Mr. ALLEN. Would they get a full year's inflationary increase, or would they get only that portion of the year from the date of the enactment of this bill to October 1?

Mr. McGEE. I would assume that it was the full year of inflationary impact.

Mr. ALLEN. So it would seem that possibly an increase of 10 percent would be in the offing for these high-paid Federal officials from October 1.

Mr. McGEE. It would be the same 8.6 percent that everybody else is getting.

Mr. ALLEN. 8.6?

Mr. McGEE. 8.6 percent, if it were the top figure. But the President's recommendation may be 5 or 6 percent, if that were to prevail.

Mr. ALLEN. Then Congress would have before it the question of whether to raise it to 8.6 percent or leave it at the 5 percent that it is believed that the President is going to recommend, is that right?

Mr. McGEE. That is right.

Mr. ALLEN. I see. I believe that is of considerable interest.

Mr. FONG. Mr. President, will the Senator yield?

Mr. McGEE. I am glad to yield to my colleague from Hawaii.

Mr. FONG. If this bill does not pass, we will have to wait until 1977 before any of these classes of government officials will get relief; is that correct?

Mr. McGEE. That would be a good guess, since I am running in 1976.

Mr. FONG. In 1977 we will have the quadrennial review by the Commission on executive, legislative, and judicial salaries.

Mr. McGEE. That is right.

Mr. FONG. Which will convene in 1976 and report to the President, and the President will then notify Congress the first part of 1977 what that increase would be?

Mr. McGEE. That is right. This is under the Salary Act of 1967, where the President's Commission reexamines the whole salary structure.

Mr. FONG. And if we do not do anything now, and do not give them relief, it will be 8 years before they will get any kind of an increase, from 1969?

Mr. McGEE. It will be two years worse than now, is what it really will be.

Mr. FONG. Yes.

Mr. McGEE. Yes, that is correct.

Mr. FONG. And they are already behind the lower Federal employees by 50 percent in the last few years? From 1969 to the present, the Government employees under the GS schedule have received an increase of 50 percent in their salaries?

Whereas these employees have been frozen at $36,000, and have not received one penny of increase?

Mr. McGEE. Not a penny, that is correct.

Mr. FONG. And whereas in 1969 the consumer price index was 108, in May of 1975 it stood at 159.3, or a 47.5-percent increase?

Mr. McGEE. That is correct.

Mr. FONG. And these employees have not received a single cent of increase, is that correct?

Mr. McGEE. That is correct.

Mr. FONG. And since 1969 the salaries of top management in private industry have increased 44 percent?

Mr. McGEE. Yes.

Mr. FONG. And since 1969 attorneys' salaries have been raised by 43.9 percent, in the private sector?

Mr. McGEE. Yes.

Mr. FONG. And since 1969 the salaries of the chief judges of the various States have been raised by 44.2 percent?

Mr. McGEE. Yes.

Mr. FONG. Whereas none of our Federal judges has received an increase; is that correct?

Mr. McGEE. That is correct.

Mr. FONG. If we do not do anything now, the salaries which we are paying at the level of $42,500 will recede if the same inflation rate continues to $22,500.

Mr. McGEE. At the present rate.

Mr. FONG. That was the salary which was received way back in 1960.

Mr. McGEE. That was about 1959.

Mr. FONG. We would be going back to that salary in constant dollars.

Mr. McGEE. That is right.

Mr. FONG. So we must do something to keep our employees, because many of them are retiring at a very young age because they feel that by retiring and getting that cost-of-living increase for retirees, they will exceed what they are receiving now. In fact, several of the retirees are now receiving more than $36,000 because of the cost-of-living increase.

Mr. McGEE. Yes; that is correct.

Mr. FONG. So, therefore, we have to do something to keep these many employees, to try to encourage other employees to come in to take the jobs which are now vacant, and to keep our Government going, because it is really the people at the GS–18, 17, 16, 15, and 14 levels who really run the Government. They are the brains of our Government.

Mr. McGEE. They are the continuity in Government because of their expertise and their experience.

Mr. FONG. When you consider an assistant secretary in the Cabinet level only stays there 22 months, there is no continuity. So it is the supergrade employees who really run our Government, and these people have been lured away by private industry because the Government cannot pay them more than $36,000.

Mr. McGEE. That is correct. I say, if the Senator will yield for 30 seconds there, a real point is these people are not out looking for the same salaries they could get in the private sector; they simply want to be able to pay the commitment they have taken on when they launched their kids in college or when they took on payments for a house, or whatever their requirements are here living in the Nation's Capital. If they cannot meet that, they have to leave.

Mr. FONG. And they have not been able to meet that commitment, because their $36,000 salary, which they received in 1969, in May of 1975 is only worth $24,408 in constant dollars.

Mr. McGEE. That is right.

Mr. FONG. Whereas they have lost approximately one-third in their salaries from 1969 to 1975.

Mr. McGEE. The Senator has put it very well, and that is the real crunch that is on. Our question is whether we can be responsible legislators, or whether we can duck that hoping that it will go away. I just think it is time to quote a famous person, that we bite the bullet.

Mr. FONG. This is actually not a cost-of-living allowance. It is based on comparability. The Government employees receive this increase every year on the principle of comparability.

Mr. McGEE. That is right.

Mr. FONG. When the Bureau of Labor Statistics goes out, surveys the community, and sees what private industry has given to the employees, then the President will recommend the amount of increase on the basis of comparability.

Mr. McGEE. That is correct.

Mr. FONG. So, therefore——

The PRESIDING OFFICER. All time has expired.

Mr. McGEE. I ask unanimous consent to yield 3 more minutes.

Mr. ALLEN. I have one further question I would like to ask.

Mr. ROBERT C. BYRD. Reserving the right to object, and I will not object, could I get some understanding how much longer this debate is going to require?

Mr. ALLEN. I have one more question that will take 3 minutes.

Mr. McGEE. I have one more question. I was going to make a very earthy statement about something that was just said, and I lost track of what it was at the present time.

Let us say 5 minutes.

Mr. ROBERT C. BYRD. Very well.

The PRESIDING OFFICER. Five additional minutes.

Mr. FONG. So, actually, what we are doing is bringing in these employees to the comparability section of that law which gives to Government employees comparable salary with private industry, but because we have not been able to give all these employees an increase that we wanted to give them, we have brought them in under this comparability statute?

Mr. McGEE. That is correct.

Mr. FONG. It is not a cost of living.

Mr. McGEE. Lest comparability may be a little misleading there, the comparability factor, since the mid-sixties, has been a catching up catch up game with the cost of living because in the private sector the adjustments have come through negotiations to compensate for increased cost of living. That means that Federal employees have had to catch up with that fact of life. So that the net consequence has been a cost of living, even though it is comparability to keep up with the private sector.

Mr. FONG. The GS 18's, 17's, and 16's, and pretty soon the 15's, have not been able to get an increase.

Mr. McGEE. Half of the 15's are now so compressed.

Mr. FONG. In $36,000?

Mr. McGEE. That is correct.

Mr. FONG. And have not been able to get an increase?

Mr. McGEE. They have had absolutely nothing.

Mr. FONG. So it is very important, if we want to keep our employees on the job, we will have to give them something, and this is about the least we can give them.

Mr. McGEE. It is the very least that can be done that seems equitable, without worrying about the inequities in salary structures that have been lost in the last 6 or 7 years. The Senator and I worked for 10 years to try establish this.

Mr. ALLEN. Mr. President, will the Senator yield for one further question?

Mr. McGEE. I am glad to yield.

Mr. ALLEN. This bill seems to be permanent, this whole statute seems to be permanent legislation, and I see no ceiling provided for any of these positions. If we continue to have inflation, say, at a 10-percent rate, it would, with compounding and cumulative forces, only take about 8 years before the $60,000 salaries of the Cabinet would be $120,000 and the $60,000 salaries of the Supreme Court would be $120,000. Is that correct?

Mr. McGEE. If one accepts the hypothesis that the Senator projected there at the outset, that would be correct, of course. But that is the worst of all possible worlds. We hope someone gets busy here and gets this thing slowed down. We have been through inflationary periods before. They ultimately fortunately level off. We have all had to change our concepts. The important thing is that we not forfeit responsible government to try to take the action that experienced leadership would permit by surrendering to a force here that is at the moment somewhat out of control.

Mr. ALLEN. But this does not provide for any automatic review of the situation if nothing more is done affirmatively, where the salaries could continue escalating on top of each other.

Mr. McGEE. Before that happened. I say to the Senator, I assume what would happen is that the quadrennial commission that advises the President every fourth year, referred to and explained by our colleague, that that commission itself would have to come to grips with the whole structuring edifice of salaries if inflation ran like it did in mainland

China, for example, after their revolution in 1948 and 1949.

There are other places in Europe right now where the inflation is many times ours, and their legislative bodies have doubled, tripled, quadrupled, with 400 percent salary increases in instances, because that is the plight in which they find themselves, but they have to stay afloat if they are going to keep the processes of responsible leadership going.

One cannot wipe that away and just say, "OK, go ahead and die of starvation, do not make it, and get out."

We have to keep at least the chin above the water, as the Senator I am sure appreciates, and there is a real question here.

Mr. ALLEN. There is really nothing to prevent any Member of the Senate or any Member of Congress, or the Cabinet, or the Supreme Court, to go into these other fields if they so desire, where the salaries are so much larger, supposedly, then they are in the Federal service. There is nothing to prevent that, is there, under the present law.

Mr. McGEE. No, there is nothing to prevent a Senator, who receives this, and is entitled to this salary, to give it back to the Government. He does not have to take it. He can be unselfish about it and turn it in.

There are some Senators, and each Senator has to run his household with his wife and try to manage the budget and keep it under control, and some of us are in a real bind, and it is not easy.

I only wish our wives could be here tonight, sit in the galleries up there, and attest to the real crunch that is on.

It is a very serious one. It is really no joke. We ought not even to be smiling about it, because there are pinchers here.

Mr. ALLEN. Does the Senator think they might collect their fee in behalf of the legislation?

Mr. McGEE. I think stronger than that.

I have Members here who tell me that they do not dare go home because they voted against a salary increase bill 3 years ago, 2 years ago, when it was up.

Mr. ALLEN. I thank the distinguished Senator.

Mr. McGEE. They have never heard the last from their wives since they said no.

Mr. HELMS. Mr. President, will the Senator yield for one brief question?

Mr. McGEE. I yield.

Mr. HELMS. I wonder if the Senator here is prepared to give me an estimate of how many of the working American taxpayers would be willing to swap jobs and income with these beleaguered $36,000-a-year bureaucrats he is talking about.

Mr. McGEE. I suspect I can give the Senator an estimate on that. I think most of them would.

But that is not the issue. The issue is that not anyone can fill these jobs. These are experienced personnel who have risen through the ranks through promotion.

Mr. HELMS. I am not talking about that.

Mr. McGEE. You get what you pay for, and you cannot run into a bargain basement forever without finally ending up with a lot of trash.

Mr. HELMS. We do not have a bargain basement as it stands now.

The PRESIDING OFFICER. The time has expired.

NAVAL PETROLEUM RESERVES

The PRESIDING OFFICER. The Senate will now resume consideration of S. 2173, which will be stated by title.

The legislative clerk read as follows:

> A bill (S. 2173) to fully explore and develop the naval petroleum reserves of the United States and to permit limited production with revenues derived therefrom to be placed in a special account, and for other purposes.

The PRESIDING OFFICER. S. 2173 will be made the pending business.

ADDITIONAL ROUTINE MORNING BUSINESS

The following additional routine morning business was transacted today by unanimous consent:

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. FORD) laid before the Senate a message from the President of the United States submitting the nominations of Robert O. Aders, of Ohio, to be Under Secretary of Labor, which was referred to the Committee on Labor and Public Welfare.

APPROVAL OF BILL AND JOINT RESOLUTION

A message from the President of the United States announced that he had approved and signed the bill (S. 435) to amend section 201(b)(7) of the Agricultural Adjustment Act of 1938, as amended, to change the marketing year for wheat from July 1–June 30, to June 1–May 31; and the joint resolution (S.J. Res. 102) amending section 5(c) of the Home Owners' Loan Act of 1933 to clarify the authority of Federal savings and loan associations to act as custodians of individual retirement accounts.

MESSAGE FROM THE HOUSE

At 12:05 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House disagrees to the amendments of the Senate to the bill (H.R. 8597) making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. STEED, Mr. ADDABBO, Mr. ROYBAL, Mr. SIKES, Mr. BOLAND, Mr. FLYNT, Mr. PATTEN, Mr. LONG of Maryland, Mr. MAHON, Mr. MILLER of Ohio, Mr. McEWEN, Mr. ARMSTRONG, and Mr. CEDERBERG were appointed managers of the conference on the part of the House.

The message also announced that the House agrees to the amendment of the Senate to the bill (H.R. 83) to exclude from gross income gains from the condemnation of certain forest lands held in trust for the Klamath Indian Tribe, with an amendment in which it requests the concurrence of the Senate.

The message further announced that the House has passed the bill (H.R. 5900) to protect the economic rights of labor in the building and construction industry by providing for equal treatment of craft and industrial workers, in which it requests the concurrence of the Senate.

At 3:10 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House had agreed to, without amendment, the following concurrent resolutions:

S. Con. Res. 35. A concurrent resolution approving a bilateral commercial agreement between the United States and the Socialist Republic of Romania; and

S. Con. Res. 54. A concurrent resolution providing for a conditional adjournment of the Congress from August 1, 1975, until September 3, 1975.

The message also announced that the House agrees to the amendments of the Senate to the bill (H.R. 6219) to amend the Voting Rights Act of 1965 to extend certain provisions for an additional 10 years, to make permanent the ban against certain prerequisites to voting, and for other purposes.

ENROLLED BILLS SIGNED

At 5:40 p.m., a message from the House of Representatives delivered by Mr. Hackney announced that the Speaker has signed the following enrolled bills:

H.R. 5327. An act to reserve a site for the use of the Smithsonian Institution;

H.R. 6219. An act to amend the Voting Rights Act of 1965 to extend certain provisions for an additional 7 years to make permanent the ban against certain prerequisites to voting, and for other purposes; and

H.R. 7731. An act to suspend the duty on open-top hopper cars exported for repairs or alterations on or before June 30, 1975.

The enrolled bills were subsequently signed by the Vice President.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. FORD) laid before the Senate the following letters, which were referred as indicated:

IMPACT OF THE $36,000 SALARY LIMITATION

A communication from the President of the United States relating to the committee amendment to the bill (H.R. 2559) to extend to employees of the Executive, Judicial, and Legislative branches certain increases. Ordered to lie on the table.)

CHANGE OF REFERENCE—S. 1395

Mr. THURMOND. Mr. President, I ask unanimous consent that the Senate Committee on the Judiciary be discharged from further consideration of S. 1395, relating to the defense of certain malpractice and negligence suits and that the bill be referred to the Senate Committee on Armed Services. This bill amends title 10 and relates to malpractice suits against military members or civilian employees of the military. Therefore, it falls more appropriately within the jurisdiction of the Armed Services Committee.

Also, a similar House-passed measure, H.R. 3954, was referred to the Armed Services Committee. This request has been discussed informally with the Judiciary Committee, and they concur in this action.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

HOUSE BILL REFERRED

The bill (H.R. 5900) to protect the economic rights of labor in the building ing construction industry by providing for equal treatment of craft and industrial workers, was read twice by its title and referred to the Committee on Labor and Public Welfare.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ROBERT C. BYRD (for himself and Mr. Allen):

S. 2187. A bill to amend the Internal Revenue Code of 1954 to increase the exemption for purposes of the Federal estate tax to increase the estate tax marital deduction, and to provide an alternate method of valuing certain real property for estate tax purposes. Referred to the Committee on Finance.

Mr. ROBERT C. BYRD. Mr. President, I am introducing today a bill aimed at taking some of the Federal estate tax burden off widows and widowers of modest means and to allow the family farm to remain in existence following the death of the owner, rather than forcing its sale in order to pay the Federal estate taxes on its current market value.

My bill would amend section 2052 of the Internal Revenue Code of 1954 by raising the exemption for purposes of the Federal estate tax from $60,000 to $200,000.

This exemption would apply across the board to all Federal estate tax filings.

The original intent of the exemption was to avoid depriving the surviving spouse and children of the means to support themselves and to grant a reasonable exemption before the Federal estate taxes would apply, so that the surviving family would not be subjected to compulsory poverty by an excessive Federal estate tax which would substantially deplete the estate.

The $60,000 exception was signed into law on October 21, 1942, nearly 33 years ago.

During those years inflation has diminished greatly the desired effect of the deduction. The Consumer Price Index for 1942 was 48.8. In May of 1975 the Consumer Price Index stood at 159.3. Translated into 1975 dollars, the original $60,000 Federal estate tax exemption would be $195,860 as of May 1975.

My bill would raise the $60,000 exemption to $200,000 and would actually only be keeping pace with the inflation rate, in order to maintain the same level of protection for the surviving family as was originally intended by the 1942 figure.

My bill would also give protection to the surviving heirs who inherit a family farm.

Under the present law, if the family farm is located in an area where development has increased the market value of the neighboring land, the effected farm is taxed, for Federal estate tax purposes, at current market value for land in the area, rather than at a rate based on its value as an operating farm. The practical effect of this taxation in many cases is to force the heirs to sell the farm in order to pay the Federal estate tax on the property.

One need only to drive a few minutes away from the center of Washington, D.C., into the countryside of nearby Maryland and Virginia to see the effect of this taxation. One sees beautiful farmland intersected by subdivisions where the surviving heirs could not afford to pay the enormous tax burden caused by their farm's valuation at current market value for the surrounding property.

My bill would allow the executor to elect to have the property valued for tax purposes by its value as farm property rather than by current market value of the surrounding property if the property had been substantially devoted to farming—including, but not limited to, the production of agricultural commodities and the raising of livestock—for a period of 5 years prior to the death of the decedent.

The bill would also give a similar election for the protection of woodland and scenic open space as it does for farmland.

The qualifying estate would get a credit against the Federal estate tax for an amount equal to the excess of fair market value over qualified use value. A lien equal to the amount of the credit would be imposed on the land, and would accrue interest at the rate of 4 percent per year. If the farm property should be converted to a nonfarming use within 5 years after the estate tax return is filed, the person converting the land or portion thereof pays the lien on the land or portion thereof plus the interest. If no one converts the property within 5 years after the estate tax return is filed, the lien is abated and the interest ceases to be payable.

This bill would prevent the forced sale of the family farm where the heirs would like to continue it as such, but are unable to pay the Federal estate tax on the property at fair market value and are forced to sell the farm in order to pay the tax.

The bill would also adjust the old 1942 $60,000 exemption for Federal estate tax to $200,000 which, in 1975 dollars, is of the same value as the original exemption. This would give the same protection to the surviving family as was originally intended by the law.

Mr. President, I ask unanimous consent that the text of this bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2187

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 2052 of the Internal Revenue Code of 1954 (relating to exemption for purposes of the Federal estate tax) is amended by striking out "$60,000" and inserting in lieu thereof "$200,000".

(b) Section 6018(a)(1) of such Code (relating to estate tax returns) is amended by striking out "$60,000" and inserting in lieu thereof "$200,000".

Sec. 2. The amendments made by the first section of this Act shall apply to the estates of decedents dying after the date of enactment of this Act.

Sec. 3. Increase in estate tax marital deduction.—

(a) Section 2056(c) of the Internal Revenue Code of 1954 (relating to limitation of aggregate marital deduction) is amended by inserting after "shall not exceed" in paragraph (1) "the sum of $100,000, plus".

(b) The amendment made by subsection (a) shall apply with respect to decedents dying after the date of enactment of this Act.

Sec. 4. Alternative valuation of certain real property.—

(a) Part II of subchapter A af chapter 11 of the Internal Revenue Code of 1954 (relating to credits against estate tax) is amended by adding at the end thereof the following new section:

"Sec. 2017. Credit for Part of Value of Certain Real Property.

"(a) In General.—If the executor of an estate so elects, the tax imposed by section 2001 shall be credited with the amount of the excess, if any, of the amount of tax imposed on the transfer of the estate under this chapter over the amount of the tax which would have been imposed on the transfer of the estate under this chapter if the value of any property included in the gross estate which is qualified real property had been determined, for purposes of this chapter, by its value as qualified real property determined on the basis of the value of the property for the use by which it is determined to be qualified real property.

"(b) Definition of Qualified Real Property.—For purposes of this subsection, the term 'qualified real property' means real property substantially all of which is, and, for the 60 months preceding the date of death of the decedent, has been, devoted to—

"(1) farming (including the production of agricultural commodities and the raising of livestock);

"(2) woodland (including land use for the commercial production of trees and land used for scenic and recreational purposes), or

"(3) scenic open space.

"(c) Election Requirements.—An election under this section shall be filed with the Secretary or his delegate at such time and in such form and manner as he may prescribe and shall contain, in addition to any other matter, the name, address, and taxpayer identification number of the person to whom the property passes under the terms of the decedent's will or by operation of law.

"(d) CROSS REFERENCES.—

"For lien against property where credit is taken, see section 6324(a)(4).

"For interest payable on amount of lien, see section 6601.".

(b) Section 6324(a) of such Code (relating to liens for estate tax) is amended by adding at the end thereof the following new paragraph:

"(4) UPON QUALIFIED REAL PROPERTY.—

"(A) LIEN IMPOSED.—If the executor of an estate elects to take the credit against the estate tax allowed by section 2017, the amount of that credit is a lien upon the qualified real property (as defined in section 2017(b)) with respect to which the credit was claimed. If the credit relates to more than one piece of qualified property, a lien is imposed under this paragraph on each piece of such property in an amount which bears the same ratio to the total amount of the credit allowed under section 2017 as the value of that piece of property (for purposes of chapter 11) bears to the value of all the property to which the credit relates.

"(B) RELEASE OF LIEN.—

"(i) IN GENERAL.—The lien imposed by subparagraph (A) on any qualified real property may be released by the payment to the Secretary or his delegate of the estate tax reduction amount attributable to that property.

"(ii) TERMINATION OF LIEN.—The Secretary or his delegate may not take any action to obtain payment of the estate tax reduction attributable to any qualified real property until the close of the calendar year in which the property is substantially converted to a use inconsistent with its use as qualified real property. The Secretary or his delegate shall take any action necessary to obtain payment of such amount at the earliest date possible under the preceding sentence. If the lien is not released within sixty calendar months after the month in which it is imposed on any qualified real property, the lien shall abate, and, for purposes of this title, shall be considered satisfied and released.

"(C) DEFINITION OF ESTATE TAX REDUCTION AMOUNT.—For purposes of this paragraph, the term, 'estate tax reduction amount' means, with respect to any qualified real property, the amount of the credit allowed under section 2017 for that property.

"(D) CROSS REFERENCE.—

"For interest payable on estate tax reduction amount, see section 6601(b).".

(c) Section 6601 of such Code (relating to interest on underpayment, nonpayment, or extensions of time for payment, of tax) is amended by redesignating subsection (j) as (k), and by inserting after subsection (i) the following new subsection:

"(j) ESTATE TAX REDUCTION AMOUNT.—If the executor of an estate elects to have the provisions of section 2017 (relating to credit for part of value of qualified real property) apply, interest shall be paid at the rate of 4 percent on the amount of the credit allowed under that section. The interest shall run from the date prescribed by section 6151(a) for the payment of the tax imposed by chapter 11 on the transfer of the estate, without regard to any extension of time for such payment under section 6161(a)(2), 6163, or 6166. The interest shall be paid by the person paying the estate tax reduction amount under section 6324(a)(4) at the time such amount is paid. Upon the abatement of the lien imposed on any qualified real property under section 6324(a)(4)(A) because of the provisions of the last sentence of section 6324(a)(4)(B)(ii), any interest which would have been payable under this subsection with respect to the credit attributable to such property shall be waived.".

(d) The table of sections for part II of subchapter A of chapter 11 of such Code is amended by adding at the end thereof the following new item:

"Sec. 2017. Credit for part of value of certain real property.".

SEC. 5. The amendments made by section 4 of this Act shall apply with respect to the estates of decedents dying after the date of enactment of this Act.

By Mr. HATFIELD:

S. 2188. A bill to amend the Federal Energy Administration Act of 1974 in order to discourage the use of electricity and natural gas in large amounts and to provide minimal rates for small users. Referred to the Committee on Commerce.

S. 2189. A bill to require the Interstate Commerce Commission to establish nondiscriminatory rates and charges for the transportation of recyclable and recycled solid waste materials. Referred to the Committee on Commerce.

S. 2190. A bill to direct the Secretary of Transportation to make an investigation and study to determine a National Transportation Policy which will result in maximum energy efficiency in our national transportation system. Referred to the Committee on Commerce.

S. 2191. A bill to amend the Federal Energy Administration Act of 1974 to provide for a study of conservation measures applicable to building construction and of the extent to which agencies of the Federal Government are encouraging energy conservation in such construction, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

SOME ELEMENTS OF A STRATEGY FOR LONG-RANGE ENERGY CONSERVATION

Mr. HATFIELD. Mr. President, neither the administration nor the Congress is setting forth the kind of comprehensive energy program that will achieve the long-term changes we must make in our energy consumption patterns if we are to become less dependent upon foreign energy sources and at the same time maintain a quality domestic environment. Instead, we continue to focus on emergency, stopgap measures that, if implemented, would not be acceptable to most Americans for very long.

It is clear from any realistic energy supply scenario one cares to examine, that conservation efforts must play a key role in our energy future, yet the conservation mechanisms being discussed today are generally schemes to create artificial energy shortages. Such policies as absolute quotas on imports, allocation or rationing of scarce supplies, mandatory closure of service stations on Sundays, and the like are obviously not the course to steer for the long run. They should be considered only as stand-by measures to be implemented in an emergency. Even over a short period of time, such measures would be destructive—they would add to unemployment, further wound industries that rely on key petroleum supplies, devastate recreation and tourism, and cause new citizen frustration with gasoline waiting lines or rationing regulations. Such heavy-handed programs inevitably produce unnecessarily severe distress and dislocations relative to what gets accomplished.

Indeed, we had an embargo. And we could have another one. But our answer to this immediate threat should not also serve as our long-term energy conservation strategy. We should be planning and legislating today for long-term changes in our energy consumption patterns—changes that will move us away from energy-intensive technologies and that will institute a conservation ethic throughout our economy. Turning this corner on consumption will take some time, for long-range programs cannot do overnight what quotas can do. But programs that do not rely on devices like the petroleum allocation system will be more sure, more true, more in the direction we want to go, and will have a staying power that emergency patchwork policies lack. If there is anything this country needs right now, it is an energy program that meets these criteria—firm and unwavering and consistent with our basic principles of a free economy.

I am offering four bills today that address this problem of long-range energy conservation policy. By no means do they preempt the field, but they should generate actions that will draw needed attention to the general problem.

The first two require immediate policy changes—the inversion of electricity and natural gas rate schedules, and the prohibition of freight rates that discriminate against recyclable solid waste materials. The former would require that, in the pricing of electricity and natural gas to the ultimate consumer, rates would increase as consumption increases. A minimal rate, at or below the actual cost of delivery, would apply to the first relatively small block of electrical power or natural gas consumed in a given month—or year—and increasing rates would apply to each additional block consumed. Consumption in large amounts is obviously discouraged by such a scheme.

The latter bill would require the Interstate Commerce Commission to investigate the rates charged by carriers of recyclable materials and to issue orders to prevent unfair, unreasonable, or discriminatory treatment of such materials. The energy consumption involved with the manufacture of an item from virgin materials in almost all cases exceeds that involved in manufacture from recycled materials. In some cases recycling actually displaces the need for a certain amount of manufacturing activity—as in the case of beverage containers. And, of course, recycling of nonrenewable resources is also desirable from the standpoint of materials conservation.

The third and fourth bills launch investigations that should provide guidance for energy policy in transportation and construction. In transportation I believe we should develop a national strategy that recognizes certain modes of freight transport as being more energy efficient than others for the movement of certain types of freight between certain points. Generally speaking, it takes six times more energy to move 1 ton of freight 1 mile by truck than by rail. And rail is usually less efficient than water transport. Where the systems—the waterways and rail roadbeds—exist, they should be utilized much more for long-haul transport. Yet, sadly, the rails are being left to deteriorate today.

In construction I believe we should investigate the extent to which we can employ materials that require less energy to manufacture, construction methods that are less energy consumptive, and designs that will enable the completed structure to operate more efficiently. Attention has been focused recently only on the last of these problems. However, aluminum and cement have been displacing steel as construction materials over the last 30 years, and we are now to the point where production of aluminum, cement, and chemicals consumes 30 percent of the industrial use of electrical power in the United States. Light metals during this period have also been displacing forest products, which are made from a renewable resource produced by solar energy in a natural cycle.

The texts of these two bills are self-explanatory, and I ask unanimous consent that they, together with the first two bills, be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 2188

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5 of the Federal Energy Administration Act of 1974 is amended by inserting at the end thereof the following:

"(c) (1) In order to more effectively carry out the purposes of subsection (b) (6) of this section the Administrator shall, not later than 90 days after the effective date of this subsection, prescribe such regulations as are necessary to require that State regulatory agencies, city councils, county governments, utility boards of directors, and any other bodies with authority to set or approve rates for the pricing of electricity or natural gas to the ultimate consumer not approve any rate structure for such electricity or naural gas unless it provides—

"(A) for minimal rates at cost of service or less for the first block of electricity or natural gas used in residential dwellings;

"(B) for increasing rates for additional blocks of electricity or natural gas used in residential dwellings above the initial block; and

"(C) for increasing block rates for industrial and commercial customers, regardless of whether service delivery is considered retail or wholesale.

"(2) The Administrator shall within such 90 day period also prescribe regulations requiring any Federal agency furnishing electricity to the ultimate consumer to meet the requirements of clauses (A), (B) and (C) of paragraph (1).".

S. 2189

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Interstate Commerce Commission shall, within six months after the date of enactment of this Act and on a continuing basis thereafter—

(1) investigate and formally identify all rates charged by transportation carriers subject to its jurisdiction for the transportation of recyclable or recycled materials and shall, in each case, determine whether the rates charged and the terms and conditions of transportation for such materials are fair and reasonable and whether they unjustly discriminate against the movement or shipment in interstate or foreign commerce of recyclable or recycled materials and in favor of competing virgin natural resource materials or commodities;

(2) issue appropriate orders in all cases where the rates charged or terms and conditions of transportation applicable to recyclable or recycled materials are found to be unfair, unreasonable, or discriminatory pursuant to which such rates and conditions of transportation will be effectively canceled and repealed and replaced by rates, tariffs, and conditions of transportation which are found to be fair, reasonable, and nondiscriminatory; and

(3) file annual and terminal reports with the President and the Congress regarding the results of such investigations and all actions taken to establish fair, reasonable, and nondiscriminatory rates for the transportation of recyclable or recycled materials.

(b) For the purposes of this Act "fair, reasonable, and nondiscriminatory rates" for recyclable and recycled materials may include rates which are less than those for similar virgin materials in any case where it is in the national interest to encourage the use of any such recyclable or recycled material.

S. 2190

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of Transportation shall make a full and complete investigation and study for the purpose of determining (1) a National Transportation Policy which will promote the maximum use of each mode of transportation in the type of transportation which will result in the maximum energy efficiency for the Nation, and (2) a strategy for achieving the ultimate aims for such policy. Such study shall include all modes of passenger and freight transportation, a determination of their energy efficiency for long and short haul purposes, and such other matters as the Secretary deems appropriate.

(b) The Secretary shall report the results of such investigation and study, together with any recommended legislation necessary to put such policy and strategy into effect, within six months after the date of enactment of this Act.

SEC. 2. There is authorized to be appropriated such amount as is necessary to carry out the provisions of this Act.

S. 2191

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 15 of the Federal Energy Administration Act of 1974 is amended by adding at the end thereof the following new subsection:

"(f) The Administrator shall carry out a study to determine—

"(1) the feasibility of establishing new or modifying existing Federal standards to require designated minimum levels of energy efficiency in the construction of new residential and other buildings; and

"(2) the extent to which other departments and agencies of the Federal Government are encouraging energy efficient building construction pursuant to standards promulgated under existing law.

Not later than 6 months after the date of enactment of this subsection, the Administrator shall submit a report to the President and the Congress containing his findings and recommendations for legislation or administrative action to increase energy efficiency in building construction."

By Mr. HATFIELD:

S. 2192. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit for contributions to a neighborhood corporation and to provide other financial assistance to such corporations organized under State law to furnish their own neighborhood services. Referred to the Committee on Finance.

THE NEIGHBORHOOD GOVERNMENT ACT OF 1975

Mr. HATFIELD. Mr. President, I am today introducing legislation which could provide an alternative political philosophy to the dominant pattern of government centralization. It is a philosophy which I feel will be appealing to the poor, the dispossessed, citizens alienated from their Government and from democracy, conservatives and liberals, and all those who believe in the fundamentals of democratic life.

To many, in recent years, it has seemed that true democracy has been lost, that we have become a nation whose people have been forgotten amidst the vast institutions of power that govern our lives. I would hope that the bill I introduce today, the Neighborhood Government Act of 1975, will help to rekindle the spirit which gave birth to the struggles of 1776, a spirit which must find life again if we are to insure that our democratic liberties survive in our third century of existence.

Mr. President, I would like to explain the political philosophy which prompts this legislation, to add to the thoughts I expressed in introducing similar legislation on October 1, 1973.

The Neighborhood Government Act of 1975 is an attempt to restore political power and democratic representation to the citizens of this republic, citizens who are willing to chart a new course in participatory democracy.

For those determined to gain political control over their lives again, for those who are willing to take on the responsibilities of self-government, for those who have given up hope that Government alone can effectively deal with immediate human problems, this bill offers an alternative where none now exists.

This act would encourage the development of neighborhood corporations throughout the country by providing a Federal income tax credit for funds contributed by an individual to a duly recognized neighborhood corporaton. In the historical tradition of the New England town meetings, community assemblies could then be formed in which the problems of the neighborhood could be discussed and translated into positive political action.

Herein lies one alternative to the 20th century American political system, burdened with an intricate Federal, State, and local political mechanism that has produced alienation and cynicism among the people of this country. The bill will provide neighborhood associations with the power to chart their political course in clear and open debate.

In a complex maze of political and economic centralization the Neighborhood Government Act represents a return to simplicity, to smallness in design, to giving the democratic process human size, allowing for both the frailties and the genius of man. I can think of nothing more fitting, as we approach the celebration of 200 years of liberty, than to begin a movement back to the people of this Nation, in a celebration of representative democracy and true political participation, as our forefathers envisioned.

If we do not begin to offer alternatives to the policies of the past, the fundamentals of our society and democracy will be continuously endangered by the growth of our institutions. The extent of centralized government in Washington has been startling, and it grows daily. The fundamental questions to be asked are twofold: Why this growth has occurred, and what it can mean to a democratic government.

Between 1930 and 1974 the gross national product, GNP, increased 15 times—from $90.4 billion to $1,396 trillion. During the same period of vast expansions, however, Federal expenditures increased over 106 times—from $2.8 billion to $298.6 billion. This growth was seven times faster than the increase in GNP. On the other hand, State and local expenditures increased 24 times or almost twice as fast as the increase in GNP—$8.3 billion in 1930 and $206.6 billion in 1974.

In the case of taxes, Federal receipts have increased 97 times—from $3 billion to $291.1 billion in that same period of time. This is over six times as fast as the increase in GNP. State and local tax receipts have had similar dramatic increases above and beyond the economic prosperity level of this country.

What this means is that we have turned toward Government, in a dramatic fashion, to solve more of our problems. More specifically, we now go first and primarily to the vast complex of the Federal Government to solve our problems, rather than to our communities, to our local institutions, or, most importantly, to ourselves.

Mr. President, Eric Fromm, the famed psychoanalyst, has noted the dangerous trend in our institutions. We have not heeded his warning. He has spoken of the dangers of our modern and complex system. We are an alienated people and we are in danger of losing touch with the historic traditions that have made us great:

> Alienation as we find it in modern society is almost total, it pervades the relationship of man to his work, to the things he consumes, to the state and to his fellow man, and to himself. Man has created a world of man-made things as it never existed before. He has constructed a complicated social machine to administer the technical machine he built. The more powerful and gigantic the forces are which he unleashes, the more powerless he feels himself as a human being. He is owned by his own creation, and has lost ownership of himself.

The forces that have carried this Nation to the center of global power and responsibility in the short span of 200 years are still at work. The evidence is everywhere. Footprints in the dust of the Moon, the creation of life in antiseptic test tubes, and the intermingling of cultures and the inevitable, growing demand for increased complexity and size that challenges our seemingly limitless ambitions.

But now, 200 years later, we must look beyond our vast technological and material success to see what we have become, and where we are being led by these economic and political forces of chilling power and enormous complexity. Our success as a nation has carried with it great ironies. The United States was a nation dedicated to peace, and yet we have been engaged in nearly a century of war. We are dedicated to economic prosperity and yet inflation, recession and international instability balance thinly on the edge of crisis. In 1776, we were a Nation of small political and economic units, and now we have incorporated our power in a vast symbiotic cartel. Our task since the revolution has been to insure that liberty overwhelms tyranny, that peace abolishes war, that reason overpowers irrationality. And yet tyranny, war, and irrationality still threaten our freedoms.

Have we lost a portion of our freedoms? Undeniably, we have. But the loss has gone largely unnoticed in a frenetic, technological age. What are the modern chains that enslave us? They are, for the most part, systems of control that regulate our lives and detract from our liberties. They are involvements in wars, never declared; they are promises of plenty and happiness, never realized; they are a type of modern fear, apathy and disillusionment that cannot be dealt with effectively by the institutions and bureaucracies of our own creation.

In order to initiate the great programs of our past, the New Deals, the Great Societies and Wars on Poverty, the New Federalisms and New Populisms, we chose to sacrifice individual responsibility through the creation of centralized, Federal bureaucracies. Officials proceeded on the assumption that these great citadels of paper and people would be the most practical way of overcoming the problems of welfare for the disadvantaged, economic opportunity for the unemployed, and a fair distribution of wealth. These assumptions have in many instances proven wrong. And we are left with the dinosaurs of these misconceptions—huge buildings that line the street of Washington whose inhabitants attempt to carry out the Nation's business. And their failure is being felt.

This failure cannot be computed; it can be sensed. One need only ask people if they feel the Federal Government can solve their problems. Most think that it cannot.

They believe the Federal Government has grown too big; that it spends far too much money; that what it does spend it frequently wastes; that it has lost touch with the citizens; that it employs too many ineffective bureaucrats; and that it blunders on, not in control of itself, nor controlled by others. And they are right.

The phrases "Federal Government" and "bureaucratic Washington" have become code words for people's dispair, disillusionment, distrust, and even disgust. People see tax dollars flowing to Washington in a torrent and returning in a meager dribble. Today, Mr. President, I would like to propose a first step toward the rebirth of responsibility and participation among people, a concentrated effort to bring the Government of America back to its people.

The Neighborhood Government Act would, I believe, go far in arresting the growing feeling of frustration and alienation that plague the American voter and his feeling of powerlessness. Fromm described this well when he wrote:

> Seen through the eyes of the average voter, the whole world is so alienated that nothing makes real sense or carries real meaning. He reads of billions of dollars being spent, of millions of people being killed; figures, abstractions which are in no way interpreted in a concrete, meaningful picture of the world. . . . Everything is unreal, unlimited, impersonal. Facts are so many lists of memory items, like puzzles in a game, not elements on which his life and that of his children depend.

The establishment of voluntary neighborhood governments could restore liberty, dignity, and true democracy to the heartland of America—its towns and communities.

But beyond this, what would the Neighborhood Government Act accomplish? With its economic incentives, up to 80 percent of Federal income tax dollars being funneled into neighborhood organizations, I can see America revitalized once again. With the power to deal with their own money in their own way, local day care centers, drug abuse programs, and out-patient clinics could be established to meet community needs. Parks and recreation centers, welfare programs, cooperative stores, credit unions, and local police forces and fire departments are all possible if communities are given control of money that are now so obviously wasted.

This movement, no doubt, will begin quietly and with forbearance, but with success it can grow to become a vital political alternative in American life. Again, the voice of all Americans will be heard and what they said would make a difference. No longer would their cries fall on a massive and plodding Federal bureaucracy that cannot feel their pain, sense their hunger, or offer them hope.

There is nothing more American than community-based self-government. The town meeting, the voluntary organizations, the PTA, the neighborhood associations—such have been the historic, tangible expressions of self-determination for the American. Such groups must become options for genuine political power once again.

Neighborhoods should have some right and power to decide whether and where a city's freeways are built. Local communities in the midst of urban sprawl must assume the powers to determine how their land should be utilized and how their ecology should be protected.

Towns should give their citizens the option of choosing whether industries that would cause pollution or manufacture unwanted products, should be allowed to reside there.

Also, localized, decentralized government must assume the responsibility of caring for the dispossessed and meeting the social needs in their midst.

If, for example, every church and synagogue were to take over the responsibility of caring for 10 people over the age of 65 who are presently living below the poverty level, there would be no present welfare programs needed for the aged. If each church and synagogue took over the responsibility of 18 families who are eligible for welfare today, there would not be any need for Federal or State welfare programs to families. If each church and synagogue cared for less than one child each, the present day care programs supported by Federal and State funds would be totally unnecessary. Our religious institutions—the historical focus of community activity—could thus be directed toward meeting the human needs of one's fellow man.

Our problems are great, but they are not unconquerable. If only we begin again to rely on the spirit and self-reliance of our people—and not on the sterile institutions of the past—our future can be bright and exciting.

The movement back to communities is beginning. The Sto-Rox Community near Pittsburg—working with little or no outside Federal assistance and against entrenched political machinery, has incorporated. It has established a community health center, a senior citizens clinic and a counseling center. It serves the community well because the people know the community problems first hand.

In Washington, D.C., the Adams-Morgan Organization is in the process of developing community self-sufficiency. A community technology center has been established which has built fish tanks that can be placed in the basements of the neighborhood, each of which will produce 400 pounds of rainbow trout a month. Hydrophonic greenhouses have been proposed that could be community-owned and would provide the food needs of every member of the neighborhood. They have created plans for harnassing wind and solar energy to run the kitchens and heat the water of every home in the community.

These are only examples. Neighborhood corporations exist in the United States today that are developing new ideas, new initiatives and new ways of solving local problems—and they are doing it on their own. They are exercising genuine political liberty. They are confronting human conflicts and problems on human terms and they are succeeding in the battle because they have imagination and compassion. There is no task any greater than humanizing our systems in order to renew a sense of individuality and integrity that will allow for both the frailties and the genius of men.

It is my hope that in the future political systems will anticipate change because it will be an integral part of the neighborhoods and communities of America—where change is first felt. People will be able to stand up, speak their mind and be heard and what they say will make a difference in the way they live. For once, the cries that reflect their frustration and powerlessness will not fall on machinery that cannot compute the sound of their voices or the depth of their alienation.

In the future, in these small community meetings, I would expect much waving of hands, many shouts to be heard and a great deal of carrying on—and I welcome all these things. They are the sounds of people acting together again; they are the sounds of life and political rebirth. They are what we need to cope with the future, and to energize anew the American political experience.

There will be great difficulties. There will be people who fear change—who fear the power that they might have over their lives and their destinies once again. This fear is not unknown to us.

If we cannot change our institutions, if we are irrevocably wedded to the past, we may face an Orwellian future of our own making. The Orwellian future would be a simple one, devoid of personal response and initiative. The people are neither adventuresome, courageous, imaginative nor capable of joy. They are as dead as their leaders, and they embody a society that has no future.

It must be remembered that tyranny need not be overt, it need not take the form of a screaming madman appealing only to the weakest traits of men. Tyranny can be subtle, silent, pursuasive—and yet still be deadly. The quantum growth of institutional power in the political world of 20th century America breeds alienation. And alienation, in turn, breeds the tyranny of authoritarianism.

This, however, need not be our destiny. We can break the chains that entangle our bodies and our minds and we can flourish in new liberties and reconstructed hopes. Or we can go our same way and let forces impassively push us toward a future that we do not know, and may not care to know.

We must act to return to our citizens the control over their lives and their destinies. We must lead ourselves away from the direction modern history is taking—toward the slow suffocation of our freedom—and direct our course instead toward the service of mankind. The massive trend toward defacto institutional oppression must be stopped. It has shackled the freedom of men for too long and it is destroying their spirit. We cannot live with it, nor can our children. Through this act, I believe Congress can take an invaluable step toward the betterment of life, toward the rebirth of opportunity, of community, and of imagination. Only by renewing the spirit of man, in a strangely spiritless age, can America move into its third century of life with optimism—looking forward to a future that can again be filled with the promise and fascination of freedom.

By Mr. MUSKIE:

S. 2193. A bill to amend the Fish and Wildlife Act of 1956 in order to authorize the Secretary of Commerce to make loans to U.S. fishermen to cover the costs of damages to their vessels and gear by foreign vessels. Referred to the Committee on Commerce.

FISHING VESSEL CLAIMS OF 1975

Mr. MUSKIE. Mr. President, I am introducing legislation to amend the Fish and Wildlife Act of 1956 to expedite the payment of claims by U.S. fishermen for damage caused by foreign vessels. Specifically, this legislation would require the Federal Government within 30 days to assume financial responsibility for losses to U.S. fishermen caused by foreign vessels, pending international negotiations to recover the loss from the foreign government involved. In cases where there is reason to believe that damage or destruction did in fact occur as a result of foreign fishing activities, documented claims would be paid by the Secretary of Commerce in the form of a noninterest-bearing loan from the Fisheries Loan Fund set up under the Fish and Wildlife Act of 1956.

Congress created this fund expressly to finance or refinance the cost of purchasing, constructing, equipping, maintaining, or operating commercial fishing vessels or gear. The loan would be made in an amount equal to the replacement value of the damaged or destroyed property and the market value of the fish lost on board or in the damaged gear. After the Secretary of Commerce has completed an investigation of the incident—an investigation which must be completed within 6 months after the loan application has been filed—the loan would be converted to a grant if it were found that the American fisherman was not at fault.

If, however, the Secretary found that the damage or destruction resulted from a natural cause such as a storm, the noninterest-bearing loan would be converted into a loan with interest at a rate set by the Secretary.

If the American fisherman were found to be at fault because of negligent or fraudulent activity, the Secretary would require the immediate repayment of the loan at an interest rate he deemed appropriate; and the fisherman would be subject to criminal prosecution. Government responsibility would be retroactive to January 1, 1972, since most of the serious damage done to American fishermen's gear has been done during the past 3 years.

Mr. President, I would like to add that this legislation is not only simple in its intent and construction, but if enacted, it could be administered in a straightforward and relatively inexpensive manner. With the enactment of this measure, I would not, for example, foresee the need to expand the bureaucracy or to set up any new administrative organization to handle claims filed by U.S. fishermen against foreign vessels. I believe the National Marine Fisheries Service, as presently structured, could handle any increased demands made upon it as a result of this legislation.

Furthermore, the few million dollars currently in the fisheries loan fund should provide more than enough money to take care of any immediate claims filed pursuant to this measure. So it will not be necessary for Congress to authorize any new moneys for the implementation of this bill.

Mr. President, identical legislation was approved by the House and the Senate late last Congress as an amendment to the maritime authorization bill, which was vetoed by the President. In announcing his veto, President Ford objected specifically to the provision for fishermen claims recovery. As the author of this provision, I was particularly distressed at the President's action.

The primary objection raised by President Ford in his veto message was that "It would be difficult to establish responsibility for any damage caused." This difficulty is precisely the reason I introduced the amendment. Moreover, the President implied in his veto message that existing international settlement procedures are adequate when in fact they are not.

For many years, fishermen off both the east and west coasts have suffered serious and often disastrous economic losses as a result of damage to their gear caused by foreign fishermen. There are international procedures for making claims against foreign vessels which damage or destroy fishing gear. But current procedures are slow, cumbersome, and seldom effective, with the result that most American fishermen do not even bother going through the laborious process of filling out the necessary claims forms. And in a given case, even if the claims process is eventually successful, the individual fisherman with a median income of $8,000 per year is forced to carry the financial burden of between $2,000 and $4,000 for several months or longer.

Mr. President, this legislation is designed to get the fisherman back on the job while the international negotiations are going on by providing him with immediate compensation.

Last summer, there was a series of incidents of damage to the fixed gear of fishermen off the Maine coast. The destruction was wanton and apparently deliberate. Strong evidence indicated that West German ships were responsible, yet our fishermen were left with only the most uncertain claims. Under existing procedures, the most likely result of recovery efforts is that nothing will happen.

Mr. President, as things stand today, most American fishermen do not regard the existing procedures as adequate: They feel that filing claims is hardly worth the time, money, and trouble since there is such a high probability that pursuit through the claims process will prove fruitless. It is bad enough that we are allowing foreign fishermen to deplete our offshore stocks and to threaten the health of the U.S. fishing industry. We must not continue to allow foreign fishing vessels to add to that injury by destroying the gear of American fishermen.

It is imperative that the Federal Government initiate new measures to reform the existing claims process. The bill I am offering today—providing the individual fisherman with the capital he needs to get back in business while the Government negotiates with the responsible foreign governments for reimbursement—offers, I feel, a reasonable approach to this problem. I urge my colleagues to support this legislation.

Mr. President, I ask unanimous consent that a section-by-section analysis and the legislation be printed in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 2193

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Fishing Vessels Claims Act of 1975."

SEC. 2. Section 4 of the Fish and Wildlife Act of 1956 (16 U.S.C. 742c; 70 Stat. 1121), as amended, is further amended by adding the following new subsection:

"(f) (1) The Secretary of Commerce is authorized, under such terms and conditions as he may prescribe by regulation to use funds appropriated under this section to compensate owners and operators whose fishing vessels or gear have been destroyed or damaged by the actions of foreign fishing vessels operating in waters superjacent to the Continental Shelf of the United States as defined in the Convention on the Continental Shelf.

"(2) Upon receipt of an application filed by an owner or operator pursuant to this subsection after the effective date of this subsection by the owner or operator of any vessel documented or certificated under the laws of the United States as a commercial fishing vessel and after determination by the Secretary that there is reason to believe that such vessel or its gear was destroyed or damaged while under the control of such owner or operator in waters superjacent to the Continental Shelf of the United States by the actions of a vessel (including crew) of a foreign nation, the Secretary shall, as soon as practicable but not later than thirty days after receipt of an application, make a non-interest-bearing loan to such owner or operator from the fisheries loan fund created under subsection (c) of this section. Any such loan, as determined by the Secretary shall be in an amount equal to the replacement value of the damaged or destroyed property and the market value of fish. If any, onboard such vessel and within such gear which are lost or spoiled as the result of such damage or destruction. Any such loan shall—

(A) be conditional upon the owner or operator of such damaged or destroyed property assigning to the Secretary of Commerce any such rights of such owner or operator to recover for such damages;

"(B) be subject to other requirements of this section with respect to loan which are not inconsistent with the subsection; and

"(C) be subject to other terms and conditions which the Secretary determines necessary for the purposes of this subsection.

"(3) The Secretary of Commerce shall, within one hundred and eighty days of receipt of a loan application, investigate each incident as a result of which a loan is made pursuant to this subsection and—

"(A) if he determines in any such case that the destruction or damage was caused solely by a vessel (including crew) or a foreign nation, he shall cancel repayment of such loan and refund any principal paid thereon prior to such cancellation and seek recovery from such foreign nation;

"(B) if he determines that the damage or destruction was not caused solely by a vessel (including crew) of a foreign nation or solely by the negligence or international actions of the owner or operator of the vessel, he shall require such owner or operator to repay such loan at a rate of interest determined by him, pursuant to subsection (b) of this section, which rate shall be retroactive to the date the loan was originally made; or

"(C) if he determines that the damage or destruction was caused solely by the negligence or international actions of the owner or operator, he shall require the immediate repayment of such loan at a rate of interest determined by him, pursuant to subsection (b) of this section, which rate shall be retroactive to the date the loan was originally made.

"(4) The Secretary of Commerce and the Secretary of State shall, with the assistance of the Attorney General, take steps to collect any claim assigned to him under this subsection from any foreign nation involved. Amounts collected on any such claim shall be desposited in the fisheries loan fund.

"(5) This subsection shall apply with respect to damages or destruction or vessels or gear occurring on or after January 1, 1972."

EXPLANATION OF FISHING VESSELS CLAIMS ACT OF 1975

DESCRIPTION

This measure establishes a special loan program to expedite the payment of compensation to U.S. fishermen whose vessels or gear are damaged or destroyed as a result of foreign fishing activities on the U.S. Continental Shelf. It adds a new subsection to section 4 of the Fish and Wildlife Act of 1953 (16 U.S.C. 742c; 70 Stat. 1121) which created a more general loan program for financing or refinancing the cost of purchasing, constructing, and equipping, maintaining, repairing or operating commercial fishing vessels or gear.

It is the intent of the sponsors of this bill that the "fisheries loan fund" provided for in subsection (c) of section 4 be the source of funds for the loans made pursuant to this amendment. Currently, the fund contains $4,000,000. However, because of past administrative difficulties the Administration has imposed a moratorium on the use of this loan program, although these difficulties may soon be resolved. Since the purposes of this bill do not involve past difficulties with the general loan program and since it is tied to a compensation program which will keep the fund replenished, this moratorium should not apply to the program created by this measure. The funds to be used should not exceed $250,000 per year.

Paragraph (2) of the new subsection outlines the procedures and states the basic conditions of the loan/compensation program. These procedures begin with an application by a fisherman claiming to have had his vessel or gear either damaged or destroyed by the actions of a foreign vessel or its crew. After receiving the application, but not more than 30 days after it is filed, the Secretary of Commerce determines whether there is reason to believe that damage or destruction did in fact occur as a result of foreign fishing activities. To establish a *prima facie* case, a fisherman should submit the following: (1) a copy of the vessel's log showing the location of the vessel and the location, quantity, and type of gear alleged to be lost, damaged, or destroyed; (2) a statement by an appropriate government official (e.g. someone from the U.S. Coast Guard) that foreign vessels were known to be in the area at the approximate time the gear was lost, damaged, or destroyed; and (3) an affidavit of the owner or operator of the vessel that, to the best of his knowledge, the damage or destruction of the gear or vessel was not caused by (a) his negligence or intentional acts; (b) natural causes; or (c) other U.S. fishing vessels, and that he was not operating his vessel or employing his gear in violation of any applicable laws or regulation. To knowingly falsify such statements will subject the applicant to the penalties contained in 18 U.S.C. 1001 relating to false statements.

After being satisfied that any fisherman has a bona fide case according to the above guidelines, the Secretary is to make a non-interest bearing loan to each such fisherman from the fisheries loan fund. The loan would essentially cover "out-of-pocket" losses of the vessel owner. It would be made in an amount equal to the replacement value of the damaged or destroyed property and the market value of fish proved to be onboard a damaged or destroyed vessel or within lost, damaged or destroyed fishing gear.

The loan will be made subject to the following conditions: (1) assignment to the Secretary of Commerce of any right to recover for damages caused by foreign fishing activities; (2) the other requirement of section 4 relating to loans to the extent they are not inconsistent with the purpose of this bill (e.g. no other source of assistance, such as private insurance or bank loans, are reasonably available); and any other conditions determined by the Secretary to be necessary.

As soon as he receives an application, the Secretary must begin a thorough investigation of the incident alleged to have taken place. Although this investigation may be completed before a loan is made (which is unlikely), it must be completed within six months after the loan compensation application is filed. In this time frame it is believed an adequate investigation can be efficiently completed.

If the Secretary finds that the damage or destruction was indeed the result of foreign fishing activities, he is required to cancel repayment of the loan made and to seek recovery from the foreign nation involved. If, however, despite the fisherman's truthful sworn statement, the Secretary finds that the damage or destruction was caused by natural events (storms, waves, etc.), the non-interest bearing loan is to be converted into one with interest at a rate determined appropriate by the Secretary. In addition, if the fisherman is at fault because of negligence or intentional actions, the Secretary is to require the immediate repayment of the loan with interest.

Paragraph (4) directs and authorizes the Secretaries of State and Commerce, with the help of the Attorney General if need be, to seek recovery of damages from the foreign nation whose fishermen are found to be at fault.

Paragraph (5) states that this amendment is retroactive to January 1, 1972.

By Mr. NUNN (for himself, Mr. Percy, Mr. Javits, Mr. Jackson, Mr. Chiles, Mr. Roth, and Mr. Brock):

S. 2195. A bill to establish a National Center for Productivity and Quality of Working Life; to provide for a review of the activities of all Federal agencies including implementation of all Federal laws, regulations, and policies which impede the productive performance and efficiency of the American economy; to encourage joint labor, industry, and Government efforts to improve national productivity and the character of working conditions; to establish a Federal policy with respect to continued productivity growth and improved utilization of human resources in the United States; and for other purposes. Referred to the Committee on Government Operations.

NATIONAL PRODUCTIVITY AND QUALITY OF WORKING LIFE ACT OF 1975

Mr. NUNN. Mr. President, today I introduce, together with Senators Percy, Javits, Jackson, Chiles, Roth, and Brock, the National Productivity and Quality of Working Life Act of 1975.

This bill has already been considered in detail by the Committee on Government Operations, which has ordered it to be introduced and reported on the same day. I will file a report on the bill later today.

The bill is the product of extensive hearings held by the committee, and it combines many features of two bills which Senator Percy and I introduced earlier this year, S. 765 and S. 937, respectively. In addition, there were many contributions made by other members of the committee, especially by Senator Javits who has been interested in the subject matter of this legislation for a number of years.

The committee also considered legislation which was recommended by the Ford administration. That measure was introduced in the House of Representatives as H.R. 6078 but has not been introduced in the Senate.

The committee's report on the bill, which I will file later today, explains the bill in detail.

Mr. President, I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2195

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Productivity and Quality of Working Life Act of 1975".

TITLE I—FINDINGS, PURPOSE, AND POLICY; DEFINITIONS

Sec. 101. The Congress finds that—

(1) the rate of productivity growth in the United States has declined during four of the past six years;

(2) the decline in the rate of productivity growth has contributed to inflation, to economic stagnation, and to increasing unemployment;

(3) since 1965, the rate of productivity growth of the United States has been consistently lower than that of many industrial nations in the world, adversely affecting the competitive position of the United States in world markets;

(4) growth in productivity of the economy of the United States is essential to the social and economic welfare of the Amercan people, and to the health of the world economy;

(5) growing in the productivity of the Nation's economy is essentail to maintain and increase employment to stabilize the cost of living and to provide job security;

(6) mounting worldwide materials shortages and their consequent inflation results make increased efficiency in the utilization of these resources of urgent importance;

(7) sharing the fruits of productivity gains among labor, management, and owners may considerably influence productivity;

(8) the continued development of joint labor-management efforts to provide a healthy environment for collective bargaining can make a significant contribution to improve productivity and foster industrial peace;

(9) factors affecting the growth of productivity in the economy include not only the status of technology and the techniques of management but also the role of the worker in the production process and the conditions of his working life;

(10) there is a national need to identify and encourage appropriate application of capital in sectors of American economic activity in order to improve productivity;

(11) there is a national need to identify and encourage appropriate application of technology in all sectors of American economic activity in order to improve productivity;

(12) there is a national need to identify and encourage the development of social, economic, scientific, business, labor, and governmental contributions to improve productivity growth, and increased economic effectiveness in the public and private sectors of the United States; which objectives can best be accomplished through maximizing private sector and State and local development of such contributions;

(13) there is a national need to identify, study, and revise or eliminate the laws, regulations, policies, and procedures which adversely affect productivity growth and the efficient functioning of the economy;

(14) there is a national need to increase employment security through such activities as manpower planning, skill-training and retraining of workers, internal work force adjustments to avoid worker displacement, assistance to workers facing or experiencing displacement, and all other public and private programs which seek to minimize the human costs of productivity improvement, thereby diminishing resistance to workplace change and improving productivity growth;

(15) there is a national need to develop new technologies for the more effective production of goods and services;

(16) there is a national need to encourage and support efforts by qualified institutions of higher learning to identify and inaugurate programs which will improve productivity;

(17) there is a national need to develop precise, standardized measurements of productivity; and

(18) there is a national need to gather and disseminate information about methods and techniques to improve productivity.

STATEMENT OF PURPOSE

Sec. 102. It is the purpose of this Act—

(1) to establish a national policy which will encourage productivity growth consistent with needs of the economy, the natural environment, and the needs, rights, and best interests of management, the work force, and consumer; and

(2) to establish as an independent establishment of the executive branch a National Center for Productivity and Quality of Working Life to focus, coordinate, and promote efforts to improve the rate of productivity growth.

POLICY

Sec. 103. (3) The Congress, recognizing the profound impact of productivity on the interrelations of all components of the national economy, declares that it is the continuing policy of the Federal Government, in cooperation with State and local governments, to use all practicable means and measures, including financial and technical assistance, to stimulate a high rate of productivity growth.

(b) It is the continuing responsibility of the Federal Government to use all practicable means to improve and coordinate Federal plans, functions, programs, and resources to carry out the policy set forth in this Act.

(c) The laws, rules, regulations, and policies of the United States shall be so interpreted as to give full force and effect to this policy.

DEFINITIONS

Sec. 104. For the purposes of this Act—

(1) the term "Center" means the National Center for Productivity and Quality of Working Life;

(2) the term "Board" means the Board of Directors of the Center;

(3) the terms "productivity growth" and "improved productivity" shall be interpreted to include, but not be limited to, improvements in technology, management techniques, and the quality of working life; and

(4) the term "quality of working life" shall be interpreted to mean the conditions of work relating to the role of the worker in the production process.

TITLE II—NATIONAL CENTER FOR PRODUCTIVITY AND QUALITY OF WORKING LIFE ESTABLISHED

Sec. 201. There is hereby established as an independent establishment of the executive branch of the Government the National Center for Productivity and Quality of Working Life.

BOARD OF DIRECTORS

SEC. 202. (a) The Center shall have a Board of Directors, to be comprised of not more than twenty-five members, as follows:

(1) a Chairman, appointed by the President, by and with the advice and consent of the Senate;

(2) the Secretary of the Treasury;

(3) the Secretary of Commerce;

(4) the Secretary of Labor;

(5) the Director of the Federal Mediation and Conciliation Service;

(6) the Executive Director of the Center;

(7) not less than three members who shall be appointed by the President, by and with the advice and consent of the Senate, from among qualified private individuals in manufacturing and service industries;

(8) not less than five members who shall be appointed by the President, by and with the advice and consent of the Senate, from among qualified private individuals from labor organizations;

(9) not less than two members who shall be appointed by the President, by and with the advice and consent of the Senate, from among qualified individuals in State or local governments;

(10) not less than one member who shall be appointed by the President, by and with the advice and consent of the Senate, from among the general public;

(11) not less than one member who shall be appointed by the President, by and with the advice and consent of the Senate, from among qualified individuals associated with leading institutions of higher education; and

(12) such other qualified members from the public or private sectors whom the President may deem appropriate who shall be appointed by the President, by and with the advice and consent of the Senate.

When unable to attend a meeting of the Board, a member appointed under clauses (2), (3), (4), and (5) shall appoint an appropriate alternate from such member Department or agency to represent such member at that meeting.

(b)(1) The members of the Board appointed under clauses (7), (8), (9), (10), (11), and any private sector members appointed pursuant to clause (12) of subsection (a) shall be appointed for a four-year term coterminous with the term of the President. Members other than members appointed under such clauses, with the exception of the Chairman, shall serve as long as such member is head of the department or agency represented on the Board. No person shall serve as an acting or temporary member in positions requiring Senate confirmation including that of Chairman, for a period in excess of three months.

(2) The President shall appoint a Chairman for a term of four years coterminous with the term of the President. In appointing a Chairman, the President may appoint an individual who is an officer of the United States. If that officer has been appointed to his current position, by and with the advice and consent of the Senate, or if such individual is the Vice President of the United States, such individual may be appointed chairman by the President without the requirement of confirmation by the Senate.

(c) Any member appinted to fill a vacancy occurring before the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of that term.

(d)(1) Each member of the Board appointed under clauses (7), (8), (9), (10), (11), and any private sector members appointed pursuant to clause (12) of subsection (a) may be compensated at the daily rate provided for GS–18 of the General Schedule under section 5332 of title 5, United States Code, including travel time, for each day such member is engaged in the performance of his duties as a member of the Board and shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred in carrying out the functions of the Board.

(2) Other members of the Board, with the exception of the Chairman, and the Executive Director of the Center shall serve without additional compensation but shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in carrying out the functions of the Board.

(3) The Chairman shall be compensated as set forth in paragraph (1) of this subsection, except if the Chairman holds some other position in the Federal Government such individual shall be compensated as set forth in paragraph (2) of this subsection.

(e)(1) The Chairman shall appoint an Executive Committee of the Board, not to exceed seven members, including the executive director of the Center.

(2) The Executive Committee of the Board shall meet at the call of the Chairman, but in no case less frequently than once every ninety days.

EXECUTIVE DIRECTOR; DEPUTY DIRECTOR

SEC. 203. (a) The Center shall have an Executive Director, who shall be appointed by the President by and with the advice and consent of the Senate, without regard to political affilation and solely on the basis of fitness to perform the duties and functions of the office. No person shall serve as acting or temporary Executive Director for a period in excess of three months.

(b) The Executive Director shall appoint a Deputy Director, who shall perform such functions as the Executive Director may prescribe. The Deputy Director shall act for and exercise the powers of the Executive Director during the absence or disability of the Executive Director.

(c) The Executive Director shall be responsible for the exercise of all powers and the discharge of all duties of the Center. The Executive Director shall have authority over and control of all of the staff of the Center and their activities. The Executive Director shall maintain budgets and allocate available funds as appropriate in carrying out the provisions of this Act.

(e) The Executive Director shall be compensated at a rate not to exceed that provided for Executive level IV under section 5315 of title 5 of the United States Code as determined by the President, and shall have no other employment, public or private, during the tenure of his appointment.

FUNCTIONS OF THE CENTER

SEC. 204. The Center shall—

(1) develop and establish, in consultation with the appropriate committees of the Congress and with the appropriate departments and agencies of the executive branch, a national policy for productivity growth in the public and private sectors of the United States consistent with the purposes of this Act:

(2) seek, stimulate, and encourage maximum active participation of—

(A) the private sector of the Nation's economy, including labor organizations, associations and confederations, business enterprises and associations, institutions of higher education, foundations and other philanthropic organizations and research centers and institutes; and

(B) the public sector of the Nation's economy, including Federal, State, and local governments and agencies thereof, including institutions of higher education, in efforts to improve the rate of productivity growth in all sectors of the Nation's economy;

(3) seek, stimulate, and encourage maximum active participation of the public agencies and private organizations identified in clause (2) of this section through identification and encouragement of selected research and demonstration programs implemented by public agencies and qualified private organizations which will—

(A) increase the rate of productivity growth in the public and private sectors of the National economy through improved and innovative utilization of technological and human resources; and

(B) develop, refine, and apply accurate and reliable measurement techniques to evaluate changes in productivity;

(4) to identify, study, and review—

(A) existing Federal, State, and local statutes, regulations, and fiscal policies which adversely affect productivity growth or the economic performance of the public and private sectors of the United States;

(B) incentives to encourage industry and labor initiatives in the development of methods, techniques, and systems for the improved utilization of technological and human resources in the public and private sectors;

(C) existing and new programs, plans, and other methods, including advanced warning systems, retraining programs, retirement and separation programs, designed to counteract threats to job security which may result from efforts to improve productivity;

(D) jointly, with the Civil Service Commission, the impact of Federal personnel policies, statutes, and regulations affecting the productivity of Federal agencies and the quality of working life of Federal employees; and

(E) the need and feasibility of providing, directly to potential users, public or private, various Center services in return for payment to the Center, and methods by which charges for such services will be established;

(5) recommend to the President, the Congress, the appropriate agencies and departments of the Federal Government, and State and local governments, any legislation, revisions of regulations, policies, practices, and procedures which result from the activities carried out under clause (4) of this section;

(6) encourage, support, and initiate efforts in the public and private sector specifically designed to improve cooperation between labor and management in the achievement of continued productivity growth: *Provided, however,* That no activities of the Center involving consideration of issues included in labor-management agreements shall be undertaken without the consent and cooperation of the parties to that agreement;

(7) encourage departments and agencies of the Federal Government to initiate, stimulate, and support efforts in both the public and private sectors of the United States to improve the rate of productivity growth;

(8) coordinate all activities referred to in subsection (7) of this section in order to eliminate interagency duplication of effort and cost, to insure that Center activities will not unnecessarily conflict or overlap with such other activities, and to maximize the effectiveness of all such Federal programs and activities;

(9) coordinate and consult with the departments and agencies of the Federal Government in the obligation and expenditure of funds for activities and projects in both the public and private sectors to improve productivity growth;

(10) identify, develop, and support activities, programs, systems, and techniques in the various departments and agencies of the Federal Government for measuring produc-

tivity growth within such departments and agencies;

(11) collect and disseminate relevant information obtained by the Center or other public agencies institutions of higher education, or private organizations engaged in projects under this Act, including information related to new or improved methods, systems, technological developments, equipment, and devices to improve and stimulate productivity growth, and to develop and implement a public information program designed to inform the public of the meaning and importance of productivity, and productivity growth;

(12) encourage and coordinate the efforts of State and local governments, and institutions of higher education, to improve productivity;

(13) maintain liaison with organizations, both domestic and foreign, involved in efforts to improve productivity; and

(14) determine the Nation's needs for productivity-related management and analytical skills and to encourage and facilitate the development of training programs in such skills.

POWERS

SEC. 205. In carrying out its functions, the Center is authorized—

(1) to enter into contracts or other funding arrangements, or modifications thereof, in order to carry out the provisions of this Act;

(2) to organize and conduct, directly by contract or other funding arrangements with other public agencies or private organizations, conferences, meetings, seminars, workshops, or other forums for the presentation and dissemination of relevant information generated or collected pursuant to the provisions of this Act;

(3) to make such studies and recommendations to the President and to Congress as may be necessary to carry out the functions of the Center;

(4) to implement a program and secure necessary facilities for the collection, collation, analysis, and interpretation of data and information as required in order to carry out the public information functions under this Act; and

(5) to undertake such other studies, reviews, activities, and to make such recommendations and reports as may be required to carry out the functions of the Center.

CONTRACTS AND OTHER FUNDING ARRANGEMENTS—CONDITIONS

SEC. 206. (a) No contracts or other funding arrangements may be entered into under this Act unless—

(1) such contracts or other funding arrangements will be consistent with the policies and purposes of this Act and of potential benefit to other users in the public or private sectors;

(2) provisions are made to evaluate the demonstration program and maintain improvement data, such evaluation either to be implemented by the participating parties in accordance with specifications established by the Center, or to be implemented by or on behalf of the Center; and

(3) the participating parties agree that all information relating to any innovation or achievement generated in the course of any Center-funded demonstration program shall be public information.

(b) No contract or other funding arrangement shall be made or entered into pursuant to the provisions of this Act for a period of more than three years.

(c) Any non-Federal share of a project may be in cash or in kind, fairly evaluated, including, but not limited to, plant, equipment, or services.

CONTRACT AND OTHER FUNDING ARRANGEMENTS—CRITERIA

SEC. 207. (a) The Center shall prescribe by regulation, after consultation with appropriate agencies and officials of Federal, State, and local governments, basic criteria for the participating parties under this Act.

(b) If the Center determines, on the basis of information available to it during any fiscal year, that a portion of the funds provided to a participating party for that fiscal year will not be required by the party or will become available by virtue of the application of regulations established by the Center to govern noncompliance by a participating party, that portion shall be available for reallocation under this section.

(c) The Center shall by regulation prescribe the basic criteria for determination of noncompliance by participating parties including appropriate provisions for notice and hearing with respect to such determination.

ANNUAL REPORT

SEC. 208. (a) No later than December 31 of each year, the Center shall report to the President and to the Congress on activities pursuant to the provision of this title during the preceding fiscal year; such reports shall include a detailed statement of all public and private funds received and expended together with such recommendations as the Center deems appropriate. Such report shall include an analysis of the extent to which each agency of the Federal Government which has significant responsibilities for assisting in the improvement of productivity is carrying out such responsibilities consistent with the provisions of this Act, including (A) an accounting of all funds expended or obligated by such agencies for activities and projects to improve productivity growth, (B) an assessment of the extent to which such expenditures or obligations have furthered the policies of the Center, and (C) the Center's recommendations on how these expenditures and obligations can be better coordinated to accomplish the purposes of this Act.

(b) Each report required to be submitted to the Congress by this Act shall be referred to the standing committee or committees having jurisdiction over any part of the subject matter of the report.

TITLE III—FEDERAL AGENCY COORDINATION AND LIAISON WITH CENTER

SEC. 301. (a) Each department, agency, and independent establishment of the Federal Government shall designate a qualified individual to serve as liaison with the Center and to assist the Center in carrying out its functions pursuant to this Act.

(b) Each department, agency, and independent establishment of the Federal Government shall keep the Center currently informed of its programs, policies, and initiatives to improve productivity which relate to the responsibilities of the Center, and shall consult with the Center prior to the obligation or expenditure of funds for activities or projects to improve productivity growth.

(c) Each Federal department, agency, and independent establishment of the Federal Government is authorized and directed to furnish or allow access to all relevant materials and information required by the Center to carry out its functions under this Act.

INTERNAL REVIEW

SEC. 302. Each department, agency, and independent establishment of the Federal Government, in coordination with the Center, shall study and review the promulgation and implementation of its statutory authority, policies, and regulations, and shall identify such statutes, policies, and regulations which adversely affect productivity growth in the public or private sectors of the United States, or those which impede the efficient functioning of the Nation's economy, and shall recommend to the President and the Congress, or implement where appropriate, alternative statutes, policies, and regulations which will contribute to the achievement of the purposes of this Act.

SUPPORT OF EXTERNAL ACTIVITIES

SEC. 303. Each department, agency, and independent establishment of the Federal Government, in coordination with the Center, shall, to the extent appropriate make available to State and local governments, labor organizations, industry, public institutions, and other qualified organizations advice, information, and support, including financial and other assistance, designed to maintain, promote, and enhance sustained productivity growth in the public and private sectors of the United States.

INTERNAL PRODUCTIVITY

SEC. 304. Each department, agency, and independent establishment of the Federal Government shall identify, develop, initiate, and support appropriate programs, systems, procedures, policies, and techniques to improve the productivity of such departments and agencies, including the implementation, where desirable, of specific programs recommended, supported, or implemented by the Center.

EFFECT ON PRIOR PROVISIONS

SEC. 305. Nothing in this title affects any specific statutory obligation of any Federal agency (1) to coordinate or consult with any other Federal or State agency or (2) to act, or to refrain from acting, contingent upon the recommendations or certification of any other Federal or State agency.

TITLE IV—ADMINISTRATIVE PROVISIONS

SEC. 401. The Executive Director is authorized to—

(1) prescribe such regulations as are deemed necessary to carry out the purposes of this Act;

(2) receive money and other property donated, bequeathed, or devised, or remitted in payment for services rendered, without condition or restriction other than that it be for the purposes of the Center;

(3) receive (and use, sell, or otherwise dispose of, in accordance with clause (2)) money or other property donated, bequeathed, or devised to the Center, except for such money and other property which includes a condition that the Center use other funds of the Center for the purpose of the gift, in which case two-thirds of the members of the Board of the Center must approve such donations;

(4) appoint and fix the compensation of such personnel as may be necessary to carry out the provisions of the Act in accordance with the provisions of title 5, United States Code, governing appointments in the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates;

(5) obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code, at rates for individuals not to exceed the maximum daily rate prescribed for GS–18 under section 5332 of title 5, United States Code;

(6) accept and utilize the services of voluntary and noncompensated personnel and reimburse them for travel expenses, including per diem as authorized by section 5703 of title 5, United States Code;

(7) utilize, on a reimbursable or nonreimbursable basis the services, equipment, personnel, and facilities of any other department or agency of the United States;

(8) establish one or more task forces to assist and advise the Center, composed of individuals who, by reason of experience, are qualified for such service. Each member of any such task force who is not an officer or employee of the Federal Government may receive an amount not to exceed the maximum daily rate prescribed for GS–18 under section 5332 of title 5, United States Code, for each day such individual is engaged in the actual performance of duties (including traveltime) as a member of such a task force. Members may be reimbursed for travel, subsistence, and necessary expenses incurred in the performance of their duties; and

(9) make advances, progress, and other payments deemed necessary under this Act without regard to the provisions of section 3648 of the Revised Statutes, as amended (21 U.S.C. 529).

TITLE V—EVALUATION BY THE COMPTROLLER GENERAL

Sec. 501. (a) The Comptroller General of the United States shall audit, review, and evaluate the implementation of the provisions of this Act by the Center.

(b) Not less than thirty months nor more than thirty-six months after the effective date of this Act, the Comptroller General shall prepare and submit to the Congress a report on his audit conducted pursuant to subsection (a), which shall contain, but not be limited to, the following:

(1) an evaluation of the effectiveness of the Center's activities;

(2) an evaluation of the effect of the activities of the Center on the efficiency, and effectiveness, of affected Federal agencies in carrying out their assigned functions and duties under this Act; and

(3) recommendations concerning any legislation he deems necessary, and the reasons therefor, for improving the implementation of the objectives of this Act as set forth in section 102.

TITLE VI—REPEAL AND TRANSFER

REPEAL OF PUBLIC LAWS 92–210 AND 93–311

Sec. 601. Section 4 of Public Law 92–210, and Public Law 93–311, relating to the National Commission on Productivity and Work Quality, are repealed.

TRANSFER OF FUNCTIONS AND STAFF

Sec. 602. (a) The functions and staff of the National Commission on Productivity and Work Quality are hereby transferred to the Center.

(b) All property, records, and contracts as are determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with any function transferred by subsection (a) are transferred to the Center.

TITLE VII—AUTHORIZATION OF APPROPRIATIONS

Sec. 701. There are authorized to be appropriated to carry out the purposes of this Act, not to exceed $6,250,000 for the fiscal year ending June 30, 1976, and the subsequent transition period ending September 30, 1976; not to exceed $5,000,000 for the fiscal year ending September 30, 1977; and not to exceed $5,000,000 for the fiscal year ending September 30, 1978. Funds appropriated for any fiscal year shall remain available for obligation until expended.

Mr. PERCY. Mr. President, I take a great deal of satisfaction in the reporting yesterday of legislation from the Government Operations Committee to create a National Center for Productivity and Quality of Working Life. I take pleasure both in the substantive sense in that the legislation we are reporting will hopefully lead to improvements in productivity both in the private sector and within the Federal Government itself, and I also take pleasure in that the work on this bill has been a thoroughly bipartisan effort. I would particularly like to compliment Senator Nunn who has been a moving force in creating this bill and with whom I have enjoyed working closely these last few months to get a bill that will accomplish the goal of increasing productivity in the American economy.

Senator Javits is also to be complimented for his continuing interest in productivity and for his major contributions to this legislation. He has been a leader in the Senate for many years in the field of productivity and we would not be where we are today were it not for him.

My interest in productivity has been life-long, going all the way through my working life in the private sector and continuing into my work in the Senate. In November 1971, I offered an amendment to the Economic Stabilization Act to exempt from wage controls any wage increases that were tied directly to productivity increases. This later became law and was a reaffirmation of my belief that productivity not only benefits management but benefits labor as well.

I have followed closely the work of the National Commission on Productivity and have worked actively in helping to frame the new legislation before the Senate now to create a National Center for Productivity and Quality of Working Life. Earlier this year I introduced S. 765 to create the new National Center, which, along with Senator Nunn's bill, S. 937, has been the basis of the new bill the Government Operations Committee has reported to the Senate.

The bill and report filed yesterday will give the details and the rationale behind what the Government Operations Committee is trying to accomplish in the field of productivity but I would like to point out a few highlights.

This legislation sets up a National Center for Productivity and Quality of Working Life to replace the current National Commission on Productivity and Work Quality. This should give increased emphasis at the Federal Government level to the concept of productivity growth. A 25-member board is created with a seven-member executive committee to be a more active body.

The center is to help establish a national policy on productivity to support research in this regard, to coordinate Federal agency activities in this area—in general to be the major Federal actor in trying to improve productivity in the private sector and in the Federal Government itself. Other agencies are to keep the center informed of their efforts in this field—both efforts they fund on the outside and efforts they undertake within their own agencies to improve productivity.

The committee does not perceive productivity as a sterile term related only to input and output and rather wants the center to study all the aspects and elements that make up the term productivity.

I can see many ways of achieving productivity growth and hope that the National Center will be studying all of these. Productivity can be improved by improving the quality of the life the worker leads in his workplace. This would include improvements in working conditions, increased job security, opportunities for challenge, growth, and personal development of the worker, participation in decisions affecting the performance and structure of work and equitable sharing in the economy gains of increased productivity.

It means increasing employment security through such activities as manpower planning, skill-training and retraining of workers, internal workforce adjustments to avoid work displacement, assistance to workers facing or experiencing displacement, and all other public and private programs which seek to minimize the human costs of productivity improvement, thereby dimnishing resistance to workplace change.

In general it means improvement and advancement in the opportunity and right of every American worker to enjoy economic, physical, social, and psychological well-being which may result from changes in the structure and conditions of work and work organizations.

The American worker today is becoming ever better educated, more mobile, more interested in making his life's work challenging and meaningful. Jobs have to become more interesting and the conditions under which the American worker labors more bearable.

I feel that a large part of productivity growth comes from improvements in the quality of life of those producing goods and services. I would hope that no one would espouse the view that as we strive to increase productivity we should not also be trying to improve the working conditions of the worker in America today.

The great thing is, if we improve the working conditions or quality of life of the worker, he will become more productive.

Mr. President, I feel all of us should commit ourselves to the goal of improving productivity in America. We in the Congress, labor, management, all of us should not just be involved but we should be committed to this goal. The bill and report filed yesterday go a long way toward establishing the role of Congress as an active participant in this process of improving productivity in the United States.

By Mr. HARRY F. BYRD, JR.:

S. 2196. A bill to amend the Internal Revenue Code of 1954 to provide that certain Government publications, including the Congressional Record received by Members of Congress, shall not be treated as capital assets, thereby denying a deduction for contributions of such publications. Referred to the Committee on Finance.

Mr. HARRY F. BYRD, JR. Mr. President, the Washington Star today reports that under a ruling issued by the Internal Revenue Service a Member of the

U.S. Congress can take a charitable deduction, for Federal income tax purpose, for donating accumulated copies of the Congressional Record.

Under the present tax code, this charitable deduction is proper if the donated property is a capital asset. And accumulated copies of the Congressional Record, according to IRS, constitute such asset.

The Congressional Record is a public document printed at taxpayers expense and large numbers of copies are available to Members of the Congress.

There is no logical reason, in my view, why a Member of Congress should be allowed a tax deduction for contributing such public document to a charitable organization.

To correct this result, I am introducing legislation to amend section 1221 of the Internal Revenue Code of 1954.

I ask unanimous consent to have printed in the Record at this point the legislation I am introducing—which I ask be printed and referred—and the Washington Star article by Michael Satchell.

There being no objection, the bill and articles were ordered to be printed in the Record, as follows:

S. 2196

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1221 of the Internal Revenue Code of 1954 (relating to definition of capital asset) is amended by—

(1) striking out "or" at the end of paragraph (4),

(2) striking out the period at the end of paragraph (5) and inserting in lieu thereof "; or", and

(3) adding after paragraph (5) the following new paragraph:

"(6) a publication of the United States Government (including the Congressional Record) which is received from the United States Government or any agency thereof, other than by purchase at the price for which it is offered for sale to the public, and which is held by—

"(A) a taxpayer who so received such publication, or

"(B) a taxpayer in whose hands the basis of such publication is determined, for purposes of determining gain from a sale or exchange, in whole or in part by reference to the basis of such publication in the hands of a taxpayer described in subparagraph (A).".

(b) The amendment made by subsection (a) shall take effect on July 28, 1975, and shall apply with respect to sales, exchanges, and contributions made on or after such date.

A Tax Break With the Congressional Record

(By Michael Satchell)

The practice of a number of congressmen of donating accumulated copies of the Congressional Record to institutions and then claiming charitable deductions on their tax returns has been revealed as a result of an obscure tax ruling recently issued by the Internal Revenue Service.

This congressional perquisite, financed by the taxpayer, has been confirmed as perfectly legal by the IRS.

It does not conflict with the 1969 Tax Reform Act which nullified President Richard M. Nixon's attempt to deduct a half-million dollars for the gift of his vice presidential papers—and which earned bandleader Skitch Henderson a six-months jail term and $10,000 fine when he backdated a gift on music writings supposedly worth $350,000 to the University of Wisconsin.

Unlike the Nixon papers and the Henderson music scores, the accumulated verbatim transcripts of congressional proceedings which make up the Congressional Record are not considered by IRS to be "literary compositions, letters or memoranda or similar property."

This means that the attic storage areas of the House and Senate office buildings are a veritable Aladdins Cave of tax deductions, because that's where the tons and tons of accumulated Records end up, largely unread and gathering dust.

Writing off charitable contributions of the Congressional Record may be legal, but is it ethical? Sen. Mark Hatfield, R-Ore., a man noted for his fiscal probity and squeaky-clean personal behavior, thinks not. Said Hatfield: "I suppose, in a sense, they become your personal property. But the practice certainly raises a question of ethics and anyone who does it would be politically vulnerable."

The IRS ruling was issued following a query from an unnamed member of Congress who had a load of bound copies of the Record and wanted to be sure it was legal to donate them and take a charity deduction. It also brought to light details of a largely unknown practice by the Government Printing Office of providing Congress with bound copies of the Record, which costs the taxpayer about $2 million a year, according to a GPO spokesman.

The Congressional Record is delivered daily to lawmakers on Capitol Hill. But at the end of each legislative session, the GPO, for reasons only it knows, puts together the Records from that session into a 30-volume set, binds them in red cloth binders with fancy gold script lettering and presents sets to congressmen.

Each set, according to GPO figures, weighs in at 225 pounds and takes up 6 feet of shelf space. Senators get five complete sets each, which adds up to 30 feet of shelf and 1,125 pounds of paper. House members receive three sets each, or 675 pounds worth. Clerks, sergeants-at-arms and doorkeepers rate two sets.

The GPO is three years behind in its billing and could not provide an exact cost of this program for the 1975 fiscal year. The latest year for which figures were available was 1972, and the taxpayers spent $1,703,298 that year to bind up these issues of the Record and present them to members of Congress, some of whom would then apparently give them away to reap a tax break. Today, with printing costs having escalated far beyond the 1972 prices, the cost to the taxpayer would be well over $2 million.

Staffers in several congressional offices confirmed that the sets of Records were simply dumped up in the attic because there was no use for them. Then why the program?

"Hell, I don't know why GPO does it or why the members need that many sets" allowed Denver Dickerson, staff director of the Joint Committee on Printing. "It's just a tradition. Members get a lot of stuff they don't want, stuff that's useless to them.

"And these sets take up a lot of space. They still do things around here like they did in 1897. They're probably still sending some to William Jennings Bryan. There is a lot of waste and we're trying to stop it."

Many unanswered questions remain over the tax breaks gained from giving away the Congressional Records. IRS, for example, said it had no idea how many members of Congress had written off gifts of Records nor how long it had been happening. "It's safe to assume it's been going on for awhile," a spokesman said. "After all, it's legal and we've just confirmed that."

Still to be decided by IRS is whether the donor must list as income the cash value of the Records, and there is difficulty here because their value has yet to be definitively determined.

By Mr. STEVENSON:

S. 2197. A bill to extend the Emergency Petroleum Allocation Act of 1973 for 90 days. Referred to the Committee on Interior and Insular Affairs.

Mr. STEVENSON. Mr. President, the President has asked the Congress to approve a 39-month decontrol program for all domestic oil prices. The Congress has 5 days to act before the August recess, and the Emergency Allocation Act expires on August 31.

If the Congress accepts this program, it will be with no assurance of significantly increased energy conservation or energy supplies—and every assurance of more inflation, recession and unemployment.

If the Congress rejects the program, the President may veto any extension of the Emergency Petroleum Allocation Act of 1973. He has said he would do so. Controls would then come off all domestic oil on August 31 on the eve of another OPEC price increase.

I am, therefore, proposing an alternative course of action that will give both the President and the Congress parts of what they want and protect the economy from runaway energy prices while we take a little more time to prepare a comprehensive energy pricing policy.

I am introducing a bill to extend the Emergency Petroleum Allocation Act for 90 days and implement the first 90 days of the President's decontrol program.

If the President vetoes such an extension, he will be vetoing the first phase of his own program.

If he accepts it, the Congress will have an additional 90 days to consider long-range alternatives to the President's 39-month program. Enactment of such a 90-day extension would avoid a showdown between the President and Congress which could result in economic chaos by Christmas.

During this 90 days the wellhead cost of domestic oil would decline and provide some relief from inflationary energy prices. With decontrol of "old" oil at the slow rate of 1½ percent per month, oil costs would increase during the 90 days by $95 million. But "new" oil would be rolled back from an average of $13 to $11.50 per barrel, decreasing oil costs $400 million, for a net decrease of about $300 million during the 90-day period.

If this 90-day extension of the Allocation Act is adopted, it will put in place the first phase of the President's program, save the economy from immediate decontrol on August 31, roll back oil prices between now and December 1, and allow for a more deliberate approach to long-range energy pricing.

It is in a spirit of compromise that this bill is offered and with the earnest hope that the country can be spared the consequences of a continued confrontation between the Congress and the President.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2197

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "90 day Extension of the Emergency Petroleum Allocation Act of 1973,"

SEC. 2. Section 4(g) of the Emergency Petroleum Allocation Act of 1973 is amended by striking out "August 31, 1975" each place it appears in paragraph (1) and inserting in lieu thereof "November 30, 1975."

SEC. 3. Section 4 of the Emergency Petroleum Allocation Act of 1973 is amended by adding at the end thereof the following new subsection:

"(h) (1) To become effective on September 1, 1975, the President shall amend the regulation under subsection (a) as follows:

(A) The ceiling price for the first sales of old oil during any month under such regulation shall be $5.25.

(B) The ceiling price for the first sales of new oil during any month under such regulations shall be $11.50 per barrel plus an amount equal to .05 per barrel multiplied by the number of months beginning with October, 1975 through November, 1975.

(2) As used in this subsection:

(A) The term "old oil" means that number of barrels of domestic crude petroleum produced during a specific month from owned or leased property which is equal to the number of barrels of domestic crude petroleum produced during the same month in 1972, less any related decontrolled old crude petroleum.

(B) The term "decontrolled old crude petroleum" means, with respect to a specific property, the total number of barrels of old crude petroleum produced and sold in the current month in excess of the adjusted decontrol base production level. The current cumulative deficiency in adjusted decontrol base production level is the total number of barrels by which production and sale of crude petroleum has been less than the adjusted decontrol base production level, for all months in which production and sale of crude petroleum has been less than adjusted decontrol base production level subsequent to the first month in which decontrolled old crude petroleum was produced and sold, minus the total number of barrels of old crude petroleum produced and sold in each prior month which was in excess of the adjusted decontrol base production level for that month, but which was not classified as decontrolled old crude petroleum because of this requirement to reduce the amount of decontrolled old crude petroleum in each month by the amount of the current cumulative deficiency in the adjusted decontrol base production level.

(C) The term "decontrol base production level" means the total number of barrels of old crude petroleum produced and sold from the property concerned during the three calendar months ending June 30, 1975, divided by three. The decontrol base production level for each property shall be based upon each well on that property having been maintained at the maximum feasible rate of production during the three calendar months ending June 30, 1975, in accordance with recognized conservation practices, and not significantly curtailed by reason of mechanical failure or other disruption in production. In a case where the property concerned was not so maintained, the FEA may assign a decontrol base production level which fairly represents the production level which would have been attained if that property had been so maintained.

(D) The term "adjusted decontrol base production level" means the decontrol base production level, less 1.5 percent of the decontrol base production level for that property multiplied by the number of months beginning with September, 1975, through November, 1975.

(E) The term "new oil" means the total number of barrels of domestic crude petroleum produced from leased or owned property in a specific month less the "old oil" production level for that month.

By Mr. GARN (for himself Mr. LAXALT, Mr CURTIS, Mr. THURMOND, Mr. FANNIN, Mr. HRUSKA, and Mr. HELMS):

S. 2198. A bill to amend the Fair Labor Standards Act of 1938 to repeal provisions relating to State and local employees. Referred to the Committee on Labor and Public Welfare.

Mr. GARN. Mr. President, today I am introducing legislation to repeal the section of the Fair Labor Standards Act of 1974 which extends to State and local governments Federal regulation of overtime, minimum wage, and other conditions of employment.

A challenge to the constitutionality of this act as it applies to State and municipal governments is presently pending before the U.S. Supreme Court in National League of Cities et al. against John T. Dunlop, Secretary of Labor. Listed as plaintiffs and appellants in this suit are: The National League of Cities, the National Governors Conference and 19 States, including the States of: Arizona, Delaware, Indiana, Iowa, Maryland, Massachusetts, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, Oklahoma, Oregon, South Carolina, South Dakota, Texas, Utah, and Wyoming.

Also joining as applicants in the case are the governments of Nashville, Tenn.; Salt Lake City, Utah; Lompoc, Calif.; and Cape Girardeau, Mo. Alabama and Colorado, two of the four State governments that initially supported amicus curiae briefs opposing the position taken by the above States have asked to have their participation withdrawn.

Enforcement of the section of the Fair Labor Standards Act Amendments of 1974 as they apply to State and local governments has been stayed by the U.S. Supreme Court following an order issued December of 1974. Oral argument of the case was heard on April 16, 1975, and subsequently the Court announced that it is deferring its decision until next term, after additional argument is heard.

The principal question before the Court is whether the personnel practices of State and political subdivisions of government affect commerce among the States to the extent which confers constitutional power under the commerce clause of the Constitution upon the Federal Government to regulate wages, hours, and other terms and conditions of employment for all State and city employees. I happen to be of the opinion that it would require a much greater impact on commerce before the 10th amendment is superseded by the commerce clause and the commerce clause imposed in the form of Federal preemption of control over the hours, wages, and other terms and conditions of employment of nonsupervisory State and local government employees. But, this question is one for the Court to resolve.

However, even if the Court should determine that the act is constitutional, there would still remain a critical need to repeal the section of the Fair Labor Standards Act Amendment of 1974 extending its coverage to State and city governments. We all know that Congress is not obligated to exercise every right or power granted to it by the Constitution and certainly it should not. Particularly with respect to questions which involve the relationship of Federal laws to State and local laws, Congress should exercise the greatest restraint. Congress should only supersede State governments when the need is urgent and truly compelling. The present circumstance of State and municipal governments is far from meeting this test and Congress, no matter what the outcome of the Court decision, should repeal this legislation.

Congress failed to recognize the very substantial fiscal and nonfiscal impact of this act on city and State governments when it passed the Fair Labor Standards Act Amendments of 1974. Our cities and States have been hard hit by the present economic crisis. They are in dire financial straits. A great deal of testimony has been taken which outlines how the application of this act in this time of recession and inflation could easily spell bankruptcy for many of these governments. We have all recently witnessed the problems of New York City. Yet New York City may not be the only city stamped "Fear City." Cities and States, in order to comply with this act and at the same time meet the requirements of their budgets, will have to lay off even more public employees than the thousands of employees who have already lost their jobs. Newark, N.J., might indeed become "Fear City Newark" and Los Angeles "Fear City Los Angeles."

By repealing this legislation now, Congress can give back to local governments the tools they desperately need to plan ahead and to rationalize their operations so that their fiscal integrity might be restored. Because of the urgent need for this legislation and because of its importance to viable State and local governments, I am introducing this bill with the hope that it might be given priority consideration.

The following abstract outlines in more detail the reasons why I believe State and municipal governments should not be included under the Fair Labor Standards Act:

ECONOMIC IMPACT ON STATES AND MUNICIPALITIES

The extension of the FLSA to State and local government employees will add an enormous burden to overtaxed local and State revenue systems. Cities will be forced to reduce municipal services and layoff employees at a time when unemployment is a serious national problem.

State and local government operations are distinctly different from private enterprise. Yet Congress has now required State and city governments to follow awkward and unreasonable regulations designed for use by private business.

Congress, in passing the amendments of 1974, also apparently assumed that the economic impact of the FLSA on private enterprise would be equivalent to that on local government. But it simply is not. For example, the city "'price" structure has no counterpart in private enterprise. The demands upon municipal resources are enormous, but municipal taxing powers are, for the most part, limited by the State and confined to regressive and unfair taxes such as the property tax. The response by private business to the application of the FLSA probably took three directions: First, a few businesses closed because of failure to absorb the increased labor costs; second, many businesses changed their capital-labor mix and became capital intensive; and third, increased labor costs were passed on to the consumer in the form of higher prices.

The structure of the municipal government obviously precludes it from responding in a similar manner. Municipal governments provide services which are primarily labor intensive. Approximately 80 to 85 percent of each city budget is made up of personnel costs such as those for police, fire, and recreation services. Local government, unable to utilize solutions available to private enterprise, will find it difficult, if not impossible, to pass their increased labor costs on as increased taxes. The current fiscal crisis of our cities has gained such proportions that for many cities there is no practical or legal manner to raise taxes. The only route remaining to meet increased cost is to eliminate jobs and curtail government service levels or beg from the Congress for additional billions.

The following activities and practices are just some examples of the administrative disruptions and fiscal dislocation the imposition of the Fair Labor Standards Act will have on State and local governments:

First. Many cities have negotiated contracts that include the use of compensatory "time off" as a method of payment. Since the FLSA disallows the use of "comp-time" over 40 hours, any such agreements will, in effect, be illegal.

Second. Many cities use schedules which are shorter or longer than 7 days for employees, primarily those working in essential services such as civilian fire and police dispatchers, waterplant operators, streetsweepers, zoo keepers, bridge tenders, trash collectors. These schedules are normally arranged for the mutual convenience of employer and employee. However, under the act such flexible scheduling must give way to more rigid arrangements.

Third. The FLSA requires payment of the minimum wage if any payment is made at all. Many cities have provided various services such as child care center and recreation workers, school crossing guards, citizen participants in Model Cities programs, "Meals on Wheels" volunteers, et cetera, to whom they paid a stipend for volunteering services. It is not difficult to see what effect the FLSA would have on these kinds of services if volunteers must be paid minimum wage rate.

Fourth. Climate or other factors often require more hours to be worked in one season o fthe year than in other seasons. Therefore, some jurisdictions have had a practice of establishing a guaranteed year-round job by permitting long hours to be worked during the summer months or warmer weather with fewer hours worked during the winter, while guaranteeing annual income throughout the year. Under the FLSA, the employer must pay time-and-a-half over 40 hours each week, thereby requiring the city to pay time-and-a-half during peak periods and to lay off employees during slack periods.

A good example of what this means can be found in Salt Lake City, Utah, the city of which I was mayor. Most people know that Salt Lake City has very distinct seasons. There are hard winters and warm summers. During freezing weather snow removal services operate heavily. Approximately 7,000 man-hours of snow removal services are provided annually for Salt Lake City alone. The snow removal crews voluntarily agree to work overtime and accumulate 3 or 4 weeks' compensatory time which they take off during the summer when their services are not needed. The golf course and parks employees do just the opposite, taking time off during the winter. This schedule enables us to balance our work force. The employees prefer this arrangement and the taxpayers of Salt Lake City are saved a great deal of money.

However, Congress decided to ignore most of the mayors and Governors of this country and cause a city like Salt Lake City to pay substantial overtime—$500,000 a year—and/or to lay off employees during seasons in which certain services are reduced. The termination of employees means that seniority and pension systems are disrupted and additional unemployment benefits incurred.

Fifth. Some cities have instituted programs to enhance employment opportunities for the disadvantaged. One such program is designed to train enrollees to become firefighters. Under the act, since firefighter trainees do not fight fires, they must be paid time-and-a-half over 40 hours per week. In other words, they must be sent home after 40 hours and consequently be denied the opportunity to participate fully in the operations of a municipal fire department.

As part of a training experience, interns, technicians, beginning level professionals and student workers, in addition to working a full day, attend meetings frequently held in the evenings. However, they would be denied the opportunity to attend and participate in evening planning commission, city council meetings, and so forth because the FLSA requires payment of such staff on an overtime basis when they put in more than 40 hours per week.

Sixth. There are a number of incentive programs which cities use to increase productivity. For example, many cities permit trash collectors to go home after completing their route. During most of the year this would mean a 33 or 35 hour week. During holidays, however, the same service might require over 40 man-hours per week. Under FLSA regulations, if fewer hours are worked and the monthly salary—on which any overtime must be based—remains the same, the hourly rate is increased.

Seventh: Many cities permit their employees to work as part-time custodians. A truck driver might work 40 hours for the city and also as a custodian on the weekend. Under the provision of the 1974 amendments, he must be paid at the time-and-a-half rate for his work as a custodian.

Eighth. Cities often use public employment programs to address social problems. For example, some cities provide year-round employment opportunities for disadvantaged high school students both to provide a job experience as well as some income which in many cases enables them to stay in school. These programs would certainly be affected by the amendments of 1974 which require that all employees be paid at the minimum wage rate.

Labor unions and other proponents of the FLSA has insisted that the impact on State and local governments would be insignificant and have estimated the increased payroll costs to all cities and States in 1973 would be $128,000,000 and in 1974, $165,000,000. The estimated cost of the new regulations for police and firefighters would supposedly be $27,000,000 for 1975.

However, these cost estimates are for payroll costs only and do not take into account the disruption and costs resulting from changes in administrative policies and procedures. The recordkeeping requirements alone will have a significant impact on cities and States. New Federal records are required for all State and city employees—11.4 million—thus duplicating, superseding, or replacing State and local law. The new recordkeeping requirements for Florida alone have been estimated by Governer Askew at $800,000. New Federal personnel processes and procedures and interpretations are superimposed on existing practices. This fact is supported by Robert E. Hampton, Chairman of the Civil Service Commission who in his statement before the House of Representatives Committee on Post Office and Civil Service testified:

> The extension of the Fair Labor Standards Act . . . adds a new set of complex provisions to the already existing provisions of Title V. It creates two standards governing pay and hours of work. It results in double record keeping and double work at an extremely high administrative cost producing negligible benefits. I can well understand from this one illustration why Federal managers feel a heavy impact from across-the-board statutory and other procedures that limit the exercise of administrative discretion for little reason.

One major reason for additional recordkeeping costs is that all employees previously paid on annual or monthly salaries without computation of their work by individual hours worked, must now have their work recorded again on an hourly system, a transition which often requires computer programing.

Certain sections of this act creating criminal and civil action to enforce compliance will involve governments in a great deal more court activity as overlapping jurisdictions, interpretations, and rulings are clarified in court. It is estimated that already one-third of reported cases in city litigation involve personnel. Governor Salmon of Vermont has explained what this implies for his State:

> For instance we must hire attorneys on a contractual basis to defend the State against the FLSA lawsuits which can be, and are being brought by individual employees, labor unions, or the Department of Labor itself. I cannot reasonably estimate what their service fees might be although $100 an hour for attorneys fees, as you know, is not uncommon in the labor relations field.

A more accurate estimate of the costs which would be incurred by State and local governments should not be limited strictly to payroll costs but should also include the total economic impact of this legislation. In the reply brief submitted by the National League of Cities in its present pending court case, initial costs for only 24 cities and 10 States are estimated at $57 million.

Nationwide, for fire protection services alone the cost might easily reach $200,000,000. For example, for the city of Ogden, Utah, to comply with the FLSA overtime provisions for fire personnel would necessitate a 30-percent increase in personnel, which would cost an estimated $385,000 annually. This amount represents nearly 40 percent of the city of Ogden's revenue sharing receipts. The price Salt Lake City will have to pay for its fire protection services is estimated at $3,000,000.

The total figure, compiled by budget experts of various States, reaches into the billions of dollars. These estimates are further supported by Mr. Charles Byrley, executive director of the National Governors Conference, who testified:

> Yes, I feel quite confident that that's an accurate statement, that it is going to be in the billions.

Of course, it does not take a budget expert to see that local and State managers will have essentially two alternatives to follow in order to meet the increased costs which would result from the adoption of the provisions of the FLSA. Essentially, the choices would be twofold: First, local authorities could increase heavily the property tax burden, or second, they could reduce the level of services provided by reducing employees and/or equipment.

Those charged and elected for the purpose of providing these services justifiably fear that Congress, by imposing budget costs but not providing the revenue to pay the costs, will destroy the fiscal integrity of their governments. Since State and local tax, debt, and budget laws have no power to control the Secretary of Labor, the Federal courts, or the U.S. Congress, local governments can no longer guarantee debt repayment. And, as I have pointed out, these increases in cost cannot be passed on to the "consumer" as is done in private enterprise. The "consumer" of these services is the taxpayer who has limited the debt and taxing powers of his local government.

Furthermore, it can be plainly shown that State and local governments have provided fairly for the wages and hours of employees in their government operations. In fact, the House report on the act quotes a 1970 Department of Labor report which states:

> Wage levels for State and local government employees not covered by FLSA are, on the average, substantially higher than workers already covered.

There is a conspicuous lack of evidence that these governments are acting irresponsibly in setting wage and salary rates.

UNEMPLOYMENT AND IMPACT ON THE POOR

Finally, the extension of this legislation to State and local public sector employees would assuredly have an impact on the poor—that segment of the labor market with the fewest skills. It will likely be the poor who lose their jobs because of the increased cost to the cities and it will be the poor and the unskilled who find the doors closed at the entry level. Milton Freedman, in his article "Legislating Unemployment," published in Newsweek, July 23, 1972, asked a very relevant question:

> Congress is at it again. Once more it is in the process of legislating unemployment. . . . It is a mystery why anyone would suppose that a person is better off unemployed at $2 an hour than voluntarily employed at $1.60.

Additionally, the services that would probably first be cut would be those that serve the inner city and benefit the poor such as day care centers, health services, and trash collection.

LOSS OF STATE AND MUNICIPAL HOME RULE

The 1974 amendments remove local "ballot box control" from the hands of the voters of each State, 18,000 cities, and 3,000 counties. Prior to the FLSA, these same voters determined the limitations on their budget either directly, indirectly, or through the representatives they elected.

However, a nonelected official will now control approximately 85 percent of city budgets. The electorate of these States and municipalities have never indicated that they preferred that their voting privilege over local matters be diminished and transferred to a nonelected official in Washington, D.C.

This aspect of the 1974 amendents destroys a concept fundamental to our democratic system, and I urge my colleagues to reexamine carefully this congressional usurpation and abridgement of the capacity of the citizens of States and municipalities to govern themselves.

This bill, of course, is not the first or the only attempt at establishing Federal standards for municipal governments. Indeed, there appears to be a trend to subject municipal matters to a much greater Federal Government scrutiny than ever before.

Local governments are frustrated by lack of comprehension by the Federal Government of the problems actually facing local government. I do not claim, and have never claimed, that Federal legislators and bureaucrats are not well-intentioned people, or that they are trying to destroy local government, or that they are bent on making conditions as unpleasant as they can. Rather, I argue that they are inexperienced in local government, and so far removed physically from the problems they seek to solve that they cannot help but produce results which are worse than the original problems.

One of the prime examples of the lack of understanding is the passion found in the Congress for enacting legislation which overrides or supersedes State and local laws. Home rule has been a fundamental part of the American system of government because local governments are closest to the people and respond directly and best to their needs. The greater the exercise of government power by general purpose local government, the better.

The extension of the FLSA is only the beginning of a number of Federal acts to regulate, control, and impose uniform standards on State and municipal governments. Now is the time to repeal this preemption of local decisionmaking. Instead of preempting local decisionmaking, the Federal Government should make efforts to strengthen local government.

Strengthened municipal governments can then more directly respond to the desires of the citizens they serve. And the citizens, in turn will come to rely more and become more personally involved in their local governments. Americans want a greater voice in government, not a lesser voice.

Mr. James B. Croy, research associate for the Oklahoma Legislative Council, in his article entitled "The Supersession of Sovereignty" succinctly states:

> Governmental power is awesome in its potential for totality, and it needs to be exercised with great restraint. The federal government should act to supersede the States right to govern only when the necessity for such action is truly compelling. To take action under other circumstances would be a perversion of the concept of a federal system.

Certainly this is not one of those compelling circumstances which requires a Federal solution.

I do not believe that our Founding Fathers intended our Nation to consist of homogenous State and city governments, its employees working in identical fashions for identical salaries and identical terms. Rather, variation and local expertise is a more plausible and practical answer to any of the separate various types of problems or separate functions that State and local governments daily encounter.

Large and rigid uniform nationwide rules will only cause vast new costs by eradicating these unique and efficient arrangements.

We need to begin to realize that Federal solutions are not always the best ones; that sometimes variance among the States is desirable and indeed essential if restrictive regulation and guidelines are to be avoided. The Federal nature of this republic provides us with an opportunity for social experimentation. One State can try something, and if it works, others can adopt it.

> To stay experimentation in things social and economic is a grave responsibility. Denial of the right to experiment may be fraught with serious consequences to the Nation. It is one of the happy incidents of the federal system that a single courageous State may, if its citizens choose, serve as a laboratory, and try novel social and economic experiments without risk to the rest of the country. (285 U.S. 262, 311, dissenting opinion)

We face in this Nation challenges of incredible complexity, challenges which will tax the best efforts of all men of good will to meet. As Federal legislators we must be aware not only of the fact that local mayors, city councilors, county commissioners, aldermen, and governors are men of good will, but also that they are very competent people. I am not saying that they are equipped to come to Washington and run the Department of Labor. But they can run their local schools, fire and police departments and their municipal services. And, they can do that a whole lot better than the Department of Labor and Congress can.

EFFECT ON PUBLIC SECTOR COMPULSORY COLLECTIVE BARGAINING

This statute, if left on the books in its present form, will undoubtedly be considered by many as an anticipatory validation of proposals now before Congress to mandate collective bargaining at all levels of government. The imposition of the FLSA on State and local governments will only serve to give encouragement to backers of this legislation and will perhaps cause State officials to act prematurely, knowing "that their turn is coming soon."

Legislation which would, by Federal statute, compel State and municipal governments to bargain with labor unions, is seriously defective and severely damaging to the public interest and ability of government to function. Once again this is an attempt to apply the private sector industrial model to the public sector where it is not appropriate. I will not at this time reiterate the very distinctions between collective bargaining in the public sector and collective bargaining in the private sector, nor will I at this time point to the public sentiment which overwhelmingly opposes compulsory unionism in government.

However, I will explain what compulsory unionism and binding arbitration mean to a State official charged with the responsibility of governing. That official is responsible for spending the revenue. However, a third party arbiter who has not been elected by the people or by their representatives could decide on a wage rate that the official does not have the tax money to cover. And, as with the Fair Labor Standards Act, what would result is a situation where indirectly someone who is never accountable to the local voters sets a tax level and in essence supersedes the elected public official's authority to do so.

A recent decision by the U.S. District Court for the Middle District of North Carolina, which declared contracts between governments and unions void, addressed the issue well in declaring:

> To the extent that public employees gain power through recognition and collective bargaining, other interest groups with the right to a voice in running the government may be left out of vital political decisions. Thus, the granting of collective bargaining rights to public employees involves important matters fundamental to our democratic form of government. The setting of goals and making of policy decisions are rights inuring to each citizen. All citizens have the right to associate in groups to advocate their special interests to the government. It is something entirely different to grant any one interest group special status and access to the decision-making process.

CONCLUSION

It is a destructive philosophy that is based on the assumption that elected officials do not act in the best interest of their constituency and even in the best interest of those who work for their local governments. And I am certain that the citizens of this country find it difficult to understand why Members of Congress feel they are in a better position to produce a sound personnel management system which meets the varied needs of their local communities than their local counterparts.

This injustice to the American people and potential impact of the amendments of 1974 on the functioning of State and municipal governments is staggering. The few things this legislation cures are extraordinarily minute in comparison to the havoc that will be caused. The need for this legislation cannot be construed as sufficiently compelling to justify Federal regulation of the personnel practices of approximately 80,000 local jurisdictions of government, and I strongly urge that my colleagues take this opportunity to return to local government the capacity to govern.

By Mr. MONDALE:

S. 2199. A bill to amend title 42, U.S. Code, section 503(a)(3). Referred to the Committee on Labor and Public Welfare.

Mr. MONDALE. Mr. President, the right to "due process of law" is surely one of the most important rights which our citizens enjoy. It is enshrined in our Constitution—in the fifth and the 14th amendments. The protections which it represents are absolutely necessary to the functioning of a democracy.

What is meant by "due process"? In the simplest terms, Mr. President, it is the right of every American, when faced with a governmental decision which might affect him, to have notice of the proposed governmental action and an opportunity to be heard before the action is taken.

The notice may take a variety of forms—written or oral, personal or by publication—depending upon the circumstances. So too, the right to be heard may inclde a variety of rights—an oral hearing, a written hearing, the right to confront witnesses, the right to cross-examine, the right to counsel, or the right to a written decision—depending upon the circumstances.

These rights seem easily provided. They are simple enough to understand. They are elementary to our notions of fair play.

Yet, Mr. President, one segment of our society is denied these basic rights. One group of individuals does not have the right to basic "due process" before important governmental action is taken which has a profound effect upon their well-being.

Individuals receiving unemployment compensation benefits do not have the right to notice and a hearing—to basic "due process"—before their benefits are discontinued.

Congress has provided a right to a pretermination hearing in the context of other government benefits. In many cases, administrative agencies and departments have provided that right by regulation. Unfortunately, the right to a pretermination hearing has never been congressionally or administratively mandated for unemployment compensation recipients.

In recent years, when the Congress and the executive branch have failed to act, the courts have, under the auspices of the Constitution, stepped in. In the landmark case of *Goldberg* v. *Kelly*, 397 U.S. 254, the U.S. Supreme Court held that an AFDC recipient had a constitutional right to "an evidentiary hearing before the termination of benefits." Faced with many of the arguments which might be advanced in the unemployment compensation context, the Supreme Court concluded that "only a pretermination evidentiary hearing provides the recipient with procedural due process."

Several cases have reached the Supreme Court in recent years asserting the right to a pretermination hearing for unemployment compensation recipients. The Court has been confronted with the issue in *Torres* v. *New York State Dept. of Labor*, 405 U.S. 949; *Indiana Employment Security Division* v. *Burney*, 409 U.S. 540; *Fusari* v. *Steinberg*, — U.S. —; and *Crow* v. *California Department of Human Resources Development*, — U.S. —. Unfortunately, because of problems with the legal concepts of mootness, standing, and justiciable controversy, the Court has never reached a decision on the issue.

I believe, Mr. President, that the time has come for Congress to act to redress this inequity. Surely, there is no more appropriate time than the present. With more than 8 million workers without jobs, and many of these receiving benefits under the Federal-State unemployment compensation system, the right to unemployment due process is a pressing reality for millions of American citizens.

Can there be any doubt about the basic fairness of, at the very least, providing the unemployment compensation recipient with a chance to defend himself before his only means of support is terminated? It strikes me as uncontroversial to give the worker and the worker's family notice of proposed termination and the chance to be heard.

In fact, Mr. President, I would contend that it is in the Government's best interest to provide basic due process rights. The unemployment compensation system is designed to serve two broad purposes. First, benefits help the worker and the worker's family over a crisis period, when the family has no income because of the loss of a job.

Second, the benefits maintain consumer purchasing power to help the entire economy weather a period of stress.

Thus, termination of aid pending a resolution of a controversy over eligibility may deprive an eligible recipient of the means of survival as well as frustrate general economic recovery.

In the words of the Supreme Court in Goldberg against Kelly, dealing with the right to a pretermination hearing in the welfare context:

> Public assistance, then, is not mere charity, but a means to "promote the general welfare,

> and secure the Blessings of Liberty to ourselves and our Posterity." The same governmental interests that counsel the provision of welfare, counsel as well its uninterrupted provision to those eligible to receive it; pretermination evidentiary hearings are indispensable to that end.

Unfortunately, present administrative procedures are inadequate to insure that eligible recipients—those Congress intended to receive benefits—continue to receive benefits during their entitlement period.

National figures reflecting the performance of the unemployment compensation system between 1969 and 1973 show that 28.1 percent of all appealed termination decisions are reversed after a hearing. This means that millions of workers, who are eligible to receive benefits, are denied them for varying periods of time due to inadequate administrative procedures.

Some workers, in fact, are the victims of grossly unreasonable periods of wrongful termination. National figures reveal that 47.6 percent of the hearing decisions are rendered more than 45 days after termination.

Some would argue, much as the defendants argued in Goldberg against Kelly, that limited fiscal and administrative resources counsel against a pretermination hearing.

Due process requirements in the unemployment compensation context will undoubtedly entail some added cost. But, these costs can be minimized. The Supreme Court's response to this argument is instructive:

> Much of the drain on fiscal and administrative resources can be reduced by developing procedures for prompt pre-termination hearings and by skillful use of personnel and facilities. . . . Thus, the interest of the eligible recipient in uninterrupted receipt of public assistance, coupled with the State's interest that his payments not be erroneously terminated, clearly outweighs the State's competing concern to prevent any increase in its fiscal and administrative burdens.

Moreover, frequently voiced fears that due process rights will engender a dramatic increase in requests for hearings seem unfounded. A judicial order requiring pretermination hearings for unemployment compensation recipients was in effect in Indiana from October 1971 to February 1973. Comparing the period from January to March 1971 with the period from January to March 1972, there was actually an 8 percent decrease in the requests for hearings.

Similarly, the fear that payments during this pretermination period will be lost forever due to the supposed difficulty of recoupment appears groundless. Figures developed during litigation reveal that in California, for example, 65 percent of all unemployment compensation overpayments are recouped and, in Indiana, 72 percent return to the treasury.

The case for pretermination hearing seems, Mr. President, a compelling one.

And, the form which the hearing might take will impose minimal burdens on the States. By the legislation I am introducing today, all that will be required is "prior written notice, a meaningful opportunity to obtain representation and gather evidence, an opportunity to present evidence orally and to confront and cross-examine witnesses, and a written decision, based solely upon evidence adduced at the hearing, rendered by an impartial decision maker, whose sole function is to determine disputed eligibility questions and who has conducted the hearing."

By specific language in the bill, the State need not provide a hearing unless the recipient requests one. And, a recipient would not be permitted to receive benefits beyond his maximum period of entitlement.

Mr. President, this legislation is long overdue. We cannot, we must not, deny the unemployment compensation recipient the elementary rights of due process.

I ask unanimous consent that this legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD as follows:

S. 2199

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, Title 42, U.S. Code, Section 503(a)(3) is amended to read as follows:

"(3)(A) Opportunity for a fair hearing, before an impartial tribunal, for all individuals whose claims for unemployment compensation are denied; and (B) continued payments of regularly scheduled unemployment compensation to each individual who has begun receiving compensation unless and until that individual has first been determined to be ineligible for a payment or payments, by reason of a failure to comply with a valid condition for the continued payment of compensation imposed by State law, under a hearing procedure affording that individual prior written notice, a meaningful opportunity to obtain representation and gather evidence, an opportunity to present evidence orally and to confront and cross-examine witnesses, and a written decision, based solely upon evidence adduced at the hearing, rendered by an impartial decision maker, whose sole function is to determine disputed eligibility questions and who has conducted the hearing; provided, that nothing in this subsection shall require: (i) the prior evidentiary hearing specified above as the condition of a cessation of the payment of unemployment compensation if the individual in question, after having been advised in writing that he is ineligible for a payment or payments, and of his right to a hearing, voluntarily agree in writing to accept the administrative determination; (ii) a payment of compensation to an individual who has exhausted his maximum entitlement under the State's compensation schedule (computed on the basis of weeks of employment or wages earned or any combination thereof).

By Mr. JACKSON (for himself and Mr. FANNIN) (by request):

S. 2201. A bill to provide for the administration of oaths and affirmations and for the issuance of subpenas in investigations, hearings and proceedings in the Department of the Interior. Referred to the Committee on Interior and Insular Affairs.

Mr. JACKSON. Mr. President, by request, I send to the desk, on behalf of myself and the Senator from Arizona (Mr. FANNIN), a bill to provide for the administration of oaths and affirmations and for the issuance of subpenas in investigations, hearings, and proceedings in the Department of the Interior.

Mr. President, this draft legislation was submitted and recommended by the Department of the Interior, and I ask unanimous consent that the executive communication accompanying the proposal from the Secretary of the Interior be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., June 12, 1975.

Hon. NELSON A. ROCKEFELLER,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is enclosed a draft bill "To provide for the administration of oaths and affirmations and for the issuance of subpoenas in investigations, hearings, and proceedings in the Department of the Interior."

We recommend that the bill be referred to the appropriate Committee for consideration, and that it be enacted.

The enclosed draft bill would give to the Secretary of the Interior or his delegate, the power to administer oaths and to issue subpoenas for witnesses and for discovery purposes, including subpoenas *duces tecum*. The subpoenas would run to the Government, to private parties who are non litigants, as well as to parties in administrative proceedings. The proposal is similar to provisions granting the subpoena power to the Interstate Commerce Commission, the Civil Aeronautics Board, and the Federal Power Commission. The bill would apply to any investigation, hearing or proceeding conducted by the Department of the Interior, and any discovery or investigation in regard to such hearing or proceeding. The provision would be applicable anywhere within the United States.

By an amendment issued July 15, 1968, 33 F.R. 10394 (July 20, 1968), the Secretary of the Interior amended § 1850.0–7 of the regulations of the Department governing subpoenas in public land hearings to provide for subpoenas *duces tecum* and subpoenas to compel witnesses to testify at prehearings depositions for discovery purposes. The Conservation and Natural Resources Subcommittee of the Committee on Government Operations, House of Representatives, subsequently questioned the statutory authority of the Department to issue discovery subpoenas and subpoenas *duces tecum*, and informed the Secretary of the Interior of its position. A review of the Department's statutory authorization led to the conclusion that our authority to adopt subpoenas *duces tecum* and discovery subpoena powers by regulation was deficient. The Honorable Henry S. Reuss, Chairman of the Conservation and Natural Resources Subcommittee, was so informed on January 14, 1970.

With respect to the need for such authority, Judge Alexander Holtzoff has stated:

"Broad and liberal discovery has completely revolutionized litigation in the Federal courts. As a result of the wide use of these remedies, most lawyers come into court for the trial thoroughly familiar not only with their own case, but also with the case of the adverse party. Surprise has been reduced to a minimum. Counsel frequently start the trial armed with depositions that either eliminate a great deal of controversial matter, or else with evidence in such shape that it can be introduced much more promptly and efficaciously than otherwise might have been the case. . . . The important consideration is that all of these innovations tend to bring about a just decision on the merits." ("A Judge Looks at the Rules," 1966 Federal Rules of Civil Procedure, page 9.)

Rules of civil procedure in State and Federal judicial systems have permitted pretrial discovery for many years. These rules allow not only pretrial subpoena powers for depositions and production of documents and tangibles; also included are provisions for written interrogatories and requests for admission. Trial by surprise has long been abandoned. Due to the lack of subpoena power, the Department of the Interior is still in the position of the litigant prior to the adoption of reformed rules of civil procedure. The private litigant, however, may avail himself of the Freedom of Information Act (5 U.S.C. 552) to obtain, prior to hearing, with few exceptions, any papers from the Government that would be available under the Federal Rules of Civil Procedure in a civil action. It is patently unfair to deny the Government the same opportunity in presenting its case.

We would also like to emphasize that this proposal would be of great benefit, not only to this Department, but to the private party as well. It would also enable private parties to obtain from third parties evidence which could not be reached under the Freedom of Information Act.

On June 2 and 3, 1970, at its Fourth Plenary Session, the Administrative Conference of the United States adopted the following recommendations concerning discovery in administrative adjudicatory proceedings:

6. *Production of Documents and Tangible Things*

(a) *From Non-Parties*

A party to the proceeding should be able to obtain in accordance with agency rules a subpoena *duces tecum* requiring a non-party to produce relevant designated documents and tangible things, not privileged, at a prehearing conference, at the taking of the non-party's deposition, or at any other specific time and place designated by the issuing officer.

(b) *From Parties*

A party to the proceeding should be able to apply to the presiding officer for an order requiring any other party to produce and to make available for inspection, copying or photographing, at a prehearing conference or other specific time and place, any designated documents and tangible things, not privileged, which constitute or contain relevant evidence. The party seeking production should serve copies of the application on the other party or parties to the proceeding, who should be given an opportunity to notify the presiding officer of any objections. The presiding officer should order the production of such designated documents and tangible things unless he finds that there is not good cause for doing so.

(c) *From the Agency*

For the purposes of [recommendation 6], the agency conducting the proceeding should be considered a party to the proceeding whether or not the agency staff participates as a party to the proceeding.

* * * * *

9. *Subpoenas*

The presiding officer should have the power to issue subpoenas *ad testificandum* and *duces tecum* at any time during the course of the proceeding. Agencies affected by the Recommendations that do not have the statutory authority to issue subpoenas should seek to obtain any necessary authority from the Congress.

At their 1970 Convention, the American Bar Association resolved that authority be given ". . . to all agencies to make generally available subpoenas in adjudicatory proceedings . . ." The enclosed draft bill follows the recommendations of the Administrative Conference and the ABA. It is almost universally recognized today that the broad subpoena and discovery powers produce more thorough and equitable hearings by eliminating surprise, narrowing issues, encouraging settlements, and saving time and money.

The Office of Management and Budget has advised that there is no objection to the presentation of this draft bill from the standpoint of the Administration's program.

Sincerely yours,

Rayston C. Hughes,
Assistant Secretary of the Interior.

By Mr. HARTKE (for himself, Mr. Gravel, and Mr. Humphrey):

S. 2303. A bill to provide for paper money of the United States to be embossed to indicate the denomination thereof. Referred to the Committee on Banking, Housing and Urban Affairs.

BRAILLE MONEY

Mr. HARTKE. Mr. President, I have worked long and hard for the rights of the blind and for their increased social, political, and economic opportunities in the United States.

Today I wish to introduce another proposal to further their cause. This bill is designed to provide for the embossment of the paper currency of the United States to indicate the denomination of such paper money.

Such paper money has often been called Braille money in that our blind friends will be enabled by such action to feel the denomination of their paper currency.

Mr. President, I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2203

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the numerical value appearing in the four corners on the face of all paper money of the United States which is printed after January 1, 1976, shall be embossed indicating the denomination thereof.

(b) The Secretary of the Treasury shall carry out the provisions of this Act, and for such purposes he may establish such rules and regulations as he determines appropriate.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 5

At the request of Mr. Chiles, the Senator from Montana (Mr. Mansfield) and the Senator from Georgia (Mr. Nunn) were added as cosponsors of S. 5, the Federal Government in the Sunshine Act.

S. 80

At the request of Mr. Mathias, the Senator from Colorado (Mr. Haskell) was added as a cosponsor of S. 80, a bill to prevent the estate tax law from operating to encourage or to require the destruction of open lands and historic places, by amending the Internal Revenue Code of 1954 to provide that real property which is farmland, woodland, or open land and forms part of an estate may be valued, for estate tax purposes, at its value as farmland, woodland, or open land—rather than at its fair market value,—and to provide that real property which is listed on the National Register of Historic Places may be valued, for estate tax purposes at its value for its existing use, and to provide for the revocation of such lower valuation and recapture of unpaid taxes with interest in appropriate circumstances.

S. 89

At the request of Mr. Mathias, the Senator from Arkansas (Mr. McClellan) was added as a cosponsor of S. 89, a bill to provide that income from entertainment activities held in conjunction with a public fair conducted by an organization described in section 501(c), 3 and (5) shall not be unrelated trade or business income and shall not affect the tax exemption of the organization.

S. 93

At the request of Mr. Mathias, the Senator from Colorado (Mr. Haskell) was added as a cosponsor of S. 93, a bill to amend the Internal Revenue Code of 1954 to provide that a married individual who files a separate return shall be taxed on his or her earned income at the same rate as an unmarried individual.

S. 997

At the request of Mr. Moss, the Senator from Michigan (Mr. Philip A. Hart) and the Senator from Nevada (Mr. Cannon) were added as cosponsors of S. 997, a bill to amend the Fair Packaging and Labeling Act to require the disclosure by retail distributors of retail unit prices of consumer commodities, and for other purposes.

S. 988

At the request of Mr. Kennedy, the Senator from California (Mr. Cranston) was added as a cosponsor of S. 988, the National Biomedical Heart, Lung, Blood Vessel, and Research Training Act of 1975.

S. 1432

At the request of Mr. Hugh Scott, the Senator from Hawaii (Mr. Inouye) was added as a cosponsor of S. 1432, a bill to provide that certain veterans who were prisoners of war be deemed to have a service-connected disability of 50 percent and for other purposes.

S. 1466

At the request of Mr. Kennedy, the Senator from Maine (Mr. Hathaway) and the Senator from Rhode Island (Mr. Pell) were added as cosponsors of S. 1466, the National Disease Control and Consumer Health Education and Promotion Act of 1975.

S. 1479

At the request of Mr. Williams, the Senator from Wisconsin (Mr. Proxmire) was added as a cosponsor of S. 1479, a bill to protect the economic rights of labor in the building and construction industry by providing for equal treatment of craft and industrial workers.

S. 1664

At the request of Mr. Kennedy, the Senator from California (Mr. Cranston) was added as a cosponsor of S. 1664, a bill to amend the Lead-Based Paint Poisoning Prevention Act.

S. 1906

At the request of Mr. Church, the Senator from Florida (Mr. Chiles), the Senator from Utah (Mr. Moss), the Senator from Pennsylvania (Mr. Hugh Scott), the Senator from Vermont (Mr. Stafford), the Senator from Florida (Mr. Stone), the Senator from West Virginia (Mr. Randolph), and the Senator from Alabama (Mr. SPARKMAN) were added as cosponsors of S. 1906, a bill to amend title XVIII of the Social Security Act to require the continued application of the nursing salary cost differential which is presently allowed in determining the reasonable cost of inpatient nursing care for purposes of reimbursement to providers under the medicare program.

S. 2088

At the request of Mr. MATHIAS, the Senator from Wisconsin (Mr. PROXMIRE) was added as a cosponsor of S. 2088, a bill to prohibit the use of dogs by the Department of Defense in connection with the research, testing, development, or evaluation of radioactive, chemical, or biological warfare agents, and to require the Department of Defense to develop and use, where feasible, alternative, nonanimal methods of experimentation.

SENATE RESOLUTION 221

At his own request, the Senator from Missouri (Mr. SYMINGTON) was added as a cosponsor of Senate Resolution 221, relating to international cooperation in strengthening safeguards of nuclear materials.

SENATE JOINT RESOLUTION 101

At the request of Mr. BURDICK, the Senator from Arkansas (Mr. BUMPERS), the Senator from Indiana (Mr. HARTKE), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Wyoming (Mr. MCGEE), the Senator from Vermont (Mr. STAFFORD), and the Senator from North Dakota (Mr. YOUNG) were added as cosponsors of Senate Joint Resolution 101, to authorize the President to issue annually a proclamation designating that week in November which includes Thanksgiving Day as "National Family Week."

SENATE JOINT RESOLUTION 105

At the request of Mr. CLARK, the Senator from Montana (Mr. MONDALE) was added as a cosponsor of Senate Resolution 105, relating to strengthen the foreign relations of the United States.

SENATE RESOLUTION 226—SUBMISSION OF A RESOLUTION DISAPPROVING PROPOSED DEFERRAL OF BUDGET AUTHORITY RELATING TO THE COLUMBIA BASIN IRRIGATION PROJECT, WASHINGTON

(Referred to the Committees on Appropriations, Budget, and Interior and Insular Affairs, pursuant to the order of January 30, 1975.)

Mr. MAGNUSON (for himself and Mr. JACKSON) submitted the following resolution:

SENATE RESOLUTION 226

Resolved, That the Senate disapproves the proposed deferral of budget authority (Deferral No. D 76–13) for the Second Bacon Siphon and Tunnel, Columbia Basin Irrigation Project, Washington, set forth in the special message transmitted by the President to the Congress on July 1, 1975, under section 1013 of the Impoundment Control Act of 1974.

Mr. MAGNUSON. Mr. President, I am today submitting a Senate resolution to disapprove President Ford's deferral of $1,030,000 previously appropriated by Congress to the Bureau of Reclamation for the Second Bacon Siphon and Tunnel in the Columbia Basin Irrigation project in Washington State.

Construction of the Second Bacon Siphon and Tunnel is critical if land already under cultivation in the Columbia Basin project is to continue having sufficient water and if any of the nearly 600,000 acres of unirrigated land within the project's boundaries are to ever receive water.

Year after year over the past decade the Appropriations Committee has approved by amendments adding funds for the siphon and tunnel or blocking Presidential efforts to spend those funds elsewhere. The need for the siphon and tunnel and the increased farm production it would make possible has long since been demonstrated. However, that need has now assumed new urgency in light of the intense worldwide demand for food and fiber and our own need to increase exports to balance the flow of dollars going out of the United States to buy oil.

Several months ago, the Washington congressional delegation, the Governor, and key members of the State legislature met with the Director of the Office of Management and Budget and with the Commissioner of the Bureau of Reclamation to discuss this project.

As a result of that meeting, the Director of OMB agreed to take a fresh look at the proposed siphon and tunnel, and together with the Bureau of Reclamation, OMB has since undertaken an analysis of the project to be completed in September.

The President's July 1 message continuing the deferral of the $1,030,000 previously appropriated for the project emphasizes that the deferral is intended only to permit completion of the analysis before the funds are released. I am certainly hopeful that completion of the analysis in September will be followed immediately by a formal administration decision to proceed on the project. If that is the case, then, of course, the President, himself, can withdraw his deferral and move ahead on the project.

However, should the administration seek in September to further delay this project, then I intend to press ahead with this resolution while at the same time urging the Appropriations Committee to appropriate to the Bureau of Reclamation the maximum amount that it can effectively use for the Second Bacon Siphon and Tunnel during fiscal 1976 and the transition period.

AMENDMENTS SUBMITTED FOR PRINTING

PUBLIC WORKS EMPLOYMENT ACT OF 1975—S. 1587

AMENDMENT NO. 825

(Ordered to be printed and to lie on the table.)

Mr. TALMADGE (for himself, Mr. NUNN, Mr. HUDDLESTON, Mr. THURMOND, and Mr. METCALF) submitted an amendment intended to be proposed by them jointly to the bill (S. 1587) to amend the Public Works and Economic Development Act of 1965 to increase the antirecessionary effectiveness of the program and for other purposes.

HOME MORTGAGE DISCLOSURE ACT OF 1975—S. 1281

AMENDMENT NO. 826

(Ordered to be printed and to lie on the table.)

Mr. GARN (for himself, Mr. SPARKMAN, Mr. TOWER, Mr. HELMS, Mr. MORGAN, and Mr. STONE) submitted an amendment intended to be proposed by them jointly to the bill (S. 1281) to improve public understanding of the role of depository institutions in home financing.

AMENDMENT NO. 827

(Ordered to be printed and to lie on the table.)

Mr. STONE submitted an amendment intended to be proposed by him to the bill (S. 1281), supra.

ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION AUTHORIZATIONS—S. 598

AMENDMENTS NOS. 828 AND 829

(Ordered to be printed and to lie on the table.)

Mr. ABOUREZK. Mr. President, less than 2 months ago the Senate spent several days debating the military procurement authorization bill. Although this bill covers procurement of all conventional weapons in this country's stockpile, the Energy Research and Development Administration continues to hold prime responsibility for our nuclear weapons. In fiscal year 1976, ERDA has requested $873,515,000 for production of nuclear weapons. Of course, this amount does not include funding for material or security. Included these items, and the total ERDA request for nuclear weapons will be well over $1 billion.

The United States has nearly 30,000 nuclear weapons at home and throughout the world. Recently, a great deal of concern has centered on the threat and stockpile of weapons in Europe. I certainly do not want to minimize the importance of that issue, but I do not want to concentrate on Europe alone. The United States maintains approximately 1,700 tactical nuclear weapons on land in Asia, Korea and the Philippines. Additional weapons are also located at U.S. installations in Guam and Midway. Most of these weapons are for U.S. fighter-bombers. However, both Army and Air Force tactical weapons are based in Korea.

I am very concerned about the President's position on the "limited" use of nuclear weapons on a first-strike basis. Part of that concern focuses on the potential for error and/or overreaction. Some have suggested that if the United States had adopted the limited use of nuclear weapons sooner, these weapons might have been used in the rescue of the *Mayaguez* off the coast of Cambodia—a preposterous, yet horribly realistic possibility.

The secrecy surrounding nuclear weapons has made it nearly impossible, even for most of the Congress, to obtain even the most basic information, such as how many weapons exist, where they are located, and how they would be used. Frankly, I think it is a sheer impossibility to make fair and educated decisions regarding the U.S. defense policy without this information.

For these reasons, I am today submitting an amendment which would require the Secretary of Defense to annually report to the Congress basic information about our nuclear weapons. The report would include the total number of nuclear weapons, the deployment of these weapons by area, the assigned mission for each area of deployed weapon, and the identification and description of the safeguards and security precautions being taken with respect to these weapons. The report submitted would be referred to the Joint Committee on Atomic Energy and the House and Senate Armed Services Committees. Since every Member of Congress is required to make important decisions on U.S. foreign policy and defense, the amendment would make the Secretary's report available to all Members of Congress.

I am also submitting a second amendment which requires that the President take action to remove all land-based strategic and tactical nuclear weapons owned or controlled by the United States from non-U.S. territory in Asia no later than the first day of fiscal year 1977.

I believe all U.S. nuclear weapons need to be withdrawn from this area for two reasons. First, Asia is particularly volatile. The storage of nuclear weapons on the Asian mainland provides an opportunity for nuclear sabotage. A stolen and improperly used nuclear weapon could be responsible for the death of hundreds of thousands of people.

Second, I am convinced that our nuclear strength would not suffer in the least by the withdrawal of U.S. nuclear stockpiles from Asia. But this amendment would continue to allow the storage of nuclear weapons on U.S. ships on the high seas or at U.S. territorial possessions. At these installations, the opportunity for security is greatly improved, and the chance of sabotage significantly reduced. The additional few minutes of deployment time that may be required to use nuclear weapons, should it ever come to that, should not be used as a rationale for keeping the weapons on non-U.S. soil.

For these reasons, Mr. President, I believe these two amendments should be adopted. I ask unanimous consent that the text of the two amendments be printed in the RECORD.

There being no objection, the amendments were ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 828

At the end of the bill add the following:

TITLE V—REPORT ON STRATEGIC AND TACTICAL NUCLEAR WEAPONS

SEC. 501. (a) The Secretary of Defense shall prepare and submit to the Congress annually a report on—

(1) the total number of all strategic and tactical nuclear weapons owned or controlled by the United States,

(2) the deployment of all such weapons

(A) by country

(B) by state within the United States, and

(C) by fleet,

(3) the assigned mission/military option for each class of such weapons, and

(4) the identification and brief description of safeguard and security precautions taken with respect to all such weapons.

(b) The report submitted under this title shall be referred to the Joint Committee on Atomic Energy and the Committee on Armed Services of the Senate and the House of Representatives. The report shall be available to all Members of Congress.

AMENDMENT NO. 829

At the end of the bill add the following:

TITLE V—ELIMINATION OF NUCLEAR WEAPONS

SEC. 501. Notwithstanding any other provision of law, the President shall take whatever action is necessary to remove, not later than October 1, 1976, all land-based strategic and tactical nuclear weapons owned or controlled by the United States from non-United States territory in Asia or the western Pacific.

NAVAL PETROLEUM RESERVES—S. 2173

AMENDMENT NO. 830

(Ordered to be printed and to lie on the table.)

Mr. BARTLETT submitted an amendment intended to be proposed by him to the bill (S. 2173) to fully explore and develop the naval petroleum reserves of the United States and to permit limited production with revenues derived therefrom to be placed in a special account, and for other purposes.

ENERGY SUPPLY ACT OF 1975—S. 521

AMENDMENT NO. 831

(Ordered to be printed and to lie on the table.)

Mr. McGOVERN submitted an amendment intended to be proposed by him to the bill (S. 521) to increase the supply of energy in the United States from the Outer Continental Shelf; to amend the Outer Continental Shelf Lands Act; and for other purposes.

FEDERAL AGENCY SAFETY PROGRAMS—H.R. 2559

AMENDMENT NO. 832

(Ordered to be printed and to lie on the table.)

Mr. ALLEN submitted an amendment intended to be proposed by him to the bill (H.R. 2559) to amend title 39, United States Code, to apply to the U.S. Postal Service certain provisions of law providing for Federal agency safety programs and responsibilities, and for other purposes.

AIRPORT AND AIRWAY DEVELOPMENT ACT AMENDMENTS—S. 1455

AMENDMENT NO. 833

(Ordered to be printed and referred to the Committee on Commerce.)

Mr. HARTKE. Mr. President, for many years now the Department of Transportation and the Congress have been exploring the concept of intermodal terminals. The amendment I submit here today proposes a pilot demonstration project to include interstate and intrastate air, rail, and highway facilities in a single structure within a common area.

This proposed facility differs in many ways from the systems and terminals now in existence in that each mode included will feed the other—not necessarily completely or exclusively, but will not be competitive. The purpose of each system is not designed to bring people to and from an airport, but to bring people together, to and from an airport, a train terminal, and a bus station. Ideally the modes will have feeder schedules. In my view, this is a major step, and a necessary one, in the development of a national transportation system.

FEDERAL COAL LEASING AMENDMENTS ACT OF 1975—S. 391

AMENDMENT NO. 834

(Ordered to be printed and to lie on the table.)

Mr. MOSS submitted an amendment intended to be proposed by him to the bill (S. 391) to amend the Mineral Leasing Act of 1920, and for other purposes.

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 689

At the request of Mr. KENNEDY, the Senator from Iowa (Mr. CLARK) was added as a cosponsor of amendment No. 689 intended to be proposed to the bill (S. 1517) to authorize appropriations for the administration of foreign affairs, international organizations, conferences, and commissions; information and cultural exchange; and for other purposes.

NOTICE OF HEARING ON ACT TO ESTABLISH A UNIFORM LAW ON THE SUBJECT OF BANKRUPTCIES

Mr. BURDICK. Mr. President, I wish to announce that an open public hearing will continue for the Subcommittee on Improvements in Judicial Machinery on S. 235 and S. 236, two acts to revise the bankruptcy laws of the United States. The hearing will be held on July 31, 1975, in room 6202, Dirksen Senate Office Building, commencing at 10 p.m.

Those who wish to testify or submit a statement for inclusion in the record should communicate as soon as possible with the Subcommittee on Improvements in Judicial Machinery, 6306 Dirksen Senate Office Building; telephone 224-3618.

NOTICE OF HEARING

Mr. WILLIAMS. Mr. President, I wish to announce to the Senators and other interested persons that a hearing on Robert O. Aders, of Ohio, to be Under Secretary of Labor, will be held by the Committee on Labor and Public Welfare on Tuesday, July 29, 1975, at 3 p.m. in room 4232, Dirksen Senate Office Building.

ADDITIONAL STATEMENTS

HERE WE STILL ARE

Mr. BROCK. Mr. President, one of the problems that faces us today is the disenchantment that many Americans feel toward our Nation.

We all have been told that America is the greatest country in the world, then we read the newspaper and find that we seem to be losing our position in world affairs. Arab nations have us paying exorbitant prices for crude oil, unemployment is high, and we are just coming out of the grips of a recession.

Michael Kilian of the Chicago Tribune has written an article that might pick up our sagging spirits, so I ask unanimous consent that the article "Here We Still Are," be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

HERE WE STILL ARE

(by Michael Kilian)

One of the advantages of having been born during the Depression is the knowledge that the world was not created in 1946.

This knowledge seems to have eluded a young Washington columnist of my acquaintance [doubtless created in 1946 himself], who in these pages last week wrung his hands in sorrowful lamentation over the decline of the once-great United States.

He said that as a small child he was told by his mother about the greatness of the United States—how it had the best system of government in the world and would always win out. He looked to Presidents Truman, Eisenhower, Kennedy, Johnson, and Nixon as "straight and tall" champions of the American system.

But now, he's crushed. The not-so "straight and tall" Nixon was caught lying and breaking the law. The Arabs have the arm on us and "once mighty Detroit has been humbled." We failed in Viet Nam and our dominance abroad is slipping everywhere. Our new leader is full of doubts. Oh, gloom. Oh, doom.

"Is the [American] system of government the best?" he asked. "What is the man to tell the child?"

Before he says one word to the little scamper, he ought to fetch himself a history book—one that starts before the year 1946.

He'd find that "straight and tall" Presidents have always been a myth. Washington bought land in Pennsylvania and then tried to get the government to build roads and canals to it. Lincoln allowed speculators and profiteers to run amok, while jailing newspaper editors. The backroom buddies of Grant and Harding stuffed their pockets with millions. The White House has been occupied by a succession of drunkards, fools, schemers, buffoons, philanderers, scoundrels, and third-rate hacks from Missouri.

We gasp at such infringements as Watergate, the plumbers, and CIA domestic spying. Lincoln suspended habeas corpus. In 1917, if you got up on a box and denounced President Wilson, you'd get fingered by the American Protective League and hauled off to the slammer. Socialism wasn't merely suspect then; it was criminal.

The Arabs aren't the first to put the arm on us. We've gotten the same treatment from the British, the French, the Germans, the Canadians, Barbary Coast pirates, Mexican bandits, and the United Nations.

Viet Nam isn't our first military failure. We lost the War of 1812. We made fools of ourselves in the Punitive Expedition. We won "the war to end all wars," dictated the peace terms, created the League of Nations, and all of Europe went to hell almost instantly.

"Mighty Detroit" has been humbled with great regularity—some six times since 1946. In the 1930s, all of American industry was humbled. The financial community went berserk on 1969's "Black Friday." The whole country did the same thing during the panics of 1873, 1884, and 1907.

Ours has been a history of riots, plagues, famines, assassinations, lynching, scandals, sectionalism, segregation, fiscal disasters, and nincompoopish leadership.

But the point is, here we still are. As can be said of few other countries and no other democracy, we are governing ourselves in the same manner as we did nearly 200 years ago. Leaders have come and gone with constitutional regularity and [discounting the bedlam of the national conventions] in a consistently orderly and democratic manner.

Despite all our troubles, we enjoy more liberty and a higher standard of living than any other country in the world—more than we ever have before.

What the man should tell the child is, "Hang in there."

Or, if it were my kid: "Shut up and eat your steak or I won't let you have the keys to the snowmobile."

VETERANS

Mr. HOLLINGS. Mr. President, while the World Wars may seem like light years away because of all that has happened since on both our foreign and domestic fronts, in reality, it has not been so very long since these wars were a way of life. The veterans of these wars are still alive and need our help. I have before me a resolution drawn up by the Veterans of World War I of the U.S.A. which underlines the necessity for care for the veterans of World Wars I and II. Many of these people, as stated in the resolution, are old, without families, and in the low income category. The services at this point in time are not adequate for their needs. Because of the dearth of available rooms at the existing VA facilities, some of the veterans have been forced to go to commercial nursing homes. While these institutions do their best, they cannot provide all of the services at hand; and, unfortunately, for some they are simply too expensive.

Most of us here today have participated in some field of the Armed Forces, be it in the World Wars or after. Just as these veterans showed their concern by fighting for our country in its time of need, so too must we show ours by working to enact legislation so as not to neglect these people in their time of distress.

I know that my fellow Members of Congress join me in my realization of the vitalness of this resolution from the Veterans of World War I, and I therefore ask unanimous consent that this resolution be printed in the Record.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

RESOLUTION

Whereas, the Veterans of World War I of the U.S.A., Inc. Department of South Carolina, held their annual convention at Columbia, South Carolina, on July 12th and 13th, 1975, and

Whereas, we feel careful and immediate attention be given as a number one priority for W.W.I and W.W.II Veterans for additional Home Nursing Care beds in the new hospital at Columbia, South Carolina, by reserving the wing for this purpose now being used at the Columbia V.A. Hospital in addition to those which will be allotted to the new hospital, which apparently will be about one hundred fifty (150) beds, and

Whereas, in urging attention as above outlined, the average age of W.W.I Veterans is now about 80 and many W.W.II Veterans are over 65 years, and

Whereas, the need for Home Nursing care for aging Veterans becomes more acute as many are without dependents and most are in the low income category, and

Whereas, it appears that the aging and disabled Veterans are being transferred to commercial nursing homes, which in a number of instances are inadequate and unsatisfactory as to the service and the charges at these nursing homes has greatly increased, and

Whereas, it is our belief that the Veterans Administration and Veterans Hospitals should provide enough Home Nursing Care in the V.A. Hospitals to protect those who gave service in past Wars, and

Whereas, it appears that W.W.I Veterans apparently have been forgotten as they grow older and are never considered when benefits for them are presented to the Congress, now therefore

Be it *Resolved* by the Veterans of W.W.I in convention assembled urge upon Congress to study the plight of Veterans as above set out and take steps to remedy a serious situation that affects the well being of the sick and disabled as time is now of essence in giving help and assistance, and

Be it further *Resolved* that a copy of this resolution be sent the United States Senators and Congressmen from this state and copies given the press.

REPORT OF THE U.S. INTERNATIONAL TRADE COMMISSION

Mr. CURTIS. Mr. President, the Congress has renamed the U.S. Tariff Commission as the U.S. International Trade Commission and has materially changed the duties and responsibilities of that Commission. The chairman and the vice chairman are rotated every 18 months.

I ask unanimous consent to have printed in the Record a letter and report of the chairman and the vice chairman for the period of 1971–75.

There being no objection, the letter and report were ordered to be printed in the Record, as follows:

U.S. INTERNATIONAL TRADE COMMISSION,
Washington, D.C., July 8, 1975.

Hon. CARL T. CURTIS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CURTIS: On June 16, 1975, we completed four years of service as Chairman and Vice Chairman of the U.S. Tariff Commission and its successor agency, the U.S. International Trade Commission. On June 17, 1975, a new Chairman and Vice Chairman assumed these responsibilities under a provision of the Trade Act of 1974 which provides for the rotation of these positions every eighteen months.

Enclosed is a brief review of our stewardship during our tenure in office. It attempts to outline some of the problems we faced, what we were able to accomplish, and major goals for Commission action in the future.

It was a pleasure to serve as Chairman and Vice Chairman during these years, and we would like to express to you our appreciation for the support and cooperation given by your Commission to this agency. We look forward to a continuing relationship with you as Commissioners.

With best wishes.

Sincerely,

CATHERINE BEDELL.
JOSEPH O. PARKER.

A REPORT ON STEWARDSHIP

(By Catherine Bedell, Chairman, and Joseph O. Parker, Vice Chairman, U.S. International Trade Commission)

On June 16, 1975, we completed four years of service as Chairman and Vice Chairman of the United States Tariff Commission and its successor agency, the United States International Trade Commission. On June 17, 1975, a new Chairman and Vice Chairman of the Commission assumed these responsibilities under a provision of the Trade Act of 1974 which provides for the rotation of these two positions every eighteen months.

It is with this in mind that we are submitting a brief review of our stewardship for the last four years—one of the busiest and most challenging periods in the Commission's 59-year history.

Upon the assumption of the duties of our offices, we began studying, reviewing and analyzing the work of the Commission in order to make an assessment of its operations and the performance of its statutory responsibilities.

We found a number of weaknesses and deficiencies. The Commission did not have an organizational structure with well-defined lines of authority and responsibility that provided for the kind of supervision and coordination necessary to achieve an efficient operation. The principal units or divisions of the Commission tended to operate more or less autonomously.

The agency was struggling to meet a sharply rising workload. Investigations to be conducted pursuant to statutory direction had more than tripled over the previous year. Complex studies of major significance requested by the President and the Congress pertaining to the competitiveness of U.S. industry, multinational enterprises, customs valuation, and tariff and non-tariff trade barriers were far behind schedule. Appropriate administrative controls were varied and inadequate. A professional staff of unique expertise and ability had been weakened by declining appropriations and was in need of better direction to meet the increased workload and the new demands being made on the Commission. There was an urgent need for modern management and personnel techniques. The building was in a poor state of repair. Working conditions were inefficient and in need of upgrading.

On the basis of our analyses, it was apparent that the agency was understaffed and underbudgeted and was ill prepared to cope with either the demands being placed upon it by a rapidly mounting caseload, or with the demands being placed upon it by the President and the Congress because of prospective international trade negotiations.

After defining the nature of the Commission's problems, our first step was to set up procedures to expedite the completion of pending major studies. A number of other actions were taken to assure that the agency would fulfill its statutory responsibilities and improve its capability to be more responsive to the needs of the Executive and Legislative Branches of government.

The assistance and support of the Executive and Legislative Branches in a budget and staff building process were sought and obtained. Appropriations increased from $4.4 million in FY 1971 to $8.9 million in FY 1975. The Commission's authorized ceiling of permanent positions for the same period increased from 255 to 400.

Concurrently with the budget and staff building process, consideration was given to the whole question of improved management and organizational effectiveness. Previous management studies and executive reorganization plans in which recommendations had been made but never adopted were reviewed.

At the Commission's request, the Office of Management and Budget brought together a group of experts from the Civil Service Commission and other departments of the Federal Government to assist in analyzing the Commission's internal organization and administrative and management procedures. The report of this expert group was submitted to the Commission for its consideration.

Upon further analysis of this and other reports, the Commission instructed the staff to develop a reorganization plan designed to meet specific needs. As the Commission was about to take action on these recommendations, the Congress began its consideration of legislation which ultimately became the Trade Act of 1974. The Chairman of the Senate Committee on Finance requested the Commission to defer action on any internal organization decision until the Congress had worked its will on the Commission's statutory functions, and it had had the benefit of the views of the General Accounting Office.[1] We have been advised that the General Accounting Office has completed its review, and the report of the Comptroller General has recently been forwarded to the Senate Finance Committee.

While reorganization was aimed at the long-range overall improvement of the agency's operations, it was necessary for the Commission to take a number of actions that enabled it to conduct more efficiently its day-to-day operations within the existing organization. The Commission established the position of Executive Director and delegated to that office extensive responsibilities for internal administrative minutiae which gave the Commission more time to devote to substantive policy.

An Office of Personnel and Management Systems was established. That office has enabled the Commission to improve personnel management and to assure compliance with Civil Service Commission regulations and requirements, thus meeting the criticisms that had been made by the Civil Service Commission. This has resulted in major improvements in the Commission's recruitment techniques and procedures, and enabled the Commission to meet its personnel needs more expeditiously.

A survey and review was also made of the Commission's records management capability with assistance from the National Archives and Record Service. This review disclosed a number of deficiencies, which are being corrected.

Historical records and other records not needed on a current basis have been transferred to Archives.

Important steps were also taken to improve the working environment for Commission employees, including building renovations and an upgrading of office space and facilities and an overall improvement of employee work conditions. Internal communications have been improved. Greater use has been made of automatic data processing, microfiche, and other mechanical aids to improve the quality and capability of the Commission's work and to improve work productivity.

While taking these steps, work continued on the long-term goal of improving and strengthening the Commission in all areas of responsibility. Requests were made and approval was given by the General Services Administration and the Congress for a major renovation of the Commission building which is designed to bring the building up to Federal standards in all respects. All the necessary preparatory work has been done, and the course of direction has been set on the $5.7 million program.

One of our major goals, that of the efficient reorganization of the agency has not yet been accomplished. In our judgment, this is essential if the Commission is to carry out its responsibilities efficiently and to provide the assistance to the Congress and the President that is expected. As heretofore indicated, our work in this respect was interrupted, but the major studies and analyses have been completed. The problems have been identified, and the course of the direction is clear. As soon as the report is received from the Comptroller General and the Commission has heard further from the Chairman of the Senate Finance Committee, it will be in a position to complete its reorganizational task.

In our judgment, with improved reorganizational effectiveness, the Commission can establish and maintain a higher state of readiness and be in a position to provide the Congress and the President with timely advice and economic foresight on the complicated issues relating to international trade.

THE LEGISLATIVE BRANCH APPROPRIATIONS ACT, 1976

Mr. MUSKIE. Mr. President, the Senate on July 22 considered and passed by voice vote the conference report on H.R. 6950, the Legislative Branch Appropriations Act for 1976. This report was well within the budget resolution, and I believe it would be useful to set out for the RECORD the details. This bill includes appropriations for fiscal 1976 and the transition quarter from July 1, 1976, to September 30, 1976, for the Senate, the House of Representatives, joint items of the Senate and the House, the Office of Technology Assessment, the Architect of the Capitol, the Botanic Garden, the Library of Congress, the Government Printing Office, the General Accounting Office, and the Cost-Accounting Standards Bureau.

The conference report provides for appropriations totaling $827.5 million for fiscal 1976 and $207.4 *million* for the transition quarter to the new fiscal year. This compares with requests submitted in the President's February budget, and taken into consideration during the preparation of our congressional budget resolution, aggregating $835.9 million for fiscal 1976 and $209 million for the transition quarter relating to the items in the legislative branch appropriations bill. Thus, the conference report constitutes reductions of $8.4 million and $1.6 million for fiscal 1976 and the transition quarter respectively when compared with the budget resolution.

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[1] The Commission had earlier requested assistance from the General Accounting Office but was advised that it would not be able to respond because of its pending workload.

After the President's budget was submitted in February, revised budget requests increased the total requests considered by the Senate Appropriations Committee to $838.2 million for fiscal 1976, and $209.7 million for the transition quarter. The conference report recommends reductions of $10.7 million and $2.3 million for fiscal 1976 and the transition quarter respectively when compared with these revised budget estimates. With respect to outlays, comparable reductions will occur.

So that we can tie together the report of the conferees with the scorekeeping efforts on the part of the Senate Budget Committee of which I am chairman, let me say that the revised budget requests for the legislative branch appropriations totaled $853.7 million, when a $15.5 million item for the site acquisition for a Government Printing Office facility is included.

This request was withdrawn before the Senate Appropriations Committee considered this bill. The Senate Appropriations Committee considered requests for $838.2 million for new budget authority for fiscal 1976, and as the conference report shows, this report now before us represents a $10.7 million reduction in those requests.

The aggregate budget figures in H.R. 6950, the Legislative Branch Appropriations Act, are distributed over three functions of the budget. The Office of Copyright Funds are in function 400 and are about $7 million, the items for the Library of Congress except the Office of Copyright and the Congressional Research Service are in function 500 and total about $93 million, and the other items in this bill for the legislative branch including the Congressional Research Service are in function 800 and total about $727 million.

I am pleased that the amounts recommended by the conferees come within the target totals which the Congress adopted in the first budget resolution. While that resolution did not attempt to establish mandatory functional ceilings for the budget, the budget committees of the Senate and the House did have functional totals to serve as guidelines for the Congress and to provide a benchmark for the second concurrent resolution.

I point this out so that we may keep in mind as we move toward the second concurrent resolution that we must carefully put together the pieces of spending authority in order to achieve the goals we adopted on May 14 in the first concurrent resolution. The process is new, but it is working far better than most of us could envisage only a few short months ago. It is working because of the devotion of the members of the committees to the disciplines inaugurated under the Congressional Budget Act of 1974.

So, I compliment the Senator from South Carolina (Mr. HOLLINGS) and his colleagues on the conference committee for bringing in a bill that is within the budgetary ceilings established in the first concurrent resolution.

MERIT SYSTEM WINKS AT POLITICAL KLUNKS, HASSLES THE QUALIFIED

Mr. BROCK. Mr. President, the Federal Government seems somewhat on a par with rabbits—it keeps multiplying. We continue to heap program upon program, and the number of employees of the Government keeps growing in order to keep up with the new additions. It is certainly a time when we need qualified professional people to supervise our agencies while Congress attempts to wade through the mess and cut out waste. All too often, the hiring of such professionals can be a long and tedious undertaking.

In an article writtel by Leonard Reed of the Washington Star, the troubles of respective Federal agencies in hiring professionals is amply explained. The article is entitled "Merit System Winks at Political Klunks, Hassles the Qualified." I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

"MERIT SYSTEM" WINKS AT POLITICAL KLUNKS, HASSLES THE QUALIFIED

(By Leonard Reed)

Back in 1940, while in graduate studies, I regarded the merit system of the federal civil service with a degree of awe. Yes, we knew that the system, which had been established to encourage the growth of a career federal service safe from political raids, had developed certain infirmities. But, still.

Thirty-five years later, and having recently left the federal service, I read with a different perspective of agencies under investigation for attemping to bypass the merit system in their hiring practices.

My career was not in administrative circles but in government's fourth estate. My experience has been almost entirely with one agency, the United States Information Agency, but I have no reason to believe that that agency's relationship to the merit system is unique among government agencies. Nor do I think the hiring of editorial people differs much in process from hiring a number of other kinds of craftsmen.

It was my experience that when talented writers, editors, announcers, photographers, etc., were hired at USIA, it was invariably after the Civil Service Commission had tried to prevent the recruitment or else had been too tired to make much of a fuss. Too often, unfortunately, the obstruction was sufficiently stubborn and persistent to cause the loss of the talented prospect.

As a result, in addition to a core of superior people, USIA over the years has come to carry on its payroll enough incompetent "professionals" to constitute a sizeable imposition on the American taxpayer. That the Voice of America still manages to maintain fairly high broadcast standards and that other elements of USIA still can turn out some creditable products is due not to the hiring accomplished through the so-called merit system but to the doggedness of a few qualified professionals and their efforts in bypassing that system.

The good motives of the people who man the civil service apparatus are not in question. The apparatus itself is woefully wrong.

Let us take a not-too-hypothetical case of a USIA magazine editor who has an opening for a photographer. He learns that Jack Smith, a fine magazine photographer formerly with *Life*, is available and sufficiently interested to fill out the necessary forms.

A couple of weeks go by and our editor asks the personnel people to whom he has given Jack's forms whether anything is happening.

Yes, he's told, it's "over at the commission."

Some more weeks go by. Jack calls up. Our editor renews his pestering.

Fact is, the personnel man tells him, the commission is being balky. It has a list of qualified candidates and it won't grant an "exception" for Smith without a "justification." One of the candidates on the list is particularly strong. . . .

So, a few days later, the personnel history of the commission's candidate arrives for our editor's perusal. He turns out to have 20 years of experience as a newsreel photographer. To the commission, a photographer is a photographer, and the editor now has to state in writing why this is not the right man for the job.

Now, mind you, no question of "merit" is involved: The newsreel man simply filled out a form, was routinely put on a list and then mismatched against a job he probably would never have applied for. More time elapses as the commission ponders the "justification," suspecting, perhaps, that it's a bureaucratic dodge to get a crony into a job. Jack Smith calls up to say, never mind, he's taken another job.

If our editor is a particularly lucky fellow something else may happen. The personnel man may call him and say, look, we've got a problem you have to help us out on. We've got this fellow the White House sent over who takes pictures—he used to work for Look or something. Can you talk to him, at least?

Our editor, who has been around, knows that the White House—any White House—indiscriminately sends people over, a good proportion of whom are klunks. If our editor is any good, he knows how to shunt the klunks off into someone else's bailiwick. But, he also knows that if he finds that one of these candidates has the right qualifications, he's going to be able to hire him on the spot. Without delay. Without one single peep from the Civil Service Commission. (It might even turn out to be Jack Smith.)

The irony, of course, is that the Civil Service Commission, which came into being to professionalize the federal service by protecting it against political influence, is obsequious before political power but fairly effective in frustrating the recruitment of qualified professionals.

So much for the hiring end of the merit system. The firing, or rather non-firing, end is too well known to need much space here. Suffice it to say that the federal worker, no matter what his degree of competence, is fireproof (except, again ironically, when he becomes a political embarrassment.) Lacking the winnowing out process of most private enterprises, the federal service becomes saturated with incompetents. The only way, then, that it can function with even a modicum of efficiency is to add more people. The competent ones will get the work done, make-work will be found and justified for the others. (At the Voice of America, we had a half-serious plan to set up two parallel broadcast systems, identical in every respect except that in one of the systems the final scripts would be voiced into microphones which were not plugged in.)

The resultant overstaffing and low efficiency generates a nationwide scorn which, while fully justified, is excruciatingly unfair to those people who make the agencies function.

The use of the federal service as a pay-off for political favors is a criminal disservice to the people of this country. What we need is a thorough overhaul of federal hiring and firing procedures. And we can be sure that the bureaucracy will protect itself against that threat.

SOVIET OCEAN POLICY

Mr. HOLLINGS. Mr. President, as chairman of the Senate's National Ocean Policy Study, I feel it extremely important to call to this body's attention the fact that the ocean and naval policy of the Soviet Union is making ever-greater strides in its competition for world domination. An effort by the National Ocean Policy Study to examine this development resulted in the report, entitled "Soviet Ocean Activities: A Preliminary Survey," which clearly shows that within the last two decades, the Soviet Union has emerged as a major maritime nation, capable of utilizing the oceans and their resources to serve Soviet domestic and international economic and military interests.

An article in today's Washington Post by George C. Wilson further scores the need for the leadership of the United States to recognize the impact of the growth of Soviet maritime and naval power in the world. The article recounts an interview with retired Adm. Elmo R. Zumwalt, the former Chief of Naval Operations, who believes that the Soviet Navy has achieved at least a power parity with the U.S. Navy, and that Soviet Adm. Sergei G. Gorshkov is the most effective naval leader in modern times. I ask unanimous consent that the text of this article appear at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HOLLINGS. Mr. President, it is clear from the preliminary report of the National Ocean Policy Study that such rapid and successful developments by the Soviet Union have challenged U.S. ocean interests and have been due in large measure to the high priority placed upon maritime policy within the U.S.S.R. and the centralized administration of ocean affairs existing within the Soviet Union. In comparison U.S. marine affairs policy has often been disjointed, redundant, and misdirected.

I would like to advise my colleagues that because of the great significance which should be attached to the development of such policy within the U.S.S.R., I have directed that the National Ocean Policy Study undertake a major examination of Soviet ocean policy. This work will be ably coordinated by the Congressional Research Service of the Library of Congress along with the NOPS staff, drawing upon the Nation's most eminent scholars and experts in the field of Soviet ocean policy. This report should be available in January 1976.

In addition, Mr. President, I ask unanimous consent that the principal findings of the NOPS study of Soviet policy, which was recently released, be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

EXHIBIT 1

[From the Washington Post, July 28, 1975]

SOVIET NAVY PLANS BETTER THAN U.S., ZUMWALT SAYS

(By George C. Wilson)

The retired American admiral, still a symbol of the new Navy, had no trouble answering the embarrassing question with what some might consider an embarrassing answer.

Who, Adm. Elmo R. Zumwalt was asked, has been the most effective naval leader in modern times? The former chief of naval operations—himself a widely acclaimed naval leader—replied: Sergei G. Gorshkov.

Gorshkov is commander of the Soviet navy.

Zumwalt spoke admiringly of Gorhskov in an interview in his Rosslyn penthouse office overlooking the seats of power in Washington. Gorshkov, Zumwalt said, has transformed the Soviet navy from a branch of pitiful coastal boats under the army's control to a first-class fighting force, challenging American Navy supremacy throughout the world.

The Soviet navy has progressed so far, Zumwalt said, that if the U.S. Navy he deployed during the Yom Kippur war of 1973 had battled the Soviet navy in the Mediterranean, "the odds are very high that they would have won and we would have lost."

How can Zumwalt say that about a United States versus Soviet Union battle in the Mediterranean—long an American "lake" controlled by the mighty 6th Fleet of aircraft carriers and destroyers? How can he say that when the U.S. Navy has been getting billions of dollars every year since the end of World War II—and is getting more than any other U.S. military service now?

Zumwalt's answers to those and other questions present a certain view of the Soviet navy—admittedly a hawkish view. But the recently retired admiral is freer to speak now than when he was chief of naval operations from mid-1970 to mid-1974. And he has expertise on both the U.S. and the Soviet navies—expertise that is independent of the political ambitions he has been displaying of late to run as a Democrat for a U.S. Senate seat from Virginia.

Zumwalt contended that the Soviet naval threat has been understated to the public, charging that Secretary of State Henry A. Kissinger did not reveal a Soviet ultimatum to the United States during the Yom Kippur war for fear of endangering detente.

The admiral also asserted that Congress must curb Adm. Hyman G. Rickover, deputy commander for nuclear propulsion within the Naval Sea Systems Command and a political power in his own right, or else the nation will squander its ship-building money on an overweight Navy that the Russians could defeat.

Speaking with no trace of anger or bitterness, Zumwalt disclosed why Gorshkov had the upper hand in the Mediterranean in 1973, with a statement made on May 23 by Navy Secretary J. William Middendorf II that American ships in the Mediterranean during the Yom Kippur war "gave the United States sufficient strength of military posture to discourage physical intervention."

The United States had to back down in the face of a Soviet ultimatum, Zumwalt said, partly because Gorshkov had U.S. ships outnumbered in the Mediterranean, 98 to 65, and could have attacked U.S. carriers and other warships with airplanes flying in from four directions.

Soviet planes had bases in Egypt, Syria, the Crimea and Yugoslavia—virtually surrounding the U.S. 6th Fleet in the Mediterranean—while "we didn't have a single land base in the area" because none of America's allies would allow their land or airspace to be used to help Israel, Zumwalt said.

As the Israeli troops encircled Egypt's prized 3d Army and threatened to annihilate it, Zumwalt said, Soviet leaders sent a "savage" ultimatum to President Nixon to pull back the Israeli forces or else Russian troops would rescue the Egyptians.

If Kissinger had given the American people "an accurate report of the situation at that time, Zumwalt said, "it would have indicated that detente was working very poorly."

The United States, said Zumwalt, pressured the Israelis to spare the 3d Army—as demanded by the Soviets— and the Israelis did.

Besides forcing the United States to back down, Zumwalt contended, the Soviet Union, with its strong hand in the Mediterranean, benefited from the Yom Kippur war because of:

Economic damage to the United States and its allies with the oil embargo and later quadrupling of oil prices.

The "radicalization" of Third World countries whose economic and farm policies were crippled by the high price of oil.

The opening of the Suez Canal for the Soviet navy, shortening its route to the Indian Ocean by thousands of miles.

The demonstration of the economic vulnerability of North Atlantic Treaty Organization nations and others to a cutting of sea lanes.

"The trends are going against us," Zumwalt said, despite talk of detente. He predicted Gorshkov will continue to enlarge the Soviet navy and to obtain land bases for it around the world—with Somalia, where the Russians have a missile repair facility, the beginning of this projection power.

Zumwalt acknowledged that the U.S. and Soviet navies have different missions—with American ships responsible for keeping sea lanes open and Soviet ships able to concentrate on cutting them. Thus, the U.S. and Soviet navies cannot be carbon copies of each other.

Although American ships cover more of the ocean, Zumwalt said the lighter and more varied Soviet navy is not to build big nuclear surface ships.

"It is quite clear we're spending our money wrong," Zumwalt said.

Granting that the submarine "is a different beast," and in most cases justifies the use of nuclear power, he charged that the U.S. Navy has gone overboard in putting nuclear plants in so many surface ships.

"It has been quite clear to analysts on both sides," said Zumwalt of the American and Soviet navies, "that there is a limit beyond which nuclear power ought not to go.

"But Adm. Rickover," he said, "and the nuclear-prone Congress are emotionaly convinced that nuclear power is the be-all and the end-all. The advantages have been overstated.

"Once you go beyond the aircraft carrier, it is absolutely foolish to be building nuclear-propelled surface ships."

Because of the extra cost of nuclear power, Zumwalt continued, "we give up five conventionally powered patrol ships for a single nuclear-powered frigate."

Significantly, he added, Gorshkov "has never built a nuclear-powered surface ship" for his fighting navy. But, said Zumwalt, Gorshkov has not had to contend with a Rickover, either.

"Rickover does recognize that he works for the President of the United States or the Navy," charged Zumwalt. "He works for the Congress.

"Adm. Rickover has done some very good things for the Navy, but needs to be controlled." And Congress is the only authority that can control him, he added.

Today's U.S. Navy, in contrast to its Soviet counterpart, "has too many nuclear ships" under construction or planned, "which are catastrophically overpriced," Zumwalt said.

Gorshkov's big advantage in building the Soviet navy since becoming its commander in chief in June, 1956, at the age of 46, has been his freedom to implement the product "of good analytical work," Zumwalt said.

This freedom has made Gorshkov "by all odds the most successful naval advocate" in the world today, said Zumwalt, who currently is president of Americans for Energy Independence, a nonprofit, nongovernment organization. He also is a consultant on defense planning for private research groups.

Zumwalt detailed his frustration in trying to implement "good analytical work" while chief of naval operations for four years."

Sixty days after taking office, he said, the Navy drafted and placed on the desks of then Defense Secretary Melvin R. Laird and President Nixon a blueprint for modernizing the Navy—a document called Project 60.

This design called for lightening the Navy—bufilding faster and smaller ships to cover more ocean at the expense of more giant nuclear-power vessels.

Declaring that President Nixon and the Secretary of Defense had approved Project 60—which included the nuclear-powered ships Rickover championed, an aircraft carrier, a new class of attack submarine and the Trident missile firing submarine—Zumwalt charged that Rickover torpedoed the nonnuclear part of Project 60 once it got to Congress.

"Rickover killed the sea-control ship, delayed the patrol frigate, delayed the hydrofoil ship," he said. "As a result, we got half of what we would have gotten in four years if it had not been for Rickover's obstruction. We achieved something halfway between an intelligent program and the Rickover program."

One reason Zumwalt and his backers were willing to go to lighter ships was that ship-to-ship missiles were evening the odds between the Davids and the Goliaths of the sea. Egypt's sinking in October, 1967, of the Israeli destroyer Eilath with a surface-to-surface missile fired from a torpedo boat provided dramatic evidence of the improved odds.

Another reason was their conviction that the modern U.S. Navy had to increase the number of ships it could buy with a limited budget by building smaller vessels.

"You can cut sea lines of communication with submarines," Zumwalt said of the need for a lot of ships, "but you can't use them (sea shipping lines) with submarines. As long as you have to import 69 of 72 critical resources, you have got to be able to defend surface ships."

Gorshkov knows this, Zumwalt said, and is designing his navy accordingly. Countries outside the Soviet orbit that must have raw materials will decide "you're better off making compromises" with the Russians rather than risk being cut off, he said.

"I don't see a war at all," Zumwalt continued. But Gorshkov with his navy and other Kremlin leaders with their military might will use their forces "in a very sophisticated way, forcing us to back down," he said.

Gorshkov and fellow Kremlin leaders, Zumwalt predicted will continue to push diplomatically and militarily wherever and whenever they sense a vulnerable situation for the West. Gorshkov will keep building more naval bases in the Indian Ocean and elsewhere to project Soviet power. Zumwalt predicted, and will increase the size of his naval infantry—the Russian marines.

The Soviet fleet, he further predicted, will span the spectrum from small patrol boats with big weapons to carriers with V/STOL (vertical and short takeoff and landing) aircraft to project power in Africa and Latin America.

What then does Zumwalt think should be done about the Soviet naval threat to the United States and its allies?

Zumwalt recommended increasing the annual defense budget by $10 billion to help right the military balance. He said the Soviet Union, according to Central Intelligence Agency figures, is outspending the United States by about 20 percent on military programs.

He also said Congress must reject Rickover's advice to build an all-nuclear combat Navy and must buy more conventionally powered ships with the same amount of dollars.

(A spokesman for Rickover said the admiral would have no comment on Zumwalt's statements about him.)

Under Secretary of the Navy David S. Potter said in an interview that "the global situation has changed" since Zumwalt drew his Project 60 blueprint—with the loss of Vietnam and the Navy's commitment to it one case in point.

"We're right now in the middle of a very timely reinquiry into what sizing of the U.S. Navy we're talking about," Potter said. "Our present direction is not at all that bad. In fact, I think it is pretty good."

The U.S. Navy does not need more money to combat the Soviet navy, said a longtime boat rocker and naval strategist, retired Rear Adm. George H. Miller. Instead, he argued, U.S. Navy and government leaders should look beyond the question of what kind and how many ships should be built.

"We don't know how to deal before we drop the bomb," Miller said in calling for more emphasis on economic competition, instead of military competition, to pull both powers back from the bomb.

"We have no options. Instead of trying to trade with North Korea, for example, all we talk about is dropping the bomb on them," Miller said.

Contending that the Soviet Union, by exploiting the combined leverage of its navy and merchant marine, is conquering the world without firing a shot, Miller said: "We should recognize this nonshooting war is still war" and develop a national maritime policy.

Findings

1. Soviet maritime policy became global under Nikita Khrushchev and under current leadership promises to stay in the world arena and challenge U.S. preeminence.

2. Unlike fragmented U.S. maritime policy, Soviet policy unifies the many facets of ocean activities. The central unifying forces are the Soviet navy and the Communist Party of the Soviet Union.

3. By expanding all facets of its maritime capability, the Soviet Union may attain the position of overriding dominance of the oceans occupied until recently by the United States and earlier by Great Britain.

4. Now is the time for an assessment by American policy makers of the implications of future Soviet maritime dominance. If dominance in one or more facets of maritime affairs is viewed as unacceptable to U.S. interests, then, appropriate corrective or counter actions may be in order at this time.

5. While Naval developments are not discussed in any detail, the Soviet Navy is expanding very rapidly, and its naval strategy has shifted from a basically defensive posture towards inclusion of an offensive capability, appropriate for making global political impact and challenging the United States presence in many areas not contiguous to the Soviet Union.

6. Within a period of two decades, the Soviet Union has emerged from a primarily coastal fishing nation to one of the most modern—if not the most modern—of fishing nations in the world and is likely to become the dominant fishing nation of the world in the near future. In contrast, with the exception of its distant-water tuna and shrimp fisheries, the development of U.S. fisheries has been largely stagnant.

7. The Soviet merchant marine moved from the 23rd to the 6th place on the list of the major merchant fleets of the world. In contrast, the United States moved from the first to the eighth place over the same 1946 to 1974 period. Congressional and Executive action in 1970 was instrumental in stopping further decline.

8. The Soviet Union emerged from an inferior position in oceanography in the period following World War II to one of overall capabilities comparable with the United States today.

9. The Soviet Union is active in developing placer deposits of minerals on its continental shelf but is not known to have the capability to mine manganese nodules from the deep-seabed. In contrast, the United States mines only sand, gravel and shells from is continental shelf but has the technology capability to mine manganese nodules from the deep-seabed.

10. The Soviet Union has one of the most extensive continental shelves of the world. Altohugh the country produces only about a fifth of the U.S. offshore oil production, about 70 percent of the Soviet continental shelf offers good oil and gas prospects.

11. The Soviet Union is behind the United States in offshore drilling and production technology but is attempting to overcome this problem by importing capital-embodied technology in the form of drilling rigs and equipment from Western countries.

12. The Soviet Union is concerned about oil pollution, but Soviet authorities believe the offshore drilling is now so environmentally safe that "literally not even one drop of pollution-causing liquid falls into the sea."

13. The Soviet position on the Law of the Sea is consistent with that of a major ocean power with diversified interests in the seven seas. In contrast, some experts believe that during the negotiations on the Third Law of the Sea Conference, the executive branch of the U.S. Government did not at all times follow a policy consistent with the national interest of the United States as a major maritime power.

14. The Soviet Union presently lags behind the U.S. in manned and unmanned undersea research capabilities and technology both qualitatively and quantitatively.

15. The Soviet Union supports the largest fisheries-oriented marine biology and acquaculture programs in the world. The counterpart U.S. program, on the other hand, is small by comparison, although qualitatively equivalent to the Soviet program.

Soviet Policy for the Seven Seas

Traditionally, Soviet Russia has been an insular nation—introspective in its world view, coastal and river-oriented in its marine policy. This policy began to change under the leadership of Nikita Khrushchev and, under his successor, Leonid Brezhnev, has approached the global dimensions of current U.S. and earlier British policy in scope.

In the Tsarist period, economic, military, scientific and political interests in the seas were limited to Eurasia. Russia did not have a notable maritime or naval tradition. Access to warm water ports—what Peter the Great referred to as holes in the ice—continued to be the limits of Russian external policy of expansion. Russian "Manifest Destiny" was primarily directed to the extensive land mass from the Baltic and Black Seas in the West to the Pacific Ocean and the Sea of Japan in the East. Indeed, their limited maritime ventures to maintain their coastal Eurasian positions were far from successful. The Tsarist naval and military activities in the Crimean War were not only a military failure but provided an occasion for reassessing the institution of serfdom as a justification for defeat. Later the Russian navy intruded into the Russo-Japanese War via a well publicized trip from Europe to Asia and met an inglorious defeat by Japan in the Tsushima Straits. The modest commercial and fishing activities were either coastal or used foreign bottoms.

The policy of continental land orientation was reinforced by a recurrent political strain of isolation and withdrawal. Periodically, "westernizers" pulled Russia out of its landlocked shell, but these brief interludes were overshadowed by returns of the xenophobic influence of the "slavophiles"—Russian isolationists.

The Soviet Revolution under Lenin and Trotsky looked toward an international arena for spreading Communism. However, confronted by a predominantly hostile and nonrevolutionary Western world, their successor Stalin returned to the Russian isolationist tradition with a policy he called "socialism in one country."

Thus, the current global policy of the last several decades is a new phenomenon in the long history of Russia under Tsars and Communist leaders. Yet it does not appear to be a temporary policy. Soviet plans for a global maritime policy appear to be accelerating in scope and scale. At the Twenty-Fourth Party Congress in 1971, a program for developing the world's oceans was launched in the context of the current Ninth Five-Year Plan (1971–1975). The forthcoming Twenty-Fifth Party Congress may be expected to use the upcoming Tenth Five-Year Plan (1976–1980) and the new Fifteen-Year Plan (1976–1990) as vehicles for expanding their efforts in developing the world's oceans.[1]

The current global role of Soviet maritime power may have a historical parallel with that of Victorian England in the wake of the Napoleonic Wars. The English global role represented a conscious projection of merchant and naval power in order to extend its imperial power over far-flung geographic regions. The parallel with the global role of the United States after World War II seems less apt as that appeared to be an American preeminence based on the filling of a power vacuum through many areas required by a national desire to ensure stability and foster development. The parallel with England's imperial period suggests a more persistent, conscious extension of Soviet maritime power directed toward attaining political and economic goals than would be the case if the American parallel were chosen.

The parallel with English maritime patterns suggest a Great Power rather than a revolutionary thrust to the Soviet global role. If, by seeking control or dominance of the various regions of the world, the Soviet Union acts like a Great Power, then they may be willing to compromise, negotiate, and settle for "spheres of influence." This Great Power flexibility and pragmatism might be easier to deal with than the inflexible, ideological thrust of a revolutionary, Communist, global power.

UNITARY NATURE OF SOVIET POLICY OF THE SEAS

The various facets of ocean policy have been integrated in Soviet development. Soviet leaders have considered the legal, political, military, scientific and economic aspects of the ocean as facets of a single coherent program. It does not appear to be by chance that growth in all of these interrelated areas proceeded concurrently. It is as if the high level political decision to be a global power was orchestrated with the subordinate policies for extending simultaneously the Soviet maritime, naval, scientific, and political arms of the Soviet Union beyond its continental borders.

The unification of ocean's policy comes naturally for a centrally controlled system such as that guided by the Soviet Communist Party. The close political ties among the various organizational elements of the Soviet system facilitate coordinated policy. The dominant institutional thread is the Soviet navy, which has strong influence over maritime industries. The administration of the Soviet merchant marine, fishing fleet and oceanographic vessels are very closely allied with the naval command in the Soviet Union and may be readily and directly militarized or mobilized under naval direction.[2] World War II-type militarization may still be an option for the leadership through this interlocked administration.

The Soviet leadership's plan for development of world's ocean resources is both integrated with their central economic plans and interconnected with Soviet global policy as illustrated by the following:

"The sea's economy today is determined by the fishing industry and maritime transport. The situation will change somewhat as we approach the year 2000. The fishing industry will continue to occupy the leading place in the maritime economy. According to our rough estimates, second place will be taken by the petroleum and gas industry, while maritime transport will move from second to third place. Other branches of the U.S.S.R.'s maritime economy will rise and be developed." [3]

MERCHANT MARINE

Although the Soviet merchant fleet began its expansion in 1956, the Seven-Year Plan (1959–1965) was a major take-off point for Soviet merchant marine expansion. From that date, the Soviet merchant marine grew faster in volume than the economy as a whole.[4] Prior to World War II, the Soviet Union was 23rd in world shipping (by tonnage); now it is 5th or 6th (depending on the measures used) and may rise higher; some speculate to first place by 1980.[5] The initial rationale for expansion was to provide Soviet bottoms to carry military and economic aid, Soviet commercial trade, and passengers throughout the world. The Soviet Union's global role apparently dictated the need for control of their aid and commerce in their own fleet. Another important consideration was the rising Soviet balance-of-payments deficits to hard currency nations, which were exacerbated by the cost of using foreign transport requiring hard currency payment.

Although large and growing, the Soviet merchant marine is not as diversified as they would like. Only recently have they entered the large-scale, ocean going, tanker business. Moreover, if the Suez Canal were reopened, their large fleet of small and medium tankers might now project the Soviet Union into the center of the world's tanker field.

While the rapid development of the Soviet merchant marine has been spurred by the broad need to carry military and economic aid to countries throughout Asia, Africa, and Latin America, the supply routes to Cuba and North Vietnam were responsible for a major share of the increase in the tonnage requirements for this purpose.

Marine transport has also been expanded in Eurasia. Opening of the "Northern Sea Route"—the formerly unnavigable Soviet Arctic routes—provides new opportunities for the Soviet merchant marine to expand its maritime activities in commerce between Western Europe and the Far East. Likewise, the "container bridge" stretching from the new Japanese-built Port Wrangel in the Far East to Leningrad in the West adds an overland alternative to very long set routes around the Cape of Good Hope to Europe for Japanese and West European trade.

Shipbuilding in Soviet and East European ports has been greatly expanded to support this maritime development. The Soviet concern over Polish riots in Baltic ports in December 1970 was heightened by the fact that they were building ships for the Soviet fleet, along with several other East European nations. Although some Soviet ships are still purchased abroad, they have also become a supplier of ships to other nations.

FISHERIES

Fish as a source of protein in the diet is an important part of the Soviet leadership's announced goal of raising the per capita consumption of protein. Massive imports of U.S. feed grains in recent years illustrate the seriousness of their animal husbandry program. The expanding fishing operations with large-scale equipment, such as the floating fish factories, correlates with this program. Serious discussions with the Japanese on rights to fishing waters and conservation measures highlight the importance of this industry. Perhaps in recognition of the limits of the ocean's supply of fish to meet this protein needs, Soviet nutritional plans have highlighted the need to animal husbandry (cattle, swine, and poultry). Still the current Ninth Five-Year Plan calls for an increase in per capita output of meat and meat products by 23 percent and fish and fish products by 43 percent.[6] If successful, the improved availability of protein products projected for 1975 per capita would only place the Soviet citizen at a rough par with his East European counterpart and about one-third the American level.[7]

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[1] Academician P. Bunin, *Ekonomika osvoeniya resursov mirovoga okeana* (Economics of Developing the Resources of the World's Oceans), *Voprosy ekonomiki,* No. 11, 1974, pp. 55–67.

[2] T. Reitz. "Soviet Defense-Associated Activities Outside the Ministry of Defense," *Economic Performance and the Military Burden in the Soviet Union,* Joint Economic, GPO, Sept. 1970, pp. 144–148.

[3] S. Mikhailov, review article in *Voprosy ekonomiki,* No. 7, 1972 of *Mirovoi okean i chelovechestvo* (The World's Oceans and Mankind), Moscow: "Ekonomika" Publishing House. 1969.

[4] Nicholas Shadrin, "The Soviet Merchant Marine, A Late Developing Economic Growth Sector", *Soviet Economic Prospects for the Seventies,* Joint Economic Committee, GPO, June 1973, pp. 719–765. J. L. Moulton (ed.) *Brassey's Annual: The Armed Forces Yearbook, 1973,* New York, Praeger, 1973, p. 136.

[5] Reitz, *op cit.*, p. 145.

[6] N. K. Baibakov, *Gosudarstvennyi pyatiletnyi plan razvitiia narodnogo khoziaistva SSSR na 1971–1975 gody.* (State Five-Year Plan for Development of the U.S.S.R. National Economy for the Period 1971–1975). Moscow, Gosplan, April 1972), p. 300.

[7] Peter Petersen, "U.S.-Soviet Commercial Relations in a New Era," Washington, U.S. Department of Commerce, August 1972, p. 2.

RESOURCES OF THE SEABED

Offshore development of energy and metal resources is to expand sharply in the next ten to twenty years. Offshore development of oil and gas is now underway near Sakhalin Island in the Pacific. Industrial cooperation in this area among the Soviet Union and Western companies is likely; foreign capital and technology will be paid for with oil and gas. Petroleum products have in the past been the major hard currency earned for the Soviet Union. With natural gas—from their continental shelf and elsewhere—the Soviet Union will attempt to reduce their chronic balance-of-payments deficit.

A wide range of metals are thought to be located in the coastal areas.[8] These may likewise enter foreign commerce if economically available.

The Soviet Union has become a leader in physical oceanography. This application of Soviet science may correlate with naval interests in possible submarine operations. The oceanographic efforts coordinated by the Soviet Academy of Sciences also benefit their merchant marine and fishery industries.

NAVAL EXPANSION

Admiral Gorshkov, in the special series of articles published in 1972 and 1973, in their authoritative naval journal *Morskoy sbornik* argued for a larger and more diversified Soviet fleet. According to his central concepts, this fleet would have the capability not only for defensive roles around the periphery of the Soviet Union, but also for an offensive capability appropriate for making a global political impact and challenging the United States presence in many areas not contiguous to the Soviet Union. The surface naval combat and support ships required by this new Soviet naval strategy imply a significant additional naval demand on scarce resources in the Ninth Five-Year Plan (1971–1975) and the year ahead. At a time when poor economic performance and rising civilian demands for resources to modernize their economy and better serve consumption needs have been acknowledged by General Secretary Leonid Brezhnev and his colleagues in the leadership, a new, substantial set of military claims on resources would seem especially unwelcome and untimely. At the same time, the appearance of the Gorshkov series after the Twenty-Fourth Party Congress and the formulation of the Ninth Five-Year Plan (1971–1975) strongly suggests that the issue was not settled at that time and even though Mr. Brezhnev and possibly Defense Minister Grechko may oppose the adoption of the full dimensions of the new naval strategy of Admiral Gorshkov, it does have support among top leaders. Although the precise resource claims of the new naval demand are not explicitly or publicly discussed by Admiral Gorshkov in the *Morskoy sbornik* series or elsewhere to our knowledge, we may assure that the integrated Soviet ocean's policy includes a major expansion of their navy.[9]

INTERNATIONAL RELATIONS AND LAW

The heightened interest of the Soviet leadership in a global oceans program has influenced their foreign policy, their position in international organizations, and their view of the law of the sea. In recent bilateral and multilateral forums, the Soviet position on many ocean issues have become more evident.

Negotiations between Norway and the Soviet Union on the status of Spitzbergen and the surrounding continental shelf provide an interesting case study of Soviet ocean policy. The full panoply of Soviet ocean interests and policies will be influenced by the outcome of these bilateral talks. In particular, the Soviets want to protect their claims to the potentially rich mineral resources of the Barents Sea and to keep foreign powers away from their major naval and maritime fleets at Murmansk. Soviet conduct in the negotiations may foreshadow new dimensions in their strategy in pursuing their interests in the world's oceans.

Soviet representatives have also played an active role in the United Nations Conference on the Law of the Sea. In this forum they appear to be faced with a dilemma on whether to support or oppose the position of small coastal states which want to increase their territorial and economic control over contiguous ocean waters. On the one hand, the Soviets are inclined to support the claims of small countries in order to gain influence in the world political arena, however, Soviet economic interests dictate a more traditional, open-seas approach to international law.

The position which the Soviet leadership takes in these forums will be influential in efforts to reach international agreements on the law of the sea. Moreover, Soviet interaction with other great maritime powers, including the United States, on issues of ocean policy is likely to have a profound impact on the future direction of East-West relations.

In negotiating on the law of the sea, the Soviet Union has distinct advantages over the U.S., owing to their global, unitary, coordinated ocean's policy. In specific areas such as merchant marine, fisheries, and oceanography, as well as their dominant, dynamic naval program—the Soviet Union each year comes closer to sectoral as well as a comprehensive overtaking and surpassing of United States efforts. Just as the United States replaced the United Kingdom as the dominant world maritime power, the day is fast approaching when the Soviet Union may take over this dominant position.

PROPOSED INCREASE IN FEDERAL ESTATE TAX EXEMPTION

Mr. CURTIS. Mr. President, I previously introduced S. 1173 which would amend the Internal Revenue Code of 1954 to effect three necessary reforms in Federal estate tax law. Specifically, my bill would increase Federal estate tax exemption, increase estate tax marital deduction, and provide an alternate method of valuing certain real property for estate tax purposes.

The first of these reforms would increase the Federal estate tax exemption from $60,000 to $200,000. The $60,000 figure has been a part of the law for more than 30 years and the inflation we have experienced in that period warrants such an increase. I am pleased to note that several of my colleagues have also introduced bills to increase the Federal estate tax exemption to give recognition to the effects of inflation.

Further evidence of the effects of inflation on Federal estate tax was noted in an article in the Wall Street Journal of July 9, 1975. The article cited newly released IRS figures for 1972 which show 175,000 estate filings for estates exceeding $60,000. This is a 31-percent increase over 1969, the last previous year studied. This is further evidence that the $60,000 exemption is no longer adequate in today's changing economy. I am hopeful that the Committee on Finance will act favorably on my proposal to increase the estate tax exemption when it considers the general subject of tax reform later in this Congress.

BUT WHAT ABOUT THE CONSTITUTION?

Mr. PROXMIRE. Mr. President, the prestigious Columbia Journalism Review editorialized against the Federal Communications Commission's fairness doctrine in its May/June issue. In the current July/August issue, the CJR ran three letters—one with an editor's note—commenting on that editorial.

I find it interesting that neither the editorial nor any of the letters even hinted at the fact that there have been constitutional questions raised about the fairness doctrine.

The first letter took issue with the accuracy of the editorial, and thus the editor's note. That letter did not deal directly with the fairness doctrine. The other two letters defended the doctrine. So it would be asking quite a bit for any of the letters to question whether the fairness doctrine meets the test of the first amendment. One might deduce that the editors received no letter dealing with the constitutional question, or at least none worthy of publication.

Yet, why did not the editorial itself at least allude to the first amendment? It came close. But it did not hint at the major question about government regulation of one segment of the press.

I think I ask a fair question, for the editorial speculated on why no reporter bothered to look beneath the surface of the Red Lion case. That, of course, is the case in which the Supreme Court found parts of the fairness doctrine to be constitutional. Some say Red Lion gave judicial approbation to the entire fairness doctrine.

And that's the problem, perhaps: most people believe that when the Supreme Court has spoken, there can be no questioning of the decision.

Fortunately, under our constitutional system, there can be questioning. In fact, in Red Lion the Court said that it could see the possibilty of such questions being raised under certain circumstances:

> It would be better if the FCC's encouragement were never necessary to induce the broadcasters to meet their responsibility. And if experience with the administration of these doctrines indicates that will have the net effect of reducing rather than enhancing the volume and quality of coverage, there will be time enough to reconsider the constitutional implications.

And the Court indicated that if the fairness doctrine led to self-censorship that would be grounds for a fresh look at the constitutionality of the doctrine.

I will get back to that point shortly.

The CJR editorial noted how the White House had used the fairness doctrine for its own ends.

It seems elemental that if Presidents can use a government regulation to control the press that a first amendment issue has been raised. To paraphrase the editorial,

> Why, one wonders, did not the editorial writers dig beneath the surface?

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[8] Mikhailov, *op. cit.*, p. 108.

[9] M. MacGwire, *Soviet Naval Policy: Continuity and Change*. New York Praeger, February-March 1974. J. Hardt, "National Economic Priorities and Naval Demand," in M. MacGwire (ed.) *Soviet Naval Policy: Objectives and Constraints*, New York: Praeger, 1975.

One reason might be found later in the editorial, in a reference to "the public's air waves."

As I have pointed out before, there is no direct reference in the U.S. Code to public ownership of the airwaves. Also, authorities have written on this subject, including Glen O. Robinson, now a FCC Commissioner, who has called public ownership of the spectrum a fantasy.

The point is, the fairness doctrine cannot be discussed with any real depth until those questions—the applicability of the first amendment to broadcasting and the ownership of the airwaves—are dealt with seriously.

I believe I am correct in my answers to these questions, thus the introduction of my bill, S. 2, the First Amendment Clarification Act of 1975. But I know there are those who disagree with me. Right or wrong, I believe the questions must be answered.

The third letter is signed by Jeremy Lansman of Los Gatos, Calif., who is one of two signers of a petition to the FCC to limit religious and public institutional use of broadcasting, it is not surprising he does not raise the constitutional question.

But for a magazine published under the auspices of the Graduate School of Journalism, Columbia University, to fail even to allude to that question is astonishing.

The fear of self-censorship by a free press is a real one. If broadcasters do not pursue their duty to program on controversial issues of public importance because of fear of trouble at license renewal time, or a fine, or loss of their license, then that is self-censorship.

The Supreme Court has required no proof of self-censorship when dealing with libel cases. It has been presumed. All one need do is look at the decision in Gertz against Welch last year. The same is true in New York Times against Sullivan, the landmark 1964 case.

In Gertz, the Court said:

> We also find no justification for allowing awards of punitive damages against publishers and broadcasters held liable under state-defined standards of liability for defamation. . . jury discretion to award punitive damages unnecessarily exacerbates the danger of media self-censorship.

What is a fine or a threat of license loss but an unnecessary exacerbation of the danger of media self-censorship?

And note, the Court in the Gertz case included broadcasters explicitly.

True, the Gertz decision was not unanimous. But even the four dissenters—each of whom wrote an opinion—disagree only with legal points, not on the basic need to preserve the first amendment rights of the news media.

Why then is the Court so careful of first amendment rights when dealing with libel and defamation and so indifferent to them when dealing with broadcasting?

Is there really something inherently different about using the electromagnetic spectrum to give public notice to events and opinions? If there were a difference, why does the Court treat printed and broadcast material the same in their decisions on libel matters?

Playing fast and loose with the truth is very serious. Yet, the Court has held that unless there is malice, a publisher or a broadcaster should not be punished for it for fear of self-censorship. Yet, a broadcaster may be fined or he may lose his license for giving his own opinion or allowing others to give theirs if he does not give those holding opposing points of view time to air theirs.

It is not that a good broadcaster should not be fair. He should, of course.

But the Government has no business telling him to do so with rules and penalties that can lead to self-censorship. That is the chilling effect that supporters of the fairness doctrine deny exists.

Mr. President, I ask unanimous consent that the editorial and the letters from the Columbia Journalism Review be printed in the Record.

There being no objection, the editorial and letters were ordered to be printed in the Record, as follows:

The Trouble With Fairness

"It was in 1963," Fred W. Friendly informs us in "What's Fair on the Air?" [*The New York Times Magazine,* March 30]. "that the [Federal Communication Commission's fairness] doctrine began to change from a vague public-interest policy to an instrument of politics and inhibition." President Kennedy wanted to make sure that the Senate would ratify the Nuclear Test Ban Treaty, and he feared that unless advocates of the treaty were given air time to state their (and his) side of the issue the treaty might not be ratified. The fairness doctrine was invoked; advocates spoke on stations to which they otherwise would have been denied access; the treaty was ratified; and, Friendly writes, "The White House believed this political use of the fairness doctrine had made an important contribution to the eventual Senate vote to ratify." The first step had been taken. In the summer of 1964, by which time Senator Goldwater had been nominated as the Republican presidential nominee, "the Democrats decided to expand the fairness doctrine effort."

A crucial part of that effort, as Friendly shows, was devoted to investigative reporter Fred Cook's attempt to win in court the right to air a reply; he had been attacked by the Rev. Billy James Hargis in a program broadcast, among other places, on radio station WGCB, in Red Lion, Pennsylvania. It has not been generally known that Cook's effort, eventually successful, was politically inspired, backed by the Democratic National Committee, and aimed at conservative commentators. Yet the Red Lion case received wide coverage, and it developed over a long period—from November 1964, when Hargis delivered his attack, until June 1969, when the Supreme Court upheld the FCC's right to order WGCB to grant Cook reply time. Why, one wonders, did no reporter dig beneath the surface during the five years? The failure illustrates the need for journalism to do more investigating within its own ranks.

As luck would have it, of course, once such political usage of the fairness doctrine had been established by Kennedy and Johnson, it became available to Richard Nixon, who sought to apply it in retaliation for news coverage he didn't like.

Richard E. Wiley, chairman of the FCC, has been quoted as saying that "there is no question that [Friendly's] disclosures will provide ammunition for those who oppose the fairness doctrine." We, meanwhile, cannot fault the goal of the doctrine, which requires broadcasters to "afford reasonable opportunities for opposing viewpoints . . . [and] devote a reasonable amount of broadcasting time to the discussion of controversial issues." We question, however, whether any administration can long resist the opportunity of interpreting "reasonable" in a self-serving way. Further, we question whether it is still valid to regulate broadcasting in a way very different from the print media.

The underlying premise for FCC regulation is that the air, like a pie in the sky, can be divided into only so many slices, whereas newspapers can proliferate with the sort of wild abandon denied radio and television stations. The limits of the public's air waves were thought to justify such regulation of broadcasters. This may have been a persuasive argument in 1949, when the FCC first required broadcasting licensees to adhere to the fairness doctrine. Now, however, in metropolitan areas certainly, and in much of the country outside of the cities, radio and TV stations greatly outnumber, and out-earn, newspapers.

Fair to Fairness?

To the Review: As a regular reader of the *Columbia Journalism Review,* which I find useful, informative, and usually right on the button, I was a bit distressed to open your issue of May/June 1975 and to note that, under the heading, "The Trouble With Fairness," you have swallowed quite whole Fred W. Friendly's version of what has come to be known as the Red Lion case. (Mr. Friendly's original article, "What's Fair on the Air?", appeared in *The New York Times Magazine* of March 30.)

The Red Lion case stemmed from an article which Fred J. Cook wrote for *The Nation,* and which appeared in our issue of May 25, 1964, entitled "Hate Clubs of the Air." Subsequently Mr. Cook was subjected to personal attack by Billy James Hargis in a syndicated radio program which was broadcast by, among many other stations, WGCB in Red Lion, Pennsylvania. Mr. Cook demanded the right of reply, which WGCB refused. He then—acting entirely on his own behalf, and employing his own attorney at his own expense—sued the station under the fairness doctrine; the case through subsequent appeals wound up before the Supreme Court some five years later, which confirmed Cook's right to a reply under the law. Cook throughout was acting as an aggrieved private individual, and not on behalf of the Democratic National Committee or of anyone else. . . James J. Storrow, Jr., Publisher, *The Nation*.

(Note.—We know of no challenge to Fred Friendly's report that the Democrats sought, in 1964, to use the fairness doctrine to counter right-wing radio propaganda. And all parties agree, we believe, that Fred Cook, an able free-lance, was recruited to join the Democratic National Committee's propaganda effort. Cook was paid as a researcher. Radio broadcasts based on his research attacked the Rev. Billy James Hargis, among others. One program ties Hargis to the John Birch Society, another attacks his political gospel.

The question in dispute here: was Cook's suit against radio station WGCB, in Red Lion, Pennsylvania, a suit that sought the right to reply to Hargis, "politically inspired" as CJR said?

Cook says he was outraged when Hargis personally attacked him, and that his personal desire to respond led him to file suit. We see no reason to doubt this. It is also true that Cook had earlier helped the Democrats to attack Hargis. Cook's partisan work may have encouraged Hargis's attack; it certainly provided Cook with information about Hargis and his radio program. CJR did not intend to suggest that Cook was acting on orders, or contrary to his own desires. But we continue to believe that there is no clear line between the political effort and the personal feelings that led, within months, to the suit.—The Editors.

Sir: The question of whether it is "still valid to regulate broadcasting in a way very different from the print media" is being asked more often these days. . . .

The need for government regulation is perceived because without a type of allocation process, no radio service can be functional. I would argue that as long as station licenses are granted and or renewed by a politically appointed FCC, the fairness doctrine should and must be available to counter that bias in selection and prevent that bias from going unchallenged in broadcasts. If the industry will come to accept a market system of periodic action of broadcast rights and so guarantee the opportunity for diverse interests to gain access to broadcast time, then we can question the necessity of the fairness doctrine.—Peter B. Thomas, Portland, Maine.

Sir: Although the fairness doctrine may not be God's gift to free speech, your "Comment" writer (May/June) has made a false comparison betwixt broadcast and print. The fallacious argument holds that we have more broadcast stations than daily newspapers. Maybe so. But the 8,708 (November 1974) total number of broadcast outlets cannot hold a candle to the plethora of diverse book, magazine, and specialty newspaper (not to speak of weekly and limited circulation daily) publishers. Not only that, but the reader can choose from publications printed almost anywhere in the world. But how can I ever get to see and hear the fearless BBC documentaries, the fantastic CBC folk and serious music specials, and BBC radio historical dramatizations? I have to go there.

You can bet that if we limited the total number of U.S. publishers to 8,708, we would have no Columbia Journalism Review and all the ideas you offer us would be lost to the reading public.

Well, you might guess that the very reason most U.S. broadcasting is bland, tasteless, and cowardly before controversy is the limited number of broadcast licensees.—Jeremy Lansman, Los Gatos, Calif.

THE CRISIS OF DEMOCRACY

Mr. BROCK. Mr. President, Mr. James Reston has recently written an excellent article entitled "The Crisis of Democracy." I ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

The Crisis of Democracy

(By James Reston)

Washington.—It is hard to travel in Europe these days, or even to live in Washington, without recognizing that liberal democracy is now in serious trouble in the world. We are living in a time of widespread doubt about the capacity of free societies to deal with the economic, political and philosophical problems of the age.

Wherever you look, the leaders of the Free World seem to be overwhelmed by the complexities of modern life, baffled by the demands of special interest groups, and inclined toward autocratic methods in handling their dilemmas.

In France, President Valery Giscard d'Estaing is dining with the peasants and encouraging debates in the Chamber of Deputies on foreign policy, all of which looks good on the government-controlled French television. But meanwhile, he is weakening the civil service at the Quai d'Orsay and centralizing the control of foreign and domestic policy in his own hands, with the help of two or three loyal powerful lieutenants, at the Elysee Palace.

In Britain, Prime Minister Wilson has the opposite problem. With inflation running in his country at 25 per cent a year, the highest in Europe, his Labor government cannot even get the cooperation of the labor unions to abide by their "social contract" in the national interest.

In Italy, the situation is even worse. The country is going broke under a weak democratic coalition, and the Communists in the major cities are winning at the polls and insisting that the country cannot be governed against them or without them.

In Spain, after more than a generation of Franco's dictatorship, the forces of liberal democracy are crying for freedom, but across the border in Portugal, the "forces of freedom" are so divided and vicious with one another that the people are almost longing for the "order" of Salazar's dictatorship. All this is being watched in Madrid with the uttermost care.

So there is a kind of counterrevolution against liberal democracy now going on in the world. We may not like this trend; or even admit it, but the liberal democracies are obviously in trouble with the voters. Even President Ford is now governing with a combination of vetoes and good intentions. The Europeans like him, because he is so plain and candid, compared to Johnson and Nixon, but the question they have been asking in the last few weeks is what will the American people do in the 1976 election? Europe is clearly hoping for a new beginning.

Secretary of State Kissinger fascinates and baffles the political leaders of Europe. He talks about the "defense of Western civilization." He argues for a new alliance in defense of Western ideals, and he rebukes the Europeans for trifling with America's fidelity to NATO.

They should not think, Kissinger said in Atlanta the other day, that they are "doing us a favor by remaining in alliance with us." They should listen to his words, he said, for they were chosen very carefully.

"Any ally," he said, "whose perception of its national interest changes will find us prepared to adapt or end our treaty relationship. No ally can pressure us by a threat of termination; we will not accept that its security is more important to us than it is to itself."

On the 30th anniversary of the end of the last World War and the beginning of the United Nations, this was a bold and startling warning to the allies, but scarcely a newspaper in the United States printed the text of his speech, and the following day the White House said he didn't have any nation in mind, particularly, and was not threatening anybody.

So, obviously, there is considerable confusion within the Alliance, and not only within the Alliance, but within the Executive branch of the American government itself, and between the White House and the State Department and the Congress.

This confusion in the democratic world seems to be general. India is just the latest symbol of the point. Confronted by frivolous charges, Prime Minister Gandhi imagined a crisis and then created one, not only for herself, but for the whole democratic ideal. In the process, she has not only hurt herself, and India's experiment with democracy, but has proved that women are almost as stupid as men, and probably put back the women's liberation movement by almost a generation.

It is interesting, amidst all this turmoil in the western world, how much officials in Europe still look to America for answers to this crisis of democracy and capitalism. They are pessimistic about the inflation, unemployment, and monetary chaos in the West, but they still keep asking what Washington is going to do about this, and particularly in the next election.

Will there be a new start next year in the United States, they ask? Is there another creative American political mind like that of the two Roosevelts or Woodrow Wilson, or is there a young man like Kennedy in the campaign of 1960 who has some vision of the world of the Eighties?

The West is looking for answers to these shortcomings of liberal democracy and particularly it is looking to the United States for suggestions, but so far in Washington we have no optimistic answers to give.

TRIBUTE TO MAY CRAIG

Mr. MUSKIE. Mr. President, the death of May Craig was a loss for American journalism and the American people. It was a personal loss for me.

In 40 years as a reporter in Washington she became both loved and respected by the people she wrote for, and the people she wrote about.

Her school marm looks cloaked a brilliant mind, a tenacious and peppery manner, and a sensitive and generous heart.

It was the very qualities of persistence and tenacity which endeared her to both her news sources and her audience. She asked tough questions, and she often got revealing answers. She was determined to know what we knew, and in the process she became a great friend.

Those of us in the Maine congressional delegation had a special relationship, and a special friendship, with May. As a reporter for Maine newspapers she was in daily touch with members of the delegation.

Our contact taught me a great deal about journalism, and as a freshman Senator, I felt I learned at least as much from her as she did from me.

I will miss May Craig, along with thousands of her friends.

Mr. President, I ask unanimous consent that several letters from Maine people, a portion of the transcript of "Meet the Press," July 20, two newspaper articles on her death, and a series of articles which appeared on her retirement 9 years ago, be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Excerpt From "Meet the Press," July 20, 1975

Mr. Spivak. Before we introduce our guest, I would like to pay tribute to Mrs. May Craig who died last Tuesday. For many years before she retired in 1965, she was one of the star panelists on Meet the Press and made an important contribution to the program.

Mrs. Craig was a reporter of sterling integrity, an informed and penetrating questioner, and a fine human being. Her legion of friends won't soon forget her. I know I never will.

Boothbay Harbor, Maine,
July 24, 1975.

Dear Ed: May Craig was known by millions of Americans as a colorful and courageous political reporter and news personality. She was recognized as a scrappy little lady who persevered in her questioning of the great and near-great until the truth emerged.

During my service as a member of the U.S. House of Representatives from the State of Maine, I saw or spoke to May nearly every working day and developed a great respect and warm affection for her.

It was my privilege to have her as a guest in the House dining room after she had been retired for some time. And it made me very proud to see so many members of the House stopping by our table to pay their respects to "Miss May."

She was a unique worman in many ways. May was a woman's liberation leader decades before the movement became popular. She served her newspapers and our nation with great distinction.

With best wishes.

Sincerely,

STANLEY TUPPER.

NATIONAL TRANSPORTATION SAFETY BOARD,
Washington, D.C., July 24, 1975.

Hon. EDMUND S. MUSKIE,
U.S. Senate,
Washington, D.C.

DEAR ED: The death of May Craig marks the passing of an era. She was a unique newspaper reporter.

Even though May was a North Carolinian by birth we, in Maine, came to think of her as a "native." In recalling my contacts with her over the years I served as Governor of Maine, I especially remember the 1960 convention in Chicago. I never had to leave word at the hotel desk for morning wakeup calls knowing I could thoroughly depend on May to faithfully call between six and seven o'clock each and every morning to question me on the views and position of the Maine Delegation relative to candidates and platform. Soon I came to learn that she would not be deterred from her goal of securing every bit of news available. Her tenacious pursuit of the news, however, was always characterized by fairness and responsibility.

Once at a large dinner meeting at San Francisco I was truly amazed. All of the public figures and top leaders of the country were there—May knew each and every one of them and they, in turn, knew her. She had truly made her mark in the world of journalism. Her challenging and determined manner brought her instant recognition.

Maine and the Nation were fortunate to have had May Craig reporting the news and I consider it an honor to be counted among her friends in tribute to her memory.

Sincerely,

JOHN H. REED,
Chairman.

FEDERAL MARITIME COMMISSION,
Washington, D.C., July 23, 1975.

Hon. EDMUND S. MUSKIE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: May Craig was a unique person, the modest possessor of a unique talent in the field of journalism. Her death leaves a void in the fourth estate of the Nation's Capitol. She was a lady dedicated to her profession who recognized and appreciated the importance of the news media.

She was unique in many ways, a lady who worked diligently gathering news for the Gannett publications of Maine. From the modest amount of news generated from the Maine State Society to the international news emanating from the Presidential press conferences, she covered them with accuracy and detail.

Truly, May Craig was a journalistic pioneer, a friend of Presidents, admired because she was always herself. She will be missed by those of us who enjoyed the genuine pleasure of her company.

With every best wish, I am

Sincerely,

JAMES V. DAY,
Commissioner.

RAILWAY PROGRESS INSTITUTE,
Alexandria, Va., July 18, 1975.

Hon. EDMUND S. MUSKIE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MUSKIE: As per conversation, in any tribute given to May Craig, I would much appreciate any use you might give for a few humble observations from one who was privileged to know and admire her over the years.

Fresh out of Bates College in Senator Muskie's Class of 1936, I went with the Portland Maine Press Herald as a cub reporter starting in 1937. I shall never forget the inspiration I immediately got from May Craig, then the Press Herald's Washington correspondent. I was terribly fascinated by the columns she would send from Washington and particularly the great specific detail which embroidered her descriptions of the events she was reporting. I sensed that somehow Mrs. Craig must be a great human being to make her columns come to life with such warmth and reality.

When I came to Washington for 16 years service in the Federal Government, I came to know May personally and found my highest hopes were exceeded. As I worked for seven Cabinet officers in the years until 1965, I had frequent contact with May in helping her cover events of interest as well as backgrounding for appearances of key officials on Larry Spivak's "Meet the Press" program. I endorse with all sincerity the very warm and deserved tribute which Larry has told me he plans to use on the opening of the July 20 "Meet the Press" show. On its programs, May used to tell me she would boil her questions down into the fewest possible words which would get at the heart of the problems that the guest of the day was encountering. Every encounter with May left all of us a little richer.

My good Skowhegan, Maine-born wife, Emily, and her mother, Mrs. Eula Weston, former Chairman of the Maine State Racing Commission, always appreciated May's wonderful small dinner parties at her Rhode Island Avenue home—which she always thoughtfully concluded with grapefruit for those who were diet-minded.

I did not see as much of May Craig after she retired in 1965 inasmuch as that same year I became President of the Railway Progress Institute, the trade association of some 200 companies, representing the nation's manufacturers of freight cars, locomotives and everything railroads buy. Not seeing as much of May was a real loss.

In addition to being a great human interest reporter, she also had the sharpest political instincts of any reporter on the Washington scene during her time. She was a great lady, a great reporter. She will long be missed.

Sincerely,

NILS A. LENNARTSON.

[From the Bangor Daily News, July 16, 1975]

MAY CRAIG, 86, JOURNALIST TO STATE AND NATION, DIES

WASHINGTON.—May Craig, a familiar figure on the Washington news scene for more than three decades, died Tuesday in a Maryland nursing home after a long illness. She was 86.

"Unchangeable May," to those who knew her well, was famous for her penetrating questions at presidential news conferences and for her Easterbonnet-type hats. Until her retirement 10 years ago, she was the Washington correspondent for the Portland Press Herald and other Guy Gannett newspapers in Maine.

"The essence of femininity with an ability to get to the heart of the burning issue of the day," was how one newsman described her.

Her career spanned five administrations, from Franklin D. Roosevelt to Lyndon B. Johnson, and her terrier-like tenacity at presidential news conference was legendary.

When President Roosevelt once described columnists as "an unnecessary excrescence on our civilization," she reminded him that he had a columnist in his own family—his wife, writer of the column, "My Day."

On another occasion, after he was asked a nettlesome question by Mrs. Craig, Roosevelt replied: "May, you must have stayed awake all night thinking up that question."

"As a matter of fact, I did," she shot back.

She gained national exposure through frequent television appearances on "Meet the Press," wearing the flowery hats that became her personal trademark.

One magazine described Mrs. Craig as "the small woman who always gets to the front row." The representative of the Maine media was also characterized as having "a mind as sharp as cider vinegar, as retentive as a lobster trap."

When not covering a war, flying around the world or over the North Pole, she did a radio program called "Inside Washington" which was broadcast over Maine stations.

Mrs. Craig was brisk in manner, and with her unbobbed hair tied in an old-fashioned knot, she looked like the stereotype of a precise school teacher.

Born Elisabeth May Adams in Coosaw, S.C., in 1888, she moved to Washington at the age of 12. Eight years later, she married Donald A. Craig, then Washington bureau chief for the old New York Herald.

Mrs. Craig began her news career in 1924. In addition to the Maine newspapers she worked for, she wrote pieces for the old New York World and newspapers in Montana, and North Carolina.

At the time of President Woodrow Wilson's inauguration, she marched in a suffragist parade, and she continued to be a strong feminist who believed in equal rights for men and women.

She protested that dues-paying women members of the White House Correspondents' Association were not permitted at the organization's stag dinners traditionally attended by the president.

As a founding member of Mrs. Franklin D. Roosevelt's press conference association, limited to women, she was the only one to vote approval of a man's application to attend the former first lady's White House news conferences.

Mrs. Craig was exceedingly proud of her firsts as a newspaperwoman.

She was the only woman to go with President Harry S. Truman's party to conferences in Mexico City, Ottawa and Rio de Janeiro in 1947. But she lost her battle to return from Rio with male reporters aboard the battleship Missouri because of the "no women" Navy regulations.

One of her victories in the first for equality for women came after the Senate Rules Committee heard her demand for a powder room to be used by female reporters in the congressional press gallery.

Mrs. Craig held numerous honors in her profession, and was a former president of the Women's National Press Club.

She is survived by two children, Betty C. Clagget of Wheaton, Md., and Don Craig of Bethesda, Mr., four grandchildren and two great-grandchildren.

[From the Portland (Maine) Press Herald, July 16, 1975]

NATION'S LEADERS PAY TRIBUTE TO MAY CRAIG

(By Donald R. Larrabee)

WASHINGTON.—President Gerald Ford and Vice President Nelson Rockefeller led a chorus of official tributes Tuesday to May Craig, recalling her dogged questioning at press conferences and her peppery dominance of Washington journalism for four decades.

The President, calling her a "pioneer in American journalism," said he was saddened to learn of her passing.

"A reporter for some 40 years, Mrs. Craig spent most of her career here as a respected Washington correspondent," the President said. "Although Mrs. Craig was retired for a number of years, her influence on national and local journalism will not be forgotten. She will be remembered for her integrity and dedication to her profession.

"Mrs. Ford and I offer our condolences to her family."

Vice President Rockefeller said May Craig's death "is a loss to journalism and to the American scene." He added: "She was a reporter of high integrity and skill. Moreover, she was for decades a newsworthy figure in her own right, remembered with affection by all who knew her."

Mrs. Craig died early Tuesday at a Silver Spring, Md., nursing home. She was 86.

Senate Democratic Leader Mike Mansfield of Montana paid tribute to May Craig as "one of a vanishing breed."

"I knew her and admired her. I had great affection for her. She was a real pro. She asked the questions that had to be asked and she got the answers or knew the reason why. I feel a sense of deep loss, professionally and more important, personally. She was a great lady," said Mansfield.

Sen. Edmund Muskie, who knew her best among the Maine delegation, recalled Mrs. Craig as "one of the most alert, persistent and visible reporters on the Washington scene, widely respected and loved by the great and the small."

Muskie added: "Her personal characteristics were annoying and endearing at one and the same time. She was peppery, undaunted in her questioning and yet one never really resented it. She had an eye for the great issues and the key figures in the unfolding scene.

"She was everywhere," Muskie continued. "She was determined to know what we knew and in the process became a great friend."

Sen. William D. Hathaway remembered May Craig for her "sense of humor" as well as her fairness and accuracy as a reporter.

"I have a lot of fond memories of her," said Hathaway. "One of the last times we were together I remember sitting on a couch in the speaker's lobby of the House when an intruder gained entry to the House floor and went racing past us through the lobby.

"May asked me if I saw what happened," Hathaway recalled. "And that ended the interview. She had a better story then."

Former Maine Governor John Reed said she had a "unique ability to secure all the facts and write them in an interesting manner."

"Her early morning telephone calls to public officials were her trademark," said Reed, "and Maine readers were better informed because of her tenacious pursuit of the news. She truly made her mark in the world of journalism."

Federal Maritime Commissioner James V. Day, a Maine native, called May Craig a "competent reporter" and said she was highly regarded by her colleagues here. "She was truly a great lady," said Day.

In more than three decades as a Washington correspondent, Mrs. Craig covered the activities—and often forthrightly criticized the actions—of five presidents, Roosevelt, Truman, Eisenhower, Kennedy and Johnson. She kept in daily touch with the Maine delegation, whose work figured in her "Inside Washington" report, and though she occasionally socialized with them in her red brick home in the capital, she didn't allow friendship to affect her objectivity about them.

Oddly, the spunky little lady who served the Guy Gannett publications came to be so uniquely identified with Maine that a 1955 magazine article described her as having "a mind as sharp as cider vinegar, as retentive as a lobster trap." But May Craig wasn't a native, and never had a home in Maine.

Elizabeth May Craig was born Dec. 19, 1888 on Coosaw Island, near Beaufort, S.C. Her father was a mechanic employed in the Charleston Navy Yard. The family moved to Washington, D.C. when May was 12. Her formal education was completed with graduation from Washington High School though 40 years later she was to receive an honorary degree from the University of Maine. At age 20 she married Donald A. Craig, then Washington bureau chief of the old New York Herald.

Some years after the arrival of their two children, Betty and Donald, Mrs. Craig broke into newspapering with a feature for the old New York World on how reticent Calvin Coolidge, then president, dictated his correspondence. Payment for the article was $2. She then began capitol coverage for the same publisher's North Carolina and Montana papers, pitching in to help with the Maine news, which her husband was then handling.

After Don Craig's death in 1935, she approached Guy Gannett, late publisher of the Portland Press Herald, Evening Express, Kennebec Journal and Waterville Sentinel. They reached an agreement. Mrs. Craig would carry on, but would devote her time exclusively to her Maine assignment.

Though her column was not widely read outside Maine, it was her pert and peppery appearances on Meet The Press that gave Mrs. Craig—and the Maine newspapers—national exposure.

In that showcase where the petite reporter always appeared with her trademark, a flowery hat, she went into verbal combat with ambassadors, cabinet members and presidential candidates. Tabbed by Time Magazine as "the small woman who always gets to the front row," she posed her nettlesome questions with a terrier-like tenacity. She herself called her queries "dodge-proof questions" and many a notable squirmed before the onslaught.

In her 33 years, she covered wars, legislative sessions, conventions and presidential campaigns. Her travels girdled the world, and individual junkets—often as a guest of the U.S. Air Force—took her to the Pacific and Japan, the Middle East and North Africa, to Canada, Mexico and Brazil.

Though her syntax was sometimes thrown to the four winds, May Craig was the indefatigable newshound who conveyed her thoughts and feelings succinctly and with candor.

She was far ahead of her time in her struggles for women's rights, and she did valiant battle in her chosen field, of newspapering, one of those most reluctant to accept women on an equal footing. She often credited Guy Gannett with giving her a foothold in the profession, but the day-to-day slogging Mrs. Craig sturdily did for herself.

She was to be "first woman" in many other areas in connection with her work. Among them: first woman to fly over the North Pole, first woman to cover the London buzz bomb raids, the Normandy campaign and the liberation of Paris, first woman to fly the Berlin airlift, first woman correspondent accredited by the U.S. Navy and first woman reporter to cover the Korean truce talks.

HER HONORS WERE also numerous. She served as president of the Women's National Press Club, received the Business and Professional Woman's Association award for distinguished service in 1952, was named for the 1956 Woman of Achievement award from the American Federation of Soroptimist Clubs, the Big M Award from the Maine State Society in Washington, the first non-Mainer so honored, was cited by the GOP National Women's Committee in 1962 for covering every GOP women's conference to that date, and was made Headliner of the Year in 1952 by Theta Sigmi Phi, professional journalism fraternity for women.

Mrs. Craig was a member of the Women's National Press Club, the Overseas Press of America and Theta Sigma Phi.

She is survived by a son, Donald Alexander Craig and a daughter, Mrs. Albert (Betty) Clagget, and four grandchildren. Funeral services will be private.

[From the Portland (Maine) Press-Herald, Dec. 4, 1965]

NEWSWOMAN MAY CRAIG SLATED TO RETIRE DECEMBER 31

WASHINGTON.—May Craig, one of America's most famous newspaperwomen and for more than 30 years the capital correspondent for the Guy Gannett newspapers of Maine, will retire at the end of the year.

Mrs. Craig, who combined penetrating questions with pert hats, for more than 3 decades has been the most widely read columnist in Maine. She covered Washington and the world for Guy Gannett newspapers in Portland, Augusta, and Waterville.

For thousands of Maine families her daily column "Inside in Washington" was must morning breakfast table reading. Although little read outside Maine, Mrs. Craig became nationally famous as a panelist on the radio and television program "Meet the Press."

Millions of Americans came to know her as the Washington reporter who could be counted upon to enliven Presidential press conferences with the pointed question, the incisive query.

Yet, though her questions occasionally rankled the famous, she was a close friend of every President from Franklin D. Roosevelt to Lyndon Baines Johnson.

And, though she asked literally thousands of questions, "I never asked a question I later regretted," she noted as her retirement neared.

Her column reflected the same penetrating quality that punctuated her questions. One column in 1964, "Decline of the United States—And Fall" attracted nationwide attention, was reprinted in U.S. News & World Report as well as newspapers throughout America.

Her travels in search of the news took Elizabeth May Craig around the world, as a war correspondent in World War II, as the first woman to fly the Berlin airlift, as a correspondent during the Korean war, and to Africa as the continent merged during the early 1960's.

Maine readers followed her byline around the world as she reported the great events of more than 3 decades.

Yet May Craig also kept a close finger on the pulse of the Maine delegation in Washington as she furnished readers with the news that most closely affected them.

Mrs. Craig said that, when she retires at the end of the year, "I'm going to take a little time off to do nothing," but few readers will believe that she'll remain inactive long. She's been under contract for some time to write a book, so there's the strong likelihood that the typewriter, which for a third of a century had recorded the events that shaped the world, will not long be stilled.

Millions of Americans who have seen Mrs. Craig on "Meet the Press" and at Presidential press conferences, have come to think of her as a Maine native. It comes as a shock to learn that she's a native of Coosaw, N.C., who moved to Washington as a young girl.

No matter. She remains Maine in Washington to many. She knows Maine intimately and news of a postmaster's appointment in Waterville received the same close attention as a Washington national story.

Now in her seventies (although she maintains that she'll be 50 until she dies), Mrs. Craig never slowed down. Her columns from the beginning reflected her intense interest in almost everything and anything, from renovations of the White House to the war in Vietnam.

For years she was up and on the go at 6 a.m., and Maine Senators and Congressmen quickly learned to become accustomed to a telephone call from May Craig long before they had risen from bed.

She became in time almost as famous as some of the officials she covered; more famous than most.

Married to a newspaperman, the late Donald Alexander Craig, the Washington bureau chief for the New York Herald, as well as for the Guy Gannett newspapers, Mrs. Craig became the Washington correspondent for these newspapers in the early 1930's after the death of her husband. She has two children, a son and a daughter, and several grandchildren.

She maintains a home in Washington close to the Capitol.

During her career Mrs. Craig covered the V-bomb raids in London during World War II, the Normandy campaign, the liberation of Paris, and the Korean war. Her travels for these newspapers have taken her to almost every point on the globe.

She was made a doctor of human letters by the University of Maine in 1946. She is a member of the Women's National Press Club, the Overseas Press of America, and Theta Sigma Phi.

PRAISE FROM L.B.J.

President Johnson, learning in Texas of May Craig's retirement, sent her the following telegram Friday:

"It's a long time from May to September, but May will always be May to me."

[From the Portland (Maine) Evening Express, Dec. 3, 1965]

TRIBUTE FROM PUBLISHER

Mrs. Jean Gannett Arnzen, president and publisher of the Guy Gannett Publishing Co., issued this statement of tribute to May Craig:

"May Craig has for many years been as inseparable from our parents as their nameplates. She has made them known, not only in Maine but in the Nation. Competing in an environment of top talent and strong personalities, she has had the vigor and the ability to be outstanding.

"Obviously her retirement, so richly deserved cannot be treated casually. It will leave a lonesome place in our columns. Her departure is too close to me, personally, to be dismissed in the course of business.

"She was employed by our papers by my father, the late Guy P. Gannett, when he was establishing them and laying the foundations for their success. He always believed that one of the most important contributions was employing May Craig to represent his papers in Washington.

"I shall always remember my father's great pride in his Washington correspondent and the delight he had in her success."

[From the Portland, Maine, Sunday Telegram, Dec. 19, 1965]

"NATION IS BETTER FOR THIS OUTSTANDING WOMAN"—FROM PRESIDENT JOHNSON'S TRIBUTE TO MAY CRAIG

(By Donald E. Hanson)

To imagine a Presidential press conference without May Craig is like imagining the Capital without the Washington Monument.

For May Craig, to thousands of Maine newspaper readers, is Washington. For more than three decades she's been an indelible fixture on the Washington scene.

Presidents came and went. Elections changed the faces in the city and altered the complexion of the Nation. May Craig remained.

Now that too changes, for May Craig, who with pert hat and pointed questions became one of America's most famous newspaperwomen, retires at the end of the year.

Presidents from Franklin Delano Roosevelt to Lyndon Baines Johnson came to know and respect—and occasionally chafe at one of her barbed questions—the little and unquestionable First Lady of the Washington press corps.

Although for thousands of Maine readers her column "Inside in Washington" has been daily must reading for years at the breakfast table. Elizabeth May Craig was comparatively unread outside the State, except on occasions when her comments were reprinted in other newspapers and magazines.

Her face, however, became almost as famous as those of the personages she covered.

Visitors to Washington have, after viewing the landmarks of the city, often inquired of their host: "All this is fine, but where's May Craig?" And a Sunday Telegram reporter, traveling in California, had only to mention that he worked for the Portland papers to receive the reply, "Oh, you mean May Craig's papers."

To millions of Americans she became famous as a fixture on the radio and television program "Meet the Press." She once made President Jim Carey, of the Electrical Workers Union, gulp visibly by asking: "Don't you think it un-American for a man to have to belong to a union to earn a living?"

NO ONE IMMUNE

No President was immune from the sharp May Craig question. President Roosevelt, after fielding a sharp one on three hops, asked May if she stayed awake all night thinking it up. "As a mattter of fact," shot back May, "I did."

Roosevelt, Truman, Eisenhower, Kennedy, and Johnson all come to expect the unexpected from May. President Kennedy was wise enough to realize that when a press conference began to take a dull turn that it was probably time to recognize Mrs. Craig.

Yet, if Presidents occasionally rankled at a May Craig question, none was ever able to harbor a grudge.

She was often a visitor at the Hyde Park home of President and Mrs. Roosevelt. President Johnson, perhaps better than most, came to realize the many facets of May Craig. In 1956, when the then Senator Johnson suffered a severe heart attack, each day to his hospital room was delivered a private letter from May, cheering him and informing him of the activities in the Senate.

If the pointed questions, the unusual hats or the familiar features made May Craig a celebrity, they may also to some extent have obscured her real ability as a member of the Washington press corps.

Eisenhower's press secretary, Jim Haggerty, ranked her equal to any reporter he knew, man or woman. Pierre Salinger, George Reedy, and Bill Moyers also learned she was a press correspondent to be reckoned with.

May seemed to have a knack for knowing where a story was; if she didn't intuitively know, her apparently insatiable curiosity about nearly everything and everybody led her to it.

She wrote for more than 30 years with an unmistakable crisp style that occasionally crackled with brilliance. A 1964 column on the "Decline of the United States—And Fall" became an overnight sensation, was reprinted in U.S. News & World Report and many newspapers. Thousands of readers throughout the United States sought reprints.

After an early interview with Cuba's Fidel Castro, May rightly presaged that "Pistol packin' Fidel Castro will have to lay his pistol down if he is going to do the administrative job that lies before him. He is apt to find being a statesman is more difficult than fighting."

WITH THE TROOPS

Although based for most of her newspaper career in Washington, May Craig's byline appeared over datelines from throughout the world.

She was a tenacious war correspondent in World War II, heard the deadly buzz of the V-bombs over London, later was present at the allied liberation of Paris and became the first woman to ever fly the Berlin airlift.

She was in Korea during that war; in the early 1960's toured Africa as that continent emerged.

She went where the news took her, and diplomatic doors around the world opened to let her in.

Most readers think of May Craig, who incidentally is 77 years old today, as a Maine native, yet she was born in Coosaw, S.C., one of a family of nine children.

She moved to Washington, D.C., as a youngster and high school officialdom was the first to quail before her pen. She was suspended from high school for 3 days after a piece she wrote for the school paper was judged to be disrespectful of the faculty.

She later married Donald Alexander Craig, himself a topdrawer newsman who was the Washington representative of the New York Herald in addition to the Maine newspapers.

May's Maine newspaper career was launched when she began substituting for her husband, who was ill for a time before his death. In the early 1930's after her husband's death she agreed to continue as the Guy Gannett correspondent in Washington.

Since then May's working day has begun at 6:30 a.m. and Washington officials long ago became accustomed to being awakened by an early query from May. By 8:30 a.m. she was heading toward the Capitol, the White House, or some other Government agency in search of news.

"Miss May," as President Truman called her, for years wrote her personal column "Inside in Washington" six times a week, a chore in itself. In addition, she daily covered the major breaking news as well as the more local stories from Maine's delegation at the Capitol.

Although she is retiring, she's reluctant to decide whether to retain her red brick home close to the Capitol she is so much a part of, or move nearer her son and daughter who live in Maryland.

As a woman reporter, May fought hard for the same privileges as her male colleagues, but never used her sex as a plea for special consideration. She's long argued that women should be accepted for membership in the National Press Club in Washington.

In 1947, while accompanying President Truman on a trip to Brazil, the press corps was scheduled to return to the United States with the Chief Executive aboard the battleship *Missouri*. May, barred because the Navy argued they had no facilities aboard for ladies, gave the Navy something to ponder and 2 years later was its guest on a cruise.

Once dubbed "Dynamite in the blue dress" by a fellow journalist (she customarily wears blue), it's a description that somehow doesn't quite fit. For if May Craig's questions could be sharp or her battles with officialdom blistering, her underlying personality is far more pixie-ish than vindictive.

"It hurts me," she once confessed, "to be thought of as a wisecracker. Actually, I never ask a question for any other purpose than to bring out something important."

And only recently she declared that she'd never asked a question that she'd later regretted. May has always taken time phrasing her questions, mentally closing loopholes through which the answerer might escape.

Although she has described herself as 75 percent in favor of the New Deal, May Craig has always prided that she belongs to no political party. No matter who was in office, May was after the news.

She clashed occasionally with public officials that she covered; most recently with Maine's other famous lady in Washington, GOP U.S. Senator Margaret Chase Smith. But such clashes are usually short lived.

Her century-old Washington home is crammed with mementos of a rich Washington life and frequently she hosts intimate dinner parties for a small group of friends and dignitaries.

The menu is invariably the same, half a broiled chicken, sliced peaches soaked in brandy and a green vegetable for color contrast. And the after-dinner conversation, like May's writing, is never dull.

Few Washington correspondents have traveled as widely or interviewed more foreign officials than has May Craig. From Germany's Adenauer to the Congo's Kasavubu, to Cuba's Castro, May Craig has talked to them all. Thirty articles on her tour of Africa were inserted in the Congressional Record at the request of U.S. Senator Edmund S. Muskie.

She's been behind the Iron Curtain into Russia twice, has toured Latin America, flown over the North Pole, has been to Korea and South America.

Yet, Washington remained her beat and her home and to many Americans she and the capital became inexorably entwined.

To these, a Washington without May Craig just won't be the same.

TRIBUTES

Since the announcement of May Craig's retirement, letters of tribute have been pouring in. In addition to the President Johnson tribute, others have been received from:

Vice President Hubert H. Humphrey, former President Harry S. Truman, former Vice President Richard M. Nixon, Thomas E. Dewey, Barry Goldwater, Senate President Carl Hayden, Senate Minority Leader Everett M. Dirksen, Senate Majority Leader Mike Mansfield, House Speaker John W. McCormack, House Minority Leader Gerald R. Ford, U.S. Senators Margaret Chase Smith and Edmund S. Muskie, U.S. Representatives Stanley R. Tupper and William D. Hathaway, former U.S. Representatives Robert Hale and Clifford G. McIntyre, Secretary of State Dean Rusk, Secretary of Defense Robert S. McNamara, Secretary of Interior Stewart L. Udall, Secretary of Labor William Wirtz, Secretary of Commerce John T. Connor, and Secretary of Agriculture Orville L. Freeman.

The White House,
Washington, D.C., December 4, 1965.

May Craig was not only one of the first women reporters in Washington, but from the first she was one of the best.

As Congressman, Senator, Vice President, and President, I have always found May Craig to be a help and an inspiration to me.

She knows the world. More importantly, she seems to hold a stethoscope to the heart of mankind. I think she does so because she cares deeply for people and she is concerned with decency and justice.

The Nation is better for having had this outstanding women on the scene to help chronicle the events of our day.

Her friends will not forget her, and her influence will remain.

Lyndon B. Johnson.

[From the Portland (Maine) Sunday Telegram, Dec. 5, 1965]

L.B.J. Leads in Honoring May Craig

Tributes from some of the Nation's leading citizens were pouring in Sunday for May Craig, Washington correspondent for

* * * * *

The guests enjoyed a lavish buffet from a table which featured Mrs. Craig's famed hats in a symbolic centerpiece. Topping a floral arrangement was a huge hat made of shredded newspapers and teletype tape. Lifesize photographic portraits of Mrs. Craig in familiar press conference poses, including a famous Life magazine action picture last year, were on display.

The entertainment feature was a 10-minute film, prepared by NBC, highlighting some of Mrs. Craig's appearances on the "Meet the Press" television show. Veteran United Press International White House correspondent, Merriman Smith, narrated and the show's producer, Larry Spivak, added his own tribute.

President Johnson's former press secretary, George Reedy, was there; also, Jim Hagerty, a vice president of ABC, who was President Eisenhower's press chief; Mrs. Elizabeth Carpenter, press secretary to Mrs. Lyndon Johnson; and assistant to the President, Douglas Cater, and Mrs. Cater.

From Capitol Hill came Senator and Mrs. Ernest Gruening, of Alaska; Senator Joseph Tydings, of Maryland; Senator and Mrs. Stuart Symington, of Missouri; Senator and Mrs. Frank Carlson, of Kansas; Senator Eugene McCarthy, of Minnesota; Representative and Mrs. Howard Smith, of Virginia; and Mr. and Mrs. Ed Hudson. Mrs. Hudson, the former Blanche Bernier, has served for many years as secretary to Senator Smith.

Representative William D. Hathaway was unable to attend. His office said he is under doctor's orders to restrict his social activities because of a recent leg injury. Representative Stanley Tupper is in Las Vegas, Nev., on a speaking engagement and also sent his regrets.

Other longtime friends from officialdom who attended included Adm. and Mrs. W. A. Raborn (the heads of CIA); Roosevelt, Director of the President's Committee on Equal Employment Opportunity; Prof. Albert Abrahamson, of Bowdoin College; Mr. and Mrs. Edgar A. Comee (he is a former Gannett papers editorial writer, now with the Agency for International Development); Maritime Commissioner and Mrs. James V. Day, of Kennebunk; former Maine U.S. Representatives Clifford G. McIntire, and Mrs. McIntire; and Mr. and Mrs. Stephen Leo. Leo is a former political writer for the Gannett newspapers and former Government official, now in private business here.

U.N. Ambassador Arthur Goldberg, who couldn't come, sent May warm greetings and said he was going to "miss you and your extremely able and discerning reporting—as well as your unfailing sense of humor and other fine qualities. We treasure our association with you on the Washington scene."

He said he'd been trying out "the muse" and sent a long poem dedicated "To May" written by Mrs. Steven Goldstein of New York, who was not further identified.

It went:

"To May—who's retiring much too young,
I join the chorus of praises sung.
Since first you started back with Hoover,
You've been the press corps' primest-est mover.
You've livened Presidential chats.
You've made us buy our wives new hats.
You've caught us blushing, you've caught us wincing.
You've caught us when we're not convincing.
But on each story that you file,
You never fail to make us smile.
Oh, don't leave future press conferences waiting.
They depend on you for their Neilsen rating.
For you've made the toughest hem and haw—
Thank God you didn't take up the law."

[From the Washington (D.C.) Post, Feb. 15, 1966]

Winter Tributes Are Warm for May

(By Dorothy McCardle)

For years, Washington newspaperwoman May Craig was famous for two things—her flowery hats and her prickly words. Millions of Americans laughed or gasped at the words and gawked at the hats on TV's "Meet the Press" and televised Presidential press conferences.

Last night at a reception in honor of Mrs. Craig, she wore one of her famous hats, but she hadn't a single astringent word left in her. She was so touched by all the tributes paid her that she was close to tears.

The first moment of emotion came when President Johnson arrived unexpectedly during the reception given jointly by the National Press Club and the Women's National Press Club.

As he entered the clubrooms of the NPC, he embraced Mrs. Craig and whispered at length into her ear. She was already wearing a white orchid corsage which he and Mrs. Johnson had sent her.

"What did he say to you?" she was asked.

"It was just for me," she said, and her voice quivered.

A White House aid revealed how the President had spoken warmly of Mrs. Craig on his drive over from the White House. The President told his associates that he would never forget how thoughtful she had been to him when he had his heart attack in 1955.

"She wrote to me or sent me a poem or a book every single day," the President recalled.

May said later, "I have known him for 30 years, first as a Congressman and a Senator and Vice President. I never thought of him as the President. I worried about him when he had that heart attack, just lying there."

The President produced an even more tangible gift as he walked with Mrs. Craig among the 400 guests in the crowded club ballroom. He reached into his pocket for a small gold-wrapped box. "I brought you this," he said.

Mrs. Craig was so undone as the crowd surged about her and the President that she handed it back to him to open for her.

The President fished in his pocket for his glasses so he could see to upwrap a gold bracelet, bearing a single charm embossed with the Presidential Seal. The opposite side was blank, and the President noted that it should be engraved with the date. "You'll have to pay for the date," he quipped to her.

After a 10-minute round of the ballroom with Mrs. Craig on his arm, the President left before the formal tributes began. They came in the shape of roses and hats presented by Mary Gallagher, president of the Women's National Press Club, Windson Booth, president of the National Press Club, and Jean Gannett Arnzen, president of the Guy Gannett Publishing Co. of Maine, for which Mrs. Craig was a correspondent for 35 years before she retired in December. A poetic tribute was read from U.S. Ambassador to the United Nations, Arthur J. Goldberg.

Called upon for a speech, Mrs. Craig, wearing a Valentine red lace dress with matching hat of red velvet bows, said, "This is the loveliest thing that ever happened to me."

But there was more fun to come with a 12-minute film put together by Lawrence Spivak, producer of "Meet the Press," and selected from Mrs. Craig's more than 250 appearances on that TV show. Her hats and her hatpin sharp questions were on parade again, and she laughed as heartily as everyone else at her reruns.

MINERAL EXPLORATION

Mr. FANNIN. Mr. President, taking a hard look at the future we can see that in addition to the energy crisis America also faces a shortage of mineral supplies. Such shortages would damage our economy and threaten the standard of living for the Nation as a whole.

In view of the materials crisis, it would be folly for us to continue policies which in effect can deny our people the minerals needed for the public good.

On Friday in Coeur d'Alene, Assistant Secretary of the Interior Jack W. Carlson gave an excellent talk before the Idaho Mining Association regarding this problem. He pointed out that when we designate huge amounts of land as wilderness areas, we may be sealing off potential mineral reserves which will be desperately needed in the future. Worst of all is the fact that in some cases this may be done without knowing how much mineral potential is being sacrificed in the name of environmental protection.

It seems to me that if we are to make rational decisions regarding the use of our public lands, we must know exactly what it is that we are doing. We should know what mineral potential is involved before we classify land in a category that precludes mining. Once we know what the mineral potential is, then we can balance this consideration against the desirability of taking the extreme action involved in wilderness classification.

Mr. President, I support the idea that there are areas in our country which should be designated as wilderness and set aside so there is a minimum disturbance of nature. Some of these areas are within my own State. At the same time, it must be emphasized that what we are doing is to take land which often has several uses and restricting it to a single purpose which produces no tangible assets for most of the 213 million Americans.

Mr. President, at a time when we are trying to make some important decisions regarding what our national priorities should be, this address by Mr. Carlson carries special significance. I ask unanimous consent to have it printed in the RECORD for the benefit of those Members of Congress who are deeply concerned over this problem.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

REMARKS OF ASSISTANT SECRETARY OF THE INTERIOR JACK W. CARLSON

Thank you Mr. Chairman, and Good Morning, ladies and gentlemen. Thank you for inviting me out here into the beautiful mountain West which I call home. Thank you also for giving me the opportunity to talk to you about a problem which this Nation will have to face up to in the very near future.

The problem is—stated simply—how are we going to keep on supplying the minerals which this Nation needs, in the increasing quantities which will be required in the next two decades?

I am well aware that government may make plans, and government may pass laws, and government may change the regulatory climate which can have a very marked effect upon your industry—but I am also aware that minerals do not come out of the ground in accordance with governmental regulation. Minerals do not come out of these mountains and into gondola cars by reason of a legislative action. I am aware that minerals must be mined—and they must be mined by you—before this Nation can benefit from their use.

It is fitting that we address the problem of continued sufficiency in mineral supplies here in beautiful Coeur d'Alene. This area is one of the Nation's most important in mineral production, yet its very beauty is one of the reasons why this Nation is now on a collision course between the two disparate concepts—the production of minerals on the one side and the preservation of beauty on the other side. Can we achieve environmental objectives and at the same time meet the Nation's needs for minerals? Can we afford to dedicate land to a single purpose use—if that land is needed for many purposes and if that land is suited to many needs? Coeur d'Alene is a fitting stage for this discussion. Idaho's mineral production in 1974 was valued at $196 million, with Shoshone County contributing over half of that total. Idaho leads the Nation as a domestic primary producer of silver, is second in lead and fifth in the production of zinc—yet Idaho, together with the other mineral producing states, is not producing anywhere near enough of these three minerals to satisfy the Nation's needs. Last year we imported 70 percent of the silver we used, 60 percent of the zinc and 20 percent of the lead.

The amounts of these three important minerals which we will require in the next two decades will certainly increase. We do not feel that we can reduce our imports of these metals, but we certainly want to encourage domestic production. We need to remind this Nation that an adequate supply of minerals is equally important to an adequate supply of energy, if we are to maintain the standard of living which the American people want.

In 1974, the Office of Management and Budget—which is an official arm of the President of the United States—studied the implications of our dependence upon foreign supplies for lead, zinc, and silver. At that time, we had been jolted heavily by the cartel actions of the OPEC nations in turning off the flow of cheap, seemingly inexhaustible crude oil. The Nation had to determine if there was a chance that our supplies of lead, zinc and silver could be shut off in the same manner, and we had to determine what the results would be to the Nation's economy, and to the Nation's safety.

The results of that study, which relied heavily upon statistical information compiled by our Bureau of Mines, were that we could not be hit with a cartel-cause catastrophe in these metals, similar to the cartel-cause catastrophe in the crude oil situation. However, it was definitely seen that short term supply disruptions were possible and that they should be avoided to the extent possible. We are monitoring and will continue to monitor that situation.

No matter the extent of the disruptions which are possible, it is obvious that we must expand domestic production—if we are to continue our economic growth and if we are to continue to maintain a position of national security, free from outside dangers.

We estimate that the growth of demand is in the nature of 1.4% per year for lead; 1.2% per year for silver and 2.6% per year for zinc. We are forecasting annual U.S. primary demand in the year 2000 as being 1.5 million short tons of lead; 3.1 million short tons of zinc and 230 million troy ounces of silver. It should be obvious to anyone that the continued dedication of public lands to a single purpose use will not help the industry supply America's needs. Somehow we must remove some of the restrictions which are hampering our efforts—and your efforts—to produce the needed minerals in the quantities needed for an economically healthy Nation.

Obviously, the demand is increasing and will continue to increase. Even if Zero Population Growth could be achieved next year—the requirements of people who are already alive would dictate that we must increase our mineral production.

While common sense indicates that we must increase accessibility to minerals—there are many activities and actions currently under consideration, each of which will reduce accessibility of lands for mineral production.

In our part of the world, for example, consider the following: There is a proposal to establish the Hells Canyon National Recreational Area, which action would prohibit dam construction and create a national recreation area on the Middle Snake River. This proposal has the support of the Governors of Idaho, Oregon and Washington, and is supported by the Senators from Oregon and Idaho.

Although the southern part of this beautiful area contains potentially significant copper deposits and one active producing mine immediately adjacent to the south, we must remember that the NRA proposal—if enacted—would permanently prohibit future mineral entry in the area. The Administration proposes that no further action on NRA designation go forward until the ongoing mineral study by Interior's Bureau of Mines and Geological Survey is completed in 1976.

The United States Forest Service is conducting claim validity examinations on approximately 7,000 claims staked within the Sawtooth National Forest. The mineral potential study by the Bureau of Mines and Geological Survey put on record the fact that this area contains large undeveloped mineral resources and is one of the most highly mineralized and potentially productive regions in Idaho.

Governor Andrus wants the size of Idaho wilderness area increased over that recommended by the Forest Service, the Department of Agriculture and the President. The Governor has proposed upping the acreage to 1.8 million acres, and environmental organizations are pushing for a 2.3 million acre figure. Because this area is so beautiful, it is very attractive to environmentalists who seek to preserve natural beauty.

Each proposal to establish a wilderness area can be defended logically because so much of the mountain West fits the qualifications people have in mind when they use the words "wilderness area." But we must consider the other needs of man, in addition to his need for unspoiled beauty in his western scenery. And we must consider the cumulative effect of the addition of more and more wilderness areas. Is it possible to add up so many "good" proposals that their sum total is "bad"?

As of November 1973, 37 Idaho areas totalling 4 and a quarter million acres were identified as either existing or potential Forest Service wilderness area. In Montana, 46 areas totaling 3.6 million acres were identified; in Oregon, 22 areas with more than a million acres; and in Washington there are 29 areas comprising more than two million acres!

If all of these wilderness areas are incorporated into the Wilderness System, over 11 million acres will be removed from mineral entry on the public domain.

A summary of all the public domain shows that 55% of it has already barred from access for mineral exploration or production, and that percentage figure will rise to 78% if all pending proposals are adopted. Can we afford to dedicate such a tremendous part of our available land to the luxury of one-purpose use?

If each and every one of these proposed wilderness areas is a good proposal—if each and every one would make a valued contribution as a wilderness—can we afford the contributions and still remain strong and secure in our Nation's supply of minerals which are absolutely required?

But this is not the end of the story at all, insofar as reduced accessibility to the public lands is concerned. Let us go a bit farther . . .

The Alpine Wilderness Area in the Cascade Mountains of Washington calls for an area of 292,000 acres as proposed by the Forest Service. The Alpine Lakes Protection Society, a group of environmental organizations, wants a 575,000 acre wilderness core surrounded by a 437,000 acre national recreation area, which would remove not 292,000 acres—but more than a million acres, from the area upon which you must produce the Nation's needs in the next decades. I am sure that the Alpine Lakes area is worthy of designation as a Wilderness Area, or as a National Recreation Area. Its support by the mayors of Seattle and Tacoma, and even by Governor Evans of Washington shows that it is a worthy proposal.

But here—again—Interior's mineral resource study disclosed areas of potentially significant mineral deposits that were not considered in the recent hearing on the larger NRA held by the House of Representatives in Washington. More importantly, we have not had the resources to make a mineral study of about two-thirds of the larger area under consideration. So the question becomes, "Should we make decisions concerning public lands future use before we even learn what minerals those public lands contain?" . . . and another question grows louder all the time, "Where will the Nation find the minerals for generations yet to come?"

In addition to the problem of disappearing acres of public domain, the mining industry is facing another challenge—a battle between those who would preserve the native beauty and those who must produce the needed minerals. The mining industry is not winning that battle, not at the moment and not here in Idaho.

As you are aware, metal pollution of the South Fork of the Coeur d'Alene River and in the beautiful lake itself, is being studied by the University of Idaho and by Washington State University. The source of that pollution is reported as tailings from the Coeur d'Alene Mining District that have washed downstream.

Todays mining adheres to stricter standards than were in effect when this was a frontier land. Todays mining does not—must not—leave permanent scars. Proper extraction techniques can remove the minerals the Nation needs and still leave a landscape suited to recreational use for future generations.

The Environmental Protection Agency has ordered the Bunker Hill Company to reduce sulfur dioxide emissions by 85 percent by August 1975 and by 96 percent in 1977. The State plans call for a 72 percent reduction by August of 1975. The State Director of the Department of Health and Welfare says that the state plan will be enforced without EPA approval if necessary. Governor Andrus has been reported as saying that the state will not hesitate to defend Bunker Hill against EPA if EPA insists upon unrealistic regulations. We are very happy to report that the pilot plant which Bureau of Mines is operating at the Bunker Hill smelter, using the citrate process to remove SO2, is showing excellent promise.

But the question comes louder all the time, how are we going to produce the needed minerals if the producing area is even more severely circumscribed?

As you are probably aware, the Energy Research and Development Administration is currently asking Congress for increased appropriations which would pay for the construction of a pilot plant in the Raft River Valley, a plant which will produce energy from geothermal steam. Yet, geothermal steam is no longer the darling of the environmentalists—and we have the suit filed by the Sierra Club to halt geothermal development as proof of this activity. The new concern for the environment is based on the fact that geothermal brines may pose an environmental disposal problem—and on the fact that the high temperature discharge of the geothermal steam or hot water may result in thermal pollution. We agree that these problems must be addressed and that they must be conquered. We do not agree that the orderly development of alternate sources of energy—nor additional sources of minerals—should be halted by unreasonable environmental attacks.

As I am sure you already know, thorite deposits in the Lemhi Pass area are being considered as a source of fuel for a nuclear reactor in Pennsylvania. The thorite resource appears significantly large. Obviously, this requires further exploration. The orderly development of nuclear reactor power sources has been seriously hampered, and in many instances stopped outright . . . by well meaning persons who worry about possible pollution, and/or about possible danger from nuclear reactors, or by worry about storage of the waste products of the nuclear processes. We must address the problems of nuclear radiation leaks, and the problems of waste product storage and the problems of thermal pollution potential which accompany nuclear plants. But there is a great difference between addressing and solving problems—on the one hand—and abandoning a very promising energy source because of hysterical attacks. Let's put things in perspective. It is certain that bee stings caused more deaths in the United States last year than did pollution from nuclear power plants.

Ladies and gentlemen of the mining industry, it is obvious that it is possible to have too much of a good thing.

Many wilderness proposals are good things. But we can have so many that our ability to provide for our needs is severely curtailed. It is possible to have too much wilderness recreation area and too much game range. But we do not have to have too much. We can address our problems and we can conquer them.

Clean air legislation is, of itself, good. It protects the health and safety of the human population, and that is a good thing. But it is possible to have too much of a good thing. It is possible to have restrictions enacted into law which unduly restrict production, without safeguarding human health. It is possible to have too much Clean Air legislation—of the wrong kind. At a time when this Nation desperately needs all of its energy sources, we have clean air legislation which makes it almost impossible to expand the use of abundant coal—yet which do not safeguard human life or human safety. We need to change those rules. Not abandon the principle, just remedy the excesses which have crept into the legislation, into the regulations and into the court decisions—most of which have been caused by our zeal to do a good job of protecting the environment.

In addition to the wilderness proposals shrinking the world we have to work with, and in addition to the necessary and unnecessary environmental constraints shrinking the area in which we have to work—there is another danger at the present time. There are many moves afoot to revise, reform, re-enact, amend and otherwise change the venerable old Mining Law of 1872, which has served this Nation well for more than a century. The Administration favors updating and improving the Mining Law of 1872. But we are worried that we may have too much of a good thing here also. We remember that the individual prospector is the man who located most of our minerals in the past . . . and we do not want to lose him. We remember the contributions made by the small mine operator in building the Nation we have today . . . and we don't want to lose him.

Last week I had the privilege of testifying before the Subcommittee on Mines and Mining of the House Interior Commitee relative to the proposals to change the Mining Law of 1872. I stressed five main points, objectives which we believe that any reform of the Mining Law should address.

1. Exploration, development and production of minerals on public lands should be encouraged through adequate access to the public lands.

2. The Federal Government should continue to rely on the private sectors for mineral exploration, development and production of essential minerals.

3. Any law would assure adequate security of tenure to the minerals discovered, but not necessarily to surface ownership. After completion of the normal mining cycle, title to public lands must remain with the public.

4. Claims, long since dormant, which remain as clouds upon titles to some of these lands, should be identified and either recorded or allowed to lapse.

5. Any new mining law should provide for sound environmental controls during exploration, development, mining, and should provide for land reclamation after mining.

It is our hope that the Congress of the United States will come up with changes to the Mining Law of 1872—changes which are overdue and needed. It will be a good thing if they do come up with some changes. But again, we don't want too much of a good thing.

By now I must be beginning to sound like a broken record . . . but my point is worth repeating, and we must repeat it over and over again to all segments of the American public.

Wilderness areas are good things, and environmental restrictions are good things. But it is possible to have so much of one good thing that it overbalances other desirable things, giving an overall negative effect.

It is possible to have so many good things that we cannot produce the minerals which this Nation needs.

We can have too much of any one thing. Thank you.

AN INSTITUTE FOR ENGINEERING RESEARCH IN THE OCEANS

Mr. HOLLINGS. Mr. President, over the last decade the Nation has become increasingly aware of the economic potential of the oceans. Reaping these potential benefits will call for continued technical advances in the area of ocean engineering. These advances are needed not only for achieving economic objectives, but also for protecting the ocean ecosystem and mitigating any adverse impacts that accompany development.

Being chairman of the Commerce Subcommittee on Oceans and Atmosphere, I follow closely the activities of both the National Advisory Committee on Oceans and Atmosphere—NACOA—and the National Oceanic and Atmospheric Administration—NOAA. Recently, after considerable study, a panel of NACOA proposed that an Institute for Engineering Research in the Oceans be established within NOAA. The Institute would coordinate the development of the rapidly growing field of ocean engineering. It would foster technical research in order to broaden the engineering alternatives for solving the problems of ocean resources management. The NACOA panel considered nine different existing Government entities as "parent" organizations within which to locate the new Institute. NOAA was recommended as being the most suitable agency to contain a new program whose focus is on better coordination of civilian ocean technology and management of ocean resources.

With pleasure I call to the attention of my colleagues a recent article by David A. Katcher which appears in the June 1975 issue of the Marine Technology Society Journal. The article discusses the NACOA panel proposal in more detail; I ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

AN INSTITUTE FOR ENGINEERING RESEARCH IN THE OCEANS

(By David A. Katcher)

This is a brief account of how a proposal for an Institute for Engineering Research in the Oceans by a panel [1] of the National Advisory Committee on Oceans and Atmosphere (NACOA) came about. It will also state why research, regarded as a put-off by some engineers and practical people in a hurry, was deliberately made part of the title, and why such an Institute is thought to be a pragmatic approach to the practical demands of the ocean engineer who has to do a safe job in the ocean for the least cost.

PERSISTENT PROBLEM

NACOA is a new force in ocean affairs, having been created by statute in late 1971 as a consequence, in part, of the urging of the Stratton Commission for an oversight group drawn from outside the federal establishment. It meets about 10 times a year, is briefed extensively on marine and atmospheric affairs, and issues annual and occasional special reports dealing with topics it agrees are of national importance and on which it feels useful suggestions may be made.

Ocean engineering has been one of the perennial oceanic problems brought before the Committee since its beginning, and one problem it found difficult either to take on or to leave alone. Ocean engineering was hard to deal with because the relative roles of government and industry are not easily agreed to in the abstract, especially since the responsibility involved is costly. Also ocean engineering was hard to leave alone because it was unfinished business of both the Marine Council and the Stratton Commission, and is a legitimate, national need, which, however brought to national attention, however recommended, and however urged, had received little or no action in return.

NACOA had been urged, for example, to take up where the Marine Council had left off by Dr. Edward Wenk, Jr., the Council's Executive Secretary through most of its existence, who was a member of NACOA its first year. The Committee nevertheless hesitated, largely because its members were not in agreement on the role government should play in stirring up activity. It has been the general practice of the Committee to handle first those matters on which it finds a general consensus.

AN EXCHANGE OF PUNTS

This consensus was found in a brief "interim" measure proposed in NACOA's Second Annual Report. The Committee recommended that the Oceanographer of the Navy be appointed federal coordinator for Marine Technology Development in order to ease the technical transfer of Navy expertise in ocean engineering, where applicable, from the military to the civilian sector. It no longer makes sense to have generally useful information on ocean engineering segregated, unless questions of military security are involved.

Now, the Secretary of Commerce coordinates the response of the federal agencies with NACOA's Annual Reports (which are submitted to the President and the Congress with a delay enroute for these comments). The Secretary returned the compliment of NACAO's recommendation by suggesting an interim step be taken before its interim proposal be considered. He wrote asking that NACOA survey civilian needs in Ocean Engineering, define the specific application to which a federal program should address itself, suggest the relative roles of government and industry, and recommend what the government effort should be.

This time the Committee didn't duck. It appointed a Panel which set to work with the idea that it would find out what, specifically, needed doing and why it had not been done before.

The latter proved easier to do first. Ocean engineering proposals had been received quite sceptically by those outside the ocean engineering community. They were too open-ended. Costs were easy to identify, but the benefits were not. The guardians of the national purse saw the camel's nose coming sliding in under the tent flap. They were not about to sanction a costly technological adventure, like the space program, which had uncertain direct economic or social benefit.

Sympathetic with this cautiousness, the NACOA Panel assumed, in taking on the assignment, that by being specific it would avoid the curse of ominously undefinable downstream costs. The Panel would find out what real work was to be done. Perhaps the complaints were just talk, and the ocean engineering which needed doing was being done. Perhaps the cries of anguish were coming from people with few ideas who wanted funds to go looking for some. Ocean Engineering might really turn out to be a nonproblem.

In looking for the specific—indeed as the Secretary had requested—the panel accepted the necessary and important distinction between the need for engineering or for scientific foresight. The engineer must know *what for* and *why*, a restriction which would hobble the scientist. Yet this puts the engineer in a bind if he is held on too short a tether. He is supposed to get things done even if he doesn't know all he'd like to know. Yet what he does know may be quite marginal. What he seeks must be job-related. Yet specific problems having to do with gear or instruments, with site specific characteristics, etc.—no matter how important or critical they are by themselves—are trivial candidates for a national effort. Engineering "need" shows up too late almost by definition. Data becomes most important when it is needed, and the harder it is to get, the later it turns out to be. The Stratton Commission, by recommending work in "fundamental technology" attempted to break out of the engineers' paradox of being unable to prove a problem was important until it was so late you had to buy your way through. The suggestion didn't take largely, perhaps, because it was too open-ended.

The NACOA panel was going to avoid being trapped in generality—perhaps there were classes of specifics.

TOO MANY CANDIDATES

When it came to looking for specifics, the Panel found that the woods—or rather the waves—were full of them. "The ground has been well-ploughed," the Panel wrote in summarizing its findings in a report to the Secretary of Commerce; [2] "There is no question but that there are things to do in ocean engineering," the Panel wrote, "but too many to do all at once." What struck the Panel was that there were many reasonable suggestions for improving the national effort, a goodly number of which had been on the record for some time. Yet there was no agreement on what projects or programs ought to be done first, there was no specific application of ocean engineering to civilian needs on which there was general agreement that it was critical, urgent, of national breadth, yet ignored.

Midway in its deliberations the Panel considered the possibility that nothing stood out as critical because, as soon as it was, it got worked on. Perhaps many projects and programs ought to be worked on simultaneously with no particular push here or there, with emphasis shifting as the demand shifted.

Yet, "Drifting along until we hit a snag," the Panel wrote, "seemed hardly the useful thing to do." The Panel found what Mr. Wheaton, in testimony before the Subcommittee on Oceanography of the House Merchant Marine and Fisheries Committee, called "a general malaise about inaction on mid-range requirements 3 to 5 years off. This inaction," he said, "as experience has shown in the past, means expensive, hasty, and not necessarily successful engineering efforts when a practical requirement suddenly arises."

It was for this reason the Panel concluded (to quote now from the report) that "The paramount national civilian ocean engineering need is not a specific number of projects in ocean engineering, but rather a modest organization whose function it would be to:

"(a) work on and develop standards which

"(b) fund good ideas in meeting basic engineering;

"(b) fund good ideas in meeting masic engineering needs to the point where they could generate support on their merit or fade away on their lack of it; and

"(c) animate technical transfer and professional communications.

"The basic needs would be to be concerned not so much with systems as with special materials, techniques, and engineering characteristics required for many different kinds of marine operations."

The Panel arrived reluctantly at an organizational conclusion rather than a program of specific applications: ocean engineering is more expensive than engineering on land: drift meant we would all be losers; and needed are available technical alternatives when important commitments are made so that we are not trapped into expedient and possibly environmentally dertimental actions.

To recap: somewhat to its surprise, the Panel had found the "needs" of ocean engineering and been studied almost to death that by and large the terms in which these needs were specified didn't seem to change over the years, and that despite years of seasoning, strong priorities had not emerged. Yet it found also, along the line, the price was lost time, the cost of overdesign, and the expense of unreliability. Use of the oceans was expanding faster than the knowledge provided to support it. There was little reserve of technology to provide the technical alternatives to meet requirements. Indifference had not made the problem go away, and some sort of stimulus might be needed.

SELECTION SCHEME

The Panel had found that short-range ocean engineering problems and applications were being attacked and solved but often by expedient methods, costly because of haste. The conviction grew that some catalyst would help. This conviction grew from the hankering, expressed again and again, for an ocean enginering role similar to that ONR played in providing continuity in the support of basic research, and for the role the NACA played in drawing together the fragmented and uncoordinated development of aeronautical engineering.

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[1] The Ocean Engineering Panel consisted of Donald B. Rice, President of RAND, chairman; Mr. Charles F. Baird, Sr., vice president, International Nickel Co., Inc.; Dr. Dayton H. Clewell, Sr., vice president, Mobil Oil Corp.; and Mr. Elmer P. Wheaton, vice president, Lockheed Missiles & Space Co.

[2] "Engineering in the Ocean," a report to the Secretary of Commerce, by the National Advisory Committee on Oceans and Atmosphere. Government Printing Office, Washington, D.C. November 15, 1974.

The conditions which made these agencies so appropriate do not exist for ocean engineering today, but there is no good reason why results similar to those produced by ONR and NACA could not be achieved. If a catalyst is needed to stimulate engineering in the oceans because a programmatic solution does not seem sensible, why not create one? The Panel proposed an Institute for Engineering Research in the Oceans.

Details of the characteristics and organizational structure of this Institute were not spelled out. The Panel felt the concept would be best detailed by the legislative process which would allow all interested parties to be heard. But it felt that certain broad features were essential, especially since it made the Institute something of a hybrid:

The Institute would need the technical competence to know technical competence when it saw it and so funding would have to be used to support some in-house effort although the major portion would have to be used to support outside work at universities and in industry.

Matching-fund requirements for outside effort would take advantage of local judgment and local priorities and test Institute judgments.

A Board of Governors, representative of industry, the universities, and government, would keep close tabs on management and keep it representative.

The mission of the Institute should be ranging the field rather than getting bogged down in expensive demonstration projects. Thus, would it hedge its bets, use seed money, avoid taking on dependents.

The Panel felt that about 150 professionals would be a critical mass, a budget of $5, 15, 25 million (at full strength) would provide reasonable funds but would have to be carefully dispensed, and early review in two years, and major reassessment in five years would hopefully help such an Institute on a useful course.

NOAA OR THE NAVY?

Where to put this Institute was, of course, a matter of great concern. In discussion since the Report came out, one of the questions most frequently asked was: Why NOAA? Why not the Navy?

The Panel considered the possibility of suggesting that the role of the Oceanographer of the Navy in civilian ocean engineering be enlarged by providing funds for him to dispense funds in its support. But they could not escape the fact that it would be inappropriate today to fund a purely civilian endeavor in that manner.

It had always been a matter of deep regret that it proved so difficult to take advantage of the Navy's expertise. But whatever the reasons for this difficulty may be, no one felt they would go away easily. To depend on removing the normal obstacles to military/civilian transfer, or to sugest initiating military oversight of essentially civilian functions, seemed to the Panel to be unrealistic.

The Panel considered, in addition to the Navy, the National Science Foundation, the National Bureau of Standards, the National Academies of Science and Engineering, the National Aeronautics and Space Administration, the Maritime Administration, the Department of the Interior, and the National Oceanic and Atmospheric Administration. Each agency had its strengths, each its drawbacks. The principal reason for finally suggesting NOAA was that, despite the fact NOAA has never developed a large marine program (outside of fisheries), it is the agency NACOA has found to be the logical focus for the management of ocean resources and for the coordination of civilian ocean technology. It is a young agency. The Institute, reporting directly to the Administrator of NOAA, would have to be protected against fragmentation within the agency, and provided with close, high-level contact with the Navy, the USGS, the USCG, and other federal agencies with marine responsibilities. This matter of liaison is the key. An independent Institute would have a hard hoe to row. NOAA seemed a logical umbrella.

ENGINEERING "RESEARCH" IN THE OCEANS

The normal ambiguity, confusion, and downright disagreement about pure and applied research and advanced development in science becomes even worse when it comes to engineering because engineering comes when you have something specific to do. It comes when you have to build something to last and perform as desired, when you look for service rather than for understanding. By definition it is applied; marching orders are required.

Yet who is to provide the information and data to allow engineering to proceed efficiently if the handbooks don't have it? Economic and technological demands require an understanding of and control of material and environmental characteristics which are demanding and precise, and in the rapid changes of today not necessarily on hand. This means an orderly approach must be taken to developing technological alternatives *in advance* of their actual requirement so that they are available when the engineering is undertaken. Cut and try is too expensive a luxury and time consuming.

That is why "research" was made part of the title. *"Engineering"* is to keep the work purposeful, *"research"* to give it foresight. *"Engineering research"* is risky and therefore necessarily subject to constrained support.

The payoff? Better engineering in the oceans as the nation grows, more and more, to depend on use of the oceans' resources.

There are times, and the panel felt this to be one, when failure to make an expenditure early means greater cost later. Modern technologic demands on engineering impose precise demands for the understanding of and control of complicated physical characteristics without relaxing the practical constraints of budget and schedule. Ocean engineering is more expensive than engineering on land and it is precisely for this reason that its currently uncoordinated development—the lack of data communication, the failure to test components, the uncovering of difficulty when it's too late to head off, makes an Institute an economical investment. It is not a new idea so much as it is a late idea. It should have been tried before.

LEARNING WHAT WORKS

Mr. BROCK. Mr. President, program evaluation does not sound like a very exciting subject, but it is something that is absolutely essential to the legislative process. For too long, the Congress has been content to stumble around in the dark, throwing huge sums of money at a problem and hoping it does some good. We have simply got to do better.

I am not talking about setting up a massive, new oversight and evaluation bureaucracy, nor about conducting a long, drawn-out study before we pass a bill. What we must do, however, is to build an effective evaluation mechanism into the programs we do pass. We have to spend just a little bit of a program appropriation to see whether that program is working. If it is working, that is fine. If not, we had better fix it. But the Congress needs to know. It needs effective program evaluation.

Three professors from Harvard have conducted some interesting research in the program evaluation area, and their findings are discussed in a timely and thought-provoking article in the Wall Street Journal. The article—"Learning What Works" by Alan L. Otten—deals with a study conducted by Profs. Frederick Mosteller, Richard Light, and John Gilbert.

I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LEARNING WHAT WORKS

WASHINGTON.—Government spends billions on big new programs to improve society. Yet many don't work very well, and officials know surprisingly little about which do and which don't, or why.

One reason for this costly ignorance, according to an exhaustive study by three social scientists, is that the White House and Congress don't insist on good procedures to evaluate whether and how well each new program is achieving its intended goals. Better evaluation, they insist, would save time and money and produce greater progress.

The study, commissioned by the Battelle Memorial Institute, was conducted by Harvard professors Frederick Mosteller, Richard Light and John Gilbert. They examined some 30 well-evaluated innovative programs, pubic and private, ranging from school subsidies and bail reform to rehabilitation for the mentally ill and new types of surgery.

They didn't try to pass on the cost effectiveness of these innovations, but simply whether the programs seemed to do much good, regardless of cost. Their conclusion: A surprisingly "modest fraction," perhaps a fifth or less, actually were "clear and substantial successes." These achieved such results as higher test scores for black males in specially-subsidized integrated schools; better recovery from a new type of duodenal ulcer operation; sharper performance by police officers after a novel training approach.

Perhaps another fifth had smaller success, while the other innovations surveyed had little or no effect. For instance, a program giving intensive counselling and treatment to reduce delinquency among teen-age girls produced no significant differences in behavior between a group getting the help and a control group that didn't.

Even those programs that worked well usually produced relatively small gains, but the authors insist that's okay. Small gains, they emphasize, are highly valuable, and a key contribution of well-designed evaluation is in spotting just such small changes.

Most social progress doesn't come in large leaps, the Harvard professors maintain; rather, "small changes continued through time often result in large changes." Society's root problems have been around for centuries, they point out, and "are unlikely to be solved, especially in a massively successful way, in a short period of time."

Once small changes have been identified, however, "it may be possible to build improvements upon them." Officials can discard program features that don't work, and expand those that do.

Besides, even small progress can be of great value to the individuals affected. A new medical treatment may lengthen survival time for victims of a particular disease by only a year, but for the victims and their families, that's a significant gain.

Many politicians and social scientists argue that large new social programs should be delayed until careful tests determine just what works, and the current study would seem to support that argument. But the authors reject it.

In many cases, they declare, such delay is "politically unrealistic." Says Mr. Light: "If a substantial coalition has formed for day care centers, you're not going to be able to hold them off for four or five years while you run a careful field experiment."

Moreover, the authors contend, it's probably wrong to do that anyhow. Evaluation, they say, shouldn't be a "go or no-go" proposition, with one test determining whether a major social effort is launched or not. Rather, evaluation should be built into the new program, examining its strengths and weaknesses while it goes forward.

"It would be a shame," Mr. Light declares, "if we got painted into a corner where we never tried anything until we knew it was going to work. We say, 'Try it, but just be sure you build in a good mechanism to see how it's actually working.'"

More government programs are indeed including some evaluation now, but problems persist: Program goals aren't always clear, officials in charge won't cooperate, results aren't stated intelligibly. Much of the difficulty, though, according to the Harvard team, stems from poor evaluation techniques.

Simple observation, sample surveys, or uncontrolled field tests may all be suspect and open to challenge, they say. Results may be related more to the way the samples were chosen or the tests were carried on than to the worth of the innovation itself. Poor tests often produce poor and misleading information.

Their strongly-endorsed evaluation preference is the "randomized, controlled field trial." Chance assignment determines which individuals or groups are to be included in the new program. The program is then observed under actual operating conditions—not in a laboratory—and results compared with results for a similar randomly-selected control group.

Critics charge this type of testing takes too long and is too expensive, and that it's also unethical—"fooling around with people"—to give benefits to one group and not to another. The authors reply that going ahead with treatments or programs that don't work is also "fooling around with people," and in the long run is far more time-consuming and costly.

From 1963 to 1971, they note, Washington spent $6.8 billion on manpower training programs, including $180 million for evaluation. Yet recent reports by the National Academy of Sciences and a congressional staff group concluded that because the earlier evaluations hadn't been good ones, "little is known about the educational or economic effects of manpower training programs."

Declares the Harvard team: "It is too expensive to pour large sums of money into programs, year after year, with no reliable indication of their value and no firm data on how to improve them."

Future government ventures, they insist, must earmark some small amount for first-class, continuing evaluation. Only then, they say, will society begin to know what innovations really work and be able "to reap the full benefits of its expenditures for new programs."

RIGHTS AND RESPONSIBILITIES

Mr. HARRY F. BYRD, JR. Mr. President, on June 23 of this year, in Richmond, Va., 37 people became citizens of the United States in a naturalization ceremony in the Federal District Court.

These natives of other lands received a unique welcome to their new citizenship.

Before them appeared Mr. Ernest M. Gunzburg, a native of Germany, who 40 years ago fled Hitler's persecution of Jews and who long ago took the step that they were taking on that June day—became a citizen of the United States.

Mr. Gunzburg, having known tyranny first hand, does not take citizenship in this country lightly. He has spent many years reflecting on an aspect of citizenship which many of us too often neglect: the responsibilities of being an American.

Speaking to the new citizens, he declared that America needs a "bill of responsibilities" outlining the duties and obligations of citizenship—as a kind of parallel to our Bill of Rights.

I believe that the 37 new Americans who took the oath in Richmond were fortunate to have had so thoughtful an introduction to citizenship.

I feel that the thoughts voiced by Mr. Gunzburg are worth pondering by every American, whether his or her citizenship be by right of birth or by naturalization.

Contemplation of our responsibilities will serve well the cause of freedom.

As our Bicentennial year approaches, it is particularly appropriate that we consider the responsibilities of every American for the conservation and strengthening of the principles upon which our Nation was founded.

For example, if all Americans took an active interest in their Government, at the local, State and National level, the weight of special interests would be greatly reduced and true democracy to that extent enhanced.

A like effect would be achieved if all qualified voters went to the polls in every election.

But responsibilities go well beyond the purely political sphere.

Consider this: if all citizens at all times fulfilled their responsibilities, we would need no police forces; for all crime is a rejection, by the criminal, of his duty as a citizen.

Moreover, if every citizen did his best to discharge his responsibilities as a son or daughter, as a parent, as a brother or sister, as a friend—would there not be a tremendous decrease in the need for public welfare?

Is it not true that the taxpayers at large are carrying the burdens which in other days were borne by families and friends of those "out of luck"?

Perhaps these are Utopian thoughts. But such thoughts serve as a measure of the degree to which many of us have failed in our responsibilities to our fellow man.

I offer these views as suggestions for citizens to contemplate.

Each of us needs to reexamine his responsibilities. Much too often all of us tend to focus on what we call our "rights." But we also have great responsibilities. Only if we fulfill those responsibilities do we protect our rights and guard against the nightmare of tyranny.

I salute Ernest Gunzburg for his sincere patriotism and his dedication to the cause of better citizenship.

Mr. President, my attention was drawn to Mr. Gunzburg's address by an editorial which appeared in the June 23 edition of the Richmond Times-Dispatch. I ask unanimous consent that the text of this thoughtful editorial be printed in the Record. The editor of the editorial page of the Times-Dispatch is Mr. Edward Grimsley.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

AND RESPONSIBILITIES

Thirty-seven people will become citizens of the United States in naturalization ceremonies here today, and Ernest M. Gunzburg will give the new Americans an appropriate sendoff into their new citizenship.

He will call on them to suggest what should be a Bill of Responsibilities which will be proposed to Congress as a companion to the nation's Bill of Rights.

Mr. Gunzburg feels strongly about citizens' rights—and responsibilities. He fled Germany's Nazi persecution of Jews 40 years ago. Here in America, he is obsessed—in a healthy, laudable way—with the joy of living in a free country, as well as with the need for each citizen to perform his citizenship responsibilities in return for the cherished rights he enjoys.

It is fitting that today's naturalization ceremonies in the Federal District Court will be followed by a celebration in the park directly across the street from St. John's Episcopal Church. As they enjoy the tenth anniversary luncheon meeting of the Newly-Naturalized Citizens, an organization Mr. Gunzburg was instrumental in forming, the new Americans will figuratively be within the shadow of the hallowed place where Patrick Henry sounded the soul-stirring call for freedom in his historic liberty-or-death oration.

In his brief address today, Mr. Gunzburg will tell the new citizens:

"It was not until 10 Amendments were added to the Constitution that the common man was actually guaranteed his freedom by the government. Now is the time to develop an additional bill, the Bill of Responsibilities, responsibilities of citizen to citizen, and citizen to government."

He will urge his listeners, who have come from 19 different countries around the world, to send him their ideas of what should be in the bill. The document, when completed, will be sent to Virginia's representatives in Congress for possible congressional adoption.

It is Mr. Gunzburg's belief that if the people of the United States fulfilled their responsibilities, as well as enjoying their rights, it would "rejuvenate this country." Certainly it would immeasurably strengthen the nation and go a long way toward curing some of the ills which the country suffers today.

The meaning of citizenship will be very much on the minds of the individuals who take the oath of allegiance today, and long-time citizens would do well to give thought to the subject too, especially during this period of celebration of the nation's 200th birthday. If other Americans, in addition to those participating in today's ceremonies, would like to add their suggestions as to what the Bill of Responsibilities should include, they may write to Mr. Gunzburg at the Richmond Chapter of the American Red Cross, 409 E. Main St., Richmond, Va. 23219. The Red Cross and the Monacan Junior Women's Club are assisting in sponsoring today's celebration.

Whether one submits a suggestion or not, devoting a bit of time to consideration of citizenship responsibilities should be a worthwhile mental exercise for any American citizen.

THE BICENTENNIAL CELEBRATION: TRAGIC WASTE OF A GOLDEN OPPORTUNITY

Mr. BROCK. Mr. President, recently, a very good friend of mine, Mr. Gilbert Stein of Chattanooga, spoke to a group in my home town. His speech was entitled "The Bicentennial Celebration: Tragic Waste of a Golden Opportunity." Mr. Stein is a businessman. He is concerned about the direction of our Nation, particularly our economy and our entire economic system. He makes very eloquently a point which I deeply believe needs to be taken to heart by every American.

Mr. President, I ask unanimous consent that this speech be printed in the RECORD, and I add I hope that its message will not be ignored.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

THE BICENTENNIAL CELEBRATION: TRAGIC WASTE OF A GOLDEN OPPORTUNITY

(By John Gilbert Stein)

(EDITOR'S NOTE: Mr. Stein delivered the following address to the Chattanooga Civitan Club and the Chamber Board of Directors on Friday, April 4, 1975. His provoking question is one that deserves support of the business and professional communities. It is a challenge to our Bicentennial planners as well as to our Congress. By unanimous vote, the Civitan Club elected to forward Mr. Stein's analysis to the Congress of the United States for inclusior in the CONGRESSIONAL RECORD and, hopefully, for prompt, positive action.)

1776 was a momentous year in the history of the United States. It is proper that we recall and celebrate our two hundred year old political heritage and honor that small group of inspired men headed by Thomas Jefferson, author of our Declaration of Independence. But 1776 was also the date that a relatively obscure English philosopher named Adam Smith published his nine hundred page volume entitled Sources of the Wealth of Nations, in which he recognized the then emerging market place as the only viable vehicle for the efficient organization and control of man's productive efforts. His perception of and blueprint for economic democracy must rank along with the development of agriculture as a milestone in the progress of society, and is no less a stroke of genius than is Einstein's formula for energy: $E=MC^2$.

The synthesis of a classless political society envisioned by Jefferson and his compatriots and of Adam Smith's economic democracy autonomously operated by millions and perfected on this vast, rich wilderness continent has produced a cornucopia of wealth unequaled in the history of man. It is this combined heritage which would be brought into focus in our Bicentennial Celebration. In fact, if a medal were struck fairly commemorating the events of 1776, it would depict Jefferson the Politician on one side and Adam Smith the Economist on the other. Unfortunately, there is no evidence that such a balanced view will be presented. While we are from childhood steeped in our political history and familiar with identifiable personalities, term of office, generals, battles, sites and landmark documents, we know nothing of our complex economic democracy or of its individual contributors and leaders. We vote for them only through the purchase of their wares in the market place; thus, we take the accomplishments of these, the creators of our economic heritage for granted.

When Neil Armstrong landed on the moon, I watched the event live and in color on TV with my eleven year old grandson. I turned to him and said, "Taylor, do you realize you are witnessing two of the greatest achievements in recorded history? Not only are you seeing the first landing of a man on the moon but you are also seeing it live and in color." He responded with a shrug and said, "Papa, I don't see anything so unusual about it." And from his viewpoint he was right, because he could not recall a time when satellites were not circling the earth or when televisions were not commonplace. We take for granted the advanced state of our society and the mechanism which made it possible. Were any of us to be born in the Garden of Eden with our full complement of genetic equipment, but without our heritage of accumulated knowledge and skills—the odds are astronomical that we wouldn't discover how to make fire, much less the wheel, in 10,000 years.

We see nothing unusual in the fact:

That last year median income families earned over $10,500.00.

That four out of five families own a car, a luxury vehicle beyond the dream of kings or potentates of only 20 years ago.

That 95% of our people own TV sets, 43% of which are color sets.

That both radio and TV provide entertainment, education and unequaled news coverage as advertising for available products.

That only five percent of our work force is needed for agricultural production and that this five percent feeds our two hundred million people better than any other people on earth while providing food for export to millions of less fortunate people.

That many deadly epidemic diseases have been eliminated and that the average life span has been extended at least ten years in only the past twenty years. It would take days to describe in detail our affluence in America where six percent of the world's population controls thirty percent of the world's wealth.

Those of us in the business sector are constantly being urged by our trade and professional associations to speak out for the private enterprise system. Lewis F. Powell in 1971, before his elevation to the Supreme Court, urged in a 6,000 word memo prepared for the U.S. Chamber of Commerce that the American public be provided with a more balanced view of this country's economic system. Justice Powell pointed out that our system is under broad attack, not unexpectedly, from Communists, New Leftists and others who would destroy the entire system, both political and economic, but these are the perennial minority. More disturbing, he said, is the criticism from the more respectable segments of society: From the college campus, the pulpit, the media, the intellectual and literary journals, the arts and sciences, and the politicians.

I think I understand our two hundred year old political and economic system. My lifetime spans one third of its total existence. For one fourth of its entire history, and by far the most productive, I've been in responsible charge of a small segment of the system, in the purest sense, providing employment and remuneration for others.

My academic qualifications are not too impressive. In four years at a cost of $5,000.00 I earned a Bachelor's Degree in economics, sometimes characterized as The Dismal Science, and dismal it is as taught in the classroom. But in forty-four years of practice, at a cost of $500,000.00, I found economics to be an exciting and rewarding art which is available to people of all ranges of age, sex, intelligence and talent and indispensable to their freedom.

My post graduate work included experience as:

(1) A cotton farmer
(2) A cattle and milk producer
(3) A retail milk distributor
(4) A manufacturer of a patented item sold through exclusive dealers
(5) A franchise equipment dealer for one of the largest corporations in the U.S.
(6) The operator of a sixty-two-year-old construction company through which my sons and I are privileged to direct in the public interest that volume of business which we are able to obtain in the competitive market place In 1974 our share of the Gross National Product was .0000037.

With a batting average of 500 in these ventures, I learned that it doesn't take an act of Congress to start a business nor an act of Congress to get dumped on the street and forgotten; and I learned that, fortunately, an individual or company can do either or both with the greatest of ease.

I also learned that nothing is really complicated or beyond comprehension if the basic building blocks are recognized and fully understood. When I was in college in the 20's, chemistry was the exotic science of the time. But chemistry did not emerge from "stewing and brewing" until it understood the molecule and could theorize about the atom.

As late as the 1920's physics was a dull and uninteresting science consisting of Newtonian Physics, heat, electricity, etc. As soon as is was able to decipher the atom, however, it became the exotic science, both superseding chemistry and in fact making it more productive.

When a layman looks at a large construction project where many people are doing many things at the same time, he may be impressed by its seeming complexity. The truth is that no one is doing anything more complicated than laying a brick, sawing a board, or pulling a wire. It is only when viewed as a generality that these simple operations seem complicated. When the average individual looks at a complicated machine, he is confused by the complexity of whirling parts. But then the most intricate of machinery consists of simple movements of simple parts operating in concert to achieve a designed result.

The Central Soya Company has a huge plant in Chattanooga which processes soybeans. It is probably the largest processor in the world, handling million of bushels and billions of beans. But its whole business is based on the analysis and characteristics of a single soybean.

To understand our economy we must first understand its basic building block, the human module, that most exotic product of nature, equipped with a fabulous computer coupled to visual, audio and physical sensors which direct a servo mechanism (hands & feet) rated at ⅛ HP for continuous operation. When it arrives from the factory, its tape is blank and it is utterly helpless. Short term self-interest will be its prime motivator; harnessed, its major asset; uncontrolled, its major liability. And although philosophy and religion have for several thousand years been trying desperately to improve the nature of this human module, the best that can be said is that only a thin veneer of civilization has been added. Yet we see nothing unusual in the fact that our market system provides it with full care and support for the twenty odd years required for its growth, programming and training and that with its ⅛ HP rating for physical work—worth ⅛ of the current 10¢ value of one HP—or a real worth of 1.2¢ per hour, it then is guaranteed a minimum wage of $2.30 per hour for 45 years of minimum value effort and after age 65, a pension for life.

The market game was designed for and is played by sinners who have only a thin veneer of love, brotherhood and lightly etched on ethical principles. All of these principles seem in practice to become less visible as the odds for self gain increase.

What success we might have achieved without the programming provided by home, church and school is frightening to contemplate. Even today we require part of one day per week to maintain our ethical programming. In addition many of us pray for the help and guidance of a higher power before each meal. Often we open our business and other meetings with a prayer and on some occasions at the half way point in some meetings I have thought it would be advisable to adjourn temporarily for a booster shot.

The genius of Adam Smith lay in being the first to recognize labor, capital and profits as abstractions. He was neither anti-labor nor anti-capital. His only apparent bias was in favor of the consumer (shades of Ralph Nader). Consumption, he said, was the sole aim and purpose of production. He was against the meddling of government in the market mechanism, against the sheltering of industry from competition, against monopoly in any form. If the market is trusted, he said, to produce the greatest number of goods at the lowest prices, then anything that interferes with the market impedes social welfare. Do not try to do good, said Adam Smith; let good emerge as a product of selfishness.[1] Adam Smith's model for industrial production could not have anticipated the phenomenal growth of knowledge, the use of power and sophisticated technology. However, his concept of the breaking down of production into simple repetitive operations performed by numbers of narrow specialists is the basic pattern used in the production of everything from shirts to autos and in the specialties within law, education, medicine, engineering, government, in fact, in everything.

The critics always ready to point to the many abuses in the system must remember that it started as a brand new ball game, played for high stakes, for which ethical rules had not yet been devised and which, when promulgated, required constant revision. To condemn the system for the transgressions of its operators is as logical as blaming the Constitution for Watergate.

Fortunately, we have for comparison the alternative to the market system with its one-hundred-year track record of failure. Its creator was Karl Marx, a nineteenth century German social and economic philosopher who was as sincere and dedicated a consumer advocate as Adam Smith or Ralph Nader. Its modern practitioner was Lenin.

Marx, viewing the massive injustices and lack of concern for the consumers evidenced by the embryonic market system of his time, exhibited a commendable grasp of the obvious when he said, "The Bourgeois during its rule for 100 years has created more massive and colossal productive forces than have all preceding generations together." But then he displayed amazing intellectual myopia, when instead of working to improve the distribution of the products of these forces, he started the violent revolutionary class movement which wrecked the market vehicle itself by placing both production and distribution under political control. Today, thanks to this classic blunder, over 1½-billion people have neither political nor economic freedom and only a modicum of an equal distribution of relative poverty.

By contrast, since its condemnation by Karl Marx, capitalism has succeeded in doubling production seven times, an average of every sixteen years[2] and nobody sees anything unusual about this phenomenon. Yet the obtuse thinking of Karl Marx is today a constant threat to our free society. Though generally dormant, it reappears on every occasion when impatience with real or imaginary short term dislocations of production lead to political interference with the market mechanism, saddling it with social and distributive functions which are the direct responsibility of government.

It seems incredible that after two hundred years of phenomenal success the basic enterprise mechanism should need defending, as Justice Powell suggested. It is difficult to see how anyone understanding that night and day result from the revolving earth and not a rising and setting sun cannot comprehend the simple market mechanism through which two hundred million people, each day, make billions of buy-sell decisions, each involving profits or losses, each making minute adjustments in the amount of what is to be produced and more importantly, who is to manage it. All technology and intelligence cannot perform this vital function without the market concept of Adam Smith. This concept is not something to be defended but must be taught each generation, along with arithmetic, language, history and science.

Widespread economic illiteracy is endemic in every segment of our society, in business, government, and education—and it threatens our whole way of life.

It took 154 years ending with the Great Depression before anyone of note (except Henry Ford) recognized that the employees of businesses were also their customers, that with the phenomenal increases in productivity through the use of power and technology, payrolls alone were insufficient to provide purchasing power to buy what was being produced. But the trauma of the 1930's which stemmed from this imbalance proved a timely catharsis. Overlooked was what John Stuart Mill had pointed out in 1848 in his classic treatise Principles of Political Economy. The province of economics is production, not wealth distribution, and that the laws of the market are as impersonal and absolute as those of chemistry or physics, but distribution of wealth involves ethical questions, obeys human law, and thus is capable of progress.

And progress we got, thanks to Franklin Roosevelt, a new and innovative President, when government assumed its responsibility by devising a new two-step distributive mechanism.

(1) Labor was authorized by law to organize and bargain for wages which included a share in the increased productivity resulting from the use of power and technology, and though workers do not fully earn this share—it is good that they get it.

(2) Government thereafter would, through taxes, become an agent of transfer of purchasing power to a broad spectrum of citizens not otherwise the beneficiaries of direct wages.

Thus was born the welfare state—today's essential adjunct to our enterprise system. But, being politically controlled and without the restraints of the market, its sound administration depends on the economic intelligence of our whole society.

Yet forty years later, as more and more is produced by fewer and fewer for the benefit of all, the recipients of both high wages and income through numerous avenues of political transfers see no connection between their affluence and the private enterprise system which provides it.

The cause and solution to this economic illiteracy is the direct responsibility of the academic community, which is supported by our market system to serve as the professional custodian of accumulated knowledge with prime responsibility for its acquisition, relevance to our needs, and transmission to our youths. It has done a good job in educating and training manpower for specialized jobs, but somehow it has failed to perceive and transmit the basic design of the mechanism for which it supplies the operating parts.

In the academic's own field of competence, the total fund of man's knowledge only doubled from the time of Christ to 1776. But, since the discovery of and paralleling the development of the market system, it doubled again by 1950 and—what is really incredible—the next two doublings took place in 1960 and 1968. In other words, the fund of man's knowledge has doubled four times in two hundred years—three times in my lifetime. Yet few in business, government or education credit this two hundred year explosion of knowledge to the creativity inherent in the private enterprise system.

We must seek out and correct this remarkably persistent myopia, which obviously stems from some long overlooked deficiency in formal education.

Our education process is roughly divided into four stages: Primary, intermediate, secondary and college. Since some economics is taught at the secondary level and is taught as an elective speciality at the college level without imparting a notable understanding or appreciation of the enterprise system, we might consider the cardinal maxim of engineers: "The finest engineering is no better than the basic assumptions upon which it is based." We can conclude that the finest higher education can be no better than the primary instruction upon which it is superimposed. Then if we closely examine primary education we will quickly discover that the economic illiteracy which has plagued us for two hundred years stems from deficiencies in primary instruction—grades 1-6, ages 6-12 years.

Primary education is universally recognized as preparation for citizenship. Secondary schooling tends to be selective and, with some exceptions, is not viewed as citizenship preparation in many countries.[3]

The Communist countries understand this principle and fervently infuse their Communist ideology from the very beginning of schooling.

In the U.S. primary education supplements the programming provided by the home and church, teaching what is right and wrong, good and bad—adding by stages, arithmetic, language, history, team play, and so on, and in grades four through six some basic knowledge of our constitutional political government. From the first grade such knowledge is subtly reinforced by displaying pictures of our founding fathers, by the display of the Flag, by the singing of patriotic songs, by providing facsimiles of the Declaration of Independence, the Constitution and the Bill of Rights. Thus by age twelve, our children have acquired an appreciation if not an understanding of the political half of our system.

During these early formative years we are programmed by our total environment, including home, church, school, the media, etc. This programming is followed by a period of training. After this point we operate largely on automatics with little evidence of subsequent updating. Witness, for example, generation after generation of confirmed Republicans and Democrats, of Protestants producing Protestants; Catholics; Jews; and so on.

Organized religions have universally understood the importance of primary programming and have designed their efforts to prepare children for confirmation in a specific belief by age twelve. The Communist countries begin their indoctrination as soon as a child can read, and the little red book labeled "Quotations: From Chairman Mao" is proudly carried and displayed by all the children of China. And what does the book say? "Destroy the imperial capitalist dogs of the U.S.A., however long it takes." And what do we teach during these sensitive formative years about our capitalist system? Nothing!

Meanwhile our children spend two hours in front of the TV set for each hour spent in classes, soaking up depressing news and comments about the faults of individuals who operate our political and economic system. But having been taught political appreciation, few seriously question the merits of our constitutional government of laws because of the transgression of its operators.

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[1] Robert L. Heilbroner, *The Worldly Philosophers* 1972, Pages 66, 67, 68.

[2] David T. Wendell, *David L. Babson & Co., Inc.*, Staff Letter 1/2/75

[3] *Encyclopaedia Britannica,* Volume 6, 1974, Page 698.

On the other hand, our economic system, which has no constitution, no creed, no anthem, no special flag, no pictures of its leaders on the school walls and which is not even mentioned in class before the sixth grade, is blamed for sins of its operators.

Correction of this oversight in primary education will first require some classroom tools, such as the following:

(1) A simple (post-facto) charter for capitalism, consisting of Adam Smith's proven basic market concepts, updated to describe the essential role of government as a supplemental distributor of purchasing power, and defining the areas of private and public responsibilities and jurisdictions which each must respect.

(2) An ethical creed for capitalism.

(3) Provision for public recognition in print and pictures of individuals who have made massive contributions to our economic affluence.

Then should follow:

In grades one through five—some simple primary instruction to impart an awareness and appreciation of our do-it-yourself free enterprise system using such aids as are available—visual, auditory, games, trips, etc.

In the sixth, seventh and eighth grades there is an increase in development of abstract thought capabilities, a greater sense of responsibility, leadership and personal identity—here should be introduced the rough basic structure of the market system—which can be explained with fourth grade math and is as simple as many of the games children play.

Beyond this point, economics might as well be taught as an elective because for two hundred years most people have learned by osmosis what little is necessary to become a capitalist or to perform successfully in some narrow specialty, which is the genius of the system.

I know a spinster who without a high school diploma or any business knowledge or experience became a capitalist in 1935 by saving $200.00 via a cookie jar and investing it in a savings account paying 2¾% interest. In 1937 as a capitalist and sole manager of this $200.00, she withdrew it and bought a 5% partnership in a local, capital starved, business operated by a young man in whom she had confidence. At no time in the thirty-seven years since has that $200.00 earned less than 20%. Today her net worth from that $200.00 investment exceeds $164,000.00. In 1974 from this business which played the game according to the rules and benefited many others, her income was $25,500.00 plus $3,050.00 of social security benefits mandated by law since, as a partner, she is technically self-employed. If the explanation of such a phenomenon is "a dismal science," then Michelangelo was a house painter.

In addition to improving the economic programming of our youth, we should take steps to eliminate the prevailing widespread adult economic illiteracy. This will require some subtlety—for which the coincidence of our Bicentennial Celebration is made to order.

We should request of the Congress of the United States two bicentennial actions as a token of government's recognition and appreciation of the private sector which produces the wealth which they only tax, administer and redistribute.

(1) Adopt by resolution of both Houses of Congress a charter for our economic democracy. Such a document would be invaluable as a yardstick to evaluate the business environmental impact of present and proposed practices and actions by both the private and public sectors and as an aid to adult education.

(2) Grant belated recognition of the private sector by the regular issuance of some U.S. currency bearing the images of individuals who have made massive contributions to our material wealth. For two hundred years the private sector has produced the wealth which is taxed and sent to Washington, laundered and returned as currency memorializing only political figures. Correcting this imbalance should not be too difficult—since both the private and public sectors have identical constituencies—and our government has in the past issued coins immortalizing the Indian, the Buffalo and the Statue of Liberty.

IN SUMMARY

We have a heritage of economic democracy every bit as precious as our political freedom.

It was given us by our forefathers as our republic was being established. Adam Smith called it, The Perfect Democracy.

This, our economic system of private enterprise has produced more food, shelter, clothing, leisure and luxury for more people than any system in all of recorded history.

The system is little understood and has been and will, unfortunately, continue to be abused by selfish opportunists in both the private and public sector.

Whatever evolutionary changes may ensue, our basic free enterprise market mechanism, self energized and regulated by profit and loss must be retained.

Our children must know of this heritage. They must understand the need for both political and economic liberty: That eternal vigilance is the price of economic as well as political freedom.

Judge Powell's eloquent pleas for a more balanced view of our enterprise system is both timely and challenging to our intelligence. But like a commencement address, it is of little value until implemented by specific actions.

The Question is: Will we use the unique opportunity offered by our Bicentennial Celebration to take specific actions to provide widespread economic education and understanding or will we waste this golden opportunity?

ACKNOWLEDGEMENT

For helpful suggestions, criticism, and encouragement in the preparation of this "analysis," Mr. Stein is indebted to several local friends. Especially to H. James Hitching and Joe V. W. Gaston, Attorneys, and to Dr. Joseph W. Johnson, Jr., Medical Director of Interstate Life & Accident Insurance Company, and to his daughter-in-law, Carol D. Stein, and sons, Gilbert T. Stein and J. Douglass Stein.

MENTAL HARM AND THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, opponents of the Genocide Convention have often stated that the convention could be interpreted so that mental distress resulting from segregation or discrimination would be acts of genocide. This is not so.

According to the records of the legal committee of the U.N. General Assembly, the term "mental harm" refers only to such drastic acts as the use of stupefying drugs and other such harmful substances.

Indeed, the Senate Foreign Relations Committee expressed their concern and understanding to this issue when reporting the Genocide Convention out of committee. They issued four specific "understandings" to the convention, one of which stated that—

> The U.S. Government understands and construes the words "mental harm" appearing in article II of the convention to mean permanent physical injury to mental faculties.

Keeping this understanding in mind, it is obvious that the act of genocide cannot be claimed by those who have been discriminated against. There are very reasonable laws in this country to accommodate such cases, but genocide is certainly not one of them.

Mr. President, I once again rise to call upon my colleagues to join me in the effort to outlaw the atrocities associated with genocide, by immediate ratification of this treaty.

DOOR STILL OPEN TO SHALE DEVELOPMENT

Mr. GARN. Mr. President, as we struggle with the legislative demands made upon us before we recess, an important part of our time is taken up with energy legislation, and the crisis in petroleum supplies which faces this Nation. Our dependence on foreign sources increases, and the Congress takes actions which can only make that situation worse.

In this discussion, very little attention is paid to the sources of domestic oil, and the kind of incentives which need to be provided to make them available. I am speaking, of course, of oil shale, tar sands, and the various processes which are under development to improve the supply side of the petroleum equation.

In this debate, the State of Utah, and its elected officials, can make a real contribution. I ask unanimous consent to have printed in the RECORD, Mr. President, an article from the July issue of Shale Country featuring an interview with the Governor of the State of Utah, the Honorable Cal Rampton. I believe the Governor outlines clearly some of the options that are avaliable to us as a Nation on this question.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UTAH'S GOVERNOR RAMPTON: "DOOR STILL OPEN TO SHALE DEVELOPMENT"

On a boat in the Flaming Gorge of Utah in 1967 Governors Calvin Rampton, Stan Hathaway and John Love met to draft an oil-shale policy for their three states—Utah, Wyoming and Colorado. Today, of the three chief executives, only Rampton is still a governor, in his home state of Utah. And since 1967, federal oil-shale leases, more restrictive than the three governors proposed, have been bid—but oil shale still remains untapped commercially.

Gov. Rampton recently told the Oil Shale Committee of the Rocky Mountain Oil and Gas Assn. that state government is not to blame for the lag in shale development. He pointed out that when the U.S. Dept. of Interior made some oil-shale leases available in 1968, "Oil had just been found on Alaska's North Slope and frankly, you majors dropped us like hot potatoes, and we just couldn't get you interested for several years in even looking at oil shale properties in our states." But today, Rampton observes, both government and industry are "now very deeply interested in the development of the oil shale."

He points out that another change in

the past few years is in attitude; the public now requires that any contemporary economic development go hand in hand with ecological preservation. Meeting ecological considerations will be easier for Utah than it will be for Colorado, Rampton suggests, because Colorado's oil-shale beds are, in many places, nearer the surface and lend themselves better to surface mining than do the deeper beds of Utah.

A familiar figure on the Utah scene, Rampton is a third-term Governor, having held the office since 1965. He is also immediate past head of the National Governors Conference. Before his election as Governor, Rampton had served at different times as an administrative assistant to a Utah Congressman, as a county attorney, as the state's assistant attorney general and had practiced law for more than 15 years in a Salt Lake City firm.

In an interview with Shale Country and during a recent meeting with oil-shale developers, Rampton talked about Utah, oil shale and ecology, new towns, planning and the state's role in private oil-shale development. He began by telling the oil-company executives: "We feel that oil shale is a major asset of this state and we want to make sure your methods use all of the product, and that a minimum is left to waste in the earth. We want to make sure that the method is compatible with the best interests of our people. But we want to be regarded as partners in this effort and not as antagonists." Other points he covered are summarized below.

Q. You have said that oil-shale plants and related developments should "lie lightly on the land . . . and . . . not despoil our countryside." How will Utah insure such development?

A. The Mined Land Reclamation Act (passed by the state legislature in 1975) will make sure we protect the land. Also, a (Governor's) planning commission with representatives of local and state governments is beginning studies on new towns, roads, schools (and other needs of oil-related development in the eastern Utah counties of Uintah, Duchesne and Daggett).

Q. You're referring to the advisory council you appointed last November. How would you assess its progress, especially as compared to the similar planning council set up for the five-county area affected by the Kaiparowits power plant in Southwestern Utah?

A. They (the Uintah Basin group) are not nearly as far along as the Kaiparowits group is, but that's because Kaiparowits has been at it several months longer. But they (Uintah Basin) are proceeding well. One of the things we still have to determine is where the water is going to come from for oil-shale development.

Q. You recently told oil-shale company officials, 'As far as the initial development of oil-shale properties in Eastern Utah, I think there's no question we will have the water there available for you.' What 'initial' size of industry do you have in mind?

A. We can certainly allocate up to 100,000 acre feet of water. We do have most of our allocation of the Colorado River allocated, except for almost 600,000 acre feet—unused even though it is allocated. We're going to . . . make certain, first, that water is not held by people who have no intention of developing it, and second, and above all, that it is not held for ransom by speculators to sell off to the highest bidder when it had never been put to proper use (in the first place).

We believe that we do have, if we properly use it, sufficient water in this state to do these things for an indefinite period of time: first, to provide community water for people; second, to have enough water to flow in our streams to keep them alive; third, to provide adequate water for agriculture to produce the food we're going to need; and, fourth—and I'm sorry I have to put this in the fourth category priority, but I think that it is, to provide the water that is needed for industry, including the development of natural resources. And then, depending on the methods used to produce oil shale—the state of the technology—you'd have to determine what that (amount of water) would yield at the time of the commercial development of oil shale.

Q. You have maintained that industry may have to help foot the bill for new towns. What portion of the cost?

A. In the Kaiparowits area, where we're further along, we expect that industry may advance all of the money—$40 million. A bill (passed in the last state legislative session) provides that industry may advance money for social development to accommodate their industry, then deduct from their sales tax as the plan is completed. The incentive is that industry is not going to be able to get employees without agreeing to it (helping fund community development through tax pre-payment).

Q. What is your view of the oil-shale industry today, its pitfalls and its prospects?

A. Its problems are, of course, the cost of recovering the shale and getting the oil out of the shale. Second, it has the environmental problem of disposing of spent shale. The actual preparation (to begin commercial development) is, I suppose, at a lull, but there's a lull in all oil activities.

Q. Do you think a federal subsidy is going to be necessary for commercial development of oil shale?

A. I would hope not.

Q. If Utah's claims to the federal oil-shale lands, which include the prototype leases of the U–a and U–b tracts, are recognized by the courts, would there be any difference in state enforcement of the leases, even though the state has agreed to honor the terms of the federal leases?

A. It would not be materially different. But I think we can react more quickly to new situations. We're here; and thus we have a deeper concern both with the economic impact and the environmental impact.

AN IDAHO SOLUTION TO THE COMPLICATED PROBLEM OF MEDICAL RECORD SYSTEMS

Mr. CHURCH. Mr. President, in the July issue of Modern Healthcare, an article entitled "The POMR in Long-Term Care" describes an innovative medical record system developed by the Boise Convalescent Center.

This system was designed by Lawrence L. Weed, M.D., and instituted by the former director of nursing, Reita E. Musser, R.N. Through the use of this new system, the administrator of the facility has discovered that "the patient's problems are no longer lost; they are identified and reidentified until they are solved."

To me, this is commendable. As chairman of the Senate Special Committee on Aging, I have often heard testimony asserting that long-term care institutions are not as responsive as they should be to individual needs of patients. I believe that quite often this is so, but in the development and implementation of health legislation and programs everyone should be aware of sensible problem-solving techniques such as those employed by the convalescent center and therefore I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From Modern Healthcare, July 1975]

The POMR in Long-Term Care

A system of problem-oriented medical records (POMR) has eliminated duplication of charting, improved the quality of medical records, and helped staff members use their time to better advantage at Boise (Idaho) Convalescent Center, a privately owned 168 bed facility offering both skilled nursing and intermediate care.

Investigating ways to improve record keeping, former nursing director Reita E. Musser, R.N., and the center's staff researched the problem-oriented system of keeping records that was originated by Lawrence L. Weed, M.D., and began adapting it to their facility.

Mrs. Musser, who is now continuing her education, says that a goal of problem-oriented medical records is to improve patient care. She adds: "The POMR system groups all pertinent data in an easily readable and usable sequence. It eliminates meaningless notes and data from charting. It reduces time spent charting by reducing duplication. POMR promotes communication and understanding within the nursing department and with the personnel of other departments. It is a system of record keeping that can be adapted readily to computer storage."

There are four components to problem-oriented charting: (1) a data base, (2) a problem list, (3) a plan of action, and (4) progress notes. The data base consists of a list of information obtained within the first two to three days after admission on all patients regardless of the reason for admission.

Sources of the data base are: the discharge summary, if the patient is being admitted from a hospital; the admission note, if he is admitted from home; the history and physical exam; the results of any lab and X-ray tests completed before admission, or the transfer form when the patient is admitted from a hospital.

A social profile or history is an essential part of the data base and includes information on the patient's living arrangements, the family structure, the support to be expected from the family, and the physical aspects of the home. The social profile data are collected before admission or immediately thereafter.

A nursing assessment—including a statement on mental status with notes on behavior patterns, memory, orientation for space and time, and comprehension of printed or verbal instructions—is an essential part of the data base. Consultation reports of the physical therapist and occupational therapist provide data necessary in defining impairments, planning treatment, and setting goals for the future.

A dietary survey may indicate food preferences and allergies as well as make direct observations on the patient's eating abilities and on the nutritional adequacy of his food intake. An often-neglected but essential patr of the data base is an assessment of auditory and visual acuity.

"In long-term care the total health of the patient must not be forgotten," maintains Mrs. Musser. She notes that there should be a system for periodic review of data base items such as blood chemistry, chest X-rays, physical exam findings, visual acuity, auditory acuity, and other selected items which may reveal the development of correctable disease. After an assessment of the data base, the information is stored in the back of the chart.

The second major element of the charting system is the problem list. Traditionally, this has been used as the face sheet of the chart. In the Boise center's system of problem-oriented medical records, the problem list is on a large inside sheet of the patient care plan or card index. This placement eliminates the recopying of the problem list from the chart to the card index. The card index and its forms have been incorporated as permanent parts into the chart. This puts the problem list and its accompanying plan of action in a place easily accessible to all members of the healthcare team.

From the data base, a problem list is prepared that indicates psychosocial problems as well as medical problems. Each problem has an index number and a date of onset. The list is divided into active and inactive problems. An appendectomy performed several years previously would be listed as an inactive problem or as a resolved problem. During the patient's course of treatment, active problems that are resolved are noted along with the date at which they became inactive. As new problems develop they are added to the active list. The list may consist of a documented diagnosis, abnormal physical findings, such as an enlarged liver, or unexplained symptoms, such as headache. Problems are listed only according to the knowledge available in the data base.

Subdivisions of problems are made when there are specific management plans, *e.g.* respiratory tract or urinary tract problems of the quadriplegic patient. In cases of senile psychosis it may be advantageous to sublist major manifestations such as disorientation, depression, aggression or day-night reversal. Sublisting also is indicated when additional information from clinical tests and observation is desired.

The third component of the POMR system is a plan of action. It includes the following: (1) possible problem causes and appropriate procedures for determining the causes, (2) proposed treatment for each problem, (3) proposed education of the patient and family about the problem, and (4) reasonable and anticipated solutions to the problem. The goal may be for total resolution of the problem, partial resolution, or maintenance of present status.

The treatment may be subdivided according to functions, *i.e.* the medication record with observations by the RNs and LPNs, the therapeutic techniques of the physical and occupational therapists, and the work of the social service department, which may include psychological testing and therapy. The plan should include criteria for monitoring the course of the illness and the treatment. For example, the body weight, urinary sugar, and blood sugar determinations are needed to assess the course of diabetes mellitus. The educational component of the plan includes education of the patient, the family, and the staff in preparation for the discharge of the patient to his home. According to Mrs. Musser, "There must be an assessment of the level of functioning necessary to the patient in terms of family and community support and the physical characteristics of his home. It is important that the entire staff understand the patient's educational plan so that reinforcement may be obtained and conflicts avoided."

The progress notes, the final element of problem-oriented charting, indicate the patient's course as related to each problem. Indexing the notes ensures relevance and eliminates the recording of useless information. A narrative progress note is divided into subjective patient complaints, objective observations, assessment and plan (SOAP). After the subjective complaints of the patient are recorded, the objective observations are listed and an assessment of their significance is made. This is followed by a plan for responding to the assessment. All staff members, including physicians, nurses, physical therapist, dietitian and social worker write narrative progress notes. The progress notes are a permanent part of the patient's chart and appear in chronological order by problem number and title.

Another form of progress notes is the graphic flow sheet. This is a graphic system in which the dates are recorded vertically on the left margin of the page, and the observations and treatments are recorded across the page. By this method it is possible to record a month of data on one page. This form has been placed in the upper portion of the card index so that it is accessible to all staff members, including nursing aides, LPNs, RNs, activity director, physical therapist, social worker, and dietitian.

The problem-oriented system of medical records provides a format for periodic review, in staff conferences, of treatment plans and goals. Medical audit is another function of the review. The course and treatment in a case under staff review is compared with those in similar cases. If unsatisfactory results are being obtained, consideration is given to altering the institutional or departmental policy and approach.

Implementation of the POMR system at Boise was achieved as follows: All full-time RNs attended a workshop to familiarize them with the concepts of problem-oriented charting. The materials to be used and the formats of charting were developed in group sessions by the professional staff. Inservice training was conducted to familiarize all staff personnel with the POMR concepts and materials. Next, the nonprofessional staff members were instructed in charting techniques. The nonprofessional personnel use the flow sheet to record observations pertinent to a problem or condition. The head nurses worked closely with the aides during the initial instruction and implementation period. Continuing inservice education is essential in a facility using problem-oriented medical records, stresses Mrs. Musser.

The next step in implementation occurred when the flow sheet was placed in the card index and staff members began using the sheet to collect and record data needed to monitor the patient's daily course and treatment. Two months were allotted for the transition to this flow sheet.

At the beginning of the second month, staff members began collecting a data base and implementing problem lists with a plan of action on all new admissions and in-house patients. Two months were allowed for collection of data on in-house patients. Data base development was required on all new patients within three days of admission. Three months were required to complete the development of the data base on in-house patients.

At the end of the first three-month period, all of the professional staff began using the SOAP format to record the narrative progress notes pertinent to a specific problef. A narrative summary note is made once a month by each nursing shift following a review of data collected on the flow sheet and the narrative progress notes.

Standardized care plans have not been developed or used in this system, says Mrs. Musser, because "an objective of problem-oriented medical records is to implement a patient care plan focusing on the patient and his problems as they affect him individually. Standardized care plans save some time, perhaps, but unless used very carefully they become a substitute for tailoring the plan to the individual's needs."

This system incorporates nursing care plans (problem list and plan) and ward work sheets (flow sheets) into the card file as an integral part of the chart. The flow sheets are filed in the back of the chart on a monthly basis. If the problem list and plan page becomes filled, a new page is inserted in the card file with only the current problems carried forward. The first page is filed in the chart as an inactive problem list.

Administrator M. J. Taylor said of the system: "It gives more information to personnel without breaking the confidentiality of the patient's chart. Nurse's aides, for example, now find answers to their questions by looking at the patients' chart; they don't always have to ask. Most important, the patient's problems are no longer lost; they are identified and re-identified until they are solved."

THE CONSERVATIVE PROSPECT

Mr. BROCK. Mr. President, yet again, Prof. Irving Kristol has very eloquently addressed himself to the changing society of our Nation. In his article, "The Conservative Prospect," which appeared in the Wall Street Journal, Mr. Kristol paints a very interesting picture of our political atmosphere and perhaps what it may mean in the near future.

I ask unanimous consent that Mr. Kristol's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE CONSERVATIVE PROSPECT

(By Irving Kristol)

It could be a touch of spring fever, but quite suddenly I find myself feeling rather optimistic about the outlook for liberal democracy in the United States. I say this not despite the fact that my own city of New York is now effectively bankrupt, but because of it. The experience has been most instructive.

That New York City was going to go broke sooner or later was obvious to anyone who could count on his fingers. That the only way out is a drastic and painful cut in public services and public employment, has long been equally obvious. What was never clear was how the citizens of New York would react when the moment of truth arrived. Would we have, as our politicians said and perhaps believed, panic in the streets? A general strike? Riots and civil strife?

Well, though the dog days of summer still lie ahead and prophecy is a bit risky, it seems that New Yorkers are confronting the realities of their situation with fortitude and maturity. There is no strike talk, though television reporters are naturally trying their best to get union leaders to make dramatic and scary statements. There is relatively little riot talk—though here, once again, television reporters keep probing away in the hope of providing their cameras with the kind of inflammatory material that photographic journalism feeds on. No doubt, if there are enough TV cameras around, someone will eventually oblige by burning something down. But as of now, the prevailing attitude is most akin to the stoical resignation with which one copes with a well-earned hangover. Even The New York Times, which was never particularly critical of the frenzied finance of the Lindsay years, and which did its part in nourishing all those Great Society illusions, now is speaking editorially with a candor and firmness that is altogether admirable.

And it's not only in New York City that a freshened spirit of fiscal realism and fiscal responsibility is asserting itself. That spirit seems to be experiencing some kind of national revival. All of those newly elected Democratic governors, who promised so much for so little, are confounding their supporters and critics alike. In New York State, Governor Carey announced in his inaugural address that "the days of wine and roses are over," and he has been expending most of his energies in trying to persuade his legislature to balance the budget. In California, Governor Brown publicly muses that "sometimes we need fewer programs, less planning, more space to our lives"—and then proceeds actually to cut the University of California budget. Governor Dukakis of Massachusetts, that most liberal of states, has declared a reduction in the welfare rolls to be the first order of the day. Governor Lucie in Wisconsin talks about a balanced budget and the need for economies in governmental expenditure in a way that even some Republicans had come to think anachronistic. And one hears rumors that even at the very edge of the real world—in Washington, D.C.—Congressmen are murmuring to themselves that perhaps money doesn't really grow on trees.

TAKING THE CURE?

Not everyone, to be sure, takes a benign view of this new and unexpected phenomenon. A reporter for Newsweek, while recounting it in conscientious detail, keeps referring to the "sour-mood" of the American public, to its "alienation" and its "shrunken view of itself and its prospects." Well, that's one way of looking at it, and there is no doubt that with the left wing of the Democratic Party there is much consternation, even a sense of betrayal. For the rest of us, however, this "shrunken view" of the possible benefits of government expenditure and government programs is less distressing. After 15 years of addiction to "managing social change" through perpetual deficit financing, the American public seems prepared to abandon the pleasures of political and economic fantasy, to take the cure—and to do it "cold turkey." As anyone who has been involved with addicts—whether it be to alcohol or drugs or cigarets or whatever—will tell you, that is the only kind of cure that really works. It hurts, but the willingness to suffer that hurt is the surest sign of the will to be detoxified, and the best guarantee of eventual success.

I do not wish to sound more cheerful than the realities permit. Though the 1960s—the "decade of rubbish," as the late Richard Hofstadter called it—seem finally and belatedly to be over, the afterglow lingers on. In the academy and the judiciary especially, the cast of mind and the habits of thought of that decade still prevail and still plague us (e.g., the dogmatic and irrational court decisions on school busing). Moreover, the new service bureaucracies and regulatory bureaucracies that were created in Washington have by now developed their own powerful constituencies, both outside Congress and in, and it is going to be exceedingly difficult to diminish their size or curb their powers. So we shall be living with the consequences of the 1960s for quite a while—and to some degree, in some respects, we may well have to live with them forever.

But there is little question that the ideological atmosphere as a whole has changed, and in a direction that can fairly be called conservative. Becoming more realistic about money is rather like becoming more realistic about sex: such realism almost automatically spills over into all other areas of one's life. It then becomes less possible to talk glibly about "the revolution of rising expectations," as if perpetual fantasies of wish-fulfillment were natural and healthy. Expectations that outdistance reality by too much create unstable people and unstable societies. A politics which constantly incites such expectations is a politics of disorder, and ultimately of self-destruction. We have, in this past period, lived through such a politics and have experienced its baleful power. Now the American people seem to be saying that it is a time for sobriety and self-discipline.

It is inevitable and unsurprising that various commentators on the left should see in this new spirit a testimonial of despair and hopelessness. What is more surprising, however, is that this new sobriety should be interpreted by some conservatives as a sign that the time is ripe for an exhilarating "counter-reformation." I am referring, of course, to those who see the Ford administration as weak, tepid, and out of phase with the new climate of opinion. These are the people who are agitating in favor of a "realignment" of American politics, and foresee some kind of Reagan-Wallace coalition as a new political force to be reckoned with.

Though this segment of American opinion is commonly designated as conservative, a more accurate description would be "right-wing populist." Its deepest aim is to create a *popular movement* that is much more than a mere *political party*—the difference being that a movement appeals to people's frustrations and passions, as distinct from their long-term interests and deliberate opinions. A movement agitates the electorate, a party persuades it. A movement seeks "power"; a party aims to govern.

A DELAYED BACKLASH

The "new politics" of the 1960s was a left-wing populist movement, and the dream of an effective Reagan-Wallace coalition is best understood as a delayed "backlash" against it. As such, it is a phenomenon of the 1960s, not the 1970s—a spasmodic reaction to yesteryear's provocations. Those provocations were real enough, and the frustrations which are their legacy are real, too. Big government, expensive government, intrusive government, ineffectual government—yes, there is increasing disaffection with the whole business. But it is precisely because that disaffection is now so widespread within both political parties that there is so little solid ground on which a new mass movement, dedicated to a "counter-reformation," can establish itself. Twelve months from now, I predict, Governor Wallace will loom a lot smaller than he does now.

The Ford administration, it seems to me, is proceeding quite skillfully along the main lines of the emerging American conservatism. It is recruiting to the thin ranks of this conservatism many of those "old liberals" who, after the chastening experiences of the '60s, appreciate the ambiguities of reform and the virtues of moderation. It is trying to evolve a social policy which, while not abolishing the welfare state in the name of "free enterprise" (that would be absurd and suicidal), would reshape, delimit, and—above all—de-bureaucratize it. (The substitution of housing allowances for public housing projects is an instance of such an approach.) It is struggling to increase the capacity of the private sector for economic growth, so that various classes and interest groups will be encouraged to think more in terms of achievement, less in terms of redistribution. It would certainly like to see the regulatory agencies behave in a less arbitrary and more sensible manner—though, in view of the strength of the Democratic left in Congress, there is little it can do about this for the moment.

There is every reason to think that, in the shorter run—i.e., through 1976—this strategy will be both popular and effective. If the economy is in fair condition this time next year, Mr. Ford will, in my opinion, be a very strong candidate indeed. But in the longer run, of course, American conservatism will have to face up to a far more profound problem: its cultural impotence—its inability to propose an ideal of moral and spiritual excellence that could challenge the predominance of liberal egalitarianism in our educational system and in the culture generally. That, however, is another story, to be told on another day.

HURRICANE ISLAND OUTWARD BOUND SCHOOL

Mr. MUSKIE. Mr. President, the Hurricane Island Outward Bound School, in my home State, is one of six Outward Bound schools which have been established in the United States during the last 13 years. Last year, Hurricane Island celebrated its 10th anniversary of operations. On a number of occasions I have had an opportunity to be briefed on the school's progress, and I have watched its growth with great interest. Outward Bound is an exciting concept, and I am proud of the successful development of the Hurricane Island School in Maine and the contributions it has made to the development of young people from Maine and other parts of the country.

The expression "outward bound" refers to a ship heading for the open sea. The first school was established in 1941 in Aberdovey, Wales, and was designed as survival training for young British merchant seamen during World War II. The success of the school as a training ground for personal growth led to the establishment of several additional British schools, administered by the Outward Bound Trust in London. Since then, 32 schools have been established in Europe, Africa, Asia, Australia, and North America. In the United States, there are now six Outward Bound schools in operation, serving more than 5,000 students each year, with over 30,000 alumni. The American schools are located in Maine, Colorado, Minnesota, North Carolina, Oregon, and Texas. In addition, there is an Outward Bound Center operating at Dartmouth College in New Hampshire.

The founder and guiding spirit of Outward Bound was a German and British educator by the name of Dr. Kurt Hahn, who died last year at the age of 88. Dr. Hahn's educational philosophy can be summarized in his own words:

> The aim of education is to impel young people into value-forming experiences . . . to insure the survival of these qualities: an enterprising curiosity; an undefeatable spirit; tenacity in pursuit; readiness for sensible self-denial; and, above all, compassion.

Hahn observed that "youth suffer from the misery of unimportance" and was deeply concerned by what he viewed as a "progressive inhumanity of the society in which we live." He saw in the Outward Bound concept a means of countering the "decline in fitness due to the modern methods of locomotion; the decline in initiative, due to the widespread disease of spectatoritis; the decline in care and skill, due to the weakened tradition of craftmanship; the decline of self-discipline, due to the ever-present availability of tranquilizers and stimulants; and the decline of compassion, which William Temple called 'spiritual death'."

The Outward Bound schools in this country and abroad have their own special approaches to implementing Dr. Hahn's philosophy, and their programs are adapted to their unique environments. For example, the Colorado school concentrates on mountaineering, hiking, and rockclimbing. The Hurricane Island school, on the other hand, is basically a sea school—like the original Outward Bound school—and its programs are designed to take advantage of the unique seamanship opportunities available in Maine's Penobscot Bay and surrounding areas. Hurricane Island itself is located 12 miles east of Rockland—where the school's main offices are situated—close by to the much larger Vinalhaven Island.

The program at the Hurricane Island school concentrates on sailing and navigation in 30-foot open pulling boats, and students will go on ocean-going expeditions in various directions—100 miles "down east" to the Machias, south to Portland and Casco Bay, out to the farthest offshore islands on the eastern seaboard. In addition, the school teaches basic rock-climbing techniques in abandoned quarries and on the ocean cliffs at Acadia National Park. A key part of the program at Hurricane Island is search and rescue training and firefighting which are undertaken on the school's powerboats whenever called upon by the U.S. Coast Guard and the Maine State Forest Service. Rescue training was a principal part of Dr. Hahn's philosophy, since he believed that the "experience of helping a fellow man in danger, or even of training in a realistic manner to be ready to give this help, tends to change the balance of power in a youth's inner life with the result that compassion can become the master motive."

With a new rescue station in operation at Hurricane Island and manned around the clock, the school now participates frequently in search and rescue missions in the area.

Participants at the school vary in age and background. About two-fifths of the students are women. Although the minimum age for admission is 16½, over one-third of the students are over 21 years old. A large number of the students come from poor families in the inner city, under special grant programs, and the school has been involved in helping several States develop special programs for disadvantaged youths using Outward Bound concepts. Literally hundreds of schools, colleges, universities, and other organizations have adopted Outward Bound principles for their own programs, several of which the people at Hurricane Island helped start.

Mr. President, I ask unanimous consent that two articles on Maine's Outward Bound School be printed in the RECORD—"Sailing Through Outward Bound: No Easy Trick," from the January 1975, issue of Boating magazine, and "Outward Bound at Moosehead," from Down East magazine.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[Reprinted from Boating, January 1975]

SAILING THROUGH OUTWARD BOUND: NO EASY TRICK

(By Toni Brodax)

Two days of extensive seamanship, navigation, ocean sailing and rock climbing. Three days on a solo—isolated on an island with a gallon of water, the clothes you wore, a sleeping bag, and tent. Sound interesting? I thought so, and signed up for a five-day Outward Bound course on Hurricane Island, Me.

The course began Monday October 9 aboard Maine's 1240 Vinalhaven ferry where the 12 of us in the course met for the first time. Barely had the ferry left the pier before our instructor, Franklin Mullen, had us tying knots as he explained what we'd be doing at HIOBS (Hurricane Island Outward Bound School). It wasn't a day-by-day account or, believe me, I would have returned to Rockland on the next ferry. In fact, we never knew what would be happening until it happened.

There were relatively few opportunities to make entries in our logs. The following is my first and nearly last entry, made at 0420 on October 10, 1974 to record my impression of the first day: "I was wakened from a cold, restless sleep 20 minutes ago to take the 0400–0600 watch with Bob Simicrope. Somehow I've managed to make it through the first day. I don't think I like it here—am sure I will be the first to leave. My body feels like it's about to collapse and my brain is telling me I'm crazy. At 22, I wonder if I'm too young to die from a heart attack?"

I was sure the Marines had adapted their basic training course from Outward Bound, but in fact Outward Bound began as a survival school for British Merchant Seamen in 1941 in Aberdovey, Wales. Since then, more than 30 private, non-profit Outward Bound Schools have sprung up.

"What Outward Bound offers," Franklin said, "is experiential education—you learn by doing." While demonstrating a square knot he added, "There are some basic ingredients in all the Outward Bound Schools—stress, risk, and adventure—I'll find each of your limits and stretch you beyond them."

Before reaching Vinalhaven, we had learned how to tie four knots and we'd learned the name of our watch. Each course on Hurricane Island is assigned a name for their watch. Ours was Aurora.

While HIOBS is in operation from April to November each watch assists, in cooperation with the U.S. Coast Guard, in search and rescue to local island and coastal communities as well as all mariners in Penobscot Bay. Hurricane Island is located 10 miles east of Rockland.

Pulling boat No. 10 was waiting at the dock for us at Vinalhaven.

Number 10 was an ugly onboard as she was from ashore. For the next five days this 30-foot, 3000 lb. gray and orange pulling boat would be our second home.

I guess it was about 1430 when we started to row and not much later when my muscles began to tighten. Afraid to look at the palms of my hands for fear of bright red, juicy blisters, I just followed Franklin's commands, "Give way together, hold oars, backwater, give way together," for the next four hours.

Resting for a brief ten minutes I felt every muscle in my body tense up as Franklin gave us a short lesson on sailing. We spent the next 15 minutes putting up and taking down sails, but there was no wind. Back to the oars.

Towards sunset we reached Hurricane Island, tired and hungry. First things being first, we grabbed our gear and jogged to our tent and then to a 12-foot wooden wall. We were to get over it anyway we could, using only our bodies. Pyramids and a lot of pushing, pulling and tugging got us over in 25 minutes. (Record time is 39 seconds.)

Off and jogging to the watch locker for sleeping bags, jogging back to the tent, jogging to the watch locker for foul weather gear, and jogging back to the tent. A couple of things ought to be added here: all this jogging was done in complete darkness, our sleeping bags were made of cotton (mine had a broken zipper), and our foul weather gear didn't fit.

Our last jog of many was to the mess hall.

It must've been 2300 when Franklin ended our charting and navigating lesson, informing us that we'd be taking two-hour, two-man safety watch shifts that night. Fortunately I'd be able to sleep for five hours before my 0400–0600 radio watch with Bob. Our duties entailed radio watch and boat check.

Franklin walked in to the Safety house at 0600. I had just gotten through the longest day of my life and thinking today would be better when he told me to wake Aurora watch and tell everyone to put on their sweat suits and bring a towel for the morning's run-and-dip.

We jogged for half a mile before reaching the dock where we'd take our "dip."

"I thought swimming was optional," I said to Franklin, outraged.

"Swimming is optional, but run-and-dip is not!" came his curt reply.

Eight feet below me was cold water. I though it couldn't be that bad—it was worse. The water at most, was 45°. Fact: Exposure for more than 20 minutes would result in death.

Hiking through the beautiful Maine woods in autumn splendor followed breakfast. I could have hiked through those woods for the rest of the afternoon and wished we had when I saw the rope climbing course set up for us.

We were supposed to complete the course in one hour. I never thought I would, but with determination, encouragement, and a great deal of stubbornness, I did—about two hours later.

For the first time, being the last to finish worked to our advantage. Had we completed on time, the next event would have been capsize drill. Instead we observed another watch capsize a boat. A remarkable job.

Rock climbing and rappelling consumed what was left of our afternoon. I had no knees left after climbing straight up over 100 feet of solid granite with no sort of footholds to grab onto. All the time I hoped Tom Riedy was belaying for me the way we'd been taught. One slip and my life would be over in two seconds, if Tom wasn't careful.

However, rappelling down the cliffs was very exhilarating. After the first step it's all down hill, bouncing and swinging off the rocks all the way down. I controlled my speed while Dick Barbieri gave me slack on the safety line.

Planning a three-day sailing expedition occupied our time Thursday night. As Quartermaster I stowed away the food (six lb. can of tuna, five 10 lb. loaves of homemade bread, six gallons of water, etc.) while the others stuffed duffel bags (one for 2 people) with sleeping bags and plastic tarpaulin, clothes, and flashlights. There would be three days to try the other positions of Captain, First Mate, and Navigator as they were rotated to prevent any mutinies.

Three people in our crew had decided to leave HIOBS the next morning. It was more than they expected, they said, and they weren't prepared to go through any more of what we'd done.

Showers never felt so good. This was the first luxury I'd had in two days. Aside from being tired, I felt good. I was going to make it through the next three days "come hell or high water" even if it killed me.

Sunrise and Franklin—the two were like bread and butter—coming to wake us every morning. Sweats but not towels. I was ecstatic and the first to start jogging; the last to finish. However, we were in time for the most fantastic sailing weather. In minutes we had the sprit rigged main and mizzen up, making way at five knots. Clear skies, brisk northeast winds, and an oncoming cold front—couldn't ask for more.

Our first hours of sailing was confusing, comical and haphazard. Only two or three of us had sailed before. When we finally managed to raise the mainsail, it was momentful as raising the flag on Iwo Jima. Enjoying our new prowess in tacking and jibing, we forgot about lunch until Franklin suggested we picnic on Little Rye Island, four miles from Hurricane Island. Having unloaded our lunch and two duffel bags and started to eat, we suddenly noticed Franklin sailing away.

"Franklin, where you going? Looking for another anchorage?" we yelled from shore.

"I'll see you tomorrow, maybe," was his reply. Franklin doesn't talk much.

We stood there stunned and surprised, especially when we discovered three sleeping bags instead of four. Then we started enjoying the idea of being alone on a deserted island like Robinson Crusoe. No matter what, we'd survive, whether it be for one day or three. We were going to make the best of it and of what we had: one gallon of water, 19 tuna fish sandwiches, 26 plums, granolo, three sleeping bags, and a plastic tarpaulin.

Scouting the island, which took no more than 20 minutes, we found a place to camp, firewood, mussels, snails, and a lot of vegetation. George Appleton filled us in on the edibles, having read one of Euell Gibbon's books. Glasswarts are delicious but salty, rosehips make great tea and are filled with plenty of vitamin C, and mussels were plentiful. We steamed some that evening after pitching a makeshift plastic tent.

The nine of us slept shoulder-to-shoulder with the three sleeping bags covering us. Enough body heat diffused through all our clothing and foul weather gear to keep us relatively warm through the 40° night, without a sniffle in the morning.

To our dismay, Franklin came for us at 1000. There was some urgency in getting off of Little Rye Island because of low tide and rocks. Within a half hour we were all aboard and heading for Burnt Island. We caught the wind after a short time of rowing.

Clouds began to clutter what was a magnificent sky while we proficiently tacked and jibed through three-foot swells. Appreciative of the foul weather gear, we sailed with ease and for once enjoyed the scenery, waving while a convoy of HIOBS pulling boats passed us by.

It wasn't long until we reached Burnt Island and anchored in Mullen Cove. We disembarked, making sure Franklin was not the last aboard. With no foreseeable problems, we divided into two groups. One group would make camp not far from where we beached, and the other would collect firewood and prepare dinner.

There were no problems as the sun set, and in fact, I had really enjoyed the day's events. John Donovan and I had volunteered for boat watch that night. I figured we had a relatively easy job compared to the others who would have to take shore watch—similar to our first night on Hurricane Island.

Shortly before 2100 at high tide, John and I boarded No. 10 prepared for an easy, restful night. We had two sleeping bags and two chocolate bars between us and the most magnificent view of the milky way above us. It was also one of the warmest evenings we'd had thus far on the trip.

An hour or so must've passed when I heard John yelling to shore. "Get Franklin, the wind's changed and the anchor might be shifting!"

What was once a gentle southerly had shifted direction. Now a cold, bitter northerly brought ominous and foreboding clouds.

Things were hectic on shore. Franklin was telling shore watch to break camp and move down to the fire on the beach. I could see people running and moving about.

Our only connection to shore was 200 feet of line. And 50 feet of line connected us to the anchor. Rocks were two feet below us.

The wind had shifted again, coming strongly from the northeast, crossing our deck broadside. For the first time since the beginning of our trip, we all felt helpless and unsure. A decision had to be made. We could stay put and wait out the weather or get everyone on board and look for another anchorage. We chose to stay. We'd know at 0917, high time, if we had made the right decision. Getting to shore amidst the rocks was our biggest problem.

Low tide came at 0230. The swells had grown to about four feet with incessant cold winds penertating foul weather gear and warm clothing. John and I had no protection from the cold. Our sleeping bags were soaked and there was no cabin to rest in. We were two bitter cold people in a completely open boat in a rough sea.

Our most warming sight came during low tide—the Northern Lights, which I had never seen before. Surrounding us was the most magnificent light show. Flashing spurts of light instantly changed into a neon-like rainbow. It was a radiant demonstration of nature at its best.

We knew high tide was a few minutes away, and our best hope for getting ashore without going on the rocks. We had to make it then, or John and I would be where we were for the next 12 hours. We were prepared to radio for help. I couldn't take much more. All night long I thought things would get better, but they hadn't.

We finally had a solution. We threw the life preserver towards shore, where the tide brought it in. A line was tied to it on shore and we pulled it back, cleating it down. Dennis Blender and Lennna Dower slowly let go of the first line while the others pulled in on theirs and I slowly let out the anchor line. The bow was heading to shore, under control.

In five minutes we had reached shore, stowed the gear and gotten everyone aboard. Soon Burnt Island grew smaller as the wind filled the sails. Now there was plenty of time for conversation as we ran with the wind almost all the 12 miles back to Hurricane Island.

Sailing back to Hurricane Island was fantastic. The wind was with us all the way, filling the sheets until they looked like pillows. And we'd just watch those big fiberglass sailboats pass by with a smile on our faces. We were no beauty in comparison, but I don't think any of us would have exchanged our boat for theirs.

We reached Hurricane Island late that afternoon, sailing straight to the dock. While we unloaded our gear and cleaned up our mess, I observed the other watches coming in from their expeditions. They too were tired, hungry, elated, and content.

Dinner would be served at 1830 after we had showered and changed. We'd been wearing and sleeping in the same clothes for three days. Three meals a day, and all the extra luxuries of our homes had been forgotten.

I spent the remaining time before dinner down by the dock watching the sunset and thinking. There was No. 10 next to the other moored boats. Had she been a smaller, less sturdy boat, I probably wouldn't still be here. Had she been bigger and more elaborate, well, I probably wouldn't have seen the Northern Lights or experienced freezing cold weather. "Experiential Education' it says in the brochure.

At 2230, a night navigation lesson preceded dinner on two small HIOBS cabin cruisers. Franklin said we had to put on foul weather gear. I was putting on all my warmest clothes underneath the foul weather gear. One thing that night on the boat taught me is that I never want to be cold again.

We divided into two groups and boarded the rescue boats. Taught how to use the depth sounder, radar, compass, and charts, we navigated to an island eight miles away.

"This is Aurora watch isnt it?" were the exact words Franklin woke us with. The last day of our course and he told us to put on sweats. And if he told us to bring a towel, well, I would have, without argument.

While we jogged to a point on the island I realized my muscles weren't sore and that I felt good, really good. My accomplishments, no matter how difficult or how long they took, made me feel great. And whether I was doing chinups or freezing in an open boat, it was working with the elements and making the most of each situation.

There was no dip that morning and within a few hours we were aboard the Rockland ferry. Our course was over; the most incredible five days of sailing, rock climbing, and camping I've ever experienced. Where did the time go?

Outward Bound at Moosehead

(By Eliza Cocroft)

When the weather turns cold in the fall, Hurricane Island Outward Bound School of Rockland closes down its operation on an island off Vinalhaven and moves its training program to Maine's north woods near Moosehead Lake. During the months of January, February and March it offers a 23-day course in outdoor winter living to groups of students of both sexes, 16½ years and older.

The winter program began in 1972 with the help of the Great Northern Paper Company, which gave the school use of Grant Farm, a former lumbering depot, located ten miles from Kokadjo (winter population, one). In 1973 the base was moved to its present location at Mountain View Farm at the foot of Squaw Mountain on the outskirts of Greenville.

Training at Moosehead is modeled after that followed in the summer at Hurricane Island and at other Outward Bound schools in this country and abroad. The goal is to provide students with the kind of experience that will challenge them both physicially and emotionally and develop in them self reliance, confidence and a greater understanding for others.

The course includes snowshoe expeditions, cross-country skiing, camping, first-aid training, map and compass work, marathon-style running and a "solo" experience during which a student spends three days and two nights alone in the woods fending for himself. Each day at Mountain View Farm begins before sunrise and ends after eight at night.

Besides learning to live outdoors in the winter, both as individuals and in groups, students become acquainted with what life was like in the north woods three generations ago. They harvest ice from Moosehead Lake, cook over an open wood fire, and travel long distances on foot in the cold.

Upon arrival at Mountain View Farm students are divided into groups of from eight to twelve members. Each group, or "crew," functions as a unit throughout the training period under the supervision of two instructors. As their students become more proficient, the instructors gradually relinquish the responsibility for decision-making until the students themselves assume the full initiative.

Physical conditioning is a part of each day. An early morning run soon after daybreak wakens tired bodies and sleepy minds. Supplying the needs of the farm provides initial experience in splitting wood, gathering water from a nearby stream and cooking for a large group. Then the students move out from the farm to practice in the woods what they have learned at the farm: coping with the cold, handling minor medical problems such as frostbite, and providing hot food and a warm, dry shelter on the trail.

Midway in the course each student is given an opportunity to put into use as an individual what he has learned in the group. Solo begins when the instructors leave their students alone and apart deep in the woods. The student must then immediately provide for his needs: building and tending a fire, cooking, and digging a cave in the snow for a shelter or designing and building one from evergreen boughs. Then as he settles into the days and nights he must spend alone he has time to listen to the sounds of the forest and observe the wild creatures that share it with him.

For some, the period is a lonely vigil; for others, a time in which they come to realize how important other people are to them. Usually, a higher level of tolerance for others and a keener understanding of differences between people are developed.

The return to the farm after three days of solitude is a joyful occasion. Students rejoin their group and share the insights they have gained during solo. Then one full day is spent working for others outside the school. This may mean a visit to a senior citizens' home in Greenville or instructing local school-children in physical fitness on an obstacle course.

Finally, comes the real test—a five-day expedition, planned and executed by the students themselves. They elect a leader, a quartermaster to be in charge of food, a safety officer and a navigator. Their route must be carefully planned and their objectives clear. If all these conditions are met, the instructors give them permission to proceed. From then on they are on their own, with the instructors interceding only if a student's safety is at stake.

With 40-to-50-pound packs and either skis or snowshoes strapped on their backs, the students leave the farm behind as they set out over the ice of Moosehead or deep into the forest. Their objective may be to scale a mountain peak or to reach a point forty miles from the base. Since winter days are short, rising before daybreak is not unusual. The days are busy and filled with hard traveling, but before students return to the farm five days later they may have passed beaver dams, traversed wind-swept Moosehead or perhaps climbed Mt. Kineo in the moonlight.

One last event, the marathon, confronts each student with an individual physical challenge. The route may be a four-to-six-mile run across the frozen lake on foot, a cross-country run on snowshoes, a running climb uphill for several miles, or even a 13-mile lope along an open road. Whatever the course, students are asked to run farther than most of them have ever imagined they could. Bodies in motion for up to two hours ring with "I can!" New horizons have been set—and met—in winter days with Outward Bound at Moosehead.

FURTHER SALE OF GRAIN TO THE SOVIET UNION

Mr. STONE. Mr. President, there is a growing concern being expressed throughout the country in all areas of life as to the impact of the newest Soviet grain purchases on our economy.

Secretary of Agriculture Earl Butz stated in his testimony before the Senate Agriculture and Forestry Committee on July 11, 1975, the following:

> I want to assure the American public that we can meet a sale of grain to the Russians, for example, in the magnitude of 5–10 million metric tons, and this 10 million is the upper range of what everybody is talking about, the upper range of our estimate.

That was on July 11. Total sales have now reached 9.8 million metric tons. Private grain firms have thus far sold the Soviets 4.2 million metric tons of hard winter wheat, 4.5 million metric tons of barley. We have now reached the upper range of our estimate as stated by Secretary Butz.

What is happening now? How much grain is going to be sold to the Soviets? Last Friday, Assistant Agriculture Secretary Richard Bell stated that the drought is so bad in the Soviet Union that purchases of U.S. grain might amount to a new figure—14 or 15 million tons. Secretary Butz stated last week that he personally feels that the Soviets will not need much more grain than was originally anticipated. Travelers returning from the Soviet Union have brought word of bad drought conditions.

The American people need to be assured that we are not risking another round of inflated prices for grain, such as we experienced in 1972 which led to increased prices for beef, vegetables, and all commodities.

Mr. Butz states that we have record harvests and there is nothing to worry about. In response to a telegram sent to Mr. Butz voicing concern over the large sales of wheat to Russia, the Agriculture Department replied:

> Fortunately, we had a bumper wheat crop last year and have ample carryover reserves. We have a near-record crop this year so there is no need to fear runaway wheat or flour prices.

Mr. President, that response was not given last week. It was Mr. Butz's response to a telegram sent to him on September 21, 1972. These facts were disclosed in an article in today's Wall Street Journal by Robert E. Grant, chairman of the executive committee of American Bakeries Co. Needless to say, Secretary Butz was dead wrong. Wheat at that time was about $1.80 a bushel. It climbed in the next 18 months to over $6 a bushel, the highest price in history. Mr. Grant calls for "further discussion and study—before we can confidently accept the most recent assurances concerning the Russian grain sales."

What effect does the price of wheat have on other foods? Mr. Butz stated before Senator JACKSON's committee in 1973 that meat, eggs, poultry, dairy products, fruit, and vegetable prices were in no way related directly to the market price of wheat. However as Mr. Grant further points out in his article in this morning's Wall Street Journal:

> In major farm areas farmers have learned that if wheat is at a sufficiently high price, it is better to switch to raising wheat than to raise other popular vegetables. And, furthermore, if vegetables are to be grown at times of high wheat prices, then the farmers will demand higher prices for growing vegetables.

Remember the soaring meat prices of 1973? Feed grain prices had risen sharply because of higher export sales and in sympathy with higher wheat prices, and as beef cattle, hogs, and poultry are fed on feed grains, meat prices increased.

What can we learn from all of this? As Mr. Grant suggests:

> It is reasonable to suggest that one of the single greatest contributors to the economic woes of the U.S. in recent years, along with the price escalation and a severe drought, was the extreme size of the wheat sales to Russia in 1972. They depleted U.S. reserves, wheat prices rose, feed grains rose in sympathy, meat prices rose with feed grains, certain major vegetable and fruit prices rose with wheat prices; high food prices brought on wage increases. Inflation, with high food prices a major contributor, cut sharply into family purchasing power, thus setting the stage for the recession.

Mr. President, that is what happened in 1972. Do we have any indication that the same spiral is going to hit us in 1975? I believe that we do and it is rather clear and also rather frightening. This morning's Wall Street Journal points out that Mr. Dawson Ahalt, an Agriculture Department economist, has stated that there "may be some" increase in consumer food prices because of recent Soviet purchases which have already been completed.

He stated:

> I am reluctant to increase our estimate that food prices will rise six to eight percent this year but there may be some increase by the end of the year because of Russian sales.

The Soviet grain sales have spurred wheat prices from $3.07 a bushel on July 3, 1975, to $3.75 a bushel on July 11; corn prices at $2.81 a quarter bushel up from $2.57; and September soybeans at $5.92 a quarter bushel up from $5.13 on July 3. This rapid increase is ominous to me. Before we continue to sell grain to the Soviets we need additional assurances that our carryover positions from this year's harvest will be strong.

I have written Secretary Butz, asking that he call for an immediate halt to further grain sales to the Soviet Union. Further sales should be subject to scrutiny by the administration and by Congress. USDA and the sellers of grain should be called in to testify as to the risks of these sales. We cannot allow these sales to contribute further to inflation. We have a duty to the American public to protect their pocketbooks from unnecessary, preventable inflation. Let us live up to that duty.

NURSING HOME REFORM

Mr. MOSS. Mr. President, the Federal Council on Aging was established by the Older Americans Act Amendments of 1973. The purpose of the Council was to advise and assist the President on matters relating to the special needs of senior citizens. According to the law, the Council must annually file a report with its recommendations for action and suggested priorities.

In their March 1975 report to the President, the Council recommends forthright action in the area of nursing home reform. The report states in part:

> The Council urges legislative action to develop high standards of safety and care in nursing homes.

I was most pleased with the Council's recommendation because of my keen interest in nursing home problems having served as chairman of the Subcommittee on Long-Term Care of the U.S. Senate Committee on Aging since 1963. In this capacity I have chaired some 35 hearings and taken over 5,000 pages of testimony. I also introduced, and the Congress passed, a comprehensive series of nursing home reforms in 1967.

Unfortunately, these reforms have never really been enforced by the Department of Health, Education, and Welfare. The subcommittee's November 1974 report, "Nursing Home Care in the United States: Failure in Public Policy" contains ample documentation of HEW's failures. The report states:

> Despite the sizable commitment in Federal funds, HEW has been reluctant to issue forthright standards to provide patients with minimum protection. Congress in 1972 mandated the merger of Medicare and Medicaid standards, with the retention of the high-

> est standard in every case. However, HEW then watered down the prior standards. Most leading authorities concluded at subcommittee hearings that the new standards are so vague as to defy enforcement.

Another portion of our report extends this theme, criticizing the administration for its failure to provide alternatives to institutionalization:

> Despite the heavy Federal commitment to long-term care, a coherent policy on goals and methods has yet to be shaped. Thousands of seniors go without the care they need. Others are in facilities inappropriate to their needs. Perhaps most unfortunate, institutionalization could have been postponed or prevented for thousands of current nursing home residents if viable home health care and supportive services existed. Although such alternative forms of care may be more desirable from the standpoint of elderly patients—as well as substantially less expensive—the Department of HEW has given only token support for such programs (less than 1 percent of Medicare's total outlays are spent for home health care.)

Another part of the report charges that nursing standards are not enforced and that nursing home inspections are a "national farce." It says:

> There is no direct Federal enforcement of these and previous Federal standards. Enforcement is left almost entirely to the States. A few do a good job, but most do not. In fact, the enforcement system has been characterized as scandalous, ineffective, and, in some cases, almost nonexistent.

Finally, the report evaluates the Nixon nursing home "reforms" of 1971 and the so-called 1974 "reforms." It concludes that such "reforms" had "only minimal effect" and that "they fall far short of a serious effort to regulate the nursing home industry."

The report urges immediate action by the Department of Health, Education, and Welfare to end this national disgrace. Specific recommendations call for a cadre of Federal inspectors to test the quality of State inspection and mandatory auditing by the States along with suggested new programs designed to help nursing homes upgrade.

Mr. President, with this background aside, I cannot tell this body how sad I am that the President of the United States has apparently turned a deaf ear not only to the Congress but to his own Advisory Council. In his statement yesterday, the President said:

> The enforcement of these standards (nursing homes) is one of my Administration's highest priorities.

In fact, it is one of this administration's lowest priorities.

President Ford need look no further than the State of New York to find the massive fraud perpetrated on the American taxpayer by unscrupulous operators. The ultimate losers, of course, are the Nation's 1 million elderly who cannot but receive poor care when operators divert money to profit of unrelated real estate transactions.

I sincerely hope I am mistaken, but the President's statement reads as if he believes HEW has a sterling record in enforcing nursing home standards and that nothing further need be done. Only incredible myopia and insensitivity to the most devastating of human needs would support that point of view. I urge an immediate Presidential nursing home iniative to make up for the last 8 years of inaction by HEW.

ANNOUNCEMENTS FROM THE FEDERAL ELECTION COMMISSION

Mr. CANNON. Mr. President, I ask unanimous consent that certain announcements from the Federal Election Commission be printed in the RECORD. These include requests for advisory opinions.

There being no objection, the announcements were ordered to be printed in the RECORD, as follows:

[From the Federal Election Commission, Notice 1975-16, AOR 1975-18—1975-23]

ADVISORY OPINION REQUESTS

In accordance with the procedures set forth in the Commission's Notice 1975-4, published on June 24, 1975 (40 FR 26660), Advisory Opinion Requests 1975-18 through 1975-23 are published today. Some of the Requests consist of similar inquiries from several sources which have been consolidated in cases where appropriate.

Interested persons wishing to comment on the subject matter of any Advisory Opinion Request may submit written views with respect to such requests within 10 calendar days of the date of the publication of the request in the Federal Register. Such submission should be sent to the Federal Election Commission, Office of General Counsel, Advisory Opinion Section, 1325 K Street, NW., Washington, D.C. 20463. Persons requiring additional time in which to respond to any Advisory Opinion Request will normally be granted such time written request to the Commission. All timely comments received by the Commission will be considered by the Commission before it issues an auvisory opinion. The Commission recommends that comments on pending Advisory Opinion Requests refer to specific AOR number of the Request commented upon, and that statutory references be to the United States Code citations, rather than to the Public Law Citations.

AAR 1975-18: Continuous Reporting of Campaign Debts From 1972.

A. Request by Muskie Illinois Campaign (Continuous Reporting by Inactive Committee with Outstanding Debts) (Request Edited by the Commission)

"* * * Since 1973, there has been no activity in the Muskie Illinois Campaign. The political committee has (i) disbanded; and (ii) not received any contributions nor made any expenditures since 1973, in an aggregate amount totaling more than $1,000, and does not expect to make any such expenditures or receive any such contributions. In other words, *all* activities have ceased.

The Committee still owes, however, the sum of $166,432.75, as reported in Section D, Part 12, of the 1972 and 1973 Comprehensive Revised Report. This "debt" will continue to be owed, since the Committee has no funds to extinguish the debt, and does not contemplate the receipt of any funds or contributions from any source at any time in the future.

Please advise if the "Committee," which no longer exists, is under an obligation to continue to file the report, setting forth that it owes a debt of $166,432.75, and if so, for how many years this report is to be filed. * * *"

JAMES R. SNEIDER,
SNEIDER AND TROY.

Source: Muskie Illinois Campaigns by R. Sneider, Esq., Sneider and Troy, One North LaSalle St., Suite 2025, Chicago, Illinois 60602, (June 16, 1975).

B. Senator Ellender Campaign Committee (Continuous Reporting of Disputed Debt under Litigation) (Request Edited and Paraphrased by the Commission)

The subject committee has been inactive during the last reporting period except for receiving contributions and refunds of $577.50 and paying a late-arriving bill for $428.50.

"* * * There is an outstanding claim by Innovative Data Systems of Louisiana, Inc., for $43,194.68, which is disputed by the Committee. The claimant has filed suit for this amount in the Thirty-Second Judicial District Court, Parish of Terrebonne, State of Louisiana, against Dr. Allen J. Ellender, Jr., as the sole heir of the late Senator Ellender, against the Committee, and against its individual members, Elward Wright, George Arceneaux, Jr., and myself. It probably will be a long-drawn out lawsuit, and I can see no need for the committee to continue to file reports showing no activity. In fact, the Committee is non-existent, except for the lawsuit. Would you please advise if it will be permissible to discontinue reporting until the pending lawsuit is terminated? At that time we would file a final report." * * *

FRANK W. WURZLOW, JR.,
Treasurer, Senator Ellender Campaign Committee.

Source: Senator Ellender, Campaign Committee by Frank W. Wurzlow Jr., Treasurer, Ellender, Wright & Wurzlow, 254 Barrow Street, Houma, Louisiana 70360 (May 19, 1975).

AOR 1975-19; Candidate's Relationship to Unauthorized Committees Acting in Candidate's Interest. (Request by Senator Packwood) (Request Edited by the Commission).

* * * * *

"A committee has been formed in Oregon under the name 'Packwood 1980.' I have not authorized this committee, either to receive contributions or make expenditures. It is the committee's understanding that the only effect of a lack of authorization is that a disclaimer must appear on any literature from the committee. Please advise me whether the committee's understanding is complete and accurate."

BOB PACKWOOD,
U.S. Senator.

Source: Senator Bob Packwood, 6327 Dirksen Senate Office Building, Washington, D.C. 20510 (May 8, 1975).

AOR 1975-20: Status of Political Education Committee—Committee for Thorough Agricultural Political Education (Request Edited by the Commission).

"Gentlemen: In addition to financially supporting candidates in their campaign efforts our Committee is considering undertaking some or all of the activities listed below.

1. Pay for the cost of educating and training dairy farmers how to be efficient and effective in organizing and participating in (1) political campaigns, (2) voter registration drives and (3) get-out-to-vote campaigns.

2. Pay for the expenses incurred in voter registration drives and get-out-to vote activities.

3. Reimburse the travel expenses of dairy farmers, their spouse and employees of dairy cooperatives in connection with the following:

a. travel to visit the public officials who represents them in either state or federal offices;

b. travel to attend fund raising dinners, political rallies, etc.;

c. travel to testify at hearings held by elected officials or public agencies.

4. Pay per diem to dairy farmers in addition to the reimbursed expenses under 3(a), (b) and (c).

5. Pay for the cost of informing public

office holders, consumers, and the general public about farmer cooperatives, dairy industry, beef and dairy imports, agriculture, etc.

Possible expenses involved would be:

a. films;

b. speakers;

c. media advertisements;

d. information mailings;

e. meeting facilities, meals, travel expenses;

f. professional consultation in this activity;

g. membership and participation in the consumer and/or agriculture organizations.

6. Share in the expenses of non-campaign meeting or functions held by public office holders. A few examples would be:

a. Governor conference;

b. Annual meeting of various associations of local and state public officials;

c. Innaugural balls.

7. Purchase small Christmas or birthday gifts for public officials, i.e., cheese ($5–$25).

8. Pay honorariums to public office holders to speak to dairy farmer groups.

The original purpose and powers clause of C–TAPE is broad enough and is intended to cover many activities * * *

'1. *Purposes and Powers.* The Committee is organized for the purpose of carrying on lawful activities to foster governmental recognition and adoption of policies and practices, which are consistent with the sound and effective functioning of the agricultural, and in particular the dairy industry. The Committee may conduct such educational and voter registration activities, support the enactment of such legislation, and the nomination and election or appointment of such elective and other public officials, solicit and accept contributions of such services, money and other property, make contributions and expenditures of such services, money and other property and take such other action, all as it may deem will properly further such purpose.'

Before undertaking any of the above activities the Committee feels that official guidance is needed. We respectfully request * * * an 'advisory opinion' in these matters."

J. S. Stone,
Secretary, Committee for T.A.P.E.

Source: J. S. Stone, Secretary, Committee for Thorough Agricultural Political Education, P. O. Box 32287, San Antonio, Texas 78284 (May 1,1975).

AOR 1975–21: Corporate Contributions To Political Committees, Supporting State and Federal Candidates, (Request of Republican Central Committee of San Diego County) (Request Edited by the Commission).

"Dear Sir:

* * * * *

We have in the past accepted contributions from corporations, placing them into a separate account. Funds from that account are used only for State candidates, not federal, and in compliance with state and federal law.

The questions is, can corporate donations be used by the Central Committee for day-to-day operational uses, i.e., office rent, utilities, secretarial salaries, office supplies? No direct or measurable benefit to federal candidates is involved, we feel, and certainly none distinguishable from benefit to the party as a whole.

If this question is answered affirmatively, the next would be, can such contributions be used to finance a Republican registration drive. Again, benefit to federal candidates as opposed to state candidates is indistinguishable. * * *"

Mrs. D. C. Willmon,
General Counsel.

Source: Mrs. D. C. Willmon, General Counsel, Republican Central Committee of San Diego County, 432 E Street, Room 200, San Diego, California 92101 (June 10, 1975).

AOR 1975–22: Contributions or Transfers from Principal Campaign Committees.

A. Endorsing Contribution to Political Party Committee (Request Edited by the Commission).

"Dear Mr. Curtis:

* * * * *

The principal campaign committee of a candidate is the payee of a check. Upon receiving the check, the only action taken is an endorsement by the treasurer and immediate forwarding to a state committee of a political party. Does this constitute a receipt and expenditure by the principal campaign committee? * * *"

Strom Thurmond,
U.S. Senator.

Source: Senator Strom Thurmond, 4241 Dirksen Senate Office Building, Washington, D.C. 20510 (April 17, 1975).

B. Expenditures of Committees Not Authorized by Candidate (Request Edited by the Commission).

"Dear Mr. Curtis:

* * * * *

If a person or political committee is specifically authorized to solicit and receive contributions, and specifically unauthorized to make expenditures, will the incidental expenditures of that person or committee be treated as expenditures by the candidate's principal campaign committee or as independent expenditures? * * *"

Strom Thurmond,
U.S. Senator.

Source: Senator Strom Thurmond, 4241 Dirksen Senate Office Building, Washington, D.C. 20510 (April 17, 1975).

AOR 1975–23: Establishment of Political Action Committee and Employee Political Giving Program by Corporation (Request of Sun Oil Company).

Dear Commissioners: Pursuant to Section 437f of Title Two, United States Code, it is respectfully requested hereby that the Commission issue advisory opinion with regard to the following Sun Oil Company Responsible Citizenship Program.

Sun proposes by appropriate corporate action to create a political action committee (Sun PAC) which will be maintained as a separate segregated fund and will be a reporting political committee under the applicable Federal laws and regulations.

In addition Sun proposes, also by appropriate corporate action, to establish a political giving program for its employees (Sun EPA) which will be separate and apart from the activities of Sun PAC.

Sun PAC will be established as a voluntary nonprofit unincorporated political association of certain employees of Sun appointed by Sun's management for the purpose of creating such a committee. Sun PAC will be a membership association and every full-time hourly or full-time salaried employee of Sun or any of its subsidiaries shall be eligible for membership. (The Commission notes that Sun PAC has recently registered.) Sun PAC will be independent of any political party, candidate or organization except that Sun will defray the costs and expense incurred in the establishment and administration of, and the solicitation of contributions to, Sun PAC.

The purposes of Sun PAC as stated in its Articles of Organization will be the "protection, preservation and furtherance of the private enterprise system and, in particular, the protection and advancement of the industries and other types of businesses, in which petroleum-oriented industries may be engaged from time to time."

To achieve its purposes, Sun PAC will solicit and accept contributions from individuals and from other political committees. Any funds so received will be expended to influence the nomination for election and the election, of candidates for Federal and State elective public office. It is further contemplated that Sun PAC could make contributions to National, State and local committees of National political parties.

Sun PAC will have a Chairman, Vice-Chairman, Treasurer, Assistant Treasurer, and Secretary. These officers will be appointed by Sun. The Articles of Organization of Sun Pac (Article VIII) specify that each officer shall continue in office until his successor is appointed and qualified. Section Three of Article VIII responses in the Treasurer the responsibility for all funds collected by Sun PAC and for maintaining all financial records. Further, the Treasurer is specifically authorized by the Articles to prepare, sign and file all reports required of Sun PAC by law.

Sun PAC will also have a Contribution Committee which shall be responsible for the overall financial operations of Sun PAC and which shall have the responsibility of selecting the recipients of contributions by Sun PAC. Section Two of Article IX, however, provides that the Contribution Committee may delegate to the Chairman, subject to the overall direction of the Contribution Committee, the responsibility for managing the financial affairs of Sun PAC including the power to determine the candidates and/or political committees that Sun PAC shall support.

The contributions to Sun PAC will be voluntary. No contribution to Sun PAC will be solicited or secured by job discrimination or financial reprisal, or by threat of job discrimination or financial reprisal, or as a condition of employment by Sun or any of its subsidiaries.

The Articles of Organization provide that no funds of Sun PAC will inure to the private benefit of any member of Sun PAC, or any contributor thereto. The Articles also contain the usual provision regarding their amendment, except that certain sections are not susceptible to such amendment. In addition, the Articles make appropriate provisions for the distribution of funds upon dissolution of Sun PAC.

Sun also proposes to establish a mechanism, whereby its employees may engage in political giving without contributing to Sun PAC. This political contribution plan, known as Sun EPA, will permit employees to contribute directly to political candidates, committees, and parties of their choice. As its involvement in Sun EPA, Sun will establish a payroll deduction program whereby an employee may direct that a certain amount of his compensation be deducted and sent to one bank chosen by Sun where the funds will be maintained on deposit in a separate account for such employee.

When and if such employee wishes to make a political contribution out of his Sun EPA account, he will notify the bank directly, stating the name and address of the recipient of such contribution, and direct the bank to draw a check to the designated payee. The bank will then draw the check to that named payee, deducting the amount from the employee's account. The bank will transmit the draft directly to the candidate, committee, or political party designated by the employee.

The Sun EPA program is also entirely voluntary. An employee's participation will not be encouraged or secured by job discrimination of financial reprisal, or as a condition of employment by Sun or any of its subsidiaries.

Further, Sun EPA will be entirely confidential. Except for the employee and the bank, no one will have any knowledge as to the recipients of contributions made by Sun EPA participants. It should be pointed out here that the bank, on a quarterly basis, will inform Sun of the total amounts of contributions under Sun EPA for the quarter to specific candidates, committees, or political parties receiving them, so it may be published for those participating in the plan. However, there will be no report as to the individuals whose contributions are included in those totals.

In establishing Sun EPA, Sun proposes to assume costs incident to implementing the payroll deduction plan, plus any charges by the bank. These charges, if any, will cover the costs incurred by the bank in establishing and administering the separate accounts for participants, and for postage costs in mailing checks to candidates, committees, or political parties. In short, no participant in Sun EPA will incur any cost as a result of his participation in Sun EPA.

KENNETH R. BURTON, Jr.,
Senior Attorney.

Source: Sun Oil Company by Kenneth R. Burton, Senior Attorney, 240 Radnor-Chester Road, St. Davids, Pennsylvania 19087 (July 9, 1975).

SURFACE EFFECT SHIP

Mr. TAFT. Mr. President, what I believe to be an important article appeared on July 24 in the Washington Star, entitled, "The Navy's 100-Knot Warship: Civilians Aren't Convinced." I ask unanimous consent that the article be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. TAFT. Mr. President, the article discusses the Navy's surface effect ships program. A surface effect ship is a type of hovercraft, a ship that rides on a cushion of air. It is of great interest to the Navy because it is capable of very high speeds: 100 knots should be possible with a ship of this type.

As the article from the Star notes, the surface effect ship program, currently in the research and development state, is meeting stiff resistance from some people in the Department of Defense, particularly certain people in the Office of the Secretary of Defense. I think that, in order to put in perspective the objections to this program, we must look at the possible military potential for a 100-knot ship.

A thorough understanding of the potential military importance of a 100-knot ship is vital if we are to evaluate effectively the need for the rapid development of such a ship. Perhaps the most important potential relates to antisubmarine warfare.

The threat we face today from the Soviet submarine force is awesome—much more serious, I believe, than many people are aware. As I noted when I spoke on the floor on this subject last May 15:

> In total, the Soviets today possess about 300 submarines—the United States has 115. Of that total 68 are nuclear powered attack submarines—the kind used to attack shipping, and 40 of those 68 carry antiship missiles. These are supported by numerous conventional attack submarines, of which 28 carry antiship missiles.

To counter these 300 submarines, the United States today possesses 99 destroyers and 66 other escorts. Thus, the Soviets have about two submarines for each American antisubmarine escort ship. Yet, as admiral of the Soviet fleet Gorshkov notes, in World War II for each German U-boat, there were 25 British and U.S. warships, and 100 aircraft, and for every German submariner at sea there were 100 British and American antisubmariners. Yet, nevertheless, this significant numerical superiority of defenders was insufficient to force the attackers to fully curtail their active operation.

We get some perspective on what the number of Soviet attack submarines means if we look at the number the Germans had in World War II. I am certain every man in this Chamber remembers the dark days when the U-boats seemed to rule the Atlantic, when few Allied convoys got through to England without heavy losses, and when it appeared that German naval power might well succeed in starving the British into surrender.

How many submarines did the Germans have in their battle for the Atlantic? When war broke out in September of 1939, Germany had a total of 57 submarines. Of these, only 39 were oceangoing attack submarines. Again, if war broke out today, the Soviets would have about 300—about 10 for each the Germans had.

The crucial phases of the U-boat war were conducted with very few boats. In June of 1940, the Germans had 19 U-boats at sea—two-thirds of their total operational boats. During that June they sank 63 ships, totaling 355,431 tons.

In September of 1940, a year after the outbreak of war, Germany had only 27 attack submarines, 12 fewer than at the outbreak of the war. By February 1941, the Germans were down to 21. Yet during the following month of March, the Germans sank 43 ships, totaling 236,000 tons.

Again, I think this gives a useful perspective on what 300 Soviet submarines mean in terms of ability to cut the sea lanes.

The surface effect ship program is one of the most promising potential answers to that Soviet submarine threat. Whereas a modern Soviet submarine can do over 30 knots, our latest antisubmarine escort vessel can make only 28. A surface effect ship escort with a 100-knot capability would have a vastly greater capability against that Soviet submarine than do present escorts. I remember the account of the commander of one of the few German-type XXI submarines to get to sea before World War II ended. The type XXI was a much faster submarine than the standard U-boat—it had a top speed of about 18 knots, compared to the 8 or 9 for the standard-type VII and type IX U-boats.

This type XXI put to sea in the closing days of World War II. It encountered an allied submarine hunter-killer task force in the North Sea—a task force of destroyers and an antisubmarine aircraft carrier. According to the commander of the U-boat, his type XXI's speed enabled him to play tag with the antisubmarine task force—literally to play games with it, with no danger to the submarine. He did not sink any of the ships in that task force, because he knew the war was virtually over and had no desire to waste more human lives. But the antisubmarine force was no threat to him. Today, the Soviet nuclear-powered submarine is almost twice as fast as that type XXI and has unlimited endurance; but our antisubmarine ships are no faster than were the destroyers in that allied task force.

I believe we have not faced up to the Soviet submarine threat, and that we must face up to it with new and much greater efforts. Our whole commitment to NATO is meaningless if the Soviet submarines can control the Atlantic for 6 months. It does not matter what happens on the ground in Central Europe if we have no way to supply and reinforce the Allied forces there. Just as Germany came close to winning two world wars with the submarine, the Soviets could use the submarine to win a future war in Europe.

Again, the surface effect ship is a very promising answer to the ASW problem. Its speed would give the antisubmarine ship the speed advantage it had in World War II—of being two to three times as fast as the submarine. As the Star article notes, it would enable the ASW ship to keep its ASW helicopter—a very effective weapon against submarines—on station up to twice as long, because the surface effect ship can fall back behind a convoy to hunt a submarine, and then catch up to the convoy again because of its superior speed.

Against this background of the submarine threat, and the important ways the surface effect ship would give us a new tactical superiority over the submarine, let us now look at the objections some raise to the SES program.

The stated objection, according to the Star, is that some believe further paper studies to be needed, to determine whether we should examine possible alternatives to the surface effect ship in the ASW and other potential roles. I agree fully that all alternatives should be evaluated, in terms of any mission. However, the real question is, in the face of the Soviet submarine threat, do we halt or substantially delay one of our most promising answers to that threat while the study is undertaken? Or is the threat serious enough that we should push ahead with this program, and possibly with other potential programs, while we undertake the study? To me, the latter answer is the only correct one. I have already outlined the threat, and what I believe to be its seriousness. Even if some waste in money would be involved in pushing ahead with a program to answer that threat. I believe it should be done. Let us ask ourselves, what will the cost be if the Soviet submarines come to control our sealanes? Is it worth paying some money now, in order to avoid that cost? I believe it is. We should note that when the Soviets want to test a new idea, they build not one ship but a class. The *Moskva* and *Leningrad* are a good example of this.

There is, I believe, another objection to the surface effect ship program, one that is not stated. Quite simply, it is that a new program such as this is hard to analyze from a scientific systems analysis standpoint, and the persons in Office of Scientific Development opposing the program are systems analysts.

It is always difficult to perform an effective systems analysis on a new program, because we have no hard data. That is inherent to a new program, a new system, or a new idea. It is true of the surface effect ship. It would have been equally true of other great advances in naval science, such as steam propulsion. But that does not justify delaying or killing the program. It justifies, perhaps, objections from the systems analysts, but it does not justify letting the systems analysts go far beyond their proper role and function, and override or ignore the military potential of a new system in making the overall OSD decision on that system. We saw under Secretary McNamara some of the danger of letting systems analysts run the whole show. I fear the McNamara lesson is being forgotten in OSD in relation to the surface effect ship program.

I intend to work for the surface effect-ship program. I supported it in the Research Development Subcommittee, in the full Armed Services Committee and on the floor of the Senate. The basis of my support is not any vested interest—it is not built in the State of Ohio—but my tremendous respect of the Soviet submarine capability and my belief that we must act rapidl yand decisively to develop a corresponding antisubmarine capability, which we do not now have.

I do not wish to see pennyise and pound-foolish economizing destroy what may be our most promising answer to the Soviet submarine threat. I believe that any small amount of money which might be wasted by proceeding rapidly with the SES program—including the building of large prototypes—would be waste only in the most narrow view; any expenditure which could give us an effective antisubmarine ship will ultimately be justified. I most certainly do not wish to see narrow systems analysis override military requirements, and if the systems analysts succeed in their apparent attempts to undermine or destroy the surface effect ship program, they can count on giving a thorough explanation of why to the Research and Development Subcommittee.

The Soviet submarine threat is one of the most serious threats we face. It is a threat we have long tried to ignore, and which I think we still try to ignore in many ways, simply because it is so disquieting. The surface effect ship is an attempt to look at that threat and to answer it. As such, it can count on my full support.

EXHIBIT 1

THE NAVY'S '100-KNOT WARSHIP': CIVILIANS AREN'T CONVINCED

(By Vernon A. Guidry Jr.)

For years, the Navy has envisioned a radically different kind of warship, one that could hurtle over the world's oceans at unheard of speeds of 95 or 100 miles an hour.

The attempt to perfect such a ship has been, by the Navy's testimony, one of its most important research efforts. But now, with Navy enthusiasm undiminished, the program has been slowed and could conceivably be halted.

The slowdown has come at the insistance of the civilians in the Defense Department who oversee research and development. They say the Navy has yet to demonstrate how the new craft, called the surface effect ship (SES), will fit into the fleet or what kind of mission its dazzling speed will allow it best to accomplish. Navy thinking has largely centered on using the swift vessels in antisubmarine warfare.

So the Navy, nearly in midstride, has been told to evaluate the SES and a number of other naval platforms before it begins to build the expensive, oceangoing prototype that will be the next stage of development.

This evaluation, says one Defense official knowledgeable about the program, could mean "no SES or a different SES."

The SES is a close relative of the more familiar hovercraft, which rides on a cushion of air trapped inside a flexible skirt which rings the craft. The flexible skirt enables the hovercraft to move over solid land as well as water.

Like the hovercraft, the SES depends on a fan-generated, captured air cushion or bubble. But it must keep to the water. The SES has flexible seals at bow and stern to trap the bubble, but unlike the hovercraft, the SES has rigid sidewalls—actually, thin, narrow hulls down its sides.

The Navy has been at work on SES technology since 1961, and it has done extensive work with two 100-ton research boats. One is an 82-foot version designated 100A and designed by Aerojet Corp., which uses water jets for propulsion. The other is a 78-foot craft built by Bell Aerospace Division of Textron using semisubmerged propellers and designated the 100B.

The 100A looks like a sleek racer. Its bow seal gives it a gape-jawed look reminiscient of recent movie advertisements prominently featuring a shark. The 100B, on the other hand, looks like a very large floating tennis shoe, the kind with rubber over the toe.

Inside, the craft are operated from control areas that look much more like airplane cockpits than the bridge of a ship.

The floating tennis shoe has come closest to matching the slogan attached to the research program: The hundred knot Navy. In May, the Bell boat hit 82.3 knots, or 94 miles per hour over a specially instrumented course.

To reach those speeds, the SES must do more than simply ride on a captured bubble. The point of the exercise, which has so far cost $200 million, is to ride over the water, not push it aside as conventional hulls do, thereby reducing drag and picking up a speed dividend.

Up to about 40 knots, according to the Navy, drag on the SES and on conventional ships is about the same. That's because the air bubble forms a depression, a dimple under the SES. So, the craft is still pushing its way through the water much like a conventional ship must.

But as the speed of the SES increases, the dimple moves toward the stern. When the craft reaches, then exceeds what the Navy calls its "hump speed," the bubble doesn't have a chance to form. At that speed, the Navy says, displacement is virtually nil, drag drops off and speeds of 80 knots or more are attainable.

Those speeds are attainable only in fairly calm water. For a ship of oceangoing size, the Navy believes it would be able to do 80 knots with waves up to a foot high. The speed would drop down to perhaps 50 knots when the waves hit 10 to 12 feet.

And ship designers, like everyone else, can't get something for nothing. To get the speed, they've sacrificed range and payload. Other technical knots to untie include how to best propel the craft and how much punishment its crew can take as it pounds along, hitting the wave tops at between 50 and 80 knots.

The Navy says it has the technical problems well in hand. The prospect of having such speed in a warship is a heady one. Some have suggested that its introduction into the fleet would prompt changes comparable to those that followed the introduction of the airplane and submarine earlier this century.

So what comes next? The Navy thought it had the answer: Two 2,200-ton prototypes. That has been trimmed back to one large-scale prototype, the program has been pushed back a year, and the Navy has been told to conduct the evaluation of other advanced platforms.

Disputes within the Defense Department over pace of deveolpment and the like are commonplace. But the difference of opinion between the Navy and Defense Department civilians over the readiness of the SES project to move ahead to a large-scale prototype seems particularly sharp.

The Navy has repeatedly been asked on Capitol Hill if it is ready to move ahead and it has repeatedly said yes. In one response to congressional queries, the Navy counted up 15 studies and 44 reports on the SES. "This sort of work is a continuing process, but we feel that only so much can be learned from paper studies, and in the case of the SES, we have reached the point where prototype operations are necessary to validate SES assumptions and to provide solid performance data upon which to base further conceptual work," said the Navy.

Yet the Navy has been asked to do another paper study, this time comparing the projected performance of an SES warship with that of such vehicles as blimps, hydrofoil ships, extremely long-range aircraft that might land and take off on the open ocean, other aircraft that gain efficiency by flying low over the water and advanced submarines. The test will be a war game involving what is called "Case 1," a NATO war scenario.

Rear Adm. William L. Read, director of the Navy's ship acquisition division, has said he sees nothing in the study that will affect the SES. That prompted a congressional question about why the Defense Department was asking for $5 million from the SES budget to run the study.

The reply, in the name of Dr. Malcolm Currie, director of defense research and engineering couldn't have been more blunt. "Our development of the SES has been technically rewarding, but we are now past the point at which we can afford to pursue purely technical goals in this program. Before proceeding into fullscale engineering development, it is essential to know what roles the SES is suited for," read the reply.

"Unless and until results are obtained from this effort, there will be no rational basis upon which to make a decision to commit to any specific development program," the reply concluded.

The sticking point, says one Defense official, is the move from advance development to full-scale system development. It is a crucial point "because the implication is you're going all the way."

This official says, "The people doing this job are quite focused. We're asking them to slow down and take a broader look."

Most of the work on determining the mission of the SES has concentrated on antisubmarine warfare (ASW). Admirals look to the SES to regain the edge in speed that has gone to the submarine with the coming of nuclear power.

War games already run have prompted the Navy to say the speed of the SES would contribute greatly to existing antisubmarine tactics. Helicopters are extensively used in ASW. War games last fall predicted that an SES capable of carrying a helicopter could increase the range of the helicopter by 20 to 40 percent and its time on station searching for enemy subs by as much as 100 percent.

Civilian officials note the enthusiasm for the SES as an ASW platform, but they also note that the $412 million it would take to build and test the 2,200-ton prototype the

Navy wants would make up a substantial portion of the total ASW research budget. If there were endless research and development funds, they note, the prototype would be built. But those funds aren't endless and these officials insist that there has been no demonstration that the SES “represents what we want to invest in.”

The Defense Department's go-slow position has won favor among members of Congress following the project.

When the restructured program was spelled out for the Senate Armed Services research and development subcommittee, Chairman Thomas J. McIntyre, D-N.H., said, “It appears that we have finally come full circle in this program.

“For the past four years, this subcommittee has, in the face of the strongest Navy opposition, successfully prevailed in its efforts to keep the SES program on a deliberate and conservative course. I am convinced that had the program been permitted to proceed at the pace persistently recommended by the Navy, the major technical problems, schedule delays and substantial overruns which have occurred would have caused total cancellation by now.”

In 1972, the program, including two large-scale prototypes, was estimated at $519.2 million, total cost. Now, the program, with only one large-scale prototype, is estimated at $611.1 million.

Other things have changed since the 1972 estimates. One of them is the projected range of the craft. When Currie appeared before the House Appropriations Committee's defense subcommittee, he was questioned by Rep. Bill Chappell, D-Fla., a captain in the Navy reserve who says he generally questions whether the Navy is moving fast enough in modernization of its surface fleet.

But with the surface effect ship, “I haven't made up my mind whether the thing is good or bad,” says Chappell.

One thing that bothers Chappell is the range. The estimated range of the 2,200-ton version remains classified, but authorities note that it has been nearly cut in half since estimates were made three years ago. This, Currie acknowledged, “will make it much less useful; of course.”

With that range reduction, Chappell says he wonders “how you get them to where you want them when you want them.”

The Navy says the drop in range comes primarily from adoption of the water jet propulsion system for the single prototype now planned. It is less efficient than the propellers used in the swift 100B research craft, but the technology involved in using the propellers is riskier than that with the water jets. The Navy is still working on the propeller technology, but has opted for the jets in the prototype.

The Navy and Currie's operation also aren't seeing eye to eye on the size of the prototype, a factor which has much to do with its ability to operate in rough seas, its range and its payload. It is also a factor that could further delay the SES.

The Navy feels the 2,200 ton model will demonstrate what it must about the open ocean capability of the SES. Currie wants a larger version, perhaps larger by—percent, that would come closer to the size that would be required for an open ocean SES warship.

The engines available now to put in such a ship won't push it to 80 knots however. Such a ship would require a marine version of the engine that powers the Boeing 747 jetliner.

PANAMA CANAL

Mr. McGEE. Mr. President, I would like to call the attention of my colleagues to an article by Representative CHARLES WHALEN, JR., of Ohio, which appeared in yesterday's edition of the Washington Post.

Congressman WHALEN, of whom I hold in very high esteem, outlined a very poignant case for the continuation and completion of negotiations with the Government of the Republic of Panama over a new Canal Zone Treaty. As Mr. WHALEN points out:

> The future of the Panama Canal may be one of the most explosive issues to confront the Western Hemisphere during this century . . .

I concur in this observation. At issue is the future course of United States-Latin American relations, in which we have a tremendous stake, and the narrow, somewhat dubious national claims we might lay to the Panama Canal as a sovereign entity of this Nation. As Congressman WHALEN astutely notes, however, even the issue of sovereignty is in dispute.

> Conclusion of a new treaty is expected within the next few months. Yet the negotiating principles already have come under sharp congressional attack. In the mistake notion that the Hay-Bunau-Varilla Treaty accords sovereignty to the United States in the Canal Zone (as early as 1904 our government recognized that Panama remained the titular sovereign there), legislative critics argue that the proposed treaty represents a “giveaway.”

The distinguished Congressman also points out that if we do not succeed in arriving at a new treaty relationship with the Republic of Panama, the Canal Zone most probably will be the target of uncontrollable violence as unrestrained nationalism will once again rear its head as it has periodically since 1958. He notes:

> . . . the Canal Zone could be rendered inoperable. It is vulnerable to sabotage. Further, ship owners may be reluctant to route their vessel through the Canal where they would be “sitting ducks” for terrorists activities.

As our distinguished negotiator, Ambassador Ellsworth Bunker, has reminded us on numerous occasions, the United States is negotiating to protect our interests on the Panama Canal. Our interests will be seriously jeopardized if such a treaty is not agreed upon between our two nations.

Congressman WHALEN's article is an invaluable contribution to the debate within the Congress over a new Panama Canal Treaty. I would urge my colleagues to devote considerable attention to his well-thought-out presentation on behalf of a new treaty.

I ask unanimous consent the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 27, 1975]

COLONIALISM AND THE CANAL

(By Charles W. Whalen Jr.)

It is ironic that as it approaches the two hundredth anniversary of its independence, the United States is one of the world's remaining colonial powers. Since 1945, approximately 68 provinces have been ceded sovereignty by their colonial masters. Yet our country continues to cling to a 553-square-mile enclave in the heart of Panama in a manner befitting the nineteenth century British raj.

In the fashion of its infamous East India precursor, the Panama Canal Zone is administered by a quasi-governmental company headed by a presidentially-appointed governor. Ordinances prescribing the conduct of zone residents and employees are promulgated by the governor and enforced by American-paid police. Alleged violations are prosecuted by a United States District Attorney and adjudicated by a Federal District Court. Virtually all commercial enterprises and deep-water port facilities within the territory are operated by Americans. For the use of its land we pay the government of Panama a miniscule $2.3 million annually. Perhaps the most imperious manifestation of our presence is the election every four years of delegates to one of our country's major political conventions.

The future of the Panama Canal may be one of the most explosive issues to confront the Western Hemisphere during this century. Panamanians are deeply concerned that an alien power operates a de facto colony cutting a 10-mile swath through the center of their nation. Considerable friction in United States-Panama relations already has resulted from the continuation of policies based upon the 1903 Hay-Bunau-Varilla Treaty. The 1964 “flag incident,” for instance, caused 24 deaths. During the 1973 meeting of the United Nations Security Council in Panama the United States cast the third veto in its history to defeat a resolution supporting the Canal posture of the Torrijos government.

Recognizing the volatility of the situation, the Nixon administration in 1973 committed itself to renegotiate the 1903 document. On February 7, 1974, Secretary of State Henry A. Kissinger and Panamanian Foreign Minister Juan A. Tack signed an agreement embracing the principles upon which future treaty discussions would be predicated. These include: (1) a fixed termination date for the new treaty; (2) a return to Panama of full jurisdiction over the territory in which the Canal is located in exchange for assurances that the United States would retain the rights, facilities, and land necessary for its operation and defense for the duration of the treaty; (3) Panamanian participation in the administration and security of the Canal; (4) a more equitable distribution to Panama of the economic benefits derived from the Canal.

Conclusion of a new treaty is expected within the next few months. Yet the negotiating principles already have come under sharp congressional attack. In the mistaken notion that the Hay-Bunau-Varilla Treaty accords sovereignty to the United States in the Canal Zone (as early as 1904 our government recognized that Panama remained the titular sovereign there), legislative critics argue that the proposed treaty represents a “giveaway.”

On March 4, 1975, Senator Strom Thurmond (R-S.C.), joined by 37 colleagues, introduced S.R. 97, which expresses the sense of the Senate that the United States not surrender its “sovereign rights and jurisdiction” over the Canal. The Thurmond proposal exceeds by three the 34 votes necessary to block treaty ratification. A companion measure (H.R. 23), initiated by Representative Daniel J. Flood (D-Pa.) has 126 House cosponsors. On June 26, the House, by a 246–164 vote, adopted Representative Gene Snyder's (R-Ky) amendment to the State Department Appropriations Bill which denies funds “to negotiate surrender or relinquish of any U.S. rights in the Panama Canal Zone.”

If the Senate refuses to consent to a new treaty with Panama, what might occur?

First, our relations with Panama and other Latin American states (and, indeed, the entire Third World) will be severely strained.

Second, by rejecting Panama's bid for self-rule (a mood we failed to detect in Indochina), we could become involved in a protracted, unwinnable guerrilla war.

Third, lives of countless United States citizens, residing in Panama, could be needlessly endangered. A distinguished American foreign policy scholar recently told me of his conversation with General Omar Torrijos. "What would you do with your National Guard," he asked the head of state, "if 5,000 Panamanians stormed the Canal Zone?" General Torrijos smiled and responded: "I would have a difficult decision, wouldn't I? I would have to choose between shooting Americans or my own countrymen."

Fourth, the Canal Zone could be rendered inoperable. It is vulnerable to sabotage. Further, ship owners may be reluctant to route their vessels through the Canal where they would be "sitting ducks" for terrorist activities.

The forthcoming treaty debate, therefore, presents the Congress (the House may have to take certain implementing actions) with two important challenges.

The first is a test of congressional willingness to embark upon its own "new dialogue" with Latin America. Panama is an ideal country with which we could invoke a hemispheric policy based, in the words of Chief Treaty Negotiator Ellsworth Bunker, on "new ideas, rather than old memories." Redefining our relationship with Panama will demonstrate United States' support of the principle of self-determination. It also will signal our intention to deal with our other Latin American neighbors on a truly equal basis.

The second will be a measure of congressional competence and responsibility in the foreign policy-making process. Will Congress' reaction to the new treaty be parochial, insensitive, and uninformed? Or will the Senate and House of Representatives accept the opportunity to avert a crisis before it occurs by enabling an ally of long-standing to achieve a just and reasonable goal?

In Panama, the issues are well defined and the consequences of our failure to adopt a new treaty are predictable. If Congress rejects the treaty, the only question will be the price, the United States must pay to defend the status quo.

WALTER S. HYDE, VETERANS' ADVISORY COUNCIL

Mr. PELL. Mr. President, it is with real sadness that I inform my colleagues of the passing of Walter S. Hyde, of Pawtucket, R.I., who is a member of the Veterans' Advisory Council to the Senate Committee on Veterans' Affairs. Walter Hyde was an active leader in veterans' affairs both in the American Legion and the Pawtucket Veterans Council. I came to know Walter not only through his American Legion activities but also as Veterans' Service Officer with the Veterans' Administration in Providence, R.I. In this capacity he gave his all to his fellow veteran. He worked unceasingly to try and assist them solve a multitude of problems. His advice and counsel was sought by many and he gave of himself freely. In essence, I am reminded of the words of Angelo Patri who once said:

> In one sense there is no death. The life of a soul on earth lasts beyond his departure. You will always feel that life touching yours, that voice speaking to you, that spirit looking out of other eyes, talking to you in the familiar things he touched, worked with, loved as familiar friends. He lives on in your life and in the lives of all others that knew him.

THE ENERGY COST OF WEARING FIREFIGHTING CLOTHING AND EQUIPMENT

Mr. BEALL. Mr. President, as a cosponsor and strong supporter of the Federal Fire Prevention and Control Act of 1974, I have followed with great interest our Federal Government's efforts to assist firefighters in carrying out their highly dangerous but extremely necessary task. Congress took a major step in encouraging these efforts through the passage of the 1974 act which established the National Fire Prevention and Control Administration, and I hope that we will continue to do everything possible through legislation and administrative action to support the local firefighter.

One of the motivating forces for the legislation was the report by the National Commission on Fire Prevention and Control, entitled "America Burning." In that landmark statement, the Commission reported that more than 7 out of 10 fire chiefs and firefighters surveyed early in 1972 indicated that there is a need for greater innovation to improve the equipment and protective clothing firemen use every day. I can assure my colleagues that this response is quite understandable. For example, the breathing apparatus designed to be used for 30 minutes typically weighs 30 pounds. Often firefighters reach exhaustion long before the 30 minutes are up. The weight of the apparatus contributes, in fact, to the exhaustion. In actual use, moreover, a 30-minute apparatus often provides less than 20 minutes protection as the great exertion requires more air. Also, "turn out" coats can be virtually sweatboxes, even when there are air vents under the arms.

In an effort to develop better equipment and clothing for firemen, the University of Maryland's Sports Medicine and Physical Fitness Center has conducted a study to cover the energy cost of wearing fire protective clothing and related equipment. The study used career employees and volunteer members of the Takoma Park Volunteer Fire Department of Takoma Park, Md., as subjects. The study proved rather conclusively that we must do much more to lessen the energy requirements of wearing firefighting gear.

Mr. President, I ask unanimous consent that this excellent study be printed in the RECORD.

There being no objection, the study was ordered to be printed in the RECORD, as follows:

ENERGY COST OF WEARING FIREFIGHTING CLOTHING AND EQUIPMENT

In its report, America Burning, the National Commission on Fire Prevention and Control found that 70% of the fire fighters and fire chiefs responding to their nationwide survey stated that there was a distinct need for improvement in protective fire fighting clothing and equipment.

The report mentions that little if any significant changes in the apparel of fire fighters has taken place over the last half-century. The sheer bulk and weight of the clothing and equipment which fire fighters must wear to work in the hazardous atmosphere of their occupation is cited as a factor in reducting the effectiveness of the fire fighter. Heavy breather apparatus and bulky "turnout" coats were labeled as a contributing cause in fire fighters exhaustion. The risks to firemen themselves have not diminished. To their credit, "they still push themselves to the outer edge of endurance . . . and sometimes beyond."

The University of Maryland's Sports Medicine and Physical Fitness Center conducted a study to determine the energy cost of wearing fire protective clothing and equipment. To make this determination, firemen performed a standard amount of work while wearing their fire fighting gear and while not wearing their gear. Energy cost (oxygen consumption) and other physiological parameters were measured under each of these two conditions.

Career employees and volunteer members of the Takoma Park Volunteer Fire Department of Takoma Park, Maryland were used as subjects. Twelve of these firemen were randomly selected for the study. Subjects ranged in age from 22 to 47 years. All subjects had been active with the fire department for a minimum of three years and were familiar with the MSA breathing apparatus supplied by the University of Maryland's Fire Service Extension. One "turnout" coat, donated by the Takoma Park Volunteer Fire Department. Each fire fighter supplied his own boots and helmet. The weight of the equipment totaled fifty-two pounds.

The work performed for all testing conditions consisted of walking on a motor driven treadmill at a speed of 3.4 MPH at a 4% grade for six minutes. Under ordinary conditions the average person would be expected to perform this amount of work at an energy cost of 5 METS. One MET is equal to an oxygen consumption rate of 3.5 milliliters of oxygen per kilogram of body weight per minute. One MET is also equal to the amount of energy expended during the resting state; therefore 5 METS is five times resting level. (Five METS is a moderate work load. The average American male in his mid-thirties has a work capacity of 10 METS. Athletes have work capacities of 17–20 METS).

Walking on a treadmill was used as a mode of exercise since most people easily learn how to walk on the treadmill, and constant and uniform workloads may be objectively measured using the treadmill. Baseline data for the twelve subjects used in the study were: age, height (in centimeters), weight (in kilograms), resting blood pressure, and resting heart rate. Statistics derived from these data are shown in Table 1.

During the two exercise bouts (with and without gear), the following were measured for each subject; heart rate at the end of each minute of exercise: and oxygen consumption, and ventilation rates during the final (6th minute) of exercise. The results of these measurements are shown in Figure 1 and Table 2 respectively. (Figure 1 not printed.)

TESTING PROCEDURES

Testing procedures were as follows. When the subject entered the laboratory, his age, height, and weight were first determined. Electrodes were then applied to the chest (V5 position) and the subject was seated in a chair. Chest leads were connected to an EKG monitor (Quinton model 621) and resting heart rate and blood pressure were determined. One-half the subjects were tested first with their gear followed by a half-hour rest period (during which all resting heart rates returned to normal values). After the rest period, subjects were then retested without their gear. This sequence was reversed for the other half of the subjects. The testing sequence was randomly assigned among subjects.

Each exercise test consisted of a 2 minute accommodation period at 2.0 MPH, at which point the speed and grade of the treadmill was increased to 3.4 MPH at 4% grade. EKG recordings were obtained at the end of each minute of exercise for six consecutive minutes. (Exercise heart rates were subsequently determined from the EKG recordings). During the final minute of exercise, expired air was collected in 350 liter Tissot tank.

When subjects were tested without gear, a low resistance, high velocity (Collins Triple-J) breathing value was used during the collection period. When subjects were tested with gear, the hose leading to the Tissot tank was attached directly to the outlet side of the valve of the MSA face mask. Percentages of carbon dioxide and oxygen in the expired air were determined from Beckman LB-1 and E-2 gas analyzers respectively. During testing sessions, temperature in the laboratory ranged from 70-71 degrees fahrenheit and relative humidity ranged from 33-36 percent.

STUDY RESULTS

The results of this study showed that the energy requirements of wearing fire fighting gear is considerable. This is evidenced in all three physiological parameters measured. Mean exercise heart rate during the final minute of exercise was 130 beats/minute without gear versus 165 beats/minute with gear. This difference of 35 beats/minute is a 27% increase in exercise heart. Mean oxygen consumption rates in liters/minute were 1.8 without gear and 2.4 with gear. This difference of 4.6 liters/minute represents a 33% increase in oxygen consumption. Oxygen consumption expressed as milliliters of oxygen consumed/kilogram of body weight/minute showed the same percentage increase. Mean ventiliation rates (total amount of expended air in liters/minute) increased from 55.03 liters/minute without gear to 73.75 liters/per minute with gear. This difference of 18.72 liters/minute represents an increase of 34% in ventilation rate. Thus, all three parameters indicate that for the sample of firemen used in this study, the energy cost of wearing fire fighting protective clothing and equipment is roughly one-third above the energy required in performing what is essentially a moderate work load.

The results of this study demonstrate the obvious relationship between the weight of equipment worn and energy cost. Our data showed that a 184 lb. (83.6 kg) firemen wearing 52 lbs. of equipment (28% of body weight) can expect an increase in energy cost of 33% in carrying out his duties. In this respect, we concur with the National Commission's report that the bulk and weight of fire fighting equipment should be reduced. Additionally, we feel that it is equally important that fire fighters should endeavor to achieve and maintain above average fitness levels.

PHYSICAL FITNESS

Muscular strength, muscular endurance, and aerobic capacity are essential components of physical fitness. As shown in this study, demands on the aerobic system from wearing the necessary protective clothing and equipment are considerable. Other factors, such as environmental heat and humidity, increase these demands. Many studies have shown, that fitness components can be measurably increased and maintained through proper training regimens. Increase in fitness levels can be achieved with little cost. To the fire fighter whose work during a fire is often times physically demanding, the value of maintaining a high fitness level seems obvious.

TABLE 1.—BASELINE PARAMETERS (PREEXERCISE)

Variable	Mean	Standard deviation	Maximum	Minimum
Resting heart rate	82.8	.74	90	75
Age (years)	32.2	8.13	47	22
Height (centimeters)	179.6	5.17	190	172
Weight (kilograms)	83.6	7.03	94.5	71.0
Systolic blood pressure	126.3	9.21	144	116
Diastolic blood pressure	78.5	6.50	90	66

TABLE 2.—EXERCISE PARAMETERS (6TH MINUTE OF EXERCISE)

Variable	Mean	Standard deviation	Maximum	Minimum
Exercise H.R. (B/M):				
With gear	164.58	10.81	180	140
Without gear	130.33	9.94	150	114
O_2 Cons. (L/M):				
With gear	2.40	.176	2.62	2.10
Without gear	1.80	.183	2.11	1.47
O_2 Cons. (ml/kg/min):				
With gear	28.82	2.59	35.20	26.28
Without gear	21.53	1.19	23.91	19.74
Ventilation (L/M):				
With gear	73.75	9.33	83.35	55.89
Without gear	55.03	6.23	65.82	45.92
METS:				
With gear	8.25	.74	10.10	7.50
Without gear	6.16	.34	6.83	5.64

BUSING—THE ARROGANCE OF POWER

Mr. ALLEN. Mr. President, I ask unanimous consent that the article "Busing—The Arrogance of Power"—by Michael Novak which appeared in the Wall Street Journal of Friday, July 25, 1975, be printed in the RECORD. It is an excellent analysis of the reasons for the failure of busing and might well be studied by Members of Congress and members of the executive and legislative departments as well as by educators, parents, students, and all those interested in seeing our children obtain good educations.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BUSING—THE ARROGANCE OF POWER

(By Michael Novak)

Busing is, in important ways, the Vietnam of the 1970s. It is a quagmire; a lost cause; taxation without representation; a policy of massive social engineering with little clear prospect of benefit; a mistake; a tragedy; breeder of endless demonstrations, riots, and dissent.

At last count, only 4% of whites and 9% of blacks favored busing. Only "the best and the brightest," it seems, as in Boston, favor it. They designed it, they impose it, and they will never suffer their children to experience it.

On its face, busing has racist presuppositions. A century ago, hardly literate immigrant Catholic young women established a massive parochial school system which soon rivalled the well-financed public schools in the quality of discipline, instruction, and social mobility they imparted. But the assumption behind busing is that blacks, unlike Catholic immigrants, cannot learn in largely separate environments. They need an infusion of "white magic." They can learn only among whites. This is a preposterous assumption. Excellent black schools like Dunbar in Washington give it the lie.

Busing arose as an issue in the South. There the court orders at first had the effect of halting busing—of allowing blacks at attend neighborhood schools rather than of being bused away from home to all-black schools.

JUDICIAL ASSUMPTIONS

Next, busing advanced in the South from being an issue in de jure segregation. In cities an issue in de factor segregation. In cities like Charlotte, historic patterns of residential segregation were diagnosed by the courts as having an unconstitutional effect on equal opportunity in schooling. Here the courts made fresh assumptions: that education in more or less homogeneous neighborhood schools are inequitable; and that historic residential patterns have the force of unjust coercion. (The courts might have commanded residential integration rather than school integration.)

The structure of the courts' reasoning becomes weaker and more dubious still when Northern cities like Boston, Buffalo, Pittsburgh, Detroit and others come into view. Consider the following propositions:

(1.) The traditional residential patterns of Northern cities over the last 100 years have always involved *de facto* ethnic segregation, not only for blacks, but for virtually every ethnic group.

(2.) In some cases, as in Boston and Detroit, more financial resources, federal programs, and educational experimentation have been lavished on predominantly black schools than on predominantly white ethnic schools of the working class. Rates of entrance into college, drop-out rates, and other indices of the status of such schools are often comparable.

(3.) Before 1900, 90% of all blacks lived in the South; and 90% of the white ethnics who now live in the Northern cities had not yet arrived. These two great migrations were not linked by slavery, were culturally almost totally unprepared for their future meeting, and came to their rendezvous with some different social skills, family traditions, disciplines, needs and aspirations.

(4.) The average child of black migrants to the North was academically three or four years behind his average white counterpart even though blacks had English as a mother tongue. Even today, the average black child is academically at least a year behind the average white.

(5.) The pattern of parental discipline in the typical white ethnic home, particularly as between fathers and sons, is quite different from the patterns of discipline in the home, not of middle class blacks, but of the cost poor, despairing and suffering blacks.

(6.) The "street culture" of poor black students is of a different moral and emotional "life style" from that of both middle-class black and white ethnic students. In particular, incidences of premarital sexual expressions, illegitimate birth, hustling, intimidation, and disruptive behavior are significantly different.

(7.) The role of the family or family-substitute in bringing about differential attitudes, behaviors, and success in school is undoubtedly the greatest single factor influencing the classroom. The family is a more basic social unit than the school.

(8.) Class factors influence dramatically the attitudes, behaviors, aspirations and educational success of students in school.

(9). Families choose their place of residence—or judge its merit—by their preference for its neighborhood school as much as, or more than, by any other factor.

If these propositions are true, then it must surely be predictable that 96% of the whites and 91% of the blacks would find busing a poor instrument for what a great majority, both black and white, also desire: a genuinely, peacefully integrated society.

What seems to have been forgotten is that busing is merely an *instrument, a tool, a method,* not an end. The most appropriate question with respect to busing, as for any instrument, is "Does it work?" However moral the instrument may sound, "What are its effects" is the central moral question.

In my view, busing of the Boston and Detroit sort is an immoral policy. It goes against the basic social principles of American life; against family, neighborhood, class, ethnic, and even educational realities which are so basic they are seldom even voiced. Working-class whites who are bused have too much to lose; they face possible downward mobility. Working-class blacks or poor blacks have too little to gain; indeed, the ensuing experience of cultural segregation within the purportedly integrated schools can be embittering.

It would be lovely if greater contacts between persons from different cultures always led to greater understanding and good will. In fact, contact often reinforces the worst stereotypes. This is particularly likely where the contact is unequal—when those of a more suffering lower class, educationally behind their peers, become tangible proof to other children of realities they had heretofore held to be mere bigotry.

Human beings are not parts of a machine, to be anonymously fitted into slots. They approach each other from complicated past histories and diverse personal experiences. They do not perceive each other accurately, or easily find it possible to share honest transactions. Even highly educated blacks and whites often find honesty anguishingly difficult. What, then, about the less articulate? To ride roughshod over such histories is to exhibit gross human arrogance. It is to invite great human disaster. It is to destroy integration in the name of saving it.

EMBITTERING A GENERATION

Forced busing will set back the advances of civil rights made during the past generation by 20 years; a whole generation, and maybe another, will be embittered, just as South Boston and Roxbury are likely to be for decades to come. Finally folklore will recount the ugly history for years.

Busing is to black equality what Prohibition was to the moral crisis of the Depression. It is a flaming moral issue of dubious social judgment. Now, as then, the fundamental problem is economic.

Blacks do not need buses; they need jobs. Having acquired solid jobs, the black family will have an economic base. Then school will be meaningful, and its lessons liberating and inspiring. The key to integration in the United States is a plan to allow every available black worker to work; and to rebuild and to beautify black homes and neighborhoods. For families increase their net worth not so much through wages as through real estate.

Most black neighborhoods were, hardly a generation ago, among the most solidly built and desirable in the Northern cities; restored, they would be far more valuable—as investments—than the flimsy modern housing of working-class suburbs. Under improved economic conditions, a black middle class and working class will integrate with whites as economic, social, cultural, and educational equals.

Economics first, education second. A cardinal principle both of Marx and of capitalism cannot be all wrong.

NEW HANOVER COUNTY, N.C., SHERIFF OPPOSES ANY TYPE OF GUN CONTROL

Mr. HELMS. Mr. President, the very fine sheriff of New Hanover County, N.C., is an outspoken man. He is also a splendid law enforcement officer. Thus, I was exceedingly interested in his comments a few weeks ago relative to proposals for gun controls.

Sheriff H. G. Grohman is quoted by the Wilmington, N.C., Star-News as saying—

> I'm opposed to any type of gun control. This would not be, in my opinion, the answer to crime in high-crime areas.

Then, Mr. President, Sheriff Grohman goes on to explain his position, with which I am in full agreement. In my judgment, his logic is unassailable. In order that my colleagues can have the benefit of Sheriff Grohman's views, I ask unanimous consent that an article published by the Wilmington Star-News, written by C. S. Ceanford, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Sheriff Opposes Any Type of Gun Control

(By C. S. Crawford)

New Hanover Sheriff H. G. Grohman disagreed Wednesday with federal Attorney General Edward Levi's proposal to ban handguns in high crime areas.

"I'm opposed to any type of gun control. This would not be, in my opinion, the answer to crime in high-crime areas," Grohman said.

He was referring to comments made by President Ford Tuesday night concerning gun control during the presidential press conference.

Ford said the administration is considering a "responsible gun control program, possibly hinging on a ban against cheap handguns in high-crime areas around the nation."

The President rejected proposals to register either the owners or their so-called "Saturday night specials" as a remedy for rising crime statistics, and referred to Levi's proposal as a "unique approach, an alternative way of meeting the problem."

The term "high-crime area" should be defined, Grohman said.

"A lot of good people live in the so-called 'high-crime areas' of our country," he said.

It is these people who would, in all probability, register their guns, if it came to that, Grohman said, adding "but obviously, the criminal would not register his handguns."

Statistics have proved, he said, that nine out of ten times "the man committing the crime with a gun doesn't even live in the high-crime areas which are under consideration."

Criminals, he said, go into high crime areas to commit crimes simply because "they are not known in those areas."

Grohman placed special emphasis on his rejection of the registration of handguns in this fashion: "If we put control on handguns today, then there would be no end to our registrations."

Many crimes today, he said, right here in the community, are being committed with sawed-off shotguns and rifles.

Additionally, he said, many armed robberies are committed with knives or razors.

"Is our next step the registering of these weapons?" he asked.

"I would never want to see the day where an American is deprived of his right to defend his home, his business, or his property," Grohman said.

All the statistics on handguns have not been made public, he said, "only those statistics which would support whatever someone wants us to be informed about."

"In the past over 10,000 people in our country used handguns to protect themselves. These are good citizens who were placed in jeopardy by those who would have committed a crime against them," Grohman said.

Why is it, he asked, "we do not hear about these statistics when the subject of gun control is broached?"

"What would our crime rate be if these people had not the means to protect themselves?" he asked.

Today, he said, in all Communist countries, there is gun control. Hitler, he said, did the same thing in Germany in 1936–37.

"Government control of handguns brings about many undesired features," he said.

Instead of gun control, Grohman suggested a firmness in the area of punishment for crimes where a weapon is used.

"The punishment should be ten times stiffer than that which we now have. And it should be a mandatory, complete sentence, carried out according to law," he said.

The increase in crime, he said, "is due to the fact that we have too much rehabilitation before we ever have punishment."

The judges in local courts, Grohman said, have been giving proper sentences in areas concerning handgun crimes.

"But we no more than take a man to the Department of Corrections than we start getting letters from parole and prison authorities wanting our consideration into putting these people either on parole, or on various release programs, not to mention giving them weekend passes," Grohman said.

These people, apprehended after the commission of a crime, given a fair trial and sentenced, are criminals.

"They have committed a crime," he said.

He said he believes in rehabilitation of those first offenders who commit nonviolent crimes, "but I do not believe in leniency for hardened criminals."

"When we start thinking of releasing our criminals before they have served their sentences, I feel that the criminal has never really felt the punishment of his crime," Grohman said.

CAPITULATION AT HELSINKI

Mr. JACKSON. Mr. President, a particularly timely commentary on the Helsinki summit appears in the August 4 issue of Newsweek. Mr. George Ball, former Under Secretary of State, writes against his long background in European affairs, and I believe his views will be of particular interest to my colleagues in the Congress who have expressed their own misgivings about the President's willingness to give legitimacy to the Soviet-imposed division of Europe.

I ask unanimous consent that Mr. Ball's article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Capitulation at Helsinki

(By George W. Ball)

As every schoolboy should know, but too few do, before Catherine the Great barged down the Dnieper, Prince Potemkin dotted the riverbank with temporary villages to impress the foreign envoys in her entourage with the power and achievements of Mother Russia.

In many ways the Apollo-Soyuz space spectacular was quite as deceptive, but this time America played the Potemkin role. Though we billed the project as a joint enterprise, the Apollo managed the rendezvous, sought, found, homed in on the Soyuz and kept the two spacecraft on course, while American VHF radio equipment was used aboard both ships. Yet, though our technology was indispensable, we conspired to create the impression that the two nations are equally advanced. Then, by a symbolic handshake, we made it appear that the Soviets are our friendly partners for the good of humankind.

All this was done in the name of "détente," which has become more an obsession than a policy. Of course, the President cannot take time to see Aleksandr Solzhenitsyn, who speaks awkward truths about the Soviets; he must fly to Helsinki to embrace Brezhnev and celebrate the European Security Conference. And what a heart-warming occasion for the Soviet leaders who have peddled that conference for two decades! To have statesmen from 35 countries drinking champagne to the conference's achievements before the eyes of world television is a triumph for Brezhnev and a defeat for the West.

MOSCOW'S BENEFITS

For, what do the conference documents really mean?

First, the West solemnly concedes that the boundaries established with the Red Army's help are "inviolable"—or, in other words, that the Soviets' Eastern European empire is never to be challenged. This, to the Soviets, is the equivalent of the World War II peace treaty we vowed we would never sign so long as Europe remained divided.

Second, by sponsoring the conference, the Soviets will gain further claim to a status equal to the United States.

Third, the summit conviviality will accomplish the prime purpose for which Moscow conceived it; it will reinforce the wishful fantasies of many Europeans that since the Soviets are apparently so peaceloving the West can relax its guard, Europe need not unify, and close bonds with America are no longer necessary.

Although Moscow thus gains rich benefits, the West's harvest from the conference is meager. The declaration contains the same language about refraining from the use of force and respecting sovereignty that the Soviets employed just before the Red Army occupied Prague. Though there are highly technical provisions for prior notification of military maneuvers, the Russians are unlikely to tell us anything we could not ascertain by our high-definition satellite photography. What the optimists emphasize are promises to make it easier to unite families, facilitate family visits and marriages between citizens of different countries, let more newspapers circulate, and so on. Unhappily, those commitments are in such general terms as to portend only miniscule holes in the Iron Curtain.

BREZHNEV'S REALITY

By contrast, the dividends for Brezhnev are not limited to a global improvement of the Soviet position; for him, the conference and the summit ceremonials are merely another—but indispensable—episode in a well-conceived scenario which has included Willy Brandt's Ostpolitik and will end with the Twenty-Fifth Communist Party Congress next February in Moscow. Against the backdrop of his triumph at Helsinki, Brezhnev can then retire with thunderous acclamation, leaving command of the party structure greatly strengthened—and thereafter the Soviet line may substantially harden.

But how can we reconcile legitimizing the Soviets' stolen empire with our Western ideals? Practitioners of realpolitik—including Kissinger—apparently believe that, since the West bowed to the reality of the Brezhnev doctrine by failing to interefere when Soviet tanks rolled into Budapest and Prague we lose little by formally recognizing that reality. Yet, should not American foreign policy display at least a color of morality? It is one thing to refrain from starting World War III over Prague; it is quite another to drink toasts to the division of Europe and implicitly sanctify with banal phrases Germany's continued amputation. Should we not, at least, insist on the evil nature of the Berlin wall—that it is not a fortification to keep invaders out; it is a cage the Russians built to imprison peoples who would opt for freedom?

Nor is it enough to answer—as some bureaucrats do—that though we never liked the European Security Conference we went along merely because some Europeans originally favored it. Where is American leadership if we no longer even try to give direction to a combined Western effort?

AMERICA'S NON-LEADERSHIP

How can anyone justify our solemnly agreeing never to challenge the Soviet system in Eastern Europe just when a Kremlin-directed Communist Party in Lisbon is blatantly trying to add Portugal to that Soviet system? And why are we conniving to build up the Soviet Union in world opinion just when the Soviets are cracking down with renewed vigor on dissenters?

Even had we not blocked the conference, we might still have exploited its diplomatic leverage. We might, for example, have conditioned our participation on Soviet cooperation in seeking a full solution for the Middle East at a moment when there are moderate leaders in all relevant capitals. Instead, while Russia pours arms into Syria, we concentrate bravura diplomacy on a partial Sinai withdrawal that buys time when delay is the enemy of peace. By leaving untouched the festering problems of Palestine, the Golan Heights and Jerusalem, we are laying the groundwork for later catastrophe, after oil wealth has equipped Arab armies with overwhelming military power. At the very least, might we not have gotten the Soviets to agree that they would actively join to block the expulsion of Israel from the United Nations?

It is bad enough for America to acquiesce in a one-sided agreement in Helsinki; it is tragic to forgo the diplomatic leverage that might help resolve the most dangerous conflict since World War II.

HOW TO FINE TUNE AN ECONOMIC DISASTER

Mr. HELMS. Mr. President, a very timely and important address on the state of our economy was delivered on June 10, 1975, by Charles Wohlstetter, chairman of the Board of the Continental Telephone Corp.

As Mr. Wohlstetter amply demonstrates, an anticapitalist mentality pervades the legal structure of the American economy. Through excessive regulations and controls, constructed over the years in jerry-built fashion by successive Congresses, we now have an economic system that defies description and makes a mockery of common sense. There is no doubt about our having the most disorganized planned economy on the face of the Earth.

On one matter we are not in doubt: The American economy is slipping. We have created so many impediments to a vigorous and healthy free enterprise system that we are actually declining as an economic power in the world. "America is in the midst of one of the most dangerous capital crunches in history," according to Mr. Wohlstetter. He points out, for example, that—

> The Chase Bank has indicated that of the 20 advanced economies, the United States ranks 18th in terms of real economic growth. This is a factor of productivity, and productivity depends upon capital investment.

Mr. President, I invite my colleagues to examine the facts and statistics that Mr. Wohlstetter has compiled on retained earnings, depreciation allowances, and the proliferation of Federal agencies, programs, and regulations. They are alarming figures.

In some respects, of course, Mr. Wohlstetter's diagnosis of America's economic ills will not be news to many of my colleagues. Indeed, there now seems to be widespread acceptance of the fact that our economy suffers from an excess of regulations, bureaucratic controls, and unnecessary programs. I note that Senators are becoming less reluctant to take a public stand for deregulation.

Yet, the regulations and controls continue to mount with each passing hour of the legislative day. This is encouraged in part by the Federal agencies and the beneficiaries of Federal regulations, which have a vested interest in these programs, and by self-appointed public interest groups which relentlessly pursue their self-determined goals in the name of the people. But I sometimes wonder if these regulatory controls are not also encouraged in part by Members of Congress, who may be frightened by threats of reprisal of the special and public interest groups, or deluded by the specious notion that the job of a legislator is simply to pass more laws and fatten the statutes-at-large—at the expense of the taxpayers.

In the current folkways of the American Congress, it is more or less an accepted practice—and let us be candid about this—for Members to inveigh against big Government in prepared speeches, while at the same time promoting more and more big Government on the floor of the Senate, and in committee, in order to keep getting reelected. How many times have we all heard a Senator confess in private that a particular bill was bad, but that he had to support it because the news media back home would be angry and critical if he did not? Such is the state of public morality today, in which we hear too few protests when selfish interests are preferred to the general interest, and too many hoorays when this distorted order of priorities prevails.

An argument can be made, of course, that some of these bureaucratic regulations can be justified on the ground that they prevent monopolistic practices, encourage competition, produce a better environment, and aid the consumer. The point is there are too many—far too many—that prevent competition and are too costly in terms of time, labor and money, from the producer, the worker, and the consumer, to be justified. What is desperately needed today is regulatory reform, across the board, and a general reduction of those regulations that are clearly not in the public interest.

Mr. Wohlstetter's excellent address to the members of the New York Telephone Association underscores the need for the major reform and points us in the right direction toward a total rethinking of the present relationship between Government and business. If Mr. Wohlstetter's warnings go unheeded, and we continue along our present path of destruction, it is difficult to escape the conclusion that further erosion of the American economy shall be the negative contribution of the 94th Congress to the country.

Mr. President, I ask unanimous consent that the address of Mr. Charles Wohlstetter of June 10, 1975, be printed in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

HOW TO FINE TUNE AN ECONOMIC DISASTER

(By Charles Wohlstetter)

Good day. Thank you for this opportunity to share some of my concerns with you. In considering a topic for today's talk, I found that the N.Y. Public Service Commission's thoughtful study on interconnect made further comment redundant. I then thought of Henry Kissinger as a possibility, since this seems to be the season for it. What is more, the sporting blood coursing through my veins rose to the idea of shooting at a moving target. On reflection, I decided that by the time I got around to addressing this gathering, Henry would probably be out of season—he would have gone the way of "Peace with honor," "Bring the boys home," "Peace in our time," and "Millions for defense—not one cent for tribute." The New York Knicks and the Rangers joined Howard Cosell as inappropriate subjects for discussion so that left me with just what I read in the papers.

It is difficult to read the news without finding something about "fine tuning" the economy and that sounds interesting. Even if I don't understand what fine tuning means, I am equally sure that no one else does. I do know, however, that our sense of economic security has been severely undermined, that the fundamental concept of free enterprise has been under continuous attack and, finally, that we have done very little to create a climate for anything but an adversary relationship between business and government. Much as I deplore that situation, I believe that I understand quite well why it exists.

It would be idle to deny that the federal government has played a major role in spreading the gospel of the professional causists. It supports the view that business is at the root of most of our problems and should be placed in durance vile. That is a most popular theme today—but is specious.

For a moment let us examine the vexing problems which our nation faces and forget that pejorative expression—business.

America is in the midst of one of the most dangerous capital crunches in history. The Chase Bank has indicated that of the twenty advanced economies, the U.S. ranks 18th in terms of real economic growth. This is a factor of productivity, and productivity depends upon capital investment.[1] Investment in new plant has fallen behind that of our business competitors in the rest of the world because we refuse to recognize some basic economic facts of life. In this case, unless we make it attractive to invest money in plant by establishing realistic depreciation rates, we are going to fall further behind.

Cumulative after-tax corporate profits have dropped from $36 billion in 1965 to $16 billion in constant dollars in 1974.

Retained earnings in 1974—a major source of capital—fell short of supporting additional productive capacity by an estimated $10 billion, according to our own Treasury Department.

Again, according to the Chase Bank, it is going to take twice as much capital to build America during the next 10 years, as it took the last decade—close to $4.1 trillion. Of this we can only hope to create—by way of profit—perhaps $2.6 trillion—or expressed in another way we will have a short fall of $400 million a day—everyday of the decade. Further, private domestic reinvestment last year represented only 15.7% of our GNP. In Germany this figure was 26%, in France 28% and in Japan 37%. This clearly indicates that even though our industrial plant is at least two years older than that of Europe or Japan, we are not even attempting to catch up.

Everyone in this room knows that depreciation rates are unrealistic. After seven years we can recapture less than 70% of our plant cost while Sweden permits 130%. In other words, in addition to more liberal depreciation allowances. Socialist Sweden factors in the real world of inflation. Ask yourself if you can replace your present telephone plant given a continuation of this policy.

Instead of addressing themselves to the root cause of our problems, the decline of the capital formation process, our politicians have shortsightedly catered to the so-called "have-nots"; responding to emotional appeals, they have inundated us with an incredible number of social desirable reforms that are realistically unattainable.

James Reston reported sometime in 1966 that there were 170 different federal aid programs on the books. They were financed by over 400 separate appropriations and administered by 21 federal departments and agencies. In turn, these were aided by 150 Washington bureaus and over 400 regional offices. To the average person this would have seemed quite enough, but apparently it was not and it has become abundantly clear that our legislators have not crossed the line of history; they do not accept the fact that the day of business pirates and robber barons has long since passed.

The noise from special interest groups and instant experts has overwhelmed the ability—or the desire—of Congress to make judgments on the facts. They have, therefore, ground out an incredible spate of antibusiness legislative acts. In the past decade there have been more than 60 pieces of legislation enacted by Congress affecting the manner in which businessmen can go about their business. Most of these carry very laudable titles, but are frequently counter-productive and defeat the very purpose for which they were designed.

This tells me that there can be only one of two answers. Either our law makers are skilled in self-deception, or they simply do not understand the economic crisis facing this nation.

In the interest of brevity, I will name only a few of the Acts placing constraints upon business. These are aimed at telling businessmen what they have to do, or, more often, what they may not do. They are attempts to legislate honesty and product quality into business. They also presuppose that the American people are basically not very bright or capable of exercising good judgment—an assumption with which I strongly disagree.

Here are some samples:

Consumers' Protection Safety Act;
Longshoreman and Harbor Workers' Act;
Fair Packaging and Labeling Act;
Manpower and Training Amendments;
Taxation of Foreign Securities and Traffic Safety Act;
Water Resources Planning;
Interest Equalization Tax;
Flammable Fabrics Act;
Truth in Lending;
Wholesale Meat Act;
Wholesale Poultry Products Act.

In 1973 and 1974 a Commission on Federal Paperwork was established. That takes its place with *Aesop's Fables* as prescribed reading for people interested in fairytales.

Federal standards for occupational safety and health were set. Amusingly enough, a recent investigation revealed 300 violations of their own rules in OSHA itself.

This list, of course, is much longer, and each of these legislative acts translates into paperwork for business. The language of the bills is often vague, and sometimes contradictory. They lend themselves to interpretations that are most frequently made in a capricious manner by the agencies that are responsible for compliance. Unhappily, the agencies are growing faster than the industries they oversee.

Almost every measure adopted to cure a social or economic problem has resulted in the opposite effect. The minimum wage bill has effectively prevented industry from giving employment to teenagers and particularly minority groups because of their corporate inability to pay.

Welfare policies of the '30s were rational and effective measures for temporary relief of competent people who were unemployed because of the Great Depression. In the '40s, when the crisis had passed, the Administrative agencies were still in existence. Being government creations, they could not be abandoned. In the '50s, when the influx of people to our large cities created a different problem, we used the same medicine and increased the helplessness and despair of the masses. When our failures were obvious—we doubled the budgets. The extravagant promises of a near term utopia and the failure of this promise to materialize has formed the basis for a kind of violence in our country that is as unfamiliar as it is frightening. We more often than not accept the bombings and acts of violence against our police as social statements of a frustrated minority and have lost our perspective with regard to the national goal of insuring "domestic tranquility."

The farm program, designed to save the small farmer has been used to subsidize the large, heavily industrialized farms.

Nothing I have said should suggest that I am inveighing against social programs. I am opposing the boondoggling, unrealistic extremes to which we have been driven. Let us do what we can, short of committing financial suicide and losing all in trying to do too much.

Medicare has been retailed to our citizens as a service that will cost them nothing. That is nonsense, of course, because a health service of this kind is simply prepaid medical care. Doctors, hospitals, medication, and so on, have to be paid for by somebody. Low income citizens have been led to expect this somebody will be somebody else—that the rich would foot the bill. But there never have been a sufficient number of rich people to support the burdens of so many social programs.

Peter Drucker observed that these planned programs are in effect taxation and compulsory savings that force everyone to pay for a service—whether he wants it or not. Our law makers have fostered the notion that they could somehow make the cost go away and produce something for nothing or at the expense of only an affluent minority. Applied to the local level, how do you think Mayor Beame feels about that idea now?

We are in this terrible difficulty because of the illusion that by the simple act of turning things over to the government, the problems will dissipate. Once our nasty businessmen had been effectively eliminated, all government decisions would be reasonable, automatic—and benevolent.

The fact is that the most despotic government at the turn of the century never dared to invade our private lives as income tax collectors do routinely. No mindless bureaucrat of that time could have conjured questionnaires that the federal government expects even the small businessman to fill out in the most useless and minute detail. With it all, government has become the largest employer in our society. This should be surprising because the record of the last four decades is scarred by the evidence of their inept performance. Growth is usually the result of efficiency. Apparently these rules do not apply to government. We are being subtly deprived of our liberties in return for short range cosmetic objectives.

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[1] Secretary William Simon, Address March 18, 1975 at Kansas State University.

In the 18th century, J. P. Curran said, "The condition upon which God has given liberty to man is eternal vigilance." We have become so slothful that gradual encroachment of our liberties has gone almost unnoticed. Since there are very few who are influenced by new theories after they reach maturity, the ideas of civil servants and politicians are unlikely to be relevant to current conditions in a world that has so radically changed in one generation.

What can we do about it?

First, we must realize that our problems are complex, deep and particular. They cannot be solved by simply turning them over to the government and forgetting them. There are only two things that government has the capacity to do: fight wars and spend money. Our politicians cannot solve the problem by simply reaffirming the ideals of our Founding Fathers. We are too caught up in the idea that there is an instant solution to every problem. Too many of us watch these instant solutions on our nightly TV programs.

We have lost sight of the fact that all life is some sort of struggle; our schools are partners in this deception. The educational system denies the value of hard work in education. The student grows up in an atmosphere where education must be turned into a game. Learning has to be fun—perferably played with audio-visual gadgets and group participation, directed by actors and comedians instead of teachers.

If our law makers believe that simply restating our aims without telling us how to reach the target is sufficient for their purpose, it may be enough for them—if their purpose is to get elected. But it is not enough for this nation. As their high sounding rhetoric falls easily from their lips, they seem to propose that our national goals appear on some sort of document which we have lost or mislaid. If we find this document we will have a road map that tells us how to proceed.

We seem to be looking for it in odd places. Perhaps it is graven on Mount Rushmore beneath the faces of some of our presidential greats. Or it might be lost in the archives of the Library of Congress and we need only to send a research assistant to find it and set us on our course.

I believe that the answer to our predicament is readily available to us—as long as we do not blind ourselves to the obvious failures that have resulted from our overweening desire to give everybody everything he wants, in lieu of creating a society in which needs are satisfied, within the limit of our resources—natural, creative and physical. We must balance these objectives with our ability to pay. Not when the millennium comes, but in a believable time-frame.

We cannot select as leaders people who follow the mob, for the mob obeys the logic of its own passions. Eric Hoffer said that "If a society is to preserve stability and a degree of continuity, it must know how to keep its adolescents from imposing their tastes, values and fantasies on every day life." By listening too long to those who tell us what to do and too little to those who counsel us on what we can do, we have spent ourselves into a paralysis compounded by bankruptcy.

Now we enjoy maximal leisure and minimal discipline. Instead of some mystical "fine tuning" of the economy, the solution is manifestly available to us. We must be prepared to sacrifice some short-term comforts in order to insure that the business community, which is the underpinning of our ability to provide our citizens with the things they can reasonably expect from life, is not the victim of impassioned rhetoric; that it is supported in its endeavor to do those things for which it is better equipped than government.

This means that the government should balance our social needs against the ability of our machinery to create productive jobs for our people; that they should recognize that it is a self-defeating exercise to issue $100 tax rebates, which in themselves may be taxable income at the state level; that encouraging business by a realistic forward-looking tax structure is in the last analysis the only answer; and that "fine tuning" the economy by competing in the capital markets with enormous issues of government paper is the sure road to destroying our productive potential. Gresham's Law is still valid. American industry is capital starved; many corporate balance sheets are shockingly weighted in debt. And yet, corporations are being forced to index into their future more and more debt at rates that have been pushed skyward by profligate government spending.

Since we seem to be doing all the wrong things, it is safe to assume that we don't know how to do the right things—or at the very least are unwilling to do them. It is indisputable that nothing so expediently discredits theory as practice. Theory is important, but it is not everything, and we cannot live by abstract theories alone.

The most immediate task before us is our need to face the reality of our situation. We cannot lose sight of the fact that it is *not* propaganda, illusion and sedatives that will permit us to climb out of this economic quicksand that imprisons us. It is the rekindling of the work ethic; it is understanding that changes are good only if the benefits to society exceed the costs; and above all, having the courage to say no when no is the right answer.

Talking to ourselves in this kind of forum is an exercise in frustration. I need not convince *you* that business is a bad word in Washington, in the media and in our schools. What is required now is a massive effort on our part to establish a means of communication with the public and the elected officials. It is incumbent upon *you* to develop ways of telling your employees how they are being sold a "bill of goods." You must enlist their aid in getting this message radiated to Congress.

When you vote, make sure you know how your candidate stands on the issues that affect you. Make certain, also, that you *see* your Senators and Representatives and let them know that you have a voice and that you are also included in the Bill of Rights. Encourage your employees to do likewise.

We can stop listening to our politicians who are pretending that our difficulties are temporary and will dissolve when shale oil runs out of our faucets—or that they will disappear through the passage of some short-term gimmicks like more social legislation paid for in funny money.

The challenge we face is in finding a midway which recognizes that an individual—up to a point—has the need to overcome difficulties in order to acquire a sense of accomplishment—not struggling as in a sweatshop, but also not in a lotus-eating environment. If we follow the latter course, there will soon be no more lotus to eat.

The foregoing program does not ensure that all of this will become clear to officialdom in one cosmic flash. Governments are not really "of the people, by the people and for the people"—that is utopian. It is unlikely that we can identify objectives shared by a whole society. It is uncertain that we can agree on universal aims—except in such vague terms as to be meaningless, such as "make everybody happy." It is probable that not everyone would share that aim, if indeed they could agree on what happiness was. Nevertheless, attempting to get your story across may establish the possibility that you have a future instead of insuring that you have no future at all.

Finally, if we continue to remain passive and to close our eyes to the spendthrift philosophies which are impaling us, we will have ignored the sage observation of that comic strip character Pogo, who said, "We have met the enemy and it is us."

Thank you.

ISRAELI SETTLEMENTS: OBSTACLES TO PEACE?

Mr. ABOUREZK. Mr. President, to those people who are concerned about a peace settlement in the Middle East, an article in today's Washington Post by Michael Adams is not only disconcerting but is further evidence of the real objective of Israel—retention of the territories taken from the Arabs by force. Mr. Adams' article makes it clear that all of the side issues, such as whether or not Israel will negotiate with the Palestinians, how many miles of the Sinai they will relinquish, et cetera, are just that—side issues. The Arab confrontation countries have stated time and again that they will not only recognize Israel within defined boundaries but that they will sign a peace treaty with Israel as well. And the Palestinians have made it known that they will accept a state of their own consisting of the West Bank and the Gaza Strip, provided the territories occupied by Israel since 1967 are returned. There has been knowledge of permanent settlements being built in the occupied territories for a long time now but such knowledge has been hidden from the American public by press coverage which is overly favorable to Israel.

Once Israel's objectives are made clear, as Mr. Adams' article has done, then it is clear what U.S. policy must be if our Government truly wants a settlement in the Middle East. And that policy option is to apply whatever pressure we have available, and we have a great deal available, directed toward the result of the return of the occupied territories to the Arabs from whom these territories were taken.

We are told that the Ford administration understands that this must be done. We are also told that Congress remains the obstacle. If that is true, then I would hope that every Member of Congress will consider the clarity with which Israel's real objectives have been stated by their own actions of building permanent settlements in the occupied territories.

Mr. President, I ask unanimous consent that the article entitled "Israeli Settlements: Obstacles to Peace?" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 28, 1975]

ISRAELI SETTLEMENTS: OBSTACLES TO PEACE?

(By Michael Adams)

Israelis and others who favor an eventual overall settlement in the Mideast are worried about the Israeli government's continued policy of establishing Jewish settlements in the occupied territories.

There are now more than 50 such settlements and, it is felt, to abandon these could be even more difficult psychologically and politically, for Prime Minister Rabin than giving up the Sinai passes. Indeed, the settlers who are carrying out this ambitious plan of colonization (the word is constantly used in Israel by both supporters and critics) make it very plain they are there to stay.

The most striking current developments are in northeastern Sinai. Last month I visited the complex of civilian settlements which is being created in the "Rafah approaches" with the express purpose of interposing a Jewish buffer between Egypt and the Palestinians in the Gaza Strip. Already four *moshavim* (agricultural cooperatives), each with a population of some 50 families, have been planted around the nucleus of the new city of Yamit, for which an eventual population of 250,000 is projected.

The fact that these are civilian settlements, although under the aegis of the Israeli military government in Sinai, is significant in terms of international law. Under the terms of Article 49 of the fourth Geneva Convention (to which Israel is a signatory), "the occupying Power shall not deport or transfer part of its own civilian population into the territory it occupies."

Elsewhere, and notably on the Golan Heights and the West Bank, the Israeli settlements are mostly *nahais*. There are paramilitary settlements where conscripts combine military and agricultural service in border areas, and it is possible for the Israeli government to argue that their presence is justified by considerations of "security."

No such claim could be sustained on behalf of the civilians who will be moving into the first 200 housing units at Yamit in about a month's time, or to those already in residence at Moshav Sadot, where the visitor gets a strong impression of permanence from the high-quality roads and buildings, among them a "community center" with an auditorium where on the day of my visit a play was being staged before an audience of several hundred people.

All this is in Egyptian Sinai, on land from which the Bedouin inhabitants have first to be expelled (the rump of the Arab village of Abu Shunnar survives precariously in a grove of palm trees between the prefabs of Yamit and the sea), causing vociferous protests from liberal elements inside Israel. The government overrode the protest and has allocated 67.6 million Israeli pounds (about $11 million) for the building of housing in Yamit and in the near-by Gaza Strip during 1975; of this, according to the newspaper Davar, 50 million Israeli pounds had already been spent by the beginning of April on Yamit alone.

When I asked a young immigrant from Canada, who was there with her small children, whether she did not feel that the presence of the settlers made nonsense of Israel's professed desire for a negotiated agreement with Egyptians, she shrugged her shoulders. These were questions for the politicians; as far as she was concerned, this was home and she liked it and there could be no question of leaving. Others reminded me of Mr. Rabin's recent statement: "We have not established settlements in order to abandon them."

Elsewhere in the occupied territories the pattern of colonization is only a little less ostentatious. In the Gaza Strip, three *kibbutzin* have been strategically placed to separate and control the main areas of Arab habitation. Overlooking Hebron, the Jewish settlement of Kiryat Arba now contains 250 apartments, with another 250 under construction—although the government is finding occupants for them and most of the existing residents in fact commute to work in Jerusalem, abandoning the industries specially established for them on the spot to Arab workers.

At Kfar Etzion, between Hebron and Bethlehem, a fourth settlement has been added to the three already established since 1967, and two or three miles farther north on the road to Bethlehem yet another is almost ready for occupation, although no mention has been made of it publicly.

Out of a score of earlier settlements on the West Bank, the majority are *nahals* strung along the Jordan valley but the latest and most controversial project is for the creation of an industrial zone at the site known as Maale Adumim between Jerusalem and Jericho. Here elaborate preparations are under way, in the form of road building, the leveling and clearance of the site, and the laying of water mains, for a major undertaking whose purpose seems to be the signal to the right-wing opposition in Israel that even here no withdrawal is contemplated.

On the Golan Heights, the original chain of *nahals* is gradually giving way to a pattern of civilian settlement, and work began in January of this year for the construction of a new town, with a projected population of 20,000, near Khushniyah in the central sector.

With more than 50 settlements already established and with the process of colonization accelerating throughout the Occupied Territories, many Israelis are easily unaware of the inconsistency between what their government is saying and what it is doing about reaching a political agreement with the Arabs. Lord Caradon, who visited Israel last month to explore the possibilities of such an agreement, has called these 50 settlements "50 signposts to destruction."

They are also 50 classic examples of the way the state of Israel has been constructed; but if the objective is to ensure the survival of the state itself, the Israelis will sooner or later have to abandon these outposts beyond their borders—even if it means reversing the course of Zionist history.

PRESIDENT FORD AND THE VETO POWER

Mr. PEARSON. Mr. President, since assuming the Presidency in August 1974, President Ford has made liberal use of the veto power. In the last 5 months of 1974, he vetoed 24 measures. So far this year, he has vetoed nine bills.

A number of the bills vetoed in 1974 by President Ford were relatively minor measures. And it is also apparent that in a number of cases, the Congress passed legislation which it fully expected the President to veto and in which it made no effort to override.

But the vetoes in 1975 have attracted a great deal of attention and have generated intense and often bitter debate. Most of these bills have been major pieces of legislation and the Congress has overridden only one of these nine vetoes.

In response to these vetoes, President Ford's critics in the Congress have assailed the President as being "veto happy" and exercising "veto tyranny." They have charged him with operating from a position of negativism and obstructionism and thwarting the will of the public. It has been declared that he has violated the promise at the time of his inauguration to work with the Congress in the spirit of cooperation and conciliation.

Mr. President, I have voted for a number of the bills which the President has vetoed, and I have sharply disagreed with the President on some of the vetoes. I know that I will likely disagree with him in the future. I certainly do not speak from a position of blind loyalty to the President. But putting these disagreements aside, it is my judgment that the President has used the veto in a responsible and effective way.

I do not agree with the critics that President Ford has abused the power of the veto; that he operates from a position of uncompromising negativism; that he is thwarting the public will.

Rather, I believe that he has used the veto, particularly during the 94th Congress, as a positive force for shaping national policies. The frequency of the vetoes clearly indicates sharp differences between the President and the Congress, but they do not reflect a policy of simple obstructionism on the part of the President. He has used the veto not to stymie the policymaking process but as a positive tool in changing the course of public policies.

Mr. President, a review of the veto messages of this year reveals a language of conciliation rather than a language of truculence. A review of the actions accompanying the vetoes also reveals a spirit of cooperation and willingness to compromise.

An analysis of the nine vetoes of this year shows that in virtually all cases he has either modified his own position; taken a series of administrative actions aimed at dealing with the problem addressed in the veto legislation; or spelled out very clearly the type of legislation which he believes is appropriate to deal with the problem at hand.

For example, in the case of two vetoes, the Emergency Employment Appropriations Act and the Emergency Housing Act, the President specified the type of legislation he considered to be responsive to the problem and consistent with budgetary limitations. In both cases, Congress quickly responded with new legislation that was acceptable to the President and the Hill.

Also, following the veto of the Emergency Housing Act, the President took administrative action aimed at stimulating the housing industry. In vetoing the farm bill, the President announced a series of administrative actions that had been taken to strengthen the farm economy and promised to raise the loan rate on grain should prices fall. Prices have not declined, and that action has not been necessary.

There were no follow up actions to his veto of the strip mining bill, but I believe the record shows that the President made an honest effort in a spirit of compromise to work with the Congress during the drafting of the legislation.

In the area of oil legislation, the President has used the veto and the threat of its use with particular effectiveness, and yet, I believe, in a conciliatory way.

In vetoing H.R. 1767, a measure denying him authority to impose oil import fees, the President announced his intention not to proceed with his earlier stated time table so that the Congress would have more time to come up with an energy program of its own. And soon after vetoing H.R. 4035, the President submitted to the Congress a new oil pricing plan which I believe represents a major compromise from his earlier position.

Mr. President, I ask unanimous consent that a staff analysis of the nine vetoes of the 94th Congress be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. PEARSON. Mr. President, the bulk of the vetoes have evolved around the issues of energy and spending.

On the issue of energy, President Ford has made it very clear that he believes we are confronted with a problem of major magnitude for which there are no simple, painless solutions. He also believes firmly that we must deal with it quickly, that further procrastination will simply result in greater problems. It is also clear that he has decided that the best course of action is to rely to the maximum extent possible on the operation of the free market to help work ourselves through the problem. In short, he has said, here is the problem, it is serious, it must be dealt with quickly, here is how we ought to do it.

In the Congress, on the other hand, many seem to doubt the seriousness of the problem, many more feel no sense of urgency in dealing with the problem, and, certainly the Congress as a whole has not demonstrated the capacity to date to come up with a clear-cut comprehensive response to the President's initiatives.

This type of situation generates serious confrontations and intense struggles. And in this struggle, I believe the President has used the veto and the threat of its use not to bludgeon but to prod, not to dictate but to promote compromise.

In the area of spending, the President has again made his position very clear. He believes very firmly that the deficit should be kept in the neighborhood of $60 billion. He has so advised the Congress and the American people. It should come as no surprise that he has and probably will continue to veto measures that go beyond that limit. The Congress may well override the President on the issue of spending, but I believe the President has shown and will continue to show flexibility in this area and I am convinced that his position is dictated by an honest belief that excessive spending will do excessive damage to the economy in the form of future inflation rather than an obstructionist attitude toward new social initiatives.

President Ford is Republican, and the Congress is Democratic, and by an overwhelming margin. Inevitably, this will mean continued conflict between the President and the Congress. There will be more vetoes. But as both the Congress and the President develop a better sense of their own respective strengths, I would anticipate that the frequency with which the veto is exercised will be reduced. For its part, I think that the Democratic leadership in the Congress has recognized that despite its overwhelming numerical majority, it cannot, at will, overpower the President on issues which he feels deeply and strongly about. On the other hand, I am sure that the President recognizes that he must exercise caution lest he lose the credibility that he now enjoys.

Finally, I would observe that in recent months, opinion polls show that the public support for the President has been increasing while the public opinion of the performance of the Congress has declined, and rather sharply. I suggest that one factor here is that the voters believe he has used the veto responsibly and that they also believe, on the other hand, that in a number of instances the Congress has acted irresponsibly.

EXHIBIT 1

PRESIDENT FORD'S VETOES AND RELATED ACTIONS—94TH CONGRESS, 1ST SESSION—1975

VETO NO. 1—H.R. 1767 (OIL IMPORT FEES INCREASE)

Background: On January 23, 1975, President Ford by proclamation had used the stand-by authority provided by the Congress under section 232 of Trade Expansion Act of 1962 to apply an additional $1-per-barrel import fee on most foreign oil coming into the U.S., beginning February 1 and increasing to $2 on March 1 and $3 on April 1.

Legislation: By February 19, 1975, both Houses of Congress had passed H.R. 1767 which (1) temporarily suspended for 90 days (beginning on enactment) Presidential authority to adjust imports of petroleum and petroleum products and (2) negated any Presidential action to so adjust petroleum imports taken after January 15, 1975, including above proclamation.

Veto: March 4, 1975, President Ford vetoed H.R. 1767.

Related Actions: However, in the spirit of "cooperation and compromise," the President also took the following actions:

(1) After being asked by the majority leaders of the Senate and the House on February 28, 1975, to delay further scheduled increases in the import fees on foreign oil for 60 days, on March 4, 1975, the President modified his previous proclamation to delay any further increases until May 1, 1975. This was done in order to give the Congress time to act on his energy recommendations.

(2) Also on March 4, 1975, the President directed the Administrator of FEA to use existing legal authorities to adjust the price increases for petroleum products (caused by the additional import fee) so that the added costs would be equitably distributed between gasoline prices and the prices for other petroleum products, such as heating oil. These adjustments were not to be permanent and would be phased out.

(3) Further, in his veto message of March 4, he announced that he was proposing, to assist farmers, a further tax measure that would rebate all of the increased fuel costs from the new import fees for off-road farm use. This particular rebate program also would be phased out and would be retroactive to date of new import fee schedule, substantially lessening the adverse economic impact on agricultural production and reducing price increases in agricultural products.

(4) On April 30, 1975, in order "to continue the spirit of compromise with the Congress" on this issue, the President again delayed further increases in the import fees for another 30 days (until June 1, 1975), although during the first 60-day period "neither the House nor Senate . . . [had] passed one significant energy measure acceptable to the Administration. . . ."

(5) On May 27, 1975, after further Congressional inaction, the President did impose a further increase in import fees on petroleum and petroleum products, effective June 1, 1975.

Congressional Veto Action: No attempt to override.

VETO NO. 2—H.R. 4296 (1975 FARM BILL)

Legislation: By April 22, 1975, both Houses of Congress had passed H.R. 4296, Amendments to Agriculture Adjustment Act of 1949. This bill (1975 Farm Bill) provided: (1) Increases for 1975 for target prices of wheat by $1.05 per bushel, corn by $0.87 per bushel, and upland cotton by $0.07 per pound. (2) Increases for 1975 loan levels for wheat by $1.05 per bushel, corn by $0.87 per bushel, and upland cotton by $0.04 per pound. (3) For period 1975–1977, nonrecourse loans available for 18 months for cotton, wheat, corn, and other feed grains. (4) Loan and purchase program available to soybean producers for 1975 crop by a formula which would set loan level for No. 1 grade soybeans at $3.94 per bushel. (5) Establishment of support price of manufacturing milk at not less than 80 percent of parity price therefor beginning with enactment and ending March 31, 1976; and beginning with second quarter of 1975, the established support price for milk to be adjusted quarterly to reflect prices paid by farmers for production items interest, taxes, and wage rates. (6) Rate of interest on commodity loans for 1975 crop made by the Commodity Credit Corporation to be established quarterly on basis of lowest interest rate paid by U.S. Treasury.

Veto: May 1, 1975, President Ford vetoed H.R. 4296, stating that approval of bill was not in the public interest because it was an example of "increased non-essential spending," and would undermine the successful market-oriented farm policy adopted by Administration and Congress.

Related Actions: In his veto message of May 1, 1975, the President listed a number of positive steps taken by the Executive in recognition that some farmers had experienced financial difficulties due to the cost-price squeeze: (1) Increase in the 1976 wheat acreage allotment by 8 million acres to 61.6 million acres, providing wheat producers with additional market price and disaster protection. (2) Increase in the 1975 crop cotton price support loan rate by 9 cents per pound. (3) Increase in the price support level for milk. (4) Recently completed negotiations with the European Community to remove the export subsidies on industrial cheese coming to U.S., a step ensuring that surplus dairy products would not be sold in the U.S. market at cut-rate prices; at same time, arrangements worked out to enable Europeans to continue selling U.S. high-quality table cheeses, enabling U.S. to keep on mutually agreeable trading terms with our best customers for American farm exports. (5) Negotiations by State Department on agreements with 12 countries limiting their 1975 exports of beef to this country in order to protect U.S. cattle producers against a potential flood of beef imports from abroad.

Also, in the same message, President promised that, ". . . if unforeseen price deterioration requires action . . .," he would direct the Secretary of Agriculture "to make adjustments in price support loan rates for wheat, corn, soybeans, and other feed grains."

Congressional Veto Action: House SUSTAINED Presidential veto on May 13, 1975, by vote of *245* Yeas to *182* Nays, two-thirds not having voted to override.

VETO NO. 3—H.R. 25 (STRIP MINING)

Background: On December 30, 1974, the President had pocket vetoed S. 245 from the 93d Congress, 2d Session, a bill to regulate strip mining for coal and the reclamation of mined lands. Early in the 94th Congress the Administration had sent draft legislation to the Congress incorporating its recommendations for a strip mining bill.

Legislation: By May 9, 1975, both Houses of the Congress had passed and sent to the President a new strip mining bill, H.R. 25. This legislation set minimum State standards for control and reclamation of surface coal mining operations and provided that when States failed to regulate and control such mining, Federal programs would be instituted. Also, bill set minimum environmental and ecological standards on both

Federal and State lands for coal surface mining.

Veto: On May 20, 1975, President Ford vetoed H.R. 25, stating that he did so because: (1) as many as 36,000 people would lose jobs at a time when unemployment already was too high; (2) consumers would pay higher costs—particularly for electric bills—when consumer costs were already too high; (3) the Nation would be made more dependent on foreign oil at a time when it was already overly dependent on foreign oil at a time when it was already overly dependent and dangerously vulnerable; and (4) coal production would be unnecessarily reduced at a time when this vital domestic energy resource was needed more than ever.

Related Actions: Although there were no concrete actions taken by the President after his veto of H.R. 25 which can be pointed out, the Administration had worked closely with the Congress, "in the spirit of compromise," during the legislative progress of the bill in the 94th Congress. As the President noted in his veto message, "My Administration has worked hard with the Congress to try to develop an acceptable surface mining bill and other energy programs which could, when taken together, enable us to reduce energy imports and meet environmental objectives. While the Congress accepted in H.R. 25 some of my proposals, it rejected others necessary to reduce the adverse impact on coal production and to clarify various provisions of the legislation to make it precise and more workable. . . . The bill I sent to the Congress in February would have also entailed production losses estimated between 33 and 80 million tons. Even though these losses would have been substantial, we could have accepted them if Congress had enacted the comprehensive energy program I proposed. But, now the potential losses of H.R. 25 are intolerable."

Congressional Veto Action: House sustained Presidential veto on June 10, 1975, by vote of *278* Yeas to *143* Nays (1 voting "present"), two-thirds not having voted to override.

VETO NO. 4—H.R. 4481 (EMERGENCY EMPLOYMENT APPROPRIATIONS)

Background: Early in 1975, the President had asked the Congress for legislation to deal with the Nation's most immediate employment problems through an extension of public service jobs and a program of summer youth employment.

Legislation: By May 16, 1975, both Houses of the Congress had passed an unusual and unique appropriation measure, H.R. 4481, Emergency Employment Appropriations, to provide for the emergency acceleration of existing Federal programs and projects in order to help increase employment opportunities throughout the Nation. The total moneys in the bill: $5.3 billion, including $485 million for direct and insured loans and $92.3 million for liquidation of contract authority.

Veto: On May 28, 1975, President Ford vetoed this legislation because it was ". . . not an effective response to the unemployment problem" and it ". . . would exacerbate both budgetary and economic pressures, and its chief impact would be felt long after . . . [the] current unemployment problems . . ." were expected to subside. The Congress had taken a simple, straightforward and specific proposal and turned it into a bill containing a host of provisions of questionable value. The bill authorized spending of $3.3 billion ABOVE the President's budget requests, and almost half of the spending would occur in FY 1976 and calendar year 1977, long after the economy recovery was expected to be underway at the end of calendar year 1975. This bill, combined with others pending in the Congress, would increase the FY 1976 deficit to $100 billion or more.

Related Actions: The President had previously proposed and the Congress had enacted a major tax cut to help overcome the recession and high unemployment. On March 29, 1975, when the President signed this tax cut legislation into law, he had stressed the need to keep the 1976 deficit below $60 billion. Also, he had proposed an extension of unemployment compensation benefits, together with increases. These had been included in H.R. 4481, along with the many other provisions. In his veto message on May 28, 1975, he again called for extension of unemployment compensation benefits and a bill "that will provide the funds . . . recommended for immediate and temporary employment through the public sector and summer youth jobs." (H.J. Res. 492, FY 1975 supplemental appropriations for summer youth employment, was signed into P.L. 94-36 by the President on June 16, 1975; H.R. 6900, proposed Emergency Compensation and Special Unemployment Assistance Extension Act, was signed into P.L. 94-45 by the President on June 30, 1975.)

Congressional Veto Action: House SUSTAINED Presidential veto on June 4, 1975, by vote of *277* Yeas to *145* Nays, two-thirds not having voted to override.

VETO NO. 5—H.R. 5357 (PROMOTION OF TOURIST TRAVEL)

Legislation: By May 15, 1975, both Houses of Congress had passed H.R. 5357, authorizing appropriations totalling $98,125,000 to the Secretary of Commerce for the promotion of tourist travel. The bill reinstituted in the Department of Commerce a domestic tourism program to encourage Americans to travel within the U.S., and authorized $90 million for period July 1, 1976, through September 30, 1979, for continuation and expansion of current program of U.S. Travel Service to promote and facilitate foreign tourism in the U.S.

(Although H.R. 5357 had passed the House on May 13, 1975, by a recorded vote of 287 Yeas to 132 Nays, the measure passed the Senate on a voice vote on May 15, 1975, after the Commerce Committee, at its own request, had been discharged from further consideration of the bill.)

Veto: On May 28, 1975, the President vetoed this legislation because: (1) the promotion and management of domestic tourism should remain the responsibility of the private sector and the Administration had opposed the reinstatement of a domestic tourism program; and (2) the Administration had proposed an extension of the existing foreign tourism program in the U.S. through FY 1979 at an annual authorization level of $15 million, but felt the amounts in the bill were excessive.

Related Actions: None.

Congressional Veto Action: No attempt to override.

VETO NO. 6—H.R. 4485 (EMERGENCY HOUSING ACT OF 1975)

Background: In his Economic Message to the Congress on October 8, 1974, shortly after taking office, the President urged passage of the Emergency Home Purchase Assistance Act, the so-called Brooke-Cranston bill. This legislation was quickly passed by the Congress, extending the GNMA mortgage purchase authority to include home loans not federally insured—so-called "conventional" mortgages. Since October 1974, $9 billion has been committed by GNMA to purchase mortgages with below market interest rates. Also, in his 1976 Budget Request, President Ford proposed Federal support for 400,000 units of housing under the new Lower Income Housing Assistance Program; and Congress enacted and the President signed into law (in the tax cut bill) a tax credit for buyers of unsold housing at a cost of $750 million.

Legislation: By June 11, 1975, both Houses of Congress had passed and sent to the President H.R. 4485, the Emergency Housing Act of 1975. This bill contained three new housing subsidies: (1) $1,000 homeownership grants, (2) subsidy payments, to be phased out over 6 years, which could reduce mortgage interest rates to 6 percent, and (3) a mortgage purchase assistance program with interest rates set at 7 percent. Depending upon the choice a buyer made, subsidies would be worth up to $3,000, or in some situations as high as $6,500. The bill also extended the deep homeowner interest subsidies (Section 235) which Congress last year had decided to phase out; extended and expanded the rehabilitation loan program which last year was consolidated into the community development block grant program; diverted rental assistance funds from the newly-authorized program of lower income rental housing (Section 8); and authorized HUD to make repayable mortgage relief payments to homeowners whose incomes have been substantially reduced, designed to prevent the loss of homeownership for families who are unable to make full mortgage payments.

Veto: On June 24, 1975, the President vetoed H.R. 4485. He stated that he did so because of its cost, ineffectiveness, and delayed stimulus which would damage the housing industry and the economy. He also noted that it could not be implemented without substantial delay; was in some respects inequitable; had long-term impacts and implications inappropriate and undesirable for an "emergency" measure; made a number of undesirable changes in housing and community development laws; and its foreclosure provision relied unnecessarily upon government funding and administration.

Related Actions: In his veto message, in order to reaffirm his commitments to a prompt recovery of the housing industry, to getting construction workers back to work, and to support existing Federal mortgage assistance program, the President: (1) asked Congress to extend the Emergency Home Purchase Assistance Act beyond its October 1975 expiration date and for its expansion to cover conventionally financed multi-family housing, including condominiums; (2) announced that he was directing the release of the remaining $2 billion in such funds and requesting Congress to authorize another $7.75 billion in such assistance for housing; and (3) made it clear that he would support a workable plan to prevent mortgage foreclosures for homeowners who are out of work. (H.R. 5398, a new Emergency Housing Act of 1975, was signed into law on July 2, 1975. This bill incorporates a modified program more along the lines of what the President had suggested in his veto message.)

Congressional Veto Action: House sustained Presidential veto on June 25, 1975, by vote of 268 Yeas to 157 Nays, two-thirds not having voted to override.

VETO NO. 7—H.R. 4037 (PETROLEUM PRICE REVIEW ACT)

Background: On August 31, 1975, the Emergency Petroleum Allocation Act of 1973 will expire. That Act requires the control of oil distribution throughout the U.S. and of prices on "old" oil at a ceiling of $5.25 per barrel. So-called "old" oil is oil produced from wells in operation before December 31, 1972, not in excess of 1972 production levels. It accounts for 60 percent of domestic oil production. Unless the Act is extended, after August 31, 1975, all oil prices would be decontrolled and would rise abruptly. ("New" oil—oil produced from wells drilled after January 1, 1973, or from old wells in excess of 1972 production levels—has not been under price controls. It accounts for the other 40 percent of domestic production and has been selling at about $13.00 per barrel.)

In his State of the Union Message, President Ford proposed immediate and total decontrol of all domestic prices by April 1975. However, the Congress has not agreed with this and has attempted to extend the provisions of the Emergency Petroleum Allocation Act beyond its expiration in a number of ways.

On July 16, 1975, President Ford sent to the Congress a plan to phase out controls on "old" domestic oil over 30 months and proposed a ceiling on the price of "new" domestic oil (other than oil from stripper wells—those producing less than 10 barrels per day) for that same 30-month period at $13.50 per barrel. In this message, he also called for enactment of energy taxes including a windfall profits tax (with appropriate plowback provisions) and extension of the Emergency Petroleum Allocation Act to implement his decontrol plan. Under provisions of the Emergency Petroleum Allocation Act—still in effect until August 31—either House of Congress has five working days in which to disapprove a decontrol plan by majority vote. Otherwise, it would go into effect.

The July 16 plan would have gradually removed price controls from "old" oil over a 30-month period beginning August 1 of this year and ending in January 1978. Each month the amount of oil presently under controls would be decreased by an additional 3.3 percent of a decontrol base production level (which is the average monthly production of old oil during April, May and June of this year). No oil for this 30-month period (except oil from stripper wells) could be sold for more than $13.50 per barrel. After the 30-month period, there would be no price controls on any domestically-produced oil.

Legislation: By July 17, 1975, both Houses of Congress had passed and sent to the President H.R. 4035, the Petroleum Price Review Act. This bill, which passed the Senate as S. 621, basically did the following: (1) Extended the Emergency Petroleum Allocation Act for 4 months—until December 31, 1975, (2) which meant the retention of the $5.25 per barrel ceiling on "old" oil prices, (3) placed "new" oil under price controls at $11.28 per barrel for the first time, (4) repealed the "stripper wells" exemption from price controls, and (5) continued the coal conversion authorities in the ESEC Act until December 31, 1975.

Veto: On July 21, 1975, President Ford vetoed this legislation, which flew directly in the face of his July 16 proposal. He stated that he vetoed the bill because it: (1) would increase petroleum consumption, (2) cut domestic production, (3) increase reliance on insecure petroleum imports, and (4) avoid the issue of phasing out unwieldy price controls. He said, "For too long, the Nation has been without an energy policy, and I cannot approve a drift into greater energy dependence."

Related Actions: In his veto message he reminded Congress of his July 16 compromise plan. He said that if Congress acted on this compromise and on other Administration proposed energy taxes, including the "windfall profits" tax and energy tax rebates to consumers, the burden of decontrol would be fairly shared. He also urged Congress not to disapprove his administrative plan of decontrol and promised that, if it were accepted, he would in turn accept a simple extension of price and allocation authorities. He reminded the Congress, however, that if it were not accepted, one alternative which remained to him would be to veto even a simple extension of the Emergency Petroleum Allocation Act, implying that thereby on August 31, 1975, all oil would be decontrolled anyway.

On a related issue in the vetoed bill—the coal conversion authorities contained in last year's Energy Supply and Environmental Coordination Act which had expired June 30, 1975, and which had been extended until December 31, 1975, by H.R. 4035—he noted that this extension had been requested by the Administration and urged "rapid enactment of a simple one year extension."

In regard to his July 16 plan, on July 22 the House passed, by 262 Yeas to 167 Nays, H. Res. 605, which disapproved (and thereby killed) the President's proposal for a gradual 30-month decontrol of domestically-produced oil prices.

However, "in the effort to break the deadlock on energy legislation prior to the August Congressional recess," on July 25, 1975, the President submitted to the Congress his second Administrative decontrol program. He said, "This Nation desperately needs cooperation, not confrontation, on the critical energy issue. The new compromise decontrol plan I propose will answer the legitimate concerns raised by Members of the Congress during the lengthy discussions which have been held on this problem." The President noted that, after Congress had rejected his plan, he was faced with two choices: "to either veto the proposed extension of price controls [S. 1849, a simple 6-month extension of the Emergency Petroleum Allocation Act until March 1, 1975, which passed the Senate on July 15, 1975, and is presently pending in the House] scheduled to expire August 31 or seek a compromise with the Congress." He further urged the Congress to accept his new program and "simultaneously enact a simple three-month extension of the law. To achieve energy independence, the Congress and the President must work together on this and other parts of my comprehensive energy program . . . so that we can get on with the solution of this most pressing problem."

The July 25 plan would gradually remove price controls from "old" oil over a 39-month period beginning September 1 and ending in November 1978. Under the plan, the amount of oil under controls would be decreased by an additional 1.5 percent per month of a decontrol base production level (which is the average monthly production of old oil during April, May, and June of this year) for the first time beginning September 1, 1975; 2.5 percent per month for the second year; and 3.5 percent per month for the remaining 15 months. No oil for this 39-month period (except oil from stripper wells) could be sold initially for more than $11.50 per barrel, increasing 5 cents per month beginning October 1, 1975. After the 39-month period, all price controls on domestically-produced oil would be removed. Either House of Congress now has five working days in which to disapprove this second plan to keep it from taking effect.

Congressional Veto Action: NO ATTEMPT TO OVERRIDE.

VETO NO. 8—H.R. 5901 (EDUCATION DIVISION AND RELATED AGENCIES APPROPRIATION, 1976)

Legislation: By July 18, 1975, both Houses of Congress had passed and sent to the President H.R. 5901, the Education Division and Related Agency Appropriation Act, 1976, the first appropriations bill to be sent to the President for fiscal year 1976. It carried a total appropriation for fiscal year 1976 of $7,480,312,952 and for the transition period of $464,683,000.

Veto: On July 25, 1975, President Ford vetoed this bill stating: "This is the first regular appropriation bill passed by the Congress this year and it provides $7.9 billion, $1.5 billion more than I requested. Earlier this year, I drew a line on the budget deficit for fiscal year 1976 at $60 billion. That line is considerably higher than I would like. On May 14, the Congress drew its own line on the deficit at $69 billion. But now, the Congress' own July 21 budget scorekeeping report estimates a possible deficit this year of $83.6 billion. I cannot, in good conscience, support such a deficit. . . ." Noting that his original budget recommendation was not the only one acceptable, he said he believed major reductions must be made in this bill which Congress could substantially achieve by simply accepting his recommendations for impact aid and higher education. "In these two areas alone," he remarked, "Congress . . . added $913 million to my proposals."

The President then said, "Taken as a whole this appropriation bill is too much to ask the taxpayers—and our economy—to bear."

Related Action: In the first part of his veto message, the President reminded the Congress: "Throughout my public life, I believed—and still believe—that education is one of the foundation stones of our republic. But that is not the issue in this appropriation bill. The real issue is whether we are going to impose fiscal discipline on ourselves or whether we are going to spend ourselves into fiscal insolvency." He ended his message by saying: "I urge the Congress to sustain my veto of this bill and then we can work together—as we have before—to achieve a responsible compromise."

Congressional Veto Action: The House, on July 25, postponed further consideration of the veto until Tuesday, September 9, 1975. Since H.R. 5901 is an appropriation bill and originated in the House, the Senate cannot act until the House has acted.

VETO NO. 9—S. 66 (NURSES TRAINING & HEALTH REVENUE SHARING & HEALTH SERVICES ACT OF 1975)

Background: On December 23, 1974, the President had pocket vetoed H.R. 14214, the Health Revenue Sharing and Health Services Act (see Veto No. 15, Part I); and on January 2, 1975, he had pocket vetoed H.R. 17085, Nurses Training (see Veto No. 19, Part I).

Legislation: By July 16, 1975, both Houses had passed and sent to the President one bill, S. 66, which was pratically identical to the two bills vetoed above from the 93rd Congress. For nurses training the bill provided $568 million and for the other two areas it provided $1,422 million.

Veto: On July 26, 1975, President Ford vetoed this legislation for the same reasons he had vetoed the two bills in the 93d Congress. He noted that, in considering S. 66, "the 94th Congress made some reductions in the total cost of the measure. However, the levels authorized are still far in excess of the amounts we can afford for these programs. The bill would authorize almost $550 million above my fiscal year 1976 budget request for the programs involved, and it exceeds fiscal year 1977 levels by approximately the same amount, resulting in a total increase of $1.1 billion. At a time when the overall Federal deficit is estimated at $60 billion, proposed authorization levels such as these cannot be tolerated." Also, he pointed out that S. 66 was unsound from a program standpoint.

Related Action: In his veto message he also pointed out that H.R. 4819 and S. 1203, administration bills submitted to the 94th Congress, "would consolidate various separate programs into the flexible project grant authority of the Public Health Service Act to allow funding of a wide variety of health services projects based on State and local needs" rather than create new narrow categorical programs as does S. 66. He closed by saying: "Good health care and the availability of health personnel to administer that care are obviously of great importance. I share with the Congress the desire to improve the Nation's health care. I am convinced that legislation can be devised to accomplish our common objectives which does not adversely affect our efforts to restrain the budget or inappropriately structure our health care system. I urge the Congress to pass such legislation, using the bills I have endorsed as the starting point in such deliberations."

Congressional Veto Action: Senate overrode the veto on July 26, 1975, by a vote of 67 Yeas to 15 Nays; House still has not taken action on the veto.

PROTECTING THE MINNESOTA RIVER

Mr. MONDALE. Mr. President, on July 11, I introduced a bill which was cosponsored by Senator HUMPHREY to establish a Minnesota Valley Wildlife Recreation Area. This measure has been referred to the Senate Commerce Committee where I am hopeful it will receive prompt consideration. As evidence of the support for action to safeguard this important scenic and wildlife resource, I ask unanimous consent that an editorial from Sunday's edition of the Minneapolis Tribune, entitled "Protecting the Minnesota River" be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

PROTECTING THE MINNESOTA RIVER

We hope Congress moves quickly to approve the Mondale-Humphrey bill to establish a national wildlife refuge and recreation area in the lower Minnesota River Valley—the final 25-mile stretch of the river. Though only a small portion of the valley between Carver, where the river's flood plain begins, and Fort Snelling State Park, where the river joins the Mississippi, has been lost to development, close to half of it is zoned commercial or industrial.

The Mondale-Humphrey bill would authorize the U.S. Fish and Wildlife Service to create a 9,540-acre wildlife refuge composed of nine separate units within the boundaries of the proposed wildlife recreation area. The fish and wildlife service would have exclusive responsibility for management of the refuge, while management of the larger recreation area would be coordinated under a comprehensive plan to be developed jointly by federal, state and local government agencies within two years of enactment of the bill.

The measure would assist state and local preservation efforts by providing federal funds for up to 60 percent of the cost of acquisition of land and easements. Navigation on the Minnesota would not be affected by the bill, nor would the industrialized areas in Burnsville, Chaska, Shakopee and Savage. The main focus of protection would be on "areas in the flood plain whose primary value lies in their richness as a wildlife resource."

If the valley's fast-dwindling touches of nature are saved, credit must go to the enterprising citizens—now joined in the Lower Minnesota River Valley Citizens' Committee—who began the preservation effort two years ago. It was their efforts that convinced the U.S. Fish and Wildlife Service of the value of creating a wildlife and recreation area in the valley and their efforts that persuaded Sens. Mondale and Humphrey to push for congressional action.

It is, as Marialice Seal, co-chairman of the citizens' committee says, "a very rare thing for a major city to have this beautiful and rich river running right through and available by bus." Now it is up to Congress to complete the work citizens have stated and secure what could be—on the very doorstep of the Twin Cities—a thing of lasting beauty and value.

PROMOTING THE INTERESTS OF AMERICAN BUSINESS

Mr. CURTIS. Mr. President, one of the keys to economic growth is a strong, viable business sector. More business means more jobs, higher salaries and wages, and a more stable future. Congress has helped sustain this growth through the enactment of certain tax incentives, for example, which enable businesses to invest in new machinery and equipment.

The distinguished senior Senator from Pennsylvania (Mr. SCOTT) is a friend of the businessman and his record proves it. As ranking Republican member on the Senate Finance Committee, I have noted his legislative and voting record to promote the interests of American business. I ask unanimous consent that Senator SCOTT's legislative activities be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD. as follows:

AMERICAN BUSINESS—94TH CONGRESS

Legislation

S. 1124—a bill to amend the Small Business Act to assist in the financing of small business concerns owned by persons who are disadvantaged because of certain social or economic considerations.

S. Res. 104—a resolution relative to Select Committee on Small Business.

S. Res. 181—a resolution to elect a Senator to Select Committee on Small Business.

Votes

Voted for Council on Wage and Price Stability Act amendments of 1975.

AMERICAN BUSINESS—93D CONGRESS

Legislation

S. 804—a bill to further improve assistance to small business concerns in financing, structural, operational or other changes to meet standards required pursuant to law.

S. 1415—a bill to assist in the financing of small business concerns which are disadvantaged because of certain social or economic considerations not generally applicable to other business enterprises.

S. 2136—a bill to extend the St. Lawrence Seaway—Great Lakes navigational season demonstration program for another 2½ years.

S. Con. Res. 11—a bill to express a national policy with respect to support of the United States fishing industry.

Votes

Voted for Economic Stabilization Act Amendments of 1973.

Voted for Labor-Management Relations Act Amendments.

Voted for amendment to provide loans to small business concerns for adjustment assistance as a result of base closings.

Voted for Small Business Act Amendments.

Voted for amendment to prevent unfair competitive practices in the manufacturing and marketing of petroleum products.

Voted for Antitrust Procedures and Penalties Act.

Voted for Fair Labor Standards Amendments of 1974.

Voted for Export-Import Bank Amendments of 1974.

GET THE GUNS OFF THE STREETS

Mr. KENNEDY. Mr. President, I would like to bring to the attention of my colleagues an editorial which appeared in the Washington Star on Thursday, July 24 and an article written by Jimmy Breslin, which was published in the Washington Star on Wednesday, July 23. Because of the broad interest in, and the continuous need to know the facts concerning handgun crime, I ask unanimous consent that these articles be printed in the RECORD.

Again, I express my deep concern for the handgun victim. We must take action to protect innocent people from being gunned down.

The July 23 article by Jimmy Breslin, traces the handgun used to kill Kenneth Washington, a young 14-year-old newspaper carrier as that gun traveled from the manufacturer to the killer. Mr. Breslin provocatively arouses the reader's interest in the dilemma faced by those who legitimately possess handguns and those who will take any course to obtain a gun for use in crime. The gun in Breslin's story is unique because it took the life of an innocent young Washingtonian who was in no way connected with the original owner or with the person charged with the shooting.

The July 24 editorial is an indictment of the lack of congressional action on gun control. The editorial clearly establishes that it is time for the Congress to take into account the public demand to get the guns off the streets.

I firmly believe we can afford inaction on guns no longer. Mr. President, I commend both of these articles to the Senate and I ask unanimous consent that they be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Star News, July 23, 1975]

THE SERIALIZED REGISTERED GUN THAT KILLED A 14-YEAR-OLD BOY

(By Jimmy Breslin)

On May 11, 1974, there arrived at the main office of Irving's Sports Shops, Inc., in the Far Northeast section of Washington, a United Parcel Service package, wrapped in plain brown paper and bearing the return address of JSC, Inc., Route 1, Olyphant, Pa. The package was received by John Chapman, the chief gun buyer for the nine Irving's stores in the Washington area. The package contained a Smith and Wesson Model 64, serial number D 524738. This is a stainless steel .38, a highly desirable weapon, according to Chapman, because after being used the gun can be washed under a faucet. "All the parts are stainless steel, you take care of it just like silverware," Chapman says.

The gun had been manufactured at the main Smith and Wesson plant in Springfield, Mass. It then had been sent to a distributor, Jerry's Sports Center, in Olyphant, Pa. Jerry's ships its orders out in plain brown paper and with the "JSC" initials in order to help keep the contents unrecognizable.

The gun was placed in the Irving's shop in the Landover, Md., Mall. All other stores were advised that this "unique" gun was in stock, but it was to be moved from Irving's Store at Landover only if one of the other stores had a definite customer.

On Aug. 26, Oscar Jackson came into the Irving's Sports Shop downtown store on the corner of 10th and E Streets, across the street from an entrance to the hulking new FBI building. Jackson owns a tavern, the Manhattan Cafe, on 18th Street and U, in the crime-racked upper Northwest section of the city. Jackson felt unprotected without a gun in the bar. When the salesman at Irving's downtown store, Don Fogel, told Jackson about the Smith and Wesson Model 64, Jackson placed a deposit. Fogel had the gun brought by delivery truck from the Landover store, and Jackson went to the District of Columbia Police and filed for permission to buy the gun.

There are over 58,000 registered handguns in the District of Columbia. Upon filing for purchase of a gun, a person is fingerprinted and his background checked for insanity, alcoholism and convictions. Police say they also call a person's spouse to see if purchase of a gun would cause marital complications. On Oct. 15, 1974, Oscar Jackson, certified, registered, paid the balance on the $140 purchase and walked out of Irving's store with the gun and a box of bullets.

He says he fired the gun once. Where did he fire it? "Around someplace, just to see if it worked," Jackson says. He then placed the gun in a cabinet underneath the back bar of the Manhattan Cafe, a small place where pleasantness is disturbed by the continual droning of a color television set over the bar. The gun remained in the cabinet, Jackson never finding himself in need of it. There are many holdups in the area, a food store around the corner has been held up five times, Jackson says, but his bar has escaped violence.

On January 24, 1975, Jackson closed the Manhattan at two a.m. When the day barmaid, Helen Queen, arrived at 8:15 a.m., she found the cabinet under the back bar had been broken into. The hinges had been taken off. In the men's room, a window had been taken out. Helen Queen called Jackson and he got out of bed and came to his bar. He found missing a brown metal box containing $500 and rolls of change, cartons of cigarettes worth $300, several cases of whiskey, and the gun and box of bullets. He reported this to police. Immediately, the gun, District of Columbia registration number 50316, was listed as being stolen.

There is in the District of Columbia no way to count the number of actual weapons on hand on any given night. A visitor who has walked the streets of this city for several weeks is of the opinion that in many parts of the city at night there is something the matter with a person who does not have a gun. Many of the guns are cheap and unreliable or inoperable. But many of them are well-manufactured; unlike American cars, which cost thousands and begin to fall apart at the end of a few years, an American made gun, costing less than $150, can with proper care shoot people into the third generation. Whatever, somewhere at night in Washington, from last January on, was a Smith and Wesson stainless steel .38 which, if used, could be cleaned under a faucet, like knives and forks. It was listed as stolen, but there is no way to look for a stolen gun. A stolen gun is just something you put down on a list. Unless you are the person who has stolen it.

At 2:15 a.m. last Saturday night, Kenneth Washington, 14, was riding in the front of a Washington Post newspaper delivery truck going along a street in the Northwest section of the city. He and another boy—in news circulation business their jobs are known as "jumpers"—heard shots. They looked around to see where the shots were. Then part of the window of the truck dissolved. A moment later, Kenneth Washington said, in a small voice, "I been hit in the chest." He went down on the floor of the truck with a little piece of death inside him. Nobody could see any blood on his blue shirt. "He moved just a little and then he didn't say no more," the other boy, Howard Ross, said.

Later that night, a man was picked up for the shooting. At the time of his arrest a gun was found in a car. Homicide detectives checked the gun and found it had been stolen from Oscar Jackson, owner of the Manhattan Cafe. It was serialized, registered, listed, charted and it had killed a 14-year-old boy.

The man arrested, Benjamin O'Connor, 31, was arraigned on a homicide charge in court. Moon-faced, burly-shouldered, he stood in front of the judge and said nothing. Then he rolled through the door to the detention pens—a prison roll; he had been released from a penitentiary in January after serving time for armed robbery.

The wake for Kenneth Washington will be held tonight at the Jarvis Funeral Home, 1432 U St. NW. The funeral will be held tomorrow at the Shiloh Baptist Church, 1500 9th St. NW.

Later in the day, after the arraignment, Oscar Jackson was found in the Manhattan Cafe.

"My gun?" he said. "Really? My gun is the gun they used to shoot the boy? And they got the gun? Gee. Well." He sat at a table and thought for a moment.

"Will I be able to get my gun back? I should be able to get my gun back." He thought some more. "Hell, yeah, I should be able to get it back now. That's stolen property and they recovered it, right?"

[From the Washington Star, July 24, 1975]

Disarm the Predators

In recent days, the city of Washington has witnessed two typical instances of the menace of uncontrolled handgun possession. There was the pathetic case of Hector Diaz, a visitor, who while sitting inoffensively on a park bench at the Ellipse one evening last week was shot and blinded by a gun-toting young thug. He luckily escaped with his life. Two days later, a newspaper carrier, 14 years old, died when the delivery van in which he was riding ran upon a street shootout.

Even if they were especially unusual, and they aren't, these two outrages ought to jar Congress out of its unconscionable lethargy on the gun menace. But then one reads that President Ford's milquetoasty handgun regulation proposals, outlined this week by Atty. Gen. Edward Levi, go begging for a Republican sponsor. How many more innocent victims will die needlessly on the capital city shooting range before Congress and the District council move to disarm the predators? Ten? A hundred? A thousand?

The President's program is innocuous enough. Basically, it amounts to a tighter policing job—500 more Treasury agents to attack the handgun "black market" in 10 major target cities; size standards for salable pistols; a waiting period of 14 days before a dealer could deliver a handgun to any customer, during which the dealer would be "expected" to check with the police and FBI to see if the purchaser has a criminal record; and mandatory sentences for crimes committed with guns.

It is entirely gratifying to have Mr. Ford, however irresolutely, in the gun-control corner. But it's obvious his program can only strike a glancing blow at the problem. For instance, one wonders to what avail the T-men will conduct their selective crackdown on black markets if that crackdown generates a demand to bootleg illegal weapons into a market. And unless gun dealers are required to check out the police and FBI records of gun purchasers—a requirement not now in the bill—a 14-day waiting period means little. Indeed it probably means only that innocents destined to be shot by street predators will be shot 14 days later in each case. Moreover, it may be to expect too much of the average gun dealer to place on him the onus of policing gun buyers. Mightn't dealers who get a reputation for being conscientious merely lose customers to dealers who get a reputation for being loose with the law? We don't know; we just ask.

One thing you can say for the President's program is that it may even be innocuous enough to pass muster with the National Rifle Association. Or is that presuming too much?

Our own notion about the gun menace here in the District, as we said several weeks ago, is that the City Council ought to adopt, if only for trial, a version of the Massachusetts gun law. It has two distinct merits: It is getting guns off the streets and it is remarkably free of bureaucratic red tape and clutter, circumventing the stumbling block of registration.

In Massachusetts it is lawful to keep a gun in your home or place of business. What you can't do, without special dispensation, is go armed about the streets, the assumption being that most armed pedestrians other than law enforcement officials and guards are up to no good. It will cost you a mandatory jail sentence.

It must be because the Massachusetts law is so simple, so logical, so practical, so easy to enforce, so free of red tape, that it does not yet commend itself to the imagination of this city.

DISENGAGEMENT FROM KOREA

Mr. CHURCH. Mr. President, since serving with distinction as U.S. Ambassador to Japan, Edwin Reischauer has been one of our country's most valued analysts of American foreign policy in Asia. Now in a June 28 article for the Washington Post, Reischauer urges us not to panic into repeating in Korea the mistakes learned so painfully in Vietnam.

Reischauer points out that today South Korea enjoys superiority over the North in manpower and weaponry and an internal unit not known in South Vietnam. Neither China nor Russia shows an inclination to support a North Korean military venture into the South. Moreover, American public opinion is not likely to sanction a repeat performance that would draw us into another Asian war, particularly to defend a government of which it does not approve.

But, Reischauer says, a situation is developing which "over a longer time span may produce conditions like those that proved fatal to South Vietnam." The Park government is using repressive measures which are beginning to build up internal forces of resistance. Economic problems brought on by oil prices and worldwide recession haunt the South Korean economy. It is, therefore, possible that the presence of 40,000 American soldiers near the border could threaten to draw the United States into a future conflict brought on as much by forces internal to South Korea as external.

While it would not be appropriate for the United States to take drastic unilateral action, we must begin now to institute a gradual military disengagement from Korea, one which would not alarm our most important friend and ally in Asia, Japan. As Reischauer says:

> Now is the time, while the Vietnam dust is settling, to start thinking through this problem. We should before long have a clear program to present to Park of measured withdrawals of American troops and reductions of military aid until both are entirely gone within a few years . . .

I support this view and believe we should begin taking the Ambassador's advice. I, therefore, ask unanimous consent that the article, "Korea and Vietnam: The Nonparallels," by Edwin O. Reischauer be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Korea and Vietnam: The Nonparallels

(By Edwin O. Reischauer)

False analogies between Korea and Vietnam originally helped get us into a fundamentally worse situation in Vietnam. Let us not now reverse the process and panic over Korea because of analogies mistakenly drawn with Vietnam.

South Korea simply is not vulnerable at present to the two basic ills that destroyed South Vietnam—the uncertain loyalty of its people, and the resultant possibility for easy penetration and subversion by the North. At present it would require a massive external flow to overthrow the South, and there seems no sign of this happening.

Kim II Sung, the northern dictator, is tryng to take advantage of the sudden collapse in Vietnam to intimidate South Korea, but despite repeated cries of warning, the situation along the border in Korea is in actuality less menacing than at most times during the past two decades. Pyongyang does have more than twice the air strength of Seoul, but this advantage is offset by the presence of American air power in the South, while in ground forces the South outnumbers the North by about 600,000 men to 400,000, with reserves and paramilitary units that give an overall balance of 3 million to less than 2 million.

These figures reflect the facts that the South has more than twice the population of the North (in Vietnam it was the North that was the larger), and both regimes are as completely militarized as any in the world. Pyongyang could not risk war without the strong support of China or the Soviet Union, and both of these seem much more eager to avoid a conflict in Korea than they were in the past.

This may sound reassuring, but it concerns only the false crisis derived from mistaken analogies with Vietnam. Back of this, however, is a real danger that is escaping adequate attention, in part because of the red herring of Vietnam.

It is not an immediate crisis, but rather a situation that over a longer time span may produce conditions like those that proved fatal to South Vietnam. In other words, an ultimate, Vietnam-like debacle may be in the cards for us in Korea unless we start to do something about it soon.

The experiences of the Korean War made the South Koreans the most bitterly anti-Communist people in the world and therefore insured their loyalty to Seoul. But this shows signs of eroding.

There has always been much popular dissatisfaction with the government in South Korea. Despite rapid economic growth in recent years, the discrepancies in wealth were severe and seemed to be growing worse. Corruption in government and business—recently highlighted by the admission of a $4 million bribe to government authorities by the Gulf Oil Corp.—has always drawn much criticism. Except for a brief period in 1960–61 of ineffective Democratic government, Korea's democracy has always been imperfect and incomplete. Individual rights and freedoms were often curtailed.

But at the same time, there was enough individual liberty and democratic participation in government to make people feel that there was sufficient difference from the completely repressive regime of the North to make the South worth fighting to preserve.

This situation, however, has been changing of late. In October, 1972, President Park Chung Hee declared martial law and followed this with a new constitution, which, by giving him the right to appoint one-third of the members of Parliament, reduced that body and all electoral politics to a sham.

He followed this by Draconian measures seriously limiting individual freedoms, including those of political criticism and self-expression, and enforced these with brutal police controls. The opposition forces have been cowed into virtual silence, but hostility and tensions run deep.

Especially among the city dwellers and the better educated, including the bulk of the influential Protestant and Catholic groups, there is a sense of desperation. Student activism may have been successfully repressed; but probably at the cost of creating secret student revolutionaries. Step 1 has been taken toward the making of a Vietnamese situation.

South Korea has recently suffered another blow, this one not of its own making. Korea's dazzling economic record of recent years was based on industrialization and world trade—an incipient replica of the Japanese economic miracle—and therefore the oil crisis that started in the autumn of 1973 dealt Korea a serious blow.

It is particularly dependent on markets in and investments from Japan and the United States, and both these countries have themselves been in recessions. In addition, the picture of an increasingly repressive South Korean regime makes both Japanese and Americans more critical of conditions in Korea, more dubious about its future and less willing to invest there, thus adding to Korea's economic woes. A serious economic downturn could further erode South Korean loyalties.

The deterioration of the political situation in South Korea has also increased doubts about the American commitment to help defend the country. The post-Vietnam mood in the United States is reason enough for such doubts, but they are greatly increased by a picture of a dictatorial and cruelly repressive regime in Seoul, which is repugnant to Americans.

The American commitment is hedged by the phrasing that "In case of an external armed attack" each nation "would act to meet the common danger in accordance with its constitutional processes." Still, the presence of about 40,000 American soldiers as a sort of trip-wire near the border has always made American involvement in a renewed Korean War seem almost automatic.

But this may well not be true, given the popular mood in the United States, as strengthened by the distasteful political actions of Park's government. In other words, the United States has made a commitment reinforced by a military presence that the American people would very possibly be unwilling to live up to. This is indeed a perilous position for the United States to be in.

Park or his successors have only two paths they can follow.

On the one hand, they can smother all political criticism and ruthlessly eradicate all sources of opposition. North Korea, North Vietnam and China itself show the viability of this sort of regime in an East Asian setting though it may be much more difficult to create one on a rightist rather than a leftist ideological basis, as the experience of the Chinese Nationalists suggest. Of course, this road would ultimately lead to the forfeiture of the American military commitment, and probably much of Japanese and American economic support.

The other road would be a return toward a more open society with a growing role for democratic political institutions. High educational levels make such a course perfectly feasible in Korea, and in my judgment it would be by far the better bet, even in stark military terms.

But what should the United States do? The tendency is to sweep the problem under the rug—to leave things alone and pretend the problem does not exist, counting on the improbability of war, at least in the near future, to see us safely through until some still unknown but, it is hoped, better situation develops later on.

In the very short run, this policy is understandable. The shock of the sudden collapse in Vietnam for Americans, Koreans and the world at large makes it wise to let the dust settle a bit before making any decisive new moves in Korea. But such a do-nothing policy cannot be allowed to continue indefinitely, as South Korean loyalties wither and popular American distate for Korean dictatorship grows.

The defense of South Korea, regardless of the nature of its systems, is not vital to American interests. A defense line in the straits between Japan and Korea has always made more military sense than one in the middle of the peninsula. Aside from our emotional involvement in the well-being of the brave and talented people of South Korea, our only major concern in the area is the adverse impact its fall to North Korea would have on Japan, a nation of very great importance to the United States.

A sudden collapse resulting in part from an American refusal to live up to its commitments might start a nervous Japan back on the road toward remilitarization, or might frighten it into a stance of much less cooperation with the United States on vital shared problems of economics and world order.

If, however, the United States had disengaged militarily from Korea by slow and well understood steps prior to a collapse, the impact might be quite negligible.

Now is the time, while the Vietnam dust is settling, to start thinking through this problem. We should before long have a clear program to present to Park of measured withdrawals of American troops and reductions of military aid until both are entirely gone within a few years—unless the South Koreans find it possible in the meantime to change course again and start moving back to a freer, more democratic system that would better win the loyalties of their own people and the support of the American public.

To avoid damaging shocks both in Korea and Japan, such a program would have to be spread over several years. Although the crisis is not an immediate one, we must start very soon if we are to complete the manuever before the situation does reach crisis proportions.

The present is also a good time to start forming a longer-range Korean strategy. Korea has all along been a more dangerous threat to world peace than Vietnam, not just because it is a larger and more effectively militarized country, but because of its more strategic location between three of the largest nations of the world—Japan, China and the Soviet Union—with the fourth, the United States, deeply involved in the peninsula for historical reasons.

The surrounding great powers should move toward an agreement to isolate this danger spot from other issues.

What is needed is a four-power agreement between the United States, the Soviet Union, China and Japan that they will not allow disturbances in Korea to spill over to involve them in their relations with one another.

The distrust and hostility between China and the Soviet Union stand in the way of such an agreement today, as does also the presence of American forces in the South. Such an agreement will not be easy to achieve but it is an obvious goal that the United States should be working toward now.

When achieved, it will not only neutralize one of the most dangerous trouble spots in the world, but may also take some of the tensions out of the situation in Korea itself. It could lead to agreed military limitations between the two Korean regimes, which would be an economic boon to both, and possibly might open the way for ultimate reunification, which is of course the dream of all Koreans.

THE PENTAGON'S $150-BILLION SHOPPING LIST

Mr. CLARK. Mr. President, some weeks ago the Senate engaged in a 2-day debate and reexamination of U.S. foreign policy and the military forces and policies needed to sustain it. This debate and reexamination in a post-Vietnam era was itself a healthy thing. This debate should and will continue in the future in an attempt to shed more light on the proper relationship between U.S. national interests, U.S. foreign policy, and U.S. military posture.

The joint report of the Secretary of State and Secretary of Defense on the relationship between U.S. foreign and military policy, just authorized by the Senate for next year, is a step in the right direction. It should help the Congress to get a better understanding of this relationship prior to next year's debate over this ground.

The large defense authorization bills, recently passed by both the House and the Senate, were partly the result of special factors such as the current high level of U.S. unemployment and the recent events in Indochina. Amendments to cut the Defense Department budgetary request for fiscal 1976 ran into especially stiff resistance because of these special factors. Hopefully, next year, these factors will be less pressing and important. We must more carefully look at our worldwide military-foreign policy stance on the merits of these programs rather than pass defense authorizations merely for economic or psychological reasons.

Much waste and fat exists in the Defense Department budget. Some of the weaponry we purchase is superfluous and unneeded to maintain an adequate defense of the United States, its allies, and interests. We in the Congress must maintain a strong defense but oppose excessive defense expenditures and forces. A recent article written by the Director of Research for the Center for Defense Information, Mr. David Johnson, points at some ways in which the Defense budget can be intelligently cut to achieve economies without sacrificing essential U.S. defense programs. Mr. President, I ask unanimous consent to have printed in the RECORD an article from Ramparts magazine, July 1975, entitled "The Pentagon's $150-Billion Shopping List."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE PENTAGON'S $150 BILLION SHOPPING LIST

(By David Johnson)

"How do we stop this dangerous, ruinous rivalry? For a start, we can simply recognize that overkill is overkill, and superflous weapons are superflous."—Sen. John Sparkman, Chairman, Foreign Relations Committee.

Our economy may be on the rocks, the quality of life in America may be deteriorating for everyone, our foreign policies may be bankrupt, but the arsenal of democracy is to remain alive and well. The Defense Department wants the United States to continue to put its faith in weapons and military power. The U.S. produces the most destructive weapons in the world, the most advanced tanks, planes, submarines, bombers, missiles, and yet we are called upon to try harder to remain "number one." World demand for the products of our advanced industrial civilization is insatiable and growing: U.S. weapons manufacturers sold a record $8.2 billion worth of arms overseas in 1974, an increase of more than 100% over 1973. America's dubious world leadership in weaponry may be the ultimate expression of our philosophy of conspicuous consumption.

The proposed fiscal 1976 Bicentennial federal budget says a great deal about our misplaced priorities. In the new budget President Ford asks the Congress to appropriate almost $108 billion for military purposes, the highest level of military spending in history. This is an increase of $16 billion over last year. At the same time, funding for nondefense programs is projected to decline by more than $25 billion. The Pentagon, according to its five-year plan for 1976 through 1980, plans to spend at least $636 billion over this period.

The new military budget now being debated before Congress contains a bewildering variety of new weapons schemes. The Air Force and Rockwell International want $749 million to continue development of their $21 billion B–1 bomber program so that the U.S. will possess well into the 21st century a bomber that will be able to fly lower, faster, and carry more bombs than any bomber ever built. General Dynamics is working on a submarine for the Navy, the Trident, that will be bigger (two football fields long), quieter, and fire more nuclear weapons than any submarine in history. It will also be the most expensive weapons system in history, at $1.6 billion or more per copy. The Army has Chrysler and General Motors competing to produce the Tank of the Future, the XM–1 Main Battle Tank. The XM–1, estimated to cost almost $2 million each, will shoot further, more accurately, have more armor protection, and a smoother ride than any other tank. Assuming, of course, that everything goes according to plan, which frequently does not happen.

The 1976 military budget asks for funding of new missiles of every conceivable description: anti-ship, anti-aircraft, anti-tank, anti-missile surface-to-surface, surface-to-air, air-to-surface, air-to-air, continent-to-continent, laser guided, radar-gided, electro-optical-guided, television-guided. New military aircraft come in all shapes and sizes and nicknames: Skyhawks, Tomcats, Eagles, Cobras, Prowlers, Haweyes, Intruders, Corsairs, Chinooks, Orions, Vikings, Sea Stallions, Sea Cobras, Iroquois, not to mention AWACS and the unpronounceable AABNCPs.

Every three months the Pentagon is required by Congress to publish the current estimated costs of major weapons systems. The latest cost-overrun status report on 40 big ticket items indicates that these weapons alone will cost $150 billion, $41 billion more than originally expected.

The American public has little way of judging whether there is any real need for particular weapons and must rely on the Congress to exercise control over the military budget and the Defense Department. The Congress, however, is barely up to the task of beginning to explore the intricacies of the many complex weapons systems and defense issues buried in the labyrinths of the plus-$100 billion defense budget. Unlike the Defense Department, Congress has little information and even less time. Congressman Michael Harrington of Massachusetts, who has been a member of both the House Armed Services and Foreign Affairs Committees, puts it this way: "By the time a weapons program reaches the stage at which it becomes a prominent issue for debate in the Congress, the battle is already lost. The Defense Department's near monopoly on relevant information, together with the vested bureaucratic and economic interests which propel the high-budget, high-prestige weapons programs, conspire to give such programs an all but unstopable momentum." What the Pentagon wants, the Pentagon gets.

Congress has become increasingly critical of high and escalating levels of military spending. Although there is not yet a consensus on how to reduce the defense budget, there is a new and growing recognition that changed international circumstances and economic pressures make it necessary to choose among competing programs and priorities. Many Congressmen are increasingly aware that spending on weapons and forces that contribute to U.S. strength only in a marginal way can no longer be afforded. The American experience in Indochina seems to have taught the lesson that military power is of declining usefulness in coping with the country's problems.

New superweapons are not the answer. Even such a hardline conservative as Senator John McClellan, chairman of the Senate Appropriations Committee, has come to admit that any real meaning of national security is far broader than its narrow military component: "Inflation is rapidly becoming as great a danger to our national security and the stability of our society as is the danger from any potential foreign foe."

A number of controversial weapons systems are being critically examined by the Congress during hearings and action on the fiscal 1976 defense budget. Questionable strategic weapons include the B–1 bomber, the Trident submarine, new types of intercontinental ballistic missiles (ICBMs), strategic cruise missiles, and new ABM systems. The bulk of the defense budget, about 75 percent, goes to pay for the projection of U.S. military power overseas in Europe and Asia. Controversial conventional weapons include the AWACS warning and control aircraft, the SAM–D air defense missile system, the C–5A aircraft, the XM–1 tank, and the expensive F–14 and F–15 tactical fighter aircraft.

B–1 Bomber. For the Defense Department, the most vulnerable weapon in the new budget is the B–1 strategic bomber. The B–1 is a weapon that may very well be pricing itself out of existence, although Secretary of the Air Force John McLucas says that he has no "cost breaking point" for the B–1. Many members of Congress, however, are near or have already passed their breaking point with the B–1. The cost of developing and producing 244 B–1s is estimated at $20.6 billion, or $84 million each. The cost continues to skyrocket and inevitably will shortly exceed $100 million per plane.

Critics of the B–1 argue convincingly that the U.S. is well ahead of the Soviet Union in the strategic arms race and point out that the U.S. already has 8,500 strategic nuclear weapons and 500 bombers, compared to 2,800 nuclear weapons and 160 bombers for the Soviet Union. Even a handful of former weapons enthusiasts have come around to acknowledging that somehow, somewhere a line has to be drawn. Says Senator John Sparkman of Alabama, the new chairman of the Senate Foreign Relations Committee: "How are we to put a stop to this dangerous, ruinous rivalry? For a start we can simply recognize that overkill is overkill, that superfluous weapons are indeed superfluous, and that many of the new systems being developed, though technologically fascinating, are redundant and unnecessary."

In an age when missiles can deliver devastating destruction in less than 30 minutes, a bomber that takes 10 hours to reach its targets can at best have only a minor role. The existing force of B–52 and FB–111 bombers will in any case provide a bomber force with considerable overkill through the 1980s. The U.S. spends about $5 billion a year on its bombers. Including European-based and aircraft carrier-based planes, the U.S. today already has eight different types of aircraft capable of carrying nuclear weapons in an attack on the Soviet Union.

Two billion dollars has already been spent on the B–1. The fiscal 1976 budget requests another $749 million, including $77 million to initiate procurement. The $77 million is viewed by critics as an effort by the Air Force to get the Congress to commit itself all the way to ultimate full production of the B-1. The Defense Department projects a request for $1.7 billion for fiscal 1977 and continued funding at $2 billion or more a year through 1983.

As yet, Congress has been unwilling to make a firm decision for or against the B-1. Alternatives such as the B-52 with new engines, a stretched FB-111, and a wide-body jet like the Boeing 747 armed with cruise missiles have been suggested. To counter such speculations, the Defense Department conducted a year-long investigation called the Joint Strategic Bomber Study which, not surprisingly, concluded that B-1 is best. The official conclusion sounds not unlike a toothpaste commercial: "Of the equal-cost forces examined, those containing B-1's performed substantially better. The low-flying, nuclear-hard B-1, with its high quality ECM, outperformed all other vehicles by a wide margin." The most egregious flaw of the DOD's study is that it assumed that the United States needs to spend as much money on bombers as the B-1 costs and compared only "equal-cost" alternatives. Employing typical tunnel vision, the DOD analysts neglected to examine the question of whether the country needs a bomber fleet in the first place and, if so, whether that capability could be obtained at much less cost.

A decision on producing the B-1 is scheduled for November 1976 and it seems unlikely that the Congress will stop the B-1 before next year. Although the plane is viewed with growing skepticism, continued funding of research and development is unfortunately all too likely.

Trident Submarine. Next to the B-1, the most expensive weapon program is the Trident strategic submarine, currently estimated to cost $16.2 billion for ten submarines, each armed with 24 4,000 mile-range Trident I missiles. Each Trident submarine will carry enough nuclear weapons to destroy any country in the world. The U.S. already has 41 strategic submarines carrying 656 Polaris and Poseidon missiles with about 4,000 nuclear weapons. The new budget asks for $2.1 billion for Trident, with a $3.4 billion request expected for fiscal 1977. The Defense Department hopes to put the first Trident to sea in 1979.

Existing missile submarines are invulnerable and considered by liberals and conservatives alike to be the "backbone" of the deterrent Triad of bombers and land-and sea-based missiles. Because of this "blue water" sentiment and because it was promoted as a bargaining chip in the SALT talks, the Trident program has had relatively smooth sailing through Congress. Although the rate of production has been slowed to three every two years, the momentum has seemed unstoppable.

The Cadillac of the Sea, or, as Navy Secretary J. William Middendorf calls it, "that great shield for America," is promoted by the Navy primarily because of the advantages of having a longer-range missile permitting a submarine to utilize greater expanses of the ocean and escape detection. In the absence of any evidence about how submarines will become vulnerable in the future, critics of the huge Trident believe that it is premature to be putting so many eggs in relatively few baskets. Longer-range missiles could be installed in existing submarine at much less cost, as, in fact, the Navy plans to do. The drive to build the Trident reflects a compulsion toward mindless modernization in the Defense Department, the pursuit of new technologies and superweapons irrespective of any realistic assessments and with ever more marginal returns.

New ICBMs. The fiscal 1976 defense budget asks for more than $900 million for continuing procurement of Minuteman missiles and research on a variety of new ICBM systems. To date the U.S. has deployed 1054 ICBMs, including 550 multiple-warhead MIRVed Minuteman III missiles, which can deliver more than 2,000 nuclear weapons. Defense Secretary James Schlesinger has stated that the policy of the U.S. is to build up to the limits of the 1974 Vladviostok SALT agreement which had stipulated that the U.S. and the Soviet Union could have as many as 2,400 strategic delivery vehicles, including 1320 MIRVed missiles.

With the expansion of the Soviet nuclear missile force in recent years, U.S. ICBMs have become increasingly vulnerable, at least theoretically, to destruction. Some officials, including Dr. Fred Ikle, director of the U.S. Arms Control and Disarmament Agency, have suggested that the U.S. should be moving away from reliance on ICBMs. Secretary of State Henry Kissinger has also indicated some differences with Defense Department officials by stating that the much discussed disparity in missile throw-weight between the U.S. and the Soviet Union is a "phony issue."

The Defense Department's game plan is to keep all options open by investing billions of dollars in exploring almost all of the various schemes for new ICBMs. This is the all too typical pattern of avoiding hard choices by giving everybody what they want. Options include mobile ICBMs that would be fired from airplanes (a Minuteman missile was dropped from a C-5A plane last fall in a test), mobile ICBMs that would be transported on land by train or truck, and new fixed large ICBMs that would compete with the Russians in who can build the biggest missile. Over the next ten years the U.S. could spend as much as $50 billion in seeking solutions to the problem of Minuteman vulnerability.

Research is also being conducted on a variety of projects to bring to life Secretary Schlesinger's philosophy of a counterforce strategic policy. These programs to increase the accuracy and destructive power of U.S. missiles cost about $150 million in the fiscal 1976 budget. The most well known effort involves developing a maneuvering warhead, a MARV, which would essentially eliminate all missile inaccuracies. Senator Thomas McIntyre, chairman of the Senate Armed Services Research and Development Subcommittee, fears that counterforce improvements will lead to weapons that could threaten a first strike and make nuclear war more likely. In reporting out of his subcommittee a bill that deleted funds for five counterforce programs, Sen. McIntyre argued: "Secretary Schlesinger is trying to move our basic strategic doctrine from our traditional emphasis on mutual assured destruction to a reliance on U.S. nuclear war fighting capability. We're alarmed that Pentagon preoccupation with exotic technologies and doctrines will distract us from our efforts to meet our prime national security requirement, which is to prevent nuclear war."

Strategic Cruise Missiles. A new means of raining death on the Soviet Union and China is being pursued by both the Air Force and the Navy—the strategic cruise missile. Cruise missiles are small, unmanned, electronically-controlled aircraft powered by air-breathing turbofan engines. Strategic cruise missiles with ranges of 1,500 miles or more could be launched from planes, submarines, or surface ships. The Navy is requesting $102 million in the new budget to continue work on a sea-launched cruise missile (SLCM) and the Air Force is asking for $51 million for an air-launched cruise missile (ALCM).

Pentagon interest in strategic cruise missiles is a classic case of imitative behavior in the arms race. Lacking aircraft carriers, the Soviet Union has developed relatively primitive and short-range cruise missiles primarily for attacking surface ships. Now, because the SALT agreements do not limit strategic cruise missiles and the Soviets have a weapon that vaguely seems threatening, the Defense Department wants to have them too, although strategic cruise missiles will do virtually nothing for our military capability. However, this may well open up a new channel for the arms race and could severely complicate efforts to control and limit strategic weapons. Any submarine or surface ship could launch such missiles and it would become impossible to verify arms control agreements.

Some members of Congress support the air-launched cruise missiles program as an alternative to the B-1 bomber. A relatively inexpensive stand-off bomber could launch ACLMs from outside of Soviet anti-bomber defenses.

Estimated program cost for the XM-1 is $6.2 billion, or $1.9 million each for the planned 3,312 tanks.

The XM-1 is to replace the Army's present tank, the M-60, in Europe. Serious questions have been raised, however, as to whether it makes any sense for the Defense Department to invest billions in potentially obsolescent tanks. Recent developments in anti-tank weapons and the experience of tank losses in the October 1973 Mideast war indicate that anti-tank weapons have overcome defenses available to tanks and that advantage may continue indefinitely. A relatively inexpensive $2,000 TOW anti-tank missile can destroy a $500,000 tank.

C-5A Aircraft. The C-5A's troubles never go away. The Air Force spent $4.5 billion on 81 aircraft built by Lockheed in a $2 billion cost-overrun scandal. Four have been destroyed in accidents, the latest on April 4, 1975 in Vietnam with a plane-full of Vietnamese children on-board. Now the Air Force says that it needs $900 million to fix the dangerously weak wings on the C-5As.

The C-5A is the world's biggest plane, 248 feet long with a gross weight of 716,500 pounds. It was developed to implement the New Frontier concept of the U.S. as the world's policeman, to "go everywhere, bear every burden" aircraft to rush American troops and tanks in an instant to the remotest trouble spot. But even the C-5A's much heralded successes turn to be less than meets the eye. Although it was lauded by the Air Force for bringing military supplies to Israel during the October 1973 Middle East War, a subsequent study by the General Accounting Office shows that 60 percent of the C-5A fleet was inoperable because of mechanical problems or lack of spare parts. Almost all of the equipment arrived after the cease-fire and, according to the GAO, "had no decisive effect on the war's outcome."

The Air Force has requested the $900 million program to build new C-5A wings because the life of the current wing is estimated at about 10,000 hours, compared to a planned 30,000 hours. It will cost $11 million for each plane to fix the wings. Air Force Secretary McLucas regretfully admitted that this happened because the Air Force rushed the C-5A into production before it knew whether the plane worked: "We had a large number of aircraft built before we had even completed the fatigue tests to see whether or not the aircraft was structurally sound." The B-1 may turn out to be the same kind of horror story.

Tactical Aircraft. The Defense Department's impulse to modernize at any price finds its most profuse flowering in the new generation of tactical fighter aircraft, the Air Force's F-15 and the Navy's F-14. This year the Defense Department is spending $24 billion on tactical air. The military services have almost always preferred the most complex, technologically sophisticated and thus most expensive weapons. A fully equipped F-14 will cost about $28 million. A basic, stripped down F-15 costs $15 million. Although Pentagon officials sometimes try to make it appear that increases in weapons costs are due primarily to inflation, recent studies by analysts at the Brookings Institution in Washington, D.C. indicate that most of the rising cost of tactical aircraft is attributable to the increasing technical complexity of the aircraft themselves and the compulsion to incorporate almost everything that is technologically feasible. The result is weapons that are often overdesigned for their missions.

The Air Force plans to buy 729 F–15s, at a cost of $10.9 billion and the Navy wants an additional 390 F–14s to put on its aircraft carriers at a cost of $7.6 billion. Even these quantities are not enough and both services are also developing "cheap" light-weight fighters in the $7 million [per plane] range. The Air Force has selected General Dynamics to build 650 YF–16s but the Navy apparently prefers Northrop's YF–18. Some Congressional and Defense Department officials had hoped that the Air Force and Navy could get together on a common choice to keep down the price.

These are just a few of the more prominent superweapons. Others include tactical nuclear weapons ("mininukes"), binary chemical weapons, new nuclear-powered aircraft carriers, killer satellites, unmanned aircraft, laser cannons, the computerized electronic battlefield, and new airlift and naval programs that could project U.S. military forces around the world. Most of these Defense Department budget items, unfortunately, will be accepted with relatively short and superficial attention from the Congress.

It is pathetic that the world's most powerful country continues to suffer from exaggerated fears and anxieties that have led our leaders to conclude that, in the words of Deputy Secretary of Defense William Clements, "In our ever-changing world, strength means military strength." The militarization of American foreign policy has been the result. Our real fear should not be that we will be dominated, but that we will be dominating. If the tragic experience in Indochina has meant anything it is that the powerful must learn to control their inclination to excess and arrogance. The consequences of unrestrained military power can be almost as damaging for our country as for others.

CAMPAIGN FINANCING

Mr. BIDEN. Mr. President, as we know, there are many dark corners in campaign financing. In recent years, Congress has passed legislation providing for the regulation of campaign financing—including spending limitations and identification of contributions for Federal office. This has been helpful but more needs to be done to correct the situation which has caused our political system much grief.

Therefore, I was pleased to read in the Washington Post an article appearing on July 23, 1975, entitled "Need For Business Ethic Cited". The news article stated that E. I. duPont de Nemours & Co. has announced a policy of publicly disclosing political contributions by its major executives. Mr. Shapiro, the company's chief executive officer, suggests it be a model for the business community to follow.

I ask unanimous consent that the Washington Post article and resolution of the DuPont company's executive committee be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NEED FOR NEW BUSINESS ETHIC CITED

(By William H. Jones)

Warning that Americans' confidence in business institutions and leaders is in a "process of disintegration" that adds up to a "national crisis," Securities and Exchange Commission member A. A. Sommer Jr. has called for establishment of a new private agency to establish and enforce a code of business ethics.

Sommers also hinted, in an Aspen, Colo., speech, that the SEC is seeking to develop some mechanism by which companies that have engaged in illegal acts can start afresh without full public disclosure of their previous busines practices.

In a related development, E. I. duPont de Nemours & Co.—the nation's largest chemical firm—announced a new policy of publicly disclosing all U.S. political contributions by its top executives. In addition, all solicitations for more than $1,000 and responses to those requests will be made public for inspection by reporters, stockholders and employers.

"Recent disclosures of the illegal campaign contributions by a few business organizations have cast a cloud on the character and credibility of corporations," said du Pont chairman **Irving S. Shapiro.**

The SEC's Sommer expressed the same view and said that business people who go about their affairs "heedless of the crisis of confidence deserve nothing but our contempt."

Sommer's unusually outspoken address was delivered to a meeting of Midwest securities commissioners on Monday afternoon and distributed here yesterday.

"These were not cases of fawning subordinates trying to win executive suite favor," Sommer said. "Rather it was the executive suite itself which was engaged in deceit, cunning and deviousness worthy of the most fabled political boss or fixer."

With public disclosure already on the record by Northrop Corp., Ashland Oil, Exxon Corp., United Brands and Gulf Oil Co., Sommer warned that the list can be expected to grow.

"While none of us wants to paint with an unduly wide brush, the suspicion grows that this disease may indeed be more widespread than any of us dared to suspect," Sommer said, and it amounts to a "national crisis."

The "most distressing aspect of all," Sommer said, "more distressing if possible than the realization that many corporations had deliberately, knowingly, wittingly, and as the result of command from the highest levels, flaunted the American election laws," was a discovery that the illegal payments "had been sucked out of the corporate accountability process and squirreled away in the accounts of overseas agents, Swiss bank accounts, Bahamian subsidiaries, and in various other places where the use of the money would be free of the questions of nosey auditors, responsible directors and scrupulous underlings."

To fight these practices, Sommer called on business people to be much more outspoken in their criticism of unethical practices. The business community, he said, should set up a new privately organized agency to articulate standards of conduct.

Any such code, he continued, should contain condemnations of interference with political processes abroad, establishment of secret funds, and "flaunting" U.S. laws on election contributions. More important than the code, however, would be procedures by which violations can be handled, Sommer stated.

While business cannot act exactly like professionals—similar to a bar association, with disbarment procedures—"as a minimum a businessman whose conduct transgressed the code should be publicly condemned by a private organized group of national leaders." Such denunciation, he said, could cause the firm involved to lose business until condemned practices are abandoned.

As for public disclosure of illegal practices, Sommer said large investments overseas could be jeopardized, lives threatened and legitimate business opportunities lost unless some new procedure is developed at the SEC that protects investors' rights as well as those of the companies.

He suggested a plan by which companies would conduct internal audits with the aid of outside directors—similar to the Northrop and Ashland audits—and inform the SEC of the outcome and what actions they plan. Public disclosure in such cases, he said, might omit the names of recipients of illegal payments and other damaging details "which would relate only peripherally to the interests of investors."

Under such a system, he argued, companies may begin cleaning their houses voluntarily "and without the direct impetus of a commission investigation or a subpoena from Sen. (Frank) Church's subcommittee."

DU PONT COMPANY RESOLUTION

Whereas, recent political campaigns in the United States and the financing thereof have created doubt in the minds of a significant portion of the public regarding the use of corporate funds for such purpose,

Whereas, the financing of political campaigns is a matter peculiarly in the public domain as contrasted with day-to-day business matters,

Whereas, additional procedures and public disclosure of the effect of such procedures can serve to reinforce the position of the Du Pont Company that no corporate funds have been, or should be, used for political purposes and serve to remove the potential for any cloud on individuals,

Whereas, it is deemed desirable that the financing by individuals of public elections in this country should be encouraged, but that it should be done openly and without subterfuge, and

Whereas, under the laws of certain states political contributions by corporations for state elections are not illegal,

Resolved, That the Corporate Secretary shall maintain a public register relating to the U.S. elections of 1976 which shall include data disclosing any solicitation of a political contribution from the Company, any political contribution made by the Company, any solicitation of specified members of management for a political contribution of $1,000 or more and any actual contributions made by such persons regardless of amount.

The public register shall be available for inspection during normal business hours by stockholders, employees, members of the press or by any responsible citizen who has a need to know.

Resolved further, That the Chairman of the Board, the President and the members of the Executive Committee, Chairman of the Finance Committee, Chairman of the Committee on Audit, Vice Presidents and General Managers, Vice President and Treasurer, General Counsel, Secretary and the Corporate Washington Office staff are requested to report immediately to the Corporate Secretary on the form attached hereto as Exhibit A, all requests for political contributions of $1,000 or more as hereinafter defined and action taken on each request and report any political contribution made by such individual regardless of the amount. In the event that any such person, as a matter of principle, is unwilling to report such facts, this should be indicated on the report form.

Resolved further, That the term "political contribution" hereby is defined as follows:

"A political contribution is one made in connection with the candidacy, nomination, election or appointment of any person for or to any office or position in the Government of the United States, a state, or any political subdivision of a state, or any agency, authority, or instrumentality of any or more of the foregoing, or in support of any political party."

Resolved further, That the term "contribution" hereby is defined as follows:

"The term 'contribution' as used herein includes any gift, subscription, loan, advance, or deposit of money or anything of value, and includes any contract, agreement, or promise, whether or not legally enforceable, to make a contribution."

Resolved further, That the long-standing policy of prohibiting the use of corporate funds for the purpose of making political contributions, even in those situations where such contributions are legal, is reaffirmed and appropriate actions shall be taken to insure compliance with this policy both by communicating the policy and by auditing performance.

THE DEATH OF A NEWSBOY

Mr. KENNEDY. Mr. President, an editorial from the Washington Post on July 23 describes the tragic killing of a young Washington, D.C., newsboy who was struck by a bullet from a handgun as he rode in the truck of the newsdealer for whom he worked.

This sorrowful tale is another epic in the ridiculous series of needless handgun deaths that occur daily on the streets of our cities.

I ask unanimous consent that the editorial be printed in the Record as another reminder to my colleagues about the demand to reduce handgun violence.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From the Washington Post, July 23, 1975]

Kenneth Washington

He rode his bike all the time. "Wheels are so important to little kids," one of his relatives said afterward. Kenneth Washington, 14, had his heart set on something a little more sophisticated. He wanted a 10-speed bike with all the gadgets. He also wanted more clothes. So he did what maturing and industrious youngsters often do. He took a job as a paperboy, as it happens for The Washington Post. He only got to work two days. In the predawn hours of Saturday morning, Kenny Washington was riding in the van of the truck of the newspaper dealer for whom he delivered. Exactly what happened is still being pieced together, but it appears that some men were engaged in some sort of an argument. Shooting started. One of the shots pierced the side of the van. Kenny Washington was struck and he died.

"He was maturing beautifully," someone at Kenny Washington's home was saying the day he died, "but he was still just a baby." Over the years, we've heard that sad refrain many times. And always what is striking is how unnecessary are the deaths from handguns. There are those who argue that only a small percentage of handguns are involved in crime and death (of what matter how small the percentage to Kenny Washington and his family?), that banning the handgun from our crowded urban midst will not prevent people from harming each other.

The fact is that guns are randomly lethal. Prof. Franklin E. Zimring of the University of Chicago School of Law made the point several years ago when gunshot deaths were fewer than they are now. "Our violence problem," he said, "might be thought of as a national lottery involving 250,000 victims a year, of which 16,000 are selected by chance to die." Zimring made that point in 1972, and since then the number of gunshot deaths has increased to 25,000 per year. Because it is a lottery every gun that is taken off the streets and out of the hands of citizens who have no good reason to have one, reduces the risk by just a little that some passing stranger or exuberant child will die in that lottery.

"We THE PEOPLE"

Mr. CLARK. Mr. President, not long ago I had the pleasure to spend several hours at the Barstow School in Kansas City to participate in their "We the People" program for Constitution scholars.

I met with small groups of students and had the honor to address members of the student body and their parents. The experience was both enlightening and most interesting.

I was very impressed by the "We the People" program, which grew out of our national governmental crisis of a year ago, a crisis that demonstrated the strength and value of the Constitution—as well as of those who wrote and defended it—to every American.

The program consisted of a coordinated series of speakers and student activities designed to heighten the understanding of the Constitution among students. The program culminated in the publication of a book of student papers and projects.

I wish to state my congratulations to the school and to Miss Margaret Neal, who made the program possible. To make others aware of this ongoing program, I ask unanimous consent that a copy of the school's brochure be printed in the Record.

There being no objection, the brochure was ordered to be printed in the Record, as follows:

The Barstow School Presents "We the People . . ."

September 1787.—A special program of study, distinguished speakers and awards, given to the Barstow School and occasioned by the nation's recent ordeal, to elicit from her students a keener awareness of the priceless concept of government embodied in the Constitution of the United States, which is their heritage—and in so doing—to honor the framers of this most magnificent of documents and those following in places of high responsibility, who by their actions have interpreted the spirit of the Constitution and the law deriving from it with faithfulness, courage and respect.—November 1974.

AS PART OF THE PROGRAM

In the earliest grades, continuing emphasis will be placed on learning the Preamble to the Constitution, so that the meaning of the words once etched on young memories will be more readily grapsed by maturing minds.

Constitution Scholars will be selected annually from the student body and suitably recognized for having made a noteworthy contribution to the program.

ABOUT THE PROGRAM

Knowing that the Constitution was conceived as an instrument of government to bring enduring peace to the union forged in revolution, the program is directed toward these truths—

That the Constitution is a living document, flexible and uniquely responsive in changing times and conditions, its strength assured so long as its spirit is served faithfully.

That it bespeaks a government entrusted to the people; a government existing only by the consent of the governed; a government in which the people are sovereign.

That having divided this government into three equal but separate branches, the Constitution does not long allow for excesses on the part of any.

That to ensure stability in government during periods of transition, the Constitution establishes precepts for the orderly transfer of authority from and to those governing, legislating or interpreting the law.

That the Constitution ordains the United States as a nation of law, law which flows from the Constitutional wellhead, the guarantor of the state's and people's rights.

But that having proclaimed the people sovereign and bestowed upon them these precious gifts of liberty, the Constitution yet holds them accountable for the sovereignty thus proclaimed and the liberty so bestowed.

A WORKABLE COMPROMISE

Mr. MOSS. Mr. President, I am deeply troubled by the current impasse over oil prices. The American people want the institutions of Government to work, not to break down when faced with tough policy decisions. Yet breakdown is imminent with regard to oil price controls, and threatens both to bring about the least desirable of all the pricing alternatives—immediate decontrol—and thus to deal another severe blow to people's confidence in Government. In both cases the long range consequences are ugly.

There is no easy answer to our present dilemma; there are many competing, often conflicting interests to be weighed and accorded a measure of equity.

As chairman of the Subcommittee on Consumers, I know the grave strain and the great hardship which any further increase in energy prices is going to bring down on the budgets and well-being of consumers.

As chairman of the Budget Committee's Energy Task Force, I know that some ground must be conceded to the oil producers on price if we are going to stimulate production of new oil.

As secretary of the Democratic Conference, I know that the Senate leadership and the President want to resolve the current impasse in a responsible manner.

The President's latest proposal for decontrol of oil is an encouraging move in the right direction; but, unfortunately, it does not yet go far enough. His original plan envisioned immediate decontrol; that was changed to a plan which would phase out controls over 30 months, and his latest proposal is for 39 months. This plan would allow old oil to rise from $5.25 to $11.50 and roll back the price of new oil from $12.50 to $11.50, then let it increase by 5 cents a month to $13.50 over 39 months beginning October 1, 1975. But, what happens after that? Forty percent of the oil consumed in this country is imported. If in 39 months the price of imports is higher than domestic oil, how would we bridge the gap? The President's proposal does not spell that out. The plan also provides for a windfall profits tax which would allow the producer to exclude 20 to 25 percent for profits for moneys reinvested in future exploration. With a price of $11.50—increasing to $13.50—for new oil there is a real question whether such a plowback allowance is necessary. And just what would happen to natural gas controls is not clear.

These are some of the uncertainties in the President's proposal, but there are many other unknowns. Yet, Congress is being asked to approve in five days a proposal which would have far-reaching impact on the country and commit it to a long-term program. Obviously more information is required to make a valid judgment.

That is why an energy program cannot be considered in a vacuum. Energy is the lifeblood of the U.S. economy. There is an inescapable relationship between the economy, the energy situation, and the budget. Economic progress depends upon the price and the availability of energy.

There is a need for decision to eliminate uncertainty and provide stability so that consumers and industry alike can plan and act intelligently. However, we must act prudently, not precipitously; we cannot afford any false starts. We should not move on an issue of this significance merely to meet some magic deadline.

I believe price controls should be extended for ninety days to provide time for working out these details and evaluating their impact and to insure against imposing undue and unnecessary hardships on the consumer and our economy.

As a basis for compromise between the President and the Congress, I would propose:

First, for new oil, a roll back to $10 per barrel instead of $11.50, and allowing the price to increase at 5 cents per month over a period of 5½ years to a ceiling of $13.30 per barrel;

Second, for old oil, allow the price to rise from $5.25 to the price of new oil, decreasing the amount of old oil under control at the rate of 1½ percent monthly over the entire 5½ year period instead of of the 1½, 2½ and 3½ percent per year as the President's plan envisions, allow the price of old oil being released to increase 5 cents per month up to a ceiling of $13.30 at the end of the 5½ year period.

This plan, which allows the price of oil to increase more gradually, coupled with fiscal and monetary policies which are compatible and supportive, would lessen the effects of the oil-induced price increase.

Decontrol over a period as short as 39 months may induce producers to withhold oil from the market in anticipation of higher prices. Whereas, allowing the price to rise over a 5½ year period would seem to minimize that possibility.

THE SOVIET NAVAL CHALLENGE

Mr. THURMOND. Mr. President, I bring to the attention of our colleagues an article from the July issue of Armed Forces Journal, entitled, "Soviet Sub Threat is Now 10 Times Germany's When World War II Broke Out."

This article notes the warnings that one of the distinguished Members of this body, Mr. TAFT, has been giving about growing Soviet naval capabilities. It states that Senator TAFT's recent speeches on the Soviet Navy "provide the most articulate and specific summary of America's Naval challenge that Armed Forces Journal has seen in many years."

I concur with Armed Forces Journal on the accuracy and timeliness of Senator TAFT's warnings. The Soviet Naval challenge is very real, and I must agree with the Senator from Ohio that our response has perhaps not been all it should be. Certainly no one from the State of South Carolina is unaware that the United States is essentially a sea power, and that it must give its sea defenses top priority.

I concur with the Senator from Ohio that we must meet the Soviet naval challenge. Our naval power is vital not only for our own security, but for that of our allies as well. In NATO, it matters little whether or not our troops hold the Soviet Army in Central Europe, in the event of a Soviet attack, if the Soviet Navy can control the Atlantic for 6 months. NATO must be capable of meeting the Soviet naval threat to its vital sea lanes, even if that means a certain reallocation of tasks within the alliance and a reallocation of priorities within our force structure. Our allies' security, as well as our own, depends on Western control of the sea.

Mr. President, I hope that all my colleagues will heed the warnings Senator TAFT has been giving us, as to the need to answer the Soviet naval challenge. I believe that we must answer that challenge if we are to maintain our fundamental national security. I ask unanimous consent that the article from the Armed Forces Journal be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SOVIET SUB THREAT IS NOW 10 TIMES GERMANY'S WHEN WORLD WAR II BROKE OUT

(By Benjamin F. Schemmer)

U.S.S.R. "Sea Denial" submarine forces now outpace by a factor of almost ten what Germany possessed when WW II broke out. Yet capabilities to counter the Soviet threat are correspondingly smaller, roughly one-tenth as many antisubmarine escort ships per enemy submarine as U.S. and British forces deployed in World War II.

This grim assessment of Soviet sea denial capability was outlined by Senator Robert Taft (R-Ohio) in two recent Senate floor speeches; they provide the most articulate and specific summary of America's naval challenge that AFJ has seen in many years. (Taft's comparison of present Soviet forces against Germany's in WW II, coupled with how few American antisubmarine forces exist today compared with what U.S. and Britain had to deploy to keep German U-boats from strangling England, deserves widespread attention. As far as AFJ can determine, however, Taft's remarks have yet to be even mentioned by the daily press, radio or television). Taft highlighted the problem with these statistics:

The Soviet Union today has about 340 submarines (the U.S. 115). Of the Soviet total, 68 are nuclear-powered attack subs, 40 of which carry anti-ship missiles. The U.S.S.R. also has 230 conventional attack subs; 28 of these also carry anti-ship missiles.

To counter almost 300 attack submarines, the United States today has only 99 destroyers and 66 other escorts. Thus, Taft said, "the Soviets have about two submarines for each American antisubmarine escort ship. "Yet, he pointed out, Admiral of the Soviet Fleet Sergei Gorshkov noted that in World War II,

"For each German U-boat, there were 25 British and U.S. warships and 100 aircraft, and for every German submariner at sea there were 100 British and American antisubmariners. . . . Yet, nevertheless, this significant numerical superiority of defenders was insufficient to force the attackers to fully curtail their active operation. Therefore, the question of the ratio of submarines to antisubmarine forces is of great interest even under present-day conditions, since, if ASW forces, which were so numerous and technically up to date (for that time), possessing a vast superiority, turned out to be capable of only partially limiting the operations of diesel submarines, then what must this superiority be today to counter nuclear submarines, whose combat capabilities cannot be compared with the capabilities of World War II-era submarines."

To put the Soviet 300 submarine seadenial capability in further perspective, Taft noted that in September, 1939, when World War II broke out in Europe, Germany had a total of only 57 submarines, and of these only 39 were ocean-going attack subs.

Moreover, he noted that the Soviets have an increasingly powerful force to counter the U.S.' 14 aircraft carriers, the one facet of seapower in which the U.S. heretofore has had an advantage. The Soviets, he said, "can launch simultaneously over 1,400 anti-ship missiles . . . without having to reload their missile launchers." Taft summarized this ratio of 100 Soviet missiles against each U.S. carrier as follows: 108 U.S.S.R. surface and 324 submarine launchers for long-range anti-ship missiles, plus 598 surface and 88 submerged launchers for shorter-range surface-to-surface missiles, plus over 300 naval bomber aircraft carrying anti-ship missiles.

U.S. REQUIREMENTS

Taft coupled his analysis with concern that by comparison, "the United States still has not deployed any anti-ship missiles." (He did not say so, but Italy, France and Israel have such systems operational.) U.S. deploys in this area, as the Navy awaits deployment of the longer-range but increasingly costly Harpoon system, are almost as bad as our NATO allies' failure to buy or even program precision-guided, air-delivered weapons to offset the Warsaw Pact tank (see May AFJ editorial).

He also called for more "small combatants, particularly fast missile boats . . . armed with anti-ship missiles." Russia, he noted, has over 140 fast missile boats, while China has about 80. The U.S. has only two, with two more building, and the Navy has requested only 26. While the U.S. design, Taft says, is superior (he was referring to Boeing's PHM hydrofoil), he said the key to such ships is using them "in squadrons in large numbers." Instead, only "small numbers (are) envisioned for our fleet." This adds up to "a situation," Taft concluded, "where we have the technical innovations but lack the conceptual innovation needed to respond effectively to the Soviets."

Taft also urged that instead of replacing existing large carriers "on a one-for-one basis, say, with *Nimitz*-class carriers, we might be wiser to replace each retiring carrier with two or three smaller carriers designed for V/STOL aircraft. Such carriers are inherently less vulnerable to anti-ship missiles, because they can launch and retrieve aircraft even with extensive damage to the flight deck."

RURAL DEVELOPMENT GOALS

Mr. CLARK. Mr. President, the Rural Development Act was enacted into law almost 3 years ago. When it was considered by the Senate, it was hailed as "the most important single piece of legislation for rural America" ever to reach this body. And it certainly has the potential for being that. The legislation includes numerous provisions to assist rural people and rural communities to deal with their development and growth problems, many of which are unique to the American countryside.

But enactment of legislation does not necessarily guarantee its enthusiastic implementation. The administration, for example, has been sluggish in getting the various rural development programs under way. Presidential budget requests for funding the act's provisions have been meager at best. And for the past 2 years, the Secretary of Agriculture has failed to meet the statutory requirements for submitting the annual rural development goals report to Congress.

Moreover, the President, the Secretary of Agriculture, and other members of the executive agencies have failed to provide the leadership that is essential for a strong rural development program. This administration's philosophy and policy has been dictated by "decentralized government" and State initiative. Yet clearly, the intent of Congress, in the act's language and in hearings before and after passage of the Rural Development Act, is that the Federal Government itself must play a strong and affirmative role in revitalizing rural America. And it is clear to me that rural communities and rural people have suffered the consequences of the administration's failure to take this role into account.

One way the Federal Government can play an active part in rural development is to set priorities—to set goals that can be translated into public policy. When the Rural Development Act was considered in committee and when it was before both Houses of Congress, language was included in the bill that would establish such a procedure. Under section 603(b) of the Rural Development Act, the Secretary of Agriculture is required to set goals for rural development and to report each year to Congress toward these goals. A report is to be issued prior to September 1 each year, and goals are to be established in connection with employment, income, population, housing, and the quality of community services and facilities.

Mr. President, recently the Secretary of Agriculture forwarded the second annual report on rural development goals to Congress. It was almost 10 months late, and the report best could be characterized as a failure. It does not even attempt to set goals. In fact, the report states:

> To arbitrarily set specific goals at the Federal level implies a centralization of Federal control and depth of Federal wisdom and capability that is at variance with this administration's philosophy of fostering a more decentralized government.

I understand that this administration's philosophy is not consistent with this particular congressional enactment. No administration's philosophy ever is entirely in agreement with the Congress. But that certainly does not give it the right to violate the letter and the spirit of the law. And that is exactly what has been done here. The report is 10 months over the statutory deadline. And having set no overall goals for rural development, the report violates the spirit of the law as well.

Section 603(b) of the act requires goals to be put in operational terms so that they can be useful in measuring progress in rural development. For example, the Secretary could call for the production or rehabilitation of "*x*" million units of housing over the next 10 years to enable all rural households to occupy standard dwellings by that time. In employment, the Secretary could call for the creation of 1 million additional jobs in rural counties over the next 5 years in order to provide work for the expected growth in the rural labor force and to reduce present unemployment to acceptable levels. Similar targets could be set for narrowing income differentials between rural and urban households, and for providing essential community services facilities such as waste disposal and water systems.

Goals for rural development stated in specific operational terms with target dates are called for in the rural development act. Yet, the goals report that was just submitted to Congress does not meet that requirement. Instead, the Department repeatedly states that limitations on available data, methodology, and the state of the art of goal setting preclude comprehensive progress reporting on rural development goals. So, this year's report simply is derived from a review of current legislative provisions and an analysis of the executive budget.

Mr. President, this is just the opposite of goal setting. It does not help the Federal Government determine what business remains unfinished, and it does not help the people of rural America get more and better job opportunities, increased incomes, and more accessibility to higher quality and lower cost housing, community facilities, and services.

Ever since the Rural Development Act was enacted into law, the Department of Agriculture has professed its inability to establish goals and to use available data and methodology to overcome the organizational problems associated with setting goals. But this is just an excuse. The real problem is that the Department and the administration lack the willingness to find methods for developing goals that can be used right now. The Department of Agriculture has more field people than perhaps any other agency of the Government. It has the Extension Service. There are rural development committees in every State. And there are five rural development centers located throughout the country to help.

Whether this administration realizes it or not, rural America suffers from serious problems; no mass transportation, unemployment, insufficient housing, and inadequate health care. All of these have taken a heavy toll on the countryside. One way to prevent further deterioration and to improve the conditions in rural America is to fund and implement the provisions of the Rural Development Act in the same spirit with which they were written. And that includes setting operational goals for rural development each year.

Mr. President, I do not agree with the Department of Agriculture that quantitative and qualitative goals are too elusive to be established by the Federal Government. I hope that the Secretary will carry out his obligations under the law in the next goals report due on September 1. To help in this effort, my Subcommittee on Rural Development will be monitoring the Department's rural development activities very closely, and we will do whatever we can to help the Department develop rural development goals.

At this point, I ask unanimous consent that a portion of the Department of Agriculture's Rural Development Goals Report be printed in the Record as well as a statement of the president of the Farmers Union—Tony Dechant—on the implementation of the Rural Development Act.

There being no objection, the material was ordered to be printed in the Record, as follows:

Rural Development Goals

Goals may be defined as broad qualitative statements of purpose or intent which provide a unifying sense of direction to organizational activities. Another definition states that goals are quantifiable objectives which are set to serve as targets for accomplishment within a given time frame. The provisions of the Rural Development Act of 1972 directing the Secretary of Agriculture to establish goals for rural development can be interpreted to call for either qualitative or quantitative goals. This should not be surprising, since the interplay of Congress and the executive branch results in what might be termed the de facto establishment of both qualitative and quantitative goals. Congressional intent and presidential messages often implicitly contain the ingredients of broad qualitative goals, while appropriations and budgets can be translated into target-type quantitative goals.

Other than the traditional executive and legislative processes, no formal, explicit national goal-setting process exists. Therefore, the tentative rural development goals, both qualitative and quantitative, set forth in this report were derived from review of current legislative provisions and analysis of executive budgets.

The people of rural America desire more and better job opportunities, increased incomes, and increased availability of higher quality and lower cost housing, community facilities, and services. The differing conditions and often differing life styles between urban and rural areas make it difficult to determine what is a "fair" balance between Federal initiatives on behalf of rural vs. metropolitan residents in these categories.

Quantitative goals provide for the accomplishment of a measurable number of entities, and they are generally point-of-time specific for attainment; e.g., provide six million publicly assisted housing units within a 10-year period. The task of deriving quantitative goals is complicated by the interrelationship of the five goal categories specified in the Rural Development Act. A quantitative goal stated for either population, income, employment, housing, or quality of community services and facilities may implicitly state a range of goals for the other four. As a goal for one area is stated, goals for each of the other areas can be derived with certain key assumptions and the necessary data. Income is essentially dependent upon employment; housing is essentially dependent upon income; population distribution is essentially dependent upon employment and income opportunities; and the quality of community services and facilities is essentially dependent upon the tax base and purchasing power provided by employment and income.

Obviously, to be attainable, target-type or quantitative goals for rural America must be set within the context of overall national economic conditions and legislative appropriation levels.

Unlike quantitative goals, broad qualitative goals can be considered as being independent of each other as well as of national conditions. Furthermore, they tend to serve more as a general frame of reference against which quantified goal accomplishments can be assessed. For example, full employment can be a permanent goal equally legitimate in good times as well as bad; wage equality can be a legitimate goal regardless of unemployment rates; and adequate housing availability for all can be a legitimate goal regardless of income or employment levels, the conditions of the money market, or even the availability of labor and/or construction materials.

Some term broad goals as rhetoric unless the means and method for their attainment within a particular time frame are specifically provided and described. But even when the means and method are not available, the explicit statement of such goals can be useful in establishing a sense of direction for the Nation's policymakers.

EMPLOYMENT AND INCOME GOALS

Ideally, all Americans should be able to choose where they wish to live on the basis of equal employment opportunity throughout the land. This implies improving the economic conditions of rural America so that people have more effective choices among locations and between rural and urban and metropolitan and nonmetropolitan areas.

The general income goal is to facilitate the development of job opportunities in rural to generate incomes equal in terms of purchasing power to those in metropolitan areas.

Improvement in rural employment follows from more jobs, higher skill levels, and upgraded mix of jobs, and a higher labor force participation rate for women and minorities. Attainment of these objectives will require a demonstrable annual increase in jobs per capita through substantial private capital investment in rural areas over a period of many years.

A substantial increase in nonmetropolitan employment opportunities is required just to absorb the prospective increase in the resident labor force. During the 1960's, for example, in the absence of outmigration there would have been an estimated net increase in the nonmetropolitan male labor force of two million. This contrasts with an actual net increase of 139,000 jobs for males in nonmetro areas during the 1960's. Although it is risky to equate employment and income goals with rates of natural population increase, it would seem that the stabilization of rural population follows from job creation sufficient to absorb natural increase in the male work force.

But whether the resulting stabilization of or increase in the rural population would be in the national interest in coming decades is not confirmed. It is risky to arbitrarily equate acceptable employment and income goals with acceptable rates of distribution of natural population increase.

Both the private and public sectors have major roles in achieving employment and income goals. Investment initiatives in and by the private sector are a dominant force in the process of economic development and in its geographic location. Private investment forces are often strong in rural counties adjacent to urban centers and local considerations are of little consequence in the process of rapid growth. Many remote rural counties have encountered difficulty in reversing the decline in economic opportunity irrespective of local aspirations and the availability of Federal program assistance.

Goals for federally generated employment and income in rural America are related to what Federal assistance can do to stimulate and complement private, State, and local government investment and action. The general condition of the economy is a fundamental determinant of its responsiveness to local, State, and Federal investment and regulatory measures. In addition to such influences as fiscal and monetary policy and public works programs, there are many other instruments at the disposal of government for the improvement of employment and income levels in rural America. These are scattered through the many departments, agencies, and commissions which implement programs designed to improve employment and income levels through various direct investment, loan, grant, and educational activities.

As yet, no generally accepted method has been devised to measure the complementary effect derived from the fact that two or more separately administered programs often work in the same target area. Reliable analysis of the total and interrelated impact of all public programs at work in rural development is not now within the state of the art. Yet such analysis is necessary before quantitative relationships can be established between goal setting and total program effectiveness in employment and income creation.

On the other hand, it is possible to derive some results-oriented public investment targets, which—though admittedly crude—can serve as a starting point. For example: It has been estimated that a $20,000 business investment creates one job. Thus, each $100 million in business and industrial loans could, in theory, generate 5,000 direct new jobs. In addition, an undetermined amount of indirect employment in supporting businesses would also be created. In general, the more labor intensive the industy, the lower the average income level becomes. Yet, the number of persons employed per loan is a criterion of loan approval. Thus, broad employment and income objectives are not always in harmony. Assuming the $20,000 figure to be subject to such factors as inflation, the nature of the proposals received, and other variables, and assuming the $300 million available to FmHA for such loans, the employment creation goal lies within the range of 12,000–15,000 new jobs (exclusive of employment resulting from construction in this area, which cannot be determined).

Furthermore, it is currently anticipated that obligational authorities for other activities under Title I of the Rural Development Act will approximate $600 million in FY 1975. These funds will generate jobs associated with the construction, operation, and maintenance of public facilities. Available data do not provide a basis for determining long-term job creation resulting from these loans and grants, however. But in terms of construction alone, it is anticipated that 35,000–42,000 man-years of work will be required to construct the new public facilities.

Other activities authorized by the Rural Development Act are also job-creating. Rural development research and education (Title V) programs, administered by the Extension Service and the Cooperative State Research Service, stimulate development by increasing knowledge. These research and education efforts will be evaluated for impact upon economic and community well-being, but the ultimate results may not be realized in terms of rural development benefits for a number of years. In addition, as of April 1975, nearly 550 local leaders have been graduated from the National Rural Development Leaders School to return to their communities with information needed to initiate the development process in a knowledgeable fashion. RDS also has succeeded in establishing hundreds of contacts between local community development interests and non-USDA sources of assistance, thus facilitating bringing to bear a greater volume of available Federal assistance on rural community needs. It would be speculative, however, to quantify the employment and income influence of Title V and rural development efforts in the field of human development and technical assistance. Yet we are confident that such influence is positive and significant.

All of these factors plus others not yet considered make the setting of realistic rural income and employment goals most elusive. Thus, quantification of these goals in FY 1975 is confined to the job-producing expectations associated with funding levels anticipated for Title I of the Rural Development Act.

POPULATION GOALS

The general population goal is to facilitate a balance between rural and metropolitan populations compatible with the overall national goal for quality of life and economic health.

During the 1960's, nonmetro areas produced about 2 million new male job entrants of which only 139,000 occupied nonmetro jobs. The remainder—almost 1.9 million—migrated to metropolitan areas. By comparison, the projected growth of labor-force-age males in nonmetro areas during the 1970's is 2.3 million. The relationship between the magnitude of outmigration from nonmetropolitan areas during the 1960's and the lack of significant growth in the male labor force during the period make it obvious that success in meeting employment and other rural development goals also will influence rural population patterns.

In recent years, outmigration from rural America has tapered off and in some areas the migratory trend has been reversed. The largest percentage of the population flow from cities to smaller communities has lodged in rural counties that are contiguous to or conveniently proximate to a metropolitan center. But on the whole, even the more rural counties now have a faster growth rate than do major urban centers. There are nearly 600 nonmetropolitan counties with population declining during 1970–73, compared with 1,300 in the 1960's. This was most pronounced in the Great Plains; the declines in other large groups of counties in the southern Appalachian coal region and in areas of the Southern Coastal Plain Cotton Belt have diminished in size and number.

A broad population goal that is consistent with other goals related to rural development is to facilitate economic and other quality of life amenities to enable citizens to choose between a metropolitan or rural place of residence. This goal statement does not imply that a specific population objective for rural America should be to absorb its own natural increase in population or that it should relieve urban congestion by influencing migration into rural America. specific rural population objectives should be sought only after giving studied consideration of the long-term social and economic impacts that would result.

A key consideration should be land use. There are few restraints on conversion of productive farmlands to industrial and residential development. Assuming that enough land will continue to be made available for needed agricultural production, rural America can easily absorb its own natural population increase and what is necessary to alleviate urban congestion. Conservation and improvement of national agricultural production capacity, as a resource key significance to domestic and international well-being, should be integrated with population and development policies whether they be urban or rural.

There are a few States and substate localities wherein the rate and nature of development and population influx in rural areas have been subject to stringent control measures. In the main, such measures are designed to conserve residual croplands and open space after uncontrolled development has already consumed large amounts of land that would otherwise be useful for agriculture or recreation.

In gross terms, the overall population of rural America has increased despite the outmigration of millions following World War II and, with previously noted exceptions, many rural counties are currently experiencing accelerated population growth. Furthermore, it should be noted that "rural America" is not fixed in space and time; e.g., during the 1960's, some counties were reclassified from nonmetro to metropolitan.

Except for the southern Appalachian coal region, most of the counties experiencing population outmigration are economically based on a form of agriculture that has continued to become more capital intensive. In the Cotton Belt, much of the outmigration has consisted of minority laborers displaced by improved farm technology. However, the Southern Cotton Belt has good alternative economic prospects based on labor force availability, and increasing participation in nonfarm economic growth marks the Southern Coastal Plains area as a whole.

The southern Appalachian coal region also has an improved economic outlook stemming from a resurgent demand for coal as an energy substitute for oil. As in the case of the Southern Cotton Belt, private investment assisted by available Federal programs can provide the stimulus needed to modify the population outflow from the southern Appalachian area.

The Northern Great Plains and the Western Corn Belt are characterized by a different problem. The economy is solidly based on agriculture. Many counties are so distant from major markets that manufacturing, unless based on agriculture, is not a strong prospect. Population is sparse and scattered. Water in the quantity needed for many industrial ventures is often scarce. Unless communities in these localities can identify resources and assets that are invitational to investment, it will be difficult to induce any substantial change in the pattern of outmigration.

HOUSING GOALS

Decent housing for all Americans continues to be the national housing goal. Efforts needed to achieve this goal include replacement of substandard rural housing with standard-quality housing located where people want to live and work. Interim Federal rural housing policy emphasizes more effective use of existing housing and making Federal programs more responsive to those with the greatest housing needs.

One approach to meeting housing needs has been public housing. More recently, experiments have been initiated with cash assistance programs which are designed to give families greater flexibility in obtaining lower cost housing. However, when compared to need, the level of housing assistance that the Government can afford is small with the limited resources available. Housing in the quantities required can be supplied only by encouraging private enterprise to build housing, whether for owner-occupation or for rent. Federal housing policies encourage private building and rely on local controls to restrict construction that poses serious environmental and aesthetic problems.

The Department endeavors to assist families who have the desire and are financially able to become rentors or homeowners of standard housing. This goal enables many families to acquire adequate housing and at the same time adds to their and the community's social and economic well-being. USDA provides, through FmHA, a counseling service for assisted families to ensure that they will be successful in repaying their loans.

In 1970, there were 3.1 million substandard housing units in areas served by FmHA programs. Of these units, 2.6 million lacked complete plumbing and 0.5 million were dilapidated but had complete plumbing. About 81 percent of the substandard housing in FmHA areas is located in open country. Small towns of 1,000–9,999 population have nearly 19 percent of the substandard units in FmHa areas. In 1974, the addition of places of 10,000–20,000 population to FmHA housing programs increased the number of substandard housing units in FmHA areas by about 160,000. About 57 percent of the substandard units in FmHA areas are owner-occupied. Of those rented, 39 percent involve no payment of cash rent. Only 26 percent of the substandard units are rented for cash.

Perhaps the most dire rural housing situation is represented by a Bureau of Indian Affairs estimate in their 1974 Housing Inventory that 7,489 of the 11,302 housing units of the Alaskan native population were substandard, 6545 of these needed to be replaced, and the remaining 944 needed renovation. An additional 1,976 families had no housing. The total need for new or improved housing for Alaska's low-income native population was 8,321 units. In addition, 8,000 residents of rural Alaska obtained their water from unprotected wells, streams, tundra ponds, or melted ice, implying the need for safe drinking water facilities, as well as better housing.

USDA's national goal for FY 1975 is to provide for the construction or renovation of approximately 100,000 units of rural housing, at least 40 percent of which will be existing housing. About one-half of this effort will be directed toward families with the lowest income who are eligible for and seek assistance under USDA housing programs. Goal attainment is largely dependent on the degree to which private initiatives respond to the availability of USDA housing assistance.

QUALITY OF COMMUNITY FACILITIES AND SERVICE GOALS

The quality of community facilities and services goes hand-in-hand with economic development in making rural America a better place to live and work. Electric power and adequate water and waste disposal systems, transportation systems, and communications facilities are essential to development activities as well as to human convenience. Some basic services will naturally follow community development; but others, such as adequate health and educational services, and to a lesser degree recreational opportunity, are often prerequisite to substantial external investment in a small community. Federal program assistance in the field of community facilities and services centers largely on these basic needs. Consistent with the budgetary priorities assigned to facility development, the Federal Government has made good progress in meeting the needs of rural America.

COMMUNICATIONS AND ELECTRIC POWER

The main task of providing electric and telephone service to rural residents has changed from one of initially making basic services available to one primarily of making qualitative improvements in service to existing consumers although there is continuing growth in the number of consumers served.

In the area of telephone facilities and services programs administered by the Department's Rural Electrification Administration, the goal for FY 1975 is to provide financing for new or improved service to an estimated 237,000 rural subscribers. (For this, $160 million will be financed by the Rural Telephone Bank; $200 million will be from REA insured loans; and $200 million will be from REA guarantees of loans from non-REA resources.) The goal for the REA electric program is to provide financing for adequate electrical service to approximately 430,000 rural residents and installation of 1,028 megawatts of generating capacity. (Financing will be $1,286 million in REA guarantees of loans and $700 million in REA insured loans.)

WATER AND WASTE SYSTEMS

In most areas the demand for potable community water supplies stems from a need to renovate or expand existing systems instead of providing new systems in towns which lack these facilities completely. Even so, the lean years of outmigration since World War II have left many rural communities with deteriorated water and waste disposal facilities, and the demand for loans and grants to review or expand these systems is strong.

Of the 16,696 communities of 10,000 population or less outside urbanized areas, many have water and sewer systems, though many are below optimum quality. A recent survey of the FmHA backlog of requests for such systems over past years revealed that many communities apparently were able to finance new or improved systems through other resources when Federal assistance could not be provided. The implication of these findings is that loans will satisfy most community needs for these facilities.

With the funds available in FY 1975, the USDA goal for water and waste disposal systems is to provide approximately 1,200 new or improved systems serving 1.6 million rural residents. (This is based on $400 million in FmHA loans and $150 million in FmHA grants.)

Other agencies, such as the Department of Housing and Urban Development, Appalachian Regional Commission, Economic Development Administration, and Environmental Protection Agency, also have programs for providing community facilities. The impact of these programs on the needs of rural communities for water and waste disposal systems cannot be assessed because adequate data are not currently available.

HEALTH SERVICES

Generally, there is a severe lack of adequate health services in rural America. In addition, provision of better health services requires that rural America be able to compete with the urban sector in attracting doctors, particularly specialists. Aside from these facts, solutions to health care deficiency in rural America remain to be proven by research and pilot experiments required for large-scale solutions. USDA is working with the Department of Health, Education, and Welfare to develop broad areas of health services and procedures for rural America.

TRANSPORTATION

In transportation, USDA will assist the Department of Transportation in determining how its program and funding will be applied in rural America. The objective is to provide advice and guidance intended to ensure that the transportation program effectively meets rural transportation needs within the intent of the law and the availability of resources.

OTHER

USDA's FY 1975 goal in the area of community facility construction and equipment is to provide or upgrade a minimum of 400 rural community facilities serving approximately 5.5 million rural residents. Included are such services as health, day care for children, law enforcement, fire protection, libraries, recreation, telephone, and electricity.

Strengthening of community leadership is critical to rural development, since community growth is most often the product of local initiative. Since active, knowledgeable community leadership almost inevitably translates into community services, goals also are expressed in this area. One such goal is to provide technical support for local rural development efforts through at least 1,400 professional man-years of direct assistance by the Extension Service. A realistic estimate of the impact of these efforts might be that 7,000 units of local government will be assisted in ultimately making wiser public decisions, while some 700,000 citizens will be similarly assisted. Some of the goals of RDS are to strengthen the technical capacity of rural communities to conduct their own development programs by training 220 rural community leaders in two regional sessions of the National Rural Development Leaders School; coordinate at least 12 interdepartmental arrangements designed to effect the better delivery of Federal services to rural America; and provide direct assistance to possibly 1,000 rural communities seeking Federal resources and technical information needed to undertake proposed community development projects.

Statement of Tony H. Dechant, President, National Farmers Union

Mr. Chairman, the take-home pay of rural Americans' major industry has been cut in half over the past year. No other major segment of the national economy in our history has been required to take such a deep cut so suddenly. The ramifications throughout the rural economy from the drop of nearly $20 billion (annual rate) in farm proprietors' net income have not yet been fully felt.

Yet we know that rural industry, other than farming, recently suffered a doubling of unemployment rates in a period of less than 6 weeks.

The combined effects of cutting farm income in half and rapidly increasing rural unemployment form a dismal background for your hearings on the lack of implementation of the Rural Development Act of 1972. It is ironic that this should occur right at the time when the U.S. Bureau of Census and the New York Times has finally recognized the fact that Americans prefer to live in rural America, if they could find the means to a livelihood.

But nobody can afford to live in rural America very long if his income is cut in half over a year's time. The veto and the minority vote that killed higher target prices and price support loan rates was a blow at the heart of rural America—a serious setback to two decades of bipartisan rural development efforts. Even if all provisions of the Rural Development Act of 1972 had been implemented and fully funded it could not make up for the drastic drop in farm family incomes over the past 18 months.

The Chairman of your Subcommittee has recognized this fact. On the House floor and off, he has tried to weld together an alliance (or at least an understanding) between the Congressional Rural Caucus and representatives of densely populated city areas.

We in Farmers Union have also entered such an alliance—with UAW.

Leonard Woodcock, president of the United Auto Workers, has joined Farmers Union in the formation of a nationwide Alliance for Food, Employment and Resource Policy.

The announcement was made at a press conference preceding Woodcock's appearance on the program of the 73rd annual convention of National Farmers Union held during the week of March 10 in Portland, Oregon.

There are three principal goals of the Alliance for which there is currently no adequate national policy. They are:

To establish a comprehensive farm and food policy.

To put America back to work.

To allocate scarce resources and credit to productive uses.

We do not have a comprehensive national food policy in this nation. We have only bits and pieces of a food policy and the President and the Secretary of Agriculture are determined that no food policy is the best food policy.

Secretary Butz's "market-oriented, boom and bust" system characterized by uncertainty and violent ups and downs in food supplies and prices has been damaging both to consumers and farmers.

So the first thing I must say to you, Mr. Chairman, as you consider the state of rural development and rural development legislation is that attention be directed toward a national food policy. We must begin now to develop such a policy to assure consumers of ample food supplies, with provision for reserves, and to protect prices and income to farmers.

There is no point in trying to talk about increased rural industrialization, more prosperous business conditions, higher quality human and social services in rural America if we don't do something about parity of farm income.

The Rural Development Act of 1972 was passed and signed nearly three years ago. Its enactment gave a great psychological boost to the rural yearning of all American people—some of which Roy Reed caught in his recent New York Times' series of articles.

Yet, to be perfectly honest, I must say that the psychological impact of the Rural Development Act has been more of the spirit than of concrete development.

First, as you well know, implementation of even the minor provisions of the Act was delayed for nearly a year as the Executive Branch hid behind the Congressional appropriations process, which the President tried to frustrate by requesting grossly inadequate proportions of the already watered down authorization amounts.

For example, when the Rural Development Act was under consideration in Conference of the two bodies, the Senate version of the bill has provided a modest but significant authorization to initiate the important education and research programs under Title V. Before the bill could get out of Conference, a veto threat forced the authorized appropriation for Title V to be cut back so far as to be ridiculous. No program of any reasonable kind could have been mounted either of rural development extension or badly needed rural development research. But even here the subsequent budget request was for only a small part of the already ridiculously low authorization.

Qualitatively, Mr. Chairman, probably the greatest rip-off on the Rural Development Act is the total disregard by the Executive Branch of, and its refusal to implement and fund, the rural district planning and coordination provisions. This, even at a time when Administration spokesmen are exalting the essentiality of long-range planning in rural America to absorb the rural-bound city folks and industries that are migrating into rural areas. I cite Assistant Secretary Ervin's recent speeches in Colorado and elsewhere.

The Rural Development Act requires the Secretary of Agriculture to utilize the services of the State-established multi-county rural planning and development districts to look over and check out rural industrial and community facility loan and grant applications to see how they will fit into the environmental, economic, and other long range goals and plans of the local rural area. The Department of Agriculture not only tried to transfer, by regulation, this function from local control to a state level bureaucracy, but equally bad the Secretary and the President have refused even to recognize the expense reimbursement provision of the law. Not only is this true but it is also true that the Executive Branch has not requested a single dollar to implement Section 111 of the Rural Development Act to provide funds to local rural development authorities to hire professional staff to assist them to formulate and promulgate long range rural development plans against which rural development project application can be checked out.

We had thought, when Congress put together the Rural Development package, that here for one of the few times in history, we had gotten it all together—research, education, planning, social infrastructure, social services, and economic action. I have just pointed out neither research, education, nor planning have been carried out in any meaningful way.

But neither have been any of the action provisions.

It took the House of Representatives several major efforts to activate the important new rural communities fire protection provisions of the Rural Development Act—and then only half a loaf. Yet industry and business cannot prosper in rural America without adequate fire protection.

An even worse fate has met the important rural community and rural industrial water supply additions made by Title II of the Rural Development Act to the watershed protection and resource conservation and development projects programs. Both have been honored mainly by being disregarded. The same fate met the rural resource conservation needs inventory provision of the Rural Development Act. Congress fully intended that these provisions be immediately incorporated into the ongoing watershed and R, C and D project planning and operations. The failure to do so has denied rural America of an important source of essential rural community water supply and development of pure water sources for rural industrializations. This is tragic. It should be implemented immediately, by mandatory Congressional action if necessary.

The Administration has given only token support to implementing the important Rural Development Act amendments to Farmers Home Administration legislation.

The stubborn opposition of the Executive Branch to adequate funding for water and sewer system grants has dramatized the situation. But what the Administration was able to do—delay for 3 years a meaningful appropriation—for water and sewer is only symbolic of the tragic refusal to meet the need for rural industrial and environmental quality grants in connection with the important new FHA loan programs initiated by the Rural Development Act.

This is not just a farm issue, not even just a part of a program of a farm organization—although it is that—I am aware, for example, the Huron, S.D., spurred by its Chamber of Commerce, wishes to build an enclosed all-weather downtown shopping mall. To do so takes a lot of money and a lot of courage. Huron, S.D., is clearly eligible for Rural Development loans and grants.

Yet this one proposal might well require the entire national appropriations for 10 years—leaving nothing else in the Act for anybody else in South Dakota and in the 49 states and Puerto Rico—and there are thousands of Hurons between Alaska and Puerto Rico and Hawaii and Maine.

At the present rate, Mr. Chairman, we are kidding ourselves, and we're kidding, but not fooling, the public that the Federal Government is serious about rural development. We have allowed the Executive Branch to force and hoodwink us into the most morally dishonest kind of sophistry—we're pretending to do something when in fact we aren't doing anything to plan, coordinate, and move forward with Federal aid to orderly rural development.

As weak as has been Executive Branch response over the past three years to enactment of the Rural Development Act in many other respects, its utter contempt of Congress is best understood by a study of the annual rural development goals reports the Act requires the Secretary of Agriculture to send to Congress each September 1.

Not one of these reports has been forwarded within months of its due date. The current annual report is now almost a year overdue. Yet some kind of report, prepared under contract, has been gathering dust in the Office of Management and Budget for more than the usual 9-month gestation period. Totally as important as the disrespect shown Congress by the tardiness of these reports—and disrespect if I may say so, Mr. Chairman, to your Subcommittee—is the utter worthlessness of the reports when finally sent forward and their complete disregard for the specific instructions contained in the law as to what the report shall address and contain.

Mr. Chairman, the Farmers Union, over the past 9 years, has been operating a modest rural development program in some 25 states—Green Thumb. Utilizing mainly U.S. Department of Labor funds, we have been supplying a subsidized pool of women and men workers to environmental improvement, beautification, parks, recreation development, social services, and community facility improvements. These workers—all 55 years old and over with pre-Green Thumb income below the official poverty line—contribute not only free labor to local rural government and nonprofit private rural development undertakings—building ski trails, hiking trails and town halls, picnic shelters, water works, assisting library, school, and hospitals staffs, law enforcement personnel, and manning rural mass transit bus lines—Green Thumbers also, spend their increased wages on Main Street where the typical dollar goes through upwards of seven cash registers before it is sent out of town. The increased well-being and self-esteem of rural oldsters is marked but even more so is the great contribution they are making to more rapid rural development.

We welcomed Section 602 of the Rural Development Act as a new friend in court for Green Thumb. Unfortunately we must report to you that we have seen absolutely no evidence of any effort whatsoever on the part of the Secretary of Agriculture to use his good offices on behalf of older rural Americans—either in the grant programs of the Administration on Aging (Dept. of HEW) nor the rural older worker programs of the Manpower Administration of the U.S. Department of Labor.

In fact, except for Congress, Green Thumb would already have been terminated. Moreover, we hear a move is underway in the Manpower Administration to abolish and terminate the Rural Manpower Service (formerly Farm Placement Service). And we fear that an innovative demonstration of a companion cooperative multidepartmental rural development manpower education and training service may be terminated on June 30 for lack of funding, in the face of nearly 10-years highly popular and successful operation.

Mr. Chairman in all honesty, I must say to you the immediate outlook for the Federal Government playing any significant role in rural development is most gloomy. Farm income is still dropping—the support level cushion is so low that farm income this year can fall much further.

Except for these hearings, and similar ones in the Senate, and the recent vitality of the Congressional Rural Caucus, we see no really encouraging signs of activity in either the Executive Branch or the Congress to pursue, expand, and push the attainment of the objectives of the Rural Development Act of 1972.

Mr. Chairman, I wish that I could have been more optimistic in this statement. Rural America continues to grow faster than non-rural America. National population and the nation's business and industry are moving to rural areas. However, rural areas, so far, are not well prepared to accept them and make the best use of them or provide them with decent, safe, and sanitary housing conditions, much less those facilities and services that are culturally satisfying and socially attractive.

Because of the stubborn, if subtle, recalcitrance on the part of the President of the United States and the Secretary of Agriculture, the Federal Government is doing practically nothing to fulfill the promise to rural America set forth by Congress in the Rural Development Act of 1972.

PRESIDENT FORD REJECTS COUNCIL'S ADVICE ON OLDER AMERICANS

Mr. CHURCH. Mr. President, Congress established in 1973 a Federal Council on Aging.

One of its prime functions was to advise and assist the President on matters relating to the special needs of older Americans.

In a report issued earlier this year, the Council attempted to fulfill that purpose in an annual report. It urged the President to reconsider administration policy on budget cutbacks which would have affected the elderly in very direct ways.

Last week, President Ford commented on the Council recommendations and bluntly rejected the good advice given to him. His message to the Congress was all-too-representative of the negative attitude so often expressed by this administration on issues affecting the elderly of this Nation.

It is bitterly unfortunate that the President, in his very first exchange of views with the Council, saw no need to alter any administration policy to any degree at all.

Indeed, the President seemed to go out of his way to slight the Council.

He said:

> The perspective and recommendations of this report are limited to a particular area of interest and advocacy.
>
> The report does not reflect the administration's policies, which must reflect a broader range of responsibilities and prioritities.

In other words, President Ford seems to say, administration policy is fixed and cannot be swayed by facts or the opinions of worthy and highly informed people.

The membership of the Federal Council is expert; it is compassionate; and it is charged with a heavy responsibility by the Congress. Mr. President, I ask unanimous consent that the Council membership be inserted at the end of these remarks.

What advice did that Council give to the President? It is very similar to positions taken by members of the Senate Committee on Aging and by other Members of the Congress.

Specifically, the Council referred to a letter sent to the President in December to express "deep concern" about the financial burden that would fall upon the elderly as a result of the reductions the administration would incorporate in the upcoming administration budget.

In its report on March 31 of this year, the Council reiterated its concern:

> We continue to be distressed about the apparent lack of consideration for the economic plight of the elderly as reflected in Administration proposals for the 1976 Fiscal Year budget. Cutbacks in Federal monies for social services for the elderly and ceilings on benefit programs financed from Social Insurance Trust funds are particularly burdensome to his age group. Many of their financial assets are tied to fixed sources while their needs are mobile.
>
> We recommend that the President reconsider the serious effect of these fiscal proposals on the elderly of this Nation with their urgent humanitarian needs.

Congress has certainly agreed with key points of the Council's appraisal. My resolution to express Senate disapproval of the President's plan to limit a social security cost-of-living increase to 5 percent—when, under law, 8 percent was due—was overwhelmingly adopted. The administration's plan to increase the cost of medicare to elderly participants was rebuffed by the Congress. Proposed cutbacks in the Older Americans Act, food stamps, and other programs have been staunchly resisted by the Congress and, in particular, by the Appropriations Committees in each House.

Mr. President, to provide additional information on what the Senate Committee on Aging's annual report describes as an administration strategy on cutbacks, I ask unanimous consent that my preface to that report and chapter 1 be printed at the conclusion of these remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. CHURCH. Mr. President, that report, I might add, includes a chapter reassessing administration positions and programs related to improvement of nursing home care. This is no small matter, since more than half of the $7.5 billion total for such care in the United States is paid from Federal funds. Once again, the report had to conclude that the administration is presiding over a failure in public policy in long-term care.

A similar complaint was made by the Federal Council on Aging in its March report:

> The Council urges legislative action to develop high standards of safety and care in nursing homes. At the same time, it is essential that assistance be provided to enable facilities to meet such standards, especially those homes serving minorities and the poor.

Much the same statement has been emphatically made by the Subcommittee on Long-Term Care of the Senate Committee on Aging. In reports issued since last November, the subcommittee has urged the Department of Health, Education, and Welfare to meet congressional mandates intended to upgrade nursing home care. One report, to be issued in the near future, provides extensive detail on HEW shortcomings in protecting nursing home patients against fatal fires.

In his response to the Council yesterday, President Ford simply defended the status quo.

About nursing homes, he said:

> The Council specifically recommends "legislative action to develop high standards of safety and care in nursing homes." The Department of Health, Education, and Welfare has set high standards of nursing home care and safety that must be met by nursing homes participating in the Medicare and Medicaid programs. The enforcement of these standards is one of my Administration's highest priorities. Federal funds pay 100 percent of the costs of inspection to monitor compliance with these standards.

The Federal Government pays its share of the costs of meeting nursing home standards through health care financing programs, primarily medicare and medicaid. Financial assistance is also made available by the Department of Housing and Urban Development to assist nursing homes in meeting selected fire safety standards.

About retrenchment on programs on aging, the President had this to say:

> The Council also expressed its concern about the level of funding for programs to assist the elderly. I sympathize with this concern, but I am determined to reduce the burden of inflation on our older citizens, and that effort demands that Government spending be limited. Inflation is one of the cruelest and most pervasive problems facing older Americans so many of whom live on fixed incomes. A reduction of inflation, therefore, is in the best interests of all Americans and would be of particular benefit to the aging.

In other words, the President is saying that the older Americans—the hardest-hit victims of inflation—should be patient and ignore the very real facts of life they face every day.

They should ignore the fact that the high cost-of-living is especially severe in housing, health care, food, and transportation.

They should ignore this even though they spend disproportionately more of their income in those four areas than do other age groups.

They should ignore the fact that poverty is actually increasing in the upper age brackets to startling levels.

On that last point, Mr. President, new statistics just obtained by the Committee on Aging staff indicate that poverty is on the upswing for aged and aging Americans because of the administration's disastrous and misguided economic policies.

During the past year, poverty for persons in the 45 to 60 age category has increased by nearly 200,000—from 2.4 million to 2.6 million.

Two reasons have accounted for this alarming trend: Rampant inflation and an unacceptably high level of unemployment.

Yet, President Ford wanted to phase out a community service jobs program for older workers.

For persons 60 and above there has been a slight improvement in the income picture because of congressional insistence that a two-step, 11 percent social security increase be enacted into law in 1974.

The White House, however, used every resource at its disposal to block this measure. And, if the administration had prevailed, there certainly would have been more older Americans in poverty than now.

In the face of all this, President Ford's only reply—to the Congress, the Federal Council, and to the elderly people of this Nation—is that he is standing pat. He says he is concerned about inflation, and yet he will do nothing more to help its hardest hit victims.

Once again, he defends an administration which is rapidly establishing one of the most negative records on aging of any that I can remember, even including that of Mr. Ford's predecessor.

EXHIBIT 1

ATTACHMENT 1: MEMBERS, FEDERAL COUNCIL ON AGING

Bertha S. Adkins, Chairperson, of Oxford, Maryland, former Under Secretary of the Department of Health, Education, and Welfare.

Dorothy Louise Devereux, of Honolulu, Hawaii, former Member of the Hawaii State House of Representatives.

Carl Eisdorfer, M.D., Ph.D., of Seattle, Washington, Professor and Chairman, Department of Psychiatry and Behavioral Sciences, University of Washington and Past President of the Gerontological Society.

Charles J. Fahey, The Reverend Monsignor, of Syracuse, New York, Director of the Catholic Charities for the Roman Catholic Diocese of Syracuse and President-Elect of the American Association of Homes for the Aging.

John B. Martin, of Chevy Chase, Maryland, former Commissioner on Aging, Special Consultant to the American Association of Retired Persons and the National Retired Teachers Association.

Frank B. Henderson, of Worthington, Pennsylvania, Director, Nutrition Services, Armstrong County Community Action Agency.

Frell M. Owl, of Cherokee, North Carolina, Retired from the Bureau of Indian Affairs; Member of the Indian Advisory Council of the United States Senate Special Committee on Aging.

Lennie-Marine P. Tolliver, of Oklahoma City, Oklahoma, Professor and Associate Director, School of Social Work, the University of Oklahoma.

Charles J. Turrisi, of Norfolk, Virginia, retired as General Superintendent of Mails of Norfolk. He is legislative chairman for the Norfolk Chapters of the National Association of Retired Federal Employees and the American Association of Retired Persons.

Seldon G. Hill, of Orlando, Florida, is a member of the Advisory Board of the Florida State Division on Aging. He was Assistant Director of the War Manpower Commission of the U.S. Civil Service Commissioner.

Nelson Hale Cruikshank, of the District of Columbia, President, National Council of Senior Citizens. Former Director of Department of Social Security, AFL–CIO.

Sharon Masaye Fujii, of Santa Monica, California, Vice President of Gerontological Planning Associates.

Hobart C. Jackson, of Philadelphia, Pennsylvania, Executive Vice President Stephen Smith Geriatric Center and Administrator of the Stephen Smith Home for the Aged. Mr. Jackson was the founder of the Caucus of the Black Aged and presently serves as Chairman.

Garson Meyer, of Rochester, New York, former Chief Chemist, Eastman Kodak and the President Emeritus of the National Council on the Aging.

Bernard E. Nash, of Camp Springs, Maryland, Executive Director of the National Retired Teachers Association and the American Association of Retired Persons.

ATTACHMENT TWO: PREFACE AND CHAPTER ONE FROM: DEVELOPMENTS IN AGING: 1974 AND JANUARY-APRIL 1975—ANNUAL REPORT, U.S. SENATE SPECIAL COMMITTEE ON AGING JUNE 1975

PREFACE

Older Americans are waging a daily struggle against the high cost of living.

That fact was documented in last year's annual report by this committee.

It is documented again in this report, which shows how rises in rents and property taxes, utility bills, transportation costs, health charges, and food prices are hitting the elderly even harder than was the case a year ago.

In addition, the elderly are faced by another difficulty: a determined and persistent effort by the present administration to cut back on programs essential for the well-being of our senior population.

This administration attitude is certainly not new. Previous annual reports have told, in some detail, of earlier efforts to gut or significantly reduce Federal commitments on aging.

But in 1974 and so far in 1975, administration negativism has flared up in new and significant ways.

Of greatest concern was the administration position calling for a reduction in a Social Security benefit due in July. That increase was authorized by a 1972 law which established a cost-of-living adjustment mechanism meant to assure, once and for all, that Social Security could be increased as a matter of course when triggered by higher living costs. The increase due in July under terms of the 1972 law, as amended, will be 8 percent. But the Secretary of Health, Education, and Welfare has vehemently insisted that the Congress should pass a law providing only 5 percent.

The Secretary has never convinced me there is a real rationale for his proposal; he certainly has never persuaded me that Social Security recipients don't *need* the full 8 percent. Early in the year, therefore, I introduced a resolution expressing congressional disapproval of the 5 percent proposal. More than a majority of Senators joined me; on May 6 the Senate passed it. HEW Secretary Caspar Weinberger, even then, maintained his position. Grudgingly, he announced on May 15 that the administration would obey the law; the Social Security checks due in July will indeed reflect an 8-percent increase.[1]

The Social Security position is just one of many disturbing administration actions described in the following report. Its chapters tell of proposed assaults on Medicare, of efforts to cut funds already appropriated for the Older Americans Act, of continuing administration resistance to genuine nursing home reform, and reluctance to implement a desperately needed program to provide housing for the elderly, just to mention a few. (See chapter I for a summary of what is described as an administration strategy of cutbacks on aging, and individual chapters for discussion of specific items in greater detail.)

It becomes clear that the administration is asking the Congress to take unacceptable actions and then blaming the Congress when Congress will not accept them.

Perhaps the administration is indulging in a game of budgetary politics, making impossible requests in the name of budget-cutting solely for the purpose of saying that Congress, by rejecting them, is increasing the deficit.

Or perhaps the administration is genuinely blind to the real and desperate problems faced by so many older Americans.

Whatever the reasons, the administration is failing to perform one of its most important functions: to act as an advocate on behalf of people.

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[1] The *Los Angeles Times*, on May 16, described Secretary Weinberger as critical of the Congress for not limiting the mandated Social Security benefit increase to 5 percent. It also quoted him as saying that the $2.2 billion difference between an 8 percent and 5 percent increase would be "a substantial addition to the already large Federal budget deficit." Senator Church—sponsor of a bill (S. 3143) to remove the Social Security Administration from the Department of Health, Education, and Welfare—has been critical of the current practice of including Social Security payments in the "unified budget" of the Federal Government. He argues that Social Security payments are almost completely financed from trust funds and should not be included in general revenue operations.

The Congress, concerned as its Members are about the mounting Federal budget and accompanying deficits, must exercise careful judgment in making its decision on national priorities. It must steer a balanced course: refusing to accept cutbacks which in the long run cost more than they save, and yet looking for genuine economies wherever they may be found or developed.

Despite administration-congressional conflicts on several major issues related to aging, the following report discusses encouraging progress on a number of important fronts. It notes, for example, that the Older Americans Act appears to be on the verge of extension and improvement. There now appears to be more momentum than ever before for nursing home reform and for other forms of care and assistance intended to reduce institutionalization. Legislative enactments related to transportation are at an all-time high, even though there is reason for concern about delays in implementation. (Additional examples of proud congressional directives, followed by lags in actual performance by the executive branch, will be found frequently in the following pages.)

For all of the frustrations, it is encouraging to see very direct evidence that increasing numbers of Americans care—and care deeply—about issues related to aging.

In many communities, retired persons are organizing into action groups intended to make life more satisfying for people in the later years of life. Part-time, paid seniors are putting their talents to good use in the service of others, and Congress is now considering a broadening of such community service programs. Participants in the Retired Senior Volunteer Program have a spirit which inspires me every time I encounter RSVP firsthand. Area agencies on aging are now at work in more than 400 locales; they are struggling with insufficient resources, but they are devoting full-time attention to community action and coordination. And people are talking more about aging; newspapers and television carry stories not only about the problems that come with age but also about the achievements of aging people.

There *is* progress being made, the kind of progress which comes with understanding.

And understanding, after all, is a precious commodity. It was helped along in 1971 with a White House Conference on Aging. It may be helped along once again with a similar conference in 1981, since such national assemblages traditionally take place every 10 years. But 1981 is a long time from now, and it may well be that we should not wait 10 years for another look at where we are. For that reason, I hope that readers of this report pay special heed to its final chapter. There, it is pointed out that the year 1976 will be mid-way between White House Conferences on Aging. The chapter asks whether some productive action should be taken next year to mark the fifth anniversary of the 1971 conference, and it asks for ideas about how this should be done. Personally, I join in asking for suggestions. It seems to me that a miniature or repeat version of the 1971 conference would do little good at this point; we still have a long way to go before we come anywhere near fulfilling recommendations made *then*. But some form of stocktaking could be useful in 1976. The questions are: what form should it take, and how can it take place without diverting energy and resources from other important activities?

Answers to those questions are needed. Nineteen hundred and seventy six, the year of the National Bicentennial celebration, could also be a year in which important issues related to our national future could be answered or at least faced up to more clearly than they now are. That is true of problems affecting all age groups. It is especially true of those that now so seriously trouble so many older persons in this Nation.

FRANK CHURCH,
Chairman, Special Committee on Aging.

CHAPTER I: THE ADMINISTRATION STRATEGY FOR CUTBACKS IN AGING

Quite often, annual reports issued by this committee tell of congressional actions on aging in the face of administration reluctance or counter-proposals.

Last year, for example, *Developments in Aging: 1973 and January–March 1974*, told of Nixon administration resistance to an 11 percent, 2-part increase in Social Security benefits (Chapter I, p. 8). It also described an Administration tax package which would have—in the view of Congress—helped very few low-income elderly (Chapter II, pp. 32–33). Other bipartisan congressional criticism was directed at an Administration proposal to raise medicare costs for elderly participants (Chapter III, pp. 40–41); Administration failure to take a leadership role in nursing home reform (Chapter IV); Administration opposition to congressional initiatives on housing for the elderly (Chapter V, pp. 82–91); and, on several other matters, what appeared to be negative attitudes toward specific proposals or programs.

Many similar points of conflict have arisen in the 12 months which have just passed.

It is argued from the Office of Management and Budget—as well as from the White House and individual Federal agencies—that cutbacks in existing programs, or freezes against new ones, are essential during troubled economic times.

Members of Congress have argued, however, that good judgment and compassion must be built into all budget-making and budget-cutting decisions.

They also see an unfortunate trend in the making. As is so often charged in both Houses of the Congress, "The Administration is attempting to balance the budget on the backs of the elderly."

What follows in this chapter is a summary of Administration-Congressional disagreement in a few key areas in order to document what must be regarded as a hardening of Administration attitudes on matters of vital importance to older Americans.

Later chapters will deal with other issues in greater detail.

I. THE SOCIAL SECURITY PICTURE

Nearly every American has a very direct and important stake in the Social Security system.

More than 90 percent of all persons 65 or older are now eligible for monthly benefits. Approximately 100 million workers contribute to Social Security. In return, they build credits toward future benefits for themselves and their families.

To a very large degree, the Social Security system is a compact between the people of the United States and their Government. The Federal Government stands in the position of a trustee for those who have built up rights during their working years.

Social Security is also vastly different from the general revenue operations of the Federal Government. The cash benefits program,[1] for example, is almost entirely self-financing—paid for by earmarked contributions from employees, employers, and self-employed persons. These contributions are placed in separate trust funds and can be used for only two purposes: payment of benefits and the administrative expenses.

These points were further underscored when the Congress enacted an automatic adjustment mechanism [2] to make Social Security inflation-proof and to protect the elderly from the uncertainties of the political process. This automatic escalator provision was initially scheduled to apply to checks delivered in February 1975. But, it will now come into operation for checks received in July 1975 under recent amendments [3] to the Social Security Act.

These factors have all provided powerful reasons to discourage tampering with the automatic adjustment mechanism, or downgrading benefit outlays from the trust funds.

Nevertheless, the Administration apparently has launched a campaign to control so-called "uncontrollable" spending, and thus give the appearance of improving the overall fiscal picture under the unified budget. Former Office of Management and Budget Director, Roy Ash, was at the vanguard in this strategy.[4]

This rationale and earlier Administration pronouncements provided the basis for President Ford's proposal to place a 5 percent ceiling on the July 1975 Social Security cost-of-living increase, instead of the 8.7 percent projected rise.[5] When asked at a news conference whether his proopsal would force the elderly "to assume an unfair burden of the hardship and sacrfiices," President Ford gave this response:

"I think it is proper to indicate that I am not requesting Congress to keep the Social Security payments at the present level. I am saying that in order to have a total effort in this country, to combat inflation and to help the economy, that there should be a 5-percent increase, but no more." [6]

Several Members of Congress quickly opposed the Administration's proposal, which would have reduced Social Security benefits by more than $2.5 billion. Individuals would lose more than $80, on the average, than would be the case under the 8.7 percent increase.

AVERAGE MONTHLY SOCIAL SECURITY BENEFITS
(Dec. 31, 1974)

Beneficiary	Present law rate	Present law rate increased by 5 percent	Present law rate increased by 8.7 percent [1]
Retired worker alone	$183	$193	$200
Retired couple, both receiving benefits	312	329	341
Aged widow	177	187	194

[1] Projected cost-of-living increase for checks received in July 1975 under the formula in Public Law 93–233.

Source: Social Security Administration.

Senator Frank Church, Chairman of the Senate Special Committee on Aging, gave this assessment:

> Once again, it illustrates the Ford administration's fundamental misunderstanding of social insurance programs, such as social security.
>
> And, this recommendation clearly shows a willingness on the part of the administration to change the rules of the game for the elderly after it has already begun.[7]

Additionally, Senators Church, Kennedy, Mondale, and Williams introduced S. Con. Res. 2 which expressed congressional opposition to legislation imposing a ceiling on the cost-of-living increase. All in all, 54 Senators sponsored this measure.[8] The strong bipartisan support generated for S. Con. Res. 2 virtually assures Social Security beneficiaries that they will receive the full amount of the cost-of-living adjustment, as authorized by law.[9] The resolution would also have the effect of nullifying the Administration's proposed 5 percent lid on increases in the Supplemental Security Income standards this July, since the SSI automatic escalator provision is pegged to the Social Security automatic adjustment mechanism.

II. THE MEDICARE PICTURE

Enactment of Medicare in 1965 was an historic victory for the Nation's elderly. But despite its valuable protection, Medicare's coverage has been whittled away by rising prices and administrative regulations.

The proportion of an aged's medical care expenses reimbursed by Medicare has fallen from 45.5 percent in fiscal 1969 to 38.1 percent in 1974. And the prospects are for further steep declines in the immediate future.

Footnotes at end of article.

Deductible and other charges under Medicare have also risen sharply. The Part A Hospital Insurance deductible has jumped from $40 in 1966 to $92 in 1975, representing a 130 percent increase. This rise in out-of-pocket payments has produced spillover effects because coinsurance payments for hospitalization (for persons hospitalized from 6 to 150 days during a spell of illness) and extended care (for persons in nursing homes from 21 to 100 days) are based upon the Part A deductible amount.[10]

Premium charges for Supplementary Medical Insurance have more than doubled since 1966, increasing from $3 to $6.70 per month. On an annual basis for an elderly couple, Part B protection now costs $160.80. And, the Part B deductible has risen by 20 percent since Medicare became law, from $50 to $60.[11]

The net impact is that the elderly now pay more in out-of-pocket payments for medical care than the year before Medicare became law.

The aged's per capita direct payments amounted to $311 in fiscal 1973, or $74 more than the year preceding the effective date of Medicare.[12]

Yet, both the Nixon and Ford Administrations have proposed legislation to cut back Medicare coverage by saddling the elderly with new and potentially onerous costs. In part, these recommendations may assume that the elderly are now in a better financial position to absorb additional charges because of Social Security increases enacted into law since 1969. The most recent Administration pronouncement on this subject came this February in the fiscal 1976 budget message which called for enactment of legislation to modify Medicare's cost-sharing structure to provide: (1) A coinsurance charge under Part A equal to 10 percent of all charges above the deductible amount on all covered services (now the elderly pay a $92 deductible and nothing thereafter for covered hospital services until the 61st day of hospitalization); (2) an increase in the Part B deductible from $60 to $70, and rising thereafter in proportion to the percentage increase in Social Security benefits; (3) a 10 percent coinsurance charge on hospital-based physician services and home health services; and (4) a ceiling of $750 per benefit for a patient's payments under Part A and a $750 limitation per calendar year for Part B. The Administration projected that these measures would reduce medicare outlays by nearly $1.3 billion in fiscal 1976.

Almost identical recommendations were urged on November 26, 1974 when the administration presented its "Revised Fiscal Year 1975 budget." The administration's proposal would have added nearly $425 million to the medical and hospital bills of the elderly and disabled during the present fiscal year. Senator Church objected, pointing out that the primary purposes was to create a misleading impression about the general budget picture. He said:

"If protection under the hospital insurance program were to be reduced—a proposition I strongly oppose—it would be only fair to reduce the contributions for the protection.

"Therefore, this is solely a maneuver to present a better general budget picture than in fact exists. What would happen if this proposal were to be adopted is that the excess collections from hospital insurance—excess because of the reduction in the protection furnished—would be borrowed by the Treasury for general purposes and bonds in a like amount issued to the hospital insurance trust fund. This is no way to 'balance the budget.'

"There is no deficit in hospital insurance financing. In fact, the program is overfinanced for many, many years into the future."[13]

Footnotes at end of article.

III. THE FOOD STAMP PICTURE

Nearly 15 million persons participate in the Food Stamp program. Approximately 14 percent of the participants are 60 years of age or over, and about 10 percent are 65 or over.

As a part of a plan to trim the fiscal 1975 budgetary deficit and control inflation, the Administration proposed regulations on December 6 to cut back Food Stamp benefits. All Food Stamp households (except those not required to pay because they have little or no income) would pay 30 percent of their income to purchase Food Stamps (effective March 1, 1975) under the Administration's proposal. Approximately 95 percent of all recipients—or over 14 million persons—would pay more under the new plan.

Net monthly income	Household of 1—Price paid for $46 of stamps each month		Household of 2—Price paid for $84 of stamps each month	
	Current price	Price under new plan	Current price	Price under new plan
$25	$1	$7.50	$1	$7.50
$35	4	10.50	4	10.50
$45	6	13.50	7	13.50
$55	8	16.50	10	16.50
$65	10	19.50	12	19.50
$85	14	25.50	18	25.50
$105	18	31.50	23	31.50
$125	24	37.50	29	37.50
$145	30	43.50	35	43.50
$165[1]	33	49.50	38	49.50
$185	36	55.50	44	55.50
$205			50	61.50
$225			56	67.50
$245			62	73.50
$265			64	79.50
$275			64	82.50

[1] All individuals with net monthly income of $154 and above would have to pay more for Food Stamps than they would receive, and would hence be removed from the program.

Source: Community Nutrition Institute.

At present, nearly all individual participants pay from 15 to 20 percent of their income for Food Stamps. And, most couples pay from 15 to 20 percent of their income for these coupons.[14]

Leading authorities—such as the Community Nutrition Institute—estimated that a very substantial percentage of elderly persons would drop out of the program under the Administration's plan because:

1. The Food Stamp benefit would be too small or perhaps disappear altogether.

2. Many recipients would not be able to afford the increased cost, especially as inflation intensifiies.

One Department of Agriculture official informed the Community Nutrition Institute that conceivably one-half of all aged individuals and couples might be forced to leave the program because of the increased charges.[15]

The Congress responded promptly during the beginning of the 94th Congress by passing overwhelmingly legislation (H.R. 1589) to prohibit an increase in charges for Food Stamps for 1975.[16] President Ford announced on February 13, that he would allow the bill to become law without his signature.[17]

IV. CUTBACKS OR THREATS OF CUTBACKS ELSEWHERE

On other fronts the Administration launched a far-reaching attack to reduce Federal expenditures—both as a part of the revised fiscal 1975 budget and the new budget for F.Y. 1976.[18]

On January 30, 1975, President Ford submitted a rescission message, calling for proposed cutbacks in appropriations already made by the Congress for fiscal year 1975.

Among the major rescissions for aging programs:

1. A $9 million cutback for the Title III State and Community Programs under the Older Americans Act, from the Congressional appropriation of $105 million to the Administration's budget request of $96 million.[19]

2. Elimination of funding for Title IV training. The Congress had previously approved $8 million in the Fiscal 1975 Labor-HEW Appropriations Act.

3. A $25.4 million reduction for the nutrition program for the elderly, from $125 million[20] to $99.6 million.

4. Impoundment of the entire Congressional $12 million appropriation[21] for the Older American Community Service Employment Act.

5. A reduction in the budgeted amount for the National Institute on Aging, from $15.74 million to $14.1 million.

Congressional approval is now required under the Congressional Budget and Impoundment Control Act[22] for all executive actions to withhold funds from programs. Now both the House and Senate must pass a rescission bill within 45 days of the President's proposed rescission; otherwise, the funds must be spent by the Administration.

The Congress did not, however, enact rescission legislation to, in effect, ratify the President's proposed impoundments. Thus, the Administration is obligating or preparing to obligate this money to carry out the intent of Congress, as expressed in appropriation bills.[23]

For the most part the fiscal 1976 budget funding requests are similar to the fiscal 1975 Administration requests. But for discretionary spending for aging programs, funding at the prior year's level would really be tantamount to a reduction because of the double-digit, inflation which has driven up program and administrative costs.

The new budget proposes a funding level for AoA programs that is identical to the fiscal 1975 request: $202.6 million. However, this estimate represents a $42.4 million cutback compared with the fiscal 1975 appropriation level. And, it would also constitute the largest dollar and percentage reduction in the entire history of the Older Americans Act. Nearly a $1.8 million reduction in funding is recommended in the new budget for ACTION's aging programs.

ACTION'S AGING PROGRAMS

[In millions of dollars]

	Authorization fiscal 1976	Budget request fiscal 1976	Appropriation fiscal 1975
RSVP	20	17.5	15.98
Foster grandparents and senior companions	40	[1] 27.57	[2] 30.84
SCORE/ACE	(3)	.4	.4
Total		45.47	47.22

[1] $25,930,000 for foster grandparents and $1,640,000 for senior companions.

[2] $28,280,000 for foster grandparents and $2,560,000 for senior companions.

[3] Open-ended authorization (such sums as are necessary).

For the third consecutive year the Administration has not requested any funding for Senior Opportunities and Services[24] or the Older American Community Service Employment Act. However, more than 1 million elderly persons are served under SOS. And, nearly 3,450 low-income persons in the 55-plus age category are employed under the Title IX senior community service employment program.

No additional lending authority is requested in the new budget for the section 202 housing for the elderly and handicapped program.[25] Yet, many older Americans find themselves in an impossible situation with regard to housing.

The Administration does, though, propose nearly a $500,000 increase for the National Institute on Aging, from the $15.74 million budget estimate for fiscal 1975 is $16.19 million. And, funding for enforcement activities under the Age Discrimination in Employment Act would be increased by almost $200,000 under the new budget, to nearly $2.2 million. This request would support 81 positions, the same number provided in fiscal 1975.

FINDINGS AND RECOMMENDATIONS

Recent recommendations by the Administration provide clear evidence that the Administration has given the elderly a low budgetary priority.

Such actions can only aggravate an already serious situation for persons struggling on limited incomes in a period of unacceptably high inflation.

In addition, the Administration has demonstrated a willingness to play fast and loose with the concept of contributory social insurance under Medicare and Social Security.

Administration proposals to cut back Medicare coverage and place a ceiling on Social Security cost-of-living increases underscore the importance of separating the transactions of the Social Security and Medicare programs from the unified budget.

For these reasons, the committee recommends that the Social Security Administration Act, S. 388,[26] be enacted into law expeditiously.

The committee further urges appropriate congressional actions to reverse shortsighted and ill-conceived Administration budgetary recommendations for fiscal year 1976.

FOOTNOTES

[1] Old Age, Survivors, and Disability Insurance.

[2] Public Law 92-336, approved July 1, 1972.

[3] Public Law 93-233, approved Dec. 31, 1973. Public Law 93-233 provided a two-step, 11 percent Social Security increase as a downpayment on the cost-of-living adjustment for checks delivered in February 1975. The Act also changed the date for the automatic adjustment to July to permit the benefit rise to be payable in the same month that the Medicare Part B Supplemental Medicare Insurance premium charge is revised. This provision would make it possible to make both adjustments in benefit checks in the same month.

[4] For example, the lead paragraph in an article appearing in the January 26, 1975 edition of the *Baltimore Sun* said: "Concerned about what it fears is a national drift toward socialism, the Ford administration is mounting a major campaign to restrain the growth in Social Security benefits and other income-redistribution programs, Roy L. Ash, the budget director, said in an interview."

This same article also pointed out: "What the administration fears is that income-redistribution programs would push government spending to more than half the nation's gross national product if they continue to increase in years ahead at the same rate they have grown in the past.

"And if that happens, Mr. Ash said, the United States may be irreversibly on the road toward a fully controlled economy."

Baltimore Sun, "Ash fears socialism, urges limits on benefits," Jan. 26, 1975, p. A1.

[5] The actual cost-of-living increase will be 8 percent because the inflationary rate subsided in early 1975.

[6] *Washington Post*, Jan. 22, 1975, p. A12.

[7] *Congressional Record*, Jan. 21, 1975, p. 889.

[8] Sponsors of S. Con. Res. 2 include Senators Church, Kennedy, Mondale, Williams, Abourezk, Javits, Muskie, Leahy, Roth, Bayh, Magnuson, Johnston, Brooke, McGee, Huddleston, Burdick, McIntyre, Bentsen, Cannon, Metcalf, Taft, Clark, Montoya, Ford, Moss, Stevenson, Cranston, Pastore, Tunney, Eagleton, Pell, Chiles, Eastland, Proxmire, Bumpers, Stone, Randolph, Hart (Michigan), Ribicoff, Hartke, Schweiker, Haskell, Stafford, Hatfield, Talmadge, Hathaway, Humphrey, Young, Inouye, Hart (Colorado), Jackson, Byrd (West Virginia), and McGovern.

[9] The House Budget Committee recommended in late March 1975 that a 7 percent ceiling be established for the July Social Security cost-of-living increase, as a means to reduce Federal outlays. Senator Church urged in a letter (sent on April 9) to the Senate Budget Committee that the House Budget Committee recommendation be rejected. Senator Church said: "A 7-percent ceiling would cut back benefits, on the average, by about $23 over the next year for persons who desperately need this money to buy food, medicine and other necessities. It would also run counter to the very purpose of the automatic escalator provision, which is to keep Social Security benefits in line with the rise in prices.

[10] A deductibe charge in the initial payment that a beneficiary must pay before Medicare reimburses his or her hospital or medical services. The Part A Hospital Insurance deductible is now $92, and the Part B Supplemental Medical Insurance deductible is $60. In addition, Medicare patients must pay coinsurance charges after meeting the initial deductible payment. For example, a patient hospitalized from 61 to 90 days now pays a daily coinsurance charge of $23, or one-fourth of the Part A deductible. If a person must draw upon the lifetime reserve and is hospitalized from 91 to 150 days, the daily coinsurance charge is $46, or one-half of the Part A deductible.

[11] Social Security Amendments of 1972, Public Law 92-603, approved Oct. 30, 1972.

[12] Pages 13-14 of article cited in footnote 9.

[13] *Congressional Record*, Dec. 14, 1974, p. 39928.

[14] Community Nutrition Institute.

[15] For further information, see *C.N.I. Weekly Report*, Vol. 4, No. 49, Dec. 12, 1974, p. 1.

[16] The House of Representatives (by 374 to 39 on Feb. 4, 1975) and the Senate (by 76 to 8 on Feb. 5, 1975) passed H.R. 1589.

[17] *Washington Post*, Feb. 14, 1975, p. A1.

[18] For additional details, see *The Proposed Fiscal 1976 Budget: What It Means for Older Americans*, Staff Report, Senate Special Committee on Aging, February 1975.

[19] Public Law 93-517, approved Dec. 7, 1974.

[20] Public Law 93-554, approved Dec. 27, 1974.

[21] Public Law cited in footnote 19.

[22] Public Law 93-344, approved July 12, 1974.

[23] The administration has released $9 million for the title III program under the Older Americans Act: $6 million for area planning and social services and $3 million for model projects ($1 million for improving legal representation for older Americans, $1 million for nursing home ombudsman activities, and $1 million for model projects of national scope). The Administration on Aging has sent out announcements to universtities for the use of the $8 million for the title IV training program: $3.5 million is allocated for continuing 37 long-term training programs at 34 higher educational institutions; $3.5 million is set aside for the States for (a) development of courses related to aging at community colleges and (b) inservice training for improving staff capabilities at the State and local levels; and $1 million is allocated for the development of curriculum materials for training in gerontology. AoA has also released $25.4 million for the title VII nutrition program. The administration has released $15.74 million for the National Institute on Aging.

[24] Senior Opportunities and Services was established in 1967 to help assure that other Office of Economic Opportunity programs "serve, employ, and involve" the aged poor to the maximum feasible extent possible. SOS provides a wide range of services for the elderly poor, including home health, homemaker, home repair, consumer education, outreach and referral, transportation assistance, and many others.

[25] See Chapter VI, p. 69 for additional details.

[26] In addition to separating the transactions of the Social Security trust funds from the unified budget, S. 388 would (1) establish the Social Security Administration as an autonomous agency outside the Department of Health, Education, and Welfare and place it under the direction of a three-member governing board appointed by the President with the advice and consent of the Senate and (2) prohibit the mailing of notices with Social Security checks which make any reference whatsoever to elected Federal officials.

THE PRESIDENT'S OIL PRICE CONTROL PHASEOUT PLAN

Mr. FANNIN. Mr. President, an opportunity has been given the U.S. Congress to join the President of the United States in taking a giant step in solving the energy crisis facing this Nation.

By not approving Senate Resolution 145 the U.S. Senater can perform a great service for the people of this country.

The President's oil price control phaseout plan should be carefully studied by every Member of the Congress.

WHAT IT DOES

The amendment to FEA price control regulations proposed by the President:

Will decontrol "old" oil prices—now subject to a price ceiling of $5.25 per barrel—over a 39-month period beginning September 1, 1975, and ending November 30, 1978. The phaseout would be at a rate of 1.5 percent per month for the first 12 months, 2.5 percent for the next 12 months, and 3.5 percent per month until decontrol is complete.

Establishes a ceiling price in the form of a "rollback" for "new" and "released" oil—domestically produced crude oil now not under price controls—of $11.50 per barrel for the month of September 1975 which will be increased at a rate of 5 cents per barrel per month, reaching $13.40 per barrel in November 1978.

Reduces average prices of petroleum products by ½ cent to 1 cent per gallon by the end of 1975.

By comparison to the July 14th proposal, the new proposal extends the phase-out period from 30 to 39 months and lowers the ceiling price on "new" and "released" oil from $13.50 to $11.50 per barrel. The July 14th proposal was disapproved by the House on July 22d.

OPPORTUNITY FOR CONGRESSIONAL REVIEW

The Emergency Petroleum Allocation Act provides:

That such plan is subject to a congressional veto in the form of a resolution of disapproval by either house. Senate Resolution 145 is the resolution of disapproval now on the Senate calendar which will probably be called up this week.

That if the new plan which exempts oil from price controls is not disapproved by Senate Resolution 145—or by the House—The President must retransmit his oil decontrol plan within 90 days, at which time it is again subject to a resolution of disapproval.

THE ALTERNATIVE

The only existing authority under which oil prices can be controlled is the Emergency Petroleum Allocation Act which expires on August 31, 1975. If either house of Congress disapproves the new compromise proposal, the President will have no alternative but to veto any extention of the Emergency Petroleum Allocation Act, resulting—unless overridden—in the immediate discontinuation of all existing price and allocation controls as of August 31, 1975.

CONCLUSION

It is accordingly recommended that you vote against Senate Resolution 145.

If Senate Resolution 145 is defeated, then:

The phase out of price controls on "old" oil will be gradual and therefore not inflationary.

Ceiling prices will be established, immediately rolling back prices, for oil now not under controls.

Senators will have another opportunity in 90 days to disapprove the President's decontrol plan.

Senators will have an opportunity to vote for separate legislation to establish a windfall profits tax on U.S. oil production.

If Senate Resolution 145 passes, then:

All price and allocation controls on oil will, in all likelihood, expire on August 31.

ORDER FOR ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders or their designees have been recognized under the standing order, there be a period for the transaction of routine morning business, of not to exceed 15 minutes, with statements therein limited to 5 minutes each, for the purpose only of the introduction of petitions and memorials, bills, joint resolutions, concurrent and other resolutions, and statements in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION TOMORROW OF S. 2173, NAVAL PETROLEUM RESERVES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the conclusion of routine morning business tomorrow, the Senate resume consideration of S. 2173, the naval petroleum reserves bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT TO 9:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 9:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, on tomorrow, the Senate will convene at 9:30 a.m.

After the two leaders or their designees have been recognized under the standing order, there will be a brief period for the transaction of routine morning business, of not to exceed 15 minutes, after which the Senate will resume consideration of the then unfinished business, S. 2173, naval petroleum reserves, There is a time agreement on that bill, and rollcall votes could occur on amendments thereto fairly early in the day. I am certain there will be a rollcall vote on passage thereof.

At the present moment, upon the disposition of that bill, as matters now stand, the Senate will resume consideration of H.R. 2559, an act to apply to the U.S. Postal Service certain provisions of law providing for Federal agency safety programs and responsibilities, and for other purposes.

However, the leadership would hope that it would be possible to move to some other bill immediately upon the disposition of the Naval Petroleum Reserves bill, but that would require unanimous consent or it could be done by motion.

The leadership has in mind such bills as the following. They are not listed in the order necessarily in which the leadership would hope to call them up, nor are they all inclusive of the list; but insofar as I can now see, these are bills that the leadership would hope to move on after the Naval Petroleum Reserves bill is disposed of.

S. 1587, the Public Works and Economic Development Act, on which there is a time agreement.

S. 521, the Outer Continental Shelf Lands Act, on which there is a time agreement.

S. 391, the mineral leasing bill, on which there is a time agreement.

S. 963, the so-called DES bill—diethylstilbestrol.

Also, the leadership would like to resume consideration of and complete action on the so-called redline bill, S. 1281, on which some action was taken this past Saturday.

In addition to the bills that have been enumerated, a number of other bills remain on the calendar, one of which would be the bill making appropriations for State, Justice and Commerce; Senate Resolution 145, to express the disapproval of the Senate of the President's proposed amendment to the regulations promulgated under section 4(a) of the Emergency Petroleum Allocation Act; and S. 1771, a bill to provide special pay and other improvements designed to enhance the recruitment of physicians, dentists, and other personnel in the Veterans' Administration.

There is also a railroad compensation measure that is at the desk, which has come over from the House, on which it is hoped some consent can be reached to allow taking up that measure fairly early, perhaps tomorrow or certainly Wednesday, with an agreement that would allow amendments thereto.

Other measures are on the calendar. Conference reports, being privileged, will be coming along and can be called up at any time. Rollcall votes could occur thereon.

That about sums it up, Mr. President.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. HELMS. In the friendliest sort of way, is there no possibility whatsoever that the leadership would consider permitting one more vote on the New Hampshire question before we go home?

Mr. ROBERT C. BYRD. I certainly would not answer in the negative to the distinguished Senator. There is certainly a distinct possibility with respect to that issue. It remains to be resolved.

Mr. HELMS. I am frank to say that I am embarrassed to go home for an August recess under the circumstances.

Mr. ROBERT C. BYRD. The Senator could come down to West Virginia. We would be very glad to have the Senator there.

Mr. HELMS. I would be embarrassed there.

So the Senator says there is a possibility that the leadership would, under some circumstances that he may not be able to think of at the moment, permit a vote, one more vote, on Senate Resolution 166 before the August recess?

Mr. ROBERT C. BYRD. I would certainly not rule out the possibility of having a vote or votes in relation to that matter.

Mr. HELMS. The Senator from North Carolina hopes that some of the unwashed will come over to the side of the Christians on this issue and that we can resolve it and send it back to the people of New Hampshire.

Mr. ROBERT C. BYRD. I guess we should not judge, lest we be judged. [Laughter.]

Mr. HELMS. I thank the Senator.

Mr. ROBERT C. BYRD. I thank the Senator from North Carolina.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 9:30 a.m. tomorrow.

The motion was agreed to; and at 8:39 p.m. the Senate adjourned until tomorrow, Tuesday, July 29, 1975, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate July 28, 1975:

DEPARTMENT OF LABOR

Robert O. Aders, of Ohio, to be Under Secretary of Labor, vice Richard F. Schubert, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 28, 1975:

U.S. AIR FORCE

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Kenneth L. Tallman, [redacted] (major general, Regular Air Force), U.S. Air Force.

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be general

Lt. Gen. Robert E. Huyser, [redacted]FR (major general, Regular Air Force), U.S. Air Force.

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be general

Lt. Gen. Daniel James, Jr. [redacted]FR (major general, Regular Air Force), U.S. Air Force.

The following officer for appointment as Surgeon General of the Air Force in the grade of lieutenant general under the provisions of section 8036, title 10 of the United States Code:

Maj. Gen. George E. Schafer, [redacted]FR (brigadier general, Regular Air Force, Medical), U.S. Air Force.

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. William Y. Smith, [redacted]FR (brigadier general, Regular Air Force), U.S. Air Force.

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Charles E. Buckingham, [redacted] [redacted]FR (major general, Regular Air Force), U.S. Air Force.

The following officer under the provisions of title 10, United States Code, section 8066 to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Wilbur L. Creech, [redacted]FR (brigadier general, Regular Air Force), U.S. Air Force.

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Thomas W. Morgan, [redacted] FR (major general, Regular Air Force), U.S. Air Force.

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be general

Lt. Gen. William J. Evans, [redacted]FR (major general, Regular Air Force), U.S. Air Force.

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. George Rhodes, [redacted]FR (major general, Regular Air Force), U.S. Air Force.

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Devol Brett, [redacted]FR (major general, Regular Air Force), U.S. Air Force.

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be general

Lt. Gen. Felix M. Rogers, [redacted]FR (major general, Regular Air Force), U.S. Air Force.

The following officer under the provisions of title 10, United States Code, section 8066 to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. John F. Gonge [redacted]FR (major general, Regular Air Force), U.S. Air Force.

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Raymond B. Furlong, [redacted] [redacted]FR (brigadier general, Regular Air Force), U.S. Air Force.

The following officer under the provisions of title 10, United States Code, section 8066 to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. George G. Loving, Jr., [redacted] [redacted]FR (major general, Regular Air Force), U.S. Air Force.

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Robert T. Marsh, [redacted]FR (brigadier general, Regular Air Force), U.S. Air Force.

EXTENSIONS OF REMARKS

THE MARIANA ISLANDS

HON. HARRY F. BYRD, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Monday, July 28, 1975

Mr. HARRY F. BYRD, JR. Mr. President, the New York Times, in an editorial today, called attention to what it calls "a far-reaching strategic commitment that Americans may come to regret."

The Times is referring to the proposal to grant Commonwealth status—hence United States citizenship and sovereignty—for the Mariana Islands in the western Pacific.

These islands have a population of 14,000 persons.

The New York Times states that "it seems to us that the burden of proof falls upon advocates of annexation to justify why the United States should extend its responsibilities in this way. What are the specific and worthwhile benefits which the United States would receive from this new association?"

The Senior Senator from Virginia is in thorough agreement with the Times that the burden of proof is on the advocates of annexation. To date, the Senator from Virginia has not heard a convincing case.

I ask unanimous consent that the editorial from the New York Times of Monday, July 28, captioned "Destiny Unmanifest" be printed in the Extension of Remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times, Monday, July 28, 1975]

DESTINY UNMANIFEST

With a haste that is both unnecessary and ominous, the Congress is moving toward rubber-stamp approval of a far-reaching strategic commitment that Americans may come to regret. This is the convenant granting commonwealth status—hence United States citizenship and sovereignty—for the northern Mariana island chain in the western Pacific.

After perfunctory moments of debate with fewer than 25 members on the floor, the House of Representatives gave its approval by voice vote last week to the country's first territorial annexation since 1925. The Administration is seeking equally rapid and unquestioning action by the Senate.

There are countless questions about this whole issue which have yet to be considered by more than a handful of the Congress, involving this country's relations with the United Nations and with the other peoples of the Pacific Trust Territory, not to mention the entire defense and strategic posture of the United States in the Pacific.

"Commonwealth" is a vague juridical term, but under the covenant approved by a vast majority of the Marianas population in a plebiscite last month, the islands would receive financial and legal privileges even more generous in some ways than those accorded the other American commonwealth, Puerto Rico. The strangest feature in the present discussion—or lack thereof—is the ease with which a political change of this magnitude is contemplated; many legislators seem to regard it as the most natural development in the world for the United States simply to extend citizenship and sovereignty to another people who have asked for it.

It seems to us that the burden of proof falls upon advocates of annexation to justify why the United States should extend its responsibilities in this way. What are the specific and worthwhile benefits which the United States would receive from this new association? Perhaps eventually a convincing case will be made. A series of legal steps lies ahead before the change can be effected, including far from automatic approval by the United Nations, which assigned Pacific trust obligations to the United States in 1947.

But this is the first and last formal occasion for Congress to express its will on joining the Marianas to the United States. If the Senate allows itself to be steam-rolled into a little-understood proposition now, it will be on weak ground to complain once the problems arise.

RHODESIAN CHROME EMBARGO

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 28, 1975

Mr. GAYDOS. Mr. Speaker, importation of chromite and ferrochrome from southern Rhodesia has precipitated a conflict between national security interests and U.N. obligations.

In the near future, the House may consider legislation to ban such imports from Rhodesia. Passage of the bill would restore U.S. compliance with the United Nations sanctions against southern Rhodesia's white minority government.

This political/moral issue is further complicated since chrome ore is essential for certain defense and industrial needs. The United States mines little chromite and is completely dependent on imports and the national stockpile. South Africa, the Soviet Union, Turkey, and Rhodesia possess the world's largest reserves of high-grade chromite.

Supporters of a ban contend U.S. violations of the U.N. sanctions sets a poor precedent, weakens international law, and reduces American integrity.

In addition, those pushing for an embargo say that since these exports to the United States provide the largest source of Rhodesian foreign exchange, the United States is in the morally questionable position of strengthening the minority white regime. Continued trade with Rhodesia, they assert, threatens relations with other black African nations, and could jeopardize long-term chrome supplies when apartheid is ultimately supplanted by majority black rule.

Proponents of the bill contend that steel manufacturers can bypass Rhodesia since supplies are available from other nations and our national stockpile surplus. They say Rhodesian ferrochrome imports have adversely affected the domestic ferrochrome industry.

Antiembargo factions warn that the Nation's appetite for chrome is accelerating. A cutoff on Rhodesian sources would force us to depend on Russia for a defense-related metal. This is viewed as a serious threat to national security.

Opponents say U.N. sanctions were always improper because international peace was not at stake. They believe an embargo against Rhodesia would be hypocritical because we now trade openly with other unenlightened governments.

Observers predict that under the proposed ban, manufacturers would still purchase Rhodesian chromite and ferrochrome through third parties, and at inflated prices. They say our present stockpile cannot meet growing demands, so we need Rhodesian imports as an ongoing supplement.

How the Congress resolves this controversy depends on how it defines the question—as a matter of international obligation, humanitarian concerns, or pragmatic needs.

ENVIRONMENTAL INVESTING: HAVE THE ECOLOGISTS SOLD OUT?

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 28, 1975

Mr. MICHEL. Mr. Speaker, I am greatly intrigued at the revelation by the Los Angeles Times that many of the Nation's most vocal and prestigious environmental groups have become stockholders in the polluting corporations which they so energetically attack.

Some have viewed this as a blot on the credibility of the groups involved, the Environmental Defense Fund, the Sierra Club, the Audubon Society, and others.

But I do not think of it as a sell-out. I think of it rather as a testimony to the free enterprise system.

One of the great problems of a socialist economic system, albeit a seldom-discussed one, is this: How can one who wishes to dissent acquire the wherewithal to promote his ideas. In our system, the capitalist system, there is no such problem, because anyone, no matter what his political ideas may be, has only to wisely utilize the great engine of enterprise in order to reap the benefits thereof, benefits which he may at his choosing then apply to the promotion of his ideas.

This is exactly what the environmental groups are doing through their investments, and I applaud them for it. It would indeed be a shame if some of their more vocal fringe supporters, bent on the destruction of free enterprise, should succeed, thereby killing the goose that has produced for them, as for all Americans, such marvelously impartial and socially useful golden eggs.

I would like to have the article discussing the environmentalists' portfolios printed here in the RECORD:

[From the Los Angeles Times, July 20, 1975]

ENVIRONMENT GROUPS INVEST IN THE POLLUTERS

(By William Rood)

Almost always hungry for funds, a number of the country's largest environmental organizations have sought to increase their income by investing in the very industries they criticize most.

Stocks and bonds of companies involved in offshore oil drilling, the Alaska pipeline, logging, strip mining, pesticides and nuclear power—to name a few—have appeared in environmental group investment portfolios.

The Audubon Society's quest for capital has gone beyond paper securities into contracting for the extraction of oil and gas from its largest wildlife sanctuary.

Audubon's wells are located in the society's 26,861-acre Paul J. Rainey Wildlife Sanctuary—a maze of bayou and marshland in southwest Louisiana that serves as wintering grounds for hundreds of thousands of snow and blue geese.

Although small by oil industry standards, the society's oil and gas operation last year returned about $300,000 in mineral rights revenue paid by Cities Service and other extractors. And the income has been rising with the upward spiral in energy prices.

"It's all done with the utmost care to do no damage to the environment whatever. We have strict contracts with requirements to protect the environment," said Audubon Vice President George Porter.

"It's way away from where the geese nest. If you went there, you wouldn't see it."

Audubon is not the only group to derive income from environmentally controversial industries.

The 150,000-member Sierra Club and the Sierra Club Foundation have held stocks and bonds in such firms as:

Exxon Corp., the world's largest oil company and holder of a 25% interest in the Alaska pipeline.

General Motors Corp. a major target of criticism from environmental and public interest groups.

Tenneco, a diversified firm with interests in offshore drilling, manufacture of carcinogenic polyvinyl chloride, and leases, or cutting rights, on about 468,000 acres of timberland.

Steel companies criticized for having the worst pollution records in the industry;

Public Service Co. of Colorado, a firm that is funding development of gas-cooled breeder reactors, which have come under severe attack from environmentalists.

The list goes on to include strip-mining firms with 53 leases covering nearly 180,000 acres and pulp-mill operators cited by environmentalists for their poor water pollution controls.

And there are other environmental groups with eyebrow-raising investment portfolios—such as the Environmental Defense Fund, which has been a major crusader for environmental causes in the courts.

The question, of course, is why prominent organizations such as these would have such investments at a time when virtually every major American institution is awash in ethical questions.

The answer, phrased various ways by different spokesmen, is money.

"The reason why we have investments is that people have donated money to use," said Colburn S. Wilbur, executive secretary of the Sierra Club Foundation.

"There is a float period where, if somebody donates money for a particular program, it takes a couple of years before that program is finished and during that time, rather than keep money in cash, we invest it, hoping to bring in additional cash."

The cost of running a major environmental organization can soar into the millions.

When available cash falls short of operating expenses, environmental groups borrow against their securities.

"You couldn't have a stable organization if every time there was a chilly wind you'd have to lay off people because you didn't have some kind of pad," said Charles F. Wurster, a trustee for the Environmental Defense Fund.

The issue of what investments an environmental organization should and should not make has been slow to emerge and painful to deal with.

Rank-and-file members of these groups are generally unaware of what investments their organization has.

Annual reports usually list only income from investments, without detailing specific holdings.

That knowledge rests with the inner circle—board members and staff managers.

The issue of how to make environmentally sound investments has been discussed in these circles, often with frustrating results.

"A few internal questions have been raised and answered," said EDF's Wurster.

"Let's look at it this way. You want to invest cleanly. You can't buy utilities; you can't buy banks because they lend to all these bad guys. You can't buy anything. There's nothing you can do with your money unless you stuff it under your pillow."

Asked what, if any, controls have been placed on investments, Wuster said EDF had given its portfolio manager—Hooker O'Malley of U.S. Trust Co. of New York—instructions not to deal in "environmentally noxious companies."

Asked for specifics on how he carries out these instructions, O'Malley said he would have to obtain clearance from his superiors—who later declined comment on grounds of confidentiality.

Copies of EDF tax returns, made available to the public by the Internal Revenue Service, show a history of investment in utility bonds and such firms as General Motors and Exxon.

The Exxon stock is of particular interest because of EDF's role in raising environmental questions about construction of the Alaska pipeline.

"The Exxon stock (valued at $17,189) was contributed by an EDF trustee, and it wasn't sold. It just sits there. I'm one of the very few people who know who the trustee is," Wuster said.

Such donations are a frequent source of environmentally controversial investments held by environmental organizations.

Although spokesmen for the groups say they try to sell more troublesome stock contributions, the lure of profits sometimes makes the decision difficult.

"We try, insofar as possible, not to hold on to a stock for any length of time where we feel we have a conflict of interest," said EDF fund raiser Robert J. Pierpont.

"That doesn't mean we would sell it immediately. We might hold on to it until it goes up."

Some environmental groups have tried to bring their investment policies in line with their principles.

The Sierra Club Foundation, for instance, has placed about half its investment portfolio (worth more than $297,000) with Fields, Grant & Co., a Menlo Park firm that offers to screen its clients' investments using environmental and other social criteria.

"The concept is that not only can one buy stocks and bonds for money and profit but at the same time can express social concerns—if not in absolute terms then in relative terms," said company President Randall K. Fields.

Fields, who discussed the Sierra Club Foundation account with clearance from foundation officials, contends that environmentally aware companies also tend to be profitable.

"I'm convinced that those companies that take the greatest forward look with regard to what's happening to society are going to be the best managed companies over the long run," he said.

Fields sold off many stocks held by the foundation in 1973, just before the market began to slide, and purchased corporate bonds, which have provided a steady income.

The other portion of the Sierra Club Foundation's investment portfolio (recently valued at more than $307,000) is handled by Scudder, Stevens & Clark of Los Angeles.

Asked if Scudder, Stevens & Clark had any specific program for screening investments on environmental grounds, foundation Executive Secretary Wilbur said:

"Scudder, Stevens doesn't do that with our investment portfolio. You'll probably see some things there."

Wilbur said the Los Angeles firm had been told not to invest in companies which were environmentally controversial but added, "I'm not sure of Scudder, Stevens—how much they know of our interests. I'm not sure how much time they spend on that."

The foundation portfolio managed by Scudder, Stevens includes $23,450 in oil company stocks, more than $61,000 in mining and metal-processing stocks and $48,495 in forest products securities, according to latest reports furnished by the foundation.

A Scudder, Stevens & Clark investment counselor who handles the foundation portfolio declined to discuss what procedures he uses to avoid environmentally controversial investments.

"Let me call you back," he said. The call never came.

Asked why the foundation splits its portfolio between a firm that screens investments on environmental grounds and another that apparently does not, Wilbur said:

"The investment committee feels they'd like to have different organizations, to see how they compare. Rather than have all of our dollars go into one organization, they'd rather have two, as kind of a hedge."

The Sierra Club—which, though under a separate board of trustees, is heavily funded by the foundation—has also grappled with the investment problem, without coming up with a specific policy.

"Since about 1971, we have periodically discussed this question—what guidelines we should have on investments from an environment standpoint," said J. Michael McCloskey, the club's executive director.

"Every time we've gotten very far into the subject, we've realized that the information is simply not available to make very good distinctions in investments."

The club's investments are handled by William Wentworth, a long-time member and San Francisco investment counselor.

"We have enjoyed a very trusting relationship going back into the '40s," Wentworth said recently in discussing his handling of the portfolio.

"Obviously an organization such as the Sierra Club has to be very sensitive on this subject."

Wentworth said he had never been questioned by club trustees on specific investments made on their behalf. Asked if he had ever sold any of the club's stock for environmental reasons, Wentworth said:

"We have sold one or two securities—only one, frankly—where we felt they were issues the directors might take exception to."

Which stock was that?

"I think that's a very small, nitpicking matter and represented a small portion of the total (portfolio). It was done more to make life easier for us as investment managers than to satisfy my ideals," said Wentworth.

Noting that "the performance of the account has provided satisfaction" to club directors, Wentworth said "that, in the last analysis, is what you're really interested in, the bottom line."

The Sierra Club, like other environmental organizations with investment portfolios, has sold most of its holdings in the stock market in favor of interest-bearing investments such as corporate bonds.

The decision, however, was based not on environmental grounds but on fear of an uncertain market.

The investment conflicts encountered by environmental groups have long troubled some of the nation's major foundations and public interest groups.

Concerned that its multibillion-dollar portfolio did not fully reflect its social concerns, the Ford Foundation in 1972 commissioned a study into the social aspects of investments.

H. David Rosenbloom, an attorney and one of the authors of that study, explained the point at issue:

"It just doesn't make sense for a public interest institution to earn money from whatever sources it can with the left hand and turn around and do good with the right hand.

"If your investments are operating to the detriment of the things for which you stand, there's a question as to how much good you're doing."

In the wake of the study done by Rosenbloom and another attorney, Bevis Longstreth, the Ford Foundation has strengthened its program for reviewing investments using social criteria.

Environmental considerations are weighed heavily by the foundation's staff of investment analysts.

Visits to corporations and direct communications between high-ranking corporate officers and foundation analysts are part of the program.

"On the botttom line it really falls to the analyst. We expect him, as part of his ongoing dialogue with management, to incorporate not just financial data, but also social data," said Leslie Porter, manager of banking for the foundation.

The foundation is also funding efforts to increase the amount of data on social questions, including the environment, concerning industry.

But many spokesmen for environmental organizations feel such efforts will not be enough.

"It's an incredibly difficult question. I think those who have tried to put together portfolios of environmentally acceptable investments are really doing no more than engaging in stabs in the dark," said the Sierra Club's McClosey.

"It's going to take the federal government, probably the Securities and Exchange Commission, ideally, to try to come up with disclosure of really meaningful information," he said.

Indeed, the SEC is considering such a move.

As a result of legal action brought by the Natural Resources Defense Council, the SEC has held hearings to determine the feasibility of requiring corporations to disclose social data.

Appearing as a witness before the SEC in April, McCloskey testified:

"While we are inclined to believe that some firms are doing a better job than others, we have never been able to find a way of being sure.

"There is a great information gap between the self-serving claims of some companies, who claim to be doing a model job, and the outright defiance of other companies, who constantly rail against the idea of complying with environmental laws."

McCloskey called on the commission to require disclosure of detailed information of interest to environmentally oriented investors.

While action by the SEC is pending, some private organizations have been striving to fill the information gap.

One such effort is that of the New York-based Council on Economic Priorities, which publishes highly technical reports, including environmental performance ratings, on major industries.

Copies of the council's reports are received by investment analysts for both the Sierra Club and the Sierra Club Foundation.

"We subscribe to this service . . ." said Wentworth, the club's investment counselor. "But it comes in faster than I can read it. It's a huge quantity of material."

Several reports published by the council were relevant to the Sierra Club portfolio.

For instance, one cited one steel company as "the worst air polluter of the seven major steel companies" and another steel company as "the worst water polluter of the big seven."

Stock in both companies was held by the Sierra Club.

BICENTENNIAL IDEA

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 28, 1975

Mr. FORSYTHE. Mr. Speaker, our Nation's Bicentennial year is approaching rapidly, and plans are being made for extravaganza celebrations. But such celebrations are limited to those who can attend, and often only a small segment of the American population actually participate. I would like to bring to the attention of my colleagues the following article by Alfred E. Freeman, editor and publisher of the Burlington County Herald. Although his idea about celebrating the Bicentennial is simple in nature, it would involve every American citizen and would further the spirit of brotherhood. I urge my colleagues to consider the following article.

Publisher's Notebook

(By Albert E. Freeman)

Now that the Fourth of July holiday is over, we can all start thinking about ways to celebrate our nation's Bicentennial year in 1976. There isn't an issue of a magazine or newspaper, that you read today, that doesn't have at least one article on the Bicentennial.

We oldsters can still remember the Sesquicentennial celebration in 1926. Then, Philadelphia had a big world's fair and millions of people flocked there to see the latest wonders of the world. It was a fitting tribute to our 150 years of progress.

Now, we all seem too blase to care about how we celebrate the signing of the Declaration of Independence. There are some organizations in the country that have made plans for next year. Some cities and states have appointed commissions to plan and execute programs for the celebration.

There seems to be the lack of a spark to really get together and tell the world how fortunate we are to be part of the great experiment in democracy that started 200 years ago. We know how good it is compared to other experiments in government. There should be some way that we could show the world that the United States of America, in spite of its mistakes, is still the land of the free and the home of the brave!

All this brings me to the point where I can make a suggestion on how to celebrate the Bicentennial and have every person in the United States participate. It's simple. It's easy. It's up to you. I think that you and all the rest of the people in this great country of ours can do it!

We don't have to wait until next year to start. We all can start right now. Here's all you have to do. Just sit down and think how you can make this a better world in which to live. Think about the teachings of the Talmud, the gospels of the Bible, the parables in the Koran and the sayings of Buddha and Confucius. All these emphasize the brotherhood of man.

All of us have neighbors we haven't talked to in years. Not only neighbors, but we also have relatives, co-workers, and members of our individual families with whom we are not on the best of terms. Let's cut out all that nonsense. Let's all get together and enjoy the fruits of the labor of two hundreds years.

If we, as individuals, can make peace with our neighbors, then we, as a nation, can make peace with the world. After all, nations are made up of people.

This all may sound too simplistic, but when you analyze it, you can see how it can work. One of man's greatest handicaps is the fact that he takes simple things and makes them very complex. Loving one's neighbor is real easy. Why don't you try it for just one week?

Can you visualize the spirit of brotherhood going from house to house, from city to city, from state to state, and nation to nation? It can be done and you can help do it. The results will amaze you and the world.

What better tribute can there be to the spirit of democracy than the actual living idea of the brotherhood of man. With the advent of our Bicentennial year we can all dedicate ourselves to the true ideals of democracy and prove that the men, who met in Philadelphia 200 years ago, had the right idea.

AN ACCURATE CONGRESSIONAL RECORD

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 28, 1975

Mr. STEIGER of Wisconsin. Mr. Speaker, for the benefit of our colleagues considering House Resolutions 568, 569, 570, 581, and 630, mandating a more verbatim account of floor proceedings in the Congressional Record, I am introducing into the Record pertinent comments made by knowledgeable and concerned persons who have written on this subject.

In 19457, then Representative Estes Kefauver and Dr. Jack Levin authored a book entitled "A Twentieth-Century Congress." Many of the proposals put forth in this book have been adopted in the succeeding years. The authors felt strongly that an accurate Congressional Record would go far in rebutting many of the false and unfair charges made against the Congress. Their recommendation follow:

As for the *Congressional Record*, Congress has here an opportunity to do a real, national job for itself in the field of public relations. The *Record* is of great value to members, congressional and government employees, students, and to the public. In addition to making the improvements called for in the Reorganization Act, the group charged with supervising its publication should dignify it, improve its design, and give it a fixed selling price, regardless of size, that would cover manufacturing and distribution costs. It then could be put on sale at newsstands all over the country.

Frequently, in some areas, news of what is happening in Congress is colored by the political or economic attitude of the local press. Members complain bitterly that some radio commentators give a grossly distorted picture of their work. Popularizing the *Record* would place in the hands of a substantial group of readers and listeners an unimpeachable rebuttal to any false charges made over the air or in print.

One common practice subject to abuse is the privilege a member has of extending his remarks, on any subject, in the *Appendix* of the Record. Some drivel has appeared there that would never have been seen the light of a composing room anywhere else. Some of the news articles, editorials, and radio scripts inserted seem to be in the nature of personal favors to the writers. Members even insert poems. A great waste of time and the taxpayers' money arises from these endless "remarks" that now clutter up the daily *Record*. One "extension" consumed five hundred five pages on eleven different days. Until patriotism induced members to be more reasonable because of the paper shortage during the war, insertions of from five to ten pages were not uncommon. Such material usually is put in "for home consumption." The result is a full-length address printed originally at government expense, and a member may then, at cost, have thousands of copies of this *undelivered* speech reprinted for mailing to his constituents in franked, postage-free envelopes.

Each house should have one of its regular committees designate a subcommittee to see that there are no insertions in the *Record* which do not consist of what the member actually said on the floor; also, remarks inserted should relate directly to pending legislation.

Mr. Speaker, I heartily agree with Senator Kefauver and Dr. Levin. I do think we do a responsible job in the House of Representatives. I think the public should know more about it. I am surprised at the number of letters I have received from private citizens around the country who read the Record and want to learn more about our proceedings. Senator Kefauver and Dr. Levin have some comment on this in another portion of their book that I would like to share it with my colleagues and those who read the Record:

Every year many thousands of citizens, especially young men and women, sit briefly on the uncomfortable benches in the visitors' galleries of the Senate and House; become bewildered and confused when they see only a handful of members making motions they do not understand; then leave to go home and ask their friends and neighbors: "What do those people do for the $12,500 a year we pay them?"

Despite the apathy of too large a segment of the population and some cruel handicaps deriving from a rigid two-party system, the voters send good men and women to Washington. That statement will be hooted by many readers. Far more thoughtless and uninformed criticism is hurled at the ability, character, and personality of the membership of Congress than at the obscure but more vulnerable targets of its archaic procedures, haphazard organization, diffused responsibility, and the habit of running in too many directions at once.

Congress has its share of crackpots, cheap publicity-seekers, shirkers, and chiselers. So has almost any organization of like size. However, impartial studies support our contention as to individual worth. Since any testimony of ours could be discounted as prejudiced, we rest our case with the findings of one of America's most respected historians, Dr. Charles A. Beard. In *The American Mercury*, Dr. Beard says:

"In their efforts to appear wise, critics of Congress often refer to the great of old . . . to orators like Webster, Calhoun and Clay—and assert that, in comparison, members of Congress today are of small caliber. It is true that no member now can, or chooses to, deliver orations in the grand manner. But is that proof of a decline in intelligence and character? In my opinion, it is nothing of the sort. . . . The truth is that oratory of the grand style, whatever its merits, if any, is no longer appropriate to or useful in the discussion of the complicated questions of our day, which call for highly specialized knowledge and less rhetoric.

"As a more than casual student of the *Congressional Record*, I venture this opinion: It is possible to pick out of the *Record* for the past ten years addresses (not orations) which for breadth of knowledge, technical skill, analytical acumen, close reasoning and dignified presentation, compare favorably with similar utterances made in the preceding century by the so-called great orators. Sweeping as this statement appears to be, I make the assertion and invite those who have recently been preaching the contrary to assume the burden of proving their contentions."

INDEPENDENCE FOR NURSES DURING THE 200TH BIRTHDAY OF AMERICA'S INDEPENDENCE?

HON. SPARK M. MATSUNAGA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Monday, July 28, 1975

Mr. MATSUNAGA. Mr. Speaker, as Congress comes to grips with rising costs of health care, we must examine closely every possible path for expanding the personnel available to provide needed services.

In many States, including Hawaii, the nurse practice acts permit licensed nurses to perform a wide variety of health care tasks. Unfortunately, the nurses who furnish those services cannot be reimbursed through medicare or medicaid unless they act under the supervision of a physician. Moreover, the services cannot be ones customarily performed by physicans.

To remedy this situation, I introduced legislation to permit direct third-party payment to nurses. Senator DANIEL INOUYE introduced the same legislation in the other body. Some 45 of my colleagues in the House have joined me in sponsoring the bill.

In the current issue of RN magazine, interivews about the proposal with Senator INOUYE and myself explore a number of the issues raised in this debate. In order to permit my colleagues and other readers of the RECORD to be more fully informed on this complex and important subject, I include at this point the text of the interviews from RN magazine:

WILL CONGRESS DECLARE INDEPENDENCE FOR NURSES?

(By Ned Kellogg)

Congress is currently considering legislation that could well mark the beginning of a new era and a new image for nurses.

Technically, the legislation (companion bills S. 104 in the Senate and H.R. 1943 in the House of Representatives) would amend the Social Security Act to provide third-party payment of fees charged by nurses for care of Medicare or Medicaid patients. In short, it would enable nurses to provide care independently for patients covered by these programs, with the assurance that an insurer or agency would pay all or most of their fees.

Enactment of this legislation, of course, would have an immediate effect on nurse-practitioners, some of whom are now providing fee-for-service care that's paid for out-of-pocket by patients. It would also add impetus to the already growing nurse-practitioner movement. But the long-range effect of this legislation would be far broader. The legislation would establish the R.N. as an independent health-care provider capable of rendering professional nursing care within the limits of her own skills and her nurse practice act—whether she chose to work on a salaried or a fee-for-service basis. Moreover, whatever the outcome of the proposals, they are likely to influence some Congressional thinking regarding the role of the nurse under any national health insurance program.

It is not the first time these bills have been before Congress. When they were introduced last year, they did not reach the hearing stage before Congressional adjournment. But the reintroduced bills are attracting considerable attention in the current 94th Congress. For example, the House bill, introduced by Representative Spark H. Matsunaga (D., Hawaii) already has about 40 cosponsors. Among these backers are Democratic Representatives James Corman of California, Richard Fulton of Tennessee, and Abner Mikva of Illinois. The three are all members of the House Ways and Means Committee, to which the bill was submitted. And in the Senate, the comparable bill, presented by Senator Daniel K. Inouye (D., Hawaii) has 15 cosponsors.

What's behind those questions—and others of importance to nurses and nursing— I went to Washington recently to discuss the bills with their sponsors—Senator Inouye and Representative Matsunaga. Essentially, I found these legislators concerned about the rising cost of health care, the lack of access to care when needed, particularly for those in rural areas or inner cities, and the lack of recognition of the nurse's skills. In a cost-conscious Congress, they told me, plans to improve the nation's health-care delivery system should be coupled with an awareness of the services a nurse can perform.

Through their legislation, Mr. Inouye and Mr. Matsunaga seek to improve health care at a reasonable cost and, at the same time, to bring meaningful recognition to the nurse. And whether their over-all efforts are successful or not, they will undoubtedly focus more Congressional attention on nursing in the months ahead.

SENATOR DANIEL K. INOUYE

DEMOCRAT, HAWAII

RN: Senator Inouye, what prompted you to introduce your bill to provide coverage of fee-for-service payments to registered nurses under Medicare and Medicaid?

Sen. Inouye: For a long time, I have been impressed by the competence and dedication of nurses. While I was in the Army I was seriously wounded and spent two years in and out of hospitals. As a result of this experience I have great appreciation for what nurses can do.

RN: More specifically, Senator, why did you feel the bill was needed at this time?

Sen. Inouye: Today, nurses are still expected to be subservient to doctors. It's my observation that generally if a nurse shows potential as a clinician, she is promoted to an administrative position and no longer has time to be with her patients. In introducing my bill, I hope to bring to my colleagues' attention the improvement we can make in delivering health care by effective use of nurses.

RN: What effect will your bill have on the health-care system?

Sen. Inouye: It is important to emphasize that in this session of Congress we will be actively considering the passage of a comprehensive national health insurance program. In line with this, the nurses in my home state of Hawaii asked me to do what I could to establish equal status for nurses in health-care legislation. Thus you could say that my bill is the direct result of the active involvement of the nurses themselves. It lays the groundwork for making the nurse an equal health provider. Hopefully this will mean that as we develop our national health insurance bill, we won't just automatically follow the traditional doctor-oriented approach of Medicare and Medicaid. Because of the increased independence nurses would gain through my bill, and the one proposed by Mr. Matsunaga in the House, nurses would receive greater consideration when a final national health insurance bill is drawn up. This would result in the highest quality care for consumers.

RN: How does your legislation give the registered nurse greater professional independence?

Sen. Inouye: It's my belief, based on what many doctors and nurses have told me, that nurses can perform up to 70–80% of what we typically expect a physician to do. And in many clinics—especially in rural areas—nurses are the chief providers of health services.

Under my legislation, patients would be reimbursed for fees paid to nurses for nursing care within the guidelines of the Medicare and Medicaid programs—without any necessity for physician involvement. The nurse's professional judgment would determine whether a referral to a doctor was needed. Hopefully this legislation would cause more nurses to set up health care teams in rural areas. It would result in easier access to health care that would be of higher quality—and at a lower cost.

RN: What impact will your legislation have on the Government?

Sen. Inouye: For the first time, Government—especially H.E.W.—would have to give full recognition to nursing. This would mean that in the rules and regulations of national health insurance and in the allotment of training funds under an NHI act, nurses would get their fair share of consideration. But I want to point out that if this legislation is passed, it will only be because the nurses across the nation organize and make the message clear to their elected representatives that nurses are equal health-care professionals.

RN: How many nurses would be affected by your fee-for-service proposal?

Sen. Inouye: That's hard to determine. The nurses most affected would be those who practice more or less independently, especially in rural areas—nurse-practitioners and nurse clinicians. But the legislation would cover all licensed registered nurses. Nurses would still be free to choose salaried practice.

RN: What types of services now performed by doctors could registered nurses carry out and be reimbursed for under Medicare and Medicaid, as outlined in your bill?

Sen. Inouye: I certainly believe nurses could perform routine physical examinations and their direct involvement would place an increasing emphasis on the development of health education and basic nutritional programs. Nurses have already clearly demonstrated considerable expertise in family planning, maternal and child health, and mental health settings. I am further confident that they can provide a great deal of comfort and aid to our elderly.

RN: Would this legislation mean that there would have to be professional standards review organizations for nurses as are required for doctors under Medicare?

Sen. Inouye: It would be a logical extension of this bill to have PSROs for nurses. This, in turn, could lead to the establishment of a national definition of nursing standards, and, eventually, perhaps even to national licensure. Naturally, the standards would have to be developed by the nursing profession.

RN: Do you expect your bill, if passed, to lead to fee-for-service reimbursement of registered nurses by private third-party payers such as insurance companies for other than Medicare or Medicaid cases?

Sen. Inouye: Again, that would be a logical extension of the bill. But really the question of who gets reimbursed for what kinds of services would be covered in whatever national health insurance program is developed.

RN: To sum it up then, Senator, what do you regard as the single most important aspect of your bill?

Sen. Inouye: The fact that it would establish the registered nurse as an autonomous health-care provider—equal to any other health professional. Establishing this fact puts the nurse in a much stronger position within the health-care system and gives her more influence in modifying other health legislation. This will, of course, be extremely important in influencing the type of national health insurance plan that eventually becomes law.

REPRESENTATIVE SPARK MATSUNAGA, DEMOCRAT, HAWAII

RN: Congressman Matsunaga, how would your legislation affect registered nurses?

Rep. Matsunaga: Nurses would gain a greater degree of independence. In cases where nurses can provide proper care, they could make use of their professional judgment without a doctor having to be involved. The patient would be taken care of right away. And, of course, the cost of care to a patient would be less. Every time a patient is treated by a doctor, the fees are necessarily double or even triple what they would be if a nurse handled the case.

RN: Then our primary concern with this legislation is?

Rep. Matsunaga: My primary concern is to release the doctor from duties the nurse is perfectly capable of doing so that the doctor can provide the services for which he or she was trained—and the nurse can provide the level of care for which he or she was trained. That way we will have a more effective health-care system and at lower cost.

RN: Would registered nurses need special qualifications to receive fee-for-service payment under Medicare or Medicaid?

Rep. Matsunaga: No. They would just have to be duly licensed as registered nurses in the state where they practice. My bill does not delve into licensing procedures. We would leave that up to the profession in the states.

RN: What are some of the functions you believe nurses could take over from doctors?

Rep. Matsunaga: Well, the initial physical examination—temperature, pulse, blood pressure, and so on—is one function nurses are very well qualified to do. Yet today you find physicals being done chiefly by doctors.

RN: Under Medicare, doctors are required to visit patients in skilled nursing homes and extended-care facilities. If Congress approves your legislation could nurses make such calls?

Rep. Matsunaga: I believe those calls flow from the physician's role as primary-care provider. I don't know of any state where nurses are authorized to admit patients to those institutions. However, in more general terms a physician would still have to be on call, but certainly the routine work now performed by a doctor could be done instead by a registered nurse. A great many patients in nursing homes could be cared for by R.N.s.

RN: Does your legislation regulate the fees registered nurses could charge under Medicare and Medicaid?

Rep. Matsunaga: No. That would be a subject handled by the programs' authorities.

RN: Since your legislation calls for payment to registered nurses under Medicare and Medicaid, would this mean that there would have to be professional standards review organizations—PSROs—set up for nurses?

Rep. Matsunaga: I would think so, and I believe this would be healthy. It would protect the nurse from accusations of malpractice. PSROs could clear the nurse from such accusations and reinforce the public's confidence in the services provided by nurses.

RN: Has there been any opposition from hospitals or doctors to your proposal?

Rep. Matsunaga: Thus far, no. One doctor did tell me he didn't think that what I'm trying to do would work. He also was afraid that the quality of care might decline. But he was just one isolated case.

RN: Might doctors regard your legislation as an economic threat, fearing that nurses would be paid for doing some of the things doctors are currently doing?

Rep. Matsunaga: I don't think so. If that were the case my mail would be loaded. As it is now, doctors are overly busy. There might be some concern about nurses getting into areas that doctors feel nurses ought not to get into, and also the feeling that nurses should perforce be under the supervision of a doctor.

RN: How would your legisaltion directly affect registered nurses?

Rep. Matsunaga: It would bring greater recognition of the nurse as an independent professional. The bill deals primarily with a system of payments for nursing services already authorized under state law. So it does not give nurses any additional professional authority. But it would give nurses greater opportunity to function as independent practitioners.

RN: What kept basically the same legislation from being acted on by Congress last year?

Rep. Matsunaga: My bill wasn't introduced until July of last year. The Ways and Means Committee just didn't have time to deal with it. But one positive thing that resulted from last year's introduction of the bill is that interested parties had a chance to study it and work on getting support for it. This should help us in our effort to get the bill through this year. We already have about 40 cosponsors.

RN: What are the chances of the bill's being passed?

Rep. Matsunaga: The chances are good. Many people are familiar with the bill from last year and we're beginning to receive support from nursing organizations, including the ANA.

RN: Is it fair to say that this legislation would result in better health care at a lower per-patient cost, but that over-all health costs might rise because more Medicare and Medicaid claims would be filed?

Rep. Matsunaga: No, that's not a fair assessment. We don't have the data to predict how much the per-patient cost would be lowered, nor how many more claims would be filed. There's no way to balance those factors and come to a bottom-line calculation. Also, if over-all costs did increase, it would be because more people who were qualified to receive care under the Medicare or Medicaid programs would be getting it—instead of being deprived of care because of its cost or unavailability.

RN: Congressman, would state nurse-practice acts have to be revised to give registered nurses the legal right to assume broader health-care responsibilities?

Rep. Matsunaga: In many states, such as my own state of Hawaii and the states of Washington, Colorado, Arkansas, and others, nurses are already authorized to provide a wide variety of health services. The impact of my legislation in these states would be immediate and substantial. In other states, nurse-practice acts might have to be expanded. My aim is to get things started. States where the legislation has an immediate effect might serve as models for others, making their legislatures realize that nurse independence is a meaningful issue.

RN: How would this legislation tie in with a national health insurance program?

Rep. Matsunaga: It would depend on what kind of national health insurance plan is reported out of Congress. If the House Ways and Means Committee doesn't handle my bill before it considers a national health insurance program, then we'll just have to press for inclusion of the proposal in NHI. But it's our hope that the fee-for-service legislation will be considered on its own merits before there is action on a national health insurance program.

RN: Do you see any drawbacks to your bill?

Rep. Matsunaga: Frankly, there are very few. Some members of Congress might feel reluctant about going to a nurse for services they are used to getting from a doctor. And some physicians might feel professionally and economically threatened. However, the vast majority of physicians will be pleased to be free to perform the more complex, sophisticated tasks for which they have been trained. This legislation is designed to meet the growing demands for competent health-care services for those who have previously been denied such services—at a cost they can afford. I believe this can be done without lowering the standard of health care if we fully utilize the services that registered nurses are competent to perform.

BUSINESS AND PUBLIC GOALS

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 28, 1975

Mr. DOWNEY of New York. Mr. Speaker, the strength and the promise of our democracy lies in its ability to involve Americans of all backgrounds and beliefs in its political life. It is no secret that Government has a profound effect on each and every one of us, and only to the extent that we take part in the governmental process can we assure that the Federal establishment is responsive and responsible to our wishes. In light of Watergate and related events, it has become fashionable for many people to reject any participation in our Government and our political system. This attitude, of course, is little more than a pipedream, because as more people tune out, the more we assure future unresponsiveness and future Watergates. A democracy that works in darkness cannot remain democratic; a government that makes decisions without the involvement of those affected cannot remain responsive.

The Islip Town Bulletin, a weekly newspaper in my district, editorializes on these principles in its July 17 issue. As food for thought for my colleagues, I insert the editorial below:

Business and Public Goals

"The business of America is business," stated President Calvin Coolidge, a man not given to unnecessary verbiage.

What he said was true enough—when he said it.

Since the 1920's, however, government has become steadily more pervasive and influential in day-to-day business activities.

Fact: In the last decade alone, 14 new federal departments, agencies and commissions affecting business have been created. Calvin Coolidge never heard of the Consumer Product Safety Commission, the Environmental Protection Agency and a host of others established since his presidency.

Fact: In 1929, just after Coolidge's presidency had ended, expenditures by all governments in the U.S.—federal, state and local—amounted to only 10 per cent of the gross national product. There had been no change in this figure since 1800.

Yet, government expenditures since 1929 have increased in every decade. They now stand at 32 per cent of the national economy—nearly 40 per cent including off-budget expenditures of federal agencies. If this trend continues, 50 per cent of our GNP will be generated by the government rather than the private sector of our economy by the year 2000. Calvin Coolidge, Vermont businessman, would be astonished.

Unfortunately, many U.S. business leaders are still figuratively living in a now-unaffordable past where active participation in public affairs is concerned.

They would do well to heed the words of another famous statesman from an earlier age—the Athenian leader Pericles who, addressing a gathering of complacent merchants when his city-state ruled the world economically, declared, "The man who takes no interest in public affairs is not a man who minds his own business."

WHY WE NEED TITLE IX

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 28, 1975

Mr. FRASER. Mr. Speaker, on July 21, the title IX regulations went into effect outlawing discrimination on the basis of sex in educational programs receiving Federal funding.

Since so much of the controversy over these regulations centered on the impact of equal opportunity on male athletic programs, I believe this column by Robert T. Smith of the Minneapolis Tribune on the present-day plight of a female athlete deserves wider circulation.

The article follows:

Why We Need Title IX

This athlete began as a small child because older brothers were interested in sports. This athlete worked hard over the years, devoting almost every spare hour to getting in shape for sports.

In the past year, this athlete set a state record in throwing the discus, finished second in the shot put, was fourth in cross-country skiing and won regional firsts in all three events.

This athlete, who lives with mother and brother at 3333 Irving Av. S., can be seen often on the beaches of Lake Calhoun working out—many times alone. This athlete won a mayor's award as the top athlete of the Bloomington Trackorama. It is strength, speed and technique that this athlete has acquired.

This athlete captain led a West High School track team to second place in the city, was head of a neighborhood community flag football team that won a city title. Now 18 years old, this athlete has a large shelf full of medals and trophies and has competed in national meets.

And this athlete has not neglected the books. Throughout high school, this athlete maintained a 3.65 average and often came home with all A's.

There are two hopes in the life of this athlete: first to get a college education and to compete in the Olympics, after much more hard work, of course. After all, this athlete had been aiming toward these dreams for about 15 years now.

The family does not have the means to send this athlete to college. But that's no sweat because the athletic scholarships are pouring in from all over, since this athlete has got to be one of the best in the state. Right?

Wrong. For this athlete is a woman. She's Carol Finsrud.

It's not in her nature to be bitter. But you can forgive her if she's disappointed. Carol doesn't know what she will do with the rest of life. She's just sort of waiting around to see if anything happens. It does seem a waste.

NATIONAL SOLAR ENERGY DAY

HON. MIKE McCORMACK

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, July 28, 1975

Mr. McCORMACK. Mr. Speaker, today I take pleasure in introducing legislation to designate October 26 as National Solar Energy Day. October 26 is the anniversary of the enactment of the Solar Energy Research, Development, and Demonstration Act of 1974. That act represented a positive step by Congress toward developing a new source of energy, increasing energy production, moving toward national and individual self-sufficiency in energy, and protecting our environment, all at the same time.

As a result of research and development projects underway and planned, it is anticipated that by the early 1980's, our solar energy systems such as heating and cooling of buildings, wind energy, and bioconversion to fuels, will be commercially available at competitive prices for selected applications. Other technologies—solar thermal, photovoltaic, and ocean thermal—may be ready to begin large-scale commercialization by the late 1980's.

If, 15 years from today, 5 percent of our homes and buildings receive 80 percent of their energy for heating and air-conditioning from solar energy, this will represent a savings of fuel equivalent to about one-half million barrels of oil per day, almost 1 percent, of our Nation's total energy demand. At $12 per barrel for oil, this would constitute a savings of $6 million a day, or about $2 billion a year for the people of this Nation. This savings will, of course, continue to grow indefinitely into the future, as we continue to use more and more of this inexhaustible, clean, free energy.

Today, we are making strides in the use of solar energy, thanks in no small part to the encouragement of Congress, the growing support of the Government for solar energy development, energetic efforts of scientists, and the solar industry, and the enthusiasm of the citizens of this Nation. Designating October 26 as National Solar Energy Day will serve to focus the Nation's attention on the important problems—social, legal, regulatory, environmental, and economic—that must be solved in order to take full advantage of rapidly improving solar technology.

Mr. Speaker, I ask unanimous consent that the joint resolution proclaiming October 26 as National Solar Energy Day be entered in the Record.

THE OIL PRICE GOUGE

HON. MARTIN A. RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 28, 1975

Mr. RUSSO. Mr. Speaker, I would like to call to the attention of my colleagues a most stimulating article that appeared in yesterday's editions of the Chicago Tribune. The author, Christopher T. Rand, argues forcefully that the major oil companies have maneuvered world oil prices to increasingly higher levels that have little relationship to legitimate costs of production. I commend this in-depth article to the Members of the House:

A Short History of the Oil Price Gouge

(By Christopher T. Rand)

The astonishing thing about the oil crisis is that the wrong parties are being blamed for it. To hear the media tell the story, the crisis has been devised and exploited by an all-powerful monopoly, a "cartel" of Middle Eastern and Latin American oil states.

But the truth is that this crisis has from the first been seized upon—and in some instances manipulated—by a handful of American and European distributors, with the Third World government, serving as their willing but essentially passive partners. Until this unyielding partnership is ended and the major Western oil companies are separated from their Third World partners, the West will spiral ever deeper into economic turmoil.

Oil prices are, of course, now unconscionably high, and unless they decline they will continue to inflict serious damage on most of the world's economies.

The much-publicized claim that these high prices have been caused by a cartel of producing states—the members of the Organization of Petroleum Exporting Countries [OPEC]—is partly moral in emphasis. According to one line of argument, OPEC [mostly Near Eastern states, along with Venezuela, Indonesia, Nigeria, and Ecuador] has long suffered at the hand of the seven major oil companies [that is, the "majors"] and the rich industrialized nations are at last getting their comeuppance for the imperialist excesses and acts of "economic totalitarianism" that they have committed against the world's poor.

The justification for the high prices is also based on several hallowed precepts of the oil industry, one being that because oil is a scarce substance, few nations possess it in abundance; another being that oil is also a precious substance, the lifeblood of nations, so a few OPEC countries can charge—and collect—almost any price they want for it.

However, the eight or 10 countries at the core of OPEC have diverse political interests and cultural traditions, are scattered halfway around the world, and cannot hang together with the singleness of purpose which the majors possess. More important, tho it is true that these few states are in fact now producing most of the world's oil, they cannot exercise their power alone.

They sell almost none of the product themselves, and oil, virtually alone among the commodities traded in international commerce, is not to be had on an open market. No Chicago Mercantile Exchange, London Metals Exchange, or Chicago Board of Trade has come into being for oil in this century and what few oil brokers there are possess little power either.

An individual cannot speculate in oil, that is, buy it [or buy a contract to buy it], hold it, then sell it as he would orange juice, silver bars, or kroner. The trade is mostly in the hands of majors, and because they "life" [that is, handle] almost all of the oil coming out of OPEC, and sell it and its products on the world market, the secret behind the maintenance of the current price for crude oil lies in the interdependence between the OPES states and the major oil companies, which neither the majors nor the OPEC states are willing to abrogate.

Though many observers consider the price jump the product of a recent development, a sort of *coup d'etat* in the marketplace, in reality the world price of oil has been high for two generations.

The OPEC states are important to the majors not because their oil deposits are so massive [oil is the second most plentiful fluid on earth] but also because OPEC oil is the cheapest of its kind to produce in volume.

An example of high yield-low cost extraction lies in the Consortium, the great operating company in Iran, which produces about 11 percent of the oil consumed in the world today.

In recent years, this joint venture [dominated by the majors] has been spending from 3 to 11 cents to find a barrel of oil and to develop the facilities requisite to produce whatever it locates and considers worth extracting and another 5 to 6 cents in costs to operate its facilities, which makes a total, in out-of-pocket costs, for the giant enterprise, of 8 to 17 cents a barrel.

Other Gulf oil countries—Saudi Arabia, Kuwait, Abu Dhabi, and Iraq—yield oil at least that cheaply, while in the Sahara states of Libya the costs are a touch higher, 10 to 20 cents a barrel.

By contrast, oil produced in the United States has generally been very costly. Yet even the average wholesale price for American crude, now over $7 or more a barrel, is still, to this day, twice what a company producing oil in America must pay in order to stay in business.

For a company to sustain oil production in America at a given rate, or even to grow somewhat, it has to spend, for each barrel it produces, about 30 to 50 cents on exploration, 60 cents to $1.10 on production facilities, an additional 75 cents—on the average—in operating or "lifting" costs, and at most 30 cents in severance taxes.

This comes to a total of $1.95 to $2.65. Adding in royalties or at least $1 to the landlord [and of course a company does not have to pay royalties if it owns the land outright], and offshore lease bonuses of perhaps 60 to 70 cents a barrel, total expenses of finding domestic oil and getting it to pipeline amount to no more than $3.55 to $4.35 a barrel—and much less than that on the average.

Two factors help bring actual U.S. cost down a great deal below this figure.

First, domestic production costs have been *falling* in recent years. For instance, in 1961 it cost Standard Oil of California 47 cents to produce a barrel of oil offshore California, but by the end of the decade this had fallen by 15 cents. The big North Slope bonanza of Alaska, when it comes on-stream, will run operating companies at most 40 cents a barrel in capital and operating costs including exploration expenditures [remarkable as this might seem, given the remoteness and bitter cold of the area].

Carrying the oil by pipeline from the North Slope to water will entail a further charge of a dollar or so a barrel, so that in all, North Alaskan crude will come to the tankers for $1.50 a barrel, or less than 4 cents a gallon.

Yet, it will be selling, wholesale, for about $13—six to 10 times its costs and will be giving the producers a return of at least 35 per cent a year on their investment.

Second, and more important, the cost figures make no mention of natural gas credits, which can vary from 10 to 30 cents a barrel, depending on how much gas each barrel of crude releases when it is produced. Virtually all oil yields gas when it is produced. Such credits are almost pure bonus, and will soon double, triple, perhaps quadruple, if the Ford administration and powerful friends of the oil industry in Congress attain the removal of federal price controls on natural gas piped in interstate commerce, on which they have placed a very high priority.

And furthermore, the industry pays very low taxes on the profits they make from producing oil in America. Just by staying in the business, a producer reaps tax benefits which are worth almost 50 cents when applied against his state and federal tax bills.

Beyond the producing stage, naturally, there are further big costs all down the line which raise the sums the companies expend as they transport their oil from field thru terminal and pipeline to refinery, then thru the refining process to the wholesaler and the consumer. These "downstream" costs vary too, of course; it might take 15 to 20 cents to get the oil from the field to the refinery in America, further investments of 80 cents a barrel or so in refining, marketing, and transportation facilities, and downstream operating costs and overhead of perhaps more than $2 [at least 25 cents of which, however, would be depreciation].

This would mean that in America an "integrated" refiner [that is, one equipped to carry out all these processes] can get its products—gasoline, heating oil, and so forth—to the consumer for around $6.40 a barrel, or around 15 cents a gallon, *all costs included*.

These costs have hardly risen at all in the last year and a half, tho of course the prices have. But even before the prices rose, the integrated companies were clearing a profit of about 50 cents a barrel. In the case of a major company selling more than a million barrels of products a day in America, this sum is very significant; one should remember that the industry sells over 2 billion barrels [100 billion gallons] of gasoline, alone, to the American public each year.

The reason oil prices have been and remain high is that for half a century now, the majors, with much encouragement from the U.S. government, have engineered and nurtured the discrepancies between the cost and the price of oil both in the United States and in countries abroad.

These companies have largely protected the oil-exporting nations from the market fluctuations afflicting the exporters of most other commodities. The reason why oil has not been traded on an open market is simple: while the size of the oil trade has grown tremendously, the number of major companies supplying the fluid has not. This simple fact is at the heart of the present price structure.

Four firms—British Petroleum, Shell, Mobil, and Exxon—dominated the trade in the 1920s, when they carved up the international market among themselves. Since then they have admitted to their ranks, on terms they found quite congenial, only three newcomers: Standard of California, Texaco, and Gulf. These seven now produce about 60 per cent of the non-Communist world's oil—and 90 per cent of the oil drawn from the Persian Gulf area—and they refine and market more than half of the products of this oil.

Until a year ago, these seven middlemen kept the world price of oil close to the U.S. cost level rather than pegging it to the much lower world level, a difficult task in the late 1940s when Saudi Arabia's Aramco, at the time a joint venture between SoCal and Texaco, was selling oil at $1.02 a barrel and considered lowering this price.

But the firm's parents, needing capital and expanded markets, let Exxon and Mobil into the enterprise. The latter two, by threatening to sue SoCal and Texaco for "breach of fiduciary responsibility" then forced the sales price for Aramco crude to rise drastically, to $1.45, then $2.25 instead of falling—thus protecting the worldwide price system.

Kuwait brought another newcomer, Gulf, into the club; this company, together with British Petroleum, formed Kuwait Oil Company. But BP and Shell also co-opted Gulf into the system.

Later, the majors acquiesced in the use of the official, "posted" price as the basis for calculating tax and fixing a minimum tax rate on oil by agreeing to freeze this official price. As a result, tho the world market price kept dropping under the pressure of growing surplus thru the 1950s and '60s, the posted price stayed frozen, and the taxes levied by the members of OPEC, actually began to creep up.

They finally shot up with the famous 1970–71 hikes agreed upon in Tripoli and Tehran between most OPEC states and the oil companies that they allowed to operate on their territory. But, even then, market prices did not move much: So much oil was entering the world trade that the U.S. oil import program was no longer protecting the world price. OPEC had become virtually the last refuge of the majors in their struggle to keep this price up.

On the surface, the 1970–71 agreements appear to be industry capitulations and are generally considered as such nowadays, but there is much evidence to show that they were major-company maneuvers to squeeze smaller newcomers, especially in Libya, out of their growing share of the world market—perhaps even a drastic strategy for buttressing price.

These agreements neutralized the effect of the small fry—Occidental, Getty and others as well as Bunker Hunt—on the world market or even squeezed them out of it, and the spectacular tax increases of 1973–74 contain features of a grotesque replay of the 1970–71 hikes, resulting as we know, in the quadrupling or even the quintupling of OPEC taxes and a corresponding jump in the profits of Aramco and other purveyors of crude.

The result of these last hikes may well be the neutralizing of price competition from the tougher middle-sized fry, active in new oil provinces, such as Phillips of Norway, Indiana Standard of offshore Iran, Arco of the North Slope, offshore Indonesia, and perhaps Bangladesh.

What is the outlook for oil price now? Is there any chance that it may soon drop appreciably [that is, by more than a token dollar or two a barrel]? The answer is assuredly yes, but one must bear in mind that the OPEC states are still almost totally dependent on the seven firms to dispose of their oil.

Until now, preservation of this interdependence has been a matter of U.S. tax law, and still is to a large extent. Just by producing oil in Saudi Arabia, Iran or the other OPEC states, instead of buying oil from them, Exxon, SoCal, Gulf, Texaco, and Mobil have been able to exempt from their U.S. tax 85 percent of their dividends from these foreign ventures when yielding profits. These tax credits often eliminate, on the books, profits that are foreign in name only. So the majors receive tax credits for foreign taxes and tax exemptions for foreign profits.

This dependence still exists, undiluted, tho its form is evolving. The OPEC lands have acquired at least 51 per cent ownership of the companies producing on their territory. And some countries, such as Iran, have nationalized the properties outright, to gain 100 per cent ownership. But states will grant the majors virtually exclusive access to their oil. In Iran the majors still market about 95 percent of the oil from their old properties; in Saudi Arabia, even if the government buys 100 per cent of Aramco, the majors will undoubtedly also still market 90 or 95 per cent of its oil, and will receive a fee, perhaps equal to their old profits, for operating and developing the properties.

In fact, they may receive this fee in oil. Furthermore, in exchange for their cash assets, they may receive as much as $2 billion in cash from Saudi Arabia.

Even the most militant Near Easterners think that these buyouts have gone far enough. They don't want to end the 50-year-old pattern of interdependence and lose the extraordinary money they receive on the protected international market.

Another class of American company—typified by Ashland, Clark, and Citgo, the massive U.S. refiners—will still have to buy this oil at arm's length, because it has very little production of its own and does not lift foreign crude. Whether this type of company buys oil from Exxon or the Saudi government, it receives no operating fee or rebate of any kind and gets the right to deduct only 48 percent of the money that it pays to get this crude from its U.S. tax bill [since 48 percent is the maximum tax rate in the U.S. at this time].

This smaller, crude-short company is forced to do now what the majors ceased doing two decades ago—really hustle hard to find oil in new areas abroad, in order to get the tax breaks, fees, and payments in kind that the majors have been enjoying.

It is the independent company, American and foreign, that is committing the bulk of its foreign-exploration funds to the new high-risk areas. It was Arco that discovered the North Slope bonanza, Phillips that invested heavily offshore Norway, Union that went offshore Borneo.

Now, if the United States government is sincere in wanting to bring oil prices down, it must stop rewarding the Exxons and Texacos for old, half-forgotten gambles while not adequately rewarding firms like Ashland [and domestic Hamiltons] for the gambles that must be taken today.

One fair way of doing this would be to change or remove the inequity; remove the foreign tax credit or restrict it to newer crude-oil producing areas of the world, and areas outside the hegemony of OPEC, and the majors will be encouraged to relinquish all preferential relations with the OPEC countries. This would compel those countries to enter the world market directly. They would still sell mostly to the majors, but they would also start selling directly, in big volumes, to Ashland, Citgo, and other independent refiners, and would start competing directly with one another as well as with the companies.

There are more imaginative ideas to achieve the same end, such as the suggestion that oil be imported only under U.S. government license or the corollary scheme that the government hold secret crude oil auctions to which foreign states would be invited to submit sealed bids [allowing them to cut prices with anonymity].

Yet another tack, which antitrust experts have been advocating for a long time, would be to break up the integrated international oil companies.

A struggle for the direct business of refiners could bring down the cost of crude oil in the various marine terminals of the world, just as gasoline wars force prices down at the pumps facing one another across the boulevards of Detroit and Los Angeles.

The discrepancy between oil prices in America and the rest of the world has always helped perpetuate high prices somewhere. Now, ironically, the domestic price has become much the lower one.

When the world export prices shot up in 1973, they left the United States far behind, since the federal government had placed a ceiling of $5.25 on the price of most U.S. crude. As we have seen, the average price in this country now actually approximates $7, because prices for the rest of the crude produced in the United States—new oil and oil from meager or "stripper" wells, and oil in other marginal categories—are not controlled and have risen to the world price of almost $13.

But the domestic price is not going to stay low. Now that President Ford has imposed a $2-a-barrel tariff on imported oil, which may go to $3, and is working hard to eliminate the ceiling on "old" oil the domestic price will shoot up—and will pass the foreign price, which is dropping. Thus, even if the exporting nations finally start to sell oil on their own, and get into a position where they will have to sell to the Ashlands and Citgos directly, they will be unable to do so, because the old barriers against foreign oil have gone up again.

So the next reform in oil is to force American prices down. If they do not fall soon they will probably double and triple within a year or two—while the public, as has been its wont, stands shackled and dazed. In any event the key to the unfolding of this process, too, is the Ford administration. If the administration does not move to institute the kinds of reforms outlined above, the task will fall upon successive administrations, which will have to take more drastic measures that will leave us, the consumers, the poorer for them.

BIKING FOR THE BICENTENNIAL

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 28, 1975

Mr. CHARLES H. WILSON of California. Mr. Speaker, on July 1, four young boys left Compton, Calif., riding 10-speed bicycles to begin a cross-country trip in celebration of our country's Bicentennial. These young men—Dennis Banks, Jessie Hernandez, Mario Hernandez, and Dwayne Johnson, all of whom are between 11 and 13 years old—will be traveling 4,500 miles to their destination—Washington, D.C. Their route will take them up north to Oregon, Washington, and Montana. From Montana, they will cross into Canada, then down the east coast to our Nation's Capital.

This interesting and exciting trip is being sponsored by the Compton Police Officers' Association and was the brainchild of Terry Mathews, the former director of parks and recreation in Compton at Wilson Park. Mr. Mathews will be accompanying the group in a van, and the Compton Police Department has arranged for the police departments in other cities to provide the boys with maximum security.

I applaud the efforts of the Compton Police Officers' Association, these four adventurous boys, and Mr. Terry Mathews for conceiving of and implementing this unusual and exciting way of commemorating our Bicentennial. Physical fitness is also served through this challenging and strenuous trip which, in its modern way, echoes the wagon trains of our ancestors.

REMARKS MADE BY PERCY SUTTON ON NEW YORK CITY CRISIS

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 28, 1975

Mr. RANGEL. Mr. Speaker, I insert for the Record concluding remarks which were made by Percy Sutton, president of the Borough of Manhattan on the New York City fiscal crisis. You will recall Mr. Speaker, that the first part of this timely and insightful statement appeared in the Record of Friday, July 25:

New York City Fiscal Crisis

In the years between 1969 and 1975, much of the basis of the fiscal stability of New York City, began to crumble, a crumbling not then visible to those charged with raising taxes or reducing services to keep the income from taxes plus federal and state aid in balance with the outgo needed to fund the many city services which had grown "like Topsy".

Federal aid to New York City, which had risen from 1960 to 1969, at an average annual increase of 90 per cent each year, rose by only 28 per cent per year from 1969 to 1975.

State aid to New York City also slowed down.

Worse still, the rate of national inflation skyrocketed and as national inflation increased local building construction *decreased*.

As the economy went into the schizophrenia of both inflation and recession, as State and Federal aid decreased, and building construction plummeted downward, New York City was left "holding the bag". It had to cope with the most *extensive* and *ex-*

pensive program of social services of any city in the country.

Federal aid was down at an alarming rate; State aid was down; and the City's assessed property valuation was no longer growing at a healthy rate. In short, the growth of public expenditures began to exceed the growth of revenues.

Since in the years 1967 to 1971, New York City expenditures grew at a rate of 16 per cent a year, while revenues raised by the City from its own resources increased only 8 per cent a year, and since Federal and State aid *together* supplied less than one half of the then remaining gap, it was during the years after 1969 that a *thorough* and wide-ranging *reevaluation* of the range of services undertaken by the City of New York should have been conducted.

But, rather than face up to the growing budget gap, year after year, the City found it easier to resort to fiscal gimmickry as a way of muddling through to the next fiscal year. Deficit spending became the rule rather than the exception as, increasingly, the operating expenses of the city were shifted from the Expense Budget to the Capital Budget; the New York City pension system was underfunded and short-term notes were issued in "anticipation of tax collections" which somehow never came.

Everyone of us who served on the Board of Estimate and the City Council during the past six years and every banker who bought these anticipation notes and every Governor who continued to cooperate with our fiscal gimmickry is in a measure responsible for New York City's long term and "cash flow" problems. And, I don't shirk the measure of my own personal responsibility.

So, while I understand the pressures that Mayor Beame has been subject to in the past months, I must state that this is not time to go looking for scapegoats. We all must share the blame. We are all responsible for our present plight, and we must all be a part of the solution.

One of the solutions to the long-range fiscal crisis of New York City is to begin this year that careful re-evaluation of programs which we should have begun many years ago.

We have a choice. We can pretend that the budget gap is less than it is, and present a budget that is balanced on paper only, or we can be honest and talk in terms of the entire deficit.

Our deficit should not be considered as limited to $641 million. It should be treated as being much larger and to embrace revenue overestimates, expenditure underestimates, uncollectable taxes, operating costs now financed through borrowing, underfunding of the pension funds and the entire range of fiscal gimmicks that have brought our City to this condition.

The City must develop a 10 year plan to get its house in order and reduce its debt for it took ten years to amass our present deficit. We cannot undo it in one year; especially in the middle of a recession. To attempt to wipe out 10 years of deficit in one year could do irreparable injury to New Yorkers.

The 10 year plan must include a commitment to an almost total freeze on new hiring for the first five years.

Mass layoffs in today's economy are counterproductive, unless increases in productivity can keep up essential city services.

But, a hiring freeze over five years could provide a reduction of 50,000 to 60,000 jobs during that period and an average savings of $1.25 billion per year.

Unfortunately, the media of our city placed our city administration and particularly our Mayor under great stress to bring about an immediate reduction in the number of public employees on our New York City payroll.

The number and nature of the employees' terminations for the years 1975–76 are of a magnitude so as to undermine the basic service levels in such vital city delivered public services as: fire, police, sanitation, education, and health care.

Dramatic reductions of employees in these vital service areas, and in certain others, would be self defeating.

Drastic cuts in these areas would damage the city's economic base, since the ability of the economic base to increase in strength depends heavily on the quantity and quality of services delivered by the city.

Commercial, industrial and business firms will not locate in the City of New York, or remain here, or expand here, and thereby provide jobs and revenue here if criminals are not arrested, fires are not extinguished, garbage is not collected, and children are not educated.

Our objectives must be to improve services, not to undermine services. And pursuit of our objectives to improve services calls for the very fundamental reforms which I have discussed this evening.

We can and we must, put the New York City budget into real balance over a ten year period. If we have a 10 year plan, then, during this period, we can, and we must, phase in technological and productivity improvements which will permit a higher level of services to be delivered with less personnel, and, consequently less expense to the citizen recipient.

You of the Citizens Budget Commission have done much in pointing the way in this area of technological improvements directed towards increased productivity. You have done much with your extraordinarily valuable studies of productivity in our Fire Department, our Police Department, our Board of Education, our Board of Higher Education, and other agencies of our city government.

The Citizens Budget Commission has furnished, also, initiative in causing us to come to face our realities; in causing us to observe and acknowledge that to pull ourselves out of our morass we must first acknowledge how serious is our problem, so as to be in a better position to take hold of our situation and deal with it in the only way it can be dealt with; with honesty and forthrightness, over a designated period of time. And, not because of any brilliance, but because of reasoned logic, I suggest that the appropriate period of time is 10 years.

But even after we have acknowledged that the full elimination of our "cash flow" problem and the full elimination of our budget deficit will need a time span of ten years, we must not permit ourselves to believe that we have "solved" the long term money crisis of New York City, for, on the "time bomb", which I alluded to earlier, we will but have wound backwards by ten years the clock on our time bomb; but we will not have stopped our bomb from "ticking away".

To stop the clock altogether, we must drastically revise our tax base and also change the array of services which the tax base must fund.

One way to revise our tax base would be to expand it to the regional level. A regional tax base enables the survival of Chicago in Cook County and provides the revenues for most of the basic social services provided in the city of Los Angeles in the state of California.

But, what about regionalization of New York City's tax base? The present boundaries of New York City, we must remember, follow an arbitrary line on a map drawn by a State Legislature in the year 1898 in an attempt to include under one governmental body and one tax base, the vast majority of that which was then the "New York Metropolitan Region".

Were the State Legislature today, again to set upon that same purpose, to include within one governmental body the vast majority of that which is now, "The New York Metropolitan Region", it would have to draw a line which would extend as far east as Riverhead in Suffolk County and as far north as Poughkeepsie.

This is the region whose economy is largely dependent upon the City of New York. This is the region which greatly benefits from the services provided by the government of the City of New York. And, it is the resources of the entire Metropolitan New York Region which ought to be pooled to provide for the maintenance of those daily New York services of Sanitation, Health, Police, Fire, Traffic, Transportation and related services which have made the prosperity of the New York Metropolitan Region possible. But, just as in biblical times those in the suburbs, whether in Suffolk County or Poughkeepsie, remain unsupportive of the City of New York and its problems, and consequently the widening of New York City's tax base beyond its present boundaries is highly improbable.

Therefore, if we determine that the regionalization of New York City's tax base is not probable, can we look to another possibility which is more possible of accomplishment? Such a possibility, I suggest, is the transferring to the state and federal governments certain of the services now delivered by New York City to its residents and those who work within its borders but who live and pay taxes outside.

Welfare is a service which seeks to meet a problem which has multiple origins but which principally was created by a failure of our National Economy to provide full employment for all of its citizens, or otherwise provide a fair distribution of income. Welfare, therefore, is a federal responsibility which should be both funded and administered by the federal government.

Similarly, our court system, our correction system, and our system of higher education should all, properly, be state responsibilities, to be both funded and maintained by New York State.

If it is not possible that we can regionalize our tax base, we can at least revise and expand the tax base to embrace more productive sources of City revenue. I suggest that any intelligent analysis of New York City's fiscal dilemma leads to the conclusion that we must end our reliance on the real estate property tax which has, long ago, reached the point of no return.

Just as in our family situation, to meet the increasing cost of living, once a bread winner is working 3 jobs, 24 hours a day, we can no longer look to "another job" to keep the family going. So too, we cannot as a city, look to "increasing real estate taxes again" as a realistic answer to our fiscal problems. We have, too long, increased real estate taxes as a means of paying for our ever-expanding city services.

In 1960 the New York City real estate property tax rate was 4.16 percent. Today, it is 7.35 percent. We have discovered that we have reached the point at which increasing the New York City real estate taxes causes increasing defaults, which in turn, cause even greater increasing real estate tax rates, thereby leading to even greater defaults; and so the spiral goes.

The real estate property tax in New York City is incapable of further sustaining the New York City service delivery burden which has been placed upon it.

We must now move toward a city tax base which will increase its revenues in proportion to the increases in the rate of inflation and in proportion to real increases in the productivity of our economy.

We must move away from the real estate property tax as a corner stone of our municipal finances and toward the income tax and such taxes on "cash flow" as are capable of keeping pace with the economic needs of our city.

Finally, in a prolonged conclusion, permit me to say that I am not a native New Yorker. I wish I could claim that privilege. But, not being a native New Yorker, I am perhaps as zealous as most converts to causes. I am an enthusiastic, fervent New Yorker. My family travelled to New York City a number of times when I was a child and whenever I came here, I was always enraptured by the excitement of New York City. The tall skyscrapers and the great sense of movement that was here all made me want to come here, someday, and be a part of this excitement. I wanted to be a part of this highly competitive city.

For me, for my family, and I suspect for most New Yorkers, whether they live in wealth and comfort, or live in poverty, or "in limbo", or somewhere in between, New York City is more than just a place to live. New York City is a dream!

New York City is the greatest city on earth. It is the center of commerce and industry in the entire world.

New York City is a world center of money and banking, of education and communication, of science and arts and culture. New York City, with its many peoples and its many cultures, is also the most creative city on earth; it is a place where different cultures come into contact, where different ways of thinking are combined into yet new ideas, and it is the city in which, from the very diversity of its citizens comes a creativity, a creativity that has made New York City a center of class, style and taste.

New York City has, from its inception, been a magnet for millions of people trying hard to escape poverty, class, national and racial hatreds, and a dead end existence.

While New York City has had at best a partial success, New York City throughout its history has tried fully to deal in a humane and generous manner with the problems of migrants and immigrants and uprooted people. And, therein, lies the tale of much of that which troubles New York City.

In human terms the problem of New York City, and other cities of our urban society is a national problem and to solve the problem, more must be done by our national government.

New York City got itself into its present problems as it tried to use mechanisms of local government to meet the needs of a city that was a beacon light for a national and an international society.

New York City should have, but didn't understand, that no city can redistribute wealth to a greater extent than other cities, without putting such a heavy tax burden on its own businesses and citizens that, as a consequence the benevolent city handicaps its businesses and its citizens to such an extent that ultimately the businesses and the citizens are driven from its boundaries both as taxpayers and service beneficaries.

We have now taken the first faltering steps in the City of New York to put our house in order. Now, we need help from our federal government and our state government, both of which receive so much of our tax payments.

To recover from our present dilemma we must all come to understand that New York City's money problems didn't happen in a day, and they cannot be solved in a day. New York became the greatest city on earth by its ability to rise to every occasion and New York City will rise to the occasion once more.

New York City will solve its money problems but, to solve them we need everyone's help. We need the cooperation of the Citizens Budget Commission, we need the cooperation of our banks, our businesses, our workers, our public officials, and our private citizens.

This is not the time for a city divided. New York City is still the greatest city on earth!

EGIDIO ORTONA—A SKILLED DIPLOMAT RETIRES

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 28, 1975

Mr. DOWNEY of New York. Mr. Speaker, for 8 years Egidio Ortona has served Italy as Ambassador to the United States. His career has been marked by distinction and I would like to take this opportunity to pay tribute to him.

Throughout his 43 years in the diplomatic service, Ambassador Ortona has been recognized as a gentleman of great skill and natural rapport with the people he has dealt with. While I believe it would be impossible to adequately cover all the accomplishments of this dedicated person, I would be honored to mention the highlights of the Ambassador's career.

Beginning in 1932, Mr. Ortona entered the diplomatic service after his extensive training at the University of Turin in Italy and the London School of Economics in Great Britain. He went on to serve in Cairo, Johannesburg, and London before returning to his native Rome and serving as Chief of the Office of the Minister of Foreign Affairs.

The year of 1958 began a 3-year assignment for Mr. Ortona to serve as the Italian Representative to the United Nations. During that time he had the distinct and unforgettable privilege of presiding over the Security Council on two different occasions.

The Italian Government summoned him back in 1961 to serve as Director of Economic Affairs in the Ministry of Foreign Affairs. While in Rome he presided over the General Assembly of the International Civil Aviation Organization and served as chairman of a number of other high level international meetings.

These valuable experiences in high official posts culminated in 1967 with his appointment as the Ambassador of the Republic of Italy to the United States. While in this position he gained the respect and friendship of both the American and international diplomatic community.

The people of Italy have been fortunate to have had this man serve as their Ambassador. We have been fortunate to have had this exemplary leader work in our country.

The people of Italy, the Italian-American community, and those of the diplomatic world will miss the presence of Ambassador Ortona. My very best wishes are extended to this fine gentleman on his retirement from a career that has been served with distinction.

MIDDLE-CLASS FRUSTRATIONS

HON. RICHARD H. ICHORD

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, July 28, 1975

Mr. ICHORD. Mr. Speaker, the middle-class American has long been the backbone of our country. However, today it is the middle-class citizenry that has to bear the brunt of programs established by the Congress and implemented by bureaucratic agencies of government; programs riddled with regulations almost administratively impossible thereby providing loopholes for recipients for whom the law was not intended. One such program is welfare, and in particular, the food stamp program. I am sure that most will agree that such programs have long passed the stage of providing only for the needy.

Recently, I received a letter from one of my constituents who is a teacher. I wish to insert the letter of Mrs. Barbara Sindt for all to read. I think that her letter epitomizes the feelings of many Americans today and unless this warning is heeded, our future generations will grow up in a nation which will be unrecognizable as the America of today. The letter is as follows:

> My husband and I both work. We have good jobs. We paid for our own educations. I got my degree in 25 years—clerking, doing secretarial work, raising four daughters, and baby-sitting during this time. I did not receive any food stamps, commodities, free medical care, and no grant or loan for education. I love working. I believe I am good at my work. I am proud to work. But I am a bit angered when I look around me at the number of people who could work and don't.
>
> When I walk into the grocery store and purchase food that will stretch and serve two meals instead of one, when I say "no" to my children's requests for cheap nutrition, but high cost foods, I am angry when the woman next to me purchases Pringles, sugar-coated cereal, candy bars, cookies, frozen pies and cakes, and then pays for them with food stamps.
>
> I am angry when I pay $2.19 for cheese and then see someone complaining about the "bad tasting cheese in commodities."
>
> I am angry when I would like to go to the doctor for a bad back but feel I must postpone my visit until more bills are paid, yet I see someone entering the hospital with a very minor ailment—flashing that priceless orange card (purchased by taxpayers).
>
> I am angry when my child would like to go to college but I suggest vocational school (dear, it's cheaper), yet some one who is "poor" is granted a loan or better still an out and out grant.
>
> As a teacher my heart aches for the child who is a victim of proud, working but not-getting-much-money-parents. He is the child who brings a cold sandwich and little else and sits by the welfare child who gets a free school lunch and tops it off with a candy bar, then returns to the room and has afternoon milk which he mixes with a package of chocolate while his little friend

looks on wistfully. His family is proud—may be just over the cut-off line and perhaps is under it but proud and unwilling to accept charity when it is not an absolute essential.

Please do not misunderstand and think that I am heartless and would like to see starving. I would that all could be full and cared for, but this utopian situation will not be. We will always have the poor with us.

I wish that in reading this letter you would sense some of the despair and frustration that is with the average, middle-income family. We are hard working people. We struggle to manage what we have the best we can. We want the good things of life. We would like to feel that by working hard, by managing the best we can, that we can achieve this. However, it seems that hard work and striving provides us few benefits, but that we must give up the added benefits to the poor and to those who tax us.

Sincerely yours,

Mrs. Barbara Sindt.

VOTER REGISTRATION—ANOTHER ALTERNATIVE

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 28, 1975

Mr. FRENZEL. Mr. Speaker, last week, I introduced H.R. 8842, a Voter Registration Act. During the last several years the Subcommittee on Elections of the House Administration Committee has held extensive hearings on this complicated subject, but most of its consideration and time has been devoted to only one facet, post card registration, of this complicated subject.

H.R. 8842, is not the answer to the voter apathy, however, I believe it is yet another vehicle to aid in our deliberations on voter registration and participation.

Briefly, Mr. Speaker, it provides for a national face-to-face registration drive every 2 years. At this time the canvassor could verify the names of those persons listed at that address, add names of eligible voters, and delete names of persons no longer residing there. It also provides for election day registration which has proven to be helpful in increasing participation in Minnesota. This bill also creates a National Clearinghouse of Registration Cancellations and Address Changes to which all interstate and, where appropriate, intrastate cancellation notifications or address change notifications would be sent for sorting and forwarding to the appropriate State election official.

While it is impossible to ascertain if this bill or any registration bill will actually increase our voter participation, I believe it does give us some additional ideas and another method for improving our election process.

Post card registration has become a fixation for Congress. I hope that H.R. 8842, and other proposals, like block grant aid to the States, will help to broaden congressional horizons. We ought to look at the whole problem, and a wide range of proposed solutions before making our determination of what the Federal role in voter registration will be.

LOUISIANA COAST NOT DAMAGED BY OIL PRODUCTION STUDY SHOWS

HON. JOHN B. BREAUX

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 28, 1975

Mr. BREAUX. Mr. Speaker, great concern has recently been expressed by our colleagues over the effects of energy related industrial development on the U.S. Outer Continental Shelf.

Having personally grown up and resided in an area of Louisiana that has encoumted such development over the past 20 years, I feel it necessary to comment on this subject and try to dispel any fears or misconceptions which have surfaced regarding this subject.

It is vital to the future of our Nation that we all approach this question of energy development with an open mind—an attitude of compromise and understanding.

I think it is important that we look to a factual base to determine the effects of offshore development on our various coastlines and estuarine areas. Everyone should be objective enough to accept studies conducted by professionals in the fields of oceanography and ecology trends, even though they may report on findings which might not adhere to one's personal beliefs. In short, we must begin to make our decisions on fact rather than assumption.

A recent report appeared in the Louisiana Energy Report published by the State of Louisiana Department of Conservation which I feel will be of interest to my colleagues.

The article follows:

LOUISIANA COAST NOT DAMAGED BY OIL PRODUCTION, STUDY SHOWS

A consortium of 23 scientists from universities in the Gulf Coast region released a report last week stating that oil drilling and production in Timbalier Bay off the Louisiana coast has not damaged the ecology.

The report, released in Lafayette by the Gulf Universities Research Consortium of Galveston, Tex., said natural phenomena such as changes of seasons, floods, updwellings, and turbid layers had much greater impact on the ecology of the bay than the effects of oil drilling and production.

"Concentration of all compounds which are in any way related to drilling or production are sufficiently low to present no known biological hazards," the report continued.

Although limited to activities associated with drilling for oil and oil production without analyzing other aspects of the industry (such as transportation and support services), the scientists said their study would reflect such aspects to some degree.

The area studied covers ten by forty miles in Timbalier Bay and offshore areas to depths of about 100 feet. The bay, located adjacent to Lafourche and Terrebonne Parishes, has been an oil producing area for 38 years and currently has about 400 oil and gas wells. The scientists reported that the region is biologically highly productive—more so than other regions studied in other areas of the Gulf of Mexico.

Dr. R. R. Minzies of Florida State University headed the group of scientists and research assistants from 11 universities in the two-year project.

May I add, Mr. Speaker, that I respect the concern expressed by many Members whose districts will be affected by Outer Continental Shelf development. It is most important that proper planning and evaluation be made in concert with new development. At the same time, however, we must be cautious not to use only examples which occurred 20 years ago as a yardstick of what might occur today with new development. New technological advances in environmental protection will surely give a new face to any new development.

THE APOLLO-SOYUZ "HO-HUM"

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 28, 1975

Mr. DOWNEY of New York. Mr. Speaker, last week I was privileged to view the launching of the Apollo spacecraft as it departed for its spectacular rendezvous with the Soviet ship Soyuz. One cannot help but be overwhelmed by the scientific and diplomatic achievement that the Apollo-Soyuz mission represents. But at the same time each new space advance raises the same disturbing questions in the minds of millions of Americans. The Bay Shore Sentinel, a weekly newspaper in New York's Second Congressional District, has cogently expressed this ambivalence in its editorial of July 23, 1975, and I request that the editorial be reproduced below. It is worth thinking about.

The article follows:

THE APOLLO-SOYUZ "HO-HUM"

Apollo met Soyuz in space last week in a brief encounter worthy of a tale in Greek mythology.

There was the classic drama of the "link-up", the tender words between parties long parted, and the separation—the graceful departure of two celestial bodies, each bound towards different worlds perhaps never to meet again.

What audience there was applauded madly and the critics wrote rave reviews but when the curtain descended, the show folded. No lines besieged the box office. No one demanded an encore. No one cared.

In Russia, wide-eyed peasants were pictured stroking their beards in amazement at the accomplishment but in the U.S., the ho-hums almost broke the sound barrier. For a good American reason:

Before the show began, it was apparent the scenario was a diversion—a spectacular device that would allow Americans to forget the economy, the crippling costs of gasoline and petroleum products, the jobless, and the incredible past debacle of Southeast Asia.

But, what once captivated the American

public, the first man on the moon, the missions to Mars and beyond, no longer seemed to work its magic. While the cost of the production was only weakly criticized, the average American's impression was indifference.

The U.S. homeowner, struggling to keep his head above water, hold his job, his sanity, and his family together found it hard to relate to the so-called "handshake in the skies."

His daily problems gave him little time to turn his eyes skyward to appreciate the flawless precision of an untroubled world 125 miles above his mortgaged Cape Cod.

For real suspense, drama, and the never-ending conquest of the unknown, the spacemen should've cast their eyes downward for a glimpse of the American taxpayer.

He's a one-of-a-kind personality, a human being who's expected to balance the world on the end of his checkbook. It's he who continues to be the greatest showman on earth. And, there's a new one, born every minute.

CITIZENSHIP TO GEN. ROBERT E. LEE

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 22, 1975

Mr. MAZZOLI. Mr. Speaker, I am extremely pleased to see the passage of this bill, which I cosponsored, granting citizenship to Gen. Robert E. Lee.

Under the authority of section 3 of the 14th amendment of the Constitution, the Congress has granted this long overdue relief to a distinguished person who was, we might say, a man without a country for over 100 years.

Coming on the eve of the Bicentennial, this action is especially proper and fitting. Our Nation realizes the importance of learning from the past. By honoring our history, we brighten our future.

General Lee applied for rights as a citizen on June 13, 1863. But, because of a "Catch 22" situation, the necessary oath of allegiance was not received or processed prior to his death on October 12, 1870. In fact, the oath did not come to light until 1970.

General Lee is a legend. He was faced with many difficult decisions. But, his integrity, his love of man and his devotion to high principle marked all his years. He earned the respect and the admiration of friend and foe alike.

After the Civil War ended, General Lee urged the South to forget her resentment and pledge fealty to the Union. He persuaded his weary and defeated ranks to return to their homes and families and work to rebuild the South.

General Lee wanted to be an American. He took all the necessary steps. Had there not been a paper work snarl—not uncommon even a hundred years ago—he would have regained his citizenship prior to his death. He deserves to be a citizen of our great Nation. And, I am pleased that this body sees fit to grant citizenship to a great American—Gen. Robert E. Lee.

NEW RESEARCH CRITICIZES SPENDING LIMITS

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 28, 1975

Mr. STEIGER of Wisconsin. Mr. Speaker, I would like to call attention to David Broder's column in the July 27 Washington Post.

Mr. Broder describes two newly released reports concerning the Federal Election Campaign Act—one by Prof. Roy A. Schotland of the Georgetown University Law School, and one by the American Bar Association's committee on election reform.

The Schotland report shows that the new spending limits will affect Senate races in the 26 smallest States—those having fewer than 2 million voters—far more than they will affect the Senate races in the larger States. After reviewing the figures from 1972 and 1974, Professor Schotland found that 40 percent of the candidates in the smaller States would have exceeded the limits, compared to only 4 percent in the larger States. Of the 37 Senate candidates who would have gone over the limits, 78 percent were from the smaller States.

"Whatever the cause," and he cites a number of causes and recommendations, Professor Shotland advises: "Either the law will have to be changed, or the political realities in the 26 smaller States will have to change."

The ABA committee approaches the subject of spending limits from the perspective of first amendment rights.

In inserting the Broder article, I want to commend the columnist for consistently reporting the hard-to-define questions concerning the new election law. More than anyone else I can think of, Mr. Broder has raised the level of understanding of a most complex issue.

The article follows:

[From the Washington Post, July 27, 1975]

CAMPAIGN SPENDING LIMITS

(By David S. Broder)

The effort to clean up the money corruption of our political process has long centered on four main devices. Disclosure of sources and uses of campaign funds is one favorite approach. A ceiling on the size of private contributions is a second. Provision of public funds for campaigns is a third. And control of total spending is the fourth.

The post-Watergate Federal Election Campaign Act of 1974 employs all four approaches, and a constitutional challenge has been raised to the way in which it uses each of these devices.

That case is now pending in the U.S. Circuit Court of Appeals here and a decision can come at any time. Whatever the holding, the issue will be taken to the Supreme Court for a final determination this fall, so the rules of the game will be clear before the 1976 campaign begins in earnest.

Last week, the American Bar Association's special committee on election reform weighed in with a strong argument that one of those four approaches—that of spending limits—should be discarded.

While endorsing in principle the other three approaches taken in the new law, the seven-member committee, which conducted an exhaustive 18-month study of the issue, came out flatly against spending limits.

Their basic argument is that spending limits raise far more troublesome questions of free speech and free expression than are involved with disclosure or ceilings on private contributions.

"We believe," says the committee report, "that effective expenditure limits require controls applicable to all spending, whether incurred by the candidate himself, or by individuals and groups beyond the candidate's control. In our view, limits on independent citizens and groups presents substantial legal questions because of their potential curtailment of First Amendment rights." The issue, very simply, is whether everyone's freedom of speech can be abridged by limits applied to candidates' spending.

The new federal law attempted to circumvent this problem by providing a "loophole," permitting any voter to spend $1,000 on his or her own to advocate any candidate for federal office. But in the oral arguments before the appeals court, attorneys defending the law conceded that was the toughest provision to justify in constitutional terms.

The bar association committee strongly suggests that it can't be done. It concludes that "the more desirable way of limiting the influence of money in the electoral process with the minimum of interference with First amendment rights" is through full disclosure of private contributions which are limited to "reasonable amounts." By that, the committee means sums "sufficiently high to permit meaningful expression of support and at the same time not so high as to afford the contributor undue influence or access."

The practical problems of expenditure limits are highlighted in a separate study circulated last week by Professor Roy A. Schotland of the Georgetown University Law School.

It questions "the fundamental soundness" of expenditure limits and raises interesting questions about the equity of the ceilings on Senate contests specified in the new law. Those limits are based on voting-age population, with a floor provided for small states.

The Schotland study argues that the limits hit small states—those with less than 2 million eligible voters—much harder than they do big states.

If the limits prescribed in the new law had been in effect in 1972 and 1974, Schotland says, 29 of 73 candidates in the smaller states would have broken the law, while only 8 of 58 candidates in the larger states would have exceeded their limits.

This does not necessarily prove that the limits are too high for the big states or too low for the small ones, as the professor argues. Special-interest groups of both the left and right have dumped money into small states in hopes of winning Senate seats for much less than it would cost them in any of the big states—a practice that could be curbed by contribution limits.

But his study does at least suggest that the impact of expenditure ceilings would be felt very unevenly from one state to the next. And that fact underlines the question of whether such ceilings are justified at all.

PERSONAL EXPLANATION

HON. MARTHA KEYS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 28, 1975

Mrs. KEYS. Mr. Speaker, on July 25, I missed a series of votes taken on amendments to H.R. 5900, the bill providing for equal treatment of craft and industrial workers. Had I been present, I would have voted as follows: Rollcall No. 433—yes, rollcall No. 434—no, rollcall No. 435—yes, rollcall No. 436—no.

THE PRESIDENT IS NOT BELIEVED ON GASOLINE

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 28, 1975

Mr. GAYDOS. Mr. Speaker, Pittsburgh television station WTEA occasionally sends reporters and cameramen into the streets to determine how the grassroots public stands on certain major issues confronting the Nation.

The responses in such a survey recently on the new gasoline price increases were both disturbing and enlightening. Not one mini-interview broadcast supported the position of the Ford administration. Many of those questioned expressed doubts about the stories which the President and his aides are telling.

Most asserted that in their minds there was no gasoline shortage warranting price hikes—some quoting gas station operators on this point. The consensus appeared to be that the people were being ripped off to the profit of the giant oil companies. Blamed were both these companies and the White House.

Not a single interviewee had been convinced by the President that higher prices were necessary in the national interest, or that there was a justification for the sock-the-motorist program he had presented Congress.

This, in my judgment, is important because it shows the width of the communications gap which has opened between the President and his energy aides here and the people on the streets of Pittsburgh, and, I am sure, elsewhere across the Nation. The public in large part just does not believe the President. And this certainly concerns us here in Congress.

How can we back the Ford measures when so many of our constituents apparently think what is being forced in Washington is unwarranted, a gouge in fact, and a giant hoax? Can there be any wonder why Congress so far has failed, as have the people, to go along with the contradictions, the price boosts, the Ford import levies, and, indeed, the other absurdities of the White House proposals?

I am in no position to argue for or against the need for gasoline conservation. As with the folks at home, I have been furnished information on this matter so misleading as to make a sound decision impossible. But I can say this. If gasoline must be conserved—if we must reduce our dependency on import oil—then all other conservation measures should have been tried fully before prices were pushed up to a point where the necessary motorist is being punished severely and a new round of inflation threatens.

Edward M. Carey, owner of Carey Energy Corp., and brother of New York Governor Hugh Carey, perhaps summed up the situation best when he told Time magazine the other day:

> I just don't understand why we argue with the Arabs to lower the price of oil and then go out and put a tax on it.

Millions of other Americans, I am sure, cannot understand this either. I am one of them. This Presidential contradiction has not been missed by those who were interviewed in Pittsburgh, as WTEA learned. The President and his taxes have brought on these new price increases and when his spokesmen have the audacity to say that, come next year's election, the voters will blame Congress and not him. Then, in my opinion, they are whistling past the gas pumps.

THE HARRIS SURVEY

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 28, 1975

Mr. RHODES. Mr. Speaker, there has been considerable talk by some Members on the majority side to the effect that the American people are not appreciative of President Ford's use of his veto authority. In point of fact, the opposite is true. The people greatly appreciate the fact that the President and the Republican minority—by exercising the veto and sticking together on override attempts—have spared the Nation some truly bad legislation. What the people do not appreciate is the tendency of the Democratic Congress to send to the President bills which are completely inimical to the desire of most Americans to cure inflation and which President Ford has no choice but to veto.

This analysis is documented by two public opinion polls recently conducted by the distinguished pollster, Mr. Louis Harris. The first poll shows that most Americans understand and support the President's vetoes. The second poll reveals that the Congress—which has been controlled by the Democratic Party for 38 out of the last 42 years—has received its lowest approval rating in history.

I have always maintained that Government by veto is no way to run the country. However, the Democratic leadership has shown little—if any—willingness to compromise with the President and the minority on vital issues. Until such time as the attitude of the Democratic leadership changes, Government by veto will have to continue. In the meantime, it is important for the Record to show that the American people perceive this debate accurately and are watching to see what we do.

The article follows:

HARRIS SURVEY

(By Louis Harris)

A narrow 38-33 per cent plurality of the American people tend to agree more with President Ford than with the Congress in the recent confrontation between them over Mr. Ford's successful use of his veto power. Consistently, Congress has been incapable of overriding the President's vetoes of key legislation.

On the specific vetoes by the President, pluralities of the public supported his action:

By 43-27 per cent, most Americans agreed with his veto of the bill to increase support for agriculture.

By 42-35 per cent, a plurality sided with the President on his veto of the bill which dealt with creating a job program for the unemployed.

By 41-32 per cent, a plurality supported the veto of the bill which was designed to stimulate the housing industry.

By 34-30 per cent, a narrow plurality backed the President's veto of the bill to regulate strip mining.

Basically, Mr. Ford's backing on his veto policy reflects continuing public concern over federal spending. A substantial 72 per cent of the American people simply feel that they do not "receive good value" for their tax dollars, up from 56 per cent who felt the same way back in 1969.

This moderate agreement with the Presidential vetoes also reflects the public's misunderstanding of what Congress has been trying to do in enacting legislation which it knows the White House opposes. This failure of Congress to adequately communicate its aims and objectives to the people must rank high on the list of reasons both for the low state of public confidence in Congress and in pluralities backing the Ford vetoes.

A cross section of 1,497 adults was asked between July 5 and 10:

"In general, who do you tend to agree with more on the question of recent vetoes by President Ford of legislation passed by Congress—the President who has defended his vetoes to keep federal spending in line and to check inflation, or the Congress, which defends its passing bills as vital to bringing the country out of the recession and creating more jobs?"

[In percent]

	Ford	Congress	Not sure
Nationwide	38	33	29
By region:			
East	36	34	30
Midwest	35	37	28
South	39	28	33
West	41	33	26
By size of place:			
Cities	32	37	31
Suburbs	39	32	29
Towns	49	28	23
Rural	36	33	31
By politics:			
Republican	59	18	23
Democratic	27	43	30
Independent	40	32	28

Regionally, the Ford vetoes have had more appeal in the South and West than in the East and Midwest. People who live in the central cities tend to side with Congress, but suburban and small town residents support the President. Mr. Ford's Republican backing is much higher than that accorded to the heavily Democratic Congress by rank and file Democrats. But the balance is really tipped by the independent voting segment which backs the President by a 40-32 per cent margin.

The slender edge recorded by President Ford on the veto issue holds up in general when the public was asked about four key vetoes: "Did you favor or oppose President Ford on his veto of the bill to (read list)?"

SPECIFIC FORD VETOES

[In percent]

	Favor	Oppose	Not sure
Increase supports for agriculture	43	27	30
Create a job program for the unemployed	42	35	23
Stimulate the housing industry	41	32	27
Regulate strip mining	34	30	36

By far, the widest margin of support for the Presidential veto action emerged in the case of the agricultural bill. Significantly, rural residents opposed that bill by the largest margin: 46–27 percent. The closest margin on the Ford vetoes was over his action in opposing the strip mining bill. This veto was costly to the President among the college educated and professional groups, who opposed Mr. Ford's strip mining position.

Of course, the fact remains that neither the President nor Congress appears to have won any significant victory on the veto issue. While he was exercising the veto successfully and thereby thwarting the congressional majority, Mr. Ford's over-all positive job rating dropped from 50 to 41 percent, a decline of 9 points. By the same token, during the period in which Congress found itself incapable of overriding the Presidential veto, its positive rating with the public dropped from 30 to 22 percent, a drop of 8 points.

These results suggest that neither the Democrats nor the Republicans can make much of the veto issue. If Mr. Ford, in particular, fancies the events of this spring as providing him with an inbuilt platform to run against the Democratic-controlled Congress, he is apt to find a rather unenthusiastic electorate out there in 1976.

Congress: Lowest Rating Ever

(By Louis Harris)

A 70–22 percent majority of Americans give Congress a negative overall job rating, the worst rating for Congress in a Harris Survey.

Public opinion of Congress' performance in key areas—foreign policy, inspiring confidence in government, the economy, for instance—is also decidedly low.

These latest results represent a complete turnaround from those recorded after the landslide Democratic victory last November and after former President Nixon's resignation last year, when public respect for Congress' job performance was high.

In the recent confrontations between President Ford and the present Congress, the public sides with Ford. Only 18 percent of the Americans approve of the way Congress has handled relations with the President, and 58–21 percent don't approve of the way Congress has failed to override Ford's vetoes. Ford, on the other hand, receives a 33 percent positive rating for his handling of relations with Congress.

Still, both the President and Congress have lost public standing since their sharp disagreements over recent legislation.

Earlier this month, the Harris Survey asked a nationwide cross section of 1,497 adults:

"How would you rate the job Congress has been doing so far this year—excellent, pretty good, only fair, or poor?"

TREND OF RATING OF CONGRESS

[In percent]

	Positive	Negative	Not sure
July 1975	22	70	8
April	30	63	7
March	26	67	7
September 1974	38	54	8
July	29	64	7
January	21	69	10
1973	38	45	17
1970	26	63	11
1969	34	54	12
1968	46	46	8
1967	38	55	7
1966	49	42	9
1965	64	26	10
1964	59	33	8
1963	33	60	7

Over the past 12 years, Americans have widely fluctuated in their ratings of Congress. In 1965, when President Johnson got Congress to pass a great deal of legislation, a 64–26 percent majority gave Congress a positive rating. But since 1968, Congress has consistently received negative ratings.

The cross section was then asked:

"Let me ask you about some specifics about the job Congress is doing. How would you rate Congress on the following—excellent, pretty good, only fair, or poor?"

SPECIFIC RATINGS OF CONGRESS

[In percent]

	Positive	Negative	Not sure
Keeping United States strong militarily:			
July	34	53	13
March	35	53	12
Working for peace in the world:			
July	33	58	9
March	32	60	8
Not overriding President Ford's vetoes:			
July	21	58	21
March	(1)	(1)	(1)
Handling relations with Secretary Kissinger:			
July	21	64	15
March	29	57	14
Handling relations with President Ford:			
July	18	72	10
March	20	71	9
Inspiring confidence in Government:			
July	18	72	10
March	18	73	9
Providing adequate health insurance:			
July	16	67	17
March	16	68	16
Handling energy crisis:			
July	16	76	8
March	17	77	6
Keeping economy healthy:			
July	15	78	7
March	13	79	8
Handling taxes and spending:			
July	12	80	8
March	12	80	8
Bringing country out of recession:			
July	12	81	7
March	9	83	8
Controlling inflation:			
July	10	83	7
March	7	86	7

[1] Not asked.

RUSSIAN OIL FOR U.S. WHEAT

HON. GOODLOE E. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, July 28, 1975

Mr. BYRON. Mr. Speaker, last week the Valley Register in Middletown, Md., published a most interesting and timely editorial which represents food for thought for all of us here in Congress. Its message is self-explanatory and I submit it now for the Record:

Russian Oil for U.S. Wheat (?)

There is an opportunity for both the United States and Russia to benefit by a mutual exchange of commodities to ease shortages in both countries and at the same time bolster the economics of both of them. This lies in the abundance of wheat and other grains in this country and a bountiful supply of oil in the Soviet Union. While Russia has not looked favorably in the past to such "barter" deals, there is no reason why, in the present atmosphere of detente, she should not be willing to enter into an exchange agreement with this country along the lines suggested above. Russia does need our grain surpluses and is willing to pay for this wheat and corn, but we also need oil, and there seems to be no reason why she would not be willing to sell us oil at a reasonable figure in exchange for our permitting her to buy grain here at a likewise fair price. Russia's close ties with the Arab oil-producing States may be one obstacle to such an agreement, undercutting, in a sense, their current effort to exploit their advantage in selling us Arab oil. But it seems to be a question of which is more important to Russia—her nominal support of this oil extortion policy of the Arabs or her broadening of the detente with the United States by a policy which would be mutually advantageous to each of us.

CONCERNED ABOUT THE EFFECT OF PRESIDENT FORD'S PLAN

HON. SHIRLEY CHISHOLM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 28, 1975

Mrs. CHISHOLM. Mr. Speaker, I am seriously concerned about the effect that President Ford's plan to decontrol oil will have upon my constituents. For the past several weeks, each Member of Congress has received countless reports, letters, and articles from those who either support or condemn the continuation of price controls on domestic oil. After reviewing this material, I have come to the realization that if controls are to be lifted rapidly, lower-income persons and those with fixed incomes will be priced out of the energy market.

We have seen oil prices double and triple within the last 3 years. Higher energy costs have decreased purchasing power and increased unemployment; nowhere are these two problems more deeply felt than in the low-income communities of this country. The President, in seeking decontrol, is asking for further price increases. Mr. Ford attributes our present economic difficulties to the Arab embargo, not to higher energy prices. Frank Zarb, the Federal Energy Administrator and the President's chief energy advisor, in a July 17, 1975 letter to Energy Subcommittee Chairman, John Dingell, contends that the last Arab boycott resulted in an increase in unemployment of 500,000 persons as well as a $10 to $20 billion drop in the GNP. The President's policy addresses only the issue of the boycott and American independence from foreign sources of oil; increased price is seen as the mechanism for the President's plan and not the problem itself, which it surely is for my constituents. By imposing the $2 per barrel tariff on foreign oil and by asking for decontrol of crude oil prices over a short period, the President's plan, if ultimately successful, will accelerate the price of energy and exacerbate the money problems of the poor.

President Ford believes that decontrol will give American oil producers the needed incentive to produce more oil. The President maintains that the industry needs increased revenue in order to engage in production of secondary and tertiary recovery oil. The recent history of oil pricing and production in this country does not support the President's theory. We now know that even with a substantial increase in price, production has fallen rapidly. How can the increased cost which decontrol will bring about be justified when we know that similar energy price increases have caused serious economic disruptions, especially within the low income communities?

I voted against the increased gasoline tax proposed by the House Ways and Means Committee in its bill, H.R. 6860, because such price mechanisms work against my constituency; my constituents cannot afford to spend 1 more cent for energy. If there are further price increases, as there will be if the President's plan prevails, consumption will be reduced in the 12th Congressional District of New York because my constituents will be forced to start doing without. Mr. Ford's plan will mean an increase in the costs of all processed goods—including food—durable goods, clothing, as well as in home heating and transportation. The ripple effect that decontrol will bring about will effect, most certainly, all Americans, but it will have its most pronounced effect upon my already strapped constituency and others who have no access to the tools of economic stability.

The President had adopted the oil industry's position on decontrol. I do not wish to be unfair to the oil companies of this country, but I do feel that the oil industry must take into account the effect that their pricing decisions have on our entire economy in which they have such a tremendous stake. When they do not—and they have not in this case—I believe it is appropriate for the Congress to take action to protect the people. Big oil can make a profit without pricing certain segments of the population out of its market and without stifling that segment's opportunity to improve their lives.

President Ford tells us that we must as a Nation, become independent of OPEC oil. I ask that the American oil producers, and the President as well, declare their independence from the OPEC cartel price. There is no need for American oil prices to reach a foreign consortium set oil price especially when that price will wipe out the poor communities economically.

It is my hope that reason will prevail in all future energy price decisions. The goal of equal opportunity for all Americans can never be reached if the position of those who have the least resources is not considered before the final decision is made. We cannot afford to price the poor and the needy out of the energy market. I agree with President Ford's contention that we must reduce our consumption of foreign oil; I cannot agree, however, to the implementation of a pricing program which will allow those who can afford energy to live comfortably and which leaves those who cannot out in the cold.

LUDLOW, MASS., HIGH SCHOOL BAND PLACES SECOND IN INTERNATIONAL YOUTH MUSIC FESTIVAL IN VIENNA, AUSTRIA

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 28, 1975

Mr. BOLAND. Mr. Speaker, the city of Vienna, Austria, recently hosted the International Youth Music Festival, which brought together 25 of the world's best young bands. And I am proud to announce that a band from western Massachusetts, the Ludlow High School Band, placed second in the rigorous competition supervised by the festival officials.

This fine showing by the Ludlow Band is a tribute to more than a year of hard work by the members of the band and their leader, Mr. Royce E. Layman. To raise the money for travel expenses, the students in the band sponsored raffles, pancake breakfasts, picnics, and tag sales. To be considered for the trip, they had to audition on the State and national level. And once at the festival, they had to compete with many excellent bands from the United States, Europe, and Israel. Their efforts were justly rewarded.

Mr. Speaker, I extend my heartiest congratulations to the members of the Ludlow High School Band and to their leader, Mr. Layman. I would also like to extend my congratulations to Miss Diane Maurice, a sophomore flute player, who received a $500 grant after a successful solo audition.

More than 1,000 parents, friends, and excited spectators turned out to greet the band on their return from Austria. This band provided a big lift for the people of Ludlow and at this time I would like to insert two recent articles from the Springfield, Mass., Union that detail the Ludlow High School Band's trip to Vienna and their rousing welcome home. The first is from the Springfield Union of July 18, 1975, and the second is from the Union's editorial page of July 24, 1975. Again, I commend the Ludlow High School Band on their fine accomplishments.

The articles follow:

HEROES' WELCOME FOR BAND

(By Janet Summerford)

The Ludlow High School band got the biggest heroes' welcome ever thrown in that town as it returned Thursday night from a two-week trip to Vienna, Austria, to play at a musical festival.

Parents, relatives and well-wishers cheered, applauded and waved as the band's buses rolled off the Massachusetts Turnpike at the Ludlow exit shortly after 9 p.m.

A parade led by the Shriners' Highland Band and a color guard of Veterans of Foreign Wars Post 3236 led the buses to Ludlow High School, where more than 1,000 well-wishers jammed the parking lot.

"This is about the biggest thing that's ever happened here," said Ludlow native Joseph Kowal, commander of VFW Post 3236.

"We felt pretty good about them going anyway," he said. "The fact that they came in second makes us feel very proud." The band placed second at the International Youth Music Festival in Vienna from a field of 25 bands.

Most of the band members were tired but happy at the reception as they descended from buses at the high school.

"It was the biggest experience I've ever had," said Arthur Fidalgo, 15, of 106 LaVoie Ave., Ludlow, "I'm pretty tired now. But I'd love to go back."

Eva M. Robbins, 15, of 1509 East St., Ludlow, said the band was "pretty excited" when it placed second at the international festival.

"But it really didn't matter what we placed as long as we were there," she said.

Another band member, Karen M. Zina, 15, of 39 Fern St., Ludlow said the band "was screaming and getting excited" when it learned of the second place prize.

She said the band members were surprised at the Thursday night homecoming. "We didn't expect it," she said.

Mrs. Mary Berkowicz, of 707 Chaplin St., Ludlow, one of the persons that lined Center Street near the Mass. Pike said she was "very happy" for the band members.

"I just came to see how happy they are," she said. "I think this is just wonderful. It's never happened in this town before."

LUDLOW BAND EARNS PLAUDITS

The Ludlow High School Band, second place winner in a field of 25 bands at the International Youth Music Festival in Vienna, fully deserved the plaudits of the 1,000 fellow townspeople waiting for them as their bus rolled off the turnpike Thursday night.

Perhaps the best thing that can be said about their accomplishment is that they did it themselves, from start to finish. Aside from their musical ability, they worked hard for the funds their European trip required and they succeeded because they set a goal and didn't budge from it.

The youngsters had helping hands, of course, from parents and friends, but without their own dedication the dream wouldn't have come true. They did great credit to themselves—and to their generation.

THE STEPERETES

HON. MARTIN A. RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 28, 1975

Mr. RUSSO. Mr. Speaker, at this time I would like to bring to the attention of our colleagues, a group of talented young ladies from my home state who have just been awarded the Illinois State juvenile division baton twirling championship.

The Steperetes, under the direction of Ms. Renee Aabye, will be competing in the National Baton Twirling Association championships on Tuesday, July 29 in South Bend, Ind.

I want to join their parents and other friends in saying how proud I am of them. With the average age of the Steperetes being only 10 years old, I am sure we will be hearing of future successes and I just want to take this opportunity to say congratulations and good luck in South Bend.

GENEROUS APPROPRIATIONS APPROVED FOR VIGOROUS RESEARCH AND DEVELOPMENT PROGRAMS FOR ALL FORMS OF NEW ENERGY

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, July 28, 1975

Mr. EVINS of Tennessee. Mr. Speaker, the Congress has acted strongly and vigorously in responding to the Nation's energy crisis by providing appropriations for many energy research and development programs.

The Subcommittee on Public Works Appropriations, of which I am honored to serve as chairman, recently recommended and the House approved an appropriation of $3.9 billion for the Energy Research and Development Administration—ERDA—which was created recently by an act of Congress to guide and direct the Nation's vital and important energy research programs.

This funding will enable the Energy Research and Development Administration to develop new energy sources and technologies and assist the Nation in achieving self-sfficiency and independence in energy production in the years ahead.

The Congress has acted aggressively in providing funding for energy research and development programs. This response by the Congress will contribute to assuring Americans adequate supplies of energy and minimizing the importation of fuel from abroad while holding energy prices at reasonable levels. These appropriations, if wisely used, should lead to the production and consumption of energy with minimal impact on the environment.

Funds for a broad range of research and development programs, including nuclear power, solar, geothermal, and fusion, among others, have been provided. The following table clearly demonstrates the effort of Congress in providing for energy research and development by comparing levels of funding approved in fiscal years 1975 and 1976, for certain ERDA energy research programs as follows:

	Fiscal year 1975	House passed fiscal year 1976
Solar energy	$35, 997, 000	$140, 700, 000
Geothermal energy	27, 100, 000	47, 430, 000
Fusion R. & D	95, 720, 000	158, 223, 000
Laser fusion research	42, 915, 000	62, 150, 000
Fission power reactor development	447, 526, 000	490, 122, 000
Advanced isotope separation technology	14, 500, 000	28, 350, 000

Additionally significant funds have been appropriated for expansion of various plant and capital equipment projects.

The Congress has thus provided vital and necessary funding for energy research and development programs while looking to long-term solutions to our energy problems.

It should be noted that there are no simple solutions to the energy crisis and the many actions by Congress to date are part of a continuing effort to solve our energy problems in the Nation's interest. Our goals will be achieved through the skill, imagination, and dedication of thousands of research scientists and technicians, the expenditure of large amounts of funds and the cooperation of millions of Americans.

Although the Congress has significantly increased the budget for many energy research and development programs from the levels requested for fiscal year 1975 and from the fiscal year 1975 levels, there is a limit to the rate at which funds can be wisely and profitably expended in any research and development effort. Limitations on the availability of skilled manpower and research facilities, and the need for fiscal moderation dictate that we must proceed prudently in this matter in the public interest.

THE JORGENSEN RANGERETTES

HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 28, 1975

Mr. ROSTENKOWSKI. Mr. Speaker, I would like to bring to the attention of our colleagues of the House a group of talented young ladies from my home State of Illinois who will be competing in the National Baton Twirling Association Championships on Tuesday, July 29 in South Bend, Ind.

The Jorgensen Rangerettes, under the able direction of Mrs. Karen Russo—the lovely wife of our colleague from the Third District of Illinois—and Ms. Judy Jorgensen, have built an enviable record since being founded in 1958. The group has won the Illinois State Championship nine times—1967 through 1975—the National Championship five times—1966, 1967, 1972, 1973, and 1974—and the World Championship itself in 1973.

The efforts of the Jorgensen family to provide an opportunity for youngsters to develop and demonstrate coordinated physical and mental dexterity is to be commended. I am sure that I speak for uncounted parents and children when I express deep appreciation for the hours of dedicated instruction and support given over the years by the Jorgensen parents, Peter and Kathleen, and daughters, Pat, Judy, and Karen.

The Rangerettes are a group of 36 girls ranging in age from 7 to 18, averaging about 14, who support their group through candy sales and ad books. This kind of initiative is to be commended.

I just want to say congratulations and good luck in South Bend.

PUERTO RICO PIONEERS REFORM OF THE CRIMINAL JUSTICE SYSTEM

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 28, 1975

Mr. RANGEL. Mr. Speaker, on many past occasions many Members of the Congress have commented with great eloquence about the multitude of problems that arise from the slow progress of cases in the judicial systems of the United States. Few will deny that the wheels of justice move with inordinate slowness almost everywhere in the country. In view of the magnitude of this problem and its adverse affect on the most basic rights of many American citizens, it is noteworthy whenever court improvements are initiated. In that connection I want to take this opportunity to call the attention of my fellow Members of the House of Representatives to the February 1975 issue of Judicature magazine which carried at page 350 an article entitled "Puerto Rico Updates Its Courts." The author is Antonio S. Negrón-Garcia.

The article describes recent improvements made in the courts of Puerto Rico and describes the manner in which some of these improvements can be extended to other judicial systems in the United States. I hereby submit the full text of Senor Negrón-Garcia's article for the RECORD:

PUERTO RICO UPDATES ITS COURTS

(By Antonio S. Negrón-Garcia)

(NOTE.—The Commonwealth of Puerto Rico has earned an enviable reputation as a leader in modern, effective judicial administration. The judicial article of the Constitution of 1952, described in an article in Judicature in February, 1953, was a model of progressive thinking in its field.

Last year Governor Rafael Hernandez Colón appointed a council to appraise the system's operation after more than two decades of experience and recommend needed improvements. Council chairman José Trías Monge, a leading San Juan attorney at the time of his appointment, is now Chief Justice of the Supreme Court of Puerto Rico, and the council's executive secretary, Antonio Negrón Garcia, has just recently been appointed associate justice of that court. In the following article, Justice Negrón Garcia tells of the work of the council and its impressive achievements after its first year of operation.

The council's remarkable achievement in procuring legislative enactment of 48 out of 51 proposed items of legislation attests to the quality of its work, and the fine degree of cooperation attained among legislature, courts, bar and public officials.

The council's work will continue, and so will Puerto Rico's preeminence in modern and effective judicial administration. GLENN R. WINTERS, Editor Emeritus.)

In April 1973, the Governor of Puerto Rico Rafael Hernandez Colón established the Council for the Reform of the System of Justice[1] to integrate and coordinate governmental resources towards the ultimate goal of a modernized, effective system of justice.[2]

The five-member council composed of the Chief Justice, the President of the Senate, the Speaker of the House of Representatives, the Secretary of Justice[3] and a private citi-

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Footnotes at end of article.

zen, appointed an executive secretary with a legal and secretarial staff to handle the basic research. As auxiliary bodies of the council, 18 commissions were appointed, composed of more than 125 lawyers, judges, legislators, journalists, labor leaders and other members of the community, all of whom served without pay. Each commission was assigned a topic, but the specific matters to be studied were left to their discretion, with only the stipulation that their proposals should be suitable for short term implementation.

In less than a year, the commissions studying courts, police, penal reform and mortgage reform all submitted specific administrative and legislative recommendations. After analysis by the council, these were forwarded to the three constitutional branches of government and to other public officials.

On March 14, 1974, Governor Hernandez Colón, working in collaboration with the Justice Department, the Office of Courts Administration, and the executive secretary of the council, sent, in an unprecedented special message, 51 bills to the legislature, including a proposed new penal code. After a five-month legislative debate, in which the Bar Association, the Civil Rights Commission and other institutions and individuals participated, 48 of the bills were approved and became law with the signature of the chief executive.

The new laws may be classified as follows: acts designed to improve the quality of the courts and strengthen judicial authority; acts designed to expedite judicial proceedings; an act amending the vehicle and traffic law; acts designed to combat crime, an act establishing a new penal code; and acts which provide for correctional reform.

To improve judicial selection, a requirement of five years of legal experience for superior court judges and three years of district court judges, was established.

To enforce standards of judicial behavior, a bill was enacted permitting the removal from office by the Supreme Court of Puerto Rico of any judge who shows "manifest professional incompetence in judicial duties." This amplifies the previous grounds of immoral, unbecoming or reprehensive conduct or neglect of judicial duties. The bill also provides for the "separation" of judges due to "relative or absolute physical or mental incapacity" affecting judicial duties. The effects of such separation are equivalent to a voluntary resignation. For the first time in the history of Puerto Rico, the judicial branch is flexible enough to cope with any physical or mental incapacity of a member of the judiciary which may render him unfit for office.

The Judicial Retirement Act was amended to place the members of the judiciary at the same level as other governmental employees by recognizing occupational and nonoccupational disabilities and death benefits.

To allow more freedom and a wider scope of selection to the Chief Justice, the Judiciary Act was amended to permit a judge of the Court of First Instance to be named director of the Office of Court Administration while retaining his position and rights as a judge. The appointed judge will be relieved of all his judicial duties, and his judicial authority and powers suspended.

To reduce the backlog of criminal cases in the Supreme Court, the Chief Justice was empowered to create an appellate division of the superior court and determine the number of sections, terms, members and location of said division.

In recognition of the plenary aspect of judicial autonomy, the authority to appoint marshals and submarshals was transferred from the governor to the chief justice. With this change and the Judicial Personnel Autonomy Act of 1973, all officials and employees of the judicial branch except the judges will be selected and appointed by the Chief Justice or the Office of Court Administration.

In order to raise the prestige of the district courts and achieve a more balanced workload between the district and the superior courts, the former's jurisdictional amount in all civil matters was raised from $2,500 to $10,000.

A long-expected improvement in the Commonwealth Judicial System was the creation of municipal judges who will gradually be substituted for justices of the peace as the justices' terms expire. Budgetary limitations and constitutional judicial safeguards made their immediate substitution unfeasible.

Municipal judges will exercise all functions and powers of the justices of the peace such as the power to fix and accept bails, and to issue arrest and search and seizure warrants. In addition, municipal judges may accept guilty pleas for municipal ordinance violations and determine provisional rights and beliefs. In case of necessity, they may, at the special designation of the Chief Justice, be authorized to perform as district court judges.

A Writ of Certification procedure between any federal or state court of the United States and the Supreme Court of Puerto Rico was established as a mechanism to strengthen the Commonwealth's judicial system, enabling our high court to initially interpret a local law which is a determinant in the cause of action being considered in the state or federal court.

The Code of Civil Procedure was amended to allow local courts to grant restraining orders, preliminary or permanent injunctions against the Government of Puerto Rico.

Act 140 of July 23, 1974, deserves special attention by judges, legislators and scholars interested in overcoming the delay and high cost in the judicial system. It allows immediate determination of provisional rights and relief. In its pertinent part, the Statement of Purpose runs as follows:

"This act provides a simple and fast procedure empowering a municipal or a district court judge, when the former is not available, to establish provisional legal status in certain matters, fixing and determining legal rights and relations between the parties. Such determination will not constitute *res judicata* nor defeat the assertion of those rights in the ordinary course of law.

"The procedure provided is simple and neither demands nor prohibits attorney participation. Its implementation envisions the formulation of a verbal or written complaint, dispensing with the usual elaborate and complex documents used in ordinary litigation.

"As a legislative bill of foremost judicial and social value, it breaks through traditional formulas and barriers, making possible the administration of justice in a most direct and efficient way, in consonance with the basic principles embraced in the Constitution of the Commonwealth of Puerto Rico. Experience will guide future extension or limitation."

This act is a summary proceeding for the immediate determination of provisional rights and reliefs. The proceeding is applicable to the following controversies: over boundaries and rights of way; over custody of minors; between married persons or couples living in concubinage with respect to possession and use of residential structures, and other personal property; between tenant and landowner regarding emergency repairs in a residential property; between construction owner and contractor in relation to the conditions, evolution and compensation of said construction in an amount not to exceed $1,000; between an owner of a motor vehicle and a mechanic, tinsmith, or painter related to the conditions or compensation of said work and the retention of the vehicle; between seller and buyer relating to the warranty and repair of any furniture or appliance not in excess of $1,000; and labor disputes not exceeding $100.

At a hearing to be held within five days of the complaint, the magistrate not only hears the parties orally and receives evidence, but attempts to obtain an agreement between the parties. The Rules of Civil Procedure are not applicable and the Rules of Evidence are applicable only if they do not tend to denaturalize the proceedings.

If a settlement is not possible and the magistrate is satisfied that there is a legitimate legal controversy between the parties requiring adjudication, he enters a verbal resolution—later recorded and notified—indicating which of the parties is probably right and explaining to them the scope of the provisional legal status binding the parties while the controversy is disposed of through ordinary proceedings. Violation of the resolution is punishable as a civil contempt.

The resolution, while not subject to revision, does not constitute res judicata. Upon the filing of an ordinary action, a competent court may interlocutorily amend or stay the magistrate's order, if gross error or special circumstances are shown. No attorney is required in the proceedings.

This law will enable the judicial system to respond quickly and economically to common daily problems and complaints and to divert substantial, time-consuming disputes that unnecessarily overload the courts.

Depending on experience, the Act might be amended to enlarge the scope of matters which may be provisionally adjudicated; or to provide that any such order after a certain lapse of time, without any party filing an ordinary action, may become res judicata.

Another way of speeding the disposition of civil cases is attempted through an act establishing a 60-day period, after the defendant has served his answer, within which both parties must initiate discovery proceedings. Authorization is vested in the court to impose economic sanctions for failure to comply with any order related to such proceedings. The act also allows the court to set a limit on counterclaims, additional party and third-party proceedings, thus disallowing the use of discovery as a means of delaying the case or obtaining undue postponements.

Four important Acts were approved to cut down on continuances.

An amendment to the Rules of Criminal Procedure provides that any continuance motion must be through a written petition, with five days notice, explicitly indicating the reasons for adjournment. Attorneys must now indicate in the motion at least three dates within the current calendar term on which they will be available for trial. While recognizing that this places a new burden on attorneys, it is expected that the mechanism will bring about better court and party coordination, thus avoiding future continuances due to calendar conflicts, unavailability of essential witnesses, and so forth.

For civil cases, a bill was enacted requiring as a general rule that continuance motions be in writing, and that verbal petitions on the day of the trial be entertained only if they are based on extraordinary, unanticipated circumstances, not under the control of the parties or their attorneys.

In all cases, criminal or civil, the judge must state, in a written order, the grounds for postponement, a copy of which must be forwarded to the administrative judge. The data thus produced will eventually be studied in the Office of Courts Administration as it seeks further solutions to court delay.

To further discourage continuances, new automatic fee for any such motion in both civil and criminal cases was established, the characteristics of which are as follows: (1). The fee, represented by a special seal, must be paid on any written or verbal request for adjournment. In cases set for trial the amount is $10, and in any other proceedings the amount is $5. (2) In stipulated adjournments of civil cases the fee must be paid by each party. (3) If the party's signature is not included in the motion, or if the attorney does not expressly state the party's concurrence, the fee must be paid by the attorney. If the party consents, the fee must be paid by the party. (4) Even though the fee is automatic, it does not affect judicial authority to deny the motion, initiate contempt proceedings or impose other sanctions upon the parties or their attorneys.

The act authorizes the court to waive the payment of the adjournment fee when a party alleges, through a written petition, any of the following: a) death, sickness or accident of his attorney, or of an essential party or witness; b) an act of God; c) calendar conflict in schedule of cases less than a year old when petitioned within a reasonable time; d) any other extraordinary circumstance admitted by the Court. The Seal must be attached to the motion. If denied, it will be cancelled; if granted, it will be returned to the party or his attorney. The Commonwealth government, natural or juridical persons lawfully exempted from judicial fees and costs, and legal aid institutions for the poor are exempt from the fee. The Act allocates money collected through continuance fees to legal aid programs for the poor.

A substantial amendment to the vehicle and Traffic Law of Puerto Rico alleviates some tradititonal problems: (1) traffic case backlog (2) time spent by the police in routine court appearances; (3) inconvenience to many drivers whose court appearance is only for the purpose of entering a guilty plea and paying a small fine; and (4) the high cost of administering a law framed within the Criminal Justice System.

The Act converts almost one third of the traffic violations from criminal to administrative offenses with a fixed fine. The offenses so converted were those where statistical data showed a consistent entering of guilty pleas. The driver charged will receieve notice of the offense and of the fine, whereupon he can pay personally or by mail, or petition the district court for judicial review. When a driver commits an administrative offense, and as a result causes an accident which produces personal or property damage, the administrative offense becomes a misdemeanor, and the driver becomes liable to criminal prosecution.

The results of this new method of dealing with traffic violations will be closely followed to determine the desirability of extending it to other criminal offenses of the traffic law.

Among the most important amendments to the rules of criminal procedure are the following:

The need to corroborate an accomplice's testimony was eliminated; the rule requiring corroboration of the prosecutrix's testimony in cases of rape was changed.

Puerto Rico's obsolete Penal Code of 1902 was repealed, and a new code was approved recognizing the duel function of punishment as a means of retribution, deterrence, and rehabilitation and establishing new crimes in accordance with modern times.

To expedite judicial proceedings the post of Public Prosecuting Attorney for the District court legel was created and the "de novo trial" was eliminated. Rules to govern police line-up and photography proceedings were adopted.

The commencement of a trial in the absence of a defendant validly summoned in arraignment was authorized, permitting the impanelling of the jury, the presentation of evidence, and the return of the verdict without the defendant's presence. To maintain order when a defendant's conduct tends to interrupt judicial proceedings, the Act also authorizes: (a) contempt proceedings; (b) adoption of any other pertinent coercive measures; (c) defendant's removal from the courtroom.

Pretrial conferences were established, to aid in reducing controversies and in planning court calendars. To shorten voir dire proceedings, jurors' preliminary examinations will now be conducted by the judge. An amendment was introduced permitting the substitution of another judge for a disabled judge in a criminal trial in any phase prior to the verdict. Criteria for the imposition of bail and a swift procedure for the revision of the amount of bail were enacted.

Various acts were approved relating to correctional reform. One act created an autonomous agency to direct correctional policy and administer the correctional system.

In the civil area, amendments were introduced to ex-parte proceedings relating to declaration of heirship, amendments or additions to documents filed in the general registry of vital statistics, and waiver of consanguinity for marriages, eliminating the need of judicial hearings except on the court's initiative or upon motion by a party.

To reduce the cost of legal proceedings, the attorney's contingent fee in tort cases was limited. In addition, compensation to a public official or employee for his judicial appearance or testimony as regular or expert witness, was restricted.

The integrated reform of the Puerto Rican system of justice as described in this article shows that the three branches of government can—without overlapping their respective, autonomous powers—successfully coordinate public and private resources to revise the system of law.

But reform is a continuous process. To complement the vast legislation enacted, the Justice Department and the Office of Court Administration are sponsoring island-wide seminars to explain the new acts to judges, prosecutors, lawyers and other members of the community. The Bar Association is contributing to these activities.

The council's work continues. Recently three more reports were filed by the commissions on labor law, civil law and the office of the public prosecutor. More reports are expected soon. The Supreme Court and the Chief Justice, are enacting new administrative rules and norms for the courts, and a new judiciary act is being considered.

All those who are participating in the process of revitalizing Puerto Rico's system of law share a firm personal conviction that Aristotle's conception of justice as the highest and most valuable human virtue is an attainable goal when duly administered by diligent, prudent, moral, patient and impartial judges.

Then only, will we be closer to Roscoe Pound's prophetic vision ". . . of a future when our courts will be swift and certain agents of justice, whose decisions will be acquiesced in and respected by all."[4]

FOOTNOTES

[1] Its conception surpasses the judicial system as classically conceived, covering—in addition to Courts—Police, Prosecutor, State Office, Mortgage Law, Legal Medicine Institute, Civil Law, Maritime and Aerial Law, Penal Law, and Correctional System, among others.

During the same year, the Supreme Court summoned the Judicial Conference. To avoid duplication of labours between both organisms, their respective areas and efforts were coordinated.

[2] Puerto Rico is no exception to the profound and rapid socio-economic changes being experienced in the United States and other parts of the world, and to its negative consequences. Court backlog, urban explosion, rise in crime and delinquency and obsolescence in substantive and procedural law are illustrative examples.

[3] At present these positions are held, respectively, by the Honorable José Trías-Monge, Juan Cancel-Ríos, Luis E. Ramos-Yordán, and Francisco de Jesús-Schuck. Hon. Pedro Pérez Pimental was former Chief Justice.

[4] Pound, Roscoe: *The Causes of Popular Dissatisfaction with the Administration of Justice;* 40 American L. Rev. 729 (1906), reprinted, 46 J. Am. Jud. Soc. 55 (1962).

FROM THE LIGHTHOUSE

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 28, 1975

Mr. DOWNEY of New York. Mr. Speaker, in the aftermath of Watergate, Americans have been rethinking the role of our institutions in our national life. Richard Scott, a writer for the Babylon Beacon in my district, has been thinking and writing about what has come to be called the "imperial presidency." He makes sense and I hope my colleagues will take notice.

The article follows:

THE PUREST DEMOCRACY

(By Richard Scott)

"The world's purest Democracy" has become severely and perhaps irreparably polluted. Indian Prime Minister Indira Gandhi, faced with the loss of office because of misuse of campaign funds, declared a state of emergency, putting her critics in jail and censoring the press. Mrs. Gandhi's troubles and her repulsive reactions are just the latest in a series of shake-ups throughout the democratic world. Leaders in Japan, Germany, and the United States have resigned in disgrace in the past year. It all gives democracy a bad name.

Gandhi's dictatorial flourish has produced many comparisons with the plight of Richard Nixon under similar circumstances last year. Nixon could have easily become a dictator. He even tried to sidestep justice with that old "save the presidency" dodge, exactly what Mrs. Gandhi has claimed.

Comparing Nixon and Gandhi and America with India serves no real purpose. There is no sense of pride in the fact that our democracy survived; only relief that it did so. Had Nixon destroyed the tapes, or if the tapes never existed, Gerald Ford would still be vice-president. The repression and censorship in India today should produce shudders in every American who witnessed the political events of last summer.

What needs to be done is an overhaul of the office of the presidency. There is literally nothing to stop a man with such power from assuming the crown and sceptre of the tyrant. Our system of checks and balances must be re-checked and re-balanced so we can sleep a little better at night without fearing the knock on the door. People will tell you the executive must have to the power for emergency action; I believe the potential danger is too great. And if someone says any other way is too inefficient, what they're really saying is we need dictatorship to operate our government. I don't believe that, not yet.

TITLE: SOLVING OUR ENERGY PROBLEMS

HON. SHIRLEY N. PETTIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 28, 1975

Mrs. PETTIS. Mr. Speaker, the time has come for Congress to realize that there is no easy way out of or around our energy problems. We cannot just wave a magical wand and make the oil crisis get better or go away.

We hear much talk about the economic impact of the President's program to decontrol "old oil" over a period of 30 months because it is "politically expedient" for some of us to continue deluding our constituents into thinking that there is a cheap, painless way out of this predicament. We must stop telling the American people that energy can be available inexpensively when we know the contrary to be true. We must stop the rhetoric and begin offering constructive and comprehensive ways to solve our energy problems instead of blindly pursuing courses which perpetuate them.

Mr. Speaker, I offer the following editorial from the Christian Science Monitor as one more piece of convincing evidence, that the majority in Congress is only deluding itself by pursuing the legislative course which it has decided to follow:

[From the Christian Science Monitor, July 23, 1975]

FORD'S HANDLE ON OIL

Democrats in Congress may be winning points with the public in their battle with President Ford over oil prices. But the President is moving in the only logical direction over the long run. Americans, even if reluctantly, must accept the inevitability of higher-cost energy and a change in their living habits.

It was not easy for Mr. Ford to veto still another Democratic bill, this one designed to keep the controls on domestically produced "old" oil. The fact that the White House gave little publicity to the veto action suggests the political awkwardness of it. But, given the world's depleting oil resources, the President has no realistic alternative: He must pursue a long-range program that forces consumers to reduce the use of oil, encourages the expansion of domestic production, and gets the U.S. away from growing dependence on foreign supplies.

The decontrol of "old" oil would not necessarily give an impetus to new exploration in the short run because the oil companies are going full steam now. But it would encourage the use of secondary or tertiary recovery methods on old wells, adding perhaps billions of barrels of oil to the domestic supply. Moreover, it would also simplify the petroleum market, which now functions under an unwieldy two-price structure, and it would make alternative sources of energy, like solar heat, more attractive costwise.

The major concern of course is that a deregulation of prices on "old" oil, which accounts for 60 percent of all domestic production, will trigger sharp increases in fuel costs, and add to inflationary dangers at the very moment the economy is beginning to turn around. Whether the impact would be anywhere near as great as Democrats charge is questioned by economists. But, in any event, the intent of the administration is to phase out the controls gradually—and to place a tax on the windfall profits of oil companies that can be rebated to the consumer to offset the economic impact.

There obviously will be a compromise between the White House and the Democratic Congress. Without it, the controls on old oil will expire August 31 and this would produce an immediate and sudden jump in oil prices. Both sides want to avoid this.

But amid the complex political maneuvering now going on one thing stands out: The nation does not yet have a solid, comprehensive energy program that is understood and supported by the American public. Recession has put the energy question on the back burner, the politicians in Congress don't want to make tough decisions, and an abundance of oil on the market defies all warnings of crisis.

Somehow, there has to be better communication between government and public on this crucial matter. According to the New York Times, Mr. Ford plans to send to Congress another program of oil price decontrol. Perhaps this would be a good occasion for him to go to the nation and explain the ABCs of the energy dilemma. Americans have never lacked an ability to adapt to new conditions—but they need convincing that the time for change is now.

ROBBIN MASSEY—12-YEAR-OLD CRIMEFIGHTER

HON. WALTER FLOWERS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 28, 1975

Mr. FLOWERS. Mr. Speaker, I am sure we have all heard of incidents in which a citizen's refusal to become involved has hampered law enforcement officials in preventing or solving a crime. Today, I want to tell my colleagues about one of my constituents who did get involved. In fact, he risked his life to prevent a killer's escape and then testified against the suspect in the case. All the more remarkable, the person of whom I speak is a 12-year-old boy—Robert Massey, the son of Mr. and Mrs. Richard Massey of Greensboro, Ala.

It all began when Robbin and his father stopped their pickup truck in front of a country store owned by Franklin Dooley. Robbin went into the store for food and drinks while his father, handicapped with an injured leg, remained in the truck. After entering the store, Robbin saw Mr. Dooley, armed with a shotgun, ordering out a young male customer. Mr. Dooley told Robbin to go for help because the man was trying to rob him. Robbin raced to the truck and he and his father prepared to go for help, but in the excitement his father backed the truck into a ditch, where the truck became stuck.

While this was going on, they heard several shots from inside the store and saw Mr. Dooley come out the front door and fall dead. The robber followed and, when he saw the truck was stuck, dashed for his car, Robin picked up a hunting rifle being carried in the truck, loaded it and fired at the robber, striking him in the shoulder. The robber managed to get inside his car anyway, but Robbin reloaded the rifle and shot out one of the front tires of the car, slowing the robber's escape. Law enforcement officials soon arrested a suspect and, thanks to Robbin's testimony, the suspect was convicted of first degree murder and sentenced to life in prison.

Robbin Massey is a courageous and quick-thinking young man and I salute him for his act of heroism.

ROMANIA'S OPPRESSED HUNGARIAN MINORITY

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 28, 1975

Mr. PEPPER. Mr. Speaker, I wish to indicate that, while I intend to vote for House Concurrent Resolution 252, I have some strong reservations about it.

I was a cosponsor of House Concurrent Resolution 326, which is not now before us because of the promises of the Assistant Secretary of State for European Affairs, Arthur A. Hartman, before the International Relations Committee's Subcommittee on Trade, which I hope will be lived up to.

It would be a mockery of our traditions of freedom to strive for close relations with Romania without making it clear that we condemn the present treatment meted out to ethnic and religious minorities in that country, which compares unfavorably even with that of the other countries of East Central Europe which have Communist governments. Many detailed cases of oppression and harassment were presented during the subcommittee's hearings, showing the systematic campaign being conducted against the 2.5 million Hungarian minority in Romania, as well as against Roman Catholic and Protestant groups in the country. Along with this domestic oppression, Romania has a dismal record in respect to allowing the relatives of U.S. citizens to emigrate to the United States.

Under these circumstances our votes in favor of House Concurrent Resolution 252 should not be misconstrued as approval of Romanian policies and we reserve the right to raise the issue again after the 18-month waiver period expires, unless redress is given to the minorities in Romania.

Thirty-nine Members of the House, including myself, petitioned the President last Friday to make sure that the State Department follows through on its promise and asked that he raise the issue in his talks with President Ceaucescu during his current European visit. We hope that he will listen to our concerned voices so that détente with Romania will not become tantamount to abandonment of our humanitarian concern for the human and civil rights of people everywhere.

THE LIE-DETECTOR AND THE THREAT TO CONSTITUTIONAL RIGHTS

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 28, 1975

Mr. KOCH. Mr. Speaker, I would like to draw to the attention of my colleagues an excellent article which appeared in the Washington Star concerning the polygraph machine: the problems it seeks to solve and the problems that it creates. The experiences of the author, Jim McClellan, vividly depict the pressures that the polygraph machine's use in employment can put on our fragile system of constitutional rights. His is the story of a person so intimidated by the polygraph that he felt compelled to confess to having purloined a handful of popcorn at his job. He was forced to take not one but three lie-detector tests, and when the third time he refused, he was fired.

However well intentioned the polygraph examiner may be, as I believe the one in this story is, the legitimate rights of such people as Jim McClellan are jeopardized by the use of the lie detector. My bill, H.R. 2596, would ban the use of polygraphs in employment. Business can use fairer and more effective means to combat employee theft. Certainly, we cannot allow the rights of employees to be undermined for the expediency of employers.

I commend this article to my colleagues because it does present both sides of the issue. It is our responsibility in the Congress to come to grips with this threat to constitutional rights. The article follows:

[From the Washington Star, July 27, 1975]

MY LIE DETECTOR NIGHTMARE

(By Jim R. McClellan)

(NOTE.—Jim McClellan worked in a 7-Eleven store in Arlington from mid-1973 to mid-1974. His account of his reaction to company insistence that employes take polygraph tests follows.

(Glenn Meggard's firm administered the tests to McClellan and other 7-Eleven employes. He disagreed with some of McClellan's impressions of events during the testing, and some of his remarks are reported here in italic type, as are some remarks of Frank Kitchen, Washington-Baltimore division manager for 7-Eleven.)

The "lie detector" is about as democratic way to apply for a job, or to remove one's self from suspicion." So says Glenn Meggard, president of Atlantic Security Agency Inc.

The 'lie detector' is about as democratic as the rack. That is my conclusion after experiences with polygraph tests both in applying for a job and in later trying to remove myself from suspicion.

I applied for a job as a clerk in a 7-Eleven store in 1973. After completing an application and passing a physical and an aptitude test, I was welcomed into what the parent Southland Corporation calls the "Southland Family."

I quickly came to see how my new corporate parents treated their children. The first thing I was made to do was take a trip over to see Glenn Meggard and his staff of veteran security agents for a polygraph test. It was Meggard's assignment to question me and to verify the truthfulness of statements in my application. In other words, 7-Eleven wanted to know whether my character was sterling enough for a $2-an-hour job.

Atlantic Security has three bland rooms leading off its lobby which are equipped for polygraph interrogations. I was led into one and seated in an oversized, almost comfortable chair.

The theory of the polygraph is that when a person gives a false response to a question there will be noticeable signs of stress: changes in blood pressure, breathing, pulse, and skin resistance. Never trust a palm sweater, you know.

The examiner told me it was important that I trust him and his machine and he was going to ask me some questions to familiarize me with the test and the equipment, and to put me at ease.

With the machine turned off, I was asked if I had stolen anything from a previous employer, if I smoked marijuana or used drugs, drank to excess, if I'd written bad checks; and questions generally probing whether I was truthful in filling out Southland's application.

With some preliminaries over, a tube was attached to my chest. A cuff which looked like the kind physicians use to measure blood pressure was inflated around my wrist. Some electrodes were attached to the fingers of one of my hands. I half expected a messenger to come running with a pardon from the governor, but it didn't happen.

The examiner told me to look at a spot on the wall about five feet in front of me, and warned that if my gaze strayed, or if I coughed, took a deep breath or fidgeted, the test results could be affected. Then the machine was turned on and I was asked all the questions again.

Fortunately, the machine vouched for my integrity and I started work at 7-Eleven.

MEGGARD. *It is standard polygraph practice to thoroughly acquaint a subject with each of the questions, and with the whole procedure, before the examination begins. Then the element of surprise or confusion—which could distort the meaning of a subject's responses—is eliminated, Meggard says.*

At the end of two months of faithful service to 7-Eleven I was given an opportunity to reaffirm my honesty. As a result of a $60 shortage, all the store's employes were required to pay another visit to Atlantic Security. I objected to taking another polygraph. I resented being mistrusted and I was angry that I was being made to prove my innocence even though there was nothing to indicate I had done anything wrong.

This seemed contrary to one of those constitutional rights I had always been told were unalienable. But to refuse the exam would have made it appear I had something to hide and I felt I could be more righteous in my contempt for the process after the machine had confirmed that I was not guilty. So I took the exam.

The session was much like the preemployment examination except that the questions were more pointed, and therefore more infuriating. I was asked if I had stolen the money from the store, or if I had aided, abetted, or was withholding information about another employe's wrongdoing. I was shown a picture of a man who looked like Ralph Ginsburg and asked if on nightshifts I had helped him smuggle store merchandise into a truck. I was also asked if I had ever lied to my wife.

MEGGARD. *Ridiculous questions are included on examinations as a way of validating test results, Meggard says. For instance, if a person being examined is producing a number of responses that indicate he is being deceptive, he can then be shown a photo of someone whom he could not possibly know, and asked if he has been helping the man in the photo steal from the store. If even that answer registers deception, it casts some doubt on the apparent deception registered in other answers. In other words, the examiner is warned that the test may not be producing reliable results. And vice versa.*

When the exam was over, the examiner said the machine indicated that I was in a conspiracy with one or more employes to steal money and merchandise from the store. I was aghast. I had never knowingly stolen anything. Two more times the exam was administered and the results were the same. The examiner said it was clear that I was holding something back, whether relevant or not, and that this was the time to get it off my chest.

It was a nightmare come true. I'd come into the room feeling my honesty beyond reproach; now, through my own physiological responses, a sort of subconscious confession, I found myself under suspicion of theft and of lying to cover up stealing.

The examiner fished for a confession for about 15 minutes. I wanted very badly to be able to confess something and be rid of this whole humiliating experience. The only thing I could think to do was confess to a weakness for fresh popped popcorn. I confessed that whenever I popped popcorn at the store, which was almost daily, the smell did to me what the siren's song had done to poor Ulysses. I further confessed that on one occasion I had succumbed to the temptation and consumed two handfuls of popcorn. I also ratted on the assistant manager who had taken a handful with me. The examiner said he was sure I was hiding something much more serious.

MEGGARD. *When the responses of a person given a polygraph examination indicate deception, the examiner will follow up giving the person an opportunity to give an innocent explanation for the deception, says Glenn Meggard. Perhaps embarrassment over some minor or irrelevant matter is causing the strong response that shows up on the polygraph as deception. The examiner's questions after the polygraph is turned off are aimed at clearing the record, not at extracting a confession, says Meggard. Meggard contends that if a person being tested interprets it that way, it must be because of his own insecurity or feelings of guilt.*

When I got out in the daylight I was embarrassed at having confessed to something so paltry as popcorn snatching and was sure the polygraphers were having a good laugh at my expense. The agency dutifully notified Southland's district office. And before I had even made it home, the district supervisor had phoned the news of the confession to the manager of the store where I worked.

The days immediately following the polygraph exam were agonizing. I had the feeling that no one trusted me anymore and that my every action was under someone's watch. And I certainly couldn't blame anyone for mistrusting me; it was my word against the machine's, and as logic would seem to indicate, the machine had no reason to lie.

After a while I even started feeling guilty and contemptible, even though I knew I hadn't stolen anything. I've known few feelings quite this frightening.

Finally I did some research. I found that at least 12 states (not including Virginia) provide criminal penalties for employers convicted of forcing employes to undergo a polygraph examination. Former Sen. Sam Ervin of North Carolina has called the polygraph "one of the most pernicious of all the pseudo-scientific instruments of the 20th century."

A polygraph cannot be correctly called a lie-detector because it cannot tell if a subject is lying. It can only record physiological changes. By monitoring these changes it is possible to tell when a person is experiencing emotional stress. For many people lying is a stressful situation. But lying is not the only stressful situation. A person under polygraph investigation may show signs of stress out of fear that innocence will not be proved, or from resentment at being accused, or for other reasons. While a polygraph can sense when a person reacts abnormally to a question, it cannot identify the cause of the reaction.

Burke Smith in a 1967 *Scientific American* article offered an example of a man who was asked during a polygraph examination if he drank coffee. He answered truthfully that he did, but the machine indicated he was lying. Neither the man nor his examiner could explain the reaction. Later, under psychotherapy it was learned that throughout his youth his parents had sternly prohibited him from drinking coffee and he still carried strong, though unconscious, feelings of guilt about it.

While the truthful can be wrongly accused if improper reliance is placed on a polygraph, those who give false responses may be cleared. For some people lying is not a stressful situation. In fact there are people who find it satisfying. Stll others seem to find ways of beating the machine.

Many who operate the polygraph claim their machine is accurate 95–100 per cent of the time. Some independent laboratory tests, however, have found the polygraph considerably less reliable. On the basis of a thorough study, Dr. Martin Orne, a professor of psychiatry at the University of Pennsylvania, concluded that the polygraph is no more than 80 per cent accurate. His findings were in basic agreement with those of an earlier study by Dr. Joseph F. Kubis of Fordham University. In addition, Kubis found diminished accuracy when the subjects of the polygraph interrogation resorted to various "jamming" techniques; the accuracy of the examiners fell from 75 per cent to 25 per cent when the subjects concentrated on exciting or upsetting thoughts during the exam.

But in spite of its unreliability, polygraph has gained an aura of infallibility. This, more than electronic gadgetry, is its principal strength. Because some people are convinced of the inevitability of detection, confessions will sometimes be given without actually resorting to the machine.

This myth of infallibility is so strong that it has even been known to convince innocent people of their guilt. Burke Smith described the case of a bank manager whose employer believed in subjecting employes to periodic polygraph interrogations just to keep them honest. During one such "routine" exam, the young bank manager was asked, "Have you ever stolen any money from the bank or its customers?" He said that he had not done so, but the polygraph indicated that he was lying.

After a lengthy session to determine the amount stolen, the examiner found that the manager reacted most strongly when asked about the sums of $800 and $1,000. The bank manager was bewildered by the examination results, but, convinced of the polygraph's infallibility, he confessed to having stolen $1,000. He even explained how he must have carried out the theft.

But an audit of the bank's record turned up no shortages. Under therapy, the man was found to have very strong feelings of guilt about financial dealings with his mother and wife in the amounts of $800 and $1,000. Both his mother and wife were bank customers. The conclusion of the therapist was that the bank manager had responded only to the phrase "or its customers" during the polygraph session. Later, in the second polygraph test the man reacted normally when asked simply, "Have you ever stopen any money from the bank?"

The myth of infallibility is also instrumental in extracting confessions that are irrelevant to matters under investigation. Before the machine is turned on, some polygraphers tell subjects that if there are incidents in their past that they feel guilty about they should tell them to the examiner. Otherwise, the polygraph might reflect the subject's concern over these incidents. People have been known to confess to a polygrapher just about everything from teen-age hubcap theft, infidelity, homosexuality, to even murder.

Moreover, a polygraph examiner is not a priest or physician with the traditions of confidentiality those professions have developed over centuries. Information elicited during polygraph interrogations is not only recorded in the files of the polygraph firm, but has also been known to find its way to credit bureaus, employers, and police agencies.

Meggard. *Information disclosed in a polygraph examination is regarded as confidential by all reputable polygraphers, says Meggard.*

Needless to say, it was reassuring to learn of the polygrapher's unreliability. I had not been at the point of confessing, as the poor bank manager had been. But I was at least bewildered by my predicament.

Supported by an armload of documents, I explained what I had discovered to the store manager and he let me return to work. Nothing more was ever said to me about the shortage that had set off the whole ordeal. In fact, a few weeks after starting back to work the manager told me it was all right if I occasionally dipped into the popcorn. I could help myself to Slurpees, hot chocolate, and coffee, provided, of course, that I furnished my own cup.

Ten months passed without any of the store's employes being sent again to Atlantic Security.

Occasionally we were threatenend with a trip to the polygraph, but no one actually had to go.

Finally, after a shortage in July of 1974, the store's seven employes were scheduled for interrogations. I notified the manager that I would not submit to another polygraph and outlined my objections in writing. I also suggested some alternatives to the store's auditing procedures which I felt would greatly reduce the chances of shortages, and thereby the need for subjecting employees to the humiliating and dehumanizing trips to Atlantic Security.

Other employes felt as I did, but they decided to submit to the interrogations anyway. For them, the investigation was made into a fishing expedition. Not only were they asked about the particular shortages that prompted the examinations, but whether they were guilty of cheating on their grocery bills, giving unauthorized discounts on groceries or selling money orders at reduced rates to friends, selling beer or wine to minors or after hours, drinking on the job, or smoking marijuana. None of the store's employes was known to be suspected of these things.

Meggard. *Questioning when shortages occur normally covers a wide range, well beyond the bounds of "Did you take $100 from the cash register," because criminal behavior is far from the only explanation for shortages in a store. Sloppy or careless practices—such as letting someone else behind the counter near the cash register or many other violations of company policy—may have caused the problem. Discovering such correctible lapses is as much a target of the polygraph as is criminal behavior, says Meggard.*

The polygraph has been described as the most democratic way for people to remove themselves from suspicion. If so, we are fortunate municipal crime-fighting techniques are not equally democratic. Otherwise this might be the scenario:

There is robbery at the First National Bank. The police arrive on the scene minutes later and promptly arrest everyone standing around on a charge of armed robbery. The onlookers are carted off to headquarters and strapped into polygraph. Those unable to prove their innocence of the bank robbery are declared guilty on the spot and sent on to jail. And as long as they're already in the chair, those who did prove their innocence of the robbery are required to prove that they had nothing to do with the rape over on 23rd Street, that they haven't been cheating on their income tax or pushing dope. Before being released they are also given an opportunity to confess to any other crimes that might be troubling their consciences.

I reported for work at the normal time on the day I was to have taken the polygraph, but my name had been scratched off the work schedule. The district supervisor said that 7-Eleven sometimes came across employees who opposed the use of the polygraph and that they were always severed from the company. They were considered "conscientious objectors." He said no one questioned my honesty. I was being severed because I just didn't "mesh with corporate philosophy."

Southland is not the only company using the polygraph. It is one of many, and the number is increasing. For everyone subjected to the polygraph, the experience is anguishing and dehumanizing.

The corporate system should not be permitted to run so far afield from traditional American ideals of civil liberty. People have a right to be considered innocent until or unless their guilt has been proved through due process of law. They have a right to be secure in their privacy, and a right to confront those who would accuse them. The only way an employee can confront this mechanical accuser is with a crowbar. And that may not be a bad idea.

Meggard. *No one ever should be required to take a polygraph, but "It is also my opinion that no one should be precluded from taking a polygraph examination as a means of exculpation," says Meggard.*

Kitchen. *Southland has discarded the practice of automatic firings in favor of case-by-case judgment, says the 7-Eleven division manager.*

In some parts of Virginia a polygraph examination is still required by 7-Eleven prior to employment, in others a comprehensive background screening is used instead. The problem with screening is that it takes more time.

Southland is well aware of controversy over lie detectors, Kitchen said. It regards the polygraph not as a decision-maker but as a management tool that must be used conscientiously and intelligently, or not at all. It's tough to use, but 7-Eleven's is a tough business in which instances of employe incompetence, indifference or dishonesty can be costly, so management must be diligent.

"We suspect," said Kitchen, "that some day polygraphs will be banned." The trend is in that direction, be observed, because of a bad public image of lie detection.

ENERGY CONSERVATION AND DEVELOPMENT ACT

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 28, 1975

Mr. WAXMAN. Mr. Speaker, I voted for the pricing provision in H.R. 7014 in the full Commerce Committee, and supported its retention by the House. I believe the price ceiling contained in title

III and phase decontrol of old oil are necessary to protect American consumers from the devastating impact of ever-increasing energy prices until alternative energy sources are developed and competition is restored in the energy market.

A sudden decontrol of "old" oil would cause a severe shock to our already weakened economy, and would wipe out the limited recovery which is underway. It would significantly boost inflation and increase our intolerable level of unemployment. The absence of a price ceiling would also result in the setting of our domestic oil prices by the OPEC cartel—which is a political price of Arab exploitation.

On July 23 I missed the vote on the WILSON of Texas amendment to remove title III of H.R. 7014. Had I been present, I would have voted against the amendment removing title III from H.R. 7014.

THE DEATH OF REV. ALPHOS A. SKONIECKI

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 28, 1975

Mr. CONTE. Mr. Speaker, it was with great sadness and deep regret that I learned of the death of the Reverend Alphos A. Skoniecki in Turners Falls, Mass. Father Skoniecki was a great friend, and both his friendship and spiritual leadership will be sorely missed.

A native of Zielun, Poland, Father Skoniecki came to Canada at the outbreak of World War I, where he graduated from the University of Montreal in 1915. During World War I he was active in recruiting Polish citizens in America for the Polish Army, and was later instrumental in raising funds for the rebuilding of Poland after the war.

From 1918–25, Father Skoniecki served as the pastor of the Sacred Heart Church in Easthampton, Mass., a position to which he brought great dedication and understanding. He later served as pastor of Our Lady of Czestochowa Church in Turners Falls from 1925–48. During this time he was always known for his responsiveness to the needs of his parishoners and the open arms and heart with which he greeted those in need. Father Skoniecki celebrated his 50th year of ordination in 1967 while pastor of the Saints Peter and Paul Church in Palmer, Mass.

In addition to his inspirational work as a man of the cloth, Father Skoniecki was also a distinguished journalist. He was the founder and editor of Piast, the Polish language newspaper in Chicopee, Mass., from 1918–25. He was also the founder of the Chicopee Herald.

During World War II, Father Skoniecki was the executive secretary for the Coordinating Committee of Seven Eastern States working to point out the dangers of communism to Members of Congress. In recognition of his wartime efforts, Father Skoniecki was made a lieutenant colonel in the Polish Army in 1954.

For his journalistic and charitable works for the liberation of Poland and the Polish cause, Father Skoniecki received the Polish Army Cross of Merit, the Silver Sword of General Haller, and the Silver Cross of the Polish Roman Catholic Union of America.

Father Skoniecki was a most talented man, a dedicated clergyman, a great patriot, and a distinguished journalist. He will be greatly missed, although in the hearts of those who had the great fortune of knowing him he will never be forgotten.

EMPLOYMENT FOR FOREIGN NATIONALS

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 28, 1975

Mr. DOWNEY of New York. Mr. Speaker, we all know that unemployment is the most severe and urgent problem facing the Nation today, and that it is particularly severe in the building trades. Yet the Department of Defense has a $230 million construction program which takes funds from the American taxpayers and uses them to create jobs for foreign nationals: Jobs which could and probably should be filled by Americans.

I am referring to those portions of the military construction program which involve construction outside the United States and its possessions. Since 1970, we have spent over $1 billion on military construction overseas. Contracts for construction are let on a competitive-bid basis, and contractors naturally seek to minimize costs by hiring indigenous labor. In addition to taking jobs away from unemployed Americans, this practice has deleterious effects on our balance of payments.

Should we require that foreign-soil military construction be performed entirely or in some specified part by American labor? It may be argued that moving costs and higher wage scales would prohibitively increase construction expenses and that balance-of-payment benefits would be lost by American workers spending their wages in foreign markets. This may or may not be true. The problem is we do not know. We do not even have the basic information on which to make a decision.

When this problem first came to my attention, I wrote to the Secretary of Defense, inquiring how many foreign nationals are employed and how much they are paid. I was told that, "since detailed contractor payroll information is not required for work performed in overseas areas, as it is within the United States, government contract records would not reflect the number of third country workers employed on a specific project, if any, or the duration of their employment."

In the absence of this and certain other basic information, it is impossible for us to decide what, if anything we should do about foreign-national employment on foreign-soil military construction projects.

Therefore, I introduce this amendment to H.R. 5210 which will require the Secretary of Defense to submit to Congress an annual report specifying, for each foreign-soil military construction contract in excess of $500,000, the number and nationality of foreign nationals employed, the skills provided, and average wages paid to foreign nationals in each skill category.

SOVIETS SEE "DÉTENTE" AS PATH TO WORLD REVOLUTION

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 28, 1975

Mr. CRANE. Mr. Speaker, there seems to be a great deal of misunderstanding over the meaning of the word "détente."

The U.S. Government, it appears, believes that détente really means an easing of tensions and a cooperative working together on the part of the West and the East. The Soviet Union, unfortunately, seems to have an understanding of détente which is far different.

If deeds are more important than words, which they certainly should be, then the Soviet Union is not attempting to camouflage its real understanding of détente at all. Subversion in Portugal, the establishment of a base in Somalia, increased spending for military weapons, support for terrorism in Africa and the Middle East—the list of Soviet violations of the spirit of détente are extensive.

The fact which many in our own Government seem unwilling to confront is that even Soviet words are not in keeping with what we say we believe détente to be.

In a major speech recently reported by Pravda, senior Politburo Member Mikhail A. Suslov hailed what he termed "the further development and deepening of the world revolutionary process." He declared that "détente" serves the cause of progress toward socialism in the whole world. If events in Portugal, Cambodia, South Vietnam, and Laos are any indication, Mr. Suslov seems to be correct.

In his speech, Mr. Suslov noted that, "Conditions today—favor the establishment of a new society." He said that the realization of the "growing revolutionary possibilities" depends in many ways upon the strengthening and the solidarity of the Communist movement. "Irreversible détente is a precondition for the success of this policy," he said.

Hopefully, President Ford and Secretary Kissinger will become aware of the manner in which détente is being used by the Soviet leadership for its own aggressive purposes. One of these purposes is the final declaration of the European Security Conference which the Soviets hope will ratify the communization of Eastern Europe. For the United States to sign such a document is precisely to play into the hands of the leaders in the Kremlin. The document which the President now proposes to sign in Helsinki was called the Betrayal of Eastern Europe by Nobel Prize winning Soviet author Alexandr Solzhenitsyn.

I wish to share with my colleagues the report of the talk by Politburo Member Mikhail Suslov as it appeared in the Christian Science Monitor of July 22, 1975, written by Paul Wohl, and insert it into the RECORD at this time:

[From the Christian Science Monitor, July 22, 1975]

SOVIETS SEE DÉTENTE AS PATH TO WORLD REVOLUTION

(By Paul Wohl)

A leading Soviet ideologist has made it clear that the Kremlin's policy of detente with the West in no way changes the Soviets' long-term goal of world revolution. In fact, the two are closely related.

In a major speech reported by Pravda, senior Politburo member Mikhail A. Suslov hailed what he termed "the further development and deepening of the world revolutionary process." Detente serves the cause of progress (toward socialism) in the whole world, he said.

The speech came only days before two events highlighting the policy of detente: The spectacular American-Soviet "handshake in space," and the agreement at the European security conference to wind up the conference with a summit meeting at Helsinki at the end of this month.

Speaking from the same rostrum from which Lenin held forth many times. Mr. Suslov spoke highly of the seventh congress of the Comintern or Communist International, the organization that was to head a worldwide communist revolution.

It was at the seventh congress in 1935 that a new policy was laid down for working with "progressive" movements in other countries in a "popular front" to defeat fascism.

Then, as now, said Mr. Suslov, "the countries of the capitalist system were experiencing a deep economic crisis, contradictions inside imperialism were becoming sharper and the class struggle of the proletariat was growing. . . . Fascism throughout the world sought to set up repressive terrorist regimes."

Things have changed in the past 40 years, said Mr. Suslov, but parallels can be drawn. He listed five factors which, he said, characterize the world today and point to communism's eventual total victory.

The successful establishment of a communist society in the Soviet Union.

The dynamic development of the world socialist system and its influence on world affairs.

New victories of the international workers and national liberation movements: an antifascist revolution in Portugal, the collapse of the military junta in Greece, the advance of left-wing forces in France, Italy, and Japan, and the broadening of the antimonopolist offensive leading to a sharpening of the conflict between wealthy capitalists and the masses.

The deepening of the general crisis of capitalism, a weakening of its position, and a sharpening of its contradictions.

A relaxation of international tensions.

"There can be no doubt," said Mr. Suslov, "that under conditions of detente and peaceful coexistence it has become less possible [for the enemies of the U.S.S.R.] to export 'counterrevolution'. But at this time, an important task of all progressive, democratic forces is to remain alert in the face of imperialist intrigues and its agents. Never forget that the reactionary forces of the 'cold war' are striving as before to aggravate international conditions, to roll back the wheel of history."

"Conditions today . . . favor the establishment of a new society," he said. The realization of the "growing revolutionary possibilities" depends in many ways upon the strengthening and the solidarity of the communist movement and its ability to weld the international and national tasks of the workers into one. Irreversible detente is a precondition for the success of this policy," he said.

MORE ON THE INEQUITIES OF THE SOYUZ-APOLLO SPACE SHOT

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 28, 1975

Mr. McDONALD of Georgia. Mr. Speaker, in a typical maneuver, the Soviet officials did not permit their people to see the comparative size of the two space capsules and had "political" difficulties with their television transmission at the proper time. Such tactics are typical of all exchanges with the Soviet Union. The story from the London Daily Telegraph on Monday, July 21, 1975, follows:

[From The London Daily Telegraph, July 21, 1975]

SOVIET "BLACKOUT" ON APOLLO PICTURES ANGERS AMERICANS

(By Nigel Wade in Houston)

Russia's Soyuz spacecraft headed home last night as American officials fumed over Moscow's refusal to provide promised live television pictures of their Apollo craft during the joint space mission.

The Apollo mission control center at Houston believes propaganda considerations "could well have" caused the Russians to drop the two telecasts.

The American craft is nearly twice as big as Soyuz. It carries the American-built docking module which made last week's space rendezvous and crew transfers possible.

The two broadcasts should have been made when Apollo and Soyuz made a practice docking and undocking on Saturday.

Apollo had filmed Soyuz during the first docking on Thursday and the Russians were to have filmed the American craft for about 15 minutes the second time.

The Russians said there were "technical difficulties" with the two black and white cameras they were to use.

The American flight controllers had repeatedly asked the two Russian cosmonauts to use their portable colour camers so that television viewers including thousands in Russia, could get an outside view of Apollo.

"TOO BUSY"

Moscow said the cosmonauts were "too busy" and that there were technical problems involved.

The failure to film Apollo meant that television viewers saw only the Russia craft, in some of the best television pictures ever beamed from space.

American officials were furious and the Russian delegation at Houston was badly rattled by the first row in what had been until the weekend a very harmonious joint venture.

When a German journalist suggested to Mr. Boris Kunashev the Russian spokesman at Houston, that the Soyuz camera "difficulties" may have been more political than technical, he was roughly pushed aside by a Russian photographer.

A Houston spokesman said: "We don't understand why the broadcasts did not take place. Either they couldn't get the portable camera in the right position at the window or they just didn't want to do it—we don't know."

The Apollo-Soyuz mission is the first international space flight and has been hailed as a triumph for East-West co-operation and détente. Some Americans feel the mission is little more than a Russian propaganda exercise.

Mr. Kunashev denied yesterday that Moscow cancelled the broadcast to keep Russians and others around the world from seeing the obvious difference in Soyuz (15,000 lb) and Apollo (29,000 lb).

Soyuz is due to parachute down on the Russian steppes just before noon (BST) today.

The American astronauts, Thomas Stafford, Donald Slayton and Vance Brand will continue with space experiments until leaving orbit for splashdown West of Hawaii on Thursday.

JESSE OWENS JUNIOR TRACK CLASSIC

HON. BARBARA JORDAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 28, 1975

Miss JORDAN. Mr. Speaker, on August 16, 1975, over 600 boys and girls between the ages of 10 and 15 years old will compete against each other for national recognition in track and field events. These youngsters from all over the Nation will be participating in the 11th Annual Jesse Owens Junior Track Classic's national championship meet.

I am pleased that Houston, Tex., has been chosen for the site of the competition this year. The city of Houston Department of Recreation, in cooperation with the Atlantic Richfield Co., will host this event. The Jesse Owens Sports Program is designed to offer the youth of our urban and underprivileged communities an opportunity to participate in a program that provides balanced athletic competition and recognition. I believe the program speaks for itself.

I would like to include in the RECORD a page from the booklet, "The Undiscovered Champions," with comments from some of the participants in the program:

Who ever heard of a track and field program that wasn't looking for champions? Nobody did. Until Atlantic Richfield started one eleven years ago.

We persuaded all-time track great Jesse Owens to help us start an annual youth track program stressing participation rather than fancy equipment, the joy of competition rather than winning at all costs. We were more interested in providing fun for kids than we were in building champions.

The result was The Jesse Owens Junior Track Classic. It's essentially a novice program for playground level boys and girls, 10 to 15 years old. Each year in cities and suburbs across the country we hold competition in running, jumping and throwing. The local winners are flown to the national championships where they meet and compete with other kids.

In 11 years—with the help of Jesse Owens and countless others—we've brought thousands of diverse young people together on the track field to compete with one another to know one another.

We've uncovered a few champions, but more importantly, we have helped give all those kids a rich human experience—a victory in the best sense of the word.

"The competition is tough but that makes you better because you know you're running against the best. I love it."—Lisa, 15, Pittsburgh.

"In most sports, kids usually depend on each other. But in track they have to learn to become more independent. If they're going to win they have to do it themselves."—Lois, 14, Seattle

". . . when I started out I never thought I'd be able to come to a real big meet like this. No matter whether you win or lose . . . it's still a good experience."—Laurie, 14, Chicago.

"Track keeps you in shape. Most of my friends, they just come around and they sit around being lazy, but it really keeps me in shape."—Katie, 10, Los Angeles

"You get the idea of competition and competition is one thing that makes people well rounded. I think anybody who competes is really cool."—Linda, 13, Boston

"If you want to run good, you have to train. That means you must be able to put out work and a certain amount of time to train for your event."—Boyd, 13, Los Angeles

"Everybody on the field has a good chance of winning. If I weren't here I'd be out on the streets somewhere probably running around the neighborhood."—Tony, 13, Baltimore

"The competition was so friendly . . . you saw kids throw their arms around each other. Chicago around Pittsburgh, Philadelphia around Seattle. And when you saw the tears of joy and heard the screams and hollers, it gave you a kind of emotional reaction."—Joseph Misuraca, Superintendent of Recreation, San Francisco

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THE SNAKE RIVER

HON. AL ULLMAN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, July 28, 1975

Mr. ULLMAN. Mr. Speaker, the Snake River is a peculiar geological feature that has defied nature and man at every turn along its thousand-mile journey. It rises high in the Rockies at Shoshone Lake in Yellowstone Park, which is a breeding ground for great rivers. A raindrop falling there may end up in the Pacific, the Gulf of Mexico or the Gulf of Baja. Along with the Snake, three other rivers rise, including two forks of the Missouri, the Yellowstone River, and the Green River which is, in turn a major tributary of the Colorado River. The Snake passes within the shadow of the Grand Tetons and Jackson Hole, works its way through the southern portion of the Snake range before swooping across all of southern Idaho, then plunges north into Hells Canyon, and finally empties into the Columbia River in Washington.

Along this journey, the Snake flows through several major mountain ranges, plains, basins, and canyons. It has always attracted man's attention; it is a true haven for wildlife as well. The Nez Perce called it Kimooenim, meaning stream or "place of the hemp weed." Capt. William Clark named it after his fellow explorer Meriwether Lewis, but it was usually referred to as "Shoshoneah" or Snake. Its banks have sheltered Indians, trappers, miners, and pioneer settlers while the river has offered a home to numerous varieties of fish, and attracted countless numbers of plants and animals.

The river flows through the eastern section of the vast Columbia-Snake River Plateau which is an extensive basin several miles in thickness lying between the Idaho Batholith and the Cascade Range. The plateau formed as the result of extensive lava flows emitted from fissures in the Earth's surface which produced the characteristic basalt in the area. Previous to the beginning of this volcanic activity, much of the Snake River area was under a prehistoric sea, which antedated the formation of the Blue Mountains and extended across much of this part of the West. The Blue Mountains were formed as a part of a gigantic uplift and then stood as a barrier to the volcanic flows. This resulted in a complex interbedding of igneous and sedimentary layers which can be seen today along the course of the Snake, and especially in Hells Canyon.

The continuing uplift of the Blue Mountains posed as obstacle to the advancement of the Snake River, but hastened the erosion of Hells Canyon. Some scientists hypothesize that at one time the river actually cut through northeastern Oregon at a point west of its present course; others hold that the Snake actually flowed south through Nevada and California.

Eventually, however, the river was impounded by either uplifting of the Blues or the sinking of the Snake River Basin until the lake spilled north over the lava flows at Oxbow into what was probably a tributary of the Salmon River. The tremendous amounts of water stored in this lake provided the requisite force to erode 6,000 feet of solid rock—carving out Hells Canyon.

The canyon stands as a monument to the power of nature and the passage of time. Because of the steep gradient of the river and the solid nature of the canyon walls, Hells Canyon also offers a desirable site for hydroelectric dams. Only a little more than 100 miles of free-flowing waters remain, but they are in danger of being inundated by the back waters of more dams. The Snake River has been impounded by natural dams before, and as is the case with nature, new balances were achieved following tremendous changes.

When the period of our most rapid technological development began, priority was give to the burgeoning of industries. Today, we see the many benefits that our technology has produced, we also see the scars left upon the land as monument to what we have done. In the past, we have not always given the land and the environment the attention and respect that it deserves. Nature was seen as an obstacle to be overcome. Now, we have the time to reflect upon where we have been and what we have done. Unlike former generations, this Congress is in a position to make a rational decision about the future of Hells Canyon.

Our past has been characterized by the desire to expand, to keep on building, to keep on moving over the next mountain. It did not really matter if you had to tear up the land to carve out an existence; if you ran out of room or ruined the land, you moved on. Now, however, we see that we can no longer move on, but must better our lives where we are. This Congress has a choice—we must decide between sacrificing our remaining scenic preserves, or we may set these magnificent areas aside for the enjoyment of future generations.

EPA AUTHORITY IS BEING THREATENED

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 28, 1975

Mr. BROWN of California. Mr. Speaker, it is difficult for Members of Congress to keep fully informed on all legislative actions within each committee that will affect their constituents and the entire Nation. Realizing this, I wish to summarize a serious movement within the House Agriculture Committee that is of interest to us all.

Currently, the Agriculture Committee is considering legislation to amend and extend the Federal Insecticide, Fungicide, and Rodenticide Act, FIFRA, for 2 years. Two of my colleagues on the committee, Mr. POAGE of Texas and Mr. WAMPLER of Virginia, have seen fit to present an amendment to the FIFRA bill that will effectively inhibit any future actions by EPA in the pursuit of regulating, restricting, or canceling pesticides where necessary. It does this in a simple way—by directing EPA to obtain the concurrence of the Secretary of Agriculture in any move to restrict, cancel, or regulate pesticides.

I fully understand the feelings of my distinguished colleagues who offer this amendment. Regretfully, I must take exception to the thrust of their proposal. It was the purpose of the Congress in establishing the Environmental Protection Agency to recognize that environmental hazards arise from activities which cut across all jurisdiction lines, and their control would, therefore, be most effectively achieved by making one agency responsible for all aspects of environmental pollution.

To approve the proposed amendment opens the door to a similar move to allow a veto by the Department of Transportation, if DOT feels that auto emission standards are too stringent, by ERDA, if it feels that powerplant controls are too stringent, by HEW, if it disagrees with EPA's health standards, et cetera. This would be a complete reversal of the intent of Congress, would seriously encroach upon, if not destroy, the authority of EPA, and would bring to a halt the progress made to date in cleaning up the Nation's air, water, and land.

The Washington Post and the New York Times recognized the gravity of this situation by inserting editorials on the subject. I would like to include these editorials in the CONGRESSIONAL RECORD because they cover the effects of such an amendment in a concise, informed manner. In addition, I would urge my fellow Representatives to state their views on this matter to the House Agriculture Committee members as soon as possible.

The editorials follow:

[From the Washington Post, July 28, 1975]

EPA and Pesticides Decisions

Rep. W. R. Poage (D-Tex.) is about to offer an amendment to the Federal Insecticide, Fungicide and Rodenticide Act that would require the concurrence of the Secretary of Agriculture whenever the Environmental Protection Agency takes action against a pesticide. Currently, EPA's jurisdiction covers more than 36,000 pesticides containing some 1,200 active ingredients. Far from being the insensitive overlord that Mr. Poage claims it to be, EPA has taken action against only five active ingredients and has succeeded in suspending only two: DDT and aldrin-dieldrin.

The effect of the Poage amendment would be to give the Department of Agriculture an administrative stick that it could put into the spokes of EPA and thereby block any progress against dangerous pesticides the agency might wish to make. This would be needless interference. EPA has proven itself fair-minded in administering the act. Not only has the agency avoided becoming ban-happy about pesticides, it has considered the availability of substitutes for ingredients that might be suspended. It is a strained notion that EPA is threatening crop production.

Even if a case against EPA could be made, there would be the record of the Department of Agriculture to consider. It was during the time when USDA was administering the law that so many hazards to human health and to the environment were allowed on the market with little serious questioning. Mr. Poage's efforts to get the department back into the pesticide decisions now being made by EPA deserves to be promptly turned down.

[From the New York Times, July 28, 1975]

A Bud for Nipping

Representative Poage of Texas has served notice on the House Agriculture Committee, of which he is chairman, that he intends to attach to the extension of the Pesticide Control Act an amendment that would paralyze that essential law. The provision would require concurrence of the Secretary of Agriculture before the Environmental Protection Agency could cancel registration of a pesticide, reclassify it or, in fact, promulgate any regulation affecting its use.

This unprecedented attempt to move in on the E.P.A.'s jurisdiction must be viewed in light of the Agriculture Department's history with regard to pesticides. Congress took control over these potentially dangerous chemicals from the department largely because it had so consistently failed to exercise its full responsibility, giving priority to the profit and convenience of big farmers over the safety of the public.

In the 28 years during which pesticides were under the Department of Agriculture's control, it failed to take a single one off the market as a health hazard, though it did in a few instances modify their use. When the dangers of DDT, aldrin and dieldrin were established it fought for their continued distribution—domestically as well as abroad—and finally joined the lawsuit to prevent the E.P.A. from taking them out of the marketplace.

The attempt of Mr. Poage to slip in the amendment in question is a sly way to undo the hard work and advances of a decade. If surreptitious action allows the extension measure to emerge from the farm-oriented committee with this far-reaching change included, we would hope that enough resistance on the floor will materialize to kill the amendment. But these little plots are better nipped in the bud.

THE EFFECTS OF DOMESTIC OIL DECONTROL

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 28, 1975

Mr. DINGELL. Mr. Speaker, last Friday, the Federal Energy Administrator submitted to you and to the Congress a new Presidential proposal for the decontrol of domestic oil prices. This new proposal differs significantly from that which was disapproved by the Congress last week, and deserves, and will receive, careful consideration by the Members of this body.

Several questions are posed by this proposal; these have been developed in a memorandum prepared for the Subcommittee on Energy and Power. That subcommittee is holding hearings on the subject this evening, and will explore these issues in greater detail. In the meantime, however, I offer the memorandum for review by all Members.

The text of the memorandum follows:

President's Plan for the Decontrol of Domestic Oil Prices Over a 39 Month Period

I. ELEMENTS OF THE PLAN—SUMMARY

Period of decontrol of "old" oil

This plan proposes that all "old" domestically-produced petroleum, with the exception of "stripper oil," should be released from its currently controlled price of $5.25 per barrel at an accelerating rate over a 39 month period starting on September 1, 1975. For the first year the monthly release rate is to be 1.5% per month, over the second year 2.5% per month and at 3.5% per month for the remaining period. The presumed base volumes against which these release percentages are to be applied is the current field production of this category of petroleum. In reference to "stripper" or secondary production, this category is to be exempted from any price controls and permitted to find its own market level—presumably the cost of landed petroleum international oil.

The cap price

For the duration of this program—39 months—there will be established a price limit on all but "stripper oil" production which currently accounts for about 12% of domestic production. This "cap" is to be initially set at $11.50 per barrel on September 1, 1975 and is to increase at a rate of $.05 per month over the duration of the 39 month control period.

It should be noted that at the end of the 39 month period all controls are to be lifted, permitting at that time all domestic oil to rise to the landed costs of international oil. Just what the international price will be at that time is, of course, speculative, but it would be prudent to assume that it will be well above the current landed price.

Treatment of "released" oil

The category of "released" oil may be eliminated. If so, this oil would, for the purposes of this program, be treated like any "old" oil.

II. ANALYSIS AND CONSIDERATIONS

The macroeconomic impact

The full macroeconomic impact of this proposed program is difficult to assess. This difficulty results from the following:

(1) the standard macroeconomic models run only 10 quarters (2-½ years) into the future;

(2) due to the small initial rate at which old oil will be decontrolled and the lags built into the models for the pass-through of price increases, little of the resultant price increases will be reflected within the duration of the forecasting period.

It should be noted, however, that the initially small rate of decontrol has the advantage of creating minimal disturbance of economic recovery over the next two years and saves the heavier impact for a period in which the country will be better prepared to assimilate accelerating energy price increases. The decontrol schedule proposed in this plan is, therefore, better tuned to the economic cycle than was the previous linear 25 month decontrol plan.

The cap price

The utilization of a steadily increasing cap price raises several issues. First is the question of the validity of the reference $11.50 level. In the absence of a real and effective windfall profits tax, this could be judged excessively high. Second is the question of the $.05 per month rise to a total of $13.45, before the cap is removed entirely at the end of the 39 month period. Third is the question of the removal of this cap at the end of the 39 month period. Assuming that the existing $2 tariff is still in effect, a world market price of landed international oil of $17.50 does not seem unrealistic, given recent history. Because capped domestic oil would then be free to rise to the landed price of imports, the country could well be faced with a sudden price rise of domestic oil in the neighborhood of 30% in early 1979. Should a cap price be established, its continuance beyond the 39 month period seems worthy of consideration.

Stripper exemption

The exemption of stripper wells from any future price controls appears difficult to justify in light of the fact that "new" oil, which accounts for only slightly more (14% vs. 12%) of domestic production, is to be put under a cap price. The fact that it is the only category of domestic production to be freed to the landed international price may induce domestic producers of "old" to shift their properties over to secondary production before it is technically justified. This may well amplify the short-term demand for secondary production materials and equipment beyond what is justified. This could be expected to stimulate shortages, demand inflation and windfall profits for these suppliers.

Withholders of production

There is a suspicion that certain domestic oil producers have been withholding production of "old" oil in anticipation of higher future prices. Should this be the case, the President's plan could penalize those producers who have up to now complied with the Nation's needs and attempted to maximize their production of "old" oil and would benefit those who have withheld production. The "released barrel" program served as incentive to domestic producers to maximize their production from "old" fields. With the possible loss of this incentive those who complied with this incentive program will find all their production to be sold at the $5.25 price level with the percent decontrol factored in. Those who have been withholding production will most certainly continue to do so as the proposed incremental price jump from $5.25 to $13.45 in a 39 month period provides an increase in revenues of over 250%. Because a 250% increase in revenues over a 39 month period is well above producers' general opportunity cost of capital, the continued withholding of production would be well worthwhile. Should all controls be lifted at the end of the 39 month period, as proposed, and if the international price at that time is $17.50, the motivation for continued withholding would be even greater.

Coal and natural gas prices

Prices of other energy sources, most notably coal and natural gas, will increase by as much as 20% at the end of the 39 month program over what they would be under a continuation of current controls. This figure is derived by recognizing that the entitlements program causes the marginal (or highest) oil prices (imports) to refiners to be equalized by acquisition rights to cheaper (old) oil. The current refinery cost is equal to the composite crude price of around $10.25. Under the President's 39 month program, the dimensions of the entitlements program would be lessened, and the average price to refiners would rise to $14.35—a 40.1% increase.

Coal and natural gas prices will tend to mirror this percentage price increase as energy consumers begin to shift away from more expensive oil. Even accounting for existing regulations on interstate gas sales and long-term contracts (many of which would expire within the 39 month period), the effect is still to raise prices substantially. Based on historical price patterns, our estimate is that wholesale prices for coal and natural gas will rise by 15% to 25% in the face of a 40% crude price increase. Since one-fourth of our Nation's energy bill comes from coal and natural gas, we can expect the Nation's fuel bill to increase from 4% to 6% due to coal and natural gas prices along.

Increases in domestic production

As an incentive to short-term increases in domestic production, the plan as proposed can reasonably be expected to counteract this purpose. That is, it provides an economic rationale for continued, if not increased, withholding up to the end of the 39 month period. Within the intermediate term (say 3 to 8 years), there is the possibility of an increase in domestic exploratory activity with a consequent increase in production. The basic question is, however, why do the producers require a heavy flow of internally generated capital starting now? From a national standpoint, it can reasonably be argued that if the prospects are bright in terms of higher prices on the 5 year horizon, the potential explorers and producers should test their plans in the neutral capital markets of the country against other organizations seeking new capital. There seems to be little rationale for giving this single segment of the economy preferential treatment over and above other enterprises by giving them a scab price dictated by a foreign cartel.

Conservation

It is clearly true that significantly higher oil prices will induce a reduction of demand within some time framework. The real question lies with the amount of conservation that is realistically possible within the time period under consideration. In the purchasing decisions made by corporations and individuals the current price of petroleum may well be less important that where those prices are likely to be in the future. The American auto consumer has caused a shift in auto sales toward more efficient equipment.

Future conservation decisions will be made in the understanding that fuel prices are headed inexorably upward. There is a real question whether a precipitous price increase, with all its induced hardship and inequities, will be any more effective in the reduction of energy demand than could be accomplished by the full and open knowledge that prices are going to increase at a deliberate, but less shocking rate. That society cannot suddenly turn around in its per capita energy consumption overnight, is well understood. This is reflected in the schedule of automobile mileage improvements called for in Title V, Part A of H.R. 7014.

In summary, there is no doubt that price increases in petroleum-related products will induce some level of increased conservation; the question lies in how much more can be effected in this proposed manner than by a slower but deliberate and well publicized rate of increases and how much hardship could be avoided by adopting the latter option.

Vulnerability

For those major oil companies who have substantial current investments in overseas production, there is a good economic case to be made that they will tend to increase imports from international sources in preference to the immediate development of domestic resources. Their rationale being to recover as much of their overseas investment as soon as possible under the future threat of a complete lock out. By preserving a substantial price gap between domestic and imported oil during its first two years, the President's program (and the continued entitlements program it necessitates) provide no new disincentives to importing.

In light of this, over the short to intermediate term, the President's decontrol program as proposed without import constraints may well increase this country's vulnerability to severe economic disruption by OPEC price rises. It should be further understood that such a tile in preference by the major oil companies from domestic production to international production will unfavorably influence our future balance of trade.

TRIBUTE TO FORMER AMBASSADOR EGIDIO ORTONA OF ITALY

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 28, 1975

Mr. OBERSTAR. Mr. Speaker, I am delighted to join with my colleagues in paying tribute to Egidio Ortona, who served his country for so many years, and especially, as his country's Ambassador to the United States, advanced the cause of Italian-American friendship.

Signor Ortona personifies the finest traditions of diplomacy, representing his country with fidelity, grace and honesty, while at the same time helping Americans to understand and put into proper perspective the finest qualities of his homeland and its people, who, as immigrants to the New World, have contributed so much to the greatness of America and have so deeply enriched our cultural legacy.

His personal efforts, beyond routine official representation, have brought our two countries closer together in terms of friendship and good diplomatic relations, supporting and sustaining at the intergovernmental level the deep cultural and family ties which have bound our countries since our earliest days, and our separate continents since Columbus discovered the New World.

With my colleagues in the House, with his many friends in all parts of this country, I join in wishing Ambassador Ortona many years of happiness, good health, and hopefully the fulfillment of his personal dreams, which he so richly deserves.

THE GREAT GASOLINE CONSPIRACY

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 28, 1975

Mr. McDONALD of Georgia. Mr. Speaker, who is to blame for gasoline shortages? The Government, with its glut of regulations and restrictions on energy exploration, development and production? Or the "big" oil companies, who would have nothing to gain and everything to lose?

To evade the former question and to cover-up the Government's involvement, it has become fashionable to blame the oil companies by charging them with conspiracy. Every new movement in energy supplies or prices is seized upon as evidence that "proves" the conspiracy.

The latest example came in response to recent price boosts, a sudden drop in gasoline stocks, and the discovery that crude oil was not being imported in enough quantity to keep refineries operating at 90 percent capacity.

Proof of a conspiracy? Possibly—but not by the oil companies!

In an editorial on July 15, 1975, the Wall Street Journal demonstrates that in each case—the price boosts, the drop in gasoline stocks, and the relatively lower imports of crude oil—the cause was the rules and regulations of the Federal Energy Administration.

Since we are presently considering H.R. 1074, the Energy Conservation and Oil Policy Act, alias the Great Federal Oil Price Fix, I am calling the editorial to the attention of my colleagues. Those who are truly concerned with gasoline shortages will oppose H.R. 7014 and the avalanche of new Federal regulations and price-fixing that it will unleash. As an alternative, I propose abolishing FEA and thus unleashing the energy producers.

The editorial follows at this point:

THE GREAT GASOLINE CONSPIRACY

The sudden sharp rise in the demand for gasoline, plus the decline in gasoline stocks, plus the almost simultaneous announcement of gasoline price boosts by most refiners on July 1—all this adds up, in the minds of some Washington politicos, to a great gasoline conspiracy. Senator Henry Jackson, who wants to be President, and Senator Adlai Stevenson, who wants to be President, have announced Senate subcommittee investigations to find out what's going on.

Before they've heard the first witness, though, both gentlemen have announced their findings. Senator Jackson says, "Clearly the oil companies have manufactured a shortage." Senator Stevenson says this is "a classic study in the power of the major oil companies to reverse the normal rules of supply and demand." The prejudgments are a pity, for if the Senators could blot them out of their minds, their hearings would surely prove illuminating and educational.

Take the first question: Why were the price boosts simultaneous? Because under FEA regulations companies can increase prices to pass through costs, but "non-product" costs may be recovered only in the month following the one in which they are incurred. Unlike the cost of crude oil, they cannot be banked for recovery in future months when market conditions may be more favorable. In fact recently the companies have been having trouble making price increases stick, so if they are to have any chance to recover non-product costs they have to start as soon as possible. They need no collusion to arrive at the first of the month as the date to post increases. In short, the answer to question one is: The FEA.

On to question two: Why have gasoline stocks dropped so suddenly? Well, the FEA has an obscure rule that requires an oil company to charge everyone in a "class" of customers the same price regardless of geographical location. Before formation of the FEA, a company short on gasoline in California would call other companies and try to buy some, or perhaps swap some for fuel oil. For the right price, a company long in gasoline would sell some to the company that was short.

This no longer happens, because if the second company sold California gasoline at a premium price, it would have to raise its price to similar customers nation-wide. This would mean a loss of market share in other areas, and the premium sale is not worthwhile. So the telephone calls have stopped. It was in these calls, when someone started to find that no one else was long on gasoline, that oil men got the first warning of an impending shortage. Without the calls, a shortage can come as a surprise. So to question two, the answer is: the FEA.

On to question three: Why aren't the nation's refiners, who are operating at less than 90% of capacity, importing more crude oil to make more gasoline? Well, imported crude costs $13, and the FEA will not allow refiners to pass along this cost until the next month. If the refiner is making gasoline from a mix of $5.25 price-controlled oil and $13 imported oil, more imported oil will push up unit costs without any immediate increase in the selling price. Perhaps it would be able to "recover" these costs by higher prices later, but then again maybe not. So the answer to question three is: The FEA.

Now, to give credit where it's due, the FEA runs around frantically writing new regulations trying to undo the damage its past regulations have done. Last week, for example, FEA head Frank Zarb was talking about allowing geographical differentials. But by now, we should be learning that the next regulation will only do something else, that the oil industry cannot be run from Washington without benefit of price signals. That the way to have the oil industry produce gasoline most efficiently, which is to say at the lowest price, is for the government to get out of its way.

Senators Jackson and Stevenson will find, if they conduct fair and honest hearings, that the spot gasoline shortages the nation now faces result not from conspiracy, but from the very controls they and their congressional colleagues created. Once they make this discovery, there no doubt will be public apologies all around to the oil companies and no further attempt to extend controls past the August expiration date. The great gasoline conspiracy was unwittingly concocted on Capitol Hill.

THE APPLE CORE

HON. MARTIN A. RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 28, 1975

Mr. RUSSO. Mr. Speaker, recently 36 young ladies known as the "Apple Core" were the Junior Division champions of the Illinois State Baton Twirling Competition and will compete in the National Baton Twirling Association championships that are being held in South Bend, Ind., this week.

For these girls and Pat Jorgensen Irvine, their instructor, this means winning the Illinois State title 3 years in a row. I can think of no more appropriate time than National Baton Twirling Week to recognize the achievements of this fine group and I would like to extend my personal congratulations and best wishes along with those of their other friends and supporters for continued success.

AUTHORIZING FURTHER SUSPENSION OF PROHIBITIONS AGAINST MILITARY ASSISTANCE TO TURKEY

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 28, 1975

Mr. FISHER. Mr. Speaker, the House voted last week against authorizing the further suspension of prohibitions against military assistance to Turkey—S. 846. Because of the importance of this action to our country, to Turkey and Greece, and to the world, I would like to share the reasons why I voted against lifting the Turkish arms ban.

My primary concern was whether an affirmative vote on this bill would in some significant way condone the use by Turkey of American military equipment for aggressive purposes on Cyprus in contradiction of legislation relating to both foreign aid and foreign military sales. Would the United States continue to stand firm against such violations of foreign assistance commitments?

The whole issue, it seemed to me, boiled down in this way. Internal political complications in both Turkey and Greece are exceedingly complex and, in my opinion, should not have greatly influenced the decision as to how to vote. The implications of the decision on the future relations among the countries involved are equally hard to trace out. But the impropriety, the illegality, and the unethical natural of lifting the ban on arms shipments to Turkey stood out clearly. They overrode the myriad of tactical considerations and possibilities. It was necessary to cut through all the confusions and elaborate analyses that swirled around the issue and to act decisively to maintain the ban in accord with what is honorable and right.

It would have been better, of course, if Turkey had agreed to move toward negotiation and settlement of the Cyprus dispute, or at least had given a clear sign of significant movement in that direction, prior to our removing the ban on arms shipment. But the Turkish Government did not do so, for whatever reasons. It would have been better still, even as late as last week, if the Governments of Turkey and the United States had simultaneously announced that each was moving toward restoration of conditions on Cyprus that would be acceptable to both and to Greece also. On two occasions I tried to press this approach on Secretary of State Kissinger, but in each instance the idea was turned aside as of no help.

The arguments for resuming arms shipments to Turkey are well known. The United States might lose its air bases and observation posts. Turkey might be lost as an effective, reliable member of NATO, or worse, might move into the Soviet orbit. The precarious balance in the Middle East might be upset. Lifting the ban and thereby satisfying Turkish pride would have been the surest way of getting on with meaningful negotiation to remove the Cyprus impasse. The Greek Government, it was said, really wanted nothing so much as to put the Cyprus difficulty behind it.

But despite these practical arguments for bending to the Turkish position, I came to the conclusion that the integrity of our military aid agreement with Turkey, as well as other countries, required that the ban be continued until the Turkish Government, by its actions, demonstrates that it is willing to work out a peaceful settlement on Cyprus in cooperation with the Greek Government and that of Cyprus itself. In addition, a decent respect for the ethical as well as legal aspect required adherence to the terms of American laws and international treaties and maintenance of the ban a while longer. At times in the past, American foreign policy has been rightly criticized for being overly moralistic amidst the give-and-take of practical international politics and on this account insufficiently based on national self-interest. But in this case, the moral superiority of maintaining the ban is straightforward and, I believe, will be perceived as such by most governments and people. I cannot help but think the practical results will turn out to be better also.

I trust Turkey, after a short period of disappointment and recrimination, will resume a more friendly approach to the United States and Greece, and will join in reasonable and necessary steps toward a solution on Cyprus.

KEOGH COMMENTS TO ACCESS ON NEW SELF-EMPLOYED RETIREMENT PROVISIONS

HON. TOM STEED

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 28, 1975

Mr. STEED. Mr. Speaker, it has been 13 years since the enactment of the Self-Employed Individuals Tax Retirement Act of 1962, of which our former colleague, Congressman Eugene Keogh of New York, was the chief sponsor.

This measure for the first time permitted self-employed persons to set up retirement funds for themselves and their employees, and defer taxation on amounts contributed, up to a certain ceiling, until the benefits were drawn. Other segments of society already had access to such programs.

In 1974, for the second time, major amendments broadening the program were adopted.

Access, the publication of the Office of Minority Business Enterprise of the Department of Commerce, has interviewed Mr. Keogh on the effect of the latest revisions. In the article that follows, he gives a succinct summary of the new developments and the history of the program:

NEW LAW CAN MEAN TAX SAVINGS FOR BUSINESS OWNERS

(By former Congressman Eugene J. Keogh)

The Self-Employed Individuals Tax Retirement Act of 1962 for the first time allowed the self-employed to establish a retirement fund for themselves with tax-free dollars. Known as the Keogh Plan for its sponsor, retired New York Congressman Eugene J. Keogh, the 1962 law offered self-employed individuals including professional people, merchants and business owners tax incentives to establish pension plans for themselves and for their employees. Last year, the Congress passed the Employee Retirement Income Security Act of 1974, better known as the Pension Reform Act, to permit a threefold increase in the amount of income the self-employed may put aside for their retirement. Business owners who operate their firms either as sole proprietorships or in partnership with others are eligible under Keogh. Since most minority-owned firms fall into these categories, Access talked with former Congressman Keogh in an interview at OMBE headquarters to learn what the Pension Reform Act of 1974 can mean to these minority business owners.

Access. What is the Keogh Law?

Keogh. It provides the right to all professional and unincorporated business people to put aside part of their income into tax-sheltered retirement plans for themselves, and under certain conditions, for their employees.

Access. How does the Keogh Law work?

Keogh. There are specific provisions in the individual's income tax return where he can show the amount he has contributed to his retirement plan and deduct it from his other income.

Access. Up to how much?

Keogh. Originally the act provided the self-employed could contribute 10 percent of his self-employed income or $2,500 a year, whichever was less, and defer payment of taxes on 50 percent of this amount. In 1966 the act was amended to provide that the self-employed could contribute up to $2,500 of income and defer the entire amount of the contribution.

Access. What other changes did the 1966 amendments make?

Keogh. A very important feature of the '66 amendments and one which is particularly applicable to the small, unincorporated businessman and woman, was the elimination from the original act of the rule which limited computation of the value of the owner's personal services to 30 percent of his earnings from the business. This would apply for example to pharmacists, butchers, grocers, etc.

Access. What is the effect of this ruling?

Keogh. The effect is exemplified by the use of a simple illustration: if a butcher made $10,000 a year in his business, he could under the original act compute his personal services at $3,000 or 30 percent of the $10,000 and could contribute up to 10 percent of that or $300 and get a deferment of only half of it or $150. With the 1966 amendments, that same butcher making $10,000 in his store could contribute up to $1,000 to his retirement and take a deferment of the entire amount.

Access. Is $2,500 still the limit?

Keogh. No, the 1974 amendments further liberalized the law and that same small businessman can now contribute to his retirement up to 15 percent or $7,500 a year whichever is less. Going back to the illustration I used, the butcher earning $10,000 a year can now contribute to his retirement plan $1,500 or 15 percent of $10,000.

Access. In a partnership, may each partner deduct up to $7,500?

Keogh. If they are equal partners in the business they would each be permitted to provide in their plans for the contribution of 15 percent of each one's share of the profits or $7,500 a year each.

Access. What about a business where two partners each earn $50,000?

Keogh. Each one could contribute to his or her retirement system $7,500 a year. Also, the valuable aspect of the original act which has been retained with the subsequent amendments is that the contributions made to one's retirement plan grow tax free so there's a cumulative increase of the fund.

Access. On retirement, would the business person have to take the fund as a lump sum?

Keogh. He has an alternative. He can take it as a lump sum or he can spread it over his then life expectancy to provide for the return to him during his lifetime of the entire fund. When he draws it down, if he takes it down annually, he must then include that amount in his tax return, but it is reasonable to expect that at that point in his life he will be in a lower income tax bracket. The important advantage of creating such a fund is that if the self-employed business person becomes disabled, the fund will be available to his or her family.

Access. How is he taxed if he takes the fund in a lump sum?

Keogh. The '74 amendments provide that the contributions made to the fund prior to 1974 would, if taken in a lump sum, be accorded capital gains treatment which of course is a lower rate of tax. The contributions made in subsequent years would be taxed as ordinary income if taken in a lump sum, but extended to that lump sum payment is a liberalized form of income averaging which enables him to spread the amount that is ordinary income over a 10-year averaging period.

Access. Should a self-employed individual seek professional advice in establishing a plan?

Keogh. Not necessarily. It is relatively simply to start a plan and you have a wide choice of alternatives.

Access. Could you list some of those alternative kinds of investment?

Keogh. There is a special issue of Government bonds issued solely for retirement purposes. Or you may invest your contributions in an insurance policy and couple it with some life insurance which of course enhances the estate in the event of premature death. The plan may also provide for the investment of the contributions in equity securities, like mutual funds or common stock or bonds.

Access. What about savings & loan association and banks?

Keogh. Most savings and loan associations and most savings banks have been given the authority to act as trustees in self-employed retirement plans. They have what is known as a master prototype plan and those plans have been approved by the Internal Revenue Service and the formality of an individual's enrolling in such a master plan is reduced to the simplest.

Access. If an individual wants more information, where can he write?

Keogh. Banks, mutual funds and brokerage houses publish materials on plans, all of which are approved by the Internal Revenue Service.

Access. What do you consider the most important feature of a self-employed retirement plan?

Keogh. The steady, constant growth of the fund, which if invested in a relatively secure medium is certain to be there at retirement age.

Access. Must employees be included under the self-employed retirement plan?

Keogh. In order to adopt a plan for himself, the business person must include his eligible employees who have been with him for three years or more. From 1942 the self-employed employer had the right to set up plans for his employees, but few of them did because they could not includes themselves. Therefore, when the right was extended to them, it was argued (with justification) that they should not be given the right to do it for themselves without requiring that they exercise their long-held previous right to do it for their employees. We agreed on the three-year period because it is in the first three years of one's engaging in a profession or business that he usually decides whether he is going to continue that form or become a corporate employee.

Access. Having been its initial proponent, how do you view the success of this law?

Keogh. In the light of the liberalization of the original act that took place in the amendments of 1966 and 1974, the basic rights conferred by the legislation to the unincorporated business people of the country are sufficient to attract each one to do something for his retirement.

ARMS TO TURKEY

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 28, 1975

Mr. BRODHEAD. Mr. Speaker, I wish to express my very strong feelings of concern and dismay over the policies of the administration on the sale of arms to foreign countries.

First was the unconscionable attempt to renew arms aid to Turkey, despite the fact that Turkey had used American arms in its invasion of Cyprus in clear contravention of congressional mandates.

Fortunately, the House voted to continue the embargo on weapons to Turkey even in the face of strong pressure from the White House. That pressure took the form of threats to the security of the United States—threats that were reminiscent of the arguments used to promulgate the disastrous war in Vietnam. Certainly I consider our Nation's security to be important—but not more so than its honor.

Even worse was the argument that, "If we don't sell them arms, somebody else will." That has been the rallying cry of the munitions manufacturers since 1918; and it would have us sacrifice principle for expediency.

By rejecting those arguments, the House has served notice that Congress will continue to play an important role in the formulation of American foreign policy. Even more important, the vote signifies a victory for principle over pragmatism.

As you know, Turkey has now announced a takeover of all U.S. bases in that country. I strongly agree with majority leader O'NEILL's description of this action as "blackmail". If we give in to that blackmail, then we will abandon the right of Congress to place restrictions on arms sales to other nations.

The next example of this disturbing trend is the administration's proposed sale of missiles to Jordan. The administration misled the House about the size and scope of the sale, which would have altered the balance of power in the Middle-East to the detriment of our long-time ally, Israel.

In earlier remarks to the House, I pointed out that it is the considered opinion of military and political observers that these weapons will give Jordan the strength it needs to open a third front against Israel in any new Mideast war. Far from being merely a defensive weapon, the Hawk and Redeye missiles would provide cover for an offensive ground strike. Thus, Mr. Speaker, the United States could be in a position of supplying one of the key ingredients which would precipiate a renewal of the war in that part of the world.

To justify this sale, as the administration has attempted to do, by saying that it would strengthen King Hussein internally and reinforce Jordan's "moderate" policies, is the utmost folly. King Hussein has said that one reason why he did not open a third front against Israel in 1973 was that he lacked an adequate air defense system. This sale would give him just such a system.

The International Relations Committee has reported out House Concurrent Resolution 337 disapproving the sale. Hopefully, it will come to a vote and be passed this week. Once again, I urge Members to support this vital resolution.

I am not arguing that this Nation should cease the manufacture and sale of arms. Nor am I suggesting that any sale to Turkey or to an Arab nation is wrong per se.

I am saying that we must not sell arms to a nation which has used arms from prior sales in a proscribed manner.

I am saying that we must not sell arms to nations in such a way that a delicate balance of power will be destroyed.

And I am saying that we must not sell even small quantities of arms in such a way that they might fall into the hands of radicals bent upon the destruction of our allies.

The last objection is typified by a sale of $163,000 worth of revolvers to a Lebanese dealer last May when Lebanon was on the brink of civil war.

The sale was approved by the State Department under a cloak of secrecy even though it was quite possible that the guns could be purchased by Palestinian guerillas on the open market.

I believe that these examples of irresponsible arms sales by the administration make it vital that Congress exercise its responsibility to scrutinize such dealings in the most careful manner.

This Nation must not be in the position of making arms sales merely for profit or for their effect on our balance of payments without regard for the moral issues involved.

A NEWSLETTER TO CONSTITUENTS

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 28, 1975

Mr. WOLFF. Mr. Speaker, periodically, I distribute a newsletter to my constituents in a continuing effort to keep them informed of my activities as their Representative in Washington. And I often use the newsletter as a vehicle to obtain their views on major issues, thus allowing me to function more effectively on their behalf on Capitol Hill. I would like to share with my colleagues my latest newsletter:

NEWSLETTER TO CONSTITUENTS

Dear Friend and Constituent,

Our nation is beset with economic problems that will not be resolved until we come to grips with the fundamental underlying reasons for the condition. Far too often we forget that, in today's interdependent world, our domestic problems stem from a seemingly unrelated action overseas.

Thus, you see why the new responsibility I have assumed as Chairman of the "watchdog" Future Foreign Policy Committee of the House of Representatives is so vital. I have the obligation to keep watch on the home front—your taxes, unemployment, transit, health, senior citizens, veterans affairs, environment and other serious matters.

I firmly believe we must clamp down on the excesses of those beyond our shores who influence our affairs here at home. That is why the hearings I am now starting will have such a great effect on local conditions. I intend to use these hearings as a fulcrum to turn around the problems we face.

Sincerely,

LESTER L. WOLFF.

UNEMPLOYMENT IS A TOP WOLFF PRIORITY

Unless the root causes of this nation's deteriorating economy—inflation and recession—are corrected, the rapidly declining level of employment will not be stabilized, for each time the unemployment rate rises by one percent, another $17 billion is added to the federal debt through loss of tax revenues and additional outlay for welfare.

We must, as I have stressed before, take constructive steps to contain this composite problem if we are to successfully achieve economic recovery in the foreseeable future.

Prices here started to rise when we devalued the dollar abroad. Food prices skyrocketed when we made those feed grain deals with Russia. More than 70 percent of all U.S. crime is drug related and spawned in the opium fields of Turkey and the Golden Triangle. The increases in the cost of gasoline for your car and oil for your home originate in some mid-east sheikdom. The U.S. debt increases at the same time the debt owed the U.S. by foreign nations increases.

We must reduce the federal deficit and the burgeoning federal debt—that is stifling the gross national product—by reordering the spending priorities of your tax dollars. We must have meaningful tax reforms that will ease the financial tax drain on America's families and small businessmen and we must reexamine and revise our foreign aid programs to end "giveaways" and mandate greater burden sharing of mutual defense costs by our allies.

Meanwhile, more than eight million Americans are out of work, an estimated 9.2 percent of the U.S. labor force, and the numbers are increasing daily as more and more persons are dropped from an already crippled job market. And, these statistics do not include those who have exhausted their unemployment benefits, seek part-time jobs, or who have just given up hope of ever finding work.

For example, the unemployment estimates for the 20 to 24 year old veterans of the Vietnam War era alone surpass the 23 percent mark—a disgraceful commentary on how this nation has failed to live up to its responsibility to those who served their country.

The President's veto of the House-enacted $5.3 billion Emergency Employment Appropriations Act, that was geared to provide 900,000 new jobs, is a serious blow to efforts aimed at revitalizing the economy. While this job legislation, which I strongly supported, was not intended to be a cure-all, it was desperately needed to turn back the tide of rising unemployment. At the very least, it would have provided the jobless with the means to pay for the bare essentials of food, clothing and shelter and would have given an alternative to many families now compelled to resort to welfare.

Additionally, this legislation would have stimulated the depressed construction trades industry that today is virtually dormant because prospective buyers have either been priced out of the market, exhausted their savings to meet everyday living costs, or are unable to obtain needed mortgage money without a paycheck. The $2,000 tax credit incorporated by Congress in its recently enacted Tax Reduction Act, as was intended, does provide new incentive for home buying, but it is worthless unless the purchaser has an income.

Until America's jobless are provided with work and new opportunity to increase productivity, we are condemned to flounder under the economic woes that engulf our nation. As your Representative, I assure you I will continue to pursue every avenue available to me to focus proper attention on the jobless situation as it affects Nassau and Queens and to rally support for meaningful legislation that will put our country back in business.

SUMMER JOBS

Information concerning the new federally-funded summer job program for unemployed youths between the ages of 14 and 21, from economically disadvantaged families, may be obtained by calling the following locations: In Nassau, The Neighborhood Youth Corps, (516) 292-8600; In Queens, The Neighborhood Manpower Center, (212) 433-4723.

GRAIN SCANDAL SHOWS NEED FOR LEGISLATION—I

HON. NEAL SMITH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 28, 1975

Mr. SMITH of Iowa. Mr. Speaker, on July 21, in New Orleans, a Federal Grand Jury indicted the Bunge Corp., a large grain exporting firm, and 13 current and former officials of the firm on criminal charges. This is only the latest development in what has become a massive scandal.

I have introduced a bill, H.R. 8764, containing new provisions needed to prevent future grain scandals of this sort. The text of the bill is printed in the

Congressional Record of July 18, starting at page 23553.

I am at this time placing in the Record an excellent article by James Risser, a Washington correspondent for the Des Moines, Iowa, Register, which first called attention to the grain scandal.

The article follows:

[From the Des Moines (Iowa) Sunday Register, May 4, 1975]

Grain Ships: Dirt, Bribes

(By James Risser)

New Orleans, La.—Federal agents here and in other port cities have uncovered what appears to be widespread corruption in the grading and shipping of U.S. export grains.

Seven federally licensed grain inspectors in New Orleans and another five in Houston, Tex., already have been indicted on charges of accepting bribes in exchange for certifying that ships were clean and acceptable for loading with grain.

Five of the New Orleans inspectors have pleaded guilty, and one was convicted after a jury trial. Additional indictments are considered likely, and the inquiry has spread to other Texas ports.

The federal probe now is entering a new phase, aimed at checking into the possible misgrading of grain and the involvement, if any, of shipping and grain company officials in the bribery schemes, The Register has learned.

The Register's own investigation indicates that the government's system of grading export grain and ispecting ships is full of conflicts of interest and the potential for a variety of abuses.

As a result, foreign purchasers and countries that get humanitarian food aid from the United States may have received substandard grain and grain that was contaminated by being transported in dirty or insect-infested ships.

PRIVATELY EMPLOYED

Although the indicted inspectors were licensed by the U.S. Agriculture Department, they actually were employed by private inspection agencies such as the New Orleans Board of Trade and the Houston Merchants Exchange.

The agencies are controlled by business executives, including grain and shipping company officials, who have a huge financial stake in seeing that grain exports are not unduly delayed at the inspection stage.

If an inspector finds a ship dirty and demands that it be cleaned before grain is put aboard, or if he places a low grade on a shipment of corn or wheat, the ruling can mean many thousands of dollars in lost profits for the grain and ship companies.

One federal official involved in the case described the entire grain and ship inspection system as "a rather incestuous relationship" that was set up as "an accommodation to local interests" in the export trade.

FOR YEARS

The bribery schemes apparently had been going on undetected for a number of years on a rather modest scale, and came to light only as the grain export business began booming, and as the inspectors started demanding pay-offs of as high as $5,000 per ship.

Shippers apparently were willing to make the payments because the cost was considerably less than the thousands of dollars a day lost while a ship is tied up in port being cleaned.

The corruption was revealed to the FBI which is conducting the investigation at a number of grain-exporting points with the help of the Agriculture Department's office of investigation.

As a result of the still unfolding scandal, the Agriculture Department's agricultural marketing service, which licenses the inspectors, has suspended the licenses of those indicted and says steps have been taken to improve supervision over the remaining inspectors.

NEED FOR INTEGRITY

But several officials said in interviews that they question whether future abuses can be prevented unless the inspection system is overhauled completely. They stressed the need for maintaining the integrity of grain grading and ship inspection, if the U.S. is to continue to develop its agricultural export trade.

The indictments issued last August by a federal grand jury in New Orleans came out of an investigation directed by U.S. Atty. Gerald J. Gallinghouse and the chief of his criminal division, Assistant U.S. Atty. Cornelius R. Heusel.

Seven inspectors were indicted for accepting bribes, a ship-cleaning firm and its president were accused of paying bribes and a federally licensed grain sampler was charged with perjury.

Most pleaded guilty and received light fines and were placed on probation, after promising to co-operate with the prosecutors in pursuing the investigation. One case is still to be tried, and one inspector who was convicted by a jury has appealed.

With the exception of the one ship-cleaning firm, none of the ship company representatives accused of paying the bribes has been charged yet.

ONE TRIAL

Most of the limited information now available in public records about the investigation is contained in the transcript of the trial of William E. Fleetwood III, who was convicted in U.S. District Court in December on three counts of bribery. He has filed an appeal.

The witnesses described a pattern of bribery payments, which allegedly were authorized by high officials of ship companies who were anxious that their ships be certified as clean to receive grain.

The "going rate" at one time was $250 to $500 per ship, the jury was told by Robert E. Wilde, an operations clerk for the shipping firm of Hansen & Tidemann, Inc.

PAYMENTS RISE

But the payments began to rise in 1973 and 1974 until, said Wilde, Inspector Fleetwood on Mar. 14, 1974, demanded $5,000 to issue a cleanliness certificate for the "M–V Achilles," an oil tanker that was to be used to ship grain.

Fleetwood turned down the ship after the New York owners refused to meet his demands, but another inspector, Clarance P. Baker, jr., approved it the next day after asking and receiving a $2,500 payment, the jury was told.

Baker confirmed the story at the trial, and described the Achilles as "very difficult to clean and to convert over to grain storage" because it previously had carried oil.

Hansen & Tidemann agent Lloyd L. Scallan, jr., testified that he actually gave the money to Baker.

PART OF JOB

"I knew it wasn't right, but I was doing what my company instructed me to do as part of my job," Scallan testified.

At two points in the Fleetwood trial, the jury was shown checks allegedly involved in the briberies. One, for $5,000, was made out from Hansen & Tidemann to L. Caro, identified as a delivery boy from the firm. He cashed the check, endorsing it on the back with his name and the words "for M-V Achilles," and gave the money to Scallan.

The other check, from Gulf Coast Shipping Corp., to Mike Hardee, a Gulf Coast agent, was for $1,000 and had an attached voucher reading, "M-V Lotus Flower, F–1010, gratuities for grain surveyor."

TO FLEETWOOD

Hardee testified that he cashed the check and delivered it to Fleetwood's home on Jan. 30, 1973, two days after another inspector had rejected the Lotus Flower because of rust scaling and residue from earlier cargoes.

Fleetwood then okayed the ship, Hardee said.

Fleetwood was convicted on three of four counts, was fined $600 and was placed on five years probation.

The inspectors who have pleaded guilty are Baker, who received the payment on the Achilles, and inspectors Vincent Marconi, Raymond S. Schultz, William E. Fredrick and Barry Barrios.

Marconi and Schultz, both of whom were employed by the New Orleans Board of Trade, were accused of taking bribes ranging from $150 to $3,500 each for issuing certificates of cleanliness to various ship owners.

In addition, the two were charged with having a continuing arrangement with Peterson Maritime Services, Inc., a ship-cleaning firm, under which the two inspectors received from the firm $100 a month each for more than four years.

The firm and its president Dean Leslie Peterson, were indicted and pleaded guilty of bribery and improperly influencing inspection personnel. Peterson was fined $1,000 and put on two-years probation, and has since died. The firm was fined $9,000.

ANOTHER TRIAL

Another inspector, James Timonet, is to be tried next month.

Also, Lawrence J. Berthelot, a federally licensed grain sampler, was charged with putting an incorrectly high grade on a load of corn in 1973. He pleaded guilty and was put on one-year probation.

In the investigation at Houston, being directed by U.S. Atty. Edward B. McDonough, jr., five inspectors were indicted Mar. 25 on 18 counts of taking payments from Captain Victor G. Diaz of Maritime Overseas Corp. to certify a number of ships owned by that firm.

The defendants, accused of taking between $50 and $500 per ship between 1970 and 1974, are Arthur J. Taute, Bill Gene Marcy, Billy Ray Davenport, Jerry R. Parker, and Billy J. Westbrook.

All were employed by the Houston Merchants Exchange.

The five have pleaded innocent, and trials are scheduled for later this spring.

WON'T SAY

U.S. Attorney McDonough would not say whether he has evidence of involvement by high-ranking ship or grain company executives, but said his investigation is continuing and includes the ports of Brownsville, Corpus Christ and Galveston.

Grain grading and ship inspections are conducted under the U.S. Grain Standards Act, which specifies that the initial inspections are to be done by federally licensed inspectors employed by inspection agencies designated by the Agriculture Department.

There are five such agencies in the New Orleans area, serving eight big grain exporting elevators along the Mississippi River.

TARIFF SCHEDULES

The agencies are paid on the basis of tariff schedules they file with the agricultural marketing service's grain division, which routinely approves the charges. A typical charge at present is around $100 per ship inspection, and about $1 per 1,000 bushels of grain inspected and graded.

More than a third of all grain exported from the U.S. is shipped out of the New Orleans-area elevators. Much of it is Midwest corn, which comes down the Mississippi to New Orleans by barge.

All of the major U.S. grain exporting companies have an elevator at New Orleans, including such giants as Continental, Cargill, Cook and Bunge.

The agricultural marketing service's grain division has "appeal inspectors" at each port who can be asked to overrule an adverse decision by one of the agency inspectors.

SELDOM USED

As a practical matter, however, the Fleetwood jury was told, the appeal process is seldom used by grain owners or ship companies because the government appeal inspectors are known to be tougher than the agency inspectors.

Gilbert Vorhoff, president of the New Orleans Board of Trade, defended the board's inspection procedures and said a new man has been employed to supervise the inspectors as a result of the cases. Two of the indicted men worked for the Board of Trade, while others in New Orleans worked for other inspection agencies.

Vorhoff acknowledged that the Board of Trade's main function is to promote trade and commerce, and that its members and directors include officials of grain and shipping firms. But he insisted that there is "absolutely and unequivocally not a conflict of interest" in such an organization's also being a regulatory agency for the inspection of ships and grain.

BANK OFFICIAL

Vorhoff is a vice president of Hibernia National Bank and specializes in international finance.

U.S. Attorney Gallinghouse said that since the indictments were issued both the Board of Trade and the Agriculture Department have taken steps to improve supervision of the inspectors and to make spot checks on their activities.

In Houston, the Houston Merchants Exchange conducts grain and ship inspections for four export elevators.

Roy T. James, secretary and general manager of the exchange, said the organization is owned by 23 stockholders from the major grain firms, shipping companies, banks and other businesses.

He said he expects his inspectors to be exonerated and to be "back at work before too long."

Harlan L. Ryan, Agriculture Department supervisor for the grain division office in New Orleans, said his staff will be increased from 27 to about 50 in order to provide better control over the approximately 125 inspectors employed by the five inspection agencies in the area.

Agriculture Department supervision teams are doing more checks on ship-hold inspections, and new guidelines are being issued to the inspection agencies, Ryan said.

PUBLIC OPINION IN SUPPORT OF TAX REFORMS DESIGNED TO FOSTER ACCELERATED CAPITAL FORMATION IN THE INTEREST OF JOBS

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 28, 1975

Mr. KEMP. Mr. Speaker, public opinion is growing increasingly in support of tax reforms designed to foster accelerated capital formation.

The people know the relationship between capital and jobs. They know that assuring adequate capital for investment in new plant and equipment is the key to guaranteeing the existence of current jobs and to encouraging the formation of new ones.

The House Committee on Ways and Means now has before it major legislation on tax reform, much of it designed to remove existing impediments to savings and investment now found in our Federal tax laws.

One of those measures is the Jobs Creation Act of 1975, a bill which I introduced in March and a bill which, after several reintroductions and perfecting amendments, now has over 80 cosponsors in the House. That bill, H.R. 8053, is designed to accelerate the formation of capital needed to assure higher productivity and more jobs. An extensive discussion of capital formation in general and this bill in particular is found in the Record of today during the special orders, and I call it to the attention of all those concerned with the economic situation in our country today.

Support is indeed growing for enactment of capital formation measures. That support is being reflected more every day in the editorials and press comments of the Nation's major publications.

I think it is important we perceive accurately the public posture on this issue. It is one in support of greater capital formation, and the items which follow support this conclusion.

On July 1, the Buffalo Evening News culminated a 3-day series of lead editorials on capital formation in these words:

> The federal government cannot by itself create the capital investment required to keep our American economy robust and growing. But by mounting a determined effort against inflation and by carefully modifying tax and other laws that influence the investment climate, it can and assuredly should help stimulate the formation of private capital so essential to our standard of living.
>
> No society can live indefinitely beyond its means, consume more than it produces, or prosper without thoughtful planning alert to promising new directions.
>
> Congress must reexamine the tax laws, as in fact the House Ways & Means Committee has begun to do, looking toward strengthening several principles for stimulating future investment.
>
> First, the tax laws should seek both to enlarge the investment pool and guide it in high-priority directions. Not only does this mean devising fresh incentives for investments in essential areas but it means closing loopholes which merely shelter wasteful or less useful investment.
>
> Second, the lax laws should do less, over the long run, to encourage borrowing and more to encourage savings and investment.
>
> A third principle that ought to govern tax-law revisions is the desirability of involving more individual Americans in the ownership of equity shares.
>
> So there is no shortage of ideas in setting a fresh course to promote America's real growth in living standards. The toughest chore will be to sort out those ideas in a balanced, coherent program that is effective as well as fair to all elements in our society. This can flow only from a recognition of the problem, an updating of public attitudes and, above all, a change in the political climate that has for too long treated profits as a rip-off, savings as slightly antisocial, and the spending of every cent of income as the highest form of economic patriotism.

On June 22, one of the Nation's largest newspapers, the Los Angeles Times, had editorialized on this issue in these words:

> The need to assure adequate capital formation in the decade ahead must be a paramount consideration in the tax revision legislation which Congress is expected to enact late this year or early in 1976.
>
> The United States reinvests a far smaller share of its national income in new plant and equipment than any other industralized country in the world. Administration economists, backed by most of their brethren outside government, say it is no coincidence that this country's advantage in worker productivity has been slowly but surely eroding.
>
> Efforts also should be made to broaden the base from which investment-feeding savings are drawn.
>
> There may be a temptation for Congress to concentrate on soak-the-rich closing of tax loopholes and new tax cuts for low- and middle-income citizens without doing anything real about the need to encourage capital formation. That would be a distinct disservice to Americans of all income brackets.

That Los Angeles Times editorial followed the nationwide syndication of Nick Thimmesch's column through the Los Angeles Times Syndicate on June 12, entitled, "A Reappraisal of Big Business":

> Profits, as not enough people know, are necessary for investment—expansion and modernization of productive capacity. In recent years, despite headlines about high (gross) profits, the basic manufacturing industries suffered a great decline in net profits, and the earnings slide further in the current recession.
>
> The unhappy result is that the United States is slipping way behind the rest of the industralized world in real economic growth.
>
> Even with population size leveling off, 10 million new jobs must be created in the next five years in the United States. It takes up to $40,000 in capital to create even one job. The best estimate is that in the next 10 years there will be $2.6 trillion available for such investment but that $4.1 trillion is needed.
>
> Curiously enough, an increasing number of labor leaders, the men who learn economics by studying the industries they are trying to extract raises and benefits from, are sharing the concern of executives about industry's ability to expand.
>
> If there is not improvement in the profit-investment situation soon, many of those critics who helped damage the once-marvelous engine will be standing there screaming at it for not providing all the goodies it did in yesteryear.

The Boston Herald Advertiser of April 13, in an article entitled "Low U.S. Capital May Affect Jobs," commented on this subject and how it relates to jobs:

> The U.S. is running low on capital. At stake is your job.
>
> As percentage of its economy, America has less growth capital available than almost all other industrialized countries. Chase Manhattan Bank, the nation's third largest, estimates that we are under-investing in our economy by $400 million each day, and will continue to do so for the next 10 years unless profound changes are made.
>
> If those changes aren't made—in attitudes and in laws—the U.S. will be a second-rate country, or lower, within a decade, as its capital formation declines.
>
> What is this "capital information" that in America has slowed to a trickle? It is the savings of individuals. It is also that portion of corporate earnings which becomes available for re-investment after paying all costs. Those are the only sources of capital and if either the ability or incentive to save is inhibited, there is less capital formation.

Solution is achievable, mostly through revision of the tax laws: Provide inducement for people to save, say a lower tax on interest payments; liberalize depreciation allowances on machines and equipment; give preferential tax treatment to corporate earnings retained for investment and include the service industries; bring the capital gains tax provisions at least to a par with other countries; determine one fiscal and monetary policy and stick with it; do away with controls that restrict or impede the free market economy.

The Reader's Digest of June 1975, in an article entitled, "What Ever Happened to the Nickel Candy Bar?" gave several examples of the ways in which capital relates to jobs:

Let's first consider two basic ways to lower the price of a product. One way is to cheapen the product, lower its quality. But this is a fatal device in a free market—consumers catch on quickly. The other way is to maintain the quality but cut the cost of manufacture. If the product is soup cans, for instance, it means producing more and better soup cans for the time and labor spent. That's what's called improved productivity.

Just ponder, for example, what happens when a mix of technology, planning and worker motivation spells high productivity.

Major manufacturers of hand-held power tools in Germany, Japan and England have not been able to penetrate the American market because high-quality American-made hand tools are competitively lower in price. One of the major forces behind this situation is the Black & Decker Manufacturing Co., of Towson, Md.

The company secret? Better productivity. In part, this comes from the wise investment of funds in new machines and advanced research.

While such improved productivity has paid off in increased sales and profits, it has also paid off for employees. The company payroll in 1958 was $14.5 million for 3,800 employees. Last year's payroll was $165.2 million for 20,700 employees.

And look at the payoff for the consumer: In 1958, Black & Decker's basic electric drill for do-it-yourselfers cost $18.95. Now it costs $10.99. A standard jigsaw that sold for $44.50 in 1958 now costs $11.99. And remember, these price changes occurred during a 16-year period which saw the U.S. Consumer Price Index rise 75.2 percent.

But the productivity payoff can also mean a lot more than new jobs and higher pay. Sometimes it spells survival.

The Indianapolis Star of July 11, made this specific endorsement of capital formation measures including the Jobs Creation Act:

As Congress takes up the problem of tax reform this week, there is reason to hope that an inequitable and impractical feature of our Federal tax system—the corporate income tax—will get a thorough review.

An income tax is paid on money earned by the corporation. That money is taxed again when it is distributed to the corporation's owners in the form of dividends, which are regarded as personal income. It is comparable to a worker's wages being taxed when he earns them, at the end of each working day, and again when he collects them on payday.

Much of the public has been led to believe that the corporate income tax reduces burdens of the individual taxpayer. Treasury Secretary William Simon put it bluntly to the House Ways and Means Committee: "It is naive to think that corporations pay taxes."

The fact is that corporate taxes make tax collectors, not taxpayers, out of corporations. The corporation's tax bill is converted into higher prices for its customers, lower pay for its employees, fewer jobs for the community and lower dividends for its stockholders.

The impracticality of the corporate income tax is especially salient at the present time when government is supposedly doing all it can to reduce unemployment. Billions are being appropriated to create makework jobs which merely shift work from the private to the public sector.

It would be preferable to remove the obstacles to expansion and investment so that Americans can return to real jobs that produce goods and services. A drastic reduction in the corporation income tax would help achieve this. Its abolition would be even better.

While a politician may find it useful to cultivate the myth that "the little guy" is helped by socking it to "big business," it just isn't so and we are pleased to find a politician with the wit and courage to say so.

Rep. Jack Kemp, R-N.Y., has sponsored a bill which eliminates the double taxation of corporate income and achieves other reforms to encourage capital formation. The bill is needed and deserves the support of all parties interested in economic recovery.

Mr. Speaker, the people are remembering that private capital at work means people at work; that private capital not at work means people not at work.

CONGRESSIONAL COVERUP

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 28, 1975

Mr. BADILLO. Mr. Speaker, it is a privilege to insert in the RECORD an article authored by our colleague the Honorable MICHAEL HARRINGTON. The article appeared in the July 26, 1975, issue of the New Republic magazine. I would like to express my continued support for Mr. HARRINGTON, and I hope that this article helps clarify his position.

CONGRESS CIA COVERUP: GETTING OUT THE TRUTH

(By Michael J. Harrington)

(NOTE.—Mr. Harrington is the Democratic congressman from Massachusetts' sixth district.)

If a President engages in a cover-up of government wrongdoing, as happened in the Nixon White House, he can be challenged through the process of impeachment, which amounts to indictment and trial by the Congress. But what do we do if the Congress engages in a cover-up? Individual members can be censured or expelled, of course, but what if the cover-up is institutional, a product of the most time-honored rules and rituals?

This is precisely the problem that confronts us in the unfolding story of CIA and other intelligence agency misdeeds. To be sure presidential decisions and actions are involved here too, but now we have a situation where members of Congress, in their capacity as overseers of intelligence agency operations, had knowledge of the most blatant crimes and improprieties and nevertheless did nothing. The instance I am most familiar with concerns the CIA's accomplishments on our behalf in Chile in the early 1970s. The reactions to that record by those who came to hear of it are a sobering illustration of the great congressional weakness—the habitual reflex of avoidance and acquiescence, masked by the illusion of activity.

In April of last year, CIA Director William Colby appeared at a closed session of Rep. Lucien Nedzi's Armed Services subcommittee on intelligence and described his agency's long-term involvement in the political process in Chile, where a bloody coup against Salvador Allende Gossens in September 1973 had led to the installation of a military dictatorship. Mr. Nedzi had called Colby in at my urging, so naturally I wanted to know what the director had to say. Not being a member of Armed Services, I had to make special arrangements to view the classified transcript in the committee offices—the privilege of any House member—and after some initial difficulties with the staff there, I got my first look at the material on June 4. What it said left me appalled.

The authorization of bribery, the funding of political factions and propaganda campaigns, the fomenting of strikes and demonstrations, a myriad of destabilizing actions—all directed against the duly elected leader of Latin America's most sophisticated democracy—are now matters of public record. Not only does that record indicate violations of standing treaties and other affronts to Chilean sovereignty; it also shows that President Nixon and Secretary Kissinger had lied repeatedly to the American people about our involvement there and that some administration figures had apparently perjured themselves on the matter before certain committees of Congress.

Determined to get some congressional action that would bring these things to light, I approached Mr. Nedzi and asked him what he planned to do with this information. He replied with a philosophical shrug. He has taken the testimony as I asked—what more could one do? This informaion, after all, was secret.

Knowing full well from my short-term experience as a member of Armed Services (ending in 1973) that Chairman F. Edward Hébert would be even less inclined to pursue the matter than Mr. Nedzi, I spoke with several subcommittee chairmen of House Foreign Affairs, of which I am now a member, and then with some of my staff. I also sought the advice of Larry Stern of *The Washington Post*, a personal friend who clearly understood that the story was not to be released. But the reactions of the subcommittee chairmen and other Foreign Affairs colleagues, though generally sympathetic in tone, were equally lacking in commitment. Yes the Chile story sounded pretty bad, but that was the province of another committee and besides, the information was secret.

I finally wrote to "Doc" Morgan, chairman of the full committee, and to Senator Fulbright. In those two long letters of July 18, I reviewed Colby's April testimony and argued that "the Congress and the American people have a right to know what was done in our name in Chile . . . I urge you to turn this matter to the attention of the Foreign Relations [Affairs] Committee for a complete, public investigation. . . ." I pointed out that the Forty Committee, the interdepartmental body chaired by the President's national security adviser, had authorized the expenditure of about $11 million between 1962 and 1973 to help block Allende's election and then to "destabilize" his government after he won.

"The agency's activities in Chile were viewed as a prototype, or laboratory experiment," I noted, "to test the techniques of heavy financial involvement in efforts to discredit and bring down a government." I gave a general breakdown of the amounts authorized from 1962 through 1973, and explained to the respective chairmen that since acquiring this information I had tried to persuade well-positioned colleagues to pursue the facts but that nothing seemed to be happening. I said I was writing to them as a last resort. Rep. Morgan did not answer my letter. Sen. Fulbright replied, but not very substantively, suggesting that the real solution to the problem was the establishment of a joint committee on oversight.

I felt ambivalent at this point as to how I ought to proceed—I did want to stick with the congressional process but could see no obvious lines to follow. At any rate the matter was set aside in my preoccupation with the summer's major event: the impeachment proceedings of the House Judiciary Committee. Then on September 6, Seymour Hersh of The New York Times called me up to inquire about the context in which those letters had been written, saying that he had a copy of one of them. I told him I didn't want the issue raised in this manner and, suspecting he may only have heard a rumor, I said I wouldn't comment on the substance of the letter until I saw his story in print. He assured me I could read it in the Times on Sunday, two days later, which I did.

Shortly thereafter Mr. Nedzi asked me to appear before his Armed Services subcommittee to account for the egregious leak. I explained to the group, meeting against my objection in closed session, that the Times had not gotten the story from me or my office. But this was not satisfactory, for the point was raised that House Rule XI, Section 27(o) says that no evidence or testimony taken in secret session may be released or used in a "public session" without the consent of the committee. A further issue was the pledge I had to sign in order to read the Chile material, which said that classified information would not be divulged to any unauthorized person. Unauthorized persons, the ensuing exchange made clear, included other members of Congress.

This meeting did not maintain the highest level of discourse—one member compared me to Benedict Arnold—but I tried to make to the subcommittee a distinction between genuine concern for the national security and the facile use of that label to cover official acts of duplicity and illegality. Suggesting this distinction was one of the principal lessons of Vietnam and Watergate, I maintained that the cover-up of US actions in Chile was yet another case of national security's fraudulent application. My remarks did not set well with the subcommittee.

Nevertheless the storm seemed to pass. The next day I wrote to Mr. Nedzi asking that a transcript of the session we had just completed be made available to me when it was prepared. The letter was never answered, and I concluded that Armed Services had decided to drop the matter. I went off to campaign for reelection.

Meanwhile Mr. Hersh had turned over another rock, and in December and January wrote a series of stories alleging that the CIA had conducted a program of massive surveillance of American citizens in direct violation of its charter.

Although cynics might have suggested that this only amounted to bureaucratic overlap with the FBI, the revelation jolted Congress in a way that harassment and assassination of foreigners never seemed to—possibly because some reports charged that the agency had snooped on senators and representatives. In any case hard on the heels of the President's establishment of the Rockefeller commission, the Senate voted to set up a select committee to investigate the full range of US intelligence activities. I proposed formation of a similar committee in the House, and after a month-long minuet of maneuver and delay we had a select committee, too. I felt pretty good about it until the Speaker announced his choice for chairman—Lucien Nedzi.

Lucien Nedzi, the man who had sat on his hands as chairman of that permanent subcommittee on intelligence since 1971, who had listened to the agency horror stories about the bludgeoning of a democracy in Latin America without so much as a murmur to his colleagues—this was the man assigned to conduct the special investigation that would logically include his own lack of action as a subject of inquiry. I went to the floor of the House on the day his chairmanship became official and said I thought it was an outrage. This indiscretion, I was told later by horrified staff and colleagues, was not likely to advance my career—I had been given a seat on the committee myself and would therefore have to work with him—but I felt it had to be said.

Other members of the select committee later came to agree with me. The press really had the scent by now, and it soon came out that Nedzi, as chairman of that Armed Services subcommittee, had been briefed on CIA assassination plots more than a year before and, once again, had done nothing. With this news in hand, the select committee Democrats rebelled, demanding a different chairman. But Speaker Albert balked at dealing with the controversy, advising patience, and the full House later gave Nedzi a resounding vote of confidence by refusing to accept his resignation. This left Nedzi in charge of a committee with which he refused to work, and the investigation came to a standstill.

A major reason for that vote and the subsequent selection committee stalemate is what was happening back at Armed Services. Curiously that committee's leadership decided to take up the question of my access to its classified files—stemming from the Chile controversy nine months before—at the very moment when Mr. Nedzi's failure as an overseer of intelligence operations had come to national attention. On June 10, five days after the New York Times broke the story of Nedzi's inaction on assassination schemes and at the height of the controversy over his remaining as Select Committee chairman, House Armed Services met in an improperly announced closed session and, without a quorum present, voted unanimously to bar me from further access to its files. No notice had been given me that this action was being considered—in fact I didn't find out about it until two days later.

I won't dwell on the several ways in which this action, reaffirmed at a later date by a narrow majority of the total committee, was itself a violation of House rules, except to say that a committee cannot take away the privileges a congressman holds under the rules of the House as a whole—one such privilege being access to all committee records, regardless of committee membership. A more telling point is the action's glaring hypocrisy.

Columnist Jack Anderson, for example, was quick to say that he has received leaks of classified information from many members of House Armed Services on many occasions—"I have no difficulty getting secrets out of that committee when I want them," he said. There are tolerable leaks and intolerable leaks, apparently, and the characterization depends not on the strict dictates of the rules but on the current interests of the committee leadership or the Executive branch.

The Armed Services action was perfectly timed to shift the focus of debate on the handling of classified material from Lucien Nedzi to Michael Harrington. And at least over the short term, the tactic seems to have worked. Certainly it contributed to the outpouring of affection for the harried select committee chairman who just happened to have his resignation considered by the House on the day of the second Armed Service vote against me. From the swirl of publicity over another member's endangering of the nation's defenses, Mr. Nedzi was borne up on wings of angels. The vote was 290 to 64.

If one takes a step back from all of this, what emerges is not a narrow controversy over a chairmanship and a member's prerogatives, but a pattern of congressional acquiescence in the seductive game of shared secrets. It starts with the pleasant feeling of being privy to things unknown to the ordinary citizen, but it works very much like blackmail. The more you know about dubious secret operations, the more you are responsible for hiding, and the more you hide, the tighter the grip of the State Department or the CIA or the Pentagon. A large part of Lucien Nedzi's problem is that he got to know so many and such distasteful secrets that he was effectively bound and gagged by them.

There are only two ways to avoid that position. You can stick your head in the sand and let the administration handle such things, or you can challenge the terms of the game itself, for the game is basically a fraud. Certainly the United States needs a first-rate intelligence gathering system, and maintaining that system will require that we keep some secrets. But the acceptance of a classification system gone wild—the mindless rubber-stamping of every conceivable piece of information with the national security label—has obscured the distinction between legitimate intelligence gathering and manipulation of people and institutions. It has provided the cover for almost every kind of crime and impropriety at home, and it has sanctioned covert adventures overseas that have done tremendous damage to our international standing.

After 10 years of Vietnam and the Watergate affair, the American people understand this. They know that their leaders have lied routinely, cloaking arrogance and bullying and greed in terms of the national interest. They know that a secret agency that can overthrow a foreign government is a threat to democracy here. They know that a Congress that will turn away or masquerade to hide those kinds of actions can also dissemble in its handling of just about anything else. The Congress knows this, too, but refuses to admit it. And that is why the House investigation of US intelligence operations will remain a touchy undertaking no matter who is doing the investigating. In the back of every member's mind is the uncomfortable sense that the biggest scandal in the sordid story of CIA wrongdoing is the failure of effective oversight—the cover-up by the Congress.

POPULATION STABILIZATION BY VOLUNTARY MEANS: A WORLD NECESSITY

HON. SPARK M. MATSUNAGA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Monday, July 28, 1975

Mr. MATSUNAGA. Mr. Speaker, only 7 years ago, a book was published which caused many Americans to become deeply concerned about the future of this country—indeed, of the world. Professor Paul Ehrlich's "The Population Bomb," described the dire effects of population growth on the world's resources, and his predictions were very sobering.

Because Mr. Ehrlich's predictions still remain valid, I was pleased to reintroduce last week, together with the gentleman from New York (Mr. HORTON), a joint resolution calling for the development and implementation of a national policy to stabilize U.S. population by voluntary means.

At the present rate of growth, world

population is expected to double in 30 years. Yet, under the hypnosis of the phrase "baby bust," coined to describe recent drops in birth rate, many Americans have tended to attribute the population problem to the underdeveloped countries. It is true that America's current fertility rate is the lowest our statistics have recorded, and while this isolated fact is encouraging, other considerations indicate that celebration is premature. For America constitutes only 5 percent of the world's population, while consuming a third of the world's resources. Mr. Speaker, how long can we continue this high rate of consumption, even if our population increases at a lower rate?

Other demographic considerations are grim. At present, the fertility rate is 14.9 per thousand, yet this figure still greatly exceeds the death rate of 9.1 per thousand; consequently, U.S. population is still increasing by 1.2 million annually by natural means. An additional 400,000 legally immigrate to our country annually, and estimates of illegal immigrants run as high as 1 million a year. Even if this latter figure is exaggerated, I am sure that my colleagues will understand that the current low fertility rate has hardly stemmed the population increase. If we are to retain our quality of life, a sound national population policy, such as our joint resolution calls for, is imperative.

One aspect of American life for which we are all grateful, is the advanced medical technology which our doctors practice. Partly as a result of preventive medicine techniques, and partly as a result of improved economic factors, the postwar years of 1946–63 witnessed an unprecedented "baby boom." Many born during that period have reached their reproductive years and, consequently, could trigger a second "baby boom" simply because the number of childbearers increased. Current estimates project the number of fertile women to be 50 million in 1980.

Unless measures such as this resolution are enacted—and acted upon—the results could be literally tragic. Will we have the resources to sustain these new lives?

Surely it is not difficult to understand that an inverse relationship exists between the quality of life and population growth. Indeed, it has been remarked that none of the world's problems can be solved unless population is controlled. Scientific research has repeatedly demonstrated that animals placed in a crowded environment become violent and show signs of psychological strain. The implications for our teeming urban areas are readily apparent: schools become less efficient institutions; the scarcity of jobs causes frustration; and privacy becomes a luxury. More subtle, perhaps, is another effect of unchecked population growth: If our finite resources have to be divided among more and more people, cultural variety will inevitably decrease; mass production mentality will prevail over individual considerations.

Mr. Speaker, it is indeed a bleak picture I have described; but I am confident that legislation such as this voluntary population stabilization resolution can help to check a potential disaster.

Although the measure is not an end in itself, it is a sound and much-needed beginning. While it calls for a national policy on population planning, it clearly emphasized that such planning will be purely voluntary. It is not our intent to prescribe any method to coerce couples into bearing fewer children. Rather, we believe it imperative to explore such vital areas as more sophisticated contraception and family planning to present couples with the alternatives available to them, and to encourage them to consider the widespread repercussions of their decisions on the ecosystem.

Having recognized that a stabilized population is necessary for a healthy environment, the resolution also insists upon Government's respect for human choice and individual conscience. These last two considerations must be preserved if American democracy is to survive.

Mr. Speaker, the population bomb has not yet been detonated. I appreciate this opportunity to present this resolution to my colleagues, and I urge them to act decisively for the well-being of our Nation and the survival of our planet. At this point, Mr. Speaker, I include the text of the joint resolution:

H.J. RES. 125

Joint resolution to declare a United States policy of achieving population stabilization by voluntary means

Whereas continued population growth beyond that already inevitable brings no social or economic benefits to our society, and

Whereas continued population growth magnifies social, economic, and political problems and, in conjunction with uncontrolled technology and high levels of per capita consumption, causes pollution and degradation of the environment, and

Whereas all citizens of the United States seek a world with healthy environment, clean air and water, uncluttered land, copious open spaces, natural beauty, and wilderness and wildlife in variety and abundance, in which the dignity of human life is enhanced, and

Whereas stabilizing population, concurrent with other measures to solve the problems of poverty, discrimination, urban decay, and environmental deterioration, would enhance the well-being of the people of our Nation, and

Whereas adoption of a national policy of population stabilization would lend credibility to the United States efforts to encourage solutions to the explosive population growth which, throughout the less developed world, obstructs economic progress, creates massive unemployment, and perpetuates widespread malnutrition and poverty, and

Whereas the demographic profile of the United States requires that population stabilization can only take place over a period of decades, and

Whereas delaying development of public policies to stabilize population magnifies the problems and the cost of their eventual solution, and

Whereas the provision of accurate and objective knowledge about the implication of demographic phenomena for our society will enhance the ability of individuals to make rational choices and decisions, and

Whereas more effective coordination of Federal programs related to population is necessary to insure their effective implementation: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the policy of the United States to encourage, develop, and implement, at the earliest possible time, policies which will, by voluntary means consistent with human rights and individual conscience, move to stabilize the population of the United States and thereby promote the future well-being of the citizens of this Nation and the entire world.

NATIONAL BATON TWIRLING WEEK

HON. MARTIN A. RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 28, 1975

Mr. RUSSO. Mr. Speaker, I would like to bring to the attention of all my colleagues that this is National Baton Twirling Week. Combining the excitement of competition and the fun of traveling, youngsters from all over the country have gathered in South Bend, Ind., this week for the national finals. The winners will receive many coveted prizes and awards, but perhaps most importantly, the esteem of their fellow twirlers. While the losers will not receive any trophies, they possess the knowledge of having given their best in a spirited effort.

All of us have viewed these dedicated young people, resplendent in their colorful uniforms, marching down the main streets of every American city and town. Few of us realize how much hard work, energy and coordination this graceful exercise requires. Hours of individual practice on a single maneuver, which must then be incorporated into an entire routine take place before the twirlers meet and coordinate their styles in a group effort.

In addition to providing entertainment for millions of people, baton twirling also promotes rehabilitation of the physically handicapped. The dexterity a handicapped person gains from twirling a baton advances him or her that much closer to the goal of complete recapture of his/her physical movement.

We should also pay tribute to the organization that has coordinated this week's activities in South Bend, America's Youth on Parade. Organizing this year's program is Mr. Don Sartell, national director of the National Baton Twirling Association. He has served as the national director since he founded the association in 1945. Planning this major event requires an extraordinary amount of work and time on the part of many outstanding people. Without these hard-working individauls, dedicated to helping America's youth, these youngsters might have turned to less desirable pursuits. But thanks to these concerned adults, the program has flourished from its inception.

I am including a copy of the proclamation of National Baton Twirling Week as part of my remarks so that everyone can appreciate the achievements of this fine organization:

PROCLAMATION—NATIONAL BATON TWIRLING WEEK, JULY 27 TO AUGUST 2, 1975

Whereas, the baton twirling movement has affected the lives of American girls and boys, and now has nearly one million active participants, and

Whereas, baton twirling has been instrumental in building the confidence and character of these young people, and has provided guidance and training so that they might become better qualified citizens, and

Whereas, the art of baton twirling is today the second largest nationwide beneficial youth movement for girls, and

Whereas, baton twirling plays an important part in children's hospitals as a unique and effective method of physical therapy, and

Whereas, baton twirlers lend so much color and inspiration to our community celebrations, parades, school events and other activities, and

Whereas, champion twirlers from all of the United States will gather at the University of Notre Dame in August to conduct a colorful youth pageant called "America's Youth on Parade";

Now, therefore, I, do hereby proclaim the week of July 27 to August 2, 1975, as National Baton Twirling Week and do urge our citizens to support the colorful and beneficial youth movement of baton twirling, which is of such importance to the youth of our state and to youth everywhere.

HOUSE OF REPRESENTATIVES—*Tuesday, July 29, 1975*

The House met at 10 o'clock a.m.

Rev. David H. Smith, Walker Chapel United Methodist Church, Arlington, Va., offered the following prayer:

O living God, we feel keenly the burdens we bear and share in this distinguished Chamber.

We carry obligations to serve the people who sent us here.

We also know times when candor and conscience lead us in directions that conflict with the masses we represent.

There are moments when Your awesome presence reminds us that we are being tested by eternity as well as time, by all humanity as well as by the people next door.

We need Your direction. Bring us clarity of vision; openness to truth; loyalty to the highest we know; and the good warm feeling that surges within when we have offered our best.

In Your keeping we place this day with confidence, hope, and thanksgiving.

Blessed be Your name. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

REV. DAVID H. SMITH

(Mr. WAMPLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WAMPLER. Mr. Speaker, I take this time to thank our visiting Chaplain-of-the-day for the inspiring prayer with which he has commenced the work of the House of Representatives this morning.

Rev. David Hammond Smith is a native of Montgomery County in my congressional district. He was born in Cambria, which has since merged into Christiansburg. He is the son of Mr. and Mrs. Charles R. Smith, both deceased. His father was mayor of Cambria, and his mother was somewhat of a pioneer in professional attainment of women—she was a director of the Bank of Cambria.

Reverend Smith graduated from the Christiansburg High School and the Randolph-Macon College. He took his theological training at Vanderbilt University and Union Theological Seminary.

His pastorates have included Windsor Hills in Roanoke, Wesley Memorial in Charlottesville, LeKies Church in Norfolk, and Epiphany Church in Vienna—all Methodist congregations in the State of Virginia. Reverend Smith is presently pastor of Walker Chapel United Methodist Church, a beautiful and historic church just up Glebe Road from Chain Bridge across the Potomac River.

Last summer Reverend Smith was an exchange pastor at a church in Cornwall, England, as he had been at Nottingham, England, in the summer of 1971. He serves on the Virginia Conference Board of Higher Education and Campus Ministry. He is chairman of the Committee on Continuing Education, and he is secretary of the Regional Board of Virginia Methodist Homes (Hermitage).

Rev. David Smith is married to the former Julia Gattis, a charming and talented native of Tennessee, and they are the parents of a son, Neel, who will enter Harvard this fall, and a daughter, Sally, age 15.

I want to thank our beloved House Chaplain, Dr. Ed Latch, for permitting Rev. David Smith to offer this opening prayer today, and I thank them both for helping to make this a better day for us all.

WHITE HOUSE INCORRECT ON BUDGET DEFICIT

(Mr. ADAMS asked and was given permission to address the House for 1 minute, to revise and extend his remarks and to include extraneous material.)

Mr. ADAMS. Mr. Speaker, I take this time this morning to reply to the stories that emanated yesterday from the White House press conference regarding the status of the budget. There was a scare headline which indicated that the Congress was running an $88 billion deficit. This simply is not correct.

The action of the House to date is $3.5 billion below the concurrent resolution deficit figure, which was $68.2 billion. I will be sending to my colleagues today a report on each of the appropriation bills indicating what has been put forth by the House, what it compares to in the concurrent resolution, and what items are still open.

The only area in which there may be a difference is in the estimates made by the President as to the amount that would be spent on programs that are dealing with the recession. When we do not pass the stimulus programs or cannot override the vetoes then the recession continues and the spending for unemployment compensation, food stamps, and so forth, will rise. We will have those estimates for the Members of the House by the month of September when the Members come back from recess.

Mr. Speaker, I have asked unanimous consent to include the status report on the concurrent resolution and the appropriation bills which have passed the House to date, and such estimates as we have on outlays with problem areas.

EFFECT OF HOUSE ACTION ON BUDGET RESOLUTION TARGETS

[In billions of dollars]

Budget authority	Assumed in budget resolution	Current House status	Difference—over(+), under (−) budget resolution
Permanent, prior year balances and off-setting receipts	135.2	132.3	−2.9
Enacted	.7	2.9	+2.2
Passed House	137.4	132.2	−5.2
Total	273.3	267.4	−5.9
Outlays:			
Permanent, prior year balances and offsetting receipts	199.4	199.8	+.4
Enacted	9.9	10.3	+.4
Passed House	81.8	77.5	−4.3
Total	291.1	287.6	−3.5

WHAT HOUSE HAS DONE TO DATE ON APPROPRIATION BILLS

[In billions of dollars]

	President's request		Assumed in budget resolution		House passed		House passed over (+) under (−) budget resolution	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlay
Education Division (H.R. 5901)	3.8	1.3	5.3	1.8	4.9	1.7	−0.4	−0.1
Legislative (H.R. 6950)	.9	.8	.9	.8	.8	.7	−.1	−.1
Labor, HEW (H.R. 8069)	36.2	28.6	36.5	29.0	36.0	28.5	−.5	−.5
HUD, independent agencies (H.R. 8070)	51.4	18.6	51.7	18.8	51.3	18.5	[1] −.4	−.3
State, Justice, Commerce and Judiciary (H.R. 8121)	5.6	4.0	6.0	4.2	5.7	4.0	−.3	−.2
Public Works (H.R. 8122)	7.1	3.8	8.1	4.7	7.2	3.9	−.9	−.8
Transportation (H.R. 8365)	4.1	3.1	3.9	3.1	3.7	2.9	−.2	−.2
Agriculture (H.R. 8561)	11.1	7.8	13.6	9.8	10.4	6.5	[1] −3.2	−3.3
Interior (H.R. 8773)	4.0	2.8	4.3	3.0	4.1	2.8	−.2	−.2
Treasury-Postal Service (H.R. 8597)	6.3	5.9	6.5	6.1	6.3	5.9	−.2	−.2
Continuing resolution (H.J. Res. 499)	0	1.6	0	2.1	2.0	2.0	+2.0	−.1
Subtotal	130.5	78.3	136.8	83.4	[2] 132.4	[2] 77.4	−4.4	−6.0
Defense [3]	96.3	66.6	89.5	62.6				
Military construction [3]	4.1	.8	3.8	.7				
District of Columbia [3]	.5	.4	.5	.4				
Foreign aid [3]	3.8	1.0	2.6	1.3				
Subtotal	104.7	68.8	96.4	65.0				
Total	235.2	147.1	233.2	148.4				

BUDGET PROBLEMS

[1] For example foodstamps, school lunch and Veterans' entitlements expenditures may be underestimated by several billion.

[2] Senate and Conference action can increase these amounts.

[3] The House and Senate must hold Presidential requests for these bills to concurrent resolution figures.

RENEWED CALL FOR ARMED SERVICES HEARINGS

(Mr. DOWNEY of New York asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOWNEY of New York. Mr. Speaker, yesterday afternoon, as a result of the unraveling reports of widespread testing of hallucinogens, the Army announced the suspension of its testing program at its Edgewood Arsenal. In light of this latest, most serious development, I renew my call for hearings by the Armed Services Committee to investigate these curious episodes.

If these revelations and the questions raised by them are serious enough for the Army to halt its testing program, certainly they are of enough concern for the committee to look into this program before it is resumed. It is time that this House and the American people determine the nature and extent of these drug testing programs. We must get this information out in the open and the Congress must make an intelligent determination of what our policy is to be. I hope the Armed Services Committee acts responsibly and promptly to get the facts on the table.

PERMISSION FOR COMMITTEE ON RULES TO FILE PRIVILEGED REPORTS

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The **SPEAKER.** Is there objection to the request of the gentleman from Missouri?

There was no objection.

POLITICS AND HARD TIMES

(Mr. CONABLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONABLE. Mr. Speaker, yesterday two top administration figures warned that Congress may push this year's budget deficit to $88 billion.

This should be bad news for those who in recent weeks have been voicing alarm about the economic future of the country, but there may be some majority Members here in Congress who are privately delighted to see deficits of this magnitude. Their reasoning?

First, that $88 billion buys lots of Federal programs with surface-level political sex appeal which Members can claim credit for bestowing on their grateful constituents;

Second, that with deficit figures of this unbelievable magnitude, modest discipline on a day-to-day basis does not offer much immediate hope, and so can be ignored; and

Finally, that an $88 billion deficit virtually insures such economic hard times in the fall of 1976 that voters will turn against the President in protest.

But, Mr. Speaker, the American people are more perceptive than such reasoning would acknowledge.

The President's vetoes prove that he firmly opposes this ballooning deficit. American voters are smart enough to figure out that it is the Democratic leadership in this Congress—or the lack of it—which is watering down the value of hard-earned dollars with deficit spending, and then trying to cover up by proclaiming that it was done on behalf of the voters.

I am confident that the voters will put the blame for bad economic conditions squarely where it belongs—on the Democratic majority in Congress.

CONGRESSIONAL ACTION WILL LEAD TO HIGHER DEFICIT

(Mr. CEDERBERG asked and was given permission to address the House for 1 minute and to revise and extend his remarks and to include extraneous material.)

Mr. CEDERBERG. Mr. Speaker, I have just listened with interest to the gentleman from Washington, the chairman of the Budget Committee for the House (Mr. ADAMS), and I just have to disagree with the statements he has made because the indications that I have are that while the budget estimate for February deficit was $51.9 billion, we have taken certain actions, other congressional actions, which will add $5.8 billion to the $2.3 billion, which gets us to $60 billion right there.

There are other actions, including appropriation bills and authorization bills, that total up to possible congressional increases—we cannot say definitely because they have not been finalized—of about $27.8 billion, for a potential deficit of $87.9 billion this year. The Congress has not completed its work by any means, and we are coming back after the recess to take up a lot of these bills. I am sure the Congress will probably even add to it further.

So, Mr. Speaker, I am not very optimistic that we are going to be able to hold the line at the $68 billion that has been proposed by the Budget Committee, and certainly the $60 billion proposed by the President is already out the window. I think we are looking for the possibility of outlays, and I am talking about outlays, of something in the area of a deficit of at least $80 billion plus.

Mr. Speaker, the status report on the budget deficit follows:

STATUS REPORT ON THE BUDGET DEFICIT

[I [1] billions]

	1976	TQ	1977
February budget estimate	51.9	9.8	30.6
Changes to date:			
Congressional action or inaction	5.8	.9	1.0
Other changes	2.3	−1.0	1.9
Current estimate	60.0	9.7	33.5
Possible congressional increases:			
Failure to act on reduction proposals	7.6	2.5	8.3
Appropriations bills:[1]			
Education	.5	.1	.8
Labor-HEW	.5	.1	.3
Public works	.1	.1	.1
All other	−.1	−.1	−.2
Subtotal, appropriations	1.0	0.2	1.0
Authorizations bills:			
Extension of 1975 Tax Reduction Act	4.1	2.2	12.9
Moratorium on OCS leasing	6.3	1.6	7.4
School lunch and child nutrition	1.0	.2	1.1
Health insurance for unemployed	1.6	.2	.4
Countercyclical assistance for State and local governments	1.4	.4	1.4
Public service employment		.3	2.2
Public works employment	.5	.2	1.8
Change in funding for naval petroleum reserve	.3	.5	2.5
Education of the handicapped	.4	.3	1.0
Postal Service increases	1.9	.5	1.9
Military procurement reductions	−1.3	−.5	−1.0
Other	3.1	1.3	4.9
Subtotal, authorizations bills	19.3	7.3	36.6
Total, possible congressional increases	27.8	9.9	45.9
Potential deficit (1975—43-45)	87.9	19.6	79.4

[1] Includes only bills on which some congressional action has been taken. Excludes DOD, military, military construction, foreign aid, and District of Columbia.

CALL OF THE HOUSE

Mr. CHARLES H. WILSON of California. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 446]

Anderson, Ill.
Andrews, N.C.
Bedell
Bell
Boggs
Brown, Calif.
Chisholm
Clay
Conyers
Dellums
Diggs
Dingell
Downing, Va.
Duncan, Oreg.
Eckhardt
Esch
Eshleman
Ford, Mich.
Ford, Tenn.
Fraser
Gibbons
Hayes, Ind.
Hébert
Heckler, Mass.
Hefner
Heinz
Henderson
Horton
Jarman
Landrum
Macdonald
Matsunaga
Neal
Pepper
Rangel
Risenhoover
Roncalio
Rosenthal
Runnels
Scheuer
Stokes
Teague
Udall
Waxman
Whitehurst
Wiggins
Young, Alaska

The SPEAKER. On this rollcall 387 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PERMISSION FOR MANAGERS TO FILE CONFERENCE REPORT ON H.R. 8597

Mr. STEED. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the bill (H.R. 8597) making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

MAKING IN ORDER ON TOMORROW OR ANY DAY THEREAFTER CONSIDERATION OF CONFERENCE REPORT ON H.R. 8597

Mr. STEED. Mr. Speaker, I ask unanimous consent that it be in order in the House on tomorrow or any day thereafter to consider a conference report on the bill (H.R. 8597) making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, would the gentleman from Oklahoma tell us what his last unanimous-consent request to take up was, and on what day?

Mr. STEED. If the gentleman will yield, it was a unanimous-consent request for tomorrow or any day thereafter.

Mr. ROUSSELOT. And do I understand that this would be the conference report on the appropriation bill on Treasury-Post Office?

Mr. STEED. That is correct.

Mr. ROUSSELOT. This is the one that includes the provision for a huge postal deficit?

Mr. STEED. That is right.

Mr. ROUSSELOT. Mr. Speaker, so that we have adequate time to know what is in this conference report, could the gentleman from Oklahoma tell us why we could not take it up Thursday or Friday? What is the rush?

Mr. STEED. This is done with the consent of the leadership of the House in order to get the House in as good a posture as possible, to expedite the business of the House prior to the adjournment of the House.

We have substantial agreement on the conference report, and if everything goes according to plan I believe that before the afternoon is over we will have the conference report finished.

We can then give the gentleman a copy as to what the principal changes are so that the gentleman will know exactly what is in it.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, I thank the gentleman for his offer. May I ask the gentleman from Oklahoma how many points in disagreement there are so far, even though the conference report is not completed?

Mr. STEED. There were over 41 amendments in disagreement, and over 30 of them were technical and routine amendments.

Mr. ROUSSELOT. How many major points of disagreement are there between the House and the Senate?

Mr. STEED. Most of the disagreements were over the question of money, and the language of the House bill on the General Services Administration dealing with taking care of public buildings and the rental of space.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, I would ask the gentleman from Oklahoma whether the main difference between the House version and that of the Senate is that the other body is carrying out its normal activity of adding extensive amounts of money to the bill; is that correct?

Mr. STEED. If the gentleman will still yield, I think the way it looks now that we ought to be able to bring the conference report back in at a little less than when it left the other body, and maybe a little more than we had in it.

Mr. ROUSSELOT. Knowing how much "little amounts" mean to the other body, what are we talking about in add-on costs?

Mr. STEED. Of course I cannot tell the gentleman from California exactly as of this moment, but the main item would be the $65 million for the rebuilding fund for the General Services Administration, which is in the budget. We are trying to talk them into agreeing to about half of that amount for the first stage of that, and if we are able to do that then we will be considerably under the budget.

Mr. ROUSSELOT. Further reserving the right to object, Mr. Speaker, did the Senate add any more to the deficit of the Post Office?

Mr. STEED. No. I think they accepted the House figure.

Mr. ROUSSELOT. I appreciate the gentleman's yielding. If we objected to his unanimous-consent request, what would be the earliest date we could bring the appropriation to the full House?

Mr. STEED. We would be prepared to do it tomorrow if permission is granted because we will be through here early this afternoon on the conference. I feel sure of that because we have got almost everything agreed on already.

Mr. ROUSSELOT. I thank the Chairman, and appreciate his willingness to detail some of its financial aspects.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to

the request of the gentleman from Oklahoma?

There was no objection.

PERMISSION FOR COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT TO SIT DURING HOUSE SESSION TOMORROW

Mr. FLYNT. Mr. Speaker, I ask unanimous consent that the Committee on Standards of Official Conduct be permitted to sit tomorrow during proceedings and during general debate and under the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON PUBLIC LANDS TO SIT DURING HOUSE SESSION TODAY AND THURSDAY

Mr. MELCHER. Mr. Speaker, I ask unanimous consent that the Public Lands Subcommittee may meet this afternoon and Thursday afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

PUBLIC HEALTH SERVICES ACT—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER. The unfinished business is the further consideration of the veto message of the President on the Senate bill (S. 66) to amend the Public Health Service Act and related health laws to revise and extend the health revenue sharing program, the family planning programs, the community mental health centers program, the program for migrant health centers and community health centers, the National Health Service Corps program, and the programs for assistance for nurse training, and for other purposes.

The question is: Will the House, on reconsideration, pass the Senate bill, the objections of the President to the contrary notwithstanding?

The Chair recognizes the gentleman from West Virginia (Mr. STAGGERS).

Mr. STAGGERS. I rise in support of the legislation and urge that it be adopted, the President's views to the contrary notwithstanding.

This legislation originally passed the House at the end of the 93d Congress as two separate measures, one supporting health revenue sharing and health services programs, and another supporting nurse training programs. They were pocket vetoed by the President after adjournment. In the 94th Congress the legislation originally passed the House as three separate bills: H.R. 4925, supporting health revenue sharing and health services on June 5—final passage was by voice vote but a motion to recommit was defeated by a vote of 352 to 9; H.R. 4114, supporting the National Health Service Corps on May 7 by vote of 399 to 4; and H.R. 4115 supporting nurse training on May 7 by vote of 384 to 7. The conference report, House Report 94–348, was agreed to by the House on July 16 by a voice vote.

The legislation continues existing authorities for health revenue sharing with the States, family planning, community mental health centers, migrant health programs, community health centers program—commonly known as neighborhood health centers—rodent control, the National Health Service Corps, and nurse training. The total authorizations for all of these programs, approximately $2 billion, is almost exactly $500 million less than was included in the separate measures vetoed by the President at the end of the last Congress. The authorizations agreed to in conference are also $5 million less than the House bill and $500 million less than the Senate bill as originally passed. More than 96 percent of the authorizations are to extend support, at approximately the 1975 level, through fiscal years 1976 and 1977 for existing, well-established programs created by the Congress during the 1960's.

S. 66 differs from other legislation which has been vetoed by the President during this Congress in several respects. First, it does not create new spending programs but simply extends the legislative authority for programs which have existed for as long as 12 years. Therefore, it does not violate the President's ban on new spending legislation in 1975. Second, it does not contain authorizations of appropriations which, even if they were fully appropriated, would violate the congressional budget and therefore cannot be considered a fiscally irresponsible or budget busting piece of legislation. Third, it has, with the sole exception of the administration, unanimous support in every respect from every witness who has been heard with respect to the legislation.

If this legislation is not passed into law, Federal assistance for programs which are presently serving millions of sick Americans will end. Many of these programs will close, others will operate with severe curtailment of their services. The National Health Service Corps will be unable to expand and place physicians and dentists in new communities in need of them. Nursing schools will cease to receive Federal support and will in some cases close and in other cases clearly have to reduce their curriculum or enrollment. States will cease to receive support with their public health services and have to curtail them. Migrant health programs, often the only source of health care for migrants, will close.

The legislation does not create new programs, it is not expansionary. It simply seeks to continue in effect Federal policy made by the Congress over the last decade and supported by all who know of it. It is good legislation which provides support for needed health care for all Americans. I urge its overwhelming adoption.

I reserve the balance of my time.

I yield 5 minutes to the gentleman from Ohio (Mr. DEVINE), the ranking minority Member.

Mr. DEVINE. Mr. Speaker, when the health revenue sharing and health services bill first came to the attention of the House, I pointed out several disturbing things about it, some having to do with program content and some having to do with excessive authorizations. The original bill covered entirely too much ground, including programs which have almost universal approval with programs which have limited support.

Later, when the bill came back from conference with $100 million worth of extra, categorical programs tacked on, I protested the addition on both program and fiscal grounds.

As we all know, the bill was pocket-vetoed.

This year, the Subcommittee on Health and Environment, in working over the bill for another run, tried to meet the budgetary problems as far as possible. I say as far as possible because there were certain programs included, such as Community Mental Health Centers, which were not acceptable to the administration at any funding level. In such cases, it is clearly a matter of policy rather than money. At the same time, the subcommittee did include most of the last minute hang-ons which plagued the bill in its final form the year before. This was done without any searching examination of those extra, categorical programs. You will no doubt recall that I offered a motion to recommit the bill to the Commerce Committee so that the various programs could be presented separately to the House for approval or disapproval. Far from accepting that suggestion, the House, following the lead of the other body, saw fit to add still two more programs to the package and thereby making it even more difficult for the individual Members to ever explain what they were for and what they were against.

Under all of these circumstances, it is not surprising that the President felt constrained to veto the bill. I am sure that he, like most of us, heartily endorses many of the programs included in this omnibus bill. Some he obviously does not endorse. If these programs were to come before us separately, I am sure I would disagree with his conclusions in some instances and vote to continue certain health programs whether or not the President agreed. But I must go along with the reasoning that this is one very poor way to do legislative business. Maybe this is called legislative hard ball in some places—put all kinds of programs in one basket, call it by a sexy name such as revenue sharing and health services, and dare Members to resist.

The business of cutting spending is a thankless task. There is no way to be right. You cannot cut health programs, you cannot cut education programs, you cannot cut programs which may cost jobs, you cannot cut programs which may speed economic recovery, you cannot cut programs which cut welfare and similar social programs. In other words, you can cut nothing. It would seem logical then that the very least we might do is resist the starting of new, costly programs. But experience in this Congress seems to indicate that every bright idea for additional spending generates the same kind of support as the existing programs. And it is always up, up, and away.

We seem determined to follow the example of New York City. And who will be around to bail out Uncle Sam? Who will pay the social security and the medicare when Uncle bites the dust? And maybe I should ask who cares?

Despite the attraction of the programs included in S. 66, the veto should be sustained so that we can reexamine the package.

Mr. LATTA. Mr. Speaker, will the gentleman yield?

Mr. DEVINE. I yield to my colleague, the gentleman from Ohio.

Mr. LATTA. Mr. Speaker, I wish to commend the gentleman for the statement he just made and concur in it 100 percent. This is just another case of the Congress wanting to pass out more goodies without being able to pay for them.

Just yesterday it was released from Mr. Simon's office that we are headed toward an $80 billion plus deficit in fiscal year 1976. Information has come to me from the Office of Management and Budget that if we continue the spending ways we are now following that figure could go to $100 billion in fiscal year 1976. This means higher inflation and higher prices and this is what we are talking about. There are some of us who are concerned about the inflation which is eating up the earning power of the American people. I think it is high time for this Congress to face up to its responsibility to do something about inflation and the time to do this is when these bills come along that are over the budget, one by one day after day. We cannot do it any other way.

The SPEAKER. The time of the gentleman from Ohio has expired.

Mr. STAGGERS. Mr. Speaker, I yield 1 additional minute to the gentleman from Ohio.

Mr. DEVINE. Mr. Speaker, I yield to the gentleman from Ohio.

Mr. LATTA. Mr. Speaker, I do not think we can do anything about it at the end of the year. We should not say, "I am against deficit spending. I am against inflation," and then vote day after day for every program which exceeds the budget.

So, Mr. Speaker, today we have another opportunity to show whether or not we mean what we say, that is, we are against inflation and the higher prices which accompany it and are doing something about it by reducing Federal spending.

Mr. DEVINE. Mr. Speaker, let me conclude by saying, the phones have been busy. The nurses are calling. The teachers are calling. The hospital administrators are calling. The doctors are calling, "Override this veto." It is going to happen, but somebody has to pick up the check. That is what this is all about. That is why the President vetoed it, not because he is against the program.

Mr. OTTINGER. Mr. Speaker, I must say I find this administration's priorities muddled. The gentleman from Ohio (Mr. DEVINE) says that the President's justification for his veto is that the health expenditures authorized would be inflationary. How is it that the President's concerns about inflation are so selective? He does not mention inflation when he proposes additions to the Defense budget beyond the inflated amounts requested by the Pentagon. Not a word is said about a concern for inflation when the President proposes to decontrol oil and gas prices, actions that will have an inflationary effect dwarfing anything this modest health bill might provide.

It seems that the only time the President is concerned about inflation is when legislation meaningful to the general public is concerned—when legislation to provide jobs, health, education, relief from poverty, social security or protection of workers from environmental hazards, or consumer fraud is involved. Legislation with far greater budgetary impact to aid the military-industrial complex or the giant monopolistic oil companies is simply exempt from these supposedly overriding concerns.

The upside down priorities represented by these administration attitudes is a cause for great concern. This country's greatness was not established upon our imposing our views by military might upon other countries or upon special favor to favored interests. Our stature in the world was derived from setting an example which the rest of the world wanted to follow of offering opportunity, freedom, and democracy to our own people unparalleled elsewhere in the world. Unless we refocus on that fundamental direction, I fear for our future.

This health bill is not inflationary in any case. It provides less than was authorized in previous years. The programs it puts forward represent the most economical kinds of programs which will keep people off welfare rolls and enable them to work effectively in good health.

Many of the programs in this legislation in themselves represent very significant economies. Neighborhood health centers provide care at an average cost of $38 per patient that would cost $250 in a hospital. Family planning programs will prevent the birth of unwanted children destined for the welfare rolls, et cetera.

I hope this House will restore a proper perspective of priorities for the country and roundly override this ill-conceived veto.

Mr. STAGGERS. Mr. Speaker, I yield 3 minutes to the gentleman from Washington (Mr. ADAMS).

Mr. ADAMS. Mr. Speaker, I have been greatly concerned by the amount of false information that has been put out by the Office of Management and Budget and the administration over the past 2 days regarding the present status of the budget. I intend to send out today to each of my colleagues a summary which will list each of the appropriation bills compared to the concurrent resolution and indicate where we are; but I will give a summary of where we are now.

Mr. Speaker, as of this date, according to the current budget resolution targets we have provided for the bills that have been considered about $291.1 billion. That would be the accurate concurrent resolution figure.

Mr. Speaker, we have only provided for spending of $287.6 billion, so we are $3.5 billion below the concurrent resolution. That is not talk from the committee. That is not talk from the Office of Management and Budget.

Now here is where we are with the appropriation bills to date:

EFFECT OF HOUSE ACTION ON BUDGET RESOLUTION TARGETS

[In billions of dollars]

Budget authority	Assumed in budget resolution	Current House status	Difference—over(+), under (−) budget resolution
Permanent, prior year balances and off-setting receipts	135.2	132.3	−2.9
Enacted	.7	2.9	+2.2
Passed House	137.4	132.2	−5.2
Total	273.3	267.4	−5.9
Outlays:			
Permanent, prior year balances and offsetting receipts	199.4	199.8	+.4
Enacted	9.9	10.3	+.4
Passed House	81.8	77.5	−4.3
Total	291.1	287.6	−3.5

WHAT HOUSE HAS DONE TO DATE ON APPROPRIATION BILLS

[In billions of dollars]

	President's request		Assumed in budget resolution		House passed		House passed over (+) under (−) budget resolution	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
Education division (H.R. 5901)	3.8	1.3	5.3	1.8	4.9	1.7	−0.4	−0.1
Legislative (H.R. 6950)	.9	.8	.9	.8	.8	.7	−.1	−.1
Labor, HEW (H.R. 8069)	36.2	28.6	36.5	29.0	36.0	28.5	−.5	−.5
HUD, independent agencies (H.R. 8070)	51.4	18.6	51.7	18.8	51.3	18.5	[1] −.4	−.3
State, Justice, Commerce, and Judiciary (H.R. 8121)	5.6	4.0	6.0	4.2	5.7	4.0	−.3	−.2

WHAT HOUSE HAS DONE TO DATE ON APPROPRIATION BILLS—Continued

[In billions of dollars]

	President's request		Assumed in budget resolution		House passed		House passed over (+) under (−) budget resolution	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
Public Works (H.R. 8122)	7.1	3.8	8.1	4.7	7.2	3.9	−.9	−.8
Transportation (H.R. 8365)	4.1	3.1	3.9	3.1	3.7	2.9	−.2	−.2
Agriculture (H.R. 8561)	11.1	7.8	13.6	9.8	10.4	6.5	[1] −3.2	−3.3
Interior (H.R. 8773)	4.0	2.8	4.3	3.0	4.1	2.8	−.2	−.2
Treasury-Postal Service (H.R. 8597)	6.3	5.9	6.5	6.1	6.3	5.9	−.2	−.2
Continuing resolution (H.J. Res. 499)	0	1.6	0	2.1	2.0	2.0	+2.0	−.1
Subtotal	130.5	78.3	136.8	83.4	[2] 132.4	[2] 77.4	−4.4	−6.0
Defense [3]	96.3	66.6	89.5	62.6				
Military construction [2]	4.1	.8	3.8	.7				
District of Columbia [3]	.5	.4	.5	.4				
Foreign aid [2]	3.8	1.0	2.6	1.3				
Subtotal	104.7	68.8	96.4	65.0				
Total	235.2	147.1	233.2	148.4				

BUDGET PROBLEMS

[1] For example food stamps, school lunch, and veterans' entitlements expenditures may be underestimated by several billion.

[2] Senate and conference action can increase these amounts.

[3] The House and Senate must hold Presidential requests for these bills to concurrent resolution figures.

S. 66 happens to be an authorization bill, but on every appropriation bill that has come out this year we are below the concurrent resolution that the House set for itself. I can tell this House where the President gets his figures. The President says we will not go down in defense. Therefore, he assumes that figure will run up the budget. He says we will not go down in foreign aid and he assumes that will run up the budget.

I will tell this House another place to run up the budget. That is where fiscal conservatism becomes self-defeating. The President has vetoed all the economic stimulus bills. Therefore, instead of this country coming out of the recession at the present time and revenues picking up; instead of unemployment compensation going down and food stamp payments going down and welfare payments going down, we are staying in the recession. If we continue with these policies and stay in the recession, then those expenditures will continue to go up.

If we continue with these policies, those expenditures will go up, but we are not voting on any of those. We are not voting on them because those are permanent bills that have been enacted for food stamps and other entitlement programs and are keyed to what happens in the economy. If we push the economy down, we cause more spending and a bigger deficit.

What I am saying is that this bill, S. 66 fits easily within the existing concurrent resolution excess that we have adopted to date. It does not blow the budget up. If we pass this bill and if the Congress stays on the same course we are now on with the bills that the House has passed we will be over $3 billion below the concurrent resolution. I did not want to take this time to debate health legislation because I do not pretend to be an expert in health, but in the matter of where we are in spending bills, I think it is time that we send out a report, and it will go out to the Members this afternoon.

I want to state to the chairman and to the other members of the committee that what the basic budget committee did with the concurrent resolution was that we took the President's requests on all of these existing domestic programs, education, health and the other areas, and we took the higher of either his figure or what had been appropriated in fiscal year 1975 plus inflation adjustments and brought the programs to that level. We did not increase these programs. These are not wild new spending programs.

Members are looking in the wrong place if they are looking at domestic programs for where the spending programs need to be reduced. The only areas that were reduced were that we took half the President's increase in defense and said, "We ought to go up half as far as your budget increase." In international affairs, we said, "The war in South Vietnam is over and our involvement in Southeast Asia is over, and you ought to go down a little over $1 billion."

If we stay on that course, we can meet the budget target which this House looked at, put on course and voted for and so far has followed.

During the course of these bills, as they come along, if some of them go over the budget I am going to be here to oppose them.

Mr. Speaker, I would like to close with this: If we are really going to do something about balancing the budget, each of the authorizing committees have got to look at the entitlement legislation which is presently in place. This runs all the way from the programs that are paid out for social security to veterans, for food stamps, the welfare programs, all of which provide automatic payments. Then we have got to look at the economy and decide, "All right, the economy is going to be good or it is going to be bad," and we have to expect that if the economy is going to be bad, these program expenditures are going to go up in total amount.

But, in the appropriation bills the Members of the House are passing, they have been on target and we are very easily able to pass S. 66, send it to the Appropriations Committee and remain within the budget resolution.

Mr. LATTA. Mr. Speaker, will the gentleman yield?

Mr. ADAMS. I yield to my ranking minority member, the gentleman from the State of Ohio.

Mr. LATTA. Mr. Speaker, let me say to the gentleman in the well—and I think him for yielding—that what he is telling us to date is that to date we are not over that target. As the gentleman well knows, the Senate has not finished action, and this Congress has not finished action on most of the appropriations bills.

Mr. ADAMS. That is correct.

Mr. LATTA. We are talking about fiscal year 1976, and we are only 29 days into this period. So, we have got to look into the future and start thinking about the total for all of these bills when we get to June 30, 1976.

The SPEAKER. The time of the gentleman has expired.

Mr. STAGGERS. Mr. Speaker, I yield 2 additional minutes to the gentleman from Washington.

Mr. LATTA. Mr. Speaker, we have got to be looking further into the future of the 1976 fiscal year. Let me just point out what is happening in a single program, the food stamp program. We are now adding up only House figures, and they do not include an additional $3 billion item for food stamps. This is a very important matter.

Mr. ADAMS. I agree.

Mr. LATTA. And when we add up these things in the Budget Committee and see what's happening, we are going to have to start drawing a line and come down in the well, as the gentleman is doing now, and say that this bill is a "budget buster" and must not pass. When we get to our $68.3 billion deficit figure, I cannot believe this Congress will cut off all of these other projects. We have got to look to the future now and start cutting back as we go along, or if we do hold to those figures, and I hope we do—but I do not think we can—we are going to have to reduce many important projects such as the one we are talking about today.

We have got to pace ourselves as we go along during this fiscal year or the budget process is not going to be worth a hill of beans.

Mr. ADAMS. Only as a reply to the gentleman I am stating this: The House has paced itself, and every bill that has passed so far has been below the budget resolution.

Mr. Speaker, I think the gentleman from Ohio is correct, we have to be eternally vigilant in conference, but as these bills come back, as an example, the education bill, it is below the budget resolution figure. What I am saying is I do not mind if the administration, or some members in it, want to keep scaring the American public, and maybe some of the Members, by saying this thing might go up. I am trying to state that on these bills, when they are coming in, when these spending bills or appropriations are above, I will be in the well—and I am sure the gentleman from Ohio will be—and saying so. But at the present time, we are below; and if we continue on our course, we can continue to be.

Mr. STAGGERS. Mr. Speaker, I yield 4 minutes to the gentleman from Texas (Mr. COLLINS).

Mr. COLLINS of Texas. Mr. Speaker, I rise in support of the veto of the President. The President shows real courage, which is a need that we have in Congress today more than any time in history.

Mr. Speaker, this is a health bill, and as I sat here thinking and listening to my colleagues discuss this health bill, I was reminded of what I think many times is the greatest health problem in America today, because we have it right here in Congress. It is a disease we suffer from, and we suffer from it badly. It is known as bleeding heart. We have in this Congress developed a terrible case of what is known as the bleeding heart, and by "bleeding heart" I mean that if we give a bill a beautiful name that will appeal to the populace, it will carry every time. We can call the bill better education, we can call it clean air, we can call it better housing. But when the title says "better health", Congress is going to pass it.

But what we have to think more about is the overall health in America, and let me say this about health in America: There is more mental health problem in this country than there is physical health, and every time we spend money and run our Nation's debt up and up and up, we are disturbing the mental health of America. If we want to really work on health, there are a lot of things we could do in a tangible way. We could suggest to America that they drink less whisky, we could suggest that they smoke fewer cigarettes, we could suggest that they walk 1 hour a day. That is up to every individual to decide for himself as to what he wants to do. But right here we are talking about spending the Nation's money. It is very real spending we are doing, too, because when the President talked about $60 billion, and last night we read the in paper probably $80 billion, and tomorrow we will read it is $100 billion deficit spending, we are talking about serious inflation.

We can point out time and time again how we have spent and spent and spent, and this bill means a larger deficit.

I hope everybody goes through this bill report, which summarizes very well the President's position, because it points out with one example the subject of nurses. When we talk about nursing education, that has a tremendously popular ring. The President says in his report that we have had a 90-percent increase in enrollment in the past 4 years, 1970 to 1974, in nurses training. It has been brought out that we will have an increase of 50 percent more registered nurses during the next decade. It has been further stated by the American Nurses Association that the shortage of nurses is disappearing.

But when we talk about nurses training, we all stand up and ring the bell.

The statement made by the gentleman from Ohio (Mr. DEVINE) that was most truthful and most factual was when he said the big issue in America is inflation. I remind my colleagues when you run your campaigns in 1976, 9 out of 10 times you are going to talk about inflation, inflation, inflation.

There are so few of us having an opportunity to speak in behalf of the President, but our voice is in behalf of America because this is a bleeding-heart bill.

It is not absolutely essential. This bill is just one that has a good sound to it.

I want to add this thought about England. Everybody knows about England today. We used to hear that there will always be an England. That was a proverb; it was a saying. But today over there in Great Britain they have a 25-percent rate of inflation. It is getting worse day by day.

The average Englishman is only making $258 a month, but he has socialized medicine for whatever it is worth.

Mr. Speaker, I used to be in the life insurance business, and I know they do not live any longer in England than they do in this country, but I also maintain they do not live nearly as well because they have a socialized state, which is going just the way any socialized state goes, and that is downhill.

We have a great America. Let us keep it a great America. Let us support the President in his very solid veto.

Mr. STAGGERS. Mr. Speaker, I yield 4 minutes to the gentleman from North Carolina (Mr. BROYHILL), a member of the committee.

Mr. BROYHILL. Mr. Speaker, I rise in support of this bill, and I will be voting to override this veto.

I say that as one who has stood in this well many times and has expressed the same concern as my friends, the gentleman from Texas (Mr. COLLINS) and the two gentlemen from Ohio (Mr. LATTA and Mr. DEVINE) about the trends that are developing in this country in passing legislation that is going to cost the taxpayers billions of dollars in the years to come. I say that also as a Member who has voted "No" on as many of the new spending programs, I suppose, as any Member in this Chamber.

But I think we must look at this bill with a little different attitude. The administration's sources are saying that certain programs that are contained in this bill, such as funding for the community mental health program, funding for the nurses training program, and funding for the health revenue sharing program, should be halted now.

However, I look at it in this way: In deciding whether or not I would vote to override the President's veto on the Senate bill, S. 66, I have to look at each one of these programs individually and decide whether or not I would continue to support these programs if they came up as separate pieces of legislation.

I am convinced that the moderate levels of spending that are authorized in this bill are necessary for the next 2 years for these particular programs. If circumstances should change in the next 2 years; for example, if we should come up with a plan for national health insurance; then we can take another look at it at that time. If such a program is enacted, how will these programs then fit into the total health policy of our Nation?

So I look at it in this way: these programs will be necessary for the next 2 years, and I would support them if they were separate pieces of legislation.

Second, Mr. Speaker, let us look at the authorization levels provided in this bill. These authorizations are really not all that much out of line if we compare them to prior-year authorizations. I have a chart in my hand showing this, and I hope that I will have a chance to put this in the RECORD to share with my colleagues.

For example, on the revenue sharing program that the administration sources say they want to discontinue, the authorizations that are contained in this bill are less than the authorizations for 1971, for 1972, and for 1973. We can go back several years and find the authorizations we provide here are less than in those years.

Let us look at the community mental health program. The authorization levels that are provided in this bill for this program are less than in prior years, and that goes back as far as 5 years ago, back in 1970.

So what I am pointing out to the Members is that the authorization levels, compared with previous years, are moderate levels.

I do not like the practice of these authorizing committees coming in here with excessive authorizations, fully realizing that the Committee on Appropriations is not going to appropriate the total of the amount that is authorized.

I expect the Committee on Appropriations to come in with appropriations that are under these authorizations, however, I submit to the Members, that when they compare these authorization levels to prior-year authorizations, they are very much in line, and in fact, less than the authorizations of prior years.

Therefore, in my judgment, the programs should be continued, at least for the next 2 years.

I would hope that the Subcommittee on Health would take a very close look at the programs contrived here, to undertake a comprehensive oversight as to the viability of these programs, to assure that there is no duplication.

Yes, we should take into consideration the concerns expressed in the veto message to assure that if these programs are continued, they are designed in the best way possible.

Mr. Speaker, I urge my colleagues to vote to override the President's veto.

Mr. FRENZEL. Mr. Speaker, will the gentleman yield?

Mr. BROYHILL. Yes, I yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Speaker, the gentleman makes an interesting point about these authorizations. Does the gentleman mean he would support appropriations up to these authorizations?

Mr. BROYHILL. No, I am not saying that. I am saying the authorizations, when compared with prior years, are actually not only in line with, but are less than the authorizations of the prior years.

I include the following:

S. 66: HEALTH REVENUE SHARING AND HEALTH SERVICES PROGRAM FUNDING LEVELS

[In millions of dollars]

Program	1970	1971	1972	1973	1974	1975	1976	1977
Revenue sharing:								
Authorization	100	130	145	165	90	90	115	125
Appropriation	90	90	90	90	90	90	(1)	(1)
Budget request	72	90	90	90	90	67	0	
Family planning:								
Authorization		72.750	129	201.750	118.024	118.024	176	182.5
Appropriation		6	61.815	118.024	100.651	100.615		
Budget request		6	61.815	118.024	131.024	100.115	79.4	
Community mental health centers:								
Authorization	117	205	267	349	197.605	197.605	[2]103.75	113.75
Appropriation	93.80	112.5	249.590	271.461	270.524	198.9		
Budget request	103.13	82.5	200.093	216.161	200.311	198.9	[3]159.9	
Rape prevention and control:								
Authorization							7	10
Appropriation								
Budget request							0	
Migrant health centers:								
Authorization	15	20	25	30	26.750	24	39	44
Appropriation	15	14	17.950	23.750	23.750	24		
Budget request	12	14	17	23.750	23.750	24	19.2	
Community health centers:								
Authorization	80	109.500	135	154	230.700	230.700	220	240
Appropriation	82.692	109.500	135	116.200	217.100	209.748		
Budget request	98	109.500	106.400	116.200	216.100	209.748	155.190	
Rodent control:								
Authorization							20	
Appropriation								
Budget request							5.4	
Home health services:								
Authorization							10	
Appropriation								
Budget request							0	
Hemophilia:								
Authorization							7	9
Appropriation								
Budget request							0	
Nurse training:								
Authorization	162	188	201.500	227	254	248	[4]161	186
Appropriation	47.080	65.580	134.170	156.500	140.750	119.1		
Budget request	50.678	56.080	50.320	111.500	48	44	[5]32.9	
National health service corps:								
Authorization		10	20	30	25	16	30	
Appropriation		3	10	11	13	15.180		
Budget request		0	12.574	14.803	11	15.180	18	

[1] No budget requests or appropriations have been made for fiscal year 1977 and no appropriations for 1976 as of this date.

[2] Represents new authorities; such funds as are necessary in addition for continuation of existing authorities.

[3] Total for existing authorities only.

[4] Represents existing and new authorities.

[5] Funds for existing obligated loans and scholarships only.

Mr STAGGERS. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. DENT).

Mr. DENT. Mr. Speaker, we are all talking about responsibility and about putting our fingers on where the spending is. While pointing fingers and viewing with alarm, lets press the panic button on the serious alarm of imports of products and exports of jobs.

Let us take a look at something that is happening in the United States every day, which not only adds to the deficit, but creates unemployment, and by so doing, further adds to the economic disaster we find ourselves in.

Just recently, the Labor Department, through the Tariff Commission, awarded 800 workers in the Rohr Plant in southern California adjustment relief under the trade bill. It is $70,000 a day for 800 men for 78 weeks on the first bite. These same 800 jobs were moved across the border into Baja California, where the plant is running at 100 percent of capacity.

They also get $800,000, $1,000 a piece, $500 for looking for a job and $500 to move if they find a job. It comes to a little over $6 million, but the great loss in the thing—and this is what is more important than all—is this talk about cutting social services to worthy and needy Americans while paying out millions of dollars to workers who lost their jobs to foreign workers. When we talk about cutting our services for needy folks, folks who are needy because of the very action that was taken in this type of case, we are really condoning this kind of U.S. policy, any price seems to be a right price to keep an image of friendly sucker.

These men are permanently unemployed. There are no other jobs down there. The Mexicans have the jobs.

The last rate of pay figure I had from a Mexican source was that it is in the area of $3.30 an hour for the Mexican workers, compared to the average of $4.90 for the American, plus payroll taxes, pension costs, and other figures.

What else does it do? It puts Rohr in competition with all American companies producing the same product that do not have the advantage of moving into the low-wage area.

This particular incident is not singular. These relief payments are being paid over and above unemployment compensation. It is as an increase of $65 to $95 a week over and above unemployment compensation for these workers to get the mandated 70 percent of their workweek wage.

This is not a scattered incident. Thousands of jobs have crossed the border along the Rio Grande. Thousands of unemployed are draining the U.S. Treasury.

Let us talk about that if we want to talk about what is causing trouble.

The President has said he will not cut foreign aid he will not cut military. He will and has, by veto, cut education, home building, health services, and more. Where are our priorities?

Mr. STAGGERS. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. HASTINGS), a member of the committee.

Mr. HASTINGS. Mr. Speaker, I thank the chairman for yielding.

I would like, just for a moment, to point out perhaps a little bit about the approach of the House and why, in fact, this measure should be upheld and the veto should be overridden.

If we look at the delivery of health

care in the United States today, we might find that we are now spending $104 billions to deliver health care in this country. The Federal Government is paying about $40 billion of that total of $104 billions.

I have some questions myself about some of the authorizations and appropriations on some of these categorical grant programs which comprise a large part of the health delivery system in this country, but as this Congress approaches what will be the big demand on health care, which would be national health insurance in some form, not to far distant, we had better assure ourselves that we have an adequate health delivery supply system, well in place before we, in fact, adopt a system of national health insurance.

These programs are part of that supply side. Unfortunately, too many people are taking a look at health care only from the impact of the demand of national health insurance eventually. I think that there are certain parts of this program that could have been changed and could have been improved with a reduction in expenditures, but the administration's answer unfortunately was a total elimination of the programs and without an alternative to offer to the Congress and to the American people. I think that approach does a disservice to the health delivery system, this system which I mentioned is well over $100 billion in size today.

Therefore, because of the lack of an alternative suggestion from the administration I would urge the House to override this veto.

Mr. STAGGERS. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. DOWNEY).

Mr. DOWNEY of New York. Mr. Speaker, I rise in support of the legislation.

Mr. STAGGERS. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Speaker, I rise to urge my colleagues to override the President's veto of S. 66, the Special Health Revenue Sharing Act of 1975.

On July 16, I wrote to the President, urging him to sign this bill. I believe that was good advice, because the programs contained in this measure are all vital to the continued provision of health services to the people of this country. Needless to say, I am extremely disappointed that the President chose not to give his approval to this piece of legislation. It is now our responsibility to override his veto.

I have outlined the programs in S. 66 during previous remarks on this bill. But I would like to take the opportunity now to mention just two of the programs covered by this measure.

Title IX of S. 66 provides for a 3-year extension of the Nurse Training Act. It authorizes $553 million over a 3-year period. When you consider that this amount goes to some 1,300 nursing schools with a total enrollment of nearly 244,000 students, it does not seem like an excessive sum.

This provision affects each and every one of our States. In my own State of Massachusetts, for example, there are 60 schools of nursing that last year received $4.3 million in Federal supporting funds. Without Federal assistance, there would be a drop in nursing school enrollments and quite possibly the closing of some of our nursing schools.

The Federal Register for July 14 carried an HEW list of "Hospitals Determined as Having a Substantial Shortage of Nurses." The listing was more than 60 pages long, and it included 45 hospitals in the State of Massachusetts alone.

There is an obvious need for the continuation of nurse training programs.

Mr. Speaker, this bill also extends the Community Mental Health Centers Act, and revises the act to provide a new definition of and requirements for community mental health centers. The legislation provides incentives to encourage financial self-sufficiency by CMHC's, as well as actually defining for the first time the range of services which must be provided by a community mental health center.

Community mental health centers have shown themselves to be an effective and economical means of providing fully comprehensive mental health care within the patients' communities.

Mr. Speaker, I would like to remind my colleagues that this is an authorization bill. It provides for programs which comprise and strengthen the basic health service delivery network on which any future program of national health insurance must rest. But let us not lose sight of the fact that we still have an opportunity to trim the actual program levels down in the appropriate appropriations bills.

Mr. Speaker, this is an essential bill and a responsible one. It contains funding authorizations over $500 million below the previously vetoed versions of this bill. And it contains the authorizations for programs which have proven themselves under the most intensive kind of congressional scrutiny and investigation.

Mr. Speaker, I urge all of my colleagues to join me in voting to override the Presidential veto of this bill.

Mr. STAGGERS. Mr. Speaker, I yield such time as he may consume to the gentleman from North Carolina (Mr. PREYER).

Mr. PREYER. Mr. Speaker, I support the effort to override the veto.

I hope we will override this veto and say "yes" to necessary health services for the American people. The President through his vetoes has been saying "no" to progress in this country under the guise of fighting inflation.

Everybody is against inflation but to argue that this bill is inflationary is simply to ignore the economic facts. It is to use the word "inflation" as a political catchword and drain it of all meaning. The authorization levels in this bill are modest indeed when compared with prior years—in fact, they are less than prior years which were not vetoed. And the bill does not contain any great new spending programs; 96 percent of the funds authorized by this bill are for existing programs.

These are solid, grassroots bread-and-butter programs, not any blue-sky, "bleeding heart" programs. For example, in my home county, this bill funds a nurse whose full-time duty is to keep up with tuberculosis in the county. She follows up on contacts of new cases to determine the original source of infection and prevent others from getting the disease. She does tuberculin tests in school and industrial units and arranges for annual visits to the mobile unit for free chest X-rays.

Another use of 314(d) funds in our county is in cancer detection and multiphasic screening clinics. Our people are given a battery of tests which includes chest X-ray, breast exam, venereal disease test, analysis of blood chemistries, and so forth. Many of these people do not have regular checkups by their doctor. In these clinics, there are found high blood pressure, diabetes, breast and cervical cancer, lung and heart disease which the patients were not aware they had. This service prevents much long-term disability—and heartbreak—when disease is found early. In my home county, over 200 patients per month are seen in these clinics.

This bill provides support for programs which deliver health care and services to people who otherwise would not receive such care and services. In the current economic crisis, demands on health service delivery programs have escalated. To cut off this support will have serious impact on preventive health services for the great majority of our citizens.

Mr. STAGGERS. Mr. Speaker, I yield 4 minutes to the gentleman from Pennsylvania (Mr. HEINZ).

Mr. HEINZ. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I rise in support of overriding the Presidential veto of S. 66, and I do so notwithstanding the arguments that have been made.

I would like to examine some of those arguments.

One of the arguments is that this legislation is too costly.

I disagree with the conclusion. Looking at the first-year authorizations in S. 66, they total $888 million. That is $100 million less than the authorizations that funded this legislation before they expired last year. Those authorizations totaled $997 million. To criticize the authorizations in this legislation as too costly is simply not accurate.

More importantly, there is another cost aspect to this legislation, and that is the cost-saving aspect.

When we talk about health revenue sharing, we are talking about helping the States to plan intelligently for health services, and this helps save money. When we talk about community mental health centers, we are talking about preventive mental health care, and this saves money. When we talk about rape prevention and control, we are talking about prevention and about saving more money. This is true of nearly every single one of the programs in S. 66. They are preventively-oriented health programs that save the taxpayers money. And along with the saving of money is nearly incalculable human savings as we prevent illness, death, hardship and personal tragedy.

We are often criticized here in the Congress that we do no do enough to prevent problems before they occur. One of the very great strengths of S. 66 is that it is the only Federal health legislation that is truly preventively oriented, so I say it deserves our support. In addition to being a worthy human investment, I believe this legislation will help save some of that $22 billion in medicare and medicaid the President has referred to by providing more prudent and far sighted health care.

Finally, Mr. Speaker, I think we should ask what would be some of the costs of not enacting this legislation. One of the costs is that we will turn the clock back on the ability of the Federal Government and HEW to improve the administration of many of these programs.

Let me take just one example—community health centers.

I spent a great deal of time this year and last year and the year before totally rewriting the community mental health centers legislation. It was originally enacted in 1962, and it had grown up with less congressional oversight and less congressional involvement than was desirable. In that program, which accounts for a substantial portion of the moneys committed in S. 66, we have tightened up the planning of community mental health centers programs so that we do not have buildings rising without any staff to occupy them, as the GAO pointed out we have had previously in too many instances. We have tightened up the administrative requirements so that we spend more on delivery of services and less on the kind of topheavy administration for which my good friend, the gentleman from Kentucky (Dr. CARTER), has on occasion criticized the program. We have, as the gentleman from Massachusetts (Mr. CONTE) indicated, provided for the first time a direction and incentive for the community mental health centers to become self-sufficient. More importantly from the standpoint of sensible government, we have very clearly written in what we expect and what we do not expect the community mental health centers to achieve: we have given them goals and objectives and direction that they should have had all along.

From the standpoint of achieving cooperation with all the other instiutions—public and private, police, social service agencies—we have mandated for the first time that the community mental health centers program cooperate and bring about the cooperation in the communities that we all desire. That, Mr. Speaker, is some of what we will be giving up if we do not enact this legislation. Allowing the veto to stand will only perpetuate instances of inefficiency and inadequate administration of our Nation's health priorities.

Mr. Speaker, this is the second time our committee has brought this legislation to the Congress—once this year and once last year. Both times the legislation has been passed overwhelmingly. I say it is time to enact this legislation into law, notwithstanding the veto of the President of the United States, and I urge my colleagues to vote to override.

The SPEAKER. The time of the gentleman has expired.

Mr. STAGGERS. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. Mr. Speaker, I have no illusions as to what the outcome will be on this vote to override the President's veto of this measure, but I do want to commend the gentleman from Ohio (Mr. DEVINE) and the gentleman from Ohio (Mr. LATTA) for very cogently pointing out the long range spending problem that will be created by an override.

The budget chairman, the gentleman from Washington (Mr. ADAMS) a few moments ago made mention of the fact that we are right on target. What kind of budget are we on target toward? Here we are in July and we are going to be taking a month's recess, by the end of August one-sixth of the fiscal year will have transpired but we will not have had one appropriaton bill enacted into law. Moreover, what about the supplemental bills? The President sent up a message yesterday indicating there would have to be a $3 billion supplemental for food stamps alone because in the agricultural appropriation bill, while there was no increase for food stamps, it was very carefully couched so as to provide money for only 7 months in the fiscal year 1976.

There are many other costly programs piling up. On the employment of disabled veterans, which was unbudgeted, it may be necessary to have $600 or $700 million. If we extend the tax bill beyond its expiration date than can be $4 billion again in 1976, but in 1977 that increases to $12 billion. The Labor-HEW appropriation bill left the House nearly $800 million over the budget, and will almost certainly be increased in the other body. Another $8 billion will be added to the deficit if Congress does not go along with the reductions suggested by the administration with respect to medicaid, medicare, social services, the 5-percent limitation on Federal pay, retirement allowances, and several other Federal-State matching formulas. If we do not sustain the President's veto of the education appropriations bill, that would pile on an additional $1.35 billion. All this does not take into account various other bills Congress is considering, which have the potential for adding another $16 billion to the deficit.

All told, then, the currently projected deficit for fiscal 1976 of $60 billion could very easily rise to $70, $80, or even $90 billion if we continue in the direction we seem headed today.

These are the kinds of things we have to be thinking of more and more, particularly with the pressure that will be brought to bear on this measure in the Appropriations Committee.

My good friend, the gentleman from North Carolina (Mr. BROYHILL), said he was not altogether sure this is a good hard and fast figure and would not recommend it for the money bill. That will be a follow-on program.

I am wondering at that time where the votes will be to cut back on a very popular program.

Mr. STAGGERS. Mr. Chairman, I yield 10 minutes to the gentleman from Kentucky, a member of the Subcommittee on Health (Dr. CARTER).

Mr. CARTER. Mr. Speaker, I rise with a heavy heart in going against the President with whom I had the honor and privilege to serve for many years. However, like all humans, I think he can be wrong and I think in this area he is definitely wrong. I regret this very much.

I heard one of my good friends mention a bleeding heart. Most of us have been part of much of this legislation over the years. One of the bills in this bears my name, the Family Planning Act. All of the legislation has been helpful. I want to tell the Members if they want a bleeding heart, let one of these diseases come into their home and when it does, and I hope and pray it does not, they will have a bleeding heart.

The purpose of this legislation is to prevent bleeding hearts, I want to tell the Members that right now. In this legislation today we have health revenue sharing. Let us see the benefits that have been obtained from it. Through health revenue sharing moneys are given to States for such things as tuberculosis control. Children can receive tuberculin tests and find out if they have tuberculosis and then be treated. We have funds for early detection of cancer, where women can have Pap smears and thereby can possibly obtain a cure, and often they can obtain a cure if there is an early diagnosis. Under this revenue sharing, funds are given for immunizations and as a result of the immunization programs smallpox has disappeared from the United States. So far as I know there has not been a case of smallpox in the United States for the past 5 years.

In fact, it is a disease that is disappearing over the world. As far as I know at the present time, it exists only in one country, that is Bangladesh. This is what money for immunization is doing. We can see that it is more than paying for itself.

Now, we come to typhoid. How many cases of typhoid did we have in the United States last year? So few that immunizations have almost decreased to nil. They are no longer necessary.

That is why, Mr. Speaker, I say we must continue this legislation. It is vital that we continue this legislation.

Now, we have been threatened over the past several years with a population explosion. For that reason a few years ago we introduced to this House the family planning bill. Senator Tydings introduced it in the Senate and I introduced it in the House. The subcommittee added my name to it, for which I am eternally grateful. As a result of that, the present family number of children has diminished from 2.4 to 1.9; that is the replacement level. That means that right now we are at a level at which our population will remain approximately the same so far as this country is concerned.

If we could just extend these benefits to foreign countries where there is such an explosion of population, where the people increase in such great numbers, as in South America or as in Africa, we would do more good than all the foreign aid which we have ever spent, and it is wise for us to do this. We should do this.

Mr. Speaker, this is another reason why I feel that it depends upon us, that we must override the President's veto. I do it with no animus on my part, because I respect and revere the President.

Now, Mr. Speaker, there is another program here, the community mutual health centers. In these centers our troubled citizens may go for assistance from psychiatrists and psychologists. The centers have been extremely helpful throughout our country. Not only that, the 10 percent of our population who are alcoholics and who have the disease which is called alcoholism can go for treatment. Our drug addicts may go there for treatment. We know that methadone and the methadone treatment which has been used here in Washington and throughout the country has been helpful in diminishing the thirst and the desire for heroin. It has been extremely helpful.

Now, how can we vote against such a program as this? I do not think we can. I regret very much the stance of the President and it is with regret I shall vote to override and vote for this legislation.

Mr. Speaker, now we have the section in this legislation for training the nurses of our country.

Nursing is a wonderful profession. A nurse never has difficulty in getting a job. Their lives are ones of mercy and help to people when the people need help the most, when they are sick. But they are also there to help prevent illness as well as to treat it. It is often to our nurses that the task of instructing people in the maintenance of their health is handed. And they perform this educational role admirably.

This legislation we have here today would ensure that our nursing schools continue to be able to provide quality education so that nurses are available to help care for the sick.

Aware as I am of the tremendous contribution of nurses to health care in this country, I fail to see how anyone can vote to sustain this regrettable veto.

Now, Mr. Speaker, there is one other part of this legislation which I think is extremely helpful, or will be, to rural communities and ghetto communities. It is the National Health Service Corps. By this legislation $240 million over a period of 3 years would be authorized for students who would serve in rural or ghetto areas 1 year for each year of schooling which they obtain. A scholarship of approximately $10,000 a year would be given to each of these students if he would go into a rural or a ghetto area. I want to say this offers more promise to the rural areas and to the ghetto areas than any other program we now have in the U.S. Government. I think it is extremely important that we continue it.

Now, much has been said about the cost of this.

During that subcommittee markup I inadvertently cut the authorization so much that I received a call from HEW and NIH saying that they could not operate unless we restored that, and with the assistance of the gentleman from Missouri (Mr. SYMINGTON) and the chairman of the subcommittee, we restored this cut. So, we have given thought—we have given great thought—not to authorize too much.

We talk about the waste in this area. There is no waste. Every bit of the money spent in this area of health saves money in the future. It not only saves money, but it saves lives and it improves health. It has proved itself.

We talked about expenditures in this bill. Actually, it would cost no more than a Trident submarine at the present time. All of this would cost no more than one Trident submarine. The same Members who have risen in support of sustaining this veto are the same Members who voted for the Trident submarine and other legislation of that nature.

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. CARTER. I yield to the gentleman from Illinois.

Mr. MICHEL. Mr. Speaker, it is my understanding that the bill from the Senate was considerably more, and that the Senate practically capitulated to the House position. Is that correct?

Mr. CARTER. That is correct.

Mr. MICHEL. I would certainly want to commend the House Members for the manner in which they conducted themselves and pressed the House position. That was a victory of sorts. The gentleman from Kentucky and his cohorts are to be commended for the good job they did.

Mr. CARTER. I thank the gentleman.

Mr. BROYHILL. Mr. Speaker, will the gentleman yield?

Mr. CARTER. I yield to the gentleman from North Carolina.

Mr. BROYHILL. Mr. Speaker, I would like to respond to the comments of the gentleman from Illinois (Mr. MICHEL) when he was speaking on this bill in response to the statements I made, that the authorizing committees have had a bad practice of coming in with excessive authorizations. I think we all realize this, and I do not like it, but I was trying to point out in my statement that in this instance the authorizing committee has set a new trend, a new pattern.

In fact, the authorizations provided are far less than were authorized in prior years. For example, the authorization level that is in here for community mental health centers is even less than the appropriation for last year, so I think we have set a good pattern here, of providing more realistic and moderate authorization levels.

Mr. CARTER. I thank the gentleman.

Mr. Speaker, I strongly urge an override of this veto.

Mr. STAGGERS. Mr. Speaker, I yield such time as he may consume to the gentleman from Kansas (Mr. SKUBITZ).

Mr. SKUBITZ. Mr. Speaker, I rise in support of this bill, and I shall vote to override the veto.

Mr. Speaker, I share with the President his determination to hold the line with respect to spending and if this were an appropriation bill instead of the authorization bill providing for spending $500 million above the budget I would vote against it, not because I'm against the programs involved—but because I think reason and balance must prevail.

I approve and have supported most of the programs authorized in this bill—nurses training, community mental health centers, home health care. I cannot in good conscience oppose any one of the programs—even the added programs such as treatment of hypertension, funds for rape prevention, home health service demonstration. But my view of our fiscal posture priorities must be established, and spending curtailed. I will not debate that the funds spent on these programs are not more beneficial and make more sense than most of the funds spent on foreign aid and moon shots. If these programs could be drastically reduced, I would support transfering the savings to health and educational programs. Unfortunately these programs continue along with a score of other laudable programs but not essential—and so long as they are with us we cannot do all we would like to do in other areas for the welfare of our people and our children.

I hope the Appropriations Committee will study all the authorizations for all governmental requests and keep all spending at least to last year's levels.

Mr. STAGGERS. Mr. Speaker, I yield 10 minutes to the gentleman from Florida, the chairman of the subcommittee (Mr. ROGERS).

Mr. ROGERS. Mr. Speaker, I urge my colleagues to vote to override the unfortunate and unnecessary veto of S. 66.

First, Mr. Speaker, this legislation represents an accommodation with the President. Last year, the President pocket-vetoed legislation which extended six of the seven programs in S. 66. This bill's authorizations are one-half billion dollars less than the pocket-vetoed legislation of the 93d Congress, one-half billion less than the Senate-passed bill and $5 million less than comparable House passed bills of this Congress.

Mr. Speaker, S. 66 is really seven health bills in one. It extends programs developed by the Congress as long ago as 12 years—programs which have made a significant contribution to the health of the American people, programs which have made health services available to large segments of the American people who previously had done without adequate health care. Only 4 percent of the moneys authorized are for new initiatives. S. 66 reaffirms the congressional commitment to the support of vitally needed health services programs to medically underserved population groups in rural and inner city areas by supporting community health centers, migrant health centers, family planning programs, and community mental health centers; as well as assisting such communities to attract needed health personnel through an expanded National Health Service Corps program. It would continue as essential the program of formula grants to the States to assist the States in the provision of health services such as screening and immunization for communicable disease control. Finally, it would continue assistance to schools and students of nursing, a commitment which continues to be necessary if we are to maintain and improve the quality of nursing services which, in turn, improve the quality of health care delivery in the United States.

S. 66 extends the Migrant Health Act

which was originally enacted in 1962 in recognition of the serious plight of the American migrant agricultural workers in the early 1960's. A scattered and mobile population, the migrant agricultural workers and their families rarely remained in an area long enough to identify local health care services, while at the same time, they were more often than not forced to live under conditions that presented serious danger to personal and public health. The original legislation provided authority for Federal grant support to health clinics that provided services to domestic migratory farmworkers. Amendments to the act in 1968 and 1970 substantially expanded the scope of the original act and enabled the development of projects that genuinely provide the critically needed health services originally intended by the act. The program now offers a wide variety of health services through approximately 100 projects actually developed under the act. The need to continue the provision of health services to migrant agricultural workers remains acute. Numerous barriers exclude migrant participation in medicaid, most migrants still lack the benefits of insurance coverage, and most still face the hazards of poor living conditions in migrant camps, particularly with respect to inadequate sanitation.

The migrant health program has made an excellent start at providing needed services to migrant workers and S. 66 would continue these services with increased focus on the provision of comprehensive services in migrant health centers serving high migrant impact areas and to programs to improve the healthfulness of the environment for migrants.

S. 66 also extends with significant improvements the community mental health centers program, which was initiated by the Congress in 1963 and which has resulted in the establishment of 500 mental health centers as an alternative to State hospitals across the country. The administration wanted to terminate this program but the committee after extensive investigation determined that termination would be disastrous to the mental health needs of the Nation. Before community mental health centers were initiated, thousands of patients were unnecessarily "warehoused" in State institutions. They received a minimum of effective treatment. Establishment of community mental health centers has brought outpatient care as a feasible and attractive alternative to State institutions. Most patients that spend a year in State institutions spend 4 years there. And most patients that spend 4 years spend the rest of their lives in mental institutions. Community mental health centers have, with their emphasis in treatment in an outpatient environment, significantly reduced the patient population in mental institutions.

Studies show that while only 4 of 10 patients in State mental hospitals are cured within a year, 7 of 10 patients in community mental health centers are cured within a year. Mr. Speaker, it makes no sense fiscally or socially to reverse this trend.

S. 66 would also significantly improve and extend an administration initiated program of community or neighborhood health centers serving areas with scarce or nonexistent health care services and populations with special health needs. Presently a total of 157 community health centers now offer comprehensive health services to a target population of approximately 5.2 million people and will actually serve approximately 1,425,000 of these people during 1975. It is clear that the development of community health centers has increased the availability of health care to many medically underserved communities, reducing the incidence of communicable disease, and substantially improving the health of the served population. Without the services provided by these centers the health of a significant segment of our population would deteriorate substantially; many of these communities were totally without access to quality health care prior to the initiation of this program and without a reaffirmation of our commitment, they would again be left isolated from health care services.

The health revenue sharing program has been in existence since 1963. It has provided bloc grants to States to conduct public health programs, primarily at the local level. It provides funds for sanitarians, for public health officials, for cancer control, for environmental health programs, for communicable disease control. The appropriations level has been at $90 million since 1971. This bill continues the program at a modest 10 percent increase to account for inflation.

The bill extends the worthwhile and cost-effective family planning program which provides voluntary family planning services to 2 million women in this country. Studies indicate that for every dollar spent on family planning services, $3 are saved in the areas of prenatal costs and the costs of welfare for mothers with unwanted children.

The bill contains modest new initiatives to demonstrate the provision of more effective and economical means of health care. One initiative is a home health service program, to find innovative and creative ways of bringing health services to people in their homes, so that elderly people, if they wish, can remain in their homes, rather than going to nursing homes and other institutions, and to try to provide initial seed money to find ways by which we will be able to save the Federal Government hundreds of millions of dollars in the program.

S. 66 would also revise and extend the programs under title VIII of the Public Health Service Act providing assistance to schools and students of nursing. This program was first enacted in 1963, and has contributed immensely to the quality of nursing services in the United States today. Dollar for dollar the expenditures for nurse training have paid off amazingly well. The student loans and scholarship programs have made it possible for many well-qualified, low-income candidates to enter nursing schools. Current national statistics show that 37 States still report a shortage of nurses; therefore, it is essential that we continue the support of nursing programs as proposed in this legislation.

Finally, Mr. Speaker, the conference report extends for a year the national health service program, a congressional initiative which has provided rural and inner city areas which do not have geographical access to health care with the services of well trained, motivated young health professionals. This is a congressionally initiated program which must be strengthened if these areas are to receive decent health care.

I think the President, unfortunately, has received bad advice. We have heard some say that this will cost a certain amount of money over the budget. It has already been explained, so I will not go into detail, that the reason some of these programs are over the budget is that the budget simply wipes out some of these programs like community mental health programs, like State health revenue sharing, assistance to schools and students of nursing, and yet these are established needs of the Nation.

We have heard two or three Members speak in support of sustaining the veto by saying, "Oh, we have to look long range."

Let us look long range. Unless we take adequate steps year by year, in order to meet the health needs of the Nation, what we will find is that these problems will mount so dramatically that we will have to come in with crash programs that will cost billions of dollars, where rational spending programs now, appropriately planned and programed, can avoid that. It is a savings to the American public, not only from the misery of bad health and illness, but it is a savings in dollars to maintain these types of programs, in an adequate way, year by year.

Let me just give the Members an example or two. We put in the community mental health program. Do the Members remember what we used to do? It happened in your State, as it happened in mine, and it is still happening. As I stated earlier, we used to yank these mental patients out of the community, put them in a State hospital, and warehouse them.

We did some studies on that, and we found out that if we could keep them in their communities where they are familiar with all of their surroundings, with people who care, bring that mental health treatment to the community, treat them on an outpatient basis, seven out of ten—that is a dramatic figure now—could be cured within about 8 weeks. Think of that.

And do the Members know what the experience was with warehousing them? Maybe four out of ten were eventually cured. And do the Members know how long it took to cure those four? Almost a year, instead of the 8 weeks in the community mental health center program. And do the Members know that if they stayed a year in that State warehouse, they were likely to stay 4? The statistics are that if they stayed 4 years in a State mental hospital, they were there for the rest of their lives.

What is the cost to the public of that? What is the savings to the taxpayer? It is a dramatic savings, not only in lives, but in money—to treat the mentally ill in local community mental health centers.

Let us take a look at another program, family planning, which encourages people to plan their families so they do not have to be supported by welfare programs. And the Members know what the evaluation of that program has shown—that for every dollar spent, we receive back in benefits a savings of $3.

I do not know of any Federal programs that can claim that type of savings. It is a good investment, not only socially, but a good investment for the taxpayer.

And what about neighborhood health centers? Are they doing anything?

Let me tell the Members what they are doing, to just give an example. This is from the New England Journal of Medicine, one of the most distinguished medical journals in the country. This is from a study published in 1973 covering a period between 1960 and 1970 in Baltimore that—as a result of the work of the Neighborhood Health Center—rheumatic fever dropped 60 percent in the area served by that center, whereas, according to the statistics, the figures were 3 times higher outside that area. This is a savings in lives and a savings for the taxpayer.

Mr. Speaker, any Member who is fiscally conservative and any Member who cares about human life will vote now to override this veto.

Mr. Speaker, S. 66 represents a commitment to the American people that health services will be available to them, and will be provided by skilled health personnel. This commitment was made by the Congress over a decade ago through initiation of most of the worthwhile programs continued by S. 66. Today is no day to reverse that commitment.

I urge my colleagues to override the veto of S. 66.

Mr. KOCH. Mr. Speaker, today the Congress is faced with the need to override another Presidential veto of a bill of paramount importance to millions of Americans. This time, the vetoed legislation relates to health care—the Health Revenue Sharing and Health Services Act of 1975—a bill which continues grants to States for health services, family planning, community health centers, and rodent control. The bill would authorize new programs for home health services, mental health of the elderly, epilepsy, Huntington's disease, and hemophilia.

After extensive hearings, the House passed this legislation overwhelmingly by voice vote. The Senate also passed the bill overwhelmingly in a recorded vote, 77–14.

There is nothing more critical to a nation's citizens than their health. The failure of the Congress to act to override this veto would mean insufferable losses of desperately needed health programs.

As an example of what not funding these programs would mean, I would like to bring to the attention of all our colleagues the following letter New York City members received today from Mayor Abraham Beame:

The letter follows:

> THE CITY OF NEW YORK,
> OFFICE OF THE MAYOR,
> *New York, N.Y.*
>
> To all Members of the New York City Congressional Delegation.
>
> I strongly urge you vote to override President Ford's veto of S. 66, the Health Services Act. This bill is of vital importance to New York City and millions of its residents.
>
> If these programs are not authorized under this legislation, with the necessary level of funds, we will suffer both irreplaceable losses of Federal funds and increased burdens on the city's budget, neither of which we can afford at this time.
>
> In the areas of health services revenue sharing, Title X, Family Planning, and Rodent Control, we would lose parts of our Federal funding, up to $1.2 million. In other programs such as community health centers and community mental health centers, $2.1 million could be lost plus an additional $2.3 million in service cuts in non-city agencies. That would mean picking up direct services in like amount. Thirdly, there are several new programs included in this bill which the city depends upon for initiation of new projects, such as rape prevention, hemophilia, and home health demonstration grants.
>
> Overall, we stand to lose $4.3 million expected city funding and an additional $2.3 million direct services costs from voluntary community health centers. I hope you will be able, in concert with your colleagues, to enact this measure into law over the President's veto.
>
> Sincerely,
>
> ABRAHAM D. BEAME,
> *Mayor.*

I urge an override of the veto.

Mr. ROUSH. Mr. Speaker, the President's veto of the major health services and nurses' training bill is unbelievably callous. In citing his reasons for the veto the President noted that he had disapproved two separate bills embodying much the same proposals only last year. Admitting that the 94th Congress made some reductions in the total cost of the measure the President yet felt comfortable in saying that the levels authorized are still far in excess of the amounts we can afford for these programs.

When he became President a year ago, President Ford in one of his first speeches to Congress promised a spirit of "conciliation and compromise." He seems to have forgotten that promise. The Congress went a long way to compromise on these health proposals. We cut $538 million from the funding cleared by Congress in 1974. The total authorization we came up with amounted to $2 billion in fiscal 1976–78 and his would barely keep the present programs going and allow few innovations. We have compromised. When is the President going to do likewise?

Let us look at some of the programs the administration thinks we "cannot afford." These include home health services—especially intended for the elderly—neighborhood health centers, community mental health centers, nurse training programs, the National Health Service Corps program providing health professionals for the medically underserved sections of the country. I ask the question: Can we afford not to support these programs?

Let us look at the programs the President thinks we can afford. He fights a hard fight for aid to Turkey. His representatives appeared before our committees this year and asked for $5.5 billion in foreign aid for countries all over the world—when the Congress only approved $3.6 billion last year. A rather sizable increase. The President asked for the largest military appropriations in peacetime—over $100 billion. He evidently does not feel that these programs are in excess of the amounts we can afford. Yet we cannot evidently afford $2 billion for health services for our own people.

The President is not speaking for the interests of the American people. I think the House of Representatives should. Therefore, we must override this veto.

Mr. BADILLO. Mr. Speaker, I urge that the House move immediately to override the President's veto of S. 66, the Special Health Revenue Sharing Act.

S. 66 authorizes the extension of such vital existing programs as community mental health, community health centers, the national health service corps, nurse training and family planning. In addition it authorizes the establishment of such desperately needed new programs as Home Health Services—designed to assist individuals needing health care within the environs of their homes and eliminating needless institutionalization; a Committee on Mental Health and Illness for the Elderly—expected to furnish us with an analysis of the mental health problems and needs of elderly patients; and a national center for the prevention and control of rape—legislation which I have cosponsored and which is urgently needed.

The President proposes to veto these programs because, in his judgment, they are of an inflationary nature. Yet, Congress made very determined attempts to reduce costs and the vetoed bill is substantially below the funding levels proposed by the House and the Senate. Moreover, the bill before us is merely an authorization bill. Having served in this chamber for a number of years, the President is quite aware of the difference between authorizations and appropriations. Actually, the issue at stake here is not the level of authorizations—but the authority to continue the programs.

Mr. Speaker, 96 percent of the moneys authorized in this measure are for extension of existing programs, many of which are now operating under continuing resolutions. Unless the House succeeds in this override, these programs will inevitably die—and with them will die the hope of the poor and the old in our Nation for needed health services. I urge an override.

Mr. FRENZEL. Mr. Speaker, I shall vote to override the veto of S. 66. The authorizations may be more than we can afford to appropriate, but they are not terribly out of line with the traditional authorizations in these programs.

I think the conference has done a creditable job instructing the several programs included in the final version of S. 66. The conference report can be supported, and I shall do so, on the basis of reasonable need. However, the House will have to exercise further oversight when it comes to the financing of these desirable programs. My support of this report is not predicated on any illusions of an ability to carry out "full funding."

It may be that overenthusiastic authorizations put unreasonable pressure on our Appropriations Committee. But when that great committee decides what resources we can bring to bear against the needs demonstrated today, I believe it will exercise its usual case. With great faith in that committee, I shall vote to overide today.

Mr. **ANDERSON** of California. Mr. Speaker, one of the greatest needs the American people have today is for better health care. Therefore, I find it almost incredible that we have to override a veto by the President just to make that care available.

If we are willing to spend over $30 billion for defense, I simply cannot see where this bill, which authorizes $2.02 billion for vital medical and health services, can even begin to be considered extravagant.

S. 66 incorporates three bills originally passed here in the House, all by overwhelming margins. It provides $553 million for programs under the Nurse Training Act, $46 million for the National Health Service Corps, and $1.42 billion for health revenue sharing. These authorizations, when looked at individually, are by no means overly generous, especially when we realize that they are, in each case, for a minimum of 2 years. In fact, funding under the Nurse Training Act is aimed at lasting for 3 years.

Let us look at what the President's veto message said. He stated that several of the programs in this bill would duplicate existing authority, and are therefore unnecessary.

Can anyone really say that our Nation has sufficient programs dealing with rape prevention? Is treatment for hemophilia victims available at a level which most families can afford? Does the accident rate in our homes tell us that we are providing adequate home health service demonstrations? I strongly believe that the answer to all of these questions is a resounding "no."

THE NURSE TRAINING PROGRAM

The veto message also stated that the nurse training programs should be incorporated in health manpower authorities, thus downplaying current nursing programs. Out in my district in California, we have two public educational institutions which have successful nursing departments, Los Angeles Harbor College and California State University, Long Beach.

Both these schools have been successful in graduating highly skilled nurses, and believe me, they have no trouble at all landing jobs. Both of these schools are having trouble serving all of the students wishing to enter the programs: both have long waiting lists of students wanting to get in.

So there are obviously a lot of people who want to take up nursing for a career. There most certainly is a demand for more nurses: 38 States reported in a recent American Hospital Association survey that they have a shortage of registered nurses.

Additionally, this bill deals directly with the problem of maldistribution of health care in the United States. Many areas of our Nation have an acute shortage of trained medical personnel, and unless we address ourselves to that problem, millions of Americans will be denied their right to decent health service.

Mr. Speaker, I have thought that previous vetoes have shown a callous disregard for the unemployed, our environment, and the plight of many of our Nation's homeowners in today's troubled economy. But the veto of this bill is a new low. It strikes directly at the heart of our Nation's need to improve the health services available to its citizens. I simply cannot think of any justification for vetoing this vitally needed bill. In doing so, the administration has taken a totally untenable position.

The health problems of the United States should never be subjected to partisan politics. S. 66 deals directly with needs that have long been overlooked, and it should be passed, over the President's veto.

Mr. **KASTENMEIER**. Mr. Speaker, I am afraid that I have a great deal of difficulty understanding the priorities of this administration. Looking back over the many Presidential vetoes during the last 6 months, a very disturbing pattern becomes clear.

The emergency farm bill, the Emergency Middle Income Housing Act, the Emergency Employment Appropriations Act, all were designed to assist those individuals suffering most from our economic problems. The education appropriations bill and the Special Health Revenue Sharing Act are measures designed to provide for two of the most fundamental rights available to American citizens—a decent education and adequate health care.

These programs have been rejected by the administration as being too costly. They were rejected at a time when the President tells us that any reduction in the Defense budget is unacceptable. At a time when we continue to send millions of dollars of aid to repressive governments abroad. At a time when the administration proposes more rather than less military arms and credits to foreign countries.

Mr. Speaker, the average American citizen in this country, by virtue of his economic position—middle income—already suffers most the effects of our economic problems. What the President has done is to deny these citizens any relief from their already heavy burden. He demands greater sacrifice from the average American family than from any other group in this country. And, to boot, he proposes programs, such as increases in oil and gas prices, which will only compound their problems.

For the life of me I simply cannot understand how anyone can argue for B-1 bombers that are not needed but cost billions of dollars, yet say that we cannot afford barely adequate funding for nurse training. I cannot understand how anyone can argue the worth of spending almost $10 million on a highly questionable military rescue operation, yet deny the worth of spending $7 million for rape prevention in this country. I cannot understand how anyone can casually accept $31 billion for military hardware, but deny the value of only $39 million for migrant health centers.

Mr. Speaker, the health and welfare of the people of this country are just as vital to our national security and well-being as any bomber, any naval base, and any demonstration of American military might. The people have been trying to tell us something for quite some time. They have been trying to tell us that they are tired of being ignored. They are tired of playing second fiddle to peoples of other nations or a piece of military hardware. They are tired of being asked to stand in the front line of defense in this economic battle when others continue to reap rewards.

We do need fiscal restraint. We can cut Federal spending. But we cannot afford to exercise that restraint and make those cuts when the programs affected strike at the very heart of the human needs facing this country. If this Congress is to stand for anything, let it stand for meeting the needs of our people. And, let us begin by overriding the veto of the Health Revenue Sharing Act.

Mr. **DOWNEY** of New York. Mr. Speaker, I rise in support of the override.

The President stands on weak ground in his veto message on this legislation. Despite assurances in his first address to the Congress that he would seek cooperation, consultation, and compromise, the President failed to keep his part of the bargain on S. 66. It is the Congress that has compromised, and without a good faith response from the President.

As my colleagues will recall, this same legislation was pocket-vetoed after adjournment in the last Congress. At that time the President expressed concern over what he called "excessive appropriation levels." We responded to his concern so that the present legislation represents a significant decrease from last year's bill. We have pared the original figure down from $1.82 billion to $1.44 billion for fiscal years 1976 and 1977.

Although the numbers remain massive, there is nothing in this bill that would justify the President's charges that the cost is excessive. As a matter of fact, most of the funds authorized are merely to continue existing necessary programs. Indeed, according to the committee report, only 3 percent of these funds are for new programs.

This breakdown, it seems to me, reflects a serious attempt by the Congress to meet the concerns of the President. But we cannot afford to go any further without risking the effectiveness of the legislation. In the absence of a comprehensive national health policy, this bill, the Health Revenue Sharing and Health Services Act of 1975, fills at least some need now going unmet across the Nation.

It is not necessary for me to defend the programs within this legislation. The need for them justifies their existence and continuation. There is no such justification for the President's action.

I will vote to override the veto.

Mr. **FORD** of Michigan. I rise to urge my colleagues to override the President's veto of S. 66, the Nurse Training, Health Revenue Sharing, and Health Corps Act of 1975.

This legislation provides the authority to extend and modify the programs for comprehensive public health services for fiscal years 1976 and 1977.

Speaking not only as one who is vitally concerned with our national health needs, but also as the chairman of the Subcommittee on Agricultural Labor which has a very special interest in the needs of one group which will benefit significantly from this bill, the migrant and seasonal farmworkers, I urge my colleagues to support this legislation.

This legislation, a 2-year, $1.4 billion extension and modification of several major health programs, increases the national focus on the need to provide comprehensive services in health centers for migrant and seasonal farmworkers serving high impact programs by revising the legislative authority. It also substantially increases the authorization for programs to improve the healthfulness of the environment of migrant and seasonal farmworkers.

Mr. Speaker, during my tenure as chairman of the Subcommittee on Agricultural Labor, I have witnessed firsthand the tragedy and suffering which results from the inadequate health care available to one of the hardest working and most underpaid segments of our labor force.

Mr. Speaker, anyone who is familiar with the plight of migrant and seasonal farmworkers is constantly aware of the drastic need for improved health services for these people, but this problem periodically becomes so severe that it receives national attention. Perhaps the most recent and dramatic example of this occurred just 2 years ago when a labor camp in Florida spawned a typhoid epidemic. Our subcommittee held extensive hearings in Florida and conducted investigations which enabled us to learn firsthand of the appalling living conditions families of migrant and seasonal farmworkers were forced to accept. I wish it were possible for each Member of this body to see what I saw there and to feel the revulsion and the shame I felt that one of the richest nations in the world would permit its citizens to live in such squalor while performing a function as basic and as necessary as planting and harvesting its crops.

This national focus on the typhoid epidemic resulted in greater emphasis on migrant camp sanitation through the migrant health program and in a program to train migrant project personnel to identify sanitation and environmental problems and to enable State agencies to assure high standards of sanitation.

But, Mr. Speaker, more must be done. I am pleased that this legislation reflects that need by modifying the migrant health program to make it more responsive to the profound health needs of the migrants and by authorizing more than twice the inadequate sum of $19 million requested by the administration for fiscal year 1976.

It requires that migrant health centers provide primary health services and supporting supplemental services, including preventive health services and adequate transportation to assure appropriate use of the centers.

In connection with my experience with the typhoid epidemic, I am pleased to report that this legislation requires migrant health centers to provide a broad spectrum of environmental health services relating to the detection and alleviation of unhealthful conditions associated with water supplies, sewage treatment, solid waste disposal, rodent and parasitic infestation, and sanitation in the fields and housing. Further, this bill contains a mandate to the health centers to conduct infectious and parasitic disease screening and control and to attempt to prevent accidents including accidental pesticide exposure. The report language stresses that education of the workers in these areas is an important requirement of the centers.

This legislation recognizes the need for advice and studies at the Federal level by establishing a National Advisory Council on Migrant Health and by directing the Secretary of Health, Education and Welfare to arrange for a comprehensive study of the quality of migrant housing available, the impact of housing deficiencies on workers' health, and the various governmental standards regulating such housing.

Again, Mr. Speaker, I urge my colleagues to support this bill which is so important for millions of Americans and especially vital for the hard-working migrant and seasonal farmworkers.

Mr. GILMAN. Mr. Speaker, would the gentleman yield? I rise in support of S. 66, and commend the gentleman from West Virginia and the gentleman from Kentucky for their efforts in support of this important health legislation.

The essential health services provided by S. 66 far outweigh the monetary costs of the measure. While I recognize the President's overall objectives in seeking to maintain reasonable budgetary limitations, I do not agree with this veto. Adequate health care is a basic right which should be guaranteed to all Americans. If the medical services which will be provided by S. 66 are not met, the costs of delay and the resultant need of supplying them at a later date will skyrocket costs.

Unless we undertake prompt and adequate steps meet the health needs of our Nation, we will only find oureselves at a later date confronted with the need for a crash program.

S. 66 is not inflationary. Over 96 percent of the appropriations are for programs that are already in existence and receiving Federal support at the levels which are written into S. 66, including nurse training programs, National Health Service Corps, and health revenue sharing. These appropriations are consistent with the congressional budget and are in amounts less than the level of national inflation.

In the long run, savings from the passage of S. 66 far outweigh the costs, both in dollar savings and in saving the sick from the misery of pain and suffering resulting from the denial of health services—services that our great Nation should be providing to all of its citizens.

Accordingly, Mr. Chairman, I urge my colleagues to vote to override the President's veto of S. 66.

Mr. STOKES. Mr. Speaker, I rise in support of overriding President Ford's insentitive and ill-advised veto of the Health Services Act. This veto, along with his subsequent veto of the Education Appropriations bill, is simply the last straw. It should be, at long last, clear to all of us that the time has come for Congress to fill the void in leadership that so clearly exists at the national level. We must firmly and assuredly take the initiative by refusing to allow this administration to continue to thwart desperately needed Federal programs.

The Health Services Act is a perfect example of where Congress has bent over backwards, perhaps too far, in order to make a piece of legislation palatable to the President. On virtually every provision in the bill, Congress accepted the lowest possible authorization level. The Conference made it clear both publicly and privately that this was being done to avoid a Presidential veto.

In addition, the bill does little more than continue already existing vital programs, with only 4 percent of the bill's authorization going for new programs. The newly authorized $73 million includes start-up grants for such basic services as home health services, diagnostic and treatment centers for hemopheliacs, rape prevention and control, and hypertension screening. The remainder of the legislation simply extends funding for such programs as community mental health centers, neighborhood health centers, a variety of migrant health projects and State public health programs, the National Health Services Corps, and nurse training.

Mr. Speaker, health care in America is a disaster. A recent GAO report indicated that this problem is especially acute in urban centers, and particularly bad in my own city of Cleveland, Ohio. The report made its conclusion all too clear with the use of infant mortality rates, a commonly used health indicator. The report noted that the national infant mortality rate in 1973 was 17.6 per 1,000 births, whereas it was 23.6 in Cleveland. Furthermore, it stated that in the eight social planning areas of Cleveland, where the poor are concentrated, the rate was 28.8.

The rampaging inflation of the past few years has driven health costs up to the point where many Americans are forced to decide between their health and the health of their families, and putting food on their table. This is wrong. This is an American tragedy.

Until Congress passes a comprehensive national health insurance plan—which I hope will be one of the major accomplishments of the 94th Congress—the least we can do is continue operating already existing programs.

Mr. Speaker, I want to reemphasize that now is the time for Congress to reject the disastrous and callous policies of this administration. Let us begin to lead America by joining the Senate in an overwhelming vote to override the President's veto of the health services bill. Then let us use the upcoming recess to take this message home to our constituents—that America is in trouble and that America's problems will not go away by vetoing everything from jobs to health to housing to energy to education. It is our responsibility to provide the American people with jobs, sufficient health care, and equal and adequate education. President Ford is unfortunately pursuing opposite goals which have no place in a democratic and vibrant nation.

Mr. Chairman, I urge my colleagues to join me in voting to override President Ford's veto. I would also hope that when we return in September, identical action is taken on the Education Appropriations veto.

Ms. ABZUG. Mr. Speaker, the consideration of the combined health programs in S. 66, which we are called upon now to preserve after Presidential veto, is a test not of congressional powers but of our commitment to the delivery of health services to all our citizens. I think it is essential to note that Congress has made a concerted attempt to answer the President's pocket veto of these programs at the time they were considered in the last Congress. Yet the President insists on maintaining that S. 66 would authorize excessive appropriation levels.

In his message, it seems clear that rather than even considering the specific effect of substantial cuts in these health programs, he has been blinded by misplaced emphasis on the Federal deficit. S. 66 is not luxurious new spending. Ninety-six percent of the money authorized in it is for the continuation of existing programs. Only 4 percent of the total authorization would be used for new efforts. Included in those new programs are a home health services program and the creation of a Committee on Mental Health for the Elderly. At a time when we are confronted by the abuses of the treatment of our elderly and the inadequacy of current income maintenance and social service programs, singling these out as the President does, to justify a veto, is totally unfounded. The rape prevention program which I have sponsored, the hemophilia program, new commissions to investigate epilepsy and Huntington's disease, are also used as examples of unnecessary spending by the President, and yet they represent a very small portion of the total health package.

Of the 96 percent of the previously authorized programs which would be continued, the administration's sole justification for the veto seems to be its repeated litany that the backbone of health services ought to be paid for by financing systems. We do not now have a national health insurance system; we will not have one, even if we work at breakneck speed, by the time most of the authorization is up for debate again. In the meantime, the bill is the backbone of much of the primary health care available to our citizens, of the National Health Service Corps, and of essential nurse training. I find it unthinkable to allow any impediments to the continuance of these programs.

During the 1960's, a commitment was made by the Congress to support actively social welfare programs including direct health service programs, such as neighborhood health centers, community mental health centers, migrant health centers and family planning services. Although the administration would like to rely on third-party payment plans to support such services, these types of programs are never featured components of any third-party payment plans. Neighborhood health centers were developed across the country to provide comprehensive, family-oriented ambulatory care to indigent populations in medically underserved areas. They are the backup system for overburdened hospital emergency rooms. Migrant health centers provide services where none other exist—certainly not through standard existing financing programs.

These programs have been operating under continuing resolutions which allow spending at either the fiscal year 1974 levels or the President's budget level, whichever is lower. Because the President recommended a 20-percent cut in national health spending, this has meant that many community health centers, migrant health programs, family planning and community mental health centers have already taken a 20- to 25-percent cut in funding.

I have spoken at length in previous debates on the need for family planning services. I have also spoken out on the need for redistribution of medical services through the Health Services Corps, and through an expanded role for nurse practitioners, as the Nurse Training Act would accomplish.

If this House cannot follow the Senate and override this veto, we have reneged on all our previous commitments to health maintenance.

Mr. STAGGERS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, very briefly, I might just say that I believe the bill has been explained very well. I would like to pay my respects and give my congratulations to the chairman of the subcommittee and to the ranking minority member, the gentleman from Kentucky (Mr. CARTER). I congratulate also all the members of this subcommittee who worked so hard on this health bill and who know what it is all about. Every one of those members stood up and spoke for the bill because they know the importance of it, not only for America today but for America in generations to come.

That is what we are talking about, not the expediency of something for today; we are talking about promoting health and curing sickness, and these efforts will provide a comfort for generations and generations after we are gone. This will help to alleviate and eliminate some of those problems.

Most of us do not realize the magnitude of these medical hardships until they hit our home and families. Then we would pray to God that Congress would have done something to alleviate these sicknesses and these physical and mental health problems that face America. It is only when it hits home that we realize the great importance.

The members of the committee are to be congratulated, and I say that we should give an overwhelming vote to override the President's veto and reject his message. I think he was misadvised on this; I do not think it was the President's decision. I am sure that it was his advisers who said that he should veto this bill.

Mr. Speaker, we must have this money to cure illnesses and do a better job in the health field in our Nation.

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise in support of this measure. I want to commend the gentleman from West Virginia (Mr. STAGGERS) and the gentleman from Kentucky (Mr. CARTER) for their remarks and for their efforts in behalf of this measure.

Mr. BEARD of Rhode Island. Mr. Speaker, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from Rhode Island.

Mr. BEARD of Rhode Island. Mr. Speaker, the President of the United States, when he served in the Congress, had a chance to learn from one of his colleagues, a Member from Rhode Island, who worked so hard in the mental health field, John Fogarty. Evidently the President did not learn his lessons very well.

The overriding of this veto today would be a fine tribute for the late John Fogarty, who worked for 27 years on behalf of the mentally ill.

Mr. STAGGERS. Mr. Speaker, I want to thank every Member who has spoken in behalf of this vote to override, and I say the veto should be overridden unanimously.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The **SPEAKER.** The question is, Will the House, on reconsideration, pass the Senate bill, the objections of the President to the contrary notwithstanding?

Under the Constitution, this vote must be determined by the yeas and nays.

The vote was taken by electronic device, and there were—yeas 384, nays 43, not voting 7, as follows:

[Roll No. 447]

YEAS—384

Abdnor
Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Baucus
Beard, R.I.
Beard, Tenn.
Bedell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Casey
Chappell
Chisholm
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney

Dellums
Dent
Derrick
Dickinson
Diggs
Dingell
Dodd
Downey, N.Y.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Esch
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harrington
Harris
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Hinshaw
Holland
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Jacobs
Jenrette
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kelly
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reuss
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—43

Archer
Armstrong
Ashbrook
Bauman
Brown, Ohio
Burleson, Tex.
Cederberg
Clancy
Clawson, Del
Collins, Tex.
Conable
Conlan
Crane
Derwinski
Devine
Eshleman
Hansen
Harsha
Hutchinson
Hyde
Ichord
Jarman
Johnson, Colo.
Kasten
Kemp
Latta
Lujan
McDonald
Michel
Milford
Miller, Ohio
Mills
Moorhead, Calif.
Myers, Ind.
Rhodes
Rousselot
Satterfield
Schneebeli
Shuster
Symms
Vander Jagt
Waggonner
Wiggins

NOT VOTING—7

Bell
Downing, Va.
Ford, Tenn.
Jeffords
Landrum
Teague
Udall

So, two-thirds having voted in favor thereof, the Senate bill was passed, the objections of the President to the contrary notwithstanding.

The Clerk announced the following pairs:

Mr. Teague with Mr. Downing of Virginia.
Mr. Udall with Mr. Ford of Tennessee.

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will notify the Senate of the action of the House.

PERMISSION FOR THE COMMITTEE ON THE JUDICIARY TO SIT DURING HOUSE SESSION TODAY

Mr. EILBERG. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary be permitted to sit during proceedings of the House under the 5-minute rule this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

GENERAL LEAVE

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the bill S. 66, Public Health Services Act.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

CONFERENCE REPORT ON H.R. 3130, AMENDING NATIONAL ENVIRONMENTAL POLICY ACT TO CLARIFY FEDERAL AND STATE ROLES IN PREPARATION OF ENVIRONMENTAL ANALYSIS ON CERTAIN FEDERAL PROGRAMS

Mrs. SULLIVAN. Mr. Speaker, I call up the conference report on the bill (H.R. 3130) to amend the National Environmental Policy Act of 1969 in order to clarify the procedures therein with respect to the preparation of environmental impact statements, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentlewoman from Missouri?

POINT OF ORDER

Mr. HOWARD. Mr. Speaker, I make a point of order against the conference report.

The SPEAKER. The gentleman from New Jersey will state his point of order.

Mr. HOWARD. Mr. Speaker, I raise a point of order against the conference report because it contains material outside the scope of the conference.

Specifically, the language that is objectionable is that requiring the responsible Federal official to provide early notification to and solicitation to the view of any other State or Federal land management entity of any action or alternative thereto which may have significant impacts upon such State or affected Federal land management entity and to assess these impacts if there is disagreement upon them. Neither the House nor Senate versions of this bill require the Federal official to take these actions. While the amendment is not clear as to what the Federal official is required to give notification of, it is clearly not within the text of the House bill or Senate amendment.

Consequently, it is outside the scope of the conference which deals only with the responsibilities of the State agency or official to prepare an impact statement and requires the responsible Federal official to furnish guilance and participation in the preparation of such statement and its independent evaluation. Any search of the Senate amendment and the House bill or the two taken together demonstrates no requirement for notification to States or Federal land management entities or the solicitation of their views. Moreover, the requirement is imposed upon the Federal official to determine if there are disagreements and to assess the impacts if there are such disagreement. Such concepts are not contained within the House bill or State amendment.

This is further emphasized by the date which limits this new requirement to after January 1, 1976. From the period of the effective date to January 1, 1976, the requirements that are delineated by the House bill and the Senate amendment would be in effect after January 1, 1976, a completely new and additional requirement would go into effect. This limitation of data is a clear demonstration that there are two different requirements imposed by the amendment before the conference report. One that was within the framework of the earlier consideration of the Houses and another requirement that was not conceived of in either House before the conference. Consequently, it is clear that the conference report is subject to a point of order.

Mrs. SULLIVAN. Mr. Speaker, I yield to the gentleman from California, the distinguished chairman of the subcommittee (Mr. Leggett) to speak on the point of order.

Mr. LEGGETT. Mr. Speaker, I rise in opposition to the point of order. Under Deschler's procedures the appropriate sections, and especially section 15 in chapter 33, obviously the conference report has to be within the scope of the disagreement between the House and the Senate. We have attempted to do that and we have done it. We have had that precisely in mind at all times. We have had the Public Works Committee jointly participating in our conference and at all times our effort has been to narrow the scope of this rather subjective language.

It was originally conceived that the proviso that is complained of that allegedly imposes these new duties might require a complete new environmental impact statement prepared by the Federal agency. We limited that. No longer are they required to submit a new Federal impact statement. They are required to make views and the views then are incorporated in the regular House version of an environmental impact statement.

The implication was that this would be too troublesome for the Federal authorities and, therefore, they would be required to make a report every time under the Senate bill; so we eliminated that and we said they only have to report at those times when they have a disagreement.

There was some confusion as to what was of major interstate significance and what was required and who is required to be notified. There was some implication we would have to notify the Sierra Club and various conservation agencies. So we said no, let us limit that to just the Federal entities that are involved, the Federal entities like the Federal Land Management Agency and the Park Service that have an interest in the conflict.

Under the provision of the Senate bill, notice would be required and reports would be required; so to spell it out, that is all we want is notification and to have them submit their views and it is well within the framework of the language the Senate had.

We did change the date, but we changed the date to make it less onerous, rather than to require a date which was some time ago.

The Senate bill actually had the June 1 change date.

To be sure, this bill is different from the House bill, but that was the purpose of the conference, to reconcile the differences between the House and the Senate. The bill we have brought here is not as broad and confusing as the Senate bill. We have some provisos that specifically limit the Senate language. We well admit that our agreement has to be within the scope. This is well within that reasonable connotation of the scope.

Mr. Speaker, I submit the point of order ought to be overruled.

Mr. DINGELL. Mr. Speaker, I rise in opposition to the point of order.

Mr. Speaker, the point of order is without merit. The provisions of H.R. 3130, as introduced in the House and I cite now the first words:

> To amend the National Environmental Policy Act of 1969 in order to clarify the procedures therein with respect to environmental impact statements.

That, Mr. Speaker, is extremely broad language and in and of itself I would submit to the Chair is quite sufficient to cover the language of the conference report in full, including the language of the conference report complained about by the gentleman from New Jersey.

The Senate language with regard to the title says as follows:

> To amend the National Environmental Policy Act of 1969 in order to clarify procedures therein with respect to the preparation of environmental impact statements.

Now, the gentleman from New Jersey, as I understand it, complains about small IV, wherein it is set out, I believe this is the language to which the gentleman addresses the complaint:

> (iv) after January 1, 1976, the responsible Federal official provides early notification to, and solicits the views of, any other State or any Federal land management entity of any action or any alternative thereto which may have significant impacts upon such State or affected Federal land management entity and, if there is any disagreement on such impacts, prepares a written assessment of such impacts and views for incorporation into such dealled statement.

Mr. Speaker, if we will refer now to the language of the Senate bill, we will find at line 21 on page 2 of the Senate-passed amendment the following words:

> *Provided*, That, in any statement on any such action prepared after June 1, 1975, the responsible Federal official shall prepare independently the analysis of any impacts of and alternatives to the action which are of major interstate significance:

The action of the conferees constricts in (iv) this undertaking which is imposed upon the Federal official involved and it requires instead that he notifies the effective State or Federal officials of actions of this character.

Coming further on down, one will see that imposed under the Senate bill is, "Provided further, the procedures set forth in this paragraph shall not relieve the Federal official of his responsibilities for the scope, objectivity, and content of the entire statement or any of the responsibilities under the act."

So, we are maintaining under the Senate bill, maintaining the responsibilities of the responsible Federal official and clearly within the responsibility of the Federal official responsible is the preparation of the impact statement, is the duty to receive the advice of effective State and Federal agencies. That is clearly contained within the provisions of section 102 of the National Environment Policy Act.

Again, Mr. Speaker, I would point out that the action of the conferees restricts somewhat that responsibility and enumerates a specific responsibility which is imposed upon him to do specific things which are more broadly set out elsewhere in the National Environmental Policy Act, so again the action of the conferees here is clearly within the responsibilities of the conferees in meeting and in resolving differences within the periphery of the differences between the House and the Senate bills. So, for that reason, Mr. Speaker, I would point out that the point of order is not only lacking in merit, but appears to me to be clearly frivolous.

The SPEAKER. The Chair is bothered over one point here and would like clarification if it can be given by either the proponents or those opposed to the point of order. That is, whether under the existing law or authority Federal officials have the authority or are required to consult with State officials and pertinent Federal agencies; something that the Chair does not find in either the Senate amendment or the House bill.

Mr. LEGGETT. Mr. Speaker, one has to understand what the law is, and the law is made up really of the law which we have in the appropriate sections enacted by the Congress and in the guidelines which are promulgated by the Council for Environmental Quality and in the regulations which are promulgated by the highway agency. Whenever we prepare an environmental impact statement, we have to send out notification to a large number of people and we have to solicit views, and then we have to digest those views and make up a report.

Now, what we intended to do with this language of early notification was to limit the requirements of what the existing law and regulations require in the preparation of a normal environmental EIS, or environmental impact statement. While we spell it out in the language here, which was different than what the Senate had, this is the only possible way that we could kind of split hairs and limit the activity and recognize what was going on at the present time but not require that they go as far as what would be required in the preparation of the syllabus.

The SPEAKER. Is it the gentleman's statement that the Federal Government is either authorized by law or otherwise does have legal authority to consult with State and Federal agencies?

The Chair would like the answer of the gentleman from Michigan (Mr. RUPPE).

Mr. RUPPE. Mr. Speaker, I would like to take this opportunity of quoting existing law:

> Prior to making any detailed statement, the responsible Federal official shall consult with and obtain the comments of any Federal agency whch has jurisdiction by law or such expertise with respect to any environmental impact involved. Copies of such statement and the comments and the views of the appropriate Federal, State and local agencies which are authorized to develop and enforce environmental standards shall be made available to the President, the Council on Environmental Quality and to the public.

I believe that this information is required and notification given.

The SPEAKER. The Chair recognizes the gentleman from New Jersey.

Mr. HOWARD. Mr. Speaker, the answer to the Speaker's inquiry is no.

The SPEAKER. How does the gentleman apply that answer to the legislation cited by the gentleman from Michigan?

Mr. HOWARD. I understood the Speaker to ask whether there was any Federal law requiring this, and I said no, there is no Federal law requiring this; it is in the regulations.

The SPEAKER. The Chair said "lawful authority." It did not say "statutory law."

Mr. LEGGETT. Mr. Speaker, may I be heard on one authority?

Mr. RUPPE. Mr. Speaker, I was quoting a moment ago from Section 102 of the National Environmental Policy Act of 1969. That is the law. That is the act.

The SPEAKER. The Chair seems to think that the statute that the gentleman from Michigan has read answered the question which the Chair asked.

Mr. SHUSTER. Mr. Speaker, I would ask the Speaker's indulgence to listen to that again. I believe it does not say "other states," but rather it says "Copies of such statement and the comments and views of the appropriate Federal, State, and local agencies."

Nowhere here does it refer to "other states," which makes a significant difference, the difference being the appropriate State is the State involved, not some adjacent State, for example.

Mr. LEGGETT. Mr. Speaker, if I could be heard on one more item, the gentleman has ignored the Intergovernmental Cooperation Act, particularly OMB Regulation A95, that requires that whenever an application for a Federal grant affects a multiplicity of jurisdictions, that all jurisdictions have to receive notification.

Mr. DINGELL. Mr. Speaker, there is another section of the Environmental Policy Act, and that is section 102(F), under which the responsible Federal official is found under the duty to "make available to States, counties, municipalities, institutions, and individuals advice and information useful in restoring, maintaining, and enhancing the quality of the environment."

The SPEAKER. The Chair will hear from the gentleman from New Jersey, and then the Chair will be prepared to rule.

Mr. HOWARD. Mr. Speaker, in reference to what the gentleman from Michigan said, I would only say "make available," as he stated, is not "consult."

The SPEAKER. The Chair is prepared to rule.

The Senate amendment contained a proviso "That, in any statement on any such action prepared after June 1, 1975, the responsible Federal official shall prepare independently the analysis of any impacts of and alternatives to the action which are of major interstate significance."

As explained on pages 4 and 5 of the joint statement, the conferees interpreted this provision in the Senate amendment to impose a broad range of new responsibilities on the appropriate Federal official to make informed determinations of actions which have a major interstate significance.

In arriving at such determinations, it would appear that the Senate language would reasonably require the Federal official to consider the views of each affected State or Federal agency and therefore to notify the States and their appropriate agencies and to solicit their views in order to determine major interstate significance.

As indicated on page 5 of the joint statement, the conferees have sought to eliminate the possibility of too broad an interpretation of the impacts referred to in the Senate proviso, and have thus added language which replaces the term "major interstate significance" with provisions which, though stated differently, appear to restrict or limit the meaning of the Senate language and which do not at the same time add new requirements for consultation not already authorized by law.

The Chair feels that such a clarification is within the permissible limits of clause 3, rule XXVIII, so long as it can be shown to be a restrictive clarification and limitation of, and not an expansion upon, the authorities conferred in either the House or Senate version thereof.

The Chair has listened to the arguments on the point of order and the responses to his inquiries and believes that the language placed in the conference report meets this test. The Chair therefore overrules the point of order.

Is there objection to the request of the gentleman from Missouri that the statement of the managers be read in lieu of the report?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of July 24, 1975.)

Mrs. SULLIVAN (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentlewoman from Missouri?

There was no objection.

Mrs. SULLIVAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, since the enactment of the National Environmental Policy Act—NEPA—over 5 years ago, extensive litigation has accompanied the implementation of NEPA's broad environmental policy and procedural mandates. One of several grounds for judicial challenge, to the legal sufficiency of an environmental impact statement has been the Federal delegation of initial preparation duties to the States. The court decisions have generally allowed such delegation if certain procedural safeguards were observed.

The Council on Environmental Quality has addressed this issue in a legal report entitled, "Delegation by Federal Agencies of Responsibility for Preparation of Environmental Impact Statements" dated September 5, 1974, which summarized these procedural safeguards. This report outlined the "law" on delegation by detailing CEQ procedures and documenting relevant legal decisions on the issue. H.R. 3130, as agreed upon by the conference committee, encompassed the principles set forth in this memorandum.

Several months ago, the Second Circuit Court of Appeals rendered a decision affecting New York, Connecticut, and Vermont which clouded the "state-of-the-law" regarding the EIS delegation issue for some, including the Federal Highway Administration. Shortly thereafter, but subsequent to the House passage of H.R. 3130, the Seventh Circuit Court of Appeals handed down a similar decision affecting Indiana, Wisconsin, and Illinois, which went even further in restricting the role of State participation.

As a result of testimony by the Federal Highway Administration that an immediate solution was required, our committee proposed a bill which would adequately remedy for all States the immediate adverse effects which were predicted would result from the Second Circuit Court of Appeals decision. H.R. 3130 provides such a remedy and protection against similar future judicial decisions on this issue.

I believe it should be known to the Members of the House, that our committee has gone to inordinate lengths to work with the administration—including the Federal Highway Administration, the Department of Transportation, and the Council on Environmental Quality. Their joint efforts have helped produce a bill which relieves the uncertainty surrounding the issue of environmental impact statement delegation, such that sorrily needed projects can once again be underway.

COUNCIL OF ENVIRONMENTAL QUALITY

Chairman Russell Peterson, in his testimony of May 5, 1975, before the Senate Public Works Committee, stated the position of the administration in support of H.R. 3130—a position which has not changed. Chairman Peterson states:

> It is the position of the Administration that H.R. 3130 should be enacted as the only acceptable resolution of this general problem . . . H.R. 3130 provides better assurance of an undiminished standard of Federal responsibility in the EIS process.

Moreover, Chairman Peterson states:

> H.R. 3130 applies to all States and establishes a uniform statement of Congressional intent.

The Senate has already passed this conference report and it is now the responsibility of this House to see that this bill is immediately enacted.

Mr. Speaker, I urge prompt adoption of this conference report.

Mr. Speaker, I yield 5 minutes to the distinguished chairman of the subcommittee, the gentleman from California (Mr. LEGGETT).

Mr. LEGGETT. Mr. Speaker and Members, I think that the legislative history that we make on this bill is extremely important, and I would ask everybody to guard what he says very carefully because this is the subject matter of litigation; and certainly it is not the purpose of this committee to exacerbate problems in this area.

Very frankly, my personal opinion would be that I like the House bill. Unfortunately, we could not get the House bill agreed to in the conference.

Mr. Speaker, I would like to make a few remarks concerning some of the allegations which have been circulated by one of our colleagues, Mr. HOWARD, concerning this conference report. I think it is important that all the facts are laid on the table so that an informed decision on this matter can be made.

Let me say first that I strongly second the notion that the development of this bill has had the full participation of Agency representatives including the General Counsel of DOT and the Federal Highway Administration. Despite a purely "political decision" at the eleventh hour by the DOT Secretary not to support H.R. 3130 in hopes of keeping the pressure on in order to obtain broader congressional approval for EIS delegation, members of his own staff had participated in and accepted the compromise language which had been thoroughly discussed and agreed upon during several meetings.

On Friday, July 25, Mr. Howard of New Jersey inserted into the Record certain remarks which I am sure will be uttered again today. Therefore, I would like to make some very specific responses to these inchoate allegations.

First, it has been alleged that the thrust of the conference report before us today has been completely reversed from its original purpose and direction. Although Mr. Howard's printed remarks contain extensive quotes from the floor debate on H.R. 3130, testimony from the Secretary of DOT and excerpts from the House and Senate Report in such a manner as to emulate a well documented case in support of his position, I would urge my fellow Members to examine carefully his paradoxical indictment of H.R. 3130. Mr. Howard makes essentially two substantive points which are accurate: one, it was the intent of this committee and this House to clarify NEPA law concerning the delegation issue; and second, the Senate amended the bill with an additional requirement. The remainder of his remarks are purely speculative and emotional in nature containing a paucity of factual basis.

It was quite true that the House passed a bill which attempted to merely clarify existing NEPA law while at the same time respond to the needs of three States affected by an adverse court decision. And further, it is clear that the Senate amended our bill to restrict its application principally to a limited number of Federal programs for which it had heard testimony and considered the facts. It certainly appears to me to be a paradox that the chairman of the Subcommittee on Surface Transportation, who supported a bill limited solely to highway projects, is now attacking this conference report as being too narrow when it, in fact, provides broader protection to more than just the Federal highway program. Land and Water Conservation Fund and LEAA grants.

The major criticism of this bill seems to stem from this provision which limited the protection in this bill to agencies with "statewide jurisdiction". It is argued that action by the Congress in providing this special protection for statewide agencies would strongly imply under the legal rule of "ejusdem generis" that all other agencies with less than statewide jurisdiction would ipso facto to be adjudged incapable of producing legally sufficient environmental impact statements. Clearly, it is not the intent of our committee to pass such a judgment on agencies with less than statewide. However, to be absolutely certain that the act would not be interpreted as such, the Conference Committee added the following statutory phrase:

> This subparagraph (referring to the substance of the bill) does not affect the legal sufficiency of statements prepared by State agencies with less than statewide jurisdiction.

This phrase was cleared by the DOT as acceptable language to further clarify the intent of this provision.

Further, the conference joint statement specifically states:

> The purpose of this language is to provide a clear statement that the Conference Report does not establish or negate the legal sufficiency of the delegation of EIS preparation responsibilities in instances other than those to which the Conference Report applies.

I do not believe the Congress can go much further in clarifying its legislative intent than what has been done in this conference report. I am willing to concede that it may not be as broad as we all might prefer, but then our committee is preparing to hold oversight hearings in September to specifically consider this matter. However, I am sure my colleague would not want us to delay any further, but seize this opportunity to remedy a situation he most ably pointed out in his remarks on the floor months ago when he stated:

> There are now eight million Americans out of work, and there is every indication that the situation will get worse before it gets better; 731,000 construction workers were unable to find work during the month of March . . . (there are) 2,000 jobs waiting and 37,000 other jobs waiting, and because of a different regulation placed on that from that placed on the other 4" States, it is unfair. We want to get these people to work, and that is why we want to get this bill passed, along with the other.

It is also true that the Senate added some proviso language to our bill which addressed a situation where an EIS is to be prepared to a State agency on a major Federal action which has significant impacts on another State or Federal entity. The Senate was concerned that the State preparing the statement would lack the jurisdiction and direct familiarity to adequately collect and analyze data affecting areas which are the responsibility of other States or the Federal Government.

The concept of this proviso was not as objectionable as the language in the amendment. Therefore, the committee worked tediously with representatives from the FHWA, the affected States, and others to develop language which would be acceptable. The simple fact is that the compromise language adopted by the conference committee on this point had been drafted by the FHWA and reviewed by its Chief Counsel. Moreover, this language and concept were thoroughly discussed with DOT representatives and was considered acceptable as compromise language.

Thus, the conference committee went forward to adopt this language.

Just to summarize again, the important facts are these:

First. H.R. 3130 was passed by this House with the full support of all Members, including Mr. Howard and the Public Works Committee.

Second. This bill was amended by the Senate with language which was highly objectionable to the Federal Highway Administration and the Department of Transportation.

Third. This bill was then reviewed, debated, negotiated, and amended by the conference committee to remove the objectionable language, and to add even further clarifying statutory language to avoid the very problems to which Mr. Howard refers when he states that this conference bill "would perpetuate the problem and extend it nationwide."

Fourth. Representatives of the legal departments in both the DOT and the FHWA participated in drafting and accepting the compromise language adopted by the conference committee; and

Fifth. H.R. 3130 undeniably solves the problems in the second and seventh circuits including the States of New York, Connecticut, Vermont, Illinois, Wisconsin, and Indiana so that critical projects can move forward again.

Mr. Speaker, for the above reasons, I would urge the prompt passage of this conference report.

Mrs. SULLIVAN. Mr. Speaker, I yield 5 minutes to the distinguished chairman of the Committee on Rules, the gentleman from Indiana (Mr. Madden).

Mr. MADDEN. Mr. Speaker, I rise to support the bill, H.R. 3130. This is an issue of vital personal concern.

For months, we have been attempting to reduce unemployment and brighten our economic future. We have resorted to many ploys and plans. Some were good and some were questionable. But in all of our deliberations we had a common goal. We all agree that our constituents need help!

For weeks now the Congress has been trying to come to grips with a problem created first by a decision of the second circuit court and then more recently the seventh circuit court which stated that environmental impact statements must be prepared by the Federal Government.

The first decision succeeded in stopping federally funded highway projects in New York, Connecticut, and Vermont; and the second decision succeeded in casting a cloud over highway and other such federally funded projects in my State, Indiana, and all other States throughout the country.

MANY HIGHWAY PROJECTS DELAYED

Traditionally, environmental impact statements have been prepared by the State and reviewed by the Federal Government. After acceptance by the Federal Government, they traditionally have been considered to have qualified for acceptance as legally constructed statements. The court aforementioned have disagreed with this procedure, and we now need relief from those judgments if we are going to expedite federally funded highway projects and similar projects throughout our country.

Mr. Speaker, I am talking not only about highway projects but also about jobs. And I'm talking about real jobs not make-work jobs. We need to get going on constructive projects, like highways, if we are going to do something to fight both unemployment and inflation simultaneously.

I have a project in my district, Cline Avenue. This highway is badly needed if the thousands of workers in the steel mills, refineries, and other establishments along the south shore of Lake Michigan are going to get any relief from lines and lines of traffic—sometimes 3 miles long. Well, right now that project, like many similar projects throughout the country is under a cloud. These projects can be stopped at any moment by this small technicality unless we pass H.R. 3130. The projects will be curtailed and unemployment will continue.

I do not know how your Governor feels about this, but I can tell you that Governor Bowen of Indiana is for it. I have also been informed that the Governors of Wisconsin, Minnesota, Illinois, Michigan, and Ohio also support it. That would seem to make it a bipartisan affair.

You all know I have been in Congress a long time. I have seen many compromises come from conferences. I will tell you this about compromises. It is the rare one that elates everybody. H.R. 3130 must be a good compromise because it elates nobody. But, the conference committee deserves commendation. They have worked hard. They have produced a compromise; and I urge you to support H.R. 3130.

Mr. RUPPE. Mr. Speaker, I yield 5 minutes to my distinguished colleague, the gentleman from New Jersey (Mr. FORSYTHE).

Mr. FORSYTHE. I thank the gentleman from Michigan very much for yielding time to me.

I want to compliment all of the House conferees who, I think, worked very diligently on this problem. While we did not bring back the House bill word-for-word, I think that we did bring back a very acceptable bill.

Mr. Speaker, I urge that the House adopt the conference report on the bill, H.R. 3130. The text of the bill as hammered out in the Conference Committee reflects in all major respects the bill as passed by the House on April 21.

The need for this legislation was made abundantly clear, when on April 29, a week after House passage of H.R. 3130, the Court of Appeals for the Seventh Circuit handed down a decision in Swain against Brinegar, going beyond the earlier decision in the Conservation Society case which prompted the original introduction of this legislation and H.R. 3787. As my colleagues will recall, H.R. 3787, reported by the Committee on Public Works and Transportation, was limited in scope to the three States, New York, Connecticut, and Vermont, affected by the Conservation Society decision.

The problem of State preparation of environmental impact statements is thus growing and it can be reasonably anticipated that the decisions in the second and seventh circuits will be emulated elsewhere if the Congress does not act now to clarify the proper roles of Federal and State officials with respect to the preparation of impact statements on federally funded projects, particularly highway construction projects.

Essentially, the conference action recast the text of H.R. 3130 in a more concise form.

The Senate amended H.R. 3130 in several respects which have proven troublesome and about which a great deal of confusion and misinformation has been generated. In this respect, the conference report returns the concept of the bill to the House-passed version for all practical purposes.

The principal Senate amendment, of concern to the Department of Transportation and various State agencies, involved a requirement that in order to come within the coverage of this bill, a State EIS would have to be prepared by an official with statewide jurisdiction and the principal planning and decisionmaking responsibility for the action.

This amendment would have narrowed the scope of the bill unduly and was not justified. There are many State, local, and regional agencies which have the competence to prepare an environmental impact statement and they should not be precluded from doing so arbitrarily. In keeping with the intent of the House to simply restate existing administrative and case law, as it stood prior to the two circuit court decisions, the conference report inserts in the text of H.R. 3130 the phrase:

> This subparagraph does not affect the legal sufficiency of statements prepared by state agencies with less than statewide jurisdiction.

Accordingly, as in the case of the House-passed bill, the text of the bill, as reported from the conference committee, does not prejudge the merits of environmental impact statements of agencies with less than statewide jurisdiction. The competence of these agencies will, if challenged, be adjudicated on a case-by-case basis, precisely as the House intended.

The second amendment of the Senate, which has caused concern and confusion, relates to the question of interstate impacts. The bill as passed by the House did not attempt to impose any more stringent requirements upon the responsible Federal official than was the case prior to Conservation Society as I have stated. The Senate's action was prompted by a legitimate concern that State agencies lack jurisdiction to weigh environmental impacts upon Federal lands or upon adjacent States.

The conference report clearly reduces the scope of the Senate amendment to only those situations where there is disagreement between State and Federal agencies or between agencies of different States. In the case of disagreement over the nature or extent of impacts between the State preparing the EIS and a Federal agency or State commenting on the EIS, the responsible Federal official will prepare an independent assessment of the impacts in dispute for inclusion in the EIS.

This does not shift to the Federal official the job of preparing the total EIS as some have mistakenly believed. The provision is very narrowly drawn and will not increase the workload of Federal agencies to any significant degree.

Mr. Speaker, the conference report before the House should be adopted. This legislation is needed at once. The conferees on the part of the House have worked diligently to preserve the House position on this bill and have succeeded in all meaningful respects.

Mrs. SULLIVAN. Mr. Speaker, I yield 3 minutes to the gentleman from New Jersey (Mr. HOWARD).

Mr. RUPPE. Mr. Speaker, I yield 4 minutes of our time to the gentleman from New Jersey (Mr. HOWARD).

Mr. HOWARD. Mr. Speaker, I thank the gentlewoman from Missouri and the gentleman from Michigan.

Mr. Speaker, I rise in strong opposition to the conference report on H.R. 3130.

I supported the original bill on the floor 3 months ago, along with most of my colleagues on the Committee on Public Works and Transportation. Our position has not changed, but the bill has—about 180 degrees.

The details may be complicated but the issue is not. Do we now want to change the National Environmental Policy Act? Do we now want to turn the screws, tighten it up, make it more stringent and difficult to comply with? And if we do, why? Where is the justification? I have not seen a shred.

Three months ago, most of us voted to leave NEPA as is. We passed not one but two bills whose effect was to say that environmental impact statements on highway projects can be prepared by State agencies subject to Federal guidance, participation, review and final adoption.

Just think back to how we got into this in the first place. A Federal circuit court of appeals invented a new Federal requirement in NEPA, ruling that the Federal Highway Administration must prepare the EIS; the job cannot be delegated.

Now, that was not what the Council on Environmental Quality said, or the Federal Highway Administration, or five other Federal circuits. And that is not what we in the Congress said. My friends on the Committee on Merchant Marine and Fisheries and my colleagues on the Committee on Public Works and Transportation said no, let us stick to the traditional interpretation of NEPA and not add new Federal requirements. So we passed two bills—theirs and ours—to nail down our common understanding of what NEPA meant all along.

To be blunt about it, my own committee's bill, H.R. 3787, died in the Senate. I guess it was too simple for them. It made a straight congressional finding that NEPA had been complied with in the States affected by that initial court decision.

The Senate Interior Committee took the House-passed merchant marine bill and said, well, while we are at it, let us add a little Federal requirement. That was for an independent Federal assessment of loosely defined impact on other States. I am not talking just about adjacent States—CEQ says those segmentation problems are being handled satisfactorily. I am talking about some interest that citizens in one State might happen to have in the impact of a project on some Federal land, maybe halfway across the country.

What came out of conference was a new, expanded version of remote-State impact assessment requiring the Federal agency affirmatively to notify States other than the one in which the project is located, plus Federal land-management agencies. The Federal Government would solicit views on any conceivable project effects in terms of likelihood of impact, extent of impact and character of impact, along with the usual consideration of alternatives. In the case of any disagreement, a separate written Federal assessment would be required.

This is a prescription for paralysis. At minimum, it would mean increased bureaucratic burdens and delay in getting projects underway. But more than that, it would set up two or three new targets for opponents to shoot at in court.

I am not just conjuring up ghosts and goblins here. Remember, the second circuit decision was a departure based on existing NEPA language. It alone was enough to start us legislating.

The seventh circuit later topped that one with a ruling that a State agency cannot even assemble the raw data for an EIS. Only the Federal Government can assess the national—and international—environmental and resource implications, such as the impact of removing 700 acres from agricultural production on world hunger.

We will be entitled to a lot more of the same if we float this fog formation out for judicial definition.

This aside, the conference report fails to prevent challenge on the issue of EIS preparation from being lodged against other improvements such as airport development and urban mass transit, not involving Federal funding necessarily to State agencies with statewide jurisdiction. Transportation Secretary William T. Coleman shares my concerns in this respect.

Housing and community development projects, under legislation with even greater EIS delegation to the local level, similarly could be set up for suit.

One of the major defects of H.R. 3130 lies in the ambiguous language of subparagraph (iv). In the highway program, it is likely that the courts will find that what has been previously considered to be a reasonable segment between logical termini no longer will be satisfactory. The language of subparagraph (iv) invites litigation as to what constitutes "significant impacts" upon "any other State or affected Federal land management entity." The language invites litigation in several ways; first, by a State or Federal land management agency not notified by the Federal official; second, by outside parties since the language does not limit itself merely to disagreements by the Federal official, a State, or affected Federal land management agency; and third, by the State or affected land management agency which may not agree with the written asessment of impacts and views prepared by the Federal officials. Thus we not only have what has become the traditional litigation pertaining to whether an environmental impact statement is required under the law but a new area concerning the interrelationships of who is and is not affected and when and why they are affected. If you think we have had delays due to litigation up to this time wait until obstructionists take advantage of subparagraph (iv).

Mr. Speaker, misapplication of procedural requirements is helping make a hash of Federal assistance programs and contributing to the larger problem of overregulation and misregulation by Government. The issue is not public works versus the environment, or jobs versus the environment, though jobs in the construction field and the health of communities benefiting from improvements are involved.

The issue is one of balance, weighing economic and other legitimate interests against the increasing emphasis on procedural purity, which by now we should know better than to confuse with environmental quality.

An appeal of the second circuit decision is pending. Rather than cloud the issue, let us defeat the conference report and allow the court to rule. If legislation ultimately is needed, we had better go back for a fresh start.

Mr. JONES of Alabama. Mr. Speaker, will the gentleman yield?

Mr. HOWARD. I am happy to yield to the chairman of the committee on Public Works and Transportation.

Mr. JONES of Alabama. Mr. Speaker, I am happy to hear the observation of the gentleman from New Jersey in summing up our whole transportation problem. If this bill is passed, it will mean the deferral of all our transportation problems that now face the Nation. It would mean that every dilatory practice could be invoked to further delay the completion of the interstate and other highway systems.

Now, we just recently passed a públic works bill of $5 billion. If this bill is passed, those requirements are going to be applied to those projects that we have heretofore passed by a substantial vote in the House of Representatives.

Mr. Speaker, I hope that the bill is defeated.

Mr. RUPPE. Mr. Speaker, I yield 2 minutes to the gentleman from Arkansas (Mr. Hammerschmidt).

Mr. HAMMERSCHMIDT. Mr. Speaker, I rise in opposition to the conference report. We are all aware of the problems involved with NEPA and procedural problems which bring it into the courts. This conference report would only make a presently unsatisfactory condition much worse. I would call your attention to the language in the Senate report that says, and I quote:

> A highway segment located totally within a State may so affect a national park or other nationally important property or resources such as to significantly affect the interest of the citizens residing outside the State.

This is a distinct purpose of the Senate amendment. The statement of managers of the conference report accepts the purposes of the Senate amendment. This means that a highway which might hit a portion of an orange grove in California could be objected to by a citizen in the State of Maine. This is not a far-reaching interpretation. It is the kind of interpretation reached in the Seventh Circuit Court decision.

The same day this conference report was reported out, Federal Highway Administrator Norbert Tiemann testified before our committee on Thursday, July 24, that this version is worse than no bill at all. Transportation Secretary William T. Coleman and Deputy Under Secretary Theodore Lutz also stated that it would adversely affect other States and other programs while failing to provide relief to the States originally intended to benefit.

I submit to this body that we cannot live under this type of cloud. The conference report must be rejected.

Mr. RUPPE. Mr. Speaker, I yield 3 minutes to my distinguished colleague from New York (Mr. Gilman).

Mr. GILMAN. Mr. Speaker, I rise in support of the conference report on H.R. 3130, amending the National Environmental Policy Act, clarifying the Federal and State roles in the preparation of environmental impact statements and permitting the preparation of such statements by the States and not requiring the Federal Government to become involved in the preparation of these statements unless a controversy arises.

The role of the States in developing environmental impact statements has been a complicated one; the language of the 1970 National Environmental Protection Act having usually been interpreted to require some Federal involvement in environmental impact statement preparation and in permitting the States to prepare the impact statements with Federal guidance.

In December 1974, the U.S. Court of Appeals for the Second Circuit—including New York, Connecticut, and Vermont—ruled that the environmental impact statements required by the National Environmental Policy Act must be prepared by the Federal Highway Administration and not by State transportation agencies. The court upheld an injunction against further Federal participation in route 7 construction in Vermont even though the court found that the substance of the environmental impact statement, as prepared by the State of Vermont, in full compliance with NEPA.

As a result of the circuit court's decision, the New York State Department of Transportation imposed a freeze on the approval of all public works projects in the Federal-aid highway program, except for minor projects such as safety improvements.

The Federal Highway Administration, complying with the court's decision, specified in their instructions to the States, that it would not act on any request for approval of preliminary engineering authorizations or plans, specifications or estimates or right-of-way acquisitions or any other step in the process of developing a highway project.

It has been estimated that several billions of dollars of public works construction in New York State is being held up as a result of this court decision.

This freeze has severely impacted the public works construction in my own 26th District. In Rockland County, it has brought a full halt to the planning of the construction process on the Spring Valley bypass which has been scheduled for fiscal year 1976.

In Orange County, the planning work on the second span of the Newburgh-Beacon Bridge was stopped. The list of projects being held up throughout New York State and its neighboring States is lengthy—at a time when our construction industry is suffering from severe unemployment.

In the interests of improving public

safety and in fostering our economy and in order to clarify the complexities of the existing law, I urge my colleagues to adopt this conference report. It is important, not only to my 26th Congressional District, but to the entire Nation.

Mr. FISH. Mr. Speaker, will the gentleman yield?

Mr. GILMAN. I yield to the gentleman from New York.

Mr. FISH. Mr. Speaker, I would like to associate myself with the comments of my colleague from New York. As he has mentioned, there are several projects in our area, where our districts join, which I would hope would benefit when these funds are freed up. There are many needed construction projects in New York State which have been held up and which will mean employment for our building trades.

I thank the gentleman for his leadership over the past several months in realizing our objective.

Mr. GILMAN. I thank the gentleman.

Mr. RUPPE. Mr. Speaker, I yield 4 minutes to my colleague from Pennsylvania (Mr. SHUSTER).

Mr. SHUSTER. Mr. Speaker, I thank the gentleman for yielding to me.

In my congressional district we have an antiquated highway, a strip of road about 5 miles long, on which seven people have been killed in the past 7 years. We average about one death per year. A group of environmental extremists discovered a bird sanctuary nearby, and because of that bird sanctuary we have not been able to build a modern, safe highway. It has been delayed for over a decade.

Now, if this bill, as it is foisted upon us by the Senate with its changes, is adopted by this House, then I suggest that the same environmental extremists who have blocked a highway in Pennsylvania where people are killed at a rate of one per year could now go across the State line into Ohio or West Virginia or to other States, and if they are bona fide birdwatchers, could claim that construction there should be stopped also under the so-called remote impact clause, which is a clear expansion and broadening of the environmental law and which indeed was not the intention of this legislation before it was sent from the House to the Senate. If we want more Government regulation, if we want to slow down further the construction of badly needed roads and not only badly needed roads but other construction as well, if we want to make it more difficult to build lifesaving, safe, modern highways in America, then the thing to do is to vote for this Senate version.

But, if we have had enough with environmental extremism, if we believe that we should make it less onerous to bring about badly needed, modern highways in America, if we believe that a broadening of the environmental law to include remote impact—whatever that may come to mean, because it is a vague term—if we are opposed to that, then I submit that we should vote down this conference report.

Therefore, I urge its defeat.

Mr. RUPPE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the conference report on H.R. 3130, amending the National Envirinment Policy Act to clarify the paration of environmental impact statements represents a very sincere and I believe successful effort on the part of the House conferees to preserve the House position. The work of the conference committee unfortunately has been badly misunderstood. Unfortunately also, the distinguished Secretary of Transportation, the Honorable William T. Coleman, Jr., has been quoted in the RECORD as being in opposition to the bill, when it was perfectly obvious that he was not familiar with the text of the bill as reported by the conference committee. For example, there was inserted on page 25043 of the Extensions of Remarks for July 25, 1975, a partial text from a hearing before the Public Works and Transportation Committee. In this dialog between the chief counsel of the committee and Secretary Coleman, the Secretary was asked:

> If this Conference Report is passed in the Congress, what effect will this language have on the progress of all of your programs in the Department of Transportation?

The Secretary responded:

> I figure it would have a very bad effect on the programs if the bill is still in the form it was in last time I looked at it.

Thereafter follows a further explanation by a Deputy Assistant Secretary of the Department of Transportation, Mr. Lutz. This dialog purported to reflect the views of the Department of Transportation on the bill as reported by the conference committee clearly indicates that neither Mr. Coleman nor Mr. Lutz was aware of the amendments to this legislation adopted in the conference. Both gentlemen were discussing the bill in the form passed by the Senate. It is noteworthy that the most damning comments with respect to the legislation are not those of Secretary Coleman but of Mr. Sullivan, the chief counsel of the Public Works and Transportation Committee.

The facts regarding H.R. 3130, as reported from the committee of conference, are as follows: The bill preserves the status quo with respect to agencies with less than statewide responsibility: the bill resolves the crisis in highway construction which originated with the decision in the second circuit court of appeals, later expanded upon in the seventh circuit. If the conference report is not adopted today, this crisis will continue to grow and many thousands of jobs that are now in jeopardy will continue to be in jeopardy and may even be lost permanently. If the conference report is not adopted, it will take many mont' s before the Supreme Court will resolve this matter, and of course there is no indication that the Supreme Court will resolve these issues to our satisfaction. The Supreme Court could well resolve the appeal from the Conservation Society decision by affirming that decision and making that decision the law of the land. Those who argue that the conference report should be defeated are placing in peril the efforts taken when this legislation was passed in April to resume highway projects that are vital to the States to the construction industry, and to thousands of employees engaged in this work.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. RUPPE. I yield to the gentleman.

Mr. WRIGHT. Mr. Speaker, I thank the gentleman for yielding.

I know the gentleman would not want to leave a misimpression. The gentleman left the impression that Secretary Coleman and Highway Administrator Tiemann had not seen the language contained in the conference report at the time they expressed their disapproval. I am advised that this is not correct. I am advised that they had been shown the final language and will object to it.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. RUPPE. I yield to the gentleman from Michigan.

Mr DINGELL Mr. Speaker, I thank the gentleman for yielding.

I would like to have the attention of the gentleman from Texas (Mr. WRIGHT), because I spoke just a day or so after that discussion with Secretary Coleman.

I said, "Mr. Secretary, have you seen the language?"

He said, "Well, I saw the language 3 or 4 weeks ago."

I said, "Mr. Secretary, that language has changed substantially since that time. Are you aware of the change?"

He said, no, but he had been generally informed about what he thought was in it and he thought it was the same as the language he had seen 3 or 4 weeks ago.

The simple fact of the matter is that the Secretary of Transportation did not have the vaguest idea what language he was talking about, what it said, what it meant, or of its impact on the programs of his Department.

Further, he was not speaking the thoughts of the administration; he was simply speaking his own thoughts, because on the following morning we had a meeting up in the rooms of the Committee on Rules which was set up by the chairman of the Committee on Rules, and present were the gentlewoman from Missouri (Mrs. SULLIVAN) and I, as well as a number of staff members, along with Mr. Tiemann and some other people from the Department of Transportation.

We asked them, "What is the position of the administration? Where is Secretary Coleman? He is supposed to be here."

He said, "I am not prepared to tell you what the position of the administration is, but this is the position of the Department of Transportation we are speaking of."

He was not able to tell us what the position of the administration was, although I importuned him on several occasions.

As a matter of fact, I am convinced that what happened was that Secretary Coleman took a powder because he was not prepared to face up to the issue.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. RUPPE. I yield to the gentleman from Texas.

Mr. WRIGHT. Mr. Speaker, simply as a matter of factual clarification, I do not want to address myself to Secretary Coleman's mental acuity or to his depth of understanding of the issues involved, because I have no knowledge of that, but I am advised that he had read the exact, precise language contained in the conference report immediately prior to his asserting his position.

Mr. RUPPE. Mr. Speaker, since my time is limited, I shall proceed with my statement.

Mr. Speaker, those who oppose the adoption of this conference report apparently prefer H.R. 3787 of the Public Works Committee that was not acted upon by the Senate. They have not, however, told us how the defeat of this conference report will resurrect H.R. 3787, and if it cannot be resurrected, then absolutely nothing will have been accomplished to resolve this crisis. Even if H.R. 3787 is resurrected upon the defeat of this conference report, it is a bill limited in scope to federally aided highway projects in three States subject to the decision in the Conservation Society case. It does not resolve the problem posed by the later decision in the seventh circuit.

I am told that the construction industry and labor have been urged to oppose the adoption of this conference report. What will the industry representatives and the labor representatives tell their constituents if this conference report is defeated? All they can tell them is, "Let us wait and see what the Supreme Court does next year sometime. In the meantime, draw your unemployment check and take comfort in the fact that the Federal Highway Administration will not be subjected to the burden of having to involve itself in disputes between States and between the States and other Federal agencies on disagreements over potential impacts." That should greatly comfort the unemployed highway construction workers.

It is in this one situation, and this situation only, where H.R. 3130 as reported by the conference committee goes beyond the bill as passed by the House. The question of interstate impact has been so substantially narrowed in the bill as reported from the conference committee that it would be sheer folly to defeat this bill now on that slim basis. I urge each of my colleagues to consider before voting on this matter which is more important—resolving the crisis in highway construction, or insulating the Federal Highway Administration from a modest responsibility imposed by the bill to prepare a written assessment of impacts that are in disagreement for incorporation in the environmental impact statement prepared by the State agency. I do not believe that any Member who considers this issue could vote to overturn the conference report. I urge my colleagues to support the conference report on the basis of the rational and careful work that has been done in conference, and to disregard the misleading information that has been circulated during the past few days.

Mrs. SULLIVAN. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Michigan (Mr. DINGELL).

Mr. DINGELL. Mr. Speaker, today is Tuesday. The House will be going into recess on Friday. The Senate has already acted upon and has approved the conference report that is now before us.

The purpose of the conference report is to iron out differences between the House position and the Senate position with regard to court cases which took place in the New England area and in the Midwest regarding the sufficiency of environmental impact statements and to eliminate obstacles to going forward with the expenditure of billions of dollars of accelerated public works funding.

The bill accomplishes that end. The proposal has the support of the Administration.

I am reading from a letter from the Executive Office of the President's Council on Environmental Quality. The letter is signed by Gary L. Widman, General Counsel. Let me read this paragraph:

> This responds to your request for advice on the Administration's position on extending H.R. 3130 to agencies with less than Statewide jurisdiction. Let me first state that the Administration has taken no position favoring either the Senate or House versions of H.R. 3130, but the Administration remains in strong support of the bill.

The administration supports the bill. That is what he is saying.

The conference report is a compromise between the two versions.

We have heard from some of my colleagues—and they are honorable men and capable men—that we ought to reject this conference report. If we reject the conference report, the consequences should be made clear to all, and that is that we will not be able to move forward until after September 1 with additional actions which would do away with the problems that have been set before us by the two court decisions with respect to the adequacy of environmental impact statements. Billions of dollars in public expenditures for roads and bridges and other public works will be delayed by at least 30 to 45 days.

We are told that Secretary Coleman of the Department of Transportation and his people are opposed to the bill. That may very well be. They opposed it in the beginning. They opposed it all the way through, and I am well satisfied that they probably will oppose it even after its adoption into law. However, the hard fact of the matter is that Mr. Coleman was protesting about a form of the bill in his testimony before a committee of the Congress before he had even seen the language of the compromise or before he was aware of what the administration's position was.

Just the other day, I had the privilege of meeting, supposedly, with Secretary Coleman. However, curiously enough, he did not show up. Instead, several other people, such as Mr. Tiemann of the Highway Administration, showed up.

I said, "Mr. Tiemann, where is Secretary Coleman?"

He said, "He is not here."

I said, "He was supposed to be here." I said, "What is the position of the administration?"

He said, "I do not know, but I will tell you that the Department of Transportation is opposed."

I said, "I do not want to know what the position of the Department of Transportation is. I want to know what the position of the administration is."

However, he could not say.

Mr. Speaker, I have read a July 21 letter from the administration on the letterhead of the Executive Office of the President, and I will, in appropriate fashion, insert it into the RECORD.

Mr. LEGGETT. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. Yes, I yield to the gentleman from California.

Mr. LEGGETT. Mr. Speaker, I want to commend the gentleman for his statement. I think his point is exactly correct.

I think we ought to correct another item. There has been an allegation here about fraud. There has also been a statement, in the midst of that statement about fraud, that this bill would abate the construction of some $5 billion worth of projects.

In this regard, is it not true that our committee has had three or four meetings with Mr. Reis, from the Federal Highway Administration, Mr. Wolfe and Mr. Convisser of the DOT, and that they were satisfied with the current form of this bill. That is why we brought it forward.

Mr. DINGELL. The answer to that question is "Yes," and the gentleman referred to the very language of this proposal.

Mr. Speaker, the House can have once again before it the consequences of rejection of the conference report.

Let me just point out that if this conference report is rejected, it will be at least 30 to 45 days before these projects can begin going forward.

Is there anyone in this House who wants that kind of delay at this time, given the economic circumstances of the country, given high levels of unemployment, given the need to make this country move forward? I say that a rational man would not be prepared to take that risk, and I say that the House should adopt the conference report, should commend the conferees, who labored long and hard to present this to us, and should move forward toward the construction of these projects, as authorized by this conference report.

Because the conference report not only eliminates the objections with regard to the New England area, but it also eliminates the objections with regard to other parts of the country. It is a nationwide bill as opposed to a narrow approach.

Mr. Speaker I include the following letter for the further information of the Members:

COUNCIL ON ENVIRONMENTAL QUALITY,
Washington, D.C., July 21, 1975.

STEVEN QUARLES, Esq.,
Special Counsel, Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C.

DEAR MR. QUARLES: This responds to your request for advice on the Administration's position on the question of extending H.R. 3130 to agencies with less than statewide jurisdiction.

Let me first state that the Administration has taken no position favoring either the Senate or House versions of H.R. 3130, but the Administration remains in strong support of that bill.

However, the Administration is concerned over the issue of coverage of H.R. 3130. In his cleared testimony on this point, Chairman Peterson stated as follows:

". . . H.R. 3130 should be limited to grant recipients which are state government agencies operating throughout the state. To quote from the House Committee Report, 'The language, "state agencies and officials" refers to those officials to whom the task of preparing statements has been appropriately designated at the present time. In no case would H.R. 3130 permit delegation to any state agency lacking sufficient resources, personnel, and interdisciplinary expertise to prepare an EIS that meets the requirements of NEPA. The bill is not intended to address practices of Federal agencies which involve any public or private entities other than statewide agencies.' While such entities can also do much of the work of bringing together materials for impact statements, we should be particularly careful when preparation responsibilities are assigned to water districts, sewer authorities, airport authorities, public utilities, and other similar entities when they are special purpose limited jurisdiction entities without statewide duties and responsibilites."

In summary, it is the Administration position that this bill should not address the issues of EIS preparation by agencies of less than statewide jurisdiction. Their activities and competence vary greatly. They raise many questions which have not yet been considered, and the courts should remain free to consider each case on its merits, without a fixed rule either approving or disapproving such practices in advance.

Sincerely,

Gary L. Widman,
General Counsel.

Mr. RUPPE. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. Ottinger).

Mrs. SULLIVAN. Mr. Speaker, I would like to yield an additional 2 minutes to the gentleman from New York.

The SPEAKER pro tempore. The gentleman from New York is recognized for 4 minutes.

Mr. OTTINGER. Mr. Speaker, I would like to thank the gentleman from Michigan and the gentlewoman from Missouri for yielding me this time.

Mr. Speaker, I rise in very strong support of the conference report. The fact of the matter is that in the State of New York at the present time there are tens of thousands of construction workers who are out of work and who have been out of work for a long time. Now we have decisions affecting five other States in which the same condition must indeed prevail, and it is likely to spread elsewhere in the country.

We had a difficult problem arising out of a court decision that cast some doubt on the States' ability to prepare environmental impact statements. That problem was successfully resolved through negotiations that involved everybody: it involved the Public Works and Merchant Marine and Fisheries Committees; it involved the Department of Transportation and the Federal Highway Administration; it involved the environmental organizations; together we developed a good and satisfactory resolution of that problem. It has been passed by both Houses of the Congress, and it is embodied in this conference report.

If we do not get this conference report passed, I am informed that many of the projects in the State of New York will have to be terminated, and they will have to rework them, and that as much as a 5-year delay could be involved in getting those projects on the road again.

The resolution that was reached seems to me to be a very satisfactory one for everybody. It allows the States to prepare the environmental impact statement. It requires the Federal Government to exercise its full jurisdiction under the law to participate in the EIS deliberations, to reveiw the results and to finally approve the environmental impact statement that is put forward.

As far as section (iv) is concerned, I am sure my friend, the gentleman from New Jersey (Mr. Howard), and the other people on the Committee on Public Works who have expressed concern, that their concern is genuine, but I think they are mistaken. The problem that they raise only occurs where a particular project "has significant impact upon another State," and where there is genuine disagreement between the State in which the project is located, and the other State in which the project has a significant impact; then all that is required is assessment by the responsible Federal official and a separate statement. I do not think that that is unduly onerous.

Mr. Speaker, I think it is desperately important that this bill go forward, and that we get this problem resolved so that we can get the tens of thousands of people who presently do not have work and thus who are contributing to our unemployment statistics and contributing to the drain on our economy back to work again.

I personally think that the gentleman from New Jersey (Mr. Howard), is right in theory where he says that we did not need this legislation in the first place. I said from the beginning that the Federal Highway Administration should have adopted an interpretation, that I think was possible completely consistent with the decision of the court, that would have permitted these projects to go forward. But the fact of the matter is that the Federal Highway Administration did not do that, and they have stopped all projects in the States affected by the court decisions.

The gentleman from New Jersey (Mr. Howard), helped effectively in the creation of this legislation to correct the present problem, and now I think that we have to go forward with it.

Mr. HOWARD. Mr. Speaker, will the gentleman yield?

Mr. OTTINGER. I yield to the gentleman from New Jersey.

Mr. HOWARD. Mr. Speaker, I want to thank the gentleman from New York for his statement about our position a while ago. I would like to say that I am speaking as a member of the Committee on Public Works and Transportation, the committee that authorizes this legislation, the committee that prepares it, and the committee responsible for the funds for it.

What we are trying to do is to see that these projects can go forward. We are opposing this bill because we think it is going to lead to problems all over the country, and it is going to do a great deal of damage to the economy. That is why we oppose the legislation.

Mr. OTTINGER. I understand the gentleman's intent, but I do not think that the effect of section (iv) of this legislation is as dire as the assessment of the gentleman from New Jersey, and the compromise he helped create is badly needed now to permit construction to go forward in the States affected.

Mr. LEGGETT. Mr. Speaker, will the gentleman yield?

Mr. OTTINGER. I yield to the gentleman from California.

Mr. LEGGETT. I thank the gentleman for yielding.

I want to commend the gentleman for his statement. Certainly the record is unrefuted that the legal advice that the Department of Transportation has had is that this bill is good, that it will allow the projects to move forward, that it is a clarification of existing law, that it spells out the requirements of existing law, that it envisions that maybe existing law might be a little bit confused with respect to the interstate situation, and in that respect in order to give a lot of notice, we would set the "section iv." timetable ahead for January 1 of next year.

Mr. OTTINGER. I would just like to say that the environmental organizations all support this legislation; I do; and I hope the conference report is adopted.

Mr. RUPPE. Mr. Speaker, I yield 2 minutes to my colleague, the gentleman from New York (Mr. LaFalce).

Mrs. SULLIVAN. Mr. Speaker, I yield 5 minutes to the gentleman from New York (Mr. LaFalce).

Mrs. SULLIVAN. Mr. Speaker, will the gentleman yield?

Mr. LaFALCE. I am pleased to yield to the gentlewoman from Missouri.

Mrs. SULLIVAN. I thank the gentleman for yielding.

I would like to commend the gentleman from New York, the author of the House bill, for the very excellent and hard work that he has done throughout this whole time to get good legislation passed, and after the bill was passed to work with us, even though he is not on our committee, on the conference report because he is anxious to get the highways in his State of New York completed, as well as in all the other States in this country.

Mr. LaFALCE. I thank the gentlewoman very much.

Mr. Speaker, I think we need some clarification on the process that has taken place that has brought us here today. The problem we address today arose primarily because of a court decision in the second circuit court of appeals, a decision that brought to a halt construction projects in the States of New York, Connecticut, and Vermont. A decision in the State of New Hampshire expanded it to that State even prior to House consideration of a remedy. At that time the Committee on Public Works developed an approach to cope with the problem. It was embodied in H.R. 3737.

The chief architect and draftsman of that bill was the esteemed gentleman from New Jersey, Mr. Howard, who at the time the bill came to the floor told us that there is no administrative resolution; that we cannot wait for a court decision; that it might take 2 years; and that we need a legislative remedy now. He was right then; he is right today.

Another bill also came to the floor of the House. It came through the Committee on Merchant Marine and Fisheries bearing the designation H.R. 3130. It, too, attempted to deal with the problem. Both bills came before the floor of this House on the same day.

The Public Works bill was passed with about 80 or 90 individuals in opposition to it; about 50 were absent. The bill coming from the Committee on Merchant Marine and Fisheries passed about 370 to 5. Both bills then went over to the Senate.

The Interior Committee and the Committee on Public Works held joint hearings on both bills. They killed H.R. 3787 for a lot of reasons. We do not have to go into those reasons now. They reported out H.R. 3130. However, they amended H.R. 3130. The day the Senate passed H.R. 3130 with their amendments, we immediately met in the office of the gentleman from California, Mr. LEGGETT, and we had there the counsel for the Committee on Public Works and we had the counsel from the Highway Administration, a gentleman by the name of Ed Reis. At that time I said we must oppose the Senate version; we cannot concur; we must go to conference. Mr. Reis of the Federal Highway Administration concurred in that opinion.

We, therefore, did not recede to the Senate version. We demanded a conference.

From that time—the end of May—to the present, we have attempted to reconcile the diverse points of view on this issue represented by people from different committees and people who represent both those who would move rapidly ahead with construction, and the environmentalists, if you will. It is a thin tightrope that we tried to walk.

A week ago Thursday the conferees met for the first time and considered what the House and Senate committee staffs thought to be acceptable compromise language.

The Senate conferees approved that compromise language. The House conferees opposed that initial compromise language. I was asked by the senior Senator from Colorado (Mr. HASKELL) how I would vote on that compromise language and I said as a New York legislator I would go for it but as a national legislator I would oppose it. That compromise language was defeated and rejected.

That afternoon I called the Counsel of the Federal Highway Administration and I said I thought we could work out acceptable compromise language. I asked him to come to my office the next morning. He did. For 2 hours we worked out compromise language that he said was acceptable to the Administration. In his words, it eliminated 98 percent of the adverse effects of the Senate's language. The only time the Federal Government would have to give any written assessment at all would be when States disagree. And if States disagree, well then, should not the responsible Federal official at least reconcile those differences? He said of course. And he said there would be no problem.

I was then called later that afternoon by the same individual and I was told that his statement still stood although he was ordered to keep hands off.

There was still another problem and that had nothing to do with subdivision iv, but with subdivision i. There was the question which State agencies that had prepared environmental impact statements should be explicitly protected by this specific bill.

I would have preferred any State agency—indeed, I personally believe, and in my judgment virtually all Members of Congress concur, that NEPA presently permits delegation to any State agency. We believe that the second circuit and the seventh circuit decisions incorrectly interpreted Federal law—but the senior Senator from Maine (Mr. MUSKIE); and the junior Senator from Washington (Mr. JACKSON); and the senior Senator from Colorado (Mr. HASKELL); and the two committees of the Senate and the counsel for CEQ and the Ford administration said that at this point in time we should only extend this specific validation to State agencies that have statewide jurisdictions. The basic reason was that the committee hearings had only addressed the issue from that perspective. But the counsel for DOT said: "We are troubled because that protection might permit an inference that EIS prepared by State agencies with less than statewide jurisdiction; for example, with UMTA and FAA projects EIS might be found to be improper because they were prepared by the State agency."

We met with DOT counsel, Greg Wolfe and with Marty Convisser, the environmental affairs officer in Secretary Coleman's office. We met in the office of the gentleman from California (Mr. LEGGETT) and we said: "Let us put in a proviso that make it clear that the only thing we are doing is validating the environmental impact statements prepared by State agencies having statewide jurisdiction, and we are in no way establishing or negating the validity of the environmental impact statements prepared by State agencies that do not have such statewide jurisdiction."

In other words, Mr. Speaker, we added language which will make it crystal clear to any judge who reads the bill that no inference whatsoever is to be drawn from the fact that Congress authorized delegation to statewide agencies when reviewing the question of delegation to agencies with less than statewide jurisdiction.

This legislation goes to that question and it makes it crystal clear. The conference report was drafted and discussed with them; the draft was sent to them and approved by them. The conferees met again and approved it—by a close vote? No, by a vote of 11 to 1.

The SPEAKER pro tempore. The time of the gentleman from New York has expired.

Mrs. SULLIVAN. I yield the gentleman 2 additional minutes to finish his statement.

Mr. LEGGETT. Mr. Speaker, before the gentleman finishes. I wonder if he will yield to me?

Mr. LAFALCE. I gladly yield to the gentleman from California.

Mr. LEGGETT. Mr. Speaker, I would like to commend the gentleman in the well, a freshman Member, for pioneering this piece of legislation. I think the gentleman is one of a kind in the freshman class.

The effect of this bill will be to put several hundred thousand people back to work all over the country. It is not a confused bill but rather a well-thought-out bill. The gentleman pioneered the original thought—to be sure, this is not the language of the gentleman, but he is to be commended for a job well done for his people.

Mr. LAFALCE. I urge your strong support for this bill for the simple reason that it will create and preserve up to one million jobs.

Mr. HECHLER of West Virginia. Mr. Speaker, the conference report (H. Rept. 94–388) on H.R. 3130 represents another attempt to chip away and weaken the National Environmental Policy Act of 1969, NEPA, and the gains made by citizens over the years through court action. I am concerned that pressures are building up on the 94th Congress to weaken the environmental achievements of the 91st and 92d Congresses. This is not the only effort by special interests to erode these laws.

The auto industry with the backing of the President wants to erode and delay implementation of the Clean Air Act. The navigation interests and developers, with the backing of Secretary Butz and the Corps of Engineers are trying to erode and cut back the definition of navigable waters in the Federal Water Pollution Control Act of 1972 so they can dredge and fill our valuable and irreplaceable wetlands. Each of these laws—NEPA, the Clean Air Act, and the 1972 amendments to the Federal Water Pollution Control Act—were major achievements of the 91st and 92d Congresses.

In each of these efforts, the contention is made that unless the Congress makes this "little change" the ranks of the Nation's unemployed will continue to climb and various parts of the Nation will face economic decline. Indeed, in the House report (H. Rept. 94–111, part 1) on H.R. 3787 which is a miniversion of H.R. 3130, the Public Works and Transportation Committee said:

> Over the past few months, the ranks of the Nation's unemployed have grown at an alarming rate. There are now 7.5 million Americans out of work, and the prospect looms for even greater joblessness over the next several months.
>
> Department of Labor statistics show that the overall rate of unemployment climbed from 5.4 percent in August 1974 to 8.2 percent in January and February 1975. Unemployment in the construction trades rose from 11.3 percent to 15.9 percent during the same period. 688,000 construction workers were unable to find work during the month of February.
>
> In an effort to generate employment and to expedite highway construction, the President on February 12 ordered the release of $2 billion in impounded Federal-aid high-

> way funds. Release of the additional funds increases the highway program funding level for fiscal year 1975 to $6.6 billion. As of the end of February, $3.1 billion of this amount had been obligated, leaving some $3.5 billion available to be obligated before the end of the fiscal year. For the time being, States are being permitted to obligate on a first-come, first-served basis, subject only to individual State apportionment limitations.
>
> Accelerated construction of highways is an effective means of putting people to work; and the committee is gratified that the President has taken this action. The Department of Transportation has estimated that approximately 107,000 on-site and related industry jobs can be created by this recent release of impounded funds. Depending on the pattern of spending of workers employed in the program, newly induced jobs outside the industry could go as high as 150,000.
>
> H.R. 3787, as reported, would remove obstacles to the construction of highway projects in the three States of Vermont, Connecticut, and New York.

It may be that construction of these highways could put some people to work who are not now at work, but I doubt this bill will contribute much to that. Moreover, are we in such dire straits that we must scrap our environmental gains to help reduce unemployment? Is not there a better way to achieve that desirable objective? I think so. I do not think we need bail out the special interests, such as the highway builders, in the name of helping unemployment.

H.R. 3130 establishes that all 50 States can prepare environmental impact statements in connection with all Federal grant programs, such as those for highways, waste treatment works, hospitals, schools, et cetera. This means that each of the 50 States will need to develop their own expertise in this area, will each establish their own procedures, and will probably expend large sums of money for this purpose.

The conference report provides little guidance on how this shall be done and no funds to help the States do it. Nor does it require that the States do it. It merely lets them do it if they so desire. Thus, Federal agencies will still have to maintain huge staffs to do this work where a State on a case-by-case basis decides not to prepare the EIS. This will be costly and burdensome to the taxpayer.

The July 28, 1975 edition of the Environmental Study Conference Weekly Bulletin notes that the Highway Action Coalition "does not believe any legislative action is necessary." But I am sorry to learn that the Coalition "will not oppose the conference report."

I think the bill is unnecessary, too. But most of all, it weakens NEPA and for this reason I oppose its enactment and will vote against the conference report.

I regret that the environmental lobbyists have, as in the case of strip mining, decided to support legislation which really does not accomplish what it professes to do. In the name of being "practical," I am afraid the organized defenders of the environment are giving away too much.

Ms. ABZUG. Mr. Speaker, I want to make clear initially that I believe this legislation is unnecessary. I think it is important to recognize this fact. I say that to those who are environmentalists, as I am, and to those who are not concerned with environmental issues.

Testimony in hearings before the Committees on Public Works and on Merchant Marine and Fisheries was to the effect that the Council on Environmental Quality feels that the problem can be remedied by administrative regulation. I believe that the Federal Highway Administrator testified to this effect as well.

Let us start with the proposition that this legislation reflects an overreaction to the Conservation Society decision, since the Federal Highway Administration had authorized State highway officials to proceed. The failure to proceed resulted either from an overly cautious attitude by these officials or out of a desire to change NEPA by amendment. This bill before us uses new language, not presently in the NEPA statute; deals directly with the NEPA Act; and would effect the requirements of environmental impact statements for HEW, the Department of the Interior, and other Federal agencies. The Congress is tampering with the impact of the NEPA Act, because the legislation goes beyond the issues raised in the court decision. I am opposed to such tampering, and feel it can only weaken NEPA. Furthermore, the decision in the Conservation Society case is not final. This legislation, even if it were founded on a real need, is still premature.

The new language requires interpretation, thereby encouraging litigation regarding its meaning. Such litigation could well result in prolonged delays rather than expediting the initiation, processing, and completion of projects that are presently stalled. The ultimate hardship will be felt by those individuals who are assigned to work on those projects and those who would benefit from these projects. The goal of stimulating greater employment will be frustrated.

We do not need legislation to restate NEPA or to make it more complicated. I fail to understand why the Federal Highway Administration has not issued clarifying regulations which would easily remedy the situation brought about by the Conservation Society decision. I have received statistics on authorized and obligated highway funds that I requested of Governor Tiemann of FHWA to determine whether, in fact, there have been significant delays due to environmental requirements. Those statistics indicate that the alarm raised by those supporting this legislation has been greatly overstated. In fact, most States have been able to utilize close to their maximum highway apportionments.

I therefore suggest that we are taking a great risk in tampering with NEPA, when, in fact, the arguments for that tampering have been greatly overstated. This legislation should be defeated. The FHWA is still capable of issuing regulations which will clarify the problem. That remedy, not additional legislation, is what is needed.

Mrs. SULLIVAN. Mr. Speaker, I have no further request for time.

Mr. RUPPE. Mr. Speaker, I have no further request for time.

The SPEAKER pro tempore (Mr. SMITH of Iowa). Without objection, the previous question is ordered.

There was no objection.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. HOWARD. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 279, nays 143, not voting 12, as follows:

[Roll No. 448]

YEAS—279

Adams
Addabbo
Ambro
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Armstrong
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bennett
Bergland
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breckinridge
Brodhead
Broomfield
Brown, Calif.
Buchanan
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burton, John
Burton, Phillip
Carney
Carr
Carter
Cederberg
Chisholm
Clay
Cohen
Collins, Ill.
Conable
Conlan
Conte
Conyers
Corman
Cornell
Coughlin
D'Amours
Daniels, N.J.
Danielson
de la Garza
Delaney
Dellums
Derwinski
Dickinson
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
Erlenborn
Esch
Eshleman
Evans, Colo.
Evans, Ind.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Foley
Ford, Mich.
Forsythe
Fraser
Frenzel
Frey
Gibbons
Gilman
Gonzalez
Gradison
Grassley
Green
Gude
Guyer
Haley
Hall
Hamilton
Hanley
Harkin
Harrington
Harris
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Heckler, Mass.
Heinz
Hicks
Hillis
Horton
Hughes
Hungate
Hutchinson
Hyde
Jacobs
Johnson, Pa.
Jones, N.C.
Jordan
Karth
Kasten
Kastenmeier
Kelly
Kemp
Keys
Krebs
LaFalce
Latta
Leggett
Lehman
Lent
Levitas
Litton
Long, Md.
Lujan
McClory
McCloskey
McDade
McEwen
McFall
McHugh
McKay
McKinney
Madden
Madigan
Maguire
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Mikva
Miller, Calif.
Miller, Ohio
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Myers, Ind.
Natcher
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
Ottinger
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Price
Pritchard
Quie
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Richmond
Riegle
Rodino
Roe
Rogers
Rooney
Rosenthal
Rostenkowski
Roush
Roybal
Ruppe
Russo
Ryan
St Germain
Sarasin
Sarbanes
Scheuer
Schroeder
Sebelius
Seiberling

Sharp
Shipley
Shriver
Sikes
Simon
Skubitz
Smith, Iowa
Solarz
Spellman
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steelman
Steiger, Wis.
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Talcott
Thone
Traxler
Tsongas
Ullman
Vander Jagt
Vander Veen
Vanik
Vigorito
Walsh
Waxman
Weaver
Whalen
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Zablocki
Zeferetti

NAYS—143

Abdnor
Abzug
Alexander
Anderson, Calif.
Andrews, N.C.
Archer
Ashbrook
Bauman
Beard, Tenn.
Bevill
Breaux
Brinkley
Brooks
Brown, Mich.
Brown, Ohio
Broyhill
Burgener
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Casey
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Collins, Tex.
Cotter
Crane
Daniel, Dan
Daniel, R. W.
Davis
Dent
Derrick
Devine
Diggs
Duncan, Oreg.
Duncan, Tenn.
English
Evins, Tenn.
Fary
Flowers
Flynt
Fountain
Fuqua
Gaydos
Ginn
Goldwater
Goodling
Hagedorn
Hammerschmidt
Hannaford
Hansen
Harsha
Hébert
Hechler, W. Va.
Hefner
Helstoski
Henderson
Hightower
Hinshaw
Holland
Holt
Holtzman
Howard
Howe
Hubbard
Ichord
Jarman
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Ala.
Jones, Okla.
Jones, Tenn.
Kazen
Ketchum
Kindness
Koch
Krueger
Lagomarsino
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Lott
McCollister
McDonald
Mahon
Mann
Martin
Mathis
Meyner
Milford
Mills
Mineta
Montgomery
Moore
Moorhead, Calif.
Murtha
Myers, Pa.
Neal
O'Neill
Passman
Poage
Pressler
Preyer
Quillen
Rinaldo
Roberts
Robinson
Roncalio
Rose
Rousselot
Runnels
Santini
Satterfield
Schneebeli
Schulze
Shuster
Sisk
Slack
Smith, Nebr.
Snyder
Spence
Steed
Steiger, Ariz.
Stephens
Symms
Taylor, Mo.
Taylor, N.C.
Thompson
Thornton
Treen
Van Deerlin
Waggonner
Wampler
White
Whitehurst
Whitten
Wright
Young, Tex.

NOT VOTING—12

Bell
Ford, Tenn.
Fulton
Giaimo
Jeffords
Landrum
McCormack
Macdonald
Nichols
Risenhoover
Teague
Udall

So the conference report was agreed to.

The Clerk announced the following pairs:

Mr. Teague with Mr. Landrum.

Mr. Udall with Mr. Macdonald of Massachusetts.

Mr. Ford of Tennessee with Mr. Giaimo.

Mr. McCormack with Mr. Fulton.

Mr. Risenhoover with Mr. Nichols.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 4222, NATIONAL SCHOOL LUNCH AND CHILD NUTRITION ACT AMENDMENTS OF 1975

Mr. PERKINS. Mr. Speaker, I ask unanimous consent that the managers have until midnight tonight to file a conference report on H.R. 4222, the National School Lunch and Child Nutrition Act Amendments of 1975.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

EDUCATION FOR ALL HANDICAPPED CHILDREN ACT OF 1975

Mr. BRADEMAS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 7217) to amend the Education of the Handicapped Act to provide educational assistance to all handicapped children, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Indiana.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 7217, with Mr. Roberts in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Monday, July 21, 1975, the Clerk had read through section 1, ending on page 30, line 3, of the committee amendment in the nature of a substitute.

If there are no amendments to this section, the Clerk will read.

The Clerk read as follows:

EXTENSION OF CERTAIN PROVISIONS

Sec. 2. (a) (1) Section 611(b) (2) of the Education of the Handicapped Act (20 U.S.C. 1411(b) (2)) (hereinafter in this Act referred to as the "Act") and section 611(c) (1) of the Act (20 U.S.C. 1411(c) (1)) each are amended by striking out "the Commonwealth of Puerto Rico,".

(2) Section 611(c) (2) of the Act (20 U.S.C. 1411(c) (2)) is amended by striking out "year ending June 30, 1975" and inserting in lieu thereof the following: "years ending June 30, 1975, and 1976, and for the fiscal year ending September 30, 1977".

(3) Section 611(d) of the Act (20 U.S.C. 1411(d)) is amended by striking out "year ending June 30, 1975" and inserting in lieu thereof the following: "years ending June 30, 1975, and 1976, and for the fiscal year ending September 30, 1977".

(4) Section 612(a) of the Act (20 U.S.C. 1412(a)) is amended—

(A) by striking out "year ending June 30, 1975" and inserting in lieu thereof "years ending June 30, 1975, and 1976, and for the fiscal year ending September 30, 1977"; and

(B) by striking out "fiscal year 1974" and inserting in lieu thereof "preceding fiscal year".

(b) (1) Sections 614(a), 614(b), and 614(c) of the Education Amendments of 1974 (Public Law 93-380; 88 Stat. 580) are each amended by striking out "fiscal year 1975" and inserting in lieu thereof the following: "the fiscal years ending June 30, 1975, and 1976, for the period beginning July 1, 1976, and ending September 30, 1976, and for the fiscal year ending September 30, 1977,".

(2) Section 614 of the Education Amendments of 1974 (Public Law 93-380; 88 Stat. 580) is amended by striking out subsection (e) and by redesignating subsection (f) as subsection (e).

(c) (1) Section 615(a) of the Education Amendments of 1974 (Public Law 93-380; 88 Stat. 582) is amended by striking out paragraph (1) and redesignating paragraph (2) as subsection (a).

(2) Section 615(a) of the Education Amendments of 1974, as so redesignated by paragraph (1), is amended by striking out "July 1, 1975" and inserting in lieu thereof "October 1, 1977".

(3) Section 615(d) of the Education Amendments of 1974 (Public Law 93-380; 88 Stat. 583) is amended by striking out "subsections (a) (1) and" and inserting in lieu thereof "subsection".

(d) (1) Sections 843(b) (1), 843(b) (2), and 843(b) (3) of the Education Amendments of 1974 (Public Law 93-380; 88 Stat. 611) each are amended by striking out "June 30, 1975" and inserting in lieu thereof "September 30, 1977".

(2) Section 843(b) (2) of the Education Amendments of 1974 (Public Law 93-380; 88 Stat. 611) is amended by striking out "sections 612(a) (2) and" and inserting in lieu thereof "section", and by striking out "are each" and inserting in lieu thereof "is".

AMOUNT OF ALLOCATIONS TO STATES

Sec. 3. Section 612(a) of the Act, as amended by section 2(a) (4), is amended by inserting immediately before the period at the end thereof the following: ", or $300,000, whichever is greater".

RULES

Sec. 4. Section 612 of the Act (20 U.S.C. 1411) is amended by adding at the end thereof the following new subsection:

"(d) The Commissioner shall, no later than one hundred and twenty days after the effective date of this subsection, prescribe and publish in the Federal Register such rules as he considers necessary to carry out the provisions of this section and section 611.".

STATEMENT OF FINDINGS AND PURPOSE

Sec. 5. (a) Section 601 of the Act (20 U.S.C. 1401) is amended by inserting "(a)" immediately before "this title" and by adding at the end thereof the following new subsections:

"(b) The Congress finds that—

"(1) there are more than eight million handicapped children in the United States today;

"(2) the special educational needs of such children are not being fully met;

"(3) more than half of the handicapped children in the United States do not receive appropriate educational services which would enable them to have full equality of opportunity;

"(4) one million of the handicapped children in the United States are excluded entirely from the public school system and will not go through the educational process with their peers;

"(5) there are many handicapped children throughout the United States participating in regular school programs whose handicaps prevent them from having a successful educational experience because their handicaps are undetected;

"(6) because of the lack of adequate services within the public school system, families are often forced to find services outside the public school system, often at great distance from their residence and at their own expense;

"(7) developments in the training of teachers and in diagnostic and instructional procedures and methods have advanced to the point that, given appropriate funding, State and local educational agencies can and will provide effective special education programs and related services to meet the needs of handicapped children;

"(8) State and local educational agencies have a responsibility to provide education for all handicapped children, but present financial resources are inadequate to meet the special educational needs of handicapped children; and

"(9) it is in the national interest that the Federal Government assist State and local efforts to provide programs to meet the educational needs of handicapped children.

"(c) It is the purpose of this title to assure that all handicapped children have available to them special education and related services designed to meet their unique needs, to assure that the rights of handicapped children and their parents or guardians are protected, to assist States and localities to provide for the education of all handicapped children, and to assess and assure the effectiveness of efforts to educate handicapped children.".

(b) The heading for section 601 of the Act (20 U.S.C. 1401) is amended to read as follows:

"SHORT TITLE; STATEMENT OF FINDINGS AND PURPOSES". DEFINITIONS

SEC. 6. (a) Section 602 of the Act (20 U.S.C. 1402) is amended—

(1) in paragraph (1) thereof, by striking out "crippled" and inserting in lieu thereof "orthopedically impaired", and by inserting immediately after "impaired children" the following: ", or children with specific learning disabilities,";

(2) in the last sentence of paragraph (8) thereof, by inserting immediately before "other public institution" the following: "public educational agency or any";

(3) in the last sentence of paragraph (15) thereof, by inserting immediately after "environmental" the following: ", cultural, or economic"; and

(4) by adding at the end thereof the following new paragraphs:

"(16) The term 'special education' means specially designed instruction to meet the unique needs of a handicapped child as set forth in the individualized education program of such child, including classroom instruction, instruction in physical education, home instruction, and instruction in hospitals and institutions.

"(17) The term 'related services' means transportation, and such developmental, corrective, and other supportive services (including speech pathology and audiology, psychology, physical and occupational therapy, recreation, and medical and counseling services, except that such medical services shall be for diagnostic and evaluation purposes only) as may be required to assist a handicapped child to benefit from special education. Such term includes the early identification and assessment of handicapping conditions in children.

"(18) The term 'free appropriate public education' means special education and related services which (A) have been provided at public expense, under public supervision and direction, and without charge; (B) meet the standards of the State educational agency; (C) include an appropriate preschool, elementary, or secondary school education in the State involved; and (D) are provided in conformity with the individualized education program required under section 614(a)(7).

"(19) The term 'individualized education program' means an educational plan for each handicapped child developed jointly by the local educational agency and an appropriate teacher involved with the education of such child, in consultation with the parents or guardians of such child, and, whenever appropriate, such child, which includes (A) a statement of the present levels of educational performance of such child; (B) a statement of the desired instructional objectives; (C) a statement of the specific educational services to be provided to such child, and the extent to which such child will be able to participate in regular educational programs; (D) the projected date for initiation and anticipated duration of such services; and (E) objective criteria and evaluation procedures and schedules for determining, on at least an annual basis, whether instructional objectives are being achieved.

"(20) The term 'public educational agency' means any State educational agency or any other public agency approved by a State educational agency to provide special education and related services to handicapped children within the State involved.

"(21) The term 'excess costs' means those costs which are in excess of the average annual per student expenditure in a local educational agency during the preceding school year for an elementary or secondary school student, as may be appropriate, and which shall be computed after deducting (A) amounts received under this part or under title I or title VII of the Elementary and Secondary Education Act of 1965; and (B) any State, local, or private funds expended for programs which would qualify for assistance under this part or under such titles.".

(b) The heading for section 602 of the Act (20 U.S.C. 1402) is amended to read as follows:

"DEFINITIONS"

PAYMENTS

SEC. 7. Section 611 of the Act (20 U.S.C. 1411) is amended to read as follows:

"PAYMENTS

"SEC. 611. (a) The Commissioner shall make payments to each State in amounts which such State and the local educational agencies of such State are eligible to receive under this part. Any State receiving payments under this subsection shall distribute payments to the local educational agencies of such State in amounts which such agencies are eligible to receive under this part after the State educational agency has approved applications of such local educational agencies for allotments in accordance with section 613(f).

"(b) Payments under this part may be made in advance or by way of reimbursement and in such installments as the Commissioner may determine necessary.".

ALLOTMENTS TO LOCAL EDUCATIONAL AGENCIES

SEC. 8. (a) Section 612 of the Act (20 U.S.C. 1412) is amended—

(1) in the first sentence of subsection (a)(1) thereof, by striking out "for payments to States under section 611(b)" and inserting in lieu thereof "to make grants under this part";

(2) in subsection (a) thereof, by amending paragraph (2) to read as follows:

"(2) The Secretary of the Interior may receive an allotment under this subsection only after submitting to the Commissioner a plan which meets the applicable requirements of section 613(a) and which is approved by the Commissioner. The provisions of sections 613(c), 613(d), and 613(e) shall apply to any such plan.";

(3) in subsection (a)(1)(B) thereof, by striking out "such criteria as the Commissioner" and all that follows through "of this part" and inserting in lieu thereof "the provisions of paragraph (2)"; and

(4) by striking out subsections (b) and (c) and inserting in lieu thereof the following new subsections:

"(b)(1) Except as provided in subsection (c)(1), from the total amount appropriated for any fiscal year, the Commissioner shall allot to each local educational agency an amount equal to the product of—

"(A) the number of handicapped children in the school district of the local educational agency who are enrolled in programs of free appropriate public education which meet the criteria established in section 614(a)(1); and

"(B) 50 per centum of the average per pupil expenditure in public elementary and secondary schools in the United States.

"(2) The number of handicapped children enrolled in any fiscal year in programs described in paragraph (1)(A) shall be equal to the average of the number of such children enrolled on October 1 and February 1 of the preceding fiscal year.

"(3) For purposes of paragraph (1)(B), the term 'average per pupil expenditure' has the meaning given it by section 403(16) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress).

"(4) Notwithstanding any other provision of this part, each State shall be entitled to a level of funding for any fiscal year which is at least equal to the level of funding which such State received for the fiscal year ending September 30, 1977, or $300,000, whichever is greater.

"(c)(1) The Commissioner, in determining the allotment of local educational agencies of the same State under subsection (b)(1), may not count handicapped children in such State under subsection (b)(1)(A) to the extent the number of such children is greater than 12 per centum of the number of all children aged five to seventeen, inclusive, in such State, and may not count, as part of such percentage, children with specific learning disabilities to the extent the number of such children is greater than one-sixth of such percentage.

"(2) For the purposes of paragraph (1), the number of children aged five to seventeen, inclusive, in any State shall be determined by the Commission on the basis of the most recent satisfactory data available to him.

"(d)(1) If the sums appropriated for any fiscal year for making payments under this part are not sufficient to pay in full the total amounts which all local educational agencies are eligible to receive under this part for such fiscal year, the maximum amounts which all such agencies are eligible to receive under this part for such fiscal year shall be ratably reduced. In case additional funds become available for making such payments for any fiscal year during which the preceding sentence is applicable, such reduced amounts shall be increased on the same basis as they were reduced.

"(2) In the case of any fiscal year in which the maximum amounts for which local educational agencies are eligible have been reduced under the first sentence of paragraph (1), and in which additional funds have not been made available to pay in full the total of such maximum amounts under the last sentence of such paragraph, the State educational agency shall fix dates before which each local educational agency shall report to it on the amount of funds available to the local educational agency, under the provisions of subsection (b)(1) and paragraph (1), which it estimates that it will expend in accordance with the provisions of this part. The amounts so available to any local educational agency, or any amount which would be available to any other local educational agency if it were to submit an approvable program, which the State educational agency determines will not be used for the period of its availability, shall be available for allocation to those local educational agencies, in the manner provided in the last sentence of paragraph (1), which the State educational agency determines will need additional funds to carry out approved programs, except that no local educational agency may receive an amount under this sentence which, when added to the amount available to it under paragraph (1), exceeds its allotment under subsection (b)(1).".

(b) The heading for section 612 of the Act (20 U.S.C. 1412) is amended to read as follows:

"ALLOTMENT OF FUNDS; LIMITATION ON NUMBER OF CHILDREN COUNTED; REDUCTION NECESSITATED BY APPROPRIATIONS".

STATE PLAN REQUIREMENTS

SEC. 9. (a) Section 613(a) of the Act (20 U.S.C. 1413 (a)) is amended—

(1) in paragraph (1) thereof, by striking out "(ii)" and inserting in lieu thereof "(iii)", and by inserting immediately after "throughout the State," the following:

"(ii) which are designed to assure that, after September 30, 1978, no handicapped child residing in such State who is within an age group for which free public education is provided in such State shall be denied appropriate special education and related services,"; and

(2) by striking out "and" at the end of paragraph (12), by striking out the period at the end of paragraph (13) and inserting in lieu thereof a semicolon, and by adding at the end thereof the following new paragraphs:

"(14) provide that the State has an advisory panel, appointed by the Governor or any other official authorized under State law to make such appointments, composed of individuals involved in or concerned with the education of handicapped children, including handicapped individuals, teachers, parents or guardians of handicapped children, State and local education officials, and administrators of programs for handicapped children, which (A) advises the State educational agency of unmet needs within the State in the education of handicapped children; (B) comments publicly on any rules or regulations proposed for issuance by the State regarding the education of handicapped children and the procedures for distribution of funds under this part; and (C) assists the State in developing and reporting such data and evaluations as may assist the Commissioner in the performance of his responsibilities under section 616;

"(15) provide that the State educational agency shall (A) hear appeals from any local educational agency, or any parent or guardian of a handicapped child, with respect to the outcome of any hearing held as a result of any complaint presented in accordance with a grievance procedure established under section 617(a)(1); (B) establish and maintain compliance procedures in accordance with the provisions of section 617; (C) inform the Commissioner under section 617 with respect to the nature of any such appeal and the resolution of such appeal by the State educational agency; and (D) carry out any other requirement established by section 617;

"(16) provide that programs and procedures will be established to assure that funds received by the State or any of its political subdivisions under any other Federal program (including section 121 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 241c-2); section 305(b)(8) of such Act (20 U.S.C. 844a(b)(8)) or its successor authority; and section 122(a)(4)(B) of the Vocational Education Act of 1963 (20 U.S.C. 1262(a)(4)(B)) under which there is specific authority for the provision of assistance for the education of handicapped children, will be utilized by the State, or any of its political subdivisions, only in a manner consistent with the goal of providing a free appropriate public education for all handicapped children; and

"(17) provide that handicapped children in private schools and facilities will be provided special education and related services on the same basis as handicapped children in public elementary and secondary schools and at no cost to their parents or guardians, if such children are placed in or referred to such schools or facilities by the local educational agency involved as the means of carrying out the requirements of this part or any other applicable law requiring the provision of special education and related services to all handicapped children within such State, and that in all such instances the State educational agency shall assure that such schools and facilities meet standards which apply to public educational agencies and that children so served have all the rights they would have if served in public educational agencies.".

(b) Section 613(d)(2) of the Act (20 U.S.C. 1413(d)(2)) is amended—

(1) by inserting "(and to any local educational agency affected by any failure described in subparagraph (B))" immediately after "for hearing to such State agency";

(2) by striking out "substantially" in subparagraph (B);

(3) by inserting "or under the Federal programs specified in subsection (a)(16) within his jurisdiction and control to the extent that funds under such programs are available for the provision of assistance for the education of handicapped children" immediately after "to the State under this part" each place it appears therein; and

(4) by inserting at the end thereof the following new sentence:

"Any State educational agency or local educational agency in receipt of a notice pursuant to the first sentence of this paragraph shall, by means of a public notice, take such measures as may be necessary to bring the pendency of an action pursuant to this paragraph to the attention of the public within the jurisdiction of such agency.".

(c) Section 613 of the Act (20 U.S.C. 1413) is amended by adding at the end thereof the following new subsection:

"(f) A State educational agency shall approve any application transmitted by a local educational agency under section 614(a) if the State educational agency determines that such application meets the requirements of section 614 (a), except that no such application may be approved until the State plan submitted by such State educational agency under subsection (a) is approved by the Commissioner under subsection (c).".

APPLICATION; ADMINISTRATION; EVALUATION; GRIEVANCE PROCEDURE; RULES

SEC. 10. Part B of the Act (20 U.S.C. 1411 et seq.) is amended by striking out section 614 and inserting in lieu thereof the following new sections:

"APPLICATION

"SEC. 614. (a) A local educational agency which desires to receive an allotment under this part for any fiscal year may transmit an application for such allotment to the appropriate State educational agency. Such application shall—

"(1) provide satisfactory assurance that payments under this part will be used for excess costs directly attributable to programs which—

"(A) provide that all children residing within the jurisdiction of the local educational agency who are handicapped, regardless of the severity of their handicap, and are in need of special education and related services will be identified, located, and evaluated, and provide for the inclusion of a practical method of determining which children are currently receiving needed special education and related services and which children are not currently receiving such education and services;

"(B) establish polices and procedures in accordance with detailed criteria prescribed by the Commissioner to protect the confidentiality of data and information developed or obtained under subparagraph (A);

"(C) establish—

"(i) a goal of providing full educational opportunities to all handicapped children, including (I) programs and procedures for the development and implementation of a comprehensive system of personnel development which shall include the in-service training of general and special educational, instructional, and support personnel, detailed procedures to assure that all personnel necessary to carry out the purposes of this part are appropriately and adequately prepared and trained, and the development of effective procedures for acquiring and disseminating to teachers of, and administrators of programs for, handicapped children significant information derived from educational research, demonstration, and similar projects, and for adopting, where appropriate, promising educational practices developed through such projects; (II) the provision of special education and related services to handicapped children, with first priority given to the provision of such education and services to handicapped children who are not receiving such education and services, and second priority given to the provision of such education and services to handicapped children, within each disability, with severe handicaps who are not receiving adequate special education and related services; (III) the maintenance of special facilities for handicapped children; (IV) the participation and consultation of parents or guardians of such children; and (V) to the maximum extent practicable, the provision of special services to enable such children to participate in regular educational programs;

"(ii) a detailed timetable for accomplishing such a goal; and

"(iii) a description of the kind and number of facilities, personnel, and services necessary to meet such a goal;

"(2) provide satisfactory assurance that (A) the control of funds provided under this part, and title to property derived from such funds, shall be in a public agency for the uses and purposes provided in this part, and that a public agency will administer such funds and property; (B) Federal funds expended for programs under this part shall be used to pay only the excess costs directly attributable to the education of handicapped children, and shall also provide satisfactory assurance that such funds shall be used to supplement and, to the extent practicable, increase the level of State, local, and private funds expended for the education of handicapped children, and in no case to supplant such State, local, and private funds; and (C) State and local funds will be used in the school district of such local educational agency to provide services in program areas which, taken as a whole, are at least comparable to services being provided in areas of such district which are not receiving funds under this part;

"(3) set forth effective procedures, including provisions for appropriate objective measurements of educational achievement, for evaluating at least annually the effectiveness of the programs in meeting the special educational needs of handicapped children;

"(4) (A) provide for making an annual report and such other reports to the State educational agency, in such form and containing such information (which, in the case of reports relating to performance, is in accordance with specific performance criteria related to program objectives), as may be reasonably necessary to enable the State educational agency to perform its duties under this part, including information relating to the educational achievement of handicapped children participating in programs carried out under this part; and

"(B) provide for keeping such records, and afford such access to such records, as the State educational agency may find necessary to assure the correctness and verification of such reports;

"(5) provide for making the application and all pertinent documents related to such application available to parents and other members of the general public, and provide that all evaluations and reports required under paragraph (4) shall be public information;

"(6) provide satisfactory assurance that the local educational agency has in effect a policy which assures all handicapped children the right to a free appropriate public education;

"(7) provide satisfactory assurance that the local educational agency will maintain an individualized education program for each handicapped child, and will review (at least annually) and revise its provisions, whenever appropriate, in consultation with the parents or guardians of the handicapped child;

"(8) provide satisfactory assurance that policies and programs established and administered by the local educational agency shall be consistent with the provisions of the State plan of the State educational agency; and

"(9) provide satisfactory assurance that the local educational agency will establish and maintain a grievance procedure in accordance with the provisions of section 617.

"(b)(1) A State educational agency may disapprove any application transmitted by a local educational agency under subsection (a) if the State educational agency determines that such application does not meet the requirements of subsection (a).

"(2)(A) Whenever a State educational agency, after reasonable notice and opportunity for a hearing, finds that a local educational agency, in the administration of an application for an allotment approved by the State educational agency under section 613(f), has failed to comply with any requirement set forth in such application, the State educational agency, after giving appropriate notice to the local educational agency, shall—

"(i) make no further payments to such local educational agency under section 611(a) until the State educational agency is satisfied that there is no longer any failure to comply with the requirement involved; or

"(ii) take such finding into account in its review of any application for an allotment made by such local educational agency under subsection (a).

"(B) The provisions of the last sentence of section 613(d)(2) shall apply to any local educational agency receiving any notification from a State educational agency under this paragraph.

"(c)(1) A State educational agency may, for purposes of the consideration and approval of applications under this section, require local educational agencies to transmit a consolidated application for allotments if such State educational agency determines that any individual application transmitted by any such local educational agency would be disapproved because such local educational agency would be unable to establish and maintain programs of sufficient size and scope to effectively meet the educational needs of handicapped children.

"(2)(A) In any case in which a consolidated application of local educational agencies is approved by a State educational agency under paragraph (1), the allotment which such local educational agencies may receive shall be equal to the sum of allotments to which each such local educational agency would be entitled under section 612(b)(1) if an individual application of any such local educational agency had been approved.

"(B) The State educational agency shall prescribe rules and regulations with respect to consolidated applicants transmitted under this subsection which are consistent with the State plan and which provide participating local educational agencies with joint responsibilities for implementing programs receiving funds under this part.

"(C) In any case in which an intermediate educational unit or any other public educational agency is required pursuant to State law to carry out the provisions of this part, the joint responsibilities given to local educational agencies under subparagraph (B) shall not apply to the administration and disbursement of any allotments received by such intermediate educational unit or by such public educational agency. Such responsibilities shall be carried out exclusively by such intermediate educational unit or by such public educational agency.

"(d) In any case in which a State educational agency determines that a local educational agency—

"(1) is unable or unwilling to establish and maintain programs of free appropriate public education which meet the criteria established in subsection (a)(1);

"(2) is unable or unwilling to be consolidated with other local educational agencies in order to establish and maintain such programs; or

"(3) has one or more handicapped children who can best be served by a regional or State center designed to meet the needs of such children;

the State educational agency shall use the allotment which would have been available to such local educational agency to provide special education and related services directly to handicapped children residing in the area served by such local educational agency. The State educational agency may provide such education and services in such manner, and at such locations (including regional or State centers), as it considers appropriate, except that the manner in which such education and services are provided shall be consistent with the requirements of this part.

"(e) In any case in which a State educational agency determines that a local educational agency is adequately providing special education and related services to all handicapped children residing in the area served by such agency with State and local funds otherwise available to such agency, the State educational agency may reallocate funds (or such portion of those funds as may not be required to provide such education and services) made available to such agency, pursuant to section 612(b)(1), to such other local educational agencies within the State as are not adequately providing special education and related services to all handicapped children residing in the areas served by such other local educational agencies.

"ADMINISTRATION

"SEC. 615. (a) In carrying out his duties under this part, the Commissioner shall—

"(1) cooperate with, and render all technical assistance necessary (directly or by grant or contract) to, the States in matters relating to the education of handicapped children and the execution of the provisions of this part;

"(2) provide such short-term training programs and institutes as may be necessary; and

"(3) disseminate information, and otherwise promotes the education of all handicapped children within the States.

"(b) As soon as practicable after the effective date of this subsection, the Commissioner shall prescribe uniform categories and accounting procedures to be utilized by State educational agencies in submitting State plans under section 613(a) in order to assure equity among the States.

"EVALUATION

"SEC. 616. (a) The Commissioner shall measure and evaluate the impact of the program authorized under this part and the effectiveness of State efforts to assure the free appropriate public education of all handicapped children.

"(b)(1) In carrying out his responsibilities under this part, the Commissioner shall (a) conduct directly, or by grant or contract, such studies, investigations, and evaluations as are necessary to assure effective implementation of this part; and (B) provide for the evaluation of such programs through (i) the development of effective methods and procedures for evaluation; and (ii) conducting actual evaluation studies designed to test the effectiveness of activities supported by financial assistance under this part.

"(2) In addition to his responsibilities under paragraph (1), the Commissioner, through the National Center for Education Statistics, shall provide to the appropriate committees of each House of the Congress and to the general public, at least annually, and shall update at least annually, the following information: (A) the number of handicapped children in each of the States who require special education and related services; (B) the number of handicapped children in each of the States receiving a free appropriate public education and the number of handicapped children not receiving a free appropriate public education; (C) the number of handicapped children in each of the States who are participating in regular classroom settings, consistent with the requirements of section 613(a)(13)(B), and the number of children who have been placed in separate classes or separate schooling, or who have been otherwise removed from the regular education environment; (D) the number of handicapped children residing in a public or private institutional setting, in each of the States, who are receiving a free appropriate public education, and the number of such children residing in such settings not receiving a free appropriate public education; (E) the amount of Federal, State, and local expenditures, in each of the States, specifically allotted for special education and related services; and (F) the number of personnel, by disability category, employed in the education of handicapped children, and the estimated number of additional personnel needed to adequately carry out the programs established pursuant to this part in each of the States.

"(3) The Commissioner, in providing information under paragraph (2)(E), may base such information upon a sampling of data available from States, State educational agencies, and local educational agencies.

"(c)(1) Not later than one hundred and twenty days after the close of each fiscal year, the Commissioner shall transmit to the appropriate committees of each House of the Congress a report on the progress being made toward the provision of free appropriate public education to all handicapped children, including a detailed description of all evaluation activities conducted under subsection (b).

"(2) The Commissioner shall include in each such report an analysis and evaluation of the effectiveness of procedures undertaken by the States to assure that handicapped children receive special education and related services in the least restrictive environment commensurate with their needs and to improve programs of instruction for handicapped children in day or residential facilities. Such analysis and evaluation shall include any recommendations for change in the provisions of this part, or any other Federal law providing support for the education of handicapped children. In order to carry out such analysis and evaluation, the Commissioner may conduct a statistically valid survey for assessing the effectiveness of individualized education programs.

"(d) The Commissioner may hire personnel necessary to conduct data collection and evaluation activities required by subsections (b) and (c) without regard to the provisions of title 5, United States Code, relating to appointments in the competitive service and without regard to chapter 51 and subchapter III of chapter 53 of such title, relating to classification and general schedule pay rates, except that no more than twenty such personnel shall be employed at any time.

"GRIEVANCE PROCEDURE

"SEC. 617. (a)(1) Any local educational agency which receives any assistance under this part shall establish and maintain a grievance procedure with respect to the provision of special education and related services to handicapped children by such agency. Any such grievance procedure shall provide parents or guardians of handicapped children, and handicapped children, an opportunity to present complaints with respect to the manner in which the handicapped child involved is being provided special education and related services by the local educational agency.

"(2) Any local educational agency which receives a complaint in accordance with the procedure established under paragraph (1) shall conduct an investigation of such complaint. The local educational agency, upon completing such investigation, shall transmit a report of the findings of such investigation to the State educational agency, together with a description of any recommendation or disposition made by the local educational agency.

"(b)(1) Any person aggrieved by any recommendation or disposition made by a local educational agency in accordance with subsection (a)(2), may file an appeal with the State educational agency with respect to such action.

"(2) The State educational agency, upon receiving any appeal under paragraph (1), shall review the action of the local educational agency involved and shall conduct an investigation of the factual circumstances relating to the original complaint.

"(3) In any case in which the State educational agency receives a report from a local educational agency under subsection (a)(2), the State educational agency may, upon its own motion, conduct an investigation in the same manner as any investigation conducted under paragraph (2).

"(c) Any person participating in any hearing conducted by a local educational agency or a State educational agency under subsection (a) or subsection (b) shall be accorded the right to be accompanied and advised by counsel and by individuals with special knowledge or training with respect to the problems of handicapped children.

"(d)(1) If a State educational agency determines, as the result of any investigation conducted under subsection (b) and after reasonable notice and opportunity for hearing, that a local educational agency has failed to provide special education and related services in accordance with the provisions of this part, the State educational agency shall endeavor to correct such failure by informal methods of conference, conciliation, and persuasion. The State educational agency shall establish and maintain a procedure pursuant to which such agency may take such measures as may be necessary for the expeditious correction of any such failure in any case in which such agency is unable to correct any such failure through informal methods.

"(2) The State educational agency shall transmit to the Commissioner a report with respect to any determination of such agency under paragraph (1). Each such report shall contain a description of any action taken by the State educational agency to correct the failure involved. The State educational agency shall take into account its determination under paragraph (1) in its review of any application for an allotment made by the local educational agency involved under section 614(a).

"(3) The findings of fact of a State educational agency with respect to any determination of such agency under paragraph (1) shall be conclusive in any court of the United States if supported by substantial evidence, except that the court involved, for good cause shown, may remand the case to the State educational agency to take further evidence. Any new or modified findings of fact made by the State educational agency shall be conclusive if supported by substantial evidence.

"RULES

"SEC. 618. The Commissioner shall, no later than one hundred and twenty days after the effective date of this section, prescribe and publish in the Federal Register such rules as he considers necessary to carry out the provisions of this part, as amended by the Education for All Handicapped Children Act of 1975.".

EDUCATIONAL MEDIA AND MATERIALS CENTERS FOR THE HANDICAPPED

SEC. 11. Section 653 of the Act (20 U.S.C. 1453) is amended to read as follows:

"CENTERS ON EDUCATIONAL MEDIA AND MATERIALS FOR THE HANDICAPPED

"SEC. 653. (a) The Secretary is authorized to enter into agreements with institutions of higher education, State and local educational agencies, or other appropriate nonprofit agencies, for the establishment and operation of centers on educational media and materials for the handicapped, which together will provide a comprehensive program of activities to facilitate the use of new educational technology in education programs for handicapped persons, including designing, developing, and adapting instructional materials, and such other activities consistent with the purposes of this part as the Secretary may prescribe in such agreements. Any such agreement shall—

"(1) provide that Federal funds paid to a center will be used solely for such purposes as are set forth in the agreement; and

"(2) authorize such center, subject to prior approval by the Secretary, to contract with public and private agencies and organizations for demonstration projects.

"(b) In considering proposals to enter into agreements under this section, the Secretary shall give preference to institutions and agencies which have demonstrated the capabilities necessary for the development and evaluation of educational media for the handicapped.

"(c) The Secretary shall make an annual report on activities carried out under this section which shall be transmitted to the Congress.".

GRANTS FOR REMOVAL OF ARCHITECTURAL BARRIERS

SEC. 12. (a) Upon application by any State educational agency or local educational agency the Commissioner of Education may make grants to pay part or all of the cost of altering existing buildings and equipment in the same manner and to the same extent as authorized by the Act of August 12, 1968 (Public Law 90–480; 82 Stat. 718).

(b) For the purpose of carrying out the provisions of this section, there is authorized to be appropriated such sums as may be necessary.

(c) For purposes of this section—

(1) the term "State educational agency" has the meaning given it by section 602(7) of the Education of the Handicapped Act (20 U.S.C. 1402(7)); and

(2) the term "local educational agency" has the meaning given it by section 602(8) of such Act (20 U.S.C. 1402(8)).

CONGRESSIONAL DISAPPROVAL OF REGULATIONS

SEC. 13. Section 431(d)(1) of the General Education Provisions Act (20 U.S.C. 1232 (d)(1)) is amended by adding at the end thereof the following new sentence: "Failure of the Congress to adopt such a concurrent resolution with respect to any such standard, rule, regulation, or requirement prescribed under any such Act, shall not represent, with respect to such standard, rule, regulation, or requirement, an approval or finding of consistency with the Act from which it derives its authority for any purpose, nor shall such failure to adopt a concurrent resolution be construed as evidence of an approval or finding of consistency necessary to establish a prima facie case, or an inference or presumption, in any judicial proceeding.".

EFFECTIVE DATES

SEC. 14. (a) Except as provided in subsection (b), the foregoing provisions of this Act shall take effect at the close of June 30, 1975.

(b) The amendments made by sections 6, 7, 8, 9, and 10 shall take effect at the close of September 30, 1977.

Mr. BRADEMAS (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendment in the nature of a substitute be considered as read, printed in the RECORD, and open for amendment title by title.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

Mr. BAUMAN. Mr. Chairman, reserving the right to object, I assume the gentleman has no plans to try to limit debate on a bill of this scope and nature?

Mr. BRADEMAS. Mr. Chairman, if the gentleman will yield, I will say that the gentleman is correct.

Mr. BAUMAN. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The CHAIRMAN. Are there any amendments to the bill?

AMENDMENT OFFERED BY MR. QUIE

Mr. QUIE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. QUIE: Page 42, immediately after line 17, insert the following new subsections:

(b)(1) The Commissioner of Education shall, no later than one year after the effective date of this subsection, prescribe—

(A) regulations which establish specific criteria for determining whether a particular disorder or condition may be considered a specific learning disability for purposes of designating children with specific learning disabilities; and

(B) regulations which establish and describe diagnostic procedures which shall be used in determining whether a particular child has a disorder or condition which places such child in the category of children with specific learning disabilities.

(2) The Commissioner shall transmit any proposed regulation written under paragraph (1) to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Public Welfare of the Senate, for review and comment by each such committee, at least 15 days before such regulation is published in the Federal Register in accordance with section 431 of the General Education Provisions Act (20 U.S.C. 1232).

(3) For purposes of this subsection:

(A) The term "children with specific learning disabilities" means those children who have a disorder in one or more of the basic psychological processes involved in understanding or in using language, spoken or written, which disorder may manifest itself in imperfect ability to listen, think, speak, read, write, spell, or do mathematical calculations. Such disorders include such conditions as perceptual handicaps, brain injury, minimal brain dysfunction, dyslexia, and developmental aphasia. Such term does not include children who have learning problems which are primarily the result of visual, hearing, or motor handicaps, of mental retardation, of emotional disturbance, or of environmental, cultural, or economic disadvantage.

(B) The term "Commisisoner' means the Commissioner of Education.

(4) The provision of this subsection shall take effect on the date of the enactment of this Act.

(c) Effective on the date upon which final regulations prescribed by the Commissioner of Education under subsection (b) take effect, the amendment made by subsection (a) is amended, in parargaph (1) of section 612 (c) of the Act (as such paragraph would take effect on the effective date of subsection (a)), by striking out ", and may not count, as part" and all that follows through "one-sixth of such percentage".

Page 42, line 18, strike out "(b)" and insert in lieu thereof "(d)".

Page 56, line 22, strike out "8," and insert in lieu thereof "8(a), 8(d),".

Mr. QUIE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. QUIE. Mr. Chairman, when the committee considered this bill, the specific learning disabilities children were added in the definition of the handicapped by my amendment. The reason was that the figures that we received on the handicapped that should be served included specific learning disabilities. While heretofore, they were a separate category, now they will be placed in the definition of "handicapped" for this program.

At that time the gentleman from Florida (Mr. Lehman) had a concern that there might be a tendency to include too many children as specific learning disabilities children and thereby deny an opportunity to some of the other handicapped children.

That may be the case now in some States, as I agree. I did not like the idea, however, of having a cap on the number of specific learning disabilities children because we cannot always be sure that they are just one-sixth of the total number of handicapped.

The gentleman from Florida (Mr. Lehman) and I have talked considerably since then and have now reached an agreement on my amendment which you have just heard read, which will require the Commissioner of Education to spell out in detail exactly what may and what may not be considered an SLD.

Although there is a definition of SLD in the law right now, there is a little change in the bill in order to exclude some individuals who are not specific-learning disabled, the economically and culturally disadvantaged.

We also require in the amendment that I offer that the Commissioner shall prescribe the diagnostic procedures that will be used in determining whether a particular child has a disorder or condition which places that child in the category of children with specific learning disabilities.

When the Commissioner has done that, we will have a chance to look at what he recommends as rules and regulations in our committee and pass on it. When that has been completed, then the cap of one-sixth of the handicapped that now appears in the bill would be dropped.

I believe that this is a good resolution of the difficulty in which we found ourselves in the committee.

The feeling has been and is that children might be improperly labeled and therefore they possibly could be stigmatized by that, sometimes to eliminate a child that does not have a specific learning disability or handicap from a classroom, they sometimes are put in a special class. This would prevent that from happening, since it was not the intention of the bill. And it makes actually clear what our intentions are.

Mr. Chairman, I will now yield back the floor so that the gentleman from Florida (Mr. Lehman) can express himself, after which we will engage in a colloquy in order to make clear what the amendment says.

Mr. LEHMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the amendment, and I thank my colleague, the gentleman from Minnesota (Mr. Quie) for yielding.

I thank my good friend, the gentleman from Minnesota (Mr. Quie) for working with me to resolve the removal of the one-sixth cap on learning disabilities.

This cap was necessary because of the inadequacy of specific definitions of learning disability in the legislation. Now we have worked out a way by which we can remove this one-sixth cap, when the Office of Education includes in the regulation proper definitions and diagnostic procedures.

I apologize for the time I take, but I do not believe that any one of our colleagues can deal with anything that is more specifically related to some of the needs of their constituents than is called for in this legislation.

I know of very few people in this body here who have not either a relative or a friend with a learning disability child, or has not had constituents calling this problem to attention.

The special learning disability children are a different category of handicapped children, they are not those who are retarded children, nor can they be mainstream children, and many of their parents are having to pay several thousand dollars a year to provide the necessary private education.

No one really knows what a learning disability is. That is the purpose of the amendment, to bring a kind of focus to this problem.

Perhaps a learning disability is some kind of a neurological short circuit that nobody has been able to identify yet. I know of young people who have suffered from this, and have become very successful sales people, and yet they cannot read and write. I know of some people who have suffered from learning disabilities, who are not retarded, and who are practically mechanical geniuses, and yet they can neither read nor write.

There is great disparity in categorizing.

For instance, Indiana has a 1-percent cap on learning disabilities in their school system. Some 1,500 people in the State of Indiana have been identified. The State of Texas has identified over 100,000 learning disability people.

I have been dealing with various agencies. I have consulted with the mailman center of the University of Miami, Special Education Administrators of Montgomery County and the city of Baltimore and of course from my home, the Dade County School System. I have consulted with Dr. Edward Martin, of the Office of Education, and others, all are struggling to develop an adequate definition of a learning disability.

Research has identified 53 basic learning abilities. So if we have 53 basic learning abilities then there have to be 53 basic learning disabilities.

Some of these learning disabilities are as complicated as motor kinetic functions and sequencing. They can be described as squirming, or allergies, or even lack of bowel control. One of the main learning disabilities of teenagers has been identified as an iron deficiency.

Diane Dwoky identifies 99 minimal brain disfunctions which is a way of identification of learning disability that is not identified as retardation.

Sam Kirk of the State of Arizona at the University of Arizona was the first Chairman of the National Advisory Commission on the Handicapped. According to him, about 1 to 3 percent have so far been able to be identified as learning disabilities.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. Lehman was allowed to proceed for 3 additional minutes.)

Mr. LEHMAN. According to Dr. Anthony DePietro, curriculum specialist at Catholic University, HEW's definition is not operational and does not facilitate the diagnosis and identification of students who have learning disabilities.

Vanderbilt University, I think, has put out one of the best papers on this problem. The University of Vanderbilt in a publication of September, 1974, stated that:

> General terms such as minimal brain disfunction and undefined learning disabilities have no consistent meaning and no value as a basis for the development or the application of corrective methods. Efforts must be directed toward more precise and objective definitions.

which we are trying to do in this amendment.

> The term learning disability has appeal because it implies a specific neurological condition for which no one can be held particularly responsible, and yet it escapes the stigma of mental retardation. There is no implication of neglect, emotional disturbance, or improper training or education, nor does it imply a lack of motivation on the part of the child. For these cosmetic reasons, it is a rather nice term to have around. However, no one has ever been able to find evidence of the implied neurological impairments.

That is what we are going to have to deal with in order to get a handle on the learning disabilities. We are going to have to find what it is that is causing neurological impairment and learn the definition and the diagnosis of this dysfunction.

Dade County Paul Bell, the executive director for the division of elementary and secondary education, says that according to the present definition of learning difficulty, it can mean 20 to 30 percent of the student body. This is not the yardstick we need. This is not the kind of program we need. We want to deal with specific learning disabilities.

I concur with my colleague, the gentleman from Minnesota, that this is the proper way to begin to deal with the people in this category who need the help, and who need it badly. Consequently, Mr. Chairman, I would like to ask the gentleman from Minnesota several questions, for the purpose of legislative history, so that we can direct this information and intent to the attention of the Office of Education.

I will ask the gentleman from Minnesota (Mr. QUIE):

For the purpose of legislative history, is it the intent of this amendment to require a clarification, a tightening up of the present SLD definitions contained in existing law as amended by this act?

Mr. QUIE. If the gentleman will yield, yes, that is essentially what this amendment would require.

Mr. LEHMAN. Does the gentleman agree that under the present definition there is a wide difference of interpretation of what a "disorder in one or more of the basic psychological processes" is, and that there are several such "psychological disorders" ranging from emotionally disturbed to other various and serious behavior and personality disorders?

Mr. QUIE. Yes, I do agree that is the case.

Mr. LEHMAN. Under the present definition. Will the gentleman also reply because of the absence of any specifics in the present HEW definition, is it possible that serious emotion and personality disorders could be included in the existing SLD category; or to the other extreme, that under present criteria a child who peridically daydreams in the class could conceivably be classified as an SLD child?

Mr. QUIE. That might be, but I think it is more likely to come up in another part of the definition of the handicapped, the "emotionally disturbed."

Mr. LEHMAN. So, for the purposes of this amendment, personality disorders would be excluded from the SLD definition?

Mr. QUIE. Yes; that is correct.

The time of the gentleman from Florida has expired.

(On request of Mr. QUIE, and by unanimous consent, Mr. LEHMAN was allowed to proceed for 2 additional minutes.)

Mr. LEHMAN. I assume that in the gentleman's amendment, "specific criteria" refers to diagnostic criteria and procedures to be performed by specialists and would include but not be limited to a pediatric-neurological work up and a psychological review, thus emphasizing an interdisciplinary approach to better identify the nature and magnitude of the SLD problem?

Mr. QUIE. Yes, that is so.

Mr. LEHMAN. For the purpose of legislative history, will States be required to follow these new guidelines, standards and criteria for identifying an SLD child if they are to receive funds under this Act?

Mr. QUIE. Yes, they will be required to do so.

Mr. LEHMAN. Will OE be required to refine their classification of SLD children and insure that an SLD classification is based on the most rigorous comprehensive testing, evaluation, and diagnostic procedures under the gentleman's amen- procedures under the gentleman's amendment?

Mr. QUIE. Yes, definitely.

Mr. LEHMAN. Will OE regulations specify that an SLD be considered as a disorder existing within the child, and not the result of any outside factors such as a disordered home environment?

Mr. QUIE. Yes, OE regulations will specify that.

Mr. LEHMAN. Proceeding along this same track and for the purpose of establishing legislative history, we also know that minimal brain dysfunction is a functional definition of brain injury which is contained in the existing SLD definition. And that the failures of incoding or decoding of information and processing of information are disorders within the minimal brain dysfunction classification. It is my understanding that it is the purpose of the gentleman's amendment to insure that OE covers all the legitimate and universal possibilities under this diagnostic classification and at least all others contained in the definition to determine what else it is.

Mr. QUIE. That is precisely the purpose of the amendment.

Mr. LEHMAN. We also know that dyslexia is one of the classifications included in SLD. This disorder is identified by the reversing of letters and the fixation on a single word or object in a sentence. Will OE also cover all the legitimate possibilities under this diagnostic classification and all other SLD classifications contained in the SLD definition to define more clearly what else it is?

Mr. QUIE. Yes it will.

Mr. LEHMAN. Is it your judgment that when the Office of Education defines a specific learning disability it will indicate that such a classification will be of such magnitude as to significantly hinder or impair a child's basic educational performance and thereby require special education and related services.

Mr. QUIE. Yes; such a clarification will be made.

The CHAIRMAN. The time of the gentleman from Florida has expired.

(By unanimous consent, Mr. LEHMAN was allowed to proceed for 2 additional minutes.)

Mr. LEHMAN. For the purpose of establishing legislative history, is it the gentleman's understanding that the one-sixth of the handicapped cap on the number of SLD children who may be counted for purposes of generating the Federal allocation under this act will remain in effect until the final regulations we are requiring OE to develop become effective and that if OE comes back to Congress in 1 year without any guidelines or regulations specifically setting forth the diagnostic criteria to be used as well as more explicit definition of these labels contained in the current law as amended by this act, that the one-sixth cap would remain in force under final regulations promulgated?

Mr. QUIE. Yes; the gentleman is correct.

Mr. LEHMAN. So, for the purpose of establishing legislative history and in summation, we are accepting the definition of SLD as it currently appears in law and as amended by the measure before us, but the Office of Education will be required to delineate more clearly actual descriptions of each classification which would come under the overall heading of specific learning disability and OE will be required to spell out in detail:

One, what an SLD is;

Two, what it is not;

Three, what are the manifestations that are associated exclusively with a particular SLD, without overlapping other disabilities or handicaps; and

Four, what are the specific diagnostic criteria and procedures for making a determination of a particular learning disability.

When there is substantial doubt among the educational specialists with respect to whether behavioral manifestations of children—meaning individual evaluation and diagnosis and whether it is physical or psychological—conform to the amended definition of SLD, will such behavioral manifestations then be excluded?

Mr. QUIE. That is correct.

Mr. LEHMAN. Mr. Chairman, I thank the gentleman for yielding and responding to my questions for the purpose of establishing the legislative history on the gentleman's amendment. I would like to commend the gentleman for his work in working out this compromise on the removal of the one-sixth cap on the number of handicapped children who may be counted as specific learning disabled. While our original methods may have differed, our objectives were identical from the start—that is to prevent the incorrect labeling or categorizing of children with learning problems. By the adoption of this amendment we are forcing the Office of Education to come to grips with a problem that they have given barely token recognition and study in recent years. Thus, I am sure the gentleman from Minnesota would agree that the anticipated results of the amendment should significantly reduce the wide diversity of opinion among parents, teachers, and specialists as to what actually is a specific learning disability.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota (Mr. QUIE).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. O'NEILL

Mr. O'NEILL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. O'NEILL: Page 56, immediately after line 7, insert the following:

"(f) Notwithstanding the provisions of subsection (a) (2) (B), any local educational agency which is required to carry out any program for the education of handicapped children pursuant to a State law in effect before the date of the enactment of the Education for All Handicapped Children Act of 1975, shall be entitled to receive an allotment under section 612(b) (1) for use in carrying out such program, except that such allotment may not be used to reduce the level of expenditures for such program made by such local educational agency from State, local, or private funds below the level of such expenditures for the fiscal year prior to the fiscal year for which such local educational agency seeks such allotment.

Mr. O'NEILL. Mr. Chairman, it has been the experience of the Commonwealth of Massachusetts under title I, financial assistance to local education agencies for the education of children of low-income families, of the Elementary and Secondary Education Act, that language identical to section 614(2)(B) precluded the Department of Health, Education, and Welfare from funding programs previously mandated by state law. The Commonwealth fears that this same language will compel the Office of Education of HEW to make a similar ruling with regard to the education of handicapped children, and the Commonwealth's "766" program.

I feel confident that this was not the intent of the Select Education Committee and the gentleman from Indiana (Mr. Brademas), in preparing this excellent piece of legislation. But, can we afford to penalize a State that has, of its own volition, initiated comprehensive and progressive legislation prior to an action by Congress?

Mr. Chairman, my amendment just clarifies the intent of Congress in this act, so that there is no discrimination against States like Massachusetts which have initiated outstanding and pioneering efforts in aiding handicapped children.

It is my understanding that this amendment is in agreement with the gentleman from Indiana and with the ranking minority member.

Mr. BRADEMAS. Mr. Chairman, will the distinguished majority leader yield?

Mr. O'NEILL. I am happy to yield to the gentleman from Indiana.

Mr. BRADEMAS. Mr. Chairman, I think the amendment is a timely one. It does protect Massachusetts and other similar States from misinterpretation by the Department of Health, Education, and Welfare of misinterpretation of the law with respect to eligibility to receive allotments to which they are entitled.

Mr. Chairman, I hope the amendment is agreed to.

Mr. QUIE. Mr. Chairman, will the distinguished majority leader yield?

Mr. O'NEILL. I am happy to yield to the gentleman from Minnesota.

Mr. QUIE. Mr. Chairman, the education law evidently would have permitted the States to receive funds even though the States had such a law requiring that education be provided for all the handicapped.

However, the gentleman raises the point that if the department should construe it otherwise, it would be good to have this language which makes absolutely clear that States such as Massachusetts or Minnesota, I might say, which have legislation of this type, will not be denied the funds. As the gentleman has written his amendment—which I approve—it would not permit any supplanting of State or local funds. Federal funds have to be additional. I certainly approve of the amendment offered by the gentleman from Massachusetts.

Mr. O'NEILL. I am very grateful to the gentleman for his comments.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. O'Neill).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. QUIE

Mr. QUIE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Quie: Page 65, line 5, insert "(a)" immediately after "Sec. 13.".

Page 65, immediately after line 17, insert the following new subsection:

(b) Section 431(d)(1) of the General Education Provisions Act is amended by striking out "Such standard, rule, regulation, or requirement" and inserting in lieu thereof the following: "Any standard, rule, regulation, or requirement which has been reconsidered in accordance with subsection (b)(2)(A), or with respect to which such reconsideration has been waived under subsection (b)(2)(B), shall be transmitted in its proposed final form to the Speaker of the House of Representatives and the President pro tempore of the Senate. Any standard, rule, regulation, or requirement transmitted under the preceding sentence of this paragraph".

Mr. QUIE. Mr. Chairman, what this amendment does is to make a change in the General Education Provisions Act, section 431, where presently it could be read so that the 45 days that the Congress has to review any regulations of the Office of Education would begin running at the time the draft regulations are sent up here. Therefore, we only would have an extra 15 days beyond that which is provided for public comment, and no change to react to the final regulations. The Congress intended that the 45 days begin to run at the issuance of the final regulations.

This amendment makes it clear that it is at the issuance of the final regulations that the 45 days in section 431 begins to run.

Mr. BRADEMAS. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Indiana.

Mr. BRADEMAS. Mr. Chairman, I want to congratulate the gentleman on his amendment. I think it is very useful and clarifying, and I hope it is agreed to.

Mr. QUIE. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota (Mr. Quie).

The amendment was agreed to.

AMENDMENTS OFFERED BY MR. QUIE

Mr. QUIE. Mr. Chairman, I offer amendments, and I ask unanimous consent that they be considered en bloc.

The Clerk read as follows:

Amendments offered by Mr. Quie: Page 31, line 12, strike out "(2)" and insert in lieu thereof "(3)" and after line 11 insert:

(2) Section 614(b) of the Education Amendments of 1974 (Public Law 93-380; 88 Stat. 580) is further amended by striking out "(B) $8.75." and inserting in lieu thereof—

"(B) an amount equal to the quotient of—

"(i) the total amount appropriated for a fiscal year to carry out this subsection; divided by

"(ii) the total number of children aged three to twenty-one, inclusive, in all of the States in the most recent year for which satisfactory data are available."

Page 40, strike out lines 3 through 5 and insert in lieu thereof:

"(B) an amount equal to the quotient of—

"(i) the total amount appropriated for such fiscal year; divided by

"(ii) the total number of handicapped children in the school districts of all local educational agencies of all of the States who are enrolled in programs of free appropriate public education which meet the criteria established in section 614(a)(1)."

Page 41, beginning on line 9, strike out everything through line 17 on page 42 and insert in lieu thereof the following:

"(d) The State educational agency shall fix dates before which each local educational agency shall report to it on the amount of funds available to the local educational agency, under the provisions of subsection (b)(1) which it estimates that it will expend in accordance with the provisions of this part. The amounts so available to any local educational agency or any amount which would be available to any other local educational agency if it were to submit an approvable program, which the State educational agency determines will not be used for the period if its availability, shall be available for allocation to those local educational agencies, in proportion to the number of handicapped children counted by each such agency which the State educational agency determines will need additional funds to carry out approved programs."

Mr. QUIE (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota (Mr. Quie) that the amendments be considered en bloc?

There was no objection.

Mr. QUIE. Mr. Chairman, as I indicated in general debate, this is an excellent piece of legislation. I think it is a tremendous improvement in the education for the handicapped legislation, and an assistance to the States and the local schools in meeting the needs of the handicapped.

Mr. Chairman, it is a culmination of many years of work of the gentleman from Indiana and myself, and many others. It is something that we not only learned from the hearings this year, but what we have learned from hearings in previous years, and learned as we have been watching the legislation and the programs progress that are administered by the Bureau of Education for the Handicapped.

The one part of it that I have reservations about is the part on the amount of the authorization. As the Members know, from reading the report, in this fiscal year 1976 and in fiscal year 1977 the amount is about $680 million authorized. We presently, this year, have already passed an appropriation bill in the House which calls for $110 million, and so, if we have already appropriated $110 million and we add an authorization of $680 million for this fiscal year, we know that authorization is way above the amount that we will appropriate, in fact, it is 6 times the appropriation and about 14 times the budget figure in 1976. In 1978 fiscal year this authorization is 40 times this year's appropriated amount and 80 times the budget.

The same would be true, I would expect, next year, no matter how we feel about the amount that ought to be expended for the education of the handicapped the $680 million authorized will be more than we would ever appropriate by far.

In 1978, we then begin, under the new formula. If we serve 12 percent of the children of school age and, if the cost of education then is the same as it is now, there would be an authorization of $3.9 billion.

The jump from $110 million to $4 billion in virtually 2 fiscal years I think is more than anybody would ever anticipate we would be doing.

Just as we saw the nurses authorization bill vetoed, this one might receive the same fate. We voted to override the veto on that authorization bill on health programs that was some over the budget but in this bill we are way beyond the budget, in fact, 14 to 80 times the budget. We are talking about billions over the budget rather than a few million over the budget in the health bill. I grant that the House and the Senate voted to override, and they may vote to override if we keep this authorization language, as well. If the President should veto it, however, I plan to sustain him.

The way we reach the figures of $680 million in the first 2 years is to multiply $8.75 times the children 3 to 21 in each State and, beginning in 1978, the way we reach that authorization figure of $3.9 billion is to multiply the number of children served by half of the average expenditure per public schoolchild in the Nation.

Both were put in there primarily for the formula so that we would in this year give an equal amount to each child 3 to 21, and then that money would be utilized only for the children who are served in special education for the handicapped in each State.

In 1978 and thereafter, we will take the number of children served and distribute an equal amount per child served to the States and school, the limit being 50 percent of public school expenditure per child.

So what my amendment does is to remove the $8.75 in the first fiscal year and the half per pupil expenditure in public schools in the remaining years and, instead of that, the amount appropriated would be divided by the number of children, so that we get an equal amount per child going to each State.

So what my amendment does is to leave the formula distribution exactly the same. It will operate exactly the same. However, it will not carry that high and false goal which seems to be our problem now of Congress authorizing amounts which it will never appropriate. We would never reach these authorization levels, at least, in the 5 years we could project in this legislation.

There is no question that this is permanent legislation, and I think it ought to be permanent legislation.

I just feel that it is not wise for us to set false goals and rather than do that, I believe we should adopt my amendment because it will keep the formula exactly as the bill has it while removing goals.

We should remember that the appropriations for the handicapped are not based only on the needs of the handicapped. We can never fund everyone's needs from the Federal Government or even 25 percent of needs. The appropriations must be decided in relationship to the total budget, in relationship to the total HEW budget, and in relationship to the total Office of Education budget. We must balance this with all the areas where we have deep Federal concern in respect to what we will have to appropriate for other equally worthwhile purposes.

Mr. Chairman, this amendment would make this legislation as close to being perfect as it is possible for human beings to write legislation.

Mr. BRADEMAS. Mr. Chairman, I rise in opposition to the amendments.

Mr. Chairman, as the gentleman from Minnesota (Mr. QUIE) has just said, this is an excellent piece of legislation. He and I and members of the subcommittee and of the full committee on both sides of the aisle have worked closely together to shape the legislation. The only difference between the position of the gentleman from Minnesota and my position is with respect to the amendment that has just been offered.

I think the amendment should be rejected, and I would like to explain to the Committee, Mr. Chairman, why I say that.

In the first place, it costs more money to educate handicapped children. The best estimate we have is that generally speaking it costs twice as much to educate a handicapped child as it does a nonhandicapped child.

Secondly, Mr. Chairman, we know that State courts and State legislative bodies have been ruling by decisions and by statutes that States must give handicaped children a free public education, and that it is a right that is theirs under the Constitution.

Thirdly, the bill under consideration seeks to help make good an increasingly widespread attempt on the part of the States and local communities to provide educational services to all handicapped children.

Next, I would like to make clear that we are not engaging in a new kind of approach in the formula under consideration. Indeed, Mr. Chairman, the formula in the bill tracks title I of the Elementary and Secondary Education Act, the principal difference being that in title I the money is to go for the education of children in areas where there are large numbers of disadvantaged children, while in this bill the funds are to be spent for the benefit of handicapped children.

I would point out that the title I program helps disadvantaged children, who at least have been getting some education, but the bill under consideration makes possible assistance to the thousands of handicapped children in our country, who we know are getting no education at all.

Another point I wish to make, Mr. Chairman, is this: that the committee in writing the formula we made very clear, if the Members will read the committee report, that we understand that the estimates of funds that might be appropriated to make good on the needs of handicapped children in this society are not likely to be approved by the Committee on Appropriations or the Committee on the Budget.

As the committee report notes, we felt it was our responsibility as the authorizing committee, the committee that has made a careful study of this matter, to give the best judgment we could to the Committee on Appropriations and the Committee on the Budget relative to what is really necessary to meet the needs of handicapped children.

Then the Committee on the Budget and the Committee on Appropriations, in their wisdom, can make their judgments based on the revenues that are coming into the Treasury and the other priorities that seek funds from the Federal Government for spending of one kind or another. They can put all of these things together and make their overall judgment, which is not the responsibility of the Education and Labor Committee.

I further point out, as the gentleman from Minnesota (Mr. QUIE) has noted, that this is permanent authority. The amounts in the bill need not therefore be reauthorized. The amount of the Federal authorization remains constant in that the Federal Government is, with the passage of this legislation, making clear that as a nation we, as a people, are setting a goal and saying that we are going to aid the States and the local communities in this country by picking up one quarter of the cost of educating the handicapped children.

I think, Mr. Chairman, that this commitment will be most significant, and indeed, I think it is fair to say that if we pass this bill in the form in which it was reported by the committee, it will represent the most significant commitment to the needs of handicapped children, the neglect of whom remains as a great blot on the people of our society, that our country has ever known in the nearly 200 years of the country's history.

Mr. Chairman, I hope very much, therefore, that that commitment will remain and that the amendment of my good friend, the gentleman from Minnesota (Mr. QUIE), who has made important contributions to this measure, will be overcome and rejected.

Mr. ASHBROOK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I voted in favor of reporting this bill out of committee. I did so because I believe that education of handicapped children is an important area, an area that merits our assistance.

I strongly disagree, however, with the authorization levels provided for in this legislation. If fully funded, expenditures could run as high as $680 million for fiscal 1976 and 1977 and $2.4 billion to $3.9 billion for each year thereafter.

This is in sharp contrast to the $100 million we appropriated in 1975. Furthermore, it is totally unrealistic.

This bill represents the ultimate in irresponsibility. No one on this floor really believes that between $2 and $4 billion will be appropriated. Yet the majority will pass a bill with those unrealistic goals on the theory that the Appropriations Committee will not fund these excessive goals. This is a poor way to legislate. This is the empty promise which is held out to the people time and time again. Education lobbyists will be pleased. They can give credit to those who are quote—trying—unquote to reach these goals and then build up pressure around the country to get appropriations for these large funds which they will tell everyone "Congress says we are entitled to." A giant shell game and we should not participate in it.

I repeat, it is totally unrealistic to hold out to the education community that we can spend from $2 to $4 billion yearly on this program. One of the objects I have always had to many Federal aid programs is that false hopes are held out and appropriations do not match the authorizations.

There is no way we can have greatly increased appropriations at a time our budget deficit is running in the $70 to $80 billion range. This would be the height of fiscal irresponsibility. In fact, across the board there must be some cuts in Federal spending. While funding for a few areas such as education of handicapped children should be moderately increased, the tendency of Congress is to increase everything without thought to where the money will come from.

Mr. Chairman, I listened with interest to the fine statement of my good friend and able colleague, the gentleman from Indiana (Mr. BRADEMAS), and I only noted one thing lacking. He never once mentioned a figure.

Mr. Chairman, I would ask my colleague, the gentleman from Indiana, whether it was an oversight that no figure was mentioned during his entire 5-minute statement. Could I get some indication as to what the gentleman expects the congressional appropriations to be is fiscal years 1976, 1977, 1978, and 1979?

Mr. BRADEMAS. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. Surely, I yield to the gentleman from Indiana.

Mr. BRADEMAS. Mr. Chairman, I call the gentleman's attention to page 23, the very first paragraph of the committee report. He will there find spelled out what the estimated authorization would amount to in the first fiscal year in which the formula would come into effect.

I would also call the attention of the gentleman to a point which I neglected to make, which is, of course, that the formula in the bill under consideration would not come into effect until fiscal year 1978. The formula in present law, the so-called Mathias formula, would, in order to encourage the States and local communities to serve handicapped children, continue for fiscal years 1976 and 1977. The point of this provision, of course, is that, unlike the Mathias formula, the new formula, in H.R. 7217, ties the Federal funds which the State or a local school district would receive to the number of handicapped children being served.

The figure the gentleman uses is $3.8 billion. If each State actually served a number of handicapped children which represented at least 12 percent of its school age population—which is, of course, the cap—it is estimated that in fiscal year 1978 the entitlement would amount to $3.8 billion.

Later on on the same page, if the gentleman from Ohio (Mr. ASHBROOK) will note, the committee report makes very clear that it is not anticipated that that much money would actually be appropriated. The report also makes clear that the committee anticipates that the Committee on the Budget and the Committee on Appropriations would make their own judgments on how much money to recommend for this program in light of revenues available and in light of other competing priorities.

Mr. ASHBROOK. Mr. Chairman, I thank the gentleman, because in the last part of his statement he got closer to answering my question.

My question was, "What, realistically, does the gentleman expect the Congress to appropriate?" Not the amount that we are holding out in the report—not even the target figures—but the realistic figures the gentleman believes will be appropriated. The gentleman from Indiana still does not have any precise idea of what the realistic figures would be for fiscal 1977, 1978, and 1979, or does he think the figure will be close to $3.8 billion?

Mr. BRADEMAS. I would think it would not be close to $3.8 billion, but I think that the important point to note here is the point I make in my remarks earlier, namely, that this is a permanent program and that it is the responsibility of the authorizing committee to make, for the benefit of the whole House, an honest judgment, based on its careful study, of what the actual needs of the Nation are for the educating of handicapped children.

Indeed, were we on the authorizing committee to fail to present such a determination, we would, in my view, be failing in our responsibilities.

Mr. ASHBROOK. The gentleman further stated that as an overall target, it is the intention of this legislation and it is the intention of the gentleman from Indiana that Federal participation in this particular program should at least reach the level of 25 percent of the cost of educating the handicapped children in the country. Is that correct?

Mr. BRADEMAS. That is the goal that I would hope very much we would be willing to reach, given the enormity of the need and the fact that there are millions and millions of handicapped children in this country who not only are receiving an inadequate education, but, in many cases, no education at all.

Mr. ASHBROOK. Mr. Chairman, one last question:

The gentleman from Indiana referred to the budget estimates. Could the gentleman give me the figures, the budget committee projections, and where I could find those?

Mr. BRADEMAS. I hope the gentleman from Ohio again will turn to page 23 of the committee report, the third sentence in the top paragraph, where he will note, in respect of the formula in the existing law, that is to say, the Mathias formula, to which the gentleman from Minnesota (Mr. QUIE) earlier made reference, the following sentence:

> It is therefore estimated that the bill would authorize appropriations for each of these fiscal years of approximately $666,000,000.

That is the effect of the formula in the existing law.

Mr. ASHBROOK. I read that as the estimate of the committee, not any estimate of the Budget Committee. Is the gentleman saying that that figure is the estimate of the Budget Committee; is that correct?

Mr. BRADEMAS. It is the estimate of the authorizing committee.

Mr. ASHBROOK. Mr. Chairman, I would simply say again that I believe we are holding out very unrealistic goals.

I think the amendment offered by the gentleman from Minnesota (Mr. QUIE) is very much to the point and is needed. I would intend later to offer it in the form of a motion to recommit if it is turned down at this point. But I just do not see how we can, as a responsible body, hold out this type of an appropriation.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. ASHBROOK was allowed to proceed for 2 additional minutes.)

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from Minnesota.

Mr. QUIE. Mr. Chairman, I just want to add that we do not have to feel in the Federal Government that we need assume even a quarter of the responsibility to make certain that the handicapped children receive special education for two reasons. First, there are now court cases, either completed or pending, which require States to provide that education, as has already occurred in Pennsylvania and the District of Columbia. Second, we provide in this legislation that if you are going to receive the funds by 1978 you have to provide education for all of those who are handicapped within the States.

So, with those two pressures on the States, they will be raising money, and they are much more capable of raising money than we are at the Federal level.

Mr. ASHBROOK. One last point: In regards to the cases cited, there is no requirement on the Federal Government in any way to increase any expenditures; is that correct?

Mr. QUIE. The answer is no. The courts require the States, not the Federal Government, to do it.

Mr. PERKINS. Mr. Chairman, I move to strike the requisite number of words, and I rise to oppose the amendment.

Mr. Chairman, first let me state that the gentleman from Minnesota (Mr. QUIE) has performed a tremendous service in working with the distinguished chairman of the subcommittee, the gentleman from Indiana (Mr. BRADEMAS) in bringing this piece of legislation before the House. I must oppose his amendment, however. We are now debating what priority we are going to place on the education of handicapped children.

Keep in mind that we are not voting on a spending measure. We are voting on an authorization bill which proposes a goal of providing a certain level of Federal support for the education of handicapped children, and that is essentially the difference between the committee bill and this amendment. In the committee bill, there is a goal that we can work to, whereas, under the amendment, we would simply take what the Appropriations Committee decides upon and distribute it equally among children enrolled in special education programs. In contrast, under the committee bill, beginning in 1978 there would be authority to pay to local school districts an amount equal to one-half of the average national per-pupil expenditure multiplied by the number of handicapped children enrolled in special education programs. Since, on an average, the cost of educating a handicapped child is twice as much as for a regular student, under this proposal, the Federal responsibility for the education of a handicapped child will amount to approximately one-fourth of the total cost.

Mr. Chairman, this is a reasonable burden for the Federal Government to share. It is certainly far more reasonable than the $15 per handicapped child we are now spending under the basic program. If we do not establish a goal as is proposed in this legislation, there is a likelihood that we will continue what is, in effect, the token contribution we are presently making to the education of these children. Personally, I feel that it is time to assign a higher priority for the education of handicapped children and time for the Federal Government to become a better partner.

It is true that if the new formula were in effect last year, the authorization would have totaled $2.4 billion and that there is an estimated $3.8 billion maximum authorization for the first year—fiscal year 1978. I understand the concern of Members over this high authorization figure. We all share a concern over costs, but I would say to those who are concerned—that the gentleman's amendment places no ceiling on the amount that can be appropriated. There is no dollar limitation under the amendment.

Furthermore, there would be no guidance to the Appropriations Committee and to the Budget Committee as to what is an equitable share for the Federal Government to assume. The committee bill assigns a share of the cost as an equitable portion to be borne by the Federal Government in carrying out the objectives of this legislation. The committee bill reflects the urgent and in many instances unmet needs of handicapped children. It reflects also the large financial burdens borne by State and local educational agencies in meeting its needs and it sets an overall limitation on the amount that may be spent.

The gentleman's amendment fails to reflect these necessary factors and therefore, it should be rejected.

The CHAIRMAN. The time of the gentleman has expired.

Mrs. FENWICK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, my concern is with answers to questions that are not clear to me, not having had the opportunity to be at the hearings and to study the bill as carefully as I should like.

Would the gentleman from Indiana accede to a number of questions?

Mr. BRADEMAS. Yes, I would be glad to.

Mrs. FENWICK. In our State of New Jersey we have had for many years a program for the handicapped child, and it has been of enormous benefit. For that reason this legislation certainly has my hearty support and the support of many others.

There are one or two questions that I would like to ask. There is a possibility in this legislation of which I am sure the gentleman from Indiana is aware. For example, in one education district when the State increased its proportion of the funds expended for the education of handicapped children, in 1 year the enrollment of children in the program for the handicapped jumped from something around 3 to 25 percent. I called up the guidance counselor in charge of the special education in that school and inquired what had happened, and the answer was that the standards had risen.

The question I wanted to ask involves these standards. I think all of us approved a widening of the number of handicaps covered under the legislation. We included—and I was happy to see reference to this here this afternoon—the perceptually handicapped child who is often overlooked and not recognized as being in need of help. But we must have some guidelines. Are they in the bill, I ask the gentleman from Indiana?

Mr. BRADEMAS. Mr. Chairman, if the gentlewoman will yield, first of all I appreciate what the gentlewoman said with respect to the interest in New Jersey. The distinguished chairman of the Committee on Labor and Public Welfare, the junior Senator from New Jersey (Mr. WILLIAMS), is the author of this legislation in the other body.

If the gentlewoman from New Jersey will refer to the report, on page 7 she will find there a definition with respect to handicapped children which is appropriate with respect to this bill.

Mrs. FENWICK. But will those standards be established beyond the references on page 7 of the report? For example, we all know, in the matter of deaf children there are three types: there is loss, impairment, and profound deafness. How will those degrees of deafness be deferred in this program?

Mr. BRADEMAS. The same as in the present programs for the handicapped under which we presently are providing Federal funds.

Mrs. FENWICK. They are not defined, at least not in the legislation I have seen. I mean there are no medical descriptions as to the parameters in each area.

Mr. BRADEMAS. Perhaps the gentlewoman would be kind enough to spell out a little more clearly her question. If I have not answered it, it is because I am still not yet clear on the precise nature of the question.

Mrs. FENWICK. I wonder if the Federal legislation will provide more precise guidelines than those generally in use now. For example, in the case of the deaf, we know there are three quite clearly marked and legally provable levels of hearing disability. Those are easily ascertained and very clear. I wonder if the bill refers to any such clear standards as to eligibility? Because, if we do not, I say to the gentleman from Indiana (Mr. BRADEMAS), the danger is that we are going to lose some children.

There definitions are sometimes regarded as bars to being included. Quite the contrary. The kind of care which is given to establishing these guidelines and standards very often reveals the lack of full capacity in the child, and the right of the child to special education.

Mr. PERKINS. Mr. Chairman, will the gentlewoman yield?

Mrs. FENWICK. I yield to the gentleman from Kentucky.

Mr. PERKINS. Mr. Chairman, the bill is very clear in the definition section which, for the most part, is a continuation of existing law. We are talking about handicapped children that are enrolled in special education programs. Beginning with 1978, funding will be based on the number of handicapped children local educational agencies in the State of New Jersey are serving in special educational programs.

Mrs. FENWICK. I was not discussing money. I was discussing the standards.

Mr. PERKINS. The standards are set forth in the definition section. Furthermore the Lehman amendment agreed to earlier will provide for better and more specific standards relative to children with learning disabilities.

Mr. BROYHILL. Mr. Chairman, I rise in support of the amendment.

I would like to have the attention of the gentleman from Minnesota. As the gentleman knows, a bill was considered here on the House floor from another committee, the committee on which I serve, the Committee on Interstate and Foreign Commerce, called the Developmental and Disabilities Amendments of 1975. This bill is presently in conference with the other body.

This is a reauthorization of a program that has been under the jurisdiction of our committee for some time. Now, the definitions of a developmental disability are some different than that which is included in the bill presently before us; however, the definition of that developmental disability is broad enough to at least encompass a good number of those included in the bill being considered today. Also, there is a definition of "specific learning disability" in the Interstate and Foreign Commerce Committee bill which apparently has been lifted out of the definition that is contained in the Act which is before this committee.

I think my question is, has any consideration been given by the gentleman's committee to the duplication and overlap of these two bills?

I do not think that we have considered it enough in the committee to see what the authorizations in the act add up to, and those authorized in the bill already passed.

Now, there is some difference between the House and the Senate version in the bill which is presently pending before the conference committee. I might add that the authorizations that are in the bill reported out of the other body approach $1 billion. So it seems to me that the amendment of the gentleman from Minnesota (Mr. Quie) is needed here in order to at least make sure we will not have a duplication of authorizations for one thing.

I think it is incumbent upon us as Members of this body to get together in our committees to make sure that there is not the duplication and overlap that apparently does exist in so many programs.

That is the reason I support the gentleman's amendment, to make sure that this program, which is a worthwhile program, is not expanded to such an extent that we have another veto battle like we have gone through today.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from Minnesota.

Mr. QUIE. Mr. Chairman, there is some difference and some duplication between the Developmental Disability Act the gentleman is working on and the part of the Elementary and Secondary Education Act which my amendment refers to. The Developmental Disability Act has duplications as it affects some other parts of handicapped legislation as well as this part. The appropriation for this part this year is $110 million. The gentleman indicates that there is a $1 billion authorization in the Senate developmental disabilities bill. I believe that is over 5 years, rather than 1 year. The authorization for this bill for 5 years would equal at least $13 billion.

Mr. BROYHILL. Mr. Chairman, I would hope we adopt the amendment of the gentleman from Minnesota in order to make this a more moderate level of funding, at least so that we can be sure to have a program, without going through a veto battle as we have in the past.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Minnesota (Mr. Quie).

The question was taken; and on a division (demanded by Mr. Quie) there were—ayes 18, noes 16.

Mr. BRADEMAS. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendments were agreed to.

Mr. BAUMAN. Mr. Chairman, the bill before us epitomizes much of what is wrong with this present Congress. Seeking as it does to give assistance to those in our Nation who most need our care and concern, this legislation would try to meet a legitimate need, aid for the handicapped.

I know something of the suffering and anguish which can result from physical and other disabilities. I have seen it first hand among my own family and friends. I know what a problem it presents to a family seeking to provide for a loved one who needs special care and knows not where to turn.

And it will be just such people among whom this bill will raise great hope and expectation which can never be fulfilled. It has been estimated that there are 8 million handicapped children in America and less than half of these are presently receiving any assistance toward the special education they need.

But instead of proposing a reasonable bill which would realistically address this problem, this legislation will authorize more than half a billion dollars—to be exact $666 million—for the next 2 fiscal years and this will rise to $3.8 billion each year beginning in 1978.

Mr. Chairman, this Nation is facing the biggest Government deficit in its peacetime history, perhaps in the area of more than $80 billion. There has to be an end to this irresponsible spending of money we do not have. It is just such well-intentioned but unlimited bills as this that are pushing this country toward fiscal, and eventually, political collapse.

Yes, we must help handicapped children, but in a manner and degree consistent with our available resources. What good will it do us to spend billions for such programs if the end result is to crush this great Nation on the fiscal rocks. If we fall, all people will suffer, including the handicapped children we seek to help.

Indeed it is a handicap to be physically crippled. It is an even greater handicap to be moral cripples, unable to honestly meet our responsibilities and admit that our resources are but finite and not equal to the desires of those whose goal is to spend and elect.

This legislation should be scaled down to a level consistent with our ability to pay. We can meet these real needs in an adequate way, but this is not the way.

Mr. McKAY. Mr. Chairman, it is with great reluctance that I have today decided to cast my vote against H.R. 7217, the Education for all Handicapped Children Act of 1975. I am sensitive to the urgent need for improved education programs for the handicapped. In my State, which has been a frontrunner in providing a progressive education program for handicapped children, and in many other States, there simply is not enough money to meet the needs. Many children are not reached at all, particularly children with physical, as well as mental deficiencies. Some handicapped individuals cannot even obtain the training they need to enable them to care for themselves. These things I recognize and am anxious to correct.

Unfortunately, this legislation inadequately meets the needs of the handicapped, while creating false hopes and bureaucratic problems. The lesson we should have learned from the sixties is that pouring more and more money into a program or a problem will not necessarily improve the program or solve the problem. That is true with many education programs and it is true as to the way in which this bill deals with handicapped education.

The bill authorizes too much money—up to $680 million in fiscal year 1977 and $3.9 billion in fiscal year 1978. This funding level creates all kinds of problems. First, the level is fiscally irresponsible. There is virtually no showing that funding at this very high level would bring about the great advances in life for the handicapped of this Nation that must justify such a dramatic increase.

Second, the bill will serve to raise false expectations for thousands of parents of handicapped children. The fact is, Federal and State administrative and planning machinery cannot cope with an influx of this magnitude, and money alone cannot solve the individual and complex problems of the handicapped child. It is completely unrealistic to assume that this Congress will appropriate money at the authorized levels—or anywhere near the authorized levels. To pass this bill is to encourage hopes that will not be realized.

Third, this funding level encourages States to classify children as handicapped who are not handicapped. An entitlements formula based on number of handicapped children, with a ceiling at 12 percent of the number of children in the State creates tremendous incentives to classify children with discipline problems, emotional problems, and reading problems as handicapped. Besides encouraging a misuse of Federal funds, this would be harmful to those children who are misclassified.

My final objection to H.R. 7217 is the administrative boondoggle it will most certainly create. Not only does it require that States establish accounting systems for their handicapped education programs that conform to Federal accounting practices, but there are detailed reporting and evaluation requirements that will create difficulty for the States and assure that money which should go to the handicapped will be siphoned off in administrative costs.

I continue to feel that this Nation has far to go in meeting the education needs of the handicapped. I will support appropriate legislation to make realistic strides in our education and training of the handicapped. But this bill, in my opinion, falls far short of achievement of those goals.

Mr. FORD of Michigan. Mr. Chairman, I rise in support of H.R. 7217, the Education for all Handicapped Children Act of 1975, which I am cosponsoring. As one who sponsored similar legislation several years ago, I am particularly happy to see this legislation finally come to the House floor, and I commend the distinguished chairman of the Subcommittee on Select Education, Mr. Brademas, for his long efforts to bring this bill before us. I would also like to commend the committee for adopting the concept of funding which I have always favored—the concept that local educational agencies should be the major recipients of Federal funds for educating handicapped children.

The need for a strong measure like the Education for all Handicapped Children Act of 1975 is made evident by a set of grim and depressing facts:

There are over 8 million handicapped children in the United States and only 3.9 million are currently receiving an appropriate education; 1.75 million handicapped youngsters are receiving no formal education at all; and 2.5 million children are receiving inappropriate education.

In short, Mr. Chairman, over 50 percent of the handicapped children in this Nation are being denied a fundamental educational opportunity which can help many of them become self-sufficient adults.

Last year, many significant advances were made in the education of handicapped children. In the Education Amendments of 1974, Congress significantly expanded a basic aid-to-states program for the education of handicapped children in authority and appropriations, with a clear mandate that the 1 year emergency authorizations under that measure would not be sufficient for the long-term purposes of providing adequate support to States and local communities to meet the educational needs of handicapped children. We have met that mandate with H.R. 7217.

Let me take a moment, Mr. Chairman, to cite the major provisions of H.R. 7217. The bill would:

Extend for 2 additional years the present entitlement formula, referred to as the Mathias formula, which is the number of handicapped children in the State from ages 3-21 inclusive, multiplied by $8.75;

Establish a new formula to begin in fiscal 1978 for payments to States and local committees based on the number of handicapped children served, times 50 percent of the average per pupil expenditure;

Establish eligibility and application procedures for local education agencies;

Provide for grievance procedures at State and local levels;

Provide that all handicapped children must be served as of October 1, 1978;

Provide that an individualized program be developed for each handicapped child:

Provide broader authority for the Secretary of HEW to enter into agreements with institutions of higher education and State and local agencies for the establishment and operation of a center for educational media and materials for the handicapped, and,

Provide for making grants to pay part or all of the cost of altering existing building for the removal of architectural barriers.

It should be noted that in order to qualify for funds under the act, States would be required to show that by fiscal year 1979 they will achieve the objective of providing special education and related services to all handicapped children—in private as well as public schools—who are within any age group for which free public education is provided in the State.

My own State of Michigan has made great strides toward achieving this 1979 goal. Michigan's school code mandates that local school districts must provide specialized programs and services designed to maximize the potential of every handicapped person and I would like my colleagues to know that many of the parents of handicapped children in my own congressional district have voluntarily organized to assist their schools in making education for the handicapped programs a success.

Mr. Chairman, as you can see, Michigan has demonstrated the foresight to recognize the special needs of the handicapped and more importantly, has long been involved in the necessary planning to provide for an effective delivery of ancillary services to the handicapped, along with meeting their education needs through special programs. The State of Michigan should be highly commended for its efforts. I am pleased that we have before us H.R. 7217, the Education for All Handicapped Children Act of 1975, which will provide the incentive for other States to initiate programs and services for the handicapped.

Once again, Mr. Chairman, I urge my colleagues to vote for passage of this needed legislation.

Mr. CORNELL. Mr. Chairman, I am pleased to have the opportunity to indicate my support of the legislation now before us, the Education for All Handicapped Children Act. As a cosponsor and a member of the Select Education Subcommittee which first considered this bill, I am especially anxious for the House of Representatives to approve this legislation. I firmly believe that H.R. 7217 will dramatically change the educational future of many handicapped children who were previously ignored or had insufficient educational opportunities open to them.

The provisions of the bill have already been discussed by our able subcommittee chairman and floor manager, Mr. BRADEMAS, but the purpose of the bill is worth emphasizing.

First. To assure that all handicapped children have available to them special educational and related services designed to meet their unique needs;

Second. To assure that the rights of handicapped children and their parents or guardians are protected;

Third. To assist States and localities to provide for the education of all handicapped children; and

Fourth. To assess and assure the effectiveness of efforts to educate handicapped children.

I was surprised to learn during the extensive hearings held on this legislation that perhaps as many as half of the handicapped children in the United States are not receiving an appropriate education and that 1 million are deprived of any educational instruction or training. In my own State of Wisconsin, which has a long tradition of progressive education, it was estimated that during the 1971-72 academic year, only 66,230 children out of a total of 155,813 handicapped children were receiving an education to meet their needs. Fortunately, this situation has improved tremendously with the passage of chapter 89 by the State legislature which mandated that an appropriate education be made available to all eligible handicapped children. This legislation before us today would have the same goal and sets October 1, 1978, as the time when this should be accomplished nationwide.

I believe this bill to be one of the most important before us this session for several reasons. First, it acknowledges that the handicapped have been denied their inherent right to a full public education. Second, it remedies this oversight and recognizes that the Federal Government will have to share the burden with the States for this education which will obviously cost more than educating children without disabilities. I cannot urge my colleagues too strongly to support this legislation which will secure a basic right for a long-neglected segment of our society.

Mr. HARRIS. Mr. Chairman, I am pleased to rise today in support of H.R. 7217, the Education for All Handicapped Children Act of 1975. This bill represents a major commitment of the Federal Government to all our handicapped children, ages 3 to 21. While there are some who will argue that this bill is an "over-commitment," I believe it offers a proper and appropriate incentive to States and localities to provide adequate educational programs for the Nation's 7.8 million handicapped children. Indeed, it is difficult for me to imagine that the Federal Government could ever "over-commit" to this special segment of our school population.

This bill has several especially noteworthy features. It encourages the States and localities to move rapidly toward "full service" for handicapped children. Its target date of 1978 is not only necessary, it is long overdue. We all know too sadly that we have neglected these children for too long. I would also like to commend the committee for encouraging individualized instruction for handicapped children. In no education program is it more important to determine and provide for the unique needs of each individual child. And finally, I believe the requirement of full participation of the parents and teachers in developing an education program for each child is both essential and highly commendable.

Almost every State has adopted mandatory legislation for education of handicapped children. Many courts have established the right to an education for all handicapped children. This legislation flows from that spirit of reform and I believe a spirit of concern for a group of children the country has for too long overlooked.

The committee quite rightly points out that since 85 percent of the funds to be appropriated under this bill will probably be used for personnel expenses and since programs for our handicapped children are particularly labor intensive, this bill could help to alleviate our problem of unemployment—especially during this time when many teachers are unable to find jobs. More important, in the long run, this legislation will mean more adults with marketable skills and less welfare dependency, more productive citizens and less institutionalization.

There are those who contend, joined by the Ford administration, that the funding authorization levels in this bill are too high, that they represent "fiscal irresponsibility." I would argue that anything short of the goals set out in this bill would be not just fiscally, but humanly irresponsible. President Ford has just vetoed the 1976 education appropriations bill because it will mean "we are going to spend ourselves into fiscal insolvency." He and some of his colleagues in the Congress argue that "excessive" spending for education will escalate the federal deficit. I believe that we will be faced with a much larger deficit in human terms if we turn our backs on and shortchange our schoolchildren as Ford proposes. The human deficit we would face in unproductive, unhappy, unfulfilled human beings is a much more painful and tragic result, in my view.

I will cast an enthusiastic aye vote for this bill and I urge my colleagues to join me.

Mr. CONTE. Mr. Chairman, I rise in support of the Education for the Handicapped Act (H.R. 7217). I do so with mixed feelings. The Education and Labor Subcommittee on Select Education should be commended on their effort to present this piece of legislation which may well be this Nation's first step in education for the handicapped. Funds provided in the Labor-HEW bill are not nearly sufficient to cover the programs needed to supplement the education of our handicapped Americans who number in the millions.

Now, I would like to set out the problems to which I alluded earlier.

First, the bill before us is limited only to those handicapped persons aged 5 to 17. I believe a wider span of ages is necessary to aid those students in the crucial preschool years and those of college age where a handicap can pose the biggest impasse in a student's education. I would suggest that ages 3 to 21 would have been more desirable in attempting to assure educational equality to our Nation's handicapped. Further, this bill has no provision to prevent prejudice to those students who are older and not eligible for funds under H.R. 7217. They are thus penalized for being too old and this bill will not be of any assistance to them.

Second, this bill provides that the funds will be allocated directly to the local education agencies—LEA—and completely bypass the State agency. This will prevent the States from developing a cohesive and uniform program throughout the State.

This would create an extreme problem in the effectiveness of an existing or future State program.

Third. The bill in its present form penalizes those States who have a statewide program at present. May I direct your attention to section 614(2)(b) which reads as follows:

> A local educational agency which desires to receive an allotment under this part for any fiscal year may transmit an application for such allotment to the appropriate State educational agency. Such application shall provide satisfaction assurance that Federal funds expended for programs under this part shall be used to pay only the excess costs directly attributable to the education of handicapped children, and shall also provide satisfactory assurance that such funds shall be used to supplement and, to the extent practicable, increase the level of State, local, and private funds expended for the education of the handicapped, *and in no case to supplant such State, local and private funds.* (Emphasis added).

It is clear that this language will prejudice such States as Massachusetts, New York, California, Pennsylvania, and New Jersey, who already have at least authorizing statutes on their books—regardless of any appropriations provided by the States to implement their programs. I am proud to note that Massachusetts has the most comprehensive education for the handicapped program of the 50 States. Massachusetts, Public Law Chapter 766 was used as a guide by the Senate Education and Labor Committee while they were drafting S. 6—the Senate version of the bill now before us.

Because of this nonsupplanting language—Massachusetts and many other States will benefit very little from this legislation. Deletion of the above quoted nonsupplanting language in section 614 (2)(b) will convert the problem I have set out and will insure a uniform program in each State.

These problems have already been brought to the attention of the Senate committee. It is my hope that they will recognize the potential harm these problems which I have set out may cause.

The Congress has been unable for the past several years to pass such a comprehensive bill to aid the education of the handicapped. It is my hope that H.R. 7217 will prove to be more successful than its predecessors.

Thank you, Mr. Chairman.

Mr. MILLER of California. Mr. Chairman, I rise in support of this bill. H.R. 7217 has been termed "an historic milestone" by one of the leading national organizations dealing with handicapped children. As a member of the Subcommittee on Select Education which prepared the bill, I took a great deal of time in drafting amendments which I believe are crucial to this legislation. During the meetings of the subcommittee, I received substantial assistance from both minority and majority members and staff, for which I am grateful. I believe that the unanimous votes by which this bill has been reported, both by the subcommittee and the full Committee on Education and Labor, reflect the wide endorsement of H.R. 7217.

Appropriate education for the handicapped is a topic with which few, in general, have difficulty. However, there exist some very grave problems in this area of special education, many of which have long been recognized by experts in the field. I believe that the amendments which I proposed during subcommittee mark up go a long way to correcting some of the abuses and failings in special education.

A major problem which has been a concern of Congress and others is the manner by which children are identified as handicapped. Serious charges have been made, and substantiated, which indicate that some of the testing used to uncover children with "learning disabilities" or more specific handicaps, are discriminatory. They have been found biased against culturally deprived and non-English-speaking children. I cite as a specific example the very sound work of Dr. Robert L. Williams of Washington University in St. Louis, who recently showed that some black youth perform poorly on some intelligence tests because of the vocabulary used.

Congress last year attempted to remove such biases by writing into section 613 provisions banning discriminatory testing and introducing guarantees of due process in the assignment of children to special classes. Moreover, the 1974 amendments required that children, wherever possible, be educated along with nonhandicapped children, and always in the least restrictive educational environment. This latter process, known in the field as "mainstreaming", has been gaining in popularity in recent years and, in experimental tests, has been found extremely workable and beneficial to the children involved.

The amendments which I introduced, and which were unanimously voted by the committee, sought to strengthen these features of existing law, and to improve the Congess' ability to review these provisions. My first amendment strengthens section 613(d)(2) of the law by enabling the Commissioner of Education to more fully restrict the flow of Federal funds to school districts or States which do not comply with the due process and nondiscriminatory provisions of the law. Increasing the Commissioner's authority to enforce the law in this manner is critical, because Federal funds are often the only influence we have over the operation of the local program.

In addition, my amendment added to this section a requirement that any SEA or LEA receiving notice that its funds are to be curtailed must, by means of a public notice, bring this action before the general public.

Along these lines, I also proposed an amendment in the form of section 617, which establishes, for the first time a formal grievance procedure whereby a parent, guardian, or child may request a hearing to determine whether the child is or is not receiving an appropriate education. The complainants will have the right to be accompanied by counsel or other qualified individuals who possess "special knowledge or training with respect to the education of handicapped children." The amendment also contains an appeals procedure which involves notifying the Commissioner of Education of action taken.

I believe that this grievance procedure is very necessary. There has been too much labeling of children as "retarded" or "handicapped" through careless categorization. These actions are not only grossly unfair to the children, but fiscally ludicrous. The cost of educating a handicapped child is far greater than the cost of educating a nonexceptional student. The improved screening and due process procedures which we have written into the law will limit costly special education to those who are truly needy of it, and will properly allow all nonhandicapped students, or those whose handicap is not so severe as to require a special class, to enjoy schooling in a regular classroom setting.

I believe that it is important that Congress review the operation of the new features of this law as soon as possible after their implementation. Therefore, I also included an amendment which requires the National Center for Education Statistics, a branch of the Office of Education, to provide the appropriate committees of the Congress with statistical information on an an annual basis whereby Members will be able to evaluate the degree of compliance with mainstreaming, due process and nondiscriminatory features of the law.

These features greatly strengthen the law. The amendments strengthening the due process features of the existing law and mandating grievance procedures speak directly to the due process issues raised in the precedent-setting Pennsylvania Association for Retarded Children against Pennsylvania case in 1971. The court here ruled that a child was entitled to procedural due process whenever a change in his or her educational status was proposed. Similarly, those amendments which strengthen the antidiscriminatory testing clauses are precisely in line with studies and court cases establishing the existence of these biased tests, and their necessary elimination.

The Senate legislation, S. 6, which passed that body on June 18, contains a number of features very similar to those which are now contained in the House bill. I have no doubt that the combination of these provisions, which will easily be achieved in conference, will not only establish safeguards against the unnecessary placing of nonhandicapped children in segregated classes, but will, as importantly, improve the quality of education for those children who truly are in need of special training.

I would like for a moment, Mr. Chairman, to address myself to the administration's attitude toward this legislation. Quite frankly, the administration has been nothing less than hypercritical and unhelpful during all phases of the drafting of this legislation. This is in large contrast to the very good work performed by Members of the administration's party who serve on the Subcommittee on Select Education and the Committee on Education and Labor. After several years of work on education of the handicapped legislation, I believe that the committee was entitled to the benefit of the wisdom of the Office of Education somewhat earlier than it was offered. Frankly, I believe that the position of the Ford administration on this very important legislation has been little more than obstructionist, as contrasted with the very substantive work of the committee members from both parties.

Now let us look at some of the objections raised by HEW in Secretary Weinberger's July 14th letter to Minority Leader RHODES. Let me say, firstly, that I believe that Mr. Weinberger's letter thoroughly ignores the fact that substantial numbers of handicapped children, of varying degrees of handicap, are not now receiving quality education in school. In support of the status quo, Secretary Weinberger states on page 1:

> State plans received by the Office of Education indicate that the majority of States have established a goal of providing full educational opportunity for handicapped children by 1980 or earlier.

Mr. Chairman, that is one of the most qualified statements I have heard yet from a member of this administration. "The majority of States have established a goal," "by 1980 or earlier." Mr. Chairman, I would make the point that it is precisely because these deadlines and these goals are so weakly mandated under present programs that H.R. 7217, which requires an earlier deadline for providing handicapped children with adequate education, is needed.

I would also like to speak to objections raised on page 2 of Mr. Weinberger's letter regarding "major administrative burdens on Federal, State, and local education officals." The Secretary raises the objection that some of the money involved in this bill may go to administrative demands required by the legislation. Perhaps that is so.

The committee, however, was particularly scrupulous in drawing the legislation in such a way as to require a minimum amount of expenditure for administrative safeguards and procedures, and that a maximum amount of the money goes toward actual education. Let me say in defense of some of these administrative procedures however, that they are by no means fanciful or unnecessary. Each one is designed to increase parental and professional input into the development of the program of education for handicapped children, and to safeguard the rights of children and parents which frequently have been abridged or totally ignored. It is precisely this program's administrative safeguards which are designed to change the tendency noted also on page 2 of the Secretary's letter. I do not believe that the administrative safeguards are necessarily burdens, and certainly not when they protect the rights of handicapped children.

Lastly I would like to mention the incredulity with which I read of Mr. Weinberger's reluctance to endorse the concept of mainstreaming children, that is, the placing of handicapped children in the least restrictive educational environment. It seems to me that the logic which he employs on the final page of his letter to Mr. RHODES, "the assumption of mainstreaming children always represents the most effective means of educating handicapped children has not yet been shown," is extremely faulty. I do not believe that the burden of proof should be upon that administrator or teacher who seeks to permit the handicapped child to remain in a normal classroom with his peers.

Rather, I believe the burden of proof in terms of the effectiveness of a program ought to rest with that administrator or teacher who seeks for one reason or another to remove a child from a normal classroom, to segregate him or her from nonhandicapped children, to place him in a program of special education. In this regard, I believe we should take into account a statement by the Commissioner of Education, T. H. Bell, in a March 6th letter which I received. In that letter, Mr. Bell notes:

> Despite large numbers of projects, however, it was difficult to find acceptable evidence that any given project had helped children to increase their achievement in the basic skills of reading and mathematics. It was still more difficult to find attempts to replicate a presumably effective project and, worse yet, virtually impossible to find a successful replication of an effective project.

The inescapable conclusion from Mr. Bell's admission, I believe, is that the traditional programs which have sought to remove children from the normal classroom setting have been of unlimited success and minimal transfer ability. We therefore should not assume, as Mr. Weinberger would suggest, that the normal procedure for educating handicapped children should be to remove children from a normal classroom and place them in some special class. Rather, children ought to remain in a regular classroom until such time as it is determined, on the basis of sound testing and joint consultation with parents and the child, that it is in the best interest of the student to be placed in a special class. In advance I thank my colleagues for their support and urge the passage of this bill.

Mr. GRASSLEY. Mr. Chairman, the occasion of the Quie amendment offers the opportunity to raise the point that one of the reasons handicapped children have always been slighted on equal educational opportunity is the fact that parents and advocates of these children have always had to look to a level of government higher than the local education agency to get help for their children. That help received has always been a pittance, and never enough to cover all the children so entitled.

So, today, we are trying to fill this void at the Federal level of Government. The Government in Washington, regardless of how good our intentions, will never fill this need. We will try to help; and our help will be considerable; and it will do some good.

But, it could have the end result of harming the cause because the situation of educating handicapped children is so demanding that the answer is not just to get the State or the Federal Government to fill the void, but the solution will only come when handicapped children get their fair share of money now being spent on all educational programs. The Federal Government pays about 8 percent of the total cost of education. The remaining 92 percent comes from State and local sources. To think that the Federal Government with a gigantic national debt can really make up for decades of neglect is really wishful thinking. The handicapped child is not only entitled to help from the Federal Government, but is entitled to a larger share of the local and State budgetary pie. When local and State governments are drawing up their education budgets, the handicapped child should not get the crumbs from the table but should be entitled to the same consideration as the chemistry student or the football player.

Mr. HARKIN. Mr. Chairman, I rise in strong support of H.R. 7217, the Education for all Handicapped Children Act of 1975. If the bill has any failings at all, it is only because it does not go far enough. The time has come and long since passed when we as a nation should recognize that all handicapped children have a constitutional right to a public education. In fact, recent court decisions in Federal district courts have enunciated that right and have extended it to all handicapped children, and not just the mentally retarded.

In 1974, Public Law 93–380 was adopted which extended the Education of the Handicapped Act for 3 years. Under the provision of the amendments made in 1974 to this bill, many significant advancements were made in the education of our handicapped children:

First. A basic aid to State program for education of handicapped children was enlarged in authority and appropriations;

Second. Provisions were made to insure maximum input from, and advocacy on behalf of, the handicapped;

Third. The goal of providing a free and full education to all handicapped children and a timetable to meet this goal were established;

Fourth. The States were required to implement a plan to insure that handicapped children and their parents were provided due process in the decision-making and evaluation process;

Fifth. A priority for funds was established for children not now receiving an education program;

Sixth. The States were required to implement a plan to show how all handicapped children were being provided with an education in the least restrictive environment;

Seventh. The States were prohibited from implementing a plan to classify children in a racial or discriminatory manner.

The intent of this present legislation, H.R. 7217, is to amend that section—part B—of the Education of the Handicapped Act to make permanent the authorization and comprehensive mechanism which will insure that the above listed provisions enacted by the last Congress will result in maximum benefits for handicapped children and their families.

The facts of the situation are that our handicapped children cry out for a remedy. There are more than 8 million handicapped children in our country and their special education needs are not being met. In 1971 only seven States had adopted mandatory legislation in this area. Now in 1975, only one or two States remain without such mandatory laws for the education of handicapped children. However, the important thing to keep in mind in this area of State law is that there has been little or no enforcement of the mandates. Mandatory legislation which has characteristically lacked meaningful provisions for enforcement has proven to be of little value.

The best estimates by the Bureau of Education for the Handicapped show that of the number of children between the ages of 5 and 17, that those with some type of handicap make up approximately 12 percent of the population. This covers those children who have visual handicaps, who are deaf or hard of hearing, who have speech impediments, who are mentally retarded, who are emotionally disturbed, or who have multiple handicaps. The total number of children in this age category is approximately 6.2 million. Less than 3.9 million of these children are receiving an appropriate education and nearly 2 million are receiving no educational services at all.

The long range implications of these figures are that the taxpayers will spend many billions of dollars over the lifetime of these handicapped individuals simply to maintain such persons as dependents on welfare, or oftentimes in institutions. With proper educational services provided now, at a young age, these children can become productive citizens contributing to society instead of being left as burdens on our society. I, like so many others, can speak from first-hand experience on this problem.

My older brother became deaf as a result of an illness when he was quite small. He was provided with an education, which I might add, took place in the late 1930's and early 1940's. My brother's recollection of that education is that it was not all that good, but at least it was a basic education through high school at the Iowa School for the Deaf. The Iowa School for the Deaf is a first-class learning institution today and is doing an excellent job in educating our deaf children. As a result of my brother's receiving this education, he is and has been for all his life a productive member of our society. He holds a good job, and in fact has held the same job for over 20 years.

So I support this bill and urge an overwhelming vote on its passage. I would, however, point out that there may need to be some changes made in the formula used for funding. It appears to me that under the present legislation that no provision is made for the increased cost of providing education for our handicapped children in rural and low-population areas. The cost per pupil in these areas is considerably more, and I believe that the committee should insure that these special needs in the rural areas are met.

Finally, I would note that the administration of President Ford is opposed to this legislation. I will not go into the reasons for their objection, but quite simply stated, it is that it will simply cost too much money. It is the same objection we hear every time we in Congress try to meet the needs of those who are least fortunate in our society. But when it comes to throwing money away on more armaments and more weapons of dubious value and of even more questionable protective value, then the sky is the limit. The measure of a society or of a nation is not in how strong it is or in how many weapons of war it can produce, but the true measure of a nation can be seen in how it cares about those who suffer from a handicap through no fault of their own.

Mr. BADILLO. Mr. Chairman, I am very pleased to support H.R. 7217, the Education for all Handicapped Children Act of 1975. This bill contains realistic, long-range provisions enabling States to provide for the educational needs of all handicapped youngsters within their jurisdictions, thereby assuring that the right to education of these children will be safeguarded and respected.

Recent statistics provided by the Bureau of Education for the Handicapped estimate that only about 3.9 million of the approximately 8 million handicapped youngsters in our country are receiving adequate educational services. The same statistics show that 1.75 million receive no education at all, while an additional 2.5 million are furnished inadequate, inappropriate educational assistance.

These are shameful statistics, but they do not come as a surprise. The handicapped are undoubtedly one of the most neglected minorities in our midst. Traditionally, resources for their use have been allocated after and only if the most urgent needs of other segments of our population have been met. And traditionally, such allocations have been made grudgingly—as though the state of being handicapped carried with a concomitant erosion of the rights of citizenship, a loss of entitlement to full participation in life.

By passing H.R. 7217 Congress will take a long step toward redressing this wrong. The measure, taking cognizance of the above-average cost of the education needed by handicapped youngsters, continues for 2 years the Mathias formula which allocates funds, on a temporary basis, for the urgent needs of such children. Beginning with fiscal year 1978, the measure establishes a new entitlement formula, based on the number of handicapped children served times 50 percent of the national average per pupil expenditure. In other words, passage of this bill will assure that States, in attempting to meet the needs of the handicapped children within their jurisdiction, will receive about $625 per handicapped youngster per year to help them do so.

Mr. Chairman, the legislation before us is a landmark measure. I compliment the chairman of the Special Education Subcommittee, Mr. BRADEMAS, on the significant contribution his committee made toward safeguarding the civil rights of our Nation's handicapped youngsters and urge overwhelming support of the bill.

The CHAIRMAN. Are there any further amendments?

If not, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. ROBERTS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7217) to amend the Education of the Handicapped Act to provide educational assistance to all handicapped children, and for other purposes, pursuant to House Resolution 614, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any

amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole?

Mr. BRADEMAS. Mr. Speaker, I demand a separate vote on the final Quie amendments.

The SPEAKER. Is a separate vote demanded on any other amendment?

If not, the clerk will report the amendments on which a separate vote has been demanded.

The Clerk read as follows:

Amendment offered by Mr. Quie: Page 31, line 12, strike out "(2)" and insert in lieu thereof "(3)" and after line 11 insert:

(2) Section 614(b) of the Education Amendments of 1974 (Public Law 93–380; 88 Stat. 580) is further amended by striking out "(B) $8.75." and inserting in lieu thereof—

"(B) an amount equal to the quotient of—

"(i) the total amount appropriated for a fiscal year to carry out this subsection; divided by

"(ii) the total number of children aged three to twenty-one, inclusive, in all of the States in the most recent year for which satisfactory data are available."

Page 40, strike out lines 3 through 5 and insert in lieu thereof:

"(B) an amount equal to the quotient of—

"(i) the total amount appropriated for such fiscal year; divided by

"(ii) the total number of handicapped children in the school districts of all local educational agencies of all of the States who are enrolled in programs of free appropriate public education which meet the criteria established in section 614(a)(1)."

Page 41, beginning on line 9, strike out everything through line 17 on page 42 and insert in lieu thereof the following:

"(d) The State educational agency shall fix dates before which each local educational agency shall report to it on the amount of funds available to the local educational agency, under the provisions of subsection (b)(1) which it estimates that it will expend in accordance with the provisions of this part. The amounts so available to any local educational agency or any amount which would be available to any other local educational agency if it were to submit an approvable program, which the State educational agency determines will not be used for the period if its availability, shall be available for allocation to those local educational agencies, in proportion to the number of handicapped children counted by each such agency which the State educational agency determines will need additional funds to carry out approved programs."

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the amendments be dispensed with and that they be printed in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER. The question is on the amendments offered by the gentleman from Minnesota (Mr. Quie).

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BRADEMAS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 116, nays 308, not voting 10, as follows:

[Roll No. 449]

YEAS—116

Abdnor
Adams
Ambro
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Bergland
Brown, Ohio
Broyhill
Buchanan
Burgener
Butler
Carter
Cederberg
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Collins, Tex.
Conable
Conlan
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
Devine
Dickinson
Duncan, Tenn.
du Pont
Edwards, Ala.
Erlenborn
Eshleman
Fenwick
Findley
Forsythe
Frenzel
Gibbons
Goldwater
Goodling
Gradison
Grassley
Gude
Hagedorn
Hansen
Hastings
Hébert
Hillis
Hinshaw
Holt
Hughes
Hutchinson
Hyde
Ichord
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, Okla.
Kasten
Kelly
Kemp
Ketchum
Krueger
Lagomarsino
Latta
Lott
Lujan
McClory
McCloskey
McDonald
McEwen
McKay
Madigan
Martin
Michel
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Myers, Ind.
Myers, Pa.
O'Brien
Pettis
Quie
Quillen
Railsback
Rhodes
Robinson
Rousselot
Ruppe
Satterfield
Schneebeli
Sebelius
Shriver
Shuster
Skubitz
Smith, Nebr.
Snyder
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Symms
Talcott
Taylor, Mo.
Thone
Treen
Vander Jagt
Waggonner
Wampler
Whitehurst
Wiggins
Wylie
Young, Fla.

NAYS—308

Abzug
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Ashley
Aspin
AuCoin
Badillo
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bennett
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carney
Carr
Casey
Chappell
Chisholm
Clay
Cochran
Cohen
Collins, Ill.
Conte
Conyers
Corman
Cornell
Cotter
D'Amours
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
English
Esch
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fary
Fascell
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fraser
Frey
Fuqua
Gaydos
Giaimo
Gilman
Ginn
Gonzalez
Green
Guyer
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harrington
Harris
Harsha
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Holland
Holtzman
Horton
Howard
Howe
Hubbard
Hungate
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Jones, Ala.
Jones, N.C.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Keys
Kindness
Koch
Krebs
LaFalce
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
McCollister
McCormack
McDade
McFall
McHugh
McKinney
Macdonald
Madden
Maguire
Mahon
Mann
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Passman
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Randall
Rangel
Rees
Regula
Reuss
Richmond
Riegle
Rinaldo
Roberts
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Runnels
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Schroeder
Schulze
Seiberling
Sharp
Shipley
Sikes
Simon
Sisk
Slack
Smith, Iowa
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Taylor, N.C.
Thompson
Thornton
Tsongas
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Walsh
Waxman
Weaver
Whalen
White
Whitten
Wilson, Bob
Winn
Wirth
Wolff
Wright
Wydler
Yates
Yatron
Young, Alaska
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NOT VOTING—10

Andrews, N.C.
Bell
Fulton
Landrum
Risenhoover
Teague
Traxler
Udall
Wilson, C. H.
Wilson, Tex.

So the amendments were rejected.

The Clerk announced the following pairs:

Mr. Teague with Mr. Charles H. Wilson of California.

Mr. Udall with Mr. Andrews of North Carolina.

Mr. Risenhoover with Mr. Fulton.

Mr. Landrum with Mr. Charles Wilson of Texas.

Mr. Traxler with Mr. Bell.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. ASHBROOK

Mr. ASHBROOK. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. ASHBROOK. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. ASHBROOK moves to recommit the bill H.R. 7217 to the Committee without instructions.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. QUIE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 375, nays 44, not voting 15, as follows:

[Roll No. 450]

YEAS—375

Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burton, John
Burton, Phillip
Byron
Carney
Carr
Carter
Casey
Chappell
Chisholm
Clancy
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conlan
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Derrick
Derwinski
Dickinson
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Edgar
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Esch
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Green
Gude
Guyer
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harrington
Harris
Harsha
Hastings
Hawkins
Hayes, Ind.
Hébert
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Hinshaw
Holland
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Keys
Kindness
Koch
Krebs
LaFalce
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McHugh
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Richmond
Riegle
Rinaldo
Roberts
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Tsongas
Ullman
Van Deerlin
Vander Veen
Vanik
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—44

Abdnor
Archer
Armstrong
Ashbrook
Bauman
Beard, Tenn.
Brown, Mich.
Brown, Ohio
Broyhill
Burlison, Mo.
Butler
Cederberg
Clawson, Del
Collins, Tex.
Conable
Crane
Daniel, Dan
Daniel, R. W.
Devine
Edwards, Ala.
Flynt
Hagedorn
Hansen
Holt
Hutchinson
Krueger
Lagomarsino
McDonald
McKay
Michel
Miller, Ohio
Montgomery
Moorhead, Calif.
Robinson
Rousselot
Satterfield
Shuster
Snyder
Steiger, Ariz.
Symms
Taylor, Mo.
Treen
Vander Jagt
Wiggins

NOT VOTING—15

Andrews, N.C.
Bell
Dent
Eckhardt
Fulton
Hays, Ohio
Karth
Ketchum
Landrum
Mills
Pattison, N.Y.
Risenhoover
Teague
Udall
Vigorito

So the bill was passed.

The Clerk announced the following pairs:

Mr. Hays of Ohio with Mr. Eckhardt.

Mr. Pattison of New York with Mr. Fulton.

Mr. Teague with Mr. Karth.

Mr. Udall with Mr. Andrews of North Carolina.

Mr. Landrum with Mr. Vigorito.

Mr. Risenhoover with Mr. Mills.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER. Pursuant to the provisions of House Resolution 614, the Committee on Education and Labor is discharged from the further consideration of the Senate bill (S. 6) to insure the right to an education for all handicapped children and to provide financial assistance to the States for such purpose.

The Clerk read the title of the Senate bill.

MOTION OFFERED BY MR. BRADEMAS

Mr. BRADEMAS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BRADEMAS moves to strike out all after the enacting clause of the Senate bill S. 6 and insert in lieu thereof the provisions of H.R. 7217, as passed, as follows:

SHORT TITLE

SECTION 1. That this Act may be cited as the "Education for All Handicapped Children Act of 1975".

EXTENSION OF CERTAIN PROVISIONS

SEC. 2. (a)(1) Section 611(b)(2) of the Education of the Handicapped Act (20 U.S.C. 1411(b)(2)) (hereinafter in this Act referred to as the "Act") and section 611(c)(1) of the Act (20 U.S.C. 1411(c)(1)) each are amended by striking out "the Commonwealth of Puerto Rico,".

(2) Section 611(c)(2) of the Act (20 U.S.C. 1411(c)(2)) is amended by striking out "year ending June 30, 1975" and inserting in lieu thereof the following: "years ending June 30, 1975, and 1976, and for the fiscal year ending September 30, 1977".

(3) Section 611(d) of the Act (20 U.S.C. 1411(d)) is amended by striking out "year ending June 30, 1975" and inserting in lieu thereof the following: "years ending June 30, 1975, and 1976, and for the fiscal year ending September 30, 1977".

(4) Section 612(a) of the Act (20 U.S.C. 1412(a)) is amended—

(A) by striking out "year ending June 30, 1975" and inserting in lieu thereof "years ending June 30, 1975, and 1976, and for the fiscal year ending September 30, 1977"; and

(B) by striking out "fiscal year 1974" and inserting in lieu thereof "preceding fiscal year".

(b)(1) Sections 614(a), 614(b), and 614(c) of the Education Amendments of 1974 (Public Law 93-380; 88 Stat. 580) each are amended by striking out "fiscal year 1975" and inserting in lieu thereof the following: "the fiscal years ending June 30, 1975, and 1976, for the period beginning July 1, 1976, and ending September 30, 1976, and for the fiscal year ending September 30, 1977,".

(2) Section 614 of the Education Amendments of 1974 (Public Law 93-380; 88 Stat. 580) is amended by striking out subsection (e) and by redesignating subsection (f) as subsection (e).

(c)(1) Section 615(a) of the Education Amendments of 1974 (Public Law 93-380; 88 Stat. 582) is amended by striking out paragraph (1) and redesignating paragraph (2) as subsection (a).

(2) Section 615(a) of the Education Amendments of 1974, as so redesignated by paragraph (1), is amended by striking out "July 1, 1975" and inserting in lieu thereof "October 1, 1977".

(3) Section 615(d) of the Education Amendments of 1974 (Public Law 93-380; 88 Stat. 583) is amended by striking out "subsections (a)(1) and" and inserting in lieu thereof "subsection".

(d)(1) Sections 843(b)(1), 843(b)(2), and 843(b)(3) of the Education Amendments of 1974 (Public Law 93-380; 88 Stat. 611) each are amended by striking out "June 30, 1975" and inserting in lieu thereof "September 30, 1977".

(2) Section 843(b)(2) of the Education Amendments of 1974 (Public Law 93-380; 88 Stat. 611) is amended by striking out "sections 612(a)(2) and" and inserting in lieu thereof "section", and by striking out "are each" and inserting in lieu thereof "is".

AMOUNT OF ALLOCATIONS TO STATES

SEC. 3. Section 612(a) of the Act, as amended by section 2(a)(4), is amended by inserting immediately before the period at the end thereof the following: ", or $300,000, whichever is greater".

RULES

SEC. 4. Section 612 of the Act (20 U.S.C. 1411) is amended by adding at the end thereof the following new subsection:

"(d) The Commissioner shall, no later than one hundred and twenty days after the effective date of this subsection, prescribe and publish in the Federal Register such rules as he considers necessary to carry out the provisions of this section and section 611.".

STATEMENT OF FINDINGS AND PURPOSE

SEC. 5. (a) Section 601 of the Act (20 U.S.C. 1401) is amended by inserting "(a)" immediately before "This title" and by adding at the end thereof the following new subsections:

"(b) The Congress finds that—

"(1) there are more than eight million handicapped children in the United States today;

"(2) the special educational needs of such children are not being fully met;

"(3) more than half of the handicapped children in the United States do not receive appropriate educational services which would enable them to have full equality of opportunity;

"(4) one million of the handicapped children in the United States are excluded entirely from the public school system and will not go through the educational process with their peers;

"(5) there are many handicapped children throughout the United States participating in regular school programs whose handicaps prevent them from having a successful educational experience because their handicaps are undetected;

"(6) because of the lack of adequate services within the public school system, families are often forced to find services outside the public school system, often at great distance from their residence and at their own expense;

"(7) developments in the training of teachers and in diagnostic and instructional procedures and methods have advanced to the point that, given appropriate funding, State and local educational agencies can and will provide effective special education programs and related services to meet the needs of handicapped children;

"(8) State and local educational agencies have a responsibility to provide education for all handicapped children, but present financial resources are inadequate to meet the special educational needs of handicapped children; and

"(9) it is in the national interest that the Federal Government assist State and local efforts to provide programs to meet the educational needs of handicapped children.

"(c) It is the purpose of this title to assure that all handicapped children have available to them special education and related services designed to meet their unique needs, to assure that the rights of handicapped children and their parents or guardians are protected, to assist States and localities to provide for the education of all handicapped children, and to assess and assure the effectiveness of efforts to educate handicapped children.".

(b) The heading for section 601 of the Act (20 U.S.C. 1401) is amended to read as follows:

"SHORT TITLE; STATEMENT OF FINDINGS AND PURPOSE". DEFINITIONS

SEC. 6. (a) Section 602 of the Act (20 U.S.C. 1402) is amended—

(1) in paragraph (1) thereof, by striking out "crippled" and inserting in lieu thereof "orthopedically impaired", and by inserting immediately after "impaired children" the following: ", or children with specific learning disabilities,";

(2) in the last sentence of paragraph (8) thereof, by inserting immediately before "other public institution" the following: "public educational agency or any";

(3) in the last sentence of paragarph (15) thereof, by inserting immediately after "environmental" the following: ", cultural, or economic"; and

(4) by adding at the end thereof the following new paragraphs:

"(16) The term 'special education' means specially designed instruction to meet the unique needs of a handicapped child as set forth in the individualized education program of such child, including classroom instruction, instruction in physical education, home instruction, and instruction in hospitals and institutions.

"(17) The term 'related services' means transportation, and such developmental, corrective, and other supportive services (including speech pathology and audiology, psychology, physical and occupational therapy, recreation, and medical and counseling services, except that such medical services shall be for diagnostic and evaluation purposes only) as may be required to assist a handicapped child to benefit from special education. Such term includes the early identification and assessment of handicapping conditions in children.

"(18) The term 'free appropriate public education' means special education and related services which (A) have been provided at public expense, under public supervision and direction, and without charge; (B) meet the standards of the State educational agency; (C) include an appropriate preschool, elementary, or secondary school education in the State involved; and (D) are provided in conformity with the individualized education program required under section 614(a)(7).

"(19) The term 'individualized education program' means an educational plan for each handicapped child developed jointly by the local educational agency and an appropriate teacher involved with the education of such child, in consultation with the parents or guardians of such child, and, whenever appropriate, such child, which includes (A) a statement of the present levels of educational performance of such child; (B) a statement of the desired instructional objectives; (C) a statement of the specific educational services to be provided to such child, and the extent to which such child will be able to participate in regular educational programs; (D) the projected date for initiation and anticipated duration of such services; and (E) objective criteria and evaluation procedures and schedules for determining, on at least an annual basis, whether instructional objectives are being achieved.

"(20) The term 'public educational agency' means any State educational agency or any other public agency approved by a State educational agency to provide special education and related services to handicapped children within the State involved.

"(21) The term 'excess costs' means those costs which are in excess of the average annual per student expenditure in a local educational agency during the preceding school year for an elementary or secondary school student, as may be appropriate, and which shall be computed after deducting (A) amounts received under this part or under title I or title VII of the Elementary and Secondary Education Act of 1965; and (B) any State, local, or private funds expended for programs which would qualify for assistance under this part or under such titles.".

(b) The heading for section 602 of the Act (20 U.S.C. 1402) is amended to read as follows:

"DEFINITIONS".

PAYMENTS

SEC. 7. Section 611 of the Act (20 U.S.C. 1411) is amended to read as follows:

"PAYMENTS

"SEC. 611. (a) The Commissioner shall make payments to each State in amounts which such State and the local educational agencies of such State are eligible to receive under this part. Any State receiving payments under this subsection shall distribute payments to the local educational agencies of such State in amounts which such agencies are eligible to receive under this part after the State educational agency has approved applications of such local educational agencies for allotments in accordance with section 613(f).

"(b) Payments under this part may be made in advance or by way of reimbursement and in such installments as the Commissioner may determine necessary.".

ALLOTMENTS TO LOCAL EDUCATIONAL AGENCIES

SEC. 8. (a) Section 612 of the Act (20 U.S.C. 1412) is amended—

(1) in the first sentence of subsection (a)(1) thereof, by striking out "for payments to States under section 61(b)" and inserting in lieu thereof "to make grants under this part";

(2) in subsection (a) thereof, by amending paragraph (2) to read as follows:

"(2) The Secretary of the Interior may receive an allotment under this subsection only after submitting to the Commissioner a plan which meets the applicable requirements of section 613(a) and which is approved by the Commissioner. The provisions of sections 613(c), 613(d), and 613(e) shall apply to any such plan.";

(3) in subsection (a)(1)(B) thereof, by striking out "such criteria as the Commissioner" and all that follows through "of this part" and inserting in lieu thereof "the provisions of paragraph (2)"; and

(4) by striking out subsections (b) and (c) and inserting in lieu thereof the following new subsections:

"(b)(1) Except as provided in subsection (c)(1), from the total amount appropriated for any fiscal year, the Commissioner shall allot to each local educational agency an amount equal to the product of—

"(A) the number of handicapped children in the school district of the local educational agency who are enrolled in programs of free appropriate public education which meet the criteria established in section 614(a)(1); and

"(B) 50 per centum of the average per pupil expenditure in public elementary and secondary schools in the United States.

"(2) The number of handicapped children enrolled in any fiscal year in programs described in paragraph (1)(A) shall be equal to the average of the number of such children enrolled on October 1 and February 1 of the preceding fiscal year.

"(3) For purposes of paragraph (1)(B), the term 'average per pupil expenditure' has the meaning given it by section 403(16) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress).

"(4) Notwithstanding any other provision of this part, each State shall be entitled to a level of funding for any fiscal year which is at least equal to the level of funding which such State received for the fiscal year ending September 30, 1977, or $300,000, whichever is greater.

"(c)(1) The Commissioner, in determining the allotment of local educational agencies of the same State under subsection (b)(1), may not count handicapped children in such State under subsection (b)(1)(A) to the extent the number of such children is greater than 12 per centum of the number of all children aged five to seventeen, inclusive, in such State, and may not count, as part of such percentage, children with specific learning disabilities to the extent the number of such children is greater than one-sixth of such percentage.

"(2) For purposes of paragraph (1), the number of children aged five to seventeen, inclusive, in any State shall be determined by the Commissioner on the basis of the most recent satisfactory data available to him.

"(d)(1) If the sums appropriated for any fiscal year for making payments under this part are not sufficient to pay in full the total amounts which all local educational agencies are eligible to receive under this part for such fiscal year, the maximum amounts which all such agencies are eligible to receive under this part for such fiscal year shall be ratably reduced. In case additional funds become available for making such payments for any fiscal year during which the preceding sentence is applicable, such reduced amounts shall be increased on the same basis as they were reduced.

"(2) In the case of any fiscal year in which the maximum amounts for which local educational agencies are eligible have been reduced under the first sentence of paragraph (1), and in which additional funds have not been made available to pay in full the total of such maximum amounts under the last sentence of such paragraph, the State educational agency shall fix dates before which each local educational agency shall report to it on the amount of funds available to the local educational agency, under the provisions of subsection (b)(1) and paragraph (1), which it estimates that it will expend in accordance with the provisions of this part. The amounts so available to any local educational agency, or any amount which would be available to any other local educational agency if it were to submit an approvable program, which the State educational agency determines will not be used for the period of its availability, shall be available for allocation to those local educational agencies, in the manner provided in the last sentence of paragraph (1), which the State educational agency determines will need additional funds to carry out approved programs, except that no local educational agency may receive an amount under this sentence which, when added to the amount available to it under paragraph (1), exceeds its allotment under subsection (b)(1).".

(b)(1) The Commissioner of Education shall, no later than one year after the effective date of this subsection, prescribe—

(A) regulations which establish specific criteria for determining whether a particular disorder or condition may be considered a specific learning disability for purposes of designating children with specific learning disabilities; and

(B) regulations which establish and describe diagnostic procedures which shall be used in determining whether a particular child has a disorder or condition which places such child in the category of children with specific learning disabilities.

(2) The Commissioner shall transmit any proposed regulation written under paragraph (1) to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Public Welfare of the Senate, for review and comment by each such committee, at least 15 days before such regulation is published in the Federal Register in accordance with section 431 of the General Education Provisions Act (20 U.S.C. 1232).

(3) For purposes of this subsection:

(A) The term "children with specific learning disabilities" means those children who have a disorder in one or more of the basic psychological processes involved in understanding or in using language, spoken or written, which disorder may manifest itself in imperfect ability to listen, think, speak, read, write, spell, or do mathematical calculations. Such disorders include such conditions as perceptual handicaps, brain injury, minimal brain dysfunction, dyslexia, and developmental aphasia. Such term does not include children who have learning problems which are primarily the result of visual, hearing, or motor handicaps, of mental retardation, of emotional disturbance, or of environmental, cultural, or economic disadvantage.

(B) The term "Commissioner" means the Commissioner of Education.

(4) The provisions of this subsection shall take effect on the date of the enactment of this Act.

(c) Effective on the date upon which final regulations prescribed by the Commissioner of Education under subsection (b) take effect, the amendment made by subsection (a) is amended, in paragraph (1) of section 612 (c) of the Act (as such paragraph would take effect on the effective date of subsection (a)), by striking out ", and may not count, as part" and all that follows through "one-sixth of such percentage".

(d) The heading for section 612 of the Act (20 U.S.C. 1412) is amended to read as follows:

"ALLOTMENT OF FUNDS; LIMITATION ON NUMBER OF CHILDREN COUNTED; REDUCTION NECESSITATED BY APPROPRIATIONS".

STATE PLAN REQUIREMENTS

SEC. 9. (a) Section 613(a) of the Act (20 U.S.C. 1413(a)) is amended—

(1) in paragraph (1) thereof, by striking out "(ii)" and inserting in lieu thereof "(iii)", and by inserting immediately after "throughout the State," the following: "(ii) which are designed to assure that, after September 30, 1978, no handicapped child residing in such State who is within an age group for which free public education is provided in such State shall be denied appropriate special education and related services,"; and

(2) by striking out "and" at the end of paragraph (12), by striking out the period at the end of paragraph (13) and inserting in lieu thereof a semicolon, and by adding at the end thereof the following new paragraphs:

"(14) provide that the State has an advisory panel, appointed by the Governor or any other official authorized under State law to make such appointments, composed of individuals involved in or concerned with the education of handicapped children, including handicapped individuals, teachers, parents or guardians of handicapped children, State and local education officials, and administrators of programs for handicapped children, which (A) advises the State educational agency of unmet needs within the State in the education of handicapped children; (B) comments publicly on any rules or regulations proposed for issuance by the State regarding the education of handicapped children and the procedures for distribution of funds under this part; and (C) assists the State in developing and reporting such data and evaluations as may assist the Commissioner in the performance of his responsibilities under section 616;

"(15) provide that the State educational agency shall (A) hear appeals from any local educational agency, or any parent or guardian of a handicapped child, with respect to the outcome of any hearing held as a result of any complaint presented in accordance with a grievance procedure established under section 617(a)(1); (B) establish and maintain compliance procedures in accordance with the provisions of section 617; (C) inform the Commissioner under section 617 with respect to the nature of any such appeal and the resolution of such appeal by the State educational agency; and (D) carry out any other requirement established by section 617;

"(16) provide that programs and procedures will be established to assure that funds received by the State or any of its political subdivisions under any other Federal program (including section 121 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 241c–2); section 305(b)(8) of such Act (20 U.S.C. 844a(b)(8)) or its successor authority; and section 122(a)(4)(B) of the Vocational Education Act of 1963 (20 U.S.C. 1262(a)(4)(B)) under which there is specific authority for the provision of assistance for the education of handicapped children, will be utilized by the State, or any of its political subdivisions, only in a manner consistent with the goal of providing a free appropriate public education for all handicapped children; and

"(17) provide that handicapped children in private schools and facilities will be provided special education and related services on the same basis as handicapped children in public elementary and secondary schools and at no cost to their parents or guardians, if such children are placed in or referred to such schools or facilities by the local educational agency involved as the means of carrying out the requirements of this part or any other applicable law requiring the provision of special education and related services to all handicapped children within such State, and that in all such instances the State educational agency shall assure that such schools and facilities meet standards which apply to public educational agencies and that children so served have all the rights they would have if served in public educational agencies.".

(b) Section 613(d)(2) of the Act (20 U.S.C. 1413(d)(2)) is amended—

(1) by inserting "(and to any local educational agency affected by any failure described in subparagraph (B))" immediately after "for hearing to such State agency";

(2) by striking out "substantially" in subparagraph (B);

(3) by inserting "or under the Federal programs specified in subsection (a)(16) within his jurisdiction and control to the extent that funds under such programs are available for the provision of assistance for the education of handicapped children" immediately after "to the State under this part" each place it appears therein; and

(4) by inserting at the end thereof the following new sentence:

"Any State educational agency or local educational agency in receipt of a notice pursuant to the first sentence of this paragraph shall, by means of a public notice, take such measures as may be necessary to bring the pendency of an action pursuant to this paragraph to the attention of the public within the jurisdiction of such agency.".

(c) Section 613 of the Act (20 U.S.C. 1413) is amended by adding at the end thereof the following new subsection:

"(f) A State educational agency shall approve any application transmitted by a local educational agency under section 614(a) if the State educational agency determines that such application meets the requirements of section 614 (a), except that no such application may be approved until the State plan submitted by such State educational agency under subsection (a) is approved by the Commissioner under subsection (c).".

APPLICATION; ADMINISTRATION; EVALUATION; GRIEVANCE PROCEDURE; RULES

SEC. 10. Part B of the Act (20 U.S.C. 1411 et seq.) is amended by striking out section 614 and inserting in lieu thereof the following new sections:

"APPLICATION

"SEC. 614. (a) A local educational agency which desires to receive an allotment under this part for any fiscal year may transmit an application for such allotment to the appropriate State educational agency. Such application shall—

"(1) provide satisfactory assurance that payments under this part will be used for excess costs directly attributable to programs which—

"(A) provide that all children residing within the jurisdiction of the local educational agency who are handicapped, regardless of the severity of their handicap, and are in need of special education and related services will be identified, located, and evaluated, and provide for the inclusion of a practical method of determining which children are currently receiving needed special education and related services and which children are not currently receiving such education and services;

"(B) establish policies and procedures in accordance with detailed criteria prescribed by the Commissioner to protect the confidentiality of data and information developed or obtained under subparagraph (A);

"(C) establish—

"(i) a goal of providing full educational opportunities to all handicapped children, including (I) programs and procedures for the development and implementation of a comprehensive system of personnel development which shall include the in-service training of general and special educational, instructional, and support personnel, detailed procedures to assure that all personnel necessary to carry out the purposes of this part are appropriately and adequately prepared and trained, and the development of effective procedures for acquiring and disseminating to teachers of, and administrators of programs for, handicapped children significant information derived from educational research, demonstration, and similar projects, and for adopting, where appropriate, promising educational practices developed through such projects; (II) the provision of special education and related services to handicapped children, with first priority given to the provision of such education and services to handicapped children who are not receiving such education and services, and second priority given to the provision of such education and services to handicapped children, within each disability, with severe handicaps who are not receiving adequate special education and related services; (III) the maintenance of special facilities for handicapped children; (IV) the participation and consultation of parents or guardians of such children; and (V) to the maximum extent practicable, the provision of special services to enable such children to participate in regular educational programs;

"(ii) a detailed timetable for accomplishing such a goal; and

"(iii) a description of the kind and number of facilities, personnel, and services necessary to meet such a goal;

"(2) provide satisfactory assurance that (A) the control of funds provided under this part, and title to property derived from such funds, shall be in a public agency for the use and purposes provided in this part, and that a public agency will administer such funds and property; (B) Federal funds expended for programs under this part shall be used to pay only the excess costs directly attributable to the education of handicapped children, and shall also provide satisfactory assurance that such funds shall be used to supplement and, to the extent practicable, increase the level of State, local, and private funds expended for the education of handicapped children, and in no case to supplant such State, local, and private funds; and (C) State and local funds will be used in the school district of such local educational agency to provide services in program areas which, taken as a whole, are at least comparable to services being provided in areas of such district which are not receiving funds under this part;

"(3) set forth effective procedures, including provisions for appropriate objective measurements of educational achievement, for evaluating at least annually the effectiveness of the programs in meeting the special educational needs of handicapped children;

"(4)(A) provide for making an annual report and such other reports to the State educational agency, in such form and containing such information (which, in the case of reports relating to performance, is in accordance with specific performance criteria related to program objectives), as may be reasonably necessary to enable the State educational agency to perform its duties under this part, including information relating to the educational achievement of handicapped children participating in programs carried out under this part; and

"(B) provide for keeping such records, and afford such access to such records, as the State educational agency may find necessary to assure the correctness and verification of such reports;

"(5) provide for making the application and all pertinent documents related to such application available to parents and other members of the general public, and provide that all evaluations and reports required under paragraph (4) shall be public information;

"(6) provide satisfactory assurance that the local educational agency has in effect a policy which assures all handicapped children the right to a free appropriate public education;

"(7) provide satisfactory assurance that the local educational agency will maintain an individualized education program for each handicapped child, and will review (at least annually) and revise its provisions, whenever appropriate, in consultation with the parents or guardians of the handicapped child;

"(8) provide satisfactory assurance that policies and programs established and administered by the local educational agency shall be consistent with the provisions of the State plan of the State educational agency; and

"(9) provide satisfactory assurance that the local educational agency will establish and maintain a grievance procedure in accordance with the provisions of section 617.

"(b)(1) A State educational agency may disapprove any application transmitted by a local educational agency under subsection (a) if the State educational agency determines that such application does not meet the requirements of subsection (a).

"(2)(A) Whenever a State educational agency, after reasonable notice and opportunity for a hearing, finds that a local educational agency, in the administration of an application for an allotment approved by the State educational agency under section 613 (f), has failed to comply with any requirement set forth in such application, the State educational agency, after giving appropriate notice to the local educational agency, shall—

"(i) make no further payments to such local educational agency under section 611 (a) until the State educational agency is satisfied that there is no longer any failure to comply with the requirement involved; or

"(ii) take such finding into account in its review of any application for an allotment made by such local educational agency under subsection (a).

"(B) The provisions of the last sentence of section 613(d)(2) shall apply to any local educational agency receiving any notification from a State educational agency under this paragraph.

"(c)(1) A State educational agency may, for purposes of the consideration and approval of applications under this section, require local educational agencies to transmit a consolidated application for allotments if such State educational agency determines that any individual application transmitted by any such local educational agency would be disapproved because such local educational agency would be unable to establish and maintain programs of sufficient size and scope to effectively meet the educational needs of handicapped children.

"(2)(A) In any case in which a consolidated application of local educational agencies is approved by a State educational agency under paragraph (1), the allotment which such local educational agencies may receive shall be equal to the sum of allotments to which each such local educational agency would be entitled under section 612(b)(1) if an individual application of any such local educational agency had been approved.

"(B) The State educational agency shall prescribe rules and regulations with respect to consolidated applications transmitted under this subsection which are consistent with the State plan and which provide participating local educational agencies with joint responsibilities for implementing programs receiving funds under this part.

"(C) In any case in which an intermediate educational unit or any other public educational agency is required pursuant to State law to carry out the provisions of this part, the joint responsibilities given to local educational agencies under subparagraph (B) shall not apply to the administration and disbursement of any allotments received by such intermediate educational unit or by such public educational agency. Such responsibilities shall be carried out exclusively by such intermediate educational unit or by such public educational agency.

"(d) In any case in which a State educational agency determines that a local educational agency—

"(1) is unable or unwilling to establish and maintain programs of free appropriate public education which meet the criteria established in subsection (a)(1);

"(2) is unable or unwilling to be consolidated with other local educational agencies in order to establish and maintain such programs; or

"(3) has one or more handicapped children who can best be served by a regional or State center designed to meet the needs of such children;

the State educational agency shall use the allotment which would have been available to such local educational agency to provide special education and related services directly to handicapped children residing in the area served by such local educational agency. The State educational agency may provide such education and services in such manner, and at such locations (including regional or State centers), as it considers appropriate, except that the manner in which such education and services are provided shall be consistent with the requirements of this part.

"(e) In any case in which a State educational agency determines that a local educational agency is adequately providing special education and related services to all handicapped children residing in the area served by such agency with State and local funds otherwise available to such agency, the State educational agency may reallocate funds (or such portion of those funds as may not be required to provide such education and services) made available to such agency, pursuant to section 612(b)(1), to such other local educational agencies within the State as are not adequately providing special education and related services to all handicapped children residing in the areas served by such other local educational agencies.

"(f) Notwithstanding the provisions of subsection (a)(2)(B), any local educational agency which is required to carry out any program for the education of handicapped children pursuant to a State law in effect before the date of the enactment of the Education for All Handicapped Children Act of

1975, shall be entitled to receive an allotment under section 612(b)(1) for use in carrying out such program, except that such allotment may not be used to reduce the level of expenditures for such program made by such local educational agency from State, local, or private funds below the level of such expenditures for the fiscal year prior to the fiscal year for which such local educational agency seeks such allotment.

"ADMINISTRATION

"Sec. 615. (a) In carrying out his duties under this part, the Commissioner shall—

"(1) cooperate with, and render all technical assistance necessary (directly or by grant or contract) to, the States in matters relating to the education of handicapped children and the execution of the provisions of this part;

"(2) provide such short-term training programs and institutes as may be necessary; and

"(3) disseminate information, and otherwise promote the education of all handicapped chidlren within the States.

"(b) As soon as practicable after the effective date of this subsection, the Commissioner shall prescribe uniform categories and accounting procedures to be utilized by State educational agencies in submitting State plans under section 613(a) in order to assure equity among the States.

"EVALUATION

"Sec. 616(a) The Commissioner shall measure and evaluate the impact of the program authorized under this part and the effectiveness of State efforts to assure the free appropriate public education of all handicapped children.

"(b)(1) In carrying out his responsibilities under this part, the Commissioner shall (A) conduct directly, or by grant or contract, such studies, investigations, and evaluations as are necessary to assure effective implementation of this part; and (B) provide for the evaluation of such programs through (i) the development of effective methods and procedures for evalaution; and (ii) conducting actual evaluation studies designed to test the effectiveness of activities supported by financial assistance under this part.

"(2) In addition to his responsibilities under paragraph (1), the Commissioner, through the National Center for Education Statistics, shall provide to the appropriate committees of each House of the Congress and to the general public, at least annually, and shall update at least annually, the following information: (A) the number of handicapped children in each of the States who require special education and related services; (B) the number of handicapped children in each of the States receiving a free appropriate public education and the number of handicapped children not receiving a free appropriate public education; (C) the number of handicapped children in each of the States who are participating in regular classroom settings, consistent with the requirements of section 613(a)(13)(B), and the number of children who have been placed in separate classes or separate schooling, or who have been otherwise removed from the regular education environment; (D) the number of handicapped children residing in a public or private institutional setting, in each of the States, who are receiving a free appropriate public education, and the number of such children residing in such settings not receiving a free appropriate public education; (E) the amount of Federal, State, and local expenditures, in each of the States, specifically allotted for special education and related services; and (F) the number of personnel, by disability category, employed in the education of handicapped children, and the estimated number of additional personnel needed to adequately carry out the programs established pursuant to this part in each of the States.

"(3) The Commissioner, in providing information under paragraph (2)(E), may base such information upon a sampling of data available from States, State educational agencies, and local educational agencies.

"(c)(1) Not later than one hundred and twenty days after the close of each fiscal year, the Commissioner shall transmit to the appropriate committees of each House of the Congress a report on the progress being made toward the provision of free appropriate public education to all handicapped, children, including a detailed description of all evaluation activities conducted under subsection (b).

"(2) The Commissioner shall include in each such report an analysis and evaluation of the effectiveness of procedures undertaken by the States to assure that handicapped children receive special education and related services in the least restrictive environment commensurate with their needs and to improve programs of instruction for handicapped children in day or residential facilities. Such analysis and evaluation shall include any recommendations for change in the provisions of this part, or any other Federal law providing support for the education of handicapped children. In order to carry out such analysis and evaluation, the Commissioner may conduct a statistically valid survey for assessing the effectiveness of individualized education programs.

"(d) The Commissioner may hire personnel necessary to conduct data collection and evaluation activities required by subsections (b) and (c) without regard to the provisions of title 5, United States Code, relating to appointments in the competitive service and without regard to chapter 51 and subchapter III of chapter 53 of such title, relating to classification and general schedule pay rates, except that no more than twenty such personnel shall be employed at any time.

"GRIEVANCE PROCEDURE

"Sec. 617. (a)(1) Any local educational agency which receives any assistance under this part shall establish and maintain a grievance procedure with respect to the provision of special education and related services to handicapped children by such agency. Any such grievance procedure shall provide parents or guardians of handicapped children, and handicapped children, an opportunity to present complaints with respect to the manner in which the handicapped child involved is being provided special education and related services by the local educational agency.

"(2) Any local educational agency which receives a complaint in accordance with the procedure established under paragraph (1) shall conduct an investigation of such complaint. The local educational agency, upon completing such investigation, shall transmit a report of the findings of such investigation to the State educational agency, together with a description of any recommendation or disposition made by the local educational agency.

"(b)(1) Any person aggrieved by any recommendation or disposition made by a local educational agency in accordance with subsection (a)(2), may file an appeal with the State education agency with respect to such action.

"(2) The State educational agency, upon receiving any appeal under paragraph (1), shall review the action of the local educational agency involved and shall conduct an investigation of the factual circumstances relating to the original complaint.

"(3) In any case in which the State educational agency receives a report from a local educational agency under subsection (a)(2), the State educational agency may, upon its own motion, conduct an investigation in the same manner as any investigation conducted under paragraph (2).

"(c) Any person participting in any hearing conducted by a local educational agency or a State educational agency under subsection (a) or subsection (b) shall be accorded the right to be accompanied and advised by counsel and by individuals with special knowledge or training with respect to the problems of handicapped children.

"(d)(1) If a State educational agency determines, as the result of any investigation conducted under subsection (b) and after reasonable notice and opportunity for hearing, that a local educational agency has failed to provide special education and related services in accordance with the provisions of this part, the State educational agency shall endeavor to correct such failure by informal methods of conference, conciliation, and persuasion. The State educational agency shall establish and maintain a procedure pursuant to which such agency may take such measures as may be necessary for the expeditious correction of any such failure in any case in which such agency is unable to correct any such failure through informal methods.

"(2) The State educational agency shall transmit to the Commissioner a report with respect to any determination of such agency under paragraph (1). Each such report shall contain a description of any action taken by the State educational agency to correct the failure involved. The State educational agency shall take into account its determination under paragraph (1) in its review of any application for an allotment made by the local educational agency involved under section 614(a).

"(3) The findings of fact of a State educational agency with respect to any determination of such agency under paragraph (1) shall be conclusive in any court of the United States if supported by substantial evidence, except that the court involved, for good cause shown, may remand the case to the State educational agency to take further evidence. Any new or modified findings of fact made by the State educational agency shall be conclusive if supported by substantial evidence.

"RULES

"Sec. 618. The Commissioner shall, no later than one hundred and twenty days after the effective date of this section, prescribe and publish in the Federal Register such rules as he considers necessary to carry out the provisions of this part, as amended by the Education for All Handicapped Children Act of 1975.".

EDUCATIONAL MEDIA AND MATERIALS CENTERS FOR THE HANDICAPPED

Sec. 11. Section 653 of the Act (20 U.S.C. 1453) is amended to read as follows:

"CENTERS ON EDUCATIONAL MEDIA AND MATERIALS FOR THE HANDICAPPED

"Sec. 653. (a) The Secretary is authorized to enter into agreements with institutions of higher education, State and local educational agencies, or other appropriate nonprofit agencies, for the establishment and operation of centers on educational media and materials for the handicapped, which together will provide a comprehensive program of activities to facilitate the use of new educational technology in education programs for handicapped persons, including designing, developing, and adopting instructional materials, and such other activities consistent with the purposes of this part as the Secretary may prescribe in such agreements. Any such agreement shall—

"(1) provide that Federal funds paid to a center will be used solely for such purposes as are set forth in the agreement; and

"(2) authorize such center, subject to prior approval by the Secretary, to contract with public and private agencies and organizations for demonstration projects.

"(b) In considering proposals to enter into agreements under this section, the Secretary shall give preference to institutions and agencies which have demonstrated the capabilities necessary for the development and evaluation of educational media for the handicapped.

"(c) The Secretary shall make an annual report on activities carried out under this section which shall be transmitted to the Congress.".

GRANTS FOR REMOVAL OF ARCHITECTURAL BARRIERS

Sec. 12. (a) Upon application by any State educational agency or local educational agency the Commissioner of Education may make grants to pay part or all of the cost of altering existing buildings and equipment in the same manner and to the same extent as authorized by the Act of August 12, 1968 (Public Law 90–480; 82 Stat. 718).

(b) For the purpose of carrying out the provisions of this section, there is authorized to be appropriated such sums as may be necessary.

(c) For purposes of this section—

(1) the term "State educational agency" has the meaning given it by section 602(7) of the Education of the Handicapped Act (20 U.S.C. 1402(7)); and

(2) the term "local educational agency" has the meaning given it by section 602(8) of such Act (20 U.S.C. 1402(8)).

CONGRESSIONAL DISAPPROVAL OF REGULATIONS

Sec. 13. (a) Section 431(d)(1) of the General Education Provisions Act (20 U.S.C. 1232(d)(1)) is amended by adding at the end thereof the following new sentence: "Failure of the Congress to adopt such a concurrent resolution with respect to any such standard, rule, regulation, or requirement prescribed under any such Act, shall not represent, with respect to such standard, rule, regulation, or requirement, an approval or finding of consistency with the Act from which it derives its authority for any purpose, nor shall such failure to adopt a concurrent resolution be construed as evidence of an approval or finding of consistency necessary to establish a prima facie case, or an inference or presumption, in any judicial proceeding.".

(b) Section 431(d)(1) of the General Education Provisions Act is amended by striking out "Such standard, rule, regulation, or requirement" and inserting in lieu thereof the following: "Any standard, rule, regulation, or requirement which has been reconsidered in accordance with subsection (b)(2)(A), or with respect to which such reconsideration has been waived under subsection (b)(2)(B), shall be transmitted in its proposed final form to the Speaker of the House of Representatives and the President pro tempore of the Senate. Any standard, rule, regulation, or requirement transmitted under the preceding sentence of this paragraph".

EFFECTIVE DATES

Sec. 14. (a) Except as provided in subsection (b), the foregoing provisions of this Act shall take effect at the close of June 30, 1975.

(b) The amendments made by sections 6, 7, 8(a), 8(d), 9, and 10 shall take effect at the close of September 30, 1977.

Amend the title so as to read: "An Act to amend the Education of the Handicapped Act to provide educational assistance to all handicapped children, and for other purposes.".

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "To amend the Education of the Handicapped Act to provide educational assistance to all handicapped children, and for other purposes."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 7217) was laid on the table.

GENERAL LEAVE

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the bill (H.R. 7217) just passed.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

RE-REFERRAL OF H.R. 8949 AND H.R. 8950 TO COMMITTEE ON THE JUDICIARY

Mr. PERKINS. Mr. Speaker, I ask unanimous consent that the Committee on Education and Labor be discharged from the further consideration of H.R. 8949 and H.R. 8950, and that they be re-referred to the Committee on the Judiciary.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

NOISE CONTROL ACT EXTENSION

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 525 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 525

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5272) to amend the Noise Control Act of 1972 to authorize additional appropriations. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from California (Mr. Sisk) is recognized for 1 hour.

Mr. SISK. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois (Mr. Anderson), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 525 provides for consideration of H.R. 5272 to amend the Noise Control Act of 1972 to authorize additional appropriations.

This is an open rule, providing for 1 hour of general debate.

The Noise Control Act of 1972 authorized the Environmental Protection Agency to do research to determine the effects of the levels of noise and the criteria for determining such levels, to coordinate all noise abatement activities of the Federal Government, to regulate and label the noise level of products in commerce, and to make available information relating to noise and its effects.

H.R. 5272 extends authorizations under the Noise Control Act of 1972, which expires June 30, 1975, for 27 months. The bill authorizes appropriations totaling $15,400,000 for the fiscal year ending June 30, 1976; $3,850,000 for the budgetary transition period of July 1, 1976; and $16,940,000 for the fiscal year ending September 30, 1977.

Mr. Speaker, I urge the adoption of House Resolution 525 in order that H.R. 5272 may be considered.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield myself as much time as I may use.

Mr. Speaker, I take this time to join my colleague on the Committee on Rules, the gentleman from California (Mr. Sisk) in urging the adoption of House Resolution 525 so that we may proceed under an open rule to debate for 1 hour the bill that would amend the Noise Control Act of 1972, provide for its extension for 27 months and authorize a total of $36,190,000 for that purpose.

I think the only thing I need to add to what the gentleman from California has already told the Members of the House is that this bill was previously before the House under a suspension of the rules. It achieved a majority of the votes at that time, 222 to 132. It failed to achieve a two-thirds vote, and hence the necessity of coming before the Committee on Rules and obtaining a resolution to make it in order for consideration today.

It is supported in principle, I think, by the EPA. The precise amount of the authorization, it is my understanding, is opposed by the administration on the ground that it exceeds the President's request by about 50 percent, but the reauthorization of the act itself with a reduced amount would be acceptable to the administration.

Mr. Speaker, I urge the adoption of the rule.

Mr. Speaker, I have no further requests for time.

Mr. SISK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. ROONEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5272) to amend the Noise Control Act of 1972 to authorize additional appropriations.

The SPEAKER. The question is on the motion offered by the gentleman from Pennsylvania (Mr. ROONEY).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 5272, with Mr. JAMES V. STANTON in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the Chair recognizes the gentleman from Pennsylvania (Mr. ROONEY) for 30 minutes, and the gentleman from Kansas (Mr. SKUBITZ) for 30 minutes.

The Chair recognizes the gentleman from Pennsylvania.

Mr. ROONEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the hazards of living and working in excessively noisy environment have not received the amount of national recognition such a serious matter deserves. Hearing loss, cardiovascular problem, partial loss of vision, and mental disturbances are all results of the noise problem. While noise may not have received a great deal of national publicity, millions of affected Americans are all too well aware of the problem's existence.

In industry, for example, the Department of Labor's Occupational Safety and Health Administration claims that if present noise levels in the Nation's 19 major industries continue, 1.68 million workers will suffer handicapping hearing losses and 36 percent of all the Nation's production workers are likely by ages 55 to 58 to suffer a hearing loss of greater than 25 decibels. This would mean that the worker would only be able to understand 90 percent of sentences and 50 percent of the monosyllabic words spoken in a quiet room.

Further, a survey of major insurance companies shows that hearing loss is the single largest compensable health problem today. And, according to an EPA study, there exists a potential of $12 billion in claims for compensation for hearing loss caused by industrial noise.

The bill before us now would allow the EPA to continue their fine noise control work by extending the authorizations of the Noise Control Act of 1972 for an additional 27 months. However, for budgetary reasons, I intend to offer a noncontroversial amendment to delete the authorized funds for noise research and development. These funds have been authorized by the Committee on Science and Technology and without this amendment, these funds would be authorized twice. All concerned parties support this amendment. Further, if the amendment is adopted, the authorization levels in this bill will be approximately $12 million, which is about equal to past authorizations and as such, it represents no inflationary push.

It is estimated by EPA that if their noise control program continues, the Federal Government can reduce by 82 percent the number of people impacted by excessive noise over the next 15 to 17 years.

In its short existence, the office of noise control has developed the first criteria for determining what noise is and the effects the various levels of noise have on human beings.

From these initial studies the EPA has either reported on, proposed or promulgated regulations concerning the noise generated by motor carriers, portable air compressors, trains, and airplanes.

The beneficial results of such regulations are that we can reduce hearing impairments that presently occur in 71 out of 1,000 citizens. To illustrate the magnitude of this figure, one need only remember that vision impairments only occur in 41 out of 1,000 citizens.

Further, the continued implementation of the Noise Control Act will reduce noise levels that interfere with the daily activities of over 100 million citizens. Of these citizens, approximately 44 million have the utility of their dwellings adversely affected by noise from car, truck, and air traffic. Twenty million Americans are similarly affected by construction activity, and an additional 40 million people are exposed to noisy devices, products, and machines potentially capable of producing a hearing impairment.

Mr. SKUBITZ. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this bill is simply an extension of the authorization for the administration of the Noise Control Act under the Environmental Protection Agency.

Members will recall that on June 3 this bill was considered on the Suspension Calendar and, although the vote was 222 to 132, it failed to receive the necessary two-thirds vote.

I realize, Mr. Chairman, that how noise is regulated in a modern society is of great importance to many interests, but I think most of us can agree the time is long overdue for effective regulation.

Many other agencies are now involved with specific areas of noise regulation. For example, the FAA is charged with developing standards to regulate aircraft noise. OSHA is charged with making certain that industry noise is controlled so as to protect workers on their jobs.

It was in the Environmental Protection Agency that Congress placed the general responsibility for noise control. It is my understanding and belief that in no way will the Environmental Protection Agency interfere with the activities of those agencies and departments given responsibility for a specific area of noise abatement.

Mr. Chairman, I urge the approval of this authorization because it represents another step in the long road to a safe and healthy environment.

Mr. Chairman, now I yield 5 minutes to my colleague, the gentleman from New York (Mr. HASTINGS).

Mr. HASTINGS. Mr. Chairman, this authorization bill before us today may turn out to have an importance beyond our wildest dreams. Noise pollutes our environment and causes direct harm to millions of Americans each year. With this authorization, we continue the activities of the Environmental Protection Agency directed toward noise abatement.

No place in America is immune from the effects of unwanted and unwarranted noise. While few of us who live in my hometown of Rushford Lake, N.Y., are fortunate enough to escape most noise, even there, we are affected by noise from motors, engines, and heavy equipment.

The Environmental Protection Agency directs its concerns to all the noise within our environment. Gradually, over the last 2 years, many regulations for various categories of noise-producing machines have been promulgated. As time goes on, many more standards will be set so as to lower the decibel level pounding our ears.

Some areas of noise control are best left to other agencies. The FAA, for example, has worked closely with EPA, developing a number of noise standards for aircraft. That agency has primary responsibility for aircraft noise. OSHA, in carrying out its work to protect the industrial worker, has primary responsibility for developing standards for noise in the factory, while EPA is as free as the other agencies to make its views known. When OSHA proposes a standard, the ultimate responsibility for noise in the factory rests with the Department of Labor in its administration of OSHA.

If every location in this country had only the population of my hometown, Rushford Lake, we probably would have no concern about noise control. Of course, that is not the case. Millions of people, crowded together in urban areas, are most affected by noise decibels which are dangerous to hearing and phychological health. This 2-year authorization for the Noise Control Act represents another step in this Nation's fight against unwanted and unwarranted noise.

Mr. SKUBITZ. Mr. Chairman, I yield 10 minutes to my colleague, the gentleman from Wisconsin (Mr. STEIGER).

Mr. STEIGER of Wisconsin. Mr. Chairman, at the time this bill was before the House I was one of those who raised a series of questions and in fact voted against the bill considered under suspension of the rules, because it was in my judgment not appropriate to pass the bill without having the chance for a more full and complete debate, and also without the chance to propose amendments.

Since that time it has been my purpose to work closely with the distinguished and able chairman of the subcommittee, the gentleman from Pennsylvania (Mr. ROONEY).

I would at this time like to engage with the gentleman from Pennsylvania, if he would be so willing, in a colloquy so that he may respond to some questions I would like to put in an effort to try to clarify some of the questions I asked at the time the bill was debated in June.

The first of the questions, Mr. Chairman, that I will ask is this:

The purpose of the Occupational Safety and Health Act is to assure workers "safe and healthful working conditions and to preserve our human resources—by providing safe and healthful working conditions." Under the Noise Control Act, EPA is instructed to promote an environment for all Americans free from noise that jeopardizes their health or welfare.

The question is, should Congress differentiate between the two objectives?

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. STEIGER of Wisconsin. I am happy to yield to the gentleman from Pennsylvania.

Mr. ROONEY. Mr. Chairman, yes, the Congress should differentiate between noise in the workplace and general environmental noise. Although both are products of a technological society, these two forms of noise come from different sources, affect people in different ways, and require different solutions.

These differences are recognized by the various administrative provisions of the Noise Control Act, which deal separately with occupational noise, new-product noise, and aircraft and truck noise.

Mr. STEIGER of Wisconsin. Mr. Chairman, the second question is this:

What does the House Commerce Committee think is the scope of their jurisdiction over noise in the workplace?

Mr. ROONEY. The Commerce Committee believes that it does have jurisdiction over the noise coordination functions of the EPA. Second, the Commerce Committee believes that it has the power to regulate new products that are distributed in commerce. Third, it believes that it has power over the labeling of high noise emission products, but not over the ambient noise standards in the workplace.

The Noise Control Act of 1972 and the noise regulations published by OSHA are related, in that many of the products used in the workplace are distributed in commerce, and the noise emission requirements that are placed on the product which is distributed in commerce, may end up reducing the noise level in the workplace. However, this is achieved only because the Commerce Committee has the power to set the noise levels of products in commerce, not because of any jurisdiction over noise conditions in the workplace.

Mr. STEIGER of Wisconsin. Mr. Chairman, the third question is this:

What agency has the responsibility for determining noise standards within the workplace?

Mr. ROONEY. It is obvious from a reading of the Noise Control Act that OSHA has the responsibility for determining noise standards within the workplace. Both OSHA and EPA agree with this statement. Further, Mr. STEIGER, in a letter you received from Mr. Train, Administrator of EPA, he stated:

> With regard to Section 4 of the Noise Control Act and Section 309 of the Clean Air Act, EPA recognizes that in the final analysis it is the Department of Labor which must make the decision as to the final rule. We stated this fact in our Federal Register notice of December 18, 1974.

It is obvious in the quote from Mr. Train that the EPA is not alleging that they have responsibility for establishing noise regulations within the workplace.

Mr. STEIGER of Wisconsin. Mr. Chairman, the fourth question that I would ask the distinguished gentleman from Pennsylvania is this:

Section 4 of the Noise Control Act enables the EPA to coordinate the noise control activities of Federal agencies. What exactly is the scope of such responsibility?

Mr. ROONEY. The language of the Noise Control Act is explicit under section 4—the section in question—the act states that each agency shall consult with the EPA in prescribing noise regulations, and that the EPA can request such agency to justify in the Federal Register, its noise regulations if EPA does not believe that the regulations protect health and welfare. That is all the statute states, and that is the total grant of authority to EPA under that section.

In support of this statement, I request that my colleague refer to the language of the other sections of the Noise Act. You will find that if section 4 had granted EPA additional authority, other than coordinating authority, it would have been so stated, as in other sections of the act. For example, sections 6, 17, and 18, give the EPA rulemaking authority over certain manufactured products.

I would also like to cite some examples of the different language used in other sections, so that it is clear that the Congress was very explicit in the meanings it assigned various sections of the act.

Under sections 6, 17, and 18, the EPA was empowered to prescribe noise standards for new products distributed in commerce, and for motor carriers and railroads.

Under section 7, EPA was empowered to recommend noise standards to the FAA.

Therefore, it is obvious that Congress only gave EPA the power to coordinate in section 4, since words like prescribe or promulgate were not used as they were in other sections of the act.

Mr. STEIGER of Wisconsin. Under section 4 of the Noise Control Act, if the EPA has reason to believe that another agency's noise standards do not protect health and welfare, it can request that agency to review and report on the advisability of revising its own noise regulations.

Would you explain what procedure is followed after the agency publishes its justifications in the Federal Register?

Mr. ROONEY. After the agency publishes the findings and conclusions supporting its noise regulations, it is free to promulgate these regulations without legal interference from the EPA.

Mr. STEIGER of Wisconsin. In response to a letter I sent him, Mr. Train stated that if the EPA is dissatisfied with the findings and conclusions of another agency that were published in the Federal Register in support of that agency's noise regulations, then the EPA can refer the matter to the Council on Environmental Quality.

I find no such language to support this position in the Noise Control Act. Therefore, would the chairman of the subcommittee clarify this statement and explain whether or not such a referral is an appeal mechanism?

Mr. ROONEY. The gentleman from Wisconsin is correct, there is no such language in the Noise Control Act, nor does the EPA have a right to appeal any agency's noise regulations.

The referral mechanism Mr. Train discusses is section 309 of the Clean Air Act, which is now section 1857h–7 of title 42 of the United States Code.

Under this section the Administrator of EPA is required, in the event he determines any Federal legislation, action or regulation unsatisfactory from the standpoint of public health, welfare, or environmental quality, to publish his determination and refer the matter to the Council on Environmental Quality. Once referred all EPA authority ends.

There are no appeal or review mechanisms of an agency's noise regulations. The Council on Environmental Quality has no power to reject or modify such regulations.

At present the Council on Environmental Quality has neither statutory nor regulatory authority to act on such referrals. CEQ can, at most, only make recommendations on the basis of ad hoc studies they may wish to conduct on specific referrals. Again, let me state that even CEQ's powers to make such recommendations is an implied not stated power, which is based on its general responsibility for oversight over all Federal activity that affects the environment. Only six referrals have ever occurred pursuant to section 309 of the Clean Air Act and CEQ handled each differently.

Further, I do not have to remind the gentleman from Wisconsin that section 309 of the Clean Air Act has no germane relationship to the Noise Control Act, which is on the floor.

Mr. STEIGER of Wisconsin. Mr. Chairman, the last question I have is this—and I do want the gentleman from Pennsylvania (Mr. ROONEY) as well as the gentleman's staff, to understand that I am grateful to the gentleman and to them for their willingness that they have shown in trying to deal with this issue—has the Commerce Committee undertaken any discussions with the Education and Labor Committee to seek to clarify which agency—OSHA or EPA—is to be responsible for establishing public policy on noise standards in the workplace?

And I see the distinguished chairman of the Education and Labor Subcommittee on Manpower, Safety, and Health and other related items, the gentleman from New Jersey (Mr. DOMINICK V. DANIELS) on the floor.

Mr. ROONEY. Mr. Chairman, before I respond to that question, I believe it would be incumbent upon me to first yield to the distinguished gentleman from New Jersey (Mr. DOMINICK V. DANIELS) the Chairman of the subcommittee that has jurisdiction over the Occupational Safety and Health Administration.

Mr. DOMINICK V. DANIELS. Mr. Chairman, I thank the gentleman.

In response to the inquiry of the gentleman from Wisconsin, if the gentleman will yield, I would say that OSHA would have the responsibility. However, I do believe that under the law EPA has the right to comment and submit its report for the benefit of OSHA or any other agencies that may be involved.

Mr. STEIGER of Wisconsin. I thank my colleague, the gentleman from New Jersey.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SKUBITZ. Mr. Chairman, I yield 3 additional minutes to the gentleman from Wisconsin.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. STEIGER of Wisconsin. I yield to the gentleman from Pennsylvania.

Mr. ROONEY. Mr. Chairman, I might add to the statement made by the gentleman from New Jersey, that since I have previously explained that it is the position of the Commerce Committee that we do not have jurisdiction over noise in the workplace, we have not taken it upon ourselves to discuss with the Committee on Education and Labor the regulation of noise in the workplace. Nor have they discussed with us the regulation of noise emission standards for products in commerce.

Mr. STEIGER of Wisconsin. Mr. Chairman, I very much appreciate the responses to these questions, in fact, that the committee would be willing to give us enough time to do it. I am grateful to the gentleman from Kansas for yielding to me for that purpose.

When we debated this issue and I indicated I would offer an amendment, I did so because I thought there was a question, at least in my mind, as to exactly what EPA was doing and what OSHA was doing, and how this Noise Control Act melded with the work of the Occupational Safety and Health Administration. In view of the colloquy that has taken place, I shall not offer the amendment that I drafted to deal with this problem. The amendment, Mr. Chairman, reads:

Page 2, immediately after line 5, add the following new section:

SEC. 3. Section 4(c) of the Noise Control Act of 1972 (42 U.S.C. 4903(c)) is amended by adding at the end thereof the following new paragraph:

"(4) (A) Nothing in this Act shall be construed to authorize the Administrator to (i) prohibit the establishment or operation of any noise emission standard or other similar standard by the Secretary of Labor with respect to the workplace of any employer who is subject to the provisions of the Occupational Safety and Health Act of 1970 (29 U.S.C. 651 et seq.); or (ii) constrain or otherwise interfere with the Secretary of Labor with respect to the establishment or operation of any such standard.

"(B) For purposes of this paragraph, the term 'employer' has the meaning given it by section 3(6) of such Act (29 U.S.C. 652(6))."

I think it is very clear, explicitly clear, that the amendment is not necessary. The responses of the gentleman from Pennsylvania do, in fact, state for the RECORD the intent of the Committee on Commerce and the intent of the act as to what was passed, so there is no confusion as to what OSHA does in its determination under the act to promulgate workplace environmental standards, including noise standards, and that EPA retains the right to comment on, criticize, applaud, or do whatever else they decide to do, on the proposed standard.

The standard itself can only be promulgated, and the administration of the act can only be undertaken, by the Occupational Safety and Health Administration.

Mr. ROONEY. I appreciate the gentleman's position, and I am very happy to have it clarified once and for all.

Mr. STEIGER of Wisconsin. I thank the gentleman.

Mr. Chairman, I want to include at this point the full text of my correspondence with Mr. Train for the information of my colleagues:

MAY 14, 1975.

RUSSELL E. TRAIN,
Administrator, Environmental Protection Agency, Washington, D.C.

DEAR MR. TRAIN: I am writing in regard to the Noise Control Act. Legislation is pending before the House of Representatives to extend the authority of the Act for an additional 27 months.

On May 5, this authorization legislation was briefly debated in the House. During the debate, I raised several questions about the conflict between EPA and OSHA over noise control responsibilities for the workplace. The subsequent colloquy did not fully respond to my questions.

As you know, OSHA has proposed a noise standard for the workplace. EPA, subsequently, objected to the standard and requested OSHA comments under authority provided by the Noise Control Act. On March 20, OSHA did publish the required response in the Federal Register.

As I understand the intent of the Noise Control Act, this is the extent of EPA involvement with the OSHA noise standard under this Act. In other words, EPA has exhausted all authority under the Act to evaluate and monitor the development of the noise standard. Does EPA concur in this interpretation of the Act?

A second question involves the Clean Air Act. This Act provides EPA with the right to appeal disputes with other agencies to the Council on Environmental Quality. The use of this mechanism to resolve the current dispute with OSHA has been raised. If EPA has no further legislative authority over the noise standard proposed by OSHRA, then a dispute would not exist. Therefore, there would be no grounds for such an appeal. Does EPA agree with this argument?

It appears that OSHA and EPA have overlapping authority. The problems they are concerned with are similar, but their objectives are different. The responsibility of each agency should be clarified. Delay would be to the detriment of the worker and the public. I hope that our correspondence will contribute to resolving this problem.

Best wishes,
Sincerely yours,

WILLIAM A. STEIGER,
Member of Congress.

U.S. ENVIRONMENTAL PROTECTION AGENCY,
Washington, D.C. June 6, 1975.

Hon. WILLIAM A. STEIGER,
U.S. House of Representatives,
Washington, D.C.

DEAR BILL: In response to the questions raised in your letter of May 14, 1975, regarding the Environmental Protection Agency (EPA) and the Occupational Safety and Health Administration's (OSHA) roles and responsibilities in relation to workplace noise standards, I am providing the following information:

1. OSHA's response in the *Federal Register* on March 20 to our request for a "Review and Report" under Section 4 of the Noise Control Act was in fact an interim report, not their final response. As stated in that response, the Department of Labor (DOL) noted that the OSHA document was merely a proposal, as a preliminary step in the administrative rulemaking. OSHA also indicated therein that a public hearing on their proposal would be held (now scheduled to begin on June 23, 1975). The DOL's *Federal Register* notice stated "the points raised by EPA will be issues at the hearing. After the hearing, OSHA will consider the proposal on the basis of the full record, including the EPA request, and will make such revisions as are warranted by the evidence."

We anticipate, based on our discussions with OSHA, that their final rulemaking will either in the Preamble or otherwise address the reasons for accepting or rejecting EPA proposals. As you know, even without the requirements of Section 4 of the Noise Control Act which would provide for a further review of the final regulation by us, there are Executive Branch procedures for interagency reviews of all regulations prior to their final promulgation. Thus, EPA's involvement with OSHA under the authorities of the Act have not yet been completed.

2. The section of the Clean Air Act cited in your second question does provide for a review and comment by EPA of regulations proposed by another agency which relate to the authorities of the Administrator (including those relating to noise). Where EPA determines that such regulation is unsatisfactory from "a public health, welfare or environmental quality" viewpoint, that determination shall be published and "referred" to CEQ. While this might be thought of as an appeal mechanism with regard to interagency disputes, no mechanism is specified in the statutes as to what CEQ is to do after the referral. If we believed that the arguments and conclusions developed by OSHA following their hearings were not valid, we could utilize this mechanism, following whatever procedure CEQ would establish to explore the issues and develop recommendations. We would only do so after the most intensive efforts with OSHA to ascertain the rationale for and validity of their determination.

With regard to Section 4 of the Noise Control Act and Section 309 of the Clean Air Act, EPA recognizes that in the final analysis it is the Department of Labor which must make the decision as to the final rule. We stated this fact in our Federal Register notice of December 18, 1974. For the record, I think it is important to note that in our Federal Register remarks we clearly indicated that if after OSHA addresses the various points raised by us and then determines that the 85 dBA standard was not justified, that a number of regulatory alternatives should be considered. While our actions may seem to represent an overlapping of responsibility between the two agencies, the fact remains that EPA does have an overview and coordination role assigned to it by both the Noise Control Act and the Clean Air Act. As you may recollect, the Congress changed the Administration's proposal in the Noise Control Act from "promoting coordination" to a mandated one. That position was taken because of the fragmented authorities vested in the various other departments (HUD, FAA, and so on as well as DOL). If we are to undertake that assigned task properly, there will naturally occur some areas of difference, as in the present case. The task is a difficult one, requiring a great deal of understanding and judgment on our part. I am enclosing a set of questions and answers on this matter which may be helpful in understanding our position on this complex issue.

I trust that the foregoing will be of assistance to you in the upcoming debate regarding the extension of the Noise Control Act. We will appreciate your continuing support of this important legislation.

Sincerely,

Russell E. Train.

Questions and Answers Relating to EPA's Responsibilities and Actions Relating to Occupational Safety and Health Standards on Noise

Q. What are EPA's authorities with regard to the review and recommendations relating to other agencies noise control regulations?

A. Under Section 4 of the Noise Control Act of 1972, EPA is required to coordinate all Federal noise controls and noise research programs. As part of that broad coordinating authority, the Agency is required to periodically assess the effectiveness of other programs (such as those of the FAA, Defense Department, NASA, OSHA and so on) and to publish a report assessing their effectiveness.

More specifically, the Act requires that other agencies submit their regulations to EPA prior to promulgation. If the Administrator finds that in his judgment the regulations do not adequately protect public health and welfare he is called upon to publish that fact in the *Federal Register*, and request that the other agencies review their proposals and advise him regarding their determinations as to the appropriateness of the Administrator's recommendations. The Congress also directed in Section 5 of the Noise Control Act that EPA studied the available information on the effects of noise, and to publish information on those levels which should not be exceeded in order to protect public health and welfare with an adequate margin of safety. The Agency has done so in its "Levels Document." It was the intent of the Congress that this be a factual scientific finding, not a standard based on technology or economics. It is intended to be used by EPA in developing its own regulations, and in assessing public health and welfare protection afforded by other agencies' regulations.

With regard to aviation noise, special arrangements are provided in the Act whereby EPA reviews regulations prepared on its own initiative by the FAA, in a manner comparable to the foregoing procedures for other agencies. EPA is also directed to submit regulations to the FAA which it deems necessary to protect public health and welfare. In this latter instance, the FAA then will hold public hearings, and determine if questions on technology, economics, feasibility safety and appropriateness can be answered satisfactorily, and if so, then to promulgate the regulation.

Q. In view of the foregoing, just how does EPA use the so called "Levels Document" in evaluating the health and welfare aspects of the Department of Labor's OSHA proposal? Did not the "Levels Document" suggest that a 75 dBA 8-hour exposure was that which should be provided in workplaces?

A. EPA used the "Levels Document" information as a baseline or guide against which to test the technology and economic data provided by OSHA, to see if that information supported their finding that the 90 dBA present level should be continued. In other words, EPA used the data developed by OSHA and its contractors in the same manner that it would have had this been an EPA regulation. It was our conclusion, as published in the *Federal Register*, that the economic data was inadequate, and that the opposition that technology was generally not available could not be supported by the facts. We agreed that the 75 dBA level was not a reasonable, near term requirement, and possibly could not be achieved at all in many industries.

Q. In view of the foregoing, does EPA believe that the noise level in all workplaces should be ultimately reduced below 85 dBA?

A. As a long range goal toward design for new equipment and new plants, certainly if economics and technology indicates that this is feasible and reasonable, that could indeed be the desirable approach. We recognize, however, that such a limit is beyond present capabilities. Accordingly, it should be recognized that while at 85 dBA a much greater percentage of the workforce is adequately protected even from those exposed will have some hearing impairment.

Q. Why does EPA believe the cost data used by OSHA is inaccurate?

A. As stated in the *Federal Register* notice, our analysis indicated that in the main, these estimates were based on "worse case extrapolations." They also did not take into account recent advances in technology, available at lower costs than those estimated in the contractor study. We concur with the Council on Wage and Price Stability that a much more comprehensive economic analysis is required before any real final decisions are made.

Q. Why does EPA oppose the use of hearing protectors at either the 85 or the 90 dBA limit? Such hearing protectors cost much less than the engineering controls.

A. EPA does not categorically reject the use of hearing protectors. Such devices were clearly required in certain circumstances where engineering controls are not feasible, or clearly too expensive for the benefits which can be obtained. An example is their required use for ground operating personnel near aircraft in certain steel plant operations, and in such operations as riveting and punch pressing. However, experience has shown, especially in a number of recent studies, that the degree of hearing impairment among persons who report that they regularly use hearing protectors as compared with those who do not is approximately the same in some industries. More importantly, a hearing protector program requires more than the expense of simply furnishing the employees with such a device. Extensive experience in the Armed Forces and in certain industries has shown that for a program to be even marginally effective, it must include the following:

a. Pre-placement examination and fitting of the device.

b. Careful education of foremen and supervisors as to the need for insuring that employees use them.

c. Periodic (six months to annually) audiometric examinations made following the period of quiet of at least 72 hours.

d. A program for removal from noisy exposures for a period of time to determine whether or not a hearing impairment found in a periodic examination is permanent or temporary.

It has been found in industrial hygiene and occupational health practices that substitution of a less hazardous operation for one that is hazardous is the first preference and in the main, least costly. The next most effective from an actual worker protection viewpoint is engineering controls, with personal protective devices being the least. Part of this is because in the case of hearing protectors the slow onset of hearing loss obscures the fact that the employee does not see a cause and effects relationship for their use (as the case with protection of eyes by protective lenses).

Q. Does EPA have any authorities beyond those stated as to review of other agencies' regulations, or which could serve to help control occupational noise?

A. Yes. Under Section 6 of the Noise Control Act, EPA can provide regulations to control noise from major noise sources such as heavy industrial equipment. Over the longer range, the Agency is considering development of regulations for such noice sources, if technology and economic considerations can be satisfactorily answered. Obviously, since such regulations only apply to new tools and new equipment, they would be a long time in having a noticeable effect in the workplace.

Mr. DOMINICK V. DANIELS. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the gentleman from New Jersey.

Mr. DOMINICK V. DANIELS. I thank the gentleman for yielding.

Mr. Chairman, I have listened with great interest to my colleagues' discussion of noise in the workplace and in the general environment. I do not believe that we disagree concerning our basic goal of protecting Americans by promoting an environment both inside and outside the worksite that is free from potentially harmful noise levels.

The issue needing clarification today, as we consider the Noise Control Extension Act, is straightforward: How to effectively safeguard our citizens. To obtain this objective, it is necessary to differentiate between work-related noise levels and noise levels in the general environment. H.R. 5272 does maintain this separation while simultaneously promoting cooperation between appropriate Government agencies. In section 4, the bill authorizes EPA to coordinate all Federal programs relating to noise research and noise control; it also requires that other agencies consult EPA before prescribing noise regulations and allows EPA to require public review of any regulations thought insufficient to protect public health and welfare to the extent EPA thinks feasible.

As chairman of the Manpower, Compensation, and Health and Safety Subcommittee which has jurisdiction over the Occupational Safety and Health Act, I have closely followed the current operations of EPA, acting under the auspices of the Noise Control Act of 1972, in relation to OSHA's proposed noise standard. On October 24, 1974. OSHA announced its proposed standard. EPA commented on the OSHA noise-level proposal in the Federal Register of December 18, 1974; OSHA replied on March 18, 1975. OSHA began holding hearings on the proposed noise standard on June 23. As of this date, more than 170 witnesses, including EPA, have been scheduled to present their views on the proposal.

Clearly, this follows closely the intent of OSHA—to permit the widest possible spectrum of comment on a standard—to open the proceedings to all interested and affected parties. I do *not*, therefore, believe that we should alter the current operations of the Noise Control Act in relation to OSHA. I am fully aware that the EPA view on noise levels as compared to the proposed OSHA standard has raised much controversy, but that is not, nor should not, be the subject of our debate. Congress does not set safety and health standards nor does EPA promulgate workplace standards. OSHA has the clear-cut responsibility for determining the standards for safety in the workplace.

EPA's authority to comment on standards and to coordinate noise research does not diminish the role of the Occupational Safety and Health Administration as the final authority on standards in the workplace. Rather, I view EPA's function as providing additional input into OSHA's standard-setting procedure. Therefore, I believe that we should pass the Noise Control Act extension intact, emphasizing the coordinating and contributing functions of EPA, and making clear that OSHA will continue to exercise its ultimate decisionmaking role on workplace standards.

Mr. ROGERS. Mr. Chairman, I rise in support of H.R. 5272, which extends for 2 years authorizations under the Noise Control Act of 1972. In 1972, when this bill came before the Subcommittee on Health and the Environment, we were very concerned with the evidence presented to us of a substantial and growing hazard to the health of the people of this country. It was found that urbanization and a proliferation of new noise sources had reached the point where large numbers of our people were developing hearing losses, and the trend was increasing in this direction.

The bill before us today was the result of that concern, and provided for action by the Federal Government to control the health hazard which these noise sources were presenting.

I, therefore, deeply regretted the failure of the Environmental Protection Agency to meet this responsibility with the funding, staff, and leadership which it required.

The Subcommittee on Transportation and Commerce, based on its hearings earlier this year, has indicated that the EPA in 1974 and 1975 has begun to fulfill its statutory obligations in this area, and expects to be able to increase its Office of Noise Control staff by 50 percent and to increase expenditures from last year's $5.4 million to $10.2 million next year.

I am pleased to learn of this progress. It is indeed unfortunate that this program has been so slow in developing and that 3 years later we must vote to extend it because there has not even been enough of a beginning made to know whether the law needs changing or not.

I fully support this bill, and I fully support implementation of this act to combat what continues to be a serious and growing threat to the health and well-being of this Nation.

Mr. WOLFF. Mr. Chairman, as we pass the Noise Control Act authorization bill today I want to call the attention of the House to a key area of the legislation originally passed by Congress which is not being successful carried out, and which is badly in need of reform.

I refer to the sections dealing with aircraft noise which at the moment create a situation best described as confusing, and which at the moment have produced a national situation approaching a disaster for the airport operators of our Nation, and the millions of citizens who live near our airports.

As the subcommittee report supervised so ably by our good friend and distinguished colleague from Pennsylvania (Mr. ROONEY) pointed out in April, the mandate of Congress in passing the Noise Control Act is simply not being carried out by either the FAA or the EPA, and the principal reason seems to be conflicting jurisdiction.

This conflict in jurisdiction in turn leads to the situation we have today, and I quote from the subcommittee report of April 28, page 4:

> From the testimony it appears that the Environmental Protection Agency is not implementing Section 15 of the Noise Control Act of 1972 relating to the procurement of low noise emission products, that the noise regulations of various Federal agencies are poorly enforced, and that significant confusion exists between the agencies as to how to resolve a dispute in which the Environmental Protection Agency believes that the published noise regulations of another Federal agency do not adequately protect the health and welfare.

To help rectify this deplorable situation, which is the subject of an FAA memo I will include as part of my statement today, I would respectfully urge the attention of the House to my legislation, H.R. 8552, which is designed to give EPA the ultimate authority for aircraft noise.

I might add that I had intended to offer a suitable version of my legislation as an amendment to the bill before us today, but unfortunately, the only viable amendment which would have accomplished the desired purpose was ruled nongermane prior to the start of debate.

I was pleased, however, in my discussions with the gentleman from Pennsylvania (Mr. ROONEY) to confirm that there is an understanding of mutual interest between us in achieving a reduction of aircraft noise, and in finding a full and just solution to this pressing problem.

My legislation, which I now invite all interested Members to cosponsor, and urge them to contact my staff at x55956, would immediately resolve one of the prime areas where the present confusion and failure presently threatens to void the intent of Congress in passing the Noise Control Act.

My legislation would settle the jurisdictional conflict once and for all by mandating to EPA the power to make aircraft noise rules, subject to prior consultation on safety and other technical matters with the appropriate experts in the FAA and the DOT.

The FAA's technical expertise would receive full and appropriate recognition in the sections of my legislation which give it the power to promulgate the compliance regulations which will enforce the standards to be set by the FAA.

The FAA will have the power to issue exemptions with the permission of the EPA. In order to insure that the intent of Congress in passing the Noise Control Act is carried out, an important element of my legislation would forbid the FAA from issuing any original type certificates to aircraft which fail to utilize available noise abatement technology in an effort to meet the noise standards set by EPA.

At the moment, our airlines, our airport operators, and our aircraft manufacturers operate the most successful passenger aircraft service—both in terms of equipment and numbers served—in the world. We can all be justly proud of the dominance of the American commercial aviation community.

But, Mr. Chairman, I need hardly add that this magnificent record of accomplishment has increasingly become blemished, and has increasingly come under the justifiable condemnation of millions of Americans, and many in this House, because of the vital issue of aircraft noise.

With success has come growth, and with growth has come a situation where the areas around even medium-sized American airports are practically unlivable because of aircraft noise. This is not simplistic rhetoric, as we in this House know. The National Environmental Policy Act, and the Noise Control Act, have clearly shown Congress foresight in attempting to head off the proven medical and psychological ill effects of noise, be it aircraft, or jackhammer.

We have recognized the problem of noise pollution to merit Federal attention, just as we have recognized that all matters of pollution are of vital interest to the welfare of our citizens. That is why we created the Environmental Protection Agency, which has valiantly over the years attempted to aid our industries and our communities in cutting down noise and physical pollution.

Significant in its failure to adequately address the problem of noise is the aircraft industry, however. Despite individual success in cutting down, such as that represented by the Lockheed 10–11 passenger jet, for example, the fact is that the oil crunch places even more pressure on the airline industry to cling to older, and far noisier aircraft to remain economically viable in the face of rising costs.

If we in this House have learned anything in recent years regarding environmental and health legislation, it is that concern will not be translated into action unless there is strong leadership—including regulation—at the Federal level. It is this crucial area which is lacking in the aircraft community, and to which I am addressing myself today.

While I do not fault the basic integrity of the FAA, and wish to make it clear today that I am not aiming my legislation at the FAA, it has become clear that for a variety of reasons, the FAA is unable to focus adequately on the problem of aircraft noise. By this I mean that despite occasional publication of proposed guidelines, we today are still faced with a situation where absolutely no meaningful relief from the ill effects of aircraft noise is in sight.

Right now, more than $30 million in aircraft-noise damage suits are plaguing our Nation's airport operators. If we wait until 1979, when certain noise-abatement techniques are supposed to take effect, this $30-plus million will undoubtedly have grown to even more staggering, and potentially crippling, amounts.

I conclude my remarks today with the inclusion of the following, highly instructive memo from the FAA's regional office in my home State of New York:

FLEET RETROFIT NECESSARY TO AID AIRPORT DEVELOPMENT, AIRPORT OPERATORS COUNCIL INTERNATIONAL (AOCI) TELLS WAGE AND PRICE COUNCIL

Unless U.S. airlines are directed by Federal government regulations to quiet the engines on their airliners, necessary airport expansion projects will continue to be delayed, and even in some cases killed, by citizen objections to aircraft noise, AOCI told the President's Council on Wage and Price Stability. In a May 12 letter, AOCI asserted that delays imposed by courts in response to citizen suits have already caused the waste of "hundreds of thousands, and perhaps millions of public dollars." While these projects are delayed, AOCI pointed out, construction costs continue to rise because of inflation. In the last four years alone, these costs have increased by 72%, AOCI said.

"In the absence of expeditious and positive action on retrofit, there is every reason to believe that court challenges to development projects occasioned by aircraft noise will continue, along with concommitant economic waste," the letter asserted. AOCI's letter was in response to council's assertions that Environmental Protection Agency's (EPA) proposed regulation setting specific deadlines for airlines to install sound absorbing material on the existing fleet of civil turbojet powered airplanes would not be economically justified. Program is estimated to cost about $800 million.

Wage and price council argued that a retrofit requirement would only be "marginally" beneficial since airlines are in the process of retiring older, noisier aircraft and replacing them with quieter models. But AOCI pointed out that because of the current economic situation, airline companies are reluctant to go into debt to buy new aircraft now, and therefore, will be replacing the noisier airliners at a slower rate than previously expected.

AOCI represents the governmental bodies responsible for development and operation of the public air carrier airports in the U.S. and on five continents. This group represents virtually every major airport operator in the U.S., and its concern is with the current crisis facing its membership due to aircraft noise.

Mr. MIKVA. Mr. Chairman, on October 27, 1972, the President signed into law the Noise Control Act of 1972. This act required the Federal Aviation Administration, FAA, to prescribe regulations to provide for the control and abatement of aircraft noise. It also required the Environmental Protection Agency, EPA, to study the adequacy of FAA flight and operational noise controls, the adequacy of noise emission standards on new and existing aircraft, the implications of identifying and achieving levels of cumulative noise exposure around airports and additional measures available to airport operators and local governments to control aircraft noise. The EPA was required to make a report to the Congress by July 27, 1973.

Almost 3 years later, little progress has been made. We have had a few studies, fewer recommendations and almost no definitive action.

Mr. Chairman, I supported this law when it was first enacted. It was a sound piece of legislation then although, given my own preference, I would have vested all regulatory authority in the EPA rather than the FAA. Today, the legislation continues to be needed, and I support the extension of the Noise Control Act.

But I must take note of the dismal record of the EPA and the FAA to date. If substantial—and quick—improvements are not made by the EPA and especially the Federal Aviation Administration which has primary jurisdiction to regulate airport and aircraft noise, we will need a drastic overhaul of the Noise Control Act. Maybe we need to abolish the Federal Aviation Administration. If the FAA cannot do the job of providing some meaningful relief for citizens constantly annoyed by jet noise, we may have to find an agency which will more aggressively represent the interests of all our citizens.

Mr. Chairman, noise has a devastating effect on the human environment. Excessive noise results in permanent hearing loss, interference with speech communication, stress reaction, disturbance of sleep, decreases in productivity, adverse effect on values of property located near noise sources and a host of economic and health impacts.

I urgently hope the appropriate Federal agencies to get on with the job of reducing noise pollution. We need more than studies. The country deserves and requires, positive action now.

Mr. ROONEY. Mr. Chairman, I have no further requests for time.

Mr. SKUBITZ. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (g) of section 15 of the Noise Control Act of 1972 (42 U.S.C. 4914(g)) is amended by striking out the period at the end thereof and substituting a comma and the following: "$2,200,000 for the fiscal year ending June 30, 1976, $550,000 for the transition period of July 1, 1976, through September 30, 1976, and $2,420,000 for the fiscal year ending September 30, 1977.".

SEC. 2. Section 19 of the Noise Control Act of 1972 (42 U.S.C. 4918) is amended by striking out "and" and by inserting immediately before the period at the end thereof "; $13,200,000 for the fiscal year ending June 30, 1976; $3,300,000 for the transition period of July 1, 1976, through September 30, 1976; and $14,520,000 for the fiscal year ending September 30, 1977".

AMENDMENT OFFERED BY MR. ROONEY

Mr. ROONEY. Mr. Chariman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROONEY: On the first page, strike out line 10 and all that follows down through page 2, line 5, and insert in lieu thereof the following:

SEC. 2. Section 19 of the Noise Control Act of 1972 (42 U.S.C. 4918) is amended by striking out "and" and by inserting immediately before the period at the end thereof the following: "; $11,090,000 for the fiscal year ending June 30, 1976; $2,772,500 for the transition period of July 1, 1976, through September 30, 1976; and $12,199,000 for the fiscal year ending September 30, 1977; except that no part of any amount appropriated pursuant to this section or section 15 for any period after the fiscal year ending June 30, 1975, shall be available for research or development".

Mr. ROONEY. Mr. Chairman, this amendment reduces the amount of funds authorized in this extension of the Noise Control Act of 1972 by $2,110,000 for fiscal year 1976, by $527,500 for the transition period, and $2,321,000 for fiscal year 1977. The purpose for this amendment is to reduce from the authorizations those amounts authorized for noise research and development. The research and development jurisdiction rests with the Committee on Science and Technology and not with the Commerce Committee. Further, equal amounts have already been authorized by H.R. 7108 which passed the House on July 11, 1975. If this amendment is not adopted, funds for noise research and development will be authorized twice.

Mr. SKUBITZ. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the gentleman from Kansas.

Mr. SKUBITZ. Mr. Chairman, what this amendment does is reduce the authorization by around $10 million. Is that correct?

Mr. ROONEY. Yes, that is correct.

Mr. SKUBITZ. And it signifies that our committee is always responsive to the will of this body.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. ROONEY).

The amendment was agreed to.

The CHAIRMAN. There being no further amendments, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. JAMES V. STANTON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 5272) to amend the Noise Control Act of 1972 to authorize additional appropriations, pursuant to House Resolution 525, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. HASTINGS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 390, nays 35, not voting 9, as follows:

[Roll No. 451]

YEAS—390

Abdnor
Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Armstrong
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Chisholm
Clancy
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conable
Conlan
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Devine
Dickinson
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Esch
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fraser
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harrington
Harris
Harsha
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Hicks
Hightower
Hillis
Hinshaw
Holland
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hyde
Ichord
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Long, La.
Long, Md.
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Pressler
Preyer
Price
Pritchard
Quie
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Richmond
Riegle
Rinaldo
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Wiggins
Wilson, Bob
Wilson, C. H.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—35

Archer
Ashbrook
Bauman
Beard, Tenn.
Brown, Mich.
Burleson, Tex.
Burlison, Mo.
Collins, Tex.
Crane
Duncan, Tenn.
Flynt
Fountain
Hansen
Henderson
Holt
Hutchinson
Jarman
Jones, Okla.
Jones, Tenn.
Lloyd, Tenn.
Lott
McDonald
Montgomery
Moore
Poage
Quillen
Rousselot
Satterfield
Shuster
Spence
Steiger, Ariz.
Symms
Treen
Waggonner
Whitten

NOT VOTING—9

Bell
Brooks
Clausen, Don H.
Fulton
Landrum
Risenhoover
Teague
Udall
Wilson, Tex.

So the bill was passed.

The Clerk announced the following pairs:

Mr. Teague with Mr. Fulton.

Mr. Udall with Mr. Landrum.

Mr. Brooks with Mr. Charles Wilson of Texas.

Mr. Risenhoover with Mr. Bell.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ROONEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on H.R. 5272, the bill just passed by the House.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

PROVIDING FOR ADJUSTMENT OF SALARIES OF EMPLOYEES OF THE HOUSE PRESS GALLERY

Mr. ANNUNZIO, from the Committee on House Administration, reported the following privileged report (Rept. No. 94-415), which was referred to the House Calendar and ordered to be printed:

HOUSE REPORT NO. 94-415 PROVIDING FOR THE ADJUSTMENT OF SALARIES OF EMPLOYEES OF THE HOUSE PRESS GALLERY

[To accompany H. Res. 645]

The Committee on House Administration, on July 29, 1975, having under consideration H. Res. 645, a quorum being present, by a roll call vote of 12 ayes and 2 nays, do report this resolution with a recommendation that the resolution do pass.

PURPOSE

Currently there exists a material differential between the salaries paid to the House Press Gallery employees and their counterparts in the Senate Press Gallery.

The Chairman and the Members of the Standing Committee of Correspondents who administer both press galleries have requested that the Committee on House Administration take steps necessary to correct this inequity.

H. Res. 645 provides for salary adjustments effective July 1, 1975 to make an equitable correction of the imbalance and between the salaries of House Press Gallery employees and those of their Senate Press Gallery counterparts. The following increases in salaries are provided in H. Res. 645:

(1) The Superintendent of the House Press Gallery shall be $2,712.00 per annum.

(2) The First Assistant Superintendent of the House Press Gallery shall be $1,275.00 per annum;

(3) The Second Assistant Superintendent of the House Press Gallery shall be $2,210.00 per annum;

(4) The Third Assistant Superintendent of the House Press Gallery shall be $595.00 per annum; and

(5) The Fourth Assistant Superintendent of the House Press Gallery shall be $510.00.

Estimated annual cost for these increases is $7,302.

State under clause 2(1)(3) of Rule XI of the Rules of the House of Representatives:

A. Oversight statement: No special oversight findings were necessitated as a result of consideration of this resolution.

B. Budget statement: No budget statement is submitted.

C. Estimate of the Congressional Budget Office: No estimate or comparison was received from the Director of the Congressional Budget Office as referred to in subdivision (C) of Clause 2(1)(3) of House Rule XI.

D. Oversight findings and recommendations of the Committee on Government Operations: No findings or recommendations of the Committee on Government Operations were received as referred to in subdivision (d) of clause 2(1)(3) of House Rule XI.

PERSONAL EXPLANATION

Mr. DENT. Mr. Speaker, on rollcall 450 I was on the floor of the House and voted "aye" on the electronic device. My vote was not recorded. I ask that my statement be placed in the RECORD.

CONSUMER PRODUCT SAFETY COMMISSION IMPROVEMENTS ACT OF 1975

Mr. VAN DEERLIN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 6844) to amend the Consumer Product Safety Act, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from California.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 6844, with Mr. BERGLAND in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, the Clerk had read through section 1 of the committee amendment in the nature of a substitute ending on page 9, line 25.

If there are no amendments to section 1, the Clerk will read.

The Clerk read as follows:

AUTHORIZATION OF APPROPRIATIONS

SEC. 2. Section 32(a) of the Consumer Product Safety Act (15 U.S.C. 2081(a)) is amended to read as follows:

"(a) There are authorized to be appropriated for the purposes of carrying out the provisions of this Act (other than the provisions of section 27(h) which authorize the planning and construction of research, development, and testing facilities) and for the purpose of carrying out the functions, powers, and duties transferred to the Commission under section 30, not to exceed—

"(1) $51,000,000 for the fiscal year ending June 30, 1976;

"(2) $14,000,000 for the period beginning July 1, 1976, and ending September 30, 1976;

"(3) $60,000,000 for the fiscal year ending September 30, 1977; and

"(4) $68,000,000 for the fiscal year ending September 30, 1978.".

Mr. VAN DEERLIN (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendment in the nature of a substitute be considered as read, printed in the RECORD, and open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. BROYHILL. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard. The Clerk will read.

The Clerk continued to read section 2 of the committee amendment in the nature of a substitute.

Mr. VAN DEERLIN (during the reading). Mr. Chairman, I ask unanimous consent that section 2 of the committee amendment in the nature of a substitute be considered as read, printed in the RECORD, and open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. Are there any amendments to section 2?

If not, the Clerk will read section 3.

The Clerk read as follows:

LIMITATIONS ON JURISDICTION

SEC. 3. (a) Section 2(2) of the Poison Prevention Packaging Act of 1970 (15 U.S.C. 1471(2)) is amended (1) by striking out subparagraph (B), and (2) by redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively.

(b) Section 3(a)(1)(D) of the Consumer Product Safety Act (15 U.S.C. 2052(a)(1)(D)) is amended by striking out "economic poisons" and inserting in lieu thereof "pesticides".

(c)(1) Section 2(f)2 of the Federal Hazardous Substances Act (15 U.S.C. 1261(f)(2)) is amended by inserting before "but such term" the following: "and nor to tobacco and tobacco products,".

(2) Section 3(a)(1) of the Consumer Product Safety Act (15 U.S.C. 2052(a)(1)) is amended (A) by inserting "other" before "limitations" in the last sentence thereof and (B) by inserting before such sentence the following: "Except for the regulation under this Act or the Federal Hazardous Substances Act of fireworks devices or any substance intended for use as a component of any such device, the Commission shall have no authority under the functions transferred pursuant to section 30 of this Act to regulate any product or article described in subparagraph (B) or (E) of this paragraph, or described, without regard to quantity, in section 845(a)(5) of title 18 of the United States Code.".

(d) The second sentence of section 30(a) of the Consumer Product Safety Act (15 U.S.C. 2079(a)) is amended by (1) striking out "of the Administrator of the Environmental Protection Agency and"; and (2) striking out "Acts amended by subsections (b) through (f) of section 7 of the Poison Prevention Packaging Act of 1970" and inserting in lieu thereof "Federal Food, Drug, and Cosmetic Act (15 U.S.C. 301 et seq.)".

Mr. VAN DEERLIN (during the reading). Mr. Chairman, I ask unanimous consent that section 3 of the committee amendment in the nature of a substitute be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

AMENDMENT OFFERED BY MR. M'CLORY

Mr. McCLORY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MCCLORY: On page 11, line 15, after the word "device," insert the following new language: "and, notwithstanding any other provision of law, except for regulation of defective firearms or ammunition and labeling of firearms or ammunition,".

Mr. McCLORY. Mr. Chairman, I expected my colleague, the gentleman from Michigan (Mr. CONYERS), to offer this amendment. I did not see him on the floor at the time section 3 was being read, but this is an amendment that I know he intended to offer and would support.

The amendment would merely provide an exception with regard to ammunition and firearms, so that the Product Safety Commission would not be deprived of its control of defective ammunition and firearms and retain its right to require accurate labels with regard to ammunition and firearms. For instance, if it is a .38 bullet that is packaged and sold as ammunition, the manufacturer could not mislabel it as a .22 or a .45.

The Commission would also have control with regard to the question of defective materials, defective firearms, or defective ammunition. That is the sole intent of this amendment.

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. McCLORY. Yes; I yield to the gentleman from Texas.

Mr. KAZEN. The law at this time does not in any way deal with arms or ammunition, am I right?

Mr. McCLORY. My understanding is that it deals with products, that is, manufactured products, and that it would cover ammunition and firearms as well.

The sole purpose of this amendment is to indicate that the exemption which is provided in the bill is not intended to deprive the Commission of authority with regard to defective materials or mislabeling.

They do have broad authority with regard to labeling, as I understand it; and we would not want deceptive, misleading, or inaccurate, or false labels that would work to the disadvantage and misfortune of the consumer.

I would like to say furthermore that the Subcommittee on Crime, which the gentleman from Michigan (Mr. CONYERS) and I serve on—he serves as the chairman, I as the ranking member—is endeavoring to produce some kind of meaningful legislation with respect to gun control.

In that area we do not want to be deprived of any of our authority by any legislation which would do that.

Mr. KAZEN. Does the gentleman think that by this amendment he will in any way give this Commission the right to declare firearms or ammunition as hazardous substances?

Mr. McCLORY. As what, may I ask the gentleman?

Mr. KAZEN. Hazardous substances.

Mr. McCLORY. I think the intent is to see to it that the Commission retains its jurisdiction with regard to authority over labels, and with regard to the description of materials that are contained in packages, including ammunition or anything related to firearms.

Mr. KAZEN. Mr. Chairman, if the gentleman will yield for another question, Is this amendment offered pursuant to a court decision that gave this Commission the right to regulate arms and ammunition? I am opposed to gun control and especially when it is done in an indirect manner as I suspect is being attempted with this amendment.

Mr. McCLORY. No, no. This has nothing to do with any court decision. This is just to make it plain that the Commission's authority relates to labels, that it has authority to require accuracy with respect to labels, and accuracy in the description of materials and would relate to product safety in that respect.

Mr. CONYERS. Mr. Chairman, will the gentleman yield?

Mr. McCLORY. Yes; I am happy to yield to the gentleman from Michigan.

Mr. CONYERS. Mr. Chairman, I thank my colleague, the gentleman from Illinois (Mr. MCCLORY), for yielding.

The answer to the gentleman's question that initially triggered this colloquy is "yes." This bill does contain language that would eliminate ammunition and firearms from the Commission's jurisdiction. Our amendment would merely retain that amount of jurisdiction sufficient for dealing with the questions of labeling firearms or ammunition. It does not go to the question of hazardous substances, as the gentleman, I think, is concerned about.

It is consistent fully and in every respect with the main purposes of this legislation. It merely provides that the Consumer Product Safety Commission would be, in fact, eligible to pass judgment on the labeling considerations, and that is the sole purpose for which this amendment is offered.

Mr. McCLORY. Let me explain further that this would not give any authenticity to the court decision which related to the authority of the Consumer Product Safety Commission to declare ammunition a hazardous substance. It is not related to that at all. It has only to do with the labeling and description of materials and not with respect to that case.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. McCLORY. Yes, I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, I thank the gentleman for yielding.

I, too, am a member of the Judiciary Subcommittee currently conducting hearings on the subject of gun control. There is a definite feeling on the part of many of us that we would prefer that the Consumer Product Safety Commission had nothing whatsoever to do with firearms or ammunition and that whatever this body does, ultimately the legislation will come out of our subcommittee and it will be direct, not indirect, as this capricious amendment would be.

I question the need of an amendment of this type. The Congress has been on record opposing any jurisdiction of the Consumer Product Safety Commission over firearms or ammunition. Yet, by the back door, a Federal court ordered that hearings be conducted by CPSC by the device of labeling ammunition as a hazardous substance. In this legislation, we are making sure, by appropriate language, that the CPSC not be allowed in any way to harass by regulations those who sell firearms or ammunition. We must always be alert to amendments of this type which seem innocuous on their face, but can be used to drive a truck through a crack in the wall. I would say to my friend from Illinois that his amendment runs against the sentiment of this House and would be an undue interference with those law-abiding Americans who own firearms and are no threat to anyone.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. McClory) has expired.

(By unanimous consent, Mr. McClory was allowed to proceed for 2 additional minutes.)

Mr. McCLORY. Mr. Chairman, I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, I thank the gentleman for yielding to me.

As the gentleman noted our Judiciary Subcommittee has had extensive hearings, and there is no doubt that there will be some legislation forthcoming. The Members will have an opportunity to vote upon this issue, to debate the merits of your proposal and hopefully to turn them down. The concern here is that once this bureaucratic agency gets their nose under the tent, so to speak, they can go on from there and expand their jurisdiction much further than the intent of the gentleman's amendment. I would have hoped the gentleman would not have offered this amendment, but since he has I must respectfully oppose it as vigorously as I can. The battle against those who would restrict the right to peacefully own and use a firearm takes many shapes in many forums and many battlefields. We must always be alert to these efforts to take away these basic rights by any tactic.

Mr. McCLORY. Mr. Chairman, it was my hope the committee would accept the amendment because it relates only to the question of defective materials and does not relate to the authority of the Commission to bar or ban materials including ammunition and firearms.

Mr. RANDALL. Mr. Chairman, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from Missouri.

Mr. RANDALL. Mr. Chairman, I wish the gentleman from Illinois would answer the question posed by the gentleman from Texas: Are we going down this road again on the question of ammunition and hazardous material? Is that the purpose of this amendment?

Mr. McCLORY. No, no. The amendment is really to not deprive the Product Safety Board of the authority to regulate defective ammunition and firearms, so we want to make sure the labelings are accurate, so that the person purchasing the product will not be deceived by false labeling, and to see that it is entirely consistent with the entire purpose of the Product Safety Act.

Mr. RANDALL. Is the gentleman talking about a gun label?

Mr. McCLORY. I mean if, for instance, the ammunition is mislabeled, if they are labeled as blanks, and actually they are real bullets, that would be a deceptive description on a label, and the product would be defective. I think the Commission should have the authority in such cases.

Or, if a gun is labeled as a cap gun, and actually it is a pistol the Commission would retain jurisdiction of such case.

Mr. Chairman, I support the concept of removing jurisdiction to Consumer Product Safety Commission from ruling on handgun ammunition because the question of handgun control is one currently before the Subcommittee on Crime, and will be considered soon by the House. It is the Congress which should determine the question of gun control, not an executive agency. The Congress will be considering just such legislation very soon, when the Subcommittee on Crime finishes its lengthy hearings and reports out a bill.

However, Mr. Chairman, in H.R. 6844 the amendment which divests the Consumer Product Safety Commission of jurisdiction over firearms and ammunition goes too far. It completely exempts firearms and ammunition from all regulation including the labeling of ammunition packages which alert purchasers and handlers, and including the regulation of defective ammunition and firearms.

Therefore, although the concept of removing jurisdiction is one which I support, there are some instances in which the Commission can appropriately exercise its authority for the safety and welfare of the citizens of the United States.

Consequently, Mr. Chairman, I am offering an amendment to the Consumer Products Safety Commission Improvements Act of 1975, H.R. 6844 which would retain jurisdiction in the Committee to regulate the labeling of firearms and ammunition and regulate defective firearms and ammunition.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. DINGELL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the amendment that is now before us is just simply an attempt to put the Consumer Product Safety Commission back in the business of regulating firearms and ammunition through the back door. That is exactly what it is.

When the original legislation was passed setting up this particular Commission I was one of the sponsors, and one of the friends of the legislation. Throughout the history of it I have been one of those who has sought to assist and sustain this Commission. In the drafting of the original legislation we put in there an express prohibition against them getting their nose into the business of regulating firearms and ammunition.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to my friend, the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, the gentleman from Michigan is absolutely correct. The definition in the present statute in section 3–E exempted any article which if sold by a manufacturer, producer, or importer, would be subject to a tax imposed under section 4181 of the Internal Revenue Code, et cetera.

Mr. DINGELL. That is correct.

Mr. ECKHARDT. Which are firearms and ammunition.

Mr. DINGELL. And we expressly drew it that way. I want to commend my friend, the gentleman from Texas, because we excluded firearms and ammunition which are regulated by the Treasury Department, the Bureau of Alcohol, Tobacco, and Firearms Taxes.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, I might state that I was not in the Congress at that time, but from a study of the Congressional Record at that time I know there was an amendment offered on the House floor similar to this amendment, and it was voted down. So that it was the clear intent of the Congress to keep the Consumer Product Safety Commission out of the gun and ammunition business.

Mr. DINGELL. The gentleman is absolutely correct.

Mr. SYMMS. I believe it was the gentleman from New York (Mr. Bingham) and the gentleman from Missouri (Mr. Randall) who argued the point that this was not intended to be gun control, and the gentleman made his case very articulately on our side, I might say.

Mr. DINGELL. The gentleman is absolutely correct.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from California.

Mr. LAGOMARSINO. I thank the gentleman for yielding.

I would like to commend the gentleman in the well for his statement. I think this is a perfect example of not the bureaucracy in this case particularly but the courts misconstruing congressional intent. If we adopt this amendment, we are going to be giving them a big door to drive another truck through, and we will be back here facing the issue again.

Mr. DINGELL. The gentleman is correct. The subsequent history was that the Consumer Product Safety Commission considered a petition regulating the sale of bullets and ammunition for handguns. After the Commission, upon consideration of the matter, refused to act, the courts proceeded to review that action, and they said despite the intent of the Congress to the contrary, that the Consumer Product Safety Commission should proceed to engage in regulation of ammunition and bullets for handguns.

What has subsequently happened is when this matter came up to the Congress, the Chairman of the Consumer Product Safety Commission himself said, that the agency did not want the authority over firearms and ammunition in the Commission. Yet through some curious circumstance, which nobody can explain, staffers from the Consumer Product Safety Commission came sneaking up here on the hill and got language something like this inserted into the subcommittee draft of the legislation which we are now considering. When the matter was presented to the full committee, the committee by an overwhelming vote, citing the fact that it was not the intention that the Consumer Product Safety Commission should have authority over this subject, proceeded to remove the offensive language from the bill.

Here we find the same legislation is before us again. The amendment would require the Commission, despite its avowed protest that it does not want authority over firearms and ammunition, despite the original legislation in the Congress which prohibited it from engaging in that activity of regulating firearms and ammunition, to engage in regulation of firearms and ammunition and labeling thereof. The amendment puts a protesting reluctant agency into matters regulated by another agency, the Bureau of Alcohol, Tobacco, and Firearms Taxes, in the Department of the Treasury.

Let us take a look at the amendment, and with all due respect to the gentleman from Illinois who is the author of it, it is a bad amendment. What it does is it says this:

> . . . and, notwithstanding any other provision of law, except for regulation of defective firearms or ammunition and labeling of firearms or ammunition . . .

That put Consumer Products Safety Commission in the business of running a national firearms proof house. They will be testing firearms and ammunition, harassing sportsmen, firearms dealers and manufacturers and citizens. The amendment gievs C.P.S.C. the right to test every firearm and every round of ammunition and to issue all manner of regulations, harassing the firearms manufacturers, harassing sportsmen, harassing licensed firearms dealers, and generally getting their nose into things that the Congress said they should not get their nose into when we set up the Consumer Product Safety Commission.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. DINGELL was allowed to proceed for 3 additional minutes.)

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Texas.

Mr. ECKHARDT. I thank the gentleman for yielding.

I think that the gentleman in the well has well expounded the case in this matter. I would like to say, though, that with respect to the lawsuit, and in behalf of the court, what the court was really saying was that arguably the question of regulation of defective ammunition, as I recall, might be controllable by the Hazardous Substances Act, which is an act enveloped in this act. So that the court did not say that this is necessarily within the jurisdiction of the Commission but merely that the Commission should consider the issue as to whether or not to issue a rule.

Mr. DINGELL. The gentleman is correct.

Mr. ECKHARDT. That is about all the court has said, and I do not think we ought to further tamper with this act by legislation at this point.

Mr. DINGELL. I agree with the gentleman. The Commission initiated the proceedings, and they did not go any further.

Mr. KETCHUM. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from California.

Mr. KETCHUM. I thank the gentleman for yielding.

I want to associate myself with the remarks of the gentleman in the well.

Mr. Chairman, I would like to take the opportunity to express my strong support for section 3 of the Consumer Product Safety Commission Improvements Act of 1975, specifically the provisions removing the jurisdiction of the Commission over handguns or ammunition.

As most Members are probably aware, in June of 1974, the Committee for Hand Gun Control petitioned the Consumer Product Safety Commission to consider adoption of a rule to ban handgun bullets as a "hazardous substance." The Commission wisely decided to deny the petition, realizing that it had no congressional authority to regulate firearms. In the Commission's own words:

> The practical effect of the requested ban on handgun bullets, if successful, would be a virtual ban of handguns. There is clearly no authority under any act which the Commission administers to regulate handguns.

The Commission's ruling was reversed by a Federal district court decision, which ordered the Commission to consider the petition. Publication of the petition in the Federal Register resulted in 299,500 letters received by the Commission in oppositon to the ban, while only 500 letters were received in favor.

The threat of "backdoor" gun control aroused great concern not only among the public but also in Congress. Close to two dozen bills in both the House and Senate were introduced to prohibit the Consumer Product Safety Commission from restricting the manufacture or sale of firearms, firearm ammunition, or components of firearm ammunition. As a sponsor of one of these bills, I highly commend the Committee on Interstate and Foreign Commerce for including language in H.R. 6844 that would accomplish this goal.

The issue of gun control is one which must be decided by Congress, as the elected representatives of the people. It would be an absolute outrage to give this kind of authority to a Federal bureaucracy. I strongly urge my colleagues to give their support to this important provision of H.R. 6844.

Mr. McCLORY. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Illinois.

Mr. McCLORY. I thank the gentleman for yielding.

I just want to point out that the Bureau of Alcohol, Tobacco, and Firearms has nothing to do with regard to defective ammunition or firearms and has no control over that. Their sole function is with respect to licensing. We have consulted with counsel for the Bureau, and they say that they have no authority such as is contained in this amendment which I am offering which relates solely to the defective nature or the labeling of ammunition and firearms. I should think this would be supported by the gun lovers myself.

Mr. DINGELL. Speaking as one of the sportsmen and hunters to which the gentleman refers, I find it intensely obnoxious. But even beyond that, the fact that the BATF does have authority to regulate firarms and ammunition sales and related matters and does not have authority to go into the questions raised by this amendment, there is no sense of putting such authority into the Consumer Product Safety Commission. The Chairman of the Consumer Product Safety Commission says the Commission does not want the authority. This is a matter on which the Congress has spoken many, many times, and in each instance where the question has been befor use, we have said they shall not have this authority.

Mr. Chairman, I urge my colleagues to reject this outrageous amendment.

Mr. McCOLLISTER. Mr. Chairman, I rise to speak in opposition to the amendment and I move to strike the requisite number of words.

Those of us who were members of this subcommittee in 1972 in the 92d Congress thought we had dealt conclusively with the subject at that time. It was with considerable shock that the Court decision made us realize that the language then was open to a some different interpretation.

The gentleman from California (Mr. Van Deerlin) and I thought we had dealt conclusively with the matter in the subcommittee markup of this bill and found when we got to the full committee that there was an amendment to be offered by the gentleman from Michigan (Mr. Dingell) which upon reflection proved to be a better way to handle the matter.

Because we cannot here judge how the courts in the future are going to rule on this I would hope that the committee would vote overwhelmingly, and I shall ask for a recorded vote on this matter so that there can be no doubt remaining that it is not the intention of this committee or this House to incorporate in any product safety legislation any authority vested in the Consumer Product Safety Commission to deal with the sale or use of hand guns or ammunition in any way.

I think that is more properly the function of another committee and that we ought not to deal with it here. We have had no hearings on this subject. We should not deal with it.

Mr. CASEY. Mr. Chairman, will the gentleman yield?

Mr. McCOLLISTER. I yield to the gentleman from Texas (Mr. Casey).

Mr. CASEY. Mr. Chairman, I commend the gentleman for his statement and I associate myself with his remarks and the remarks of the gentleman from Michigan.

I think the committee was wise in reporting the bill which it did. I think there is no place in this bill for something as new and as wide open as this amendment for ammunition or firearms because I think, as the gentleman from Michigan said, it opens the door for more paper work and more regulation that are not needed and furthermore do not belong in this bill because as the gentleman stated the Commission does not want it.

Mr. RANDALL. Mr. Chairman, will the gentleman yield?

Mr. McCOLLISTER. I yield to the gentleman from Missouri (Mr. Randall).

Mr. RANDALL. Mr. Chairman, I do hope we are successful in getting a recorded vote on this to make it clear where we are on this thing.

There is no quarrel as far as I know with anybody here with the idea that if we are going to deal with gun control we should do it directly and in the proper committee and face up to it clearly and let those who want to take that course express themselves directly and not take this backdoor route.

I commend the gentleman for his stand.

Mr. McCOLLISTER. I thank the gentleman for his statement.

Mr. McCLORY. Mr. Chairman, will the gentleman yield?

Mr. McCOLLISTER. I yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Chairman, there is nothing in this amendment or the text of this amendment which relates to the use or sale of firearms of any kind. It relates to the defective nature of ammunition and firearms and the labeling and it seems to me that these products should be labeled the same as other products for the protection of consumers.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. McCOLLISTER. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, I commend the gentleman from Nebraska. I agree with him completely. The other body rejected this same approach in an amendment offered by the Senator from Massachusetts, and rejected it by an overwhelming vote of 11 to 75 against it.

So even if we should by some stark chance of ill fate pass this today it would be removed in the other body anyway.

I would hope the House would take the same action as the other body.

Mr. RONCALIO. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

Mr. Chairman, nothing in the 10-year span of my career as a lawmaker from Wyoming matched in volume or intensity the public furor, not necessarily emotional reaction, but deep, intense, resentment from so many citizens of my State that occurred upon the judicial ruling on cause of the action made possible by this legislation Congress passed 3 years ago.

I believe it is, as the gentleman from Michigan (Mr. Dingell) and others stated, an attempt to continue that semblance of authority which would give this Commission jurisdiction in a field it does not belong in, and where the chairman said he does not wish to participate.

I hope we recognize in America the need now to deregulate, and debureaucratize this Nation. We might as well begin now. OSHA, ICC, BIA, the Federal Power Commission, the Federal Trade Commission and all commissions created over 30 years ago, most of whom have outlived their usefulness, or are now the handservants of the interests they were created to regulate.

Let us reassert regulations of financing and interest charging of bank interest rates which are now oppressive to the consumers of America. Let us not worry ourselves about the quality of ammunition and what is on the ammo box. Most people who buy ammunition can tell the difference between a .22 round and a .38 special no matter what is written on the box. Most people can sign a simple criminal complaint if defrauded, and one phone call to the district attorney will often take care of the complaints in most areas of America.

We should defeat this amendment. We should defeat the bill and then abolish regulatory agencies as fast as we can, save and except the costs of energy products, and the costs of money. All else in Washington today is largely make-work, and a tyranny of paperwork.

Mr. PEYSER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to this amendment, but for perhaps a different reason than has been stated. I would hate to see this amendment be passed and on some basis have the people think that we have now enacted some gun control legislation, because obviously we would not have, it is equally obvious that this Congress has been dragging its feet for a long time in trying to enact some handgun control legislation that we desperately need in this country. I am speaking now of the so-called Saturday-night specials, the type of weapons that are killing our police, that are killing citizens all over this country. I am not talking about sportsmen or their use of weapons.

Mr. Chairman, I just returned last week from the International Police Conference Association meeting in Seattle. At that conference one of the key measures that that police organization, which represent police forces throughout our country, were really concerned about and wanted Congress to move on was handgun control. This is a big change from where the police organizations were years ago, but when we see the statistics of the number of policemen killed with handguns, it is outrageous that we have not done something; so I do not want this amendment to pass on a theory that maybe we have done something about the Saturday-night specials.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, I was most interested when the gentleman said that policemen in this country want a strict gun control. I do not see any such statistics. Where did the gentleman get his information?

Mr. PEYSER. I call attention to the action at the International Police Conference Association 2 weeks ago in Seattle calling for the absolute control of handguns by the Congress.

Mr. ASHBROOK. Mr. Chairman, would the gentleman allow me to respond to that?

Mr. PEYSER. I yield to the gentleman.

Mr. ASHBROOK. It is amazing how sometimes we lose track of the rank and file. I could cite at least a dozen big city police force statements; take Chicago, for example. The police chief, Mr. Rochford, was for gun control, but the policemen themselves are 77 percent against the statement of Chief Rochford. I think we will find the same thing in police department after police department.

Mr. PEYSER. The only thing I can tell this House is what happened 2 weeks ago in Seattle where there was overwhelming support for handgun control.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, I think the gentleman has put his finger exactly on the point. If this is for the purpose of controlling handguns, it is so weak it would be ineffective. What might be sold as something that is effectual, but I do not think we need to regulate defective firearms. I am worried about those that toot the horn that this is effective. It would be an awful mistake to label a handgun, "Please do not store in the glove compartment when approaching a tavern."

That would not do much good, I think, from anybody's standpoint. This is a most indirect way to get to a problem that is of great importance.

Mr. HANSEN. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from Idaho.

Mr. HANSEN. Mr. Chairman, I would just like to say with regard to who is for and who is against among law enforcement people, I have sent petitions out throughout my district to law enforcement people per se, and find that generally the rank and file of police chiefs, sheriffs, and officers up and down the line do not feel that gun controls are a viable way to control crime.

Mr. PEYSER. I would like to say to the gentleman that the group I was with, and was privileged to be with, represents most of the organized police forces of this country. They were very concerned about it, and I personally cannot see, how we can continue to justify the use of the Saturday night special without any controls, it is inexcusable. I am not picking on the chairman of the committee who is sititng there—but I am hopeful that we are going to get action out of this Congress and move the handgun control bill this year.

Mr. McCLORY. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Chairman, I would just like to point out that this is not a substitute for gun control legislation. We have held extensive hearings both here in Washington and around the country. We are going to come in with a bill which, in my opinion, will be a moderate bill but which, nevertheless, will provide the handgun control and the kind of improvements in the gun control legislation in order for us to help reduce crime in America.

Mr. VAN DEERLIN. Mr. Chairman, this is a very important bill, and in keeping with the leadership's plans, we hope to complete action on it by 6:30 p.m.

Mr. Chairman, I ask unanimous consent to set a 20-minute time limitation on this amendment and all amendments thereto.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. MIKVA. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. EVANS of Indiana. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Consumer Product Safety Commission Improvements Act of 1975.

Mr. Chairman, I have received more letters from my constituents on the issue of banning handgun ammunition as a hazardous substance than perhaps any other matter. The people in the sixth district were irate that the Commission was considering, in effect, handgun control by a back-door method.

I am, therefore, pleased to see that the committee has specifically removed the Commission's jurisdiction to exercise any regulatory authority over handguns or ammunition under the Federal Hazardous Substances Act, or any other act administered by the Commission.

In fairness to the Commission, I wish to point out that the petition filed by the Committee for Handgun Control was not a matter which the Commission was enthusiastic about taking on. In fact, the Commission took no action on it until ordered to do so by a Federal district court.

However, the fact remains that an attempt was being made to bring about gun control by regulation, rather than public law. Gun control is an issue that ought to be discussed openly and forthrightly by the Representatives of the people, rather than a handful of Government employees.

Mr. CONYERS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman and Members of the Committee, I rise to support this amendment. I am frankly surprised at the arguments that have been leveled against it. I think that there is going to be plenty of time in this session for us to debate the merits of whatever one has in mind in connection with firearms regulation, but please, let us not confuse that very emotional issue with the rather simple matter that is before this body today; that is, whether or not in removing the certain jurisdiction from the Consumer Product Safety Commission, we will also remove their ability to deal with the labeling of ammunition and firearms and the regulation of defective ammunition and firearms.

Members of the Committee, the functions properly belong in the Consumer Product Safety Commission. I do not think we need to flip out in talking about back door legislation and gun control, because if those Members who are opposed to further gun controls think they are stopping it by killing this amendment, then they seriously misperceive the problem.

On the other hand, if we do think the Consumer Product Safety Commission, even though we have determind that they will no longer have jurisdiction to regulate ammunition and firearms, would have the logical prerogative to rule on labeling questions and on questions of regulating firearms and ammunition, then we have only a very elementary responsibility here, which is to vote for this amendment.

There are Members on this floor who have not previously objected to this amendment but who are now vociferously opposed to it. Some are now interpreting what the court decision has to do with this amendment. This has nothing to do with it. There is no existing bureau of the Government that has jurisdiction over the labeling of ammunition and protecting the firearms and ammunition consumer from defective products.

The Bureau of Alcohol, Tobacco, and Firearms does not, as my colleague from Illinois pointed out so correctly, have that prerogative. In fact, in the area in which they have the most extensive control, explosives, they are especially prohibited from regulating small arms and ammunition. What we are doing now, as one of the gentleman in the well earlier said, is that by denying CPSC this limited authority, we are leaving it up to local prosecutors to prosecute people who may or may not comply with the provisions. I do not think that is adequate. I think we can, at least, without conceding any of our legislative prerogatives, support such an amendment.

It is my decision to support this legislation because I think, quite properly, that the question of firearms regulation should not be left to an executive agency. It is my judgment that this is a question of significant moment and should reside in the legislature. But the question of controlling the labeling of such firearms ammunition is clearly within the province of the Consumer Product Safety Commission, regardless of the statements that were made before, and I urge the Members to support it.

Mr. McCLORY. Mr. Chairman, will the gentleman yield?

Mr. CONYERS. I yield to the gentleman from Illinois.

Mr. McCLORY. I thank the gentleman for yielding.

Mr. Chairman, the gentleman, as chairman of the Subcommittee on Crime, is conducting very fair and very extensive hearings with regard to gun control legislation, receiving testimony from all of the various elements that are involved in this subject, and it is my hope and expectation to join with the gentleman in some moderate, reasonable, rational approach to this subject to help close up the loopholes in the 1968 law and bring an effective program against crime, not interfering with the law-abiding citizen, the gun owner, the small gun owner, and the handgun owner, even, but a program which will be rational and directed against the persons and criminals who misuse the handguns.

Mr. Chairman, it would seem to me that this amendment we are offering today is clearly a protection to the consumer and the person who purchases the ammunition or purchases a gun, that he will have the benefit of the Product Safety Commission, not to outlaw, not to regulate, but only to be sure the labeling is accurate and the description of the material will not be false or misleading.

Mr. CONYERS. Mr. Chairman, may I point out to my colleagues that in no way could this amendment be construed to allow the Consumer Product Safety Commission to move ahead in areas unrelated to labeling and controlling the consumption of defective products. The whole bill here precludes that.

The CHAIRMAN. The time of the gentleman has expired.

(On the request of Mr. EVANS of Colorado, and by unanimous consent, Mr. CONYERS was allowed to proceed for 2 additional minutes.)

Mr. EVANS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. CONYERS. I yield to my colleague.

Mr. EVANS of Colorado. I thank my colleague for yielding.

Mr. Chairman, I have heard some of the colloquy here, as it relates to ammunition and labeling. What is the problem?

Mr. CONYERS. The problem is that under this present piece of legislation, H.R. 6844, unless the amendment offered by the gentleman from Illinois is accepted, the Consumer Product Safety Commission will no longer have the authority to regulate the labeling of firearms and ammunition and control defective firearms and ammunition.

Mr. EVANS of Colorado. If the gentleman will yield further, is there a problem in relation to the labeling of firearms ammunition?

Mr. CONYERS. It has not been a problem in the past because this Commission has had that prerogative, and has exercised it to prevent dangerous and defective products from being offered for sale.

Mr. EVANS of Colorado. If the gentleman will yield further, I cannot understand why that would be included if there has been no problem.

Mr. CONYERS. It has not been any problem because they have had the jurisdiction to prevent it from becoming a problem, sir.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield on that point?

Mr. CONYERS. I yield to the gentleman from Texas.

Mr. ECKHARDT. I thank the gentleman for yielding.

Mr. Chairman, the Commission has never had that authority. The only way the court brought the question in was because the Hazardous Substances Act did not have a specific exclusion, and it was brought under the aegis of the Commission, which was a newly created body, and there was a specific exclusion in the Commission's act.

Mr. CONYERS. May I point out to my colleague from Texas that there is no agency or commission that has this authority now. If we do not have this in the legislation by virtue of the McClory amendment, there will be no agency having this authority, and I think it is extremely important that the CSPC be left with some discretion in this limited area to protect the interests of the general consuming public.

Mr. EVANS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. CONYERS. I yield to the gentleman.

Mr. EVANS of Colorado. I thank the gentleman for yielding.

Mr. Chairman, it seems to me if we do not have a problem—and I have heard nobody talk about labeling ammunition or packaging ammunition—if we do not have the problem, why, for heaven's sake, is the gentleman bringing in something about which there is no problem?

Mr. CONYERS. Mr. Chairman, if the gentleman does not think that ammunition is serious or dangerous enough to be properly labeled to protect consumers and he cannot conceive of a problem without perfunctory regulation, I am sure he will not support the amendment.

Mr. EVANS of Colorado. Mr. Chairman, if the gentleman will yield, there is no problem that I know of about labeling ammunition.

Mr. CONYERS. Mr. Chairman, if the gentleman will just relax, I will repeat that if the gentleman does not perceive a problem in this regard, he should not support the amendment.

Mr. EVANS of Colorado. The gentleman is exactly right. I do intend to vote against the amendment.

Mr. MIKVA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I intend to support this amendment, but only because of some of the discomfiture it causes some of the people who are so violently opposed to it.

I find it more than coincidental that the original trouble which my good friend, the gentleman from Colorado (Mr. EVANS), is asking about arose because one of the gun magazines hysterically announced that a previous session of Congress had given the National Consumer Product Safety Commission the authority to ban handgun bullets.

Well, the Commission did not know it had that authority, and the people did not know it had that authority until Guns magazine said, "Look what that terrible Congress did. They gave them that authority."

At that point a group of women—and a great many of them were from my congressional district, I am proud to say—went to the Commission and said, "As long as you have this authority, exercise it."

The last thing the Commission wanted to do was to exercise that authority, and they threw that hot potato as far away from them as they could.

These women went to court, and the Federal district court said, "Guns magazine said that is what Congress did, and as we read the debate on the floor of the House when the bill was passed, we find such confusion as to who was saying what to whom in the debate that we are unsure."

That sounds very similar to the debate that is going on today.

They said, "We think the Commission ought to take another look at this."

They promptly sent the case back to the Commission and ordered them to hold hearings to decide whether or not handgun bullets constituted a dangerous substance.

Mr. Chairman, let me say that as I have listened to the debate today, I think we have encouraged the same kind of confusion about what Congress means.

I happen to be strong for handgun legislation, but I do not expect to bring it about through this bill. I think the only time we are going to get meaningful and effective handgun legislation is when Congress faces up to its responsibility and recognizes that handguns are a very dangerous substance, indeed so dangerous that we ought not wait for a commission to regulate it, but we ought to have the courage to regulate it ourselves. It should not happen through the back door, it should not happen through the side door or the exit door or the alley door or whatever other door some Members are worried about. I do not think this bill, with or without the McClory amendment, is going to open up any such doors. I do not believe this amendment, if it is in the bill, can change the main thrust of the bill. The bill probably will give the Commissioners a chance to breathe a little easier than they are now breathing, and then maybe they again can get this hot potato off their backs.

Mr. Chairman, let me say one other thing about the so-called dangers of the McClory amendment. Those Members who are trying to make the amendment sound like something it is not, I think, are giving more fodder to the very forces that concern them so much, to those who are going to ask this Commission or some other commission to regulate handgun bullets. They should think for a moment what they are doing.

By turning down this amendment, are they saying to all their hunters that they do not care whether there is defective handgun powder being sold? Are they saying to all their hunters they do not care whether something is labeled as black powder when in fact it turns out to be TNT? Are they saying to all the legitimate sportsmen who use these products that they do not care how the manufacturers or retailers or wholesalers label these substances?

I must confess that some Members do such a good job of carrying the water for these hunters that I will let them decide how they should best be labeled. But it seems to me in fact that mislabeled ammunition and mislabeled powder are hazardous substances, and I think such labeling might be contrary to the interests of consumers.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. MIKVA. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, I thank the gentleman for yielding so that I may answer that question.

That is not what I fear at all, but what we are saying is that 6,674,000 cartridges were produced and sold in this country, and there was not one report of any instance of any defective ammunition.

We do not have people coming in and saying that they had some defective ammunition that blew up in the pantry.

All ammunition is labeled properly in this country, and it is already properly covered by the Bureau of Alcohol and Tobacco.

Mr. Chairman, there is no problem here. We do not need it. It is unnecessary.

Mr. VAN DEERLIN. Mr. Chairman, in spite of the high entertainment value of some of this colloquy, I ask unanimous consent that all debate on the McClory amendment and all amendments thereto end now.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mrs. SMITH of Nebraska. Mr. Chairman, I rise in opposition to the amendment by the gentleman from Illinois (Mr. McCLORY). We all know that it was never the intent of Congress that the Consumer Product Safety Commission become involved in the control of ammunition or firearms.

When the Commission was authorized in 1972, firearms and ammunition were specifically exempted from the definition of a consumer product, as they should be. It was not until the Consumer Product Safety Commission was called upon to administer the Hazardous Substances Act that any trouble developed. The

Commission was petitioned to ban handgun bullets as a "hazardous substance," and the Commission's ruling that it lacked jurisdiction was reversed by a Federal court, so the Commission was forced to consider the petition.

This precipitated an avalanche of mail not only for the Commission but for most congressional offices as well because gun owners were rightfully concerned about further restrictions on the right to own and use firearms for legitimate purposes. I daresay that my office received its fair share of these complaints.

Some have referred to this form of regulation as "back door" gun control and I think there is a great deal of validity to that designation. We have enough restrictive gun control legislation under consideration by the Subcommittee on Crime of the House Judiciary Committee. That is the proper forum to evaluate this issue. I was granted the privilege of testifying before the subcommittee and was able to register the sentiments of a majority of my constituents against Federal controls on the ownership and use of firearms by law-abiding citizens.

These people would not appreciate any effort to control firearms and ammunition through regulations of the Consumer Product Safety Commission—through the back door, if you will—especially after the Congress put itself on record that the Commission was not to consider firearms and ammunition within the definition of a consumer product.

Mr. Chairman, this is not the proper way to legislate on this issue. For that reason, I oppose the gentleman's amendment, and I hope it will be defeated.

Mr. BROYHILL. Mr. Chairman, I rise in opposition to the McClory amendment. Let us not turn jurisdiction over the question of firearms to a regulatory agency downtown. The Congress should retain jurisdiction over this issue. Let the elected Representatives make these decisions, not the bureaucrats.

Mr. BAUMAN. Mr. Chairman, I rise in opposition to the McClory amendment. In recent weeks there has been a wave of feverish attempts to disfigure H.R. 6844 in such fashion as to please the "antigun lobby." Fortunately, all such attempts have failed. For example, an amendment to S. 644, the other body's version of this bill failed to win passage and it would have legalized "backdoor" gun controls. The other body decided to support language which keeps ammunition and firearms out of the jurisdiction of the CPSC. Reflecting that same position, we have been presented a bill for our consideration which includes what has come to be known as the "ammunition" language of H.R. 6844. It is good language. I do not think it should be weakened by this amendment and I am not alone.

From all parts of Maryland, I have received letters, and telegrams and personal calls urging that the issue of gun control not be left to that unelected and unrepresentative council going by the name, the Consumer Product Safety Commission. From my discussions with many of my colleagues, I know that this wave of pro-second amendment sentiment reflects a discernible concensus of Americans who cherish their constitutional right to keep and bear arms. At least, they value it enough not to remain silent while a small group attempts to enter this right onto the endangered species list.

One such letter was sent to President Ford, and it comes from a small businessman in my district, Mr. Douglas S. Hope, of St. Michaels, Md. Mr. Hope is a good man, a hard-working man. Like most gun dealers I am personally acquainted with, he has never sold a so-called Saturday night special, nor will he ever do so. He recognizes that there are salesmen who do not think this way, but they are a minority. As Mr. Hope wrote in his letter to the President, attempts to wipe out this minority—like imposing an extremely high dealer-license fee or permitting the Consumer Product Safety Commission to impose limitless restrictions on dealers—will only succeed in destroying the livelihoods of men like Mr. Hope. He articulates this point better than I would even attempt, and with your indulgence, I would like to note two short paragraphs of his letter to President Ford, sent July 23:

> I think it obvious that there must be many small businesses around the country like mine which supply rural areas with all of their needs in the hardware, household and sporting goods areas—businesses which carry stock long guns (e.g., shotguns) and a few handguns as well as the ammunition for them. Rural customers should not be forced to go down to the City just to buy a box of shells with which to go hunting, or for a new shot gun for that young son who is learning to shoot skeet or hunt wild fowl. And as for hand-gun sales, which appear to be the main target of (anti-gun) legislation, if we small dealers do not supply the legal market for them, the person who wants one is going to get one even if he has to go to the City and buy a large gun-dealer's product, a dealer who is less particular about his customers and who can afford the $500. license fee (the Ford administration) is proposing in the attempt to reduce small hand guns.
>
> I realize the problem with the so-called "Saturday night Specials," a problem highlighted by many people who want something done about crime. I can see that laws which remove the cheaper, and potentially dangerous hand gun from circulation are needed. But why attack this problem by putting us small dealers out of business? Are we to be the sacrifices in this war of emotions? Must the Congress always legislate in such a fashion as to make the big businesses get bigger and the small businesses be regulated out of existence in this country?

Must we, indeed?

Back in 1972, when the Consumer Product Safety Commission yawned into existence, some Members expressed concern that the CPSC—if let loose—would impose "backdoor'" gun controls by administratively regulating such rules into existence in the bland but dangerous way agencies do these types of things. These concerned Members decided that Congress, the elected body of the people, rather than any one agency would make the law, which incidentally is the way the Constitution would also have it. And so, the language of that time is the language of today—vigilant language which does not define "gun" or "bullet," et cetera, in such a way as to foster an administrative orgy by the antigun people. It is the language expressed in H.R. 6844, and I would suggest that we preserve it, doing so as the most effective, available means of expressing the Congress intent that only elected representatives of the people will decide such controversial issues.

If the CPSC is in the business of speaking for consumers, then it should consider those consumers of handgun ammunition and firearms who have expressed overwhelming opposition to the proposed ban on handgun bullets. As of June 27 of this year, the CPSC received nearly 300,000 letters opposed to the ban of handgun bullets as opposed to 500 letters in favor. Your support of the present unmodified language in H.R. 6844 defining "handgun," "ammunition," and "firearm" illustrates support for the freedom of millions of Americans who use firearms for sport and when they must, for self-protection. The McClory amendment should be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. McClory).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. McCOLLISTER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 80, noes 339, not voting 15, as follows:

[Roll No. 452]

AYES—80

Abzug
Addabbo
Ambro
Anderson, Calif.
Anderson, Ill.
Annunzio
Ashley
Badillo
Biaggi
Bingham
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burton, Phillip
Chisholm
Clay
Collins, Ill.
Conyers
Daniels, N.J.
Delaney
Dellums
Diggs
Drinan
Edgar
Edwards, Calif.
Fary
Fascell
Fenwick
Findley
Fisher
Fraser
Giaimo
Gude
Harrington
Harris
Helstoski
Holtzman
Karth
Kastenmeier
Keys
Koch
Lehman
Long, Md.
McClory
Mazzoli
Metcalfe
Mezvinsky
Mikva
Minish
Mitchell, Md.
Moakley
Murphy, Ill.
Murphy, N.Y.
Nix
Ottinger
Rangel
Rees
Richmond
Rodino
Roe
Rosenthal
Rostenkowski
Roybal
Russo
Sarbanes
Scheuer
Seiberling
Simon
Solarz
Stark
Stokes
Studds
Tsongas
Vander Veen
Vanik
Waxman
Wolff
Yates
Young, Ga.
Zeferetti

NOES—339

Abdnor
Adams
Alexander
Andrews, N.C.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Aspin
AuCoin
Bafalis
Baldus
Barrett
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bennett
Bergland
Bevill
Biester
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Conte
Corman
Cornell

Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Davis
de la Garza
Dent
Derrick
Derwinski
Devine
Dickinson
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edwards, Ala.
Eilberg
Emery
English
Erlenborn
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fish
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Frenzel
Frey
Fuqua
Gaydos
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Green
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harsha
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Henderson
Hicks
Hightower
Hillis
Hinshaw
Holland
Holt
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Krebs
Krueger
LaFalce
Lagomarsino
Latta
Leggett
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Lott
Lujan
McCloskey
McCollister
McCormack
McDade
McDonald
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Meeds
Melcher
Meyner
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Mink
Mitchell, N.Y.
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Passman
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Regula
Reuss
Rhodes
Riegle
Rinaldo
Roberts
Robinson
Rogers
Roncalio
Rooney
Rose
Roush
Rousselot
Runnels
Ruppe
Ryan
St Germain
Santini
Sarasin
Satterfield
Schneebeli
Schroeder
Schulze
Sharp
Shipley
Shriver
Shuster
Sikes
Sisk
Smith, Iowa
Smith, Nebr.
Snyder
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Stuckey
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Treen
Ullman
Van Deerlin
Vander Jagt
Vigorito
Waggonner
Walsh
Wampler
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Winn
Wirth
Wright
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Tex.
Zablocki

NOT VOTING—15

Bell
Burton, John
Esch
Fulton
Landrum
Michel
Risenhoover
Sebelius
Skubitz
Slack
Sullivan
Teague
Udall
Wilson, C. H.
Wilson, Tex.

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. There being no further amendments to section 3, the Clerk will read.

The Clerk read as follows:

BUDGET AND EMPLOYEE PROVISIONS

SEC. 4. (a) Section 4(f) of the Consumer Product Safety Act (15 U.S.C. 2053(f)) is amended by adding at the end thereof the following new paragraph:

"(3) Requests or estimates for regular, supplemental, or deficiency appropriations on behalf of the Commission may not be submitted by the Chairman without the prior approval of the Commission.".

(b) Section 4(g) of such Act (15 U.S.C. 2053(g)) is amended (1) by striking out "full-time" in paragraph (2) and inserting in lieu thereof "regular", and (2) by adding after such paragraph the following new paragraphs:

"(3)(A) The Chairman may, subject to subparagraph (B), establish noncareer positions in grades GS–16, GS–17, and GS–18 the principal duties of which will involve—

"(i) significant participation in the determination of major Commission policies, or

"(ii) service as a personal assistant or adviser to the Chairman or other Commissioner.

"(B) The Chairman may not establish a position under subparagraph (A)—

"(i) without the approval of—

"(I) the Commission, and

"(II) the Civil Service Commission, as prescribed by chapter 51 of title 5, United States Code; or

"(ii) if the Civil Service Commission determines the principal duties of the position will not involve the duties described in clause (i) or (ii) of subparagraph (A).

The Civil Service Commission shall approve or disapprove, under such chapter, a position proposed to be established by the Chairman under subparagraph (A) within 20 days (excluding Saturdays, Sundays, and legal public holidays (as prescribed by section 6103 of title 5, United States Code)) after the date it receives from the Chairman a letter of intent to establish such position; and a determination by the Civil Service Commission described in clause (ii) of this subparagraph respecting such a position shall not prevent the Chairman from establishing the position if the determination is made after the expiration of such 20 days.

"(4) Appointments to and removals from positions established under paragraph (3)—

"(A) shall be made by the Chairman, subject to the approval of the Commission; except that appointments to and removals from positions of personal assistants or advisors to the Chairman or other Commissioners shall be made by the Commissioner concerned and shall not be subject to the approval of any other Commissioner;

"(B) may be made without regard to any provision of title 5 of the United States Code (other than section 3324) which governs only appointments to and removal from positions in the competitive service; and

"(C) shall not be subject to approval by any officer or entity within the Executive Office of the President.

The Civil Service Commission shall approve or disapprove the qualifications of a proposed appointee to a position established under paragraph (3)(A) within 20 days (excluding Saturdays, Sundays, and legal public holidays (as prescribed by section 6103 of title 5, United States Code)) after the date it receives from the Chairman (or other Commissioner proposing such appointee) a letter of intent to appoint such proposed appointee.".

Mr. VAN DEERLIN (during the reading). Mr. Chairman, I ask unanimous consent that section 4 be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

AMENDMENT OFFERED BY MR. HENDERSON

Mr. HENDERSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HENDERSON: On page 12 of the reported bill strike out paragraph (3)(A) beginning in line 17 and all that follows down through line 16 on page 14, and insert in lieu thereof the following:

"(3) In addition to the number of positions authorized by section 5108(a) of title 5, United States Code, the Chairman, subject to the approval of the Commission, and subject to the standards and procedures prescribed by chapter 51 of title 5, United States Code, may place a total of ten positions in GS–16, GS–17, and GS–18.".

Mr. HENDERSON. Mr. Chairman, the amendment I have offered would provide the Consumer Product Safety Commission with a total of 10 supergrade positions which could be established in accordance with existing law and Civil Service Commission regulations.

The provisions in H.R. 6844 which I seek to delete would authorize the Chairman of the Consumer Product Safety Commission to establish an unlimited number of noncareer supergrade positions as long as the principal duties involve "significant participation in the determination of major Commission policies, or service as a personal assistant or adviser to the Chairman or other Commissioner."

I do not take issue with the second criteria, relating to a personal assistant or adviser, as that criteria already exists under Executive Order 11315. I do, however, take serious issue with establishing a noncareer supergrade position solely because the incumbent participates in the determination of major policies.

That kind of authority is unprecedented in law. If implemented to the letter, it would mean that all supergrade positions at CPSC would be noncareer positions and excepted from the competitive career civil service. I do not believe that this is the intent of the committee. I can appreciate the position of the committee that independent regulatory agencies should have a degree of autonomy in carrying out their statutory missions; however, that degree of autonomy should not be so much as to except the agency entirely from the civil service laws and regulations governing appointments and pay as does H.R. 6844.

Noncareer positions may be established under existing authorities providing exceptions to the competitive career civil service at all levels. I believe that existing laws, rules, and regulations are adequate to provide the appropriate positions for CPSC and that the exceptional authority provided in H.R. 6844 should not be granted unless fully justified before the Committee on Post Office and Civil Service.

Mr. Chairman, I firmly believe that the provisions of this bill go far beyond what is necessary to enable the Consumer Product Safety Commission to effectively carry out its independent responsibilities and, therefore, I urge the adoption of my amendment.

Mr. Chairman, finally, I caution the House that there are other ways and better ways to accomplish the objective of the committee. The precedent that we are setting and establishing here, I am most fearful, will be used throughout regulatory bodies and new Federal agencies and will simply be a further erosion of civil service laws and regulations. The obvious result is that in a few years Congress will have no way of knowing what the requirements are for appointments to Federal positions.

Mr. Chairman, I would point out that the noncareer positions that are authorized by the bill would be filled not only in case of the chairman, by his own appointment, but even by the other Commissioners in this agency. These positions would be filled without consultation anywhere except for the approval of the qualifications of the person by the Civil Service Commission.

Mr. MOSS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment would effectively block an effort to insure that the top noncareer executives of the Commission on Consumer Product Safety would not be subject to political clearance. Now, if it was simply a matter of two alternatives, one a total wiping out of the right to appoint the noncareer executives, then the issue would be much easier and would be far closer to the desires of the distinguished chairman of the Committee on Post Office and Civil Service; but, unfortunately, the fact is this, under Executive Order 11315, the commissions are authorized to employ noncareer executives in the Federal service.

This is without limitation except that they require clearance by the White House and approval by the Civil Service Commission. Now, the language of the bill merely removes the requirement that there be clearance by the White House. The practical effect would still require clearance by the Civil Service Commission. I think it is most desirable that this Commission be kept out of the realm of partisan politics.

The present Commission, appointed originally by President Nixon, fought the efforts of the White House to clear the top employees the Commission felt necessary to carry out the business of the Commission. As a result, we had six positions in limbo while the persons actually holding the positions were forced to serve on a consultant basis. One of the six is still on a consultant basis, not having been given clearance by the White House.

Now, that is our alternative. If this amendment is wiped out, we will not take away the right, the authority of the Commission to appoint non-career Federal executives, but we will continue to make them subject to the whims of the White House. That runs counter to the whole intent of the law creating the Commission on Consumer Products Safety. We wanted this to be a model of independence as a commission.

Now, there is a very effective control over the number of positions. The gentleman from Mississippi (Mr. WHITTEN) I assure the Members, will watch with great care that they not abuse discretion in the appointment of persons in this category. The Appropriations Committee has quite effectively kept the brakes on these agencies, so that we do not have to worry about the fear of having too many positions in this category.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield to my colleague from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate my colleague yielding to me. I know that, as a member of the Committee on Government Operations, he is also concerned about the proliferation of supergrade numbers in Government. My understanding of the language in the bill as presently stated is that there is no ceiling on supergrades, and I think the gentleman from South Carolina, as chairman of the Post Office and Civil Service Committee, is merely—without speaking to the other issue he just mentioned—trying to put a ceiling on the number of supergrades just as all other agencies have, even other regulatory agencies.

Unless someone can tell us why there are needed now more than 10 super grades, I think the ceiling he puts on it is very much in keeping with the kind of thing the gentleman is trying to achieve.

The CHAIRMAN. The time of the gentleman from California has expired.

(By unanimous consent, Mr. Moss was allowed to proceed for 3 additional minutes.)

Mr. MOSS. Mr. Chairman, let me say to the gentleman from California, because I tried to make it very clear that if that was the question, it would not be difficult, but that is not the question.

Mr. ROUSSELOT. It is part of it.

Mr. MOSS. Pursuant to Executive Order 11315, we have Civil Service Commission rule, section 9.20, which states as follows:

> Exception of positions to be filled by noncareer executive assignments, (a) After consulting the agency concerned, the Commission may except a position from the procedures required for making career executive assignments and authorize an agency to fill the position by a noncareer executive assignment when it determines that there is a need for filling the position by a person who will.

It then goes on and enumerates certain obvious functions that would classify them as career positions. It is under that standard that the Commission has been seeking to fill noncareer Federal executive positions, and these are not under the ceiling for super grades; so that there is already a path neatly made around that provision of the law, and this is not the only agency that has utilized this provision.

The difference is that in this case the Commission resisted the insistence of the White House that they have a right to clear these persons before they could take their positions. They did it because we said in the act that they had to concurrently supply the information to the Congress, and that included any clearance.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield to the gentleman.

Mr. ROUSSELOT. I appreciate the gentleman's yielding.

I was trying to speak to the issue of the ceiling of 10 supergrades that is established by this amendment.

On the issue of noncareer exceptions, I plan to try to get time, with others, to discuss that, because I think that is a separate issue and needs a separate explanation.

But my point is that I think the gentleman from North Carolina is properly doing with this agency what we tried to do with the other agencies, including the White House, and that is to put a clear ceiling on the number of supergrades, which in this case is 10.

Mr. MOSS. Mr. Chairman, I have no objection at all to the ceiling on the number that they could appoint under these procedures that would get around a requirement of clearance by the White House. It is White House clearance procedures which have proven so troublesome and impaired the independence of the agency.

As I say, here we are, 2 years after the agency started operating, and we still have one of the requested positions being filled on a consulting basis because it has not been cleared. I do not think that is the sort of situation we want to create here on the independent regulatory commission.

Mr. ROUSSELOT. If the gentleman will yield further, the gentleman is not objecting on the ceiling of 10 supergrades?

Mr. MOSS. I do not object.

Mr. VAN DEERLIN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, there is no committee chairman in this body whose integrity I respect more highly than that of the gentleman from North Carolina.

Mr. Chairman, I think the effect of the gentleman's amendment will be to destroy totally the effort that the committee made to take politics out of job appointments in this agency. It has been a part of a larger effort by both the subcommittee and the full committee, and I think that this will totally destroy one of the major efforts to accomplish its end.

Mr. Chairman, therefore, I urge the defeat of the gentleman's amendment.

Mr. BROYHILL. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I take this time to ask the gentleman from North Carolina (Mr. HENDERSON) a question or two.

In the bill there seems to be an unlimited number of these supergrade positions that are authorized, and my understanding is that one of the purposes of the gentleman from North Carolina (Mr. HENDERSON) is to put some ceiling on the number of supergrades, and this is nothing different than exists in other agencies at the present time; is that correct?

Mr. HENDERSON. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman.

Mr. HENDERSON. I will respond by saying that is correct. The number 10 that I put in my amendment was based on the advice of what they intended to appoint. If the committee that has primary jurisdiction has the figure of 7 or 12 or 15, I would be certainly very agreeable. But I think the colloquy has already shown that the number 10 is sufficient. So on that point I would hope we would be able to get that into this legislation as it applies to this agency.

Mr. BROYHILL. Would the gentleman wish to respond on the practices of the Civil Service Commission in making some analysis, not only of the positions that are available, but an analysis of the qualification of those who may be under consideration for these positions, as the agency which has the responsibility to make sure that we have the right managers—if you want to call them that—of the programs that have been assigned to them? Would the gentleman want to respond to that part of this?

Mr. HENDERSON. Mr. Chairman, if the gentleman will yield, I think this is a very complicated situation, but I think what the Committee has done here is this:

We have career employees, and we have noncareer employees. The noncareer employees were established in law to provide an administration for those people that they want to put in to carry out their policies. What the committee has tried to say here is this: Yes, we want the right to make political appointments down here on the Consumer Product Safety Commission, but we do not want the politics to be White House politics, so it must be the politics of the Chairman of the Commission and the commissioners, who are not as much responsible to the Congress and to the people as are the elected officials, the President of the United States and the Members of Congress.

I think we are getting a terrible hybrid here in trying to take the non-career political appointments and give that authority to someone other than the White House. If we do not want the White House to be in this, it is very simple. We can appoint career employees under all the rules and regulations and make them meet the qualifications.

There is only one advantage in not doing that. That is so we can fire them when we want to. If the Congress wants to embark on some new system where we just fire anybody we want to, this is the way to do it. We can give them the right to hire and fire.

Mr. Chairman, that is simply all I can see as to what will happen if we do not accept the amendment I have offered.

Mr. BROYHILL. Mr. Chairman, will the gentleman respond to this question?

We are only talking about a very few of the management positions that exist in the Commission; is that not correct? The rest of the positions are filled under the practices and under the rules and regulation in the Civil Service Commission, are they not?

Mr. HENDERSON. Mr. Chairman, if the gentleman will yield, the Executive Director, the General Counsel, the Director of Congressional Relations, and the Director of the Office of Public Affairs are all appointed down here under the Civil Service Commission rules and regulations under the quota system. In the nonquota category we have the Director of Engineering, the Director of Standards, and the Director of Coordination, Product Safety. All these positions in the agency are either exempted as scientific or as otherwise provided by law.

So I simply cannot see that the positions, without any limitation on number, need to be appointed simply by the chairman of the Commission, with the right to hire them and the right to fire them and to set their pay, if they meet the qualifications of the job as approved by the Civil Service Commission.

I will point out to the gentleman, if he will yield further, that the bill also puts on the Civil Service Commission a responsibility to act within 20 days on the request for these nonexempt positions, which I think is an unreasonably short period of time.

Mr. BROYHILL. Mr. Chairman, I thank the gentleman for his further explanation.

AMENDMENT OFFERED BY MR. MOSS AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. HENDERSON

Mr. MOSS. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. Moss as a substitute for the amendment offered by Mr. HENDERSON: Page 12, line 18, after "positions" insert, "not to exceed six in number,".

Mr. MOSS. Mr. Chairman, I was asked during debate by the gentleman from California (Mr. ROUSSELOT) whether or not I would be willing to accept a ceiling. I stated that I would.

The amendment that I now have offered places a ceiling, not of 10, as the gentleman from California would suggest, but, rather, of 6, the number that the Commission itself sought originally in 1974.

We must remember that five of those had been approved and one remains still on a consulting basis.

I believe in a ceiling of six is proper. That is all they have demonstrated the need for, and they have made that showing to the Commission. They have done it under the Executive order.

Again I want to emphasize that fact. This would impose a ceiling of six. It is a reasonable figure.

The gentleman correctly stated that I have no desire to see a significant expansion in the number of these supergrade positions, but I realize how very important it is that these be persons who are independent of the pressures of the executive department. After all, these are agencies which are functioning as arms of the Congress, carrying out our powers and our responsibilities under the commerce clause of the Constitution.

I think sometimes we forget that we ought to take greater cognizance of it, and as we create these commissions, make certain that they are, in fact, independent.

The adoption of this amendment will do away with any open-ended grant of power to the chairman or to the Commission to reduce from 10, under the amendment proposed by the gentleman from North Carolina (Mr. HENDERSON), to the 6 that the Commission has shown a need for. However, it will preserve the freedom of the Commission in selecting these and not having them subjected to the clearing procedure which has been so troublesome and has caused so much difficulty in the operation of the Commission in the past.

Mr. MYERS of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. MOSS. Yes, I yield to the gentleman from Pennsylvania.

Mr. MYERS of Pennsylvania. In the setting by Congress of an independent body, is it not Congress intent to reflect in that body the intentions of the general public?

Mr. MOSS. I am afraid that I do not get the thrust of the gentleman's question.

Mr. MYERS of Pennsylvania. The thrust is simply this, that one of the great criticisms, I think, of the Federal Government today is that we have too many independent agencies that are beyond the grasp and beyond the information of the general voting public, and that if the mood changes of the general public over a period of years——

Mr. MOSS. Before the gentleman goes further, I think the gentleman is not conversant with the matter that is under discussion. We are talking here of a different group of regulators, the independent regulatory commissions. They were created by the Congress because of the inability of the Congress to carry out the details of regulation over the years without ceding that power or that constitutional responsibility to the executive.

These are not the agencies that are normally used to illustrate examples of excesses when one talks about, for instance, OSHA or things of that type. This is not in that category. This is a congressional agency. If it is anything, it is a combination of a quasi-judicial and quasi-legislative body.

It has certain administrative functions, but it is primarily a creature of the Congress.

Mr. MYERS of Pennsylvania. Mr. Chairman, if the gentleman will yield further, I would simply say that just because it is a creature of the Congress should in no way justify its not being accountable to the general public.

Mr. MOSS. It is accountable to the general public.

Mr. MYERS of Pennsylvania. If the argument is made that the White House or the administration should not have the ability to influence who goes in and out, and if the Congress does not want to have that influence, then the general public really loses its grasp in being able to effect change.

Mr. MOSS. I cannot yield for further questioning by the gentleman.

Mr. MYERS of Pennsylvania. I thank the gentleman for yielding.

Mr. MOSS. Mr. Chairman, I can only say that if anyone can find a more representative group in this Nation than the Members of this House, I do not know where it would be. It is not a part of a faceless bureaucracy.

This agency is accountable to us. We maintain the oversight over it, and we have been moving to try to make these agencies even more accountable to the Congress.

The CHAIRMAN. The time of the gentleman from California (Mr. Moss) has expired.

(By unanimous consent, Mr. Moss was allowed to proceed for 2 additional minutes.)

Mr. MOSS. To continue, Mr. Chairman, with the assistance of the gentleman from North Carolina (Mr. Broyhill), who has worked with me, we have tried to bring these agencies back to the Congress every 3 years for a review of their operations, for an accounting of their stewardship, and to seek a reauthorization of the funds that they can demonstrate necessary for their function.

That is a significant step that we have taken to insure a greater accountability than ever existed previously.

Mr. BROYHILL. Mr. Chairman, will the gentleman yield?

Mr. MOSS. Yes, I yield to the gentleman from North Carolina.

Mr. BROYHILL. Mr. Chairman, I thank the gentleman for yielding.

I do agree with him and thank him for accepting my amendment, which was adopted to this act in the Congress before last, and which provides for a 3-year authorization.

As the gentleman knows, however, I have disagreed with him on his thinking about the appointment of the top career people. It seems to me that if the President has the right to appoint the members of the Commission, he has some right to have some influence on at least the six or eight top positions that will be available for the staff.

This would be the same for a Democratic administration as a Republican administration.

Mr. MOSS. Mr. Chairman, I would say to the gentleman from North Carolina (Mr. Broyhill) that my position would be just the same under a Democratic administration.

I might point out that this is not a matter that is unprecedented. We have some officials of departments who are appointed by the Secretaries rather than by the President. So that to give the Commission the right to appoint its principal executive officer is not a new or novel departure, but I think it is in the interest of assuring that these agencies operate with true independence and not in response to the White House. I do not think that is a wise course of action to follow.

Mr. Chairman, I ask for support of my substitute amendment.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman and Members of the House, I rise briefly to say that the amendment offered by my colleague, the gentleman from California (Mr. Moss) which I appreciate is limited to the six supergrades—and that is certainly acceptable to me on the basis that that is the number there are now, with the exception of the consultant of whom the gentleman speaks, does not cover the other aspects of the language of the bill that I believe provides additional problems for the Commission in dealing with career civil servants in filling some of those other positions that the gentleman from North Carolina mentioned, and it relates to page 13 of the bill, starting with line 20, wherein it states:

> "(4) Appointments to and removals from positions established under paragraph (3)—
>
> "(A) shall be made by the Chairman, subject to the approval of the Commission; except that appointments to and removals from positions of personal assistants or advisors to the Chairman or other Commissioners shall be made by the Commissioner concerned and shall not be subject to the approval of any other Commissioner;
>
> "(B) may be made without regard to any provision of title 5 of the United States Code (other than section 3324) which governs only appointments to and removal from positions in the competitive service;

So the other commissioners are prevented from participation in the potential removal of or transfer of people that are in career positions.

Also in the language of the bill on page 14, it says that these appointments "may be made without regard to any provision of Title 5 of the United States Code." which relates to the protection of civil servants who may be in those positions and they would not have the benefit of the normal appeal procedure. I think that is a major mistake in what my colleague, the gentleman from California, Mr. Moss, has done in his substitute amendment by not deleting much of this wrongful language. I do not think that this is in place in any other agencies of which I know. If it is, I think we ought to move to correct it. We still need to protect those who have civil service positions although they may be in supergrades, or although they may be in executive positions below the supergrades, they should still have the protection of the civil service law.

So, Mr. Chairman, what the amendment offered by my colleague, the gentleman from California (Mr. Moss) fails to do is to give the protection of the normal civil service procedures to those other than supergrades—and I think that this is a major mistake. That is what my colleague, the gentleman from North Carolina (Mr. Henderson) moved to correct. That is what some of my colleagues on the committee wish to correct.

I hope the whole House will support the amendment of my colleague, the gentleman from North Carolina, the chairman of the Committee on Post Office and Civil Service. The Civil Service Committee of the House deals with this problem all of the time. Let me just say that it is a mistake to eliminate the normal protection of the civil service laws from those who are appointed by the President and serve in executive positions. I think this is a mistake. I urge a "yes" vote on the Henderson amendment.

Mr. MOSS. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from California.

Mr. MOSS. I thank the gentleman for yielding.

I will only say to the gentleman that he is not really addressing this because he is talking about the assistants to the commissioners. They are not supergrades.

Mr. ROUSSELOT. I said they were not supergrades.

Mr. MOSS. They are appointed under the Executive order.

Mr. ROUSSELOT. I said they were not supergrades, and realize that some are appointed under Executive orders.

Mr. MOSS. They are appointed under the Executive order, and merely removing this language will not remove the appointments of those persons under the Executive order.

Mr. ROUSSELOT. My colleague, the gentleman from North Carolina, removed the language which I have just stated, which would deny people in the civil service other than the supergrades their right of procedure under the civil service if they were removed, which provides as an example a 30-day right to appeal. So my colleague, the gentleman from North Carolina, has removed language on page 14 and page 15 which would be objectionable. The present bill also has in here a 20-day provision where the Civil Service Commission determines the principal duties of the various involved positions. Why 20 days? What is that all about?

So my colleague, the gentleman from North Carolina, has done an excellent job of protecting the people in civil service in high executive positions other than the supergrades. I urge a favorable vote for the Henderson amendment.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MAGUIRE. Mr. Chairman, I move to strike the requisite number of words.

Mr. MOSS. Mr. Chairman, will the gentleman yield?

Mr. MAGUIRE. I yield to the gentleman from California.

Mr. MOSS. I thank the gentleman for yielding.

The gentleman from California (Mr. Rousselot) has not read with his usual care the language of this bill. It is within 20 days from receiving the notice of intent to establish the position. It does not go to the appeal rights of the employee at all. What I am saying to the Members is, strike this language and they are not going to change the situation that exists with regard to the administrative aides appointed by the commissioners because they are appointed pursuant to an Executive order. I have given the Members the number of that Executive order. I can give it to them again if it would be helpful.

But in any event, the Executive order and the implemented regulations of the Civil Service Commission are what they rely upon for the appointment of those.

The amendment that I have offered makes this section now applicable to the six positions that would be appointed by the commissioners under the limitation that I have proposed. It does away with the opening, but I am not taking away the rights of civil service employees in the language, and the restoration of the language does not take away the rights of civil service employees.

Mr. MAGUIRE. Mr. Chairman, I yield back the remainder of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. Moss) as a substitute for the amendment offered by the gentleman from North Carolina (Mr. HENDERSON).

The amendment offered as a substitute for the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina (Mr. HENDERSON).

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. MOSS. Mr. Chairman, on that I demand a recorded vote.

A recorded vote was refused.

So the amendment was agreed to.

The CHAIRMAN. Are there further amendments to section 4? If not, the Clerk will read.

The Clerk read as follows:

STANDARDS DEVELOPMENT

SEC. 5. (a) The last sentence of section 7(b) of the Consumer Product Safety Act (15 U.S.C. 2056(b)) is amended to read as follows: "An invitation under paragraph (4)(B) for an offer to develop a proposed consumer product safety standard shall specify the period in which the offeror of an accepted offer is to develop the proposed standards, which period shall be a period ending 150 days after the date the offer is accepted unless the Commission for good cause finds (and includes such finding in the notice) that a different period is appropriate.".

(b) Section 7(e)(2) of such Act (15 U.S.C. 2056(e)(2)) is amended by adding at the end thereof the following new sentence: "If the Commission accepts one or more offers to develop a proposed consumer product safety standard and the Commission determines that the standard developed by each offeror whose offer for the development of such standard was accepted is not satisfactory, the Commission may develop proposals for such standard or contract with third parties for such development.".

(c) Section 7(f) of such Act (15 U.S.C. 2056(f)) is amended by striking out "Not more than 210 days after its publication of a notice of proceeding pursuant to subsection (b)" and inserting in lieu thereof "Not more than 60 days after receiving the proposed standard from the offeror".

Mr. VAN DEERLIN (during the reading). Mr. Chairman, I ask unanimous consent that section 5 be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. Are there any amendments to Section 5? If not, the Clerk will read.

The Clerk read as follows:

PROHIBITED ACTS AND ENFORCEMENT

SEC. 6. (a) Section 19(a) of the Consumer Product Safety Act (15 U.S.C. 2068(a)) is amended—

(1) by inserting "or fail or refuse to establish or maintain records," immediately after "copying of records," in paragraph (3); and

(2) by striking out "or" at the end of paragraph (6), by striking out the period at the end of paragraph (7) and inserting in lieu thereof "; or", and by adding after paragraph (7) the following new paragraphs:

"(8) fail to comply with any rule under section 13 (relating to prior notice and description of new consumer products); or

"(9) fail to comply with any rule under section 27(e) (relating to provision of performance and technical data).".

(b) Section 20(a)(1) of such Act (15 U.S.C. 2069) is amended by striking out "or (7)" and inserting in lieu thereof "(7), (8), or (9)".

Mr. VAN DEERLIN (during the reading). Mr. Chairman, I ask unanimous that section 6 be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. Are there amendments to section 6? If not, the Clerk will read.

The Clerk read as follows:

INFORMATION DISCLOSURE TO OTHER GOVERNMENTAL BODIES

SEC. 7. Section 29 of the Consumer Product Safety Act (15 U.S.C. 2078) is amended by adding at the end thereof the following new subsection:

"(e) The Commission may provide to another Federal agency or a State or local authority engaged in activities relating to health, safety, or consumer protection, copies of any accident or investigation report made under this Act by any officer, employee, or agent of the Commission only if (1) information which under section 6(a)(2) is to be considered confidential is not included in any copy of any report provided under this subsection; and (2) each Federal agency and State and local authority which receives under this subsection a copy of a report provides assurances satisfactory to the Commission that the identity of any injured person and any person who treated an injured person will not, without the consent of the person identified, be included in—

"(A) any copy of any such report, or

"(B) any information contained in any such report, which the agency or authority makes available to any member of the public. No Federal agency or State or local authority may disclose to any member of the public any information contained in a report received by the agency or authority under this subsection unless with respect to such information the Commission has complied with the applicable requirements of section 6(b).".

Mr. VAN DEERLIN (during the reading). Mr. Chairman, I ask unanimous consent that section 7 be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. There being no amendments to section 7, the Clerk will read.

The Clerk read as follows:

TITLE 18 PROTECTION

SEC. 8. Section 1114 of title 18, United States Code, is amended by inserting ", the Consumer Product Safety Commission," immediately after "Department of Health, Education, and Welfare".

Mr. VAN DEERLIN (during the reading). Mr. Chairman, I ask unanimous consent that section 8 be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection the request of the gentleman from California?

There was no objection.

The CHAIRMAN. There being no amendments to section 8, the Clerk will read.

The Clerk read as follows:

ADVANCE PAYMENTS; RENT AND SEMINAR EXPENSES

SEC. 9. (a) Section 7(d)(2) of the Consumer Product Safety Act (15 U.S.C. 2056(d)(2)) is amended by adding at the end thereof the following: "Payments under agreements entered into under this paragraph may be made without regard to section 3648 of the Revised Statutes (31 U.S.C. 529),"

(b) Section 27(b) of such Act (15 U.S.C. 2076(b)) is amended—

(1) by striking out "and" at the end of paragraph (7), and

(2) by redesignating paragraph (8) as paragraph (10) and by inserting after paragraph (7) the following new paragraphs:

"(8) to lease, without regard to the Act of March 3, 1877 (40 U.S.C. 34), buildings or parts of buildings in the District of Columbia for use of the Commission;

"(9) to pay travel and subsistence expenses incurred in connection with safety education seminars of the Commission by participants in the seminars; and".

Mr. VAN DEERLIN (during the reading). Mr. Chairman, I ask unanimous consent that section 9 be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. There being no amendments to section 9, the Clerk will read.

The Clerk read as follows:

SUBSTANTIAL PRODUCT HAZARD

SEC. 10. (a) Section 15(d) of the Consumer Product Safety Act (15 U.S.C. 2064(d)) is amended by adding at the end the following: "An order under this subsection may prohibit the person to whom it applies from manufacturing, for sale, offering for sale, distributing in commerce, or importing into the United States (or from doing any combination of such actions) the product with respect to which the order was issued."

(b) Section 19(a)(5) of such Act (15 U.S.C. 2068(a)(5)) is amended (1) by striking out "and to" and inserting in lieu thereof "to", and (2) by inserting ", and to prohibited acts" after "refund".

(c) Section 22 of such Act (15 U.S.C. 2071) is amended—

(1) by striking out in subsection (a) all that precedes the second sentence of such subsection and inserting in lieu thereof the following:

"(a) The United States district courts shall have jurisdiction to take the following action:

"(1) Restrain any violation of section 19.

"(2) Restrain any person from manufacturing, for sale, offering for sale, distributing in commerce, or importing into the United States a product in violation of an order in effect under section 15(d).

"(3) Restrain any person from distributing in commerce a product which does not comply with a consumer product safety rule."; and

(2) by striking out in subsection (b) all that precedes the second sentence of such

subsection and inserting in lieu thereof the following:

"(b) Any consumer product—

"(1) which fails to conform with an applicable consumer product safety rule, or

"(2) the manufacture for sale, offering for sale, distribution in commerce, or the importation into the United States of which has been prohibited by an order in effect under section 15(d).

when introduced into or while in commerce or while held for sale after shipment in commerce shall be liable to be proceeded against on libel of information and condemned in any United States district court within the jurisdiction of which such consumer product is found.".

Mr. VAN DEERLIN (during the reading). Mr. Chairman, I ask unanimous consent that section 10 be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. There being no amendments to section 10, the Clerk will read.

The Clerk read as follows:

COMPLIANCE TESTS

SEC. 11. Section 7(a) of the Consumer Product Safety Act (15 U.S.C. 2056(a)) is amended (1) by inserting "(1)" after "(a)", (2) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B) respectively, and (3) by adding at the end the following new paragraph:

"(2) No consumer product safety standard or other agency action of the Commission may provide that a consumer product is in compliance with such standard by reason of the fact that the product is part of a class (or other grouping) of consumer products which class (or other grouping) was tested for compliance with such standard on a sample or other basis which does not require that each product in the class (or other grouping) be (A) tested for compliance, and (B) found to comply with the standard.".

Mr. VAN DEERLIN (during the reading). Mr. Chairman, I ask unanimous consent that section 11 be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

AMENDMENTS OFFERED BY MR. M'COLLISTER

Mr. McCOLLISTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McCOLLISTER: Page 20, strike out lines 8 through 22.

Redesignate the succeeding sections accordingly.

Mr. McCOLLISTER. Mr. Chairman, this is the amendment which refers to sampling. In order that we may know exactly what we are doing—a good thing usually—I would like to read to the Members the language of the law as it now is and then read the amendment that the committee adopted that would change the law. The bill strikes this part of the law in section 7(a) where it says:

(A) Requirements as to performance, composition, contents, design, construction, finish, or packaging of a consumer product.

(B) Requirements that a consumer product be marked with or accompanied by clear and adequate warnings or instructions, or requirements respecting the form of warnings or instructions.

It adds this language and this is what I believe to be a very serious defect in this bill:

(2) No consumer product safety standard or other agency action of the Commission may provide that a consumer product is in compliance with such standard by reason of the fact that the product is part of a class (or other grouping) of consumer products which class (or other grouping) was tested for compliance with such standard on a sample or other basis which does not require that each product in the class (or other grouping) be (A) tested for compliance, and (B) found to comply with the standard.

I ask the Members to visualize a production line and a group of products coming up the production line. What the original law provided was that there could be incorporated in the safety standard a sample of those products coming up the line by which the safety of those products might all be judged.

In the first place the proposed language would add greatly to the cost of all products if every single product had to be tested. In many cases it is quite impossible or impractical to do this because in some cases, as under the Flammable Fabrics Act, the requirement is that the product sample be tested to destruction, and it is burned. If we want to measure the shattering effect of a glass and we break one to measure the effect, we could see if we tested 100 percent of the products that we would have none left to sell.

Mr. Chairman, what the bill does is to say that no sampling plan may be made a part of a safety standard. Well, I think that is clearly ridiculous.

I would like to read a letter from the Chairman of the Products Safety Commission, this Commission to which we have given such great independence, this Commission which has been given a grant of power unlike any other Commission that the Congress has created. I would like to read a letter of July 10 to the Honorable WARREN G. MAGNUSON, chairman of the Committee on Commerce of the other body:

U.S. CONSUMER PRODUCT
SAFETY COMMISSION,
Washington, D.C., July 10, 1975.

Hon. WARREN G. MAGNUSON,
Chairman, Committee on Commerce,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: In your recent letter, you expressed concern that if a consumer product safety rule contained a mandatory sampling plan it would be extremely difficult to levy sanctions for violations of the Act. I disagree, and appreciate this opportunity to express my personal views in this matter. Far from adding difficulty, I believe mandatory sampling plans actually both strengthen and make easier the application of civil and criminal penalties when compared to the situation where we have a safety rule which does not include a mandatory sampling plan.

If the standard in question includes a mandatory sampling plan, there are also rules requiring the manufacturer to keep test records and to keep the tested specimens which support the records. Failure to keep and produce such records would be a per se violation. When the manufacturer knowingly violates the standard, he and his inspection personnel must deliberately falsify these records. There would usually be many people involved and it should be possible to find someone to testify against the manufacturer. As supporting evidence, the Commission can also, through scientific methods, establish whether the products found in the marketplace are similar to those represented by the falsified records. This inquiry would establish statistically and scientifically that the likelihood of the product legitimately meeting the sampling requirements is remote.

If the standard does not include a mandatory sampling plan, then there is no defined test frequency for compliance purposes unless the Commission adopts the absolutist position that any failing specimen is sufficient evidence of nonconformance.

The absolutist position becomes practically impossible to legally defend if the product in question is children's sleepwear, for instance, since the test is destructive. Clearly, it is unreasonable to require the manufacturer, under threat of civil and legal sanctions, to guarantee 100% conformity when there is no known process or technology to provide this absolute guarantee.

Taking a more realistic approach, either the Commission defines the allowable percentage of failing specimens, as would be the case if sampling plans are used, or that decision is left to the industry and eventually for resolution by the courts. This Commission has found, even in seizure cases involving CS191–53 (which does not have a sampling plan), that the courts insist on a "sample" of tests to satisfy the court that the tested materials are represenative of the lot to be seized. In other words, experience shows that regardless of whether a sampling plan is included in the standard, we still must sample in order to successfully prosecute civil actions. The value of mandatory sampling plans in promoting even-handed enforcement is obvious.

If the industry is left to make the judgment of what percent defective specimens represents a reasonable risk, then we can expect great variability in that judgment from company to company within the affected industry. Such a situation would work to the competitive disadvantage of the "good" company. Also, if industry is free to make this judgment, then the Commission may well be powerless to enforce the civil and criminal penalties except in the flagrant violation cases where almost all specimens tested fail. On the other hand, if a sampling plan is mandated, the rules are known and apply evenly to all in the industry. Additionally, in cases where legal action is undertaken, statistical evidence from sampling plans will serve to apply precision to legal terms such as "proof beyond a reasonable doubt" and "proof based on a preponderance of the evidence". Such precision should enhance, not hinder, the legal proceeding. You are quite correct when you state that if a manufacturer could establish that the mandatory sampling plan was followed, there would be no violation of the standard and no possibility of any civil or criminal penalty.

However, I do not believe that consumer product safety can or should be viewed on legal enforcement grounds alone. The overall goal of product safety is not to prosecute offenders, but to ensure, with the context of what is possible and reasonable, that unsafe products are not found in the United offenders, but to ensure, with the context that sampling plans have their most value.

For example, consider the children's sleepwear record. The children's sleepwear standard was the first standard which included a mandatory sampling plan. I am not aware of any single garment found in the market which violated a flammability test during the several years since this standard has been in effect. This includes the substantial inspection efforts of both the Federal Trade Commission and the Consumer Product

Safety Commission. I think such a record is the best evidence of the efficiency of mandatory sampling as a "preventative" tool. I also believe such a record also places into proper perspective the discussions of the hypothetical effects of sampling plans in enforcement proceedings.

Sincerely,

Richard O. Simpson,
Chairman.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

(By unanimous consent, Mr. McCollister was allowed to proceed for an additional 5 minutes.)

Mr. McCOLLISTER. Mr. Chairman, I want to make certain that we understand what we are about to do here, either in accepting or rejecting my amendment, which makes sampling plans possible. Sampling is an accepted method of quality control. Almost every manufacturing plant in the country has as a part of its process a statistical base on which quality control is based and on which if we write the sample into the test standard should govern the safety of that product involved. Even if we require 100 percent testing, it would not insure 100 percent compliance, due to human error. One hundred percent testing is not feasible—and I use again the example of the carpet that is burned or the glass that is tested for its shattering properties—the present language of section 11 is drafted in such a way that it could be interpreted to prohibit the Commission from using sampling plans in its compliance activitiy as well.

That is an absurd result. Without sampling, how will an injunction or legal proceedings be conducted, for when a standard has been violated, the result is to put the decision in the hands of the court rather than in the hands of the Commission.

Mr. Chairman, I feel very strongly that sampling plans should be made a part of the safety standards, and that to do otherwise would result in poor enforcement and create bad law.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. McCOLLISTER. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, I thank the gentleman for yielding to me. I simply wanted to ask the gentleman if he will not confirm to me that with respect to child's sleepwear testing and sampling, this would have absolutely no effect because that is under the Flammable Fabrics Act, and sampling plans are permitted under that act.

Mr. McCOLLISTER. As the bill now reads, where the Commission may pick and choose, a situation that I hope is going to be corrected by my colleague from North Carolina (Mr. Broyhill) when he offers his amendment, I believe that this language in the law could be applied to flammable fabrics, hazardous substances and all the other transferred acts that are now part of the law.

Mr. ECKHARDT. Is the gentleman conceding defeat of the Broyhill amendment?

Mr. McCOLLISTER. No, I am not conceding defeat of the Broyhill amendment. I hope and pray that the Broyhill amendment may be adopted, just as I hope and pray that the McCollister amendment may be adopted.

Mr. ECKHARDT. I thank the gentleman.

Mr. MOSS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, first I think I should clarify something. There is no language stricken by the present act by the inclusion of the language proposed by the committee. Second, this does not go to prohibiting sampling plans. It goes to prohibiting mandatory sampling plans.

We intended, when we wrote the act, that sampling plans could not be imposed, and yet the Commission was proposing to adopt regulations that would do precisely that. That is why Sears, Roebuck Company in the letter to me under date of May 14, 1975, in commenting upon a letter that I filed together with the gentleman from West Virginia (Mr. Staggers), Senator Moss and Senator Magnuson, in opposition to the Commission's proposed mandatory sampling plans, Sears states that:

> Sears opposes the inclusion in product safety regulations of any provisions which will dilute the incentive for an offer to develop a reasonable and technologically practicable standard under the Consumer Products Safety Act.

It is a very sound position. It is not taken by some far out group; it is taken by one of the great merchandisers in this country which happens to have also supported the enactment of the Commission on Consumer Product Safety.

Mr. Chairman, I see the amendment of the gentleman merely raising anew the question of whether or not the Commission has the authority to impose the kind of plans it proposed to impose under the regulations it has promulgated. I want to assure the gentleman from Nebraska that the question put by the gentleman from Texas (Mr. Eckhardt), the answer to which should have been that in no way does the language here affect the Flammable Standards Act, and the additional language of this bill which would permit the Commission to pick the act it desired to proceed under, does not expand the authority under that act even though they select to proceed under it. In other words, if it does not permit a sampling plan, this would not give them the authority to have a sampling plan, and if it permits a sampling plan, then the authority would be maintained here.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield to the gentleman from Texas (Mr. Eckhardt).

Mr. ECKHARDT. Mr. Chairman, as the gentleman is saying, it seems to me that if any of the acts permit a sampling plan, the choosing by the Commission of the enforcement of a particular act would not negate authority granted under the act applicable to flammable fabrics.

Mr. MOSS. That is precisely the case. And to state otherwise is not at all in accordance with the facts, nor of the intent. We are not trying to do anything here except to block the Commission from doing something which I am convinced if carried into the courts would be found by the courts to be unlawful under the original act. We are trying to anticipate that and clarify the situation now.

Mr. SCHEUER. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield to the gentleman.

Mr. SCHEUER. I thank the gentleman for yielding.

Is it not true that last year, at the hearings of the Consumer Subcommittee, which the gentleman in the well himself chaired, that the Citizens Union, as well as the Consumer Federation of America, opposed these sampling plans and stated that the Commission lacked the legal authority, in the first place, to include a sampling plan requirement, but even if the Commission had such an authority, as a matter of policy it would be most unwise to exercise it if the effect of such action would be to insulate such manufacturers?

Mr. MOSS. The gentleman does correctly state the testimony that we received from those witnesses.

Mr. SCHEUER. If the gentleman will yield further, both the Consumers Union and the Consumer Federation of America opposed the sampling plans?

Mr. MOSS. Yes. And I want to emphasize again that not only the consumer groups but some of the major merchandisers in this country also opposed those mandatory sampling plans.

Mr. BROYHILL. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment of the gentleman from Nebraska (Mr. McCollister).

Mr. Chairman, the gentleman from Nebraska (Mr. McCollister) has stated, I think, the case very well.

I include the following letter for the further information of the Members:

U.S. Consumer Product
Safety Commission,
Washington, D.C., July 10, 1975.

Hon. Warren G. Magnuson,
Chairman, Committee on Commerce,
Washington, D.C.

Dear Mr. Chairman: In your recent letter, you expressed concern that if a consumer product safety rule contained a mandatory sampling plan it would be extremely difficult to levy sanctions for violations of the Act. I disagree, and appreciate this opportunity to express my personal views in this matter. Far from adding difficulty, I believe mandatory sampling plans actually both strengthen and make easier the application of civil and criminal penalties when compared to the situation where we have a safety rule which does not include a mandatory sampling plan.

If the standard in question includes a mandatory sampling plan, there are also rules requiring the manufacturer to keep test records and to keep the tested specimens which support the records. Failure to keep and produce such records would be a per se violation. When the manufacturer knowingly violates the standard, he and his inspection personnel must deliberately falsify these records. There would usually be many people involved and it should be possible to find someone to testify against the manufacturer. As supporting evidence, the Commission can also, through scientific methods, establish whether the products found in the marketplace are similar to those represented by the falsified records. This inquiry would establish statistically and scientifically that the likelihood of the product legitimately meeting the sampling requirements is remote.

If the standard does not include a mandatory sampling plan, then there is no defined test frequency for compliance purposes unless the Commission adopts the absolutist position that any failing specimen is sufficient evidence of nonconformance.

The absolutist position becomes practically impossible to legally defend if the product in question is children's sleepwear, for instance, since the test is destructive. Clearly, it is unreasonable to require the manufacturer, under threat of civil and legal sanctions, to guarantee 100% conformity when there is no known process or technology to provide this absolute guarantee.

Taking a more realistic approach, either the Commission defines the allowable percentage of failing specimens, as would be the case if sampling plans are used, or that decision is left to the industry and eventually for resolution by the courts. This Commission has found, even in seizure cases involving CS191–53 (which does not have a sampling plan), that the courts insist on a "sample" of tests to satisfy the court that the tested materials are representative of the lot to be seized. In other words, experience shows that regardless of whether a sampling plan is included in the standard, we still must sample in order to successfully prosecute civil actions. The value of mandatory sampling plans in promoting even-handed enforcement is obvious.

If the industry is left to make the judgment of what percent defective specimens represents a reasonable risk, then we can expect great variability in that judgment from company to company within the affected industry. Such a situation would work to the competitive disadvantage of the "good" company. Also, if industry is free to make this judgment, then the Commission may well be powerless to enforce the civil and criminal penalties except in the flagrant violation cases where almost all specimens tested fail. On the other hand, if a sampling plan is mandated, the rules are known and apply evenly to all in the industry. Additionally, in cases where legal action is undertaken, statistical evidence from sampling plans will serve to apply precision to legal terms such as "proof beyond a reasonable doubt" and "proof based on a preponderance of the evidence." Such precision should enhance, not hinder, the legal proceeding. You are quite correct when you state that if a manufacturer could establish that the mandatory sampling plan was followed, there would be no violation of the standard and no possibility of any civil or criminal penalty.

However, I do not believe that consumer product safety can or should be viewed on legal enforcement grounds alone. The overall goal of product safety is not to prosecute offendors, but to ensure, within the context of what is possible and reasonable, that unsafe products are not found in the United States marketplace. It is in this context that sampling plans have their most value.

For example, consider the children's sleepwear record. The children's sleepwear standard was the first standard which included a mandatory sampling plan. I am not aware of any single garment found in the market which violated a flammability test during the several years since this standard has been in effect. This includes the substantial inspection efforts of both the Federal Trade Commission and the Consumer Product Safety Commission. I think such a record is the best evidence of the efficiency of mandatory sampling as a "preventive" tool. I also believe such a record also places into proper perspective the discussions of the hypothetical effects of sampling plans in enforcement proceedings.

Sincerely,

RICHARD O. SIMPSON,
Chairman.

Mr. **MIKVA**. Mr. Chairman, I rise to speak in opposition to the amendment to the Consumer Product Safety Act, as contained in H.R. 6844, that would remove handgun ammunition from the jurisdiction of the Consumer Product Safety Commission. I firmly believe that handgun ammunition should be treated no differently than any other patently hazardous substance.

Mr. Chairman, it is painfully obvious that handgun ammunition is a hazardous substance. In 1973, over 100,000 injuries and 2,700 accidental deaths occurred in the United States as a result of the use of handgun ammunition. In the same year, 53 percent of all murders in this country came as the result of a handgun bullet.

The Commission itself found that a handgun bullet falls within the literal meaning of a hazardous substance—Action HP 75–2. More importantly, a Federal district court held that the Commission had direct jurisdiction over ammunition. The court also ruled that the Commission could declare ammunition a "banned hazardous substance" and prohibit its sale, distribution, and manufacture, as it could with any other such substance.

I believe that the Commission should not only have jurisdiction over handgun ammunition, but that it should issue regulations which would ban handgun ammunition. When a hazardous product, such as a handgun bullet is used to kill or maim 123,000 Americans a year, we ought to think carefully of what we propose to do to amend the jurisdiction of the Commission. We should be more concerned about protecting our citizens from being gunned down by hoodlums.

Mr. Chairman, there is another fundamental issue at stake here today—whether or not an independent regulatory agency is free to function as it should. I need not remind Members that the Commission was created so that political and economic pressures would not dilute product safety laws. In 1971, in stating the need for an independent Consumer Product Safety Commission, Senator FRANK MOSS was aware of the problem when he referred to "Congress' past inability to proceed except by halting steps to meet only the most obvious or well publicized hazards—usually long after charred or mutilated bodies have begun to pile up."

In the case of handguns and handgun ammunition, I am reluctant, but compelled, to say that Congress has not acted in the best interests of all the American people. The House subcommittee would have given the Commission jurisdiction only over cautionary labeling for ammunition. The full committee failed to see the need for even that. The House voted down an amendment to allow any labeling.

The Consumer Product Safety Commission was created to protect the people of this country from dangerous products—no matter how controversial. If we remove a product as hazardous as handgun ammunition from the Commission's jurisdiction, we not only place the credibility of such an agency in jeopardy, but also our own.

It is argued that Congress did not specifically have handgun bullets in mind when it created the Commission. That is true only in the sense that Congress did not specifically focus on fireworks, noisy cap guns, or archery equipment. The real question as to our legislative intent is whether this Congress has in mind to carve out an exception for a substance that looks like a hazardous substance, smells like a hazardous substance, and kills like a hazardous substance, solely because of the pressure of a potent lobby.

Because I believe the Commission can be an effective vehicle for protecting the American public from a wide variety of hazardous products, I will vote in favor of H.R. 6844. But I deplore the action of the Congress which removes handgun ammunition from its jurisdiction.

Mr. **HAYS** of Ohio. Mr. Chairman, I make the point of order that a quorum is not present.

The **CHAIRMAN**. The Chair will count. Sixty-seven Members are present, not a quorum.

Mr. **VAN DEERLIN**. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BERGLAND, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 6844) to amend the Consumer Product Safety Act, and for other purposes, had come to no resolution thereon.

AMENDING FEDERAL AVIATION ACT OF 1958 RELATING TO WAR RISK INSURANCE

Mr. **ANDERSON** of California. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 8564) to amend the Federal Aviation Act of 1958 relating to war risk insurance.

The Clerk read the title of the bill.

The **SPEAKER**. Is there objection to the request of the gentleman from California?

Mr. **BAUMAN**. Mr. Speaker, reserving the right to object, I just want to ask the gentleman from California (Mr. ANDERSON) if there are any nongermane amendments attached to this bill dealing with congressional pay raises or anything like that?

Mr. **ANDERSON** of California. Mr. Speaker, will the gentleman yield?

Mr. **BAUMAN**. I yield to the gentleman from California.

Mr. **ANDERSON** of California. Mr. Speaker, there are no nongermane amendments in this bill. This bill was passed out unanimously by the Committee on Public Works. All the members have agreed to it.

The present law expires on September 7, 1975, and we must get this bill passed or we may have serious problems.

Mr. **BAUMAN**. Mr. Speaker, I thank the gentleman.

Mr. Speaker, I withdraw my reservation of objection.

The **SPEAKER**. Is there objection to the request of the gentleman from California?

Mr. **MICHEL**. Mr. Speaker, reserving the right to object, will the gentleman tell us what Member on the minority side has discussed this in the committee? Has the gentleman checked this with the gentleman from Kentucky (Mr. SNYDER)?

Mr. ANDERSON of California. Mr. Speaker, if the gentleman will yield, the answer is: Yes.

The gentleman from Kentucky (Mr. SNYDER) is in full accord with this legislation.

Mr. MICHEL. The gentleman will give me full assurance that he has discussed the matter with the gentleman from Kentucky (Mr. SNYDER)?

Mr. ANDERSON of California. Yes.

Mr. MICHEL. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, could the gentleman from California explain to us what the extent of this war risk insurance program is presently?

Mr. ANDERSON of California. Mr. Speaker, under this bill, as amended, the Secretary of Transportation's authority to issue war risk insurance—which is due to expire September 7—is continued for 8 months—until May 7, 1976.

Second, the current law—title 13 of the Federal Aviation Act of 1958—is amended by allowing the Secretary of Transportation to authorize the Secretary of Treasury to invest the funds, which currently total $13.7 million, accumulated in the revolving fund in interest-bearing securities of the United States. The interest from these securities shall be credited to the revolving fund.

And, third, in order to determine more specifically the adequacy of the insurance coverage provided under war risk insurance, the President is directed to conduct a study of the possible expansion of this coverage to include losses from riots, civil disorder, hijacking, and similar acts. This study and the recommendations shall be forwarded to Congress not later than 90 days after becoming law.

This proposal will not subject the Federal Government to any additional costs. In fact, due to the provision authorizing the investment of the funds in interest-bearing securities, this legislation would result in a revenue gain for the Federal Government.

As far as we can determine, this is a noncontroversial item and there is no opposition to its passage.

The reason for bringing it up at this time, Mr. Speaker, and under these conditions, is that the current program is due to expire on September 7. The Public Works and Transportation Commmittee ordered this measure, as amended, reported unanimously on Thursday July 24.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, can the gentleman assure us that any committee amendments will not substantially change present law?

Mr. ANDERSON of California. Yes, that is correct.

Mr. ROUSSELOT. It is just basically a straight extension of 90 days?

Mr. ANDERSON of California. This bill extends the present law for 8 months—until May 7, 1976. In addition, it requires the President to conduct an investigation and to report with recommendations to the Congress within 90 days. It also, provides for the investment of the money in the revolving fund in interest-bearing securities of the United States.

Mr. ROUSSELOT. Mr. Speaker, I appreciate the gentleman's explanation, and I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the bill, as follows:

H.R. 8564

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1306 of the Federal Aviation Act of 1958 (49 U.S.C. 1536) is amended by adding at the end thereof the following new subsection:

"INVESTMENT OF REVOLVING FUND

"(f) Upon the request of the Secretary, the Secretary of the Treasury may invest all or any part of the revolving fund in interest-bearing securities of the United States. The interest on, and the proceeds from the sale or redemption of, any securities held in the revolving fund shall be credited to and form a part of the revolving fund.".

(b) That portion of the table of contents contained in the first section of such Act which appears under—

(1) the center heading

"TITLE XIII—WAR RISK INSURANCE"

is amended by striking out

"Sec. 1306. Collection and disbursement of funds."

and by inserting in lieu thereof

"Sec. 1306 Collection, disbursement, and investment of funds.";

and

(2) the side heading

"Sec. 1306. Collection, disbursement, and investment of funds."

is amended by adding at the end thereof the following:

"(f) Investment of revolving fund.".

SEC. 2. Section 1312 of the Federal Aviation Act of 1958 (49 U.S.C. 1542) is amended by striking out "September 7, 1975", and inserting in lieu thereof "September 30, 1980".

COMMITTEE AMENDMENTS

The SPEAKER. The Clerk will report the committee amendments.

The Clerk read as follows:

Committee amendments: Page 2, immediately before line 11, add the following new subsection:

(c) The section heading of section 1306 of such Act is amended by striking out

"COLLECTION AND DISBURSEMENT OF FUNDS"

and inserting in lieu thereof

"COLLECTION, DISBURSEMENT, AND INVESTMENT OF FUND"

Page 2, beginning on line 13, strike out "September 30, 1980" and insert in lieu thereof "May 7, 1976".

Page 2, after line 14, insert the following:

SEC. 3. (a) The President shall conduct a full and complete investigation and study of the possible expansion of the war risk insurance authorized by title XIII of the Federal Aviation Act of 1958 (19 U.S.C. 1531 et seq.), and by other provisions of law, to provide coverage for losses and damage resulting from riots, civil disorder, hijacking, or other similar acts.

(b) In carrying out this section, the President shall consult with the Secretaries of Transportation, Defense, and State, and the heads of such other departments, agencies, and instrumentalities of the Federal Government as he determines necessary.

(c) The President shall report to Congress not later than the ninetieth day after the date of enactment of this section the results of the investigation and study authorized by this section together with his recommendations for legislation (if any) which he determines necessary.

The SPEAKER. The question is on the committee amendments.

The committee amendments were agreed to.

Mr. JONES of Alabama. Mr. Speaker, the aviation war risk insurance program was created by the Congress in 1951 pursuant to the commerce clause of the U.S. Constitution to protect the flow of U.S. commerce abroad. The program has been extended on four previous occasions and has served us well. H.R. 8564 represents the fifth extension of this important legislation, and the reasons for its inception and previous extensions are equally compelling today.

In addition to extending the program, H.R. 8654 makes possible the investment of the aviation war risk revolving fund, which now stands at $13.7 million, into interest bearing securities of the United States. This provision represents sound business judgment and is a welcome addition to the present program.

I especially want to commend the chairman of the Aviation Subcommittee, the gentleman from California, for the outstanding work he has been doing, not only on this bill, but this entire year on the aviation matters which are under the purview of our committee. In addition, I want to compliment the gentleman from Kentucky the ranking minority member of the subcommittee, for his tremendous efforts in studying and reporting H.R. 8564, and the other legislative areas which involve aviation before our committee. Both of these gentlemen have put in long hours and have made great contributions in aviation.

This is new legislation for our committee, but with the continued hard work, and diligent study of our subcommittee chairman, ranking minority leader, and other members, we will make great strides in serving the people in matters relating to aviation.

Mr. ANDERSON of California. Mr. Speaker, on four separate occasions the Congress has acted to extend the war risk program, which is due to expire on September 7, 1975.

Under this program, the Secretary of Transportation is authorized to insure certain civilian aircraft against war risks.

First, when the Secretary of Defense or the Secretary of State contracts with an airline for a specific purpose—such as the rice lift into Phnom Phen, Cambodia—the Secretary of Transportation is authorized to insure those aircraft against certain war risks. Presently, the Department of Defense has contracts with 18 airlines covering approximately 400 aircraft. And the State Department has contracts covering approximately 85 aircraft.

The coverage provided by the Secretary must first be authorized by the President, and second, must not be available on the commercial insurance market at fair and reasonable terms.

The second type of war risk policy written by the Secretary would involve premiums, and would be available for commercial operations of air carriers when the Secretary with the President's approval, determines that war risk insurance is not available on reasonable terms and conditions from commercial insurers, and when such operations are deemed by the Secretary of Transportation, as approved by the President, to be necessary to meet the needs of air commerce of the United States.

In effect, we have two types of war risk insurance programs: one, where civilian aircraft are performing a particular mission under contract with the Federal Government. And second, for commercial operations when such operations are necessary to meet the air commerce needs of our country.

Since the initiation of this program in 1951, the Secretary of Transportation has paid approximately $600 in claims and even that was reimbursed by the Defense Department. However, premiums collected under the program have amounted to $13.7 million which is presently in a revolving fund for the purpose of paying legitimate claims.

Under section 1 of the bill, as amended, the Secretary of Transportation would be authorized to request the Secretary of the Treasury to invest all or a part of this $13.7 million in the revolving fund in interest-bearing securities of the United States. The interest and proceeds from these securities would be credited to the revolving fund.

Section 2 of the proposal extends the program until May 7, 1976.

And, section 3 requires the President to conduct a full and complete investigation of the possible expansion of the war risk insurance, as presently authorized, to provide coverage for losses resulting from riots, civil disorder, hijacking, and similar acts. This study and the recommendations shall be forwarded to the Congress within 90 days after enactment.

The need for this study, Mr. Speaker, is that present commercial insurance policies may be rewritten to exclude these acts, and its questionable whether they would be covered by the government war risk insurance, since the term "war risk" is fairly limited in scope.

The implications of U.S. carriers being able to operate abroad due to an inability to obtain 100 percent insurance coverage deserves investigation—and the administration agrees with this study.

Mr. Speaker, this bill, as amended, was reported unanimously by the public works and transportation committee. It is necessary legislation in that the program will expire on September 7, and I urge its adoption.

Mr. SNYDER. Mr. Speaker, the minority members of the Public Works and Transportation Committee concur fully in all that the distinguished chairman of our Aviation Subcommittee has just said about the pending bill, H.R. 8564, relating to war risk insurance.

This legislation was reported unanimously by both the subcommittee and the full committee. It is essential, all agree, that the war risk insurance program be extended beyond its scheduled termination date, September 7, 1975. Our international air carriers must have the assurance that such coverage is available when the need arises, i.e., when commercial underwriters refuse to provide the necessary coverage.

Mr. Speaker, a plus in the bill is a provision to authorize the investment of the war risk insurance revolving fund in interest-bearing securities of the United States. This is a business-like approach which will serve to increase the present balance of $13.7 million in the fund.

A most difficult problem has arisen in recent years due to the fact that commercial underwriters have included additional exclusions in their policies—beyond "war risk" and "capture and seizure" clauses. Pan Am and other U.S. international carriers have requested legislation to extend the applicability of the war risk insurance program to cover all exclusions now written by the commercial underwriters.

The subcommittee and full committee members decided, however, that the situation requires further study and the bill before us mandates a 90-day study of the problem by the executive branch. We have every expectation of reviewing the matter on the basis of the results of the study—and it is for this reason that the bill calls for extending the program only 8 months, instead of 5 years, as heretofore.

Mr. Speaker, I urge my colleague to support this important legislation.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ANDERSON of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

ANNOUNCEMENT AS TO LEGISLATIVE PROGRAM FOR TOMORROW

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. Mr. Speaker, I have asked for this time in order to inquire of the majority whip whether the gentleman can give us a little better indication of what our schedule might be for tomorrow.

Mr. McFALL. If the distinguished minority whip will yield, tomorrow we will first have the conference report on the military procurement bill. Then we would go into H.R. 7014 again on which we would have to adopt a rule on the Krueger amendment.

Mr. MICHEL. Do I understand that prior to the consideration of that bill we would have to take up a new rule?

Mr. McFALL. I believe that that is necessary, in order to proceed with the legislation.

The further program for the balance of the day would be undetermined, I would think, because we do not know how long H.R. 7014 will take. But we do have the disapproval resolution which has been given a rule, and there are other matters to consider. So I am sure we will have a full day.

Mr. MICHEL. Is it expected that we will adjourn around 6:30 p.m. tomorrow?

Mr. ECKHARDT. If the gentleman will yield, do I understand that H.R. 7014 will be the first matter of business?

Mr. McFALL. My understanding is that H.R. 7014 and the Krueger amendment will come first. That is what I have just been advised.

If the gentleman would go to the Speaker's rostrum and discuss it with the Speaker, I think the gentleman could get it straightened out. But I was just advised a moment or so ago by the Speaker that that was the way the schedule would start tomorrow at 10 o'clock.

Mr. BAUMAN. Mr. Chairman, if the gentleman would yield, some of the other Members might also be interested in the program, as card-carrying Members of the Congress, so we will know what goes on. The gentleman from California states that tomorrow we will resume the energy debate which we have been debating at length, but he says that now we will have to adopt another rule in order to consider another Krueger amendment, an amendment that has already been considered. Why must we do this when we have already originally adopted a rule for the consideration of the bill and considered several amendments including the Krueger amendment.

I wonder if the gentleman from California could explain this mystery a little bit further for us.

Mr. McFALL. Mr. Speaker, to paraphrase a great malapropist, if Rube Goldberg were alive today he would be turning over in his grave.

Mr. BAUMAN. If he were alive he would probably be a freshman Democratic Member of the Congress.

Mr. McFALL. I am advised that this is the proper procedure. The Committee on Rules did give a rule to permit the new Krueger amendment to be offered to H.R. 7014. Before that Krueger amendment can come up, the rule must be adopted.

As I say, this is a different Krueger amendment.

I see that the gentleman from Missouri (Mr. Bolling) is here. I would ask the gentleman from Missouri to tell us something about the action of the Committee on Rules if the gentleman from Illinois will continue to yield.

Mr. MICHEL. I yield to the gentleman.

Mr. McFALL. But I am advised that what I have stated is correct.

Mr. BOLLING. I thank the gentleman for yielding.

Mr. Speaker, the Krueger amendment that is to be made in order by this special rule is a different Krueger amendment than the one that was made in order by the earlier rule that made in order the consideration of the bill H.R. 7014.

This Krueger amendment is, roughly, with I think some accuracy, the President's proposal, drawn as an amendment, with a minor modification dealing with stripper wells—I should say with a modification dealing with strippers, it may not be minor—and a proposal, a trigger which requires that there be in place a windfall profits tax before the decontrol proceeds under the President's proposal. In other words, it turns it into a legislative amendment. That is the current Krueger amendment.

The thought behind that was that since the original rule had given both the gentlemen from Texas (Mr. ECKHARDT and Mr. KRUEGER), an equal opportunity, this second time around on ECKHARDT and KRUEGER should have an equal opportunity.

Mr. **MICHEL**. If the distinguished majority whip would yield further, am I given to understand that this, then, would be the first order of business tomorrow?

Mr. **McFALL**. This is the second order of business after the conference report on military procurement.

Mr. **MICHEL**. The conference report on military procurement will come first?

Mr. **McFALL**. That is correct.

The **SPEAKER**. The conference report is going to come first, and the decision as to how the oil bills will be taken up will come after the conference report is taken up, and that is final.

Mr. **MICHEL**. I thank the Speaker for clarification.

Mr. **BAUMAN**. I thank the Speaker, also.

REQUEST FOR PERMISSION FOR COMMITTEE ON SCIENCE AND ASTRONAUTICS TO FILE A CONFERENCE REPORT ON H.R. 4723

Mr. **McFALL**. Mr. Speaker, I ask unanimous consent that the Committee on Science and Astronautics may have until midnight tonight to file a conference report on the bill H.R. 4723.

The **SPEAKER**. Is there objection to the request of the gentleman from California?

Mr. **BAUMAN**. Mr. Speaker, reserving the right to object, is that the National Science Foundation authorization?

Mr. **McFALL**. I believe so.

Mr. **BAUMAN**. Mr. Speaker, I object.

The **SPEAKER**. Objection is heard.

PERSONAL STATEMENT

Mr. **GUDE**. Mr. Speaker, on rollcall No. 449, the Quie amendment to H.R. 7217, I am recorded as voting "aye" whereas my intent was to vote "no." I ask that this statement appear immediately after the rollcall on that amendment.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

> H.R. 8714. An act to amend the Railroad Unemployment Insurance Act to increase unemployment and sickness benefits, and for other purposes.

INTRODUCTION OF THE ZERO-BASED BUDGETING ACT

(Mr. REGULA asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. **REGULA**. Mr. Speaker, I rise today to introduce a bill which I believe will receive wide bipartisan cosponsorship and nationwide support. This resolution is to amend the Congressional Budget Act of 1974 to establish in the Congress a zero-based-budgeting process, with full congressional review of each Federal program at least once every 6 years.

Never before in the Nation's history have the combined conditions of the economy with respect to inflation and capital availability, the rising Federal deficit incurred by governmental action, the growing multiplicity of Federal programs, the overburdening of the private sector by the public domain, and the realization of—in fact the fear of—burgeoning Government by our citizens, more urgently required a new approach to insure fiscal responsibility on the part of the Nation's leaders.

Mr. Speaker, in thinking about the objectives of this legislation in relationship to governmental spending it is interesting to note, especially on the threshold of our Bicentennial celebration, the advice given to us on war debt in particular, and public debt in general, by George Washington in his Farewell Address of September 1796. He said:

> As a very important source of strength and security, cherish public credit. One method of preserving it is to use it as sparingly as possible, avoiding occasions of expense by cultivating peace . . . avoiding likewise accumulation of debt, not only by shunning occasions of expense, but by vigorous exertions in time of peace to discharge the debts which unavoidable wars may have occasioned, not ungenerously throwing upon posterity the burdens which we ourselves ought to bear.

I believe the bill I am introducing today, if enacted, would put in the hands of the Congress, a viable tool for discharging more effectively the responsibility of which our first President spoke.

A 10-year comparison of the Federal budget reveals a 132-percent growth from $158.2 billion in 1967 to $367 billion in the budget proposal for 1976. During this same period the public debt has increased from $341.3 billion in 1967 to the 1976 estimate of $617.5 billion, an increase of 81 percent. The compounding interest on the debt alone is a sobering matter.

This important budget process reform legislation is designed to cause each committee of the House of Representatives and the Senate, which has jurisdiction to report legislation authorizing appropriations for any Federal program, to bring under comprehensive review and study, at least once in every 6-year period, each program as though it were being proposed to be enacted for the first time. This bill further designates that this zero-based-budgeting process shall be conducted within guidelines and standards established by the Committees on the Budget of the House of Representatives and the Senate.

The zero-based-budgeting process proposed in this bill mandates comprehensive review and study of Government programs including a consideration of alternative ways of carrying out the activities involved and alternative funding levels for such activities, an evaluation of each such alternative in terms of its probable costs and benefits, a comparison of each alternative with other programs and activities in the same or related fields, a detailed cost-benefit analysis of the program, and an evaluation of the overall success or failure of the program.

The usage of the zero-based-budgeting process on a 6-year time cycle as provided in this proposed legislation is of sufficient length to insure feasibility of compliance within agencies and departments as well as providing an adequate time frame for testing the validity and reliability of such programs in the reality of experience. Once within each 6-year period use of the zero-based-budgeting process will cause consideration specifically of the following matters, which, I believe, are critically pertinent.

First. Whether the program objectives are still relevant;

Second. Whether the program has adhered to its original and intended purpose;

Third. Whether the program has had any substantial impact on solving the problems and objectives dealt with in the program;

Fourth. The impact of the program on the functions and freedom of the private sector of the economy;

Fifth. The feasibility of alternative programs and methods for handling the problems dealt with in the program and their cost effectiveness;

Sixth. The relation of all Government and private programs concerning the problems dealt with in the program; and

Seventh. An examination of proposed legislation pending in either House concerning the problems dealt with in the program, including an examination of each proposed legislation in the context of existing laws, other proposed legislation, private efforts, and whether public efforts will hinder or help private efforts.

Surely, this bill alone will not accomplish all that is required to insure fiscal responsibility, but it is a most important step in a direction that must be taken. Combined with increased care in the application of the currently used incremental budgeting process, it will enable the Congress to adjudicate the usage of the Nation's fiscal resources so as to accomplish greater effectiveness in dealing with our Nation's problems.

Mr. Speaker there is a new phenomenon occuring in America. It is the awakening from apathy on the part of many whom we have perhaps unwisely termed the "silent majority." In the past few decades as the living standard of this productive spectrum of our society improved their sensitivity to increasing taxes, Government expenditure and regulation was somewhat sublimated by their sense of well being economically. However, today we are experiencing a new uneasiness on the part of our constituents as their lives become increasingly affected as changing conditions require a greater allocation of their incomes to subsistence needs with fewer dollars remaining for other spending.

This new awareness and concern has resulted in growing restriction of support at the local followed by the State levels of government. It is important to note that analysts now report that this concern is turning increasingly to the national level. It is essential that the Congress put into effect much greater scrutiny of the Federal operation. The Zero-Based-Budget Act provides a viable means for achieving this in the fiscal process.

In order that all Members, as well as the appropriate committees, and the public, know specifically all provisions of the Zero-Based-Budgeting Act, I am at this point including the full text of the bill.

H.R. 9007

A bill to amend the Congressional Budget Act of 1974 to establish in the Congress a zero-base budgeting process, with full congressional review of each Federal program at least once every six years

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title IV of the Congressional Budget Act of 1974 is amended by adding at the end thereof the following new section:

"ZERO-BASE BUDGETING; FULL CONGRESSIONAL REVIEW OF ALL FEDERAL PROGRAMS AT LEAST ONCE EVERY SIX YEARS

"Sec. 405. (a) In General.—At least once in every period of six years, at a time during such period determined in accordance with guidelines prescribed by the Committees on the Budget of the House of Representatives and the Senate under section 103, each committee of the House of Representatives and the Senate which has jurisdiction to report legislation authorizing appropriations for any Federal program shall conduct a comprehensive review and study of such program as though it were being proposed to be enacted for the first time. Such comprehensive review and study (hereinafter in this section referred to as a 'zero-base budgeting process') shall be conducted in accordance with the guidelines so prescribed and shall take into account (without being limited to) the matters specified in subsection (c).

"(b) Limitation on Authorizations.—No provision of law (heretofore or hereafter enacted) which authorizes appropriations for any Federal program shall be effective—

"(1) for any period after the close of the sixth fiscal year following the fiscal year in which such provision is enacted (or, if later, the close of the sixth fiscal year following the fiscal year in which this section is enacted), or

"(2) for any period extending beyond the fiscal year in which the next succeeding zero-base budgeting process is scheduled to be conducted under this section with respect to the program or programs involved.

"(c) Matters Included in Zero-Base Budgeting Process.—Each comprehensive review and study conducted by a committee with respect to a Federal program under subsection (a) shall include a consideration of alternative ways of carrying out the activities involved and alternate funding levels for such activities, an evaluation of each such alternative in terms of its probable costs and benefits, a comparison of each such alternative with other programs and activities in the same or related fields, a detailed cost-benefit analysis of the program, and an evaluation of the overall success or failure of the program; and shall more specifically include the following matters:

"(1) Whether the program objectives are still relevant.

"(2) Whether the program has adhered to its original and intended purpose.

"(3) Whether the program has had any substantial impact on solving the problems and objectives dealt with in the program.

"(4) The impact of the program on the functions and freedom of the private sector of the economy.

"(5) The feasibility of alternative programs and methods for dealing with the problems dealt with in the program and their cost effectiveness.

"(6) The relation of all government and private programs dealing with the problems dealt with in the program.

"(7) An examination of proposed legislation pending in either House dealing with the problems being dealt with in the program, including an examination of such proposed legislation in the context of—

"(A) existing laws,

"(B) other proposed legislation,

"(C) private efforts, and

"(D) whether public efforts will hinder or help private efforts.

"(d) Miscellaneous Provisions.—

"(1) Insofar as possible, the committees of the House of Representatives and the Senate which have jurisdiction over any Federal program shall conduct the review and study required by subsection (a) at the same time. In conducting such review and study, the committees shall receive testimony and evidence in hearings which shall be open to the public, and which may be conducted jointly.

"(2) Prior to the conduct by any committee of the review and study required by subsection (a) with respect to any program, the head of the department or agency of the Government which administers such program (or any part thereof) shall submit to the committee a detailed description of and report on such program (or part), including a cost-benefit analysis where feasible.

"(3) Upon the completion of its review and study of any program as required by subsection (a), the committee shall submit a full report thereon to the House of Representatives or the Senate, as the case may be.

'(e) Treatment of Budget Authority Derived From Zero Base Budgeting Process.—For purposes of this Act, all budget authority provided for any Federal program following a review and study conducted as required by subsection (a) shall (with respect to fiscal years beginning after the conduct of such review and study) be considered to be new budget authority.

"(f) Limitations on Consideration of Authorizing Legislation in House or Senate.—It shall not be in order in either the House of Representatives or the Senate to consider—

"(1) any bill or joint resolution which authorizes appropriations for any Federal program for any fiscal year beginning after the fiscal year in which the committee of that House which has jurisdiction over the program is required to submit a report with respect to the program under subsection (d) (3) until that committee has submitted such report, or

"(2) any bill or joint resolution which authorizes appropriations for any Federal program for more than six fiscal years."

(b) The table of contents for the Congressional Budget and Impoundment Control Act of 1974 is amended by inserting immediately after the item relating to section 404 the following new item:

"Sec. 405. Zero-base budgeting; full congressional review of all Federal programs at least once every six years."

Sec. 2. (a) Section 2 of the Congressional Budget and Impoundment Control Act of 1974 is amended by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively, and by inserting after paragraph (3) the following new paragraph:

"(4) to provide for the periodic comprehensive review and study by the Congress of all Federal programs under zero-base budgeting processes;".

(b) (1) Title I of such Act is amended by adding at the end thereof the following new section:

"GUIDELINES FOR ZERO-BASE BUDGETING PROCESS

"Sec. 103. The Committees on the Budget of the House of Representatives and the Senate, acting jointly or in consultation with each other, shall establish guidelines and standards for the conduct by the various committees of the House and Senate of their zero-base budgeting functions under section 405, including specifically appropriate guidelines for determining in the case of any such committee the manner in which it will schedule zero-base budgeting processes with respect to the various Federal programs over which it has jurisdiction during the six-year period specified in section 405(a)."

(2) The table of contents for such Act is amended by inserting immediately after the item relating to section 102 the following new item:

"Sec. 103. Guidelines for zero-base budgeting process."

(c) Section 202(a) of such Act is amended by striking out "and (3)" and inserting in lieu thereof "(3) information designed to assist in the establishment and administration of the guidelines for zero-base budgeting processes under section 103, and (4)".

(d) Section 301(a) of such Act is amended by adding at the end thereof (after and below paragraph (6)) the following new sentence: "For purposes of such concurrent resolution (and the concurrent resolution required under section 310), all budget authority for any program which has been the subject of a zero-base budgeting process during the current fiscal year shall be treated as new budget authority."

(e) Section 308(c) of such Act is amended by adding at the end thereof (after and below paragraph (3)) the following new sentence: "Such report shall also indicate the Federal programs which (in accordance with the guidelines established under section 103) are scheduled to be the subject of zero-base budgeting processes during each fiscal year in the period covered by the preceding sentence."

(f) Section 204(b) of the Legislative Reorganization Act of 1970 (31 U.S.C. 1154(b)) is amended by striking out "and" at the end of paragraph (1), by striking the period at the end of paragraph (2) and inserting in lieu thereof ";and", and by inserting immediately after paragraph (2) the following new paragraph:

"(3) assist such committee or joint committee in the conduct of its zero-base budgeting processes under section 405."

Sec. 3. The amendments made by this Act shall apply with respect to authorizations provided on and after the date of the enactment of this Act for fiscal years beginning after such date.

ANSWER TO McCRACKEN-WALL STREET JOURNAL ATTACK ON THE AUDIT BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. Patman) is recognized for 30 minutes.

Mr. PATMAN. Mr. Speaker, on July 10, 1975, one of the advisors of the recent President—Richard Nixon—was given great space in the Wall Street Journal to attack the proposals to require an audit of the Federal Reserve System.

The attack was authorized by Dr. Paul McCracken, who served as a prime economic adviser during the Nixon years and whose wisdom helped formulate the policies which gave the Nation the phenomena of simultaneous inflation and recession. He now advises us on how to handle our monetary affairs and instructs the Congress on how it should carry out its oversight functions of the Federal Reserve System.

Dr. McCracken is a nice individual, but I think it is best that he stay in the academic world and study the economic mistakes of recent years. With all due respect to the good professor, the country is best without echoes from the immediate past.

Mr. Speaker, Dr. McCracken's Wall Street Journal column indicates a great deal of confusion about the provisions of the legislation—as well as questionable logic—but it is not my intention to analyze this effort in detail here today.

However, Mr. Speaker, John Winthrop Wright, a well-known economist and investment adviser, who has testified frequently before the Congressional Committee on National Economic Policies, has written the Wall Street Journal in answer to Dr. McCracken's attack on the audit bill. Mr. Speaker, I place in the Record a copy of this letter from Mr. Wright, who is president of Wright Investors Services of Bridgeport, Conn.

Editor, The Wall Street Journal:

Your editorial, "Monetary Policy and the Congress" (July 10, 1975) by Dr. Paul W. McCracken, opposes the House Bill for a GAO (General Accounting Office) audit of the Federal Reserve on the grounds that "passage (of this bill) would move direct responsibility for the operation of monetary policy closer to the Congress", and specifically that (a) constructive results from a GAO financial audit would be negligible, (b) exposure to audit of FRB internal memoranda would endanger the processes of monetary policy decision, and (c) public confidence in the Congress would be "curdled" as a result of such a "dissipation of congressional energy on trivia".

I submit that your readership deserves further and more factual comment on this legislation. Specifically . . .

(1) The Federal Reserve is, in fact, the only governmental organization which has a blank check with virtually unlimited authority to spend public funds as it sees fit without any accountability to the public through its elected Administration or Congress. This unique situation results from the fact that government bonds (presently about $90 billion) which the FRB has repurchased with government money, are not cancelled but continue to pay interest which goes directly to the Federal Reserve (presently about $6 billion per year) and is used by them to whatever extent they alone determine $495 million in 1973) for operating expenses and other unidentified purposes. Since this is nothing else but taxpayers' money, it is difficult to conceive of any reason why this should not be subject to public audit, accountability, and control.

(2) The Federal Reserve Board through its Open Market Committee, which includes the participation of bank-elected officials, absolutely controls U.S. monetary policy and thus the principal cause and cure of economic recession. The FRB believes that "public knowledge that the GAO—or anyone else—had review powers over such information could have an adverse effect . . .". I believe that the truth is clearly to the contrary, and that the knowledge by FRB bankers and officials that their words and actions on the public business has to stand the light of public scrutiny can have only a beneficial, not an adverse, effect on the public interest. It is difficult to conceive of any need for lasting "confidentiality" in the process of determining monetary policy or bank regulation.

(3) The suggestion that a governmental audit of the Federal Reserve would be a duplication of expense and "a dissipation of Congressional energy on trivia" necessarily assumes that it will not result in any significant new disclosures of expenditures, policies, projects or activities which the Administration or the Congress, as distinguished from the Federal Reserve Board, would regard as improper, unnecessary, or extravagant. Recent testimony at hearings before the House Subcommittee on Domestic Monetary Policy would seem to refute this possibility. One example of FRB expenditure of substantial funds and executive effort which should certainly be subject to public scrutiny is their recent study entitled "Scenario for Federal Reserve System in Year 2000" which notes that although the FRB "System cannot avoid being a part of the government and responsible to Congress . . . or operate in a manner that is completely independent of, or indifferent to the programs and point of view of the Administration . . . the System . . . must have some insulation from direct political pressures to use its powers to achieve short term objectives that may be at variance with the dominant mood of the government" (changed in the edited text from "in some particular sectors at the expense of the goals set for the economy as a whole"). Whether or not this study was, in fact, as FRB Vice Chairman Mitchell described it, purely "hypothetical . . . to strengthen the managerial capabilities of the (Cleveland Reserve Bank) staff", it was clearly either a waste of the public money or an improper exercise in programming an unauthorized expansion of independent FRB powers.

In sum, I believe that your readers will agree that far from being an exercise in "trivia", a full scale audit of both the expenditures and the policies of the Federal Reserve is now altogether necessary and proper, and, further, that this will ultimately result in a long-overdue reform of a system which cannot avoid the responsibility for the extremes of monetary policy and economic damage which this country has sustained under "independent", bank-dominated, control of our economy.

JOHN WINTHROP WRIGHT,
Bridgeport.

TAX INDEXING: AN OVERDUE REFORM I

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. Crane) is recognized for 5 minutes.

Mr. CRANE. Mr. Speaker, in this, the first of two statements on the important question of tax indexing, I shall discuss the problems faced by the individual taxpayer and proposals for reform.

Most people are aware that inflation causes the cost of living to increase steadily, and that as their expenses rise, they must obtain higher nominal incomes in order to purchase the same goods and services. In addition, most people correctly believe that the Government causes inflation. But, few of them are aware of how inflation and taxation interact, aggravating the problems of the consumer and distorting the tax structure in a cumulative manner. Not only do real tax rates and revenues increase faster than the general rate of inflation, giving the Government an incentive to continue to inflate the economy at a faster rate, but also, from the consumer's perspective, the increased tax burden is the largest component of the cost of living increase.

For example, one could look at the economic situation in 1974. Food costs rose 11.9 percent, housing costs increased by 13.5 percent, transportation expenses were 14.3 percent higher, while income taxes on middle-income families soared by 26.5 percent and social security taxes increased by 21.6 percent.

Inflation was not a serious problem when most of the tax code provisions in question were enacted. However, continued inaction in this area of tax reform is inexcusable, since the nature and source of the problem are plain: Numerous provisions of the tax code are specified in dollar amounts—tax brackets, amounts of exclusions, deductions, exemptions—and other provisions of the code require calculations which mix dollar amounts from different years, though inflation causes the dollars to have different values at different points in time.

For the most part, the reforms necessary to prevent the Government from profiting from inflation in the future are straightforward and simple. Basically, a tax indexing system provides for an automatic upward adjustment of the dollar amounts specified in the tax code at the rate of inflation, so that in real terms, these amounts remain constant, and only real income is taxed.

There are two major reasons why an indexing system ought to be enacted, and ought to be a major priority of the Congress as it considers various possible tax reforms.

First, the taxpayers ought to be treated equitably. Without indexing, a taxpayer may have the same real taxable income in two different years, yet be subject not only to different amounts of tax liability, but also to different rates of taxation.

Take, for example, the case of a family of four with a $20,000 income during 1973. Just to keep pace with inflation, the family would have to receive an income of $22,400 in 1974. The purchasing power of this income has remained absolutely constant. Now, however, the family must pay an additional $642 in taxes, which represents 16.3 percent of their income. Before the salary increase, the tax rate for this family had been only 15.1 percent of their income. Thus, their real, after-tax income has declined. The significance of this problem is obvious when one regards tax aggregates: Inflation caused over-taxation of personal income from 1973 to 1974 of $7 billion.

Second, the Congress ought to be more responsible to the people, and ought not to disguise its fiscal actions. At the present time, the Congress can irresponsibly spend beyond its income, stimulate inflation through the deficits it incurs, and then reap the benefits of inflation through increased real taxes. Adopting an indexing plan would make the Congress more accountable in two respects:

If the Congress wishes to increase taxes further, it will no longer be able to do it covertly, nor will it be able to obtain any unintended windfall at the expense of the consumer.

The Congress will no longer be able to take credit, as it has in the past, for illusory tax cuts which have the net effect of restoring the previous tax rate, after a period of inflation, in which higher tax rates were paid.

In short, the Congress will have to be honest in enacting tax increases and decreases, and equitable in its treatment of the taxpayer. The principles entailed in an indexing scheme have already been incorporated into social security benefits and other transfer payments, which are automatically adjusted to account for inflation. Also, the Ways and Means Committee has tentatively decided to index the deduction which Members of Congress are permitted to claim for "away from home" living expenses, so that the current $3,000 limit would increase automatically.

Inflation and the personal income tax structure interact to cause over-taxation in two basic areas: regular income and capital gains.

As I previously demonstrated, an individual wishing to maintain his standard of living in an inflationary period must receive nominal income increases at the rate of inflation. If he does so, and real income is constant over time, his effective tax rate and real tax liability increase. The first reason why this occurs is that as one's income increases, one moves into higher tax brackets, where higher rates are levied. Second, the standard deduction and exemptions are specified in dollar amounts, and as nominal income rises they decline relative to total income; thus, even if taxable income were taxed at a constant rate, the decline in just brackets, exclusions, deductions, and exemptions would cause the effective tax rate and real tax liability to increase during inflation, though real income is held constant.

An indexing system would have to adjust brackets, exclusions, deductions and exemptions upward at the rate of inflation. Such an adjustment would be simple to make, and would be incorporated into the tax forms and instructions, so that the individual taxpayer would not have to change his tax calculation procedure. Such a reform would insure that if real adjusted gross income remains constant, so does real taxable income and real tax liability.

A distinct but similar problem arises for the taxpayer as a result of the interaction of inflation and the capital gains tax provisions. A capital gain occurs as the value of a capital asset—or business property—appreciates. The gain is realized upon the sale of the property, and under current law is equal to the difference between the sale and the original purchase price—with some adjustments. Thus, the current tax structure makes a major conceptual error in assuming that dollars exchanged 20 years ago have the same value as an equal number of dollars today—an assumption that clearly is false during an inflationary period. Since the gain is not taxed until it is realized, it may cover several years or even decades. The problem is that inflation causes a nominal gain if the asset is sold for a price that is equal, in real terms, to the original purchase price. For example, if an individual bought a piece of property in 1966 for $10,000 and chose to sell it at the end of 1974, he would have to receive $15,000 just to maintain the real value. However, the tax code assumes that a $5,000 gain has occurred, even though no real gain has taken place. One indicator of the extent of the problem, in the aggregate, is the estimate by George Shultz, then Secretary of the Treasury, that 40 percent of the capital gains realized on common stock in the 15 years preceding 1972 were purely the result of inflation.

One area where the problem is especially severe is capital gains taxation on residential property. Current tax law provides that a capital gain on the sale of such property, though realized, will not be recognized and taxed if it is applied to the purchase of a new residence; the basis of the new residence must be adjusted downward by the amount of unrecognized gain. The net result is that gains on residential property can be accumulated over a lifetime. This can be devastating to a taxpayer. For example, if a person buys a home now for $40,000, and if inflation in future years is kept to a mere 5 percent rate, the home would have to be sold for over $106,000 in 20 years, just to get back the original investment. At that time, a $66,000 "gain" would be realized.

The entire problem of inflationary capital gains can be solved through an indexed tax structure, under which one would adjust the basis of the property sold to the extent that inflation had altered its real value; thus the tax would be levied only on real gains.

An indexed personal income tax structure would, in the manner just described, provide automatic adjustments in computing tax liability to prevent the taxation of illusory, inflation-caused income increases and capital gains; the Government could no longer rely on inflation to increase the revenue from personal income taxes.

THE "FINLANDIZATION" OF U.S. FOREIGN POLICY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. BAUMAN) is recognized for 10 minutes.

Mr. BAUMAN. Mr. Speaker, as we meet here today, the President will have just landed in Helsinki, Finland, to participate in the final session of what has become the most one-sided conference since a smaller, more private conclave gathered in Munich, Germany, some 35 years ago to assure European "peace and security" in that time.

After 30 months during which professional negotiators have played diplomatic poker with the national frontiers of the West, a final document has been produced, one which we have not yet seen, but one which the President has stated that he will sign. Although he did so with the noblest of intentions, I respectfully submit that it was a mistake. That traveling anywhere to sign any document that effectively ratifies the Soviet conquest of Eastern Europe is a mistake, an action which in the eyes of the refugees of despotism compromises the moral invincibility of the West. It is the first written confirmation of what Alexandr Solzhenitsyn has been saying about our country, that the foreign policy of the United States is being "Finlandized." It is being compromised into such a position of defenseless political neutrality that any actions we take for the avowed purpose of bolstering our national security, whether it is subsidizing "listening posts" in Turkey or providing military aid to South Korea, appear hypocritical and are in fact self-defeating.

This Congress is asked to authorize money again and again for a policy without a purpose for tactics without a strategy. In response to covert Communist aggressions against the West, we provide protective funds which are given on the premise that the Communist challengers are enemies, while our Secretary of State describes them as our "partners" in détente.

While Mr. Brezhnev reminds his command constituency that any actions taken by Soviet policymakers are part of a grander, and for the present, subtle revolutionary change to communize Western society and achieve total political control, the messages the American people have received from returning Presidents can be epitomized in one great Pepsi commercial. Yes, we are being conditioned to believe in an international reality which does not exist and never will exist. Ask the Hungarians, or the Czechs, or the Poles, or the other disenfranchised populations of the world who have at one time or another lost their nations to the eager grasp of our "partners in détente." Ask them about the broken treaties, the rigged conferences, and the illogical rationalizations the Soviets have used to consolidate a Czechoslovakia or to gain an East Germany, and these captive peoples will not portray Soviet political leaders as buddies, but as burglars. The proverbial burglars who stalk the darkened halls of the hotel, trying each door in search of the one which has been left unlocked.

In light of Soviet determination and Western irresolution, nations never seem to regain their freedom. They can only lose it. And now our Nation, the political leader of the remaining free world, is to be a signatory of a document which in effect says that that is all right, permitting us to witness in our time the total reversal of the world's rejection of Nazism following the historical prelude to World War II. Marxist totalitarianism has consolidated an international hold in our day, a respectability never to be achieved by its Nazi forebearer. Not only its bayonets, but its ideas have triumphed. Never before in the history of political society has a theory of tyranny achieved such a success as to motivate a group of political leaders to placate and even commercially promote those who are avowed to destroy them. Several days ago, the gentlelady from Maryland (Mrs. HOLT) led congressional voices questioning this policy, and demanding that no actions affecting U.S. policy at the Helsinki conference be approved without congressional consent. The Arms Limitation Act of 1961 which prescribes any agreements dealing with American defense matters must have this Congress approval mandates that. I join in their petition, and I urge my colleagues to join as well.

Mr. Speaker, the time has come for us to seriously scrutinize this habitual walk Henry Kissinger has been taking us on, step by step into a cloudy future where only the continued determination of the Soviet Union's anti-Western policy seems crystal clear. The forces of freedom in the world have not scored a point or regained a goal since the inception of that policy, and it is not too unreasonable to ask that we in the Congress be permitted to huddle and join in the general policy planning before we are asked to support the next play.

COMMITTEE ORDER NO. 23—COMMITTEE ON HOUSE ADMINISTRATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. HAYS) is recognized for 5 minutes.

Mr. HAYS of Ohio. Mr. Speaker, House Resolution 457, 92d Congress, enacted by Public Law 92-184 into permanent law on December 15, 1971, provides the Committee on House Administration the authority to fix and adjust from time to time various allowances of Members, the Resident Commissioner from Puerto Rico and the Delegates to the House of Representatives. Pursuant to this authority the committee has issued Order No. 23 which is effective this date.

The purpose of Committee Order No. 23 is to continue the movement of the House into the computer age. This order will enable the membership to gain access to the myriad of information available from various existing computer bases through the rental of computer terminals and related services to be used solely in connection with the official duties.

Committee Order No. 23 incorporates, consolidates, and supersedes that portion of Committee Orders No. 6 and 17, as well as that portion of committee letter of authorization of October 4, 1973 relating to leasing and payment of charges for computer and related services. The order does not increase the overall allowances of the membership but authorizes $1,000 a month of any unused portion of the current clerk hire allowance for the leasing of computer and related services in connection with official duties as prescribed by the regulations of the Committee on House Administration.

The committee order follows:

COMMITTEE ORDER NO. 23

Resolved, That effective this date, until otherwise provided by order of the Committee on House Administration, each Member, the Resident Commissioner from Puerto Rico or a Delegate to the House of Representatives is authorized upon written request to the Committee on House Administration, to allocate an amount not to exceed $1000 a month of any unused portion of his or her clerk hire allowance for the leasing of computer and related services in connection with his or her official duties. The said monthly allowance is not cumulative.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. FORD) is recognized for 5 minutes.

Mr. FORD of Tennessee. Mr. Speaker, I regret that I missed yesterday's entire session and two votes earlier today. Illness kept me in Memphis longer than I had anticipated. Had I been present, I would have voted for House Resolution 640, agreeing to the Senate amendments to the Voting Rights Act extension; for Senate Concurrent Resolution 35, providing for Romanian trade status; and for final passage of H.R. 5210, the Military Construction Authorization Act.

During this morning's session, I would have voted to override the President's veto of S. 66, the Health Revenue Sharing, Health Services, National Health Service Corps, and Nurse Training Act. I also would have voted for approval of the conference report on H.R. 3130, the National Environmental Policy Act.

PANAMA CANAL: ALLEGED COLONIALISM AND THE CANAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 10 minutes.

Mr. FLOOD. Mr. Speaker, the Washington Post of July 27, 1975, featured an article on its editorial page under the title of "Colonialism and the Canal." It supports the publicly announced objective of the Department of State for surrendering U.S. sovereign control over the United States owned Canal Zone to Panama and contains enough facts to appear plausible. The article amounts to an attack on the people of our country whose views have been evidenced not only by thousands of letters to Members of the Congress but also by means of opinion polls and recent actions in the Congress in opposition to the unauthorized projected "giveaway" of U.S. territory and property.

To clarify some of the misleading statements in the article, I shall comment on them:

First. As to the Canal Zone being a colonial "enclave", President Taft, on November 16, 1910, while attending a banquet in Panama City given by the President of Panama, made this deliberately phrased declaration:

> We are here to construct, maintain, operate, and defend a world canal, which runs through the heart of your country, and you have given us the necessary *sovereignty and jurisdiction* over the part of your country occupied by that canal to enable us to do this effectively. (Emphasis supplied) (*Canal Record*, Vol. IV (Nov. 23, 1910), p. 100).

Second. The article mentions a "miniscule" annuity of $2.3 million, but it fails to give other facts. The annuity to Panama in 1974 of $2,328,000 is not rental for the Canal Zone as clearly implied by the article but the gratuitously augmented obligation of the Panama Railroad, originally $250,000, previously paid Colombia, which was assumed by the United States in the 1903 Treaty. The total benefits to Panama in 1974 from U.S. Canal Zone sources was $236,912,000, which was not mentioned in the article. These benefits have given Panama the highest per capita income in all of Central America.

Third. As to the "principle of self-determination," the support by the United States in 1903 of the independence of Panama was one of the earliest examples in the exercise of that U.S. policy. It received the enthusiastic support of the Panamanian people who wished to receive the benefits that placing the canal in Panama would bring. The suggested revision of our relations with Panama on the basis of "self-determination" is an arrant distortion of history. Let us bear always in mind that Panama seceded from Colombia to secure the construction of the Isthmian Canal in that country as a reward for secession and in payment for the U.S. guaranty of its independence. Panamanians at that time were jubilant upon the launching of canal construction for the employment afforded. Their descendants will be jubilant that the insight and foresight of the Congress of the United States has enabled them to escape the bloodbath of a Red takeover. Let us make no mistake. The agitators for Panamanian control of the Canal Zone are Red infiltrators among the Panamanian people.

Fourth. The 1964 "flag incident" was not an innocuous prank of schoolboys but a carefully planned mob invasion of the Canal Zone led by Red agents trained in sabotage in Cuba or elsewhere—House Document No. 474, 89th Congress, pages 305–44. In spite of 3 days of violence requiring the U.S. Army to defend the Zone, the Panama Canal was kept operating without interruption—a striking evidence of the wisdom of the U.S. policy for its sovereign control.

Fifth. The 1973 casting by the United States of its "third veto" at the meeting of the U.S. Security Council in Panama was a meaningless gesture that only opposed the timing of the projected surrender. It did not negate the State Department's objective of eventual surrender.

Sixth. With respect to "vulnerability," the Panama Canal has been protected during two great world wars, as well as during the Korean and Vietnam wars.

Seventh. As to the refusal of the Senate to "consent" to a treaty surrendering U.S. sovereignty and jurisdiction, we have the 1974 appraisal by Dr. Mario Lazo, an eminent Cuban lawyer, who stated:

> With Soviet Russia already entrenched in the Caribbean, we can easily imagine the fascinated satisfaction with which the Kremlin observes this performance in Panama. But there can be no doubt about the ultimate reaction in Latin America. The Latinos know power and they respect power. What they deride and distrust is weakness, appeasement and surrender.

Mr. Speaker, the total U.S. investment in the Panama Canal enterprise, including its defense, from 1904 through June

30, 1974, was $6,880,370,000. No one ever asks how Panama, a small, weak country, could possibly reimburse the United States for any of that investment. Nor did the indicated article, which failure implies approval of the proposed giveaway.

As has been stated many times in the Congress, the transcendent issue on the Isthmus is not one between the United States and the Red infiltrated Panamanian Government, but one to determine whether the flag flown over the Canal Zone will be that of the U.S.A. or that of the U.S.S.R. The crisis that will follow surrender of U.S. sovereign control will be one of surpassing consequence affecting the security of the United States and would be comparable to the loss of a great war. The leaders in the Congress who are standing up for continued undiluted U.S. sovereignty over the Canal Zone are not "parochial, insensitive, and uninformed," but those who are alert to realities and are not easily misled by surrender propaganda. History will attest that these champions for continued U.S. sovereignty over the Zone will be proved to be the best friends of the Panamanian people.

These realists in the Congress and throughout the Nation view the 1974 "agreement on principles" as nothing but a blueprint for what would be one of the greatest giveaways in history. Moreover, such surrender has not been authorized by the Congress and it is overwhelmingly opposed by the people of the United States.

In order that the Congress and the Nation may have the full text of the indicated article, I quote it as part of my remarks:

[From the Washington Post, July 27, 1975]

COLONIALISM AND THE CANAL

(By Charles W. Whalen Jr.)

It is ironic that as it approaches the two hundredth anniversary of its independence, the United States is one of the world's remaining colonial powers. Since 1945, approximately 68 provinces have been ceded sovereignty by their colonial masters. Yet our country continues to cling to a 553-square-mile enclave in the heart of Panama in a manner befitting the nineteeth century British raj.

In the fashion of its infamous East India percursor, the Panama Canal Zone is administered by a quasi-governmental company headed by a presidentially-appointed governor. Ordinances prescribing the conduct of zone residents and employees are promulgated by the governor and enforced by American-paid police. Alleged violations are prosecuted by a United States District Attorney and adjudicated by a Federal District Court. Virtually all commercial enterprises and deep-water port facilities within the territory are operated by Americans. For the use of its land we pay the government of Panama a miniscule $2.3 million annually. Perhaps the most imperious manifestation of our presence is the election every four years of delegates to one of our country's major political conventions.

The future of the Panama Canal may be one of the most explosive issues to confront the Western Hemisphere during this century. Panamanians are deeply concerned that an alien power operates a de facto colony cutting a 10-mile swath through the center of their nation. Considerable friction in United States-Panama relations already has resulted from the continuation of policies based upon the 1903 Hay-Bunau-Varilla Treaty. The 1964 "flag incident," for instance, caused 24 deaths. During the 1973 meeting of the United Nations Security Council in Panama the United States cast the third veto in its history to defeat a resolution supporting the Canal posture of the Torrijos government.

Recognizing the volatility of the situation, the Nixon administration in 1973 committed itself to renegotiate the 1903 document. On February 7, 1974, Secretary of State Henry A. Kissinger and Panamanian Foreign Minister Juan A. Tack signed an agreement embracing the principles upon which future treaty discussions would be predicated. These include: (1) a fixed termination date for the new treaty; (2) a return to Panama of full jurisdiction over the territory in which the Canal is located in exchange for assurances that the United States would retain the rights, facilities, and land necessary for its operation and defense for the duration of the treaty; (3) Panamanian participation in the Canal; (4) a more equitable distribution to Panama of the economic benefits derived from the Canal.

Conclusion of a new treaty is expected within the next few months. Yet the negotiating principles already have come under sharp congressional attack. In the mistaken notion that the Hay-Bunau-Varilla Treaty accords sovereignty to the United States in the Canal Zone (as early as 1904 our government recognized that Panama remained the titular sovereign there), legislative critics argue that the proposed treaty represents a "giveaway."

On March 4, 1975, Senator Strom Thurmond (R-S.C.), joined by 37 colleagues, introduced S.R. 97 which expresses the sense of the Senate that the United States not surrender its "sovereign rights and jurisdiction" over the Canal. The Thurmond proposal exceeds by three the 34 votes necessary to block treaty ratification. A companion measure (H.R. 23), initiated by Representative Daniel J. Flood (D-Pa.), has 126 House cosponsors. On June 26, the House, by a 246-164 vote, adopted Representative Gene Snyder's (R-Ky.) amendment to the State Department Appropriations Bill which denies funds "to negotiate surrender or relinquishment of any U.S. rights in the Panama Canal Zones."

If the Senate refuses to consent to a new treaty with Panama, what might occur?

First, our relations with Panama and other Latin American states (and, indeed, the entire Third World) will be severely strained.

Second, by rejecting Panama's bid for self-rule (a mood we failed to detect in Indochina), we could become involved in a protracted, unwinnable guerrilla war.

Third, lives of countless United States citizens, residing in Panama, could be needlessly endangered. A distinguished American foreign policy scholar recently told me of his conversation with General Omar Torrijos. "What would you do with your National Guard," he asked the head of state, "if 5,000 Panamanians stormed the Canal Zone?" General Torrijos smiled and responded: "I would have a difficult decision, wouldn't I? I would have to choose between shooting Americans or my own countrymen."

Fourth, the Canal Zone could be rendered inoperable. It is vulnerable to sabotage. Further, ship owners may be reluctant to route their vessels through the Canal where they would be "sitting ducks" for terrorist activities.

The forthcoming treaty debate, therefore, presents the Congress (the House may have to take certain implementing actions) with two important challenges.

The first is a test of congressional willingness to embark upon its own "new dialogue" with Latin America. Panama is an ideal country with which we could invoke a hemispheric policy based, in the words of Chief Treaty Negotiator Ellsworth Bunker, on "new ideas, rather than old memories." Redefining our relationship with Panama will demonstrate United States' support of the principle of self-determination. It also will signal our intention to deal with our other Latin American neighbors on a truly equal basis.

The second will be a measure of congressional competence and responsibility in the foreign policy-making process. Will Congress' reaction to the new treaty be parochial, insensitive, and uninformed? Or will the Senate and House of Representatives accept the opportunity to avert a crisis before it occurs by enabling an ally of long-standing to achieve a just and reasonable goal?

In Panama, the issues are well defined and the consequences of our failure to adopt a new treaty are predictable. If Congress rejects the treaty, the only question will be the price the United States must pay to defend the status quo.

INTRODUCTION OF A RESOLUTION TO IMPEACH RICHARD M. HELMS AS U.S. AMBASSADOR TO IRAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 30 minutes.

Mr. DRINAN. Mr. Speaker, I have today filed a resolution to impeach Richard M. Helms as Ambassador to Iran. Mr. Helms was the Director of the CIA during the years 1966 to 1973. During these years a long series of apparent violations of the charter of the CIA occurred under his direction.

I have come, after extensive research and consideration, to the conclusion that the only certain remedy available to the Congress and to the country to find out about all of the abuses of the CIA and to remove from public office at least one of the perpetrators of those abuses is to initiate an impeachment inquiry into the conduct of Richard Helms.

The weapon of impeachment may well be the only instrument available since the CIA made an agreement with the Department of Justice in 1954 that officials of the CIA would not report illegal conduct on the part of CIA employees if the prosecution of such conduct would inevitably involve the revelation of secret testimony. Although this pact has now been declared a nullity, it might well be claimed by Mr. Helms and others as a protection for them since they relied upon it.

Richard McGarragh Helms, born in 1913, graduated from Williams College in 1935. He was in the OSS and the U.S. Navy in the years 1942 to 1946. He became associated with the CIA in 1947 and remained with this unit continuously until he became Deputy Director in 1965–66. Mr. Helms was the Chief Executive Officer of the CIA from 1966 to the time of his confirmation as Ambassador to Iran in February 1973. Mr. Helms has testified himself in his confirmation hearings that he spent more time in the CIA than any present employee. It is, therefore, not realistic to assume that there were activities of the agency unknown to this individual who gave the CIA almost 20 years of service before he became its Director.

Before I come to the offenses potentially chargeable to Mr. Helms, it seems important to clarify two points: First, the effect and impact of the agreement between the Department of Justice and the CIA not to prosecute crimes by CIA employees, and second, precedents in the law of impeachment for removing an individual from a position for impeachable offenses committed by the individual in a previous position.

THE CIA-JUSTICE DEPARTMENT NON-PROSECUTION AGREEMENT

In early 1954 the CIA recognized that legislation would soon be enacted by the Congress which would require all Government officers and employees to report expeditiously to the Attorney General any violation of Federal law by governmental employees. In order to secure an exemption from the forthcoming law, which became section 535 of title 28 of the U.S. Code, Lawrence R. Houston, the General Counsel of the CIA obtained an agreement from the then Deputy Attorney General, Mr. William P. Rogers, later Secretary of State, that would permit the CIA to withhold information about known crimes of its employees if the prosecution of such crimes would involve the revelation of information which would be embarrassing to the CIA. In a memo of February 23, 1954, Mr. Houston reports on his two conversations with Mr. Rogers and records the generally unilateral assertion of the CIA that it would continue its practice of not reporting for prosecution crimes by its own employees.

In August, 1954 the following language, now in 28 U.S. Code 535, became the law:

> Any information, allegation, or complaint received in a department or agency of the Executive Branch of the government relating to violations of Title 18 involving government officers and employees shall be expeditiously reported to the Attorney General by the head of the department or agency, unless, as to any department or agency of the government, the Attorney General directs otherwise with respect to a specified class of information, allegation or complaint.

It is not known whether the CIA or any other agency prompted the inclusion of the language in this statute following the word "unless." It is, however, astonishing that on July 23, 1975, John S. Warner, General Counsel of the CIA, testifying before a House subcommittee, could claim that he considered the CIA-Justice Department agreement of 1954 "consistent" with the exemption that follows the word "unless" in the statute noted above. Mr. Warner makes this startling claim, even though he himself is the author of a memo on January 31, 1975 revealing that on January 30 the Acting Attorney General—Mr. Lawrence Silberman—ruled that the CIA should comply with the law and not rely upon the 1954 non-prosecution agreement. Mr. Warner revealed in the same memo, however, that Associate Deputy Attorney General James A. Wilderotter ruled that the report that could be given by the CIA concerning a crime could be "a summary of the situation and not an investigatory report." The CIA summary should also clearly state the security problems likely to arise in a prosecution and thus, in Mr. Warner's words, "certifying" that there could be no prosecution.

Mr. Richard Helms undoubtedly knew of this 20-year-old pact with the Justice Department and undoubtedly felt that he could rely upon its provisions. The fact is that the incredible arrangement between two Federal agencies to cover up the crimes of CIA employees in the name of national security has not really been repealed despite the protestations of Mr. William Colby, the present CIA Director, that the 1954 agreement has been rescinded. On January 31, 1975 the General Counsel of the CIA set forth in a "memorandum for the record" the deceptive way by which CIA officials can evade the law binding on all other Federal officials and make certain that they cover up crimes by CIA employees by elaborating on the "security problems likely to arise in a prosecution." This nullification of the law is so erroneous and appalling on its face that Mr. Warner on July 23, 1975 felt constrained to justify the 1954 agreement by claiming that the statute allows the Attorney General to delegate the prosecution of wrongdoing if it belongs to a "specified class of information, allegation or complaint."

The awful fact is that present and past officials of the CIA have deliberately confused the law and misstated the facts seeking to pretend that they will be law abiding while simultaneously claiming that they have an exemption from existing law.

The General Counsel of the CIA on July 21, 1975 wrote to the Deputy Assistant Attorney General, Mr. Kevin Maroney, Esq., that the files of the CIA have revealed some 20 cases during the years 1954 to 1974 in which violations of criminal statutes were reported to the Department of Justice. These cases involved instances of CIA employees embezzling several thousand dollars of Government funds or pocketing $15,000 more than a person was entitled to for alleged medical expenses. Mr. Warner pretends that the 1954 agreement was solely to relieve the CIA of its obligation under the law to report the personal crimes of its employees. The fact is, of course, that the 1954 agreement was negotiated in order to continue the immunity which the CIA had always claimed up to that time of not reporting any crimes associated with the covert activities of the CIA.

The duplicity and the deception manifest in the memos and statements of the present General Counsel of the CIA demonstrate with virtual certainty that no present or former official of the CIA is likely to prosecute Mr. Richard Helms or any other present or former employee of the CIA. The CIA can claim, without being required to prove, that such prosecution would require the revelation of facts affecting the national security, all of which in most cases are merely facts which would be embarrassing to the CIA.

If, therefore, it is virtually impossible for Mr. Richard Helms or any other former official of the CIA to be prosecuted by the Department of Justice, is there any way by which the Congress and the country can insist that justice be done?

The one instrumentality available in such circumstances is the sword of impeachment. The framers of the Constitution did not intend that the American people would be required to allow public officials to continue in office so long as they did not violate the criminal law. The weapon of impeachment allows the Congress and the country to protect the public from conduct by high officials that undermines public confidence. It is a tool which enables the people to remove from public office individuals who are undeserving of high public trust. It is overwhelmingly clear from all of the precedents of 200 years that impeachment will lie for conduct not indictable nor even criminal in nature. It should be remembered, for example, that Judge Archbald was removed from office for conduct which, in at least the view of some legal commentators, would have been harmless if done by a private citizen.

IS AMBASSADOR HELMS SUBJECT TO IMPEACHMENT FOR OFFENSES COMMITTED DURING HIS TENURE AT THE CIA?

The essential thrust of impeachment is not punishment, but removal from public office. Impeachment also brings under the Constitution the "disqualification to hold and enjoy any office under the United States."

Neither the Constitution itself nor the logic of impeachment requires that the demonstration of unfitness occur during tenure in the same office from which removal is sought. In the case of the impeachment in 1912 of Judge Robert W. Archbald, the U.S. House of Representatives adopted 13 articles of impeachment, 6 of which referred to abuses committed by Archbald in a prior judicial position on a lower court. The Senate voted to convict Archbald, sustaining at least one of the charges dealing in part with offenses in his prior office. It may be, as will be noted later, that in addition to offenses committed by Mr. Helms while serving as Director of the CIA, he may also have committed an offense of an impeachable character in possible perjury during the hearings on his confirmation as Ambassador to Iran.

Although there is no direct precedent for the impeachment of an ambassador, Mr. Helms is clearly subject to impeachment as a civil officer within the meaning of the Constitution. I have received a written confirmation of that interpretation from the American Law Division of the Library of Congress.

OFFENSES OF MR. HELMS THAT COULD BE IMPEACHABLE

In the following material I do not in any way state or imply that Mr. Richard Helms is guilty of any of the offenses suggested. It is contended merely that Mr. Helms has the duty of explaining his conduct and his statements and that, in the absence of any believable explanation, the House of Representatives has the right and duty to investigate the conduct of Mr. Helms during the years when he was the director of the CIA to determine whether impeachable offenses have been committed.

I will set forth very briefly some of the salient facts about first, operation CHAOS, second, Mr. Helms' involvement in the politics of Chile, and third, Mr. Helms' conduct in response to White House Watergate requests.

1. OPERATION CHAOS

The Rockefeller Commission Report on CIA activities within the United States makes clear the horrifying details of an operation initiated by Mr. Helms in August 1967 designed to collect information on foreign contacts with American dissidents. This is an operation which in some 5 years collected documents which include the names of more than 300,000 persons and organizations.

This unit, entitled "Operation CHAOS," prepared 3,000 memorandums for dissemination to the FBI, did extensive surveillance on the peace movements and furnished 26 reports to the Kerner Commission, some of which related almost exclusively to domestic dissident activities.

From even the 20 pages on Operation CHAOS in the Rockefeller Report on the CIA it seems clear that Richard Helms was induced into this activity by Presidential pressure. On November 15, 1967, for example, Helms delivered personally to President Johnson the CIA study on the U.S. peace movement requested by the President. Although the studies of the CIA showed that there was virtually no evidence of foreign involvement and no evidence of any foreign financial support for the peace activities within the United States, Mr. Helms continued to do surveillance on those who protested the war.

On February 18, 1969, Mr. Helms confessed in a note to Henry Kissinger, then assistant to President Nixon, the illegalities of the CIA of which he was the director. His memo to Dr. Kissinger noted that the CIA-prepared document "Restless Youth" included a section of American students. Mr. Helms said bluntly:

> *This is an area not within the charter of this agency*, so I need not emphasize how extremely sensitive this makes the paper. (Emphasis supplied)

The excessive secrecy surrounding Operation CHAOS and its isolation within the CIA demonstrate once again that Director Helms knew that it was improper and beyond the scope of the authorized powers of the CIA.

The Rockefeller Report notes the growing opposition of CIA employees and officials toward Operation CHAOS. Although the Rockefeller Report softpedals the internal dissension over Operation CHAOS, it quotes an internal memo of Director Helms on December 5, 1972 in which he insisted that Operation CHAOS "cannot be stopped simply because some members of the organization do not like this activity."

Operation CHAOS, which ultimately had a staff of 52, was directly under the supervision of Mr. Helms. There is no way in which he can claim that his subordinates operated this unit without his knowledge and consent. The abuses of power and the countless violations of the privacy of American citizens might well be impeachable offenses imputable to Mr. Richard Helms. An impeachment inquiry is the only available method by which Mr. Helms can be made accountable for a long series of intrusions into the lives of American citizens.

Equally damaging to the privacy of American citizens was the CIA program to open first class mail. Mr. Helms might well have known from the very beginning about these programs which ran from 1953 to 1973. They were possibly the largest and the most clearly illegal programs conducted by the CIA. Certainly this mail-tampering operation was under the direct control and supervision of Mr. Helms during the 7 years he served as Director of the agency. In addition, it appears that Richard Helms deliberately deceived postal authorities into thinking that the operation was limited to the copying of information off envelopes.

2. MR. HELMS' INVOLVEMENT IN CHILE

About the only evidence that has emerged in the recent past indicating that the CIA might make its employees accountable to the law was the revelation in July 1975 that the CIA last year informed the Justice Department that Richard Helms might have committed perjury in testimony before a Senate Committee. In the testimony at issue Mr. Helms told the Senate Committee that the CIA had played a limited role in undermining the Allende government in Chile.

A conversation occurred during the confirmation proceedings of Mr. Helms in the U.S. Senate on February 7, 1973. The dialog was as follows:

Senator SYMINGTON. Did you try in the Central Intelligence Agency to overthrow the government of Chile?

Mr. HELMS. No, Sir.

Senator SYMINGTON. Did you have any money passed to the opponents of Allende?

Mr. HELMS. No, Sir.

Senator SYMINGTON. So the stories you were involved in that war are wrong?

Mr. HELMS. Yes, Sir. I said to Senator Fulbright many months ago that if the agency had really gotten in behind the other candidates and spent a lot of money and so forth the election might have come out differently.

Mr. Helms undoubtedly knew about the covert $8 million campaign conducted by the CIA to bring about Dr. Allende's downfall.

The foregoing conversation might or might not be perjury. Reading the entire transcript of the 3 days of hearings on the ambassadorship of Mr. Helms, it is difficult, however, to conclude that one is reading "the whole truth and nothing but the truth."

A report in the New York Times of July 27, 1965, claims that Richard Helms, while Director of the CIA, prepared a memorandum in the fall of 1970 informing Henry Kissinger and Attorney General John Mitchell that the agency had supplied machineguns and tear gas grenades to men plotting to overthrow the Chilean Government.

If the Department of Justice ever did in fact bring perjury or other proceedings against Richard Helms, the officials of the CIA would undoubtedly claim that reasons of national security preclude their giving to the Government for its prosecution or to Mr. Helms for his defense a good deal of evidence which would be indispensable for a trial. That particular excuse is not likely to have much effect or force in an impeachment inquiry, as a unanimous U.S. Supreme Court decision made clear in a case involving Richard Nixon.

3. MR. HELMS AND THE POST-WATERGATE WHITE HOUSE

On February 1, 1975, the hearings on the alleged involvement of the Central Intelligence Agency in the Watergate and Ellsberg matters were declassified and published. These hearings conducted before the Special Subcommittee on Intelligence of the House Committee on Armed Services demonstrate that Richard Helms in the first 6 weeks after the Watergate break-in on June 17, 1972, apparently ordered a high official of the Agency to withhold Watergate information and to deny the Justice Department access to a key witness. I am not stating categorically that the 1,131 pages of those hearings demonstrate that Mr. Helms committed impeachable offenses.

But the evidence that is available here and elsewhere clearly suggests that Mr. Helms was all too ready to subvert the purpose of the CIA for the objectives sought by personnel of the White House.

OTHER POTENTIAL OFFENSES

During the years in which Mr. Helms was the Chief Executive Officer of the CIA, that agency has been accussed of conducting break-ins and wiretaps in the United States without a warrant, using local police credentials to gather information on anti-war groups, supplying surveillance to local police, using local police to conduct a break-in, contributing $38,635.58 to the White House in 1970 to defray the cost of replying to people who wrote to President Nixon following the Cambodian invasion, and administering powerful drugs to unsuspecting individuals. I make no conclusion here as to the truth of these accusations or the extent to which Mr. Helms should be held accountable for these activities, but clearly Mr. Helms should be given the opportunity to vindicate himself if that is possible. It seems more and more clear to me that an impeachment inquiry is the only way that the American people can obtain the full truth and judge whether Richard Helms is fit to serve in a position of high public trust.

The American people have a right to know about those deeds of Mr. Helms in the years 1966 to 1973 which may have violated the fundamental principles by which Americans live together as a people. Mr. Helms also has the right to a forum where he can vindicate himself against all of the accusations which day after day continue to increase and multiply. An impeachment inquiry is the only instrumentality which the American Government has to bring out the truth of this dark era in America history.

The American people have a right to know whether Richard Helms is a worthy representative of the people of this country in Iran. The American people have the right to know whether the CIA, under his direction, engaged in a pattern of deception, law-breaking, and abuse of power. Because neither the CIA nor the Justice Department has done anything to vindicate the rights of the American people in this respect, the Congress, with regret and reluctance, must initiate impeachment proceedings against Richard M. Helms.

ON CORRUPTION IN OUR SOCIETY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KOCH) is recognized for 5 minutes.

Mr. KOCH. Mr. Speaker, we live in a country that has no peer in terms of political freedom and the ability of its citizens to develop their individual capabilities. Yet there is one aspect of contemporary American culture that deeply troubles me, which I fear may be our Achilles heel, and that relates to corruption.

Corruption appears to be pervasive in our society. I am thinking not simply of the public officeholder who betrays his trust—a corrupt former President, a convicted Attorney General, police officers who extort bribes, building inspectors who exact illegal commissions. What also troubles me is the corruption of our ordinary citizens.

I am thinking of children who learn from their parents to cheat the storekeeper, the telephone company, and the government. I am thinking of corporations who in turn cheat the consumer, bribe officials, and do not level with their stockholders. We see evidence of this corruption daily in the sale of shoddy merchandise, tax fraud performed openly and without remorse, medicaid charged for services not rendered, the elderly ripped off by nursing home operators, just to cite a few examples.

As an opponent of the Vietnam war, I regarded the North and South Vietnamese governments as equally corrupt and totalitarian. But in one conversation toward the end of the Vietnam conflict a constituent replied:

> No, Congressman, they may both be totalitarian but you can't say that North Vietnam is corrupt, while South Vietnam surely is.

And of course from all reports he was right. While that does not in any way effect my judgment concerning the totalitarian regime in North Vietnam, it is something to think about.

Why is it that the Communist countries, including the Soviet Union, China, and North Vietnam, are by most reports less plagued with corruption than are so many democratic countries? In part, of course, it is because it is more difficult to commit crimes in a thoroughgoing police state. However, I think it is also because corruption is viewed in the Soviet Union, and perhaps in other countries as well, as a truly serious crime—even a capital crime—while we here in the United States tend to treat corruption with much less rigor than we apply to other crimes.

I believe that this casual, even cynical, attitude toward antisocial behavior is a serious error in judgment and that we ought to consider corruption in the same class as that of a physical assault upon an individual. The corporate officer who engages in an illegal act in order to extort excessive profits from the public or obtain a governmental concession should not simply be fined, but should receive a jail sentence.

I have studied the prison system and have sought to reform it because I believe that in its current state it acts neither as a deterrent nor as a place to reform those persons now sent there, primarily the poor convicted of physical crimes.

But I am equally persuaded that the white-collar criminal, the corruptor, will be deterred and reformed if he or she serves just 30 days behind bars.

It is because I have such a high regard for our political freedom and free-enterprise system that I believe we must root out the corruption which has also flourished here. If we do not, then we may see happening to us what has happened in Italy and Latin America and other places where non-Communist populations have been attracted to communism or other extremist groups in increasing numbers to express their opposition to the corrupt society about them. I do not want this to happen, but it may if we do not eliminate or substantially reduce the corruption in our society and install a greater morality amongst our young.

RESULTS OF SURVEY ON MEDICARE'S KIDNEY RESEARCH PROGRAM REVEAL SERIOUS ADMINISTRATIVE PROBLEMS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, on May 29, the Oversight Subcommittee of the Ways and Means Committee sent out a four-page questionnaire to over 700 kidney dialysis and transplant centers throughout the United States. The purpose of the questionnaire was to obtain comments from medical personnel concerning medicare's end stage renal disease—ESRD—program, and the effectiveness of the administration of the program by the Social Security Administration.

To date we have received close to 200 responses. In light of the fact that these 700 units receive 80 percent of their moneys from the Federal Government through the medicare program, the number of responses is quite disturbing. However, despite the fact that only 25 percent of the centers polled responded, they do represent a regional cross-section of all dialysis and transplant centers. As such they provide an excellent sampling from which to make observations as to the effectiveness of not only the present scope of the program, but the administration of it as well.

In addition, it is interesting to note that the 25 percent of the facilities responding to the poll treat or dialyze 75 percent of the Nation's kidney patients. Thus the nonresponding facilities, while 75 percent of all facilities, treat only 25 percent of the patients. The fact that it was the smaller facilities which did not respond raises interesting questions. Is there a lack of management at such facilities? Is the dialysis section of such facilities and hospitals so small that they did not think it was worthwhile responding?

One of the controversies in the kidney disease benefits program is whether there has been an over-expansion of small, inefficient facilities which has driven up costs. The subcommittee staff is in the process of reviewing the nature of the nonresponding facilities. This may be a case where the lack of response will tell us more about problems in the program than do many of the responses.

The responses to the questionnaires reveal major flaws in the law and the administration of the program.

The two most frequently cited inadequacies in the law are: First, the existence of a 60- to 90-day waiting period once dialysis has begun before medicare benefits become effective; and, second, the provision that terminates all medicare benefits 12 months after a patient has had a kidney transplant.

Over 75 percent of the facilities that responded indicated that the 12-month period was insufficient to test whether there will be rejection of the transplanted organ. Many facilities indicated that it is medically unsound to place any time limit on medicare benefits to these patients since rejection could occur years later, resulting in sudden and massive expense to the patient.

Under the scope of the present ESRD medicare provisions, if a person who had originally been on dialysis and had undergone the 60- to 90-day waiting period before medicare began its benefits, then had a transplant which failed after 12 months, he would again have to wait an additional 60- to 90-day period before medicare would resume its benefits. The responses to the questionnaires indicated that there was no valid medical reason that required such an additional waiting period. Mr. Speaker, these patients are fighting for their lives. We should not impose unnecessary burdens that force them to endure additional hardships.

The medical community is particularly critical of medicare's administration of this program. The questionnaire asked each facility to rate Social Security's administration of the ESRD program as either "good," "fair," or "poor." Over 75 percent of the responses felt that the Social Security Administration's job was poor to fair. Seventy percent have had difficulties receiving reimbursement from the Social Security Administration. In addition, three questions inquired about the Social Security Administration's regulations concerning this program. Between 60 to 70 percent of the facilities indicated that the social security regulations are untimely, inadequate, and often undecipherable.

Mr. Speaker, it is evident that the administration of this program is far from what it should be. In an attempt to remedy the inconvenience and the additional burdens placed upon the ESRD patient, we must seek the first hand advice not only of the Social Security Administration, but the medical personnel at the dialysis and transplant centers and their patients.

As part of our effort to improve the administration of this life-saving program, the Oversight Subcommittee is holding a series of hearings with administration officials, physicians, and patients. The next hearing will be this Wednesday, July 30, between 3 and 5 p.m., in EF–100.

The tabulation of questionnaire results follows:

Tabulation of Responses to the End Stage Renal Disease Questionnaire

Question 1—Approximately how many patients do you treat per year who suffer from End Stage Renal Disease?

Under 25—24%.
26–100—52%.
101–200—12%.
Over 201—7%.
Insufficient Data (ID)—5%.

Of the facilities responding to the renal disease questionnaire, 71 facilities perform kidney transplants and 100 do not. The majority of both the facilities performing and those not performing treat between 26 and 100 patients per year who suffer from end stage renal disease.

As would be expected, those hospitals performing kidney transplants had a greater number of patients than the non-transplant facilities. It is perhaps for this reason that in each of the 15 questions with the exception of two, the facilities not performing (which we will label "non-transplant" from here on) had a greater percentage of insufficient "unknown" responses.

Question 2—Benefits stop 12 months after a kidney transplant. Is this a sufficient time to test whether there will be rejection of the foreign tissue?

Yes—11%.
No—77%.
Insufficient Data—12%.

Many facilities indicated not only that 12 months was insufficient time, but that it was difficult to place any time limit since rejection could take place years later. Some facilities suggested that benefits be extended for as long as needed.

Question 3—Are local medical providers and local Social Security offices adequately aware of the program?

Yes—49%.
No—34%.
Insufficient Data—17%.

Generally, the facilities are split on whether local medical providers and local Social Security offices are adequately aware of the program. While about half the facilities do feel that local medical providers and Social Security offices are adequately aware, it is totally unacceptable that 34 percent of the local Social Security offices should be rated "unknowledgeable".

Question 4—There are reports of psychological problems—often severe among dialysis patients and their families. Do you find this to be a problem?

Yes—87%.
No—6%.
Insufficient data—7%.

Question 5—Are there an adequate number of hospitals able to perform transplants in your area?

Yes—81%.
No—12%.
Insufficient data—7%.

A significantly greater percentage of transplant facilities than non-transplant facilities (about 20 percent) feel that there are an adequate number of hospitals in their area to performing transplants, though a majority of both do say that there is an adequate number. The Subcommittee is interested in why a greater percentage of non-transplant than transplant facilities (about 12 percent) finds the number of transplant facilities to be inadequate. Those hospitals indicating that the number of transplant hospitals is inadequate seem to do so generally because of the distance they are from one of these facilities. While transportation is a factor to be considered, it is certainly less of an issue than the need to have transplant facilities placed proportionate to the population and the need for them, since the cost for such facilities is so high.

Question 6—Are there too many hospitals able to perform transplants in your area?

Yes—13%.
No—79%.
Insufficient data—8%.

Question 7—Are there an adequate number of dialysis machines?

Yes—75%.
No—19%.
Insufficient data— 6%.

Question 8—Are there any equipment shortages or trained manpower shortages which are preventing an adequate provision of services?

Yes—36%.
No—60%.
Insufficient data—4%.

Question 9—Is the level of kidney disease research at the National Institute of Health and elsewhere adequate?

Yes—27%.
No—44%.
Insufficient data—29%.

Question 10—Do you know of valid research applications which are being denied?

Yes—28%.
No—49%.
Insufficient data—23%.

One of the more notable differences between transplant and non-transplant responses is whether kidney disease research at the National Institute of Health is adequate. A far greater percentage, about 33 percent, of transplant hospitals than non-transplant hospitals finds such research to be inadequate. This may be simply an indication that transplant hospitals, which tend to treat more kidney patients, are more aware of the problems and needs for research on end stage renal disease.

There is also a considerable discrepancy between transplant and non-transplant facilities as to their knowledge of valid research applications being denied. About 24 percent more transplant hospitals than non-transplant facilities know of denied applications.

Question 11—How would you rate the Social Security's administration of this program?

Good—16%.
Fair—46%.
Poor—32%.
Insufficient data—6%.

Question 12—Have you had any difficulties receiving reimbursement from the Social Security Administration?

Yes—67%.
No—17%.
Insufficient data—16%.

Question 13—Are the Social Security Administration's regulations on this program timely?

Yes—26%.
No—60%.
Insufficient data—14%.

Question 14—Are the Social Security Administration's regulations on this program adequate?

Yes—24%.
No—61%.
Insufficient data—15%.

Question 15—Are the Social Security Administration's regulations on this program clear and easy to understand?

Yes—15%.
No—70%.
Insufficient data—15%.

LEGISLATION TO AMEND TAX REDUCTION ACT OF 1975—DEPENDENT CARE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. FRASER) is recognized for 5 minutes.

Mr. FRASER. Mr. Speaker, the Tax Reduction Act of 1975 liberalized the household and dependent care deduction to the extent that working couples or one-parent families earning up to $35,000 can take the full value of this deduction and a phased-out deduction with income up to $44,600. While this modification will allow more upper-income families to use this deduction, Congress must make further changes if this is to be useful to low- and middle-income families.

Today I am introducing a bill to make several changes in the dependent care deduction. My proposal will: First, change the limits on the amount of the deduction to an amount equal to the earnings of the single parent or the lesser of one of the earnings of a two-income couple; second, remove the income ceilings of taxpayers using this deduction; third, treat students as wage earners for purposes of determining two-worker couples with a pro rated deduction for part-time students; fourth, allow use of the deduction by part-time workers; fifth, allow a deduction for payments for dependent care by relatives—however tax deductions could not be taken for payment to dependents taking care of other dependents; and sixth, allow the parent with custody of the child to use the deduction.

The single most important of these changes is the treatment of dependent care expenses as a business expense. This liberalization would have allowed an additional 3,790,000 families to use this deduction in 1974. Most of these families are currently ineligible because they are not homeowners—State and local taxes and interest payments account for two-thirds of itemized deductions. Property tax and mortgage interest represent the bulk of this. Thus current law restricts the use of this deduction by wealthier families. However, effective use of the deduction is limited to middle-income families with enough deductions to file an itemized tax return.

In addition to making a deduction for dependent care more equitable by changing it to a business deduction, this change also recognizes the fact that this is not a discretionary personal expense such as a charitable contribution. It is a cost of earning a living. Clearly for one-parent families, the need to work at a paying job is economic. Studies have shown, that this is also true for most two-income families. The labor force participation of women has been steadily rising and the greatest increase in the participation rate has been for mothers of children under 3.

Allowing use of this deduction to couples in which one spouse works part time or attends school recognizes that child care is a very real need for these couples as well as for couples with both spouses employed full time. In the case of couples where one works part time, the limit on child care expenses is the lesser of the two earnings.

Both the limit on the child care expenses and the income of the parents who can take the deduction must also be abolished in order to make this business deduction similar to others.

I see no reason to expect child care expenses to be limited to a specific dollar figure. The only restriction that seems appropriate is that the deduction be no more than the amount earned by the parent in a single-parent family or the lesser of the wages earned in a two-income family.

This bill eliminates the restriction of payments to relatives who take care of children or other dependents. While this provision was included to prevent abuses, I think it is unnecessary and counterproductive to encouraging high quality care. Many working parents would prefer to leave their children with relatives, and, particularly for the retired, this could be an important source of income.

If all these restrictions are ended, so that the dependent care deduction is treated as a cost of earning a living, the revenue loss will be about $1.1 billion and will enable about 8 million additional families to use this deduction.

Following is the text of the bill:

H.R. —

A bill to amend the Internal Revenue Code of 1954 to remove certain limitations on the amount of the deduction allowed for household and dependent care services necessary for gainful employment, to liberalize the gainful employment requirement for such deduction, to allow an individual to take such deduction whether or not the individual itemizes his deductions, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 214 of the Internal Revenue Code of 1954 (relating to expenses for household and dependent care services necessary for gainful employment) is amended by striking out subsections (c) and (d) and inserting in lieu thereof the following:

"(c) Earned Income Limitation.—

"(1) In general.—The amount of the employment-related expenses paid by any individual during any taxable year which may be taken into account under subsection (a) shall not exceed—

"(A) in the case of an individual who is not married at the close of such taxable year, such individual's earned income for such taxable year, or

"(B) in the case of an individual who is married at the close of such taxable year, the lesser of such individual's earned income for such taxable year or the earned income of his spouse for such taxable year.

"(2) Special rules for spouse who is a student or incapable of caring for himself.—For purposes of paragraph (1)—

"(A) In general.—In the case of a spouse who is a full-time student at an educational institution or is a qualifying individual described in subsection (b)(1)(C) during any month in the taxable year, such spouse shall be deemed to have earned income for such month of not less than the earned income of the individual to whom such spouse is married which is attributable to such month.

"(B) Part-Time Student.—In the case of a spouse who is a student (but not a full-time student) at an educational institution during any month of the taxable year, such spouse shall be deemed to have earned income for such month of not less than an amount which bears the same ratio to the amount of the earned income of the individual to whom such spouse is married which is attributable to such month as the number of hours of courses of study taken by such spouse during such month bears to the minimum number of hours of courses of study (as determined under regulations prescribed by the Secretary or his delegate) required to qualify as a full-time student.

"(C) Application of Paragraph.—In the case of a husband and wife, this paragraph shall apply with respect to only one spouse for any one month."

(b) Subsections (e) and (f) of such section 214 are redesignated as subsections (d) and (e), respectively.

(c) Subparagraph (A) of subsection (d)(2) of such section 214 (as so redesignated) is amended to read as follows:

"(A) both spouses are gainfully employed, or".

(d) Paragraph (4) of subsection (d) of such section 214 (as so redesignated) is amended to read as follows:

"(4) Payments to dependents.—No deduction shall be allowed under subsection (a) for any amount paid by the taxpayer during the taxable year to an individual with respect to whom a deduction under section 151(e) is allowable to the taxpayer for the taxable year."

(e) Subsection (d) of such section 214 (as so redesignated) is amended by adding at the end thereof the following new paragraphs:

"(6) Earned income.—The term 'earned income' has the meaning given to such term by section 911(b).

"(7) Spouse who is a student treated as gainfully employed.—The spouse of any individual shall be treated as being gainfully employed for any month during which such spouse is a student at an educational institution.

"(8) Educational institution.—The term 'educational institution' has the meaning given to such term by section 151(e)(4).

"(9) Special dependency test in case of divorced parents, etc.—If—

"(A) a child (as defined in section 151(e)(3)) who is under the age of 15 or who is physically or mentally incapable of caring for himself receives over half of his support during the calendar year from his parents who are divorced or legally separated under a decree of divorce or separate maintenance, or who are separated under a written separation agreement, and

"(B) such child is in the custody of one or both of his parents for more than one-half of the calendar year,

in the case of any taxable year beginning in such calendar year such child shall be treated as being a qualifying individual described in subparagraph (A) or (B) of subsection (b)(1), as the case may be, with respect to that parent who has custody for a longer period during such calendar year than the other parent, and shall not be treated as being a qualifying individual with respect to such other parent."

Sec. 2. Section 62 of the Internal Revenue Code of 1954 (relating to adjusted gross income defined) is amended by inserting before the last sentence the following new paragraph:

"(13) Expenses for household and dependent care services necessary for gainful employment.—The deduction allowed by section 214."

Sec. 3. The amendments made by the first two sections of this Act shall apply to taxable years beginning after December 31, 1974.

ANALYSIS OF CONGRESSIONAL ACTION ON ENERGY PROBLEM AND ADMINISTRATION'S LACK OF LEADERSHIP

(Mr. OTTINGER asked and was given permission to revise and extend his remarks at this point in the Record and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, I wish to enter into the Record an article written by William V. Shannon which appeared in the New York Times on July 23, 1975. The analysis presented of congressional action on the energy problem and the administration's lack of leadership in this area is very informative and insightful:

Governing by Veto

(By William V. Shannon)

Washington, July 22.—Lacking any energy policy of its own, the Ford Administration has effectively diverted attention from its failure by attacking Congress for its alleged inability to devise a program. Rarely has this political ploy worked so well. Thus, the House of Representatives has received much more criticism in recent weeks for its failure to approve a gasoline tax proposed by one of its committees than the White House has received for its failure to propose anything at all.

The tradition of American government runs wholly counter to the premise on which the Administration's criticism of Congress is based. Although legislation of secondary importance does often originate in Congress rather than in the Executive, it is unusal for Congress to devise a major measure without some cooperation from the President and his subordinates.

It is rarer still for Congress to impose its will on an important, complicated issue against a Presidential veto and the massed opposition of a powerful interest such as the oil industry. The only recent example of such a feat was the late Senator Robert A. Taft's enactment of the Taft-Hartley act over President Truman's veto and the opposition of organized labor—and that occurred 28 years ago.

Notwithstanding the unfavorable prospects, the House this week is debating a good bill drafted by Representative John Dingell, Michigan Democrat. As reported to the floor, the Energy Conservation and Oil Policy Act would phase out the present distinction between "old" oil that is price-controlled and "new" oil that is not, and would stabilize oil at a uniform price.

It would restrict gasoline consumption for the next three years to the 1973–74 levels, require the 2,000 largest users of energy to work toward an improvement in energy efficiency of 15 per cent over the next two years, establish mandatory fuel economy standards for automobiles, and authorize a standby gasoline rationing program.

This bill could be stronger but it is well-conceived. It moves in the direction that the United States must move—toward restriction of consumption. Instead of permitting the use of oil to rise each year as it did routinely before the recession began and as it probably will again once recovery begins, the U.S. has to stabilize its consumption and begin cutting back. From being a profligate user of energy, this country must become a thrifty, conservation-conscious saver.

The quickest and fairest way to reduce consumption would be gasoline rationing of a "white market" in which those who did not use all their coupons could legally sell them.

If rationing or steeply higher gasoline taxes were not to work a serious hardship on those who have no choice but to use a car for basic transportation, there would have to be programs to encourage car-pooling and to subsidize bus service in rural and suburban areas.

The purpose of these conservation practices is to buy time. If the U.S. is to shift to alternative sources of energy, it needs time to do so. In the interim, it should restrict its dependence on foreign sources of oil to friendly countries such as Canada, Venezuela and Nigeria and avoid being squeezed by the Arab states.

But a conservation campaign would require leadership, and leadership is what has not been forthcoming from President Ford.

Instead of moving to restrict gasoline consumption, Mr. Ford promises that there will be no increase in gasoline taxes as long as he is President. Rationing is an unmentionable word. Nothing is done about gas-guzzling automobiles that would upset the automobile industry. There is no drive to reform wasteful practices by industry or to change building construction methods that result in squandering heat and electricity.

Rather than actively conserve, President Ford has imposed a $2 import tax on oil and proposed to decontrol oil prices. The resulting rise in prices is supposed to discourage use of oil and provide "incentives" to the oil industry to prospect for new supplies. It will do neither.

The Administration forecasts that decontrol will raise the price of gasoline only seven cents. If gasoline costs 60 cents a gallon, how many drivers will cut back on their driving if the price goes to 67 cents? Obviously few. It is a nuisance, not a deterrent. Similarly, higher profits for the oil industry will, at best, produce only a small, marginal increase in the supply of domestic oil.

President Ford has vetoed a bill to extend oil price controls. He may veto the Dingell bill. But when will he veto the Arabs?

Veto government is ineffective government. While the Ford Administration drifts aimlessly and hopes that the Arabs will not be too hard on us, the oil inflation savages our economy and as a nation, we remain dangerously vulnerable to further political and economic blackmail.

GUN CONTROL

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, last week the House Judiciary Committee's Subcommittee on Crime held field hearings in New York City on the issue of gun control. I insert into the RECORD at this time the testimony which I have submitted for the record of these hearings:

Testimony of Hon. Richard L. Ottinger of New York, Submitted in Conjunction with New York City Field Hearings On Gun Control Legislation—July 25, 1975

Mr. Chairman, I am grateful for the opportunity to submit this testimony relating to the field hearings which are being held in New York City on pending gun control legislation.

The question of whether or not the Federal Government should act to curb the rising incidence of violence involving the use of firearms by limiting the right of citizens to purchase and keep guns is one of the most sensitive political and personal issues to ever come before the U.S. Congress. I am certain that virtually every Member of the 94th Congress has been besieged, as I have been, by pleas from constituents who stand on both sides of this issue.

Proponents of the belief that every citizen should have the right to purchase and keep firearms have put forth many reasons in an attempt to illustrate the validity of their position. Most of these arguments are far outweighed by the arguments for reasonable controls.

One question, however, that does merit careful consideration is the constitutionality of restricting the right of the citizenry to keep and bear arms. My own personal conviction is that the framers of the Constitution intended that the Bill of Rights should insure the security of the nation by permitting and even encouraging the establishment of an armed militia. The Supreme Court has upheld this interpretation on at least four separate occasions. I do not believe that the Second Amendment, which states, "A well regulated Militia, being necessary to the security of a free State, the right of the people to keep and bear Arms, shall not be infringed," can be construed to mean that all citizens should have the right to establish uncontrolled arsenals in their homes. In fact, our forefathers would surely be astounded to return to our streets and homes today and witness the slaughter that is taking place under the guise of the freedoms they proposed.

Mr. Chairman, I am a co-sponsor of a bill introduced by Congressman Abner Mikva (H.R. 7070) to prohibit the importation, manufacture, sale, purchase, transfer, receipt or transportation of handguns except for or by the Armed Forces, law enforcement officials and other authorized persons who have legitimate reasons for dealing with these weapons. This proposal is known as the "Handgun Crime Control Act of 1975" and is based on recent statistics which show that most of the deaths and injuries resulting from firearms today are due to the great proliferation of handguns in our society. Under the provisions of this bill special conditions would be set for groups such as gun collectors and members of licensed pistol clubs who wish to purchase and maintain handguns.

While I believe that strict curbs on the sale and manufacture of handguns will go a long way toward solving this national crisis, I also feel that we shoud not overlook the need for equally strong laws to protect the public from those who would use these weapons in the commission of certain crimes. Accordingly, I have also co-sponsored a bill introduced by Congressman Bob Casey to strengthen the penalty provisions of the Gun Control Act of 1968 for those who use firearms in the commission of any robbery, assault, rape, burglary, kidnapping or homicide (other than involuntary manslaughter). I urge that as the Subcommittee considers the many gun control bills that have been introduced in the 94th Congress, you keep in mind the need to increase these penalties at the same time that we work to arrive at a manner of reducing the ever-increasing number of firearms kept in private homes.

Estimates of the number of guns in existence in the U.S. today range as high as 150 million. There may be as many as forty million handguns—one handgun for every five persons. A recent *Washington Post* survey revealed that 27% of the Members of the House of Representatives own handguns. In 1973 there were 10,340 murders, 2,700 accidental deaths and over 100,000 injuries incurred with handguns. Nearly 7 out of every 10 persons murdered were shot with a gun. In that same year some 53% of all murders were committed with a handgun, a figure which had risen from 44% in 1966.

The FBI reports that almost two-thirds of all killings in 1973 resulted from arguments among family members or friends and acquaintances as opposed to those murders which could be characterized as premeditated. Most of these deaths would probably never have occurred, except for the presence of a gun. Insofar as the argument that someone bent on killing will manage to achieve his ends is concerned, it is significant to note that only one of every 20 knife attacks ends in death, while death results from one out of every five gun attacks. We can conclude, therefore, that an attacker is four times less likely to be successful in committing a murder if he cannot get his hands on a gun.

Firearms as protection against intruders into the home are also extremely dangerous. Statistics show that a gun kept around the house is six times more likely to kill a family member than it is to kill an intruder. The National Committee on Violence found that in one recent year more homeowners were killed in gun accidents alone than were murdered by robbers or other intruders in the four preceding years combined.

Mr. Chairman, it is obvious that this growing proliferation of handguns and the deaths and injuries they cause must be brought under control. No one can predict with certainty whether a ban on the sale and manufacture of handguns will significantly reduce the appalling statistics I have quoted. We must observe, however, the figures from countries which have adopted strong gun control laws where the reduced number of homicides contrasts strikingly with those in the U.S. In England and Wales, which have a population of about 50 million people, there were only 35 homicides committed with firearms in 1971. In that same year there were 12,243 such crimes in the U.S.—a country which has approximately four times the population of these countries. Proportionate to population, then, there were 85 times as many homicides in a given year in a country where handguns are readily available, sometimes for as little as $25 apiece, as in an area with stringent gun control laws. I believe that we should at least be willing to try handgun controls in the U.S., for their implementation may well result in a dramatically reduced rate of homicide and almost totally eliminate death and injury from accidental shootings in the home.

As I mentioned previously, I have received a great deal of correspondence on this issue, both pro and con. One of the most poignant, however, was from a gentleman in Mamaroneck, New York whose stepson had been the recent victim of an accidental handgun shooting. The youth, who is 21 years old, is paralyzed from the neck down, and the prognosis is that he will remain in this condition for the rest of his life. I would like to quote a portion of this constituent's letter, for I believe it expresses most clearly my own views on this question:

"I could write you pages detailing my stepson's agony, the continual pain in which he has been for the last two weeks, the despair of knowing that he will never walk, paint or play his music again, the shock of the policemen at the door at 3:00 in the morning, the terrible toll it has taken of his mother and me, the effect on our younger son who has been looking forward to going to college in the fall, but regardless of the possible effectiveness of my eloquence, you would not be able to experience this horror. I hope you never do, but it could just as easily have been a member of your family, and it is in order to avoid this happening to you, or to anyone else, that I write to ask your help.

"I have, for years, heard the specious, self serving arguments about the constitutional right to bear arms. Even the people who advance this argument must know how fallacious it is. It does not serve the common good to have handguns available indiscriminately. As long as they can be manufactured and sold they are subject to theft and illegal distribution. Licensing, therefore, is not an effective means of control. The only effective control is in banning manufacture of both guns and ammunition except under the most stringent control and only for use by the military and peace officers. In addition, severe penalties should be rigorously enforced against those found to possess handguns, especially when someone is harmed."

Mr. Chairman, there is no way that I can more eloquently describe the need for effective handgun control laws in this country. I offer my full support to legislation that will ban the sale, manufacture and transportation of handguns among those who have no need for them and that will place severe penalties on those who use these weapons in committing crimes. We must end this madness which is sweeping the country and bring under strict control the most effective instrument of death that has ever been invented in the history of mankind.

PROPOSED AMENDMENT TO PESTICIDE CONTROL ACT

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, I wish to enter into the Record two editorials, both of which appeared on July 28, 1975, one in the New York Times and the other in the Washington Post.

They both deal with a proposed amendment to the Pesticide Control Act which would paralyze this important piece of legislation by requiring that the Secretary of Agriculture concur before the Environmental Protection Agency could do anything to regulate the use of pesticides.

In view of the Department of Agriculture's past record favoring uncontrolled use of pesticides, some of which have been found to be harmful, I believe the arguments presented here are important:

[From the New York Times, July 28, 1975]

A Bud for Nipping

Representative Poage of Texas has served notice on the House Agriculture Committee, of which he is chairman, that he intends to attach to the extension of the Pesticide Control Act an amendment that would paralyze that essential law. The provision would require concurrence of the Secretary of Agriculture before the Environmental Protection Agency could cancel registration of a pesticide, reclassify it or, in fact, promulgate any regulation affecting its use.

This unprecedented attempt to move in on the E.P.A.'s jurisdiction must be viewed in light of the Agriculture Department's history with regard to pesticides. Congress took control over these potentially dangerous chemicals from the department largely because it had so consistently failed to exercise its full responsibility, giving priority to the profit and convenience of big farmers over the safety of the public.

In the 28 years during which pesticides were under the Department of Agriculture's control, it failed to take a single one off the market as a health hazard, though it did in a few instances modify their use. When the dangers of DDT, aldrin and dieldrin were established, it fought for their continued distribution—domestically as well as abroad—and finally joined the lawsuit to prevent the E.P.A. from taking them out of the marketplace.

The attempt of Mr. Poage to slip in the amendment in question is a sly way to undo the hard work and advances of a decade. If surreptitious action allows the extension measure to emerge from the farm-oriented committee with this far-reaching change included, we would hope that enough resistance on the floor will materialize to kill the amendment. But these little plots are better nipped in the bud.

[From the Washington Post, July 28, 1975]

EPA and Pesticides Decisions

Representative W. R. Poage (D-Tex.) is about to offer an amendment to the Federal Insecticide, Fungicide and Rodenticide Act that would require the concurrence of the Secretary of Agriculture whenever the Environmental Protection Agency takes action against a pesticide. Currently, EPA's jurisdiction covers more than 36,00 pesticides containing some 1,200 active ingredients. Far from being the insensitive overlord that Mr. Poage claims it to be, EPA has taken action against only five active ingredients and has succeeded in suspending only two: DDT and aldrin-dieldrin.

The effect of the Poage amendment would be to give the Department of Agriculture an administrative stick that it could put into the spokes of EPA and thereby block any progress against dangerous pesticides the agency might wish to make. This would be needless interference. EPA has proven itself fair-minded in administering the act. Not only has the agency avoided becoming banhappy about pesticides, it has considered the availability of substitutes for ingredients that might be suspended. It is a strained notion that EPA is threatening crop production.

Even if a case against EPA could be made, there would be the record of the Department of Agriculture to consider. It was during the time when USDA was administering the law that so many hazards to human health and to the environment were allowed on the market with little serious questioning. Mr. Poage's efforts to get the department back into the pesticide decisions now being made by EPA deserves to be promptly turned down.

THE URBAN BIKEWAY TRANSPORTATION ACT OF 1975

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, today, I am introducing with Representatives Bella Abzug, Max Baucus, Yvonne Burke of California, Bob Carr, Cardiss Collins, John Conyers, Bob Eckhardt, Robert Edgar, Don Edwards, Donald Fraser, Gilbert Gude, Mark Hannaford, Michael Harrington, Ken Hechler, Romano Mazzoli, Claude Pepper, Henry Reuss, Ralph Regula, Paul Sarbanes, Henry Waxman, and James Weaver the Urban Bikeway Transportation Act of 1975. If enacted, this bill would provide $20 million annually for the construction of bicycle lanes, paths, parking and support facilities, and traffic control devices in urbanized areas—50,000 or more population. The money would be administered by the Secretary of Transportation to States and/or local municipalities on an 80-to-20 schedule if the bikeway project is in accordance with the section 134 planning process. This money would be available only for bicycle use and not for new highway construction and would be in addition to the option granted cities under Public Law 93–87 to use up to $40 million of their urban roads moneys for bicycle lane construction.

There are those of you who might ask, "Why more money for bicycles?" The answer is really quite apparent. First, the money now available, limited as it is, requires a diversion from highway usage, which some localities are reluctant to do. Second, as we all know, the country is faced with a severe energy shortage. It has been estimated by the Ford Foundation's Energy Policy Project that the automobile and trucks consume about 20 percent of the total energy used in the United States, and that over 50 percent of the total vehicle miles are driven in urban areas. In fact, the Department of Transportation has estimated that if 5 percent of the motorists using cars for distances between 2.5 and 3.5 miles would convert to bicycles, over 780 million gallons of gasoline would be saved each year.

However, in order for bicycle travel to become a viable alternative to automobile travel, it is incumbent upon this Congress to provide safeguards for the bicyclist. As anyone who has ridden a bicycle on a crowded street knows, the bicycle and the automobile are not compatible road companions. The need for improved facilities, including the construction of exclusive bike lanes, is reflected in the calendar year 1974 statistics of 456,515 bicycle accidents requiring some type of hospital emergency treatment. In addition, a 1967 survey estimated that 90 percent of bicycle deaths were the result of collisions with automobiles.

This issue is an important one, for there are over 85 million bicycle riders in this country, many of whom would benefit from this legislation and modest expenditure. If the Congress is truly concerned about the fuel shortage and the need for different transportation alternatives, the bicycle provides a clean, quiet, economical partial solution to both of these problems. With the miles of bikeways which this bill would provide, the Congress will have initiated a refreshing alternative to the gas-guzzling, polluting automobile which now all but strangles our cities and devastates our pocketbooks.

The text of the bill follows:

H.R. —

A bill to authorize the Secretary of Transportation to make grants for the construction of bikeways in urbanized areas.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purpose of this Act the term—

(1) "Secretary" means the Secretary of Transportation;

(2) "bikeway" means a bicycle lane or path, a bicycle traffic control device, a shelter or a parking or a support facility to serve bicycles and persons using bicycles.

(3) "urbanized area" means an area so designated by the Bureau of the Census within boundaries to be fixed by responsible State and local officials in cooperation with each other, subject to approval by the Secretary. Such boundaries shall, as a minimum encompass the entire urbanized area within a State as designated by the Bureau of the Census; and

(4) "State" means any one of the fifty States, the District of Columbia, or Puerto Rico.

Sec. 2. (a) The Secretary is authorized to make grants to States and to municipalities wholly or partly within urbanized areas for projects for the construction of bikeways. Such bikeways shall be for commuting and for recreational purposes and shall be located in urbanized areas.

(b) The Federal share of any project for the construction of bikeways shall be 80 percent of the total cost of such project. The remaining 20 percent of such cost shall be paid by the grantee.

(c) No grant shall be made under authority of this Act unless such bikeway project is in accordance with a continuing comprehensive transportation planning process carried on cooperatively by States and local communities in accordance with section 134 of title 23 of the United States Code.

(d) The Secretary shall establish by regulation, construction standards for bikeway projects for which grants are authorized by this Act, and shall establish by regulation such other requirements as may be necessary to carry out this Act.

Sec. 3. Grants made under this Act shall be in addition to, and not in lieu of, any sums available for bicycle projects under section 217 of title 28, United States Code.

Sec. 4. There is authorized to be appropriated to the Secretary to carry out this Act, $10,000,000 per fiscal year out of the Highway Trust Fund, and $10,000,000 per fiscal year out of any other money in the Treasury not otherwise appropriated.

Sec. 5. This Act may be cited as the "Urban Bikeway Transportation Act of 1975."

OBSERVATIONS ON THE SOVIET UNION

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I am appending with the thought it would interest our colleagues a letter received from James Stewart-Gordon as well as supplementary correspondence in which he and his wife describe their recent experience in the Soviet Union:

New York, N.Y.,
July 15, 1975.

Hon. Edward I. Koch,
Longworth House Office Building,
Washington, D.C.

Dear Congressman Koch: I would like to congratulate you on the quality of your June newsletter and your amusing references to those twin time servers and yea sayers, Haig and Bruce.

Since I think that constituents have the same duty as their representatives in making information of general concern available, I am sending you this note.

My wife and I have just returned from a trip to Russia which took us from Leningrad on the north to the Iranian-Turkish border on the south. My wife, who owns and operates the Russian Tea Room on 57th Street, was interested in exploring the possibilities of importing Russian wines and I, as a READER'S DIGEST Roving Editor, in meeting with my opposite numbers in the Soviet press.

The Russians at every level are preaching peace—unquestionably partially because of the ravages of the last war and also because the combination of the arms race and the space program has strained their economy very badly. They have an enormous amount of inflation, a poorly performing work force and are beginning to feel the stirrings of nationalism internally among their 140 subject peoples and their satellite states. This will increase, and their involvement in India will be exploited by the Indians, to the Russians' detriment.

Basically, of course, the country remains unchanged; it is an absolute autocracy whose rulers are as remote from their subjects as ever under any Tsar. If you are familiar with their history, this is perfectly understandable, and any hope on our part that they can become a democracy, or in fact can understand the workings of a democracy, is a delusion. Although the Russians have been successful in representing themselves as a serious rival to the U.S. economically and militarily, this is not so. Russian technology depends heavily on West Germany, with whom it is on the closest terms—so close in fact that I am sure that the major pipeline for military and industrial intelligence runs directly and immediately from Bonn to Moscow. Industrially, Russia has to set low targets because of an acute labor shortage and a low level of productivity. This is apparent, in their creation of consumer goods. For example, in Tiblisi we were intrigued by the fact that although almost every woman had at least one pair of fashionable shoes, no two pair seemed alike. This was explained when we checked the shoe shops and discovered that each shop received an allotment of only two pairs of shoes made in Italy or Britain in two separate sizes.

In the case of transportation and road construction, there are other anomalies. Fiat has built a plant in Russia which turns out 800,000 vehicles a year. Since demand is not high enough to absorb this modest number, cars are stockpiled and an attempt is being made to sell some outside of the country in order to get desperately needed foreign currency.

In the cities, the boulevards are enormous and imposing, then at the city limits these peter out to third class roads and the only highway between Moscow and Leningrad once you have left the city limits is a narrow, two-lane tar surfaced road, which has to carry the total volume of road traffic between Russia's largest and most important cities.

The railway network, although it is being improved, is mainly single track and the movement of goods between manufacturing centers and the hinterlads is affected by this. Shipments of goods are frequently misdirected or unaccountably take an eon to arrive at their destination. Mail is uncertain and it takes 10 days to three weeks for a letter posted in Russia to arrive in the West.

These factors of course influence Russian foreign policy—which remains the same as it was under Catherine II—absolutism at home and the pose of liberality and enlightenment to the outside world. Unable to compete with the U.S. militarily or industrially, they are able, by fomenting unrest in various parts of the globe, to force the U.S. to divert its resources—through excessive military and foreign aid to threatened governments. Up to now and including the disaster of the Vietnamese war, this has been, unfortunately, quite successful. However, as I told the Russians, I have the feeling that they have now crested their peak and faced with a hostile China they will be checkmated in Asia and forced to underwrite Mrs. Gandhi in India to a degree which will tax their resources beyond any stage they can afford.

We are now engaged in the SALT talks in Vienna on which they place great stress. They have gotten, it seems to me, a lot of mileage out of this by claiming the U.S. is exhibiting an intransigent attitude. On the question of inspection, they are being aided by their West German friends, who are using the specious excuse to quote Chancellor Helmut Schmidt "that they don't want Russians tramping all over Germany".

Russia has always adopted the attitude of secrecy in their negotiations. During an interview with Yuri Ratieni, Editor of Pravda, I asked about this: explaining that there were two separate attitudes—one postulated by Benjamin Franklin at the Constitutional Convention calling for secrecy in negotiations on the grounds that "it enabled men to change their minds without embarrassment", and the counter view of Woodrow Wilson that "open covenants should be openly arrived at". They, it appeared to me, in the SALT talks had opted for the Franklinian rather than the Wilsonian view. Ratieni replied that because of the secrecy surrounding rockets and their placement the Russians could not accept the Wilsonian view.

I think this is wrong, because if we don't know about their rocket placement and they ours, both countries have been wasting a lot of money on intelligence—However I think we can use their insistence on secret dealings to our advantage by pointing out that no disarmament conversations should ever be conducted in secrecy since the affairs of the people of the world are so heavily dependent on complete disclosure in this very sensitive field.

Should the opportunity present itself, I hope that when you are in New York next we can have lunch and exchange views.

Yours truly,
James Stewart-Gordon.

U.S. House of Representatives,
Washington, D.C., July 17, 1975.

Mr. James Stewart-Gordon,
New York, N.Y.

Dear Mr. Stewart-Gordon: I have your letter and I certainly appreciate your writing. Your and your wife's impressions were very interesting.

I was surprised by your observations that the Russians were having difficulty finding domestic customers for their Soviet produced Fiats. I had always read that there were lengthy waiting lists of buyers for cars in the Soviet Union.

If you think it appropriate, I would be pleased to place your letter in the Congressional Record so that others may have the benefits of your thoughts.

I think it would be nice to have lunch and I will be in New York during the congressional recess which begins August 1st and lasts until September 3rd. May I suggest that you call my New York office and speak to my secretary, Laurie Rudey, who will be pleased to arrange a mutually convenient date.

Sincerely,
Edward I. Koch.

July 22, 1975.

Hon. Edward I. Koch,
Longworth Office Building,
Washington, D.C.

Dear Congressman Koch: Thank you for your very kind and gracious response to my note. Of course I should be very pleased to have you enter it in the Congressional Record.

In response to your comment about the automobile surplus in Russia, it is quite correct that this does exist. During our stay we saw a number of depots where these cars are stored. The problem, of course, is that in Russia even the smallest Fiat costs over $7,000. Wages are not scaled as they are here. For example, the Deputy Chief of the Journalists Union informed me that his father-in-law was a millionaire. When I expressed surprise, he explained that his father-in-law was the leading cellist in Russia, and the combination of his salary, teaching, and record royalties earned him over 800 roubles a month—which by Russian standards was millionaire class.

People who do buy cars buy them on the installment plan much as they do here—they then use them as capital supplements to their income by driving for weddings, funerals and, in some cases, unofficial taxis. However, it is very difficult for even a highly-skilled worker earning 400 roubles a month to get enough to make a down-payment and then keep up the installments.

Additionally, Russia is very hard-pressed for hard currency. To acquire convertible currencies they are now attempting to build an export trade. Consequently, they will attempt to market their surplus cars outside of Russia, and by subsidization reduce the price of their export stock.

Looking forward to our lunch.

Yours truly,
James Stewart-Gordon.

THE PROFESSIONAL NURSE AS A CHANGE AGENT IN THE HEALTH CARE SYSTEM

(Mrs. MINK asked and was given permission to extend her remarks at this point in the Record and to include extraneous matter.)

Mrs. MINK. Mr. Speaker, the health care field is in a state of dramatic change. Health care professionals are increasingly more highly trained, and our health care delivery systems grow more complex and sophisticated. With these changes human contact, human response, and caring for the person which has traditionally been the essence of a committed health professional is in danger of being displaced.

I would like to take this opportunity to place in the RECORD the remarks of Sister Madeleine Clemence Vaillot made to University of Pennsylvania nursing students on the issues of commitment and human concern:

REMARKS

(By Sister Madeleine Clemence Vaillot)

I am happy to be with you for two reasons: I am always happy to be with students, and I am interested in the theme that you have chosen, which is challenging, to say the least.

The health care delivery system could stand change, most certainly. So could nursing. So, it appears highly desirable that, when you join the profession in earnest, you be change agents.

Yet, change is fraught with dangers for the person who lives in it. We all know that rapid cultural changes work havoc on the individual: loss of identity, of sense of belonging, anxiety, rootlessness. This would apply of deep and rapid changes in the practice of nursing, which would expose the nurse to cultural shock and make impossible commitment because of the instability of the values to be committed to.

Hence, my initial question: Is it possible for change agents to be committed? And, if it is not and if we have to count our losses, what is better for the nurse, for the patient and for nursing: committed young people or change agents?

The answer to this question is worth seeking. And this is what I would like to do with you. I am going to:

1. tell you what I mean by "commitment".
2. in order to reach a rational conclusion, I will try to clarify what I think you mean by "change agents", and we will look together at the possible conflicts between being change agents and committed persons,
3. and, finally, we will seek a possible reconciliation between the two states: being a change agent and being committed.

What is meant by "commitment"?

To help clarify the philosophical notion of commitment, it is necessary to look into what existentialists—more specifically Gabriel Marcel—mean by "situation" and "existence".

Anything that exists does so in time and space, doing something at some point in history. This is what Heidegger calls "being-in-the-world", and Marcel calls "being-in-situation". The whole expression is hyphenated, and the hyphens are important, because the whole expression is a norm: each of us is a being-in-situation, and there would be no being if there were not a situation in which to be and which, partly, determines the being.

To exist is to pass from one situation to another situation, and my existence is the sum total of the situations confronting me throughout life. Or, to put it in another way, the succeeding situations which I live are the details of my existence.

My existence is given to me and, generally, I am not responsible for the different situations through which I live. I am, however, fully responsible for my reaction to them. And it is the style of my reaction to that existence that I receive which makes the difference between commitment and lack of it.

Concretely, to be committed is the inner attitude which determines the quality of one's reaction to life situations. Commitment is expressed in deeds: you cannot say that you are committed to something or someone unless you do something about the object of your commitment.

But, if it is certain that there is no commitment in the absence of some form of action, action, in itself, is no guarantee of commitment. If a person never thinks about the problem of war, never talks about it, never does anything to bring about peace, this person is certainly not committed to peace. But, the fact that a person demonstrates against war does not necessarily indicate commitment to peace. A nurse who does not join the ANA is evidently not committed to organized nursing. But, membership in the organization, even committee work are no proof of commitment to nursing. You may join just because it is the thing to do where you work.

The differences between the behavior of the committed and that of the uncommitted are far from obvious. These persons may well do the same thing and, outwardly, do it the same way. But, to be committed is to claim the full responsibility for one's actions; to stand straight and be counted when truth is proclaimed; to defend justice, even the justice of unpopular causes; to be one's brother's keeper. To be committed is to be fully alive, and just as fully aware of the possible consequences; anxiety, solitude, maybe persecution, certainly suffering.

But, to be committed is also to be authentic, and to achieve one's full human stature. Our degree of commitment is the measure of our worth as humans. To be, or rather to become—as being is never achieved, and can be perfected until death—is to fulfill one's potentialities, to be free, to reach self-actualization.

If my commitment is my wholehearted, concerned, courageous and lucid reaction to the situations confronting me, is it not to be expected that the characteristics of these situations, over which I have only a limited control, affect the way in which I relate to them?

More specifically, is commitment to life situations still possible when stability has all but vanished, and when change has become a way of life as, presumably, it should be for persons preparing themselves to be "agents of change".

We have no time to get attached to anything in this culture of change: cars, houses, material possessions become outmoded so fast that we manufacture products that will not outlast their usefulness. We change residence so often that we have no time to make lasting friendships. Knowledge becomes obsolete at a terrifying pace and yesterday's certainty is no longer true tomorrow. And, cutting more deeply into our personal integrity, even fundamental values evolve: what was wrong yesterday is acceptable today and our faith of today may no longer be the same source of strength tomorrow.

Is commitment, which is the person's response to life situations, which implies gift of self and total involvement, still possible when those life situations are so unstable? This possibility has been doubted, or even denied:

Living in a society in which disposability is highly valued, we are developing a throw-away mentality in which even the notion of permanence is obsolete. We become habituated to being uncommitted, we learn to establish a life based on short-term relationships.

If commitment is the condition to an authentic existence, the necessary means to attain one's full measure as a person; if, on the other hand, rapid change, lack of permanence and stability, make commitment difficult, not to say impossible, why would one be an "agent of change"?

Evidently, nursing partakes of this culture of change: nurses are persons of their time, so are patients, and they bring to their interaction—nursing—the problems and the values of the world in which they live. It is to be expected that the peace of change in nursing parallels that of the culture in which it is practiced and also that this rapid change makes commitment to nursing all the more difficult.

An "agent of change" is a person who knowingly, willfully and actively promotes change and accelerates its momentum. But change, in itself, has no value: it may bring about good or bad results; usually, its consequences are mixed, the good having to be paid at the price of some bad. And change in itself, prescinding from its consequences, at best is stressful, at worst, destructive. Again, why would any one be an "agent of change"?

I believe that neither you, nor nurse educators should be taken literally when we say that we prepare "change agents" and you say that this is your professional goal. It is one more example of nursing's unfortunate use of words: any nurse who practices nursing is a nurse practitioner, and any nurse giving direct patient care is a nurse clinician. But, it is not what we mean. We do not mean what we say when we speak of "agents of change".

What we want to convey is quite complex, and often subtle.

(a) We certainly mean that the college educated nurse should improve patient care. This implies change, to be sure, but only as a necessary by-product of the process improvement, and certainly not sought for its own sake.

(b) We also know how this improvement should come about. We have often been frustrated because the structure of the system in which health care is delivered too often hampers optimum health care. Values have been shifted around: the patient has become a means to the delivery of efficient health care, but the simple fact that he is the reason for its existence has been lost sight of. As a result, in order to put back the patient in his rightful one, the system has to be changed.

(c) The improvements for which nurses can be made accountable are the improvements involving nursing care. But, nursing care is part of the whole structure of health care. To improve nursing, nurses must free their practice from whatever in the system prevents them to give the best care that they know how to give. It becomes necessary for them to assert themselves as the only authorities on what constitutes nursing care, and as the only judges of its quality. This means changed relationships with their employers and with members of the other disciplines who are, like nurses, part of the health care distribution system.

(d) All this, for which you are educated, and toward which we, your educators, strive, necessitates that some changes take place, but only some specific changes, resulting in the removal of obstacles to optimum patient care. What your efforts and ours aim at is really not at all to make you agents of change, but agents of good nursing. If changes have to be effected on the way, let's accept the necessity of these changes, and effect them as smoothly as is possible.

Commitment is the quality of interaction between a person and that person's situation. I am committed if I am concerned about my situation, enter into it with all my might, am willing to take risks, accept full responsibility for my actions and their consequences, act with full awareness and freedom. I am uncommitted if I remain aloof from my situation, avoid to get involved in it, use any of the multiple forms of escape that the human mind has been apt at devising to rid itself of the responsibility of freedom.

It stands to reason that, even though I am free to choose between commitment, and lack of it, the type of situation which confronts me may influence my choice.

It might even be that it is impossible to get involved with situations changing so rapidly that one has to protect one's self against the losses implied in all change by remaining uncommitted. And commitment to change—which is a non-situation—is a contradiction in term. If we really meant what we seem to say when we speak of the desirability of "agents of change" in nursing, we would be saying that the ideal nurse is the uncommitted one: or, that commitment to the form of nursing which we advocate is not possible.

But if we mean that what you want to be, and what we want to help you become, is nurses set on improving the nursing care that patients will receive, then commitment is not only possible, it is indispensable to the attainment of your goal. If you were not committed to better nursing, how could you effect the changes necessary to remove the obstacles blocking your path? The willingness to take risks, to accept full responsibility for one's actions, to assess the present situation lucidly, are marks of the committed person. They are also qualities necessary to a good nurse.

We have tried to elucidate together what existentialist philosophies mean by commitment, and also what nurses, deep down, mean by "agent of change". We have concluded that, by the very nature of things, it is impossible to be committed to change in itself, to change for the sake of change. It is just as impossible to consistently strive toward the improvement of nursing care unless one is committed to it, because only the committed to the end will have the courage to take the necessary means, which involve change with the painful choices that it implies. It also implies commitment which is a difficult, uncompromising way of life. Commitment, like change, brings anxiety and solitude on its wake. Yet whatever change and destruction commitment entails, it is for the sake of a greater good.

I do not want to end this paper on a somber note and I would like to add two encouraging thoughts.

One is that, in spite of your good will, of your enthusiasm, of your professional preparation, you are not going to transform nursing overnight, nor singlehandedly. Progress is slow to come, and comes insidiously, so that those who contribute to it are unaware of it. When you look back over 10, 20, and more years, you see that some things have evolved for the better. You might be able, when you look over your own shoulder, to honestly acknowledge that maybe, you had a hand at it. But, you can never be sure, and when the passage of time has dulled the edge of your vanity, your own role does not matter all that much any longer.

The second is that, if commitment is a way of life, memorable acts of commitment to what existentialists call "situations limits" are not ordinary, everyday acts. In other words, "we are not really wholly involved with the last resources of our freedom in a personal commitment" all the time and for everything. However, in order to be able to totally engage one's freedom and commit one's self, when a momentous situation confronts us, we must have, in the course of small everyday events, an attitude of openness toward life, a willingness to take risks, and, above all, a basic honesty which will give us the courage to be wholly responsible for our choices, as befits free persons.

All this is to recommend you patience: "good nursing" may never come; if we succeed to bring about "better nursing", we will have done well. If individuals are agents of progress, they are not usually aware of it; so, do not get discouraged if you feel that your efforts are futile.

Finally, the persons that we are, are more important than the things that we do. It will not be often, in the course of your professional career, that you will be faced with a momentous choice, that you will be called upon to accomplish a famous deed. It is every day, every hour of everyday that you can create the person able to rise up to the demands of the unusual situation.

To be committed "change agents", then, don't plan too much on dramatic changes, but just try, day after day, to be the very best nurses that it is in you to be, as this will demand that you be the very best persons that it is in you to be.

JUSTICE DENIED IN MEXICO

(Mr. STARK asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. STARK. Mr. Speaker, I wish to insert in the Record an excellent article concerning the unforgettable and terrifying experience of being arrested in Mexico. Rolling Stone, in its issue of August 14, has a piece authored by Mary Jo McConahy, which details the regular procedures for Americans arrested in Mexico: Being forced to sign confessions in Spanish without interpreters, being held incommunicado for numerous days, being tortured to force a confession, and so forth. Arrest and detention perhaps are never pleasant, but when basic constitutional and legal rights are violated on a regular basis, as they appear to be in Mexico, the procedure becomes a nightmare.

Over 500 Americans are in jail in Mexico; many have been denied rights guaranteed them under Mexican law. As one who has been investigating this issue for over a year now and found blatant and massive violations of rights, I believe the Rolling Stone article is both accurate and compelling. I commend Ms. McConahy for her reporting, and recommend the article to the attention of my colleagues:

The Black Palace and the Women of Santa Marta

(By Mary Jo McConahay)

She was "almost Miss Texas" three years ago. Tall and blonde, suntanned and Southern accented. She wears a big watch whose hands quiver wildly over the face.

Just before Christmas, Rhoda and a girlfriend from her home town in Texas were popped at the Mexico City airport while they were in transit to the States from Lima, Peru. In the one suitcase they had between them, Customs agents found two pounds of cocaine. When the women said they weren't working for anybody, they were taken from the Customs office into a small room nearby.

"Something bad was going to happen. I could feel it. They didn't call that little old room anything special, but I knew something was going to happen there."

There were four men. Bad-looking men. Fat, greasy, they smoked without taking the cigarettes out of their mouths.

"Then a fifth man came in carrying it. I was raised on a ranch in Texas, you know. I mean we used those lil' old prods to move cows. You know what you start thinking when you know they're gonna use that thing on yourself?"

She spoke intensely but without dramatics. Around her, other women with kerchiefs and granny glasses, cleareyed, freckled women who had been through torture of their own, listened quietly.

"They made me stand barefoot on the cement floor. I was wearing a skirt and a halter. They just started at my feet and went up. By the time they got to my * * * I didn't think they'd do it there. They were mean-looking men but I didn't think they'd do it there too. Well, they did it. On my breasts too, and then on my nipples. I had started crying when they were up to my ankles, you know, quiet crying. Just tears coming down. I had to keep my eyes closed not to see their faces. None of them touched me except with the prod, but it was a gang bang sure as hell."

Rhoda doesn't remember much between that time and the moment she found herself in the Procuraderia, the holding tank where prisoners stay for one to several days before they are taken to Santa Maria women's prison, commonly called Los Reyes, or Lecumberri. The friend was put through the same electric-shock torment (although Rhoda immediately claimed the suitcase as hers alone), and both women signed incriminating "confessions." Rhoda has been in prison for eight months without being brought to trial. Her parents paid $10,000 to a lawyer (suggested by the American Embassy) who was never seen again.

She was wearing the big watch, she said, during the electric rape/interrogation. "And isn't it funny how the little hands still jerk around that way?"

DANNY ROOT, VICE-CONSUL

The American Embassy is located between a Chevrolet dealership and Sanborn's 24-hour coffeeshop on one of the lovelier legacies of the 19th-century French colonialism, the Paseo de la Reforma. To keep outsiders at bay there is a tall fence which looks like the spear rack for a hundred giant centurions. The only building in Mexico City which appears more fortresslike is Maximilian's Chapultepec castle.

At the top of the steps is a glass cage.

"I want help in visiting Americans in jail here."

A yellow slip of paper comes out of the cage. Room 106. "Keep the yellow paper with you."

A husky Marine asks me to sign in, please, ma'am.

"Nice duty station, eh?"

"It gets old, ma'am."

Bet it does, Marine.

"May I inspect your purse, ma'am?"

There is a sign in front of the elevator: What the American Consul Can and Cannot Do for You, the American Citizen: "During the tourist season especially, consuls are likely to be working under heavy pressure and must give priority to cases of grave emergency or distress. They cannot provide a free round-the-clock travel agency service and above all cannot spare time to deal with casual inquiries.

"However, if you find yourself in a dispute which could lead to legal or police action, however right you might be, it is wise to consult the consul. He cannot give you legal advice, but if necessary he can provide a list of attorneys and tell you what local arrangements there are for free legal aid. He will also do whatever he can to protect your legitimate interests and to insure that you receive just treatment according to local law.

Department of State,
Washington, D.C.

Danny Root, vice-consul of the United States of America, Prisoner Affairs, bounces to the door, hand outstretched. "Hi, I'm Dan Root. What can I do for you?"

The baroque drapery surrounding official encounters in Mexico is drawn away and the fresh air of American heartiness fills the room.

I take a deep breath and relax. "The women at Santa Marta said you could give me a letter so I'd be able to go out and visit them more often."

Dan Root offers me a chair and bounces to his own, putting the desk between us. He may be wearing wing tips today, this 40-year-old diplomat in a button-down with the sleeves rolled up, but he learned his trade in tennis shoes. On campus. Student-body president.

"A letter? Oh yes, I know what you're talking about. Well, we're out of the letter-writing business. It was just a formality, you know. Not always honored over at the prisons anyway. You'd probably do better yourself! By the way, who do you know over there?"

I mention a woman's name.

Dan navigates his swivel chair to a file cabinet and extracts a packed buff folder. He says in a low tone, "That's not her real name, you know. She's married. And her real name is . . . O'Brien!" In one jerky, circular movement, Dan swung to the cabinet, replaced the folder, swiveled back to the desk and clasped his hands.

I suppose the next move is mine. I ask about the torture claims, the accounts of physical abuse I hear from prisoner after prisoner. "What happens when an American tells you he has been beaten into signing a confession?"

"We refer torture stories to the proper Mexican authorities."

"What about the extortion? Surely you can do something so the prisoners don't have to pay for receiving their personal mail."

"Yes, it's a shame. But let me put it to you this way. Extortion . . . blackmail . . . these things only work when the victims pay up, right? So if they want to stop that sort of thing, why do they go along with it?"

The logic, the sincere blue eyes, his own worried look, all were running contrary to the bulwark created by his words. The diplomat at work.

"But Mr. Root, Dan, aren't the prisoners being made to pay exorbitant prices for basics like food and mail and even rental of their cells?"

"I admit it's a problem. Say, are you going out to Santa Marta soon? You could do me a big favor. Tell the girls that if they want to send over $32 for an out-of-town subscription, I'd be glad to see that they get the *Daily News* out there. Tell them that they're not getting screwed. That's what the News costs anybody outside the city limits." He reached for my yellow paper.

"Mr. Root, it all seems so Catch 22. You're the liaison between the prisoners and the American Embassy. But the prisoners claim they can't get any action from the embassy and never see its representative. Some of them have been in there a year or two without being brought to trial. Some have paid $15,000 to embassy-recommended lawyers and have never seen them again. Can they expect any assurances, any help from you at all?"

"Yes, Catch 22 if you like. By the way, was that $15,000 paid up front? If so, the lawyer may show up again. You know, of course, by Mexican law they can stay up to a year that way. A couple of months ago we had 22 who had been in over a year without trial. Then we put the pressure on. Other than that, we can't interfere with Mexican law, can we? We're not here to influence Mexican police practices, any more than we can interfere with how they run their prisons. Now, can we?"

Dan Root looked at his watch—a signal my time was up.

"Did you say you were going out to Lecumberri this weekend? You could do me a big favor. When I got back from Acapulco, I found two notes from this Phillips fellow. Says he has to see me, urgent. Well, I can't be going out there all the time, so maybe if it's something really urgent he could tell you and you could give me the message? Here's my card. Say, thanks a lot. And if there's anything else I can do for you. . . ."

NOT STRIKE! (BUT STRIKE)

On the 13th day of the hunger strike in July 1974, we sat on orange crates in the hallway of Cell Block O. The prisoners, all jailed on drug charges, wanted to see the ambassador; they wanted at least some assurance he knew what was going on. Mr. Joseph John Jova said he couldn't come and if any of them ever got to be an ambassador they would understand. Ten men were already in the hospital for force feeding: Those who were able were pulling the intravenous needles from their arms whenever the nurses turned their backs.

The more than 100 North Americans imprisoned in Mexico City's federal district were protesting the United States government policy of "neutral abandonment" of the jailed, the use of American police agents in their arrests and court processes and the fraudulent lawyers suggested to them by the embassy. They hoped to get publicity by the strike and thus make their situation known to the world.

Todd slumped off his orange crate.

I bent to help him but he propped himself on one elbow and said no, that position was more comfortable anyway. Above his head a UPI story out of Texas was taped to the wall. "The hunger strike of the American inmates in Mexico City's federal prison was over in its third day." The prisoners were not getting the press coverage they wanted either. The day before the strike started, Peter J. Peterson, United States consul general, came to Lecumberri. All the American prisoners were present. From the tape of that meeting:

PRISONER. We want it to be clear from the onset that our problems do not lie within the walls of this prison . . . we have sufficient evidence to show that the American government, through Mexico, has forced the Mexican judicial system to deny us due process.

PETERSON. . . . We are all very frankly surprised to learn that you have no cause for complaint against the prison authorities. I am very, very happy to hear this because, quite frankly, we've been concerned about these complaints and about the mistreatment that has been alleged by you against prison authorities, and I guess we must say we're very happy to know from your own lips that these complaints that reach congressmen and senators have no basis of fact. Is that what we can take away with us from here? Notwithstanding your not wanting to discuss this subject, can we go back to your congressman and senators . . . those of you that have made approaches to them and tell them . . . and tell them that the complaints that they received from you are not warranted?

PRISONER. Ah . . . I think that's a loaded question.

The inmates at Lecumberri and Santa Marta women's are not a cross section of the classic prison population. There are no blacks, only two or three Chicanos. Economically, they are middle- or upper-middle class. The average age is mid-20's, with a few over 50. Of 51 American men at Lecumberri in July 1974 [the figure has since risen to 80], 48 had the average education of a junior in college. Of the other three, one was a high-school dropout and the other two had Ph.D.s. Few had been arrested before, very few previously convicted of any crime.

For both men and women, the trip was not the desperate measure of the penniless, not the move of the trafficker without a straight job. The men's occupations, for instance, read like a booklet from the ten-year reunion of a good suburban high school: professor, carpenter, accountant, bookstore owner, jewelry-store owner, trust officer, real-estate agent, restaurant owner, seaman, student, cosmetologist, printer, jewelery importer, clothes buyer, musician, construction worker, computer programmer, urban-affairs consultant, bartender, horticulturist, finance manager, photographer's model, promoter.

They were not the big dealers. Several had never used cocaine and a few never smoked grass before they were imprisoned. The amounts of confiscated coke were small; a few were busted for personal-use amounts of marijuana. For most of those who were actually carrying, "transportation" was the new American Dream. Get rich quick Seventies style. There were almost no cases of heroin transportation. Big money could be made fast. They were not endangering other people's lives or, they thought, their own. "I mean it's not like we were knocking over 7-Elevens," said one man.

Most prisoners at Lecumberri and Santa Marta were changing planes at Mexico City's International Airport when they were arrested. Some were called by name as they deplaned or went through Customs, others were picked off and subjected to thorough bag and body searches while fellow passengers sailed through. In mid-1973, Mexican Customs inspectors and supervisors were trained in a special program by the U.S. Customs Service, which also provided an American dog handler and narcotics-sniffing dog for the airport. Shortly thereafter, the intensive campaign against Americans began. Out of 528 [now 535] Americans in Mexican jails, 441 [now 449] were in on narcotics charges. No Mexicans have been arrested at the airport for the same offenses. The U.S. Drug Enforcement Administration knows that the light sentences most of these people would receive in the States, if caught, can't match the punishment of Mexican jails. The prisoners were in transit, yet most were hit with "importation" rather than the lesser "transportation" charge. They're the ball bearings of international drug traffic, but they are treated like the king pins. U.S. pressure on Mexico is working.

PRISONER. The word comes back from the courts that you don't want us to leave?

PETERSON. What do you mean? . . . Do you have . . . ah . . . Do you think . . . ah . . . You charge that responsible officials . . .

PRISONER. Our charge . . .

PETERSON. Responsible officials of Mexican courts are telling you that they would like to release you forthwith.

PRISONER. Nah nah.

PETERSON. Except for the fact that the U.S. government is pressuring them to keep you here.

PRISONER. That is correct.

PETERSON. Without regard with your . . . that the charges against . . . are the state of your case.

PRISONER. That is correct.

PETERSON. And these are generally made statements . . . statements generally made, freely made by responsible court officials?

PRISONER. That is correct.

PETERSON. (Pause) Okay . . . Next.

Eric is 19, a student and a factory worker. He is small, red haired and quiet. He visited with a brother stationed in Panama and brought back two pounds of coke as a souvenir. The plane made a stop in Mexico City on its way to L.A. and Eric was busted during baggage check. "Then this man in a suit from New Jersey comes up to me and says, 'It's * * * like you who pick up young girls off the streets and make them * * *.' The guy hated me and I'd never even met him before in my life. A couple of weeks later at a meeting with [Vice Consul Root], the same man comes up and shakes hands with him and raps for a while. Then he notices me and asks how's my case going. I didn't know what to say."

PRISONER. Do you in fact consider American police officers operating in Mexico to be . . . against us?

PETERSON. There are no American police officers attached to the embassy . . . operating in Mexico.

Once an arrest has taken place, initial declarations/confessions are made without legal counsel or assistance. Whatever points a prisoner may have on his or her side are cancelled out by poor government interpreters. Usually a lawyer appears and says he has been engaged by the parents or wife or husband of the prisoner, and for a mere ten- to 30-thousand American dollars, cash up front, he can have the prisoner free in a couple of months. Meanwhile, the lawyer has telephoned ("and where did he get my number?") the parents, wife or husband and told them he has been engaged by the prisoner.

Having paid, the prisoner may see the lawyer once or twice more. In reply to complaints from the family, he may tell them he doesn't have time to "wet nurse" his clients. Then he slips out of the picture; all lamentation to the embassy is in vain. "Americans in Mexican jails are a multimillion-dollar racket," says an aide to California Congressman Fortney Stark. Stark's office has been collecting affidavits from families who have lost small fortunes "not paid to the process of justice."

One lawyer, Jorge Aviles, has allegedly bilked prisoners out of hundreds of thousands of dollars so far. Aviles went underground when a warrant was issued for him by the Mexican government and a Los Angeles associate, attorney Daniel Davis, said he wasn't talking until the California Bar Association completed its investigation of him. Many prisoners and families say Aviles was recommended by the vice-consul at the American Embassy.

PETERSON. At this point . . . How many of you have engaged Mr. Aviles as your attorney?

(Prisoner response)

PETERSON. Okay, you didn't get him through our list.

PRISONER. (Prisoners respond in disorder.) Yes we did . . . I did . . . etc.: Is he in your telephone book . . . your private black book?

PETERSON. No!

PRISONER. My goodness . . .

PETERSON. By which employee and how was he recommended . . . I . . . need specifics on this and I . . . We can't . . .

PRISONER. Mr. Root.

PETERSON. At what point was he recommended? . . . I . . .

PRISONER. At the inception. When we came into this . . . we were informed by Dan Root that . . .

PETERSON. Okay . . . Let's take the names of all the individuals here who have Jorge Aviles and insist . . . some of you . . . if not all of you who ever had him at one time or another . . . had him on the recommendation of Mr. Root . . . is that it?

PRISONER. Right.

PETERSON. Who are these people who say this? Let's take the names . . . Okay, what's your name?

PRISONER. (Several names are given.)

PETERSON. Well . . . that's a little different.

VISITING DAY: SANTA MARTA

The Women's Center for Social Rehabilitation is a strong brick building at kilometer 40 on the road from Mexico City to Puebla. Visiting hours start at 3:00 p.m. today so I arrive at 1:00 to be first in line. Already a few of the indestructible Mexican plaid shopping bags are in file at the door, saving places for their owners who lounge in the scarce shade of some administrator's car in the parking lot. The sun is incredibly hot and there is no sheltered place to wait. The people who come after me take the situation impassively. Their weekly vigils will be even worse next month when the rainy season starts.

By 2:30 a queue of 200 hugs the side of the prison. Little boys grasp even littler ones by the hand, Indian women with sateen braided in their hair hold plastic shoes, avoiding the clumsiness of required footwear until the last possible moment. A couple of 30-year-old flower children with a blonde girl of five or six step off a bus and fall in behind two nursing mothers. They carry a basket of homemade food for their American prisoner like nearly everyone else. A smartly dressed New York type pulls up in a taxi. He doesn't take his change. He looks at the motley lineup and at his watch, decides we must be here for something else and, since it is quarter to three, he'll just step up and knock on the door to be admitted for visiting hours. This man is a first timer. A new Le Sabre with Texas plates parks in the lot and a woman steps out with an armful of clothes; a man carries the biggest carton of fried chicken Colonel Sanders ever cooked up. The couple smile at the other non-Mexicans and walk to the end of the line. They have been here before.

A few minutes before three, people inch forward until the queue is only a third as long as it was. When the doors open, everyone is fighting to be in the first group of 20 admitted at the door. Sleeves are torn, children become buffers ("Señorita, *please*, be careful of my baby!" says the lady behind, using the baby as a battering ram to push to the head of the line), food is spilled and the door closes on an old man in a sombrero. In a quarter of an hour the circus starts again but by this time I have learned the trick and inch past the door the moment before it shuts on the second group. Often the time given to visits or the number of visitors allowed is quite arbitrary. The panic to get through the doors is great, because those who remain far behind take chances on very short visits or no visits at all.

Inside, the big scramble disperses into several little scrambles. Those with clothes to give have them checked out by a matron—cheap cotton blouses, wool rebozos and full, ruffled aprons. Several go to the food table, the Texan holding high his prize of Kentucky Fried. The worst push is at a small table where two myopic women laboriously check identification cards. Lines are disorderly; highly motivated aggression is the order of the day. Only in the little passageway where visitors wait to be frisked or stripped does the pushing die down.

For all their eagerness to see loved ones, no woman in line with me is anxious for the moment when she stands at the front of this line.

The matron in maroon is short and perfectly groomed, stocky and brusque. Her hair is brushed to a black sheen. I stare at her long silver earrings as she juts her hand between my legs and feels up my crotch. She puts her hands on my waist as if to lift me, then slides them up into my armpits. She feels around my breasts and acts disgusted that I don't wear a bra, even though she has just forced the busty señora in front of me to check in her bony corset. I take off my shoes and she pounds the heels on the floor. They sound solid so I get them back, check in my purse, sweater and ball-point pen and walk, shaking, to the door.

"Señorita," says the matron, and I stop short. She has found something; maybe I am wearing the wrong color (it happened once—they thought my levi skirt could be fashioned into a pair of jeans by some 18-inch-tall escape-minded prisoner), she has made up some impediment to keep me from entering the visitation cell at the last moment, she has planted something on me.

"Señorita," she says, "you forgot your ticket."

I take the claim check for my belongings and head for the iron bars which separate the waiting women from the outside world. Several prisoners are at the gate, watching, expecting. Some of the same women will be there when I leave, several hours later, weeping, not wanting to move from the gate which looks out, although the hour when visitors may still enter is long past.

WOMEN LOCKED UP

Today is not just any Wednesday at Santa Marta. Today Donna's four-year-old boy is coming to stay with her. Today Marianne's father might arrive from Phoenix. Today Linda's old man will show up with a good lawyer. Although only five or six of the 45 women are expecting visitors, most of the prisoners are gathered in the visiting area. It is a huge, high-roofed room with long tables and low benches. Matrons patrol or stand about, managing to look at once lumpen and sinister. A woman jingles the key cluster at her waist and watches the turnstile: No visitor is allowed to see the inside of the cell block at Santa Marta. Even if they know no one is coming for them, prisoners can sit with each other in the enormous room and visit vicariously with parents and friends who came for the few. Maybe even Loren will show up. A young American law student in Mexico, Loren has befriended many men and women prisoners and often receives letters and phone calls from the States for them. Maybe even Loren will come and bring somebody news of something.

For a while none of the women speak. Then Linda, the Canadian who looks like a stick-figure Liza Minnelli, asks me for some insect repellent. "The bugs are driving me buggy again," she says. "Can you bring back some Raid or something?" Linda was carrying two pounds of coke from Bogota to Toronto "because my two cats, they're Persian, needed a new home. My landlord was kicking me out."

Many women were accompanying men who were carrying, or were "body carrying" cocaine themselves for husbands and boyfriends. Karen, an elegant redhead from L.A., suggests Linda send the deadliest insects in the direction of Karen's ex-boyfriend, who talked her into carrying for him from Colombia. Most of the women, however, are not bitter toward their men. "We took a chance," they say, "and lost."

The sang-froid disappears when the topic of children comes up.

Donna's boy was with Donna's husband in their Mexico City hotel when she was busted at the airport. Agents went to the hotel, arrested the husband (although it was never proven he knew anything about his wife's extra baggage) and held the child in the locked room for six days.

"There's all different kinds of torture," says Big Donna.

There are cases of women being declared "unfit mothers" because of the fact they are in jail, with no regard for guilt or innocence, nature of the alleged crime, the desire of the mother to care for the child or, preposterously, the wishes of that child. One woman, divorced and the sole support of her two boys for six years, lost custody of the children to her ex-husband and his new wife because she was in jail.

In Mexico, it is not unheard of for a mother to keep her small child with her in jail. There are other children, the mother, play facilities and excursions to parks, zoos, and swimming pools. "My little girl," says one father at Lecumberri whose wife is at Santa Marta, "has seen more of Mexico than I have. And here sits Daddy, day after day, making it all possible."

We are sitting in a group of ten, most women facing the entrance gate. We look different from each other, the prisoners and I, only because I wear a light brown skirt and theirs are all regulation blue. (This is apart from the two 55-year-olds from Seattle who termed the skirts "absurd" and make pants out fo their bedspreads.) Most of the women are in their 20's, well groomed to the fingernails, slim (except for Big Donna, whose bulk is her trademark), bright, their arms and legs brown from hours of gardening in the Mexican sun.

They speak of family hassles with resignation, tell of shyster lawyers and a mute American Embassy with only quiet hate in their eyes. But those eyes dart unnaturally. In midsentence the women turn as if they see someone they think they know, turn back and forget what they were going to say. They cope, but they are spaced.

It is more difficult to speak privately here at Santa Marta. In the men's prison, I can wander up and down halls, in and out of cells, speak with curtains closed, watch a person cry or ram the wall without guards and other prisoners watching. But, in prison too, women must be protected, and no one from the outside is allowed into their living areas.

By Mexican law, prisoners are allowed intimate visits. The hitch is that the female prisoner must be in a state-recognized marriage relationship with the man (unlike male prisoners who can visit "intimately" with anyone who shows up simply by drawing the curtain on the cell door), and she must be able to prove the liaison with proper documentation. In any case, Americans are so far from home, very few of them get visitors of either sex.

"That's why we've got these damn letters going back and forth between the prisons." A very young-looking woman gives me an envelope to take to Lecumberri. "We revert to junior-high-school love notes with guys we might have never seen just for the contact. You know, the *possibility*."

And that's why, someone says, a few of the women have experimented with homosexuality. "They walk around holding hands for a while and then it blows over. More than anything we're looking for somebody close. A friend."

I notice the woman next to me is scratching regularly at small brownish patches on her forearm. A few hits of vitamin A would fix that right up.

"We've asked for vitamins. The food's so bad. We've begged the embassy to let us have vitamins. We'll pay for them, everything. But they won't do a thing and everybody's got something wrong with her. It would be so simple if they wanted to help."

Health care, in general, is poor in both prisons. Dental care is sloppy, when you can get it. "Show her your tooth," they said. The lower right hand corner of Linda's left incisor is chipped away, the edges still sharp. "He was filling in a tooth way in the back," she says. "The drill slipped."

Last month, when one of the Mexican women went into labor in the early morning, her American cellmates sent for the prison doctor. A nurse came several hours later when the woman was about to give birth, and promptly fainted. The baby was delivered by a veterinary nurse from Stockton, California, her own daughter in the cell looking on.

It is almost six o'clock. Visiting hours are over until Sunday. Since only one call, incoming or outgoing, is allowed per month, Big Donna has no way of knowing why her son didn't show up. Loren came with mail, Marianne's father showed, Linda's old man didn't, someone brought fried chicken. The day was not bad, say the women, as they file through the turnstile to their cells. But many of them are still looking around, heads turning, eyes darting, fingers playing with their hair. Until the last possible moment they watch the entrance gate.

THE BLACK PALACE

They say even Zapata and Pancho Villa have seen the inside of its thick gray walls. Like prisons all over the world, the Black Palace of Lecumberri now holds about three to four times the number of human beings it was designed for. A recent article in a Mexico newspaper called it "a model penal institution in 1910."

Tuesdays are best for visting at Lecumberri.

No personal identification or belongings are allowed inside the prison, and since the prison itself provides no amenities whatsoever for the visitor, the Nahuatl-speaking Indian women who run a fruit stand across the street perform an invaluable service by providing a coat-check operation. At first, many American visitors balk at abandoning their Nikons and suede purses and passport cases among the mangoes and marzipan, but they have no choice in the matter. Behind the stand is a box of well-worn, mismatched sandals. Most styles of women's shoes are forbidden inside: stacked heels, platforms, high heels, "male-looking" shoes. For another 24¢ the Indian women will rent sandals to a visitor.

Inside the gate uniformed men with guns stand in small groups, smoking, eating, tossing remarks at the women who pass. A man with smallpox scars checks off names on a list. A woman in an apron opens all food containers and inspects them with the same wide-blade knife. She rejects pineapples and makes the visitors unpeel all fruits. Even bananas: can't have those boys fermenting *pulque* again.

For the parents, wives and friends of many of the prisoners, this entry procedure is the most harrowing part of their experience in Mexico. Absolutely no one speaks English. Lines are free-for-all and there is no indication of what to do first. The room is green iron grating with a corrugated roof. Naked bulbs are lit on even the sunniest days and a nauseating smell of urine comes from the nearby open "bathroom." I've seen somebody's trim, sliver-haired mother in a fashionable pant-suit freak out after two hours of bewildered shuffling because the matron told her she couldn't go in unless she was wearing a skirt. Another woman, the newlywed wife of a young restaurant owner from Los Angeles, lasted for five minutes in the melee, then ran screaming from the room out to the street. Many are turned away or bribed heavily. The few lawyers who do come must pay to see their clients. A favorite trick at the Black Palace is to keep an American visitor waiting until there are only 15 minutes of visiting time left and then letting him go through without so much as a frisking. The American may have come from thousands of miles away and have only limited time, and the more he insists on these facts the more likely he is to receive perverse treatment.

Once a visitor has succeeded in seeing his prisoner, the hassles are not always over. One Canadian tells of his father, a business executive, who was abducted by police upon leaving the prison, stripped naked and forced to scrub floors and urinals "with a brick." The father was held incommunicado the whole time and released without a word of explanation.

In another case, a young woman from Austin was leaving Cell Block O after visiting with her brother-in-law. She was called aside by one of the Mexican prisoners, a member of the goon squad which collaborates with prison officials. On the pretext of telling her some things that could help the brother-in-law, the prisoner took the woman into his cell and forcibly raped her. To keep her quiet, the trustee claimed the power of life and death over her relative. The woman was pregnant and miscarried two days later. When the vice-consul was informed in detail about the incident, he replied that this kind of thing often happens, there was nothing the embassy could do and the woman would be well advised to "forget the matter."

Sometimes it feels more like a college dormitory than one of the ugliest prisons in the world. Cells are long and narrow, open to the hallway, where several men are always lounging about looking at the nonview from barred windows. Radios play, flower pots made from bowls and soup cans are set on ledges outside the cells. A blanket or a curtain hangs from every door, for privacy, and boards about a foot and a half off the floor keep out the rats which roam the prison at night.

Inside each cell are two sets of double bunks, a table/shelf, metal stools, a toilet and wash basin. For most prisoners, the living is crowded. For those with money, conditions are better. Some Americans live only two to a cell. The prisoners with pull live one to a cell, with carpets, color TVs, fancy dinner service and boys to fetch coffee. Prisoners tell of one Mexican in a wheelchair who never leaves his cell on Kings Row. The cell is furnished with thick rugs, black light, TV and a dazzling stereo system.

Charlie's cell, the cell we are in now, is more typical. Walls are covered with magazine nudes, pictures of wives and girlfriends of Charlie and his three cellmates, a small poster of the Golden Gate, the words to "Mr. Tambourine Man" and a piece of a magazine ad which warns, "Just Because You Made Some Money Doesn't Mean You're Smart."

The men in this cell have paid their mordida to the mayordomo to get out of hard labor. The mayordomo asked the first American in Cell Block O for 1500 pesos ($120) as a bribe. The American misunderstood and came up with $1500 U.S. and that has been the standard mordida ever since.

Charlie and his friend John are here because they were traveling from Bogota to Austin with a pound of cocaine in Charlie's suitcase. They booked seats at different ends of the plane, didn't even look at each other when they transited in Mexico City and went through the baggage check. Charlie was carrying, John would be free and held a lot of borrowed money if things went bad. They were both arrested immediately.

"So I ask the gentleman why they are taking this strange guy along with me," says Charlie. "They tell me it's because we both wore diamond rings. Of course we both wore diamond rings—I own a jewelry store in Austin and I gave my buddy a damn good deal on that rock."

As in all in-transit arrests at the airport, Charlie and John were taken to a small room close by and upstairs from the Customs area where they were asked to sign confessions which had very little to do with the realities of their crime. They refused to sign but made overtures toward mordida, the classic Mexican way of getting things done. "The bite," as they call it, may be seen as bribery, extortion, "you scratch my back" or a bottle of Christmas whiskey, but in all cases and wherever offered in Mexico it is an accepted and expected way of cutting red tape and giving officers of the law temporary amnesia. John knew this and presented ten 1000-dollar bills to the man in charge. The amount of the mordida offered was enormous, even for the situation they were in, and everybody knew it. This is why its refusal was even more unbelievable. As John and Charlie and all the other Americans arrested on drug charges in Mexico are finding out to their cosmic chagrin, "the bite" finally doesn't mean a thing.

When the mordida failed, and Charlie and John still refused to sign the confession, they were told to stand behind a table covered with plastic bags full of white powder. They saw a bulb flash and in a couple of days the picture of the American "drug smugglers" with their haul appeared in Mexico City papers. Often, this newspaper report is how the embassy finds out about Americans arrested on drug charges. "Then," says Charlie, "the consul gives its report into Interpol and the FBI, only the consulate reports in what it computes as streeet value. Like one-and-a-half kilos they call $400,000 worth. Is that crazy? Even at $50 a gram. a kilo and a half would only amount to $75,000, and who'd sell it that way anyhow?"

At about this point in the arrest procedure, individuals begin to feel very American, start demanding constitutional rights, a phone call, a lawyer, contact with the embassy. The righteous anger doesn't help even a little bit; Americans are told they have no rights and, as in the case of John and Charlie, the beatings start soon after.

"They kept telling us to sign the confession. A couple of guys started slugging us, not hard, but firm and steady, over and over, on the pressure points. This went on for about an hour and a half, and then they started the real beatings. Five guys on me, four on Charlie. I couldn't believe how perverted it all was. After a couple of hours they let us take a shower, and we thought it was all over."

John and Charlie were not given towels. The shower drains were bad so they stood with water up to their ankles while the police used cattle prods on their wet bodies. John and Charlie signed the confessions.

As we talked, two prisoners from down the hall came in and sat on the bunks. Tom and "Hardhat" nodded at what was coming down, as if the stories were common, and passed a joint of Acapulco gold. Again, as in prisons the world over, stuff is sometimes easier to get inside than it is on the street.

"Show her your fingers, Hardhat," said Charlie.

He was a short, curly-haired construction worker from Denver, arrested for smoking a joint "in a park" that turned out to be President Echeverria's front yard. Hardhat grinned and saluted. His ring and little fingers were bent at amazing right angles to the rest of his hands.

"From the beatings," he said, still smiling. "When I got here, the doctor said they weren't broken. He said all I needed to do was exercise them and they'd be all right in a few days. That was three months ago."

"And believe me," said his cellmate, "that hand of Hardhat's been getting *enough* exercise!"

Hardhat's grin broke into a laugh and someone else said, "For sure! You tell my old lady in that article you're writing to get herself down here fast. That little space between the bars beginnin' to look *good*."

Besides smoke and cocaine, the hope of a visita, a conjugal visit with wife or woman friend, is one thing that helps keep it together. Women are allowed in cells during visiting hours, and when a woman enters with a prisoner, whatever the reason or relationship, others in the cell disappear. Visitas may lift the spirits of the individual, but they do little for general morale: Not everybody gets them. "There's three black chicks," says Tom. "They come sometimes. Maybe they're from Haiti or something. They don't speak much English and they're not Mexican. A hundred pesos [$8] a trick."

There is a widespread belief among both men and women that getting married will knock a year off one's sentence. (Danny Root: "Just another thing they've invented over there.") Whatever its objective, the belief that marriage between men and women prisoners can mean conjugal visits (women are brought crosstown once a week) is moving many to begin the long process of letters, petitions and red tape to contract legal marriage. Some partners have moved to Mexico City or Tepoztlán to be nearby, but many more prisoners have been abandoned by friends and spouses. Loneliness leads some to fragile liaisons often based on nothing more than the fact that they are two prisoners.

JIMMY JOE AT LUNCH

"Hey, you girls Americans?"

He was big and blond and motioned for us to sit down at his table. The honey-colored hair curled up and over his tank top. He saw me looking.

"Yeah," said Jimmy Joe, "that's one of the reasons the Mexicans get on my case. I'm bigger than any of them. Got hair on my chest. But I don't like to fight. I'm not macho like them and they get mad when they can't get me mad. They're strange people that way."

One day the strange people talked Jimmy Joe into a test of strength. They set up an arm-wrestling contest between him and a Mexican prisoner named Enrique. The incident is typical of the naiveté of the Americans at Lecumberri. No one versed in the pecking order of Cell Block O, or any other block, would have agreed with the mayordomo. Though a prisoner himself, the mayordomo has unofficial but incredible power over the lives of the prisoners in his block. He receives all mail and charges for distributing it. He has his own vigilantes to keep order. He takes bribes to release men from assigned labor. Lightheartedly, Jimmy Joe agreed to arm wrestle with the mayordomo of Cell Block O.

It wasn't much of a contest. After the first fall, J.J. thought he'd give Enrique a chance, so he offered him two out of three. There was no way, in the Mexican view, that the offer could be taken as anything but a heavy challenge and Enrique accepted gravely. The second fall was as fast and hard as the first, and Enrique lost face in front of his lackies. "Then," says J.J., "I offered him three out of five and I thought he'd kill me. What a look! I have to pay 500 pesos for a letter now; everybody else just pays ten or 20. Isn't that a bitch to pay $40 even to find out who the letter's from?

He stabbed at a piece of fried gristle. I myself had just eaten an average commercial lunch in an average Mexico City restaurant. Soup, Tomato rice, breast of chicken, jello and lemonade cost me 80¢. This "meat" was J.J.'s entire lunch today and cost a little over a dollar. Another moment of struggle and he pushed the plate away.

"Goddamn, I'm hungry."

Some of the prisoners are luckier foodwise. Up on the second floor right, Jack and Terry were eating beef stew, guacamole dip and cold milk. They were college teachers once, have been in almost three years, longer than any other prisoners, and know how to wheel and deal with guards and other prisoners for food and precious commodities such as fresh fruit. Nobody gets fat at the Black Palace, but some starve more slowly. On the whole, Mexican prisoners eat better than the Americans, because they have family and friends who bring them baskets of rice and beans and chicken and meatballs and lentil soup and tortillas. For Mexicans with no money or nearby family, units of labor are the only way to gain meals. Most Americans, at least in these early stages of their possible 13-year sentences, have money to buy food. Those who don't are "taken care of" by other American prisoners.

When the "waiter" brought a plate of tortillas, Jimmy Joe covered them with a napkin.

"I can't look at the damn things," he said. "I had a bad experience in the Porcuraderia. It's where they take you before you get here. Horrible, Two concrete slabs and a hole in the middle of the cell for toilet. And a light that buzzes and never goes off. There were two dried up tortillas in the corner and I thought to myself, 'I'll never get that hungry.' And I'm glad I didn't, because by the third day I had the ——— so bad I had to use those things for toilet paper."

Jimmy Joe pushed his plate away and asked for coffee. He was a high school coach from New Jersey who recently moved out West to get married and raise horses.

"I couldn't pass up the trip. My wife was pregnant. I was staring 80 grand in the face. I could get myself a little ranch right away. The way my friend explained it to me, nothing could go wrong. I still don't know what happened."

Obviously what went wrong was that a tip to American agents in the South American capital preceded Jimmy Joe to American agents in Mexico City. "It almost seemed like the Customs men were expecting me," he said. "I was in a state of shock for the first couple of hours. I was carrying five-and-a-half pounds of coke, but they only charged me with a pound and a half because the federals took the rest for themselves. I knew they had me, but I wasn't going to sign any confession. Every time I asked to call a lawyer or the embassy they laughed and said, 'Your embassy won't do a thing for you.' I wonder if they knew how right they were."

He said they slapped him around and he showed me a red brown scab on his head where he fell against a table. Then they tied his hands behind his back.

"I knew I was in trouble when everybody left the room except one guy. He drew out his gun and asked me again to sign the confession. I told him I wouldn't do it. You have to remember that up to this time I couldn't believe it was really happening. I kept expecting some man with an American flag in his lapel to come through the door and stop all the foolishness. Well, this guy marches me out of the room with the gun in my back, and we walked slowly to the end of the hall. There was no one around. We went into a room, he shut the doors and I knelt down. I told him I'd sign the confession, anything, and he said 'too late, too late.' He put the gun to my forehead and pulled the trigger. Just an empty click. I knew I was ——— down my pants, and then I passed out. I still wake up at night and hear c-l-i-c-k.

"You girls join me in dessert?"

At the same time this piece was being written, the office of Representative Fortney H. Stark (D-Cal.) began receiving complaints from constituents concerning alleged mistreatment of young people imprisoned in Mexico. In the ensuing months, Stark's staff compiled information on 130 separate cases and turned over the allegations to the State Department which, according to Stark's office, did nothing.

Last March, Stark introduced a "resolution of inquiry" on the House floor, demanding that the State Department turn over its files on prisoners in Mexico. As a result of this resolution, the House Subcommittee on Political and Military Affairs held two days of hearings to discuss the problem. From there, a special investigative team of State Department officials, committee staffers and Stark aides traveled to Mexico to look into the situation. They now have 15 test cases. The subcommittee now has 15 affidavits concerning alleged mistreatment, and new hearings are currently in progress.

In the wake of the subcommittee's action thus far:

U.S. Consul General Peter J. Peterson has resigned;

Vice Consul Danny Root is now a vice-consul in Brazil;

Three other vice-consuls and Bob Ashford, the consulate officer, have been replaced.

THE VIETNAMESE REFUGEES: THREE MONTHS LATER

(Mr. DELLUMS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DELLUMS. Mr. Speaker, recent news reports indicate that an increasing number of Vietnamese refugees are seeking to return to their homeland and that many of the alleged orphans brought to this country are not orphans at all, so many in fact that the Government is warning families with these children not to initiate adoption proceedings.

Many persons close to the wave of refugees in April and May warned of the dangers caused by mass hysteria and unfounded rumors of Communist reprisal, which led to the hasty flight from Vietnam.

There is a tendency in this country for many people to prejudge the effects of political change, and this caused the creation of the panic that swept away so many from their homes and their way of life. The question that remains is: Do we believe that "americanization" is the best alternative for Vietnamese refugees?

Mr. Speaker, I wish to submit a letter from Ms. Tran Tuong Nhu, who works along with her husband for the International Childrens Fund in Indochina, sent to Edmund G. Brown, Jr., Governor of California, which I feel clearly states the situation of Vietnamese refugees in America and the responsibility of the Congress to them.

International Children's Fund,
Berkeley, Calif., May 6, 1975.

Gov. Edmund G. Brown Jr.,
Executive Office,
Sacramento, Calif.

Dear Governor Brown: I share your concern about the recent influx of Vietnamese refugees to the United States via the state of California. Many of these people are unfortunately unnecessary refugees, lured to a false promise by the retreating United States government. There is no reason why most of them could not have remained in Vietnam to resume their old lives except that they have been unduly influenced by years of propaganda from the United States Embassy and the Vietnamese Army's Psychological Warfare Department (financed by the United States) which has been warning them that they will become victims of the Communists after the take-over. This is of course the main reason why so many are so blindly fleeing their country for fear that they will suffer reprisals for working and associating with Americans. It is tragic that in order to keep these people working for them, the United States had to instill such fear and hatred of their own kind.

Some of these people are highly trained professionals—physicians, lawyers, and others, but the majority are not. Many of them are Catholics who have been told repeatedly that they would be special targets of reprisal, i.e. they would be forced to march back to the North. Since they have already fled once in 1954, they have all the more reason to flee again in 1975, fear and paranoia being what it is. It is interesting to note however that there are more Catholics in North Viet-nam right now than in the South. This is the reason why the Vatican has taken extra pains to be fair to both sides, directing Catholic relief organizations for example, not to participate in the orphan airlift out of respect for the Vietnamese people's feelings.

There is no reason for Catholics to be harmed in North Viet-nam or in the South, except for the frenzy whipped up by the collapsing Saigon government in its last days. I think the fear can be attributed to the build up of paranoia over the years. The fears correspond to the sense of guilt accumulated as the current refugees were once prosperous while the rest of the country suffered during the war. Now that the situation has been reversed, panic is inevitable. These fears must somehow be defused.

It is not constructive of the United States to feed upon these fears by speaking of inevitable death for the refugees at the hands of the Communists had they remained in Viet-nam while bringing them to a country which does not want them. In fact these people are needed in Viet-nam. Mrs. Nguygen thi Binh, the Foreign Minister of the Provisional Revolutionary Government, said in an interview this morning on CBS that Vietnamese had been seduced into leaving but they would be welcome back in Viet-nam. The new government has stated time and again that they recognize that many people were obliged to work with Americans for a living and that these errors can be rectified through renewed support for the new system. This sensible policy has been overlooked in the stampede to get away.

Many refugees I know are beginning to regret their hasty departure now that reality is settling in on them. The newest ones who are now on their way from the Philippines seem to especially have regretted their move. This would be an opportune time to encourage people to return home—where they belong. The Vietnamese diaspora is bound to create nothing but heartache for those concerned. We could easily avert this suffering by helping them to decide to return where they are needed and where they need to be.

The United States government has so far been unresponsive to the State of California's concern over the refugees. It would be appropriate then for the State to develop its own program to persuade the refugees to return home. First we must keep in mind the years of propaganda these people have undergone and how carefully and thoroughly these misapprehensions must be refuted. It is preferable to demonstrate through factual presentation that these people have a place in Viet-nam rather than confront them with the harshness that they may not have a place here, although this may be the ultimate reality. When these people have a chance to learn about what is currently occurring in Viet-nam and the new government's policies toward them, the fears may be dispelled.

I am an anthropologist by training. I graduated from the University of California, Berkeley. I have spent much of my life in Europe and the United States. I happen to be married to an American attorney, Tom Miller. My husband assisted UNICEF when it established programs in North Viet-nam and in the Provisional Revolutionary Government zones. We live in Berkeley. We travel frequently to Indochina on behalf of International Children's Fund, an organization we founded last year to assist children throughout Indochina. We have developed good relations with representatives of the Revolutionary Government and feel confident they would cooperate in this endeavor to allay fears and in the eventual repatriation of those Vietnamese who wish to return. It is not the generals, colonels and business who concern me, but the ordinary folk who left Viet-nam in a panic, and who may be condemned to a life of hardship and nostalgia away from their homeland. These people do have a place in Viet-nam if they are properly informed of what is taking place rather than hearing massacre tales assaulting them constantly. I can see that soon many will long to return and the State of California should be ready to facilitate this journey.

In the long run, this would be more practical than supporting these people indefinitely on welfare. The state could be prepared for this eventuality, even prepare actively by sending speakers to places where many Vietnamese are congregated to speak to them about the advantages of going home and the disadvantages of remaining in this country. Although this is an affluent society, the toll on individuals and families can be great. Even though Vietnamese society is materially poorer, it is richer in family and emotional life, and this notion should be reinforced.

I would be glad to offer my services to the State of California to develop a program to persuade my countrymen to return home. This is a critical time to act before they disperse and the problems grow. I am not suggesting that this is the solution for all the people, but that many people would benefit from facing the realities in the United States and what awaits them if they were to return to Viet-nam. They have not made an irrevocable decision. They can still go back. They deserve to know this. I can personally obtain assurances in writing from the new Revolutionary Government welcoming these people back. Whether they believe these guarantees or not is up to them, but hopefully they would be willing to give the benefit of the doubt rather than blindly believe in the worst.

It would be in the best interests of the State and for these people to act as soon as possible. With careful planning and the correct approach, we can help these people make decisions which would ultimately be beneficial not only to them but the state of California as well. I know that many are longing to go home but all they need is some assurance that all will be well should they opt to do so.

I hope you will give serious consideration to my proposal. I would be pleased to discuss this further with you and your staff.

Sincerely yours,

Ms. Tran Tuong Nhu.

THE STAGGERS SUBSTITUTE ON OIL PRICING IN H.R. 7014

(Mr. ECKHARDT asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. ECKHARDT. Mr. Speaker, I wish to take this time to explain the Staggers substitute which will be offered tomorrow as a compromise to settle the difficult pricing issue in H.R. 7014.

The Staggers substitute, which appears later in the list of amendments, is an accommodation to the various concerns of Members about the matter of oil pricing. It recognizes that any increase in the price of old oil has a minimal effect in bringing in any new production.

Therefore, it keeps old oil at an average price of $5.25—as was the result of the Wilson amendment. Just as under present law and under the Wilson amendment. FEA may raise this where needed—as, for instance, to encourage secondary recovery or to give price concessions for more costly production due to small recovery from costly wells. This could not have been done under the original section 301, which contained more rigid pricing provisions related to an arbitrary decline curve.

The Staggers substitute provides a $7.50 price for new oil, generally. This responds to testimony and information from the Interior Department and the Federal Power Commission that the average cost of domestic oil is about $5. Old oil costs about $4.11 to produce and new oil about $6.50—taking into account inflation and allowing for reasonable earning on investment. The $7.50 price is supported also by statements and testimony from industry and officials of the executive department.

The substitute allows high-cost oil to sell for an average of $10 per barrel, an increase from $8.50 in section 301. Thus the bill, if enacted, would give flexibility to permit all the oil in a high-cost property to sell at a level as high as that provided in the President's plan, even after 39 months, $13.50. But such would have to be balanced off by other oil in the particular category selling at, say, $7.55 or thereabouts. The categories are:

First. Oil produced from the *Outer* Continental Shelf;

Second. Oil produced above the Arctic Circle;

Third. Oil produced by tertiary processes; and

Fourth. Other high-cost oil as defined by FEA, subject to veto of either House.

But all oil would not be raised to this ultimate price of $13.50, only that which needs to be. This is the reason for the vast savings to the consumer which would be realized under the Staggers substitute as compared to the President's decontrol plan.

Economic studies done by Congressional Research Service indicate that the Staggers proposal will provide a savings, in 1978, of $20.8 billion directly—over $50 billion when ripple effects are included—over the Presidential July 25 decontrol plan, thus protecting the modest recovery the economy is beginning to make.

THE ADMINISTRATION'S GUN CONTROL PROPOSAL

(Mr. McCLORY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. McCLORY. Mr. Speaker, I have today introduced the bill which the President submitted to the Congress on the subject of gun control. Last week, Attorney General Levi described the bill at some length to a Senate Judiciary Subcommittee, and I am pleased to introduce it in the House.

The administration's gun control bill would first seek to ban the importation, domestic manufacture, assembly, and sale of the cheap, concealable handguns known as Saturday night specials. This is something which I wholeheartedly support and which I have been advocating for several months. The President's bill uses a factoring system similar to that currently used by the Treasury Department to prevent the importation of foreign made Saturday night specials. This system was developed by the Treasury Department in consultation with various experts in the design and use of handguns.

The second major aspect of the administration's proposal is also one which I can enthusiastically support. This involves the tightening of existing laws concerning qualification for firearm dealer licenses. During testimony received by the Subcommittee on Crime, it has been estimated that of the 156,000 firearms licensees, only 40,000 are substantially engaged in the sale of firearms. Thus, strengthening the requirements of license qualifications will reduce the number of Federal licensees to only those seriously engaged with firearms possession, thereby easing the burden of the Bureau of Alcohol, Tobacco, and Firearms in preventing the illegal interstate commerce in guns.

The President's proposal also contains a provision designed to cut off the flow of handguns to purchasers who cannot legally possess them. Under the administration's bill a waiting period of 14 days will be imposed on the purchase of handguns so that firearms dealers and law enforcement officers can make FBI name checks on purchasers.

I am pleased to see that the administration is attempting to grapple with the serious problem of purchases of handguns by criminals. Unfortunately, I fear that the administration's proposal does not go far enough to effectively deal with this serious problem. As the Members of the House know, I have long advocated registration of handguns.

I firmly believe that not only will such a registration system prevent criminal acquisition of handguns, but equally as important, it will aid law enforcement officials in the tracing of weapons used in crime. Although the President's proposal does not go as far as my own, I am pleased to see that he recognizes the necessity of dealing with these serious problems.

Finally, the administration's proposal contains a variety of criminal and administrative provisions which are directed at controlling the interstate commerce in handguns and which are intended to ease Federal prosecutions in convicting persons illegally found in possession of firearms. These are also provisions which I can support. One of the most important such provisions would outlaw multiple purchases of handguns. Since experience has shown that many of the handguns used in crime were originally purchased as part of multiple purchases, this provision will hopefully have a substantial impact on the illicit commerce in handguns.

Mr. Speaker, although the President's proposal is not as comprehensive as my own approach, I commend him and the members of his administration for taking a courageous step in advocating strong handgun control.

CONFERENCE REPORT ON H.R. 8597

Mr. STEED submitted the following conference report and statement on the bill (H.R. 8597) making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes:

CONFERENCE REPORT (H. REPT. NO. 94–421)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8597) "making appropriations for the Treasury Department the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 7, 8, 19, 20, 21, 22, 25, 33, 34, 37, and 38.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 5, 6, 9, 10, 11, 12, 13, 14, 17, 23, 24, 28, 29, 30, 31, 32, 36, 43, 45, 51, and 52, and agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$622,500"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$830,000,000"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$207,500,000"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$23,750,000"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$5,937,500"; and the Senate agree to same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert $1,131,554,000"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$443,500,000"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$390,000,000"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$63,500,000"; and the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "278,950,000"; and the Senate agree to the same.

Amendment numbered 46: That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$110,875,000"; and the Senate agree to the same.

Amendment numbered 47: That the House recede from its disagreement to the Senate numbered 47, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$97,500,000; and the Senate agree to the same.

Amendment numbered 48: That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$15,875,000"; and the Senate agree to the same.

Amendment numbered 49: That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$278,950,000"; and the Senate agree to the same.

Amendment numbered 53: That the House recede from its disagreement to the amendment of the Senate numbered 53, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$40,000,000"; and the Senate agree to the same.

Amendment numbered 54: That the House recede from its disagreement to the amendment of the Senate numbered 54, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$15,500,000"; and the Senate agree to the same.

Amendment numbered 55: That the House recede from its disagreement to the amendment of the Senate numbered 55, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,875,000"; and the Senate agree to the same.

Amendment numbered 56: That the House recede from its disagreement to the amendment of the Senate numbered 56, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,100,000"; and the Senate agree to the same.

Amendment numbered 57: That the House recede from its disagreement to the amendment of the Senate numbered 57, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$275,000"; and the Senate agree to the same.

Amendment numbered 58: That the House recede from its disagreement to the amendment of the Senate numbered 58, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$275,000"; and the Senate agree to the same.

Amendment numbered 59: That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$68,500"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 18, 42, 50, 60, and 61.

TOM STEED,
JOSEPH P. ADDABBO,
EDWARD ROYBAL,
ROBERT L. F. SIKES,
EDWARD P. BOLAND,
JOHN J. FLYNT, Jr.,
EDWARD J. PATTEN,
CLARENCE D. LONG,
GEORGE H. MAHON,
CLARENCE E. MILLER,
(Except No. 18),
ROBERT C. MCEWEN,
WILLIAM L. ARMSTRONG,
ELFORD A. CEDERBERG,
Managers on the Part of the House.

JOSEPH M. MONTOYA,
BIRCH BAYH,
THOMAS F. EAGLETON,
JOHN L. MCCLELLAN,
GALE W. MCGEE,
HENRY BELLMON,
MARK O. HATFIELD,
MILTON R. YOUNG,
RICHARD S. SCHWEIKER,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8597) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

TITLE I—TREASURY DEPARTMENT

Office of the Secretary

Amendment No. 1: Appropriates $27,500,000 for salaries and expenses for fiscal year 1976 as proposed by the Senate instead of $27,000,000 as proposed by the House.

Amendment No. 2: Appropriates $6,875,000 for salaries and expenses for the transition period as proposed by the Senate instead of $6,750,000 as proposed by the House.

Office of Revenue Sharing

Amendment No. 3: Appropriates $2,490,000 for fiscal year 1976 for salaries and expenses instead of $2,400,000 as proposed by the House and $2,580,000 as proposed by the Senate.

Amendment No. 4: Appropriates $622,500 for salaries and expenses for the transition period instead of $600,000 as proposed by the House and $645,000 as proposed by the Senate.

Federal Law Enforcement Training Center

Amendment No. 5: Appropriates $12,000,000 for salaries and expenses for fiscal year 1976 as proposed by the Senate instead of $14,000,000 as proposed by the House.

Grants to the Hoover Institution on War, Revolution, and Peace

Amendment No. 6: Appropriates $7,000,000 for payment to the Institution in fiscal year 1976 as proposed by the Senate.

U.S. Customs Service

Amendment No. 7: Appropriates $310,000,000 for salaries and expenses for fiscal year 1976 as proposed by the House instead of $304,920,000 as proposed by the Senate.

Amendment No. 8: Appropriates $77,500,000 for salaries and expenses for the transition period as proposed by the House instead of $76,230,000 as proposed by the Senate.

Bureau of the Mint

Amendment No. 9: Appropriates $41,230,000 for salaries and expenses for fiscal year 1976 as proposed by the Senate instead of $41,441,000 as proposed by the House.

Amendment No. 10: Appropriates $10,307,500 for salaries and expenses for the transition period as proposed by the Senate instead of $10,360,000 as proposed by the House.

Internal Revenue Service

Amendment No. 11: Appropriates $44,500,000 for salaries and expenses for fiscal year 1976 as proposed by the Senate instead of $44,000,000 as proposed by the House.

Amendment No. 12: Appropriates $11,125,000 for salaries and expenses for the transition period as proposed by the Senate instead of $11,000,000 as proposed by the House.

Amendment No. 13: Appropriates $771,500,000 for accounts, collection and taxpayer service for fiscal year 1976 as proposed by the Senate instead of $765,000,000 as proposed by the House.

Amendment No. 14: Appropriates $192,875,000 for accounts, collection and taxpayer service for the transition period as proposed by the Senate instead of $191,250,000 as proposed by the House.

Amendment No. 15: Appropriates $830,000,000 for compliance for fiscal year 1976 instead of $825,000,000 as proposed by the House and $833,000,000 as proposed by the Senate.

Amendment No. 16: Appropriates $207,500,000 for compliance for the transition period instead of $206,250,000 as proposed by the House and $208,250,000 as proposed by the Senate.

U.S. Secret Service

Amendment No. 17: Appropriates $95,250,000 for salaries and expenses for fiscal year 1976 as proposed by the Senate instead of $92,000,000 as proposed by the House.

TITLE II—POSTAL SERVICE

Amendment No. 18: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment to appropriate $5,000,000 to the revolving fund for advance payments to United States international air carriers instead of $7,000,000 as proposed by the Senate.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate. The Conferees direct that all executive departments and agencies involved in the international transportation of mail make every effort to expedite and facilitate the collection of outstanding amounts due United States international air carriers from foreign governments.

TITLE III—EXECUTIVE OFFICE OF THE PRESIDENT

Council on Wage and Price Stability

Amendment No. 19: Deletes language proposed by the Senate to establish the position of Deputy Director of the Council.

Amendment No. 20: Appropriates $1,550,000 for salaries and expenses for fiscal year 1976 as proposed by the House instead of $1,580,000 as proposed by the Senate.

Unanticipated needs

Amendment No. 21: Appropriates $1,000,000 for fiscal year 1976 as proposed by the House instead of $500,000 as proposed by the Senate.

Amendment No. 22: Appropriates $250,000 for the transition period as proposed by the House instead of $125,000 as proposed by the Senate.

Expansion of defense production

Amendment No. 23: Deletes appropriation for expenses, Defense Production Act for fiscal year 1976 and for the transition period as proposed by the Senate instead of appropriating $16,200,000 for fiscal year 1976 and $3,800,000 for the transition period as proposed by the House.

Official residence of the Vice President

Amendment No. 24: Appropriates $274,000 for operating expenses for fiscal year 1976 as proposed by the Senate instead of $104,000 as proposed by the House.

Amendment No. 25: Appropriates $26,000 for operating expenses for the transition period as proposed by the House instead of $68,500 as proposed by the Senate.

Office of Management and Budget

Amendment No. 26: Appropriates $23,750,000 for salaries and expenses for fiscal year 1976 instead of $23,500,000 as proposed by the House and $24,000,000 as proposed by the Senate.

Amendment No. 27: Appropriates $5,937,500 for salaries and expenses for the transition period instead of $5,875,000 as proposed by the House and $6,000,000 as proposed by the Senate.

Office of Federal Procurement Policy

Amendment No. 28: Appropriates $730,000 for salaries and expenses for fiscal year 1976 as proposed by the Senate instead of $530,000 as proposed by the House.

Amendment No. 29: Appropriates $182,500 for salaries and expenses for the transition period as proposed by the Senate instead of $132,000 as proposed by the House.

Office of Telecommunications Policy

Amendment No. 30: Appropriates $8,500,000 for salaries and expenses for fiscal year 1976 as proposed by the Senate instead of $8,900,000 as proposed by the House.

Civil Service Commission

Amendment No. 31: Appropriates $94,700,000 for salaries and expenses for fiscal year 1976 as proposed by the Senate instead of $94,500,000 as proposed by the House.

Amendment No. 32: Appropriates $23,675,000 for salaries and expenses for the transition period as proposed by the Senate instead of $23,625,000 as proposed by the House.

Intergovernmental Personnel Assistance

Amendment No. 33: Provides that funds shall remain available until expended as proposed by the House instead of until September 30, 1976, as proposed by the Senate.

Amendment No. 34: Provides that funds for the transition period shall remain available until expended as proposed by the House.

General Services Administration

Federal Buildings Fund

Amendment No. 35: Establishes a limitation on the availability of revenue in the fund for fiscal year 1976 of $1,131,554,000 instead of $1,116,354,000 as proposed by the House and $1,142,554,000 as proposed by the Senate.

Amendment No. 36: Establishes a limitation for construction of $63,786,000 for fiscal year 1976 as proposed by the Senate instead of $62,586,000 as proposed by the House.

Amendment No. 37: Retains language stating "(except as provided herein)" in connection with availability of funds as proposed by the House.

Amendment No. 38: Retains language which rescinds unobligated balances on September 30, 1976, for construction projects as proposed by the House instead of deleting the language as proposed by the Senate.

Amendment No. 39: Establishes a limitation for rental of space of $443,500,000 for fiscal year 1976 instead of $440,000,000 as proposed by the House and $447,000,000 as proposed by the Senate.

Amendment No. 40: Provides a limitation for real property operations of $390,000,000 for fiscal year 1976 instead of $380,000,000 as proposed by the House and $397,000,000 as proposed by the Senate.

Amendment No. 41: Provides a limitation for program direction and centralized services of $63,500,000 for fiscal year 1976 instead of $63,000,000 as proposed by the House and $64,000,000 as proposed by the Senate.

Amendment No. 42: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows: In lieu of the matter inserted by said amendment, insert the following: "during fiscal year 1976,".

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 43: Provides that revenues and collections in excess of $1,059,300,000 be deposited in miscellaneous receipts of the Treasury as proposed by the Senate instead of revenues and collections in excess of $1,141,354,000 as proposed by the House.

Amendment No. 44: Provides a limitation on the availability of revenue in the fund for the transition period of $278,950,000 instead of $274,050,000 as proposed by the House and $281,700,000 as proposed by the Senate.

Amendment No. 45: Provides a limitation for alterations and major repairs of $27,700,000 for the transition period as proposed by the Senate instead of $26,300,000 as proposed by the House.

Amendment No. 46: Provides a limitation for rental of space of $110,875,000 for the transition period instead of $110,000,000 as proposed by the House and $111,750,000 as proposed by the Senate.

Amendment No. 47: Provides a limitation for real property operations of $97,500,000 for the transition period instead of $95,000,000 as proposed by the House and $99,250,000 as proposed by the Senate.

Amendment No. 48: Provides a limitation for program direction and centralized service of $15,875,000 for the transition period instead of $15,750,000 as proposed by the House and $16,000,000 as proposed by the Senate.

Amendment No. 49: Provides that revenues and collections to the fund in excess of $278,950,000 in the transition period be deposited in miscellaneous receipts of the Treasury instead of $274,050,000 as proposed by the House and $281,700,000 as proposed by the Senate.

Amendment No. 50: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which establishes a construction services account. This will provide for the financial accounting and recording of costs of personnel engaged in construction and other projects.

Federal Supply Service

Amendment No. 51: Appropriates $159,000,000 for operating expenses for fiscal year 1976 as proposed by the Senate instead of $160,000,000 as proposed by the House.

Amendment No. 52: Appropriates $39,750,000 for operating expenses for the transition period as proposed by the Senate instead of $40,000,000 as proposed by the House.

Amendment No. 53: Appropriates $40,000,000 to the general supply fund instead of $65,000,000 as proposed by the Senate. The conferees are agreed that a study needs to be conducted on the operations of this fund. The Committee of Conference, therefore, directs that a comprehensive study be undertaken immediately by the General Accounting office and that a report be furnished both the House and Senate Appropriations Committees by November 1, 1975.

Office of Preparedness

Amendment No. 54: Appropriates $15,500,000 for salaries and expenses for fiscal year 1976 instead of $16,000,000 as proposed by the House and $15,000,000 as proposed by the Senate.

Amendment No. 55: Appropriates $3,875,000 for salaries and expenses for the transition period instead of $4,000,000 as proposed by the House and $3,750,000 as proposed by the Senate.

Federal Management Policy Salaries and Expenses

Amendment No. 56: Appropriates $1,100,000 for fiscal year 1976 instead of $940,000 as proposed by the House and $1,700,000 as proposed by the Senate.

Amendment No. 57: Appropriates $275,000 for the transition period instead of $235,000 as proposed by the House and $425,000 as proposed by the Senate.

The Conferees are concerned that this office may have outlived its usefulness, or at least may not be performing the functions originally intended for it when it was transferred from OMB to GSA in 1973. The Office of Management and Budget is requested to study these functions as now being performed and as envisioned for the future by GSA—and report to the Congress not later than November 1, 1975.

Should additional funding, or other changes and realignments be supported by the findings of the study, such changes could be incorporated in a supplemental appropriations act at that time.

Allowances and Office Staff for Former Presidents

Amendment No. 58: Appropriates $275,000 for fiscal year 1976 instead of $246,152 as proposed by the House and $300,000 as proposed by the Senate.

Amendment No. 59: Appropriates $68,500 for the transition period instead of $61,538 as proposed by the House and $75,000 as proposed by the Senate.

General Provisions

Amendment No. 60: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate. The language is provided to allow funding to remain available for obligation through September 30, 1976. This is to accommodate the change in the Government fiscal year from July 1 to October 1.

Amendment No. 61: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate. This language will permit the U.S. Government to employ refugees of South Vietnam in the same manner as refugees from Cuba, Poland or the Baltic countries.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1976 and the transition period recommended by the Committee of Conference, with comparisons to the fiscal year 1975 amount, the 1976 budget estimates, and the House and Senate bills for 1976 follows:

New budget (obligational) authority, fiscal year 1975	$8,193,909,500
Budget estimates of new (obligational) authority (as amended), fiscal year 1976	6,330,463,000
Transition Period	1,270,346,500
House bill, fiscal year 1976	6,265,532,152
Transition Period	1,276,222,038
Senate bill, fiscal year 1976	6,338,985,000
Transition Period	1,274,886,000
Conference agreement	6,314,070,000
Transition Period	1,275,352,000
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1975	−1,879,839,500
Budget estimates of new (obligational) authority (as amended), fiscal year 1976	−16,393,000
Transition Period	+5,005,500
House bill, fiscal year 1976	+48,537,848
Transition Period	−870,038
Senate bill, fiscal year 1976	−24,915,000
Transition Period	+486,000

TOM STEED,
JOSEPH P. ADDABBO,
EDWARD ROYBAL,
ROBERT L. F. SIKES,
EDWARD P. BOLAND,
JOHN J. FLYNT, Jr.,
EDWARD J. PATTEN,
CLARENCE D. LONG,
GEORGE H. MAHON,
CLARENCE E. MILLER,
ROBERT C. MCEWEN,
WILLIAM L. ARMSTRONG,
ELFORD A. CEDERBERG,
Managers on the Part of the House.

JOSEPH M. MONTOYA,
BIRCH BAYH,
THOMAS F. EAGLETON,
JOHN L. MCCLELLAN,
GALE W. MCGEE,
HENRY BELLMON,
MARK O. HATFIELD,
MILTON R. YOUNG,
RICHARD S. SCHWEIKER,
Managers on the Part of the Senate.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. JEFFORDS (at the request of Mr. MICHEL), for 2 hours, on account of hospital attention for a broken finger.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Hagedorn), and to include extraneous matter:)

Mr. Crane, for 5 minutes, today.

Mr. Hastings, for 20 minutes, on July 30.

Mr. Kasten, for 20 minutes, today.

Mr. Robinson, for 15 minutes, on July 30.

Mr. Bauman, for 10 minutes, today.

(The following Members (at the request of Mr. Neal) to revise and extend their remarks and include extraneous material:)

Mr. Gonzalez, for 5 minutes, today.

Mr. Hays of Ohio, for 5 minutes, today.

Mr. Ford of Tennessee, for 5 minutes, today.

Mrs. Collins of Illinois, for 5 minutes, today.

Mr. Flood, for 10 minutes, today.

Mr. Drinan, for 30 minutes, today.

Mr. Patman, for 30 minutes, today.

Mr. Koch, for 5 minutes, today.

Mr. Vanik, for 5 minutes, today.

Mr. Fraser, for 5 minutes, today.

Mr. AuCoin, for 5 minutes, today.

Mr. Wolff, for 5 minutes, today.

Mr. Dent, for 60 minutes, July 30, 1975.

Mr. Runnels, for 30 minutes, July 30, 1975.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Koch, to revise and extend his remarks on S. 66, and to include extraneous matter.

Mr. Ottinger, immediately prior to the remarks of Mr. Adams on vetoing S. 66.

Mr. Stark, to extend his remarks notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $1,215.50.

Mr. Dingell, to include extraneous matter in his remarks made today.

Mr. Bauman, and to include extraneous material, in his remarks on the McClory amendment in the Committee of the Whole today.

Mr. Hechler of West Virginia, to revise and extend his remarks and to include extraneous matter during debate on H.R. 3130.

Mr. Broyhill, to insert a table after his remarks in the debate on the veto message on S. 66; to insert a letter after his remarks during the debate on H.R. 6844, the Consumer Product Safety Act Amendments; and to revise and extend his remarks during the debate on the McClory amendment on H.R. 6844, the Consumer Product Safety Act Amendments.

(The following Members (at the request of Mr. Hagedorn) and to include extraneous matter:)

Mr. Schulze.

Mr. Jeffords.

Mr. Frenzel in two instances.

Mr. Crane.

Mr. Sarasin.

Mr. Archer.

Mr. Forsythe.

Mr. O'Brien.

Mr. Gilman in two instances.

Mr. Walsh.

Mr. Kasten.

Mr. Steiger of Wisconsin.

Mr. Gude.

Mr. Broomfield in two instances.

Mr. Derwinski.

Mr. Kemp.

Mr. Thone.

(The following Members (at the request of Mr. Neal) and to include extraneous matter:)

Mr. Gonzalez in three instances.

Mr. Anderson of California in three instances.

Mr. Moffett in two instances.

Mr. Baldus.

Mr. Jones of Tennessee.

Mr. Fraser in two instances.

Mr. Santini.

Mr. Rees.

Mr. Hall.

Mr. Fisher.

Mr. Litton.

Mr. Wolff.

Mr. Charles H. Wilson of California.

Mr. Evans of Indiana in two instances.

Mr. Rosenthal in two instances.

Mr. Murphy of New York.

Mr. Miller of California.

Mr. Edwards of California.

Mr. McKay in two instances.

Mr. Simon.

Mr. McDonald of Georgia in three instances.

Mr. Traxler in two instances.

Mr. Ryan.

Mr. Downey of New York.

Mr. AuCoin.

Mr. Minish.

Mr. Nolan.

Mr. Solarz.

Mr. Vanik in two instances.

Mr. Long of Maryland in two instances.

Mr. Burke of Massachusetts.

Mrs. Schroeder in two instances.

Mr. Ford of Michigan.

Mr. Rose.

Mr. Roe in two instances.

Mr. Ford of Tennessee.

Mr. Zablocki in two instances.

Mr. Reuss.

Mr. Dodd.

ENROLLED BILLS SIGNED

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 3130. An act to amend the National Environmental Policy Act of 1969 in order to clarify the procedures therein with respect to the preparation of environmental impact statements; and

H.R. 7728. An act to suspend until the close of October 31, 1975, the duty on catalysts of platinum and carbon used in producing caprolactam.

BILLS PRESENTED TO THE PRESIDENT

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following title:

H.R. 5327. An act to reserve a site for the use of the Smithsonian Institution.

H.R. 6219. An act to amend the Voting Rights Act of 1965 to extend certain provisions for an additional seven years, to make permanent the ban against certain prerequisites to voting, and for other purposes;

H.R. 7728. An act to suspend until the close of October 31, 1975, the duty on catalysts of platinum and carbon used in producing caprolactam; and

H.R. 7731. An act to suspend the duty on open-top hopper cars exported for repairs or alterations on or before June 30, 1975.

ADJOURNMENT

Mr. NEAL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 36 minutes p.m.), under its previous order, the House adjourned until tomorrow, Wednesday, July 30, 1975, at 10 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1488. A letter from the President of the United States, transmitting a summary of a survey made by the Civil Service Commission on the impact of the executive salary limitation and recommending enactment of pending legislation to provide commensurate increases (H.R. 2559) (H. Doc. No. 94–227); to the Committee on Post Office and Civil Service and ordered to be printed.

1489. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of act No. 1–34, "to provide additional revenue for the District of Columbia, and for other purposes," pursuant to section 602 (c) of Public Law 93–198; to the Committee on the District of Columbia.

1490. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting proposed amendments to regulations governing the operation of the national direct student loan program, the college work-study program, and the supplemental educational opportunity grant program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

1491. A letter from the Acting Secretary of the Interior, transmitting notice of a proposed refund to the Chevron Oil Co., for repayment of lieu royalty payments, pursuant to section 10(b) of the Outer Continental Shelf Lands Act (43 U.S.C. 1339(b)); to the Committee on Interior and Insular Affairs.

1492. A letter from the Acting Assistant Secretary of the Interior, transmitting a draft of proposed legislation to authorize the Secretary of the Interior to transfer franchise fees received from certain concession operations at Glen Canyon National Recreation Area, in the States of Arizona and Utah, and for other purposes; to the Committee on Interior and Insular Affairs.

1493. A letter from the Secretary of Health, Education, and Welfare, transmitting draft notices which were published in the Federal Register relating to utilization review of medicare and medicaid programs; jointly to the Committees on Interstate and Foreign Commerce, and Ways and Means.

1494. A letter from the Chairman, Federal Power Commission, transmitting copies of a draft of proposed legislation to amend the Natural Gas Act; to the Committee on Interstate and Foreign Commerce.

1495. A letter from the Chairman, Board of Directors, United States Railway Association, transmitting the final system plan for restructuring railroads in the Northeast and Midwest, pursuant to section 208(a), Public Law 93-236; to the Committee on Interstate and Foreign Commerce.

1496. A letter from the Chairman, Board of Directors, United States Railway Association, transmitting a copy of the Federal Railroad Administration's draft staff report on the Northeast Corridor Development program in accordance with chapter 2 of the United States Railway Association Final System Plan; to the Committee on Interstate and Foreign Commerce.

1497. A letter from the Director of Government Affairs, National Railroad Passenger Corporation, transmitting the financial report of the Corporation for the month of April 1975, pursuant to section 308(a)(1) of the Rail Passenger Service Act of 1970, as amended; to the Committee on Interstate and Foreign Commerce.

1498. A letter from the Acting Assistant Secretary of Defense (Installations and Logistics), transmitting a report on Department of Defense procurement from small and other business firms for July 1974–April 1975, pursuant to section 10(d) of the Small Business Act, as amended; to the Committee on Small Business.

1499. A letter from the Assistant Secretary of State for Economic and Business Affairs, transmitting a report summarizing the trade controls of COCOM countries, pursuant to section 302 of the Mutual Defense Assistance Control Act of 1951 (Battle Act); to the Committee on International Relations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ANNUNZIO: Committee on House Administration. House Resolution 645. Resolution providing for the adjustment of salaries of employees of the House Press Gallery (Rept. No. 94-415). Referred to the House Calendar.

Mrs. SULLIVAN: Committee on Merchant Marine and Fisheries. H.R. 1073. A bill to extend the provisions of title XII of the Merchant Marine Act, 1936, relating to war risk insurance, for an additional 5 years, ending September 7, 1980, with amendment (Rept. No. 94-416). Referred to the Committee of the Whole House on the State of the Union.

Mr. BOLLING: Committee on Rules. House Resolution 649. Resolution providing certain procedures during the further consideration of H.R. 7014. A bill to increase domestic energy supplies and availability; to restrain energy demand; to prepare for energy emergencies; and for other purposes (Rept. No. 94-417). Referred to the House Calendar.

Mr. YOUNG of Georgia: Committee on Rules. House Resolution 650. Resolution providing for the consideration of H.R. 8731. A bill to amend and extend the Council on Wage and Price Stability (Rept. No. 94-418). Referred to the House Calendar.

Mr. BOLLING: Committee on Rules. House Resolution 651. Resolution providing for the consideration of House Resolution 641. Resolution disapproving the proposed amendment by the President to remove existing price controls relating to crude oils (Rept. No. 94-419). Referred to the House Calendar.

Mr. PEPPER: Committee on Rules. House Resolution 652. Resolution providing for the consideration of House Concurrent Resolution 198. Concurrent resolution expressing the opposition of the Congress to any change in the present method of providing financial support for military commissaries through appropriations to meet their payroll costs (Rept. No. 94-420). Referred to the House Calendar.

Mr. STEED: Committee of conference. Conference report on H.R. 8597. (Rept. No. 94-421). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BROYHILL:

H.R. 8994. A bill to amend title II of the Social Security Act to provide that when an adverse decision is made on a claim for benefits thereunder, the claimant shall have the right to reconsideration, including an informal conference and a statement of the case prior to hearing; to impose time limits and make other improvements in the procedures for determining such claims; and to regularize the appointment of administrative law judges hearing such claims; to the Committee on Ways and Means.

By Mr. CARTER (for himself, Mr. Brown of California, Mr. Conyers, Mr. Downey of New York, Mr. Eilberg, Mr. Florio, Mr. Koch, Mr. Matsunaga, Mr. Preyer, Mr. Solarz, Mr. Symington, and Mr. Waxman):

H.R. 8995. A bill to provide for the establishment of the National Center for Health Education and Promotion and the Institution for Health Education and Promotion to advance the national health; to reduce preventable illness, disability, and death; to moderate self-imposed risks; to promote progress and scholarship in consumer health education and preventive medicine; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CLANCY:

H.R. 8996. A bill to amend title 18 and title 39 of the United States Code to permit the transportation, mailing and broadcasting of advertising, information, and materials concerning lotteries conducted by nonprofit organizations in accordance with State law; jointly to the Committees on the Judiciary, and Post Office and Civil Service.

By Mr. GOODLING:

H.R. 8997. A bill to authorize the transfer of one of the Gettysburg Address manuscripts from the custody of the Library of Congress to the custody of the Secretary of the Interior; to the Committee on House Administration.

By Mr. HANNAFORD:

H.R. 8998. A bill to require that Government forms be discontinued or revised every 5 years and that new or revised forms shall be used only when necessary; to the Committee on Government Operations.

By Mr. HELSTOSKI:

H.R. 8999. A bill to amend the Federal Food, Drug, and Cosmetic Act to establish certain limitations respecting the authority of the Secretary of Health, Education, and Welfare to regulate vitamins and minerals under that act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. JONES of North Carolina (for himself, Mr. Breckinridge, Mr. Jenrette, Mr. Madigan, Mr. Mathis, Mr. Moore, Mr. Rose, and Mr. Wampler):

H.R. 9000. A bill to amend the computation of the level of price support for tobacco; to the Committee on Agriculture.

By Mr. KETCHUM (for himself, Mr. Treen, Mr. Risenhoover, Mr. Ford of Tennessee, Mr. Lagomarsino, Mr. Goldwater, and Mrs. Pettis):

H.R. 9001. A bill to amend the Elementary and Secondary Education Act of 1965 to authorize applications for assistance under that act for bilingual education programs to be developed in consultation with both parents of English-speaking children and parents of children of limited English-speaking ability; to the Committee on Education and Labor.

By Mr. KOCH (for himself, Mr. Carr, Mr. Downey of New York, Mr. Ford of Tennessee, and Mr. Tsongas):

H.R. 9002. A bill to protect the constitutional rights of citizens of the United States and to prevent unwarranted invasion of their privacy by prohibiting the use of the polygraph for certain purposes; to the Committee on the Judiciary.

By Mr. KOCH (for himself, Mr. Anderson of California, Mr. Baucus, Mr. Bedell, Mr. Edgar, Mr. Gude, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. LaFalce, Mr. Maguire, Mr. Patterson of California, Mr. Santini, Mr. Scheuer, and Mr. Symington):

H.R. 9003. A bill to amend the Internal Revenue Code of 1954 to increase the excise tax on cigarettes, and to amend the Public Health Service Act to establish a trust fund to be used to fund the research programs of the National Cancer Institute; to the Committee on Ways and Means.

By Mr. McDADE:

H.R. 9004. A bill to amend section 402 of the Regional Rail Reorganization Act of 1973 with respect to the percentage of the Federal share of rail service continuation subsidies; to the Committee on Interstate and Foreign Commerce.

By Mr. MORGAN (for himself, Mr. Zablocki, Mr. Fascell, Mr. Fraser, Mr. Hamilton, Mr. Bingham, Mr. Yatron, Mrs. Collins of Illinois, Mr. Solarz, Mrs. Meyner, Mr. Broomfield, Mr. Findley, Mr. Buchanan, Mr. du Pont, Mr. Whalen, and Mr. Biester):

H.R. 9005. A bill to authorize assistance for disaster relief and rehabilitation, to provide for overseas distribution and production of agricultural commodities, to amend the Foreign Assistance Act of 1961, and for other purposes; to the Committee on International Relations.

By Mr. PRICE (for himself and Mr. Bob Wilson) (by request):

H.R. 9006. A bill to amend section 2575 of title 10, United States Code, to provide for more efficient disposal of lost, abandoned or unclaimed personal property that comes into the custody or control of military departments; to the Committee on Armed Services.

By Mr. REGULA;

H.R. 9007. A bill to amend the Congressional Budget Act of 1974 to establish in the Congress a zero-base budgeting process, with full congressional review of each Federal program at least once every 6 years; to the Committee on Rules.

By Mr. ROUSH (for himself, Mr. Badillo, Mr. Edgar, Mr. Eilberg, Mr. Guyer, Mr. Lent, Mr. Jenrette, Mr. Melcher, Mrs. Meyner, Mr. Nix, Mr. Riegle, Mr. Whitehurst, Mr. Whalen, Mr. Won Pat, and Mr. Cleveland):

H.R. 9008. A bill to amend title II of the Social Security Act and chapters 2 and 21 of the Internal Revenue Code of 1954 to provide for voluntary agreements between ministers and their employers to treat ministers as employed persons; to the Committee on Ways and Means.

By Mr. SIMON:

H.R. 9009. A bill to amend title 38 of the United States Code to provide for contributions by the Administrator of Veterans' Affairs to local fire protection agencies for purposes of insuring adequate fire protection for Veterans' Administration medical facilities; to the Committee on Veterans Affairs.

By Mr. SPENCE:

H.R. 9010. A bill to establish an executive department to be known as the Department of Education, and for other purposes; to the Committee on Government Operations.

By Mr. CHARLES H. WILSON of California;

H.R. 9011. A bill relating to the admission of female individuals to the Coast Guard Academy; to the Committee on Merchant Marine and Fisheries.

By Mr. WINN (for himself, Mr. Symington, Mr. Ottinger, Mr. Moorhead of Pennsylvania, Mr. Vander Jagt, Mr. Solarz, and Mr. Harrington):

H.R. 9012. A bill to authorize the establishment of the Tallgrass Prairie National Park in the State of Kansas, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WOLFF (for himself, Ms. Abzug, Mr. Badillo, Mr. Carr, Mr. Cohen, Mr. Dellums, Mr. Dent, Mr. du Pont, Mr. Fascell, Mr. Fraser, Mr. Gradison, Mr. Hyde, Mr. Koch, Mr. Long of Maryland, Mr. Meeds, Mr. Mitchell of Maryland, Mr. Moorhead of Pennsylvania, Mr. Moss, Mr. Ottinger, Mr. Pepper, Mr. Peyser, Ms. Schroeder, Mr. Steelman, Mr. Whitehurst, and Mr. Charles Wilson of Texas):

H.R. 9013. A bill relating to the admission of female individuals to the Coast Guard Academy; to the Committee on Merchant Marine and Fisheries.

By Mr. ASHBROOK:

H.R. 9014. A bill to amend title 39, United States Code, with respect to the organizational and financial matters of the U.S. Postal Service and Postal Rate Commission, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. DOWNING of Virginia:

H.R. 9015. A bill relating to collective bargaining representation of postal employees; to the Committee on Post Office and Civil Service.

By Mr. FRASER:

H.R. 9016. A bill to amend the Internal Revenue Code of 1954 to remove certain limitations on the amount of the deduction allowed for household and dependent care services necessary for gainful employment, to liberalize the gainful employment requirement for such deduction, to allow an individual to take such deduction whether or not the individual itemizes his deductions, and for other purposes; to the Committee on Ways and Means.

By Mr. GILMAN:

H.R. 9017. A bill to amend the Export Administration Act of 1969 to require review by the Secretary of Commerce and the Congress of certain grain export contracts; to the Committee on International Relations.

By Mr. GUDE (for himself, Mr. Biester, Mr. Dan Daniel, Mr. Robert W. Daniel, Jr., Mr. Fauntroy, Mr. Fraser, Mr. Harris, Mr. Litton, Mr. McKinney, Mr. Mann, Mr. Mazzoli, Mr. Railsback, Mr. Rees, Mr. Stuckey, and Mr. Whalen):

H.R. 9018. A bill to authorize the District of Columbia Government to enter into and to amend compacts between the District and a State; to the Committee on the District of Columbia.

By Mr. HASTINGS (for himself, Mr. Rogers, Mr. Preyer, Mr. Symington, Mr. Scheuer, Mr. Florio, Mr. Carney, Mr. Broyhill, and Mr. Heinz):

H.R. 9019. A bill to amend title XIII of the Public Health Service Act to revise and extend the program for the establishment and expansion of health maintenance organizations; to the Committee on Interstate and Foreign Commerce.

By Mr. KOCH:

H.R. 9020. A bill to provide for loans for the establishment and/or construction of municipal, low-cost, nonprofit clinics for the spaying and neutering of dogs and cats, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. LITTON (for himself, Mr. Blouin, Mrs. Burke of California, Mr. Eilberg, Mr. Harris, Mr. Hughes, Mr. McHugh, Mr. Scheuer, and Mr. Treen):

H.R. 9021. A bill to amend the Legislative Reorganization Act of 1970 to provide seminars to freshmen Members of the Congress, and for other purposes; to the Committee on House Administration.

By Mr. McCLORY:

H.R. 9022. A bill to ban the importation, manufacture, sale, and transfer of Saturday Night Specials, to improve the effectiveness of the Gun Control Act of 1968, to ban possession, shipment, transportation, and receipt of all firearms by felons, and for other purposes; to the Committee on the Judiciary.

By Mr. McDONALD of Georgia:

H.R. 9023. A bill to prohibit the use of Federal funds to finance, directly or indirectly, the purchase of American agricultural commodities by any communist country; to the Committee on International Relations.

By Mr. MICHEL (for himself, Mr. Rhodes, Mr. Wylie, Mr. Quie, and Mr. Shriver):

H.R. 9024. A bill to reform the Food Stamp Act of 1964 by improving and making more realistic various provisions relating to eligibility for food stamps and administrative responsibility for the food stamp program, and for other purposes; to the Committee on Agriculture.

By Mr. MORGAN (for himself, Mr. Broomfield, Mr. Zablocki, Mr. Hays of Ohio, and Mr. Hamilton):

H.R. 9025. A bill to promote improved relations between the United States, Greece, and Turkey, to assist in the solution of the refugee problems on Cyprus, and to otherwise strengthen the North Atlantic Alliance; to the Committee on International Relations.

By Mr. JAMES V. STANTON (for himself, Mr. Baucus, Mr. Bedell, Mr. Brown of California, Mr. Downey of New York, Mr. Eilberg, Mr. Gonzalez, and Mr. Harris):

H.R. 9026. A bill to establish a Federal Corporate Chartering Commission for the granting of Federal charters to certain large corporations, and for other purposes; to the Committee on the Judiciary.

By Mr. BIAGGI (for himself, Mr. Badillo, Mr. Bauman, Mr. Bell, Mr. Derwinski, Mr. Mazzoli, Mr. Ottinger, Mr. Roe, and Mr. Winn):

H.J. Res. 596. Joint resolution to provide for the appointment of George Washington to the grade of General of the Armies of the United States; to the Committee on Armed Service.

By Mr. BYRON (for himself, Mr. Anderson of California, Mrs. Burke of California, Mr. de la Garza, Mr. Flood, Mr. Gaydos, Mr. Gradison, Mr. Helstoski, Mrs. Holt, Mr. Hyde, Mr. Johnson of Pennsylvania, Mr. Koch, Mr. Minish, Mr. Nix, Mr. Rinaldo, Mr. Sarbanes, Mr. Udall, Mr. Whalen, Mr. Whitehurst and Mr. Zablocki):

H.J. Res. 597. Joint resolution authorizing and requesting the President to issue a proclamation designating Sunday, September 14, 1975, as "National Saint Elizabeth Seton Day"; to the Committee on Post Office and Civil Service.

By Mr. TRAXLER (for himself, Mr. LaFalce, Mr. Moffett, Mr. Brodhead, Mr. Reuss, Mr. Sisk, Mr. Grassley, Mr. Blouin, Mr. Pritchard, Mr. Perkins, Mr. Carr, Mr. Hall, Mr. Nolan, Mr. Horton, Mr. Seiberling, Mr. Litton, Mr. Mitchell of New York, Mrs. Fenwick, Mr. Morgan, Mr. Florio, Mr. John L. Burton, and Mr. Staggers):

H.J. Res. 598. Joint resolution to require the Attorney General of the United States to conduct an investigation to determine whether antitrust violations are occurring in the manufacture or marketing of replacement home canning lids, and for other purposes; to the Committee on the Judiciary.

By Mr. O'HARA:

H. Con. Res. 367. Concurrent resolution to seek the resurrection of the Ukrainian Orthodox and Catholic Churches in Ukraine; to the Committee on International Relations.

By Mr. ANNUNZIO:

H. Res. 645. Resolution providing for the adjustment of salaries of employees of the House Press Gallery.

By Mr. BIAGGI:

H. Res. 646. Resolution designating January 22 as Ukrainian Independence Day; to the Committee on Post Office and Civil Service.

By Mr. DRINAN:

H. Res. 647. Resolution to impeach Richard M. Helms, Ambassador to Iran; to the Committee on the Judiciary.

By Mr. O'HARA:

H. Res. 648. Resolution authorizing and requesting the President to designate January 22 of each year as Ukrainian Independence Day; to the Committee on Post Office and Civil Service.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of California (by request):

H.R. 9027. A bill for the relief of certain former flight engineers of Western Airlines; to the Committee on the Judiciary.

By Mr. ARMSTRONG:

H.R. 9028. A bill for the relief of Lenore Prewitt; to the Committee on the Judiciary.

By Mr. LONG of Maryland:

H.R. 9029. A bill for the relief of the heirs of Jacob DeHaven; to the Committee on the Judiciary.

By Mr. SMITH of Iowa:

H.R. 9030. A bill for the relief of Colonel Paul M. Thompson, U.S. Air Force; to the Committee on the Judiciary.

By Mr. STEIGER of Arizona:

H.R. 9031. A bill to extend Letters Patent No. 2,322,210, and for other purposes; to the Committee on the Judiciary.

By Mr. TSONGAS:

H.R. 9032. A bill for the relief of Dimitrios Vlahos, Stavroula Vlahos, and Pandelis Vlahos; to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted, as follows:

H.R. 7014

By Mr. STAGGERS:

On page 223, after line 3, add the following new section:

OIL PRICING POLICY

SEC. 301. (a) The Emergency Petroleum Allocation Act of 1973 is amended by adding at the end thereof the following new section:

"CRUDE OIL PRICE REGULATION

"SEC. 8. (a) For the purposes of this section:

"(1) The term 'crude oil' means a mixture of hydrocarbons that existed in liquid phase in underground reservoirs and remains liquid at atmospheric pressure after passing through surface separating facilities, and lease condensate which is a natural gas liquid recovered in associated production by lease separators.

"(2) The term 'domestic crude oil' means crude oil produced in the United States.

"(3) The term 'producer' means a person who produces crude oil or any person who owns crude oil when it is produced.

"(4) The term 'property' means the right to produce domestic crude oil which arises from a lease or from a fee interest.

"(5) The term 'base period control volume' means—

"(A) the total number of barrels of domestic crude oil produced and sold from a property in the months of May through December 1972; divided by—

"(B) the number of months in which domestic crude oil was produced and sold during the months of May through December 1972 (excluding any month in which there occurred any shutdown in production from the property).

"(6) The term 'stripper well lease' means a property whose average daily production of domestic crude oil and production condensates, including natural gas liquids, per well did not exceed 10 barrels per day during the preceding calendar year.

"(7) The term 'tertiary recovery techniques' means techniques which employ fluid, heat, or inert gas injection methods including miscible fluid displacement, microemulsion, caustic injection, and other chemical flooding designed to produce production in excess of that attributable to natural or artificially induced water or natural gas displacement.

"(8) The term 'inflation adjustment factor' means an amount which equals—

"(A) in the case of subsection (c) (2) and subsection (c) (3) (A)—

"(i) during the 45-month period commencing with the first full month after the date of enactment of this section, zero; and

"(ii) after such 45-month period, (I) in the case of subsection (c) (2), two-thirds of 1 percent (rounded to the nearest whole cent) of the ceiling price established by subsection (c) (2) (without addition of an inflation adjustment factor), compounded, for each month occurring after such 45-month period, up to and including the current month of crude production; and (II) in the case of subsection (c) (3) (A), two-thirds of 1 percent (rounded to the nearest whole cent), of the ceiling price established by subsection (c) (3) (A) (without addition of an inflation adjustment factor), compounded, for each month occurring after such 45-month period, up to and including the current month of crude production.

"(B) in the case of subsections (c) (3) (B), (c) (3) (C), and (c) (4)—

"(i) during the 88-month period commencing with the first full month after the date of enactment of this section, zero; and

"(ii) after such 88-month period, two-thirds of 1 percent (rounded to the nearest whole cent), of the respective ceiling price established pursuant to subsection (c) (3) (B) or (c) (3) (C), or subsection (c) (4) (without addition of an inflation adjustment factor), compounded, for each month occurring after such 88-month period up to and including the current month of production.

"(9) The field price on a particular date for a particular grade of crude oil in a field is the highest posted price at 6 o'clock antemeridian, local time, on such date for such grade of crude oil at such field; or if there was no such posted price for such grade of crude oil at that field, the related price for such grade of crude oil which is most similar in kind and quality at the nearest field for which prices were posted at such time and date.

"(b) No producer may charge a price which is higher than the ceiling price established under subsection (c) for the first sale of domestic crude oil.

"(c) The ceiling price for the first sale of a particular grade of domestic crude oil shall be—

"(1) except as provided in paragraph (4), in the case of sales from a property (other than sales from a stripper well lease) in a month in volume amounts equal to or less than the base period control volume, the sum of (A) the field on May 15, 1973; and (B) a maximum of $1.35 per barrel;

"(2) except as provided in paragraph (4), in the case of sales from a property (other than sales from a stripper well lease), from which domestic crude oil was produced and sold in one or more of the months of May through December 1972, in a month in volume amounts greater than the base period control volume, the sum of (A) the field price on May 15, 1973; and (B) $3.60 per barrel, plus an inflation adjustment factor;

"(3) commencing with the third full month after the date of enactment of this section, in the case of sales from any stripper well lease or in the case of sales of domestic crude oil to which paragraph (1), (2), or (4) does not apply—

"(A) except as provided in subparagraphs (B) and (C), the lesser of—

"(i) $7.50 per barrel, plus an inflation adjustment factor; or

"(ii) the sum of—

"(I) the field price on January 31, 1975 (excluding any field price applicable to 'old crude petroleum' under section 212.73 of title 10 of the Code of Federal Regulations, as in effect on January 31, 1975), less $3.82 per barrel; plus

"(II) an inflation adjustment factor;

"(B) in the case of such sales from a property (i) located above the Arctic Circle or (ii) located in the Outer Continental Shelf, such higher price as the President may, upon his own motion or upon petition, establish for such property, by rule, based upon a determination that such higher price is reasonable and justified by disparities in the kind and quality of crude oil produced or the cost of production (including costs associated with enhanced recovery techniques) from such property, but in no case may such price exceed an average of $10.00 per barrel plus an inflation adjustment factor for sales from such properties; and

"(C) in the case of such sales from a property classified by the President, on a property-by-property basis, as a 'high cost property', such higher price as the President may, by rule, establish for such property based upon a determination that such higher price is reasonable and justified in relation to the costs of production from such property, the geological formations involved, the depth of the well, and the types of recovery technique involved, but in no case may such price exceed an average of $10.00 per barrel, plus an inflation adjustment factor, for sales from such properties. The classification of a property as a 'high cost property' for purposes of this subparagraph, shall be made pursuant to procedures which shall be incorporated in a rule promulgated by the President which takes effect in accordance with the congressional review provisions specified in section 751 of the Energy Conservation and Oil Policy Act of 1975.

"(4) in the case of such sales from a property which the President, upon petition certifies on a property-by-property basis,—

"(A) as having made bona fide application of tertiary recovery techniques, and

"(B) that such application has or will significantly enhance production from such property;

such higher price—as the President may, by rule, establish for such property, based upon a determination that such higher price is reasonable and justified in relation to the increased costs associated with such recovery techniques and taking into consideration any enhanced recovery which has or will result from such techniques, but in no case may such higher price exceed an average of $10 per barrel, plus an inflation adjustment factor, for sales from such properties.

"(d) If the President determines that the ceiling price amount specified in subsection (c) (1) should be modified, he shall publish notice of such determination in the Federal Register and afford interested persons an opportunity to present written and oral data, views, and comments with respect to such modification. The modification shall become effective—

"(1) if the President transmits to the Congress a proposal to modify such amount in accordance with section 751(b) of the Energy Conservation and Oil Policy Act of 1975, accompanied by his findings with respect to the following matters:

"(A) the need for the proposed modification;

"(B) the prices of imported and domestic crude oil, residual fuel oil, and refined petroleum products, and other fuels and forms of energy which are in fact anticipated to result from such modification;

"(C) the impact of such modification upon domestic production and consumption of crude oil, residual fuel oil, and refined petroleum products, and other fuels and forms of energy;

"(D) the impact of such modification and of the resulting prices of crude oil, residual fuel oil, and refined petroleum products, and other fuels and forms of energy upon living costs, employment and unemployment, and real incomes; and differential economic impacts among regions, socioeconomic groups, and industrial sectors of the United States;

"(E) the impact of such modification on competition in the petroleum industry; and

"(F) the anticipated effects, with respect to the considerations in subparagraph (C) and (D) of this paragraph, of reasonable alternatives to such modification; and

"(2) if neither House disapproves (or both Houses approve) such proposal in accordance with the congressional review procedures specified in section 751 of such Act.

"(e) Notwithstanding section 4(e) (2) of this Act and section 405 of the Act entitled 'An Act to amend section 28 of the Mineral Leasing Act of 1920, and to authorize a trans-Alaska oil pipeline, and for other purposes', approved November 16, 1973 (Public Law 93-153), the ceiling price for any first sale of domestic crude oil shall be as specified in subsection (c) of this section.".

(b) Section 5(a) of the Emergency Petroleum Allocation Act of 1973 is amended by adding at the end thereof the following:

"(3) A violation of section 8(b) of this Act shall be treated as if it were a violation of the regulation promulgated under section 4(a) of this Act.".

(c) The amendments made by this section shall take effect on the first day of the first full month following the date of enactment of this Act.

Redesignate the succeeding sections of title III accordingly.

SENATE—*Tuesday, July 29, 1975*

The Senate met at 9:30 a.m., and was called to order by Hon. JOHN GLENN, a Senator from the State of Ohio.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Eternal Father, Thou hast brought us to this new day and its beckoning duties. Be Thou our wisdom, our strength and our guide from early opening to late adjournment. Enable us so to work with Thee that it may be a good day with good things done. Bind us together, heart to heart, mind to mind, soul to soul, in an alliance of spirit so that Thou mayest use us for Thy glory. May Thy spirit so fill us that we may do for Thy sake what we would not do for our sake; for Thine is the kingdom and the power and the glory forever. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., July 29, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. JOHN GLENN, a Senator from the State of Ohio, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. GLENN thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Monday, July 28, 1975, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the calendar beginning with U.S. Army.

There being no objection, the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The nominations will be stated.

U.S. ARMY

The assistant legislative clerk proceeded to read sundry nominations in the U.S. Army.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

U.S. NAVY

The assistant legislative clerk proceeded to read sundry nominations in the U.S. Navy.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

U.S. MARINE CORPS

The assistant legislative clerk proceeded to read sundry nominations in the U.S. Marine Corps.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

NOMINATIONS PASSED OVER—CORPORATION FOR PUBLIC BROADCASTING

Mr. MANSFIELD. Mr. President, I ask unanimous consent that for the time being, the nominees for the Corporation for Public Broadcasting be passed over.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

NOMINATIONS PLACED ON THE SECRETARY'S DESK

The assistant legislative clerk proceeded to read sundry routine nominations in the Army, in the Navy, and in the Marine Corps placed on the Secretary's desk.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

Mr. MANSFIELD. Mr. President, I request that the President be notified of the nominations confirmed today.

The ACTING PRESIDENT pro tempore. Without objection it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to, and the Senate resumed consideration of legislative business.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today except during debate on the Durkin-Wyman issue.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

NOTIFICATION TO PRESIDENT OF CONFIRMATION OF NOMINATIONS ON YESTERDAY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be notified of the nominations confirmed by the Senate on yesterday.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AMENDMENT OF THE RAILROAD UNEMPLOYMENT INSURANCE ACT

Mr. MANSFIELD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 8714. This is the railroad retirement bill, which I understand has been cleared on all sides.

The ACTING PRESIDENT pro tempore laid before the Senate H.R. 8714, an act to amend the Railroad Unemployment Insurance Act to increase unemployment and sickness benefits, and for other purposes, which was read twice by its title.

The Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, on behalf of the Senator from New Jersey (Mr. WILLIAMS) and the Senator from Louisiana (Mr. LONG) I send an amendment to the desk.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The assistant legislative clerk read as follows:

Beginning on page 13, line 6, strike out title III of the bill.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The ACTING PRESIDENT pro tempore. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read the third time.

The bill was read the third time.

Mr. WILLIAMS. Mr. President, the bill now under consideration (H.R. 8714) would amend the Railroad Unemployment Insurance Act to increase unemployment and sickness benefits. This measure passed the House on July 24th by a vote of 420 to 0.

With one exception that I shall discuss in a few moments, H.R. 8714 is identical to S. 2154 which I introduced for myself, Senator Javits and Senator Schweiker last Monday, July 21st.

We have agreed to action on the House bill even though the Committee on Labor and Public Welfare has not yet reported the Senate version.

Since the parties affected by this measure, that is the Railroad Union and carriers fully support and endorse the provisions of these bills, I am authorized to state that all of the members of the committee are in favor of expediting these benefits by passing the House bill at this time.

The bill is of enormous importance to railroad employees throughout the United States. Unemployment in the railroad industry affects almost every State in the United States. Nationwide it has reached approximately 40,000 railroad employees who have been furloughed and their families who are experiencing real hardship because of the substandard and outdated level of benefits in the existing law.

The unemployment and sickness insurance system for railroad employees was first established in 1938 when Congress enacted a national unemployment insurance program administered by the U.S. Railroad Retirement Board.

It has, of course, been necessary through the 35-year history of this Federal program for railroad employees to amend the act from time to time to adjust benefit levels, among other things, to correspond with changes in the wage structure in the railroad industry and to reflect the rapidly changing conditions in our economy. At the last increase in 1968 the maximum benefit was increased from $10.20 per day to $12.70 per day, corresponding to approximately 50 percent of the average wage in the railroad industry at each point of correction.

Of course, the $12.70 maximum established 7 years ago was adequate for its day but, given the rapid inflation since that time, this level has become totally insufficient.

The bill before us represents a compromise from the goals set forth in S. 1939 which I introduced last month and which had somewhat higher benefits. The interests of the workers who receive exceedingly low benefits at the present time require immediate legislation.

INCREASE IN DAILY COMPENSATION FOR UNEMPLOYMENT AND SICKNESS

The bill provides for an increase in the maximum for both unemployment and sickness compensation to $24 per day for the period beginning July 1, 1975, and ending June 30, 1976. Thereafter the maximum would be increased to $25 per day.

The unemployment and sickness benefit level remain at 60 percent of the daily rate of compensation for the railroad employees' last employment but not less than $12.70.

QUALIFYING PERIODS

A rail employee must earn $1,000 in the previous calendar year to qualify for benefits. Present law limits the amount which can be counted in any single month toward meeting this requirement to $400. Thus the employee must work in excess of 2 full months in the base calendar year to be eligible, regardless of how much he earns per month.

The law also provides that an unemployed worker cannot receive more in aggregate benefits than he received in taxable wages in the previous year. In order to make no change in the amount of time an employee must work to qualify for maximum annual benefits than is currently required, the amount of wages to be counted in any month toward meeting that requirement is raised from $400 to $775.

This bill will also reduce the number of months which a new employee must have worked in the base calendar year to be eligible for benefits from 7 months to 5 months.

ELIGIBILITY FOR SICK BENEFITS

Sickness benefits under present law are payable only after the claimant has had 7 or more days of sickness during one 14-day registration period in a given benefit year, beginning July 1 of each year. Thereafter, sickness benefits under existing law are payable for each day of sickness in excess of 4 days during a subsequent registration period in the same benefit year. After qualifying, such benefits are available for the same length of time as unemployment benefits.

The bill will reduce the waiting period from 7 days to 4 days during the first registration period. Sick benefits are to be payable for each day of sickness in a "period of continuing sickness" after the first 4 consecutive days of sickness in the registration period in which the "period of continuing sickness" began and each day of sickness in excess of 4 during subsequent 14-day registration periods in which the "period of continuing sickness" persists.

EXTENDED UNEMPLOYMENT BENEFITS

Another significant change is the provision in the bill which would provide an extended benefit period of 13 weeks for employees with less than 10 years of service in the railroad industry. Employees in this group are limited under the existing law to 26 weeks of benefits. In other years special Federal legislation was passed during periods of high unemployment to provide for an extended benefit period. The bill would make this a permanent feature of the system.

The 1959 amendments to the Railroad Unemployment Insurance Act provided extended benefits for employees with 10 or more years of service in the railroad industry.

This bill would provide extended benefits for those with less than 10 years of service who are likely to be the first workers laid off and remain laid off for longer periods of time.

The new extended benefit provisions are coordinated with the provisions of the Federal-State extended unemployment compensation program as amended in 1974. Thus, this bill provides that the extended benefits are available only during periods of high unemployment, with trigger provisions adapted from the Federal-State program. For example, extended benefits would become available to railroad employees with less than 10 years of service 20 days after either the national "on" indicator becomes effective or after a 3-consecutive-month period in which the rate of railroad unemployment equals or exceeds the level required for the national "on" trigger.

Similarly, the provisions for terminating the extended benefits are patterned after the method used in the Federal-State system.

WAITING PERIOD DURING STRIKES

The bill also provides for an additional 7-day waiting period before unemployment benefits may be paid in the case of workers unemployed as a result of a legal strike.

EMPLOYER CONTRIBUTIONS

The formula for employer contributions to the unemployment account will be changed so as to provide adequate funding to finance the upgrading of benefits.

As under present law $400 per month is subject to employer contribution; however, the rate of contribution is substantially increased. A sliding scale is established which would require a contribution of 8 percent of wages paid if the insurance account balance is less than $50 million; 7 percent if the balance in the account is between $50 and $100 million; 5.5 percent if the balance in the account is between $100 and $200 million; 4 percent if the balance in the account is between $200 and $300 million; and one-half of 1 percent if the balance in the account is more than $300 million.

EFFECTIVE DATE

This bill provides that the changes in the benefit rate shall become effective retroactively beginning with July 1, 1975.

Mr. President, there are several technical amendments to the Railroad Retirement Act and the Railroad Retirement Tax Act which appear as title II of the bill.

The amendments with one exception correct errors made in last year's comprehensive revision of the Railroad Retirement Act as follows:

Section 201 of the bill would provide permanent appropriations of regular railroad retirement taxes and supplemental annuity taxes collected under the Railroad Retirement Tax Act to the Railroad Retirement Account and the Railroad Retirement Supplemental Account to pay for benefits provided by the Railroad Retirement Act of 1974. The bill would also add a new subsection to section 15 of the Railroad Retirement Act of 1974 to authorize appropriations to cover expenses incurred by the Railroad Retirement Act of 1974.

It is to be noted that permanent appropriations identical to those proposed in section 201 are now provided for the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, with respect to taxes collected under the Federal Insurance Contributions Act, by a section of the Social Security Act.

Section 202 would amend section 204 of Public Law 93-445—the Railroad Retirement Act of 1974, enacted October 16, 1974—to provide that an individual who was awarded an annuity under section

2(a) of the Railroad Retirement Act of 1937 will not be entitled to an annuity component computed under the provisions of section 3(c) of the Railroad Retirement Act of 1974. This restriction would not apply either to individuals who after December 31, 1974, render at least 12 months of service as an employee for an employer—as defined in the Railroad Retirement Act of 1974—or to individuals who return to service for such an employer after December 31, 1974, after recovering from disabilities for which they had been awarded occupational or total and permanent disability annuities under the Railroad Retirement Act of 1937.

The amount thus provided by section 3(c) of the Railroad Retirement Act of 1974 was, as a general matter, intended to be payable only to those who had not retired prior to January 1, 1975, the effective date of the Railroad Retirement Act of 1974. The amendment made by section 202 would put this restriction into the law. Such a restriction would prevent individuals from returning to the railroad industry and qualifying for the prior service component by performing a token amount of service after 1974; however, as indicated, the restrictions would not apply to individuals who perform at least 12 months of creditable service after 1974 or who were awarded disability annuities under the Railroad Retirement Act of 1937 but later recovered and returned to service after 1974.

Section 203 deals with a situation where a railroad employee has self-employment income, and his total compensation equals or exceeds the FICA maximum. In such a situation, the employee is required to pay tax on all or a part of his self-employment income and, as a practical matter, derives no benefit from these taxes. Section 203(a) permits the employee to receive a refund of his FICA taxes to the extent that his railroad and nonrailroad compensation exceed the FICA wage base.

Section 203(b) corrects an oversight in last year's revision of the Railroad Retirement Tax Act, by providing that the term "compensation" shall not include remuneration received by employees of railway labor organizations, unless the amount thereof exceeds $25 per month.

Finally, there is an amendment to the Railroad Retirement Tax Act in this bill that was added on in the House and appears in the measure as title III. This amendment relates to the way in which retroactive wage payments under a collective-bargaining contract such as that recently negotiated with the Brotherhood of Railway and Airline Clerks are reported for railroad retirement tax purposes.

It is my understanding that a question of jurisdiction of title III of the House passed measure has been raised. An amendment will be offered to strike title III which amends the Railroad Retirement Tax Act with the understanding that these provisions will be subsequently incorporated into an appropriate tax measure.

Mr. President, the need for an increase in benefits is apparent. Accordingly, I urge the immediate passage of this measure.

Mr. JAVITS. Mr. President, I urge the Senate to pass the pending legislation, H.R. 8714, which provides for needed improvements in the railroad unemployment insurance program. Last week, Senator WILLIAMS, Senator SCHWEIKER, and I introduced an almost identical bill which was referred to the Committee on Labor and Public Welfare. At that time, the chairman of our committee notified all interested parties to submit statements to the committee by today if they wished hearings on this legislation. No requests for hearings were received. The administration, however, has expressed concern about the financing of the bill, which I shall discuss shortly.

Over the past 6 months the Congress has twice acted to provide additional compensation benefits for workers coverered under the regular unemployment insurance programs, and for those who were without any unemployment compensation protections at all. Railroad employees, however, have not received the benefits of any of this action.

The railroad unemployment insurance program is a totally separate program established by the Congress in 1938. Benefit eligibility and amounts are established by law. Benefits are financed by a separate tax on all railroad employers. The program is administered by the Railroad Retirement Board.

Since its 1938 enactment, the program has been amended several times to provide for an increase in benefits under the program, and to make other changes. When originally enacted, the program provided a daily benefit maximum of $3 per day. The most recent amendments to the act were made in 1968, which raised the maximum benefits level from $10.20 to $12.70 per day.

The bill that we are considering today will raise the maximum daily benefit to $24 per day for the period from July 1, 1975 to June 30, 1976. Thereafter, the maximum benefit will be $25 per day. These increases are designed to compensate unemployed railroad workers for the rampant inflation which they, like all other workers in this Nation, have suffered in the 7 years since the act was last amended. The basic benefit standard—replacement of 60 percent of most recent wages—is retained in the program.

The bill also provides, for the first time, a program of extended unemployment compensation benefits for railroad workers with less than 10 years of seniority. Workers with over 10 years of seniority are already protected against long-term unemployment by an extended benefits program.

The bill would provide extended benefits to workers with less than 10 years of seniority who suffer long term unemployment, and exhaust their entitlements under the regular railroad unemployment compensation benefits, at the same rate as they receive regular benefits. This extended benefits program contains a triggering mechanism patterned after that contained in the Federal-State extended unemployment compensation program. The extended benefits program for rail employees would trigger "on" whenever the trigger for the Federal-State extended benefits program was "on," or if that trigger were not on, whenever the rate of railroad unemployment equaled or exceeded the "on" trigger rate established for the Federal-State extended benefits program. The program would trigger "off" when the Federal-State extended benefits program triggered "off," and the rate of railroad unemployment dropped below the trigger level in the regular extended benefits program. This provision of extended benefits for the least senior employees of the railroad industry is most particularly important during periods of economic crisis, such as we are currently experiencing, because these workers, who are low on the senioirty list, are likely to be among the first workers laid off when business declines.

The RUIA program also provides benefits for railroad workers during periods of sickness. These benefits are provided at the same rate, and for the same maximum duration as unemployment benefits under this program. Therefore, the maximum sickness benefits which could be received under this act will be raised, corresponding to the increase for unemployment benefits.

The bill also makes a number of other changes to improve the RUIA program Included in these are changes in the base period wage calculations, by which an individual employee's maximum aggregate benefit is calculated. These changes reflect the increase in the maximum benefit level, and maintain the minimum base period of work required to obtain maximum eligibility under the program. The bill also mandates an additional 7-day waiting period before unemployment benefits may be paid in the event of workers who are unemployed as a result of a legal strike. Workers who become unemployed because of their participate in a strike which occurs in violation of the Railway Labor Act are denied benefits under the program entirely.

In addition to the amendments to the railroad unemployment insurance program, the bill makes a number of technical changes in the Railroad Retirement Act of 1974 and the Railroad Retirement Tax Act. These changes correct congressional oversights in the passage of the Railroad Retirement Act of 1974.

Furthermore, the bill provides for a substantial increase in the tax rate which the carriers pay into the railroad unemployment insurance fund. These increases are designed to offset the additional cost incurred by the fund resulting from the increased benefit levels in the bill. It is to this point that the administration has expressed some concern. The Office of Management and Budget, responding to the request of the Senate Committee on Labor and Public Welfare for its views on S. 2154—virtually identical to the House-passed bill before us today—notes the views expressed by the chairman of the Railroad Retirement Board, Mr. James Cowen, who indicates that the projected annual balances in the railroad unemployment insurance fund will average approximately between $50 and $60 million per year over the next 5 years. Mr. Cowen agrees that the bill has merit, and indicates that his only reservation is that Congress should address itself to the adequacy of the funding of the new benefits.

As projected by the RRB, the cost over the next 5 years, with the amendments contained in this bill, will be approximately $180 million per year. This is roughly double the present cost of the program and there are corresponding increases in the carrier tax rate. The RRB states "on this basis, title I of the bill should be adequately financed to the extent that an average balance between $50 and $60 million is satisfactory." The other two members of the board, Mr. Spears and Mr. Quarles, are in favor of the enactment of this legislation. Chairman Cowen, in his separate views on the bill, states that:

> Congress should ask itself whether this kind of margin is sufficient for a benefit program which will cost in excess of $180 million per year.

In my judgment, the OMB has overreacted to the concerns expressed by Mr. Cowen, Mr. Cowen himself does not oppose enactment of the bill; he has only asked that Congress give consideration to the adequacy of the financing, which the Board itself projects will be adequate for at least the next 5 years. Of course, it would be more desirable to have positive assurances of a somewhat larger reserve in the railroad unemployment insurance fund. On balance, however, I believe that the financing of the bill is sufficient under current circumstances.

The circumstances include the fact that the financial condition of the railroad industry has generaly been one of a poor bankruptcy—a situation which has commanded the attention of the Congress and the executive branch. This suggests that it is not in the interest of the carriers or their employees unnecessarily to encumber the financial resources of the railroad unemployment insurance fund with obligations that could be used to meet operating expenses.

In addition, section 10(d) of the Railroad Unemployment Insurance Act currently provides statutory authority for the Railroad Retirement Board to borrow funds from the Railroad Retirement Account if it finds that the unemployment insurance account is insufficient to meet its obligations for benefits. In fact, this authority has been extensively used in the recent history of this program. From July 1959 through September 1973, funds were borrowed from the retirement account for benfits for a total amount of $900 million. It is important to point out that all of these loans have been fully repaid with interest. Accordingly, any possible concern that deficiences in the railroad unemployment insurance account might give rise to demands for general fund financing of regular unemployment insurance benefits in the railroad industry are not well-founded. Even if the projection of the Railroad Retirement Board should prove optimistic—although I believe them to be quite conservative—Congress will have ample opportunity to revise the funding mechanisms of the Act at any time such revisions might be required. This, of course, would be the appropriate course to take in the event of a long-term insufficiency in the program's funding.

In fact, Mr. President, the Board's projections indicate that in no time in the next 5 years is the fund expected to operate at a deficit. The lowest balance in the fund projected by the Board is $49.7 million. The Board estimates the cost of the program with these amendments to be between 7.2 and 7.3 percent of the taxable payroll including administrative costs—approximately $180 million per year. The tax schedule contained in the bill itself provides for an 8-percent contribution rate if the balance of the fund dips below $50 million. Thus, there should be at least a $20 million margin per year even if the balance in the fund runs low. The continued economic decline of the railroad industry, which forms one of the key assumptions in the Railroad Retirement Board's projections, may well turn out to be overly pessimistic in light of the shift in favor of the railroads by virtue of the energy crisis and the expectation of significant Federal assistance to the railroads.

In view of all of these considerations, I conclude that the financing of this bill should be retained as provided in the House-passed bill.

Mr. President, one of the most important congressional responses to the current recession has been to recognize the needs of unemployed workers during the current economic crisis. Last December we passed the Emergency Unemployment Compensation Act and the Emergency Jobs and Unemployment Compensation Act. Just last month, these programs were extended and expanded by passage of the Emergency Unemployment Compensation and Special Unemployment Assistance Extension Act. Under these laws, increased benefits have been provided for unemployed workers who are the most severely affected victims of recession. Many unemployed workers who had never previously been eligible for unemployment compensation were granted entitlements under these laws. Every American worker who becomes unemployed has received now or additional unemployment benefits under these acts, with the exception of railroad employees.

Prompt passage of the pending bill will permit it to be enacted into law before we adjourn for the August recess. These additional benefits for railroad employees are long overdue, and constitute the important additional component of the legislation passed to increase the protections which have been afforded to other workers in your Nation. I urge my colleagues to vote in favor of H.R. 8714.

The ACTING PRESIDENT pro tempore. The bill having been read the third time, the question is, Shall it pass?

So the bill (H.R. 8714) was passed.

OFFICIAL PHOTOGRAPH OF SENATE IN SESSION

Mr. MANSFIELD. Mr. President, pursuant to Resolution 217 of the 94th Congress, an official photograph will be taken of the Senate in session at 12:15 p.m. on Wednesday, July 30. This will update the last official photograph, which was taken on December 10, 1971. A series of pictures, consuming a period of approximately 6 minutes, will be taken. During this time, all Senators are requested to remain in their seats.

THE FOREIGN POLICY CONFUSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that an excellent summary of the foreign policy dilemma in which the Nation finds itself today, under the byline of Mr. Marquis Childs, be printed in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MANSFIELD. In brief, Mr. Childs covers the waterfront. I think what he has to say is well worth the consideration of the Senate. I am of the impression that what he has done, in effect, has been to hit the nail on the head vis-a-vis the present situation which confronts the administration and Congress in the conduct of foreign policy.

EXHIBIT 1

[From the Washington Post, July 29, 1975]

THE FOREIGN POLICY CONFUSION

(By Marquis Childs)

The lament from the State Department is that with so many ooks, congressional and others, the foreign policy broth is being hopelessly muddled. In instance after instance Congress steps in and confuses or disrupts the lines of policy laid down by the executive branch of government.

But with a constitutional obligation in foreign policy, the Senate makes a case for a share of the responsibility. And in specific instances the value of that case is, in my opinion, demonstrable.

Take the mission of the 14 senators to Moscow during the last recess. One of the 14, Sen. Charles Percy (R. Ill.) was instrumental in bringing about a change in attitude toward the emigration of Jews from the Soviet Union. He had brought about the inclusion in the group of Sen. Abraham Ribicoff (D. Conn.), although Ribicoff is not on either the foreign relations or armed services committees as are the others.

Ribicoff, one of the staunchest believers in the right of Jews to emigrate, had come to see that the Jackson amendment was self-defeating. That amendment put free emigration as a condition of trade between the United States and the Soviet Union. Moscow branded this an intervention in Soviet domestic policy and denounced the trade treaty of which it was a part.

In 1973, the peak year, 35,000 Jews left the Soviet Union—33,500 went to Israel. In the first five months of this year the total number of immigrants was 7,000, of whom about half were Soviet Jews. This would make the rate for the year 10,000 or less, a mere trickle as the Israelis see it.

Ribicoff returned convinced that a charge must be made so that in future legislation there will be no specific condition put on emigration. He is hopeful that during the upcoming recess staff assistants can work out a satisfactory formula with the State Department.

Percy speaks about a further inhibition in the trade act. That was the limit of $300 million on loans underwritten by the Export-Import Bank. That amount would be about what would be allocated to a friendly Third World nation. During the protracted debate over the Soviet trade act and in the interval following its denunciation, the Soviets, Percy points out, have signed $9 billion in contracts, mostly on a long term loan basis, with Japan and Western Europe.

Take another instance out of that same mission to Moscow. One of the group was a freshman senator from Iowa, John Culver, who had previously served for 10 years in the House on the foreign affairs committee. Culver is concerned over Diego Garcia, the small island in the Indian Ocean that the Navy proposes to expand from a communications center to a full scale naval base. It is not the island itself that is Culver's sole concern. He believes that the Navy means to make it the operating focus of a third fleet centered in the Indian Ocean.

He puts the initial cost of that third ocean fleet at $5 to $8 billion, with an annual maintenance cost of $800 million. This would be part of a runaway arms race. Culver hoped it would be possible to negotiate with the Soviet Union on keeping the Indian Ocean free of big power navies.

He discussed this possibility with members of the Supreme Soviet and got a receptive response. This was distorted in a column based on leaked cables which were in turn distorted to represent a naive senator meeting the icy indifference of Soviet hardliners. The State Department has confirmed his view of the exchange.

Culver is convinced that negotiation is still possible, and it should be explored even though the end is a Russian stonewall. He points out that none of the 29 nations with a direct interest in the Indian Ocean favors establishment of a major American base on Diego Garcia.

But when all the well meaning and often helpful acts are added up on the credit side of the ledger, the confusion of authority between executive and legislature is clearly disastrous. The latest evidence is the vote in the House rejecting a reasonable compromise put forward by President Ford on ending the embargo on arms to Turkey. This would have released military material already paid for.

A second example is the fist by Congress cutting down the 14 Hawk missile batteries committed to Jordan. King Hussein has said publicly he will not accept less than the amount the Pentagon promised. It would be hard to imagine anything more likely to upset the precarious balance in the Arab world as Kissinger strives for a second Israeli-Egyptian disengagement. Who has the power over policy in your country? The American travelling abroad hears this question again and again.

SENATE UNITY IN CIA INQUIRY

Mr. MANSFIELD. Mr. President, a very excellent news story appears in today's New York Times, entitled "Senators Show Unity in Inquiry on CIA." The story is written by Marjorie Hunter, who has been on the hill a number of times. It is a pleasure for me to insert this story in the Record, because it indicates that the Senate Committee on Intelligence is living up to all our hopes and expectations; that it is doing a good, sound job; that it is avoiding the limelight wherever possible; that it is applying itself to the tasks which the Senate laid upon it. I am so impressed by this story that I ask unanimous consent to have it printed in the Record at this point.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the New York Times, July 29, 1975]

Senators Show Unity in Inquiry on CIA

(By Marjorie Hunter)

Washington, July 28.—The issues are spying, burglary, shootings and even murders—issues guaranteed to be politically inflammatory.

Yet the 11 Senators investigating the nation's intelligence community say they are acting in an orderly, logical way with a minimum of friction.

There has been no tablethumping, no shrill badgering of the House Un-American Activities Committee and the celebrated Army-McCarthy hearings of the nineteen-fifties.

Missing, too, is the high drama of the Senate Watergate hearings of 1973 and the House impeachment inquiry of a year ago, for the intelligence inquiry is being conducted behind closed doors, with security precautions as tight as those of the agencies under investigation.

The seeming lack of friction so far on the bipartisan Senate Select Committee on Intelligence is all the more remarkable in that its members represent a broad ideological spectrum, ranging all the way from Republican Barry Goldwater of Arizona on the right to Democrat Philip A. Hart of Michigan on the left.

SOME 'MINOR DISCORDS'

While there have been what some members term "minor discords" and muted grumblings of discontent—primarily over staffing and the direction being taken in the investigation—the fact that there has not yet been open warfare as the committee pursues its politically sensitive inquiry has astounded many observers of the Congressional scene.

The two men most responsible for containing the potentially explosive situation are ideological opposites who have frequently tilted with one another in major Senate floor debates.

Senator Frank Church of Idaho, the Democrat who is chairman of the committee, was one of the Senate's most outspoken critics of American involvement in Vietnam, co-author of the Cooper-Church amendment to restrict United States military activity in Indochina, and a frequent critic of intelligence operations.

Senator John G. Tower of Texas, the Republican who is vice chairman of the committee, is a conservative who through the years has been one of the Senate's chief defenders of the defense and intelligence establishments.

The two men would seem to have little in common aside from their age (Senator Church is 50, Senator Tower is 49) and the fact that they are both near the top of Senate seniority in their respective parties.

Senator Church is a tall, boyish-faced man who is regarded by many of his Senate colleagues as a "loner" and somewhat self-righteous and pretentious. He won an American Legion oratorical contest at age 16, made his national political debut at age 35 with a keynote address at the 1960 Democratic National Convention and still often speaks like a man all too aware of being on stage.

Senator Tower, on the other hand, is short, dapper and often brusque, a one-time radio announcer, insurance salesman and college professor. A wily politician, he can be cutting in Senate debate but he also has a keen sense of humor on occasion. "My name is Tower—but you can see I don't," he used to tell political audiences as he stretched his five-foot-six frame to reach the microphone.

Despite their past differences—including a difference of opinion on the timing for release of a report on assassinations—the two men have worked together in surprisingly close harmony, each giving in at times to the other in order to preserve a sense of unity within the committee.

For example, the staff of about 100 persons—many of them with first-hand expertise in the Central Intelligence Agency and other intelligence operations and a few who worked on the Watergate and impeachment inquiries—is more hard-nosed than conservatives had wanted but less equipped with investigative know-how than some liberals had urged.

Instead of being the fire-eating radical that some conservatives had feared he would be, Senator Church has been far more cautious and conciliatory toward the C.I.A. than critics had expected.

Senator Tower's performance, too, has surprised his initial critics. Instead of being the obstructionist that some liberals had expected him to be, he has shown a willingness to probe into sensitive areas that he might once have felt were off limits.

There has been muted criticism in some liberal quarters that Senator Church is not pushing the intelligence inquiry as forcefully as he could and that his relationship with Senators Tower and Goldwater has been entirely too cozy.

Senator Church dismisses this suggestion, saying that he feels it is important to gain the confidence of the White House and agencies involved in the investigation to allay their fears that the committee would be "nothing but a sieve," pouring out state secrets indiscriminately.

There have been suggestions, too, that Senator Church has been a "headline grabber" in the current inquiry, possibly hoping to enhance his prospects for capturing the Democratic Presidential nomination next year.

The Senator readily concedes that he was looking quite seriously into the possibility of a Presidential race earlier this year but that he abandoned such plans after accepting the chairmanship of the intelligence committee.

When the committee completes its work, he says, he might take another look at the Presidential nomination "if it is still open." But he expressed doubt that it would be open by then.

Senator Tower, too, has dismissed suggestions that Senator Church is a "headline grabber" or that his colleague is more interested in seeking the Presidency than in conducting a forceful inquiry of the intelligence community.

INSTITUTIONAL LOYALTY

The seeming raport between the two men can be attributed, at least in part, to the patina of fellowship within the clubby atmosphere of the Senate.

But perhaps a deeper reason for their peaceful accommodation, is the re-emergence of a strong sense of institutional loyalty. After years of domination by the White House, both the Senate and House are struggling to throw off the mantle of executive leadership.

The intelligence inquiry, particularly the assassination issue, is veiwed by both Democrats and Republicans on the committee as one means of convincing the nation that the Senate is willing to tackle a job that in their view was pased over by the Presidentially appointed intelligence commission headed by Vice President Rockefeller.

The assassination issue, Senator Church observed after disclosure of the Rockefeller findings, "has been bucked over to the Senate. Someone has to deal with it. There's no way this kind of issue can be brushed under the rug," he said.

Despite the seeming unity within the committee, however, there are clear signals that the near harmony might well be shattered in the weeks and months ahead as the 11 Senators come to grips with four major issues:

How much of the story of the alleged C.I.A. involvement in assassination plots against Cuban Premier Fidel Castro and possibly other foreign leaders should be made public?

How soon will the committee release its assassination findings? Senator Church said this week he would recommend issuance of the report in early August. Senator Tower said the report could not be completed before the Senate begins a long recess Aug. 13 and that, furthermore, the entire Senate should vote on whether to make public the report.

What kind of information should be included in the committee's public hearings, now slated to begin in mid-September?

Should the committee, in its final report, recommend a full or partial prohibition of covert espionage operations or merely creation of some mechanism for tighter legislative scrutiny?

DISPUTE OVER DISCLOSURE

There is sharp disagreement in the committee—although no votes have been taken on the matter—on public disclosure of the assassination findings.

Senator Robert Morgan, a North Carolina Democrat, who was once his state's Attorney General, has expressed reservations about public disclosure of alleged assassination plots, saying that he fears this might tarnish the nation's image abroad and possibly render future C.I.A. operations ineffective.

Another former State Attorney General, Senator Walter F. Mondale, Democrat of Minnesota, feels that as much information as possible should be made public in the report.

"The people have a right to know," he says. "They have a right to know why we will be proposing the remedies that we eventually will propose."

Senator Howard H. Baker, Jr., Republican of Tennessee, agrees with Senator Mondale. The only member of the intelligence panel who served on the Watergate committee, Senator Baker feels that the assassination findings should not only be made public in a report but that the information should be aired in public hearings.

Indeed, there does seem to have been some shift in recent weeks away from earlier sentiment of some Democratic liberals for airing the assassination information in public hearings.

CHURCH AND MONDALE SHIFT

Senators Church and Mondale, for instance, had once indicated they favored this course. Now, they say they feel the findings should be made in a report instead.

"I would personally oppose open hearings on the assassination issue," Senator Church said recently, adding that public hearings would cause "the maximum injury to the country."

The assassination issue is perhaps the most sensitive area of the broad investigation into all intelligence operations, for there have been reports that the findings may produce political fallout on both parties, perhaps even implicate past Presidents in the assassination plots.

Whether such evidence of Presidential implication has been found or will be found remains cloudy. Senator Church has acknowledged that the committee is examining possible C.I.A. assassination plots, specifically during a six-year period covering parts of the Eisenhower, Kennedy and Johnson Administrations.

Yet, just recently, he said: "I will have no part in pointing a finger of guilt toward any former President—none of whom are alive today, none of whom can speak up—in the absence of clear and convincing evidence linking them."

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements therein limited to 5 minutes.

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE HOUSE

At 11:11 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the bill (H.R. 8719) to provide for an amendment to the Washington Metropolitan Area Transit Regulation Compact to provide for the protection of the patrons, personnel, and property of the Washington Metropolitan Area Transit Authority, in which it requests the concurrence of the Senate.

The message also announced that the House has passed the bill (S. 1247) to authorize certain construction at military installations, and for other purposes, with an amendment in which it requests the concurrence of the Senate.

At 1:10 p.m., a message from the House of Representatives delivered by Mr. Hackney announced that, on reconsideration by the House, and two-thirds of the House of Representatives agreeing, the bill (S. 66) to amend the Public Health Service Act and related health laws to revise and extend the health revenue sharing program, the family planning programs, the community mental health centers program, the program for migrant health centers and community health centers, the National Health Service Corps program, and the programs for assistance for nurse training, and for other purposes, returned by the President of the United States with his objections, was passed.

ENROLLED BILL SIGNED

The message also announced that the Speaker has signed the bill (H.R. 7728) to suspend until the close of October 31, 1975, the duty on catalysts of platinum and carbon used in producing caprolactam.

The enrolled bill was subsequently signed by the Acting President pro tempore (Mr. GLENN).

At 3 p.m., a message from the House of Representatives announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3130) to amend the National Environmental Policy Act of 1969 in order to clarify the procedures therein with respect to the preparation of environmental impact statements.

ENROLLED BILL SIGNED

At 4:40 p.m., a message from the House of Representatives delivered by Mr. Berry announced that the Speaker had signed the enrolled bill (H.R. 3130) to amend the National Environmental Policy Act of 1969 in order to clarify the procedures therein with respect to the preparation of environmental impact statements.

The enrolled bill was subsequently signed by the Acting President pro tempore (Mr. METCALF).

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. GLENN) laid before the Senate the following letters, which were referred as indicated:

STATEMENT OF THE SECRETARY OF THE SENATE

A letter from the Secretary of the Senate transmitting, pursuant to law, a statement of the receipts and expenditures of the Senate from January 1, 1975 through June 30, 1975 (with accompanying papers); ordered to be printed.

REPORT OF THE ASSISTANT SECRETARY OF STATE

A letter from the Assistant Secretary of State transmitting, pursuant to law, a report summarizing the trade controls of COCOM countries (with an accompanying report); to the Committee on Foreign Relations.

INTERNATIONAL AGREEMENTS OTHER THAN TREATIES

A letter from the Assistant Legal Adviser for Treaty Affairs of the Department of State transmitting, pursuant to law, copies of international agreements other than treaties entered into within the past sixty days (with accompanying papers); to the Committee on Foreign Relations.

REPORT OF THE OFFICE OF MANAGEMENT AND BUDGET

A letter from the Deputy Director of the Office of Management and Budget transmitting, pursuant to law, a report entitled "Drug Use in America: Problem in Perspective" (with an accompanying report); to the Committee on Government Operations.

REPORT OF THE COMPTROLLER GENERAL

A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Need For Improved Reporting and Cost Estimating on Major Unmanned Satellite Projects" (with an accompanying report); to the Committee on Government Operations.

PROPOSED LEGISLATION BY THE ATTORNEY GENERAL

A letter from the Attorney General of the United States transmitting a draft of proposed legislation entitled Crime Control Act of 1976 (with accompanying papers); to the Committee on the Judiciary.

PROPOSED LEGISLATION BY THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

A letter from the Secretary of Health, Education, and Welfare transmitting a draft of proposed legislation to extend the Rehabilitation Act of 1973 (with accompanying papers); to the Committee on Labor and Public Welfare.

Report of the National Advisory Council on Education Professional Development

A letter from the Chairman of the National Advisory Council on Education Professions Development transmitting, pursuant to law, a report entitled "Teacher Corps: Past or Prologue?" (with an accompanying report); to the Committee on Labor and Public Welfare.

Proposed Regulations of the Department of Health, Education, and Welfare

A letter from the Executive Secretary to the Department of Health, Education, and Welfare transmitting, pursuant to law, a copy of proposed regulations entitled "Supplemental Educational Opportunity Grants Program, College Work-Study Program, and National Direct Student Loan Program" (with accompanying papers); to the Committee on Labor and Public Welfare.

Report of the Indian Claims Commission

A letter from the Chairman of the Indian Claims Commission transmitting, pursuant to law, its report on its final determination of the claim of the Pyramid Lake Paiute Tribe of the Pyramid Lake Reservation v. United States (with accompanying papers); to the Committee on Appropriations.

Report of the Department of the Navy

A letter from the Secretary of the Navy transmitting a report on the establishment of an oceanographic center at the NSTL facility at Hancock County, Miss. (with an accompanying report); to the Committee on Armed Services.

Report of the Assistant Secretary of Defense

A letter from the Acting Assistant Secretary of Defense transmitting, pursuant to law, a report of Department of Defense Procurement from small and other business firms for July 1974–April 1975 (with an accompanying report); to the Committee on Banking, Housing and Urban Affairs.

Report of the U.S. Railway Association

A letter from the Chairman of the Board of the United States Railway Association transmitting, pursuant to law, a report on the Northeast Corridor Program (with an accompanying report); to the Committee on Commerce.

Final System Plan of the U.S. Railway Association

A letter from the Chairman of the Board of the United States Railway Association transmitting, pursuant to law, its final system plan (with accompanying papers); to the Committee on Commerce.

Proposed Legislation by the Federal Power Commission

A letter from the Chairman of the Federal Power Commission transmitting a draft of proposed legislation to amend Section 7 of the Natural Gas Act (with accompanying papers); to the Committee on Commerce.

Proposed Acts of the Council of the District of Columbia

Two letters from the Chairman of the Council of the District of Columbia transmitting, pursuant to law, copies of two proposed acts, one to provide revenue for the District of Columbia, and for other purposes; and the second to establish for the District of Columbia a Commission on the Arts and Humanities (with accompanying papers); to the Committee on the District of Columbia.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

Three petitions seeking a redress of grievances from a citizen of Maryland, a citizen of New Jersey, and a citizen of Mississippi; to the Committee on Government Operations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. SPARKMAN, from the Committee on Foreign Relations, with an amendment:

S. 1517. A bill to authorize appropriations for the administration of foreign affairs; international organizations, conferences, and commissions; information and cultural exchange; and for other purposes (Rept. No. 94–337).

By Mr. McINTYRE, from the Committee on Banking, Housing and Urban Affairs, without amendment:

S. 2209. An original bill to amend the Bank Holding Company Act of 1956, as amended, to provide special procedures for the acquisition of failing banks or bank holding companies and for the acquisition of banks or bank holding companies and for the acquisition of banks or bank holding companies in emergencies (Rept. No. 94–338).

By Mr. WILLIAMS, from the Committee on Banking, Housing and Urban Affairs, without amendment:

S. 2136. A bill to amend the Securities and Exchange Act of 1934 (Rept. No. 94–340).

NATIONAL SCIENCE FOUNDATION AUTHORIZATION ACT, 1976—CONFERENCE REPORT—(REPT. NO. 94–339)

Mr. KENNEDY submitted a report from the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R.4723) National Science Foundation Authorization Act, 1976, which was ordered to be printed.

HOUSE BILL REFERRED

The bill (H.R. 8719) to provide for an amendment to the Washington Metropolitan Area Transit Regulation Compact to provide for the protection of the patrons, personnel, and property of the Washington Metropolitan Area Transit Authority was read twice by its title and referred to the Committee on the District of Columbia.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as indicated:

By Mr. STEVENSON (for himself and Mr. BUCKLEY):

S. 2204. A bill to amend section 109 of title 38, United States Code, to provide hospital and medical care to certain members of the armed forces of nations allied or associated with the United States in World War I or World War II. Referred to the Committee on Veterans' Affairs.

By Mr. METCALF:

S. 2205. A bill to provide for the appointment of certain officers in the legislative branch of the Government by the Speaker of the House of Representatives and the President pro tempore of the Senate. Referred to the Committee on Rules and Administration.

S. 2206. A bill to provide for the appointment of the Comptroller General of the United States by the Speaker of the House of Representatives and the President pro tempore of the Senate. Referred to the Committee on Government Operations.

By Mr. FONG:

S. 2207. A bill to provide for the exclusion of industrially funded personnel in computing the total number of civilian personnel authorized by law for the Department of Defense in any fiscal year. Referred to the Committee on Post Office and Civil Service.

By Mr. WILLIAMS:

S. 2208. A bill to amend the Federal Energy Administration Act of 1974 in order to prohibit or restrict the use of bulk or master electricity meters in apartment buildings. Referred to the Committee on Commerce.

By Mr. McINTYRE, from the Committee on Banking, Housing and Urban Affairs:

S. 2209. An original bill to amend the Bank Holding Company Act of 1956, as amended, to provide special procedures for the acquisition of failing banks or bank holding companies and for the acquisition of banks or bank holding companies in emergencies. Ordered placed on the Calendar.

By Mr. HUGH SCOTT (for himself and Mr. SCHWEIKER):

S. 2210. A bill to extend the Coal Conversion Program. Referred to the Committee on Interior and Insular Affairs.

By Mr. MONDALE:

S. 2211. A bill for the relief of Martha Franco. Referred to the Committee on the Judiciary.

By Mr. HRUSKA (for himself and Mr. McCLELLAN):

S. 2212. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968, as amended, and for other purposes. Referred to the Committee on the Judiciary.

By Mr. METCALF:

S. 2213. A bill to amend the Internal Revenue Code of 1954 to exempt from Federal income tax public utilities which furnish electrical power. Referred to the Committee on Finance.

By Mr. BAKER (for himself and Mr. RANDOLPH) (by request):

S. 2214. A bill to amend the Clean Air Act to continue 1975–76 Federal automobile emission standards through the 1981 model year to permit a balance among the important objectives of improving air quality, protecting public health and safety, and avoiding unnecessary increases in consumer costs for automobiles, decreases in gasoline mileage, and increases in the Nation's dependence on imported oil. Referred to the Committee on Public Works.

By Mr. BEALL:

S. 2215. A bill to amend the Tariff Schedules of the United States with respect to certain footwear. Referred to the Committee on Finance.

By Mr. HUGH SCOTT:

S.J. Res. 117. A joint resolution to authorize and request the President to issue a proclamation designating January 17, 1976, as "Benjamin Franklin Day." Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. STEVENSON (for himself and Mr. BUCKLEY):

S. 2204. A bill to amend section 109 of title 38, United States Code, to provide hospital and medical care to certain members of the armed forces of nations allied or associated with the United States in World War I or World War II. Referred to the Committee on Veterans' Affairs.

POLISH VETERANS BILL

Mr. STEVENSON. Mr. President, during the 93d Congress I introduced legislation to provide Veterans' Administration medical and hospital benefits to World War II members of the armed forces of Poland, Czechoslovakia, Yugoslavia, and other Eastern European countries who have since become American citizens. An identical bill was introduced in the House by Congressman Annunzio, of Illinois. Last year, the House passed the Annunzio bill. Unfortunately, there was not sufficient time for the Senate to act on this measure before the adjournment of the 93d Congress.

I am today reintroducing this legislation in the Senate with Senator Buckley. On Monday, July 21, the House once again passed the Annunzio bill. I hope the Senate will follow suit in passing this fair and equitable bill to provide American citizens with benefits which they deserve.

Mr. President, during World War II, the armed forces of Bulgaria, Czechoslovakia, Estonia, Hungary, Latvia, Lithuania, Poland, Rumania, and Yugoslavia fought valiantly on the Allied side. After the war, there was a change of government in each of those countries, a change which deprived the Eastern European people of the freedom for which they had fought. Consequently Eastern Europeans, by the hundreds of thousands, emigrated to the United States in search of a life they could no longer lead in their own countries.

A great many of them are now American citizens who have enriched our Nation through hard work. The bill I introduce today recognizes the important contribution these brave Americans made to the Allied war effort by providing that they will be eligible for Veterans' Administration medical and hospital benefits on the same basis as war veterans of the U.S. Armed Forces. The bill is limited to persons who have been American citizens for at least 10 years and who participated in armed conflict with an enemy of the United States during World War II while serving in the armed forces of the countries enumerated above. American citizens who fought in Gen. Joseph Haller's army during World War I are covered on the same terms.

Under existing law, the U.S. Government pays for medical and hospital benefits given to persons who served in the armed forces of the Philippines during World War II, even if such persons are not American citizens. We can do no less for Eastern European veterans who are American citizens. There is no reason to treat these first-class Americans as second-class citizens. At the modest cost of approximately $12 million annually, we can do justice to these veterans by providing them with the VA medical and hospital benefits they have earned.

Mr. President, I ask unanimous consent that the text of this bill be printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2204

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 109 of title 38, United States Code, is amended by adding at the end thereof the following:

"(c) (1) Any person who—

"(A) served—

"(i) during World War I as a member of the military organization commonly known as General Joseph Haller's army and fought against an enemy of the United States; or

"(ii) during World War II as a member of any armed force of the Government of Bulgaria, Czechoslovakia, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, or Yugoslavia, and participated while so serving in armed conflict with an enemy of the United States; and

"(B) has been a citizen of the United States for at least ten years,

shall, by virtue of such service, be entitled to hospital and domiciliary care and medical services within the United States under chapter 17 of this title to the same extent as if such service had been performed in the Armed Forces of the United States unless, such person is entitled to, or would, upon application therefor, be entitled to, payment for equivalent care and services under a program established by the foreign government concerned for persons who served in its armed forces in World War I or in World War II.

"(2) For the purpose of this subsection, World War I shall be deemed to have begun on July 28, 1914, and World War II shall be deemed to have begun on September 1, 1939."

By Mr. METCALF:

S. 2205. A bill to provide for the appointment of certain officers in the legislative branch of the Government by the Speaker of the House of Representatives and the President pro tempore of the Senate. Referred to the Committee on Rules and Administration.

S. 2206. A bill to provide for the appointment of the Comptroller General of the United States by the Speaker of the House of Representatives and the President pro tempore of the Senate. Referred to the Committee on Government Operations.

Mr. METCALF. Mr. President, today I am introducing, for appropriate reference, two bills which together constitute a congressional declaration of administrative independence from the White House.

Briefly stated, the purpose of the first of these bills is to provide for appointment by Congress of three congressional agency heads—the Librarian of Congress, the Architect of the Capitol, and the Public Printer—instead of having these officials come to us through the good graces of whoever happens to occupy the Oval Office downtown.

The second of these bills deals with yet another major agency of Congress—the General Accounting Office—and provides for congressional selection of the Comptroller General and the Deputy Comptroller General of the United States, both of whom are now Presidentially selected.

Mr. President, the appointment by the President of these congressional agency heads goes back a long way. Not only are the precedents well established, they are so deeply embedded as to be forgotten when we in Congress talk of reasserting the influence of this institution.

Since 1845 Public Printers have been appointed by the President with the advice and consent of the Senate—but with no specified term of office.

Since 1815, Librarians of Congress have been appointed by the President, and only since 1897 with the advice and consent of the Senate—but with no specified term of office.

Since 1902, Architects of the Capitol have been appointed by the President, period—again with no specified term.

Since 1921, the Comptroller General and Deputy Comptroller have been appointed by the President with the advice and consent of the Senate—for 15-year terms of office.

How can a procedure so venerable possibly be a mistake? Why should we even think of changing a practice which has been in effect all these years?

Let me emphasize, Mr. President, my remarks today are not intended in any way to reflect on the occupants of the offices involved. I have known and worked with the men who have held these positions in recent years. All have been able and dedicated public servants.

But there are compelling reasons from an institutional perspective why we should now take a hard look at the manner in which they are appointed.

However important the offices of Librarian, Public Printer, and Architect were at and before the turn of the century, they are vastly more so today. The agency that each heads has not only grown enormously in size, it has acquired functions and responsibilities over the years which are directly related to Congress capability to maintain its proper constitutional role in our governmental system.

Consider the Library of Congress. In its early years it was primarily a repository for books. The Library now is a major source for information services and legislative research. As Senators know, one of its departments—the Congressional Research Service—is charged not only with statutory responsibility for active and massive support to committees in the analysis of policy alternatives but also has a host of other duties and information services it performs for individual Members and officers of Congress.

Since its inception in 1921 we also have added steadily to the responsibilities and duties of the General Accounting Office. Indeed, a compilation of amendments to the basic statute which created this watchdog agency fills page after page in a background file for hearings held last year by the Joint Committee on Congressional Operations. And in just one enactment—the 1974 Congressional Budget Control and Impoundment Act—the General Accounting Office was assigned a wide range of functions at the heart of the policymaking process, including greatly expanded responsibilities for program evaluation, a leadership position in developing standards for executive fiscal, budgetary and program reporting to Congress, and a critically important role in enforcement of the act's impoundment control title.

Mr. President, the expanded role of the General Accounting Office and the policy research responsibilities of the Congressional Research Service—which were assigned to it in the 1970 Legislative Reorganization Act—are part of a larger effort carried out to better equip the Congress to cope with its increasing workload and the large expansion of Federal programs and activities that has occurred in recent years.

We have added committee and personal office staff, created new committees and established new congressional agencies, including the Office of Technology Assessment in 1972 and the Congressional Budget Office in 1974. Each, in turn, has created new demands for suitable space and other necessary facilities. Each, in turn, also has created a need for closer supervision and coordination with other congressional committees or agencies with similar or related functions.

Clearly, the necessity of integrating the work of the new- and old-line congressional agencies is gaining increasing attention. The report of the Commission on the Organization of the Government for the Conduct of Foreign Policy, issued in June of this year, recommended such a step. Referring to the expansion of the Congressional Research Service and the General Accounting Office and to the recently established Congressional Budget Office, the Commission found "insufficient central supervision of its [Congress'] own growing resources" and urged designation of the Joint Committee on Congressional Operations to oversee the management and use of these research organizations.

Similarly, the House Commission on Information and Facilities, established in the Committee Reform Amendments of 1974, has been "urged" by the House Legislative Appropriations Subcommittee to review the activities of these organizations. And the subcommittee has delayed action on planning for a fourth House office building pending completion of a study of space requirements.

Let me quote briefly from the House Appropriations Subcommittee report:

> The Committee, during its review of the fiscal year 1976 budget, became very much aware of a seeming duplication of effort and staffing for similar activities in the three agencies . . .—the Congressional Research Service, the General Accounting Office and the Office of Technology Assessment—and would urge a very careful study of their activities and future plans for expansion . . .
>
> Section 204(b)(2) of House Resolution 988 . . . requires a complete study of facilities and space requirements of the Members and committees of the House. The Committee is well aware of the need for this study and has been advised that it is already underway and that a report will be made in a timely manner. Action on the request for funds to acquire land and develop plans for a fourth House Office Building has been delayed pending the receipt of the results of this space utilization study and other necessary information before proceeding with further consideration of the project.

In the Senate, meanwhile, the chairman of the Legislative Appropriations Subcommittee, the junior Senator from South Carolina, has expressed in no uncertain terms similar concerns regarding potential duplication of effort in the General Accounting Office, the new Congressional Budget Office, and the Office of Technology Assessment.

Let me again quote briefly the relevant portions from the Senate appropriations subcommittee report:

> A major and essential part of the new Congressional budget operation will be the Congressional Budget Office. The Committee was informed that the CBO will be presenting their budget estimates for consideration in the supplemental appropriations bill. The Committee believes that there should be no further increases in GAO staffing in this area, and that the resources reassigned in 1975 for these functions are adequate for the responsibilities assigned the Office, until the total requirements of the Congressional Budget and Impoundment Act of 1974 can be completely assessed. . . .
>
> The Committee is also concerned about the GAO's involvement in technology, particularly the possible overlap with the work of the Office of Technology Assessment. The Congress in establishing the Office of Technology Assessment specifically authorized that Office to give to the Congress a "new and effective means for securing competent, unbiased information concerning the physical, biological, economic, social, and political effects" of technological applications. Clearly, the Congress expects the OTA to take the lead role in assessments of the impact of technology applications. GAO is authorized to provide support to the OTA and is currently providing administrative services under an agreement between the two agencies. GAO is also confronted with technology in carrying out its examination of Federal programs, but the Committee is concerned that there is some overlap with the OTA in the projects of the Office of Special Programs. . . .

Mr. President, there will always be some area of overlap between the responsibilities of the various congressional agencies, and the benefits of this probably outweigh the costs, if it is kept within reasonable limits. A few gray areas of jurisdictional responsibility often do wonders for the competitive spirit and the equality of work produced.

Moreover, I believe it would be unwise—as well as unrealistic—to attempt to place all these agencies under a single committee umbrella.

But without attempting to establish an information overlord or a space czar I believe the time has come for us to consider ways to get a good deal closer management supervision and coordination of effort between these congressional agencies.

My bills are designed as a first step toward this objective, providing for the involvement of appropriate standing committees, or leadership in each House, in the selection of the Librarian, Architect, Public Printer, Comptroller General, and Deputy Comptroller—and by specifying maximum terms in office for all such appointees. Under my bills the appointment power would be vested in the Speaker of the House of Representatives and the President pro tempore of the Senate, but only after consultation, as follows:

First, the Librarian of Congress and the Public Printer, after considering recommendations from the Senate Committee on Rules and Administration and the House Committee on Administration, the former to serve a term of 8 years and the latter to serve a term of 4 years.

Second, the Architect of the Capitol, after considering recommendations from the majority and minority leaders of the House of Representatives and the Senate, for a term of 7 years;

And, third, the Comptroller and Deputy Comptroller, after considering recommendations from the Senate and House Committees on Government Operations, for terms of 7 years.

As I stated earlier, these congressional agencies have grown enormously over the years. Their administration in a legislative setting—by no means the easiest of environments in which to run a major agency—has become terribly demanding. Accordingly, recognizing the burden of such responsibility on the individual who serves in these offices, my bill would permit a Librarian, Architect, Public Printer, Comptroller or Deputy Comptroller to be reappointed to a second—but not a third—term.

And in the further interests of the Senate-House comity, providing for the unlikely circumstance that an individual once appointed might favor the interests of one House over the other, each of these officials could be removed from office by passage of a simple resolution by either House.

Mr. President, we abandoned the precedent of Presidential appointment in favor of a congressional appointment process when we created the Office of Technology Assessment and the Congressional Budget Office, both intended to be major agencies of the Congress.

The Director of the Office of Technology Assessment is appointed by a fully bipartisan Technology Assessment Board, composed of six Members from each House.

The Director of the Congressional Budget Office is appointed by the House Speaker and Senate President pro tempore, after considering recommendations of the budget committees of the two Houses.

Both officials are appointed to specified terms. And, most significantly, both appointees are outstanding individuals, eminently qualified—and generally recognized to be qualified—to head their agencies.

In the near future, Mr. President, the Senate will be asked to consider a Presidential nominee for Librarian of Congress who is a distinguished historian and experienced administrator.

Without any prejudice to his qualifications or to my position on his confirmation, I believe we should consider whether the Office of Technology Assessment and Congressional Budget Office precedents for a specified term—perhaps in committee report language—should be applied in some equitable manner in the case of this nomination. Certainly for selection for future holders of this and other offices included in my bill I am convinced the time has come to provide for their appointment by and for the Congress of which they are a part.

I am well aware of the difficulties involved in accomplishing this necessary change, not the least of which is the status of these agency heads as officers of the United States and the possible legal bars to legislative appointment of such officers.

I am also aware there are other institutional arrangements by which to provide for the appointment within Congress as well as other positions which might be subject to a congressional appointment process. For instance, the 1970 Legislative Reorganization Act included a series of provisions intended to give the Director of the Congressional Research Service greater administrative independence within the Library. Since then the question of separating the Service entirely from the Library, or of giving it still more independence and prominence, continues to be raised, and perhaps this important position should be filled in a manner similar to that I am proposing for the Architect of the Capitol.

In short, I am not wedded to the provisions of these bills. But I am convinced that the principle of a fully independent legislature and the practical necessity of integrating the efforts of the congressional agencies demands our consideration—now—of the way we select these vitally important participants in the legislative process.

I hope and trust that the appropriate Senate committees will hold hearings on this matter in the very near future, and I ask unanimous consent that my bills be printed in the Record.

There being no objection, the bills were ordered to be printed in the Record, as follows:

S. 2205

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) effective with respect to the first vacancy occurring after the date of the enactment of this Act, the following officers shall be appointed by the Speaker of the House of Representatives and the President pro tempore of the Senate:

(1) The Architect of the Capitol.

(2) The Librarian of Congress.

(3) The Public Printer.

(b) Each individual appointed pursuant to this Act shall be appointed without regard to political affiliation and solely on the basis of his fitness to perform his duties.

Sec. 2. (a) Appointment of the Architect of the Capitol shall be made after considering recommendations from the majority leaders and minority leaders of the Senate and the House of Representatives.

(b) Appointment of the Librarian and the Public Printer shall be made after considering recommendations from the Senate Committee on Rules and Administration and the House Committee on Administration.

Sec. 3. (a) The term of office of the Architect of the Capitol shall be seven years. The term of office of the Librarian of Congress shall be eight years. The term of office of the Public Printer shall be four years.

(b) The term of office of the Architect of the Capitol first appointed pursuant to this Act shall expire seven years after the day on which he takes office, and the term of office of each Architect of the Capitol subsequently appointed shall expire seven years after the expiration of the preceding term.

(c) The term of office of the Librarian of Congress first appointed pursuant to this Act shall expire eight years after the day on which he takes office, and the term of office of each Librarian of Congress subsequently appointed shall expire eight years after the expiration of the preceding term.

(d) The term of office of the Public Printer first appointed pursuant to this Act shall expire four years after the day on which he takes office, and the term of office of each Public Printer subsequently appointed shall expire four years after the expiration of the preceding term.

(e) Any individual appointed to fill a vacancy prior to the expiration of a term described in subsections (b), (c), and (d), shall serve only for the unexpired portion of that term. An individual serving at the expiration of any such term may continue to serve until his successor is appointed.

Sec. 4. An individual appointed pursuant to this Act may be removed from office by either the Senate or the House of Representatives by resolution.

Sec. 5. An individual shall not be eligible for reappointment to the office of Architect of the Capitol if he has served as the Architect of the Capitol for more than nine years. An individual shall not be eligible for reappointment to the office of Librarian of Congress if he has served as the Librarian of Congress for more than nine years. An individual shall not be eligible for reappointment to the office of Public Printer if he has served as Public Printer for more than five years.

S. 2206

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, effective with respect to the first vacancy occurring after the date of the enactment of this Act, the Comptroller General of the United States (hereafter in this Act referred to as the "Comptroller General") and the Deputy Comptroller General of the United States (hereafter in this Act referred to as the "Deputy Comptroller General") shall be appointed by the Speaker of the House of Representatives and the President pro tempore of the Senate after considering recommendations from the Committees on Government Operations of the House of Representatives and the Senate, without regard to political affiliation and solely on the basis of his fitness to perform his duties.

Sec. 2. (a) The terms of office of the Comptroller General and the Deputy Comptroller General first appointed pursuant to this Act shall expire seven years after the day on which they take office, and the term of office of each Comptroller General and Deputy Comptroller General subsequently appointed shall expire seven years after the expiration of the preceding term.

(b) Any individual appointed as Comptroller General or Deputy Comptroller General pursuant to this Act to fill a vacancy prior to the expiration of a term shall serve only for the unexpired portion of that term. An individual serving as Comptroller General or Deputy Comptroller General at the expiration of a term may continue to serve until his successor is appointed.

Sec. 3. An individual appointed as Comptroller General or Deputy Comptroller General pursuant to this Act may be removed from office by either the Senate or the House of Representatives by resolution.

Sec. 4. An individual shall not be eligible for reappointment to the office of Comptroller General or Deputy Comptroller General if he has served as the Comptroller General or Deputy Comptroller General, as the case may be, for more than nine years.

By Mr. FONG:

S. 2207. A bill to provide for the exclusion of industrially funded personnel in computing the total number of civilian personnel authorized by law for the Department of Defense in any fiscal year. Referred to the Committee on Post Office and Civil Service.

CEILINGS ON INDUSTRIALLY-FUNDED ACTIVITIES ARE COUNTERPRODUCTIVE

Mr. FONG. Mr. President, today I am introducing a bill designed to exclude civilians employed in industrially-funded activities of the Department of Defense from the personnel ceilings imposed by Congress on the number of civilians working for the Defense Department.

An amendment to the recently passed Military Procurement Authorization Act of 1976 would have accomplished the same goal as my bill. Unfortunately, the amendment—which was sponsored by Senators Hartke, Bayh, Beall, Cannon, Scott, Schweiker, Tower, Tunney, and myself—was defeated by the Senate on a rollcall vote of 40 to 50.

Although a similar amendment to the Military Procurement Authorization Act of 1976 was adopted by unanimous consent in the House of Representatives when it passed its version of the bill, the provision was ultimately deleted by the House-Senate conferees.

Therefore, this bill is being offered with the hope that the merits of excluding industrially-funded civilian employees from the DOD civilian manpower ceilings may be fully discussed, debated, and analyzed by the appropriate committees of Congress and then enacted into law.

Mr. President, to avoid any misunderstanding, I want to assure my colleagues that this measure neither challenges the concept of civilian manpower ceilings nor affects such ceilings on other defense activities.

As you are aware, in approving the Defense Department's funds for the past fiscal year, the Congress established a ceiling on the number of civilians to be employed by DOD at the end of the fiscal year. The Secretary of Defense subsequently allocated this ceiling among the various military departments. In turn, the allocation of the different departments was apportioned to the various major commands and installations.

Because of present manpower ceilings on industrially funded activities, each installation is required to operate on a fixed number of employees unrelated to the volume of work contracted. In other words, even though an installation's workload could efficiently and effectively utilize more employees, it is unable to hire them on a permanent basis because of the fixed ceiling. Consequently, it must hire people on a temporary basis to meet its manpower requirements. These "temporaries" are hired in place of career employees and dismissed from their jobs at the close of the fiscal year to meet the manpower ceiling assigned to that particular installation.

I am informed that the Department of the Navy had to release over 1,200 "temporaries" before the close of the past fiscal year because of the ceiling. Such a practice of hiring temporaries to meet the workload requirements of an installation and then firing them to meet the personnel ceiling is not only wasteful but creates unnecessary hardships for the employees.

Before proceeding any further, Mr. President, I would like briefly to explain the term "industrially funded activity."

The Defense Department's industrial funds are in the nature of revolving funds. These accounts were established in order to put some of the logistical programs of the military services on a business-like basis. The majority of these activities concern maintenance and supply—the workload of which is subject to frequent and unprogramed changes.

Persons employed in industrially funded activities do not perform the normal auxiliary functions of the Defense Department, such as office work or service activities. These people are specifically engaged in their own separate operations which are as different from one another as one private enterprise is from its competitors. In other words, industrially funded employees perform work through contracts solicited not only from the Defense Department and other governmental agencies, but from private and foreign sources as well. These programs accept and fulfill contracts in exactly the same way that any company does business.

Mr. President, it may interest some of my colleagues to know that the industrially funded activities are designed to be self-sustaining. They are paid for costs incurred from customer funds appropriated for the product or service rendered.

The costs of the operation are financed from each industrial fund activity's net working capital.

The accounting systems for the industrially funded activities are similar to those used in private industry as the basis for billing customers. In other words, the customers for these industrially funded activities place their work orders and establish proper commitments and obligations against money appropriated to them. Then, as the work is accomplished and the costs of jobs ascertained, the customers are billed accordingly. As the bills are collected, the activities are reimbursed for costs incurred and services performed.

The Defense Supply Agency—DSA—is an example of an industrial fund activity that provides products to its customers. For example, DSA goes into the marketplace and buys and stocks thousands of commodities and articles used by the various military services.

Suppose the Army needed 10,000 pairs of combat boots. It would order them from the DSA which in turn would charge the Army for the cost of the shoes—plus overhead costs. The Army then reimburses the DSA out of funds appropriated to it by the Congress.

The naval shipyards are another example of industrially funded activities. Currently, about 17 percent of all DOD civilian personnel work in industrially funded maintenance depots. There are over 100 installations in 26 States that fall into this category and they employ about 285,000 workers.

Mr. President, 2 months ago, I had the distinct privilege of visiting the Pearl Harbor Naval Shipyard—an industrially funded installation. While at the shipyard, I had the opportunity to discuss with both military and civilian leaders some of their major concerns regarding the needs of the installation. In the discussions I found that both management and labor were unanimous in their support of efforts to exclude the industrially funded employees from the civilian manpower ceilings.

From the arguments I have heard at Pearl Harbor, on the Senate floor and elsewhere, I am convinced that this change is necessary if we are to get the most from our defense dollars. Everyone I talked to at Pearl Harbor agreed that Uncle Sam could get more for his money if the civilians employed by industrially funded activities were excluded from the DOD civilian manpower ceilings.

Mr. President, as a businessman, I am deeply impressed with some of the basic features of the industrial fund activities which tend to encourage better management and create an environment similar to that of private industry.

First, a contractual relationship is created between the customer and the producer—thus refining the tasks to be accomplished and forecasting the costs involved.

Second, cost accounting employed by these activities enables management to identify costs to a particular job. This identification is essential for establishing management control of costs, for developing standards for pricing, and for providing a means of projecting realistic budgets based on expected future workloads.

Third, a revolving fund provides flexibility to utilize dollars as may be operationally required. This enables the fund to be relatively free from the congressional appropriation cycle with its established spending limitations.

Mr. President, if we are to get the most from our industrially funded activities—if we are to correct an inefficient and inequitable practice in the employment of civilians at Federal facilities covered by industrial funds—we must remove these employees from the DOD civilian manpower ceilings.

It is no secret that the Defense Department has consistently favored excluding these workers from the civilian ceilings.

Assistant Secretary of Defense William K. Brehm stated the following to the Senate Armed Services Subcommittee on Manpower and Personnel:

> After long experience with civilian ceilings imposed by the Office of Management and Budget, we concluded that civilian ceilings can lead to serious and costly inefficiencies. . . . I am confident that existing financial controls within DOD and the budgetary powers and oversight exercised by the Congress are adequate to insure that civilian employment will remain within reasonable limits.

Assistant Secretary of the Navy Joseph T. McCullen, Jr., testified before the same subcommittee that he recognizes the high costs for civilian manpower and the responsibility of the Navy to manage this expensive resource efficiently. However, he went on to say:

> . . . the inflexible ceiling placed on our civilian end strength has lessened our ability to do so. This is particularly true in the case of our industrially funded activities, composed primarily of naval shipyards, air rework facilities, public work centers, and ordnance and R&D activities. They comprise about 165,000, or about 54 percent, of the direct-hire civilian personnel. These industrially funded activities are subject to fluctuating workload requirements. Fixed end strength limits our flexibility to provide the manpower levels required.

Assistant Secretary McCullen also pointed out the difficulties the Navy has faced in complying with this mandated ceiling limitation. He told the members of the subcommittee:

> The system is dynamic in terms of numbers and types of manpower. Since 1968 the Navy has been in a declining force and manpower posture. In fiscal year 1977, the trend is reversed. New ships replacing old ships generate new requirements for different skills.
>
> A private enterprise would have a difficult time surviving in such a fluid manpower environment [with mandated ceiling limitations.]

Vice Adm. David H. Bagley, Chief of Naval Personnel, in addition to telling the members of the subcommittee of similar hardships with the mandated ceiling limitation, stated the following:

> If the Navy does not have the flexibility to change Naval Industrial Fund manpower levels to meet workload schedule changes, the work may still be accomplished by increasing temporary hires and releasing them prior to June 30, by substantially increasing overtime, or by assigning work to contractor effort. Each of these alterations is potentially more costly than allowing for a smooth, gradual adjustment in the work force by eliminating ceilings. If work cannot be accomplished by these means, delays in work accomplishment may prove costly and our ability to fulfill commitments to foreign governments may be impaired. In addition, costly and unnecessary reduction-in-force may be required at some activities in order to free civilian ceiling spaces for allocation to high priority projects at other activities.

Mr. President, in addition to the statements of DOD officials regarding the inefficiency and impact of the personnel ceilings, the General Accounting Office has conducted several revealing studies on the problem of civilian ceilings. The conclusions all agreed with a statement in the July 2, 1974, report entitled "Implementation and Impact of Reductions in Civilian Employment, Fiscal Year 1972."

> Accelerated actions to reduce the Federal civilian work force primarily to meet personnel ceilings established for one particular day tend to disrupt effective management of manpower resources.

As an alternative to personnel ceilings, the GAO has consistently proposed the use of financial controls as a more effective way of dealing with the problem.

A 1967 study showed that Edwards Air Force Base, Vandenberg Air Force Base, and Tinker Air Force Base were contracting for technical services at higher costs than would have been incurred had the services been performed in-house by Federal employees. As a matter of fact, GAO concluded that personnel ceilings had contributed to the use of mostly costly contract services and proposed that the Air Force consider conversion to operation by Government personnel.

A 1969 GAO report on "management of civilian personnel ceilings and recruiting," showed that the inflexibility of the system for managing civilian personnel ceilings—together with recruiting problems—had resulted in postponement of work and in undesirable contracting for personal services. The report also found that efforts of installation officials to obtain authorization for additional positions often had been lengthy, cumbersome, and usually unproductive.

In an April 1971 report entitled "Examination of the Impact of Civilian Personnel Ceilings on Management of Civilian Personnel Resources, Department of Defense," GAO suggested that personnel ceilings or hiring limitations—whether imposed by statute or by the executive branch—do not provide the most effective management controls over civilian personnel resources. The report went on to say that personnel ceilings tend to be:

> Applied in establishing program priorities to do as much work as can be accomplished with the resources available;
>
> Arbitrarily applied because of the difficulty of integrating them with program requirements;
>
> Inflexible because they are not responsive to changes in work-force skills needed to accomplish changed programs;
>
> Uneconomical when they permit use of overtime labor at premium pay to accomplish authorized programs: and
>
> Ineffective in controlling expenditures since, as an alternative, contracting with firms or institutions that furnish personal services to the Government may be used.

Mr. President, the shortcomings of the personnel ceilings were further documented by the GAO when it listed some of the benefits that could be realized through managing by the use of fiscal controls without personnel ceilings. In an August 1973 report entitled "Project REFLEX—Resource Flexibility—A Demonstration Project on Reconciliation of Workload, Funds and Manpower," the GAO indicated that removal of the personnel ceilings would:

> Improve planning by matching funds, workload and manpower;
>
> Encourage delegation of responsibility and authority to lower levels of management;
>
> Provide management more options for determining the sources of manpower to be used, that is, direct-hire employees or contracting;
>
> Improve management capability for advancing new technology in-house and providing more effective technical direction to contractors;
>
> Relieve high-level management of costly and time-consuming administration of arbitrarily-imposed numerical ceilings; and
>
> Allow management the flexibility of acquiring, when needed, employees with the appropriate skills and levels of experience, and organizing them in balanced working groups to increase efficiency and productivity.

Mr. President, the above is the findings and conclusions of the General Accounting Office—not the Department of Defense or the American Federation of Government Employees.

The GAO—the fiscal and accounting watchdog for Congress—is the one that is trying to tell us something about the shortcomings and pitfalls of not excluding the civilians who work on industrially funded activities from the civilian manpower ceilings for the Department of Defense.

Mr. President, because I have received some firsthand information and personal briefings on the impact of the civilian personnel ceilings on our country's shipyards, I would like to briefly share some of the knowledge I acquired on this subject during my recent tour of the Pearl Harbor Naval Shipyard in Hawaii.

First. The establishment of a civilian manpower ceiling by law is a very unproductive constraint on the flexibility of naval shipyard management.

Second. The shipyard managers should have the flexibility to use civil service manpower or contract for work—depending on which is most advantageous to the Government at the specific time.

Third. Flexibility is especially needed in the Navy's industrial activities—where employment is a direct function of workload. If a ceiling is imposed by law, this desired flexibility disappears.

Fourth. The Navy's industrial-fund type of operation was developed in recognition of the basic business principle that the amount of funds expended by the customers should govern the employment level at its shipyards. I was informed that the workload in naval shipyards is not always fully reflected in the budget due to the long leadtime required in budget formulation and to the fact that work may be funded not only by current appropriations, but also by prior-year appropriations, by appropriations of other Government agencies, and even by foreign countries.

Fifth. The civilian ceilings imposed on naval shipyards are actually double controls and seldom correspond to the funded workload requirements. I was told that at the time of budget submission, the employment requirements are estimated on the basis of available workload data. However, because of the varied sources of the workload in naval shipyards, significant changes in the workload can and do take place in the 6 months from budget estimate to beginning-of-year execution. Furthermore, significantly greater changes occur in the 18 months from the original estimate until the end of the fiscal year. Therefore, fixed employment ceilings are not and cannot be compatible with balancing changing ship workload—which comes in various work packages—with available workforce.

Mr. President, during my discussions with Capt. Henry A. Hoffmann, Pearl Harbor Shipyard Commander, and other leaders of that fine naval installation, I was informed that when ceilings are placed on naval shipyards that are below the actual funded workload, the shipyards have only two alternatives: increase overtime—but on the long pull, this is costly and not good; and contract work out to the private sector.

Captain Hoffmann went on to further inform me of a unique and unfortunate situation that surrounds his shipyard, namely, that at Pearl Harbor "there are inadequate commercial resources to accomplish the work the fleet needs and can fund."

I was also told that the current personnel ceiling at Pearl Harbor has caused a loss of flexibility in the shipyard. Needless to say, flexibility is essential if the shipyards are to accommodate unplanned or emergency requirements such as activations or damage repair work without disrupting schedules or increasing the cost of other work—unplanned or emergency requirements have historically amounted to about 5 percent of the total shipyard workload.

I can foresee, on the other hand if the workload is below capacity, this situation may tempt the retention of employees for fear that future personnel ceilings will be reduced.

Mr. President, I became personally interested in and concerned about the problem of industrially-funded activities because of what I had learned at Pearl Harbor regarding the devastating impact it was having on the shipyard's efficiency, productivity, and ability to carry on as one of the outstanding installations of its kind in the country.

I came to realize that dedicated and experienced men cannot do the job alone. They need not only the best facilities and equipment to help them carry out their vital mission, but also the proper managerial tools to run the shipyard. The current practice of including the civilians working on industrially-funded activities in the DOD civilian manpower ceilings tends, in the words of the GAO, "to disrupt effective management of manpower resources."

According to Clyde M. Webber, national president, American Federation of Government Employees, this practice is "an irrational and inequitable personnel system, imposing instability on management and hardship on employees who are periodically dismissed from their jobs at the close of one fiscal year to be reemployed, in the same or a similar position, during the course of the next fiscal year. The existence of ceilings accounts for the questionable personnel policy of employing large numbers of temporary and term employees in place of career employees, involving exorbitant costs of training a constant flux of impermanent personnel who are hired and terminated annually."

Mr. Webber went on to state his belief that this practice "is the main cause of such inefficiency in Federal agencies about which citizens rightfully complain to Congress."

Mr. President, because all Members of Congress believe that each tax dollar must be stretched to the farthest extent possible and because everyone believes that efficient management techniques and procedures must be encouraged, I hope my bill will gain the support of the Congress and be enacted into law in the near future.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2207

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any other provision of law, in computing the total number of civilian personnel authorized in any fiscal year for the Department of Defense or any military department thereof, there shall be excluded from such computation civilian personnel engaged in industrially funded activities.

By Mr. WILLIAMS:

S. 2208. A bill to amend the Federal Energy Administration Act of 1974 in order to prohiibt or restrict the use of bulk or master electricity meters in apartment buildings. Referred to the Committee on Commerce.

Mr. WILLIAMS. Mr. President, today I am introducing a measure authorizing the Federal Energy Administrator to prohibit or restrict the use of bulk or master electricity meters in apartment buildings. As the Senate presses for an effective and rational policy to restrain and reshape energy demand, it is imperative that no realistic means of potential energy conservation be overlooked. I believe that the measure I propose will provide significant energy savings, particularly within our urban areas, where "brownouts" and electrical shortages are a growing threat.

I have been intensely concerned with our short- and long-term energy supply problems, and the need to establish energy self-sufficiency as quickly as possible. Furthermore, I have been eager to receive ideas on methods of energy conservation.

A letter from Mr. Irving Grossinger of Jersey City, N.J., called my attention to the considerable and unnecessary waste of energy in apartment houses in which consumption of electrical power is metered by a single measuring device for all apartments within a building. In this situation, the public utility determines electrical consumption only for the building as a whole, and charges the landlord or owner accordingly. The landlord has usually already estimated his electric utility expenses, and included them in the rent of his individual apartments, which are appropriately advertised as requiring only a single monthly payment with utilities included. The unfortunate result of such a procedure is that individual tenants are not directly aware of the effects of their electric consumption. They would be alerted to consumption patterns, however, if they received a separate electrical power usage statement and bill each month.

In master metered apartment houses, the tenant comes to regard the landlord as the one paying the utility bills and to believe that his own consumption will not affect his monthly rent bill. As a result, the financial restraint on extravagant consumption is, for all practicable purposes, removed. The tenant sees no direct and immediate relationship between consumption and the price of rent, so he has no compulsion to conserve energy. Surely individual conservation tactics would have a minimal effect on his rent bill if there is the heedless electrical consumption by his neighbors. Therefore, cooperative conservation strategies are extremely difficult on this large scale.

It is clear that there is an unnecessary waste of valuable energy resources with the use of master meters. The individual meter, which would inform and charge for electrical consumption to each tenant directly, intuitively seems like the far-reaching, practical, and effective alternative. Not surprisingly, electric utilities have determined from experience with both metering systems that the individually metered apartment building consumes less energy than the master metered one. The conservative estimate of officials of the Los Angeles Department of Water and Power and the Potomac Electric Power Co. is that 15 percent less energy is used in apartments that convert to individual meters.

One New Jersey power company reported that its studies indicate that master metered apartment buildings consume approximately 35 percent more electrical power than similar individually metered ones. The energy conservation potential is likely to be even higher in some cases. For example, my investigation reveals that Los Angeles has 18 percent of its apartments master metered while other cities range up to 75 percent.

The bill I am proposing would authorize the Federal Energy Administrator to restrict just the type of metering system which I believe to be so inefficient. My legislation would encourage the installment of the superior individual meters in new construction of apartment houses. It would similarly eliminate the wasteful mastered systems in present buildings which can be effectively converted. It will also allow master meters to continue to operate where the conversion costs to individual meters are prohibitive, or where technical problems of new or old building's constructions made individual metering impossible.

There is an immediate need for reduced energy consumption, and there is substantial evidence of the grossly inefficient and wasteful nature of master electrical meters. I believe that this proposal will contribute significantly to any effective energy conservation program. Mr. President, I ask unanimous consent that the text of this bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2208

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5 of the Federal Energy Administration Act of 1974 is amended by inserting at the end thereof the following:

"(c) (1) In order to more effectively carry out the purposes of subsection (b) (6) of this section the Administrator is authorized to prescribe such regulations as are necessary to require State regulatory agencies regulating the price of electricity to the ultimate consumer to prohibit or restrict the use of bulk or master electricity meters in (A) apartment buildings constructed after the earliest possible date, and (B) in apartment buildings constructed prior to such date to the extent practicable.

"(2) The Administrator shall include in his reports pursuant to section 15(c) an estimate of energy savings made as a result of the provisions of this subsection."

By Mr. HUGH SCOTT (for himself and Mr. Schweiker):

S. 2210. A bill to extend the Coal Conversion program. Referred to the Committee on Interior and Insular Affairs.

Mr. HUGH SCOTT. Mr. President, I am pleased to introduce today, along with the Senator from Pennsylvania (Mr. Schweiker), a bill to provide a simple, 1-year extension of the coal conversion program, originally established under the Energy Supply and Environmental Coordination Act of 1974.

Mr. President, with our energy needs still growing and our inability to establish new energy programs to offset our reliance on the OPEC nations still very much in evidence, I believe it is time we recognized and fully utilized one of our fundamental and abundant natural resources, coal. I have long been an active proponent of the full use of our coal resources, introducing earlier this year a bill to establish coal research laboratories which would, among other things, characterize the properties of coal. I believe this bill I am introducing today goes hand in hand with my earlier measure.

Under the coal conversion and allocation section of the Energy Supply and Environmental Coordination Act of 1974, the Federal Energy Administrator has the authority to prohibit any powerplant or any major fuel burning installation from burning natural gas or petroleum products as its primary energy source if the plant has the capacity and the capability of burning coal, assuming certain environmental and other requirements are met.

Mr. President, the bill I am introducing today simply extends that program for 1 year, until June 30, 1976. I hope my colleagues will agree that this legislation is necessary to the continued prosperity of our nation and will lend their support to speedy and favorable action on this vital measure.

Mr. President, I ask unanimous consent that the text of my bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2210

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 2(f) (1) of the Energy Supply and Environmental Coordination Act of 1974 is amended by striking out "June 30, 1975" and inserting in lieu thereof "June 30, 1976".

By Mr. HRUSKA (for himself and Mr. McClellan):

S. 2212. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968, as amended, and for other purposes. Referred to the Committee on the Judiciary.

Mr. HRUSKA. Mr. President, it is my pleasure to introduce a bill entitled "Crime Control Act of 1976." This act will extend the Law Enforcement Assistance Administration—LEAA—program for 5 more years.

This bill is recommended to the Congress by the administration.

In his crime message to the Congress last month, President Ford emphasized the need to deal more effectively with violent crime in order to fulfill the promise of our Constitution "to insure domestic tranquillity."

The President defined the three ways in which the Federal Government can play an important role in combatting crime. They are as follows:

First, it can provide leadership to State and local governments by enacting a criminal code that can serve as a model for other jurisdictions to follow and by improving the quality of the Federal criminal justice system.

Second, it can enact and vigorously enforce laws covering criminal conduct within the Federal jurisdiction that cannot be adequately regulated at the State or local level.

Third, it can provide financial and technical assistance to State and local governments and law enforcement agencies, and thereby enhance their ability to enforce the law.

The Crime Control Act of 1976 will implement the third prong of the Federal effort to combat crime. In extending the Law Enforcement Assistance Administration program for 5 years to 1981, there is retained the basic block grant structure of the program under which States and units of local government are given primary responsibility for designing programs to meet their unique criminal justice problems.

Those who have worked with the LEAA legislation from its inception in 1968 through its reauthorization by the Congress in 1971 and 1973, understand that the primary burden of crime control lies with the States.

Congress, recognizing where this responsibility rests, indicated in the Declaration and Findings section of the Omnibus Crime Control and Safe Streets Act of 1968, which initially created LEAA, that "crime is essentially a local problem that must be dealt with by State and local governments if it is to be controlled effectively."

The emphasis on State and local control is one of the most important aspects of this act. Inherent in the U.S. Constitution is the fundamental concept that State and local authorities are responsible for securing peace and order. This means that it is the officials who are most responsive and answerable to the will of the local electorate who are held accountable for policing, adjudication, and corrections in our home communities.

Local responsibility and local control are the very essence of self-government. They are an inseparable part of a democratic Federal Republic. They are, indeed, the basic principle underlying the new federalism.

There has been much comment lately to the effect that this country is losing its war on crime. Critics, including some in high places, citing the recent rise of crime rate in cities around the Nation, have laid the blame at the doorstep of the Federal Government.

It should be well known that most crimes committed are of a local nature. This is not to say that the National Government should not assist the States and localities in their effort against crime, for this is what LEAA is all about. In providing such assistance, the Federal Government must restrain itself so as not to control or dictate the policies of local law-enforcement agencies. For to do so could lead down the road toward the establishment of a national police force—a direction which is to be most vigorously resisted. Not only would such a concept be contrary to our fundamental constitutional principles, but to my mind would be of doubtful effectiveness.

In addition to providing funds to local law enforcement authorities, it should be noted that LEAA supplies much technical advice and guidance for State planning purposes. One of the provisions of the 1973 amendments to the act required that certain funds be used for State planning purposes.

Those amendments provided that no approvals be given by LEAA for State plan expenditure of block grant funds "unless and until the administration finds that such plan reflects a determined effort to improve the quality of law enforcement and criminal justice throughout the State." LEAA has done an outstanding job in fulfilling this role.

LEAA has just issued a compendium of 650 programs which have had a significant impact in improving and strengthening criminal justice systems at the State and local level. Over $200 million in LEAA funds were used to support these programs.

The National Advisory Commission on Criminal Justice Standards and Goals which was funded by LEAA sets forth detailed standards for improving and strengthening criminal justice systems in an effort to reduce crime of all kinds, particularly violent crimes. A careful reading of these reports will show that many of the National Advisory Commission standards are based on programs which were funded by LEAA in its first 5 years of operation. In the 2 years since the Commission reports were issued virtually every State in the country has established its own commission to review these standards and to apply them in the expenditure of LEAA funds as well as their State and local funds.

LEAA has committed over $16 million in direct resources to support these studies. In my own State of Nebraska, the Nebraska Commission on Law Enforcement and Criminal Justice using its own resources has reviewed the stand ards of the National Advisory Commission and has adopted over 50 standards which the Commission is now applying in the expenditure of LEAA funds. Projects falling within the areas covered by the standards will not be funded unless the recipient agrees to meet the standards. No standard was adopted until comments were solicited from all affected agencies with the State.

Richard W. Velde, Administrator of LEAA, has recently established a National Advisory Committee on Criminal Justice and Task Forces on Standards for Organized Crime, civil disorders, terrorism, research and development, and juvenile delinquency to continue and expand the initial activities of the National Advisory Commission on Criminal Justice Standards and Goals.

Mr. President, in order to fairly analyze the present effectiveness of law enforcement in combating crime and the advances which have been made during LEAA's existence, it is essential for us to recall its deplorable status as described by the President's Commission on Law Enforcement in 1967—only 8 years ago. The Commission found at that time a fragmented system of law enforcement made up of nearly 40,000 different jurisdictions which had haphazardly grown up in the nearly 200 years of our country's history. There was a lack of cooperation and reciprocity between these differing jurisdictions and in some situations actual conflict. There was throughout law enforcement a dearth of modern equipment and means of communication, salaries were low, training was meager, and the morale of individual police departments poor.

What had happened was that criminal justice facilities and techniques had not been growing as fast as the problem. By the middle 1960's, America was faced with one of the greatest domestic crises of this generation. Crime had become a threat to our very survival as a democratic, self-governing republic.

The Congress, after careful deliberation, came to the conclusion that our local law enforcement and criminal justice agencies were unable to extricate themselves without substantial outside assistance. Until then, American police, courts, and corrections agencies had been almost entirely dependent upon State and local resources, both technical and financial. The congressional response was the Omnibus Crime Control Act—and the establishment of LEAA.

In the past 7 years of its existence, LEAA has contributed much technical guidance and allocated $4.1 billion in the law enforcement field. This expenditure of time and money does not mean that the previous conditions have been totally eliminated. Progress has been made to be sure and we are on the way to achieving our goals. But traces of the many old shortcomings of law enforcement to which the Presidential Commission referred are still in existence.

I believe it should also be noted, Mr. President, that funds which have been expended by LEAA to combat crime, while seemingly large, in fact represent only about 5 percent of the total money spent in this country on law enforcement.

Mr. President, I say to the critics of this program—let us put our effort against crime into proper perspective: the short space of 7 years and some $4.0 billion should not reasonably be expected to cure all of the problems inherent in our ancient system of law enforcement.

I would now like to highlight the significant changes which, the "Crime Control Act of 1976," the bill which I am introducing today, will make in the LEAA program. One of the more significant changes is a provision which will authorize the appropriation of $250 million to concentrate on combatting crime in highly populated urban areas. It is in these areas that the crime problem is the greatest. This provision will serve to codify the high impact cities program established and funded by LEAA in 1971.

The Crime Control Act, if enacted, will also provide increased emphasis on the funding of court programs. LEAA is more than a police program. It is a total criminal justice system program. Funds are provided for a full range of criminal justice activities including crime prevention, juvenile delinquency, police, courts, and corrections.

In 1971 I sponsored an amendment to the LEAA Act which provided increased emphasis on corrections programs, and I am pleased to see that the LEAA Act will now provide further emphasis for court programs.

Other changes include the establishment of an advisory committee by the Attorney General to advise the Administrator on programs for the expenditure of grant funds which the act commits to the discretion of the Administrator of LEAA. This advisory committee should serve to bring a broader perspective to the expenditure of LEAA discretionary funds, and if properly structured could be of great assistance to the Administrator of LEAA.

The Crime Control Act would also authorize the LEAA research arm to conduct research on matters of civil justice which have a direct bearing on the problems of the criminal justice system. This provision recognizes that it is sometimes impossible to reform the criminal justice system without at the same time reforming the civil justice system. This provision has particular applicability to State and local court systems which perform both civil and criminal functions.

The act would change the name of the LEAA research arm from the National Institute of Law Enforcement and Criminal Justice to the National Institute of Law and Justice to reflect its new civil authority.

Mr. President, I look forward to oversight hearings by the Senate Judiciary Committee Subcommittee on Criminal Laws and Procedures on the Crime Control Act of 1976.

Mr. President, I ask unanimous consent to have printed in the RECORD the text of the bill together with a section-by-section analysis which details all of the changes to be made to the Omnibus Crime Control and Safe Streets Act of 1968 and the letter of transmittal from the Attorney General.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 2212

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that this Act may be cited as the "Crime Control Act of 1976."

SEC. 2. Section 101(a) of title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended is amended by adding after the word "authority" the words "and policy direction."

SEC. 3. Section 205 of such Act is amended by inserting the following new sentence at the end thereof:

"Any unused funds reverting to the Administration shall be available for reallocation among the States as determined by the Administration."

PART C—GRANTS FOR LAW ENFORCEMENT PURPOSES

SEC. 4. Part C of such Act is amended as follows:

(1) Section 301(b) is amended by inserting after paragraph (10), the following new paragraph:

"(11) The development, demonstration, evaluation, implementation and purchase of methods, devices, personnel, facilities, equipment, and supplies designed to strengthen courts and improve the availability and quality of justice including court planning."

(2) Section 303(a)(13) is amended by deleting the words "for Law Enforcement and Criminal" and inserting the words "of Law and".

(3) Section 306(a)(2) is amended by inserting, after the words "to the grant of any State," the following "plus any additional amounts that may be authorized to provide funding to areas characterized by both high crime incidence and high law enforcement and criminal justice activity,".

(4) The unnumbered paragraph in Section 306(a) is amended by inserting the following between the present third and fourth sentence:

"Where a State does not have an adequate forum to enforce grant provisions imposing liability on Indian tribes, the Administration is authorized to waive State liability and may pursue such legal remedies as are necessary."

(5) Subsection (b) of Section 306 is amended by striking "(1)" and inserting in lieu thereof "(2)".

PART D—TRAINING, EDUCATION, RESEARCH DEMONSTRATION, AND SPECIAL GRANTS

SEC. 5. Part D of such Act is amended as follows:

(1) Section 402(a) is amended by deleting the words "Enforcement" and "Criminal" in the first sentence thereof.

(2) Section 402(a) is further amended by deleting the word "Administrator" in the third sentence and adding the words "Attorney General."

(3) At the end of paragraph (7) in Section 402(b) delete the word "and".

(4) At the end of paragraph (8) in Section 402(b) replace the period with a semicolon.

(5) Immedicately after paragraph (8) in Section 402(b) insert the following new paragraphs:

"(9) to make grants to, or enter into contracts with, public agencies, institutions of higher education, or private organizations to conduct research, demonstrations, or special projects pertaining to the civil justice system, including the development of new or improved approaches, techniques, and systems; and"

"(10) The Institute is authorized to conduct such research, demonstrations or special projects pertaining to new or improved approaches, techniques, systems, equipment and devices to improve and strengthen such Federal law enforcement and criminal justice activities as the Attorney General may direct."

PART E—GRANTS FOR CORRECTIONAL INSTITUTIONS AND FACILITIES

SEC. 6. Part E of such Act is amended as follows:

(1) By inserting in Section 455(a)(2) after the second occurrence of the word "units," and before the word "according" the words "or nonprofit organizations,".

(2) By further amending Section 355(a) by inserting at the end of the unnumbered paragraph thereof the following new sentence:

"In the case of a grant to an Indian tribe or other aboriginal group, if the Administration determines that the tribe or group does not have sufficient funds available to meet the local share of the costs of any program or project to be funded under the grant, the Administration may increase the Federal share of the cost thereof to the extent it deems necessary. Where a State does not have an adequate forum to enforce grant provisions imposing liability on Indian tribes, the Administration is authorized to wave State liability and may pursue such legal remedies as are necessary."

PART F—ADMINISTRATIVE PROVISIONS

SEC. 7. Part F of such Act is amended as follows:

(1) Section 512 is amended by striking the words: "June 30, 1974, and the two succeeding fiscal years."

and insert in lieu thereof

"July 1, 1976 through fiscal year 1981."

(2) Section 517 is amended by adding a new subsection (c) as follows:

"(c) The Attorney General is authorized to establish an Advisory Board to the Administration to review programs for grants under section 306(a)(2), 402(b), and 455(a)(2). Members of the Advisory Board shall be chosen from among persons who by reason of their knowledge and expertise in the area of law enforcement and criminal justice and related fields are well qualified to serve on the Advisory Board."

(3) Section 520 is amended by striking all of subsection (a) and (b) and inserting in lieu thereof the following:

"(a) There are authorized to be appropriated such sums as are necessary for the purposes of each part of this title, but such sum in the aggregate shall not exceed $325,000,000 for the period July 1, 1976 through September 30, 1976, $1,300,000,000 for the fiscal year ending September 30, 1978, $1,300,000,000 for the fiscal year ending September 30, 1979, $1,300,000,000 for the fiscal year ending September 30, 1980, and $1,300,000,000 for the fiscal year ending September 30, 1981. From the amount appropriated in the aggregate for the purposes of this title such sums shall be allocated as are necessary for the purposes of providing funding to areas characterized by both high crime incidence and high law enforcement and criminal justice activities, but such sums shall not exceed $12,500,000 for the period July 1, 1976 through September 30, 1976 and $50,000,000 for each of the fiscal years enumerated above and shall be in addition to funds made available for these purposes from other sources.

Funds appropriated for any fiscal year may remain available for obligation until expended. Beginning in the fiscal year ending June 30, 1972, and in each fiscal year thereafter there shall be allocated for the purpose of Part E an amount equal to not less than 20 per centum of the amount allocated for the purposes of Part C."

"(b) Funds appropriated under this title may be used for the purposes of the Juvenile Justice and Delinquency Prevention Act of 1974."

SEC. 8. The Juvenile Justice and Delinquency Prevention Act of 1974 is amended as follows:

(1) Section 241(c) is amended by deleting the words "Enforcement" and "Criminal".

(2) Section 261 is amended by deleting subsection (b).

(3) Section 544 is deleted.

OFFICE OF THE ATTORNEY GENERAL,
Washington, D.C., July 28, 1975.

THE VICE PRESIDENT,
U.S. Senate,
Washington, D.C.

DEAR MR. VICE PRESIDENT: I am pleased to forward for your consideration a proposed "Crime Control Act of 1976." This proposed bill amends the Omnibus Crime Control and Safe Streets Act of 1968, and extends the authority for the Law Enforcement Assistance Administration for five fiscal years, including the transition quarter.

In his crime message of June 19th, the President stressed the necessity to deal resolutely with violent crime. He called on all levels of government—Federal, State and local—to commit themselves to the goal of reducing crime by seeking improvements in law and the criminal justice system. This bill provides additional authorization to the Law Enforcement Assistance Administration to assist States and units of local government with up to $262.5 million through 1981 for special programs aimed at reducing crime in heavily populated urban areas. These funds would be in addition to funds committed from LEAA block grants.

The legislative proposal includes an amendment that will place special emphasis on improving State and local court systems within the LEAA block grant authorization.

The bill also authorizes the Attorney General to appoint an Advisory Board to review grant programs under Parts C, D, and E of the Omnibus Crime Control and Safe Streets Act and to advise the Administrator of LEAA on these programs.

In addition, the proposal authorizes both direct funding to nonprofit organizations under Part E of the Act and the waiver of a State's liability where a State lacks jurisdiction to enforce grant agreements with Indian tribes.

The bill further provides that the National Institute of Law Enforcement and Criminal Justice be renamed the National Institute of Law and Justice. The Attorney General is given the authority to appoint the Director of the Institute and to direct the Institute to conduct research related to Federal activities. In addition, the Institute would be authorized to conduct civil as well as criminal justice research.

Finally, the proposal authorizes $6.85 billion dollars for LEAA programs through 1981. LEAA funds could be used for the purposes of the Juvenile Justice and Delinquency Prevention Act and the requirements for maintenance of effort by LEAA in the juvenile justice and delinquency prevention areas would be deleted.

I recommend prompt and favorable consideration of the proposed "Crime Control Act of 1976." In addition to the bill, there is enclosed a section-by-section analysis.

The Office of Management and Budget has advised that there is no objection to the submission of this legislative proposal to the Congress and that its enactment would be in accord with the program of the President.

Sincerely,

Edward H. Levi,
Attorney General.

Sectional Analysis

Section 1 provides that the short title of the Act is the "Crime Control Act of 1976."

Section 2 amends Section 101(a) of Title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, by providing that the LEAA will be under the policy direction of the Attorney General.

Section 3 amends Section 205 of such Act, by providing that planning funds awarded to the States which remain unused will revert to the Administration and be available for reallocation to the States at the discretion of the Administration.

Section 4 amends in five separate respects, Part C of Title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended.

(1) Section 301(b) is amended by adding a new paragraph (11) authorizing the Administration to make grants for programs and projects designed to strengthen courts and improve the availability and quality of justice. Grants for court planning are also authorized.

(2) Section 303(a)(13) is amended to conform to Section 402(a).

(3) Section 306(a)(2) is amended to allow the Administration to provide additional funds to areas having high crime incidence and high law enforcement and criminal justice activities where such additional funds are authorized for that purpose.

(4) Section 306(a) is further amended by providing that where a State lacks jurisdiction to enforce liability under State grant agreements with Indian tribes, the Administration may waive the State's liability and proceed directly with the Indian tribe on settlement actions.

(5) Section 306(b) is amended to provide funds allocated to a State for any fiscal year but not utilized by the State or where the State is unable to qualify to receive any portion of the funds that such funds may be reallocated by the Administration under its discretionary funding authority in Section 306(a)(2).

Section 5 amends Part D of the Act by providing that (1) the National Institute of Law Enforcement and Criminal Justice is renamed the "National Institute of Law and Justice"; (2) the Attorney General shall appoint the Director of the National Institute of Law and Justice; (3) the Institute is authorized to fund projects pertaining to the civil justice system; and (4) the Institute is authorized to conduct activities relating to Federal law enforcement and criminal justice activities at the Attorney General's direction.

Section 6 amends Part E of the Act in two ways:

(1) Section 455(a)(2) is amended to authorize the Administration to make Part E grants directly to nonprofit organizations.

(2) The subsection is further amended to authorize the Administration to waive the non-Federal match on grants to Indian tribes or other aboriginal groups where they have insufficient funds. In addition, where a State lacks jurisdiction to enforce liability under State grant agreements with Indian tribes, the Administration may waive the State's liability and proceed directly with the Indian tribe on settlement actions.

Section 7 amends three of the administrative provisions of Part F of Title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended.

(1) Section 512 is amended to authorize the continuation of the LEAA program through FY 1981.

(2) Section 517 is amended by adding a new subsection (c) authorizing the Attorney General to establish an Advisory Board to the Administration to review programs for Part C and Part E discretionary funding and Part D Institute funding. The Advisory Board will not have the authority to review and approve individual grant applications.

(3) Section 520 is amended to authorize appropriations through FY 1981. This section also authorizes the Administration to allocate from the aggregate appropriated funds, sums not to exceed $50,000,000 each fiscal year for areas having high crime incidence and high law enforcement and criminal justice activities. In addition, subsection (b) has been deleted and a new subsection (b) has been added to authorize the use of funds under this title for the general purposes of the Juvenile Justice and Delinquency Prevention Act. Such funds would be spent in accordance with the fiscal and administrative requirements of the Omnibus Crime Control and Safe Streets Act.

Section 8 amends in three separate respects the Juvenile Justice and Delinquency Prevention Act of 1974.

(1) Section 241(c) is amended to conform to Section 402(a) of the Omnibus Crime Control and Safe Streets Act.

(2) Section 261 is amended to remove the maintenance of effort provision.

(3) Section 544 is deleted for the same reason.

By Mr. METCALF:

S. 2213. A bill to amend the Internal Revenue Code of 1954 to exempt from Federal income tax public utilities which furnish electrical power. Referred to the Committee on Finance.

ELECTRIC UTILITY TAX EXEMPTION ACT OF 1975

Mr. METCALF. Mr. President, I introduce, for appropriate reference, a bill which will totally exempt investor-owned electric utilities from income taxation by the Federal Government. My bill—the Electric Utility Tax Exemption Act of 1975—will accomplish openly what has already occurred through hidden tax loopholes.

Through the years, electric utilities have become perhaps the most effective tax evaders of all time. Lest anyone think that my bill will deprive the Treasury of vast sums, it should be noted that the entire electric utility industry paid only $528 million in Federal income taxes last year on total operating revenues of $42.2 billion. Federal income taxes in 1974 amounted to only 1.3 percent of revenues, down from 2.6 percent of revenues in 1973. In 1955, the electric utilities paid 14.7 percent of their revenues in Federal incomes taxes.

Looking at it another way, electric utilities paid a little over $1 billion in Federal incomes taxes in 1955 compared to the $528 million paid in 1974, a decrease of 48 percent in absolute dollars. Meanwhile, revenues increased over sixfold during the same 20-year period—from $6.9 billion in 1955 to $42.2 billion in 1974.

The investor-owned utilities' profitability, as measured by the return on common stock equity, was the same in 1955 and 1974. In both years the I O U's averaged 10.8 percent.

All utility taxes are included in allowed operating expenses when rates are determined, and paid for in full by customers. These rates sometimes reflect more set-asides for taxes than are actually paid. This leads to tax keeping, rather than taxpaying, by utilities. Enactment of my bill will stop this improper use of the Federal tax dollar in the regulatory system.

To make the deal even sweeter, electric utilities have been allowed to use normalized accounting procedures which enable them to collect money from customers for Federal taxes the utilities have not paid. At the end of 1973—the most recent figures available—the electric utilities were holding $4.2 billion in unpaid Federal taxes which had been collected from customers. This money is used to purchase utility plant, some of which is included in the rate base upon which the customers must pay a rate of return.

The average taxpayer has not only seen his Federal income tax increase in absolute dollars over the past 20 years, but in most cases has seen the percentage of his gross income paid in tax increase as well. This process has been necessary to pay for the tax advantages which have been enjoyed by electric utilities as well as most large businesses.

How do they do it? They use complex tax avoidance provisions like accelerated depreciation, asset depreciation ranges, investment tax credits, and fast write-offs for pollution control equipment. The figures for 1973 show that almost one-fourth of the electrics paid no income taxes at all, but instead received tax credits.

Why is my bill necessary? The utilities have transcended the normal art of tax avoidance which seeks to achieve zero taxation, and have ascended to a higher, previously unexplored plane where the taxpayer becomes taxseller by selling the tax shelters he cannot use to others for hard, tax-free cash. This extraordinary proposal was advanced by Don C. Frisbee, board chairman of Pacific Power & Light Co., during his testimony before the House Ways and Means Committee in March where he recommended that utilities be allowed to sell unused investment tax credits. When the goal of no tax payments is reached, apparently the only way left to go is toward cash payment for unused tax breaks.

Electric utilities have already received one major addition to their catalog of tax loopholes this year when Congress raised the investment tax credit for utilities from 4 to 10 percent, and removed the limitations on the amount of taxes which could be offset by the credits. The President's Labor-Management Committee, under the direction of Secretary of Labor Dunlop, has proposed even more tax breaks for the utilities.

Mr. Dunlop claims the new tax proposals will cost the Treasury about $600 million per year. The news I have for Secretary Dunlop is that he cannot give the electric utility industry $600 million in additional tax benefits because the industry only paid $528 million in Federal taxes last year.

It is time to recognize openly the tax policy which the Federal Government has pursued toward electric utilities. If utilities are to be exempt from the responsibility of paying taxes, let us open the Bicentennial year by celebrating the tax freedom which this fortunate industry has found.

Mr. President, I ask unanimous consent to insert at this point in the Record the text of my bill and a memorandum from the Congressional Research Service regarding taxation of electric utilities.

There being no objection, the bill and memorandum were ordered to be printed in the Record, as follows:

S. 2213

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 501(c)(3) of the Internal Revenue Code of 1954 (relating to list of exempt organizations) is amended by adding at the end thereof the following new paragraph:

"(20) A corporation engaged in the sale of electrical energy, if the rates for such sale have been established or approved by a State or political subdivision thereof, by an agency or instrumentality of the United States, or by a public utility or public service commission or other similar body in the District of Columbia or of any State or political subdivision thereof."

(b)(1) Section 46(c)(3) of such code (relating to public utility property) is amended by striking out "electrical energy," in subparagraph (B)(i).

(2) Section 167(1)(3) of such Code (relating to definitions of public utility property) is amended by striking out "electrical energy," in subparagraph (A)(i).

(3) Section 247(b)(1) of such Code (relating to definition of public utility is amended to read as follows:

"(1) Public utility.—The term 'public utility' means a corporation engaged in the furnishing of telephone service or in the sale of gas or water if the rates for such furnishing or sale, as the case may be, have been established or approved by a State or political subdivision thereof or by an agency or instrumentality of the United States, or by a public utility or public service commission or other similar body of the District of Columbia, or of any State or political subdivision thereof.".

(4) Section 7701(a)(33) (relating to definition of regulated public utility) is amended by striking out "electric energy," in subparagraph (A)(i).

Sec. 2. The amendments made by the first section of this Act apply to taxable years beginning after the date of enactment of this Act.

Congressional Research Service,
July 22, 1975.

To: Senate Government Operations Committee, Sub-Committee on Reports, Accounting, and Management. Attention: Chairman Lee Metcalf.

From: American Law Division.

Subject: Sections of the Internal Revenue Code of 1954 Relating to Taxation of Investor-Owned Electrical Utility Companies.

Pursuant to your inquiry of July 15, 1975, requesting a list of the provisions of the Internal Revenue Code of 1954, as amended to date, and summaries thereof, which relate to the taxation of investor-owned electrical utilities, please note that a number of sections would appear to govern this area of the law. While generally, utilities are taxed as ordinary corporations, a number of provisions do relate specifically to them. These provisions would include:

A. Section 46–48 (the Investment Credit). Under Sections 46 through 48 corporations are granted a credit against their income tax for portions of their investment in qualified investment property. Section 46(a)(6) gives a higher percentage of tax liability which may be offset by the investment credit where the property is qualified public utility property. Section 46(c)(3) defines public utility property to include any property used primarily in the production and sale of electrical energy by a company regulated by either the State or the Federal governments. This would appear to include investor-owned electrical utilities. The special rule only applies for years between 1974 and 1981, and is further limited by Section 46(f), which imposes certain restrictions on the increased credit with regard to its impact on the basis of the company for ratemaking purposes, and how that basis is recovered. This latter limitation only applies to properties acquired, built, or begun during 1971 or after.

Section 47 contains the rules regarding conversion of property into public utility property, for purposes of the credit. Section 47(a)(2) states the rule which varies the treatment depending upon the length of time the property was held prior to its conversion into public utility property.

Section 48(a)(1)(B) extends to property used in the production or furnishing of electricity the characterization as "section 38 property," which is thereby qualified for investment credit.

B. Section 115(b) relates to the taxation by the Federal government of income of States and municipalities derived from contracts entered into before September 8, 1916, the purpose of which was to construct or operate utilities.

C. Section 167(1) gives special depreciation rules for public utility property. Different methods of computing depreciation on public utility property are offered for property acquired, constructed, or begun prior to 1970 or after 1970.

The definition of public utility property for depreciation purposes is essentially the same as for investment credit purposes, appearing to encompass investor-owned electrical utilities.

D. Section 244 applies a special rule for dividends received by a corporation from a public utility. Whereas corporations usually get either an 85 percent or 100 percent exclusion of dividends received from other corporations, if the recipient corporation is given a dividend of preferred public utility stock, a special rule requires it to take into account the fact that the utility may have been allowed a partial deduction for the dividend payment in computing its own tax. That deduction is provided the utility under Section 247.

E. Section 247 allows public utilities a limited deduction for dividends paid on certain preferred stock, except for certain distributions held to represent accumulated earnings prior to 1942. Again, the definition of a public utility is similar to that used in the investment credit area. Section 247 also computes the deduction afforded the utility for dividends paid as the lesser of a percentage of the dividends paid or a percentage of the taxable income of the corporation before the deduction for dividends. The percentage depends upon the taxable rate of the corporate income tax applicable.

F. Miscellaneous other provisions. While the five aforementioned sections and sets of sections contain the major variants for public utilities, two other provisions of the tax law contain minor variants for such companies.

Section 535, relating to the accumulated earnings tax levied on corporations found to be improperly accumulating earnings at the corporate level to avoid tax to the shareholders makes special provision in the determination of accumulated taxable income for the deduction afforded public utility companies under Section 247.

Section 1503, relating to consolidated returns filed by corporate groups contains a special allocation provision for the foreign tax credit where a corporate group contains corporations which are both public utility companies and Western Hemisphere Trade Companies.

Howard M. Zaritsky,
Legislative Attorney.

By Mr. BAKER (for himself and Mr. Randolph) (by request):

S. 2214. A bill to amend the Clean Air Act to continue 1975–76 Federal automobile emission standards through the 1981 model year to permit a balance among the important objectives of improving air quality, protecting public health and safety, and avoiding unnecessary increases in consumer costs for automobiles, decreases in gasoline mileage, and increases in the Nation's dependence on imported oil. Referred to the Committee on Public Works.

Mr. BAKER. Mr. President, I have received today a copy of the letter from President Ford addressed to the President of the Senate, transmitting a draft bill which would implement the recommendations described in a special message to the Congress of June 27, with respect to automobile emission standards.

I send to the desk the draft bill, which I am introducing with Senator Randolph, chairman of the Committee on Public Works, at the request of the administration, and ask that it be appropriately referred. I do so in order that the President's proposal be placed formally before the Senate Committee on Public Works at this time.

I ask unanimous consent also that the letter of transmittal from the President, together with the text of the proposed bill and an exchange of letters, be included in the RECORD at this point.

There being no objection, the bill and material was ordered to be printed in the RECORD, as follows:

S. 2214

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled,

SEC. 2. The Clean Air Act, as amended, is amended, as follows:

(a) Section 202(b)(1)(A) is amended to delete therefrom "1977" and insert in lieu thereof "1982."

(b) Section 202(b)(1)(A) is further amended to delete the last sentence therefrom and insert the following sentence in lieu thereof:

"The regulations under subsection (a) applicable to emissions of carbon monoxide and hydrocarbons from light-duty vehicles and engines manufactured during model years 1975 through 1981, inclusive, shall contain standards which are identical to the interim standards which were prescribed (as of December 1, 1973) under paragraph (5)(A) of this subsection for light-duty vehicles and engines manufactured during model year 1975.

(c) Section 202(b)(1)(B) is amended to read as follows:

"The regulations under subsection (a) applicable to emission of oxides of nitrogen from light-duty vehicles and engines manufactured during model years 1975 through 1981 inclusive shall contain standards which are identical to the standards prescribed (as of December 1, 1973) under subsection (a) for light-duty vehicles and engines manufactured during model year 1975. The regulations under subsection (a) applicable to oxides of nitrogen from light-duty vehicles manufactured during or after model year 1982 shall be established at such level as the Administrator determines is appropriate considering air quality, energy efficiency, availability of technology, cost, and other relevant factors. The Administrator shall publish for public comment no later than July 1, 1977, proposed standards for 1982 model year light-duty vehicles and engines and his tentative conclusions with respect to the matters he is required to consider under this paragraph and shall publish his final standards and his findings no later than July 1, 1978. Such standards may be revised after appropriate notice following such date based upon substantial changes in any of the factors the Administrator is required to consider under this paragraph.

THE WHITE HOUSE,
Washington, D.C., July 26, 1975.

Hon. NELSON A. ROCKEFELLER,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: On June 27, 1975, I transmitted a special message to the Congress which described the complex problem of setting automobile emission standards which strike the best possible balance among our air quality, public health, energy, consumer cost and other economic objectives.

As indicated in that message, I have concluded that automobile emission standards should not be more rigid than those applied to 1975 and 1976 model cars because more rigid standards unnecessarily would increase car prices, reduce gasoline mileage, and increase energy demands. There is also the potential that tighter standards would require emission controls that result in new pollutants with serious health impact.

I am enclosing a draft of a bill which would implement the recommendations described in detail my June 27th message. I urge prompt passage of this bill.

Sincerely,

GERALD R. FORD.

THE WHITE HOUSE,
Washington, D.C., July 26, 1975.

Hon. JENNINGS RANDOLPH,
Chairman, Public Works Committee, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: On June 27th, I transmitted to the Congress a special message which described the conclusions from a detailed executive branch review of the air quality, health, energy, and consumer cost implications of alternative automobile emission standards. I recommended that 1975–76 standards for automobile emissions be extended by the Congress through model year 1981.

I believe it important that the Congress and the public have a full opportunity to hear in detail the findings of our studies and the basis for my conclusions that existing standards should be continued. I recognize that the hearings held by your subcommittee on auto emissions ended before our studies were completed. I urge you to hold another hearing on this matter so Administration witnesses can present the findings.

Sincerely,

GERALD R. FORD.

U.S. SENATE,
Washington, D.C., July 29, 1975.

Hon. GERALD R. FORD,
The President,
The White House.

DEAR MR. PRESIDENT: We have discussed your July 26, 1975 request for a hearing on automobile emissions with the Members of the Committee on Public Works. There is agreement that a hearing could be held if you desire it. We believe, however, that there is certain information which you should have before you.

If such a hearing is held, undoubtedly private and public groups would also desire to be heard on the information presented. We would be constrained to honor those requests. Such a situation would entail postponing further Committee consideration of other issues involved in the Clean Air Act. It had been our hope to begin Full Committee consideration of the Clean Air Act during the week of September 8 so that during that week and the following week, we could develop and report the legislation for Senate consideration.

By reason of service on the Budget Committee, Senator Muskie, Chairman of the Subcommittee, Senator Buckley, the Ranking Minority Member and Senator McClure and Senator Domenici, two important participants in the consideration of Clean Air Act Amendments, will be required to address themselves to the Second Budget Resolution which must be considered by the Congress by mid-October. If the hearings you request are held, it is a reasonable certainty that the Public Works Committee could not conclude its deliberations on the Clean Air Act until late October or early November. This delay, would, we suggest, cause severe problems for those who are regulated by the Act, including the automobile industry.

Mr. President, if you have further counsel to give us in this matter, we shall be pleased to receive it.

Truly,

JENNINGS RANDOLPH,
Chairman.
HOWARD H. BAKER, Jr.,
Ranking Minority Member.

By Mr. BEALL:

S. 2215. A bill to amend the Tariff Schedules of the United States with respect to certain footwear. Referred to the Committee on Finance.

Mr. BEALL. Mr. President, I am sending to the desk a bill which would, if enacted, amend the U.S. Tariff Schedules relative to certain types of imported footwear.

Mr. President, foreign producers have been able to bypass the American selling price on various types of rubber footwear by adding extraneous materials such as iron, lead, and so forth to the heels and soles. Under the ASP system if less than 50 percent of the weight of the item is cotton, rubber, or plastic, then the ASP does not apply. In other words, by weighing down the shoes with extraneous materials, the foreign producer is able to evade the American selling price and thus undercut our domestic manufacturers. In 1972 the Customs Court in the case of *International Seaway Trading Corp.* v. *United States* (349 F. Supp. 1019), partially closed this loophole. Our amendment will complete this process and protect the American footwear industry and the American consumers from this unacceptable evasion of the American selling price.

One example would be the Westminster Corp., which was established in 1948. It became a multimillion-dollar business which had five factories by 1972. Today none remain in operation. In just a few years a viable firm, with good management and modern equipment has been completely undercut by these questionable import practices.

In the last 3 months, at least 12 shoe factories in the Maryland-Pennsylvania area have closed and others are likely to close also if relief is not forthcoming.

This amendment protects the American footwear industry, its employees, and the American consumer from unfair competition which results from a circumvention of existing law.

Mr. President, the American Footwear Industry directly employs approximately 200,000 people. An additional 100,000 employees work in supporting industries such as tanning leather, and so forth. In 1960 foreign made footwear constituted less than 5 percent of our domestic market. During the past 14 years the degree of import penetration into our domestic footwear market has increased to 40 percent. The impact of this surge of imports is predictable and approximately 50,000 jobs have been lost during the last 14 years as a result. Domestic production has now dropped to those levels which existed in the early 1950's.

Mr. President, the footwear industry is a labor intensive industry and thus especially susceptible to imports from those nations which have cheap labor. This problem has been aggravated recently by the protectionist positions assumed by many other importing nations. By excluding these low cost rubber goods, the foreign producers have sought to even more aggressively penetrate the American market. While some of these factors are legitimate techniques in terms of imports and exports, I do believe that the devices used to circumvent the American selling price which would be corrected by my legislation constitute an undesirable evasion of American law and I would urge the Finance Committee to give prompt attention to this matter.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 521

At the request of Mr. Jackson, the Senator from California (Mr. Tunney) and the Senator from New Hampshire (Mr. McIntyre) were added as cosponsors of S. 521, the Outer Continental Shelf Management Act of 1975.

S. 865

At the request of Mr. Buckley, the Senator from Alaska (Mr. Gravel) and the Senator from Iowa (Mr. Culver) were added as cosponsors of S. 865, a bill to promote more efficient use of the Nation's construction resources, to foster the preservation of buildings of historic or architectural significance, and to enhance the social and economic environment within and surrounding Federal office buildings.

S. 1432—WITHDRAWN

At the request of Mr. Hugh Scott, the Senator from Hawaii (Mr. Inouye) was withdrawn as a cosponsor of S. 1432, a bill to provide 50-percent service-connected disability to certain veterans who were prisoners of war.

S. 1446

At the request of Mr. Thurmond, the Senator from Hawaii (Mr. Inouye) was added as a cosponsor of S. 1446, a bill to authorize payment of retired pay actuarily computed to persons, otherwise eligible, at age 50.

S. 1479

At the request of Mr. Williams, the Senator from Alaska (Mr. Gravel) was added as a cosponsor of S. 1479, a bill to protect the economic rights of labor in the building and construction industry by providing for equal treatment of craft and industrial workers.

S. 1729

At the request of Mr. Bayh, the Senator from Minnesota (Mr. Humphrey) was added as a cosponsor of S. 1729, a bill to amend title II of the Social Security Act to eliminate the special dependency requirements for entitlement to husband's and widower's insurance benefits, to provide benefits for widowed fathers with minor children, to make certain other changes so that benefits for husband's, widowers, and fathers will be payable on the same basis as benefits for wives, widows, and mothers, and to permit the payment of benefits to a married couple on their combined earnings record where that method of computation provides a higher combined benefit.

S. 1928

At his own request, the Senator from New Mexico (Mr. Domenici) was added as a cosponsor of S. 1928, a bill to prohibit the employment while in the United States of aliens who are in the United States unlawfully or lawfully in the United States but not entitled to employment.

SENATE JOINT RESOLUTION 105

At the request of Mr. Clark, the Senator from New Jersey (Mr. Case) was added as a cosponsor of Senate Joint Resolution 105, to strengthening the foreign relations of the United States.

AMENDMENTS SUBMITTED FOR PRINTING

NATURAL GAS PRODUCTION AND CONSERVATION ACT OF 1975—S. 692

AMENDMENT NO. 835

(Ordered to be printed and to lie on the table.)

MODIFICATIONS OF AMENDMENT NO. 586

Mr. **PEARSON**. Mr. President, on behalf of myself, and 17 cosponsors, I have submitted amendment No. 586—in the nature of a substitute—to S. 692, the Natural Gas Production and Conservation Act of 1975. At the appropriate time, during debate on S. 692, I will call up my amendment.

Mr. President, during the course of these past weeks, we have continued to review the text of amendments No. 586 very carefully to insure that it accomplishes the legislative intent, as set forth in the section-by-section summary of the amendment which appeared in the Record of June 12. Improvements can be made in the amendment to avoid ambiguity, and these modifications have now been drafted.

Mr. President, I ask unanimous consent that these amendments to amendment No. 586 to S. 692 be printed in the Record as exhibit A immediately following these remarks.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **PEARSON**. Mr. President, I stress that the amendments, as set forth in exhibit A to these remarks, are considered to be modifications and are not intended to make any substantive change in the original amendment.

Exhibit A

Amendment No. 835

On page 2, strike line 21 and insert in lieu thereof "transportation in interstate commerce of natural gas or the sale in interstate commerce for resale of".

On page 2, strike line 24 and insert in lieu thereof "gas in interstate commerce or by an affiliate thereof which transports natural gas in interstate commerce.".

On page 3, line 5, strike "broiler" and insert in lieu thereof "boiler".

On page 3, line 6, strike "naural" and insert in lieu thereof "natural".

On page 3, at lines 6 and 7, strike "in amounts in excess of 50 Mcf on a peak day".

On page 4, line 1, strike "off-shore" and insert in lieu thereof "offshore".

On page 5, strike lines 3–13, inclusive, and insert in lieu thereof the following: "company for or in connection with the purchase or sale of new natural gas, or that portion of the rates and charges of such company which relates to such purchase or sale, except (i) to the extent that such rates or charges, or such portion thereof, for new natural gas produced from offshore Federal lands exceed the national ceiling, established or modified by regulation of the Commission pursuant to section 25 of this Act, or (ii) in any case where a natural-gas company purchases natural gas from an affiliate or produces natural gas from its own properties, to the extent that the Commission determines that the rates and charges therefor exceed the current rates and charges, or portion thereof, made, demanded, or received for comparable sales by any person who is not affiliated with any natural-gas".

On page 5, line 25, immediately before "sale" insert "purchase or".

On page 6, strike lines 1–10, inclusive, and insert in lieu thereof the following: "gas, or that portion of the rates and charges of such company which relates to such purchase or sale, except (i) to the extent that such rates or charges, or such portion thereof, for new natural gas produced from offshore Federal lands exceed the national ceiling, established or modified by regulation of the Commission pursuant to section 25 of this Act, or (ii) in any case where a natural-gas company purchases natural gas from an affiliate or produces natural gas from its own properties, to the extent that the Commission determines that the rates and charges therefor exceed the current rates and charges, or portion thereof, made, demanded, or received for comparable sales by any person who is not affiliated with any natural-gas company; or (2)".

On page 9, line 10, strike "(4)" and insert in lieu thereof "(3)".

On page 11, lines 4–5, 14–15, and 24–25, strike in each instance "by users other than residential or small users".

On page 11, line 18, strike "energy supplies" and insert in lieu thereof "fuels".

On page 12, strike lines 2–5, inclusive, and insert in lieu thereof "Amendments of 1975."

OUTER CONTINENTAL SHELF MANAGEMENT ACT OF 1975—S. 521

AMENDMENT NO. 836

(Ordered to be printed and to lie on the table.)

Mr. **HOLLINGS** (for himself, Mr. Jackson, Mr. Magnuson, Mr. Johnston, and Mr. Stevens) submitted an amendment intended to be proposed by them jointly to the bill (S. 521) to increase the supply of energy in the United States from the Outer Continental Shelf; to amend the Outer Continental Shelf Lands Act; and for other purposes.

AMENDMENTS NOS. 842 AND 843

(Ordered to be printed and to lie on the table.)

Mr. **KENNEDY** submitted two amendments intended to be proposed by him to the bill (S. 521) supra.

AMENDMENT NO 844

(Ordered to be printed and to lie on the table.)

Mr. **HANSEN** submitted an amendment intended to be proposed by him to the bill (S. 521) supra.

AMENDMENTS NOS. 845 THROUGH 847

(Ordered to be printed and to lie on the table.)

Mr. **GLENN** submitted three amendments intended to be proposed by him to the bill (S. 521), supra.

ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION APPROPRIATIONS, 1976—S. 598

AMENDMENT NO. 837

(Ordered to be printed and to lie on the table.)

Mr. **BROOKE** submitted an amendment intended to be proposed by him to the bill (S. 598) to authorize appropriations to the Energy Research and Development Administration in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

AMENDMENT NO. 848

(Ordered to be printed and to lie on the table.)

Mr. BENTSEN submitted an amendment intended to be proposed by him to the bill (S. 598) to authorize appropriations to the Energy Research and Development Administration in accordance with section 261 of the Atomic Energy Act of 1954, as amended, section 305 of the Energy Reorganization Act of 1974, and section 16 of the Federal Nonnuclear Energy Research and Development Act of 1974, and for other purposes.

FEDERAL COAL LEASING AMENDMENTS ACT—S. 391

AMENDMENTS NOS. 838 AND 839

(Ordered to be printed and to lie on the table.)

Mr. RANDOLPH submitted two amendments intended to be proposed by him to the bill (S. 391) to amend the Mineral Leasing Act of 1920, and for other purposes.

AMENDMENTS NOS. 840 AND 841

(Ordered to be printed and to lie on the table.)

Mr. BUMPERS submitted two amendments intended to be proposed by him to the bill (S. 391), supra.

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 825

At the request of Mr. TALMADGE, the Senator from Louisiana (Mr. JOHNSTON), the Senator from Florida (Mr. STONE), and the Senator from Wyoming (Mr. HANSEN) were added as cosponsors of amendment No. 825, proposed to the bill (S. 1587) to amend the Public Works and Economic Development Act of 1965 to increase the antirecessionary effectiveness of the program and for other purposes.

At his own request, the Senator from North Carolina (Mr. MORGAN) was added as a cosponsor of amendment No. 825, supra.

NOTICE OF HEARING

Mr. ROBERT C. BYRD. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Thursday, September 4, 1975, at 10 a.m., in room 2228, Dirksen Senate Office Building, on the following nomination: Terry L. Shell, of Arkansas, to be U.S. district judge for the eastern and western districts of Arkansas, vice J. Smith Henley.

Any person desiring to offer testimony in regard to this nomination, shall, not later than 24 hours prior to such hearing, file in writing, with the committee a request to be heard and a statement of their proposed testimony.

The subcommittee will consist of the Senator from Mississippi (Mr. EASTLAND), chairman; the Senator from Arkansas (Mr. MCCLELLAN) and the Senator from Nebraska (Mr. HRUSKA).

NOTICE OF HEARINGS ON D.C. REVENUE BILL

Mr. EAGLETON. Mr. President, I wish to announce on behalf of the Committee on the District of Columbia that hearings will be held during the week of September 8, 1975, on a bill passed by the District of Columbia Council and signed by the mayor to raise revenues for the District of Columbia. Persons wishing to testify or submit written statements on this legislation should contact Robert Harris, staff director of the committee, at 6222 Dirksen Senate Office Building.

Because the proposed legislation has never been publicly printed in its final form, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the proposed legislation was ordered to be printed in the RECORD, as follows:

[In the Council of the District of Columbia, July 23, 1975]

H.R. —

An act to provide additional revenue for the District of Columbia, and for other purposes

Be it enacted by the council of the District of Columbia, That this act may be cited as the "Revenue Act of 1975".

TITLE I—REGISTRATION FEE AND EXCISE TAXES

FOR MOTOR VEHICLES

SEC. 101. Section 3 of Title IV of the District of Columbia Revenue Act of 1937, approved August 17, 1937 (D.C. Code, sec. 40–103), is amended as follows:

(1) The paragraph designated "Class A" of subsection (b) (relating to registration fees for passenger motor vehicles) is amended by striking out "$30" and "$50", and inserting in lieu thereof "$40" and "$67", respectively.

(2) The paragraph designated "Class B" of subsection (b) (relating to registration fees for trucks, tractors and certain commercial motor vehicles) is amended by striking out "$53", "$59", "$69", "$80", "$91", "$99", "$112", "$128", "$163", "$191", "$229", and "$269", and inserting in lieu thereof "$71", "$79", "$92", "$107", "$122", "$132", "$150", "$171", "$218", "$225", "$306", and "$359", respectively.

(3) The paragraph designated "Class C" of subsection (b) (relating to registration fees for trailers), is amended by striking out "$11", "$16", "$27", "$43", "$61", "$80", "$99", "$128", "$163", "$203", and "$243", and inserting in lieu thereof "$15", "$22", "$36", "$58", "$82", "$107", "$132", "$164", "$218", "$271", and "$323", respectively.

(4) The paragraph designated "Class D" of subsection (b) (relating to registration fees for motorcycles, motor bicycles, motor tricycles and motor wheels) is amended by striking out "$12", and inserting in lieu thereof "$16".

(5) The paragraph designated "Class E" of subsection (b) (relating to registration fees for antique motor vehicles) is amended by striking out "$5" and inserting in lieu thereof "$7".

(6) The paragraph designated "Class F" of subsection (b) (relating to registration fees for dealer's identification tags) is amended by striking out "$30", and "$10", and inserting in lieu thereof "$40", and "$14", respectively.

(7) Subsection (d) of such section 3 is amended to read as follows:

"(d) Twenty-five per centum of the gross proceeds from fees payable under this title shall be paid into the Metrobus Fund established under section 103 of the District of Columbia Revenue Act of 1975. The remainder of the proceeds from fees payable under this title shall be divided between the General Fund and the Highway Fund. The Council of the District of Columbia shall determine the percentage of such remainder which shall be deposited to the credit of the General Fund of the District of Columbia, except that the percentage of such remainder deposited to the credit of the General Fund shall be not less than forty-two per centum or more than forty-seven per centum of such remainder. The amounts of such remainder not deposited to the credit of the General Fund, along with specified moneys collected from the motor-vehicle-fuel tax, and specified amounts of fees charged for the titling of motor vehicles and trailers, including specified amounts of fees charged for the issuance of permits to operate motor vehicles, shall be appropriated and used solely and exclusively for—

"(1) construction, reconstruction, improvement, and maintenance of public highways, including the necessary administrative expenses in connection therewith;

"(2) the expenses of the office of the director of vehicles and traffic incident to the regulation and control of traffic and the administration of the same; and

"(3) the expenses necessarily involved in the police control, regulation, and administration of traffic upon the highways, except that the total amount to be expended under this item shall not exceed 15 per centum of the total payment appropriated for pay and allowances of officers and members of the Metropolitan Police force."

SEC. 102. (a) Section 6(j) of the District of Columbia Traffic Act, approved March 3, 1925 (D.C. Code, sec. 40–603(j)) is amended by striking out "5 per centum" and inserting in lieu thereof "6 per centum".

(b) Notwithstanding any other provision of law, not less than one-sixth of the proceeds collected under section 6(j) of the District of Columbia Traffic Act, 1925 (D.C. Code, sec. 40–603(j)) shall be deposited into the Metrobus Fund established by section 103 of this title, together with such additional proceeds collected under section 6(j) as the Mayor of the District of Columbia may, in his discretion, deem to be appropriate and necessary.

SEC. 103. (a) There is hereby established a special fund to be known as the "Metrobus Fund" (hereinafter in this section referred to as the "Fund"). The Fund shall consist of amounts paid into it, from time to time, from the revenue collected as follows:

(1) Twenty-five per cent of the amounts collected under Title IV of the District of Columbia Revenue Act of 1937 (D.C. Code, sec. 40–101 et seq.).

(2) At least one-sixth of the amounts collected under section 6(j) of the District of Columbia Traffic Act, 1925 (D.C. Code, sec. 40–603(j)).

(3) The amounts collected under section 125(1) of the District of Columbia Sales Tax Act (D.C. Code, sec. 47–2602) (imposing a tax on the gross receipts from parking).

(4) At least one-fifth of the amounts collected under the first section of the Act of April 23, 1924 (imposing a tax on motor-vehicle fuels), such amounts to be deposited into the Fund no sooner than July 1, 1976.

(b) The amounts in the Fund shall be available, when appropriated, to pay the District of Columbia's share of the cost of the construction and operation of the Metrobus system.

SEC. 104. (a) The Mayor of the District of Columbia shall submit to the Council of the District of Columbia, no later than January 1, 1976, proposed legislation detailing a three-tier registration fee for automobiles in class

A of section 3(b) of Title IV of the District of Columbia Revenue Act of 1937 (D.C. Code, sec. 40–103) to replace the existing two-tier structure, with disproportionately lower fee increases for lighter weight, compact and subcompact automobiles.

(b) The Mayor of the District of Columbia shall submit to the Council of the District of Columbia, no later than January 1, 1976, proposed legislation detailing a restructured three-tier motor vehicle excise tax rate which provides for a substantially lower tax rate for lighter weight, compact and subcompact automobiles.

TITLE II—MOTOR VEHICLE FUEL TAX; DEED RECORDATION TAX

SEC. 201. (a) The first sentence of the first section of the Act entitled "An Act to provide for a tax on motor-vehicle fuels sold within the District of Columbia, and for other purposes", approved April 23, 1924 (D.C. Code, sec. 47–1901) is amended by striking out "8" and inserting in lieu thereof "10".

(b) Notwithstanding any other provision of law, on and after the effective date of this section, not less than one-fifth of the proceeds collected under the Act entitled "An Act to provide for a tax on motor-vehicle fuels sold within the District of Columbia, and for other purposes", (D.C. Code, sec. 47–1901) to which reference is made in subsection (a) of this section, shall be deposited into the Metrobus Fund established by Section 103 of title I of this act, together with such additional proceeds collected under the Act entitled "An Act to provide for a tax on motor-vehicle fuels sold in the District of Columbia and for other purposes", (D.C. Code, sec. 47–1901) as the Mayor of the District of Columbia may, in his discretion, deem to be appropriate and necessary.

SEC. 202. The Mayor of the District of Columbia shall submit to the Council of the District of Columbia, by January 1, 1976, a thorough, documented study outlining the availability of differential tax rates on leaded and unleaded gasoline, and weighing positive and negative health, environmental and income-class impacts of such a differential tax policy.

SEC. 203. Section 303(a) of the District of Columbia Real Estate Deed Recordation Tax Act, approved March 2, 1962 (D.C. Code, sec. 45–723(a)) is amended by striking out "one-half of 1 per centum" and inserting in lieu thereof "1 per centum".

TITLE III—AMENDMENTS TO THE DISTRICT OF COLUMBIA SALES AND USE TAX ACTS

SEC. 301. The District of Columbia Sales Tax Act is amended as follows:

(1) Paragraph (1) of subsection (a) of section 114 of such Act (D.C. Code, sec. 47–2601 14(a)(1)) is amended to read as follows:

"(1) Food or drink served, prepared for immediate consumption, or sold, in or by, restaurants, lunch counters, cafeterias, hotels, snack bars, caterers, boarding houses, carryout shops and other like places of business, and food or drink sold ready for immediate consumption from carts, and motor vehicles or any other form of vehicle. Hot or cold sandwiches are considered prepared foods."

(2) Subsection (a) of section 114 of such Act (D.C. Code, sec. 47–2601 14(a)) is amended by adding at the end thereof the following new paragraph:

"(12) The sale of or charges made for the service of parking, storing or keeping motor vehicles or trailers. For the purposes of this paragraph 'motor vehicles' mean any vehicle propelled by an internal-combusition engine or by electricity or steam, except road rollers, farm tractors, and vehicles propelled only upon stationary rails or tracks; and 'trailer' means a vehicle without motor power intended or used for carrying property or persons and drawn or intended to be drawn by a motor vehicle, whether such vehicle without motor power carries the weight of the property or persons wholly on its own structure or whether a part of such weight rests upon or is carried by a motor vehicle."

(3) Paragraphs (4) and (7) of subsection (a) of section 114 of such Act (D.C. Code, sec. 47–2601, 14(a)(4) and (7)) are repealed.

(4) Paragraph (11) of subsection (a) of section 114 of such Act (D.C. Code, sec. 47–2601(14)(a)(11)) is amended to read as follows:

"(11) The rental of textiles to commercial users, the essential part of such rental includes the recurring service of laundering or cleaning thereof."

(5) Section 114(b)(1)(A) of such Act (D.C. Code, sec. 47–2601) is amended by striking out "other than sales of local telephone service", and paragraph (1)(B) of subsection (b) of section 114 is repealed.

(6) Subsection (b) of section 114 of such Act (D.C. Code, sec. 47–2601 14(b)) is amended by adding at the end thereof the following new paragraph:

"(5) Food or drink sold in the same form, condition, quantities and packaging as is commonly sold in grocery type food stores, except when sold by businesses as described in paragraph (1) of subsection (a) of this section."

(7) Section 125 of such Act (D.C. Code, sec. 47–2602) is amended to read as follows:

"Sec. 125. A tax is imposed upon all vendors for the privilege of selling at retail certain tangible personal property and for the privilege of selling certain selected services (defined as retail sale and sale at retail in this title). The rate of such tax shall be 5 per centum of the gross receipts from sales of or charges for such tangible personal property and services, except that—

"(1) the rate of tax shall be 8 per centum of the gross receipts from the sales of or charges for the service of parking or storing motor vehicles or trailers;

"(2) the rate of tax shall be 6 per centum of the gross receipts from sales of or charges for (A) any room or rooms, lodgings, or accommodations, furnished to transients by any hotel, inn, tourist camp, tourist cabin, or any other place in which rooms, lodgings, or accommodations are regularly furnished to transients; and (B) food or drink served, prepared for immediate consumption, or sold as described in section 114(a)(1); and

"(3) the rate of tax shall be 6 per centum of the gross receipts from sales of spiritous or malt liquors, beer and wines; and

"(4) the rate of tax shall be 2 per centum of the gross receipts from the sales of food and drink as described in section 114(a)(1) of this title when sold from vending machines."

(8) Section 127 of such Act (D.C. Code, sec. 47–2604) is amended to read as follows:

"Sec. 127. For the purpose of collecting his reimbursement as provided in section 126 of this title insofar as it can be done and yet eliminate the fractions of a cent, the vendor shall add to the sales price and collect from the purchaser such amounts as may be prescribed by the Council of the District of Columbia to carry out the purposes of this section."

(9) Subsection (1) of section 128 of such Act (D.C. Code, sec. 47–2605(1)) is amended to read as follows:

"(1) Sales of natural or artificial gas and electricity."

(10) Section 128(o) of such Act (D.C. Code, sec. 47–2605(o)) is amended by inserting "whether or not" after "drugs".

Sec. 302. The District of Columbia Use Tax Act (D.C. Code, sec. 47–2701) is amended as follows:

(1) Paragraph (5) of section 201(a) of such Act (D.C. Code, sec. 47–2701(a)(5)) is amended by inserting ", as described in section 114(a)(1) of title I of this act", immediately after "consideration".

(2) Section 212 of such Act (D.C. Code, sec. 47–2702) is amended to read as follows:

"Sec. 212. There is hereby imposed and there shall be paid by every vendor engaged in business in the District and by every purchaser a tax on the use, storage, or consumption of any tangible personal property and services sold or purchased at retail sale. The rates of tax imposed by this section shall be 5 per centum of the sales price of such tangible personal property or services, except that—

"(a) the rate of tax shall be 6 per centum of the gross receipts from the sales of or charges for (1) any room or rooms, lodgings, or accommodations, furnished to transients by any hotel, inn, tourist camp, tourist cabin, or any other place in which rooms, lodgings, or accommodations are regularly furnished to transients, and (2) food or drink served, prepared for immediate consumption, or sold as described in section 114(a)(1); and (3) spiritous or malt liquors, beer and wines; and

"(b) the rate of tax shall be 8 per centum of the gross receipts from the sales of or charges for the service of parking or storing motor vehicles or trailers; and

"(c) the rate of tax shall be 2 per centum of the gross receipts from the sale of food and drink as described in sec. 114(a)(1) of title I of this act when sold from vending machines."

(3) Paragraph (2) of subsection (a) of section 201 of such Act (D.C. Code, sec. 47–2701(a)(2)) is repealed.

(4) Paragraph (9) of subsection (a) of section 201 of such Act (D.C. Code, sec. 47–2701 (a)(9)) is amended to read as follows:

"(9) The rental of textiles to commercial users, the essential part of which rental includes recurring service of laundering or cleaning thereof."

(5) Paragraph (1) of subsection (b) of section 201 of such Act (D.C. Code, sec. 47–2701 1(b)(1)) is amended by striking out "other than sales of local telephone services."

TITLE IV—CIGARETTE TAX

SEC. 401. (a) Section 603 of the District of Columbia Cigarette Tax Act (D.C. Code, sec. 47–2802) is amended by striking out "6 cents" and inserting in lieu thereof "10 cents".

(b)(1) In the case of cigarette tax stamps which have been purchased prior to the effective date of the amendment and which on such date are held (affixed to a cigarette package or otherwise) by a wholesaler, retailer, or vending machine operator, licensed under the District of Columbia Cigarette Tax Act, such licensee shall pay to the Mayor (in accordance with paragraph (2) of this subsection) an amount equal to the difference between the amount of tax represented by such tax stamps on the date of their purchase and the amount of tax which an equal number of cigarette tax stamps would represent if purchased on the effective date of the amendment.

(2) Within twenty days after the effective date of such amendment, each such licensee (A) shall file with the Mayor an affirmed statement (on a form to be prescribed by the Mayor) showing the number of such cigarette tax stamps held by him as of the beginning of the day after the effective date of this amendment, or if such day is a Sunday, as of the beginning of the following day and (B) shall pay to the Mayor the amount specified in paragraph (1) of this subsection.

(3) Each such licensee shall keep and preserve for the twelve-month period immediately following the effective date of such amendment the inventories and other records made which form the basis for the information furnished to the Mayor on the statement required to be filed under this subsection.

(4) For purposes of this subsection, a tax stamp shall be considered as held by a whole-

saler, retailer, or vending machine operator if title thereto has passed to such wholesaler, retailer, or operator (whether or not delivery to him has been made) and if title to such stamp has not at any time been transferred to any person other than such wholesaler, retailer, or operator.

(5) A violation of the provisions of paragraph (1), (2), or (3) of this subsection shall be punishable as provided in section 611 of the District of Columbia Cigarette Tax (D.C. Code, sec. 47–2810).

TITLE V—AMENDMENTS TO PROVISIONS IMPOSING A TAX ON FINANCIAL INSTITUTIONS, GUARANTY COMPANIES, AND PUBLIC UTILITIES

Sec. 501. (a) Section 6 of the Act entitled "An Act making appropriations to provide for expenses of the government of the District of Columbia for the fiscal year ending June thirtieth, nineteen hundred and three, and for other purposes", approved July 1, 1902 (D.C. Code, sec. 47–1701 et seq.), is amended as follows:

(1) Paragraph (5) of such section 6 (D.C. Code, sec. 47–1701) is amended by striking out "5 per centum" and inserting in lieu thereof "6 per centum".

(2) Paragraph 6 of such section 6 (D.C. Code, sec. 47–1702) is amended by striking out "one and one-half per centum" and inserting in lieu thereof "three per centum".

(3) The last sentence of paragraph (7) of such section 6 (D.C. Code, sec. 47–1703) is amended by striking out "four per centum per annum" and inserting in lieu thereof "six per centum per annum".

(4) Paragraph 9 of such section 6 (D.C. Code, sec. 47–1704) is amended by striking out "two per centum per annum" and inserting in lieu thereof "three per centum per annum".

TITLE VI—AMENDMENTS TO DISTRICT OF COLUMBIA INCOME AND FRANCHISE TAX ACT OF 1947

Sec. 601. The District of Columbia Income and Franchise Tax Act of 1947 (D.C. Code, sec. 47–1501 et seq.) is amended as follows:

(1) Paragraph (u) of section 4 of Title I of such Act (D.C. Code, sec. 47–1551c(u)) is amended to read as follows:

"(u) The term 'dependent' means a dependent as defined in section 152 of the Internal Revenue Code of 1954."

(2) The last sentence of paragraph (v) of section 4 of Title I of such Act (D.C. Code, sec. 47–1551c(v)) is amended to read as follows:

"The term 'head of a family' means an individual who is single, or if married, separated from husband or wife."

(3) The commencing phrase in section 1 of Title II of such Act (D.C. Code, sec. 47–1554) is amended to read as follows:

"The following organizations shall be exempt from taxation under this article, except to the extent that such organizations have unrelated business taxable income subject to tax under sections 511 of the Internal Revenue Code of 1954, in which event such organizations shall be subject to tax under this article on said unrelated business taxable income:"

(4) Subsection (b) of section 2 of Title III of such Act (D.C. Code, sec. 47–1557a) is amended by adding at the end thereof the following new paragraph:

"(18) Unemployment Compensation—Payments received by an individual from the District of Columbia Unemployment Compensation Board or a similar State agency for those periods during which he is unemployed."

(5) Paragraph (16) (entitled "Real Estate Investment Trusts") of section 6(a) of Title III of such Act (D.C. Code, sec. 47–1557b(a)(16)), is renumbered as paragraph (17).

(6) Subsection (a) of section 3 of Title III of such Act (D.C. Code, sec. 47–1557b(a)) is amended by adding at the end thereof a new paragraph as follows:

"(18) Household and Dependent Care Services—To the same extent that such amount is deductible under section 214 of the Internal Revenue Code of 1954, any amount expended by an individual for household and dependent care services necessary for gainful employment; Provided, however, that the requirement of section 214 of the Internal Revenue Code of 1954 that married couples must file a single return jointly, shall not be applicable."

(7) Paragraphs (a) and (b) of section 2 of Title V of such Act (D.C. Code, secs. 47–1564a(a) and 47–1564a(b)) are amended to read as follows:

"(a) Residents and Nonresidents.—Every nonresident of the District receiving income subject to tax under this article and every resident of the District, except fiduciaries, when—

"(1) his gross income for the taxable year, if single, or if married and not living with husband or wife, exceeds the personal exemptions authorized for the taxpayer as of July 1, 1975, by subsection (b) of section 151 of the Internal Revenue Code of 1954; or

"(2) his gross income for the taxable year, if married and living with husband or wife, exceeds the combined amount of the personal exemptions authorized for the taxpayer and the spouse of the taxpayer as of July 1, 1975, by subsection (b) of section 151 of the Internal Revenue Code of 1954; or

"(3) his gross sales or gross receipts from any trade or business other than an unincorporated business subject to tax under title VIII of this article, exceeds $5,000, regardless of the amount of his gross income; or

"(4) the combined gross income for the taxable year of a husband and wife living together exceeds the combined amount of the personal exemptions authorized as of July 1, 1975, for the taxpayer and the spouse of the taxpayer by subsection (b) of section 151 of the Internal Revenue Code of 1954, or the combined gross sales or gross receipts from any trade or business, other than an unincorporated business subject to tax under title VIII of this article, exceeds $5,000, regardless of the amount of their gross income.

"(b) Fiduciaries.—Every fiduciary (except a receiver appointed by authority of law in possession of only part of the property of an individual) for—

"(1) every individual if single, or if married and not living with husband or wife, for whom he acts having a gross income for the taxable year in excess of the amount of his personal exemption as authorized for the taxpayer as of July 1, 1975, by subsection (b) of section 151 of the Internal Revenue Code of 1954;

"(2) every individual, if married and living with husband or wife, for whom he acts having a gross income for the taxable year in excess of their personal exemptions as authorized for the taxpayer as of July 1, 1975, by subsection (b) of section 151 of the Internal Revenue Code of 1954;

"(3) every estate for which he acts, the gross income of which for the taxable year is in excess of its personal exemption, which is equivalent to the personal exemption authorized for an individual as of July 1, 1975, by subsection (b) of section 151 of the Internal Revenue Code of 1954; or

"(4) every trust for which he acts, the gross income of which for the taxable year is $100 or over."

(8) Section 2 of Title VI of such Act (D.C. Code, sec. 47–1567a) is amended to read as follows:

"Sec. 2. Personal exemptions—(a)(1) There shall be allowed to residents the same deductions for personal exemptions as are allowed as of July 1, 1975, under section 151 of the Internal Revenue Code of 1954.

"(2) A taxpayer who qualifies as head of a famil" shall be allowed a personal exemption in an amount which is twice the amount allowed the taxpayers as of July 1, 1975, by subsection (b) of section 151 of the Internal Revenue Code of 1954.

"(b) In the case of a return made for a fractional part of a taxable year, the personal exemptions shall be reduced to amounts which bear the same ratio to the full exemptions provided as the number of months in the period for which the return is made bears to twelve months."

(9) Subsection 4(b) of Title VI of such Act (D.C. Code, sec. 47–1567(b)(1) is amended to read as follows:

"(1) In applying such table the taxpayer's marital status on the last day of the taxable year shall control."

(10) Section 6 of Title VI of such Act (D.C. Code, sec. 47–1567e) is repealed.

Sec. 602. The Mayor of the District of Columbia shall, within six months after the effective date of this section, submit to the Finance and Revenue Committee of the Council of the District of Columbia and to the District of Columbia Auditor, a report which shall analyze the total impact of all District of Columbia taxes and user charges. This report shall set forth all information which the Mayor deems useful to a full understanding of the impact of the tax structure. It shall specifically set forth the impact and revenue of all taxes, as a sum, on individual residents grouped by income class and family status (including unmarried, married, single parent, retired, and such other classifications as are appropriate). The same analysis shall be given for each separate tax on individuals. Such analysis shall include consideration of business taxes and charges likely to be passed on to consumers. The report shall also set forth the impact and revenue of each tax on commercial and professional activity, and on businesses grouped by type and size of business activity. In addition to the impact and revenue analysis, the report shall set forth the distribution of returns for each tax grouped by quartile of revenue starting from the quartile containing the fewest returns. An estimate of the revenue effect and collection expense should be given for changes in major exemptions and deductions.

Sec. 603. Section 2 of Title VII of the District of Columbia Income and Franchise Tax Act of 1947 (D.C. Code, sec. 47–1571a) is hereby amended to read as follows:

"Sec. 2. For the privilege of carrying on or engaging in any trade or business within the District and of receiving income from sources within the District, there is hereby levied for one taxable year beginning on and after January 1, 1975, a tax at the rate of 12 per centum upon the taxable income of every corporation, whether domestic or foreign (except those expressly exempt under section 47–1554). The minimum tax payable shall be $25.00. For the taxable years beginning on and after January, 1976, there is hereby levied a tax at the rate of 9 per centum upon the taxable income of every corporation, whether domestic or foreign (except those expressly exempt under section 47–1554). The minimum tax payable shall be $25.00."

Sec. 604. Section 3 of Title VIII of the District of Columbia Income and Franchise Tax Act of 1947 (D.C. Code, sec. 47–1574b) is hereby amended as follows:

"Sec. 3. For the privilege of carrying on or engaging in any trade or business within the District and of receiving income from sources within the District, there is hereby levied for one taxable year beginning on and after January 1, 1975, a tax at the rate of 12 per centum upon the taxable income of every unincorporated business, whether domestic or foreign (except those expressly exempt under section 47-1554). The minimum tax payable shall be $25.00. For the taxable years beginning on and after January 1, 1976, there is hereby levied a tax at the rate of 9 per centum upon the taxable income of every unincorporated business, whether domestic or foreign (except those expressly exempt under section 47-1554). The minimum tax payable shall be $25.00."

Sec. 605. Section 1 of Ttitle VIII of the District of Columbia Income and Franchise Tax Act of 1947 (D.C. Code, sec. 47-1574) is hereby amended by striking the following sentence:

"The words 'unincorporated business' do not include any trade or business which by law, customs or ethics cannot be incorporated, any trade, business, or profession which can be incorporated only under the District of Columbia Professional Corporation Act, or any trade or business in which more than 80 per centum of the gross income is derived from the personal services actually rendered by the individual or members of the partnership or other entity in the conducting or carrying on of any trade or business and in which capital is not a material income-producing factor."

Sec. 606. Sections 2, 4 and 5 of Title XIII of the District of Columbia Income and Franchise Tax Act of 1947 (D.C. Code, sec. 47-1589a, c and d) are amended by striking the words "one-half of 1 per centum" wherever they appear and inserting in lieu thereof the words "three-fourths of 1 per centum."

Sec. 607. Subsections "(b)", "(c)" and "(d)" of section 1 of Title XIII of the District of Columbia Income and Franchise Tax Act of 1947 (D.C. Code, sec. 47-1589(b), (c), and (d)), are amended by redesignating said subsections as "(c)", "(d)", and "(e)" respectively, and as redesignated by striking from subsection "(d)" the figure "6" and inserting in lieu thereof the figure "9", and by inserting the following new subsection:

"(b) Failure to Pay. In the case of any failure to pay the amount of tax required by titles VII and VIII of this article within the time prescribed by law or prescribed by the Mayor or Council in pursuance of law, 5 per centum of the tax shall be added to the tax for each month or fraction thereof that such failure continues, not to exceed 25 per centum in the aggregate except that when the tax is paid after such time and it is shown that the failure to pay was due to reasonable cause and not due to willful neglect, no such addition shall be made to the tax."

Sec. 608. Section 14 of Title XII of the District of Columbia Income and Franchise Tax Act of 1947 (D.C. Code, sec. 47-15861-1) is amended by striking the figure "6" wherever it appears therein and inserting in lieu thereof the figure "9".

Sec. 609. Section 4(h)(2) of Title I of the District of Columbia Income and Franchise Tax Act of 1947 (D.C. Code, sec. 47-1551c(h)(2)) is hereby repealed in its entirety.

TITLE VII—WATER AND SEWER SERVICE RATES

Sec. 701(a) Water and Water Service Rates and Charges. Notwithstanding any other provision of law or regulation, the following rates and charges shall be applicable for water and water services provided on or after July 1, 1975:

(1) Rates and charges for Metered Services. The minimum rate for water furnished any premises through a metered service shall be $8.75 semiannually for the use of up to 3,600 cubic feet of water, payable in advance and for water furnished during such period in excess of that quantity the rate shall be thirty cents per one hundred cubic feet of water.

(b) Sanitary Sewer Service Rates and Charges. The charge for sanitary sewer service furnished any premises in the District of Columbia shall be 90 per centum of the charge for water or water service furnished any such premises from the District of Columbia Water Supply System and shall be collected in the same manner and at the same time as water charges are collected. When water is supplied any such premises from a source or sources other than the District of Columbia Water Supply System, the charge for sanitary sewer service shall be the same in amount as would be charged if the same quantity of water were furnished such premises from the District of Columbia Water Supply System through metered service. The sanitary sewer charge shall be added as a separate item on the bill, if any, for water and water service furnished such premises.

(c) Payment of Rates and Charges. All rates for water and water service and the charges for sanitary sewer service hereby established shall be payable at least once semiannually. When the computation of the amount of any bill for any of such services results in a fraction of one-half cent or more, the next highest amount not containing a fraction shall be charged.

Sec. 702. Penalties. The penalties to be imposed for failure to pay bills for water and sewer service after the expiration of thirty days from the date of rendition thereof, and the payment of any costs incurred by the District of Columbia in connection with discontinuing and restoring the water supply to any premises, shall be as provided by sections 102 and 210 of the District of Columbia Public Works Act of 1954 (D.C. Code, secs. 43-1521a, 43-1609).

Sec. 703. Change in Ownership or Occupancy. Any person who desires a statement of the account of any water or sewer service charge to the date of the acquisition of any premises shall make a written request to the Water Registrar on or before the date of such acquisition, except that the authority to enforce payment of water and sewer service charges by shutting off the water supply or by refusing to restore the water supply may be exercised without regard to any change of ownership or occupancy of any such premises. The Water Registrar shall have access to all premises furnished water or sewer service, and if any such premise is vacant, any request for a statement of account shall contain a fixed time at which a representative of the Water Registrar may obtain access.

Sec. 704. By November 15, 1975, the Mayor of the District of Columbia shall submit to the Council of the District of Columbia a water rate structure which shall—

(a) continue the increasing price rate structure contained in this title whereby per unit water rates increase with increased consumption;

(b) a plan to provide for a minimum bill for water usage not to exceed $2.89 for the first 1,200 cubic feet of water used during each six month period;

(c) provide a scheme whereby residents of multi-family units will benefit on an equal basis with residents of single-family units in the low-minimum water usage rates; and

(d) provide detailed substantiation for the rate structure. The structure, plan and scheme submitted by the Mayor under this section shall be designed to make no change in the amount of revenue derived from the water rates and sewer service charges, and shall not take effect unless implemented by further action of the Council.

Sec. 705. The water rates and sewer service charge contained in this title, to be effective July 1, 1975, shall terminate on January 1, 1976, unless—

(1) the Mayor of the District of Columbia submits to the Council of the District of Columbia, by November 15, 1975, a complete report substantiating the increased water rates and sewer service charges as necessitated by increased government cost; and

(2) the Council adopts a resolution (before January 1, 1976) stating that the Council concurs in the Mayor's report. In the event such report is not submitted to the Council by November 15, 1975, or the Council does not adopt such resolution by January 1, 1976, then the water rates and sewer service charges in effect on June 30, 1975 shall again be effective beginning January 1, 1976.

Sec. 706. Section 1520c of Title 43 of the District of Columbia Code (D.C. Code, sec. 43-1520c) is hereby amended by striking the second sentence therein and inserting in lieu thereof the following:

"In computing the charge for the consumption of water, if such charge is for a period beginning prior to a change in water rates and ending thereafter, such charge shall be prorated in such a manner as to charge for water consumed prior to the effective date of such new water rates at the rate which is in effect during that period of consumption, and to charge for water consumed after the effective date at the new rates."

TITLE VIII—EFFECTIVE DATE, SEVERABILITY

Sec. 801(a). The amendments made by sections 101, 102, 201, and 203 shall take effect on the first day of the first month after the day this act becomes law according to the provisions of section 602(c) of the District of Columbia Self-Government and Governmental Reorganization Act.

(b) The amendment made by section 401 shall apply with respect to cigarette tax stamps sold on and after the first day of the first month which begins more than thirty days after the day this act becomes law according to the provisions of section 602(c) of the District of Columbia Self-Government and Governmental Reorganization Act.

(c) The amendments made by section 501 shall apply with respect to gross receipts or gross earnings for the year ending June 30, 1976, and for each succeeding year ending on the thirtieth day of June.

(d) The amendments made by section 601 shall apply with respect to taxable years beginning on and after January 1, 1975.

(e) Title VII of this Act shall take effect on July 1, 1975.

(f) Sections 103, 104, 202, and 602 shall take effect on the date this act becomes law according to the provisions of section 602(c) of the District of Columbia Self-Government and Governmental Reorganization Act.

(g) Sections 603, 604, 605, and 609 shall take effect with taxable years beginning on and after January 1, 1975.

(h) Sections 606, 607, and 608 shall take effect on January 1, 1976.

(i) Section 301, with the exception of subsections (3), (5) and (9) of that section, shall take effect on the first day of the first month which begins more than 30 days after the effective date of this Act.

(j) Subsections (3), (5) and (9) of section 301 shall take effect on June 1, 1976.

(k) Section 302, with the exception of subsection (3) and (5) of that section, shall take effect on the first day of the first month which begins more than 30 days after the effective date of this Act.

(l) Subsections (3) and (5) of section 302 shall take effect on June 1, 1976.

Sec. 802. (a) If any provision of this Act, including any amendment made by this Act, or the application thereof to any person or circumstance, is held invalid, the remainder of the Act, including the remaining amendments, and the application of such provision to other persons or circumstances shall not be affected thereby.

(b) The repeal or amendment by this Act of any provision of law shall not affect any act done or any right accrued or accruing under such provision of law before the effective date of this Act or any suit or proceeding had or commenced before the effective date of this Act, but all such rights and liabilities in the same manner and to the same extent, as if such repeal or amendment had not been made.

(c) All offenses committed, and all penalties incurred, prior to the effective date of this Act, under any provision of law hereby repealed or amended, may be prosecuted and punished in the same manner and with the same effect as if this Act had not been enacted.

BUDGET COMMITTEE POSTPONES OVERSIGHT HEARING ON CONGRESSIONAL BUDGET OFFICE

Mr. MUSKIE. Mr. President, the Committee on the Budget will postpone its oversight hearing on the Congressional Budget Office, which was orginally scheduled for this Thursday, July 31, 1975.

Pressing Senate business, much of it dealing with important budgetary matters, will likely demand the attention of members until the end of this week's session. I believe that this important oversight hearing on the Congressional Budget Office should be postponed until the members of the committee will be able to give it the serious consideration which it deserves.

The hearing will be rescheduled at the first available opportunity, and adequate notice will be given to all.

ADDITIONAL STATEMENTS

GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, this week our Nation will become a party to the historic agreement which will renounce war as a means for changing the current bombers of Europe. The President will sign this instrument in Helsinki, and while the legal effect of this document will be disputed, the moral effect is obvious. No longer will killing be an instrument of policy for nations wishing to change borders.

This affirmation of peace through treaty and international law is in the best tradition of our Nation. We stand for the principle that government should be by law, and not by persons. Why, then, can this Senate not see its way to ratify the Genocide Convention, which does no more than affirm the rule of law among the nations of the Earth.

Mr. President, the Genocide Treaty, as I have stressed in my previous statements, does not limit or abrogate any laws, treaties, or constitutional provisions of this country. On the contrary, it affirms the commitment of this country to law and to peace. Just as the Helsinki agreement does, the Genocide Convention will stand for a moral principle: that killing is wrong and the civilized nations of the world will not stand for it. Mr. President, we must do so this session.

OSD: ADVERSARY OR ADVOCATE

Mr. FANNIN. Mr. President, I ask unanimous consent to have printed in the Record a statement by the distinguished Senator from Arizona (Mr. Goldwater), and the material attached thereto.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Statement by Senator Goldwater

As anxious as I am to see the federal government cut back on its expenditures and return an element of sanity to its fiscal operations, I find myself in strong disagreement that such economies should be confined to our military personnel. And the way I see it the Secretary of Defense's action in curtailing the commissary funds is discriminatory in the extreme. What is more it penalizes the one group in our system that deserves the most consideration.

Mr. President, our military personnel regard their commissary benefits as a part of their pay and indeed they should for their payscales include consideration for benefits received in commissary purchases.

Mr. President, this really comes down to the question of whether promises made to our military men are to be honored or are to be subject to alterations whenever the Secretary of Defense decides that a change would be beneficial. It is my strong belief that of all the government commitments the ones made to its military men are the most sacred.

This whole question, Mr. President, has been very expertly presented by Army Major General Herbert G. Sparrow (Ret.) who served as head of the Army Council of Review Board which conducted a study of the services' Personnel Support System in 1973. Writing in the Army Times July 23rd, General Sparrow raises the possibility that the commissary fiasco may lead to some unforeseen developments. He mentioned the possibility that a major AFL-CIO union might begin to organize military groups offering to protect them against possible "misunderstandings" brought about by arbitrary action of the Defense Department.

Because of its importance I ask that General Sparrow's entire article, entitled "OSD: Adversary or Advocate?" be printed in the Record.

The article to be printed in the Record is as follows:

[From the Army Times, July 23, 1975]

OSD: Adversary or Advocate?

(By Maj. Gen. (Ret.) Herbert G. Sparrow)

(Gen. Sparrow, who commanded troops at nearly every level during a 40-year Army career, retired in 1973 after serving as head of the Army Council of Review Boards and conducting a study of the services' Personnel Support Systems.)

Two months ago, sensing the rising tide of outrage in the military community, I wrote a letter to the President on the alarming erosion of promised military entitlements. The appeal was restrained and dealt chiefly with a single issue: the credibility of commitments made officially by the government to its servicemen.

No meaningful or satisfying response has been received.

Since there is little apparent evidence of understanding within the Office of the Secretary of Defense of the moral (and morale) issues involved, or that the White House is aware of the impact of the proposal—and since the affair is coming to a head in Congress—it seems time to take another look.

If it costs the DoD $250 million a year to operate the commissaries and they are made self-sufficient via a surcharge, then that is exactly the amount that will be taken out of the pockets of the active and retired servicemen, their dependents, widows and children. This group includes older people living on pittances, younger servicemen retired for wounds and junior graders with families.

All of them earned the benefits and the security offered by the government as a part of their remuneration for service and they believed the assurances given in good faith by tens of thousands of officers and non-commissioned officers.

Men have risked death and died believing that their widows and children would be taken care of. This is what it's about—this basic trust and confidence of the troops in their chain of command, a belief by all hands in the integrity of their government. More is at stake than grocery money.

Senior Defense officials often tell the retired military, or those about to retire, "We need your support!" Their actions belie their words and many military retirees, far from being supporters, are hostile.

Let's look at the OSD rationale. Why do they propose this action?

"Our country is in financial trouble. Government expenditures must be curtailed. Savings must be made." Agreed. But at the expense of a single group? Nor does it pass unnoticed that at the same time the government is handing out tax rebates and Social Security bonuses to increase spending.

"We must cut back on expenditures not directly related to the combat mission." By all means. But the motivation of the forces is an essential element of their combat effectiveness. This entails not only belief in their mission, but a sense of having dependable support from above, an assurance of protection and well-being of loved ones.

"Military pay has caught up to civilian pay." I cannot speak to that, though it is disputed and is made in part irrelevant by an earlier breach of faith (recomputation). When the homework (including the Quadrennial Pay Review) has been done that should have been accomplished before the commissary fiasco was launched, then obviously an adjustment of active duty pay may be made. Even then it should be recognized that there are "fringe benefit" packages in civil life too.

But OSD apparently has no plan to keep its promises to retirees or to the widows and children of the dead.

"This is really much ado about nothing. We estimate that added costs for commissary patrons will be only about $220/year (per family)." To a senior OSD civilian, struggling to live under the current $36,000 a year salary limitation, that may not be much. What other groups in government are being asked to make a comparable sacrifice? Remember military people also are taxpayers.

"Nothing is forever. No one should expect that military benefits will continue in the same form indefinitely." Agreed. But men of integrity expect one another's word to be good for the period to which it applies.

"Service attractiveness has not diminished. Recruiting for the volunter army is proceeding very well." We had a volunteer army 45 years ago during the Great Depression and recruiting was no problem. In that period of national hardship the military served with a 15 percent pay cut to help, but so did everyone else in government.

The OSD proposal to reduce commissary support is said to stem from studies by the Office of Management and Budget and the GAO, neither of which has responsibility in the areas of troop motivation, dedication, loyalty or morale. Interest and responsibility for these matters, under the Commander-in-Chief, are vested in the Secretary of Defense, Mr. Schlesinger, whose Assistant Secretary for Manpower and Reserve Affairs is Mr. Brehm. The latter, in what might be termed one of the year's more memorable miscalculations, stated his opinion that while the commissary action might be unpalatable it would be understood and accepted. (The principal author of the fiasco is reported to be the OSD Comptroller Terence McClary.)

The OSD proposal was indeed understood, though not in the sense Brehm intended. It was instead recognized as a significant and symbolic betrayal, confirmation of existing misgivings regarding erosion of benefits and the type of support to be expected from OSD.

Unfortunately, the commissary travesty may have stimulated still other unforeseen developments. The proposal has been seriously made that to preclude possible "misunderstandings" and to protect the serviceman (from whom, his own government?) he should serve under a formal written contract. It is reported that a major AFL-CIO union is planning a campaign to organize military people.

Double pay for overtime may be just around the corner. "Hell, no, we won't go!" is not far behind us. How about, "No contract, we won't fight!"

In such developments it may be that our country will reap the logical consequences of OSD appearing to treat people in uniform as if they were a labor force to be maneuvered, manipulated and outwitted by management.

It is hard to see why Schlesinger (an excellent Secretary of Defense) and the President were not better advised. Reportedly Gen. Fred C. Weyand, Army Chief of Staff, opposed the proposal as do other military people who know what the stores mean to users. In OSD it appears that servicemen have an adversary, not an advocate.

These words are written in sadness, that my government may make a liar of me and thousands of others, military and civilian; and in regret that I and others have remained apathetic and silent, when the gut issues go far beyond the commissaries, concerning instead the reliability of and character of our own top management.

The most effective course apparent would seem to be that, believing in a just cause, we continue to make our beliefs, and reasons for them, emphatically clear to Congress.

Unlike many other groups, we are not asking for an increase in benefits, but only for the status quo.

SENATOR HUGH SCOTT'S RECORD ON ENVIRONMENT

Mr. **WEICKER**. Mr. President, it has been 5 years since Earth Day, yet the serious threats which endangered our environment then continue to do so today. Clean air, clean water, and a healthier environment are the goals toward which we must strive.

But now that Earth Day is but a mere remembrance of things past, where do we go now? What lies ahead? For one thing, we must look to our elected representatives for the guidance and wisdom to restore our environment. One man who has always lent his help is Senator HUGH SCOTT.

Every day is Earth Day for our esteemed minority leader, Pennsylvania's senior Senator, HUGH SCOTT. His enviable record on environment and conservation matters should be an example for all of us to follow. As ranking Republican member on the Environment Subcommittee of the Senate Commerce Committee, I ask unanimous consent that Senator SCOTT's achievements in the area of the environment be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SENATOR HUGH SCOTT'S RECORD ON ENVIRONMENT

ENVIRONMENT—94TH CONGRESS

Legislation

S. 520—Eastern Wilderness designates specified lands in Michigan, Missouri, Florida, Illinois, Indiana, Louisiana, Maine, New Hampshire, North Carolina, Ohio, Pennsylvania, Texas, Wisconsin and Puerto Rico as wilderness.

S. 1004—a bill to amend the Wild and Scenic Rivers Act of 1968 by designating a portion of the Allegheny River, Pennsylvania, for a potential addition to the National Wild and Scenic Rivers System.

Votes

Voted for the amendment to withdraw from all forms of surface mining operations lands where the Federal Government owns the coal and other mineral rights, but not the surface rights.

ENVIRONMENT—93D CONGRESS

Legislation

S. 173—a bill to authorize the reinstatement and extension of the authorization for Presque Isle Peninsula, Erie, Pa.

S. 316—a bill to further the purposes of the Wilderness Act of 1964 by designating certain lands for inclusion in the National Wilderness Preservation System, and for other purposes.

S. 1296—a bill to further and protect the outstanding scenic, natural, and scientific values of the Grand Canyon National Park in the State of Arizona.

S. Res. 222—a resolution to authorize a National Ocean Policy Study.

Amendment to S. 316—to expand the acreage under study and add a new study for three areas in Pennsylvania's Allegheny National Forest.

Amendment to S. 425—to insert in the appropriate place provisions that such regulation shall not be promulgated as final regulations until the Secretary has first obtained the written concurrence of the Administrator of the EPA, and elsewhere in the bill to insert a provision that certain matters shall obtain the written concurrence of the Administrator.

Votes

Voted for amendment to give states the right to designate and define areas of critical environmental concern.

Voted for prohibiting environmental modification as a method of war.

Voted for Convention on the Preservation of Marine Pollution.

Voted for Federal Lands Right-of-Way Act.

Voted for Clean Air Act Amendments.

Voted for Wild and Scenic Rivers Act Amendments.

Voted for Emergency Chlorine Allocation Act of 1974.

Voted for National Resource Lands Management Act.

Voted for Agriculture-Environmental and Consumer Protection Appropriations Act of 1975.

Voted for Energy Reorganization Act of 1974.

Voted for Energy Supply Act of 1974.

Voted for amendment to increase from $5 million to $10 million funds for rural housing for domestic farm labor.

Voted for Land and Water Conservation Fund Act amendments and Establishment of National Historic Preservation Fund.

PUBLICATIONS IN PERIL

Mr. **FANNIN**. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by the distinguished Senator from Arizona (Mr. GOLDWATER).

The **PRESIDING OFFICER**. Without objection, it is so ordered.

STATEMENT BY SENATOR GOLDWATER

As we move toward enactment of the Treasury-Postal Services appropriations bill, I would like to briefly state my satisfaction that the bill includes the full monies requested by the Postal Service in order to carry out the purpose of S. 411, which we enacted last year in order to help the reading public obtain the printed word through the mails.

My colleagues will recall that S. 411, enacted as Public Law 93–238, authorizes the phasing-in, over an extended period of time, of extremely large postal increases that were imposed on publications. As a result of these increases, the whole range of printed materials being sent through the mails, including weekly newspapers, metropolitan dailies, church bulletins, membership journals, magazines, book club selections, and library acquisitions, were faced with a sudden hike in mailing costs of the magnitude of 300 to 1000 percent.

There was no way mailers of these various materials could cope with such a gigantic rise in expenses without suffering a serious decline in service or the complete collapse of their publications, and in response to the problem, Congress acted by providing that the postage increases would take effect in staged intervals.

In so acting, Congress was guided by at least two major considerations. First, we recognized that this was not a case of bailing out an industry from troubles of its own making because here the mail users had no control over the excessive and sudden hike in mail costs. Second, the postage increases were of such a magnitude that they reversed the historic role of the post office to encourage and promote the circulation of the printed word, a concept that has been public policy since the days of the American Revolution.

To these considerations, let me add the fact that S. 411 does not provide for permanent payments by the government to cover the postage costs to which the law is addressed. S. 411 does not repeal the increases. All it does is give the mailers of publications a fair opportunity to adjust to the full costs of postage increases without going out of business or sustaining drastic harm.

It is the American reading public—and the premise that our Republic will be self-governed by an informed citizenry—that would really suffer if the promise made with the enactment of S. 411 was not fulfilled, and I am delighted that Congress is living up to its commitment under that law by including monies for it in the appropriations bill, which is now pending in conference.

INFLATION REPORT NO. 4—ADMINISTERED PRICES AND INFLATION—FACT OR FICTION

Mr. **HUMPHREY**. Mr. President, the language of economics is the language of tradeoffs. And now the administration has posed the ultimate tradeoff to the American people: Accept high unemployment into the next decade in order to slowly work inflation down to a stable, low level.

If there is any alternative to this destructive manner of creating stable prices—and there is—then the administration's policy option is morally unacceptable. But what is even more interesting is that there is a serious dispute among the Nation's leading economists about the extent to which such a tradeoff even theoretically exists.

What I am talking about is cost and profit push inflation or administrative pricing. In many industries dominated by few firms, havoc can be played with the law of supply and demand. While aggregate demand decreases in a recession, the output prices from these industries may fall only slightly or, in some notable cases, actually rise.

This is what economists call "oligopolistic competition," and it abounds in the jargon of kinked demand curves and discontinuous marginal revenue curves.

But it is simple to understand the general concept. And because of administrative inflation, we have the President's Wage and Price Stability Council. When industries do not respond to the demand situation, the Council should investigate the price increase to see if it is justified, a task they have timidly undertaken in a few of the more blatant instances of administered prices.

Now, as I have said, there is a serious academic dispute about this question, and the evidence is far from clear. But such a distinguished economist as Gardiner Means, former associate director of research for the Committee for Economic Development, ventured as late as April of this year, that—

> something like a half of the wholesale price rise should be attributed to the direct and indirect effects of the oil cartel and most of the rest to administrative inflation.

Dr. Means has worked on administered price theory much of his professional career, starting in 1935. At the recent Conference on Concentration, Administered Prices, and Inflation, Dr. Means presented a breakdown of the Wholesale Price Index by industry concentration which showed, in the present recession, output prices in concentrated industry groups have risen 23 percent since the first quarter of 1974, while competitive industry prices have hardly risen at all.

In a detailed study commissioned by the Wage and Price Stability Council, Prof. Ralph Beals of Amherst College, on the other hand, finds much to criticize in Dr. Means' data. Some of the problems he cites include the WPI's propensity to rely upon list instead of transaction prices, Dr. Means' criteria for choosing competitive and concentrated industries, and a lack of accounting for cost changes in price determination.

So there needs to be more understanding of how administered prices are contributing to our present inflation, during the worst recession since the great 1929 nosedive. Professor Beals concludes as much:

> There is much more to be done before we understand the role of market structure or concentration in price adjustments. And even more work is needed to see how concentration may affect the adjustments of wages or other costs to demand and anticipated price change.

This was also stressed by Dr. Courtenay Slater of the Joint Economic Committee staff at the Conference.

Until we do understand these complex relationships, we must vigorously insist that suspicious price increases in concentrated industries be fully investigated. I am afraid the present Council is not sufficiently convinced that administered prices are a real phenomenon and a cause of inflation. Therefore, it is not surprising that the Council has been less than zealous in attempting to administer pricing behavior.

I can assure you, Mr. President, the staff of the Joint Economic Committee, of which I am chairman, will be conducting thorough studies of administrative inflation and keeping in close touch with developing research from other sources.

CENTRAL INTELLIGENCE AGENCY

Mr. FANNIN. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by the distinguished Senator from Arizona (Mr. GOLDWATER).

The PRESIDING OFFICER. Without objection, it is so ordered.

[The statement follows:]

STATEMENT BY SENATOR GOLDWATER

After a careful study of the public press over the past several weeks, I believe it is about time for the news media of this country to decide whether it really believes the United States should have a functioning intelligence community or whether it should destroy completely the CIA and all the covert activities of our military services and law enforcement agencies.

This is becoming an extremely serious question for the future of our country. In a world divided (and I say that after a thorough examination of the phenomenon called "detente") I find it unthinkable that anyone should consider stripping the nation of its intelligence facilities. Does anyone in his right mind expect the Soviet Union, Communist China or even Castro's Cuba to suddenly decide intelligence is immoral? Does anyone in this chamber feel that we can adequately defend the strategic interests of the United States without making any attempt to find out what our potentional adversaries are doing? Does anyone here present believe that our negotiators at the SALT 2 talks can reach reasonable arrangements with the USSR without understanding what kind of strategic arms the Soviets are developing?

Mr. President, we are a young nation. Yet we have assumed the status of world leader with all the sophistication and maturity required in today's international climate. We have an obligation to our allies as well as to our own people to keep a healthy and effective intelligence system operating in our own best interest—and I might say in the best interest of individual freedom and liberty, throughout the globe.

My purpose here is not to prejudge the Senate's investigation of the CIA. As a member of the Select Committee assigned to this task I am, in effect a member of the "jury" which in good time will submit its findings in a formal report. Nevertheless I have made some observations on the material we have covered so far. And in no instance can I see where the CIA did anything but act on orders to insure the security of the United States and its strategic interests abroad and in no instance thus far can I see where the CIA acted in violation of the law.

This of course is contrary to the impression which is daily given the public by the news media and by what I would describe as professional CIA detractors.

Mr. President, my study of the stories written in recent weeks about the activities of the CIA and our law enforcement agencies shows a heavy element of exaggeration and strained reasoning. For many of these stories there was no adequate reason, with the possible exception of a desire to capitalize on the CIA investigation. A case in point is the whole episode concerning former White House employee Alexander P. Butterfield. In a frenzied effort to try and show that the CIA had infiltrated the President's own staff, the media did a great disservice to a man whose record of public service is unblemished even though he was a part of the Nixon administration. This kind of rush-to-judgment on the part of the media is not helping legitimate legal efforts to get to the bottom of allegations that some of our intelligence activities are unjustified. They complicate the efforts of Congressional committees while confusing the issue with sensational headlines which have nothing to do with the actual facts under investigation. Mr. President, the Butterfield story is only one of many attempts to besmirch the CIA and destroy this nation's intelligence community.

But my argument here is not with the press and the news media. I know how they operate and do not expect them to pass up any news stories that appear legitimate. The question I am raising here is whether there is some purpose behind these recurring reports and rumors of CIA perfidy. If I were writing the script for a story of conspiracy to destroy the American intelligence community I would take my material from the events which began the day the New York Times published a story to the effect that the CIA had kept files on 10,000 Americans in an alleged departure from its assigned task to function only overseas.

And in passing let me say that if I had been in charge of the CIA and we had people like Daniel Ellsberg giving away for publication whole volumes of classified government information I would have had files on a lot more than 10,000 persons.

Now looking at this train of events closely we find that the investigations, far from quieting the alarm, became the excuse for the floating of all kinds of charges against the CIA, the FBI, even local law enforcement bodies.

For myself, I should like to know more about the identity, the backgrounds and the purposes of those who float another hot rumor every time the CIA furor in the media shows signs of running its course. Believe me I would like to believe the whole thing is coincidence or the result of good investigative reporting on the part of the press. But I cannot rid myself of the feeling that the assault on our intelligence capacity is somehow contrived and inspired by persons who do not have this country's best interests at heart.

Mr. President, we are actually in danger of talking ourselves into a national frame of mind which says that any activity on the part of the government which is not immediately published on the front pages of our newspapers and broadcast far and wide by radio and television is somehow illegal or downright obscene. We seem to have forgotten that an element of confidence is absolutely essential to the proper functioning of a world leader. We seem to believe that there should be a CIA but that it should never do anything covert. Its like saying that its all right to conduct intelligence but we must never do any spying.

As I mentioned earlier this whole business of throwing up our hands and pretending righteous indignation over methods used by our intelligence and law enforcement agencies is becoming ridiculous. I suggest that the conduct of intelligence on behalf of freedom is an honorable profession. I would ask my colleagues to consider how many times we have benefited from advanced intelligence about the designs and plans for American enemies. This has stood us in good stead in all of our wars, starting with the spying Paul Revere's helpers did to gain intelligence about movements of the British. The idea that we can live in a dangerous world without protecting our own strategic interests in an era of blatant communist aggression is childish and foolish. It is unworthy of a nation dedicated to the principles of freedom.

UW OZONE UNIT ON APOLLO "FLAWLESS"

Mr. McGEE. Mr. President, Wyoming takes special pride in the success of the recently concluded Apollo-Soyuz space venture. I announced in the Senate on April 7 a scientific device called "SAM," which was a project of Drs. David Hoffman, James Rosen, and Theodore Pepin, would be a part of the package of space-age instruments to fly aboard the Apollo spacecraft.

SAM was developed at the University of Wyoming and was designed to measure aerosol particles in the stratosphere. It did so without flaw.

The data gathered by this University of Wyoming instrument will prove vitally important to, not only the United States, but to the world.

Aerosols are those components of the stratosphere which play a delicate role in how much of the Sun's energy reaches the Earth. A full scientific understanding of these particles and gases can only yield very important information which will have long-range effects on world-wide crop production, for example.

As I ask, Mr. President, unanimous consent that an article in the Wyoming Eagle on SAM be printed in the Record, I proudly note that our friends, the University of Wyoming and its dedicated scientists, have risen to great heights.

There being no objection, the article was ordered to be printed in the Record, as follows:

UW Ozone Unit on Apollo "Flawless"

A flawless performance was turned in by a University of Wyoming experimental package Monday evening then America's orbiting Apollo astronauts aimed the SAM (stratospheric aerosol measurement) infrared device toward the earth's upper atmosphere.

Theodore Pepin, UW professor of physics and astronomy and head of the team which developed the instrument on campus, said Tuesday from Mission Control in Houston, "We're delighted with the results. SAM performed even beyond our expectations."

SAM was developed to gather data on high altitude aerosols—tiny dust particles—which can have modifying effects on the amount of solar energy received by the earth's surface.

Apollo astronauts Monday conducted a series of four observations which included measurements of two "sunsets" (one over the Atlantic Coast, one near Kansas City) and two "sunrises" (both over the Indian Ocean in the southern hemisphere) beginning at about 7:00 p.m. MDT.

"We obtained a very high degree of correlation between the Apollo observations and those obtained by the UW balloon team operating in eastern Kansas—exactly what we were hoping for, Pepin said Tuesday.

Measuring devices were lofted by balloon to about 90,000 feet by UW ground technicians Monday to obtain the corroborative data needed to validate Apollo measurements.

The Apollo observations using SAM provided a complete profile of the various atmospheric layers and an accurate count of the number and type of aerosols contained within them.

A major objective of the Apollo program—one of only three assigned to U.S. universities by National Aeronautics and Space Administration (NASA) officials—is to aid in the further refinement of sensing devices to be used in unmanned orbiting observatories beginning in about 1978.

NATION IS THREATENED BY WELFARE MACHINE

Mr. FANNIN. Mr. President, the mail that I am receiving in my office indicates that Americans are becoming very distressed by the high cost of Government and the excessive spending on questionable welfare programs. Most people do not complain about sharing in the cost of Government, and they are willing to contribute to help unfortunate persons who cannot provide for themselves. The people are very tired, however, of programs—such as the food stamp program as it is currently constituted—which encourage freeloading.

Last Friday in the Arizona Republic appeared a column by Bernie Wynn, an exceptionally perceptive newsman who knows the political mood of Arizona as well as anyone in my State.

Mr. President, I ask unanimous consent to have Mr. Wynn's column printed in the Record at this time for the benefit of my colleagues.

There being no objection, the column was ordered to be printed in the Record, as follows:

Nation Is Threatened by Welfare Machine

(By Bernie Wynn)

America has achieved greatness through a combination of assets, including boundless natural resources, a free economic system, self-government and the Puritan work ethic.

To this some would add the freedom to worship God, or a higher power, of each person's choosing.

Nearly 200 years later, we find our natural resources are not unlimited, the free marketplace is no longer very free and the work ethic is being crushed under burdens of a growing welfare state.

And the churches aren't exactly bursting at the seams, nor is the emphasis today on the basic need for spiritual development over acquisition of a new color television set.

So what's new? Why the sudden accent on the negative when there still are some positive virtues abroad in the land?

Well, I was talking with a neighbor the other day, a young man who is a hard worker and a dedicated family man.

He's a little bitter over his inability to get ahead because of increased tax burdens, continued inflation and what he called tax laws that favor the "haves" over the middle-class "have nots."

More specifically, he wonders why he has to keep repairing his beat-up pickup truck instead of buying a new one while others are able to write off their personal transportation under "business expenses."

He wonders why his wife has to shop diligently for the specials and buy cheaper cuts of meat when another couple was seen loading their expensive new model car with choice cuts from the same market, purchased with food stamps.

Some of my neighbors are disturbed that Judge Marilyn Riddel is being criticized for sending a woman to jail for gross violation of the state's welfare laws.

They think the judge deserves a medal for upholding the law when the prevailing judicial mood seems to be probation and timid wrist-slapping sentences.

They are tired of breaking their backs making a living for their families while paying more and more taxes to support the shiftless and the greedy.

Folks are alarmed when they read that one out of six workers in the market today is employed by government. How in the world did government get that big!

There used to be the feeling that government did for the people what they could not do for themselves because, as one Phoenix attorney said lately, "Government doesn't do many things well."

Gloomy as the scene appears at the moment, I sense there are some pin-pricks of light down the tunnel.

Representative Sam Steiger, of Ariz., and Senator Paul Fannin, of Ariz., have sponsored legislation trying to get the food stamps back to the genuinely needy instead of the greedy.

The U.S. Department of Health, Education, and Welfare, although big and bureaucratic, shows signs of returning sanity.

Outgoing HEW Secretary Caspar Weinberger last week warned Americans to beware of letting federal social programs become "a gigantic sponge sopping up all the nation's surplus capital."

Unless the wide-open welfare system is corrected, there will come within 20 years the sad spectacle of half the nation's population working to support the nonproducing other half.

When this time comes, how will you convince the youth that they can improve their position in the world by hard work, thrift and honest dealings?

Won't they look around and see the neighbor who does nothing, yet lives well off the fruits of others and be tempted to falsify and cheat to "get ahead" rather than work for it?

That will be the death of the Puritan work ethic and the beginning of the decline and fall of the American nation, leaving the welfare rights organizations in firm control.

And they'll get their full share. Nothing divided equals nothing.

WHEAT EXPORTS AND THE PROTEIN DISPUTE

Mr. HUMPHREY. Mr. President, I wish to bring to the attention of the Senate a July 28, 1975, New York Times article by H. J. Maidenberg, entitled "In Wheat Belt: Protein Dispute."

This article points out a major issue which has developed regarding this year's wheat crop. The protein level for wheat is a critical factor in determining the price which is offered. For much of the wheat which is being harvested this year, according to some grain buyers, the protein levels have dropped to or are below the 11-percent level. This is a critical point, and a 14-percent protein level will bring the producer 56 cents more per bushel than the posted prices.

Wheatgrowers have accused the buyers of conspiring to reduce the premiums provided for higher level protein content. In the wake of the grain inspection scandals, this appears to some producers to be one more attempt to rip off the farmer and prevent him from getting the price to which he is entitled.

This will be one more element which we will have to deal with as we develop legislation responsive to the grain inspection controversy. It clearly indicates the sophisticated issues involved and the need to develop mechanisms which take into account the variations in protein levels of our crops.

Mr. President, I ask unanimous consent that this informative article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

In Wheat Belt: Protein Dispute

(By H. J. Maidenberg)

BIG SANDY, MONT.—Americans may well sing of amber waves of grain as the nation winds up a historic harvest of 1.7 billion bushels of wheat this month.

But to the wheat growers who planted that record crop last fall, the music carries some discordant notes because the protein content of the hard red winter wheat produced in Montana's "Big Sky" country and other areas is down again this season.

Protein is not only a basic substance of life—to growers of quality wheat it also represents the difference between high profits and nine months of wasted time and money, regardless of the size of the crop.

To make matters worse, farmers and the grain elevator operators here complain bitterly of a "conspiracy" by wheat buyers to deny them the normal premiums they receive for protein content.

After reviewing "widespread discrepancies" in protein tests by producers and buyers, Gov. Thomas L. Judge declared:

"This situation, which carries an apparently criminal dimension, is threatening the very livelihoods of Montana independent grain elevator operators and is cheating all the farmers of the nation's fourth largest wheat-producing state."

Although disputes over quality are as old as agriculture itself, the current one over protein content has struck raw nerves in the industry because of the exploding scandal involving the false grading of grain for export. The scandal has led to a score of indictments of inspectors and grain companies.

The charges by Montana's wheat growers and their elevator operators are being investigated by Congress and a number of Federal agencies, including the General Accounting Office.

The battle in Congress is led by Representative John Melcher, Democrat of Montana, whose district includes Big Sandy. Mr. Melcher said Richard L. Feltner, an Assistant Secretary of Agriculture, had contended that protein grading was outside the purview of his agency.

The dispute over the protein content of grain introduces a new aspect of commerce to Big Sandy, where a handshake and one's word have been as valid as any written contract since the first farmers settled here more than a century ago.

At issue in the protein dispute is this question: When is the bending of rules cheating and when is it merely shrewd dealing?

To Ray Aman, manager of the Big Sandy Grain Company, smallest of the three tall elevators that dominate the life and skyline of this town of perhaps a thousand people, the answer is simple:

"Cheating is when the handful of giant international grain exporters knock down the protein content of our wheat with the full knowledge that we can either accept their price or choke on the stuff."

WATER AND CHAFF

The companies that buy grain from elevators around the nation, however, say cheating often starts when farmers add water, chaff and other foreign matter to their wheat before delivery to the elevators.

"The elevators are thus stuck with the water and rubbish and then try to pass it off on us," a representative of a large grain exporting house said in a telephone interview from Portland, Ore.

What makes the Big Sandy Grain Company's situation unusual is the fact that Mr. Aman decided to take his case to Washington.

"We have been complaining to the grain companies for years," Mr. Aman said. "The reason we hollered to Washington is that protein premiums determine our profits today because costs of production are eating up the prices we're getting."

He explained: "Basically difference between ordinary hard red winter wheat with a protein content of 11 per cent or less and, say, 14 per cent is 56 cents a bushel over the posted prices in the newspapers.

"With production costs—fertilizers, other chemicals, labor, transport, taxes, land rental costs—rising fast, that half-dollar can be the difference between profit and having to borrow to stay in business."

One grain buyer responds: "We are the ones who have to face the final customer, here or overseas. Sure, some of us knock down the protein count. How else do we compensate for short weights, rubbish and high moisture? No one likes to call anybody a cheat."

There are many ways to cheat. Farmers may load their trucks partly with screenings, the chaff left after they process grain for seed, or they may cover lower protein grain with a better grade from a previous harvest in the hope of avoiding detection by inspectors.

Farmers have also been known to play a water hose over a load of particularly dry grain to raise the moisture content and weight.

Quite often a combine may pick up pebbles, dirt, garlic and other non-wheat plants inadvertently during harvest.

At Big Sandy Grain, a cooperative elevator owned by 132 farmer members, the truckloads of wheat are weighed and tested for protein, moisture and other properties before the grain is either stored or moved out by railway.

FURTHER TESTING

"I do believe that outfits like Big Sandy try to be honest," a buyer for a large export house said. "They know we'll test the grain when we get it and pay accordingly.

"But their directors, members and others they buy from in the area are not the fairest judges of protein. The hired hands don't like to contradict their bosses and usually grade the way they're told."

Big Sandy's manager conceded that such problems have surfaced, but he added: "Our members aren't stupid. They know the grain will be checked later by the state lab in Great Falls and by the buyers."

Mr. Aman continued: "They also know that the dime spread between what we pay the farmer and what we get from the buyers must cover our operating expenses. By having protein knocked down, the members' costs rise and possible dividends vanish."

Basically, each quarter percentage point in protein content above 11 per cent commands a premium of 2 cents, and may rise as much as 5 cents above 16 per cent content.

In recent years protein levels of American have fallen because of a lack of sunny weather, above-normal rainfall and the high cost of nitrogen which is obtained from natural gas. Nitrogen produces protein, but its cost has discouraged farmers from using as much nitrogen-based fertilizer as in past years.

As far as the milling and baking industry is concerned, the protein factor is essential not only for its nutritional value but also for the production of quality bread and rolls.

Without at least 11 per cent protein, bread loses its firmness and structure, making automated packaging a nightmare.

A lack of protein cases stacked bread on grocery shelves to collapse, giving customers the impression of being offered short-weighted or damaged goods.

Foreign buyers of wheat insist on high protein because bread is still a major source of that key element in their diet. The Soviet Union, for example, has a per capita consumption of 550 pounds of bread a year. That compares with 120 pounds in West Germany and 85 pounds in this country.

Because of the decline in supplies of high-protein wheat today exporters may be forced to compete against domestic flour millers and bakers for available stocks, despite the record grain crops forecast for this season.

MEDICARE: THE FIRST 10 YEARS

Mr. FANNIN. Mr. President, I ask unanimous consent that the article "Medicare: The First 10 Years," by Stuart Auerbach, which appeared in the Washington Post on Sunday, July 27, 1975, be printed in the RECORD. This article reviews the growth of the medicare program and the implications of current efforts to control a program whose budget this year will amount to $13.5 billion which is, according to Mr. Auerbach, "100 percent higher than predicted 10 years ago."

But the most important aspect of this article and one which could dominate future discussions of the medicare program is the fact that medicare benefits are paying less and less of the medical bills for the elderly. According to the article, "When medicare started, it covered about one-third of the average year medical bill of $535 for an aged person. Last year medicare covered 38 percent, but the average bill had risen to $1,218."

If Congress is confronted with this issue, as undoubtedly it will be, solutions are not going to be easy. Expanding benefits, for example, could affect the financial status of the social security program which is already underfinanced. In addition, increased benefits could trigger even higher medical costs with the result that little progress would be achieved in closing the gap between total costs and the level of benefits. As an alternative, the Congress could consider the development of programs or delivery systems that could have a positive effect on costs.

Whatever the choice, the Congress should realize the implications for increased Federal involvement in health care programs if the issues of rising health care costs are to be adequately addressed. This article dramatizes the dilemma between costs and regulation and therefore should be thoroughly studied.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Medicare: The First 10 Years: The Aged Have More Security, But Costs Are Zooming

(By Stuart Auerbach)

Today's senior power started with health. Only 10 years ago poll after poll demonstrated that the greatest worry burdening the minds of America's elderly was how they would pay doctor and hospital bills if they get sick. Now a Louis Harris survey of the elderly shows that the cost of their health care is far down on their list of concerns.

The difference was Medicare, signed into law 10 years ago next Wednesday by Lyndon B. Johnson in a televised ceremony at the Independence, Mo., home of Harry S. Truman, the first presidential sponsor of the program.

Medicare is now a neutral word, part of the nation's vocabulary. Even doctors, who opposed it most vigorously with million-dollar advertising and public relations campaigns, now support Medicare. While 80 per cent of the nation's doctors registered opposition to Medicare in the 1960s, a Medical World News poll this spring shows that two out of three physicians now support it.

The enemies in the great debate—which pitted organized labor and the elderly against the doctors and insurance industry—agree today that Medicare has achieved its major aim of freeing the aged from the fear that crushing medical bills will leave them paupers.

But the cost has been great. Benefits paid under Medicare to the 21.5 million aged Americans have constantly exceeded expectations by government actuaries. Even in the first year of the program, the $3.4 billion in outlays was $400 million more than anticipated. And this year's $13.5 billion budget is 100 per cent higher than predicted 10 years ago.

Medicare now accounts for 40 per cent of the federal government's health expenditures, cutting into budgets for biomedical research and experiments in new forms of delivering health care.

The high cost of Medicare has been blamed for fueling the inflation in the nation's health care costs during the past 10 years. Medical care costs have risen far faster—87.2 per cent compared to an overall 68.9 per cent—than the nation's cost of living.

Medicare has made doctors rich. Their incomes increased 6 to 8 per cent a year since Medicare, twice the pre-Medicare rate.

Medicare also placed the federal government firmly in the position of being the largest purchaser of health care in the nation. And as the prime buyer the government is now beginning to do just what doctors feared it would: use its muscle to control the way doctors and hospitals practice medicine.

These controls were eliminated from the original Medicare bill because it could never have been passed with them. But now, says Nelson Cruikshank, president of the National Council of Senior Citizens, "the nation's attitudes are reserved"—partially because of the Medicare experience.

"The Supreme Court ruled," says AMA executive vice president Dr. James M. Sammons, "that what the federal government subsidizes, the federal government can control."

Which doesn't mean that the AMA is taking federal efforts to place controls on the doctors' practice lying down. It is building a war chest to fight these controls in the courts and recently spent more than $250,000 to win an injunction against a regulation which would place checks on the use of hospitals by doctors.

The battle over the control of medical care, however, is just beginning. And, significantly, included among the people supporting the idea of control are such conservatives as the outgoing Secretary of Health, Education and Welfare, Caspar W. Weinberger, who says, "The faulty design of Medicare and Medicaid (its companion program to finance health care for the poor) is the principal culprit for this super inflation in health care costs."

"Ten years' experience," he adds, "have shown us that controls are very necessary."

But the elderly Americans—and their families who no longer worry about having to pay the medical bills of aged parents with funds saved to send children to college—are less concerned about the costs of the program than its benefits.

This may be obvious, but it is politically important.

Serena Mathiasen is an 84-year-old New Yorker whose husband died last November after a long and expensive hospitalization. She says about Medicare, "I just don't see what people would have done without it."

William Jordan, a 90-year-old retired postal worker, calls himself "one of the fathers of Medicare" because he canvassed Washington 15 years ago drumming up support for the legislation. He recalls meeting an old friend who accumulated a $10,000 bill for seven weeks of hospitalization.

"I don't know how in the world he could pay that bill without Medicare," says Jordan.

Social Security Administration figures document the extent to which the elderly depend on Medicare. Before 1965, the elderly made up 16 per cent of the patients in American hospitals; now 23 per cent of hospitalized patients are Medicare recipients. Doctor visits by the aged increased 10 per cent.

More important, this added measure of health protection means that the aged spend less time being sick. Before Medicare, the aged were incapacitated an average of 8.3 days a year because of illness; now they lose only 5.3 days.

But all is not sweetness and roses. Because of escalating health care costs, the elderly have greater out-of-pocket health expenses now than they did before Medicare. When Medicare started, it covered about one-third of the average yearly medical bill of $535 for an aged person. Last year, Medicare covered 38 per cent, but the average bill had risen to $1,218.

Both the cost of paying for Medicare and the actual money the aged pay to doctors and hospitals have increased. When the Medicare program began, recipients paid only $3 a month to buy the supplemental, Part B insurance that covered out-of-hospital doctor bills. Now the monthly cost is $6.70 for the same coverage, which is taken by 98 per cent of all Medicare recipients.

Moreover, the first day of hospital costs, which must be paid before Medicare takes over, has increased from $40 to $92, and the amount which a Medicare patient has to pay for the 61st through the 90th day of hospitalization has gone up from $10 a day to $23.

At the same time, more and more doctors across the country are refusing to bill the Social Security Administration directly for the care they give Medicare patients. Instead, patients submit the bills to the government, and then pay the doctors.

The government, however, only covers "reasonable" charges, which often leaves the Medicare patient having to add out-of-pocket money to cover the remainder of the doctor's bill. What makes matters worse, Cruikshank complains is the fact that the government simply tells the patient that a portion of the bill is not covered by Medicare.

"We'd like them to say something like, 'the fee is above reasonable charges,' so the patient could go back to the doctor and complain that the charges are unreasonable. But the AMA objects. That would give the consumer a little bit of a weapon."

Because of the increasing weight of out-of-pocket expenses needed to supplement Medicare coverage, economist Gladys Ellenbogen concluded, in a study prepared for the Senate Select Committee on Aging, that "Medicare is a fine and useful program, but it is removing less and less of the crushing burden of health costs from the aged in our nation."

To meet these growing expenses, more and more of the elderly are purchasing private health insurance policies. About half of the Medicare recipients purchase insurance to supplement Medicare, spending some $500 million a year.

Nevertheless, the benefits of Medicare have blunted the drive that led the elderly to mobilize as a political force and push for its passage and propelled the doctors to oppose it.

While the elderly were free from the worry of being bankrupted by illness, the doctors grew accustomed to the financial benefits of being paid to treat patients they had often cared for free before Medicare. Even such a long-time critic of Medicare as Dr. Edward Annis, who was the AMA's main spokesman during the early 1960s, admits that doctors got rich on the federal program. "There's no question," he says, "that Medicare made millionaires out of doctors."

Many made money legally by charging for the 10 to 15 per cent of their practice that Annis said they had once treated without charge.

"Before Medicare," he says, "when an elderly patient without money came to the Miami private hospital where I practiced, I picked up the phone and got them the best doctors. For those who needed care that we knew about, we always got the most competent doctors at no cost.

"Now there is a small percentage of doctors who recognize that Medicare is a place to make a lot of easy dough, and these are people I would never have sent a patient to.

"It's tragic," he continues, "that incompetent doctors can open up a clinic across from an old peoples' home and make millions bringing them in for shots they don't need. When I see a doctor geting rich on government programs, he may be operating legally, but not within the ethics of a great profession."

But Dr. Sammons, currently the AMA's chief executive officer, says it is unfair to attack doctors who made money simply because patients they used to treat for free now can pay.

Unfair or not, it is these soaring costs and the health profession's profits which are bringing about the greatest changes in Medicare.

These changes will largely be unnoticed by the patient. But they are causing great turmoil within the profession.

They mean the government will insist that a group of medical peers review the quality of care a doctor gives his Medicare patients. A physician will not be able to send his aged patients off for costly hospitalization without review of his reason by other doctors. He will not be able to prescribe the costliest drugs (usually brand-name products) if a less expensive preparation (usually sold under its chemical or generic name) will do the job as well.

Ironically, these are all the very things which doctors darkly predicted Medicare would bring.

To physicians, these regulations are intrusions on the sacred doctor-patient relationship, an uncalled-for intrusion by the federal government on their right to practice medicine as they feel best. The doctor, after all, sees himself as the last of the great American individualists.

But others, including Weinberger, the conservative retiring HEW secretary, and Cruikshank, the senior citizen leader who used to work for the AMA, agree that these controls are required.

"The government put faith in the doctors," Cruikshank says, "and the doctors showed that faith was unwarranted."

While Weinberger doesn't castigate doctors, he says Medicare contained "the classic ingredients for inflation." He means it increased the demand for services without increasing the supply of people who could provide those services and it guaranteed the payment of bills for a large group of people without reviewing the quality of the service or the need for it.

"Now we're trying to get the genie back in the bottle," says Jay Constantine, a member of the staff of the Senate Finance Committee.

Constantine and other specialists knew that those controls over doctor bills and hospital charges were needed when they drafted the Medicare law 10 years ago. But they also knew they could never get such regulations through Congress.

"There weren't two guys in Congress who would support controls," recalls Wilbur J. Cohen, the wily gnome who was one of the main architects of Medicare.

"There were never any controls in the system. That was the bargain we made in 1965—that the controls be minimal. Government wasn't expected to do more than stop scandal, fraud and abuse."

Cohen, the HEW secretary under President Johnson, believes Congress will approve regulations only after there has been some experience demonstrating abuses in a program. Which means, says HEW's Weinberger, the cost problems of Medicare must be remembered as Congress fashions a national health insurance plan.

Medicare is the crowning star of Lyndon Johnson's domestic program. Although not really part of his "New Society," it is his only domestic reform to survive Vietnam and the only one that created lasting changes in the American system.

Politically, it was a major issue in Lyndon Johnson's 1964 Presidential campaign against Barry Goldwater, as it was a major issue in John Kennedy's 1960 campaign against Richard Nixon. Senior power was a creation of the protracted Medicare fight; the issues provided the focus for the growing forces of the nation's elderly.

But Medicare grew from Harry S. Truman's desire in 1945 to sponsor a federal insurance plan for all Americans—a drive that never got off the ground. Now, however, health insurance is an issue again and the experts are looking at the mistakes of Medicare to show them the way to fashion a health insurance plan.

As important as Medicare has been in relieving the fears of the elderly over their health care costs, it may prove even more important in the future in pointing the way to a workable national health insurance program.

SUPPORT FOR JUVENILE JUSTICE AND DELINQUENCY PREVENTION APPROPRIATIONS

Mr. **BAYH.** Mr. President, today the Senate will consider an appropriation of funds for a measure which far too long has been denied proper implementation—the Juvenile Justice and Delinquency Prevention Act of 1974.

This act which I introduced some time ago is designed specifically to prevent young people from entering our failing juvenile justice system, and to assist communities in developing more sensible and economic approaches for youngsters already in the juvenile justice system. It creates an Office of Juvenile Justice and Delinquency Prevention in the Law Enforcement Assistance Administration of the Department of Justice to coordinate all Federal juvenile justice programs now scattered throughout the Federal Government. It establishes a National Advisory Committee on Juvenile Justice and Delinquency Prevention to advise LEAA on Federal juvenile delinquency programs. It also provides for block grants to State and local governments and grants to public and private agencies to develop juvenile justice programs with special emphasis on alternative treatment and prevention.

Mr. President, the need for adequate implementation of this legislation is all too obvious for those concerned with the rising tide of crime in America; a frightening phenomena that is largely the result of a rapidly escalating crime level among our young people.

While youths between the ages of 10 and 17 make up 16 percent of our population they account for fully 45 percent of all persons arrested for serious crime. Fifty-one percent of those arrested for property crimes and 23 percent for violent crimes had not yet reached their 18th birthday. That part of our population under 22 years old account for 61 percent of the total criminal arrests in this country.

The seriousness of the present situation was dramatically underscored in testimony submitted just recently at our subcommittee's inquiry into juvenile delinquency in our elementary and secondary schools. It was estimated at that hearing that vandalism in our schools is costing the American taxpayer over $590 million per year. Moreover, a survey of 757 school districts across the country conducted by the subcommittee staff found that teachers and students are being murdered, assaulted, and robbed in the hallways, playgrounds, and classrooms of American schools at an ever-escalating rate. Each year, in fact, approximately 70,000 teachers are physically assaulted in this country.

Who can dispute the need for immediate action? The recently released Federal Bureau of Investigation report on trends in crime for 1974 presents additional confirmation of the rising tide of criminal activity in America. Serious crime in the United States rose 17 percent last year, the highest annual increase since the FBI began collecting crime data 45 years ago. The increase for the first quarter of 1975 has reached 18 percent.

The suburban increase for last year was 20 percent while crime in rural areas increased 21 percent. In smaller communities—under 10,000—crime increased by 24 percent last year while robbery went up by 30 percent.

It is important to stress that these are problems that impact on the lives of our citizens in rural, suburban, and urban areas. In fact, one who reviews the top 50 crime centers, based on the number of serious crimes per 100,000, will discover Phoenix, Ariz.; Daytona Beach, Fla.; Fresno, Calif.; and Albuquerque, N.M., among the top 10 in the Nation.

Mr. President, this is not the first occasion on which I have found it appropriate to emphasize these tragic and startling statistics. For more than 4 years as chairman of the Subcommittee on Juvenile Delinquency, I have stressed these concerns, but more importantly the failure of the Federal Government to adequately respond to juvenile crime and to make the prevention of delinquency a Federal priority.

The Juvenile Justice and Delinquency Prevention Act is the product of these many years of work. It was developed and supported by bipartisan groups of citizens throughout the country and was sent to the President by strong bipartisan majorities of 88 to 1 in the Senate and 329 to 20 in the House.

The act recognizes that our present system of juvenile justice is failing miserably. It is based on our findings that the present system is geared primarily to react to youth offenders rather than to prevent the youthful offense. It is likewise, predicated on conclusive evidence that the system fails at the crucial point when a youngster first gets into trouble.

The juvenile who takes a car for a joy ride or the youngster who thinks shoplifting is a lark are often confronted by a system of justice completely incapable of dealing with them in a constructive manner.

I am all too aware of the limited alternatives available to the juvenile judges in communities across this Nation when they are confronted with the decision of what to do with a juvenile involved in an initial, relatively minor offense. In many instances the judge has but two choices—send the juvenile back to the environment which created these problems in the first place with nothing more than a stern lecture, or incarcerate the juvenile in a system structured for serious offenders where the youth will invariably emerge only to escalate his level of law violations into more serious criminal behavior.

In addition to the dilemma we now face as to what we do with the young troublemaker, we are also confronted with thousands of children who have committed no criminal act in adult terms. In fact, almost 40 percent of all children involved in the juvenile justice system today have not done anything which could be considered a violation of criminal law. Yet these children—70 percent are young girls—often end up in institutions with hardened juvenile offenders and adult criminals. Instead of receiving counseling and rehabilitation outside the depersonalized environment of a jail, these youngsters are commingled with youthful and adult offenders. There should be little wonder that three of every four youthful offenders commit subsequent crimes.

Some youthful offenders must be removed from their communities for society's sake as well as their own. But the incarceration should be reserved for those youths who cannot be handled by other alternatives.

Each year an excessive number of juveniles are unnecessarily incarcerated in crowded juvenile or adult institutions simply because of the lack of a workable alternative. The need for such alternatives to provide an intermediate step between essentially ignoring a youth's problems or adopting a course which can only make them worse, is evident.

Mr. President, the recidivism rate among youthful offenders under 20 is the highest among all groups and has been estimated at between 75 and 85 percent in testimony before our subcommittee. Obviously, past Federal efforts to provide alternatives have been inadequate and have not recognized that the best way to combat juvenile delinquency is to prevent it. The act represents a Federal commitment to provide leadership, coordination and a framework for using the Nation's resources to assist State and local agencies, both public and private to deal more effectively with juvenile crime and delinquency prevention. Moreover, this legislation provides a workable program for delinquency prevention. A recently released General Accounting Office report found that if this act were properly implemented it "should help prevent and control juvenile delinquency."

In order to properly implement this very promising program, Mr. President, we need a sufficient appropriation of money. As Elmer Staats, Comptroller General of the United States, testified at a recent hearing of our subcommittee:

> Since juveniles account for almost half the arrests for serious crimes in the Nation, adequate funding of the Juvenile Justice and Delinquency Prevention Act of 1974 would appear to be essential in any strategy to reduce the Nation's crime.

Because the Juvenile Justice Act represents such a promising approach to these problems, I find it particularly distressing that the President has consistently expressed opposition to its implementation. Despite the fact that he signed this act into law last September, he has, to this date, failed to nominate a director for this program and has omitted any funds for activities under the act from his fiscal budget request for 1976. I can think of few more blatant examples of false economy and misplaced priorities than the fact that while juvenile crime in this country is costing Americans $12 billion annually, the administration continues to be steadfastly opposed to the expenditure of one red cent to reduce that loss.

In spite of such opposition we are making progress in our effort to make juvenile crime prevention a national priority. Though disappointed by the Office of Management and Budget decision withdrawing its November approval of $20 million for the program—on the ground according to Paul O'Neill, Deputy Director, OMB, that "at the time of the 1976 budget review the President indicated that he did not want to provide funding to implement this program"—last month the Senate approved $35 million in the second fiscal year 1975 supplemental bill to permit LEAA to begin to address the congressional mandate of the Juvenile Justice and Delinquency Prevention Act. Though later compromised to $25 million in conference with the House of Representatives which had provided $15 million, it was a start.

The $75 million contained in today's fiscal year 1976 appropriation bill is indeed significant. The House committee has earmarked $40 million for the program and its Members should be commended for their commitment to move forward with the program, but I believe that the Senate amount as I indicated to the distinguished chairman, Senator PASTORE, earlier this year is more commensurate with the growing delinquency problems and could be wisely spent by public and private agencies this year.

This level of second year funding, when coupled with the recent startup moneys, represents a significant step toward fulfillment of the act's commitment to prevention of delinquency—before the initial serious act or at least at that point—as an integral part of the Federal Government's fight against crime.

I am deeply appreciative of the interest and strong support for this program expressed by the distinguished chairman, Senator MCCLELLAN, and Senator PASTORE, the distinguished subcommittee chairman.

I urge my colleagues to give the bill favorable consideration and hope that the House of Representatives will agree with our view that prevention of delinquency and efforts to curb juvenile crime demand immediate and adequate funding.

Mr. President, I ask unanimous consent that the appropriate section of the report—page 23—regarding the fiscal year 1976 appropriation for the Juvenile Justice and Delinquency Prevention Act as well as the pertinent part of the supplemental regarding the second supplemental appropriation be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Law Enforcement Assistance Administration

SALARIES AND EXPENSES

1975 appropriation	$887, 171, 000
1976 budget estimate	769, 784, 000
House allowance	769, 638, 000
Committee recommendation	861, 638, 000

The Committee recommends an appropriation of $861,638,000, a decrease of $25,533,000 below the 1975 appropriation $91,854,000 over the budget estimate, and $92,000,000 over the House allowance. The Committee recommendation would provide $40 million for the Law Enforcement Education program, $75 million for the Juvenile Justice program, and the budget request level for ongoing LEAA State block grant and other activities.

Under the Omnibus Crime Control and Safe Streets Act of 1968, as amended, the Law Enforcement Assistance Administration is charged with the responsibility for assisting State and local governments in reducing crime and improving the quality of the criminal justice system. This appropriation also includes funds to carry out Title II of the Juvenile Justice and Delinquency Prevention Act of 1974.

The House, in its action on the bill, earmarked $40 million for the Law Enforcement Education Program, the same as the 1975 level, and an increase of $17 million over the President's budget request which had recommended a 45% reduction in law enforcement education programs. The effect of the House action would have been to finance the $17 million restoration of the Law Enforcement Education Program by forcing an offsetting $17 million reduction on ongoing LEAA activities—including block grants to States—which have already been reduced in the budget request by $110 million. The Committee recommendation would restore the Law Enforcement Education Program to last year's $40 million level without reducing ongoing LEAA activities below the budget request.

In similar fashion, the House earmarked $40 million for the Juvenile Justice program, an increase of $15 million over the 1975 level and $40 million over the President's budget request which had recommended zero for the Juvenile Justice program. The effect of the House action would have been to finance the $40 million funding level for the Juvenile Justice program by forcing an offsetting $40 million reduction on ongoing LEAA activities—including block grants to States—which have already been reduced in the budget request by $110 million. The Committee recommendation would provide $75 million for the Juvenile Justice program without reducing ongoing LEAA activities below the budget request.

The Committee's recommendations reflect concern about the recent 17% year-to-year increase in serious crime, the possible serious adverse effects on public safety that further reductions in LEAA activities may have on the financial stability of hard pressed State and local police departments—many of which are being forced to lay off police officers—and the fact that over half of the serious crime in this country is committed by youths under the age of 19.

The bill includes $217,960,000 for LEAA to carry out these programs at essentially the same level as the 1976 Committee recommendation during the transition quarter.

The Committee recommends $35,000,000 for the Law Enforcement Assistance Administration, an increase of $20,000,000 over the House allowance, of which $10,000,000 shall be derived by transfer of 1971–74 reversionary funds.

The Juvenile Justice and Delinquency Prevention Act of 1974 authorized $75,000,000 to implement the provisions of the new legislation. Unfortunately, the Administration has not requested an appropriation to carry out the new program. Late last year, the Law Enforcement Assistance Administration requested Committee approval to reprogram up to $20,000,000 to implement this program. This reprograming was readily approved by both Appropriations Committees of Congress. Nevertheless, the Office of Management and Budget has yet to release the funds.

The problem of Juvenile Delinquency Prevention is most serious. Almost one-half the serious crimes committed in this country are by youths under 18 years of age.

The Committee agrees with the House that because of the OMB delay with regard to the reprogramed funds, it is necessary for the Congress to reaffirm its earlier reprograming decision by appropriating additional funds to implement the new Juvenile Delinquency legislation. In order to increase the efficient and effective expenditure of funds, the Committee has extended the availability for $25,000,000 in new budget authority until August 31, 1975. These funds would be used principally for State formula grant allocations based on population with a minimum grant of $200,000 to each State. The Committee has also included language in the bill to divert $10,000,000 in 1971–74 reversionary funds to be applied toward the implementation of the new legislation. These funds would be used primarily to accelerate the special emphasis prevention and treatment programs, provide some increased State planning, and develop the necessary administrative mechanism to insure the success of the new program. The Committee has provided that reversionary funds shall remain available until December 31, 1975, primarily to insure the stability of the development of a professional staff to administer the program and would expect the grants awarded from reversionary funds to be obligated much earlier in the fiscal year. The Committee strongly believes that a staff of at least 51 positions are required to mount the program effectively and has included sufficient funds to support such a staff.

HAZARDS ASSOCIATED WITH CATALYTIC CONVERTERS

Mr. GARN. Mr. President, one of the dangers in adopting legislation and regulations in highly technical areas, where there is little personal responsibility, is the difficulty of foreseeing all the possible problems which might arise. The businessman, whose success or failure depends on his ability to forecast problems and correct them before they come up, is in a much better position to make workable changes in established practice. Not that businessmen are perfect. They are not. But they are much more quickly responsive to the pushings and proddings of the marketplace, and they do not persist with bad ideas. If they do, they are out of business.

An example of what I am talking about, Mr. President, is the catalytic converter, the primary impetus for which came from the Federal Government, from legislators and bureaucrats who have no personal stake in the automobile business. The bureaucrats at EPA do not lose their jobs if the converter turns out to manufacture sulfuric acid at a great rate, as in fact it does. Nor does EPA go out of business if the converter poses a serious threat of fire and explosion around certain hazardous facilities, as in fact it does.

I ask unanimous consent to have printed in the Record some notes from a recent bulletin published by Hercules Corp., warning about the dangers of the catalytic converter. Hercules manufacturers explosives, ammunition, and other hazardous but necessary materials, and has found it necessary to warn its employees about the unanticipated effects of some of the bureaucratic good intentions the road to hell is paved with.

There being no objection, the notes were ordered to be printed in the Record, as follows:

Hazards Associated With Catalytic Converter

This office has learned of numerous hazards concerning the operation of the catalytic converter on 1975 model motor vehicles. These hazards may have serious implications with reference to use on installations which handle hazardous materials, as well as to the owners of 1975 vehicles. The following is a list of facts concerning the converters:

a. Most catalytic converters have a normal operating temperature between 800 and 1,800 degrees Fahrenheit. The exact temperature is dependent upon the specific type and make of vehicle.

b. Information from service representatives of several major automotive dealers, indicates that for every fouled or misfiring spark plug, the temperature of the catalytic converter increases 100 to 200 degrees Fahrenheit above normal.

c. Tests by a major oil refinery indicated that when a 1975 model vehicle runs out of fuel, the temperature, just prior to total fuel exhausion, increased sufficiently to cause total destruction of the catalyst. Apparently the misfiring associated with fuel deficiency allowed large amounts of unburned fuel to enter the converter, causing elevated temperatures.

d. Catalytic converters will remain hot long after the rest of the exhaust system has cooled.

e. Car dealers reported vinyl tops of the cars shipped from the factory are frequently blistered and damaged by latent heat in catalytic converters of the cars loaded on the upper decks during transport.

f. One service advisor indicated that tests by his company proved that dry grass and leaves could be ignited easily by the heat from catalytic converters of trucks which frequently venture into unpaved areas.

g. The excessively high operating temperatures of the converters are capable of igniting asphalt-base undercoating compounds used on motor vehicles. Undercoating cannot be applied to areas near the converter.

h. Carpeting and/or floormats of 1975 automobiles have been scorched or burned by heat from the catalytic converter.

i. Mechanics often refuse to perform under car maintenance until the converter cools off, for fear of sustaining severe burns.

j. Recently a 1975 automobile traveling on an interstate highway in North Carolina was damaged when the catalytic converter ruptured with enough force to shear the mounting straps of the fuel tanks, causing it to fall off the car. Luckily the fuel tank did not rupture.

k. Dealers have replaced converters which literally melted due to extreme temperatures. This would indicate temperatures approaching 2,000 degrees fahrenheit or more.

In view of the above, it is recommended that 1975 model vehicles with catalytic converters be prohibited from operating in hazardous or explosives operating areas until further guidance is available.

HERCULES MANAGEMENT

The position of Hercules management and the Corps of Engineers is that vehicles with catalytic converters will be prohibited from operating areas of RAAP (Radford Army Ammunition plant) until such time that advance design of the catalytic converter makes them safe to operate.

DRUG SMUGGLING, THE CIA, AND THE JUSTICE DEPARTMENT

Mr. PERCY. Mr. President, on June 18, the Chicago Daily News and the Chicago Tribune made deeply disturbing reports concerning possible Central Intelligence Agency obstruction of efforts to prosecute by the Justice Department. The reports alleged that the Justice Department has been forced to drop drug smuggling charges against two Federal employees because the CIA refused to cooperate with Federal prosecutors on the case.

According to the newspaper accounts, Pattaporn Khramkhruan, a CIA employee, and Bruce Hoeft, a Peace Corps employee, were involved in the illegal importation of more than $2.5 million of opium into the United States; further, when the prosecuting U.S. attorney for the northern district of Illinois, James Thompson, attempted to obtain CIA records on Khramkhruan, the agency refused to cooperate and the U.S. attorney was consequently forced to drop the charges against Khramkhruan and Hoeft for lack of evidence.

In connection with the ongoing inquiry of the Senate Permanent Subcommittee on Investigation into the effectiveness of Federal drug law enforcement, and in view of my deep concern for the propriety of CIA involvement in prosecutorial decisions of the Department of Justice, on June 20, 1975, I requested from the Attorney General and the Director of the CIA a full explanation of the case. I also sought copies of all pertinent memoranda and correspondence between the Central Intelligence Agency and the Justice Department. As I pointed out in my letters to CIA Director William Colby and Attorney General Edward Levi, I was primarily interested in learning the reasons for the alleged lack of cooperation between the CIA and the Justice Department. I also hoped to determine whether the Department of Justice had done everything within its power to force the CIA to release the information necessary for prosecution.

The CIA response, and further revelations made last week before a House subcommittee, raise certain vexing questions. According to testimony delivered by Lawrence R. Houston, CIA General Counsel from 1947 to 1973, the CIA reached a "secret agreement" with the Justice Department in 1954. This agreement allowed the CIA to use its discretion in referring criminal cases involving its employees to the Justice Department for possible prosecution. With the assurance that such an agreement was in effect, the CIA withheld from the Justice Department on at least nine *occasions* over the last 20 years information about possible criminal violations committed by CIA employees.

Thus, alarmingly, the Khramkhruan case it not an isolated one.

In this imperfect world, our country continues to need a skilled and dedicated intelligence service. But are members of that service, in this case an individual, by his own admission involved in the transfer of over $2 million of opium, beyond the reach of domestic law? Last year we learned the very hard lesson that the President of the United States himself is not above the law. Yet apparently CIA agents are untouchable—however serious their crime or however much harm is done to society.

The response of the Justice Department raises perplexing questions of its own. Though the Department has denied the existence of any secret "compact" with the CIA, fundamental issues persist regarding the Department's handling of the Khramkhruan case. The dearth of Justice Department support memorandums and correspondence with the CIA concerning this case—to wit, none—is truly startling. Is it usual Justice Department procedure to so inadequately document its dealings with other agencies? Further, was dismissal of the cases against Khramkhruan and Hoeft initiated by the U.S. attorney in Chicago or, as it appears from the documents as well as the surrounding circumstances, by the Criminal Division of the Justice Department? If the latter, why? And after consultation with whom?

I remain troubled by the apparent lack of Justice Department efforts to persuade or require the CIA to alter its position with regard to this case. By not persisting to prosecute, did the Justice Department tacitly acknowledge the existence of an understanding with the CIA? No effort was seemingly made to force disclosure in the courts or to seek advice from or arbitration by a third party, such as the White House. And within the Justice Department itself there apparently was a disagreement over the handling of the case between the prosecutors in the U.S. Attorney's office in Chicago and the Criminal Division in Washington. Yet, based on the response I received from the Department, it would appear that the Attorney General himself—at the time William Saxbe—was never consulted on the ramifications of dropping a major drug smuggling prosecution.

I have raised these concerns with Attorney General Levi and wait his reply. To date, he has been of utmost assistance. I have absolute faith that when he develops a new policy for the Justice Department in this regard that it will be balanced, fair, and serve the highest national interest. So great is my faith in his own judgment, keen intellect, and sense of rightness.

The most fundamental point still to be addressed is the question of what will be the Justice Department's policy toward future "Khramkhruan" cases. The American people have a right to know if CIA employees, be they high officials of the agency or agents in the field, are effectively immune from the criminal statutes which govern the rest of us.

I ask unanimous consent that my correspondence with the CIA and the Department of Justice, as well as their respective responses, be printed in the RECORD.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
SENATE PERMANENT SUBCOMMITTEE ON INVESTIGATIONS,
Washington, D.C., June 20, 1975.

Hon. WILLIAM E. COLBY,
Director, Central Intelligence Agency,
Washington, D. C.

DEAR MR. DIRECTOR: Both the Chicago Tribune and the Chicago Daily News have charged this week that the Central Intelligence Agency, by failing to cooperate with Federal prosecutors in Illinois, has forced the U.S. Attorney there to drop drug charges against an employee of the C.I.A.

According to these deeply disturbing reports, Puttaporn Khramkhruan, the C.I.A. employee, and six other persons, smuggled approximately $2.5 million of opium from Thailand into the United States during late 1972 and early 1973. The news accounts went on to state that the C.I.A. refused to cooperate with the U.S. Attorney in the Northern District of Illinois on this case by denying both the prosecutors and defense attorneys access to Khramkhruan's records. Lacking the data on what Khramkhruan's assignments were, the U.S. Attorney was forced to drop all charges against him and one other individual, Bruce Hoeft, a member of the Peace Corps.

As you know, the Senate Permanent Subcommittee on Investigations has been holding hearings on the effectiveness and efficiency of the Federal drug law enforcement effort. The Subcommittee has received highly credible evidence indicating that international heroin trafficking is increasing dramatically and that drug abuse is approaching epidemic proportions. As the ranking minority member of the Subcommittee, I find it extraordinary that Federal prosecutors attempting to control this illicit trade cannot obtain the cooperation of another Federal agency in prosecuting individuals taking part in a massive drug conspiracy.

I sincerely hope that these news accounts are inaccurate. Or, if they are true, I would like to have a complete justification for the policy pursued in this case.

Please provide me by June 26, 1975, with a detailed explanation of this entire case, including any connection between the C.I.A. and Mr. Khramkhruan and any other of the alleged conspirators, as well as information relating to any discussions with individuals in the Department of Justice or anyone else in the Administration who may have been consulted on this matter. I am primarily interested in learning the reasons for the alleged lack of cooperation between the C.I.A. and the Justice Department.

Sincerely,

CHARLES H. PERCY,
Ranking Minority Member.

CENTRAL INTELLIGENCE AGENCY,
Washington, D.C., June 26, 1975.

Hon. CHARLES H. PERCY,
Ranking Minority Member, Senate Permanent Subcommittee on Investigations,
Washington, D.C.

DEAR SENATOR PERCY: This is in response to your letter of 20 June 1975 requesting an explanation of the part the Agency played in the decision by Federal prosecutors not to prosecute Puttaporn Khramkhruan on narcotics charges.

Charges against Khramkhruan and Bruce Hoeft were not dropped as a result of the U.S. Attorney's lack of data on Kramkhruan's assignment with us. They were dropped because Khramkhruan's defense undoubtedly would have demanded production of information about intelligence sources and methods, including identities of employees and agents and ongoing operations which could not have been produced without the termination of those operations and the destruction of the usefulness of those employees and agents. Charges against Hoeft were dropped because Khramkhruan, a necessary witness, could not have been made available without exposing the same information related to intelligence sources and methods. There was no connection between CIA and Hoeft or any of the other alleged conspirators.

There was no lack of cooperation between CIA and the Department of Justice, but rather there was complete disclosure to the Department of Justice of Khramkhruan's activities on behalf of the Agency and discussions of the problems associated with prosecution. This resulted in a decision by the Department that it would have been impossible to prosecute successfully.

I am enclosing a memorandum which provides a detailed explanation of the facts and circumstances resulting in the dismissal of the indictments against Khramkhruan and Hoeft. I believe this memorandum is responsive to all of the concerns expressed in your letter and to the published allegations that the Agency refused to cooperate with the Department of Justice.

In closing, we would like you to know that we share the Subcommittee's concern with the drug problem. This Agency, as part of the Cabinet Committee for International Narcotics Control, has fully committed its resources to collecting foreign intelligence information on illicit narcotics traffic in support of the efforts of other Federal agencies to inhibit illegal importation into the United States. In calling upon the resources of the Central Intelligence Agency in this connection, the Cabinet Committee and other participating Federal agencies are fully aware that certain Agency information cannot be used in prosecution, as opposed to providing leads and information to obstruct such traffic, without seriously jeopardizing our continued capability to provide such support to this Governmentwide effort and our overall foreign intelligence mission. For further information on our role in this effort, I refer you to the report to the Congress by the Comptroller General of the United States entitled, "Problems in Slowing the Flow of Cocaine and Heroin From and Through South America," dated 30 May 1975.

Sincerely,

CARL E. DUCKETT,
Acting Director.

THE PUTTAPORN KHRAMKHRUAN CASE

This chronology is in response to Senator Percy's request and explains the circumstances involved in the drug prosecution of Mr. Puttaporn Khramkhruan.

Mr. Khramkhruan spent approximately 10 months in jail before the indictment was dismissed. The charges were related to a shipment of 59 pounds of raw opium sent through the mail from Thailand. It was identified by the customs inspectors and seized prior to its delivery in Chicago, Illinois.

Khramkhruan was born on 15 July 1944 in Burma, was first contacted by the Agency in late 1969 in Chiang Mai, Thailand, and began reporting on narcotics trafficking in northern Thailand in July of 1972. He was paid a salary of $144.58 per month. He came to the United States in April 1973 under an AID-sponsored training program. On 11 May 1973 a representative from the Bureau of Customs visited our base in Chiang Mai, Thailand to discuss his investigation of a narcotics smuggling case. He stated that on 8 January 1973, a U.S. citizen was arrested in Chicago for smuggling 59 pounds of opium in film canisters from Thailand to the United States. The customs officials in Chicago had found in one of the parcels a large brown envelope used as packaging material which had Khramkhruan's address in Chiang Mai on it. Our field base advised Headquarters of this inquiry and the appropriate Agency office contacted the Bureau of Customs in Washington and learned about the Chicago investigation. On 7 June 1973, to assist the Bureau of Customs, an Agency officer introduced the customs investigators to Khramkhruan who was then studying at Syracuse University. On 14 June 1973, Customs advised this Agency they had discovered additional evidence that Khramkhruan was directly involved in the smuggling.

On 18 June, Mr. John K. Greaney, Associate General Counsel, went to Chicago to discuss the case with the Assistant U.S. Attorney, Jeffrey Cole and U.S. Customs special agent, Mr. J. Bax. It was explained to Mr. Cole that Khramkhruan had worked for CIA and had reported information about narcotics traffickers. He had no other assignment. He was not instructed to engage in narcotics trafficking or any other illegal activities. Mr. Cole was given a sanitized version of an intelligence report submitted by Khramkhruan which describes a transaction for the procurement of opium in Chiang Mai in December 1972. This report does not mention Khramkhruan's participation in the deal. Further, Mr. Cole was told that the Agency had a responsibility to protect intelligence sources and methods and would have to consider very carefully whether or not an Agency rebuttal witness could be supplied if needed by the prosecution. It was Mr. Cole's opinion at this time that he would prefer to use Khramkhruan as a witness rather than indict him.

On 3 July 1973, Mr. Khramkhruan was escorted to Chicago, Illinois by customs agents to be interviewed by Mr. Jeffrey Cole. During the interview, Mr. Khramkhruan admitted having been actively engaged in shipping the narcotics and stated that he furnished the wax paper, twine and wrapping paper for this particular shipment. He also identified five additional people including Bruce Hoeft, a Peace Corps volunteer stationed in Chiang Mai. Subsequently, Mr. Khramkhruan advised the U.S. attorney that he was returning to Thailand and would not be available as a witness for the Government in their prosecution. Upon hearing this, Mr. Cole obtained a warrant for Mr. Khramkhruan's arrest and had him confined in the Cook County jail. Mr. Khramkhruan was indicted by the July 1973 Grand Jury, the U.S. District Court, Northern District of Illinois, Eastern Division.

On 11 March 1974, Mr. Greaney again went to Chicago to discuss the case since the trial was set to begin on 18 March. This trial date was later postponed until sometime in May. The Government attorneys at that time were hoping to use Khramkhruan as a witness. They planned to accept a guilty plea from him with the understanding that his sentence would be limited to that time he had already served in jail since his confinement in July of 1973. The Assistant U.S. Attorney, Mr. Thomas Dent, who had replaced Mr. Cole, was advised that the Agency would not be able to furnish a rebuttal witness should questions be raised on the cross-examination of Khramkhruan if he were used as a prosecution witness. The Agency felt the witness would be questioned about sensitive intelligence sources and methods. It was also explained to Mr. Dent that the Agency in order to protect its intelligence sources and methods including the identities of employees and agents and on-going operations would have to resist the production of its operational files under a subpena duces tecum from the defense. Mr. Dent felt that perhaps an in camera conference could be held to show the material to the judge.

As the trial date approached, Khramkhruan was openly discussing his Agency relationship and indicated that he intended to use this as his defense. Therefore, on 15 April 1974, Mr. John Warner, the General Counsel, CIA and Mr. John Greaney met with Henry E. Petersen, Assistant Attorney General, Criminal Division, Department of Justice, and Mr. Kevin Maroney, Mr. Petersen's deputy. It was explained that Khramkhruan was an Agency asset who had been used to report on narcotics traffickers in Thailand, but of course had not been authorized nor directed to participate in the illegal shipment of narcotics for which he was indicted in Chicago. The Agency was concerned about the production of its operational files and intelligence reports as well as possible subpoenas for Agency employees whose identities must be protected. Mr. Petersen stated that he understood the problem but stated he was reluctant to order dismissal since the problems raised by the Agency were speculative at that time. He felt a better course of action would be for the Agency lawyers to discuss the case with the U.S. attorney in Chicago.

On 30 April 1974 Mr. Greaney again went to Chicago to meet with Mr. James Thompson, U.S. attorney and discuss the possible dismissal of the indictment against Mr. Khramkhruan. It was explained to the First Assistant U.S. Attorney, Mr. Joel Flaum, that the Agency's major concern dealt with the possibility of having to submit the operational files concerning on-going activities to the defense for inspection under pre-trial discovery as well as possible issuance of subpoenas for Agency employees to testify as part of Khramkhruan's defense. These Agency employees were under cover in Thailand. Mr. Flaum appreciated the problem and thought that Mr. Petersen could have initiated the dismissal on the behalf of the Department of Justice. It was explained to Mr. Flaum that Mr. Petersen's position was that the U.S. Attorney's Office in Chicago had obtained the indictment and they should make the decision with regard to any persons to be dismissed from that indictment.

On June 3, 1974, Khramkhruan was released from jail under a $5,000 bond. Khramkhruan's attorney filed a motion to suppress evidence and in preparation for the motion hearing requested copies of all the statements Mr. Khramkhruan had given to the U.S. Attorney since July 1973. He also wanted the testimony of the Agency employee who had introduced Khramkhruan to the customs investigators. On 5 June 1974, Mr. Jeffrey Cole stated that a request for dismissal of the indictment (Form 900) against Khramkhruan and Hoeft had been sent to the Department of Justice, Washington, D.C. On 17 June 1974, Mr. William Ryan, Chief, Narcotics Section, Criminal Division, Department of Justice, advised the Agency that the Form 900 had been approved and sent back to the U.S. attorney in Chicago to proceed with the dismissal of the indictment against Khramkhruan and Hoeft. On 16 September 1974, Mr. Bregg Jones, Assistant U.S. Attorney in Chicago, advised that a superseding indictment was to be obtained on 17 September 1974 and this new indictment would drop the charges against Khramkhruan and Mr. Bruce Hoeft. On 7 October 1974 Mr. Khramkhruan was back in Chiang Mai, Thailand.

On 14 March 1975 Mr. Khramkhruan wrote a letter to the American Embassy in Bangkok seeking compensation for alleged injuries he received while in jail. The Embassy referred the request to the Department of State in Washington and CIA advised the Department of State on 21 May 1975 that based on their investigation they would urge the Department to deny Khramkhruan's request for compensation for the alleged injuries.

This Agency was advised by Mr. Gregg Jones of Chicago on 27 March 1975 that on 6 January 1975 Theodore Norcutt, John Weber and Alan Gluck all pleaded guilty to the charges in the indictment relating to the shipment of the 59 pounds of raw opium. On 11 February 1975 Norcutt was sentenced to 18 months in prison and began serving that term on 11 March 1975. Weber was placed on probation for four years. Gluck was placed on probation for four years with a 90-day sentence scheduled to begin on 11 May 1975. Jay Antonoff and Marlene Antonoff were both indicted, however, neither was tried since they are fugitives from the United States. Thus, the defendants, except Hoeft and the Antonoffs, were punished including Khramkhruan who was in jail from July 1973 until June 1974.

U. S. Senate,
Permanent Subcommittee
on Investigations,
Washington, D.C., June 20, 1975.

Hon. Edward H. Levi,
Attorney General,
U.S. Department of Justice,
Washington, D.C.

Dear Mr. Attorney General: News accounts appearing this week in the Chicago Tribune and the Chicago Daily News allege that the Justice Department was forced to drop drug smuggling charges against two Federal employees because the Central Intelligence Agency refused to cooperate with prosecutors on the case.

According to these accounts, Puttaporn Khramkhruan, a C.I.A. employee, and Bruce Hoeft, a Peace Corps employee, were involved in bringing more than $2.5 million of opium into the United States. When the U.S. Attorney for the Northern District of Illinois, who was prosecuting the case, attempted to obtain C.I.A. records on Khramkhruan, the agency refused, these reports say. When the matter was brought before the Justice Department in Washington, additional efforts to obtain C.I.A. cooperation also failed.

Following this, the U.S. Attorney, with the concurrence of the Justice Department, dropped the case against Khramkhruan and Hoeft. As ranking minority member of the Permanent Subcommittee on Investigations, which is now conducting extensive hearings into the effectiveness and efficiency of Federal drug law enforcement, I have focused on the inability of Federal agencies to curtail international trafficking in illicit narcotics.

If, in fact, the C.I.A. obstructed or otherwise impeded a prosecution of drug traffickers, this Subcommittee may have to expand its examination of Federal drug law enforcement.

Please provide me with a detailed explanation of the events surrounding the Justice Department's withdrawal of the case against Khramkhruan and Hoeft. Specifically, I would like to know why the case was dropped and to what degree the Justice Department pursued the C.I.A. to obtain its cooperation. I want to be apprised of all contacts between the two agencies, as well as between the Department and any other agency or individuals concerning this matter. I also want to know whether the Department did everything within its power to force the C.I.A. to release the information necessary for prosecution. Please provide all copies of correspondence and other writings, memorials, or memoranda with respect to this case. In addition, I would like to know if the issue was ever raised with the White House by the Justice Department, and if so, with whom, and what determinations were made there.

Please provide me by June 26, 1975, with a detailed explanation of this matter.

Sincerely,

Charles H. Percy,
Ranking Minority Member.

Department of Justice,
Washington, D.C., July 7, 1975.

Hon. Charles H. Percy,
Ranking Minority Member, Senate Permanent Subcommittee on Investigations,
Washington, D.C.

Dear Senator Percy: I have been asked to make a further response to your letter dated June 20, 1975, addressed to the Attorney General in which you requested certain information concerning the dismissal of a federal narcotics prosecution against Puttaporn Khramkhruan and Bruce Hoeft. I have reviewed a copy of a letter dated June 26, 1975, addressed to you from Mr. Carl E. Duckett, Acting Director, Central Intelligence Agency, and a copy of an accompanying memorandum. The copies of the CIA letter and memorandum were sent to Mr. Togo D. West, Jr., Associate Deputy Attorney General, at your request by Mr. Stuart M. Statler, Chief Counsel to the Minority Permanent Subcommittee on Investigations.

The prosecution which at certain stages included Puttaporn Khramkhruan and Bruce Hoeft was initiated on February 6, 1973, in case No. 73 CR 112 by the indictment of Theodore Norcutt in the Northern District of Illinois. This indictment was superseded on August 3, 1973, by Indictment No. 73 CR 564 in which certain other individuals were named as defendants along with Theodore Norcutt. Those also included as defendants in this indictment were Jay Antonoff, Marlene Antonoff, Bruce Hoeft, and Puttaporn Khramkhruan. The indictment charged a conspiracy to unlawfully import approximately 59 pounds of opium into the United States from Thailand, a conspiracy to use the mails to facilitate the unlawful importation of the 59 pounds of opium, the unlawful importation of certain quantities of opium, and the use of the mails to facilitate the unlawful importation of certain quantities of opium. In addition, Theodore Norcutt was charged with possession with intent to distribute opium, and Jay and Marlene Antonoff were charged in two counts with traveling in and using facilities in interstate and foreign commerce with the intent to promote a business enterprise involving narcotics in violation of the laws of the State of Illinois.

On September 6, 1973, another superseding indictment was returned in Case No. 73 CR 680 in which the previously named defendants were charged with violations alleged in the August 3rd indictment and two additional defendants were added, John Weber and Allan Gluck. The investigation that led to this indictment was made by the U.S. Bureau of Customs and the U.S. Postal Service. The indictment alleged that in October, 1972, John Weber, Allan Gluck, Jay Antonoff and Marlene Antonoff purchased fifty cans of Kodak film and sent them from Chicago to Southeast Asia. In October of 1972, according to the indictment, Allan Gluck traveled to Southeast Asia followed in November by Jay and Marlene Antonoff, who went to Chiang Mai, Thailand. In December, 1972, the Antonoffs met with Bruce Hoeft and they enlisted the aid of Puttaporn Khramkhruan in purchasing opium. Shortly thereafter, according to the indictment, they purchased the narcotics and the four of them began packaging the opium into film canisters for importation into the United States through the mails. The indictment further alleged that on January 8, 1973, Theodore Norcutt accepted delivery of the opium when it arrived in Chicago, Illinois.

The prosecution of this case was handled by the United States Attorney's Office in the Northern District of Illinois. The case against Bruce Hoeft depended upon the testimony of Puttaporn Khramkhruan, who had been furnishing information to the Central Intelligence Agency in Thailand. The prosecutors contemplated using Khramkhruan as a witness against Bruce Hoeft, who was an employee of the Peace Corps stationed in Thailand at the time of the August 3rd indictment. Hoeft returned to the United States to face the charges agains him.

The prosecution of Hoeft depended upon the cooperation of Khramkhruan as without his testimony there was no prosecutable case against Hoeft. Khramkhruan was himself named as a defendant in the conspiracies and in certain of the substantive counts. He claimed that he had told the CIA in Chiang Mai, Thailand of his activities and that he acted under the direction of someone in the U.S. Consulate in Chiang Mai. Initially, the prosecutors believed that the CIA would agree to produce a witness who could rebut these assertions of Khramkhruan. However, the CIA refused to make this witness available. Further, the CIA refused to produce any statements made by Khramkhruan to the Agency, with the exception of one statement which was furnished to the prosecutors.

A series of meetings and telephone calls between attorneys in the United States Attorney's Office in Chicago and Mr. John K. Greaney, Associate General Counsel, Central Intelligence Agency, failed to resolve this matter to the satisfaction of the prosecutors. If Khramkhuran were to remain as a defendant and be tried on the charges alleged in the indictment, he would have been entitled under federal rules of discovery and under the requirements of *Brady* v. *Maryland*, 373 U.S. 83 (1963), to copies of all previous statements made by Khramkhruan and to any other statements or testimony that might tend to prove his innocence. If he were to be used as a witness against Hoeft, then any statements made by him to government agents or employees would have been required to be produced at Hoeft's trial for purposes of cross-examination.

On April 30, 1974, Mr. Greaney met with the federal prosecutors in Chicago. The meeting was requested by Mr. Greaney after he had consulted with Mr. Henry E. Petersen, then Assistant Attorney General in charge of the Criminal Division. Mr. Greaney explained that if Puttaporn Khramkhruan were actually to stand trial as a defendant, the situation could prove embarrassing because of Mr. Khramkhruan's involvement with CIA activities in Thailand, Burma and elsewhere. Mr. Greaney also said that the same considerations would obtain even if Mr. Khramkhruan were only to be a government witness. He further advised the prosecutors that under no circumstances would the CIA turn over either to them or to the district court judge for in-camera inspection, any of Mr. Khramkhruan's reports made to his superiors in Thailand or in the United States. The prosecutors told Mr. Greaney that without this information they could not proceed to trial with Mr. Khramkhruan as a witness. Mr. Greaney stated he understood that and he did not want to hinder the prosecution. However, he insisted that there were other considerations at stake and that the material sought by the prosecutors would not be turned over.

The Criminal Division of the Department of Justice accepted the position of the CIA with reference to its evaluation of the injury to the interests of the United States that might result if the Agency were to accede to requests made by the prosecutors and no attempt was made to force disclosure of reports and/or production of witnesses by seeking the intervention of the White House. A meeting between Mr. Greaney, Mr. John Warner, General Counsel of CIA, former Assistant Attorney General Henry E. Petersen and Deputy Assistant Attorney General Kevin T. Maroney was held as described in the memorandum furnished to you by the CIA. Further, there was no reason to dispute the evaluation of this matter by the United States Attorney's Office in Chicago with reference to the outcome of the prosecution if the items sought from the CIA were not produced. No purpose would have been served by bringing the matter to trial under the circumstances as the result would have been the dismissal of the charges against Khramkhruan and Hoeft. Accordingly, on June 6, 1974, the Criminal Division authorized dismissal of the charges against these two defendants.

On September 17, 1974, a superseding indictment was returned in the Northern District of Illinois in Case No. 74 CR 697. This indictment was similar to the previous ones except that it did not contain charges against Khramkhruan and Hoeft. On September 18, 1974, Indictment No. 73 CR 680 which did charge Khramkhruan and Hoeft with the offenses referred to earlier, was dismissed. Defendants Norcutt, Gluck and Weber entered pleas of guilty in Case No. 74 CR 697. Norcutt was sentenced to an eighteen month term of imprisonment. Gluck and Weber were placed on probation for a period of four years, and in the case of Gluck, he was required to serve ninety days in the custody of the Attorney General. Charges are still outstanding against two fugitives, Jay Antonoff and Marlene Antonoff.

A review of the files of the Criminal Division and the United States Attorney's Office fails to reflect any memoranda of relevant discussions with the Central Intelligence Agency with the exception of the request for authorization to dismiss the case which was prepared by the United States Attorney's Office. The substance of the April 30, 1974, contact with the Central Intelligence Agency on this matter which is contained in that request has been included in this letter.

I trust that this fully answers any questions you may have concerning the reasons for the dismissal of the proecution against Puttaporn Khramkhruan and Bruce Hoeft. If there are any aspects which still are unclear, please let me know and I will attempt to provide a further explanation.

Sincerely,

JOHN C. KEENEY,
Deputy Assistant Attorney General.

MEDICAL MALPRACTICE INSURANCE: A PROGRESS REPORT

Mr. FANNIN. Mr. President, on May 8, 1975 I introduced Senate Resolution 150 calling for a White House Conference on Medical Malpractice. This resolution was prompted by the "crisis" in medical malpractice insurance as State after State was confronted by doctor strikes, and decisions by various insurance companies to either completely rescind malpractice coverage or increase premiums beyond reasonable limits. It was my contention then and now that since the medical malpractice insurance problem is an issue which each State must resolve for itself, a White House Conference could serve as a useful opportunity for affected States to exchange information on the possibilities for solution.

In my view, Federal involvement was unnecessary except to provide assistance to States in developing approaches to this complex issue. As events unfolded this view was confirmed by the action of many States in handling this crisis. Although the problems of medical malpractice insurance are far from being resolved, the States have made a major effort to meet this problem on their own without Federal direction or intervention. In view of the continuing interest in this problem the Medical World News has published in its July 28 edition a 50-State report on the malpractice insurance crisis entitled "Malpractice Laws After Six Months: Some Progress; More Problems." In addition, the Review, the official publication of the Federation of American Hospitals, summarized State progress in its June/July 1975 issue.

I ask unanimous consent that the two reports be printed in the RECORD.

There being no objection, the reports were ordered to be printed in the RECORD, as follows:

[From Medical World News, July 28, 1975]

MALPRACTICE LAWS AFTER SIX MONTHS: SOME PROGRESS; MORE PROBLEMS

At mid-year most state legislatures have adjourned; and the kind of "crisis action" that dominated the nation's malpractice scene in the past several months—doctor strikes, insurance company pullouts, and round-the-clock special sessions by state lawmakers—has faded. Protagonists seem to be gathering strength to launch fresh assaults at the beginning of January, when most state assemblies again open their doors.

The medical malpractice crisis has not in any sense evaporated. But in many states the creation of Joint Underwriters Associations (JUAs) has allowed doctors and the public alike time for a breathing spell. At last count, 19 states had passed JUA bills, and at least one other had set up a voluntary re-insurance pool to cover physicians who could not find malpractice insurance elsewhere. As an alternative to JUAs, five states also passed laws authorizing their state medical societies to set up self-insurance companies (many other states already have laws on the books allowing the establishment of mutual insurance companies). And three states have established malpractice insurance funds to sell policies to their uncovered physicians—usually at rates considerably higher than those of the private sector.

The crisis erupted toward the end of last year when many state medical societies began to realize that the slowly increasing malpractice rates of the past five years were now beginning to rise exponentially. The Medical Society of the State of New York—which had agreed to a 93.5% premium increase in June 1974, when it signed a contract with the Argonaut Insurance Co. of Menlo Park, Calif.—was unpleasantly surprised in December when Argonaut demanded an additional 196.8% increase to continue its coverage after January 10. When the state insurance superintendent turned the request down, Argonaut refused to renew the group plan, which expired June 30.

Argonaut again was the heavy in California, Florida, and four other states when it first asked for mammoth increases—and then announced its intention to abandon the malpractice insurance business for physicians everywhere by the end of 1975. (Curiously, it is still quietly writing policies in Hawaii, where it has never threatened to withdraw and where—according to medical society sources—it is making a profit. It also has continued covering hospitals.)

Then other insurers started getting into the act. In Indiana, the St. Paul (Minn.) Fire and Marine Insurance Company—the state's second largest malpractice carrier—stopped renewing the two riskiest specialty classes. In Maryland, St. Paul's requested rate increases were refused by the state insurance commissioner, and the company—like Argonaut—announced its intention to leave the state. (It lost the first round of a suit by a Baltimore surgeon who insisted St. Paul be forced to continue his insurance, but on appeal the company won its right to withdraw from what it said was an unprofitable business.)

In other states, St. Paul's requests for hefty increases (82% for six months in North Carolina, for example) were quickly approved. But in the end, St. Paul decided it still could not be sure it wouldn't lose money on the occurrence form of policy it was selling doctors and hospitals—whereby policyholders were covered into the indefinite future for claims arising from occurrences in the year of coverage. So this month St. Paul switched all coverage to a claims-made form covering only suits initiated in the year of coverage (MWN, July 14, p. 76). The company's attitude has been strictly "take it or leave it," even in states that, like Indiana, have passed comprehensive malpractice legislation to hold down insurer losses and shorten the indefinite statute of limitations that has plagued insurance actuaries.

Medical societies—which had been crying wolf so long that the public had largely discounted what they said about the malpractice crisis—began acquiring allies when insurance companies actually began ending their coverage. State insurance commissioners, led by Lester Rawls of Oregon, chairman of the National Association of Insurance Commissioners' D-4 committee (which handles medical malpractice insurance), met at the end of January in Dallas with officials from organized medicine and from the major malpractice insurers to thrash out at least a temporary solution. They came up with JUA.

A Joint Underwriters Association is a mandatory pool of liability carriers in a state—sometimes, and sometimes not, including automobile insurers and Blue Cross-Blue Shield—who offer malpractice insurance to doctors at virtually no risk to their own assets. Doctors pay a staff surcharge—from 10% to 25% added to their premiums—to build up a stabilization fund to cover losses above those expected, and if the pool still runs short they can be assessed their fair share to make it up.

Representatives from the three groups met in Washington the following month at the behest of then HEW Secretary Caspar W. Weinberger and his chief malprace troubleshooter, Dr. Roger O. Egeberg, to make a formal proposal to the JUA solution. The Ford Administration was happy to give JUAs its blessing, since it did not want a federal role any more than organized medicine, insurers, or state officials did. In fact, the only advocates of federal malpractice legislation seemed to be a few representatives and senators—notably Rep. James F. Hastings (R-N.Y.), and Sens. Edward M. Kennedy (D-Mass.) and Gaylord A. Nelson (D-Wis.), who sponsored the major federal malpractice bills—and elements of organized labor such as the AFL-CIO and, possibly, the United Auto Workers and the United Mine Workers.

While the state legislatures groped with malpractice bills submitted by state medical societies, doctors in a few states began job actions to push them a little. Anesthesiologists in California, New York, and Florida—and in some communities in a few other states—walked out altogether or refused all but emergency cases. The strikes undoubtedly led to swifter action in California and Florida but accomplished nothing in New York except to build up public resentment. The ultimate effect, according to Boston lawyer Neil L. Chayet, may have been public realization that some physician services—particularly elective surgery—may be unnecessary and may be disallowed in the future by federal and private health insurers (MWN, June 30, p. 16).

Some states did end their sessions by passing comprehensive medical malpractice laws, and a large number of other states passed at least some related measure—often concluding with the creation of a study commission to recommend additional laws when the legislature reconvenes next year. (See chart on page 80.)

The Indiana law is considered by most medical society officials to be the model for comprehensive malpractice legislation. Forms of it have been passed in at least four other states: Louisiana, Florida, Illinois, and Oregon. The Indiana law contains four key elements, all considered essential in stabilizing insurance premiums and attracting competing malpractice insurers to the state:

A relatively short statute of limitations (two years) that runs from the date of occurrence of a medical injury rather than from the date of discovery of the injury, as in most states;

A limitation, or "cap," of $100,000 on physician-insurer liability;

A state insurance fund for doctors who cannot get coverage elsewhere;

Arbitration in the form of a mandatory, nonbinding screening panel—before a malpractice suit can go to court.

The original Indiana law has other features as well, but they are not considered vital to its effectiveness. A doctor-financed catastrophic injury fund allows patients to receive more than the $100,000 liability cap if they can convince the insurance commissioner and the doctor's insurance company—or, failing that, a judge—that they need more than $100,000 to sustain life and health. Then, the limit they can recover is $500,000. The Indiana law puts a 15% limit on lawyers' contingency fees against recovery from this catastrophic injury fund but otherwise imposes no legal fee limits.

The most important thing about the Indiana law is that it is working. The state's largest insurer—Medical Protective Company of Fort Wayne, which writes over 60% of the state's malpractice insurance—had stopped accepting new business in the state late last year. Now it is writing new policies. Moreover, other insurance firms have approached the state insurance commissioner about getting into the Indiana market.

On the other hand, Tennessee, which attempted to pass a law like Indiana's, has not been so fortunate despite its omnibus malpractice law, which is in many respects broader than its model. For example, there is only one tort-law change in the Indiana law—a prohibition against stating the amount of damages sought in a malpractice lawsuit, the so-called ad damnum clause—compared with six tort-law changes in the Tennessee legislation.

The Tennessee law also requires cases to be heard before a screening panel before they are allowed to proceed to trial. It has a three-year statute of limitations dating from the occurrence of the injury, and it imposes a maximum 33 1/3% on lawyers' contingency fees. In addition, the law has some features missing in the Indiana law, such as a JUA (not in operation yet) and substantial changes in the Medical Examiners' Act giving the board broader disciplinary powers over actual malpractice offenders.

Nevertheless, the Tennessee act lacks one element found in the Indiana law that insurance companies say is essential: a limit on physician-insurer liability. According to L. Hadley Williams, assistant executive director of the Tennessee Medical Association, this omission has probably played a role in the refusal of the medical society's group carrier for the past 19 years, Shelby (Ohio) Mutual Insurance Company, to reconsider its plans to terminate all contracts in the state by April 1, 1976. Nor have any other insurance carriers been knocking down the doors to pick up Shelby Mutual's business, concedes Williams.

The insurance companies have the whip hand in dictating their terms, and they exhibit little patience these days for negotiations, as officials of the New Mexico Medical Society discovered recently. One of them, Rick Beitler, says that the society did not seriously attempt to get any malpractice legislation through the state assembly before its March adjournment because of its "sense of security" in possessing the nation's oldest functioning medicolegal screening panel. The panel is nonbinding and nonmandatoy, but it still handles 85% of the state's medical malpractice cases. When the NMMS' sponsored carrier, Travelers, told the society it wanted a 74% increase, says Beitler, "we told them we wanted our actuaries to confirm that the increase was warranted." But by the time they did; Travelers had decided to get out of New Mexico.

In Alaska, the first state in the nation to eliminate the *res ipsa loquitur* ("the thing speaks for itself") principle, one out of five physicians is now practicing without any form of malpractice insurance. Dr. J. Rodman Wilson, president of the Alaska State Medical Association, is still angry that Gov. John A. Burns recently vetoed the JUA bill, passed by the now-adjourned state assembly, which would at least have bought doctors some time.

"We're still relatively small in Alaska, and people know each other here," says Dr. Wilson. "A lawyer is not quite willing to wipe out his neighbor with a malpractice suit. But the game is getting rougher all the time."

Large Award May Raise British Premiums

In England, most malpractice cases are settled out of court by negotiations between the plaintiff, his lawyer, and legal and medical experts from the Medical Defense Union (MDU), the largest of three mutual aid societies set up to protect doctors against suits (MWN, April 21, p. 47).

But recently a Birmingham widow refused a $110,000 out-of-court settlement and took her case to court. Her husband, David Sayer, an airline executive who had previously contracted malaria in West Africa, fell ill at home. The family physician, Dr. Charles K. Spalding, diagnosed the disease as influenza. Six days later Sayer died of kidney failure resulting from the malaria; Dr. Spalding admitted his liability.

A Birmingham court awarded Mrs. Sayer a settlement of $158,620 to be paid out of the MDU fund, to which doctors pay $55 a year. A spokesman says the settlement may cause a premium increase.

[From The Review, June/July 1975]

Summary of Legislative or Administrative Malpractice Activities at the State Level (As of June 19, 1975)

Activity, Number of States, and State

Informed Consent; 6; Florida, Idaho, New York, Indiana, Tennessee, Nevada.

Joint Underwriting Assoc. or Mutual Insurance Company; 15; Massachusetts, New Hampshire, Rhode Island, New York, North Carolina, Florida, South Carolina, Wisconsin, Arkansas, Texas, Idaho, Maryland, Maine, North Dakota, Tennessee.

AD Damnum; 2; Florida, Tennessee (limited).

Study Commission[*]; 12; Connecticut, Maine, New Hampshire, Rhode Island, New Jersey, Kentucky, Virginia, South Carolina, Texas, New Mexico, Wyoming, Massachusetts.

Collateral Source; 2; Nevada, New York.

Statute of Limitations; 10; Massachusetts, New York, Maryland, Florida, Tennessee, Indiana, South Dakota, Texas, Utah, Nevada.

Screening Panels or Review Boards; 6; Massachusetts, New York, Florida, Tennessee, Indiana, Nevada.

Patient Compensation Fund or Liability Fund; 5; New York, Maryland, Florida, Indiana, Nevada.

Contingency Fees; 4; Tennessee, Idaho, New Jersey, Indiana.

Summary of State Malpractice Insurance Market Conditions

Number of carriers still offering some hospital coverage, number of States, and State

1; 8; Alaska, Arkansas, California, Colorado, Florida, North Carolina, Kentucky, Tennessee.

2; 11; Hawaii, Iowa, Maryland, Minnesota, Nevada, New Mexico, Rhode Island, Oregon, Utah, Vermont, Virginia.

3; 9; Idaho, Massachusetts, Montana, North Dakota, South Carolina, South Dakota, Washington, West Virginia, Wyoming.

4; 4; Arizona, Maine, New Hampshire, Texas.

More than 4; 10; Kansas, Illinois, Indiana, Michigan, Missouri, Nebraska, Louisiana, Ohio, Oklahoma, Wisconsin.

Information not available; 7; Alabama, Connecticut, Delaware, Georgia, Mississippi, New Jersey, Pennsylvania.

Information compiled by the American Hospital Association.

EXPORT-IMPORT BANK FINANCING NOTIFICATION

Mr. PROXMIRE. Mr. President, I call to the attention of my colleagues a communication I have received from the Export-Import Bank pursuant to section 2(b)(3) of the Export-Import Bank Act notifying me of a pending Eximbank loan and guarantee to assist a nuclear power project in Spain. Section 2(b)(3) of the act requires the Bank to notify both Houses of Congress of any proposed loan, financial guarantee, or combination thereof in an amount of $60 million or more at least 25 days of continuous session of the Congress prior to the date of final approval. Upon expiration of this period, the Bank may give final approval to the transaction unless the Congress dictates otherwise.

In this case, the Bank proposes to extend a direct loan of $130,400,000 to Hidroelectrica Espanola, S.A. and Compania Sevillana de Electricidad, S.A. together with $81,500,000 in financial guarantees to private lenders to assist the purchase of an estimated $326 million in U.S. goods and services for the construction and initial operation of two 100 megawatt nuclear powerplants. Exim's participation will thus cover 65 percent of the cost of the U.S. exports involved. The direct loan will bear interest at the rate of 8 percent per annum and mature at the end of a 10-year repayment period beginning July 8, 1982, for one of the powerplants and July 8, 1983, for the other.

Mr. President, I ask unanimous consent that the letter from Eximbank and the attached statement be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXPORT-IMPORT BANK
OF THE UNITED STATES,
Washington, D.C., July 18, 1975.

Hon. WILLIAM PROXMIRE,
Chairman, Senate Committee on Banking, Housing and Urban Affairs, Dirksen Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: In accordance with section 2(b)(3) of the Export-Import Bank Act of 1945, I have reported to the President of the Senate and the Speaker of the House of Representatives on an application currently pending consideration by the Bank. I respectfully furnish herewith a copy of this statement for your consideration.

Sincerely,

WALTER C. SAUER.

EXPORT-IMPORT BANK
OF THE UNITED STATES,
Washington, D.C.

Hon. NELSON A. ROCKEFELLER,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Pursuant to Section 2(b)(3) of the Export-Import Bank Act of 1945, as amended, Eximbank hereby submits a statement to the United States Senate with respect to the following transaction:

A. DESCRIPTION OF THE TRANSACTION

1. Purpose

Eximbank is prepared to extend a direct credit of $130,400,000 to Hidroelectrica Espanola, S.A. and Compania Sevillana de Electricidad, S.A. (Borrowers) on a joint and several basis and to guarantee loans to the Borrowers in the amount of $81,500,000 made by private financial institutions. In addition, $81,500,000 will be lent by private financial institutions without Eximbank's guarantee. The purpose of the Eximbank financing is to facilitate the Borrowers' purchase from the United States of goods and services for the construction and initial operation of two 1000 MW nuclear power plants at Valdecaballeros in southwestern Spain to be designated as Valdecaballeros No. 1 and Valdecabelleros No. 2. The power plants when completed will be directly tied into the Spanish national power grid.

The equipment and material which is to be financed by Eximbank and the private financial institutions participating with Eximbank will be manufactured in the United States and the related services will be performed by United States firms. The estimated total cost for Valdecaballeros No. 1 and Valdecaballeros No. 2 is $870,000,000 of which $326,000,000 represents purchases of United States goods and services, including the initial fuel fabrication having an estimated cost of approximately $37,000,000.

Exports of the equipment and the fuel will be made within the framework of a cooperation agreement on atomic energy entered into in 1974 by the United States and Spain. Contractual arrangements for the purchase of fuel are being negotiated by ENUSA, a Spanish nuclear fuel entity, which has commitments from the Energy Research and Development Administration for the supply of enriched uranium. Prior to export, licenses must be obtained from the Nuclear Regulatory Commission with respect to individual sales of equipment and fuel.

2. Identity of the parties

Hidroelectrica Espanola, S.A. was incorporated in 1907 and Compania Sevillana de Electricidad, S.A. was incorporated in 1894. Both companies are privately owned and their shares are traded on the major Spanish stock exchange.

3. Nature and use of goods and services

The principal goods to be exported from the United States for use in the construction and initial operation of Valdecaballeros

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[*] Indicates a separate entity or act from those contained in JUA functions.

No. I and Valdecaballeros No. 2 will consist of nuclear steam supply systems and components. In addition, United States firms will perform various related technical services in connection with the design, installation, start-up operations of the nuclear power plants.

B. EXPLANATION OF EXIMBANK FINANCING

1. Reasons

The proposed extension of $130,400,000 in credits by Eximbank and the guarantee of $81,500,000 of private credit will result in the export of $326,000,000 of United States goods and services. This will have a favorable impact not only on the United States balance of payments, but also on employment for substantial numbers of United States workers at a time when business activity in the United States is slack. Although, the availability of Eximbank financial assistance together with competitive prices and dependable performance by U.S. suppliers have resulted in large repeat orders of nuclear plants from the United States, manufacturers in Germany, France, Japan, Canada, Sweden, Switzerland and the United Kingdom are capable of supplying equipment for the Valdecaballeros project at competitive prices and delivery schedules. Recent experience indicates that suppliers from these countires are increasing their marketing efforts in Spain and that the national export credit agencies of these countries will aggressively support their manufacturers.

In view of the magnitude of the transaction, the extent of the private financing that will be available, and the existence of foreign competition, Eximbank's loan and guarantee appear to be necessary to effectuate this sale for United States manufacturers.

No adverse impact upon the United States economy will be caused by the export of these goods and services. Due to current slow-downs and cancellations of previously planned power facilities by United States public utilities, United States manufacturers particularly welcome the opportunity to export such goods and services at this time and ample supplies will remain available for use in United States markets.

Accordingly, Eximbank's participation in this major export implements the Congressional mandate to aid in financing and to facilitate United States exports.

2. The financing plan

The total cost of United States goods and services to be purchased by the Borrowers is $326,000,000. The Borrowers will make a 10 percent cash payment and the balance of the United States costs will be financed by Eximbank and private financial institutions as follows:

	Thousands			Percent of U.S. costs
	Plant costs	Fuel costs	Total	
Cash payment	$28,900	$3,700	$32,600	10
Eximbank direct credit at 8 percent	115,600	14,800	130,400	40
Private financing with Eximbank guarantee at 1 percent fee	72,250	9,250	81,500	25
Private financing without Eximbank guarantee	72,250	9,250	81,500	25
Total	289,000	37,000	326,000	100

(*a*) *Eximbank charges*

The Eximbank Credit will bear interest at the rate of 8% per annum, payable semiannually. A commitment fee of ½% per annum will also be charged on the undis-
creased activities I have mentioned in
bursed portion of the Eximbank Credit. The private financial institutions being guaranteed by Eximbank will pay a guarantee fee to Eximbank of 1% per annum on the amounts they have disbursed to the Borrowers. Also a commitment fee of ⅛ of 1% per annum will be charged on the undisbursed portion of the private financing guaranteed by Eximbank.

(*b*) *Repayment terms*

The total financing of $260,100,000 for the nuclear plant costs will be repaid by the Borrowers in 20 semiannual installments beginning July 8, 1982 for Valdecaballeros No. 1 and July 8, 1983 for Valdecaballeros No. 2 (which is in each case six months after the estimated completion of the nuclear power plants). The Eximbank Credit of $115,600,000 for plant costs will be repaid from the final 9 installments. The total financing of $33,300,000 for the fuel costs will be repaid by the Borrowers in 10 semiannual installments beginning July 8, 1982 for Valdecaballeros No. 1 and July 8, 1983 for Valdecaballeros No. 2, with Eximbank's Credit of $14,800,000 being repaid from the final 5 payments.

Sincerely,

WALTER C. SAUER.

THE RIGHT OF CITIZENS TO BEAR ARMS

Mr. ALLEN. Mr. President, while the liberal media and certain vocal politicians continue their campaign against the right of all American citizens to bear arms, at least one State legislature has acted to defend the right. During this past June, the Alabama Legislature passed House Joint Resolution 79 which states in part:

> We recommend that all gun laws in the State of Alabama be codified with the clear intent of protecting the right of Alabama citizens to acquire, own, possess, transport, and lawfully use firearms . . .

And later:

> We recommend strong enforcement of existing laws and additional penalties for the use of firearms in a crime.

The Alabama Legislature has responded to the misguided outcry against private ownership of firearms by acting to protect citizens' basic rights. It is hoped that other State legislatures will follow the lead of Alabama, thus forestalling the gun confiscation advocates in the U.S. Senate and House of Representatives.

Mr. President, I ask unanimous consent that the full text of the Alabama Legislature's resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

HOUSE JOINT RESOLUTION 79

Enrolled, House Joint Resolution, concerning the right to bear arms

Whereas the basic principles of freedom and sovereignty recorded in the annals of our history have been assured by the heroic sacrifice of volunteer riflemen who were adept in the use of firearms; and

Whereas the military forces of our country have time and time again called upon the trained citizen soldiers of our great State to aid in the defense of our nation; and

Whereas the person of criminal intent is not interested in vague, unenforceable gun laws; and

Whereas gun laws today, as they all too often exist at the federal, state, and local levels of government, frequently resolve into a conglomeration of contradictory mandates that are difficult if not impossible to effectively and impartially enforce; and

Whereas ill-planned, restrictive gun laws consistently disarm and bind the law-respecting citizen, eliminating any possibility of his assisting in the daily fight against crime by placing him in a passive pose wherein he is unable to protect himself, family or premises; and

Whereas Article I, section 26 of the Alabama State Constitution guarantees that every citizen has a right to bear arms in defense of himself and the State; now therefore,

Be it resolved, by the Legislature of Alabama, both Houses thereof concurring, That we recommend that all gun laws in the State of Alabama be codified with the clear intent of protecting the right of Alabama citizens to acquire, own, possess, transport and lawfully use firearms.

Be it further resolved, That we recommend strong enforcement of existing laws and additional penalties for the use of a firearm in a crime.

INCREASED APPROPRIATIONS URGED FOR THE NATION'S FUSION ENERGY PROGRAM

Mr. CASE. Mr. President, in the near future, the Senate will be faced with a decision that can have an important bearing on the development of fusion energy in this country.

Nuclear fusion is a source of energy that relies on low cost, readily available, and inexhaustible fuels. It does not produce byproducts that can be used for nuclear weapons and does not create waste disposal problems of the magnitude that are inherent in nuclear fission plants.

A decision on how rapidly we develop fusion energy as a source of electrical power will be made in connection with the Senate's consideration of the public works appropriations bill, which provides funds, among other things, for the Energy Research and Development Administration—ERDA.

ERDA's Division of Controlled Thermonuclear Research over the years has worked out a finely tuned program that anticipates development of a fusion electric demonstration powerplant between 1995 and 2000.

The program is basically parallel to a Russian program aimed at developing fusion energy as a source of electrical power.

Based on a feature article on page 1 of the July 2 issue of the Soviet newspaper Izvestia, the Russians appear to be about 6 months ahead of the U.S. program at this point. The Izvestia article said the Russians had put into operation their Tokamak-10 fusion energy reactor. This device is comparable to a U.S. device known as the Princeton Large Terus—PLT—which is expected to be put into operation at Princeton, N.J., around the first of the year.

I cite the Russian program only as evidence that our goals in the fusion program are realistic. I do not mean to imply that we should develop fusion energy only because the Russians are doing so.

We need fusion energy to meet our own needs and we would have to have this program even if we were the only country working on it.

And we need it as soon as possible.

The public works appropriations bill contains funds for development of a Tokamak Fusion Test Reactor—TFTR—at Princeton. Development of this device is the next step in our fusion energy program after operation of the Princeton Large Terus device.

The administration originally requested only $7.5 million for the Tokamak Fusion Test Reactor in fiscal 1976. During consideration of the ERDA authorization bill by the Joint Committee on Atomic Energy, I proposed that $23 million be authorized for the TFTR and this was approved by the committee. Subsequently, the administration revised its request and it now is asking for $23 million to be appropriated for the TFTR in fiscal 1976.

The House approved only $15 million for the TFTR when it approved the public works appropriations bill. I have been in touch with Dr. Melvin Gottlieb, director of the Princeton Fusion Project, and he has advised me that the House figure would result in a 6-month delay in the program and add $10 million to its overall cost. In other words, failure to appropriate $8 million at this time would mean that we would eventually have to appropriate $18 million for the program and the program would be delayed 6 months.

The Tokamak Fusion Test Reactor is the major new program in the fiscal 1976 fusion program. But adequate funding also is needed in a number of other elements of the overall program.

The President's budget, for example, requests $120 million for operating expenses for the program. The House added $20 million to bring the figure to $140 million. The $20 million added by the House is needed to keep the fusion program on schedule.

Of this amount, $3 million is needed to support an accelerated beginning of the Tokamak Fusion Test Device. The additional funds also would provide for expanded conceptual plant design studies for the experimental power reactor—EPR—program, which will be the next development in the program after the Tokamak Fusion Test Reactor.

The $20 million also would allow full support of neutral beam development on a time scale consistent with the TFTR schedule. In addition, funding would be provided for reactor materials studies and super-conducting magnet development, consistent with a 1985 operational date for the experimental power reactor. Additional work also would be permitted on methods of heating and confining high-temperature plasmas needed for fusion reactions.

The budget requests $16 million for research apparatus and experimental equipment. The House provided $18.5 million in this area. I believe a total of $20 million is needed to support the increased activities I have mentioned in connection with the operational expenses portion of the budget.

Before the fusion program proceeds to operation of the experimental power reactor, information will be needed on which experimental materials can best withstand high level neutron radiation. This work is scheduled to be done at an intense neutron source facility at the Los Alamos Scientific Laboratory. The intense neutron source, estimated to $22.1 million, will take 3 years to build. The revised budget did not request funding for this purpose in fiscal 1976. The House provided $2 million. It would take $3.1 million to keep this aspect of the program on schedule and I believe this level of funding should be provided.

The additions I am proposing would add $11.6 million to the House action on the public works appropriations bill. It is my hope that development of fusion energy will not be delayed because a relatively small amount of funds were not available to pursue all facets of this program.

I ask unanimous consent that the Izvestia article referred to be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

A Sun in the Laboratory . . . the USSR Has Started Up the Greatest in the World Thermonuclear Installation

On the 29 of June 1975 at Kurchatov Atomic Energy Institute of the U.S.S.R. State Committee for the Utilization of Atomic Energy there was completed the assembly and was put into operation the largest in the world thermonuclear installation "Tokamak-10". This installation is intended for the heating of hydrogen to a temperature in the tens of millions of degrees and holding a heated substance for a lengthy period. In a gas heated to such temperatures comprised of isotopes of hydrogen there begins a so-called thermonuclear reaction that is the fusion of the nuclei of isotopes of hydrogen into heavier nuclei of helium. This process is accompanied by the issuance of colossal energy. It is enough to say that during nuclear burnup of one kilogram of isotopes of hydrogen there issues ten million times more energy than during burnup of one kilogram of coal.

Today we utilize the energy of natural thermonuclear reaction which takes place in the depths of the sun and comes to the earth in the form of light. The mastery of controlled thermonuclear reactions under conditions on earth will give mankind a new practically inexhaustible source of energy.

The installation "Tokamak-10" is the latest of a purely experimental thermonuclear installation which crowns a long-term program of work and tests which has been conducted in the atomic energy institute.

The buildings of the installation "Tokamak-10" was in itself a complex engineering task to the solution of which were brought in many scientific-research, construction organization, and plants. The blueprint for the installation "Tokamak-10" was developed by the Scientific-research Institute for Electro-physical Apparatus named after D. V. Efremov while the Leningrad Electro Machine Building Joint Establishment "Elektrosila" named after S. M. Kirov manufactured it. In the development and manufacturing of separate elements of the installation, the following participated:

The Kharkov Electro-mechanical Plant, "Ural elektro tyazhmash" (The Ural Electro-heavy Machinery), the Serpukhov Scientific-production Joint Enterprise, "Kondensator", and other enterprises of the Ministry of the Electro-technical Industry Enterprises and Organizations of Mosenergo (Moscow Energy).

The blueprint for construction of the complex was developed by GIPRONII (State Engineering Design Scientific-research Institute) of the USSR Academy of Sciences and its building was done by the Glavmospromstroy (Chief Directorate for Moscow Industrial Construction). The assembly and laying of the installation was done by the Organization of Union Assembly Trust.

With the startup of the installation "Tokamak-10", Soviet scientists have obtained a powerful instrument for studies in the field of thermonuclear synthesis. This attests to the great care of our Party and State concerning the developing of our native science.

Until 1973 research concerning controlled thermonuclear synthesis was headed by one of the leading physicists of our time, Academician L. A. Artsimovich. Under his leadership the Soviet scientists working in the field of controlled thermonuclear synthesis took a leading position in the world while the "Tokamak" program was acknowledged world-wide. After the death of L. A. Artsimovich, Academician B. B. Kadomtsev headed the program while the experimental investigations were headed by a student of L. A. Artsimovich, Doctor of Physical-mathematical Sciences, V. S. Strelkov.

In recent years in the development of the "Tokamak" installations there were included the researchers of the USA, Europe, and Japan. The results of research on Tokamak-10 installation together with the results which *will* be obtained on the newly built installations abroad will be a sufficient base for the building at the beginning of the 1980's the first demonstration thermonuclear reactor-tokamak.

E. Velikhov,

Academician, Deputy Director of the I. V. Kurchatov Atomic Energy Institute.

INTERVIEW WITH ADM. ELMO ZUMWALT

Mr. BENTSEN. Mr. President, today's Washington Post carries a very disturbing interview with the former Chief of Naval Operations, Elmo R. Zumwalt. At the outset, I want to say that I had my differences with Admiral Zumwalt when he headed the Navy and I do not subscribe to every point made in his interview today, but I do believe his thoughts concerning the problems facing the U.S. Navy today are provocative.

The points made by Admiral Zumwalt are that not only do the Soviets presently outspend us on military programs but they appear to be outthinking us as well.

Soviet analysts, under the leadership of Sergei Gorshkov, have not concentrated on large, capital-intensive ships such as those in our carrier task forces which become high-value targets themselves. Instead the Soviets have chosen to build smaller, missile-equipped ships that place our own ships in a defensive role and thereby raise serious questions about their survivability.

I intend to discuss this matter further when the conference report on the military authorization bill is considered by the Senate, but one example from that report is illustrative of the problem we face in terms of elementary naval analysis and the Navy shipbuilding program that is based upon it.

The conferees have recommended to the Senate that we embark on a new shipbuilding program for a nuclear strike cruiser while at the same time recommending that we deny funds for the last ship in the DLGN nuclear frigate program. In effect the conferees are telling the Senate that the *Virginia* class frigate with the Tartar-Terrier weapon system is an ineffective combatant for the threat we face in the 1980's and for that reason the DLGN-42 has been scrapped. Mr. President, I say that there is something fundamentally wrong with our naval program when the last of the five ships in the series of the *Virginia* class nuclear frigates is disapproved as obsolete before the second ship in the series has even been commissioned. What assurance do we have that the nuclear cruiser, also included in this conference report, will meet with any greater success than did the nuclear frigate. Not much I suspect, particularly when one considers that funds for this new billion-dollar cruiser were approved without the benefit of even a single congressional hearing.

I believe this kind of congressional action makes a mockery of our duty to oversee the expenditure of public funds and to act as a partner in defense planning.

In sum, Mr. President, I believe Admiral Zumwalt has given us a warning that should not go unheeded. In too many ways we are becoming our own worst enemy in the area of national defense by refusing to recognize the faults in our own defense programs. Blind support for the defense budget is not patriotism and the results of our present spending program is to provide us with too few weapons and men and at costs we increasingly cannot afford.

I ask unanimous consent that the article from today's Washington Post be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Soviet Navy Plans Better Than U.S., Zumwalt Says

(By George C. Wilson)

The retired American admiral, still a symbol of the new Navy, had no trouble answering the embarrassing question with what some might consider an embarrassing answer.

Who, Adm. Elmo R. Zumwalt was asked, has been the most effective naval leader in modern times? The former chief of naval operations—himself a widely acclaimed naval leader—replied: Sergei G. Gorshkov.

Gorshkov is commander of the Soviet navy.

Zumwalt spoke admiringly of Gorshkov in an interview in his Rosslyn penthouse office overlooking the seats of power in Washington. Gorshkov, Zumwalt said, has transformed the Soviet navy from a bunch of pitiful coastal boats under the army's control to a first-class fighting force, challenging American Navy supremacy throughout the world.

The Soviet navy has progressed so far, Zumwalt said, that if the U.S. Navy he deployed during the Yom Kippur war of 1973 had battled the Soviet navy in the Mediterranean, "the odds are very high that they would have won and we would have lost."

How can Zumwalt say that about a United States versus Soviet Union battle in the Mediterranean—long an American "lake" controlled by the mighty 6th Fleet of aircraft carriers and destroyers? How can he say that when the U.S. Navy has been getting billions of dollars every year since the end of World War II—and is getting more than any other U.S. military service now?

Zumwalt's answers to those and other questions present a certain view of the Soviet navy—admittedly a hawkish view. But the recently retired admiral is freer to speak now than when he was chief of naval operations from mid-1970 to mid-1974. And he has expertise on both the U.S. and the Soviet navies—expertise that is independent of the political ambitions he has been displaying of late to run as a Democrat for a U.S. Senate seat from Virginia.

Zumwalt contended that the Soviet naval threat has been understated to the public, charging that Secretary of State Henry A. Kissinger did not reveal a Soviet ultimatum to the United States during the Yom Kippur war for fear of endangering detente.

The admiral also asserted that Congress must curb Adm. Hyman G. Rickover, deputy commander for nuclear propulsion within the Naval Sea Systems Command and a political power in his own right, or else the nation will squander its ship-building money on an overweight Navy that the Russians could defeat.

Speaking with no trace of anger or bitterness, Zumwalt disclosed why Gorshkov had the upper hand in the Mediterranean in 1973. His description of that situation contrasts with a statement made on May 23 by Navy Secretary J. William Middendorf II that American ships in the Mediterranean during the Yom Kippur war "gave the United States sufficient strength of military posture to discourage physical intervention."

The United States had to back down in the face of a Soviet ultimatum, Zumwalt said, partly because Gorshkov had U.S. ships outnumbered in the Mediterranean, 98 to 65, and could have attacked U.S. carriers and other warships with airplanes flying in from four directions.

Soviet planes had bases in Egypt, Syria, the Crimea and Yugoslavia—virtually surrounding the U.S. 6th Fleet in the Mediterranean—while "we didn't have a single land base in the area" because none of America's allies would allow their land or airspace to be used to help Israel, Zumwalt said.

As the Israeli troops encircled Egypt's prized 3d Army and threatened to annihilate it, Zumwalt said, Soviet leaders sent a "savage" ultimatum to President Nixon to pull back the Israeli forces or else Russian troops would rescue the Egyptians.

If Kissinger had given the American people "an accurate report" of the situation at that time, Zumwalt said, "it would have indicated that détente was working very poorly."

The United States, said Zumwalt, pressured the Israelis to spare the 3d Army—as demanded by the Soviets—and the Israelis did.

Besides forcing the United States to back down, Zumwalt contended, the Soviet Union, with its strong hand in the Mediterranean, benefitted from the Yom Kippur war because of:

Economic damage to the United States and its allies with the oil embargo and later quadrupling of oil prices.

The "radicalization" of Third World countries whose economic and farm policies were crippled by the high price of oil.

The opening of the Suez Canal for the Soviet navy, shortening its route to the Indian Ocean by thousands of miles.

The demonstration of the economic vulnerability of North Atlantic Treaty Organization nations and others to a cutting of sea lanes.

"The trends are going against us," Zumwalt said, despite talk of détente. He predicted Gorshkov will continue to enlarge the Soviet navy and to obtain land bases for it around the world—with Somalia, where the Russians have a missile repair facility, the beginning of this projection of power.

Zumwalt acknowledged that the U.S. and Soviet navies have different missions—with American ships responsible for keeping sea lanes open and Soviet ships able to concentrate on cutting them. Thus, the U.S. and Soviet navies cannot be carbon copies of each other.

Although American ships cover more of the ocean, Zumwalt said the proper response to the lighter and more varied Soviet navy is not to build big nuclear surface ships.

"It is quite clear we're spending our money wrong," Zumwalt said.

Granting that the submarine "is a different beast," and in most cases justifies the use of nuclear power, he charged that the U.S. Navy has gone overboard in putting nuclear plants in so many surface ships.

"It has been quite clear to analysts on both sides," said Zumwalt of the American and Soviet navies, "that there is a limit beyond which nuclear power ought not to go.

"But Adm. Rickover," he said, "and the nuclear-prone Congress are emotionally convinced that nuclear power is the be-all and the end-all. The advantages have been overstated.

"Once you go beyond the aircraft carrier, it is absolutely foolish to be building nuclear-propelled surface ships."

Because of the extra cost of nuclear power, Zumwalt continued, "we give up five conventionally powered patrol ships for a single nuclear-powered frigate."

"Significantly, he added, "Gorshkov has never built a nuclear-powered surface ship" for his fighting navy. "But, said Zumwalt, "Groshkov had not had to contend with a Rickover, either.

"Rickover does not recognize that he works for the President of the United States or the Navy," charged Zumwalt. "He works for the Congress.

"Adm Rickover has done some very good things for the Navy, but needs to be controlled. And Congress is the only authority that can control him," he added.

Today's U.S. Navy, in contrast to its Soviet counterpart, "has too many nuclear ships" under construction or planned, "which are catastrophically overpriced," Zumwalt said.

Gorshkov's big advantage in building the Soviet navy since becoming its commander in chief in June, 1956, at the age of 46, has been his freedom to implement the product "of good analytical work," Zumwalt said.

This freedom has made Gorshkov "by all odds the most successful naval advocate in the world today," said Zumwalt, who currently is president of Americans for Energy Independence, a nonprofit, nongovernment organization. He also is a consultant on defense planning for private research groups.

Zumwalt detailed his frustration in trying to implement "good analytical work" while chief of naval operations for four years.

Sixty days after taking office, he said, the Navy under his direction had drafted and placed on the desks of then Defense Secretary Melvin R. Laird and President Nixon a blueprint for modernizing the Navy—a document called Project 60.

This design called for lightening the Navy—building faster and smaller ships to cover more ocean at the expense of more giant nuclear-powered vessels.

Declaring that President Nixon and the Secretary of Defense had approved Project 60—which included the nuclear-powered ships Rickover championed, an aircraft carrier, a new class of attack submarine and the Trident missile firing submarine—Zumwalt charged that Rickover torpedoed the non-nuclear part of Project 60 once it got to Congress.

"Rickover killed the sea-control ship, delayed the patrol frigate, delayed the hydrofoil ship," he said. "As a result, we got half of what we would have gotten in four years if it had not been for Rickover's obstruction. We achieved something halfway between an intelligent program and the Rickover program."

One reason Zumwalt and his backers were willing to go to lighter ships was that ship-to-ship missiles were evening the odds between the Davids and the Goliaths of the sea. Egypt's sinking in October, 1967, of the Israeli destroyer Eilath with a surface-to-surface missile fired from a torpedo boat provided dramatic evidence of the improved odds.

Another reason was their conviction that the modern U.S. Navy had to increase the number of ships it could buy with a limited budget by building smaller vessels.

"You can cut sea lines of communication with submarines," Zumwalt said of the need for a lot of ships, "but you can't use them (sea shipping lines) with submarines. As long as you have to import 69 to 72 critical resources, you have to got to be able to defend surface ships."

Gorshkov knows this, Zumwalt said, and is designing his navy accordingly. Countries outside the Soviet orbit that must have raw materials will decide "you're better off making compromises" with the Russians rather than risk being cut off, he said.

"I don't see a war at all," Zumwalt continued. But Gorshkov with his navy and other Kremlin leaders with their military might will use their forces "in a very sophisticated way, forcing us to back down," he said.

Gorshkov and fellow Kremlin leaders, Zumwalt predicted, will continue to push diplomatically and militarily wherever and whenever they sense a vulnerable situation for the West. Gorshkov will keep building more naval bases in the Indian Ocean and elsewhere to project Soviet power. Zumwalt predicted, and will increase the size of his naval infantry—the Russian marines.

The Soviet fleet, he further predicted, will span the spectrum from small patrol boats with big weapons to carriers with V/STOL (vertical and short takeoff and landing) aircraft to project power in Africa and Latin America.

What then does Zumwalt think should be done about the Soviet naval threat to the United States and its allies?

Zumwalt recommended increasing the annual defense budget by $10 billion to help right the military balance. He said the Soviet Union, according to Central Intelligence Agency figures, is outspending the United States by about 20 per cent on military programs.

He also said Congress must reject Rickover's advice to build an all-nuclear combat Navy and must buy more conventionally powered ships with the same amount of dollars.

(A spokesman for Rickover said the admiral would have no comment on Zumwalt's statements about him.)

Under Secretary of the Navy David S. Potter said in an interview that "the global situation has changed" since Zumwalt drew his Project 60 blueprint—with the loss of Vietnam and the Navy's commitment to it one case in point.

"We're right now in the middle of a very timely reinquiry into what sizing of the U.S. Navy "we're talking about," Potter said. "Our present direction is not at all that bad. In fact, I think it is pretty good."

The U.S. Navy does not need money to combat the Soviet navy, said a longtime boat rocker and naval strategist, retired Rear Adm. George H. Miller. Instead, he argued, U.S. Navy and government leaders should look beyond the question of what kind and how many ships should be built.

"We don't know how to deal before we drop the bomb," Miller said in calling for more emphasis on economic competition, instead of military competition, to pull both powers back from the bomb.

"We have no options. Instead of trying to trade with North Korea, for example, all we talk about is dropping the bomb on them," Miller said.

Contending that the Soviet Union, by exploiting the combined leverage of its navy and merchant marine, is conquering the world without firing a shot, Miller said: "We should recognize this nonshooting war is still war" and develop a national maritime policy.

UNEMPLOYMENT

Mr. JAVITS. Mr. President, I call to our colleagues' attention two interesting articles that appeared in the New York Times on Sunday, July 27, 1975. While both articles are directed to the problem of unemployment, they diverge in their approach.

"They Work as Volunteers—and Get Paid for It" by Shawn G. Kennedy, shows what can be done to help youth find valuable employment during the summer months. I have long been a staunch supporter of our program for providing summer jobs for economically disadvantaged youths. The efforts of private companies in New York complement our Federal program and should be noted and continued. Pfizer, Inc., Morgan Guaranty Trust Co., et al., are to be applauded for their concern and their help in providing jobs for the summer and their example is one that should be followed by all businesses in the private sector. It is an investment in our future that will reap many rewards. The National Alliance of Businessmen, again in this year of economic recession, again has led in this worthwhile endeavor to secure summer employment throughout the country. I am especially pleased that nonprofit organizations in New York City, such as Jobs for Youth have been successful in coordinating a summer program there.

The second article by Emma Rothschild, is of a more sobering nature. The problem of structural unemployment in our economy is one which merits our attention. The shift in living styles and the energy crisis will result in severe relocations in industrial output. Even with an upswing in the economy, the auto industry will not be the same as it was, and many of those unemployed will not regain their jobs. Thus, the problem that the New England States faced when its textile industry relocated, now may befall the auto industry.

This is a problem that will be of great concern to the United States in the coming years and one which I have begun to focus my attention and I hope my colleagues will do likewise. These problems of unemployment are far from temporary, and we must look to the long range restructuring that may occur. A program must be envisioned and developed long before the emergency presents itself.

I ask unanimous consent that the two articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

THEY WORK AS VOLUNTEERS—AND GET PAID FOR IT

(By Shawn G. Kennedy)

A summer job. Just words to many of New York's high school and college students this season. Between the nation's economic pinch and the city's budget squeeze, the city's youth have had to face a particularly lean job market this summer.

Nonetheless, 18-year-old Manuel Vega, who works as an artist's assistant at the Cloisters, as well as hundreds of other teen-agers who are working at such places as the New York Botanical Gardens in the Bronx, the Jazzmobile, the South Street Seaport Museum and the Children's Art Carnival, have discovered that, even this summer, employment is possible.

LINE UP JOBS

These teen-agers owe their good fortune to a group of New York companies and to such organizations as Jobs for Youth, who put up the time and money so that at least some of the city's youngsters could work as volunteers this summer and be paid for it.

Manuel and other lower-income youth are working at various nonprofit, public and educational organizations throughout the city, and the businesses are paying them for their volunteer service with scholarships arranged through social service organizations.

One day last week, Karen Squirewell, a Jobs for Youth student, ushered a group of young tourists through the South Street Seaport Museum lightship, Ambrose, meeting questions every step of the way.

PREPARE MURALS

Uptown, in the Harlem brownstone of the Children's Art Carnival, another group of teen-agers worked in the basement on floor-to-ceiling paper murals.

Upstairs, others were perfecting their quilting and paper bag puppet-making techniques. And out back still others struggled with rakes, hoes and petunias, working on a gardening project. The following week these youngsters would take to the parks as assistants in the carnival's summer art program.

Working without a shirt in the summer heat in one of the Cloisters' cobblestoned courtyards, Manuel Vega bounced between tables of 9-and 10-year-olds who labored over medieval battle gear and costumes. The cardboard shields and swords, as well as the huge papiermaché dragon, flowing pastel gowns, and knights' tunics, were for the museum's Medieval Festival, scheduled for mid-August.

"It's going to be great," Manuel said. "The kids who have been coming to the workshops this summer will come back for the festival. They'll dress up in the costumes they've made, we'll have craft booths, the dragon and even jousting."

He was just as enthusiastic about his summer job.

"I didn't have a job for the summer before I found out about the Jobs for Youth program, but I've been tremendously lucky," he said, echoing other students. "I want to study art, so this job at the Cloisters is really great for me. I'm really an artist here and the kids have made it a lot of fun too."

Jennifer Berger, education director for the South Street Seaport Museum, said the program had sent her a "great bunch of kids."

"They've all worked hard this week," she added. "Karen has been phenomenal. It usually takes the tour guides a couple of days to learn the ship tours and then a few more to gather the courage to take a group out alone, but Karen was ready to go after three days."

Fred Lorber, director of Jobs for Youth, said the program was a last-minute offshoot of the organization's steady work: job hunting for high school dropouts.

"Last April we decided to try to do something about the approaching summer job crisis," Mr. Lorber said, speaking above jangling phones in the organization's Upper East Side storefront headquarters. "We figured out that it would cost $504 for each student if they worked for eight weeks at $2.10 an hour, the minimum wage, for a 30-hour week."

"That's really not much money for a summer of work, but rather than try to find summer jobs for these kids we decided to find contributors and put the kids to work in volunteer jobs," he added.

Among the 42 companies that responded, Mr. Lorber said, were Pfizer, Inc.; Lever Brothers, Morgan Guaranty Trust Company and First National City Bank.

High school students were not the only ones to benefit. Jobs for Youth hired seven college students to help as monitors. They act as go-betweens and iron out any problems between the students and their volunteer-job employers. Each college student receives a $3-an-hour wage, and most are getting college course credit for their summer work.

Edward Jones, director of the National Alliance of Businessmen, another organization that sponsors a summer job program, said enthusiasm for such projects was growing.

There's a Real Fear in Detroit That the Slump Is Permanent

(By Emma Rothschild)

In the auto industry, more than in any other business, and in Detroit, more than in any other city, the recession of 1975 has looked like the Great Depression of the 1930's. A quarter of a million auto workers were unemployed in February of this year. One in three of the production workers employed by the large auto corporations in the fall of 1973 was out of work. Half of all Chrysler workers were unemployed. The unemployment rate was higher in Michigan this year than in any other large state, and higher in Detroit than in any other large metropolitan area. This winter, as in the winter of 1931, busloads of people left Detroit to look for work in southern towns.

In the last few weeks, the auto companies have been hiring workers back as they prepare to build their new model cars. There are 126,000 production workers laid off at the large companies, as compared with 264,000 in the last week of February. But people in the auto industry still talk anxiously about how consumers will behave when the new cars go on sale this fall, costing a couple of thousand dollars more than the cars they replace. And if the recovery does not come, the winter of 1976 will be more dreadful than this past winter.

At Chrysler and General Motors, the companies supplementary unemployment benefit funds, which supplement state payments to unemployed auto workers up to the value of 95 per cent of recent income and which also cover medical insurance, ran out in the spring; some payments are still being made, but by the winter more auto workers will be living on welfare.

Beyond this autumn, people in the industry are concerned about an even worse prospect. The auto industry, some people fear, may never come out of this recession, at least as far as employment is concerned. Unemployment may remain very high, unless some factories are converted to producing something other than cars; mass-transit equipment, for example. Michigan and parts of the Northeast may face a regional crisis of employment, a lasting depression.

Unemployment in the auto industry, in this view, is related to structural changes in the industry and in the national economy. The recession is not simply a cyclical bust of the sort that the industry knows well. The consequences of the energy crisis—high gasoline prices, efforts to conserve energy by restraining the use of cars and trucks, which still consume a third of all oil used in America, the development of public transport—will have lasting implications for employment.

NEW MOVES

There is little chance for an early return to the "normal" employment of 1973. Even in the busts and booms of the last 30 years, auto sales recovered faster than employment. In each recession, the auto companies discovered that they needed fewer workers to produce each vehicle. After the auto recession of 1958, for example, it took seven years for auto employment to return to its previous level, by which time the companies were producing almost one and a half times as many vehicles per worker.

The move to smaller cars is likely to limit employment further. It will probably take fewer workers to produce small cars, if only because the cars are produced in newer, more automated plants. To the extent that the cars are simpler, the companies will need fewer assembly workers to add on vinyl roof coverings or power windows. The small cars will need fewer parts, and less basic materials.

The consequences of the move to simpler cars will be most serious for people who worked in the auto parts industry. There are some 3,000 smaller firms which produce auto components, many of them in the depressed parts of Michigan and Ohio. Many thousands more industrial firms supply the suppliers. Some of these companies will simply go out of business. Last year, the supplier firms were estimated to employ 160,000 workers in the Detroit area, and these workers seldom receive the unemployment benefits that workers at the large companies have won.

Detroit itself is a repository for the oldest and sickest sections of the industry. No one seems certain, now, how many workers have stopped looking for jobs in Detroit, and how many have moved away; or how much work there will be for the teenagers left behind in Detroit, facing an unemployment rate which the city government doubts will soon fall below 40 per cent.

For the National Commission for Manpower Policy, a permanent blue-ribbon Federal commission established last year which is now considering structural manpower problems, the situation in the auto industry is of priority concern. Manual workers were leaving Michigan and Ohio before this recession. "When the economy begins to expand," the commissioners wrote recently, "it is likely that many older auto plants and the facilities that supplied them will not reopen. If that turns out to be the case, many workers, businesses and communities will face continued trouble. Unless these old plants can be converted to new uses, many unemployed workers and their families will have to relocate, which will further weaken the economic prospects of those who remain."

So far, there has been rather little public consideration of the problems of conversion which the commission foresees. Yet the effort at conversion, many people in Michigan believe, need not be impossibly arduous. Cities will have at least $11.8-billion to spend on mass transit equipment before 1980, and there is already a long delay in buying buses. Auto workers have the skills needed to produce this equipment, and many parts factories can easily produce parts for transit cars and buses; General Motors and American Motors are leading producers of buses. One positive proposal was made in a bill introduced recently by Senator Philip Hart, Democrat of Michigan. Senator Hart suggests the creation of a "mass transit development bank" to guarantee loans for companies entering the production of rail and bus equipment, with "special preference . . . given to applicants who make use of existing automotive facilities and manpower." Senator Hart's assistants calculated that if one-fifth of ground traffic were shifted to public transport, 1.5 million new jobs would be created by 1985, including 51,000 in the construction industry, 134,000 in repairing road beds and electrifying lines, and 450,000 in manufacturing, for which "an estimated 225,000 workers annually could be drawn from the ranks of unemployed auto workers."

KOREA

Mr. PELL. Mr. President, 25 years ago, North Korean troops crossed the 38th parallel to invade South Korea. Before the signing of an armistice 3 years later in 1953, more than 33,000 American soldiers had lost their lives, along with an estimated 600,000 Koreans. Beyond Korea itself, the war had a crucial impact on the course of U.S. foreign policy—containment was extended to encompass the entire globe, relations with mainland China were kept in deep freeze for an entire generation and the United States soon found itself deeply committed in Indochina and elsewhere in Asia.

Today, 42,000 American troops remain in South Korea, while the United States and South Korea are tied by the 1954 Mutual Defense Treaty under which, in the case of an external armed attack, the two countries agree to "act to meet the common danger—each—in accordance with its constitutional procedures." Secretary of Defense Schlesinger has acknowledged that tactical nuclear weapons are stationed in the South, while substantial military and economic assistance programs continue. Korea remains divided at the 38th parallel although both North and South are committed to the principle of unification. For the present, however, each is armed against the possible renewal of fighting, with South Korea's larger and more experienced ground force partially offset by the larger North Korean air force.

By outward appearances, the situation in Korea has stabilized in the quarter century that has followed the outbreak of war in June 1950. Yet, beneath the surface, there are signs that Korea may not remain so calm. The American withdrawal from Indochina has led some observers to fear a North Korean attack on the premise that the United States has turned inward and will not fulfill its obligations to South Korea. Critics of South Korea's President Park's military rule fear the loss of unity in that country and the potential result of a successful North Korean invasion into its divided and weakened southern neighbor.

In my estimation, however, war is not imminent, a view reinforced by reports that both the Soviet Union and China oppose any North Korean aggression at this time. This is not to say that a war is not foreseeable at some later date. Hence, I believe the United States should take advantage of the present stability and assess its commitment to South Korea.

Some have advocated that the United States maintain the status quo on the grounds that the 42,000 American troops constitute an effective deterrent against a possible attack by the North. The obvious corollary to this perspective is that the removal of any or all of the U.S. forces would encourage or even invite such an attack. Also, it is held that the present commitment to Korea is important as a symbol of U.S. credibility—the so-called psychological domino. It is especially feared that U.S. relations with Japan might be seriously affected by any change in the American-Korean commitment. Finally, it is argued that unlike South Vietnam, South Korea has demonstrated that it is a strong, united, anti-Communist country deserving the support of the United States.

These views are challenged by individuals opposing a continuation of present American policy toward South Korea. If the presence of U.S. troops fails to prevent or deter an attack by the North, it is virtually assured that American forces will become involved in any fighting. Indeed, their position along the demilitarized zone—DMZ—as a "trip wire" makes such an involvement automatic. Hence, the American troops are seen as hostages, the tip of an iceberg promising a larger U.S. commitment should war erupt. Moreover, Seoul, the capital of South Korea, lies but 25 miles from the DMZ, vulnerable to a rapid North Korean incursion, creating the possibility that the United States might consider itself forced to resort to first use of tactical nuclear weapons.

Opponents of the present U.S. policy toward Korea also maintain that the area has little strategic value in itself, and in any case South Korea is capable of defending itself without an American physical presence, especially if American military and economic assistance continues. The repercussions that would follow any change in the present commitment could be minimized by consulting with South Korea, Japan and other allies prior to the implementation of a new policy. In addition, South Korea is anything but a model democracy free of corruption internally, and State Department efforts to influence President Park toward a liberalizing of his role have clearly been unsuccessful.

This brief outline of the debate concerning Korean policy suggests a wide spectrum of policy options ranging from maintenance of the status quo to rapid withdrawal of all U.S. forces from South Korea. Between these two extreme poles, and within the twin contexts of negotiations with South Korea and Japan on one hand and the Soviet Union and China on the other, the United States can consider many forms of a gradual reduction in its physical presence.

Whatever one's position regarding U.S. policy towards Korea, it is clear that many alternatives to present policy exist. Congress has both the opportunity and the responsibility to examine the present commitment, its implications and varied alternatives. Both the Gulf of Tonkin episode and the more recent *Mayaguez* incident demonstrated that Congress is ill-suited for a crisis-management role; rather, Congress is most effective when it carefully examines an evolving foreign policy initiative such as Senator Fulbright and others did a decade ago concerning Vietnam or as Congress is presently doing by studying the proposal for an American facility on Diego Garcia.

Clearly, further consideration of the present U.S. policy toward South Korea is required. A wide range of views exist toward a part of the world where the United States has much at stake. Presently, Congress has an opportunity to conduct an orderly examination of the present situation. It is essential that Congress takes advantage of this opportunity either to prevent a possible crisis or to be prepared for one should it develop.

THE MEANING OF SOLZHENITSYN

Mr. McCLURE. Mr. President, Alexandr Solzhenitsyn continues to challenge our hopeful view of détente. Because he has spoken with a voice of awful credibility he has succeeded in focusing attention on the consequences of naive faith in agreement-for-the-sake-of-agreement. Every American, indeed every person anywhere who cherishes freedom, should be thankful.

But an even more important confrontation stalks through his words—not merely a conflict of systems. His words demand some personal introspection, for governments rest upon moral values of their people. We Americans all too often tend to rest indifferently behind a smug assumption of moral verity, and this lonely man questions our fundamental integrity. If we but lay aside our superiority for a moment, perhaps we will allow ourselves to see the truth of his plea—a plea that cries out for policies and governments founded on moral values that spring from God and invest every human being with rights and dignity.

His challenge is too clear to miss, and too valid to ignore. It is a challenge that says that indifference cannot excuse Auschwitz or Buchenwald, that personal noninvolvement cannot avoid human responsibility for Stalin's purges, that pragmatism cannot ignore repressions by despotic governments.

A recent editorial in the Wall Street Journal points out that this is not simply a failing in "their" system, but that "The notorious double standard of Western liberals derives from a philosophical double standard; they actually seem to admit the Communist claim that 'all depends on class ideology,' that socialist justice can do away with the bourgeois notions of fairness and still deserve the name of justice. Against this, Solzhenitsyn defends the old idea that a moral standard is indivisible, a murder is still a murder, even if committed by Communist guards in a state-run prison camp." This, the editorial concludes, makes some Americans uncomfortable not "because he challenges their view of the Soviet Union, but more profoundly because he challenges their view of man himself."

Another editorial, by Roscoe Drummond, appearing in the Christian Science Monitor on Wednesday, July 23, points out that those who have said that Solzhenitsyn wants to send us to war to free the Soviet people miss the point he so desperately wants us to understand. Drummond remarks that the Nobel laureate's stirring plea is "that the United States would best serve itself and freedom everywhere in the world by refusing to make one-sided concessions on the false assumption that by doing so Soviet communism would become something different from Soviet Communism." "His guiding premise is that firmness in dealing with the Communists is least likely to lead to war; that weakness and one-sided concessions are the road to war." He also said of Solzhenitsyn that "he has the credentials to be heard."

Mr. President, I pray he is heard. I ask unanimius consent that the editorials be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE MEANING OF SOLZHENITSYN

Alexandr Solzhenitsyn, the Russian writer whose career has been the outstanding moral phenomenon of the Soviet Union, recently gave two major addresses in this country. The response has been a phenomenon in its own right. Mr. Solzhenitsyn is deeply admired by many thoughtful people for his prolonged and steadfast defiance of the Soviet government, a defiance which led to his exile aboard early last year. Yet among many others his presence in the United States appears to be causing acute discomfort, and he is experiencing their open hostility.

Reports of Mr. Solzhenitsyn's talks contain an undertone of irritation with his "preachiness." Columnists accuse him of reviving "Cold War" rhetoric. President Ford, in the most unworthy decision of his tenure, gave heed to certain advisers who warned that a White House invitation for Mr. Solzhenitsyn might offend the Kremlin.

Much of this irritation is caused by Mr. Solzhenitsyn's message, portions of which appear elsewhere on this page. The Russian exile has delivered a grim warning that communism countinues to advance steadily, as it has for the past six decades, and that the West is showing itself too cowardly and morally uncertain to defend its civilized values. This is not what people want to hear. One can virtually see the psychological defenses going up, seizing on his occasional overdrawn argument and unfocused criticism of the West to dismiss the powerful underlying message.

Yet this warning alone, it strikes us, is not the only or even the chief reason Solzhenitsyn is so discomfiting. More or less by accident, he has come to play a role in his country's moral history without parallel in this century. By living up to this role, he has acquired a stature that makes most modern men look like pygmies. Politics aside, his very presence carries a discomfiting moral message.

Solzhenitsyn may share many human frailties. He may even, as some who read Russian tell us, be a less gifted writer than fellow Nobel laureate Mikhail Sholokhov, an unreconstructed Stalinist who in the '60s advocated summary execution for dissident intellectuals. But he devoted his career to a task of immense importance for the Russian people, telling the truth about the unimaginable repressions and moral distortions of Soviet rule.

Solzhenitsyn won overnight fame in Russia in 1962 with publication of his short, autobiographical novel describing one day's life in a prison camp. This short period of official favor, the result of Khrushchev's de-Stalinization campaign, quickly yielded to increasingly severe official hostility, as Solzhenitsyn went deeper into the prison camp experience and allowed his manuscripts to appear abroad. He persisted in this work when his freedom and even his life seemed in jeopardy.

This firmness, a firmness common to many less-famous dissidents and thousands of anonymous prison camp inmates, has provided Russia with something we in the West had thought disappeared under communism, an uncompromised standard of morality. Like sunlight clearing a fog, the return of these "saints" from the camps after 1956 made clear to many Russians that Stalinism, even Marxism, could only flourish in an atmosphere of hypocrisy, official deceit and personal dishonesty. Yet in the midst of this, there still was something indomitable in the human soul.

Inevitably, Solzhenitsyn faced the question, why was the West so indifferent to the horrors of Communist rule? In his New York speech, he attempted an answer, that communism "has infected the whole world with the belief in the relativity of good and evil." The notorious double standard of Western liberals derives from a philosophical double standard; they actually seem to admit the Communist claim that "all morality depends on class ideology," that socialist justice can do away with bourgeois notions of fairness and still deserve the name of justice. Against this, Solzhenitsyn defends the old idea that a moral standard is indivisible, a murder is still a murder, even if commited by Communist guards in a state-run prison camp.

"It is almost a joke now in the Western World, in the 20th Century, to use words like 'good' and 'evil,' " Solzhenitsyn observes. Yet he makes a mistake in attributing this relativism solely to Marxism; during his sojourn in the West he will no doubt learn that much of it is homegrown. Western liberals have been taught that man is merely a mass of protoplasm, his behavior merely the result of his environment, and that thus he cannot be judged by any universal standard of good and evil.

But here is Alexandr Solzhenitsyn, fresh from the environment of the Gulag Archipelago, testifying by his presence that man is more than that, and calling with his voice for a moral law. Those who are uncomfortable in his presence are not so merely because he challenges their view of the Soviet Union, but more profoundly because he challenge their view of man himself.

What Solzhenitsyn Really Said

(By Roscoe Drummond)

Washington.—Alexandr Solzhenitsyn's impassioned challenge warning that communism is not changing its spots is being widely misread and misinterpreted.

It was not a plea that America should go to war to free the Soviet people from the unending repression of their Communist government.

The stirring plea of this Nobel laureate whose moral condemnation made it unsafe for the Kremlin to allow him to live in his own country was that the United States would best serve itself and freedom everywhere in the world by refusing to make one-sided concessions on the false assumption that by doing so Soviet communism would become something different from Soviet communism.

Solzehnitsyn said no, it doesn't work that way and he has the credentials to be heard. "The very ideology of communism, all the teachings of Lenin," he told his Washington audience which greeted him alternately either with stunned silence or ecstatic cheers, "are that anyone is considered to be a fool who doesn't take what's lying in front of him. They say: 'If you can take it, take it. If you can attack, attack. But if there's a wall, then go back.' The Communist leaders respect only firmness and have contempt and laugh at persons who continue to give in to them."

Solzhenitsyn speaks from experience. He resisted Soviet repression—and he's alive today.

His guiding premise is that firmness in dealing with the Communists is least likely to lead to war; that weakness and one-sided concessions are the road to war. He quoted Western leaders as saying that "power, without an attempt at conciliation, will lead to conflict." He dissented. His view was that "power with continual subservience is no power at all" and he offered this evidence:

"Look at little Finland in 1939 which by its own force withstood the attack. You in 1948 defended Berlin only by your firmness of spirit, and there was no world conflict. In Korea in 1950 you stood up against the Communists only by your firmness, and there was no world conflict. In 1962 you compelled only firmness, and there was no world conflict."

Solzhenitsyn cites the Soviet violations of the Yalta pact, entered into by Roosevelt, Churchill, and Stalin, as revealing the true nature of Soviet Communist diplomacy. In that agreement Stalin promised that the Soviet Union would assure that the countries it occupied in Eastern Europe in the war would have free elections and government by the consent of the governed. There were no free elections and today Moscow controls the entirety of Eastern Europe. When two of these once-sovereign nations—Hungary and Czechoslovakia—failed to do the Kremlin's bidding, Stalin's successors sent in the Red Army to see that they did.

One of the most valuable services of Solzhenitsyn's speeches in Washington and New York is his thundering repudiation of the wishful theory that bad old Stalin gave Soviet communism a bad name. He demonstrated that repression and terror are the essential companions of communism wherever it exists, not passing exceptions. He gave these historic figures on executions without trial. Under the Czars—10 a month. At the height of the Spanish inquisition—1,000 a month. Under Stalin—40,000 a month. Repression continues today, often in more subtle forms like confining dissenters to insane asylums.

"Some say," Solzhenitsyn told his audiences, "that the Soviet leaders have now given up their inhuman ideology. Not at all, they haven't given it up one bit. Any thought which is different from what the state thinks is crushed. The civil technicians determine the fate of the Army. That means zero. Everything is done the way the party demands, that's our system." There will be many different reactions to this speech. It deserves to be read; then you can judge for yourself. Copies can be obtained by writing to the Press Department at AFL–CIO headquarters, 815 16th St., N.W., Washington, D.C.

THE IRISH CONTRIBUTION TO THE AMERICAN REVOLUTION

Mr. WILLIAMS. Mr. President, I am pleased to report that my bill, S. 371, has sparked considerable interest in the role of various ethnic groups in our War of Independence. The bill, which passed the Senate June 6, would direct the Department of the Treasury to strike Bicentennial medals to commemorate ethnic heroes of the American Revolution. The individuals to be commemorated would be selected by the American Revolution Bicentennial Administration.

In introducing the bill, I cited as examples several men and women of different ethnic backgrounds who helped to further the American cause. Among them were Thaddeus Kosciuszko, Michael Kovats, Agrippa Hull, Mary Ludwig Hayes, and Haym Salomon. I did not mention the specific contributions of individuals of Irish descent. Needless to say, they were numerous and notable. As Joseph F. O'Connor, the executive director of the American Irish Bicentennial Committee, points out:

It was Lord Montgomery who in the British Parliament in April, 1784, stated that "America was lost by Irish emigrants." It was the Irish of 1776 whose inbred hatred for the British formed the fighting core of the Continental Army. At times, 60 to 80 percent of Washington's Army were "Irish." . . . Patrick Carr, a native of Ireland, was a victim of the Boston Massacre on March 5, 1770. Jeremiah O'Brien captained the sloop "Unity" which defeated and captured the British Brig "Margaretta" June 12, 1775. John Barry of Wexford, Ireland was the "Father of the U.S. Navy." Irish names adorn the Declaration of Independence and the Federal Constitution. John Dunlap printed the Declaration of Independence. These are but a few people who had Irish ties and spirit.

And they are but a few of the men and women whose participation in America's struggle for independence qualifies them for consideration in the Bicentennial Administration's choice of designs for commemorative medals under S. 371. I am hopeful that the House of Representatives will act promptly to permit the striking of these medals in time for our Nation's Bicentennial celebration.

DR. ERNEST J. GEORGE

Mr. BURDICK. Mr. President, it was with a great deal of sadness that I learned of the death of Dr. Ernest J. George, a former forestry researcher and retired superintendent of the U.S. Northern Great Plans Field Station in Mandan, N. Dak. As a native North Dakotan, he was a man of whom all North Dakotans could be proud.

Dr. George was recognized as a pioneer in the use of farm shelterbelts in conservation, and he was affectionately referred to as "Mr. Shelterbelt" in my home State of North Dakota. Dr. George was an exceptional, dedicated conservationist whose work was appreciated by everyone.

Mr. President, I ask unanimous consent that an editorial from the Bismarck Tribune commenting on the contributions of Dr. George be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From the Bismarck Tribune, July 23, 1975]

A Great Man for the State

A great man was buried in Mandan Tuesday when Ernest George was lowered into his grave.

Dr. George lived in no big house. He garnered few headlines during his lifetime. He was never the flattered center of controversy.

But he probably did more to enhance the beauty of the land and the quality of life in North Dakota, and throughout the Northern Great Plains, than all but a few other men who have lived in this century.

Ernie George was a forester and every shelterbelt that grows in this semi-arid prairie area reflects to some extent the work he did.

Many years ago, long before any such federal agencies as the Soil Conservation Service began their laudable work in this area, Dr. George, in the words of a colleague, was out in his Model T automobile fighting the dust and mud roads to get model farmstead shelterbelts going.

Working with cooperating farmers, he'd get the shelterbelts planted and then periodically revisit them to see how the various species planted in them were doing. Along with this, he conducted continuing research into the adaptability of new tree species to the northern plains conditions, and into the identification and propagation of superior strains of existing species. No man has done more to enhance the comfort and beauty of Northern Great Plains living than Ernest George.

The pity of it is that the work he spent a lifetime on at the Northern Great Plains Station at Mandan is now terminated. Tree research as such has been ended at the station, to the future detriment of the quality of life on our plains. It ought to be doubled and redoubled, but it has, instead, been ended altogether. Future generations will be those who regret this abysmal lack of federal foresight.

While paying posthumous tribute to Dr. Ernest F. George, mention ought also be made of others—some of them still going strong among us—who also have contributed greatly in almost anonymous style to the economic and aesthetic quality of Great Plains life.

We think of John Thysell, now in his 90's, whose research into the use of moisture on Great Plains soils has paid handsome dividends. Another is Howard Haas, another soils scientist who did important work at the Mandan station. Still another is the late William Baird, whose work in fruits included true triumphs.

Then there is George Rogler, whose work in the development and use of crested wheat grass and Russian wild rye, also a dryland grass, helped enrich the economy of the western plains and middle Canada by hundreds of millions of dollars. Like Dr. George, Rogler can be counted a great man on the basis of his contribution to his fellow man.

There are others, some like Ernest George gone, some like George Rogler still among us. The richer land and life around us is their monument.

"Through ages, through eternity, what you have done for God, that, and only that, you are. Deeds never die."—Frederick W. Robertson, English clergyman.

THE INFLATION/RECESSION ROCK

Mr. GARN. Mr. President, back in April I attended some hearings of the Banking, Housing and Urban Affairs Committee, of which I am a member, at which the problems of inflation in the United States were discussed. In the course of those hearings, I made some statements as to my understanding of the economic problems facing the Nation. While I did not know it at the time, there was apparently an economist/poet in the audience, who was moved to verse over my statement, and has now sent me a copy of the work I inspired. I ask unanimous consent that the poem be printed in the RECORD, noting further only that I continue to feel that professional economists are as much in the dark as the poem indicates.

There being no objection, the poem was ordered to be printed in the RECORD, as follows:

THE INFLATION/RECESSION ROCK

(To the tune of "Jingle Bell Rock")

Economists everywhere, listen to me.
What have you done to our
Economy?
Inflation, recession, now we've got it all—
And it ain't no ball!
Friedman says the problem is the stock of M_1:
It's been growing too fast,
That's why we're coming undone.
I don't know, Milton, my cupboard is bare—
There's no M_1 there.

(Refrain)
Now the Congress
Says we must trust
In it to show the way.
I don't know, though, if they're oh-so
Smart, then why are we here today??

Recession is so easy for our Washington friends.
The answer is clear:
Just increase what you spend.
But while Uncle Sam makes cash registers ring
I can't buy a thing!

(Refrain)
Prices higher,
Taxes higher.
It all seems clear to see.
While you're doling, quit consoling
And give some of that money to me!!

Oh, Economists, everywhere listen to me.
What have you done to our
Economy?
The Classicists never had our growing pains.
Let's hear it for Keynes!

(By Cindy Watts, Assistant Professor of Economics, University of Washington.)

CANADIAN AUTOMOBILE AGREEMENT

Mr. HARTKE. Mr. President, on July 9, 1975, the Finance Committee, at my request, passed a resolution asking the International Trade Commission to do a thorough study of the Canadian Automobile Agreement and report back to the committee by the end of 1975. At this time I should like to state the reasons for this action for the RECORD.

My opposition to the Canadian Automobile Agreement extends back to even before it was a bill in Congress. I spoke out in opposition to this agreement when it was being negotiated; I spoke out against it when it was belatedly and perfunctorily submitted to Congress, and I have spoken out against it many times since.

The agreement was negotiated as a result of virtual blackmail on the part of the Canadian Government in regard to automobile trade. For years the United States had enjoyed a substantial balance of trade surplus in automobile trade with Canada. In 1962 and 1963, Canada devised a tariff remission program which forgave import tariffs, first only on automatic transmissions and engine blocks, and later on all original equipment parts and completed motor vehicles imported by Canadian automobile manufacturers to the extent that the manufacturers increased the Canadian content in exported parts and vehicles above the average content in 1961–62. Due to this tariff remission scheme Canadian automobile exports to the United States increased from approximately $11 million in 1961 to $19 million in 1964.

In response to this import pressure a suit was initiated in the United States seeking to force the Secretary of the Treasury to impose countervailing duties on Canadian automotive imports under section 303 of the Tariff Act of 1930. Under pressure of the increasing imports and the pending legal suit, the U.S. Government entered into negotiations with Canada which 5 months later culminated in the automobile agreement. The agreement was negotiated without the customary congressional review or public scrutiny, and was signed by President Johnson prior to presentation to Congress. It was eventually presented to Congress with a request for passage without any changes, and passed in 1965.

The agreement was sold to Congress and the American public as a method of rationalizing the automobile industry in Canada and the United States, of attaining essentially a North American free trade area for automobiles. Had the agreement been structured to achieve this goal—free and equal access to the automobile market in each country—I would have strongly endorsed it. However, as is nearly always the case, we were willing to settle for a lopsided arrangement which threw open our foreign trade doors in response to only a partial opening on the part of the foreign power.

In the agreement, the United States allowed duty-free imports of Canadian produced motor vehicles and original equipment parts. Canada allows similar duty free entry but only if the importer is a qualified manufacturer. To be a qualified manufacturer, a producer must maintain or increase its 1964 ratio of cars assembled in Canada to cars sold in Canada, and it also must maintain or increase the percent of Canadian value added in each Canadian produced vehicle. These two requirements were described as "transitional" at the time of negotiation of the agreement. It was argued they were necessary to protect Canada's auto industry which was much less developed that the U.S. industry. There was a strong implication the "transitional" restrictions would be removed after a mandatory review of the agreement by both nations in 1968. Unfortunately, we are now in the 11th year of the agreement and the so-called transitional provisions are still in effect.

Not only were these restrictions placed in the agreement, but even more lopsided provisions were negotiated outside the official framework of the agreement. With the urging of the U.S. Government and as a precondition to the agreement, the major U.S. automobile manufacturers agreed to "letters of undertaking" with the Canadian Government in which the automobile producers agreed to substantially increase Canadian production. In these letters the automobile companies agreed to increase total Canadian value added on vehicles and original equipment parts by at least 60 percent of the increase in Canadian automobile sales, and 50 percent of the increase in Canadian sales of commercial vehicles. In further letters of undertaking, negotiated subsequent to the formal treaty, the automobile companies agreed to increase Canadian value added by an additional $260 million during model year 1968.

The net effect of all these agreements and restrictions was to give Canadian automotive vehicle producers duty free access to the U.S. market and also provide written guarantees that the size of the Canadian automobile industry would increase both absolutely and relatively.

It was obvious this was a good deal for the Canadians, and it was equally obvious it was of no advantage to the United States.

The obvious usually has a way of coming true, and the automotive agreement was no exception. The agreement has proved to be beneficial for Canada and for the automobile producers; it has been a disaster for the United States. Within 5 years after negotiation of the agreement, automotive production in Canada had increased by 60 percent and automobile manufacture had replaced pulp and paper as Canada's biggest industry. The automotive agreement has also proved highly profitable for the automotive manufacturers. Their profits which come from Canadian production have soared since the pact was signed. For this reason the automotive companies are stanch defenders of this inequitable trade relationship. However, for the United States and U.S. employees, the automotive agreement has been a disaster. It has caused the deterioration of our balance of trade, and a decline in our relative position in automotive production and employment. When the automobile agreement was presented to Congress, the administration testified that the intention of both Governments was to reduce the U.S. favorable balance of trade in automotive products from the roughly $700 million per year at that time to about $500 million.

Experience under the agreement, of course, has been drastically different. After the agreement was signed the U.S. automotive trade balance with Canada steadily deteriorated until it reached a deficit of nearly $200 million in 1970 and 1971. The balance has improved somewhat since then and preliminary figures show a positive balance for 1973, but still far lower than the announced goal of a $500 million U.S. surplus. This deterioration occurred during a time of almost frantic concern about the U.S. position in international trade: a period that witnessed the first postwar U.S. balance-of-trade deficit, the first devaluation of the dollar since the 1930's, and the total disruption of the international monetary system largely due to the U.S. difficulty.

The nature of our automotive trade relationship with Canada is also revealing. When the agreement was signed, the United States had a small trade surplus with Canada in automobiles and a substantial surplus in automotive parts. After the agreement was signed because of the so-called transitional provisions and the letters of undertaking, the U.S. automobile companies made massive capital investments in Canada, greatly increasing their Canadian automotive assembling capacity. The result of this investment program was a substantial increase in Canadian automobile imports to the United States. While all elements of Canadian-United States automobile trade have increased substantially since 1964—from $716 million to nearly $11 billion—Canadian exports to the United States of finished automobiles have increased much faster than the other elements. The resulting pattern of trade can be largely characterized by the statement that the United States ships parts to Canada to be combined with Canadian parts, assembled into completed automobiles, and exported back to the United States. In recent years over half of Canadian automobile production has been for export to the United States.

This arrangement has been highly beneficial for Canada and profitable for the automobile companies, but not for the United States. Automobile sales in the United States increased almost 34 percent between the time the agreement was signed and 1973; they increased 47.5 percent in Canada. However, during the same time automobile production in the United States increased only 14 percent while production in Canada soared 86.2 percent. These trends are also reflected in employment. During this time U.S. automotive related employment increased 11.7 percent while Canadian automotive related employment increased nearly three times as rapidly, by 32.7 percent. These statistics are not available since 1973; however, the current recession has had a delayed and less severe effect on Canadian automotive production and employment.

As a further indication of the effect of the automotive agreement on employment in the United States, the United Auto Workers have filed a petition for trade adjustment assistance on behalf of 39,000 workers unemployed by Canadian automobile imports in only one U.S. company: Chrysler. I have previously estimated that the number of U.S. automotive-related jobs destroyed or lost due to the Canadian automobile agreement exceeds 100,000 and this petition clearly indicates the reasonableness and probable conservatism of this estimate.

I am hopeful the International Trade Commission will consider all these factors in their study. I am also hopeful the study will consider the full range of alternative policies available to the United States in regard to automobile trade with Canada. Specifically it should evaluate, but not be limited to, the effects of repealing the agreement, or entering into negotiations designed to create a truely free trade area by removing the Canadian restrictions. After seeing the study I am hopeful we can move toward a more equitable trading basis with Canada in automobiles and one that will be more advantageous to American production and employment.

Mr. President, I ask unanimous consent that the letter sent by the Finance Committee to the International Trade Commission requesting a study of the Canadian Automobile Agreement be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Committee on Finance,
Washington, D.C., July 9, 1975.

Hon. Will Leonard,
Chairman, International Trade Commission,
Washington, D.C.

Dear Mr. Chairman: The Senate Committee on Finance resolved today to request that the International Trade Commission undertake a study of the U.S./Canadian Automotive Agreement as implemented under the Automotive Products Trade Act of 1965 and submit the study to the Committee on Finance no later than December 31, 1975. This request is made pursuant to Section 332(g) of the Tariff Act of 1930.

The Committee is interested in having a thorough analysis of the history and terms of the U.S./Canadian Automobile Agreement and its impact on U.S. and Canadian trade, employment, production, balance of payments, capital flows, and investment patterns. We are particularly interested in the Commission's view as to whether or not Canada has fully complied with the letter and the spirit of the Agreement by phasing out the so called "transitional provisions." In addition, it would be useful to know the relative structure of production of automobiles within the U.S./Canadian markets and any shifts which may have occurred as a result of the current decline in industry sales in the U.S. as compared with Canada.

We appreciate the quality work the Commission has done in the past for the Committee and the Congress and look forward to receiving a thorough study of this important agreement by the end of the year.

With every good wish, I am
Sincerely,
Russell B. Long,
Chairman.

ARE WE IMPLICITLY RECOGNIZING SOVIET CONQUEST OF BALTIC STATES?

Mr. HELMS. Mr. President, the President of the United States is now in Europe visiting Germany, Yugoslavia, Poland, and Romania, preparatory to going to Helsinki to sign the document known as the act of the Conference on European Security and Cooperation. Just before he departed, the President delivered a statement explaining why he did not think that the signing of that document would forever seal the fate of the nations of Eastern Europe and condemn them to Communist totalitarian governments for all time. He called the signing of this document a forward step for freedom.

But is it really a forward step for freedom? The President said that he had obtained an important concession from the East—the public commitment of the Warsaw Pact governments to the possibility of peaceful adjustment of frontiers. Yet this possibility, according to the documents, is based not upon the consent of the people concerned, that is, upon the consent of those actually living in the areas where borders might be readjusted, but upon the approval of the central governments that control those areas without the people's consent. In other words, any readjustment of boundaries would not depend upon the people who might desire freedom, but upon the consent of the governments which are depriving them of freedom.

It is highly significant, therefore, that the President in delivering his remarks, dropped from his prepared text the words which underscored the commitment of the United States to the freedom of these peoples. The original text said:

> The United States policy supports the aspirations for freedom and national independence of the peoples of Eastern Europe by every proper and peaceful means.

No one could take exception to this statement. It merely said that we support freedom by "every proper and peaceful means." Surely there is nothing improper about using proper means. Yet the President changed the passage to read:

> . . . the aspirations for freedom and national independence of peoples everywhere.

Of course, this greatly weakened the statement. The context of the statement was the context of Europe and Eastern Europe in particular. By changing it to "peoples everywhere" it becomes a bland generality of no significance whatsoever. The change makes it appear that we are anxious to avoid offending the Eastern European governments, and, as such, it is a craven capitulation to Communist aggression.

Similarly, the President omitted entirely another very significant statement. The sentence omitted read:

> The United States has never recognized the Soviet incorporation of Lithuania, Latvia, and Estonia and is not going to do so at Helsinki.

Now it may be argued that we are not changing our policy. But it is important to reiterate a policy when many are interpreting our actions as a silent repudiation of our policy. By putting the statement in his prepared text and then omitting it, the President lends credence to the belief that we really are implicitly recognizing the Soviet conquest of the Baltic States at Helsinki.

Mr. President, this is the kind of accommodation that has brought bad repute to the whole process of détente. If we are always seeking ways to avoid injuring Soviet sensibilities, especially to the extent that we refuse to reaffirm basic principles of freedom, then we have done exactly what the critics of Helsinki say we are doing.

Mr. President, these actions are not in tune with the historic attitude of the American people. I have in hand, for example, a proclamation issued by the State of New Hampshire through its distinguished Governor, the Honorable Meldrim Thomson, Jr. Governor Thomson has not shirked his duty toward the captive peoples. The proclamation attacks the failure of the Federal Government to emphasize the true spirit of the law proclaiming Captive Nations Week, which was to give support and encouragement to the enslaved people of captive nations to carry on their struggle for freedom from Communist domination until liberty again reigns triumphant in their oppressed lands. Instead, we are freezing into position the losses of the former free people of the nations now captured by the Communist world.

It is unfortunate that the State of New Hampshire is underrepresented in this distinguished body, but we have heard enough for now on that issue. I am nevertheless proud to call attention to the New Hampshire Captive Nations Week Proclamation, and to congratulate the distinguished Governor for his forthrightness and courage.

Mr. President, I ask unanimous consent that the New Hampshire Captive Nations Week proclamation be printed in the RECORD.

There being no objection, the proclamation was ordered to be printed in the RECORD, as follows:

[State of New Hampshire]

A PROCLAMATION—CAPTIVE NATIONS WEEK, JULY 1975

Whereas, the greatness of the United States is in large part attributable to its having been able, through the democratic process, to achieve a harmonious national unity of its people, even though they stem from diverse racial, religious, and ethnic backgrounds; and

Whereas, since 1918 the imperialistic and aggressive policies of Russian communism have resulted in the brutal subjugation of free people in a vast and growing area of the world which poses a dire threat to the security of the United States and of all the remaining free peoples of the world; and

Whereas, these policies of the Communist world have led, through direct and indirect aggression, to the subjugation of the national independence of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, White Ruthenia, Rumania, East Germany, Bulgaria, mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Tibet, Cossackia, Turkestan, North Vietnam, South Vietnam, Cambodia, Laos and others; and

Whereas, it is fitting that we make clear to such peoples through appropriate and official means that the people of New Hampshire share with them our aspirations for the recovery of their freedom and independence; and

Whereas, the United States of America has and will continue to strive toward the day when all people of the world may live in freedom, and will continue to work to reverse the trend whereby freedom loving individuals and nations are losing their independence to aggressive communist nations at an ever increasing pace; and

Whereas, President Dwight D. Eisenhower, on July 17, 1959, signed into law, a joint resolution authorizing and requesting the President of the United States to proclaim annually, the third week in July as Captive Nations Week until such time as freedom and independence shall have been achieved for all the captive nations of the world; and

Whereas, the Presidential Proclamation issued by President Ford in 1975 fails to emphasize the true spirit of the congressional resolution which was to give support and encouragement to the enslaved people of captive nations to carry on their struggle for freedom from communist domination until liberty again reigned triumphant in their oppressed land; and

Whereas, the policy of the Ford administration as developed by Secretary of State Kissinger providing détente for Communist Russia and Red China will only freeze into position the losses of the former free people of nations now captured by the Communist world and further encourage the spread of enslavement of free people and independent nations;

Now, therefore, I, Meldrim Thomson, Jr., Governor of the State of New Hampshire, do hereby proclaim the third week of July 1975 as Captive Nations Week, and urge our citizens to observe this week with appropriate ceremonies and activities including strong opposition to the continuation of détente with Communist Russia and Red China.

Given at the Executive Chambers in Concord this 9th day of July, in the year of Our Lord one thousand nine hundred and seventy-five, and of the Independence of the United States of America, the one hundred and ninety-ninth.

MELDRIM THOMSON, Jr.,
Governor of New Hampshire.

ANNOUNCEMENT

Mr. CANNON. Mr. President, I ask unanimous consent to have printed in the RECORD an announcement from the Federal Election Commission.

There being no objection, the announcement was ordered to be printed in the RECORD, as follows:

[Federal Election Commission 11 CFR Ch. II, Notice 1975–17]

ADVISORY OPINION REQUESTS

Extension of Time to Comment on Advisory Opinion Request 1975–12: Application of Federal Election Campaign Act to Candidates for Delegate to National Nominating Conventions.

The time period within which written comments concerning Advisory Opinion Request 1975–12 (Notice 1975–11, 40 FR 28945, July 9, 1975) will be received by the Federal Election Commission is extended to August 30 (30 days from publication), 1975.

Interested persons wishing to comment should submit written views to the Federal Election Commission, Office of General Counsel, Advisory Opinion Request Section, 1325 K Street, N.W., Washington, D.C. 20463. The Commission recommends that comments refer to the specific AOR number and that statutory references be to the United States Code citations rather than to the Public Law citations.

The Advisory Opinion Request to which this extension applies is herewith reprinted·

[Reprint]

Source: Congressman Alan Steelman, 437 Cannon House Office Building, Washington, D.C. 20515 (June 12, 1975).

AOR 1975–12: APPLICATION OF FEDERAL ELECTION CAMPAIGN ACT TO CANDIDATES FOR DELEGATE TO NATIONAL NOMINATING CONVENTIONS

A. *Michigan Democratic Party* (*Request Edited by the Commission*)

DEAR SIRS: * * * Section 431(a) (3) (4) includes within the definition of "election" certain types of presidential primary elections. Under * * * [Michigan] law, individual persons are elected as precinct delegates in a presidential primary election. These delegates then assemble in local county and district conventions to elect delegates to a state convention who in turn elect delegates to the national convention. My questions are these:

a. Does each one of the candidates for precinct delegate in a presidential primary need to file a report with the Federal Election Commission?

b. Do the local counties and districts need to file a report of expenses associated with their convention of precinct delegates following the primary election?

c. Does the state party need to file a report of its expenses with regard to the state convention at which national convention delegates are selected with the Federal Election Commission?

MORLEY A. WINOGRAD.

Source: Morley A. Winograd, Chairperson, The Michigan Democratic Party, John F. Kennedy House, 321 N. Pine, Lansing, Michigan 48933 (May 5, 1975).

B. *Republican State Committee of Pennsylvania* (*Request Edited by the Commission*).

DEAR MR. CURTIS: It appears to us that the new Federal Election law is somewhat unclear as to its application to the selection of delegates to the Republican National Convention.

It would be most helpful * * * if the Commission could clarify the following questions:

1. To what extent, if any, do the current Federal election statutes apply to the election and selection of delegates either by (a) popular election or (b) election by a state committee of a state party?

2 Is there any distinction in the application of these election statutes if a delegate, by state or party rules, runs as officially uncommitted, as opposed to a delegate who

is committed to vote as his state votes in a preferential Presidential primary?

* * * * * *

RICHARD C. FRAME.

Source: Richard C. Frame, Chairman, Republican State Committee of Pennsylvania, P.O. Box 1624, Harrisburg, Pennsylvania 17105.

Dated: July 3, 1975.

THOMAS B. CURTIS,
Chairman for the Federal Election Commission.

[FR Doc.75–17769 Filed 7–8–75;8:45 am]

NEIL STAEBLER,
Chairman for the Federal Election Commission.

Date: July 25, 1975.

S. 1928, ALIEN EMPLOYMENT ACT

Mr. DOMENICI. Mr. President, today I join the Senator from Oregon (Mr. PACKWOOD) and others, in cosponsoring S. 1928, an Alien Employment Act. My staff and I have for several months been studying all the pending legislation before the Congress dealing with illegal alien employment. Mr. President, this study has led me to reach the following conclusion: S. 1928 is by far the best and most thoroughly thought-out piece of legislation that I have seen in this area.

I have in the past been reluctant to support legislation that first of all, placed the burden on the employer to enforce the law, and, second, failed to recognize the realities of the agricultural sector's difficulties in obtaining sufficient, and legitimate agricultural labor. The Alien Employment Act, that today I am delighted to join in its cosponsorship, provides that the Attorney General, together with the Social Security Administration enforce the provisions of the act. Mr. President, I have never understood, first, why anyone would ever suggest that the employer be placed in a position where he is asked to enforce the law, and then, to further enforce and obey the law without the adequate information necessary for doing so.

I strongly support S. 1928 because it places the burden of enforcement on Government agencies that should be charged with such a responsibility.

The second reason that I have been reluctant in supporting other pending legislation, Mr. President, is that this other legislation failed to give due recognition to the problems of the agricultural States of this country. Many of us in Congress would be remiss not to realize that a substantial amount of agricultural labor in our respective States, is performed by those not legally entitled to employment in this country. To prohibit such employment without giving notice to agricultural employers, would put many of them right out of business, and leave crops literally rotting in the field because of a lack of a harvest force. This bill provides for a 5-year exemption to permit the continuance of alien employment in the fields at locations where there are not sufficient laborers who are legally entitled to employment in the United States. Under a legally recognized approach I think that such an exemption is perfectly in keeping with the main purpose of any illegal alien employment prohibition. We are attempting to open up jobs, which would be filled by the ranks of our unemployed. It would simply be unrealistic to expect that these unemployed persons who have engaged in industrial or service-oriented positions, would now take to the fields and fill the void left by the departed alien harvester.

In conclusion, Mr. President, I wish to urge the rest of my colleagues to give S. 1928 serious consideration in order to insure that those who occupy positions of employment are those legally entitled to do so.

THE PROPOSED HAWK MISSILE SALE AND THE FOREIGN MILITARY SALES ACT

Mr. NELSON. Mr. President, the recent decision by the administration to withdraw its proposed letter of offer to sell 14 Hawk missile batteries serves to illustrate the value and effectiveness of section 36(b) of the Foreign Military Sales Act. This provision of law, enacted as part of the foreign aid bill last December, requires the administration to submit to Congress any proposed foreign military sale in excess of $25 million. Congress then has a period of 20 calendar days in which to disapprove of the sale by passing a concurrent resolution.

The administration submitted the proposed sale of some 14 Hawk missile batteries—about 500 missiles—to Congress on July 10. Hearings were held on the proposed sale by both the House International Relations Committee and the Senate Foreign Relations Committee. When it became apparent that the opposition to the sale was overwhelming in Congress, the administration agreed to withdraw the proposed letter of offer and resubmit another, possibly scaled down, request in September.

This represents a significant step in the assertion of Congress' proper role in foreign policy. It is important that Congress have the opportunity to consider in advance arms sales such as these, which have wide-ranging implications for U.S. commitments and U.S. foreign policy. These decisions have been the sole prerogative of the executive branch far too long. The proposed sale of missiles to Jordan represents a classic example of the type of arms sale which can have a significant foreign policy impact and on regional balances of power.

This sale would obviously affect the military and political situation in that most volatile area of the world—the Mideast. It is only proper that the issues involved in this proposed transaction be axamined carefully and that the Congress be given a chance to express itself on this very important matter.

I have introduced legislation that would give Congress an opportunity to evaluate in advance and set guidelines for the U.S. foreign military sales program on an annual basis. The legislation was originally introduced in February and has been cosponsored by 14 other Senators (MCGOVERN, HATFIELD, LEAHY, STEVENSON, KENNEDY, HATHAWAY, WILLIAMS, BURDICK, MONDALE, HASKELL, HART of Colorado, CRANSTON, GRAVEL, and TUNNEY). Recently, it was reintroduced as amendment No. 583 to S. 1816, the Foreign Assistance Act of 1975.

Identical legislation has been introduced by Congressman ROSENTHAL and Congressman WHALEN and will be considered by the House International Relations Committee.

The Subcommittee on Foreign Assistance of the Senate Committee on Foreign Relations recently considered this legislation, as well as two other amendments I have proposed modifying the current law. These two amendments—No. 581 and No. 582 to S. 1816—would give Congress a more reasonable length of time—30 calendar days during which Congress is in continuous session—to consider the proposed sales and would require reports to Congress whenever total sales to any one country exceed $50 million in a given year.

The legislation allowing Congress to set guidelines would require the President to submit to Congress an annual report containing a forecast of the dollar amounts of foreign military sales proposed to be made to each country during the next fiscal year as well as information concerning the major weapons systems and major defense services to be transferred.

It would also require an explanation as to how the proposed sales would be justified in terms of supporting U.S. foreign policy objectives, strengthening U.S. security, and promoting world peace. The impact of the proposed sales on regional power balances and arms races, arms control negotiations, U.S. defense production capacity, U.S. military preparedness, and war reserve stocks also would have to be explained.

Hopefully, Congress will continue to use the current law and see fit to enact the proposed legislation in order that Congress voice will be heard in the very important area of arms sales—an area with ever-increasing impact on our foreign policy.

OREGON'S BABY BOOM

Mr. PACKWOOD. Mr. President, for 4 years I have entered national population growth estimates in the RECORD to counter the general belief that this growth has leveled off.

I found a particularly good report on the ramifications of American "Baby Boom" of the fifties, including its current impact on the U.S. labor market, housing priorities, college enrollment and fertility levels. Ms. Karen M. Seidel, a staff member of the University of Oregon's Bureau of Governmental Research and Service has authored a paper entitled, "Oregon's Baby Boom—A Generation Later." In her study, Ms. Seidel shows the population bulge in the young child bearing age group and poses some provocative questions for planners in the coming years.

In view of the important questions she raised, Mr. President, I ask unanimous consent that the text of her article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OREGON'S BABY BOOM—A GENERATION LATER

(By Karen M. Seidel)

INTRODUCTION

Being a member of a particular generation and being at a certain stage in the life cycle have a large bearing on a person's actions, decisions and behavior. An age group in one generation can be followed through different points in time in order to examine the effect of aging on living patterns. Or, the life style of a particular age group can be compared with a similar age group in another generation of an earlier or later date to study changes due to social and economic factors. This paper has a narrow focus. It concentrates on one age group—young adults of the 1970's who were born during the "baby boom" of the 1950's—and it points to some of the impacts this group is having on birth rates, unemployment, college enrollment and household formation. The purpose of this paper is to alert planners, opinion leaders and decision makers to some of the present and future societal implications of the baby boom children as they now reach young adulthood.

OREGON'S POPULATION TRENDS

Population change in any geographic area results from natural increase (births minus deaths) and net migration (in-migration minus out-migration). Together they account for the amount of population increase or decrease over time and also determine the age distribution of that population at any given point in time. Between 1940 and 1975, Oregon's population increased by about 1.2 million residents. This increase came about through natural increase of about 590,000 persons and a net in-migration of another 610,000. Table 1 shows the amount of growth and the proportions of that growth from natural increase and net migration, respectively, for 10-year periods since 1940. The 201,615 population increase since 1970 indicates that there has been a population surge since 1970 comparable to that of the 1940's.

TABLE 1.—OREGON POPULATION TRENDS, 1940–75

Year	Total population	Total change	Population change due to (percent) Natural increase	Population change due to (percent) Net migration
1940	1,089,684			
1950	1,521,341	431,657	32	68
1960	1,768,687	247,346	92	8
1970	2,091,385	322,698	50	50
1975 (estimate)	2,293,000	201,615	31	69
1940–75		1,203,316	49	51

Note: Net migration is a residual figure; it is obtained by subtracting natural increase from total population increase.

Source: 1940–70 population from U.S. Bureau of the Census; 1975 estimate from Center for Population Research and Census, Portland State University, Portland, Oreg. Birth and death figures from Oregon State Board of Health.

An estimated 2.3 million persons now live in Oregon. About 312,700 persons are young adults (18–24 age group). Five years from now Oregon's total population will reach about 2.5 million, and young adults will number about 335,200. This means that young adults represent 13.6 per cent and 13.3 per cent of Oregon's total population in 1975 and 1980, respectively. It also means that now and for the next five years the proportion of the population in this age group is and will be higher than at any other time since 1910. The number of young adults and their proportionate share of the total population has increased impressively in recent years, as is shown in Table 2.

TABLE 2.—OREGON YOUNG ADULT POPULATION TRENDS—1940 TO 1980

Year	Oregon population Total	Oregon population Age 18–24	Percent increase Total	Percent increase Age 18–24	Percent of population Age 18–24
1940	1,089,684	128,974			11.8
1950	1,521,341	143,506	39.6	11.3	9.4
1960	1,768,687	141,245	16.3	(−1.6)	8.0
1970	2,091,385	238,006	18.2	68.5	11.4
1975	2,293,000	312,700	9.6	31.4	13.6
1980	2,517,000	335,200	9.8	7.2	13.3

Source: 1940–70 population from U.S. Bureau of the Census; 1975 and 1980 estimates from Center for Population Research and Census. (Medium Migration Assumption.)

Population trends of the young adults, in terms of the components of natural increase and migration, will be analyzed below.

POPULATION TRENDS OF OREGON'S YOUNG ADULTS

Impact of the baby boom

The phenomenon known as the "baby boom" began in the late 1940's and continued through the early years of the 1960's. In the United States it reached two peaks, in 1957 and again in 1960 and 1961. In each of those three years, 4.3 million children were born.[1] In Oregon the greatest number of babies, almost 40,000, was born in 1953, but the numbers continued high throughout the 1950's, and the downward trend in births did not really begin until 1962. The following figures give the average annual number and rate of births for each five-year period since 1930.

TABLE 3.—OREGON RESIDENT BIRTHS, 1930–74

[Yearly average]

Year	Number of births	Birth rate
1930–34	12,969	13.2
1935–39	15,163	14.5
1940–44	21,483	18.7
1945–49	31,819	22.8
1950–54	38,295	24.0
1955–59	37,572	21.7
1960–64	36,234	19.8
1965–69	32,563	16.1
1970–74	32,683	15.0

Note: Birth rate is the number of births per 1,000 population.

Source: Oregon State Board of Health; U.S. Bureau of the Census; and Center for Population Research and Census.

The chief reason for the bulge in Oregon's young adult population becomes clear when the baby boom children are aged to the present time. Persons born between 1950 and 1959 were in the 11 to 20 age group in 1970; in 1980, they will be from 21 to 30 years old. The 312,700 young adults in Oregon in 1975 were born between 1951 and 1957, the middle period of the baby boom years.

The number of births in a given time period is the result of the number of women of childbearing age and the fertility rates of those women. While the birth rates shown in Table 3 are in terms of the number of births per 1,000 population, in effect they reflect both the proportion of the population consisting of women between 15 and 44 (the childbearing ages) and the average number of births per woman. Considered as a proportion of the total population, the number of women in their prime childbearing ages, i.e., between 20 and 29, was not particularly high during the baby boom period. In fact, the proportion was lower than usual since it included women born during the Depression years when the birth rate was low. Instead, the baby boom was caused by the high fertility rates of the women of childbearing age. Many conditions undoubtedly contributed to the high fertility rates of the 1950's. Among the more important were marriages and births postponed by World War II, expanding economic opportunities, and a general "growth is good" social attitude.

In the United States, births per 1,000 women between 15 and 44 grew from 79.9 in 1940 to 106.2 in 1950 and to 122.9 in 1957. By 1960, the rate was back down to 118.0 births per 1,000 women. Not only did the general fertility rate reach its highest point in 1957, the age-specific fertility rates for all women between 15 and 40 were at extremely high levels. Table 4 shows national trends in the number of births per 1,000 women from 1940 to 1973.

TABLE 4.—U.S. BIRTHS PER 1,000 WOMEN, BY AGE OF MOTHER 1940 TO 1973

Year	Total 15 to 44	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 to 44
1940	79.9	54.1	135.6	122.8	83.4	46.3	15.6
1945	85.9	51.1	138.9	132.2	100.2	56.9	16.6
1950	106.2	81.6	196.6	166.1	103.7	52.9	15.1
1955	118.5	90.5	242.0	190.5	116.2	58.7	16.1
1957	122.9	96.3	260.6	199.4	118.9	59.9	16.3
1960	118.0	89.1	258.1	197.4	112.7	56.2	15.5
1965	96.6	70.4	196.8	162.5	95.0	46.4	12.8
1970	87.9	68.3	167.8	145.1	73.3	31.7	8.1
1973	69.2	59.7	120.7	113.6	56.1	22.0	5.4

Source: Public Health Service, National Center for Health Statistics, "Vital Statistics of the United States, 1968," vol. 1, and "Monthly Vital Statistics Report," vol. 23, No. 11, supplement (Jan. 30, 1975).

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[1] Public Health Service, National Center for Health Statistics, *Vital Statistics of the United States, 1969*, Vol. 1 and *Monthly Vital Statistics Report*, Vol. 23, No. 11, Supplement (January 30, 1975) and Vol. 23, No. 12 (February 28, 1975).

Comparable age-specific fertility rate data for Oregon are available for only a few years. In 1950, the Oregon fertility rate was 108.8, slightly higher than that for the country. The Oregon baby boom reached its peak in 1953, and in 1960 the state's fertility rate was 112.4, lower than that for the United States which was still experiencing very high numbers of births. The available data on Oregon age-specific fertility rates are given below.

TABLE 5.—OREGON BIRTHS PER 1,000 WOMEN, BY AGE OF MOTHER, 1940 TO 1974

Year	Total 15 to 44	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 to 44
1940	70.7	46.7	135.2	115.9	68.8	31.7	8.8
1950	108.8	92.9	223.0	169.5	100.9	46.7	12.6
1960	112.4	89.0	281.0	190.3	96.3	46.1	13.6
1970	81.5	58.9	167.5	139.4	58.3	21.7	5.4
1974	63.7	49.1	112.8	105.7	46.1	13.3	2.5

Source: Oregon State Board of Health; 1974 population estimates made by the Bureau of Governmental Research and Service, University of Oregon.

Fertility also can be looked at in terms of the average number of children ever born to women born in certain years. As the above figures point out, the prime childbearing ages are 20 to 29. The women having babies during the 1950's were primarily those born between 1925 and 1935. The women born during that ten-year period have had the largest number of children per woman of any group of women born in this century. Table 6 shows the average number of births, by age of mother, for women who have completed or almost completed their childbearing.

TABLE 6.—AVERAGE BIRTHS PER WOMAN, UNITED STATES

Women born between	Births per woman		
	Age in 1975	Total women	Married women
1900–05	70–75	2.29	2.49
1905–10	65–70	2.23	2.39
1910–15	60–65	2.25	2.40
1915–20	55–60	2.48	2.60
1920–25	50–55	2.69	2.84
1925–30	45–50	2.94	3.08
1930–35	40–45	3.06	3.21
1935–40	35–40	2.77	2.93

Source: U.S. Bureau of the Census, "Current Population Reports," "Fertility Expectations of American Women: June 1974," p. 20 No. 277 (February 1975).

The result of the high fertility rates of women capable of bearing children in the 1950's, particularly those women born between 1925 and 1935, was the greatest number of babies ever born in the United States. The fertility patterns of those babies—our young adults of 1975—will have a significant impact on future conditions in this country and in Oregon.

Oregon's in-migration

The bulge of the 18 to 24 age group in Oregon's present population can be largely traced back to births during the 1950's—but not entirely. While in-migration is a negligible factor in national population growth, it can have a considerable impact on a State's growth, and Oregon has been the recipient of a large number of in-migrants during the past 15 years. In addition, migrants have a younger age distribution than the total population. Many migrants tend to be in their 20's. Between 1970 and 1974, 7.6 per cent of the total U.S. population over four years old moved from one State to another, but the rate for the 18 to 24 group was 10.6 per cent.[2] (While the interstate mobility rate for 18 and 19 year olds was only 6.5 per cent, the rate increased to 15.1 per cent for 22 to 24 year olds.)

If the small migration to Oregon experienced in the 1950's (see Table 1) were coupled with an hypothesized zero net interstate migration since 1960, then the total number of Oregon young adults in 1975 would be approximately 260,000 (the survived children born between 1951 and 1957). The 1975 estimate of 312,700 persons in the age 18 to 24 age group indicates that net in-migration since 1960 has added about 53,000 extra persons to this group.

Young adult population—The next five years

Oregon's 1980 projected population will be 2.50 million to 2.54 million, and the 18 to 24 age group is expected to be between 331,000 and 340,000. This indicates an increase of between 18,000 and 27,000 young adults during the next five years. Since the estimated number of 13 to 19 year olds in 1975 is slightly less than the number of 18 to 24 year olds, the entire five-year increase results from projected net in-migration. The high migration estimate assumes a continuation of 1970–74 migration trends, while the low estimate assumes a general decline in net in-migration so that by the year 2000, zero net interstate migration will be achieved.

OREGON'S YOUNG ADULTS: ACTIONS AND CONSEQUENCES

Fertility patterns, or the babies of the babies

Young adults residing in Oregon and elsewhere in the 1970's hold the key to the amount of population growth this state will experience in the 1970's and the 1980's. The number of births, as stated previously, is determined by the number of women of childbearing age and the women's fertility rates. If women in their 20's in the 1970's and 1980's were to have the same fertility rates as their mothers, i.e., to bear about three children per woman, the 1950's baby boom would appear insignificant compared with the enormous number of children that would be born in the next ten years. While births per woman were high during the 1950's, the potential mothers represented a lower than average proportion of the total population. With 1957 fertility rates in effect in 1975, approximately 73,000 babies would be born in Oregon this year instead of the 33,500 babies estimated to be born.

In the United States as a whole, if women in 1975 were to bear children at the peak 1957 age-specific fertility rates, the result would be 6.4 million babies born this year instead of the 3.1 million which are estimated to be born in 1975[3] and instead of the 4.3 million actually born in 1957. In 1986, when the number of births in the United States is estimated to reach 4.1 million[4] (the highest number projected between now and the year 2000), births would total 7.4 million at the 1957 fertility rates.

Fortunately, and reflected in the current population projections for the United States, age-specific fertility rates have been on a downward trend ever since the 1957 peak (see Table 4). With the one exception of the 15–19 age group, the 1973 fertility rates were lower for all groups of women of childbearing age than for any other year since 1940. In fact, the 1973 overall fertility rate of 69.2 births per 1,000 women from 15 to 44 was the lowest ever observed in this country. The birth expectations of young women have also declined sharply. Between 1967 and 1974, the total number of births expected by married women between 18 and 24 decreased from 2.9 births to 2.2 births.[5] Lower fertility rates are directly associated with urban residence, higher family income, labor force participation, and a high school or college education. If these characteristics continue to predominate among young women and families, along with continuing use of birth control techniques and continuing "no growth" social pressures, the current fertility rates may prevail in the future and confirm the current population projections. The present mood of the country is that this would be a good thing.

While only partial historical data for Oregon are available, it is possible to conclude that Oregonians tend to have somewhat fewer children than the country as a whole. Oregon's crude birth rate has been slightly less than the U.S. rate in every year since 1940. In 1960 and 1970, the fertility rate was lower in Oregon than in the United States. On the other hand, very little difference existed between Oregon and the United States in 1970 in terms of average number of children per family where the family head was under 45, or in the number of children born to women of the same age groups.[6]

Some of the implications of fertility patterns can be sketched out. The immediate need is for hospital maternity beds, then for day care centers, and then for elementary school rooms and teachers. A baby boom's most substantial and direct cost to the public is much higher property taxes for schools. Other social costs begin to spiral when the dependent population, i.e., the young and the retired, grow at a much greater rate than the population of income-producing age. Land use patterns are impacted by the size and age composition of the population. While a family with one child might prefer an apartment in the central city, families with many children usually opt for a large single-family home in the suburbs. The experience of the last twenty years has provided ample evidence, in terms of pressures on transportation networks, schools, open space, agricultural lands, etc., of the effects of the suburban explosion.

Labor force participation, or the job market glut

The news media have described at length the poor economic conditions, the high unemployment rates and the dearth of jobs for persons entering the labor market. The demand for college graduates is supposedly down 10 to 15 per cent from last year. The unemployment rate for 18 and 19 year olds is twice the overall national unemployment rate. During spring term, the University of Oregon's student newspaper carried a ten-part series dealing with the problems of college graduates looking for jobs. The articles were headlined "Liberal Arts Grads Face Doubtful Job Market," "Grim Job Market Awaits Law School Graduates," "Advanced Degrees No Boost in Job Market," etc.[7] The June 11, 1975 press release of the State of Oregon Employment Division reported, "The current May seasonally adjusted unemployment rate of 10.8 per cent is the highest of the current recession and compares with the May 1974 rate of 7.1 per cent."

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[2] U.S. Bureau of the Census, *Current Population Reports,* "Mobility of the Population of the United States: March 1970 to March 1974," P-20, #273 (December 1974) and *Current Population Reports,* "Characteristics of American Youth: 1974," P-23, #51 (April 1975). This is an understatement of the mobility of young adults because it does not include students attending college in a different state from the parental home nor does it include young men who were in Viet Nam in 1970.

[3] The 1957 "total fertility rate" was 3.76; the 1974 rate was 1.86.

[4] U.S. Bureau of the Census, *Current Population Reports,* "Projections of the Population of the United States, By Age and Sex, 1975 to 2000 with Extensions of Total Population to 2025 (Advance Report)," P-25, No. 541 (February 1975). Series II population forecast was used.

[5] *Ibid.,* P-20, No. 277, "Fertility Expectations of American Women: June 1974."

[6] U.S. Bureau of the Census, *1970 Census of Population, Detailed Characteristics, Oregon,* Final Report PC(1)–D39 (1972) and *1970 Census of Population, Detailed Characteristics, United States Summary,* Final Report PC(1)–D1 (1973).

Fewer Oregonians held jobs in May 1975 than in the same month of the two preceding years. The U.S. economy is depressed, and Oregon apparently is suffering more than the country as a whole. But poor economic conditions should not take the complete blame for the current job crisis. The second significant reason for the situation was stated succinctly in a two-sentence article in the Eugene Register Guard on May 25, 1975, titled "Youths to Flood Job Market."

"With jobs already at a premium, the Labor Department estimated Saturday that 4.2 million youths will enter the labor force this summer. This includes an estimated 1.5 million high school and college graduates who will be searching for permanent jobs and 2.7 million youngsters interested only in summer work."

Unemployment results from the unavailability of jobs for those looking for work. It rises when the number of job openings does not increase as fast as the number of persons wanting jobs. The number of persons 16 years old and over and the proportion of those persons which is employed or looking for work determine the size of the labor force. Labor force participation rates vary a great deal among different age and sex groups, and they change over time. The increasing number of women entering the job stream has been well documented: 30 per cent of all Oregon Women 16 years old and over were in the labor force in 1950, but by 1970, 41 per cent were working or looking for work.

Added to depressed economic conditions, Oregon and the country are experiencing a significant increase in young people entering the labor force—due to the abnormally large size of the young adult age group, an increasing proportion of this group who are looking for work, and the return of the Viet Nam vets.[8] It is estimated that over 200,000 young adults are in Oregon's civilian labor force in 1975 compared with 141,000 in 1970 and only 80,000 in 1960. In other words, the young adult labor force has grown as much in the past five years as it grew in the preceding ten years. Table 7 shows changes in labor force participation of the 18 to 24 age group from 1950 to 1975 in Oregon (see page 10).

The current unemployment rate of Oregon's young adults is not known. In March 1975, the unemployment rate of all persons in the civilian labor force in the United States was 9.1 per cent, while for persons between 18 and 24 the rate was 16.1 per cent. Thirty-four per cent of all persons unemployed in March were young adults. In 1970, the last year for which Oregon unemployment data by age group were available, the unemployment rate for the 18 to 24 age group was 13.5 per cent compared with 7.0 per cent for the entire civilian labor force.

TABLE 7.—OREGON YOUNG ADULT CIVILIAN LABOR FORCE 1950–75

Year	18- to 24-year-olds		
	Males	Females	Total
Number in labor force:			
April 1950	52,660	28,230	80,890
April 1960	49,133	30,699	79,832
April 1970	76,307	64,980	141,287
January 1975	113,000	90,000	203,000
Percent increase:			
1950–60	(−6.7)	8.7	(−1.3)
1960–70	55.3	111.7	77.0
1970–75	48.1	38.5	43.7
Labor force participation rates:			
1950	77.9	38.5	57.4
1960	78.3	41.8	58.6
1970	71.6	52.0	61.0
1975	75.3	56.9	65.9

Source: 1950–70 data from U.S. Bureau of the Census. 1975 labor force participation rates estimated by assuming that the rate of change from 1970–75 for each age-sex group was the same as in the United States, using Oregon 1970 rates as a base. These estimated rates were then applied to the 1975 estimated civilian noninstitutional population to obtain the number in the labor force, by age and sex.

Between 1971 and the first five months of 1975, the amount of insured unemployment in Oregon increased by 131 per cent while the number of insured unemployed under 25 grew by 167 per cent.[9]

National data also indicate that college enrollment among the 18 to 24 age group is dropping off. The trend is pronounced among 18 to 21 year old men for the period since 1968. The proportion of 18 and 19 year old women attending college has declined since 1971.[10] The reasons for this downward trend may be the end of the draft along with high costs of a college education and the belief that a college degree is no longer a job ticket. Vocational training or a trade school education may be substituted. However, the concurrent rise in the labor force participation rates of young adults between 1970 and 1974 suggests that they may be choosing to enter the labor force rather than pursue an education—the result being that they enter a bulging labor force a few years earlier with less preparation instead of entering with college skills at a later time.

On the other hand, the most recent U.S. labor force data point out that labor force participation rates of the young adults began to taper off somewhat starting in February 1975.[11] This may imply that persons looking for work have become discouraged by the scarcity of jobs and have stopped seeking employment. If the economic recession is prolonged and young people continue to drop out of the labor force and if they do not return to school, this behavior may indirectly affect the fertility rate. That is, young women without a college education and young women who are not in the labor force historically have borne more children than women who work or who have completed more years of school.

Household formation, or the demand for Shelter

Besides entering the labor market, young adults also enter the housing market. As they leave their parental homes and move into apartments or single-family homes, they generate a housing demand and bring pressures to bear on the available supply. The amount of the demand depends on the number of people looking for shelter and the way they choose to live. If three young women share an apartment, they require only one housing unit; if each desires and has the means to live alone, they occupy three units. The trend in the country and in Oregon is toward smaller household sizes, due not only to fewer children per household but because more adults form their own households. The young adult who moves to an apartment, divorced people who set up separate households, the widow who lives alone rather than moving in with her children, the student who moves out of the dormitory and into an apartment—all of these actions together create more households with no additional population. Between 1970 and 1974, Oregon's population grew by eight per cent while the number of households increased by 16 per cent.

Young adult households, i.e., households where the head was between 18 and 24 years old, accounted for 57,000, or eight per cent of all of Oregon's households in 1970. This represented a 95 percent increase over 1960, due to a rapidly expanding young adult population and to a greater proportion of young adults who were household heads. About two-thirds of these 1970 households were family households, and one-third consisted of persons living alone or with unrelated persons. Both in Oregon and in the United States, husband-wife households are growing at a much slower rate than other households, particularly in the under 35 age group. Younger persons currently are remaining single for a longer time and are establishing households in nonfamily living situations.

The Bureau estimates that the number of Oregon households will increase by 32 per cent between 1970 and 1980—a numerical increase of about 224,000 households. The state in 1980 will have 917,000 households, i.e., occupied housing units, with an average household size of 2.7 persons (down from 2.9 persons in 1970). The increase of households with a head under 35 years old will be the most significant factor in creating this housing demand. Almost 60 per cent of the 1970–80 additional households will have a head under 35. Approximately 32,000 additional households with a head under 25 and 100,000 more households with a head between 25 and 34 will be formed during the 1970's. Table 8 indicates the growth of households with a head under 35 from 1950 to 1980.

TABLE 8.—OREGON HOUSEHOLDS WITH A HEAD UNDER 35—1950 TO 1980

Households	1950	1960	1970	1980
18- to 19-year-olds:				
Household heads	1,460	2,881	5,924	8,000
Household population	33,290	36,519	59,871	83,000
Percent who are household heads	4.4	7.9	9.9	11.0
20- to 24-year-olds:				
Household heads	23,750	26,250	50,904	82,000
Household population	95,665	86,993	149,818	223,000
Percent who are household heads	24.8	30.2	34.0	36.7
25- to 34-year-olds:				
Household heads	96,550	93,340	123,778	224,000
Household population	226,780	200,987	249,382	426,000
Percent who are household heads	42.6	46.4	49.6	52.5
Total: 18- to 34-year-olds:				
Household heads	121,760	122,471	180,606	314,000
Household population	355,735	324,499	459,071	722,000
Percent who are household heads	34.2	37.7	39.3	43.5

Source: 1950–70 data from U.S. Bureau of the Census; 1980 estimates by Bureau of Governmental Research and Servicr based on Oregon population estimates from the Center for Population Research and Census and U.S. household forecasts from the Bureau of the Census.

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[7] *Oregon Daily Emerald*, May 16, 1975, May 19, 1975 and May 21, 1975.

[8] The total number of persons serving in the U.S. armed forces declined by over one million between 1970 and 1975.

[9] State of Oregon, Employment Division, Research and Statistics Section. "Insured unemployed" includes persons covered by Oregon's Unemployment Insurance program. It does not include persons seeking a job for the first time.

[10] U.S. Bureau of the Census, *Current Population Reports*, "School Enrollment—Social and Economic Characteristics of Students: October 1974," P–20, No. 278 (February 1975).

[11] U.S. Department of Labor, Bureau of Labor Statistics, *Employment and Earnings*, Vol. 21, No. 10 (April 1975).

The 32 per cent increase in Oregon households concurrent with a 20 per cent population growth anticipated in the 1970's is chiefly the product of the baby boom children entering their household-forming years, the relatively small number of children born in the last ten years, and the tendency of more people to form separate households. (In 1950, ten housing units sheltered 31 persons; in 1980, they will shelter only 27.) The housing preferences and demands of the young adults of the 1970's are not yet clearly defined, and they obviously will depend on economic conditions and social priorities. If both husband and wife are employed, a young couple may be able to afford a new apartment or single-family home even at today's inflated housing prices and interest rates. Nevertheless, they may choose to put their assets elsewhere, even if they can afford expensive shelter. Their high mobility rates indicate that young people no longer consider their home as their castle. If young adults cannot find well-paying employment, their options will be to seek older and smaller housing or to live together and share the housing cost. They may choose to live in mobile homes, the cheapest form of owner-occupancy available. Energy pricing, as well as industrial location, will influence their residential locational decisions. Their housing decisions and the housing options available to them will influence local and statewide land use patterns in Oregon for many years to come.

CONCLUSIONS

The impact of the baby boom on the elementary and secondary school systems is now something of the past. The children who crowded the schools are now looking for jobs, forming households and having children of their own. Because there are so many young adults, recognition should be given to the fact that their choices, decisions, and actions will have great social and economic consequences. And it is important that social and economic trends be correctly interpreted. The number of babies born in Oregon probably will rise in the next few years not because family planning has been abandoned but because so many women will be in the prime childbearing age groups. Unemployment rates may continue high, even if total employment increases, because of the large number of young adults entering the labor force. The recent rapid increases in certain criminal offenses which are significantly related to young adult behavior, such as burglary, rape, and auto theft, can be partly explained by the rapid growth in the number of people in the age group which has a tendency to commit these offenses.

Public officials, planners and concerned citizens may be able to deal more effectively with these problems if they understand the basic demographic factors associated with them. Living patterns of the current young adults need to be watched closely in the future because they will continue to represent a bulge in the population as they age. Will their childbearing actually be limited to about two children per woman?

Will their participation in the labor force go up or down? (Assuming an Oregon population of 2.5 million, about 170,000 additional jobs will be needed by 1980 to get the unemployment level down to five per cent at current labor force participation rates.) If young adults ten years hence want a home in the country or a second home on the coast, what will be the impact on Oregon's open space, and who will move into the city apartments they leave vacant? Or, if economic conditions do not improve, how much publicly-assessed housing will be needed? Looking beyond the year 2000, where will the money come from to pay the social security benefits of young adults when they retire?

The decisions which resulted in the baby boom were made two decades ago, and the inevitable implications should not continue to surprise us. The impact of the population bulge on a wide variety of events and conditions is, in general, predictable. It should be anticipated and planned for in advance.

THE MILITARY PROCUREMENT RESEARCH AND DEVELOPMENT CONFERENCE BILL

Mr. STENNIS. Mr. President, the military procurement research and development conference bill will be disposed of by the Senate soon.

This conference bill is the result of some 7 weeks of conferences and 17 actual sessions of the Senate and House conferees. It covers a great many amendments and the extensive provisions of both the Senate and House bills.

In order to present to each Senator a very brief summary of the dollar amount involved, and a brief explanation of some of the major items of this conference bill, I have written each Member of the Senate a brief letter as chairman of the Armed Services Committee. I ask unanimous consent to have a copy of the letter printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., July 29, 1975.

DEAR COLLEAGUE: In urging your support for the military authorization conference bill, I would like to highlight three items.

First, in approving $25.8 billion for military procurement and R&D, the conference bill reduces the President's budget by $4.1 billion, or 13%. This reduction is well within the guidelines of the Congressional Budget Resolution which reduces the overall defense request by only 6.5%. The conference total was $756 million below the House-passed figure; $751 million or $2.9% above the Senate-passed figure.

Second, the House was determined to authorize two ships not included in the Senate bill: $257 million for a nuclear missile frigate (DLGN–42) and $60 million for a nuclear strike cruiser (CSGN). The Senate conferees were adamant in rejecting the nuclear frigate because of its relatively weak air defense capability and its high cost. The nuclear frigate would not have the advanced AEGIS air defense system and the Navy could give no assurances that the ship could be built within the requested funding. The Senate also refused to authorize unrestricted funds for the nuclear cruiser lead ship but did agree to include $60 million of only long lead nuclear components for the nuclear cruiser.

There is a mistaken notion that the long lead funds for the nuclear cruiser commit the Congress to this ship and even to additional ships of this class. On the contrary, no commitment has been made even for one ship. As a matter of law, the conference bill limits funding of the nuclear cruiser to only long lead items. Authorization of long lead funds does not constitute a decision to procure a ship—witness the cancellation of the nuclear frigate after congressional authorization over a two year period of $110 million of long lead items.

Moreover, the conference bill requires that the Secretary of Defense recommend the type of ship most suitable for the AEGIS system and submit a five-year shipbuilding program. These provisions will raise next year the question of whether or not to proceed with a nuclear cruiser program and the so-called conventional/nuclear mix of any such program.

Third, regarding the B–1 bomber, the conference bill provided funding for continued R&D and long lead items but did not authorize production. The Air Force is specifically prohibited by law from entering into any contractual arrangement for the production of the B–1. The production decision on B–1 will be left to subsequent congressional action.

Sincerely,

JOHN C. STENNIS.

CONCLUSION OF MORNING BUSINESS

Mr. MANSFIELD. Mr. President, is there further morning business?

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

NAVAL PETROLEUM RESERVES

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now *resume* consideration of S. 2173, which will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 2173) to fully explore and develop the naval petroleum reserves of the United States and to permit limited production with revenues derived therefrom to be placed in a special account, and for other purposes.

The Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum, with the time to be charged to both sides.

The ACTING PRESIDENT pro tempore. There is a time limit. On whose side?

Mr. MANSFIELD. The time to be charged to both sides.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. MANSFIELD. Mr. President, will the Senator yield me 5 minutes?

Mr. ROBERT C. BYRD. Yes, I yield.

Mr. MANSFIELD. Mr. President, I would like to enter into a colloquy with the distinguished Senator from Alabama relative to a resolution which I hope I may be able to offer shortly.

Mr. ROBERT C. BYRD. Will the distinguished majority leader yield to me?

Mr. MANSFIELD. Yes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, this having been cleared on both sides of the aisle, that following the disposition of S. 2173, the naval petroleum reserves bill—incidentally, what follows the disposition of that measure? Do we go back to the postal service bill, or what?

The ACTING PRESIDENT pro tempore. There is no bill ordered now to come up after S. 2173.

Mr. ROBERT C. BYRD. Very well.

TEMPORARY COMMISSION ON THE OPERATION OF THE SENATE

Mr. MANSFIELD. Mr. President, as I indicated, the distinguished Senator from Alabama and I would like at this time to have a colloquy relative to the temporary Commission on the Operation of the Senate which was endorsed unanimously by the Democratic Conference, the Republic Conference, and which was worked on by the leadership and the chairman and ranking member of the Rules Committee, and at this time I am prepared—hopefully, I am prepared—to answer any questions which the distinguished Senator might wish to raise.

The ACTING PRESIDENT pro tempore. This would be on the time on S. 2173.

Mr. ALLEN. I thank the distinguished majority leader.

My chief concern with the resolution has been the fear possibly that it might include within the purview of this commission which is to be set up recommendations about changes in the Rules. I feel that the Rules are something for Senators to work on and under and to offer changes to and not some commission.

Also, I feel that some overhaul of the rules suggested by an outside commission would throw away the precedents in the Senate which have been upheld for almost 200 years, and any matter of housekeeping, I would think, would be fine.

The correlation of the work of the committees with the Senate, the conflicts in programing, and the work of the various employees of the Senate, I think that might be fine.

But I want to be assured by the distinguished majority leader that there is no provision for an overhaul of the rules by an outside body.

Mr. MANSFIELD. Absolutely not. That is purely, solely and only a Senate prerogative. It will remain so. It will be outside the jurisdiction of any commission which might be created, because this is a purely internal matter and will remain so.

Mr. ALLEN. I thank the distinguished majority leader.

One other point, the distinguished assistant majority leader (Mr. Robert C. Byrd), who is chairman of the Subcommittee on Rules Changes of the Rules Committee, has under study at this time many possible rules changes, and I would like for that work to go on and for the Senate to act in this area based on the consideration and recommendations of the Rules Committee.

Now, that procedure would not be done away with under this proposed resolution?

Mr. MANSFIELD. Not in the least. Quite the contrary, because a Senator did want to offer an amendment which would encompass the question raised by the distinguished Senator from Alabama and I informed him if he did, I would not offer the resolution, do not intend to, and what the Senator says is absolutely correct.

Mr. ALLEN. I thank the distinguished majority leader.

Mr. ROBERT C. BYRD. Will the Senator yield?

Originally there was language in the resolution that would have provided for commission recommendation on committee and floor procedures. At my request, that language was deleted.

Mr. MANSFIELD. And it was concurred in by the advisory group unanimously and the author of the resolution.

Mr. ALLEN. I thank the distinguished leaders.

My thought is that Members of the Senate have some feel for the history and traditions of the Senate that it would be impossible for an outside commission to understand and to appreciate.

Mr. MANSFIELD. The Senator is absolutely correct.

Mr. ALLEN. I thank the distinguished majority leader. I have no objection to the introduction of the resolution.

Mr. MANSFIELD. The Senator from Alabama is a cosponsor.

Mr. President, I send to the desk, for Mr. Culver (for himself, Mr. Mansfield, Mr. Hugh Scott, Mr. Robert C. Byrd, Mr. Griffin, Mr. Cannon, Mr. Hatfield, Mr. Randolph, Mr. Thurmond, Mr. Allen, Mr. Brock, and Mr. Domenici), the resolution and ask for its immediate consideration.

TEMPORARY COMMISSION ON THE OPERATION OF THE SENATE

The PRESIDING OFFICER (Mr. Leahy). The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 227) to establish a temporary Commission on the Operation of the Senate.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. MANSFIELD. Mr. President, at a recent Majority Conference, Democratic Senators endorsed unanimously a proposal by Senator Culver which was designed to establish a Commission of distinguished citizens from outside Government for the purpose of making an impartial, independent and comprehensive study of the Senate's administrative structure, machinery and practices. Under the proposal, the Commission would be expected to make specific recommendations with a view to modernizing and improving working conditions and methods and efficiency in the Senate.

In working over this proposal on the Democratic side, the leadership had the assistance of an advisory group of Senators, consisting of Senators Culver, Metcalf, Byrd of West Virginia, Ford, Haskell, Huddleston, Hart of Michigan, and Talmadge. Together with the minority leader, the joint leadership now has ready a resolution which, shortly, will be submitted for the consideration of the Senate.

The resolution calls for the appointment of nine persons from private life and two ex officio Commissioners who are presently officers or employees of the Senate and who would participate without vote. All Commissioners will be chosen jointly by the majority and minority. The Commission will be given a free hand to inquire into and study the organization and operations of the Senate, including these general areas:

First, the functioning of Members, officers, and employees of the Senate in the light of the institution's responsibilities for lawmaking, representation and oversight; second, conflicts in the programing of Senate business; third, office accommodations and facilities; fourth, information resources; and fifth, internal management and administrative support structure—including electronic and technical aids, foresight capacity, accommodation for and coverage by the news media, workload, lobbying, pay and allowances, and conflicts of interest.

The question of the distribution of committee jurisdiction over subject matter is not included in the purview of the Commission. That question is already being dealt with by the Rules Committee in connection with consideration of Senate Resolution 109 which is sponsored by Senators Stevenson and Brock and more than half of the Senate membership.

The resolution would also authorize the Commission to study ways of improving Senate communication, cooperation, and coordination with the House and with the executive and judicial branches.

The persons who are to serve on the Commission will be selected from private life and from various backgrounds, such as business management, public service, and education. The Commission would not include persons presently active in the executive branch or sitting Members of the Senate; not more than two Commissioners will be persons who have previously served as Senators.

The Commission would have its own staff and, as requested, officials of the Senate, the Librarian of Congress and the Comptroller General would be authorized to provide information and services to the Commission.

Under the terms of the resolution, an interim report from the Commission is required by March 31, 1976. A final report, together with findings and recommendations, is required by September 30, 1976. Sixty days later the Commission would cease to exist.

Expenses of the Commission would be paid from the contingent funds of the Senate and are not to exceed $500,000. That will be a small price to pay if it produces the kind of information that will enable us to improve the efficiency and functioning of this $100-million-a-year institution. I have every expectation that it will do so.

I say that, in part, because an outside Commission can do what it is not quite possible for Senators or any committee of the Senate to do. That is, it can take an objective, overall, dispassionate look at how we operate. As Senators, we are ourselves too immersed in the Senate to be able to do that. We cannot eliminate subjective factors in our judgments about our responsibilities and the machinery that enables us to discharge them. Moreover, there are, inevitably, conflicting interests and built-in positions within the Senate structure which militate against objective consideration of that machinery. With the guidance of a group of distinguished, disinterested Americans we will be able to overcome these factors, in my judgment, and put the Senate on the best possible footing for effective functioning. That is what this resolution is all about. That is its intent.

On behalf of Senators Scott, Culver, Byrd of West Virginia, Griffin, Thurmond, Allen, Brock, Randolph, and myself, I have submitted the resolution representing the combined efforts of the Senate joint leadership and members on both sides of the aisle. It has been checked with the chairman and ranking member of the Rules Committee. The Democratic and Republican Conferences have endorsed its purpose.

The resolution has been submitted so that this study can begin and be completed before the close of the 94th Congress.

Mr. HUGH SCOTT. Mr. President, the creation of a Commission on the Operation of the Senate is long overdue. We all know the inefficiencies and the shortcomings of an institution in which there are 100 bosses amidst a multilayered internal bureaucracy. I commend the distinguished Senator from Iowa (Mr. Culver), for his initiative in this matter. I have discussed this matter with the distinguished ranking Republican member of the Rules Committee (Mr. Hatfield), and he has given it his endorsement. As such, I have no objection to the immediate consideration of this resolution.

Mr. CULVER. Mr. President, I am delighted that the majority and minority leadership have been able to bring this resolution creating a Citizens Commission on the operation of the Senate to the point of decision.

As the author of this proposal who brought it before the Democratic Caucus, I am most grateful for the careful consideration it was given in both party caucuses and particularly by the leadership on both sides of the aisle. As it has emerged today, the resolution is truly a blend of views that reaches across party lines and seeks to respond to a felt institutional necessity. This is symbolized by the provision in the resolution which makes the majority and minority leaders, Senators Mansfield and Scott, jointly responsible for recommending a panel of nine outstanding names.

Mr. President, I believe this could be one of the most productive and lasting initiatives taken by the 94th Congress. A Commission of this stature, giving us its independent perspective and analysis, can give the Senate an affirmative opportunity for earning public confidence and an occasion for self-renewal as well.

I think there is hardly a Senator in this body who does not sense the need for assessing and improving the operation of the Senate. This is not just a passing lament of freshmen legislators. It is increasingly part of our common experience. The growth in the scale of Senate operations and staffs, the rising tide of the workload, the unresolved issues of pay and allowances, the uncertain linkages to new sources of information and technological support—these pertain to all of us as we seek to fulfill our legislative tasks. There are clearly generic issues of congressional performance and institutional capacity that are of commanding importance to those who serve in this body, as well as to those whom we serve. To create a commission of the character envisaged in this resolution is not an abandonment of our responsibilities. Quite the contrary, it is a serious effort to gain better and more rational control of our affairs and to take account of and anticipate the gathering host of operational impediments to institutional excellence.

I would hope that the Commission, when appointed, will make a really close scrutiny of Senate operations and will not fail in its obligation to produce a report which is truly candid and catalytic. We do not need to be anesthetized or reassured. We need a comprehensive and probing analysis and a tocsin to action.

Mr. President, this Commission on the Operation of the Senate has a large assignment and a broad canvas of duties. But simultaneously there is work to be done in this body. A primary obligation we have also is to modernize and realine committee jurisdictions to meet our contemporary needs. The Citizens Commission will not assess this problem, and it remains our task within the Senate to consider the establishment as recommended in the Stevenson-Brock resolution, of a select committee on committees. If this mission is also undertaken then the Senate of the 94th Congress can set standards of responsible reform which are worthy of our National Bicentennial.

Mr. PEARSON. Mr. President, the sponsors of Senate Resolution 227 are to be commended for their initiative in establishing a Commission on the Operation of the Senate. During my years in this body, I have come to know firsthand the problems which prevent this institution from being as efficient and as capable a body as is needed to resolve the very serious problems which face the Nation today.

Many of the obstacles which this Commission will study are administrative in nature, examples of outdated procedures and practices which a modern legislative body must discard if it is to govern effectively. But in their work, members of the Commission will also realize that the administrative and operational difficulties we face in carrying out our duties are not confined to the Senate. Quite often, the Commission will find that operational difficulties the Senate faces are reflections of broader, Government-wide problems which are beyond the mandate of the Senate Commission but which should be addressed. In this regard, I would like to call to the attention of my colleagues my bill, S. 61, which would establish a nonpartisan Commission, composed largely of members from private life, to study and appraise the organization and operation of the executive branch. If approved, this Commission would parallel the highly successful Hoover Commissions of years past. Since introduction of my bill last January, a committee sponsored by the National Academy of Public Administration and financed by a grant of John D. Rockefeller 3rd has been conducting a private study to determine whether such a Commission is desirable or feasible. Although the final report of this, the Citizen's Commission on the Study of the U.S. Government, has not been prepared, it is the unanimous feeling of its members that an effort should be made to form, by legislative action, a Commission which would examine the role of Government as this Nation enters its third century.

Mr. President, the members of this committee are no strangers to the operation of government at any level. They represent decades of involvement in and awareness of the legislative, judicial, and administrative processes. Together, the members of this committee comprise as capable and as distinguished a group of experts in the democratic process as could be found. Among its members are persons who have worked with every major nationwide study group of this kind since World War II. I ask unanimous consent, Mr. President, that the names of the members of this committee, together with a brief description of their position and achievements be listed in the Record at this point.

There being no objection, the list was entered as follows:

MEMBERS, CITIZENS' COMMITTEE FOR THE STUDY OF THE U.S. GOVERNMENT

Chairman: Robert E. Merriam, Chairman, Advisory Commission on Intergovernmental Relations.

Stephen K. Bailey, Vice President, American Council on Education.

Samuel H. Beer, Professor of Political Science, Harvard University.

Lucy Wilson Benson, Secretary of Human Services, Commonwealth of Massachusetts, Past President, League of Women Voters.

Mark W. Cannon, Administrative Assistant to the Chief Justice of the United States.

Ruth Clausen, President, League of Women Voters.

Murray Comarow, Former Executive Director, Ash Council.

Alan L. Dean, Vice President, U.S. Railway Association.

Bernard L. Gladieux, Consultant.

Kermit Gordon, President, Brookings Institution.

Bryce N. Harlow, Vice President, National Government Relations, Proctor and Gamble Company.

Ronald B. Lee, Director, Marketing Services, Xerox Corporation.

Franklin A. Lindsay, Chairman of the Board, ITEK Corporation; Vice Chairman, Council on Economic Development.

Herbert Roback, Former Staff Director, House Government Operations Committee.

James H. Rowe, Attorney.

Harold Seidman, Professor of Political Science, University of Connecticut.

Elmer B. Staats, Comptroller General of the United States.

Wayne E. Thompson, Senior Vice President, Dayton Hudson Corporation.

Clyde M. Webber, President, American Federation of Government Employees.

Mr. PEARSON. Mr. President, I envision that the work of the Commission on the Operation of the Senate could very easily dovetail with the work of a commission such as that envisioned in my bill. I would hope that my colleagues would recognize the need to establish a new Hoover Commission, one which could appraise and evaluate the role of Government in our society, and one which efforts in the private sector indicate is desirable. In my judgment, action on this proposal is needed, and I am hopeful it will receive full congressional approval.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 227) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. Res. 227

Resolution to establish a temporary Commission on the Operation of the Senate

Whereas the responsibilities of Members of the Senate and the Senate have increased many-fold in recent years, as have expenditures of Federal funds to sustain these responsibilities;

Whereas the administrative machinery, facilities, and other elements in the structure and practices of the Senate which support the discharge of these responsibilities have been expanded and adjusted in a piecemeal and uncoordinated fashion;

Whereas the support structure, facilities, and administrative practice of the Senate have never been subjected to an over-all independent examination; and

Whereas the modernization and improvement of the cost-effectiveness of the administrative machinery, facilities, practices, and support-services of the Senate can be facilitated by an impartial, over-all study conducted by a group independent of the Senate: Now, therefore, be it

Resolved, That (a) there is hereby established a Commission on the Operation of the Senate (hereafter in this resolution referred to as the "Commission"), which shall be composed of nine members appointed from private life and 2 ex officio members who are presently officers or employees of the Senate and who shall participate without vote. All Commissioners shall be appointed by the President of the Senate upon the joint recommendations of the Majority Leader and the Minority Leader of the Senate.

(b) Any vacancy in the Commission shall be filled in the same manner as the original appointment.

(c) The Commission shall elect a Chairman and a Vice Chairman from among its members.

(d) Five members of the Commission shall constitute a quorum but two members may conduct hearings.

(e) Not more than two former Members of the Senate may serve as members of the Commission and no individual whose relevant experience is preponderantly in the executive branch of the Government shall be appointed as a member of the Commission.

Sec. 2. (a) It shall be the function and duty of the Commission to make a comprehensive and impartial study of the organization and operation of the United States Senate. Such study shall include, but not be limited to—

(1) the functioning of Members, officers, and employees of the Senate in the light of the responsibilities of the Senate in the areas of law-making, representation, and oversight;

(2) conflicts in the programming of business;

(3) office accommodations and facilities;

(4) information resources; and

(5) internal management administrative support structure (including electronic and technical aids, foresight capacity, accommodation for and coverage by the news media, workload, lobbying, pay and allowances, and conflicts of interest).

Such study shall not include an examination of the question of the jurisdictions of the committees of the Senate over subject matter.

(b) The Commission shall also study ways of improving Senate communication, cooperation, and coordination with the House of Representatives and with the executive and judicial branches of the Government, giving due consideration to the separation of powers provided by the Constitution.

(Sec. 3. Members of the Commission shall receive, for each day on which they are engaged in the performance of their duties as Members of the Commission, compensation at a daily rate equal to the per diem equivalent of the highest rate of gross compensation which may be paid to an employee of a standing committee of the Senate; and shall be entitled to reimbursement for transportation expenses and to receive a per diem, in lieu of subsistence, at the same rate as is payable to employees of the Senate, for each day on which they are away from their homes or regular places of business or employment and are engaged in the performance of their duties as Members of the Commission or in traveling to or from the place where such duties are to be performed. *Ex officio* members of the Commission shall serve without pay.

Sec. 4. (a) The Commission shall appoint, prescribe the duties and responsibilities of, and fix the compensation of a staff director, an associate staff director, and such other employees as may be necessary to enable it to carry out its functions and duties. The staff director and associate staff director may each be paid at a maximum annual rate of compensation not exceeding the maximum annual rate which may be paid to the two committee employees of a standing committee of the Senate referred to in section 105(e)(3)(A) of the Legislative Branch Appropriations Act, 1968, as amended and modified, and other employees of the Commission may be paid at a maximum annual rate of compensation not exceeding the maximum annual rate which may be paid to the four committee employees of a standing committee of the Senate referred to in such section.

(b) The Commission is authorized to procure the temporary or intermittent services of individual consultants, or organizations thereof, in the same manner and under the same conditions as a standing committee of the Senate may procure such services under section 202(i) of the Legislative Reorganization Act of 1946.

(c) Subject to the provisions of section 7, the Commission is authorized to make such expenditures from the contingent fund of the Senate as may be necessary to carry out its functions and duties.

Sec. 5. (a) The Commission is authorized to utilize the services, information, facilities, and personnel of the Office of the Secretary of the Senate, the Office of the Sergeant at Arms of the Senate, the Office of the Secretary for the Majority, the Office of the Secretary for the Minority, the Library of Congress, and the General Accounting Office; and the Secretary of the Senate, the Sergeant at Arms of the Senate, the Secretary for the Majority, the Secretary for the Minority, the Librarian of Congress, and the Comptroller General of the United States are authorized to furnish such services, information, facilities, and personnel as may be requested by the Commission.

(b) Office space and office furniture, furnishings and equipment shall be provided to the Commission in the same manner as other offices of the Senate.

Sec. 6. (a) The Commission shall submit an interim report to the Majority Leader and Minority Leader of the Senate not later than March 31, 1976, and shall submit a final report to the Majority Leader and Minority Leader of the Senate not later than September 30, 1976, which shall set forth the results of the study made under this resolution, together with its findings and recommendations. The Commission may submit such other reports to the Majority Leader and Minority Leader of the Senate as they may request or as the Commission deems advisable. The Majority Leader and Minority Leader shall transmit to the Senate all reports received by them under this subsection.

(b) Sixty days after the date of submission of its final report under subsection (a), the Commission shall cease to exist.

Sec. 7. The expenses of the Commission, which shall not exceed $500,000, shall be paid from the contingent fund of the Senate upon vouchers signed by the Chairman of the Commission and approved by the Majority Leader or the Minority Leader of the Senate, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

NAVAL PETROLEUM RESERVES

The Senate continued with the consideration of the bill (S. 2173) to fully explore and develop the naval petroleum reserves of the United States and to permit limited production with revenues derived therefrom to be placed in a special account, and for other purposes.

Mr. JACKSON. Mr. President, I ask unanimous consent that the privileges of the floor be granted in connection with the consideration of S. 2173 and H.R. 49 to Grenville Garside, James Barnes, Bill VanNess and Pat Berry.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CANNON. I wish to add to that request the names of Jim Smith, of the Armed Services Committee, and Frank Krebs, of my staff.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CANNON. Mr. President, I suggest the absence of a quorum, with the time to be charged fully to both sides.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. **ROBERT C. BYRD**. Mr. President, I ask unanimous consent that upon the disposition of S. 2173, the naval petroleum reserve bill, the Senate proceed to the consideration of S. 1587, the Public Works and Economic Development Administration bill, on which there is a time agreement; that upon the disposition of that bill the Senate proceed to the consideration of S. 521, the Outer Continental Shelf bill, on which there is a time agreement; that upon the disposition of that bill the Senate proceed to the consideration of S. 391, the mineral leasing bill, on which there is a time agreement; that upon the disposition of that bill the Senate proceed to the consideration of S. 1281, the redline bill, on which there is a time agreement and on which some action has already been taken; that upon the disposition of that bill the Senate proceed to the consideration of S. 963, the DES bill, on which there is a time agreement; provided further, that at no later than 5 p.m. today the leadership may be authorized to bring up H.R. 2559, on which considerable discussion was had yesterday. That is the bill that came out of the Committee on Post Office and Civil Service. There is no time agreement on that measure, incidentally.

Mr. **HUGH SCOTT**. No time agreement is being asked on that.

Mr. **ROBERT C. BYRD**. No.

And provided further, that at any time after 1 p.m. on Thursday Mr. WEICKER may be recognized to make a motion and to present remarks, that he be recognized for not to exceed 1 hour for the purpose of offering a motion, if he so desires.

Mr. **ALLEN**. Reserving the right to object, and I shall not object because I feel sure the distinguished Senator will accommodate me in this regard. He mentioned that the leadership be authorized to bring up H.R. 2559 at some time before 5 p.m. I wonder if the Senator would modify his request by saying not prior to 2 p.m.

Mr. **ROBERT C. BYRD**. I misstated.

That at any time after 5 p.m. today the leadership be authorized.

Mr. **ALLEN**. But it would not be allowed to come up until after 5 p.m., is that correct?

Mr. **ROBERT C. BYRD**. Yes.

Mr. **ALLEN**. I have no objection. The Sentor knows I am going to oppose that bill, and I would like to make a few additional remarks.

Mr. **ROBERT C. BYRD**. Yes.

Mr. **HUGH SCOTT**. Reserving the right to object, and I do not intend to object, I understand the motion by Mr. WEICKER may be made by him on Senate Resolution 166, or any other matter on which he wishes to make his motion, and he shall have not less than 1 hour of debate with the understanding that there will be no tabling motion during that 1-hour period.

Mr. **ROBERT C. BYRD**. Mr. President, with the understanding that Mr. WEICKER's motion will relate only to the New Hampshire election dispute and to no other matter, and with the further proviso that no tabling motion be entered prior to the expiration of the 1 hour.

Mr. **HUGH SCOTT**. Of at least 1 hour.

Mr. **ROBERT C. BYRD**. Yes.

Mr. **HUGH SCOTT**. I have no objection.

Mr. **CANNON**. Reserving the right to object, the tabling motion would be in order after the expiration of 1 hour.

Mr. **ROBERT C. BYRD**. That is correct.

Mr. **CANNON**. I have no objection.

The **PRESIDING OFFICER**. Is there objection? Without objection, it is so ordered.

NAVAL PETROLEUM RESERVES

The Senate continued with the consideration of the bill (S. 2173) to fully explore and develop the naval petroleum reserves of the United States and to permit limited production with revenues derived therefrom to be placed in a special account, and for other purposes.

Mr. **CANNON**. Mr. President, how much time remains?

The **PRESIDING OFFICER**. There is 44 minutes for the minority and 39 minutes remaining to the Senator from Nevada.

Mr. **CANNON**. Mr. President, I yield myself 10 minutes or so much thereof as I may need.

Mr. President, the bill before the Senate authorizes the limited production of the naval petroleum reserves.

By way of background, there are four naval petroleum reserves. Reserve No. 1 is the Elk Hills Reserve in California and is capable of producing up to 350,000 barrels of oil per day after some improvements to the field and pipeline facilities. Reserve No. 2 is the Buena Vista field adjacent to Elk Hills; this field is of little consequence since it has been pumped for many years to offset adjacent private production and has little oil left. Reserve No. 3 is in Teapot Dome, Wyo., and was the field that figured prominently in the Teapot Dome scandal. Reserve No. 4 is the large Alaska reserve adjacent to the Prudhoe Bay field on the North Slope of Alaska. This reserve is largely unexplored, but estimates of the oil reserve range from 10 to 33 billion barrels.

The idea of producing the naval petroleum reserves is not new; in fact, the Senate passed in the last session of Congress Senate Joint Resolution 176 which would have authorized production of the reserves but the measure was never acted on in the House.

The bill before us would authorize the production of Reserves 1, 2, and 3 for a period of 5 years at a rate not to exceed the maximum effective rate in accordance with sound engineering principles or 350,000 barrels per day whichever is less. The production would be sold on the open market to the highest qualified bidder and the proceeds placed in a special account to be used for additional exploration and development of the reserves and to offset the costs associated with a strategic reserve.

The Alaska Reserve, No. 4, is a special case. This bill does not authorize production of the Alaskan reserve. It envisions continued exploration to more adequately define how much oil is there and directs the Secretary of the Navy to do a special study on how to best develop and produce Reserve 4. It appears that the costs of developing and producing the Alaska Reserve may be so high that the Federal Government should not attempt to fund it, but private industry might be enticed to develop the field under some leasing arrangement. We really need to know more about this reserve before we can enact any good legislation.

Throughout the development of this bill, I have worked closely with Senator JACKSON and his Interior Committee to insure that this legislation would complement S. 677, the strategic reserve bill. This bill gives the President authority to either place oil in or exchange oil for a strategic reserve, or to use the proceeds from the sale of oil to help finance the construction of a strategic reserve.

The House has already passed a bill dealing with the naval petroleum reserves, H.R. 49 which is being held at the desk. I would like to comment briefly on the major differences in the House bill and the legislation before us. First, the House bill authorizes unlimited production and the bill before us authorizes production for a 5-year period.

Mr. President, these reserves are extremely valuable to this country when they exist as a reserve—a hedge against a national emergency. We consider that limited production is wise because it puts the naval petroleum reserves in an optimum state of readiness and permits a strategic reserve to be instituted—and still retains in the ground at the end of that 5-year period over 700 million barrels of oil. If we squander this oil to "ease the energy crisis," we are only fooling ourselves; at maximum production the naval reserves can produce less than 2 percent of the oil this Nation consumes every day. At the end of 5 years we may decide to enact additional legislation to continue production, but I contend that we ought to look at it again at that time and preserve the congressional control over these reserves that has protected them in the past.

The second difference is in control of the reserves. The House bill turns control over to the Interior Department; this bill retains Navy control. I favor Navy control simply because they have operated the reserves for 50 years and have people—both civilian and military—that have been trained in oilfield operations and petroleum law. The Department of the Interior has admitted that they have no special expertise in oilfield operations and I feel we would lose a year by exchanging one bureaucracy for another, and we would not be any better off after the change.

Mr. President, in summary, I think this is a good bill. It improves our ability to withstand another embargo situation; it optimizes the readiness of the Navy reserves and, as a bonus, it puts additional domestic oil in the Nation's pipelines.

Mr. President, I reserve the remainder of my time.

Mr. HATFIELD. Mr. President, on March 7, I introduced the companion bill to H.R. 49 in the Senate, S. 1113. Hearings were held on S. 1113 and the several other bills dealing with petroleum reserves in the Interior Committee and the Armed Services Committee. The Interior Committee reported S. 677 to establish a strategic petroleum shortage system, but left the question of future production and management of the existing naval petroleum reserves open. The Armed Services Committee reported S. 2173 to fill this void.

S. 2173 amends a mandate I believe to be completely outdated, a mandate that has the Secretary of the Navy continuing to manage the energy production of extensive U.S. oil resources for national defense purposes only. I believe this outdated mandate should be replaced.

The House of Representatives was decisive on this question. On July 8, during consideration of H.R. 49, the House Armed Services Committee's substitute amendment—similar to S. 2173—was defeated 102 to 305. H.R. 49, which establishes a national oil reserve system under the Secretary of the Interior, prevailed. It will assure development of the oil in Elk Hills, Buena Vista, Teapot Dome, and Pet 4 in Alaska in a manner consistent with the national interest, not limited to our military defense. It will safeguard the public interest in production and distribution of this oil. And it will consolidate management of our country's oil reserves in the agency best equipped to deal with them.

The Naval Office of Petroleum and Oil Shale Reserves consists of only 55 persons—11 Navy personnel and 44 civilians. By contrast, the Interior Department has 203 petroleum engineers and 1,245 geologists. If we assign the Navy the task of exploring and developing the vast oil reserves of Alaska, we will be creating an extraordinary instance of wasteful Government redundancy. The Navy would, in effect, have to duplicate the U.S. Geological Survey. Energy, I would remind my colleagues, is the one area where we deemed it so necessary for this country to have a well-integrated management system that we passed the most significant governmental organization reform in the last decade.

The Navy's oil reserves were established early this century to insure a source of oil when the Navy was converting its ships from coal to bunker oil. The need for these reserves, however, was eliminated when Congress enacted the Defense Production Act of 1950. That legislation guarantees the military services top priority over all American oil supplies and production. During the embargo of 1973, this act was invoked to allow the military to tap millions of gallons of scarce fuel from the civilian sector, mostly jet fuel for the Air Force and Navy. But the oil of the Navy reserves remained underground and unavailable.

Clearly it is the job of the Department of Defense to have our ships, planes, tanks, and other military equipment ready to protect the United States. It is not their job, however, to handle the energy reserves and resources of this Nation. Traditionally it is the Interior Department that manages our country's mineral resources. In Alaska they already manage millions of barrels of daily production from the Outer Continental Shelf and have supervised development of the vast Prudhoe Bay field. Clearly, their experience and capability better equips them for the task ahead in Pet 4.

The House approach does not open up Elk Hills or the other reserves for commercial exploitation, nor does it remove congressional oversight. On the contrary, the thoroughly proved Elk Hills reserve would be operated by the Interior Department, which would contract out the production for a fee. In this way the Federal Government would continue to own all the oil and get top price for what was sold on the market—the excess beyond what is required to fill a strategic storage system as contemplated in S. 677. All development plans for the oil reserves would be referred to Congress, where a negative resolution in either House would veto any plan.

Annual production worth $1 billion could be realized from Elk Hills within 3 years—that is a daily production of 300,000-400,000 barrels. Rapid development and full production should be achieved at Elk Hills, for our needs and our vulnerability are immediate. Later, other domestic oil supplies will come on stream to help out, and coal may begin to take up some of the slack. But meanwhile, we cannot afford the insufficiency of the approach of S. 2173. We cannot afford to keep the Navy reserves under wraps of the military, where production will be limited by amount, and distribution limited to serve military-related uses.

I would call the attention of my colleagues to the fact that the House approach has diverse popular support—from the Independent Oil Refiners to Congress Watch, from the Consumer Federation of America to the American Gas Association, from the Friends of the Earth to the AFL–CIO. I would also call the attention of my colleagues to several editorials that have appeared on this subject, and I would ask unanimous consent that they be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Los Angeles Times, Mar. 27, 1975]

ELKS HILL'S MISSION IS OBSOLETE

With the Navy mounting the heaviest assault, the Pentagon is continuing its battle to prevent the Elk Hills Petroleum Reserve from being transferred to Interior Department jurisdiction in a process that would open the way to maximum oil production of a rich field that has been essentially dormant. The Navy has controlled Elk Hills since 1912, and the arguments it is using in an effort to maintain its control are of similar vintage.

Elk Hills, in Kern County, was established as an emergency military reserve, the idea being that in the event of war the Navy would be assured of having its own fuel supply. Over the years production at the field has been minimal. Indeed, it would take several years to bring Elk Hills up to maximum production capacity, a fact that undercuts the military contention that the reserve is necessary to meet short-term interruptions of supply, like the Arab oil embargo.

Legislation that has cleared the House Interior Committee that is supported by President Ford and that is now before a traditionally hostile House Armed Services Committee, recognizes the anachronism of the military need argument. The bill, sponsored by Reps. Alphonzo Bell (R–Los Angeles) and John Melcher (D–Mont.), would allow production from three naval reserves in California and Wyoming, including Elk Hills. Full production from Elk Hills alone, achievable by 1977, would make available 300,000 barrels of petroleum a day. By lessening dependence on imports by a like amount the balance of payments saving could total $1 billion a year.

The most important fact about tapping the long unused naval reserves is that their oil is needed now. To continue to keep these fields out of production, at a time of high prices and when the United States must for its own economic good reduce oil imports, makes no sense. Opening the fields to maximum production would not deprive the Navy of its potential needs. In a true supply emergency national security requirements clearly would get priority in allocation of fuels, meaning that the Navy and other services could if necessary call on civilian energy supplies.

Elk Hills contains 1.3 billion barrels of proven reserves and an estimated 3.7 billion barrels of potentially recoverable oil. That means that it could, at full production, make available more than 6 million gallons of gasoline a day. There simply is no point in continuing to refuse to draw on this asset. Congress should recognize that, and move quickly to make it available.

[From the Los Angeles Times, Apr. 27, 1975]

DRAWING ON THE RICHES OF ELK HILLS

The House is at long last scheduled to vote this week on legislation to open up for production the rich Elk Hills Naval Petroleum Reserve in Kern County.

A number of competing bills are up for possible consideration. None is entirely satisfactory. That means that amendments from the floor will be needed to produce the kind of measure essential to the nation's goal of reducing reliance on insecure foreign sources of petroleum.

The Senate recognized the importance of tapping the huge Elk Hills reserve as long ago as 1973, when it approved a production plan in the wake of the Arab oil embargo. But companion legislation died in the House Armed Services Committee, which is traditionally committed to keeping Elk Hills locked up for potential military use.

The Armed Services Committee has not abandoned that goal. It will try this week to thwart the move to put Elk Hills on a permanent production basis by seeking to win approval for legislation of its own.

That legislation would limit production from Elk Hills and two smaller naval reserves to 200,000 barrels a day for no longer than three years, with the oil going exclusively for military use. Such a plan is a far cry from what the nation needs, from what President Ford wants, or from what is provided in H.R. 49, a bill coauthored by Rep. Alphonzo

Bell (R-Calif.) and approved by the House Interior Committee.

H.R. 49 recognizes the anachronism of maintaining the 46,000-acre Elk Hills site as a naval reserve. It would transfer administrative authority over Elk Hills to the Interior Department, and open the way to producing 160,000 barrels of oil a day by the end of this year up to 300,000 barrels a day in 1977.

Production at that level is feasible and necessary, and could continue for a long time, Elk Hills has at least a billion barrels of recoverable reserves, and possibly 3.7 billion. Use of this potential output could save the nation up to $1 billion a year in its balance of payments by reducing imported oil, which now makes up about 40% of the American supply.

H.R. 49 would authorize the Interior Department to contract to sell oil from the naval reserves, but would make no provision for channeling some of this output into a stored strategic reserve. That is the bill's major weakness, and the reason why it should be amended on the floor.

The President has asked for establishment of a 1.3 billion-barrel strategic reserve, 1 billion barrels for the civilian economy, the rest for military use. The purpose of a strategic reserve is to insure that the country could not suffer hardship from any interruption of foreign supplies. The size of the requested reserve would give the military a 100-day fuel supply on the basis of its estimated maximum wartime oil needs. At current consumption levels, it would provide a six-month supply for the civilian sector should all foreign imports be stopped, or a 16-month supply should only the Arab oil imports be cut off.

Creation of a strategic reserve could come either from an expansion in imports, with a commensurate dollar drain, or from augmenting domestic production, clearly the preferable route.

Elk Hills can be brought up to impressive maximum production in a short while. It is time to draw on this asset, and to use Elk Hills output for the best purposes. The House has the opportunity to see that this is done.

[From the Washington Post, June 4, 1975]

THE OIL AT ELK HILLS

To increase this country's oil production, one obvious and desirable step is to begin drawing on the naval petroleum reserve at Elk Hills, Calif. That will require legislation. The extreme hesitation and apprehension that Congress brings to this necessary decision reflects the burden of public suspicion that has weighed on every question about the naval reserves since the Teapot Dome scandal more than half a century ago. We still are paying a price for the corruption within the Harding administration. But the national need for the Elk Hills oil grows steadily, and there is no reason to continue to regard it as untouchable.

The main argument for keeping hands off the naval oil reserves is that, in time of war, the Navy might need them. In making up your mind on that point, you might want to recollect that the Elk Hills reserve was established in 1912. Since then the country has been in four wars, in none of which Elk Hills was used—or even usable, since it takes a couple of years to get a field of that size into full production. In any event, in wartime the needs of the armed forces come first in allocating the 8 million barrels of oil a day that this country currently produces. The naval reserve is a concept that had its origin in a time when oil was still a rather novel fuel in an economy that ran mainly on coal, and continental pipelines were unknown. The idea of these reserves is as obsolete, in terms of defense, as the battleship and the cavalry charge.

The oil from Elk Hills would hardly be the only production from federal land. The House Interior Committee estimates that, with full regard for the rules of conservation, Elk Hills could produce 300,000 barrels a day. That is a substantial volume, but 1.4 million barrels a day is currently being produced from the federal land that lies under the sea on the outer continental shelf.

The parliamentary situation in both houses of Congress is complicated by the overlap of jurisdiction between the Interior and Armed Services Committees. In the House, where the process is farther along, the Armed Services Committee's bill is—as you might expect—much more inclined to treat the oil as the private property of the Navy. It is a cautious bill, setting a production limit of 200,000 barrels a day and earmarking sales revenues for exploring the Navy's Alaskan reserve, presumably a much larger one.

The House Interior Committee's bill sets no limit on production. It would sell the oil to the highest bidder, putting the oil on the open market and turning the money over to the Treasury on grounds that it belongs, not to the Navy, but to the nation. Because it cannot be produced quickly, the oil in the present reserve would be useless in an emergency. The Interior Committee would authorize the President to hold one-fourth of the Elk Hills production in strategic storage, available as a defense against future embargos.

Americans are in a poor position to complain about other countries' cutbacks in oil exports, when we ourselves fail to produce from our known and readily accessible fields. To begin now to exploit Elk Hills sets no new precedent, but only follows the familiar rule of using public resources in the public interest. It is now time to get to work systematically to expand American oil production.

[From the Washington Post, June 22, 1975]

THE OIL AT ELK HILLS

Congress sometimes paralyzes itself by making very complicated issues out of simple ones. That process can now be seen in the long, acid argument over the Naval Petroleum Reserve at Elk Hills, Calif., and whether at last to produce its oil. Rep. John E. Moss (D-Calif.), in a letter that we publish today, takes the position that the public dangers are so great that the whole decision—and the oil production—need to be postponed indefinitely for further study and assessment. But the dangers are not so unmanageable as Mr. Moss believes, and Elk Hills has already been fully and repetitively studied and assessed. The time has come to arrive at a decision.

The first question is the kind of oil reserve that the armed services really need. Mr. Moss is quite right in saying that Elk Hills produced up to 65,000 barrels of oil a day in World War II. But the field is capable of some 300,000 barrels a day. The point is that the reserve has never been used more than marginally since it was first established in 1912. If the Navy went through three and a half years of World War II without using more than one fifth of the field's capacity, it is difficult to imagine what kind of an emergency the Defense Department is saving it for.

The Ford administration is now committed to building a genuine oil reserve of one billion barrels for civilian use and 300 million for the armed services. In a real emergency—a war, say, accompanied by an effective embargo—the country would need oil stored in tanks or underground caverns from which it could be pumped at very high speed. Oil in its original reservoirs, like Elk Hills, can only be produced relatively slowly; the rate depends on the geology, and extracting the oil too fast damages the wells. If Congress thinks that the President's proposal of a 300 million barrel defense reserve is the wrong size, it can offer its own figure. But the size ought to be set by a rational choice, not merely by the historical accident that this particular field was set aside as a reserve 63 years ago when the nature of warfare was very different.

Elk Hills does not belong to the Navy, but to the U.S. government and the people of this country. The oil under the sea, beneath our Outer Continental Shelves, also belongs to the government. Current offshore production is around 1.4 million barrels a day, almost-five times the maximum potential flow from Elk Hills. Since the offshore oil and Elk Hills both belong to the same owner and are dedicated to the same nation's welfare, why should they be developed according to totally different rules and standards? It doesn't make much sense to keep Elk Hills away from the Interior Department's jurisdiction, on the alleged grounds that Interior is irresponsible, while leaving that same department fully in charge of the development of the vastly more important resources offshore.

Congress would make its decision a good deal easier by acknowledging that there are two separate issues, both of them rather urgent. First, the country needs a reserve supply of oil—not locked in rock and sand underground where it can only be produced slowly, but stored and rapidly accessible. Second, the country needs domestic oil production to hold down the harmful political and financial effects of excessive dependence on imports. Elk Hills can usefully be put into production under the same safeguards and conservation rules that apply to other government-owned fields, like the much bigger one offshore. To refer these decisions back to various committees for further assessment would merely be procrastination.

Mr. HATFIELD. Mr. President, H.R. 49 provides the proper framework for development of both the near-term and long-tern. potential of the Navy Reserves, and I urge my fellow Members of the Senate to consider. These points as they vote on amendments to S. 2173.

AMENDMENT NO. 818

Mr. JACKSON. Mr. President, I call up my amendment No. 818 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Washington (Mr. JACKSON) proposes an amendment No. 818.

Mr. JACKSON. Mr. President, I have a conforming amendment which I send to the desk, and ask unanimous consent that my amendment (No. 818) be modified accordingly. It is a technical change. Subsection 206(d) refers to the storage of "No. 2" fuel oil. It should refer to "home heating" fuel oil meaning No. 2 fuel oil, No. 4 fuel oil, and kerosene.

The PRESIDING OFFICER. The Senator has a right to modify his amendment. The amendment is so modified.

The modification is as follows:

1. On page 9, line 6, delete "No. 2"; insert "home heating".

2. On page 9, beginning at line 15, delete "No. 2"; insert "home heating".

Mr. JACKSON's amendment (No. 818), as modified, is as follows:

Designate S. 2173 as reported by the Armed Services Committee as title I with references and numbering to be changed accordingly.

At the end of the bill add the following new title II:

"TITLE II

"Part A—General Provisions

"Sec. 201. This title may be cited as the 'Strategic Energy Reserves Act of 1975'.

"Sec. 202. Findings.—(a) The Congress hereby determines that—

"(1) the Nation's increasing dependence on foreign energy sources poses a significant threat to the Nation's economy, security, and well-being;

"(2) there is a continuing danger that imparts of energy supplies will be subject to interruption or reduction for political or economic reasons;

"(3) such interruptions or reductions would have a disruptive economic effect, creating hardship for millions of Americans; and

"(4) there is a clear need to minimize the impact of such interruptions or reductions through the establishment of a national system of strategic energy reserves.

"Sec. 203. Declaration of Policy.—It is hereby declared to be the policy of the United States to create over a period of seven years, and to maintain thereafter, strategic energy reserves in storage capable of replacing energy imports for at least ninety days in order to reduce the impact of interruptions or reductions in imports of energy supplies.

"Part B—Strategic Energy Reserve System

"Sec. 204. General Provisions.—(a) In order to protect the United States economy against interruptions in energy imports and to provide adequate energy inventories for national security purposes there is hereby created a strategic energy reserve system (hereinafter referred to as the 'system') for those fuels subject to the provisions of this title which shall be composed of—

"(1) national strategic energy reserves;

"(2) regional petroleum product reserves;

"(3) interim industry storage reserves; and

"(4) such other components of the system as may be authorized by Congress.

"(b) There shall be established in the Federal Energy Administration a Strategic Energy Reserve Office (hereinafter referred to as the 'Office'). The Administrator of the Federal Energy Administration (hereinafter referred to as the 'Administrator') acting through the Office shall exercise authority over the establishment, management, and replenishment of the strategic energy reserve system provided for in this title.

"(c) As used in this title, the term 'crude oil' means a mixture of hydrocarbons that existed in liquid phase in underground reservoirs and remains liquid at atmospheric pressure after passing through surface separating facilities.

"(d) As used in this title, the term 'refined petroleum products' means gasoline, naphtha, kerosene, distillates, refined lubricating oils, and diesel fuel.

"(e) As used in this title, the term 'residual fuel oil' means those fuel oils commonly known as ASTM Grades No. 5 and No. 6 fuel oils, heavy diesel, Navy Special, Bunker C and all other fuel oils which have a 50-percent boiling point over 700 degrees Fahrenheit in the ASTM D86 standard distillation test.

"(f) As used in this title, the term 'importer' means any person that owns at the first place of storage any crude oil, refined petroleum product, or residual fuel oil brought into the United States.

"(g) As used in this title, the term 'refiner' means any firm that owns, operates, or controls the operations of one or more refineries.

"(h) As used in this title, the term 'person' means any individual, firm, estate, trust, sole proprietorship, partnership, association, company, joint-venture, corporation, governmental unit or instrumentality thereof, or a charitable, educational, or other institution, and includes any officer, director, owner, or duly authorized representative thereof.

"Sec. 205. National Strategic Energy Reserve.—(a) There are hereby authorized to be created national strategic energy reserves, which shall consist of crude oil stored in tanks, natural geological formations, or otherwise.

"(b) The Administrator is hereby authorized and directed to establish within seven years of the date of enactment of this title, and maintain thereafter, national strategic energy reserves equal to not less than the volume of crude oil imports into the United States for three consecutive months.

"(c) For the purpose of this section, the base period for determining the volume of crude oil imports for three consecutive months shall be those three consecutive months in the preceding twenty-four months in which import levels were the highest, which volume shall be recomputed annually.

"(d) For the purpose of establishing and maintaining the reserves authorized in subsection (b) hereof, the Administrator is authorized to place in storage, transport, or exchange:

"(1) crude oil produced from Federal lands, including the naval petroleum reserves to the extent authorized by law;

"(2) crude oil to which the United States is entitled as royalty from future production upon Federal lands, including the Outer Continental Shelf; and

"(3) crude oil acquired by purchase, exchange, or otherwise.

"(e) In order to commence the establishment of the reserves authorized by subsection (b) hereof as promptly as possible, the Administrator shall give priority to the utilization of existing storage capacity for that purpose and shall place in storage:

"(1) not less than 10 per centum of the oil required to be stored within eighteen months of the date of enactment of this title;

"(2) not less than 25 per centum of the oil required to be stored within three years of the date of enactment of this title; and

"(3) not less than 65 per centum of the oil required to be stored within five years of the date of enactment of this title.

"(f) If the Administrator determines that the attainment of the storage schedule, required by this section, within the times specified therein, will have substantial adverse economic impacts or if the necessary storage capacity or supplies of crude oil to be stored are temporarily unavailable, he may, after providing Congress with a justification therefor, delay the attainment of required storage levels for up to six months. Thereafter, the Administrator may further delay the attainment of required storage schedule provided that—

"(1) the specific action proposed to be taken is submitted, to both Houses of the Congress. Each House then shall have the opportunity to disapprove of such action within sixty days of the receipt of the proposal pursuant to the procedures provided for in sections 906(a), (b), and (c), 908, 909, 910, 911, 912, and 913 of title 5, United States Code, except that for the purposes of this title:

"(A) any reference in such sections to 'reorganization plan' shall be deemed to be a reference to 'petroleum storage schedule', which for the purposes of this title shall mean the storage schedule required by this section;

"(B) such sixty-day review period shall begin when such action is submitted to the Congress.

"(2) The Administrator shall submit to both Houses of the Congress together with the specific action proposed a finding and report, which shall contain the following:

"(A) the need for the proposed action;

"(B) the prices of imported and domestic petroleum and other fuels and forms of energy that are in fact anticipated to result from the proposed action;

"(C) the impact of the proposed action upon domestic production, consumption, and imports of petroleum and other fuels and forms of energy.

"Sec. 206. Regional Petroleum Product Reserves.—(a) There are hereby authorized to be created regional petroleum product reserves which shall consist of refined petroleum products or residual fuel oil stored in tanks, natural geological formations or otherwise.

"(b) The purpose of these reserves is to reduce the impact of interruptions or reductions in imports of energy supplies in any region of the United States wherein limitations in the capacity or capabilities of refineries, delivery systems, or other factors preclude the attainment of such a reduction by the storage of crude oil alone.

"(c) The Administrator is hereby authorized and directed to establish within five years of the date of enactment of this title, and maintain thereafter, regional petroleum products reserves in any Petroleum Administration for Defense District (hereinafter refered to as 'PAD District') wherein more than 25 per centum of demand for residual fuel oil or any refined petroleum product has been met by imports during the preceding twenty-four-month period. The Administrator shall accumulate and thereafter maintain in storage in the PAD District in tanks, natural geological formations, or otherwise a reserve for each such commodity equivalent to not less than the highest level of imports for three consecutive months for such commodity into that PAD District during the preceding twenty-four months, which level shall be recomputed annually. Such reserves shall be available for distribution according to the terms and conditions set forth in part C of this title.

"(d) The Administrator is hereby authorized and directed to establish within five years of the date of enactment of this title and to maintain thereafter, regional petroleum reserves of home heating fuel oil in PAD districts wherein more than 10 per centum of demand for such commodity has been met by imports during the preceding twenty-four-month period or in Federal Energy Administration regions as defined in title 10, Code of Federal Regulations where imports into such regions constitute more than 20 per centum of demand for such commodity during the previous twenty-four-month period. The Administrator shall accumulate and thereafter maintain in storage in the PAD District or the Federal Energy Administration region in tanks or otherwise a reserve for home heating fuel oil equivalent to not less than ninety days of supply based on the average monthly volume of imports into the PAD District or the Federal Energy Administration region during the previous heating season of September through April.

"(e) The Administrator may place in storage crude oil, residual fuel oil, or any refined petroleum product in substitution for all or part of the volume of any commodity required to be stored in the regional petroleum product reserves pursuant to the provisions of subsections (c) and (d) of this section if he finds that such substitution is necessary or desirable for purposes of economy, efficiency, or for other reasons and may be made without delaying or otherwise adversely affecting the fulfillment of the purpose of the regional petroleum product reserves as described in subsection (b) of this section. Prior to making any such substitution the Administrator shall transmit his finding to the Congress together with a description of the substitution to be made and specifying the date on which it is to commence. Such substitution may commence on the date specified by the Administrator but in no case sooner than the close of the earliest period which begins after the submission of the Administrator's finding to the Congress and which includes at least thirty days during which the House was in session and at least thirty days during which the Senate was in session.

"(f) For the purpose of establishing and maintaining the reserves authorized in this section the Administrator is authorized to place in storage, transport, or exchange crude oil, residual fuel oil, or refined petroleum products acquired by purchase, exchange, or otherwise.

"(g) If the Administrator determines that the attainment of the storage schedule, required by this section, within the times specified therein, will have substantial adverse economic impacts or if the necessary storage capacity or supplies of crude oil, residual fuel oil, or refined petroleum products to be stored are temporarily unavailable, he may, after providing Congress with a justification therefor, delay the attainment of required storage levels for up to six months. Thereafter, the Administrator may further delay the attainment of the required storage schedule provided that—

"(1) the specific action proposed to be taken is submitted to both Houses of the Congress. Each House then shall have the opportunity to disapprove of such action within sixty days of the receipt of the proposal pursuant to the procedures provided for in sections 906(a), (b), and (c), 908, 909, 910, 911, 912, and 913 of title 5, United States Code, except that for the purposes of this title:

"(A) any reference in such sections to 'reorganization plan' shall be deemed to be a reference to 'petroleum storage schedule', which for the purposes of this title shall mean the storage schedule required by this section;

"(B) such sixty-day review period shall begin when such action is submitted to the Congress.

"(2) The Administrator shall submit to both Houses of the Congress together with the specific action proposed a finding and report, which shall contain the following:

"(A) the need for the proposed action;

"(B) the prices of imported and domestic petroleum and other fuels and forms of energy that are in fact anticipated to result from the proposed action;

"(C) the impact of the proposed action upon domestic production, consumption, and imports of petroleum and other fuels and forms of energy.

"SEC. 207. INTERIM INDUSTRY STORAGE RESERVES.—(a) There are hereby authorized to be created interim industry storage reserves which shall consist of crude oil, residual fuel oil, or refined petroleum products maintained in storage by importers and refiners.

"(b) From the date of enactment of this title until such time as the national strategic energy reserves authorized by section 205 and the regional petroleum product reserves authorized by section 206 of this Act are complete, the Administrator is authorized to require that every importer of crude oil, residual fuel oil, or refined petroleum products and every refiner of crude oil shall acquire, store, and maintain in readily available inventories, as reserves, crude oil, residual fuel oil, or defined petroleum products in amounts as determined by the Administrator, but in no event to exceed 3 per centum of their imports or refinery throughput of the previous calendar years.

"(c) After the completion of the national strategic energy reserves authorized by section 205 of this Act and the regional petroleum product reserves authorized by section 206 of this Act, the Administrator may require by rule, regulation, or order that importers or refiners maintain in readily available inventories stocks of crude oil, refined petroleum products, and residual fuel oil equal to the average volume of such inventories maintained for the corresponding month of the three preceding years.

"(d) Every barrel of crude oil, residual fuel oil, or refined petroleum products imported and stored in the interim industry storage reserve shall be exempt from any tariff or import license fee now or hereafter imposed.

"(e) As used in this section, the term 'readily available inventories' means those inventories which can be used without affecting the importer's or refiner's operations at normal capacity and shall not include minimum working level inventories or other unavailable stocks.

"(f) In order to maintain an economically sound and competitive petroleum industry, the Administrator shall implement this section with appropriate provision for avoiding inequitable economic impacts on refiners and importers and shall make specific provision for full or partial exemption or other relief for any refiner or importer who might otherwise incur undue hardship as the result of regulations implemented under the authority of this section. Such relief may include, but shall not be limited to, provision for the storage of petroleum owned by such importers or refiners in surplus storage capacity owned by the Federal Government.

"SEC. 208. OTHER STORAGE RESERVES.—Within six months after the date of enactment of this title, the Administrator shall prepare and submit to the Congress a report setting forth his recommendations for including in the system—

"(a) utility storage reserves to consist of reserves of coal, residual fuel oil, or refined petroleum products to be established and maintained by all fossil-fueled baseload electric power generating stations fueled by coal, residual fuel oil or refined petroleum products, and with a generating capacity of one hundred million British thermal units or more in an hour and sufficient to maintain normal power generation for a period of not less than three months;

"(b) coal storage reserves to consist of reserves equivalent to three months of coal consumption, such reserves to consist of (1) federally owned coal mined by or for the United States from federally owned coal lands, and (2) Federal coal lands from which coal could be mined for consumption within thirty days of an order to do so;

"(c) remote oil and gas storage reserves consisting of oil and gas to be acquired and stored by the United States, in place, pursuant to a contract or other agreement or arrangement entered into between the United States and individuals who discovered such oil or gas in wells in remote areas; and

"(d) industry storage reserves consisting of crude oil, residual fuel oil, or refined petroleum products maintained in storage by importers, refiners, or others for the purpose of reducing the adverse impact of energy supplies during the period while the reserves created pursuant to sections 205 and 206 of this title are being established and thereafter.

"SEC. 209. NAVAL PETROLEUM RESERVES STUDY.—Within six months after the date of the enactment of this title, the Administrator shall prepare and submit to the Congress a report setting forth his views and recommendations—

"(a) as to what extent, if any, Naval Petroleum Reserve Numbered 1 could have been effectively utilized to alleviate energy shortages during the so-called oil embargo;

"(b) with respect to what extent, if any, the procedures required in order to increase production from oil or gas reserves within the Naval Petroleum Reserves should be modified or otherwise changed in order to enable such reserves to be better utilized in order to meet certain energy shortages within the United States;

"(c) with respect to whether the Naval Petroleum Reserves could be best managed by the Secretary of the Interior, the Secretary of the Navy, the Administrator of the Federal Energy Administration, or other management, including joint management; and

"(d) as to whether a program of exploration for oil and gas on Naval Petroleum Reserve Numbered 4 for the purpose of determining the extent of oil and gas resources therein could best be carried out by a Federal agency or department or by competitive agreements, including contracts or leases, entered into with the private sector.

"PART C—ADMINISTRATION

"SEC. 210. AUTHORITY OF THE ADMINISTRATOR.—To implement the establishment, management, and replenishment of the strategic energy reserve system created pursuant to section 204 of this title, the Administrator, in furtherance of and not in limitation of any authority, is authorized to—

"(a) promulgate rules, regulations, or orders necessary or appropriate to implement the provisions of this title;

"(b) acquire by purchase, condemnation, or otherwise, land or interests in land for the location of storage and related facilities;

"(c) construct, purchase, lease, or otherwise acquire storage and related facilities;

"(d) acquire by purchase, exchange, or otherwise crude oil for storage in the national strategic energy reserves created pursuant to section 205 of this title and refined petroleum products or residual fuel oil or storage in the regional petroleum product reserves created pursuant to section 206 of this title;

"(e) use, lease, maintain, sell, or otherwise dispose of storage and related facilities required pursuant to this title;

"(f) execute any contracts necessary to carry out the provisions of this title;

"(g) cause proceedings, whenever he deems it necessary to implement this title, to be instituted in any court having jurisdiction of such proceedings to acquire by condemnation, any real or personal property, including facilities, temporary use thereof, or other interests therein, together with any personal property located thereon or used therewith, that he deems necessary to achieve the objectives of this title;

"(h) order the use, sale, exchange, or disposal of all or part of the reserves established pursuant to this title, if (1) imports of crude oil, residual fuel oil, and refined petroleum products have fallen significantly or will within thirty days in his judgment, fall significantly below existing requirements for such imports, resulting in an existing or prospective shortage of at least 10 per centum of import requirements; or (2) if required to fulfill obligations of the United States under an international agreement to which it is a party;

"(i) require that the replenishment of depleted reserves is accomplished expeditiously;

"(j) use, sell, exchange, or otherwise dispose of crude oil, residual fuel oil, or refined petroleum products from the strategic energy reserve system created pursuant to section 204 of this title which may be in excess of the volumes required to be stored by sections 205 and 206 of this title;

"(k) establish price levels and allocation procedures for any crude oil, residual fuel oil or refined petroleum product withdrawn from the national strategic energy reserves created pursuant to section 205 of this title or from the regional petroleum product reserves created pursuant to section 206 of this title. Such price levels and allocation procedures shall be consistent with the objectives enumerated in section 4(b)(1) of the Emergency Petroleum Allocation Act of 1973. In the event of the expiration of the Emergency Petroleum Allocation Act of 1973, price levels and allocation procedures established in accordance with this subsection shall, notwithstanding the expiration of that Act, be consistent with the purposes and standards and according to the procedures set out in section 4, subsections (a) through (d) of that Act;

"(l) adjust the processing operations of domestic refineries to produce refined products in proportions commensurate with national needs and consistent with the objectives of section 4(b) of the Emergency Petroleum Allocation Act of 1973 if imports of crude oil, residual fuel oil, and refined petroleum products have fallen significantly or will within thirty days in his judgment, fall significantly below existing requirements for such imports, resulting in an existing or prospective shortage of at least 10 per centum of import requirements;

"(m) waive application of the provisions of the Federal Property and Administrative Services Act of 1949, as amended, with respect to procurement necessary for the purpose of this title, if he finds it is in the national interest to do so;

"(n) require any importer of crude oil, residual fuel oil, or refined petroleum products or any refiner of crude oil to acquire, store, and maintain crude oil, refined petroleum products, and residual fuel oil in the interim industry storage reserve pursuant to section 207 of this title; and

"(o) allow any person owning crude oil, refined petroleum products, or residual fuel oil from the interim industry storage reserves created pursuant to section 207 of this title to remove or otherwise dispose of such reserves.

"Sec. 211. Condemnation Proceedings.—Before any condemnation proceedings are instituted pursuant to this title, an effort shall be made to acquire the property involved by negotiation unless, because of reasonable doubt as to the identity of the owner or owners, because of the large number of persons with whom it would be necessary to negotiate, or for other reasons, the effort to acquire by negotiation would involve, in the judgment of the Administrator, such delay in acquiring the property as to be contrary to the national interest. In any condemnation proceeding instituted pursuant to this section, the court shall not order the party in possession to surrender possession in advance of final judgment unless a declaration of taking has been filed, and a deposit of the amount estimated to be just compensation has been made, under the first section of the Act of February 26, 1931 (46 Stat. 1421), providing for such declarations. Unless title is in dispute, the court, upon application, shall promptly pay to the owner at least 75 per centum of the amount so deposited, but such payments shall be made without prejudice to any party to the proceeding. Property acquired under this section may be occupied, used, and improved for the purpose of this title prior to the approval of title by the Attorney General as required by section 355 of the Revised Statutes, as amended.

"Sec. 212. Prohibited Acts.—It shall be unlawful for any person to violate any provision of this title or to violate any rule, regulation, or order issued pursuant to any such provision.

"Sec. 213. Enforcement.—(a) Whoever violates any provision of this title or rule, regulations, or orders promulgated pursuant thereto, shall be subjected to a civil penalty of not more than $5,000 for each violation.

"(b) Whoever willfully violates any provision of this title or rules, regulations, or orders promulgated pursuant thereto, shall be fined not more than $10,000 for each violation, and each day that a violation continues shall constitute a separate violation.

"(c) It shall be unlawful for any person to offer for sale or distribute in commerce any product or commodity in violation of an applicable order or regulation issued pursuant to this title. Any person who knowingly and willfully violates this subsection after having been subjected to a civil penalty for a prior violation of the same provision of any order or regulation issued pursuant to this title shall be fined not more than $50,000 for each violation, and each day that a violation continues shall constitute a separate violation, or imprisoned not more than six months, or both.

"(d) Whenever it appears to any person authorized by the President or the Administrator to exercise authority under this title that any individual or organization has engaged, is engaged, or is about to engage in acts or practices constituting a violation of this title, such person may request the Attorney General to bring an action in the appropriate district court of the United States to enjoin such acts or practices, and upon a proper showing a temporary restraining order or a preliminary or permanent injunction shall be granted without bond. Any such court may also issue mandatory injunctions commanding any person to comply with any provision of this section.

"(e) Any person suffering legal wrong because of any act or practice arising out of any violation of this title may bring an action in a district court of the United States without regard to the amount in controversy, for appropriate relief, including an action for a declaratory judgment or writ of injunction. Nothing in this subsection shall authorize any person to recover damages.

"Sec. 214. Disclosure, Inspection, Investigation.—(a) Every importer, refiner, or user of fuels subject to the provision of this title shall prepare such accounts, records of cost-accounting procedures, correspondence, memoranda, papers, books, and other records as the Administrator may by rule or regulation prescribe as necessary or appropriate for purposes of the administration of this title.

"(b) The Administrator shall at all times have access to and the right to inspect and examine all producing, transportation, storage, refining, or processing facilities, and all accounts, records, and memoranda of persons subject to the provisions of this title; and it shall be the duty of such persons to furnish to the Administrator, within such reasonable time as the Administrator may order, any information with respect thereto which the Administrator may by order require.

"Sec. 215. Annual Reports.—The Administrator shall prepare, have printed, and transmit to the President and the Congress an annual report summarizing all actions taken under authority of this title, with an analysis of their impact, an evaluation of their effectiveness in fostering the objectives listed in section 203, and any recommendations for legislation further implementing the objectives of this title.

"Sec. 216. Authorization of Appropriations.—There are hereby authorized to be appropriated to the Administrator such funds as are necessary for implementation of the provisions of this title.

"Sec. 217. Severability.—If any provision of this title or the applicability thereof to any person or circumstance is held invalid, the remainder of this title and the application of such provision to other persons or circumstances shall not be affected thereby.".

Mr. JACKSON. Mr. President, first of all I commend the distinguished chairman of the subcommittee, the senior Senator from Nevada (Mr. CANNON), for the fine way in which he has handled this very complex matter. By working together, we on the Senate side, at least, have resolved our differences in a most constructive manner.

Mr. President, my amendment No. 818 would add to the pending bill as a new title the "Strategic Energy Reserves Act of 1975" which the Senate passed on July 8 by a vote of 91 to 0.

Part A of the amendment declares the policy of creating over a 7-year period, strategic energy reserves capable of replacing energy imports for at least 90 days.

Part B creates a strategic energy reserve system composed of national strategic energy reserves; regional petroleum product reserves; interim industry storage reserves; and such other reserves as the Congress may later authorize. It establishes a Strategic Energy Reserve Office in FEA to manage the system.

The National Strategic Energy Reserves would consist of crude oil stored in natural geologic formations, in tanks, or even in abandoned mines, or surplus tankers. The amount of oil would equal the volume of crude oil imports for 3 months. Oil would be federally owned and stored and could be purchased or drawn from royalty oil or naval petroleum reserves, if authorized.

The Administrator of FEA is required to establish a crude storage program pursuant to a schedule set forth in the statute to insure timely commencement of the program.

The regional petroleum product reserves would consist of petroleum products or residual fuel oil owned and stored by the Federal Government in each PAD district where more than a certain percent of demand for a product or for residual fuel oil is met by imports. While the Administrator is required to implement a product storage program, he has authority to substitute different kinds of fuels for commodities which must be stored.

To afford the Nation protection against supply interruptions while federally owned crude oil and product reserves are being built up, interim industry storage reserves are provided for in which the Administrator is authorized to require importers and refiners to store, as reserves, up to 3 percent of their imports or throughputs for the previous calendar year. Thereafter, the administration may require that importers or refiners maintain minimum inventories equal to the average volume of such inventories maintained for the corresponding month of the 3 preceding years.

Part C provides administrative authority—including authority to acquire crude oil and product for storage, to build or lease storage facilities, and to use crude oil or products in the system.

The Administrator may use the reserves if there is an existing or prospective shortage of at least 10 percent of import requirements or if required to fulfill obligations under an international agreement.

In the event of withdrawal from the reserves, the Administrator must establish price levels and allocation procedures for the oil withdrawn that are consistent with the objectives enumerated in the Emergency Petroleum Allocation Act.

Mr. President, it is entirely appropriate that the text of the strategic reserves bill be incorporated in S. 2173. S. 2173 authorizes production from Naval Petroleum Reserves 1, 2, and 3 for use in a strategic reserves system. The development of an effective strategic petroleum reserve is directly related to the status of the naval petroleum reserves. By including the provisions of S. 677 in S. 2173, we will enable the conference to deal with the related questions of strategic reserves and naval petroleum reserves at the same time. So, Mr. President, I urge the Senate to adopt the amendment.

I think this is the obvious solution to the handling of both problems, and we on the Interior side and those on the armed services side have worked together from the beginning to try to pull these two objectives together. That would be accomplished by the adoption of this amendment.

Mr. WILLIAM L. SCOTT. Mr. President, before we act on the amendment of the distinguished Senator from Washington, I would like to associate myself with the remarks made by the chairman of the subcommittee, the Senator from Nevada (Mr. CANNON).

A similar bill did pass the Senate last year. We had held hearings prior to action by the Senate. This year the Committee on Armed Services had joint hearings with the Committee on Interior and Insular Affairs.

This matter has been rather fully considered, and I believe it is a good bill. I believe it should be passed.

The amendment by the Senator from Washington apparently would make oil more readily available than when it is in the ground in its natural state, by it being put in salt domes. But my main concern is that we pass the bill that came from the Armed Services Committee. I have no objection to the Senator's amendment, but it is something that the Committee on Interior and Insular Affairs has considered, apparently a method by which we can more readily use these reserves, as may be necessary, or as a source for any contingency that might arise.

Mr. CANNON. Mr. President, I, too, am in accord with this amendment. The amendment is the bill, as the Senator has stated, that was passed unanimously in the Senate. I think with the new provisions of S. 677, together with those of S. 1273, it will permit us to work out a workable plan for the use of the naval petroleum reserves, and in conjunction therewith to benefit the strategic reserve, which everyone desires. So I am willing to accept the amendment.

Mr. FANNIN. Mr. President, I concur in the statement of the distinguished Senator from Virginia and in complimenting the chairman of the subcommittee, Senator CANNON, and the chairman of the Committee on Interior and Insular Affairs, Senator JACKSON, for working out this procedure, which I think will solve a problem that could be rather serious.

We are all seeking the same objective, and that is to have this great reserve of petroleum products made available when needed and to be handled on a basis that is for the best interests of this Nation.

The Senator from Virginia mentioned the storage that is planned and programed—we can carry it through properly—to have vast storage, in excess of a billion barrels of oil, in salt caverns.

This will be a very beneficial program, if it works, and we can see the advantage of having a large quantity of oil available. I am not saying that this particular legislation covers that in the details that need to be covered, because this is something that we must provide in the future if we are going to give this Nation not only the oil reserves for any immediate need, from the standpoint of the defense of our Nation, but also from the standpoint of what might happen if the OPEC countries did decide to have another boycott. This is essential if we are going to be on the safe side of carrying through for any period of time that might be involved.

So, Mr. President, I am very pleased to support the activity that is now going forward.

The PRESIDING OFFICER. Is all time on the amendment yielded back?

Mr. JACKSON. I yield back the remainder of my time.

Mr. CANNON. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CANNON and Mr. WILLIAM L. SCOTT moved to lay the motion on the table.

The motion to lay on the table was agreed to.

Mr. KENNEDY. Mr. President, I express to the Senator from Washington my appreciation for his work in assuring New England the strategic reserve for petroleum products that we need adoption of this amendment, which essentially is the bill, S. 677, passed a week ago, will speed final legislative action. And I want to commend the manager of this bill, the Senator from Nevada, for accepting this amendment.

The Interior Committee originally adopted a separate residual fuel oil reserve to S. 677 and my amendment to establish a home heating oil reserve was adopted on the floor during the Senate consideration of S. 677.

I want to thank the committee and the managers for including the technical amendment I suggested to specify that my amendment was concerned solely with home heating oil; that is, No. 2 and No. 4 fuel oil and, of such importance to Maine, kerosene, used as home heating oil.

Thus, it will require strategic reserves of these fuels which are so vital to the security of our citizens.

Mr. GRAVEL. Mr. President, I should like to make a few remarks on the bill that is before the Senate.

The PRESIDING OFFICER. Who yields time?

Mr. GRAVEL. A parliamentary inquiry, Mr. President. Is anybody in the Chamber who is opposed to the bill? Is the time controlled by proponents and opponents, or is it controlled by proponents? How is that handled?

The PRESIDING OFFICER. The time is controlled by the Senator from Nevada and the Senator from Arizona.

Mr. GRAVEL. Mr. President, will the Senator yield?

Mr. WILLIAM L. SCOTT. If the Chair might wish to reconsider, this matter comes from the Committee on Armed Services, and I believe the time on this side is controlled by the Senator from Virginia.

The PRESIDING OFFICER. The time on that side is controlled by the Senator from Virginia.

Mr. GRAVEL. Under the rules of debate in this body, the time should be divided between the proponents and the opponents. Is the Senator from Virginia an opponent?

The PRESIDING OFFICER. The Chair asks who yields time.

Mr. GRAVEL. I am making a parliamentary inquiry.

Is it correct that the time is controlled——

The PRESIDING OFFICER. Time must be yielded.

Mr. CANNON. Mr. President, I yield 2 minutes to the Senator for a parliamentary inquiry.

I point out to the Senator that he can offer an amendment.

The PRESIDING OFFICER. Two minutes have been yielded to the Senator from Alaska.

Mr. GRAVEL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GRAVEL. Is the time to be divided between proponents and opponents, or is it to be controlled by proponents in order to shut out debate from opponents?

The PRESIDING OFFICER. It is divided in accordance with the unanimous-consent agreement.

Mr. GRAVEL. And the unanimous-consent agreement stated what?

The PRESIDING OFFICER. The unanimous-consent agreement divides the time between the Senator from Nevada (Mr. CANNON) and the Senator from South Carolina (Mr. THURMOND). The time is now being controlled by the distinguished Senator from Nevada (Mr. CANNON) and the Senator from Virginia (Mr. WILLIAM L. SCOTT).

Mr. WILLIAM L. SCOTT. Mr. President, I have no desire for any extended time, and I will be glad to yield any reasonable amount of time to the distinguished Senator from Alaska.

How much time does the Senator desire?

Mr. GRAVEL. Fifteen minutes, to start with.

Mr. WILLIAM L. SCOTT. I am glad to yield 15 minutes to the distinguished Senator.

The PRESIDING OFFICER. The Senator from Alaska is yielded 15 minutes.

Mr. GRAVEL. I thank the Senator from Virginia.

Mr. President, I should like to discuss, in general, the concept of the bill before the Senate.

I agree with the amendment of the Senator from Washington. I think it will go a long way to ameliorate the quality of the legislation we have before us.

I should like to define the nature of the amendment that I will be offering, for the benefit of the Senator from Nevada and his staff, so that they can begin to cogitate on its ramifications and possibly effect a compromise. I will only be attempting to amend section 2, the part dealing with reserve No. 4. The amendment will take the language that was passed in H.R. 49, which required a study with respect to the uses of the land in the petroleum reserve, 23 million acres, and expand that to also require a study of the socioeconomic impact that would be experienced by this area of Alaska as a result of the exploration and possible development that might take place. It would restrict the decision on development to a decision made by Congress, which is similar to the Melcher bill which passed the House.

The next aspect of my amendment would be to transfer jurisdiction of petroleum reserve No. 4 to the Interior Department from the Department of Defense, for the very simple reason that it is recognized by the Committee on Armed Services that this eventually would have to be done. Since it would have to be done eventually, we might as well get it done.

The other aspect of the amendment would be to accelerate the present exploration that is going on. It is a 7-year program, 2 years of which have expired, with 5 years left to run. There is no reason why we should dillydally with this kind of program, when it can be accomplished in essentially 1 year by the private sector. However, realizing that we have to contend with incompetence and bureaucracy that is involved by the Navy handling it, I would give them three times what it would take the private sector to do it, and that would give them 3 years.

Also, the amendment would ask that the product of this exploration activity be skewed toward development of information on natural gas, so that Congress could be apprised by about June 1 of next year as to what the potential is for natural gas within the petroleum reserve. This would have a bearing if Congress were involved in any decisionmaking on the alternative sources of transporting natural gas from the North Slope of Alaska to the south 48.

My amendment applies strictly to the Alaskan situation. It does not touch the Elk Hills situation. I will leave that to other Senators whose States may be impacted.

Speaking to the whole national issue, this legislation, unfortunately, perpetuates a policy which has operated against the best interests of the American people. I am thunderstruck when I read the report. It states that the naval petroleum reserves are not going to solve the energy crisis. I will buy that. Transferring or doing something with the Naval petroleum reserves will not solve the energy crisis. But it would have a significant impact on the economic situation the American people are experiencing as a result of this unfortunate, foolhardy policy, and the perpetuation of this policy.

I think the fallacy of this policy can best be seen by what took place during the Arab embargo. The committee has reported this out, indicating that it would have some benefit on future embargoes.

When we were faced with the Arab embargo, the armed services of this country, which were powered by conventional fuel around the world, were essentially brought to almost a standstill; in fact, they could have been brought to a standstill in several short days, because we had no strategic storage abroad. So, therefore, our fleets in the Mediterranean and far Pacific were depending upon direct shipments of oil from the Arab countries. Consequently, when the embargo went into effect, those fleets and that military capability were essentially paralyzed.

What contingency plan did our Navy planners have in that eventuality?

I was at a breakfast with Secretary Schlesinger. I brought up the matter. It was most embarrassing to find out that the Navy, that plans for all contingencies, had no contingency plan; in fact, it was a very big secret, and everyone tried to cover it up, but essentially we were prostrate before the naked economic power of the Arab community.

What does the Navy do to attempt to correct that situation? Absolutely nothing. They come here with a report that states, rather than just preserve the oil for the Navy, now we preserve it for all the armed services.

The oil from Elk Hills is not going to go for the American people. It is going to go, potentially, for the armed services of this country. The oil from petroleum reserve No. 4 in Alaska is not to go for the benefit of the American people. We are going to continue to be shackled by a policy that hoards this oil for the armed services.

Is it not interesting that, when we had the Arab boycott, the first thing the President did was take up the War Productions Act and say that the armed services of the United States would have first call on all gasoline, all diesel, all oil products of the United States. The armed services would have first call on these products before any civilian needs were satisfied.

So, we had one big barrel of oil available to the American constituency, and when the emergency occurred, the armed services took right off the top whatever they needed. I think that is as it should be for the very simple reason that defense is a top priority.

But what I cannot understand is the continued policy of hoarding. We know in an emergency we can take from the top, but I cannot understand the continued policy of hoarding from this total supply of oil that we all have as a nation, hoarding from that capacity to place these reserves exclusively in the hands of the armed services.

By this hoarding two things occur:

First, the armed services do not have the reserves ready to use and never will. They will not be able to take oil from Elk Hills to the Mediterranean in time of a crisis. It just will not happen. So it really is the continuation of this old policy of hoarding.

Second, the amount hoarded is unconscionable. We take the amount of oil that we expect within these reserves, some where on the order of 20 to 50 billions of barrels. We compute that out as to what we were using at peak levels of consumption during the Second World War. We find out that the Committee on Armed Services is party to a conspiracy with the Navy to hoard from the American people a quantity of oil that would permit supplies to the armed services of this country to go for a 30- to 40-year war.

Let me submit, Mr. President, if we are going to have a 30- or 40-year war, a lot of other things in our society will break down before the energy supply capability of the armed services of this country.

So I think it is tragic that here we have a department of government that deals with energy, the Department of the Interior, which is denied management of these reserves. Because of the worst aspects of Parkinson's law, and the greater realization of the Peter principle, we see the Committees on Armed Services, handmaidens to the military bureaucracy, wanting to hang onto these energy reserves.

Senators will recall during the boycott there were many charges made that, oh, the oil companies were hoarding oil from the American people; therefore, we should prosecute them and take them to justice.

Lo and behold, there has been no oil company that has been found to have hoarded oil from the American people.

But there has been a group that has hoarded oil from the American people and that has been the Congress of the United States in concert with the Department of Defense. What we have hoarded from the American people was the billion-plus quantity of oil that existed right in California. Right in one of the major consumption markets of this country, we have over a billion barrels of oil and we have some gas. Does one think we have the good sense to make that available to the people of California? Heck no.

We would rather have them buy Arab oil at $14 a barrel. It is just that simple. It is nothing more complicated than that.

This piece of legislation is not going to get one drop of oil to the people of California. Heaven sakes no.

This piece of legislation is not going to get one drop of oil from the Petroleum Reserve No. 4 in Alaska to the American people. Heck no.

I often wonder why the Navy not only wants to control the oil, but also the gas. I address a question to the managers of this bill:

Do we have any naval vessels that are propelled by natural gas? If we do not, then why do we insist on keeping control of the natural gas?

It took 10 years to get from the clutches of the Navy what little amount of gas that is sold to the poor people in Barrow, Alaska. It took 10 years. These people used to fly in diesel fuel and gasoline from the South 48 of the United States, fly it over 5,000 miles to Barrow, Alaska, where they are sitting on natural gas, and then sell that to them at three and four times what it cost people down here to buy this gasoline and oil. That is what we did for the people of Barrow.

It took 10 years of fighting Congress by one of my predecessors, E. L. "Bob" Bartlett, to get that natural gas for the people of Barrow.

We witness the great beneficence of this Federal Government, this Federal Government that when one looks throughout this Nation one sees who is paying the highest rate in the Nation for natural gas today. Under the control of the Federal Power Commission, the highest is 50 cents and the average is 29 cents across the country. Guess what our poor natives in Barrow, Alaska, are paying under the great beneficence and paternal guidance of the Federal Government, exercised by the Department of the Navy? They are paying 77 cents per M ft.^{3}, 27 cents more than any other American citizen is paying under control of the Federal Power Commission, and over twice what the average American citizen is paying by Government fiat.

This is what comes from having a department of the Government that knows nothing about energy. It is only concerned with its own bureaucracy, handling the subject.

That is only part of the problem. There is still more to come.

Maybe the managers of this bill could tell me what naval vessels, tanks, and airplanes we propel with coal, because, of course, we have one of the largest coal reserves in the world, the Petroleum Reserve No. 4.

There is nothing being done with that coal. One cannot do anything with that coal because it is in the control of the Navy.

So, I just wonder why, when Congress is going to be spending billions of dollars to get this country moving on the use of coal, we sit back here blithely and let the Navy control one of the major and best coal reserves existing on the North American Continent, or, as a matter of fact, in the Western Hemisphere.

The PRESIDING OFFICER. The Senator's 15 minutes have expired.

Mr. GRAVEL. Mr. President, I ask the manager of this bill, the proponents and opponents, whoever is controlling all this time that I find so difficult to get a hold of, to respond to some of these questions. If I could get some time by doing so, I will start putting in a bunch of amendments—if that is what we want to operate.

If there is no one else going to oppose this legislation, I hope I could have the full hour.

I pose that question to the manager of the bill.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. WILLIAM L. SCOTT. Mr. President, I yield to the Senator from South Carolina.

Mr. THURMOND. Mr. President, I rise in support of S. 2173, a bill to amend chapter 6410, title 10, United States Code, relating to naval petroleum reserves. The purpose of this bill is to provide for the full exploration and development of the naval petroleum reserves and to permit limited production. This will better assure that these naval petroleum reserves are up to a state of readiness where they could produce at capacity in time of national emergency.

Mr. President, two of the unique features of the bill are the allowance of limited production to fill a strategic reserve, if the President feels that is necessary, and the defraying of the cost of exploration and development of the naval petroleum reserves by allowing the sale of part of the production. This last feature will relieve the taxpayer from having to bear the cost of this increased exploration and development and I believe it is a very desirable feature of the bill.

The naval petroleum reserves that are affected by the bill are No. 1, Elk Hills, Kern County, Calif., where there are 1.1 billion barrels in proven petroleum reserves; and No. 3, Teapot Dome, Wyo., with an estimated 42.5 million barrels. In addition, the bill directs a study of Naval Petroleum Reserve No. 4, located on the northern slope of Alaska, to determine the best method of developing, producing, and transporting oil from this Alaska reserve. The committee felt exploration and development of NPR No. 4 should not be authorized in this particular legislation because it is, for the most part, unexplored and almost completely undeveloped. This reserve is estimated to contain 10 to 33 billion barrels of petroleum, although only 100 million barrels have been proven. Therefore, the committee felt a study, which must be completed 180 days after this legislation is signed into law, would give the Congress a much better feel on how to proceed with this particular NPR.

Mr. President, there are some other factors that are pertinent in the bill that I would like to bring to the attention of my colleagues. The committee was concerned that, during the exploration and development of the NPR's, the reserves should not be excessively depleted. To that end, the bill requires that production not be allowed to exceed the maximum efficient rate or 350,000 barrels per day, whichever is less. Further, it was determined that the production should be limited to 5 years, at which time Congress can reassess whether additional legislation might be required for the naval petroleum reserves, and that the Elk Hills reserve production will be contingent upon agreement with Standard Oil of California that protects public interest, since Standard Oil owns approximately 20 percent of the Elk Hills field. Finally, authority is given to the President that oil produced under the provisions of this act be placed in a strategic reserve "as authorized by law." The intent of this provision is to permit the most economical development of a strategic reserve.

Mr. President, in conclusion, the primary purpose of this bill is not to attempt to alleviate any current shortage of domestic oil. The limited production that will come from the naval petroleum reserves will not solve that problem, even if the reserves were produced at capacity. Rather, the main purpose of the bill is to assure the continued readiness and, at the same time, the protection of this national resource. The fact, as our report points out, that some additional domestic oil will come into the economy is an added bonus.

I urge my colleagues to support the bill as reported.

Mr. GRAVEL. Will the Senator yield for a question?

Mr. THURMOND. Mr. President, I have an engagement in a committee. Perhaps the Senator from Virginia can answer the question. If not, I shall be back in a little bit.

Mr. WILLIAM L. SCOTT. Mr. President, how much time remains on the bill?

The PRESIDING OFFICER. The Senator from Nevada has 34 minutes; the Senator from Virginia has 33 minutes.

Who yields time?

AMENDMENT NO. 830

Mr. BARTLETT. Mr. President, I call up my amendment No. 830 and ask that it be read.

The legislative clerk read as follows:

On page 9, beginning on line 12 through line 19, strike all of section 2, and insert in lieu thereof the following:

SEC. 2. The Administrator of the Federal Energy Administration shall, in cooperation and consultation with the Secretary of the Navy and the Secretary of the Interior, develop and submit to the Congress within 180 days after the date of enactment of this legislation a written report recommending procedures for the exploration, development, and production of Naval Petroleum Reserve Numbered 4. The report will include, but not be limited to, analyses of arrangements that will provide for (1) participation by private industry and private capital, and (2) leasing to private industry. The Secretary of the Navy and the Secretary of the Interior will cooperate fully with the Administrator and each other, and the Secretary of the Navy shall provide to the Administrator and Secretary of the Interior all relevant data on Naval Petroleum Reserve Numbered 4 which is requested in order to assist the Administrator with preparation of his report and in order to assist the Secretary of the Interior in fulfilling his responsibilities under this section.

Mr. BARTLETT. Mr. President, the Senate earlier today, on this bill, adopted the amendment by the Senator from the State of Washington (Mr. JACKSON). It provides, on page 15 of the amendment, for a naval petroleum reserve study to be undertaken by the Administrator of the Federal Energy Administration.

S. 2173, on page 9, provides for a study by the Secretary of the Navy and, in the report language, it requires him to consult with the Federal Energy Administration as well as the Department of the Interior. My amendment No. 830 requires the Administrator of the Federal Energy Administration, in cooperation and consultation with the Secretary of the Navy and the Department of the Interior, to submit to Congress, within 6 months or 180 days after the enactment of this legislation, a written report recommending procedures for the exploration, development, and production of the Naval Petroleum Reserve No. 4. Then this study would include analyses of arrangements that would provide for participation by private industry and private capital and leasing to private industry.

The purpose of my amendment is to insure that Congress will have a relatively unbiased report on the various alternatives for exploring, developing, and producing the Naval Petroleum Reserves No. 4, before it makes a final decision on this matter. The existing language in section 2 of this bill limits us in this regard in that it provides that only the Secretary of the Navy is to report back to Congress within 180 days on his proposal for development and production of Pet) 4. It further states that he is to consider arrangements that will "provide an incentive for private capital."

In my opinion, the present language will, in essence, cement in concrete the existing situation with the Navy as operator which, in turn, subcontracts to private industry for the supervision of only the mechanical operations. It will preclude any real consideration of other alternate methods of exploration, development, and production of Pet 4 such as leasing to private industry. In my opinion, the report of the Secretary of the Navy will be deficient in this regard and cannot be, because of the statutory language of section 2, a thorough discussion of the various alternatives available to the Congress.

My amendment does not mandate a change in jurisdiction from the Secretary of the Navy to the Interior Department or to any other Federal agency. It does insure that, before a final decision is made, Congress will have the advantage of an unbiased report on how to proceed with Pet 4. This report will be a joint effort of the Navy, the Interior Department, and the FEA as lead agency.

Both the Navy and the Interior Department have vested interests in this matter. With the FEA leading the study, it should be possible to insure greater objectivity in its preparation and yet receive the valuable contributions of the departments which are most familiar with Pet 4 and Federal oil and gas leasing policy.

In addition, my amendment would be consistent with recently passed S. 677, the strategic reserves bill, which contains a similar role for the FEA in reporting to Congress on Naval Petroleum Reserve No. 4.

I believe there are several compelling reasons why the Navy's jurisdiction and method of operation of Pet 4 should be questioned. One, Naval Petroleum Reserve No. 4 encompasses a tremendous area, approximately 37,000 square miles. It contains a potential of up to 33 billion barrels of recoverable reserves. I am firmly convinced that the best interests of the people of the United States would be served if any oil which might be found in the Pet 4 area is made available for domestic consumption as quickly as possible. A more thorough and rapid exploration of the 37,000-square-mile area can take place if a number of firms are permitted to evaluate their own exploratory ideas on smaller portions of the reserve. The leasing procedures on the Outer Continental Shelf, which have been handled for many years by the Interior Department, have yielded excellent results for those areas leased. Although the Navy does contract to private industry for the mechanical operations, the Navy still makes all the decisions as to where to drill, how deep to drill, where to center seismic activity, and so forth. In other words, the Navy has the managerial responsibility of the operations.

Under a plan in which tracts in Pet 4 would be leased to private industry, the private companies would not only have operational responsibility but also managerial responsibility. This is important because it encourages efficiency and reduces cost. Similarly, if the capital is supplied by private industry, general purpose Federal revenues would not be utilized for what has, in the past, been a private function. All the people of the United States would be paying the costs of operation, where as it should be paid only by those who use petroleum. I also believe that existing leasing procedures adequately protect the interests of the people of the United States.

Furthermore, the chances of finding significant quantities of hydrocarbons is enhanced if many firms with their own exploratory concepts have the opportunity to test their ideas. Restricting the number of ideas tested lowers the chances of finding oil. Thirty-seven thousand square miles is a tremendous area for one organization to have managerial and conceptual responsibility for exploring. I would be as opposed to leasing the entire area to one private firm as I am to allowing one Federal bureaucracy the sole responsibility of where to explore and drill.

Keep in mind that the chances of finding another field the size of Prudhoe Bay are extremely slim. If there are 33 billion barrels of recoverable reserves underlying Pet. 4, it is much more likely these will be found in a number of smaller fields. If this is the case, a tremendous number of exploratory wells will have to be drilled to locate them. Having only one organization responsible for contracting and decisionmaking would only dilute the effort and reduce our chances of finding the oil our country so desperately needs.

Second, I do not believe that Pet 4 is logistically situated so that it can be realistically considered a strategic reserve for either the Navy or the Armed Forces in time of war. It is too remote and the supply lines too long, regardless of whether the oil is to be transported by sea or by pipeline, for it to be adequately protected.

Thus, the only real value for the oil in Pet 4 is for the current consumption and benefit of the people of the United States. The quicker the oil under Pet 4 is brought to market, the quicker will our economy prosper. By so doing, we will reduce vulnerability to future supply cutoff, improve our balance of payments, and lower domestic inflation. I do not believe such an economic function should lie within the Department of Defense; it should be handled by private industry.

Third, the Navy has not demonstrated tremendous expertise and competence at exploring for and producing oil and gas. There is, first of all, no reason to give them this experience by allowing them to experiment with a project which has the scope and potential importance of exploring and producing Pet 4. Second, to entrust this function to an organization without the experience and competence is, in my opinion, taking an unnecessary gamble with the lives and futures of the people of the United States. The Navy should rightfully serve the function of protecting the people of the United States from aggression on the high seas, but it should not directly explore for and produce oil and gas.

Mr. President, we all recognize that the House of Representatives has already passed a bill transferring jurisdiction for all the naval petroleum reserves to the Department of the Interior. I shall not begin to speculate as to how this jurisdictional problem can be rectified. In fact, I have little quarrel with continued operation by the Navy of Petroleum Reserves Nos. 1, 2, and 3, because most of this oil has already been found; the Navy has already well developed plans for producing it; and most of the oil is earmarked for inclusion in a national strategic reserves storage program. I do, however, question whether continued operation of Pet 4 by the Navy is advisable. It is possible that responsibility for this area should more properly rest in the Department of the Interior, which has had many years of experience with leasing potential oil and gas acreage to the private sector.

I emphasize that my amendment does not address the jurisdictional problem for Pet 4 but merely insures that Congress is not deprived of analyses of alternate approaches which might not be fully investigated by the Secretary of the Navy. Thus, at the time a final decision is to be made, Congress will not be limited to one approach just because we now restrict the scope of the investigation.

I believe that this amendment is consistent with other provisions and the other study that we just recently adopted as part of the Jackson amendment. I believe that it will insure that this body will have available to it the pertinent information that it should have in order to make a sound judgment as to what the ultimate jurisdiction over the Petroleum Reserve No. 4 would be.

Mr. President, I understand from the manager of the bill that this amendment is acceptable.

Mr. CANNON. Mr. President, I yield myself such time as I may need.

This amendment is substantially the same as the bill and the supplement of the report, except that, in the bill, we provide that the Secretary of the Navy shall develop and submit to Congress the written proposal for its ultimate production. This amendment provides that the Administrator of FEA also do this. We do require in the report consultation and that is written into the law, requiring the Secretary of the Navy and the Secretary of the Interior to cooperate fully with the Administrator and with each other and to provide the relevant data. I think it is good. These three agencies are all agencies of the executive branch. I think that perhaps the Administrator of the FEA might have a little stronger access to the ear of the administration on this particular subject. I am willing to accept the amendment, Mr. President.

Mr. WILLIAM L. SCOTT. Mr. President, I, too, am willing to accept the amendment. There are large reserves in Alaska. With regard to reserve No. 4, we do not know just how much oil is in it; 10 to 33 billion barrels has been estimated. I think it would be well to have the Energy Office give us a report in 180 days.

Mr. STEVENS. Mr. President, will the Senator yield? Is there a time limit on this amendment?

The PRESIDING OFFICER. There is a time limit of 1 hour.

Mr. STEVENS. Mr. President, will the Senator from Nevada yield me some time for comment?

Mr. CANNON. Certainly. How much?

Mr. STEVENS. Five minutes.

Mr. CANNON. I yield 5 minutes.

The PRESIDING OFFICER. The Senator from Alaska is recognized for 5 minutes.

Mr. STEVENS. Mr. President, I do not have any objection to the amendment of the Senator from Oklahoma, but I do think it is time for someone to warn not only this body but the rest of the country of the fact that Naval Petroleum Reserve No. 4 is not a panacea for the Nation's energy problems.

It is an area that is equally as hostile as that of the Prudhoe Bay area. It is a vast reserve of 25 million acres, and it is a reserve that once we have proved the existence of the petroleum that is capable of being recovered there—and I have every confidence that we will prove that there are substantial deposits of petroleum there—additional transportation mechanisms will have to be devised; possibly, a pipeline down the west side of Alaska, at least a series of connecting pipelines to utilize the existing route of the Trans-Alaska Pipeline, and that would mean looping the existing oil pipeline.

All of this means that we are dealing in time frames that really call—and I will not object to the terms of the amendment—but really call for more than 180 days to study this reserve and to determine what is the proper way to handle it.

In addition to that, our State right now is rocking to try to recover from the onslaught of the largest single project ever constructed by private enterprise in the history of man.

I supported that project before the Senate. I still support that project, but I do think there is a limit to which we can go to try to develop an area such as ours, and that limit would be the pace at which we can really survive in terms of the economy that is not related to the pipeline or oil and gas development, and also the impact on the whole State from the point of view of its future as a renewable resources producer.

Again I say I am not going to object to the Senator from Oklahoma's amendment, but I do hope if the people involved and who have the responsibility in FEA and the Secretary of Navy and Secretary of Interior come back to the Senate and to Congress and state that 180 days are too short a time, that we will understand, 25 million acres is probably the size of the whole New England area down to and including Ohio and Pennsylvania, and to try to make a study and make recommendations to Congress as to the procedures for the development of that area consistent with its value and, particularly, its wildlife values, I think may be rushing the whole proposition.

But I am not going to oppose the amendment because I think we are going in the right direction, and that is getting everybody involved to study the problem and give Congress some recommendations.

But I do hope we are prepared for the fact that it is going to take time to develop the Naval Petroleum Reserve No. 4 and it is going to take time to work out the relationship so that there is, in fact, a proper role for private enterprise in the development of those great reserves in the Naval Petroleum Reserve.

I thank the Senator from Nevada for yielding his time.

Mr. CANNON. First, may I say to the Senator, I completely agree with him that the naval petroleum reserves are not going to be a panacea for all of our energy problems, and I pointed that out in my speech, although one of our colleagues later seemed to indicate that he thought perhaps it was going to be a panacea for all of it, which I do not agree with.

Further, and with respect to the 180-day period, in the bill originally we had considered a 1-year period, and in committee, as a result of the hearings, we determined that because of the urgency of the problem, of trying to get a report back, we would shorten that to 180 days.

I am sure if the agencies are working diligently at the job and come back to Congress and say, "We just simply cannot get the report to you within that period of time," I would expect and hope certainly that Congress will provide additional time.

But I think this is going to hold their feet to the fire, the feet of all three, the Department of Interior, the Department of the Navy, and the Administrator of FEA, and this will certainly hold their feet to the fire.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. CANNON. Yes.

Mr. STEVENS. I think it may hold their feet to the ice unless 180 days start at the right time. We have about a three-and-a-half-month season in that reserve when you can really be on the ground, otherwise you are going to be on the ice, and I am sure the Senator knows the difference in taking seismic measurements when you have an ice cover and when you do not.

Mr. CANNON. I certainly recognize that much of this work has got to be done when the ground is not frozen over to be meaningful, so it does impose a limitation.

Now, the Administrator of FEA, in his letter—and I think the letter is in the report—indicated that they would prefer authorization of NPR production now and removal of any time limit on 1, 2, or 3. We wanted to hold a control on this, so we just said 5 years on 1, 2, and 3, and we said we are not going to order production of NPR 4 until they come back to us with a meaningful plan and let Congress approve the plan at that time, and go ahead and order production instead of just saying this time, "Well, you can go right ahead," without knowing what that plan is going to be.

So I think the Senator's and my views are closely together, and I am willing to accept the amendment of the Senator from Oklahoma.

Mr. BARTLETT. Mr. President, I would like to comment briefly on the remarks of the Senator from Alaska, and I certainly agree with him that Pet 4 is not a panacea to the problems of energy shortage in this country. But it is because of that that I think the 6-month time limit for the study is very important. Obviously, there are parts of this study that need to be carried on with additional time, and that would be accomplished and could be accommodated, but I do think it is important that we recognize there could be some decisions made by Congress based on recommendations of this study to decide what role private industry would play, to decide what role the leasing to private industry could accomplish and could play, and there could be a movement made of leasing in this area if this was the will of Congress, and if this was decided in this study and Congress acted in this direction.

So I think there can be a lot accomplished in the 6-month period to give Congress a chance to look at some of the options it has. Obviously, in a vast area as Pet 4 it cannot be thoroughly evaluated, and that would not be the intent of the study. There would need to be studies continuing in the future.

I am prepared to——

Mr. GRAVEL. Mr. President, will the Senator yield?

I certainly am in accord with the Senator's desires on this. I just want to add my voice that the intent is very sound. Certainly this is the aspect of it to explore—how we can involve the private sector—because I think if we do not, we are going to continue with the idiotic programs that we have.

I am sure my colleague is aware that in Pet 4 we have a 5-year contract that has just been signed by the Navy, and if they were to back away appreciably from this contract there would be considerable and severe penalties. So really what we are after is what is going to happen after the exploration is finished.

I will be offering an amendment that will take that 5-year contract and compress it down to 3 years, which is very easy to do. The only reason we are talking 5 years is because of the dilly-dallying of the Navy. But I would compress that down to 3 years, and then support the measure the House passed overwhelmingly—a study with respect to what the Senator is talking about. And I would expand it, and I would hope the Senator would join me in expanding it, to cover the private sector, and also to make a study of the potential of what the wildlife is, or what should be done in regard to it. Really, the Navy has gone in there and begun it without consideration of anything else.

So we are talking about 23 million acres. We should have the good sense to study the totality of it.

The question I am really addressing to my colleague is that in view of the fact that there is a contract and, really, nothing can be done until that contract of exploration has been accomplished, would it not be better to join forces and tie in and develop a study that will do the whole job and tie this study to the ending of exploration so that when the exploration is furnished we will have all the information as to the oil and gas that is there, and then we would be privy to a study on the uses, wildlife, what the environmental risks. And then the Congress could make the decision 3 years hence, go or no go.

The only change I would have in this would be to ask the Navy, or whomever, Interior I would hope would control it, to skew their research this first year toward gas, so that by June 1 of next year we could have a report on the potential of natural gas within the Petroleum Reserve No. 4. This would be very valuable if Congress were to get involved with bringing natural gas down from the north shore of Alaska, either via Canada or Alaska. Some good data this coming year might show that there is enough for both lines, and we might not have to trouble ourselves about it.

So I think this is commendable. I do not know what it will provide in a short view to us in Congress to do anything, since we are locked into this exploration contract. And I do not know anything I want done other than to accelerate the contract since we have already decided to do it that way.

It is on a cost plus basis. We could have done the same thing with the private sector, with them putting up money, letting them find out what is there, and letting the companies who had spent this money have upset rights on a bidding procedure. They would have been happy to spend the money for that advantage.

That is the question I pose, should we not perhaps join forces in this joint study and set a time limit that would serve some purpose, to give us the power to make a final decision?

Mr. BARTLETT. I ask my friend from Alaska if the amendment he is talking about would capsule the 5 years into 3 years, telescope that?

Mr. GRAVEL. Yes, it would.

Mr. BARTLETT. Is that related to this bill or is that related to a bill in the Commerce Department?

Mr. GRAVEL. No, that would be in this bill.

I would not touch the other part of this bill, only section II.

My amendment would transfer Pet 4 to the Interior Department, which, incidentally, the report from the Armed Services Committee suggests is going to be a reality. They make the statement that this is far beyond their capacity in money and in expertise.

Second, my amendment would bring about this study which really would incorporate features of this study. I will give the Senator a copy of the amendment to make sure he is satisfied on the private sector, because I share this view very strongly, and I want to make sure we have the Senator examine the private sector provisions to be satisfied.

The other element would be to accelerate 5 years to 3 years, and also accelerate the exploration for natural gas, and ask for a specific report on natural gas by June 1 next year. The language would state that they should skew their drilling of holes, or their exploration, for the first 9 months, or almost a year period, toward natural gas, so they can get us a report back on the geology and potential of natural gas by June 1 next year.

That would be the intent of my amendment.

Mr. BARTLETT. To respond to my friend from Alaska, I have not read his amendment, but I certainly will do that and will consider it very seriously.

I would like to proceed with the adoption of this amendment.

I know that we share the appreciation of the success of the private sector in developing oil and gas reserves all over the world for the benefit of this country by American companies. I also share the concern that the Senator from Alaska has about the wildlife in the area of Pet 4.

I also share the concern that he has over the urgency of natural gas which is going to be quite a blow to a number of people, particularly in the East and the Northeast, this coming winter when they find that the supplies they have relied on for a long time are no longer there and that they are going to be short for gas for many purposes and particularly for employment in various kinds of manufacture.

So I would like to review the Senator's amendment, which I will do it right away.

Mr. GRAVEL. I would be very happy, and I pose no objection to the Senator's amendment.

Mr. STEVENS. Will the Senator yield to me?

Mr. BARTLETT. Yes, I yield to the Senator from Alaska.

Mr. STEVENS. There is no mention in the Senator's amendment of the great interest of the North Slope Native people who now will be getting title to a substantial amount of land which is, mainly, outside the Naval Petroleum Reserve No. 4.

I do not intend to offer an amendment at this time since this is a report to the Congress that we will consider, but I do want the Senate to know that at the time we do consider the ultimate disposition, or at least the framework for the disposition of oil and gas resources of Naval Petroleum Reserve No. 4, I think it is going to be incumbent upon us to request and get the views of the great Eskimo organization that does operate out of Barrow and is now acquiring substantial expertise in the area of oil and gas development.

I think that this should be because they will have land rights within the Naval Petroleum Reserve No. 4 and they certainly, I believe, will have the expertise at that time to be part of the developing companies in terms of being able to conduct the exploratory work and, actually, the production from Naval Petroleum Reserve No. 4.

So I hope we all recognize that that study that the bill contemplates and that this amendment of the Senator from Oklahoma now deals with is just the preliminary phase in setting forth the framework for the development of Naval Petroleum Reserve No. 4.

I thank the Senator.

Mr. BARTLETT. Mr. President, I appreciate learning the views of the distinguished Senator from Alaska.

I would advise the distinguished manager of the bill that I am prepared to yield back my time.

Mr. GRAVEL. Before that, to just expand on the point in the amendment, speaking to the senior Senator from Alaska, taking the language passed by the House overwhelmingly, we do set up a task force that would involve the Natives of the North Slope in this 3-year study that would be reported to Congress—so we have the people in that local area.

Mr. BARTLETT. Mr. President, I am prepared to yield back the remainder of my time.

Mr. CANNON. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time

is yielded back. The question is on the amendment of the Senator from Oklahoma.

The amendment was agreed to.

Mr. CRANSTON. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 4, line 20, immediately before the period, insert a colon and the following: "*Provided*, That, if such agreement is not reached within ninety days, the Secretary of the Navy is authorized and directed to exercise the authority for condemnation conferred by section 7425 of this title".

Mr. CRANSTON. Mr. President, I have discussed this amendment with the floor manager. I deeply appreciate his cooperation in regard to it. I understand that he is in support of the amendment.

My amendment would add language at the end of the provision in the bill which conditions the authorization for production from the Elk Hills Reserve—Naval Reserve No. 1—upon an agreement between the Navy and the private owner within the reserve to operate the reserve under a unit contract which protects the public interest. My amendment would add a proviso which would require that if an agreement were not reached within 90 days the Navy would be authorized to exercise its authority for condemnation conferred by section 7425 of title 10 of the United States Code.

In essence, this is a precautionary amendment. As the language of the bill is now drafted, it would be possible for the private owner—Standard Oil Co. of California—to refuse to reach agreement satisfactory to the Navy. Such refusal would in effect be a power of veto over production from the Elk Hills Reserve. I have no reason to believe that the private owner would have any reason to prevent production from the reserve. Nevertheless, we have all come down a long and tortuous legislative road trying to get this production authorized. I believe that the legislation should remove this potential power of veto by providing the Secretary of the Navy with an appropriate recourse in the event that the private owner and the Navy are not in agreement.

That is the purpose of the amendment.

Mr. CANNON. Mr. President, I yield myself 1 minute.

Mr. President, I have discussed the amendment with the Senator and the staff. It is a good amendment. I think it will have a very salutary effect because if they cannot reach an agreement within 90 days, it will certainly not permit the contractor to have a veto simply by failing to agree. It would permit the Government to have the condemnation authority. I support the amendment and I am prepared to yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. CRANSTON. Mr. President, I send another amendment to the desk and ask for its immediate consideration.

The previous amendment was cosponsored by my colleague (Mr. TUNNEY). This amendment is cosponsored by Senator TUNNEY and Senator MCINTYRE.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. CRANSTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following:

SEC. 3. Section 7430 is amended by adding the following new subsections:

"(d) Each proposal for sale or exchange under this title shall provide that the terms of every sale or exchange of oil and gas from the naval petroleum reserves shall be so structured as to give full and equal opportunity for the acquisition of, or exchange for, the oil and gas by all interested companies, including major and independent oil producers and refiners alike and shall be so structured as to include blocks small enough to permit small companies to offer viable bids on the oil tendered.

"(e) Any pipeline which carries oil or gas produced from the naval petroleum reserves shall be operated and maintained as a common carrier and shall accept, convey, and transport without discrimination and at reasonable rates oil and gas produced from naval petroleum reserves. The Secretary of the Navy shall provide in every contract for the sale or exchange of oil or gas produced from such reserves that the contracting party, if owner or operator of a controlling interest in any pipeline or any company operating the pipeline which carries oil or gas produced from the naval petroleum reserves, shall at reasonable rates and without discrimination accept and convey the oil and gas which is produced from the reserves of the Government or of any citizen or company not the owner of any pipeline subject to the provisions of this section. The Secretary of the Navy shall have the power to make rules and regulations for the purpose of carrying out the provisions of this section and shall have the authority to declare forfeit any contract, operating agreement, right-of-way, permit or easement held by any person or entity violating such rules or regulations. This section shall not apply to any natural gas common carrier pipeline operated by any person subject to regulation under the Natural Gas Act or any public utility subject to regulation by a State or municipal regulatory agency having jurisdiction to regulate the rates and charges for the sale of natural gas to consumers within the State or municipality."

Mr. CRANSTON. I have also discussed this amendment with the distinguished Senator from Nevada who is handling the bill, and I believe he also supports this amendment. I thank him very much for his cooperation on this amendment and the previous one.

The amendment would add two new subsections to section 7430 of title 10 of the United States Code. This section sets for the manner in which products from the naval reserves are disposed of. My amendment would provide that any proposal for sale or exchange of oil and gas produced from the naval petroleum reserves shall be structured in a manner which insures the participation of all interested parties, including major and independent producers and refiners alike. It would further specify that the proposals for sale or exchange include blocks that are small enough to allow the smaller companies to offer viable bids on the oil tendered.

Subsection (e) of my amendment would require that any pipeline which carries oil or gas produced from the naval petroleum reserves shall be operated and maintained as a common carrier. The language of my provision is identical to subsection 3(f) of H.R. 49, the House-passed bill.

In California, the basic fact of the pipeline system is that virtually no pipeline is a common carrier. All crude oil pipelines are private systems, primarily owned by the major oil companies. Under existing California law, the majors may legally deny access to any other company if the majors use their pipelines only to ship their own oil and if they refrain from "dedication"—from offering to carry oil from the community at large.

The only way for an independent company to ship its oil is to sell it to the pipeline owner—usually a major—and buy it back at the end of the pipeline at whatever price the pipeline owner is willing to sell.

An investigation of this and other phases of the oil industry in California conducted last year by the Legislature's Joint Committee on the Public Domain concluded that,

> This pipeline control gives the majors control over all phases of crude oil marketing.

The purpose of my amendment to insure that this control over crude oil marketing does not extend to that which will be produced from the Elk Hills Reserve if this bill is enacted.

Mr. JACKSON. Will the Senator yield for a unanimous-consent request?

Mr. CRANSTON. Certainly.

Mr. JACKSON. Mr. President, I ask unanimous consent that Mr. Michael Harvey, of the staff of the Committee on Interior and Insular Affairs, be granted the privileges of the floor in connection with the pending measure and other measures from the Committee on Interior and Insular Affairs that will be considered today.

Mr. CRANSTON. I make the same request for Anne Wray of my staff.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILLIAM L. SCOTT. Mr. President, I suggest the absence of a quorum, and ask that the time be charged to neither side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CANNON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CANNON. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of S. 2173. I ask that it be in order to make that request at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CANNON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WILLIAM L. SCOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. STONE). Without objection, it is so ordered.

Mr. WILLIAM L. SCOTT. Mr. President, I am not fully conversant with the amendment by the distinguished Senator from California. I have asked that he might explain it in somewhat more detail. It is an unprinted amendment. I have a concern about the provision in paragraph (e).

That relates to common carriers. Perhaps the Senator could address himself specifically to that provision.

Mr. CRANSTON. Mr. President, this amendment, in its actual effect, would only have an impact upon California and upon Elk Hills. The Senator from Virginia asked me during the quorum call if this would change the situation in Alaska. It would not. It conforms to legislation that was passed regarding the Alaska pipeline some time ago, so there would be no impact, no change, no effect on Alaska. It would affect only the situation in California in relationship to the naval oil reserve at Elk Hills.

The basic fact that we are dealing with here, in California only, is that virtually no pipeline is a common carrier. All crule oil pipelines are private systems, owned largely and in virtually every case by major oil companies. Under California law—and this is what has concerned me—the major may legally deny access to any other company. That is, the majors use their pipelines to ship only their own oil, and refrain from what is called dedication—that is, offering to carry oil for the community at large, which can give them a monopoly over the transportation of oil. The only way an independent oil company can obtain transportation of its oil is to sell the oil to the major and buy it back at the other end of the pipeline at whatever price the major chooses to charge, which can mean huge profits for the majors and a great handicap for the minors.

An investigation of this and other phases was conducted by the California State Legislature in relationship to the California problem, and they concluded that this pipeline control gives the majors control over all phases of oil marketing. So the effect of this amendment, restricted to California, having no effect over Alaska, is to insure that this monopoly control will not extend to that oil which is produced from the Elk Hills reserve, assuming it was attempted.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. CRANSTON. I yield.

Mr. STEVENS. Did I understand the Senator from California to say there was no intention for the amendment to apply to Naval Petroleum Reserve No. 4 and the Alaska situation?

Mr. CRANSTON. Yes. As I understand it, this amendment conforms to the Alaska pipeline measure that we passed some time ago, and therefore would not affect the situation in Alaska, but deals only with the California and Elk Hills situation.

Mr. STEVENS. I would like to be certain that the Alaska Pipeline and the Rights-of-Way Acts applies so far as the naval petroleum reserve or any other reserve in Alaska is concerned, and that this amendment will apply to Naval Petroleum Reserves 1, 2, and 3, and in particular, not to No. 4.

Mr. CRANSTON. That is correct.

Mr. WILLIAM L. SCOTT. Mr. President, I wonder if the Senator might phrase some language to indicate that it does not apply to reserve No. 4, and applies only in California. Would that be agreeable to the Senator?

Mr. CRANSTON. Yes.

Mr. WILLIAM L. SCOTT. To amend his amendment to indicate that its effect applies only to California.

PRIVILIGE OF THE FLOOR

Mr. BARTLETT. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. CRANSTON. I yield.

Mr. BARTLETT. I ask unanimous consent that Tom Beard of my staff be accorded the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. I make the same request in behalf of Mike Spaan of my staff. He is already on the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CANNON. Mr. President, if the Senator from California will yield, I might suggest that in subparagraph (e) of his amendment, after the word "pipeline" he could insert "in the State of California". Would that meet the objective?

Mr. CRANSTON. Yes. Mr. President, I so modify my amendment.

The PRESIDING OFFICER. The amendment will be so modified. The Chair requests that the modification, in writing, be sent to the desk.

Mr. CRANSTON's amendment, as modified, is as follows:

At the end of the bill, add the following:

SEC. 3. Section 7430 is amended by adding the following new subsections:

"(d) Each proposal for sale or exchange under this title shall provide that the terms of every sale or exchange of oil and gas from the naval petroleum reserves shall be so structured as to give full and equal opportunity for the acquisition of, or exchange for, the oil and gas by all interested companies, including major and independent oil producers and refiners alike and shall be so structured as to include blocks small enough to permit small companies to offer viable bids on the oil tendered.

"(e) Any pipeline in the State of California, which carriers oil or gas produced from the naval petroleum reserves shall be operated and maintained as a common carrier and shall accept, convey, and transport without discrimination and at reasonable rates oil and gas produced from naval petroleum reserves. The Secretary of the Navy shall provide in every contract for the sale or exchange of oil or gas produced from such reserves that the contracting party, if owner or operator of a controlling interest in any pipeline or any company operating the pipeline which carries oil or gas produced from the naval petroleum reserves, shall at reasonable rates and without discrimination accept and convey the oil and gas which is produced from the reserves of the Government or of any citizen or company not the owner of any pipeline subject to the provisions of this section. The Secretary of the Navy shall have the power to make rules and regulations for the purpose of carrying out the provisions of this section and shall have the authority to declare forfeit any contract, operating agreement, right-of-way, permit or easement held by any person or entity violating such rules or regulations. This section shall not apply to any natural gas common carrier pipeline operated by any person subject to regulation under the Natural Gas Act or any public utility subject to regulation by a State or municipal regulatory agency having jurisdiction to regulate the rates and charges for the sale of natural gas to consumers within the State or municipality."

Mr. CANNON. Mr. President, I am prepared to accept the amendment. I think the additions are good. We refer to this very problem in the report on the bill, and I think it would be very helpful to have it written into the law.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified, of the Senator from California (Mr. CRANSTON).

The amendment was agreed to.

Mr. CRANSTON. I thank the Senator from Nevada very much, and also the Senator from Virginia and the Senator from Alaska.

The PRESIDING OFFICER. Who yields time?

Mr. CANNON. Mr. President, if there are no further amendments——

The PRESIDING OFFICER. The bill is open to further amendment. If there no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. CANNON. I suggest that the time be charged to the time on the amendment of the Senator from Alaska.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CANNON. Mr. President, the Senator from Alaska is here now. I withdraw the quest for a quorum call.

The PRESIDING OFFICER. The Chair advises that a quorum call had begun, and it will require unanimous consent to rescind it.

Mr. CANNON. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAVEL. Mr. President, I thank the Senator from Nevada.

I send an amendment to the desk, and ask that it be reported.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Alaska (Mr. Gravel), for himself and others, offers an amendment as follows: Strike out section 2 of S. 2173 as reported by the Armed Services Committee, and insert in lieu thereof the following:

Sec. 2. (a) a national petroleum reserve is hereby established—

Mr. GRAVEL. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

Mr. WILLIAM L. SCOTT. Mr. President, I object. I have not seen the amendment. We do not have a copy. I would like to hear what it is.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

Strike out section 2 of S. 2173 as reported by the Armed Services Committee, and insert in lieu thereof the following:

Sec. 2. (a) A national petroleum reserve is hereby established to include Naval Petroleum Reserve Numbered 4. The Secretary of the Interior shall commence exploration of such reserve, and such exploration shall be completed within three years. The Secretary shall report annually to the Congress on his plan for and implementation of exploration of such reserve, except that he shall report to the Congress no later than June 1, 1976, on the potential for natural gas production from such reserve: *Provided*, That no development leading to production shall be undertaken unless authorized by Congress. He is authorized and directed to undertake a study of the feasibility of delivery systems with respect to oil and gas which may be produced from such reserve: *Provided further*, That the Secretary of the Interior shall, through a Task Force, including representatives of the State of Alaska, the Arctic Slope Regional Corporation, the U.S. Fish & Wildlife Service and the Office of National Petroleum Reserves established by this section, functioning cooperatively, study and review the values and best uses of the public domain lands contained in Naval Petroleum Reserve Numbered 4 as subsistence lands for natives, scenic, historical, recreational, fish and wildlife, wilderness or for other purposes, and, within three years, submit to Congress his recommendations for such designation of areas of those lands as may be appropriate. Such Task Force shall also assess the socio-economic impact of the exploration for and potential production of oil and gas from lands contained in such reserve: *And provided further*, That oil and gas exploration within the Utikok River and Teheshepuk Lake areas and others containing significant subsistence, recreational, fish and wildlife, historical or scenic values, shall be conducted in a manner so as to preserve such surface values.

(b) There is hereby established in the Department of the Interior on Office of National Petroleum Reserves which shall have as its head a Director who shall be appointed by the President, by and with the advice and consent of the Senate. In carrying out the provisions of this section, the Secretary shall delegate all functions and duties authorized by this section to the Director. In addition to the Director, there shall be such other employees, as may be necessary, who shall be appointed by the Secretary subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid in accordance with the provisions of chapter 51 and subchapter 3 of chapter 53 of such title relating to classification and general schedule pay rates.

The PRESIDING OFFICER. Who yields time?

Mr. GRAVEL. Mr. President, just to recap the reading of the amendment: what the amendment does is, first, it only touches that part of the bill reported by the Committee on Armed Services that deals with Alaska; second, it recognizes what the report stated on page 5, and I quote:

> The committee feels that Naval Petroleum Reserve 4 may be too large to be federally developed and operated; the appropriated funds required to initiate production might approach $20 billion.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator yield?

Mr. GRAVEL. I am happy to yield.

TIME LIMITATION REQUEST—S. 598

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on the ERDA bill (S. 598) there be a 2-hour time limitation on the bill to be divided between Mr. Fannin and Mr. Jackson.

Is that right? That is on the ERDA bill.

Mr. JACKSON. And Senator Pastore.

Mr. ROBERT C. BYRD. Two hours to be equally divided by Mr. Pastore and Mr. Jackson.

Mr. JACKSON. We will handle our time jointly on our side.

Mr. ROBERT C. BYRD. Yes, jointly.

Mr. JACKSON. That is Mr. Pastore, Mr. Jackson and Mr. Fannin.

Mr. ROBERT C. BYRD. And with a time limitation on any amendment of 1 hour, any amendment to an amendment, debatable motion, appeal, point of order, 20 minutes, and amendment by Mr. Tunney 2 hours, and that the agreement be in the usual form, and that the bill be taken up after the disposition of S. 1587, the Public Works and Economic Development Act, and that ERDA then be followed by the bill on human needs and nutrition.

Mr. FANNIN. Mr. President, before I yield on that, I object to any time limitation on the ERDA bill at this point in time until we have time to negotiate some amendments that I am bringing up which are going to be lengthy.

If that took place while I was not here, I would be in the same position that occurred on this particular legislation, that is a time limitation without having any consultation. I would like to have a consultation on this.

So I object to it.

Mr. ROBERT C. BYRD. Mr. President, will the Senator allow us to get an agreement, and then I will consult with him and work out something on the amendment.

Mr. GRAVEL. No. I would like to be consulted before the agreement is secured. Therefore, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. ROBERT C. BYRD. Therefore, I will consult with the Senator immediately.

Mr. GRAVEL. I appreciate it.

NAVAL PETROLEUM RESERVES

The Senate continued with the consideration of the bill (S. 2173) to fully explore and develop the naval petroleum reserves of the United States and to permit limited production with revenues derived therefrom to be placed in a special account, and for other purposes.

The PRESIDING OFFICER. The Chair states that the pending amendment of the Senator from Alaska is out of order.

The section that he would seek to strike has already been amended, and the amendment is not in order.

Mr. GRAVEL. Mr. President, I modify my amendment to add a new section 3. I understand that would place the amendment in order, if that is the case.

The PRESIDING OFFICER. Does the Senator want to add an additional new section at the end of the bill?

Mr. GRAVEL. Yes.

The PRESIDING OFFICER. That is in order.

The amendment, as modified, is as follows:

At the end of the bill add the following:

Sec. 2. (a) A national petroleum reserve is hereby established to include Naval Petroleum Reserve Numbered 4. The Secretary of the Interior shall commence exploration of such reserve, and such exploration shall be completed within three years. The Secretary shall report annually to the Congress on his plan for and implementation of exploration of such reserve, except that he shall report to the Congress no later than June 1, 1976, on the potential for natural gas production from such reserve: *Provided*, That no development leading to production shall be undertaken unless authorized by Congress. He is authorized and directed to undertake a study of the feasibility of delivery systems with respect to oil and gas which may be produced from such reserve: *Provided further*, That the Secretary of the Interior shall, through a Task Force, including representatives of the State of Alaska, the Arctic Slope Regional Corporation, the U.S. Fish and Wildlife Service and the Office of National Petroleum Reserves established by this section, functioning cooperatively, study and review the values and best uses of the public domain lands contained in Naval Petroleum Reserve Numbered 4 as subsistence lands for natives, scenic, historical, recreational, fish and wildlife, wilderness or for other purposes, and, within three years, submit to Congress his recommendations for such designation of areas of those lands as may be appropriate. Such Task Force shall also assess the socio-economic impact of the exploration for and potential production of oil and gas from lands contained in such reserve: *And provided further*, That oil and gas exploration within the Utukok River and Teheshepuk Lake areas and others containing significant subsistence, recreational, fish and wildlife, historical or scenic values, shall be conducted in a manner so as to preserve such surface values.

(b) There is hereby established in the Department of the Interior an Office of National Petroleum Reserves which shall have as its head a Director who shall be appointed by the President, by and with the advice and consent of the Senate. In carrying out the provisions of this section, the Secretary shall delegate all functions and duties authorized by this section to the Director. In addition to the Director, there shall be such other employees, as may be necessary, who shall be appointed by the Secretary subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid in accordance with the provisions of chapter 51 and subchapter 3 of chapter 53 of such title relating to classification and general schedule pay rates.

Mr. GRAVEL. I thank the Chair.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum, and ask unanimous consent that the quorum call not be charged to either side, while I consult with the distinguished Senator from Alaska.

The PRESIDING OFFICER. Is there objection?

Mr. CANNON. Mr. President, I am willing to have time on the quorum call charged on the bill rather than charged on the amendment.

Mr. ROBERT C. BYRD. That is charged on the bill, to be equally divided.

Mr. CANNON. Mr. President, I ask unanimous consent that the quorum call time be charged on the bill, to be equally divided between both sides, and not on the amendment.

The PRESIDING OFFICER. The quorum call will be charged equally on the bill to both sides.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRAVEL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE—SENATE RESOLUTION 54

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. GRAVEL. I am happy to yield.

Mr. ROBERT C. BYRD. I have consulted with the Senator from Alaska, and we are unable at this time to work out any agreement on the ERDA measure, but I hope that we can reach some agreement later on on that matter.

I, therefore, ask unanimous consent only that after the public works bill is taken up today we then proceed to the McGovern resolution, and that that be cranked into the lineup at that point.

The PRESIDING OFFICER. Is there objection?

Which resolution is that?

Mr. ROBERT C. BYRD. On nutrition.

The PRESIDING OFFICER. Without objection, it is so ordered.

NAVAL PETROLEUM RESERVES

The Senate continued with the consideration of the bill (S. 2173) to fully explore and develop the naval petroleum reserves of the United States and to permit limited production with revenues derived therefrom to be placed in a special account, and for other purposes.

The PRESIDING OFFICER. The Senator from Alaska is recognized.

Mr. GRAVEL. Again, to just summarize what my amendment will do. I think it can be very palatable, certainly I would like the attention of the Senator from Arizona (Mr. FANNIN), who is an expert in this area, and I hope that the details of this amendment might secure his support, and certainly secure the support of the Senator from Virginia, the Senator from Washington, and I hope the manager of the bill, the Senator from Nevada (Mr. CANNON).

The amendment is very simple. I was quoting from the report of the committee.

It is felt that Pet 4 is different from Elk Hills. Pet 4 could never conceivably be used as a reserve for military purposes. As to Elk Hills, I think they can make some argument in that regard. I do not share that view, but I think they can make the argument.

But with Pet 4, 5,000 miles from anyplace, with the systems of transportation undeveloped, not even knowing what is there, and the quantities could be so fantastically large, it really does not make any sense to continue this in the hands of the Navy. It would be a lot wiser to move this over to the Interior Department, and that is one of the things that my amendment will accomplish.

Second, it would then bring about a study. A concept and details of this have passed the House of Representatives overwhelmingly. So it would set up a task force to effect this study.

I hope that we would recognize, before we make any decision on the exploitation of this gas and oil, if it is there, that we at least know what we are going to do with this 23 million acres of land, and what is involved with respect to wildlife and with respect to the whole environmental aspects of this question.

The language that I added to this study that we took from the House of Representatives bill is intended to assess the socioeconomic impact. Obviously the exploration is taking place now, and the exploitation that could take place later will have a socioeconomic impact on the people in that region. It is something that should be assessed, because if there is a cost involved, we should know this in Congress when we give the go ahead for this exploitation.

Third, the Navy had a plan, and that was a 7-year plan for the North Slope of Alaska. It started 2 years ago at the height of the embargo. Now it is preposterous for us to sit here when this Nation is facing an energy crisis and think in terms of 7 to 10 years. It first started out 10 years, and it shrunk down to 7 years, and 2 years have elapsed, so we have 5 more years. They just put out a contract, a cost-plus, typically military-industrial complex type of contract. Cost-plus means, if the energy ever gets to the public, the public will pay whatever it was costing, with no discipline at all. It is a 5-year, cost-plus contract.

I know of no way, and would not think it is in the best interest, to reverse that contract at this point in time. What I think would be in the best interest of the public would be to accelerate that contract so that rather than taking 5 years it takes 3 years.

I know that the private sector could do it in 1 year. But, be that as it may, let us just put that aside. We will eat our own mistakes. Let us say, Get it done in 3 years. So the study will be done in 3 years, the exploration will be done in 3 years, and then Congress will make a decision with all of this information, with all of these facts. What more could anyone ask for?

The only addition I have on this is to say that the issue of a gas line from Alaska is going to be a very big issue and a very controversial issue next year.

So, at least we have the good sense to think ahead for 9 months and say, since we are going to have to make a decision on natural gas, let us ask the people who are making the exploration to focus their exploration for natural gas, and give us a report by the first of June, telling us as much as they know, so that at least we will have some knowledge to make a decision at that point. I predict that we will be in this imbroglio, and we willl be making statements that may have no relevance to the facts.

My amendment would merely ask that they skew it toward natural gas, so that we can be more informed when this issue hits us.

These are the essential elements of my amendment, and I hope the manager of the bill will give it some consideration.

I reserve the remainder of my time, and I hope for constructive comments from the manager of the bill and other Members who are interested in the subject.

Mr. CANNON. I yield myself 3 minutes.

Mr. President, this amendment goes to somewhat the height of absurdity now. It is added to a new section to the bill. Section 1 also deals with Pet 4. Section 2 provides for the study and that we should amend that with the Bartlett amendment, providing for a study with appropriate consultation with the respective agencies.

This would come on as a new section, section 3, at the end of the bill, creating something quite different, directing the Secretary of the Interior to do something that we already in the bill have directed the Secretary of the Navy to do, requiring a report to Congress at a completely different time than the time that is in the bill now.

To me, the amendment is not at all meaningful, and at the appropriate time, I will move to lay it on the table. I do not make that motion at this time.

I yield to the Senator from Virginia such time as he requires.

Mr. WILLIAM L. SCOTT. Mr. President, I appreciate the Senator's yielding. We have worked on this bill for some time. We consulted; we held joint hearings with the Committee on Interior and Insular Affairs. The Federal Energy Administrator stopped by the office. He talked with the chairman of the subcommittee. We tried to consider this measure in a methodical way. Yet, we have a substantial amendment, a contradictory proposal, on the floor of the Senate; and I, too, have to oppose the amendment.

Mr. CANNON. Mr. President, I yield to the Senator from Washington.

Mr. JACKSON. Mr. President, the effect of the amendment would be to confirm virtually all the provisions of H.R. 49, which has passed the House and which is at the desk. We would have no issue left in conference, as to the number of issues here that must be resolved.

Second, I point out that this is hardly a time to turn over this tremendous area to the Department of the Interior, when we do not have a Secretary and do not have an Under Secretary. I have great faith in the Department, but this is a proposed amendment which has great urgency to it, and I think it would be a mistake to undertake to do that.

The other observation I make, Mr. President, is that the exploration of Pet 4 has to be done within 3 years. All the expert advice I have received tells me that that is totally unrealistic. We are talking about an area that is larger than the State of Indiana, roughly speaking.

I point out, too, that there is no definition of "exploration." I do not know what is meant by "exploration" in the amendment.

I heartily concur in the statements made by the manager of the bill and the minority member, the distinguished Senator from Virginia, in opposing the amendment. It is simply one of those things that has been done in a hurry, and I hope that my good friend from Alaska will withdraw the amendment, so that we do not make the current legislation, which has been thought out carefully over a period of time, confused by this amendment.

Mr. CANNON. Mr. President, not only has it been thought out carefully, but also, it has been the subject of extended hearings. We had hearings over a period of 2 years on this particular subject.

With further reference to what the Senator from Alaska said, he criticized the Navy's contract. The contract up there is with the operator of the field. It is not a 5-year contract. It is a 1-year contract, with options to renew. It is a cost-plus contract. That is the only type of contract you can get in that area for exploration. This is really what is being done.

Most of that exploration is going to be farmed out to people who have drill rigs, to come in and drill and explore. That is the way the field can be explored. The contract is in accordance with regulations that govern this type of contract for the Federal Government.

Mr. President, I reserve the remainder of my time.

Mr. GRAVEL. Mr. President, I yield to the Senator from Alaska.

Mr. STEVENS. Mr. President, I think my colleague is pointing in the right direction.

I have some background in this, as I am sure others do. Particularly, I know that my good friends from Washington and from Nevada recall that during World War II, Secretary Ickes withdrew the whole northern cap of Alaska, under what we call Public Land Order 82, for the prosecution of the war. We never could figure out what war they were prosecuting up there, but it did keep it tied up for some 20 years.

I was with Secretary Seton when we finally revoked Public Land Order 82 and created the Arctic Wildlife Range, to open the area to the north of the Arctic Circle to oil and gas development at the pace that the Interior Department wished to make land available. As we all know, it has not been made available too quickly.

My feeling is that we should have this land of Alaska treated the same as any other land. I state to my colleague that at one time I drafted a bill and presented it through normal procedures to the President; and at that time President Eisenhower did submit a bill to Congress to restore Petroleum Reserve No. 4 to public domain, and it ran into a group of people in the House who were adamantly opposed to it. That was in the days of Carl Vinson and his chairmanship of the Armed Services Committee in the House. He did not wish to see that happen.

Now we have the House, as I understand it, having turned the corner, and they desired the development of Petroleum Reserve No. 4 by the Interior Department.

While I support my colleague's amendment—and I shall vote for it—I have some questions about whether or not the Interior Department as it is constituted today is in fact a resource management agency that would proceed as we knew they would proceed in the old days. I think that today they are overwhelmingly involved with the problems related to our environmental concerns—and they are real concerns. But I have no knowledge of any land that has been leased by the Interior Department, other than the OCS, that has led to development in the time we have been in the Senate.

While I hope the time will come when we can work that out and restore the concept my colleague wants to achieve, I am not certain that turning it over to the Interior Department at this time will achieve it. But to show that we are in accord with the ultimate goal, I would be happy to support my colleague's amendment.

Mr. GRAVEL. I appreciate the counsel of my colleague. He is a lot closer to the Interior Department than I am. Certainly, Senator JACKSON of Washington, the chairman of the Committee on the Interior, has a feel for that. If they truly feel that the resource aspect of this can be better served in the hands of the Navy, though I may have a bias, then I would be prepared to modify my amendment to take out that element of transfer to Interior from Navy in order to safeguard what I think are some very important aspects of this.

That is a part of the study. The study that the committee calls for is vectored only toward the oil and gas aspects of it. I think there is great merit—if I could disagree slightly with my colleague from Washington—on the H.R. 49 study. We take the task force concept from H.R. 49 to include the State and the other authoritative bodies and add to that the study on socioeconomic impact. We are not only studying what the committee bill vectors into—oil and gas with respect to the armed services—but we broaden that out to show environmental and economic concerns.

The other aspect of my amendment that would remain would be the acceleration from 5 years to 3 years, that would tie in with the timeframe of the study.

The other is the skewing of this toward natural gas information for the first year. This attempt at compromise would make the bill more palatable to the manager, to the Senator from Washington and, as I read it, to the senior Senator from Alaska. Based on his counsel, I would be prepared to make that modification if there were some type of response from the managers of the bill.

Mr. CANNON. Mr. President, if that is directed to me, I cannot see any part of this amendment that I could accept at the present time.

Mr. GRAVEL. I then directly refer this question to the Senator from Washington.

Mr. JACKSON. I concur in the position taken by the manager of the bill.

Mr. GRAVEL. Then I shall not, Mr. President, amend or modify my amendment, since there obviously is not a spirit of compromise. I shall push it to a vote and ask for the yeas and nays at this point.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. CANNON. When the time is up, I am going to move to table it. I might save the Senator some time.

Mr. GRAVEL. I can assure my colleague I am going to try to get an up and down vote. Since he insists on tabling, he is going to be awfully busy today tabling amendments. If that is the kind of courtesy and consideration we get, I shall return the courtesy in kind.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. GRAVEL. If I may pose one question before yielding back the remainder of my time, maybe the answer can be given to me by the managers of the bill. Can they show me in this bill where the American people are going to get one drop of oil or gas, or coal, for that matter?

Mr. CANNON. Yes, the Senator can show the Senator from Alaska where they will get a drop of oil or gas. In the first place, they will get gas out of Pet 4 as it is produced. They will get oil and gas, although most of the gas in Pet 4 is used to pump back into the ground to keep the oil pressure up.

Mr. GRAVEL. Is there language in this bill that says the public will get the gas out of Pet 4? Please show me the language.

Mr. CANNON. Not in Pet 4. There is language in Pet 1, 2, and 3.

Mr. GRAVEL. Show me the language where, in Pet 1, 2, and 3, the public will get some oil or gas. Will the Senator please read that to me for the RECORD?

Mr. CANNON. Yes, I shall be glad to read that for the Senator.

Mr. GRAVEL. What page?

Mr. CANNON. Starting with (d) (1) on page 3:

> In order to place certain naval petroleum reserves in a proven state of readiness to produce petroleum, the Secretary is authorized:
>
> (A) to explore, develop, operate, produce, and sell petroleum from Naval Petroleum Reserves 1, 2, and 3, at a rate consistent with sound oilfield engineering practices, but not to exceed 350,000 barrels of oil per day, for a period not to exceed 5 years commencing 90 days after the date of enactment of this subsection.

Also on page 6:

> Notwithstanding any other provision of law, each sale of the United States share

> of petroleum, or products therefrom, shall be made by the Secretary at public sale to the highest qualified bidder at such time, in such amounts, and after such advertising as the Secretary considers proper and without regard to Federal, State, or local regulations controlling sales or allocation of petroleum products.

I may say that the distinguished Senator from California has already offered an amendment that has been approved that assures that the small independents can come in and bid on the oil so that it will not go to one of the majors as the high bidders, but allows a wide distribution among the people who distribute the oil products to the people who are the ultimate users.

I am surprised that the Senator would even make such a suggestion as he did.

Now, with respect to the Pet 4, it is true, there is no provision there, because we have not even authorized the development of Pet 4. This only goes to the exploration and we require them to come back with a study and a report to Congress. Then Congress is to decide. We do not know what we are going to decide. We do not know the facts. That is what we are trying to get out of this bill and out of the study, the facts on which we can make an informed judgment and then decide how we are going to develop it. We do not have one provision in here for the development of Pet 4. We have it for exploration.

The PRESIDING OFFICER. Who yields time?

Mr. GRAVEL. In response to that question, the Senator is relying on the fact that they have to produce. But does it not also say in the bill that they have to replace? They produce for military purposes. In fact, in the Senate report—I am looking for the section—it says that changes from the Navy to the armed services. So this is production for the armed services.

Mr. CANNON. This is not production for the armed services. There is nothing in the bill or in the report that says it is production for the armed services.

Mr. WILLIAM L. SCOTT. Mr. President, will the Senator yield?

Mr. CANNON. Yes, I yield.

The PRESIDING OFFICER. The Senator from Alaska has the floor.

Mr. GRAVEL. I am happy to yield.

Mr. WILLIAM L. SCOTT. Since the Senator from Alaska has indicated that he wants an up-and-down vote on this matter, I have talked with the manager of the bill and the Senator from Washington. I believe they may be inclined to accommodate the Senator. This is important legislation that I do not believe should be unduly delayed. I believe that if the manager of the bill will agree, perhaps we can let the Senator have an up-and-down vote.

Mr. CANNON. May I ask, is this the only amendment the Senator proposes to offer if he has an up-and-down vote on this?

Mr. GRAVEL. That is the only one I have in mind. I am prepared to modify it. That is the only one I had in mind at this time. The most I would have would be one other. I do not intend to offer the other one at this point in time, but if the tactic that the Senator from Nevada spoke of——

Mr. CANNON. If the Senator is of a mind to accept a vote and the will of the Senate and not try to further delay the matter, I am willing to withhold the motion to table.

Mr. BARTLETT. Will the Senator from Alaska yield and will the Senator from Nevada withhold that for just a moment?

Mr. CANNON. I do not have the floor. I shall be glad to permit yielding on my time to the Senator from Oklahoma. I just pointed out that his amendment would be vitiated by the amendment of the Senator from Alaska.

Mr. BARTLETT. If the Senator from Alaska will yield, I notice that on the first page at the bottom of the page of his amendment, it says:

> The Secretary of the Interior shall commence exploration of such reserve and such exploration shall be completed within three years.

I know that, in his previous discussion, he mentioned telescoping the 5 years to 3 years. So, in effect, am I correct that the Senator from Alaska is transferring the responsibility of the Husky contract from the Department of the Navy to the Department of the Interior?

Mr. GRAVEL. That is correct.

Mr. BARTLETT. I say to the Senator from Alaska that the thrust of the amendment that was accepted by the distinguished floor manager that I introduced is to expedite a study that will include evaluating the contribution that will be made by the Federal Government leasing this land in tracts to private enterprise and then having private enterprise manage the development of this tract.

Now, as a practical matter, I would think that because the Husky contract does have a 9-month backout by either party that either that contract could be terminated at the proper time or there could be certain specific tracts that the Husky contract would drill and use for exploratory purposes and evaluation, and the other tracts could be put up for lease, the point being that I think it is vital, particularly in such a large area, to expedite the exploration, to use the individual and differing ideas of a number of exploratory groups rather than just one.

So I am hoping this study will provide us vital information on which Congress can then make a decision which would then be a decision to expedite the development and exploitation of those reserves in a very sensible way, but also in an expeditious way.

So I feel that the contribution of that particular section would be just to transfer the responsibility of a contract to another agency of Government and not really change the thrust toward the use, the greater use, of private enterprise, and the greater use of more minds dealing with the problem of exploration and development.

Mr. GRAVEL. I share my colleague's view with respect to his analysis of the impact on the private side, and that is the reason I thought his amendment was so good. Since it is already in here, obviously the mangers of the bill, in conference, would reconcile those differences. I think there should be a clear emphasis on the private sector.

I do not think the Government can begin to spend, as the committee pointed out, the billions of dollars to exploit, if it is exploitable, Petroleum Reserve No. 4. It has to be done in a contract, and it is not a very complex thing. The public would make more money from it because you would have a competitive discipline which did not exist, incidentally, in the Husky contract, because it was a cost-plus contract.

You know, a great deal has been made in the past, not in this colloquy today, but a lot has been made in the past, about the fact that we cannot trust any part of the Government. There have been scandals, Teapot Dome, and so forth, and that is why we put it in the Navy.

It was interesting that in the process of bidding—let us say not the bidding, but the vying for the contract—that the person who was in charge of the naval petroleum reserve went to work for one of the contractors vying for the contract, right in the middle of this period.

It was only because one of the other contractors complained that this was grossly unfair, that the company with which this naval officer went to work was really shut out of this vying process. Had that not occurred we would have had ourselves a Teapot Dome scandal; it would not have been within the Department of the Interior but within the Navy.

I can understand the position of this naval officer, and I do not want to cast him in a bad light. He was only following conventional practice in the whole Department of Defense, and that is when you get to be a general and you cannot get a third star, you will find a company for whom to work and come back and get the necessary contracts with the Department of Defense. But in this case, with oil, it would have been really something very tragic. So I agree with his assessment, and I hope the amendment will prevail and that it would be reconciled by the managers.

Mr. BARTLETT. I thank the distinguished Senator from Alaska.

Mr. GRAVEL. I am prepared to yield back the remainder of my time.

Mr. CANNON. I just want a couple of minutes to explain several very serious misstatements that were made.

The Senator from Oklahoma asked the Senator from Alaska if it was not a fact that the only thing we would be doing would be a transfer of the Husky contract, and the Senator from Alaska said "yes." That is absolutely 180° wrong. The Husky contract is with the Navy. If you had the Secretary of the Interior brought into it, they could not take over somebody else's contract under the law, and they would have to go out and negotiate a new contract.

As the Senator from Washington pointed out a few moments ago, we do not have a Secretary, and we do not have an Under Secretary, and you would be inviting at least a year's delay in this matter now, not on the development but in the exploration only. That is the extent of this contract here. So that is the situation. Let us live up to the facts and let us keep the record straight.

Anyone who contends that that contract can be transferred does not know what he is talking about.

I am prepared to yield back the remainder of my time.

Mr. GRAVEL. If the language we have in here would permit the transfer of the contract, not only would it permit that, but because the contract is on a 1-year basis, maybe we could get away from the cost-plus contract and turn around and make a contract with the private sector, where it would not cost the American taxpayers any money at all, because I am sure most of the oil companies have already done it.

For the edification of the sponsors of the bill, if I can, the natives of Kotzebue, in one of the regions, took a contract with Standard Oil of California, under which Standard Oil would invest money to do all the seismic work, would pay for all the drilling, and the only right they would have when it is put up for public bid is the right to upset, to pay whatever the high competitive bid would be.

Now, it just strikes me as an oddity that the Navy could not take the example of these natives and say:

> Well, let us put out a contract and say who will go ahead and explore and drill. Once they are done, they will give us the information and then we will put it out for bid, and the only rights they have for what they have paid for in giving us this information is the right to upset anybody else who bids.

That means we would get exactly what we want. It would not cost us a dime, and it would be accelerated in point of time.

So what we have is an effort on the part of the Navy and on the part of the Armed Services Committee to reinvent the wheel in this particular area to try to get to an end goal.

All they are doing in this process is exactly what they have been doing for the last 20 years, and that is denying this resource to the American people. So, very fundamentally, all this amendment does is to transfer this matter to the part of Government that handles resources, the Department of the Interior. In addition it provides for a study, not only of oil and gas, because I am sure that the Navy is only interested in that—and they should only be interested in oil because they do not power any of their battleships or cruisers with natural gas. Of course, there is a de facto control on coal which the Navy has which the committee does not speak to, but then again it is not surprising because the armed services do not have too much to do with coal, since we stopped fueling our military vessels on coal a long time ago. So it is not surprising that they would not have that expertise.

Then again they choose to keep this within, according to Parkinson's law, their little purview of activity.

I would hope that we could see the wisdom of having the Navy sail our ships and have the wisdom to have the Department of the Interior handle our resources. That is all that is called for here.

I am prepared to yield back the remainder of my time.

Mr. CANNON. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back, the yeas and nays have been ordered, and the question is on agreeing to the amendment of the Senator from Alaska.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Mississippi (Mr. EASTLAND), the Senator from Louisiana (Mr. LONG), and the Senator from South Dakota (Mr. MCGOVERN) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from New York (Mr. BUCKLEY) and the Senator from Arizona (Mr. GOLDWATER) are necessarily absent.

The result was announced—yeas 13, nays 81, as follows:

[Rollcall Vote No. 341 Leg.]

YEAS—13

Bentsen
Case
Clark
Gravel
Hartke
Haskell
Hatfield
Javits
Mondale
Nelson
Packwood
Ribicoff
Stevens

NAYS—81

Abourezk
Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Biden
Brock
Brooke
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church
Cranston
Culver
Curtis
Dole
Domenici
Eagleton
Fannin
Fong
Ford
Garn
Glenn
Griffin
Hansen
Hart, Gary W.
Hart, Philip A.
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Johnston
Kennedy
Laxalt
Leahy
Magnuson
Mansfield
Mathias
McClellan
McClure
McGee
McIntyre
Metcalf
Montoya
Morgan
Moss
Muskie
Nunn
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NOT VOTING—5

Buckley
Eastland
Goldwater
Long
McGovern

So the amendment of the Senator from Alaska, as modified, was rejected.

The VICE PRESIDENT. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. McINTYRE. Mr. President, I believe strongly in the need to develop our strategic reserves to a state of readiness. I approve of the idea of having reserves of oil available in the Eastern United States which can provide large amounts of oil swiftly, as the strategic reserves system is meant to do.

But I have reservations about this bill. I have traditionally opposed what I considered to be raids on the naval petroleum reserves. This oil is for national defense, and it should be protected for that purpose. This oil is not even a partial answer to our energy supply problems, but rather forms a reserve to be called upon in a time of grave national need. And when it is gone, it is gone forever.

My concern, then, is not with the goals of the legislation, but with its method.

I would like to raise some points concerning the program set up by the Armed Services Committee bill.

I understand that the Navy has underway a program to develop Elk Hills and to increase production from that field.

Since that is the case, why has it been decided that the oil companies shall develop the field? Apparently it is because we want to avoid making an outright appropriation for the Navy program.

My most serious concern is this: we are all aware of a history of questionable activities by oil companies in relation to Elk Hills. We have had drilling in the boundary areas, forcing the Navy into offset production. We have a major oil company in a predominant position in the field and owning the pipeline access. Therefore—even though Standard Oil of California has indicated it wants out—are we not flying in the face of bitter experience by allowing the oil companies into Elk Hills? Would it not be preferable to have the Navy continue the program that is already underway?

Mr. President, I will vote for this bill, but I am troubled by these points I have mentioned, and I wish to have my reservations on the RECORD.

Mr. TUNNEY. Mr. President, today we are discussing the passage of legislation which will provide for the exploration and development of U.S. petroleum reserves and the immediate production of reserves Nos. 1, 2, and 3. Production at Elk Hills, Calif., is authorized at 350,000 barrels per day.

The bill essentially mandates commercial production of petroleum reserves previously considered necessary for the military's strategic arms reserves and allows the oil to be sold on the open market at competitive prices. Elk Hills contains 1.1 billion barrels of proven reserves and the sale of this much-needed oil could begin in January of 1976.

The bill also orders a study for the rapid development and production of a larger reserve on the northern slope of Alaska which contains estimated reserves of from 10 to 33 billion barrels of oil.

President Ford expressed, in his state of the Union message, endorsement of tapping the naval reserves to ease national dependency on foreign oil and to offset radical import price fluctuations.

The House of Representatives has passed similar legislation which supports the basic intentions of this measure. Their version is preferable in that it transfers the distribution authority of the petroleum to the Department of the Interior, a measure different from the Senate Armed Services' bill.

Nevertheless, what is most important is the quick passage of legislation in order to make available in a fast and orderly manner this new source of domestic oil.

In authoring similar legislation, Senate Joint Resolution 9 introduced in

January of this year, I have long maintained the need to revise our archaic attitude, a relic of the Harding administration, to maintain a useless military reserve at great expense to the American people.

The commercialization of the oil will provide a quick, proven short-term energy supply and permit the development of effective conservation programs. It will also provide oil as well as funds for the development of a national strategic reserve.

The production of Elk Hills will provide this Nation with an increased supply of 160,000 barrels of oil per day almost immediately and, with expanded facilities, 300,000 barrels per day will be available shortly.

In addition, this legislation provides that by early 1978 with the completion of the Alaskan pipeline, there will be the potential of producing over three times this amount of oil from the Petroleum Reserve No. 4 in Alaska.

The Elk Hills reserve was discovered in the 1920's and its capabilities have been well known. However, there was never great pressure to develop the reserves or even ready the reserve for immediate production in the case of a military crisis. The area was never developed to full production capacity, despite the fact the reserves were to be used in the case of an immediate emergency.

This was further demonstrated when at the time of crisis we were virtually unable to use the domestic reserves because of legal prohibitions and production restrictions.

Critics of this proposal may point to the potential relief Western States will get with the development of OCS reserves and with the Alaskan pipeline; however, the former will not be available for another 5 years and the latter for at least another 4 years.

Meanwhile, California drivers now use about 850 million gallons of gas per month, paying about a $450 million gas bill. The cost will go higher if we have to continue to rely heavily on expensive foreign oil.

In addition, I join Senator CRANSTON in support of amendments to strengthen provisions of this bill to insure equal and fair distribution of the production facilities at Elk Hills.

First, to strike an economic balance in production and sale, I urge adoption of an amendment which provides equal opportunity for the acquisition of the reserves through small lot, open bidding procedures, giving the same chance to the independent and major oil producers.

Second, to provide for the orderly use of the production facilities, I join my colleague, Senator CRANSTON, in sponsoring an amendment which requires that any pipeline which carries the reserve petroleum be operated as a common carrier.

Presently there is only one pipeline into the reserve and to expedite the production, while still providing open competitive opportunities with minimal expense, the adoption of this amendment is imperative.

Finally, I join Senator CRANSTON in endorsing a time stipulation agreement to give the Secretary of the Navy authority for condemnation if such an agreement is not reached independently with Standard Oil of California.

I look forward to the economic stimulus this bill will provide in terms of jobs for California and far more importantly, I look forward to the ready supply of energy that will be made available to the public in a fast and orderly manner.

I only hope that the Senate and the House of Representatives will resolve the language differences quickly.

Mr. CRANSTON. Mr. President, I commend the distinguished floor manager of this bill, the chairman of the Naval Petroleum Reserves Subcommittee (Mr. CANNON), for his effective leadership and his quick action in reporting S. 2173.

The oil that will be produced from Elk Hills in California will be an important part of our short-term energy program. It will provide a new source of domestic oil—oil which has the added benefit of being low in sulfur content and thus of value in meeting clean air standards. And the bill also provides that the President can designate certain of the oil produced from Naval Petroleum Reserves 1, 2, and 3 to be placed in our strategic reserve system. This system, created by S. 677 which the Senate passed just a few weeks ago, is a critical element in our developing capability to withstand an embargo on oil imports by the oil producing nations.

Since the Arab oil embargo of 1973, I have been working hard to enact legislation to authorize production from the Elk Hills reserve. In December, 1973, the Senate passed Senate Joint Resolution 176 which, if the House had acted, would have authorized limited production from Elk Hills for 1 year. This legislation, designed to meet the energy emergency brought about by the Arab embargo, became bogged down in the House Armed Services Committee and the legislation died at the end of the 93d Congress.

Various proposals for authorizing production at Elk Hills and other naval petroleum reserves were introduced at the beginning of this Congress, including one sponsored by Senator TUNNEY and me.

S. 2173 is a distillation of a number of these proposals. It would authorize production from Naval Petroleum Reserves 1, 2, and 3 for a period of 5 years and at a rate not to exceed 350,000 barrels a day. It would continue Navy jurisdiction over these reserves, whereas the House-passed bill would establish a new national petroleum reserve system under the jurisdiction of the Department of the Interior. S. 2173 is substantially the same as title I of the President's proposed Energy Independence Act, the principal difference being the ceiling on production written into the committee's bill.

My principal interest in this legislation is twofold. First, I believe it is clearly in the national interest to develop and produce from our naval petroleum reserves in order to offset our continuing reliance on foreign imports. Second, I support the concept of establishing a national strategic reserve system—indeed I voted for S. 677 to establish such a system—and if the President so directed, part of this oil could be placed into strategic reserve.

Of the three naval reserves for which production would be authorized by S. 2173, Elk Hills in Kern County, Calif., is by far the largest. The Elk Hills field, of which Standard Oil Co. of California—SOCAL—owns approximately 20 percent, contains proven reserves of about 1.2 billion barrels. Currently there are 1,000 wells drilled and the U.S. Navy is now conducting a 5-year program which would provide for an additional 1,000 wells. The production capability of the field today is 160,000 barrels a day and the Navy estimates that this could go as high as 400,000 barrels a day if there was no production for 5 years. It is anticipated that further exploration of the field will yield additional reserves.

Mr. President, I urge the Senate to support S. 2173.

Mr. CANNON. Mr. President, I ask for the yeas and nays.

The VICE PRESIDENT. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The VICE PRESIDENT. Is all time yielded back?

Mr. CANNON. Mr. President, I yield back the remainder of my time.

Mr. WILLIAM L. SCOTT. Mr. President, I yield back the remainder of my time.

The VICE PRESIDENT. The bill having been read the third time, the question is, Shall the bill pass?

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Mississippi (Mr. EASTLAND) and the Senator from South Dakota (Mr. McGOVERN) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from New York (Mr. BUCKLEY) and the Senator from Arizona (Mr. GOLDWATER) are necessarily absent.

The result was announced—yeas 93, nays 2, as follows:

[Rollcall Vote No. 342 Leg.]

YEAS—93

Abourezk
Baker
Bartlett
Bayh
Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Curtis
Dole
Domenici
Eagleton
Fannin
Fong
Ford
Garn
Glenn
Griffin
Hansen
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Laxalt
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McGee
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott,
  William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—2

Allen Gravel

NOT VOTING—4

Buckley Goldwater McGovern
Eastland

So the bill (S. 2173), as amended, was passed.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. CANNON. I move to lay that motion on the table.

The PRESIDING OFFICER (Mr. MORGAN). The question is on agreeing to motion to lay on the table.

The motion to lay on the table was agreed to.

Mr. JACKSON. Mr. President, the House earlier this month passed H.R. 49, a bill to create national petroleum reserves under the authority of an Office of National Petroleum Reserves in the Interior Department. The bill would also transfer jurisdiction over the naval petroleum reserves to the Secretary of the Interior.

The Senate has just acted on the subject matter of H.R. 49 in passing S. 2173, as amended. However, it is appropriate that the provisions of H.R. 49 be considered in any conference between the House and Senate on the subjects of strategic reserves and the naval petroleum reserves.

Therefore, Mr. President, I ask unanimous consent that H.R. 49 be taken from the desk, that it be considered as having been read twice, that the language after the enacting clause be stricken and that the text of S. 2173, as passed by the Senate, be inserted in lieu thereof.

The PRESIDING OFFICER. Is there objection?

Mr. FANNIN. No, Mr. President.

I concur with the distinguished Senator from Washington and feel that this is the responsible way in which the matter should be handled.

Mr. CANNON. Mr. President, I also concur in that.

The PRESIDING OFFICER. Without objection, it is so ordered.

There being no objection, the Senate proceeded to consider the bill (H.R. 49) to authorize the Secretary of the Interior to establish on certain public lands of the U.S. national petroleum reserves the development of which needs to be regulated in a manner consistent with the total energy needs of the Nation, and for other purposes, which was read twice by its title.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 49) was read the third time and passed, as follows:

H.R. 49

Strike out all after the enacting clause and insert:

TITLE I

SEC. 101. (a) Chapter 641 of title 10, United States Code, is amended as follows—

(1) Immediately before section 7421 insert the following new section:

"§ 7420. Definitions

"(a) In this chapter—

"(1) 'national defense' includes the needs of, and the planning and preparedness to meet, essential defense industrial and military emergency energy requirements relative to the national safety, welfare, and economy, particularly resulting from foreign military or economic actions;

"(2) 'naval petroleum and oil shale reserves' means the naval petroleum and oil shale reserves established by this chapter, including Naval Petroleum Reserve Numbered 1 (Elk Hills), located in Kern County, California, established by Executive order of the President, dated September 2, 1912; Naval Petroleum Reserve Numbered 2 (Buena Vista), located in Kern County, California, established by Executive order of the President, dated December 13, 1912; Naval Petroleum Reserve Numbered 3 (Teapot Dome), located in Wyoming, established by Executive order of the President, dated April 30, 1915; Naval Petroleum Reserve Numbered 4, Alaska, on the north slope of the Brooks Range, established by Executive order of the President, dated February 27, 1923; Oil Shale Reserve Numbered 1, located in Colorado, established by Executive order of the President, dated December 6, 1916, as amended by Executive order, dated June 12, 1919; Oil Shale Reserve Numbered 2, located in Utah, established by Executive order of the President, dated December 6, 1916; and Oil Shale Reserve Numbered 3, located in Colorado, established by Executive order of the President, dated September 27, 1924;

"(3) 'petroleum' includes crude oil, associated gases, natural gasoline, and other related hydrocarbons, oil shale, and the products of any of such resources; and

"(4) 'Secretary' means the Secretary of the Navy."

(2) Section 7421(a) is amended—

(A) by striking out "for naval purposes" and inserting in lieu thereof "for use of the armed forces"; and

(B) by striking out "section 7438 hereof" and inserting in lieu thereof "this chapter".

(3) Section 7422 is amended by adding at the end thereof the following new subsection:

"(d)(1) In order to place certain naval petroleum reserves in a proven state of readiness to produce petroleum, the Secretary is authorized.

"(A) to explore, develop, operate, produce, and sell petroleum from Naval Petroleum Reserves Numbered 1, 2, and 3 at a rate consistent with sound oilfield engineering practices, but not to exceed three hundred and fifty thousand barrels of oil per day, for a period not to exceed five years commencing ninety days after the date of enactment of this subsection; and

"(B) to construct or procure pipelines and associated facilities for transporting petroleum from Naval Petroleum Reserves Numbered 1, 2, and 3 to the points where the production from such reserves will be refined or shipped.

Any pipelines and associated facilities constructed at or procured for Naval Petroleum Reserve Numbered 1 pursuant to clause (B) of this paragraph shall have a combined delivery capability of not less than three hundred and fifty thousand barrels per day, and shall be fully operable within three years after the date of enactment of this subsection.

"(2) The production authorization set forth in paragraph (1)(A) of this subsection is conditioned upon the private owner of any lands within Naval Petroleum Reserve Numbered 1 agreeing with the Secretary to continue operations of such reserve under a unitized plan contract which adequately protects the public interest: *Provided*, That, if such agreement is not reached within ninety days, the Secretary of the Navy is authorized and directed to exercise the authority for condemnation conferred by section 7425 of this title.

"(3) The production of petroleum authorized under this subsection is not subject to the provisions of subsection (b)(2) of this section relating to Presidential approval or congressional authorization.

"(4) The President may, at his discretion, direct that all or any part of the United States' share of petroleum produced from the naval petroleum reserves be placed in strategic storage facilities authorized by law or that all or any part of such share be exchanged for petroleum products of equal value for the purpose of placing such products in such strategic storage facilities."

(4) Section 7423 is amended by inserting "(a)" immediately before "The Secretary"; and by adding at the end thereof the following new subsection:

"(b) During the five-year period of production authorized by subsection (d) of section 7422 the consultation requirements of section 7431(3) are waived but the Secretary shall submit annual reports to the Armed Services Committee of the Senate and the House of Representatives detailing—

"(1) the status of the exploration and development program at each of the naval petroleum reserves;

"(2) the production which has been achieved at each of the naval petroleum reserves pursuant to that authorization, including the disposition of such production and the proceeds realized therefrom;

"(3) the status of any pipeline construction and procurement authorized by such subsection (d);

"(4) the plans for any further exploration at Naval Petroleum Reserve Numbered 4.".

(5) Section 7430(b) is amended to read as follows:

"(b) Notwithstanding any other provision of law, each sale of the United States share of petroleum, or products therefrom, shall be made by the Secretary at public sale to the highest qualified bidder at such time, in such amounts, and after such advertising as the Secretary considers proper and without regard to Federal, State, or local regulations controlling sales or allocation of petroleum products.".

(6) Section 7430 is further amended by adding at the end thereof the following new subsection:

"(c) Notwithstanding any other provision of law, no petroleum produced from naval petroleum and oil shale reserves may be exported from the United States, except that which is either (1) exchanged for equal quantity or value for convenience or increased efficiency of transportation with persons or the government of an adjacent foreign country, or (2) temporarily exported for convenience or increased efficiency of transportation across parts of an adjacent foreign country for reentry into the United States.".

(7) Section 7432 is amended to read as follows:

"§ 7432. Naval petroleum and oil shale reserves special account

"(a) There is hereby established on the books of the Treasury Department a special account designated as the 'naval petroleum and oil shale reserves special account'. There shall be credited to such account—

"(1) all proceeds realized under this chapter from the disposition of the United States share of petroleum or refined products;

"(2) the net proceeds, if any, realized from sales or exchanges within the Department of Defense of refined petroleum products accruing to the benefit of any component of that department as the result of any such sales or exchanges; and

"(3) such additional sums as have been, or may be, appropriated for the maintenance, operation, exploration, development, and production of the naval petroleum and oil shale reserves.

"(b) Funds available in the naval petroleum and oil shale reserve special account shall be available for expenditure in such sums as are specified in annual congressional appropriations Acts for the expenses of—

"(1) exploration, prospecting, conservation, development, use, operation, and production of the naval petroleum and oil shale reserves as authorized by this chapter;

"(2) production (including preparation for production) as authorized by this chapter, or as may hereafter be authorized;

"(3) the construction and operation of facilities both within and outside the naval petroleum and oil shale reserves incident to the production and the delivery of crude petroleum and derivatives, including pipelines and shipping terminals; and

"(4) the procurement of petroleum for and the construction and operation of facilities associated with any national strategic energy reserve system authorized by law.

"(c) At the beginning of each fiscal year, the Secretary shall transfer to the Treasury of the United States as miscellaneous receipts any amounts in the naval petroleum and oil shale reserve special account determined by him to be in excess of projected requirements.

"(d) The budget estimates for annual appropriations from the naval petroleum and oil shale reserve special account shall be prepared by the Secretary and shall be presented to the Congress by the President independently of the budget of the Department of the Navy and the Department of Defense.

"(e) Contracts under this chapter providing for the obligation of funds may be entered into by the Secretary only to the extent that funds have been appropriated therefor, and in no event may any contract be entered into for a period of more than five years, renewable, at the option of the Secretary for an additional five year period.".

(8) Section 7433(b) is amended by adding immediately before the period at the end thereof the following: "and credited to the naval petroleum and oil shale reserve special account".

(b) The analysis of such chapter 641 is amended—

(1) by inserting immediately before

"7421. Jurisdiction and control."

the following:

"7420. Definitions."; and

(2) by striking out

"7432. Expenditures; appropriations changeable."

and inserting in lieu thereof the following:

"7432. Naval petroleum and oil shale reserve special account.".

SEC. 102. The Administrator of the Federal Energy Administration shall, in cooperation and consultation with the Secretary of the Navy and the Secretary of the Interior, develop and submit to the Congress within one hundred and eighty days after the date of enactment of this legislation a written report recommending procedures for the exploration, development, and production of Naval Petroleum Reserve Numbered 4. The report will include, but not be limited to, analyses of arrangements that will provide for (1) participation by private industry and private capital, and (2) leasing to private industry. The Secretary of the Navy and the Secretary of the Interior will cooperate fully with the Administrator and each other, and the Secretary of the Navy shall provide to the Administrator and Secretary of the Interior all relevant data on Naval Petroleum Reserve Numbered 4 which is requested in order to assist the Administrator with preparation of his report and in order to assist the Secretary of the Interior in fulfilling his responsibilities under this section.

SEC. 103. Section 7430 is amended by adding the following new subsections:

"(d) Each proposal for sale or exchange under this title shall provide that the terms of every sale or exchange of oil and gas from the naval petroleum reserves shall be so structured as to give full and equal opportunity for the acquisition of, or exchange for, the oil and gas by all interested companies, including major and independent oil producers and refiners alike and shall be so structured as to include blocks small enough to permit small companies to offer viable bids on the oil tendered.

"(e) Any pipeline in the State of California which carries oil or gas produced from the naval petroleum reserves shall be operated and maintained as a common carrier and shall accept, convey, and transport without discrimination and at reasonable rates oil and gas produced from naval petroleum reserves. The Secretary of the Navy shall provide in every contract for the sale or exchange of oil or gas produced from such reserves that the contracting party, if owner or operator of a controlling interest in any pipeline or any company operating the pipeline which carries oil or gas produced from the naval petroleum reserves, shall at reasonable rates and without discrimination accept and convey the oil and gas which is produced from the reserves of the Government or of any citizen or company not the owner of any pipeline subject to the provisions of this section. The Secretary of the Navy shall have the power to make rules and regulations for the purpose of carrying out the provisions of this section and shall have the authority to declare forfeit any contract, operating agreement, right-of-way, permit or easement held by any person or entity violating such rules or regulations. This section shall not apply to any natural gas common carrier pipeline operated by any person subject to regulation under the Natural Gas Act or any public utility subject to regulation by a State or municipal regulatory agency having jurisdiction to regulate the rates and charges for the sale of natural gas to consumers within the State or municipality.".

TITLE II

PART A—GENERAL PROVISIONS

SEC. 201. This title may be cited as the "Strategic Energy Reserves Act of 1975."

SEC. 202. FINDINGS.—(a) The Congress hereby determines that—

(1) the Nation's increasing dependence on foreign energy sources poses a significant threat to the Nation's economy, security, and well-being:

(2) there is a continuing danger that imports of energy supplies will be subject to interruption or reduction for political or economic reasons;

(3) such interruptions or reductions would have a disruptive economic effect, creating hardship for millions of Americans; and

(4) there is a clear need to minimize the impact of such interruptions or reductions through the establishment of a national system of strategic energy reserves.

SEC. 203. DECLARATION OF POLICY.—It is hereby declared to be the policy of the United States to create over a period of seven years, and to maintain thereafter strategic energy reserves in storage capable of replacing energy imports for at least ninety days in order to reduce the impact of interruptions or reductions in imports of energy supplies.

PART B—STRATEGIC ENERGY RESERVE SYSTEM

SEC. 204. GENERAL PROVISIONS.—(a) In order to protect the United States economy against interruptions in energy imports and to provide adequate energy inventories for national security purposes there is hereby created a strategic energy reserve system (hereinafter referred to as the "system") for those fuels subject to the provisions of this title which shall be composed of—

(1) national strategic energy reserves;

(2) regional petroleum product reserves;

(3) interim industry storage reserves; and

(4) such other components of the system as may be authorized by Congress.

(b) There shall be established in the Federal Energy Administration a Strategic Energy Reserve Office (hereinafter referred to as the "Office"). The Administrator of the Federal Energy Administration (hereinafter referred to as the "Administrator") acting through the Office shall exercise authority over the establishment, management, and replenishment of the strategic energy reserve system provided for in this title.

(c) As used in this title, the term "crude oil" means a mixture of hydrocarbons that existed in liquid phase in underground reservoirs and remains liquid at atmospheric pressure after passing through surface separating facilities.

(d) As used in this title, the term "refined petroleum products" means gasoline, naphtha, kerosene, distillates, refined lubricating oils, and diesel fuel.

(e) As used in this title, the term "residual fuel oil" means those fuel oils commonly known as ASTM *Grades* No. 5 and No. 6 fuel oils, heavy diesel, Navy Special, Bunker C and all other fuel oils which have a 50-percent boiling point over 700 degrees Fahrenheit in the ASTM D86 standard distillation test.

(f) As used in this title, the term "importer" means any person that owns at the first place of storage any crude oil, refined petroleum product, or residual fuel oil brought into the United States.

(g) As used in this title, the term "refiner" means any firm that owns, operates, or controls the operations of one or more refineries.

(h) As used in this title, the term "person" means any individual, firm, estate, trust, sole proprietorship, partnership, association, company, joint-venture, corporation, governmental unit or instrumentality thereof, or a charitable, educational, or other institution, and includes any officer, director, owner, or duly authorized representative thereof.

SEC. 205. NATIONAL STRATEGIC ENERGY RESERVES.—(a) There are hereby authorized to be created national strategic energy reserves, which shall consist of crude oil stored in tanks, natural geological formations or otherwise.

(b) The Administrator is hereby authorized and directed to establish within seven years of the date of enactment of this title, and maintain thereafter, national strategic energy reserves equal to not less than the volume of crude oil imports into the United States for three consecutive months.

(c) For the purpose of this section, the base period for determining the volume of crude oil imports for three consecutive months shall be those three consecutive months in the preceding twenty-four months in which import levels were the highest, which volume shall be recomputed annually.

(d) For the purpose of establishing and maintaining the reserves authorized in subsection (b) hereof, the Administrator is authorized to place in storage, transport, or exchange:

(1) crude oil produced from Federal lands, including the naval petroleum reserves to the extent authorized by law;

(2) crude oil to which the United States is entitled as royalty from future production upon Federal lands, including the Outer Continental Shelf; and

(3) crude oil acquired by purchase, exchange, or otherwise.

(e) In order to commence the establishment of the reserves authorized by subsection (b) hereof as promptly as possible, the Administrator shall give priority to the utilization of existing storage capacity for that purpose and shall place in storage:

(1) not less than 10 per centum of the oil required to be stored within eighteen

months of the date of enactment of this title;

(2) not less than 25 per centum of the oil required to be stored within three years of the date of enactment of this title; and

(3) not less than 65 per centum of the oil required to be stored within five years of the date of enactment of this title.

(f) If the Administrator determines that the attainment of the storage schedule, required by this section, within the times specified therein, will have substantial adverse economic impacts or if the necessary storage capacity or supplies of crude oil to be stored are temporarily unavailable, he may, after providing Congress with a justification therefor, delay the attainment of required storage levels for up to six months. Thereafter, the Administrator may further delay the attainment of required storage schedule provided that—

(1) the specific action proposed to be taken is submitted to both Houses of the Congress. Each House then shall have the opportunity to disapprove of such action within sixty days of the receipt of the proposal pursuant to the procedures provided for in sections 906(a), (b), and (c), 908, 909, 910, 911, 912, and 913 of title 5, United States Code, except that for the purposes of this title—

(A) any reference in such sections to "reorganization plan" shall be deemed to be a reference to "petroleum storage schedule" which for the purposes of this title shall mean the storage schedule required by this section;

(B) such sixty-day review period shall begin when such action is submitted to the Congress.

(2) The Administrator shall submit to both Houses of the Congress together with the specific action proposed a finding and report, which shall contain the following:

(A) the need for the proposed action;

(B) the prices of imported and domestic petroleum and other fuels and forms of energy that are in fact anticipated to result from the proposed action;

(C) the impact of the proposed action upon domestic production, consumption, and imports of petroleum and other fuels and forms of energy.

Sec. 206. Regional Petroleum Product Reserves.—(a) There are hereby authorized to be created regional petroleum product reserves which shall consist of refined petroleum products or residual fuel oil stored in tanks, natural geological formations or otherwise.

(b) The purpose of these reserves is to reduce the impact of interruptions or reductions in imports of energy supplies in any region of the United States wherein limitations in the capacity or capabilities of refineries, delivery systems, or other factors preclude the attainment of such a reduction by the storage of crude oil alone.

(c) The Administrator is hereby authorized and directed to establish within five years of the date of enactment of this title, and maintain thereafter, regional petroleum products reserves in any Petroleum Administration for Defense District (hereinafter referred to as "PAD District") wherein more than 25 per centum of demand for residual fuel oil or any refined petroleum product has been met by imports during the preceding twenty-four-month period. The Administrator shall accumulate and thereafter maintain in storage in the PAD District in tanks, natural geological formations, or otherwise a reserve for each such commodity equivalent to not less than the highest level of imports for three consecutive months for such commodity into that PAD District during the preceding twenty-four months, which level shall be recomputed annually. Such reserves shall be available for distribution according to the terms and conditions set forth in part C of this title.

(d) The Administrator is hereby authorized and directed to establish within five years of the date of enactment of this title and to maintain thereafter, regional petroleum reserves of home heating fuel oil in PAD districts wherein more than 10 per centum of demand for such commodity has been met by imports during the preceding twenty-four-month period or in Federal Energy Administration regions as defined in title 10, Code of Federal Regulations where imports into such regions constitute more than 20 per centum of demand for such commodity during the previous twenty-four-month period. The Administrator shall accumulate and thereafter maintain in storage in the PAD District or the Federal Energy Administration region in tanks or otherwise a reserve for home heating fuel oil equivalent to not less than ninety days of supply based on the average monthly volume of imports into the PAD District or the Federal Energy Administration region during the previous heating season of September through April.

(e) The Administrator may place in storage crude oil, residual fuel oil, or any refined petroleum product in substitution for all or part of the volume of any commodity required to be stored in the regional petroleum product reserves pursuant to the provisions of subsections (c) and (d) of this section if he finds that such substitution is necessary or desirable for purposes of economy, efficiency, or for other reasons and may be made without delaying or otherwise adversely affecting the fulfillment of the purpose of the regional petroleum product reserves as described in subsection (b) of this section. Prior to making any such substitution the Administrator shall transmit his finding to the Congress together with a description of the substitution to be made and specifying the date on which it is to commence. Such substitution may commence on the date specified by the Administrator but in no case sooner than the close of the earliest period which begins after the submission of the Administrator's finding to the Congress and which includes at least thirty days during which the House was in session and at least thirty days during which the Senate was in session.

(f) For the purpose of establishing and maintaining the reserves authorized in this section the Administrator is authorized to place in storage, transport, or exchange crude oil, residual fuel oil, or refined petroleum products acquired by purchase, exchange, or otherwise.

(g) If the Administrator determines that the attainment of the storage schedule, required by this section, within the times specified therein, will have substantial adverse economic impacts or if the necessary storage capacity or supplies of crude oil, residual fuel oil, or refined petroleum products to be stored are temporarily unavailable, he may, after providing Congress with a justification therefor, delay the attainment of required storage levels for up to six months. Thereafter, the Administrator may further delay the attainment of the required storage schedule provided that—

(1) the specific action proposed to be taken is submitted to both Houses of the Congress. Each House then shall have the opportunity to disapprove of such action within sixty days of the receipt of the proposal pursuant to the procedures provided for in sections 960(a), (b), and (c), 908, 909, 910, 911, 912, and 913 of title 5, United States Code, except that for the purposes of this title:

(A) any reference in such sections to "reorganization plan" shall be deemed to be a reference to "petroleum storage schedule", which for the purposes of this title shall mean the storage schedule required by this section;

(B) such sixty-day review period shall begin when such action is submitted to the Congress.

(2) The Administrator shall submit to both Houses of the Congress together with the specific action proposed a finding and report, which shall contain the following:

(A) the need for the proposed action;

(B) the prices of imported and domestic petroleum and other fuels and forms of energy that are in fact anticipated to result from the proposed action;

(C) the impact of the proposed action upon domestic production, consumption, and imports of petroleum and other fuels and forms of energy.

Sec. 207. Interim Industry Storage Reserves.—(a) There are hereby authorized to be created interim industry storage reserves which shall consist of crude oil, residual fuel oil, or refined petroleum products maintained in storage by importers and refiners.

(b) From the date of enactment of this title until such time as the national strategic energy reserves authorized by section 205 and the regional petroleum product reserves authorized by section 206 of this Act are complete, the Administrator is authorized to require that every importer of crude oil, residual fuel oil, or refined petroleum products and every refiner of crude oil shall acquire, store, and maintain in readily available inventories, as reserves, crude oil, residual fuel oil, or refined petroleum products in amounts as determined by the Administrator, but in no event to exceed 3 per centum of their imports of refinery throughput of the previous calendar years.

(c) After the completion of the national strategic energy reserves authorized by section 205 of this Act and the regional petroleum product reserves authorized by section 206 of this Act, the Administrator may require by rule, regulation, or order that importers or refiners maintain in readily available inventories stocks of crude oil, refined petroleum products, and residual fuel oil equal to the average volume of such inventories maintained for the corresponding month of the three preceding years.

(d) Every barrel of crude oil, residual fuel oil, or refined petroleum products imported and stored in the interim industry storage reserve shall be exempt from any tariff or import license fee now or hereafter imposed.

(e) As used in this section, the term "readily available inventories" means those inventories which can be used without affecting the importer's or refiner's operations at normal capacity and shall not include minimum working level inventories or other unavailable stocks.

(f) In order to maintain an economically sound and competitive petroleum industry, the Administrator shall implement this section with appropriate provision for avoiding inequitable economic impacts on refiners and importers and shall make specific provision for full or partial exemption or other relief for any refiner or importer who might otherwise incur undue hardship as the result of regulations implemented under the authority of this section. Such relief may include, but shall not be limited to, provision for the storage of petroleum owned by such importers or refiners in surplus storage capacity owned by the Federal Government.

Sec. 208. Other Storage Reserves.—Within six months after the date of enactment of this title, the Administrator shall prepare and submit to the Congress a report setting forth his recommendations for including in the system—

(a) utility storage reserves to consist of reserves of coal, residual fuel oil, or refined petroleum products to be established and maintained by all fossil-fueled base-load electric power generating stations fueled by coal, residual fuel oil or refined petroleum products, and with a generating capacity of one hundred million British thermal units or more in an hour and sufficient to maintain normal power generation for a period of not less than three months;

(b) coal storage reserves to consist of reserves equivalent to three months of coal consumption, such reserves to consist of (1) federally owned coal mined by or for the United States from federally owned coal lands, and (2) Federal coal lands from which coal could be mined for consumption within thirty days of an order to do so;

(c) remote oil and gas storage reserves consisting of oil and gas to be acquired and stored by the United States, in place, pursuant to a contract or other agreement or arrangement entered into between the United States and individuals who discovered such oil or gas in wells in remote areas; and

(d) industry storage reserves consisting of crude oil, residual fuel oil, or refined petroleum products maintained in storage by importers, refiners, or others for the purpose of reducing the adverse impact of energy supplies during the period while the reserves created pursuant to sections 205 and 206 of this title are being established and thereafter.

SEC. 209. NAVAL PETROLEUM RESERVES STUDY.—Within six months after the date of the enactment of this title, the Administrator shall prepare and submit to the Congress a report setting forth his views and recommendations—

(a) as to what extent, if any, Naval Petroleum Reserve Numbered 1 could have been effectively utilized to alleviate energy shortages during the so-called oil embargo;

(b) with respect to what extent, if any, the procedures required in order to increase production from oil or gas reserves within the Naval Petroleum Reserves should be modified or otherwise changed in order to enable such reserves to be better utilized in order to meet certain energy shortages within the United States;

(c) with respect to whether the Naval Petroleum Reserves could be best managed by the Secretary of the Interior, the Secretary of the Navy, the Administrator of the Federal Energy Administration, or other management, including joint management; and

(d) as to whether a program of exploration for oil and gas on Naval Petroleum Reserve Numbered 4 for the purpose of determining the extent of oil and gas resources therein could best be carried out by a Federal agency or department or by competitive agreements, including contracts or leases, entered into with the private sector.

PART C—ADMINISTRATION

SEC. 210. AUTHORITY OF THE ADMINISTRATOR.—To implement the establishment, management, and replenishment of the strategic energy reserve system created pursuant to section 204 of this title, the Administrator, in furtherance of and not in limitation of any authority, is authorized to—

(a) promulgate rules, regulations, or orders necessary or appropriate to implement the provisions of this title;

(b) acquire by purchase, condemnation, or otherwise, land or interests in land for the location of storage and related facilities;

(c) construct, purchase, lease, or otherwise acquire storage and related facilities;

(d) acquire by purchase, exchange, or otherwise crude oil for storage in the national strategic energy reserves created pursuant to section 205 of this title and refined petroleum products or residual fuel oil for storage in the regional petroleum product reserves created pursuant to section 206 of this title;

(e) use, lease, maintain, sell, or otherwise dispose of storage and related facilities required pursuant to this title;

(f) execute any contracts necessary to carry out the provisions of this title;

(g) cause proceedings, whenever he deems it necessary to implement this title, to be instituted in any court having jurisdiction of such proceedings to acquire by condemnation, any real or personal property, including facilities, temporary use thereof, or other interests therein, together with any personal property located thereon or used therewith, that he deems necessary to achieve the objectives of this title;

(h) order the use, sale, exchange, or disposal of all or part of the reserves established pursuant to this title, if (1) imports of crude oil, residual fuel oil, and refined petroleum products have fallen significantly or will within thirty days in his judgment, fall significantly below existing requirements for such imports, resulting in an existing or prospective shortage of at least 10 per centum of import requirements; or (2) if required to fulfill obligations of the United States under an international agreement to which it is a party;

(i) require that the replenishment of depleted reserves is accomplished expeditiously;

(j) use, sell, exchange, or otherwise dispose of crude oil, residual fuel oil, or refined petroleum products from the strategic energy reserve system created pursuant to section 204 of this title which may be in excess of the volumes required to be stored by sections 205 and 206 of this title;

(k) establish price levels and allocation procedures for any crude oil, residual fuel oil or refined petroleum product withdrawn from the national strategic energy reserves created pursuant to section 205 of this title or from the regional petroleum product reserves created pursuant to section 206 of this title. Such price levels and allocation procedures shall be consistent with the objectives enumerated in section 4(b)(1) of the Emergency Petroleum Allocation Act of 1973. In the event of the expiration of the Emergency Petroleum Allocation Act of 1973, price levels and allocation procedures established in accordance with this subsection shall, notwithstanding the expiration of that Act, be consistent with the purposes and standards and according to the procedures set out in section 4, subsections (a) through (d) of this Act;

(l) adjust the processing operations of domestic refineries to produce refined products in proportions commensurate with national needs and consistent with the objectives of section 4(b) of the Emergency Petroleum Allocation Act of 1973 if imports of crude oil, residual fuel oil, and refined petroleum products have fallen significantly or will within thirty days in his judgment, fall significantly below existing requirements for such imports resulting in an existing or prospective shortage of at least 10 per centum of import requirements;

(m) waive application of the provisions of the Federal Property and Administrative Services Act of 1949, as amended, with respect to procurement necessary for the purpose of this title, if he finds it is in the national interest to do so;

(n) require any importer of crude oil, residual fuel oil, or refined petroleum products or any refiner of crude oil to acquire, store, and maintain crude oil, refined petroleum products, and residual fuel oil in the interim industry storage reserve pursuant to section 207 of this title; and

(o) allow any person owning crude oil, refined petroleum products, or residual fuel oil from the interim industry storage reserves created pursuant to section 207 of this title to remove or otherwise dispose of such reserves.

SEC. 211. CONDEMNATION PROCEEDINGS.—Before any condemnation proceedings are instituted pursuant to this title, an effort shall be made to acquire the property involved by negotiation unless, because of reasonable doubt as to the identity of the owner or owners, because of the large number of persons with whom it would be necessary to negotiate, or for other reasons, the effort to acquire by negotiation would involve, in the judgment of the Administrator, such delay in acquiring the property as to be contrary to the national interest. In any condemnation proceeding instituted pursuant to this section, the court shall not order the party in possession to surrender possession in advance of final judgment unless a declaration of taking has been filed, and a deposit of the amount estimated to be just compensation has been made, under the first section of the Act of February 26, 1931 (46 Stat. 1421), providing for such declarations. Unless title is in dispute, the court upon application shall promptly pay to the owner at least 75 per centum of the amount so deposited but such payments shall be made without prejudice to any party to the proceeding. Property acquired under this section may be occupied, used, and improved for the purpose of this title prior to the approval of title by the Attorney General as required by section 355 of the Revised Statutes, as amended.

SEC. 212. PROHIBITED ACTS.—It shall be unlawful for any person to violate any provision of this title or to violate any rule, regulation, or order issued pursuant to any such provision.

SEC. 213. ENFORCEMENT.—(a) Whoever violates any provision of this title or rule, regulations, or orders promulgated pursuant thereto, shall be subjected to a civil penalty of not more than $5,000 for each violation.

(b) Whoever willfully violates any provision of this title or rules, regulations, or orders promulgated pursuant thereto, shall be fined not more than $10,000 for each violation, and each day that a violation continues shall constitute a separate violation.

(c) It shall be unlawful for any person to offer for sale or distribute in commerce any product or commodity in violation of an applicable order or regulation issued pursuant to this title. Any person who knowingly and willfully violates this subsection after having been subjected to a civil penalty for a prior violation of the same provision or any order or regulation issued pursuant to this title shall be fined not more than $50,000 for each violation, and each day that a violation continues shall constitute a separate violation, or imprisoned not more than six months, or both.

(d) Whenever it appears to any person authorized by the President or the Administrator to exercise authority under this title that any individual or organization has engaged, is engaged, or is about to engage in acts or practices constituting a violation of this title, such person may request the Attorney General to bring an action in the appropriate district court of the United States to enjoin such acts or practices, and upon a proper showing a temporary restraining order or a preliminary or permanent injunction shall be granted without bond. Any such court may also issue mandatory injunctions commanding any person to comply with any provision of this section.

(e) Any person suffering legal wrong because of any act or practice arising out of any violation of this title may bring an action in a district court of the United States without regard to the amount in controversy, for appropriate relief, including an action for a declaratory judgment or writ of injunction. Nothing in this subsection shall authorize any person to recover damages.

SEC. 214. DISCLOSURE, INSPECTION, INVESTIGATION.—(a) Every importer, refiner, or user of fuels subject to the provisions of this title shall prepare such accounts, records of cost-accounting procedures, correspondence, memoranda, papers, books, and other records as the Administrator may by rule or regulation prescribe as necessary or appropriate for purposes of the administration of this title.

(b) The Administrator shall at all times have access to and the right to inspect and examine all producing, transportation, storage, refining, or processing facilities, and all accounts, records, and memoranda of persons subject to the provisions of this title; and it shall be the duty of such persons to furnish to the Administrator, within such reasonable time as the Administrator may order, any information with respect thereto which the Administrator may by order require.

Sec. 215. Annual Reports.—The Administrator shall prepare, have printed, and transmit to the President and the Congress an annual report summarizing all actions taken under authority of this title, with an analysis of their impact, an evaluation of their effectiveness in fostering the objectives listed in section 203, and any recommendations for legislation further implementing the objectives of this title.

Sec. 216. Authorization of Appropriations.—There are hereby authorized to be appropriated to the Administrator such funds as are necessary for implementation of the provisions of this title.

Sec. 217. Severability.—If any provision of this title or the applicability thereof to any person or circumstance is held invalid, the remainder of this title and the application of such provision to other persons or circumstances shall not be affected thereby.

PUBLIC WORKS EMPLOYMENT ACT OF 1975

The PRESIDING OFFICER (Mr. Morgan). Pursuant to the previous order, the Senate will now proceed to consider S. 1587, which the clerk will state.

The legislative clerk read as follows:

A bill (S. 1587) to amend the Public Works and Economic Development Act of 1965 to increase the antirecessionary effectiveness of the programs, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Public Works with an amendment to strike out all after the enacting clause and insert the following:

That this Act may be cited as the "Public Works Employment Act of 1975".

Sec. 2. Title I of the Public Works and Economic Development Act of 1965, as amended, is amended by adding the following new section at the end thereof:

"Sec. 107. (a) Upon the application of any State, political subdivision thereof, or Indian tribe, the Secretary is authorized to make grants for the purpose of increasing the Federal contribution to a public works project for which Federal financial assistance is authorized under provisions of law other than this section. Any grant made for a public works project under this subsection shall be in such amount as may be necessary to make the Federal share of the cost of such project 100 per centum. No grant shall be made for a project under this section unless the Federal financial assistance for such project authorized under provisions of law other than this section is immediately available for such project, and construction of such project has not yet been initiated because of lack of funding for the non-Federal share as of the date of enactment of this section. No part of any grant made under this subsection shall be used for the acquisition of any interest in real property.

"(b) (1) The Secretary of Commerce shall provide financial assistance to federally assisted projects authorized and for which funds have been obligated at the time of enactment of the Public Works Employment Act of 1975 which because of rapid increases in wages or cost of materials cannot be initiated and completed within the amount obligated for the project: Provided, That nothing in this subsection shall authorize an increase in the maximum percentage of the Federal contribution for any project for which funds have been obligated.

"(2) To be eligible for such assistance, the State, or political subdivision thereof, Indian tribes, public or private nonprofit group or association, or other eligible applicants to which Federal financial assistance is provided must submit an application to the Secretary setting forth information on the project, job effectiveness of the project, and the benefits to the community or region served by the project. The Secretary after reviewing the applications and the concurrence of the agency, department, or instrumentality of the Federal Government funding the project shall provide funds for those projects which best serve the employment objectives of this section.

"(c) Upon the application of any State, political subdivision thereof, or Indian tribe, the Secretary is authorized to make grants for construction (including demolition and other site preparation activities), renovation, repair, or other improvement of local public works facilities including, but not limited to, those public works projects of State and local governments for which Federal financial assistance is authorized under provisions of law other than this Act. No part of any grant made under this subsection shall be used for the acquisition of any interest in real property. The Federal share of any project for which a grant is made under this subsection shall be 100 per centum of the cost of the project.

"(d) The Secretary shall give priority to grants made under this section where such funding will initiate construction within ninety days of application approval, and in the following order:

"(1) grants under subsection (a),

"(2) grants under subsection (b),

"(3) grants under subsection (c).

"(e) (1) Not more than 15 per centum of all amounts appropriated to carry out this section shall be available under this section for public works projects within any one State, except that in the case of Guam, Virgin Islands, and American Samoa, not less than one-half of 1 per centum in the aggregate shall be available for such projects.

"(2) Nothing in this section shall be construed to authorize the payment of maintenance costs in connection with any project constructed (in whole or in part) with Federal financial assistance under this section.

"(f) Assistance under this section shall be provided only in areas designated by the Secretary of Labor as an area with an unemployment rate equal to or in excess of 6.5 per centum for the most recent three months or any areas designated pursuant to section 204(c) of the Comprehensive Employment and Training Act of 1973. The Secretary, if the national unemployment rate is equal to or exceeds 6½ per centum for the most recent three consecutive months, shall expedite and give priority to grant applications submitted for such areas having unemployment in excess of the national average rate of unemployment for the most recent three consecutive months. Seventy per centum of the funds appropriated pursuant to this section shall be available only for grants in areas as defined in the second sentence of this subsection. If the national average unemployment rate recedes below 6½ per centum for the most recent three consecutive months, the authority of the Secretary to make grants under this section is suspended until the national average unemployment has equaled or exceeded 6½ per centum for the most recent three consecutive months.

"(g) The provisions of sections 103 and 104 of this title shall not be applicable to this section.

"(h) Grants shall be made in accordance with the rules and regulations published under section 101 of this Act, except that rules and regulations established under (1) the second sentence of section 101(d), and (2) section 101(a)(1)(C) shall not be applicable to such grants. Any necessary revision of such rules and regulations with respect to grants under this section or determination that portions of such rules and regulations do not apply to grants under this section shall be published within thirty days after the enactment of this section and any such revision shall become effective upon publication: *Provided, however,* That comments from interested parties concerning the published rules and regulations shall be subsequently received by the Secretary and considered for any necessary further revision and in the implementation of this section.

"(i) In selecting among projects to carry out the purposes of this program, the Secretary shall consider (1) the severity and duration of unemployment in proposed project areas, (2) level and extent of construction unemployment in proposed project areas, and (3) the extent to which proposed projects will contribute to the reduction of unemployment. The Secretary shall make a final determination with respect to each application for a grant submitted to him under this section not later than the sixtieth day after the date he receives such application. Failure to make such final determination within such period shall be deemed to be an approval by the Secretary of the grant requested.

"(j) Unemployment statistics shall be as determined by the Secretary of Labor in the monthly report on unemployment. Any State, political subdivisions thereof or Indian tribe, may present to the Secretary of Commerce information on the actual unemployment in the proposed project area.

"(k) There is hereby authorized to be appropriated not to exceed $1,000,000,000 to carry out this section for the fiscal year ending June 30, 1976.".

Sec. 3. (a) Section 201(c) of the Public Works and Economic Development Act of 1965, as amended, is amended to read as follows:

"(c) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this section and section 202: *Provided,* That annual appropriations for the purpose of purchasing evidences of indebtedness, paying interest supplement to or on behalf of private entities making and participating in loans, and guaranteeing loans, shall not exceed $170,000,000 for the fiscal year ending June 30, 1966, and for each fiscal year thereafter through the fiscal year ending June 30, 1973, and shall not exceed $55,000,000 for the fiscal year ending June 30, 1974, and shall not exceed $75,000,000 for the fiscal year ending June 30, 1975, and shall not exceed $200,000,000 for the fiscal year ending June 30, 1976.".

(b) Section 202(a)(2) of such Act, as amended, is amended by striking out the period at the end and inserting in lieu thereof "(D) contracting to pay, and to pay annually, for not more than ten years, to or on behalf of any private entity employing not more than one thousand five hundred persons amounts sufficient to reduce by up to four percentage points the interest paid by such entities on working capital loans which are obtained from non-Government sources, which provide for annual amortization of principal, and the proceeds of which are used for purposes referred to in this paragraph.".

Sec. 4. Section 1002 of the Public Works and Economic Development Act of 1965, as amended, is amended by striking the entire section and inserting the following:

"Sec. 1002. For the purpose of this title the term 'eligible area' means any area, which the Secretary of Labor designates as an area which has a rate of unemployment equal to or in excess of 6.5 per centum for the most recent three consecutive months or any area designated pursuant to section 204(c) of the Comprehensive Employment and Training Act of 1973, with special consideration given to areas with unemployment rates above the national average.".

Sec. 5. (a) Section 1003(c) of the Public Works and Economic Development Act of 1965, as amended, is amended to read as follows:

"(c) Where necessary to effectively carry out the purposes of this title, the Secretary of Commerce is authorized to assist eligible areas in making applications for grants under this ttile.".

(b) Section 1003(d) of such Act, as amended, is amended to read as follows:

"(d) Notwithstanding any other provisions of this title, funds allocated by the Secretary of Commerce shall be available only for a program or project which the Secretary identifies and selects pursuant to this subsection, and which can be initiated or implemented promptly and substantially completed within twelve months after allocation is made. In identifying and selecting programs and projects pursuant to this subsection, the Secretary shall (1) give priority to programs and projects which are most job effective (measured as the number of man-months of employment created or maintained by the additional expenditures of Federal funds under this title), and (2) consider the appropriateness of the proposed activity to the number and needs of unemployed persons in the eligible area.".

(c) Section 1003 of such Act, as amended, is amended by striking subsection (e) of such section.

Sec. 6. Section 1004 of the Public Works and Economic Development Act of 1965, as amended, is amended to read as follows:

"Sec. 1004. (a) Within forty-five days after enactment of the Emergency Job and Unemployment Assistance Act of 1974 or within forty-five days after any funds are appropriated to the Secretary to carry out the purposes of this title, each department, agency, or instrumentality of the Federal Government, each regional commission established by section 101 of the Appalachian Regional Development Act of 1965 or pursuant to section 502 of this Act, shall (1) complete a review of its budget, plans, and programs and including State, substate, and local development plans filed with such department, agency or commission; (2) evaluate the job creation effectiveness of programs and projects for which funds are proposed to be obligated in the calendar year and additional programs and projects (including new or revised programs and projects submitted under subsection (b)) for which funds could be obligated in such year with Federal financial assistance under this title; and (3) submit to the Secretary of Commerce recommendations for programs and projects which have the greatest potential to stimulate the creation of jobs for unemployed persons in eligible areas. Within forty-five days of the receipt of such recommendations the Secretary of Commerce shall review such recommendations, and after consultation with such department, agency, instrumentality, regional commission, State, or local government make allocations of funds in accordance with section 1003(d) of this title.

"(b) States and political subdivisions in any eligible area may, pursuant to subsection (a), submit to the appropriate department, agency, or instrumentality of the Federal Government (or regional commission) program and project applications for Federal financial assistance provided under this title.

"(c) The Secretary, in reviewing programs and projects recommended for any eligible area shall give priority to programs and projects originally sponsored by States and political subdivisions, including but not limited to new or revised programs and projects submitted in accordance with this section.".

Sec. 7. Section 1005 of the Public Works and Economic Development Act of 1965, as amended, is amended by striking such section and renumbering subsequent sections accordingly.

Sec. 8. Section 1005 of the Public Works and Economic Development Act of 1965, as amended, as redesignated by this Act, is amended by striking the period and inserting the following at the end thereof: "unless this would require project grants to be made in areas which do not meet the criteria of this title.".

Sec. 9. (a) Section 1006 of the Public Works and Economic Development Act of 1965, as amended, as redesignated by this Act, is amended by inserting the following after "1975" in the first sentence: "and $1,000,000,000 for the fiscal year 1976".

(b) Section 1006 as redesignated by this Act is further amended by striking "December 31, 1975" in the second sentence and inserting in lieu thereof "June 30, 1976".

Sec. 10. Section 1007 as redesignated by this Act is amended by striking "December 31, 1975" and inserting in lieu thereof "June 30, 1976".

Sec. 11. Authority to obligate funds appropriated under the amendments of this Act to title I and title X of the Public Works and Economic Development Act of 1965, as amended, shall be limited to $2,000,000,000 when the national unemployment rate is equal to or in excess of 9 per centum. For each quarterly decline of one-half of 1 per centum in the national unemployment rate below such level, authority to obligate funds shall be reduced by one-fourth of the funds appropriated under such amendments, not to exceed $500,000,000, for the succeeding quarter. For each quarterly increase of one-half of 1 per centum in the national unemployment rate up to 9 per centum, authority to obligate funds shall be increased by one-fourth of the funds appropriated under such amendments, not to exceed $500,000,000, for the succeeding quarter, up to the maximum authorization of $2,000,000,000.

Sec. 12. The Secretary of Commerce shall notify in a timely and uniform manner areas of their eligibility for assistance under this Act.

Sec. 13. Amendments to the Public Works and Economic Development Act of 1965 made by this Act shall expire on June 30, 1976.

The PRESIDING OFFICER. The time for debate for this bill is limited to 3 hours.

Who yields time?

Mr. MONTOYA. Mr. President, I yield myself such time as I may require.

Mr. President, I ask unanimous consent that during the consideration and voting on S. 1587 the following members of the Committee on Public Works be granted the privilege of the floor: M. Barry Meyer, Philip T. Cummings, John W. Yago, Bailey Guard, Leon Billings, Richard Greer, Richard Harris, Judy Parente, Sally Walker, Steven Swain, Lee Rawls, Richard Hellman, Mike Hathaway, Margaret Shannon, and Mike Manning.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TALMADGE. Mr. President, will the Senator yield at that point?

Mr. MONTOYA. I yield.

Mr. TALMADGE. Mr. President, I ask unanimous consent that during consideration of this bill, all amendments, and all votes, my legislative assistant, Mr. Daniel Tate, be accorded the privileges of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TAFT. Mr. President, will the distinguished Senator yield a moment for a unanimous-consent request?

Mr. MONTOYA. I yield to the Senator from Ohio.

Mr. TAFT. Mr. President, I ask unanimous consent that Miss Jane Porteous, of my staff, be accorded the privilege of the floor during debate and voting on this legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROTH. Mr. President, I ask unanimous consent that Doug Barrett, of the staff of the Committee on Government Operations, have the privilege of the floor during the consideration of this bill and votes thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MONTOYA. Mr. President, it is a very late hour at which we are finally coming to deal with the economic problems that have been facing our people for a long time. There is nothing to be gained, and much valuable time to be lost, in assessing blame for this sordid state of affairs. The President blames the Congress for inaction, the Congress blames the Executive. Surely, truth must lie somewhere in between.

That truth is irrefutable: As my colleagues well know, unemployment in America today is greater than at any time since the Depression of the 1930's. The Joint Economic Committee reported on July 16, 1975, urban unemployment rates over 20 percent in Detroit; 18.3 in Providence, R.I.; 16.6 in Newark, N.J., and 13.4 in Boston. Baltimore reported 11.6 percent unemployed, and Atlanta 12.3 percent.

There is every evidence that high unemployment will continue for the next 2 or even 3 years:

The President's midsession review of the 1976 budget forecasts average unemployment rates for 1975 at 8.7 percent, 7.9 percent in 1976; and 7.2 percent for 1977.

The Congressional Budget Office in its June 30, 1975, report on the economy projects fourth quarter unemployment rates for 1975 from 8.8 percent to 9.2 percent, and, in 1976 (IV), from 7.8 percent to 8.2 percent.

The Joint Economic Committee, in its report on the Economic Report of the President in March 1975, estimated unemployment would exceed 9 percent during the last half of 1975. Yet, the 9-percent rate was reached barely 2 months later in May 1975.

While America is in a recession, the construction industry is in a depression. Joblessness among construction trades workers in one State is over 44 percent. Unbelievably high unemployment has devastated the construction trades. For example, Rochester has 61 percent of its construction workers out of work; Miami, 49 percent; Phoenix, 40 percent; Cincinnati, 32 percent; St. Paul, 37 percent; Newark, 32 percent; and St. Louis, 24 percent.

These figures, staggering as they are, do not even reveal the decline in the length of the work week of construction workers who are counted in the statistics as employed but who are clearly underemployed.

Mr. President, high unemployment is a tremendous cost to the entire economy. The taxes lost to the Federal Government from unemployed construction workers alone is now close to $1 billion annually. On top of this, over $1 billion each year are being lost to the social security system. Sizable amounts of State and local taxes are also being forfeited, in addition to corporate taxes.

When we add the multiplier effect of unemployment in other industries caused by the depression in construction, the total unemployment comes to nearly 3 million people. This is over one-third of the Nation's total unemployed workers.

It is time, Mr. President, to put the issue squarely before the Congress. In his first inaugural address, President Franklin Delano Roosevelt said:

> The people of the United States have not failed . . . They want direct, vigorous action . . . They have asked for discipline and direction under leadership.

Though our economic difficulties do not approach the emergency of 1933, I believe the message from the American people is the same.

I recall, too, the admonition of George Santayana that:

> Those who fail to learn from history are often condemned to relive it.

What did we learn from the vast public works programs such as the Works Progress Administration during the Great Depression? We learned that millions of Americans could be employed in highly productive and constructive jobs which would result in lasting improvements in communities across the land. As the distinguished chairman of our committee knows well, many of these facilities are still in use today.

Mr. President, I would not suggest for a moment that public works employment legislation is the sole solution to our unemployment crisis. But it is a beginning—which is more than we have had so far from the two most recent administrations.

Throughout our committee's consideration of these legislative proposals, our preeminent concern has been to direct public works employment to the areas of most critical need quickly.

S. 1587 is a public works bill to create jobs quickly and efficiently. It will produce construction jobs for the depressed construction trades sector. It builds on existing programs and capabilities in the Economic Development Administration, an agency with 10 years' experience in the Department of Commerce. The bill does not contain permanent authorizations. In some cases, programs "trigger off" when unemployment drops sufficiently.

The committee believes that the evidence of continuing high unemployment warrants this standby authority to provide immediate employment-generating assistance whenever the national unemployment rate exceeds 6½ percent. This bill uses existing authorities to insure the quickest and most effective results when the additional authority provided in the bill is exercised.

Unemployment among the construction trades industry must be alleviated. Thus, the committee expects much of the $2.125 billion authorized by this bill will be spent for construction, renovation, and repair programs and projects which emphasize employment for these workers. These expenditures will generate a multiplier effect on the building materials industry, hardware retailers, forestry and lumbering occupations as well as other fields.

Projects funded through this legislation are those that can be identified quickly, can move swiftly through agency processing, can move to onsite employment within 90 days of approval, and can be completed in 12 to 24 months.

Communities all across the country have backlogs of projects that could place men and women in work with the assistance of Federal funds and the slashing of redtape. Some of the kinds of projects waiting this kind of assistance include demolition and other site preparation activities, new construction, renovation, and major improvements of public facilities such as municipal offices, courthouses, libraries, schools, police and fire stations, water and sewage treatment facilities, water and sewer lines, streets and roads—including curbs—sidewalks, lighting, recreational facilities, convention centers, civic centers, museums, and health, education, and social service facilities.

I believe my colleagues will be interested in the results of an informal survey conducted by the General Accounting Office at the request of Chairman RANDOLPH to determine how much money may now be available to Federal Government agencies for construction purposes such as outlined above.

We learned that the Environmental Protection Agency, as an example, has 206 water pollution construction projects that have been approved for a period of more than 4 months, but for which funds have not yet been released. The money amounts to nearly $780 million.

In another instance, the Farmers Home Administration reported it has 1,703 projects to which $828 million has been committed, but on which construction has not begun for a variety of reasons. Other programs under our jurisdiction have the same potential for large-scale job creations with the additional assistance of S. 1587. By providing the limited local matching share that is often responsible for the present delays this bill will activate millions of these construction dollars.

What does S. 1587, the Public Works Employment Act of 1975, provide?

S. 1587 amends the Public Works and Economic Development Act of 1965 to provide $2.125 billion for antirecessionary public works authorizations for fiscal year 1976.

The bill contains three program authorizations:

First, $1 billion for grants to State and local governments for public works projects;

Second, a $125 million increase for working capital loans to prevent the loss of jobs in the private sector; and

Third, $1 billion for the job opportunities program—title X—to accelerate the job-creating potential of various Federal, State, and local programs.

Let me describe very briefly what these three authorizations provide:

I. GRANTS TO STATE AND LOCAL GOVERNMENTS AND INDIAN TRIBES

A new section has been added to title I of the Public Works and Economic Development Act of 1965 authorizing $1 billion for grants to State and local governments and Indian tribes for local public works projects.

PROJECT ELIGIBILITY PRIORITIES

Three categories of projects are eligible for these grants in the following order of priority:

First. Projects inactive because the applicant is unable to provide the local matching share;

Second. Projects halted after approval because inflation has pushed total project costs beyond the ability or willingness of agencies to provide the additional Federal share; and

Third. Projects initiated by State and local governments without other Federal financial participation.

PRIORITY TO HIGH UNEMPLOYMENT AREAS

Seventy percent of the funds appropriated are to be available for applicants in areas having unemployment rates for the three most recent consecutive months in excess of the national unemployment rate. The remaining 30 percent is reserved for applicants from areas with unemployment rates in excess of 6½ percent, but less than the national unemployment rate.

PROJECT SELECTION CRITERIA

Three project selection criteria have been established. These are:

First. The severity and duration of unemployment;

Second. The level and nature of construction unemployment; and

Third. The extent to which the project is expected to reduce unemployment in the project area.

These criteria are designed to target assistance to currently unemployed persons from the project area, and currently employed persons from the project area who would become unemployed without the employment generated by the project applicant.

II. EDA WORKING CAPITAL LOANS AND INTEREST SUBSIDIES

The second authorization contained in S. 1587 is an amendment to title II of the Public Works and Economic Development Act, EDA's business development program. The present fiscal year 1976 authorization of $75 million for business development programs has been increased by $125 million to $200 million. Additional authority has also been provided to supplement the interest payments of borrowers of working capital loans.

There are many businesses with a history of stability and reliability that are unable to get working capital because of the increasing risk to the banker in his view and because of their inability to pay high interest rates on short-term loans.

We believe that interest subsidies combined with existing loan guarantee authority should enable the Economic Development Administration to save jobs at a cost far less than that incurred in creating new employment. At $10,000 per job, 500 jobs in a factory or other business saved equals $5 million.

Let me add that the committee has stipulated that the interest subsidies are limited to businesses larger than those which qualify for Small Business Administration assistance, but which employ 1,500 or fewer persons.

III. JOB OPPORTUNITIES PROGRAM

The third authorization in S. 1587 is for an additional $1 billion for fiscal year 1976 for title X of the Public Works and Economic Development Act, the job opportunities program.

This program was created by title III of the Emergency Job and Unemployment Assistance Act of 1974, with a $500 million authorization for calendar year 1975. The entire authorization has now been appropriated and the program is fully operational.

The wide range of activities undertaken in the first round of projects under the initial $125 milion appropriation, incuding construction, renovation, and general improvement contracts, suggest the kinds of activities which could be undertaken with this new authorization. For example, recently approved programs include renovation of local public facilities, commuter railroad track rehabilitation, fish and wildlife improvements, forest protection projects, water supply lines, construction of multiuse recreation facilities and public housing rehabilitation.

An indication of the extreme need for programs of this type is evidenced by the report of EDA's Administrator. As of the end of February, a total of $4.8 billion in plans and proposals had been submitted. The Federal share of the proposals is slightly over $3 billion.

More than 18,000 individual project proposals had been submitted, calling for an estimated 3.1 million man-months of employment. EDA itself had gathered more than 6,000 proposals at a total dollar cost of $1.5 billion.

This response far exceeded our original expectations. Not only have projects been submitted from the Federal agencies, but also from counties and towns and cities across the country. These are the kinds of projects we expect to fund with an improved title X program.

LIMIT ON AUTHORITY TO OBLIGATE

Mr. President, I believe a particularly important provision in S. 1587 is the limitation on authority to obligate funds. The authority of the Secretary of Commerce to make grants under the provisions of this bill is suspended when the national unemployment rate for the 3 most recent consecutive months falls below 6½ percent.

Section 11 of the bill limits the available authority to obligate funds when the national unemployment rate declines more than one-half percent below 9 percent during the most recent calendar quarter.

Each one-half of 1 percent of decrease results in a one-fourth reduction in the authority to obligate appropriated funds, up to $500,000,000, for the succeeding quarter. However, increases in unemployment above 9 percent will not have the effect of increasing funding authority above $2 billion.

Mr. President, the committee has recommended unanimously the enactment of S. 1587. It is a simple measure. It authorizes a substantial infusion of Federal assistance through existing structures and programs. It is designed to be an economic laser.

Public works spending is a valid instrument in the battle against unemployment. A carefully designated public works program can facilitate the reemployment of our human and physical resources without being inflationary. Public construction programs inject money into the economy at a time when investment demand for capital is low. Construction expenditures in real terms are presently down about $25 billion. Additional Federal spending of $2.125 billion would barely begin to utilize the potential capacity of the various industries related to construction, renovation and repair. But it is a necessary beginning.

I noted with great interest the New York Times account on July 19, 1975, of the plans of the West German Government to start a $2 billion program of public works this fall.

The healthiest economy in Europe, with an unemployment rate only half that of the United States, the West German Republic is beginning a program equivalent to a $7.5 billion program in the United States, in terms of relative GNP ratios.

While the $2.125 billion authorized for 1 year is a substantial expenditure even by American standards, I believe that the long-term economic and social consequences of failing to enact this legislation far outweigh the short-term costs.

I emphasize again, Mr. President, that the committee labored many hours; we have had many hearings on this bill; and we have tried to come to the Senate with a bill which we think will meet with the President's approval.

We have cut down the authorization which was contained in the House bill, which totaled $5 billion, because we felt that it was too generous an authorization.

We also felt that if such an authorization was presented to the President, he might veto it. So the committee, the Democrats and the Republicans on the committee, felt in their wisdom that we should constrict the authorization, we should reduce it. This is the product of the effort of both Republicans and Democrats on the subcommittee, as well as the full committee. I think it is a wise figure that we chose, and I think it is realistic. I hope that it meets with the approval of the President.

Mr. HUMPHREY. Will the Senator yield for a unanimous-consent request?

Mr. MONTOYA. Yes, I yield.

Mr. HUMPHREY. I thank my friend from New Mexico.

Mr. President, I ask unanimous consent that Mr. Schlostein, of the Joint Economic Committee, be given floor privileges during the debate on S. 1587; and also, from the Committee on Government Operations, at the request of Senator MUSKIE, Al From, Lee Lockwood, Hanne Evans, and Jim George; and from the Committee on the Budget, Bob Reischauer.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Will the Senator yield for another unanimous-consent request?

Mr. MONTOYA. Yes.

Mr. McCLURE. For Senator GRIFFIN, I ask unanimous consent that David Clanton be accorded the privilege of the floor during the debate on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MONTOYA. I want to commend not only the majority members of the committee but also the minority members for providing some input into this particular piece of legislation. I think we established good criteria. I think we provided good definitive standards and triggering devices in the legislation so that we can, without too much delay, provide a public works program throughout the country.

I reserve the remainder of my time, Mr. President.

Mr. McCLURE. Mr. President, I yield myself such time as I may consume.

Mr. President, the bill now before the Senate, S. 1587——

The PRESIDING OFFICER. (Mr. MORGAN). I believe the Senator from Tennessee has the floor under the agreement.

Mr. BAKER. Mr. President, I had neglected to say I would like to yield control of time on this side of the aisle to the Senator from Idaho.

The PRESIDING OFFICER. Without objection, the Senator from Idaho is recognized.

Mr. McCLURE. I thank the Senator.

Mr. President, the bill now before the Senate, S. 1587, is another in a series of measures which we have considered this year to improve the present economic situation. Although I supported this bill in committee and intend to vote for it, I have reservations about some of its provisions. I am concerned that the jobs created by the large public works program authorized in section 107 might come at the wrong time and that the long spend-out of funds under such projects could interfere with the economic recovery which is now beginning.

Experience under two previous programs of this type, the Accelerated Public Works Act of 1962, and the public works impact program of 1971, illustrates the lag problem. In the "Brookings Institution Papers on Economic Activity, I:1971," the noted economist Nancy H. Teeters wrote about the impact of the accelerated public works program of 1962. The article pointed out that—

> The program was passed in September 1962 with initial obligational authority of $850 million. Although $152 million of the amount was obligated in that fiscal year, only $62 million was spent then. The bulk of the money was obligated and spent in fiscal years 1964 and 1965, with vestiges of the program still in existence in 1971.

This suggests that this type of program may not be a good short term remedy because under the 1962 program only a small amount of the funds were actually spent in the first year with the bulk of the expenditures during the second and third years of the program.

A recent study of the 1971 public works impact program, published by the Economic Development Administration, also pointed out a similar serious lag problem. The study, "An Evaluation of the Public Works Impact Program, PWIP," noted that—

> In effect, PWIP employment materialized at exactly the wrong time, whether viewed from a national perspective or from the perspective of the impact areas. Employment generated during the FY 1972 program peaked when national unemployment had declined from 6.1 per cent to 5.6 per cent; similarly, employment generated during the FY 1973 program peaked when national unemployment had declined to 4.8 per cent—both peaks occurred during the cyclical downswing in national unemployment. Viewed from the perspective of the PWIP impact areas, the FY 1972 program peaked in employment at approximately the same time that PWIP area unemployment rates actually fell below the national unemployment rate—during both cyclical and seasonal trough in impact area unemployment. In effect, PWIP reinforced rather than counteracted seasonal and cyclical unemployment trends.

Language has been added to the pending bill in an attempt to get projects underway as quickly as possible and so to avoid the problems documented in these studios, but I am concerned that a large public works program may still get off the ground too slowly. Even if enacted by September, the bill will miss most of this year's construction season, a problem particularly acute in the Northern States.

It is ironic that the very same reason this bill is within the budget resolution is also one of its major flaws. Out of a $2.1 billion authorization, outlays for fiscal year 1976 are estimated to be only $900 million. Estimates of expenditure under the $1 billion authorized in section 107 is only $350 for 1976. Figures on future outlays are not available during markup. The bulk of the spending will occur in 1977 and 1978 and future budgets will have to accommodate the obligations we commit through this legislation.

Efforts have been made by the committee this year to write a more responsive program—and one I can support. Most important, the authorization recommended in the bill is only $2.1 billion with only half the funds earmarked for accelerated public works. Section 107 gives priority to already approved and ready-to-go public works where only the lack of local matching funds is holding up implementation. This priority should speed up initiation and expand the job creating impact of the funds spent under the program. The bill has a 1-year authorization. Roughly, the other half of the total authorization in the bill is for the jobs opportunities program.

I am pleased that the Senate bill extends the jobs opportunities program for an additional 6 months, through June 30, 1976, and recommends an authorization of $1 billion. A full evaluation of the results of the expenditure of the first appropriations under the program has not been made yet but I believe the program will prove to be an effective antirecessionary measure.

S. 1587 amends the job opportunities law to clarify and strengthen the original intent of the program. The proposed amendments remove the Secretary of Labor from the selection process, streamline the selection criteria, and remove the restriction placed on half the appropriated funds. This last restriction has hampered, in some instances, the ability of the Secretary of Commerce to select the most job effective activities for support.

The language in the bill has also been amended to indicate that programs and projects originally sponsored by local communities or States meeting the criteria of the act receive priority consideration over wholly federally sponsored activities.

The purpose of the program is to provide emergency financial assistance to create job opportunities in areas burdened by unusually high levels of unemployment. The act was passed last December as a response to the climbing unemployment and economic stagnation prevailing in many areas of the country at the time.

The act does not create an elaborate new program or new bureaucracy but is intended to use and strengthen ongoing programs which will create jobs. It was our thought in proposing this approach that the existing porgrams and expenditures of Government can be directed toward the creation of jobs more effectively if we create the means within the Department of Commerce to evaluate ongoing programs and expenditures to see which ones have the most direct and immediate effect upon the creation of job opportunities for the unemployed.

The significant feature of the program is the agency review conducted by the Secretary of Commerce. The Secretary is directed to consult and review with the various Federal agencies their proposed programs and project expenditures for the year to evaluate their job effectiveness and use in areas of high unemployment. Through the review, the best and least costly means of creating jobs for the unemployed can be promptly identified.

The special funds authorized in the bill are available for the purpose of creating, maintaining, or expanding job opportunities. Funds are available to move a program or project forward or to expand the number of jobs a particular activity could create.

Eligible activities are not limited to public works but include the wide range of activities carried out under Federal agencies including business development. Most important, the program could provide crucial funding to initiate, continue or accelerate job creating activities which would in turn provide immediate jobs. For example, funds may be used to purchase equipment necessary for expanding jobs. Funds are available to provide payrolls or salaries. All projects would be selected for their job effectiveness.

Every Member of this body is profoundly concerned about the economy—its strength, and the effects of high unemployment and inflation—and endeavors to develop policies and programs which will address the problems we face. We must not let our short-term efforts to provide immediate relief, however, jeopardize the long-term recovery necessary to provide a strong, stable economy and meaningful jobs for the people of our Nation. I believe the committee attempted that balance in this legislation.

Mr. MONTOYA. Mr. President, I ask unanimous consent that the committee amendment to S. 1587 be considered as original text.

The PRESIDING OFFICER. Without objection, the amendment will be agreed to and considered as original text.

Mr. CHILES. Mr. President, I ask unanimous consent that Rick Brandon be granted privilege of the floor during consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NUNN. If the Senator will yield for a similar request, Mr. President, I ask unanimous consent that a member of my staff, Gordon Giffin, be granted privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I acknowledge my thanks to the Senator from Idaho, and to the Senator from Georgia for withholding his amendment for the moment so that I may make this brief opening statement.

Mr. President, I want to acknowledge the efforts of the chairman of the Public Works Committee, Senator RANDOLPH, Senator MONTOYA, chairman of the Economic Development Subcommittee, and Senator McCLURE, ranking Republican member of the Economic Development Subcommittee, who have produced this important measure. I support the bill, S. 1587, and urge its adoption by the Senate.

The bill, the Public Works Employment Act of 1975, is an emergency, 1 year program addressing the serious, high unemployment now affecting many communities across the country. The bill does not establish a major new program but builds on programs already in existence and relies upon structures and organizations already in place. The first sections of S. 1587 are based on the committee's long experience with the public facilities and the business loan programs of the Economic Development Administration. Other sections concern the jobs opportunities program enacted last December to combat rising unemployment and specifically designed to create jobs quickly.

The able Senator from New Mexico has carefully and fully discussed the bill. I will not do the same.

The composite of the presentations by Senator MONTOYA and Senator McCLURE I believe give a good vignette, a good summary of the major provisions of this proposal. But I do want to mention several elements in the bill which, I believe, are important.

During consideration of this legislation, the committee was aware of the timing problem associated with large public works programs in the past. The 1962 accelerated public works program has been critized because the major portion of funds available under the program were expended 2 and 3 years after enactment of the law. Some obligations were being made as late as 1970. Learning from this past experience, the committee has added language in the bill to speed up the process and get approved projects underway as quickly as possible. For example, priority is given to already approved public works projects, where only the lack of local matching funds has delayed implementation. The committee conducted a survey of appropriate Federal agencies with major public facilities authority. The survey indicated that there were several programs, involving millions of dollars, with approved projects and appropriated Federal funds awaiting obligation. In many cases, the reason given as the cause of delay was the lack of the local matching share. Funds under S. 1587 will provide the missing local funds and get these projects moving.

Also, priority in the selection of projects is given activities which can have jobs onsite within 90 days. Every effort will have to be made by the administrator of the program to select, from the many projects submitted, applications which will move into construction as promptly as possible. Testimony and information received by the committee indicates that there are many communities with needed public facilities ready to go, lacking only sufficient funding to initiate them. Many represent works which were deferred because of rising costs and declining revenues brought on by inflation and the recession.

I am glad that the bill extends the jobs opportunities program and recommends an increase in funding. I cosponsored the original jobs opportunities bill along with the chairman, Senator RANDOLPH, and Senators McCLURE and DOMENICI, when it was introduced last winter. The program was drafted as a way to create meaningful jobs, and create them quickly and efficiently for the growing number of unemployed.

I believe that in times of economic hardship such as the country is now experiencing, the numerous programs of the Federal Government can be directed to address these problems. Efforts should be made to identify those programs which can stimulate productive and useful work, assign priority to them, take them off the shelf and carry them to completion.

Mr. President, criteria are included in the committee bill to insure that jobs are created quickly and efficiently, that selected activities are substantially complete within twelve months so that the program phases out as the economy moves upward, and that the maximum number of productive jobs are created with the available funds. The first appropriation under the program has been allocated and projects are underway. A second appropriation of $375 million was included in the continuing appropriation bill recently signed into law by the President.

Mr. President, this is a constructive measure. It will stimulate new jobs in areas of high unemployment. Not make work jobs but jobs and facilities that will enhance the quality of life in these communities long after the temporary programs have expired.

Mr. President, I thank the distinguished Senator from Idaho for yielding time for this statement.

The PRESIDING OFFICER. The Senator from Georgia.

AMENDMENT NO. 825

Mr. TALMADGE. Mr. President, I call up my amendment No. 825 and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk proceeded to read the amendment.

Mr. TALMADGE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill insert a new section as follows:

SEC. 14. Subsection (a) of section 205 of the Federal Water Pollution Control Act (86 Stat. 816; 33 U.S.C. 1285) is amended—

(1) by inserting following the fourth sentence thereof the following new sentence: "Any sums intended by this Act to be allotted for fiscal years 1973, 1974, and 1975, but which, pursuant to Presidential direction, were withheld from the initial allotment for such fiscal years shall be allotted among the States by the Administrator in accordance with regulations promulgated by him, one-half in the ratio that the population of each State bears to the population of all States, and one-half on the basis of table SP-3 in the final report to Congress dated February 10, 1975, as revised May 6, 1975, entitled 'Cost Estimates for Construction of Publicly Owned Wastewater Treatment Facilities 1974 "Needs" Survey'."; except that the provisions of this sentence shall not result in reducing any State's allotment below such amount as may have been obligated for such allotment prior to the date of enactment of this sentence, and the requirements of this exception shall be obtained in any case by reducing proportionately all other allotments for such year, which are not otherwise affected by this exception; and

(2) by striking out the last sentence thereof and inserting in lieu thereof the following sentence: "Allotments for fiscal years which begin after the fiscal year ending June 30, 1975, shall be allotted among the States by the Administrator in accordance with regulations promulgated by him, one-half in the ratio that the population of each State bears to the population of all States, and one-half on the basis of table SP-3 in the final report to Congress dated February 10, 1975, entitled 'Cost Estimates for Construction of Publicly Owned Wastewater Treatment Facilities 1974 "Needs" Survey'.".

Mr. TALMADGE. Mr. President, inasmuch as several Senators are interested in this amendment, I ask unanimous consent that I may suggest the absence of a quorum without the time being charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TALMADGE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TALMADGE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. TALMADGE. Mr. President, the pending amendment would change the formula used to allocate among the States approximately $9 billion in previously impounded water pollution control funds. It involves no new spending.

Public Law 92-500, the Water Pollution Control Act, made $18 billion available for fiscal years 1973, 1974, and 1975, for the purpose of assisting the States in constructing waste water treatment facilities.

However, one-half of this sum—approximately $9 billion—was impounded. Earlier this year, $4 billion of these impounded funds were released, and a recent decision of the U.S. Supreme Court ordered the release of the remaining $5 billion.

The Environmental Protection Agency has announced that these funds will be distributed according to formulas in effect during the fiscal years for which funding was originally authorized. On first blush, this sounds fair and reasonable. However, closer examination proves otherwise. This decision will shortchange many States and will provide windfalls to others. Ten States will receive almost two-thirds—64 percent—of the funds, primarily because the distribution formulas which EPA intends to use are based on inaccurate data.

The distribution formula applicable to fiscal year 1973 and fiscal year 1974 under existing law was based on a hastily prepared 1971 survey of the various States' needs for waste water treatment facility construction. According to a report prepared by the Subcommittee on Investigations and Review of the House Committee on Public Works and Transportation, this study was "not much more than an educated guess." EPA itself has discredited the 1971 needs survey as well as the 1973 needs survey which was the basis for the distribution formula for fiscal year 1975 under existing law.

Accordingly, EPA has recommended

that all future funds be allocated according to a new formula based 50 percent on State population and 50 percent on the latest—1974—survey of State needs. Water pollution control administrators in 37 jurisdictions, including six administrators in States which will be adversely affected, have endorsed the new formula recommended by EPA for future funding.

Mr. President, I ask unanimous consent that a list of those States be printed at this point in the Record.

There being no objection, the listing was ordered to be printed in the Record, as follows:

Association of State and Interstate Water Pollution Control Administrators' Poll

Alabama, Arizona, Arkansas, Colorado, Delaware, Georgia, Idaho, Illinois, Iowa, Kansas, Kentucky, Louisiana.

Maryland, Massachusetts, Mississippi, Missouri, Montana, Nebraska, New Hampshire, New Mexico, North Dakota, Oklahoma, Oregon.

Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming.

The Delaware River Basin Commission and the New England Commission have voted for the formula. New York abstained.

Florida now supports the 50–50 formula.

Mr. TALMADGE. The pending amendment would require the use of this formula, which by all accounts is more fair and equitable, in distributing fiscal year 1973, fiscal year 1974, and fiscal year 1975 funds which are being released.

Thirty-three jurisdictions will benefit from passage of the amendment; 17 will realize reductions in their allocations. As I pointed out earlier, under the old formulas 10 States would receive almost two-thirds—64 percent—of the funds. Under my amendment, they would still receive more than half—53 percent.

Mr. President, I ask unanimous consent at this point that a breakdown of amounts the States would receive under the formula in my amendment be printed in the Record.

There being no objection, the tabulation was ordered to be printed in the Record, as follows:

COMPARATIVE DISTRIBUTION OF $9,000,000,000 ALLOCATION

	February 1975 $9,000,000,000 reserve allocation, old formula	EPA estimates, 50 percent needs, 50 percent population, Talmadge-Nunn formula	Changes
Total	$8,999.9	$8,999.5	+$1,396.4
REGION I			
Connecticut	155.1	117.5	−37.6
Maine	78.5	47.9	−30.6
Massachusetts	295.8	259.9	−35.9
New Hampshire	77.2	53.9	−23.3
Rhode Island	45.6	37.8	−7.8
Vermont	22.5	21.8	−.7
REGION II			
New Jersey	660.8	421.7	−239.1
New York	1,046.1	844.8	−201.3
Puerto Rico	84.9	37.2	−47.7
Virgin Islands	7.8	3.1	−4.7
REGION III			
Delaware	56.4	33.6	−22.8
Maryland	297.7	307.1	+9.4
Pennsylvania	499.0	403.5	−95.5
Virginia	251.8	217.4	−34.4
West Virginia	59.4	148.7	+89.3
District of Columbia	72.5	20.2	−52.3
REGION IV			
Alabama	44.0	114.1	+70.1
Florida	345.9	391.5	+45.6
Georgia	117.8	199.4	+81.6
Kentucky	90.4	125.8	+35.4
Mississippi	38.7	75.8	+37.1
North Carolina	110.3	205.1	+94.8
South Carolina	82.3	127.2	+44.9
Tennessee	107.4	149.7	+42.3
REGION V			
Illinois	571.7	461.4	−110.3
Indiana	251.6	196.0	−55.6
Michigan	626.0	346.5	−279.5
Minnesota	172.0	147.8	−24.2
Ohio	497.2	456.6	−40.6
Wisconsin	145.3	181.9	+36.6
REGION VI			
Arkansas	39.8	89.5	+49.7
Louisiana	71.7	126.7	+55.0
New Mexico	15.0	32.0	+17.0
Oklahoma	64.3	112.7	+48.4
Texas	175.0	432.6	+257.6
REGION VII			
Iowa	100.0	105.8	+5.8
Kansas	53.8	96.0	+42.2
Missouri	157.5	183.4	+25.9
Nebraska	38.5	52.2	+13.7
REGION VIII			
Colorado	43.1	76.0	+32.9
Montana	12.4	21.8	+9.4
North Dakota	2.8	18.8	+16.0
South Dakota	5.7	19.1	+13.4
Utah	21.4	52.0	+30.6
Wyoming	2.9	16.7	+13.6
REGION IX			
Arizona	18.8	88.3	+69.5
California	945.8	893.1	−52.7
Hawaii	51.9	62.3	+10.4
Nevada	31.8	33.7	+1.9
American Samoa	.7	.7	0
Trust Territory of the Pacific Islands	2.7	18.2	+15.5
Guam	6.4	11.3	+4.9
REGION X			
Alaska	25.3	42.2	+16.9
Idaho	19.2	34.0	+14.8
Oregon	77.6	83.5	+5.9
Washington	103.9	142.0	+38.1

Mr. TALMADGE. Mr. President, my amendment also contains a "hold harmless" clause to protect any jurisdiction which has made waste water treatment construction contracts in excess of its new allocation under the formula we propose. I am presently aware of only one jurisdiction, the District of Columbia, to which this hold harmless clause would, in fact, apply. The District of Columbia will receive the entire amount of its obligated funds, and the excess amount would be deducted pro rata from the total allocations of other jurisdictions.

Mr. President, it is not often that we will get an opportunity to review past decisions in light of present facts. This is one of those unusual opportunities. I hope that the Senate will seize upon it and will adopt this amendment.

How much time does my distinguished colleague from Georgia desire?

Mr. NUNN. Will the Senator yield 6 minutes?

Mr. TALMADGE. I yield.

Mr. NELSON. I wonder if the Senator will yield for a question to the Senator from Georgia.

Mr. NUNN. I will be glad to yield.

Mr. NELSON. The Senator will recall that the 1966 amendment in which the Congress encouraged the municipalities to go ahead on their own and construct their facilities made a commitment to pay the Federal share at a later date. Does the Senator recall that?

Mr. TALMADGE. That is correct.

Mr. NELSON. And that period lasted, as I recall it, from 1966 to 1970. A miscalculation was made as to how large that obligation would be.

I do not remember the figures, but we appropriated a certain amount and it ended up being somewhere around $1 billion or $1.5 billion short. Is that correct?

Mr. TALMADGE. I do not remember the exact figure.

Mr. NELSON. My inquiry is addressed to this: Those municipalities went ahead on good faith. The statute is very clear. We made a commitment to pay them. We appropriated the money that we thought would produce the necessary Federal matching funds. It turns out that the EPA underestimated the number of municipalities that would qualify and go ahead on their own.

I offered an amendment about 2 years ago and Senator McGee did not want it on that bill at that time. We were to get around to it later.

Then the House put that money in and I believe it was taken out of the appropriations bill over here just a short time ago.

My inquiry is, does any of this impounded money here cover that situation involving those cities in the 1966 to 1970 period?

Mr. TALMADGE. It is my understanding that it does to some extent.

Mr. NELSON. Does it pay them the total matching fund obligation that the Federal Government had?

Mr. TALMADGE. To be funded through the States?

Mr. NELSON. The Federal matching fund will go through the States, for the total amount?

Mr. TALMADGE. My information is, and I assume that that is correct, this amendment does not deal with reimbursement.

Mr. NELSON. I thank the Senator.

Mr. TALMADGE. Mr. President, I yield my distinguished colleague from Georgia 6 minutes, and then I will yield to my distinguished friend from Florida.

Mr. NUNN. Mr. President, with my distinguished colleague's permission, I yield first to the Senator from Florida for the purpose of a unanimous-consent request.

Mr. STONE. Mr. President, I ask unanimous consent that Bruce Roman of my staff be accorded the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. I make the same unanimous-consent request in behalf of Charles Warren of my staff.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GLENN. Mr. President, I ask unanimous consent that Fred Kelley, of my staff, be added to that request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NUNN. Mr. President, on March 18 Senator TALMADGE introduced S. 1216, a bill to amend the Federal Water Pollution Control Act, Public Law 92-500. I was proud to be an original cosponsor of that proposal and I believe that it now has more than 30 cosponsors. The amendment which is currently pending before the Senate is identical to S. 1216. An identical measure was introduced in the House and currently has in excess of 100 cosponsors.

As you know, Mr. President, the Federal Water Pollution Control Act provides construction grant funds for water pollution control facilities. Prior to enactment of this act in 1972 construction grant funds for this purpose were allocated to the States strictly on the basis of population. The original Senate version of the Federal Water Pollution Control Act did propose a continuation of the allocation on the basis of population; however, the conference committee agreed to allocate on the basis of a "Needs" survey which had been conducted by the Federal Environmental Protection Agency in 1971. The result of this decision was that approximately 33 States were adversely affected through the implementation of this allocation process.

The 1971 "Needs" survey on which allocation was based had been conducted by EPA and only those communities whose population exceeded 10,000 had been surveyed. It goes without saying that there are many communities whose population does not exceed 10,000 that need and deserve assistance in construction of water pollution control facilities. There are also serious questions with regard to the accuracy of the data which was obtained by EPA during their 1971 survey. The fact that the survey was conducted in 1971, before the States had knowledge of most of the requirements mandated by the Federal Water Pollution Control Act also made the inclusion of that survey as the basis for allocation inappropriate and inequitable.

A second "Needs" survey was conducted in 1973 by the States in cooperation with EPA and the results of this study documented the fact that the data contained in the 1971 survey was incomplete and inaccurate.

The inequities which had been imposed on the 33 States by the 1971 survey were partially corrected at the end of 1973 when the Congress amended the Water Pollution Control Act and adopted the 1973 "Needs" survey as the basis for allocation of the fiscal year 1975 construction grant funds. The amendment which adopted the 1973 "Needs" survey also required the States and EPA to jointly conduct another "Needs" survey in 1974 in order to more equitable address constantly changing requirements.

Following completion of this 1974 survey it was transmitted to Congress on February 18, 1975, by Russell Train, the Administrator of EPA. Mr. Train in his letter of transmittal pointed out some of the reasons why he had determined that the 1974 "Needs" survey should be used in allocating any future funds under the Water Pollution Control Act. His first point was that several inadvertent clerical reporting inaccuracies existed in the previous surveys.

So point No. 1 is that, if we use the formula which will be in effect if this amendment is not agreed to, we will be perpetuating inaccuracies which existed in previous surveys for $6 billion worth of allocations.

A second important point indicated that a comprehensive review of the uneven nature of the various State cost estimates was required. Some balance had to be struck on the estimates submitted by the States so that an equitable allocation formula could be determined.

Mr. Train, in reviewing the estimates that had been submitted in past years, determined that the uneveness of data and cost estimates employed necessitated the incorporation of a population factor in the allocation formula so as to create a more equitable national allocation. He transmitted this conclusion to the Congress in the form of a recommendation that a formula based on an equal 50 percent division between population and the Agency adjusted cost estimates should be used in allocating any future funding under the Water Pollution Control Act.

Mr. President, we are talking about funding that is going to take place in the future, even though these funds were impounded based on the 1972 and 1973 appropriations and authorizations. And this particular formula that we are asking the Senate to adopt now as to the impounded funds is exactly the formula proposed by Mr. Train this year.

As Senators know, a total of $9 billion in allocations to the States to carry out the purposes of the Water Pollution and Control Act of 1972, as amended, were impounded by the President in fiscal years 1973 and 1974. These funds were ordered released by the U.S. Supreme Court in February of this year. These funds were not spent in the years in which they were appropriated. They were not spent under the allocation formulas which have since been acknowledged as inequitable. They should be released now under the formula I am proposing, because to do otherwise would compound a gross inequity and exacerbate our efforts to develop the most effective water pollution control system possible throughout all of our States.

The PRESIDING OFFICER. The Senator's 6 minutes have expired.

Mr. NUNN. Will the Senator yield me 1½ additional minutes?

Mr. TALMADGE. I yield 2 additional minutes to my distinguished colleague.

Mr. NUNN. Mr. President, this proposal has the specific endorsement of 30 Governors, which was recently transmitted to the members of the Public Works Committees of both Houses of Congress in a telegram. Earlier this year, 37 of our Nation's State administrators for water pollution and control also endorsed the allocation formula contained in this proposal.

I note these endorsements, Mr. President, to emphasize that the experts in the field of water pollution control for the vast majority of the States, as well as the Governors charged with the responsibilities of carrying out meaningful water pollution control programs, have analyzed the EPA Administrator's proposed allocation formula and found it equitable and highly desirable.

I believe that fair allocation of these funds is critical to the prevention and abatement of water pollution in the 50 States and the territories. The early release of these funds to local governments across the country is absolutely necessary in order to continue with our realistic water pollution control efforts. We should also recognize that these funds will assist in our efforts to reduce unemployment, and given this consideration, it becomes even more critical that construction grants are distributed across the Nation in a manner which assures that each State receives its fair share. The democratic principles upon which this country was established require that Congress explore every reasonable avenue in order to eliminate the gross inequity to approximately two-thirds of the States that has resulted from the utilization of inaccurate and imprecise needs formulas. The formula I am proposing would eliminate such inequity, and it was recommended for use by the Administrator of EPA and for these reasons, Mr. President, I urge its acceptance by the Senate.

Mr. President, because I know other Senators wish to speak, I yield back to my distinguished colleague from Georgia.

Mr. TALMADGE. Mr. President, I reserve the remainder of my time.

Mr. MONTOYA. Mr. President, I yield the Senator from Maine such time as he may require.

Mr. MUSKIE. Mr. President, in due course I shall move to table this amendment, but I certainly do not want to cut off any debate in which Senators may desire to engage.

I would make two observations about it, at the outset. First, there is an ample record which demonstrates that population as a basis for distribution of waste treatment funds is also inequitable, and unrelated to the real needs of the States. That is why, in the 1972 law, Congress changed, at the initiative of the House of Representatives, the basis for distributing these funds, in an effort to establish a "needs" basis.

That has not been an easy task to perform, and we are in the middle of it. I must say, Mr. President, the floor of the Senate is no place to monkey with that effort. If we were to try to write a tax measure of that complication on the floor of the Senate, some of those who support this amendment would rise up in rage. The committee process has been established to deal with these kinds of complicated problems.

This amendment was introduced in March of this year. I understand the impatience of its sponsors, but they have been informed that the Subcommittee on Environmental Pollution has this matter on its agenda for consideration later this year. But their impatience will not permit them to wait.

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. MUSKIE. I will yield on the Senator's time.

Mr. TALMADGE. As the Senator knows, EPA is getting ready to allocate these funds. We are getting ready to go off on a 30-day recess, and by the time we get back some and perhaps a lot of the funds will be allocated under the old formula. That is the necessity for moving now.

Mr. MUSKIE. I point out to the Senator that of the $9 billion this formula touches, only $100 million has been obligated to date. It is not being obligated that fast. It cannot be spent that fast.

As a matter of fact, the Senator himself made the point that he has a save harmless clause that applies to contracts that have been let.

Mr. TALMADGE. Only the District of Columbia has commitments greater than the funds it would be allocated under my amendment.

Mr. MUSKIE. My I finish? Of the contracts that have been entered into, only one State is affected by the save-harmless clause, let me say to the Senator.

Mr. TALMADGE. But we are going on recess.

Mr. MUSKIE. I say to the Senator that many States are affected unfavorably by his amendment.

Mr. TALMADGE. Seventeen.

Mr. MUSKIE. Many States are affected unfavorably by this amendment, and I will get into those.

Mr. TALMADGE. And 33 favorably.

Mr. MUSKIE. Yes.

That is no reason, I submit to the Senator from Georgia, to monkey with this kind of a complicated formula in the Chamber of the Senate.

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. MUSKIE. No. I am going to finish my case. I did not interrupt the Senator.

Mr. PASTORE. Mr. President, I would hope the Senator would yield to me.

Mr. MUSKIE. Yes. I will yield to the Senator from Rhode Island, who would be hurt by the Talmadge-Nunn amendment.

Mr. PASTORE. Rhode Island is being crucified.

Mr. MUSKIE. Exactly.

Mr. PASTORE. Look. Take a look at this. Here we are. We have the largest unemployment in the United States of America, poor little State of Rhode Island, the largest unemployment in the United States of America. What are they doing? Georgia is doing very well. We support—oh, Georgia is doing fine.

Mr. NUNN. About 9 percent.

Mr. PASTORE. Georgia is doing fine. They have a mixed economy. We support a lot of the products from Georgia. The consumers of Rhode Island sustain them.

Look what is being done.

Georgia goes from $117.8 million up to $199 million.

What is done to poor little Rhode Island? What do you do to poor little Rhode Island? From $45.6 million you bring me down to $37.8 million. If you do not call that crucifixion, I would like to know what you call it.

Here we are. We are the most oppressed State in the Union, and the Senator is coming out with a formula here where he is going to cut the legs right from under us. How unfair can he be?

I am telling the Senator that we support tobacco, we support grain, we support cattle, we support everything under the sun, and then when it comes to a little thing like this, a miserable $45.6 million he wants to cut us down. He wants to cut us down.

What does he do for himself? He gives himself a nice big bonus.

Mr. MUSKIE. Mr. President, if I may continue with presenting the merits of the case before it becomes cluttered by the rhetoric, which is just bubbling under the surface, first of all, Mr. President, I say that this amendment is not germane to the pending legislation. There must be some procedure in the Senate, although I must say it is lost in our proceedings these days.

Second, it is legislation on which no hearings have been held. Its implications have not been examined thoroughly.

Third, it is wholly contrary to the commitment made by the leadership of the Committee on Public Works to the Administrator of EPA at the time he allocated the long impounded $9 billion in water pollution funds.

Mr. President, the Committee on Public Works worked diligently to obtain release of the impounded water pollution funds. We assisted and supported the litigation which finally resulted in the Supreme Court decision of February 18, 1975, that the impoundment was, in fact illegal. We then strongly urged the Administrator of the Environmental Protection Agency to allocate those moneys immediately among the States in order to accomplish the dual objectives of cleaning up our Nation's waterways and creating employment.

At the time we urged the Administrator to allocate these funds, we gave him a personal commitment that we would resist any effort to reallocate these funds. Our commitment was based on an understanding that allocation of these funds would immediately trigger planning by States and communities as to how best to expend these moneys to achieve the greatest benefit.

We knew that the water pollution control program had been plagued by delay. It had been disrupted by changes in policy and regulation. We knew that with adequate funds available, States and communities could begin to plan to make the commitments that would be necessary to fulfill the objectives of the program.

Thus we were prepared to agree with the Administrator on the importance of making these allocations and maintaining these allocations in the way they were originally intended.

Mr. President, I ask unanimous consent to have printed in the RECORD, a copy of the letter Senator RANDOLPH and I sent to Russell Train, urging prompt allocation of the funds according to the formula in existence by law at the time of the impoundment.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MUSKIE. Mr. President, the Administrator of the Environmental Protection Agency precisely obeyed the law when he allocated these funds. He made them available to States and communities on the same basis they would have been made available had they not been impounded. States and communities have a legal entitlement to these funds. They earned that entitlement on the basis of the allocation formula established in the law. The Nunn-Talmadge amendment would propose to remove from some and give to others an entitlement which the 1972 law promised.

Of more serious concern, Mr. President, is the potential for new delay and disruption the Nunn-Talmadge amendment would create. Communities and States which are moving forward with plans to construct municipal waste treatment facilities will now stop. They will wait to see whether this amendment becomes law, and they will have to wait to see if the moneys which they were expecting will now be withheld.

Plans that are pending before State agencies and regional EPA offices will be withdrawn.

Jobs that would have been created—and projects which would have been constructed—will be foregone.

At the same time, States and communities which were not anticipating these funds will not be able to take up the slack. Most of the States which would appear on paper to benefit from the Nunn-Talmadge amendment simply do not have the projects in the pipeline to take advantage of the dollars which they would receive. These States and communities will have to gear up to the level of activity necessary to take advantage of substantial new funds. And some of the States will never take advantage of these funds because the hearing record of the committee discloses that population represents an exaggeration of the funds they need to meet their requirements.

The population portion of the Nunn-Talmadge formula assumes a capacity to use money for projects which is unrelated to water pollution problems. It was this inadequacy of the population formula which caused us to reject population as the basis for allocation in 1972. Some States could not use the moneys that were allocated to them on the basis of population, so we chose instead to allocate funds on the basis of needs.

Mr. President, if this amendment is accepted, we will have States which will not be able to use the money because they do not have the demand, and we will have States that will not be able to use the money because they are not prepared for this new infusion of Federal funds. And then, we will have States who are fully prepared to use every penny of the available money on the basis of their anticipation of that allocation. So, on the one hand, we will have stopped progress, and on the other hand we will not be able to move forward. And the loser will be the environment and the working man, who needs the job.

To underscore how disruptive this amendment is, I would like to quote Administrator Russell Train who says this:

> It is desirable from a program management standpoint, as well as a program credit-ibility standpoint, to have a stable base on which to structure our future planning. As you have pointed out, EPA, in conjunction with the State agencies, has been working to stabilize planning and implementation efforts in the construction grants program. To change the allotment formula now would hamper these efforts.

I ask unanimous consent that the full text of Mr. Train's letter be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. MUSKIE. Mr. President, the Committee on Public Works is fully aware of the difficulties associated with current methods of allocating water pollution funds. But we are also cognizant of the fact that we must authorize additional funds for water pollution for fiscal 1977 and beyond. We have scheduled hearings this fall to determine not only the level of authorization but also the method by which these funds are to be allocated to the States. One of the bills which we had expected to consider was S. 1216, the legislation proposed as an amendment today by Senators Nunn and Talmadge.

Future funds may need to be allocated on a different formula. But that is a decision that must be made in the future. We cannot make this kind of decision in relation to past funds for the reasons I have outlined above. Mr. President, I urge that the Senate join me in tabling this highly disruptive, unecessary and untimely proposal.

Mr. President, I ask unanimous consent to have printed at the conclusion of my remarks a history of the development of the "needs" formula.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 3.)

Exhibit 1

U.S. Senate,
Committee on Public Works,
Washington, D.C., January 29, 1975.

Hon. Russell E. Train,
Administrator, Environmental Protection Agency, Washington, D.C.

Dear Mr. Administrator: We were pleased to learn on Monday that the President had authorized the release of an additional $4 billion of impounded water pollution construction grant allotments. While we had hoped that the full amount of $9 billion would be released in order to expedite the water pollution control program and help stimulate the economy, we felt that the President's action was a step in the right direction.

We are now informed that your announcement of the Presidential directive does not mean these $4 billion will be immediately available for distribution to the states and obligation to projects which are ready to go. We understand this delay results from concern as to how these monies are to be allocated among the States. This concern, however justified, will only be construed as another attempt by the Administration to slow the flow of needed funds to the construction of waste treatment facilities. Not only is slow down uncalled for and unjustified, it is contrary to the national interest. These funds must be released for both environmental and economic purposes.

We find no basis whatsoever for confusion as to the distribution of these funds. The 1972 law required allotment of authorized funds on a specified date by a formula established by statute. The funds that were impounded should be allotted in accordance with the formula that was in effect at the time they were impounded. In other words, to the extent that the $4 billion is taken from authorizations for FY 1973 and FY 1974, the money must be distributed in accordance with the formula applicable to those years. If the $4 billion comes in any part of the authorization for FY 1975, then they are to be distributed in accordance with the FY 1975 allocation formula.

There is no cause for delay. There is no reason for confusion. We can only speculate that either the Agency is not satisfied with the applicable formulas and therefore wants to conjure up a new method for distribution of monies or, in fact, is intentionally delaying the distribution of obligational authority in order to accomplish unexplained economic objectives.

We hope that you will act immediately to allocate these funds.

Sincerely,

Jennings Randolph,
Chairman, Committee on Public Works.
Edmund S. Muskie,
Chairman, Subcommittee on Environmental Pollution.
U.S. Senators.

Exhibit 2

U.S. Senate,
Committee on Public Works,
Washington, D.C., July 8, 1975.

Hon. Russell E. Train,
Environmental Protection Agency,
Washington, D.C.

Dear Mr. Administrator: As you know, Senators Talmadge and Nunn have introduced an amendment to the Federal Water Pollution Control Act which, in part, would provide for a reallocation of the $9 billion of previously withheld construction grant funds which were ordered allocated earlier this year by the Supreme Court. The $9 billion was allocated on the basis of the formula in effect during the fiscal year in which the funds were withheld. At the time you allocated those funds, we agreed on the importance of supporting your decision to use this formula.

The proposed amendment, S. 1216, would now reallocate those funds according to a formula based 50% on the population each State bears to the total population and 50% on each State's percentage of the national total needs as expressed for categories I, II and IV-B of the most recent EPA "Needs Survey".

In order that we might fairly evaluate the implications of the amendment, we would appreciate receiving the following information:

1. The current state-by-state status of obligation of construction grant funds for each authorized fiscal year including the $9 billion assigned as FY 1976 funds. It is important to determine at what point the States will actually begin obligation of the affected $9 billion.

2. From a program management standpoint, what difficulties do you foresee in a reallocation of construction grant funds as proposed by S. 1216? This is especially relevant in light of current EPA policy to simplify and expedite the construction grant process in order to insure obligation of the total $18 billion by September 30, 1977.

3. From a program credibility standpoint, what implications do you believe would be derived from such a reallocation of funds? States and localities have complained of the lack of continuity in the grant program over the last two to three years as a result of shifting requirements, delays in promulgation of regulations and guidelines, and uncertainty of Federal funding levels. It appears that EPA, States and localities are finally moving into a relatively stable planning and implementation period which hopefully will result in a more efficient and effective construction grant program. What impact would an additional change in funding levels have on this current effort?

We understand that EPA has endorsed the concept of a 50/50 allocation formula for future allocations. The Subcommittee will carefully review that recommendation in relation to any future authorization. Our concern is addressed specifically to the proposed reallocation of currently authorized and allocated funds. Your response will provide the necessary information for an evaluation of the impacts of the proposed amendments. Because the Subcommittee on Environmental Pollution may be called upon to consider this proposal in the near future, your prompt response to these questions would be greatly appreciated.

Sincerely,

James L. Buckley,
Ranking Minority Member.
Edmund S. Muskie,
Chairman, Subcommittee on Environmental Pollution, U.S. Senators.

Environmental Protection
Agency,
Washington, D.C., July 23, 1975.

Hon. Edmund S. Muskie,
Chairman, Subcommittee on Environmental Pollution, Committee on Public Works, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: Thank you for your letter of July 8, 1975, concerning the proposed amendment, S. 1216, to the Federal Water Pollution Control Act which, in part, would provide for a reallocation of the $9 billion of previously withheld construction grant funds.

As I have testified previously, the formula for allocating waste treatment construction grant funds between the States is a matter for Congressional determination, and EPA is prepared to administer the program in accordance with whatever formula is developed. However, I believe it is important to point out that a further change in the formula at this time would be disruptive to an orderly process of planning and administration.

As you know, the $9 billion was allocated on the basis of the formula in effect during the fiscal year in which the funds were withheld. One formula was used for the $6 billion FY-73/74 funds and another formula was used for the $3 billion FY-75 funds. These funds have been available to the States for obligation since February of this year. Attachments I and II show the actual status of FY-74/75, and FY-76 funds (all FY-73 and FY-74 funds have been obligated). You will note on Attachment III that the District of Columbia has already obligated more funds under the current formula than would be available to it under S. 1216. Our most recent obligation estimates indicate that the States of Maine and Michigan will be in a similar position this fiscal year, although neither of these states would exhaust all their funds under the current formula until FY-77.

Although only a few States have actually obligated any of the FY-76 money to date, the amount of funds available to the States has played a key role in their recent planning efforts. The FY-76 State Program Plans

have just recently been submitted to EPA. These plans contain the FY-76 construction grants priority lists which are directly linked to the current State allotments. To change these allotments now would necessitate extensive revisions to the priority lists, causing concern among those municipalities dropped from the lists due to decreased funding in certain States. An analysis of the alternative funding formula shows that allotments would be decreased in 19 States centered almost completely in Regions I, II, III and V. This would cause serious delays in the program while these problems were being resolved.

It is desirable from a program management standpoint, as well as a program credibility standpoint, to have a stable base on which to structure our future planning. As you have pointed out, EPA, in conjunction with the State agencies, has been working to stabilize planning and implementation efforts in the construction grants program. To change the allotment formula now would hamper these efforts.

I will be happy to provide you with any additional information you require to evaluate the impact of this proposed amendment.

Sincerely yours,

Russell E. Train.

ATTACHMENT I

STATUS OF WWT CONSTRUCTION GRANT FUNDS, UNDER PUBLIC LAW 92-500, AS OF JUNE 30, 1975

Region and State	Fiscal year 1974			Fiscal year 1975		
	Allotments	Obligations	Percent obligated	Allotments	Obligations	Percent obligated
PART I						
Region 1 totals:						
Connecticut	$50,430,000	$50,430,000	100	$69,542,900	$21,337,444	30
Massachusetts	112,728,000	112,728,000	100	90,215,900	38,200,626	42
Maine	29,025,000	29,025,000	100	26,227,000	18,695,440	71
New Hampshire	24,927,000	24,927,000	100	35,072,950	22,980,112	65
Rhode Island	14,667,000	14,667,000	100	20,864,000	7,671,575	36
Vermont	6,654,000	6,654,000	100	11,800,800	2,856,476	24
Region 2 totals	238,431,000	238,431,000		253,723,550	111,741,683	
New Jersey	231,120,000	231,120,000	100	254,656,200	114,729,516	45
New York	331,734,000	331,734,000	100	490,654,200	129,145,187	26
Puerto Rico	26,535,000	26,535,000	100	40,832,900	5,304,793	12
Virgin Islands	2,679,000	2,679,000	100	3,130,900	409,250	13
Region 3 totals	592,068,000	592,068,000		789,274,200	249,588,746	
District of Columbia	21,342,000	21,342,000	100	38,233,800	38,233,800	100
Delaware	19,695,000	19,695,000	100	21,815,300	13,347,380	61
Maryland	127,746,000	127,746,000	100	54,128,100	31,515,465	58
Pennsylvania	162,642,000	162,642,000	100	222,744,100	57,137,530	25
Virginia	87,429,000	87,429,000	100	98,672,400	73,299,043	74
West Virginia	14,997,000	14,997,000	100	37,735,700	7,849,140	20
Region 4 totals	433,851,000	433,851,000		473,329,400	221,382,358	
Alabama	10,836,000	10,836,000	100	33,785,150	18,203,623	53
Florida	108,792,000	108,792,000	100	164,496,400	87,990,603	53
Georgia	29,190,000	29,190,000	100	76,153,000	9,739,828	12
Kentucky	19,797,000	19,797,000	100	65,183,600	26,753,752	41
Mississippi	11,805,000	11,805,000	100	22,346,700	8,325,510	37
North Carolina	27,887,000	27,687,000	100	70,494,200	10,944,286	15
South Carolina	19,365,000	19,365,000	100	55,922,000	2,721,522	4
Tennessee	34,815,000	34,815,000	100	48,371,800	16,889,441	34
Region 5 totals	262,287,000	262,287,000		536,752,850	181,568,535	
Illinois	187,467,000	187,487,000	100	252,311,700	103,479,042	41
Indiana	100,986,000	100,986,000	100	63,678,100	3,943,592	6
Michigan	239,442,000	239,442,000	100	188,637,400	88,770,111	47
Minnesota	60,957,000	60,957,000	100	64,247,300	58,299,088	90
Ohio	173,211,000	173,211,000	100	193,378,700	25,226,967	13
Wisconsin	52,245,000	52,245,000	100	52,360,400	14,801,945	28
Region 6 totals	814,308,000	814,308,000		814,613,600	294,520,745	
Arkansas	10,608,000	10,608,000	100	23,860,100	5,941,780	24
Louisiana	28,264,000	28,284,000	100	35,551,850	2,350,961	6
New Mexico	6,324,000	6,324,000	100	10,870,500	706,264	6
Oklahoma	13,824,000	13,824,000	100	46,997,400	7,515,327	15
Texas	83,082,000	83,082,000	100	106,900,250	48,937,253	45
Region 7 totals	142,122,000	142,122,000		223,980,100	65,451,605	
Iowa	34,671,000	34,671,000	100	39,364,800	12,688,635	32
Kansas	11,226,000	11,228,000	100	40,192,500	7,671,182	19
Missouri	49,668,000	49,668,000	100	74,546,400	28,260,423	37
Nebraska	11,124,000	11,124,000	100	20,894,000	14,422,984	69
Region 8 totals	108,689,000	108,689,000		174,997,700	63,043,204	
Colorado	9,498,000	9,498,000	100	30,930,900	21,062,354	68
Montana	4,988,000	4,988,000	100	7,534,600	6,208,990	82
North Dakota	1,401,000	1,401,000	100	6,878,100	5,244,142	76
South Dakota	2,844,000	2,844,000	100	7,308,800	1,963,235	26
Utah	4,224,000	4,224,000	100	16,579,600	14,259,450	86
Wyoming	804,000	804,000	100	4,049,450	2,836,804	70
Region 9 totals	23,757,000	23,757,000		73,279,450	51,572,975	
Arizona	4,038,000	4,038,000	100	17,695,750	17,695,750	100
California	294,528,000	294,528,000	100	457,420,100	102,689,519	22
Georgia	2,616,000	2,616,000	100	2,172,000	2,172,000	100
Hawaii	9,909,000	9,909,000	100	41,140,000	41,140,000	100
Nevada	8,631,000	8,631,000	100	18,695,600	1,446,948	7
Trust Territory of the Pacific	1,134,000	1,134,000	100	524,300	524,000	99
American Samoa	144,000	144,000	100	576,700		
Region 10 totals	321,000,000	321,000,000		538,224,450	165,668,216	
Alaska	6,756,000	6,756,000	100	15,095,100	15,059,100	100
Idaho	6,531,000	6,531,000	100	7,898,400	7,395,857	93
Oregon	25,482,000	25,482,000	100	34,136,700	23,651,070	69
Washington	26,718,000	26,718,000	100	64,730,500	53,837,773	83
Region totals	65,487,000	65,487,000		121,824,700	99,933,800	
Nation totals	3,000,000,000	3,000,000,000		4,000,000,000	1,504,471,867	

ATTACHMENT II

State	Allotments	Obligations	Percent obligated
Region I	674, 701, 650		
Connecticut	155, 091, 800		
Maine	78, 495, 200		
Massachusetts	295, 809, 100		
New Hampshire	77, 199, 350		
Rhode Island	45, 599, 600		
Vermont	22, 506, 600		
Region II	1, 799, 639, 300		
New Jersey	660, 830, 500		
New York	1, 046, 103, 500		
Puerto Rico	84, 910, 500		
Virgin Island	7, 794, 800		
Region III	1, 236, 806, 000	38, 645, 840	3
Delaware	56, 394, 900		
Maryland	297, 705, 300		
Pennsylvania	498, 984, 900		
Virginia	251, 809, 000		
West Virginia	59, 419, 900		
District of Columbia	72, 492, 000	38, 645, 840	53
Region IV	936, 823, 150	46, 723, 180	5
Alabama	43, 975, 950		
Florida	345, 870, 100	46, 723, 180	14
Georgia	117, 772, 800		
Kentucky	90, 430, 800		
Mississippi	38, 735, 200		
North Carolina	110, 345, 000		
South Carolina	82, 341, 900		
Tennessee	107, 351, 400		
Region V	2, 263, 901, 400		
Illinois	571, 698, 400		
Indiana	251, 631, 800		
Michigan	625, 991, 900		
Minnesota	172, 024, 500		
Ohio	497, 227, 400		
Wisconsin	145, 327, 400		
Region VI	365, 858, 400		
Arkansas	39, 822, 700		
Louisiana	71, 712, 250		
New Mexico	15, 054, 900		
Oklahoma	64, 298, 700		
Texas	174, 969, 850		
Region VII	349, 849, 800		
Iowa	100, 044, 900		
Kansas	53, 794, 200		
Missouri	157, 471, 200		
Nebraska	38, 539, 500		
Region VIII	88, 288, 650	3, 200, 208	4
Colorado	43, 113, 300		
Montana	12, 378, 200		
North Dakota	2, 802, 000		
South Dakota	5, 688, 000		
Utah	21, 376, 500	3, 200, 208	15
Wyoming	2, 930, 650		
Region IX	1, 058, 163, 550	10, 586, 543	1
Arizona	18, 833, 450	7, 446, 398	40
California	945, 776, 800		
Hawaii	51, 903, 300	382, 540	
Nevada	31, 839, 800		
American Samoa	738, 200		
Trust Territory of Pacific	2, 672, 800	543, 555	20
Guam	6, 399, 200	2, 214, 040	35
Region X	225, 968, 100	554, 268	
Alaska	25, 250, 500	554, 268	
Idaho	19, 219, 100		
Oregon	77, 582, 900		
Washington	103, 915, 600		
Total	9, 000, 000, 000	99, 710, 039	1

ATTACHMENT III

CURRENTLY PLANNED OBLIGATIONS AGAINST PROPOSED S. 1216 ALLOTMENT FORMULA

[In millions of dollars]

Totals	S. 1216 allotment	Actual June 30, 1975		Planned Dec. 31, 1975		Planned June 30, 1976 [1]	
		Obligation	Remaining	Obligation	Remaining	Obligation	Remaining
Region I:							
Connecticut	116		116		116		116
Maine	47		47	49	−2	54	−7
Massachusetts	253		253		253	2	251
New Hampshire	53		53	5	48	15	38
Rhode Island	38		38	14	24	24	14
Vermont	22		22		22		22
Region II:							
New Jersey	408		408	73	335	323	85
New York	830		830		830	146	684
Puerto Rico	102		102		102		102
Virgin Islands	5		5		5	3	2
Region III:							
Delaware	33		33		33	18	15
Maryland	319		319	70	249	200	119
Pennsylvania	392		392		392	124	268
Virginia	214		214	35	179	144	70
West Virginia	161		161		161		161
District of Columbia	20	39	−19	53	−33	53	−33
Region IV:							
Alabama	113		113	9	104	19	94
Florida	388	47	341	63	325	101	287
Georgia	199		199		199		199
Kentucky	129		129	9	120	26	103
Mississippi	76		76		76		76
North Carolina	205		205	20	185	34	171
South Carolina	124		124		124	10	114
Tennessee	150		150		150		150
Region V:							
Illinois	459		459		459	9	450
Indiana	194		194		194	19	175
Michigan	355		355	110	245	510	−155
Minnesota	149		149	33	116	65	84
Ohio	462		462	16	446	146	316
Wisconsin	183		183	32	151	69	114
Region VI:							
Arkansas	93		93		93	5	88
Louisiana	122		122		122	10	112
New Mexico	31		31		31	2	29
Oklahoma	116		116		116	25	91
Texas	437		437		437	45	392
Region VII:							
Iowa	105		105	12	93	32	73
Kansas	95		95		95	8	87
Missouri	178		178	8	170	28	150
Nebraska	49		49	1	48	9	40
Region VIII:							
Colorado	86		86	2	84	12	74
Montana	21		21	1	20	8	13
North Dakota	18		18	1	17	3	15
South Dakota	18		18		18		18
Utah	48	3	45	4	44	14	34
Wyoming	16		16	2	14	2	14
Region IX:							
Arizona	85	7	78	10	75	13	72
California	867		867		867		867
Hawaii	60	1	59	1	59	26	34
Nevada	34		34		34	32	2
American Samoa	3		3		3		3
Tr. Terr. of Pac. Islds	17	1	16	1	16	3	14
Guam	11	2	9	2	9	8	3
Region X:							
Alaska	38	1	37	6	32	12	26
Idaho	34		34	5	29	10	24
Oregon	82		82	19	63	38	44
Washington	139		139	26	113	52	87

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[1] 15 mo. before expiration.

EXHIBIT 3

HISTORY OF DEVELOPMENT OF "NEEDS" FORMULA

Prior to passage of the Federal Water Pollution Control Act Amendments of 1972 (P.L. 92-500), Congress based the allocation of sewage treatment facility construction grant funds to the States on various formulae.

The Water Pollution Control Act of 1948 (P.L. 80-845), appropriated to the Federal Security Agency an annual sum of $1,000,000 each year for five years for prevention and control of water pollution caused by industrial wastes. Section 8(a) of that Act required that these sums:

> Be allotted equitably and paid to the States for expenditures by or under the direction of their respective State water pollution agencies * * * for expenditure for them, for the conduct of investigations, re-

search, surveys, and studies related to the prevention and control of water pollution caused by industrial wastes.

In 1956 Congress changed the manner of grant allocation when it amended the Water Pollution Control Act (P.L. 84-660). Section 6 of that Act provided for payments of 30 percent of the cost of construction of "* * * necessary treatment works to prevent the discharge of untreated or inadequately treated sewage or waste into any waters." Section 6(c) made the following provisions for allocation:

> The sums appropriated pursuant to subsection (d) for any fiscal year shall be allotted by the Surgeon General from time to time * * * as follows: (1) 50 per centum of such sums in the ratio that the population of each State bears to the population of all the States and (2) 50 per centum of such sums in the ratio that the quotient obtained by dividing the per capita income of the United States by the per capita income of each State bears to the sum of such quotients for all the States.

In 1965, Congress again changed the method of allocating grant money to the States when it amended the Federal Water Pollution Control Act (P.L. 89-234). Section 8(c) provided:

> All sums in excess of $100,000,000 appropriated pursuant to subsection (d) for each fiscal year beginning on or after July 1, 1965, shall be allotted by the Secretary from time to time, in accordance with regulations, in the ratio that the population of each State bears to the population of all States.

This formula remained in use until passage of the 1972 Amendments (P.L. 92-500) to the Federal Water Pollution Control Act. That Act replaced the prior law's formula based on population with one that uses the actual waste treatment needs of each State, Section 205(a) provided:

> Such sums shall be allotted among the States by the Administrator in accordance with regulations promulgated by him, in the ratio that the estimated cost of constructing all needed publicly owned treatment works in each State bears to the estimated cost of construction of all needed publicly owned treatment works in all of the States.

Section 205(a) reflected the House amendment to the Senate bill. This section as it passed the Senate, had provided that allocation for sewage treatment construction grants be made on the basis of population. Concerning the utility of a needs formula, the House Report on H.R. 11896 (Report No. 92-911) stated in section 205:

> [The] needs formula is a sound basis for allotting funds since our experience to date clearly demonstrates that there is no necessary correlation between the financial assistance needed for waste treatment works in a given State and its population.

In that same report, the House Committee on Public Works noted that:

> [A]t the present time [March 1972] there is no satisfactory estimate of the total funds required by the States for the construction of publicly owned treatment works. (Date added.)

For the fiscal years 1973 and 1974, the new law provided that the ratios used in section 205 were to be based on the estimate of needs prepared by the Environmental Protection Agency in December, 1971. For these allotments to be made for fiscal year 1975, and subsequent years, the law requires that they be made according to a revised cost estimate prepared by the Administrator of the Environmental Protection Agency.

The 1972 Act, therefore, became the first water pollution control legislation that connects inventories "needs" for treatment facilities and the alloment of construction grant funds.

Mr. MUSKIE. Mr. President, I am happy to yield to my good friend the Senator from Tennessee, the distinguished ranking Republican Member of the Committee on Public Works, Mr. BAKER.

Mr. BAKER. Mr. President, I thank the Senator from Maine for yielding.

I rise, regretfully, to oppose the amendment by the Senator from Georgia. I say that with full foreknowledge that my State of Tennessee is one of the States that, on paper, would benefit from the adoption of the amendment. It would give Tennessee about $150 million in funds instead of $107 million.

I am not unsympathetic to the importance of that nor to the need within my State. "Need" is the key and operative word. The present formula is based on need and it should not be arbitrarily based on the comparison of a tabular chart of how much money we get under this amendment or the existing law. The formula should be based on the need in terms of the amount that can be utilized effectively within plans calculated to carry out the entire program for my State and every other State in the Union. We are not dealing with a small program. This is an $18 billion program, as the result of the 1972 Act.

The needs formula was adopted after extensive debate within the Public Works Committee on the question of whether or not there should be a geographical formula, a population formula, a needs formula, or a hybrid formula of some type.

We in the Congress finally decided—and I believe correctly—that nothing was more empirically correct or definitive than a statement that need, itself, was unrelated to population or the geographical area of the State, and a formula based on need is precisely what we adopted in 1972.

So far as Tennessee is concerned, the important thing to me is, first, that there is adequate funding, and I think there is an adequate authorization under the 1972 act—$18 billion. Second, it is important that funding can be provided for phases and steps, that funds can be dispersed as these increments of improvement are ready to go. You need not fund for the whole project or operable section at the same time. This prevents a single large project from blocking a State's priority list. We provided for that in a 1973 amendment to the act which I sponsored. That amendment has let my State and other States go forward with projects which could not have been funded under the EPA practice that existed previously.

Mr. NUNN. Mr. President, will the Senator yield?

Mr. BAKER. I yield.

Mr. NUNN. In 1972, according to the understanding of the Senator from Georgia, the Senate position was based on population and the House position was based on need, and the conference committee came back with the House position.

When the Senator says "we," he does not mean the Senate; he means the final report which was imposed on the Senate by the House conferees, as the Senator from Georgia understands the history. In fact, the entire history of this battle has been that the Senate constantly has wanted to use population to a greater extent in the formula than the House has. Is that correct?

Mr. BAKER. The answer to the Senator from Georgia is that the House position was not imposed on the Senate conferees. The House position was the position that was accepted.

The hearings, markup, and debate that were conducted in the Senate took into account the various aspects of the formula I have mentioned. When I am speaking of we, I am speaking of my colleagues and I, who have always felt that the need formula was the one that should be adopted.

In 1971, EPA did conduct a needs survey, at the behest of the Senate Public Works Committee—and the House Public Works Committee—that established the probability of the requirement for financial assistance of the States in this particular field. Updated surveys were taken later. The needs formula has been the basis for funding under the act since 1972.

The Senate floor is not the place to start tinkering with this. If we open up this formula in this bill at this time, we are going to open it up on every other major funding program we have. I do not think that is the way it should be done.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. MUSKIE. I am happy to yield.

Mr. JAVITS. I express my deep appreciation to Senator BAKER for saying what he has, though his State would benefit. We have seen many examples of this nice scalpel which neatly cuts the heart out of the industrial States in order to help smaller or rural States where these formulas come up.

The people of my State, I found in the last campaign, really feel ripped off. It is very disheartening to them to go through this experience—that we are not a Nation but that we are a set of parochial interests, each of whom is trying to best the other. If that gets to be a way of life, the industrial States can retaliate very sharply and very damagingly, and I hope it will not be.

Mr. NUNN. Mr. President, will the Senator yield?

Mr. JAVITS. Not until I finish. I have only a minute. The Senator from Georgia had a great deal of time.

I have no quarrels with those who act as they do or seek new formulae. We faced it in education. Now we face it in water pollution, and so forth. I hope very much that this reiteration of the same proposition may at last convince many Senators. This is on the nice basis of cutting around 19 States or 17 States, whatever may be their population, their tax contribution, their essentiality to the Nation, and other troubles—such as in the case of Senator PASTORE.

My home city of New York today has 11.7 percent unemployment. No wonder it faces bankruptcy. It is not a surprise, no matter what they do.

So I rise primarily to thank Senator Baker for his statesmanship.

We furnish the sinews for war, and our blood is shed, just as is that of many other Americans, except that we are 10 percent of the population instead of 1 or 2 percent of the population.

I thank Senator Baker for his statesmanship in taking the position he has taken.

Mr. NUNN. Mr. President, will the Senator yield?

Mr. JAVITS. Senator Muskie has the floor.

Mr. MUSKIE. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Ten minutes.

Mr. BAKER. Mr. President, may I yield myself 1 minute on the bill?

The PRESIDING OFFICER. Time is not transferable.

Mr. BAKER. Mr. President, I yielded the time to Senator McClure. He is not on the floor.

The PRESIDING OFFICER. Under the agreement, time cannot be taken from the bill and used on an amendment.

Mr. BAKER. Mr. President, I ask unanimous consent that I may have 30 seconds to respond to the Senator from New York.

Mr. MUSKIE. Mr. President, I yield the Senator 1 minute.

Mr. BAKER. Mr. President, I express my gratitude and appreciation to one of the great Senators of our time. I appreciate his characterization of those remarks.

Mr. JAVITS. I thank the Senator.

Mr. MONTOYA. Mr. President, I ask unanimous consent that Mr. Martin Frank, of Senator Tunney's staff, be allowed the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, I ask unanimous consent that Leon Billings, of the Environmental Pollution Subcommittee staff, have the privilege of the floor, together with James George and Reggie Gilliam.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, I reserve the remainder of my time.

Mr. HUDDLESTON. Mr. President, will the Senator from Georgia yield?

Mr. TALMADGE. I yield 3 minutes to the distinguished Senator from Kentucky.

Mr. HUDDLESTON. I thank the distinguished Senator from Georgia.

Mr. President, I wish to associate myself with the remarks of the distinguished Senators from Georgia, and I express my appreciation for being a cosponsor of this amendment.

Mr. President, I am pleased to support the amendment which has been offered by the distinguished senior Senator from Georgia. As a cosponsor of S. 1216, which has the same provisions as the amendment before us, I find it extremely gratifying that we have been able to find a vehicle for the implementation of a formula which the Environmental Protection Agency has called for in its Needs Survey. I reiterate the comments of my colleagues in stating that this survey was undertaken pursuant to a congressional mandate in Public Law 92–500 as amended by Public Law 93–243. The new formula provides for the allocation of some $9 billion in EPA construction grant funds which the Supreme Court ordered spent on February 18 of this year.

The revisions in the distribution formula called for in the amendment would be a substantial benefit to numerous localities. In my home State of Kentucky alone, the following projects would be in a much better position to receive assistance from EPA should this amendment be approved:

Winchester, Augusta, Bowling Green, Somerset, Campbellsville, Jeffersontown, Mount Sterling, Greenup County Environmental Commission, Richmond, Shelbyville, Corbin, London, Berea, Millersburg, and Grayson.

I am quick to point out that these projects I have listed, plus a number of others in Kentucky which might also benefit, are in areas of extreme high unemployment. For example, were the Jeffersontown project I had listed to be funded, I have no doubt that the 9.8 percent unemployment rate in the Jeffersontown area would be reduced significantly. The same would be true in Corbin, where the unemployment rate is over 11 percent, and in Grayson, where the unemployment rate exceeds 13 percent. I have no doubts that my colleagues will find that many severely impacted areas in their States would derive the same advantages.

As it now stands, EPA intends to allocate the $9 billion in accordance with the formula in effect for the years in which the money had been impounded. This distribution formula was devised in 1972 and certainly does not reflect the conditions that exist today. If it did reflect today's needs, one would wonder to what use EPA intends to put the most recent "needs" survey, a survey conducted at great expense of time and money.

Why EPA would not want to allocate the $9 billion we are talking about for its construction grant program in a manner consistent with its own recommendations for future funding as contained in February 10, 1975, report to Congress, revised on May 6, 1975, "Cost Estimates for Construction of Publicly Owned Wastewater Treatment Facilities," is indeed baffling. It is particularly baffling in light of Administrator Train's February 4, 1975, testimony before the Senate Public Works Committee's Environmental Subcommittee. Mr. Train stated that " 'needs' is the most rapidly growing aspect" of the construction grant program. He went on to say that as a result of insufficient funds, "we must identify needs carefully and fund them on the basis of intelligently selected priorities." This is certainly the intent of the amendment we are now considering.

I should not fail to point out that the amendment we are advocating does not call for any new authorization of funds. It simply provides for a redistribution of funds which have been provided by law.

Yesterday's goals are not necessarily in line with the realities of today. Accordingly, I urge that my colleagues act favorably on this amendment in order that EPA's construction grant program might be brought in line with the wastewater treatment needs of today.

At this time I would like to make some remarks in response to the assertions that have been made on the floor.

First of all, in relation to the formula that is being proposed by this amendment, it has been suggested that this is something that has been hurriedly put together on the floor by a group of Senators who are interested only in acquiring for their States additional funding. This is not the case. This is not a hurried-up formula that has been devised by a group of Senators. It is a formula that has been suggested by the Agency that is charged with the responsibility of administering these funds. It has been recommended to Congress by the Administrator of EPA himself, Mr. Russell Train.

It does not make much sense to me to attempt to allocate some $9 billion of money that is now available on the basis of an old formula, designed in a different time to meet different needs and different situations, when the Agency itself says it is not the proper formula under which these funds ought to be distributed.

Mr. TALMADGE. Will the Senator yield?

Mr. HUDDLESTON. Yes, I yield to the distinguished Senator from Georgia.

Mr. TALMADGE. Did not a subcommittee of the Public Works Committee of the House recently refer to the 1971 EPA needs survey as an educated guess at best?

Mr. HUDDLESTON. That is right.

I point out further that there has been some question about whether population or needs might be the guiding principle on which to allocate these funds. The formula suggested incorporates both these elements and, it seems to me, comes closest to what is actually the situation today and to what these funds ought to be directed.

Mr. MUSKIE. Will the Senator yield?

Mr. HUDDLESTON. I yield.

Mr. MUSKIE. I make the point that the recommendation of the Administrator of EPA was based on his understanding and assumption that that recommendation would be thoroughly examined in hearings, by the committee as well as the Agency.

Second, with respect to this amendment, whatever the Agency's view of the formula, Mr. Train's letter of July 23 clearly and emphatically says that any change in the formula at this point, even to the one recommended by him, would be disruptive.

Mr. HUDDLESTON. Yes, but that does not really address itself to the problem of what to do with this $9 billion.

Mr. MUSKIE. If the Senator will yield, we do not decide what to do with $9 billion in a single afternoon on the Senate floor, when there is a committee process available to us to examine what we can do with that $9 billion and to do it in response to a thorough examination and review and analysis. If the Senator is interested in dispensing with the committee processes, that is one thing. But why it should be suddenly abrogated with respect to this complicated problem confuses this Senator.

Mr. HUDDLESTON. As I pointed out, we are dealing with something that has already been studied by the very agency that is charged with distributing these funds. This Agency has recommended a different formula. It is that formula which we are here voting on today.

Many times since I have been here in the Senate, we have found it necessary to circumvent the long, tedious process of committee hearings when it became necessary to expedite the business of the Senate. I think this is such a case. As the senior Senator from Georgia has pointed out, we are about to go on recess. This money is there, ready to be allocated, and it should be allocated under a formula that is designed to meet the present needs of the entire country.

As far as who is to benefit and who is not and where the people are, in my judgment, the people of Kentucky or Georgia or other States are still people and they are still citizens of the United States. There can be found, in any of these States, pockets of unemployment as high as that in any other State. These projects are needed.

Speaking for my own State, I can assure the Senator that whatever allocation is made available to it, it can be utilized very quickly and very effectively and very helpfully by our State. These projects are just as important there, to the people of our State, as they are to the people of any other State.

Mr. President, I urge the passage of this amendment and defeat of the motion to table this amendment so that we can bring up to date, in the light of the present needs and in light of the present demands, a formula for the allocation of this new money that is available under this program.

I thank the Senator.

Mr. ROTH. Will the Senator from Maine yield to me 2 minutes?

Mr. MUSKIE. Yes, I yield 2 minutes to the Senator from Delaware.

Mr. ROTH. Mr. President, I associate myself with the remarks of the distinguished Senator from Maine. I find this proposed change in formula at this time to be most inequitable and unfair. I think most of us had little advance notice that it was going to come up and we had no basis for knowing what it would do to the various States until a short time ago.

In the case of Delaware, which has been a leader in environmental matters, it will mean a loss of income of almost $23 million.

I hope that the Senate will reject it, because it seems to me that it sets a bad precedent in modifying a formula on the floor, certain Members having advance notice. It is also penalizing those States which have done, in many ways, the most in cleaning up the environment. Delaware, as I said, is one of the States that has worked hardest in its water treatment program. This will be a very substantial setback for it.

Mr. TALMADGE. Will the Senator yield on my time?

Mr. ROTH. Yes, I am happy to yield.

Mr. TALMADGE. Is the Senator aware that the Administrator of Environmental Protection in Delaware supports the formula proposed by Mr. Train?

Mr. ROTH. If that is the case, I have not been so advised. I had no knowledge that he so supports it. As I stated, I had little advance notice that this legislation was going to be proposed.

Mr. MUSKIE. Will the Senator yield?

Mr. ROTH. I am happy to yield.

Mr. MUSKIE. There is a great deal of difference between support of a formula concept for consideration and another proposing an allocation today, retroactively, which deprives 19 States of money they are already in the process of committing, relying upon the promise made by Congress. There is a great difference.

With respect to the Administration's formula, if I may say so, the Administrator, Mr. Train, has not yet defined the elements of that 50-50 formula. He has not told the committee as yet how he would propose to define needs under this new formula. So we do not have the benefit of that. The committee has not made that analysis.

There is absolutely no basis, no hearing record. The Senator from Georgia, himself, discounts the basis now being used. So there is no new basis for the needs part of this formula.

It is for that reason that the administration's recommendation of 50-50 as a formula for study should not be equated with the commitment for reallocation on the basis of that formula this afternoon. There is no such basis. Indeed, I put in the Record Mr. Train's letter to the contrary.

Mr. ROTH. I agree with the distinguished Senator from Maine, irrespective of whether the Administrator supports the change.

The PRESIDING OFFICER (Mr. Garn). The Senator's time has expired.

Mr. ROTH. May I have 30 seconds?

Mr. MUSKIE. I yield 30 seconds.

Mr. ROTH. I have no basis to know the impact of this proposal except for what has been pointed out by the advocates of the amendment. It says we would lose something like $23 million. For that reason I strongly oppose it. It seems to me if we are going to make any change intelligently, we should have a detailed analysis as to what it will do to the water treatment program. I understand that many States will be unable to use the additional funds they will receive. Other States, like mine, will be seriously handicapped.

Mr. JAVITS. Will the Senator yield a minute to me?

Mr. MUSKIE. Yes.

May I ask how much time I have?

The PRESIDING OFFICER. The Senator has 5 minutes.

Mr. MUSKIE. Yes, I yield.

Mr. JAVITS. Mr. President, the situation really is so bad that I had great hesitancy deciding whether I would even get to my feet, though my State is the biggest tax contributor in the country and, incidentally, is the most hurt, second to New Jersey—which, by the way, is half our size, to show how inequitably this formula really works. They are hurt much worse than we are.

Mr. President, the letter of July 23 from the Environmental Protection Administrator says that he does not believe a change should be made. I ask unanimous consent that that be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

U.S. Environmental Protection
Agency,
Washington, D.C., July 23, 1975.

Hon. Edmund S. Muskie,
Chairman, Subcommittee on Environmental Pollution, Committee on Public Works, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: Thank you for your letter of July 8, 1975, concerning the proposed amendment, S. 1216, to the Federal Water Pollution Control Act which, in part, would provide for a reallocation of the $9 billion of previously withheld construction grant funds.

As I have testified previously, the formula for allocating waste treatment construction grant funds between the States is a matter for Congressional determination, and EPA is prepared to administer the program in accordance with whatever formula is developed. However, I believe it is important to point out that a further change in the formula at this time would be disruptive to an orderly process of planning and administration.

As you know, the $9 billion was allocated on the basis of the formula in effect during the fiscal year in which the funds were withheld. One formula was used for the $6 billion FY–73/74 funds and another formula was used for the $3 billion FY–75 funds. These funds have been available to the States for obligation since February of this year. Attachments I and II show the actual status of FY–74/75, and FY–76 funds (all FY–73 and FY–74 funds have been obligated). You will note on Attachment III that the District of Columbia has already obligated more funds under the current formula than would be available to it under S. 1216. Our most recent obligation estimates indicate that the States of Maine and Michigan will be in a similar position this fiscal year, although neither of these states would exhaust all their funds under the current formula until FY–77.

Although only a few States have actually obligated any of the FY–76 money to date, the amount of funds available to the States has played a key role in their recent planning efforts. The FY–76 State Program Plans have just recently been submitted to EPA. These plans contain the FY–76 construction grants priority lists which are directly linked to the current State allotments. To change these allotments now would necessitate extensive revisions to the priority lists, causing concern among those municipalities dropped from the lists due to decreased funding in certain States. An analysis of the alternative funding formula shows that allotments would be decreased in 19 States centered almost completely in

> Regions I, II, III and V. This would cause serious delays in the program while these problems were being resolved.
>
> It is desirable from a program management standpoint, as well as a program credibility standpoint, to have a stable base on which to structure our future planning. As you have pointed out, EPA, in conjunction with the State agencies, has been working to stabilize planning and implementation efforts in the construction grants program. To change the allotment formula now would hamper these efforts.
>
> I will be happy to provide you with any additional information you require to evaluate the impact of this proposed amendment.
>
> Sincerely yours,
>
> RUSSELL E. TRAIN.

Mr. JAVITS. Second, the proponents of the amendment are not only changing the past, redealing the deals, but are also changing the future, even though the administrator has not yet advised the committee as to what it ought to be for the future.

The Senator from Georgia wanted me to yield before. I am glad to yield.

Mr. NUNN. I refer the Senator to my original remarks quoting Mr. Train as saying over and over again that the 1971 formula is entirely inequitable. What the Senator from New York and the Senator from Maine are arguing is, do not accept the new formula based on the 1974 needs survey of Mr. Train, but, rather, go back and accept the 1971 formula which has been proved to be inaccurate.

Mr. MUSKIE. Mr. President, I do not have that much time remaining.

Mr. JAVITS. Let the Senator do it on his own time.

Mr. NUNN. I will do that.

The only thing is, if Senator TALMADGE will yield 1 minute. Mr. President, the Senator from New York is arguing that we are doing something to his State because we are making population part of the formula. To me that is an incredible position. I do not see how it can be argued from the largest or the second largest State in the Union. Population, it seems like to me, would benefit the Senator from New York, and I have heard him argue before that we ought to proceed on the basis of population.

Mr. JAVITS. The Senator from New York has never argued that, but has voted formulas for education 3 or 4 to 1 in his State because he believes this is a nation. New York will do best if the Nation does best.

I hope the States which are being somewhat benefited by this will think of the situation the way the Senator from New York thinks of it, and has voted for 25 years in the House and Senate, and then that this will be resoundingly defeated.

Mr. MUSKIE. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. TALMADGE. Mr. President, I yield myself such time as I may take.

It has been intimated by some on the floor that the formula in this amendment was designed deliberately to try to get a majority of the Senate votes. It is true that it does benefit 33 States. It does reduce funds for some 13 States. But let me tell you what the old formula did, Mr. President. The old formula that the Senator from New York and the Senator from Maine are arguing for allocated 64 percent of this impounded money to 10 States.

Does any Member of this body think that 64 percent of the water pollution problems of this Nation are in 10 States? Certainly not.

Mr. Train has been quoted by others. I want to read from a letter of February 10 signed by Mr. Russell Train, and I quote:

> A new construction grant allocation formula is therefore recommended that would be based on an equal 50 percent division between the population and the agency-adjusted cost estimates for use in allocating any new funds.

That is what Mr. Train recommended February 10, almost 6 months ago.

My distinguished colleague from Georgia and I offered this amendment in bill form, and as I recall it was on March 10, and the committee has not acted on that bill yet. The Senate floor is the court of last resort when committees refuse to act, and we are here trying to correct an inequity.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. TALMADGE. I will yield when I finish my statement, and if I have more time.

We are here trying to correct an error. Thirty-seven water pollution control administrators out of 50 say, in effect, the old formula is erroneous. They want this new formula for future funding.

We are here trying to correct an error that six administrators from States that would lose money under this amendment say the formula is wrong and they are recommending it be changed. But we are here trying to correct an error that was made years ago when the House investigating subcommittee said the estimates at that time were at best an educated guess.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. TALMADGE. I yield.

Mr. PASTORE. Why not be fair and raise the money and give the States that have a pledge and are relying on the older formula an opportunity to stay where they have always been? That is my question. I do not want to take anything from Georgia.

Mr. TALMADGE. I understand.

Mr. PASTORE. But Georgia is taking something away from me and I do not like that, and the Senator would not like it either.

Mr. TALMADGE. I agree.

Mr. PASTORE. All the Senator has to do is to add the money to put the 17 States where they have always been, and then he has got it made.

Mr. TALMADGE. What happened, I point out to the distinguished Senator, when they were passing this bill they had the States make a hasty estimate, and the estimate, according to the Public Works Investigating Committee of the House of Representatives, was an educated guess at best.

Now the distinguished Senator from Rhode Island is a reasonable man, and I am sure he recognizes that 10 States out of 50 in this Union do not have 64 percent of the water pollution problems in this Union, and that is exactly what the old formula provides.

Mr. NUNN. Mr. President, will the Senator from Georgia yield for a question?

Mr. TALMADGE. I yield to my colleague.

Mr. NUNN. Has the Senator detected the same kind of arguments by the opposition that I have, that we ought to be patient, we ought to wait on hearings, we ought not to legislate on the floor of the Senate, on the one hand; yet, on the other hand, the same proponents who argue that way say that we cannot do this because it is going to disrupt things that are going on now, plans and allocations, and so forth?

It seems to the junior Senator from Georgia that it is a totally inconsistent argument. It is one thing to be patient. However, it is another thing to be stupid.

Mr. TALMADGE. I agree with my distinguished colleague.

I point out these funds were impounded for some 3 years. The States' needs have changed; their populations have changed. Many of those who voted the formula originally now recognize that the formula was wrong. The administrator of EPA has recognized that the formula has been wrong. All we are doing is asking the Senate to correct that inequity of several years ago under which EPA would have allocated to 10 States out of 50 64 percent of this money.

I reserve the remainder of my time.

Mr. MUSKIE. Mr. President, how much time is left?

The PRESIDING OFFICER. The Senator from Maine has 3 minutes remaining.

Mr. MUSKIE. How much time remains to the supporters of the amendment?

The PRESIDING OFFICER. The Senator from Georgia also has 3 minutes remaining.

Mr. MUSKIE. Well, Mr. President, I will use such time as I need.

First of all, I take issue with the Senator from Georgia when he accuses the committee of refusing to act. We have been involved in the most complicated consideration of amendments to the Clean Air Act that I have ever encountered. It has been time-consuming. We were still caught up, and there was pressure on the committee in order to give the automobile industry a clear lead as to what it can expect, so we take these things up one at a time.

I have heard similar excuses made by the Committee on Finance now—

> We cannot attend to this piece of legislation because we are caught up in another.

I would think the chairman of one of the standing committees of the Senate would understand that committees are busy and have a lot of responsibilities to meet. But he has had a commitment from me for weeks because we have made it clear we were going to consider this as a formula. This is no sudden conversion of the committee to consideration of this matter. We have got it coming.

What is the basis for legitimacy of this formula? There have been absolutely no committee hearings on this formula. There has been absolutely no analysis of the impact on the States by a committee of the Senate or of the House. There has been a record of 3 years built on the formula included in the 1972 law. That formula ought to be changed only by law after committee study and analysis and recommendation to the Senate and to the House.

Let me make another point, Mr. President: This formula, if it passes the Senate, is going to have to be sold to the House. I do not know if the sponsors have looked at the lineup in the numbers on the House side. I do not think they will find the majority with them on the other side in terms of the States that gain or lose on this amendment. So if you pass this amendment, all you will have succeeded in doing is to put a monkey wrench in the works, alerting every State to the potential change, holding up progress in those States that are ready to move, and not really giving the other States, the States that would get more money, a sufficiently firm commitment to trigger their action. All you are going to do with this is what President Nixon did with the impoundment in the first place, you are going to bring the program to a screeching halt.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MUSKIE. Mr. President, I will make a motion to table.

Mr. TALMADGE. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 3 minutes remaining.

Mr. TALMADGE. I yield 1 minute to the Senator from Tennessee.

Mr. BROCK. Mr. President, I rise in support of the amendment and against the argument which is based on the premise that we cannot spend the money now. We have more applications now than you can say grace over in every State of the Union, so it is a matter of trying to apply the funding as quickly and as efficiently as we can get it in an equitable fashion. There is no equity in a needs formula in 1971 when we were not even in the business of applying what we are trying to do as set forth in this amendment, and I appreciate the effort of the Senator from Georgia to apply a formula which takes into account now the needs of several States. I grant you there will be States that lose, but it has been more difficult for the States——

The PRESIDING OFFICER. The time of the Senator from Tennessee has expired.

Mr. TALMADGE. Mr. President, to summarize, President Nixon impounded some $9 million.

Mr. President, earlier this year some $4 billion of these moneys were released and the Supreme Court ordered another $5 billion released. So we have got $9 billion to be released under an act that was passed in 1972.

The allocations under the 1972 act were predicated on the basis of a needs survey that was conducted in a hurry-up fashion. It omitted entirely municipalities with 10,000 people and less, where the greatest need in the country exists.

Recently, a subcommittee of the Public Works Committee of the House of Representatives stated that formula, at best, was an educated guess. That formula allocated 64 percent of all the water pollution money to some 10 States. No Member of this Senate thinks 64 percent of the water pollution problems in this country are contained in only 10 States.

The formula we are recommending here today is the one devised by Mr. Russell Train, the Environmental Protection Administrator, and he has recommended the adoption of that formula for all future allocations.

What else? Thirty-seven State administrators of the 50 States have recommended future use of that formula, including 6 administrators of States that would lose funds under the provisions of this amendment.

What we are offering here today is fair, it is equitable, it is reasonable.

I regret the fact that some 17 States will lose money, some of them a considerable amount of money, but some 33 States will gain money by the formula because this one is more equitable, more up to date than the formula that was adopted on a jerry-built basis 3 years ago.

Mr. GRIFFIN. Mr. President, this amendment would reallocate about $9 billion for waste treatment facilities. The effect on Michigan would be devastating.

Under this proposal, my State would suffer more than any other—it would lose $279.5 million, or about 45 percent of the funds it is already entitled to for water pollution control projects.

It is rather ironic that this amendment is being attached to a bill intended to create jobs. For Michigan, the State hardest hit by the current recession, the result would be more unemployment. That would be unconscionable.

Furthermore, the amendment attempts to change the rules in midstream. The $9 billion has already been allocated by the Environmental Protection Agency—and many communities in Michigan and other States have already started construction on projects based on the commitment of these funds. To turn the clock back at this late date would be grossly unfair.

I strongly urge my colleagues to reject this amendment which penalizes those States that have done the most to clean up their rivers and lakes.

Mr. TUNNEY. Mr. President, the Senate is today considering an amendment No. 825 to S. 1587, the public works bill which would reallocate $9 billion in water pollution control funds which had been impounded by former President Nixon by altering the allocation formula which was used during the years those funds were intended to be available—fiscal years 1973, 1974, and 1975.

Under the present formula, construction grant funds are allocated by EPA to the States based upon the demonstrated needs of each State in relation to the rest of the country. This amendment would change that formula so that the funds are distributed one-half on the basis of population and one-half on each State's total needs as outlined in the most recent EPA "needs survey" which was submitted to Congress on February 10, 1975.

Should this amendment be accepted, the cost to California will approximate $80 million and the result of such a loss will be the possible termination of over $100 million worth of construction projects which had been planned for fiscal year 1976 and beyond. Given the economic situation in my State and with unemployment running as high as 10 percent, the impact of such a loss of revenue would be absolutely disastrous.

At the time the Supreme Court ordered those funds released, in February of this year, there was naturally a great feeling of relief because many States had authorized the construction of new wastewater treatment plants based on the assumption that the funds would eventually become available and in the amounts to which each State was entitled based on the allocation formula which was being used at that time. While part of the $9 billion has now been allocated, a large percentage of that money still remains unobligated and I firmly believe that it would be grossly unjust if the Congress decides to change the formula.

Such an action would set a dangerous precedent and would certainly make it very difficult for States to make any type of long-range plans for construction programs because of the uncertainty as to whether the funds they planned on will still be available.

Mr. President, in its report to Congress entitled "Cost Estimates for Construction of Publicly Owned Wastewater Treatment Facilities, 1974 Needs Survey," EPA discusses the problems surrounding the distribution of available construction grant funds among the States. There has been a continuing controversy since the Federal Water Pollution Control Act Amendments of 1972 were adopted about whether the formula should be based solely on population, solely on needs, or a combination of the two. EPA discussed this problem pointing out that:

> When a strict population formula was used in the past it did not provide adequate funding to States that had high population concentrations and a resulting need for construction of sophisticated and expensive treatment facilities. When the legislation linked funding directly to estimated facility needs there were other inequities created. The problems with an allocation formula based strictly on needs relate primarily to the ability to accurately make and validate estimates, and are particularly acute when the estimates involve facility needs projected for State implementation of longer-range abatement requirements.

Recognizing the problems inherent in these two approaches, EPA endorses a new construction grant allocation formula similar to the one proposed today, largely because this appears to offer an equitable solution to the conflict between the needs of the large and small States. However, EPA also clearly indicates that it would support such a change only for "use in allocating any new funds that might be authorized over and above those authorized in Public Law 92-500 for fiscal years 1973, 1974, and 1975. With regard to the $5 billion of currently unallotted funds, it is EPA's intent to allot them pursuant to the 1973, 1974, and 1975 formulas in such a way as if they had been released in the time periods intended by the act. Accordingly, the Agency does not recommend the application of a new allocation formula to any of these reserve funds."

It is my feeling that today is not the time for the Senate to make such a major decision concerning the disposition of $5 billion without having had hearings on the impact of such an action and without giving due consideration to the enormous problems that would result for many local and State governments. Therefore, I strongly urge the Senate to defeat this amendment to S. 1587.

Mr. HANSEN. Mr. President, I am pleased to rise in support of the amendment offered by the distinguished Senators from Georgia (Mr. Talmadge and Mr. Nunn). I, together with others, cosponsored separate legislation which was introduced by Senators Talmadge and Nunn on this subject.

The Talmadge-Nunn amendment updates and improves the existing formula used for allocating Federal sewage treatment facility funds among the States under the Water Pollution Prevention and Control Act. The formula set forth in the amendment is based on the most recent EPA need-cost figures and represents the formula recommended by EPA Administrator Train.

EPA Administrator Train has recommended an allocation formula based one-half on population and one-half on the most recent EPA sewage treatment facility need-cost estimates. The amendment adopts this formula.

The formula presently used is based on outdated, inadequately prepared, and often inaccurate need-cost estimates. There is no reason for the continued utilization of these estimates. The most recent EPA estimates, incorporated in the Talmadge-Nunn amendment, are not only current, but equally important, they were carefully calculated utilizing a uniform need-costing method that represents a tremendous improvement in accuracy over existing figures.

The utilization of accurate and current need-cost estimates represents a significant step in insuring that those States which are in greatest need of sewage treatment facilities will receive assistance. Moreover, because, under the amendment, one-half of the grant formula is based on population, heavily populated States will continue to receive their fair share.

Certainly, under this updated formula, some States will receive less Federal sewage treatment money, whereas other States will receive more. However, this shift in the allocation of funds is not based on any bias, but merely reflects a current determination of need.

The present outdated distribution formula misdirects Federal money from States experiencing the greatest need to States of less need. Clearly, the need for sewage treatment facilities is significant in all States. However, the issue is not one of absolute need but one of priority. The Congress must assure that in addressing need, areas of greatest need receive priority. To accomplish this goal, we must assure that need assessments are based on current data, rather than previous assumptions and outdated formulas.

The Talmadge-Nunn amendment is based on current data and reflects an accurate determination of need priorities.

Mr. President, many States are in dire need of Federal sewage treatment money and can immediately put it to constructive use. Let me cite the case of my own State of Wyoming.

Presently, Wyoming has only 16 ongoing federally assisted sewage treatment projects, whereas it has approximately 25 necessary, pending, fully-qualified projects which require but are not receiving assistance. Accordingly, Wyoming has considerably more projects awaiting Federal assistance than are presently receiving assistance.

Mr. President, the need for federally assisted sewage treatment facilities in Wyoming is critical; allow me to cite an example demonstrating this point.

During the 5 years from 1970 to 1975, the population of Rock Springs, Wyo., has doubled. The demand for all public services, including sewage treatment, has doubled. Yet, under the existing allocation formula, Wyoming does not receive enough money for sewage treatment facilities to allow the city of Rock Springs to improve its sewage treatment plant.

Mr. President, I ask unanimous consent that a July 9, 1975, letter from Mr. John Green, EPA Regional Administrator, documenting this fact be made part of the Record following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HANSEN. The Rock Springs example is representative of the plight faced by many Wyoming communities as a result of the outdated Federal allocation formula. Under the amendment, Wyoming would receive an additional $13.8 million, an increase from $2.9 million to $16.7 million, to meet its pressing needs.

Mr. President, I ask unanimous consent that a chart I received from EPA showing what each State presently receives and what each would receive under the Talmadge-Nunn amendment be made part of the Record following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. HANSEN. The need in Wyoming, as in other states, as demonstrated by the EPA chart, is great. Certainly, it is time for the Congress to adopt an allocation formula that addresses current need rather than continue the existing outdated, misdirected formula.

Finally, Mr. President, there is no merit to the argument often asserted by those who oppose the adoption of a current need-cost formula for fiscal year 1976. Those who oppose the adoption of a current need-cost formula argue that, regardless of the merit for adopting a new allocation formula for future years, it should not be applied to fiscal year 1976 because the fiscal year 1976 sewage treatment money takes the form of previously appropriated, illegally impounded money. Accordingly, the argument is made that the old formula should be used for the fiscal year 1976 money.

The sewage treatment money issued for fiscal year 1976 represents the release of illegally impounded appropriated funds for fiscal years 1973, 1974, and 1975. The fact that these funds, had they been distributed in the fiscal years in which they were appropriated, would have been allocated under the then-existing formula is no reason to continue the use of an outdated allocation formula. The funds for fiscal year 1976 are intended to respond to current needs. Individual State requirements for treatment facilities in fiscal year 1973, 1974, and 1975 differed greatly from the situation that presently exists. Because these previously appropriated funds are to be allocated in lieu of fiscal year 1976 appropriation, and intended to respond to current needs, a current allocation need-cost formula should be utilized. It makes no sense to address the needs of fiscal year 1976 with an allocation formula designed to meet the needs of previous years.

The Talmadge-Nunn amendment remedies this problem. It adopts the EPA-recommended distribution formula. The amendment will restore the credibility and responsiveness that was originally intended for Federal sewage treatment facilities.

Mr. President, I commend this amendment to my colleagues and hope that they can give it their support.

Exhibit 1

U.S. Environmental
Protection Agency,
Denver, Colo., July 9, 1975.

Re: City of Rock Springs Wastewater Treatment Project

Hon. Clifford P. Hansen,
U.S. Senate,
Washington, D.C.

Dear Senator Hansen: This is in reference to your letter of June 16, 1975 to Mr. Jim Brooks of my staff in regards to the status of the Rock Springs, Wyoming Step I project and funding of subsequent Step II and Step III projects to Rock Springs.

As of June 30, 1975, Wyoming's available funds from present allocations for Federal sewage works construction grants were $4,143,296.00. At the present time, there are sixteen on-going projects, representing approximately $11,000,000.00 in construction cost and there are eight projects on Wyoming's FY 1976 priority list with higher priority than Rock Springs. I feel that the State has scheduled the funding of these projects to best utilize the available funds and has reserved $195,000.00 to fund the Rock Springs Step II project upon the approval of the Step I, facilities plan. This plan has been reviewed by the Wyoming Department of Environmental Quality and my staff and I am enclosing a copy of our latest correspondence with Mayor Wataha.

Construction funding of the Rock Springs Step III project will depend upon the Fiscal Year 1977 allotments to be made available to the State of Wyoming, which at this time is unknown since the Federal Water Pollution Control Act Amendments of 1972 has provided authorization of contract authority only through Fiscal Year 1975 and these funds are available for obligation until September 30, 1977.

If I can be of further assistance in regard to this matter, please let me know.

Sincerely,

John A. Green,
Regional Administrator.

EXHIBIT 2

COMPARATIVE DISTRIBUTION OF $9,000,000,000 ALLOCATION

	Feb. 1975 $9,000,000,000 reserve allocation		EPA estimates, 50 percent needs, 50 percent population		Increases
Total	(100.00)	8,999.9	(100.00)	8,999.5	+1,396.4
Region I:					
Connecticut	(1.72)	155.1	(1.2946)	117.5	----------
Maine	(.87)	78.5	(.5185)	47.9	----------
Massachusetts	(3.29)	295.8	(2.8114)	259.9	----------
New Hampshire	(.86)	77.2	(.5927)	53.9	----------
Rhode Island	(.51)	45.6	(.4239)	37.8	----------
Vermont	(.25)	22.5	(.2400)	21.8	----------
Region II:					
New Jersey	(7.34)	660.8	(4.5391)	421.7	----------
New York	(11.62)	1,046.1	(9.2394)	844.8	----------
Puerto Rico	(.94)	84.9	(1.1378)	37.2	----------
Virgin Islands	(.09)	7.8	(.0562)	3.1	----------
Region III:					
Delaware	(.63)	56.4	(.3702)	33.6	----------
Maryland	(3.31)	297.7	(3.5537)	307.1	+9.4
Pennsylvania	(5.54)	499.0	(4.3671)	403.5	----------
Virginia	(2.80)	251.8	(.4239)	217.4	----------
West Virginia	(.66)	59.4	(1.7888)	148.7	+89.3
District of Columbia	(.81)	72.5	(.2239)	20.2	----------
Region IV:					
Alabama	(.49)	44.0	(1.269)	114.1	+70.1
Florida	(3.84)	345.9	(4.3189)	391.5	+45.6
Georgia	(1.31)	117.8	(2.2108)	199.4	+81.6
Kentucky	(1.01)	90.4	(1.4330)	125.8	+35.4
Mississippi	(.43)	38.7	(.8493)	75.8	+37.1
North Carolina	(1.23)	110.3	(2.2784)	205.1	+94.8
South Carolina	(.91)	82.3	(1.3783)	127.2	+44.9
Tennessee	(1.19)	107.4	(1.6703)	149.7	+42.3
Region V:					
Illinois	(6.35)	571.7	(5.1095)	461.4	----------
Indiana	(2.80)	251.6	(2.1624)	196.0	----------
Michigan	(6.96)	626.0	(3.9515)	346.5	----------
Minnesota	(1.91)	172.0	(1.6592)	147.8	----------
Ohio	(5.53)	497.2	(5.1405)	456.6	----------
Wisconsin	(1.61)	145.3	(2.0354)	181.9	+36.6
Region VI:					
Arkansas	(.44)	39.8	(1.0338)	89.5	+49.7
Louisiana	(.80)	71.7	(1.3524)	126.7	+55.0
New Mexico	(.17)	15.0	(1.3457)	32.0	+17.0
Oklahoma	(.71)	64.3	(1.2911)	112.7	+48.4
Texas	(1.94)	175.0	(4.8608)	432.6	+257.6
Region VII:					
Iowa	(1.11)	100.0	(1.1721)	105.8	+5.8
Kansas	(.60)	53.8	(1.0572)	96.0	+42.2
Missouri	(1.75)	157.5	(1.9843)	183.4	+25.9
Nebraska	(.43)	38.5	(.5507)	52.2	+13.7
Region VIII:					
Colorado	(.48)	43.1	(.8367)	76.0	+32.9
Montana	(.14)	12.4	(.2368)	21.8	+9.4
North Dakota	(.03)	2.8	(.1985)	18.8	+16.0
South Dakota	(.06)	5.7	(.2035)	19.1	+13.4
Utah	(.24)	21.4	(.5307)	52.0	+30.6
Wyoming	(.03)	2.9	(.1275)	16.7	+13.8
Region IX:					
Arizona	(.21)	18.8	(.9490)	88.3	+69.5
California	(10.51)	945.8	(9.6374)	893.1	----------
Hawaii	(.58)	51.9	(.6724)	62.3	+10.4
Nevada	(.35)	31.8	(.3737)	33.7	+1.9
American Samoa	(.01)	.7	(.0154)	.7	----------
Trust Territory of Pacific Island	(.03)	2.7	(.1839)	18.2	+15.5
Guam	(.07)	6.4	(.1186)	11.3	+4.9
Region X:					
Alaska	(.28)	25.3	(.4249)	42.2	+16.9
Idaho	(.21)	19.2	(.3817)	34.0	+14.8
Oregon	(.86)	77.6	(.9082)	83.5	+5.9
Washington	(1.15)	103.9	(1.5496)	142.0	+38.1

Mr. DOMENICI. Mr. President, I voted against the Talmadge-Nunn amendment because it will substantially alter an ongoing formula relied upon by many States and the subject matter was to be considered in depth by the full committee at a date later this year at which time overall review would be more logical.

Our Governor indicates that the present formula is providing New Mexico as much as we can reasonably expect to expend.

I ask unanimous consent that his letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STATE OF NEW MEXICO,
Santa Fe, May 27, 1975.

HON. PETE V. DOMENICI,
U.S. Senator,
New Senate Office Building,
Washington, D.C.

DEAR SENATOR DOMENICI: The New Mexico Environmental Improvement Agency has reviewed both H.R. 4161 and S. 1216 for me and we encourage you to pass the legislation.

I would like to advise that it is the Agency's belief that the New Mexico Water Pollution Control Program would not significantly suffer if Section (1) of the Bill were eliminated; that is, the existing allocation utilized by the Environmental Protection Agency has provided as much funds to New Mexico as we can reasonably expect to expend in the near future.

Sincerely,

JERRY APODACA,
Governor.

Mr. HATFIELD. Mr. President, I wish at this time to indicate my support of the Talmadge amendment to the Public Works Employment Act of 1975. The alteration of the funding formula from exclusively a need basis to a 50-percent need and 50-percent population basis will provide Oregon and 32 other States with water pollution control funds significantly greater than under the old system. Oregon can expect an increase of $5.9 million—from $77.6 million to $83.5 million in fiscal year 1976.

As the Senate will recall, Public Law 92–500, the Water Pollution Control Act, made available $18 billion for construction of water pollution control facilities. President Nixon then impounded $9 billion of that money. This impoundment issue was taken all the way to the Supreme Court, and the decision called for the release of the full $9 billion. President Ford has already released $4 billion, and the remaining $5 billion has subsequently been released.

With passage of this amendment, instead of 10 States receiving almost two-thirds of this $9 billion—based on an EPA need formula—the funds will now be more widely distributed in a manner which the EPA itself admits is more equitable than the original plan.

In addition, it must be remembered that this amendment involves absolutely no increase in Federal spending. The gains in water pollution control facilities in my State of Oregon, as well as the added benefit of increased employment in this very worthwhile endeavor makes this amendment an important addition to the Public Works bill we are considering today.

Mr. President, I ask unanimous consent that a copy of the February 18, 1975 Supreme Court decision of Train against city of New York, with regard to the impoundment of water pollution control funds be included in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[Supreme Court of the United States, No. 73–1377. Argued November 12, 1974—Decided February 18, 1975]

Syllabus

TRAIN, ADMINISTRATOR, ENVIRONMENTAL PROTECTION AGENCY VERSUS CITY OF NEW YORK ET AL.

CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT

The Federal Water Pollution Control Act Amendments of 1972 provide a comprehensive program for controlling and abating water pollution. Title II of these Amendments makes available federal financial assistance for municipal sewers and sewage treatment works. Section 207 of Title II authorizes the appropriation of "not to exceed" specified amounts for each of three fiscal years, and § 205(a) provides that the "[s]ums authorized to be appropriated pursuant to § 207 . . . shall be allotted by the Administrator" of the Environmental Protection Agency. The President directed the Administrator not to allot among the States § 207's maximum amounts but instead to allot no more than $2 billion of the $5 billion authorized for fiscal year 1973 and no more than $3 billion of the $6 billion authorized for fiscal year 1974; and the Administrator complied with this directive. Thereupon respondent city of New York brought this class action seeking a declaratory judgment that the Administrator was obligated to allot to the States the full amounts authorized by § 207 for fiscal years 1973 and 1974, and an order directing him to make those allotments. The District Court granted the respondents' motion for summary judgment, and the Court of Appeals affirmed, holding that "the Act requires the Administrator to allot the full sums authorized to be appropriated in § 207." *Held:* The 1972 Amendments do not permit the Administrator to allot to the States under § 205(a) less than the entire amounts authorized to be appropriated by § 207. Pp. 6–13.

Syllabus

(a) That § 205(a) directs the allotment of only "sums"—not "all sums" as originally provided when the legislation went to Conference—and that the Conference Committee added the "not to exceed" qualifying language to § 207, which authorized the appropriation of specific amounts for the three fiscal years, show no congressional intention of giving the Executive discretionary control over the rate of allotments under the Title II programs. The "not to exceed" qualifying language to § 207 has meaning of its own, apart from § 205(a), and reflects the realistic possibility that approved applications for grants from funds already allotted would not total the maximum amount authorized to be appropriated. And the word "sums" has no different meaning and can be ascribed no different function in the context of § 205(a) that would the words "all sums." Pp. 6–10.

(b) The modified position taken by petitioner in this Court that §§ 205(a) and 207 merely give the Administrator discretion as to the timing of expenditures, not as to the ultimate amounts to be allotted and obligated, as was urged in the lower courts, does not alter this Court's conclusion. The Administrator's power to allot under § 205 (a) extends only to "sums" authorized to be appropriated under § 207, and since, even assuming some sort of power in the Executive to control outlays under the Act, the legislative history indicates that the power to control was to be exercised at the obligation phase, rather than the allotment stage, of the process. Pp. 10–13.—U.S. App. D.C.—494 F. 2d 1033, affirmed.

White, J. delivered the opinion of the Court, in which Burger, C. J., and Brennan, Stewart, Marshall, Blackmun, Powell, and Rehnquist, J. J., joined. Douglas, J., concurred in the result.

[Supreme Court of the United States, No. 73–1377]

Russell E. Train, Administrator, United States Environmental Protection Agency, Petitioner, versus City of New York et al.

On Writ of Certiorari to the United States Court of Appeals for the District of Columbia Circuit.

[February 18, 1975]

Mr. Justice White delivered the opinion of the Court.

This case poses certain questions concerning the proper construction of the Federal Water Pollution Control Act Amendments of 1972, 86 Stat. 816, 33 U.S.C. § 1251 *et seq.* [1972 Act], which provide a comprehensive program for controlling and abating water pollution. Title II of the 1972 Act, §§ 201–212,[1] makes available federal financial assistance in the amount of 75% of the cost of municipal sewers and sewage treatment works. Under § 207, there is "authorized to the appropriated" for these purposes "not to exceed" $5 billion for fiscal year 1973, "not to exceed" $6 billion for fiscal year 1974, and "not to exceed" $7 billion for fiscal year 1975. Section 205(a) directs that "[s]ums authorized to be appropriated pursuant to § 207" for fiscal year 1973 be allotted "not later than 30 days after October 18, 1972." The "[s]ums authorized" for the later fiscal years, 1973 and 1974, "shall be allotted by the Administrator not later than the January 1st immediately preceding the beginning of the fiscal year for which authorized. . . ." From these allotted sums, § 201(g) authorize the Administrator "to make grants to any . . . municipality . . . for the construction of publicly owned treatment works . . . ," pursuant to plans and specifications as required by § 203 and meeting the other requirements of the Act, including those of § 204. Section 203(a) specifies that the Administrator's approval of plans for a project "shall be deemed a contractual obligation of the United States for the payment of its proportional contribution to such project."[2]

The water pollution bill that became the 1972 Act was passed by Congress on October 4, 1972, but was vetoed by the President on October 17. Congress promptly overrode the veto. Thereupon the President, by letter dated November 22, 1972,[3] directed the Administrator "not [to] allot among the States the maximum amounts provided by Section 207" and, instead, to allot "[n]o more than $2 billion of the amount authorized for the fiscal year 1973, and no more than $3 billion of the amount authorized for the fiscal year 1974. . . ."[4] On December 8, the Administrator announced by regulation[5] that in accordance with the President's letter he was allotting for fiscal years 1973 and 1974 sums not to exceed $2 billion and $3 respectively."

This litigation, brought by the city of New York and similarly situated municipalities in the State of New York followed immediately.[6] The complaint sought judgment against the Administrator of the Environmental Protection Agency declaring that he was obligated to allot to the States the full amounts authorized by § 207 for fiscal years 1973 and 1974, as well as an order directing him to make those allotments. In May 1973, the District Court denied the Administrator's motion to dismiss and granted the city's motion for summary judgment. The Court of Appeals affirmed, holding that "the Act requires the Administrator to allot the full sums authorized to be appropriated in § 207." *City of New York* v. *Train*, —— U.S. App. D.C. ——, ——, 494 F. 2d 1033, 1050 (1974).

Because of the differing views with respect to the proper construction of the Act between the federal courts in the District of Columbia in this case and those of the Fourth Circuit in No. 73–1378. *Train* v. *Campaign Clean Water, post,* ——, we granted certiorari in both cases. 416 U.S. 909 (1974), and heard them together. The sole issue[7] before us is whether the 1972 Act permits the Administrator to allot to the States under § 205 less than the entire amounts authorized to be appropriated by § 207. We hold that the Act does not permit such action and affirm the Court of Appeals.[8]

Section 205 provides that the "sums authorized to be appropirated pursuant to § 207 . . . shall be allotted by the Administrator." Section 207 authorizes the appropriation of "not to exceed" specified amounts for each of three fiscal years. The dispute in this case turns principally on the meaning of the foregoing language from the indicated sections of the Act.

The Administrator contends that § 205 directs the allotment of only "sums"—not "all sums"—authorized by § 207 to be appropriated and that the sums that must be allotted are merely sums that do not exceed the amounts specified in § 207 for each of the three fiscal years. In other words, it is argued that there is a maximum, but no minimum, on the amounts that must be allotted under § 205. This is necessarily the case, he insists, because the legislation, after initially passing the House and Senate in somewhat different form, was amended in Conference and the changes, which were adopted by both Houses, were intended to provide wide discretion in the Executive to control the rate of spending under the Act.

The changes relied on by the Administrator, the so-called Harsha amendments, were two. First, § 205 of the House and Senate bills as they passed those Houses and went to Conference, directed that there be allotted "all sums" authorized to be appropriated by § 207.[9] The word "all" was struck in Conference. Second, § 207 of the House bill authorized the appropriation of specific amounts for the three fiscal years. The Conference Committee inserted the qualifying word "not to exceed" before each of the sums so specified.

The Administrator's arguments based on the statutory language and its legislative history are unpersuasive. Section 207 authorized appropriation of "not to exceed" a specified sum for each of the three fiscal years. If the States failed to submit projects sufficient to require obligation, and hence the appropriation, of the entire amounts authorized, or if the Administrator, exercising whatever authority the Act might have given him to deny grants, refused to obligate these total amounts, § 207 would obviously permit appropriation of the lesser amounts. But if, for example, the full amount provided for 1973 was obligated by the Administrator in the course of approving plans and making grants for municipal contracts, § 207 plainly "authorized" the appropriation of the entire $5 billion. If a sum of money is "authorized" to be appropriated in the future by § 207, then § 205 directs that an amount equal to that sum be allotted. Section 207 speaks of sums authorized to be appropriated, not of sums that are required to be appropriated; and as far as § 205's requirement to allot is concerned, we see no difference between the $2 billion the President directed to be allotted for fiscal year 1973 and the $3 billion he ordered withheld. The latter sum is as much authorized to be appropriated by § 207 as is the former. Both must be allotted.

It is insisted that this reading of the Act fails to give any effect to the Conference Committee's changes in the bill. But, as already indicated, the "not to exceed" qualifying language to § 207 has meaning of its own, quite apart from § 205, and reflects the realistic possibility that approved applications for grants from funds already allotted would not total the maximum amount authorized to be appropriated. Surely there is nothing inconsistent between authorizing "not to exceed" $5 billion for 1973 and requiring the full allotment of the $5 billion among the States. Indeed, if the entire amount authorized is *ever* to be appropriated, there must be approved municipal projects in that amount, and grants for those projects may *only* be made from allotted funds.

As for striking the word "all" from § 205, if Congress intended to confer any discretion on the Executive to withhold funds from this program at the allotment stage, it chose quite inadequate means to do so. It appears to us that the word "sums" has no different meaning and can be ascribed no different function in the context of § 205 than would the words "all sums." It is said that the changes were made to give the Executive the discretionary control over the outlay of funds for Title II programs at either stage of the process. But legislative intention, without more, is not legislation. Without something in addition to what is now before us, we cannot accept the addition of the few words to § 207 and the deletion of the one word from § 205 as altering the entire complexion and thrust of the Act. As conceived and passed in both Houses, the legislation was intended to provide a firm commitment of substantial sums within a relatively limited period of time in an effort to achieve an early solution of what was deemed an urgent problem.[10] We cannot believe that Congress at the last minute scuttled the entire effort by providing the Executive with the seemingly limitless power to withhold funds from allotment and obligation. Yet such was the Government's position in the lower courts—combined with the argument that the discretion conferred is unreviewable.

The Administrator has now had second thoughts. He does not now claim that the Harsha amendments should be given such far-reaching effect. In this Court, he views §§ 205 and 207 as merely conferring discretion on the Administrator as to the timing

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Footnotes at end of article.

of expenditures, not as to the ultimate amounts to be alloted and obligated. He asserts that although he may limit initial allotments in the three specified years, "the power to allot continues" and must be exercised, "until the full $18 billion has been exhausted." [11] Brief of Petitioner 13; Tr. of Oral Arg. 16–17. It is true that this represents a major modification of the Administrator's legal posture,[12] but our conclusion that § 205 requires the allotment of sums equal to the total amounts authorized to be appropriated under § 207 is not affected. In the first place, under § 205 the Administrator's power to allot extends only to "sums" that are authorized to be appropriated under § 207. If he later has power to allot, and must allot, the balance of the $18 billion not initially allotted in the specified years, it is only because these additional amounts are "sums" authorized by § 207 to be appropriated. But if they are "sums" within the meaning of § 205, then that section requires that they be allotted by November 17, 1972, in the case of 1973 funds and for 1974 and 1975 "not later than the January 1st immediately preceding the beginning of the fiscal year for which authorized." [13] The November 22 letter of the President and the Administrator's consequent withholding of authorized funds cannot be squared with the statute.

Second, even assuming an intention on the part of Congress, in the hope of forestalling a veto, to imply a power of some sort in the Executive to control outlays under the Act, there is nothing in the legislative history of the Act indicating that such discretion arguably granted was to be exercised at the allotment stage rather than or in addition to the obligation phase of the process. On the contrary, as we view the legislative history, the indications are that the power to control, such as it was, was to be exercised at the point where funds were obligated and not in connection with the threshold function of allotting funds to the States.[14] The Court of Appeals carefully examined the legislative history in this respect and arrived at the same conclusion, as have most of the other courts that have dealt with the issue.[15] We thus reject the suggestion that the conclusion we have arrived at is inconsistent with the legislative history of §§ 205 and 207.

Accordingly, the judgment of the Court of Appeals is affirmed.

So ordered.

MR. JUSTICE DOUGLAS concurs in the result.

FOOTNOTES

[1] The provisions of Title II of the 1972 Amendments chiefly involved in this case are, in pertinent part, as follows:

Section 205(a), 33 U.S.C. § 1285(a) (Supp. II 1972):

"Sums authorized to be appropriated pursuant to section 1287 of this title for each fiscal year beginning after June 30, 1972, shall be allotted by the Administrator not later than the January 1st immediately preceding the beginning of the fiscal year for which authorized, except that the allotment for fiscal year 1973 shall be made not later than 30 days after October 18, 1972. . . ."

Section 207, 33 U.S.C. § 1287 (Supp. II 1972):

"There is authorized to be appropriated to carry out this subchapter . . . for the fiscal year ending June 30, 1973, not to exceed $5,000,000,000, for the fiscal year ending June 30, 1974, not to exceed $6,000,000,000, and for the fiscal year ending June 30, 1975, not to exceed $7,000,000,000."

Section 203, 33 U.S.C. § 1283 (Supp. II 1972):

"(a) Each applicant for a grant shall submit to the Administrator for his approval, plans, specifications, and estimates for each proposed project for the construction of treatment works for which a grant is applied for under section 1281(g)(1) of this title from funds allotted to the State under section 1285 of this title and which otherwise meets the requirements of this chapter. The Administrator shall act upon such plans, specifications, and estimates as soon as practicable after the same have been submitted, and his approval of any such plans, specifications, and estimates shall be deemed a contractual obligation of the United States for the payment of its proportional contribution to such project.

"(b) The Administrator shall, from time to time as the work progresses, make payments to the recipient of a grant for costs of construction incurred on a project. These payments shall at no time exceed the Federal share of the cost of construction incurred to the date of the voucher covering such payment plus the Federal share of the value of the materials which have been stockpiled in the vicinity of such construction in conformity to plans and specifications for the project.

"(c) After completion of a project and approval of the final voucher by the Administrator, he shall pay out of the appropriate sums the unpaid balance of the Federal share payable on account of such project."

[2] The Act thus established a funding method differing in important respects from the normal system of program approval and authorization of appropriation followed by separate annual appropriation acts. Under that approach, it is not until the actual appropriation that the government funds can be deemed firmly committed. Under the contract authority scheme incorporated in the legislation before us now, there are authorizations for future appropriations but also initial and continuing authority in the Executive Branch contractually to commit funds of United States up to the amount of the authorization. The expectation is that appropriations will be automatically forthcoming to meet these contractual commitments. This mechanism considerably reduces whatever discretion Congress might have exercised in the course of making annual appropriations. The issue in this case is the extent of the authority of the Executive to control expenditures for a program that Congress has funded in the manner and under the circumstances present here.

[3] Letter from President Nixon to William D. Ruckleshaus, Administrator, Environmental Protection Agency, Nov. 22, 1972, App., at 15–16.

[4] Although the allotment for fiscal year 1975 is not directly at issue in this case, on January 15, 1974, the Administrator allotted $4 billion out of the $7 billion authorized for allotment for that fiscal year. Brief of Petitioner 6.

[5] 37 Fed. Reg. 26282 (Dec. 8, 1972).

[6] The District Court ordered the action to proceed as a class action under Fed. Rule Civ. Proc. 23(b) (1) and (2) and also allowed the city of Detroit to intervene as a plaintiff.

[7] The petition for a writ of certiorari also presented the question whether a suit to compel the allotment of the sums in issue here is barred by the doctrine of sovereign immunity, but that issue was not briefed and apparently has been abandoned. The Administrator concedes that, if § 205(a) requires allotment of the full amounts authorized by § 207, then "allotment is a ministerial act and the District Courts have jurisdiction to order that it be done." Brief of Petitioner 14.

[8] On July 12, 1974, while this case was pending in this Court the Congressional Budget and Impoundment Control Act of 1974, Pub. L. 93–344, 88 Stat. 297, became effective. Title X of that Act imposes certain requirements on the President in postponing or withholding the use of authorized funds. If he determines that certain budget authority will not be required to carry out a particular program and is of the view that such authority should be rescinded, he must submit a special message to Congress explaining the basis therefor. For the rescission to be effective, Congress must approve it within 45 days. Should the President desire to withhold or delay the obligation or expenditure of budget authority, he must submit a similar special message to Congress. His recommendation may be rejected by either House adopting a resolution disapproving the proposed deferral.

These provisions do not render this case moot or make its decision unnecessary, for § 1001 provides that:

"Nothing contained in this Act, or in any amendments made by this Act, shall be construed as—

"(3) affecting in any way the claims or defenses of any party to litigation concerning any impoundment."

The Act would thus not appear to affect cases such as this one, pending on the date of enactment of this statute. The Solicitor General, on behalf of the Administrator, has submitted a supplemental brief to this effect. The city of New York agrees that the case has not been mooted by the Impoundment Act and no contrary views have been filed.

Although asserting on the foregoing and on other grounds that the Impoundment Act has no application here, the Executive Branch included among the deferrals of budget authority reported to Congress pursuant to the new Act:

"Grants for waste treatment plant construction ($9 billion). Release of all these funds would be highly inflationary, particularly in view of the rapid rise in nonfederal spending for pollution control. Some of the funds now deferred will be allotted on or prior to February 1, 1975."

In connection with that submission, the President asserted that the Act "applies only to determination to withhold budget authority which may have been made since the law was approved," but nevertheless thought it appropriate to include in the report actions which were concluded before the effective date of the Act, 120 Con. Rec. E. 17, 195 (daily ed. Sept. 23, 1974). Other than as they bear on the possible mootness in the litigation before us, no issues as to the reach or coverage of the Impoundment Act are before us.

[9] Section 205 of the Senate Bill directed the Administrator to "allocate" rather than to "allot." The difference appears to be without significance.

[10] The Act declares that "it is the national goal that the discharge of pollutants into the navigable waters be eliminated by 1985," § 101(a)(1), 33 U.S.C. § 1251(a)(1) (Supp. II 1972). Congress intended also to apply to publicly owned sewage treatment works "the best practicable treatment technology over the life of the works consistent with the goals of the Act by July 1, 1983." Section 201 (g)(2)(A), 33 U.S.C. § 1281(g)(2)(A) (Supp. II 1972). See § 301 (b)(1)(B), 33 U.S.C. § 1311(b)(1)(B) (Supp. II 1972). The congressional determination to commit $18 billion during the fiscal years 1973–1975 reflected in the following remarks of Senator Muskie, the Chairman of the Senate Subcommittee concerned with the legislation and the manger of the bill on the Senate floor:

"[T]hose who say that raising the amounts of money called for in this legislation may require higher taxes, or that spending this much money may contribute to inflation simply do not understand the language of this crisis.

"The conferees spent hours and days studying the problem of financing the cleanup effort required by this new legislation. The members agreed in the end that a total of $18 billion had to be committee by the Federal Government in 75 percent grants to municipalties during fiscal years 1973–1975. That is a great deal of money; but that is how much it will cost to begin to achieve the requirements set forth in the legislation.

* * * * *

"[T]here were two strong imperatives which worked together to convince the members of the conference that this much money was needed: first, the conviction that only a national commitment of this magnitude would produce the necessary technology; and second, the knowledge that a Federal commitment of $18 billion in 75-percent grants to the municipalities was the minimum amount needed to finance the construction of waste treatment facilities which will meet the standards imposed by this legislation.

* * * * *

"Mr. President, to achieve the deadlines we are talking about in this bill we are going to need the strongest kind of evidence of the Federal Government's commitment to pick up its share of the load. We cannot back down, with any credibility, from the kind of investment in waste treatment facilities that is called for by this bill. And the conferees are convinced that the level of investment that is authorized is the minimum dose of medicine that will solve the problems we face." 118 Cong. Rec. 33693–33694 (1972).

Both Houses rejected authorization-appropriation funding in favor of the contract authority system, which was deemed to involve a more binding and reliable commitment of funds. See 117 Cong. Rec. 38799, 38846–38853 (1971); 118 Cong. Rec. 10751–10761 (1972). Congressman Harsha, the House floor manager of the bill, explained the preference for the contract authority approach and indicated that it was essential for orderly and continuous planning. 118 Cong. Rec. 10757–10758 (1972).

[11] The Administrator goes on to argue that under his present view of the Act, there is little if any difference between discretion to withhold allotments and discretion to refuse to obligate, for under either approach the full amounts authorized will eventually be available for obligation. The city of New York contends otherwise. Our view of the Act makes it unnecessary to reach the question.

[12] The Administrator now indicates that the Act is presently being administered in accordance with his view of the Act asserted here. Brief of Petitioner 13.

[13] Under § 205(b), any funds allotted to a State that remain unobligated at the end of a one-year period after the close of the fiscal year for which funds are authorized become available for reallotment by the Administrator in accordance with a formula to be determined by the Administrator. These provisions for reallotment, as well as the reallotment formula, plainly apply only to funds that have already been allotted.

[14] Senator Muskie, who was the senior majority conferee from the Senate, gave his view of the meaning of the Harsha amendments on the floor of the Senate:

"The conferees spent hours and days studying the problem of financing the cleanup effort required by this new legislation. The members agreed in the end that a total of $18 billion had to be committed by the Federal Government in 75-percent grants to municipalities during fiscal years 1973–75.

* * * * *

"Under the amendments proposed by Congressman William Harsha and others, the authorizations for obligational authority are 'not to exceed' $18 billion over the next 3 years. Also 'all' sums authorized to be obligated need not be committed, though they must be allocated. These two provisions were suggested to give the Administration some flexibility concerning the obligation of construction grant funds." 118 Cong. Rec. 33693; 33694 (1972).

He repeated his views in the course of Senate proceedings to override the President's veto. 118 Cong. Rec. 36871 (1972). Nothing was said in the Senate challenging the Senator's view that executive discretion did not extend to allotments.

In the House, the power to make allotments under § 205 was not mentioned in terms. The impact of the Harsha amendments was repeatedly explained by reference to discretion to obligate or to expend. Typical was Representative Harsha's remarks that the amendments were intended to "emphasize the President's flexibility to control the rate of spending . . . ," and that "the pacing item" in the expenditure funds was the Administrator's power to approve plans, specifications, and estimates. 118 Con. Rec. 33754 (1972). See also 118 Cong. Rec. 33754–33755, 33693, 33704, 33715–33716, 36873–36874, 37056–37060 (1972).

[15] *City of New York* v. *Train*, — U.S. App. D.C. —, 494 F. 2d 1033 (1974), aff'g 358 F. Supp. 669 (DC 1973). Other District Courts have reached this same result: *Ohio* v. *Environmental Protection Agency*, Nos. C. 73–1061 & C. 74–104 (ND Ohio June 26, 1974); *Maine* v. *Train*, Civ. No. 14–51 (Me. June 21, 1974); *Florida* v. *Train*, Civ. No. 73–156 (ND Fla. Feb. 25, 1974); *Texas* v. *Ruckleshaus*, No. A–73–CA–38 (WD Tex. Oct. 2, 1973); *Martin-Trigona* v. *Ruckleshaus*, No. 72–C–3044 (ND Ill. June 29, 1973); *Minnesota* v. *Fri*, No. 4–73, Civ. 133 (Minn. June 25, 1973). The only District Court in which the issue was actively litigated which held to the contrary was *Brown* v. *Ruckleshaus*, 364 F. Supp. 258 (CD Cal. 1973).

Mr. THURMOND. Mr. President, I am pleased to cosponsor the amendment of the distinguished Senators from Georgia (Mr. Talmadge and Mr. Nunn) to the Public Works Employment Act of 1975. This amendment would provide a new, improved and more equitable formula for allocating funds to the States for the construction of waste water treatment facilities.

The Federal Water Pollution Control Act, and the 1972 amendments to that act, authorized Federal cost-sharing assistance to help local areas meet the tremendous economic burdens of constructing waste water treatment facilities to meet the effluent standards of the act. However, since these provisions were enacted, there have been numerous problems in getting available funds to the local areas where the need is greatest.

Recently the administration released $9 billion in previously deferred funds for the construction of treatment plants. However, under the present formula, 64 percent of these moneys would go to just 10 States. Adoption of this amendment would correct this most unfair and illogical situation. Water pollution problems are certainly not concentrated in any 10 States to this extent.

The amendment before us allocates these recently released funds on an equitable basis, 50 percent according to population of the individual States, and 50 percent according to certified needs for the funds. If adopted, the amendment would benefit the vast majority of States. I am particularly pleased to note that South Carolina would gain $45 million under the new formula proposed here, an increase of 53 percent over what we would receive under the old, out-dated, and inequitable formula.

Mr. President, I urge the Senate to adopt this proposed change in funding allocation. I am advised that the Administrator of the Environmental Protection Agency, Mr. Russell Train, favors this new formula and has urged Congress to amend the Federal Water Pollution Control Act accordingly. This amendment accomplishes this worthy purpose, and I am pleased to urge my colleagues to support it.

The PRESIDING OFFICER. All time has expired.

The Senator from Maine.

Mr. MUSKIE. Mr. President, I move to lay the amendment on the table.

Mr. TALMADGE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Mississippi (Mr. Eastland), the Senator from South Dakota (Mr. McGovern), and the Senator from Montana (Mr. Metcalf) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from New York (Mr. Buckley) and the Senator from Arizona (Mr. Goldwater) are necessarily absent.

I further announce that, if present and voting, the Senator from New York (Mr. Buckley) would vote "yea."

The result was announced—yeas 35, nays 59, as follows:

[Rollcall Vote No. 343 Leg.]

YEAS—35

Baker
Bayh
Biden
Brooke
Byrd, Harry F., Jr.
Case
Cranston
Domenici
Glenn
Griffin
Hart, Philip A.
Hartke
Hathaway
Humphrey
Javits
Kennedy
Leahy
McClure
McIntyre
Mondale
Muskie
Pastore
Pell
Percy
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Stafford
Stevenson
Taft
Tunney
Weicker
Williams

NAYS—59

Abourezk
Allen
Bartlett
Beall
Bellmon
Bentsen
Brock
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chiles
Church
Clark
Culver
Curtis
Dole
Eagleton
Fannin
Fong
Ford
Garn
Gravel
Hansen
Hart, Gary W.
Haskell
Hatfield
Helms
Hollings
Hruska
Huddleston
Inouye
Jackson
Johnston
Laxalt
Long
Magnuson
Mansfield
Mathias
McClellan
McGee
Montoya
Morgan
Moss
Nelson
Nunn
Packwood
Pearson
Proxmire
Randolph
Sparkman
Stennis
Stevens
Stone
Symington
Talmadge
Thurmond
Tower
Young

NOT VOTING—5

Buckley
Eastland
Goldwater
McGovern
Metcalf

So Mr. Muskie's motion to lay the amendment of the Senator from Georgia, No. 825, on the table was rejected.

The PRESIDING OFFICER (Mr. Hatfield). The question now recurs on agreeing to the amendment (No. 825) of the Senator from Georgia (Mr. Talmadge). On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the order for the yeas and nays be rescinded.

The PRESIDING OFFICER. The rollcall is in progress. The clerk will call the roll.

The rollcall was resumed and concluded.

Mr. ROBERT C. BYRD. I announce that the Senator from Mississippi (Mr. Eastland) and the Senator from South Dakota (Mr. McGovern) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from New York (Mr. Buckley) and the Senator from Arizona (Mr. Goldwater) are necessarily absent.

I further announce that, if present and voting, the Senator from New York (Mr. Buckley) would vote "nay."

The result was announced—yeas 60, nays 35, as follows:

[Rollcall Vote No. 344 Leg.]

YEAS—60

Abourezk
Allen
Bartlett
Beall
Bellmon
Bentsen
Brock
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chiles
Church
Clark
Culver
Curtis
Dole
Eagleton
Fannin
Fong
Ford
Garn
Gravel
Hansen
Hart, Gary W.
Haskell
Hatfield
Helms
Hollings
Hruska
Huddleston
Inouye
Jackson
Johnston
Laxalt
Long
Magnuson
Mansfield
Mathias
McClellan
McGee
Metcalf
Montoya
Morgan
Moss
Nelson
Nunn
Packwood
Pearson
Proxmire
Randolph
Sparkman
Stennis
Stevens
Stone
Symington
Talmadge
Thurmond
Tower
Young

NAYS—35

Baker
Bayh
Biden
Brooke
Byrd, Harry F., Jr.
Case
Cranston
Domenici
Glenn
Griffin
Hart, Philip A.
Hartke
Hathaway
Humphrey
Javits
Kennedy
Leahy
McClure
McIntyre
Mondale
Muskie
Pastore
Pell
Percy
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Stafford
Stevenson
Taft
Tunney
Weicker
Williams

NOT VOTING—4

Buckley
Eastland
Goldwater
McGovern

So Mr. Talmadge's amendment (No. 825) was agreed to.

Mr. TALMADGE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAYH. Mr. President, I ask unanimous consent that my vote on the last rollcall be counted "nay" instead of "yea" as listed.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The rollcall vote set forth above reflects the foregoing unanimous-consent request.)

Mr. LONG. Mr. President, I ask unanimous consent that Mr. Bill Morris of the Committee on Finance be accorded the privilege of the floor during the discussion of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BEALL. Mr. President, I ask unanimous consent that Maurice White of my staff be accorded the privilege of the floor during the consideration of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROCK. Mr. President, I ask unanimous consent that James George of my staff be accorded the privilege of the floor during the consideration of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR THE COMMITTEE ON FOREIGN RELATIONS TO EXTEND TIME FOR FILING REPORT UNTIL MIDNIGHT

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the Committee on Foreign Relations have until midnight tonight to file a report on the State Department authorization bill, S. 1517.

The PRESIDING OFFICER. Without objection, it is so ordered.

PUBLIC WORKS EMPLOYMENT ACT OF 1975

The Senate continued with the consideration of the bill (S. 1587) to amend the Public Works and Economic Development Act of 1965 to increase the antirecessionary effectiveness of the program and for other purposes.

Mr. THURMOND. Mr. President, I ask unanimous consent that John Steer of my staff be accorded the privilege of the floor during the debate on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATHAWAY. Mr. President, I ask unanimous consent that John Robert Strauss be accorded the privilege of the floor during the debate and vote on this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill is open for further amendment.

Mr. MONTOYA. Mr. President, I yield 2 minutes to the Senator from Maine on the bill.

Mr. MUSKIE. Mr. President, I will take just a moment to——

The PRESIDING OFFICER. The Senator will suspend.

The Senate is not in order. Senators will please take their seats so that the Senator from Maine may be heard in the Chamber.

The Senator may proceed.

Mr. MUSKIE. Mr. President, I simply make the point with respect to the amendment, which has just been adopted, that my State had completely obligated all of the money allocated under the formula now in the law and that as a result of the action of the Senate, which is matched in the House of Representatives, that will destroy obligations to the State of $32 million, which is a considerable impact on a State that is suffering unemployment of 10 to 11 percent.

I did not plead my State's special case in the argument on that amendment, but I make it a matter of record here so that the Senate may understand what it has done.

Mr. President, I send to the desk an amendment which is a modification of one I have at the desk. In addition to the sponsors listed I add the Senator from Indiana (Mr. Hartke), the Senator from Massachusetts (Mr. Kennedy), the Senator from South Dakota (Mr. McGovern), the Senator from Washington (Mr. Magnuson), and the Senator from Minnesota (Mr. Mondale), as cosponsors.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Maine (Mr. Muskie) for himself and others proposes an amendment No. 816 as modified.

The amendment is as follows:

Immediately after the first section insert the following caption:

"TITLE I—GENERAL PROVISIONS"

Redesignate sections 2 through 12 as sections 101 through 111, respectively.

After section 111, as redesignated by this amendment, insert the following new title:

"TITLE II—ANTIRECESSION PROVISIONS

"FINDINGS OF FACT AND DECLARATION OF POLICY

"Sec. 201. (a) Findings.—The Congress finds—

(1) that State and local governments represent a significant segment of the national economy whose economic health is essential to national economic prosperity;

"(2) that present national economic problems have imposed considerable hardships on State and local government budgets;

"(3) that those governments, because of their own fiscal difficulties, are being forced to take budget-related actions which tend to undermine Federal Government efforts to stimulate the economy;

"(4) that efforts to stimulate the economy through reductions in Federal Government tax obligations are weakened when State and local governments are forced to increase taxes;

"(5) that the net effect of Federal Government efforts to reduce unemployment through public service jobs is substantially limited if State and local governments use federally financed public service employees to replace regular employees that they have been forced to lay off;

"(6) that efforts to stimulate the construction industry and reduce unemployment are substantially undermined when State and local governments are forced to cancel or delay the construction of essential capital projects; and

"(7) that efforts by the Federal Government to stimulate the economic recovery will be substantially enhanced by a program of emergency Federal Government assistance to State and local governments to help prevent those governments from taking budget-related actions which undermine that Federal Government efforts to stimulate economic recovery.

"(b) Policy.—Therefore, the Congress declares it to be the policy of the United States and the purpose of this title to make State and local government budget-related actions more consistent with Federal Government efforts to stimulate national economic recovery; to enhance the stimulative effect of a Federal Government income tax reduction;

and to enhance the job creation impact of Federal Government public service employment programs. It is the intention of Congress that amounts paid to a State or local government under this title shall not be substituted for amounts which the State would have paid or made available to the local government out of revenues from State sources.

"FINANCIAL ASSISTANCE AUTHORIZED

"SEC. 202. (a) EMERGENCY SUPPORT GRANTS.—The Secretary of the Treasury (hereafter in this title referred to as the 'Secretary') shall, in accordance with the provisions of this title, make emergency support grants to States and to local governments to coordinate budget-related actions by such governments with Federal Government efforts to stimulate economic recovery.

"(b) AUTHORIZATION OF APPROPRIATIONS.—Subject to the provisions of subsection (c), there are authorized to be appropriated for each of the twelve succeeding calendar quarters (beginning with the first calendar quarter beginning after the date of enactment of this title) for the purpose of making emergency support grants under this title—

"(1) $125,000,000 plus

"(2) $62,500,000, multiplied by the number of one-half percentage points by which the rate of seasonally adjusted national unemployment for the most recent calendar quarter which ended before the beginning of such calendar quarter exceeded 6 percent.

"(c) TERMINATION.—No amount is authorized to be appropriated under the provisions of subsection (b) for any calendar quarter if—

"(1) the average rate of national unemployment during the most recent calendar quarter which ended 3 months before the beginning of such calendar quarter did not exceed 6 percent, and

"(2) the rate of national unemployment for the last month of the most recent calendar quarter which ended 3 months before the beginning of such calendar quarter did not exceed 6 percent.

"ALLOCATION

"SEC. 203. (a) RESERVATIONS.—

"(1) ALL STATES.—The Secretary shall reserve one-third of the amounts appropriated pursuant to the authorization under section 202 for each calendar quarter for the purpose of making emergency support grants to States under the provisions of subsection (b).

"(2) ALL LOCAL GOVERNMENTS.—The Secretary shall reserve two-thirds of such amounts for the purpose of making emergency support grants to local governments under the provisions of subsection (c).

"(b) STATE ALLOCATION.—

"(1) IN GENERAL.—The Secretary shall allocate from amounts reserved under subsection (a)(1) an amount for the purpose of making emergency support grants to each State equal to the total amount reserved under subsection (a)(1) for the calendar quarter multiplied by the applicable State percentage.

"(2) APPLICABLE STATE PERCENTAGE.—For purposes of this subsection, the applicable State percentage is equal to the quotient resulting from the division of the product of—

"(A) the State excess unemployment percentage, multiplied by

"(B) the State tax amount

by the sum of such products for all the States.

"(3) DEFINITIONS.—For purposes of this section—

"(A) the term 'State' means each State of the United States;

"(B) the State excess unemployment percentage is equal to the difference resulting from the subtraction of the State base period unemployment rate for that State from the State unemployment rate for that State;

"(C) the State base period unemployment rate is equal to the average annual rate of unemployment in the State determined over the period which begins on January 1, 1967, and ends on December 31, 1969, as determined by the Secretary of Labor and reported to the Secretary;

"(D) the State unemployment rate is equal to the rate of unemployment in the State during the appropriate calendar quarter, as determined by the Secretary of Labor and reported to the Secretary; and

"(E) the State tax amount is the amount of compulsory contributions exacted by the State for public purposes (other than employee and employer assessments and contributions to finance retirement and social insurance systems, and other than special assessments for capital outlay), as such contributions are determined for the most recent period for which such data are available from the Social and Economic Statistics Administration for general statistical purposes.

"(c) LOCAL GOVERNMENT ALLOCATION.—

"(1) IN GENERAL.—The Secretary shall allocate from amounts reserved under subsection (a)(2) an amount for the purpose of making emergency support grants to each local government, subject to the provisions of paragraph (3), equal to the total amount reserved under such subsection for the calendar quarter multiplied by the local government percentage.

"(2) LOCAL GOVERNMENT PERCENTAGE.—For purposes of this subsection, the local government percentage is equal to the quotient resulting from the division of the product of—

"(A) the local excess unemployment percentage, multiplied by

"(B) the local adjusted tax amount,

by the sum of such products for all local governments.

"(3) SPECIAL RULE.—

"(A) For purposes of paragraphs (1) and (2), all local governments within the jurisdiction of a State other than identifiable local governments shall be treated as though they were one local government.

"(B) The Secretary shall set aside from the amount allocated under paragraph (1) of this subsection for all local governments within the jurisdiction of a State which are treated as though they are one local government under subparagraph (A) an amount determined under subparagraph (C) for the purpose of making emergency support grants to each local government, other than identifiable local governments, within the jurisdiction of such State.

"(C) The amount set aside for the purpose of making emergency support grants to each local government, other than an identifiable local government, within the jurisdiction of a State under subparagraph (B) shall be—

"(i) determined under an allocation plan submitted by such State to the Secretary which meets the requirements set forth in section 206(b), or

"(ii) if a State does not submit an allocation plan under section 206(b) for purposes of this paragraph within 30 days after the date of enactment of this title or if a State's allocation plan is not approved by the Secretary under section 206(c), equal to the total amount allocated under paragraph (1) of this subsection for all local governments within the jurisdiction of such State which are treated as though they are one legal government under subparagraph (A) multiplied by the local government percentage, as defined in paragraph (2) (determined without regard to the parenthetical phrases at the end of paragraphs (4)(B) and (C) of this subsection).

"(D) If local unemployment rate data (as defined in paragraph (4)(B) of this subsection without regard to the parenthetical phrase at the end of such definition) for a local government jurisdiction is unavailable to the Secretary or the State for purposes of determining the amount to be set aside for such government under paragraph (C) then the Secretary or State shall determine such amount under subparagraph (C) by using—

"(i) the best available unemployment rate data for such government if such data is determined in a manner which is substantially consistent with the manner in which local unemployment rate data is determined, or

"(ii) if no consistent unemployment rate data is available, the local unemployment rate data for the smallest unit of identifiable local government in the jurisdiction of which such government is located.

"(E) If the amount determined under subparagraph (C) which would be set aside for the purpose of making emergency support grants to a local government under subparagraph (B) is less than $1,000 then no amount shall be set aside for such local government under subparagraph (B).

"(4) DEFINITIONS.—For purposes of this subsection—

"(A) the local excess unemployment percentage is equal to the difference resulting from the subtraction of 4.5 percentage points from the local unemployment rate;

"(B) the local unemployment rate is equal to the rate of unemployment in the jurisdiction of the local government during the appropriate calendar quarter, as determined by the Secretary of Labor and reported to the Secretary (in the case of local governments treated as one local government under paragraph (3)(A), the local unemployment rate shall be the unemployment rate of the State adjusted by excluding consideration of unemployment and of the labor force within identifiable local governments, other than county governments, within the jurisdiction of that State);

"(C) the local adjusted tax amount means—

"(i) the amount of compulsory contributions exacted by the local government for public purposes (other than employee and employer assessments and contributions to finance retirement and social insurance systems, and other than special assessments for capital outlay) as such contributions are determined for the most recent period for which such data are available from the Social and Economic Statistics Administration for general statistical purposes,

"(ii) adjusted (under rules prescribed by the Secretary) by excluding an amount equal to that portion of such compulsory contributions which is properly allocable to expenses for education,

(and in the case of local governments treated as one local government under paragraph (3)(A), the local tax amount shall be the sum of the local adjusted tax amounts of all local governments within the State, adjusted by excluding an amount equal to the sum of the local adjusted tax amounts of identifiable local governments within the jurisdiction of that State);

"(D) the term 'identifiable local government' means a unit of general local government for which the Secretary of Labor has made a determination concerning the rate of unemployment for purposes of title II of the Comprehensive Employment and Training Act of 1973 during the current or preceding fiscal year; and

"(E) the term 'local government' means the government of a county, municipality, township, or other unit of government below the State which—

"(i) is a unit of general government (determined on the basis of the same principles as are used by the Social Economic Statistics Administration for general statistical purposes), and

"(ii) performs substantial governmental functions.

Such term includes the District of Columbia and also includes the recognized governing body of an Indian tribe or Alaskan native village which performs substantial governmental functions. Such term does not include the government of a township area unless such government performs substantial governmental functions.

"CONTINGENCY FUND

"Sec. 204. (a) Reservation.—The Secretary shall reserve from the amounts appropriated pursuant to the authorization under section 202 for each calendar quarter an amount equal to the amount, if any, not paid to State or local governments by reason of section 210 (c), but not in excess of an amount which is equal to 10 percent multiplied by the total amount appropriated under the authorization in section 202 for such quarter, for the purpose of making additional emergency support grants to State or local governments which are in severe fiscal difficulty, as determined under subsection (e).

"(b) Allocations.—The Secretary shall allocate from the amounts reserved under subsection (a) such amount as he determines is necessary for an additional emergency support grant to assist each State or local government, upon application by such government, which is in severe fiscal difficulty. The sum of the amounts allocated under this subsection may not be less than 75 percent of the amount reserved under subsection (a) for the calendar quarter. No amount may be allocated for an additional emergency support grant to a State or local government under this section in excess of an amount equal to the lesser of—

"(1) 10 percent of the amount allocated to such State or local government under section 203 for the calendar quarter, or

"(2) 15 percent of the amount reserved under this subsection for the calendar quarter.

"(c) Special Rule for Puerto Rico, Virgin Islands, Guam, and the Trust Territories of the Pacific.—The Secretary may allocate from the amount reserved under subsection (a) amounts for the purpose of making emergency support grants to the governments of the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and the Trust Territories of the Pacific. upon application by such governments, if such governments are in severe fiscal difficulty, as determined under subsection (e). The total amount of payments made under this paragraph during any calendar quarter may not exceed 10 percent of the amount reserved under subsection (a) for that quarter. For purposes of sections 205 through 215, the governments of the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and the Trust Territories of the Pacific shall be considered to be State governments.

"(d) Criteria for Severe Fiscal Difficulty.—For purposes of this section, a State or local government shall be considered to be in severe difficulty if—

"(1) the rate of unemployment during the appropriate calendar quarter within its jurisdiction exceeds the national annual average rate of unemployment.

"(2) if it is currently unable, or will be unable before the end of the current calendar quarter, to pay accrued interest to the holders of its outstanding debt instruments, or

"(3) it must increase taxes immediately to maintain its level of basic services or reduce the level of those services before the end of the current calendar quarter.

"USES OF EMERGENCY SUPPORT GRANTS

"Sec. 205. Each State and local government shall use emergency support grants made under this title for the maintenance of basic services customarily provided to persons in that State or in the area under the jurisdiction of that local government, as the case may be. State and local governments may not use emergency grants made under this title for the acquisition of supplies and materials and for construction unless such supplies and materials or construction are essential to maintain basic services.

"APPLICATIONS

"Sec. 206. (a) In General.—Each State and local government may receive emergency support grants under this title only upon application to the Secretary, at such time, in such manner, and containing or accompanied by such information as the Secretary prescribes by rule. The Secretary may not require any State or local government to make more than one such application during each fiscal year. Each such application shall—

"(1) include a State or local government program for the maintenance, to the extent practical, of levels of public employment and of basic services customarily provided to persons in that State or in the area under the jurisdiction of that local government which is consistent with the provisions of section 205;

"(2) provide that fiscal control and fund accounting procedures will be established as may be necessary to assure the proper disbursal of, and accounting for, Federal funds paid to the State or local government under this title;

"(3) provide that reasonable reports will be furnished in such form and containing such information as the Secretary may reasonably require to carry out the purposes of this title and provide that the Secretary, on reasonable notice, shall have access to, and the right to examine any books, documents, papers, or records as he may reasonably require to verify such reports;

"(4) provide that the requirements of section 207 will be complied with;

"(5) provide that the requirements of section 208 will be complied with;

"(6) provide that the requirements of section 209 will be complied with; and

"(7) provide that any amount received as an emergency support grant under this title shall be expended by the State or local government before the end of the 6-calendar-month-period which begins on the date after the day on which such State or local government receives such grant.

"(b) State Allocation Plans for Purposes of Section 203(c)(3).—A State may file an allocation plan with the Secretary for purposes of section 203(c)(3)(C)(i) at such time, in such manner, and containing such information as the Secretary may require by rule. Such allocation plan shall meet the following requirements:

"(1) the criteria for allocation of amounts among the local governments within the State shall be consistent with the allocation formula for local governments under section 203(c)(2);

"(2) the allocation criteria must be specified in the plan; and

"(3) the plan must be developed after consultation with appropriate officials of local governments within the State other than identifiable local governments. The allocation plan required under the subparagraph shall, to the extent feasible, include consideration of the needs of small local government jurisdictions with severe fiscal problems.

"(c) Approval.—The Secretary shall approve any application that meets the requirements of subsection (a) or (b) within 30 days after he receives such application, and shall not finally disapprove, in whole or in part, any application for an emergency support grant under this title without first affording the State or local government reasonable notice and an opportunity for a hearing.

"NONDISCRIMINATION

"Sec. 207. (a) In General.—No person in the United States shall, on the grounds of race, religion, color, national origin, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title.

"(b) Authority of the Secretary.—Whenever the Secretary determines that a State government or unit of local government has failed to comply with subsection (a) or an applicable regulation, he shall, within 10 days, notify the Governor of the State (or, in the case of a unit of local government, the Governor of the State in which such unit is located, and the chief elected official of the unit) of the noncompliance. If within 30 days of the notification compliance is not achieved, the Secretary shall, within 10 days thereafter—

"(1) exercise all the powers and functions provided by title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d);

"(2) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted; or

"(3) take such other action as may be provided by law.

"(c) Enforcement.—Upon his finding of discrimination under subsection (b), the Secretary shall have the full authority to withhold or temporarily suspend any grant under this title, or otherwise exercise any authority contained in title VI of the Civil Rights Act of 1964, to assure compliance with the requirement of nondiscrimination in federally assisted programs set forth in that title.

"(d) Applicability of Certain Civil Rights Acts.—

"(1) Any party who is injured or deprived within the meaning of section 1979 of the Revised Statutes (42 U.S.C. 1983) or of section 1980 of the Revised Statutes (42 U.S.C. 1985) by any person, or two or more persons in the case of such section 1980, in connection with the administration of an emergency support grant under this title may bring a civil action under such section 1979 or 1980, as applicable, subject to the terms and conditions of those sections.

"(2) Any person who is aggrieved by an unlawful employment practice within the meaning of title VII of the Civil Rights Act of 1964 (42 U.S.C. 2000e et seq.) by any employer in connection with the administration of an emergency support grant under this title may bring a civil action under section 706(f)(1) of such Act (42 U.S.C. 2000e–5(f)(1)) subject to the terms and conditions of such title.

"LABOR STANDARDS

"Sec. 208. All laborers and mechanics employed by contractors on all construction projects assisted under this title shall be paid wages at rates not less than those prevailing on similar projects in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act (40 U.S.C. 276a to 276a–5). The Secretary of Labor shall have, with respect to the labor standards specified in this section, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 C.F.R. 3176) and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).

"SPECIAL REPORTS

"Sec. 209. Each State and local government which receives a grant under the provisions of this title shall report to the Secretary any increase or decrease in any tax which it imposes and any substantial reduction in the number of individuals it employs or in services which such State or local government provides. Each State which receives a grant under the provisions of this title shall report to the Secretary any decrease in the amount of financial assistance which the State provides to the local governments within its jurisdiction below the amount which equals the amount of such assistance which such State provided to such local governments during the 12-month period which ends on the last day of the calendar quarter immediately preceding the date of enactment of this title, together with an explanation of the reasons for such decrease. Such reports shall be made as soon as it is practical and, in any case, not less than 6 months after the date on which the decision to impose such tax increase or decrease, such reductions in employment or services, or such decrease in State financial assistance is made public.

"PAYMENTS

"SEC. 210. (a) IN GENERAL.—From the amount allocated for State and local governments under sections 203 and 204, the Secretary shall pay to each State and to each local government, which has an application approved under section 206, an amount equal to the amount allocated to such State or local government under section 203 or section 204.

"(b) ADJUSTMENT.—Payments under this title may be made with necessary adjustments on account of overpayments or underpayments.

"(c) TERMINATION.—No amount shall be paid to any State or local government under the provisions of this section for any calendar quarter if—

"(1) the average rate of unemployment within the jurisdiction of such State or local government during the most recent calendar quarter which ended three months before the beginning of such calendar quarter was less than 6 percent, and

"(2) the rate of unemployment within the jurisdiction of such government for the last month of the most recent calendar quarter which ended three months before the beginning of such calendar quarter did not exceed 6 percent.

"STATE AND LOCAL GOVERNMENT ECONOMIZATION

"SEC. 211. No State or local government may receive any payment under the provisions of this title unless such government in good faith certifies in writing to the Secretary, at such time and in such manner and form as the Secretary prescribes by rule, that it has made substantial economies in its operations and that without grants under this title it will not be able to maintain essential services without increasing taxes or maintaining recent increases in taxes thereby weakening Federal Government efforts to stimulate the economy through reductions in Federal tax obligations.

"WITHHOLDING

"SEC. 212. Whenever the Secretary, after affording reasonable notice and an opportunity for a hearing to any State or local government, finds that there has been a failure to comply substantially with any provision set forth in the application of that State or local government approved under section 206, the Secretary shall notify that State or local government that further payments will not be made under this title until he is satisfied that there is no longer any such failure to comply. Until he is so satisfied, no further payments shall be made under this title.

"REPORTS

"SEC. 213. The Secretary shall report to the Congress as soon as is practical after the end of each calendar quarter during which grants are made under the provisions of this title. Such report shall include information on the amounts paid to each State and local government and a description of any action which the Secretary has taken under the provisions of section 212 during the previous calendar quarter. The Secretary shall report to Congress as soon as is practical after the end of each calendar year during which grants are made under the provisions of this title. Such reports shall include detailed information on the amounts paid to State and local governments under the provisions of this title, any actions which the Secretary has taken under the provisions of section 212, and an evaluation of the purposes to which amounts paid under this title were put by State and local governments and the economic impact of such expenditures during the previous calendar year.

"ADMINISTRATION

"SEC. 214. (a) RULES.—The Secretary is authorized to prescribe, after consultation with the Secretary of Labor, such rules as may be necessary for the purpose of carrying out his functions under this title.

"(b) COORDINATION.—In administering the provisions of this title, the Secretary is authorized to use the services and facilities of any agency of the Federal Government and of any other public agency or institution in accordance with appropriate agreements, and to pay for such services either in advance or by way of reimbursement as may be agreed upon.

"PROGRAM STUDIES AND RECOMMENDATIONS

"SEC. 215. (a) EVALUATION.—The Comptroller General of the United States shall conduct an investigation of the impact which emergency support grants have on the operations of State and local governments and on the national economy. Before and during the course of such investigation the Comptroller General shall consult with and coordinate his activities with the Congressional Budget Office and the Advisory Commission on Intergovernmental Relations. The Comptroller General shall report the results of such investigation to the Congress within two years after the date of enactment of this title together with an evaluation of the macroeconomic effect of the program established under this title and any recommendations for improving the effectiveness of similar programs. Such report shall include the opinions of the Congressional Budget Office and the Advisory Commission on Intergovernmental Relations with respect to the program established under this title and any recommendations which they may have for improving the effectiveness of similar programs. All officers and employees of the United States shall make available all information, reports, data, and any other material necessary to carry out the provisions of this subsection to the Comptroller General upon a reasonable request.

"(b) COUNTERCYCLICAL STUDY.—The Director of the Congressional Budget Office and the Advisory Commission on Intergovernmental Relations shall conduct a study to determine the most effective means by which the Federal Government can stabilize the national economy during periods of excess expansion and high inflation through programs directed toward State and local governments. Before and during the course of such study the Director and the Advisory Commission shall consult with and coordinate his activities with the Comptroller General of the United States. The Director and the Advisory Commission shall report the results of such study to Congress within two years after the date of enactment of this title. Such study shall include the opinions of the Comptroller General with respect to such study.".

Mr. MUSKIE. Mr. President, I yield myself 5 minutes.

Mr. KENNEDY. May we have order, Mr. President?

The PRESIDING OFFICER. The Senate will please be in order.

Mr. MUSKIE. Mr. President, the amendment we are proposing today represents a concept in anti-recessionary policy that is relatively new to this body.

What this proposal would do would be to provide assistance to State and local governments based upon their unemployment rate, as a measure of recession's impact, and the taxes they raise, as a measure of the level of services they provide. No government would receive assistance if its unemployment averaged less than 6 percent for a full calendar quarter, or if it were below 6 percent for the final month in that quarter.

On a national level, the program would turn on when unemployment reached 6 percent, and cut off when unemployment dropped back below the 6 percent level.

In almost every part of the Nation, State and local governments—faced with recession-related declines in projected revenues and increases in demands for services—are being forced to adopt restrictive budgetary policies, such as higher taxes or fewer services.

The Joint Economic Committee has estimated that State and local governments are in the process of removing about $8 billion from the economy through such restrictive budget policies, at the same time that the Federal Government is pumping more money in to stimulate greater economic activity. On a smaller scale, the budgetary decisions of State and local governments have a definite impact on the local private sector. For example, James Needham, president of the New York Stock Exchange, testified at hearings on countercyclical assistance that proposed tax increases in New York City could well result in the loss of 20,000 jobs in the private sector.

We do believe that during bad economic times, belt tightening by Government at all levels is a good idea. Consequently, the assistance we propose to provide would make up only a very small part of the total State and local government deficit estimated at about $8 billion.

But we do not believe that it is sound policy for governments to be able to provide good local services during good times, but be forced to lower the quality of those services when the economy turns down.

More important—and this is really the essential argument for this amendment—we do not believe that it is sound economic policy for the Federal Government to pursue a course of stimulating the economy, through tax cuts and jobs programs, only to have State and local government further contribute to recession by doing just the opposite, and that is what is happening in our economy today.

The Government Operations Committee has given the countercyclical assistance proposal substantial consideration. Six days of hearings were held this spring, and legislation identical to the amendment we now propose was approved overwhelmingly by the committee on July 16.

We believe that the amendment we are offering meets virtually every criterion of a sound anti-recession policy. Testimony at hearings on the proposal supported this belief.

In the first place, the money that would be provided under the amendment would get out into the economy immediately, providing a quick stimulative impact.

Second, the program would shut itself off entirely when the recession has subsided, so it would not contribute to a revival of inflationary pressures.

Third, the assistance that would be provided is very selectively targeted, to reach only those places which have been severely affected by the recession.

And finally, the amendment we propose would strengthen the hand of the Federal Government in dealing with recession, by helping to prevent State and local governments from taking budgetary actions which undercut Federal efforts to stimulate the economy.

One of the most frequently asked questions about the amendment we are proposing is how it relates to the first concurrent budget resolution adopted earlier this year. The answer is that a combination of the countercyclical assistance amendment and S. 1587, the Public Works Employment Act, would be within the outlay target set by the budget resolution.

Under the community and regional development section—function 450—of that resolution, $2.1 billion in outlays for fiscal year 1976 were included for programs of public works and antirecession assistance to State and local governments. Total outlays for the public works-antirecession assistance package during fiscal year 1976 would be below that level, with outlays for the countercyclical proposal estimated to be $1.25 billion, and for the public works program between $500 and $900 million.

The budget resolution allows $5 billion in budget authority for fiscal 1976 for public works and countercyclical assistance. The combined budget authority of the public works bill and the countercyclical amendment would be $3.35 billion—$2.1 for public works and an estimated $1.25 for countercyclical.

Those of us offering this amendment believe that it is a logical complement to the public works approach. Complete recovery from the current recession promises to be slow, with high unemployment lingering well into the second half of the decade. A solid antirecession program, therefore, should be one with both immediate and long-range impact, aimed at both the private and public sectors of the economy. That is what this package would consummate.

Mr. President, I reserve the remainder of my time. I yield to the distinguished Senator from Tennessee (Mr. BROCK), who is a cosponsor of this amendment and of the bill.

The PRESIDING OFFICER. Who yields time?

Mr. MUSKIE. I yield 5 minutes to the distinguished Senator from Tennessee.

Mr. BROCK. Mr. President, first, I pay my respects to the Senator from Maine for his principal efforts in developing this legislation. It is a remarkable piece of work and one in which I am privileged to join.

In these days of economic adversity, both inflation and recession, we have had a great deal of talk in Congress about how to respond to our current economic malaise. It seems that everybody has a different answer.

I believe that in this particular instance we have something which is unique, because it is related explicitly to the economic hardship under which we now suffer—and only that. In other words, by the very definition of the term "counter-cyclical," this bill comes into play when the economy is in a slump; and as the economy bottoms out and starts working its way back up to good times—hopefully, not too long—the bill phases down in very specific stages. Therefore, by this effort, we do not create a permanent program that stays well beyond its necessary life, and that is rather unique, in my experience in Government. That is one of the most attractive features about it; because in the 12 years I have been here, I have seen us place into law program after program which was needed at a particular time but which remained in effect no matter how long ago the need disappeared. This bill is a specific remedy that deals only with the problem and phases out when the problem is gone.

I wish to take just 1 minute to address the concern of some of my colleagues with regard to budgetary impact, because I have an enormous respect for those who make that argument, and I generally agree with their posture.

We are spending far more money than we should spend in Government today. Our budget has an inexcusable deficit. If we look at the way this amendment is drawn, we find two or three things worthy of attention.

First of all, the amendment is drawn so as to fit within the budget authorization of Congress, itself, and that has been passed by this body. The total outlays of this amendment, coupled with the basic legislation, will come within the $2 billion ceiling imposed by the Budget Committee and voted by this body.

Second, it seems to me that this is a far preferable way to do business than the categorical grants approach, which does not reflect the real world. We have a public service jobs program——

The PRESIDING OFFICER. The 5 minutes has expired that the Senator had allotted.

Mr. MUSKIE. I yield 2 more minutes.

Mr. BROCK. When we have a public service jobs program, when we tell the mayor of Newark, N.J., Mr. Gibson, who has probably the toughest job in the United States, "Your income is going to fall off so fast that you are going to have to lay off people with 8 to 10 years' seniority, yet we are going to come back in with a public service jobs program so you can hire somebody else on a temporary basis, with no skills, and it will last 6 months," there is something wrong with our program.

What does this bill do? It takes the same resource, puts it in the hands of the mayor of that community or any other, and says, "Do what you must to protect the essential services required to take care of your citizenry; do what you must to determine your own priorities and own needs, but do it within the priority of those needs as you see them and not as we see them."

That makes so much more sense than the categorical grants approach of our program that I will do whatever I can to speak for and support this legislation. I desperately hope that this is the kind of bill that can effectuate a compromise between Congress and the Executive.

We all know the President cannot sign the House bill. This bill, in contrast, affords him an opportunity to walk down the road with us in concert to deal with the problem that very much does exist.

I appreciate again the leadership of the Senator from Maine in his offer.

Mr. MUSKIE. I thank the Senator from Tennessee.

Mr. President, I reserve the remainder of my time.

Mr. MONTOYA. Mr. President, I yield myself such time as I may consume.

We had the Muskie amendment before the committee. It had been before the Committee on Government Operations in hearing and had not been reported at that point when we considered and marked up the bill. It was the feeling of the committee at the time that the Muskie bill did not belong in the public works bill. I say this today because it is designed to provide an authorization approximating $2 billion for each of 3 years, although I concede that the outlay, because of late enactment of this legislation for this particular year, will be $1,250,000,000.

What is this so-called Muskie amendment? What does it do? It is, in my opinion, another revenue-sharing bill. We have a $30 billion authorization on the books now. The authorization carries automatic appropriation by way of revenue sharing. Each year, there is an expenditure in revenue-sharing funds of $6 billion, which goes to the State and local governments from Washington. This Muskie amendment is designed to do the very same thing. It is designed as aid to the State and local governments, the same as revenue sharing, no strings attached. Only there is a little triggering device in the allocation in the particular amendment.

I am concerned that this amendment will burden the bill to such an extent that it will expose the bill to a veto by the President. When we first considered this legislation, we were considering the House bill. The House bill came over to us with a $5 billion authorization. There was no revenue-sharing feature in it. It was the consensus of the committee that we should reduce the House bill, so, instead of $5 billion in authorization, we provided in the Senate bill $2 billion to try to anticipate possible approval by the President. To add $2 billion for each of 3 years on this bill in the name of revenue sharing is merely to add to what we have already on the books and just to give dollars all over the country; no control by Congress, no control from Washington, no strings attached.

I would probably vote for this particular amendment as a bill if it came here separately. But I say, Mr. President, that the amendment puts a burden on the bill and makes it subject to a Presidential veto.

The amendment does not create jobs. It rests on the premise that local governments should not have to lower the quality of their essential services just because of a recession. I submit that this is a near-depression recession. If anyone has escaped some belt tightening, I should be surprised. Everyone has had to change priorities, including governments at all levels; most of all, the Federal Government.

Third, it has had no action on the House side. At least 10 bills similar to this one are pending before the House. Yet no committee action has been taken on this amendment. Why? If it is attached to S. 1587, will it be an albatross, as I stated? It is an ingenious way to get the matter before the House. But I regret that it is using the public works bill as a vehicle to get there.

I agree that it is an antirecession bill, too. But it distributes money under a formula to State and local governments and does not say how the money must be spent. I wonder, as I study the amendment before us, if it is not basically an urban bill. I know that in aggregate numbers, the most persons unemployed are in the large, urban States. But I am concerned about the allocation formula. It is the "balance of State" provision that bothers me.

I represent a poor rural State. Take, for example, a town of 15,000 people in a county of 60,000. Unemployment data for the county might be available, but it will assuredly not be current, and current data are of utmost importance in a recession such as we are experiencing. There are no unemployment data for the town. On what basis will it get a share of the funds without that information?

My State is made up of many towns this size and smaller. They know how real their unemployment is. But how do they persuade someone in Washington without current data? The identifiable units in the bill are larger urban places. They have relatively current unemployment data. Everything else is lumped into a nebulous, ill-defined "balance of State." The Governor is invited to decide how to distribute the money. Perhaps he knows best. But there will be some mayors and city councils that will not like to see that power exercised by their Governor. I wonder why the Governors, at their recent meeting in New Orleans, on a vote of 19 to 17, indicated their dissatisfaction with the bill—that is, the Muskie amendment now.

There is a question of equity in this amendment. If I were a mayor and, with my city council, managed to survive the recession without an increase in taxes or an appreciable reduction in essential services, my colleagues and I are going to be upset when we see the city down the road, that we all know has been poorly managed, get a check from Washington to keep them in business. I know that is something of an exaggeration, but it is a concern that needs to be brought out and ventilated.

The most serious objection that I have to this is that this does not belong in a public works bill. This certainly, at this time, is a burden on the public works bill and renders the bill more eligible for a Presidential veto if this $2 billion revenue-sharing authorization is adopted by the Senate and, finally, adopted by Congress before it goes to the President.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. MUSKIE. Mr. President, I yield 5 minutes to the distinguished Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I want to respond briefly to some of the remarks made by the very able distinguished Senator from New Mexico.

First of all, the Senator from New Mexico indicated that the amendment does not create jobs. Let me say what it does do.

It does preserve jobs, because many of the cities in America today are compelled to lay off people by the hundreds and thousands, and they add these people to the unemployment rolls.

The Joint Economic Committee has made a survey of American cities with respect to their rates of unemployment. While the national average is about 9.3 percent, many of our cities have unemployment rates of 11, 12, and 14 percent. This morning we heard from New York City, over 11 percent; in Detroit, over 25 percent; in Phoenix, I believe, over 14 percent.

You can go across America and find these difficulties. In city after city. From Providence to Wilmington to New York to Cleveland to Detroit, to many other cities, you find mayors and city councils compelled in the name of fiscal frugality to lay off workers.

Most of us, I think, are aware that State and local governments are experiencing severe recession-induced financial problems. In fact, it is estimated that the shortfall of revenue for State and local governments is $11 billion, and it is this shortfall which is causing great difficulty in providing employment and proper services.

Recession also creates additional demands upon State and local governments. So what you are seeing here is an effort, on the one hand, by the Federal Government to stimulate the economy by public service jobs, public works, by deficit financing, by monetary policy and by the Federal Reserve Board pumping in what we call economic stimuli into the economy. On the other hand, you see State and local government, because of the shortfall of revenues, having to lay off the very workers we are trying to hire. It does not make much sense.

Now, long ago in 1971 the Joint Economic Committee, at that time under the able chairmanship of Senator Proxmire, recommended very strongly that there be this kind of legislation. This has been recommended in every recession since as a policy which the Government ought to pursue at the Federal level. We call it counter-cyclical assistance. It really is a type of unemployment compensation, only this is for local governments that suffer from a shortfall of revenues due to a recession.

This is as much a part of a program for getting this country back on its feet as any form of public works, which I fully support.

May I say I commend the able Senator from New Mexico for an extraordinarily good job of legislative craftsmanship in bringing to us a bill which makes a tremendous amount of sense.

The issue, of course, that has us worried here is will this provoke a veto. I think the Senate would be interested in knowing that this morning, as I was holding hearings as chairman of the Joint Economic Committee, Dr. Arthur Burns, who is one of the senior advisers to the President of the United States, and chairman of the Federal Reserve Board, responded to questions from Senator JAVITS. Dr. Burns said of this very proposal that we are now debating:

> The one proposal that makes sense to aid our cities is the counter-cyclical revenue assistance program.

Here is a top economic adviser to this Government, Dr. Arthur Burns, who says this is the one program that makes sense.

The PRESIDING OFFICER (Mr. HATFIELD). The Senator's time is up.

Mr. HUMPHREY. And I think we should support it and pass it.

Mr. MUSKIE. I reserve the remainder of my time, Mr. President.

The PRESIDING OFFICER. Who yields time?

Mr. LONG. Mr. President, will the Senator yield 5 minutes?

Mr. MONTOYA. I yield 5 minutes to the Senator from Louisiana.

Mr. LONG. Mr. President, the Senator from New Mexico has correctly said this amendment does not belong on a public works bill, it belongs on a Finance Committee bill, if it belongs on any bill. I do not know why anyone would want to bypass the committee whose jurisdiction includes revenue-sharing.

This is not a bill to build so much as a chicken coop. This is an amendment that would share revenues, $2 billion, with the States.

Now, I notice it does not follow the revenue-sharing formula. There are 30 States that make out a lot worse under this amendment than they would under the general revenue-sharing formula. To some States it will not make much difference. It will not make much difference to Maine, for example. It will make a lot of difference to Wyoming. Wyoming would get 12 times less than it would under the general revenue-sharing formula.

The amusing thing is that some of the States will not get anything.

Mr. McGEE. Mr. President, will the Senator yield 20 seconds?

Mr. LONG. Yes.

Mr. McGEE. If Wyoming gets 12 times as much under the *existing* revenue-sharing formula, would it be a stroke of statesmanship if I took that position?

Mr. LONG. It would be a stroke of statesmanship for the Senator from Wyoming to say that on a needs basis Wyoming needs its share, and it is entitled to 12 times as much as it gets under this amendment.

Look at poor little Alaska, small in population terms. This amendment works on the theory that excess unemployment is the unemployment that occurs after a certain date. So here is Alaska, with one of the highest levels of unemployment in America, and they get less than they would get under the revenue-sharing formula. As a matter of fact, Alaska had some of the highest unemployment in America to begin with, so they get no credit for that.

Alaska had base period unemployment of 9 percent. So they only get credit for an additional 2.8 percent, which is the difference between its base period rate and its current rate of 11.8-percent unemployed. So Alaska does worse than it would under revenue-sharing.

The same would be true of West Virginia. They would get half as much as they would get under revenue-sharing, any they have got 8.3-percent unemployed. They start out with base period unemployment of 6.1 percent, and 2.2 percent is added to that. Since their unemployment predated the period when the recession became severe, West Virginia does not get credit for that.

Now, the formula cannot begin to tell you what all the little communities are going to get. Why not? They cannot tell you what the counties are going to get, what the small towns are going to get. Why not? Because this is a big city mayor bill, and those people figured this thing out in a way that helps each one to meet their problems. I do not blame them. If I were a big city mayor that is what I would do.

Mr. President, if we are going to pass a major revenue-sharing bill, we ought to be in position to do what we did with the Finance Committee bill, to tell everybody from Podunk to New York City how much they are going to get, including those little counties that a lot of people are completely unaware of in the Senate.

Mr. President, this matter is one that should be on a revenue-sharing bill. It should be studied by the proper committee. These figures ought to be run through a computer, just like we do with the revenue-sharing bill, so that you can compare county by county, city by city, parish by parish what they get and what the justification for it is, and we should not have such blind spots in it, such as that a State that has the highest unemployment of all does worse than a State with a lower rate of unemployment. In other words, we should not discount the fact that a lot of people are already out of work.

Mr. President, it is said this amendment would have very little budgetary impact because $2 billion has been budgeted for temporary recovery programs.

Well, Mr. President, that refers to public service jobs programs. That refers to other programs, where the objective is more jobs.

Mr. MUSKIE. Mr. President, will the Senator yield at that point?

Mr. LONG. Yes.

Mr. MUSKIE. May I point out to the Senator if he will examine the report on the first budget resolution that $2 billion is allocated for public works and for other antirecession assistance to State and local governments.

Mr. LONG. Well, it says additional temporary recovery programs, and I do not think anybody had this bill in mind when they put that language in there. We voted on it.

Mr. MUSKIE. If the Senator will yield, Mr. President, that was precisely the bill that was discussed in conference. If the Senator has not examined the transcript of the conference he ought not to presume what was said. This is precisely the bill that was envisioned by the language.

Mr. LONG. Well, I was not——

Mr. MUSKIE. By the resolution.

The PRESIDING OFFICER. The Senator's time has elapsed.

Mr. LONG. Mr. President, will the Senator yield 1 more minute?

Mr. MONTOYA. I yield 1 more minute.

Mr. LONG. I was not in the conference, but I am a United States Senator, I was here, and I am familiar with the fact that I heard very little about this bill except in vague general terms, and I am still not hearing anything about it except in vague general terms. Nobody can tell me how much Winnfield, Louisiana, will get out of this bill.

Mr. HUMPHREY. Will the Senator yield?

Mr. LONG. Yes.

Mr. HUMPHREY. The Senator will find out that all he needs to know is that in any community that has 6 percent or more unemployment will share in this bill. The reason we do not have information on Winnfield, La., is that as of yet there is no statistical evidence gathered.

That does not mean the Governor cannot allocate under the formula in this bill.

May I also say that the fact the Senator had not heard about it does not mean it has not been discussed. As a matter of fact, the main witness for the bill was the mayor of New Orleans.

The PRESIDING OFFICER. The time has expired.

The Senator from New Mexico.

Mr. MONTOYA. Mr. President, I yield myself 1 more minute so I can ask the Senator from Louisiana a question.

I would like to elicit from the Senator from Louisiana how much the total authorization for revenue sharing is and when does it expire, is it not $30 billion?

Mr. LONG. It is about $6 billion a year. It is about a $30-billion program, and the program proposed in this amendment, in my judgment, should be considered in connection with revenue sharing; which is what this is.

Mr. MONTOYA. An other question, to follow up. Under the new revenue-sharing bill which has been submitted, or will be submitted by the administration, is it not contemplated that for another 5-year period Congress will be asked to authorize and appropriate not $30 billion, as it has for the previous four and the current fiscal year, but $39 billion. Is that correct?

Mr. LONG. That is my understanding. It is a very large bill.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BENTSEN. Will the Senator from New Mexico yield for an unanimous-consent request?

Mr. MONTOYA. Yes.

Mr. BENTSEN. Mr. President, I ask unanimous consent that a member of my staff, William Buechner, be granted privilege of the floor during this debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, what is the time situation?

The PRESIDING OFFICER. The Senator from Maine has 13 minutes, the manager of the bill (Mr. MONTOYA) has 10 minutes remaining.

Mr. MUSKIE. I promised to yield the floor, but some points have been raised in the debate I ought to answer. Could I satisfy my friends with 2 minutes?

Mr. JAVITS. Three minutes, if the Senator will yield.

Mr. BUCKLEY. May I have 3 minutes, also, Mr. President?

Mr. MUSKIE. All right, let us try it. Three minutes to the senior Senator from New York.

Mr. JAVITS. Mr. President, if we are going to adopt the standard here that in every case, every bill, every State has to get its cut or it will not play, that will create insurmountable problems for any kind of targeted assistance and every other kind of subsidy, and if the Senate is going to run in that direction I can see nothing but anarchy ahead of us.

One of the best advertised facts in this country—and unhappily I have the privilege of representing that city with Senator Buckley—is the fact that New York, the symbol of the United States to most of the world, faces bankruptcy.

Even after they discount every matter they can find and cut everything they can cut, they still face it simply because the economic situation, with 11.7 percent in unemployment in New York reported this morning, is an absolute disaster, and they bear the economic effect of most of the people who are unemployed.

If we enact and execute the laws of the United States to keep people from traveling from any State to New York, we could have a very different country. But if we still have a Nation left, Mr. President, I know of no more economic and intelligent way to deal with this problem of the cities on a crisis basis than the one we have before us. This measure targets immediate assistance where it is most needed and terminate it when the need is no longer critical.

As it happens, Mr. President, if we do not stem the blood flow now in some way, it is going to be infinitely more costly and put the patient in infinitely greater jeopardy.

We talk about failure of a railroad or an airline or a corporation. But when such a failure would create serious national problems the Congress steps in to help. Watch New York go broke and see what happens to the financial systems in this country, the banks, brokerage companies, the confidence of the individual investor, and any security, governmental or otherwise, including the security of the United States. This is far more serious than any corporate difficulty, and yet there are some who seem to believe that they can remain insulated from the fiscal problems that are confronting every city in the Nation.

We vote assistance to corn farmers, cattle feeders, poultry growers, home builders and every other group that needs the assistance of the National Government. If the Senate cannot see fit to come to the aid of our cities, even in this small amount, this will be the end of our usefulness as a national legislative institution.

Mr. President, let us wake up to just what this is all about. It is a small effort on an emergency basis with a hair trigger criteria and a built-in determination to do something instead of nothing and we ought to at least support this as a matter of simple equity.

The **PRESIDING OFFICER**. The time of the Senator from New York has expired.

Mr. MONTOYA. Mr. President, I yield 4 minutes to the Senator from Delaware.

The **PRESIDING OFFICER**. The Senator from Delaware is recognized for 4 minutes.

Mr. ROTH. Mr. President, I rise in opposition to this program.

Mr. President, on July 9, 1975, the Government Operations Committee considered and voted out the Intergovernmental Antirecession Act of 1975—S. 1359—a bill for the purpose of stimulating economic recovery by establishing a system of emergency support grants to State and local governments.

The countercyclical program offers a new form of Federal aid to State and local jurisdictions. It would channel funds to governments experiencing high rates of unemployment to offset the effects of declining tax revenues at a time when public program costs are rising.

As a member of the committee, I joined with Senator CHILES in opposing this action. In my view, this measure fails to restore strength and vitality to our economy and fiscal integrity in government at all levels.

Our first priority must be to stimulate employment opportunities for the 8½ million Americans without jobs.

The legislation will not accomplish this goal but in fact, may have just the opposite effect. It places too heavy a burden on the working men and women and middle-income taxpayers of our Nation whose purchasing power must be stabilized to assure the kind of economic recovery we all seek.

We must take care that legislation enacted today to ward off recession will not foster spiralling inflation tomorrow. Economic relief measures must be precisely directed where unemployment is most severe and where economic stimulation will increase efficiency and productivity. Efforts should be directed toward relieving economic hardship in areas where other solutions are not workable. With the exception of a few very critical situations, the financial situation at State and local government levels does not warrant large increases in Federal aid.

Certain State and local governments are suffering severe economic hardship, because of this recession. But, I do not think economic prosperity and responsive public service can be assured simply by dispersing a billion or more Federal dollars through hundreds of State and local government treasuries as this bill would do.

The most pressing economic need for our Nation is to restore full production and end the plight of idled workers and their families.

This Congress has already taken steps to stimulate the economy. These programs have begun to take effect and there are indications that recovery is underway.

If we determine that additional actions are needed, there are, in my judgment, better ways than this bill to stimulate employment and increase production. One alternative is the development of rapid mass transit systems and railbed reconstruction which would create thousands of jobs, revive the economic future of our failing inner-cities, reduce pollution and cut back on energy consumption. All of these are essential national goals. If we turn our efforts to increase production in the private sector the immediate result will be to stimulate revenues at all levels of Government through traditional channels of business, sales, and income taxes. This approach will restore fiscal integrity to State and local government without the drawbacks of "shot-in-the-arm" Federal spending.

Mr. President, a new Federal spending program such as envisioned by this bill robs State and local governments of their responsibility and the incentive to clean their own houses of extravagance, patronage, and inefficiency. We cannot expect public officials to make tough, budget-trimming decisions if there is easy money available from Washington. A truthful assessment of the revenue situation reveals that there is no fiscal crisis in many State and local governments and that were it does exist it has resulted from years of unsound spending practices rather than the current economic downturn. In my mind, it does not make sense to provide general fiscal relief to jurisdictions which do not actually need it. At the same time we do not want to simply provide a bailout to jurisdictions whose crisis is attributable to years of irresponsible spending practices.

The problems which New York City faces are the logical outcome of the economic policies which have put it deeper and deeper in debt. New York has expanded the scope of its public programs. It has been unable to resist the temptation to multiply its obligations. Attendant costs of operations have skyrocketed. Short-term debt has outstripped the city's ability to raise revenues. Yet what most citizens are expected to pay for, New York City has tried to provide for free.

In terms of per capita costs, New York pays from two to five times more than other major metropolitan areas for education, public welfare, health and hospitals, police and fire protection. This is fine if the citizens of New York are able to afford these services, but I would not ask the citizens of Delaware or any other State to subsidize these services.

There is no assurance that the countercyclical aid proposed in this legislation will be used to create additional jobs for the unemployed rather than used simply to maintain a bureaucracy filled with patronage appointments. This bill will relieve New York City from part of the responsibility to examine its high cost of government.

New York, even on the verge of bankruptcy, has been reluctant to cut the waste from its own budget.

For example, New York recently went ahead and purchased a new fleet of limousines.

The city continues to provide tuition-free college education regardless of a student's ability to pay.

The city has given in to demands from municipal employees for huge pension benefits. Pension benefits in New York are two to three times as generous as any other major city.

The city maintains 19 municipal hospitals while most cities provide only one.

While the city has continued to provide more and more expensive services to its residents and employees, the tax base to support this generosity has been eroding as a direct consequence. The city has lost 70 of its 200 industry headquarters since 1966 and has suffered a net loss of 420,000 jobs in 6 years. Near-financial collapse is the end result of years of overextending city government rather than a recession-induced revenue shortfall. The spirit of compromise and tough-minded reform which would provide a more sensible way to bail out New York seems singularly lacking today.

This bill is not sufficiently targeted and would extend aid to jurisdictions where other steps have proven effective. For example, the State of California has significant unemployment and at current levels would be eligible to receive some $55 million annually under the countercyclical formula. Yet, California has been able to balance its budget by extensive cost-cutting efforts which did not jeopardize the effectiveness of its public service programs.

Other State and local governments are also taking steps to improve performance standards and eliminate costs where productivity is low. We must make sure that our action does not undercut these efforts to reorganize and streamline Government.

We find a situation today where cities and States have spent themselves into a corner without adequate revenue sources to rely on. The incentive to spend money where it does the most good is absent when one level of government expands programs and increases spending and another level of government bears the pressure for increased taxes and deficit spending. Many Governors and local administrators are bound by law to balance their budgets, but, by relying on Federal money to cover basic operating costs they move deeper in debt. We should not continue to ignore the inadequacies of State and local government finances by shifting responsibilities to Washington.

Our subcommittee has heard hours of testimony from officials who would like Washington to send more money home to the States. The prevailing attitude is that money is free in Washington and can be easily diverted to the States. Let us quickly lay this myth aside. The citizen is not fooled by this assumption. He knows because he pays the taxes. He knows that money from Washington is collected from the taxpayer. The public officials in the States often lose sight of the fact that money from Washington is actually paid by the taxpayer in their respective States. While the State officials benefit by bringing home more money, the taxpayer still has to bear the burden.

I have calculated the burden of this program to the taxpayers in my State of Delaware and compared it with the benefits the State and local jurisdictions would receive based on current unemployment statistics for Delaware—which, incidentally, exceed the national average. I have found that Delaware would actually receive less than it must expect to contribute to finance this program. Furthermore, as a fiscal measure, this program fails to provide any stimulus in the lagging sectors or among the unemployed where it is most needed.

Mr. President, I believe it is time the Congress assumed the leadership and responsibility expected of it by the citizens of this Nation to hold the line on excessive Federal spending. Surely we have learned to avoid permanent Federal spending commitments such as contained in this legislation and to enact programs which are targeted to areas where new funds will relieve economic hardship and assure steady growth without a new round of inflation.

The PRESIDING OFFICER (Mr. MATHIAS). The time of the Senator from Delaware has expired.

Mr. MUSKIE. Mr. President, I yield 2 minutes to the distinguished Senator from New York.

The PRESIDING OFFICER. The Senator from New York is recognized for 2 minutes.

Mr. BUCKLEY. Mr. President, we have enacted many bills this year that attempt to ameliorate the effects of the current recession on various sectors of our society. In my judgment, much of this legislation is ineffective and based on disproven economic policies that will only serve to create greater distortions in our economy in the all too-near future.

I have found one legislative proposal, however, which would help State and local governments adjust to the economic realities of the current recession.

The measure about which I speak is the Senator from Maine's proposal to provide "counter-cyclical" revenue sharing to State and local governments in times when the unemployment rate indicates the presence of a recession. My support for this idea is premised upon the principle that the Federal Government should assume certain liability for conditions and consequences it causes. In other words, it should not, in this instance, leave State and local governments holding the bag when the recession, induced by wrongheaded economic policies followed by the Federal Government, cut deeply into tax revenues and budgetary commitments, especially as so many of those commitments have been mandated by the Federal Government in the first instance.

We have all learned how sensitive the tax revenues of local and State are to recessions or booms. In times of full employment and general economic prosperity Government revenues expand. This is doubly so when the prosperity is accompanied by inflation; when governments, especially those which rely upon progressive-rate income taxes, reap "wind-fall" profits. But the reverse is true when a recession sets in. Anticipated revenue fails to live up to budget projections. The result is a fiscal squeeze which the State or local government did not cause and cannot categorically control.

Therefore, I consider it a legitimate exercise of Federal Government authority to take off the shoulders of State and local government a financial burden they played no major part in creating. While I am happy to support this "counter-cyclical" revenue sharing, I have a warning that I should like to offer. This legislation should not become a permanent crutch. It should not be construed as a means by which State and local governments are encouraged to undertake heavy new financial commitments during times of prosperity, thinking that when the economy slows down the Federal Government stands permanently ready to bail them out.

Mr. President, I have grave reservations about institutionalizing the general revenue-sharing bill now in effect, and which we will shortly be called upon to extend.

I believe that institutionalizing the concept of a general revenue sharing over a period of years can only weaken State and local governments by making them dependent on Federal sources of Government that, for political reasons can only grow over a period of years. Also—again as a matter of political conformity—Federal strings will be reattached to the funds that the Congress recycles back to the States and localities from which, by and large, they have been collected.

Finally, as we widen the gap between local governmental responsibility for spending money and the responsibility for rationing it undercuts one of the fundamental principles of sound government.

Here we have a different situation. We have a mechanism by which the Federal Government provides carefully targeted relief to help the hard hit units of government over periods of crises that the Federal Government itself created.

My one major concern is that the amendment increases current authorizations by more than $2 billion. I would hope, however, that the Appropriations Committee will reduce other less productive antirecessionary measures by an equivalent amount. In that manner, the net effect of adopting the amendment will not be inflationary.

Mr. MUSKIE. Mr. President, what is the time remaining?

The PRESIDING OFFICER. The Senator from Maine has 8 minutes remaining. The Senator from New Mexico has 6 minutes remaining.

Mr. MUSKIE. I yield 3 minutes to the distinguished Senator from Massachusetts, Mr. Kennedy.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized for 3 minutes.

Mr. KENNEDY. Mr. President, I am extremely hopeful that this amendment, of which I am a cosponsor, will be accepted by the Senate this afternoon. It makes sense from an economic point of view in terms of the critical problems that the cities and the country are facing, and it makes sense from an equity point of view. There is no group within our country that has been more adversely impacted than the people who live within the cities of our Nation, the urban areas where 80 percent of the American people live, and where more than 85 percent of the personal income taxes are raised.

This is the part of the country that is bearing the primary brunt of economic recession. It is where the highest unemployment exists. It is where there is the greatest need for housing and education, for mass transit, for health care and other social services.

The counter-cyclical aid contained in this amendment is targeted to those areas enduring the most severe economic impact since the Depression.

These cities not only suffer the results or declining tax revenues due to declining employment and economic stagnation; but this forces them to layoff even more employees and to cut back on services. It is a cycle that prolongs recession.

I am exceedingly hopeful that all the Members of this body will recognize this. Our goal is not to create a permanent system of grants; it is geared instead to decline as unemployment declines and to increase when joblessness grows.

Many of us who represent urban States like myself have voted for the farm programs and voted for REA because we have recognized that we are one Nation, that we have one history, and that we have one destiny. One history and one destiny includes the cities of this country. It is imperative that we provide this targeted assistance for that part of our Nation which has seen the greatest jump in unemployment in the past 2 years. I hope the amendment will be accepted. I reserve the remainder of the time and yield back to the Senator from Maine.

Mr. McCLURE. Will the Senator yield?

Mr. MONTOYA. I yield 2 minutes to the Senator from Idaho.

Mr. McCLURE. I understand the motivation that has led the authors of this amendment to offer it, to seek some relief for State and local government. I want to point up one or two fallacies in the argument as I see it.

First of all, it is premised on the idea that tax revenues to State and local governments have dropped off in this period of recession. As a matter of fact, the tax revenues to States have not dropped off anything like the projections would indicate they were going to. The result is that State governments are often in better financial condition than is the Federal Government or than are local governments.

Mr. HUMPHREY. Will the Senator yield?

Mr. McCLURE. I do not have enough time. I would like to.

Under this amendment about one-third of this money goes to the State governments and the other two-thirds to local governments. We have been talking mostly about local governments. Most of the local governments are hurt under a condition like this where budgetary limitations are imposed because of the lack of collection of taxes. Local governments are in whole or in major part dependent upon ad valorem taxation. Ad valorem taxation nonpayment is not a loss of revenue except in the year in which it is not paid. It is simply deferred to some future year. Most State statutes of which I am aware allow the local governments to issue tax anticipation notes so that they can borrow in anticipation of those revenues. So this revenue is not lost to them. It is a deferred revenue. It may be more expensive because they have to borrow in order to make the expenditure but they get it.

If this amendment is passed, they not only will collect under this because of the downward trend in revenues, they will get it back later when they actually collect those ad valorem taxes. They will, in effect, have had an added increment in their spending allowance because of the largess of a Federal Government that does not have a future income to offset the additional deficit that they will be incurring as a result of this. I think the emotion is correct. The concern for the plight of local governments is correct. I think they have a long-term problem but this is not the way to address that long-term problem.

The PRESIDING OFFICER. Who yields time?

Mr. MONTOYA. I yield 1 minute to the Senator from Maine.

Mr. HATHAWAY. I thank the Senator for yielding 1 minute.

I regret that I have only 1 minute, and I also regret having to oppose my distinguished colleague from Maine. I do not oppose him in principle but I am in agreement with the chairman of the Finance Committee, particularly since I am the chairman of the Subcommittee on Revenue Sharing. We have had extensive hearings on revenue sharing. As soon as we are through marking up the industry tax bill, we will be ready for a markup on this matter. Throughout the hearings, everyone who has testified before us has consistently pointed out one thing in all their testimony, the importance of certainty in the amount of money they are going to get over a period of time. This bill, with the triggering mechanism of 6-percent unemployment at both the National, State, and local level does not provide that certainty. If the national unemployment rate drops below 6 percent, the money is cut off, just like that. If the State unemployment rate drops below 6 percent, the locals are cut off. So there is no way to plan. We are encouraging frivolous spending because they will only have money for a short period of time.

Mr. KENNEDY. Will the Senator yield?

Mr. HATHAWAY. I do not have time. I only have 1 minute.

This is not the kind of program that I think we ought to see enacted. There is no provision in the bill for public participation.

The PRESIDING OFFICER. The time of the Senator from Maine has expired.

Mr. HATHAWAY. There are no strings on how money shall be used. States and localities are not subject to any requirements with respect to the expenditure of funds. There are no priority categories. Funds do not even have to be spent in accordance with State or local law. The public is not required to be involved at all in setting priorities. Distributions to local units of government for which no unemployment data is available receive funds on the basis of a State-submitted formula—an invitation for an intrastate political donnybrook.

The distribution of funds in this bill is based on the rate of "excess unemployment" in the jurisdiction and its tax collections—using the same data Census maintains for general revenue sharing. Under this formula there is no account taken of tax effort relative to income levels—only to the total taxes collected.

If we were to take $2 billion and add it to the more than $6 billion scheduled to be distributed under general revenue sharing, 30 States would receive a larger percentage of this $2 billion than they would under the special formula incorporated in the Government Operations Committee proposed bill. Additionally, the way in which "excess unemployment" is determined causes a State with extended unemployment to actually receive less funding than States with only recent high unemployment. Alaska, for example, has had high unemployment during the base period January 1, 1967, to December 31, 1969, as well as a current 11.8-percent unemployment rate. Its unemployment factor under this program turns out to be smaller than that of Maryland's, although Maryland's present unemployment rate is only 6.2 percent. West Virginia is in a similar position. Under this program, assistance for high unemployment is geared toward unemployment that has existed since 1969.

Funding under this program is extremely volatile. Unemployment data for particular States and localities can vary greatly from period to period. There is no opportunity for budgeting the use of these funds on any systematic basis. It is impossible to determine whether this uncertain kind of funding will be used to finance jobs or purchase capital equipment. In fact, the real danger in this program is that it could justify a $2 billion-plus reduction in general revenue sharing funding.

There is no cap on entitlements. Based on present levels of unemployment, $2 billion would be authorized for this program. Should unemployment rise to "depression era" levels, this program alone could call for spending of over $10 billion.

In the first concurrent resolution on the budget—fiscal year 1976 (S. Con. Res. 32) the Budget Committee reported that it considered the possibility of emergency financial assistance to State and local governments. No funds were specifically allocated for the implementation of such a program (S. Rept. 94–77, page 96). In reporting S. 1359, the Government Operations report attempts to sidestep this problem by noting that the Budget Committee has approved $2.1 billion for "additional temporary recovery programs" (see page 12 of S. Rept. 94–292 and page 29 of S. Rept. 94–77). Accordingly, Senator MUSKIE is suggesting we use all of the money for temporary recovery programs such as public service jobs for direct payments to State and local governments, with absolutely no direction as to how such funds should be utilized. The program is not countercyclical. It fails to finance its expenditures during periods of high employment. Although called countercyclical, this program only makes payouts and does not generate any revenues during periods of high employment to fund payments during periods of high unemployment. It would appear that the primary reason for not taking such an approach was the avoidance of the jurisdiction of the Finance Committee with respect to the raising of revenues.

In terms of directing aid when it is needed, this program fails to do so. There is a 3-month lag in the adjustment of data. As a result payments will come after the first pain of high unemployment and at a time when the situation may have already been reversed. Spending will be fostered even though the economy has turned upward and such spending could be inflationary. Also, entitlements could be terminated when the economy has started to decline and such a trigger could be recessionary. If it is argued that the money involved is too small to have this effect, the logical question is whether the program could have the slightest effect as a countercyclical device, since very little money is allocated for such a massive job.

The triggering mechanism for this program also presents serious problems. If unemployment drops below 6 percent for a given quarter nationally, the program is terminated regardless of individual State or local rates of unemployment. For large States or States with high unemployment rates the cut-off of funds once the program was in place could be disastrous. If the unemployment rate hovered around 6 percent, with a rate of 5.8 percent one quarter, 6.2 percent the following quarter, and 5.9 percent the third quarter, it is easy to see that such an on-off switch could be highly disruptive. A similar problem would be faced at the State level and at the local level.

There is already now in place the Comprehensive Employment and Training Act—CETA—a categorical program which has been designed to meet the unemployment problem.

This categorical should be allowed to work, without the threat of a cutback in funds because of the passage of this misguided countercyclical bill.

In substance, this countercyclical bill is a variation of general revenue sharing, subject to the jurisdiction of the Committee on Finance, and it ought to be considered in connection with general revenue sharing, which is now being considered by the Committee on Finance.

Mr. MUSKIE. I yield 1 minute to the Senator from New Mexico.

Mr. DOMENICI. Let me say to the distinguished Senator from Maine I am going to support the amendment. I do not want Senators to have any misunderstandings about my vote. I am going to vote for it because I think the concept is right. To cast a negative vote might lead some people to conclude that I do not think it is a good approach.

I am not sure the triggering mechanism is right. Senator MONTOYA, my senior Senator, might be right, that we are burdening an economic development bill. All of that can be worked out in the future. But the facts are that if we had this kind of bill—and here again I hate to say this with the Senator from New York here—if we had it before we put the emergency CETA measure on I cannot believe we would not have chosen this threefold over it, because what we have going in it is a city has to cut back its police department, cut back its fire department and then go out and hire emergency employees.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DOMENICI. Will the Senator yield an additional 30 seconds?

Mr. MUSKIE. Yes.

Mr. DOMENICI. They will have to go out and hire emergency employees under an emergency bill, while they have the problem of providing service during these emergency times. The Senator from Louisiana (Mr. LONG) has a good point, that it probably should have gone through the Committee on Finance, and deserved further hearings. This Senator is voting for it because at this particular time in history as a concept, a temporary measure to help the municipalities of our United States, it is the best measure to hit the floor of the Senate. It is instant; it is quick. It is not going to go on forever, et cetera. If I vote against it late, I want the Senator to understand in terms of the overall budget and other factors.

Mr. BROCK. Will the Senator yield?

Mr. MUSKIE. How much time remains?

The PRESIDING OFFICER. The Senator from Maine has 4 minutes remaining.

Mr. BROCK. Will the Senator yield 1 minute?

Mr. MUSKIE. I yield.

Mr. BROCK. Mr. President, the revenue-sharing bill is a major cause of mine. I am for it. But we cannot equate this with revenue sharing. They are two entirely different concepts. This is counter cyclical. It deals with local government. I do not care how many public works bills pass, if we do not have strong local governments to implement them, nobody is going to be working in this country. That is the fundamental question we have before us. Are we going to keep our Federal system intact? Are we going to keep it viable? Are we going to make it work? Or are we going to destroy it with a Federal policy over which the local government, the mayor, the sheriff, the county judge, the governor or anybody else at that level has any control?

The purpose of this bill is to provide assistance to sustain the Federal system; and without that, all the jobs bills in the world are not going to work.

The PRESIDING OFFICER (Mr. MATHIAS). Who yields time?

Mr. MUSKIE. Mr. President, how much time is left to me?

The PRESIDING OFFICER. Three minutes remain to the Senator from Maine; 2 minutes to the Senator from New Mexico. Who yields time?

Mr. MUSKIE. Mr. President, I yield myself the remaining 3 minutes.

First of all, I ask unanimous consent that the names of Senators PELL and CRANSTON be added as cosponsors of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, let me make these three brief points:

This is not revenue sharing; nothing like it. It is a grant program. If this grant program falls within the jurisdiction of the Finance Committee, the Finance Committee ought to get the water pollution program, the education program, the health program, and every grant program funded by Congress.

There was no trust fund connected with this. It is not a substitute for revenue sharing. It has never been called revenue sharing by those who conceived the idea or those who support it. When the bill was introduced, the Parliamentarian examined it closely at my request, to determine where it should be referred, and he determined that because there was no trust fund involved it should not be referred to the Finance Committee.

This is not revenue sharing. Secondly, it is not a substitute for it. So this comparison between the two is irrelevant.

I favor revenue sharing, which is an ongoing program of support to local governments on the basis of giving those governments a share of the Federal revenues generated within their borders. This is not that. This is an attempt to give assistance to local and State governments that are impacted by recession.

The Senator from Louisiana implies that those that are not impacted by the recession ought to share in it. Well, we had that kind of vote earlier this afternoon, which was won by those who vote against the need concept. Let us not make the same mistake here.

This is antirecession program. Those jurisdictions which are hurt by unemployment and reduced production, whose revenues are shrinking—and the total of that, may I say to the Senator from Idaho, is $8 billion, according to the Joint Economic Committee—are taking three kinds of budgetary action.

First, they lay off employees.

Second, they increase property taxes. Yes, revenues are up because of increased property taxes.

Third, they postpone ongoing capital improvement programs, which have to do with jobs directly.

Finally, if you have increases in property taxes that impact on private industry, which is already laboring under the burden of recession in these communities, and if they are impacted, there are more jobs lost, as was testified to by the President of the New York Stock Exchange last month.

Increases in taxes in New York resulting from the present situation in New York could cost 20,000 private jobs. So what we are talking about is not just a stimulus to help State and local governments, but a stimulus to help the economies which have undermined their revenues and created unemployment by drastic cuts in their budgets.

That is what this is all about; do not be misled by all this talk about committee jurisdiction and all this talk about whether it is revenue sharing, after all. It is not.

The PRESIDING OFFICER. The time of the Senator from Maine has expired.

Mr. MONTOYA. Mr. President, I yield myself the remainder of my time.

The PRESIDING OFFICER. The Senator is recognized for 2 minutes.

Mr. MONTOYA. Mr. President, the Muskie amendment provides for an allocation to State and local governments of one-third and two-thirds, respectively, of the sums authorized in this legislation. The amendment reads as follows:

> The Secretary shall reserve one-third of the amounts appropriated pursuant to the authorization under section 202 for each calendar quarter for the purpose of making emergency support grants,

The same language is used with respect to local governments.

What is revenue sharing? Is not revenue sharing support grants to State and local governments? Is not this bill designed to make support grants to State and local governments?

You can change the name, but you cannot change the identification. You cannot change the fact that this money is going to State and local governments.

I want to make this point: This money is not designed to create jobs. It is designed merely to help the budgetary process within the State and local governments.

How much are the States getting in revenue sharing today? Six billion dollars a year. And how much are the States getting in public service jobs, $2 billion a year?

This is an authorization for 3 years, for an expenditure of approximately $6 billion.

The point that I want to make in conclusion is this: If we burden the public works bill with an additional $6 billion in authorizations, the President will veto the entire measure.

The PRESIDING OFFICER. The time of the Senator from New Mexico has expired.

ANTIRECESSION AID TO STATE AND LOCAL GOVERNMENTS

Mr. HUMPHREY. Mr. President, the amendment that my colleagues (Senators MUSKIE, RIBICOFF, and BROCK) and I offer today addresses one of the most pressing economic problems that our Nation faces today—the declining fiscal position of State and local governments. It is a problem that economic policy has often ignored in the past but one that we can no longer afford to ignore today.

As most of you are aware, the State and local government sector is already experiencing severe recession-induced financial problems. Last year, unprecedented inflation rates and soaring energy costs played havoc with the costs of operating State and local governments. This year, the recession has delivered the second blow of the economic double-whammy. First, the recession has seriously eroded the revenue raising capacity of State and local governments. Charles Schultze of the Brookings Institution has estimated that the current recession is causing an $11 billion revenue shortfall for State and local governments. That is $11 billion that these governments could use to provide services if we had more reasonable unemployment rates.

Second, recession creates additional demands for State and local government services. Increased demand for unemployment compensation, welfare, and food stamp programs, though often financed by higher levels of government, must be administered at the local government level.

That means more employees. Publicly supported health and mental health institutions are frequented by a larger share of the population. That means more employees. Public recreation activities are often substituted for more expensive vacations and private activities. Once again, more employees. The trend is certainly clear. Recession reduces revenues and raises expenditures, causing budget deficits and a financial squeeze. The more serious the recession is, the tighter the squeeze. And this year, the squeeze is the tightest it has been since the depression.

One need only take a look at the combined surplus or deficit of all State and local governments to get a clear idea of the rapid deterioration in their fiscal position. In 1972, the enactment of revenue sharing and a reasonably strong economy combined to produce a $4 billion surplus. In 1973, this surplus disappeared and the combined State and local sector was essentially in balance. In 1974, the combination of unprecedented inflation and severe unemployment caused a $7.9 billion deficit. In the first quarter of 1975, the deficit was $11.5 billion at an annual rate. Clearly, the recession, through its impact on revenues and expenditures, has had a devastating impact on State and local government budgets.

However, there is a limit on the length of time and the magnitude of deficit spending in which State and local governments can engage. At some point, if the recession is severe enough—which this one certainly is—the depletion of working capital carried from previous years and the limitations of budget shenanigans force State and local governments to undertake austerity measures to balance their budgets or to limit the size of the deficits. What results are tax increases, cuts in current service levels and capital construction delays or cancellations—actions which directly undermine Federal Government efforts to stimulate the economy.

A recent survey undertaken by the Joint Economic Committee, which I chair, confirmed the existence of precisely this phenomena. The survey found that State and local governments will undertake almost $8 billion worth of destabilizing budget actions this year—$3.6 billion in tax increases, $3.3 billion in cuts in current, or real, service levels, and approximately $1 billion in delayed or canceled capital construction projects. The cuts in expenditures will precipitate the removal of 140,000 public employees from their jobs through layoffs or attrition—all in the middle of the worst recession since the Second World War.

The tax increases and expenditure cutbacks will occur at both the State and local government level. State governments will raise taxes by $2.1 billion, reduce services by $1.9 billion and delay or cancel approximately $400 million in capital construction. Local governments will be forced to raise taxes by $1.5 billion, to reduce expenditures by $1.4 billion, and to cancel or delay upwards of $600 million in capital construction projects.

In essence, State and local governments are undertaking an $8 billion shift toward a more restrictive fiscal policy, while the Federal Government is simultaneously injecting $25 billion of new stimulus into the economy. While the Federal Government is reducing taxes in an attempt to stimulate the economy, State and local governments are limiting the strength of the recovery by raising taxes. Even worse, we are cutting the progressive income tax, focusing on low and moderate income families and their raising regressive or proportional taxes, hurting the same group to which we are trying to provide relief. Essentially, the Government is giving with one hand and taking away with the other. The same problem exists in the public jobs program in which State and local governments layoff employees while the Federal Government is trying to create new employment opportunities. Needless to say, an economic policy in which the Government giveth and the Government taketh away is less than effective.

While, the aggregate budget adjustments are certainly severe, they mask the fact that almost all of the budget adjustments occurred in jurisdictions with high unemployment rates. The 21 local governments surveyed with unemployment rates above 12 percent made budget adjustments equal to 14 percent of their budgets. By contrast, the governments with unemployment rates below 9 percent raised taxes and cut services at a rate equal to less than 3 percent of their budgets. Thus, lower unemployment rates among local governments meant far fewer tax increases and expenditures cutbacks.

The effect of unemployment is even more evident in the State budgets. State governments with unemployment rates below 8 percent made adjustments equal to 1.3 percent of their budgets while the States with unemployment rates above 11 percent undertook tax increases and expenditure cutbacks equal to almost 12 percent of their budgets. Clearly, the major factor influencing the severity of the budget crisis is the severity of the unemployment problem in that particular jurisdiction.

Unfortunately, as the JEC survey clearly shows, the budget adjustments are most severe where the impact of the recession is already the greatest. This means that communities that are escaping the national recession are also avoiding budget crises that would have an adverse impact on their economies. On the other hand, those jurisdictions that are already hard hit by the recession, will suffer a second blow as the local tax increases, expenditure cutbacks, and layoffs ripple through their local economies.

But many will argue that this restrictiveness on the part of State and local governments is a positive development—that a little belt-tightening is necessary for all sectors. These people suggest that State and local governments can always cut expenditures and weather the storm. However, in my opinion the adverse impact of these budget adjustments on national economic policy and the concentration of these adverse impacts in what are already high unemployment States and localities suggests that some Federal action is extremely desirable.

Several justifications for Federal assistance exist. First, State and local governments are a major sector of our economy, employing 12 million people and spending over $200 billion annually. No single sector of the economy can approach the level of employment found in the State and local sector and no national economic policy can restore economic prosperity without taking into account the needs of this sector. In addition, it should be pointed out that demand for State and local government services does not decline during a cyclical downturn, unlike the demand for goods produced by the private sector.

Second, it is unrealistic and in most cases illegal for State and local governments to stabilize their budget actions by undertaking separate fiscal policies through deficit spending. Forty-five States have constitutional or statutory provisions that require State and local governments to operate with balanced budgets. However, even if these constitutional requirements did not exist, one could not realistically expect the thousands of State and local governments to coordinate their economic policies, thus formulating a consistent fiscal policy.

Third, only the Federal Government has the resources and the budget flexibility to cushion the impact of the recession on specific governments, thus redressing the fiscal imbalances. It is certainly unrealistic to expect the wealthier States to voluntarily share their fiscal resources with the high unemployment States.

Only the Federal Government can accomplish this redistribution of fiscal resources, thus lessening the tendency of State and local governments to restrict the economy in precisely those geographic areas where the recession is already most severe.

Finally, there is a significant role that the Federal Government should play in coordinating fiscal policy. Only the Federal Government can insure that Federal, State, and local government tax and expenditure policies are all supportive of Federal Government policy to stimulate a recovery.

The amendment that we are offering to this legislation will go a long way toward meeting the economic needs I have just described. It is a logical complement to other stimulative policies that we have already undertaken. It will encourage consistency in Federal, State, and local government budget policies and will help cushion the impact of recession on States and cities hardest hit by the recession.

It is also an idea, which I am proud to say was first offered to the Congress by the committee I chair, the Joint Economic Committee. In its 1971 "Mid-Year Review of the Economy," the JEC recommended:

> The Federal Government should adopt a system of grant payments to State and local governments to compensate such governments for the shortfall in their own tax revenues caused by high unemployment.

This recommendation was reiterated in the committee's December report "Achieving Price Stability Through Economic Growth" and later in the "1975 Joint Economic Report." In the 1974 report the committee recommended:

> A counter-cyclical revenue assistance grant should be enacted to compensate State and local governments for revenue shortfalls associated with significant cyclical downturns.

The counter-cyclical aid proposal incorporated in this amendment contains many of the same provisions that the JEC has consistently recommended since 1971.

In addition to assisting State and local governments to deal with their budget crises, this amendment is an ideal component of our antirecession fiscal policy. First, the program triggers on as soon as the national unemployment rate reaches 6 percent so there are no delays in initiating the stimulative spending. Second, the program triggers off as soon as the unemployment rate falls below 6 percent, insuring that no spending occurs as the economy moves closer to full employment and no permanent drains on the Treasury are created. Third, the program contains a requirement that all funds allocated under this amendment must be spent within 6 months of receipt by the State or local government, further insuring that stimulus is injected quickly into the economy and that inflationary spending will not occur after the recession. Fourth, the program carefully targets assistance to only those communities that have significant needs so it avoids wasting scarce Federal resources. Finally, the level of funding of the program varies with the national unemployment rate so the level of assistance is alway commensurate with the level of need.

The same advantages that make this program an effective antirecession program eliminate any inflationary impact it might have. Since the program turns off as soon as the national unemployment rate reaches 6 percent there is absolutely no danger of inflationary spending continuing after the recession has ended.

Finally, this amendment clearly fits within the constraints of the Concurrent Resolution on the Budget. In that resolution, the House and the Senate set aside $2.1 billion in outlays "either for an accelerated public works program or some other appropriate stimulative program that Congress may decide to enact, such as emergency financial assistance to State and local governments." The combined outlays of S. 1587 and the amendment we are proposing would fall below that ceiling.

Mr. President, the amendment that we are offering today is a logical complement to other stimulative programs that Congress has enacted and an integral component of our recovery strategy. I urge all my colleagues to support this amendment.

I ask unanimous consent to have included as part of my remarks the recent study by the Urban Affairs Subcommittee of the Joint Economic Committee. This study relates to the financial condition of State and local governments as affected by unemployment.

There being no objection, the study was ordered to be printed in the Record, as follows:

Comprehensive Study of State and Local Governmental Finances—By the Joint Economic Committee

SUMMARY AND CONCLUSIONS

State Governments: The survey of 48 states clearly indicates that the current economic situation has had a significant impact on the state government fiscal situation. In aggregate, the 48 state governments surveyed began Fiscal Year 1975 with a combined surplus of $6.5 billion, approximately seven percent of their total expenditures. This surplus will be reduced to $3.9 billion at the end of FY 1975, still four percent of total state expenditures.

Despite this significant aggregate surplus, 20 states will enact tax increases in 1975. Seventeen states will enact general fund tax increases and five will enact increases in fuel taxes, which will be dedicated to their highway funds (two states will enact both highway and general fund tax increases). The total value of these tax increases will be $2.1 billion, or aproximately two percent of the aggregate state budget. The tax increases will be slightly offset by $50 million in tax reductions that will be undertaken by four states.

Significant budget adjustments will also be made in expenditures. Twenty-two states will be forced to reduce current levels of service in order to keep their budgets in balance. The total value of these expenditure reductions is $1.9 billion, again approximately two percent of the aggregate state budget. Only two states except to expand upon current service levels, increasing expenditures above normal rates of growth by approximately $100 million.

The paradox of large surpluses accompanied by significant tax rate increases and service cuts is easily explained by more careful examination of the fiscal position of individual state governments. Specifically, the energy-producing and farm states possess a large percentage of the unencumbered surpluses, while the high unemployment states (unemployment rates above the national average) are responsible for the vast majority of tax increases and service cuts. Clearly, there is a significant mismatch of available resources and fiscal needs.

The 13 energy-producing states entered the current fiscal year with a combined surplus of $2.1 billion. This surplus is expected to be reduced by 14 percent to $1.8 billion by the end of the fiscal year. Despite this slight reduction, the unencumbered surplus will still be eight percent of the total budget for the energy states. The existence of significant surpluses, combined with large increases in energy related revenues, has left the energy states in a very strong financial position. Only four energy states will enact tax increases while two will enact tax reductions. The increase in revenues will be about $100 million, 80 percent from coal and oil levies, while the value of the tax reductions is about $45 million. The $55-million net tax increases is only .24 percent of total budget of the energy states. Similarly, only four energy states reduced services by a total of $100 million, while one increased services by $80 million, a net reduction of only $20 million, or only .09 percent of the energy states' budgets. The 13 energy states will undertake deflationary budget adjustments equal to only .33 percent of their total budgets.

The eight states heavily dependent on agricultural income are in almost as solid a financial condition. These eight states entered the fiscal year with an unencumbered surplus of $1.1 billion. This surplus will be reduced by 28 percent to $.8 billion by the end of FY 1975, but will still constitute nine percent of the combined budget of the agricultural states. Unlike the energy states, however, the agricultural states will partially deplete their surpluses, since farm prices have declined and farm incomes are dropping. Four agricultural states will increase taxes by a total of $170 million (80 percent in fuel taxes) while two will marginally reduce taxes by $5 million. The $165-million net tax increase is 1.8 percent of the combined budget of the agricultural states. One agricultural state will reduce services by about $100 million, while another will increase current service levels by $20 million. The $80-million net decline in services is .9 percent of the agricultural state budgets. The combination of tax increases and service reductions is only 2.7 percent of the combined budget for all agricultural states.

By contrast, the 18 states with unemployment rates equal to or above the national average are experiencing severe financial problems. These states entered the fiscal year with a combined surplus of $2.3 billion, which will be reduced 83 percent to $.4 billion by the end of the fiscal year. The $.4 billion surplus is only .75 percent of the combined budget of all high unemployment states, hardly an adequate cushion in present economic circumstances. Ten of these states will enact $1.8 billion in tax increases, approximately 3.5 percent of their total budgets. In addition, 14 states will reduce current services by $1.6 billion, a reduction equal to three percent of the combined budget of the high unemployment states. The combination of tax increases and expenditure cuts is equal to 6.5 percent of the combined budget for all high unemployment states.

Local Governments: Unencumbered surpluses are much less prevalent among local governments, since they have more stable revenue masses and tend to operate with their budgets closer to balance. Nevertheless, 122 of the 140 governments surveyed entered the Fiscal Year with a combined surplus of $340 million, slightly more than one percent of their total budgets. This surplus has been totally depleted and is expected to be a deficit of $40 million by the end of the fiscal year. Consequently, many local governments, without surpluses, will be forced to reduce services or to increase taxes in order to maintain a balanced budget. Local governments will enact an estimated $1.5 billion in new taxes and will reduce expenditures by approximately $1.4 billion. The $2.9 billion in deflationary budget adjustments is approximately 3.5 percent of the combined budget for all local governments.

Once again, the high unemployment governments are responsible for the vast majority of budget adjustments. Forty-seven percent of the high unemployment local governments that were surveyed will enact tax increases amounting to 3.5 percent of their combined budget. Sixty-one percent of the high unemployment jurisdictions will reduce current services by an amount equal to 3.6 percent of the combined budget for high unemployment jurisdictions. Thus the high unemployment local governments will make budget adjustments equal to 7.1 percent of their budgets. This means the average high unemployment jurisdiction will make budget adjustments equal to 7.1 percent of its budget.

By contrast, only 25 percent of the low unemployment jurisdictions will enact tax increases amounting to .7 percent of the combined budget for low unemployment jurisdictions. Similarly, only 38 percent of the low unemployment governments will make reductions in service equal to .7 percent of the combined budget for all low unemployment local governments. Thus the low unemployment local governments will make adjustments equal to 1.4 percent of their budgets. The low unemployment jurisdictions will make one-fifth of the budget adjustments that high unemployment jurisdictions make (measured as a percentage of their respective budgets).

The size of the jurisdiction is also an important consideration in evaluating local government budget adjustments, although size significantly affects only the manner of adjustment rather than the magnitude of adjustment. Specifically, smaller cities (population of 100,000 or less) were much more likely to enact tax increases than they were likely to reduce expenditures. Seventy-five percent of the budget adjustments by these governments were made through tax increases. Larger jurisdictions showed an equal propensity to affect both revenues and expenditures.

Combined State and Local Government Sector: The combined state and local government sector can be expected to enact $3.6 billion in tax increases and $3.3 billion in reductions in expenditures from current service levels. The resulting $6.9 billion in tax and expenditure adjustments represents an average 3.5 percent adjustment for the total state and local government sector. However, the vast majority of budget adjustments will occur in the high unemployment state and local governments. These governments will often be forced to make adjustments that amount to seven or eight percent of their total operating budgets.

Typically, significant expenditure reductions will be accompanied by layoffs, hiring freezes, reduced work hours and other methods designed to reduce the personnel costs of the affected government. These adjustments are already occurring in high unemployment state and local governments. Approximately half of the state governments have imposed some form of work force limitation, affecting, in aggregate, 35,000 to 45,000 positions. Almost 40 percent of the local governments have reduced or limited personnel, affecting a total of almost 100,000. The total number of positions eliminated or left vacant in the state and local government sector is thus between 135,000 and 145,000. However, the elimination of 140,000 positions understates the impact of the recession on state and local government employment. While this estimate does include positions that were eliminated or left vacant, it does not attempt to ascertain the impact of the recession on the normal expansion of employment in response to increased service demands. This growth has undoubtedly been eliminated in most high unemployment governments and is probably limited in the majority of jurisdictions.

In addition to adjustments in operating budgets, most state and local governments have made some adjustment in their capital budgets. Typically, projects have been delayed, or even cancelled in order to reduce borrowing costs or to facilitate the shift of capital funds to operating accounts. Smaller jurisdictions that fund capital projects out of operating accounts are probably the most severely affected. Unfortunately, only a limited number of jurisdictions were able to quantify the total value of capital projects affected by delays or cancellations. Conservative estimates based on those jurisdictions that could identify projects indicate that $600 million to $1 billion worth of projects will be delayed or cancelled in the upcoming year.

These deflationary adjustments in state and local government operating and capital funds will combine to remove $7.5 to $8 billion from the economy. While a small percentage of these adjustments may well be regarded as much needed improvements in government efficiency, the magnitude of the adjustments and their concentration in the high unemployment jurisdictions indicates that considerable hardship will be imposed upon the affected jurisdictions.

The Current Fiscal Position of State and Local Governments—A Survey of 48 State Governments and 140 Local Governments

INTRODUCTION

In recent years, the state and local government sector of the economy, has become increasingly important, both as an employer and a provider of goods and services. Since 1967, total employment in the state and local government sector has grown 28 percent, a rate of growth significantly above that for the remainder of the economy (14.8 percent rate of growth in employment for all other sectors and 6.1 percent rate of growth in employment by the Federal Government). In the same period, state and local government purchases of goods and services have increased, as a percentage of Gross National Product, from 11.3 percent in 1967 to 13.7 percent in 1974. These sharp increases in activity have necessitated a more careful examination of the impact of national economic trends on the fiscal position of state and local governments, and conversely, of the impact of state and local government budget actions on national economic policy.

Unfortunately, the only data which might be used to analyze these important issues is too dated to be of value to the current economic situation or too aggregated to even differentiate between state and local governments. Consequently, the Subcommittee for Urban Affairs has undertaken an extensive survey of the state and local government fiscal situation. The survey was initiated through formal written responses but was accomplished primarily through extensive telephone followup, both to expand the sample and to clarify certain issues. Responses have been received from 48 state governments and from 140 local governments (43 governments with populations in excess of 500,000, 23 governments between 250,000 and 500,000 population 22 governments from 100,000 to 250,000 population and 52 with populations of less than 100,000) including the vast majority of cities and counties with populations in excess of 500,000 persons. The 140 governments had combined expenditures of $31 billion, approximately 40 percent of all local government expenditures.

The survey was designed to address two basic and interrelated issues. First, it was to assess the impact of the current economic situation on state and local finances and, to the greatest extent possible, quantify the budget adjustments that the recession has necessitated. Second, the survey was designed to evaluate the potential destabilizing impact of these budget actions on the Federal government's efforts to stimulate an economic recovery.

This report, based exclusively on the results of the survey, is divided into three sections. The first describes the budget actions that state governments have had to undertake in response to the recession's impact on their budgets. It analyzes adjustments that have been or will be made by the 48 state governments in revenues, expenditures, government employment, and capital construction. It also estimates the changes that have occurred in the unencumbered surpluses (the surplus in general funds carried from one fiscal year to the next) that most states carried into their current fiscal years. Finally, this section delineates the statutory or constitutional provisions in each state concerning the legality of deficit spending.

The second sections describes the budget actions taken by the 140 local governments in order to keep their budgets at or near balance. Included in this section is an analysis of adjustments that have occurred in revenues, expenditures, capital construction, employment, and unencumbered surpluses.

The third section summarizes the impact of the recession on the combined state and local government sector and attempts to measure the impact of state and local government budget actions on the national economy. Unfortunately, some of the budget adjustments undertaken by state and local governments have occurred so recently that it was impossible to quantify the effects of these actions (i.e. if a hiring freeze had recently been imposed it was very difficult to quantify the number of positions effected). In other cases, inevitable difficulties were encountered in obtaining comparable data on state and local government financial positions. The wide range of budget and accounting practices, the variety of beginning dates for their fiscal years, the comparability of annual and biennual budgets, and in some cases, the quality of data available have all been taken into account and adjusted for, whenever possible. The result is a reasonably precise picture of the impact of the current economic situation on state and local governments and the effect that their budget actions will have on the economy.

STATE GOVERNMENTS

Unencumbered Surpluses: Most states finish their fiscal years with surpluses remaining in their general fund accounts after all revenues have been collected and all expenditures have been made. These unencumbered surpluses are carried over into the ensuing fiscal year and can be appropriated for expenditures in that fiscal year. More often, however, these surpluses are used as a contingency fund, spent to keep the budget in balance if revenues fall short of expectations or expenditures exceed expectations. This contingency fund is essential to minimize the austerity measures necessary to keep the budget in balance (all states have some prohibitions against deficit spending) in the event that economic conditions deteriorate subsequent to the preparation of the budget. Shifts in the size of the unencumbered surplus are a good indication of the relative fiscal position of the states from one year to the next.

The survey of 48 states indicated that 12 had increased or anticipated an increase in the size of their unencumbered surplus from the beginning of FY 1975 (July 1, 1974) to the beginning of FY 1976. Two states had their unencumbered surpluses stay virtually constant and 34 states showed declines in the size of their unencumbered surpluses. This means that 34 states were drawing down their unencumbered surpluses in order to keep their budgets in balance.

The 46 states that reported data for July 1, 1974 and July 1, 1975 showed a combined unencumbered surplus of $6.5 billion on July 1, 1974 and will show a combined surplus of $3.9 billion on July 1, 1975. The states drew down approximately 40 percent of the unencumbered surpluses during the course of FY 1975. The size of the surplus as a percentage of the states' budgets has declined from approximately seven percent in FY 1975 to approximately four percent in FY 1976.

A more careful examination indicates an interesting pattern. The 13 states (Oklahoma, Texas, Louisiana, West Virginia, Ohio, Utah, Indiana, New Mexico, Alabama, Arkansas, Montana, Wyoming and Tennessee) that had a per capita energy input above the national average [*] (the major energy producing states) had a combined unencumbered surplus of $2.1 billion entering FY 1975 and an estimated surplus of $1.8 billion on July 1, 1975. This $1.8 billion surplus will be approximately eight percent of the combined budgets of the energy states. Thus the energy states experienced a 14-percent decline for all other states. Seven of the 13 states experienced an increase in their unencumbered surplus and one state showed no change.

A similar pattern exists in the states that derive a large percentage of their income from agriculture. Of the eight states (Iowa, Minnesota, North Dakota, South Dakota, Wisconsin, Kansas, Nebraska, Idaho) that are significant agricultural producers, three experienced increases in the size of their unencumbered surplus and one stayed approximately constant.

The eight states had a combined surplus of $1.1 billion entering FY 1975, which will be reduced to an estimated $.8 billion by July 1, 1975, a decline of approximately 28 percent. Nevertheless, this $800 million surplus constitutes approximately nine percent of the combined budgets of the agriculture states. Unlike the energy states, however, the agricultural states can expect to significantly deplete their unencumbered surpluses, since farm prices have declined and farm incomes have dropped.

Once the energy and agricultural states are removed, the remaining 25 states showed a decline in their unencumbered surplus from $3.3 billion on July 1, 1974 to an estimated $1.3 billion on July 1, 1975, a decline of more than 60 percent. This surplus of $1.3 billion is less than two percent of the budgets of these states. Moreover, if two states (California and Illinois) are omitted, the remaining 23 states entered the year with combined surpluses of $2.4 billion. This combined surplus is expected to be reduced to $265 million by the end of FY 1975, a decline of almost 90 percent. These 23 states will have a combined surplus of approximately one-half percent of their budgets.

Finally, the 20 states that had unemployment rates equal to or in excess of the national average (Oregon, Washington, Delaware, Pennsylvania, West Virginia, Florida, Georgia, North Carolina, South Carolina, Connecticut, Maine, Massachusetts, Rhode Island, Vermont, New Jersey, New York, Indiana, Michigan, California and Nevada) experienced a combined reduction in their unencumbered surplus from $2.6 billion to $.8 billion, a decline of almost 70 percent. If the two high unemployment energy states are removed (West Virginia and Indiana), the decline is even more precipitous, from $2.3 billion to $.4 billion, or 83 percent. This surplus is less than one percent of the combined budgets of all high unemployment states.

In summary, while the aggregate unencumbered surplus for all states is still significant, the surplus is concentrated in the resource rich, agriculturally dependent and low unemployment states. The states that have unemployment rates in excess of the national average (from here on referred to as high unemployment states) have virtually depleted their encumbered surpluses, and undoubtedly will be forced to undertake major austerity measures to keep their budgets in balance in the current and the next fiscal years.

Revenues: Twenty states have adopted or will adopt tax increases for next fiscal year. The total value of these tax increases is approximately $2.1 billion. Four states will adopt tax reductions with a total value of approximately $50 million.

Seventeen of the 48 states will adopt general fund tax increases and five will adopt increases in the gasoline tax to be dedicated to their highway trust funds (two states proposed both highway fund and general fund increases). The total value of the general fund increases will be approximately $1.9 billion and the value of the highway fund increases will be approximately $200 million. All of the tax reductions will occur in the general fund.

Ten of the 18 high unemployment nonenergy states will enact tax increases in the upcoming fiscal year. The total value of these tax increases by the high unemployment states will be $1.8 billion, or approximately 3.5 percent of the combined budgets of the high unemployment states. The majority of these tax increases will be in business taxes, sales taxes, occupational privilege taxes, and other minor taxes. Less than 40 percent of the $1.8 billion in tax increases will be in the income tax.

Four of the 13 energy states will adopt tax increases and two will initiate tax reductions. The total value of the tax increases will be slightly over $100 million, with over 80 percent of the new revenue coming from oil and coal severance taxes. The total value of the tax reductions is approximately $45 million. The $60-million net tax increase is less than one-quarter-of-one-percent of the combined budgets of the energy states.

Four of the agricultural states will adopt tax increases for the next fiscal year and two will reduce taxes marginally. The total value of the tax increases will be approximately $170 million, with close to 80 percent of the increase occurring in fuel taxes which are dedicated to the highway fund. The total value of the two tax reductions is approximately $5 million. The net tax increase of approximately $165 million is less than two percent of the combined budgets of the agricultural states.

In summary, net tax increases of approximately two percent of the combined state budgets can be expected in the upcoming year. The tax increases will be in a wide variety of levies, with less than 40 percent being income tax increases. The tax increases will be concentrated in the high unemployment states, where tax increases will average about 3.5 percent of the combined high unemployment state budgets. The tax increases will go as high as 15 percent of the budget in states that are particularly hard hit by the recession.

Expenditures: Many states were forced to cut current levels of services during the current fiscal year and for the upcoming fiscal year, in order to keep their budgets in balance without enacting significant tax increases or, in some cases, even with tax increases. Twenty-two states have been forced to cut services, thus reducing actual expenditures or limiting growth in expenditures necessary to provide current levels of services. Two states are increasing current levels of services by a total of approximately $100 million. The net total value of the cuts in current services by state governments is approximately $1.8 billion.

Most states have made reductions in state operations and personnel first, with only a few states reducing the level of state assistance to local governments. Cuts occurred most commonly in highway maintenance and servicing (affected by the slow growth rate in gasoline tax revenues), capital projects funded from general funds, salaries and personnel, and welfare and other social services, particularly mental health and corrections. Expenditures for higher education also seem to be subject to particular scrutiny.

Once again, the high unemployment states have been forced to make the most severe cutbacks in levels of services. Fourteen of the 18 high unemployment, nonenergy states have undertaken reductions in current levels of services. The total value of the reductions in services by the 14 states was almost $1.6 billion, or approximately three percent of their combined budgets. None of the high unemployment states increased services.

Among the agricultural states, only one (a state that is less dependent on agricultural income) has had to undertake reductions in current levels of services. The reduction was approximately $100 million and affected shared revenues with local governments, mental health and corrections. One agricultural state enacted a new program of property tax relief which will increase expenditures by about $20 million.

Four of the 13 energy-producing states have reduced services, while one has greatly increased levels of service. The total value of the service reductions is approximately $100 million, with the major declines in service levels occurring in the highway program as a result of declining gasoline tax revenues. The total value of the service increases in the one state that expanded services was approximately $80 million.

In summary, a net $1.9-billion reduction in current levels of services is occurring in order to maintain balanced state budgets. These service cutbacks are occurring in all types of programs, with social service and highway programs most significantly affected. Approximately 85 percent of the service cutbacks are occurring in the 18 high unemployment states, although these states make up only 50 percent of total state expenditures.

Employment: The cuts in service levels discussed above have had a significant impact on the anticipated number of state government employees. Twenty-three of the 48 states have put into effect complete or limited hiring freezes, or have eliminated positions completely. Of the 23 states that have reduced expenditures for personnel, only 15 were able to specify the number of positions affected. (In most cases where specific information was unavailable, the hiring freeze was too recent to have had a measurable effect. In a couple of cases, the information requested was simply not available.) Approximately 29,000 positions were eliminated or left vacant in the 15 states.

While 13 of the 18 high unemployment states had some form of personnel reduction, the reductions were not limited to the high unemployment states. Nine of the 18 high unemployment states could quantify the number of positions affected, accounting for 18,500 vacancies, or about 65 percent of the identified vacancies. Four of the energy states and two of the farm states have undertaken some form of personnel reduction, with four states able to identify 9,000 vacancies.

In summary, reductions in personnel, although concentrated in the high unemployment states, seem to be more evenly distributed among low and high unemployment states than tax increases and cuts in current services. One possible explanation for this phenomena is that high unemployment rates undermine the effectiveness of work force reductions through attrition, because employees are reluctant to leave relatively safe positions in state government.

Capital Construction: Possibly the easiest budget adjustment that state governments can make to balance their budgets is to delay, or even cancel, capital construction. Twenty-five states have delayed some capital projects (delays were defined as postponements of one fiscal year or more) although few were able to quantify the dollar amounts involved. The states that could quantify the adjustments delayed $160 million worth of projects, generally 15 to 20 percent of their capital budgets.

The delays occurred in all types of states, regardless of their financial position. Thirteen of 18 high unemployment states, three of eight farm states, and five of 13 energy states delayed projects. Most commonly delayed were highway projects, once again due to the reduction in the rate of increase of gasoline tax revenues. Several states eliminated new highway construction completely, limiting highway activity to essential maintenance.

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[*] Source: "Fuel and Energy Data, United States by States and Regions, 1972," U.S. Department of Interior.

While half the states were delaying capital construction, seven states were accelerating the rate of expenditure on capital facilities. This was done to stimulate the economy of their states and also to take advantage of what were perceived as reduced construction costs.

In summary, while over half of the states surveyed indicated that economic conditions had forced them to delay capital construction, few were able to identify the precise dollar value of projects delayed. At least $160 million worth of projects has already been delayed by the states, but probably as much as $400 million worth of projects may be delayed by the end of FY 1976. These delays will be partially offset by states that accelerate projects to stimulate construction activity and to take advantage of low costs.

Deficit Spending: Of the 48 states surveyed, 35 have specific constitutional provisions forbidding deficit spending. These prohibitions most commonly require the governor to present a balanced budget, the legislature to enact a balanced budget and the governor to keep the budget in balance throughout the year. In effect, new appropriations must be accompanied by new revenue-raising legislation.

Five other states have constitutional provisions that limit the size of the deficit to a once significant, but now miniscule amount. These five-state constitutions limit the deficit to somewhere between $250 thousand and $2 million, depending upon the state.

One state constitution limits the deficit to one year, requiring that a surplus budget be enacted in any year that follows a deficit budget.

Four states have statutory provisions that require the presentation and enactment of a balanced budget.

In three states deficit spending is legal, although one has a strong tradition of balanced budgets.

In summary, at most, four states can undertake meaningful deficit spending without a statutory or constitutional change.

LOCAL GOVERNMENTS

Unencumbered Surpluses: Unencumbered surpluses are much less significant for local government budgets than for state governments. Local governments tend to operate as near to a balanced budget as possible, with surpluses generally returned to citizens through tax reductions or service improvements.

Nevertheless, 122 of the 140 local governments surveyed entered the current fiscal year with a combined surplus of approximately $340 million, or slightly above one percent of their total budgets. This surplus is being totally depleted and is expected to be a deficit of approximately $10 million by July 1, 1975. Of these 122 governments, 82 are drawing down their surpluses in the course of the current fiscal year. Seventeen will experience little change in the size of their unencumbered surplus and 23 will add to their surpluses during the course of the year.

The most significant deterioration in the size of the unencumbered surplus occurred in large jurisdictions with high unemployment (unemployment rates above the national average). Fifteen of the 21 high unemployment jurisdictions with populations in excess of 500,000 reported accurate data on the size of their unencumbered surplus. All 15 of these jurisdictions (combined budget of $17.8 billion) reduced their surpluses during the course of the fiscal year. They entered the fiscal year with a combined surplus of $89 million and project a combined deficit of $183 million by July 1, 1975. By contrast, the 17 (17 out of 22 reported accurate data) large jurisdictions (combined budgets of $4.9 billion) with unemployment rates below the national average entered the fiscal year with a combined surplus of $80 million and project a surplus of $53 million on July 1, 1975. Eleven of these jurisdictions are drawing down their surpluses during the course of the fiscal year, two expect no change, and four expect their surpluses to increase.

A similar situation prevails among jurisdictions with populations between 250,000 and 500,000. The nine high unemployment jurisdictions (combined budget of $1.1 billion) entered the current fiscal year with a combined surplus of $10 million and expect a combined deficit of $34 million by July 1, 1975. Seven of these jurisdictions expect the size of their unencumbered surplus to decline, while one will remain constant and one will actually increase.

By contrast, 14 jurisdictions with populations of 250,000 to 500,000, without severe unemployment problems (combined budget of $1.5 billion), entered the fiscal year with an $89 million unencumbered surplus and expect that to be reduced to $66 million by July 1, 1975. Eight of these jurisdictions will draw down surpluses during the course of the fiscal year, three will experience no change and three will experience increases in their surpluses.

The six jurisdictions with populations between 100,000 and 250,000 and severe unemployment problems (conmbined budget of $440 million) all will experience reductions in their unencumbered surpluses. Their combined unencumbered surplus was $9 million at the inception of the fiscal year, but it will decline to $1.5 million by the end of the fiscal year. The sixteen low unemployment jurisdictions with populations between 100,000 and 250,000 (combined budget of $800 million) will experience a slight increase in their combined unencumbered surplus from $40 million to $43 million. Seven of these jurisdictions will experience a decline in their surplus, four will remain approximately constant and five will increase their surpluses. The slight increase in the size of the unencumbered surplus for these jurisdictions is primarily due to significantly increased surpluses for two local governments located in coal production areas.

Finally, 45 small jurisdictions (population less than 100,000) reported a decline in combined unencumbered surplus from $24 million on July 1, 1974 to $16 million on July 1, 1975 (their combined budget is approximately $600 million). Twenty-eight jurisdictions will experience some decline in their unencumbered surplus, seven will experience little change and ten anticipate increases.

In summary, while unencumbered surpluses are not nearly as prevalent among local governments as among state governments, there has been a significant deterioration in the size of local government unencumbered surpluses. The aggregate decline in unencumbered surplus for the 122 jurisdictions reporting data was $380 million, turning a $340-million surplus into a $40-million deficit. The most singificant deterioration occurred in the high unemployment jurisdictions with populations in excess of 250,000. These 24 jurisdictions will experience, without further adjustments in revenues and expenditures, a deficit of $220 million on July 1, 1975, after entering the fiscal year with a $99-million unencumbered surplus.

Revenues: Fifty-two communities reported that significant increases in the tax have been enacted or will be required to keep their budgets in balance. The total value of the tax increases was $850 million or approximately 2.7 percent of the combined budget of all 140 communities. Five communities enacted reductions in tax rates. The total value of the tax reductions was only $8 million, or less than .05 percent of the combined budgets of the 140 communities.

The tax increases occurred in both large and small communities, as well as in high and low unemployment jurisdictions. Twelve of the 21 high unemployment large jurisdictions (500,000+) enacted tax increases, amounting to 3.6 percent of the combined budget of the 21 communities. The total value of these tax increases was approximately $740 million. Eight of 22 low unemployment large jurisdictions enacted tax increases, amounting to .9 percent of the combined budget of the communities. The total value of these tax increases was approximately $50 million.

Three of the nine high unemployment jurisdictions with populations between 250,000 and 500,000 will increase taxes in the current or upcoming fiscal year. The total amount of new revenues raised will be $20 million, or approximately two percent of the combined budget of the high unemployment jurisdictions with 250,000 to 500,000 population.

Three of 15 low unemployment local governments in this population group raised taxes. The amount of new revenue raised is expected to be $10 million, or approximately .6 percent of their combined budget.

For communities with populations of 100,000 to 250,000, two out of six high unemployment jurisdictions increased their tax rate. These tax increases will raise $6 million in new revenue, or approximately 1.4 percent of the combined budget of the six communities. Only two of 16 low unemployment communities in this population group raised taxes. The total value of these changes in their tax rates was $2.6 million or less than .4 percent of the combined budget of these 16 communities.

Significant tax increases also occurred in the smaller communities (less than 100,000 population). Twenty-two of 52 small jurisdictions have already or will enact tax increases in the current or up-coming fiscal year. The total value of these tax increases is approximately $15 million, or over two percent of the combined budget of the 52 small communities. The high percentage of tax increases among small jurisdictions is probably attributable to the fact that most small jurisdictions operate with virtually balanced budgets and little room to cut personnel or expenditures without seriously reducing services. Unanticipated revenue shortfalls or expenditure increases will thus necessitate tax increases in these communities.

In summary, 52 of the 140 jurisdictions surveyed are increasing their taxes above existing rates by a total of $850 million. This increase was approximately 2.7 percent of the combined budget for all 140 jurisdictions. The tax increases occurred primarily in the large jurisdictions (500,000 or more population) with high unemployment rates, where tax rate increases amounted to 3.6 percent of these jurisdictions' total budgets. Without the high unemployment large jurisdictions, all other governments enacted tax increases amounting to 1.2 percent of their combined budget. Smaller jurisdictions (100,000 or less) also enacted significant tax increases, approximately two percent of their total budgets.

The sample of 140 local governments includes approximately 40 percent of all local government revenues and expenditures. Governments raising approximately $50 billion from their own sources were not included in the survey. Their tax increases must be estimated based on the results of the sample. However, since the survey is heavily biased toward jurisdictions with populations in excess of 500,000, which seem to have a higher propensity to raise revenues, it would be inappropriate to assume that all local jurisdictions will increase their taxes by approximately 2.7 percent of their budgets (as the governments in this survey did). It is much more accurate to estimate the tax increases (as a percentage of their budgets) by jurisdictions with populations below 500,000 in the survey and to apply this percentage to the remaining $50 billion of revenue raised in unsurveyed jurisdictions. When this is done, tax increases by the remaining jurisdictions can be estimated.

The jurisdiction surveyed with populations below 500,000 raised revenues by approximately 1.3 percent of their total budgets. If this percentage is then multiplied by the $50 billion in revenues raised by local governments not covered by the survey, an estimate of approximately $650 million in increased taxes is obtained. When the $650 million in tax increases in unsurveyed governments is added to the $850 million in tax increases undertaken by the surveyed jurisdictions, an estimate of $1.5 billion in tax increases by all local governments is derived. This estimate is probably conservative as it does not attempt to account for the high percentage of unsurveyed local governments that are smaller than 100,000 population and thus have a higher-than-average propensity to increase taxes.

Expenditures: Expenditure reductions by the surveyed local governments followed almost exactly the same pattern as revenue adjustments. Fifty-six of the 140 surveyed governments reported that significant cuts had been made in current service levels. The total value of the expenditure cuts is $855 million, or approximately 2.7 percent of the combined budget of the 140 communities.

Eleven of the 21 large jurisdictions (500,000+ population) with high unemployment have been forced to reduce service levels to keep their budgets in balance. The total value of these service cuts is $745 million, or approximately 3.6 percent of the combined buget for the 21 communities. Nine of the 22 low unemployment large jurisdictions have reduced current service levels. The total value of these reductions is $45 million, or approximately .8 percent of the combined budget of the 22 jurisdictions. For large jurisdictions, the service cuts enacted by high unemployment jurisdictions are 4.5 times larger than the service cuts enacted by low unemployment jurisdictions. (Comparison is of the dollar size of the reductions, as a percentage of the respective budgets.)

Six of the nine high unemployment jurisdictions with populations between 250,000 and 500,000 have undertaken significant service cutbacks. The total amount of the expenditure reductions is $30 million, approximately 2.8 percent of the combined expenditures of the nine jurisdictions. On the other hand, seven out of 15 low unemployment jurisdictions in this population group have been forced to undertake expenditure adjustments. These reductions amount to a total of $15 million, approximately .9 percent of total expenditures by the 16 jurisdictions.

For communities with populations between 100,000 and 250,000, five of the six high unemployment communities have cut current service levels. The total value of these reductions is $14 million, or 3.2 percent of the combined expenditures of the six jurisdictions. By contrast, only four of the 16 low unemployment jurisdictions in this population group have embarked on expenditure reduction programs. The total value of these reductions is less than $1 million, or approximately .1 percent of the total expenditures of the 16 communities.

Among smaller jurisdictions, only 14 of 52 governments have reduced services below current levels. The total amount of expenditure reduction by small communities in the survey is $4.8 million, or approximately .7 percent of the total expenditures of the surveyed small communities.

The comparatively low use of expenditure cuts by small communities tends to confirm the hypothesis that these communities react to deteriorating economic situations with tax increases, not service cuts.

The reductions occurred in a wide variety of services with waste removal, social service programs, fire protection and street maintenance making up the bulk of the expenditure reductions. Most of service reductions were accomplished through personnel reductions.

In summary, 56 of the 140 jurisdictions surveyed have undertaken significant cuts in current service levels. For all the jurisdictions surveyed, the expenditure reductions are 2.7 percent of their total expenditures, about $850 million in reductions. Once again, the expenditure reductions were concentrated in the high employment governments, with reductions often being more than four times as large (as a percentage of their budgets) as those in low unemployment areas. Smaller jurisdictions in the survey (less than 100,000) exhibited a reluctance to reduce service levels, cutting services by an amount equal to only .7 percent of their total expenditures.

In order to estimate the total value of service reductions by unsurveyed jurisdictions, the large governments (larger than 500,000 population) have been removed and the service reductions as a percentage of their combined expenditures are calculated. The surveyed governments with populations below 500,000 reduced expenditures through service cutbacks by 1.1 percent of their total expenditures. When this average expenditure reduction is applied to the unsurveyed $50 billion in expenditures, an additional $550 million in service cutbacks is estimated. When this $550 million in reductions for unsurveyed governments is combined with the $850-million reduction in expenditures by surveyed governments, a total of $1.4 billion in service reductions is obtained. This estimate is probably a slight overestimation, in the same manner that additional revenues were underestimated, because no adjustment was made for the low number of expenditure cutbacks undertaken by small jurisdictions.

Employment: Since local governments are more labor intensive than state governments, expenditure cutbacks are more likely to be accomplished through personnel reductions. In fact, 52,000 positions were affected by hiring freezes, layoffs, and reductions in the work week initiated by some of the surveyed local governments. All together, 48 of the surveyed local governments have taken some action to reduce employee requirements.

Once again, the reductions have geen greatest in the high unemployment areas. Fourteen of 21 large jurisdictions (500,000+) with high unemployment are eliminating employee positions. The number of positions affected is 44,800, or approximately 2.2 positions per million dollars of budgeted expenditure by the 22 jurisdictions. By contrast, only six of 22 large jurisdictions with low unemployment are eliminating positions, and only at a rate equal to .5 positions per million dollars of budgeted expenditures.

A similar pattern exists for governments with populations between 250,000 and 500,000. Eight of nine high unemployment jurisdictions in this population group reduced the total number of employee positions. All together, 2,900 positions were affected, or 2.6 positions per million dollars of budgeted expenditure. Only seven of 15 low unemployment jurisdictions in this population group reduced employment, and, even then, only by .4 positions per million dollars of budgeted expenditure.

Smaller jurisdictions (250,000 people or less), in keeping with their reluctance or inability to reduce expenditures, are eliminating approximately 500 positions, or .3 positions per million dollars of budgeted expenditure. Only 13 of 74 jurisdictions smaller than 250,000 persons reduced employment levels at all.

In summary, 48 of the 140 surveyed governments are reducing manpower levels by a total of 52,000 positions, or 1.67 positions per million dollars of budgeted expenditure. Once again, reductions are concentrated in the large high unemployment jurisdictions that have had to undertake significant service cutbacks.

In translating the sample into a meaningful measure of employment reductions by all local governments, the number of positions eliminated by surveyed local governments (500,000 people or less) per million dollars of budgeted expenditure (.9 positions) must be multiplied by the total expenditures (in millions of dollars) made by unsurveyed governments ($50,000 million). This results in an estimate of 45,000 positions eliminated by the unsurveyed local government. When this is added to the 52,000 positions being eliminated by surveyed governments, a total of almost 100,000 positions will be eliminated by local governments that are experiencing financial difficulties. This projection is probably a slight over-estimation because smaller local governments (a large percentage of unsurveyed governments are small) have a lower propensity to eliminate personnel positions. On the other hand, the 100,000-person reduction does not truly reflect the impact of the recession on employment by local governments. Principally it does not measure the growth in employment that would have occurred had the recession not intervened.

It should be pointed out that this estimate of 100,000 positions eliminated does not necessarily portend a decline in total local government employment. Some growth in employment in fiscally healthy communities may well offset the declines in employment in financially troubled jurisdictions. Some substitution of CETA employees for eliminated positions may also have an impact on total employment in the local government sector.

Capital Construction: Delays and cancellations of capital construction are probably the most common and least disruptive adjustment, in the short run, that a local government can undertake to keep its budget in balance. The immediate impact on the residents of a jurisdiction (aside from construction and related workers) is certainly not as conspicuous as a tax increase or service reduction.

Seventy-one of the 140 surveyed governments have initiated delays or cancellations in capital construction. These adjustments have occurred about equally in all jurisdictions—high unemployment and low unemployment, large and small.

In many cases, particularly in those jurisdictions where capital projects are financed through the general fund rather than through bonds, the delays and cancellations constitute a significant portion, or even all, of the capital budget. The delays have been caused by unavailability of general funds, inability to bond, transfer of revenue sharing funds from capital to operating accounts and escalating construction costs. The delays have occurred in all types of projects with street, recreation, public facility (i.e., police and fire stations, city hall, courthouse, etc.) and school construction constituting the bulk of the cancelled or delayed projects.

Unfortunately, most surveyed local governments were unable to provide specific information about the dollar cost of the construction projects that they were forced to delay. Consequently, while a significant number of jurisdictions have consciously delayed or cancelled capital projects, it is impossible to assess the magnitude of these adjustments.

SUMMARY AND CONCLUSIONS

State Governments: The survey of 48 states clearly indicates that the current economic situation has had a significant impact on the state government fiscal situation. In aggregate, the 48 state governments surveyed began Fiscal Year 1975 with a combined surplus of $6.5 billion, approximately seven percent of their total expenditures. This surplus will be reduced to $3.9 billion at the end of FY 1975, still four percent of total state expenditures.

Despite this significant aggregate surplus, 20 states will enact tax increases in 1975. Seventeen states will enact general fund tax increases and five will enact increases in fuel taxes, which will be dedicated to their highway funds (two states will enact both highway and general fund tax increases). The total value of these tax increases will be $2.1 billion, or approximately two percent of the aggregate state budget. The tax increases will be slightly offset by $50 million in tax reductions that will be undertaken by four states.

Significant budget adjustments will also be made in expenditures. Twenty-two states will be forced to reduce current levels of service in order to keep their budgets in balance. The total value of these expenditure reductions is $1.9 billion, again approximately two percent of the aggregate state budget. Only two states expect to expand upon current service levels, increasing expenditures above normal rates of growth by approximately $100 million.

The paradox of large surpluses accompanied by significant tax rate increases and service cuts is easily explained by more careful examination of the fiscal position of individual state governments. Specifically, the energy-producing and farm states possess a large percentage of the unencumbered surpluses, while the high unemployment states (unemployment rates above the national average) are responsible for the vast majority of tax increases and service cuts. Clearly, there is a significant mismatch of available resources and fiscal needs.

The 13 energy-producing states entered the current fiscal year with a combined surplus of $2.1 billion. This surplus is expected to be reduced by 14 percent to $1.8 billion by the end of the fiscal year. Despite this slight reduction, the unencumbered surplus will still be eight percent of the total budget for the energy states. The existence of significant surpluses, combined with large increases in energy related revenues, has left the energy states in a very strong financial position. Only four energy states will enact tax increases while two will enact tax reductions. The increase in revenues will be about $100 million, 80 percent from coal and oil levies, while the value of the tax reductions is about $45 million. The $55-million net tax increase is only .24 percent of total budget of the energy states. Similarly, only four energy states reduced services by a total of $100 million, while one increased services by $80 million, a net reduction of only $20 million, or only .09 percent of the energy states' budgets. The 13 energy states will undertake deflationary budget adjustments equal to only .33 percent of their total budgets.

The eight states heavily dependent on agricultural income are in almost as solid a financial condition. These eight states entered the fiscal year with an unencumbered surplus of $1.1 billion. This surplus will be reduced by 28 percent to $.8 billion by the end of FY 1975, but will still constitute nine percent of the combined budget of the agricultural states. Unlike the energy states, however, the agricultural states will partially deplete their surpluses, since farm prices have declined and farm incomes are dropping. Four agricultural states will increase taxes by a total of $170 million (80 percent in fuel taxes) while two will marginally reduce taxes by $5 million. The $165-million net tax increase is 1.8 percent of the combined budget of the agricultural states. One agricultural state will reduce services by about $100 million, while another will increase current service levels by $20 million. The $80-million net decline in services is .9 percent of the combined budget for all agricultural states.

By contrast, the 18 states with unemployment rates equal to or above the national average are experiencing severe financial problems. These states entered the fiscal year with a combined surplus of $2.3 billion, which will be reduced 83 percent to $.4 billion by the end of the fiscal year. The $.4 billion surplus is only .75 percent of the combined budget of all high unemployment states, hardly an adequate cushion in present economic circumstances. Ten of these states will enact $1.8 billion in tax increases, approximately 3.5 percent of their total budgets. In addition, 14 states will reduce current services by $1.6 billion, a reduction equal to three percent of the combned budget of the high unemployment states. The combination of tax increases and expenditure cuts is equal to 6.5 percent of the combined budget for all high unemployment states.

Local Governments: Unencumbered surpluses are much less prevalent among local governments, since they have more stable revenue bases and tend to operate with their budgets closer to balance. Nevertheless, 122 of the 140 governments surveyed entered the Fiscal Year with a combined surplus of $340 million, slightly more than one percent of their total budgets. This surplus has been totally depleted and is expected to be a deficit of $40 million by the end of the fiscal year. Consequently, many local governments, without surpluses, will be forced to reduce services or to increase taxes in order to maintain a balanced budget. Local governments will enact an estimated $1.5 billion in new taxes and will reduce expenditures by approximately $1.4 billion. The $2.9 billion in deflationary budget adjustments is approximately 3.5 percent of the combined budget for all local governments.

Once again, the high unemployment governments are responsible for the vast majority of budget adjustments. Forty-seven percent of the high unemployment local governments that were surveyed will enact tax increases amounting to 3.5 percent of their combined budget. Sixty-one percent of the high unemployment jurisdictions will reduce current services by an amount equal to 3.6 percent of the combined budget for high unemployment jurisdictions. Thus the high employment local governments will make budget adjustments equal to 7.1 percent of their budgets.

By contrast, only 25 percent of the low unemployment jurisdictions will enact tax increases amounting to .7 percent of the combined budget for low unemployment jurisdictions. Similarly, only 38 percent of the low unemployment governments will make reductions in service equal to .7 percent of the combined budget for all low unemployment local governments. Thus the low unemployment local governments will make adjustments equal to 1.4 percent of their budgets. The low unemployment jurisdictions will make one-fifth of the budget adjustments that high unemployment jurisdictions make (measured as a percentage of their respective budgets).

The size of the jurisdiction is also an important consideration in evaluating local government budget adjustments, although size significantly affects only the manner of adjustment rather than the magnitude of adjustment. Specifically, smaller cities (population of 100,000 or less) were much more likely to enact tax increases than they were likely to reduce expenditures. Seventy-five percent of the budget adjustments by these governments were made through tax increases. Larger jurisdictions showed an equal propensity to affect both revenues and expenditures.

Combined State and Local Government Sector: The combined state and local government sector can be expected to enact $3.6 billion in tax increases and $3.3 billion in reductions in expenditures from current service levels. The resulting $6.9 billion in tax and expenditure adjustments represents an average 3.5 percent adjustment for the total state and local government sector.

However, the vast majority of budget adjustments will occur in the high unemployment state and local governments. These governments will often be forced to make adjustments that amount to seven or eight percent of their total operating budgets.

Typically, significant expenditure reductions will be accompanied by layoffs, hiring freezes, reduced work hours and other methods designed to reduce the personnel costs of the affected government. These adjustments are already occurring in high unemployment state and local governments. Approximately half of the state governments have imposed some form of work force limitation, affecting, in aggregate, 35,000 to 45,000 positions. Almost 40 percent of the local governments have reduced or limited personnel, affecting a total of almost 100,000. The total number of positions eliminated or left vacant in the state and local government sector is thus between 135,000 and 145,000. However, the elimination of 140,000 positions understates the impact of the recession on state and local government employment. While this estimate does include positions that were eliminated or left vacant, it does not attempt to ascertain the impact of the recession on the normal expansion of employment in response to increased service demands. This growth has undoubtedly been eliminated in most high unemployment governments and is probably limited in the majority of jurisdictions.

In addition to adjustments in operating budgets, most state and local governments have made some adjustment in their capital budgets. Typically, projects have been delayed, or even cancelled in order to reduce borrowing costs or to facilitate the shift of capital funds to operating accounts. Smaller jurisdictions that fund capital projects out of operating accounts are probably the most severely affected. Unfortunately, only a limited number of jurisdictions were able to quantify the total value of capital projects affected by delays or cancellations. Conservative estimates based on those jurisdictions that could identify projects indicate that $600 million to $1 billion worth of projects will be delayed or cancelled in the upcoming year.

These deflationary adjustments in state and local government operating and capital funds will combine to remove $7.5 to $8 billion from the economy. While a small percentage of these adjustments may well be regarded as much needed improvements in government efficiency, the magnitude of the adjustments and their concentration in the high unemployment jurisdictions indicates that considerable hardship will be imposed upon the affected jurisdictions.

Mr. GLENN. Mr. President, the Intergovernmental Antirecession Act of 1975 is an extremely important amendment because it is not just another long-term, no-end spending program. Rather, amendment 816 contains the attractive countercyclical concept.

After having operated to stabilize State and local governments economic policies during times of severe unemployment, S. 1539 is designed to phase itself out and to eventually cut off as unemployment declines and the recession ends.

Stabilization of State and local government during recession is vital because recession places a great strain on those units of government. Usually the need for local governmental services increases as recession deepens. An unemployed worker is more likely to depend upon publicly sponsored health, transportation, educational and recreational facilities. Yet at the same time, that unemployed worker is not contributing the tax revenue to the locality that he would, were he employed. Thus, the locality is faced with a gap in revenue that it must close, usually by cutting back services and by raising taxes. Additionally, those cutbacks and tax increases run counter to our Federal efforts to stimulate the economy by cutting taxes and priming the pump in other ways.

So, the countercyclical approach of temporary stabilization to State and local government makes sound economic sense.

I do have several serious concerns about this legislation that I have expressed in our subcommittee hearings and that are embodied within the bill. I do not want this bill to be regarded by anyone as a "bailout" of those who have not acted in a fiscally responsible manner. I hope that the section 12 Certification of Economization provision, cosponsored by Senator PERCY and myself, will at least indicate a legislative intent that some bona fide attempt has been made on the local level to trim excess fat and to increase efficiency prior to receiving this aid.

Second, even though this bill is designed to phase out as the recession ends it is no less important that the current estimated money outlay be within the categorical spending limits set by the concurrent congressional budget resolution. I am committed to maintaining the budget limits we have set this year, and wish to have the latest budget estimates presented on the Senate floor when this bill is considered.

Third, several prominent economists have articulated what is commonly known as "Okun's law." That law argues that as recession ends we are likely to experience ever increasing permanent unemployment due to the high rate of GNP growth that would be required to drive down levels of unemployment that are as high as we have now. I would like more facts on this. Would this mean an upward adjustment of our unemployment "trigger" in this bill? Hopefully, the section 16 study reports ordered of CBO, ACIR, and GAO will shed more light in this area.

Fourth, I believe that we ought to begin to think about "above the line" countercyclical programs that might automatically trigger into our economy in good times so as to cool down the superheated "booms" that contribute so directly to our "busts" of excess inflation and unemployment. Section 16 has ordered such a study.

Fifth, this program has the potential of having a significant impact on the market for municipal bonds. Perhaps such stabilization of State and local government might also act as a stabilizer or as a boost to their credit ratings and ability to borrow. I would hope that section 16's macroeconomic study includes a discussion of this.

Sixth, it is vital that we not lose sight of small units of government that may have pockets of high unemployment that are within a larger area where the picture is brighter. I am pleased that section 5's provision for nonformula contingency grants, allows the Secretary, after utilizing criteria to define the existence of an emergency, to aid such areas.

Finally, the contingency fund itself is an excellent provision. This is a surplus fund to be given after formula grants are made in cases of severe fiscal emergency. In keeping with the fairness and equitability of formula allocations, it is important that this relatively small discretionary fund be safeguarded so that it remains available for sharing by many units of government.

INTERGOVERNMENTAL ANTIRECESSION AID

Mr. WILLIAMS. Mr. President, I am pleased to support amendment No. 816 to the Public Works Employment Act of 1975. This amendment is identical to S. 1359, which I cosponsored.

As chairman of the Committee on Labor and Public Welfare, my highest concern this year has been to develop and enact emergency measures to relieve the tragic human suffering caused by the unemployment crisis which still grips our Nation. And as a Senator from one of the States hit hardest by the current recession, I have seen firsthand the devastating impact it has had on the ability of State and local governments to provide those services essential to the well-being of millions of Americans. In my judgment, the amendment before us will go far toward relieving both the individual suffering of the unemployed, and the immense problems faced by governmental units.

I believe this proposal combines sound economic policy within the best tradition of Federalist principles. The kind of variable assistance embodied in this measure represents one of the best antirecession tools available to the Federal Government. The emergency support grants which this bill would authorize would be distributed to our hardest hit State and local governments on the basis of both need, and the attempts of these governments to meet the crisis themselves. By establishing the level of unemployment as a triggering mechanism, this bill overcomes the timelag between the crisis and the legislative response, and insures that the duration of emergency response will not exceed the duration of the crisis itself.

The severity of the 1974–75 recession has forced many State and local governments to take drastic budgetary measures which run counter to the Federal policy of economic stimulation through tax reduction.

The situation in our cities is equally grim. In testimony on behalf of the National League of Cities before the Subcommittee on Intergovernmental Relations, Mayor Arthur Holland of Trenton described the dilemma which faced his city in these words:

> It was necessary for us to increase an already exorbitant tax rate in spite of a job freeze, a reduction of city employees through attrition, and absolutely bare minimum outlays for material and equipment. The owner of a house valued at $15,000 is now paying $1,165 in property taxes, an increase of $61 over the previous year.

As municipal tax rates are increased, a vicious cycle develops. The greater the tax increase, the greater the decline in business. And the greater this business decline, the more the need to increase taxes to compensate for the loss in ratables. Thus, increases in a municipality's tax rate have a negative multiplier effect with the loss of businesses, and the resultant loss of jobs. It is indeed a tragic situation when recession-induced loss of revenues forces a government to raise taxes, further depressing business, which adds to unemployment, and ultimately leads to further revenue loss.

The intergovernmental assistance represented by amendment No. 816 can break this vicious cycle and insure that in the future, our State and local governments will not have to resort to depressive fiscal policies which tend to negate Federal antirecession economic efforts.

Certainly, during bad economic times, some belt tightening by government at all levels is both desirable and necessary. There is unquestionably room for more efficiency and economy in government management. During other postwar recessions, economizing was a sufficient response of State and local governments to the crisis. However, we are currently in the trough of the second worst economic crisis in the 20th century and in spite of drastic cutbacks in public services and jobs our State and local governments still face massive deficits. In city after city, these severe fiscal problems are endangering the provision of such vital public services as police and fire protection, trash collection, and public education programs.

Mr. President, today the Senate has the opportunity to pass legislation which will not only help insure a more rapid recovery from our current severe recession, but will also cushion us from the need for drastic cutbacks in vital public services during future financial contractions. I strongly urge immediate, favorable action on this timely and necessary measure.

Mr. BENTSEN. Mr. President, I call up my amendment to amendment No. 816 at the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 4, line 20, strike out the period and insert in lieu thereof, a comma and "of which

"(A) $60,000,000 shall be allocated according to the provisions of section 203, and

"(B) $2,500,000 shall be allocated according to the provisions of section 204.".

On page 5, line 11, strike out "section 202" and insert in lieu thereof "sections 202(b)(1) and 202(b)(2)(A)".

On page 13, beginning with line 11, strike out through line 22 and insert in lieu thereof the following:

"SEC. 5. (a) ALLOCATIONS.—The Secretary shall allocate from the amounts reserved under section 202(b)(2)(B) such amounts as".

On page 14, line 4, strike "subsection (a)" and insert in lieu thereof "section 202(b)(2)(B)".

On page 14, strike out lines 11 and 12 and insert in lieu thereof the following:

"(2) 15 percent of the amount reserved under section 202(b)(2)(B) for the calendar quarter."

On page 15, line 5, strike out "(d)" and insert in lieu thereof "(b)".

On page 15, line 8, strike out "subsection (a)" and insert in lieu thereof "section 202(b)(2)(B)".

On page 15, line 21, strike out "(e)" and insert in lieu thereof "(c)".

On page 15, line 16, strike out "subsection (a)" and insert in lieu thereof "section 202(b)(2)(B)".

On page 15, line 21, strike out "(e)" and insert in lieu thereof "(c)".

On page 23, beginning with line 7, strike out through line 19.

The **PRESIDING OFFICER**. Who yields time?

Mr. **BENTSEN**. I yield myself such time as I may require.

Mr. President, my amendment encompasses two principal changes in the Muskie amendment, and I think goes more directly to the objectives that they were seeking to accomplish.

First, it would eliminate the provision in the Muskie amendment which terminates the payment of countercyclical antirecession funds to a State or to a local government when the unemployment rate drops below 6 percent.

Second, it would directly fund the contingency fund which the Secretary of the Treasury may draw on to provide additional fiscal assistance to particularly hard-pressed States or local governments.

The purpose of the countercyclical bill, as I understand it, is to try to negate the problem we are running into with States and local governments where, in times of recession and times of high unemployment, they have to raise their taxes and cutoff their services, and at the same time the Federal Government is trying to mesh those efforts together and lift this country out of recession by cutting taxes, and the two work at cross-purposes in undermining the Federal Government's role.

The goal of the authors of this bill is to channel the funds made available under this bill to those State and local governments whose budgets have been hardest hit by recession. The authors have chosen to terminate payment of antirecession funds to any State or local government with unemployment of less than 6 percent and channel their allocations into the Secretary of Treasury contingency fund.

I am moving to strike that section of the Muskie amendment which establishes the 6-percent trigger for terminating the antirecession fund, because first, I believe that it runs counter to the purpose of the Muskie amendment.

Second, there are other provisions of the Muskie amendment which makes the 6 percent trigger unnecessary.

Third, it really conflicts with the funding of the contingency fund.

Let me expand on that: First, the 6-percent trigger is inconsistent with the purpose of the Muskie amendment.

The language of the Muskie amendment and of the report of the Committee on Government Operations accompanying S. 1359 clearly indicates that the purpose of this bill is to channel antirecession aid to those States and local governments whose budgets have been hardest hit by the recession and who has seen the highest increases in unemployment in their jurisdictions.

But they are talking about over the base period. When they are talking about the base period, they use the years 1967 to 1969.

Under the Muskie amendment, all 50 States and the 1,200 to 1,500 local governments for which the Labor Department currently gathers their statistics are allocated these counter-cyclical antirecession funds on the basis of their recession-induced increases in unemployment. That is called the excess unemployment rate.

Remember, again, it is the increase in the amount of unemployment of the base period of 1967 to 1969 on which they make the determination of allocation, the percentage of these funds that go to that particular locality of that State, but then they run into an arbitrary cutoff at 6 percent.

For State governments, the excess unemployment rate is determined by subtracting the States average unemployment rate for the 3 years 1967 to 1969. Our last period of full employment, from its current unemployment rate.

Let us look at this and see how it works out for some of the States.

The excess rate of unemployment runs from a high of 11.7 percent for Rhode Island, a State hardest hit by the recession, to a low of 1.8 percent for Wyoming. The median rate is 4.4 percent. That is half of the States have seen unemployment rise by more than 4.4 percent since 1967–69, while the other half has seen it rise less.

For local governments, the excess unemployment rate is calculated by subtracting 4.5 percentage points from the current unemployment rate, since individual local unemployment rates were not collected until this year.

These are not bad formulas; in fact, they are good formulas since they relate to the antirecession aid given a State or local government directly to the impact which that recession has had on each individual jurisdiction, but cutting off countercyclical assistance to States and local governments with unemployment rates of less than 6 percent is inconsistent with that approach.

How does one suddenly arrive at 6 percent? Why was it not 5.5? Why was it not 6.5? Why was it not 5.9 percent, when the Nation's economy is operating at full employment, as it was during the years of 1967 to 1969.

The unemployment rates for different jurisdictions across this country of ours varied widely. That depended on geographical, industrial, and demographic characteristics.

For example, during those years, the unemployment rate in my State averaged 2.6 percent, while it averaged 3.7 percent in New York, 4.7 percent in California. For 15 States it was 3 percent or less, while for 6 States it was 5 percent or higher. Cities and counties I am sure had the same kind of wide varieties.

Each State and each community has different economic problems during a recession, just as they have different economic problems during prosperity, and they just should not be treated alike.

The basic allocation formula in the Muskie amendment recognizes that when a State goes from 3 percent unemployment in good times to 5.5 percent unemployment, it is going to have same basic fiscal difficulties, just as a State that goes from a 4 percent base, that is, it has become accustomed to, to a 6.5 percent base. They are going to have to make changes in their city budgets and in their State budgets.

But the 6-percent trigger prohibits antirecession aid to the first State but gives it to the second State. That works a potential hardship on seven States with a current unemployment below 6 percent. That includes Texas, Wyoming, Iowa, Colorado, Oklahoma, South Dakota, and Kansas.

If they get just a small decrease in unemployment we have four more States that are going to be cut out: Nebraska, Maryland, Virginia, and North Dakota.

We have 115 counties and cities also affected by that provision, with Louisiana, New York, Ohio, Wisconsin, and Texas particularly hard hit.

In addition, and I find this most unfortunate, the number of small towns and cities that make up the balance-of-State category in eight States will see their antirecession funds withheld under the 6-percent trigger, regardless of how hard hit they are by unemployment and budget difficulties, as some of them may be. For example, the small cities and towns in Illinois lost $1.4 million; in Nebraska $802,000; in Iowa $1.7 million, and only a small drop in unemployment and the balance-of-State category will dry up these antirecession funds for five additional States, and that will include Kentucky, Maryland, Minnesota, Missouri, and North Dakota.

Although the Muskie amendment contains a provision allowing the Secretary of the Treasury to allocate aid from the contingency fund to small cities and towns in the balance-of-State category that have been cut-off by the 6-percent trigger but which are in fiscal difficulty, I see no reason why the Secretary of the Treasury should be making decisions about which local communities in the balance-of-State group need aid, especially when we can simply strike out that 6-percent trigger and return the power back to the people in the State affected. That is where the power ought to be.

Second, the 6-percent trigger just is not needed. The authors of the countercyclical Antirecession Act clearly want to make sure that the funds are allocated only to the States and local governments that really need them.

But do they have need at 6 percent

and then all of a sudden no need at 5.9 percent?

How do we arrive at that kind of an arbitrary figure in determining which one of the States we give it to?

Mr. BROCK. Mr. President, will the Senator yield?

Mr. BENTSEN. I yield for a question.

Mr. BROCK. I think what the Senator misses is the essential point of the legislation itself which is not just the basic trigger but the phasing trigger. As the unemployment goes up a certain percent, they get $250 million more for a half percent of unemployment. So it is not just a flat cutoff situation.

It does phase in and out, and I think the problem with the Senator's approach is that he eliminates the most important part of the whole bill, and that is its automatic termination feature.

If we do not have the 6-percent cutoff—and the chairman of the Committee on Finance is absolutely right—then we are back in pure revenue sharing.

Mr. BENTSEN. I allowed the Senator one question, but I will allow him to elaborate 1 minute on my time if he so desires.

Mr. BROCK. I do not need to elaborate. I am saying that I think the Senator missed the point of the bill. It is the sliding trigger, not an automatic cuton and cutoff, and the danger implicit in the approach of the Senator of removing that trigger is of turning this into a revenue sharing bill, and then he does begin to strengthen the argument of the Senator from Louisiana.

Mr. BENTSEN. Let me say that I do not think there is an arbitrary cutoff, and an arbitrary cutoff is at 6 percent. I do not, frankly, see how the Senator can justify that any more than he might justify it at 6½ or 5½ percent.

What the formula actually does is use the base period of 1967 to 1969 and talk about if we have a great acceleration in unemployment, a great increase in unemployment over that base period of time; that is how they get their additional funds, and that is how we decide whether we get more and whether we have a more serious problem or not. That is what I want to operate.

There are other provisions in the Muskie amendment which do a much better job of targeting the bill's antirecession funds.

Under section 12 of the Muskie amendment, no State or local government can receive funds unless it certifies to the Secretary of the Treasury that it has made substantial economies in its operations and that without grants under this act, it will not be able to maintain essential services without increasing taxes or maintaining recent increases in taxes.

By the same token, if you have an area that has this substantial increase in unemployment and they are not suffering from their problem, then they will not be able to justify it or get that kind of aid, and that is what we are talking about in trying to get it where it is needed most.

This is straightforward and across the board to all State and local governments, regardless of whether or not their unemployment rate exceeds 6 percent.

A State or local government has to certify that it cannot maintain current services without a tax rise to qualify for funds.

This bill is needed to prevent funds from going to jurisdictions that are in good fiscal shape, and the Government Operations Committee recognizes this in the report accompanying the bill.

Furthermore, this certification process has some real teeth in it, since section 13 of the Muskie amendment allows the Secretary of the Treasury to cut off funds to any State or local government that fails to comply with the provisions of the amendment.

Finally—and this is an important point on the contingency funds—it really conflicts with the funding needs of that contingency fund. While the basic allocation formulas used in the Muskie amendment channel funds to those State and local governments needing it the most, the authors wisely recognize that additional aid would be needed by a few jurisdictions that were hit especially hard by recession induced budget problems, in order to prevent the massive layoffs and service reductions or default on debt.

The contingency fund permits the Secretary of the Treasury to channel additional help to those few jurisdictions, and I agree with the objective of that and what they are trying to do. Clearly, we want this contingency fund to grow as the national unemployment rate grows, since there will be more governments facing severe financial difficulties, and the financial difficulties will be increasing.

Conversely, as the recession recedes, the number of governments in difficulty will recede, and the need for contingency funds will fall. Under the provisions of the Muskie amendment, however, the amount of money that goes into the contingency fund falls as national unemployment rises. With rising national unemployment, the number of States and local governments with unemployment below 6 percent falls, and the amount of money diverted into the contingency fund also falls.

If unemployment goes high enough, only very few governments will be below 6 percent, and the contingency fund would be almost nil, just when those governments were in the direst need and needing the basic allocation. Governments in some areas could experience an unemployment rate of 20 percent or more. As unemployment falls back toward 8 percent and below, more State and local governments are going to fall below 6 percent, and the percentage of antirecession funds being diverted into the contingency fund goes up just at the time you need it the least.

So, instead of the formula in the Muskie amendment, the contingency fund should be funded directly, and the amount should rise with the emergency needs of the States and local governments. My amendment does that by insuring that the contingency fund receives an additional $10 million yearly each time the national unemployment rate increases by one-half of 1 percentage point.

Mr. President, the Countercyclical Antirecession Act is no substitute for sound fiscal management. We are talking about States and cities and local governments, but it is going to provide some assistance much needed during the present fiscal difficulties faced by many of our States and local governments. It is going to allow them some time to get their own fiscal houses back in order as it aids the Federal Government in its effort to get the economy moving again. I think that my amendment to the amendment of the Senator from Maine will help accomplish that. I urge support of my amendment and the perfecting Muskie amendment.

Mr. President, I reserve the remainder of my time. How much time do I have remaining?

The **PRESIDING OFFICER** (Mr. HANSEN). The Senator from Texas has 12 minutes remaining.

Mr. BENTSEN. I reserve the remainder of my time.

Mr. MUSKIE. Mr. President, I yield myself such time as I may take, and I will not take a great deal of time.

My only response to the distinguished Senator from Texas is an explanation of the rationale for what we have done in the bill.

I have great sympathy for his point of view and his approach and the problems he seeks to solve.

I say at the outset that what we have tried to put together here very carefully is the implementation of a concept which is new, which has not found it easy to fly in the Senate or in Congress—that is, to generate and increase support. That support is from a rather curious mixture of fiscal conservatives and those of us who are more liberal, who see this as providing a fiscally responsible answer to the problems of recession, combined with the need to deal with the human needs which are created by recession. I do not like to undermine that support. In other words, I should like to breathe life into this idea and get it moving before we load too much on it.

In the Budget Committee, for example, I surfaced this idea for the first time. I proposed a package much like this one, except that it was larger—public works combined with this countercyclical proposal. We had an extensive debate on it in the Budget Committee. The Budget Committee finally approved the concept, but a majority was not willing to fund it. So the report to the Senate came with approval but without funding, which was not much comfort, but which I took for what it was worth.

Then an idea was recommended on the floor of the Senate by Senator MONDALE, in an amendment he offered to the budget resolution, involving a total, I believe, of an additional $9 billion.

At that point, I felt, as chairman of the Budget Committee, that I had a responsibility to support the numbers in the budget resolution, even against some additional proposals that I had supported within the committee. So I voted against the Mondale amendment.

Nevertheless, I undertook to keep this idea alive by introducing the bill and going forward with hearings in committee, so that we might have something to put in place if the developing economic conditions justified it—justified it apart from the Senate budget resolution.

Then we went into conference with the House. The House had provided more money for public works than the Senate resolution had provided. It seemed to me that here was an opening, that we could compromise the two and give both ideas a chance to move along. We were able to get an agreement. The House conferees were more public-works oriented. We got an agreement to keep both ideas alive by providing $2.1 billion in outlays in function 450, which is the community development function.

With that $2.1 billion constraint, we had to tailor this program very carefully to a real target. That is one of the reasons we are providing a $2 billion authorization instead of $4 billion, which was in the original bill. It is another reason why we have this unemployment trigger so carefully defined, so that we do not overload the amount of money we provided in the authorization.

On the basis of that kind of careful tailoring, we were able also to suggest, as we have today, that this would match with the public works bill to which we seek to attach it, with resistance from the floor manager of the bill, which I do understand. He has a different point of view.

All I am trying to suggest with this history is to put before the Senator from Texas the restraints under which we have operated. I am very reluctant to open it up. Whenever one uses what is, obviously, an arbitrary figure like 6 percent, there are the marginal cases below that always appeal to one's reason. But this is not the first such trigger. As a matter of fact, the public works bill has a trigger of 6.5 percent, for the three most recent consecutive months, which is half a percentage point higher than the one which this amendment would provide.

Title VI of the CETA bill has a 6.5-percent trigger. So these triggers are not unkown. It is really on the basis of those kinds of precedents that we have established this one.

Let me reemphasize that we do not see this as an all-encompassing answer to all of the fiscal problems that are going to be faced in every local and State government jurisdiction in this country. It could not conceivably do that.

I mentioned earlier that the total distress at those levels of Government is pretty well measured by the $8 billion in budgetary actions that the Joint Economic Committee identified as taking place at the present time. This amendment only provides $2 billion. So there is going to have to be austerity practiced in State and local governments. There is going to have to be cutting. There may still be some increases in taxes, even in places with over 6-percent unemployment. So we are not going to solve the whole problem for anyone.

What we tried to do in framing this legislation is solve a significant piece of the problem for those jurisdictions which are hardest hit. I think a legitimate question in the Senator's argument is how did we arrive at the allocation formula? We went back to 1967–69, because that is the most recent period that was reasonably close to full employment. That does not mean there was full employment in every State and every community, but the country was enjoying reasonably full employment, so we used those figures. That is how we happened to have that base. Of course, we are going to find conditions in particular States that might appear to make that base illogical. Nevertheless, when we are trying to apply a law to 50 States and the whole country, we are bound to run into those things.

Second, with respect to communities that did not have unemployment statistics so that we could arrive at a computation of their excess unemployment statistically, we simply used a 4.5-percent figure for the base period and computed them on that basis.

With respect to the Senator's proposal for the elimination of the trigger at the State level, I am troubled because first, it does one of two things inevitably: Either it spreads the available money, $2 billion, more thinly over more eligible jurisdictions; or, two, it requires the provision of additional money. I do not see any way that we can avoid that.

Second, as recovery proceeds, and we all hope it does, more States are going to fall below 6 percent, and I do not think that is within the spirit of this legislation, to keep them on this dole. I really do not. One of the attractive features of this is that it turns off.

There are in our table, seven States that are below the 6-percent trigger. I think I am correct, according to our tables. As recovery proceeds, there are going to be more States, we hope, that join those seven. At the present time, there are States with unemployment of 6.2, 6.3, 6.6, and 6.5 percent. Hopefully, those States will begin to recover earlier than some of the more heavily impacted States.

I guess my answer to the Senator from Texas could be summarized in this way: I think that we can fashion a program that can get the support of the Senate, but which might not if we overload it. If we can get this start, maybe then we can build on it as Senators and Members of the House begin to look at it. But I would really like to see this proposal proceed as it has. I may have rambled a little bit about it, but it has been carefully put together to try to accommodate all of the considerations. I say this in all sympathy to the Senator from Texas.

Just a few minutes ago, my State lost $30 million to a billion dollars as a result of Senate action. My heart is still bleeding from that, so I understand the Senator's concern for some of the jurisdiction in his State.

With that, I reserve the remainder of my time.

The PRESIDING OFFICER (Mr. MATHIAS). Who yields time?

Mr. BENTSEN. Mr. President, I yield myself an additional 5 minutes.

The Senator from Tennessee, I think, made a very valid point when he said this thing must be terminated at some point. I agree with that. But I do not move on that part of it. I just talk about the 6-percent trigger on the States and on the local governments. When the national average gets below 6 percent, that terminates the project—terminates this kind of countercyclical funds. I have left that in.

What kind of money am I actually talking about with this amendment of mine? Not a great deal, as related to the total amount of money that we are talking about in the amendment of the Senator from Maine. He is speaking of an amendment that involves $1.5 billion at the present time, under the present unemployment figures that we have. I am talking about approximately $40 million that would be denied those States that are under the 6 percent—theirs is either 5.9, as mine is, or something lower than that for some of the others.

That money goes into the contingency fund, so no one would be receiving any less money at the present time if my amendment were passed. It would mean that that money would just go into the contingency fund that would only be allocated later to very hard-pressed areas. My amendment takes care of that.

We turn around and add $10 million annually to the contingency fund for every time that unemployment goes up one-half of 1 percent. The problem that we are running into with the contingency fund, as it is framed in the amendment of the Senator from Maine, is that, as unemployment goes up in this country, the contingency fund goes down, the amount of funds goes down. As unemployment goes down, the contingency fund goes up. It works just in the opposite direction. I am talking about a funding that would increase in the contingency fund when we have some of the cities and some of the States that would be particularly hard-pressed in times of high unemployment, that, on my amendment, would add more to that contingency fund. Again, I agree very much with the Senator from Tennessee that we want a termination on this, and that this antirecession fund should stop at some point. And it would, because it would stop when the Nation's unemployment rate reaches below 6 percent. That would terminate it. My amendment does not negate or vitiate that in the least.

When would it terminate for these other cities or when would it terminate for these States? It would terminate for them when their unemployment got back to where it was on the base period on which the computations had been made.

Mr. President, I reserve the remainder of my time.

Mr. ROTH. Will the Senator from Texas yield for a question?

Mr. BENTSEN. I am pleased to yield for a question.

Mr. ROTH. I wonder if the Senator knows what the current operating surplus is for the State of Texas.

Mr. BENTSEN. I certainly do not.

Mr. ROTH. I regret that.

Mr. BENTSEN. No, I have no idea, and I do not know that there is one, but one was reported, and all of a sudden it was not there.

Mr. ROTH. I would point out that it is my understanding that the estimate for Texas as to current surplus estimate is $1 billion.

Mr. BENTSEN. No, that is quite an old figure that they found was not there, and that was an estimate made earlier, so the Senator's figure is out of date.

Mr. ROTH. Is the State still in surplus?

Mr. BENTSEN. I do not know.

Mr. BROCK. Mr. President, will the Senator yield to me for 4 or 5 minutes to respond?

Mr MUSKIE. Yes, I yield 5 minutes to the Senator from Tennessee.

The PRESIDING OFFICER. The Senator is recognized for 5 minutes.

Mr. BROCK. Mr. President, I understand the Senator's point of view in his proposed amendment, and I understand his position. But I think there is a danger that some of our colleagues might misunderstand the point he made about the contingency fund.

He is right that if unemployment goes up the contingency fund goes down because, obviously, less people are putting money into the contingency fund and more people are qualified for direct aid.

He is also right that the contingency fund goes up as unemployment comes down. That is the whole purpose of the bill. That is the name of the game, that is the essence of it. We do not want to have to help where there is no help required, and if unemployment goes up and the contingency fund goes down, all that says to us is that the bill is working as it was designed to work, and the States are getting direct support; that they do not have to come to the secretary and qualify under the contingency approach. If they are qualified under the more than 6-percent trigger which the Senator would withdraw then, obviously, they are getting the maximum level of funding, not contingency funding. They are getting it directly as a maximum impact area, and that is the essence of the whole bill that we are trying to provide a vehicle to keep them from financial disaster, but that vehicle has a self-contained termination point.

If the Senator strikes the 6 percent clause for getting it out of the coverage of the bill, then he walks away from the whole purpose of the legislation, which is, by definition, countercyclical. When unemployment gets down to 6 percent there is no reason in the world why Texas or Tennessee cannot handle their own problems.

I will tell the Senator something, with our level of unemployment running between 8 and 9 percent, as it is now, I would give my left arm to qualify for help. I would dearly love to get out from under that 6-percent trigger and get out of Federal support because we would not need it, because we are capable of meeting our own problems, and every other State is in the same situation.

The Senator, with this amendment, strikes at the whole part of the program, the very essence of it, which is it is not only a Federal trigger but a State-by-State trigger which allows us to pinpoint our support for those areas that cannot survive without it. That is the name of the game.

But as soon as it gets back to a sustainable capacity on their own they are out. That is the only way we can end that program. That is the whole merit of it so far as I am concerned. But it does have that essential economic logic. It pertains to the problem and nothing else. If you eliminate the trigger, you eliminate the logic for the whole approach as far as I am concerned, and I appreciate the Senator's effort. I understand what he is trying to say, but I think what he is proposing would be counterproductive of the purposes of the legislation.

Mr. MUSKIE. I am prepared to yield back my time.

The PRESIDING OFFICER. Who yields time?

Mr. ROTH. Mr. President, will the Senator yield me 3 minutes?

Mr. MUSKIE. I would be happy to yield 3 minutes to the Senator from Delaware.

Mr. ROTH. One of my concerns with this legislation, Mr. President, is the fact that it is pouring Federal funds into States where there is no real need. The fact of the matter is that a number of the States that would get assistance under this program are showing a surplus at the very time the Federal Government is showing an extraordinarily serious deficit that has threatened to become larger and larger.

I have to agree with my colleague, the Senator from Texas, that the 6 percent is arbitrary. I think he is correct.

However, I think his amendment, instead of improving the situation, only makes it worse. As I pointed out, the best figures I have been able to get show that Texas, the State Government of Texas, does have a surplus, and when they do not have a 6-percent unemployment rate it seems to me a little difficult to argue that the Federal Government should pour funds into that State to increase the surplus.

The same thing is true in many other cases. There are many number of situations where, under the 6 percent formula, funds will be flowed into States with a surplus.

So far as we can determine this would include such States as North Carolina, Indiana, Oregon, Arizona, California, Idaho, New Hampshire, Hawaii, to mention just a few.

I would also like to point out that the situation in cities is not as bad as has been painted, although there are a number of areas where it is very serious.

In testimony before the House from a recent survey made of the 30 largest cities, it was shown that only 8 cities were experiencing an operating deficit. The most severe case was New York City.

This represents an actual decline in the number of cities facing a shortfall since 1971. At that time 16 cities of the 30 surveyed were operating at a deficit. The conclusion of this survey is that, with the exception of New York City, the cities are in relatively good financial position and, contrary to popular belief, the majority of jurisdictions are not in as serious plight as indicated.

Again, Mr. President, it seems to me ironical when we are again facing the threat of inflation that we should try to adopt a new program that is not going to do very much in the private sector, it is not really going to help those who are faced with unemployment, but it is going to pour a considerable amount of money into State and local governments, many of which financially are far better off than the Federal Government.

I yield back the remainder of my time.

Mr. MUSKIE. Mr. President, I yield myself 2 minutes simply to comment upon the statement by Senator Roth. Unless I am mistaken, the figures he used included data no more recent than June 1974. Now, that is 6 months before the recession hit. I would ask unanimous consent to include in the Record at this point, Mr. President, an analysis of the financial condition of State and local governments by Allen Schick, senior specialist, Congressional Research Service, which, I think, gives us the latest and most accurate data we have.

There being no objection, the analysis was ordered to be printed in the Record, as follows:

To: Senate Subcommittee on Intergovernmental Relations.

From: Allen Schick, Senior Specialist, Congressional Research Service.

Subject: Financial Condition of State and Local Governments.

The raw statistics on State and local government receipts and expenditures in the National Income Accounts (NIA) suggest that these governments have enjoyed large surpluses in recent years. On the NIA basis, the combined surpluses of all States and localities were $12.3 billion in 1972, $9.2 billion in 1973, and $1.7 billion in 1974.

Yet these numbers are very misleading. The National Income Accounts method reflects *all* State and local government accounts, including social insurance trust funds. In 1974, such trust funds showed a surplus of $9.7 billion. However, this surplus is unavailable for expenditure on purposes other than those for which the trust fund was originally established. Thus, *State* and local governments had a combined deficit in *operating* accounts of $7.9 billion in 1974. (See attached chart—Table 15—from the March Survey of Current Business.)

Not only are State and local governments unable to make use of large surpluses in social insurance accounts for operating purposes. In addition, by far the majority are prohibited—either constitutionally or statutorily—from engaging in deficit financing.

The combined result of the State and local government deficit and the prohibition on deficit financing is that these governments now have a restrictive effect on the already-weak national economy.

THE NATIONAL INCOME ACCOUNTS

The National Income Accounts provide a comprehensive and consistent statement of the State and local share of national economic activity, but they do not portray the actual budget conditions of State and local governments. The principal distinction between the budget and NIA accounts is that the latter include the receipts and expenditures of social insurance funds (most of which are for public employee retirement systems). These funds ordinarily cannot be used for general budget purposes so that a surplus in the social insurance funds cannot offset a budget deficit:

"In every year since 1929, these funds have shown a surplus on an NIA basis. In most years, these social insurance funds surpluses statistically offset general government deficits. . . . However, in almost every instance, surpluses generated by these insurance trust funds are not available to general government for expenditure."[1]

Since 1968, the annual surplus in the social insurance funds has mounted steadily from $5 billion to almost $10 billion. This means that it now requires approximately a $10 billion surplus on the NIA basis for States and localities to have combined balanced budgets. When the NIA accounts are adjusted to remove the effects of the social insurance funds, States and localities have had deficits in each year since 1968 except for 1972. This predicament was noted in the 1975 annual report of the President's Council of Economic Advisors:

"The surplus of less than $2 billion registered for calendar 1974 (on an NIA basis) was far from sufficient to meet the actuarial funding obligations imposed on pension plans for the employees of State and local governments. Since the surplus of the social insurance funds approached $10 billion, other State and local funds had a deficit of $8 billion.

"Budgetary reserves are now so tight that the rise in State and local expenditures will have to slow considerably to adjust to the reduced growth of receipts, or taxes will have to be raised in a declining economy".[2]

BORROWING LIMITATIONS ON STATE AND LOCAL GOVERNMENTS

Most State and local governments cannot respond to their current fiscal stringency by supplementing their resources with borrowed funds. Forty States have constitutional limitations on the incurring of debt. In many states, borrowing in excess of a specified amount (or percentage) is permitted only when approved by the voters, though most States have liberalized borrowing authority for special purposes such as revenue-producing facilities. However, about half of the State constitutions prohibit the state from incurring indebtedness in behalf of local governments.

Many State constitutions permit some borrowing for "casual deficits" (caused by a shortfall in anticipated revenues or above-budget expenditures), but even in these circumstances there are apt to be dollar or percentage limitations on the amount that can be borrowed.

The constitutional limitations on local governments tend to be even more restrictive and many of these are supplemented by local ordinance or Charter restrictions. The constitutional limitations on local debt have been summarized by a leading authority on this subject:

"Limitations on the powers of local governments to borrow money are generally stringent. Normally, municipalities are authorized to borrow on short-term revenue notes in anticipation of revenue to be collected and such short-term borrowings are generally unrestrictive as to purpose. When it comes to long-term bonded indebtedness, restrictions on the powers of local government are often detailed and elaborate. In more than two-thirds of the states, there is a constitutional limit on at least some local government debt expressed in terms of a percentage of the assessed value of taxable real estate. A number of states also impose a limit on the property tax rates that can be levied for debt service requirements. Usually municipalities must submit bonded indebtedness to a referendum. A number of state constitutions provide separately for bonded indebtedness which may be incurred by municipalities for revenue-sharing capital projects. These special purpose borrowing provisions have the advantage of putting certain objects outside the general debt limit. In many instances, the state constitution imposes different requirements on bond issues of different types of local governments and for different purposes.[3]

EFFECTS ON THE NATIONAL ECONOMY

The combination of tight budgets and limited borrowing capacity has a restrictive impact on the economy. The large surpluses accumulated (for actuarial reasons) in the social insurance funds withdraws purchasing power from State and local governments and from taxpayers. These surplus funds cannot be used to stimulate the economy or to supplement the general financial resources of States and localities.

But these social insurance fund surpluses coexist with budget deficits with the result that many States and localities have been compelled to retrench, reduce their services, and lay off public employees, thereby further aggravating the economic plight of the nation.

SUMMARY AND CONCLUSIONS

State Governments: The survey of 48 states clearly indicates that the current economic situation has had a significant impact on the state government fiscal situation. In aggregate, the 48 state governments surveyed began Fiscal Year 1975 with a combined surplus of $6.5 billion, approximately seven percent of their total expenditures. This surplus will be reduced to $3.9 billion at the end of FY 1975, still four percent of total state expenditures.

Despite this significant aggregate surplus, 20 states will enact tax increases in 1975. Seventeen states will enact general fund tax increases and five will enact increases in fuel taxes, which will be dedicated to their highway funds (two states will enact both highway and general fund tax increases). The total value of these tax increases will be $2.1 billion, or approximately two percent of the aggregate state budget. The tax increases will be slightly offset by $50 million in tax reductions that will be undertaken by four states.

Significant budget adjustments will also be made in expenditures. Twenty-two states will be forced to reduce current levels of service in order to keep their budgets in balance. The total value of these expenditure reductions is $1.9 billion, again approximately two percent of the aggregate state budget. Only two states expect to expand upon current service levels, increasing expenditures above normal rates of growth by approximately $100 million.

The paradox of large surpluses accompanied by significant tax rate increases and service cuts is easily explained by more careful examination of the fiscal position of individual state governments. Specifically, the energy-producing and farm states possess a large percentage of the unencumbered surpluses, while the high unemployment states (unemployment rates above the national average) are responsible for the vast majority of tax increases and service cuts. Clearly, there is a significant mismatch of available resources and fiscal needs.

The 13 energy-producing states entered the current fiscal year with a combined surplus of $2.1 billion. This surplus is expected to be reduced by 14 percent to $1.8 billion by the end of the fiscal year. Despite this slight reduction, the unencumbered surplus will still be eight percent of the total budget for the energy states. The existence of significant surpluses, combined with large increases in energy related revenues, has left the energy states in a very strong financial position. Only four energy states will enact tax increases while two will enact tax reductions. The increase in revenues will be about $100 million, 80 percent from coal and oil levies, while the value of the tax reductions is about $45 million. The $55-million net tax increase is only .24 percent of total budget of the energy states. Similarly, only four energy states reduced services by a total of $100 million, while one increased services by $80 million, a net reduction of only $20 million, or only .09 percent of the energy states' budgets. The 13 energy states will undertake deflationary budget adjustments equal to only .33 percent of their total budgets.

The eight states heavily dependent on agricultural income are in almost as solid a financial condition. These eight states entered the fiscal year with an unencumbered surplus of $1.1 billion. This surplus will be reduced by 28 percent to $.8 billion by the end of FY 1975, but will still constitute nine percent of the combined budget of the agricultural states. Unlike the energy states, however, the agricultural states will partially deplete their surpluses, since farm prices have declined and farm incomes are dropping. Four agricultural states will increase taxes by a total of $170 million (80 percent in fuel taxes) while two will marginally reduce taxes by $5 million. The $165-million net tax increase is 1.8 percent of the combined budget of the agricultural states. One agricultural state will reduce services by about $100 million, while another will increase current service levels by $20 million. The $80-million net decline in services is .9 percent of the agricultural state budgets. The combination of tax increases and service reductions is only 2.7 percent of the combined budget for all agricultural states.

By contrast, the 18 states with unemployment rates equal to or above the national average are experiencing severe financial problems. These states entered the fiscal year with a combined surplus of $2.3 billion, which will be reduced 83 percent to $.4 billion by the end of the fiscal year. The $.4 billion surplus is only .75 percent of the combined budget of all high unemployment states, hardly an adequate cushion in present economic circumstances. Ten of these states will enact $1.8 billion in tax increases, approximately 3.5 percent of their total budgets. In addition, 14 states will reduce current services by $1.6 billion, a reduction equal to three percent of the combined budget of the high unemployment states. The combination of tax increases and expenditure cuts is equal to 6.5 percent of the combined budget for all high unemployment states.

Local Governments: Unencumbered surpluses are much less prevalent among local governments, since they have more stable revenue bases and tend to operate with their budgets closer to balance. Nevertheless, 122 of the 140 governments surveyed entered the Fiscal Year with a combined surplus of $340 million, slightly more than one percent of their total budgets. This surplus has been totally depleted and is expected to be a deficit of $40 million by the end of the fiscal year. Consequently, many local governments, without surpluses, will be forced to reduce services or to increase taxes in order to maintain a balanced budget. Local governments will enact an estimated $1.5 billion in new taxes and will reduce expenditures by approximately $1.4 billion. The $2.9 billion in deflationary budget adjustments is approximately 3.5 percent of the combined budget for all local governments.

Once again, the high unemployment governments are responsible for the vast majority of budget adjustments. Forty-seven percent of the high unemployment local governments that were surveyed will enact tax increases amounting to 3.5 percent of their combined budget. Sixty-one percent of the high unemployment jurisdictions will reduce current services by an amount equal to 3.6 percent of the combined budget for high unemployment jurisdictions. Thus the high unemployment local governments will make budget adjustments equal to 7.1 percent of their budgets. This means the average high unemployment jurisdiction will make budget adjustments equal to 7.1 percent of its budget.

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[1] Paul Schneiderman, "State and Local Government Sector in the National Income Accounts," *Governmental Finance*, August 1974. p. 29.

[2] *Economic Report of the President*, February 1975. p. 65.

[3] F. P. Grad, "The State's Capacity to Respond to Urban Problems: The State Constitution," in A, Campbell (ed.) *The States and the Urban Crisis* (1970). p. 53.

By contrast, only 25 percent of the low unemployment jurisdictions will enact tax increases amounting to .7 percent of the combined budget for low unemployment jurisdictions. Similarly, only 38 percent of the low unemployment governments will make reductions in service equal to .7 percent of the combined budget for all low unemployment local governments. Thus the low unemployment local governments will make adjustments equal to 1.4 percent of their budgets. The low unemployment jurisdictions will make one-fifth of the budget adjustments that high unemployment jurisdictions make (measured as a percentage of their respective budgets).

The size of the jurisdiction is also an important consideration in evaluating local government budget adjustments, although size significantly affects only the manner of adjustment rather than the magnitude of adjustment. Specifically, smaller cities (population of 100,000 or less) were much more likely to enact tax increases than they were likely to reduce expenditures. Seventy-five percent of the budget adjustments by these governments were made through tax increases. Larger jurisdictions showed an equal propensity to affect both revenues and expenditures.

Combined State and Local Government Sector: The combined state and local government sector can be expected to enact $3.6 billion in tax increases and $3.3 billion in reductions in expenditures from current service levels. The resulting $6.9 billion in tax and expenditure adjustments represents an average 3.5 percent adjustment for the total state and local government sector. However, the vast majority of budget adjustments will occur in the high unemployment state and local governments. These governments will often be forced to make adjustments that amount to seven or eight percent of their total operating budgets.

Typically, significant expenditure reductions will be accompanied by layoffs, hiring freezes, reduced work hours and other methods designed to reduce the personnel costs of the affected government. These adjustments are already occurring in high unemployment state and local governments. Approximately half of the state governments have imposed some form of work force limitation, affecting, in aggregate, 35,000 to 45,000 positions. Almost 40 percent of the local governments have reduced or limited personnel, affecting a total of almost 100,000. The total number of positions eliminated or left vacant in the state and local government sector is thus between 135,000 and 145,000. However, the elimination of 140,000 positions understates the impact of the recession on state and local government employment. While this estimate does include positions that were eliminated or left vacant, it does not attempt to ascertain the impact of the recession on the normal expansion of employment in response to increased service demands. This growth has undoubtedly been eliminated in most high unemployment governments and is probably limited in the majority of jurisdictions.

In addition to adjustments in operating budgets, most state and local governments have made some adjustment in their capital budgets. Typically, projects have been delayed, or even cancelled in order to reduce borrowing cost or to facilitate the shift of capital funds to operating accounts. Smaller jurisdictions that fund capital projects out of operating accounts are probably the most severely affected. Unfortunately, only a limited number of jurisdictions were able to quantify the total value of capital projects affected by delays or cancellations. Conservative estimates based on those jurisdictions that could identify projects indicate that $600 million to $1 billion worth of projects will be delayed or cancelled in the upcoming year.

These deflationary adjustments in state and local government operating and capital funds will combine to remove $7.5 to $8 billion from the economy. While a small percentage of these adjustments may well be regarded as much needed improvements in government efficiency, the magnitude of the adjustments and their concentration in the high unemployment jurisdictions indicates that considerable hardship will be imposed upon the affected jurisdictions.

MAY 2, 1975.

MEMORANDUM

To: Senator Muskie.
From: Lee Enfield.
Re Update on Fiscal Status of State and Local Governments.

OVERALL

Overall, declining revenues and soaring costs of State and local governments have turned a $4 billion surplus for 1972 into a deficit of about $7.9 for 1974.

Slackened growth in receipts contributed significantly to the deteriorating fiscal position (primarily for local governments—state tax revenues continued to grow at a healthy rate during the last half of 1974). Revenue growth in 1974 amounted to only $14.8 billion, as compared to $16.3 billion in 1973 and $25.0 billion in 1972.

In contrast, State-local expenditures grew at a rate in excess of 11% for 1974, 12% in 1973 and 11% in 1972.

THE STATES

In general, the States seem to be feeling the impact of recession more slowly than the cities. While a few are in serious financial trouble, many are having few fiscal problems at all.

Nevertheless, since the beginning of the year, when we first started looking at the States' fiscal problems, there have been increasing signs that more of the States are in for trouble.

As of February, nine States were definitely predicting deficits for this year, as follows: Connecticut ($65 million), Delaware ($3 million), Florida ($232 million), Massachusetts ($350 million), Missouri ($35.5 million), New Jersey ($135 million), New York ($800 million), Tennessee ($71.4 million), and Vermont ($11 million). Wisconsin is anticipating a possible deficit of $1 billion in the next two fiscal years, though it may finish out this year with a small surplus. In Michigan, a $207 million surplus from last year has all but disappeared, and the State now faces a $103 million deficit in the next two years. New Jersey, with a deficit this year, is predicting another one of $487 million for FY 1976. Pennsylvania is expecting a current surplus of $143 million to be wiped out over 1975–76.

Texas—where not long ago a surplus of over $1 billion was predicted—is now anticipating a surplus of $750 million, with appropriations bills for the next two years not yet prepared.

To deal with these actual or projected deficits, several States have already asked for tax increases. They are: New York, New Jersey, Connecticut, Vermont and Delaware. Tax increases are a distinct possibility in Massachusetts and Rhode Island, though the governors there have vowed to pursue all other options first. In Washington State, the governor has asked for only a modest tax increase.

States which have cut back in services provided to balance their budgets include: Delaware, Arizona, Nebraska, Virginia, Maine, Nevada, Rhode Island, Tennessee, Illinois, Iowa, Michigan, and Utah.

According to a recent UPI survey, a number of States which began the year with surpluses are now spending them to keep even. These States include: Missouri, Maryland, Louisiana, Alabama, Washington, Georgia, South Dakota, Wisconsin, Mississippi, Ohio, South Carolina, North Carolina, Oregon, Colorado, Wyoming and Idaho.

The picture of the fiscal status of the States is constantly changing. For example, in Wisconsin anticipated revenues for this year were revised downward by $100 million less than a month ago.

Nevertheless, a fairly clear profile of the situation is emerging. On the one side are the energy and food producing States which are generally in good fiscal shape. On the other side are the industrial energy and food consuming States, for which the picture is very bleak.

THE CITIES

In general, the cities have been far more affected by inflation and recession than have the States so far.

In April, the Conference of Mayors surveyed 50 major cities on the subject of tax increases, service cutbacks and capital improvement delays. The findings of the survey were as follows: (1) With only a few exceptions, the cities were planning to increase taxes; (2) In no case was the total tax collected in 1974 or anticipated in 1975 equal to the increases in the cost of city government; (3) Most jurisdictions have had to reduce service levels in sanitation, recreation, library, health and transportation, while many of the jurisdictions anticipate reductions in police, fire and education services. The cities surveyed ranged in size from under 100,000 to over 1,000,000.

In spite of these budget-balancing measures, the Conference is predicting a deficit for all cities for this year of between $5 and $8 billion.

In January, the League of Cities conducted a similar survey of 67 cities. It found 43 of the cities surveyed anticipating a shortfall of revenues from original estimates, 42 cities planning either a tax increase or a service cutback, and 36 cities postponing or canceling planned capital improvements. Among those anticipating revenue shortfalls were: eight cities in California, Wilmington, Delaware, Wichita, Kansas, and Norman, Oklahoma. Those anticipating tax increases included Englewood and Richmond, California, Augusta, Georgia, and Wichita, Kansas. Those planning reductions in city services included five cities in California, Minneapolis, and Albuquerque, New Mexico.

Specific examples of States and cities in trouble follow:

THE FISCAL CRISIS IN STATE AND LOCAL GOVERNMENTS

CLEVELAND, OHIO

Current year

Projected $16 million deficit in November 1975. Reduced to $9 million. Receive $9 million of special state aid to balance books. Lost to attrition—600 positions.

Next year

Expect to lose 500 positions by attrition. Work force reduction from 13,000 in 1971 to 9,500 by end of 1975. Revenues down 1% from 1974. 35% (3,500 jobs) of current work force supported by Federal money.

DETROIT, MICH.

Current year

In February, 1975 projected deficit of $20–$30 million. Now projected at $35 million. In February, laid off 1,500 workers. More layoffs expected between now and June 30th.

Next year

Project Revenues—$596 million; Expenditures—$696 million; Deficit—$100 million. Substantial increase in layoffs is imminent.

BALTIMORE, MD.

Current year

Job freeze of past two years has caused 2,500 positions to be lost. Only funding emergency purchases, plus new construction.

Next year

$35 million deficit to be financed by increase in property tax and increase in state aid.

ATLANTA, GA.

Current year

During calendar year 1974, the City ran a $5 million surplus.

Next year

The budget for 1975 contained $5 million cut from 1974. With inflation, this resulted in a real cut of 18%. All hiring has been frozen since November 1974. Starting July, 1975, all employees will donate one unpaid day per month. This is expected to save $3 million.

NEWARK, N.J.

Next year

Calendar Year 1975—$35 million deficit projected. 12% increase in property tax proposed. 800 employees face layoffs. (10% of work force) City trying to impose residency requirement for City employees.

NEW YORK CITY

Current year

$430 million deficit originally projected. Reduced in half by loss of 21,000 positions plus floating of short term notes. Bond rating removed by Standard and Poors' in April, 1975.

Next year

$1,680 billion deficit could be reduced to $880 million by an increase in real estate tax. 9,000 positions to go. Work force down 10% over two year period.

STATE OF RHODE ISLAND

Current year

Original $40 million surplus will be wiped out by the end of the year.

Next year

Budget balanced at the expense of 1,300 vacant positions—6% of work force. All employees are to take 5% pay cut.

STATE OF CONNECTICUT

Current year

February, 1975 Governor's Budget message projected $65 million deficit—now up to $90 million. $40 million cut in expenditures has already taken place, or deficit would be higher.

Next year

Will achieve a balanced budget only if a $48 million package of new, regressive taxes is approved. No employee wage increases are built into the budget.

BUFFALO, N.Y.

Current year

Budget was originally balanced by Fall of 1974, an $8 million deficit emerge. Now the deficit has risen to $23 million.

Next year

Expect $23 million deficit unless—1,600 are put on layoff (25% of work force) or state aid increased.

STATE OF NEW JERSEY

Current year

Budget originally balanced. A $90 million shortfall was expected in November 1974. Shortfall has risen to $140 million. All departments have cutback purchases, administrative overhead, construction, and hiring.

Next year

Must have $500 million in new tax revenues or face 20,000 layoffs (40% of work force).

ALBUQUERQUE, N. MEX.

Current year

Expect $6 million drop in revenues. May have to layoff 135 people, or 5% of work force.

Next year

Further drop in state aid will make for even tighter budget.

LOS ANGELES, CALIF.

Current year

Break even budget for 1974—first time in years that no surplus is expected.

Next year

Expect to make 5% cut from 1975. Layoffs have been threatened as the price for wage increases.

STATE OF CALIFORNIA

Current year

Surplus declined throughout the year—from $500 million in FY 1974 to expected $400 million in 1975.

Next year

Expect drop of $200 million in revenues. June 30th surplus to be $50 million. Budget now has no new school aid; state support for medical aid is down.

SEATTLE, WASH.

Current year

No new programs. Used a carryover surplus plus $10 million revenue sharing to balance books.

Next year

$10 million deficit expected.

MINNEAPOLIS, MINN.

Current year

A slight revenue drop of $2 million from a projected $130 million budget was absorbed.

Next year

The budget is $8 million below necessary operating level, and includes a 5% inflation factor. 120 vacant positions are to be abolished.

STATE OF FLORIDA

Current year

Revenues have dropped by $232 million. Spending is down $120 million—all 1974 surplus of $105 million is gone.

Next year

Budget up only 5% from current levels. State plans delay or halt in new programs to provide some cushion

MIAMI, FLA.

Current year

Ran an $11 million deficit (first in history) due to fall in construction. 400 positions have been lost since April, 1974.

Next year

No information is available since the fiscal year begins in October 1st.

BOSTON, MASS.

Current year

$20 million deficit. Tax receipts off 10%.

Next year

The size of the deficit could vary wildly—it depends on state aid for education.

WILMINGTON, DEL.

Current year

Ran a $1 million surplus, but 10% of work force was eliminated by attrition.

Next year

$3 million deficit. Only 3% increase in spending is projected over last year.

HARTFORD, CONN.

Current year

$2½ million deficit. 400 layoffs (14% of work force) expected.

Next year

No data available.

BRIDGEPORT, CONN.

Current year

$6 million deficit. 500 layoffs (15% of work force) expected.

Next year

No data available.

ST. LOUIS, MO.

Next year

Possible deficit of $21 million.

NEW ORLEANS, LA.

Current year

10% decline in general fund revenues. Expenditures rising 4 times faster than revenues.

Next year

No data available.

PHILADELPHIA, PA.

Current year

Budget deficit: $19 million.

Next year

Real cut in spending projected as 5%.

STATE OF NEW YORK

Current year

Fiscal year ends March 31. 1974 surplus of $128 million; 2,000 vacant positions abolished. $110 million appropriated to fund UDC boondoggle.

Next year

Original proposed budget had revenue gap of $806 million—now down to $500 million. Various tax measures must be approved by Legislature to make up the difference.

STATE OF MASSACHUSETTS

Current year

Budget originally balanced; now expect $400 million deficit—financed by 5-year notes. 100–200 layoffs.

Next year

Each department must cut 10% across-the-board from 1975 level. Layoffs are expected.

STATE OF MAINE

Next year

1975–1977 Biennium. Expect to lose 400 jobs in health areas. Budget up only 2%. Total wage freeze proposed by Governor.

STATE OF WISCONSIN

Current year

Biennial Budget. Original surplus of $120 million. Down to $70 million now. Revenues dropped $20 million in 1975. Austerity program enacted to absorb reduced revenues. No layoffs yet.

Next year

For 1975–77, original surplus of $106 million predicted. Revenue projections down $115 million from original budget. Expected deficit now will run at least $50 million—higher if expected federal funds are not forthcoming.

MILWAUKEE COUNTY, WISCONSIN

Current year

Calendar 1974—small surplus.

Next year

Calendar 1975–cut of $20 million from 1974 level due to loss of state aid plus limit reached on tax rates.

MEMPHIS, TENN.

Current year

2% shortfall in revenues ($2 million).

Next year

Same level of service as 1975.

Mr. MUSKIE. It is difficult to get this up-to-date information. I am not criticizing the Senator, but I do think the picture is much bleaker than that study of almost a year ago.

Mr. President, I am ready to yield back my time.

Mr. BENTSEN. Mr. President, I am ready to yield back the remainder of my time.

Mr. HATHAWAY. Mr. President, before the Senator yields back his time, will he yield to me for a question?

Mr. BENTSEN. Yes.

Mr. HATHAWAY. I just want to get clear one thing in my mind. If you eliminate the 6-percent requirement, does it not also eliminate the contingency fund, which is predicated upon the 6 percent?

Mr. BENTSEN. No, that is not correct. This is one of the points I made. The contingency fund, the amount of money in the contingency fund, goes down as unemployment goes up. That is when you need that money the most. It also increases at a time when unemployment decreases. So what I have done is provide that for every one-half percent of increase in unemployment that $10 million annual would be put into the contingency fund.

Mr. HATHAWAY. I understand that point of the Senator. I understand that the contingency fund provided in the amendment is established only because we have this 6 percent State trigger, and if that were eliminated, the Senator's amendment does eliminate it, then there is really no need for a contingency fund because that State for its non-CETA area is going to get money anyway.

Mr. BENTSEN. I am sorry, I was interrupted.

Mr. HATHAWAY. I understand the way the bill distributes this money is to take a third off the top and compute each State in, and then they go over it again and find these States that are under 6 percent, and they take their share, and that all goes into this contingency fund.

Mr. BENTSEN. That is correct.

Mr. HATHAWAY. And that contingency fund is then used to provide funds to those areas within those States that are under 6 percent, which are not CETA so that they can have some money in areas where they have higher unemployment. But if you eliminate the State's 6-percent requirement, as the Senator's amendment would do, then there is no reason for the contingency fund. I guess it would not exist, would it?

Mr. BENTSEN. No, I think what you would have is you would have a contingency fund, it would continue to exist, but those cities and States that were in particularly difficult times would have an extra consideration given to them by the Secretary out of that contingency fund.

Mr. MUSKIE. I am prepared to yield back the remainder of my time, Mr. President.

Mr. BENTSEN. I am prepared to yield back all the remainder of my time.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment.

So Mr. Bentsen's amendment was rejected.

The PRESIDING OFFICER. The question now recurs on the amendment of the Senator from Maine.

Mr. LONG. Mr. President——

The PRESIDING OFFICER. All time has expired on the amendment.

Mr. LONG. Mr. President, I move that the amendment be laid on the table.

The PRESIDING OFFICER. The question is on——

Mr. JAVITS. The yeas and nays.

Mr. MUSKIE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Mississippi (Mr. Eastland), the Senator from Ohio (Mr. Glenn), the Senator from Arkansas (Mr. Bumpers), and the Senator from South Dakota (Mr. McGovern), are necessarily absent.

I further announce that, if present and voting, the Senator from Ohio (Mr. Glenn) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. Goldwater) is necessarily absent.

The result was announced—yeas 36, nays 58, as follows:

[Rollcall Vote No. 345 Leg.]

YEAS—36

Allen
Bartlett
Bellmon
Burdick
Byrd, Harry F., Jr.
Chiles
Curtis
Dole
Fannin
Fong
Hansen
Haskell
Hathaway
Helms
Hollings
Hruska
Johnston
Laxalt
Long
McClellan
McClure
Montoya
Nelson
Nunn
Packwood
Pearson
Proxmire
Roth
Scott, William L.
Sparkman
Stennis
Taft
Talmadge
Thurmond
Tower
Young

NAYS—58

Abourezk
Baker
Bayh
Beall
Bentsen
Biden
Brock
Brooke
Buckley
Byrd, Robert C.
Cannon
Case
Church
Clark
Cranston
Culver
Domenici
Eagleton
Ford
Garn
Gravel
Griffin
Hart, Gary W.
Hart, Philip A.
Hartke
Hatfield
Huddleston
Humphrey
Inouye
Jackson
Javits
Kennedy
Leahy
Magnuson
Mansfield
Mathias
McGee
McIntyre
Metcalf
Mondale
Morgan
Moss
Muskie
Pastore
Pell
Percy
Randolph
Ribicoff
Schweiker
Scott, Hugh
Stafford
Stevens
Stevenson
Stone
Symington
Tunney
Weicker
Williams

NOT VOTING—5

Bumpers
Eastland
Glenn
Goldwater
McGovern

So Mr. Long's motion to lay Mr. Muskie's amendment on the table was rejected.

Mr. LONG. Mr. President, I send an amendment to the desk, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. Gary W. Hart). The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. LONG. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 5, beginning with line 8, strike out through page 16, line 19 and insert in lieu thereof the following:

(a) State Allocation.—The Secretary shall allocate from the amount appropriated pursuant to the authorization in section 202 for calendar quarter, an amount determined under section 107 of the State and Local Fiscal Assistance Act of 1972.

(b) Local Governments.—The Secretary shall allocate from the amount appropriated pursuant to the authorization in section 202 for a calendar quarter, an amount determined under section 108 of the State and Local Fiscal Assistance Act of 1972.

(c) Definition.—For purposes of this section—

(1) The term entitlement in sections 107 and 108 of the State and Local Fiscal Assistance Act of 1972 shall refer to a calendar.

(2) The terms "State government" and "local government" have the same definitions as they have in the State and Local Fiscal Assistance Act of 1972.

(d) Regulations.—The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of the section.

Mr. LONG. Mr. President, this amendment is offered to do one thing: It would substitute the revenue-sharing formula for the formula in this bill, as it should be, for a very simple reason.

The revenue-sharing formula on which we had vote after vote after vote had logic which recommended it, and the formula in this bill is nothing but a crazy-quilt arrangement.

Let me provide an example.

Under this bill, Alaska with 11.8 percent unemployment would receive a great deal less help than Florida with 9.8 percent. You may wonder how it could be that way.

Well, according to Senator Muskie's amendment, Florida has 7 percent excess unemployment, while Alaska would have 2 percent excess unemployment, even though Alaska actually has a higher unemployment rate than Florida.

Now, how does this occur? Well, because Alaska had 9 percent of its people unemployed between 1967 and 1969, you do not count the first 9 percent Alaska had out of work, you only count the 2-percent displaced since that time, and assume 9 percent is a normal rate of unemployment in Alaska.

The same is true for West Virginia. That State is third from the bottom on the list. It has 8.3 percent unemployed, but receives a lower percentage of funds than almost any other State except South Dakota and Wyoming. And why should they do so poorly? For instance, West Virginia, with a higher amount of unemployment, let us say, than New Hampshire, with 7.1 percent unemployment, receives a smaller percentage of funds than does New Hampshire. This occurs because during the base period West Virginia had a 6-percent-unemployment rate and under Senator Muskie's amendment it is assumed that is normal unemployment there. During the same period, New Hampshire had a 2-percent-unemployment rate, which is presumed to be normal for that State.

I ask unanimous consent to have printed in the RECORD the base period unemployment rates and "excess unemployment" factors which have been computed for purposes of the formula contained in the Muskie amendment, which in my opinion defy logic in many instances and work some rather harsh inequities.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

States	Unemployment rate	Excess unemployment factor	Base period unemployment
Rhode Island	15.3	11.7	3.6
Michigan	14.8	10.5	4.3
North Carolina	11.0	7.8	3.2
Massachusetts	11.6	7.6	4.0
Maine	11.5	7.3	4.2
Florida	9.8	7.1	2.7
South Carolina	11.4	7.1	4.3
Georgia	10.0	6.8	3.2
Vermont	10.2	6.8	3.4
Delaware	9.9	6.7	3.2
Indiana	9.6	6.6	3.0
Oregon	11.1	6.6	4.5
New York	9.7	6.0	3.7
Nevada	11.0	5.9	5.1
Ohio	8.9	5.9	3.0
Arkansas	10.1	5.8	4.3
Connecticut	9.4	5.8	3.6
Arizona	9.4	5.7	3.7
Pennsylvania	8.9	5.7	3.2
California	10.3	5.6	4.7
New Jersey	10.1	5.6	4.5
Washington	9.7	5.2	4.5
Idaho	9.3	5.1	4.2
New Hampshire	7.1	5.0	2.1
Tennessee	8.2	4.5	3.7
Alabama	8.6	4.4	4.2
Illinois	7.4	4.4	3.0
Missouri	7.7	4.4	3.3
Montana	9.5	4.4	5.1
Hawaii	7.3	4.3	3.0
Minnesota	7.3	4.3	3.0
Wisconsin	7.8	4.3	3.5
Nebraska	6.3	3.9	2.4
Virginia	6.6	3.8	2.8
Texas	5.9	3.3	2.6
Kansas	5.0	3.2	1.8
Louisiana	8.0	3.2	4.8
New Mexico	8.2	3.2	5.0
Iowa	5.7	3.1	2.6
Maryland	6.2	3.1	3.1
Mississippi	7.6	3.1	4.5
Kentucky	7.7	3.0	4.7
Alaska	11.8	2.8	9.0
Colorado	5.7	2.7	3.0
Utah	7.5	2.5	5.0
North Dakota	6.5	2.4	4.1
Oklahoma	5.7	2.3	3.4
West Virginia	8.3	2.2	6.1
South Dakota	5.2	2.2	3.0
Wyoming	5.8	1.8	4.0

Mr. LONG. Mr. President, Senators can go through this list and find first one anomaly and then another, due to the way the base period is set. Go through the list and look at State after State, to see how the base period works. Compare Virginia, for example, with West Virginia. West Virginia has 25 percent more unemployment, and yet its multiplying factor is only half that of the State of Virginia. It does not make any sense at all, because the base period requires an assumption that the amount of unemployment a State had between 1967 and 1969 is normal, even though for many States that level was very high.

There is also another multiplying factor. That is adjusted taxes. This factor, rather than the factor the Finance Committee recommended—tax effort—has been used in the proposed amendment. Tax effort, unlike adjusted taxes, takes into account taxes paid and then relates that to the per capita income of the people, to measure the people's ability to pay those taxes. That has been left out of this proposal. To leave it out favors high-income States at the expense of low-income States. By the time they get through with all this, Mr. President, the advocates of this measure have worked it out so that 20 States win under their formula and 30 States lose; and some of the losers are low-income States with the highest levels of unemployment. That does not make any sense at all.

Additionally, this program does not require that anyone be put to work at all. The whole $2 billion could be used for a pay raise for employees. It could be used to reduce the debt any State or local government owes to the banks, for that matter. So it is purely and simply a revenue-sharing program going by way of appropriations on an annual basis rather than a continuing-type revenue-sharing program of the type with which the Senate is familiar.

Mr. President, we would do better to legislate specifically for a few hard-pressed States, such as Rhode Island and Michigan, rather than approving a program which for States like Kentucky, would provide only about one-half as much as under the general revenue-sharing formula, like Wyoming, that would get only about 10 percent, like South Dakota, which woud receive less than 50 percent, and so it goes. With very few exceptions, the low-income States fare very badly, and Senators can look at the chart before us. I ask unanimous consent that this table be printed in the RECORD, showing how much low-income State lose compared with their percentage allocations under general revenue sharing.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

States	Percent of total counter-cyclical funds	Percent of total general revenue sharing funds	State receiving larger percent under counter-cyclical program	States receiving smaller percent under counter-cyclical program
Rhode Island	0.96	0.44	+	
Michigan	9.52	4.22	+	
North Carolina	3.47	2.53	+	
Massachusetts	4.12	3.18	+	
Maine	.61	.62		—
Florida	4.89	2.98	+	
South Carolina	1.58	1.38	+	
Georgia	2.55	2.09	+	
Vermont	.30	.29	+	
Delaware	.51	.30	+	
Indiana	2.71	2.09	+	
Oregon	1.14	1.00	+	
New York	12.59	11.17	+	
Nevada	.37	.22	+	
Ohio	4.05	4.01	+	
Arkansas	.87	1.04		—
Connecticut	1.56	1.29	+	
Arizona	1.04	1.00	+	
Pennsylvania	6.47	5.26	+	
California	10.99	10.57	+	
New Jersey	2.81	3.13		—
Washington	1.74	1.44	+	
Idaho	.32	.40		—
New Hampshire	.20	.32		—
Tennessee	1.21	1.89		—
Alabama	1.10	1.67		—
Illinois	4.43	5.09		—
Missouri	1.37	1.88		—
Montana	.24	.39		—
Hawaii	.52	.44	+	—
Minnesota	1.95	2.01		—
Wisconsin	2.15	2.51		—
Nebraska	.39	.70		—
Virginia	1.41	1.99		—
Texas	2.67	4.76		—
Kansas	.55	.95		—
Louisiana	1.04	2.26		—
New Mexico	.35	.63		—
Iowa	.75	1.39		—
Maryland	1.20	1.98		—
Mississippi	.56	1.60		—
Kentucky	.82	1.63		—
Alaska	.09	.13		—
Colorado	.53	1.06		—
Utah	.22	.59		—
North Dakota	.13	.37		—
Oklahoma	.44	1.12		—
West Virginia	.33	.96		—
South Dakota	.09	.43		—
Wyoming	.06	.72		—

Mr. LONG. If we are to have something like this, we ought to have the kind of formula we have voted on time and time again, looking at tax effort rather than tax collections as a simple dollar figure, so that per capita income can be used to relate adjusted taxes to an area's overall problems. This would be vastly better than a formula where the percentage of people who were out of work during a base period of 1967 through 1969 is deemed to be normal, with all the built-in inequities present in it.

It would have made a great deal more sense to start out by assuming a certain percentage of unemployment is normal and apply that across the board to everyone; but that was not done. The result is that the formula before us is one that no two people on this floor could have conceivably devised and agreed upon, unless they had sat down and talked this over, and thought in terms of, "Let me see, who is it that we must by all means care for, and how can we work this out so we fellows on the committee can agree on the situation in each of those?"

Mr. President, I submit that the revenue-sharing formula is far more equitable. Thirty States would be better off. Missouri, for example, would get 50 percent more than under the formula in this bill. The revenue-sharing formula is a formula on which the Senate has had a chance to vote for substitute after substitute, or without finding one any better. If we should find that some particular State—and there may be one or two—has a very high amount of unemployment, then I suggest that we try to legislate specifically for them, but otherwise let's distribute this money in the same way we distribute general revenue-sharing.

Mr. MUSKIE. Mr. President, I yield myself 10 minutes.

I have listened to quite a bit that the distinguished Senator from Louisiana has had to say about the pending bill this afternoon, and I am delighted that there are more Senators present now, so that my concept of this measure can be tested against his.

Let us make one point very clear. This is not a revenue-sharing bill. I had something to do with the origins of revenue sharing and I had something to do with the origins of this measure. They are not the same. They are not built to serve the same purpose, and I think the Senator understands that; but he does not want the Senate to understand it.

The Senator indicated some irritation that the bill was not referred to the Finance Committee, because he says it is revenue sharing. Well, if this is revenue sharing, so are all the education programs. So are all the health programs. So is any program of grants to States and local governments, because that is all this is. It is a grant program. It is not revenue sharing.

The whole concept of revenue sharing was that State and local governments ought to share, on a continuing basis, a certain percentage of Federal revenues generated within their borders. That is not this bill.

The Senator puts up these charts at the back of the Senate Chamber as though countercyclical assistance is an alternative to and a substitute for revenue sharing. That is true only if the Senator and his committee make it so.

I am for revenue sharing. I have been for it from the beginning, and I doubt that any Senator in the room has been for it before I was.

I am not offering this as a substitute for revenue sharing. The Committee on Finance could decide, if we approve this program, that it will not enact general revenue sharing. That is the Senator's prerogative, but that is not this bill. This bill is not revenue sharing. It is countercyclical assistance, or, to use the language of the bill, it is antirecession assistance, directed at those State and local governments which are hardest hit by recession, by unemployment, and by the social cost they must bear to meet the problems of the unemployed.

This is not intended to deal with structural unemployment. We have had other programs to do that. We are not going to correct structural unemployment in an antirecession bill. I have tried to do a lot with a single piece of legislation, but I am not going to try to do all that, and I challenge the Senator from Louisiana to propose a bill that would do all that.

The purpose of this bill is very narrow and very focused: Antirecession help to State and local governments. Do they need help?

I have this letter from the mayor of New Orleans, Moon Landrieu. He has come before my committee on this bill and he cries for help because of the recession-oriented costs that his city has to try to bear. He thinks this is good. He finds no fault with the formula. He likes the general revenue sharing. He is for that, also. He does not see them as alternative programs, as the Senator from Louisiana (Mr. LONG) sees them.

So do not confuse the two. If the Senators reject this one, do not reject it because somebody tells us it is a substitute for general revenue sharing. It is not.

If the Senators reject it, reject it because they think States and cities do not need the help.

Of course, if this is not aimed at structural unemployment but simply antirecession help, the formula for assistance is based upon the impact of the recession and what that does to unemployment, not to basic structural causes that are a built in sort of permanent unemployment in places here and there.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. MUSKIE. I yield to the Senator from Rhode Island.

Mr. PASTORE. We have the largest unemployment, and I am not boasting about this; I am weeping about it. We have the largest unemployment in the Nation. Is that the reason why we are at the top of the list here?

Mr. MUSKIE. That is one of the reasons, yes.

Mr. PASTORE. I hope it is the one big reason.

Mr. MUSKIE. That is one of the reasons the State of Rhode Island is at the top of the list because they are heavily impacted by the recession, and Rhode Island is the hardest hit of the States.

As we learned in a vote taken earlier this afternoon on the waste treatment program, formulas do not work exact justice across the board, and the Senate did not work exact justice on that one this afternoon.

So, when the Senator from Louisiana stands here and tells us that this formula does not work exact justice, he is not making any new discovery. I do not find exact justice in many of the tax bills that he reports to the Chamber of the Senate. I do not expect to. This is a legislative process, not a miracle making process. But this is geared to the unemployment rate. It is geared to the fact that unemployment was created by this recession. It turns off when unemployment turns off. That is all it is.

It is a very simple idea. It does not need to be distorted into the kind of a monster that the Senator from Louisiana tries to make it out to be.

It has the support of some good people.

Mr. HUMPHREY addressed the Chair.

Mr. MUSKIE. Arthur Burns, the Chairman of the Federal Reserve Board, this morning in testimony before the committee chaired by the distinguished Senator from Minnesota, supports this idea. The Committee on Government Operations, a substantial majority across party lines, supports this idea.

The administration, which initially opposed it, is now reconsidering its view because it sees merit to this idea.

So, it has the support of a lot of good people. It has the support of the U.S. Conference of Mayors, and its president, Moon Landrieu, the mayor of New Orleans.

It has the support of the National Association of Counties. It has the support of other organizations concerned with the problems of local government. It has the support of labor organizations whose employees are being impacted by layoffs at the level of local government and the high unemployment States.

The Senator can say there is no problem serious enough to deal with. That is the first question the Senator has to answer.

This basic bill, public works, is aimed at what? Helping local governments. To do what? To create jobs. Why? Because there is a recession, and there is a 6.5-percent unemployment trigger in it, I say to the Senator from Louisiana (Mr. LONG), a 6.5-percent unemployment figure in the basic bill.

I also say this to the good Senator from Louisiana: this same proposal was before the Senate in the Mondale amendment to the budget resolution in May of this year, and the Senator from Louisiana was recorded in support of it, recorded in support of the public works feature, recorded in support of this one, this particular bill which was the subject of the Mondale amendment.

This was not some sudden surprise that was sprung on the Senate of the United States in this last week of July 1975. It was studied in the Committee on the Budget. It was studied in the Chamber of the Senate at the time the budget resolution was before us. It was debated. It was brought back from conference with the House of Representatives and discussed then. It was introduced early this year, referred to the Committee on Government Operations. We have held 6 days of hearings that were well covered in the press.

We invited inputs from everyone. Our jurisdiction was never challenged until this afternoon. As the Senator is always willing to remind us, he is ready to receive testimony from us in the Committee on Finance, we were ready to receive testimony from him in the Committee on Government Operations.

This has been a well-digested idea, and no amount of ridicule can dismiss it.

When the Senator has a purpose so narrowly focused as on unemployment, of course, the assistance is going to go to those places whose unemployment experience has worsened by this recession.

The **PRESIDING OFFICER.** The Senator's 10 minutes have expired.

Mr. MUSKIE. I reserve the remainder of my time.

Mr. LONG. Mr. President, the Senator said I was talking about some irrelevant things. He did his share.

What I have said has nothing to do with whether or not we ought to have this program. All I am talking about is which formula we ought to have.

He mentioned Moon Landrieu. Moon Landrieu would be tickled to death to know that the Long amendment has been agreed to because New Orleans would get a lot more if this amendment is agreed to than it would under the amendment of Senator MUSKIE.

All we are talking about now is modifying a formula that makes very little sense.

All of these mayors will be for the bill in any event. If a Senator happens to represent one of those 30 States that suffer under the Muskie amendment, compared to the general revenue sharing formula that Congress has previously passed, the Senator's mayors will applaud him, and if he is one of those mayors, frankly I think he would find difficulty in understanding why the Senator would not vote for an amendment that would give him a larger share.

Let me point out again that the amendment is not really geared to the unemployment problem at all. It speaks in terms of excess unemployment, which is only the extent to which unemployment for the latest quarter exceeds a fixed base period rate of unemployment.

If a State happens to be so fortunate that unemployment actually declined, it would receive no funds at all, even if it had 9 percent of its people unemployed so long as that rate did not exceed its base period rate of unemployment.

Mr. MUSKIE. Mr. President, will the Senator yield on that point?

Mr. LONG. That is how it is defined right here. I say to the Senator, let me make my statement.

Mr. MUSKIE. The Senator would like to have the facts, would he not?

Mr. LONG. I say to the Senator to please let me make my statement and he may say whatever he wants to after that. Then I will yield if he wants. He still has time remaining.

Furthermore, this formula has a multiplying factor. First we use "excess unemployment," which in my judgment is not right at all. Alaska had 9 percent of their people unemployed during the base period. They would not get credit for that. They just subtract all that and only get 2 percent that go out of work thereafter.

West Virginia, started out with 6.1 percent unemployed to begin with when the average was 4.5 in the country. They get no credit for that. They are second from the bottom of the list for that multiplying factor.

Then what is done? You would multiply that illogical figure by another illogical figure. What is that illogical figure? That is tax collections, leaving out what is collected for education.

We in the Committee on Finance expressly rejected that because that figure has no meaning, unless it is related to the ability of those people to pay those taxes. We call that tax effort which is defined in the revenue-sharing law on the books now.

Senators tried to change that tax effort formula and could not change it for the simple reason it made sense.

But this amendment, generally speaking, badly discriminates against low income States because it refuses to look at the fact they are paying a great deal of what little they have to pay with and only rewards States for the total dollars they are collecting. That is how we arrive at the figure we are entitled to.

One illogical figure, excess unemployment, which gives no credit for the fact there were too many people out of work already, multiplied by another illogical figure, adjusted taxes that fails to account for the fact that poor people are paying through the nose with what little they have to pay with.

So one illogical figure multiplied by another illogical figure determines what each recipient gets, and 30 States suffer under that formula.

If a Senator wants to cut his State by one-half or 80 percent by substituting a figure where two illogical things can be multiplied in order to penalize his own State, he should feel free to do so. The chart at the rear of the Chamber shows what the State will lose. Senators can explain it to their mayors. When Senators had a chance to vote to take into account the tremendous effort people were making in those States to provide for the needs of the people, Senators can explain why they voted not to do so; why they voted for other States to get more than theirs; and why they do not get their proportionate share according to a formula that has been approved by the Senate and the House and signed by the President.

I submit that it makes a lot more sense to follow a formula that was considered carefully by both the Senate and the House, something of a compromise in the end, rather than take a formula in which one illogical factor is multiplied by another.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MUSKIE. I yield to the distinguished Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I see we are having a little trouble deciding whether or not this is a revenue-sharing bill or an antirecission bill. Perhaps we should state it once again.

I joined the distinguished Senator from Tennessee (Mr. BAKER) in being a cosponsor of revenue sharing in this body some years ago. We supported it and it is needed. Recession or no recession, it is needed. It is a part of the revenue base of State and local governments. It is a decision that was made by Congress in cooperation with the President of the United States to increase the revenues of local and State governments—to be available for whatever services or purposes they wish to use it. We did not put any strings on it. But it is not an antirecession bill.

Today we have an excellent bill known as the accelerated public works bill. What is the purpose of it? Why is it accelerated? Because there is a recession. Otherwise, we would still have an ordinary public works bill, if we had one at all.

Why do we have public service jobs? Because there is a recession. Why did we give them a tax break? Because there is a recession. Why are we on the back of Arthur Burns, the chairman of the Federal Reserve Board, to ease up on monetary policy and to increase the amount of credit and to lower interest rates? Because there is a recession.

Let us take a look at what is happening to the cities—where people live. I come from Minnesota—a rural State. That may be true, but we also have people living in our cities. The majority of the people in the State of Minnesota would not be benefited directly by this proposal.

But I call to the attention of the Senate a headline in the paper from Philadelphia today: "Jobless Rate Here Hits 11.4 Percent."

I also call the Senate's attention to the fact that Philadelphia has a high rating for municipal bonds. I also call the Senate's *attention to the fact that in* the last week, Philadelphia paid 8.66 percent for a tax-exempt municipal bond, which is unprecedented. Do Senators want to know why? 11.4 percent unemployment. And that 8.66 percent interest rate is saddled on those people for 30 years.

I call to the attention of this body that Detroit paid 9.8 percent on tax-exempt municipal bonds. Do Senators want to know why? Because Detroit has an unemployment rate, my fellow Americans, of 21.6 percent. More than one out of every five available workers is unemployed.

Senators can say, "Well, that isn't my town." But I am here to tell Senators that unemployment has become a pervasive, all embracing, social and economic problem in this country.

For example, in Detroit, 650 municipal buildings will be without maintenance or care because they have no money.

In Detroit last night there was a riot. The mayor of that city came here and warned us and said, "You can't do this. You can't leave us like this." But we have.

We bail out the railroads. They come down here to Congress. We do not have any talk about revenue sharing. We do not have anybody getting up and saying, "What is the jurisdiction of the committee"? No. Penn Central comes in, and we say, "Get the money scoop; give it out."

[Laughter.]

We say we have to do it—that we cannot afford to let Penn Central go down the drain.

The Federal Reserve Board bailed out Franklin National Bank with a loan of $1.2 billion. Why? Because they said that if that was not done, the whole banking structure might fall apart.

Look down the cities on the list here and see what the rate of unemployment is. It is staggering.

The Joint Economic Committee, the Budget Committee, and the Committee on Government Operations have listened for weeks to witness after witness telling us, "See what is happening to your country." And here it is.

Wayne County, 17.1; Providence, R.I., 17.1. It may be up even more than that.

Mr. PASTORE. How about Newport?

Mr. HUMPHREY. Newport is not on this particular list, because we have only a selective list, but it may be more or less.

Buffalo, 16.5; Wilmington, 14.5; Atlanta, 12.7; Hartford, 11.9.

Go down the list, city after city, and they are falling apart financially. Why? Because of mismanagement? City governments frequently are better managed than State governments or Federal Government, because city governments are compelled by their constitutions to have balanced budgets. The mayors of those cities have already cut and cut. The city councils are doing the same.

Detroit, with 21.5 percent unemployment, is cutting its garbage collections and cutting the repair of alleys. They repair an alley in Detroit only if a garbage truck cannot get through. Detroit closed up its swimming pools in a hot summer, when kids are roaming the streets. In that city, 50 percent of all black teenagers are unemployed. And it is not just Detroit. It is Los Angeles; it is San Francisco; it is Denver; it is Seattle; it is Atlanta; it is Miami; it is Phoenix; it is Wilmington; it is Cleveland; it is Cincinnati. It is all across this country.

People say, "Well, we have to argue about committee jurisdiction around here." Well, they can argue all they want. But I have seen too many times in my years in the Senate a situation in which somebody comes on the floor of the Senate, offers an amendment, committee jurisdiction or no committee jurisdiction—boom. It is passed.

I prefer, if there is an argument over committee jurisdiction, that it work itself out. But the Parliamentarian said that this bill was to go to the Government Operations Committee.

Senator MUSKIE did not come around here and say, "I don't want the Finance Committee to get it." He came over here and did what we are supposed to do. He put a bill on the desk, on behalf of himself and others, and I was one of the others. The Parliamentarian said that the bill goes to the Committee on Government Operations.

The hearings were held. The Joint Economic Committee, which is not a legislative committee, made its recommendations. We presented our testimony. The mayors came here and met with the leadership of this body. The mayors met with the President.

Is it not interesting that a Chief Economic Adviser to the President, the head of the Federal Reserve System in this country, testified this morning that of all the proposals, the one that makes sense is the Countercyclical Assistance Act? I do not say that that makes it all it should be, but at least it is an endorsement.

Mr. President, what I ask is that we do something to help these cities. We are not helping brick and mortar. We are helping people. We are helping people who are being laid off by the thousands. Who else are we helping? Every family.

When the police department has to be reduced; when health officers have to be laid off, when the garbage collectors have to be fired, when the recreation department in a city has to be cut in half, who is being hurt? Everybody—not just low-income people but middle-income people as well.

America should be proud of its cities. We help cities all over the world. Now our own cities are in trouble. They are in desperate trouble. But we are saying to ourselves, "We are going to have a fight in the Senate about jurisdiction. You cities just wait; you cannot die now, because we have to have a little more time to find out which committee is going to handle this."

I think that is just Jim Dandy if we want to go through an academic exercise. But the simple fact of the matter is that if this is revenue sharing, so is the accelerated public works program. Thank goodness, we know better. The general revenue program is separate and distinct from a countercyclical assistance program—just exactly as the public service jobs program is separate and distinct from an education program.

Mr. STEVENS. Will the Senator yield?

Mr. HUMPHREY. Yes.

Mr. STEVENS. The Senator from Louisiana impressed me with his concept. He is talking in terms of a chronic unemployment figure, that is the basic figure, that is the starting point. Why is it this point has not been addressed in this bill? Is it correct that it only takes that percentage of the unemployment that the framers of this amendment associate with the recession? Why should we not include those who are chronically unemployed, or, even worse, those in an area where they have been unemployed so long that they are no longer even statistics in the unemployment situation? The only fair thing, I think, is to count all unemployed. Why take this arbitrary figure that is the top portion of the unemployment concept and say, those are the people we are going to deal with in a countercyclical program such as this?

Mr. HUMPHREY. I grant you that is a very genuine concern. In looking at this bill, a base line had to be established. That base line was a period called full employment on a nationwide basis, 1967–69. The unemployment that the Senator refers to is also unemployment; no matter what we call it. That is for what we are talking about here, termed structural unemployment. That is a residual, a base that was there. What we have done is taken the current unemployment rate which is affected by the recession, and subtracted the structural or base-line unemployment. We have said, let us try to be of some help for the loss of income and the loss of jobs that has taken place in those 2 years.

When it comes to fighting unemployment, I will take a back seat to no one. I happen to believe that we ought to have lots more public service jobs than we have here. I believe we ought to have a larger amount of credit and at lower rates of interest. I support projects and programs in this body that will create jobs. But we have here a special problem, a problem that has afflicted these cities in the last 2 years over and beyond anything they ever knew before.

We gave general revenue sharing some years back to help all States and localities when they were running short of revenue. That is what general revenue sharing was for. Now we have before us a kind of emergency assistance.

I say to the Senator, if the Senator is perfectly willing to expand this bill and thinks we can get it by the President to make it for larger amounts, to get at the whole subject of unemployment, I join him. I do not even think we ought to have 4 percent unemployment. I think it is a terrible waste of resources.

Mr. STEVENS. I am not one who believes we can spend our way out of a recession. Our friend, the Senator from Louisiana (Mr. LONG), impressed me with his facts about those States which have had sustained chronic unemployment—I remember the city of Seattle when the Boeing plant closed. I remember the Los Angeles area when the aircraft industry started shutting down. I knew of my own State when they closed 36 of 40 canneries. We had some 33,000 Native people out of work. That was recession for us.

Mr. HUMPHREY. Yes, sir.

Mr. STEVENS. We were trying to deal with programs that dealt with the whole country at the time. We did not get any special treatment.

Mr. HUMPHREY. Oh, they did, though.

Mr. STEVENS. Now comes the situation that, because the recession has in fact hit the populous cities, suddenly, we are going to have a special program that deals only with the populous cities, and those of us who have been suffering chronic unemployment for years are going to find that our States are treated at the low end of the scale.

Mr. MUSKIE. Will the Senator yield?

Mr. HUMPHREY. Yes; I yield, of course.

Mr. MUSKIE. I have a State that is not exactly the most vital economic State in the Nation. We have areas where unemployment runs 15 to 20 percent.

Mr. STEVENS. We have one that has 85 percent.

Mr. MUSKIE. That is year in and year out. We understand those problems. I have worked on programs to deal with those problems, beginning with the Area Redevelopment Administration, the Economic Development Administration, the Appalachia program, the title V commission program in New England and the Ozarks and other regions of this country. I am for developing those. This is not a substitute for those in Maine or in Alaska. But we can still use this on top of those because of the percentage.

Mr. STEVENS. Let me say to both of my friends, I have sat on the Committee on Appropriations and seen that we have not funded the Rural Development Act, we have not funded many of these acts we have written in the last 4 or 5 years. I view this as another act to authorize more money that will lead people into believing that it is coming, and it is not coming. That is the problem with some of the bills we are passing. I am most disturbed to think that we already have laws on the books, that we cannot fund. We just got through marking up the HEW bill. We are not funding up to the total authorization of the bills that are already on the books. Here is another one that is going to tell people, "Look, help is coming because we are going to appropriate more money after we pass this authorization bill." I wonder if the Committee on the Budget is going to go over its budget by the amount that is authorized in this bill.

I wonder if we really believe that we are going to deliver the help that this bill says we will deliver. We would deliver a lot more help if we would find some way to take some of the burden off existing business and get them back to the point where they can rehire these people in Detroit and in the big cities and in the cities that the Senator is mentioning in Minnesota.

I think the time has to come sometime when we face up to it and say that the country is, the economy is not going to right itself if we do not stop. We are putting a weight on the left-hand side of the ship one week and a weight on the right-hand side the next week, and never let the economy right itself because we, here in Congress, keep shifting back and forth in our solutions.

We are going to go home for a month. It may well be that in that month, this country will recover much more because we are not here. I really think this amendment is going in the opposite direction in trying to solve some of the problems of the country, be it the approach of the Senator from Minnesota or of the Senator from Maine.

Mr. HUMPHREY. I would like to say to the Senator, I do not think money is everything. But when it comes to paying bills, it is first. Let me assure the Senator that these cities we are talking about cannot pay their bills unless they continue to raise their property taxes to prohibitive levels. That destroys enterprise, injures old people, and is the most unfair tax we can have.

I would like to remind the Senator that every one of these cities has had to pare down its budget. That is fine to a point. But then it comes to a point where we have to ask ourselves what kind of services are we going to have left?

A city like Detroit, that has 21 percent unemployment, is as if an earthquake hit it. I remember when earthquakes hit, we go and help. It is exactly like the flood that took place up in Pennsylvania. We did not stand idly by. We went in and helped.

We had some chickens, down in Alabama and Mississippi, that got a disease and they all were wiped out. And the Senate voted money to relieve the chicken farmers. I was right here when they did it and I voted for it.

But, Mr. President, is it not funny that when it comes around to cities, where millions of people live, we do not provide assistance? There are more unemployed people today in New York City than there are in the total population of a number of States, but it is not New York's fault. It is not New York City's fault that they have high rates of unemployment. It is not Detroit's fault that they have high rates of unemployment. They did not figure it out and plan it. It is not as if the mayors sat back in the corner and said, "How can we figure out how to get ourselves in trouble?"

The automobile industry is down. The housing industry is down. This country is in economic trouble. The cities are out there as if a disaster had befallen them. And it has, recession.

I am here to tell the Senate that if an earthquake took place in New York or Detroit right now, the Senate would respond immediately and say, "We have to help them."

Well, there has been an economic earthquake, and it has shaken them down to their foundations.

We do not have many cities in Minnesota which will qualify for this particular assistance. So what? We are dependent upon the rest of the Nation, and the rest of the Nation is dependent upon us.

I want to go back to the time we voted for chicken assistance. [Laughter.] If you can vote to bail out people who lost their chickens because of some kind of natural disaster, you can vote to bail out a city that is the victim of an economic recession second only to the Great Depression.

Mr. RIBICOFF. Mr. President, will the distinguished Senator enlighten the Senate as to the reverberations to the entire social and economic fabric of this Nation if our major cities went bankrupt.

Mr. HUMPHREY. As we listened to the Chairman of the Federal Reserve Board this morning, he frankly confessed that these bond rates were going up because of the instability of our cities' finances. If these cities would go bankrupt—if the city of New York would go bankrupt—it would be a major economic disaster. The reverberations would be felt internationally—not nationally but internationally—because the bonded indebtedness of that city is held throughout the entire world.

Mr. RIBICOFF. What would happen socially to the entire Nation if the Detroits, the Clevelands, the Los Angeleses, the Hartfords, the New York Cities went bankrupt and services were completely destroyed and garbage was not collected, and if there were epidemics; does the Senator think you can confine an epidemic to New York City, Detroit or Cleveland without having an impact over the entire Nation?

Mr. HUMPHREY. I am sure the Senator knows the health of this country is measured in a large way by the health of our cities. Our cities represent overwhelmingly the majority of the population in this country. I happen to believe that the health of our rural areas affects the health of our cities. That is why I come in here asking the Senate to help us in our rural areas, and I am happy to say the Senate has responded. Now I think it is our turn. It is our turn to help the cities. They have come in here to ask for help. When our rural areas get in trouble they have a right to come in and ask for help. So do the urban areas. We are one country tied together.

Mr. RIBICOFF. May I take a moment to ask a few questions of the distinguished Senator from Maine? I have the highest respect for my distingunished chairman, the distinguished Senator from Louisiana.

The PRESIDING OFFICER. The time of the Senator from Maine has expired. The Senator from Louisiana has 60 minutes.

Mr. RIBICOFF. Mr. President, will our distinguished chairman allow me to ask the distinguished other chairman some questions against his interests?

Mr. LONG. I yield the Senator 5 minutes of my time.

Mr. RIBICOFF. Is it not true that the distinguished Senator from Maine was really the father of revenue-sharing?

Mr. MUSKIE. I did not originate the idea, but we held the first hearings on the legislation.

Mr. RIBICOFF. And the Senator developed the concept in his committee, and there was no question that once a concept was developed that it went over to the Finance Committee?

Mr. MUSKIE. Not at all. We did not claim jurisdiction. All we were trying to do was to foster the idea, develop it, and the Ways and Means Committee on the House side took it up and it came over here, and the Finance Committee handled it. We had no quarrel with it.

Mr. RIBICOFF. The concept that is before us is not revenue-sharing but basically an antirecession measure, is it not?

Mr. MUSKIE. Exactly.

Mr. RIBICOFF. And the distinguished Senator from Maine was very, very careful to make sure that he was not invading the jurisdiction of the Finance Committee?

Mr. MUSKIE. Exactly.

Mr. RIBICOFF. Is it not true that as chairman of the Budget Committee the Senator has carefully considered the impact of this particular measure on the overall budget?

Mr. MUSKIE. It fits within the conference report of the budget resolution, yes.

Mr. RIBICOFF. I believe the entire Senate has confidence in the integrity of the distinguished Senator from Maine who, very, very carefully in every measure, has stood up here and laid the facts down, and out of this confidence I am sure we know the Senator from Maine has also placed his particular proposal under the same scrutiny.

Mr. MUSKIE. He certainly has, and I thank the distinguished Senator from Connecticut for those questions.

Mr. RIBICOFF. May I say to my fellow Members, I think the amendment offered by the Senator from Maine is really an act of a genius. Its concept is to take care of one of the basic social and economic problems *facing this* country, and it would be tragic if a question of jurisdiction deprived the people of America of the most needed instruments it has to fight the recession of the United States of America today.

Mr. MUSKIE. Yes.

The PRESIDING OFFICER. The time yielded has expired.

The Senator from Louisiana is recognized.

Mr. LONG. Mr. President, I have complete confidence in the integrity of both Senators. But let me point out that the language of their committee report and the language of the amendment speaks for itself.

Now, Mr. President, there is nothing in this bill or in this Muskie amendment that requires that 5 cents of this money be spent to put anybody to work. It can just be placed in the bank and left there if State or local officials want to do so.

They are not even required to do the minimum that the Finance Committee required in the general revenue-sharing program. They are not required to tell the people what they will do with the money, either before they spend it or after it is gone. They are not required to report its use unless the local law requires it to be so reported. Under the bill there is no——

Mr. MUSKIE. Mr. President, will the Senator yield? Is it not also true of revenue-sharing?

Mr. LONG. No. It is required that States and local governments tell us what they plan to do with their funds in advance, and publish it, and also to report what they used it for after the fact. Furthermore, Mr. President——

Mr. MUSKIE. That does not happen to be the case.

Mr. LONG. Furthermore, Mr. President, there is no requirement of any public involvement whatever in this program.

In view of the fact that this money is just to be passed out to the States, passed out to all the States and passed out to the cities, and in view of the fact that the formula that is set forth fails to take into account the high degree of unemployment that had existed in many States during the base period 1967 to 1969, it would make better sense just to use the revenue-sharing formula, and that is all I am talking about.

If you look at the figures, Mr. President, you will see that the great majority of the States would make out a great deal better under the general revenue-sharing formula. The distinguished Senator from Colorado who presides over the Senate will know that his State would get twice as much under my amendment. Colorado has a lot of unemployment, not as much as others, I will admit, but most States have a lot more unemployment than they would like. In my own State, we have 8 percent unemployed, and we would fare much better under my amendment.

We had a higher degree of unemployment to begin with. But, Mr. President, if you make some comparisons under the proposed formula of Senator Muskie, New Hampshire, which, incidentally, would make out better under the Long amendment, makes an odd comparison with States like Utah, New Mexico, Wisconsin, Hawaii, and Montana, which have higher rates of unemployment, and yet would get less help than the State of New Hampshire.

The amendment I am offering, the general revenue-sharing formula on the books now, would do better for New Hampshire as well as 29 other States; as a matter of fact, it would do a little better for the State of Maine—not much, but a little better.

Mr. MUSKIE. Mr. President, will the Senator yield? I challenge the Senator's assertion.

Mr. LONG. The Senator is not the first one. I have many times supported things, such as provisions under the unemployment insurance program, which have made better sense even though Louisiana got less than it would under other provisions for which I could otherwise have voted.

I just point out, Mr. President, that under my amendment you have a formula that was carefully considered. Thirty States would be better off, and it has a lot more logic to recommend it than the one before us. I submit it would be a better formula to adopt. It does not have anything to do with any of the other requirements in the bill. I simply ask why not take an established formula where 30 States would be better off.

The PRESIDING OFFICER. Who yields time?

Mr. MUSKIE. Mr. President, do I have any time?

Mr. LONG. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been used or yielded back.

Mr. LONG. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to Mr. Long's amendment to Mr. Muskie's amendment. The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Mississippi (Mr. Eastland), the Senator from Ohio (Mr. Glenn), the Senator from South Dakota (Mr. McGovern), and the Senator from Arkansas (Mr. Bumpers) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. Goldwater) is necessarily absent.

The result was announced—yeas 36, nays 58, as follows:

[Rollcall Vote No. 346 Leg.]

YEAS—36

Allen
Bartlett
Bellmon
Burdick
Byrd,
  Harry F., Jr.
Clark
Curtis
Dole
Fannin
Ford
Gravel
Hansen
Haskell
Hathaway
Helms
Hruska
Huddleston
Johnston
Long
McClellan
McGee
McIntyre
Montoya
Morgan
Nelson
Packwood
Pearson
Proxmire
Scott,
  William L.
Sparkman
Stennis
Stevens
Symington
Talmadge
Tower
Young

NAYS—58

Abourezk
Baker
Bayh
Beall
Bentsen
Biden
Brock
Brooke
Buckley
Byrd, Robert C.
Cannon
Case
Chiles
Church
Cranston
Culver
Domenici
Eagleton
Fong
Garn
Griffin
Hart, Gary W.
Hart, Philip A.
Hartke
Hatfield
Hollings
Humphrey
Inouye
Jackson
Javits
Kennedy
Laxalt
Leahy
Magnuson
Mansfield
Mathias
McClure
Metcalf
Mondale
Moss
Muskie
Nunn
Pastore
Pell
Percy
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Stafford
Stevenson
Stone
Taft
Thurmond
Tunney
Weicker
Williams

NOT VOTING—5

Bumpers
Eastland
Glenn
Goldwater
McGovern

So Mr. Long's amendment to Mr. Muskie's amendment was rejected.

Mr. PASTORE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question recurs on the amendment of the Senator from Maine.

Mr. HUMPHREY. I ask for the yeas and nays, Mr. President.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MUSKIE. Mr. President, I ask unanimous consent that it be a 10-minute vote.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The Senate is not in order. The Clerk will suspend.

Senators will clear the well and take their seats.

This is a 10-minute rollcall so will the Senators take their seats promptly? The Senate will be in order.

The Senate staff will take their seats and cease conversations or withdraw from the Chamber.

The assistant legislative clerk resumed and concluded the call of the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. Bumpers), the Senator from Mississippi (Mr. Eastland), the Senator from Ohio (Mr. Glenn), and the Senator from South Dakota (Mr. McGovern) are necessarily absent.

I further announce that, if present and voting, the Senator from Ohio (Mr. Glenn) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. Goldwater) is necessarily absent.

The result was announced—yeas 58, nays 36, as follows:

[Rollcall Vote No. 347 Leg.]

YEAS—58

Baker
Bayh
Beall
Bentsen
Biden
Brock
Brooke
Buckley
Byrd, Robert C.
Cannon
Case
Church
Clark
Cranston
Culver
Domenici
Eagleton
Fong
Ford
Garn
Gravel
Griffin
Hart, Gary W.
Hart, Philip A.
Hartke
Huddleston
Humphrey
Inouye
Jackson
Javits
Kennedy
Leahy
Magnuson
Mansfield
Mathias
McGee
McIntyre
Metcalf
Mondale
Morgan
Moss
Muskie
Nelson
Packwood
Pastore
Pell
Percy
Randolph
Ribicoff
Schweiker
Scott, Hugh
Stafford
Stevenson
Stone
Symington
Tunney
Weicker
Williams

NAYS—36

Abourezk
Allen
Bartlett
Bellmon
Burdick
Byrd,
  Harry F., Jr.
Chiles
Curtis
Dole
Fannin
Hansen

Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Johnston
Laxalt
Long
McClellan
McClure
Montoya
Nunn
Pearson
Proxmire
Roth
Scott, William L.
Sparkman
Stennis
Stevens
Taft
Talmadge
Thurmond
Tower
Young

NOT VOTING—5

Bumpers
Eastland
Glenn
Goldwater
McGovern

So Mr. MUSKIE's amendment was agreed to.

Mr. MUSKIE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PASTORE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 821 (AS MODIFIED)

Mr. TUNNEY. Mr. President, I call up my amendment No. 821, and send a modification to the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from California (Mr. TUNNEY) proposes an amendment numbered 821, as modified.

Mr. TUNNEY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TUNNEY's amendment (No. 821), as modified, is as follows:

On page 16, line 2, beginning with the comma, strike out all through the word "average" on line 3 and insert in lieu thereof a period and the following: "The Secretary, if the national unemployment rate is equal to or exceeds 6½ per centum for the most recent three consecutive months, shall expedite and give priority to grant applications submitted for such areas having unemployment in excess of the national average rate of unemployment for the most recent three consecutive months. Seventy per centum of the funds appropriated pursuant to this section shall be available only for grants in areas as defined in the second sentence of this subsection. If the national average unemployment rate recedes below 6½ per centum for the most recent three consecutive months, the authority of the Secretary to make grants under this section is suspended until the national average unemployment has equaled or exceeded 6½ per centum for the most recent three consecutive months. Not more than 15 per centum of all amounts appropriated to carry out this section shall be available under this section for projects or programs within any one State, except that in the case of Guman, the Virgin Islands, and American Samoa, not less than one-half of 1 per centum in the aggregate shall be available for such projects or programs."

The PRESIDING OFFICER. The Senate will be in order. Senators will take their seats.

Mr. TUNNEY. Mr. President, I was happy to note that the committee had included in its formula a requirement that 70 percent of the $1 billion authorized for title I public works must go to areas where the rate of unemployment equals or exceeds the national average.

My amendment would simply extend the same formula to the $1 billion that is included under title X funding in the bill, and it would also include, as modified, a ceiling limiting any one State's share of the fund to a maximum of 15 percent.

I have had an opportunity to discuss this with the distinguished floor manager, and I think that I perhaps would be exercising better judgment if I just allowed this explanation to stand, because it is my understanding that the distinguished floor manager is going to accept the amendment.

Mr. MONTOYA. Mr. President, we have discussed the amendment; the staff has examined it. I have discussed it with some of the minority members of the committee. I am ready to accept the amendment.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. MONTOYA. I yield to the Senator from Idaho.

Mr. McCLURE. Mr. President, I thank the Senator for yielding.

We have discussed this amendment, and I am not convinced that the amendment is a good amendment.

I will outline my reasons why I have some hesitation about it, and I do not mean to burden the Senate with a lengthy discussion.

I think it might be well that we understand, if we take this amendment at this time, we will have the opportunity to look at some of its implications and to consider further in conference with a view to whether it would be a permanent part of the legislation or not. I do not say that with any of the unusual expectation that yes, we will take it now and dump it then. But I do have these reservations about the limitation.

Title I, from which this 70-percent figure is borrowed, refers to an accelerated public works program with the emphasis on trying to create jobs in the construction sector where joblessness has been relatively high.

Title X has quite a different thrust from title I because it is dealing primarily with general unemployment rates rather than that within the construction trades area, and it is aimed primarily at a valuation of projects on a job-effectiveness basis.

The 15-percent limitation, the 15-percent cap, which the Senator has agreed to make a part of his amendment, does assist.

But let me point out one thing. So far as the Senator's State is concerned, the State of California has a 10-percent unemployment rate, slightly better than 10 percent, or worse perhaps is the better way to put it. Also that 10-percent unemployment rate yields about 11 to 12 percent of the total unemployment in the United States. California has received 11 percent of the money under title X. So California is not being disadvantaged under the existing formula.

The 15-percent cap might allow them to receive 3 or 4 percent more of their money or 30 or 40 percent more than they are now getting.

But I cannot help but note we earlier today adopted the Talmadge-Nunn amendment in an effort to move things back in the other direction, and now we are adopting this amendment in an attempt to move it in a way in which is exactly opposite from the earlier action.

With those reservations and with the expectation that we will look at this amendment genuinely, without any predisposition to back away from it, I will not raise objection to its acceptance at this time.

Mr. TUNNEY. I thank my friend from Idaho for not raising any objections, and I will not continue the debate any further, because I appreciate that the Senate's time is limited.

I would just say that title X is designed to help an area where there is unusually high unemployment, and 10 percent unemployment in California is unusual, so our amendment focuses in on the purpose of this section.

Mr. MONTOYA. Does the Senator yield back his time?

Mr. TUNNEY. Mr. President, I yield back my remaining time.

Mr. MONTOYA. Mr. President, I yield my remaining time.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. MONTOYA. Mr. President, I withhold yielding my time, and I yield to the Senator from Arkansas.

Mr. McCLELLAN. Mr. President, I observe on page 9 of the committee report it sets forth the amount of authorizations contained in the bill, the total authorizations, and the anticipated expenditures for fiscal 1976.

There have been some amendments adopted here this afternoon. Will the distinguished manager of the bill state for the record a revision of these totals on page 9, taking into account amendments that have been adopted to this measure?

Mr. MONTOYA. I say to the distinguished Senator from Arkansas that the original bill which came out of the committee called for an authorization of $2,125,000,000. This was a 1-year authorization. Then in the Chamber today, as a result of the action of the Senate on the Muskie amendment, we have added what is estimated to be an outlay of $1,250,000,000 for the first year, and it is estimated, in view of the fact that the Muskie amendment carries an authorization for 3 years, the second year will be approximately $2 billion, and the third year will be approximately another $2 billion.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. MONTOYA. Yes, I yield.

Mr. MUSKIE. Of course, that depends on what happens to the unemployment rate.

Mr. MONTOYA. Yes, that is correct. We have some projections from the administration that indicate that unemployment will remain high for the coming 2 years. If that proves to be the case, then there will be an outlay under this authorization of approximately $2 billion annually. For the first year, we will not have that kind of an outlay because with the late date of enactment of the bill, it will probably be October before we start making any outlays or commitments.

Mr. McCLELLAN. If I understand correctly, we are now undertaking to authorize for 3 years instead of for 1 year, anticipating what may happen and what conditions may be during the 3-year period.

Mr. MONTOYA. That is correct.

Mr. McCLELLAN. Whereas the bill originally authorized for only 1 year, it now would authorize appropriations over a period of 3 years.

Mr. MONTOYA. The bill that came out of committee was an authorization for public works for $2,125,000,000 for fiscal year 1976.

Mr. McCLELLAN. Of which $900 million would be outlays in fiscal 1976?

Mr. MONTOYA. That is correct.

Mr. McCLELLAN. After the amendments that have been adopted, what are the anticipated outlays for 1976 under the bill as amended? Is it $1.25 billion, if I understood the Senator correctly?

Mr. MONTOYA. Plus $900 million.

Mr. McCLELLAN. Plus $900 million.

Mr. MONTOYA. That is correct.

Mr. McCLELLAN. In other words, instead of being $900 million outlays for fiscal 1976 as in the committee bill under the bill as now amended it would be $2.15 billion.

Mr. MONTOYA. That is correct.

Mr. McCLELLAN. That is how much we are increasing the bill for fiscal year 1976 alone.

I thank the Senator. I think the amendments provide entirely too much. I think it is unwise to do this. Mr. President I support the committee bill as reported, but I cannot vote for this bill as amended. I shall now vote against it.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. MONTOYA. I yield.

Mr. MUSKIE. I will make the point which I made earlier when some of the Senators now present were not present. This is almost precisely the amount that was allowed in function 450, the congressional budget, $2.1 billion for public works and emergency assistance to State and local governments. So we are within the congressional budget.

Mr. HARRY F. BYRD, JR., and Mr. TUNNEY addressed the Chair.

Mr. MONTOYA. Mr. President, I yield to the Senator from Virginia.

Mr. HARRY F. BYRD, JR. I ask for clarification. Is the total of the bill now before us, as a result of the Muskie amendment, $5½ billion added by the amendment plus $2 billion in the original bill? Is the total then $7½ billion?

Mr. MONTOYA. As I stated before, the outlay anticipated for the first year under the Muskie amendment is $1,250,000,000. The outlay expected for the second year of authorization would be approximately $2 billion, depending on the rate of unemployment, and for the third year another $2 billion, depending on the constancy of the unemployment rate.

Mr. HARRY F. BYRD, JR. That is correct. The point I am not clear on is this: Is that on top of the original $2.1 billion?

Mr. MONTOYA. That is correct.

Mr. HARRY F. BYRD, JR. Now we have it.

I thank the Senator.

Mr. TUNNEY. Mr. President, currently there are 8½ million Americans without jobs. The administration has responded to this crisis with vetoes of remedial legislation offering instead to the unemployed the supposedly comforting prediction that the recession has "bottomed out." The Senate is responding with legislation to create jobs, not vague future promises of better times ahead. It is not hard to guess which alternative is preferred by jobless Americans.

I would like to commend the Senator from New Mexico (Mr. MONTOYA) and the Senator from West Virginia (Mr. RANDOLPH) for their leadership and initiative on this bill, the Public Works Employment Act of 1975. It is a good bill which will put thousands of Americans back to work, where they belong.

There are those who claim that public works legislation is inflationary due to the long leadtime necessary to commence the projects. Today, that is not the case. I would remind critics of this type of legislation that there is a tremendous backlog of projects ready to go now. We are talking today about projects that have long since cleared the drafting boards and are being held up only for lack of adequate funding.

In addition, this bill includes provisions for speeding up approval and funding procedures so that effort will be expended to produce jobs, not to overcome bureaucratic redtape.

I believe that the amendment I am offering today will make a good bill even better. The stated purpose of the bill is to increase the antirecessionary effectiveness of the programs of the Economic Development Administration. My amendment would direct EDA to put their money in those areas where it is most needed, something they have not always done.

In fiscal years 1973 and 1974, California received only 5 percent of EDA's grants nationwide, and as fiscal 1975 drew to a close, that figure remained roughly accurate. This despite the fact that at present there are nearly 1 million unemployed Californians. That means that 12 percent of those unemployed nationwide are Californians, and yet under a program designed to stimulate employment and economic development, we are receiving only 5 percent of the funds. California and all other areas in similar straits simply need more help.

Therefore, I was happy to note that the committee had included in its bill a formula mandating that 70 percent of the $1 billion authorized for title I public works must go to areas whose rate of unemployment exceeds the national average. My amendment would simply extend that same formula to the $1 billion title X funding in the bill, including a ceiling limiting any one State's share of the funds to a maximum of 15 percent.

The intent is clear. The ultimate goal of this bill is reducing unemployment and easing the recession. It only makes sense then to direct the brunt of the effort at those areas that are suffering most.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. STENNIS. Mr. President, my vote against the public works bill, S. 1587, is prompted by the unusually high amount of the bill. I wish to support a bill of this nature, and would have voted for the bill as presented by the Public Works Committee, but I cannot support a measure providing for the sum of $7½ billion.

Mr. WILLIAMS. Mr. President, I urge the adoption of S. 1587, the Public Works Employment Act of 1975.

This bill is one more building block in our efforts in the Congress to provide jobs for many of the millions of unemployed Americans. It initiates still another approach in our ongoing, careful process of fabricating a comprehensive program for directly combating joblessness.

No higher priority demands our attention today, notwithstanding recent indications that the recession is bottoming out. Even if we could be fully confident of that, it is axiomatic that reemployment lags many months behind any rise that occurs in other economic indicators.

For 9 million unemployed workers, relief is a long way off. It is generally conceded by leading economists that, optimistic signs or not, the national unemployment rate may remain above 8 percent through the balance of this year and all of next.

Among construction workers, unemployment is appallingly worse, standing at 21 percent nationally and, in my home State of New Jersey, at more than 30 percent. The construction industry and its activity are bellwethers of the economy, and until it is restored to a healthier condition, no comfort can be taken from all of the other positive signs that the recession may be coming to an end.

Mr. President, S. 1587 is addressed to the awesome malaise in this vital segment of the Nation's industrial base. It authorizes the appropriation of $1 billion for the Secretary of Commerce to make grants to State and local governments for public works projects.

There is ingenuity in the manner in which the Public Works Committee has devised this program for maximum results at minimum cost. It is designed to provide the small additional amount of funding that State and local governments need to get rolling on projects that are ready to go, but have been stalled by a lack of funds to match other Federal grants or to meet recently inflated costs. The $1 billion authorized for these purposes will be multiplied many times over as it is combined with other financial resources to provide full funding of construction projects across the country.

By providing another $1 billion in authorizations for the emergency job opportunities program enacted by the Congress last December, S. 1587 expands upon an effort that has been under implementation and initial testing for more than 6 months. These funds, when appropriated, should therefore be injected into the economy within a few weeks.

Another important feature of the bill holds out the promise of assistance to medium-sized businesses that have been pushed by the recession to the verge of closing their doors. By expanding loan guarantees and interest subsidies for businesses that need working capital loans, the Federal investment of $125 million can provide insurance against the loss of billions of dollars in productivity that would otherwise result from business failures.

The adoption by the Senate of Senator MUSKIE's proposal for antirecession assistance to State and local governments enhances further the justification for passing S. 1587. As a cosponsor of Senator MUSKIE's bill, I am gratified that the Senate has agreed to add this vital measure to the pending legislation.

Mr. President, we are acting today in the wake of two Presidential vetoes of previous efforts by the Congress to directly create jobs. This legislation, which is so carefully designed for maximum effect at minimum cost, surely will not meet the same fate.

Economic pressures on unemployed Americans and on the poor, the handicapped, the disabled, and the aged are building to intolerable levels. And now new troubles are facing hundreds of thousands of the jobless who have been able to survive thus far on the meager benefits of unemployment compensation. For them, benefits are running out after as many as 65 weeks of fruitless search for work. They are joining the ranks of the "exhaustees."

Until now, Congress has postponed the day of reckoning with two successive 13-week extensions of unemployment compensation, one in December and another in April. Both were enacted just as benefits under then-existing programs were about to expire. But the program now provides a maximum of 65 weeks of benefits, and that maximum is being reached this month. The exhaustions have begun in earnest.

Our "first line of defense in a recession," as the President has called the unemployment compensation system, is beginning to crumble about us. Figures compiled by the Committee on Labor and Public Welfare from State unemployment officials indicate that over 1,600,000 persons will see the last of their unemployment compensation during the next 12 months, without being able to find work that is suitable to their health, capabilities, and experience.

Our next recourse must be to create jobs, and that is what S. 1587 would do if enacted and funded. How many jobs would be created cannot yet be calculated, but if it is fully implemented in concert with other programs of Federal public works assistance, it would certainly result in new jobs on the order of a few hundred thousand.

Against unemployment rolls of 9 million or more, that may not seem like much. But for several hundred thousand persons, many of whom will soon exhaust their unemployment compensation, these jobs may be the only salvation from bankruptcy and the poor house.

Mr. PERCY. Mr. President, I intend to vote for passage of the Public Works Employment Act of 1975 for several reasons.

First, it now includes the antirecession assistance to State and local governments measure which was recently reported by the Government Operations Committee. I worked in the development of this legislation both in the Subcommittee on Intergovernmental Relations and in the full Government Operations Committee, and I strongly support it. Recent restrictive budget actions by State and local governments, such as increased taxes and payroll reductions, are countering Federal antirecession efforts such as the tax cut and increased funding of public service jobs. The Antirecession Assistance Act will stem this trend by providing much needed assistance to those units of government hardest hit by the recession. The funding formula under the antirecession assistance program assures that those Government units which have suffered the greatest decline in revenues due to the recession will receive the most help. Most important, it assures that funding under the program will terminate when the need no longer exists.

Second, the Public Works Employment Act will provide work in the construction industry—one of the sectors of the economy which has been hardest hit by the recession. Unemployment in the construction industry is over 20 percent nationwide, and over 40 percent in some local areas. As a general rule, public works projects are a poor counterrecessionary tool. They have a long leadtime and are not highly job intensive. This act, on the other hand, has been carefully drafted to overcome such drawbacks. Projects must be those which can be approved and begun quickly, which can be completed within 12 to 24 months, and which are job intensive. Funds are directed to those areas with highest unemployment and the amount of funds authorized decreases as unemployment declines.

Finally, this legislation—including both the public works employment and the State and local government antirecession assistance provisions—is within the spending ceiling set by the First Concurrent Resolution on the Budget. Estimated fiscal year 1976 outlays for both programs total a maximum of $2.15 billion, and may be less, if the economy continues to improve as expected. This is the amount of outlays provided by the budget resolution for this type of counterrecession spending.

While I support this legislation as it is now drafted, I intend to reserve judgment on the final bill agreed to in the conference. Unlike the Senate bill, the Local Public Works Capital Development and Investment Act of 1975 passed by the House earlier this year would commit the Federal Government to a long-term, $5 billion program of capital construction. If the strictly counterrecession features of the Senate bill are dropped, or if the authorization is significantly increased, I will have to oppose the final bill.

I believe the package now before the Senate provides for the responsible and effective use of the funds allocated in the budget resolution, and I urge the Members of the House to adopt it.

Mr. BAYH. Mr. President, the bill before us is a most important piece of legislation.

Although President Ford and his advisers insist that nothing further should be done to stimulate our economy, it is clear that the price of such inaction would be a painfully slow recovery from our worst postwar recession with unemployment well above 8 percent for most of the next year and a half.

In the absence of leadership in the White House, it is incumbent upon us in Congress to take actions to stimulate the economy and ease the burdens of the millions of Americans who cannot find work through no fault of their own.

This bill, S. 1587, authorizes funding for projects which can be stated quickly and provide lasting benefits to communities across the country. The programs authorized will do more than employ workers in the construction trades. They will also have a multiplier effect on the building material industry, hardware retailers, and the forestry and lumber industries. I compliment my respected colleague from New Mexico, Senator MONTOYA, and the members of the Public Works Committee for preserving this legislation to us in a timely manner. It will be most beneficial to our economy.

I am especially pleased that we added a program for countercyclical revenue sharing to the committee bill. We have seen in recent months that local governments faced with both inflation and recession have found it necessary to take restrictive budgetary actions which have been at cross purposes with national economic policy. While the Federal Government has provided tax cuts and public service jobs, local governments have had to increase taxes and lay off employees. The result has been that a portion of the economic stimulus planned by Congress has been offset by measures taken at the local level.

This amendment to S. 1587 will enable us to coordinate national and local fiscal policies more closely. It will provide up to $2 billion in aid to local governments and will trigger in and out according to the unemployment rate.

Through the use of this program, which will vary in size according to economic conditions, we can maintain the effect of past and future tax cuts and other fiscal measures and provide aid to the local governments in providing continued services without raising taxes or discharging employees. The concept of countercyclical revenue-sharing is one of the most important new tools available to us in fighting recession. Its passage will mark a milestone in fiscal policy, and I am pleased to give it my wholehearted support today.

My only regret, Mr. President, is that shortsighted opposition from the Ford administration makes it politically difficult to provide more funds to aid State and local government. A study made by the Joint Economic Committee shows that $8 billion in restrictive actions will be taken by local governments this year. The maximum of $2 billion in countercyclical aid in this bill will ease the adverse effects of this action, but clearly, more is needed. I hope we will have an opportunity to act further in this area if the economy does not show hearty and sustained growth in the months to come.

Mr. BENTSEN. Mr. President, I join my colleagues in urging final passage of

S. 1587, the Public Works Employment Act of 1975. This bill is the latest in a long history of public works measures which have brought the promise of jobs, civic improvement, and new hope to regions of high unemployment across this Nation. It bears the special stamp of two men totally committed to providing all Americans with the opportunity and dignity of productive labor. I speak, of course, of the distinguished chairman of the Economic Development Subcommittee, Senator MONTOYA, and the distinguished chairman of the full Public Works Committee, Senator RANDOLPH. Under their wise and compassionate leadership, the committee has responded to the needs of millions of unemployed and underemployed Americans, and I am confident that the measure we consider today will provide the same stimulus and hope of previous measures.

Mr. President, I support the Public Works Employment Act because it promises to provide what this Nation needs most—jobs.

Mr. President, some say that the recession has bottomed out. I, for one, cannot take much comfort from the mere prospect that the Nation's most severe recession since the Great Depression may get no worse. There is little joy in being at the trough of a recession which translates into over 8 million Americans out of work, 3 to 4 million in part-time jobs rather than the full-time employment they seek, and several million more so discouraged that they have now given up their search for a job.

Nor is there much comfort in the projections before the Congress. The President's midsession review of the 1976 budget predicts average unemployment of 8.7 percent for 1975, 7.9 percent in 1976, and 7.2 percent in 1977. In its June 30, 1975, report, the Congressional Budget Office projects unemployment of 8.8 to 9.2 percent for the fourth quarter of 1975 and of 7.8 to 8.2 percent throughout 1976.

This Nation has never accepted unemployment of that magnitude, nor the human tragedy and suffering it entails. It cannot afford to accept those rates now.

Perhaps most alarming in the economic data before us are the continuing high rates of unemployment in the construction industry and the alarmingly high rates of unemployment in our inner cities.

By late spring, unemployment had idled some 961,000 construction workers, more than double the rate of a year ago. That means that one of every five Americans who make their living in construction labor was without a job. And the national average understates the rates in some of our major cities. Unemployment in the construction industry has reached 61 percent in Rochester, 49 percent in Miami, 40 percent in Phoenix, 32 percent in Cincinnati, 37 percent in St. Paul, 32 percent in Newark, and 24 percent in St. Louis.

The Public Works Employment Act will provide quick stimulus in this sorely depressed sector of our economy. Title I of the act provides $1 billion for public works projects which have been delayed because State and local governments have been unable to provide their matching share or because of escalating costs. The funding provided for the resumption of those projects should generate some 50,000 onsite construction jobs and some 110,000 offsite jobs. And the impact should be quickly felt. Priority will be given to projects which can move swiftly through agency processing, can begin within 90 days of approval, and can be completed within 12 to 24 months.

Title II of the measure addresses a particular concern of mine, the problems of our inner cities. There, prolonged levels of high unemployment have been a fact of life, which the current nationwide recession has only exacerbated. Tax bases have eroded, public services have been strained, and entire economic infrastructures have deteriorated.

Last December, the Congress added a title X to the Public Works and Economic Development Act, providing for a new job opportunities program. That program provides funding for a wide variety of construction, maintenance, and renovation projects which can put people to work quickly and vastly improve the public facilities of inner-city neighborhoods. Job opportunities funding has been approved for improvements of commuter railroad track, construction of multiuse recreation facilities, and rehabilitation of public housing; and the program can fund many other similar projects. I am especially hopeful that some of the money will be used to upgrade the school facilities of many inner-city neighborhoods.

The Public Works Employment Act authorizes $1 billion for the expansion of this promising program.

The assistance provided by this measure will be allocated on the basis of need, with 70 percent of the total aid going to areas having unemployment exceeding the national average and the remainder to areas with rates exceeding 6½ percent but below the national average. I am particularly pleased that the bill includes a provision I proposed to insure that all inner-city areas of high unemployment be eligible for assistance under this act. In addition to areas designated by the Secretary of Labor as having unemployment equal to or in excess of 6.5 percent, the measure specifies that areas defined pursuant to section 204(c) of the 1973 Comprehensive Employment and Training Act be eligible for the assistance provided in this act. That combination should insure that nearly every inner-city area of real need can benefit from this act.

The importance of this clarification is demonstrated by two examples in my home State of Texas. For the period of February through April, 1975, the Metropolitan Houston area had an unemployment rate of less than 5 percent, but joblessness in its CETA title II area, where 58.8 percent of the city's people live and where 98.4 percent of its total unemployment is concentrated, hit 8.4 percent. In Dallas, where the metropolitan jobless rate was between 5.5 and 6 percent during the same period, unemployment in the Westside CETA II area reached 14.5 percent. Both districts have already been defined as areas of need, and I am pleased that the measure before us makes them eligible for assistance.

Many other examples exist, and they certainly are not confined to any one State. The eligibility criteria of this measure will insure that all innercity neighborhoods of high unemployment qualify for the much needed stimulus provided by this act.

Mr. President, the real question that remains is how this Nation will react to the aforementioned projections of prolonged high unemployment. This Nation has never accepted joblessness of those proportions, and it cannot now. For if we do, we doom ourselves to massive budget deficits, idle industrial capacity, economic drift, and prolonged human suffering.

I have every confidence that the vast majority of my colleagues will join me in supporting this jobs bill. We will again go on record in favor of putting this Nation back to work in a constructive and fiscally responsible manner. We will thereby once again give the President the opportunity to join in that effort, and I urge him to lend his support to this much needed legislation.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. MONTOYA. Mr. President, I ask unanimous consent that the Committee on Public Works be discharged from further consideration of H.R. 5247 and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 5247) to authorize a local public works capital development and investment program.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the immediate consideration of the bill.

Mr. MONTOYA. Mr. President, I move to strike all after the enacting clause of H.R. 5247 and to substitute therefor the text of S. 1587, as reported and as amended.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from New Mexico.

The motion was agreed to.

Mr. MONTOYA. Mr. President, I ask for the yeas and nays on passage of the bill.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MONTOYA. Mr. President, I yield such time as he may consume to the Senator from West Virginia.

The PRESIDING OFFICER. The Senate will be in order. Senators and staff members who wish to converse will kindly withdraw to the cloakrooms.

Mr. RANDOLPH. Mr. President, the unstable condition of the American economy continues to be a matter of great concern for millions of Americans. We are told the recession is over, but there are new reports that inflation may be starting another upward swing. At the same time, unemployment remains high—more than 8 million Americans who want them are without jobs.

It is obvious to me that our country's economic problems are not nearing an end. Instead, we are in a period of uncertainty and confusion. The present situation is unlike any in our national experience. There is widespread disagreement about what produced the troublesome combination of simultaneous inflation and recession, even among our best economic thinkers.

Our country has endured recession, and even depression, on other occasions. We have survived them and gone on to become a stronger, more prosperous nation. I am confident that America also will emerge from this period of economic sluggishness and continue its progress. But we cannot remain inactive and expect the forces of nature to bring about recovery. Too many people are facing daily hardship for us to wait for the recession to cure itself—even if this were possible. As conditions are unique, we must devise new responses that will place the men and women of this country back in productive work.

Mr. President, the measure before the Senate is a critical part of the legislative response to recession.

I appreciate the concern of the chairman of our Subcommittee on Economic Development (Mr. Montoya) which has been evident throughout the development of this bill. His experience in this field is reflected in the provisions of the bill.

The thrust of this legislative proposal is apparent from its title, the Public Works Employment Act of 1975. It authorizes the expenditure of $2.125 billion for public works programs and will be administered through the Economic Development Administration. These programs are geared particularly to speedy implementation and high job production.

While the national unemployment rate continues to hover around 9 percent, it remains particularly severe in the construction industry with a national average of more than 20 percent. In some locations, particularly large cities, the situation is even worse.

During recent committee hearings we learned that construction unemployment in Miami was 49 percent. This is a figure comparable with other cities. Rochester, N.Y., recorded a high of 61 percent unemployed among the construction trades. In Cincinnati it was 32 percent, Phoenix 40 percent, Newark 32 percent and St. Louis 24 percent. These figures do not show the dramatic decline in the length of the work week of construction workers. This makes them statistically counted as employed but, in fact, they are clearly underemployed.

Historically, public works programs have been used to create jobs whenever the economy reached recessionary levels. They have been effective in placing people back to work in actual construction and in stimulating many jobs in other fields. During the depression of the 1930's, for example, great public works program employed millions of Americans in highly productive and constructive jobs. These efforts have the benefit of providing people work in a time of great need. They also created lasting community improvements, many of which are in use today.

I know from my own experience of the beneficial impact of those innovative programs of 40 years ago. In my State alone city halls, schools, roads, courthouses and other public facilities were constructed. And we considered those among the unemployed who had skills in other than the construction trades. Writers and artists went to work describing our country and its people. The history of many communities in West Virginia, for instance, was written for the first time, providing a valuable record of our mountain heritage. The art of the 1930's was greatly enhanced by government support and gives us today a feeling of those difficult days.

Earlier this year the Congress gave considerable attention to public service jobs as a means of alleviating unemployment. This approach is useful for it enables people to be placed to work quickly. But public service employment does not have the permanency that do public works programs. S. 1587, is aimed at public works jobs and permanent improvements for communities. This bill amends the Public Works and Economic Development Act to add an additional $2.125 billion for antirecession construction programs during the 1976 fiscal year.

It is a relatively simple bill, concentrating its thrust in three areas. The first of these provides $1 billion for grants to State and local governments for public works projects. This is the approach taken by similar legislation in the House of Representatives.

These funds could be used for a variety of purposes. They could provide the local matching share for other Federal funds, thereby starting projects that have had to be placed on the shelf. They could directly attack problems of inflation by supplementing funds for projects that have had to be stopped because of increased costs. Furthermore, and this is a feature that attracts many communities, these funds could finance local construction projects at 100 percent of the cost.

During our hearings on the effects of the recession and how to overcome them the committee learned that there are many renovations, repairs and other improvement projects for public works facilities that can be quickly initiated. For instance, a study in 1974 of the condition of higher education facilities found that more than $8 billion could be spent in this manner.

The second part of the bill amends title II of the Public Works and Economic Development Act, the business development program. It increases the present authorization of $75 million for this activity to $200 million. The members of the committee believe that private business must receive proper support to weather the recession. Only if they survive can these enterprises, many of them small, contribute to job production. The additional funds for title II are intended to offset the difficulty small businesses are having in finding financing in this time of economic instability.

The third authorization in S. 1587 is $1 billion for the title X job opportunities program. This is the activity which has the greatest job-creation potential. More than 90,000 direct jobs can be created by the obligation of these funds.

The job opportunities program was created last year in the Emergency Jobs and Unemployment Assistance Act. An initial appropriation of $125 million was provided early this year. But this money was allocated only last month following a 6-month delay. Already, however, 16,000 jobs have been made possible at an average cost of $11,500 per job. An additional $375 million, which was part of the original authorization was appropriated in the continuing Appropriations Act. The Committee on Public Works has urged that these funds be set to work immediately. It is reasonable, therefore, that an additional $1 billion will have a substantial impact on unemployment. This is possible because the job opportunities program is geared toward projects with high labor utilization.

Mr. President, we consider this bill today because we want to return Americans to gainful employment. This is a positive program that will produce positive results in a short period of time.

The Congress has been accused of indecision and vacillation in its response to great national problems. The Senate can do much to help dispell this inaccurate image by its enthusiastic adoption of the Public Works and Employment Act of 1975. By doing so we will translate our concern into action that will help set America on the road to economic health once again.

Mr. President, in a few minutes we shall come to a decision on the passage of this legislative effort to respond to the recession which has touched almost every segment of our society in almost every part of our country.

This afternoon we have worked our will, as individual Senators, upon amendments which have been offered. Members of the Committee on Public Works have voted for and against the amendments that were offered which did not originate in the Committee but came from the Committee on Government Operations or was offered by two able Members of the Senate, Mr. Talmadge and Mr. Nunn.

Originally, as I have stated, as our measure came to the Senate we recommended $2.125 billion for public works activity to be administered by the Economic Development Administration. We have now added the local governmental assistance programs by action of the Senate. This provides $2 billion a year for a period of 3 years. What we have done is to amend the original bill by authorizing the expenditure of $4.125 billion in fiscal year 1976.

I want the record to reflect that as the bill was reported from our committee, it contained an authorization of $2.125 billion for public works programs. The action we have taken by adding $2 billion to the bill does not reach the sum of the public works bill as it passed the House, H.R. 5247, has a price tag of $5 billion.

Mr. President, I again commend Mr. Montoya for his work. I commend also the ranking minority member of the Committee on Public Works (Mr. Baker) who, with all the members of the minority, worked, as did all the members of the majority, to develop this program—a program which, I believe, will reflect credit upon the entire Senate. Senator McClure, the ranking minority member of the Subcommittee on Economic Development has worked especially hard on this legislation, as have Senators Muskie, Stafford, and Domenici. They have given attention to the development of this legislation which has been before us. Senators Gravel, Bentsen, Culver, Burdick, Morgan, Hart of Colorado, and Buckley, have all helped do a job which needed to be done.

We have brought before the Senate a bill fashioned by the committee, supplemented by an amendment in the Senate which will do much for the productivity of America, for the easing of unemployment, which is very heavy in certain areas, and which will, in the long run, be a contribution to the building of a stronger America on the solid base of gainful employment.

Mr. PASTORE. Will the Senator yield?

Mr. RANDOLPH. Yes.

Mr. PASTORE. I hope that in the process of naming names, we do not forget all the other Senators who support these fine amendments which we speak of tonight.

Mr. RANDOLPH. Certainly.

Mr. PASTORE. That includes John Pastore and Stuart Symington, Howard Cannon, Robert Byrd, and the rest of us.

Mr. RANDOLPH. I join the Senator from Rhode Island in commending the Members of the Senate who worked their will on the legislation today. I have spoken particularly of the members of the Senate Committee on Public Works, because they participated in formulating the bill before us. I also thank the leadership who have facilitated our work.

The PRESIDING OFFICER. The question is on H.R. 5247, as amended. If there be no further question, the question is on the engrossment of the amendment and the third reading of the bill.

The bill was read the third time.

Mr. MONTOYA. Mr. President, I am prepared to yield all my time back.

Mr. McCLURE. I yield back my time.

The PRESIDING OFFICER. All time has been yielded back. The question is, Shall the bill pass? The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. Bumpers), the Senator from Mississippi (Mr. Eastland), the Senator from Ohio (Mr. Glenn), and the Senator from South Dakota (Mr. McGovern) are necessarily absent.

I further announce that, if present and voting, the Senator from Ohio (Mr. Glenn) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. Goldwater) and the Senator from Nebraska (Mr. Hruska) are necessarily absent.

I further announce that, if present and voting, the Senator from Nebraska (Mr. Hruska) would vote "nay."

The result was announced—yeas 65, nays 28, as follows:

[Rollcall Vote No. 348 Leg.]

YEAS—65

Abourezk
Baker
Bayh
Beall
Bentsen
Brock
Brooke
Buckley
Burdick
Byrd, Robert C.
Cannon
Case
Church
Clark
Cranston
Culver
Domenici
Eagleton
Fong
Ford
Garn
Gravel
Griffin
Hart, Gary W.
Hart, Philip A.
Hartke
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Kennedy
Leahy
Magnuson
Mansfield
Mathias
McClure
McGee
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Pastore
Pell
Percy
Randolph
Ribicoff
Schweiker
Scott, Hugh
Sparkman
Stafford
Stevens
Stevenson
Stone
Symington
Tunney
Weicker
Williams

NAYS—28

Allen
Bartlett
Bellmon
Biden
Byrd, Harry F., Jr.
Chiles
Curtis
Dole
Fannin
Hansen
Haskell
Helms
Johnston
Laxalt
Long
McClellan
Nunn
Packwood
Pearson
Proxmire
Roth
Scott, William L.
Stennis
Taft
Talmadge
Thurmond
Tower
Young

NOT VOTING—6

Bumpers
Eastland
Glenn
Goldwater
Hruska
McGovern

So the bill (H.R. 5247) as amended, was passed, as follows:

That this Act may be cited as the "Public Works Employment Act of 1975."

TITLE I—GENERAL PROVISIONS

Sec. 101. Title I of the Public Works and Economic Development Act of 1965, as amended, is amended by adding the following new section at the end thereof:

"Sec. 107. (a) Upon the application of any State, political subdivision thereof, or Indian tribe, the Secretary is authorized to make grants for the purpose of increasing the Federal contribution to a public works project for which Federal financial assistance is authorized under provisions of law other than this section. Any grant made for a public works project under this subsection shall be in such amount as may be necessary to make it the Federal share of the cost of such project 100 per centum. No grant shall be made for a project under this section unless the Federal financial assistance for such project authorized under provisions of law other than this section is immediately available for such project, and construction of such project has not yet been initiated because of lack of funding for the non-Federal share as of the date of enactment of this section. No part of any grant made under this subsection shall be used for the acquisition of any interest in real property.

"(b) (1) The Secretary of Commerce shall provide financial assistance to federally assisted projects authorized and for which funds have been obligated at the time of enactment of the Public Works Employment Act of 1975 which because of rapid increases in wages or cost of materials cannot be initiated and completed within the amount obligated for the project. Provided, That nothing in this subsection shall authorize an increase in the maximum percentage of the Federal contribution for any project for which funds have been obligated.

"(2) To be eligible for such assistance, the State, or political subdivision thereof, Indian tribes, public or private nonprofit group or association, or other eligible applicants to which Federal financial assistance is provided must submit an application to the Secretary setting forth information on the project, job effectiveness of the project, and the benefits to the community or region served by the project. The Secretary after reviewing the applications and with the concurrence of the agency, department, or instrumentality of the Federal Government funding the project shall provide funds for those projects which best serve the employment objectives of this section.

"(c) Upon the application of any State, political subdivision thereof, or Indian tribe, the Secretary is authorized to make grants for construction (including demolition and other site preparation activities), renovation, repair, or other improvement of local public works facilities including, but not limited to, those public works projects of State and local governments for which Federal financial assistance is authorized under provisions of law other than this Act. No part of any grant made under this subsection shall be used for the acquisition of any interest in real property. The Federal share of any project for which a grant is made under this subsection shall be 100 per centum of the cost of the project.

"(d) The Secretary shall give priority to grants made under this section where such funding will initiate construction within ninety days of application approval, and in the following order:

"(1) grants under subsection (a),

"(2) grants under subsection (b),

"(3) grants under subsection (c).

"(e) (1) Not more than 15 per centum of all amounts appropriated to carry out this section shall be available under this section for public works projects within any one State, except that in the case of Guam, Virgin Islands, and American Samoa, not less than one-half of 1 per centum in the aggregate shall be available for such projects.

"(2) Nothing in this section shall be construed to authorize the payment of maintenance costs in connection with any project strued to authorize the payment of maintenance costs in connection with any project

"(f) Assistance under this section shall be provided only in areas designated by the Secretary of Labor as an area with an unemployment rate equal to or in excess of 6.5 per centum for the most recent three months or any areas designated pursuant to section 204(c) of the Comprehensive Employment and Training Act of 1973. The Secretary, if the national unemployment rate is equal to or exceeds 6½ per centum for the most recent three consecutive months, shall expedite and give priority to grant applications submitted for such areas having unemployment in excess of the national average rate of unemployment for the most recent three consecutive months. Seventy per centum of the funds appropriated pursuant to this section shall be available only for grants in areas as defined in the second sentence of this subsection. If the national average unemployment rate recedes below 6½ per centum for the most recent three consecutive months, the authority of the Secretary to make grants under this section is suspended until the national average unemployment has equaled or exceeded 6½ per centum for the most recent three consecutive months.

"(g) The provisions of sections 103 and 104 of this title shall not be applicable to this section.

"(h) Grants shall be made in accordance with the rules and regulations published under section 101 of this Act, except that rules and regulations established under (1) the second sentence of section 101(d), and (2) section 101(a) (1) (C) shall not be applicable to such grants. Any necessary revision of such rules and regulations with respect to grants under this section or determination that portions of such rules and regulations do not apply to grants under this section shall be published within thirty days after the enactment of this section and any such revision shall become effective upon publication: *Provided, however*, That comments from interested parties concerning the published rules and regulations shall be subsequently received by the Secretary and considered for any necessary further revision and in the implementation of this section.

"(i) In selecting among projects to carry out the purposes of this program, the Secretary shall consider (1) the severity and duration of unemployment in proposed project areas, (2) level and extent of construction unemployment in proposed project areas, and (3) the extent to which proposed projects will contribute to the reduction of unemployment. The Secretary shall make a final determination with respect to each application for a grant submitted to him under this section not later than the sixtieth day after the date he receives such application. Failure to make such final determination within such period shall be deemed to be an approval by the Secretary of the grant requested.

"(j) Unemployment statistics shall be as determined by the Secretary of Labor in the monthly report on unemployment. Any State, political subdivisions thereof or Indian tribe, may present to the Secretary of Commerce information on the actual unemployment in the proposed project area.

"(k) There is hereby authorized to be appropriated not to exceed $1,000,000,000 to carry out this section for the fiscal year ending June 30, 1976.".

Sec. 102. (a) Section 201(c) of the Public Works and Economic Development Act of 1965, as amended, is amended to read as follows:

"(c) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this section and section 202: *Provided*, That annual appropriations for the purpose of purchasing evidences of indebtedness, paying interest supplement to or on behalf of private entities making and participating in loans, and guaranteeing loans, shall not exceed $170,000,000 for the fiscal year ending June 30, 1966, and for each fiscal year thereafter through the fiscal year ending June 30, 1973, and shall not exceed $55,000,000 for the fiscal year ending June 30, 1974, and shall not exceed $75,000,000 for the fiscal year ending June 30, 1975, and shall not exceed $200,000,000 for the fiscal year ending June 30, 1976.".

(b) Section 202(a)(2) of such Act, as amended, is amended by striking out the period at the end and inserting in lieu thereof "(D) contracting to pay, and to pay annually, for not more than ten years, to or on behalf of any private entity employing not more than one thousand five hundred persons amounts sufficient to reduce by up to four percentage points the interest paid by such entities on working capital loans which are obtained from non-Government sources, which provide for annual amortization of principal, and the proceeds of which are used for purposes referred to in this paragraph.".

Sec. 103. Section 1002 of the Public Works and Economic Development Act of 1965, as amended, is amended by striking the entire section and inserting the following:

"Sec. 1002. For the purpose of this title the term 'eligible area' means any area, which the Secretary of Labor designates as an area which has a rate of unemployment equal to or in excess of 6.5 per centum for the most recent three consecutive months or any area designated pursuant to section 204(c) of the Comprehensive Employment and Training Act of 1973. The Secretary, if the national unemployment rate is equal to or exceeds 6½ per centum for the most recent three consecutive months, shall expedite and give priority to grant applications submitted for such areas having unemployment in excess of the national average rate of unemployment for the most recent three consecutive months. Seventy per centum of the funds appropriated pursuant to this section shall be available only for grants in areas as defined in the second sentence of this subsection. If the national average unemployment rate recedes below 6½ per centum for the most recent three consecutive months, the authority of the Secretary to make grants under this section is suspended until the national average unemployment has equaled or exceeded 6½ per centum for the most recent three consecutive months. Not more than 15 per centum of all amounts appropriated to carry out this section shall be available under this section for projects or programs within any one state, except that in the case of Guam, Virgin Islands, and American Samoa, not less than one-half of 1 per centum in the aggregate shall be available for such projects or programs.".

Sec. 104. (a) Section 1003(c) of the Public Works and Economic Development Act of 1965, as amended, is amended to read as follows:

"(c) Where necessary to effectively carry out the purposes of this title, the Secretary of Commerce is authorized to assist eligible areas in making applications for grants under this title.".

(b) Section 1003(d) of such Act, as amended, is amended to read as follows:

"(d) Notwithstanding any other provisions of this title, funds allocated by the Secretary of Commerce shall be available only for a program or project which the Secretary identifies and selects pursuant to this subsection, and which can be initiated or implemented promptly and substantially completed within twelve months after allocation is made. In identifying and selecting programs and projects pursuant to this subsection, the Secretary shall (1) give priority to programs and projects which are most job effective (measured as the number of man-months of employment created or maintained by the additional expenditures of Federal funds under this title), and (2) consider the appropriateness of the proposed activity to the number and needs of unemployed persons in the eligible area.".

(c) Section 1003 of such Act, as amended, is amended by striking subsection (e) of such section.

Sec. 105. Section 1004 of the Public Works and Economic Development Act of 1965, as amended, is amended to read as follows:

"Sec. 1004. (a) Within forty-five days after enactment of the Emergency Job and Unemployment Assistance Act of 1974 or within forty-five days after any funds are appropriated to the Secretary to carry out the purposes of this title, each department, agency, or instrumentality of the Federal Government, each regional commission established by section 101 of the Appalachian Regional Development Act of 1965 or pursuant to section 502 of this Act, shall (1) complete a review of its budget, plans, and programs and including State, substate, and local development plans filed with such department, agency or commission; (2) evaluate the job creation effectiveness of programs and projects for which funds are proposed to be obligated in the calendar year and additional programs and projects (including new or revised programs and projects submitted under subsection (b)) for which funds could be obligated in such year with Federal financial assistance under this title; and (3) submit to the Secretary of Commerce recommendations for programs and projects which have the greatest potential to stimulate the creation of jobs for unemployed persons in eligible areas. Within forty-five days of the receipt of such recommendations the Secretary of Commerce shall review such recommendations, and after consultation with such department, agency, instrumentality, regional commission, State, or local government make allocations of funds in accordance with section 1003(d) of this title.

"(b) States and political subdivisions in any eligible area may, pursuant to subsection (a), submit to the appropriate department, agency, or instrumentality of the Federal Government (or regional commission) program and project applications for Federal financial assistance provided under this title.

"(c) The Secretary, in reviewing programs and projects recommended for any eligible area shall give priority to programs and projects originally sponsored by States and political subdivisions, including, but not limited to new or revised programs and projects submitted in accordance with this section.".

Sec. 106. Section 1005 of the Public Works and Economic Development Act of 1965, as amended, is amended by striking such section and renumbering subsequent sections accordingly.

Sec. 107. Section 1005 of the Public Works and Economic Development Act of 1965, as amended, as redesignated by this Act, is amended by striking the period and inserting the following at the end thereof: "unless this would require project grants to be made in areas which do not meet the criteria of this title.".

Sec. 108. (a) Section 1006 of the Public Works and Economic Development Act of 1965, as amended, as redesignated by this Act, is amended by inserting the following after "1975" in the first sentence: "and $1,000,000,000 for the fiscal year 1976".

(b) Section 1006 as redesignated by this Act is further amended by striking "December 31, 1975" in the second sentence and inserting in lieu thereof "June 30, 1976".

Sec. 109. Section 1007 as redesignated by this Act is amended by striking "December 31, 1975" and inserting in lieu thereof "June 30, 1976".

Sec. 110. Authority to obligate funds appropriated under the amendments of this Act to title I and title X of the Public Works and Economic Development Act of 1965, as amended, shall be limited to $2,000,000,000 when the national unemployment rate is equal to or in excess of 9 per centum. For each quarterly decline of one-half of 1 per centum in the national unemployment rate below such level, authority to obligate funds shall be reduced by one-fourth of the funds appropriated under such amendments, not to exceed $500,000,000, for the succeeding quarter. For each quarterly increase of one-half of 1 per centum in the national unemployment rate up to 9 per centum, authority to obligate funds shall be increased by one-fourth of the funds appropriated under such amendments, not to exceed $500,000,000, for the succeeding quarter, up to the maximum authorization of $2,000,000,000.

Sec. 111. The Secretary of Commerce shall notify in a timely and uniform manner areas of their eligibility for assistance under this Act.

Sec. 112. Amendments to the Public Works and Economic Development Act of 1965 made by this Act shall expire on June 30, 1976.

TITLE II—ANTIRECESSION PROVISIONS

FINDINGS OF FACT AND DECLARATION OF POLICY

Sec. 201. (a) Findings.—The Congress finds—

(1) that State and local governments represent a significant segment of the national economy whose economic health is essential to national economic prosperity;

(2) that present national economic problems have imposed considerable hardships on State and local government budgets.

(3) that those governments, because of their own fiscal difficulties, are being forced to take budget-related actions which *tend*

to undermine Federal Government efforts to stimulate the economy;

(4) that efforts to stimulate the economy through reductions in Federal Government tax obligations are weakened when State and local governments are forced to increase taxes;

(5) that the net effect of Federal Government efforts to reduce unemployment through public service jobs is substantially limited if State and local governments use federally financed public service employees to replace regular employees that they have been forced to lay off;

(6) that efforts to stimulate the construction industry and reduce unemployment are substantially undermined when State and local governments are forced to cancel or delay the construction of essential capital projects; and

(7) that efforts by the Federal Government to stimulate the economic recovery will be substantially enhanced by a program of emergency Federal Government assistance to State and local governments to help prevent those governments from taking budget-related actions which undermine that Federal Government efforts to stimulate economic recovery.

(b) Policy.—Therefore, the Congress declares it to be the policy of the United States and the purpose of this title to make State and local government budget-related actions more consistent with Federal Government efforts to stimulate national economic recovery; to enhance the stimulative effect of a Federal Government income tax reduction; and to enhance the job creation impact of Federal Government public service employment programs. It is the intention of Congress that amounts paid to a State or local government under this title shall not be substituted for amounts which the State would have paid or made available to the local government out of revenues from State sources.

FINANCIAL ASSISTANCE AUTHORIZED

Sec. 202. (a) Emergency Support Grants.—The Secretary of the Treasury (hereafter in this title referred to as the "Secretary") shall, in accordance with the provisions of this title, make emergency support grants to States and to local governments to coordinate budget-related actions by such governments with Federal Government efforts to stimulate economic recovery.

"(b) Authorization of Appropriations.—Subject to the provisions of subsection (c), there are authorized to be appropriated for each of the twelve succeeding calendar quarters(beginning with the first calendar quarter beginning after the date of enactment of this title) for the purpose of making emergency support grants under this title—

(1) $125,000,000 plus

(2) $62,500,000, multiplied by the number of one-half percentage points by which the rate of seasonally adjusted national unemployment for the most recent calendar quarter which ended before the beginning of such calendar quarter exceeded 6 percent.

(c) Termination.—No amount is authorized to be appropriated under the provisions of subsection (b) for any calendar quarter if—

(1) the average rate of national unemployment during the most recent calendar quarter which ended 3 months before the beginning of such calendar quarter did not exceed 6 percent, and

(2) the rate of national unemployment for the last month of the most recent calendar quarter which ended 3 months before the beginning of such calendar quarter did not exceed 6 percent.

ALLOCATION

Sec. 203. (a) Reservations.—

(1) All states.—The Secretary shall reserve one-third of the amounts appropriated pursuant to the authorization under section 202 for each calendar quarter for the purpose of making emergency support grants to States under the provisions of subsection (b).

(2) All local governments.—The Secretary shall reserve two-thirds of such amounts for the purposee of making emergency support grants to local governments under the provisions of subsection (c).

(b) State Allocation.—

(1) In general.—The Secretary shall allocate from amounts reserved under subsection (a)(1) an amount for the purpose of making emergency support grants to each State equal to the total amount reserved under subsection (a)(1) for the calendar quarter multiplied by the applicable State percentage.

(2) Applicable state percentage.—For purposes of this subsection, the applicable State percentage is equal to the quotient resulting from the division of the product of—

(A) the State excess unemployment percentage, multiplied by

(B) the State tax amount by the sum of such products for all the States.

(3) Definitions.—For purposes of this section—

(A) the term "State" means each State of the United States;

(B) the State excess unemployment percentage is equal to the difference resulting from the subtraction of the State base period unemployment rate for that State from the State unemployment rate for that State;

(C) the State base period unemployment rate is equal to the average annual rate of unemployment in the State determined over the period which begins on January 1, 1967, and ends on December 31, 1969, as determined by the Secretary of Labor and reported to the Secretary;

(D) the State unemployment rate is equal to the rate of unemployment in the State during the appropriate calendar quarter, as determined by the Secretary of Labor and reported to the Secretary; and

(E) the State tax amount is the amount of compulsory contributions exacted by the State for public purposes (other than employee and employer assessments and contributions to finance retirement and social insurance systems, and other than special assessments for capital outlay), as such contributions are determined for the most recent period for which such data are available from the Social and Economic Statistics Administration for general statistical purposes.

(c) Local Government Allocation.—

(1) In general.—The Secretary shall allocate from amounts reserved under subsection (a)(2) an amount for the purpose of making emergency support grants to each local government, subject to the provisions of paragraph (3), equal to the total amount reserved under such subsection for the calendar quarter multiplied by the local government percentage.

(2) Local government percentage.—For purposes of this subsection, the local government percentage is equal to the quotient resulting from the division of the product of—

(A) the local excess unemployment percentage, multiplied by

(B) the local adjusted tax amount, by the sum of such products for all local governments.

(3) Special rule.—

(A) For purposes of paragraphs (1) and (2), all loval governments within the jurisdiction of a State other than identifiable local governments shall be treated as though they were one government.

(B) The Secretary shall set aside from the amount allocated under paragraph (1) of this subsection for all local governments within the jurisdiction of a State which are treated as though they are one local government under subparagraph (A) an amount determined under subparagraph (C) for the purpose of making emergency support grants to each local government, other than identifiable local governments, within the jurisdiction of such State.

(C) The amount set aside for the purpose of making emergency support grants to each local government, other than an identifiable local government, within the jurisdiction of a State under subparagraph (B) shall be—

(i) determined under an allocation plan submitted by such State to the Secretary which meets the requirements set forth in section 206(b), or

(ii) if a State does not submit an allocation plan under section 206(b) for purposes of this paragraph within 30 days after the date of enactment of this title or if a State's allocation plan is not approved by the Secretary under section 206(c), equal to the total amount allocated under paragraph (1) of this subsection for all local governments within the jurisdiction of such State which are treated as though they are one local government under subparagraph (A) multiplied by the local government percentage, as defined in paragraph (2) (determined without regard to the parenthetical phrases at the end of paragraphs (4)(B) and (C) of this subsection).

(D) If local unemployment rate data (as defined in paragraph (4)(B) of this subsection without regard to the parenthetical phrase at the end of such definition) for a local government jurisdiction is unavailable to the Secretary or the State for purposes of determining the amount to be set aside for such government under subparagraph (C) then the Secretary of State shall determine such amount under subparagraph (C) by using—

(i) the best available unemployment rate data for such government if such data is determined in a manner which is substantially consistent with the manner in which local unemployment rate data is determined, or

(ii) if no consistent unemployment rate data is available, the local unemployment rate data for the smallest unit of identifiable local government in the jurisdiction of which such government is located.

(E) If the amount determined under subparagraph (C) which would be set aside for the purpose of making emergency support grants to a local government under subparagraph (B) is less than $1,000 then no amount shall be set aside for such local government under subparagraph (B).

(4) Definitions.—For purposes of this subsection—

(A) the local excess unemployment percentage is equal to the difference resulting from the subtraction of 4.5 percentage points from the local unemployment rate;

(B) the local unemployment rate is equal to the rate of unemployment in the jurisdiction of the local government during the appropriate calendar quarter, as determined by the Secretary of Labor and reported to the Secretary (in the case of local governments treated as one local government under paragraph (3)(A), the local unemployment rate shall be the unemployment rate of the State adjusted by excluding consideration of unemployment and of the labor force within identifiable local governments, other than county governments, within the jurisdiction of that State);

(C) the local adjusted tax amount means—

(i) the amount of compulsory contributions exacted by the local government for public purposes (other than employee and employer assessments and contributions to finance retirement and social insurance systems, and other than special assessments for capital outlay) as such contributions are determined for the most recent period for which such data are available from the Social and Economic Statistics Administration for general statistical purposes,

(ii) adjusted (under rules prescribed by the Secretary) by excluding an amount equal to that portion of such compulsory contributions which is properly allocable to expenses for education.

(and in the case of local governments treated as one local government under paragraph (3)(A), the local tax amount shall be the sum of the local adjusted tax amounts of all local governments within the State, adjusted by excluding an amount equal to the sum of the local adjusted tax amounts of identifiable local governments within the jurisdiction of that State);

(D) the term "identifiable local government" means a unit of general local government for which the Secretary of Labor has made a determination concerning the rate of unemployment for purposes of title II of the Comprehensive Employment and Training Act of 1973 during the current or preceding fiscal year; and

(E) the term "local government" means the government of a county, municipality, township, or other unit of government below the State which—

(i) is a unit of general government (determined on the basis of the same principles as are used by the Social Economic Statistics Administration for general statistical purposes), and

(ii) performs substantial governmental functions.

Such term includes the District of Columbia and also includes the recognized governing body of an Indian tribe or Alaskan native village which performs substantial governmental functions. Such term does not include the government of a township area unless such government performs substantial governmental functions.

CONTINGENCY FUND

SEC. 204. (a) RESERVATION.—The Secretary shall reserve from the amounts appropriated pursuant to the authorization under section 202 for each calendar quarter an amount equal to the amount, if any, not paid to State or local governments by reason of section 210(c), but not in excess of an amount which is equal to 10 percent multiplied by the total amount appropriated under the authorization in section 202 for such quarter, for the purpose of making additional emergency support grants to State or local governments which are in severe fiscal difficulty, as determined under subsection (e).

(b) ALLOCATIONS.—The Secretary shall allocate from the amounts reserved under subsection (a) such amount as he determines is necessary for an additional emergency support grant to assist each State or local government, upon application by such government, which is in severe fiscal difficulty. The sum of the amounts allocated under this subsection may not be less than 75 percent of the amount reserved under subsection (a) for the calendar quarter. No amount may be allocated for an additional emergency support grant to a State or local government under this section in excess of an amount equal to the lesser of—

(1) 10 percent of the amount allocated to such State or local government under section 203 for the calendar quarter, or

(2) 15 percent of the amount reserved under this subsection for the calendar quarter.

(c) SPECIAL RULE FOR PUERTO RICO, VIRGIN ISLANDS, GUAM, AND THE TRUST TERRITORIES OF THE PACIFIC.—The Secretary may allocate from the amount reserved under subsection (a) amounts for the purpose of making emergency support grants to the governments of the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and the Trust Territories of the Pacific, upon application by such governments, if such governments are in severe fiscal difficulty, as determined under subsection (d). The total amount of payments made under this paragraph during any calendar quarter may not exceed 10 percent of the amount reserved under subsection (a) for that quarter. For purposes of sections 205 through 215, the governments of the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and the Trust Territories of the Pacific shall be considered to be State governments.

(d) CRITERIA FOR SEVERE FISCAL DIFFICULTY.—For purposes of this section, a State or local government shall be considered to be in severe fiscal difficulty if—

(1) the rate of unemployment during the appropriate calendar quarter within its jurisdiction exceeds the national annual average rate of unemployment,

(2) it is currently unable, or will be unable before the end of the current calendar quarter, to pay accrued interest to the holders of its outstanding debt instruments, or

(3) it must increase taxes immediately to maintain its level of basic services or reduce the level of those services before the end of the current calendar quarter.

USES OF EMERGENCY SUPPORT GRANTS

SEC. 205. Each State and local government shall use emergency support grants made under this title for the maintenance of basic services customarily provided to persons in that State or in the area under the jurisdiction of that local government, as the case may be. State and local governments may not use emergency support grants made under this title for the acquisition of supplies and materials and for construction unless such supplies and materials or construction are essential to maintain basic services.

APPLICATIONS

SEC. 206. (a) IN GENERAL.—Each State and local government may receive emergency support grants under this title only upon application to the Secretary, at such time, in such manner, and containing or accompanied by such information as the Secretary prescribes by rule. The Secretary may not require any State or local government to make more than one such application during each fiscal year. Each such application shall—

(1) include a State or local government program for the maintenance, to the extent practical, of levels of public employment and of basic services customarily provided to persons in that State or in the area under the jurisdiction of that local government which is consistent with the provisions of section 205;

(2) provide that fiscal control and fund accounting procedures will be established as may be necessary to assure the proper disbursal of, and accounting for, Federal funds paid to the State or local government under this title;

(3) provide that reasonable reports will be furnished in such form and containing such information as the Secretary may reasonably require to carry out the purposes of this title and provide that the Secretary, on reasonable notice, shall have access to, and the right to examine any books, documents, papers, or records as he may reasonably require to verify such reports;

(4) provide that the requirements of section 207 will be complied with;

(5) provide that the requirements of section 208 will be complied with;

(6) provide that the requirements of section 209 will be complied with; and

(7) provide that any amount received as an emergency support grant under this title shall be expended by the State or local government before the end of the 6-calendar-month-period which begins on the date after the day on which such State or local government receives such grant.

(b) STATE ALLOCATION PLANS FOR PURPOSES OF SECTION 203(c)(3).—A State may file an allocation plan with the Secretary for purposes of section 203(c)(3)(C)(i) at such time, in such manner, and containing such information as the Secretary may require by rule. Such allocation plan shall meet the following requirements:

(1) the criteria for allocation of amounts among the local governments within the State shall be consistent with the allocation formula for local governments under section 203(c)(2);

(2) the allocation criteria must be specified in the plan; and

(3) the plan must be developed after consultation with appropriate officials of local governments within the State other than identifiable local governments. The allocation plan required under the subparagraph shall, to the extent feasible, include consideration of the needs of small local government jurisdictions with severe fiscal problems.

(c) APPROVAL.—The Secretary shall approve any application that meets the requirements of subsection (a) or (b) within 30 days after he receives such application, and shall not finally disapprove, in whole or in part, any application for an emergency support grant under this title without first affording the State or local government reasonable notice and an opportunity for a hearing.

NONDISCRIMINATION

SEC. 207. (a) IN GENERAL.—No person in the United States shall, on the grounds of race, religion, color, national origin, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title.

(b) AUTHORITY OF THE SECRETARY.—Whenever the Secretary determines that a State government or unit of local government has failed to comply with subsection (a) or an applicable regulation, he shall, within 10 days, notify the Governor of the State (or, in the case of a unit of local government, the Governor of the State in which such unit is located, and the chief elected official of the unit) of the noncompliance. If within 30 days of the notification compliance is not achieved, the Secretary shall, within 10 days thereafter—

(1) exercise all the powers and functions provided by title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d);

(2) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted; or

(3) take such other action as may be provided by law.

(c) ENFORCEMENT.—Upon his finding of discrimination under subsection (b), the Secretary shall have the full authority to withhold or temporarily suspend any grant under this title, or otherwise exercise any authority contained in title VI of the Civil Rights Act of 1964, to assure compliance with the requirement of nondiscrimination in federally assisted programs set forth in that title.

(d) APPLICABILITY OF CERTAIN CIVIL RIGHTS ACTS.—

(1) Any party who is injured or deprived within the meaning of section 1979 of the Revised Statutes (42 U.S.C. 1983) or of section 1980 of the Revised Statutes (42 U.S.C. 1985) by any person, or two or more persons in the case of such section 1980, in connection with the administration of an emergency support grant under this title may bring a civil action under such section 1979 or 1980, as applicable, subject to the terms and conditions of those sections.

(2) Any person who is aggrieved by an unlawful employment practice within the meaning of title VII of the Civil Rights Act of 1964 (42 U.S.C. 2000e et seq.) by any employer in connection with the administra-

tion of an emergency support grant under this title may bring a civil action under section 706(f)(1) of such Act (42 U.S.C. 2000e-5(f)(1)) subject to the terms and conditions of such title.

LABOR STANDARDS

SEC. 208. All laborers and mechanics employed by contractors on all construction projects assisted under this title shall be paid wages at rates not less than those prevailing on similar projects in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act (40 U.S.C. 276a to 276a-5). The Secretary of Labor shall have, with respect to the labor standards specified in this section, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 C.F.R. 3176) and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).

SPECIAL REPORTS

SEC. 209. Each State and local government which receives a grant under the provisions of this title shall report to the Secretary any increase or decrease in any tax which it imposes and any substantial reduction in the number of individuals it employs or in services which such State or local government provides. Each State which receives a grant under the provisions of this title shall report to the Secretary any decrease in the amount of financial assistance which the State provides to the local governments within its jurisdiction below the amount which equals the amount of such assistance which such State provided to such local governments during the 12-month period which ends on the last day of the calendar quarter immediately preceding the date of enactment of this title, together with an explanation of the reasons for such decrease. Such reports shall be made as soon as it is practical and, in any case, not less than 6 months after the date on which the decision to impose such tax increase or decrease, such reductions in employment or services, or such decrease in State financial assistance is made public.

PAYMENTS

SEC. 210. (a) In General.—From the amount allocated for State and local governments under sections 203 and 204, the Secretary shall pay to each State and to each local government, which has an application approved under section 206, an amount equal to the amount allocated to such State or local government under section 203 or section 204.

(b) Adjustments.—Payments under this title may be made with necessary adjustments on account of overpayments or underpayments.

(c) Termination.—No amount shall be paid to any State or local government under the provisions of this section for any calendar quarter if—

(1) the average rate of unemployment within the jurisdiction of such State or local government during the most recent calendar quarter which ended three months before the beginning of such calendar quarter was less than 6 percent, and

(2) the rate of unemployment within the jurisdiction of such government for the last month of the most recent calendar quarter which ended three months before the beginning of such calendar quarter did not exceed 6 percent.

STATE AND LOCAL GOVERNMENT ECONOMIZATION

SEC. 211. No State or local government may receive any payment under the provisions of this title unless such government in good faith certifies in writing to the Secretary, at such time and in such manner and form as the Secretary prescribes by rule, that it has made substantial economies in its operations and that without grants under this title it will not be able to maintain essential services without increasing taxes or maintaining recent increases in taxes thereby weakening Federal Government efforts to stimulate the economy through reductions in Federal tax obligations.

WITHHOLDING

SEC. 212. Whenever the Secretary, after affording reasonable notice and an opportunity for a hearing to any State or local government, finds that there has been a failure to comply substantially with any provision set forth in the application of that State or local government approved under section 206, the Secretary shall notify that State or local government that further payments will not be made under this title until he is satisfied that there is no longer any such failure to comply. Until he is so satisfied, no further payments shall be made under this title.

REPORTS

SEC. 213. The Secretary shall report to the Congress as soon as is practical after the end of each calendar quarter during which grants are made under the provisions of this title. Such report shall include information on the amounts paid to each State and local government and a description of any action which the Secretary has taken under the provisions of section 212 during the previous calendar quarter. The Secretary shall report to Congress as soon as is practical after the end of each calendar year during which grants are made under the provisions of this title. Such reports shall include detailed information on the amounts paid to State and local governments under the provisions of this title, any actions with which the Secretary has taken under the provisions of section 212, and an evaluation of the purposes to which amounts paid under this title were put by State and local governments and the economic impact of such expenditures during the previous calendar year.

ADMINISTRATION

SEC. 214. (a) Rules.—The Secretary is authorized to prescribe, after consultation with the Secretary of Labor, such rules as may be necessary for the purpose of carrying out his functions under this title.

(b) Coordination.—In administering the provisions of this title, the Secretary is authorized to use the services and facilities of any agency of the Federal Government and of any other public agency or institution in accordance with appropriate agreements, and to pay for such services either in advance or by way of reimbursement as may be agreed upon.

PROGRAM STUDIES AND RECOMMENDATIONS

SEC. 215. (a) Evaluation.—The Comptroller General of the United States shall conduct an investigation of the impact which emergency support grants have on the operations of State and local governments and on the national economy. Before and during the course of such investigation the Comptroller General shall consult with and coordinate his activities with the Congressional Budget Office and the Advisory Commission on Intergovernmental Relations. The Comptroller General shall report the results of such investigation to the Congress within two years after the date of enactment of this title together with an evaluation of the macroeconomic effect of the program established under this title and any recommendations for improving the effectiveness of similar programs. Such report shall include the opinions of the Congressional Budget Office and the Advisory Commission on Intergovernmental Relations with respect to the program established under this title and any recommendations which they may have for improving the effectiveness of similar programs. All officers and employees of the United States shall make available all information, reports, data, and any other material necessary to carry out the provisions of this subsection to the Comptroller General upon a reasonable request.

(b) Countercyclical Study.—The Director of the Congressional Budget Office and the Advisory Commission on Intergovernmental Relations shall conduct a study to determine the most effective means by which the Federal Government can stabilize the national economy during periods of excess expansion and high inflation through programs directed toward State and local governments. Before and during the course of such study the Director and the Advisory Commission shall consult with and coordinate his activities with the Comptroller General of the United States. The Director and the Advisory Commission shall report the results of such study to Congress within two years after the date of enactment of this title. Such study shall include the opinions of the Comptroller General with respect to such study.

TITLE III—FEDERAL WATER POLLUTION CONTROL ACT AMENDMENTS

SEC. 301. Subsection (a) of section 205 of the Federal Water Pollution Control Act (86 Stat. 816; 33 U.S.C. 1285) is amended—

(1) by inserting following the fourth sentence thereof the following new sentence: "Any sums intended by this Act to be allotted for fiscal years 1973, 1974, and 1975, but which, pursuant to Presidential direction, were withheld from the initial allotment for such fiscal years shall be allotted among the States by the Administrator in accordance with regulations promulgated by him, one-half in the ratio that the population of each State bears to the population of all States, and one-half on the basis of table SP-3 in the final report to Congress dated February 10, 1975, as revised May 6, 1975, entitled 'Cost Estimates for Construction of Publicly Owned Wastewater Treatment Facilities for 1974 "Needs" Survey'."; except that the provisions of this sentence shall not result in reducing any State's allotment below such amount as may have been obligated for such allotment prior to the date of enactment of this sentence, and the requirements of this exception shall be obtained in any case by reducing proportionately all other allotments for such year, which are not otherwise affected by this exception; and

(2) by striking out the last sentence thereof and inserting in lieu thereof the following sentence: "Allotments for fiscal years which begin after the fiscal year ending June 30, 1975, shall be allotted among the States by the Administrator in accordance with regulations promulgated by him, one-half in the ratio that the population of each State bears to the population of all States, and one-half on the basis of table SP-3 in the final report to Congress dated February 19, 1975, entitled 'Cost Estimates for Construction of Publicly Owned Wastewater Treatment Facilities 1974 "Needs" Survey'.".

The title of the bill was amended so as to read: "A bill to amend the Public Works and Economic Development Act of 1965 to increase the antirecessionary effectiveness of the program and for other purposes."

Mr. MONTOYA. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. RANDOLPH. I move to lay that motion on the table. The motion to lay on the table was agreed to.

Mr. MONTOYA. Mr. President, I ask unanimous consent that further consideration of S. 1587 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MONTOYA. Mr. President, I ask unanimous consent that H.R. 5247 as passed by the Senate be printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MONTOYA. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of the Senate amendment to H.R. 5247.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MONTOYA. Mr. President, I have commended my colleagues on the Public Works committee for the nonpartisan spirit that prevailed during consideration of the bill, and for their generosity and assistance. Especially, I wish to thank Senator McClure, ranking minority member of the subcommittee, and our chairman, Senator Randolph.

I wish also to thank the staff—both majority and minority—for their creativeness, diligence, and hard work during the long weeks we have had this bill under consideration.

The PRESIDING OFFICER. Will the Senators take their seats. The Senate will be in order. The Senators will clear the well. Senators will take their seats. All Senators will take their seats. Senators wishing to converse will kindly withdraw to the cloakrooms. All Senators will take their seats.

The Senator from West Virginia.

POSTAL SERVICE COMPLIANCE WITH THE OCCUPATIONAL SAFETY AND HEALTH ACT

Mr. ROBERT C. BYRD. Mr. President, in accordance with the order entered earlier today, I ask that the Chair lay before the Senate H.R. 2559.

The PRESIDING OFFICER. Without objection, the clerk will state the bill by title.

The assistant legislative clerk read as follows:

> A bill (H.R. 2559) to amend title 39, United States Code, to apply to the United States Postal Service certain provisions of law providing for Federal agency safety programs and responsibilities, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alabama.

Mr. ALLEN. Mr. President, I imagine that the manager of the bill would like to make a short statement before my amendment comes up.

The PRESIDING OFFICER. The amendment is the pending question.

Mr. McGEE. If the amendment of the——

Mr. ALLEN. I call for the yeas and nays.

I will not, I do not call for the yeas and nays at this time.

I want to modify the amendment.

Mr. McGEE. Mr. President——

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. McGEE. Mr. President, I would be glad to have the Senator from Alabama proceed, but I have a 3- or 4-minute kind of opening statement to catch up with where we left off last night, if that is agreeable.

Mr. ALLEN. Yes, sir.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. McGEE. Mr. President, what we have presented here to the Senate is a result of, actually, 4 months of negotiations, give or take, with the President himself, with the Chief Justice of the United States, with the leadership in this Chamber on both sides of the aisle, and with our colleagues in the House, and we have arrived at the only common denominator that all of these elements believe is essential at this time, and that is a change, a reform really, in the mechanism for achieving pay comparability—to put an end to the catch-up game in cost of living.

In that measure, to try to accommodate Federal employees in their pay scale in relation to the private sector, a formula was structured through the Congress to provide for an agent reporting to the President to report on their estimate of what had happened to affect the cost of living in a 12-month period and to report to the President that spread, if there was one. At which point, the President was required either to accept his agent's recommendation without any action, in which case it would go into effect October 1 each year, or to suggest an alternative estimate or percentage, and, if the Congress did not like that, the Congress itself could alter it and agree to the agent's recommendation.

Let me illustrate, this year the President's agent has indicated that in their study the increase in the cost of living since last October 1 amounts to approximately 8.6 percent. On the report they will submit to President Ford, the President has announced that he has not decided firmly whether to accept that 8.6, but he indicates that he may end up at around 5 percent as his recommendation for the statutory employees in the Federal Government.

Now, that is the formula as it operates at the present time.

The committee amendment to that formula simply puts into this formula that groups of Federal officers and employees not included.

Those groups are these, all of the judiciary branch of the Government, Federal judges; the legislative branch, the House and the Senate; the Cabinet and sub-Cabinet officials of the Executive Schedule; and in addition, any—for example, the military, as the Senator from Virginia raised the point last night—who were affected by the $36,000 ceiling which had been imposed under the original legislation, and that involves, actually, 600 general officers out of the total.

There are approximately 10,000 involved here in the super-grades, who would no longer have a $36,000 ceiling, and the rest of the individuals involved, in very much smaller numbers, would be the Federal judiciary and the two Houses of the Congress.

I quote from President Ford's letter to us on this in which the President says that this is a necessary step at this time. The President adds that the cost of taking this step is but a fraction of the Federal payroll.

It is his urging that the Congress would move on this.

The Director of the Bureau of the Budget, Jim Lynn, has projected this in his budget projection in order to accommodate the President's wishes. He has worked very closely with us at the same time.

Finally, the letter to the chairman and ranking Member of the Senate Post Office and Civil Service Committee from the joint leadership requested that the committee move in precisely this way.

So that is what is submitted for the consideration of the Senate tonight. That is the background that I would supply.

Mr. President, before going directly to the merits of the proposal before the Senate, I want to take a moment to answer a question posed last night by my distinguished colleague from Virginia (Mr. Harry F. Byrd, Jr.) who wanted to know the ranks of the 600 or so military officers whose rates of pay now are frozen at the $36,000 figure and who would thus benefit from the provisions of H.R. 2559.

Military and naval pay, generally speaking, is not within the jurisdiction of the Committee on Post Office and Civil Service, though the rate of basic pay is limited by section 5308 of title 5. My colleague is advised that this pay limitation now affects major generals with more than 22 years of service, lieutenant generals with more than 20 years of service and generals with more than 12 years of service, if indeed such an officer exists. Of course, rear admirals, vice admirals and admirals are affected as well.

In terms of basic pay, no members of the Armed Services are now paid more than $36,000, though the Senator is correct in his statement that some officers are compensated at a rate in excess of the pay of Members of Congress. This is so because of other forms of compensation afforded, including quarters and subsistence allowances, a Federal tax advantage, and incentive pay for physicians and dentists and personnel on flying status.

Mr. President, to fully answer my colleague's question, I shall ask unanimous consent that a table setting forth illustrative examples of total annual compensation for military officers be printed in the Record.

Now, Mr. President, let me address the amendment offered here last night by the distinguished Senator from Alabama (Mr. Allen), which would remove Members of Congress from this bill.

That, of course, is exactly what the Committee on Post Office and Civil Service proposed to do in 1974 when it reported to the Senate on the President's latest proposal for adjustments in the pay of the Government's top officials in the executive, legislative, and judicial branches. That proposal, Senators will recall, was rejected in whole.

In June, I received, as chairman of the Committee on Post Office and Civil Service, a letter from the distinguished majority and minority leaders of the Senate. That letter, along with other pertinent documents, including a letter from the President of the United States to the Presiding Officer of the Senate, have been made available for every Member.

In their June 11 letter, Senators MANSFIELD and SCOTT referred to the President's 1975 Budget message, which made note of the very serious and adverse effect the lack of salary adjustments had had in the areas of recruiting, retention, and incentive for advancement throughout the Federal service. And they observed, quite correctly, that "The obligations of a Member of Congress are in many respects more demanding than anyone else in Government service."

It was the joint recommendation of the majority and minority leadership, then, that this matter be dealt with in a straightforward fashion and that legislation be presented to the Congress that would extend the same cost of living percentage increase for the positions frozen since 1969 as is provided for employees of the Government generally.

That we have done.

Because of the time constraints, and because it was our hope to conclude congressional action prior to August 1 so that some officers and employees who might otherwise be contemplating retirement as of the end of this month could reconsider their decision, the committee moved as it did to amend a House-approved measure, and our choice was H.R. 2559.

In considering this measure in committee, the committee weighed an amendment offered by the distinguished Senator from West Virginia (Mr. RANDOLPH), which would have delayed any benefit for Members until January of 1977—the 95th Congress. That amendment failed, as did another which would have limited any benefits under this bill to members of the Federal Judiciary only.

Mr. President, the reluctance of Members of the Senate and of the other body, too, to take any action which might result in a pay raise for themselves has for far too long penalized other officers and employees of the Government. It has penalized the Government itself. And, in point of fact, it has penalized the taxpayer because of the impact it has had on persons in key posts who administer the public's business. As the President of the United States has said in a letter addressed to the President of the Senate,

> Several dozen of the Government's top posts are unfilled at this time simply because many of the executives we want to bring into Federal Service cannot, in fairness to their families, accept the huge cut in compensation that would be involved.

Further along, the President wrote:

> As you know, the Senate Civil Service Committee has reported out H.R. 2559 to extend to employees of the Executive, Judicial and Legislative branches whose pay has been frozen so long, increases commensurate with those granted to other employees whose salaries are not frozen.
>
> This statutory change will not result in any "catch-up" for the last six years and will not solve all of the inequities we now have. But I feel we must move at once in this direction. I consider H.R. 2559 as a vital first step. Further action to solve the problem will be addressed by the Panel on Federal Compensation which I established recently and by the next Quadrennial Commission on Executive, Legislative and Judicial salaries.
>
> The added cost of the compensation adjustments of H.R. 2559 will come to a fraction of one percent of the Federal payroll. In my judgment, this action is essential if we are to recruit and retain qualified and competent senior-level people to conduct our Government's business. I, therefore, urge the Congress to enact this bill promptly.

Mr. President, I could not state the case any better than the President has. And if some of my colleagues should arrive at the conclusion that there has been liaison, even close liaison, between the committee and the White House, they would be correct. The Civil Service Commission and the committee's counterpart on the House side, too, have been involved in efforts to arrive at some modest means of relieving the ravages of inflation on these people who have been without any increase in pay since March of 1969 and, more importantly, take what the President of the United States has called this "vital first step" toward the solution of what is becoming an evermore serious management problem for the Government in all of its branches.

Mr. President, further action, the President has said, will be taken by the special panel he has established under the chairmanship of the Vice President of the United States and, of course, by the statutory Commission on executive, legislative and judicial salaries. Those recommendations will come before the Senate in due course.

There is, I dare say, no one individual in this country more concerned about the state of the Federal budget, the level of expenditures, than the President of the United States. Yet, he calls this bill as it stands "essential" and urges its enactment. Further, we have been assured that since the top executives and employees affected by the bill are spread throughout the Government, the increased costs will be absorbed without additional appropriation requests in the current fiscal year.

Mr. President, in dollars and cents this bill does not do a lot. Yet, it is a sign to thousands of key Government people that the Congress recognizes what inflation has done to their paychecks in terms of purchasing power since they were last given a raise. It can do much for morale among these people.

The committee has recognized that the problem of confronting 6 years of inflation on a 1969 salary is not limited to any one group—not to judges, not to doctors, and not to cabinet officers. We have not picked and chosen among the affected officers and employees in this measure. All who have been frozen for so long would get the same benefit—whatever the final decision is on the coming comparability raise for Federal employees generally, whether that be 5 percent, 8.66 percent or some other figure. And that includes Members of Congress themselves, who share the same frozen status. Excluding Senators and Congressmen would mean a saving, on an annual basis, of less than $2 million, even at the top percentage rate so far recommended, 8.66 percent.

Before too long, I trust we can deal more directly with the inequities created by the 6-year void in salary adjustments government-wide. Meanwhile, I join the President in urging Senators to bite this bullet. It is of quite small caliber.

Mr. President, I ask unanimous consent that there be printed in the RECORD a breakdown in response to a question by the Senator from Virginia last night concerning the military general officers that were affected by this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SELECTED EXAMPLES OF ANNUAL COMPENSATION PROVIDED VARIOUS OFFICER PAY GRADES, OCTOBER 1974

Pay grade, Army title	Years of service for pay 1	Number of dependents 2	Basic pay 3	Quarters 4	Subsistence 5	Total pay and allowance Columns 3+4+5 6	Federal tax advantage 7	Compensation[1] 8	Physician[2] 9	Flight[3] 10	Columns 8+9+10 11
O-10 General*	26	1	$36,000	$3,647	$606	$40,253	$3,291	$43,544			$43,544
	26	1	36,000	3,647	606	40,253	3,291	43,544	$4,200		47,744
	26	1	36,000	3,647	606	40,253	3,291	43,544		$1,980	45,524
O-9 Lieutenant general*	26	2	36,000	3,647	606	40,253	3,234	43,487			43,487
	26	2	36,000	3,647	606	40,253	3,234	43,487	10,200		53,687
	26	2	36,000	3,647	606	40,253	3,234	43,487		1,980	45,467
O-8 Major general	26	2	36,000	3,647	606	40,253	3,234	43,487			43,487
	26	2	36,000	3,647	606	40,253	3,234	43,487	10,200		53,687
	26	2	36,000	3,647	606	40,253	3,234	43,487		1,980	45,467
O-7 Brigadier general	26	2	31,565	3,647	606	35,818	2,724	38,542			38,542
	26	2	31,565	3,647	606	35,818	2,724	38,542	12,091		50,633
	26	2	31,565	3,647	606	35,818	2,724	38,542		1,980	40,522

Pay grade, Army title	Years of service for pay 1	Number of dependents 2	Basic pay 3	Quarters 4	Subsistence 5	Total pay and allowance columns 3+4+5 6	Federal tax advantage 7	Compensation [1] 8	Physician [2] 9	Flight [3] 10	Columns 8+9+10 11
O-6 Colonel	26	3	27,727	3,272	606	31,605	2,137	33,742			33,742
	26	3	27,727	3,272	606	31,605	2,137	33,742	15,200		48,942
	26	3	27,727	3,272	606	31,605	2,137	33,742		2,940	36,682
O-5 Lieutenant colonel	20	3	21,856	3,024	606	25,486	1,523	27,009			27,009
	20	3	21,856	3,024	606	25,486	1,523	27,009	16,200		43,209
	20	3	21,856	3,024	606	25,486	1,523	27,009		2,940	29,949
O-4 Major	14	3	17,640	2,729	606	20,975	1,157	22,132			22,132
	14	3	17,640	2,729	606	20,975	1,157	22,132	17,700		39,832
	14	3	17,640	2,729	606	20,975	1,157	22,132		2,640	24,772
O-3 Captain	6	3	13,932	2,477	606	17,015	950	17,920			17,920
	6	3	13,932	2,477	606	17,015	905	17,920	17,700		35,620
	6	3	13,932	2,477	606	17,015	905	17,920		2,160	20,080
O-2 1st lieutenant	2	2	9,580	2,225	606	12,411	573	129,84			12,984
	2	2	9,580	2,225	606	12,411	573	12,984			12,984
	2	2	9,580	2,225	606	12,411	573	12,984		1,500	14,484
O-1 2d lieutenant	0	1	7,610	1,793	606	10,009	498	10,507			10,507
	0	1	7,610	1,793	606	10,009	498	10,507			10,507
	0	1	7,610	1,793	606	10,009	498	10,507		1,200	11,707

[1] Regular military compensation is defined in law as basic pay, quarters and subsistence allowances (either cash or in kind) and the tax advantage of those allowances.

[2] Amount is total of (a) special pay: physicians (U.S.C. 37 sec. 302) and (b) special pay: Continuation pay for physicians and dentists who extend their service on active duty (U.S.C. 37 sec. 311) or (c) special pay: Medical officers who execute active duty agreements (U.S.C. 37 sec. 313). General officers receive (a) and (b). Other officers serving time beyond an initial obligation receive (a) and (c). Officers on an initial obligation receive only (a). All payments under (c) are assumed to be for the maximum allowable payment which accrues as a result of four year agreements (these payments are less when agreements are made for less than 4 years).

[3] Flight pay is based on pay grade and years of service and payment is restricted for O-6's and above to those in operational flying assignments.

* Receive a personal money allowance, reference sec. 414, title 37. Annual rates are: O-10—$2,020; O-9—$500.

Note: Totals may not add due to rounding.

Mr. HARRY F. BYRD, JR. Before putting it into the RECORD, will the Senator yield so I may examine it?

Mr. McGEE. I will withhold it from the RECORD until the Senator from Virginia has a look at it.

I would like to yield, if I may, Mr. President, to my colleague, the ranking minority member of the committee.

Mr. FONG. Mr. President, I thank the distinguished chairman for yielding to me.

The matter before the Senate now is the amendment by the distinguished Senator from Alabama, cosponsored by the distinguished Senator from Mississippi (Mr. HELMS) to delete from the bill the cost-of-living allowance that will be given to Members of Congress. He would leave the cost-of-living allowance for all members of the judiciary branch and all members of the executive branch, but cut the Members of Congress from this cost-of-living allowance.

Mr. President, this is a very biased amendment, and it is a very discriminatory amendment. It is biased and discriminatory because it picks on the Members of Congress. Its aim is to deny Members of Congress what is proposed for employees of the judicial branch and the executive branch.

Mr. President, why should Members of Congress be denied when members of the judiciary and members of the executive employees receive it? There is no good reason why Members of Congress should be discriminated against by this amendment. Therefore, Mr. President, I strongly oppose this amendment to exclude Members of Congress from receiving this cost-of-living allowance. The whole thrust of this measure before us is to include all Federal officials and employees who are now excluded from the Pay Comparability Act, regardless of whether they are in the legislative, executive, or judicial branch of Government. We will not do equity if we start amending this bill to exclude certain classes or groups of Federal personnel not now receiving pay raises. They are all in the same boat, the members of the judiciary, the members of the executive, and the Members of Congress. They have not received a pay adjustment or a pay increase since 1969, which is 6 years ago.

If it is equitable to give cost of living allowances to members of the judiciary and to members of the executive branch, why is it not equitable to give it to Members of Congress, all of them being in the same boat, all of them not having received a cost of living allowance or an adjustment or an increase since 1969?

Surely, Mr. President, there are many Members of Congress who are in no need of any adjustment in their salary. There are those who even do not need a salary to be here. Many citizens of our country would be happy to come here and serve without pay. But there are many Members of Congress, Mr. President, who are financially hard pressed under current inflationary circumstances. We all know that Members of Congress, because of their many expenses, their many commitments, their various contributions to this and that charity, barely get by on a $42,500 salary that they are now receiving.

This Senate, Mr. President, is not a rich man's club. If we do not do anything to help these Members who are barely getting along with their $42,500 salary, we will make this a rich man's club and the only persons who could come to Congress will be those who are affluent.

We do not want the membership of this Senate and the House of Representatives to be based on one's wealth, or lack of it. The Senate should be open to all those who are qualified by talent and experience to serve the American people, and not only on their ability to pay the high cost of holding an important public office.

Serving in the Senate and in the House of Representatives are young Members who do not have the financial means to live within the $42,500 income for any number of reasons: to pay for the college education of their children, some of them with two or three children in college and a college education now costing about $4,000 to $5,000 for a single student; to pay for travel for themselves and their wives. I do not need this cost-of-living increase, but every time my wife comes with me from Hawaii, it costs her $560 to come here and return. I go home once a month and it is $560 every month just to pay her travel expenses on United Airlines.

I am quite sure that there are many others who are in a more or less similiar situation.

I say I do not need this cost-of-living increase. I can come here and serve without pay, but there are many Members of Congress who need this money.

What we are doing here is not to give them a salary increase as they deserve it in comparability with that of private industry, but to give them this cost-of-living allowance.

By way of comparison, Mr. President, we passed a bill just a few days ago to give a Senator's administrative assistant the salary of $38,000, and I have given my administrative assistant a salary of $38,000. If we eliminate the Members of Congress from this bill, my administrative assistant will get the 8 percent or 8.6 percent, whatever it may be, increase in salary in October. That will give her an additional $3,040. Then she will get a salary of $41,040, which is $1,460 less than what I am receiving.

As everyone knows, the financial burdens of a Senator go far beyond those of an administrative assistant. Taking care of constituent requests, living away from his home State, paying for his traveling expenses, often maintaining two residences—all of these expenses are borne by the Senator alone. The administrative assistant does not have these expenses. Yet, in 2 years' time if this bill is passed without the Members of Congress coming in under this bill, the administrative assistant will get about $2,000 more than what the Senator is receiving.

The present $42,500 salary for the Members of Congress was established on May 1, 1969, and not a single cent has been added to it since. In constant 1969 dollars, this $42,500 salary is now only $28,815 as of May 1975. The next quadrennial commission will meet in 1976. It will make a recommendation to the President at the end of 1976, and the President will then make his recommendations to Congress in the first part of 1977. If the Members of Congress do not receive an increase until 1977, the $42,500 salary in constant dollars of 1969 will be worth only $22,500, which is the salary we received prior to January 3, 1965.

The bill seeks only to keep the congressional pay in step with the cost of living. It in no way takes care of the salary adjustments lost during the past 6 years. In the past 6 years salaries of middle and lower income employees under the GS schedule have increased by 50 percent. The cost of living has increased by 47 percent.

Executives in private industry have increased their salaries since 1969 by 44 percent, and attorneys have increased their incomes by 44 percent. Yet the Federal judges have not received a single cent of increase in their pay.

Excluding Members from receiving the cost of living raise, as the Allen-Helms amendment proposes, would save very little in terms of its impact on the total Federal payroll. The congressional payroll now amounts to $23 million. This is minuscule compared to the annual payroll of $49 billion which the Federal Government pays to its civilian and military employees.

An 8-percent, cost-of-living increase for the legislative branch would amount to $1.8 million a year. This bill carries a cost of approximately $58 million; $42 million of that $50 million is to take care of the GS–18, –17, –16, –15, and –14 employees who are held down by the compression to a maximum of $36,000. Of the remainder, $2.4 million goes to the executive branch and $3.5 million goes to the judiciary, whereas the amount that goes to Members of Congress would be only 1.9 million. It is only a tiny fraction of the total package of cost-of-living increases in the bill, a package which would amount to about $50 million.

For these reasons, I strongly oppose the amendment proposed by the distinguished Senator from Alabama, because I think it is biased, it is discriminatory, and it does not meet the present needs of many Members of Congress who are in the same situation as members of the judiciary and members of the executive branch.

Mr. STEVENS. Mr. President, we will soon be voting on H.R. 2559 as amended in the Post Office and Civil Service Committee. Title I of H.R. 2559 resolves a current inequity now faced by our postal employees. Should this legislation pass, the U.S. Postal Service would come under the provisions of the Occupational Safety and Health Act. This law would require the Postmaster General to maintain an effective and comprehensive occupational and health program for the U.S. Postal Service employees. The Postal Service has in many respects, lived up to the spirit of the law, although they are not compelled to do so. Nevertheless, passage of title I of H.R. 2559 is a wise one. Mr. President, I know of no opposition to this first title of the bill.

However, title II is another matter. I know there is opposition and yet the very aspects which make title II so necessary also make it controversial. Title II would provide minimal cost of living adjustments for the top executive, legislative, and judicial officers and employees. Title II allows for these adjustments equal to the percentage set forth in the report transmitted to Congress under section 5305 of title V of the United States Code which pertains to annual adjustments in the rates of pay under the general schedule. The adjustment would take effect at the beginning of the first month in which the adjustment under section 5305 occurs. Unless altered by an alternative plan proposed by the President which is not disapproved by either the Senate or the House of Representatives, that adjustment occurs as of the beginning of the first applicable pay period commencing on or after October 1 of each year.

For 76 months the senior civil service employees of this Nation have experienced a decreasing salary. A decreasing salary when the rest of the Nation has benefited by ever increasing income when all manner of goods and services have increased in price except the services of the men and women who manage this Nation. Title II of this bill will not correct the current inequity. It will simply keep it from getting progressively worse. Title II will not restore the 47.5 percent loss in purchasing power the almost 1,500 Federal employees have suffered since 1969. However it will provide at least a cost-of-living type of relief.

It is a stopgap measure at best, but it is a necessary measure. If this measure is not adopted and nothing is done to at least keep abreast of inflation for these individuals affected by this legislation, the salary recommendations of the Commission on Executive, Legislative, and Judicial Salaries will be so significant that public reaction may well be so negative as to prevent any meaningful adjustment even in 1977. And yet we must do something to insure that the public officials will no longer face constantly decreasing purchasing power. We must do something to insure that our top echelon of Federal employees do not suffer for their dedication to duty. At least title II of H.R. 2559 will allow these Government employees the dignity of a constant, even though inadequate, rather than decreasing salary.

Too often as we debate the question of congressional, executive, and judicial salary increases we think in terms of reaction to an increase for ourselves rather than the effect on the other two branches of Government. And yet we cannot separate ours from the other two without putting into question the constitutional balance of powers. We need to take only a brief look at the incredible morale problems created by the compression of GS–15 individuals receiving the same income as GS–18's. Unless it affects the top echelon of Government the annual pay comparability increase will, because of the compression factor continue to make the situation worse. It is expected that with the October 1 Federal comparability pay increase the compression will reach into the GS–14 level. Without question this compression weakens two statutory pay principles of internal equity: First, equal pay for equal work, and second, the maintenance of pay distinctions in keeping with work and performance distinction. One hundred percent of the employees in GS–17 and GS–18, 89 percent of GS–16, and 19 percent of GS–15 now receive the same income.

The statutory pay principle requires that those paid the same should have equal responsibilities. Quite obviously this is not the case now. This is a poor management situation, which simply would not be tolerated in private industry. A June 1974 study by the Civil Service Commission showed that the intergrade differentials between the private sector equivalents and GS–15 through GS–18 were as follows:

Between grades:	*Percent differential*
GS–15 and GS–16	24.6
GS–16 and GS–17	26.3
GS–17 and GS–18	27.5

To continue the folly of keeping the $36,000 ceiling on executive salaries will not only further distort pay distinction in keeping with work distinction, but will continue to reduce the morale within the work force and have a negative impact upon the career incentives of employees entering the career service.

We need only to contact department heads and talk to them about the decreasing salary situation and what it is doing to the early retirement of valued employees and the inability of these agencies to recruit the necessary people to carry out the legislation of this branch compared to the 1975 purchasing power to understand why this problem exists.

Executive Level	*Salary March 1969*	*Purchasing power May 1975*	*Purchasing power January 1977*
I	$60,000	$40,680	$36,570
II	42,500	28,815	25,904
III	40,000	27,120	24,380
IV	38,000	25,764	23,161
V	36,000	24,408	21,942

The judicial branch faces the same kinds of problems according to a Department of Labor survey. Attorney's fees have risen 44 percent since 1969 while the salaries of U.S. judges have remained the same. The average salary of State chief judges have increased more than 44 percent during this same period of time. In my own State, a distinguished member of the State supreme court resigned to become a member of the Federal district court. To do so required that he take a reduction in salary in excess of $8,000. The Federal Government was lucky to obtain the services of such an honorable and dedicated individual. However, my friends, it is wrong in my opinion to require men of such dedication to take financial losses. It is wrong to require men of talent and dedication to the Federal system to face continuing decreases in purchasing power. It is wrong for us to expect them to continually offer their skills at a salary

$15,000 to $25,000 less than they could obtain in private industry.

I want to call to the attention of my colleagues the Post Office and Civil Service Committee report on this measure, H.R. 2559. It is an excellent report and it contains a great deal of information that I hope the Members of this body will look at closely. Let me close by quoting from the Commissioner of the Social Security Administration, James B. Cardwell. The situation we find ourselves in relating to salaries of the individuals affected by this legislation "is not smart government. It is not smart economics. For that matter, it is not smart anything." I heartily concur.

Mr. ALLEN. Mr. President, I oppose title II of the bill, the portion that was added by the Post Office and Civil Service Committee. It has nothing to do with the original purpose of the bill, and if Senators will turn to their copies of the bill, H.R. 2559, they will see that title I, the Postal Service, extends only for some 11 lines. It places the Postal Service under the Occupational Safety and Health Act. That was the purpose of the bill. But the main purpose of the bill as it now stands is to provide guaranteed annual salary raises for people in the executive department, in the legislative department, and in the judicial department.

Mr. President, I feel that if Congress wanted to raise its salary, it should do so in a direct, head-on approach, and that we should not seek to raise our salary by a method that will be disguised, a backdoor approach to a salary raise.

Considering the history of salary raises here in Congress, I think it is interesting to note—and this table is contained in the retirement contract that Members of Congress, and I assume all Federal employees, have—it gives a history of the compensation of Members of Congress dating back to August 1, 1920. At that time, the compensation was $7,500, and it stayed at that figure until March 2, 1925. I ask unanimous consent that the table from which I am reading be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Period:	*Basic salary rate*
8-1-20 to 3-2-25	$7,500.
3-3-25 to 1-2-47	$10,000.
1-3-47 to 1-2-53	$12,500.
1-3-53 to 3-31-54	$12,500 (if deposit for expense allowance is *not* made). $15,000 (if deposit for expense allowance *is* made).
4-1-54 to 2-28-55	$15,000.
3-1-55 to 1-2-65	$22,500.
1-3-65 to 2-28-69	$30,000.
3-1-69 and after	$42,500.

Mr. ALLEN. Then, Mr. President, on March 3, 1925, the salary was set at $10,000, and that salary remained constant, then, for 22 years. Starting in 1925 we had an inflationary period that extended on through 1929; yet there was no adjustment, and the salary stayed at $10,000. But the purpose of the legislation before us at this time is to guarantee, without further action on the part of Congress, annual salary raises.

One of the worst features of this approach, as I see it, in addition to not meeting the issue head on but coming in the back door with a nongermane amendment added in committee, is the fact that this method will set up a built-in conflict of interest on the part of every Member of the House of Representatives and the Senate.

Why is that so? Members of Congress would be placed on the same basis, as regards salary and salary increases, as other Federal employees; and we know the system is for the cost-of-living increase be computed, and the President can allow that amount, or can seek to set a lesser amount. We hear discussion now that whereas the Members are entitled to an 8.6-percent raise, I believe there is some thought that the President might set it at a lesser figure.

One can imagine that Presidential plan coming before the House of Representatives and the Senate. With the Members of Congress profiting by the higher figure, would it be possible for the Members of Congress to look at the salaries of the other Federal employees in an objective fashion? I suggest that it might be difficult for that to happen.

I do not feel that we should build in a conflict of interest. We always try to avoid conflicts of interest, but here we are setting one up voluntarily.

The point was made yesterday by the distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.) that this would insulate Members of Congress from the effects of inflation. They would never feel the inflation, because their salaries would go up based on the increase in the cost of living.

That is not the right image, it seems to the Senator from Alabama, for Congress to project: to build for itself an escape mechanism whereby Members of Congress will escape the ravages of inflation, but John Q. Citizen has got to fend for himself. That hardly seems right, at this time of inflation and recession, for Members of Congress to look after themselves, look after No. 1, and then have little or no thought about the fate of the citizenry generally.

Mr. President, I do not want to prolong the debate on this issue. I know Members of the Senate have heard the Senator from Alabama discuss at length a number of matters recently: The Voting Rights Act, consumer protection, the post card registration—and I will be meeting the distinguished Senator from Wyoming later on that issue.

We can discuss those matters at length, and Members of the Senate will take that delay in good grace. But I just wonder how Members of the Senate might take extended debate on a matter that directly affects their personal interests. So the Senator from Alabama is going to make an effort, by logic and showing the inconsistencies and the lack of wisdom of this move, to convince enough Members of the Senate to kill this amendment, or, failing in that, to kill the entire bill.

Mr. STEVENS. Mr. President, will the Senator yield at that point?

Mr. ALLEN. Yes, I will be delighted.

Mr. STEVENS. I am sure the Senator, in his fairness, quoting the figures that he did about the past income of Members of Congress, will recall that it is only recently that we have adopted rather stringent rules. For instance, the American Bar Association has adopted very stringent rules about having outside income once lawyers become Members of this body. I can remember the days when I served downtown in the executive branch. Then many of the Members of this body argued cases before the Supreme Court and had thriving law practices.

Having established these new guidelines in order to protect the public interest, does not the Senator from Alabama think that we have a continuing obligation to maintain a comparable income scale so far as the Members of this body are concerned?

Mr. ALLEN. The Senator seems to be talking about the $15,000 limitation on honorariums. I think that is adequate myself.

Mr. STEVENS. I am talking about total compensation of the Members of the Senate.

I spent the better part of my adult life as a practicing lawyer. Yet, I cannot practice law now and receive an income from that.

Mr. ALLEN. Certainly.

Mr. STEVENS. Does not that have some impact upon the view of the Senator from Alabama as far as a cost-of-living adjustment for Members of the Senate who have no outside income and have no personal fortunes to rely upon?

Mr. ALLEN. If the Senate feels that way about it, I think it could well pass direct legislation on this issue and not pass for itself a guaranteed annual increase in salary. That is one of the features to which the Senator from Alabama objects, the back-door approach on this issue.

Mr. STEVENS. Let me ask the Senator one question. He is familiar with State legislatures. I served in the Alaska State legislature. Does the Senator know of any State legislature—incidentally they serve 2, 3, 4 months out of the year—that receives in terms of annual income approximately one-fifth of the salary of the Chief Executive? Is there any reason why we should work full time, and do we work full time at our jobs now as United States Senators, and receive a salary that is one-fifth of that of the Chief Executive, and he has other allowances on top of that?

Mr. ALLEN. I say, to show the view of the Senator from Alabama on that issue, I voted against doubling the President's salary back in 1969.

Mr. STEVENS. Yes, I know the Senator from Alabama is consistent, and I admire him for that consistency. At the same time, this is a mere cost-of-living adjustment which is basically not just for ourselves but for the people in the supergrades and now down to the 14 and 15 grade levels in the executive branch.

I would mention to my friend from Alabama one other thing: A great friend of mine, who happens to be a Democrat, as a matter of fact, left the State supreme court and became a U.S. district judge in my State. He now receives less income as U.S. district judge than he would have if he had stayed on the State supreme court.

Will the Senator from Alabama tell me why we should ignore the needs of our judiciary when the States and the municipalities all over the country are recognizing the great need to increase the salaries of the judiciary, their chief executives, and people in their Government?

Mr. ALLEN. The Senator from Alabama said that, if the Senate feels that way about it, it ought to introduce legislation providing for a salary raise and not to try this backdoor approach.

I am glad the Senator mentioned the judiciary. The Supreme Court Justices receive $60,000 a year, and they get retirement at $60,000 a year, without paying a single penny into any retirement fund. Yet they are included in this. I think that is wrong. I think there is some glaring inconsistencies in this schedule.

I noticed, for instance, the Chairman of the Federal Reserve Board receives $42,500. He is possibly the second most powerful man in the country as regards the economy of the country. Yet he is on the same level as the Deputy Secretary of Defense. He is way below the Supreme Court Justice and just about on a par with the district court judge.

These consistencies are built into this legislation, and they start out from there.

I do not think that the Federal Judiciary, particularly the Supreme Court, deserves any increase at all. To build into them an annual increase in compensation I think is very unwise and certainly is against the public interest, as the Senator from Alabama sees it.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield for a question?

Mr. ALLEN. Yes.

Mr. HARRY F. BYRD, JR. Will the Senator read the figure again for the Federal Reserve Board Chairman?

Mr. ALLEN. $42,500.

Mr. HARRY F. BYRD, JR. The reason I asked that is I am looking at this table of military compensation, and the regular military compensation for major generals is $43,387.

Mr. ALLEN. Yes, that is right.

Mr. HARRY F. BYRD, JR. So, the point that the Senator from Alabama is suggesting is that this legislation compounds a differential in the salaries which the Senator from Alabama thinks is unwise.

Mr. ALLEN. That is correct.

I notice here, for instance, alongside the Chairman of the Board of Governors of the Federal Reserve System is the Deputy Secretary of the Treasury, Deputy Secretary of Transportation, two deputy Secretaries of Defense, and yet he is there at the same compensation. He certainly ought to be up on the level with the Supreme Court Justices.

Mr. SPARKMAN. Mr. President, will my colleague yield to me for questions and a brief comment?

Mr. ALLEN. Yes, I am delighted to yield.

Mr. SPARKMAN. One thing that I have wondered about is the comparison of the pay that a Senator gets with his highest paid office assistant. That is set at $38,000. He gets the cost-of-living increase, as do all of our assistants, as I understand it.

Within a year or a little over the Senator's top assistant, my top assistant, the top assistant in every Senator's office, if he is being paid $38,000—frankly I do not pay that $38,000—but if he receives the benefit of the cost of living, within less than 2 years, he will be receiving more than a Senator receives.

How are we going to straighten that out?

Mr. ALLEN. That would be if they are included in this they would naturally get the cost increase. But if we do not set this up, then they would be governed by the $38,000 limit, and the Members of Congress would be at $42,500. So, if we exclude them, then the Senator would not have them going higher than the $38,000.

This bill lifts the ceiling, and if we continue to have 8 and 10 percent inflation, by compounding that each year, it would not take but about 8 years to double the salaries because there is no ceiling on it at all, so we double these salaries, and have the Supreme Court Justices making $120,000.

Mr. SPARKMAN. Mr. President, if the Senator will yield further, I say this: I have no desire to raise my salary or to have my salary raised. I do not have an easy time of it, because I do not have the outside income that so many people may have, and I certainly do not have any independent resources or assets, but I can live on $42,500. It is not easy. I will say that. But it just seems to me that if the cost of living increase is to be applied to the employees in our offices and across the board in the executive department, in the judiciary, in the other departments and agencies of Government, there ought to be some arrangements whereby they will not be pushed above the pay of Senators and Members of the House of Representatives.

I served here for a long time at $10,000. As a matter of fact, a short time before I came to the House—I believe it was just prior to my coming to the House—the salary was raised from $8,500 to $10,000. I served at $10,000 until that was increased, I believe in 1946.

Mr. ALLEN. I think that is right. 1947.

Mr. SPARKMAN. It was effective in 1947. The law was passed in 1946, as I recall.

By the way, prior to that time, we had no retirement, either. The congressional retirement was set up in the act of 1946. I think that was a great help to all of us. Of course, we pay for that.

As I understand the law, 80 percent is the highest that a Senator or a Representative can receive on retirement. That represents 32 years of service. I have 39 years of service. They just are taking any pension deduction from my salary. So these increases have not always worked to the extent that they would take care of other things that were added.

As a matter of fact, I still am a little surprised each month when the statement comes from my bank or from the disbursing office here, showing me what my gross pay is for that month and showing all the deductions, so that it does not leave a very big pay.

They still take out my retirement deduction, even though I am at the point where 80 percent is available. I say, in all fairness, that it is applied, as I understand, to pay up for the 10 years that I served before the 1946 Act went into effect. But those deductions are pretty serious.

Mr. ALLEN. I know that.

Mr. SPARKMAN. The Senator knows that, because he receives the same kind of slip I do.

I repeat: I am not for raising my salary, but it does seem to me that if the employees in our offices are going to get that, and if it pushes up their salaries——

Mr. ALLEN. The Senator mentioned a moment ago—I believe it was the Senator from Hawaii—that is used to be a $36,000 limit and then it rose to $38,000. By having a limit on what they can go to, it keeps them from going over what a Member of Congress receives.

Mr. SPARKMAN. I believe the $38,000 limit was set just in the last Legislative Reorganization Act.

Mr. ALLEN. That will keep it from going over the senatorial salary.

Mr. SPARKMAN. The ceiling was set at $38,000. The Senator says that the cost of living is not added to that. If that is an absolute limit, I suppose the cost of living is not added. But I think we should give very careful consideration to the cost of living amount that is given generally to employees of all the departments and agencies of Government.

Mr. ALLEN. The junior Senator from Alabama pointed out that when we have to face this issue of whether a 10-percent raise will go into effect, or a lesser figure possibly set by the President of, say, 5 percent, and then Congress is called upon to pass on that, will they not have a special conflicting interest in the action they take with respect to that raise?

Mr. SPARKMAN. I agree that that is a serious question. So far as I am concerned, I would be perfectly willing for the President or the Commission to handle it—I believe that under the setup now, the Commission is supposed to make the recommendation—without our having to do anything about it. But that is just not the way it is at the present time.

Mr. ALLEN. I thank the Senator.

Mr. SPARKMAN. I do not see how we are going to take any action at any time and avoid what might be considered a conflict of interest.

Mr. FANNIN. Mr. President, I am pleased to support the amendment introduced by the distinguished Senator from Alabama (Mr. ALLEN) to exclude Members of Congress and officials of the legislative branch from the automatic pay increases provided in H.R. 2559.

Mr. President, I am certainly in agreement with the Comptroller General when he states that there is a critical need for a better system for adjusting top executive, legislative, and judicial salaries. There is no doubt in my mind that failure to adjust top officials' salaries has created inequities and is having serious adverse effects on recruitment, retention, and incentives for advancement through the Federal service. In addition, the compression problems in other pay systems is becoming more severe. For many qualified top Federal employees, retirement is now more financially attractive than continuing to work. We need to provide increases for these people if we are to retain their services and provide good government. Such arguments are good reasons for providing comparability formula increases for employees in the executive and judicial branches of Government. But, in my opinion, there is no justification for including Members of Congress within these salary adjustment provisions.

This is both the wrong time and the wrong approach to increasing pay for Members of Congress. This would be an extremely poor example for the Congress to set at a time when we are asking the American people to make sacrifices and show restraint so that we can fight inflation, overcome recession, and deal with the energy crisis.

Once we have balanced the Federal budget, returned full employment to our economy, and formed a comprehensive and sound energy policy, then Congress can in good conscience consider increasing its own pay.

Congress already has a negative image with more than 80 percent of the American people. My mail indicates that Arizonans are incensed by the increases in Senate staffing and by the increasing expense allowances in the House of Representatives.

Now we have before us a proposal to increase our own salaries, and the vote comes on the eve of a month-long congressional vacation.

Congress is supposed to help provide leadership for our country. This pay increase, hidden as it is in a postal safety bill, will only serve to further undermine public confidence. It will damage our credibility and thus diminish the possibility that Congress can recover and join the administration in leading our country back to a solid economic footing.

Let me make it clear that I do not oppose salary increases for all Federal employees. I recognize that there are many talented and dedicated officials who have had their pay frozen for the past 6 years. We must provide increases for such persons if we are to retain their services and provide good government. But Congress should not be included in the plan proposed in H.R. 2559.

For these reasons I urge my colleagues to join me in supporting the Allen amendment to delete section 204 of the bill and to vote against automatic pay increases for the Members of Congress.

Mr. THURMOND. Mr. President, I rise in support of the amendment of the distinguished Senator from Alabama (Mr. ALLEN), which deletes from the bill provisions for salary adjustments for Members of Congress and high level Federal officials. I feel that it would be an injustice to the American people for us to vote ourselves and other Federal officials a pay raise during these times of economic uncertainty. It is time we in Congress started showing some fiscal restraint, and I can think of no better place to start than with our own salaries.

Mr. President, it is ridiculous for Congress to even contemplate giving itself a pay raise. We have a high rate of unemployment in America, and many of our fellow citizens are having to make sacrifices every day. The Senate should show its concern for the citizens of our country by passing this amendment and refusing to hike high-level Federal salaries.

During my tenure in public office, I have never voted to increase my own salary, and I do not intend to change that policy now.

Mr. ALLEN. Mr. President, the distinguished Senator from Hawaii made a very valid point a moment ago when he said that if we are adding the Cabinet, the sub-Cabinet, and all the judiciary, it would not be right to exclude Congress from this legislation. While I do not agree entirely with him, in following that suggestion, I have two amendments at the desk. The first one I filed did exclude Members of Congress from this guaranteed annual salary raise.

The second amendment strikes all the bill after title I—in other words, what was added, the nongermane portion. So that would not be acting with bias against the Members of Congress. It was just not to make this available to anybody. In other words, it would leave a bill that has not had a nongermane amendment added to it. So I am going to withdraw my first amendment and offer my second amendment.

Mr. McGEE. Mr. President, will the Senator yield?

Mr. ALLEN. I yield.

Mr. McGEE. The distinguished Senator from Tennessee wishes to make a statement in his own right, for 3 or 4 minutes.

Mr. ALLEN. I will yield the floor as soon as the amendment is stated.

Mr. McGEE. I wanted to make a couple of points with the distinguished Senator from Alabama, and I did not want to delay the Senator from Tennessee any longer, if that is agreeable.

The PRESIDING OFFICER. The Senator from Alabama has the floor.

Mr. McGEE. Will the Senator from Alabama yield, without yielding the floor, so that I might extend the colloquy with him?

Mr. ALLEN. Yes.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Alabama (Mr. ALLEN) proposes an amendment:
>
> On page 2, beginning on line 17, strike all after title I down through line 2 on page 13.

Mr. ALLEN. Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. BROCK. Mr. President, I do not think any of us here do not view this matter with a great deal of mixed emotions.

I am sympathetic to what the Senator from Alabama seeks to do. I am sympathetic to the statement of the Senator from Virginia with regard to the need for continued inflation consciousness, if we can put it that way, on the part of the Senate. Yet, I know the problem of the executive branch in its inability to retain or attract competent people.

I am not so sure that I do not think perhaps the Senator from Ohio has the best approach by placing Congress in a position in which we would be required to face this matter on its own merit. That, to me, makes a great deal of sense. It is an issue we should face up to, individually and personally, and within our own States.

But I do think something has been missing from the debate here, which I would like to raise for myself, anyway. The problem of compaction is an enormous problem. I tnink the Senator said that we have three grade levels running into the same ceiling. We will have two or three more before the end of the year. We just cannot allow that to continue. We have to break that logjam. We have to be able to attract a better quality of people in the top levels of Government.

Frankly, so far as I am concerned, a well-paid executive who earns his pay is worth 20 or 30 times what he is paid. One man at $45,000 or $50,000 a year, making that pay, is worth 100 people at $10,000. He is a good buy; he is a good investment.

The frustration with this particular piece of legislation is that it does deal with the compaction problem. It does not deal with the pressure point—the surge from underneath, the grades 6 or 8 through 13.

If we look at the pay tables and compare mobility scales among local and State governments, the private sector and the Federal Government, we will find that in the last decade or so, governmental salaries, in toto, are going up at a far higher rate than private. We have taken care of our own. Even State payrolls are up 100 or 90 percent more than the comparable wages in private enterprise. If we do not deal with that problem pretty quickly, in some States, like my own, it is getting almost impossible for private enterprise to compete with its own Government that it is financing with its own tax dollar. Doggone it, that is wrong.

I would be delighted to support this bill that is now before us, because I do agree with the merits of paying people what they are worth and getting the right kind of management in the Government. It is desperately needed; nobody can argue that. But I do not see how I can argue that point when we are talking about $50 million being a worthy expenditure and we are not dealing with $5 billion underneath the pressure cooker——

Mr. FONG. Will the Senator yield?

Mr. BROCK (continuing). That is in excess of what we ought to be doing.

I am delighted to yield to the Senator.

Mr. FONG. In 1974, the President, on the recommendation of the Quadrennial Commission, recommended a pay raise which, if we had enacted it, would have eliminated the compression. I am quite sure that the Senator voted against that bill.

Mr. BROCK. Yes, I did. I sure did.

Mr. FONG. That was the bill that would have done the job.

Mr. BROCK. I understand that, I say to the Senator. I felt at that time, and I feel today, that I had an obligation to accept some of the penalty that was being imposed on the American people generally for the excesses of this Government. We create inflation and if we are insulated from it, as the Senator from Virginia said, individually, maybe we do not pay as much attenton to the effect of our own actions as we should.

The Senator, and I agree with him 95 percent of the time, is not a part of the problem. He knows that I have that respect for him. I do not criticize the Senator. I am just saying for myself that at that time, I could not vote for it because I felt we had an obligation to say that we are going to carry our share of the load as we are asking the American people to. Maybe I was right, maybe I was wrong. I do not know.

What I am trying to address today is not the problem of compression of pay or compaction. I am willing to accept the premise that the Senator wants to establish, taking this lid off and attracting the kind of people we have to have to do a decent job for the American people and their government. I accept the Senator's principle and I should like to support it. What I am trying to say is that it is very hard for me to vote for this bill, that deals only with the tip of the iceberg, when I do not see anything to do with the base problem, which is this massive base of the pyramid, forcing the cost of government—and that means taxpayers' dollars—right up through the ceiling. That is where I am concerned.

Mr. McGEE. Will the Senator yield for a comment on that point?

Mr. BROCK. I am delighted to yield.

Mr. McGEE. The committee prepared an assault on the whole compression question this spring. We worked very hard on it. We had our negotiations with the Office of Management and Budget and with the President. The decision was finally made—and this was the compromise that was worked out—and it is fair to report it; it is no guarded secret at all—that now, this year, because of the climate and all that goes with it, the President felt very strongly about moving in the direction of changing the cost of living formula so that it would include these groups as a sheer matter of constructive equity. It had nothing to do with salary restructuring.

Then he committed himself to having the Presidential commission—a quadrennial commission, which means next year, in January—address itself to the overall problem and make recommendations to the President that he would submit to Congress. That is the way that, finally, the whole larger question that the Senator so rightly puts his finger on was resolved for this moment. It was the President's decision that this was the better way to go at it now. He felt that the time was not ready for the other step and he commits himself to the committee, and to Congress in doing so, to make that study and that report to Congress. That will be the result of the Presidential commission study that begins next January.

Mr. BROCK. That I really do appreciate. That is an assurance I value and I am grateful for it.

The Senator understands, I think, my concern. I grant that I am slow to rise to the changing events of today's world. We are moving awfully fast. But it is terribly hard for me to justify telling the people of Tennessee that they are going to have to pay taxes to pay a GS-13 $38,000 a year. There is just nobody down home who makes that kind of money. They do not mind paying somebody—I think my State would pay anybody $100,000 a year if he would cut out some of the things that are going on up here—if he were a good manager and were able to reduce some of the waste. That is why I am sympathetic to what the Senator is trying to do. My frustration is with the $49 billion we are talking about, not the $50 million that the question is raised about.

Mr. FONG. Will the Senator yield?

Mr. BROCK. Yes.

Mr. FONG. The distinguished chairman and I would have gone for the whole loaf if we could have gotten it. But we could not get the whole loaf because we had obstacles. So we are trying for a few slices of bread. If one cannot get the whole loaf, he goes for a few slices.

I have some trouble with the Senator saying that it is difficult for his people in Tennessee to see a man paid $38,000. If this man, who is a GS–18 in the Government, were to go out—

Mr. BROCK. No; let us talk about a 15, a 14, and a 13 getting that, where we will be in about a year and a half.

Mr. FONG. If this man, who is a GS–16, let us say, went out into private industry, instead of getting $36,000, he would be paid, as of a year ago, $45,146. A GS–17, if he were to go out, would have been paid, a year ago, $56,011 in private industry. A GS–18 would have gotten $71,076 in private industry. That was last year. But this year, he would get 8 to 10 percent more.

Mr. BROCK. How many people are we talking about in this bill that are grades 15, 16, and 17?

Mr. FONG. 17,000 people.

Mr. BROCK. 17,000 people who now are butted up at $37,000.

Mr. FONG. $36,000.

Mr. BROCK. All right, $36,000. Seventeen thousand people.

Mr. FONG. The GS–14 now is pushing the GS–18, –17, –16, and –15.

Mr. BROCK. How many more at GS–14?

Mr. FONG. I do not know.

Mr. BROCK. How many more at 13?

Mr. FONG. I do not know.

Mr. BROCK. How many more at 12?

Mr. FONG. I do not know, but if we do not do something, they are soon going to come in and impact on those people at $36,000. Pretty soon, we shall have boss No. 1, boss No. 2, No. 3, No. 4, No. 5, and No. 6, all getting $36,000. This is bad, bad business.

Mr. BROCK. Maybe we ought to look at all these people we have making $36,000 and do without some of these, because the people of this country are bone weary of paying their money to IRS and to inflation. Somehow we have to respond to the needs of people working for a living, I say to the Senator.

Mr. FONG. We have cut the payroll pretty drastically. Take the military bill. We have cut the military payroll by 13,000 people, I understand. The civilian payroll has been cut. If we can get along without some of these people, let us get along without them, but these are the people who really run our Government.

Mr. BROCK. $49 billion a year in Federal payroll. Is that the right figure?

Mr. FONG. $50 billion.

Mr. BROCK. There are 50 million families in this country. That means that we are spending $1,000 a family in the United States just to pay the payroll cost of Government.

Mr. FONG. That is true. That is how big our Government is, 20 million people.

Mr. BROCK. 220 million people are pretty bone tired——

Mr. FONG. We have a GNP of a trillion dollars.

Mr. BROCK. The American people are carrying one of the biggest loads. They have 35 to 40 percent of their total income taken to pay the cost of Government. Where do we start? How do we do anything about it?

Mr. STEVENS. May I get into this?

I ask the Senator from Tennessee, do we correct the situation by taking those people who are just reaching middle management—who have 15 or more years' experience, those who are moving into the area where their experience, their knowhow, the work that they have done over the years, is just at the point of having great value to the people of the country—and say to them, "You cannot look forward to any more increase in pay? In the 15 years of your service, you have reached the point of impaction. Therefore, there is no more financial incentive to your employment?" Do you tell that to those people? I have some statistics here, if the Senator would like to have them, on the people who have left since November of 1973: Eight Federal judges; the Department of Commerce associate general counsel went out to make $50,000. A library of Congress GS–17, a specialist on taxation and fiscal policy, one of the best men in the Government in that area, left.

Mr. BROCK. The Senator does not have to convince me. I have read the figures. I know who is left.

Mr. STEVENS. What do you do? The Senator says he is going to vote against this because somehow or other it is overtaxing the American public.

Mr. BROCK. No.

Mr. STEVENS. The American public is paying more in terms of turnover in this Government than it will possibly pay in terms of this pay increase.

Mr. BROCK. Let me give the Senator my own reasons. I said I was opposed to this bill because I do not think it comes in properly with the excess cost of Government in total. I do not think there is anyone in my State who would object to paying a good salary for an adequate manager, $40,000, $50,000, $60,000, $70,000, if they were getting value received. That is great. But how can the Senator tell me they are getting value received when we are spending in their name, taking from them, $49 billion a year to pay the total payroll. You only have got in this bill GS-15, -16, -17, and -18, 17,000 people that you want to take the lid off. All right. I accept the principle. Pay them what they are worth so they can get good people. There is nothing wrong with that.

But where is there any effort to deal with $49 billion worth of one heck of a headache for the average guy who works for a living?

Mr. STEVENS. We marked up the HEW bill today, and it is my memory that it is $7 billion less than last year spent in that area. We cut $5 billion off of defense. We have a Budget Committee that is trying to get control over expenditures, and most of us are working with the Budget Committee in that area.

But this is not a salary increase. This is a cost-of-living adjustment.

Mr. BROCK. I understand.

Mr. STEVENS. If we were working on my Alaska railroad this would be automatic. Cost-of-living adjustments should happen automatically.

Mr. BROCK. I will tell the Senator what I will do.

Mr. STEVENS. Bureau of Labor Statistics adjustments are made. I think the Senator is missing my point. I know some of these people, I worked with some of them downtown when I was in Government.

Mr. BROCK. So do I.

Mr. STEVENS. There are people who have spent their careers down there and they are now saying, "I have no opportunity to get any greater income."

They get offers from companies, "Work for us. With all that experience we will pay you $50,000, $60,000, $75,000."

I know one of my friends who went out and got $80,000 and left a position paying $36,000. He told me he would rather stay in Government because that is where his career was, that is where his life was, and yet we arbitrarily tell him, "You have no chance of any additional income."

Unless we do this and adopt a concept of a cost-of-living adjustment based upon inflation we will lose more good people. We are trying to get inflation under control. It is not their fault that we have not got it under control, and I agree with the Senator about the massive costs of expenditures of Government. But we are getting those under control.

Mr. BROCK. Good Lord, since when?

Mr. STEVENS. I think this Congress has done more than I have seen so far in terms of getting expenditures under control.

Mr. BROCK. Your deficit is going to be not more than $70 billion, $80 billion, $90 billion.

Mr. STEVENS. That has to do more with expenditures this year——

Mr. BROCK. The expenditures are up $60 billion, $70 billion. It is more than an inflation factor.

If you look at the comparability scales, the governmental employees of this Nation have had a 40 percent higher rate of increase of pay than the average American working man has.

Now, you know, what is the logic? Is it right, is it comparable? Do not tell me it is comparable when you can get 60 percent more salary as a Government secretary than you can as a private secretary in some of the States of this Union.

Mr. STEVENS. You cannot in my State.

Mr. BROCK. Well, Alaska is a high-paying, high-cost State. But we do not think in those terms. We pay it on a national basis regardless, across the board. You are competing directly with private enterprise, with the small businessman, the housewife who has got to pay the tax, to have this kind of competition, and they have pretty much had it with taxes, and you are spending $1,000 a family in this country to pay the payroll costs for services that a whole bunch of folks do not want or need.

Mr. TAFT. Mr. President, will the Senator yield for a moment?

Mr. BROCK. I yield.

Mr. TAFT. I think people are sick and tired of paying the high cost of Government. There are two problems here involved. The Senator is pointing out one of them very vividly, indeed, and there has been a tremendous increase of pay of employees generally. That does not deal with the compaction problem. It is there.

Mr. BROCK. That is right.

Mr. TAFT. What I want to suggest at this point, in support of the amendment of the Senator from Alabama—and I am sorry he withdrew the first one because it was pretty good—and I am not sure of this one because I do not think it does anything about compaction at all—and I am going to attempt to get at that later—but the problem here is that the system we set up in 1969 and 1970 is responsible for what has happened on both of these problems.

Mr. BROCK. That is right.

Mr. TAFT. What have we done? We have gone right on with the system and compounded it, if anything, not taking care of the problems that have arisen under it. The problems are built-in problems. The Senator from Alabama has already indicated that. They are built in in a conflict of interest that the Senators and Congressmen have in voting for a cost of living, and going along with cost-of-living increases.

Somebody said they wished they could turn it all over—the distinguished Senator from Alabama, the senior Senator from Alabama, said he wished we could turn it all over—to the Executive and to the Commission. I do not wish that at all. I think it is our responsibility to set the salaries.

Now, even if we adopt the amendment presently before us, as I understand it, we could next week, if we wanted to, and if we are here next week—which we will not be—but as soon as we get back into session we can enact a bill which would take the Senators and Congressmen out of this process, break the logjam, pass another bill ourselves repealing the present legislation, pass a cost-of-living increase for the employees at levels that we think they ought to be at at the various levels, and do away with the problem of compaction.

We are all hiding. We have gotten into this jam because we are all, from the very beginning, hiding behind the fact that Senators and Congressmen were not willing to get out on the floor and vote up or down on pay increases for themselves. They try to hide behind a commission setup and not face the music they are responsible for, that they are elected to take the ball and run with, and they are just trying to hide behind it. They are refusing to face up to this entire problem.

Mr. BROCK. The Senator and I, I think, were in the House when this first commission setup occurred, and I think what we said then has been proven true. That is exactly the Senator's point, and I agree with him, and I appreciate it very much.

Mr. McGEE and Mr. TAFT addressed the Chair.

Mr. McGEE. Excuse me.

Mr. TAFT. I would just like to ask the Senator from Alabama, before we get a vote on his amendment, am I correct in understanding that the amendment the Senator presently has before the Senate would totally do away with the cost-of-living legislation at the present time?

Mr. ALLEN. The amendment strikes out everything after title I. In other words, it strikes out any reference at all to the salary increases or any putting of the executive, legislative or judiciary under this cost-of-living increase.

Mr. TAFT. The Senator from Alabama would agree with the statement I just made along the lines that if we passed this legislation we could come back along, if we wanted to, in this session and pass other legislation that would provide for a cost-of-living increase for those employees we wished to, not tied to a congressional cost-of-living increase?

Mr. ALLEN. Yes. Obviously, they can do that if they wanted to. But that is the point the Senator from Alabama has been making all along. This effort, as a trend in recent years, has been to accomplish this without a direct confrontation with the issue.

Mr. TAFT. Then if the Senator would also agree, I presume that statements have been made, and the implication has been made, if we do not take this bill there cannot be any other cost-of-living increase or any other salary increase until next year anyway as to the quadrennial increase, 1977?

Mr. ALLEN. No, that is not correct. If they stayed with the commission approach there would be nothing to prevent Congress, if it saw fit, to give a one-time raise, but not a guaranteed annual raise; set any figure it saw fit. They would not have to depend on the salary commission setup, because this is changing the salary commission setup so that Congress, in its wisdom, could choose any other method of changing that setup, and if they have got the leadership behind it, it has been the observation of the Senator from Alabama that helps a bill get through. So if the leadership would support any such effort I would say if Congress wanted to face up to that question it could do so. But I do not feel that this method is facing up to the issue. It builds into ad infinitum the annual salary increase, with no ceiling whatsoever, and I think that is ill-advised legislation.

Mr. TAFT. Well, it has got us in the jam we are in now. I think we better get rid of it as quickly as we can.

Mr. ALLEN. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. McGEE. Mr. President, I think that we are ready to vote on this measure. I just want to spread on the record only one thing. The Senator from Alabama and I have talked together, we discussed it at length last night on the floor, and that is, we have attempted no back door.

We went through the front door of the White House on this, we went through the front desk of the majority leader and the minority leader.

We were prepared to offer a broadside assault on this whole question, but after consultation through the front door with the President, through the front door of the Supreme Court Chamber of the United States with the Chief Justice of the Supreme Court, through the front door of the Bureau of Budget with Jim Lynn, and through the front Chamber door of the House of Representatives, what was agreed upon was this approach as the only approach in which we could get all of the elements of Government involved and merging in the same direction so that it does not languish between the differences that do often arise between various branches of Government.

Believe me, it has not been easy. We have laid it out in front, face up and on the table. We are asking the Senate to make its judgment on this. We are not sneaking past anybody, nor intending to.

For that reason, I would hope that, whatever else, the members of the committee are not held suspect for trying some end run in order to try to lay this thing directly before our colleagues in this body.

We believe it ought to be faced up to directly. We think this is as close as we can come to being direct, given the total negotiations we have had to undertake these last four months in order to arrive at this point.

Mr. ALLEN. I thank the distinguished Senator.

The Senator from Alabama was not implying that the distinguished manager of the bill had acted improperly. Certainly, the contrary is true because the Senator from Wyoming notified the Senator from Alabama when this matter was going to come up. He knew in the past he had been opposed to legislation of this sort.

The front door approach that the Senator from Alabama would feel would be the front door approach, would be to have legislation saying that the salary of certain government officials shall be thus and so that would require congressional action each time a raise was provided. Just as the Senator from Ohio said, that we would have to face up to that issue every time.

But it would seem that this is not exactly a broadside on this issue when resort is had to taking a House bill as a vehicle which did not have this issue before it at all and waylaying that over in the Senate committee and tacking a nongermane amendment on that, will never come back to the House of Representatives in all likelihood except to vote on a conference report.

So it seems to the Senator from Alabama that the front-door approach has not been followed all the way through, else there would be separate, independent legislation putting this into effect, rather than adding it as a nongermane amendment to an innocuous bill—I assume it is innocuous.

Mr. McGEE. Did the Senator ask for the yeas and nays?

Mr. ALLEN. Yes.

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. SPARKMAN. Will the Senator yield?

Mr. ALLEN. I promised to yield to Senator Randolph and then I would be delighted to yield to the Senator.

Mr. SPARKMAN. Very well.

Mr. RANDOLPH. Mr. President, there must be the realization that every Member of the Senate should be accorded the opportunity to participate fully in the decisionmaking process in reference to an important matter such as is now pending before us. I know that the Senators who bring the bill to the floor share this view.

I commend the managers of the bill, the chairman (Mr. McGee), and the ranking minority member (Mr. Fong). They have had an understandable concern about attempting to fashion a measure that could come from our Committee on Post Office and Civil Service that would cope in part with the very complex problem of salaries and wages for Federal employees, regardless of the levels in which they may serve.

The chairman of the committee knows that there were three members of the committee who voted against the reporting of this measure favorably to the Senate. I was one of those members. I have consistently held to the belief that in reference to the salaries of the Members of the Senate, I want the opportunity—I want the responsibility—of voting to continue my salary at its present level, voting to decrease it if I believe such should be the case, or voting to increase it if I had reason to believe that was in the interest not only of myself but of the operation of this body.

Now, I want to be very certain that what we are doing here today gives me the opportunity of doing exactly what I want to do.

I have been one Member of this body who voted to decrease his salary. I did that in 1933 as a Member of the House of Representatives.

We faced up to a responsibility during the Depression of lowering our salaries. This was done not only because it was a decrease in the operation of the cost of government. We felt also that it was a symbol to the people of the country as a whole that we were making this type of contribution to the body politic from the standpoint of the thinking of the American people.

I ask the able Senator from Alabama a question. Will the Senator from West Virginia have the opportunity in connection with the pending amendment to keep the principle—the philosophy which he has held through the years—that the responsibility should be his to vote for an increase in salary, vote to keep a present salary, or vote to decrease his salary?

Mr. ALLEN. I am glad the distinguished Senator has asked that question because that is one of the points that the Senator from Alabama has been making all along.

If this legislation is passed, the distinguished Senator from West Virginia (Mr. Randolph) need never be faced with this issue again because he will be guaranteeing an annual salary increase without taking any further votes one way or the other.

So the Senator need not be disturbed as to his future action because he will not have the problem presented to him again.

Mr. RANDOLPH. Will the Senator yield further?

Mr. ALLEN. Yes.

Mr. RANDOLPH. The Senator from West Virginia wants no recommendation from a commission. He wants no formula set by someone else. He wants no word from the President of the United States as to what his salary should be or should not be. The Senator from West Virginia only wants the opportunity, and he is ready to share the responsibility, of voting. It is known to everyone exactly how he votes on the matter of the salary as it affects him, an individual Senator.

Mr. ALLEN. That question will be decided for the distinguished Senator. The only way he would have a decision in the future would be in the event the President did not recommend the full amount of the cost-of-living increase.

To give an example, if the theoretical or actual increase in the cost of living was 8.6 percent and the President suggested it ought to be just 5 percent, then the distinguished Senator from West Virginia would have to decide whether he is going to take the full increase which he might be entitled under the new law, or whether he was going to reduce it. As I stated, that builds in a conflict of interest that the Senator will be faced with.

Mr. RANDOLPH. Will the Senator yield for one further colloquy and perhaps a question?

Mr. ALLEN. Yes.

Mr. RANDOLPH. I do not discuss the others that are affected in the Federal family. Those are matters concerning persons who have not been elected to public office. They involve a wide range or various types of public service. Therefore, we can move in those instances on formulas and commissions and comparability and cost-of-living increases. But when it comes to the Member of the Senate of the United States, and I speak not in the slightest criticism of any other Member who disagrees with me, I want the responsibility to rest wholly with me as to what I do in reference to the salary that I am paid.

Mr. ALLEN. The Senator had better not vote for this bill. He better vote for the amendment.

Mr. RANDOLPH. I intend to do that.

Mr. HARRY F. BYRD, JR. Will the Senator yield?

Mr. ALLEN. Yes.

Mr. HARRY F. BYRD, JR. Mr. President, I recognize there is merit to the arguments made by the distinguished Senator from Wyoming and the distinguished Senator from Hawaii. It is a very difficult subject, the matter that the Senate is dealing with.

I find it difficult to support the committee's position as to the matter of public policies. If the committee's proposal is adopted, that will mean that every decisionmaker in Government, except the President of the United States, will be insulated from inflation; it will mean that every decisionmaker in Government, except the President of the United States, will be subject to an automatic wage increase every year, depending upon the amount of inflation that the country has.

It will make no difference so far as the individual in Government is concerned how high inflation is because his salary will be adjusted accordingly.

I think that is a bad principle and policy of Government. For that reason I shall support the amendment offered by the distinguished Senator from Alabama.

Mr. ALLEN. I thank the distinguished Senator.

Mr. McGEE. Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. BUMPERS), the Senator from Mississippi (Mr. EASTLAND), the Senator from Ohio (Mr. GLENN), the Senator from South Dakota (Mr. McGOVERN), the Senator from Utah (Mr. MOSS), the Senator from North Carolina (Mr. MORGAN), the Senator from Mississippi (Mr. STENNIS), the Senator from Missouri (Mr. SYMINGTON), and the Senator from Maine (Mr. MUSKIE), are necessarily absent.

I further announce that, if present and voting, the Senator from North Carolina (Mr. MORGAN) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. GOLDWATER) and the Senator from Nebraska (Mr. HRUSKA) are necessarily absent.

I further announce that the Senator from Vermont (Mr. STAFFORD) is absent due to a death in the family.

I further announce that, if present and voting, the Senator from Arizona (Mr. GOLDWATER) would vote "yea."

The result was announced—yeas 30, nays 57, as follows:

[Rollcall Vote No. 349 Leg.]

YEAS—30

Allen
Bartlett
Bellmon
Bentsen
Biden
Brock
Burdick
Byrd,
 Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Curtis
Ford
Garn
Hansen
Hart, Gary W.
Helms
Jackson
McClellan
Montoya
Pastore
Pell
Proxmire
Randolph
Roth
Stone
Taft
Talmadge
Thurmond
Tunney

NAYS—57

Abourezk
Baker
Bayh
Beall
Brooke
Buckley
Case
Church
Clark
Cranston
Culver
Dole
Domenici
Eagleton
Fannin
Fong
Gravel
Griffin
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Javits
Johnston
Kennedy
Laxalt
Leahy
Long
Magnuson
Mansfield
Mathias
McClure
McGee
McIntyre
Metcalf
Mondale
Nelson
Nunn
Packwood
Pearson
Percy
Ribicoff
Schweiker
Scott, Hugh
Scott,
 William L.
Sparkman
Stevens
Stevenson
Tower
Weicker
Williams
Young

NOT VOTING—12

Bumpers
Eastland
Glenn
Goldwater
Hruska
McGovern
Morgan
Moss
Muskie
Stafford
Stennis
Symington

So Mr. ALLEN'S amendment was rejected.

Mr. McGEE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. FONG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McGEE. I yield to the Senator from Ohio.

Mr. MANSFIELD. Mr. President, will the Senator yield to me, please?

Mr. TAFT. Mr. President, first I call up an amendment which I have at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Ohio (Mr. TAFT) proposes an amendment.

Mr. TAFT'S amendment is as follows:

On page 6, beginning with line 17, strike out all through line 18, and insert in lieu thereof the following: "shall be adjusted under paragraph (2) of this subsection.".

On page 6, line 24, immediately after the comma insert "during calendar year 1975,".

On page 12, beginning with line 8, strike out all through line 18, and insert in lieu thereof the following:

SEC. 206. (a) Section 225(f)(A) of the Federal Salary Act of 1967 (2 U.S.C. 356(A)), is amended to read as follows:

"(A) the Vice President of the United States;".

On page 12, line 20, strike out "offices" and insert in lieu thereof "office".

On page 12, line 23, strike out "rates" and insert in lieu thereof "rate".

On page 12, line 24, strike out "rates" and insert in lieu thereof "rate".

On page 13, line 1, strike out "sections 203 and 204" and insert in lieu thereof "section 203".

Mr. TAFT. Mr. President, I am glad to yield to the majority leader.

OFFICIAL PICTURE OF THE SENATE

Mr. MANSFIELD. Mr. President, since we have such a good attendance this evening, I would like to remind the Senate that tomorrow at 12:15 p.m. the official picture by the National Geographic Society will be taken.

I suggest that those Senators, whose wives might be interested—because the pictures will be taken from that end—might like to have them in the gallery on that occasion.

Mr. TAFT. Mr. President, this amendment, of which there is an explanation on the desk of each Senator, would eliminate Members of Congress from any cost-of-living or pay raise of any kind after December 31, 1975, as a result of this legislation. This means they would be eligible for one cost-of-living raise as provided by this bill. It would not be covered by the salary recommendations of the Quadrennial Wage Commission that makes its next report in 1977, nor would they be included in the cost-of-living increase next year.

This bill would also include in its provision, or this amendment would include in its provision the compensation of the Speaker of the House of Representatives, the President pro tempore and the leaders of Congress, as to eliminating from the Commission method of setting cost-of-living increases or salaries in the future.

Congress, therefore, would have about 1½ years before the next report, the quadrennial commission, to quantify the pay raise it may wish to set for the 95th Congress from the date of its inception.

In fact, actually, I believe Congress could set next month when we come back into session in September, just a month hence, could set its own salaries any way it wanted to set them. It could set cost-of-living increases any way it wanted to set them merely by action of law.

Mr. President, the Federal Salary Act of 1962 and the Salary Act of 1967 provide that compensation of Government employees be administered on two different bases:

First, career employees in the Federal service, paid under the General Schedule, generally receive salary adjustments each year. These increases are directly related to private enterprise salary rates for the same level of work on the "comparability principle."

Second, the compensation of top officials in the executive, legislative, and judcial branches of Government is subject to adjustment in March of every fourth year with budget submitted by the President to Congress. These salaries are on the executive schedule.

The Salary Act of 1967 created the Commission on Executive, Legislative, and Judicial Salaries, composed of nine members, to submit recommendations to the President on salary rates for top officials in the three branches of the Government. Among the officials included are the Members of Congress. The President then must examine the Commission's recommendations and submit his own recommendations on that Commission recommendation to the Congress. Either House, as we know, must disapprove the recommendations within 30 days, or they go into effect immediately.

This requirement for negative action was apparently designed to make it easier for the Members of Congress to raise their own salaries by taking no action at all. Similarly, the Congress could disapprove the Presidential recommendation for a pay raise for executive schedule positions, thus avoiding a direct position on raises in an election year. However, in taking this action, the Congress also disapproves raises for over 2,200 other executive schedule employees.

If the congressional salaries were not included in the Wage Commission's jurisdiction, the problem would be eliminated and that is what we are trying to do.

My amendment changes the Federal Salary Act of 1967 to remove the Commission's authority over congressional salaries, which would then be subject to change only by passage of a statute by the House of Representatives and the Senate, submitted to the President.

It has become apparent that the relationship between congressional salaries and those of the top pay grade civil servants jeopardizes the recommendations for all executive schedule positions. This is most unfortunate.

I have long felt that congressional salaries should be debated separately from other salary legislation. If the Members feel they need or deserve a raise, it should be presented openly as any other legislation, not in a closed committee room, followed by a failure of Congress to act negatively.

Therefore, on March 7, 1974, I called up my amendment on the Senate floor as an amendment to the minimum wage bill.

We had acted unfavorably, as the Members will recall, on the Commission's legislation that was before us just a very short time before that time.

I withdrew the amendment on the minimum wage bill at that time, after having assurances from the distinguished chairman of the subcommittee and the ranking member of the subcommittee that hearings would be held on this matter. No hearings, as far as I know, have been set on my bill which is identical to that amendment, to date. I may go into this in a little more detail on that in a few minutes.

While I understand that this matter may have been postponed because of the 1974 election, I felt it was too important for the Senate to delay its action unti a more expedient time.

Affirmative, open action would, I believe, have been far more acceptable to the public, and I think we, and the argument that if we did not, and if we do not support this approach, we can expect no increase before 1980 is obviously, I think, specious. We can pass this amendment, deleting us, and setting our own salaries at any time.

The Nation I believe is looking at Congress with a critical eye on our integrity, fairness, and principles.

To wait until the risk election time has passed to enact this legislation indicates that we are afraid to give ourselves a raise during a time of inflation because of the pubic reaction.

While it may be important that the members and other Government employees be given a living increase to keep some pace with inflation, I do not feel that Congress should be setting its own cost-of-living raises and those of others in the same legislation. It is to me a patent conflict of interest. Nor should congressional salaries be recommended by the quadrennial commission. Moreover, the executive and judicial scheduled employees should not be penalized because their payscales are tied to us.

Congressional salaries and cost-of-living raises have been hidden too long in their legislation. The back door approach we have used in dealing with them is at best unwise when public confidence in Government is at an alltime low.

The Federal Government has a very difficult time, admittedly, attracting, retaining, and motivating top officials in the executive, legislative, and judicial branches, as well as career employees.

The report of the Commission on Executive, Legislative, and Judicial Salaries of June 1973 states that—

> Should the President or the Congress decide to modify or reject the salary rate recommended for Members of Congress, we earnestly urge that our recommendations for the salaries of Federal judges (and of officials of the executive branch as well) be approved.

There seems to me to be a clear conflict of interest here, which we should correct ourselves.

I have from the beginning felt that the wage commission is an inappropriate mechanism for determining pay raises for Members of Congress. That is one reason why I have voted consistently—I voted against that legislation when it came up in the Chamber of the House, and as the Senator from Tennessee (Mr. Brock) mentioned earlier, he did, also—I have voted against all commission recommendations of increases since, even though I thought some of them might well have been justified under the circumstances.

Indeed, I think that the cost-of-living increases that are recommended here are justified to the point of the amount of money involved.

I would like to see Congress examine very carefully, in the immediate future whenever we are back in session, the whole question of their basic salary as well, not waiting for the quadrennial commission recommendation. I do not think that makes any sense at all.

My amendment would preclude the possibility of quiet backdoor raises for Congress in the future.

I do think that those employees who are on the Federal payroll should be paid adequately and we should have the courage to say so. A pay or cost of living raise for other Federal employees is fair and necessary to keep first-class people in Government service.

Passage of my amendment would clear the way for Congress to act on salary raises without having a guilty conscience, and would be the beginning of some above-board discussions of our own salary needs.

The argument that Congress will not act is not persuasive to me, and this was the argument that was given to us when this legislation was first put into effect and got us into all the trouble that we are in. The present system has been just as subject to these pressures as proved by the fact that it simply has not worked. We have not increased our salary at all since 1969. In fact, the increases given others by this approach might help Congress be more willing to face up to the situation, and it would act not for this but for the next Congress, if it desired to do so.

Mr. President, going back historically, I refer to the record of March 7, 1974, and will just read some of the language with regard to it when I brought up this measure before, the equivalent of this measure, and the distinguished chairman of the subcommittee at that time started out and said:

> Mr. President, I shall be delighted to respond to my colleague from Ohio, and in this way: First of all the legislation that is now on the books, the Federal Salary Act of 1967, was not designed to sneak by or exclude Congress, but to leave a congressional option specifically in the law, and.

Then it goes on and says:

> The point is, as a result of yesterday's vote, the Senator was here, I think, when I made the commitment to this body, as chairman of the committee, and seconded by the ranking minority member of the committee. The Senator from Hawaii (Mr. Fong), that as a result of this action, we would lay this matter out in detail before committee hearings, including hearings on the bill that the Senator from Ohio has introduced, as one of those being considered by the committee.

Continuing further:

> My guess is that it would be no later than the middle of April, perhaps by the end of March, if we can get all relevant people to address themselves to the problem.

Later, my comment in regard to that was:

> Mr. President, I thank the distinguished chairman for his comments. I find myself somewhat reassured by the time frame the chairman is discussing. When I first heard it discussed, I thought it was in the time frame of 1 year, but now he is talking about a few months or—
>
> Mr. McGee. A few weeks.
>
> Mr. Taft. Or a few weeks.

This is the history of the legislation.

Mr. President, the story goes on from there. On July 10, 1974, I wrote to the distinguished chairman and pointed out to him that no action had been taken. I pointed out, in part:

> Therefore, on March 7 I called my bill up on the Senate floor as an amendment to the minimum wage bill. I withdrew the amendment, after having assurances from you that hearings would be held on this matter within a few weeks from that date.

Mr. President, I ask unanimous consent to have the letter printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

July 10, 1974.

Hon. Gale W. McGee,
Chairman, Senate Post Office and Civil Service Committee, Washington, D.C.

Dear Mr. Chairman: On February 28, I introduced S. 3080, a bill to amend the Federal Salary Act of 1967. The Federal Salary Act, as you know, provides that a Wage Commission have jurisdiction over all Federal salaries, including those of Members of Congress. My bill amends the Act to remove the Commission's authority over Congressional salaries.

When the President's recommendation for a pay raise for Federal employees in top pay grades was considered in the Senate, it became apparent that the relationship between Congressional salaries and those of career civil servants jeopardized the recommendation for all super-grade pay raises. I have long felt that Congressional salaries should be debated separately from other such legislation. If the Members feel they need or deserve a raise, it should be debated openly, as any other legislation, not in a closed Committee room.

Therefore, on March 7 I called my bill up on the Senate floor as an amendment to the Minimum Wage bill. I withdrew the amendment, after having assurances from you that hearings would be held on this matter within a few weeks from that date.

It is my understanding that the Comptroller General has written to you his report on this legislation. The report suggests that the matter might be explored further. I am aware that hearings have been held recently on several bills which affect rates of pay in the legislative and judicial branches, namely S. 3049, S. 3550, and S. 3551. In addition, I believe extensive hearings were held on similar matters earlier in this Congress. While I know that the requested reports from the Civil Service Commission and OMB have not become available on S. 3080, I do feel now is the time for hearings on my bill, while discussions on related proposals are taking place.

Enclosed is a copy of the Comptroller General's letter on S. 3080, for your easy reference.

I would appreciate your consideration in holding early hearings on this legislation.

Sincerely,

ROBERT TAFT, Jr.

Mr. TAFT. Mr. President, the distinguished chairman of the subcommittee replied to me on July 22 as follows:

Hon. ROBERT TAFT, Jr.,
U.S. Senate, Washington, D.C.

DEAR SENATOR: Thank you for your recent letter regarding S. 3080, the bill you had introduced to amend the Federal Salary Act of 1967.

The Committee has held two days of hearings on pay legislation and plans additional hearings later in the session. My feeling is that the Committee should compile a record of fact which will diminish disputes, and which can serve as background material for our future action.

When I introduced S. 3049, I stated that I was not wedded to it, that I would welcome suggestions for change, but that I believed we needed a vehicle to get us on the way toward the alterations which need to be made in the current pay structure.

We will include S. 3080 in further hearings, and will advise you of the date.

Kindest personal regards.

Sincerely,

GALE MCGEE,
Chairman.

No further hearings were held on that bill during that session of Congress. In the next session of Congress, I again introduced identical legislation, introduced on my behalf by the Senator from Alaska (Mr. STEVENS), which was referred to the Committee on Post Office and Civil Service. I have never received any indication that a hearing had been set on that bill, and I think these are matters that should come before Congress.

I bring this up not in any sense of criticism of the chairman. We all know that these matters can drag on and that we cannot always make good—legislatively, practically and politically—on the commitments that we make and the expectations that we set.

I bring it up because I feel now again—and I want to assure the distinguished chairman of the committee and other Members of the Senate that I feel now again—that this whole matter of taking us out from under the commission, both for the cost-of-living increases and for the quadrennial increases in our basic salary, should be faced up to by the committee. We should have public hearings, with independent witnesses from the outside, to discuss this matter and to consider it very thoroughly. I hope this can be done in the future. I hope we will get some further assurance. Obviously, we are not going to adopt my amendment tonight, but I see no reason why it cannot be done.

I say, further—not by way of any threat—that we have quite a few months left in this session, and many bills are going to come along to which this amendment will be germane, or other bills on which germaneness will not be a requirement. It is my position that if hearings are not held, I intend to continue to pursue the line I have taken and to see that this legislation comes before the Senate for full hearings and full consideration.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a 10-minute limitation on any rollcall votes during the remainder of the evening.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. McGEE. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. McGEE. The Senator and I have discussed this at some length. I assure him that our first item of business in the committee is our renewed—from a year ago—examination of the whole structure, meaning the basic salary structure, with all the criteria that he described—outside witnesses, the various vehicles that need to be examined and assessed. We can guarantee him—in collaboration or parallel to the in-depth study that I am sure the President's Commission will be taking, anyway—that this will be undertaken seriously in the forthcoming months after we get back from the August departure.

Mr. TAFT. I appreciate the assurances of the distinguished chairman.

In that connection, with regard to the Commission, to me the issue is so simple that I think we do not need a commission to make a decision of this kind.

Insofar as this basic decision is concerned, I agree with the chairman and with other Senators here today who said that we do need to take a very hard look at the whole salary structure in the entire executive branch of Government. But this is a different issue. That is not the issue I am talking about tonight.

The issue I am talking about is whether or not we are going to try to continue to hide our own responsibility behind some kind of commission determination or recommendation as to our own salaries and cost-of-living, if they come along. I am not willing to see that done. I do not think it takes a commission. It takes public hearings in committee, in which we can have expert witnesses. I would like to have the American Bar Association come in and talk about the conflict of interest questions involved in the legislation we have on the books today, and other witnesses of that kind.

This is a basic philosophical decision It is not a technical decision in the slightest.

Mr. McGEE. Exactly.

I was not hiding behind the commission, I say to my friend from Ohio. My point is that I know that the commission also is thinking in terms of airing that question, to examine the dimensions that it should assume, or the alternatives to it, or the embellishments to it—all those factors.

All I was attempting to suggest was that our committee would look at it specifically and in the larger sense, too. We have a much larger responsibility than just that one, but that one will be one of those basic issues reexamined, with plenty of opportunity for all witnesses—congressional witnesses, outside witnesses, private witnesses, constituent witnesses, anyone who could have an input. That was the point of my original response to the Senator.

Mr. TAFT. Can the Senator from Ohio have assurance that the distinguished chairman will include in those hearings the legislation which has been introduced by the Senator from Ohio, dealing with the question before the Senate tonight?

Mr. McGEE. Precisely. We would guarantee that that would be one of the pieces of legislation examined, open to all witnesses who sought to address themselves to that issue.

Mr. TAFT. If the amendment is rejected, I hope that will be true. I think the issue is so important that Senators should be called upon to vote on it tonight, because I do not think any further commission study is necessary. We all know what the basic issue is here. We knew what the issue was when we passed the original legislation.

Mr. McGEE. Does the Senator want to ask for the yeas and nays?

Mr. TAFT. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. FONG. Mr. President, if I correctly understand the Senator's amendment, it would do two things: One, it would limit the cost-of-living allowance for 1 year. Is that correct?

Mr. TAFT. That is correct.

Mr. FONG. Second, it would do away with the Quadrennial Commission.

Mr. TAFT. It would do away with the Quadrennial Commission insofar as legislator's salaries are concerned.

Mr. FONG. It does away with the Quadrennial Commission insofar as legislative salaries are concerned.

Mr. TAFT. From the determination by the Quadrennial Commission.

Mr. FONG. And the cost of living for 1 year applies only to the Members of Congress?

Mr. TAFT. That is correct.

Mr. FONG. If that is so, Mr. President, this is a very discriminatory and very biased amendment. People in the executive branch and in the *judiciary* branch will be given the cost-of-living allowance that will go on, but Members of Congress will be given only one cost-of-living allowance. We are all in the same boat. In the past 6 years, since 1969, not one Member of Congress and not one member of the judiciary nor of the executive branch has received an increase or an adjustment in salary.

This amendment proposes to limit the cost-of-living allowance to the Members of Congress but not to the others. So this is a very biased and a very discriminatory amendment. If something is equitable for one, should it not be equitable for the other? If it is equitable for members of the judiciary and members of the executive branch, why should it not be equitable for Members of Congress?

Mr. TAFT. Mr. President, the answer to that is simple. In the first year, I think it is important that we give the cost-of-living increase to the others and to Congress. As a matter of fact, I have gone along with giving a cost-of-living increase to all who are covered by the legislation.

In the second year, the others, other than Congressmen, would go ahead and get their cost-of-living increase. Meanwhile, we have ample time in which we can enact any kind of legislation that we want to enact—separate out the determination of our cost of living if we are going to give ourselves a cost-of-living increase, or our salary increase if we want to give ourselves a salary increase. We can do it by law any time we want to do it. We can separate that out, break the logjam so we can go ahead with the cost-of-living increases for everybody else. We can give ourselves more next year if Congress is willing to stand up and vote for the cost-of-living increase. The Senator feels—everybody in Congress, I think, feels they have been held back more than the other employees of Government. That has been pointed out very clearly.

The Senator is talking about Congressmen and Senators being discriminated against. I think he is missing the point entirely.

SEVERAL SENATORS. Vote! Vote!

Mr. FONG. I wish to say, Mr. President, that if we eliminate the Members of Congress from getting the same cost-of-living allowance as the others, we are committing a biased act. We are committing a discriminatory act. Nothing prevents the Senator from Ohio from introducing a bill in the Senate to do what he wants to do. In the meantime, while we are enacting this legislation, let us be fair and treat everybody alike. If he wants to change it, let him introduce a bill subsequently and let us move on it.

Mr. TAFT. That is the bill I have been trying to get hearings on for the last 2 years.

Mr. FONG. The chairman has assured the Senator that he will get hearings on it.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment. The yeas and nays have been ordered The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. BUMPERS), the Senator from Mississippi (Mr. EASTLAND), the Senator from Ohio (Mr. GLENN), the Senator from South Dakota (Mr. MCGOVERN), the Senator from North Carolina (Mr. MORGAN), the Senator from Utah (Mr. MOSS), the Senator from Maine (Mr. MUSKIE), the Senator from Mississippi (Mr. STENNIS), the Senator from Illinois (Mr. STEVENSON), and the Senator from Missouri (Mr. SYMINGTON) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. GOLDWATER) and the Senator from Nebraska (Mr. HRUSKA) are necessarily absent.

I further announce that the Senator from Vermont (Mr. STAFFORD) is absent due to a death in the family.

The result was announced—yeas 12, nays 74, as follows:

[Rollcall Vote No. 350 Leg.]

YEAS—12

Allen
Brock
Curtis
Fannin
Hansen
Helms
Nelson
Nunn
Proxmire
Roth
Taft
Thurmond

NAYS—74

Abourezk
Baker
Bartlett
Bayh
Beall
Bellmon
Bentsen
Biden
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Dole
Domenici
Eagleton
Fong
Ford
Garn
Gravel
Griffin
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Laxalt
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McGee
McIntyre
Metcalf
Mondale
Montoya
Packwood
Pastore
Pearson
Pell
Percy
Randolph
Ribicoff
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stevens
Stone
Talmadge
Tower
Tunney
Weicker
Williams
Young

NOT VOTING—13

Bumpers
Eastland
Glenn
Goldwater
Hruska
McGovern
Morgan
Moss
Muskie
Stafford
Stennis
Stevenson
Symington

So Mr. TAFT's amendment was rejected.

Mr. MCGEE. Mr. President, I move to reconsider the vote by which Mr. TAFT's amendment was rejected.

Mr. FONG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, the leadership had thought we would come in at 9 o'clock tomorrow. But as the hour is getting late, I ask unanimous consent that when the Senate completes its business tonight it stand in recess until the hour of 10 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE RECOGNITION OF SENATOR NELSON TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that after the leaders or their designees have been recognized the distinguished Senator from Wisconsin (Mr. NELSON) be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MCGEE. Was that tomorrow morning or tonight? [Laughter.]

Mr. MANSFIELD. Tomorrow morning.

POSTAL SERVICE COMPLIANCE WITH THE OCCUPATIONAL SAFETY AND HEALTH ACT

The Senate continued with the consideration of the bill (H.R. 2559) to amend title 39, United States Code, to apply to the U.S. Postal Service certain provisions of law providing for Federal agency safety programs and responsibilities, and for other purposes.

AMENDMENT NO. 832

Mr. ALLEN. Mr. President, I call up my amendment at the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

Is that the amendment previously withdrawn?

Mr. ALLEN. I withdrew it earlier.

The PRESIDING OFFICER. That is the amendment. The clerk will state the amendment.

The assistant legislative clerk read as follows:

> Mr. ALLEN, for himself and Mr. HELMS, proposes amendment numbered 32, on page 6, beginning with line 6, strike all over to and including line 6 on page 7.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. ALLEN. Mr. President, after this small amendment, if adopted, I will have no further amendment tonight. All it does is to eliminate the Members of Congress, House and Senate, from this procedure guaranteeing the annual salary increase. If this amendment should be adopted I will have no further amendments.

Mr. MCGEE. Mr. President, does the Senator request the yeas and nays?

Mr. ALLEN. Yes, I do ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ALLEN. The original amendment that the Senate voted on eliminated the entire nongermane amendment setting up this method whereby the executive department, the judiciary and Congress would receive the guaranteed annual wage increases.

It occurred to me that, inasmuch as the amendment was rejected, possibly the Members of the Senate, while they did not want this guarantee raised for themselves, were so anxious to get it for the other departments that they voted against this amendment to assure that the other departments would get the raise.

Now, confronted simply with the issue of whether or not Congress would get the guaranteed annual wage increases, I feel that there might be some Senators who would vote against their getting the raise. So, Mr. President, this amendment will accomplish that purpose of eliminating Congress from this annual wage increase procedure which has been inserted in this bill as a nongermane amendment. I hope the Senate will agree to this amendment.

Mr. McGEE. Mr. President, we have no further comments on the Senator's amendment. It was discussed fully last night here on the floor, and it was discussed as an issue here earlier this evening. We have no more comment.

Mr. FONG. I have no further comment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of Mr. Allen. The yeas and nays have been ordered, and the clerk will call the roll.

Mr. ABOUREZK. Mr. President, I ask unanimous consent that this be a 10-minute rollcall.

The PRESIDING OFFICER. It has already been ordered that all rollcalls will be 10-minute rollcalls.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. Bumpers), the Senator from Mississippi (Mr. Eastland), the Senator from Ohio (Mr. Glenn), the Senator from South Dakota (Mr. McGovern), the Senator from North Carolina (Mr. Morgan), the Senator from Utah (Mr. Moss), the Senator from Maine (Mr. Muskie), the Senator from Mississippi (Mr. Stennis), the Senator from Illinois (Mr. Stevenson), and the Senator from Missouri (Mr. Symington) are necessarily absent.

I further announce that if present and voting, the Senator from North Carolina (Mr. Morgan), and the Senator from Missouri (Mr. Symington would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. Goldwater), and the Senator from Nebraska (Mr. Hruska) are necessarily absent.

I further announce that the Senator from Vermont (Mr. Stafford) is absent due to a death in the family.

I further announce that, if present and voting, the Senator from Arizona (Mr. Goldwater), and the Senator from Nebraska (Mr. Hruska) would each vote "yea."

The result was announced—yeas 25, nays 61, as follows:

[Rollcall Vote No. 351 Leg.]

YEAS—25

Allen
Bentsen
Biden
Brock
Burdick
Byrd, Harry F., Jr.
Cannon
Chiles
Curtis
Domenici
Eagleton
Fannin
Garn
Hansen
Hart, Gary W.
Helms
Montoya
Nunn
Proxmire
Randolph
Roth
Stone
Taft
Talmadge
Thurmond

NAYS—61

Abourezk
Baker
Bartlett
Bayh
Beall
Bellmon
Brooke
Buckley
Byrd, Robert C.
Case
Church
Clark
Cranston
Culver
Dole
Fong
Ford
Gravel
Griffin
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Laxalt
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McGee
McIntyre
Metcalf
Mondale
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Ribicoff
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stevens
Tower
Tunney
Weicker
Williams
Young

NOT VOTING—13

Bumpers
Eastland
Glenn
Goldwater
Hruska
McGovern
Morgan
Moss
Muskie
Stafford
Stennis
Stevenson
Symington

So Mr. Allen's amendment (No. 832) was rejected.

Mr. McGEE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. FONG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McGEE. Mr. President, I overlooked the technical amendments on the errors that were made in the printing of the bill. I ask unanimous consent that they be added. There is nothing more than just technical changes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will state the amendments.

The legislative clerk read as follows:

The Senator from Wyoming (Mr. McGee) proposes technical amendments.

The amendments are as follows:

On page 5, beginning on line 3, strike out all through line 10, and insert in lieu thereof the following:

(c)(1) Subsection (a) of section 5305 of title 5, United States Code, relating to annual pay reports, is amended by adding at the end thereof the following new sentence: "The report transmitted to the Congress under this subsection shall specify the overall percentage of the adjustment in the rates of pay under the General Schedule and of the adjustment in the rates of pay under the other statutory pay systems.".

(2) Subsection (c)(1) of section 5305 of title 5, United States Code, relating to annual pay reports, is amended by adding at the end thereof the following new sentence: "The report transmitted to the Congress under this subsection shall specify the overall percentage of the adjustment in the rates of pay under the General Schedule and of the adjustment in the rates of pay under the other statutory pay systems.".

On page 5, line 18, immediately after "Schedule" insert a comma.

On page 6, beginning on line 10, strike out all before the comma on line 11.

On page 7, line 10, strike out "is" and insert in lieu thereof "are".

On page 9, line 13, insert immediately after "5305" a parenthesis.

On page 9, line 14, strike out "Schedule)." and insert in lieu thereof "Schedule.".

On page 10, line 15, strike out the bracket and insert in lieu thereof "§".

On page 12, line 3, strike out "referee" and insert in lieu thereof "referees".

On page 12, line 9, strike out "365" and insert in lieu thereof "356".

The PRESIDING OFFICER. The question is on agreeing to the amendments.

The amendments were agreed to.

Mr. FONG. Mr. President, I ask for the yeas and nays on passage.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill is open to further amendment. If there is no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 2559) was read the third time.

Several Senators addressed the Chair. Regular order.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass? The yeas and nays have been ordered and the clerk will call the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. Bumpers), the Senator from Mississippi (Mr. Eastland), the Senator from Ohio (Mr. Glenn), the Senator from South Dakota (Mr. McGovern), the Senator from North Carolina (Mr. Morgan), the Senator from Maine (Mr. Muskie), the Senator from Mississippi (Mr. Stennis), the Senator from Illinois (Mr. Stevenson), and the Senator from Missouri (Mr. Symington) are necessarily absent.

I further announce that, if present and voting, the Senator from North Carolina (Mr. Morgan), would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. Goldwater) and the Senator from Nebraska (Mr. Hruska) are necessarily absent.

I further announce that the Senator from Vermont (Mr. Stafford) is absent due to a death in the family.

On this vote, the Senator from Arizona (Mr. Goldwater) is paired with the Senator from Nebraska (Mr. Hruska). If present and voting, the Senator from Nebraska would vote "yea" and the Senator from Arizona would vote "nay."

The result was announced—yeas 58, nays 29, as follows:

[Rollcall Vote No. 352 Leg.]

YEAS—58

Abourezk
Baker
Bayh
Beall
Brooke
Buckley
Case
Church
Clark
Cranston
Culver
Dole
Domenici
Eagleton
Fannin
Fong
Gravel
Griffin
Hart, Philip A.
Hartke
Haskell
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Laxalt
Leahy
Long
Magnuson
Mansfield
Mathias
McClure
McGee
McIntyre
Metcalf
Mondale
Moss
Nelson
Nunn
Packwood
Pearson
Pell
Percy
Ribicoff
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stevens
Tower
Weicker
Williams
Young

NAYS—29

Allen
Bartlett
Bellmon
Bentsen
Biden
Brock
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Curtis
Ford
Garn
Hansen
Hart, Gary W.
Hatfield
Helms
McClellan
Montoya
Pastore
Proxmire
Randolph
Roth
Stone
Taft
Talmadge
Thurmond
Tunney

NOT VOTING—12

Bumpers
Eastland
Glenn
Goldwater
Hruska
McGovern
Morgan
Muskie
Stafford
Stennis
Stevenson
Symington

So the bill (H.R. 2559) was passed.

Mr. McGEE. Mr. President, I move to

reconsider the vote by which the bill was passed.

Mr. FONG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The title was amended so as to read:

An Act to amend title 39, United States Code, to apply to the United States Postal Service certain provisions of law providing for Federal agency safety programs and responsibilities, to provide for cost-of-living adjustments of Federal executive salaries, and for other purposes.

Mr. McGEE. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of the Senate amendments to H.R. 2559.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL EXPENDITURES BY THE SELECT COMMITTEE ON NUTRITION AND HUMAN NEEDS

The PRESIDING OFFICER (Mr. Stone). Pursuant to the previous order, the Chair lays before the Senate Senate Resolution 54, which the clerk will state.

The legislative clerk read as follows:

A resolution (S. Res. 54) continuing and authorizing additional expenditures by the Select Committee on Nutrition and Human Needs.

The Senate proceeded to consider the resolution, which had been reported from the Committee on Rules and Administration with amendments, as follows:

On page 2, in line 24, strike out "$485,000" and insert "399,500".

On page 3, line 5, strike out "committee" and insert "committee, except that vouchers will not be required for the disbursement of salaries of employees paid at an annual rate".

TEMPORARY COMMISSION ON THE OPERATION OF THE SENATE

Mr. MANSFIELD. Mr. President, this morning the Senate agreed to Senate Resolution 227, with a goodly number of cosponsors. I ask unanimous consent that it be in order at this time to reconsider the vote by which the resolution was agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. I move that the vote be reconsidered.

Mr. GRIFFIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the 1 hour on the motion to invoke cloture tomorrow begin running at 4 p.m., in view of the fact that the other body will vote sometime tomorrow on the resolution of disapproval of the President's proposal governing deregulation, and depending on the outcome of that vote, it may not be necessary to proceed with the cloture vote in the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as the ERDA bill, S. 598, is called up and made the pending business before hours; that there be a time limitation thereon of 2 hours, to be equally divided by the Senator from Washington (Mr. Jackson) and the Senator from Arizona (Mr. Fannin); that there be a time limitation on any amendment to the national security section of the bill of 2 hours; that there be a time limitation on an amendment by Mr. Tunney of 2 hours; that there be a time limitation of 1 hour on any other amendment, a time limitation on any amendment to an amendment, debatable motion, or appeal, of one-half hour, and a time limitation on any point of order—if submitted to the Senate—of 20 minutes; and that the agreement otherwise be in the usual form.

The PRESIDING OFFICER. Is there objection?

Mr. GRIFFIN. Mr. President, reserving the right to object, and I do not know that I shall object, there is no objection, I think, to time limitation agreement as such, but there is concern about when the bill would be scheduled to be taken up by the Senate.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of Senate Resolution 54—which is the matter now before the Senate and which will be the first measure up tomorrow following the order for the recognition of the Senator from Wisconsin (Mr. Nelson)—the Senate proceed to the consideration of the ERDA bill.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. If the agreement on time is entered into.

The PRESIDING OFFICER. Is there objection?

Mr. BAKER. Mr. President, reserving the right to object, I do not plan to object, but I would ask the distinguished majority if I might inquire if there is a possibility that we could arrange a time for the Tunney amendment to be before the Senate. I am very much interested in being here when that occurs, and I would prefer not to——

Mr. ROBERT C. BYRD. Mr. President, I would hesitate at this moment to commit the Senator from California to calling up his amendment the very first thing. I would assume that he would be willing to do that, but I simply cannot say whether or not that would be agreeable.

The PRESIDING OFFICER. Is there objection?

Mr. BAKER. Mr. President, further reserving the right to object, I really do not wish to impede the progress of the Senate, but it is now 9:55 p.m., and I wonder if it would be possible at all for me or the leadership to contact Senator Tunney after our recess or now, to see if he could arrange that, or otherwise, probably, to renew the unanimous-consent request as to the first order of business in the morning.

Mr. ROBERT C. BYRD. An effort will be made to do that immediately.

In the meantime, Mr. President, I ask unanimous consent—I have not asked the distinguished Republican whip about this request; I just had not thought of it, but I understand that this request has been cleared on his side of the aisle—that at such time as S. 1771, a bill to amend title 38, United States Code, to provide special pay and other improvements designed to enhance the recruitment and retention of physicians, dentists, nursing personnel, and other health care personnel in the Department of Medicine and Surgery of the Veterans' Administration is called up and made the pending business before the Senate, the Senator from Virginia (Mr. William L. Scott) have 30 minutes thereon and the Senator from California (Mr. Cranston) have 5 minutes, and that the agreement be in the usual form, with a time limitation on any amendment of 30 minutes, and a time limitation on any debatable motion, appeal, or point of order of the same length.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, may I ask when that bill will come up?

Mr. ROBERT C. BYRD. It has not been scheduled, but if there are any gaps we will try to fill in with that bill.

Mr. CRANSTON. I thank the Senator.

PARLIAMENTARY INQUIRY—SENATE RESOLUTION 145

Mr. ALLEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ALLEN. Mr. President, I am wondering about the cloture motion that the distinguished assistant majority leader referred to a moment ago, with respect to the motion to take up S. 145. The Chair will recall that last evening the Senate——

The PRESIDING OFFICER. Senate Resolution 145?

Mr. ALLEN. Yes, the Senate adjourned until today, and Senate procedure says that a motion to proceed to consideration of a matter, if unacted upon, dies with an adjournment of the Senate. I just wonder if that matter could be before us on a cloture motion when it is dead.

The PRESIDING OFFICER. The motion dies, but the cloture has the effect of reviving it for a vote, and at that time the rule is activated.

Mr. ALLEN. Would the same rule apply had the motion to proceed been tabled? That is, would it revive a motion that had been tabled?

The PRESIDING OFFICER. The Chair is not advised of any precedent on that particular situation, which is not before the Senate.

Mr. ALLEN. I see. It seems to the Senator from Alabama that a motion is just as dead whether it dies following an adjournment or whether it is defeated.

I merely ask for clarification; I do not wish to make a point of it.

The PRESIDING OFFICER. There is precedent, however, that even though the matter that the cloture motion was filed on has been displaced, at the time for the vote, the cloture revives it.

Mr. ALLEN. Yes; displaced is a far cry from being dead. If it is displaced, it is one thing, but if it is dead, as the preacher says, it is dead.

Mr. ROBERT C. BYRD. Mr. President, I call attention to page 220 of the book on Senate procedure. The third paragraph under "Vote on Motion." I read therefrom:

> "One hour after the Senate meets on the following calendar day but one," the Presiding Officer shall lay the cloture motion before the Senate for action thereon and even though the "measure, motion, or other matter pending before the Senate, or the unfinished business," in the meantime had been displaced the consideration of the matter then pending would be temporarily suspended in order to vote on the cloture motion.

Rule XXII on cloture, in my judgment, is the most arbitrary of all of the Standing Rules of the Senate. I have referred to it in the past as a legislative beartrap. I have never yet seen any legislative beartrap devised that would equal rule XXII on cloture.

There are no ifs, ands, or buts. Once a cloture motion, duly signed by at least 16 Senators, is filed—and it is the one motion, incidentally, that can take another Senator temporarily off the floor—the Presiding Officer shall—it does not say he may—lay the cloture motion before the Senate and on the following calendar day but 1, 1 hour after the Senate meets—even if the reading of the Journal has to be temporarily interrupted—that cloture rule has to be followed and a quorum call and vote must occur.

The Presiding Officer shall lay the motion before the Senate for action thereon after the establishment of a quorum, of course, and even though the measure or motion—and in this instance we are talking about a motion—or other matter pending before the Senate or the unfinished business in the meantime has been displaced, the consideration of the matter then pending, if there is another matter then pending, would be temporarily suspended in order to vote on the cloture motion.

So, Mr. President, I think the Chair is clearly correct in its interpretation of the rule.

The motion on yesterday was displaced. We can say it died, or whatever we wish to say, but the cloture motion brings it back.

The PRESIDING OFFICER. The Senator is correct, and the Chair would add from page 212 of the Senate Procedure the following precedent, under the title "Applicability of the Cloture Motion—Pending Business:"

> A cloture motion is applicable only to the "measure, motion, or other matter pending before the Senate, or the unfinished business," pending at the time it was filed without regard to whether or not it had been laid aside.

Mr. ALLEN. Mr. President, will the Chair indulge me to answer what the distinguished Senator from West Virginia has pointed out and what the Chair has pointed out?

The PRESIDING OFFICER. The Senator from Alabama.

Mr. ALLEN. Both statements, the statements from the distinguished assistant majority leader and by the Chair, spoke of the situation where the matter has to do with when the cloture motion has been filed, had been displaced or was no longer pending. But neither of these statements, I call the attention of the Chair, goes so far as to say that after this motion or other matter dies that it could be revived.

I challenge the distinguished Senator from West Virginia to show that. If the theory of the distinguished Senator from West Virginia is correct, even if the matter has been tabled, or even if it had come to a vote and been defeated, according to his contention, it would be revived——

Mr. ROBERT C. BYRD. No.

Mr. ALLEN (continuing). Under this, because the Chair has no choice, according to the distinguished Senator from West Virginia, except to put the motion.

Mr. ROBERT C. BYRD. Oh, no, no.

Mr. ALLEN. If the Senator from West Virginia will cite any precedent stating that this measure, once it has died, can be revived for the purpose of cloture the Senator from Alabama would be interested in hearing it.

Mr. ROBERT C. BYRD. I challenge the distinguished Senator from Alabama to present a precedent to the contrary.

Mr. ALLEN. All I can do is just read from the Senate Procedure on page 334:

> Adjournment Kills Motion to Consider: A motion to proceed to the consideration of a matter, if unacted upon, dies with an adjournment of the Senate.

So this motion to proceed died last night at about 10 p.m.

The PRESIDING OFFICER. But would be revived tomorrow by action of the rule on cloture.

Mr. ROBERT C. BYRD. Mr. President, I do not challenge the able Senator's statement that the motion to proceed died. We can say it died, or whatever we wish, but once that cloture motion was offered on the motion to proceed, that motion to proceed was locked in.

The distinguished Senator from Alabama refers to the tabling of a motion on which a cloture motion has been offered. That is a different matter. The tabling of a motion disposes of such motion, period, and a cloture motion in such instance would be rendered nugatory.

The purpose of cloture is to dispose of a matter. That is the very basic underlying rationale behind cloture—to dispose of a matter.

If a motion is tabled that disposes of the motion. But this motion was not tabled. The cloture motion was offered thereon, and it locked it in, and the Senate will determine tomorrow, whether it wishes to proceed with or close debate on the motion to proceed. That will be a matter for the Senate to decide.

So, the offering of the cloture motion has an entirely different effect upon the motion to proceed than would be tabling of the motion to proceed.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes, I yield.

Mr. ALLEN. If it dies on adjournment, as the Senate procedure says, what is the difference between a death by adjournment and death by tabling?

Mr. ROBERT C. BYRD. Let me answer the distinguished Senator in this way by analogy: The Senate the other day, when it moved to take up the voting rights bill, displaced the New Hampshire election dispute matter, Senate Resolution 166, which at that time was the unfinished business on the calendar. Yet, Senate Resolution 166 did not die. It was displaced. It automatically and instantly went back on the calendar.

But if a motion to invoke cloture had been offered on Senate Resolution 166—dealing with the New Hampshire election dispute—prior to the time that the Senate moved to take up the voting rights bill, even God in His Heaven would not have prevented the Senate from taking a vote on cloture when the hour arrived.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Let me say that I do not mean to underestimate the power of the Creator.

Mr. HANSEN. I was wondering.

Mr. ROBERT C. BYRD. But if He allowed the Senate rules to operate—I will put it in that fashion—the Senate would have to reach a vote on that motion to invoke cloture on the unfinished business, even though the unfinished business, to wit, Senate Resolution 166, had, in the meantime, been displaced and put back on the calendar, and the voting rights bill had become the pending or unfinished business.

Mr. ALLEN. S. 166 was not displaced, of course, until a motion to proceed to something else had been adopted.

Mr. ROBERT C. BYRD. That is what I said.

Mr. ALLEN. The mere making of a motion would not displace it.

Also, the Senator realizes, I am sure, that there is a difference between——

Mr. ROBERT C. BYRD. The able Senator asked me to yield. Let me make clear what I said.

I said that, if prior to the Senate's moving to take up the voting rights bill—and thereby displacing the unfinished business, putting it back on the calendar—a cloture motion had been offered on the unfinished business, the displacement of that unfinished business and the placing of it back on the calendar, would not have prevented the Senate from having to vote on the motion to invoke cloture on the following calendar day but one. The same logic would apply, it would appear, to the displacement of a motion on which cloture is filed.

Mr. President, I understand that Mr. Tunney is agreeable to the calling up of his amendment and making it the first amendment. I hope I am stating the proposition correctly. I would not want to say that the managers of the bill would not want first to have an opening statement on the bill.

I repeat my request with respect to the time agreement proposed on ERDA, with the further provision that Mr. Tunney be recognized as the first Senator to call up an amendment to that bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, reserving the right to object—and I do not intend to object—I am grateful to the assistant majority leader for trying to expedite this proceeding.

I understand, then, that there will be one measure brought before the Senate after special order speeches tomorrow. I assume that will be after the disposition of morning business.

Mr. ROBERT C. BYRD. No morning business is included.

Mr. BAKER. The 15-minute special order for Senator NELSON.

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. And then the first order of business is——

Mr. ROBERT C. BYRD. Senate Resolution 54.

Mr. BAKER. Is there a time limitation on that?

Mr. ROBERT C. BYRD. There is a time agreement on that measure, and it is as follows——

The PRESIDING OFFICER. One hour on the resolution, 30 minutes on amendments, 20 minutes on debatable motions and appeals, and so forth.

Mr. BAKER. Then, after the disposition of this measure, the ERDA bill would be laid before the Senate, and the first amendment to be called up and considered would be the Tunney amendment?

Mr. ROBERT C. BYRD. The first amendment from the floor. I do not know what committee amendments may exist.

Mr. BAKER. Mr. President, I do not really wish to press unduly for my own convenience, but would it be possible to agree that we would vote on the Tunney amendment not later than, say, 3 o'clock tomorrow afternoon?

Mr. ROBERT C. BYRD. I do not see how I can at this time——

Mr. BAKER. I really do not want to press the point unduly, but it is now 10:15 at night. I would be happy to be in the Chamber in the morning when we convene, to see if we can confer with Senator TUNNEY and others and see if we can get that limitation, for that purpose.

The Tunney amendment deals with the funding levels for the breeder reactor program. I am the senior minority member of the Joint Committee on Public Works. In addition, the matter is of great importance to my State. So it is imperative that I try to make sure that this matter is properly protected.

I ask whether the distinguished acting majority leader might defer this unanimous-consent request until the morning and see if we can work out a time certain to dispose of the Tunney amendment.

Mr. ROBERT C. BYRD. Mr. President, of course, if the distinguished Senator does not wish the order entered tonight, I have no alternative. My only concern is this: I know how problems just crop up out of the woodwork, virtually, and I know that Senators FANNIN and JACKSON and others very anxiously want this bill up and acted upon at the earliest possible moment, and I was seeking to crank it into the lineup.

Otherwise, here is the lineup: After the McGovern resolution in the morning, the next item is the Outer Continental Shelf bill. I am told that that is going to take some time—a considerable length of time, perhaps.

The next item up would then be the Mineral Leasing Act. The next item already cranked into the order would then be the redline bill.

The next one following is S. 963—diethylstilbestrol.

I am merely trying to advance into the lineup this extremely important energy message. I hope the Senator will not object. Tomorrow, if we run into problems on the amendment by Mr. TUNNEY, I will do everything I can to help work out whatever arrangement needs to be worked out so that the distinguished Senator from Tennessee will be here when that amendment is considered. I will do everything I can. That may not be enough. But I have a feeling that this is something that can be worked out.

Mr. BAKER. Mr. President, I am sure it can be worked out. I am entirely sympathetic with the problems of the leadership in trying to schedule business. But this is a matter of such extraordinary importance to me that I simply cannot take the chance. I hope the acting majority leader will not press the unanimous-consent request at this time; because if he does, I will be forced to object.

Mr. ROBERT C. BYRD. I will not press the request. Will the Senator object to our getting the time limitation on the bill?

Mr. BAKER. I have no objection to time limitations—only to the setting of the time for consideration of the bill.

Mr. ROBERT C. BYRD. If we can get the time limitation on the bill, I can assure the distinguished Senator that no effort will be make to crank it into the lineup at a time when he is not here.

Mr. BAKER. Mr. President, as I understand the suggestion by the acting majority leader, he may propound a unanimous-consent request for the limitation of time on the bill, on amendments and amendments to amendments, appeals, and the like, without a unanimous-consent request, or when the bill would be laid before the Senate or made the pending business.

Mr. ROBERT C. BYRD. That is correct.

Mr. GRIFFIN. And with the assurance that the Tunney amendment would not be brought up when the Senator from Tennessee is not here.

The PRESIDING OFFICER. Is there objection to the time limitation, and so forth, on the bill? The Chair hears none, and it is so ordered.

Mr. BAKER. Mr. President——

Mr. ROBERT C. BYRD. Mr. President, will the Senator allow me to interrupt just one moment?

Did I ask that the agreement be in the usual form except for those amendments which were specified?

The PRESIDING OFFICER. The Senator asked for the usual form, and amendments specified will be taken out of the germaneness provision.

Mr. BAKER. I am going to suggest that on the additional element that the Senator wanted—that is, the time to take up the bill or to schedule the Tunney amendment—I will be happy to be here in the morning, if he cares to renew that unanimous-consent request. The state of the record at this point is that there is no agreement on when the ERDA bill will be paid before the Senate and made the pending business?

Mr. ROBERT C. BYRD. The Senator is correct.

I certainly understand his apprehensions in respect of having the amendment by Mr. TUNNEY called up at any time when he is not here to protect the interests of his State. Any other Senator would feel likewise.

Mr. BAKER. I thank the Senator very much.

Mr. DOMENICI. Mr. President, has the distinguished majority whip completed his unanimous-consent request?

Mr. ROBERT C. BYRD. Will the Senator withhold momentarily?

Mr. DOMENICI. Yes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that none of the time consumed this evening be charged against Senate Resolution 54, the matter now pending.

The PRESIDING OFFICER (Mr. FORD). Without objection, it is so ordered.

ENERGY LEGISLATION IN THE 94TH CONGRESS

Mr. DOMENICI. I rise today to submit, on behalf of myself and the distinguished Senator from Tennessee (Mr. BROCK), a Senate resolution to coordinate and speed up the development of a coherent and cohesive energy policy for this Nation.

My colleague (Mr. BROCK) and I wrote the leadership of both sides of the aisle on this matter last week, suggesting in some detail a procedure that might make development of a legislative framework for a rational energy policy a reality. We have received expressions of support from various Senators for our proposal and, therefore, today we formally introduce for consideration by the entire Senate our plan.

Before I go into the details of our proposal, however, let me outline for my colleagues the dilemma I believe we find ourselves in.

More than once a week, some new "energy bill" comes to the Senate or House for consideration. Indeed, since the beginning of the 94th Congress, almost 1,000 bills have been introduced in the House and Senate. More pieces of legislation can be predicted.

What will be the fate of these bills? One need only look at the fate of their predecessors. Of the nearly 1,000 bills introduced so far, only two have become law. I repeat, only two bills in this critical field have become law.

We now know that in the Senate, energy legislation has been referred to 14 of the 18 standing committees. The President's plan for energy independence alone was referred to nine committees at the same time.

Worse than this record is the record of hearings. Computer analysis reveal that 36 House and 29 Senate energy bills have received at least 1 day of hearings or one markup session, but have not been reported.

Only nine bills have been reported at all—six in the Senate and three in the House. Fifteen bills have passed one

House, but not both. Of the seven bills passed by both Chambers, one is awaiting final congressional action. Four of these bills have been vetoed. Two, to belabor the point, have become law.

I ask unanimous consent that a summary of these 1,000 bills be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ENERGY LEGISLATION IN THE 94TH CONGRESS

Nearly 1,000 energy-related bills and resolutions have been introduced thus far in the 94th Congress. Of these, approximately 200 were introduced in the Senate while more than 750 have been submitted in the House.

a) A quick survey shows that in the Senate, energy legislation has been referred to 14 of the 18 standing committees and to two joint committees, as follows:

Agriculture—4;
Appropriations—9;
Armed Services—8;
Banking, Housing and Urban Affairs—14;
Budget—10;
Commerce—43;
Finance—44;
Foreign Relations—1;
Government Operations—7;
Interior—52;
Judiciary—9;
Labor and Public Welfare—4;
Public Works—15;
Rules and Administration—2;
Joint Committee on Atomic Energy—15; and
Joint Committee on Defense Production—1.

b) Although most bills are referred to only one committee, many energy bills have been sent to two or more committees concurrently. As an example, the Administration's Energy Independent Act (S. 594) was referred to nine committees at the same time.

c) With respect to congressional action on energy legislation, a computer analysis shows that 36 House and 29 Senate energy bills have received at least one day of hearings or one mark-up session, but have not been reported.

d) Another 9 bills have been reported—6 Senate and 3 House bills—but have not yet passed.

e) Fifteen bills have passed one House but not both—9 have passed the Senate, and 6 have passed the House.

f) Of the seven bills passed by both Houses, one is still awaiting final congressional action; 4 have been vetoed; and only 2 have become law.

Thus, of the nearly 1,000 energy-related bills and resolutions introduced since January 1, 1975, only 2 have become law.

Mr. DOMENICI. Everyone in this body knows that our dependence on foreign sources of crude oil has increased, not decreased. We all know that the Nation cries out for a policy, any rational and logical policy, to follow. We also know that if we do not act, we could see a very rapid increase in petroleum prices with a traumatic spurt in inflation.

It is now obvious that those bills already passed, this year and in the more distant past, and those to be considered in the near future, will contain conflicting and inconsistent provisions and approaches. Thus, they cannot lead to anything approaching a comprehensive and integrated energy policy.

Bluntly, our present process cannot give us the solutions we so desperately need.

To achieve such a solution—a coherent energy policy of both short- and long-term validity—every bill before us must be considered, not only on its own merits, but in the context of our energy problem as a whole. Each bill must thus be judged by its relationship to other bills in the field. Clean air considerations, coal conversion plans, coal slurry concepts, liquefication, solar energy, the entire range of energy-related problems must come into play as we proceed. This problem is obviously compounded by our present committee structure and the jurisdictional conflicts of this structure.

We hold little prospect for changing the committee system in the short term. Such an attempt, furthermore, would not be advisable under the time pressure we now confront.

Thus, my colleague, Senator BROCK, and I seek to develop a procedure to use the strengths of our committee system in a comprehensive approach to energy legislation. Here is what our proposal, which I introduce today, would do.

First, it would specify a date by which committee work on all major energy and energy-related bills would be completed, reported, and placed on the calendar. The date chosen in our resolution is September 26.

Second, it would create a temporary Senate task force whose members would be appointed by the President of the Senate upon the joint recommendation of the majority leader and minority leader of the Senate.

Third, this task force would be given a specific period of time in which to study and analyze all enrgy reports and bills from the various committees and prepare an overall task force report. This report would include recommendations on energy policy, and would analyze each of the bills presented in the context of present law and other major proposals. The time we are proposing is the time from its adoption till October 10.

Fourth, the task force report and recommendations, after submission, would then be sent to the entire Senate and to the respective committees of jurisdiction for comment. This action would trigger consideration of all the legislation in a manner recommended by the task force and consistent with Senate rules.

Finally, we believe that a period of time should be set aside on the Senate floor for consideration solely of energy legislation and debate on energy policy.

I must be frank here. If the housewives of this nation turn on their stoves next year and find no natural gas to cook with; if the homes of this nation turn cold next winter because we lack enough fuel oil; if lines to gas stations begin to form; if this nation's very economic fabric is threatened because Congress has fiddled in the face of the facts we now have—if these things happen, and they could, the American people will not long hesitate before placing blame squarely where it should be placed.

We owe our fellow Americans this approach, new though it may be. It is a new problem we confront and new solutions are called for. I point no finger of blame at anyone. This is not the time for blame-placing, nor for credit-taking. This is the time for unified action to develop an energy policy that our nation needs to survive with undiminished strength these critical times.

While this may not be the final approach the Senate takes to develop a coherent approach, we believe that it is the critical first step. Some may disagree with details of our proposal, but I suspect that none would argue with its need.

I urge the quickest possible consideration of our Senate resolution and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

S. RES. 228

Whereas a coherent, integrated energy policy is essential to the welfare of the United States and its citizens;

Whereas prompt enactment of legislation constituting such a coherent, integrated policy requires that legislative proposals related to energy be carefully analyzed for consistency with each other as well as with existing law;

Whereas no process presently exists for such analyses of the legislation produced by the several committees of the Senate having jurisdiction over the various aspects of the energy problem; and

Whereas intelligent floor debate and final action on the various energy related proposals can proceed in an orderly fashion only after such analyses: Now, therefore be it

Resolved, That—

(a) committee action on all bills or resolutions involving primarily energy or energy-related matters be completed by September 26, 1975.

(b) There is hereby established a Senate Task Force for Coordination of Energy Proposals (hereinafter referred to as the "Task Force"). Such Task Force shall be composed of ten members of the Senate appointed by the President of the Senate upon the joint recommendation of the Majority Leader and Minority Leader of the Senate. Any vacancy shall be filled in the same manner as the original appointment.

(c) It shall be the function of the Task Force to make a comprehensive and impartial study of all legislative proposals primarily involving energy or energy related matters with a view to informing the Members of the Senate as to the scope, nature, and effect of such proposals, and to analyzing and evaluating such proposals for the purpose of recommending to the Senate leadership a procedure for the consideration of such proposals in such a manner as to avoid action thereon in a piecemeal and uncoordinated fashion, and to assure that such proposals, if enacted, would result in a coordinated and consistent program to help resolve energy problems.

(d) The Task Force is authorized to utilize the services, information, facilities, and personnel of the standing committees of the Senate (with the approval of the Chairman thereof), Members of the Senate (with the approval of such Member), and the Librarian of Congress.

(e) The expenses of the Task Force, not exceeding $100,000 shall be paid from the contingent fund of the Senate upon vouchers approved by the Chairman or Vice Chairman thereof.

(f) The Task Force shall submit a report to the Majority Leader and Minority Leader of the Senate (who shall make it available to the Members of the Senate) on October 10, 1975. Such report shall set forth the results of the study made by the Task Force under this resolution, together with its findings and recommendations. The Majority Leader and the Minority Leader shall transmit to the Senate the report received by them under this resolution.

(g) Upon the submission of such report to the Majority and Minority Leaders, the Task Force shall cease to exist.

(h) Any comments on the Report by the various committees having jurisdiction of the proposals considered by the Task Force will be submitted to the Senate on or before October 20, 1975.

(i) It shall not be in order for the Senate to consider any bill or resolution involving primarily energy or energy-related matters prior to October 20, 1975.

(j) That during the 10 day period commencing on October 22, 1975, it shall not be in order for the Senate to consider matters other than energy proposals, except for emergency matters.

Mr. BROCK. Will the Senator yield?

Mr. DOMENICI. I am delighted to yield.

Mr. BROCK. I am privileged to cosponsor this particular resolution. As the Senator from New Mexico and I both sat in the Chamber last week, we felt an enormous frustration at the inability of Congress to come to grips with the question of energy. Neither of us has a desire to find fault with any of our colleagues, but it is a matter that the very structure of this body and the House itself limits our capacity to deal with this problem in the context of an overall fashion.

We are passing bills out of different committees with competing jurisdictions which conflict and compete with each other, which are expensive and counterproductive, which, in fact, do not work.

Mr. President, I think it is essential for the Senate to devise some method—I do not know whether this is the best—of dealing with the problem of energy which has so beset the American people. I am grateful to the Senator from New Mexico for his leadership in this regard. I consider it a privilege to join him in this particular effort.

Mr. DOMENICI. I thank the Senator.

Mr. GRIFFIN. Will the Senator yield?

Mr. DOMENICI. I am glad to yield.

Mr. GRIFFIN. I want briefly to commend the distinguished Senator from New Mexico and the Senator from Tennessee, and I want to associate myself with their proposal.

It is sad that, because of regional differences, because of idiological differences and other reasons, Congress has not done more, accomplished more, in the area of energy. It is particularly a sad and unfortunate reflection on the institution of the Senate that our difficulties are compounded by the fact that we are not organized to handle energy legislation and that we have a multitude of committees with conflicting jurisdictions and competing for jurisdiction in this area.

I cannot help pointing in particular, as an example, to the fact that the Committee on Commerce reported out a bill to impose mandatory fuel economy standards on automobiles, providing for very serious civil penalties, without any regard whatsoever to what the emission standards were going to be, because emission standards were a matter of jurisdiction of the Committee on Public Works.

Mr. BROCK. Nor, without any regard, if I may interject, for the action of the Senate Committee on Finance to deal with the same problem in an entirely different fashion through excise taxes on the automobiles, which is now before the Committee on Finance.

Mr. GRIFFIN. That is the problem.

This is just one example of the many that could be pointed to. It may be that we will continue to have our differences as to what the approach will be, our ideological differences, and so forth. But this matter of organization of the Senate is something that we can deal with, that we ought to deal with, short of actually changing the committee system and the committee jurisdictions, which is a goal in and of itself, which would be desirable. It seems to me that the proposal that has been advanced is one that the leadership on both sides and the Senate itself ought very seriously and very quickly to consider.

Mr. DOMENICI. I say to my distinguished friend from Michigan that he has mentioned a couple. Let us just mention a few more. We are going to have Senate Bill 692, the so-called natural gas bill for our Nation. That will come here out of the Committee on Commerce, while the Committee on Public Works is considering a national coal conversion bill, 1777, while the U.S. Senate Committee on Public Works is considering a Clean Air Act that has attached to it temporary permission on the part of EPA to permit people to convert to coal with some kind of waiver on clean air, all of which are related to natural gas and interstate and intrastate use of it.

Mr. BROCK. I might add, if I may, that while the Senate Committee on Finance, too, is considering gasification of coal, a tax credit for the gasification of coal to as an inducement to people to find a substitute.

Mr. DOMENICI. I think the dialog that we have had will be useful, plus a rather incredible summary that is attached to our statement. We take no pride in producing it. It was produced by the computer technology that was made available to the U.S. Senate and House. It brought forth this huge mass—in fact, it is sitting on the desk there. I imagine in computer printouts it weighs 5 pounds. I imagine if we stacked the bills up, they would be quite high. But it yields 1,000 in the two houses.

Again, to repeat myself, in our body, 14 committees had jurisdiction. Our President sent up an integrated policy proposal, and we are so well organized that nine standing committees got that bill referred to them.

All the distinguished Senator from Tennessee and I did is say "We know we are not going to get one committee, but could we suggest a procedure where we will not take these up one at a time without someone looking at a series of them together and writing a master report for the U.S. Senate, in no way changing the rest of the procedure?"

Then bring them up and leave them subject to the rules. But, at least, we would be down here with one task force evaluation of the relevant energy bills that would then be pending if this approach was adopted by the Senate, because we would say, "You have them here at the desk on the calendar by that date." Then this task force would have so many days to review them and write one master report, and then we would start to bring them up and, at least, we could offer some relevant amendments relating one to another and know what we are voting on.

Mr. President, I send my resolution, the resolution that I submit in my behalf and in behalf of the junior Senator from Tennessee, to the desk and ask unanimous consent that it be immediately considered.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. I would like the clerk to state the title of the resolution.

The PRESIDING OFFICER. The clerk will state the resolution by title:

The legislative clerk read as follows:

A resolution to establish a temporary procedure for ensuring coordinated Senate action on legislative proposals on energy.

Mr. ROBERT C. BYRD. Mr. President, I object to its immediate consideration.

The PRESIDING OFFICER. Objection is heard and the resolution will go over under the rule.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the program for tomorrow is as follows: The Senate will convene at the hour of 10 a.m. After the two leaders or their designees have been recognized under the standing order, Mr. NELSON will be recognized for not to exceed 15 minutes; after which the Senate will resume consideration of Senate Resolution 54, a resolution continuing and authorizing additional expenditures by the Select Committee on Nutrition and Human Needs. There is a time agreement on that measure and rollcall votes are expected.

Upon the disposition of Senate Resolution 54, as the matter now stands, the Senate will proceed to the consideration of S. 521, a bill to increase the supply of energy in the United States from the Outer Continental Shelf Lands Act.

The 1 hour under the cloture rule on the motion to invoke cloture on the motion to proceed to the consideration of Senate Resolution 145 will begin running at the hour of 4 p.m. tomorrow. After the 1 hour expires, the automatic quorum call will occur, and upon the establishment of a quorum, the automatic rollcall will occur on the motion to invoke cloture.

Events transpiring in the other body tomorrow, however, may have an impact on that cloture motion, and we will just have to wait and see what develops thereon in the meantime.

At the hour of 12 noon tomorrow, or thereabouts, I would presume that a quorum call would probably occur prior to the taking of the picture of the Senate at 12:15 p.m. I am not sure that such a quorum call will be entered, but I am sure the distinguished majority leader would want me to remind my colleagues that there will be a picture at 12:15 tomorrow of the Senate while in session. The time required for the photography, I am advised, will be about 6 minutes.

As the distinguished majority leader earlier stated, Senators are invited to have their wives in the family gallery tomorrow in view of the fact that the cameras will be focused in the direction of the family gallery.

So, rollcall votes are in store for tomorrow. It will be a long session, beginning at 10 o'clock and lasting late, and the same can be said for Thursday and, possibly, Friday.

RECESS UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 10 o'clock tomorrow morning.

The motion was agreed to; and at 10:34 p.m., the Senate recessed until tomorrow, Wednesday, July 30, 1975, at 10 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 29, 1975:

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. James George Kalergis, [redacted] Army of the United States (major general, U.S. Army).

The following-named officer to be assigned to a position of importance and responsibility designated by the President under the provisions of title 10, United States Code, section 3066(a) in grade as follows:

To be lieutenant general

Maj. Gen. Jeffrey Greenwood Smith, [redacted], U.S. Army.

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. William Robertson Desobry, [redacted] Army of the United States (major general, U.S. Army).

The following-named officer to be assigned to a position of importance and responsibility designated by the President under the provisions of title 10, United States Code, section 3066(a) in grade as follows:

To be lieutenant general

Maj. Gen. Robert Leahy Fair, [redacted], U.S. Army.

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. Fred Kornet, Jr. [redacted], Army of the United States (lieutenant colonel, U.S. Army).

The following-named officer to be assigned to a position of importance and responsibility designated by the President under the provisions of title 10, United States Code, section 3066(a) in grade as follows:

To be lieutenant general

Maj. Gen. Jack Carter Fuson [redacted], U.S. Army.

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. John Norton [redacted], Army of the United States (major general, U.S. Army).

The following-named officer to be assigned to a position of importance and responsibility designated by the President under the provisions of title 10, United States Code, section 3066(a) in grade as follows:

To be lieutenant general

Maj. Gen. Robert Carter McAlister, [redacted], U.S. Army.

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be lieutenant general

Maj. Gen. Dennis Philip McAuliffe, [redacted], U.S. Army.

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. Donn Royce Pepke, [redacted], Army of the United States (brigadier general, U.S. Army).

The following-named officer to be assigned to a position of importance and responsibility designated by the President under the provisions of title 10, United States Code, section 3066(a) in grade as follows:

To be lieutenant general

Maj. Gen. Sam Sims Walker, [redacted], Army of the United States (brigadier general, U.S. Army).

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. Donald Harry Cowles, [redacted], Army of the United States (major general, U.S. Army).

The following-named officer to be assigned to a position of importance and responsibility designated by the President under the provisions of title 10, United States Code, section 3066(a) in grade as follows:

To be lieutenant general

Maj. Gen. John William Vessey, Junior, [redacted] Army of the United States (brigadier general, U.S. Army).

The U.S. Army Reserve officers named herein for promotion as Reserve commissioned officers of the Army, under the provisions of title 10, United States Code, sections 593(a) and 3384:

To be major general

Brig. Gen. Kenneth Allert Kuykendall, [redacted]
Brig. Gen. Willard Phaup Milby, Jr., [redacted]
Brig. Gen. William Bannister Pendlebury, [redacted]

To be brigadier general

Col. Berwyn Fragner, [redacted]
Col. Thomas Lee Merrill, [redacted]
Col. Herman Albert Norton, [redacted]
Col. Clifford Gerald Ryan, [redacted]
Col. Harry Hart Treadway, [redacted]

The Army National Guard of the United States officers named herein for promotion as Reserve commissioned officers of the Army under the provisions of title 10, United States Code, sections 593(a) and 3385:

To be brigadier general

Col. Richard Kenneth Baum, [redacted]
Col. George Joseph Betor, [redacted]
Col. Hal Lamoyn Hefner, [redacted]
Col. Stanley Warren Johnston, [redacted]
Col. William Robert Kinton, Jr., [redacted]
Col. Robert Lee Meyer, [redacted]
Col. Frank Mitcheal Parham, Jr. [redacted]
Col. Arthur Hughes Spring, [redacted]
Col. Robert Woodson Teater, [redacted]

The Army National Guard of the United States officers named herein for appointment as Reserve Commissioned officers of the Army under the provisions of title 10, United States Code, sections 593(a) and 3392:

To be brigadier general

Col. James Michael Abraham, [redacted]
Col. Peter Russell Amodio, [redacted]
Col. Benjamin Franklin Dean, [redacted]
Col. Wayne Marvin McDaniels, [redacted]
Col. Gordon I. Shore, [redacted]

IN THE NAVY

Vice Adm. Oliver H. Perry, Jr., U.S. Navy, for appointment to the grade of vice admiral on the retired list pursuant to the provisions of title 10, United States Code, section 5233.

Rear Adm. Jon L. Boyes, U.S. Navy, having been designated for commands and other duties determined by the President to be within the contemplation of title 10, United States Code, section 5231, for appointment to the grade of vice admiral while so serving.

Vice Adm. Stansfield Turner, U.S. Navy, having been designated for commands and other duties of great importance and responsibility commensurate with the grade of admiral within the contemplation of title 10, United States Code, section 5231, for appointment to the grade of admiral while so serving.

Vice Adm. George P. Steele II, U.S. Navy, for appointment to the grade of vice admiral on the retired list, pursuant to the provisions of title 10, United States Code, section 5233.

IN THE MARINE CORPS

In accordance with the provisions of title 10 United States Code, section 5232, Maj. Gen. Lawrence F. Snowden, U.S. Marine Corps having been designated for commands and other duties determined by the President to be within the contemplation of said section, for appointment to the grade of lieutenant general while so serving.

In accordance with the provisions of title 10, United States Code, section 5232, Maj. Gen. Joseph C. Fegan, Jr., U.S. Marine Corps having been designated for commands and other duties determined by the President to be within the contemplation of said section, for appointment to the grade of lieutenant general while so serving.

Lt. Gen. Edward S. Fris, U.S. Marine Corps, when retired, to be placed on the retired list in the grade of lieutenant general in accordance with the provisions of title 10, United States Code, section 5233.

Lt. Gen. Herbert L. Beckington, U.S. Marine Corps, when retired, to be placed on the retired list in the grade of lieutenant general in accordance with the provisions of title 10, United States Code, section 5233.

IN THE ARMY

Army nominations beginning Frank S. Adams, to be lieutenant colonel, and ending John Zitzelberger, to be lieutenant colonel, which nominations were received by the Senate and appeared in the Congressional Record on July 15, 1975.

IN THE NAVY

Navy nominations beginning Ronald John Abler, to be lieutenant, and ending Patricia F. Willheim, to be lieutenant, which nominations were received by the Senate and appeared in the Congressional Record on June 17, 1975.

Navy nominations beginning Thomas G. Comfort, to be ensign, and ending Peter Gasperini, to be commander, which nominations were received by the Senate and appeared in the Congressional Record on June 26, 1975.

IN THE MARINE CORPS

Marine Corps nominations beginning Charles G. Anderson, to be second lieutenant, and ending Jack R. Hawkins, Jr., to be second lieutenant, which nominations were received by the Senate and appeared in the Congressional Record on June 26, 1975.

EXTENSIONS OF REMARKS

DR. MILTON K. CURRY: NEW PRESIDENT OF THE UNITED NEGRO COLLEGE FUND

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. RANGEL. Mr. Speaker, Dr. Milton K. Curry has been named president of the United Negro College Fund. He takes office at a time when the economy and reduced Federal assistance threaten the existence of a number of predominantly black colleges in this country. As a professional educator, Dr. Curry faces a challenge which, if unmet, will deny educational opportunity to tens of thousands of young men and women. His mission is too important to fail.

I am pleased to include in the Congressional Record at this time a profile of Dr. Curry:

A Continued Need

(By Sandra Satterwhite)

With the ingrained drawl acquired in boyhood moving from one small Texas town to another, Dr. Milton K. Curry says convincingly that he'd decided back in 1935 that Texas was probably the best place in the South for personal and professional growth—"for blacks, whites, Chicanos. There's a certain openness about the state; you had the opportunity to provide leadership."

At 55, he's contributed his share as an educator and administrator of black public schools and colleges in the state. As the recently elected president of the United Negro College Fund, which represents 41 mostly black, private and fully accredited four-year or graduate schools, he'll be flying back and forth from Dallas to New York and other parts of the country spearheading a fund-raising drive for member schools.

It won't be too much different from what he's always done as an active UNCF member, he says, and as a firm believer in the validity of the black Southern college.

For 23 years now, he's been the president of Bishop College and moved the black Baptist school from the small town of Marshall in 1961 to Dallas, where, with a campus of 26 buildings, on 387 acres, it is worth some $20 million.

Spreading his arms to indicate the wide, green open spaces now attracting many young urban blacks to campuses such as his in the South, he says that since his tenure began, enrollment at Bishop has increased from 350 to 2085 students.

Dr. Curry also takes credit for having brought in more than $50 million in gifts and grants and for having substantially increased the number of faculty members with doctorate degrees.

At UNCF's new modern offices at 500 E. 62d St., Dr. Curry said the other day that the Fund's goal this year is to raise $14 million, "but I think we should be raising between $25 million and $30 million, and in five years about $40 million.

"We've been underfinanced for years," he said, articulating the most serious problem of the black colleges, which are sustained by corporate and foundation grants and alumni contributions.

An interesting trend is that more and more alumni are contributing to their schools, he's found. "They're making more money and moving to the point where they can support their colleges, churches and other community activities."

Which gets back to Dr. Curry's main contention about the need for the continued existence of black colleges—that they provide an education that wouldn't otherwise be available to large numbers of black students. "Our very existence provides a basis for inspiration to young people, and the fact that more and more of our graduates are going to the best graduate schools in the country means that we must be giving them something."

The oldest of six brothers and one sister, he was born in Magnolia, Ark., but the family moved to McKinney, a small town 30 miles north of Dallas when he was very young. It was to be the first of many such moves as his father, the Rev. Milton King Curry, Sr., a Baptist minister, was being called to other churches in larger communities. Meanwhile, his mother, the former Lena Clabon Easter, taught English and math in the local black schools.

He went to high school in Wichita Falls, Tex., and got his BA in mathematics at Morehouse College in Atlanta in 1932. "One of the things that the teachers at Morehouse instilled in us was that we were invincible—there were no problems that couldn't be solved, no obstacles that couldn't be overcome."

It's a philosophy which Dr. Curry believes the black Southern colleges pass on to their students. "We encourage them to feel that they are somebody," he says in the words of the late Dr. Martin Luther King, Jr.

While a student at Morehouse, he met Marjorie Alexander Stewart from Tuskeegee, Ala., whose father was the late Booker T. Washington's personal business manager. She was a student at neighboring Spelman College but "we didn't start 'keeping company' until the last semester of my senior year."

They were married in Tuskeegee in 1937 after both had acquired masters degrees from Atlanta University—he in math, and she in history. (A daughter died shortly after childbirth and there've been no other children.)

Before he was asked to become the president of Bishop in 1952, Dr. Curry had spent close to ten years preaching in a Baptist church in Wichita Falls (having taken divinity courses at the University of Chicago) and after breaking a promise to himself that he wouldn't follow his father into preaching because it was so hard making a living.

"We're getting increased support from the black Baptist churches," he says about money now coming to Bishop College.

He and his wife live off-campus and he's active in Dallas community affairs, sitting on the advisory board of the Dallas Symphony, for instance, and enjoying athletics in his spare time, almost all sports, "but I don't go for wrestling too much."

GIVING CREDIT WHERE CREDIT IS DUE

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. ARCHER. Mr. Speaker, I was recently very pleased to receive a letter from Mr. Bennett Bintliff of Houston, Tex., who outlined some very dedicated work on the part of several members of the Armed Forces during the Vietnam evacuation. I believe their outstanding work deserves special recognition and would like to bring Mr. Bintliff's letter to the attention of my colleagues in Congress.

Dear Congressman Archer: Thank you so much for your kind assistance for my Saigon project. Thanks to you and your staff, especially Mrs. M. L. Schwartzman, the mission was an unqualified success.

I am compiling a report in the form of excerpts from a diary I kept during the 30 days of April, 1975, and I will send you a copy when it is completed.

We followed the ongoing reports of the evacuation program, and as a totally involved participant, I am concerned that the Armed Forces are not getting any where near the credit deserved them for their activities. The way the services, all of them, have conducted their operation is one of the finest annals of our history. I should like to specifically commend the following:

M/Sgt. J.W. Smith, B.E.E.F., Clark AB, APO SF 96286.

M/Sgt. A.R. Farebrother, PSC No. 1, Box 3737, APO SF 96286.

M/Sgt. Donald Robinson, 3rd Supply Squadron, Clark AB, APO SF 96286.

Captain Louis Williams, USN, Commander, NAVASN Guam.

James P. Brown, Office of the Secretary of Defense, Washington, D.C. (Formerly), Chief, Defense, Audit Office, RVN.

M/Sgt. Smith of Austin, Texas worked around the clock to provide emergency shelter (tents) at Clark AB. His crew, "Prime Beef", worked at peak effort for days on end and a day was defined roughly as 20 hours on duty and 4 hours off. Furthermore, M/Sgt. Smith, who had just returned from Saigon where he was second in command of the team that picked up the pieces of the tragic C–5A "Babylift" plane, is the proud father of a 16 year old daughter who as a volunteer was matching him hour for hour in her cheerful assistance for the refugees.

M/Sgts. Robinson and Farebrother, the men-on-the-spot at Tent City, Clark AB, were men to make all Americans proud. Each morning they turned out in spanking fresh uniforms, shoes glittering, conducting themselves with pride, dignity and yet full of understanding. They were unfailingly courteous and attentive to all of our problems, large or small, and seemed to be able to solve any predicament. They made me very proud to be an American.

Mr. Brown stepped in to the panic situation caused by the Communists in Saigon and as one of the Senior Civilian Officers of the DOD proceeded to bring space age processing to the pandemonium.

Captain Louis Williams was the epitome of Naval "cool". His men and officers also worked around the clock receiving the brunt of the first evacuees dumped on Guam and the way the Navy calmly proceeded to process, feed, house, clothe and "man the broom" where needed was a classic study, a text book example, in how to do everything right. "Well done" to Captain Williams and all his men.

In closing I wish to repeat my profound thanks to you and Mrs. Schwartzman for your kind assistance. I should like to say that in my own refugee program I did not use any U.S. Government funds.

Thank you.

Yours very truly,

Bennett B. Bintliff.

CONGRESS BATTLES TO HOLD LINE AGAINST HIGHER OIL PRICES WHILE ADMINISTRATION PUSHES FOR INCREASES

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. EVINS of Tennessee. Mr. Speaker, the Nashville Tennessean in a recent article contrasts the efforts of Congress to rollback and hold the line on oil prices with the administration insistence on higher and higher prices and decontrolled domestic oil.

The editorial urges Congress to stand fast against the administration-big oil position and adds:

> With the oil companies enjoying record profits, it is not too much to ask that the price of gasoline be stabilized.

Congress is attempting to protect the American consumer from further unconscionable gasoline price increases while the administration insists on higher prices and decontrol. Clearly this administration demonstrates a sympathetic interest in the welfare of big oil.

Because of the interest of my colleagues and the American people in this most important matter, I place the editorial in the RECORD herewith.

The editorial follows:

HOW MUCH ENCOURAGEMENT DOES BIG OIL REQUIRE?

President Ford is apparently determined to raise the price of gasoline as high as it is politically possible to so do.

This week he vetoed a bill which would have rolled back the price of "new" domestic oil by approximately two dollars per barrel and would have blocked his plan to decontrol the price of "old" domestic oil.

The congressional attempt to roll back the price of "new" oil (that from wells drilled since 1973) would have prevented higher gasoline prices, but in light of the Congress' apparent inability to override the President's vetoes, it would seem that this proposal is now dead.

However, the President's attempt to raise the price of so-called "old" oil over a 30-month period has so far been thwarted by a simply majority vote. While Congressional leaders attempt to work out a compromise bill which would extend the controls on the price of "old" oil, the President has threatened to veto any measure he does not like.

Thus, if no compromise is reached, the controls on old oil would end suddenly on August 31 and the price of gasoline would go up drastically in one big jump. President Ford's own figures indicate decontrol would cost consumers an extra seven cents per gallon.

Critics put the figure closer to 15 cents per gallon and the Congressional Budget Office has warned that the combined effect of decontrolling old oil and the expected price increase by foreign producers this fall would be "a direct loss of purchasing power almost twice as great as the increase provided by the recently enacted tax cut."

If the President's plan were adopted it would be in character for Big Oil to select the Labor Day weekend as the time for the next big increase.

President Ford's spokesman, Mr. Ron Nessen, said the President was aware that his veto might mean another enormous increase in the amount of money flowing from the pockets of the public into the Big Oil profit reserves, already at levels aptly described as "obscene."

However, Mr. Nessen added, the President has decided that another seven cents per gallon (the lowest estimate) is a risk well worth taking.

The reason given for the President's desire to drastically increase the price of domestic oil was that the oil companies need to make bigger profits in order to encourage them to produce more oil. At some point, however, the American people are going to get tired of having their pockets picked in order to give Big Oil more encouragement.

If the companies are not encouraged by the current absurdly high profits, and there is no evidence that they have been, then there is good reason to assume they will never be interested in anything other than bigger and bigger profits. As far as they are concerned, the public interest be damned.

Happily though, President Ford retains his smiling disposition. Last week, when he greeted a tour group walking through the White House, one young man said politely, "Bring down the price of gasoline, Mr. President."

The President smiled good-naturedly and said, "We'll try."

A few days later he submitted his proposal to skyrocket the price of domestic oil, and in doing so, made it perfectly clear once again that behind the public relations facade of concern about stimulating production, what President Ford and Big Oil are actually saying to the American people is, "Unless you pay up, we're going to bring this country to a screeching halt."

The Congress should not give in to his threat. With the oil companies enjoying record profits, it is not too much to ask that the price of gasoline be stabilized. That is what the American people want and that is what the Congress voted to do. But that is what the President and Big Oil have prevented up until now.

President Ford should make no mistake about one thing: the American people are getting angry about gasoline prices. The young man on the White House tour spoke for millions and millions of people who cannot afford to give Big Oil more encouragement.

The American people know what the oil companies' profits are, and they know where those profits are coming from. Moreover, they are tired of hearing a smiling President say lamely. "We'll try," and then promptly do whatever the oil companies want.

But unfortunately, this President, like his predecessor by whom he was hand-picked, is far more concerned about what the Big Oil executives want than what the average citizen needs. As a result, the average citizen may well conclude that what the nation needs more than anything else is an end to the Nixon-Ford-Big Oil administration.

While the rest of the country continues to suffer from the economic policies of the past seven years, there is little excuse for treating the oil companies with kid gloves and allowing them to wallow in their extorted profits.

HISTORICAL MUSEUM

HON. ANTHONY TOBY MOFFETT

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. MOFFETT. Mr. Speaker, I rise to commend the town of Southington, Conn., for its proposal to establish a historical museum in commemoration of the Bicentennial. Southington, as the article which follows points out, is nearly 200 years old itself, and consequently has a rich local history of its own. This project, which is to be carried out by voluntary efforts and contributions, could well serve as an example to thousands of other such communities interested in keeping alive their cultural heritages.

The article follows:

MUSEUM MAY EMERGE FROM BICENTENNIAL

SOUTHINGTON.—The town's gift to the nation on its 200th birthday hopefully will be a new museum tracing more than two centuries of local history, the Bicentennial Committee said Monday.

After weeks of secrecy, committee Chairwoman Gail Andrews said the committee hopes to establish a museum in a room at the former public library, which has been given to the Historical Society.

The success of the project hinges on money and manpower and Miss Andrews called on residents to rally behind the bicentennial and work on the project.

The museum would be in the Sylvia Bradley memorial room at the former library, which would be renovated by the voluntary efforts of residents, according to Miss Andrews.

After the museum is completed, it would be maintained by the Historical Society, which also hopes to establish a cultural learning center in an adjacent room.

Miss Andrews predicted the museum will be of special interest and educational value because it will be the first available source of facts on town history.

Southington was incorporated as a town in 1779 from part of Farmington. To date, no comprehensive history has been compiled.

Hopefully the museum will be present and growing when the nation and the town celebrate their 300th birthdays, Miss Andrews said.

In addition to establishing the museum, the committee has plans for celebrating the bicentennial.

The committee is planning a weekend celebration to include country fair type events, contests and other festivities, Miss Andrews said. Although no firm date has been established, she said it may coincide with the dates when Gen. Rochambeau and his troops passed through the Marion section of town in 1781.

A pictorial display of town history, including religious, industrial and educational life, is planned. Miss Andrews said if money is available, a book outlining the display could be published.

The committee would also like to publish a map giving town history and the origins of the named sections of town, certain street names and places of historical significance, she said.

Miss Andrews said money is needed to get the whole celebration off the ground. Contributions can be mailed to her at 615 Meriden-Waterbury Turnpike.

TRIBUTE TO AMBASSADOR EGIDIO ORTONA

HON. JOHN H. DENT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 25, 1975

Mr. DENT. Mr. Speaker, in reviewing the biography of Ambassador Egidio Ortona of Italy, I was *immediately* struck by a parallel, in the Ambassador's career, with mine; namely, that we began our respective lives in public service in 1932, at a time when both of our countries were in the midst of severe economic crisis.

Now, in the twilight of our careers, I am proud to be one of those whose privilege it is to number Egidio Ortona as friend.

He has served his country well; indeed, he has served the United States well, too, for that is half of the duty of being a diplomat. Perhaps it is best described as being the art of influencing people by winning friends. If that is so, Egidio Ortona has done a world of influencing, because his friends are legion.

I know that the Ambassador will be missed, not only for his hospitality, and his charm, but for his good humor and warmth as well.

The Italians are great travelers; Christopher Columbus is evidence of that. As this is so, I would expect to see Egidio Ortona someday soon again in Washington. Or perhaps in Italy, for I am Italian too, you know.

VOTING REPRESENTATION FOR DISTRICT OF COLUMBIA

HON. GILBERT GUDE

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. **GUDE**. Mr. Speaker, the Subcommittee on Civil Rights and Constitutional Rights of the House Judiciary Committee is presently conducting hearings on legislation to provide the District of Columbia with voting representation in the House and Senate. Such representation is long overdue to the three-quarters of a million residents of Washington. Passage of a constitutional amendment granting District of Columbia as many House Members as it would be entitled to if it were a State and two Senators would be a particularly fitting action for this Bicentennial Congress. I urge my colleagues to join in cosponsoring this important measure.

In this regard, I call the attention of the House to a recent editorial in the Christian Science Monitor which excellently states the case for full voting representation for District of Columbia.

The article follows:

[From the Christian Science Monitor, June 20, 1975]

D.C.—LAST COLONY IN AMERICA

There remains a vestigial colony, of sorts, within U.S. borders. This is the District of Columbia, where 740,000 Americans live next to the seat of federal government, but never have had voting representation in the House or Senate.

Being argued now before a House Judiciary subcommittee are proposed amendments to the Constitution which would give D.C. two senators and two representatives. Such measures have failed in the past, but with today's need for increased citizen participation and openness in government, the reasons for passage seem clearer.

The District of Columbia, which has a larger population than 10 states, has been a protectorate of the federal bureaucracy since Founding-Father times. The 23rd Amendment to the Constitution in 1961 finally enabled District residents to vote in presidential elections. Legislation in 1968 provided for an elected school board, and two years later Congress created the post of nonvoting D.C. delegate to the House of Representatives. After several unsuccessful attempts at local government home rule, the District this year got its first elected mayor and city council since 1871.

Critics in the Senate fear a lessening of their voting power as well as the potential for increased Democratic predominance in that body if the measure passes. But such purely political considerations must be laid aside, especially in light of recent moves to guarantee the rights of minority voters in many Southern states through extension of the Voting Rights Act. Seventy percent of the D.C. population is black.

District Mayor Walter Washington gave the best argument for extending full representation to the D.C. populace: "Residents of the District have carried out their responsibilities as citizens. They pay federal and local taxes, they fight and die in our country's wars, they live under laws enacted for them by Congress. . . . They are indeed entitled to their full rights, the rights enjoyed by all other citizens of the nation."

What better time than this bicentennial year to grant full citizenship to the last colony?

CONSTITUENT SERVICE FUND

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. **SARASIN**. Mr. Speaker, in January of 1974, I entered in the CONGRESSIONAL RECORD a lengthy discussion of my intention to establish a constituent service fund to help underwrite the costs of providing my Fifth District of Connecticut constituency with the kind of communications and services which I feel they deserve.

I also feel strongly that they have a right to a full disclosure of this fund and how it is used. Prior to the establishment of the fund, I requested and obtained a complete and detailed opinion from the Internal Revenue Service covering every aspect of the proposed fund raising and expenditures. I wanted to make sure that the fund met every legal and ethical requirement.

The IRS opinion was entered in the CONGRESSIONAL RECORD and made public along with my intention to proceed with the fund. I have since then entered periodic reports in the RECORD giving a complete accounting of the operation of the fund for my colleagues and the general public.

I have found the fund to be of tremendous value in enabling me to carry out the kind of constituent communication and service program I believe the residents of my district deserve and I want to extend my sincere gratitude to the many individuals who have contributed to make this program possible.

Contributions to the fund are accepted only from individuals and are limited to a maximum of $200 annually. This year, 52 people have contributed a total of $8,952 to the fund. Forty-one of these have given the maximum $200, seven have contributed $100, and $52 has been accepted in miscellaneous contributions.

The following account covers the operation of my constituent service fund from January 1, 1975 to July 18, 1975:

RECEIPTS	
Forty-one individuals at maximum $200	$8,200
Seven individuals at $100	700
Miscellaneous contributions	52
Total receipts	8,952
EXPENDITURES	
Printing expenses: supplies, labor, and so forth, for newsletters and notices	2,398.59
Staff reimbursements and expenses	49 .50
Mobile office maintenance and operation	514.49
Miscellaneous office expenses	122.39
Travel reimbursement to Ronald A. Sarasin, Member of Congress, between Washington and Connecticut	579.02
Public forum and town coordinator expenses	85.99
Post office box rental	33.40
Fifth District Club contributors functions	179.61
Total expenditures	3,962.89
July 18, 1975 balance	4,989.11

GILMAN SEEKS TO CONTROL GRAIN EXPORTS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. **GILMAN**. Mr. Speaker, today I am introducing a bill to amend the Export Administration Act of 1969 to require review by the Secretary of Commerce and the Congress of certain grain export contracts.

The main purpose of the legislation is to provide congressional oversight for our export policies and to avoid any future manipulations of our grain export markets in such a manner that would have an adverse effect on our domestic supply and economy.

This call for prior approval of large grain sales contracts will give Congress an effective voice in assessing the impact of such sales on our national needs. Under this proposal, all single sales contracts of 500,000 metric tons or more and the cumulative sales of 5,000,000 metric tons in a single market year would require the approval of the Secretary of Commerce and a 20-day congressional review period with the right of disapproval.

Some of the past policies of the Department of Agriculture in allowing massive grain sales by several large grain exporting corporations have resulted in actions that have hurt both the farmer and the consumer. By establishing this monitoring and approval authority in the Department of Commerce, this bill will avoid any possible claims of a conflict of interest.

In addition, the extension of the existing policy provisions under this act to the sale of raw forms of wheat, corn, barley, oats, rye, grain sorghums, soybeans, and soybean meal will make it possible to develop a comprehensive export administration. The Secretary of Commerce, after consultation with the Secretary of Agriculture, can determine that certain export volumes that are lower than those specifically restricted under this act are in fact significant enough to be channeled through the approval process. The Secretary could determine that certain volumes contribute to an increase in domestic prices or domestic shortages and that such price increases or shortages will have a serious adverse impact on the economy.

Admittedy, our grain exports play an ever-increasing role in providing help with our Nation's balance of trade and providing economic benefits at all levels of our domestic economy. But these facts are only true to the extent that these exports are undertaken responsibly and with full knowledge of their possible impact on our domestic economy. We must not repeat the disastrous transactions involving 19 million tons of grain in 1972 which lead to dwindling domestic supplies and to a new round of rising prices.

Mr. Speaker, I invite all of my colleagues to join with me in support of this legislation.

OUR MISSING MEN

HON. JERRY LITTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. LITTON. Mr. Speaker, it is with the utmost concern and urgency that I bring to the attention of my colleagues in Congress and the people of America the matter of our MIA's in Southeast Asia.

It has now been 2½ years since the Paris agreement on ending the war and restoring peace in Vietnam was signed by all parties involved and the North Vietnamese have yet to inform us on the fates of the 1,300 or so persons still missing as a result of that conflict.

Article 8, section b, of the January 27, 1973, Accords specifically stated that—

> The parties shall help each other to get information about those military personnel and foreign civilians of the parties missing in action, to determine the location and take care of the graves of the dead so as to facilitate the exhumation and repatriations of the remains, and to take any such other measures as may be required to get information about those still considered missing in action.

To our repeated requests for action, the North Vietnamese have always given one excuse or another. In response to as yet another recent letter from several of my colleagues, the North Vietnamese have now linked the issue of our missing Americans to demands for contribution of aid for the post-war reconstruction of both North and South Vietnam. In short, they are indicating that they will not resolve this problem unless we give in to, what I can only term, their blackmail.

The inhumanity of this attitude is intolerable when one considers what agonies the families of those 1,300 missing men must be undergoing. It is tragic, of course, to hear of the death of a loved one, but it is much worse to have to suffer the uncertainty of not knowing whether one's husband, father, and/or son is alive or dead.

It is high time that the North Vietnamese live up to their word and we should make it quite clear to these people that we will not even consider entering into any discussion of aid or trade until such time that they will have given a full account of our missing men.

THE VERMONT STORY

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. JEFFORDS. Mr. Speaker, the issue of beverage container deposit legislation continues to evoke controversy in State legislatures throughout the Nation. Many Americans, including myself, feel such a measure should be adopted at the Federal level.

Peter Franchot, assistant director of the Vermont Public Interest Research Group, has written an excellent article on Vermont's experience with this type of legislation, published in the July 19 issue of Environmental Action magazine. I believe many of my colleagues may benefit from the insight expressed in this article, so I include it at this time:

THE VERMONT STORY

(By Peter Franchot)

When I think of bottles, I think of lobbyists. Anyone who has worked to get a bottle bill through a state legislature or a city council has had to wonder how so many lobbyists can pop up to oppose a bill that simply proposes to reduce waste. Despite their relative success this year, I have a prediction for the industries which do such intense, expensive, and persistent lobbying against bottle bills around the country: their technical and legal experts are fighting a losing battle. In ten years bottle laws will be working in a majority of the states. The public is beginning to understand that the "convenience" of overpackaging is really cheating them out of dollars and littering the land. The public is fed up with the legislative process being controlled by special interest lobbyists. The beer and soda interests are learning that an informed public will not tolerate such conscious waste as throwaway bottles and cans. And they are learning that the public will not subsidize a private policy of waste by publicly financing recycling operations.

Many of you know that Vermont achieved a significant victory in 1975 with passage of strengthening amendments to a 1973 bottle bill. When the original Vermont law went into effect in September 1973, it became apparent that something was awry. The original law required a minimum five-cent deposit on the 180 million soda and beer containers sold in this rural state. The law mandated that all the bottles and cans be clearly marked with a label—"Vermont 5 cents Refund." Unfortunately, the law did not ban flip-top cans or throwaways. The legislature and the public innocently assumed that industry would comply with the intent of the law and market their products in refillable bottles. Only the soda industry moved slowly into refillables.

The major beer companies, particularly Budweiser and Schlitz, which control the market in Vermont, refused—and to this day refuse—to supply their premium beer in 12-ounce six-packs of refillables. They say the public doesn't want refillables. Thus, for the first 18 months of the law, consumers and grocers were burdened with the worst of two systems. Consumers had to pay handling costs and deposits on throwaway bottles and cans and were denied the savings of refillable bottles. Millions of throwaways were redeemed at the stores only to be trucked to the dump. Grocers had to handle and sort more than 75 varieties of brands and sizes of beer alone—all of which ended up in the dump.

Brewers and distributors clearly manipulated the marketplace by withholding refillables and raising prices. Vermont's governor, Thomas Salmon, was prompted to say, "It's quite clear to me that the distributors have decided to price their beer high to create public anger and an outcry for repeal of the law." These tactics became a public relations disaster for opponents of the bottle law. Hoping to repeal the law by feeding the economic fears of Vermonters caught in a combined recession and inflation, the brewers and distributors instead created hostility. The press and public viewed them as out-of-state agitators trying to hamstring a popular law.

In 1974 there were efforts to pass Oregon's ban on flip-top cans and its preferential lower deposit on refillables. The amendments passed the Vermont House but lost at the 11th hour in the Senate.

During the summer of 1974 the state highway department published results of a litter survey indicating a sharp reduction in roadside litter. Simultaneously brewers and grocers rallied by taking advantage of a dip in beer tax revenues to feed the fears of Vermonters caught in a nationwide recession-inflation. They hoped the law would be caught in an environmental "backlash" and repealed during the 1975 session.

There were two basic proposals in the 1975 session. One was a much celebrated "solid waste management" bill. The bill went nowhere and in fact lost many of its sponsors when they learned it would have repealed the bottle law. The second bill, which eventually passed, amended the 1973 law by banning flip-top cans and throwaway glass bottles after January 1, 1976, later changed to January 1, 1977 in the Senate.

The bill survived a treacherous parliamentary voyage through committees. Industry lobbyists paraded before the House Natural Resources Committee and argued that the bottle law was an "economic disaster" for Vermont and that H. 228 would make it worse. They said the law did not reduce litter and that refillables were not cheaper to the consumer.

The committee remained unconvinced and voted the bill out favorably. An unsympathetic Speaker of the House then routed the bill to a supposed graveyard, the House Ways and Means Committee. The same industry lobbyists repeated their arguments there for two solid days of testimony—producing a $12,000 "economic analysis" of the bottle law done by a University of Vermont professor which has proved an embarrassment even to opponents of the bottle law.

Thinking that the bill had been talked to death since adjournment was near, the committee chairman allowed the bill to be voted out favorably seven to four. On the floor of the House, an overwhelming vote in favor of the bill sent it to the Senate. Opponents of the law were visibly shocked by the size of the vote—110 to 31—and legislative observers could only explain it by saying it reflected widespread public support for the law among Vermonters.

Industry lobbyists, reinforced by new arrivals from various associations in Washington, concentrated on the Senate Natural Resources Committee. The same economic statistics and negative analyses were presented through five days of testimony. The committee voted 6-0 in favor of the bill. Then the bill ran into its most formidable obstacle in the last week of the session—the Senate Finance Committe. The Finance Committee voted four to two to hold the bill over the summer and do an economic study.

Industry lobbyists started to disperse. Then for the first time in recent history a bill was removed from a committee's jurisdiction by vote of the Senate. After hours of bitter debate, the motion "to relieve" passed with a 17-13 vote. Legislative observers were flabbergasted. Later that day the effective date was moved up one year to January 1, 1977 and the bill passed 29 to one. The governor signed the bill on April 30, 1975: Vermont joined Oregon in having the nation's strongest bottle laws.

It is important to review the support which resulted in the 1975 Legislative victory. Why did H. 228 pass in Vermont and similar bottle bills get nixed in other state legislatures?

First, litter is an emotional issue in Vermont. Throwaways really were everywhere and it irritated everybody. Farmers were tired of picking bottles out of their fields and the tourist industry recognized the economic disadvantages of unsightly litter. Comparing three months count before the law to the same three months after the law a Vermont Dept. of Highways' report on 177 miles of road found a 76 percent reduction in bottles and cans. Additionally, only 25 percent of the 6082 cans and bottles were Vermont five-cent refunds—the rest had been brought in by out-of-state tourists. Barrels of all litter declined 33 percent. The state's litter bill declined more than $40,000 with undetermined additional savings to the local municipalities. The state report was a devastating reply to the industry's claims that the law was not "effective" in reducing litter.

Second, the major argument by opponents of the bottle law—that it adversely affected beer sales and state tax revenues—fell apart. While brewers tried to blame the bottle law for a dip in beer tax revenues, the Tax Commissioner of Vermont released a letter indicating that the dip in malt beverage excise tax revenue following the law coincided with dips in other state taxes: cigarettes, hard liquor, gasoline, and so on. He attributed only a small part of the decline to transition to a deposit system.

Despite misleading claims from the U.S. Brewers Association and the Vermont Retail Grocers Association, the law's alleged economic effects did not convince the public or their legislators. In fact the law enjoys great public support in Vermont. Thousands of Vermonters wrote their legislators to support H. 228. During the bleakest days of the law in the winter of 1974, a poll of 7000 Vermonters found only 31 percent in favor of repealing it. That percentage has substantially declined as the state recovers from the disastrous tourist season of 1974. Environmental coalitions and consumer groups joined the Vermont Farm Bureau, the League of Women Voters, the Vermont Labor Council, and the League of Cities and Towns to support the bill.

To the consternation of the Vermont Retail Grocers Association, all four grocers in the Vermont House of Representatives strongly supported H. 228. One said, "We have got to have the guts to stand up to those big beer companies and say they've got to sell their beer in refillable bottles." Another said on the floor: "The law is here to stay and refillables should be forced to make the law workable."

Several brewers actually broke ranks and offered their product in refillables—at considerable savings to the consumer. Carling Black Label led the dissident beer companies and was rewarded with a 15 percent jump in sales during the first six months of 1974. Labatt of Canada and Schaeffer have followed as did several others.

Significantly, the law and its strengthening amendments received solid editorial support from Vermont newspapers. Headlines from the last two years indicate the tenacity with which the press followed the issue: "Lobbyist's $100,000 offer on bottle bill revealed" . . . "Beer buys legislative hockey trip" . . . "Deposit law talked to death by lobbyists" . . . .

Adding grist to the wheel, the law survived a court case brought in April 1974 by seven retail grocers who alleged that bottle legislation caused severe economic damage. The court ruled that "evidence is insufficient to show severe and substantial loss directly attributable to the mandatory provision of the minimum deposit law.

Organized labor in Vermont supported the bottle law. Nationally, labor and big business have joined hands to defeat bottle legislation by arguing that 65,000 jobs are at stake. In Vermont we have gained jobs from the bottle law because we have no glass or can manufacturers. Even so, labor officials strongly opposed the bottle law until a vote by the rank and file forced them to support it.

Labor, the press, a determined public, and the validity of the bottle law itself combined for Vermont's 1975 victory. Victories in other states will follow.

AN ACCURATE CONGRESSIONAL RECORD

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. STEIGER of Wisconsin. Mr. Speaker, for the benefit of our colleagues considering House Resolutions 568, 569, 570, 581, and 630, mandating a more verbatim account of floor proceedings in the CONGRESSIONAL RECORD, I am introducing into the RECORD pertinent items which have been written on this issue.

In 1972, the Ralph Nader Congress project issued its first publication, "Who Runs Congress," written by Mark Green, James Fallows, and David Zwick.

The authors, encouraging readers to learn more about Congress, assert that the CONGRESSIONAL RECORD is the most useful source of congressional activity. They also say that the practice of editing or deleting remarks which change the content of the debate can mean changes in the law when interpreted by the courts. A portion of these comments follows:

> Even the parts of the *Record* which appear to be chronicles of the day's debate are far from accurate. Under a ritual known as Privilege to Revise and Extend, members are able to edit their remarks into coherence—or delete them—before they are committed to print. Without this review, said one congressman, the *Record* "would be really sad reading the next day—the best comic book you ever saw." What this says about the caliber of actual floor debate does not seem to sink into the congressmen. Instead, knowing that only the handful of people in the galleries know what they really said, they are content to make a garbled statement so long as they later make the *Record* precise. "After you fix your senator's mistakes," says one aide, "you may have to call the staff of the other senator and say, 'How about changing your guy to saying something else so my guy will make sense?' You're not supposed to change the contents of the *Record*, but we do." The benefit of revision can lead to sloppy habits. One congressman complained that something he had said in an interview with the Nader Congress Project was used (accurately) in his profile; "I'm used to amending my remarks," he lamented. But even worse, changes in content can mean changes in the law, since courts trying to determine "legislative intent" may turn to the congressional debate to see what Congress had in mind.

CONGRESSIONAL LEADERSHIP AIDS FOREST FIRE CONTROLS

HON. SHIRLEY N. PETTIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mrs. PETTIS. Mr. Speaker, I would like to take this time to publicly recognize the fine leadership which the chairman of the Interior Appropriations Subcommittee, the Honorable SIDNEY R. YATES, provided in meeting a serious problem we in southern California have.

In H.R. 8773, Department of Interior and Related Agencies Appropriations bill, 1976, funds are provided for the fuel modification programs in southern California forests. The money will be used by the U.S. Forest Service.

Last year a devastating forest fire swept through a segment of the San Bernardino National Forest. More than 16,000 acres of valuable watershed timber and brush were destroyed. Fortunately, there was no loss of life. In 1971, a fire in the same area burned 3,000 acres. Every year we have a forest fire somewhere in southern California.

To my mind, Mr. Speaker, the most logical course of action for the U.S. Forest Service to have taken to enable it to more quickly control forest fires would have been to expand the fuel management programs it had planned. The Forest Service has proposed a fine fuel break program for the San Bernardino National Forest which will eventually be 95 miles long, but to date, only 11 miles have been constructed.

I was amazed to learn that no money for fuel management programs in southern California forests in fiscal year 1976 was requested by the Forest Service. Fortunately, under the leadership of Chairman YATES, the seriousness of the forest fire control problem we have was recognized and now Congress, by passing H.R. 8773, has taken the lead in establishing the Federal Government's priority for providing better means to prevent the spread of a forest fire when it becomes uncontrolled. All of us who live in southern California welcome the work of the Interior Appropriations Subcommittee and hope the Forest Service will follow the subcommittee's lead in support of this vital effort.

FORT DIX AND ONE STATION UNIT TRAINING

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. FORSYTHE. Mr. Speaker, the Army has requested appropriations to implement one station unit training for basic and advanced training courses. In order to put this plan into effect, the Army has proposed that basic training units stationed at Fort Dix, N.J., be moved to Fort McClellan, Ala., and Fort Benning, Ga.

By making this move, the Army will be removing its only basic training base in the Northeast United States, which could have detrimental effects on Army recruiting efforts, and thus the All-Volunteer Army. Fort Dix is also strategically located near major highway, rail, military, and civil airport facilities and is, therefore, a vital link in our defense network.

Removal of these training units from Fort Dix will also leave New Jersey, which is already staggering under 12 percent unemployment, with the prospect of losing as many as 3,000 more jobs.

The editorial below, from the July 5, 1975, Philadelphia Evening Bulletin, accurately reflects my concerns about this matter and those of many area residents. I urge my colleagues to read this editorial with care and to closely examine the arguments presented:

[From the Philadelphia Evening Bulletin, July 5, 1975]

HOSTILE FORT DIX MOVE

The Pentagon's vision is woefully impaired if it persists with plans to move military training from Fort Dix to two southern states. If the Army didn't have such a facility in the Northeast now, it should be putting one here.

In the era of the volunteer Army, defense planners have come up with the one unit concept that has basic and advanced training in one place. The aim is to lessen costs over the long run.

Costs are important. But as with the fundamental decision to go with the more expensive volunteer Army, costs are not the sole basis for sound judgment. In this case the Army is withdrawing training from the Northeast where a healthy percentage of recruits are drawn.

For the Army to pull out of Fort Dix where some $80 million in construction has taken place in the recent past is economically unsound. New facilities at Fort Benning, Ga., and Fort McClennan, Ala., would cost about $224 million.

The military seems to be developing a penchant for locating facilities in states whose congressional delegations show suitable openhanded appreciation, since climate is not as decisive a factor in the modern Army. The Army's bills, however, are paid by all voters, not just southern ones.

The proposed withdrawal of the only infantry training center in the Northeast comes poorly timed at the start of the Bicentennial celebration. Could the move be, along with plans to close the Frankford Arsenal, this area's reward for a long-standing tradition of dedication to the nation's defense?

There's one last irony. Only two other states get back from the Federal Government as few tax dollars as does New Jersey. For every $1 returned to the state, New Jersey taxpayers pay $1.48. In contrast, Georgia gets $1 back for every 79 cents in federal taxes and Alabama $1 for each 66 cents.

With one of the highest unemployment rates in the nation, New Jersey stands to lose 3,000 jobs from this transfer of operations from Fort Dix. The decision comes close to the military biting a hand that feeds it.

Army planners would be hard put to devise a more hostile act and at a worse time.

ILLEGAL ALIENS

HON. PAUL G. ROGERS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. ROGERS. Mr. Speaker, in a short time the Congress is expected to act on legislation aimed at deterring the mass influx of illegal aliens into the United States. It is apparent that these aliens—estimated at over 2½ million per year by the Immigration Service—are having a marked effect on the U.S. economy, to the detriment of the American people.

In addressing this issue, it is important to remember that present law does not penalize employers who hire illegal aliens. Thus, attracted by jobs, these aliens enter the United States.

One company, the National Can Corp., has instituted a new policy to insure against the hiring of illegal aliens. Applications now question a proposed employees' legal status. Signs stating the company policy have been posted. By discouraging aliens, America's business sector can act voluntarily to stem the rising tide of illegal aliens entering the United States.

I commend this action and respectfully request that the following statement issued by the National Can Corp., be included at this time:

NATIONAL CAN ENACTS MEASURES TO INSURE AGAINST HIRING ILLEGAL ALIENS—HEADS DRIVE TO RECRUIT OTHER BUSINESS TO DO THE SAME

CHICAGO, ILL., April 11.—With unemployment at an all-time high since the depression, National Can Corporation announced today that it is enacting measures to insure against the hiring of illegal aliens.

According to the United States Immigration Service, it is the first major U.S. corporation to publicly adopt such a policy.

Frank W. Considine, president and chief executive officer of National Can, in making the announcement at the corporation's annual meeting in Chicago, said that in addition to its own policy, National Can would spearhead a drive in cooperation with the U.S. Immigration Service to get other companies to adopt similar measures. Considine personally will head up the drive.

General Leonard F. Chapman, commissioner of the U.S. Immigration Service, said that a concerted effort by all of business not to employ illegal aliens would help to open up more than one million jobs for unemployed U.S. workers within a matter of months; it could make available over a period of three or four years an additional two million or more jobs.

"The time when our nation could absorb the world's unemployment is long past," Considine said in making his announcement. "I don't see how we can any longer justify taking lightly the hiring of people who enter the country illegally, violating our laws, when so many of our own people are begging for jobs."

Considine stated that government statistics show that illegal aliens don't just occupy the low paying, unwanted jobs.

"Quite to the contrary," he said. "Illegal aliens hold jobs throughout our entire employment stream.

"It is estimated that more than one million illegal aliens are in New York; more than half a million in Chicago," Considine continued. "You can be sure that the people employed in these areas aren't harvesting crops."

According to the Immigration Service, more than two and one-half million illegal aliens come into the United States each year. They arrive from nearly every country in the world.

As unemployment in Europe continues to grow, the number of illegal aliens migrating to this country is expected to rise.

According to General Chapman, the surest way of shutting them out is to turn off the magnet that attracts them here . . . jobs.

"This is what we are trying to encourage major corporations to do," General Chapman said. "This is why National Can's public policy and leadership role in this vital issue is so important to our solution to the illegal alien problem."

National Can is listing on all of its employment forms, both temporary and permanent, salaried and hourly, the question: "Do you have the legal right to be in this country?"

It is posting signs in each of its plants, informing workers of the company's policy on the employment of illegal aliens. It is informing each of its employees that it is cooperating fully with the U.S. Immigration Service and that plants will be open for regular immigration inspection.

"This puts the illegal alien on notice that National Can is one company to avoid," General Chapman said.

"If more corporations would adopt this policy it would eventually transmit to the illegal alien that there are no jobs for them here. It would discourage them from coming to America on an illegal basis."

The General said that illegal aliens who were employed at company plants posting this information would most likely leave.

"They know that sooner or later with our regular inspections that they would be detected," he said.

Considine stated that this is of course National Can's goal . . . to open up more jobs for legal residents.

"If we can do something to help ease the unemployment problem in the U.S.," Considine said, "then we feel that we will have truly accomplished something.

"Our goal is to put the U.S. worker back to work, as quickly as possible. We feel that this program with the U.S. Immigration Service is an important step in the right direction."

National Can Corporation has 62 plants across the U.S. It employs over 14,000 people. In addition to its U.S. plants, the company has 12 plants overseas. Its 1974 annual sales were $710 million.

PARAMOUNT JAYCEE OF THE YEAR BOB SCHREMP

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. CHARLES H. WILSON of California. Mr. Speaker, Paramount, Calif., is indeed fortunate to have Bob Schremp in its corner. For Bob, the chartering president of the Paramount Jaycees and administrative aide to the president of the California Jaycees, is a dynamic 33-year-old whose achievements are legion.

This year alone he was named as one of America's Outstanding Young Men, Outstanding Member of the Executive Committee for the California Jaycees, and Outstanding State Chairman for the California Jaycees. Also, his home local of Paramount named him Jaycee of the Year 1974–75 and presented him with the Distinguished Service Award for 1974.

Because of his keen interest in young people, Bob has received numerous citations for his youth work. For the past 6 years he has been a chief organizer of the Special Olympics in southeast Los Angeles and was commended by the Washington, D.C., Special Olympics as an Outstanding Young Man of America.

A self-made and self-employed man, Bob is never too busy to take on another worthy project. Community service is his avocation. Beloved by his friends and his fraternal associates, Bob was recently appointed by Mayor Ted Mosier to serve on the Bicentennial Commission for the city of Paramount. With Bob's innovative ideas and his ability to carry the ball, I know Paramount's Bicentenntial celebrations will be special.

Bob Schremp is selfless in his efforts to make his community a better place to live and to work, and I am proud of his many contributions to the betterment of our civic life.

CONGRESSMAN BALDUS ON CANNING LID SHORTAGE

HON. ALVIN BALDUS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. BALDUS. Mr. Speaker, I would like to bring to the House's attention the serious problem that people in the Third District of Wisconsin are having in obtaining canning lids. The story is the same everywhere; there is an adequate supply of canning jars, but no lids to be found.

Canning lid shortages will probably have trouble establishing priority in a Congress faced with energy shortages, job shortages, housing shortages, and inflation. So allow me to simply describe what is at stake here for the average family of the Third District.

Canning is not new to the mothers and daughters of an agricultural area like western Wisconsin. Lately, however, it has assumed importance beyond that of a more timeworn tradition. It is a valuable self-help tool utilized by lower income, farmpeople to offset the crippling effects of inflation.

Dairy farming is the most fuel intensive form of agriculture in operation today: The average dairy farm uses four times the electricity it did 20 years ago, nitrogen-based fertilizer costs have doubled, and nearly an eighth of this country's fuel is burned in our Nation's agricultural effort. Skyrocketing fuel costs and costs of production have forced our farmers and rural community residents to help themselves in every way possible to become self-sufficient and efficient.

Canning food is a vital part of that self-help story. Lids are a vital part of canning and the shortage presently stifling effort is causing a hardship. As every homemaker knows, the peak of the canning season is fast approaching and it will hurt if perishable food is not carefully laid away to prevent winter—like the proverbial grasshopper—from knocking on the door with its hand out asking for undeservedly high prices.

Mr. Speaker, it is an important problem. I am not convinced that the manufacturers have adequately foreseen the problem, nor dealt with it, and I ask you for any assistance you can give these people. Thank you.

THE DAMAGE HAS BEEN DONE

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. BROOMFIELD. Mr. Speaker, I am sure that many Members of the House are well aware of the adverse editorial reaction to recent congressional initiatives in the field of foreign affairs, most notably our decision last week to prolong the arms embargo to Turkey. Many Americans are dismayed, but hardly surprised, at the results of congressional diplomacy.

There is no indication whatsoever that our vote last week has, or will, serve the cause of peace on Cyprus, relieve the human suffering on that island, or improve our relations with important allies. What is clear, however, is that our security installations in Turkey which, by the testimony of the Director of the Central Intelligence Agency are important to our national security, have been shut down. Turkish-American relations are at their lowest ebb in a generation. Congress has scored a blow against the administration, we may have upheld the "rule of law" at least as it pertains to Turkey and the United States, but I think it is questionable indeed whether we have served the national interests of this country.

I would like to include in the RECORD editorials from the Detroit News and the Washington Star-News which, to my mind, accurately reflect the implications of our decision last week:

[From the Washington-Star News, July 27, 1975]

THE DAMAGE HAS BEEN DONE

We still don't know the full extent of the destruction. The word from Ankara so far is only that Turkey's bilateral defense treaties with the United States are "no longer valid," that activities on 20 American bases in Turkey are to be halted forthwith and that the Turkish armed forces will assume control of the installations from now on. Yet this in itself is quite enough to justify the judgment of President Ford that the refusal of the House to lift the arms embargo on Turkey will "do the most serious and irreparable damage to the vital national security interests of the United States."

The debate in the House which led to this result was, in our view, anything but serious. To the extent that it involved foreign policy issues at all, it was simply an extension of the conflict that divides our Greek and Turkish allies over the issue of Cyprus, without contributing anything to its eventual solution. Rejection of the administration proposal for a partial lifting of the arms ban was certain to poison Turkish-American relations and lead to a dismantling of bases which is in the interests of neither nation or of NATO as a whole. It will do nothing to improve our relations with the government in Athens as long as Turkish forces remain in Cyprus. And if the reaction in Ankara is any indication, that will be a very long time indeed.

For all the rhetoric about upholding the rule of law and the "fundamental principles of American foreign policy," the House debate reeked of the domestic political sensibilities of the members. It was an unthinking reaction to charges that the American Congress was being subjected to "blackmail" over the matter of the bases. It was, perhaps above all, a ham-handed assertion of congressional prerogative in the area of foreign affairs, reflecting a general hostility to the executive branch, and particularly to Secretary of State Kissinger's oft-repeated objections to congressional intrusion into his domain.

We do not in any way condone the performance of the Turkish army on Cyprus in the past year. To condemn its intervention as "aggression," however, is to blink at the facts: The Turkish invasion was the result of a military coup d'etat against the legal government in Cyprus, inspired by the ruling military junta in Athens, backed by Greek arms and aimed at the political unification of Cyprus to mainland Greece. As a guarantor of Cyprus' independence under the Zurich agreement of 1960. Turkey had a legal and moral right to intervene. The immediate result was not only to restore the legal government of Archbishop Makarios in Nicosia, but also to restore democracy in Greece.

Since then, the problem has been one of finding a political solution on Cyprus that will allow most, if not all, of the 180,000 Greek refugees to return to their former homes, to provide adequate safeguards for the Turkish minority on the island and to bring about the withdrawal of the invading Turkish forces. These are not easy things to achieve under the best of circumstances. In the atmosphere of bitter hostility to which the Congress has largely contributed, they may well be impossible.

[From the Detroit News, July 28, 1975]

HOUSE ENDANGERS SECURITY

The decision of the House of Representatives to maintain the arms embargo against Turkey is said to be a major defeat for President Ford, who campaigned for an end to the embargo. It is more than that. It is a blow to the security of the United States.

There is no denying the seriousness of the issue which brought each congressman to an agonizing, personal decision. Also, each was subjected to the extraordinary pressure of a strong Greek ethnic lobby.

On the one hand, the administration argued that unless arms supply was restored to Turkey, American bases in that country are likely to be closed by an angry Turkish government. (Turkey already has announced it is taking control of all twenty U.S. bases in the country.)

On the other hand, opponents of arms aid took the position that Turkey ought to be spanked for violating her agreement with this country by using American weapons during the invasion of Cyprus. Some went further insisting it is essential that countries which engage in aggression with American weapons be called to account.

Strategic pragmatists have a different, and disturbing, view of the problem. Three of the U.S. bases in Turkey are of critical importance. At Diyarbakir, a long-range radar system keeps surveillance over Soviet missile sites inside Russia. It would give first warning of a missile attack on the United States. At Sinop, there is a mid-range detection system which monitors Soviet military movements in and around the Black Sea. And at Incirlik is a front-line Strategic Air Command base.

If Turkey demands removal of these installations, how are they to be replaced? How is their activity to be accomplished efficiently elsewhere?

The pragmatists also argue the Soviet Union will be the chief beneficiary if Turkey is carved away from NATO, thus weakening the eastern defense flank. The Soviet Union would reap this strategic benefit without lifting a finger.

If Turkey withdraws from NATO and orders removal of the American bases, she would become a doormat to the Middle East in the event of a major conflict there.

Emotion in Congress and excessive national pride in Turkey have ruled the rhetoric on this issue. Cold, hard, strategic common sense has been pushed into the background. Both countries are bound to regret that in the future.

SENIOR INTERNS

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. SIMON. Mr. Speaker, in May of this year I invited Mr. and Mrs. Hugh Rimer of Karnak, Ill., to participate in a 2-week senior citizen internship program here in Washington.

The Rimers joined a group of senior interns from 20 other congressional districts in a series of meetings with various Government agencies and congressional committees.

The Rimers, who have been leaders in organizing senior citizen activities throughout southern Illinois, have reported to me that they found the internship valuable as well as personally enjoyable.

They prepared a report on their 2 weeks in Washington, and I am happy to share it with other Members of the House:

SENIOR INTERNS

(By Hugh and Erma Rimer)

The Congressional Intern Program was a wonderful experience and a worthwhile endeavor.

The program was presented in a well-organized manner. The coordinators were friendly and courteous, and we felt comfortable and at ease with them.

The people representing various government departments and agencies working with older American programs were dedicated and helpful.

There was a mutual feeling of concern about the programs and problems facing senior citizens. We learned many things in our association with the people from government departments and agencies, and from the people who came to the intern program from other states.

We have come to the conclusion that the older Americans living in small villages and rural areas are being bypassed by many programs designed for them.

We work on a county level with the "Three Score or More, Inc. Senior Citizens of Pulaski County." We sponsor the two nutrition programs in our county—Smiles I at Mounds, Illinois, and Smiles II, at Ullin.

Transportation is a big problem. The Karnak participants (our community) have bus service to the nutrition program three days a week. Some of the people need pick-up service at the door, but we have not been able to provide this. We also have some wheel chair people who haven't had a chance to participate in the program.

Transportation and housing, which are of great importance to the older Americans and which we are trying to obtain in our area, were discussed in an encouraging presentation by representatives of the Department of Housing and Urban Development and the Urban Mass Transportation Administration.

The programs in Pulaski County and the lives of older Americans in many other areas could be enriched if we had a "walk-in center", where hand-crafts, recreation, music and "just talk" could be enjoyed.

Why can't school buses be used for community services? We understand there is a problem with insurance. It seems that this problem could be solved. After all, the buses are bought with public funds to be used, and the school is not a "little kingdom"; it could serve older Americans, too.

New legislation for older Americans is important. We should legislate programs to help senior citizens understand the laws that are changing their everyday lives.

For example, many older men and women receive small pensions from the Veterans Administration as well as Social Security. They certainly aren't benefited when—as is many times the case—one pension check is increased and the other is reduced in a like amount! This is not right.

Helping the older American with consumer problems could be done on a voluntary basis. Programs, discussions and "plain talk" about problems in this area could be beneficial.

The Retired Senior Volunteer Program (RSVP), a part of "ACTION", provides many opportunities for the older American to become involved in satisfying activities that promote human happiness. We have the RSVP program in our area, and intend to encourage other senior citizens to participate.

Medicare and a national health insurance program are of great importance to senior citizens. In-patient costs in hospitals seem to increase daily.

Medicaid payments are very low, especially in our own State of Illinois. Doctor fees vary greatly. Many doctors will not attend a person who has Medicaid, not only because the payments are low, but because the state is so slow in making payments. The payment schedule hasn't been changed by Congress since 1965. And high prices deprive a multitude of older Americans of their drug needs.

Senior citizen centers could serve as a source of information for tax problems. The confusing forms that are part of the tax collection process are a source of real frustration to many older Americans.

Institutionalization is another important aspect of life for older Americans that we discussed in our internship.

The aim of both the state and federal government is to keep older Americans from institutionalization as long as possible. But if one has to enter an institution, why should he or she be compelled to sit with mental patients when what is needed is daily care, love and attention?

Mental patients housed in a shelter care or nursing home could be separated from the older American who needs a minimum of care and love.

It is very depressing to visit a nursing home or shelter care facility where mental patients fill the lobby—sitting in chairs where they are tied, with urine underneath them. Why do so many older Americans have to spend their last days in such an environment? Why can't they have some comfort and happiness?

We would like to see federal programs for older Americans move quickly so they can be implemented today. And we want them to be strong enough to bring happiness and help to the older Americans of the future.

LETTER FROM CONSTITUENT

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. LONG of Maryland. Mr. Speaker, I would like to share with my distinguished colleagues a letter sent to me by one of my constituents, Dr. Barry S. Lever, of Baltimore. Dr. Lever sets forth his views on the administration's policy toward the Middle East:

LETTER FROM DR. BARRY S. LEVER

In my opinion the present approach of Mr. Kissinger and our president to an interim agreement in the Middle East is wrong. Their position is detrimental both to America and Israel, as it blocks a well planned and coordinated policy between two friends and allies.

Subtle pressures by this administration to make Israel give up her bargaining counters while her security and survival hang in the balance is dangerous. This only tempts further belligerency from those with a blind hostility to Israel.

This administration must realize that the support of the American People for Israel is longstanding and deep. It has been accurately voiced and voted by our congressional representatives and previous presidents.

Americans recognize Israel as a strong, strategically situated, resilient and dependable western oriented democracy. This democracy contrasts sharply with the many surrounding dictatorships of her Arab neighbors. Thousands of Arabs live peacefully in Israel as full citizens. Some of these Arabs hold high ministerial rank in the Israeli Government, while others are representatives in the Knesset (parliament). I doubt that Jews in any Arab country enjoy similar rights or governmental rank. Political freedom and democratic ideals are but one of the foundations of our natural and significant alliance with Israel.

We Americans also admire Israel's courage and determination in defending herself in five wars in 27 years, yet building her ancestral land. In the 1880's Mark Twain visited the Holy Land. He wrote a book on his return entitled "Innocents Abroad." In it he described the "bleakness, desolation, and bareness" of the land in those days. Contrast this to the present reality of Israel. It leaves no doubt as to the miraculous achievements of Jewish effort.

Skeptics may ask, "so?" "What's this to America or any other people?" A flourishing Israel, in spite of all adversity, is a cause for hope, and a light to the spirit. Israel shows to a troubled and uncertain world the capacity of human potential. Israel's Capital, the Holy City of Jerusalem, is again a united City. The Government of Israel cooperates with all faiths, and assures them free access to and control over their own holy shrines. Last year over 100,000 Arab tourists from all over the Mid-East visited Israel, a unique situation. These are the step by step efforts which will lead to peace. These demonstrate Israel's cooperation for peace and her lack of intransigence.

Israel's spiritual contributions are matched by her achievements in the physical world. Earl Butz, Secretary of Agriculture, spoke at a National Water Conference. He told of only one of these achievements in man's fight against hunger, that of Israel's pioneering efforts in specialized irrigation techniques.

Israel's extensive university system and hospitals are open to all. Many of these institutions are also great research centers. Here research on cancer, heart disease, diseases of the eye, and many other fields will benefit not only Israelis, but all the inhabitants of this planet.

Arabs impose boycotts on Israel, and would force others to do likewise. Contrast this to a joint venture between the U.S. Firm Miles Laboratories, and the Israeli Co., Yissum Research & Development. Israeli research developed a new test for thyroid function. This partnership produces it in Israel and successfully markets it worldwide for the benefit of humanity.

These examples of daily human progress in and through Israel are easily overlooked by the shortsighted headline reader and the faint hearted. Selling out our ally through payment of economic or political blackmail to our "good friends" in OPEC, or to terrorist Yassir Arafat Husseini, will not secure the price of cheaper oil for the West, or the peace we all desire.

Look behind the moderate words of a Sadat, unsupported by substance. Review all the plans, propaganda, methods, and track record of the 20 Arab states which besiege Israel. You will soon realize that their goal is the eventual eradication of the State of Israel. Let no one miscalculate. Israel's three million creative souls will not let themselves be added to the 6 million that perished in the Treblinkas and Auschwitzs, the victims of an uncaring world.

It is time our highest government officials renewed support for Israel in the fullest sense, and stopped sniping and pressuring this valued ally. I would advise this administration to reconsider its present Mid-East policies in light of Psalm 146: "Put not your trust in princes nor in the mere man in whom there is no help."

The western world does not need another "peace" like that which won for Mr. Kissinger a Nobel Peace Prize. Rather it is time for a peace in which a strong and flourishing Israel will continue to make the contributions to humanity, within mutually recognized and secure borders, directly negotiated with her neighbors and respected by all.

UNDER SOCIALIZED MEDICINE—ENGLAND HAS RATIONED HEALTH CARE

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. CRANE. Mr. Speaker, the United States, at the present time, has a surplus of hospital beds. Those countries in Western Europe with socialized medical systems have the opposite—a scarcity of hospital beds and long waiting lists of patients.

Even when it is possible to see a doctor in socialized medical systems such as that in England, the impersonal nature of the care received radically differs from that received by Americans. The average British doctor is responsible for nearly 2,500 patients, and may see as many as 100 in his office each day. The average American doctor, according to a recent survey, sees 169 patients in his office per week. Doctors in England spend an average of 5 minutes with each patient, exactly one-third of the time spent by doctors in New Zealand.

Why any American who has examined the results of socialized medicine in those countries which have adopted such a system would want to transform our own highly efficient private practice system of health care is difficult to understand. The reasons must be political. They surely cannot be medical.

Now, England is planning to ration health care even more strigently than in the past. A recent meeting of the British Medical Association was told that, as a result of current efforts to stem the tide of inflation, there will be virtually no growth in the National Health Service for the next 2 years.

Mr. Walpole Lewin, chairman of the British Medical Association, responded to the cutbacks in health spending, and an accompanying effort by the labor government to eliminate all vestiges of private medical practice in England. He declared that:

> Surely, if we are being asked this and the public are being asked this, this is not the time to throw away millions of pounds for political dogma in taking private practice out of the health service.

We Americans should be happy that our own health care delivery system is not in the state of decay and disarray which characterizes the socialized medical system of Great Britain.

I wish to share with my colleagues an article which reports on current developments in England as it appeared in the Times of London of July 8, 1975, and insert it into the Record at this time:

Rationing of Health Services Is Unavoidable; Expected 10 Percent Increase in Budget

(From John Roper, Medical Reporter, Leeds)

Rationing of services available under the National Health Service by a system of priorities appears unavoidable, the annual representative meeting of the British Medical Association in Leeds was told yesterday.

Doctors will do their best to keep the service going, although its condition is so fragile that it could not stand vicious cuts, it was stated. Changes dictated by political dogma, which would cost money, should not be pressed.

Speaking on the effect on the service of government policies to beat inflation, Mr. Walpole Lewin, chairman of the council, said that at a recent meeting with Mrs. Castle, Secretary of State for Social Services, which he had sought as a matter of urgency, his understanding was that inflation-proofing of NHS was likely to be fixed this week at 10 per cent.

"There will be virtually no growth in the service for the next year or two," he said. "We have to look after the NHS roughly on present expenditure plus 10 per cent as an emergency move until better times come."

In a letter to Mr. Lewin on Monday, Mrs. Castle asked the profession to join in discussions on the cost-effectiveness of present resources. The letter said: "I do not believe that the department and the health authorities can alone tackle these problems and I hope we may be able to work together in choosing the right priorities for the NHS over the next few years." She added that before the end of the year she intended to publish a consultative document on priorities in the health and social services.

Mr. Lewin suggested that if they agreed to ration health services while preserving standards in what they did provide it should be on the understanding that it was a prelude to overcoming the economic difficulties of the health service and that they would go on to develop the service they wished to see. He said Mrs. Castle had undertaken to review the decision made last year by the Prime Minister not to have an independent inquiry into the financing of the NHS because Mr. Wilson was wedded to taxation as the only means of raising the finances.

Mr. Lewin thought that if they were to ration services it would be prudent for the Government to agree, while that was going on, that there should be "a long cool look by an appointed body at the financing of the service and how it should be managed in the future.

"Surely, if we are being asked this and the public are being asked this, this is not the time to throw away millions of pounds for political dogma in taking private practice out of the health service", he added.

It was no time to ban agency nurses or to meddle with the promotional activities of the pharmaceutical companies.

If the medical profession cooperated they had the right to ask that all should pull together in the same direction. Personal aspirations to fulfill certain views must be put aside.

There was laughter when Mr. Lewin said that assuming her role as "guardian of the health of the nation" Mrs. Castle intended to use her powers to restrict private practice over a wide field. If her proposals were carried out it would mean severe limitation and ultimately virtual withdrawal of a viable alternative to the health service.

What then became of individual freedom of the patient to seek the medical care of his choice and where would he obtain further opinion? That limitation of free choice was the most blatant intrusion by government into professional and patient freedom to be seen for a long time.

He was not, he said, saying that the Government was wrong in saying that taxation was the way to finance the NHS. But now was the time to look to see if there were other ways to help in raising money. At least they had a foot in the door in the undertaking to consider an independent inquiry into the service.

Representatives threw out the proposal to make membership of the BMA compulsory, and watered down part of the motion that would have meant the association's lending most of its time to trade union activity at the expense of its other functions.

The amended motion, passed by a large majority, stated that among its principal functions the BMA should "represent the profession, advise members and negotiate terms and conditions of service".

YOUNG FARMERS

HON. RICHARD NOLAN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. NOLAN. Mr. Speaker, I would like to bring to your attention the letter of a young couple from Minnesota who recently began dairy farming. The letter graphically demonstrates the problems which young farmers encounter in their efforts to establish a viable farming operation. We all have a stake in the continuation of the small family farm. Without our small dairy farmers, we would be in serious danger of becoming totally reliant on a few large corporations and foreign imports as our sole source of dairy products.

The letter follows:

June 6, 1975.

Congressman Richard Nolan.

Sir: To be efficient dairymen we shall have to improve parts of our operation. This includes these capital improvements of immediate necessity.

Fencing, $1,000 (approx.); Silo, $20,000 (approx.); Heifer barn and remodeling, $3,500 (approx.).

These figures are indeed small, but we realize these are hard times and we must "tighten the belt." We would be more efficient if we had: $2,500 in fencing; two silos at $40,000; heifer barn facilities at $25,000. We wouldn't mind the luxury of a milking parlor at $35,000 (a parlor provides less man hours to more cow numbers. Example: One man can milk 80 cows in 90 minutes in a parlor versus 4 hours in a regular stanchion barn).

We cannot find financing for more efficiency in our dairy operation. Creditors are afraid of the political agricultural situation and seemingly want to dispose of the unaccommodating problems involved. Possibly creditors feel that there is too much of a big risk. Little do creditors care about the young farmers' business risks which they (young farmer) cannot control: weather, disease, and government decisions.

As young farmers, we are not sitting back on our $100,000 paid-for lands and our $40,000 bank deposits. We young farmers need financial help for this reason. If we do not receive help, who will be the farmers of the future?

Those 80-year-old farmers with $40,000 deposits will be long gone. Do you realize that 50 percent of the dairymen are over age 40? A country must consider its future agricultural manpower needs. Personally, we feel it's critical to "keep 'em down on the farm." But if young farmers are pushed financially out of agriculture, then in twenty years or so there will not be very much left of the dairyman-breed of farmer.

We need government help, and in all sincerity we need it now. We have (and still want to hold onto) future goals. We would like to succeed in dairy farm management proficiency. We want to help in leadership in the pioneering of Benton County (Minnesota) government, in farm land development via soil conservation, more drainage, etc. We want to continue producing a superior, clean, good tasting food product (class I fluid milk), because we realize we have to meet consumer demands. We want to become more educated in agriculture and this, of course, involves government policy-making at the local, county, and state level. We want to encourage young people into the field of dairy science (4-H, H.F.A.A., F.F.A.). We want to be better business persons because business is the name of the game. We would like to take part in upping the milk production per cow through sound genetic management.

Our goals are realistic enough for the future, but at this time we young farmers are being stangled to death by a financial crisis; A bad cost-squeeeze. On top of this high cost—low price squeeze you will find that our debt reduction (retirement) is approximately 38–40 percent!

Enclosed is a summation of our projected finances and as you see, at the present rate we will have a cumulative deficit of $16,910 for April–August 31st. We sincerely would appreciate a better milk price so we can keep operating an efficient dairy.

Sincerely,

Duwaine and Sandy Waschek.

LEST WE FORGET

HON. JAMES A. BURKE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. BURKE of Massachusetts. Mr. Speaker, this past Memorial Day, I had the pleasure of joining with the members of the Dorchester, Mass., John P. McKeon Post Amvets No. 146 for their Memorial Day observance.

I would like to enclose for my distinguished colleagues the report of the May 26 proceedings, as written by a past commander of Post No. 146, Francis S. Murphy. This report will also appear in the forthcoming issue of the Amvets National paper:

"Lest We Forget," Memorial Day, May 26, 1975

Tradition that dates back over one hundred years continued at the Cedar Grove Cemetery in Dorchester, Mass. this past Memorial Day. Having had its inception shortly after the Civil War. when members of the Grand Army of the Republic marched the dirt roads to a monument which they had erected in honor of their departed comrades, these solemn observances have become the focal point of the local veteran's organizations rememberances on this day of honored recollections. Continued in turn by veterans of the Spanish American War, World War I and at present by (three veterans groups) the V.F.W., the American Legion and the Amvets, each alternating as host for the occasion, the tone of respect and honor of the dead is strictly in keeping with the real meaning of Decoration Day.

Preparations were begun last Fall by the John P. McKeon Post Amvets No. 146 as host for all veterans groups In conjunction with the Art Department at Boston Technical High School, the McKeon Post held a contest in which patriotic, bicentennial theme paintings were submitted by art students. Two paintings were judged superior and the printing department at Boston Technical High made a composite of both for the program cover. Mr. Henry F. Mulloy, Headmaster of the high school and a member of Post No. 146, supervised the project.

At a reception held in his honor, National Commander Essley Burdine joined Boston's School Superintendent Dr. William J. Leary and Commander James H. Graham of Post No. 146 in the presentation of Saving Bonds to John Lynch and Waldo Williams whose art works were chosen as most in keeping with patriotism and the theme of Memorial Day.

Congressman James A. Burke was guest orator of the day at the Cedar Grove Cemetery. Directing his remarks towards the necessity for vigilance and preparedness, he warned of the dangers of a weak defense posture in current times, comparing today's world conditions to those of the pre-Pearl Harbor era. A custom was followed as each Post Adjutant read the names of those comrades who were called to their eternal reward during the past year. A drum roll followed the report of each Post and at the conclusion of the reports, three volleys were fired, followed by taps. The U.S. Navy Band from Newport, Rhode Island concluded the program with the playing of our National Anthem.

All units passed in review before returning to their respective quarters. With seven bands in the line of march and over three hundred members of Post #146 parading five abreast, the accolades of the entire community have been received by the Amvets for a well planned and executed program. A long winter of meetings resulted in realizing the objective of never forgetting those who have served our nation and community.

"LEST WE FORGET"

"We honor those who gave their lives in the service of their country and those others of our comrades who, since the wars, have gone to their eternal rest. Their sacrifice and service were given to safeguard and transmit to posterity the principles of Justice, Freedom and Democracy.

"To consecrate and sanctify their memory is our highest duty. So today, as a grateful nation wishes, we pause in our daily tasks to perform that duty and to pledge ourselves anew to the Patriotism and Americanism that were theirs"—Francis S. Murphy, Past Commander.

MILITARY CONSTRUCTION AUTHORIZATION BILL FOR 1976

HON. DAVID W. EVANS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. EVANS of Indiana. Mr. Speaker, I supported H.R. 5210 which the House approved yesterday. I believe this bill represents an attempt to cut unnecessary spending from the Department of Defense requests without depriving the services of the projects considered necessary to maintain a strong American defense posture.

The original request submitted by the DOD was for $4,201,605,000. After a careful examination of the 700 items in the request, the Subcommittee on Military Installations and Facilities reduced the request $243,165,000 or 6 percent. Their cuts reflect the elimination of design frills and unnecessary projects costly to the American taxpayer.

For example, the committee reduced the statutory limits for barracks from $39.50 to $35 per square foot resulting in hundreds of thousands of dollars saved. The committee deleted the project for the defense language school at Lackland Air Force Base on the basis it was no longer necessary. A research animal isolation facility at Aberdeen Proving Grounds was reduced in scope as the committee felt the proposed facility was too elaborate. Other frills eliminated include a request from the U.S. Military Academy for $2,054,000 for roads and new athletic facilities. The committee was concerned about the high cost of tennis courts and so deferred the project. Reductions were also made for special bachelor quarters at several locations. Another saving came by eliminating provisions for air conditioning at some military family housing.

These cuts are important to our Nation's economy in the short run. There are provisions, however, in this bill which I believe will provide significant savings in the long run. This bill provides appropriations for energy conservation programs at each of its new construction projects. This, I believe, is especially important considering the fact that the DOD uses 85 percent of all energy consumed by the Federal Government and about 40 percent of this energy requirement is for installations. Hence, the committee approved $134,918,000 in this bill for the energy conservation projects, most of which will pay for themselves over a period of 4 to 7 years.

Allocations for energy conservation projects would upgrade facilities and systems that were designed and constructed under a concept of cost effectiveness when energy was plentiful and relatively inexpensive to allow more effective use of energy. Thus, the problem of fuel shortages and its rapid escalation of costs can be countered.

Since becoming a Member of Congress, I have been calling for the elimination of boondoggles in appropriations of this nature. That is why I have taken the time to examine this bill in such detail. I am convinced that the savings features for the taxpayer, make this bill deserving of our support.

INDIAN PARTICIPATION IN THE BICENTENNIAL

HON. WILLIAM F. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. WALSH. Mr. Speaker, on a number of prior occasions I have had the privilege of sharing with my colleagues remarks pertinent to our Nation's current bicentennial observance. During a discussion of this general subject with Ms. Nancy Duffy, a member of the news reporting staff at WHEN-TV, channel 5, Syracuse, it was suggested that mention of the historically significant role of the American Indian in the foundation of American freedom and democracy would be especially appropriate, and I agreed.

Ms. Duffy, who has a deep and devoted interest in American affairs, offered to provide me with some suggestions on the topic, and I subsequently received a pertinent and delightful brief essay which says, far better than I might be able, what I have felt for a long time.

I am honored to share with you today Ms. Duffy's comments as they were submitted, and am proud to endorse these remarks as if they were my own:

> The Bicentennial Observance is a fitting time to look to our roots and pay homage to those who have contributed to our concept of freedom. This must necessarily include the American Indian—and especially the Iroquois, whose five-nation League of Peace precipitated our own constitution.
>
> Early chronicles tell of the Indian's love for freedom and his representative democracy established long before Europeans came upon the scene. The Iroquois Great Law provides for initiative, political unanimity, referendum and recall, and suffrage for men and women—a government of 50 Chiefs based on the consent of the governed.
>
> Benjamin Franklin said so at the Albany College, when he pointed out how democracy among the Five Nations had prevailed for thousands of years. Franklin was guest of the Iroquois at a meeting of the Grand Council on Onondaga Lake, where he learned first hand the workings of the intricate bicameral body, where every clan had a representative, every nation its chiefs and warriors. The political contributions of the Iroquois to the framing of the Federal Union has long been affirmed by historical writers.
>
> Thomas Jefferson freely acknowledged his debt to Indian teachers when he pointed out that the Indians succeeded with local mutual accommodation without totalitarian rule.
>
> The Indian has made other contributions to this nation—from popcorn to lacrosse, the toothbrush to suspension bridges, from pipe filters to snow goggles, the word "o.k.," boy scout lore, herb medicines, a host of foods, tobacco, and much more. He taught the European how to survive in the wilderness, how to travel by canoe, how to find sources of water and mineral deposits. He was the first ecologist, the first to espouse the modern conservative ethic of harvesting only what is needed.
>
> But most of all—he contributed his concept of freedom.

THE MIA ISSUE—CAPT. ROBERT TUCCI—MIA

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. PICKLE. Mr. Speaker, I know that every Member of this Congress is deeply concerned about the plight of our "MIA" in Southeast Asia.

Today I would like to enclose a letter from the parents of Capt. Robert Tucci of Austin, Tex., on the occasion of his 33d birthday.

As each of you read this moving letter about the gallant young pilot who has been missing since 1969, I know that you will pledge to do all that you can to see that Captain Tucci and others like him are properly accounted for.

The letter follows at this point:

> AUSTIN, TEX.
>
> Thank you very much for the interest you have shown in the "MIA" issue.
>
> Now that the known Prisoners of War have been released, we must focus our efforts toward a full and satisfactory accounting of those men that are still listed as "Missing in Action."
>
> It is indeed a very serious problem for the Men involved, and for those of us at home, because of the meager, if any, information that has been made available to us from Hanoi these past years. As with all "MIA" families, we anxiously wait for some word, though it be with mixed emotions, being a little fearful of the worst news that we may receive, yet extremely hopeful that our prayers will be answered and that our son will return to us.
>
> The following is a brief resume on our son Robert. Robert is our only child. He was born 29 July, 1942 in Detroit, Michigan. Being of a military family, he received his schooling in many states. The final part of his education was completed in Austin, Texas, where he graduated from the Del Valle High School and the University of Texas.
>
> Upon graduation from the University, he received his commission and entered the military service in the U.S. Air Force. Shortly after receiving his wings at Webb Air Force Base, Texas, he was assigned to the F-4 type aircraft. He was sent to Vietnam and completed his first tour in October 1968. He returned to Southeast Asia for his second tour in August of 1969.
>
> Robert was shot down while on a night mission on 11 November 1969 and since then has been listed as "Missing in Action". No word has been heard from or about him since.
>
> Robert is married and his wife shares the same grief as we do. Needless to say we are gravely concerned about him and others in the same predicament, and we cannot express enough gratitude to you for the thoughts and concern you have shown.
>
> We thank you again and request you continue to keep Robert and the other "MIA's" in your prayers.
>
> Sincerely,
>
> LEON & JEAN TUCCI.

TESTIMONY ON WORKPLACE NOISE POLLUTION

HON. GEORGE M. O'BRIEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. O'BRIEN. Mr. Speaker, our world is becoming noisier and noisier despite efforts to control the problem. Studies show that excessive noise can bring on anxiety, hearing loss, speech problems, insomnia, and just plain bad temper. Growing concern over these psychological and physiological effects of noise led Congress to direct the Environmental Protection Agency to study the problem and possible solutions.

That was in 1970. When the EPA report came out 2 years later, it not only confirmed the dangers of high noise levels but also showed that more than one-third of all Americans suffer some detrimental effects of noise pollution.

That report, and the results of other studies, prompted Congress to enact the Noise Control Act of 1972 for the purpose of establishing and implementing a national policy for noise pollution prevention. Specifically the act charged the EPA with setting noise emission standards for commercial products and banned the distribution of any new products that failed to meet those standards. Unfortunately there were certain administrative delays and the EPA's Office of Noise Abatement and Control has not met many of its required deadlines. The agency is making progress though, enough progress, as I see it, to warrant extending the act for another 2 years.

Such an extension is proposed in H.R. 5272 which is on the floor today. This bill also addresses another very serious problem of noise in workplaces. As you are probably aware, the EPA recently challenged the Occupational Safety and Health Administration's new regulations for workplace noise claiming they are inadequate. OSHA claims the regulations are sufficient to control noise. Under H.R. 5272, this dispute would have to be settled.

In order to throw some light on this problem of workplace noise, I am inserting in the Record today the testimony given before OSHA on the regulations by Richard W. Marco, president of United Automobile Workers Local 588 in Chicago Heights, Ill.:

Testimony on OSHA's Proposed Occupational Noise Standard

(By Richard W. Marco)

My name is Richard Marco, I'm here representing the 150,000 United Auto Workers in Region #4 (Illinois, Iowa & Nebraska) and as Chairperson of the Chicago Area Committee on Occupational Health & Safety (an association of doctors, lawyers, engineers and trade unionists from 25 Locals of UAW, OCAW, UE and USWA).

Most specifically I am here representing the 4,000 members of Local 588 U.A.W. of which I am the President. When we are working, we are employed at the Ford Stamping Plant in Chicago Heights, Illinois (one thousand are currently laid of).

We are vitally concerned about the noise and its devastating effects, consequently we obtained the services of certified Audiologists to measure our members' hearing. According to these recent audiometric test samples:

Four out of five have hearing impairment approaching handicap.

One out of five members is already handicapped.

Data suggests that since the Walsh Healey Noise Standard in 1969 and O.S.H.A.'s adoption of it in 1971, noise levels have increased. Hearing impairment seems to be increasing even with the use of hearing protection. Daniel Queen, Acoustical Engineer, will tell you more about this a little later.

Just prior to passage of the Williams-Steiger Act, my employer was promoting the 1971 L.T.D.'s quietness. In their Newsweek magazine ad October 12, 1970, they said,

"Studies show that excessive noise can bring anxiety, bizarre bodily sensations and personality disintegration."

I can attest to this; I've seen mild mannered people become hostile, cool heads turned to anger, calm situations become crises because of the nerve wracking noise and the frustration caused by the inability of people to speak to each other in a normal voice.

Ford's advertisement goes on to say,

"Outside it's getting noisier, and noisier. Inside a 1971 Ford LTD, it's another world."

The LTD certainly is quiet, but inside the factories where Fords are built it is still very noisy. As a matter of fact, the 90 decibel standard (proposed by OSHA) allows 200 times more sound energy than the inside of an LTD, which is approximately 67 dBA.

There is no shortage of technology when it comes to engineering quiet into their product. The ad says,

"A computer is used to locate vibration—free body mounts—so the harshness stays out and the quiet stays in. The body itself is made of heavy gauge steel and insulated to muffle road sounds. Doors and windows are weather sealed against wind noise."

Shouldn't the people who build these cars benefit from this technology. Don't they deserve some measure of quiet at work. The present noise standard has not prevented personality disintegration or the handicap of hearing loss for Ford workers. The continuation of that standard will not reverse the trend of more noise and the further destruction of human resources. To show you that the present standard is not working consider our involvement with O.S.H.A.

Hoping to realize the Congressional intent of the Occupational Safety and Health Act, I filed a complaint in February of 1972. Eight months later, a compliance officer made an inspection (October 19, 1972) of the Ford Stamping Plant. On March 6, 1973, a citation (CSHO #V–9229) was issued charging a violation of 29 CFR 1910.95(b)(1) "Failure to utilize feasible administrative or engineering controls when employees are subjected to sound levels exceeding those listed in Table G–16."

Ford submitted an abatement plan that would not achieve compliance. The Area Director accepted it and we filed notice of contest. The Secretary of Labor defended the reasonableness with witnesses who had never been in the plant and admitted the major noise sources were not addressed in the plan.

OSHRC Judge (George Otto) ordered the Secretary of Labor to establish a reasonable abatament date. His decision and order was appealed for discretionary review to the Review Commission. At the present time we are still awaiting that review—three and one half (3½) years after the complaint was filed.

Obviously, as you can see from our frustrations in the foregoing, the present standard is not working. The proposed continuation of it offers little hope for improvement. A safe and healthful workplace still looms as a distant dream for most workers. I urge you to make my dream and the Congressional intent of O.S.H.A. a reality by adopting a lower maximum noise exposure standard and then enforcing it rigidly.

The Noise Level Standard is analogous to the 55 mile per hour speed limit. Industry regards it as something to aim at rather than comply with. Just as motorists now drive 60 where they used to drive 75 when the speed limit was 70 M.P.H. You must let the word go out that 85 decibels is going to be the standard and perhaps 80 before too many more years. In so doing you will encourage corporations to step up their noise control efforts. Instead of mediocre attempts, they will have to engage in significant engineering programs at existing plants and design quiet into future plants. Let me give you one simple illustration:

OSHA and the Secretary of Labor had failed to require Ford to protect several hundred tool & diemakers in a low noise generating area from overexposure due to adjacent high noise areas. The Union made it a Collective Bargaining demand. As a result of a strike which the Company said cost them $28 million, they agreed to install an acoustical curtain between the high and low noise area. The result is the tool & diemakers are now exposed to 88 to 90 dBA levels instead of 95.

Installation of an acoustical barrier instead of a curtain would have reduced these worker's exposure to below 80 dBA. The technology was certainly available, but the requirement was not. If the Noise Standard was 80 dBA, we would have a barrier today in place of the curtain.

Noise control cannot be regarded as a nuisance. It must be approached with a commitment to do the best job possible. Such a commitment does not exist and it will not with continuation of the present standards.

Who in this room believes that the United States would have landed a man on the moon in 1969 if John F. Kennedy had not committed this nation to do it during that decade. An 85 dBA or 80 standard will produce the necessary results and is possible with such a commitment.

Walter Nowikas, an acoustical engineer, who I understand will testify later in these proceedings, wrote the following comments in an article for the Appliance Manufacturer trade magazine in February, 1975:

"About 50 percent of the excess noise in most plants according to noise control experts, is the result of improper maintenance. Such 'garbage' noise is generated by such things as worn or poorly lubricated bearings and gears, leaks in air lines, loose machine covers and shields, unbalanced or improperly adjusted components, and just plain worn out equipment.

"If manufacturers would have someone with a knowledge of acoustics walk through their plant and eliminate the true maintenance problems, they might discover they don't have a noise problem at all."

During my plant surveys, I have observed exactly what Mr. Nowikas is speaking about. Stamping presses bottoming so hard that the whole floor shakes because dies are not sharpened properly. Part conveyors or transfers banging against their stop so hard you might think their function is to self destruct. Poorly maintained presses can generate two or three times as much noise as a properly maintained one, but as long as they continue to operate, the time will not be taken to repair them.

When you consider the life expectancy of machines, it can be said that proper maintenance as a method of noise control doesn't cost, it pays. Mr. Nowikas went on to say:

"The person generally responsible for noise control is a safety or industrial engineer. And invariably he doesn't have the authority to do anything specific about a noise problem. If, for example, he spots a clanking, worn out bull gear on a 30 year old press, the production manager will tell him to 'mind your own business, we have parts to get out.' So the press keeps pounding away at 120 dBA until it eventually stops. Then the gear is replaced."

The problem is that the worker's hearing needs to be replaced by this time also. But, there is no known medical or surgical procedure that can restore noise induced hearing loss. When it's gone, it's gone forever.

There is no doubt that the technology exists today to reduce noise to eighty-five (85) decibels through engineering controls. Acoustical engineering consulting firms have said they can and they should know since that is their business. Lyle F. Yerges (OSHA witness) testified to that on the first day of these proceedings, "We know that there is feasible technology." There is a lack of incentive to implement noise abatement techniques, rather than a lack of technology. Protecting human resources doesn't receive priority attention, production does.

Two examples can demonstrate my point:

1. In the welding assembly area parts are transferred from one station to another by way of automated carrier rails. The parts are alternately lifted off and then dropped onto the rails. When I noticed that the inner truck door line was much noisier than the outer line, I investigated and found the rails were cushioned with rubber on the outer, but not on the inner.

This rubber cushion was not installed to reduce noise, although it did a good job. It was installed to prevent damage to the surface of the panel, a scratched or dented panel would be rejected. The inside of the door is seldom noticed and often covered with upholstery, so its surface is less critical. Consequently, workers on the inner line are exposed to greater noise levels while the technology to reduce it is in use on the outer line 25 feet away.

2. Compressed air leaks are another major industrial noise source, one we have been complaining about for many years to no avail.

My employer told OSHA in their noise abatement plan that they had an ongoing program to repair air leaks and more vigorous effort would be made. The fact is that little or no effort is made until the reduced air supply affects the operation of pneumatic production machinery. Then the compressed air leaks are fixed, not to reduce noise, but to get production going. On June 18th a fire knocked out the plant air compressors. All production ceased. Six smaller compressors were rented and brought in the following day, but they only provided enough air to feed the leaks, no machines could run. At that time the whole plant sounded like an inflated air mattress that had come in contact with a barbed wire fence. We assume now, that air leaks will be repaired, even though the incentive is production rather than hearing conservation.

According to the BBN Report (Impact of Noise Control at the Workplace), 30 percent of the workforce is exposed to noise levels in excess of 89 decibels. Maximum compliance with the present standard would reduce this figure to 8 percent. These statistics mean that 3,080,000 workers (22 percent) are being overexposed to noise in violation of the Williams-Steiger Act of 1970. This could not have occurred if industry had complied in good faith or if O.S.H.A. had provided enforcement of the Standard.

If we assume the BBN estimates are correct, the cost of compliance with 90 dBA is $4,350.00 per worker, ($13,400,000,000 for 3,080,000 people). Compliance with 85 would only cost $2,240 more per worker, about half as much per person, ($18,200,000,000 for 8,680,000 people).

Assuming the E.P.A. cost estimate, which I feel is closer to the truth, it would be much less, about $1,350.00 per person. ($11,750,000,000 for 8,680,000 people), to comply with 85 dBA Standard.

The number of additional people to be protected is just about equal to the number of unemployed in this country. What better way could there be to provide an economic stimulus than in protecting worker's health? BBN said meeting the 85 dBA Standard in 3 years would increase employment by 530,000 in the peak period. Many of the laid off U.A.W. skilled tradesmen are the very people who could be called back to work to install noise control devices. They are available now and could begin immediately utilizing their skills to quiet the workplace and stimulate the economy. Next to our health, what we need most in this country today is jobs.

Now that we are out of Vietnam, we ought to declare war on occupational hazard's starting with noise. Over 100,000 people die each year as a result of occupational diseases and injuries as contrasted by 55,000 Americans killed in the total Vietnam conflict. It's time the public gave necessary attention to these killing work hazards.

My analysis of BBN's report is that they have made an excellent argument for 85 dBA over five years. They pointed out the much greater benefits of 85 over the 90 dBA Standard and the less abrupt affects on the economy by spreading it over five years. We cannot recover that has been lost due to lack of compliance with the present standard, but we can prevent future losses by implementing a rigidly enforced 85 dBA Standard and looking ahead to 80 dBA soon.

If government does not require a safe and healthful workplace, unions will resort to strikes to enforce these membership demands. My own local did. The cost of compliance thru government regulations will be much less than it would be if achieved by each union striking.

One of the biggest complaints my employer has about his employees is attendance. They have told me that absenteeism is high as 8 percent on Friday. I can tell you one of the reasons, especially among the younger people, is the noise. Reducing noise levels would also reduce absenteeism. Many employees just can't cope with noise five consecutive days. Some quit. Others work the midnight shift where there is no production and noise levels are below 85 dBA. Those employees who have a choice almost always choose to work outside, away from the noise, even when the temperature is below zero.

The improved morale, increased productivity, reduced absenteeism, fewer strikes, and less turnover will offset costs of noise abatement. Additional savings would be realized from eliminating hearing protection, audiometric testing, compensation payments, insurance premiums and medical costs. It is time the benefit side of cost-benefit analysis be really looked at—before it is too late.

Hearing protection has never been well accepted by workers for a number of reasons; ear muffs cause headaches, perspiration, and the elevated temperature increases susceptibility to ear infection. Furthermore, they have an effect similar to blinders on a horse in that they reduce peripheral vision. Since all of the Ford employees are required to wear safety glasses also the muffs never fit properly over the ears. Workers who have to wear face shields or welding helmets can't wear muffs. People who do wear them tell me the band causes them to loose their hair and they give a weird feeling as though they were in a tunnel.

The Company makes some rubber ear plugs available but they are fitted so tightly that they cause constant pressure making them very uncomfortable also. Many workers only insert them part way.

Recently I became aware of a soft polymer plug that was much less uncomfortable, so I asked my employer to make them available to our members. He asked the Ford hygienist for approval. Paul Toth denied the request. He said the very fact that plugs are comfortable proves they are not doing the job, in order to be effective they must be uncomfortable, that proves the plugs are working.

Hearing protection adds to the difficulty of speech communication in a small group, especially when some are wearing muffs, some using plugs and others with nothing. Each speaks at a different level because he hears at a different level. Consequently the only solution is lipreading or sign language.

Shouted warnings may not be heard leading to disaster. Social interaction among workers is stifled, further dehumanizing what is often already an inhuman environment. In regard to worker alienation the workers do not hate their work they hate the environment that the work is performed in.

Perhaps most of all plugs and muffs are resented by workers—resented as a cheap Management ploy to put the burden of noise control on workers.

Company surveys indicate only 85 to 90 percent of the workers wear ear protection. The reason, in addition to the discomfort, is that they don't see any evidence of noise reduction through engineering controls and they fear they will have to wear them all their working life.

People who wear a plaster cast on their arm or leg to mend a broken leg, do it willingly, even though it is clumsy and uncomfortable because they look forward to the day it comes off and they are well again. Ear protection is just as clumsy and we don't have the same outcome to look forward to.

We have come to the conclusion that the answer is to muffle the noise, not the workers. If we continue to insulate ourselves from our environment we will soon look like astronauts.

In Summary I believe:

That the technology exists.

That companies can afford it.

That hearing protection is not the answer.

That hearing loss and the non-auditory effects of noise is taking a large toll on American workers. And,

That OSHA's credibility is on the line.

I urge the adoption of the program outlined so well by E.P.A. and Organized Labor in these proceedings:

An 85 decibel standard now.

An even lower standard within a few years.

A 3 decibel doubling rate and halving of exposure time.

And hearing protection ONLY as a brief interim measure.

Then we need rigid enforcement by OSHA. . . .

My Local, and CACOSH and workers around the country will get the noise lowered in the shops and factories where we work. We hope this can proceed with OSHA's cooperation and assistance, but we will get the noise levels lowered.

People whose very job is to talk to others (relaying instructions, making assignments or solving problems) go home from work with sore throats from screaming all day. Supervisory directions for scheduling hours or job assignments are misunderstood or simply not heard. The result is that the work doesn't get done properly or on time and often the employe is held responsible.

Consider the affect of noise on the four District Committeemen on the day shift in our plant:

Joe Lakomy, who has been a union representative since our Local was chartered in 1956, began experiencing discomfort from voice strain in the late '60's and early '70's. As a result of the sore throat, which he feels certain was caused by constant shouting over the noise in the plant, he continually had to rely on throat lozenges for relief. Brother Lakomy said he had pain frequently, averaging about once a week for years. Then in June of 1974 he was assigned to work in the Committee office and has not had any soreness since then to the present date. He has discontinued his use of throat lozenges.

Dave Cockrell by contrast was elected District Committeeman in June, 1974. He never had any voice problems prior to that time. In fact, Dave used to sing professionally with two Negro Gospel Singing groups, the Holy Wonders and the Heavenly Sons. Since assuming his problem solving duties in June, 1974 he has received medical treatment at the plant hospital four times for voice strained sore throat. (November 1974, March 1975, April 1975, July 1975). Brother Cockrell is no longer able to sing because his voice cracks, not even in a church choir.

Bill Cline also was a professional singer with the Weikert Corral, in fact they cut several records. Bill also sang with the Will County (Illinois) Singers who took first place three or four consecutive years at the State Fairs. Brother Cline says he is unable to sing any more. Because of his frequent voice strain as a committeeman he no longer has the vocal stamina, although he has maintained the voice range.

Bill says the hoarseness from voice strain is often painful and he always carries menthol eucalyptus lozenges to cool his flaming throat. He says he doesn't mind the loss of income too much, but does resent being deprived of the pleasurable experiences of singing with a group and limiting of other social activities.

The fourth day shift Committeeman, Joe Elmhorst was first elected in 1958 and has served almost continuously ever since. On January 10, 1966 he was operated on by Dr. Drummond at St. Mary's Hospital in Kankakee to remove a polyp from one of his vocal cords. Dr. Drummond said it was caused from the strain of speaking loudly too often.

On September 19, 1967 the same doctor performed the same operation on the other vocal cord. Dr. Drummond referred Brother Elmhost to a Chicago Specialist, Doctor Hollinger who operated again on Joe in January of 1968 at St. Lukes Presbyterian Hospital. Again on the polyp on the same cord.

On November 25, 1974, Brother Elmhorst again received treatment and medication for a ruptured blood vessel in his throat. Dr. Hollinger told Joe he was abusing his voice and urged him to resign his elected position of District Committeeman to avoid losing his voice totally and permanently.

This same doctor had recommended many times prior that Joe avoid trying to shout over the noise and endeavor to conduct his business in quiet remote places. This was not always, in fact seldom, possible. Today, this dedicated trade unionist is faced with the decision of either resigning the job he enjoys and worked 18 years at or risking total voice loss, all because of the terribly noisy conditions in which he is required to solve disputes and settle grievances.

MIA AMERICANS STILL TOTAL 882

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. AuCOIN. Mr. Speaker, many of us were recently visited by families and friends of men who are still missing in action as a consequence of our hostilities in Southeast Asia. Too many of us have decided to put our tragic involvement in Vietnam and Cambodia behind us without addressing the one unresolved issue that must be answered before we can close the books on that war.

As of June 30, 882 Americans have not yet been accounted for. Of these, 295 were missing in action in South Vietnam, 293 in North Vietnam and 267 in Laos. The remaining 27 were lost in Cambodia and China.

Since the end of the war there have been 490 changes in status of military men previously classified as missing in action. It has not been unknown for men to be reclassified from missing in action to killed in action as a consequence of paperwork, only to turn up alive and well. The 490 reclassified still remain somewhat of a question mark.

For instance, I wonder what new information the Department of Defense has recently obtained that led to the reclassification of 11 MIA's to other categories between May 31 and June 30 of this year. The changes were in the status of four men missing in action in South Vietnam, six men in North Vietnam, and one in Laos.

In my opinion, both Congress and the executive branch have an important role to play in bringing pressure on the governments of nations in Southeastern Asia to comply with the agreements made during the peace negotiations and expressed in the peace treaty.

In particular, I urge quick congressional action on H.R. 5153, which would prohibit the change in the status of any member of the uniformed services who is classified as missing in action until the provisions of the Paris Peace Accord have been fully complied with. I further support House Resolution 379, to establish a select committee to conduct a full and complete investigation of the current status of men classified as missing in action. I commend the gentleman from California (Mr. WILSON) and the gentleman from Mississippi (Mr. MONTGOMERY) for introducing these measures and am proud to be a cosponsor. I ask the support of all of my colleagues in their passage.

MAINTAINING THE PREROGATIVES OF LOCAL SCHOOL DISTRICTS

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. KASTEN. Mr. Speaker, recently the House of Representatives considered the Casey amendment to H.R. 5901, the education appropriations bill. Although the House had supported the Casey amendment twice before, in April and earlier this month, on Friday, July 18, the House receded from insisting on its inclusion and H.R. 5901 was cleared for the President.

Mr. Speaker, I and many of my colleagues who support the concept of equal opportunity for women were placed in an extremely difficult position. I am a very strong supporter of the prerogatives of State and local government in the area of education, yet I am a strong believer of equal rights for women. The Casey amendment would have prohibited the Department of Health, Education, and Welfare from withholding funds from schools and educational organizations which did not come into compliance with certain regulations issued under title IX to insure equal opportunity to both sexes. Furthermore, the Department of Health, Education, and Welfare would have been prohibited from using funds to enforce certain provisions of the title IX regulations. Specifically, the amendment was designed to exempt from the regulations single-sex organizations, such as the Boy Scouts, Girl Scouts, YMCA's and YWCA's, social and honorary sororities and fraternities, and physical education or "gym" classes.

The Casey amendment was overly broad. Although I voted for it, I certainly did not wish to abrogate the thrust of equal educational opportunities for both sexes.

First, the exemption granted to single-sex organizations such as the Girl Scouts or social sororities and fraternities was redundant. Similar legislation was passed by the 93d Congress and signed into law. However, a person unfamiliar with previous congressional actions might believe that his Congressman was voting to force a merger of the Boy Scouts and Girl Scouts, by not supporting the Casey amendment.

Second, the amendment exempted honorary sororities and fraternities. I do not believe the honoraries should be exempted. The criteria for selection for membership should be based on grades, academic excellence, leadership, and other valid qualities. But sex certainly should not disqualify a person from membership.

Often, membership in honoraries, such as those for business and engineering majors, is important in helping a recent graduate launch a career. To exclude women solely on the basis of sex is to handicap their ability to enter the job market.

Third, the amendment prohibited the Department of Health, Education, and Welfare from requiring that schools integrate their physical education classes. On the whole, the Department's regulations implementing title IX are quite reasonable in the area of physical education. For example, sex education classes can be segregated by sex. Although separate locker room facilities and restrooms are permitted, facilities and training opportunities should be equal. Schools are not required, however, to integrate contact sports.

I and many of my constituents though are concerned about the need to integrate physical education classes in light of the requirements for equal facilities, equipment, and training.

I am aware that some school districts in the Nation have already integrated their physical education classes and are pleased with the results, but I do not believe that school districts should be compelled to integrate. As it is questionable whether or not such a move would promote equal opportunity, it is a decision to be made by local school boards and not Federal officials. Parents, local boards, and administrators should make the decision which reflects the desires of their community.

Therefore, I voted for the Casey amendment in an attempt to protect the rights of local school districts. Although I had reservations about its broadness, it received my support since the safeguards it guaranteed were more important than the disadvantages.

CONCERN FOR OUR POW'S AND MIA'S

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. DOWNEY of New York. Mr. Speaker, although the Paris agreement on ending the war and restoring peace in Vietnam was signed over 2½ years ago, the horrors of the war are still a reality for thousands of Americans. Among those suffering the most are the family and friends of Amrican prisoners of war and the missing in action.

There are 1,300 Americans in Southeast Asia who remain unaccounted for. The North Vietnamese and their allies have not complied with various provisions of the Paris agreement. The refusal to cooperate with the United States in this vital matter is inhumane and displays a lack of compassion.

We must continue our efforts to free

the POW's and to get facts about the MIA's. The United States must increase the pressure on North Vietnam in order to urge them to uphold their agreement. The President and the Secretary of State should take the necessary steps, including the renewal of negotiations between the parties to finally determine the fate of the U.S. servicemen missing in Southeast Asia.

Freedom is basic to American life. Therefore we must show our deep concern in this matter and continue our efforts to gain a complete return of the POW's and an accounting of the MIA. We, the people of the United States cannot forget or abandon these POW's and MIA's. These men bravely served our country. We owe it to these men and their families to take the necessary measures to determine their fate.

ILLEGAL ALIENS

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. ROSENTHAL. Mr. Speaker, the Eighth Congressional District in Queens, N.Y., is bearing a major share of the burden of the Federal Government's ineffective, unresponsive actions regarding illegal aliens.

The communities of my district are swelling with people in this country illegally and the Federal Government is unable to respond to or rectify the situation.

In November 1974, I established a task force on illegal aliens to study the problem. I have just received its first report dealing with the entry and supervision of aliens. The major recommendation of the task force is the establishment of a single, independent Federal agency to exercise total jurisdiction over matters concerning aliens entering the United States. The report goes on to cite foreign policy pressures on visa issuance, the effects of inadequate funding of the Immigration and Naturalization Service and the incredible lack of interagency coordination.

I commend this report to my colleagues. The problem of illegal aliens is truly a matter of national concern. I am preparing legislation to implement the recommendation of the task force and will soon be asking Members for their support in this effort. The report follows:

REPORT NO. 1: ENTRY AND SUPERVISION OF ALIENS

The issue of illegal aliens has recently gained widespread notice and engendered serious concern among many segments of the American population. While there have been illegal aliens in the United States since the enactment of immigration and naturalization legislation, the present combination of a soaring unemployment rate among citizens and the shrinkage of municipal and state resources has made it essential that federal policy and practices in this area be totally reevaluated.

The effect of the millions of aliens who reside in the United States illegally is borne primarily by certain cities and local communities. Individuals who come from other countries prefer to live with friends and relatives in culturally familiar surroundings, thereby creating specific areas of illegal alien influx.

Illegal aliens come to the United States principally from countries which are poor and have an extremely high rate of unemployment. These individuals seek the jobs that do not exist at home. They work at agricultural jobs along the Mexican border, in California and other areas of the South. They also work in factories, at unskilled and semi-skilled positions in Northern cities. In New York City many illegal aliens are employed in factories, industrial plants, hotels, restaurants and in manual labor jobs. It has been estimated that in the New York area one-third of the applications for the alien labor certification program involve jobs which could be filled by an American worker.

The federal government requires all aliens who enter this country to conform to the Immigration and Naturalization Act. This law specifies the types of visas which may be issued to foreigners and, supplemented by the Immigration and Naturalization Service (INS) regulations, dictates conditions for acquiring and extending visas. Also prescribed by this law and pursuant regulations are the guidelines and procedures the INS must follow in apprehending, detaining and deporting illegal aliens.

Visas are issued by consular officers of the United States Department of State at consular posts in foreign countries. Once an alien arrives at an American port of entry, however, INS officials bear full responsibility for regulating entry and all subsequent conduct of the alien in relation to the government.

ISSUES

I. Entry

The majority of illegal aliens enter the United States from Mexico, generally by crossing the border illegally, without the necessary visa. However, many aliens who come through other ports of entry, primarily New York City, usually enter legally with valid visas. Many then overstay their visas and thereby become illegal aliens according to law. We are concerned about this category of illegal aliens and the ability of INS to detect and monitor them. The problems relate primarily to communication between INS and the State Department Visa Office and political interference in the visa process.

There are severe difficulties in communicating information about entry policy, visa priority determinations and individual status reports between the INS and Visa Office. Testimony presented at recent hearings of the House Committee on Government Operations indicates many areas where INS and Visa Office failure to communicate leads to a frustration of the purposes of the Act. Problems exist with regard to the validity of purpose for which visas are sought. Required information such as destination in the United States and the amount of money necessary to finance a visit is hard to substantiate. Student visas have been issued, for example, for aliens to attend schools which are under penalty by INS for certifying students known to be applying for visas in bad faith. It has been estimated that in the New York Office of INS alone there are at least 20,000 outstanding reports of the abuse of student visas.

There is no unified policy on the number of visas issued and the criteria to be used in issuance. Moreover, such policy as exists does not reflect the realities of massive visa abuses. A consistent and rational approach requires combining the experiences of both the visa issuers (The State Department consular officials) and the domestic visa enforcers (The INS officials). Yet consular personnel now receive no information from INS as to the number and nature of aliens overstaying their visas. It is the responsibility of consular officers to determine the advisability of issuing each visa. In 1973, such officers issued 2,800,000 non-immigrant visas. Only 220,000 applicants were refused visas. As there is a great amount of discretion in the decision to issue a visa, it is essential that consulates be informed as to the number of overstays on the visas they have issued. They ought to know whether their judgments are sound, whether 90% or 20% of the applicants to whom they give visas return home. Only with this type of feedback can consular officers evaluate and adjust their procedures.

Consular officers, as junior staff members of the State Department, are influenced by their training and future career goals to be sensitive to the foreign policy implications of their work. While this is important for many of the functions they perform, it is inappropriate in making visa issuance decisions. Any pressure from foreign countries or State Department superiors as to how many visas should be issued or the merits of individual applications is not only counterproductive to reducing the numbers of illegal aliens but is illegal under the immigration laws.

II. INTER-AGENCY COORDINATION

There is also a lack of coordination between the INS and governmental agencies other than the State Department. The Social Security Administration is currently mailing $1 million a day to persons residing outside the United States. It is impossible to determine the number of illegal aliens who may be receiving these benefits since no proof of legal residence was required to obtain a social security card. Although the Social Security Amendments of 1972 prohibit illegal aliens from being issued such a card, millions of such cards are outstanding. Close cooperation between INS and the Social Security Administration is necessary, and presently unavailable, to monitor and evaluate efforts at enforcing the law and to assess the implications of the present situation.

The Internal Revenue Service has participated in experimental programs where deported aliens were screened for tax liability and assessed for delinquent payments. This program met with little success as most detained aliens had limited assets which could be seized. It remains necessary, however, to form policy objectives concerning illegal aliens and their tax liability. Such public policy must be made as a coordinated effort.

There are further problems coordinating policy and efforts between INS and the Department of Labor. In attempting to evaluate the Labor Certification Program, the General Accounting Office states that "The Labor certification program . . . cannot be accurately assessed because the responsible departments have not developed adequate and comparable statistical data on aliens (including those granted visas with certification) admitted into this country." This situation has led to a serious undermining of the program and an inability to determine whether or not it is effective and what its real consequences are.

In addition to the need for improving communication between these government agencies, there is also a lack of cooperation between state and federal officials. It is presently impossible to determine the number of or identify the illegal aliens receiving the benefits of state administered education, welfare or health programs.

III. FUNDING

The impact of present inadequate funding on the INS is obvious from the operational priorities for FY 1975 as set by the INS Commissioner. Among INS procedures to be discontinued are:

The investigation of crewmen overstays.

The investigation of applicants for Social Security cards.

The investigation of applicants for welfare benefits.

Control and follow-up of aliens granted voluntary departure.

Control and follow-up of aliens who have disappeared, after being identified as here illegally.

The ratio of inspectors to passengers at airports has been reduced to 1 to 60 and of inspectors to cruise vessel passengers, 1 to 500. Illegal aliens located by other agencies will be taken into custody only if they are in the immediate vicinity of an INS office.

Due to lack of sufficient funds, the INS district office in New York has a detention center that holds only 70 people. When it is full, apprehended aliens are not detained for trial and deportation, but requested to return voluntarily. The INS office in Southern California has had its budget cut by more than 50% in this past fiscal year. As of 1973 there was a backlog of 77,000 uninvestigated complaints in just the New York and Los Angeles offices.

It is very clear that the current funding for INS prevents it from carrying out its responsibilities. It has been estimated that about two-thirds of the illegal aliens living in this country escape detection, and still fewer are apprehended and deported. While there has been an increase of illegal aliens by 20% in each of the past ten years, the increase in INS manpower has been just 9% in that entire period.

IV. INFORMATION AND DATA

Presently it is almost impossible to determine the number of illegal aliens in this country, where they live, where they work or what taxes they owe on their earnings. The INS, for example, has varied its own estimates on illegal aliens currently in the United States from 6 to 8 million. Even these numbers are suspect, as they are developed using as a base the number of illegal aliens apprehended. This is a statistically inadequate method for coming up with estimates upon which policy must be made.

One of the most harmful effects illegal aliens have upon our country is their impact on local communities. All federal, state and municipal funding of local services and programs are based on census data. These data are non-responsive to illegal aliens and therefore seriously underestimate the number of residents in communities with many illegal aliens. The locality, therefore, bears alone the burden of overemployed facilities and inadequate services. The ability more accurately to estimate the whereabouts of illegal aliens would provide all levels of government with the information and impetus needed to adjust its funding and delivery of services. Local communities are now penalized for their attractiveness to illegal aliens.

RECOMMENDATIONS

A. Major recommendation: Introduce legislation creating a single independent regulatory agency having jurisdiction over all matters concerning foreign persons entering the United States, with the combined functions of the Visa Office and the INS.

An effort must be made to maximize coordination between those government officials who issue visas abroad and those who are responsible for domestic enforcement of the Immigration and Naturalization Act. There is little justification for keeping separate the two major government offices which deal with aliens. There are, however, persuasive persons for combining them as an independent agency. Responsibility must be placed with one administrator answerable solely to the American public. The agency should be removed from the conflicting policy and fiscal choices which are involved when its functions are subordinate to the over-all responsibility borne by the larger departments of Justice and State.

The functions of INS and the Visa Office are more similar and interconnected than disparate. The same Immigration Act is being applied and the ability of each to be efficient and responsive is dependent upon the other.

The federal government has no comprehensive, rational program for dealing with illegal aliens in our country. There are many areas where public policy has yet to be formulated. In areas where policy determinations have been made, they are piecemeal and ineffectually monitored and enforced. Only with the creation of a single independent agency can this makeshift approach be remedied. An independent unit would encourage the formation of a unified policy with regard to aliens receiving governmental benefits and services and the enforcement of tax laws. Policy determinations, effective execution of laws and fiscal accountability can best be achieved by a single governmental unit.

B. Additional recommendations

1. Increase congressional appropriations to the Visa Office and the INS.

Until 1974 Congress has consistently met INS budget requests. The inability of the service to perform properly has been the result of action by the Justice Department and the Office of Management and Budget. They have combined to limit the INS requests that reach Congress.

Congressional appropriations for the Visa Office are made through the State Department. According to a recent Government Accounting Office study, it is not feasible separately to analyze the overseas expenditures of the Visa Office. It is apparent, however, that the responsiveness and effectiveness of visa issuance is directly related to the budgetary limits given to that aspect of the State Department. Budget requests, therefore, should be justified before Congress by the Visa Office as well as the Department of State.

2. Request more vigorous oversight of the Visa Office and INS.

It is the responsibility of the Congress to provide continuous, effective analysis of the workings of executive departments and agencies. To fulfill that responsibility, it is important that the House Committee on Government Operations, Subcommittee on Legislation and National Security, exercise its oversight jurisdiction of the Visa Office and INS. To that end, the Subcommittee should be urged to continue its investigation into and review of the operations of INS. The Subcommittee should also be urged to conduct an investigation into the practices and procedures of the Visa Office in an attempt to develop a total picture of the illegal alien situation. The visa manual, and the training, review and evaluation of consular officers ought to be examined in depth.

3. Introduce legislation to provide for the compilation of accurate data and statistics regarding illegal aliens.

Accurate data is necessary to aid the INS and Visa Office in evaluating their own effectiveness. Congress would benefit as well, by being able to use this information to form just and realistic public policy determinations. In November 1974 the Law Enforcement Assistance Administration awarded a contract for the development of a research design to obtain this information. The results of this study should be submitted to Congress with recommendations concerning its feasibility. High priority should be given to finding remedies for this lack of crucial data.

THE PRESS IS NOT FREE

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. FRENZEL. Mr. Speaker, during a recent meeting of the House Administration Committee, it was revealed that the taxpayers are furnishing 11—count them—11—employees to "provide services" to the House Press Galleries. The services were described by one committee member as "pencil sharpening."

The five persons in the press gallery cost about $112,000 annually. The radio and TV gallery needs four people at about $82,000, and the periodical gallery suffers along with only two at $38,000. The staggering total is $232,000, an average wage of $21,000 for the 11 lucky employees.

In addition to sharpening pencils, the gallery staff tells the Press Corps what happens each day. The press apparently has a tougher time making a quorum in the House than the Members do.

I understand that the taxpayers also furnish equipment for the press gallery. The equipment, services, and personnel subsidies probably amount to at least a quarter of a million dollars. That is a minor league amount compared to some of our other world series spending, but it is a bit of a jolt to find out that the press is not free.

Perhaps, in the interest of truth in advertising, or packaging, we ought to require by law that stories emanating from the House Press Galleries carry the byline, "Partially paid for by the taxpayers."

It is with great regret that I invite the attention of Members, who, like myself, may have been unaware of the size of this press subsidy, to the fact that the fress press, like the free lunch, has passed from the congressional scene.

RETIREMENT OF VIDAL AYALA AND SAMUEL STEWART OF PACIFICA, CALIF., TRIBUNE

HON. LEO J. RYAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. RYAN. Mr. Speaker, it is personally a great pleasure for me to acknowledge the retirement of two excellent San Mateo County journalists from the seaside community of Pacifica, Vidal Ayala and Samuel Stewart. On August 1, 1975 the people of Pacifica will honor my two friends with a reception and dinner.

These two journalists have worked with the Pacifica Tribune since it was founded in the mid 1950's. They have been in the Pacifica Tribune's graphic arts department for its entire history, and at no time has the paper been published without either Vidal or Sam on duty.

Vidal Ayala, a California-born lifelong printer, was the first permanent employee of the Pacifica Tribune and has been composing room superintendent throughout the years as the Tribune grew with the town. One of the first specialists who joined Ayala was Sam Stewart, who moved west from Connecticut in the Horace Greeley tradition and for two decades has been the Tribune's foremost compositor.

Their work has been an integral part of the continuing effort toward journalistic quality by the staff of the Pacifica Tribune in a community whose modern history predates the World War II era when it provided homes for a new wave of California immigrants.

GRAIN SCANDAL SHOWS NEED FOR LEGISLATION—II

HON. NEAL SMITH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. SMITH of Iowa. Mr. Speaker, yesterday in the RECORD I called attention to the need for legislation to avoid future grain scandals such as the one uncovered recently in New Orleans and elsewhere.

I am sponsoring a bill, H.R. 8764, which includes new provisions making bribery of grain inspectors a felony and making it illegal and unprofitable to add foreign material to grain. The text of the bill is printed in the CONGRESSIONAL RECORD of July 18, starting at page 23553.

The need for the new provisions mentioned above is shown graphically by two articles by James Risser, a Washington correspondent for the Des Moines Register.

The articles follow:

[From the Des Moines (Iowa) Register, May 11, 1975]

USDA IGNORED GRAIN BRIBES FOR 6 YEARS—ADMITS LAXITY AFTER INSPECTORS INDICTED

(By James Risser)

WASHINGTON, D.C.—U.S. Agriculture Department (USDA) officials were warned six years ago that federally licensed inspectors were taking bribes in connection with the grading of export grain and the inspection of ships used to carry the grain abroad.

The USDA also had evidence as early as 1972 that something was drastically wrong with inspection procedures at New Orleans, La., export elevators.

The danger signals are contained in department documents examined last week by The Register.

They contain a variety of warnings from foreign purchasers of U.S. grain, from U.S. Embassy personnel, and from USDA officials about the possibility of a bribery system and about problems in New Orleans.

INDICTMENT CITED

But until a bribery scandal surfaced recently with the indictment of grain inspectors at New Orleans and at Houston, Tex., high department officials ignored fervent pleas that the bribery question be investigated and that supervision of inspectors be beefed up.

In fact, at the time U.S. grain exports were booming in the late 1960s and early 1970s, the Grain Division cut its staff of inspection supervisors from 300 to 220.

During the same period, surveillance of the grading and ship inspection activities of the inspectors was reduced by more than half, records show.

"LESS THAN ADEQUATE"

"Our supervision has indeed been less than adequate," Ervin L. Peterson, administrator of the Agricultural Marketing Service acknowledged. Peterson, whose agency includes the Grain Division, said "we are taking steps now to see that our supervision is improved."

Staff cuts in the grain division were "unwise" but apparently came about because of the division's efforts to comply with budget reductions ordered by President Nixon and by USDA Secretary Earl Butz, Peterson indicated.

The extent of the bribery scandal, and the existence of additional federal investigations into the possible involvement of shipping and grain company officials, was disclosed by The Register May 4.

CONFLICTS SEEN

The investigation in Washington, New Orleans, and Houston showed that the inspection system contains inherent conflicts of interest primarily because the inspectors, although federally licensed, are employes of boards of trade and other private organizations controlled by grain, shipping, and other business interests.

The role of the Grain Division has been to license the inspectors, to supervise their work on a spot basis, and to conduct appeal inspections at the request of a shipper who disagrees with an inspector's ruling.

Seven grain inspectors in New Orleans and five in Houston, all federally licensed but employed by private inspection agencies, were indicted recently on charges they took bribes to certify that export ships were clean, insect-free, and acceptable for loading with grain. Five of the New Orleans inspectors have pleaded guilty, and another was convicted in federal court.

INCREASING COMPLAINTS

In January, 1969, John A. Browning, chairman of the Grain Division's Board of Appeals and Review, spent three weeks in Europe talking with government officials and those in the grain trade about an increasing number of complaints about misgraded, contaminated and insect-infested grain.

In a number of the countries, Browning was warned that it was commonly believed inspectors at the American ports were taking under-the-table payments.

Upon his return, Browning wrote a strongly worded report to Howard H. Woodworth, director of the Grain Division saying:

"The Grain Division should make doubly sure there is no bribery of inspectors or falsification of certificates or misgrading of the grain or improper sampling.

MANPOWER, FUNDS

"We should have the manpower and funds to supervise and keep inspectors under surveillance on weekend and night loading at those export points where foreign complaints indicate the lower grade grain was loaded."

Browning continued that "after listening to complaints for three weeks and seeing the look on people's faces and in their eyes when they accuse the inspection system of being subject to bribery, I cannot stress too strongly the part good inspection practices, constant supervision and quality control must play in helping this country retain the overseas grain market."

Apparently referring to the fact that inspectors work for agencies allied with the grain export trade, Browning wrote that "it is very difficult for people in other countries to understand our licensing of inspectors and supervision procedure."

Asked about the report, Woodworth said the Grain Division "is not staffed to find conspiracies of briberies," which he said is up to federal law enforcement officials.

"A LEAN STAFF"

Woodworth, who went along with budget and manpower cuts in the Grain Division, said he has built "a lean but efficient staff."

"I'm not an empire builder or a bureaucrat," he added.

Woodworth acknowledged, however, that his supervisory personnel at the ports "weren't very resourceful in guarding against briberies on the cleanliness of ships."

He portrayed ports as centers of corruption and said that in the case of grain exports, the name of the game is to get the grain past the sampler and onto the ships. "They're always finding ways to get by with everything they can."

THROUGH 1974

The recent indictments in New Orleans and Houston allege bribery payments going back as far as 1970 and continuing up through 1974.

Peterson, who became administrator of the agricultural marketing service three years ago, said he had not been aware of the Browning report on possible briberies until informed by The Register.

In January, 1973, in a report on a complaint from Nicaragua, about the quality of U.S. corn shipments, Woodward contended the licensed inspectors have a 98 percent accuracy rating.

But he acknowledged that Grain Division supervisory personnel were conducting on-site surveillance of the inspectors in only about 2 percent of all export grain shipments.

He said that some of his staff, "for peace of mind and in keeping with past on-site surveillance practices," wanted to increase surveillance to about 10 percent.

NEW EMPLOYES

Woodworth said in the 1973 report that it would require 14 new federal employees at an annual cost of $198,000 a year.

As an alternative, Woodworth proposed to increase surveillance at "the known problem elevators in the New Orleans circuit" by transferring people there from other Grain Division offices.

Woodworth's report was made in response to a demand by Peterson that the division look into complaints from the Nicaraguans and take "whatever actions required to insure the accuracy of any grain inspections made by the designated grain inspection agency involved."

The agency was the New Orleans Board of Trade, which is run by New Orleans business interests and employs licensed grain inspectors to examine ships and grain going out of two large elevators there.

NEW ORLEANS ELEVATOR

Woodworth told The Register that the Grain Division has had problems with one New Orleans area grain elevator in particular, where, he said, elevator personnel "took advantage of our mechanical sampling and made sure we didn't get representative samples of grain."

Woodworth's report also detailed how the Grain Division had cut back its activities between 1963 and 1973.

Field offices were reduced in number from 48 to 35, and inspection supervisors from 300 to 220.

Grain supervision inspections, involving checking on the work of some 800 inspectors and 3,000 licensed grain samplers had decreased from 170,000 a year to less than 65,000.

Supervisory inspections of processed products also had dropped, from 50,000 a year to less than 35,000.

EXPANDING SALES

All this had occurred while the U.S. was rapidly expanding its overseas sales of grains and other food products.

Copies of Woodworth's 1973 report, outlining weaknesses in the inspection system, were sent to Butz's top aide, Under-secretary J. Phil Campbell, department records show. It also went to Assistant Secretary Richard Lyng and to Raymond A. Ioanes, administrator of the Foreign Agricultural Service.

Peterson told The Register that the whole thrust of the Grain Division's work has been misguided. Rather than concentrating on statistical review of the inspector's accuracy, the division should have been cracking down on the private inspection agencies to see that their inspectors were performing honestly, he said.

[From the Des Moines (Iowa) Register, May 20, 1975]

ASSAIL CORN FROM U.S. AS "RUBBISH"—BRITAIN: INSECTS IN 13 OF 20 CARGOES

(By James Risser)

WASHINGTON, D.C.—A London, England, grain firm angrily told the U.S. Department of Agriculture (USDA) early this year that recent shipments of American corn have been "nothing short of rubbish."

At about the same time, a Parma, Italy, importer complained that U.S. wheat shipments had durum mixed in with the wheat.

A year earlier, the pest infestation control laboratory of the British government had reported that 13 of 20 corn shipments from the United States were full of insects.

The complaints are typical of those contained in files of USDA's Foreign Agricultural Service (FAS), charging that misgraded, contaminated and poor quality grains are being delivered to U.S. export customers.

CONCERN TOLD

Agriculture Department personnel tend to blame some of the complaints on foreign purchasers trying to get out of a bad financial deal, or on unique factors such as the unusually dry and easily broken kernels in the 1974 crop.

But some of the same officials are concerned that many of the complaints are genuine and might be related to a breakdown in the system under which U.S. export grains are inspected and graded before being shipped abroad.

Several federally-licensed grain inspectors in New Orleans, La., and Houston, Tex., have been indicted on charges of accepting bribes to certify the cleanliness of grain-carrying ships. The investigation by federal agents is continuing, in an effort to determine involvement of shipping and grain companies as well as possible misgrading of grain by the inspectors.

IOWA'S SMITH UPSET

Members of Congress are beginning to take a look at the integrity of the inspection process, because of their concern that the developing scandal could hurt the domestic farm economy and U.S. trade efforts, if overseas grain customers become dissatisfied with the shipments they receive.

Representative Neal Smith (Dem., Ia.) said Monday he is upset about grain grading regulations that permit a U.S. seller to ship grain containing up to 3 per cent "foreign materials."

"The foreign customer assumes that it will be 'natural' foreign material, such as weed seeds," said Smith. "But what happens is that if the grain being loaded has only one per cent foreign material, they sweep up the floor and put that in to bring it up to 3 per cent.

"They actually add dirt, and that's what the purchaser sees at the other end. Then he thinks American grain is no good, and it hurts our sales," said Smith.

The shipper is motivated by the chance to make extra profits, said Smith, explaining that if a shipment of $3-per-bushel corn contains one per cent "natural" foreign material the shipper can save six cents a bushel by adding another 2 per cent foreign material.

The deliberate addition of foreign materials to export grain first was brought out in congressional hearings more than a decade ago, said Smith, adding that grain company employes have admitted the practice to him and have said that it still goes on.

"We need better regulation, including a prohibition against blending foreign material back into the grain," he said.

U.S. STAFF CUT

U.S. export grains are inspected and graded by federally-licensed, but privately employed, inspectors at New Orleans, Houston, and other major grain ports. USDA's Agricultural Marketing Service oversees the inspectors and conducts appeal inspections on request, but the federal staff available for this purpose has been nearly cut in half in the past decade at the same time U.S. grain exports were soaring.

Many of the complaints from foreign purchasers concern matters which could result from inadequate export inspections.

In recent years, the Agriculture Department has been adding a disclaimer clause to its documents concerning grain grading, a clause which has the effect of giving the aggrieved purchaser less to go on in pursuing a complaint.

"An export inspection certificate represents the quality at the time and place of loading," the clause says. "It may or may not represent the quality of the grain at some future date or at another place where it is unloaded."

"CERTIFICATE FINAL"

Much of the grain also is sold "certificate final," which means the purchaser is forced to accept the grade placed on the grain in the U.S., even if he believes it to be wrong, a USDA grain export official said.

Dozens of complaints of misgraded, poor quality, and contaminated grain have been received by FAS during the past few years. Officials say many more complaints never reach their attention, because the disputes are often worked out between the buyer and the seller without any government intervention.

Among the complaints which have reached USDA are these:

Eight shiploads of wheat sent to India from Houston in late 1973 proved to be infested with grain borers, although the grading and ship inspection certificates indicated the shipment was insect-free.

A complaint from Great Britain this year said corn shipments had arrived broken and "dusty." Another British purchaser said his customers were "very dissatisfied" with the recent quality of American corn shipments: "We are becoming very disenchanted with paying for maize which is nothing short of rubbish."

Venezuela complained in 1973 that 12 shipments of U.S. No. 2 yellow corn did not meet that grade due to mold and breakage of kernels. A USDA investigation agreed that three of the 12 shipments actually should have been graded U.S. No. 3, a lower grade, and said all 12 had some moldy corn.

Corn shipped to El Salvador in 1974 had been graded U.S. No. 3 yellow, but upon arrival was found to be U.S. sample grade, which is two grades lower, according to the complaining purchasers. The grain, shipped from New Orleans and graded by the New Orleans Board of Trade, turned out to have higher than permitted moisture content, USDA found. The agricultural attache at the U.S. Embassy in El Salvador referred to New Orleans shipments as "a continuing problem."

A shipment of 741,000 bushels of wheat to Germany in 1970 arrived with live weevils, requiring the purchaser to fumigate the entire shipment at his own cost. The wheat, sent by the Goodpasture Elevator Co. of Houston had been graded by inspector Bill Marcy of the Houston Merchants Exchange and the ship certified insect-free by the exchange's chief inspector, B. L. Sibley. Marcy is one of the inspectors indicted two months ago in Houston on charges of receiving bribes from shippers over a 3-year period dating back to 1970.

A 1970 shipment of wheat from Galveston, Tex., to the government of Israel was alleged to be low in protein, a complaint confirmed by USDA. The Israelis said the shipments from the Bunge & Born grain firm, also arrived with a weight shortage of 387 metric tons.

Corn shipped to London from Philadelphia, Pa., in 1973 was said by the purchasers to be "unfit for use in meal." USDA found two of 36 lots of the grain misgraded and agreed it was excessively dusty.

L. A. Barrett, director of Henry W. Peabody Ltd. of London, submitted a large number of complaints from its customers about American corn shipped to Peabody in 1973. The charges included claims that corn arrived wet, discolored, moldy, dusty, broken, extremely mealy and too moist.

"Shipments of this maize have deteriorated recently to unbelievable depths," Barrett wrote USDA. "Many of our own country customers for whom we purchase have complained verbally, much of which is unrepeatable."

One of the irate customers said, of a shipment allegedly containing double the permissible moisture: "Under no stretch of the imagination could anyone grade the corn '3'. We feel that strong protestations should be made to the USDA direct or the agricultural attache, even to point of emptying 56 pounds over his desk."

STRONG DOUBT

A number of complaints express strong doubt that the grain could have deteriorated much during shipment, suggesting that it had been poorly inspected and misgraded in the U.S.

The 1974 findings by British pest control officials, that a majority of recent U.S. corn shipments contained insects, included four sealed bargeloads of corn inspected by the Davenport (Ia.) Grain Exchange and sent down the Mississippi River to be loaded on ships at New Orleans, USDA records show. According to the British officials, the corn in the barges contained four types of insects upon arrival and also had a high internal temperature of 31 degrees centigrade (about 88 degrees fahrenheit).

A USDA study of the complaint was unable to pinpoint any cause for the insects, citing a possible "latent infestation."

IRS RESPONDS TO QUESTIONS ON TAX RETURN PREPARERS AND TAXPAYER ASSISTANCE

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. VANIK. Mr. Speaker, earlier this year, the Oversight Subcommittee of the House Ways and Means Committee held several hearings with IRS Commissioner Donald Alexander on the issue of taxpayer assistance and tax return preparers. During those hearings, a number of specific questions were submitted to the IRS. The subcommittee has just received answers to those questions—a number of which contain especially interesting and uesful information. The full text of the Service's answers will be included in the subcommittee's hearing record. Following are some of the more interesting responses.

There is still a high rate of error among many private tax return preparers:

Question: What proportion of the tax return preparers surveyed this year have been submitting inaccurate or fraudulent returns?

Reply: Approximately 700 return preparers were contacted in 1974 through "shopping." This is a method of identifying suspect preparers where an IRS agent poses as a client and with a predetermined set of income, deductions and a cover story goes to a preparer for preparation of a return.

Of 570 hypothetical returns prepared in this manner during the 1974 program, 157 or 28% contained what appeared to be indications of possible fraud. These hypothetical returns were not actually filed, therefore could not be used as evidence in a criminal action. However, suspect preparers were identified in this manner. Returns prepared by suspect preparers and filed by client taxpayers were subsequently screened for examination. Based on these examinations and preliminary criminal investigations of actual returns prepared by the suspect preparer and filed by the client taxpayer, approximately 50% of the 157 cases were closed for lack of potential as criminal cases. The remainder, about 14% of the "shopping" cases, are currently under investigation or have been recommended to the Justice Department for prosecution.

The Service's own taxpayer assistance program generally gets high marks from taxpayers. A survey of 14,000 taxpayers who used the Service's taxpayer assistance program found that 90 percent found it helpful. Unfortunately, some of the advice provided to taxpayers is inaccurate. This is a major problem in the Service's program and the Oversight Subcommittee will be working closely with the IRS to lower the error rate:

Question: Are you monitoring the quality of taxpayer assistance being provided this spring? What percentage of error are you finding? What steps are being taken this spring to reduce that error factor?

Reply: Yes, we are monitoring the quality of taxpayer assistance being provided this spring. We are using two basic approaches:

1. Field Management has installed quality control programs using such techniques as test calls, telephone monitoring, review of returns prepared, observation of walk-in service, and shopping. Feedback from the field indicates the following. The ranges in error rates reflect the fact that the tests were made in a variety of different district offices; other possible explanations are the experience and training of different TSR's, management emphasis on a particular method of quality review.

Test calls, 15% to 25%.
Telephone monitoring, 4% to 10%.
*Returns reviewed, 4% to 30%.

*Many of the errors have no tax consequence, e.g., the inadvertent omission of the foreign bank account checkoff block.

The IRS has begun a study to examine, in greater detail, the costs of preparing returns. It is interesting to note that the cost to the Treasury of filling out all tax returns is estimated to be half the amount Americans now pay to private tax return preparers.

Question 12: In testimony before the Senate Appropriations Committee last year, Secretary Simon seemed to indicate that in terms of taxpayer services:

"We (the Treasury) couldn't fill out all of the forms because this would cost a tremendous amount of money. If we attempted to fill out ourselves in the Internal Revenue Service all of the forms . . . would involve upwards of $200 million."

Can this figure be accurate? If so, since nearly 50% of the taxpayers pay private practitioners approximately $600 million to fill out tax returns, why not have the IRS fill out all forms? It is estimated half of these forms are filled out wrong—yet result in the loss of about $80 million through tax deductions.

Reply: Secretary Simon's testimony before the Senate Appropriations Committee last year referred to an IRS projection of $270 million for filling out all individual tax returns. This figure was based upon actual filings in 1973. An updated estimate based upon returns filed in 1974 would exceed $300 million. There are studies underway which examine, in greater detail, the costs of preparing returns by IRS personnel and the comparative error rates of IRS versus commercially prepared returns. This effort will also estimate the amount of income lost from the returns sampled.

The Service is at last beginning a major study of the cost/benefit of staggering tax return filing dates:

Question: It seems that a great deal of the problem of providing taxpayer assistance is caused by the crush of people filing on April 15. As a result, the IRS has to hire extra people who may not be fully trained. There is an extra burden on the Post Office and on all IRS personnel. Why not change the tax filing date so that, say, one sixth of the public files every month during the first half of the year. Or it could be required, that everyone must file within ten days of their birthday.

This type of idea has been proposed before. The Service points to a number of problems. However, have you calculated how much could be saved through reduced personnel, more accurate filings by taxpayers and reduction in the April 15 crush which results in late refunds and interest payments to the public?

Reply: The Service has considered several proposals aimed at relieving the crush of return filing under the present April 15 deadline. Some of these proposals involve assigning taxpayers specific filing periods on a monthly or quarterly basis in such a way as to spread the flow of returns throughout the year, or at least over a substantial part of the year. Under such proposals, the assignment of filing periods would be on the basis of birthdays, social security numbers, surnames, or some similar method, with a proportional allocation of taxpayers to each filing period. A discussion of the problems associated with such proposals was submitted to the hearings before Senator Montoya in July 1974 (Senate Hearings Before the Committee on Appropriations, Internal Revenue Service, Taxpayer Assistance and Compliance Programs, FY 1975, pp. 799–801).

The proposals that the Service has examined present problems relating to equity among taxpayers and to administrative and compliance complexities; however, in recognition of the potential advantages of a system which would spread the filing of returns over a longer period of time, we are reexamining the matter in an effort to develop a workable proposal. The current study will include a cost-benefit analysis which will attempt to recognize the interests of the Service, taxpayers, tax practitioners, information return preparers, the Postal Service, etc.

The Service's response also includes interesting data on where the mathematical tax errors occur in filling out a return. This data is further proof of the need for tax simplification by the Congress:

Question: Where are the most mistakes made on filing an individual tax return?

Reply: One of the most frequent mistakes a taxpayer makes in computing a tax return is checking the marital status code. This error, however, is resolved in service centers' editing and perfecting of the return, with a taxpayer contact made when necessary.

Through April 5, 1975, there were a total of 968,910 math errors on 1040 returns detected by computer. Approximately 38.6% (374,253) were Tax Computation errors; (e.g., using the wrong tax table) 177,640 or 18.3% were linked to Total Deductions; 125,292 or 12.9% were Overpayment or Balance Due errors.

Of the Form 1040A returns processed through April 5, 1975, there were 434,833 math errors, of which 239,827 or 55.2% were Tax Computation errors; 109,852 or 25.3% were Overpayment or Balance Due errors; and 59,645 or 13.7% were related to Excess FICA.

Finally, in the area of simplification, the IRS reports that it has not yet had an opportunity to focus on the specifics of corporate tax simplification. In view of the tremendous problems facing small businessmen in meeting IRS filing requirements, the Service's response is very disappointing. I would hope that more work could be done on small business tax assistance and simplification.

Question: It has been said that the most important thing we could do to help the taxpayer is simplify the tax code. In 1973, the Administration submitted a number of proposals for the simplification of individual returns. Could you provide a list of five or six areas where we might be able to provide corporate tax simplification?

Reply: Our first and foremost concern in this area of simplification has been with individual, nonbusiness taxpayers. These are the people who are in greatest need of assistance and who account for the overwhelming bulk of the services provided by commercial tax preparers and IRS assistors. Next in priority would be farmers and individual proprietors filing Schedules F and C, respectively. Then partnerships and corporations, which are more likely to have ready access to professional help in the preparation of tax returns and maintenance of the related accounting records, should be considered. We have not yet had an opportunity to focus on the specifics of corporate tax simplification, but some areas which deserve serious consideration are: (1) the complexity of capital gains taxation, (2) the differences in the treatment of income deductions for corporations as compared with that for individuals, and (3) tax treatment of foreign income.

A TRIBUTE TO VERN AND GENEVIEVE GRANDGEORGE

HON. TIM L. HALL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. HALL. Mr. Speaker, recently Somonauk and the surrounding community paid tribute to an outstanding couple, Vern and Genevieve Grandgeorge, who have provided decades of service to their friends and neighbors.

Vern has been a contributing citizen of Somonauk for more than 60 years. He has been township clerk and supervisor. He has served on the volunteer fire department and is a life member of the Lions Club and the Masonic Lodge. He has been a member of the Congregational Church for 60 years.

For the past 50 years, Vern has owned a pharmacy in Somonauk. Throughout that period he has kept well informed on the changes in modern medicine. As Vern said:

> Ninety per cent of the prescriptions I filled last year were not even heard of ten years ago.

Genevieve Grandgeorge has also been a productive member of the community. She has spent a great deal of her time and effort in church work, serving on the State board of the Congregational Church and serving as president of the Women's Fellowship of Illinois.

Vern has now sold his pharmacy and he and his wife will be enjoying a more relaxed life. They can reflect on the past 60 years and be very proud of their contributions. I want to join with their many friends in wishing them the very best.

Mr. Speaker, the citizens of Somonauk prepared a brochure honoring the Grandgeorges and I ask that the tribute paid them be placed in the RECORD. The tribute follows:

A Tribute To Vern H. Grandgeorge, Rph. and His Wife Genevieve

DEDICATION

This little Souvenir Pamphlet was compiled to pay tribute to Vern Grandgeorge and his wife, Gen, for the many things they have contributed to Somonauk and surrounding community.

Vern and Gen have unselfishly contributed, over the years, many things which has aided in the prosperity, advancement and improvements to their beloved village, country, state, nation and church, without consideration to their personal financial gain.

An effort is humbly made to set forth some of their many accomplishments.

Vernon H. Grandgeorge is one of four children, born November 18, 1902, to farming parents near Serena, Paul and Mary Grandgeorge. His parents are now deceased, but his brother, Raymond, Sr., one sister, Leona Ugland, reside in Somonauk, and another sister, Viola Solvin, resides near Sheridan. When our subject was in the 7th grade he moved with his parents to Somonauk.

He began his education in Serena schools, and graduated from Somonauk High School with the class of 1921. While a student here he worked for a local doctor (Dr. Millikin) and became interested in medicine. After graduation he served his pharmacy apprenticeship in Chicago while studying chemistry and French in night school.

From there it was on to Valparaiso University (Class of '24) receiving his Phg; and then to the University of Wisconsin, from which he received his Rph. He gained further experience at Johnson's Drug Store in Geneva, Ill., and also in Chicago. He then decided to return to his home town to continue in his profession and purchased the store from Mr. C. C. Dean in 1926.

On June 21, 1928, he married his high school sweetheart, Genevieve Norton, daughter of Mr. and Mrs. W. H. Norton. The wedding was performed at the bride's residence, a home her parents had built on the corner of DeKalb and East Streets.

The couple have four sons: William, Department Head of the Drama Theater of Roger Williams College in Bristol, Rhode Island; Robert, owner of Bud's Citgo in Somonauk; Douglas, an employee of New York's Human Relations department; and Vernon "Veech" is manager of "The Casual Quarter" an amusement center in Annandale, Virginia. He also manages the Joe Theisman Restaurant in Bailey's Crossroads, Va. Theisman is a pro-football player.

Vern has had other avocations during his professional career. He has served the Township for nearly all of his adult life here. He began by serving as Township Clerk for fifteen years and as Supervisor for 33 years. During this time he was Chairman of the County Board of Supervisors for two years. Four years ago, by Constitutional Convention, the County Board set up was changed. While no longer a member of the County Board, he still serves the township and holds the purse strings, administering the funds for operation of the local Town Board carefully and diligently. Through his ever watchful eye he carefully cares for those on public welfare in the township, seeing to it that they get what they need for a comfortable life.

He also served as a volunteer fireman for 30 years and most of the time was driver of the Soda-Acid Reo fire truck (vintage of 1928). It was always his job to see that the truck was recharged after a fire. It was said at one time he misunderstood the location of the fire and he set out for the wrong end of town. When asked why he went east instead of west, he replied "I wanted to get a good running start for the fire."

He is also a charter and life member of the Lions Club of Somonauk; a fifty year and life member of the Masonic Lodge; a 60-year member of the Congregational Church. Back in the depression days of the early thirties, the night soft-ball association was formed and he was very active on this committee and served as business manager of the association for its first three years.

He was a member of the school board, serving as president and secretary several times during his 25 years of membership on that board.

In the operation of his drug store there have been many occasions the customer did not have the ready cash to pay for his prescription, so out of the goodness of his heart, he dispensed the medicine anyway, proving that his customers were "like part of the family." Most of the time these customers paid when they could, but even if they never paid, he never took action to collect. He figured his payments would come in other ways.

Throughout his five decades as a pharmacist he has kept well informed in the changes in medications and the many new discoveries in medicines. He states, "Ninety percent of the prescriptions I filled last year were not even heard of ten years ago."

One other position Vern has held for many years is the Township and Village Health Officer. In this work, which is without pay, it is his job to act in the case of dead animals, contagious diseases, and see that accepted health standards in clean streets and alleys are maintained.

During the 1930's he held a position with the National Youth Administration, performing certain duties which required a considerable amount of travel throughout the State of Illinois.

When Vern started in Somonauk with the purchase of C. C. Dean's Drug Store in 1926 he installed an ice cream soda fountain and his sodas were known far and near and also his malted milks were second to none. And the price could not be beat.

After the Somonauk State Bank was liquidated, in 1952, Vern purchased the building on the corner of Depot and Market and converted it to the fine store of today. For a time the west portion of the building was used as a law office and later made into a restaurant, as it is today.

Of course Gen Grandgeorge has also been busy over these years. Her father, Bill Norton, was in politics and served on most county committees on the Board of Supervisors. Gen attended Knox College at Galesburg, and is a 50 year member of Delta Delta Delta Sorority. It is noteworthy that she is an original member (57 years) of the local Sunshine Band of the Congregational Church. She spent most of her time in Church work, serving on the State Board of the Congregational Church and was president of Women's Fellowship of Illinois for a couple of years. She was on the State Board of Directors three different terms and past moderator of the church several times. Gen has also been active in Woman's Club, and both Gen and Vern are active in Eastern Star.

Now that they have sold the store, they plan to spend a couple of months perhaps in Florida in the winter; play bridge, at which both are very good; sepnd time at their cottage at the Gulch on the Fox River, near Sheridan; and Vern also says that perhaps now and then there will be some of his pharmacist friends in the neighborhood who may need a helping hand, so he will help them out, just as they did for him when he wanted to take a few days off to visit his children, or a short vacation.

Perhaps his work has been very confining, but he is gratified in knowing that he has helped thousands of people in many ways.

From all of the many friends and acquaintances of the Grandgeorges we take this method of wishing them the best in the future, and may they enjoy their new freedom.

THE DEATH OF JULIAN K. WELCH

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. JONES of Tennessee. Mr. Speaker, it is with great regret that I announce the loss of one of my dearest friends and a true humanitarian for all of west Tennessee, Dr. Julian W. Welch.

Dr. Welch passed away last week in his home after a lifetime of dedicated service to his fellow man, both through his profession as a physician and through service as an elected public official.

He had practiced medicine in Haywood County, Tenn., since 1947 and became known as an energetic man who devoted a great deal of time to projects aimed at the betterment of his fellow man. He also served the city of Brownsville, Tenn., as a member of the board of aldermen and for two terms as the town's mayor.

I would like to take this opportunity to enter into the RECORD this article about Dr. Welch in recognition of the dedication to service that he displayed throughout his life:

[From the States-Graphic, Brownsville, Tenn., July 18, 1975]

Sudden Death of Dr. Welch Depletes Local Medical Staff

Dr. Julian Kenneth Welch Jr. 60-year old physician, died at his residence on Forrest Street, Tuesday morning at 7.

He was preparing to have breakfast when stricken.

A native of Savannah, Dr. Welch was graduated from UT Medical School and had practiced here since 1947.

He served as alderman for the City, and was Mayor for two terms.

Active in medical affairs, he was past president of the state Academy of Family Practitioners and was named Tennessee Practitioner one year.

He was medical examiner for the County, a member of the State Board of Medical Examiners, was delegate to both Tennessee Medical Association and the American Medical Association. He recently attended AMA's meeting in Atlantic City.

Dr. Welch was a former steward and was a member of the official board of First United Methodist Church.

He served in the Army in World War II and was a member of American Legion, Ed Worsham Lodge, and has been Worthy Patron of Eastern Star chapter. He was the only 33rd degree Mason in the County and was a member of Scottish and York Rites, and of Al Chymia Shrine Temple in Memphis.

He was past president of the local Shrine Club, had been president of the Exchange Club and assumed the vice-presidency of the Rotary Club, only last week.

Dr. Welch had served as a member of of the School Board as secretary of the Tennessee Medical Association at the time of his death.

Funeral services were held Wednesday, at 3:30 at the chapel at Brownsville Funeral Home, with the Rev. Wesley McKinnie, officiating.

Burial was in Haywood Memorial Gardens.

Dr. Welch leaves his wife, Mrs. Lucille Mount Welch; three sons, Julian Kenneth "Kenny" Welch III, David Sevier Welch, William Thomas Welch; two daughters, Mrs. Martha Welch Johnston, and Mrs. Judy Welch Laney, both of Memphis; his father, Julian Kenneth Welch; two brothers, Thomas Lewis Welch, Memphis; Robert James Welch of Savannah; two sisters, Mrs. Winnie Welch Blankenship of Memphis and Dr. Sue Welch Johnson of Shelbyville.

He also leaves four grandchildren.

THE ORPHANS OF JERRY FORD

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. WOLFF. Mr. Speaker, recently an article, printed in a national Catholic newspaper, has been brought to my attention which I feel illuminates an issue heretofore given little notice. While I realize that it is not physically possible for us to rescue these people from the island of Phu Quoc, I would like each of my colleagues to be aware of this situation. I believe that we should not allow these victims to be forgotten, and that the Congress, as a whole, should be cognizant of the plight of these people.

The article follows:

THE ORPHANS OF JERRY FORD

(By William H. Marshner)

Mr. Ford's highly touted rescue of the *Mayaguez* and its crew from Koh Tang Island contains an element of bitter irony. The operation brought scores of U.S. naval vessels and hundreds of U.S. aircraft within 40 miles of another island, where there is something much more important to rescue.

The other island is Phu Quoc. On it are 42,000 refugees from Communist agression, two-thirds of them Roman Catholics. Many are orphan children. At least three hundred of them are nuns. Some of the priests there are the very ones who 20 years ago led their congregations in toto, on foot, from Hanoi to the South, seeking safety. This Spring, when Hue and Da Nang fell, the same congregations moved again to Phu Quoc, sometimes with the help of U.S. naval vessels. Now the same vessels steam by and ignore them.

The people of Phu Quoc are determined to fight. They have arms but only a limited supply of food and ammunition. It is only a matter of time before the Communists strike in force. In propaganda bulletins released in Saigon, the PRG is already claiming to have occupied the island. But U.S. intelligence sources know that the claim is false. How? Because the rescue craft involved in the *Mayaguez* affair picked up radio signals from the refugees They listened to the cries of anguish and steamed on.

On or about May 9th, the possibility of rescuing these people was discussed in the National Security Council. According to Capitol Hill sources, rescue was vetoed at that time by Secretary of State Henry Kissinger—himself a former refugee. Kissinger is said to have argued that since Phu Quoc is legally part of the territory of Vietnam, any rescue attempt would be an "invasion" and hence would jeopardize future relations with the Communist government. Can you believe that?

Meanwhile very few people are doing anything to put pressure on the White House, even though such countries as South Korea, Taiwan, Chile, and Canada have agreed to accept these abandoned people as immigrants. John McCarthy, director of Migration and Refugee Services for the United States Catholic Conference, has made some representations to State Department officials. Cong. Larry McDonald (D., Ga.) is circulating a letter on the House floor, and about 30 signatures have been obtained. (Both of the so-called Catholic priests in Congress, Cornell and Drinan, were asked to sign but refused to do so.) A recent effort to put the House Republican Steering Committee into action got nowhere. Clearly it is time for Jerry Ford to hear from the Catholic grass roots.

Ford is feeling pretty good about himself these days. The *Mayaguez* rescue so raised his stock among GOP conservatives, that White House aides have told political columnists Evans and Novak that the President now thinks he has Reagan on the run. It is urgent, therefore, that all Catholics, especially Catholic conservatives, tell Jerry Ford he had better think again. If our brothers in Christ on Phu Quoc are not rescued, Mr. Ford can take his trophy for freeing the *Mayaguez* and toss it in the ashcan.

That very message, a little more delicately phrased, of course, should be telephoned or telegrammed immediately to the White House: (tel. 202-456-1414). Swamp a switchboard for your Vietnamese brothers.

JACK ANDERSON: A QUESTIONNAIRE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. McDONALD of Georgia. Mr. Speaker, Columnist Jack Anderson is generally in the position of asking questions of individuals he has targeted for character assassination.

While allegedly calling public officials to account, he himself has remained immune from questions. In that light, Anderson might provide the answers to the following questions:

First. When you were questioned in the pretrial hearings of the Philip J. Corso libel suit against you, you stated under oath that the Mormon Church asked you to become a missionary early in 1941, when you were only 18 years old. The Mormon Church had a rule that missionaries had to be at least 20 years old. Was a special exception made in your case, and if so, why?

Second. Records of the Mormon Church indicate that you served as a missionary beginning 13 days after Pearl Harbor, when you were 19 years and 2 months old, and that you completed your missionary service on February 22, 1944. However, the Selective Service Headquarters in Salt Lake City, Utah, has stated that you registered for the draft on July 1, 1942, and were classified 1-c. That classification was applied to members of the Armed Forces, the Coast and Geodetic Service, and the Public Health Service. How do you explain this classification when you were serving as a civilian missionary?

Third. What were the names of your missionary companions in 1942 and 1943?

Fourth. You testified that after finishing your tour as a missionary early in 1944, you volunteered for the Naval Reserve. The Navy Department has said this is impossible, since all Naval Reserve units had been mustered into the Regular Navy by 1944. How do you explain this?

Fifth. You testified that the Navy sent you to the Merchant Marine Academy at San Mateo, Calif., where after 3 months you received a commission as a midshipman. Would you explain how this is possible, in light of the fact that the Merchant Marine was under the War Shipping Administration, not the Navy, and Merchant Marine trainees were called "cadets," never "midshipmen"?

Sixth. I am informed that the Merchant Marine has no record of your ever having been trained or commissioned by them. Do you have any documentary evidence to prove that you did serve with the Merchant Marine during World War II?

Seventh. You swore in 1966 that you were a member of the crew of the ship, the *Cape Elizabeth*, for 6 or 7 months in 1944. Maritime Bureau records reportedly do not show a Jack N. Anderson to have been a member of this or any other ship crew. When you testified in 1966 you could not remember the name of the captain of the *Cape Elizabeth*, under whom you allegedly served. Do you remember the name of the captain, or any other ship's officers with whom you served, or can you produce any documentary evidence to show that you did serve on the *Cape Elizabeth*?

Eighth. You next stated that you left the merchant marine and went to China early in 1945, as a reporter for the Deseret News of Salt Lake City. Did you leave your ship while it was in the Far East, or did you return to the United States and then go back to the Far East in a civilian capacity?

Ninth. Did you notify your draft board that you had left the merchant marine in 1944, and that you had left the merchant marine early in 1945? Was your selective service classification changed when you left the Merchant Marine?

Tenth. Since you would have been subject to the draft, on what basis did your draft board authorize you to leave the country in 1945?

Eleventh. Did you obtain an American passport and visas to go to China in 1945?

Twelfth. What means of transportation did you use to travel to China and Thirteenth. Did the Deseret News or what route did you take? Was your transportation paid for by the Deseret News or any other newspaper?
any other publications you wrote for while you were in China pay you a regular salary? Did they pay expenses? Did they pay for each story you wrote?

Fourteenth. In an article in Newsweek on May 13, 1963, you were quoted as saying of your alleged service with the Chinese guerrillas:

> I don't think I ever filed a story from there. Nothing big ever happened.

How did you obtain an income as a correspondent if you never filed a story?

Fifteenth. You testified that sometime after the war ended you were inducted into the Army, but you did not remember the date, nor your Army serial number. Do you have any records that would show just where and when you were inducted?

Sixteenth. Your testimony was that you were inducted into the Army in Chungking, China. Col. Frank Milani, adjutant general of the U.S. forces in the China-Burma-India Theater during the war, has said that this is preposterous, since the Army did not induct people. That function was performed by draft boards and recruiting offices. In view of this, do you stick to your story that you were inducted by the Army in Chungking?

Seventeenth. You testified that you thought there was a brief period when you served in the Quartermaster Corps. Where did you take basic training and where were you then assigned?

Eighteenth. You testified that you served with the Stars and Stripes until you were mustered out in 1947. Gordon A. Skean, general manager of Stars and Stripes, stated in a letter dated July 6, 1967, that a search of their bound volumes in 1945–46 turned up no mention of a Jack Northman Anderson. Mr. Skean also said that your name did not appear on their alumni roster. Just where did you serve with the Stars and Stripes? Under whom did you serve?

Nineteenth. What kind of discharge did you receive and when was it dated?

Twentieth. Did you take advantage of any veteran's benefits after your discharge? Were you ever covered by a National Service Life Insurance policy?

Twenty-first. The Salt Lake City street address directory showed you to be living in Salt Lake City at 2173 Fardown Avenue in 1940 and 1941, but not in 1942. You were again listed in the directory at the same address in 1944 and 1946, years when you allegedly were with the Merchant Marine and serving in the Army. How do you explain this?

Since Mr. Anderson has taken issue with my concern over matters of national security, many people—colleagues, constituents, and the general public—have communicated with me giving me their support and raising questions of substance about Mr. Anderson's activities. Unlike Anderson, I am investigating these in detail before bringing them either to the attention of my colleagues or to the public.

CONSUMER PROTECTION BILL IN HOME STRETCH

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. ROSENTHAL. Mr. Speaker, after many years of work and frustration, the prospects appear bright for passage of legislation to create an independent, Federal Agency for Consumer Protection.

The Senate broke a filibuster in May to approve the bill by an overwhelming majority and earlier this month the House Government Operations Committee voted it out by a 3 to 1 margin. I am confident that our colleagues in the House will give this needed legislation the strong support it deserves when it comes up following the summer recess.

This legislation, which is among the most carefully considered bills in recent memory, is essential to insure that the consumer interest is properly represented before and considered by the Federal agencies when decisions are made effecting the health, safety and well-being of consumers.

Critics contend the Agency merely represents more government. But the truth is that the Agency, which will be very modest in size and unique in function, represents better Government. It will cost taxpayers about 10 cents each per year and has enormous potential for saving each of us hundreds and even thousands of dollars.

The value of such an agency is aptly summed up in an editorial from the July 21, 1975, issue of the Long Island Press:

"There is a clear need for a strong consumer voice at the top levels of Government. Business and industry have their high-paid lobbyists, but the consumer has only low-budget advocacy groups and such defenders as Ralph Nader."

Mr. Speaker, I am inserting the editorial in full in the RECORD at this point:

CONSUMER PROTECTION BILL IN HOME STRETCH

After years of frustration proponents of an independent federal consumer protection agency are keeping their fingers crossed.

The bill to create such an agency passed the Senate in May, after a filibuster by southern conservatives was broken. Then the other day the House Government Operations Committee approved similar legislation by a 3-to-1 margin.

Approval in the full House should not be a problem. Such bills have been passed several times in recent years, and the new House makeup should mean an even greater margin of victory. It may be necessary.

The biggest roadblock now is the White House. President Ford has called a consumer protection agency an unnecessary bureaucracy and urged the bill's defeat. He has not said he would veto it, but such action wouldn't be surprising.

There is a clear need for a strong consumer voice at the top levels of government. Business and industry have their high-paid lobbyists, but the consumer has only low-budget advocacy groups and such defenders as Ralph Nader.

The bill would not create a new regulatory agency. But the new agency would be able to intervene on the consumer's behalf before existing agencies. That's a function which has been neglected far too long.

After Congress passes the bill, consumers across America should demand that President Ford sign it. If he vetoes it, Congress should override the veto.

IMPROVING THE ENERGY EFFICIENCY OF APPLIANCES

HON. ANTHONY TOBY MOFFETT

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. MOFFETT. Mr. Speaker, part B of title V of H.R. 7014, the Commerce Committee energy bill, contains some extremely important provisions concerning improvements in the energy efficiency achieved by major household appliances. A study was conducted for the Energy and Power Subcommittee to evaluate the feasibility of the average target contained in the provisions of a 25-percent improvement in energy efficiency by 1980 over the level achieved in 1974. This study concludes that not only is such a target technologically feasible and cost effective, but also, in fact, it might be made more stringent. I am inserting a copy of this study into the RECORD so that the detailed technological justification for the target improvement for major household appliances is available to all Members:

TECHNICAL OPPORTUNITIES FOR IMPROVING THE ENERGY EFFICIENCY OF THE NATION'S APPLIANCES

I. INTRODUCTION

Appliances are defined here as including water heaters refrigerators, freezers, ranges, television sets, room air conditioners, clothes dryers and washers, dishwashers and [illegible]y of a number of small appliances normally found in residential use. Excluded from this discussion are large appliances in the same categories which are found primarily in the commercial sector, and large residential heating and cooling equipment such as furnaces, central air conditioners, and heat pumps.

Appliances presently account for about 8% of total U.S. energy consumption. Electricity and gas represent the dominant forms of energy required to operate appliances, with energy delivered in the form of electricity accounting for about 70% of all appliance energy consumption. Only in the case of the New England and the Middle Atlantic states does fuel oil and liquified petroleum gas account for some portion of water heater fuel consumption, and for this appliance it amounts to no more than 13% of total energy for hot water heating.

Residential-type appliances are found primarily in the residential sector and account for about 82% of appliances energy consumption. However, they are used to some extent in the commercial sector also. Energy consumption by the Nation's residential appliances has been determined by the Federal Energy Administration during the development of the Project Independence Report. Data on energy consumption, for the major energy-consuming appliances, are given in Figure 1 below. This information comes from the Final Task Force Report: "Residential and Commercial Energy Use Patterns 1970–1990", November 1974 Volume 1. The data have been corrected to give primary energy consumption, reflecting total energy consumption including electric power plant losses. They have also been interpolated and extrapolated to on the basis of trends that appear in the report cited above, to 1972 and 1974. Appliances are defined here to include devices, usually purchased by individual consumers and not institutions, which are suitable for residential use.

TABLE 1

[Thousands of barrels per day equivalent]

Appliance	Primary energy consumption	
	1972	1974
Water heaters:		
Electric	412	445
Gas	574	620
Refrigerator-freezers	589	636
Freezers	139	150
Ranges:		
Electric	162	175
Gas	182	197
Television sets	230	236
Room air-conditioners	179	193
Clothes dryers	135	146
Clothes washers[1]	[1] (193) 18	(211) 19
Dishwashers[1]	[1] (13) 3	[1] (24) 5
Other appliances	293	315
Total	2,916	3,137

[1] The numbers given are for electrical consumption only. The total energy consumption, including hot water use, is in parentheses.

II. BENEFITS OF REDUCING APPLIANCES ENERGY CONSUMPTION

One policy option for reducing the energy consumption of the Nation's appliances is that of setting minimum efficiency standards for the major energy consuming ones. This option, together with others that might be effective in decreasing the energy consumed by appliances, would have additional benefits beyond simple energy reduction.

About 70% of appliances energy consumption is in the form of electricity, a fraction which is projected to grow to 80% by 1990. This fraction is based on projections of current patterns and does not allow for the introduction of new major appliances; new appliances are expected to be primarily electrical, and the figure could be higher than 80%.

Electricity is a special energy which has a number of associated problems that are national in scope and which require planning over extraordinarily long periods of time. Conservation measures which result in reduced appliance energy demand will affect electricity requirements appreciably, and will thus have the following desirable results:

1. Reduced capital investment requirements for facilities expansion.

2. Ameliorative environmental benefits associated with diminished requirements for new fuel production, generation, and transmission facilities.

3. Reduction in the pace at which fundamental national policy decisions must be made about the most desirable mix of nuclear/solar/geothermal/fossil electric power generating facilities, about the best mix of deep mines versus strip mines for coal development, and about other energy development questions of primary national significance. Policy making organs of government need more time to assemble research results and to formulate national energy policy goals. Especially in view of the fact that selection of major energy production options tend to foreclose other options because of the large resources required and the long time scales involved, conservation measures are particularly attractive.

III. TECHNICAL ENERGY CONSERVATION MEASURES IN APPLIANCES

The most appropriate energy conservation measures vary from appliance to appliance and according to the fuel, electricity or gas, which powers the appliance. Here we discuss distinguishing attributes of each of the major appliances that lead to differences in energy conservation measures that will be effective in each case.

A. *Water heaters.* As is seen from Table 1, water heaters consume more energy per year than any other appliance. A priority opportunity for energy savings may thus be larger than for any other appliance.

Hot water energy consumption might be reduced in two ways: by decreasing energy losses which occur within the water heating appliance itself, and by making changes in the ways hot water produced by the heater is used. Of these two, by far the most promising energy conservation methods are those which reduce hot water requirements at point of end use. For example, typical overall efficiencies of both electric and gas water heaters are low, 23% and 44% respectively, when losses due to electricity generation and transmission, tank insulation, pilot light and flue, are taken into account. Redesign of the water heater itself, in life-cycle cost effective ways, offers a target for maximum increased efficiency to about 26% for electric (reduces fuel consumption by 12%) and to about 62% for gas (reduces fuel consumption by 29%). ("Residential Water Heating: Fuel Conservation, Economics, and Public Policy", Rand Corporation Report prepared for the National Science Foundation, R-1498-NSF, May 1974). Both electric and gas water heater conservation opportunities are less than those due to modifying patterns of usage, which are 50%. Taking short duration showers instead of full tub baths, the use of devices to cut off sink hot water when the user steps away, setting water temperature as low as possible, cold water laundering, etc., will all cut consumption of hot water.

About 25% of residential hot water is estimated to go for clothes washing in homes that have clothes washers (about 71% in 1972). Another 5% goes for dishwasher use in homes that have this appliance (about 21% in 1972). Thus, technical improvements that reduce hot water consumption in clothes and dishwashers will reduce energy consumption in water heaters.

Energy saving benefits can be realized in several ways: by reducing standby losses with smaller and better insulated water heaters, by reducing combustion losses, by increasing heat transfer efficiencies in combustion heaters, by reducing connective air thermal losses, by setting hot water thermostat settings at the lowest temperature adequate to the application, and others. Although better insulation of water heater storage tanks results in higher first cost, life cycle cost savings can often be effected, particularly with rising energy prices. The opportunities are smaller with present day electric water heaters than with gas water heaters. Replacement of the standing gas pilot light in gas water heaters, with alternative ignition devices that do not consume energy continuously may offer additional energy savings.

B. *Refrigerators and Freezers.* This appliance class, though second in energy consumption to water heaters, represents the one that offers the largest potential for national energy savings as a result of improved design and efficiency within the appliance itself. A target for energy conservation of about 50% of energy usage is possible and might be realized by changes in manufacturing practice and appliance design that are cost-effective in the life cycle sense. ("The Productivity of Servicing Consumer Durable Products", MIT report to the National Science Foundation, CPA-74-4, 1974).

Resistance heaters (mullion heaters) are used to prevent the accumulation of condensed water on the outside surface of some refrigerators in case of high humidity. They use more than 10% of the energy consumed by this appliance, and could be replaced by a system that uses the waste heat rejected by the condenser coils, as is already done in some models. Some refrigerators already have resistance heater disable switches, called power saver switches; these might be included on all units. Manual defrost refrigerators and freezers can be more conservative of energy than automatic defrost units. Such units are superior to automatic defrost appliances in both first and life cycle cost; convenience is the factor that has nearly driven manual defrost units out of the market.

Technical improvements that result in reduced energy consumption, decreased life cycle cost, but possibly increased first cost include better insulation, better quality control in manufacture, and selection of superior hardware including motors, compressors, condensers, heat exchangers and control systems.

C. *Ranges.* There is some room for improvement in the efficiency of conventional cooking ranges. The main design opportunities include simple improvement of the insulation of ovens and the replacement of the standing gas pilot light with electric igniters. Insulation improvements are limited by economic factors and ventilation requirements. Savings of 10% for electric and 30% for gas ranges are possible.

Pilot lights use about 30% of the gas consumed by ranges. The permanently-on standing gas pilot light used with residential gas appliances of all types, such as water heaters, ranges, and clothes dryers, is estimated to use from 15 to 20% of all natural gas consumed by those appliances. Substantial savings are therefore realizable if the gas pilot light is replaced by alternative ignition systems. These devices are already in use by some American appliances, and are used rather more widely in Europe. Their adoption would permit direct savings for ranges and clothes dryers, and would permit the installation of additional insulation on gas water heaters to save even more energy in that appliance.

New cooking devices such as microwave ovens may have potential for energy savings for some cooking tasks. The price of this appliance is declining at present. Possible energy savings by using microwave ovens should be examined. Conventional oven insulation improvements that are cost effective in the life cycle sense should be promoted.

D. *Television Sets.* This appliance is a surprisingly large consumer of energy Vacuum tube sets consume over twice the power of a comparable solid-state set, and are chosen preferentially primarily because of first cost advantage that they enjoy. Instant on vacuum tube sets waste a great deal of energy. Life cycle costs that include both the cost of electricity consumed and servicing costs are lower for most solid-state receivers, on both counts. The normal barriers associated with consumer reluctance to give full weight to life cycle cost considerations operate here. It appears that the evaluation of television technology is rapid, and substantial conversion away from vacuum tube sets toward solid state sets, with a 50% energy savings opportunity, has already taken place.

E. *Room air conditioners.* This appliance has been one of the strongest components of increased appliance energy usage in recent years, and is quite susceptible to programs in increased efficiency. For example, room air conditioners commonly found on the market operate with energy efficiency ratings that range over nearly a factor of 3 (J. C. Moyers, ORNL-NSF-EP-59, October 1973). Many room air conditioners have no switching device to cut off the fan when the compressor is off; doing so would cut energy consumption a little. Presently available room air conditioners, toward the top end of the efficiency range, already use less than half the energy for the same delivered cooling power than units at the bottom end of the range. Strategies to change the market mix of presently available units offer marked potential for increasing the overall efficiencies of the Nation's room air conditioners. Further technical improvements in electrical motor efficiency, in compressor efficiency, and in heat exchanger efficiency are all possible.

An efficiency improvement target of 25% over available 1972 units is life-cycle cost-justified on a nationwide basis, and larger increments in efficiency are life-cycle cost-justified in southern regions where annual operating hours are high. Finally, the technical measure of increasing fan motor efficiency, and providing for control of the fan motor together with the compressor motor rather than operating it continuously, can provide another 5–10% efficiency improvement.

F. *Clothes dryers*. Gas dryers already incorporate electric igniters in a larger fraction of manufactured units than for any other appliance. Some efficiency improvement is possible by manufacturer selection of more efficiency motors to drive both electric and gas dryers, and by improvement of control systems so that drying energy is consumed only when the clothes in the dryer still contain moisture. Finally, there are opportunities for recuperation of the heat content of exhaust air that is presently wasted in most dryers on the market—heat exchanger recovery devices can be used more widely to pre-heat new dry air that enters the dryer. It is estimated that there is room for 10–15% efficiency improvement, in life-cycle cost-justified ways, for this appliance.

G. *Clothes washers*. Technical measures for increasing efficiency include modifications that are possible to the geometry of the washer to minimize water consumption, hot and cold, manufacturer selection of more efficient electric motors, and development of control systems that shorten required cycle operating time or reduce the need for hot water. Most of the energy consumed by this appliance is in the hot water that it uses. Changes in the operating cycles to reduce the use of hot water would thus weigh very importantly in reducing total clothes washer energy consumption. Wider use of cold water detergents would also help enormously.

H. *Dishwashers*. Changes in dishwasher geometry and control of the washing cycle can reduce energy consumption markedly. Elimination of the automatic dry cycle, with at least a provision for manual override, would save the drying energy. A very large indirect energy demand is placed on the water heating systems by many dishwashers, since the manufacturers recommend that water be heated to 150°F at the water heater, in order to provide water that is hot enough for the dishwasher. No other appliance in the home requires water this hot, and thus a very large portion of standby water heater losses are accounted for by the dishwasher. Although direct energy consumption by the dishwasher would go up in some cases by providing for more booster heat, overall water heating energy requirements might be substantially reduced. It is estimated that a 10% improvement in efficiency is justified by changes that can be made on the average dishwasher in the manufacturing process, apart from booster changes discussed above. (U.S. Department of Commerce, National Bureau of Standards).

IV. SUMMARY OF EFFICIENCY IMPROVEMENT TARGETS

Table 2 below contains best current, and conservative with respect to remarks in the paragraphs preceding, estimates of efficiency improvements that are technically feasible for the national mix of the product listed, in terms of the base year 1972. For almost all appliances, there has been no appreciable change in the energy efficiency characteristics of units produced in 1974, with the exception of television sets. This appliance has experienced a strong trend away from vacuum tube sets toward those incorporating solid-state circuitry.

TABLE 2

Energy efficiency improvement potential (1972 or 1974)

Appliance:	
Water heaters:	
Electric	12
Gas	27
Refrigerator-freezers	45
Freezers	40
Ranges:	
Electric	10
Gas	35
Television sets (30 for 1974)	45
Room air conditioners	25
Clothes dryers	10
Clothes washers	10
Dishwashers	20
Other appliances	---

The energy-weighted average efficiency improvement target for all the named appliances in this list is 28% with respect to 1972, and 26% with respect to 1974.

FORD REJECTS AGING UNIT'S MAIN ADVICE

HON. DAVID W. EVANS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. EVANS of Indiana. Mr. Speaker, a telling article appeared in the Washington Post on July 25. The headline reads "Ford Rejects Aging Unit's Main Advice."

The Federal Council on Aging urged that President Ford reconsider his budget request for fiscal year 1976, which would reduce funds for programs for America's elderly by nearly $2 billion. However, President Ford has rejected the advice, claiming that while he sympathizes with the needs of older Americans, the Nation's elderly are going to have to be the combat troops in his fight against inflation.

Nearly everyone has his or her own theory on who the culprit is when it comes to inflation. But the fact remains that energy and food account for half of the projected 9 percent rate of inflation for this year.

Consequently, no battle against inflation is going to be very successful unless it addresses itself to these two sectors of our economy.

It seems to me to be just commonsense that letting the price of domestic oil rise to $11.50 per barrel, from $5.25 per barrel, is going to bring on a new round of inflation. Not only will gasoline be higher at the pumps, but other petroleum products such as synthetic fibers, plastics, et cetera are also going to have higher price tags.

A windfall profits tax on the oil companies which would accompany the price rise is not going to help the consumer, other than keep his blood pressure down at the thought of oil company profits.

High priced oil also has drastic effects on our ability to produce abundant, reasonably priced food. The farmer who has to pay more to run his machinery is going to charge more at the marketplace, and the consumer will ultimately pick up the tab.

It is a strange perception indeed that finds that older people, living on fixed incomes, are better equipped than the oil companies to deal with economic troubles.

The article follows:

FORD REJECTS AGING UNIT'S MAIN ADVICE

President Ford yesterday sent to Congress a report from the new Federal Council on Aging, but he rejected the advisory group's main recommendations and said the report "does not reflect administration policies."

The 15-member council, headed by former HEW Under Secretary Bertha S. Adkins, was created by Congress under a 1973 law, to advise the President and the Congress on programs related to special needs of older Americans.

In its report, the council said: "We continue to be distressed about the apparent lack of consideration for the economic plight of the elderly as reflected in administration proposals for the 1976 fiscal year.

"Cutbacks in federal money for social services for the elderly and ceilings on benefit programs financed from social insurance trust funds are particularly burdensome to this aged group. Many of their financial assets are tied to fixed sources while their needs are mobile.

"We recommend that the President reconsider the serious effect of these fiscal proposals on the elderly of this nation with their urgent humanitarian needs."

Mr. Ford, in a message to Congress accompanying the report, noted the council's concern about the level of funding for programs to assist the aged and said, "I sympathize with this concern."

"But I am determined to reduce the burden of inflation on our older citizens and that effort demands that government's spending be limited," the President said.

He called inflation "one of the cruelest and most pervasive problems facing older Americans," and said a reduction of it "would be of particular benefit" to the elderly.

HELPING WORLD'S POOR THROUGH FOREIGN AID

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. LONG of Maryland. Mr. Speaker, I bring to the attention of my colleagues the statement I made before the International Relations Committee on July 21, 1975, endorsing the proposed International Institute of Intermediate Technology as a hopeful new approach to helping the world's poor through foreign aid.

STATEMENT OF REPRESENTATIVE CLARENCE D. LONG

Mr. Chairman and Members of the Committee:

In the last three decades, the United States has sent abroad almost $90 billion in development aid—not counting over $70 billion in Export-Import Bank loans, military aid and credit sales, loan repayments (that have been used for additional aid without going into the Treasury), and other programs. Other donors have provided substantial economic aid. Unhappily, these large sums seem to have sparked little progress for the masses of the World's poor.

Official GNP figures for the developing countries show a 3% annual per capita increase during the Sixties and 4.1% during

1968–73.[1] ("Gross National Product Growth Rates and Trend Data," AID Statistics and Reports Division, May 1, 1974, p. 1). But one can see at a glance in any city or village in the developing world that, except for a few special enclaves, it is the urban middle classes and elite that have benefited, not the rural or urban poor.

The glacier-like growth for the Asian subcontinent, whose 750 million people constitute the greatest concentration of misery in the world, gives some clue to the failure of development and foreign aid. No real priority has been given to helping the hundreds of millions of small farmers improve their productivity per acre, and population increases have soaked up much of what growth has occurred. Since 1950, the world's population has increased by three-fifths, to over 4 billions today. At the current 2.5 percent annual increase, world population will double in 28 years to 8 billions. Where will the capital come from to endow the efforts of these added billions of people?

THE NEED FOR CAPITAL IN DEVELOPING COUNTRIES: THE LIMITS ON AID

The developing countries have not amassed the capital to sustain growth for several reasons. Most of their people are poor and have little left over from the necessities of everyday life. The few who do have a surplus are permitted by feeble or corrupt tax systems to squander much of that surplus income on conspicuous consumption. And their governments have dissipated resources on military spending and on industrial projects which add more to fancied prestige than to these nations' comparative economic advantage. All the while the populations to be equipped and educated keep proliferating.

The United States in contrast has enjoyed large apparent "surpluses" of capital since World War II, but these surpluses have been more apparent than real.

Great sums have gone to military spending and to foreign aid. These and other dispositions of capital have produced what can fairly be described as a current capital shortage in the U.S., with the result that both private and government borrowers are met with rising interest rates and denials of credit for useful domestic projects and new demands for capital have arisen as a result of a growing awareness of our slums, middle class housing needs, functional illiteracy, the physically and mentally handicapped, vast medical and health needs, mass transit requirements, problem, environmental and the plight of the aged. The capital needs to solve these and other problems promise to run into the hundreds of billions of dollars, even trillions of dollars, and will continue to exert unbearable pressure on our capital supplies at home. Sharp increases in the price of energy, population growth, and large immigration of illegal aliens can only exacerbate the shortages.

The conclusion should be obvious—that the capital available for foreign aid in the future will, if anything, be smaller, not greater, than in the past. We shall be lucky to keep foreign economic aid at its current money levels. These limits on future aid capital seem obvious to everyone but A.I.D., despite the new policy directions called for by this Committee in the 1973 Foreign Assistance Act. A.I.D is not moving fast enough to find a new foreign aid policy to adapt to these realities.

Let me give an example, A.I.D.'s Latin American bureau is proposing for fiscal year 1976 an $11 million small farmer production loan for El Salvador that is estimated to help 11,000 families—an average cost of $1,000 per family in foreign aid.

If we take 1.5 billion as the number of poor people in non-Communist developing countries and if the average family has 5 persons, we have 300 million poor families. At a cost of $1000 per family (and this project is an example of the best projects AID is now formulating), the resulting requirement to begin to improve the lives of the poor now living would be $300 billions—about 150 times what can be forthcoming from the U.S. annually in bilateral and multilateral aid.

If we continue with policies that imply large capital inputs per person, we will not even be able to keep up with, much less catch up to, the problem of rural poverty. The World Bank estimates total net development aid in 1973 from all donors to have been about $10 billion. (Exact figure—$9.4 billion, Official Development Assistance, Net disbursements). At that rate, to begin to help the poor people presently living would require 30 years. But, by that time, world population and the numbers of poor would have doubled.

WHAT CAN BE DONE?

First, foreign aid must be much more economical of capital.

Second, aid capital that we do give must be expected not to do the job by itself, but to initiate self-generating processes by which people in developing countries produce the great mass of their own future capital.

This leads to the essential question of how poor countries, which produce little above their subsistence needs, can be gotten to accumulate much capital on their own. The answer lies in a reality which should be obvious, but is seldom recognized, or if recognized, is regarded as an obstacle—namely, the tremendous reserve of idle time of the average person in underdeveloped societies. Much of the year most of the people—especially in the countryside—are doing little or nothing, for there is little for them to do and little for them to do it with.

There are of course times when everyone is working in the fields—at planting and harvest time. At those times, labor can be scarce. What is needed are the tools to break the labor bottlenecks at peak times and the materials to enable poor people to convert idle hours into useful work.

The basis thesis of Marxism was that capital is congealed labor—an idea which Marx lifted from the conservative, classical, Ricardian economists. Whereas neo-classical and modern economics see Marx's definition as an over-simplified view of capital, there is no question that labor can be used to make capital—with proper application of technology and some capital to make capital with.

We know that labor is there, waiting to be applied. The brains are there. It is possible that the motivation is there also. What is needed is the technology. Not sophisticated technology embodied in heavy capital; not primitive technology; but something in between—tools and machines—appropriate to the situation in the particular country at that time.

Traditional development economics has assumed that only large infusions of capital can harness idle time. But the work of Ernst Schumacher and others has shown that we can find new methods and simple tools that, at low investment cost, can utilize idle time to generate enormous real savings and capital. On any given day, there are hundreds of millions of idle people in the developing countries whose time, if put to productive use, could be the source of a self-sustaining process of capital generation in the underdeveloped world.

The main purpose of embracing intermediate or light capital technology, as I call it, is not to save money or to deal ungenerously with the poor but to use the limited capital resources we have to increase the number of poor people than can be helped.

WHY HAVEN'T WE USED INTERMEDIATE TECHNOLOGY BEFORE?

The idea of intermediate technology seems reasonable enough, and it is not very new. Why hasn't it caught on? The reasons would seem to lie in the opposition of powerful vested interests:

(1) Development economists' "trickle-down" theories have assumed that if only massive amounts of capital were applied to developing countries, the benefits would "trickle-down" to the poor. Twenty years of experience to the contrary had to take place to prove that the "trickle-down" effects have been disappointing.

(2) Heavy capital aid is profitable to politically influential groups in the donor countries.

(3) Heavy capital aid is profitable to powerful groups in the receiving nations. Ruling elites of the developing countries welcome heavy capital investment because of the money to be made on port development, airport construction, dams, steel mills, and similar projects.

As Dr. Schumacher relates, when he broached the idea of intermediate technology to Indian officials, "I was accused of being an imperialist, a fascist, a racist, a beast, who had come to India to keep the country down and to withhold—as if I could withhold anything—the glories of modern technology." (Ernst F. Schumacher, "Intermediate Technology," Center Magazine, Jan.–Feb. 1975, p. 43).

(4) Heavy capital aid is the only kind of assistance most of the aid bureaucrats understand. Our aid bureaucracies have not been interested in intermediate technology because it would require totally different kinds of aid organizations and aid personnel with a totally different aid experience. Those who are liable to be replaced by a new idea are rarely congenial to it.

These are the reasons why light capital technology has not caught on. The last reason illuminates why the International Institute of Intermediate Technology which you are proposing should be independent of AID.

THE GOAL MUST BE A SELF-SUSTAINING PROCESS OF CAPITAL GENERATION

Our whole foreign aid program must quickly embrace light capital technology as the basis of development policy.

In the terms of foreign exchange so often cited by development economists, the whole purpose of foreign aid should be to help developing countries produce more exports, and to reduce their need for consumer imports. In this way, countries can obtain the foreign exchange needed for capital. But as aid has worked out, it has not reduced foreign exchange dependency, but increased it.

The more foreign exchange poor countries have received, the more dependent they have become. Much of the explanation for this can be found in the uses to which this foreign exchange has been put—to increase luxury buying, to build roads to airports, to raise the incomes of the well-to-do whose assets wind up in foreign banks.

RECOMMENDATIONS

Your proposal for an international Institute of Intermediate technology is admirable, as is the proposed language to Sections 102–105 of the Foreign Assistance Act which makes clear that foreign aid should focus on improving the lives of the rural poor.

Several recommendations may be worthy of your consideration. They have the aim of strengthening the International Institute of Intermediate Technology that you are proposing and of enhancing the role of light capital technology, as I call it, in U.S. and hopefully, world development policy.

Recommendation.—The proposed International Institute of Intermediate Technology should be independent of AID:

An independent Institute would institutionalize light capital technology within our aid bureaucracy in an organization free to pursue its own goals. Despite lip service by

AID officials, it is far from clear that AID understands what intermediate technology is all about. The limited success so far of intermediate technology is doubtless owing in part to the threat it poses to traditional aid bureaucracies.

Recommendation.—The Institute of Intermediate Technology and the concept of light capital technology must be taken seriously by AID:

First, I suggest Report language to the effect that the Committee expects AID to seriously consider recommendations by the Institute for including light capital technology in AID projects.

Second, I suggest language in the Bill or the Report stating that AID should move as rapidly as possible to use light capital technologies in its grant and loan projects.

Recommendation.—The institutionalization of light-capital technology should be required not only for our own foreign aid bureaucracy but, above all, for the developing countries:

The essential feature of intermediate technology is that it is appropriate to the situation of a particular country at a particular time. Many of the technical, social, and political obstacles and problems will be unique to particular countries.

Both the ruling elites of developing countries and powerful interests in donor countries stand to profit from heavy capital investment. Those fighting for light capital technology and for the rural poor face powerful opponents. Unless intermediate technology can gather sufficient support in the developing nations, the idea will not succeed. There must be set up Intermediate Technology Institutes (some of which already exist), champions of light-capital technology within Planning Ministries and other bureaucracies, legislative support, and allies outside government altogether.

I would suggest Report language stating that in addition to the Institute of Intermediate Technology, AID will be asked to support with additional funds institutions and groups in developing countries that can be counted on to work aggressively toward the acceptance of intermediate technology. Without institutionalization of the concept of intermediate technology within the developing countries as well as within the aid agencies, the idea will not gather momentum.

Recommendation.—The U.S. Executive Directors of the multilateral development banks should push the concept of light capital technology:

Appropriation requests for the multilateral development banks in FY 1976 are expected to be $1.1 billion, a figure comparable to AID's request of $1.3 billion for FY 1976. The U.S. Executive Directors of the multilateral banks (especially of the Asian Development Bank and the Inter-American Bank) have promised to emphasize light capital technologies in their development aid. Robert McNamara of the World Bank has indicated a similar assurance to me personally.

In order to help them obtain the support of their fellow Directors, it would be helpful, I believe, if this distinguished Committee would incorporate Report language stating that the U.S. Executive Directors, who constitute our major source of leverage on the multilateral development banks apart from the funds we provide, should propose that significant resources from their respective institutions go to aid projects using light capital technologies.

CONCLUSION

In this statement, I do not mean that everything is likely to be solved by light capital technology. Other obstacles complicate the efforts of the underdeveloped world to improve the lot of mankind.

Unabated population explosion.

The arms race which the U.S. has done little to discourage and much to speed up.

The rising cost of energy.

Lack of individual motivation.

The existence of political and economic institutions, including price controls and heavy-handed bureaucracies, which suppress the energies of people. Many of these problems are outside our control.

Indeed, the task may be too big to be solved.

But if we are to draw any lessons at all from the expensive education we have had from $90 billions of foreign aid, they should be that heavy capital development has not done the job and that in any case the resources are not available to continue it.

Something new has to be tried—namely, to generate economic growth from the untapped resources of poor nations themselves, with just enough infusion of capital and ideas from outside to provide the catalyst.

Who knows how well intermediate technology will work?

We won't know until we have really tried it.

I congratulate this Committee for proposing to take the first step.

I DON'T HATE ANYBODY: A TRIBUTE TO REV. MARTIN LUTHER KING, SR.

HON. ANDREW YOUNG

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. YOUNG of Georgia. Mr. Speaker, I wish to take this opportunity to bring to the attention of my distinguished colleagues the retirement of Rev. Martin Luther King, Sr., as pastor of Atlanta's Ebenezer Baptist Church. Daddy King has served as an illustrious example of manhood, perseverance, and courage throughout the course of his 75 years. He has rigidly battled the forces in American society that would deny him his constitutional rights. He instilled the ideals of peace, brotherhood, cooperation, and the basic tenets of the good of mankind, into the man who changed the course of 20th century America. Through his son's brilliant leadership, the forces that control this country began to respond to the conditions of abject poverty, segregation, and discrimination that the disinherited masses of Americans were forced to deal with on a daily basis for well over 200 years.

The King family is a tightly knit clan. Daddy King has lived to see one son brutally murdered in the quest for God-given rights. His younger son died tragically a scant 16 months later in a swimming pool accident. Finally, in the summer of last year, his beloved wife and partner for 49 years was taken from him in a brief barrage of gunfire in the sanctuary of the historic old brick church on Auburn Avenue. Even in his most trying time of personal anguish, his shining spirit shone through as a guiding light for the city, the Nation, and the world. As he stood in the sweltering pulpit that summer afternoon, he proclaimed loud enough for the world to hear:

> I still don't hate any man. I'm not gonna let anything get me down. The load is getting too heavy, but I'm going to carry on.

This is the true spirit of Daddy King and all the things he symbolizes. The steadfast will to keep on keeping on.

Being true to his form, I am sure retirement from the church will not mean resignation from the fight for human rights. Daddy King is sure to continue his mission in life. It would be wise for all of us to pause now and reflect on the man, his actions, his deeds, and his total commitment to life. Daddy King has scaled innumerable mountaintops and conquered seemingly insurmountable obstacles. Even now, after taking every blow life has dealt him, the bitter and the sweet, he "ain't gon' let nobody turn him around."

In order to gain a better understanding of the man and a greater appreciation of his life, I submit the following article taken from the Atlanta Constitution dated July 28, 1975:

LAST EBENEZER SERMON AS PASTOR—DADDY KING SAYS FAREWELL

(By Craig R. Hume)

It was Daddy King's last sermon as pastor of Ebenezer Baptist Church and the tears of the congregation flowed freely.

"God will prepare Himself a lamb," Martin Luther King Sr. told 1,500 worshippers Sunday morning. Recounting the story of Abraham, the 78-year-old pastor said that the future depends upon man's faith in God. "See, you have no choice when God tells you to do something. You go ahead and do it."

Dr. King said that Abraham was instructed by God to take his son up to the mountain and offer him as a sacrifice. And Abraham, thinking of the commandment, "Thou shalt not commit murder," could not understand God's order.

But King said that Abraham placed his faith in the Lord: "He'll make the way if you have enough faith in him to believe in him." At the moment Abraham was ready to slash his son's throat, King said. God provided a lamb for the sacrifice.

"If giving my life means it's going to be better for my children and my people, I will give my life for them," he said. "I think I've lived to see my sons—one of them at least—give his life for his people."

Dr. Martin Luther King Jr., the elder son and former co-pastor of the church, was slain in April 1968 by an assassin's bullet while standing on the second-floor balcony of a Memphis motel.

The patriarch of the historic red-brick church, which served as the fulcrum of the civil rights movement in the 1960s, lost his other son, the Rev. Adam Daniel King, 18 months later. He drowned in a 1969 swimming pool accident.

And the tragic legacy of Ebenezer Baptist Church did not end there. Daddy King's wife, Alberta Christine, was gunned down June 30, 1974 while playing the organ at a Sunday morning service as he watched helplessly.

"I don't mean to make this sad," King said as he recalled the bitter memories along with the happy moments. "It's not an occasion for sadness, it's an occasion for joy."

The gray-haired preacher said, "It's no accident that my wife visited with me between midnight and morning. It was planned that she would be here. And she is not far now, just close by through an open door."

Dr. King, who pastored Ebenezer Baptist Church for 44 years, credited his success to the support of both his wife and mother.

"I've made it up the hill; it hasn't been easy," he said. "It's been sometimes up and sometimes down—but Mama, your son has made it. And I'm going on.

"To my two sons who left me, I had such great anticipation that I would leave them here, A. D., M. L., Daddy's made it."

Then Rev. King exclaimed, "Lord, I don't know what more I must stand, but I know you'll see me through."

Worshippers from more than a thousand miles away came to hear King's farewell sermon as pastor. The Auburn Avenue church was packed and many wept openly.

"Speak: Lord, we follow Thee. We're goin' on home," he sang. "I want everybody to hum that just once more and reach for the hand of your neighbor."

Coretta Scott King, Rev. King's daughter-in-law entered the church as the choir was singing "How Firm the Foundation." Daddy King, clad in a white robe, stood up to the microphone and said, "Sing to the glory of God, Oh yes, how firm."

Later in the service, emphasizing his commitment to education, Dr. King chipped in $5 when the offering was passed around for the United Negro College Fund. "I believe in education, I stand for it, I'm part of it," he said. "I didn't get as much as I wanted, but I'm determined that my children will."

Dr. King announced his retirement in January, bringing to an end 71 years of service by the King family to Ebenezer Baptist Church. He became pastor of the church in 1931, following the pastorate of his wife's father, the Rev. Adam Daniel Williams. Williams had been pastor for 37 years.

Succeeding Dr. King will be the Rev. Joseph L. Roberts, Jr., 39, who resigned as director of the Division of Corporate and School Missions of the General Executive Board of the Presbyterian Church U.S. to take the post.

Dr. Roberts was baptized in the Baptist Church last January, after being approved as pastor by a unanimous vote of the congregation. He takes over Friday.

"He was never one too busy or too formal to stop when he was prompted to do so, and recognize anybody. Everybody was equal in his sight," Roberts said.

"This will not be the Sunday he is coming down. This just marks another phase of his going on," the new pastor said. "He will not be settling down and rusting out. He will be leaving to those of us who remain a legacy that we are not worthy to fulfill, but with God's help we will attempt to fulfill."

HOLLYWOOD BOWL, SUMMER HOME OF THE LOS ANGELES PHILHARMONIC

HON. THOMAS M. REES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. REES. Mr. Speaker, we are all aware that, in times of international tensions and misunderstandings, music has always had a major role in helping all people of the world to better communicate with one another. Music is the true international language, understood by people of all colors, nationalities, and religions. This point is well proven by the tremendous success experienced by the Los Angeles Philharmonic and its music director, Zubin Mehta, on its recent 6-week European tour during which critics and audiences in Europe's capitals of Vienna, Berlin, and London were thrilled by this virtuosic American Ensemble.

Hollywood Bowl is the summer home of this renowned Los Angeles Philharmonic Orchestra. Since the first concert at Hollywood Bowl on July 11, 1922, the Bowl has been one of southern California's most valuable cultural assets. In the past 53 years, Hollywood Bowl has consistently presented entertainment at its highest level. To a major degree, therefore, performances at Hollywood Bowl are responsible for the tremendous esteem with which music lovers all over the world view our community.

This summer, the Los Angeles Philharmonic will perfrom its 1,500th concert at our country's most respected and highly attended amphitheatre. The date of the 1,500th concert anniversary celebration will be Saturday, August 9, 1975, when a capacity audience of over 17,000 will attend the Bowl to see and hear pianist, Van Cliburn, as soloist with the Philharmonic, conducted by Lukas Foss, in an all-Beethoven program.

It is important to make note of the fact that whenever the Hollywood Bowl is faced by financial difficulties, public spirited citizens have always come to the rescue. In 1951, when the Bowl faced bankruptcy, the drive to keep the Bowl open was headed by Mrs. Norman Chandler, the same courageous, hard-working lady to whom we are indebted for southern California's magnificent Music Center.

We are also fortunate that Ernest Fleischmann, general director of the Hollywood Bowl, and executive director of the Los Angeles Philharmonic, has enabled the Bowl's attendance, critical acclaim, and public support to grow to levels never before achieved.

The Los Angeles Philharmonic, its music director, Zubin Mehta, Mrs. Norman Chandler, Ernest Fleischmann, the board of directors, the staff, all of the dedicated volunteers who support the orchestra and the bowl, and the County of Los Angeles—which maintains Hollywood Bowl—all deserve the highest commendation of this legislative body.

The names of Orchestra and staff, Bowl staff, and SCS–HBA board follow:

LOS ANGELES PHILHARMONIC ORCHESTRA

Zubin Mehta, Music Director.

Sidney Harth, Associate Conductor.

FIRST VIOLINS

Sidney Harth, Concertmaster; Glenn Dicterow, Associate Concertmaster; Irving Geller, Assistant Concertmaster; David Frisina, Concertmaster Emeritus.

Glenn Swan, Manuel Newman, Mark Kramer, Lily Mahler, Tze-Koong Wang, Haig Balian, Charlotte Sax, Richard Leshin, Myrtle Beach, Robert Witte, William Heffernan, Albert Karmazyn, Alexander Treger, Teresa Harth.

SECOND VIOLINS

Harold Dicterow, Principal; Jeanne Aiken, Associate Principal; Robert Korda, Jack Gootkin, Lori Ulanova, Fred Broders, Janet DeLancey, Roy Tanabe, Barbara Durant, William Rankin, Clarence Schubring, Michael Nutt, Alex Bottero, Carlo Spiga, Olga Balogh.

VIOLAS

Jan Hlinka, Co-Principal; Alan de Veritch, Co-Principal; Arthur Royval, Albert Falkove, Irving Manning, Jerry Epstein, Sidney Fagatt, Murray Schwartz, Armand Roth, Charles Lorton, David Stockhammer.

CELLOS

Daniel Rothmuller, Associate Principal; Nino Rosso, Assistant Principal; Edwin Geber, Howard Colf, Mary Louise Zeyen, Phyllis Ross, Wladyslaw Przybyla, Gabriel Jellen, Don Cole, Stephen Custer, Peter D. Snyder.

BASSES

Richard Kelley, Sr., Co-Principal; Dennis Trembly, Co-Principal; William Torello, Richard D. Kelley, Jr., Frank Granato, Arni Heiderich, Emilio De Palma, Harold Brown, Jack Cousin, Frederick Tinsley.

FLUTES

Roger Stevens, Co-Principal; Anne Diener Giles, Co-Principal; Roland Moritz, Miles Zentner.

PICCOLO

Miles Zentner.

OBOES

Barbara Winters, Co-Principal; David Weiss, Co-Principal; Donald Muggeridge, Robert Cowart.

ENGLISH HORN

Robert Cowart.

CLARINETS

Kalman Bloch, Co-Principal; Michele Zukovsky, Co-Principal; Merritt Buxbaum; Franklyn Stokes.

BASS CLARINET

Franklyn Stokes.

E-FLAT CLARINET

Merritt Buxbaum.

BASSOONS

David Breidenthal, Co-Principal; Alan Goodman, Co-Principal; Walter Ritchie, Frederic Dutton.

CONTRABASSOON

Frederic Dutton.

HORNS

Henry Sigismonti, Co-Principal; William Lane, Co-Principal; Ralph Pyle, George Price, Hyman Markowitz, Robert Watt.

TRUMPETS

Robert Di Vall, Co-Principal; Thomas Stevens, Co-Principal; Irving Bush, Mario Guarneri.

TROMBONES

Byron Peebles, Co-Principal; Ralph Sauer, Co-Principal; Herbert Ausman, Jeffrey Reynolds.

BASS TROMBONE

Jeffrey Reynolds.

TUBA

Roger Bobo.

TIMPANI AND PERCUSSION

William Kraft, Co-Principal; Mitchell Peters, Co-Principal; Walter Goodwin, Charles DeLancey.

HARP

Stanley Chaloupka.

PIANO

Shibley Boyes.

LIBRARIAN

James Dolan.

ASSISTANT LIBRARIAN

Roy Tanabe.

PERSONNEL MANAGER

Joseph Fishman.

STAGE MANAGER

George Coble.

Co-principals share positions equally and are listed according to length of service in the orchestra.

ADMINISTRATION

Ernest Fleischmann, Executive Director.

Richard Bass, Concerts Manager.

Arthur Dewey, Controller.

Jaye Rubanoff, Orchestra Manager.

Orrin Howard, Manager, Publications and Promotion.

Rose Bardo, Season Tickets Manager.

Joan Boyett, Youth Activities Manager.

Arlene Hamlin, Group Sales Manager.

Jacqui Dunn, Administrative Assistant.

Donald Peterson, Box Office Treasurer.

Joella West, Advertising Manager.

Joe Westmoreland, Minority Training Coordinator.

HOLLYWOOD BOWL PRODUCTION STAFF

Superintendent of Operations: Patton S. Moore.

Box Office Treasurer: Don Peterson.

Supervisor, Information Service: Loretta Sulli.

Traffic Manager: E. Alyn Warren III.

Operations Foreman: Jack Auten.

Chief Ushers: Terry Sandell and Raoul Pinno.

Master Carpenter: George Coble.

Master of Properties: William Wilson.

Master Electrician: William Sockolich.

Master Audio-Video: Frank Supak.

Assistant Electrician: Jerry Benane.

Assistant Audio-Video: Raymond Bow.

Stage Manager: Mark Ferber.

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OCTOBER LEAGUE, MARXIST-LENINIST: FACTION FIGHTS AND PARTY BUILDING

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. McDONALD of Georgia. Mr. Speaker, on Saturday, July 19, open and secret members of the October League, Marxist-Leninist, or OL*, traveled to Washington, D.C. from Georgia to attend and participate in an "Indochina Fundraiser" at the First Congregational Church, 10th and G Streets, NW.

Sponsors of the "Indochina Fundraiser" included the Baltimore October League chapter; a Washington, D.C. front group, Friends of The Call, the "political newspaper" of the October League; the Baltimore African Liberation Support Committee, which works closely with the OL; and the Indochina Peace Campaign, now renamed Friends of the Indochinese People.

Speakers included:

Shedrach "Shad" Harris, 21, a member of the Atlanta October League who first came to note for his involvement in OL agitation around the Mead Paper Corp., strike in Atlanta in September 1972. Harris is now prominent in the Atlanta Anti-Repression Coalition, which is led by two Maoist Communist organizations, the October League and the Black Workers Congress.

Mary Joyce Johnson, 28, a practicing Atlanta attorney, who is vice president of the National Lawyers Guild. Johnson, who acted as master of ceremonies at the fundraiser, spent 2 weeks in North Vietnam and in Vietcong controlled areas of the South in late October and early November 1974. She was one of four persons in a delegation sponsored by the International Association of Democratic Lawyers, an international Communist front to which both the National Lawyers Guild and the—North—Vietnamese Lawyers Association belong.

Don Luce, formerly coleader with Fred Branfman of the Indochina Resource Center, now executive director of Clergy and Laity Concerned; both organizations have diligently supported the cause of the Pathet Lao, Vietcong, and Khmer Rouge.

The event was attended by some 130 people at an admission cost of $3 or $1.50 for the unemployed. The funds raised were allegedly destined to go "to Indochina or to Medical Aid for Indochina." The Medical Aid for Indochina organization was developed to provide logistical support for the North Vietnamese and Vietcong.

The contributions to the fundraiser from the aforementioned speakers were remarkable only for Mary Joyce Johnson's account of her experiences in North Vietnam which included passionate expressions of admiration for the women of a North Vietnamese antiaircraft team which shot down an American B–52.

Following this meeting, which ended shortly after 10:30 p.m., I was handed internal documents of the October League which provide insight into details of the inner workings of the organization.

My colleagues will no doubt recall my previous reports on the October League—June 17, 1975, E3255 and June 18, 1975, E3296—in which I quoted from OL documents. No doubt they will also recall that in those documents this revolutionary and totalitarian organization proclaimed, "our organization is out to overthrow capitalism. Our members are cadre striving to become professional revolutionaries," and describe the new Maoist Communist Party it was building as "a fighting party, a party of insurrection."

Perhaps the most interesting October League document of recent issue is a report by Eileen Klehr, a member of the OL Central Committee, entitled "State of the Communist Movement." Klehr's report is contained in an internal OL document, Spark No. 3, May–June 1975. Spark is the October League publication equivalent to the Communist Party, U.S.A.'s Party Affairs and the Socialist Workers Party's Internal Discussion Bulletin.

Klehr's report frankly discussed the October League's struggles with and attempts to co-opt rival Maoist Communist groups. It also reports an important recent split between the OL and the Guardian, an "independent" weekly tabloid which states it, too, is working to build a new Communist party—in the Guardian's own words:

> A new revolutionary political party, based on the working class, armed with the science of Marxism-Leninism, committed to socialist revolution.

Among the organizations discussed in this report are the Congress of Afrikan People, the Revolutionary Union, Black Workers Congress—recently renamed the Revolutionary Workers Congress, the Communist League, and the Puerto Rican Revolutionary Workers Organization.

In part, this internal October League report reads:

> In the last several months, many important developments have taken place in the communist movement. The main ones have been:
>
> 1. The emergence of open polemics between the OL and The Guardian representing a general heightening of the struggle against right opportunism within the new communist movement.
>
> 2. The split in the Black Workers Congress—taking place primarily over the rejection on the part of the majority of that organization of the ultra-"left" sectarianism and dogmatism which has characterized the BWC's line for the past two years.
>
> 3. CAP's initiation of an "Electoral Strategy for '76" representing a rightist deviation on building a new communist party.
>
> 4. The formation of the Revolutionary Workers League (RWL)—a new all-Black Marxist-Leninist organization built on the basis of a merger of small collectives who have their roots primarily in the Black Liberation Movement.
>
> All of the above developments represent a heightening of the ideological struggle within the communist movement as well as a new focus to the struggle. With some analysis, it can be seen that our perspective on the communist movement and the developments towards building a new party have been essentially correct.

The report then proceeds to analyze the October League's relationships with a broad range of Maoist organizations in the United States:

> The ultra-"left" trend within the US communist movement, represented by RU [Revolutionary Union] and CLP [Communist Labor Party] has become isolated in theory and practice. RU is in the midst of planning for its first party Congress, which will formally mark its consolidation around its neo-Trotskyist line. While RU still retains a fairly large membership, its influence is waning daily. This is reflected in the growing opposition to RU within the mass organizations—RSB [Revolutionary Student Brigade], VVAW [Vietnam Veterans Against the War], etc. It is also notable that on IWD [International Women's Day (March 8)] and May Day, RU (where it did anything at all) was unable to unite with any forces outside of itself, and equally unable to "mobilize the masses." Finally, the issuing of RU's "Proposed Party Platform" points to its own recognition of its political isolation. Even though the RU leadership did everything possible to mask, and even in some cases to "water down" its line, their program has received almost no attention—except for most people to label it "opportunist."
>
> The CL [Communist League], which experienced a short period of "being fashionable" last year has also become widely viewed as an isolated sect. While maintaining their neo-Trotskyite line in theory, (as evidenced

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* Principal anagrams used in this report are: OL–October League; BWC—Black Workers Congress; RWC—Revolutionary Workers Congress; CAP—Congress of Afrikan People; RU—Revolutionary Union; PRRWO—Puerto Rican Revolutionary Workers Organization.

> by their newest "International Report" which openly attacks China and praises the Soviet Union), CL's practice has clearly shown their right opportunist essence. In practice, they are hardly distinguishable from the CPUSA in their campaign around unemployment and the NAACP in their campaign around busing.
>
> The repercussions of the two-year long struggle against ultra-"leftism" led by the OL are still being felt. One such example is the current split in the RWC (now called the Revolutionary Worker's Congress). This split, which resulted in the expulsion of Don Williams, a known wrecker and splitter, is a positive development. The latest issue of THE COMMUNIST (not Don Williams' version) and subsequent publication of MOVIN' ON shows a clear rejection of an ultra-"left" line that had isolated the BWC [Black Worker's Congress] from the communist movement and the masses in general. Since the split occurred, liaison relations between the OL and RWC have developed favorably and local cooperation has also moved forward.
>
> While the struggle in the BWC has moved them away from their past dogmatism and sectarianism, it is still necessary to struggle with them to complete the break. * * *
>
> Our policy is to continue to develop our discussion with the RWC towards party building on a national level and to actively encourage joint work locally. We do *not* have liaison relations with the Don Williams faction (called the Worker's Congress); nor do we have liaison relations with the group that resigned led by Mike Hamlin (a small, politically undefined group).
>
> While not as clear as the situation in the BWC, the struggle against ultra-"leftism" is also being felt in ATM and PRRWO [Puerto Rican Revolutionary Workers Organization], who in some cases, have expressed criticism of their own sectarianism and dogmatism, while at the same time retaining much of this ultra-"leftism". These contradictions are bound to develop further in coming months.
>
> Finally, while it is clear that the main representatives of ultra-'leftism' have been isolated and discredited, neo-Trotskyism is not dead. It is continuing (and will continue) to re-emerge in new forms and new organizations. The latest example of this is the Worker's Viewpoint group (formerly Asian Study Group) which is based in New York but has expanded to a few other cities. They parrot the same phraseology as the other ultra-"leftists" have and they attack the OL with the same vigor. They are in the process of being exposed due to the contradictions they show between their "leftist" phrases on the one hand and their open conciliation to the revisionists on the other. In New York on both IWD and May Day, Worker's Viewpoint played the role of the "loyal opposition" in the revisionist events, while at the same time, "uniting" with the Marxst-Leninist events.

It is not that Don Williams, now denounced by the October League as a "known wrecker and splitter," was on good terms with the OL for many months until resistance to the OL "line" precipitated a break. Williams, a leader of the Black Workers Congress and Dodge Revolutionary Union Movement, DRUM, in Detroit, had been a featured speaker at the October League's November 1972, Atlanta conference, "Communist Work in the Factories."

In an additional polemic published in Spark No. 3, Eileen Klehr revealed that the factional quarrel between her organization and the Guardian has become an open break, with the OL clearly attempting to "smash" their rivals in the Guardian.

After a close working relationship during 1973 and 1974, the October League has withdrawn all support nationally for the newspaper and its staff.

The result of the OL pullout can be seen in the fact that two former Guardian staffers are now off the masthead, Renee Blakkan and Rod Such, who has turned up, along with Atlanta October League member Dave Simpson, on the staff of the Southern Conference Educational Fund, SCEF, and its newspaper, Southern Patriot, in Louisville, Ky.

It is also noted that the addresses and phone numbers of the Guardian's Boston, Detroit, and Chicago bureaus have been changed since the distribution of the October League directive.

In her earlier "State of the Communist Movement" report, Eilene Klehr, reserved special vitriol for the "centrist" line promulgated by Guardian executive editor Irwin Silber, whom she charges with "rightest deviation." But throughout her diatribe, it is clear that the true revolutionary error of the Guardian and the other rival Maoist groups is that they do not submit meekly to October League hegemony. For example:

> "In the last Report on the Communist Movement, we noted that the most common form of rightest deviation on party building was federationism, i.e., downplaying political line, democratic centralism, etc., and building the party as an "association" of individuals or "special interest" groups.
>
> For example, Irwin Silber, of The Guardian, is actively trying to organize a national association of "independent" collectives united around Silber's centrist line and opposed to the genuine Marxist-Leninist trend. We wholeheartedly oppose these efforts and should seek to expose them wherever we can.
>
> This rightest influence can even be seen in the formation of the Revolutionary Worker's League. Rather than pursuing organizational unity with existing organizations, the former collective now in the RWL decided to form a new organization based along national lines as a prerequisite to party building. This has created another "center" in our many-centered movement, and does not reflect the growing trend of multi-national unity, nor the burning need for this unity.

But in Klehr's later directive, "On the Guardian," the level of hostility had reached an even higher pitch. Klehr wrote in part:

> As you know, the relations between the OL and The Guardian have changed significantly in recent weeks. In this letter, we will lay out the political basis for this change***.
>
> In the past, the OL and The Guardian have had relatively close relations. While certain political differences have existed between us, we have had a view of struggling bilaterally around these differences and working towards a higher level of unity. Over a year ago, The Guardian, which was engaged in a sharp struggle against the RU, asked the OL if we could send one of our members to work on The Guardian staff to help consolidate and complete the anti-RU struggle, and aid The Guardian in putting out and improving the paper. In the interest of unity, we agreed to this proposal. In addition, The Guardian asked the OL if we could help in setting up Guardian Bureaus in cities around the country, to write articles for the paper and aid in distribution. This we also agreed to in word and practice.
>
> But in recent months, the political differences between the OL and The Guardian have widened.*** The OL member and other Guardian staff who have political agreement with the OL have been subject to blatant sectarianism from the Guardian leadership. *** The Guardian has openly attacked the October League in the pages of its paper, distorted our position, and slandered the OL. The Guardian has also openly attacked us in the mass movements—including the International Women's Day Coalition in New York and the Puerto Rican Solidarity Conference in Newark.
>
> * * * The Guardian supported the PSP-sponsored proposal to attend the Soviet Union-initiated Havana Conference in support of Puerto Rican independence. Again they prettified the role of the Soviet Union internationally. * * * Events initiated by the OL, such as the Fred Hampton Contingent in Boston, the Anti-Repression Day Campaign, IWD, have been downplayed, distorted or not covered by the Guardian. * * *
>
> Towards this end, we have made the following decisions:
>
> 1. The OL member presently working on the staff of The Guardian has resigned. [Rod Such and Renee Blakkan are out].
>
> 2. All October League members presently working on Guardian Bureaus anywhere in the country writing for or distributing the papers are to resign.

The split between the October League and the Guardian, and the factionalization of some of the other Maoist groups should be watched very closely. It will be recalled that previously in instances of revolutionary factionalization, supermilitant cadres have been formed which have moved into active participation in terrorism and urban guerrilla warfare.

The examples of the Weather Underground Organization, a splinter from Students for a Democratic Society; the Black Liberation Army, which developed from the Eldridge Cleaver faction of the Black Panther Party; and the Symbionese Liberation Army, an outgrowth of the terrorist Venceremos Organization, itself a splinter from the Revolutionary Union, should suffice.

Let us encourage the House Judiciary Committee, as well as the appropriate Federal and local law enforcement agencies to take cognizance of the dangers to American internal security posed by the October League and these other Maoist groups.

CITY HALL OF BAY CITY, MICH., ENTERED INTO NATIONAL REGISTER OF HISTORIC PLACES

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. TRAXLER. Mr. Speaker, I am pleased to learn that the National Park Service has entered the City Hall of Bay City, Mich., into the National Register of Historic Places. This magnificent and historic structure is unique in several respects and I would like to share its story with my colleagues.

In the 1890's, Bay City, Mich., was a thriving lumbering and shipbuilding center, a "boom town" that was the second largest city in the State at the time. As civic pride grew, the residents decided to build a new city hall to reflect the rapidly growing city's new prosperity. The city had grow so rapidly that it was called a "second Chicago" at the time and residents wanted a city hall to match that image.

Started in 1895, the city hall is termed "one of the most impressive public buildings in the State" by the Michigan History Division of the Michigan Department of State. Completed 2 years later, a massive celebration was held to dedicate the building. Designed by two local architects, Leverett A. Pratt and Walter Koeppe, the three-story building was constructed of large limestone, sandstone, and granite blocks in what the Michigan History Division calls the "Richardsonian Romanesque" style, and patterned after designs by Henry H. Richardson, the famous American architect.

The exterior of the city hall features a large stone arch over the front door and has elaborate relief decorations on the facade. It has a tiled roof and a 125-foot clock tower, from which the city of Saginaw can be seen more than 10 miles away.

The inside features a three-story stairwell covered by a skylight. The stair railings are elaborate cast iron with brass banisters and cast iron poles. The walls are covered with rich wooden panels and the building contains several fireplaces.

The City Council chamber was originally three stories high with a dome, but the ceiling was lowered to one story sometime after World War I. The building also contains a two-story library with a skylight and the mezzanine surrounded by an elaborate cast iron railing. The ceiling of this room was also lowered to one-story shortly after the library was moved to a separate building.

The cast iron railings are similar to those in the famous "Rookery" building in Chicago, according to the Michigan History Division. Built at a cost of $175,000, an enormous sum in the 1890s, the expenditure nearly drained the city's treasury, but has become a symbol of the city.

The history division has informed me that there are several more structures in the vicinity which are of equal historical value and interest. I am pleased that the U.S. Government sponsors a loan grant program to historical sites so that they may be maintained providing everyone an opportunity to view the important cultural mementos of America's past.

Mr. Speaker, I cordially invite you and my colleagues to view the City Hall in Bay City, Mich., the next time you are in the vicinity. This national historic site is located at 301 Washington Avenue in the heart of Bay City.

FOURTH OF JULY 1975

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. HUGHES. Mr. Speaker, Marvin D. Perskie of Wildwood, N.J., was inspired by the recent celebration of the 199th anniversary of the United States to express his thoughts on this great Nation. I was struck by the simplistic beauty and essential truths of his composition.

Marvin Perskie has served his beloved country well. From 1942–45 he served in the U.S. Marine Corps, while distinguishing himself by earning a Silver Star, Bronze Star, and Purple Heart during 32 months of combat in the South Pacific. During the years 1945–50, he served in the USMC Reserve, returned to active service as a combat officer in the Korean war, and was decorated with the Navy Commendation Medal. Mr. Perskie concluded his military service when he retired from the USMC Reserve as a lieutenant colonel in 1962.

A law career, begun by his graduation from the University of Pennsylvania in 1948, is flourishing. The same courage earlier exhibited on the battlefield now proves its mettle as a prominent trial attorney who is not afraid to take on unpopular causes or speak his mind in defense of country or fellowman.

For all of these reasons, Mr. Speaker, I would like to share with my colleagues the work of Marvin Perskie, which so clearly shows the man and his love for America:

FOURTH OF JULY 1975

Two hundred years ago our new nation had fought and acquitted itself admirably in the battles of Lexington, Concord and what is now known as Bunker Hill. The Continental Congress had designated George Washington to command the armies of the United States. The American Revolution had begun, and with it had been born our intense love and desire for freedom.

In the 200 intervening years, our nation has fought six major wars, two on American soil; one a bloody civil war. We have survived countless catastrophies, tragedies and economic setbacks. Within the last year we have weathered a constitutional crisis and witnessed the collapse and defeat of our Far East policy. Despite all of this, our nation remains the strongest and freest in the world. With all our failures, all our stumblings, all our injustices, all our defects, we remain a haven for the oppressed. For every one of our defects, we have untold virtues; for every failure we have many more victories. For every vice we have a thousand glories, and for every trial and test we have the ability and the wherewithal to triumph. We have our enemies at home and abroad, yet the best way to get ahead of our enemies is to get behind and remain behind our country and its beloved institutions.

THE RIGHT TO PROSPECT

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. SANTINI. Mr. Speaker, I should like to draw the attention of the Congress to the problems confronting America's small miners and prospectors, and through them, confronting the health of America's minerals industries and ultimately America's economic well-being.

Certain problems have their origins in the actions of the Congress and the executive branch. Committees in both Houses of the Congress are considering drastic changes in the basic mining laws of this country, changes which very likely would aggravate the already serious problems of domestic minerals production and supply.

To acquaint my colleagues with the plight of small miners and prospectors, I am submitting for the RECORD an editorial of the California Mining Journal, January 1975, authored by Richard V. Wyman, associate professor of engineering, University of Nevada at Las Vegas:

THE RIGHT TO PROSPECT

(By Richard V. Wyman, PE, Ph.D.)

The prospector and small miner today find themselves under attack by both public and governmental agencies, even though few people have done more for the development of the country. Largely the disfavor is brought about through public ignorance of the importance of the mineral industry and through a few sensational articles printed in recent years.

Over the years, the Mining Law of 1872 has provided access to public lands for prospecting and has served well as a stimulus to the discovery of orebodies. It has several defects which have been corrected, and others which have not. This historical background of our present dilemma is little known by the public. Failure of the general public to recognize what is possible and what is not, under the law, has led to much strident opposition. For example, it is *not* possible to obtain land for orchards, gas stations, hot dog stands, or resort hotels by locating mining claims. Only mining uses are allowed. It is *not* possible to "purchase any land in the west for $2.50 per acre" as an article in Reader's Digest indicated. Neither are prospectors "ravaging the west." If there is any ravaging going on, it is most likely for a housing tract.

Public opposition to mining has in recent years prevented rational revision of the law, helping to reinforce a bad public image. Needed changes in the law have not been made, and it is very difficult in most states to ascertain the validity or even the existence of conflicting mining claims. Laws to correct this situation should receive support by the prospector as well as major mining companies.

MINERAL LEASING

The Mineral Leasing Act mainly covers salines, coal, oil shale, and geothermal resources. Its administration in recent years by the Bureau of Land Management should be a warning to all to prevent this system from being extended to hard rock minerals.

There are two general methods of obtaining mineral leases: prospecting permits or direct competitive bidding. Prospecting permits presumably allow access to search for minerals with the right to a preferential lease upon discovery of minerals covered by the permit. Bidding has in the past been done only for leases to known reserves. Currently the BLM has cancelled all coal prospecting permits and is failing to act on others, preferring to sell even the prospecting right to the highest bidder, acts of Congress notwithstanding.

The lack of development in geothermal resources, oil shale, western coal fields, borax, and mineral fertilizers can be laid directly to this policy of the Bureau of Land Management. The Bureau's apparent aim is total control of mineral resources without recognizing congressional authority, with only the well financed large companies to be allowed participation.

CIRCUMVENTION OF CONGRESS

Congress has been circumvented over the years by the established bureaucracy, which now has grown insensitive to the public as well. The mining laws and mineral leasing acts are the only means of access to mineral development. There are no other laws and no other means for providing the raw materials required for this country. Support of the law would seem to be required by an arm of the government, which should be carrying out the will of Congress rather than circumventing it.

The mining interests, particularly the small mining company and individual prospectors, now face a three-fold challenge from their government:

1) Harassment and challenge of claim owners. (2) Failure to act on patent or prospecting permit applications. 3) Withdrawal of access to all areas for future mineral discoveries.

Harassment is through challenge to claims on technical grounds, when the law is vague and court interpretations shed no light. Harassment is through denial of access to existing valid mining claims.

Failure to act on applications for patent is sometimes through technical grounds never before applied, such as requiring profitable production prior to patent. However, if all else is in order, simple failure to act will be the result as the application becomes administratively dead. Applications for prospecting permits have been totally ignored. Extensions to existing leases are ignored or denied in a similar manner regardless of the clear intent of Congress to allow continuing economic recovery of mineral wealth in the interest of the nation.

Withdrawal of access is currently in progress in a massive campaign to prevent future mining claims or access to public lands. In the past six months the BLM, Forest Service and Park Service have proposed withdrawals affecting almost the entire area of Clark County, Nevada. Surely we are not alone as similar hearings on "Land Planning" are being held elsewhere.

Planning apparently means "Stop Mining" to large numbers of people. That this attitude developed is deplorable. If it continues, it will lead the nation to economic disaster.

TESTIMONY AT PUBLIC HEARINGS

Public hearings have been held in each case of proposed withdrawal, but one single hearing may affect over 5,000 square miles of public lands.

Participation at hearings was very early dominated by groups representing "environmental concern" who would crowd the register with members, with no apparent weight given to the duplication or rationale of argument. The agency recommended withdrawal, noting public "demand." In some cases, traveling groups testified, particularly the Sierra Club of Scottsdale, Arizona.

Testimony at hearings describe every rock, stick, bush, or ant hill as being of immeasurable scenic and ecological value; and all living things become endangered species. The testimony of dozens of people who never have seen any part of the area in question far outweigh the occasional prospector who is branded as a "spokesman for large mining interests." Scores are kept and percentages announced by advocates.

A particularly devious method of the Bureau is to neutralize the opposition by the divide and conquer technique. This is simply done by isolating the opposition. If an area to be withdrawn contains a substantial existing mining operation, or even a small mine, the boundary of the withdrawal will be modified to exclude these and eliminate opposition at the hearing.

Grazing interests are not prohibited in original proposals to prevent opposition during hearings. After the withdrawal, grazing can be ended by decree.

Hearing notice and place of meeting may be a closely held secret or selectively released. In some cases this results in no mining interests being represented at the hearing at all. In some cases deliberately false information or half truths are presented by a bureau which are countered by testimony at the public hearing. However, the record stands as presented by the bureau, as the public record is never touched by verbal testimony.

Some encouragement may be gained by the many prosecutors who turned out to hearings on Death Valley, the Sheep Range, and Las Vegas ranges. These withdrawals have at least been delayed, However, harassment may be expected to increase as a result.

THREAT TO ECONOMY

Advocates of withdrawal claim that in a national emergency, these lands can be reopened. The gap of 5 to 10 years between exploration and production would make this a futile gesture. We are already in an emergency even while these massive withdrawals are being proposed.

By cutting off the right to search for ore, we will eventually end the mining of ores in the United States. This will eliminate the economic base of the nation and make us totally dependent on foreign supplies at all times. We have partial dependency on foreign supplies in the case of oil. Soon iron, copper and all other metals would be in the same category.

The damage to the nation through foreign dependence is further aggravated by increasing the trade deficit, weakening the dollar, increasing inflation, and vastly increasing unemployment. Damage to the mineral industry will be spread to all manufacturing, trade, and tourism as the economy declines.

WHAT CAN BE DONE?

Attend public hearings when they are held. You cannot afford to be too busy. Speak up with rational arguments and don't be bullied by the large number of the opposition. Don't allow witnesses to confuse the issue by reference to strip mining in Ohio, air pollution in New York or protecting the Bald Eagle. The issue is the right to search for minerals and to own what you find.

Don't agree to withdraw your protest in exchange for a minor concession. Send copies of written testimony to your Congressman, both Senators, any Eastern Congressman you may know, your BLM state office, and Secretary of Interior.

All of the objectives which are being presented as reasons for withdrawal can be achieved without withdrawal. Not one single valid argument has yet appeared for withdrawal.

The future of the nation depends on the right to prospect. Without this continued access to public lands, the future of the nation will be bleak indeed.

PENTAGON TACTICS: A CASE HISTORY

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mrs. SCHROEDER. Mr. Speaker, I would like to express my disappointment at yesterday's Senate and House failures to disapprove the administration's request to expand the current U.S. base facilities on the Indian Ocean island of Diego Garcia. The $108 million expansion of the facility can now proceed.

The Diego Garcia expansion should be attributed to the successful lobbying and scare tactics employed by the program's proponents, rather than to the merits of the base expansion itself. However, these tactics are not unique to this issue. Defense issues change from bill to bill but the Pentagon's tactics remain with us.

Since Diego Garcia is not the last defense issue Congress will be considering this session, I offer the following insightful discussion of the Pentagon's Diego Garcia strategy. I would also like to call special attention to the discussion of the AWACS strategy under the section "The Shifting Rationale." The article is taken from the July 26, 1975, Americans for Democratic Action Legislative Newsletter.

Hopefully the lessons of this accounting will alert Members to the pressures of sophisticated Pentagon lobbying techniques when they are applied to future defense bills. The article follows:

PENTAGON TACTICS: A CASE HISTORY

Frustrated in attempts in recent years to construct a major base on a small atoll in the Indian Ocean, the Pentagon has resorted to a series of time-tested tactics which apparently have converted some Members of Congress. If the Pentagon succeeds, the United States will have made a major modification of its foreign policy—a step dictated, once again, by the military.

The major test vote on whether to expand present limited facilities on Diego Garcia will come shortly in the Senate when it votes on a resolution submitted by Majority Leader Mike Mansfield (D-Mont.) to block construction. To defeat the resolution, and give shape and substance to a long-time dream, the Department of Defense has employed its full arsenal of techniques which have proved so successful in the past:

1. The Red Scare: We gotta do it because the Russians are doing it.
2. The Shifting Rationale: Keep the opposition off balance; change the justification each year.
3. The Hint: Tell Congress that we need the base for special but unspecified reasons; never say it for publication.
4. The Opening Wedge: Begin in a small way; it's easier for Congress to swallow a little at a time.
5. Sneak it Through on a Supplemental Appropriation: This tactic failed last year when the Pentagon tried to put $29 million for Diego Garcia into a supplemental appropriation bill.

BACKGROUND

The United States maintains major naval task forces in the Atlantic, Pacific and Mediterranean. One major body of water—the Indian Ocean—does not have any major U.S. military presence, a vacuum that sets the military teeth on edge. The Indian Ocean touches the eastern half of Africa, including Ethiopia and Tanzania, the Persian Gulf countries, including Saudi Arabia and Iran, South Asian countries like India and Pakistan, Southeast Asia, Indonesia, and Australia.

The British were predominant in this ocean and in many of these countries for years, but Britain has been withdrawing from the region and now its presence is quite limited, while both the U.S. and the U.S.S.R. have exercised restraint in their deployment in the area. Since 1948 the U.S. has maintained a modest force—a flagship based at Bahrain and two destroyers which make periodic port calls. Soviet naval forces did not enter the area at all until 1968 and still are relatively small.

Since the 1950s the Navy has been seeking ways to change this modest great power involvement. It looked for a potential base in the region, and finally settled on an atoll in the middle of nowhere. Diego Garcia—an elongated horseshoe with a 40-mile perimeter—is 1,000 miles from the southern tip of India, 2,000 miles from Africa and 2,400 miles from Bangkok. Its 6,700 acres have an average elevation of three to seven feet. The atoll encloses a lagoon five and a half miles wide and 13 miles long.

It may not be much, but it floats. It has no indigenous population. The British exercise sovereignty over the island. It is a way to establish a permanent U.S. military presence. The British were willing to go along, and signed an Executive Agreement in 1966—without congressional review—granting the U.S. base rights for 50 years with an option to renew for 20 years.

THE RUSSIANS ARE COMING

The base has encountered considerable opposition since its inception. One Secretary of Defense rejected the idea only to have another Pentagon administration approve it a second time around. A Senate committee blocked the original proposal in 1969, but then approved a modified version in 1970. Funds to vastly expand the base have been held up for about a year and a half.

Faced with this rough reception for Diego Garcia, Defense Secretary James Schlesinger proved as slick as past secretaries in trotting out "The Red Scare." Each year as Congress considers the military budget, some new alarming Soviet weapons development—a giant missile test, a new Soviet ship, an advanced Soviet submarine—is leaked to the press. Former Defense Secretary Melvin Laird was especially adept at this game.

On June 10, Schlesinger testified before the Senate Armed Services Committee. After a brief defense of the base proposal, Schlesinger dropped his headline grabber: *The Soviets are building major military facilities at Berbera,* a port of Somalia in Africa. Schlesinger began, "Since the question has been raised about the ongoing activities at the Port of Berbera, I have here some photos and charts which should illustrate for you the source of our concern." The question had been raised—by the Pentagon.

Conveniently timed, the Pentagon had sent high altitude reconnaissance flights over the activity to provide lots of grainy photos for Senate Committee—and the press—consumption. The press helpfully headlined the new Soviet "base" at Berbera, and attention was focused on the Soviet Union instead of the proposed U.S. base at Diego Garcia.

There was evidence that Schlesinger exaggerated Soviet activities, but the net effect was to divert attention from the real questions: Does increased Soviet presence in the Indian Ocean require a U.S. response? Is increased U.S. naval power the best way to exert U.S. influence in the area? What can be accomplished by a few ships "showing the flag" during a crisis? Why can't the U.S. project naval power into the Indian Ocean, as it does now, without constructing the base? Are the Soviets themselves "showing the flag" in the region, or is there some direct threat to the U.S.? Would the new base be a reversion to the U.S. role as world policeman?

Perhaps an even more important issue is the race which will result if the U.S. pursues the base at Diego Garcia as the Soviet Union tries to match whatever the U.S. does in that region. On July 11, 1974, C.I.A. Director William Colby testified before the Senate Armed Services Military Construction Subcommittee on the likely Soviet reaction to increased U.S. naval activities in the area: "I think our assessment is that the Soviets would match any increase in our presence in that area." Colby already had told the Senators "The Soviet leaders have shown that they will maintain a naval presence in the ocean at least equal to, if not greater than, that of the U.S. Navy." Colby also added that Soviet deployments in the region, which have increased somewhat in past years, "have been highly responsive to U.S. naval activities."

In short, the U.S. would build a major base at Diego Garcia because of alleged Soviet activities; the U.S.S.R. would further increase its forces, giving the U.S. Navy an excuse to expand its presence again. A better U.S. policy might be to seek an agreement under which both sides would forego military bases in the area. The chances for agreement to limit arms in the area are much greater while both sides have only small deployments there; once both sides escalate their interest, the chances for agreement will diminish.

Schlesinger, however, had diverted the Congress from the important issues. Congress used the July 4th recess to send study trips to Berbera for an investigation; the conservative Sen. Dewey Bartlett (R-Okla.) led a Senate trip, and the equally conservative Rep. Sam Stratton (D-N.Y.) led the House Members. The study trips naturally found considerable evidence of Soviet activity at the port, but they, like Schlesinger, could not tell whether the facilities will become a major Soviet base or who will control the area. Indeed, as a New York Times correspondent wrote from Somalia, "Both journalists and U.S. officials shared the view that top Pentagon civilian officials may have overstated their case during recent congressional hearings."

THE SHIFTING RATIONALE

Another DOD tactic is to shift the argument. Eventually the Pentagon finds a winning formula. The AWACS project for an Airborne Warning and Control System aircraft is a prime example of a weapons system that has gone through a variety of rationales until DOD found one acceptable to a majority in Congress.

A similar shift of reasons has occurred with Diego Garcia. DOD is now emphasizing the Soviet presence in the Indian Ocean; yet it has been trying to get the base for years, well before the Soviets even got into the ocean. In fact, the idea of constructing a base at Diego Garcia first was discussed in the Navy as early as the 1950s. We signed a base agreement with Great Britain in 1966, two years before Soviet naval forces entered the region. But the Soviet presence, while still very limited, has become the latest and most convenient excuse for the base.

At the height of the Vietnam war, in 1967, the Navy and the Joint Chiefs justified the base to the Secretary of Defense because of its potential use in the war. Dr. Earl Ravenal, formerly in Systems Analysis in the Defense Department, tesified last year that "the main thrust was to create an oiling station for carrier task forces transiting from Norfolk, Virginia, to battle stations off Vietnam."

The Secretary of Defense originally rejected the base proposal, because of the island's remoteness, the likelihood of a Soviet-American arms race in the area, and the limited effectiveness of such a base. With opposition from that quarter, the Navy jettisoned its idea for a multi-purpose base and instead requested a more limited communications facility. The new rationale for this base was that eventually the U.S. would have to withdraw from its large communications facility at Asmara, Ethiopia.

The Pentagon was also interested because of the January 1968 British announcement of withdrawal from Singapore and the likelihood that England would reduce its Indian Ocean squadron. At that time the U.S. Navy told the Senate Appropriations Committee, "An austere logistic support activity has become necessary to insure Navy readiness in the South Atlantic, Indian and Western Pacific Oceans. Access to ports for bunkering and resupply has diminished."

The Secretary of Defense and Congress finally approved a very limited facility, but the Navy still hungered for a larger base. The 1973 Arab-Israeli war, the oil embargo, and the increased importance of Middle Eastern oil gave rise to a new excuse for the base. So the Navy made a new request for an expanded base that could be used to refuel ships or airplanes. Now we needed the expanded base to protect the vital oil supplies flowing through the region, although it was never explained how a few ship could stop the OPEC countries from imposing another embargo. Nor was there demonstrated any threat to the sea lanes through which the oil shipments passed.

Then came the moves toward some peaceful steps in the Middle East, steps which led to a partial Egyptian-Israeli disengagement and plans to reopen the Suez Canal. The Pentagon immediately saw a severe threat from Soviet ships being able to pass through the Canal from the Mediterranean to the Indian Ocean, despite the irony of the U.S. doing most of the mine-clearing work in the Suez. Military experts said the Soviets would be foolhardy to depend on the Suez Canal, a passageway easily subject to blockage, for transit of their ships in a crisis.

With the base request struggling, the Pentagon turned to a vast array of frightening Soviet bases in the region. There was the Island of Socotra. There was Umm Qasr, Iraq; and Aden; and Mogadiscio; and a permanent mooring in the Chagos Archipelago; and on Mauritius; and Berbera, Somalia. Members of Congress picked up this theme. During a debate on Diego Garcia last year, Stratton—a man not noted for accuracy—posted a large chart on the House floor with big red hammers and sickles indicating Soviet bases in the area. Two months later, Sen. Stuart Symington (D-Mo.) effectively elicited C.I.A. Director William Colby's opinion about the bases. Colby minimized most of the possibilities. He called Socotra "a bare island . . . no port facilities or fuel storage." He called Umm Qasr a "so-called port." Aden: "The Soviets have not used it very much." And so on.

With most of these base possibilities shot down by the C.I.A., the Pentagon has turned to Berbera. And there it may have found itself a rationale that is taking hold, if Congress can forget the previous arguments.

THE HINT

Another Pentagon tactic is the subtle hint dropped in a backgrounder or a private session that may be used by its allies but never attributed to the Pentagon. The use of Diego Garcia to resupply Israel in the event of another war in the Middle East is a classic example of this technique.

A relationship between the base and Israel's security has been hinted, without any firm DOD confirmation or denial. The ubiquitous Stratton played heavily on this theme during House debate on Diego Garcia.

Yet when pressed, Administration witnesses finally, if vaguely, will admit that the base would be of little use in the defense or resupply of Israel. Sen. John Culver (D-La.) pressed a State Department official on this subject in a June 10 hearing. The official finally admitted, "I do not think Diego Garcia has a particular role to play" in the defense of Israel.

Last year Chief of Naval Operations Adm. Elmo Zumwalt was questioned closely by Rep. Lee Hamilton (D-Ind.) on the use of Diego Garcia to resupply or reinforce Israel. Zumwalt, after hedging, finally said: "One can visualize in theory that naval forces might have to reinforce Israel up the Red Sea in which event the logistic support in Diego Garcia would enhance your capability to get there. But that is rather remote, I think."

Despite cold water dumped on any relationship between Israel and Diego Garcia, some Members of Congress still perceive a connection and are using Israel as their excuse for supporting the base.

A TOE IN THE DOOR

The Pentagon frequency starts with a small request, to make sure that Congress buys the proposal. After the initial sale to Congress, further sales becomes much easier. Most weapons systems start very small, in research and development status, until Congress has invested more money than it is willing to lose.

The Pentagon used a similar tactic to

win a small opening wedge in the Indian Ocean with larger projects added as time went on. As earlier mentioned, the first formal proposal to reach the Secretary of Defense in 1967 called for a large, multipurpose base. After that proposal was rejected, the Navy came back with a stripped-down version calling for only an "austere naval communications" facility.

Congress approved the first increment of funds for the facility in December 1970 after repeated Administration assurances that there were no plans for a larger base. With that money in hand—a modest $5.4 million—the Navy was on its way. In fact, Congress has so far approved only a little over $20 million for the "austere facility," although hidden personnel costs not directly connected to the appropriation request has meant that DOD has spent $70 million to date on construction, according to Schlesinger.

In early 1974 the Navy, with its first funds in hand, felt strong enough to propose an expansion of the facility into the original multi-purpose base. Now the Navy was going back to its first idea: a base where aircraft carriers or airplanes could refuel. And the Strattons of the world could argue that the new proposal was only a modest advance.

Yet the proposal now under consideration by the Senate in reality is a large-scale military escalation which the Soviets undoubtedly would try to match, an opening wedge for the likely and eventual Navy goal—the stationing of a permanent carrier task force in the Indian Ocean. In fact, the expansion of Diego Garcia cannot really be justified unless the Navy plans to station a carrier full-time in the region, or else it would severely weaken the Pacific fleet. Thus the Navy, which is scheduled to reduce from 15 to 12 carriers, would have a perfect excuse to keep 15 carriers (one on station in the Indian Ocean and two to rotate). According to the Brookings Institution, the eventual deployment of an aircraft carrier task force in the Indian Ocean would cost between $5 and $8 billion in new ship construction; annual Navy operating costs would rise by about $800 million. All for a small initial investment of only a few million dollars.

SNEAK IT THROUGH

The Pentagon has relied on supplemental money requests to obtain huge chunks of money on top of their main requests. Frequently these bills, usually not scrutinized as carefully as the main military bills, have money for a controversial item that DOD hopes to slip through Congress. It doesn't always work. The supplemental 1974 request for Diego Garcia funds failed.

The request became an immediate issue in Congress and in the press.

THE POWER OF THE PENTAGON

Pentagon maneuvers to get Congress to approve the base at Diego Garcia is a case study of the military's power to manipulate the Congress, the press, and the American public. The significance of DOD's campaign is not limited to a new base in the Indian Ocean but instead spotlights the military's influence in the making of national policy. What the Pentagon wants, it can usually get through its expert domination of the decision-making process.

CANADA AND THE GARRISON DIVERSION PROJECT

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. FRASER. Mr. Speaker, on July 25 I received a response from the Department of State in regard to the Garrison Diversion project in North Dakota.

On June 20 I wrote to Secretary Henry Kissinger asking for a clarification of the Department's position on the Garrison Diversion project vis-a-vis the Canadian Government's objections to the continuation of the project as presently planned.

I offered a floor amendment to the fiscal year 1976 public works appropriations bill on June 24 which sought to defer funding for construction and land acquisition for the Garrison Diversion project until Canadian and Minnesota objections to the project have been resolved.

Canada is concerned that saline-polluted return flows from the Red and Souris Rivers will cross the Canadian border as a result of the irrigation project. The Canadians have called for a moratorium on the project on grounds that it violates the Boundary Waters Treaty of 1909, article IV.

The treaty states:

> It is further agreed that the waters herein defined as boundary waters and waters flowing across the boundary shall not be polluted on either side to the injury of health or property on the other.

At this point I would like to insert in the Record my letter to Secretary Kissinger asking for a clarification of the Department's stance on the Canadian issue and the State Department's response reaffirming the agency's concern for the international implications of the North Dakota irrigation project.

The correspondence follows:

Congress of the United States,
House of Representatives,
Washington, D.C., June 20, 1975.

Hon. Henry A. Kissinger,
Secretary of State, Department of State,
Washington, D.C.

Dear Mr. Secretary: On June 18, Congressman William Moorhead, Chairman of the House Subcommittee on Conservation, Natural Resources and Energy, released three Interior Department memoranda concerning the Garrison Diversion project in North Dakota.

These memos show that the Department of Interior deliberately withheld information about studies of project alternatives from the State Department, Congress, the Canadian government and the public. This action was taken despite well-known opposition to the continuation of the project by the Canadian government, farmers in North Dakota and national conservation organizations.

These memoranda further reveal that Interior officials wished to "influence" the International Joint Commission's study and prevent the IJC from having a "lead role." In view of this serious situation, I would like your immediate answers to the following questions:

(1) Was the Department of State informed by the Bureau of Reclamation of these "informal" studies of alternatives described by the memoranda? If so, when did you learn of these studies? What bearing do these studies have on our government's negotiations with Canada?

(2) Was the Canadian government informed by your Department or the Bureau of Reclamation of these studies? Was the IJC informed of these studies?

(3) Will this effort by the Interior Department to mislead the Canadians create ill will for our government and prejudice the IJC inquiry?

(4) Can you advise me of any formal or informal reaction to this situation from the Canadian government, the Canadian press or other segments of the Canadian public?

(5) Do you consider it appropriate for another federal agency to take actions affecting foreign relations without disclosure of the facts to the Department of State?

(6) When did the Canadian government first request a moratorium on the Garrison project? Have you informed the Appropriations Committee of the Canadian's protests and their position? If so, when?

(7) In testifying on the Garrison project before the House Appropriations Committee in March, 1975, Bureau of Reclamation Commissioner Gilbert Stamm misstated the Canadian position and implied that alternatives were under discussion with Canada. However, at the time of his testimony, the dispute was in the process of being referred to the IJC and Interior had not informed the State Department of its alternative studies. When did you learn of Mr. Stamm's testimony? Did the State Department take any steps to correct the record? Did the Canadian government ask you to correct the record?

According to an article in the June 20 Washington Post, an unnamed State Department spokesman called Interior's action "unfortunate" and accused Interior of undermining the credibility of the United States. I agree that their action undermines our government's credibility but I view their actions as indefensible not merely "unfortunate."

The Post article quoted Stamm as saying his intent was not to with-hold information from the Canadians, but "to avoid unnecessary complications" in the U.S.-Canadian talks. Can you advise me what "unnecessary complications" Mr. Stamm was referring to?

In light of the Interior Department's actions, do you believe that our relations with Canada would be well served by a halt in construction and land acquisition for the Garrison project until the issues which the Canadians have raised can be objectively considered by the IJC?

I plan to offer an amendment to the House FY 1976 Public Works Appropriations bill to defer spending on land acquisition and construction for the Garrison project and I hope that the State Department will support such an amendment.

Best wishes.

Sincerely,

Donald M. Fraser.

Department of State,
Washington, D.C., July 23, 1975.

Hon. Donald M. Fraser,
House of Representatives,
Washington, D.C.

Dear Mr. Fraser: Thank you for your letter of June 20 on the Garrison Diversion Unit. In your letter, you posed a number of questions relating to actions taken by the Department of State and the Department of the Interior with regard to the project and concerning attitudes and actions of the Government of Canada and the International Joint Commission. I regret that we were unable to respond to these questions prior to House action on the 1976 Public Works Appropriation Bill, but your letter was not received in the Department until July 3.

In response to your specific questions:

1. The Department of State first became aware of the Department of the Interior's memorandum of April 25 in late May, after its release by environmental groups in the United States and Canada. Copies of the memorandum of January 14, March 11, and April 15 were obtained from both the Bureau of Reclamation and from Congressman Moorhead's office shortly before their public release.

2. Neither the Canadian Government nor the International Joint Commission has been informed officially of these studies. Both are, of course, now fully aware of the

contents of the various released memoranda referring to the studies.

3. We have no reason to believe that the purpose of withholding these studies was to mislead the Government of Canada. Rather, we believe that this action reflects the Department of the Interior's growing awareness of the strength of Canadian feeling and its potential impact on project developments. We believe the January 14 memorandum came about as a result of exchanges of correspondence and meetings of State and Interior officials prior to a January 16 meeting with the Canadians. At that time, the State Department indicated its view that the Canadian position of opposition to the project was firm, that Canadian officials could be expected to take a strong stance in the January 16 meeting, and that the Department believed that the United States should be prepared to make substantive proposals at the January 16 meeting to demonstrate our determination to abide by the Boundary Waters Treaty. The contents of the January 14 memorandum were not discussed by Interior representatives at the January 16 meeting.

We are confident that the release of these memoranda will not prejudice the International Joint Commission's inquiry. The Commission has a long standing reputation in both the United States and Canada for integrity and impartiality. In this respect, I believe that the wording of the Interior memorandum does make clear, if only implicitly, the International Joint Commission's reputation for impartial decisions.

4. Reaction to the disclosure of the memoranda has been mixed. Both the press and the public have reacted negatively to the conduct of "informal" studies that would be withheld from local interests and Canada. The Canadian Government has not officially reacted to the memoranda. It has maintained its position that the project, as presently constituted, will violate the Boundary Waters Treaty and that it is the responsibility of the U.S. Government to determine how the project should be modified to assure that a violation will not take place. We have reason to believe that, inasmuch as the memoranda indicate that the Department of the Interior and the Bureau of Reclamation are considering alternatives which might meet Canadian objections, the substance of the memoranda is viewed positively within the Canadian Government.

5. No.

6. The Canadian Government first, requested a moratorium on the project on October 23, 1973. On February 5, the United States replied to that note and informed the Government of Canada that "In any development of features of the Garrison Diversion Unit that will affect Canada, specifically works in the Red River Basin and the Souris Loop, the United States will comply with its obligation to Canada not to pollute waters crossing the boundary to the injury of health or property within Canada. No construction potentially affecting waters flowing into Canada will be undertaken unless it is clear that this obligation will be met." In this respect, I wish to note that the guarantees given to the Government of Canada do not cover the construction of the McCluskey Canal or the Lonetree Reservoir with the exception of those works on the reservoir which would be solely required for features of the project in the Souris Loop and the Red River. The House and Senate Appropriations Committees were officially informed of the Canadian position by letter on May 7, 1975 at the request of Congressman Moorhead.

7. The Department first became aware of Mr. Stamm's testimony following its publication in the June 18 Congressional Record. We had not been advised in advance of Mr. Stamm's testimony before the Appropriations Committee. We would not concur in Mr. Stamm's view that significant progress is or has been made in previous meetings with the Canadians, with the exception that the proposal to refer this matter to the IJC clearly represents a procedural step forward. In addition, we would note that while the problem of return flows to Canada from the Souris Loop area continues to be of principal concern, return flows to the Red River are also a matter of concern to the Canadian Government. At the request of the Canadian Embassy, we have transmitted copies of a Canadian statement indicating their position on the Garrison Diversion Unit to the appropriate Congressional committees. A copy of that statement was also transmitted to your office.

In reference to the Washington Post article, we are unaware of what "unnecessary complications" Mr. Stamm envisioned when he spoke.

As you are aware, the United States and Canadian Governments are presently considering a referral of this matter to the International Joint Commission. If the matter is referred to the Commission, we would expect that the Commission's views would be made known to Governments at the latest by October 1976. After receipt of an International Joint Commission report, this Department would firmly oppose any construction adversely affecting Canadian interests if we believe, on the basis of that report or otherwise, that a violation of the Boundary Waters Treaty would result. Likewise, our commitment to the Government of Canada requires a prior determination that our treaty obligations will be met before construction of aspects of the Unit directly affecting Canada. Our commitments to Canada represent, as a practical matter, a moratorium on construction of aspects of the Unit which would affect Canada. Construction of such components are not scheduled to be initiated prior to FY 1977.

I trust that this letter has been responsive to your request and that you will continue to call on me when you feel I may be of assistance.

Sincerely,

ROBERT J. MCCLOSKEY,
Assistant Secretary for Congressional Relations.

THE BILDERBERGERS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. McDONALD of Georgia. Mr. Speaker, the activities of groups such as the Bilderbergers have been reported and commented on for a long time by those who uphold U.S. sovereignty and oppose world government. Strangely enough, however, the activities of these groups are almost totally ignored by our major news media.

Thus I would like to call attention to the following article by Nicholas von Hoffman. Entitled "Bilderbergers as Prey," it appeared in the Washington Post on July 25, 1975.

The Bilderbergers give every appearance of being international coordinators of various groups working for a world government. The domestic link in this chain is the Council on Foreign Relations and it is interesting to note that virtually all of those mentioned by von Hoffman, including William F. Buckley, are members of the CFR as well as Bilderbergers in good standing. Cord Meyer, it so happens, is former president of the United World Federalists, a group also working for a world government along socialist lines.

Now that von Hoffman has broken the ice, I trust that other members of the media will begin examining the activities of groups promoting world government. As von Hoffman observes—

> You don't have to be a political paranoid to reason that informal meetings of major bankers, industrialists, professors, foundation executives, journalists and high government officials must have something to do with why and how powerful people come to nearly identical judgments.

[From the Washington Post, July 25, 1975]

BILDERBERGERS AS PREY

(A Commentary by Nicholas von Hoffman)

Apparently the first mention of the Bilderbergers in public print was made by Westbrook Pegler in 1957 toward the end of that ferociously articulate right-wing columnist's career. Mr. Pegler had gotten wind of the fact that Ralph McGill of The Atlanta Constitution and Arthur Hays Sulzberger, both now dead, had attended a secret meeting of international big shots on St. Simon Island, Brunswick, Ga., in February of that year.

From that time on the John Birch Society and the Liberty Lobby have stalked this group of high government officials, bankers, media executives, industrialists, Wall Street lawyers and attendant retainers from the academic world. Henry Kissinger was a Bilderberger during his days as a Harvard teacher and Rockefeller courtier.

The Bilderbergers have been given that name—they don't call themselves that—from the hotel where they first met in the town of Oosterbeek, The Netherlands, in 1954 under the chairmanship of Prince Bernhard of the Netherlands. They have met annually in one NATO country or another ever since, always at a remote resort hotel, always in secrecy and always protected by the political police of the host nation.

The meetings, however, are in no sense official or governmental. The attendees are best described as the international power elite and have included David and Nelson Rockefeller, Robert McNamara, Baron Edmond de Rothschild, William Paley, chairman of the board of CBS, former Sen. William Fulbright, Cord Meyer of the CIA, William F. Buckley and George W. Ball, the former State Department man who achieved a brief fame for a degree of tepid, establishmentarian opposition to the late war. The officers of such companies as Alcoa, Standard Oil, H. J. Heinz, Time, Inc., Chrysler, Manufacturers Hannover Trust, Washington Post-Newsweek, and Dillon-Read, among others, have been reported as frequent attendees, along with their counterparts from most of the nations of Western Europe.

That alone might make the Far Right suspicious, but the guest list has also included socialists like Helmut Schmidt, the West Germany Chancellor, and France's Gaston Defferre, who, it is alleged, was the Bilderberger's candidate to topple DeGaulle. Such a mixture of men, political parties and economic interests have served to confirm the right wing suspicion that men like the Rockefellers are in league with the social democrats or even the communists.

Occasionally a Bilderberger has tried to explain what these meetings are about. In 1964 New York's Sen. Jacob Javits, one of a number of congressmen who've attended, said the purpose is merely to "create a better understanding of the forces and trends affecting Western nations."

That kind of Wheateena hasn't allayed right wing anxieties. Thus in 1971 the reactionary Manchester (N.H.) Union Leader charged that the Bilderberger conferees of that year were given advance notice of President Nixon's upcoming shift in economic policies, making it possible for them to pocket as much as $20 billion. More recently a Liberty Lobby publication put the blame for the overthrow of the Portuguese dictatorship on the Bilderbergers, saying that this opened the way for "the effective capture of the incredibly rich natural resources of Angola and Mozambique by the international Rockefeller cabal."

Even after the revelations of the last few years, upper-echelon people consider the use of words like cabal and conspiracy as signs of emotional instability, but what is a conspiracy? It is an agreement by a group of people to do something that the user of the word conspiracy doesn't like.

In an extended sense, the Bilderberger conferees have been doing something that a lot of people don't like; they've been making and carrying out the military and economic policies of the North Atlantic Alliance. That doesn't mean that this "Cold War Internationale," as the meetings have been called, was making the decisions. Meetings like this popularize and familiarize people with ideas and are thus part of a long and intricate chain of social process by which ruling classes come to the consensus.

But to the people who don't get invited, these transactions can take on a sinister appearance. Every other group in our society gets studied, surveyed and observed, but not the upper classes. They don't let the world in to look at them and therefore they invite others to think the worst.

But you don't have to be a political paranoid to reason that informal meetings of major bankers, industrialists, professors, foundation executives, journalists and high government officials must have something to do with why and how powerful people come to nearly identical judgments. (For another look at this social process, see "The Bohemian Grove and Other Retreats: a Study in Ruling Class Cohesiveness," by G. William Domhoff, Harper & Row, 1974, and for more on our little cabal, see Spotlight on the Bilderbergers, the Liberty Lobby (300 Independence Ave., S.E., Washington 20003, $5.)

Far right wing material on these subjects is often disregarded because they CAPITALIZE for emphasis and use a lot of exclamation points in their prose! That's bad form in the Ivy League, but it should not make us ignore that it was political analysts on the right who first raised questions about the multinational banks and corporations and the alarming union of capitalists and democratic socialists here and abroad.

ENERGY EFFICIENCY INDICATOR PROMOTES FUEL ECONOMY

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. FORD of Tennessee. Mr. Speaker, I rise today to call the attention of my colleagues in the House to an energy-saving device which was created and developed by Mr. Homer Bunker of Memphis, Tenn. Mr. Bunker invented a machine known as an "Energy Efficiency Indicator" which is currently being evaluated by the National Bureau of Standards. As my fellow Members already know, the Federal Non-Nuclear Energy Research and Development Act of 1974 established a comprehensive national program for research and development of all potentially beneficial energy sources and utilization technologies. The National Bureau of Standards has been charged with the responsibility of evaluating inventors' proposals that may assist this Nation to better meet its energy needs.

The "Energy Efficiency Indicator" is designed to enhance the assessment of the operating effectiveness of an automobile engine. If we as a nation are to make meaningful progress in conserving our nonrenewable fuel resources, we must be able to evaluate accurately the performance of our motor vehicles. At the present time, two types of vacuum gauges are used to measure engine efficiency in automobiles: the needle display and the light display, neither of which is satisfactory. The needle display requires detailed technical knowledge, and the light display does not provide quantative information on efficiency. Moreover, reading either of these displays requires the diversion of the driver's attention from operation of the vehicle, thereby posing a serious threat to highway safety.

Mr. Bunker proposes that automobile manufacturers mount the instrument which he designed, the energy efficiency device, in conjunction with the speed indicator. The energy efficiency indicator would be calibrated to show where and to what extent the driver is operating his vehicle inefficiently. This would enable drivers to monitor the indicator easily without dangerously diverting their attention from the highway.

This invention holds a great deal of promise. It is my firm belief that it will assist us in our efforts to reach the national goal of energy self-sufficiency and help the automobile industry meet congressionally mandated auto efficiency standards. In this period when the nation's energy resources are in short supply, it is indeed encouraging to know that the people of this country can count on citizens such as Mr. Homer Bunker to come to their aid. This is just another illustration of American ingenuity. We owe a great debt to Mr. Bunker, and individuals like him, who use their talents selflessly in service of their fellow countrymen.

THE 23D ANNIVERSARY OF PUERTO RICO CONSTITUTION DAY

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. BIAGGI. Mr. Speaker, I am pleased to take this opportunity to mark with millions of Puerto Ricans the 23d anniversary of Puerto Rican Constitution Day. It is an important day in the annals of 20th century history and a fitting opportunity to pay tribute to the great nation and people of Puerto Rico as well as the Puerto Rican community in the United States.

On July 25, 1952, the island of Puerto Rico attained Commonwealth status within the United States. As a part of the United States they have enjoyed prosperity and stability in a region of the world which has endured great turbulence. Their dramatic progress over the past 23 years has led the island of Puerto Rico to be referred to as the "Workshop for Democracy in Latin America."

The United States has benefited from the contributions of its Puerto Rican community. They have distinguished themselves in all facets of our society from the arts and science to sports and politics. The people of Puerto Rico are fortunate to be represented in Congress by an outstanding public servant, my good friend, Hon. Jaime Benitez. I extend to him my congratulations and best wishes on this day and wish the people of Puerto Rico continued success as a nation.

PUBLIC OPINION CONTINUES TO GROW IN SUPPORT OF ACCELERATING THE RATE OF CAPITAL FORMATION NECESSARY FOR THE CREATION OF JOBS

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. KEMP. Mr. Speaker, it's axiomatic that private investment capital at work means people at work—that private capital not at work means people out of work. In short, it is the essential, central role of capital—of enough investment money to assure the growth of productivity and industry and the purchase of equipment—in providing our work force with current and future jobs.

The Nation's news media is reflecting a public awareness and the growing concern that the Congress is not doing enough to remove the disincentives to savings and investment now found in our tax laws. The media is doing a public service by reinforcing the growing public commitment to the removal or lessening of those disincentives as a means to stimulating productivity and the creation of jobs in America.

Yesterday, I placed into the Record several editorials and articles from major newspapers and magazines on this subject. Those can be found in my remarks on pages 25495–96 of the Record of July 28.

In addition, I now call to the attention of my colleagues an additional editorial, article and column in this subject area.

Time magazine in its edition of July 28 and in an article entitled, "How to Afford the Future," gave strong stress to the importance of providing sufficient capital "to create new goods, profits, public services—and by no means least—jobs." That article follows:

HOW TO AFFORD THE FUTURE

Economists of every persuasion have long agreed that the basis of the capitalistic system is quite simply, privately owned capital: money that comes from accumulated savings and is used to finance investment. Now, however, worried policymakers and students of the system have begun to debate the causes and implications of a historic development. For the first time in more than half a century, the U.S., like some other industrial economies, faces an acute shortage of the capital that is needed to create new goods, profits, public services and—by no means least—jobs.

The looming capital shortage poses a long-range threat to the survival of the nation's economic system. More immediately, it raises doubts about the economy's ability to recover with vigor from the postwar era's most severe recession and push unemployment down to about 5% of the work force and keep it at that level. Ultimately, capital formation, as the economists call it, is job formation. Any faltering of the pace at which the nation saves its earnings and invests its resources translates directly into reduced economic activity and fewer jobs. Yet the share of resources devoted to investment in the U.S. lags behind that in other major industrialized countries—even severely strapped Italy and Britain. What is more, the need for additional goods and technology has never been greater. In the next few years enormous outlays will be required to develop alternative sources of energy such as nuclear power, build the erect more efficient factories and continue rebuilding the decaying cities.

AMONG LOWEST

But will the funds be available? Although economists have been nervously debating the question for some time, the issue has only recently begun to penetrate the corridors of power in Washington. In testimony before the Senate Finance Committee, Treasury Secretary William Simon has warned that the U.S. faces "serious risks"—social as well as economic—if it does not increase its rate of capital investment. At a recent conference of top academic, business and political leaders on the nation's capital needs, sponsored by Fortune, Louisiana's Senator Russell Long declared that the approaching capital shortage could be "as severe as anything we have had in the economic history of the country."

The central startling statistic of the emerging capital crisis is that for two decades the U.S. has been accumulating funds in savings accounts, bonds and other forms of investment at a level equal to about 15% of the nation's gross national product. That rate of capital formation is one of the lowest in the industrialized world. Unless it is increased, many experts say, a shortage of investment funds will choke the still anemic housing industry, squeeze thousands of small- and medium-sized businesses out of the credit market and eventually abort the recovery—leaving the U.S. with insufficient plant capacity and an intolerably high level of unemployment. One of the gloomiest prognosticators, New York Stock Exchange Economist William Freund, calculates the investment needs of private industry alone at more than $4 trillion over the next decade. Freund predicts that industry will come up short by about $650 billion.

JUGULAR VEIN

Other experts, among them Citibank Economist Leif Olsen, doubt that the shortfall will be that severe. Yet the price of avoiding crisis, the optimists agree, will be a sharp scaling down of the nation's investment goals through the mid-1980s. In a recent study sponsored by Washington's Brookings Institution, Harvard's James Duesenberry and two other economists derided "Cassandras" who are forecasting a shortage and concluded that "we can afford the future, but just barely." The Duesenberry study contends that Government can be counted upon to come to the rescue: by running big budget surpluses, the Treasury can create enough funds to finance a fat list of investments, including the building of a needed 25 million new homes by 1985. But can it? The idea that Government can overcome political pressures for heavy spending and run huge surpluses, argues U.S. Trust Vice Chairman James O'Leary, is "a lot of nonsense."

Whatever the specific merits of the debate, two things are clear: demand for capital in the U.S. over the next decade will be "staggeringly high," as O'Leary puts it, and more could be done to stimulate a healthier level of investment. Currently a variety of new tax incentives and other measures to encourage savings are being studied within the Administration and by the House Ways and Means Committee. Neither has made any concrete proposals so far, although the Administration is expected to do so this month.

Basically, there are two approaches to the problem. Some liberals advocate a system of allocated credit that would channel available capital into high priority projects, like energy development. The liberal argument is that capital is not so much in short supply as inefficiently used; for evidence, they point to the overbuilding of shopping centers and vacation condominiums. Conservatives, meanwhile, maintain that an allocation system is unworkable and would cripple the capitalist system—the jugular vein of which is the free movement of money. Moreover, they contend that the real need is for more investment. Among their proposals: lowering the capital gains tax and allowing companies to depreciate their plant and equipment faster and deduct dividends as an expense—thereby releasing more corporate funds for investment.

Catch-22. Some economists also argue that Government should deregulate interest rates on all savings accounts and pursue other policies designed to stimulate a higher rate of saving. Currently only about 10% of all personal disposable income in the U.S. is saved—a higher percentage than at any time since 1946 but less than the savings rates in other industrialized nations (Japan's rate, for example, is 23.6%). There is, however, a catch-22: the only way profligate Americans will save more is if they learn to spend less; yet for the next year or so, a robust level of consumer spending is needed to give the recovery momentum.

Until it becomes economically feasible to encourage more saving, Government will need to refrain from discouraging private borrowers by crowding them out of the money market with ever larger Treasury bond offerings. So far, the $59.9 billion deficit envisioned in the current federal budget has not proved difficult to finance. The danger of crowding out in the money market, and the real threat of a capital shortage, lies a year or so away, when the economy picks up added steam and corporations begin borrowing more heavily. But that is hardly a reason for postponing public debate over how to head off a crisis; in its quest for ways to spur more saving and investment, Government would do well to begin by devoting greater attention to increasing the rates of return that capital-short industries like utilities can earn. In the long run, perhaps nothing will channel needed capital into worthwhile investments any better than tax measures and other policies that make those investments profitable.

On July 10, the Columbus (Ohio) Evening Dispatch editorialized in support of jobs-creating capital formation tax reforms:

Support of Jobs-Creating Capital Formation Tax Reforms

Economists point out high interest rates, difficulty in marketing stock and bond issues and the 48 percent tax rate siphoning off corporate earnings are contributory factors in the blockade of steady industrial recovery.

The capital formation problem, unless corrected, will slow recovery and the creation of jobs.

To help remove the blockade, Congress must delve into investment credits and the taxing of capital gain dividends. These have a direct impact on the capital resources available to industry and business for growth and expansion.

Congress can give the economy the proper momentum to recovery by adopting federal tax policies reflecting the need for investment capital.

Frequently heard as the solution to tax reform is the recurring proposal to close tax loopholes.

But each time congressional committees investigate the loophole contention, they learn the greatest beneficiaries are the individual taxpayers.

They fear public reaction by eliminating such loopholes as state and local taxes, interest on home mortgages and other major purchases, medical and dental expenses and contributions to charities.

Are these really loopholes or tax equities?

American enterprise, which after all is the source of most employment, needs capital investment to survive. Earnings are taxed at the corporate level plus that of the investor.

Tax burdens and benefits must be balanced regarding the individual as well as corporations. Too bad the unbalanced factor of federal deficit spending cannot be corrected. That would be true reform and eliminate the need for much tax revision or reform.

And, on June 10, Jenkin Lloyd Jones, the editor and publisher of the Tulsa Tribune and the nationally syndicated columnist, addressed the specific point of how capital formation is necessary to get our economy moving again and of legislation to accomplish that:

Refiring the Boiler

Congressman Jack Kemp of New York is leading a group of nearly 50 other representatives in pushing a "Job Creation Act." Given the temper of the current "liberal" majority in Congress it hasn't the chance of a snowball in the Devil's embrace for it seeks to encourage risk-taking and enterprise rather than condemn them to further anemia by additional taxation.

In light of the present plight of our railroads, which couldn't generate the earnings necessary to keep up their roadbeds and rolling stock, Congressman Kemp's proposal is worth more thought than it will be given.

Briefly, his bill would end the double taxation on dividends by excluding corporate dividends paid from gross income.

It would increase the investment tax credit to 15 per cent.

It would allow a complete write-off in one year of costs for otherwise non-productive pollution control ordered by law.

Investment in stocks, bonds and savings institutions out of which industries must draw the capital necessary to expand or modernize would be exempt from income tax up to $1,000 for each taxpayer. Employe stock ownership plans would be encouraged by permitting tax exemptions for earnings going to plans for spreading a company's stock among its employes.

The sad fact is that the American industrial plant is running down. At least, it is running down in comparison to the plants of our international competitors. And as we are drawn more and more to depend on international trade in order to raise the foreign exchange necessary to buy essential raw materials from abroad the ability of American industries to compete will be directly related, not merely to jobs, but to the national standard of living.

Rep. Kemp points out that in constant 1958 dollars our industrial capital investment per capita has dropped 17 per cent in 18 years. At the same time, the per capita investment in Japanese and German industry has been rising rapidly.

The mood of present and recent Congresses has been that prosperity is best maintained by sustaining consumer spending through a series of government gifts and grants, and that money to finance such programs is best taken out of industries, investors and savers.

Britain has been down this road. As investment resources were mopped up by heavy taxes for socialist programs, the British industrial plant fell into obsolescence and decay. Inability to compete abroad on the basis of a strong pound sterling required the progressive devaluation of the pound which raised the cost of imports and made austerity inevitable.

In short, the fire beneath Britain's boiler died down, and no social programs can survive a loss of steam. Tax programs which over-penalize investment in America's industries will do the same. It's time to re-fire the boiler.

The Congress would be serving the national interest by heeding the observations reflected in these news items.

OUR NATION SALUTES THE PASSAIC BOARD OF EDUCATION AND THE CLIFTON NAVAL RESERVE CENTER FOR OUTSTANDING PUBLIC SERVICE IN EDUCATION OF OUR YOUNG PEOPLE

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. ROE. Mr. Speaker, it is my privilege and honor to call to the attention of you and our colleagues here in the Congress the outstanding youth education program on environmental and career studies that has been conducted through the cooperative efforts of officials of our Passaic Public School System, the U.S. Naval Training Center, the National Park Service, and the New Jersey State Department of Education providing inner city young people with a unique summer camp work study program on the federally owned farm of Walpack in Sussex County, N.J.

The far-reaching effects of this experimental educational work study program sponsored by the Passaic Board of Education and the Clifton Naval Reserve Center of my congressional district on the quality of life for 100 high school students, age 15 through 18, and the exemplary leadership and teamwork performed by the program administrators and counselors of this unique on-the-farm training-recreational-educational endeavor are most eloquently depicted in a recent news story that appeared in the Herald-News, one of New Jersey's most prestigious newspapers, under the authorship of a most adroit and accomplished news correspondent, Joan Weissmann.

With your permission, Mr. Speaker, I would like to insert at this point in our historic journal of Congress a copy of that news article which reads as follows:

[From the Herald-News, July 9, 1975]

Naval Center Cited for Educational Program

(By Joan Wiessmann)

The U.S. Naval Training Center in Clifton is the proud recipient of a special community service award from the U.S. Department of Defense. Particular recognition was given the center's contribution to a camp program initiated last summer to give Passaic High School youths a better understanding of the environment.

Master chief of the Naval Center, Dante V. Mecca, who directs all of the community service projects in Bergen, Sussex, Passaic and Morris counties, as well as Rockland County in New York, spearheaded its involvement at a federally owned farm in Walpack with the permission of Commanding Officer Robert W. Buchman.

"It's the policy of the Navy to be involved in community service throughout the country, without hurting the primary mission of the Navy," Mecca explained. For example, Mecca serves as president of the Passaic Board of Education during his off-duty hours.

The local center was responsible for getting Naval reservists to donate spare hours to remodeling the Passaic PAL building, and was one of the active sponsors of the Miss Black Teen-age World Pageant last year. It promotes recreational and education programs, and trips to various Naval installations, for disadvantaged youths. All these things were considered by the Department of Defense when it issued the community service award.

But the DOD's decision was clinched when it eyed the vocational and environmental education project at Camp Walpack.

The experimental program, sponsored by the Passaic Board of Education and the Clifton Naval Reserve Center, took 100 high school students, ages 15 through 18, from their urban environment to the rural area of Sussex County, to live and work in a farm setting for six weeks. Two cycles of three weeks each were run from July 1 to Aug. 10.

Group and individual projects were designed to give greater understanding as to the natural causes of environmental deterioration and a consideration of solutions to environmental problems, although the work-study center was in a vocationally oriented setting.

The program was cooperatively administered by the U.S. Department of Interior; National Parks Service; Delaware Water Gap National Recreation Area in Columbia; N.J. Department of Education, Division of Vocational Education; the Newton Public Schools, and the two prime sponsors.

In his report, Mecca said: "Special emphasis on career opportunities in the environmental areas were covered. The program design and administration was paramilitary in nature. It was felt that if we were going to change the attitude of young people from the inner city toward themselves, their fellow students, their families, their school, their home environment, we'd have to redesign their lifestyles.

"In extricating a student from the inner city with all of his hang-ups, frustration, morals and standards indigenous to turned-off youth, we found a paramilitary system was most effective. Students came to us with no skills, poor reading levels, attendance problems in school, suffering from malnutrition in some cases because of poor and unbalanced diets at home, and a lack of self restraint and discipline," he said.

Students who entered the program were given a complete physical examination by school physicians, were inoculated for tetanus and other communicable diseases, were told to bring the minimum of clothing, which consisted of a pair of blue jeans, sneakers, one set of underwear, sweater or jacket and toilet articles.

A typical military morning included reveille, presentation of colors, physical education, barracks maintenance and personal clean-up. After breakfast, there was policing of the area and continuation of barracks maintenance, straightening of bunks and foot lockers, and work detail. After lunch, there was a return to work details, with appropriate breaks, cleanup and recreation. More free and organized recreation came after supper. Lights were out at "2100" Navy time, or 9 p.m.

Students were divided into working squads of five students each that rotated in a system of one-third of the day at work, one-third education, one-third recreation. They were paid the minimum wage and averaged approximately $115 take-home pay after a three-week period.

There were no televisions, radios, or comic books, and, to the surprise of both parents and administrators, there were no ill side effects from the deprivation of these "luxuries," according to Mecca.

In fact, he said, the students proved to be more quiet and introspective and were able to hear sounds alien to their ears: birds, farm animals and crickets.

"To some, the stillness was deafening. They soon adapted. We saw a complete change in attitude towards themselves, they were able to have some self-respect, and from others they learned the respect and dignity of work. Where students had no regard for the use of proper language, they soon learned it just did not go here, and to the surprise of visiting administrators, teachers, and the like, students who were problem children were now answering with 'Yes, sir,' and 'No, sir,' and gave a good account of themselves in their dress and general demeanor," he said

Through the cooperation of the Girl Scouts of America, Mecca managed to obtain quantities of used, but serviceable khaki's. Each youngster was provided with four sets of uniforms, Navy regulation ball caps, work gloves, six sets of underwear, six pairs of socks and work shoes. The students were responsible for the complete maintenance of their clothing issue. Laundry details were organized each evening to be sure the youngsters properly laundered personal gear.

Mecca was also able to secure bunks, mattreses, pillows, foot lockers, surplus tools and equipment, galley gear, paints and other supplies which proved to be helpful and necessary during the two-month period the program was in operation.

Instruction was given on a daily basis by the Naval reserve members in electrical, masonry, carpentry, automotive and commissary areas.

The students did painting and repairs, fed the livestock, cooked the meals, and dressed alike to promote the "team" feeling of the "Environmental Conservation Corps of New Jersey."

On July 17, representatives of the National Park Service, the Passaic Board of Education and the state Department of Education were invited to review the project's success.

Under the supervision of Navy personnel, the students prepared lunch for more than 50 guests, and made presentations to James McLaughiln, superintendent of the Delaware Water Gap National Recreation Area; Dr. Stephen Poliacik, assistant commissioner of education and state director of vocational education; Dr. Donald Beineman, director of secondary education of the state Department of Education; Seymour Puckowitz, superintendent of the Passaic school system; and Mecca.

The gifts were walking sticks they had carved out of natural cedar cut from the farm. They were cleaned and polished and handsomely decorated.

The students also viewed Navy training films, and sports and special interest films Mecca secured from the Navy library.

Mecca also obtained from the National Park Service, three tents which were used by the National Park Service at Peters Valley, Layton. The tents were repaired and erected by the students for a weekend crafts fair.

"Our Naval Reserve personnel supplied necessary know-how and manpower to the understaffed maintenance division of the National Park Service, Delaware Water Gap. They were quick to organize work details for several projects undertaken in conjunction with the students at Walpack. They rewired buildings, all electrical cable was placed underground, rewired an old farmhouse, remodelled the gallery, reorganized a commissary area, assisted in the construction of a dormitory building, sustained and maintained several government vehicles, and provided the proper leadership for training of students in their charge," Mecca said.

Mecca said that education must provide concepts of both "How to Live" (environmental education) and "How to Get a Living" (career education).

He concluded, "These two goals are inherently compatible. Through proper training we must attempt to provide a youth in the inner city with proper environmental standards so that he may live in dignity with his fellow man and in harmony with earth. Most important is the need to teach young people the desire and the dignity to work for environmental improvement in his own neighborhood and in his own community."

Alexander Krenicki, director of career and continuing education who initiated the unique program, is opening the camp again this summer. Krenicki would like to make the ECC into a year-round, live-in work-study program, with Passaic youngsters being allowed to spend time in Walpak and take high school equivalency tests after their work is finished.

Mr. Speaker, in national recognition of the standards of excellence achieved by the students who participated this past summer in the work study projects performed at Walpack, the President has awarded the highly coveted Presidential Merit Award certificate to the following students of Passaic Senior High School for their outstanding public service contribution to the preservation and enhancement of our environment:

The following have received from the President of the United States a "Certificate of Merit for service to the community and the nation through environmental protection achievement."

Douglas Acres, Dale Allen, Felix Amador, Edward Armstrong, Michael Bader, David Birnbaum, Bedras Boyadjan, Lester Bravek, Conrad Brown, Carl Caruso.

Jeffrey Caster, Richard Coley, Michael Davis, John Donetz, David Feliciano, David Ficco, Donovan Flowers, Romel Friday, Felix Galarza, Francisco German.

Warren Hall, Benard Harrell, Franklin Haskins, Lascelles Hayden, Jeffery Herbert, Michael Holly, Angel Illarraza, Chester Jaskot, Robert Kavinski, Richard Krostek.

Edward Lax, John Leibman, Tony Linors, Tommy MacDonald, Walter Malaszuk, William McAlister, Jose Mercado, Ronald Morland, David Nealy, Jerry Nieradka.

Allen Norman, Billy Paranto, Robert Paranto, Hilton Perez, Carlos Rivadeneira, Edger Rivera, Andre Roberson, Carlos Rodriguez, Mark Rodriguez, Michael Roseborough.

James Ross, Robert Ruis, Joe Russo, Benigno Santiago, Mario Savvides, Frank Sciacca, Michael Shuptar, Jacob Silva, Steven Smith, Kishor Solaneki.

Jesse Thorpe, Allen Van Rensalier, Eric Walker, William Weedo, Danny Wells, Edward Whitmire, Walter Wilson, Marvin Winston, William Womach, Gary Wynn.

Mr. Speaker, I know you will want to join with me in congressional commendation of these high school students as well as the Federal, State, and community leaders who were in the vanguard of this summer camp educational project, with special plaudits to the founder of the program, Director Alexander Krenicki and Superintendent of Schools Seymour Puckowitz of the Passaic Public School System; Master Chief Dante V. Mecca and Lt. Comdr. Robert W. Buchman of the Clifton Naval Reserve Center; James McLaughlin of the Delaware Water Gap National Recreation Area, Dr. Stephen Poliacik and Dr. Donald Beineman of the New Jersey State Department of Education. We salute these students for their meritorious achievement and the distinguished public officials who have attained a highly innovative teaching-learning experience in the education of our young people.

HUGH WELLS OFFERS ENERGY PERSPECTIVE

HON. CHARLES ROSE III

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. ROSE. Mr. Speaker, I have just received a letter from Hugh A. Wells, vice president and general counsel for the North Carolina Electric Membership Corp. in Raleigh, N.C., and a former member of the North Carolina Utilities Commission.

His thoughts about the energy problems facing us are important and meaningful. He offers several arguments against the deregulation of price controls on domestic crude oil and in favor of reasonable controls on the price of natural gas.

For these reasons, I include his letter in the RECORD so that all of my colleagues might benefit from his remarks:

DEAR CHARLES: I am writing to you in connection with various proposals being put forward by President Ford with regard to the nation's energy supply, particularly relating to the control of prices of crude oil and natural gas.

As you know, I spent 5½ years on the North Carolina Utilities Commission, leaving the Commission at the end of April of this year. Very early after going on the Commission in 1969, it became apparent to me that North Carolina was headed in the direction of difficulties with natural gas supply. At a series of meetings with the representatives of Transcontinental Gas Pipeline Corporation and other interested state agencies during 1970, the early indications of a substantial shortfall surfaced. In the intervening years I was a participant in many meetings with Transco officials, representatives of various state agencies, representatives of the Federal Power Commission, and other persons interested in gas supply on the Transco System. Throughout all of these years it was apparent to me that Transco was not doing their job in attempting to correct the obvious difficulties on their system and that as long ago as 1970 they were preaching the deregulation sermon as the potential solution to natural gas supply problems.

OWNERSHIP AND REGULATION

It has also been apparent to me since early 1970 that the Nixon administration and Chairman Nassikas of the Federal Power Commission were determined to work in the direction of deregulation of natural gas prices at the wellhead as the potential solution to the supply problem. I have talked to many of you before on this point and have indicated to you that I feel very strongly about the following two points:

(1) The concentration of ownership in the petroleum industry is so strong, resulting in the control of petroleum products (including natural gas) by so few producers, that to open the door to price gouging by deregulating the wellhead price of natural gas is to invite economic disaster for those areas of the country who heavily rely on natural gas as a basic energy source; and,

(2) There is absolutely no guarantee that deregulation will in any real meaning of the term substantially enhance the supply of natural gas on the market. As a matter of fact, the history of the industry and the manner in which it has met its responsibilities to the public in the last few years would indicate that we might expect supplies of natural gas to be deliberately withheld from the market awaiting the ultimate in price response from a pubic desperate to achieve an answer to their supply problems.

SUPPORT S. 602

I clearly understand the very heavy pressure on you from the gas industry, from industrial users of natural gas, and from others who may not be clearly aware of the economic implications behind complete deregulation. I also understand that there are some compromises possible between complete deregulation of oil wellhead gas and a continued reliance upon the Federal Power Act as it now is and the administration of that Act by the Federal Power Commission. I have carefully studied Senate Bill 692 and I am convinced that this does represent a reasonable compromise and should be supported in an effort to enhance the supply of natural gas on the market and at the same time retain reasonable controls over the producers and pipelines, which would give us the hope of a level of consumer prices which will not be economically disruptive, or perhaps even destructive.

With regard to the administration's proposals for decontrolling the price of crude oil, I am absolutely convinced that such a development could spell economic ruin for the United States. Every shred of evidence that we have to go on would indicate that the large petroleum companies are doing quite well in these difficult economic times; that they are not in fact suffering from a lack of profits nor a lack of incentive, but are simply using their massive economic power to deliberately withhold products from the market—both crude and refined—in a way which will bring pressure on the Congress to adopt proposals similar to those being proposed by President Ford, which would enable them to increase their profits tremendously, both short and long range. I feel that it is absolutely incumbent upon the Democratic representation in the Congress to resist these efforts on the part of President Ford and the petroleum giants and to continue price controls on domestic crude.

WOULD RATIONING HELP?

If the American people do indeed need to significantly decrease their use of petroleum products—and I have some doubts about how much decrease or conservation can be achieved without disrupting the entire economy—then I believe that a broad-based, strong appeal to the public to conserve their use of petroleum products should be attempted by the administration, supported by the Congress in whatever feasible ways it can do so, in the hopes that the American people will respond in a meaningful way;

but, if this fails and it is absolutely clear that we must indeed achieve substantial reductions in our use of petroleum products, then we should go the ultimate route and establish a meaningful rationing program that would cut across all levels of use—manufacturing, processing, packaging, agricultural production, transportation, and home use. While I realize that rationing carries with it a great burden of administration, and that it may have questionable public acceptance, the alternative of achieving significant conservation cannot be realistically approached in any other terms. That is, we are talking about rationing, however you look at it. President Ford wants to ration petroleum products by allowing the market to do the rationing. This will be punitive to working people, to people who have to travel for a living, and to small businessmen who have no choice except to pay the price. It will be punitive to farmers who cannot produce their crops without the use of petroleum products, but who cannot expect to recoup these additional costs readily at the market. If we are going to have rationing, it should not be market forces rationing, but administrative rationing accomplished on a fair and equitable basis.

PRICES WILL RISE

Additionally, if the prices of domestic crude oil and natural gas are left to market forces, we may be certain that coal prices will closely track gas and oil. We saw this happen in 1973 and 1974, when coal prices to electric utilities increased in the 150% to 200% range in less than 12 months. These incredible increases were in no way cost related, but simply reflected "coal's" response to the oil embargo.

Sharply higher natural gas, oil, and coal prices will mean even higher priced electricity. We all know that electric rates are already approaching levels which may well deny this basic energy source to millions of low income citizens.

I urge you to do everything in your power to: (1) maintain present price controls on domestic crude oil, and, (2) to support continued reasonable controls on the price of natural gas, such as those set forth in S. 692.

With kindest regards and best wishes.

Sincerely yours,

HUGH A. WELLS.

H.R. 8572 WOULD HELP ALL VETERANS

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. DODD. Mr. Speaker, I have recently introduced legislation to recognize representatives of the Polish Legion of American Veterans as claims agents for claims arising under laws administered by the Veterans' Administration, in the same way as representatives of the Disabled American Veterans, the Veterans of Foreign Wars, the United Spanish War Veterans, the American National Red Cross, and the American Legion are recognized.

This legislation would provide another avenue for many of our veterans who need assistance in dealing with the Veterans' Administration. Through enactment of this legislation, representatives of the Polish Legion of American Veterans could go before the Board of Veterans Appeals for a member of the organization to present the veteran's case.

The veterans in this country are clearly deserving of every bit of assistance the Congress can provide to work through the bureaucracy of the Veterans' Administration. There has been a great deal of publicity over the last few years of the failure of the Veterans' Administration to adequately provide services to the veteran. This legislation which I have introduced, H.R. 8572, would help fill this gap and I urge Members of Congress to recognize the need for this important legislation.

THE FORGOTTEN PATRIOT

HON. RICHARD T. SCHULZE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. SCHULZE. Mr. Speaker, it is a seldom heard fact that from July 29, 1775, until September 2, 1789, a Philadelphia merchant by the name of Michael Hillegas headed colonial and national fiscal affairs. Two hundred years ago today, Mr. Hillegas was designated a "Continental treasurer" and on September 6, 1777, by action of the Continental Congress, he became the first Treasurer of the United States.

As a recent article in the Philadelphia Inquirer points out, the noted historian Rev. Michael Reed observed that "Hillegas served in the difficult first years of government, when the war of arms was matched only by a contest of intellect: Groping uncharted risks requiring greatest possible skill, method, and integrity before enacted laws had become systemized. These were testing and trying times."

In this Bicentennial Congress, I believe it is important that we recall our heritage and the great achievements of our forgotten patriots. The great achievements of our forebears must not be overlooked. I would like to share with my colleagues the article from the Philadelphia Inquirer telling of the significant contribution of Michael Hillegas:

JULY 28, 1775—200 YEARS AGO: CONGRESS DEBATES THE APPOINTMENT OF A TREASURER

(By Edgar Williams)

It was hot and humid in Philadelphia, and the members of the Continental Congress were getting fidgety. It wasn't just the weather that made them so. The delegates were determined to adjourn by Aug. 1 for a six-week recess that would enable them to return to their home colonies to check grass-roots opinion. So, despite the heat, Congress had speeded up its pace.

On July 21, it had tabled Benjamin Franklin's plan for articles of confederation, because the plan smacked too much of independence for some delegates and went too far in the creation of centralized power to suit others. The same day, it had appointed commissioners to negotiate peace with the Indian tribes, and on July 26 it had established a Post Office Department, with Franklin as postmaster general.

Now, on Friday, July 28, Congress was debating the appointment of a treasurer for the united colonies. The next day, unable to choose between two outstanding candidates, Congress named them both, styling them "Continental treasurers."

The two were Philadelphia merchants, George Clymer, 36, and Michael Hillegas, 46. A year later, Clymer would resign his post to become a member of the Congress and a signer of the Declaration of Independence. Hillegas, on the other hand, would stay on and be chief financial officer of the fledgling nation until 1789 when Alexander Hamilton became the first secretary of the treasury under the Constitution.

In the Twentieth Century, Michael Hillegas, the first treasurer of the United States (a title given him by the Continental Congress on Sept. 6, 1777), the builder of the fiscal framework used by Hamilton, is virtually a "forgotten patriot."

Hillegas did as much—possibly more—to solve the financial problems of the struggling American government during the Revolution and in the critical years immediately thereafter as did the celebrated Robert Morris. As historian-clergyman Michael Reed Minnich observed in his biography of Hillegas in 1905, "Hillegas served in the difficult first years of government, when the war of arms was matched only by a contest of intellect: Groping uncharted risks requiring greatest possible skill, method and integrity before enacted laws had become systematized. These were testing and trying formative years."

Hillegas was not a colorful figure, but he brought off at least one spectacular feat. Just before the British occupied Philadelphia in October 1777, Hillegas managed to ship $100,000 in cash to Falckner Swamp in Hanover Township near Pottstown. The money was hidden in a Lutheran church, of which Hillegas' mother was a member, and proved vital in helping to finance the upsurge of the Continental Army, which began the following year.

Beginning in 1907, probably as a result of Minnich's biography, and continuing through 1922, U.S. $10 gold notes carried a portrait of Hillegas, under which appeared his name and the legend "First Treasurer of the U.S." Except for that relatively minor recognition, however, Hillegas and his accomplishments have been in historical limbo for almost two centuries.

FEDERAL RESERVE'S STRINGENCY THREATENS TO SHORTCHANGE ECONOMIC RECOVERY

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. REUSS. Mr. Speaker, many economists are warning that the Federal Reserve Board's monetary policy today is failing to provide the nourishment needed to pull the economy out of its slump. With nearly 9 percent of the work force unemployed, industry operating at only two-thirds of capacity, and demand very slack in most sectors of the economy, it is disturbing to see interest rates climbing back up.

An editorial and separate commentary in the issue of Business Week magazine dated August 4, 1975, emphasize that the kind of food-and-fuel inflation we have been suffering does not call for blunderbus monetary treatment, and that the "erratic, stop-go course the Fed has been following" endangers the steady recovery we need:

CLAMPING DOWN TOO SOON

The first faint signs of economic recovery seem to have thrown the Federal Reserve into another fit of anxiety about future inflation. It is not even certain yet that an uptrend has begun, but the money managers are swinging back toward tight credit as though they were dealing with a roaring boom.

This week the Fed sold Treasury bills out of its portfolio, a heavy-handed move designed to push interest rates up and shrink the bank reserves that are the basis of the nation's money supply. As a result, bank lending rates went up, with New York's First National City Bank leading the way to a 7½% prime rate.

This is a dangerously high rate for an economy just turning the corner of the worst recession in nearly four decades. Loan demand is still soft. Homebuilding, which usually leads the economy out of a slump, is still flat on its back. Capital spending is lagging. Money should be cheap; instead, it is so dear that borrowers already worry about the possibility of another credit crunch before yearend.

The Fed can point out that earlier this year the money supply was growing considerably faster than the 5% to 7½% target it has set for the 12 months ending in March, 1976. Slow growth is necessary now to bring the average into line with the goal.

But the basic duty of the Fed is to promote the economic health of the nation, not to make the statisticians happy. The 5% to 7½% growth rate was probably too low to begin with. If the economy needs faster growth to finance recovery, there can be no excuse for treating the old numbers as though they were graven on stone.

In its present, hesitant stage, the recovery needs nurturing. It needs ample credit at moderate rates, and it needs some assurance that policy will not change abruptly in the near future. The erratic, stop-go course the Fed has been following could easily abort the upturn and give the country a "double-dip" recession.

The Dangers of Aborting the Recovery

The economic recovery is no more than 10 weeks old. Yet it is already running into the kind of trouble that is almost certain to force some changes in economic policy.

The past few weeks have seen two economic developments that are far more usual in an upturn that is aging than in one that is still robustly youthful, let alone in an embryonic stage:

Prices are surging. The Consumer Price Index rose at a 9.6% annual rate in June, about twice as fast as in May and far faster than anyone either inside or outside the Administration had expected. Nor is the June surge in inflation likely to prove a one-month wonder. Led by raw agricultural products, sensitive commodity prices surged forward in July after three months of decline. This jump is almost certain to feed into consumer prices in July, August, and September. The economy is therefore faced with adjusting to what will be, at a minimum, a three-month bulge in the inflation rate.

Short-term interest rates are shooting up, contrary to the expectation of most money market seers. Since reaching a low of 5% in mid-June, the yield on three-month Treasury bills has risen by more than one percentage point, and the federal funds rate has climbed from 5.15% to about 6⅜%. The rise in short-term rates is remarkable; inventory cutting is apparently continuing and business loan demand is weak.

Partly luck. What has gone wrong? There is the old story about the man who wanted a shotgun marriage rather than the other kind because he preferred to be able to curse his luck rather than his judgment. To some extent, the rise in prices is simply bad luck. Food prices accounted for about half of the June rise in the CPI. The Administration has done what it could to spur agricultural production, and record crops are predicted for this year. But the demand for temperate-zone agricultural products is so strong that farm prices are nevertheless rising. The other area of price trouble, however, is not the result of bad luck. The Administration's levy on crude-oil imports is part of the reason gasoline prices jumped 3% in June and will jump again in July and August.

Administration spokesmen try to explain away the June surge in the CPI by saying that it is confined to these areas. But this doesn't get economic policy off the hook. The demand for food and gasoline is inelastic; the amount consumed doesn't fall much when the price rises. As a consequence, the strain imposed on consumer budgets by rising food and gas prices is felt most heavily by other industries, notably those that produce durable goods where consumer demand is highly postponable. These must improve if unemployment is to be cut.

Fed hangup. All of this seems to be lost on the Federal Reserve Board, which, on the evidence, is suffering from a psychological hangup resulting from a determination not to repeat past policy errors. It is this hangup that explains the rise in interest rates in the face of weak loan demand. In a determined effort to keep the growth of the money supply from exceeding 5% to 7½% on an annual basis, the Federal Reserve has sold Treasury bills over the past couple of weeks to shrink bank reserves.

It may well turn out to be an irony of history that the lingering impact of the Watergate year of 1972 is felt mainly in the formulation of economic policy. Money supply growth rose to 9% that year. And the Fed was stung with the criticism that it deliberately engineered rapid money growth as a contribution to Richard Nixon's reelection. The record is still opaque on this point, but the criticism nevertheless haunts Federal Reserve Board Chairman Arthur F. Burns as the U.S. again moves close to a Presidential election.

The Fed is also upset by what happened in May and June, when a decision to finance the tax rebates with fresh money raised the money supply growth rate to more than 15%, a figure far higher than the Fed had expected. The current throttling back in the rate of monetary growth therefore results from a mixture of both long-run and short-run concerns.

The surge in farm prices does demonstrate that the Administration shares the plight of the ordinary individual: Neither is total master of his own fate. However, it would be a mistake to respond to the new outburst of commodity inflation by keeping policy tight. Short of provoking a massive recession, there is simply no way that tight money and fiscal policy can stop food prices from rising. If policy doesn't ease now, there is an excellent chance that the recovery will never really get going. The policy consequence would be a swing toward economic planning and capital allocation. This is surely the thing that President Ford wants least.

ON THE NEED TO KEEP ISRAEL IN THE UNITED NATIONS

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. BIAGGI. Mr. Speaker, I have introduced House Resolution 615 expressing the disapproval of the House of Representatives to the efforts by third world nations to have Israel expelled from the United Nations. The resolution provides that if this move is successful the United States would undertake a close review of its present commitments to those third world nations involved in the expelling move. Further, the resolution provides that the United States would consider seriously the implications of continued membership in the United Nations under such circumstances.

I am hopeful that the House will join with the Senate in passing this resolution. It is imperative that we emerge in the forefront of opposition to this brazen and dangerous move. Thus far the resolution enjoys the support of some 50 of my colleagues. I urge additional support and hope that it can be considered prior to the recess.

At this point in the Record, I would like to insert the remarks of Foreign Minister Yigel Allon before the Knesset discussing Israel's status in the United Nations. I urge all my colleagues to read this material and join me in support of House Resolution 615.

Mr. Allon's remarks follow immediately:

Israel's Status in the United Nations

I do not make light—and I do not propose that any of us make light—of the threat recently posed to Israel's status in the UN as a member of equal standing in all respects. Admittedly, the expulsion of Israel from membership of the United Nations Organization does not appear imminent at this time—so long as such a decision is in the hands of the Security Council. But in the light of the current composition of the General Assembly, and the motives that determine the position of most of its members, there does exist a tangible risk that a decision will be taken which may adversely affect our status in the UN, whether by preventing our participation in the General Assembly's debates, or by some other means.

Israel will regard any such decision, any measure prejudicial to its status, if passed, as an extremely grave step, utterly incompatible with the UN Charter, a step which in fact—and first and foremost—undermines the United Nations Organization itself and its declared purposes.

SHEER MOCKERY

To recall today the expressions of hope and faith which at the time—at the close of the most terrible of wars—attended the establishment of the United Nations would sound like sheer mockery. The UN has experienced a precipitous decline since those remote days when its founding was attended by lofty aspirations for the establishment of a new world order, based on the peaceful solution of conflicts, as stated in the orotund Preamble to its Charter—which speaks, inter alia, of the saving of "future generations from the scourge of war," of the creation of "conditions under which justice" can be maintained, and of the resolute determination of the member states "to practice tolerance and live together in peace with one another as good neighbors." This Preamble sounds as though it had come from another world.

Israel has been a member of the United Nations for 26 years—since May 11, 1949—and we cannot complain that we have been spoiled by it. Even the positive and historic Resolution of November 29, 1947, when it was violated and put to the test by the invasion of the Arab States, left Israel on its own in the war for its existence, with the UN, to all intents and purposes, standing aloof. At that time, all we had was our own strength and the stability of our Zionist enterprise: without them, the Resolution for the establishment of the Jewish State would have been no more than a dead letter. Since those distant days, we have suffered much from a discriminatory attitude. We have experienced a lengthy chain of disappointments from the UN, whether as an instrument for preserving peace in the region, or as the international organization meant to give expression to new criteria of relations marked by peace, respect and mutual cooperation among its members.

RESOLUTION 242 AND 338

Nonetheless, we have not despaired of the United Nations, which, as it stands, still constitutes the sole political framework for all the nations of the world. We cooperated, to the utmost of our ability, in the constructive operations carried out by various bodies in the economic, social and cultural spheres, and the provisions of aid to developing countries. We also gave our consent to Security Council Resolutions 242 and 338, as resolutions establishing—as they stand—the only basis on which we would negotiate with our neighbors, whether for an overall peace, or for interim settlements on the road to peace.

And it is noteworthy that the UN—as the body that counter-signed the Disengagement Agreements between Israel and Egypt and between Israel and Syria, as the body that helped to convene the Geneva Conference and whose Secretary-General chaired its first session, as the body in charge of the Emergency Force in Sinai and the Golan, and responsible for its financing, and as the body one of whose agencies is responsible for the welfare of the Arab refugees—it is noteworthy that the UN is involved in our region to a far greater degree than in any other region in the world.

A TEST FOR UN ITSELF

As I have noted, the United Nations has very little left of its original aims, but even this little is absolutely conditional upon the observance of the fundamental principles underlying its foundation and inscribed in its Charter. Primary among these are the principles of the universality of membership in the organization and the sovereign equality of all its members. Article 2 of the UN Charter clearly establishes that "the Organization is based on the principle of the sovereign equality of all its members." Anyone who robs the UN of these fundamental principles not only robs it of its last remaining breath, but opens a door which must lead to the final collapse of the entire organization.

From this decisive point of view, the machinations of the Arab States against Israel's status in the UN constitute more of a test for the UN itself than for Israel. Should it surrender to these machinations, it is the UN that will suffer by bringing about its own self-liquidation—not only as an international forum which can claim to possess any sort of moral validity, but also as a means—however flawed and defective—for the promotion of peace in the region and the world.

It would, therefore, be advisable for all the UN member States—and, in this connection, perhaps, especially the countries numbered among the Third World—to remember well the fate of the first international organization, the League of Nations, when it estranged itself from the fate of another small nation—Ethiopia—which was then struggling for its survival.

ATTEMPT TO ISOLATE ISRAEL

Israel is, of course, aware of the stubborn attempt of the Arab countries to isolate us in the world and to ostracize us from what is termed "the family of nations." This is a cunning and continuous effort, which had its beginnings several years ago, and which pins its hopes on the hypocrisy, the cynical selfishness and the cowardice which, to our regret, characterize the behavior of a large number of countries in the international sphere.

Against these repeated machinations, we are engaged in an unremitting struggle, both vis-a-vis enlightened public opinion and in every international forum—and, as the experience of our struggle against UNESCO demonstrates, not always without success. The same applies to the abortive attempt of the Arab States to suspend Israel from the Assembly of the World Health Organization—and to the courageous decision of the Government of Canada, which refused to host the UN Conference on Crime Prevention in Toronto.

At this time, too, we are in the midst of a difficult campaign in resisting the efforts of the Arab States—expressed in the decision of the Moslem Foreign Ministers in Jedda on the 16th of this month—to undermine our status and deprive us of our rights in the United Nations Organization itself. Indeed, in recent days, a number of enlightened countries have made important and unequivocal statements against the Arab scheme. Of these, I shall note the statements by the American Secretary of State, the Resolution of the Heads of Government of the European Community, the forceful Resolution of the American Senate and the official declarations of the Governments of France, Holland, Austria, Britain, Denmark, Norway, and, of course, Canada.

In this sphere, Israel will, of course, continue, extend and deepen its struggle, both in the diplomatic arena and on the information front.

THE AUTOMATIC HANDS

Yet I am obliged in all candor to tell the House: We must not delude ourselves. However positive and unequivocal may be the declarations made, and yet to be delivered, by enlightened countries, whatever promises we have received from a whole list of countries—these alone, I fear, will not suffice. The issue confronting us is not a matter of justice and law. If that were the case, had these been the determining criteria, we would have had nothing to worry about. The trouble is that, with the unrestrained tyranny of the artificial majority which rules the United Nations by its votes, there is no idea—however twisted, illegal or crazy it may be—that cannot be assured of an automatic majority. If this effort is not vigorously opposed and nipped in the bud, the automatic hands will always be raised. The aim of the ramified activity that we are developing in a systematic effort to preserve our rights in the U.N. to the full is not so much to prevent a majority after the resolutions are presented and the machinations carried out in the Assembly itself—here, I am afraid, the countries of oil and fanaticism will always achieve a technical majority; the aim is to deter the plotters even before they arrive at the Assembly. In order to achieve this, the enlightened countries that are concerned about the fate of the U.N. will have to take more vigorous measures than they have done so far, in the spirit of the Resolution adopted last week by the U.S. Senate. In other words, the responsible countries will have to make it crystal-clear to those who are plotting the attack on us, as well as to their potential partners, that the fate of Israel in the U.N. will determine the fate of the U.N. itself, and that if Israel is suspended from the deliberations of the Assembly, or if its status is affected in any way, its friends, through their solidarity with it, and through their concern for the fate of the U.N. itself, will see to it that Israel shall not find itself alone in this position. If there is a time and place at which the specific influence of the responsible countries can finally put an end to the irresponsible tyranny of the automatic majority in the U.N.—this is the time, and this is the place.

Israel is entitled to expect such support, not only from those countries which are its outspoken friends, but also from those countries that still hold dear what remains of the image of the UN as the organization of the world's nations. For, without Israel as a member with equal rights, there will be no universality and equality in the UN. And without universality and equality, the UN will not be the United Nations. The matter is in their hands.

RECIPROCITY—THE ONLY BASIS

In any case, if our enemies are permitted to accomplish their design and to undermine Israel's status in the UN, the nations of the world will not be able to expect us to take such an arbitrary attack lying down. Israel will be able to exist, to advance and to develop even without the UN. But we, for our part, will not be able to act towards the UN other than on a basis of reciprocity.

Should the UN undermine even one of Israel's rights as an equal member of the world organization, Israel must not be expected to pay attention to the views of the UN, or to cooperate with it, either in the region or in the world, as it has done until now. In such an event—should it indeed come to pass—Israel will have to reconsider its policy towards UN activities, including the role being fulfilled by the UN and its institutions in the efforts to establish and preserve peace in the region. The suspension of Israel's participation in the debates of the General Assembly, or any other undermining of its status, may prove to be the suspension of the UN itself, or a blow to the authority and work of its own institutions.

The substance of the campaign is still before us, and I shall not prophesy how it will end. There is a chance of success in our efforts. I move that the subject be referred to the Defense and Foreign Affairs Committee for continued consideration.

SMOKING AND ACCIDENTS

HON. GUNN McKAY

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. McKAY. Mr. Speaker, for years we have been aware of the hazards of disease as a result of smoking. Recently, however, science is finding out that there are other health and social problems related to this practice. I would like to submit an article published recently in the Deseret News in Salt Lake City, and I hope it will be of interest to my colleagues.

The article follows:

SMOKING AND ACCIDENTS

The research team of Adams and Williams of Columbia University, making a study of the relationships between traffic accidents and smoking tobacco, came up with some interesting facts.

They learned that in both high-accident and median-accident groups, most of the drivers were smokers. In contrast to that they discovered that the no-accident groups studied had relatively few smokers among them.

Says their report:

"Data were available with information on the driving accident and violation records of 1,025 male-insurance applicants between the ages of 18 and 25 years. Most of these young men were students.

"On the basis of these records, subjects were divided into three accident-violation groups—a low group which had no accidents or violations, a high group whose driving licenses had been suspended or revoked, and a medium group which had accidents and-or violations on their records, but not enough for suspension of license.

"The total sample was divided randomly into sub-samples of equal size to see if results in one sub-sample would be confirmed in the second. When the three groups were compared as to proportions of smokers in each group, we found the following:

"In sub-sample 1:

"No accident-violation group, 18.6% smoked;

"Median accident-violation group, 32.9% smoked;

"High accident-violation group, 54.3% smoked;

"In sub-sample 2:

"No accident-violation group, 15.9% smoked;

"Median accident-violation group, 25.8% smoked;

"High accident-violation group, 37.5% smoked.

"The higher proportion of smokers in the high accident-violation category is statistically significant (chi square test). A suggested explanation of this association might begin by noting that nicotine, like alcohol, is a habit-forming drug.

"The habitual smoker or drinker depends on an agent external to himself—the drug—to attain a desired psychological state. 'Psychogenic dependence is the common denominator of all drug habits.

"Heavy reliance on drugs may be indicative of overdependency. This relates to accident involvement in that overdependency is the opposite of responsibility, the essential basis of safety consciousness.

"With this evidence, some insurance companies have compared the driving records of a group of nonsmoker life policyholders, a comparable group of smokers, and found the results to be similar to the Columbia Study.

"On the basis of this survey, they conducted tests in two states which supported the findings and conclusions of their research. They now offer the nonsmoker policy in all the states where they do business."

Airline pilots have become interested in this matter, and have carried a full discussion of the reports in their publication known as "The Cockpit".

HOUSE OF REPRESENTATIVES—*Wednesday, July 30, 1975*

The House met at 10 o'clock a.m.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Restore unto me the joy of Thy salvation; and uphold me with Thy free spirit.—Psalms 51: 12.

O God, our Father, help us to use this day in such a way that Thou canst hallow it with Thy blessing and glorify it with Thy presence. May we be strong enough to do the things we ought to do and courageous enough not to do the things we ought not to do. Grant us faith to stand for what is right and good and true that we may lead our Nation along the way to peace on Earth, good will among men.

Bless those who are near and dear to us. Strengthen them with Thy Spirit. Bless all who are walking along the paths of sorrow, sickness, and adversity. Comfort them with Thy power.

Bless our Nation with Thy favor. Make us as a people one in spirit, one in purpose, and one in an endeavor to keep our country free that in a real way we may be a channel for peace in our world. Amen.

THE JOURNAL

The **SPEAKER**. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Marks, one of his secretaries, who also informed the House that on July 25, 1975, the President approved and signed bills of the House of the following titles:

H.R. 5710. An act to amend the Marine Protection, Research, and Sanctuaries Act of 1972 to authorize appropriations to carry out the provisions of such act for fiscal year 1976 and for the transition period following such fiscal year, and for other purposes; and

H.R. 6950. An act making appropriations for the legislative branch for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 49. An act to authorize the Secretary of the Interior to establish on certain public lands of the U.S. national petroleum reserves the development of which needs to be regulated in a manner consistent with the total energy needs of the Nation, and for other purposes;

H.R. 2559. An act to amend title 39, United States Code, to apply to the U.S. Postal Service certain provisions of law providing for Federal agency safety programs and responsibilities, and for other purposes; and

H.R. 5247. An act to authorize a local public works capital development and investment program.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2173. An act to fully explore and develop the naval petroleum reserves of the United States and to permit limited production with revenues derived therefrom to be placed in a special account, and for other purposes.

PERSONAL EXPLANATION

(Mr. **DAN DANIEL** asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. **DAN DANIEL**. Mr. Speaker, on July 28 when the conference report on the Voting Rights Act amendments was before the House, I voted "yea" on agreeing to the Senate amendments.

This was unintentional. The bill is obviously discriminatory, and I have consistently opposed the bill and the concept that any of the several States should be singled out.

I want the RECORD to show that I am opposed to this legislation.

SHUSTER BLASTS CONGRESSIONAL PAY RAISE

(Mr. **SHUSTER** asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. **SHUSTER**. Mr. Speaker, the proposed pay increase for Congress is wrong for two reasons and I shall vigorously oppose it.

It is wrong for Members of a current Congress to vote themselves a raise. Any such increase should not take effect until the next Congress so the people can vote for or against the Members in an election prior to the increase taking effect.

It is also wrong for Members of Congress to give themselves an automatic cost-of-living increase because it is the big spenders in Congress who cause the cost of living to rise through deficit spending.

Consider the self-serving irony: First, Congress votes itself an automatic cost-of-living increase; then it continues to vote for big spending programs which will create an $80 billion deficit next year; the deficit forces the Federal Reserve to print more paper money to pay the Government's bills which in turn increases inflation; inflation drives up the cost of living and Congress automatically gets a pay raise.

The American people would be better off if Congress got a pay decrease when the cost of living went up and a pay increase when the cost of living went down. Then we might see more fiscal responsibility in Washington.

AMENDING THE RAILROAD UNEMPLOYMENT INSURANCE ACT TO INCREASE UNEMPLOYMENT AND SICKNESS BENEFITS

Mr. **STAGGERS**. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 8714) to amend the Railroad Unemployment Insurance Act to increase unemployment and sickness benefits, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 13, strike out all after line 5 over to and including line 3 on page 15.

The **SPEAKER**. Is there objection to the request of the gentleman from West Virginia?

Mr. **BAUMAN**. Mr. Speaker, reserving the right to object, I wonder if the gentleman from West Virginia could give the House assurances both that this does not contain any nongermane amendments and that it has been cleared with the minority members of the committee.

Mr. **STAGGERS**. If the gentleman will yield, it has been cleared. It does not contain any amendment. In fact, it struck out title III which was added here on the floor.

Mr. **BAUMAN**. I thank the gentleman.

Mr. Speaker, I withdraw my reservation of objection.

The **SPEAKER**. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. SARBANES. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 453]

Abzug
Alexander
Ambro
Andrews, N.C.
Ashbrook
Bell
Bevill
Biester
Brown, Calif.
Buchanan
Burke, Calif.
Burton, John
Burton, Phillip
Chisholm
Conyers
Dellums
Dickinson
Downing, Va.
Drinan
Esch
Ford, Mich.
Fulton
Fuqua
Giaimo
Harkin
Harsha
Hayes, Ind.
Heckler, Mass.
Howe
Ichord
Jarman
Jenrette
Jones, Ala.
McCormack
McKay
Macdonald
Matsunaga
Michel
Mollohan
Moss
Railsback
Rees
Risenhoover
Rosenthal
St Germain
Sarasin
Scheuer
Stanton, James V.
Stokes
Teague
Udall
Vanik
Wilson, C. H.

The SPEAKER pro tempore (Mr. McFALL). On this rollcall 381 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

REQUEST FOR PERMISSION FOR COMMITTEE ON RULES TO FILE PRIVILEGED REPORTS

Mr. SISK. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, would the gentleman from California explain to us what privileged reports he is referring to.

Mr. SISK. If the gentleman will yield, H.R. 2559 will be one of the rules certainly. The hearings will be conducted this morning.

Mr. BAUMAN. I would object to that request, Mr. Speaker.

The SPEAKER pro tempore. Objection is heard.

PERMISSION FOR SUBCOMMITTEE ON INDIAN AFFAIRS TO SIT DURING HOUSE SESSION TODAY

Mr. MEEDS. Mr. Speaker, I ask unanimous consent that the Subcommittee on Indian Affairs be allowed to sit during the 5-minute rule today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

CONFERENCE REPORT ON H.R. 4723, AUTHORIZATION ACT FOR NATIONAL SCIENCE FOUNDATION

Mr. SYMINGTON submitted the following conference report and statement on the bill (H.R. 4723) authorizing appropriations to the National Science Foundation for fiscal year 1976:

CONFERENCE REPORT (H. REPT. No. 94-422)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4723) National Science Foundation Authorization Act, 1976, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That there is hereby authorized to be appropriated to the National Science Foundation for the fiscal year ending June 30, 1976, for the following categories:

(1) Scientific Research Project Support, $377,600,000.

(2) National and Special Research Programs, $109,800,000.

(3) National Research Centers, $60,200,000.

(4) Research Applied to National Needs, $70,500,000.

(5) Science Education Innovation, $39,800,000.

(6) Science Education Support, $35,300,000.

(7) Graduate Student Support, $16,400,000.

(8) Science Information Activities, $6,600,000.

(9) International Cooperative Scientific Activities, $8,000,000.

(10) Intergovernmental Science and R. & D. Incentives Programs, $10,000,000.

(11) Science Assessment, Policy, and Advisory Activities, $11,100,000.

(12) Program Development and Management, $41,700,000.

SEC. 2. (a) Notwithstanding any other provision of this or any other Act—

(1) of the total amount authorized under section 1, not less than $39,800,000 shall be available for the purpose of "Science Education Innovation";

(2) of the total amount authorized under section 1, not less than $35,300,000 shall be available for the purpose of "Science Education Support";

(3) of the total amount authorized under section 1, not less than $16,400,000 shall be available for the purpose of "Graduate Student Support";

(4) of the total amount authorized under section 1, category (6), not less than $3,000,000 shall be available for "Undergraduate Research Participation";

(5) of the total amount authorized under section 1, category (6), not less than $2,500,000 shall be available for "Secondary School Student Science Projects";

(6) of the total amount authorized under section 1, category (6), not less than $2,000,000 shall be available for "Science Faculty Fellowships";

(7) of the total amount authorized under section 1, not less than $6,600,000 shall be available for "Science Information Activities";

(8) of the total amount authorized under section 1, category (4), not less than $25,000,000 shall be available for environmental research, including $5,500,000 for earthquake engineering;

(9) of the total amount authorized under section 1, category (4), not less than $23,000,000 shall be available for "Applied Social Research" and for "Policy-Sciences Research" directed toward increasing the cost-effectiveness of policies and programs dealing with urban and human service problems at the Federal, State, and local government levels. Such funds shall not be available for use with respect to any program or activity if such use would result in a substantial duplication of any prorgam or activity which is receiving other Federal financial assistance. Such funds may be used to identify, analyze, and contribute knowledge to improved productivity in the public sector; identify, analyze, and evaluate more effective, efficient, and equitable ways to deliver human services; and develop the data base and analytical techniques required for improving applied research on municipal systems and human service delivery;

(10) of the total amount authorized under section 1, category (4), not less than $1,000,000 shall be available for the purpose of "Fire Research." The transfer of this program to the Fire Research Center of the National Bureau of Standards (15 U.S.C. 278 f.) during the fiscal year ending June 30, 1976, is authorized;

(11) of the total amount authorized under section I, caterogy (4), not less than 7.5 per centum of such amount shall be expended to small business concerns;

(12) of the total amount authorized under section 1, category (6), not less than $7,000,000 shall be available for "Ethnic Minorities and Women in Science Program"; and not less than $1,500,000 thereof shall be available to develop and test methods of increasing the flow of women into careers in science;

(13) of the total amount authorized under section 1, category (10), not less than $8,000,000 shall be available for the "Intergovernmental Science Program";

(14) of the total amount authorized under section 1, category (11), not less than $1,500,000 shall be available for programs related to the ethical and human value implications of science and technology; and

(15) the amount of $5,500,000 for "Institutional Improvement for Science" which was authorized and appropriated to the National Science Foundation for the fiscal year ending June 30, 1975, and which remains unobligated as of the close of the fiscal year ending June 30, 1975, shall be merged with and added to the amount authorized under section 1, category (6) ("Science Education Support"), of this Act.

(b) After the date of enactment of this Act the Director of the National Science Foundation, shall require, as a condition of any award made by the National Science Foundation for the purpose of precollege science curriculum development activities, that the awardee, and any subcontractors involved in the distribution, marketing, or selling of such science curricula, shall include in any testing agreement, sales contract, or other comparable legal instrument a provision requiring that all instructional materials, including teacher's manuals, films, tapes, or other supplementary instructional materials developed or provided under such award, subcontract, or other legal instrument, will be made available within the school district using such materials for inspection by parents or guardians of children engaged in educational programs or projects of that school district. In addition, the Director of the National Science Foundation shall take such action as may be necessary and feasible to modify awards made for the purpose of precollege science curriculum development and implementation activities on or before the date of enactment of this Act to include such a provision in all possible cases.

(c) The National Science Foundation is authorized and directed to conduct a Research Initiation and Support program, referred to hereinafter as RIAS. RIAS shall have the purpose of strengthening programs of training and research for young scientists at the graduate and postgraduate levels at educational institutions. Awards under this program may include support for exploratory research by such young scientists, the acquisition of instruments, equipment, and facilities for research and training, and other programs and activities aimed at meeting departmental, interdepartmental, or institutionwide training and research needs, or a combination thereof. Awards under RIAS shall be made on a competitive basis and may cover periods not to exceed four years. Notwithstanding any provisions of this or any other Act, of the total amount authorized under section 1, category (6), not less than $5,000,000 shall be available for RIAS.

(d) The National Science Foundation is authorized and directed to conduct a Comprehensive Assistance to Undergraduate Science Education program, referred to hereinafter as CAUSE. CAUSE shall have the purpose of strengthening the science education capabilities of predominantly undergraduate educational institutions and departments or groups of departments thereof through awards to four-year colleges, to two-year colleges, to the undergraduate component of advanced degree institutions, and to groups of such institutions. Notwithstanding any provisions of this or any other Act, of the total amount authorized under section 1, category (6), not less than $15,000,000 shall be available for CAUSE and not less than $3,500,000 thereof shall be awarded to two-year institutions. Awards within each category of CAUSE shall be made on a competitive basis.

(e) As used in this Act, "Science Education Innovation" means projects aimed at the development of new approaches to the teaching of science to students, teachers, and professionals, including but not limited to new curricula, new technologies, new methods, and retraining or other efforts to make the existing scientific manpower pool better able to fulfill the Nation's manpower needs. As used in this Act, "Science Education Support" means projects aimed at building a capability to teach science, including but not limited to awards for equipment, conferences, and institutional development.

Sec. 3. The Director of the National Science Foundation is authorized and directed to prepare a comprehensive plan for the establishment and conduct of a "Science for Citizens Program". Such program shall be designed—

(1) to improve public understanding of public policy issues involving science and technology;

(2) to facilitate the participation of experienced scientists and engineers as well as graduate and undergraduate students in public activities, including community and citizen group activities, aimed at the resolution of public policy issues having significant scientific and technical aspects;

(3) to enable nonprofit citizens public interest groups to acquire necessary technical expertise to assist them in dealing with the scientific and technical aspects of public policy issues; and

(4) to provide grants and contracts to academic and other nonprofit organizations for the conduct of applied research designed to improve the effectiveness of the programs conducted under paragraphs (1), (2), and (3) of this section.

The comprehensive plan provided for in this section shall be submitted to the Committee on Science and Technology of the House of Representatives and the Committee on Labor and Public Welfare of the Senate within six months from the date of enactment of this Act.

Sec. 4. The Director of the National Science Foundation is authorized and directed to prepare a comprehensive plan to facilitate the participation of members of the public in the formulation, development, and conduct of the National Science Foundation's programs, policies, and priorities and to submit the resulting recommendations, plans, and other findings to the Committee on Science and Technology of the House of Representatives and the Committee on Labor and Public Welfare of the Senate within one hundred and twenty days from the date of enactment of this Act.

Sec. 5. In the conduct of the energy research and development activities under the "Research Applied to National Needs" category, the National Science Foundation shall coordinate all new project awards with the Administrator of the Energy Research and Development Administration or his designee.

Sec. 6. (a) The National Science Foundation is authorized to establish the Alan T. Waterman Award for research or advanced study in the mathematical, physical, medical, biological, engineering, social, or other sciences. The award authorized by this section shall consist of a suitable medal and a grant not to exceed $50,000 per year for a period not to exceed three years to support further research or study by the recipient.

(b) Awards under this section shall be made to recognize and encourage the work of younger scientists whose capabilities and accomplishments show exceptional promise of significant future achievement.

(c) No more than one award shall be made under this section in any one fiscal year.

Sec. 7. Appropriations made pursuant to this Act may be used, but not to exceed $5,000, for official consultation, representation, or other extraordinary expenses upon the approval or authority of the Director of the National Science Foundation, and his determination shall be final and conclusive upon the accounting officers of the Government.

Sec. 8. In addition to such sums as are authorized by section 1, not to exceed $4,000,000 is authorized to be appropriated for the fiscal year ending June 30, 1976, for expenses of the National Science Foundation incurred outside the United States to be paid for in foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States.

Sec. 9. Appropriations made pursuant to authority provided in sections 1 and 8 shall remain available for obligation, for expenditure, or for obligation and expenditure, for such period or periods as may be specified in the Acts making such appropriations.

Sec. 10. No funds may be transferred from any particular category listed in section 1 to any other category or categories listed in such section if the total of the funds so transferred from that particular category would exceed 10 per centum thereof, and no funds may be transferred to any particular category listed in section 1 from any other category or categories listed in such section if the total of the funds so transferred to that particular category would exceed 10 per centum thereof, unless—

(A) a period of thirty legislative days has passed after the Director of the National Science Foundation or his designee has transmitted to the Speaker of the House of Representatives and to the President of the Senate and to the Committee on Science and Technology of the House of Representatives and to the Committee on Labor and Public Welfare of the Senate a written report containing a full and complete statement concerning the nature of the transfer and the reason therefore, or

(B) each such committee before the expiration of such period has transmitted to the Director written notice to the effect that such committee has no objection to the proposed action.

Sec. 11. Notwithstanding any other provision of this or any other Act, the Director of the National Science Foundation shall keep the Committee on Science and Technology of the House of Representatives and the Committee on Labor and Public Welfare of the Senate fully and currently informed with respect to all of the activities of the National Science Foundation.

Sec. 12. This Act may be cited as the "National Science Foundation Authorization Act, 1976".

And the Senate agree to the same.

Olin Teague,
J. W. Symington,
Don Fuqua,
Walter Flowers,
Mike McCormack,
C. A. Mosher,
Marvin L. Esch,
Managers on the Part of the House.

Edward M. Kennedy,
Claiborne Pell,
Tom Eagleton,
Alan Cranston,
Walter F. Mondale,
Paul Laxalt,
Robert T. Stafford,
Dick Schweiker,
Managers on the Part of the Senate.

JOINT EXPANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4723) National Science Foundation Authorization Act, 1976, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The amendment of the Senate struck out all after the enacting clause in the House bill and substituted new language. The committee of conference agreed to accept the Senate amendment with certain amendments and stipulations proposed by the conferees.

The National Science Foundation requested authorization in the amount of $751,400,000 for fiscal year 1976, plus $4,000,000 in excess foreign currencies. The House authorized the amounts requested. The respective Senate figures were $822,600,000 and $4,000,000 in excess foreign currencies.

The committee of conference recommends $787,000,000, plus $4,000,000 in excess foreign currencies. This figure is $35,600,000 more than authorized by the House and $35,600,000 less than authorized by the Senate for fiscal year 1976.

The specific actions taken by the conference are as follows:

SECTION 1—FUNDS

1. For Scientific Research Project Support, the budget request of the National Science Foundation was $380,000,000. The House authorized $366,300,000 and the Senate authorized $389,000,000. The conferees agreed on $377,600,000.

2. For National and Special Research Program the Foundation requested $115,500,000. The House authorized $101,500,000 and the Senate authorized $113,500,000. The conferees agreed on $109,800,000, which includes $2,800,000 for the construction of coastal research vessels.

3. For National Research Centers, the House, the Senate and the conferees approved the Foundation request for $60,200,000.

4. For Research Applied to National Needs the Foundation requested $79,500,000. The House authorized $60,000,000 and the Senate authorized $81,000,000. The conferees agreed on $70,500,000.

5. & 6. For Science Education Improvement the Foundation requested $50,000,000. The House authorized $39,800,000 for Science

Education Innovation and $34,700,000 for Science Education Support; the Senate authorized $70,000,000 for Science Education Improvement and $15,000,000 for Institutional Support. The conferees agreed on $39,800,000 for Science Education Innovation and $35,300,000 for Science Education Support. No funds are recommended by the conferees for Institutional Support.

7. For Graduate Student Support the Foundation requested $14,800,000. The House authorized $15,800,000 and the Senate authorized $17,000,000. The conferees agreed on $16,400,000.

8. For Science Information Activities the Foundation requested $6,000,000. The House authorized $6,200,000 and the Senate authorized $7,000,000. The conferees agreed on $6,600,000.

9. For International Cooperative Activities the House, the Senate and the conferees approved the Foundation request for $8,000,000.

10. For Intergovernmental Science and R&D Incentives the Foundation requested $3,000,000. The House authorized $8,000,000 and the Senate authorized $12,000,000. The conferees agreed on $10,000,000.

11. For National R&D Assessment, Planning and Policy Studies, Science Advisory Activities, and Ethical and Human Value Implications of Science and Technology the Foundation requested $9,600,000. The House approved $9,200,000 for Science Assessment, Policy and Advisory Activities and $400,000 for Ethical and Human Value Implications of Science and Technology. The Senate approved the budget request and an additional $1,500,000 for Ethical and Human Value Implications of Science and Technology. The conferees agreed on $11,100,000 for Science Assessment, Policy and Advisory Activities, including the additional $1,500,000 for Ethical and Human Value Implications of Science and Technology.

12. For Program Development and Management, the House, the Senate, and the conferees approved the Foundation request for $41,700,000.

SECTION 2—FUNDING LEVELS AND PROGRAMS

Section 2(a)—Obligation minima

The bill as passed by the House included minimum obligation levels for the following program activities:

(1) Science Education Innovation, $39,800,000.

(2) Science Education Support, $34,700,000, which included five sub-floor limitations. The latter were $3,000,000 for Undergraduate Research Participation, $2,500,000 for Secondary School Student Science Projects, and $2,000,000 for Science Faculty Fellowships, and $18,000,000 for CAUSE (including $3,500,000 for two-year institutions).

(3) Graduate Student Support, $15,800,000.

(4) Intergovernmental Science Program, $6,000,000.

(5) Research Applied to National Needs, $23,000,000 for Applied Social Research and for Policy Sciences Research; and $1,000,000 for Fire Research.

The Senate included minimum obligation levels for the following:

(1) Institutional Improvements for Science, $15,000,000.

(2) Science Education Improvement, $70,000,000, which included two sub-floor limitations. The latter were $9,600,000 for Ethnic Minorities and Women in Science and $21,900,000 for Elementary and Secondary School Programs.

(3) Intergovernmental Science Program, $10,000,000.

(4) Science Information Activities, $7,000,000.

(5) Research Applied to National Needs, $25,000,000 for environmental research, including $5,500,000 for earthquake engineering.

(6) Ethical and Human Value Implications of Science and Technology, $1,500,000.

(7) Research Applied to National Needs—not less than 10% of such funds shall be expended to small business concerns.

The Conferees agreed to the following minimum obligations levels:

(1) Science Education Innovation, $39,800,000 floor.

(2) Science Education Support—$35,300,000 floor with subfloors including $3,000,000 floor for Undergraduate Research Participation, $2,500,000 floor for Secondary School Student Science Projects, $2,000,000 Science Faculty Fellowships, $15,000,000 floor for CAUSE (including $3,500,000 floor for two-year institutions), $5,000,000 for RIAS and $7,000,000 floor for Ethnic Minorities and Women in Science (including $1,500,000 to develop and test methods of increasing the flow of women into science careers). The Conferees expect that the increase in the Ethnic Minorities and Women in Science program, together with carryover funds from fiscal year 1975, will enable the Foundation to increase funding of programs for ethnic minorities and to conduct more effective programs to encourage women to enter careers in science and technology.

(3) Graduate Student Support, $16,400,000 floor.

(4) Science Information Activities, $6,600,000 floor.

(5) Research Applied to National Needs—$25,000,000 floor for environmental research including $5,500,000 floor for earthquake engineering; $23,000,000 floor for Applied Social Research and for Policy Sciences Research, with the proviso that such research should not substantially duplicate other federally funded research; and not less than 7.5% of available funds to be expended to small business concerns. The Conferees also agreed that the Foundation should make an effort to expend up to 10% to small business concerns and indicated that for fiscal year 1977 a set-aside at that level should be considered; and $1,000,000 floor for fire research with a proviso authorizing the transfer of the NSF/RANN Fire Research program to the Fire Research Center of the National Bureau of Standards, The Fire Research Center was established under the Federal Fire Prevention and Control Act of 1974 as a focus for fire related research separate from the National Fire Prevention and Control Administration, and the conferees agreed that the NSF/RANN fire research program should be transferred to this Center.

(6) Intergovernmental Science Program, $8,000,000 floor.

(7) Ethical and Human Value Implications of Science and Technology, $1,500,000.

Section 2(b) Instructional Materials

The House bill included a section providing that instructional science curriculum materials developed under grants from the NSF must be made available for inspection in local school districts to the parents of children using such materials. The Senate bill include no comparable provision.

The Committee of Conference concluded that this provision confirms the principle parental access, at the local level to teaching materials used by their children. To insure that the provision will be most useful in practice the section was rewritten in a manner that will insure the incorporation of an appropriate clause in all future awards. For awards made in the past the NSF Director is requested to include the appropriate clause to the maximum possible extent.

Section 2(c) Graduate and Postgraduate Training and Research

The conferees agreed that graduate and postgraduate training and research programs at educational institutions require continued assistance from the Foundation. Concern was expressed, however, that in the past such assistance, under the Institutional Improvement for Science program was based on formula grants rather than on a demonstration of need, and that institutions were not required to submit, prior to the award of a grant, a statement of the purposes for which the grant would be used.

The program of Research Initiation And Support (RIAS) is designed to meet those concerns and to make available to educational institutions funds to support exploratory research by young scientists, and for the acquisition of instruments, equipment and facilities for research and training. Funding under RIAS will also be available for programs and activities to meet departmental, inter-departmental, and institution-wide training and research needs, or for a combination thereof.

A minimum obligation level of $5,000,000 for RIAS is included in the bill, and the conferees expect that carryover funds available for Science Education Support will be used to fund this program, and that grants will be awarded on a competitive basis.

Section 2(d) Undergraduate Science Program (CAUSE)

The House bill includes a section which would establish a new Comprehensive Assistance to Undergraduate Education (CAUSE) program. The Senate bill included no comparable provision.

The Committee of Conference reviewed the purpose of this program and its potential role within the over-all NSF science education program. CAUSE was proposed in an effort to strengthen undergraduate science education and is intended to incorporate the best features of the highly successful College Science Improvement (COSIP) program conducted by the NSF. Both on its merit and as part of the compromise on the grant review provision the Committee of Conference concluded that CAUSE should be included in the proposed bill. However, the minimum obligation level was reduced from $18.0 million to $15.0 million. The separate minimum obligation level of $3.5 million for two-year institutions was retained.

Section 2(e) Definitions

The House bill included a section defining the scope of the two new line items "Science Education Innovation" and "Science Education Support". The Senate bill did not include a corresponding provision.

The Committee of Conference, having accepted the division of the former "Science Education Improvement" line item into these two new line items, recommends the incorporation of these two definitions into the bill.

SECTION 3—SCIENCE FOR CITIZENS PROGRAM PLAN

The Senate bill includes a section which would establish a Science for Citizens Program. The House bill did not include a similar provision.

The conferees agreed to include a section directing the Foundation to prepare a comprehensive plan for the establishment and conduct of a Science for Citizens Program. This plan is to be prepared with full public participation including: concerned citizens groups; educational institutions; scientific societies; individuals and groups with expertise, experience or interest in improving the access of citizens to scientific and technical information; and individuals and groups with expertise, experience or interest in improving the participation of scientists in public policy debates.

The Conferees expect that a number of public seminars and workshops will be held during the development of the comprehensive plan, and that announcements of these notice in the Federal Register at least 30 sessions will be widely publicized, including days prior to such sessions.

The conferees expect that the plan will be completed within six months and that it will provide the basis for the inclusion of a Science for Citizens Program in the Foundation's fiscal year 1976 budget.

SECTION 4—PUBLIC PARTICIPATION PLAN

The Senate bill included a section directing the Foundation to prepare a plan to facilitate the participation of members of the public in the formulation, development and conduct of the Foundation's programs, policies and priorities. The House bill did not include a similar provision.

The conferees agreed to adopt the Senate provision specifying that the plan will result in improved understanding by the public of the Foundation's science education and research programs, and in improved access by the public to information concerning those programs. The provision also stipulates that the plan will result in improved public participation in the formulation of the Foundation's programs, policies and priorities.

SECTION 5—COORDINATION OF ENERGY RESEARCH

The House bill includes a section providing that energy research and development activities conducted by the NSF under the RANN program shall be coordinated with the Energy Research and Development Administration. The Senate bill includes no comparable provision.

The Committee of Conference recommends the inclusion of this provision in the bill.

SECTION 6—ALAN T. WATERMAN AWARD

The Senate bill included a section providing for the award of the Alan T. Waterman Award for research or advanced study in the sciences. The House bill did not include a corresponding provision.

The Committee of Conference agreed to include this section, which is intended to mark the 25th anniversary of the National Science Foundation. The number of awards to be made annually was reduced from three to one.

SECTION 7—REPRESENTATION LIMITATION

Section 7 is identical to section 3 of the House bill and section 7 of the Senate bill.

SECTION 8—FOREIGN CURRENCIES LIMITATION

Section 8 is identical to section 4 of the House bill and section 6 of the Senate bill.

SECTION 9—APPROPRIATIONS AVAILABILITY

Section 9 is identical to section 5 of the House bill and section 8 of the Senate bill.

SECTION 10—LIMIT ON TRANSFER OF FUNDS

Section 10 is identical to section 6 of the House bill and section 9 of the Senate bill.

SECTION 11—FULLY AND CURRENTLY INFORMED CLAUSE

Section 11 is identical to section 7 of the House bill and section 10 of the Senate bill.

SECTION 12—TITLE OF ACT

Section 12 is identical to section 8 of the House bill and section 11 of the Senate bill.

CONGRESSIONAL REVIEW OF RESEARCH PROPOSALS

The House bill includes a section providing for Congressional review and approval of individual research awards. The Senate bill includes no comparable provision. Under this provision in the House bill the NSF would submit every 30 days to the committees of jurisdiction in the House and in the Senate a list of grants which the agency proposes to make. For each such proposed grant all facts and considerations bearing on the agency's decision to recommend the award would be submitted. Either House of the Congress could disapprove one or more grants on this list by simple resolution. Upon the expiration of 30 days the NSF would be free to award the remaining grants on the list.

The Conferees on the part of the House presented the reasons advanced for the inclusion of this section in the House bill. The chief reason was that in the past the NSF had awarded grants, some of which did not appear to promise a significant return in scientific knowledge when measured against the cost to the taxpayer, and some carrying grant titles which did not make clear the need for the proposed research.

The Committee of Conference considered several possible compromise versions of this provision for inclusion in the bill. The conferees place the utmost importance on the effective use of Federal research funds and on insuring that the Federal government receives a full return on its investment of tax dollars in research—a matter of particular urgency at a time of severe fiscal restraint. The conferees concluded that the role of the Congress must be to set policy and priorities and to conduct careful oversight, rather than to be involved in the day-to-day execution and administration of that policy. They decided that any version of this section providing for Congressional Review of all proposed NSF grants would involve the Congress in a function which is properly the function of the NSF and the National Science Board.

Furthermore, and most significantly, Congressional review of research proposals would require members of Congress to make judgments about research activities at the many frontiers of modern science, from astronomy to zoology, which the members, with rare exceptions, are in no way equipped to make.

Following a thorough exploration of the several alternatives for resolving the difference between the House and Senate bills on this question the Committee of Conference has decided to recommend a bill which does not include a grant review provision. The Conferees wish to emphasize, however, that this recommendation does not reflect any lack of strong interest in the specific research activities supported by the NSF. The Committee of Conference urges the two Committees of jurisdiction to continue and, if necessary, to intensify their oversight over all aspects of the NSF program with particular attention to the grant review and award process. The Conferees suggest that particular attention might well be directed to the question of using grant titles which reflect the broader intent and possible payoff of each research grant. The Committee of Conference notes that both the House and Senate versions of this bill include identical provisions directing the NSF to keep the two Committees of jurisdiction fully and currently informed with respect to all activities of the agency. This provision is designed not only to give the Congress early warning of developments affecting current and future policies, but it also permits the two committees to explore in detail how Congressional policies are carried out. Furthermore, the Conferees note that they are recommending the inclusion in the bill of a provision from the Senate bill which directs the Foundation to conduct a comprehensive study of how members of the public may participate in the formulation, development, and conduct of NSF's program, policy development, and priority setting.

The Committee of Conference did include in the bill a group of provisions which, if enacted, would significantly restructure NSF's Science Education program. These provisions were, for the most part, included in the House bill and not in the Senate bill.

The thrust of these provisions is that the Foundation's Science Education program should consist not only of activities aimed at developing improvements and innovations for use in science education. The Science Education program should also include science education activities providing for the introduction of such improvements and innovations and for the training of students and teachers.

These provisions include the division of the former single "Science Education Improvement" line item into two distinct line items for "Science Education Innovation" and "Science Education Support"; the inclusion of appropriate definitions for these two activities; the inclusion of the "Comprehensive Assistance to Undergraduate Education" (CAUSE) program, based on competitive awards; the elimination of the former "Institutional Support for Science" program which was included in the Senate bill and in which grants were made on a formula basis, and its replacement with a similar program in which grants would be awarded on a competitive basis and which would be entitled "Research Initiation and Support" (RIAS) program; the section providing that parents shall have access to NSF-developed curriculum materials in which their children are engaged; the elimination of the $21.9 million obligation minimum for "Elementary and Secondary School Programs" from the Senate bill, and the inclusion of the three obligations minimal for "Undergraduate Research Projects ($3.0 million), "Secondary School Science Projects" ($2.5 million), and "Science Faculty Fellowships" ($2.0 million).

OLIN TEAGUE,
J. W. SYMINGTON,
DON FUQUA,
WALTER FLOWERS,
MIKE MCCORMACK,
C. A. MOSHER,
MARVIN L. ESCH,
Managers on the Part of the House.

EDWARD M. KENNEDY,
CLAIBORNE PELL,
TOM EAGLETON,
ALAN CRANSTON,
WALTER F. MONDALE,
PAUL LAXALT,
ROBERT T. STAFFORD,
DICK SCHWEIKER,
Managers on the Part of the Senate.

CONFERENCE REPORT ON H.R. 6674, AUTHORIZING APPROPRIATIONS FOR MILITARY PROCUREMENT RESEARCH AND DEVELOPMENT, ACTIVE DUTY, RESERVE, AND CIVILIAN PERSONNEL STRENGTH LEVELS, AND MILITARY TRAINING STUDENT LOADS

Mr. PRICE. Mr. Speaker, I call up the conference report on the bill (H.R. 6674) to authorize appropriations during the fiscal year 1976, and the period beginning July 1, 1976, and ending September 30, 1976, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes, and ask unanimous consent that the joint explanatory statement of the committee of conference be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the statement.

(For conference report and statement see proceedings of the House of July 26, 1975.)

Mr. PRICE (during the reading). Mr. Speaker, in view of the fact that the conference report has been printed and available to the Members, and is available in the CONGRESSIONAL RECORD of Saturday, July 26, 1975, at pages 25173–25193, I ask unanimous consent to dispense with the further reading of the joint explanatory statement of the committee of conference.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Illinois (Mr. PRICE) for 30 minutes.

Mr. PRICE. Mr. Speaker, I am happy to report that on July 25, 1975, your conferees reached a resolution of differences with our Senate counterparts on H.R. 6674—a bill providing authorization for appropriations for the Department of Defense for fiscal year 1976 and the fiscal transitional period of 3 months immediately thereafter.

The conference was a long and difficult one. It consisted of 18 formal meetings in which every facet of the differences between the House and Senate versions of this important legislation were thoroughly discussed.

A conference attempting to resolve differences results in compromise. Neither side gets entirely what it desires. Nonetheless, I believe that the action recommended to you by your managers fairly represents the views of the House.

The conference report which has been printed in the RECORD since Saturday, July 26, outlines in very specific detail the actions taken by your conferees. I believe that a reading of the conference report and joint explanatory statement of the committee on conference—which consists of 73 printed pages—will answer any question that the Members may have. Therefore, I do not propose to attempt to discuss in detail the individual actions of the conference. However, let me briefly—for the record—summarize in broad terms the actions taken by your conferees .

The bill, as passed by the House for fiscal year 1976, authorized $26,545,023,000. The conferees reduced this figure by almost $800 million. The new authorization is $25,763,383,000. I might point out that this figure is approximately $2.5 billion less than was requested by the President in his budget for these programs. A similar substantial reduction was made in the authorization for the transition period.

In addition to the foregoing dollar authorizations, the conferees took the following major actions:

Approved reductions of 23,000 in civilian personnel and 9,000 in military active-duty personnel—to be allocated among the military departments by the Secretary of Defense. Agreed on a strength total of 219,000 for the Army Reserve and 106,000 for the Navy Reserve. The House had approved 226,000 and 112,000, respectively; the Senate had approved 212,000 and 92,000 respectively.

Approved admission of women to the service academies beginning in 1976.

Adopted a Senate amendment to correct the military retired pay "inversion" problem by assuring that military personnel will not receive less retired pay than if they had retired at an earlier date.

Agreed to delete the DLGN-42—nuclear-powered frigate—but approved $60 million for long-lead items for the nuclear strike cruiser. Both items had been in the House bill and both had been denied in the Senate amendment.

Agreed to a total authorization for the B–1 bomber of $887 million compared to $948.5 million approved by the House and $$726.2 million approved by the Senate. The total agreed on includes $87 million in long-lead procurement authorization, but language in the report makes clear that actual production for the B–1 cannot begin until specifically approved by the Congress.

Adopted a modified Senate provision imposing sanctions on corporations which discriminate against the military services in supplying petroleum.

Adopted a Senate amendment extending the authority for credit sales to Israel.

Approved an authorization for six airborne warning and control system—AWACS—aircraft but reduced total authorization by $50 million, to $380.5 million.

Approved $6.8 million in fiscal year 1976 and $2.9 million in fiscal year 197T for research and development in binary gas weapons but prohibited production for all binary chemical munitions unless the President certifies such is essential to the national interests.

Deleted a $115 million authorization for A–7D aircraft which had been added by the House but not requested by the Defense Department.

I wish to take this opportunity to express my deepest appreciation to all of the Members of the House who participated in this conference. Despite the long and often frustrated meetings held with our Senate counterparts, our Members were most diligent in their attendance and in their participation, representing both the majority and minority parties.

I wish also to take this opportunity to express my appreciation for the courtesies extended to us by our Senate counterparts. Despite the fact that we often found ourselves in total disagreement on many subjects, we nonetheless were able to discuss them with dignity and courtesy—and for that I am very grateful.

I would be delighted to attempt to answer any questions that any Member may have regarding this conference report and I therefore recommend its approval by this body.

SUMMARY—CONFERENCE REPORT ON H.R. 6674

[Thousands of dollars]

	Fiscal year—	
	1976	197T
Title I (procurement):		
Request	18,081,000	3,180,800
House	16,878,650	2,965,400
Senate	15,325,100	2,832,200
Conference	16,090,100	2,881,100
Title II (R.D.T. & E):		
Request	10,181,388	2,682,973
House	9,660,373	2,508,683
Senate	9,687,435	2,439,597
Conference	9,673,283	2,473,621
Total title I and II:		
Request	28,262,388	5,867,737
House	26,545,023	5,474,017
Senate	25,012,535	5,271,798
Conference	25,763,383	5,354,723

DIFFERENCES BETWEEN AUTHORIZATION AND CONFERENCE

	House		Senate	
	1976	197T	1976	197T
Title I	788,550	−84,300	+765,000	+48,900
Title II	+12,910	−34,994	−14,152	+34,025
Total	−775,640	−119,294	+750,848	−82,925

FISCAL YEAR 1976-7T AUTHORIZATION SUMMARY

[In thousands of dollars]

	Request		House		Senate		Conference	
	1976	197T	1976	197T	1976	197T	1976	197T
Procurement:								
Aircraft:								
Army	$362,300	59,400	362,300	59,400	337,500	59,400	337,500	59,400
Navy and Marine Corps	3,077,000	600,100	3,056,600	585,500	2,959,800	578,200	2,997,800	585,500
Air Force	4,575,500	1,087,100	4,445,250	886,300	3,960,700	831,300	4,224,000	858,000
Subtotal	8,014,800	1,746,600	7,864,150	1,531,200	7,258,000	1,468,90	7,559,300	1,502,900
Procurement:								
Aircraft:								
Army	460,800	56,500	455,600	56,500	393,500	41,600	431,000	56,500
Navy	1,000,500	309,100	1,000,500	309,100	990,400	308,600	990,400	308,600
Marine Corps	52,900	10,700	52,900	10,700	52,900	10,700	52,900	10,700
Air Force	1,791,400	277,400	1,768,500	277,400	1,718,100	252,200	1,765,000	252,200
Subtotal	3,305,600	653,700	3,277,500	653,700	3,154,900	613,100	3,239,300	628,000
Naval vessels	5,466,000	474,200	4,422,400	474,200	3,666,400	474,200	4,044,400	474,200
Tracked combat vehicles:								
Army	915,000	272,600	915,000	272,600	862,700	245,300	864,000	245,300
Marine Corps	101,500	400	101,500	400	101,500	400	101,500	400
Subtotal	1,016,500	273,000	1,016,500	273,000	964,200	245,700	965,500	245,700

	Request		House		Senate		Conference	
	1976	197T	1976	197T	1976	197T	1976	197T
Torpedoes: Navy	197,400	19,200	197,400	19,200	189,500	19,200	189,500	19,200
Other weapons:								
Army	74,300	9,700	74,300	9,700	74,300	9,700	74,300	9,700
Navy	26,300	4,400	26,300	4,400	17,700	1,400	17,700	1,400
Marine Corps	100		100		100		100	
Subtotal	100,700	14,100	100,700	14,100	92,100	11,100	92,100	11,100
Total procurement Title I	18,081,000	3,180,800	16,878,650	2,965,400	15,325,100	2,832,200	16,090,100	2,881,100
R.D.T. & E.:								
Army	2,181,700	585,600	2,049,228	535,017	2,016,593	491,214	2,028,933	513,326
Navy and Marine Corps	[1] 3,470,188	1,903,837	3,268,661	849,730	3,368,802	[1] 851,363	3,318,649	849,746
Air Force	3,903,200	1,034,000	3,760,691	982,677	3,707,840	946,621	3,737,001	965,783
Defense agencies	597,800	152,700	556,793	137,793	565,700	143,600	563,700	139,768
Test and evaluations	28,500	6,800	25,000	3,400	28,500	6,800	25,000	5,000
Total R.D.T. & E., Title II	[1] 10,181,388	[1] 2,682,937	9,666,373	2,508,617	9,687,435	2,439,598	9,673,283	2,473,623
Total procurement and R.D.T. & E	[1] 28,262,388	[1] 5,867,737	26,545,023	5,474,017	25,012,535	5,271,798	25,763,383	5,354,723

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[1] Includes $2,488,000 (fiscal year 1976) and $37,000 (fiscal year 197T) currency program.

	Request		House		Senate		Conference	
	1976	197T	1976	197T	1976	197T	1976	197T
Title III, active forces: [1]								
Army	785,000	793,000	785,000	793,000	779,300	787,300	(2)	(2)
Navy	528,651	535,860	528,651	535,860	524,100	531,300	(2)	(2)
Marine Corps	196,303	196,498	196,498	590,000	195,900	196,100	(2)	(2)
Air Force	590,000	590,000	590,000	590,000	582,400	582,400	(2)	(2)
Title IV, Reserve forces: [3]								
Army National Guard	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Army Reserve	212,400	212,400	226,000	226,000	212,400	212,400	219,000	219,000
Naval Reserve	93,972	92,000	112,000	112,000	92,000	92,000	106,000	106,000
Marine Corps Reserve	32,481	33,013	32,481	33,013	32,900	33,300	32,481	33,013
Air National Guard	94,879	94,543	94,879	94,543	94,600	94,500	94,879	94,543
Air Force Reserve	51,789	53,642	51,789	53,642	53,200	93,700	51,789	53,642
Coast Guard Reserve	11,700	11,700	11,700	11,700	11,700	11,700	11,700	11,700
Title V, civilian personnel: [4] [5]								
Direct hire civilians	985,000	991,441	985,000 (698,338)	991,441 (706,313)	945,000	951,441	(6)	(6)
Indirect hire civilians	96,000	96,000	96,000	96,000				
Title VI, military training student loads: [7]								
Army	83,101	75,185	(8)	(8)	(8)	(8)	(9)	(9)
Navy	69,513	70,571	(8)	(8)	(8)	(8)	(9)	(9)
Marine Corps	26,489	26,788	(8)	(8)	8)	(8)	(9)	(9)
Air Force	51,225	52,280	(8)	(8)	(8)	(8)	(9)	(9)
Army National Guard	9,788	9,481	(8)	(8)	(8)	(8)	(9)	(9)
Army Reserve	7,359	5,518	(8)	(8)	(8)	(8)	(9)	(9)
Naval Reserve	1,661	2,106	(8)	(8)	(8)	(8)	(9)	(9)
Marine Corps Reserve	2,769	4,088	(8)	(8)	(8)	(8)	(9)	(9)
Air National Guard	1,952	2,180	(8)	(8)	(8)	(8)	(9)	(9)
Air Force Reserve	810	836	(8)	(8)	(8)	(8)	(9)	(9)

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[1] The Senate figures were 18,300 less than House overall.

[2] The DOD request for each period less a 9,000 reduction to be allocated by the Secretary of Defense.

[3] The Senate authorized end strengths for the Reserves; all other figures are average strengths.

[4] The House excluded employees of industrially-funded activities; therefore direct hire civilians would be 698,338 and 706,313. The House also authorized indirect-hire civilians for the first time.

[5] The Senate reduced the DOD request for direct hire civilians by 40,000.

[6] No exclusion for industrial fund employees. Included indirect hire employees in the overall figure. Reduced the DOD request by 23,000 to be allocated by Secretary of Defense resulting in final figures of 1,058,000 and 1,064,441.

[7] The Senate also provides for adjustment of loads according to reduction in manpower in previous titles.

[8] Same as DOD request.

[9] Same as DOD request. Also provides for adjustment of loads according to reductions in manpower in previous titles.

The SPEAKER pro tempore. The gentleman from California (Mr. BOB WILSON) is recognized for 30 minutes.

Mr. BOB WILSON. Mr. Speaker, I rise in support of the conference report on H.R. 6674.

Senator STENNIS, the chairman of the conference committee, said that this year's procurement authorization bill has been given the closest and most thorough examination ever received by any defense bill. While my experience does not go back as far as the Senator's, I have no doubt as to the truth of his statement.

Your conferees met more than 20 times. We had more than a hundred differences to compromise, several of which were extremely hard compromises. As a result of our work, we have a bill which is much closer to the House position than that of the other body—especially where ships for the Navy are concerned.

The House bill authorized all 23 ships requested, while the Senate authorized only 17. Also, the Senate bill would, in all probability, have resulted in the cancellation of four PHM's which were authorized last year—a total loss of 10 ships.

The conferees, however, have agreed to authorize 22 ships and to authorize long-leadtime items for a new nuclear-powered strike cruiser. These long-leadtime items consist of components for that ship's nuclear powerplant which require up to 3 or 4 years for manufacture. We expect the Department of Defense to request the remainder of the funding for the nuclear strike cruiser in the fiscal year 1977 budget request.

I was most disappointed that we could not get the Senate conferees to agree to authorize the remainder of the funds for the DLGN-42, the nuclear-powered-guided-missile frigate. This is a ship which the Navy badly needs. It was the most capable ship requested this year. Also, this ship was under a priced option and could have been built at a considerable savings to the taxpayers.

Unfortunately, after many days of argument, it was clear that there could be no authorization bill this year if the House conferees insisted on funding the DLGN-42. For this reason, and because the Senate agreed to make a beginning on an even more capable ship, the strike cruiser, the House conferees very reluctantly receded on this ship.

I would point out that the 22 ships authorized in the conference report will not add to the net overall numbers of active ships in our fleet. As many, or more ships will have to be retired because of age by the time these ships are delivered.

I would also point out that these 22 ships will not materially add to the offensive or defensive striking power of our Navy. Three of the 22 ships are fleet tugs, 2 are fleet oilers, 2 are destroyer tenders, and 2 are small patrol hydrofoil missile ships, as yet untried. Ten ships are low-mix patrol frigates with limited ASW capability and very limited air defense capability. This leaves only one Trident and two nuclear attack submarines.

Unless the Navy shipbuilding program increases to 30 or 35 ships per year, the Navy cannot expand in the numbers needed to achieve the 600-ship fleet which the CNO considers necessary. I hope that the 1977 budget will reflect this need to increase not only the numbers but the capability of our ships to fight, win, and survive battles.

Another area addressed in this conference report is the AEGIS air defense system. While the language contained in the report is not as strong as I would have liked it, it does direct the Secretary of Defense to tell us what he plans to do with the AEGIS system. Certainly, I would expect it to be placed on the new strike cruiser, but we should not have to wait all those years before introducing this valuable asset into the fleet. In my opinion, the Navy and the Department of Defense should do everything possible to install AEGIS on an existing nuclear ship as soon as possible.

While the conference report does not contain everything that I had hoped for, it is a reasonable compromise and is deserving of support.

I urge you to vote for it.

Mr. PRICE. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. Kazen).

Mr. KAZEN. Mr. Speaker, I am very disappointed that the House receded from its position on the number of civilian personnel in this bill. The Senate had cut approximately 40,000 civilian personnel. The House did not cut any from the budget request. But this report shows that the conferees agreed to cut about 23,000 jobs.

If there were any way I could vote against this one segment of the bill, I would. I firmly believe that we are doing the wrong thing to cut civilian personnel in the Defense Department at this time, when we are spending billions of dollars to create jobs and additional billions of dollars on unemployment compensation. We are wasting dollars already spent to insure a force of well-trained people that the Defense Department urgently needs if it is to accomplish its mission fully.

So, Mr. Speaker, I wish to express my strong disapproval of this particular section of the bill, although I am for the other titles of the conference report because I believe our national defense and security demand their passage.

Mr. GONZALEZ. Mr. Speaker, will the gentleman yield?

Mr. KAZEN. I yield to the gentleman from Texas (Mr. Gonzalez).

Mr. GONZALEZ. Mr. Speaker, I rise in order to concur with what the gentleman from Texas (Mr. Kazen) has said. I agree with him wholeheartedly.

The conference report on this bill contains many worthy provisions, and I regret having to vote against the report. After all, I believe in a strong defense. But it is because I do believe in a strong defense that I am voting against this conference report.

A strong defense consists of much more than weapons. It also consists of the people who must see that those weapons are fit to use, that they can be deployed where they are needed, and that they are properly managed.

This bill calls for a reduction of 23,000 positions in the Defense Department. That is twice the number of employees that the administration itself intended to cut—a number of reductions that already has caused the Air Force and other services to institute reductions that can hardly be afforded. Moreover, even though the industrial fund employees are exempted from the manpower ceilings, this only complicates the problem for the rest of the people.

The biggest military installation in my area is Kelly Air Force Base. Under the original manpower ceilings projected by the administration and approved by the House, that installation stands to lose 10 percent of its personnel during the next 11 months. But if the reductions imposed by this conference report are carried out, and fall in the same manner as the original reductions, that installation would lose one employee out of every five.

A large number of personnel at Kelly are paid through the industrial fund activity, so they are exempt from this manpower ceiling. But others are not. These are the people in procurement, warehousing, distribution and management activities—activities without which industrial operations cannot survive. A very large reducton in one part of an operation may mean that the whole operation simply becomes impossible.

The choice for the field commander gets very difficult. Does he try to do the impossible? Or does he try to operate a complex activity without decent support, and hope for the best?

We should know that manpower ceilings are meaningless. Yet we persist in imposing them. We know that if a job has to be done, it will be done—if not by Government workers, then by contract employees. It is like prohibiting departments to buy automobiles. If they can not buy, they lease.

This manpower ceiling accomplishes nothing, except to complicate necessary tasks. If the ceiling really works, it will make military functions in some areas impossible, and that is simply not acceptable.

The more likely result is that the ceilings will just increase the necessity of contracting out, which costs the Government and taxpayers more. We pay more, and get less.

It is time that we eliminated this kind of arbitrary and capricious action. The manpower ceiling in this bill does nothing except gratify the ego of those who want to orate about how many thousand jobs they have eliminated from the Defense Establishment. It does nothing for the Nation's best interest, let alone its defense.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman from Illinois yield briefly?

Mr. PRICE. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, is it my understanding that this conference report is roughly a half billion dollars less than the House version?

Mr. PRICE. It is $800 million.

Mr. ROUSSELOT. Less than the House version?

Mr. PRICE. Yes.

Mr. ROUSSELOT. So that what was accomplished in conference was an additional reduction from what the House did. Is that correct?

Mr. PRICE. The gentleman is correct.

Mr. ROUSSELOT. So that those people including myself who were concerned that the inflationary request was too high for the Defense Department can be satisfied that the conferees did in fact do a good job in trimming even a little more?

Mr. PRICE. Yes.

Mr. ROUSSELOT. I appreciate the gentleman's comment.

Mr. Speaker, I compliment the conferees for their good job.

Mr. PRICE. I thank the gentleman from California.

Mr. VANIK. Mr. Speaker, will the gentleman yield?

Mr. PRICE. I yield to the gentleman from Ohio.

Mr. VANIK. Mr. Speaker, although I strongly oppose funds for further development of the Diego Garcia military facility, I support other portions of the military construction authorization bill.

Mr. Speaker, it is my feeling that we have made a great mistake in allowing the construction of the military "refueling base" at Diego Garcia in the Indian Ocean. The Diego Garcia development—from germination to full life, is typical of the way the Department of Defense has foisted expensive projects, programs, and weapons systems on the Congress. It is also an example of how the Congress has unintentionally but assuredly altered foreign policy.

The concept of "weapons in search of a mission" applies to Diego Garcia just as it has for AWACS, the B–1, and the CVN–70 nuclear aircraft carrier. Initially we were told that we needed a simple, relatively small fueling facility for our military in the Indian Ocean. After the Soviets made token, and apparently minimal—accordingly to first hand observation by Members of Congress—efforts over a "base" in Somalia, the DOD leapt to action—justifying the Diego Garcia base as a balance for the Soviet presence in Berbera. It seems very likely to me, Mr. Chairman, that this so-called Soviet base was a reaction to our initial efforts at Diego Garcia. Now we are reacting further by justifying our larger Diego Garcia development as a response to the "threat" of the Soviet base. Despite this pattern, our Government has never made the slightest effort to come to mutual agreement with the Soviets over these new bases. Where is détente when we need it?

Additionally, Mr. Speaker, we heard further discussion during general debate that the costs of Diego Garcia, now represented as something less than $15 million, could approach an actual level of close to $200 million by the time work is completed.

It makes no sense to me, Mr. Speaker, to create yet another hot spot in the world presently full of hot spots. This further example of arms escalation should be halted through appropriate bilateral discussions with the Soviets before each of our Nations nurture an armament program which is wasteful and unnecessary.

Mr. BENNETT. Mr. Speaker, I rise in support of the conference report on H.R. 6674.

One of the main areas of difference between the House and the Senate lies in the shipbuilding program. The House, acting in line with its usual concept of getting the Navy rebuilt as soon as possible, approved all 23 ships requested by the President. The Senate approved only 17. Since the Navy has dropped from 1,000 ships to 481 in 4 years in order to apply the savings and operating funds to the construction of new ships, the House believes that all of the ships should be built and as quickly as possible. In addition, the House provided that there should be an additional $60 million for long-lead-time items for the nuclear-powered strike cruiser.

Dean Eugene V. Rostow of the Yale Law School, in testimony before the House committee, exhorted Congress to show to the world that we intend to remain militarily strong after the Southeast Asia withdrawal. He felt this would be a deterrent to wars of adventure by aggressors abroad. He recommended that we add $10 billion to the bill, with the first priority going to the Navy to rebuild ships.

The committee responded to that urging by the recommendation of $60 million for the long-leadtime items for the new nuclear-powered strike cruiser. This ship will be the most powerful surface combatant ship in the world except for our own strike carriers. It will carry the AEGIS missile control system which can spot and follow more targets further than any other system. It will have more storage capacity for missiles in its magazines than any other ship. It will carry the surface launched cruise missile when it is developed. The nuclear power frees the cruiser from the need for a logistics oiler, and lets it get to trouble spots in a hurry and return without worrying about its propulsion fuel.

The conferees agreed to the long-lead-time funds for the strike cruiser, and to build 22 of the 23 naval vessels requested by the President. We were supported in our request for the long-lead-time funds for the strike cruiser by the President, who sent over a budget amendment requesting the inclusion of those funds in the budget, during our conference.

The one ship that we did give up was the nuclear-powered guided missile frigate, DLGN–42, that the Navy particularly needs and greatly desires. The Senate was adamant in its opposition to the construction of this ship. Since the cruiser was a far more powerful ship that was being started with this bill, and since the DLGN–42 was the last of a line of nuclear frigates, the House reluctantly acceded to the Senate's position.

The Senate agreed to the House's inclusion of the budgeted three additional patrol frigates and two patrol hydrofoil missile ships which the Senate had previously deleted. These ships are a part of the low cost nonnuclear mix requested by the Navy and approved by the House for adequate numbers of ships. They were included by the House, rejected by the Senate and in the conference. They do give us numbers of ships, but their combat capability is very limited. For instance, they have almost no antiwar warfare capability.

In addition to getting the major part of the shipbuilding program approved, the House was also able to get approval on a 5-year shipbuilding program that is designed to minimize the ups and downs in shipbuilding.

Mrs. SCHROEDER. Mr. Speaker, I am very disappointed by the decision of our conferees to give in to the Senate on funding for procurement of the airborne warning control system. The conference report authorized $380.5 million for procurement of six AWACS aircraft. The House authorized $245.25 million for procurement of three AWACS aircraft.

The conferees gave in to Senate pressure to authorize production of six aircraft on the grounds that the Air Force had provided new information which indicated that six aircraft were less expensive than they had thought and that three aircraft were suddenly more expensive than they had thought. Although this is a convenient discovery for the Air Force to have made during the deliberations of our conferees, I have been unable to obtain any evidence that new cost estimates have been completed.

I requested the figures to support the change in Air Force cost estimates and discovered that the Air Force never provided any written documentation to the conferees to support their new findings. Not even a letter changed hands.

The Air Force has been unable to supply any evidence of detailed cost estimates to back up other alleged cost changes they have predicted. The Air Force repeatedly objected to the slowed production schedule authorized by the House on the grounds that the total program cost would increase by approximately $500 million. Concerned about this projected cost increase, I requested in the beginning of June to see the figures which these estimates were based. The Air Force could not provide them because the study had never been done.

After 3 weeks of work the Air Force supplied the following breakdown to support its contention that program costs would shoot up with a slower production schedule. The figures follow:

Breakout of $497.7[1] *million cost increase due to decreased production rate*[2]

[Dollars in millions]

Additional inflation	$150.8
Sustaining engineering	100.0
Overhead (5 years vice 2½ yrs)	80.0
Renegotiate subcontractors and vendors	70.0
Change in learning curve	82.5
GFE stretch	10.4
Estimated engineering change orders	4.0
Total	497.7

[1] Referred to as $500M in the inquiry.

[2] Reduced from one per month to one-half per month.

I consider these figures totally inadequate as a justification for half a billion dollars of the taxpayers' money.

With this history, I see no reason why the Congress should accept the assurances of the Air Force about the cost of the AWACS program. Yet, we are today being asked to double our original authorization for the program on just such blind faith.

I am dismayed by the casual attitude displayed when we consider funding for military procurement. This bill, H.R. 6674, authorizes $31.12 billion for fiscal year 1976 and the transition quarter. This sum represents only a small portion of the total fiscal year 1976 defense appropriation request for $92.8 billion. The budget deficit predicted for this same fiscal year—fiscal year 1976—has been estimated by the Office of Management and the Budget to run up to almost $80 billion if all pending appropriations legislation is approved without budget cuts.

I therefore have to object to any report which authorizes funds without demanding more detailed information about the costs which we are being asked to support. I urge my colleagues to do likewise.

Mr. FRENZEL. Mr. Speaker, in past years I have voted against nearly all military appropriations bills. I believe this one is still too high, but I shall vote for it in encouragement of responsible committee and congressional action to lower budget requests to more reasonable levels. My support for it does not mean that I will vote for appropriations at this level. I believe there is room for more careful scrutiny, even though this authorization is about 10 percent below the President's budget request.

We have made some small improvement in force-level reductions, a recurring criticism of mine. It is not near enough, but even such a superproponent of troop reductions in Europe as myself understands the new and terrible stresses to which our NATO alliance has been subjected. I do not applaud the meager reductions, but, in these troubled times, I think we should live with them.

Personally, I have some consolations in the DOD announcement that it will reduce the proportion of officers to enlisted men to about 13½ percent. Last year I sponsored an amendment, roundly defeated, to do just that. I am glad that fiscal discipline has accomplished what I could not do directly.

Another personnel matter of note is the approval of women for admission to the military academies in 1976. I strongly support this feature.

I also am opposed to some hardware in this bill, but I believe, in general, that our spending for weapons development, especially when compared to the U.S.S.R., is too low. I believe that our spending could be smarter, not less in amount.

Therefore, Mr. Speaker, despite my belief that there is more personnel expense in the bill than is needed, I will vote for it. I encourage the Appropriations Committee to make further reductions.

Ms. HOLTZMAN. Mr. Speaker, I oppose the conference report on the military procurement and research and development authorization bill (H.R. 6674) because it calls for a totally unjustified increase of $4.6 billion in military spending, 22 percent above last year's levels.

As a member of the House Budget Committee, I have studied the implications of this bill and believe it will have a severely inflationary impact on the economy.

Military spending calls for the production of goods which do not add to our Nation's economic capacity, and thus it produces a drain on our economic resources. Spending money in any Federal program usually will create jobs and provide incomes. Domestic spending, however, produces additional goods or services useful to the Nation. For example, if we provide mass transit systems, they efficiently move large numbers of people, thereby reducing energy consumption and pollution; they provide commuters with more leisure time; and they allow for area concentrations of business and commercial activities. On the other hand, military spending—on missiles, tanks, and all other pieces of military hardware—does not do any of these things. By adding to the stream of income without adding to the supply of goods and services which that income can purchase, the defense budget exerts a purely inflationary impact on the economy.

Some have argued that we must increase defense spending in order to create jobs and fight the recession. But defense spending is one of the least effective ways of creating employment. The Bureau of Labor Statistics 1972 report, "Projections of the Post-Vietnam Economy, 1975," estimated that $1 billion of defense spending creates about 75,000 jobs. The same amount when spent on health service programs creates about 80,000 jobs; when spent on education, it provides about 100,000 jobs.

The inflationary damage this bill will do our economy might be tolerable, if it were genuinely necessary to provide for our national defense. This is not the case.

In the first place, those who say we cannot afford to cut the defense budget miss the point, for today we are not debating defense cuts, but rather a $4.6 billion increase. This increase—amounting to 22 percent—cannot be justified as necessary to keep pace with inflation, for it far outstrips the inflation rate.

In assessing the defense budget, the relevant question is always: what are we getting for what we are paying? When judged against this test we find in this authorization bill programs that are wastefully duplicative and inefficient; programs that are provocative in that they may cause our adversaries to escalate the arms race; and programs that are so unwanted that even DOD did not request their funding. A few examples:

The B–1 strategic bomber is being developed to replace two existing weapons systems—the FB–111 and the B–52G and B–52H fleets. Rapid advances in air defense have made the strategic bomber, if not obsolete, then at best the weakest leg of our TRIAD deterrent system. If you reject the idea of the TRIAD, then spending $20 billion is pure folly. If you accept the TRIAD concept and examine the degree of additional deterrent provided by the B–1, the expenditure of $20 billion is a gross inefficiency. The B–52's and FB–111's will be perfectly adequate for many years to come.

The airborne warning and control system—AWACS—is equally expensive and unnecessary. With a total cost of $381 million for six aircraft, AWACS is still in search of a mission. Originally proposed as necessary to defend the continental United States from Soviet strategic bombers, its mission was changed when that threat was no longer serious. AWACS was then to track and control aircraft operating in a combat situation. Since the AWAC system is vulnerable to enemy fighter-interceptors and to radar-sensitive missiles, and could easily be jammed by inexpensive electronic devices, thus its mission had to be redefined again—this time as "air defense" of Europe. We already have nine planes, three of which are intended for use in research and development.

The General Accounting Office—GAO has recommended that additional testing be done on AWACS before a further procurement decision is made. The Armed Services Committee has required additional testing of AWACS to demonstrate its ability to perform its newly redefined mission. At minimum, we should not authorize $380.5 million until the reports of these tests are made available.

The bill calls for a $51.8 million authorization for fiscal 1976 for development of the XM–1 main battle tank. The estimated full program cost of this weapons system is $6.2 billion. In recent years there have been major breakthroughs in anti-tank weapons. The Arab-Israeli war showed the world that the tank is quickly becoming obsolete as a major military threat in much the same way as the long-bow reduced the effectiveness of the fully armored knight on horseback. To proceed with a new $6.2 billion tank program is patently unnecessary.

Other questionable programs include the manuevering reentry vehicle warhead—MARV—Trident, Sanguine, the F–15 aircraft, the SAM–D missile, chemical warfare devices, the site defense system, and a troop level of 2.1 million persons.

My colleagues have argued that we must support all increases in the defense budget; otherwise the rest of the world will question our will to defend ourselves. This is not a serious issue. No one can really argue that the United States is going to roll over and die. The real question is what kind of signal are we sending to the American people by supporting increases in the military budget in peacetime and in a time of economic crisis. More bombers, tanks, and missiles mean fewer houses, less medical care, reduced educational opportunity for increasing numbers of people, and more inflation. To support an increased level of defense spending we have already been asked by President Ford to reduce the share of Federal matching funds for State social service programs, to lower funding levels for Federal assistance to law enforcement, to cut $20.1 million in programs for the aged, and to increase medical costs to be paid by the poor. The signal this bill sends is that as a country we care less about people than about hardware.

The costs of new weapons systems must be measured against the price we must pay if we fail to reduce substandard housing, revitalize our urban centers, fight illiteracy, restore cutbacks in services to the handicapped, and curb environmental pollution. Clearly wasteful weapons spending does not add to our security, it reduces it.

Mr. PRICE. Mr. Speaker, I have no further requests for time.

Mr. BOB WILSON. Mr. Speaker. I have no further requests for time.

Mr. PRICE. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore (Mr. McFALL). The question is on the conference report.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ROUSSELOT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 348, nays 60, not voting 26, as follows:

[Roll No. 454]

YEAS—348

Abdnor
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Annunzio
Archer
Armstrong
Ashley
Bafalis
Barrett
Bauman
Beard, R.I.
Beard, Tenn.
Bennett
Bergland
Bevill
Biaggi
Biester
Blanchard
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carney
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Corman
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
Dingell
de la Garza
Delaney
Dent
Derrick
Derwinski
Devine
Dickinson
Diggs
Dodd
Downey, N.Y.
Duncan, Oreg.
Duncan, Tenn.
du Pont
Edwards, Ala.
Eilberg
Emery
English
Erlenborn
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Frenzel
Frey
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Goodling
Gradison
Grassley
Green
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harris
Harsha
Hastings
Hawkins
Hays, Ohio
Hébert
Hefner
Heinz
Hicks
Hightower
Hillis
Hinshaw
Holland
Holt
Horton
Howard
Howe
Hubbard
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McEwen
McFall
McHugh
McKay
McKinney
Madden
Madigan
Mahon
Mann
Martin
Mathis
Mazzoli
Meeds
Melcher
Meyner
Michel
Milford
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, N.Y.

Moakley
Mollohan
Montgomery
Moore
Moorhead,
  Calif.
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nowak
Oberstar
O'Brien
O'Hara
O'Neill
Passman
Patman, Tex.
Patten, N.J.
Patterson,
  Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Randall
Rees
Regula
Rinaldo
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rostenkowski
Roush
Rousselot
Runnels
Ruppe
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schulze
Sebelius
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Spellman
Spence
Staggers
Stanton,
  J. William
Stanton,
  James V.
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Stuckey
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thone
Thornton
Treen
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Whalen
White
Whitehurst
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—60

Abzug
Aspin
AuCoin
Badillo
Baldus
Baucus
Bedell
Bingham
Blouin
Brodhead
Burke, Calif.
Burton, John
Burton, Phillip
Carr
Chisholm
Clay
Cornell
Drinan
Early
Edgar
Edwards, Calif.
Forsythe
Fraser
Gonzalez
Harkin
Harrington
Hechler, W. Va.
Helstoski
Holtzman
Hughes
Kastenmeier
Keys
Maguire
Metcalfe
Mezvinsky
Mikva
Miller, Calif.
Mitchell, Md.
Moffett
Mosher
Nolan
Obey
Ottinger
Rangel
Reuss
Richmond
Riegle
Rosenthal
Roybal
Russo
Ryan
Schroeder
Seiberling
Solarz
Stark
Studds
Thompson
Traxler
Weaver
Yates

NOT VOTING—26

Ambro
Andrews, N.C.
Andrews,
  N. Dak.
Ashbrook
Bell
Conyers
Dellums
Downing, Va.
Eckhardt
Esch
Fulton
Fuqua
Gude
Hayes, Ind.
Heckler, Mass.
Henderson
Jenrette
Macdonald
Matsunaga
Railsback
Rhodes
Risenhoover
Stokes
Teague
Udall
Whitten

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Teague for, with Mr. Conyers against.

Mr. Ambro for, with Mr. Dellums against.

Mr. Risenhoover for, with Mr. Stokes against.

Until further notice:

Mr. Jenrette with Mr. Andrews of North Carolina.

Mr. Henderson with Mr. Gude.

Mr. Downing with Mr. Bell.

Mr. Fulton with Mr. Macdonald of Massachusetts.

Mr. Eckhardt with Mr. Railsback.

Mr. Matsunaga with Mr. Whitten.

Mr. Udall with Mr. Esch.

Mr. Hayes of Indiana with Mrs. Heckler of Massachusetts.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. PRICE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the conference report on H.R. 6674 just agreed to.

The SPEAKER pro tempore (Mr. McFall). Is there objection to the request of the gentleman from Illinois?

There was no objection.

TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATION ACT, 1976

Mr. STEED. Mr. Speaker, pursuant to the order of the House of yesterday, I call up the conference report on the bill (H.R. 8597) making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, I wonder whether the gentleman from Oklahoma (Mr. Steed) could tell us whether this is the bill with the appropriation that has that wonderful extra subsidy for the Post Office of $1.5 billion because they are doing such a so-called outstanding job of delivering our mail. Is that correct?

Mr. STEED. In answer to the gentleman, I say that the Post Office Department part of this bill is the same today as it was when the legislation was before the House at the beginning.

Mr. ROUSSELOT. Is the gentleman willing to state that there is a subsidy for the Post Office in this appropriation of $1.5 billion to continue this wonderful service we are getting from the Post Office? It is especially disturbing since the postal management states they are going to raise postal rates.

Mr. STEED. I will say to the gentleman that certainly the $1.5 billion is in here. We can only hope that it will do some good.

Mr ROUSSELOT. Further reserving the right to object, Mr. Speaker, I know that the gentleman from Oklahoma (Mr. Steed) has made a substantial effort to get the Post Office to stop this add-on deficit spending in which they keep engaging each year, especially since the postal management promised us when they secured the Postal Service reorganization that they were going to reduce this subsidy and improve our service. None of these things has happened.

Is the gentleman from Oklahoma and the subcommittee now trying to get the postal management to stop this add-on deficit spending of $1.5 billion when their income is almost $10 billion a year?

Mr. STEED. I will say this to the gentleman: We operate under mandates handed down by act of Congress. We do not have much choice in the matter.

Mr. ROUSSELOT. If the gentleman will yield further, it is still possible for the Committee on Appropriations to reduce deficits that are not needed, especially if postal management also raises the cost of first-class mail. The Committee on Appropriations could, in fact, reduce the deficit if the Postal Rate Commission and/or the Board of Directors of this organization prevail in their recommendation and they increase the postal rate of first-class mail to 12 or 13 cents. Is that not correct? The committee could in that case reduce the deficit.

Mr. STEED. Mr. Speaker, I might say that the presentation the Post Office Department made before our committee was that even after they get the subsidy that is contained in this bill they still will be running at a deficit of several hundred million dollars. Where they are going to get that money from I do not know, but the amendment that we were concerned with does not cover all of the Postal Services deficit as they project it for this coming fiscal year.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, all I can say for those Members in this Congress who believe the Postal Service is not doing a good job of fulfilling the requirements of true service under its reorganization act, that a deficit of $1.5 billion is not in fact justified. And this would be a good chance to show their feelings and those of their constituents on that subject.

Mr. STEED. All I can say, Mr. Speaker, is that it would take an act of the Congress to take away the authority of our committee to have any impact on the total expenditures of the Postal Service; all we are trying to do is to comply with what the Congress instructed them to do.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of July 29, 1975.)

Mr. STEED (during the reading). Mr. Speaker, in view of the fact that the report is contained in today's Congressional Record, I ask unanimous consent to dispense with further reading of the statement.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. STEED. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to say that we bring this conference report to the House today with a great deal of pleasure since we believe it is one in which we can take some pride. It is one of the major bills of the year, and we are pleased that we have been able to bring it to its conclusion. It is my understanding that shortly after we complete action today that the conference report will receive the attention of the other body, and that it ought to be on its way to the White House in a matter of hours.

We are also proud of the bill because the bill is one of the few we have had so far that is under the budget.

The committee has worked very hard, and I am grateful to all of the members of the committee, especially the ranking minority member on the other side, the gentleman from Ohio (Mr. Miller), for the cooperation that has been given to us. I believe our staff has done an outstanding job. We have put in up to this time a total of about 255 hours on this bill since we started on it last January. So I think that I can say in all modesty that we have brought to the House a very good product, and one that we can urge the final approval of this body on without any apologies.

Mr. Speaker, I think it would be interesting to call the attention of the Members, briefly, to a few figures that relate to the bill.

For one thing, Mr. Speaker, this bill is $1,879,000,000 less than the bill was for the last fiscal year. It is $16 million under this year's budget request and, while the conference report is $48.5 million more than it was when it left the House in the first place, it is $25 million under the amount approved by the other body. The increase of $48.5 million over what the original House figure was was caused mainly by two major items—one an item of $40 million for the revolving fund of the supply service, and the other an item of $7 million for the Hoover Institution, and our committee split the figures that were placed in the other body. So, allowing for that, the bill is only about $1.5 million more than it was when it left the House.

So we think we did very well in conference, and we kept this bill on a very prudent and a very sound basis. We believe we have resolved virtually all of the controversy that existed in the bill, and so I urge the approval of the report.

I include the following:

	New BA enacted fiscal year 1975	New BA estimates 1976/Transition	New BA House 1976/Transition	New BA Senate 1976/Transition	New BA Conference 1976/Transition	Conference compared with fiscal year 1975, enacted	Conference compared with new BA estimate	Conference compared with House bill	Conference compared with Senate bill
TITLE I—TREASURY DEPARTMENT									
Office of the Secretary	26, 040, 000	28, 050, 000	27, 000, 000	27, 500, 000	27, 500, 000	1, 460, 000	−550, 000	500, 000	
Transition period		7, 067, 000	6, 750, 000	6, 875, 000	6, 875, 000		−192, 000	125, 000	
Office of Revenue Sharing		2, 704, 000	2, 400, 000	2, 580, 000	2, 490, 000	2, 490, 000	−214, 000	90, 000	−90, 000
Transition period		736, 000	600, 000	645, 000	622, 500		−113, 500	22, 500	−22, 500
Federal Law Enforcement Training Center:									
Salaries and expenses	3, 115, 000	3, 210, 000	14, 000, 000	12, 000, 000	12, 000, 000	8, 885, 000	8, 790, 000	−2, 000, 000	
Transition period		828, 000	3, 500, 000	3, 500, 000	3, 500, 000		2, 672, 000		
Construction	18, 915, 000	14, 300, 000				−18, 915, 000	−14, 300, 000		
Transition period									
Total	22, 030, 000	17, 510, 000	14, 000, 000	12, 000, 000	12, 000, 000	−10, 030, 000	−5, 510, 000	−2, 000, 000	
Transition period		828, 000	3, 500, 000	3, 500, 000	3, 500, 000		2, 672, 000		
Bureau of Government Financial Operations		120, 141, 000	120, 000, 000	120, 000, 000	120, 000, 000	120, 000, 000	−141, 000		
Transition period		29, 803, 000	30, 000, 000	30, 000, 000	30, 000, 000		197, 000		
Expenses for Economic Stabilization (Liquidating Functions)	2, 000, 000					−2, 000, 000			
Transition period									
Bureau of Accounts:									
Salaries and expenses	114, 091, 000					−114, 091, 000			
Transition period									
Special payments to recipients of certain retirement and survivor benefits	1, 750, 000, 000					−1, 750, 000, 000			
Transition period									
Government losses in shipment	600, 000	700, 000	700, 000	700, 000	700, 000	100, 000			
Transition period		175, 000	175, 000	175, 000	175, 000				
Eisenhower College Grants	9, 000, 000	1, 000, 000	1, 000, 000	1, 000, 000	1, 000, 000	−8, 000, 000			
Transition period									
Hoover Institution on War, Revolution and Peace, Grants to		7, 000, 000		7, 000, 000	7, 000, 000	7, 000, 000		7, 000, 000	
Transition period									
Bureau of Alcohol, Tobacco, and Firearms	94, 400, 000	101, 339, 000	101, 339, 000	101, 339, 000	101, 339, 000	6, 939, 000			
Transition period		26, 960, 000	25, 334, 000	25, 334, 000	25, 334, 000		−1, 626, 000		
U.S. Customs Service	292, 400, 000	304, 920, 000	310, 000, 000	304, 920, 000	310, 000, 000	17, 600, 000	5, 080, 000		5, 080, 000
Transition period		78, 300, 000	77, 500, 000	76, 230, 000	77, 500, 000		−800, 000		1, 270, 000
Bureau of the Mint:									
Salaries and expenses	34, 600, 000	41, 441, 000	41, 441, 000	41, 230, 000	41, 230, 000	5, 630, 000	−211, 000	−211, 000	
Transition period		10, 360, 000	10, 360, 000	10, 307, 500	10, 307, 500		−52, 500	−52, 500	
Construction of Mint facilities		40, 600, 000	3, 350, 000	3, 350, 000	3, 350, 000	3, 350, 000	−37, 250, 000		
Transition period									
Total	34, 600, 000	82, 041, 000	44, 791, 000	44, 580, 000	44, 580, 000	9, 980, 000	−37, 461, 000	−211, 000	
Transition period		10, 360, 000	10, 360, 000	10, 307, 500	10, 307, 500		−52, 500	−52, 500	
Bureau of the Public Debt	96, 500, 000	98, 550, 000	98, 000, 000	98, 000, 000	98, 000, 000	1, 500, 000	−550, 000		
Transition period		27, 355, 000	24, 500, 000	24, 500, 000	24, 500, 000		−2, 855, 000		
Internal Revenue Service:									
Salaries and expenses	41, 970, 000	45, 260, 000	44, 000, 000	44, 500, 000	44, 500, 000	2, 530, 000	−760, 000	500, 000	
Transition period		11, 620, 000	11, 000, 000	11, 125, 000	11, 125, 000		−495, 000	125, 000	
Accounts, collection and taxpayer service	733, 600, 000	772, 881, 000	765, 000, 000	771, 500, 000	771, 500, 000	37, 900, 000	−1, 381, 000	6, 500, 000	
Transition period		193, 805, 000	191, 250, 000	192, 875, 000	192, 875, 000		−930, 000	1, 625, 000	
Compliance	811, 000, 000	837, 637, 000	825, 000, 000	833, 000, 000	830, 000, 000	19, 000, 000	−7, 637, 000	5, 000, 000	−3, 000, 000
Transition period		209, 575, 000	206, 250, 000	208, 250, 000	207, 500, 000		−2, 075, 000	1, 250, 000	−750, 000
Total	1, 586, 570, 000	1, 655, 778, 000	1, 634, 000, 000	1, 649, 000, 000	1, 646, 000, 000	59, 430, 000	−9, 778, 000	12, 000, 000	−3, 000, 000
Transition period		415, 000, 000	408, 500, 000	412, 250, 000	411, 500, 000		−3, 500, 000	3, 000, 000	−750, 000
Federal Tax Lien Revolving Fund	500, 000					−500, 000			
Transition period									
Office of the Treasurer	14, 000, 000					−14, 000, 000			
Transition period									
U.S. Secret Service	82, 800, 000	95, 250, 000	92, 000, 000	95, 250, 000	95, 250, 000	12, 450, 000		3, 250, 000	
Transition period		28, 360, 000	28, 360, 000	28, 360, 000	28, 360, 000				
Total, Title I	4, 125, 531, 000	2, 514, 983, 000	2, 445, 230, 000	2, 463, 869, 000	2, 465, 859, 000	−1, 659, 672, 000	−49, 124, 000	20, 629, 000	1, 990, 000
Transition period		624, 944, 000	615, 579, 000	618, 176, 500	618, 674, 000		−6, 270, 000	3, 095, 000	497, 500
TITLE II—UNITED STATES POSTAL SERVICE									
Payment to the Postal Service Fund	1, 874, 741, 000	1, 489, 685, 000	1, 582, 185, 000	1, 582, 185, 000	1, 582, 185, 000	−292, 556, 000	92, 500, 000		
Transition period		393, 356, 000	416, 481, 000	416, 481, 000	416, 481, 000		23, 125, 000		
Budget submitted by U.S. Postal Service	(1, 874, 741, 000)	(2, 109, 438, 000)	( )	( )	( )	(−1, 874, 741, 000)	(−2, 109, 438, 000)	( )	( )
Transition period	( )	(600, 398, 000)	( )	( )	( )	( )	(−600, 398, 000)	( )	( )
Revolving fund for advance payments to U.S. international air carriers				7, 000, 000	5, 000, 000	5, 000, 000	5, 000, 000	5, 000, 000	−2, 000, 000
Transition period									
Total Title II	1, 874, 741, 000	1, 489, 685, 000	1, 582, 185, 000	1, 589, 185, 000	1, 587, 185, 000	−287, 556, 000	97, 500, 000	5, 000, 000	−2, 000, 000
Transition period		393, 356, 000	416, 481, 000	416, 481, 000	416, 481, 000		23, 125, 000		

	New BA enacted fiscal year 1975	New BA estimates 1976/Transition	New BA House 1976/Transition	New BA Senate 1976/Transition	New BA Conference 1976/Transition	Conference compared with fiscal year 1975, enacted	Conference compared with new BA estimate	Conference compared with House bill	Conference compared with Senate bill
TITLE III—EXECUTIVE OFFICE OF THE PRESIDENT AND FUNDS APPROPRIATED TO THE PRESIDENT									
Compensation of the President	250,000	250,000	250,000	250,000	250,000				
Transition period		62,500	62,500	62,500	62,500				
Council of Economic Advisers	1,600,000	1,617,000	1,600,000	1,600,000	1,600,000		−17,000		
Transition period		404,000	400,000	400,000	400,000		−4,000		
Council on International Economic Policy	1,600,000	1,657,000	1,650,000	1,650,000	1,650,000	50,000	−7,000		
Transition period		415,000	412,000	412,000	412,000		−3,000		
Council on Wage and Price Stability	1,000,000	1,600,000	1,550,000	1,580,000	1,550,000	550,000	−50,000		−30,000
Transition period									
Domestic Council	1,250,000	1,320,000	1,310,000	1,310,000	1,310,000	60,000	−10,000		
Transition period		330,000	327,000	327,000	327,000		−3,000		
Federal Energy Office	19,000,000					−19,000,000			
Transition period									
Unanticipated Personnel Needs	500,000	1,000,000	1,000,000	500,000	1,000,000	500,000			500,000
Transition period		250,000	250,000	125,000	250,000				125,000
Executive residence	1,744,000	1,826,000	1,826,000	1,826,000	1,826,000	82,000			
Transition period		457,000	457,000	457,000	457,000				
Expansion of defense production, expenses, Defense Production Act		16,200,000	16,200,000				−16,200,000	−16,200,000	
Transition period		3,800,000	3,800,000				−3,800,000	−3,800,000	
Official residence of the Vice President	315,000	104,000	104,000	274,000	274,000	−41,000	170,000	170,000	
Transition period		26,000	26,000	68,500	26,000				−42,500
National Commission on Productivity and Work Quality	2,000,000	2,500,000	2,000,000	2,000,000	2,000,000		−500,000		
Transition period		625,000	500,000	500,000	500,000		−125,000		
National Security Council	2,900,000	3,000,000	2,980,000	2,980,000	2,980,000	80,000	−20,000		
Transition period		650,000	650,000	650,000	650,000				
Office of Management and Budget	21,250,000	24,150,000	23,500,000	24,000,000	23,750,000	2,500,000	−400,000	250,000	−250,000
Transition period		6,038,000	5,875,000	6,000,000	5,937,500		−100,500	62,500	−62,500
Office of Federal Procurement Policy	660,000	940,000	530,000	730,000	730,000	70,000	−201,000	200,000	
Transition period		235,000	132,000	182,500	182,500		−52,500	50,500	
Office of Telecommunications Policy	8,450,000	8,962,000	8,900,000	8,500,000	8,500,000	50,000	−462,000	−400,000	
Transition period		2,100,000	2,100,000	2,100,000	2,100,000				
Special Action Office for Drug Abuse Prevention:									
Salaries and expenses	3,000,000					−3,000,000			
Transition period									
Pharmacological Research	1,240,000					−1,240,000			
Transition period									
Special Fund	8,760,000					−8,760,000			
Transition period									
Total	13,000,000					−13,000,000			
Transition period									
Special Assistance to the President	910,000	990,000	978,000	978,000	978,000	68,000	−12,000		
Transition period		248,000	244,000	244,000	244,000		−4,000		
The White House Office	16,367,000	16,946,000	16,763,000	16,763,000	16,763,000	396,000	−183,000		
Transition period		4,237,000	4,191,000	4,191,000	4,191,000		−46,000		
Total, Title III	92,769,000	83,062,000	81,141,000	64,941,000	65,161,000	−27,635,000	−17,901,000	−15,980,000	220,000
Transition period		19,877,500	19,426,500	15,719,500	15,739,500		−4,138,000	−3,687,000	20,000
TITLE IV—INDEPENDENT AGENCIES									
Administrative Conference of the United States	750,000	790,000	785,000	785,000	785,000	35,000	−5,000		
Transition period		200,000	196,000	196,000	196,000		−4,000		
Advisory Commission on Intergovernmental Relations	1,184,000	1,223,000	1,200,000	1,200,000	1,200,000	16,000	−23,000		
Transition period		314,000	300,000	300,000	300,000		−14,000		
Advisory Committee on Federal Pay	130,000	140,000	135,000	135,000	135,000	5,000	−5,000		
Transition period		35,000	34,000	34,000	34,000		−1,000		
Civil Service Commission:									
Salaries and expenses:									
Appropriation	92,850,000	96,000,000	94,500,000	94,700,000	94,700,000	1,850,000	−1,300,000	200,000	
Transition period		26,000,000	23,625,000	23,675,000	23,675,000		−2,325,000	50,000	
By transfer	(18,698,000)	(20,843,000)	(20,843,000)	(20,843,000)	(20,843,000)	(2,145,000)	( )	( )	( )
Transition period	( )	(5,248,000)	(5,248,000)	(5,248,000)	(5,248,000)	( )	( )	( )	( )
Government payment for annuitants, employees health benefits	264,817,000	338,650,000	338,650,000	338,650,000	338,650,000	73,833,000			
Transition period		94,437,000	94,437,000	94,437,000	94,437,000				
Payment to civil service retirement and disability fund	1,326,933,000	1,280,970,000	1,280,970,000	1,280,970,000	1,280,970,000	−45,963,000			
Transition period		245,000	245,000	245,000	245,000				
Federal Labor Relations Council	1,007,000	1,291,000	1,150,000	1,150,000	1,150,000	143,000	−141,000		
Transition period		327,000	278,000	278,000	278,000		−49,000		
Intergovernmental personnel assistance	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000				
Transition period		4,000,000	4,000,000	4,000,000	4,000,000				
Total	1,700,607,000	1,731,911,000	1,730,270,000	1,730,470,000	1,730,470,000	29,863,000	−1,441,000	200,000	
Transition period		125,009,000	122,585,000	122,635,000	122,635,000		−2,374,000	50,000	
Commission on Federal Paperwork	50,000	100,000	100,000	100,000	100,000	50,000			
Transition period									
Commission to Review National Policy Toward Gambling	1,000,000	750,000	745,000	745,000	745,000	−255,000	−5,000		
Transition period		200,000	186,000	186,000	186,000		−14,000		
Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped	252,000	256,000	255,000	255,000	255,000	3,000	−1,000		
Transition period		65,000	64,000	64,000	64,000		−1,000		
Federal Election Commission	500,000	6,355,000	5,000,000	5,000,000	5,000,000	4,500,000	−1,355,000		
Transition period		1,589,000	1,250,000	1,250,000	1,250,000		−339,000		

	New BA enacted fiscal year 1975	New BA estimates 1976/Transition	New BA House 1976/Transition	New BA Senate 1976/Transition	New BA Conference 1976/Transition	Conference compared with fiscal year 1975, enacted	Conference compared with new BA estimate	Conference compared with House bill	Conference compared with Senate bill
TITLE IV—INDEPENDENT AGENCIES—Continued									
General Services Administration:									
Disposal of surplus real and related property operating expenses	7,156,000	6,340,000	6,000,000	6,000,000	6,000,000	−1,156,000	−340,000		
Transition period		1,450,000	1,450,000	1,450,000	1,450,000				
Federal Building Fund (limitation on availability of revenue):									
Construction on buildings	(98,234,000)	(62,586,000)	(62,586,000)	(63,786,000)	(63,786,000)	−(34,448,000)	(1,200,000)	(1,200,000)	( )
Transition period	( )	( )	( )	( )	( )	( )	( )	( )	( )
Purchase contract payments	(16,244,000)	(60,000,000)	(60,000,000)	(60,000,000)	(60,000,000)	(43,756,000)	( )	( )	( )
Transition period	( )	(27,000,000)	(27,000,000)	(27,000,000)	(27,000,000)	( )	( )	( )	( )
Rental of space	(392,000,000)	(452,700,000)	(440,000,000)	(447,000,000)	(443,500,000)	(51,500,000)	(−9,200,000)	(3,500,000)	(−3,500,000)
Transition period	( )	(129,800,000)	(110,000,000)	(111,750,000)	(110,875,000)	( )	(−18,925,000)	(875,000)	(−875,000)
Alterations and major repairs	(99,107,000)	(110,768,000)	(110,768,000)	(110,768,000)	(110,768,000)	(11,661,000)	( )	( )	( )
Transition period	( )	(26,300,000)	(26,300,000)	(27,700,000)	(27,700,000)	( )	(1,400,000)	(1,400,000)	( )
Real property operations	(355,977,000)	(397,029,000)	(380,000,000)	(397,000,000)	(390,000,000)	(34,023,000)	(−7,029,000)	(10,000,000)	(−7,000,000)
Transition period	( )	(106,000,000)	(95,000,000)	(99,250,000)	(97,500,000)	( )	(−8,500,000)	(2,500,000)	(−1,750,000)
Program direction and centralized service	(62,326,000)	(66,900,000)	(63,000,000)	(64,000,000)	(63,500,000)	(1,174,000)	(−3,400,000)	(500,000)	(−500,000)
Transition period	( )	(17,000,000)	(15,750,000)	(16,000,000)	(15,875,000)	( )	(−1,125,000)	(125,000)	(−125,000)
Subtotal	(1,023,888,000)	(1,149,983,000)	(1,116,354,000)	(1,142,554,000)	(1,131,554,000)	(107,666,000)	(−18,429,000)	(15,200,000)	(−11,000,000)
Transition period	( )	(306,100,000)	(274,050,000)	(281,700,000)	(278,950,000)	( )	(−27,150,000)	(4,900,000)	(−2,750,000)
Federal Supply Service	165,990,000	166,912,000	106,000,000	159,000,000	159,000,000	−6,990,000	−7,912,000	−1,000,000	
Transition period		42,059,000	40,000,000	39,750,000	39,750,000		−2,309,000	−250,000	
Payment to the General Supply Fund		65,000,000		65,000,000	40,000,000	40,000,000	−25,000,000	40,000,000	−25,000,000
Transition period									
National Archives and Records Service:									
Operating expenses	51,264,000	62,971,000	60,200,000	60,200,000	60,200,000	8,936,000	−2,771,000		
Transition period		15,572,000	15,050,000	15,050,000	15,050,000		−522,000		
Records declassification	1,305,000	1,372,000	1,350,000	1,350,000	1,350,000	45,000	−22,000		
Transition period		347,000	337,000	337,000	337,000		−10,000		
Subtotal	52,569,000	64,343,000	61,550,000	61,550,000	61,550,000	8,981,000	−2,793,000		
Transition period		15,919,000	15,387,000	15,387,000	15,387,000		−532,000		
Automated Data and Telecommunications Service	7,102,000	7,320,000	7,250,000	7,250,000	7,250,000	148,000	−70,000		
Transition period		2,080,000	1,812,000	1,812,000	1,812,000		−268,000		
Preparedness activities:									
Office of Preparedness, salaries and expenses	7,650,000	16,843,000	16,000,000	15,000,000	15,500,000	7,850,000	−1,343,000	−500,000	500,000
Transition period		4,386,000	4,000,000	3,750,000	3,875,000		−511,000	−125,000	125,000
Defense mobilization functions of Federal agencies	1,500,000					−1,500,000			
Transition period									
Subtotal	9,150,000	16,843,000	16,000,000	15,000,000	15,500,000	6,350,000	−1,343,000	−500,000	500,000
Transition period		4,386,000	4,000,000	3,750,000	3,875,000		−511,000	−125,000	125,000
General Activities:									
General Management and Agency Operations, salaries and expenses	10,650,000	12,887,000	12,000,000	12,000,000	12,000,000	1,350,000	−887,000		
Transition period		3,053,000	3,000,000	3,000,000	3,000,000		−53,000		
Federal management policy, salaries and expenses	1,748,000	1,880,000	940,000	1,700,000	1,100,000	−648,000	−780,000	160,000	−600,000
Transition period		473,000	235,000	425,000	275,000		−198,000	40,000	−150,000
Indian Tribal Claims	2,549,000	2,660,000	2,600,000	2,600,000	2,600,000	51,000	−60,000		
Transition period		666,000	650,000	650,000	650,000		−16,000		
Allowances and office staff for former Presidents	160,000	328,000	246,152	300,000	275,000	115,000	−53,000	28,848	−25,000
Transition period		82,000	61,538	75,000	68,500		−13,500	6,962	−6,500
Expenses presidential transition	100,000					−100,000			
Transition period									
Administrative and staff support services	48,122,000	51,776,000	50,300,000	50,300,000	50,300,000	2,178,000	−1,476,000		
Transition period		13,127,000	12,575,000	12,575,000	12,575,000		−552,000		
Subtotal	63,329,000	69,531,000	66,086,152	66,900,000	66,275,000	2,946,000	−3,256,000	188,848	−625,000
Transition period		17,401,000	16,521,538	16,725,000	16,568,500		−832,500	46,962	−156,500
Total	305,296,000	396,289,000	316,886,152	380,700,000	355,575,000	50,279,000	−40,714,000	38,688,848	−25,125,000
Transition period		83,295,000	79,170,538	78,874,000	78,842,500		−4,452,500	−328,038	−31,500
Harry S. Truman Scholarship Fund		10,000,000	10,000,000	10,000,000	10,000,000	10,000,000			
Transition period									
National Commission on Supplies and Shortages	287,500					−287,500			
Transition period									
National Commission on Electronic Fund Transfers	500,000					−500,000			
Transition period									
United States Tax Court:									
Salaries and Expenses	6,285,000	6,919,000	6,600,000	6,600,000	6,600,000	315,000	−319,000		
Transition period		1,662,000	1,650,000	1,650,000	1,650,000		−12,000		
Construction	2,000,000					−2,000,000			
Transition period									
Total	8,285,000	6,919,000	6,600,000	6,600,000	6,600,000	−1,685,000	−319,000		
Transition period		1,662,000	1,650,000	1,650,000	1,650,000		−12,000		
Department of Defense:									
Defense Civil Preparedness Agency:									
Operation and maintenance	63,400,000	66,000,000	65,000,000	65,000,000	65,000,000	1,600,000	−1,000,000		
Transition period		14,300,000	14,300,000	14,300,000	14,300,000				
Research, shelter survey, and marking	18,600,000	22,000,000	20,000,000	20,000,000	20,000,000	1,400,000	−2,000,000		
Transition period		5,500,000	5,000,000	5,000,000	5,000,000		−500,000		
Total	82,000,000	88,000,000	85,000,000	85,000,000	85,000,000	3,000,000	−3,000,000		
Transition period		19,800,000	19,300,000	19,300,000	19,300,000		−500,000		
Total, title V	2,100,841,500	2,242,733,000	2,156,976,152	2,220,990,000	2,195,865,000	95,023,500	−46,868,000	38,888,848	−25,125,000
Transition period		232,169,000	224,735,538	224,489,000	224,457,500		−7,711,500	−278,038	−31,500
Total	8,193,909,500	6,330,463,000	6,265,532,152	6,338,985,000	6,314,070,000	−1,879,839,500	−16,393,000	48,537,848	−24,915,000
Transition period		1,270,346,500	1,276,222,038	1,274,866,000	1,275,352,000		5,005,500	−870,038	486,000

The SPEAKER pro tempore. The Chair recognizes the gentleman from Ohio (Mr. MILLER).

Mr. MILLER of Ohio. Mr. Speaker, I agree in general with what our good chairman, the gentleman from Oklahoma (Mr. STEED), has said. I have one reservation however, and it is on amendment No. 18. This amendment involves a revolving fund for advance payments to the U.S. international air carriers. If we do develop this fund at the present time to the tune of $5 million, it means there would be a disincentive for foreign nations to pay our air carriers, because there would be a fund available that the air carriers could draw from. I do not believe that the United States taxpayers should pick up that tab.

At the proper time when we come to amendment No. 18, I would hope that the gentleman would yield so that I could explain this reservation in more detail and offer an amendment at that time to reduce the amount from $5 million to $3 million.

Mr. Speaker, I reserve the remainder of my time.

Mr. FRENZEL. Mr. Speaker, I support the appropriation for Treasury, Postal Service, and General Government, not because it is at the lowest possible level, but because the spending appropriated is both below the budget—1 percent—and below last year—about 3 percent, after deducing the $1.75 billion tax reduction item.

My personal fight for deficit this fiscal year is with the President at $60 billion. I doubt that Congress can achieve even its inflated target of a $69 billion deficit. Achievement of either target requires that an absolute minimum of supplemental appropriations be passed. It will take an extraordinary request for me to support any supplementals including the predicted extra appropriations to cover extra Postal Service expenses.

Mr. CONYERS. Mr. Speaker, I intend to vote against H.R. 8597, and I think it essential, for the benefit of my colleagues, to detail the reasons which compel me to do so.

The Subcommittee on Crime of the Committee on the Judiciary, which I chair, has responsibility for some 130 bills which have been introduced which would amend the Gun Control Act of 1968. During the course of our 21 hearings to date, the subcommittee has taken extensive testimony from Mr. Rex D. Davis, Director of the Bureau of Alcohol, Tobacco and Firearms, ATF, and the regional directors for each of the seven jurisdictional regions. The subcommittee's inquiry is the first congressional oversight of ATF with respect to administration and enforcement of firearms laws ever undertaken, in either body, since the passage of the 1968 law.

Firearms enforcement comprises the largest part of ATF's statutory responsibilities, which also include regulation of alcohol, tobacco, and wagering. At the close of the third quarter, 1974, over 92 percent, or 144,362, of all Federal firearms licensees were dealers; projections indicate that, with new applications approved, the number of Federal firearms dealers will exceed 160,000 by the end of this year. Federal law requires ATF to conduct background application investigations of each applicant prior to issuance or renewal of the annual license, and periodic compliance inspections to insure that recordkeeping and other provisions of the law are not being violated.

Our record reveals that ATF has been forced to try to cope with a space-age problem with horse-and-buggy resources. Last fiscal year, the Agency which collects more revenue—$8 billion—than any other save the Internal Revenue Service, had a total employment force of 3,825, with 1,570 special agents and 783 inspectors available to perform all statutory duties. Of those, 1,082 and 65 respectively were assigned to firearms enforcement. Practically, this has meant that application investigations into license renewal applicants have been sacrificed in favor of new applicants only, and ATF is fortunate if it can conduct compliance investigations of each licensee on the average of once every 4 or 5 years.

The Bureau has virtually nothing in the way of automated data processing, ADP, or other information-retrieval systems which would ease this monstrous regulatory burden. All dealer-purchase transaction records are in the possession of licensed dealers, and getting detailed information on firearms purchases requires a physical inspection of these records.

For fiscal 1976, excluding the September fiscal year changeover adjustment, the Department of the Treasury has requested $101.3 million for ATF, an increase over fiscal 1975 of $6.9 million which, in terms of firearms enforcement, represents an increase of 27 average positions and $588,000. "[M]erely to maintain the presently authorized operating level," to use Secretary Simon's words, ATF's budget request for administration and enforcement of the act was for $52,872,000 and 2,003 persons. More realistically, ATF has estimated what it would need merely to literally enforce existing laws and regulations, which I share with my colleagues:

> During the study of our needs, we also established a level of positions and money necessary if we were to do nothing in the way of new programs, but simply continue our current activities but placed in the field the personnel we feel are needed. For your information, this figure is 2,385 positions with a budget of $70,118,000. *This would, of course, be over and above the FY 1976 figures* . . . [emphasis supplied].

Even more staggering is ATF's estimate of what it would need to effectively implement and maintain innovative programs which would make the Gun Control Act of 1968 more meaningful:

> We have, after a detailed study into the many facets of the Act which we have not utilized because of a lack of resources, estimated that we would require 9,506 positions and $278,154,000 *over and above the FY 1976 needs.* [emphasis supplied].

It should be noted that maintaining "the presently authorized operating level" means:

An actual decrease in the number of special agents available for firearms enforcement activity;

No authorization for modernization of ATF's vehicle fleet, with increased maintenance costs for upkeep of 1963 and older vehicles;

Denial of a request for up-to-date ADP facilities and equipment, which has been refused for the last 3 consecutive fiscal years; and

Further incursions into the firearms enforcement area due to the demands of new Federal wagering laws.

Mr. Speaker, Congress, this administration and its predecessor must share the blame for this sorry situation; neither branch has made a positive commitment to effective firearms regulation. For its part, the Congress has failed to strengthen a loophole-ridden act to provide ATF with the statutory means and real resources to combat the geometric increases in private firearms ownership and firearms-related crime. The Executive has provided no more leadership than to keep ATF in step with inflation.

As chairman of the subcommittee which is grappling with this question, it is my duty to point up this lack of commitment and do everything in my power to insure that past failures do not become tomorrow's prophecy. It is my belief that H.R. 8579 is a perpetuation of an untimely status quo, and I shall work toward legislation which gives the Bureau of Alochol, Tobacco, and Firearms the muscle and resources to do an effective, rather than barely adequate, job.

Mr. STEED. Mr. Speaker, I have no further requests for time, and I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ROUSSELOT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 337, nays 79, not voting 18, as follows:

[Roll No. 455]

YEAS—337

Abdnor
Adams
Addabbo
Ambro
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Armstrong
Ashley
Aspin
AuCoin
Bafalis
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Carney
Carter
Casey
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland

Cochran
Cohen
Collins, Ill.
Conable
Conte
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dent
Derwinski
Devine
Dickinson
Downey, N.Y.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Forsythe
Fraser
Frenzel
Frey
Gaydos
Gibbons
Ginn
Goldwater
Gonzalez
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hanley
Harris
Harsha
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Hinshaw
Holland
Holt
Horton
Howard
Howe
Hungate
Hutchinson
Hyde
Jarman
Jeffords
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kelly
Kemp
Keys
Kindness
Krueger
LaFalce
Lagomarsino
Landrum
Lent
Levitas
Litton
Long, La.
Long, Md.
Lott
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Madden
Madigan
Mahon
Martin
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Milford
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nichols
Nix
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Rangel
Rees
Regula
Reuss
Riegle
Rinaldo
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Russo
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Schneebeli
Schulze
Seiberling
Shipley
Shriver
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Staggers
Stanton, J. William
Steed
Steelman
Stephens
Stratton
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Walsh
Wampler
Waxman
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, Tex.
Winn
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—79

Abzug
Alexander
Anderson, Calif.
Archer
Ashbrook
Badillo
Bauman
Beard, Tenn.
Blanchard
Brodhead
Byron
Carr
Collins, Tex.
Conlan
Conyers
Crane
Derrick
Dingell
Dodd
Edgar
Ford, Tenn.
Fountain
Gilman
Goodling
Gradison
Grassley
Hammerschmidt
Hannaford
Hansen
Harkin
Harrington
Hechler, W. Va.
Holtzman
Hubbard
Hughes
Ichord
Jacobs
Jenrette
Jones, N.C.
Kasten
Ketchum
Koch
Krebs
Latta
Leggett
Lehman
Lloyd, Calif.
Lloyd, Tenn.
Lujan
McDonald
Maguire
Mann
Mathis
Miller, Calif.
Moffett
Moss
Mottl
Neal
Nolan
Randall
Richmond
Rousselot
Runnels
Ruppe
Ryan
Satterfield
Schroeder
Sebelius
Sharp
Shuster
Spence
Stark
Steiger, Ariz.
Steiger, Wis.
Symms
Waggonner
Weaver
Wirth
Young, Fla.

NOT VOTING—18

Bell
Dellums
Diggs
Downing, Va.
Eckhardt
Esch
Fulton
Fuqua
Giaimo
Macdonald
Railsback
Rhodes
Risenhoover
Stanton, James V.
Stokes
Teague
Udall
Wilson, C. H.

So the conference report was agreed to.

The Clerk announced the following pairs:

Mr. Teague with Mr. Udall.

Mr. Risenhoover with Mr. Stokes.

Mr. Giaimo with Mr. Macdonald of Massachusetts.

Mr. Eckhardt with Mr. Bell.

Mr. Downing of Virginia with Mr. Dellums.

Mr. James V. Stanton with Mr. Esch.

Mr. Fuqua with Mr. Fulton.

Mr. Charles H. Wilson of California with Mr. Diggs.

Mr. Rhodes with Mr. Railsback.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AMENDMENTS IN DISAGREEMENT

The SPEAKER pro tempore. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 18: On page 9, line 7, insert:

REVOLVING FUND FOR ADVANCE PAYMENTS TO UNITED STATES INTERNATIONAL AIR CARRIERS

There shall be appropriated to the United States Postal Service $7,000,000 for the establishment and operation of a Revolving Fund pursuant to section 2602(c) of title 39, United States Code.

MOTION OFFERED BY MR. STEED

Mr. STEED. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. STEED moves that the House recede from its disagreement to the amendment of the Senate numbered 18 and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert "$5,000,000".

The SPEAKER pro tempore. The Chair recognizes the gentleman from Oklahoma (Mr. STEED).

Mr. STEED. Mr. Speaker, I yield myself such time as I may consume.

Mr. MILLER of Ohio. Mr. Speaker, will the gentleman yield?

Mr. STEED. I yield to the gentleman from Ohio.

Mr. MILLER of Ohio. Mr. Speaker, I rise to speak in opposition to Senate amendment No. 18.

This amendment would establish a revolving fund in the U.S. Postal Service, with an initial appropriation of $5 million, to be used for payments to air carriers under the U.S. flag. These payments are to compensate the U.S. air carriers for payments due but not collected from foreign governments for carrying the mail pursuant to international agreements. The fund would be reimbursed by the carriers when and if payments are received from the foreign governments.

I oppose this Senate amendment, Mr. Speaker, because if we do put $5 million in a fund to pay the air carriers for delinquent payments by foreign nations, these nations will have no incentive to pay their legitimate bills; they will have incentive to tell the air carriers to go back to the U.S. Treasury and collect the debt.

We do have a problem right now. It has developed with two sets of figures. Yesterday in our conference with the Senate we had a figure of approximately $7 million that was due the air carriers by the foreign nations. I have data from the Department of State that negotiations with the foreign nations have taken place on such outstanding debts, and the amount recorded by the State Department is $2,069,275. This figure represents the debts of foreign governments to U.S. carriers for transporting the mail during the period July 1, 1971, to March 28, 1975.

I request that Senate amendment No. 18 be defeated, and I will call for a vote. I will first request that the House defeat Senate amendment No. 18, and then I will offer an amendment containing a figure of $3 million to cover the debts as we have them today.

We seem to have the two sets of figures, one from our Postal Service and State Department, another from the air carriers. If the debt that is owed today is the figure that I read, the $3 million will be ample to cover that debt. If we appropriate any additional money, that will only encourage the foreign nations to tell our air carriers to "Go back to the U.S. Treasury and collect what we owe you."

Mr. Speaker, I request that Senate amendment No. 18 be defeated.

Mr. STEED. Mr. Speaker, first, I would like to see whether I can make this matter as clear as possible to all the Members of the House.

This item was placed in the bill by the other body. The Senate amendment called for $7 million for this revolving fund, and we were able to talk that down to $5 million which is the motion before the House now.

It developed that the other body feels quite strongly about this item. While I appreciate the gentleman's position in wanting to defeat the amendment here, I know that if his motion prevails, it will throw us back into conference, and we will be back where we were yesterday, when we thought we had as good a solution as we could work out.

This problem of collecting from foreign governments for mail carried by American carriers has been one that has plagued us here for several years.

Apparently, in the old days, when the Post Office Department was a Federal agency, they were able to help our airlines by obtaining some of the moneys which were owed them and that were owed us, and they were able to keep these accounts pretty current. However, since the Post Office Department became a corporation, they no longer are in a position or have not been giving that kind of service, so that these accounts have piled up.

We have several sets of figures on what is owed U.S. air carriers. We were trying to deal with the amount that is owing or is in arrears.

I believe that this revolving-fund approach is the only way in which we can get any official help for our carriers to get moneys that they have earned and that they are entitled to collect, through the State Department and the Postal Service.

When a U.S. carrier, because it cannot collect the bills that some other country owes it, cuts off service to that country, that country can cancel its landing rights. They can get into a position in which the State Department makes certain insistent requests of them for this service. Therefore, the American airlines are kind of caught in a trap. We are trying to help them out, and I think this is the fairest way to do it.

Mr. Speaker, I share the concern of the gentleman from Ohio (Mr. MILLER) in the fact that we do not want this revolving fund to be made just a giveaway. I assure the gentleman that with his support, we will have the General Accounting Office begin immediately an indepth study of this whole problem so that, for one thing, we can get accurate figures and know exactly what we are talking about, and we can see to it that all the agencies of the Government, including the CAB, the Department of Transportation, and the State Department, as well as the Postal Service, lend their hand in trying to help to clear up these debts.

If the debts are collected, of course, the revolving fund would remain intact. There would be no loss to the taxpayer.

Mr. Speaker, I assure the gentleman from Ohio that I am as deeply concerned as he is about this matter and that I will work with him in every way I can to see that the fund is not abused.

I must say that it is my firm conviction that we have the best solution we could hope to get at this point.

If, at this time next year, this matter has not been handled properly, I will be here on the floor with the gentleman getting rid of the whole thing, because if this does not work, I do not know how we can approach it.

However, Mr. Speaker, I would like to urge the gentleman from Ohio to change his position for now for the sake of expediting this whole bill, and I would urge that the House sustain the committee and approve this amendment.

Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Oklahoma (Mr. STEED).

The question was taken.

Mr. MILLER of Ohio. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 217, nays 199, not voting 18, as follows:

[Roll No. 456]

YEAS—217

Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Armstrong
AuCoin
Badillo
Baldus
Barrett
Baucus
Beard, R.I.
Bergland
Bingham
Blanchard
Boggs
Boland
Bolling
Brademas
Breaux
Breckinridge
Brodhead
Brooks
Broomfield
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burton, John
Burton, Phillip
Carney
Carr
Casey
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clay
Cleveland
Collins, Ill.
Conte
Conyers
Corman
Daniel, Dan
Daniels, N.J.
Danielson
Davis
de la Garza
Dent
Diggs
Dingell
Downey, N.Y.
Drinan
Eckhardt
Edwards, Calif.
Eilberg
Evans, Colo.
Evins, Tenn.
Fary
Fascell
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Fraser

Frey
Gaydos
Gibbons
Hanley
Hannaford
Harris
Hays, Ohio
Hébert
Helstoski
Henderson
Hicks
Hightower
Holland
Holtzman
Horton
Howard
Howe
Hungate
Jarman
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jordan
Kastenmeier
Koch
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Long, La.
McClory
McFall
McHugh
McKay
Madden
Mahon
Mann
Matsunaga
Mazzoli
Melcher
Metcalfe
Meyner
Mezvinsky
Milford
Mills
Mineta
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Moorhead, Pa.
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Passman
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pepper

Perkins
Peyser
Pickle
Pike
Preyer
Price
Pritchard
Randall
Rangel
Rees
Reuss
Richmond
Roberts
Rodino
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Ruppe
Russo
Ryan
Sarbanes
Satterfield
Scheuer
Schroeder
Seiberling
Shipley
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Stephens
Stokes
Stratton
Studds
Symington
Thompson
Thornton
Ullman
Vander Jagt
Vander Veen
Vanik
Vigorito
Walsh
Waxman
Weaver
Whalen
White
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wright
Yatron
Young, Alaska
Young, Ga.
Young, Tex.
Zablocki

NAYS—199

Abdnor
Anderson, Ill.
Archer
Ashbrook
Ashley
Aspin
Bafalis
Bauman
Beard, Tenn.
Bedell
Bennett
Biaggi
Biester
Blouin

Bonker
Bowen
Brinkley
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carter

Clawson, Del
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniel, R. W.
Delaney
Derrick

Derwinski
Devine
Dickinson
Dodd
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Edgar
Edwards, Ala.
Emery
English
Erlenborn
Eshleman
Evans, Ind.
Fenwick
Findley
Fish
Ford, Tenn.
Forsythe
Fountain
Frenzel
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hansen
Harkin
Harrington
Harsha
Hastings
Hayes, Ind.
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Hillis
Hinshaw
Holt
Hubbard
Hughes
Hutchinson

Hyde
Ichord
Jacobs
Jeffords
Jenrette
Johnson, Colo.
Jones, Tenn.
Karth
Kasten
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Lloyd, Tenn.
Long, Md.
Lott
Lujan
McCloskey
McCollister
McCormack
McDade
McDonald
McKinney
Madigan
Maguire
Martin
Mathis
Michel
Mikva
Miller, Calif.
Miller, Ohio
Minish
Moffett
Montgomery
Moore
Moorhead, Calif.
Mosher
Mottl
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nichols
O'Brien

Pattison, N.Y.
Pettis
Poage
Pressler
Quie
Quillen
Railsback
Regula
Rhodes
Riegle
Rinaldo
Robinson
Roe
Roush
Rousselot
Roybal
Runnels
St Germain
Santini
Sarasin
Schneebeli
Schulze
Sebelius
Sharp
Shriver
Shuster
Smith, Nebr.
Snyder
Spence
Steelman
Steiger, Ariz.
Steiger, Wis.
Stuckey
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thone
Traxler
Treen
Tsongas
Van Deerlin
Waggonner
Wampler
Whitehurst
Whitten
Wiggins
Wolff
Wydler
Wylie
Yates
Young, Fla.
Zeferetti

NOT VOTING—18

Bell
Bevill
Dellums
Downing, Va.
Esch
Fulton

Fuqua
Giaimo
Green
Hawkins
McEwen
Macdonald

Meeds
Risenhoover
Sullivan
Teague
Udall
Wilson, C. H.

So the motion was agreed to.

The Clerk announced the following pairs:

Mr. Teague with Mr. Bell.
Mrs. Sullivan with Mr. Esch.
Mr. Downing of Virginia with Mr. McEwen.
Mr. Fulton with Mr. Bevill.
Mr. Giaimo with Mr. Dellums.
Mr. Green with Mr. Fuqua.
Mr. Udall with Mr. Meeds.
Mr. Charles H. Wilson of California with Mr. Macdonald of Massachusetts.
Mr. Hawkins with Mr. Risenhoover.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 42: On page 25, line 21, insert "in the current fiscal year,".

MOTION OFFERED BY MR. STEED

Mr. STEED. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. STEED moves that the House recede from its disagreement to the amendment of the Senate numbered 42 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert "during fiscal year 1976,"

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 50: On page 26, line 20, insert: ": *Provided further*, That moneys now or hereafter deposited into the fund established by section 210(f) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(f)), and available pursuant to annual appropriation Acts, may be transferred and consolidated on the books of the Treasury Department into a special account pursuant to section 9 of the Act of June 14, 1946, 60 Stat. 259 (40 U.S.C. 296), in accordance with and for the purposes specified in such section."

MOTION OFFERED BY MR. STEED

Mr. STEED. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. STEED moves that the House recede from its disagreement to the amendment of the Senate numbered 50 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 60: On page 38, line 9, insert: "except as provided in section 204 of the Supplemental Appropriation Act, 1975".

MOTION OFFERED BY MR. STEED

Mr. STEED. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. STEED moves that the House recede from its disagreement to the amendment of the Senate numbered 60 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the last amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 61: On page 40, line 16, insert: *"South Viet Nam,"*.

MOTION OFFERED BY MR. STEED

Mr. STEED. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. STEED moves that the House recede from its disagreement to the amendment of the Senate numbered 61 and concur therein.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

GENERAL LEAVE

Mr. STEED. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous material on the subject of the conference report (H.R. 8597) just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed a bill of the following title, in which concurrence of the House is requested:

S. 1466. An act to amend the Public Health Service Act to extend and revise the program of assistance for the control and prevention of communicable diseases, and to provide for the establishment of the Office of Consumer Health Education and Promotion and the Center for Health Education and Promotion to advance the national health, to reduce preventable illness, disability, and death; to moderate self-imposed risks; to promote progress and scholarship in consumer health education and promotion and school health education; and for other purposes.

AMENDING TITLE 39, UNITED STATES CODE, TO APPLY CERTAIN PROVISIONS OF LAW PROVIDING FOR FEDERAL AGENCY SAFETY PROGRAMS TO THE U.S. POSTAL SERVICE

Mr. HENDERSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 2559) to amend title 39, United States Code, to apply to the U.S. Postal Service certain provisions of law providing for Federal agency safety programs and responsibilities, and for other purposes, with Senate amendments thereto, and consider the Senate amendments in the House.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the Senate amendments, as follows:

Strike out all after the enacting clause and insert:

TITLE I—POSTAL SERVICE

SEC. 101. Section 410(b) of title 39, United States Code, is amended—

(1) by striking out the word "and" at the end of paragraph (5);

(2) by striking out the period at the end of paragraph (6) and inserting in lieu of the period a semicolon and the word "and"; and

(3) by adding immediately below paragraph (6) the following paragraph:

"(7) section 19 of the Occupational Safety and Health Act of 1970 (29 U.S.C. 668).".

TITLE II—EXECUTIVE SALARIES

SEC. 201. This title may be cited as the "Executive Salary Cost-of-Living Adjustment Act".

SEC. 202. (a) Subchapter II of chapter 53 of title 5, United States Code, relating to Executive Schedule pay rates, is amended by adding at the end thereof the following new section:

"§ 5318. Adjustments in rates of pay

"Effective at the beginning of the first applicable pay period commencing on or after the first day of the month in which an adjustment takes effect under section 5305 of this title in the rates of pay under the General Schedule, the annual rate of pay for positions at each level of the Executive Schedule shall be adjusted by an amount, rounded to the nearest multiple of $100 (or if midway between multiples of $100, to the next higher multiple of $100), equal to the percentage of such annual rate of pay which corresponds to the overall average percentage (as set forth in the report transmitted to the Congress under such section 5305) of the adjustment in the rates of pay under the General Schedule.".

(b)(1) That part of section 5312 (relating to level I of the Executive Schedule) of title 5, United States Code, immediately below the section heading and immediately above clause (1) is amended to read as follows:

"Level I of the Executive Schedule applies to the following positions for which the annual rate of basic pay shall be the rate determined with respect to such level under chapter 11 of title 2, as adjusted by section 5318 of this title:".

(2) That part of section 5313 (relating to level II of the Executive Schedule) of title 5, United States Code, immediately below the section heading and immediately above clause (1) is amended to read as follows:

"Level II of the Executive Schedule applies to the following positions, for which the annual rate of basic pay shall be the rate determined with respect to such level under chapter 11 of title 2, as adjusted by section 5318 of this title:".

(3) That part of section 5314 (relating to level III of the Executive Schedule) of title 5, United States Code, immediately below the section heading and immediately above clause (1) is amended to read as follows:

"Level III of the Eexcutive Schedule applies to the following positions, for which the annual rate of basic pay shall be the rate determined with respect to such level under chapter 11 of title 2, as adjusted by section 5318 of this title:".

(4) That part of section 5315 (relating to level IV of the Executive Schedule) of title 5, United States Code, immediately below the section heading and immediately above clause (1) is amended to read as follows:

"Level IV of the Executive Schedule applies to the following positions, for which the annual rate of basic pay shall be the rate determined with respect to such level under chapter 11 of title 2, as adjusted by section 5318 of this title:".

(5) That part of section 5316 (relating to level V of the Executive Schedule) of title 5, United States Code, immediately below the section heading and immediately above clause (1) is amended to read as follows:

"Level V of the Executive Schedule applies to the following positions, for which the annual rate of basic pay shall be the rate determined with respect to such level under chapter 11 of title 2, as adjusted by section 5318 of this title:".

(6) The analysis of subchapter II of chapter 53 of title 5, United States Code, is amended by adding the following new item at the end thereof:

"5318. Adjustments in rates of pay.".

(c)(1) Subsection (a) of section 5305 of title 5, United States Code, relating to annual pay reports, is amended by adding at the end thereof the following new sentence: "The report transmitted to the Congress under this subsection shall specify the overall percentage of the adjustment in the rates of pay under the General Schedule and of the adjustment in the rates of pay under the other statutory pay systems.".

(2) Subsection (c)(1) section 5305 of title 5, United States Code, relating to annual pay reports, is amended by adding at the end thereof the following new sentence: "The report transmitted to the Congress under this subsection shall specify the overall percentage of the adjustment in the rates of pay under the General Schedule and of the adjustment in the rates of pay under the other statutory pay systems.".

SEC. 203. Section 104 of title 3, United States Code, relating to the rate of salary of the Vice President, is amended by striking out "$62,500, to be paid monthly." and inserting in lieu thereof "the rate determined for such position under chapter 11 of title 2, as adjusted under this section. Effective at the beginning of the first month in which an adjustment takes effect under section 5305 of title 5 in the rates of pay under the General Schedule, the salary of the Vice President shall be adjusted by an amount, rounded to the nearest multiple of $100 (or if midway between multiples of $100, to the nearest higher multiple of $100), equal to the percentage of such per annum rate which corresponds to the overall average percentage (as set forth in the report transmitted to the Congress under section 5305 of title 5) of the adjustment in such rates of pay. Such salary shall be paid on a monthly basis.".

Sec. 204. (a) Section 601(a) of the Legislative Reorganization Act of 1946 (2 U.S.C. 31) is amended to read as follows:

"Sec. 601. (a)(1) The annual rate of pay for—

"(A) each Senator, Member of the House of Representatives, and Delegate to the House of Representatives, and the Resident Commissioner from Puerto Rico.

"(B) the President pro tempore of the Senate, the majority leader and the minority leader of the Senate, and the majority leader and the minority leader of the House of Representatives, and

"(C) the Speaker of the House of Representatives, shall be the rate determined for such positions under section 225 of the Federal Salary Act of 1967 (2 U.S.C. 351–361), as adjusted by paragraph (2) of this subsection.

"(2) Effective at the beginning of the first applicable pay period commencing on or after the first day of the month in which an adjustment takes effect under section 5305 of title 5, United States Code, in the rates of pay under the General Schedule, each annual rate referred to in paragraph (1) shall be adjusted by an amount, rounded to the nearest multiple of $100 (or if midway between multiples of $100, to the next higher multiple of $100), equal to the percentage of such annual rate which corresponds to the overall average percentage (as set forth in the report transmitted to the Congress under such section 5305) of the adjustment in the rates of pay under the General Schedule.".

(b) Subsections (a) through (d) of section 203 of the Federal Legislative Salary Act of 1964 (78 Stat. 415), relating to the annual rate of pay of certain legislative officials, are amended to read as follows:

"Sec. 203. (a) The compensation of the Comptroller General of the United States shall be at an annual rate which is equal to the rate for positions at level II of the Executive Schedule of subchapter II of chapter 53 of title 5, United States Code.

"(b) The compensation of the Deputy Comptroller General of the United States shall be at an annual rate which is equal to the rate for positions at level III of such Executive Schedule.

"(c) The compensation of the General Counsel of the United States General Accounting Office, the Librarian of Congress, and the Architect of the Capitol shall be at an annual rate which is equal to the rate for positions at level IV of such Executive Schedule.

"(d) The compensation of the Deputy Librarian of Congress and the Assistant Architect of the Capitol shall be at an annual rate which is equal to the rate for positions at level V of such Executive Schedule.".

(c)(1) Section 303 of title 44, United States Code, relating to the compensation of the Public Printer and Deputy Public Printer, is amended to read as follows:

"§ 303. Public Printer and Deputy Printer: pay

"The annual rate of pay for the Public Printer shall be a rate which is equal to the rate for level IV of the Executive Schedule of subchapter II of chapter 53 of title 5. The annual rate of pay for the Deputy Public Printer shall be a rate which is equal to the rate for level V of such Executive Schedule.".

(2) The item relating of section 303 in the chapter analysis for chapter 3 of title 44, United States Code, is amended to read as follows:

"303. Public Printer and Deputy Public Printer: pay.".

(d) Section 4(d) of the Federal Pay Comparability Act of 1970 (84 Stat. 1952) is amended by striking out "level V" and "section 5316" and inserting in lieu thereof "level III" and "section 5314", respectively.

Sec. 205. (a)(1) Chapter 31 of title 28, United States Code, relating to general provisions applicable to courts and judges, is amended by adding at the end thereof the following new section:

"§ 461. Adjustments in certain salaries

"(a) Effective at the beginning of the first applicable pay period commencing on or after the first day of the month in which an adjustment takes effect under section 5305 of title 5 in the rates of pay under the General Schedule (except as provided in subsection (b)), each salary rate which is subject to adjustment under this section shall be adjusted by an amount, rounded to the nearest multiple of $100 (or if midway between multiples of $100, to the next higher multiple of $100) equal to the percentage of such salary rate which corresponds to the overall average percentage (as set forth in the report transmitted to the Congress under such section 5305) of the adjustments in the rates of pay under such Schedule.

"(b) Subsection (a) shall not apply to the extent it would reduce the salary of any individual whose compensation may not, under section 1 of article III of the Constitution of the United States, be diminished during such individual's continuance in office.".

(2) The analysis of chapter 21 of such title is amended by adding at the end thereof the following new item:

"461. Adjustments in certain salaries.".

(b)(1) Section 5 of title 28, United States Code, relating to salaries of justices of the Supreme Court, is amended to read as follows:

"§ 5. Salaries of justices

"The Chief Justice and each associate justice shall each receive a salary at annual rates determined under section 225 of the Federal Salary Act of 1967 (2 U.S.C. 351–361), as adjusted by section 461 of this title.".

(2) Section 44(d) of title 28, United States Code, relating to salaries of circuit judges, is amended to read as follows:

"(d) Each circuit judge shall receive a salary at an annual rate determined under section 225 of the Federal Salary Act of 1967 (2 U.S.C. 351–361), as adjusted by section 461 of this title.".

(3) Section 135 of title 28, United States Code, relating to salaries of district judges, is amended to read as follows:

"§ 135. Salaries of district judges

"Each judge of a district court of the United States shall receive a salary at an annual rate determined under section 225 of the Federal Salary Act of 1967 (2 U.S.C. 351–361), as adjusted by section 461 of this title.".

(4) The second sentence of section 173 of title 28, United States Code, relating to salaries of judges of the Court of Claims, is amended to read as follows: "Each shall receive a salary at an annual rate determined under section 225 of the Federal Salary Act of 1967 (2 U.S.C. 351–361), as adjusted by section 461 of this title.".

(5) The second sentence of section 913 of title 28, United States Code, relating to salaries of judges of the Court of Customs and Patent Appeals, is amended to read as follows: "Each shall receive a salary at an annual rate determined under section 225 of the Federal Salary Act of 1967 (2 U.S.C. 351–361), as adjusted by section 461 of this title.".

(6) The second sentence of section 252 of title 28, United States Code, relating to judges of the Customs Court, is amended to read as follows: "Each shall receive a salary at an annual rate determined under section 225 of the Federal Salary Act of 1967 (2 U.S.C. 351–361), as adjudicated by section 461 of this title.".

(7) So much of the first sentence of section 792(b) (relating to salaries of Court of Claims commissioners) of title 28, United States Code, as precedes ", and also all necessary traveling expenses" is amended to read as follows: "Each commissioner shall receive pay at an annual rate determined under section 225 of the Federal Salary Act of 1967 (2 U.S.C. 351–361), as adjusted by section 461 of this title".

(8) The first sentence of section 40a of the Bankruptcy Act (11 U.S.C. 68(a)), relating to compensation of referees in bankruptcy, is amended to read as follows: "Referees shall receive as full compensation for their services salaries to be fixed by the conference, in the light of the recommendations of the councils, made after advising with the district judges of their respective circuits, and of the Director, at rates, in the case of full-time referees, not more than the rate determined for such referees under section 225 of the Federal Salary Act of 1967 (2 U.S.C. 351–361), as adjusted under section 461 of title 28, United States Code, and in the case of part-time referees, not more than one-half of such rate, as so adjusted.".

Sec. 206. (a) Section 225(f)(A) of the Federal Salary Act of 1967 (2 U.S.C. 356 (A)), is amended—

(1) by inserting "the Vice President of the United States," immediately before "Senators";

(2) by striking out "and" immediately after "Representatives,"; and

(3) by inserting immediately before the semicolon a comma and the following: "the Speaker of the House of Representatives, the President pro tempore of the Senate, and the majority and minority leaders of the Senate and the House of Representatives".

(b) Until such time as a change in the rate of pay of the offices referred to in the amendment made by subsection (a) of this section occurs under the provisions of the Federal Salary Act of 1967 (2 U.S.C. 351–361), as amended by subsection (a) of this section, such rates of pay shall be the rates of pay in effect immediately prior to the date of enactment of this Act, as adjusted under section 203 and 204 of this title:

Amend the title so as to read: "An Act to amend title 30, United States Code, to apply to the United States Postal Service certain provisions of law providing for Federal agency safety programs and responsibilities, to provide for cost-of-living adjustments of Federal executive salaries, and for other purposes.".

Mr. HENDERSON (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the amendments be dispensed with and that the amendments be printed in the Record at this point.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, I have no objection to dispensing with the reading.

The SPEAKER. We are not going to dispense with anything else.

Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The SPEAKER. Is there objection to the consideration of the Senate amendment?

Mr. BAUMAN. Mr. Speaker, reserving the right to object I do so for the purpose of asking the gentleman from North Carolina, who has been kind enough to discuss this matter with me, whether if the gentleman's request is granted, the Senate amendment will be considered in the House, the gentleman will control an hour of time and will be able to yield to persons who might want to speak on the matter, and at the conclusion of that time, the motion, or request, will be made to agree to the bill, as amended by the Senate, at which time it would be in order to ask for a recorded vote on this matter; is that correct?

Mr. HENDERSON. Mr. Speaker, if the gentleman will yield, on the first point the gentleman made with regard to control of the time, the gentleman's understanding is correct. I assured the gentleman I would yield to him and others, who would want to speak in opposition, as much time as the hour would permit by balancing the debate, and then my understanding is the same as the gentleman's, that at the conclusion of the 1-hour debate a motion for the House to concur in Senate amendments would be in order, and a demand for a rollcall at that point would be following the usual procedure.

Mr. BAUMAN. Mr. Speaker, further reserving the right to object, the alternative course of action, parliamentarially, would be to bring this up tomorrow under a rule, which I understand has already been granted by the Committee on Rules, which in any event would permit the House to consider it at that time; is that correct?

Mr. HENDERSON. If the gentleman will yield further, the gentleman is correct.

Mr. BAUMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. GRASSLEY. I object.

The SPEAKER. Objection is heard.

PROVIDING FOR CONSIDERATION OF H.R. 2559 TO AMEND TITLE 39, UNITED STATES CODE

Mr. YOUNG of Texas. Mr. Speaker, by direction of the Committee on Rules, I send to the Speaker's desk a resolution for printing under the rule.

The Clerk read the title of the resolution.

The Clerk read the resolution as follows:

H. RES. 653

Resolved, That immediately upon the adoption of this resolution the bill (H.R. 2559) to amend title 39, United States Code, to apply to the United States Postal Service certain provisions of law providing for Federal agency safety programs and responsibilities, and for other purposes, with the Senate amendments thereto, be, and the same is hereby taken from the Speaker's table, to the end that the Senate amendments be, and the same are hereby, agreed to.

The SPEAKER. The resolution is referred to the House calendar and ordered printed.

The SPEAKER. Is it the intention of the gentleman from Texas to bring up under the two-thirds rule the rule on the proposition suggested by the gentleman from North Carolina?

Mr. YOUNG of Texas. Mr. Speaker, it is my intention and purpose to call up for immediate consideration House Resolution 653, which has been just sent to the desk.

The SPEAKER. The question is, Shall the House consider the resolution (H. Res. 653) which has just been filed and read.

POINT OF ORDER

Mr. BAUMAN. Mr. Speaker, I have a point of order.

The SPEAKER. The gentleman will state it.

Mr. BAUMAN. Mr. Speaker, is it within the rules of the House for a resolution to get printed, or a report filed, to be called up by the House for consideration?

The SPEAKER. By a two-thirds vote on the question of consideration. Any time the Committee on Rules submits a rule, whether it is printed or not, it is in order to be called up, but it takes two-thirds of the Members present and voting to consider the resolution on the same day reported.

Mr. BAUMAN. Mr. Speaker, on that I demand the yeas and nays.

The SPEAKER. Does the gentleman from Maryland make his demand on the question of consideration?

Mr. BAUMAN. Yes, Mr. Speaker.

The yeas and nays were refused.

The SPEAKER. The gentleman has a right to demand a vote on the ground that no quorum is present.

Mr. BAUMAN. In view of that magnificent display of courage, Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. The gentleman does have that privilege.

Mr. BAUMAN. I appreciate that, Mr. Speaker.

The SPEAKER. The Chair will count.

Mr. DINGELL. Regular order, Mr. Speaker.

The SPEAKER. The Chair is following the regular order.

The Chair will count. The Chair is counting to determine if a quorum is present, and the Chair will appreciate the cooperation instead of the interference of Members.

One hundred eighty-one Members are present, not a quorum.

The Sergeant at Arms will notify absent Members.

The vote as taken by electronic device, and there were—yeas 302, nays 124, not voting 8, as follows:

[Roll No. 457]

YEAS—302

Abzug
Adams
Addabbo
Alexander
Anderson, Ill.
Andrews, N.C.
Annunzio
Archer
Ashley
Aspin
AuCoin
Badillo
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bergland
Bevill
Biaggi
Bingham
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Burke, Calif.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Carney
Casey
Cederberg
Chisholm
Clay
Cochran
Collins, Ill.
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Dickinson
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Eshleman
Evans, Colo.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Foley
Ford, Mich.
Forsythe
Fountain
Fraser
Frenzel
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Green
Gude
Guyer
Hall
Hanley
Hannaford
Harkin
Harrington
Harris
Hastings
Hawkins
Hays, Ohio
Hébert
Hefner
Helstoski
Henderson
Hicks
Hightower
Hillis
Hinshaw
Holland
Holtzman
Horton
Howard
Howe
Hughes
Hungate
Hutchinson
Hyde
Jarman
Jenrette
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jordan
Karth
Kastenmeier
Kazen
Koch
LaFalce
Leggett
Lehman
Lent
Litton
Lloyd, Calif.
Long, La.
Long, Md.
McClory
McCloskey
McCormack
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Milford
Mills
Mineta
Minish
Mink
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Calif.
Moorhead, Pa.
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Passman
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Preyer
Pritchard
Quie
Railsback
Randall
Rangel
Rees
Reuss
Rhodes
Richmond
Riegle
Rinaldo
Roberts
Robinson
Rodino
Roe
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roybal
Runnels
Ruppe
Russo
Ryan
Santini
Sarasin
Sarbanes
Scheuer
Schroeder
Seiberling
Shipley
Sikes
Simon
Sisk
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stanton, J. William
Stark
Steed
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, N.C.
Thompson
Thornton
Traxler
Tsongas
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waggonner
Waxman
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wright
Wydler
Yates
Young, Alaska
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—124

Abdnor
Ambro
Anderson, Calif.
Andrews, N. Dak.
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Bennett
Biester
Blanchard
Brinkley
Brown, Mich.
Broyhill
Buchanan
Burgener
Burke, Fla.
Byron
Carr
Carter
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cohen
Collins, Tex.
Conable
Conlan
Crane
D'Amours
Devine
Duncan, Tenn.
Early
Edgar
Emery
English
Evans, Ind.

Evins, Tenn.
Flynt
Ford, Tenn.
Frey
Grassley
Hagedorn
Haley
Hamilton
Hammerschmidt
Hansen
Harsha
Hayes, Ind.
Hechler, W. Va.
Heckler, Mass.
Heinz
Holt
Hubbard
Ichord
Jacobs
Jeffords
Johnson, Colo.
Jones, Tenn.
Kasten
Kelly
Kemp
Ketchum
Keys
Kindness
Krebs
Krueger
Lagomarsino
Landrum
Latta
Levitas
Lloyd, Tenn.
Lott
Lujan
McCollister
McDade
McDonald
McEwen
Martin
Miller, Calif.
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Mosher
Mottl
Natcher
O'Brien
Poage
Pressler
Quillen
Regula
Rogers
Roush
Rousselot
St Germain
Satterfield
Schneebeli
Schulze
Sebelius
Sharp
Shriver
Shuster
Skubitz
Smith, Nebr.
Snyder
Spence
Stanton, James V.
Steelman
Steiger, Ariz.
Symms
Taylor, Mo.
Thone
Treen
Vander Jagt
Walsh
Wampler
Weaver
Winn
Wylie
Yatron
Young, Fla.

NOT VOTING—8

Bell
Diggs
Esch
Fulton
Price
Risenhoover
Teague
Udall

So (two-thirds having voted in favor thereof), the House agreed to consider House Resolution 653.

The Clerk announced the following pairs:

Mr. Price and Mr. Diggs for, with Mr. Teague against.

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the resolution.

The Clerk read the resolution as follows:

H. Res. 653

Resolved, That immediately upon the adoption of this resolution the bill (H.R. 2559) to amend title 39, United States Code, to apply to the United States Postal Service certain provisions of law providing for Federal agency safety programs and responsibilities, and for other purposes, with the Senate amendments thereto, be, and the same is hereby taken from the Speaker's table, to the end that the Senate amendments be, and the same are hereby, agreed to.

The SPEAKER. The gentleman from Texas (Mr. Young) is recognized for 1 hour.

PROVIDING FOR CONSIDERATION OF CONFERENCE REPORT ON H.R. 4723, AUTHORIZING APPROPRIATIONS TO THE NATIONAL SCIENCE FOUNDATION FOR FISCAL YEAR 1976.

Mr. YOUNG of Texas, from the Committee on Rules, reported the following privileged resolution (H. Res. 654, Rept. No. 94–424., which was referred to the House Calendar and ordered to be printed:

H. Res. 654

Resolved, That immediately upon the adoption of this resolution, clause 2, Rule XXVIII to the contrary notwithstanding, it shall be in order to consider the conference report on the bill (H.R. 4723) authorizing appropriations for the National Science Foundation for fiscal year 1976.

Mr. BAUMAN. Mr. Speaker, I make a point of order. The gentleman just sent to the desk a resolution and report. It seems to me under the rules it has to be filed before we can vote on consideration of the resolution.

The SPEAKER. This is another report. The gentleman was just filing a privileged report.

Mr. BAUMAN. Mr. Speaker, the gentleman from Maryland was only trying to find out what was happening.

The SPEAKER. The gentleman from Texas can use his time as he sees fit.

PROVIDING FOR CONSIDERATION OF H.R. 2559, AMENDING TITLE 39, UNITED STATES CODE, TO APPLY CERTAIN PROVISIONS OF LAW PROVIDING FOR FEDERAL AGENCY SAFETY PROGRAMS TO THE U.S. POSTAL SERVICE

Mr. YOUNG of Texas. Mr. Speaker, I yield 30 minutes to the distinguished gentleman from Illinois (Mr. Anderson), pending which I yield myself such time as I may consume.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Illinois (Mr. Derwinski).

Mr. DERWINSKI. Mr. Speaker, there is a great deal of misunderstanding and some misinformation circulating as to precisely what it is we are considering in the Senate amendment to H.R. 2559.

The language added in the Senate is not a pay raise for Members of Congress or any of the other positions in the executive or judicial branches mentioned in the bill. It is a procedural change in the law which will allow for a cost-of-living adjustment in October, at the same time that employees under the General Schedule receive the same adjustment.

Therefore, talk of an 8.6 percent pay increase directly resulting from this bill is incorrect. There are no percentage figures in this bill, and the cost-of-living adjustment has yet to be determined by the President.

As a matter of fact, at such time as a percentage figure is arrived at, it will be more in the neighborhood of 5 percent, because at the beginning of this Congress the President sent to the Congress a legislative request for a 5-percent cap on pay increases for Federal civilian employees in 1976, and I introduced the legislation in his behalf by request. That legislation has not been acted on, and is presently lying in limbo.

But, the point is clear. We are considering a procedural change in the law at this time and will have the opportunity later this fall to agree or disagree to a percentage adjustment in salaries.

The President, in his message to the Speaker dated July 26, endorses the purpose of the Senate amendment.

The President advised that in his judgment this amendment "is essential if we are to recruit and retain qualified and competent senior level people to conduct our Government's business."

These senior level people the President speaks of in all three branches of Government, including military officers, who as a result of the statutory pay ceiling have had the purchasing power of their salaries reduced by as much as 32 percent since 1969.

For example, a study prepared by the Judicial Conference Committee on Judicial Compensation points out that while judges' salaries have remained static since 1969, the Consumer Price Index has increased 42 percent from March 1969 through September 1974. This study says:

> It must be recognized that judges have lost purchasing power each year since March 1969. This has resulted in a cumulative loss of $53,480 for district judges and $56,830 for circuit judges . . .

In contrast, General Schedule Federal employees have received 38.1 percent comparability pay increases during this same period of time. The inequitable and discriminatory result of freezing judicial salaries for 5 years, while annually raising the salaries of General Schedule employees, is further accentuated by the fact that in addition, these Federal employees have also received step increases, mandated under the grade system, that have been calculated at 14.2 percent when considered with the comparability increases on these step increases. Thus, the aggregate pay increase since 1969 for an average Federal employee is calculated to be 52.3 percent, excluding improvements in fringe benefits. If Federal judges had received the same increases, the current salaries would be: District judges, $60,920; court of appeals judges, $64,728; and, Associate Justices of the Supreme Court, $91,380.

Obviously, the legislation before the House does not call for or contemplate increases of anywhere near that magnitude. Depending on the determination of the President this fall, the comparability-pay adjustments for the General Schedule employees will be between 5 and 8 percent. This same percent will be applied to the salaries of the positions covered by the amendment to H.R. 2559, and so at best it represents only a partial catch-up to offset cost-of-living increases for 1 year.

The Chicago Tribune, in February 1974, recognized the need for Congress to loosen the financial straitjacket of judges and key Government executives. The editorial said:

> A case can be made for the (salary) increases, especially for judges and civil service officials. The law ties all these salary schedules together in fixed ratios. Judges' salaries cannot be raised unless those for congressmen and civil service officials are, too. If Congress blocks its own pay raise, it will automatically block those for others. Yet there is a need for inducement for good judges, and at the existing salary scales many of them could do better in private practice.

The truth of this is shown in surveys by the U.S. Department of Labor. Attorneys' salaries have risen 43.9 percent since 1969, while the salaries of U.S. judges have not risen at all.

Salaries of State chief judges have increased 44.2 percent in the same period, and whereas in 1969 only one State—New York—paid its judiciary at a rate greater than the pay of U.S. district court judges, there are now 20 States compensating their judges at rates equal to or greater than the pay of Federal district court judges.

Thus, Federal judges have been unjustly treated in comparison with General Schedule Federal employees. They also have not been permitted to keep pace with their brethren on the bench in State systems or with private practitioners.

While judicial salaries have been frozen, top officials in the private sector of our economy have received salary increases averaging 59.8 percent.

Such disparities have given impetus to the rise in resignations of Federal judges and to reduced morale within the Federal judiciary. An unprecedented seven Federal district judges have resigned since November 1973. If a significant salary increase is not made, many other judges now in their prime, who desire to continue in the judiciary, may also feel forced to return to private practice, at a serious loss to the ranks of the Federal judiciary.

Another relevant consideration is the increased efficiency and productivity of the judiciary. The average overall increase in case terminations per judgeship is 29.5 percent for the period 1968–74. The mean processing time for civil cases has dropped 10 percent in the Federal district courts and 12.1 percent in courts of appeals. These improvements occurred during a period when filings increased 36 percent and what have been classified as "difficult cases" increased 300.8 percent. Thus, it is apparent that in 1974 Federal judges are doing more work and doing it more efficiently than they did in 1968. Moreover, even with their greater workload, it is evident that Federal judges are performing at a level of quality as high or higher than ever.

It is worth noting that an increased efficiency has been taking place in the Federal judicial system the percentage cost of the courts when compared with the cost of operating the Government as a whole has steadily declined.

Mr. Speaker, may I further point out in terms of percentages, should this cost of living, of whatever amount, go into effect in October, the cost of the congressional-related increase would be approximately 3.5 percent of the total. The great bulk of this, well over 80 percent of the cost, would be for the cost-of-living adjustments for the upper echelon Federal employees whose salaries have been frozen under the compression that has developed. Approximately 7 percent would be the cost of increases for members of the Federal judiciary. The remainder are the specialized employees, the doctors at Veterans' Administration facilities and special categories.

Altogether the judiciary and the legislative increases involved, when there is a cost-of-living adjustment, would be approximately 10 percent of the total cost.

Mr. ANDERSON of Illinois. Mr. Speaker, will the gentleman yield for a question?

Mr. DERWINSKI. I yield to the gentleman from Illinois.

Mr. ANDERSON of Illinois. Mr. Speaker, frankly I do not think the percentages at this point are as meaningful as the absolute dollar amounts. I have been informed, and I would like the gentleman's opinion on this since he is more expert on these matters than I, that with reference to the legislative branch, if we were to assume that the increase in October, the cost-of-living increase the gentleman mentioned were to amount to 8 percent, that would cost as far as the legislative branch would amount to, $1.8 million. Is that a correct figure in the gentleman's opinion?

Mr. DERWINSKI. That is correct. That would $1.8 million out of an approximate increase of $49 million to $50 million. That is why I used the figure of 3.5 percent.

Mr. ANDERSON of Illinois. I thank the gentleman.

Mr. DERWINSKI. Mr. Speaker, may I point out that the pressure for this adjustment is coming primarily from the professional organizations representing the upper echelon employees and from the Federal judiciary, and the principal spokesman of course there is the Chief Justice.

I would refer the Members to the annual report which the Chief Justice presented on the state of the judiciary to the American Bar Association in a midwinter meeting in Chicago on February 23, 1975. I would like to quote from that report:

> Even a casual review of the figures showed that the number of criminal cases in Federal Courts rose 25 percent between 1964 and 1974. Much less well known to the public is the fact that civil case filings have increased at double this rate, that is, by 55 percent. The total combined increase in civil and criminal filings in that ten-year period was 45 percent, far outstripping the increased number of Federal judges.

He went on to point out that there are an increasing number of Federal judges who are retiring. Other qualified individuals for Federal judgeship positions have refused to accept these appointments because their law practices far exceed the salary available to Federal judges.

Specifically, the Chief Justice recommended that there be an immediate 20 percent increase in Federal judges' salaries as a first adjustment to catching up with the 6-year salary increase. Now, that is the Chief Justice of the United States speaking about a minimum of 20 percent first-step catch-up for the Federal Judiciary, All we are providing for here is a technical procedure that might produce an 8 percent increase in the cost of living adjustment in October, so by comparing this very modest development we can see what the needs are.

One other point, I have a letter addressed to the Speaker from the President. I wish to read two pertinent paragraphs:

> More than 20 percent of the Government's top officials are either quitting their jobs or retiring early. From 1969 to the present, the rate of executive resignations and retirements has more than doubled. In fact, employees whose salaries are frozen are retiring early at three times the rates of all Government employees . . . depriving the Government of five or ten years of additional service by these experienced workers.

The President goes on to emphasize that he completely supports the amendments that were accepted in the Senate.

The President in his message to Congress says:

> Since March, 1969, when pay for upper echelon Federal employees was last adjusted, the salaries of those *not* subject to the freeze have risen 50 percent. During this same period, a rise in the cost of living of 47.5 percent has reduced the purchasing power of those with frozen salaries by nearly one-third.
>
> The same problem applies to the judicial and legislative branches. The Chief Justice advises me that as a result of such frozen compensation schedules, a number of Federal judges have left the bench to return to private law practice and many others are planning to do so.
>
> While the salaries fixed in 1969 quite understandably seem more than adequate to many, we must face the fact that such salaries in the private sector—and indeed in a growing number of State and local governments—for skilled, experienced administrators, senior professionals and judges. Actually, executive pay in the private sector and earnings of private attorneys have both increased by about 44 percent since 1969.
>
> The Civil Service Commission has conducted an extensive survey and I am enclosing a summary of its report which contains specifics on this problem. I urge you to read it.
>
> As you know, the Senate Civil Service Committee has reported out H.R. 2559 to extend to employees of the Executive, Judicial and Legislative branches whose pay has been frozen so long, increases commensurate with those granted to other employees whose salaries are not frozen.
>
> This statutory change will not result in any "catch-up" for the last six years and will not solve all of the inequities we now have. But I feel we must move at once in this direction. I consider H.R. 2559 as a vital step. Further action to solve the problem will be addressed by the Panel on Federal Compensation which I established recently and by the next Quadrennial Commission on Executive, Legislative and Judicial salaries.

Mr. Speaker, I believe that the logical step for us to take this afternoon is to concur with the Senate amendments to this bill.

Mr. YOUNG of Texas. Mr. Speaker, I yield 5 minutes to the gentleman from North Carolina (Mr. HENDERSON).

Mr. HENDERSON. Mr. Speaker, the Senate amendment strikes out all after the enacting clause of H.R. 2559 and substitutes a new text.

The new text includes two titles. Title I contains provisions identical to the House-passed bill, which brings the Postal Service under section 19 of the Occupational Safety and Health Act of 1970.

Title II of the amendment adds new provisions entitled, "The Executive Salary Cost-of-Living Adjustment Act."

Title II of the Senate amendment provides a new procedure for an annual cost-of-living adjustment for the top officials of the executive, legislative, and judicial branches of the Federal Government.

Mr. Speaker, we have a letter from the President addressed to you endorsing the provisions of title II and urging the Congress to enact this bill promptly. I will include a copy of the letter at the end of my statement.

The cost-of-living adjustment will be determined by the amount of the comparability adjustment that is prescribed for the General Schedule under 5 U.S.C. 5305. The comparability adjustment under that law generally is made each year, effective the 1st of October. The amount of the adjustment will be equal to the percentage of the comparability adjustment. It would become effective automatically on the first of the month during which a comparability adjustment becomes effective.

The amendment will apply to—

First. Members of Congress;

Second. Judges and officials of the judicial branch, numbering 1083;

Third. Presidential and other appointees under the Federal Executive Salary Schedule, numbering 785; and

Fourth. Those officials affected by the $36,000 pay ceiling, totaling approximately 14,600 civilians and 600 military officers.

The Senate amendment will halt the pay gap from widening, and the pay compression from getting any worse. It will not relieve the existing gap, nor will it relieve the existing pay compression.

It must be considered as a minimum remedy. It is anticipated that a more complete remedy for closing the pay gap and for lessening the pay compression will be the subject of further legislation, if necessary, or may be remedied as a result of recommendations following the appointment and recommendation of the next Executive, Legislative, and Judicial Pay Commission during the fiscal year 1977.

Under current law, the procedure for adjusting the pay of these top officials is prescribed by section 225 of the Federal Salary Act of 1967 (Public Law 90–206, 2 U.S.C. 351–361). This law authorizes the appointment of a Commission on Executive, Legislative, and Judicial Salaries, to serve for the fiscal year 1969 and every fourth fiscal year thereafter. The Commission is required to conduct a review of and recommend rates of pay for the top officials of the Government. The Commission's recommendation is considered by the President, who in turn is required to submit a recommendation to the Congress. The President's recommendation for salary adjustments would become effective automatically unless either House of Congress disapproves the recommendation.

The first Commission served for the fiscal year 1969, and the President's recommendation, resulting from the 1969 survey, became effective in March 1969.

The second Commission served for the fiscal year 1973, and the President, early in 1974, submitted his recommendation for a three-stage increase of 7.5 percent for each of the years 1974, 1975, and 1976. This recommendation was disapproved by the Senate and consequently the 1969 rates are still in effect.

A new Commission will be appointed for the fiscal year 1977, and the earliest a new adjustment could be made under existing law would be in early 1977.

The existing system has failed. Four years is too long a period in our dynamic economy to wait for adjustments in pay of these high level positions. The increases should be automatic and on an annual basis.

We are now in the sixth year without any pay adjustment for these top officials and unless we change the law no adjustment will be made until early in 1977, or an 8-year lag.

There is a critical need for a new system now. Let me tell you why—and in this connection, I would like to invite your attention to a committee print of the Committee on Post Office and Civil Service, which contains a lot of the background information to which I will refer. This committee print is available for each Member's review.

PAY GAP

The salaries of the top officials have remained stagnant since March 1969.

As of March 1975, the cost of living since March 1969 has increased 46 percent, cutting the purchasing power of a $42,500 rate by more than one-third.

Meanwhile, non-Federal executive salaries have increased over 40 percent.

During these same years, salaries of other Federal employees have increased 50 percent.

The $42,500 rate now has the purchasing power of $28,815, and a $36,000 rate has the purchasing power of $24,408. To put this another way, an official receiving the rate of $42,500 in 1969 would have to earn around $62,000 a year in 1975 in order to maintain the same standard of living, and an official receiving $36,000 in 1969 would have to be earning $53,000 a year in 1975.

Had the 1974 recommendations of the President become effective, the $36,000 rate would have increased to $38,700 in 1974, to $41,600 in 1975, and to $44,700 in 1976. The $42,500 rate would have increased to $45,700 in 1974, to $49,100 in 1975, and to $52,800 in 1976. Needless to say, both rates are at the 1969 level, and the pay gap will continue to widen unless new legislation is passed by the Congress.

SALARY COMPRESSION

A second problem giving rise to the critical need for new legislation is the growing number of career employees whose pay is frozen at the $36,000 rate, when in fact their actual rates of pay should be as much as $10,000 higher.

Pay rates of employees under the statutory salary systems—the General Schedule, the Foreign Service, and physicians, dentists and nurses of the Veterans' Administration—are governed by the principle of annual adjustments based on comparability with pay in private industry. Under this principle, the current rate for the top career position is $46,336, and can be expected to increase to at least $50,000 in October 1975. However, other provisions of law provide that no rate of pay for the career employee may exceed the rate of the lowest step of the Executive Schedule—level V, $36,000. Consequently, practically all positions in GS–15–18 will be receiving the top rate of $36,000 by the end of 1975 unless legislation such as here proposed is enacted. The total number of these employees will exceed 15,000.

The critical need to alleviate both the pay gap and the pay compression has been brought to the attention of the Congress repeatedly during the past 3 years. In this connection, I would invite your attention to: First, the 1973 report of the Commission on Executive, Legislative, and Judicial Salaries and the 1974 recommendation of the President based on the Commission's report; second, the more recent February 1975 report of the Comptroller General; and third, the 1975 Annual Report on the State of the Judiciary by Chief Justice Warren E. Burger.

In addition, I have here a more recent letter from the Comptroller General, recommending that immediate action be taken by the Congress to enact legislation to reform the salary adjustment process for top officials. I will include a copy of this letter at the end of my remarks.

I know there are some who question the need for this amendment. There are some who will say that they can furnish applicants to fill any executive branch vacancy that may exist, but these arguments just do not recognize the issues that are facing us.

There may be plenty of applicants for any vacancy, but the big question is whether or not they qualify for the top management jobs in both the executive and judicial branches that need to be filled.

The key question is—

Will one of these applicants, if qualified, accept a nomination as a district judge, at a rate of $40,000 a year, when, as a competent attorney, he is already making $75,000 a year?

Will one of the applicants that qualified accept the position as Associate Administrator of NASA at a rate of $36,000 a year, when the former Administrator left to accept a postion in private industry at a rate of $70,000 a year?

Will one of the applicants, if qualified, accept a position as the Director of the Office of Child Development, HEW, at $36,000 a year, a position which has been vacant for some time, and which the last qualified applicant rejected because she was currently receiving $50,000 a year in private industry?

Will one of the applicants, if a qualified physician, accept the position in a VA hospital at the rate of $36,000 a year, when the physician is earning at least $52,000 in full-time practice—the average net income for non-Federal physicians being $49,415?

Chief Justice Burger has advised that 14 of the top Federal judges either have retired recently or have announced that they are considering retirement because the 1969 rates of pay are no longer realistic.

Our committee files have numerous examples indicating the difficulty the executive branch is having in filling the top level positions, and I will include, at the end of my statement, more illustrations.

I will also include a copy of a letter to President Ford from an employee of the U.S. Army Electronic Warfare Laboratory. I would like to read a portion of the letter:

> The rewards of this career—the feeling of my life having value—has more than compensated for any inequities in salary. But on returning from Korea, I was given the most demanding task of my life: the "catch-up" in electronic warfare. I am managing over $80M of urgent R&D effort in support of this goal this year, with even larger commitments over the next several years. Yet in the 18 months since I assumed this responsibility, I have lost two supergrades and three GS–15 employees (a deputy director, an associate director, and three *technical* area chiefs) to retirement (and new careers)

because of the frozen executive-level salary structure. These are five of the eight top people in Army electronic warfare.

Mr. President, how do I do my job? How do I deliver on my responsibilities to the Army and to the public?

* * * * *

In these difficult times, there are a lot of things we simply cannot afford. Sometimes this includes rather fundamental things, like heating our buildings; this has happened here at Fort Monmouth. But there are some things we *must* afford, and among those is leadership. Otherwise we move backwards, not forwards, in turning around the problems which confront us.

Irreplaceable experience and competency are being drained off by the salary ceiling impact on employees of the executive branch. It is indeed a critical situation.

Our committee held hearings in 1973 on a proposal to change the pay-fixing procedure as is proposed by the Senate amendment (committee hearing 93–9). The bill then being considered (S. 1989) proposed to change the time frame of the procedure from a 4-year to a 2-year basis. Had this been enacted it would have provided some relief. However, the Senate-passed bill, which was approved by our committee, was not considered by the House when the resolution proposing to adopt a rule for the consideration of the bill was defeated in the House on July 30, 1973, by a record vote of 156 to 237.

The 1973 hearings were updated this year by testimony received from the Comptroller General and the Chairman of the Civil Service Commission.

Also, hearings have been held this year by the Subcommittee on Courts, Civil Liberties, and the Administration of Justice, of the House Judiciary Committee, on the subject of pay of judges, and by the Subcommittee on Hospitals of the House Committee on Veterans' Affairs, on the subject of pay for physicians, dentists, and nurses at the Veterans' Administration hospitals. The Veterans' Affairs Committee has now reported a bill to the House entitled, Veterans Administration Physicians and Dentists Comparability Pay Act of 1975 (H.R. 8240, H. Rept. No. 94–339). That bill, if enacted, would not conflict with any provision of the Senate amendment.

The Senate amendment provides a new procedure which will provide a minimal amount of relief this year for the rates of pay of the top officials.

I urge that the House approve this matter here today.

The material follows:

THE WHITE HOUSE,
Washington, July 26, 1975.

The Honorable the SPEAKER,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: As you are aware from discussions we have had over the past few months, a serious problem has been developing in the recruitment and retention of senior-level executives and judges in the Federal Government.

This problem has now reached the critical stage. Essentially, it stems from the fact that there has been no pay raise for executive level managers or judges for six years. As a result:

Notwithstanding the clear intent of our Federal pay system that the varying levels of responsibility should be reflected in salaries, we now have a situation where some 15,000 employees in top grades (Executive Level V, GS–18, GS–17, GS–16 and even GS–15) all receive the same pay. The reason is that, as employees have received pay increases over the past six years, more and more of them come up against the six-year-old statutory pay ceiling of Executive Level V.

More than 20 percent of the Government's top officials are either quitting their jobs or retiring early. From 1969 to the present, the rate of executive resignations and retirements has more than doubled. In fact, employees whose salaries are frozen are retiring early at three times the rate of all Government employees, mostly in the 55–59 age range, depriving the Government of five or ten years of additional service by these experienced workers.

Several dozen of the Government's top posts are unfilled at this time simply because many of the executives we want to bring into Federal Service cannot, in fairness to their families, accept the huge cut in compensation that would be involved.

Key Government officials are turning down offers to move into Federal positions of greater responsibility in new localities. They cannot afford to uproot their families and bear the expense of moving at no increase in salary. There are hundreds of instances of this problem.

Since March, 1969, when pay for upper echelon Federal employees was last adjusted, the salaries of those *not* subject to the freeze have risen 50 percent. During this same period, a rise in the cost of living of 47.5 percent has reduced the purchasing power of those with frozen salaries by nearly one-third.

The same problem applies to the judicial and legislative branches. The Chief Justice advises me that as a result of such frozen compensation schedules, a number of Federal judges have left the bench to return to private law practice and many others are planning to do so.

While the salaries fixed in 1969 quite understandably seem more than adequate to many, we must face the fact that such salaries are today far out of line with comparable salaries in the private sector—and indeed in a growing number of State and local governments—for skilled, experienced administrators, senior professionals and judges. Actually, executive pay in the private sector and earnings of private attorneys have both increased by about 44 percent since 1969.

The Civil Service Commission has conducted an extensive survey and I am enclosing a summary of its report which contains specifics on this problem. I urge you to read it.

As you know, the Senate Civil Service Committee has reported out H.R. 2559 to extend to employees of the Executive, Judicial and Legislative branches whose pay has been frozen so long, increases commensurate with those granted to other employees whose salaries are not frozen.

This statutory change will not result in any "catch-up" for the last six years and will not solve all of the inequities we now have. But I feel we must move at once in this direction. I consider H.R. 2559 as a vital first step. Further action to solve the problem will be addressed by the Panel on Federal Compensation which I established recently and by the next Quadrennial Commission on Executive, Legislative and Judicial salaries.

The added cost of the compensation adjustments of H.R. 2559 will come to a fraction of one percent of the Federal payroll. In my judgment, this action is essential if we are to recruit and retain qualified and competent senior-level people to conduct our Government's business. I, therefore, urge the Congress to enact this bill promptly.

Sincerely,

GERALD R. FORD.

The Civil Service Commission has been gathering data from agencies on the effect the $36,000 limitation on pay is having on the executive branch's efforts to recruit and retain a high-quality managerial and professional workforce.

The data reveals that almost all agencies are faced with similar problems. Hundreds of the Federal Government's most valuable officials are quitting their jobs or retiring early because of the $36,000 salary limitation. The result is that many key positions are being left vacant and important services performed by the Government are beginning to suffer. The growing size of the problem is shown by these official figures: the rate of resignations among professional employees has doubled since 1970. Retirements increased by 50 percent in the single year from 1973 to 1974. Early retirements of executives are plaguing many Government agencies. The Internal Revenue Service reports, for example, the average age of its retirees has gone from 62.4 years in 1969 to 56 years currently.

Many critical and important jobs are going unfilled for months. For example: The position of chief actuary of the entire Social Security system has been vacant for 15 months The GS–18 position of Director of the National Institute on Aging at the National Institutes of Health has been vacant since it was established in May 1974. The positions of Program Director for Chemotherapy and Program Director for Cancer Centers in the National Cancer Institute have been vacant for months. Only three out of 15 vacant positions (due to early retirement) of administrative law judges have been filled at the National Labor Relations Board. The list goes on and on. In all cases it is clear that the $36,000 salary limitation is a major reason why positions requiring outstanding qualifications and capabilities, in addition to the assumption of awesome responsibilities, are so difficult to fill.

Another aspect of the problem involved the refusal of key employees to move into positions of greater responsibility. Aside from the assuming of greater responsibilities at no increase in salary, it also generally involved moving to a different part of the country, uprooting of family and in addition bearing the expense that moves genererally entail. Even the most dedicated employees must consider this very carefully. For example: The Project Manager for the Apollo Soyuz Test Project refused the Directorship of the Kennedy Space Center, indicating that he could not afford to absorb the cost of moving his family to Florida. At the National Weather Service, a GS–16 employee declined a promotion to the GS–17 position of Associate Director for Systems Development. At the Department of Transportation a GS–17 Regional Director refused reassignment to the position of Associate Administrator for Airports since it would involve moving to Washington, bearing the cost of the move and the disadvantage of living in a high-cost area without any additional compensation. Once again, the examples cited are just a very small fraction of an ever-growing list.

Perhaps the greatest impact of the $36,000 limitation is felt when attempting to attract outstanding candidates from the private sector to fill top level vacancies. This is especially true in the legal, medical and scientific areas. Applicants who are curious enough to apply, or who are solicited because they are currently in similar positions in the private sector, are quickly turned off by the $36,000 salary or with the prospect that it represents the end of the road as far as salary is concerned. In most cases, these people are already making far more money in their current jobs.

The general higher level of compensation in the private sector for positions similar in nature and scope of the executive levels in government not only serves as a barrier for halting the flow of executive level types from industry into the government, but at the same time serves as a gateway for government executives to leave government employment for the greener pastures of private enterprise. At the Commerce Department, the Chief Economist of the Bureau of Economic Analysis, GS–16, resigned to take a higher-paying position in private enterprise. At the National Cancer Institute, the Clinical Director resigned to accept a higher-paying position at a University. At the Justice Department, a Supervisory Trial Attorney at the GS–16 level resigned to accept a position in private industry at a substantially increased salary. At the Department of Agriculture, the GS–17 Director of Automated Data Systems resigned to take a $70,000 position in private industry.

At the same time, at HEW, a candidate rejected the GS–18 position of Director of the Office of Child Development because she was currently making $50,000 in private industry. At the Department of Interior, a candidate declined the position of Deputy Assistant Secretary for Energy and Minerals to accept a position with a consulting firm paying over $50,000. At the Commerce Department, a candidate declined appointment to a GS–16 Associate General Counsel position to accept a position paying $50,000. At the Small Business Administration, a candidate declined the position of Associate Administrator for Finance and Investment because it would involve a loss of $14,000 of his current salary in the private sector.

The Civil Service Commission itself has been hit by premature retirements among its top staff. Many of these key persons retired within months after becoming eligible for retirement. For example: An Executive Director at age 55, A Deputy Executive Director at age 57, A General Counsel, age 55, An Assistant Executive Director, age 55, A Regional Director, 55, Two Bureau Directors, 55 and 56, and two Deputy Bureau Directors at 55. These executives had valuable experience and skills and the ability to render additional valuable service for perhaps five or ten more years. Many of them, in fact, are still working full-time outside of the Federal service.

It is apparent that if the situation remains static, that is, if the $36,000 limitation remains and at the same time the level of compensation in the private sector remains free to adjust in an open market, we are sure to see the problems of attracting and retaining quality executives become even more pronounced.

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, D.C., July 15, 1975.

HON. DAVID N. HENDERSON,
Chairman, Committee on Post Office and Civil Service, House of Representatives.

DEAR MR. CHAIRMAN: On February 25, 1975, we issued a report to the Congress emphasizing the critical need for a better system for adjusting top executive, legislative, and judicial salaries. This report pointed out that there has been no adjustment in such salaries since March 1969, and concluded that the provisions of the Federal Salary Act of 1967, which contemplated that salary adjustments for such positions would be made every four years, have failed.

To date, no action has been taken on our recommendation that immediate legislation be enacted to reform the salary adjustment process for top officials. We recommended that a new process should provide that salaries be adjusted annually on the basis of either the annual change in the cost-of-living index or the average percentage increase in General Schedule salaries and that these pay levels be periodically reviewed by an independent commission.

Under the current quadrennial review and adjustment process, the next earliest possible adjustment could not occur until 1977. We believe that if adjustments are not made before then, the adverse effects on recruitment, retention, and incentive for advancement throughout the Federal service will continue to cause serious damage to the capability to manage Federal programs economically and effectively.

Enclosed is an updated synopsis of information included in our February report showing that the situation continues to worsen for Federal executives and their employing agencies and promises to deteriorate even further.

We trust that this information will assist the Congress in its consideration of this matter.

Sincerely yours,

ELMER B. STAATS,
Comptroller General of the United States.

GENERAL ACCOUNTING OFFICE

THE EXECUTIVE PAY PROBLEM IS BECOMING INCREASINGLY CRITICAL

In February 1975, we reported to the Congress that there was a critical need for a better system for adjusting top executive, legislative, and judicial salaries. As we reported, the impasse on adjusting top officials' salaries has frozen salaries since March 1969 for Members of Congress, judges, Presidential and other appointees, and about 14,700 career civil service personnel.

The quadrennial review and adjustment process has failed. It is much too long a period in our dynamic economy. Increases should be automatic. The last increased was proposed in 1974. A significant percentage increase was needed but the Senate rejected the President's proposed three stage increase. Failure to adjust top officials' salaries and resultant compression in other systems create great inequities and are having serious adverse effects on recruitment, retention, and incentives for advancement throughout the Federal service.

To date, no action has been taken on the General Accounting Office recommendation that legislation be enacted to reform the salary adjustment process for top officials. This paper updates information included in our February report which shows that the situation continues to worsen for Federal executives and their employing agencies and promises to deteriorate even further.

Erosion of purchasing power

Inflation has continued to erode the purchasing power of executive, legislative, and judicial salaries. By May 1975, individuals holding these positions had lost almost a third of their March 1969 salaries.

Executive level	March 1969 salary	May 1975 purchasing power
I	$60,000	$40,680
II	42,500	28,815
III	40,000	27,120
IV	38,000	25,764
V	36,000	24,408

To put it another way, a Level V official would have to earn about $53,000 a year just to maintain the same standard of living he had in 1969.

THE COMPRESSION PROBLEM IS BECOMING MORE SEVERE

Since March 1969, General Schedule employees have received seven pay raises accumulating to about 50 percent. Estimates of the next General Schedule increase, scheduled for October 1975, run as high as nine percent. While the President has indicated a desire to hold the raise to five percent, additional employees will reach $36,000 regardless of the percentage increase.

	Percent of employees at $36,000		
		If October raise is—	
GS	Current pay rates	5 percent	9 percent
18	100	100	100
17	100	100	100
16	89	100	100
15	19	46	62
14			3

Non-Federal executives have received substantial pay increases

From 1969 through 1974, non-Federal executives' salaries increased about 37 percent and were projected to increase another 10 percent during 1975. Similarly, senior civil service employees in other countries have had substantial pay increases since 1969. The pay of top government positions in England, Germany, and Italy increased anywhere from 50 to 150 percent between 1969 and 1975. Many officials in these countries now receive more compensation than their U.S. counterparts. These officials generally received pay increases at the same time increases were given the lower paid civil servants.

Retirement is more financially attractive than continuing to work

The salary ceiling along with cost-of-living adjustments for Federal retirees has provided increased incentives for eligible executives to retire. Since the last salary increase for top officials, retirees have received increases of approximately 55 percent. Another increase of 5.1 percent will be granted to retirees on August 1, 1975. Employees who retire by this date will also have the 7.3 percent increase of January 1, 1975, considered in their annuity calculations. For example, if a GS–18 with 30 years of service had retired in December 1974, his annual annuity after the August adjustment would be $23,843. If he continues work through July 1975, his annuity on August 1, 1975, would be $22,836. If he retires after July 1975, his annuity would be only $21,724—$2,119 less than if he had retired in December and $1,112 less than if he had retired in July.

Between November 1, 1974, and February 1, 1975, the retirement rate of eligible Government executives was almost 300 percent higher than the Government-wide average. The greatest number of retiring executives was in the 55 to 59 age group. The greatest number of total retirements among all employees was in age group 62 and over. The earlier retirements of Government executives result in added costs to the retirement fund in addition to the cost of their replacements. At least seven former Government officials now receive annuities greater than $36,000.

Recruitment and retention of Federal executives is becoming more difficult

The Government continues to experience difficulties recruiting and retaining top quality individuals in key positions. Some recent examples are:

An individual declined appointment to a Department of Commerce's GS–16 Associate General Counsel position in order to accept a position paying $50,000 in private industry.

Six individuals declined the Library of Congress's GS–17 position of Senior Specialist in Taxation and Fiscal Policy because they were all earning higher salaries in their present employment.

Two candidates said they could not afford to accept HEW's GS–18 position of Director, National Institute On Aging at the National Institutes of Health because of the pay limitation. One individual, currently with NIH, refused promotion to this position because he would not have received any increase in pay.

In June 1975, six of the Department of Treasury's 12 top officials announced their departures. The Under Secretary of the Treasury for Monetary Affairs resigned his $40,000 post because he said he was "broke". He said there were no reasons for leaving other than the need to replenish his "flat pocketbook."

HEW's GS–17 Associate Administrator for Planning, Research, and Training resigned to accept a higher-paying job in private enterprise.

The GS–18 Executive Director of the Federal Power Commission retired to seek employment in private enterprise because of the executive salary ceiling.

NASA's Associate Administrator resigned to accept a position in the private sector and in leaving indicated a dissatisfaction with Federal salary levels.

The Executive Director and the General Counsel of the Civil Service Commission retired because of the freeze on supergrade pay.

Five top officials of the Social Security Administration announced their retirement because staying on in the frozen pay levels would deny them cost-of-living increases as retirees.

Four GS–16 Administrative Law Judges in the Federal Trade Commission retired indicating their decisions were influenced by the effect of the salary ceiling on their annuities.

During January to May 1975, the Department of Defense reported that the salary ceiling was an important part of the decisions of 17 executives to resign or retire, three employees to refuse promotions, reassignments, or transfers, and 22 individuals to decline Government job offers.

OCEAN, N.J.,
December 30, 1974.

Hon. GERALD R. FORD,
President of the United States,
Washington, D.C.

DEAR MR. PRESIDENT: The attached article on the federal executive salary problem, reprinted in a recent edition of the *Asbury Park Press*, is forwarded for your earnest consideration.

Although this letter undoubtedly reflects personal feelings, I hope I would never go so far as to write the President unless I believed the public concerns of the issue to be overriding. I am a career executive, serving presently as Director of the US Army Electronic Warfare Laboratory. I have had a lifetime of rewarding service, beginning as a "bench" scientist who was fortunate enough to see the products of my work used by the country. I later served in a senior capacity as a laboratory chief at the Harry Diamond Laboratories—then in Vietnam, with the Office of the Science Advisor—then as Special Assistant to the Assistant Secretary of the Army for Research and Development—and then as leader of the Nixon-Doctrine effort in Korea (Director, Defense RDTE Group Korea) that assisted the ROK to establish a large measure of self-sufficiency in defense technology and favorably impacting their economy while reducing our military assistance by some millions of dollars. In your recent visit to Korea, you may have been shown the major strides made by the Koreans in this area, including co-production of tactical radios, home production of military vehicle parts, and new production of Korean-developed items.

The rewards of this career—the feeling of my life having value—has more than compensated for any inequities in salary. But on returning from Korea, I was given the most demanding task of my life: the "catch-up" in electronic warfare. I am managing over $80M of urgent R&D effort in support of this goal this year, with even larger commitments over the next several years. Yet in the 18 months since I assumed this responsibility, I have lost two supergrades and three GS–15 employees (a deputy director, an associate director, and three technical area chiefs) to retirement (and new careers) because of the frozen executive-level salary structure. These are five of the top eight people in Army electronic warfare.

Mr. President, how do I do my job? How do I deliver on my responsibilities to the Army and to the public? And my little corner of responsibility *is* just a little corner; this situation is replicated throughout the federal service. I note that at my former laboratory (the Harry Diamond Laboratories in Washington) that two of the most productive defense scientists of our time are leaving this month: Mr. Horton, the Technical Director, and Dr. Kalmus, Chief Scientist. Both hold presidential medals and international awards. Bill Horton is holder of the Scott Award (first recipient was Madame Curie) for his pioneering in fluidics. He is in good health, and several years younger than you and most of the congressional leadership. I know him well enough to know the difficulty of this decision, but he, too, has a family to provide for and a life to lead.

Salary legislation which continually provides solid cost-of-living increases for the mass of federal workers while freezing the leadership makes mediocrity in government guaranteed. Loyalty can resist the salary erosion (and actual reduction of retirement by 6% to 11% annually) only so long. Our best people not only have loyalty to their government, they also have loyalty to their families.

Most of us in positions of responsibility are seriously concerned. The feeling of personal inequity undoubtedly exacerbates the problem; far more important, however, is that in a time of austerity, inflation, and major changes in defense strategy and defense technology, we are losing our leadership.

In these difficult times, there are a lot of things we simply cannot afford. Sometimes this includes rather fundamental things, like heating our buildings; this has happened here at Fort Monmouth. But there are some things we *must* afford, and among those is leadership. Otherwise we move backwards, not forwards, in turning around the problems which confront us.

With apologies for any personal motivation in this letter, but with abiding concern for the public impact of this issue, I respectfully request your personal leadership with the Congress in rectifying this serious issue of dead-ending the people who bear, collectively, major responsibilities in the affairs of our nation.

Respectfully yours,
One inclosure as stated.

EXAMPLES OF THE IMPACT OF THE $36,000 CEILING ON KEY EMPLOYEES' DECISIONS TO SEEK OTHER EMPLOYMENT OR TO RETIRE

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MEMORANDUM FOR THE HONORABLE JAMES M. CANNON

THE SECRETARY OF
HEALTH, EDUCATION, AND WELFARE,
Washington, D.C., June 26, 1975.

I would like to bring to your attention a matter which is increasingly causing me grave concern—that of salary compression among our executive workforce.

We are encountering increasing difficulty both in retaining individuals of outstanding competence and in recruiting to replace those individuals who are leaving the Department because Federal service does not provide adequate compensation when compared with remuneration in the private and academic sectors.

The entire Department of Health, Education, and Welfare, like every other component of the Executive Branch, is severally affected by the ceiling on salaries that is now in force. The impact of compression which effectively limits rates of pay to no more than $36,000 per year for all but a handful of our most senior personnel touches every one of the Department's programs—in health, education, and social and rehabilitation services, as well as the highest echelons where key individuals have responsibilities that cut across all these categories.

Our health function in particular has been severely impacted. The types of personnel whose talents are most urgently needed within the Federal health establishment are actively sought after by industry, academia, hospitals, health maintenance organizations, and similar service agencies, and frankly, by the public at large who are now prepared to compensate the average physician at the rate of $45,000 annually.

Not only is there a Federal salary inequity with the private sector, but we are now beginning to see a similar inequity with respect to state and local government. For example the director of children's services . . . asking people to accept nationwide responsibility for children's services for two thousand dollars less.

Similarly, many superintendents of large school systems are now earning in excess of $40,000 annually, in comparison to $36,000 paid executives to develop and direct elementary and secondary education programs having national impact.

With respect to our inability to retain persons in key positions, I was particularly concerned at the recent decision of seven people occupying key supergrade positions in SSA who announced their retirement this year. The $36,000 salary ceiling is a major factor in their decision. These retirements will very definitely affect several major programs which are extremely complex.

Through the years, salary compression continues to impact our executives. Approximately 97% of our supergrade (and equivalent) employees are earning the same salary paid those appointed to Executive Level V positions ($36,000).

Further, almost 600 of our GS–15 population are now earning $36,000. The pay raise likely to occur in October will place many more GS–15's at this earning level. While these individuals hold very responsible positions, the difference between GS–15 responsibility and that of an Executive Level V is significant.

The Civil Service Commission has statistics which indicate that, overall, 7% of the Federal workforce retires shortly after they are eligible. However, 23% of those individuals earning $36,000 retire as soon as they are eligible. The significance, of course, is that the Federal Government is prematurely losing the services of many employees who no doubt could serve several more years as competent and productive civil servants.

We have provided statistics and recited cases to the General Accounting Office, Civil Service Commission, and in testimony before the Senate Committee on Post Office and Civil Service on our inability to recruit and retain key executives.

Unless the ceiling on salary levels for senior personnel paid under the General Schedule, the Executive Schedule, or any of the other pay mechanisms under which Federal personnel are employed is appropriately raised, I have no doubt that a situation, which now can be fairly characterized as critical, will certainly worsen.

Caspar W. Weinberger,
Secretary.

P.S.—I am attaching a memo which I have just received from the Commissioner of Social Security. This is an appalling situation for one of the Government's most essential agencies.

The Commissioner of Social Security,
Baltimore, Md., June 25, 1975.

Note for the Secretary

Enclosed is a summary of retirements from key positions that will occur between now and the end of next month—the deadline for the 1975 benefit increase on CSC retirement.

In all, there are eight definite and one probable. Four of the nine are Regional Commissioners (leaving five).

The two top posts below the Commissioner—the Deputy Commissioner (Art Hess) and the Associate Commissioner for Operations (Hugh McKenna)—will be vacated. (To make matters worse, the next highest post, the Associate Commissioner for Program Policy and Planning, has been vacant for some time. Our top candidate backed out at the last minute to take an offer outside of Government paying $14,000 more than we can offer.)

In all (counting the probable), we are losing nine out of our top nineteen supergrade posts at one time—in the midst of a major reorganization and in the midst of one of the heaviest workload and policy choice periods ever faced by SSA. While some of the retirements would have occurred sooner or later due to age (SSA's top staff has been allowed to stratify too much at one age level), *all* of the retirees cite dollars and cents advantages of retirement over work (and the lack of any prospect for a raise in Federal salaries) as at least one of their reasons for retiring now. Seven out of nine cite the Federal salary versus retirement increases as the *only* reason for leaving at this time.

As you can see from the enclosed listing, all of the men will draw high retirement incomes compared to their present fixed salary of $36,000.

This is not smart government.

It's not smart economics.

For that matter, it's not smart anything.

I know that you have tried to help, but I am personally discouraged that any of us has any real chance of stopping the present trend in either salaries or retirements.

James B. Cardwell.

Enclosure.

P.S.—Since this was written, one more retirement has been received.

The Impact of the $36,000 Salary Limitation—July 16, 1975

The Civil Service Commission has been gathering data from agencies on the effect the $36,000 limitation on pay is having on the executive branch's efforts to recruit and retain a high-quality managerial and professional workforce.

The data reveals that almost all agencies are faced with similar problems. Hundreds of the Federal Government's most valuable officials are quitting their jobs or retiring early because of the $36,000 salary limitation. The result is that many key positions are being left vacant and important services performed by the Government are beginning to suffer. The growing size of the problem is shown by these official figures: The rate of resignations among professional employees has doubled since 1970. Retirements increased by 50 per cent in the single year from 1973 to 1974. Early retirements of executives are plaguing many Government agencies. The Internal Revenue Service reports, for example, the average age of its retirees has gone from 62.4 years in 1969 to 56 years currently.

Many critical and important jobs are going unfilled for months. For example: The position of chief actuary of the entire Social Security system has been vacant for 15 months. The GS–18 position of Director of the National Institute on Aging at the National Institutes of Health has been vacant since it was established in May 1974. The positions of Program Director for Chemotherapy and Program Director for Cancer Centers in the National Cancer Institute have been vacant for months. Only three out of 15 vacant positions (due to early retirement) of administrative law judges have been filled at the National Labor Relations Board. The list goes on and on. In all cases it is clear that the $36,000 salary limitation is a major reason why positions requiring outstanding qualifications and capabilities, in addition to the assumption of awsome responsibilities are so difficult to fill.

Another aspect of the problem involves the refusal of key employees to move into positions of greater responsibility. Aside from the assuming of greater responsibilities at no increase in salary, it also generally involves moving to a different part of the country, uprooting of family and in addition bearing the expense that moves generally entail. Even the most dedicated employees must consider this very carefully. For example: The Project Manager for the Appollo Soyuz Test Project refused the Directorship of the Kennedy Space Center, indicating that he could not afford to absorb the cost of moving his family to Florida. At the National Weather Service, a GS–16 employee declined a promotion to the GS–17 position of Associate Director for Systems Development. At the Department of Transportation a GS–17 Regional Director refused reassignment to the position of Associate Administrator for Airports since it would involve moving to Washington, bearing the cost of the move and the disadvantage of living in a high-cost area without any additional compensation. Once again, the examples cited are just a very small fraction of an ever-growing list.

Perhaps the greatest impact of the $36,000 limitation is felt when attempting to attract outstanding candidates from the private sector to fill top level vacancies. This is especially true in the legal, medical and scientific areas. Applicants who are curious enough to apply, or who are solicited because they are currently in similar positions in the private sector, are quickly turned off by the $36,000 salary or with the prospect that it represents the end of the road as far as salary is concerned. In most cases, these people are already making far more money in their current jobs.

The general higher level of compensation in the private sector for positions similar in nature and scope of the executive levels in government not only serves as a barrier for halting the flow of executive level types from industry into the government, but at the same time serves as a gateway for government executives to leave government employment for the greener pastures of the private world. For example: At the Atomic Energy Commission, two GS–16 program managers resigned to accept higher-paying positions in private enterprise. At the Commerce Department, the Chief Economist of the Bureau of Economic Analysis, GS–*16*, resigned to take a higher-paying position in private enterprise. At the National Cancer Institute, the Clinical Director resigned to accept a higher-paying position at a University. At the Justice Department, a Supervisory Trial Attorney at the GS–16 level resigned to accept a position in private industry at a substantially increased salary. At the Department of Agriculture, the GS–17 Director of Automated Data Systems resigned to take a $70,000 position in private industry.

At the same time, at HEW, a candidate rejected the GS–18 position of Director of the Office of Child Development because she was currently making $50,000 in private industry. At Department of the Interior, a candidate declined the position of Deputy Assistant Secretary for Energy and Minerals to accept a position with a consulting firm paying over $50,000. At Commerce Department, a candidate declined appointment to a GS–16 Associate General Counsel position to accept a position paying $50,000. At the Small Business Administration a candidate declined the position of Associate Administrator for Finance and Investment because it would involve a loss of $14,000 of his current salary in the private sector.

The Civil Service Commission itself has been hit by premature retirements among its top staff. Many of these key persons retired within months after becoming eligible for retirement. For example: An Executive Director at age 55, A Deputy Executive Director at age 57, A General Counsel, age 55, An Assistant Executive Director, age 55, A Regional Director, 55, Two Bureau Directors, 55 and 56, and two Deputy Bureau Directors at 55. These executives had valuable experience and skills and the ability to render additional valuable service for perhaps five or ten years. Many of them, in fact, are still working full-time *outside* of the Federal service.

It is apparent that if the situation remains static, that is, if the $36,000 limitation remains and at the same time the level of compensation in the private sector remains free to adjust in an open market, we are sure to see the problems of attracting and retaining quality executives become even more pronounced.

Comparison of Executive Compensation in Largest Private Enterprise Firms and the Federal Government

Source: private enterprise compensation data drawn from *Business Week*/Peat, Marwick, and Mitchell study published in May 12, 1975, issue of *Business Week*.)

The heads of nine of the Nation's largest banks receive compensation (salaries plus bonuses) averaging $277,000, while the Secretary of the Treasury receives $60,000, the

Chairman of the Board of Governors of the Federal Reserve receives $42,500, and the Comptroller of the Currency receives $40,000.

The heads of three of the Nation's largest wood products firms receive compensation averaging $249,000, and the heads of five of the largest paper companies average $316,000. The head of the U.S. Forest Service receives $36,000.

The heads of nine of the largest food product companies in the country receive compensation averaging $294,000, while the Secretary of Agriculture receives $60,000.

The heads of three of the country's large retail store chains receive an average of $311,000, while the General Services Administration's Commisisoner of the Federal Supply Service receives $36,000.

The heads of five of the country's largest airlines receive an average of $239,000 in compensation, and the heads of four large railroads receive an average of $309,000. The Secretary of Transportation receives $60,000, the Administrator of the Federal Aviation Administration receives $42,500, and the Administrator of the Federal Railroad Administration receives $40,000. The Chairmen of the Civil Aeronautics Board and the Interstate Commerce Commission each receive $40,000.

The heads of eight of the country's large power companies receive compensation averaging $188,000. The Chairman of the Federal Power Commission receives $40,000, as does the Chairman of the Board of Directors of the Tennessee Valley Authority. The Administrator of the Bonneville Power Administration receives $36,000.

The heads of twelve of the country's largest oil companies receive average compensation of $429,000. The Administrator of the Federal Energy Administration receives $42,500.

The heads of five of the country's largest communications companies receive compensation averaging $441,000. The Chairman of the Federal Communications Commission receives $40,000.

The heads of five of the largest aircraft manufacturing companies receive an average of $348,000, and the heads of the four major automobile makers average $292,000. The heads of the seven largest steel companies average $337,000. The Secretary of Defense receives $60,000.

The heads of four of the Nation's large publishing companies receive average compensation of $238,000. The Public Printer of the United States receives $40,000.

The heads of six of the Nation's largest mining companies receive average compensation of $316,000. The Secretary of the Interior receives $60,000, and the Director of the Bureau of Mines receives $36,000.

GENERAL LEAVE

Mr. HENDERSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter, on the resolution under consideration.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield 5 minutes to the distinguished minority leader, the gentleman from Arizona (Mr. RHODES).

Mr. RHODES. Mr. Speaker, it is with reluctance that I rise to oppose this rule. I do not oppose all of it. I think very definitely that the judiciary is in need of a pay raise.

I have never voted against a congressional pay raise, and I do not think it has ever hurt me to vote for a congressional pay raise. However, it seems to me that the mechanism we have adopted here is completely antiethical to the dignity of this body.

The Congress has more to do with the level of the cost of living than any other part of the Government. Therefore, I just cannot agree with the idea that we should be put in the position of benefiting by an increase in the cost of living. Yet, that is exactly what will happen if this resolution is adopted.

There is no doubt in my mind but what, as far as the Federal Government is concerned, the best interests of the country lie in an increase in pay for both the executive and the judicial branches. Many of the members of the judiciary are resigning. It is becoming difficult to get people to take appointments, even as Federal judges. This is, as everyone knows, an appointment which has been avidly sought by most lawyers in the country. Yet, as I say, it is very difficult to get people to stay in the judiciary or to go in the judiciary. Likewise, executive branch positions are becoming increasingly hard to fill.

A judge cannot earn anything other than his pay, except what he can make as a teacher in a law school. Members of Congress can; we are different from that standpoint.

So it seems to me that we will be much better served, Mr. Speaker, if we were to give the proper committee of the Congress the task of bringing out proper pay raise legislation for the Congress and let us vote it up or down.

A case can be made for that legislation; I know it, and the Members know it. We should do that instead of putting ourselves in the same position as a civil service employee. We were elected to Congress by 480,000 people. We are not civil service employees. We are a constitutionally created legislative body. We are all Members of it. We should act like it.

Mr. Speaker, it just seems to me that the dignity of the House would be much better served if we were to use the regular mechanism rather than the one proposed here today.

Mr. ARCHER. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from Texas.

Mr. ARCHER. Mr. Speaker, I agree with the minority leader that Congress has a major role in increasing inflation. We in Congress should not benefit from fiscal irresponsibility. This should not be, but is it not true that under this rule we will have no further opportunity to debate or change any of the provisions that are in this legislation?

Mr. RHODES. Mr. Speaker, that is my understanding.

Mr. ARCHER. So once this rule is agreed to, if it is agreed to, then that will be the final act with respect to this issue?

Mr. RHODES. The gentleman is correct.

Mr. ARCHER. Would it not be better to vote down the previous question and give this House an opportunity to work its will on the details of this bill and not merely accept what the Senate has put in it?

Mr. RHODES. Mr. Speaker, I thank the gentleman for his contribution.

Mr. SHUSTER. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from Pennsylvania.

Mr. SHUSTER. Mr. Speaker, I rise to associate myself with the position of our distinguished minority leader, the gentleman from Arizona (Mr. RHODES).

Mr. Speaker, the proposed pay increase for Congress is wrong for three reasons and I urge the defeat of this resolution.

First, it is wrong to bring this important legislation to this floor through a sly backdoor technique which does not even permit us to offer amendments for consideration. By slipping through a resolution which provides for "Federal agency safety programs with Senate amendments thereto," knowing full well that the "Senate amendments thereto" include a congressional pay raise, you demean the dignity of this House; you demonstrate manipulative skill rather than integrity.

Second, it is wrong for Members of a current Congress to vote themselves a raise. Any such increase should not take effect until the next Congress so the people can vote for or against the Members in an election prior to the increase taking effect.

Third, it is wrong for Members of Congress to give themselves an automatic cost-of-living increase because it is the big spenders in Congress who cause the cost of living to rise through deficit spending.

Consider the self-serving irony: First, Congress votes itself an automatic cost-of-living increase; then it continues to vote for big spending programs which will create an $80 billion deficit next year; the deficit forces the Federal Reserve to print more paper money to pay the Government's bills which in turn increases inflation; inflation drives up the cost of living and Congress automatically gets a pay raise.

The American people would be better off if Congress got a pay decrease when the cost of living went up and a pay increase when the cost of living went down. Then we might see more fiscal responsibility in Washington. I urge the defeat of this resolution.

Mr. YOUNG of Texas. Mr. Speaker, I yield 5 minutes to the distinguished chairman of the Committee on House Administration, the gentleman from Ohio (Mr. HAYS).

Mr. HAYS of Ohio. Mr. Speaker, obviously I am for the resolution.

This does not catch up, as far as the Members of Congress are concerned, with the 42 percent cost-of-living increase we have seen since we had an adjustment in our salary, but it at least puts us on the escalator with the rest of the employees.

I disagree with the minority leader in his statement that it is the fault of Congress that there is inflation, because Congress had not one word to say about the Russian wheat deal last year which boosted the cost of living for every man, woman, and child in this country.

That was done downtown. There is another wheat deal going on right now, and we do not have anything to say about that. The fact is that Congress has a very minimal impact on the cost-of-living increases and on inflation generally.

Mr. Speaker, we all know the minority leader is in a nice position relative to the rest of us. He has extra amounts available for staff. I sent upstairs for the figures, but I do not have them yet. I do not know exactly what the figures are, but I would say they run in the neighborhood of at least $100,000 more than the rest of us. We just gave him $30,000 recently.

Also he has a big, long, black Cadillac limousine with a chauffeur. The chauffeur's salary is $15,828 per year. If the minority leader would drive his own car we could save enough to give a raise to eight Members.

I will tell the Members something: I will forgo a cost-of-living raise if the Government will provide me with a limousine and chauffeur; and I will give up the chauffeur and settle for a compact car.

I will tell the Members and the gentleman from Arizona (Mr. Rhodes), in particular, something else, that my committee has the possibility of giving every Member one of them without bringing it to the House for a vote. Maybe that is what we ought to do.

This is being out in the open and legitimate and on the record and above board, and there is nothing shady about it. We are 48 percent behind now. If the cost of living is 8 percent additional, as I understand it will be, and we do not get it then we will be 56 percent behind as a result of our salaries being frozen.

Take the judiciary. Everybody wants to give the judges a raise. I do not hear anybody saying they should not have a raise because, really, there is not too much demagoguery involved in talking about the judges, is there?

I am reminded of the feeling when we had our last salary increase. I really wish we could amend this bill because I would offer the amendment I offered then.

The two Senators from Ohio set the stage. Neither one of them is here now. They were both Democrats, and they were "demagoging" that Congress did not need a raise.

I offered an amendment on the floor of the House to make the salary of Congressmen a minimum of $5,000 and a maximum of $50,000, and provided that every Member should come in at the beginning of the session and sign an affidavit as to what he thought he was worth within that range, and that is what he would be paid. I made the statement—and I stand by it—that if either Senator from Ohio made an affidavit that he was worth more than $5,000, I would personally file charges of perjury against him.

I would just love to be able to offer that amendment now. There would be a lot of perjury charges floating around, I expect.

Mr. SCHEUER. Mr. Speaker, will the gentleman yield?

Mr. HAYS of Ohio. Yes, I yield to the gentleman from New York.

Mr. SCHEUER. As a matter of information, I ask my colleague, the gentleman from Ohio (Mr. Hays), whether there is anything in this law that would require a Member of Congress to take this increase if he or she felt that he or she did not need it, particularly a Member of Congress who happened to be single.

I noticed several Members of Congress who voted against the rule were single. They do not have children. They do not have to buy books. They do not pay for music lessons. They do not have to send their children to summer camps and buy tennis gear and so forth.

Is there anything that requires them to take the increase or to make trips abroad at Government expense, with moneys that they feel would be better left in the General Treasury?

Mr. HAYS of Ohio. The Comptroller General has sent a letter saying that Members of Congress cannot waive any portion of their statutory salary. However, after receipt of this salary at the statutory rate for the period, such Members will be at liberty, if they so desire, to return any portion thereof to the U.S. Treasury as a gift.

If they return it as a gift, it will be deposited in the general fund, and the gift may be deducted as a charitable contribution.

If some of the Members really feel strongly about this pay raise bill and it passes, here is their out, and I will be glad to furnish any Member with a copy of the letter.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from New York (Mr. Peyser).

Mr. PEYSER. Mr. Speaker, a number of my good friends and colleagues on both sides of the aisle have said to me, "Why are you taking the floor on this issue?" I am going to try to tell the Members why.

Just before I came over to the floor of the House today, I received a phone call from a friend of mine in New York. As many Members know, I am engaged in the Senatorial race in New York. The friend said:

> I just listened to a radio commentator, and you had better not vote for anything that looks like a pay raise because it will really hurt you.

Mr. Speaker and my dear colleagues, I can say now, after 5 years in this Congress, that I am so convinced that what we are talking about, a potential increase of 8 percent, a minimal amount for us to be considering when our purchasing power has decreased by 40 percent over the past 6 years. I am going to vote for this cost-of-living increase hopefully the majority of the Members will, too.

I think we have to have more confidence in the public and in the public's good sense than a lot of us given them credit for, because the issue here really is not whether we need a pay raise; it is the issue of whether the Members think they can get reelected in voting for this, and I am telling the Members that I am convinced that they can, if you are involved and working full time for your district.

I say that because if your constituents really think so little of you that the fact that you are voting for a potential $2,000 or $3,000 increase in your compensation as a cost-of-living increase, not having received an increase in 6 years, then I do not think such Members deserve to be in this Congress, and their people are not going to vote for them.

But I am convinced that is not the case.

I can tell the Members what has happened to me financially since I have been in this Congress. It has been a disaster. Yet I fight every 2 years, just like the rest of the Members, to get back in here, because I really believe I am trying to do something that I think is important and for the good of the people. The action is here and I want to be part of it. But I can tell the Members that the economics are murder.

All one has to do is to look at the Congressional Record where I file my own tax report each year, and they can see the steady decline.

You know, people say, well, you can deduct all these things. Certainly we can deduct them, but if we do not have the money to live on, what good are deductions? I do have children in college, I do have expenses like all of the Members. All I am trying to say is let us vote for this thing on the basis that we, like any other working people in this country, men and women, are entitled to at least a cost-of-living increase. I do not know of anybody in the labor movement, men and women who are working, who would have stayed on the job for the last 5 or 6 years without an increase.

Some people say, oh, you have got additional money for office expenses. And in my case those are office expenses. It is not money I can take home with me and live on.

We have just made a reasonable change in our travel allowances that has been long overdue.

I think one of our problems is that some of the people have strange ideas. Occasionally I will hear people say, well, you get extras, a rent-free apartment, because you live in some sort of a Government complex. You do not pay for your meals, and you get a haircut for nothing.

Well, we all know that none of those things are true. We pay our way just like every other citizen.

So, Mr. Speaker, it is my hope on this issue that we will vote—and I want a vote, because I do not think this should be done by a nonvote, I think if we did not vote the people would be justified in criticizing us for that—I think we ought to vote on this, stand up and vote, and that we vote positively. We know what we are voting for. Let us give the millions of American people who elected us credit for recognizing what we are doing is right.

Mrs. FENWICK. Mr. Speaker, will the gentleman yield?

Mr. PEYSER. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Speaker, I thank the gentleman from New York for yielding to me.

I rise in support of this resolution. I believe we are doing here today what we should be doing—standing up and voting on what we believe to be necessary for the conduct of this House. I believe it is about time that we did this. For those of us who may have delicate shades of difference of opinion as to procedure in this matter, suggestions have been offered here. But I think it is proper, and that it is right, that we should stand up and be counted. I intend to vote in favor of this resolution.

Mr. PEYSER. I thank the gentlewoman from New Jersey.

Mr. Speaker, in closing, I would simply repeat that I believe the resolution should be agreed to. I believe that it is time that we in the Congress should realize that this should be a membership of all of the people, not just the rich, but that all members of our society should be able to come here, and that it should not be a situation where the salaries would prevent one, let us say, in the middle-income group from being able to come here and being permitted to do the job that they are capable of doing.

I thank my colleagues for their attention, and I hope that we will be able to pass this resolution overwhelmingly.

Mr. YOUNG of Texas. Mr. Speaker, may I inquire of the gentleman from Illinois as to whether the gentleman has additional requests for time?

Mr. ANDERSON of Illinois. Mr. Speaker, I will say to the gentleman from Texas that I have three requests for time.

Mr. YOUNG of Texas. Mr. Speaker, I would prefer that the gentleman from Illinois proceed to yield his time.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, I am not going to try and argue the issue of the need for a pay raise. Many of us have made our personal finances, as I have, a matter of public record, and others can judge whether or not there is a need in individual cases. I know Mrs. Bauman has long ago formed her opinion on this particular issue. I think we have to address ourselves to a larger issue here.

About a year ago when a poll was taken at the height of the impeachment proceedings, then President Nixon scored in the public opinion surveys well above the Congress of the United States in public approval. I think he had 26 percent approval and the Congress was at 18 percent approval in most of these polls. One of the more authoritative polls I have seen last January showed that this Congress, this new, reformed, fresh-minded Congress, was rated at approximately 16½ percent approval. Two weeks ago the same poll's latest research shows that the Congress had slipped to 15.5 percent. So for all your labors, you have dropped 1 percentage point in the approval of the American people. And now this.

We have asked the American people in recent months and years to suffer under a damaging inflation which, if it continues at the rate of last month's increase, will be annually about 12 percent. We still suffer, as the majority leader reminds us almost daily in his 1-minute speeches, from unemployment at the rate of 8 percent. We are talking about sticking the taxpayers with the biggest peacetime deficit we have ever faced, possibly $80 billion. And now we are told we should raise our own pay.

Most average American taxpayers are paying anywhere from a quarter to a third of their annual incomes in taxes, as do most of us in this Chamber who do not have loopholes from which to benefit. All I can tell the Members is that in the milieu of these serious economic problems and of rampant Government spending, and inflation, yes, despite the remarks of the gentleman from Ohio (Mr. HAYS), for which the Congress is indeed responsible, I think it ill-behooves this Congress to cast a vote in favor of raising our salary in any amount. Not because we do not need it, but because we should be willing to set an example for the entire Nation of restraint on spending.

The gentleman from New York (Mr. PEYSER) who may or may not go to the other body, says that we deserve it. No one asks him to run for office; no one asks me to run for office. Others want to replace us. We ran for office knowing what benefits we will have. We are paid higher salaries than probably 99 percent of the people in our districts.

I think the real issue is the integrity of the House, of representative government, and it goes even further than that. If this new procedure is adopted, as the minority leader has indicated, we will abdicate for all time our right to vote on this issue, just as wrongly has been done by giving the House Committee on Administration the final say on our expense allowances. The issue is not just a pay raise. It is far deeper than that.

Again, the issue is that openness that Common Cause is so fond of talking about every time they come before this House. It is the issue of whether or not we will accept our constitutional responsibility. Some of you can talk as old boys, as members of this club, you have been around and you know what is happening here, in this circle of canary-eating grins. Each of you must make your own decision about where you are going to go. All I am saying, and I speak as one person who could probably use this particular increase, we owe the American people something better, something better than another act which further lowers that poor image we have already with the American people, well below used-car dealers, former Presidents, and garbage collectors. We owe them something better, and the only way we can give that to them is to vote against this resolution.

No; Mr. Speaker, I think the issue is a little larger than some here would indicate. I hope that this bill will be defeated today.

Mr. ARCHER. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Texas.

Mr. ARCHER. Mr. Speaker, I rise in opposition to this bill and in support of the cogent and conscience comments of my colleague from Maryland, Mr. BAUMAN. The Congress needs to be more direct and forthright in meeting its responsibility to the American people to account for its own pay raise. This is another back-door-type approach which I have continually opposed and which is exactly what is undermining the confidence of Americans in this institution, the Congress of the United States. As public servants we have a strong obligation to set an example in the most important issue facing this Nation—the issue of inflation.

Mr. MIKVA. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. It is with some trepidation that I yield to the distinguished gentleman from Illinois.

Mr. MIKVA. The gentleman need have no trepidation, and I thank the gentleman for yielding.

I merely suggest to the gentleman that maybe part of the reason that people have such low esteem of the Congress is the low esteem we seem to have of ourselves. Maybe if the Congress would pay a little more attention to Mrs. Bauman and show a higher esteem for my colleague, the gentleman from Maryland, by giving him the kind of compensation that is comparable to the responsibilities that he is asked to undertake, maybe the people would start to respect the Congress. First, we must learn to respect the institution.

I hope the gentleman is outvoted.

Mr. BAUMAN. I do not think the taxpayers of the United States could afford to pay me commensurate with the esteem in which Mrs. Bauman holds me.

Mr. MIKVA. We should make a gesture.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield 2 minutes to the gentleman from Colorado (Mr. ARMSTRONG).

Mr. ARMSTRONG. Mr. Speaker, whenever we get around to the subject of pay raises for Members of Congress, we very quickly lose our perspective of the issue. I do not think the main issue is whether or not any individual Member is worth the suggested amount of pay increase.

The issue is not our individual worth or merit as human beings or legislators. There are three issues: Are we going to permit automatic pay increases, in effect sweeping the issue under the rug forever? It would be wrong to do so. Second, at this time when we are going to have $70 and maybe $80 billion of deficit, are we going to set an example of restraint and prudence in the conduct of our own affairs or will we set an example of self-indulgence? I believe we should show restraint, even sacrifice.

Finally, are we going to further insulate ourselves from the concerns of our constituents? We are so pampered and so coddled and so isolated from the day-to-day concerns that concern our people at home that it becomes almost impossible for us to represent them. The income of the average working family in this country is a little over $10,000, approximately one-quarter of the income that is enjoyed by Members of this body. It is a travesty to increase our salary and further inflation-proof ourselves and our brethren at the high echelons of the bureaucracy.

It is said that many of the policymakers are suffering from inflation. Well, I think we ought to suffer along with our constituents and perhaps suffer a little more than our constituents because we are doing such a poor job of bringing inflation under control.

Mr. Speaker, I hope we will defeat this resolution.

Mr. ANDERSON of Illinois. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I rise in support of this resolution and I hope the House by an overwhelming majority this afternoon will take this action.

We have heard my friend, the distinguished gentleman from Maryland, suggest that the issue here is far larger than whether or not we should proceed to give a minimum cost-of-living adjustment to certain members of the executive and legislative and judicial branches. But what we are involved in here today is a vote on an issue and a question whereby we can set an example, if I quote him correctly, an example to the Nation with respect to our belief that we must be restrained in spending.

When I look at this proposition I think that it is a manifestation of restraint. This is no wildly excessive proposition that we inflate the salaries of members of the Federal executive and judicial and legislative branches.

I ask the Members to listen if they will to the recommendation that was made as long ago as 1973. This was made in June of 1973 by the Commission on Executive, Legislative and Judicial salaries. The Commission recommended a 25-percent salary increase to restore the purchasing power of the top officials and they also recommended an improvement in the pay adjustment process by requiring a biennual adjustment rather than a quadrennial adjustment.

As the President of the United States pointed out in his letter of July 26, 1975, since March of 1969 when the pay for the upper echelon Federal employees was last adjusted, the salaries of those not subjected to the freeze have risen 50 percent. Those in the Federal establishment not subjected to the freeze have gone up 50 percent.

During that same period a rise in the cost of living of 47½ percent has reduced the purchasing power of those with frozen salaries by nearly one-third. That is a reduction in purchasing power for those affected by the present provisions of the law by one-third.

I think that is sacrifice. I think that we are exercising the most judicious kind of restraint if we adopt this extremely modest proposal. In all probability, I have been given to understand that the President will recommend only 5 percent rather than the 8.6 percent on which the figures were based that are used in the committee's report, and I quoted them earlier, that said the Legislative branch costs would be $1.8 million, a tiny, tiny fraction of less than 1 percent of the Federal budget and Federal expenditures.

No reasonable person is going to be able to face a truthful charge of excess on a recommendation of that kind. I want to re-emphasize the point that as set forth in this resolution, we are not going to wipe out that cost-of-living gap that I referred to, that has reduced purchasing power for those affected by this freeze by one-third. All we are going to do is stop that gap from widening still further, an ever-widening gap. We are not going to reduce it. We are merely going to hold things stationary as they are. I do not think my constituents and others are going to object.

There are so many examples that come to my mind; for example, Under Secretary Bennett, the No. 2 man in the Treasury Department, with four children in college, and he said he cannot afford the job, he has to give it up.

I know of another rising star in the Justice Department, a deputy associate attorney general in the Antitrust Department, going out of the Department, even though he loves his work and is going into private practice. We are losing people of that caliber every day because of our blind refusal to act on a proposal of this kind.

Now, I respect very much the distinguished leader who made the argument, and certainly it is a legitimate argument, that somehow there is something demeaning in the fact that we as Members of Congress subject ourselves to the same standards of other Civil Service employees by adjusting our compensation through a cost-of-living increase; but it seems to me that the answer to that is simply this, that those of us—and I have never objected to the idea of fixing my salary or voting a specific increase or even adopting the recommendations of a Presidential commission—those can be criticized on the grounds that we are acting out of self-interest. At least, when we tie this to a cost-of-living increase we are resorting to an objective standard. We are not taking figures out of thin air. We know that the cost of living, the consumer price increase, has gone up by a certain percentage since the last adjustment was made.

The **SPEAKER**. The time of the gentleman from Illinois has expired.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield myself 1 additional minute.

So, Mr. Speaker, for that reason I think that Members of this body, and perhaps even more importantly, members of the Federal judiciary and those members of the executive branch that have been affected by the present freeze, deserve from us an affirmative vote on this resolution today.

Mr. YOUNG of Texas. Mr. Speaker, I have no further requests for time.

Mr. WAGGONNER. Mr. Speaker, I make the point of order that a quorum is not present.

The **SPEAKER**. The gentleman from Illinois has 2 minutes remaining. Does the gentleman from Illinois yield back the balance of his time?

Mr. ANDERSON of Illinois. Mr. Speaker, I yield briefly to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, I take this time to note that the gentleman from Louisiana has suggested the absence of a quorum. I wonder if the gentleman would withhold that request and permit us to have a recorded vote on this matter?

Mr. WAGGONNER. Well, the gentleman can wait until I do.

Mr. BAUMAN. The Speaker was very good earlier in this debate and I thank him for protecting the rights of all of us to obtain a recorded vote. There is not any reason why the House should not have a decisive recorded vote on this matter. I think the people of the United States would feel that the importance of this issue and the integrity of the House itself would warrant it.

CALL OF THE HOUSE

Mr. WAGGONNER. Mr. Speaker, I make the point of order that a quorum is not present.

The **SPEAKER**. Evidently a quorum is not present.

Mr. McFALL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 458]

Andrews, N.C.
Badillo
Bell
Conyers
Daniel, Dan
Diggs
Fulton
Gude
Jones, Ala.
Kastenmeier
Obey
O'Hara
Passman
Risenhoover
Ruppe
Spellman
Stuckey
Teague
Udall

The **SPEAKER**. On this rollcall 415 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

Mr. HARRIS. Mr. Speaker, today I rise in support of H.R. 2559 which will give a small salary increase to a group of Federal employees who have not had a raise for 6 years. I do so because I believe it is unfair to arbitrarily and indefinitely freeze anyone's salary, at whatever level, without regard to a person's job performance, merit, or individual capabilities. I do so because I believe we have penalized these individuals for too long. I do so because I believe we must recognize that the freeze is harming the Federal Government.

The measure before us today will not mean a sudden gush of money into the paychecks of our top Federal executives. This bill merely provides for an increase in salaries equal to that other Federal employees will receive in October in their annual comparability increase, an amount somewhere between 5 and 8 percent. Thus this legislation is not a massive pay raise; it is a minimal first step toward readjusting the salaries of a group of Federal, legislative, and judicial employees who will not receive the annual increase coming to all other Federal employees this fall.

During the last 6 years, the cost of living has increased 46 percent, cutting purchasing power by one-third. Those covered by this bill have received no salary increase. During that time, other Federal employees have received a 50 percent boost in salaries. Similarly, non-Federal executives have received salary increases of over 40 percent. In view of the 46 percent increase in the cost of living since 1969, a 5- or 8-percent increase in salary is the least we can do.

Passage of this legislation represents a small first step and a recognition by the Congress to deal with a pay inequity that has seriously eroded the effectiveness of our Federal Government. The freeze is gradually inching downward to more and more Federal employees. The resultant and increasing salary compression means that the Federal Government is losing many top officials. A freeze on salary is little incentive for one to accept or stay in a job. The Chairman of the Civil Service Commission has said that many critical and important jobs are going unfilled for months and that key employees refuse to move into positions of greater responsibility. And he says:

> Perhaps the greatest impact of the $36,000 limitation is felt when attempting to attract outstanding candidates from the private sector to fill top level vacancies.

This legislation, I must emphasize, is the result of months of planning and negotiating between the President, the Director of the Office of Management and Budget, and House and Senate leadership and the chairmen of both Committees on Post Office and Civil Service. There is probably no one who exhibits more concern about Federal spending or the Federal deficit than President Ford. Yet, the President wrote on July 26, 4 days ago:

> I feel we must move at once in this direction. I consider H.R. 2559 as a vital first step. . . . The added cost of the compensation adjustments of H.R 2559 will come to a fraction of one percent of the Federal payroll. In my judgment, this action is essential if we are to recruit and retain qualified and competent senior-level people to conduct our Government's business. I, therefore, urge the Congress to enact this bill promptly.

This bill of course will also increase the salaries of Members of Congress; we will receive the same 5- to 8-percent increase that will be coming to all employees of the executive, legislative, and judicial branches. There is no question that this is a politically unpalatable issue. However, I do not think we should hold the officers of our Federal Government hostage by voting down this bill because it would increase the salaries of Members of Congress. A refusal by Members of Congress to take action that would result in a pay raise for themselves has for 6 years penalized other officers of the Federal Government. And it has penalized the Government itself. In the long run, it penalizes the taxpayer too because the Government cannot attract those best qualified to carry on the people's business.

In dollars and cents, to the employee who feels he or she deserves a 46-percent increase, an increase of 5 to 8 percent is not much. This bill gives these employees some small relief. It is a sign that the Congress has some sympathy for what inflation has done to their pocketbooks since their pay was frozen 6 years ago. It, I believe, will be a tremendous morale booster and will mean a better government.

Mr. MONTGOMERY. Mr. Speaker, I rise in opposition to H.R. 2559.

I think it is a bad time to give Members of Congress a pay raise. Our country is just coming out of a recession; we still have inflation with us; and we are setting a bad enough example for the rest of the Nation.

I have no objection to judges, Cabinet members, and other high-grade executive officials receiving a cost-of-living increase, but we as elected officials knew what the pay was when we ran for office and I just cannot vote myself this raise.

My vote in Congress has always been a fiscal conservative vote. I have voted against good programs because they were budget busters. By my vote I have tried to slow down Government spending.

I strongly feel this pay raise is a step backward in bringing fiscal responsibility to Federal Government.

Mr. TALCOTT. Mr. Speaker, I favor a pay increase for top executive, judicial, and legislative officials for a number of reasons but especially to compensate for the work they do and the responsibilities they are required to discharge. The work I do, the responsibilities I discharge, and the enormity of the discussions I make warrant twice the salary we receive.

The cap on our salaries since 1969 is a cap on the salaries of every Federal judge and every top executive and the cap is too low and we urgently need to increase the cap.

I have recently been involved in recommendations for Federal judgeships. Many qualified lawyers and judges declined Federal judicial appointments because of the salary limitations.

I know it is difficult to retain top executive officials in all agencies and departments. They, too, need a salary increase to remain in Government.

However, to provide these pay raises we have chosen the wrong vehicle.

A pay raise for Members of Congress should not be based on a cost-of-living index unless we index all fiscal matters including taxes, interest, rents and dividends as well as salaries.

Also, it is especially wrong to reward Members of the Congress by increasing our salaries on the basis of inflation proofing or indexing our salaries on the basis of cost-of-living increases.

The Congress has been more responsible for inflation, the increases in the cost-of-living, than any other group. This will appear to be an incentive to increase inflation. If anything, our salaries should be counterindexed to the cost-of-living.

If we could reduce the deficit, we would be entitled to an even greater pay raise.

Let us increase the salaries to improve the product of Government, but let us do it appropriately.

The farmer and the small businessman are two large groups whose income is not indexed to the cost-of-living increase. These are a large portion of my constituency. Until we can insulate them better from inflation, we should not insulate Congress from a malady the Congress has principally caused.

Mr. THONE. Mr. Speaker, I strongly oppose this proposal for a cost-of-living adjustment for Members of Congress. Perhaps the most devastating argument against it would be its possible effect on the Nation's economy. If the Members of the House and Senate receive an automatic raise every time the cost of living goes up, they will not be as concerned about inflation. They will be inflation proof. There is a need for Members of this body to feel the tough bite of inflation personally. This may cause them to take action to protect the entire Nation from upward spiraling costs.

No matter how you try to disguise it, this proposed Federal judicial and congressional pay raise is another multimillion dollar raid on the U.S. Treasury. How can we expect to hold the line against proposed mushrooming expansions of Federal programs of all types unless we show some restraint? We must lead the way.

The American public has not yet forgiven this body for the congressional increase of more than 40 percent that was approved in 1969, prior to my coming to Congress, I add. It is likely that many of the wage and price excesses of the past few years were triggered by that irresponsible congressional increase. If Congress now approves cost-of-living increases for its Members, we will set in motion an endless series of new inflationary wage and price increases. Inflation is still public enemy No. 1 in America. We in Congress must fight against it, not become its ally.

Since I came to Congress, I have opposed all backdoor approaches to raising either salaries or allowances for Members. If Members of Congress need increases of any kind, the Members should have the intestinal fortitude to vote for them directly and through recorded votes.

The measure before us would provide for a continuing series of raises without any votes by Members. We must not make permanent a backdoor approach to increased salaries for Members of Congress.

This proposed cost-of-living measure is attached to a bill that deals with an entirely different matter. There have been no hearings in either the House or the Senate on this proposal. It would be unconscionable to pass this measure without such hearings.

Finally, Congress throughout its history has had a principle of not increasing compensation during a term of office. I feel strongly that no elected officials pay should be increased during his or her elected term. The proposed cost-of-living increases would not only violate this principle but also help ensure that the tenet be destroyed. All of us knew what the salary was when we were candidates for election last fall. We will destroy public trust if we vote ourselves a raise during our present terms.

Mr. Speaker, we must fight inflation. We must restore faith of Americans in their elected officials. We can help do both by rejecting this outrageous proposal.

Mr. FRENZEL. Mr. Speaker, normally the passage of a bill such as H.R. 2559 would excite little interest and few remarks in the RECORD. But this bill includes a cost-of-living pay increase for Members of Congress, along with a large group of other Federal employees, so I deem these comments necessary.

There seems to be no disagreement that the Federal employees covered in this bill have been subjected to frozen salaries since March of 1969. There is no disagreement that the cost-of-living index has increased about 46 percent since then. There is no disagreement that other Federal employees' pay has increased 50 percent during those 6 years and that wages in private industry have gone up nearly as much.

There is little disagreement that it has become increasingly difficult to recruit people for important policy posts in the executive departments. The situation is worse with respect to judges, as more and more qualified candidates for judgeships withdraw from consideration.

There is little disagreement about this bill at all, except for the inclusion of Members of Congress. Those who have had the temerity to vote for this bill will undoubtedly incur the wrath of some of their constituents, even though the 8-percent pay increase that may result comes nowhere near the 46-percent cost-of-living increase since the last pay raise.

I would have liked to have the luxury of voting no. Then I could have collected the increase, like my colleagues who did vote no, and tell my constituents what a fierce watchdog of their funds I was.

But, in the first place, the executive and judicial branches are suffering because their relatively low salaries are not attracting the quality of personnel the Nation deserves. The bill merited a positive vote on that basis alone. Obviously, an 8-percent raise is too small to cure that problem at once, but it is a step in the right direction.

If I had my choice, congressional salaries would not be set by the Congress. As long as they are so controlled, they will sometimes be too low, and sometimes too high, but always set for political considerations rather than for reasons of comparability, responsibility, or attractiveness.

As long as we must set our pay, my unfailing position, and vote, since I came to Congress has been that pay changes must be by recorded vote, and that the change should not take effect during the current term. Unfortunately, the second position could not be effected, and the first position was shaken by the fact that Congress came within one vote of denying vitally needed raises to other Federal employees, because it was afraid to vote a modest one for itself.

Another of my consistent positions has been that the cause of good Government cannot be well served by unreasonably limiting the salaries of those who serve the public in elected office. I have long been a proponent of higher pay for the State legislature, especially as it began to require more and more time of its members. Many of the Minnesota's Legislature's voluntary losses of quality personnel have occurred because the renumeration, compared to other opportunities, was unreasonably low. Even so, while the congressional pay and personal allowances have stood still, State legislative pay and personal allowances have advanced commensurate with the cost of living, if not with the demands of the job.

I really believe that an 8-percent increase after 6 years of frozen wages for Congress is not unreasonable. I know of no other occupation, or segment of our society, that has been similarly treated. I am not embarrassed by the current, or the potential, salary level. I would like the congressional salary to be attractive enough so that very few Americans would feel that wages were a disincentive to running for office.

To repeat, I wish someone else were setting my wages and I wish that the change would be effective at the beginning of the next term. Nevertheless, I think that a yes vote was a responsible vote on H.R. 2559. It was an essential vote for the executive departments and for the judiciary. While some may criticize the vote as it affects the Congress, I believe that most Members, even those with who I disagree strongly, more than earn their pay. Even the sternest congressional critics of H.R. 2559 will accept the increase, and so will I.

Mr. **GRASSLEY.** Mr. Speaker, I am disappointed, saddened, and disgusted that my colleagues would abdicate their responsibility to the American taxpayer and callously increase their own salaries. This amendment to H.R. 2559 is not only unnecessary, it is downright immoral to betray the trust the American voter gave to us last fall.

In case some of you may have forgotten let me refresh your memory regarding last year's campaign. All of us promised the American voter we would hold the line on Federal spending in an attempt to curtail our runaway inflation.

Let me ask you: Is a $50 million salary increase holding the line on Federal spending? You, I, and the American taxpayer know the answer—"No," no it is not.

For those of you who feel this raise is necessary, I concede that now is the time to push it through. We still have 15 months to go before the next election. Long enough, so most of you think, for this to be forgotten by your constituents.

Well I for one do not intend to let the taxpayer forget what was accomplished here today. I do not intend to sit by quietly, pretending not to notice that Congress is once again trying to sneak itself another increase.

I fervently hope that your constituents back home feel as I do and react in such a way that will force Congress to rescind this measure.

Mr. **BINGHAM.** Mr. Speaker, I am reluctant to vote for this bill in the light of the present critical fiscal situation in my city of New York, but I do so because I believe it to be badly needed.

The situation with respect to Federal judges is especially acute. These judges have not had a pay increase since 1969. Some of our ablest judges have been forced to leave the bench for private practice because they cannot afford to stay on, in fairness to their families. Outstanding candidates for the Federal judiciary are understandably unwilling to make the financial sacrifice entailed in accepting appointment. It should be noted that the current salary for a Federal district judge of $40,000 compares most unfavorably with the $48,998 a New York State Supreme Court justice receives, and the responsibilities of each are comparable.

Likewise, it is important that Federal civil servants in the higher grades receive an increase. They have been frozen at the ceiling of $36,000 since 1969, and many of our able officials have felt constrained to leave the Federal service.

So far as Members of the Congress are concerned, there is no question in my mind that an 8.6 percent increase in pay is justified, in view of the fact that there has been no increase in pay since 1969, and that the cost of living has increased 50 percent since then. There are so many unavoidable expenses involved in being a Congressperson that it is virtually impossible for a Congressperson with a family to get along on the present pay and allowances with no source of outside income.

I am very much aware of the sacrifices that are being demanded of New York City employees at this time, and I regret that the bill before us must be dealt with at this particular juncture in the city's history. However, it is only fair to my colleagues in the Congress to point out that during this past 6-year period when Members of Congress have had no pay increase, New York City employees have benefited from substantial pay increases, in many cases.

Mr. **KASTENMEIER.** Mr. Speaker, with today's vote Congress takes a much needed step to provide a better system of adjusting the salaries of all senior officials in the executive, legislative, and judicial branches. Since the last increase in salary for these officials in 1969, the cost of living has increased by 46 percent. While H.R. 2559, as amended by the Senate, will not provide a catchup to deal with the disparity within Federal service which has resulted from this huge increase in the cost of living, it will at least prevent the gap from widening further.

My Judiciary Subcommittee on Courts, Civil Liberties, and the Administration of Justice held 2 days of hearings, on June 18 and July 20, on H.R. 6150, a bill which would increase the salaries of members of the judicial branch.

During the course of those hearings, we heard testimony from groups as diverse as the American Bar Association, the Department of Justice, and the NAACP, argue that the failure of our Federal judiciary to receive salary increases has reached the crisis stage. At least seven Federal judges have resigned from the bench since January 1974, to accept higher paying positions in the private sector.

H.R. 6150 would provide an increase from $42,500 to $51,000 per year for appellate judges and an increase from $40,000 to $48,000 per year for district court judges. This would constitute a 20 percent raise and is designed to provide a partial catchup for judicial officials to deal with the loss of purchasing power resulting from 6 years of inflation.

Mr. Speaker, passage of the bill before us today will provide far less of an increase in Federal judicial compensation than that proposed by H.R. 6150. The serious problem of providing the much needed catchup remains. Only the immediate crisis created by the project of continued 6 percent or more inflation, without any salary adjustment is alleviated. My subcommittee will have to consider the question of whether the loss of real income of more than $13,000 per year by Federal judges since 1969 should be dealt with separately.

Mr. GOLDWATER. Mr. Speaker, I cannot support this resolution increasing the pay of Members of Congress. To my mind there are three compelling reasons why this resolution is inappropriate at this time. First, the Congress has recently increased the office and committee staffs available to Members of Congress. It has also increased office operating allowances. The net effect of these actions is to increase the work capability of each Member and increase the total operating expenses of the Congress. Further increases cannot be justified, particularly in light of the massive deficit condition of the Federal budget.

Second, the Nation is in the throws of a serious financial instability and economic recession. The first priority of the Congress must be to help the rest of the Nation restore its financial and economic vitality first, before it does anything regarding its own salaries. This interest should be equally true for the high level executive and judicial officers of the Nation. While recovery may well be in the offing, it is far too early to relax and reward ourselves.

Third, Congress should set the example for the Nation. No one who is sound of mind and honest with himself and his constituents should expect to get rich or live high on the hog while dedicating himself to full-time congressional service. Public service is what I believe serving in Congress to be all about. Such service involves a clear element of personal sacrifice. This is particularly true given our current economic problems. We cannot in good faith ask Americans to conserve their material and natural resources one day and increase our own paychecks the next.

Ms. HOLTZMAN. Mr. Speaker, I very reluctantly support H.R. 2559, which will provide cost-of-living pay increases to Federal judge, top-level civil service employees, and Members of Congress.

I have deep and serious reservations about this bill. In view of the dismal state of the economy this is clearly an inappropriate time to increase our own salaries and those of high-level Federal officials. In addition, because we cannot amend the bill, we cannot separate the good parts from the bad.

Despite these reservations, however, I will vote for this bill because I believe some of the pay increases it provides are justified.

The last salary increase to top-level Federal officials was in 1969. Since then the cost of living has risen nearly 50 percent. This disparity has had a particularly harmful impact on the Federal judiciary.

This country faces a major problem in law enforcement. In order for our courts to function properly, we must attract and keep the best lawyers as Federal judges. But good lawyers can make in private practice four or five times the salary of a Federal judge. We cannot, therefore, ignore the reality that low salaries will discourage highly qualified lawyers from becoming judges. In fact, a number of Federal judges have already left the bench because of the failure of their salaries to keep up with inflation. While we would like to save money on Federal salaries, it would be an empty savings, indeed, if by doing so we denied to the Federal bench the best talent available.

The same argument applies to the top Civil Service grades. Federal executives manage programs of enormous complexity, with costs running into the billions of dollars. If these programs are to be run efficiently, they must be run by highly capable people. We do not service to our constituents if we drive top quality executives out of public life, and produce increased waste and reduced effectiveness in Federal programs.

I have very grave reservations about the congressional pay increase. It is highly inappropriate for us to increase our salaries while 9 million Americans are unemployed, and everyone is crippled by inflation. But the congressional increase accounts for only 3.5 percent of the cost of this bill—and there is no opportunity to strike this increase. In addition, the increase will amount to anywhere from $2,100 to $3,600 per Member. For most Members, this will not represent added income, but rather, money that will be used to meet the very heavy and unreimbursed expenses of doing our job properly.

No one needs to be reminded of the enormous unreimbursed expenses we incur in trying to be responsible and responsive Members of Congress. These costs include the maintenance of two households, travel between our districts and Washington, printing newsletters, and operating district offices. These expenses are only partially reimbursed, and as a result we must spend a substantial portion of our salaries on the necessary costs of doing our jobs properly. In fact, the net effect of this pay increase will be to finance the printing of one newsletter to one's constituents.

Finally, some Members have said that we should vote down this bill as a "sign" to the public of our concern over inflation, unemployment and the size of the budget deficit. I believe that the public deserves more from us than gestures. If we are really serious about improving the State of the economy, we should be overriding President Ford's vetoes of job programs, close tax loopholes and provide a strong, effective noninflationary energy program.

Mr. YOUNG of Texas. Mr. Speaker, I move the previous question on the resolution.

The SPEAKER. Without objection, the previous question is ordered.

Mr. BAUMAN. Mr. Speaker, I object.

The SPEAKER. Does the gentleman from Maryland object to ordering the previous question?

Mr. BAUMAN. I do, Mr. Speaker.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, on that, I demand a division.

The question was taken; and there were—ayes 396, noes 20.

So the previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 214, nays 213, answered "present" 1, not voting 6, as follows:

[Roll No. 459]

YEAS—214

Abzug
Adams
Addabbo
Alexander
Anderson, Ill.
Annunzio
Ashley
Badillo
Barrett
Bergland
Biaggi
Bingham
Boggs
Bolling
Bowen
Brademas
Breaux
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, Phillip
Carney
Casey
Chisholm
Clay
Collins, Ill.
Conyers
Corman
Cornell
Cotter
Coughlin
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derwinski
Dickinson
Diggs
Dingell
Dodd
Downing, Va.
Drinan
Duncan, Oreg.
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Evans, Colo.
Fary
Fascell
Fenwick
Findley
Fisher
Flood
Flowers
Foley
Ford, Mich.
Forsythe
Fraser
Frenzel
Fuqua

Giaimo
Gibbons
Gonzalez
Green
Hall
Hanley
Harrington
Harris
Hawkins
Hays, Ohio
Hébert
Helstoski
Henderson
Hicks
Hillis
Holland
Holtzman
Horton
Howard
Hungate
Hyde
Jarman
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jordan
Karth
Kastenmeier
Koch
Leggett
Lehman
Lent
Lloyd, Calif.
Long, La.
Long, Md.
McClory
McCloskey
McCormack
McFall
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Mikva
Milford
Miller, Calif.
Mills
Mineta
Minish
Mink
Mitchell, Md.
Moakley
Mollohan
Moorhead, Pa.
Moss
Murphy, Ill.
Murphy, N.Y.
Myers, Pa.
Neal
Nedzi

Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Passman
Patman, Tex.
Patten, N.J.
Pattison, N.Y.
Pepper
Peyser
Pickle
Pike
Preyer
Price
Pritchard
Railsback
Rangel
Rees
Rinaldo
Roberts
Rodino
Roe
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roybal
Ruppe
Ryan
Sarbanes
Scheuer
Seiberling
Shipley
Sisk
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stark
Steed
Steiger, Wis.
Stokes
Sullivan
Symington
Thompson
Ullman
Vander Veen
Vanik
Vigorito
Waggonner
Waxman
Whalen
White
Whitten
Wiggins
Wilson, C. H.
Wilson, Tex.
Wolff
Wright
Yates
Young, Alaska
Young, Ga.
Young, Tex.
Zablocki

NAYS—213

Abdnor
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Aspin
AuCoin
Bafalis
Baldus
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell

Bennett
Bevill
Biester
Blanchard
Blouin
Boland
Bonker
Breckinridge
Brinkley
Brodhead
Brown, Ohio
Broyhill
Buchanan
Burgener
Burleson, Tex.
Burton, John
Butler
Byron
Carr

Carter
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Conte
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Derrick

Devine
Downey, N.Y.
Duncan, Tenn.
Early
Edgar
Emery
English
Eshleman
Evans, Ind.
Evins, Tenn.
Fish
Fithian
Florio
Flynt
Ford, Tenn.
Fountain
Frey
Gaydos
Gilman
Ginn
Goldwater
Goodling
Gradison
Grassley
Gude
Guyer
Hagedorn
Haley
Hamilton
Hammerschmidt
Hansen
Harkin
Harsha
Hastings
Hayes, Ind.
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Hightower
Hinshaw
Holt
Howe
Hubbard
Hughes
Hutchinson
Ichord
Jacobs
Jeffords
Jenrette
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kasten
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Levitas
Litton
Lloyd, Tenn.
Lott
Lujan
McCollister
McDade
McDonald
McEwen
McHugh
Mann
Martin
Meyner
Miller, Ohio
Mitchell, N.Y.
Moffett
Montgomery
Moore
Moorhead, Calif.
Morgan
Mosher
Mottl
Murtha
Myers, Ind.
Natcher
Nichols
O'Brien
Patterson, Calif.
Perkins
Pettis
Poage
Pressler
Quie
Quillen
Randall
Regula
Reuss
Rhodes
Richmond
Riegle
Robinson
Rogers
Roush
Rousselot
Runnels
Russo
St Germain
Santini
Sarasin
Satterfield
Schneebeli
Schroeder
Schulze
Sebelius
Sharp
Shriver
Shuster
Sikes
Simon
Skubitz
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Stanton, James V.
Steelman
Steiger, Ariz.
Stephens
Stratton
Studds
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thone
Thornton
Traxler
Treen
Tsongas
Van Deerlin
Vander Jagt
Walsh
Wampler
Weaver
Whitehurst
Wilson, Bob
Winn
Wirth
Wydler
Wylie
Yatron
Young, Fla.
Zeferetti

ANSWERED "PRESENT"—1

Hannaford

NOT VOTING—6

Bell
Fulton
Risenhoover
Stuckey
Teague
Udall

POINT OF ORDER

Mr. BAUMAN (prior to the announcement of the vote). Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. BAUMAN. Mr. Speaker, the gentleman from Florida (Mr. BURKE) was listed in the recorded vote on the board as having voted aye.

Mr. BURKE of Florida. Mr. Speaker, I changed my vote from "present" to "aye."

The SPEAKER. The vote is final.

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

POINT OF ORDER

Mr. BAUMAN. Mr. Speaker, I have a point of order.

The SPEAKER. The gentleman will state it.

Mr. BAUMAN. Mr. Speaker, I demand a recapitulation, under the rules.

The SPEAKER. Under the rules, a recapitulation of an electronic vote is not in order.

Mr. BAUMAN. Mr. Speaker, that is unfortunate.

PERSONAL EXPLANATION

Mr. RISENHOOVER. Mr. Speaker, I ask to enter into the RECORD that had I been present this morning on the vote on the Senate amendment on the cost-of-living increase for Federal employees under H.R. 2559, the Speaker would have had the honor of breaking a tie on that vote. Had I known in advance it had been scheduled, I would have been here to vote. I would have voted "no."

PERMISSION FOR COMMITTEE ON THE JUDICIARY TO SIT TODAY DURING THE 5-MINUTE RULE

Mr. EILBERG. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary be permitted to sit today during the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

GENERAL LEAVE

Mr. ANDERSON of Illinois. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

FEDERAL RULES OF CRIMINAL PROCEDURE AMENDMENTS ACT OF 1975

Mr. MANN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (H.R. 6799) to approve certain of the proposed amendments to the Federal Rules of Criminal Procedure, to amend certain of them, and to make certain additional amendments to those rules.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. MANN. Mr. Speaker, I ask unanimous consent that the statement of the managers be read in lieu of the report.

The SPEAKER Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of July 28, 1975.)

Mr. MANN (during the reading). Mr. Speaker, I ask unanimous consent that the statement be considered as read.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. MANN. Mr. Speaker, I yield myself such time as I may consume.

Mr Speaker, I rise in support of the conference report on H.R. 6799, an act to approve certain of the proposed amendments to the Federal Rules of Criminal Procedure, to disapprove certain of them, to amend certain of them, and to make additional amendments to those rules.

Before moving to the issues confronting us, I would like to sketch in the background of this legislation. On April 22, 1974, the Supreme Court promulgated certain amendments to the Federal Rules of Criminal Procedure. The Court's order, issued pursuant to statutes known as the Rules Enabling Acts, provided that these amendments were to become effective on August 1, 1974. This effective date was postponed for 1 year by Public Law 93–361. The effective date of these amendments is August 1, 1975, this Friday. The reason for the postponement was simply to give Congress an adequate period of time in which to study the proposed amendments and make whatever changes might be necessary.

The Subcommittee on Criminal Justice of the Committee on the Judiciary studied the proposed amendments very carefully, compiling a hearing record of some 525 pages. H.R. 6799 was drafted in subcommittee and introduced by members of it. It approved some of the proposed amendments, changed some of them, and made some additional amendments to the Federal Rules of Criminal Procedure.

The Committee on the Judiciary favorably reported H.R. 6799, with amendments. This body approved the committee's amendments to H.R. 6799 and made some additional amendments to the bill. The House passed the legislation on June 23 by a vote of 372 to 1.

The Senate took up the bill on July 17 and passed it. However, the Senate made a number of changes in it, so a House-Senate conference was necessary. House-Senate conferees met twice, on Wednesday, July 23 and Friday, July 25, to resolve the differences in the two versions of the bill. On Friday, the conferees reached agreement on a compromise bill.

The House and Senate versions of the bill differed in a number of respects. The most notable difference concerned witness lists.

The Supreme Court's proposal provided that a party could, at any time prior to trial, obtain a list of the names and addresses of his opponent's witnesses. The Criminal Justice Subcommittee had narrowed this to provide that the witness list need only be turned over 3 days prior to trial. Attempts to strike this provision from the bill were narrowly defeated in committee and on the floor. The vote on the floor on the motion to strike was 199 in favor and 216 opposed.

The Senate struck the witness list provision from the bill. Consequently, the conferees had to decide whether, and to what extent, pretrial discovery of witness lists should be permitted. A majority of the House conferees agreed to accept the Senate version.

It is not in the interest of the effective administration of criminal justice to require disclosure of witness lists. A majority of the conferees felt that the benefits gained by permitting discovery of witness lists were outweighed by the improper contacts with witnesses and the discouragement of witnesses that would result.

In evaluating the action of the House conferees in accepting the Senate version, two things should be kept in mind. First, the vote in the House on the issue was very close—216 to 199. Second, House conferees were able to gain acceptance of the House version of other provisions in dispute. Two in particular are significant—the reciprocal discovery provision and the provision dealing with the use or statements made during plea negotiations.

The House version of the bill made discovery reciprocal—that is, if the defendant asks for and receives certain materials from the prosecution, then the prosecution is entitled to get similar items from the defendant. The Senate version gave the prosecution an independent right of discovery.

The Supreme Court proposals called for an independent discovery right. The House bill had changed this for constitutional reasons—requiring a defendant, upon request, to give the prosecution material that may be incriminating raises very serious 5th amendment problems. These problems are overcome by making discovery reciprocal.

The House conferees gained acceptance of the House position—the conference report required reciprocal discovery.

A second significant concession that was made by the Senate conferees concerns rule 11(e)(6). This rule provides for the use of statements made in connection with plea negotiations. The House version permitted the limited use of evidence of pleas of guilty, later withdrawn, or nolo contendere, offers of such pleas, and statements made in connection with such pleas or offers.

However, such evidence could only be used in a perjury or false statement prosecution and then only if the statement was made under oath, on the record and in the presence of counsel. The Senate version permitted the use of voluntary and reliable statement made in court and on the record for the purpose of impeaching the credibility of a witness or for a perjury or false statement prosecution.

The House had changed the Supreme Court proposal, which permitted no use of plea negotiation statements. The House provided for limited use in order to protect the integrity of the judicial process from willful deceit and untruthfulness. The Senate provided for much broader use. The conferees faced two questions. First, should such evidence be usable to impeach a person? The House said, "No," and the Senate said, "Yes."

The conferees agreed to the House version. Second, should the statements that can be used be required to have been made under oath and in the presence of counsel? The House said, "Yes," and the Senate said, "No." The conferees agreed to the House version.

There are compromises called for by the conference report. Some involve modifying the House or Senate version, and some take in toto the House or Senate version. These are explained in the joint explanatory statement of the committee of conference, so I will elaborate on them here.

I urge the Members, in considering this report, to look at the report overall. The conference report is a compromise—both the Senate and the House had to surrender on some issues. Neither side totally capitulated. Both sides gained something.

The conference report presents a viable and workable bill, one that fairly compromises differing points of view. I urge my colleagues to support it.

Mr. WIGGINS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the issue before us at this time is the conference report on H.R. 6799, a bill to amend the Federal Rules of Criminal Procedure. The Members will recall the bill as it was reported from the House.

The conferees met and discussed this bill and, in my opinion, made a fair compromise which should be supported by all Members of the House.

The changes in the House bill are primarily technical in nature. However, there are several substantive amendments, and I would like to take a moment to explain them to the House.

Under the rule as adopted by the House, statements made by a defendant at the time of a plea of guilty by that defendant could be used against that defendant in a subsequent proceeding on a charge of perjury if they were in fact false, so long as those statements were made before the court by the defendant in the presence of his counsel.

The Senators felt very strongly that such statements made in court at the time of a guilty plea by a defendant but later withdrawn should be used and should be available for use to impeach that defendant should he testify to a different story later upon trial.

Notwithstanding the strong feeling on the part of the Senators, the Senate yielded on that issue to the House.

The second substantive change deals with the very controversial and vexing subject of witness lists. As the Members will recall, the present law is such that neither the defendant nor the Government is entitled to the names and addresses of the other's witnesses except in capital cases, and, in that event, they are made available only 3 days prior to trial.

The Supreme Court changed that rule and proposed that each party, that is, the defendant and the Government, would be entitled to the names and addresses of the witnesses of the other side any time after indictment and upon request. This House rejected the Supreme Court rule and, instead, adopted a modified position, namely, that the names and addresses of witnesses would be available only 3 days prior to trial, that being consistent with present law in capital cases.

The Senate, Mr. Speaker, however, differed very strongly with the House position. Members of the Senate felt very strongly that it would be inappropriate to deviate from present law and to make the names and addresses of witnesses of the defendant and the Government available. The conferees debated this issue at length and in good faith.

Because of the divided position of the House of Representatives on this very issue and because of the divided position of the Committee on the Judiciary on this very issue and because of the willingness of the Senators to yield on another issue of great importance to themselves, the House conferees agreed to accept the Senate position, which is to perpetuate existing law with respect to the exchange of witness lists.

I think, Mr. Speaker, that is a fair compromise and one that should be supported by this full House.

There is one other matter, Mr. Speaker, which I wish to mention briefly. I want personally to express my appreciation to our committee chairman, the gentleman from Missouri (Mr. Hungate) and to my colleague, the gentlewoman from New York (Ms. Holtzman), for permitting this conference report to be considered at this time under a unanimous-consent request.

As both the gentlewoman from New York (Ms. Holtzman) and, as the gentleman from Missouri (Mr. Hungate) well know, this is a matter of some considerable urgency since the Supreme Court rules will take effect on August 1, only 2 days hence, unless the House acts promptly at this time.

I compliment them for their willingness to permit this conference report to be considered under a unanimous-consent request.

It is my understanding, however, that a motion to recommit may be offered by the gentlewoman from New York (Ms. Holtzman), with instructions with respect to this issue of witness lists.

Mr. Speaker, I hope that the House will sustain the conferees. All Members of the Senate conference agreed and five of the House conferees agreed that the language before us in this conference report is proper.

Mr. Speaker, I hope and urge that the Members will sustain the overwhelming view of their conferees on this issue.

Mr. HYDE. Mr. Speaker, will the gentleman yield?

Mr. WIGGINS. Yes, I yield to the gentleman from Illinois.

Mr. HYDE. Mr. Speaker, I rise in support of the conference report to accompany the bill H.R. 6799.

The House and Senate conferees had two lengthy meetings to consider the differences between this bill as it passed the House and as it was amended by the Senate. There were 10 substantive issues in disagreement. The Conference Committee reached agreement in which the House position prevailed on four of those issues and the Senate position prevailed on four. On the two remaining issues a middle ground was reached between the House and the Senate position. I would like to take this opportunity to explain several of these issues and the reasons underlying the resolution adopted by the conferees.

Rule 11(e)(1) defines the parameters of proper plea agreements in Federal courts. The House passed bill adopted subparagraph, first, as it was proposed by the Judicial Conference. However, because of an amendment the House made to rule 11(e)(2), an important element was left out of the general definition of a plea agreement. That element is that the prosecution and the defendant are authorized to agree that a specific sentence is the appropriate disposition of that particular case. The conferees recognized that in a plea bargain the Government typically makes concessions to the defendant such as dropping charges, dismissing certain counts of an indictment, or agreeing not to file charges against a defendant in return for the defendant's plea of guilty. In return for this consideration which might be substantial, the defendant is typically allowed to plead to one or perhaps several counts or charges. It may certainly be in the interest of justice that the prosecution be able to demand that both parties represent to the court that the defendant receive a specific sentence on the remaining count or counts.

Of course, the prosecution has no role of a binding nature in the sentencing process. The sole authority to determine and impose a sentence rests within the judicial branch. However, in a guilty plea situation, the prosecution, which always acts as an officer of the court, possesses a great deal of information about the facts underlying the charges and about the defendant and his particular circumstances. It certainly can only further the fair administration of criminal justice to allow the prosecution to make recommendations in the circumstances detailed in rule 11(e) based on this information to the court regarding sentencing.

The conferees believe that if a specific sentence is part of the plea agreement, which can be loosely analogized to a contract, the court should either agree with the parties on the details of that sentence and impose it or reject the plea bargain in its entirety. It may well be that the defendant would still be willing to plead guilty. It may well be that the Government would no longer wish to agree to drop certain charges. However, the parties should be able to step back and reach a subsequent plea agreement or proceed with trial if they cannot.

I would also like to point out that the existing legal controversy over the authority of courts pursuant to rule 48 of the Federal Rules of Criminal Procedure to refuse to accept the dismissal of charges against a defendant is acknowledged. Rule 11(e) as passed is not enacted with the intent to intrude on that controversy. The power of the prosecutor to decide what defendant should be charged with what crime is generally within the sole province of the executive branch. However, whatever is the ultimate judicial interpretation of rule 48, it will, in the absence of subsequent congressional action, govern the power of courts in that regard in rule 11(e).

Rule 12.2 notice of defense based upon mental condition is a new rule to the Federal Rules of Criminal Procedure. Heretofore, except in the District of Columbia, if the defendant in criminal cases raises the defense of insanity, that defense might well catch the prosecution by surprise. The defense of insanity typically includes the testimony of psychiatrists relating to and supporting the contention that the defendant should not be held to answer for his acts because he was then insane. In the face of this surprise defense, the Government is ordinarily granted a continuance in the trial so that it may introduce evidence, often the testimony of other psychiatrists, to support the contention that the defendant is not insane. Furthermore, there are existing pretrial procedures available to determine the mental competence of a defendant to stand trial 18 U.S.C. 4244. It should be noted that this rule does not relate in any way to what definition of insanity should be applied.

Rule 12.2 will eliminate these delays in trial by providing that shortly before trial the defendant will make known to the Government his intention to rely on such defense so that before the trial the Government can prepare to rebut the evidence of the defendant on this issue.

The only point of controversy between the Senate and the House on this issue related to subsection (c) psychiatric examination, which provides that the court has the authority to order the defendant to submit to a psychiatric examination by a psychiatrist designated for this purpose. The issue in controversy is the tension between the defendant's constitutional right against being forced to incriminate himself and the Government's right to be permitted to respond to the defendant's evidence relating to his mental condition. The conferees strongly and unanimously believe that the defendant's fifth amendment rights must be protected. The conferees also agree that whatever statements the defendant might make in the course of the court ordered psychiatric examination should never be admissible against the defendant on the issue of guilt.

The statement of that second belief was contained in subsection (c) of H.R. 6799 as it was introduced after consideration of this rule by the Subcommittee on Criminal Justice. However, the House passed a further refinement to the effect that such statements could not be used against the accused at all before the judge who or the jury which ultimately determines the guilt of the accused until that determination is made. That House passed rule would have the effect of requiring a bifurcated or separate trial in every instance in which a defense of insanity is raised.

The Senate passed bill adopted the proposal of the Judicial Conference which did not make any pronouncement in rule 12.2 on the admissibility of the statements of a defendant to a court ordered psychiatric examination.

The conferees agreed to accept the provisions of H.R. 6799 as it was originally introduced in the House. The conferees believe that the courts will exercise their discretion as they have been exercising it for many years by either ordering a bifurcated trial or making a limiting instruction to the jury in order to protect the defendant's rights. No defendant should be fatally prejudiced on the issue of guilty by the receiving in evidence of statements admitted only for the purpose of determining the issue of insanity. The conferees believe that experience in applying rule 12.2 will offer a firmer foundation in the future to determine whether or not further amendment is necessary in this regard to this rule.

Rule 16 (a)(2) and (b)(2) except from the general rules of discovery the "work product" of the attorney for the Government and his agents and the attorney for the defendant and his agents.

The Judicial Conference did not propose to amend this "work product" exception. However, the House changed the language describing the substance of "work product" from "reports, memoranda, or other government documents" to "the mental impressions, conclusions, opinions or legal theories." The change in this rule was to adopt the language describing "work product" as it is found in the Federal Rules of Civil Procedure.

The Subcommittee on Criminal Justice adopted this amendment with the intent that the words in the civil rules better reflect existing case law describing what is "work product." However, since that time considerable doubt has been raised as to whether in fact the words in the civil rules more narrowly construe what is or what is not "work product" than do the existing descriptions of "work product" as found in the criminal rules. For this reason the Senate disagreed with the House amendment and agreed with the Judicial Conference that the description of "work product" should remain as it is today.

The Conference adopted the Senate provision. The conferees agreed to this with the understanding that material or evidence otherwise discoverable under these rules cannot be shielded from discovery by a label such as "report" or "memoranda." It should be pointed out that the conference committee had no information that either the Government or attorneys for defendants were abusing the existing "work product" exemption. The Subcommittee on Criminal Justice also received no information which would indicate that such an abuse exists.

The Judicial Conference in its note to rule 16 stated that nothing in the proposed rule decided the issue of what a "statement" consists of as it is used in rule 16. The Conference notes that the American Bar Association has not attempted to define "statements" in this context because of a disagreement as to what that definition might be. There is no intention either in any action taken by the House nor in any action taken by the conferees to define the word "statements" as it is used in rule 16.

The final point of disagreement between the House and Senate in H.R. 6799 relates to rule 16 (b)(1)(A) and (b)(1)(B). The House bill provides that the Government does not have the right to discover certain materials unless the defendant first requests similar discovery. The Senate bill adopts the Judicial Conference position which is that an independent right of discovery is vested in both the defendant and the Government. Under the Senate bill, the right of discovery by the Government is not conditioned by any action of the defendant.

The conferees accepted the position of

the House on this rule. The Conference notes that this is a continuation of the existing rule of discovery and that there was little if any information as to how the existing rule worked an unfair hardship on the Government or was in other regards inimical to the administration of justice. The conferees did not reject the Senate provision for the reason that discovery without preconditioning it on a request by the Government was in any way violative of the defendant's fifth amendment guarantees.

Mr. Speaker, the conference report represents a genuine contribution to the administration of justice. It is thoughtful, practical, and timely. I urge its acceptance by this House.

Mr. MANN. Mr. Speaker, I yield 5 minutes to the gentlewoman from New York (Ms. Holtzman).

Ms. HOLTZMAN. Mr. Speaker, I thank the gentleman from South Carolina (Mr. Mann) for yielding.

Mr. Speaker, I do not support the conference report on H.R. 6799, a bill to amend the proposed Federal Rules of Criminal Procedure. I am going to offer a motion to recommit this conference report at the appropriate time, so that the House can instruct the conferees to insist on the House position on disclosure of witness lists before trial.

I was a conferee on this bill. The conferees compromised on a number of issues and reached an agreement on a number of issues. But we failed to find a consensus on a central issue: allowing disclosure of witnesses 3 days before trial in criminal cases. On this main issue the conference report abandoned the House position. It abandoned the position of the Committee on the Judiciary. The conference report prevents the kind of fair judicial procedure with appropriate discovery that we need. It was for that reason that I refused to sign the conference report.

The issue on the motion to recommit is whether or not, before trial, there will be any disclosure of witnesses. The rule now is that there is no disclosure.

Trials without proper disclosure beforehand reflects a sporting theory of justice, rather than an attempt to judge innocence or guilt fairly. Witnesses testifying before the Subcommittee on Criminal Justice have said that disclosure of witness lists before trial is important to expedite trials and to permit the fair disposal of the issue of guilt or innocence. Prosecutors have come before the subcommittee to say this; judges have come before the subcommittee to say this.

The Supreme Court rules, as they were initially presented to the Congress, would have required complete disclosure of witnesses well in advance of trial. The subcommittee adopted an important compromise which limited disclosure of witnesses to 3 days before trial. That is barely enough time to find out anything about your adversary's case, but it is better than nothing.

The conferees rejected a compromise that was even narrower than the House position.

When the House voted on the Federal rules it rejected an effort to eliminate disclosure of witnesses before trial. I would say to the Members of the House that when we voted the last time by a majority of 216 to 199, we were setting ourselves firmly on the side of a fair judicial procedure, protecting both the Government's witnesses and defense witnesses, but coming out on the side of disclosure and fairness.

I do not believe therefore, that we should agree to a conference report that abandons the House position on disclosure of witnesses 3 days before trial and abandons the position of the House Judiciary Committee as well.

Mr. Speaker, I would urge the Members of the House to sustain their earlier position and to support my motion to recommit when it is made.

Mr. HOLLAND. Mr. Speaker, will the gentlewoman yield.

Ms. HOLTZMAN. Yes, I yield to the gentleman from South Carolina.

Mr. HOLLAND. Mr. Speaker, I thank the gentlewoman from New York (Ms. Holtzman) for yielding.

I rise in support of the motion to be made by the gentlewoman from New York (Ms. Holtzman).

I might point out that at the present time in the Supreme Court of the United States that the majority of the cases that appear before them are defended by attorneys who have been appointed by the court at the local level. And I observed then, and I observe now, that it is nothing but justice to give such attorneys who are appointed by the courts the opportunity to be provided with a list of witnesses, and that to do otherwise is to jeopardize the work of the attorney for the defendant. Such an attorney does not have the money necessary to conduct the proper kinds of investigations.

In the recent series of cases before the Supreme Court they have held that there has not been fair treatment at the lower level courts, and at the trial levels, to these people who are represented by attorneys appointed by the courts who are without adequate funds to conduct the necessary expensive investigations, or to hire investigators.

I observed at that time that any defendant who was financially able to equal the efforts of the FBI in locating the witnesses on the other side, can go to court far more prepared than the vast majority of pauper cases that proceed before our courts.

The U.S. Supreme Court is not the most favored institution in my own State. However in this case I think the rules they have written apply the only just system so as to exercise some degree of equality for the attorneys of indigent defendants, not just simply to win the freedom of that particular defendant but to preserve the system of criminal justice itself.

Ms. HOLTZMAN. Mr. Speaker, I urge again that the House sustain my motion on the previous question.

Mr. MANN. Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois (Mr. Russo).

Mr. RUSSO. Mr. Speaker, I support the conference report.

Mr. DOWNING of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Missouri (Mr. Hungate).

Mr. HUNGATE. Mr. Speaker, I thank the gentleman from South Carolina for yielding me this time. I wish to commend the manager of the bill for his work, and the work of the committee, in the task that they have undertaken all through the year, and all members of the committee for the deliberations that they have undertaken, no matter how much sometimes I might disagree.

I would remind the Members of this House that on June 18, in this Chamber, we voted that the defendant in a criminal case can see the list of witnesses against him 3 days before the trial, and this is now followed in all capital cases in the Federal courts, that was a compromise that we worked out through the subcommittee and the full committee. That was the vote of the Members, and that was the wish of the Members.

The Supreme Court rule on this issue provided that the defendant would simply write a letter and get the names of the witnesses, subject only to a protective order if the court thought or the prosecutor thought there was danger to the witnesses, that then they would not be revealed.

But the Supreme Court said that it is all right, we must have discovery, the real heart of the new law is discovery, we must find out the truth. We thought, in compromise, that the defendants should get the names of witnesses 3 days before the trial, except where protective orders say that it might be dangerous to give the list of witnesses.

So that was the compromise that was worked out.

The Senate stayed with the law as the law now is; that if you are tried in a criminal case in Federal court, that you have no right to find out the witnesses against you until they take the stand. If it is a 2-week trial you might have to wait until the second week to find out who it was.

It just seems to some of us that fair play and due process require more than this.

So I would urge the Members to support the motion to be made by the gentlewoman from New York (Ms. Holtzman). For my part I will vote for the motion because it is just a matter of simple justice.

Mrs. FENWICK. Mr. Speaker, will the gentleman yield?

Mr HUNGATE. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Speaker, I would like to commend the gentleman in the well for the statement he has made, and I would like to associate myself with his remarks.

Mr. HUNGATE. Mr. Speaker, I appreciate the gentlewoman from New Jersey in extending her support.

There are other changes made in this bill wherein the Supreme Court said that summonses and warrants, regarding their issuance, that these should be made by a judge who is impartial not by the defendant or the prosecutor. This House said no, let the prosecutor make that decision. We will let him make that decision.

The next question was whether the judge in a plea bargaining situation should have the discretion to give a lesser sentence. The court said yes, this impartial judge gets a presentence report, not available always to the prosecutor and defendant. We said in this House, "No; whatever the prosecutor agrees on, you will give that sentence, Mr. Judge. You have no discretion." The sentence imposed could not go any higher anyway. The Department of Justice has had input in this, and I think that is fine. I think the extent of it might be questioned. I do not lightly throw away the year's work we have put into this bill to now oppose it. I have mentioned a few of the items that we have changed that were unpleasant to me, and it just seemed that we kept loading the boat, and it finally sank. I am willing to take my castor oil, but I will be darned if I want to lick the spoon. I think we have a choice here.

If we are going to reject the proposal, we will get the Supreme Court rules, and in my judgment the Members will like those rules better than those here proposed. It could in the criminal field turn out to be a man—again I say to my friends on the Democratic side—it could be John Mitchell, and was. It could be Kleindienst, and was. I say to my friends on the Republican side it could be Ramsey Clark, and it was. It could be a Department of Justice which for 20 years granted the CIA the right to determine for itself if it should be prosecuted. It could be a Department of Justice, containing an FBI admitting to 100 burglaries.

I think it is our job to try to protect the rights of the people and give away as few of those rights as possible, and enhance them whenever we can. This is the reason that I would urge the Members to support the motion to be offered by the gentlewoman from New York to say that we will abide with the House position as voted, or, failing that, I would urge the Members to reject this measure, and they will then get the rules of the Supreme Court which, in my opinion at this point, are superior to our product.

I thank the gentleman for yielding.

Mr. MANN. Mr. Speaker, I yield myself such time as I may consume to conclude debate on this measure.

Mr. Speaker, if there is to be effective law enforcement in this country, citizen involvement must be substantial. A serious situation has developed in this country. We are all aware of cases where justice was not done because of the failure of citizens to become involved as witnesses.

The Department of Justice reported to us that they had 713 cases of witness intimidation or harassment last year.

I was chairing a hearing in the Committee on the District of Columbia earlier this year when the District Attorney for the U.S. Court for the District of Columbia appeared to testify, and he reported these statistics for 1973: Of the felony cases dropped initially after warrant for arrest, 39 percent were dropped because of witness problems. Of those dropped prior to indictment, 32.5 percent were dropped because of witness problems. Of those dismissed after indictment, 14 percent were dropped because of witness problems. He did not say that those witness problems were all intimidation or harassment. He merely said "witness problems," and to me that indicates an effort on the part of witnesses to escape involvement.

Part of the whole atmosphere is the fear of intimidation, not necessarily by the witness himself who might be, as indicated, protected by some court or FBI surveillance, but by a threat to his family, or by a threat to his economic situation. So there must be a balance here between the rights of society and the rights of the defendant. It was that type of rationale that caused the majority of this committee, the majority of this subcommittee to come down at the time of the House vote, on the side of not revealing the names of those witnesses unless the District Attorney concluded that he should, and with reference to those cases in forma pauperis situations, it is the custom of District Attorneys to reveal their files.

The House failed to amend on the floor by a vote of 216 to 199. A change of nine votes would have made the conference position and the House position identical on the major item at issue.

So I submit that the conference report as a whole is a sound product. It represents a great deal of work. I urge the adoption of the conference report and the rejection of a motion to recommit.

I ask if the gentleman from California has any further requests for time.

Mr. WIGGINS. Mr. Speaker, I have no further requests for time but I strongly wish to endorse the statement just made by my friend, the gentleman from South Carolina.

The penalty for rejecting the conference report and adopting a motion to recommit is unacceptable in my opinion because the time problems are such that the Supreme Court rules most probably will go into effect and that will not be in the best interest of the Nation as far as the speedy and equitable administration of justice.

Ms. HOLTZMAN. Mr. Speaker, would the gentleman yield? If the motion to recommit is adopted there is no reason why the House cannot go back to conference today and report back to the House today and why the conference report cannot be signed before the recess.

Mr. MANN. Mr. Speaker, I would say unfortunately that the time does not remain to us. The effective date is 1 August and we cannot go to conference and complete action by that time.

Mr. WIGGINS. Mr. Speaker, I am in support of the conference report to accompany the bill H.R. 6799.

The conferees were faced with resolving 10 substantive conflicts between the provisions of H.R. 6799 as passed by the House and Senate. The conferees accepted the Senate provisions on four of those issues, the House position on four, and reached a compromise position on the remaining two issues. Although I personally disagree with several decisions made by the Congress, I support those decisions in the interest of passing H.R. 6799. There is no one in this Chamber who can disagree with the fact that the 35 amendments to the judicial conference proposals of April 24, 1974, contained in this report greatly improves those proposals, and will improve the operation of the Criminal Rules of Procedure. I will explain some of the actions of the conferees.

The first issue between the House and Senate bills is technical but very important. The House bill provided that the amendments proposed by the judicial conference as amended by H.R. 6799 take effect on August 1, 1975. The Senate bill provides that the effective date of these new rules be December 1, 1975.

The Supreme Court transmitted these proposals to the Congress on April 24, 1974. For various reasons, including the direct request of the Attorney General of the United States, the effective date of these rules was delayed until August 1, 1975. The delay was accomplished by the passage of Public Law 93-361. The purpose of that act as stated in House Report 93-1144 is:

> The purpose of [P.L. 93-361] is to delay for 1 year the effective date of certain amendments to the Federal Rules of Criminal Procedure in order to give the Congress adequate time to hold hearings and study the ramifications of all the proposed changes.

For the past 4 months Congress has considered these amendments. Congress has adopted without change many of these proposals. However, several have been rejected and several have been amended. The conferees agreed that the proposed amendments of the judicial conference as amended by H.R. 6799 should not take effect until December 1, 1975, so that all of the U.S. attorneys, the U.S. judges, and the practicing bar will have ample notice that Congress has amended the proposals of the judicial conference and adequate opportunity to study both the proposals and amendments.

The House and Senate disagreed on the content of the provision of subdivision (c) of rule 11 entitled Advice to Defendant. As we know, approximately 9 out of every 10 Federal criminal cases are settled by the defendant's plea of guilty. However, that plea may not be automatically accepted by a district court judge. Both the Constitution of the United States and simple rules of fairness which do not reach constitutional proportions require that the guilty plea must be valid in several respects.

The court has affirmative duties to inquire directly of the defendant at the time the defendant is pleading guilty to insure that the defendant knows what crime he is pleading guilty to and that he enters that plea freely and voluntarily.

The existing rule 11 provides that the courts inform the defendant what limits of the penalties are for the crime to which the defendant is then pleading guilty.

The Supreme Court in *Boykin* v. *United States*, 395 U.S. 238 (1969) held that in the absence of any affirmative showing on the record of plea proceeding the defendant may not be deemed to have waived his constitutional rights of "privilege against self-incriminaton," "the right to trial by jury," and the "right to confront one's accusers by standing silent." Therefore, the Judicial Conference proposed to codify these "Boykin" rights in rule 11. Both the House and the Senate agree that it should be done.

However, the House-passed bill which was accepted by the conference requires the court to go further than what the minimum constitutional law provides. Therefore, added to the advice which a district judge must give a defendant in the course of a guilty plea proceeding is the defendant's right to be retained by an attorney at every stage of a criminal proceeding including the guilty plea stage.

The House bill also added that the court must inform the defendant that when he answers questions to the court relating to the offense for which he is pleading guilty that any answer that he gives which is untruthful may subject him to a subsequent prosecution for perjury or false statement. The conferees believe that it is very important to maintain the integrity of all court proceedings. And further that no rule should be enacted which would encourage any defendant to plead guilty to crimes or to describe crimes in the course of pleading guilty which he has not committed.

A related provision of rule 11, subsection (e)(6) inadmissibility of plea discussions, is a closely related issue. The House-passed bill provided that statements made in court during a guilty plea proceeding under oath and in the presence of counsel, unless of course the defendant has waived counsel, may be admissible against the defendant in a subsequent prosecution for perjury or false statement. The Senate bill struck out rule 11(e)(6) which would have the effect of making effective rule 410 of the Federal Rules of Evidence. That rule provides that voluntary and reliable statements made in court and on the record may be admissible not only in subsequent prosecutions for perjury or false statement but also to impeach the credibility of the declarant should he ever testify under oath in a proceeding relating to him in a way which contradicts the statements he is then making in the course of pleading guilty.

The Senate conferees felt very strongly as did a minority of the House conferees that subsequent impeachment of a defendant by the use of any voluntary and reliable statement is desirable and proper, and that statements such as these have all the hallmarks of being voluntary and reliable. However, in the interest of reaching agreement, this position was abandoned. The minority of the conferees of the House did not reach this decision lightly but did so with the recognition that the laws relating to false statements have recently been enacted to facilitate such prosecutions—18 U.S.C. 1623.

The judicial conference proposed to expand rule 15, Depositions. Both the Senate and the House agreed that this expansion will facilitate the administration of criminal justice. The point of controversy between the House and the Senate was including in the definition of when a declarant is "unavailable," the provision that he is in fact unavailable if he is exempted by ruling of the court from testifying concerning the subject matter of a deposition already given on the ground of privilege. Depositions made by a deponent who is "unavailable" at the time of the trial are generally admissible at least against the objection that they are hearsay.

The Senate adopted the recommendation of the judicial conference in this regard. The House-passed bill struck out this particular definition of unavailability. The conference accepted the Senate position by amending rule 15 to refer to rule 804 of the Federal Rules of Evidence.

Rule 16(a)(1)(A) sets forth the duties of the Government regarding the discoverability of statements made by a defendant and in its possession. The defendant has a general right subject to certain exceptions to discover statements made by him. However, what are and what are not the statements of a defendant becomes complicated when the defendant is not a person but a legal entity such as a corporation or a labor union. The Supreme Court proposed that the grant jury testimony of certain officers or employees of such entities is discoverable by the defendant corporation. That is the codification of existing case law and both the House and Senate agree it should be stated in this rule.

However, the Supreme Court also proposed that the grand jury testimony of certain former officers or employees should also be discoverable. The House adopted the Supreme Court position. The Senate struck this provision out of H.R. 6799.

A corporation can only act through its officers or employees. Corporate defendants, for this reason, have criminal liability imputed to them by the activities of others. However, not only former officers or employees who participated in the alleged criminal conduct are able to testify about it. The House and Senate conferees agreed that the testimony of individuals personally involved in the criminal conduct imputed to the defendant entity should be discoverable by the defendant entity. However, the testimony of former officers or employees who were not personally involved in the criminal acts should not be discoverable.

To implement these broad policy issues, the Senate and House conferees adopted language which narrows the application of rule 16(a)(1)(A) regarding the discovery of former officers' or employees' statements before a grand jury.

It is true that the pretrial notice of the names and testimony of these witnesses against corporate defendants will allow unprincipled defendants to tailor defenses to meet the evidence of the Government. It will also allow such defendants to intimidate those witnesses. It is hoped that courts, when considering protective order requests regarding this new part of rule 16(a)(1)(A) will be sensitive to the subtle, yet effective ability of corporate entities controlled by unprincipled individuals to use economic coercion and intimidation against witnesses against them.

Rule 16(a)(1)(E), Government Witnesses, as passed by the House provides that upon request of the defendant, the attorney for the Government shall furnish to the defendant the names and addresses of all the Government witnesses whom the attorney for the Government intends to call in the case against the defendant. The rule also provides that the Government provide the prior criminal convictions of such witnesses and further the rule provides that if the names and addresses are requested and furnished, the Government shall be allowed to perpetuate the testimony of such witnesses in accordance with the provisions of rule 15. Rule 16(b)(1)(C) provides corresponding rights of discovery in the defendant, except that no provision is made for the prior criminal conviction records of defense witnesses. The Senate bill struck out these provisions.

There was considerable debate on an amendment to delete these provisions from the bill in this House. At that time the merits of this proposal were extensively debated. The Department of Justice opposed the provisions because they would expose Government witnesses to intimidation, bribery, and other forms of coercion from defendants in criminal cases. In support of this contention the Department submitted an extensive report reflecting hundreds of specific examples of such witness intimidation. The problem is occurring with increasing frequency. It was further contended that such increased harrassment and retribution which would greatly increase under the proposed rule would have the effect of discouraging people from coming forward to report crimes they were either the victim of or were witness to. In support of this contention the Department cited a LEAA-sponsored study of witnesses which reflected that more than one-third of all the witnesses interviewed feared reprisal from the defendant. The judicial conference which proposed the rule contends that it will give a defendant a better opportunity to prepare his defense. The conference further believes that the early revelation of the Government's case, including the identity of its witnesses, will have the effect of encouraging more guilty pleas.

The Senate conferees unanimously and adamantly opposed this witness list rule and supported H.R. 6799 as it passed the Senate.

There is no information either in the record of the Senate debate or evinced during the lengthy debate on this measure in conference which indicated the disagreement of a single Senator with the Senate position. The House conferees, which consisted of the entire membership of the Subcommittee on Criminal Justice which has actively considered this matter for many months, agreed by a vote of five members to two members to accept the Senate position. Therefore, the House accepted the Senate provision.

Mr. MANN. Mr. Speaker, I move the previous question on the conference report.

The SPEAKER. Without objection the previous question is ordered.

There was no objection.

MOTION TO RECOMMIT OFFERED BY MS. HOLTZMAN

Ms. HOLTZMAN. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentlewoman opposed to the conference report?

Ms. HOLTZMAN. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Ms. HOLTZMAN moves to recommit to conference the report on the bill (H.R. 6799) to approve certain of the proposed amendments to the Federal Rules of Criminal Procedure, to amend certain of them, and to make certain additional amendments to those Rules, with instructions to the managers on the part of the House that they insist on section 3, paragraphs 21 and 25, of the House-passed bill, which provide in substance for the disclosure of government witnesses to defendants three days prior to trial and reciprocal disclosure of defendants' witnesses.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Ms. HOLTZMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 167, nays 255, not voting 12, as follows:

[Roll No. 460]

YEAS—167

Abzug
Addabbo
Alexander
Ambro
Anderson, Calif.
Ashley
Aspin
AuCoin
Badillo
Bedell
Bergland
Biester
Bingham
Blouin
Boggs
Bolling
Brademas
Brinkley
Brodhead
Brooks
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burton, John
Burton, Phillip
Carr
Chisholm
Clay
Collins, Ill.
Conyers
Corman
Cornell
D'Amours
Daniels, N.J.
Davis
Delaney
Dellums
Dent
Diggs
Dingell
Dodd
Downey, N.Y.
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Evans, Colo.
Evans, Ind.
Fascell
Fenwick
Findley
Fish
Foley
Ford, Mich.
Ford, Tenn.
Fraser
Giaimo
Gilman
Gonzalez
Green
Hall
Hamilton
Hanley
Hannaford
Harkin
Harrington
Harris
Hawkins
Hayes, Ind.
Hays, Ohio
Helstoski
Holland
Holtzman
Howard
Hungate
Jacobs
Jeffords
Johnson, Calif.
Jones, Okla.
Jordan
Karth
Kastenmeier
Kazen
Keys
Koch
LaFalce
Leggett
Lehman
Lent
Litton
Long, La.
Long, Md.
McFall
McHugh
Madden
Madigan
Maguire
Matsunaga
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Minish
Mink
Mitchell, Md.
Moakley
Moorhead, Pa.
Moss
Murphy, Ill.
Nix
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pickle
Pike
Price
Rangel
Reuss
Richmond
Riegle
Rodino
Roe
Rosenthal
Rostenkowski
Ryan
St Germain
Santini
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Simon
Solarz
Spellman
Stark
Steed
Stokes
Studds
Sullivan
Tsongas
Van Deerlin
Vander Veen
Vanik
Vigorito
Waxman
Weaver
Whalen
Wirth
Wolff
Wright
Yates
Young, Ga.
Young, Tex.

NAYS—255

Abdnor
Adams
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Bafalis
Baldus
Barrett
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bennett
Bevill
Biaggi
Blanchard
Boland
Bonker
Bowen
Breaux
Breckinridge
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carney
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Conte
Cotter
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
Danielson
de la Garza
Derrick
Derwinski
Devine
Dickinson
Downing, Va.
Duncan, Oreg.
du Pont
Edwards, Ala.
Emery
English
Erlenborn
Esch
Eshleman
Evins, Tenn.
Fary
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Forsythe
Fountain
Frenzel
Frey
Fuqua
Gaydos
Gibbons
Ginn
Goldwater
Goodling
Gradison
Grassley
Gude
Guyer
Hagedorn
Haley
Hammerschmidt
Hansen
Harsha
Hastings
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Henderson
Hicks
Hightower
Hillis
Hinshaw
Holt
Horton
Howe
Hubbard
Hughes
Hutchinson
Hyde
Ichord
Jarman
Jenrette
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Tenn.
Kasten
Kelly
Kemp
Ketchum
Kindness
Krebs
Krueger
Lagomarsino
Landrum
Latta
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McEwen
McKay
McKinney
Macdonald
Mahon
Mann
Martin
Mathis
Mazzoli
Milford
Miller, Ohio
Mills
Mitchell, N.Y.
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Morgan
Mosher
Mottl
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nolan
O'Brien
Passman
Pepper
Perkins
Pettis
Peyser
Poage
Pressler
Preyer
Pritchard
Quie
Quillen
Railsback
Randall
Rees
Regula
Rhodes
Rinaldo
Roberts
Robinson
Rogers
Roncalio
Rooney
Rose
Roush
Rousselot
Roybal
Ruppe
Russo
Sarasin
Satterfield
Schneebeli
Schulze
Sebelius
Shipley
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Stanton, James V.
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Stuckey
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thone
Thornton
Traxler
Treen
Ullman
Vander Jagt
Waggonner
Walsh
Wampler
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, Tex.
Winn
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Zablocki
Zeferetti

NOT VOTING—12

Bell
Fulton
Hébert
Michel
Patman, Tex.
Risenhoover
Runnels
Staggers
Teague
Thompson
Udall
Wilson, C. H.

So the motion to recommit was rejected.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Runnels.

Mr. Teague with Mr. Staggers.

Mr. Thompson with Mr. Udall.

Mr. Risenhoover with Mr. Charles H. Wilson of California.

Mr. Patman with Mr. Fulton.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MANN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

PERMISSION FOR COMMITTEE ON MERCHANT MARINE AND FISHERIES TO SIT DURING HOUSE SESSION TODAY

Mrs. SULLIVAN. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine and Fisheries be permitted to sit this afternoon during the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentlewoman from Missouri?

There was no objection.

ENERGY CONSERVATION AND OIL POLICY ACT OF 1975

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 649 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 649

Resolved, That when the House proceeds in the Committee of the Whole House on the State of the Union to the further consideration of the bill (H.R. 7014) to increase domestic energy supplies and availability; to restrain energy demand; to prepare for energy emergencies; and for other purposes, it shall be in order to consider, without the intervention of any point of order, the text of an amendment which was placed in the Congressional Record of Monday, July 28, 1975, on pages H7721–7722 by Representative Robert Krueger. After the passage of H.R. 7014, the Committee on Interstate and Foreign Commerce shall be discharged from the further consideration of the bill S. 622, and it shall then be in order in the House to move to strike out all after the enacting clause of the said Senate bill and insert in lieu thereof the provisions contained in H.R. 7014 as passed by the House.

The SPEAKER. The gentleman from Missouri (Mr. BOLLING) is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois (Mr. ANDERSON), and pending that I yield myself such time as I may consume.

Mr. Speaker, although I will confine myself entirely to this rule, I think the Members may be interested in the fact that this is the first of a series of actions that will be taken by the House in the next several days.

This resolution will take us back into a debate on H.R. 7014, which the House has been debating for several days in the past. At the conclusion of action on a portion of this bill, the so-called pricing section, it is likely that the House tomorrow will proceed under a rule granted by the Committee on Rules on yesterday to vote, after some hours of debate, on the President's latest proposal with regard to energy and decontrol.

After that has been disposed of in one way or another, it is probable—and, of course, these plans could be changed—that then the House will deal with a Senate-passed bill, which would extend for 6 months the life of the Allocation Act.

Mr. Speaker, the reason that I mention all of these actions now is that each relates to the other, and the reason for this rule, and the only reason for this rule, is to make that process more orderly.

The Members will remember that in dealing with H.R. 7014 the House, by a relatively narrow vote, has turned down the so-called Krueger amendment. The Members then in effect, by a relatively narrow vote, turned down the rival proposal, the Eckhardt amendment, by adopting the Wilson motion to strike.

The purpose of House Resolution 649, the matter that is being debated now, is to see to it, if we can, that the Committee of the Whole has the same opportunity it had at the beginning of the process of debating H.R. 7014. In other words, it will structure an orderly debate on two alternatives. Once again, one of them is called a Krueger amendment. It is very different from the original Krueger amendment.

It is designed to put into effect the President's proposed decontrol plan, with a modification that deals with stripper wells and an additional very important element is this: It puts in place a trigger mechanism which will not go off and set off the decontrol plan until there is in place a windfall profits tax system.

That language was approved by the chairman of the Committee on Ways and Means and meets with his approval as general enough to be proper in the circumstances.

The reason for the rule is to provide for an opportunity to consider that alternative.

I understand that there will also be offered—and they do not require a rule because they are already in order—at least one other alternative. This one, I believe, will be offered by the gentleman from West Virginia (Mr. Staggers), the chairman of the committee—I think in cooperation with the gentleman from Texas (Mr. Eckhardt)—and there may, if that is defeated, be a third alternative offered by the gentleman from Washington (Mr. Adams).

I made this motion in the Committee on Rules to bring this rule to the floor, and I also made the motion to bring the rule to the floor that would provide for 2 hours of debate and a vote up or down on the President's plan.

I urge that this matter come first, and the reason for its coming first is to be as fair as possible to the Members in an utterly confusing situation. The Members will have an opportunity to hear the rival plans debated under this rule, and then, finally, when the process is completed, to consider the bill (H.R. 7014).

The other thing that the rule does is provide that the House could go to conference on the Senate bill (S. 622), but the primary purpose of this rule is to give the House every opportunity to inform itself on the various options that face it as it proceeds later to deal with the proposal of the President, the latest proposal of the President on decontrol.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. Yes; I yield to the gentleman from Maryland.

Mr. BAUMAN. As the gentleman from Missouri (Mr. Bolling) has indicated, some days ago or some weeks ago we did consider an original rule making this bill in order, and sporadically, we have debated, both in general debate and under the 5-minute rule, the consideration of this bill.

I am concerned about the wider implications of the procedure that the gentleman suggests is necessary.

Does the gentleman feel that in the future, if the bill becomes enmeshed in difficulties and amendments which are defeated, we are going to see the Committee on Rules coming to the floor to try to solve these predicaments in this way? Should anything like that happen, it certainly would be a departure from any precedents that this gentleman knows of.

Perhaps the gentleman from Missouri can cite some instance where that has been done in the past.

Mr. BOLLING. There are precedents. I think in 1924 there was a precedent. Mr. Snell did a similar thing.

There is nothing unprecedented about this, but I would agree with the point that the gentleman makes, which is that this process should not be followed on a regular basis. It is only because of the very extraordinary nature of the situation and the difficulty that the House and the Committee of the Whole has had in dealing with this matter, not just on this occasion, but on a number of other occasions, that the Committee on Rules felt constrained to move in this direction.

The reason for this was as I stated it: It seemed to be the fair way to get before the House the various alternatives once again, as both those alternatives had changed.

Mr. BAUMAN. If the gentleman will yield further, I assume he does not include this extraordinary procedure that he is suggesting amongst the reforms of the House rules?

Mr. BOLLING. The Committee on Rules came into being a very, very long time ago; and the Committee on Rules, with the approval of the House only, can provide for rather unusual processes. This is, admittedly, an unusual process which seemed to the Committee on Rules necessary in the interest of a wise, a careful, and an informed debate.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Committee on Rules spent, I think, something like an entire day in hearings on this particular matter, and on more than one occasion during that day of hearings the expression was heard from various members of the Committee on Rules that we felt that, given the extraordinarily tangled and complicated situation in which we find ourselves from a parliamentary viewpoint in our debate on the energy bill, H.R. 7014, that this particular rule which has just been explained in his usual competent fashion by the gentleman from Missouri (Mr. Bolling) did afford the Committee on Rules an opportunity to show the House the way out of the morass in which we seemingly find ourselves. I share that expression and view of the present situation.

This is an unusual rule, let us make no mistake about that, yet it is not entirely without precedent. But even as the original so-called Krueger amendment required a special rule from our committee in order to be considered here on the floor because it involved jurisdictions of the Committee on Interstate and Foreign Commerce and the Committee on Ways and Means as well, so it was necessary for the gentleman from Texas to go before the Committee on Rules to seek special dispensation and a rule to make that amendment that the gentleman sought to offer, in order.

We gave the gentleman that right, and we gave the gentleman a rule.

Then, as has been explained, the amendment was defeated. At the same time title III in that bill was stricken, that particular pricing provision was stricken by a majority vote, as well.

So we are left with a bill that now has no provision dealing with the very important question of pricing.

Therefore it seems to the gentleman who is now speaking, and I think a majority of the members of the Committee on Rules, that it is only fair as we continue our consideration of this important energy bill, that the House be given an opportunity to select between what I understand will be yet another so-called Eckhardt-Staggers proposal—and, incidentally, that can be offered under our rules, it can be offered without any new special provision in our rule coming from the Committee on Rules. They can offer that kind of amendment changing slightly the provisions that were contained in the original bill, and defeated last week here on the floor.

It would be singularly inequitable and unfair under those circumstances, it seems to me, not to permit the gentleman from Texas (Mr. Krueger) who embraces the other point of view, to seek to offer an amendment which now very closely but not in all particulars, parallels the latest decontrol plan submitted by the President.

It would be unfair and inequitable not to permit the House to join the issues by having to vote on both of those questions.

And really that is the only thing that this rule does. It makes it possible for the House, confronted with the present situation, with no title III in the bill, and with no pricing provision, I should say, in the bill, to select between two options, two new compromise proposals that have been submitted by the two principal opposing factions in this House.

I think, therefore, that I would agree in almost every respect with the analysis that has been presented by the gentleman from Missouri.

We do not desire by this rule to indicate to the House that on each and every occasion when an amendment is defeated that we are going to expect the Committee on Rules to be using this means to revive such a defeated amendment. That is not really the question here at all. But I think most Members who have followed the course of this debate over the many days it has now gone on, will concede we are confronted with an almost totally hopeless situation from a legislative and parliamentary point of view.

I would hope, therefore, that the Members would adopt this rule so that we may proceed with the important business of considering and voting on H.R. 7014.

The SPEAKER. Does the gentleman from Illinois have a request for time?

Mr. ANDERSON of Illinois. Yes, Mr. Speaker, I yield 5 minutes to the gentleman from Ohio (Mr. BROWN).

Mr. BROWN of Ohio. Mr. Speaker, I rise in support of the rule allowing H.R. 7014 to be amended to include a revised pricing provision which would include the decontrol plan proposed by the President and making decontrol contingent upon the enactment of an appropriate windfall profits tax and a concurrent resolution by both Houses that such tax is in place.

I hasten to point out, however, that there are many problems with this rule and the provision that it makes in order. First and foremost, H.R. 7014 is not the major issue that this body faces at this moment. Unless we act by the day after tomorrow, the Emergency Petroleum Allocation Act will expire in our absence. Later today we will be considering the President's decontrol proposal—yet another attempt by the President at compromise on the question of energy price and supply policy. The President's administration plan is an extended decontrol plan with an $11.50 cap on all oil prices. Because of the provisions of the Emergency Petroleum Allocation Act, the President's program would be in effect for only 90 days. At that point it would have to be resubmitted to the Congress for disapproval. This provides the Congress with a temporary method to accomplish something positive on energy before it returns to face its constituents during the August recess.

H.R. 7014 cannot possibly be completed in such a form as to reach the President's desk before we depart, and therefore, does not serve as an effective temporary measure. On the other hand, a simple extension of the Emergency Petroleum Allocation Act is unacceptable. It is unacceptable to the American people because it will continue the ridiculous and burdensome program of price controls and the regulations such as the entitlements program that are necessary to make the price control program operative. That program has increased our dependence on foreign oil.

For the same reasons, a simple extension is also unacceptable to the President and he has indicated very clearly that he would veto such a simple extension unless it is accompanied by congressional approval of his administrative decontrol plan to terminate the administrative nightmare of the Allocation Act.

A second problem with this rule is that it provides that H.R. 7014 is to be conferenced with S. 622. S. 622 is a very bad bill. It provides, among other things, that the Federal Government be required to impose a vast variety of restrictive burdens on the American people. The Senate bill would require the Administrator of the Federal Energy Administration to impose standards to require all American industry to improve its energy efficiency, to impose standards to govern the use of decorative and so-called nonessential lighting, and, worst of all, to impose standards for controls and restrictions on "discretionary transportation activities." In other words, telling people how and when to drive their cars, light their homes and businesses and signs, etc. What the Senate has done in passing S. 622 is to take the easy way out and force the President to take all the hard actions and thus become the villain while the Congress escapes the responsibility for dealing with energy problems directly.

A third problem with the rule is with the Krueger provision itself. The Krueger amendment requires that decontrol plans will not go into effect until both Houses of Congress have passed a concurrent resolution indicating that a suitable windfall profits tax is in place. Thus, it would be possible that an appropriate tax be enacted by both Houses and signed by the President, but then a group of 40 Senators could decide that they did not like the idea of gradual decontrol and, therefore, could successfully filibuster against the concurrent resolution, making it impossible for the decontrol plan to take effect, even if the windfall tax is already in place. It is also possible under the Krueger amendment that there would be no decontrol if there is no tax.

I will not oppose the rule on the Krueger amendment, but I stress to the House that H.R. 7014 is the secondary issue. We will not be able to complete deliberations on H.R. 7014 and get it to the President by the time we recess. No matter what we do on H.R. 7014, the issue of the President's administrative plan must be disposed of before we leave here Friday, because if that plan is not approved, then the President will veto a simple extension of the Emergency Petroleum Allocation Act which is due to expire Aug. 31. The most important thing we must do is to approve the 90-day administrative plan that the President has proposed. If we fail to do that, then the Congress will be responsible either for immediate decontrol on August 31 or the extension of what we now have—the Emergency Petroleum Allocation Act which has been such a failure.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio (Mr. DEVINE).

Mr. DEVINE. Mr. Speaker, the moment of truth is rapidly approaching. Can the House, after 7 months of costly bickering and verbal feuding with the Chief Executive, produce a viable energy package before the August recess? It can if it will. The tools are now clearly in hand.

Although the parliamentary situation is a tangled mess, the means to produce a solution to what has been our energy dilemma are present. It entails using the tools now provided by the Rules Committee, doing two things, and refraining from doing a third.

The President has now come all the way to the congressional position, if such there is, on the matter of pricing crude oil. His fourth decontrol plan is clearly a compromise which can be accepted if progress rather than contention is the goal. I know that many Members, particularly leaders in this body, are convinced that we can now legislate with conviction that we are doing the right thing.

We have demonstrated in the last 2 weeks that plans concocted within this body cannot get approval. The House has listened and listened to those who would roll back oil prices. It has listened as well to the alternative plans of those who would decontrol. The judgment of the House was clearly, a pox on both of your houses—if we cannot reach a compromise that is acceptable all the way around, let us just keep going with what we have. And the only trouble with that judgment is that to even stay where we are, we must do something.

With the rules handed down yesterday, we can accomplish several things. First of all, we have the opportunity, despite the striking of section 301, to write into our bill, H.R. 7014, the basic elements of the President's final compromise position. That certainly should be done with the addition of a provision for windfall profits taxes and plowback provisions. If then we can go forward quickly and clean up the remaining provision of H.R. 7014 so that we have also produced a balanced program on conservation, standby authorities, and alternative fuels, we can leave here and say with some conviction, "It was a tough fight, Ma, but we made it."

Because the legislative process is what it is, we cannot hope to have our final package become law before the end of August. That would be true whether we were to be here during that month or not. By the time H.R. 7014 or something like it emerges from the conference process with the other body, it will be more apt to be Halloween. Meanwhile, some kind of energy control plan needs to be operating. Fortunately, the tools to accomplish this are also at hand.

Already before the House and ready for consideration at the discretion of the leadership and the chairman of the Commerce Committee, is S. 1849 which would extend the life of the Emergency Petroleum Allocation Act beyond its August 31 expiration date. Some time before recess begins, that bill should be passed. That is part No. 2 in the parliamentary puzzle.

The third thing is a negative action. The Rules Committee has made it in order to consider the resolution of disapproval of the President's latest decontrol plan under the provisions of the law now on the books, which gives us 5 days to say nay if we are so inclined. I can readily understand, with the situation being as it is, that those handling this legislation felt that it was only good sense to be in position to disapprove if everything blew up. But let us hope that nothing does blow up. Let us sincerely hope that we can complete H.R. 7014 and pass S. 1849. If so, the best thing we can do with House Resolution 641, the resolution of disapproval, is to let it quietly die.

Once all these things have been done, or not done, as the case may be, we have accomplished our objective. The President's decontrol plan will be in place with the necessary legal underpinning of the extended Emergency Petroleum Allocation Act. It will remain in place for 90 days at which time Congress must again examine it. In that meantime, however, H.R. 7014 can be wending its way through the remaining legislative channels and we can hope, at least, that before the 90 days have elapsed, a bill will be on the President's desk that, if not entirely satisfactory to everyone, is acceptable to everyone.

I know that this scenario is about as involved as an Agatha Christie mystery play, but we are at that point now where it can be explained and the mystery solved. And after it has all happened, we can look back, as on the mystery story, and say, "I should have been able to think of that before." Well, better later than never. We can solve it now and we have no remaining excuses for delaying. Let us get with it.

Mr. ANDERSON of Illinois. Mr. Speaker, I reserve the balance of my time.

Mr. BOLLING. Mr. Speaker, I yield 7 minutes to the gentleman from Texas (Mr. ECKHARDT).

Mr. ECKHARDT. Mr. Speaker, whenever I go before the Committee on Rules I have that awful feeling that I am in the presence of the Delphian Oracle. There is an awful prescience there, because the Committee on Rules has the ability to affect the results to somewhat tilt the marble machine, so to speak. When I hear the debate and the questions asked there, sometimes I feel I am in the inner sanctum of an oracle gone mad; however, the Committee on Rules does after such debate and such discussions, after acting in the sanctum where it appears the oracle has gone mad, come out with some rather remarkably good rules.

Mr. Speaker, as a matter of fact, I favor this rule and I favor it under these circumstances for a very special reason. Generally, I cannot think of a worse thing to do than to pass legislation which rests upon a contingency, as the Krueger amendment would do. Therefore, I think it is a very bad thing, as a general proposition, to waive the rules of germaneness that prohibits this. Indeed, I think that would be exacerbated by permitting a waiver of the rule in the middle of consideration of a bill; but let me explain why I think the Committee on Rules is right in this instance. My position is very much in line with what the gentleman from Missouri has said here. No matter how undesirable it is to pass legislation upon a contingency, no matter how undesirable it is to consider legislation from one committee upon the assumption that another committee may act, nevertheless, the alternative proposal was one that went all the way up through our Committee on Commerce, from the subcommittee through the main committee; and the present alternative plan is an option that the President of the United States proposes to us. Since that is the major choice, as against fixing prices, I think this House should have an opportunity to make a decision between those two major choices.

Mr. OTTINGER. Mr. Speaker, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Speaker, the gentleman can correct me if I am wrong, but I do not believe the President offered his plan contingent on there being a tax. I believe that is something the Committee on Rules added; is that not correct?

Mr. ECKHARDT. No; as I understand the President's whole plan is to permit oil to go up to a ceiling of $11.50, with a 5-cent increase per month, until it gets to $13.50 after 39 months, with a phase-out of old oil at the rate of 1½ percent for the first year, 2½ percent for the second year, and 3½ percent for the third year. He also states that such would generate excess profits and that there should be some method of recouping this money linked with what he calls a recycling plan.

Now, of course, that is not in his proposal, because that would not be appropriate with respect to a deregulation provision, but I understand that is his whole plan and I understand the amendment of the gentleman from Texas (Mr. KRUEGER) would put in effect that whole plan.

I understand the amendment of the gentleman from Texas (Mr. KRUEGER) is to put into effect his whole plan.

Mr. OTTINGER. Mr. Speaker, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Speaker, I understand there would be a windfall profits tax, according to the President's plan but he gave no specification what that would contain.

Mr. ECKHARDT. Exactly.

Mr. OTTINGER. But the President did not say decontrol should be contingent upon the enactment of the tax and, indeed, he has put into effect a $2 per barrel tariff on oil which he said required a windfall profits tax without awaiting enactment of the tax.

Mr. ECKHARDT. I think that is true but the whole plan includes the two packages.

The point was argued before the Rules Committee, and presented that way, that the Krueger proposal was essentially the President's plan with respect to decontrol. I do not think we ought to act on the President's plan with respect to decontrol as a permanent structure of the bill. I intend to oppose the Krueger amendment. I feel very strongly against it.

But we are now considering the rule and I defer to the position of the Rules Committee that the Krueger proposal is the primary Presidential proposal and that it should be measured against a proposal designed in this House which would control price.

Essentially there are two ways to get at the problem. One is to try to decide what is the proper price for oil, set in effect the mechanism to control it, and keep that mechanism in effect until we get over the crucial time when the OPEC countries by their monopoly control prices. The other method is to let the price go to some figure, either to the world price as was originally suggested in the Krueger amendment or to an extremely high price, $13.50 in 39 months, and then the world price thereafter, and then try to recoup the money and distribute it somehow.

I intend at the proper time to show as best I can how the latter proposal is the most bureaucratic ever proposed to this legislative body, that it will not work, and it should not be accepted.

But I do believe that the Rules Committee is quite correct that these two proposals are the main proposals that we should decide between, the main ones that have been put forward, and, therefore, I approve and support the rule and urge that the Members vote "aye" that we may get quickly to that choice.

Mr. BOLLING. Mr. Speaker, I yield 4 minutes to the gentleman from New York (Mr. OTTINGER).

Mr. OTTINGER. Mr. Speaker, unaccustomed as I am to differing with my good friend, the gentleman from Texas (Mr. ECKHARDT), and as strongly as I join him in his point of view with respect to the need to hold down oil prices in this country so as not to destroy our economy—and I certainly intend to support with every bit of strength I have in my body the proposal he and the gentleman from West Virginia (Mr. STAGGERS) are going to put forward in this House to prevent the jumping of the price of oil—but I must differ with him on this rule.

Mr. Speaker, this is really an extraordinary procedure. Ordinarily any of us who suffers by reason of having exhausted his remedies under the rules has to take his lumps or has to devise some other procedure to try to get his proposition considered under the rules. But in the most remarkable concession to the White House, the Rules Committee has decided to permit it to have a second crack at the same approach, the Krueger approach that was already rejected by this House. I see no reason to give that extraordinary concession to the White House.

The House has spoken with respect to the Krueger approach, the approach which is contingent upon the enactment of some kind of windfall profits tax sometime in the future. I think it is a very undesirable plan. I see no particular reason for allowing its proponents a second bite at the apple with this special proposed rulemaking in ordering its consideration again.

In response to the gentleman from Ohio (Mr. BROWN) I do not think that this new Presidential plan is any kind of compromise at all. The President has got his eye on the ball very closely. He wants to see the price of oil rise in this country, and he thinks that is the way we are going to get production and get conservation. I think that if we wreck the economy, as I think this will do, we will probably get the conservation he contemplates, but at a terrible price. There is no evidence whatsoever that is convincing to me that the present extraordinarily high prices of oil are not sufficient to get full production.

What this rule amounts to is an extraordinary concession to the President's wishes. He wants to get the price of oil up to the OPEC prices. He wants to have OPEC dictate the oil prices in this country, and it is just a question of whether we want to swallow that poison in 30 months per his last proposal or in 39 months as in this proposal sought to be made in order here. I cannot for the life of me see that this 9 months delay really make that much difference.

What we are being asked to do what the Rules Committee is asking us to do, is to let the President have another crack at the barrel—have an extraordinary procedure which ordinarily would be denied any Member of this House—have a second vote on the same type of proposition as was previously rejected and see if we cannot jack oil prices up to unconscionable levels. I oppose it.

Mr. BOLLING. Mr. Speaker, I yield 2 minutes to the gentleman from Washington (Mr. McCormack).

Mr. McCORMACK. Mr. Speaker, I associate myself with the remarks of the gentleman from New York. I believe he is correct. I believe that for all the sincerity the Rules Committee has put into attempting to straighten out the tangled web in which we find ourselves, the effect of this rule as it is proposed to us is to prejudice the House in favor of the President's position.

I consider this to be unfortunate. I wish that the Rules Committee would have come up with a set of rules that would have called for us to vote first on the President's proposition to decontrol, and then come back to H.R. 7014 without any such prejudice.

As far as I am concerned, I am going to vote for the Eckhardt amendment or the Staggers amendment, whichever it is, and if both fail, I am going to submit my own amendment.

Mr. ANDERSON of Illinois. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Illinois.

Mr. ANDERSON of Illinois. Mr. Speaker, I think the gentleman charges the Committee on Rules with responsibility which it does not have. We voted out two resolutions dealing with disapproval of the plan plus the one we are here discussing, and the order of the programing is not the responsibility of the Committee on Rules.

Mr. McCORMACK. I accept the gentleman's position and I appreciate his putting it. I sat in on the Rules Committee hearing as a guest, and I appreciate having been there, but the rules submitted to us now is not in the order that the motions in Rules Committee were put. The result is that this proposer rule is prejudicing the House in favor of the President's position, and I object to it.

Mr. ECKHARDT. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Speaker, I certainly agree with the gentleman. Of course, that is not something the Rules Committee wants to turn to.

Mr. BOLLING. Mr. Speaker, before I move the previous question, I would like to point out concerning the indication that this is an unfair proposition, it is the same proposition that the House adopted before it took on consideration of H.R. 7014. The amendment that included a provision for taxes needed a waiver of points of order at that time, and it was given and accepted without comment. The same kind of provision in a different form needed the same waiver at this time. If one wishes to be fair, one puts all the alternatives to be considered with respect to a price provision on this piece of legislation in the same status. That is all this rule does.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ROUSSELOT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 310, nays 109, not voting 15, as follows:

[Roll No. 461]

YEAS—310

Abdnor
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Bafalis
Baldus
Barrett
Baucus
Beard, Tenn.
Bedell
Bennett
Bergland
Bevill
Biester
Bingham
Blanchard
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brooks
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burlison, Mo.
Butler
Byron
Carr
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conlan
Corman
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
de la Garza
Delaney
Dent
Derrick
Derwinski
Devine
Dickinson
Diggs
Dingell
Downing, Va.
Duncan, Oreg.
Duncan, Tenn.
du Pont
Eckhardt
Edwards, Ala.
Emery
Erlenborn
Esch
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fary
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Frenzel
Frey
Fuqua
Gaydos
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Gradison
Grassley
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Hastings
Hayes, Ind.
Hays, Ohio
Heckler, Mass.
Hefner
Heinz
Henderson
Hightower
Hillis
Hinshaw
Horton
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jarman
Jeffords
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Tenn.
Jordan
Karth
Kasten
Kazen
Kelly
Kemp
Kindness
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Lehman
Lent
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McDade
McEwen
McFall
McHugh
McKay
McKinney
Madden
Madigan
Mahon
Mann
Martin
Mazzoli
Meeds
Melcher
Meyner
Michel
Milford
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Mollohan
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nowak
Oberstar
O'Brien
O'Hara
O'Neill
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Perkins
Pettis
Peyser
Pickle
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Rees
Regula
Reuss
Rhodes
Rinaldo
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rostenkowski
Roush
Ruppe
Ryan
Sarasin
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr
Snyder
Spence
Staggers
Stanton, J. William
Stark
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stuckey
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Thornton
Traxler
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vigorito
Walsh
Wampler
Waxman
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Tex.
Zablocki

NAYS—109

Abzug
Adams
Addabbo
Ambro
Archer
Badillo
Bauman
Beard, R.I.
Biaggi
Blouin
Brodhead
Broomfield
Burke, Calif.
Burke, Mass.
Burleson, Tex.
Burton, John
Burton, Phillip
Carney
Chisholm
Clay
Conte
Conyers
Cornell
Cotter
Crane
Davis
Dellums
Dodd
Downey, N.Y.
Drinan
Early
Edgar
Edwards, Calif.
Eilberg
English
Fascell
Giaimo
Green
Gude
Harrington
Harris
Harsha
Hawkins
Hechler, W. Va.
Helstoski
Hicks
Holland
Holt
Holtzman
Howard
Jacobs
Jenrette
Johnson, Calif.
Jones, Okla.
Kastenmeier
Ketchum
Keys
Koch
Leggett
Levitas
McCormack
McDonald
Macdonald
Maguire
Matsunaga
Metcalfe
Mezvinsky
Mikva
Moakley
Moffett
Moss
Mottl
Nolan
Obey
Ottinger
Passman
Pattison, N.Y.
Pike
Randall
Rangel
Richmond
Riegle
Rousselot
Roybal
Runnels
Russo
St Germain
Santini
Sarbanes
Satterfield
Scheuer
Solarz
Spellman
Stanton, James V.
Steed
Stokes
Stratton
Studds
Symms
Thompson
Thone
Treen
Tsongas
Vanik
Waggonner
Weaver
Wolff
Young, Ga.
Zeferetti

NOT VOTING—15

Andrews, N.C.
Bell
Eshleman
Fraser
Fulton
Goodling
Hébert
Mathis
Miller, Calif.
Montgomery
Pepper
Risenhoover
Rosenthal
Teague
Udall

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Rosenthal.
Mr. Teague with Mr. Montgomery.
Mr. Risenhoover with Mr. Mathis.
Mr. Pepper with Mr. Andrews of North Carolina.
Mr. Bell with Mr. Eshleman.
Mr. Fulton with Mr. Fraser.
Mr. Udall with Mr. Miller of California.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. DINGELL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 7014) to increase domestic energy supplies and availability; to restrain energy demand; to prepare for energy emergencies; and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Michigan (Mr. DINGELL).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 7014, with Mr. BOLLING in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. For what purpose does the gentleman from Texas (Mr. KRUEGER) rise?

AMENDMENT OFFERED BY MR. KRUEGER

Mr. KRUEGER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KRUEGER: Page 214, after line 3, insert the following new section:

OIL PRICING POLICY

SEC. 310. (a) The Emergency Petroleum Allocation Act of 1973 is amended by adding at the end thereof the following new section:

"CRUDE OIL PRICE REGULATION

"SEC. 8. (a) For the purposes of this section:

"(1) The term 'crude oil' means a mixture of hydrocarbons that existed in liquid phase in underground reservoirs and remains liquid at atmospheric pressure after passing through surface separating facilities, and lease condensate which is a natural gas liquid recovered in associated production by lease separators.

"(2) The term 'domestic crude oil' means crude oil produced in the United States.

"(3) The term 'producer' means a person who produces crude oil or any person who owns crude oil when it is produced.

"(4) The term 'property' means the right to produce domestic crude oil which arises from a lease or from a fee interest.

"(5) The term 'base period control level' means—

"(A) the total number of barrels of domestic crude oil produced and sold from a property in the months of May through December 1972; divided by—

"(B) the number of months in which domestic crude oil was produced and sold during the months of May through December 1972 (excluding any month in which there occurred any shutdown in production from the property).

"(6) The term 'current cumulative deficiency in base period control level crude oil' means the total number of barrels by which production and sale of crude oil has been less than the base period control level, for all months in which production and sale of crude oil has been less than the base period control level subsequent to the first month in which new crude oil was produced and sold, minus the total number of barrels of domestic crude oil produced and sold in each prior month which was in excess of the base period control level for that month, but which was not sold for a price in excess of the ceiling price specified in—

"(A) 10 C.F.R. 212.73(b) (as in effect on June 30, 1975); or

"(B) subsection (c)(1) of this section.

"(7) The term 'new crude oil' means, with respect to a specific property, the total number of barrels of domestic crude oil produced and sold in a specific month, less (A) the base period control level for that month, and less (B) the current cumulative deficiency in base production control level crude oil.

"(8) The term 'old crude oil' means the total number of barrels of crude oil produced and sold from a property in a specific month, less the total number of barrels of new crude oil for that property in that month, and less the total number of barrels of released crude oil for that property in that month.

"(9) The term 'released crude oil' means that part of the base period control level crude oil for a property in a particular month which is equal to the total number of barrels of new crude oil produced and sold from that property in a specific month. The amount of released crude oil for a property in a particular month shall not exceed the amount of the base period control level crude oil for that property in that month.

"(10) The term 'decontrol base production level' means, with respect to a property, the total number of barrels of old crude oil produced and sold from the property during the three calendar months ending June 30, 1975, divided by three. The decontrol base production level for each property shall be based upon each well on that property having been maintained at the maximum feasible rate of production during the three calendar months ending June 30, 1975, in accordance with recognized conservation practices, and not significantly curtailed by reason of mechanical failure or other disruption in production. In a case where production from a property was not so maintained, the President shall assign a decontrol base production level which fairly represents the production level which would have been attained if that property had been so maintained.

"(11) The term 'adjusted decontrol base production level' means the decontrol base production level, less—

"(A) with respect to any month during the 12-month period which begins on the decontrol effective date, 1.5 per centum of the decontrol base production level for that property multiplied by the number of months, beginning with the month in which the decontrol effective date occurs, through the current month;

"(B) with respect to any month during the 12-month period which begins one year after the decontrol effective date—

"(i) 18 per centum of the decontrol base production level for that property, plus

"(ii) 2.5 per centum of the decontrol base production level for that property multiplied by the number of months, beginning with the month in which the decontrol effective date occurs, through the current month; and

"(C) with respect to any month which begins two years after the decontrol effective date—

"(i) 48 per centum of the decontrol base production level for that property, plus

"(ii) 3.5 per centum of the decontrol base production level for that property multiplied by the number of months, beginning with the month in which the decontrol effective date occurs, through the current month.

"(12) The term 'current cumulative deficiency in adjusted decontrol base production which production and sales of crude oil after level' means the total number of barrels by the decontrol effective date has been less than the adjusted decontrol base production level for all months in which production and sale of domestic crude oil has been less than the adjusted decontrol base production level subsequent to the first month after the decontrol effective date in which production and sale of domestic crude oil exceeded the adjusted decontrol base production level, minus the total number of barrels of domestic crude oil produced and sold in each month after the decontrol effective date and prior to the current month of production which was in excess of the adjusted decontrol base production level for that month, but was not sold for a price in excess of the ceiling price established pursuant to subsection (d)(1) of this section for sales made after the decontrol effective date.

"(13) The term 'decontrolled old crude oil' means, with respect to a specific property, the total number of barrels of old crude oil produced and sold in the current month in excess of the adjusted decontrol base production level for that month, less the current cumulative deficiency in adjusted decontrol base production level.

"(14) The term 'stripper well lease' means a property whose average daily production of domestic crude oil and production condensates, including natural gas liquids, per well did not exceed 10 barrels per day during the preceding calendar year.

"(15) The field price on a particular date for a particular grade of crude oil in a field is the highest posted price at 6 o'clock antemeridian, local time, on such date for such grade of crude oil at such field; or if there was no such posted price for such grade of crude oil at that field, the related price for such grade of crude oil which * * *

"(16) The term 'decontrol effective date' means the first day of the first full month which follows the date of passage of the concurrent resolution referred to in subsection (d) of this section.

"(b) No producer may charge a price which is higher than the ceiling price established under subsection (c) or (d) for the first sale of domestic crude oil.

"(c) Except as provided in subsection (d),

"(1) except as provided in paragraph (2), the ceiling price for a particular grade of old crude oil in a particular field is the sum of

"(A) the field price on May 15, 1973, and

"(B) a maximum of $1.35 per barrel;

"(2) the ceiling price for a particular grade of new crude oil, released crude oil and crude oil production from a stripper well lease is the lesser of

"(A) the field price on January 31, 1975 (excluding any field price applicable to 'oil crude petroleum' under section 212.73 of title 10 of the Code of Federal Regulations, as in effect on January 31, 1975), or

"(B) $11.50 per barrel.

"(d) If the Congress finds, and so declares by concurrent resolution, that there are in effect appropriate Federal taxes with respect to crude oil, enacted under regularly constituted procedures and within established committee jurisdictions, and that such taxes remove from the producers of oil excessive profits attributable to deregulation—

"(1) the ceiling price specified in subsection (c)(1) shall apply only to old crude oil less any decontrolled old crude oil; and

"(2) the ceiling price for new crude oil, released crude oil, decontrolled old crude oil and crude oil production from any stripper well lease shall be—

"(A) for crude oil produced from a property from which crude oil was produced and sold on May 15, 1973, or prior thereto, the sum of "(i) the May 15, 1973, field price, plus

"(ii) $7.60 per barrel, plus

"(iii) an amount equal to $.05 per barrel multiplied by the number of months, beginning with the month in which the decontrol effective date occurs, through the current month for a maximum of 39 months;

"(B) the crude oil produced from a property from which crude oil was not produced and sold on May 15, 1973, or prior thereto, the sum of—

"(i) $11.50 per barrel, plus

"(ii) an amount equal to $0.05 per barrel multiplied by the number of months, beginning with the month in which the decontrol effective date occurs, through the current month for a maximum of 39 months.

"(3) No price ceilings specified under this subsection shall apply after the 39-month period which follows the decontrol effective date.

"(e) Notwithstanding section 4(e)(2) of this Act and section 405 of the Act entitled 'An Act to amend section 28 of the Mineral Leasing Act of 1920, and to authorize a trans-Alaska oil pipeline, and for other purposes', approved November 16, 1973 (Public Law 93–153), the ceiling price for any first sale of domestic crude oil shall be as specified in subsection (c) or (d) of this section, as the case may be.".

(b) Section 5(a) of the Emergency Petroleum Allocation Act of 1973 is amended by adding at the end thereof the following:

"(3) A violation of section 8(b) of this Act shall be treated as if it were a violation of the regulation promulgated under section 4(a) of this Act.".

(c) The amendment made by this section shall take effect on the first day of the first full month following the date of enactment of this Act.

Mr. KRUEGER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

AMENDMENT OFFERED BY MR. KRUEGER TO THE AMENDMENT OFFERED BY MR. KRUEGER

Mr. KRUEGER. Mr. Chairman, first of all I ask unanimous consent that a technical correction to the amendment, which is a drafting error, be adopted, and I offer an amendment to that effect.

I might add I have discussed the amendment with the gentleman from Texas (Mr. ECKHARDT).

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. ECKHARDT. Mr. Chairman, reserving the right to object, the gentleman from Texas is attempting merely to correct a technical error in his original amendment, as I understand it?

Mr. KRUEGER. If the gentleman will yield, that is correct.

Mr. ECKHARDT. I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. KRUEGER to the amendment offered by Mr. KRUEGER: Section 301(a), section 8(a)(11)(B)(ii), strike out "beginning with the month in which the decontrol effective date occurs, through" and insert in lieu thereof "occurring in such period, including".

Section 301(a), section 8(a)(11)(C), after "month" insert "during the 15-month period".

Section 301(a), section 8(a)(11)(C)(ii), strike out "beginning with the month in which the decontrol effective date occurs, through" and insert in lieu thereof "occurring in such period, including".

Section 301(a), section 8(d)(2)(A)(ii), strike out "$7.50" and insert in lieu thereof "$7.55".

Section 301(a), section 8(d)(2)(B)(i), strike out "$11.50" and insert in lieu thereof "$11.45".

Mr. KRUEGER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment to the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. OTTINGER. Mr. Chairman, reserving the right to object, will the gentleman from Texas describe very briefly what the amendment is?

The CHAIRMAN. The Clerk will report the amendment to the amendment.

The Clerk concluded the reading of the amendment to the amendment.

Mr. KRUEGER (during the reading). Mr. Chairman, I ask unanimous consent to explain the correction to the amendment.

The CHAIRMAN. Is there objection to the consideration of the amendment?

There was no objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas to explain the amendment?

There was no objection.

Mr. KRUEGER. Mr. Chairman, I should like to say to the gentleman from New York that the error in drafting the amendment was simply that the phased decontrol which comes into play should be listed as proceeding at 1½ percent in the first year, 2½ percent in the second year, and 3½ percent in the 15 months following that. But in the process of drafting the amendment, there was an error which would imply that the 2½ percent would proceed at an improper juncture, so I simply wish to make that correction.

Mr. OTTINGER. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas

There was no objection.

The amendment to the amendment was agreed to.

Mr. KRUEGER. Mr. Chairman, this amendment gives essentially the language of the compromise worked out with the administration, but I think it is important that this House have the opportunity to consider the language of the compromise struck with members of the administration as a part of H.R. 7014.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. KRUEGER. If I may have my 5 minutes, I am sure I will have many hours to discuss this with my good friend, the gentleman from Texas.

Mr. ECKHARDT. If the gentleman would briefly yield, will the gentleman explain with whom the compromise was made?

Mr. KRUEGER. I shall do that later. The only difference between what is being here offered and what the administration is suggesting as its plan for phased decontrol is, first, that under my proposal stripper oil is not exempt from price control but is subject to the $11.50 price ceiling just as new and uncontrolled old oil would be. Second, the decontrol would become effective only when a windfall profits tax is in place.

I personally think that the presence of a tax is important because I think that we should know that when we pass decontrol, we have the opportunity to have a windfall profits tax in place. I am willing to suppose that the Committee on Ways and Means would undoubtedly bring in a windfall profits tax if decontrol were voted in this body even if this pricing provision were not contingent on a tax being in place. There are some who wish to be assured that a tax will be in place, that, and they can have the guarantee that there will be no decontrol without such a windfall profits tax being actually in place.

The gentleman from Texas has inquired with whom the compromise was reached. I think he knows that the chairman of the subcommittee, the gentleman from Michigan (Mr. DINGELL) was present. I was present. There were a number of members of the subcommittee present. I realize very well that this is not a compromise to satisfy his view, and I would not pretend in any way that it is one that does. But I think it is one that has been struck by people on both sides of the aisle in an effort to work out something that can actually become law. For that reason, although I do not like the amendment as much as I liked the initial amendment that I offered, I think it is something that this House might well find worthy of consideration.

There are a large number of people who were concerned in the past about the lack of a price ceiling in the amendment which I previously offered. This current amendment satisfies that concern because it puts in place an $11.50 price ceiling on all new production and on all old oil which would gradually be decontrolled. Thus, those who are concerned with the need for a price ceiling will find that need satisfied in this amendment.

Second, this is an amendment which satisfies the concerns of those who were concerned about the specificity of the initial tax guidelines which I offered because the current amendment indicates that there must be a windfall profits tax in place, and the language which is in the amendment is language that was essentially fashioned by the chairman of the Committee on Ways and Means.

The particular amendment that I offer would present a phased decontrol at 1½ percent a month in the first year at the same time that there is a rollback in the price of new oil to $11.50. This means that for the initial 12-month period there would be not a net increase but a net decrease in the price of oil to the American consumer.

Second, according to the estimates of the FEA this proposal would, over a 3-year period, give us a savings of 1¼ million barrels of imports every day. In other words this proposal, compared with the present system, would mean every day we would have 1¼ million barrels fewer imports into this country. If there is any task I think this House has been given it is the task of decreasing imports and increasing our Nation's energy self-sufficiency.

The Staggers substitute does nothing to address this need.

The present proposal is responsible in terms of the capital formation of this country, in terms of future energy independence, and in terms of our military posture. And in my judgment, it is immensely important we move to some sort of energy independence if we are concerned about the pressure that certain countries in the Middle East can bring on this Nation and on Israel. Those who are concerned for the future of Israel will not want to enhance OPEC power and will wish to enlarge domestic production. They will therefore prefer the Krueger amendment.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(By unanimous consent, Mr. Krueger was allowed to proceed for 5 additional minutes.)

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. KRUEGER. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, the gentleman indicated that the White House agreed to this. I just wonder whether the gentleman has any commitment from the White House that the President will sign this bill if his amendment is adopted despite the numerous other provisions to which the administration apparently objects?

Mr. KRUEGER. I think it would be unreasonable, as long as there are other provisions to which the President might have opposition, to suppose that he could offer such a promise. After all, there are a host of amendments that may come about, and I think that would be an unreasonable request to expect the President to guarantee that he would not veto a bill with amendments he cannot foresee, and I should not think the House would wish to expect that of him. Now, to another matter.

The question might very well arise: Why try to insert this language into H.R. 7014? Why not simply deal with the President's proposal by itself?

I think the answer is clear. That is, if we are going to give any sort of clue to the energy companies in this country that they will have a set of regulations that they know will continue, then we ought to define those regulations by statute. If this House, for example, were simply to adopt as an administrative proposal the understanding that the President has offered, then every 90 days they would have to come back, with the possibility of being turned down. There would be no sort of certainty whatever in the industry, and we would be deterring new capital investment which we so strongly require.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. KRUEGER. I have spoken for several minutes, so it is the gentleman's turn. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Speaker, do I understand what the gentleman is proposing is that essentially the President's decontrol plan be established not as temporary decontrol measure but as permanent law by adopting the gentleman's amendment but with the condition that some type of windfall profits tax be put into effect?

Mr. KRUEGER. I think it would be a more rational proceeding to try make this proposal into law to give some sort of clear guidance to the industry. If, following that, we wish to accept the President's proposal for the intervening 90 days, that is a separate question. But it would at least give a clear indication to the industry in this country that they could know under what conditions they will proceed.

It seems to me that this is what is required at this particular juncture. It is to get something they can understand will continue over a long period of time because it is statutory and not merely administrative.

Mr. ECKHARDT. So the gentleman is putting the President's proposal in statutory form rather than accepting it as a regulation?

Mr. KRUEGER. I would think it should come in both ways, and my proposal would, indeed, essentially put the President's proposal in statutory form, with a difference on stripper oil and with the contingency that a windfall profits tax is in place.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. KRUEGER. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, in this new amendment, does the gentleman still provide for the follow-up legislation that is to come from the Committee on Ways and Means providing for a windfall profits tax?

Mr. KRUEGER. It would still set the parameters of a windfall profits tax.

Mr. ICHORD. So it has not?

Mr. KRUEGER. That has been deleted. It has been deleted and there is very general language.

Mr. ICHORD. What is the nature of the language now?

Mr. KRUEGER. The nature of the language is that there will be in place an appropriate windfall profits tax to assure that there are no excessive profits as a result of deregulation.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. KRUEGER. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, I rise not in opposition to the amendment, but rather one of its supporters. I think it is good and I will speak on it at an appropriate time on my own time.

I would, however, like to ask the gentleman a couple of questions with regard to subsection (d):

> "(d) If the Congress finds, and so declares by concurrent resolution, that there are in effect appropriate Federal taxes with respect to crude oil, enacted under regularly constituted procedures and within established committee jurisdictions, and that such taxes remove from the producers of oil excessive profits attributable to deregulation—

The first question is that it refers to enacted under regularly constituted procedures. I would assume this would not preclude the filing of a discharge petition, as far as the regularly established procedure of the House, either with regard to the creation of the tax structure or with regard to the filing of a discharge petition with the regard to the placing this before the House for consideration, since the discharge petition is one of many regularly prescribed House procedures. Am I correct in that interpretation?

Mr. KRUEGER. I would agree in that interpretation.

Mr. DINGELL. There is a further question. The amendment refers to within regularly established committee jurisdiction. I would assume the question of the reference of the amendment would be done according to the orderly rules of the House and it would be my personal assumption, absent some significant change that the finds with respect to the sufficiency of the tax would relate to deregulation.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

(The the request of Mr. Dingell, and by unanimous consent, Mr. Krueger was allowed to proceed for an additional 2 minutes.)

Mr. DINGELL. Mr. Chairman, will the gentleman yield further?

Mr. KRUEGER. I yield to the gentleman from Michigan.

Mr. DINGELL. And that since the matter would probably relate to deregulation, that the question would be one which would be placed in the Committee on Commerce, which is the committee which has the necessary requisite jurisdiction on these matters; am I correct?

Mr. KRUEGER. Certainly it is correct that deregulation belongs in the Committee on Commerce, just as taxation matters would proceed from the Committee on Ways and Means.

I might add that in the Committee on Rules the chairman of the Committee on Ways and Means indicated if there were to be deregulation, he would make it the first order of business that, upon returning in September, the Committee on Ways and Means would complete appropriate windfall profits taxation.

Mr. DINGELL. I thank the gentleman.

Mr. JOHN BURTON. Mr. Chairman, will the gentleman yield?

Mr. KRUEGER. I yield to the gentleman from California.

Mr. JOHN BURTON. Mr. Chairman, in order to respond to an earlier question from the gentleman from Texas, I would say with whom was this compromise worked out with the President? I am still waiting to find out who on behalf of me as a Member of Congress worked out this compromise with the President?

Mr. KRUEGER. I on behalf of the gentleman from California, and the gentleman from Michigan (Mr. Dingell) on behalf of the gentleman from California (Mr. John Burton) and there were others attending and trying to compromise. On behalf of the administration, there was Mr. Zarb, Mr. Zousner, and Mr. Hill.

Mr. PHILLIP BURTON. Were there any on the part of any of the Representatives in Congress?

Mr. KRUEGER. In response to your question whether anyone was present who did not support my amendment, the gentlemen from Michigan (Mr. DINGELL) did not vote for the Krueger amendment, nor did the gentleman from Virginia (Mr. FISHER), nor the gentleman from Colorado (Mr. WIRTH) who was present. I might add that I did not call any of those meetings, but was invited to attend.

Mr. JOHN BURTON. So it was the gentleman in the well, the gentleman from Michigan (Mr. DINGELL), the gentleman from Virginia (Mr. FISHER), and the gentleman from Colorado (Mr. WIRTH) were my representatives in working out this compromise?

Mr. KRUEGER. Yes, and this compromise is one which the gentleman from California has authority to vote against.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. KRUEGER. I yield to the gentleman from Michigan.

Mr. DINGELL. I do not remember any secret meetings.

Mr. JOHN BURTON. I did not say it was a secret meeting. I just wanted to know who the compromise was worked out with.

Mr. DINGELL. I do not have the time; but if the gentleman will yield further, it should be known I do not appear as a Representative of anybody, except the people in the 16th District of Michigan.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

(On request of Mr. ECKHARDT and by unanimous consent Mr. KRUEGER was allowed to proceed for one additional minute.)

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. KRUEGER. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, I would just like to clarify the question the gentleman from Michigan (Mr. DINGELL) asked. It was said here "in established committee jurisdictions," does that mean the jurisdictions only of standing committees?

I ask that question because I have a resolution that would create a select committee combining both the Commerce and Ways and Means Committees in order to be able to deal with the total problem of prices and taxes. Would that exclude such consideration?

Mr. KRUEGER. Since it does not say that it is within the jurisdiction of established standing committees, I should think the gentleman would be perfectly in order to interpret it that a special committee could be established.

Mr. ECKHARDT. I thank the gentleman.

AMENDMENT OFFERED BY MR. STAGGERS AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. KRUEGER

Mr. STAGGERS. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. STAGGERS as a substitute for the amendment offered by Mr. KRUEGER: On page 214, after line 3, add the following new section:

OIL PRICING POLICY

SEC. 301. (a) The Emergency Petroleum Allocation Act of 1973 is amended by adding at the end thereof the following new section:

"CRUDE OIL PRICE REGULATION

"SEC. 8. (a) For the purposes of this section:

"(1) The term 'crude oil' means a mixture of hydrocarbons that existed in liquid phase in underground reservoirs and remains liquid at atmospheric pressure after passing through surface separating facilities, and lease condensate which is a natural gas liquid recovered in associated production by lease separators.

"(2) The term 'domestic crude oil' means crude oil produced in the United States.

"(3) The term 'producer' means a person who produces crude oil or any person who owns crude oil when it is produced.

"(4) The term 'property' means the right to produce domestic crude oil which arises from a lease or from a fee interest.

"(5) The term 'base period control volume' means—

"(A) the total number of barrels of domestic crude oil produced and sold from a property in the months of May through December 1972; divided by—

"(B) the number of months in which domestic crude oil was produced and sold during the months of May through December 1972 (excluding any month in which there occurred any shutdown in production from the property).

"(6) The term 'stripper well lease' means a property whose average daily production of domestic crude oil and production condensates, including natural gas liquids, per well did not exceed 10 barrels per day during the preceding calendar year.

"(7) The term 'tertiary recovery techniques' means techniques which employ fluid, heat, or inert gas injection methods including miscible fluid displacement, microemulsion flooding, in situ combustion, cyclic steam injection, steam flooding, carbon dioxide injection, polymer flooding, caustic injection, and other chemical flooding designed to produce production in excess of that attributable to natural or artificially induced water or natural gas displacement.

"(8) The term 'inflation adjustment factor' means an amount which equals—

"(A) in the case of subsection (c) (2) and subsection (c) (3) (A)—

"(i) during the 45-month period commencing with the first full month after the date of enactment of this section, zero; and

"(ii) after such 45-month period, (I) in the case of subsection (c) (2), two-thirds of 1 percent (rounded to the nearest whole cent) of the ceiling price established by subsection (c) (2) (without addition of an inflation adjustment factor), compounded, for each month occurring after such 45-month period, up to and including the current month of crude production; and (II) in the case of subsection (c) (3) (A), two-thirds of 1 percent (rounded to the nearest whole cent), of the ceiling price established by subsection (c) (3) (A) (without addition of an inflation adjustment factor), compounded, for each month occurring after such 45-month period, up to and including the current month of crude production.

"(B) in the case of subsections (c) (3) (B), (c) (3) (C), and (c) (4)—

"(i) during the 88-month period commencing with the first full month after the date of enactment of this section, zero; and

"(ii) after such 88-month period, two-thirds of 1 percent (rounded to the nearest whole cent), of the respective ceiling price established pursuant to subsection (c) (3) (B) or (c) (3) (C), or subsection (c) (4) (without addition of an inflation adjustment factor), compounded, for each month occurring after such 88-month period up to and including the current month of production.

"(9) The field price on a particular date for a particular grade of crude oil in a field is the highest posted price at 6 o'clock antemeridian, local time, on such date for such grade of crude oil at such field; or if there was no such posted price for such grade of crude oil at that field, the related price for such grade of crude oil which is most similar in kind and quality at the nearest field for which prices were posted at such time and date.

"(b) No producer may charge a price which is higher than the ceiling price established under subsection (c) for the first sale of domestic crude oil.

"(c) The ceiling price for the first sale of a particular grade of domestic crude oil shall be—

"(1) except as provided in paragraph (4), in the case of sales from a property (other than sales from a stripper well lease) in a month in volume amounts equal to or less than the base period control volume, the sum of (A) the field price on May 15, 1973; and (B) a maximum of $1.35 per barrel;

"(2) except as provided in paragraph (4), in the case of sales from a property (other than sales from a stripper well lease), from which domestic crude oil was produced and sold in one or more of the months of May through December 1972, in a month in volume amounts greater than the base period control volume, the sum of (A) the field price on May 15, 1973; and (B) $3.60 per barrel, plus an inflation adjustment factor;

"(3) commencing with the third full month after the date of enactment of this section, in the case of sales from any stripper well lease or in the case of sales of domestic crude oil to which paragraph (1), (2), or (4) does not apply—

"(A) except as provided in subparagraphs (B) and (C), the lesser of—

"(i) $7.50 per barrel, plus an inflation adjustment factor; or

"(ii) the sum of—

"(I) the field price on January 31, 1975 (excluding any field price applicable to 'old crude petroleum' under section 212.73 of title 10 of the Code of Federal Regulations, as in effect on January 31, 1975), less $3.82 per barrel; plus

"(II) an inflation adjustment factor;

"(B) in the case of such sales from a property (i) located above the Arctic Circle or (ii) located in the Outer Continental Shelf, such higher price as the President may, upon his own motion or upon petition, establish for such property, by rule, based upon a determination that such higher price is reasonable and justified by disparities in the kind and quality of crude oil produced or the cost of production (including costs associated with enhanced recovery techniques) from such property, but in no case may such price exceed an average of $10.00 per barrel plus an inflation adjustment factor for sales from such properties; and

"(C) in the case of such sales from a property classified by the President, on a property-by-property basis, as a 'high cost property', such higher price as the President may, by rule, establish for such property based upon a determination that such higher price is reasonable and justified in relation to the costs of production from such property, the geological formations involved, the depth of the well, and the types of recovery techniques involved, but in no case may such price exceed an average of $10.00 per barrel, plus an inflation adjustment factor, for sales from such properties. The classification of a property as a 'high cost property' for purposes of this subparagraph, shall be made pursuant to procedures which shall be incorporated in a rule promulgated by the

President which takes effect in accordance with the congressional review provisions specified in section 751 of the Energy Conservation and Oil Policy Act of 1975.

"(4) in the case of such sales from a property which the President, upon petition certifies on a property-by-property basis,

"(A) as having made bona fide application of tertiary recovery techniques, and

"(B) that such application has or will significantly enhance production from such property;

such higher price—as the President may, by rule, establish for such property, based upon a determination that such higher price is reasonable and justified in relation to the increased costs associated with such recovery techniques and taking into consideration any enhanced recovery which has or will result from such techniques, but in no case may such higher price exceed an average of $10.00 per barrel, plus an inflation adjustment factor, for sales from such properties.

"(d) If the President determines that the ceiling prime amount specified in subsection (c)(1) should be modified, he shall publish notice of such determination in the Federal Register and afford interested persons an opportunity to present written and oral data, views, and arguments with respect to such modification. The modification shall become effective—

(1) if the President transmits to the Congress a proposal to modify such amount in accordance with section 751(b) of the Energy Conservation and Oil Policy Act of 1975, accompanied by his findings with respect to the following matters:

"(A) the need for the proposed modification;

"(B) the prices of imported and domestic crude oil, residual fuel oil, and refined petroleum products, and other fuels and forms of energy which are in fact anticipated to result from such modification;

"(C) the impact of such modification upon domestic production and consumption of crude oil, residual fuel oil, and refined peleum products, and other fuels and forms of energy;

"(D) the impact of such modification and of the resulting prices of crude oil, residual fuel oil, and refined petroleum products, and other fuels and forms of energy upon living costs, employment and unemployment, and real incomes; and differential economic impacts among regions, socio-economic groups, and industrial sectors of the United States;

"(E) the impact of such modification on competition in the petroleum industry; and

"(F) the anticipated effects, with respect to the considerations in subparagraphs (C) and (D) of this paragraph, of reasonable alternatives to such modification; and

"(2) if neither House disapproves (or both Houses approve) such proposal in accordance with the congressional review procedures specified in section 751 of such Act.

"(a) Notwithstanding section 4(e)(2) of this Act and section 405 of the Act entitled 'An Act to amend section 28 of the Mineral Leasing Act of 1920, and to authorize a trans-Alaska oil pipeline, and for other purposes, approved November 16, 1973 (Public Law 93–153), the ceiling price for any first sale of domestic crude oil shall be as specified in subsection (c) of this section, as such ceiling price may be modified pursuant to subsection (d).".

(b) Section 5(a) of the Emergency Petroleum Allocation Act of 1973 is amended by adding at the end thereof the following:

"(3) A violation of section 8(b) of this Act shall be treated as if it were a violation of the regulation promulgated under section 4(a) of this Act.".

(c) The amendments made by this section shall take effect on the first day of the first full month following the date of enactment of this Act.

Redesignate the succeeding sections of title III accordingly.

Mr. STAGGERS (during the reading). Mr. Chairman, I ask unanimous consent that the substitute amendment be considered as read, printed in the Record, and that I be permitted to explain the contents of it.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. STAGGERS. Mr. Chairman, my amendment modifies the terms of the pricing provisions which were originally reported by the Committee and which the House voted to strike last week. I seek to find a compromise which a majority of members can support.

Like the Committee bill, my amendment would roll back unregulated domestic prices under a formula which yields a price of approximately $7.50. However, my amendment would permit the President to set higher prices for certain classifications of domestic production so long as the average price did not exceed $10 per barrel. Let me emphasize that my amendment increases the $8.50 ceiling which the Committee had originally proposed to $10—a 17½ percent increase.

On the other hand, my amendment would hold the old oil price at $5.25 per barrel. But the President could increase this price if he believes higher prices are justified and the Congress, upon review, does not disapprove the proposed increase. For example, because of increased drilling costs the President may propose to increase the $5.25 price to $6 or some other figure which may be deemed appropriate.

Now we have had a great deal of debate concerning the need to increase domestic production. I agree that we should maximize incentives in this area. But we have the responsibility, at the same time, to protect our economy and the American people from unnecessary and unreasonable price increases. Let me recall for you that Secretary Simon in January of 1974 told this Congress in testimony that a price in the neighborhood of $7 per barrel would be more than adequate. Prior studies by the National Petroleum Council and the Independent Petroleum Association of America completed in 1972 and updated in 1973 indicated that prices in the range of $4.10 and $8.40 would be all that is needed for this nation to attain self-sufficiency by 1980. Only in the last 6 months when the OPEC cartel increased prices in the world market above $12 did we start to hear discussion of the need for prices in this range to develop this Nation's oil resources. In my opinion, we are letting the OPEC nations stampede us into adopting a pricing policy which has lost touch with reality.

My amendment would restore reason by imposing a price discipline on our domestic market. The President's program, on the other hand, would call for price levels which would deeply wound our economy. I say we must stand up for the people of this land and say no to the OPEC nations and no to the policies advocated by the President. It is incumbent upon the Congress that we balance the interests of producers with those of consumers. The market mechanism is clearly not able to do this because of the influence of the OPEC cartel. With 8½ million people out of work our responsibility is clear—we must intercede and protect the economy from another inflationary spiral which would make economic recovery impossible and which would even more severely impact on the poor and low-income sectors of our society.

It is time to say no to policies which call for energy production at any cost.

Mr. BROWN of Ohio. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the Staggers amendment.

Mr. BROWN of Ohio. Mr. Chairman, the Staggers amendment, as I understand it, essentially freezes the price of what is now identified as old oil at $5.25, as it is frozen at the moment.

Mr. Chairman, if we extend that indefinitely into time, we can count on the loss of old oil in increasing amounts as time goes on.

The gentleman from California (Mr. Rees) and I were discussing the fact that the State of California owns some oil wells in his district and has been contemplating how long it can continue to operate those wells in the interest of the citizens of California—who are, actually, in that case, the stockholders—because of the $5.25 ceiling on that oil. That is not Exxon talking about Park Avenue stockholders. That is the State of California talking about the citizens of California who must put up the money to run that well at a loss if we are going to continue to get oil out of it.

Mr. Chairman, I see no merit in setting up a situation that actually results in the closing of existing wells from which old oil is produced.

Secondary and tertiary recovery, and the water flood method, specifically, costs varying amounts at varying wells that are identified as old oil wells.

Mr. Chairman, we have in Ohio—not in my district, but in the State—one of the companies that is very big in this business of secondary recovery, and the costs of secondary recovery vary by several dollars. The fact is that no one will use secondary recovery on a well where it raises the cost of oil to $5.25 or above, or even close to $5.25, considering the necessity of recouping other investment costs.

So the fact is that this permanent freezing of the $5.25 level, if I understand this amendment—and I have only had a chance to read it quickly because it was only in the Record this morning—would be a disaster in the oil business

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield on that point?

Mr. BROWN of Ohio. I would be glad to yield to the gentleman. Perhaps I am in error about what this amendment does.

Will the gentleman reassure me or tell me if I am in error? Perhaps it is not as bad as I think it is.

Mr. ECKHARDT. Mr. Chairman, the gentleman is in error.

The FEA formula made by regulation presently provides for a price above $5.25, either generally for old oil or for special categories of old oil as long as the result is equitable and is not either arbitrary or capricious.

Under this bill the FEA could still do that, except it would be subject to congressional veto, as the regulation feature would also be subject to congressional veto.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman tell me who defines the equitability?

Mr. ECKHARDT. Ultimately the action will stand unless an action is brought by someone in court and the agency cannot withstand the contention that it acted arbitrarily or capriciously.

Mr. BROWN of Ohio. So the gentleman is assured that with the language in there we would not have the Ralph Naders and other consumerists in the world bringing action against the FEA to tie up in court the pricing question, which would probably result in the nonsale of oil from these wells?

Mr. ECKHARDT. Of course, no one can be assured that either a litigant will not claim a facetious position or that a court will not go mad and grant it. However, I think one may assume that the courts would not enjoin FEA changes in regulation upon flimsy grounds and would act quickly with respect to the matter in point.

Mr. BROWN of Ohio. Mr. Chairman, is the gentleman saying one could assume that the courts would act quickly?

Mr. ECKHARDT. In other words, the court would have to stop the action of FEA in some way. FEA has the authority to issue a regulation. For instance, the FEA issued a regulation permitting oil to go up $1 around the early part of 1973, as I recall, and I do not believe that was stopped.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. BROWN) has expired.

(By unanimous consent, Mr. BROWN of Ohio was allowed to proceed for 5 additional minutes.)

Mr. BROWN of Ohio. Mr. Chairman, I might ask the gentleman from Texas about one other provision of the proposal that he has made and on which I hope I am in error.

As I understand the amendment that has been offered by the chairman of the committee, the gentleman from West Virginia (Mr. STAGGERS)—I suppose it is termed the Eckhardt-Staggers amendment or the Staggers-Eckhardt amendment—it provides for an averaging of price on new oil; is that correct?

Mr. ECKHARDT. Not precisely.

Mr. Chairman, if the gentleman will yield further, the new oil would carry the price that it had in the field on January 31, marked down by the amount necessary to make an average price of $7.50.

Mr. BROWN of Ohio. It carries the price it had in the field on a specific date?

Mr. ECKHARDT. That is right, but marked down commensurate with a $7.50 average.

Mr. BROWN of Ohio. As long as the average price for all of that oil comes out to $7.50?

Mr. ECKHARDT. No, sir; with respect to the $7.50 figure, it is the price existing on January 31, 1975, marked down to the point where the average of all oil is $7.50.

Mr. BROWN of Ohio. The gentleman is saying that every oil producer will get marked down by the same amount. Who has the authority to mark down the oil of various producers?

Mr. ECKHARDT. Mr. Chairman, every producer is marked down an equal amount, so that there remains a difference in the price of oil of different grade and quality. The gentleman must let me complete this explanation, though, to make the whole picture clear.

There is, in addition, a category of costly oil which comprises 4 subgrades: First, North of the Arctic Circle oil; second, oil produced off the Outer Continental Shelf; third, tertiary oil; and fourth, oil as defined by regulation of FEA as costly produced oil which carries a $10 average rate. Now, it is in that area that there is flexibility.

Mr. BROWN of Ohio. How does that flexibility work, that $10 average rate? Who does the averaging, when is it done, and how is it done?

Mr. ECKHARDT. The FEA. For instance, let us take an example. Presently Prudhoe Bay oil, according to the gentleman from Alaska (Mr. YOUNG), may be produced at about $7.55. Presumably, that oil in that category would continue at that rate, but there may be other oil, from the North Slope, which would require a rate considerably higher, perhaps $11. As much of that oil could then be permitted to be produced at $11 as averaged in with Prudhoe Bay oil as would make the average of Arctic Circle oil no more than $10.

Mr. BROWN of Ohio. As the cost goes up over a period of a couple of months, what happens?

Mr. ECKHARDT. If the quota had not been filled up to the average of $10, does the gentleman mean?

Mr. BROWN of Ohio. Let us assume that the average has been maintained at $10 for all the oil coming in. Let us assume that price rose by, let us say, a 10-percent figure over a few months in the production of oil.

Mr. ECKHARDT. After the production of all oil had reached the average of $10?

Mr. BROWN of Ohio. Yes.

Mr. ECKHARDT. It could not advance beyond that point.

Mr. BROWN of Ohio. Beyond what point?

Mr. ECKHARDT. Beyond the point at which it had been set. For instance, Prudhoe Bay oil at $7.55, say; North Slope oil at $11; maybe Pet 4 oil at $12, et cetera: the total average would, let us say, be up to $10. At that point Prudhoe Bay oil would have to stay at $7.55; North Slope oil at $11, say; Pet 4 oil at, say, $12, until the escalator kicks in on the $7.50 rate. When $7.50 reaches $10 by its escalator provisions, then the $10 rate goes up.

Mr. BROWN of Ohio. Can the gentleman explain the escalator provision to me because I am not sure I understand this. Is this not a little bit "Rube-Goldbergish," because it seems to me that there is a multiple factor all the time, that the FEA is obliged to average out everybody's oil on almost a continuous computer basis. Is that correct?

Mr. ECKHARDT. It is a difficult question to establish such rates; but if FEA had established them by regulation, which it could have done, we would not be under the difficulty that we are now put to with respect to this question.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. BROWN) has expired.

(By unanimous consent, Mr. BROWN of Ohio was allowed to proceed for 2 additional minutes.)

Mr. BROWN of Ohio. Mr. Chairman, this amendment seems to freeze old oil prices at $5.25 for 88 months; is that correct, I would ask the gentleman from Texas, or does this amendment freeze old oil prices indefinitely?

Mr. ECKHARDT. If the gentleman will yield, did he say freezing old oil?

Mr. BROWN of Ohio. How long does this program last?

Mr. ECKHARDT. This program? The bill would not be terminated by date. If we did do that, if we terminated by date, we would create a disincentive to produce until the bill ran out.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. BROWN) has expired.

(By unanimous consent, Mr. BROWN of Ohio was allowed to proceed for 1 additional minute.)

Mr. BROWN of Ohio. Mr. Chairman, it seems to me that the idea of trying to have an administrative agency run a continuous average on the price of all of the oil that is produced in this country so as not to let that price go, in total average, above $10—in other words, if somebody finds a new well that comes in at $11, then the administrative agency has to go back and figure out how somebody else or everybody else cuts his price by so many pennies to get to the $10 average—would be equivalent to—we call things around here lawyer relief—an IBM relief act because one has to have many computers operating on a continuing basis to accomplish this enormous task.

I assume that producers would never know, nor would consumers really ever know whether we were going to have the oil and what it would cost.

The other thing that seems to me to be hopeless in this amendment is the idea of freezing old oil at a price that would discourage secondary recovery. That is where most of our oil is, in those existing wells that are there. We know there is oil there, and we know there is an opportunity to get that oil out if we have sufficient funds to invest in the waterflood method and other methods to get more oil from those old wells as they become exhausted. That is where we should be making our investment.

Mr. ECKHARDT. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the Krueger amendment and in favor of the Staggers substitute.

Mr. Chairman, I hope my colleagues will hear this point, because this is where we stand at the present time. We are called upon to choose not what we were urged to do at an earlier time by the President, that is, establish a single price of oil, both international and national, but we are called on to choose whether or not to attempt to control price, so that it will not get out of hand, will not create inflation, will not create situations in which truckers, railroads, airlines, and persons buying home heating oil, persons using residual oil for generation of electricity, et cetera, will be called upon to pay not double but triple and quadruple the rates they are paying at the present time.

We will either set price which is a difficult proposition, just as my colleague, the gentleman from Ohio (Mr. BROWN), has indicated we will either do that in a sensitive and precise way, in a way in which price is related to cost, or else we will follow another route, and let me tell the Members what the other route is now.

The President has given up on the proposition of decontrol. The President's policy which is embraced in the Krueger amendment includes several levels of price. It still retains the old oil price at $5.25. That price, or rather the cost of old oil in the aggregate, then moves by an intricate scale upward as old oil is phased out on an arbitrary and extremely artificial curve. The curve is artificial because the President does not want us to feel the impact immediately, but wants us to feel it all of a sudden between 2 years and 39 months from now. But he still controls the price of oil. He still has the $5.25 figure, and the $11.50 figure moving upward to $13.50.

There was a time when it made sense to put into effect a windfall profits tax. The genesis of the windfall profits tax was in Dr. Roy's provision in a bill we dealt with 2 years ago in which there was a concept of a windfall price which had to be returned to the person who would be gouged by the excessive pricing.

We found that to be impracticable. We cannot equitably return the money to one airline because one oil company gouged it and not to another airline because that airline bought jet fuel for the same price, but there was no gouging. When we realized the impracticality of this return of excess charges in this way we then transformed the concept into what was called the windfall profits tax. There could be no greater misnomer than "windfall profits tax," because it is not directly geared to profits. The real windfall profits are in large part the profits made by the oil companies between the cost of $4 a barrel for old oil and the present $5.25 price, which is now permitted for old oil. None of the windfall profits taxes which have been proposed touch that area.

But the windfall proposition could perhaps have been a useful proposition when it was possible to come to a single level of price in order to get rid of complications like, for instance, the entitlements program. But when the Arabs raised their prices so that instead of dealing with about $11, as the effective general oil price, it went to a level of around $12 or $13, and we are now threatened with $16, it became impossible, and the President has recognized it to be impossible, to set a single price covering both foreign and domestic oil. So he has accepted price control. He has accepted multilevel price control.

What has been offered to us is not really a windfall profits tax; it is an excise tax. It is an excise tax on people; an excise tax which must be absorbed in part by airlines, truck companies, shrimp boat operators, purchasers of home heating oil, purchasers of gasoline, and many other groups.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. OTTINGER, and by unanimous consent, Mr. ECKHARDT was allowed to proceed for 5 additional minutes.)

Mr. ECKHARDT. Then there is proposed to us—and this is another misnomer—a recycling plan. Has anybody ever heard of anything in the wildest dream of bureaucrats in the idea that we—the theory is that we permit an overcharge, and then we can determine bureaucratically how that money is to be recycled.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. I thank the gentleman for yielding.

Since the gentleman has mentioned a bureaucratic problem, I should like to ask about some of the provisions in the legislation. I am reading from Mr. STAGGERS' legislation. I am reading from the bill, and it says:

> In the case of such sales from property classified by the President on a property-by-property basis—

Somebody has to do that classification on a property-to-property basis—

> As a "high cost property", such higher price as the President may, by rule, establish for such property based upon a determination that such higher price is reasonable and justified—

And I assume that somebody bureaucratically has to establish that that is reasonable and justified at the higher price—

> In relation to the costs of production from such property—

Taking into account the geological formations involved, the depth of the well, the types of recovery techniques involved, and so forth.

Mr. ECKHARDT. That is that fourth category, yes.

Mr. BROWN of Ohio. Is that not all determined by somebody in some agency or some bureau? How do they do that?

Mr. ECKHARDT. I think I have answered the gentleman's question.

Mr. BROWN of Ohio. Do they go to each property and look at it, or how will it be done?

Mr. ECKHARDT. When any operator on a property petitions for a higher rate for that property because it is a costly property as, for instance, wells of 20,000 feet, or other conditions related to the porosity of the soil or the viscosity of the oil—he may make application and this determination is made within that field, not for every well. I think I have answered the question. I do not have time to yield further to the gentleman.

Mr. BROWN of Ohio. I thought I was very generous with the gentleman when I was in the well.

Mr. ECKHARDT. I should like to say this concerning the point I was making. Of course, it requires a certain degree of attention as to what is required for the cost of high-priced production. If we did not do that, we would reduce production in the United States, which we do not want to do. But the alternative to this is to arbitrarily determine that all oil, not just the hard-to-get oil, should go up to the price of $11.50 and ultimately to $13.50. That is the reason why, if we pass the Krueger amendment, or if we pass the President's program, in 1978 since we would be paying a higher rate for all oil and not just the high-cost oil, the program will cost approximately $20 billion more as additional cost of oil alone and, if one considers the additional cost of both oil and coal, approximately $50 billion.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from New York.

Mr. OTTINGER. I thank the gentleman for yielding.

Is it not true that that $11.50 cap in the Krueger amendment is illusory, but when he goes up 5 percent a month, it will therefore very quickly——

Mr. ECKHARDT. If it goes up 5 cents a month.

Mr. OTTINGER. Five cents a month.

Mr. ECKHARDT. After 39 months it has reached $13.50, which is a price beyond the wildest dreams of avarice for oil and constitutes an increase from an average for domestic oil of $3.90 in 1972 to $13.50 within 39 months of passage.

Mr. OTTINGER. Also is it not true that this formula is ingeniously devised so there is no price rise in oil until just after the elections and after that all of a sudden the prices of oil shoot up?

Mr. ECKHARDT. Yes. I happen to have brought chart No. 3 from the President's own FEA economic analysis which illustrates this. Note this dotted line which goes down to the lowest point around the latter part of 1975, and then about election time it still is relatively low, but look how it shoots up at this point. This is the average price of petroleum products per barrel. At the end of 1975 this price level is relatively low. It is around $14 a barrel. But at the end of 1978 it is approaching $17 a barrel. It is a very ingenious device and this is sewed into the Krueger amendment.

Mr. OTTINGER. This is a trap into which I certainly hope Members of the House will not allow themselves to fall because it is deceptive. It seems as if the price has got both a cap on it and a very low economic impact. But note how that cap very quickly disappears and the price after the election goes up very sharply.

Mr. ECKHARDT. The gentleman is precisely correct.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, I think the gentleman from Texas made a very forceful and eloquent statement in behalf of his position as he usually does and I think he has done a very good job in pointing out the demerits of the Krueger amendment, but I think the gentleman very quickly glossed over the deficiencies in his own program.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. ICHORD. Mr. Chairman, I ask unanimous consent that the gentleman from Texas (Mr. ECKHARDT) may proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

Mr. DINGELL. Mr. Chairman, reserving the right to object, and I assure the gentleman I will not object, I will say it will be necessary as I am informed that the Committee rise in just a moment in order that the Committee receive an enrolled bill from the Senate. I will make a motion for that purpose in a moment.

Mr. Chairman, I do not object and I withdraw my reservation of objection.

The CHAIRMAN. The gentleman from Texas is recognized for 3 additional minutes.

Mr. ICHORD. Mr. Chairman, if the gentleman will yield, I state to the gentleman from Texas back in February of this year I spoke in the district of the distinguished gentleman in the chair, the gentleman from Missouri (Mr. BOLLING), to the oil jobbers. At that time all the oil jobbers were complaining that the Skelly people had the cheapest oil in the State, the reason being they had as I understand access to more of the controlled oil which was $5.25. A few months later I got back to my district and all of my filling station operators or many of them at least said they could not buy oil as cheaply from the refineries as some of their competitors could sell it across the street.

I think the gentleman will agree we are in an intolerable position at the present time. It is an absolute mess. But as I understand the amendment of the gentleman from West Virginia it still retains the two-tier pricing system of old oil/new oil. How are we going to get ourselves away from this mess of certificates of entitlement?

Mr. ECKHARDT. If the gentleman will yield, I wish I knew, but the President's program keeps us in that mess too because it retains a certain quantity of old oil at $5.25 during this period and even at the end of this period there remains oil priced in accordance with his ceiling and also foreign oil. So if the Skelly dealer is buying domestic oil at say $12 and some others—and some other group is buying at the OPEC price of say $16, we still have to keep in effect the entitlements program.

The entitlements program is not in the picture at all any more for the reason I stated before. If we could come to a single price that would make a difference, but today we cannot come to a single price, and that is the reason I am saying we had better come to the best prices we can, respecting cost.

Mr. ICHORD. I would state to the gentleman from Texas when I returned to this country after the Yom Kippur War we had debated this thing, and we have debated this thing off and on continuously now for more than 2 years and we have not been able to reach an agreement.

We had not been able to reach an agreement. I have seen the legislative process break down on at least two occasions because it is such a complicated situation. Who is going to come up with this consensus that we can possibly get behind and solve this problem?

Mr. ECKHARDT. I think the House should come up with it and I think the chairmen of our committee have come up with an answer. I resist the proposition of abject surrender to the President.

As I said before the Committee on Rules, it is like Gen. Robert E. Lee's plea at Appomattox, to let his men take their horses home for the spring plowing.

I said at that time, that is what we had better do if we surrender through adoption of the Krueger amendment because then we could not afford gasoline or diesel for the spring planting. That is the point I am making.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from California.

Mr. REES. Mr. Chairman, I am for the Krueger amendment. I do not believe in surrendering to anybody. I believe in the integrity of the legislative branch, and our ability to compromise many of our differences with the executive branch.

Now, in January the President called for immediate deregulation of old oil and it would have come into the world price. There was no windfall profits or anything like that.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. REES. Mr. Chairman, I ask unanimous consent that the gentleman from Texas (Mr. ECKHARDT) be allowed to proceed for an additional 3 minutes.

The CHAIRMAN. May the Chair suggest that the colloquy continue after the Committee has resumed its sitting.

Mr. DINGELL. Mr. Chairman, if the gentleman from Texas will yield, after the Chair has acted on the unanimous-consent request, if the gentleman from Texas will yield to me I will make a unanimous-consent request that the Committee rise and then the gentleman can resume the floor.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. REES. Mr. Chairman, reserving the right to object, will we be then on my unanimous consent request, if the gentleman from Texas will yield?

The CHAIRMAN. That is correct.

Mr. REES. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. The Committee will rise informally in order that the House may receive a message.

MESSAGE FROM THE SENATE

The Speaker assumed the chair.

The SPEAKER. The Chair will receive a message.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6799) entitled "An act to approve certain of the proposed amendments to the Federal Rules of Criminal Procedure, to amend certain of them, and to make certain additional amendments to those Rules."

The Committee will resume its sitting.

ENERGY CONSERVATION AND OIL POLICY ACT OF 1975

Mr. DINGELL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 7014) to increase domestic energy supplies and availability; to restrain energy demand; to prepare for energy emergencies, and for other purposes, had come to no resolution thereon.

The SPEAKER. The question is on the motion offered by the gentleman from Michigan.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

According the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 7014) with Mr. BOLLING in the chair.

The CHAIRMAN. When the Committee rose there was pending the unanimous consent request of the gentleman from California (Mr. REES) that the gentleman from Texas (Mr. ECKHARDT) be permitted to proceed for an additional 3 minutes.

Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ECKHARDT. Mr. Chairman, I yield to the gentleman from California (Mr. REES).

Mr. REES. Mr. Chairman, when we last left off, before the exciting message from the Senate, I was asking my good friend, the gentleman from Texas that has not the President come around about 180° in his oil pricing-control policy, because in January he wanted immediate deregulation and the price of old oil would have gone up to $13.50?

In January the President was not discussing any kind of windfall profits tax.

In January the President was not talking about a 39-month gradual phase-in of old oil prices.

In January the President would not tolerate in any way any cap of $11.50, $13.50, or $20.50, whatever it might be. Now I think we have a reasonable program—a solid compromise.

Mr. ECKHARDT. Mr. Chairman, let me answer the question. I think the President has come around about 355° and that puts the President headed in about the same direction.

Mr. REES. Mr. Chairman, we are not surrendering at all to the President. I think that the President has realized the wisdom of much of the colloquy that has gone on during the last 2 weeks, and he has come around very closely to the position that we in the House have been discussing.

Mr. ECKHARDT. Let me say in response to the gentleman's statement that I think he has changed his position, but that is exactly the point I am making.

His position with respect to a windfall profits tax may have made some sense when we were talking about establishing a single price, but his changing position now makes no sense.

Mr. MAGUIRE. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from New Jersey.

Mr. MAGUIRE. Mr. Chairman, I would like to point out to the gentleman from California that when we began consideration of this matter some 4 or 5 months ago, the OPEC price was $11.25, roughly, the price which we felt was totally unjustified and a price which Secretary Simon has repeatedly characterized as unrelated to economic reality and the cost of alternative energy sources, and so forth.

What happened was this: The President took that price, added $2 on top of it in the form of a tariff, and then came back and said, "I am making a big compromise by going back to the $11.50 price," which was in fact no compromise at all in view of the fact that this was the price we were talking about and has been the price for OPEC oil for nearly the last 2 years. On top of that he says, "I am going to roll it back up to $13.50 in 39 months."

That does not seem to me to be a compromise at all.

Mr. ECKHARDT. Mr. Chairman, I wish to comment on the gentleman's remarks. I would say this, that at the time we commenced studying this bill, the effective price of OPEC oil, considering the equity interest in it, was estimated by FEA to be around $11, and that was the price of new oil. The President is now calling for a 50-cent greater price to start with and a $13.50 price at the end of 39 months.

Mr. KRUEGER. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Texas.

Mr. KRUEGER. Am I correct, I ask the gentleman from Texas, that in the proposition which he is espousing there would be different prices charged in different properties, that oil would sell at different prices which is produced in different properties?

Mr. ECKHARDT. That would be true within the $10 category.

Mr. KRUEGER. And would the gentleman indicate roughly how many oil producing properties there are in the United States of America?

Mr. ECKHARDT. There are a great number of them.

Mr. KRUEGER. Am I correct in saying that there are about 100,000 different properties?

Mr. ECKHARDT. No; that would not be contemplated under this act.

Mr. KRUEGER. It is not contemplated under this act, but there are 100,000 properties?

Mr. ECKHARDT. I disagree with the gentleman. FEA would have the authority to establish what is considered an area or property for the basis of such determination and many properties could be lumped together. There are not that many properties with different pricing potential.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(On request of Mr. KRUEGER and by unanimous consent, Mr. ECKHARDT was allowed to proceed for 2 additional minutes.)

Mr. KRUEGER. Am I correct that this sort of approach was attempted with regard to natural gas some 20 years ago, and it took 7 years to litigate the first case, the Phillips case, and they finally decided that it was impossible to determine on a property by property basis what should be the price of the product? Is it not true that the gentleman is proposing exactly the sort of thing we got into with natural gas, where each property could potentially have charged a different price for its oil?

Mr. ECKHARDT. No. Let me say precisely what the situation is. Generally, the price of new oil would be set at an average of $7.50. This has nothing to do with cost of production in various properties. This simply provides that oil will be priced with a deduction from the January 31 price of an amount sufficient to make the average price of new oil $7.50. That is the general regulation.

There are two areas in which an automatic right to go to the average of $10, based on different costs of production applies. One is oil produced north of the Arctic Circle. That is in several very large fields and formations that are distinct and separate with respect to price. We must take into account those differences.

The second specific area is with respect to Outer Continental Shelf oil. That oil is a clearly define category. Some of it is relatively cheap to produce because it is in relatively shallow water on the Gulf Coast. Some of it will be quite expensive in other formations well out into the Gulf and perhaps in the Atlantic and in the Pacific.

There are several distinct areas of production, with distinct pricing potentials. Properties may be lumped in order to establish areas where different prices would be applicable.

Mr. DINGELL. Mr. Chairman, I have a unanimous-consent request that I make solely for the purpose of finding out how many Members wish to speak and what would be the limitation of time.

Mr. Chairman, I ask unanimous consent that all debate on the Staggers amendment and all amendments thereto end in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. CARNEY. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. DINGELL. Mr. Chairman, I ask unanimous consent that all debate on the Staggers amendment and all amendments thereto end in 45 minutes. That would put us at approximately 5 o'clock.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. CARNEY. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. CARNEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise to speak in favor of the Staggers amendment and to give some reasons for that.

Mr. Chairman, I have remained silent over the last week listening to the extensive debate on domestic crude oil pricing policy. I have chosen not to speak to the matter, because I wanted to give the fairest possible hearing to all sides. The issues have the appearance of being complex, but there is only one basic issue involved. The President and his supporters want to increase prices significantly in order to curtail energy demand. Opponents believe that price restraint won't work and that the economy simply cannot stand another inflationary surge with its harsh and debilitating effect on the poor and low-income sectors of our society.

The President has now submitted yet another plan—billed as a compromise proposal. But this plan, like the others which have preceded it, continues to rely on substantial price increases as the singular means of conserving energy supplies. Therefore, I believe that the President's latest plan must also be rejected.

Have we forgotten that our economy is still fighting off the effects of a deep recession? Can we ignore the harsh reality that 9.2 percent of our labor force is unemployed? Gentlemen, 8½ million people are out of work. How are they to pay the price envisioned in the President's program?

Output in the first quarter of 1975 is at least $230 billion below its potential level. How is the industrial base of our economy expected to absorb price increases of the magnitude that the President would permit? It seems that the debate of this last week has lost touch with the economic realities that confront us. Those who join with the President are asking this Nation to bear a burden which it cannot and should not be expected to assume. I urge my colleagues not to inflict this potentially mortal wound on our economy and the American people.

The President assures us that he will "work actively in seeking to solve transitional consumer problems." There has been talk of rebating to injured consumers some of the contemplated windfall profits which will result from the price increases set forth in the President's latest plan. I can only say—in exasperation—that it seems absurd for us to be discussing ways of bandaging up our self-inflicted wounds when there is little to be gained from inflicting these wounds in the first place.

I think it is about time the President realized that the American people are not prepared to sacrifice their standard of living and their jobs just so that we can achieve a shortrun cut in energy consumption. In the longer run, I believe that direct restraints on consumption through balanced conservation programs are far more effective and more sensible. The President and his advisers should remember that a high level of production in the industrial base of our economy is needed to restore consumer purchasing power and return the jobless to work. People must have jobs if they are to purchase more fuel-efficient cars.

Ironically, the President is committed to a program to develop more fuel-efficient automobiles and home appliances, but at the same time, he advocates a pricing policy which would take away from consumers the means to purchase them.

The administration contends that higher prices are needed to expand production. We have heard debate, at great length, on the need to explore new offshore oil and remote sources of oil at high cost. But the President's program proposes to increase prices only for "old oil"—that is, wells which were already producing in 1972. These fields were developed when the price was only $3 per barrel. The current price of $5.25 for such production is beyond the expectations of producers at the time investments were made. The $13.45 price that the President would allow is beyond their wildest dreams. But what of the new producing areas on the Outer Continental Shelf and Alaska? Here the President is not calling for increased prices. Quite the contrary, he would decrease the price to $11.50—admitting that the $11.50 price is all that is necessary to maximize production incentives for new oil development.

I contend that today's oil prices are more than adequate to maximize our domestic production potential. No producer has been able to demonstrate that he is having trouble raising capital for exploration. No producer can seriously contend that today's profit levels are inadequate. We should not agree to a program which proposes to generate the entire capital needs of this industry by transferring billions of dollars from consumers directly to oil producers.

In the end, I am persuaded that the question before the House has been made more complex than it really is. The President's program must stand or fall on whether we should permit old oil, which was developed at a price of $3 a barrel, to sell for $13.45 a barrel—a 450 percent increase. I am fully convinced that such an admitted windfall is not fair, not a proper conservation measure, and not a useful or intelligent way to increase oil production. It is nothing more than a form of tribute to be exacted from the American consumer.

I call upon my colleagues to reject the President's program and to continue efforts to develop a reasonable and truly equitable oil pricing policy.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. Carney) has expired.

(On request of Mr. Moffett and by unanimous consent, Mr. Carney was allowed to proceed for 1 additional minute.)

Mr. MOFFETT. Mr. Chairman, will the gentleman yield?

Mr. CARNEY. I yield to the gentleman from Connecticut.

Mr. MOFFETT. Mr. Chairman, I compliment my colleague on the committee, the gentleman from Ohio (Mr. Carney), for his remarks. I cannot think of a Member of this body who is more concerned with working people and the effect of this kind of plan on working people and the average family than the gentleman from Ohio.

I think the gentleman may know this, but it should be pointed out: that under the estimates of the July 25 Ford plan, it will cost every American family of 4 $232 more in 1976 and $424 more in 1977 than would H.R. 7014 with the Staggers compromise.

Mr. CARNEY. Mr. Chairman, I thank the gentleman. That is another reason why we should not accept the President's plan.

Mr. MAGUIRE. Mr. Chairman, will the gentleman yield?

Mr. CARNEY. I yield to the gentleman from New Jersey.

Mr. MAGUIRE. Mr. Chairman, I congratulate the gentleman from Ohio (Mr. Carney) for his excellent statement. I wish to associate myself with the gentleman's remarks.

Mr. BROYHILL. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment offered by the gentleman from West Virginia (Mr. Staggers).

The gentleman from Texas (Mr. Eckhardt) has left the impression that the substitute amendment offered by the gentleman from West Virginia would be relatively easy to administer.

I do not understand how he arrives at that conclusion, but perhaps I may have misunderstood him because, as I see it, this plan that is offered by the gentleman from West Virginia could end up not in a two-tier system, but could actually result in dozens of tiers of prices.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. Yes, I am glad to yield to the gentleman from Texas.

Mr. ECKHARDT. The gentleman from Texas does not for a moment say that any of the proposals are relatively easy to administer. The gentleman from Texas says that the proposal to regulate prices alone is far easier to administer than one which also purports to do what is called recycling.

Mr. BROYHILL. Would the gentleman answer this question: The substitute that is offered by the gentleman from West Virginia has an 88-month period in here, but that does not end the controls over prices or the controls over crude oil prices; is that correct?

Mr. ECKHARDT. No. The escalator kicks in at the $10 level.

Mr. BROYHILL. Therefore, under the Staggers substitute we are talking about continued administrative control over this industry for 88 months and more, if it should pass; is that correct?

Mr. ECKHARDT. If the gentleman will yield further, the problem is this.

Mr. BROYHILL. That is correct, is it not?

Mr. ECKHARDT. That is generally correct, but let me say this, that neither the gentleman from Texas (Mr. Eckhardt), nor the gentleman from West Virginia (Mr. Staggers), and I assume not the gentleman from North Carolina (Mr. Broyhill) wants price controls a day after we have an actual market price for oil, but as long as we have a cartel price, we have to continue some method of preventing that from dictating prices of oil in the United States.

Mr. BROYHILL. Let me point out to the gentleman that the President's program would do that. The program that is advocated by the gentleman from Texas (Mr. Krueger) would also do that, because it does include a cap.

I would maintain that the program that has been put forward by the gentleman from West Virginia (Mr. Staggers) would be an administrative nightmare, particularly with respect to the inflation adjustment factor, which was discussed, I think, by the gentleman from Ohio and the gentleman from Texas (Mr. Eckhardt), because the President could, on a property-by-property basis, increase these prices for oil. However, he would have to make a determination that it was reasonable and justified in relation to the cost of production. As the gentleman from Texas (Mr. Eckhardt) knows—he is a very learned lawyer—each one of these would be considered as agency action which could be subject to endless litigation in the courts and would tie up the administration of this program, just tie it in a knot.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. Yes, I yield to the gentleman from California.

Mr. REES. Mr. Chairman, I appreciate the gentleman's yielding. Let me tell the Members the problem which we have in California.

The largest oil field in the lower 48 is owned by the State of California and administered by the city of Long Beach. This is by the government. It is not be a private company.

In field No. 2 the price of drilling the oil—this is not the amortization of drilling the well or anything else—is $4.75 a barrel. We are thinking of closing that field down because we only get about $5 a barrel. Because of the oil-grading differential, one really cannot figure on drilling an old field like this or what the inflationary costs are because this is a field that is going down in yield every day it is drilled. Therefore, the costs go up faster than the cost of inflation.

With respect to the caps, the caps envisioned by the Staggers substitute, I think, would be disastrous. These are relatively small fields. There is a group of eight fields in this entire group. All of this is old oil.

Whatever determination one comes up with, the effects of inflation and costs are tied in along with the engineering and drilling of the oil. I think this would cost the State of California and the private operators far too much. We do not want it, and then the field goes by the board.

Mr. BROYHILL. Mr. Chairman, I think that the gentleman from California has stated very clearly why the Staggers proposal would end up as an economic disaster, and it would end up in shortages for all, and increased dependence on foreign oil.

Mr. BROWN of Ohio. Mr. Chairman, if the gentleman will yield, it would just be an administrative monstrosity to try to maintain a floating average each time a new well comes in to get up and figure the price of the old oil, and it seems to me it would be the same kind of thing that would create a bureaucracy that would continue to develop at a faster rate than FEA, which is the fastest-growing bureaucracy that we now have.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MOSS. Mr. Chairman, I rise to strike the requisite number of words.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield briefly?

Mr. MOSS. Mr. Chairman, I would rather not at the moment. I would prefer to proceed, and then I will yield to my friend, the gentleman from Texas.

Mr. Chairman, I think we ought to again look at the cost. I think it is particularly appropriate that we do so after the testimony of the Chairman of the Federal Reserve Board before a committee of the other body on yesterday, when he indicated that he was recommending in effect that we have wage and price controls. A rather unique recommendation from Dr. Burns, I would say, because he views the problems of this Nation as very serious and envisions some significant additional inflationary factors in our Nation.

The proposal we have before us by the gentleman from West Virginia (Mr. STAGGERS) represents a very significant step toward the President's proposal to affect a compromise that is fair and equitable, and yet does not constitute a ripoff of the American consumer.

Regrettably, I regard the Krueger, or the administration's proposal, as affecting that kind of ripoff of the consumers.

Let me state some costs for domestic crude oil. In September of 1976 the Krueger plan would cost $26.2 billion at $12.10 a barrel for "new" oil. That would be computed under the formula contained in the Krueger amendment. While the Staggers proposal would cost $19.8 billion, or a difference of $6.4 billion.

In September of 1977, Krueger would rise to $30.8 billion at $12.70 per barrel, while Staggers would go to $20.3 billion, a difference of $10.5 billion.

In September of 1978 Krueger would go to $36.1 billion at $13.30 a barrel, and Staggers at $20.9 billion, a difference of $15.2 billion.

In September of 1979 we would be moving to the point where there would be no longer any cap on domestic oil. On an assumption that we would then reach a $16 price, the Krueger cost would be $50 billion and the Staggers cost, $22.8 billion, or a difference of $27.2 billion.

By September of 1980, continuing at the $16-a-barrel price, we would have $50.2 billion for Krueger and $24.5 billion for Staggers, a difference of $25.7 billion. I submit that that kind of additional cost is going to have a very serious impact upon the economy of this country. It is going to raise significantly the cost of the budget of every person in this Nation. Make no mistake, it is not only going to bear upon working men and women; it is going to bear very heavily upon middle-income and upper-middle-income people.

What we saw last winter, when persons in this very metropolitan area were faced with energy bills that were significantly higher than their mortgage payments. Under the Krueger proposal this situation will be compounded, and the probability of a high default rate in the payment on mortgages and other obligations because of the necessity of having heat and light is going to be very, very significant. Remember, this is an inflation that comes along with an inflation that already has caused the Chairman of the Federal Reserve System to say to a committee of the other body, "I think you should impose price and wage controls at this time."

I think it is very important that we recognize this factor and that we take cognizance of the responsibility we have. If the Members were asked to vote directly for the imposition of an excise levy having the precise same effect as the proposal here, as the Krueger Amendment, I do not think there would be a handful of votes in this committee for that proposal.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. Moss was allowed to proceed for 2 additional minutes.)

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield to the gentleman from Texas.

Mr. ECKHARDT. I thank the gentleman for yielding.

The gentleman from California, as usual, has put the point extremely well. The gentleman has pointed out the extreme burden on the economy by the additional cost of various products. I know that in my own area shrimp boat operators in approximately the period of a year have had their diesel fuel costs increased by 300 percent. If this should go into effect, one might expect that cost to quadruple or multiply perhaps by five or six times. I do not know what I would tell them if I voted for this amendment about their costs again doubling. I would explain to them, "Look, I recycled the money. You are not getting it, and you are still paying more for your diesel fuel; but what I did was voted to distribute it in the ghetto or the cities."

Mr. MOSS. We really do not know what we are voting for because all we are requiring is a showing that a tax be in place. We do not spell out the kind of tax. I do not think there is any general understanding here as to the nature of the tax that would be imposed. If the situation as it is continues or the Krueger proposal is adopted, we are going to have very major increases.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. I thank the gentleman for yielding.

I rise only to ask, as a Member of this body who also is on the Joint Economic Committee where Arthur Burns testified yesterday, I think, to ask the gentleman to clarify his statement that Dr. Burns recommended wage and price controls. I did not understand that recommendation, and apparently neither did the Wall Street Journal nor the New York Times which I read this morning with reference to his appearance there. Is there another committee that he spoke before?

Mr. MOSS. I can tell the gentleman it was in a committee.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. BROWN of Ohio, and by unanimous consent, Mr. Moss was allowed to proceed for 1 additional minute.)

Mr. MOSS. The questions were put by the senior Senator from Massachusetts, and without any equivocation at all, Arthur Burns' response was that he felt that we should have moderate wage and price controls in place, and that was repeated over CBS News as I listened to it with my own two ears last evening and saw portrayed upon the TV screen the face of Dr. Burns, whom I know fairly well, and I can assure the Members that I do not think that it was a doctored film.

Mr. KRUEGER. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield to the gentleman from Texas (Mr. KRUEGER).

Mr. KRUEGER. Mr. Chairman, I wonder if the figures which the gentleman gave there, and of course figures circulate rather freely particularly with the amendments which have been put forward today, but I wonder if the figures include not only the additional rise in price to the consumer which under my amendment would be 6 cents a gallon to the consumer by 1978 but also would take into consideration the rebate to the consumer under my proposal.

Mr. WIRTH. Mr. Chairman, I move to strike the last word.

Mr. Chairman, as I look around the Chamber I see scores of eager faces awaiting the opportunity to be persuaded, so I will be short.

I think it is important first, Mr. Chairman, to clarify for the purpose of the Record the discussion the gentleman from Texas (Mr. KRUEGER) had with the gentleman from California (Mr. JOHN L. BURTON) earlier in this debate about the so-called compromise that was reached last weekend or the weekend before. As far as I know—as an individual involved in all these discussions—no compromise was reached because no agreement was reached, and because there was nobody in attendance at those meetings who was authorized to speak for Members of the House, at least on my side of the aisle.

The purpose of those meetings was simply to see if we could outline areas of consensus and nonconsensus, and although we made some progress on that front I do not think we made enough progress.

I am here at this point, Mr. Chairman, to rise in hesitant support of the amendment offered by the gentleman from West Virginia, my chairman, Mr. HARLEY STAGGERS. I have as I think most of the Members of this body know, been in the middle on this issue. I previously opposed both the Krueger amendment and the Eckhardt amendment. I now find myself in a position of feeling we are getting right down to the wire and that it is important to outline, at least for my own thinking, where I am on these two amendments.

The amendment offered by the gentleman from Texas (Mr. KRUEGER) today has two major problems.

First of all it escalates the price of new oil beyond the level of $11.50; beyond this level I do not believe there was any justification offered to our committee for a price on new oil beyond $11.50. We have talked about an $11.50 cap. We do not really have that. We have an $11.50 cap which escalates to $13.50 over 39 or 40 months time.

Second, on the Krueger amendment, it does not seem to me we can vote on the Krueger amendment without having the assurance and without knowing exactly what the windfall profits tax will be. For 7 months now I and other members of our subcommittee have asked the administration for their specific recommendation on what the windfall profits tax would be. We have asked for that over and over again and it has not been forthcoming.

Those are two major issues related to the Krueger amendment which caused me to be unable to support it.

While also there are some weaknesses in the Staggers amendment, such as the $7.50 ceiling for most new oil and the regulation property by property with a potential for administrative nightmares, I believe most of these issues can be worked out in conference and we can resolve those and get to the kind of agreement we need, and I would urge my colleagues to support the Staggers amendment.

Mr. MOFFETT. Mr. Chairman, will the gentleman yield?

Mr. WIRTH. I yield to the gentleman from Connecticut.

Mr. MOFFETT. Mr. Chairman, I would compliment the gentleman on his remarks today and I support the amendment offered by the gentleman from West Virginia.

Mr. Chairman, I rise in strong opposition to the President's energy program regardless of the appearance it may assume—whether it be an amendment to H.R. 7014 or an administration scheme to remove all controls from domestic oil.

We have heard much talk about the need for compromise on the issue of oil pricing. The President has lambasted the Congress for its unwillingness to deal with this issue on his terms. Yet he has consistently insulted the Congress with his exhortations for a "compromise" by handing us nothing but variations on a theme. And the theme is identical to that espoused by the oil companies: mythical conservation and very marginal production increases through higher prices.

It is a deceptively simple theme, touted by the oil companies as a panacea. Decontrol will raise prices and therefore decrease consumption, we are told. No consideration is given to the fact that in many areas, New England for example, demand for certain critical energy products is inelastic. Higher prices in these areas will not result in significant conservation. At best, a negligible reduction in energy use can be achieved at a cost of human suffering among the poor that is simply intolerable.

It is simple to say that higher prices will increase production. Yet, when one looks at the figures on the cost per barrel of this increased production, it becomes evident that things are not so simple. The Library of Congress has estimated that the price of a marginal barrel of oil could be as high as $125. A number of disconcerting allegations regarding the supply and availability of drilling equipment must be looked into immediately. If the equipment is not available because, for example, companies have been exporting equipment needed in this country, then there is no way that higher prices can bring in more production. Higher prices will only mean higher profits for oil companies.

Finally, and most importantly, it is simple to say that we will take these profits away from the oil companies through a windfall profits tax. But the President has not included a prescription for such a tax in his proposal, and probably for good reason. It is extremely difficult, if not impossible, to enact a windfall tax that will achieve its said purpose. The reasons for this are several:

First. Oil companies are already getting substantial tax breaks on investments because 71 percent of investments are expendable and written off against income in the year made, substantially increasing retained earnings. In other words, crude producers are already receiving windfall profits plowback protection via the tax mechanism.

Second. It is very unclear just where the plowed back moneys will be directed. Many oil producing firms have substantial drilling and exploration organizations under their own corporate frameworks, or have financial ties with such firms not under the same corporate structure. There can be no mechanism to prevent the oil producer from paying excess fees to such an organization, thereby effectively siphoning off the excess profits untaxed.

Third, similarly, there is expected to be a long term offshore drilling rig shortage as well as a near term—2 to 3 years—shortage of all manner of drilling equipment. Greatly accelerated levels of exploration and development will simply run up the prices of these limited supplies, causing their owners to earn significant economic rents. And of course, these rent earners can be the oil producers themselves.

Fourth. From a macroeconomic view, tacit decontrol, even with beneficial tax effects, will still raise prices for consumers and industry alike, thereby having a negative impact on employment and the economy.

Fifth. Finally, a phased out windfall profits tax and plowback arrangement would tend to encourage the postponement of production, which is contrary to the intent of this legislation. Producers, knowing that oil lifted in later years will result in greater net revenue than current output, will hold current production in as much as possible.

For these reasons, I cannot in good conscience support the administration's efforts at "compromise." When the executive branch stops dealing in simplistic oil company rhetoric and begins to give due consideration to the complexities of the situation, a true compromise will be attainable.

Mr. Chairman, I urge adoption of the Staggers substitute and I include the Library of Congress analysis of the inadequacies associated with windfall profits taxes in the RECORD following these remarks:

THE LIBRARY OF CONGRESS,
CONGRESSIONAL RESEARCH SERVICE,
Washington, D.C., July 29, 1975.

Re Some Pitfalls Surrounding a Windfall Profits Tax.

To: Hon. Anthony Moffett.

From: Economics Division.

This memo is in response to your request for a background explanation of the vicissitudes surrounding the windfall profits concept.

A windfall profits tax with a plowback provision is being advanced as a cure-all for the problem of recycling revenues accrued by oil producers as a result of decontrol. This is much less simple a project than it appears to be at first glance. Some important problems are:

a. Defining exactly what investment is associated with the windfall can be a source of problems. Oil producers currently have ongoing investment programs which are larger than the maximum windfall which would result from decontrol. It will be difficult to segregate investment that would be undertaken regardless of decontrol from that associated with decontrol revenues. The possibility that oil producers' currently scheduled and ongoing investment may be adequate to hedge against all windfall profits taxes must be considered. If it is; then the windfalls/plowback proposal does nothing that is not already scheduled to happen.

b. Under a windfall/plowback system, producers have several choices on structuring their levels of investment dollars and income. First, they can take windfalls normally and make investments necessary to avoid taxation. This course of action would be consistent with the intent of the legislative proposal which encourages investment. But there is a second alternative open to producers who don't want to make the requisite investments. This is to defer production (to the extent physically possible) and hence windfall income. Here a loss in actual and/or potential production is realized at least for the near term as a producer shelters himself from windfall taxes by deferring production to future years when his investment level is sufficient to shelter all income from windfall taxes or when the tax has expired or phased down.

c. The current structure of investment in oil production is frequently overlooked. Unlike investments for other industries, some 71% of exploration and development expenditures are written off during the year made. Tremendous tax benefits result as normal income inflow is tax sheltered. A simple calculation will serve as an example:

Assume that in year X, a producer has $2000 in income, and invests $1000. The $2000 would be taxed at a 50% rate. However, it could be offset by that year's expensible part ($710) of the $1000 investment. Instead of paying $1000 in taxes (½ of $2000) this firm pays ($2000—$710) x 50% or $645. The investment lowers the tax bill by $355, and this organization's effective tax rate is $645/$2000 or 32%. By investing 1.4 times income, or adjusting income downward by slowing down production until investment is 1.4 times income, all taxes can be avoided.

This treatment creates an incentive for companies to make larger capital investments in oil and gas exploration during a period of windfall profits regardless of whether a plowback provision is adopted. Thus, one would expect that oil companies would react very quickly to large profits by expansion of capital spending plans, beyond that which would occur in other industries. Thus companies will be shielded from the windfall profits tax (assuming a plowback is allowed) not only due to normal ongoing investment but increased investment in response to higher profits.

In addition, the lower effective tax rate due to these provisions allows companies to retain a larger share of any profits which are not captured by a windfall profits tax, making avoidance of the tax more attractive.

Given the incentive to continually invest for tax shelter, two divergent developments happen: A producer either makes investments and shelters income, or he trades off unsheltered current income (in the event his investment program provides insufficient protection) for future sheltered income by withholding current production.

d. Another unanswered question regarding reinvestment of windfall monies is the actual identity of the recipient of invested funds. All oil companies own or have corporate interties with drilling firms. With a chronic shortage of drilling rigs, materials and personnel, an increased level of exploratory activity would, to a certain extent, raise the prices or rentals of drilling services, causing their owners to earn economic rents or excess profits. Hence, higher dollar levels of investment become a self-fulfilling prophecy, as the limited supplies' prices are escalated, and higher drilling costs and higher investment result. Much of this economic rent could accrue as profits from drilling operations, rather than oil income, to "investing" firms, and the windfall profits tax would be circumvented.

A two to four year long transitional period over which the supply of drilling gear will catch up to demand will occur. During this period, the owners of drilling equipment would raise their prices in face of higher demand for drilling services. This higher demand would be induced by the windfalls tax. Higher levels of demand would mean higher drilling costs, implying higher investments, or higher costs per well but fewer wells being drilled.

Lawrence Kumins,
Analyst in Energy Economics.
Jane Gravelle,
Analyst in Fiscal Policy and Taxation.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. WIRTH. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, I too want to compliment the gentleman not only for his remarks but also for his candor with me in all his dealings in the past. There has never been a time when the gentleman from Colorado has been other than utterly candid with me about the nature of the meetings and the persons there. I appreciate that and I appreciate his saying what he has on the floor.

Mr. WIRTH. I thank the gentleman from Texas.

I should add that my demarcation of my position should in no way be taken as a judgment of Members on either side of the aisle on this issue. Feelings have run pretty high throughout the consideration of this particular amendment. We should all commend our colleagues, the gentleman from Texas (Mr. Krueger) and the gentleman from Texas (Mr. Eckhardt), for the care they have lavished on this legislative work and Texas should indeed be proud it is big enough to contain such amiable and able and sometimes competitive gentlemen.

Mr. COLLINS of Texas. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, as I have listened to my colleagues these past several weeks discuss the oil bill and its various ramifications, I am reminded of an old slogan that we have down in Texas. They say that when the legislature is in session that no man's life or property is safe. What they are saying is that when we sit in our legislative bodies that we literally scare the daylights out of everybody. That certainly is true when we meet to discuss the oil business, because we do not get down to fundamentals. We get off and discuss confusing technicalities.

If I can, I would like to go back to the basic issue which is oil and gas. Oil and gas account for 76 percent of our energy. They are basic to the energy needs of America. Oil and gas keep America's industry going as they depend on energy.

Some time ago the Arabs raised the price of oil to $11.50. Then we began discussions in the congressional committee and we talk in our deliberative body here. Many spokesmen try to figure out a way if the Arabs are getting $11.50 a barrel and the world price is $11.50 and OPEC is getting $11.50 a barrel, that somehow Americans can operate at $5.25 or $7.50 and through some kind of mumbo jumbo we can redefine economics of cost and supply and demand.

It reminds me of the old carnival where the guy had three of these little shells and shuffled them around for us to wonder how they will turn up. That is what is happening to the drillers of America. They believe they are getting the old shell trick, and they are being left in the cold.

Let me explain what is happening in oil drilling now. A year ago drilling was booming. Six months ago the drillers started to get scared and today they are plenty nervous.

Let me quote from the Society of Independent Scientists. They say that in the Texas gulf coast region that they anticipate 400 fewer rigs will be drilling at the end of this year, which means they had 33 percent more drilling rigs operating last year when there was positive encouragement for oil drilling. The society further stated that there has been a 60-percent decrease in tubular goods orders. Tubular goods simply means 60 percent less oil pipe, in plain language.

From out in New Mexico an independent survey said that they anticipated a 25-percent decrease in drilling activities and that there were heavy reductions in drilling at 13,000 and deeper wells because of high costs and limited returns.

I talked to a friend in south Texas. He had four rigs on order and canceled two of them immediately with a suspension of cancellation for the others. What has happened out in the Rocky Mountains, where one big driller said one-half of the oil rigs under contract were stacked up and that was the first time in 18 months that their company had rigs stacked. All these fellows that drill for oil all over this country wonder what we are talking about up here. In order to have oil, we have to drill for it and if we explore for oil we have to pay the world price, the natural economic price. There is no way we can develop any type of substitute for practical commonsense economics.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. COLLINS of Texas. I yield to the gentleman from Washington.

Mr. McCORMACK. Mr. Chairman, I thank the gentleman. I have recently had discussions with people involved in exploring and drilling in the oil business. They tell me that their real problem in financing drilling operations is not with the price of oil, but the fact they have lost their depletion allowance and they are unable to attract capital from small investors. This is the reason they are not able to drill. They say the price is not the real issue.

I would be curious if the gentleman from Texas would comment on that.

Mr. COLLINS of Texas. Mr. Chairman, the gentleman has raised a very important point that disturbs the drilling people and it is the reduced percentage of depletion allowance. Most people in the oil business borrow money from the banks and the ones that are most apprehensive are the bankers. They are really scared when they hear about a retroactive rollback of prices, because when they loan money they loan on the estimated reserves and the capitalized price so their loan will be repaid.

The real problem now in financing new drilling is this matter of retroactive rollback, and also not allowing for definite escalation to provide for increased general maintenance.

Mr. McCORMACK. Is the gentleman suggesting, then, that the prices that are suggested for new oil under the Staggers amendment or the various other amendments that have been proposed are too low to provide assurance for drilling, for loans for drilling? If so, I must disagree.

Mr. COLLINS of Texas. I believe history reflects that the oilmen, as long as they can borrow money, they are going to drill. They are real wildcatters and they believe in taking a chance. But, when we have these uncertain factors, as we do here, and when we are talking about retroactively rolling back the prices, we have a negative outlook facing us.

Mr. DINGELL. Mr. Chairman, I wish to make a request with regard to limitation of time.

Mr. Chairman, I ask unanimous consent that all debate on the Staggers amendment and all amendments thereto close in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. Members standing at the time the request was made will be recognized for 1¼ minutes each.

The Chair recognizes the gentleman from Texas (Mr. Wright).

(By unanimous consent Mr. Bedell yielded his time to Mr. Adams).

Mr. WRIGHT. Mr. Chairman, I take this time to suggest that I had initially thought of offering an amendment to the amendment pending, but upon consideration have decided not to do so. I will offer it as an amendment at a later point in the bill. I would ask my colleagues to consider it.

It would deal with marginal well production and will constitute an effort to get maximum recovery from a number of marginal wells that exist throughout the country. I think the important thing for us is to recover all the oil we can in this country and not let any of it be permanently wasted or lost to the country.

Mr. ECKHARDT. Mr. Chairman, will the gentlman yield?

Mr. WRIGHT. I yield to my colleague from Texas.

Mr. ECKHARDT. Mr. Chairman, I think the gentleman's proposal is an extremely important one. I think it can be taken care of by the authority of FEA by making a regulation specifically for that type of well respecting old oil. It is badly needed, and the gentleman from West Virginia (Mr. MOLLOHAN) has raised the same question.

I think we should make some legislative history here that we think that that should be done by FEA. In addition, the gentleman's amendment might well be a valuable addition to the bill.

Mr. WRIGHT. I thank the gentleman very much. The amendment I shall offer will in effect broaden the present definition of "stripper wells" to permit economic recovery of slightly more than the present 10-barrel daily limit, depending upon the depth of the individual well. I shall appreciate the consideration of the Members for that amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Washington (Mr. McCORMACK).

Mr. McCORMACK. Mr. Chairman, the Krueger-Ford assumptions are that the high cost of oil, as they recommend, would: First, reduce consumption of petroleum and petroleum products in this country; and second, that these high costs are necessary to stimulate the production of oil.

That is really what their side on this entire debate is all about; that we need higher prices to reduce consumption and to stimulate production.

Mr. Chairman, I submit that there is absolutely no evidence whatsoever that either of these assumptions is true.

What evidence we do have indicates exactly the opposite. The dramatic increases in the price of gasoline we have experienced with the oil boycott have not caused a significant reduction in consumption.

The extensive studies that have been made by a number of independent agencies have shown that the cost of pumping oil is still far below the price allowed, even in the Staggers amendment.

Mr. Chairman, I support the Staggers amendment, oppose the Krueger amendment, and I urge my colleagues to vote now for lower oil prices in this country.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana (Mr. WAGGONNER).

Mr. WAGGONNER. Mr. Chairman, specifically, the Staggers proposal, his amendment, is worse than the situation as it exists now, and this is so for these very specific reasons:

Old oil stays at $5.25 a barrel unless the President gets concurrence of Congress to raise the price, which he cannot do.

New oil, which is the oil we have to expect in increasing amounts in the months and the years which lie ahead, will be rolled back to $7.50, and that is the oil of the future—new oil.

There is no ceiling on new oil now, so that is a worse situation than exists now. Now four categories of oil can be raised to an average price of $10. This is Arctic Circle oil, Outer Continental Shelf oil, tertiary oil—and there is not a man here who knows how we can produce much oil through the tertiary process—and high-cost field production. It would be an administrative nightmare.

With the cost of $10 and the high cost field production the President has to convince the Congress and the courts I am sure that he has not been discriminatory or arbitrary and capricious.

I say to my friends in the House that is totally unworkable, worse than now. We must have decontrol. It is long past time to argue just price. We need more oil. We need supply.

I urge the Members to vote it down.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana (Mr. FITHIAN).

Mr. FITHIAN. Mr. Chairman, contrary to the President's statement last Friday, the administration's second decontrol plan offers little in the way of real compromise. The process of compromise involves give and take and rational discussion; but in the administration's second decontrol plan we see only a blunt refusal to recognize that responsible and less economically suicidal approaches to oil pricing exist. The administration's approach has changed, but it has not budged 1 inch on the only issue that counts—decontrol itself.

The cold, hard fact, devoid of the window dressing of the administration's rollback, is this: decontrol of oil prices whether immediate or dragged out over 30 or 36 or 39 months will have the ultimate effect of plunging the economy back into the same recession we have worked over the past 6 months to end. I might just remind you that this February we enacted a $22 billion tax cut designed to increase individual buying power and to stimulate our recessionary economy. By 1978 when the full brunt of the administration's decontrol plan is being felt, consumers will be paying in excess of $17 billion extra in fuel-related costs, not to mention the increased secondary costs of everything affected by oil prices. It does not make such sense to consciously plan to take our hard-won gains in the fight against inflation and against the current recession and just throw them to the winds. It makes even less sense to do so at a time when the full impact of the tax cut is just beginning to be felt.

Some claim that a 39-month phase-in period will have the effect of softening the blow to the economy. I believe that the exact opposite may well be true. Instead of offering the American people the hope of gradually leveling prices, we would, through phased decontrol, be signaling them that things will never get better and that prices will never again level off.

One of the major forces responsible for our current dilemma of rising prices in the midst of recession is the expected rate of inflation. More and more lenders and borrowers, employers and employees, investors and savers have let expectations about future increases in prices—consistent with actual experiences during recent years—affect their decisions about investment, wage negotiations, and long-term sales contracts. Under these conditions, inflationary expectations themselves become an inflationary force; the expectation of future price rises cause wages and prices to rise faster than they would otherwise. The expectation, or rather certainty, of higher prices for oil, gasoline, petroleum products, plastics, and petrochemicals in any phased-decontrol plan can only lead to wage and price increases timed to keep pace with oil-induced inflation. No, phasing in decontrol will not soften the inflationary blow. It will just make the inflationary spiral more predictable. To speak of reduced gasoline prices under the administration's second decontrol plan is misleading. To assume that price rises would be limited in the long run to gasoline is naive. To claim that phased decontrol softens the blow is just plain wishful thinking.

Some have contended on this floor that the price of oil should rightly be determined in the marketplace, and not in this Chamber. I agree in principle with this contention. No one denies that the marketplace would be preferable to artificial controls of any sort if these were ordinary times and if the marketplace were, indeed, free. But just because we wish we had a free marketplace to wet prices does not mean it will happen that way if we decontrol oil prices.

It will not happen that way because OPEC decided a long time ago that it, and not the laws of supply and demand, would determine the price of oil. It will not happen that way because eight major oil corporations totally dominate the American market, not only in oil, but increasingly in other energy resources—coal, natural gas, and uranium. It will not happen that way because whenever Arab oilmen choose to fix a higher price on 40 percent of the oil we use in this country, American oilmen can fix the price on the remaining 60 percent at a similar level. The marketplace cannot set the price for domestic oil if we lift our controls today, because we have no legislative power to remove the most important control on domestic oil—the contrived OPEC price. And if we lift our ceiling on domestic oil, the OPEC price control will remain, strengthened by our deference to the demands of big oil here at home.

The issue is not Government controls or a free market, the issue is simply that: Who is going to control the price of oil—the U.S. Government in the interest of the American people, or OPEC and big oil in the interest of their own profits?

The administration speaks of a windfall profits tax with a plowback provision as a panacea for the obscene profits the major oil corporations can surely expect from decontrolled oil prices. A windfall profits tax even with a plowback provision is based upon the naive assumption that oil corporations will not respond to changes in the tax structure, or that they will respond in a manner designed to maximize production. If, in fact, a firm is told that its earnings above a certain level will be taxed away by the Federal Government, the firm will simply raise its cost of production to the point where no profits are earned. Anyone who is familiar with tax-shelter farming or, for that matter, tax shelter oil drilling, knows how easy it is to cut profits to zero if one really tries. Firms, and particularly those operating with limited competition, enjoy increasing the cost of production under an excess profits tax system because these increases can take the form of higher executive salaries, management fringe benefits, and higher overhead costs. Stockholders cannot complain that their profits are not being maximized.

A plowback provision in a windfall profits tax is simply an open door to further oil company domination of unrelated energy resources. The eight major oil corporations already own in excess of 78 percent of our uranium mining and milling capacity, and dominate more than 40 percent of our coal production. Substantial questions have already been raised in these Chambers as to the wisdom of allowing major oil corporations to dominate other energy industries. Interfuel competition, already threatened by the close link between oil and coal pricing, would be even further eroded if the current trends toward oil company domination continue.

In any case, corporations as highly integrated both horizontally and vertically as most major oil corporations should find little challenge in funneling windfall profits into other commercial enterprises, whether energy related or not.

I strongly support the Staggers amendment to the Energy Conservation and Oil Policy Act. I believe that it answers many of the objections to the Eckhardt proposal without placing an undue burden upon average people.

Under the Staggers amendment sufficient incentives for the investment in increased recovery of oil from old oil properties are provided by allowing producers to get a higher price for their oil in three ways.

First, as production from the oldest wells declines to 10 barrels or less a day, it is reclassified as stripper oil and its price rises to $7.50. This 43 percent increase will encourage investment in prolonging the life of declining wells.

Second, in the "younger" old oil properties producers who invest in raising production above 1972 levels receive $7.50 new oil prices rather than the $5.25 old oil prices. This measure will encourage faster production from existing wells.

Third, oil producers able to demonstrate that their properties qualify for designation as "high cost properties" will be able to sell at $10 per barrel.

In addition, new oil produced within the Arctic Circle, on the Outer Continental Shelf, or through the use of tertiary recovery methods will be allowed to sell at $10 per barrel in recognition of the higher production costs involved.

I believe that this amendment provides a long awaited answer to the need for greater oil production without skyrocketing prices. It would provide sufficient incentives for increased production. It would, in fact, require increased production by the owners of old oil properties before allowing increased prices. Moreover, it is a plan which I think most Americans would accept as a positive step forward toward energy sufficiency and fairness in energy policy.

My colleagues, the time has come for this body to make a fundamental choice, a choice between the interests of millions of average working people throughout the country and the interests of a handful of major oil corporations. The Staggers amendment will serve the interests of the American people—both through increased supplies and reasonable prices—while the administration's proposal can only be interpreted as big oil legislation. It is interesting to note the people in the administration responsible for drafting this type of special interest legislation. A survey conducted in June by the General Accounting Office revealed that more than 200 former employees of oil corporations now hold major policymaking positions with classifications of GS-12 or higher in Federal agencies directly responsible for the Federal Government's energy policy.

Mr. Chairman, I urge every Member of this body to join with me in supporting the Staggers amendment and a return to fair energy policies drafted with the interest of average citizens in mind rather than special interests.

(By unanimous consent, Mr. MILFORD yielded his time to Mr. KRUEGER.)

The CHAIRMAN. The Chair recognizes the gentleman from Connecticut (Mr. MOFFETT).

Mr. MOFFETT. I think it is very important, Mr. Chairman, to point out the difference that we are talking here between the proposal of the gentleman from West Virginia and the administration proposal which is offered by the gentleman from Texas (Mr. KRUEGER).

A Library of Congress analysis shows that the total crude cost for all crude under the Staggers amendment would be $53.6 billion and under the administration plan, $74.4 billion in 1978, a difference of $20.8 billion.

Mr. Chairman, I rise in opposition to the administration's plan, which I regard as the most anticonsumer proposal that this House has voted on in this or any other year. I urge adoption of the amendment offered by the distinguished chairman of the Committee on Interstate and Foreign Commerce, the gentleman from West Virginia (Mr. STAGGERS).

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey (Mr. MAGUIRE).

Mr. MAGUIRE. Mr. Chairman, during the long months of our discussion in the committee on this matter there were two principal objections to the Eckhardt-Staggers type of approach that were made by the administration. The first was that it was going to create regulatory problems or perpetuate bureaucratic inefficiencies.

The second was that we would not get maximum production. As to the first point, the administration has now accepted the principle of regulation, multitiered pricing, and the entitlements program for the next 39 months, so the alternative proposals are equal in terms of regulatory difficulty.

We all wish we did not have to have regulation in this area, but unfortunately we do face a monopoly price imposed by the OPEC nations which is four to six times the price 2 years ago, so we do have to find a solution to the problem of establishing a fair price.

In addition, Mr. Chairman, the Krueger amendment proposes a windfall profits tax and a recycling of dollars to the consumers, and if that would work—which is very doubtful—that adds to the bureaucratic mess and makes the Krueger proposal far more bureaucratic than the Staggers proposal.

As for maximum production, Mr. Zarb of the FEA confirmed under questioning Monday evening that $4 to $5 is a fair ballpark figure for average current production costs for all new domestic oil. But he wants an $11.50 to $13.50 price in order to stimulate production of certain additional high cost oil in the future.

If we look at the additional production that FEA expects to get, however, we find that the increments are approximately 200,000 barrels per day by 1977, 600,000 barrels a day by 1980, and 1.4 million barrels a day by 1985 according to FEA's own figures. This is but a fraction of our future production. It is some 2 to 8 percent of our total future domestic production, or in the range of 5 to 15 percent of our total future domestic production of new oil according to FEA figures.

The bulk of the remaining 85 to 95 percent of future oil production will be the same type of oil that we are producing now at an average cost of $4 to $5 a barrel. Even assuming that oil will move up in cost, most of it will fit comfortably within the average $7.50 ceiling price for new oil under the Staggers amendment. That oil which must move above that price level can qualify for the average $10 ceiling price set by the Staggers amendment for high cost oil. The $10 average ceiling is itself a flexible enough instrument to permit recovery of whatever $12 or $14 or $16 oil may be recoverable. Most high cost new oil will come in below $10.

The committee staff has been unable to find any example of projected future oil recovery which would demand a higher price than $10. Even if there is a percentage of such oil, it can be averaged out with the larger quantities of $8 and $9 and $9.50 oil which will be available under the $10 averaging provision.

Using FEA's own figures, there is no barrel of oil at any price that does not fit on one side or the other of the average $10 formula for high cost oil. Even new oil from old fields can qualify for the $10 averaging provision. And any new oil category yet to be discovered can qualify even if it requires prices far beyond $10.

So neither the so-called bureaucratic nor the maximum production arguments against the Staggers proposal stand up under scrutiny. The Staggers proposal has less bureaucratic problems than does the Kreuger proposal, and it is flexible enough to encourage maximum production. It is also fair to consumers, which the Kreuger proposal is not. I urge adoption of the Staggers amendment.

(By unanimous consent, Mr. ECKHARDT yielded his time to Mr. OTTINGER.)

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. OTTINGER).

Mr. OTTINGER. Mr. Chairman, I

think the Staggers proposal is even better than the original Eckhardt proposal. We took the advice of one of our resident oil experts, the gentleman from Texas (Mr. CHARLES WILSON) to not provide for the price escalation of old oil. After all, one cannot rediscover old oil, as he pointed out, and allowing that price to rise would give a windfall to the major oil companies that produce most of the old oil.

We never would have provided for any decontrol of old oil in the first place, in our original proposal, were it not for our desire to compromise with the President who said at that time his primary objective was to have one price for old oil. Now, the Krueger proposal comes in with a multitiered price, at any rate, so the argument for any decontrol of old oil no longer applies.

What we have done in the Staggers proposal is to provide additional incentive with respect to high-cost, new oil, allowing that price to go up to an average of $10, and maintain the price of old oil, which cannot be discovered again, at the present $5.25 figures and prevent what otherwise would have been a windfall to the major oil companies that produce that oil, as the gentleman from Texas (Mr. CHARLES WILSON) had pointed out.

The major difference between the Staggers and Krueger proposals is whether we want to let the price of oil go up to the world market price and require that our consumers pay that price, contingent only on the speculative passage of some kind of unspecified windfall profits tax provision in the future, which may or may not be effective—or whether we want to keep a reasonable control on the prices of oil, mind you, allowing those prices to remain at today's very inflated oil prices, prices which the Wall Street Journal said editorially just last year are beyond the wildest dreams of any oil producer.

Mr. Chairman, I think we owe it to the consumers and to the maintenance of a sound economy in this country to keep at least that much control on the price of oil. I think the Staggers amendment will provide, along with the other provisions that are very sound in this bill, for very meaningful conservation and for full production. I think that is what we are looking for.

Therefore, Mr. Chairman, I hope the Members will support the Staggers amendment, and having done that, we will not have to reject the amendment offered by the gentleman from Texas (Mr. KRUEGER).

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. PICKLE).

Mr. PICKLE. Mr. Chairman, the drilling of oil in my part of the country in the last year has dropped off some 25 to 30 percent. That is a fact.

Part of that is because of the price of oil, part of it is because we lost the depletion allowance, but most of it is because of the uncertainty that surrounds the oil industry.

If we do not give them something definite, this whole country can come down. We must increase our domestic supply.

I am asking the Members to vote for the Krueger amendment because I think it is a reasonable compromise.

It is a middle ground position. It is decontrol on a gradual basis with a windfall profits tax, and decontrol will not go into effect until the windfall profit bill is passed.

Those who would want to hide behind windfall profits do so because they do not want to have any kind of decontrol.

No matter which course we take, the Committee on Ways and Means must come up with a windfall profits or excise tax or a plowback. That committee must meet that responsibility.

Therefore, let us not allow anybody to be misled by the fact that Members are not going to vote for this bill because it is so indefinite with respect to the windfall profits tax.

That is not our problem. That is going to be passed upon by the Committee on Ways and Means. We are not going to settle that issue now.

The thing to do, Mr. Chairman, is to get something we can live with. The Staggers bill will never become law. The Krueger bill can. Let us reach a compromise by voting for the Krueger bill.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. REES).

Mr. REES. Mr. Chairman, I rise in support of the Krueger amendment and in opposition to the Staggers amendment.

Right now we do not have any policy on energy. If OPEC went up $5 tomorrow, the price of new oil in this country would go up $5 tomorrow.

I think the Krueger proposal is excellent. I think we have been able to get a reasonable compromise with the administration. Is not the duty to support the Krueger amendment if we believe that the compromise is reasonable?

Mr. Chairman, where we have no cap, we are not going to have a $11.50 cap with a 5-cent-a-month escalation.

Where we had the price of $5.30 on old oil, now we are going to deregulate that slowly over a 39-month period. We are going to put a windfall profits tax on heat increase increment.

In fact, Mr. Chairman, under the Krueger proposal the price of petroleum will actually go down because the $3 to $13.50 domestic new oil price will go down to $11.50, and then we will start a gradual price increase of 5 cents a month. On the other hand, we do not know where OPEC is going.

Frankly, in another year, I predict that there will be a downward pressure on OPEC prices because OPEC nations are now having balance-of-payments problems. The Iranians will be having a negative balance of payments in their next fiscal year budget. This will affect their domestic developmental program. The tendency will be for the price to go down because the population intensive OPEC countries will need new constant flow of income.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. MURPHY).

Mr. MURPHY of New York. Mr. Chairman, the American people are on the horns of a dilemma, and we here in this Chamber seem to be on the horns of a longhorn dilemma.

The question is, How do we protect the consumer price? How do we increase production of oil and gas? How do we promote conservation? How does, for example, an administration that seems to be bent on one thing, and that is toward deregulation, accomplish anything at this time?

Members of the House, we are not doing it, but we can reach out a hand to try to effect a compromise with the White House.

I think the Krueger amendment does that. Of course, this has gone through some metamorphosis as we have gone through some defeats. We had some success in the committee and some lack of success in the committee, and here in the Committee of the Whole. But the country has a problem on energy.

The biggest problem we will have is when the people get back on those gasoline lines and there is no gasoline, and when people call up for fuel oil to heat their homes and there is no fuel. Then we will be responsible for not providing the ways and means to meet the needs of our people.

One reason will be that we were partly responsible for cutting out exploration to develop new oil and gas fields.

The question of 1 cent a gallon is not going to be the question before the American people. The question before them is going to be why we have failed to give them the product that they need to run their automobiles, fuel their factories, heat their homes, schools, and hospitals.

Mr. Chairman, if we do not give them that product, we are going to hear a lot more than something about the question of 1 or 2 cents a gallon.

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. KRUEGER).

Mr. KRUEGER. Mr. Chairman, we are anxious at this point to get on with energy policy rather than to continue with energetic debate.

If we want genuine energy policy, then the time has come for us to recognize that it is high time that we strike some sort of compromise that has a chance of becoming law.

One of the things that is important to the American people is that we cut down on oil imports.

According to FEA estimates, the administration proposal which I have presented would save us one-and-a-quarter-million barrels every day by 1978. That is a tremendous amount of capital to be spending out if we continue with something like the Staggers proposal.

But, not only that, if we look at the Staggers proposal, it means that for the next 7 years we will be regulating prices. Who in this body really knows what the price of steel is going to be 7 years from now? Who in this body really knows what the cost of labor is going to be 7 years from now? Who in this body really knows what the price of any product is going to be 7 years from now? Yet under the Staggers proposal these prices will be fixed for the next 7 years. Not only that, but we have 100,000 different producing properties, and every one of them would be subject to different prices for its product. It would be the most *chaotic* and bureaucratic presentation that we have been asked to vote on in a very, very long time.

Some Members have been concerned about the cartel price. If there is any means by which we can ever get rid of the cartel price, it is by getting domestic production up. The only thing that will do that is by paying not simply for the current costs, but by paying for the future replacement cost.

One Member who was very interested in nuclear energy talked about the fact that price increases would not bring increased production. That is like saying that we should not put $1.6 billion in nuclear energy because of the fact that we do not have nuclear plants producing much nuclear energy right now. Actually, this year we got as much energy from firewood as we did from nuclear energy. But the fact is that there are long leadtimes in bringing in nuclear energy just as there are long leadtimes in bringing in oil energy. The fact is that the leadtime is often 4 or 5 years for bringing in new oil production, and anybody who has genuinely studied this knows that drilling and exploration have followed price. After new drilling we get the production 3 to 5 years later. If we want domestic energy we will have to have adequate rewards. We cannot kid ourselves, and we cannot kid the American consumers. The American consumers know that energy is going to cost more in the future, and they are ready to pay for it. They expect us to be not spineless; they expect us to be statesmen. That means we must be willing to vote not in terms of short-term expediency, but for our long-term national needs. That means we must reject the Staggers substitute.

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. COLLINS).

(By unanimous consent, Mr. COLLINS of Texas yielded his time to Mr. BROWN of Ohio.)

The CHAIRMAN. The Chair recognizes the gentleman from Washington (Mr. ADAMS).

Mr. ADAMS. Mr. Chairman, we have been trying for several days now to arrive at a compromise between the original Presidential position and the original position that came out of the committee.

I think that what the gentleman from West Virginia (Mr. STAGGERS), the chairman of the committee, has offered is a reasonable compromise, and it fits between the two positions.

I am just overwhelmed by the fact that no one in the House seems to mention the fact in terms of production, and in terms of the President's program that if the President wants to raise the price because we are not getting production, or because the costs are justified, that he could have raised those prices starting January 1. He could go in today and raise the price of old oil. There is no control on new oil. So pricing and cost justification has nothing to do with whether or not there is production of oil in this country.

The President's program is directed toward rationing by pricing. That is why many of us are objecting to it. We are trying to get a reasonable position, but if the President wanted to go ahead and put in his price rationing program he could do it without even coming to Congress. All he has to do is say that it goes up 1.5 percent per month. But there is no decontrol in the end, we cannot decontrol the price of oil.

Let us remember that the price control on oil came out of the Wage and Price Stabilization Act, and these prices were supported by the people of this Nation because the economy could not take the impact of, in effect, a tax that shifts more money than we gave back in the tax refund by rationing by price. And that is what this does, it shifts from the consumer over to the oil industry the amount of money that we have tried to put in to stimulate. When you do that, no matter what kind of a model you use, or whether you want to go on the experience of the past, it comes out to the same result, you get continued recession.

We are trying to protect our people through the use of our own resources. That is all we are asking, and that is what the Staggers substitute attempts to do. I do not understand why we have to have the Krueger substitute at all. If the President wants to have a program of rationing by price, he can put it in. Why does he not do it? Because he is hoisted by his own petard. When we had the WIN program to prevent inflation, he put in a regulation in OMB that said one has got to be able to cost-justify any increase on a product, and he cannot justify it under his own regulation.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from Michigan (Mr. DINGELL).

Mr. McCOLLISTER. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred and seven Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated. The Committee will resume its business.

The Chair recognizes the gentleman from Michigan (Mr. DINGELL).

Mr. DINGELL. Mr. Chairman, many of my colleagues think that we have before us the opportunity to achieve legislative perfection. That opportunity is denied us by a whole series of circumstances, not the least of which is the fact that the Emergency Petroleum Allocation Act, under which all price controls on crude and refined petroleum products are imposed, expires at midnight on the night of August 31.

Now, I happen to think that the Krueger amendment is the better of these competing proposals. As a matter of fact, when we began these discussions, I probably would not have supported it; but as old Senator Green said when asked how it felt to be 95, he said, "Considering the alternatives, very well."

Now, if the Krueger amendment fails, we will have sudden decontrol. If the Krueger amendment fails, the only thing that we are going to have an opportunity to vote on will be whether or not we will have an extension of the Emergency Petroleum Allocation Act. The possibilities are that an extension will be vetoed, or the administration's proposal will be accepted without its being contingent upon the existence of windfall profits tax and rebate mechanism to protect consumers.

Now, the subcommittee held extensive hearings on the consequences of sudden decontrol. Should we lose control by abdication, should time overtake us and September arrive without some replacement controls, our people will have to face oil price increases that will:

Stimulate a new round of inflation;

Result in unnecessary losses of our national economic productivity;

Housing starts will be down by 160,000 units—enough for a new city;

Automobile production will be down by three-fourths of a million units;

But worst of all an additional and unnecessary half a million jobs will be lost.

If decontrol comes to pass through expiration of the Allocation Act and this depressing machinery is set in motion, can we make restitution to the people of this country for their lost jobs and purchasing power? I think not.

We cannot drop the reins of our own destiny. We must hold control, and exercise our judgment in the development of an albeit imperfect but workable plan.

I urge my colleagues to support the Krueger amendment and to vote against the Staggers amendment. To do otherwise is to invite disaster for the people we serve.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. BROWN).

Mr. BROWN of Ohio. Mr. Chairman, we find the present two-tier entitlement system has cost us 1 million barrels a day in domestic production that has to be made up by imports over the last 2 years.

The Eckhardt-Staggers proposal, as we now have it before us, would create thousands of tiers, not two, changing daily and would be absolutely unadministrable. There is no way we could administer that program, even with an army of FEA bureaucrats trying to figure out costs at each well and adjusting daily to the moving average of every new well that would come into production.

It just would be impossible. The Eckhardt-Staggers proposal would keep the price of old oil at a price that would close down old wells, not open them up to expanded production, because it would make secondary recovery uneconomic in most cases. The cost of that program is estimated at something like 500,000 barrels per day within a few months.

If we believe that lower prices bring expanded production and reduced consumption—let me repeat, that lower prices bring expanded production and reduced consumption—then of course the Staggers-Eckhardt proposal makes sense. But I submit to the Members that it does not make sense because we know that lower prices will not bring expanded production.

This amendment does not make sense at all when we consider that it is an effort to kill the bill because we know that with it in there, the bill will not become law. The chairman of the subcommittee noted properly that the only chance we have of getting anything that will see H.R. 7014 become law is the Krueger amendment.

The Staggers-Eckhardt amendment is no compromise. It is worse than the original Eckhardt proposal. It is an effort to terminate our program for energy production right here at this moment. It should be rejected.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia, the chairman of the committee (Mr. STAGGERS) to close debate.

Mr. STAGGERS. Mr. Chairman, this amendment asks the Members to stand up for the consumers of the Nation, to protect the economy of this Nation, and to bring reason back to the marketplace. It says to the farmer that he will be able to get fertilizer and propane at reasonable prices. It says to glass manufacturers that they will be able to get needed fuels at prices that will not go through the roof. And it says to the poor and the unemployed that we are going to shield them from ever-increasing, irrational prices. It will mean that the men and women of this Congress stand for America and will not allow the OPEC nations to dictate what our prices will be.

If we run out of every barrel we have, the resources are within our own shores and we can live by the strength of our arms and native good sense and ingenuity to get by as our forefathers did. We can do it again.

So, I hope each Member will stand up and be counted for the American people.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from West Virginia (Mr. STAGGERS) as a substitute for the amendment offered by the gentleman from Texas (Mr. Krueger).

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. WAGGONNER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 218, noes 207, not voting 9, as follows:

[Roll No. 462]

AYES—218

Abzug
Adams
Addabbo
Alexander
Ambro
Andrews, N. Dak.
Annunzio
Badillo
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bennett
Bergland
Biaggi
Bingham
Blanchard
Blouin
Boland
Bonker
Brademas
Breckinridge
Brodhead
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Carney
Carr
Chisholm
Clay
Cohen
Collins, Ill.
Conte
Conyers
Corman
Cornell
Cotter
D'Amours
Daniels, N.J.
Danielson
Davis
Dellums
Derrick
Diggs
Dodd
Downey, N.Y.
Drinan
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fary
Fascell
Fisher
Fithian
Flood
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fraser
Gaydos
Giaimo
Gilman
Ginn
Green
Gude
Hall
Hanley
Harkin
Harrington
Harris
Harsha
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Helstoski
Hicks
Holland
Holtzman
Howard
Howe
Hubbard
Hughes
Hungate
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Keys
Koch
Krebs
LaFalce
Leggett
Lehman
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
McCormack
McHugh
McKinney
Macdonald
Madden
Maguire
Matsunaga
Mazzoli
Meeds
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Minish
Mink
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murtha
Natcher
Neal
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Peyser
Pike
Pressler
Price
Randall
Rangel
Reuss
Richmond
Riegle
Rinaldo
Rodino
Roe
Rogers
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Russo
Ryan
St Germain
Santini
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Slack
Snyder
Solarz
Spellman
Staggers
Stanton, James V.
Stark
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Thompson
Traxler
Tsongas
Van Deerlin
Vander Veen
Vanik
Vigorito
Waxman
Weaver
Whalen
Wirth
Wolff
Yates
Yatron
Young, Ga.
Zablocki
Zeferetti

NOES—207

Abdnor
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Bafalis
Bauman
Beard, Tenn.
Bevill
Biester
Boggs
Bolling
Bowen
Breaux
Brinkley
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Butler
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Collins, Tex.
Conable
Conlan
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
de la Garza
Delaney
Dent
Derwinski
Devine
Dickinson
Dingell
Downing, Va.
Duncan, Oreg.
Duncan, Tenn.
du Pont
Edwards, Ala.
English
Erlenborn
Esch
Fenwick
Findley
Fish
Flowers
Forsythe
Fountain
Frenzel
Frey
Fuqua
Gibbons
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Guyer
Hagedorn
Haley
Hamilton
Hammerschmidt
Hannaford
Hansen
Hastings
Hébert
Heinz
Henderson
Hightower
Hillis
Hinshaw
Holt
Horton
Hutchinson
Hyde
Ichord
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, Okla.
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Krueger
Lagomarsino
Latta
Lent
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McDade
McDonald
McEwen
McFall
McKay
Madigan
Mahon
Mann
Martin
Mathis
Melcher
Michel
Milford
Miller, Ohio
Mills
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mosher
Murphy, N.Y.
Myers, Ind.
Myers, Pa.
Nichols
O'Brien
Passman
Pettis
Pickle
Poage
Preyer
Pritchard
Quie
Quillen
Railsback
Rees
Regula
Rhodes
Risenhoover
Roberts
Robinson
Roncalio
Rousselot
Runnels
Ruppe
Sarasin
Satterfield
Schneebeli
Schulze
Sebelius
Shipley
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Smith, Iowa
Smith, Nebr.
Spence
Stanton, J. William
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thone
Thornton
Treen
Ullman
Vander Jagt
Waggonner
Walsh
Wampler
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, Tex.
Winn
Wright
Wydler
Wylie
Young, Alaska
Young, Fla.
Young, Tex.

NOT VOTING—9

Bell
Byron
Eshleman
Flynt
Fulton
Landrum
Teague
Udall
Wilson, C. H.

So the substitute amendment for the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Udall for, with Mr. Teague against.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. KRUEGER), as amended.

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

The CHAIRMAN. For what purpose has the gentleman from Ohio risen?

Mr. BROWN of Ohio. To ask for a recorded vote on the vote just announced.

The CHAIRMAN. The gentleman from Ohio was standing at the time and has asked for a recorded vote on the amendment offered by the gentleman from Texas (Mr. KRUEGER) as amended by the substitute amendment of the gentleman from West Virginia (Mr. STAGGERS).

A recorded vote was ordered.

The vote was taken by electronic device; and there were—ayes 231, noes 193, not voting 10, as follows:

[Roll No. 463]

AYES—231

Abdnor
Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Aspin
AuCoin
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Bennett
Bergland
Biaggi
Bingham
Blanchard
Blouin
Boland
Bonker
Brademas
Breckinridge
Brodhead
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Carney
Carr
Chisholm
Cohen
Collins, Ill.
Conte
Conyers
Corman
Cornell
Cotter
D'Amours
Daniels, N.J.
Danielson
Davis
Delaney
Dellums
Dent
Derrick
Diggs
Dodd
Downey, N.Y.
Drinan
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
Evans, Colo.
Evans, Ind.

Evins, Tenn.
Fary
Fascell
Fisher
Fithian
Flood
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fraser
Gaydos
Giaimo
Gilman
Ginn
Gonzalez
Green
Gude
Hall
Hanley
Hannaford
Harkin
Harrington
Harris
Harsha
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Helstoski
Henderson
Hicks
Holland
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Jones, Ala.
Jones, N.C.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Keys
Koch
Krebs
LaFalce
Leggett
Lehman
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
McCormack
McFall
McHugh
McKinney
Macdonald
Madden
Maguire
Matsunaga
Mazzoli
Meeds
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Minish
Mink
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Neal
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Peyser
Pike
Pressler
Price
Randall
Rangel
Reuss
Richmond
Riegle
Rinaldo
Rodino
Roe
Rogers
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Russo
Ryan
St Germain
Santini
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Slack
Smith, Iowa
Snyder
Solarz
Spellman
Staggers
Stanton, James V.
Stark
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Thompson
Traxler
Tsongas
Van Deerlin
Vander Veen
Vanik
Vigorito
Waxman
Weaver
Whalen
Wirth
Wolff
Yates
Yatron
Young, Ga.
Zablocki
Zeferetti

NOES—193

Anderson, Ill.
Archer
Armstrong
Ashbrook
Ashley
Bafalis
Bauman
Beard, Tenn.
Bevill
Biester
Boggs
Bolling
Bowen
Breaux
Brinkley
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Butler
Byron
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Collins, Tex.
Conable
Conlan
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
de la Garza
Derwinski
Devine
Dickinson
Dingell
Downing, Va.
Duncan, Oreg.
Duncan, Tenn.
du Pont
Edwards, Ala.
English
Erlenborn
Esch
Fenwick
Findley
Fish
Flowers
Forsythe
Fountain
Frenzel
Frey
Fuqua
Gibbons
Goldwater
Goodling
Gradison
Grassley
Guyer
Hagedorn
Haley
Hamilton
Hammerschmidt
Hansen
Hastings
Hébert
Heinz
Hightower
Hillis
Hinshaw
Holt
Hutchinson
Hyde
Ichord
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, Okla.
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Krueger
Lagomarsino
Landrum
Latta
Lent
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McDade
McDonald
McEwen
McKay
Madigan
Mahon
Mann
Martin
Mathis
Melcher
Michel
Milford
Miller, Ohio
Mills
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mosher
Myers, Ind.
Myers, Pa.
Nichols
O'Brien
Passman
Pettis
Pickle
Poage
Preyer
Pritchard
Quie
Quillen
Railsback
Rees
Regula
Rhodes
Risenhoover
Roberts
Robinson
Roncalio
Rousselot
Runnels
Ruppe
Sarasin
Satterfield
Schneebeli
Schulze
Sebelius
Shipley
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Smith, Nebr.
Spence
Stanton, J. William
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thone
Thornton
Treen
Ullman
Vander Jagt
Waggonner
Walsh
Wampler
White
Whitehurst
Whitten
Wilson, Bob
Wilson, Tex.
Winn
Wright
Wydler
Wylie
Young, Alaska
Young, Fla.
Young, Tex.

NOT VOTING—10

Barrett
Bell
Clay
Eshleman
Flynt
Fulton
Teague
Udall
Wiggins
Wilson, C. H.

So the amendment, as amended, was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Udall for, with Mr. Teague against.

Mr. Barrett for, with Mr. Bell against.

Mr. Clay for, with Mr. Eshleman against.

Mr. Charles H. Wilson for, with Mr. Flynt against.

The result of the vote was announced as above recorded.

Mr. ALEXANDER. Mr. Chairman, if all the debate on the energy question were distilled, two points of view would emerge. One would raise the price of oil and gas to encourage more production and to discourage consumption. The other would control the price of oil and gas because of the inflationary impact of further increases on the economy.

I believe that Congress and the President are far too preoccupied with price and that we should instead be concerned with a change of policy.

It is obvious to me that a change of direction away from oil and gas dependence is essential and that a national "moonshot" effort to discover economical uses of known energy sources is imperative.

Mr. HARRIS. Mr. Chairman, during the course of the debate on H.R. 7014, the Energy Conservation and Oil Policy Act, we have heard frequent reference to the pressing need to become "independent" of foreign oil. In fact, the idea of "energy independence" has framed much of the discussion in this body on national energy policy.

The President defines independence as never having to import oil. This is the idea behind his energy plan which says: First, in the face of a long-term shortage, use up all of our oil first; and second, we raise domestic fuel prices higher than world prices to show just how "independent" we can be.

When an energy proposal is couched behind patriotic jargon like "Project Independence," and wrapped in a nice red, white, and blue cover such as the one President Ford sent to me, it becomes a difficult plan to attack. It becomes easy to assume that the Nation is united in its need for such a program.

That assumption is clearly unwarranted with respect to the administration's Project Independence plan to decontrol oil prices. The administration has blamed the Arabs for higher oil prices, and the Secretary of State has broached the possibility of military intervention to prevent a "stranglehold" of the U.S. economy. However, in formulating his legislative program, President Ford has leaned heavily on the Arab's business partners—the international oil companies—for advice on energy matters. In tandem, the administration and the oil companies have brought to our attention a suggested oil price of $11.50 to $13 a barrel.

I would remind my colleagues that the Wall Street Journal has called $7 per barrel "a price beyond the wildest dreams of oil men" prior to the embargo. Treasury Secretary Simon stated this month that "the present price of oil bears no relationship to economic realities—not to the production of oil, not to the cost of alternative sources of energy, and not to the cost of other goods traded on world markets." Energy Administrator Zarb admitted under questioning by our colleague, Mr. Maguire, at a subcommittee meeting Monday night that we would "probably not" be talking about $11 oil if the international cartel had only raised prices to $7.

The bottom line here, Mr. Chairman, is that there is only one valid type of energy independence. We must free ourselves from a situation in which foreign nations, in cooperation with the international oil companies, can establish the domestic U.S. price of oil, coal, and natural gas. The only means of accomplishing this end is through strictly enforced controls on the price of domestic energy until the cartel is broken.

I urge my colleagues to support the Staggers compromise amendment to stabilize oil prices, to reject the President's oil decontrol plan, and to vote to continue Presidential authority to control and allocate petroleum.

Mr. DINGELL. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Bolling, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7014) to increase domestic energy supplies and availability; to restrain energy demand; to prepare for energy emergencies; and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. DINGELL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the discussions and debate on H.R. 7014 and the amendments thereto.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

DISAPPROVING PROPOSED AMENDMENT BY THE PRESIDENT TO REMOVE EXISTING PRICE CONTROLS ON CRUDE OIL

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 651 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 651

Resolved, That immediately upon the adoption of this resolution the House shall resolve itself into the Committee of the Whole House on the State of the Union for the consideration of H. Res. 641. At the conclusion of general debate, which shall be confined to the resolution and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the Committee shall rise and report the resolution to the House, and the previous question shall be considered as ordered on the resolution to its adoption or rejection.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the distinguished gentleman from Illinois (Mr. ANDERSON) pending which I yield myself such time as I may consume.

Mr. Speaker, this resolution makes in order the consideration, with 2 hours of general debate, of House Resolution 641, which would provide for the disapproval of the plan just recently submitted by the President of the United States on the decontrol of oil, old and new.

I am not going to go into the detail of the President's plan, but if I am lucky and get the attention of the Members, I would like to try to state the issue, which has not yet been stated, to the best of my knowledge, in the whole debate on H.R. 7014. It seems to me terribly important that we have some comprehension of at least the alternatives that I think face us. It may be that there are so many Members that are so sure that they know all there is to know about this matter that they do not need to listen, and I may be just as wrong as a man can be in my view of the situation. But, I have had the privilege—and it has been a privilege—of listening to all the debate on all the major energy bills that have come out of the Committee on Interstate and Foreign Commerce in relatively recent years because I presided over a number of important ones.

I have also taken the trouble to listen to the debate on the bill that came out of the Committee on Ways and Means, and I do not ordinarily do anything with a rule that I am for passing except sort of get it through as quickly as possible, but this is the only opportunity I have to warn my friends on the Democratic side of my concern about this matter.

I do not happen to think that the President's plan is a perfect plan, but I think it is either a very clever plan which we had better be aware of, or it is a plan that we had better watch for another reason, because one thing is clear about that plan: It only goes into effect for 3 months at a time. The first 3 months of this plan, on the surface, are a rollback in oil prices. Now, the 39 months to the end is far from a rollback, but for the first year there is very little increase. For the first 2 years, there is significant increase, and most of the increase comes in after the election.

Mr. Speaker, the thing that I want my Democratic friends to be aware of is a very serious question: No. 1, this Congress has not turned a tap on enacting an effective energy law in this Congress. I am not going to go into reasons, I am not going to say who is at fault, but the fact is that the Congress has not done anything on the subject except say, "No, we do not have a law."

The second thing I would like to say is that the authors of the Staggers and the Eckhardt amendment may be absolutely right, the President may have no intention of decontrolling oil, as he says he will, on the first of September, and if they are right, he has any number of ways besides his plan to change prices. He has an arsenal of weapons in his tool kit.

I do not have any idea what the President is going to do. He may not decontrol on the first of September. But if the President does what people say he is going to do and vetoes the extension of the Oil Allocation Act, which we will have to extend for 6 months because the Senate will filibuster a 3-month extension and if that goes out, he can decontrol, which is what he said he wanted to do back in January. If he decontrols, unless a miracle happens, the effect on the economy will be so serious that it will almost surely throw us back into a recession.

I do not like the President's plan, but I do not like playing chicken. I do not like playing chicken without everybody knowing what the game is. I do not have any notion what the President is going to do. I certainly hope he does not decontrol. But suppose he decontrols and turns to the Congress and says, "You have asked for time and you have gotten time and time again and still you have done nothing." I just want the Members to think about the possible consequences of that situation.

I thought it was important to quickly, as quickly as I could, lay that out.

I am going to be happy to yield time to people who disagree with me on this matter. I am for this rule. I think the House must vote on this matter now. I am for the adoption of the rule, but I want the Members to think about the consequences of the possibility that I have described.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I have no particular desire to rise at this hour of the evening to address the House on a matter over which we have labored and debated for some days. And yet, like the gentleman from Missouri (Mr. BOLLING) I have rather patiently attended the sessions of this House as they have related to the energy problem, and it has not been often that I have interjected myself in that debate, being content to listen to the expert testimony and the comments that have been given by the members of the committee of jurisdiction.

But I think as a member of the Committee on Rules, and as one who has had an opportunity of a full day of hearings on yesterday to hear the two sides of this argument presented in that instance by the Administrator of the FEA, Mr. Zarb, and also by the consumer representative, self-appointed, Mr. Nader, I think I have sufficient information to offer some opinions on the subject that confronts this House this evening.

Mr. Speaker, my colleague from Missouri (Mr. BOLLING) said that he hopes that the President will not decontrol oil on the first day of September, he hopes that the present Emergency Petroleum Allocation Act will not be allowed to expire.

Mr. Speaker, it has been my privilege, along with the minority leadership and the other Members on our side of the aisle—and we did see much of the bipartisan leadership on this question—to attend a great many meetings with the President of the United States. At all of those meetings he has made it abundantly clear that he has no desire to engage in what my friend referred to as a game of chicken with this Congress. He has no desire to play fast and loose with the economy or the American people or the American consumer by unleashing suddenly in full force, on the first of September, the impact all of a sudden toward decontrol of the price of oil.

That is the very reason why, not once, but twice, three times, and now for the fourth time, he has come before this Congress with a plan for phased decontrol. From immediate decontrol we have gone to a phased program involving decontrol over a period of 39 months at a very slow rate of 1½ percent for that first year to alleviate the fears of some Members that the impact would be felt by the consumer before the November 1976 election.

So to avoid the problem, decontrol would come not only over 39 months but at a very slow rate of 1½ percent a month for the first year, 2½ percent a month for the second year, and 3½ percent thereafter.

The President, I submit, has demonstrated conclusively his desire to compromise with this Congress in order to come to an agreement. Some of us sat with him on the *Sequoia* the other evening in a leadership meeting, and the President literally pleaded with the bipartisan leadership of this House:

> Come to an agreement of some kind with me so that we can avoid the consequence of sudden decontrol.

Mr. Speaker, I believe that the President of the United States is firm in his resolve that he will not accept the kind of provision that, by a narrow margin of 11 votes, we have just riveted into the bill that we were acting on a few minutes ago, maintaining the freeze on old oil at $5.25 a barrel.

Mr. Speaker, let me digress for a moment. My friend, the gentleman from California (Mr. SISK)—the gentleman can correct me if I am wrong—told us in the Committee on Rules the other day that a State-owned oilfield in his State of California which has been producing oil for the needs of the American people is very soon going to stop producing from that field because the $5.25 price simply is not economic.

What kind of madness is it for us to dry up the oil that we do have in this country, let alone to provide a disincentive for people to go out and drill and explore for the new oil that we need?

I repeat that I am just as firm in my belief as I have been on any issue to which I have addressed myself in the 15 years that I have been in Congress that the President is not going to accept the amendment that we have just adopted. He is not going to accept a resolution of disapproval, casting aside his phased-in program of decontrol, and then go on and give us a 6-month extension of the Emergency Petroleum Allocation Act, as is called for in S. 1849.

On whose head then, I ask, will the responsibility rest? I submit it will rest on the heads of the Members of this Congress, who in arrogance and in stubbornness and defiance refuse once, twice, three times, four times to compromise with the President on a reasonable plan to decontrol oil in this country.

Mr. Speaker, I plead with the Members of this House tonight to accept the kind of advice that we have gotten from our senior member of the Committee on Rules. He is candid when he says he does not like all facets of the decontrol program, but at least he has the good sense and the good judgment to realize that it is not a permanent program.

Under the law, in 90 days it can be reviewed by this Congress. If we do not want the program after 90 days, we will have the same right then as we have this evening to vote it down, to come in with a motion of disapproval of a solution of disapproval and turn it down. But in the meantime we can get the extension of that Allocation Act that we need if we turn down this motion of disapproval, and then I submit we will have 90 days in which we can further consider whether it is a better plan than the one the President has submitted.

The SPEAKER. The time of the gentleman from Illinois (Mr. ANDERSON) has expired.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield myself 2 additional minutes.

Mr. HAYS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. Mr. Speaker, the gentleman is making a very persuasive speech. I would like to compromise with the President, but there is one thing that troubles me.

If we go into this phased decontrol and the price of oil goes up by 1½ percent a month and then 2½ percent a month, who keeps the increases in costs that they are going to pass on to the consumers?

Is there any provision for an excess profits tax? Will the gentleman explain that to us?

Mr. ANDERSON of Illinois. Mr. Speaker, I am glad the gentleman asked that.

We have a pledge from the chairman of the Committee on Ways and Means, and I believe his word. The gentleman from Oregon (Mr. ULLMAN), who is the chairman of the Committee on Ways and Means, appeared before the Committee on Rules yesterday, and he unequivocally pledged to our committee that he would go to work as soon as we get back from the recess on an excess profits tax or a windfall profits tax that would take those excess profits and recycle them and rebate them to the American consumer.

I am as interested as the gentleman from Ohio (Mr. HAYS) and any Member of this House is in seeing that the middle- and lower-income groups in this country do not unfairly bear the burden of higher petroleum prices. However, I believe the gentleman from Oregon (Mr. ULLMAN). I believe that his committee has the ability and the will to bring us, within 30 days after we come back here in September, the kind of windfall profits tax that will rebate those funds to the American consumer.

Mr. BOLLING. Mr. Speaker, I yield 1 minute to the gentleman from Hawaii (Mr. MATSUNAGA).

Mr. MATSUNAGA. Mr. Speaker, I thank the gentleman for yielding.

I think we have heard a very persuasive speech from the Conference leader on the other side of the aisle, but it was based on a mistaken fact. The irrefutable fact is that the pump referred to by the gentleman from Illinois, pumping old oil in California for $5.25 a barrel need not be closed, because that price can be raised without congressional action, by the President himself, right now, under existing law, so long as his action is not arbitrary and capricious. Just as the President raised the price of old oil from $4.25 to $5.25 recently he has the power to do that under the Emergency Petroleum Allocation Act. Is that not correct, may I ask the gentleman from Illinois (Mr. ANDERSON)?

Mr. ANDERSON of Illinois. Will the gentleman yield to me?

Mr. MATSUNAGA. Yes, I yield to the gentleman from Illinois.

Mr. ANDERSON of Illinois. The gentleman was at the hearing, and he heard the same witness that I heard, I say to the gentleman from Hawaii, and it was one of the same witnesses who appeared before our committee, and I refer to Mr. Nader, who made that suggestion that the President ought to use his power unilaterally under the Emergency Petroleum Allocation Act without coming to the Congress for permission; he ought to use his power to raise the price of old oil.

This is the same man who filed a lawsuit against the President, against the Federal Government, when the price of old oil was raised previously from $4.25 a barrel to $5.25.

The SPEAKER. The time of the gentleman from Hawaii (Mr. MATSUNAGA) has expired.

Mr. BOLLING. Mr. Speaker, I yield 1 additional minute to the gentleman from Hawaii (Mr. MATSUNAGA).

Mr. MATSUNAGA. Mr. Speaker, I would like to remind the gentleman from Illinois (Mr. ANDERSON) that Mr. Nader testified in his presence also, that he lost the suit which he filed when the price of old oil was raised to $5.25 a barrel. Therefore, he now agrees to the President's having the authority to raise the price of old oil unilaterally, under existing law.

Mr. ANDERSON of Illinois. Mr. Speaker, will the gentleman yield further?

Mr. MATSUNAGA. The gentleman has his own time, I believe. Mine is about expired.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield myself 1 minute, simply to reply to my distinguished friend, and he is my friend, and colleague on the committee, the gentleman from Hawaii (Mr. MATSUNAGA).

I am a little astonished at the inconsistency of those people who are now loudly calling for unilateral action on the part of the President to raise the price of old oil. These are some of the same people who, up until now, had led me to believe that what they wanted was a greater congressional voice and a greater role for the Congress in the decisionmaking process, but now they want to abdicate that responsibility. They say, presumably, "Let this cup pass and let the President of the United States raise the price of oil, and if we have to go to court, we must."

I would suggest that the President is keeping faith with the Congress when he comes before us with a plan, as he has done in the instant case, a plan which we have the right to approve or disapprove. That certainly preserves for the Congress a far greater role and a more substantial role in this whole energy question.

However, to merely leave with the President unilaterally the power to make pricing decisions is something else. I want the Congress to assume its rightful role and responsibility and to turn down this disapproval resolution.

Mr. BOLLING. Mr. Speaker, I yield 3 minutes to the gentleman from Washington (Mr. ADAMS).

Mr. ADAMS. Mr. Speaker, I thank the gentleman for yielding me this time, and I appreciate the gentleman's support of this rule so that this matter could be brought up. I think the gentleman has accurately stated the matter, that we must make decisions on whether or not we are going to do exactly as the President says, or if we are going to leave the present law in its place and work our will on what should be a replacement of that law, which the gentleman from Michigan and the gentleman from West Virginia and the gentleman from Ohio have been presenting to this House for the last week.

But what the gentleman from Illinois (Mr. ANDERSON) has characterized as the intransigence of the House, is simply not true. If the President wanted to raise the price so that these oil fields could produce more, the President has had that power. He has instead carefully couched each proposal that comes up here to end up with an exemption to produce decontrol, so that the Congress has to go into the details of each plan and decide whether or not we are going to join in raising the price to the American consumer. The House is trying to work its will as to what kind of a plan for the next 3 years will go into place. We should extend the present situation until that can be done.

I wonder why it is that the President has waited until the last moment as we are discussing this bill to send up first one and then another bill to change the status quo and mix it into our debate here rather than, if he felt that an oil field needed more money to produce, simply as was done in 1973 when the price was raised from $4.25 to $5.25, to come in and simply raise that price. Then as we work our will on this bill, if we do not like it we can say that that price will not be left on the street. What we will say to the President is simply to leave in place what we have as we are working our will on this bill.

This is not a game of chicken with the President. The legislation before the House the gentleman from Michigan has indicated can go immediately to conference. And our leaders have indicated that they would go to conference on the bill so that we can come out with a legislative proposal. But no Member of the House that I have heard argue on either side has tried to say in detail in the old act, the present act, or the future one that is coming, that every detail of administration should be done in the Congress. We have always left this in the hands of the President because the President is the administrator of the U.S. Government, as head of the executive branch.

What I am saying to my colleagues is that I hope we will approve this rule, and that we will then disapprove the President's proposal; that we will send to the President an extension, and if he vetoes the extension then any decontrol is up to the President and we have acted responsibly.

Mr. BOLLING. Mr. Speaker, may I inquire of the gentleman from Illinois how many additional speakers the gentleman has?

Mr. ANDERSON of Illinois. Mr. Speaker, I have no further requests for time.

Mr. BOLLING. Mr. Speaker, I have a number of requests.

Mr. Speaker, I yield 7 minutes to the gentleman from Texas (Mr. ECKHARDT).

Mr. ECKHARDT. Mr. Speaker, I want to start out by exercising a bit of conservation, and turn down the heat of this debate. This should not be a heated debate.

I would also like to play down the question of partisanship. I am not one who thinks the President is either venal or stupid. I think he is a bright man. I think he is a good man. I do not believe that he would, like Solomon, place himself firmly between the pillars of the temple and pull it down on both our heads and his.

Mr. Speaker, I hear someone saying "Samson." I should have said Samson, yes. I shall correct that in the RECORD.

But at least I can say that the Members were listening.

Mr. Speaker, let me say this: That the President has several courses to follow.

Mr. HAYS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. I thank the gentleman for yielding.

I agree with what the gentleman said about the President. He is not stupid, and he is a good man. I do not think he will act like Samson; I doubt if he will act like Solomon.

Mr. ECKHARDT. Let me say this, that the President has several routes to follow. As the gentleman from Washington pointed out, the President may put into effect any program which is equitable and which is not of such nature as to be overturned as being arbitrary and capricious to put into effect an increase in oil pricing as long as he recognizes that there shall be some manner of control, and these controls be equitable. Furthermore, the President may sign a simple extension for 6 months. Why not do that?

Mr. WAGGONNER. Mr. Speaker, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Louisiana.

Mr. WAGGONNER. I thank the gentleman for yielding.

Does the gentleman in the well feel that the President would be arbitrary and capricious or inequitable if in fact and in deed he proposed a price rise on old oil of any amount, for example, say, $1 a barrel?

Mr. ECKHARDT. If he provided a price rise to, say, $6.

Mr. WAGGONNER. $6.25.

Mr. ECKHARDT. $6.25? I doubt it.

Mr. WAGGONNER. The gentleman doubts it, but he does not know.

Mr. ECKHARDT. I do not know; the gentleman from Louisiana does not know; but I think if the President can back it up by facts——

Mr. WAGGONNER. What facts? Will the gentleman yield further?

Mr. ECKHARDT. Yes, I yield.

Mr. WAGGONNER. What facts would the gentleman feel that the President would have to produce in support of such a move?

Mr. ECKHARDT. The standard in the act says that the action shall be equitable.

Mr. WAGGONNER. Would the gentleman tell me what that means?

Mr. ECKHARDT. That means fair.

Mr. WAGGONNER. Would the gentleman tell me what that means? Would the gentleman yield further?

Mr. ECKHARDT. Yes, certainly.

Mr. WAGGONNER. I think the gentlemen has demonstrated the fallacy of his being able to do it, because I do not think the courts would be able to handle the lawsuits that would be involved if he attempted such an act.

Mr. ECKHARDT. Very well. Then further let me suggest that the other way for him to do it is to say that Congress has the first say with respect to policy on energy in the United States; "I have the second say," the President would rightly contend, "and that is to veto. But in the meantime, until we get together, we will just preserve the status quo by extending the present regulation on oil." Does that not seem reasonable? And if the President does refuse those choices, who is unreasonable?

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. As the gentleman knows, the present regulation on oil has cost us a million barrels a day in oil over the last 2 years of its existence.

Mr. ECKHARDT. I do not know that.

Mr. BROWN of Ohio. Let me give an illustration of its closing down wells in California.

Mr. ECKHARDT. May I retrieve my time to say that I do not know that to be a fact, nor do I believe it to be a fact. All I am saying is that the gentleman may be right. We may be right on our side of the aisle. But let the President give us time to go to him with a proposal. If he desires then to veto it, let him veto it.

Mr. BROWN of Ohio. Will the gentleman yield further?

Mr. ECKHARDT. Surely.

Mr. BROWN of Ohio. It was over 21 months ago that the Arabs embargoed oil on us in the first instance. It was 7 months ago when the President proposed a plan. That plan has been modified four times. All last weekend the administration was trying to determine whom to meet with on the Democratic side to come to a compromise agreement.

Mr. ECKHARDT. If the gentleman will yield back my time to me, he met with you; it does appear that he ultimately met with us. I am sure he knew somebody else represented the Democrats.

Mr. BROWN of Ohio. There were several others who sat in on those meetings, and I think in a wholehearted effort to come to some conclusion, to try to get a compromise, this plan was the response.

Mr. ECKHARDT. If I may retrieve a bit of my time, I want to say that I am for the rule. I am for an orderly procedure in which Congress determines its policy, and I urge that the President utilize his own authority to veto if he feels that that should be done. We are willing to come a part of the way, but it should not be done in the face of the threat of destroying the entire structure by which we can control at the present time the price of oil.

Mr. BOLLING. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. HAYS).

Mr. HAYS of Ohio. Mr. Speaker, I have listened to this debate all afternoon, and some of the terms that are bandied around here have really got me confused. The gentleman from Illinois talked about the inconsistencies of the House. Then he talked about the leadership being on the *Sequoia*. Both of those are rather ephemeral terms around here.

In an effort maybe to relieve the tension, let me point out that this afternoon on the pay raise bill the majority leader, my good friend, could not deliver his roommate, and the minority leader could not deliver the minority whip, and the chairman of the Democratic Caucus could not deliver his brother, so maybe the President has been meeting with the wrong people, I do not know.

Mr. BOLLING. Mr. Speaker, I have no further request for time.

I move the previous question on the resolution.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER. Pursuant to House

Resolution 651, the House resolves itself into the Committee of the Whole House on the State of the Union for the consideration of the resolution (H. Res. 641) disapproving the proposed amendment by the President to remove existing price controls relating to crude oil.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the resolution (H. Res. 641), with Mr. McKay in the Chair.

The Clerk read the title of the resolution.

By unanimous consent, the first reading of the resolution was dispensed with.

The CHAIRMAN. Under the rule the gentleman from West Virginia (Mr. STAGGERS) will be recognized for 1 hour and the gentleman from Ohio (Mr. BROWN) will be recognized for 1 hour.

The Chair recognizes the gentleman from West Virginia.

Mr. STAGGERS. Mr. Chairman, I am going to be very brief.

I have heard a great deal said about the House not doing anything and seen fingers repeatedly pointed at this side of the aisle. I would like to say that last year we passed what I thought was a very good energy bill. We were told in the conference that if we raised the price of new oil by 50 cents to $7.59 it would not be vetoed. I tried to talk to some of the members of the conference to have it raised to 50 cents and I could not get that done. And as predicted the bill was vetoed, but I was assured that if it had been raised 50 cents it would not have been.

The President vetoed that bill (S. 2589) on March 6, 1974. This year we sent a bill to the President, H.R. 4035, which set a ceiling of $11.28 on new oil, which was the price of oil at the beginning of this year, in January. We thought that was reasonable. We allowed methods by which the President could raise prices of old oil if it needed to be raised, and that was vetoed.

I think Congress has tried to send to the President the message that we want something done, but we want something done that we think is fair. He has sent us three messages and each one of them has ended with one single thought: Decontrol.

I think it is clear that a majority of Members of this House are against deregulation. They want some kind of regulation, because we have millions of people out of work in America today and they are suffering. They are suffering and the price of gasoline is continuing to go up. They claim that during the next month it will go up 3 cents. If we decontrol it, it will perhaps go up to a dollar. I do not know. No one else knows. I am just guessing. That is the reason I say we should vote down the President's message he sent today and say to him we are in the process of hammering out a bill on which we have worked hard and long. The subcommittee worked 5 weeks or longer. The full committee worked for 13 meetings trying to hammer out a bill. We brought it to the floor and we have had several meetings here.

I think the President ought to wait until he sees what we send down to him before he asks for decontrol. I think it is a discourtesy to the Congress of the United States for him to try to force through his proposal before we have completed our work. I do not think he did it. I think his advisers did it, because I know Gerald Ford, the President of the United States. I respect him. I do not think it is the President doing this. I think it is his advisers around him.

When I go back home, a lot of people back home say to me, "It's the same old crowd that ran Watergate that runs things now. They got a veto then against a reasonable pricing policy and they have a veto now."

I would not go that far, but I must respect their point of view.

Mr. Chairman, I will close with this. I just want to repeat that we have passed two energy bills and sent them to the President. He would not accept them. We have been in the process of working out one for several months and in the midst of that he insists on having his way on decontrol right now and not wait until we send something worthwhile to him.

Mr. Chairman, I resent the President saying that Congress has not worked. We have worked long and hard on the bill sent down to him last year and long and hard on this bill. We hope to come out with a bill that will be acceptable to him. Everybody tries to tell me it is not acceptable. Why do not people wait and see what we come out with? I think we ought to wait until the conclusion of the conference and vote on enactment. The message sent by the President should be voted down.

Mr. BROWN of Ohio. Mr. Chairman, I yield myself 7 minutes.

Mr. Chairman, we have reached that point which is the climax of our consideration on the energy legislation. With the amendment which has been added on pricing to H.R. 7014, I think there is no chance that that bill will become law and, in fact, there probably was very little chance anyway that it would become law prior to our adjournment for the recess.

Mr. Zarb, the Federal Energy Administrator, has said that the President will not accept a simple extension of the present Emergency Petroleum Allocation Act. He said it before the Committee on Interstate and Foreign Commerce on Monday evening. He said it before the Committee on Rules on Tuesday morning. He has said it before the press and he advised me personally by letter and also in response to personal inquiry again this morning.

So, our choice is the decontrol proposal that the President—I think in wholehearted spirit of cooperation—presented at the end of last week to the Congress. That proposal was crafted by the administrator and some who sit on this floor now in an effort at compromise, Members who sit on both sides of the aisle. It is offered in the spirit of a continued effort to compromise—and let me review briefly how far the President has come over the past 7 months in an effort to find an accommodation with this Congress.

In January the President advocated immediate decontrol as the most effective way to increase our domestic oil supplies, reduce consumption and thus decrease our dependence on OPEC oil supplies and price policy. However, the Congress objected to immediate decontrol. As we began our hearings in the Commerce Committee, it was clear that a majority of that subcommittee which considered the legislation before us would not accept immediate decontrol because it feared the negative economic impacts that would result from such action, and I must tell the Members on both sides of the aisle that I shared that concern, and still do.

The President responded to this concern by publishing in the Federal Register on May 2 his second decontrol plan, which called for gradual decontrol over a 25-month period. Once again, the Congress expressed dissatisfaction, this time based upon potential OPEC price increases which, some contended, would pull the domestic price to the same level as that which might be set by the OPEC prices. Still hopeful of agreement, the President submitted for congressional consideration a third plan which not only placed a $13.50 cap on domestic oil prices, but also lengthened the decontrol period to 30 months. This plan was the one that the House rejected last week on the grounds that the $13.50 cap was too high.

Now, the President has presented to Congress a fourth plan which meets the criticism of the last plan. The $13.50 cap has been reduced to $11.50, but here we are today debating another motion of disapproval.

The President has taken three major steps toward compromise, and the Congress is still refusing to budge. Let me assure the Members that the American people are well aware of which branch of the Government has set itself up as a roadblock to an effective national energy policy.

The distinguished Member of the Rules Committee, the gentleman from Missouri (Mr. BOLLING) pointed out that no energy legislation has passed this Congress in the last 7 months. Indeed, we have been 21 months since the embargo. We have had our opportunity to shape our policy, and it has not been shaped in the Congress.

If we pass this resolution of disapproval and thus veto the compromise decontrol plan—and I think I can call it a compromise plan—we will be left with two undesirable alternatives. The President has indicated that he will veto a simple extension of the Emergency Petroleum Allocation Act unless his decontrol plan is accepted. Thus, either we have immediate decontrol or we have a continuation of the present burdensome system because this Congress can override his veto, if it wishes, on a simple extension of the Emergency Petroleum Allocation Act.

We could have a continuation of that act, that act which has seen our dependence on foreign oil increase; that has seen the price of oil to the American consumer increase as our dependence on that foreign oil has increased. It is not a question of not paying more for oil, because that is what we are going to wind up doing. Thus, the Congress has brought upon itself the choice between these two bad alternatives.

The economic impacts of either of these two proposals I think are unfortunate. They are markedly worse than the impacts that would result from the President's plan. In fact, the nature of the President's current plan would see an actual one-half to 1 cent per gallon decrease in petroleum product prices by the end of 1975, and would act as a stimulus toward economic recovery. With immediate decontrol, large negative economic impacts would occur initially.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. BROWN of Ohio. Mr. Chairman, I yield myself 2 additional minutes.

Mr. Chairman, with continued controls, as we have them now, our dollar outflow would increase by the end of 1978 by $4 billion because of our vulnerability to oil. Our vulnerability to a future embargo will increase. We will have a more negative economic impact and a more dangerous foreign affairs situation.

The President, in announcing this last attempt at accommodation on decontrol, stated that the Nation desperately needs cooperation, not confrontation, on this critical energy issue. In acting today, we must not lose sight of our commonly shared goal—the absolute necessity of eliminating our dependence upon foreign oil supply and OPEC-cartel-set prices. We have been working on this matter now for 7 months. If we have failed to achieve some kind of a resolution to the problem, it occurs to me that the American people will hold both the administration and this Congress responsible. I for one will vote for the President's compromise plan because I have sought consistently to try to reach an accommodation with the other side of the aisle between a position which I thought was soundly taken by the President and the concerns honestly expressed by my colleagues on the Democratic side of the aisle. If we cannot do that, so be it. But it will not happen that we cannot do it with my vote.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, is it not true that all of these plans the President put forward, including the present one, essentially call for the end of price control, or decontrol, and the only variance is the amount of time to reach that objective? So there really has been no basic compromise at all.

Mr. BROWN of Ohio. That is correct.

Mr. Chairman, I must say at least that is an improvement over the situation we have had expressed here today, and that is that originally the members of our subcommittee were against decontrol. Now we have voted a price rollback. And if that produces more oil, I will eat the gentleman's hat.

Mr. OTTINGER. Mr. Chairman, if the gentleman will yield further, regardless of the merits that exist on the two sides, the fact of the matter is that the President has served up to us time and time again what his basic objective is—decontrol.

Mr. BROWN of Ohio. Mr. Chairman, as I understood the objection of the gentleman from New York to the President's original plan, it was that an abrupt decontrol would be too painful for our society and that we ought to have gradual decontrol.

The President accommodated the gentleman from New York and some of his fellows, and the gentleman from New York rejected that compromise.

Mr. STAGGERS. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. MOSS).

Mr. MOSS. Mr. Chairman, this is essentially the same package we debated before. It was known as the Krueger amendment, with a few variations: First, it exempts strippers from all controls. The strip well operations, which now amount to 1.4 million barrels a day, are exempted from all controls.

Second, whereas the Krueger amendment contained a triggering device requiring a finding by Congress that there would be in place an excess profits levy, under the President's proposal now before us for disapproval there is no such requirement. All the President does is recommend a tax. There are no specifics as to the kind of tax or as to its effect. And the plan, incidentally, goes into effect immediately unless it is disapproved.

I am rather surprised at the gentleman from Ohio (Mr. BROWN), who stated that the Congress is refusing to budge. He characterizes that as the continuing posture of Congress. He said this has been going on for 7 months. Actually it is not for 7 months. It goes back to February, so it is not for 7 months.

The fact is that the Congress has been moving more and more toward a higher and higher price acceptance in order to arrive at a compromise. Let me point out what the gentleman said when he stepped into the well and took the lectern. He said that H.R. 7014, with the Staggers amendment in it, will be vetoed.

That is conciliatory? That is the will of the majority of the Congress, the will of the House here. But he said that will be vetoed.

Then he said that in a conversation with the President, the President said, "If you send down a simple extension of this authority in order to give you a little more opportunity to work on the bill now on the floor, that will be vetoed."

That is conciliatory? Well, I will be damned if that is the kind of compromise I would enter into at any time. I say that if you say to a man, "If you do something that displeases me, I will veto it," you are attempting to overbear on that man and dictate his every course of action.

Mr. Chairman, I have receded a long way from the position that I took. We have not been waiting around for 22 months since the Arab oil boycott. We passed a bill promptly and sent it down to the President, and he vetoed it. Then we enacted another one in which we gave up the rollback and adopted a different pricing formula, and that was finally signed. Ever since that time, every time we have turned around, every time we have discussed an idea, we have been told that it will be vetoed.

I must respectfully point out one simple fact: that since the original action in 1973 we have had for the first time in history a President who was forced to leave his office, we have had for the first time in history a Vice President who was forced to leave his office, and now we have the present occupant of the White House who went into his own congressional district and asked his people, who had returned him to office for a quarter of a century, to "Send me a Republican," and they refused to do so because they did not find his policies suitable to them.

Mr. Chairman, I say that this policy which is now being urged on us ought to be turned down. It is contrary to the public interest, and it is demeaning to this Congress to act always under the lash and the threat of a veto. I am willing to compromise, and the position I take today reflects a substantial compromise in an effort to move closer to the views of the President.

However, the President has laid down one absolute and immutable demand: We must control. If we decontrol, we destroy the economy of this country and that of a great part of the free world because the prices will follow the prices they are able to extract from the United States.

Mr. Chairman, let us adopt the resolution of disapproval and say to the President, "Treat us as equals, sir, and we will treat with you, but we will be damned if we will treat with you as inferiors."

Mr. STAGGERS. Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. PATMAN).

Mr. PATMAN. Mr. Chairman, we must have an equitable method of allocating materials that are truly scarce in our economy or may become scarce.

In other words, Mr. Chairman, we cannot afford to allow temporary scarcities to push small businessmen, farmers and consumers to the wall. In my mind, this may mean the necessity of considering some form of a rationing plan so that scarce goods can be fairly distributed without working undue hardships on any individual, corporation, or sector of the Nation. We must protect the people against predatory black marketeers that develop in periods of scarcity.

Too often, in recent months, we have heard talk about rationing through high prices—that is, pricing the little man out of the market. This is similar to what the Federal Reserve has tried with interest rates—raising interest rates which price people out of the home market and bankrupt small businessmen. High prices are no way to ration credit or goods.

Mr. Chairman, none of us like the idea of rationing, but sometimes necessity forces us to do things which are not ideal to meet emergencies. The current debate over energy problems brings this question to mind and I think it would be wise for the President to once again think in terms of standby rationing powers which would allow proper allocation of scarce materials.

For example, farmers and rural people are heavily dependent on gasoline and related petroleum products and I do not want to see situations develop where these people are treated unfairly in the allocation of existing sources of supply. If it takes rationing to meet the needs of farmers and rural people—and consumers—then we must consider this alternative.

Mr. STAGGERS. Mr. Chairman, I yield 2 minutes to the gentleman from Louisiana (Mr. WAGGONNER).

Mr. WAGGONNER. Mr. Chairman, we seem to never learn that a democratic legislative body cannot legislate, especially at the national level, when there is no national consensus on a given issue.

There is no national consensus among the people with regard to an energy policy, simply because of the fact that most everybody in the United States wants a policy tailored to their particular problem, and it cannot be done.

The fact that there is no national consensus among the people is reflected here in this body. In January, when the President proposed an energy program, the hue and the cry in this body was: "Give us 60 days to see if we can do something ourselves." The attitude was, "We know we have to do something, we do not like what you propose, but give us a little time to see if we can do something better."

The Congress had ample opportunity to do something prior to that time, but Congress did not do anything. It is almost the end of July, 7 months later, and Congress is saying, "Give us 6 months to see if we can do something, to see whether we can provide a program."

Mr. Chairman, the attitude seems to prevail that we still have plenty of product, that the ground is just full of crude oil and natural gas, and that anyone can go dig a hole, drill a hole, and get all of it that he wants at any time that he wants. Most Americans seem to think that they can get crude oil and natural gas, although natural gas is not the subject of this particular discussion, at prices prevalent prior to World War II.

When are we going to quit beating a dead horse and recognize that there is not as much of it as there has been and that it is never going to be cheap again? Here in America, however, it is cheaper than it is anywhere else in the world. Furthermore, the industry has done more to provide product at a good price than anybody else in the world has.

The CHAIRMAN. The time of the gentleman from Louisiana (Mr. WAGGONNER) has expired.

Mr. STAGGERS. Mr. Chairman, I yield 1 additional minute to the gentleman from Louisiana.

Mr. WAGGONNER. When we do not have a consensus and we cannot legislate, we have one other choice, and that is to utilize the leadership that the President is trying to provide, leadership he is trying to provide because we cannot agree to provide for decontrol. I personally favor total decontrol if I have a clear choice.

We have got to have decontrol. There are some of you who say that what we really are trying to do is put the President in a box so that when August 31 comes the burden will be upon him to justify an increase in prices.

Now, I do not stand here and tell you that there is not going to be an increase in prices, but I just do not think it is going to be as black as some Members have tried to paint the situation to be.

But, my friends, do not believe that you can or will put him in a box, because each time the Congress has tried to paint the President in a corner he has been able to get the ear of the people better than we have, and he can show them that we failed to do anything on our own, even though he granted delay time for us to do it.

I personally believe that we would be better off, the country would be better off, if we want energy from oil and gas, to embark upon a program of decontrol. Therefore I believe that the resolution of disapproval should be rejected, and the President's program should be allowed to go into effect.

Mr. STAGGERS. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio (Mr. HAYS).

Mr. HAYS of Ohio. Mr. Chairman, one of my best friends in the House is the gentleman from Louisiana (Mr. WAGGONNER) who just preceded me, but I want to disagree with the gentleman very strongly on a couple of statements he made.

He said that there is no concensus in the United States. There is a concensus, and a strong one, that the people do not want to be ripped off any further by the oil companies.

The price of gasoline has gone up 100 percent in the last 3 years in this country. The gentleman also said that it is **cheaper in this country than anywhere** else. Well, I can tell the gentleman and the Members that in Saudi Arabia it is 19 cents a gallon, and that is considerably cheaper than 62 cents a gallon.

Why do we not have oil coming out of the ground in this country in the quantities that there ought to be? Because the oil companies went out to Saudi Arabia where they could drill, and lift it out of the ground for a nickel a barrel, so they did not bother to drill here, because they could get all they wanted in Saudi Arabia, and they thought it was going to last forever, and there is a lot of it left there.

But, as I have said before, Mr. Chairman, they made a big error in bringing a lot of these Arabs over and sending them through the Harvard Business School, and pretty soon the Arabs found that the oil companies were ripping them off. So they decided they would do a little ripping off on their own. The oil companies did not object to that; they just said let us get together, and we will both rip off everybody else.

They had the price of oil up to a dollar a gallon in Great Britain before this all started, and they are closer to Saudi Arabia than we are. Now they have decided they want to bring the price of oil up to a dollar a gallon here.

If the Members think I am wrong, then all they have to do is take a look at the profit sheets showing the increased profits of the oil companies from 1972, 1973, and 1974, and they went up as high as 400 percent.

I questioned the gentleman from Indiana, and he said that the Committee on Ways and Means is going to come in with an excess profits tax. Well, Mr. Chairman, if I could believe that I would not be down here in the well. But I must say that their track record is not too good on excess profits taxes. I have not seen one up to now. But we can go ahead and let the price of oil be decontrolled, and let the price of oil get up to a buck a gallon, and I will tell the Members that they will see that the American people have got a concensus, and they will let you know about it.

Mr. STAGGERS. Mr. Chairman, I yield 1 minute to the gentleman from Ohio (Mr. VANIK).

Mr. VANIK. Mr. Chairman, I concur in the remarks of my distinguished colleague from Ohio, the Honorable WAYNE L. HAYS. There is indeed grave doubt that Congress will pass a meaningful windfall profits tax—and if Congress did agree on a bill, the President would probably veto it if it failed to include a substantial plowback to the oil industry.

For over 20 years I have struggled in this House to eliminate the tax privileges, the loopholes that made oilmen the wealthiest in the land.

When oil was abundant—when huge profits were built upon domestic oil at $1.65 per barrel—the industry developed huge reservoirs of capital which were poured into the Middle East, in Latin America and all over the world. The domestic industry reaped huge profits on domestic oil at a $1.65 a barrel when supplies were available from the Middle East at 16 cents per barrel. The domestic oil industry prevailed on President Eisenhower to impose oil import controls to "protect" the domestic production at a cost of $1.65 per barrel. For 14 years the American people were compelled to pay $1.65 per barrel for oil which was available abroad in unlimited supplies at 16 cents per barrel. In this period, the American consumer was compelled to pay $77 billion in added tribute to the domestic oil industry which successfully "rigged" the American consumer price between 1959 to 1973.

These profits flowed to the oil companies with almost complete freedom from tax. If oil paid practically no taxation in a period of oil plenty, is there any reason to believe that the industry will pay taxes in a period of scarcity when a few control the market.

The President proposes through his plan to create a horrendous profit windfall to the oil industry—particularly after next year's election. The best way for Congress to deal with the windfall—is to prevent it from occurring in the first place, by continuing price controls until the period of shortage has abated.

The President's plan would remove all controls after 39 months. The American domestic price would then follow the reckless greed of the OPEC nations. This policy would drain the American people of their savings, lower the standard of living, depress the economy and subject every American to a new kind of serfdom to the omnipotence of oil.

I hope the President's plan is voted down by the Congress. The deliberations of the Congress have produced a series of plans less distasteful than its predecessor. I think that President Ford can give the American people a better deal.

Mr. PHILLIP BURTON. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I yield to the gentleman from California.

Mr. PHILLIP BURTON. I thank the gentleman for yielding.

I commend the gentleman in the well, and I associate myself with his remarks.

Mr. STAGGERS. Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. Krueger).

Mr. KRUEGER. Mr. Chairman, I have worked for some time to attempt to bring about a compromise on decontrol which would include a windfall profits tax. That compromise failed by some five votes. I think we are now in the position in which we may as well go ahead and allow the 90-day decontrol to come into effect. I would prefer seeing it with a windfall profits tax already in place now, but we do not have that. If we do not have that, I think we would do better to go ahead and allow the President under an administrative proposal to bring that in. We, in turn, can come back, if we wish, with a windfall profits tax. But it is clear that what we have just passed in H.R. 7014 is most unlikely to become law.

I think it is important that this country get some genuine energy policy, and if we are not going to get it from the House, then we may as well at least not prevent the administration from offering it to us. I would rather see it in some other way, but I do not see the policy emanating from here. Therefore, I think we should go ahead and not prevent the administrative branch from offering us the proposal. We should oppose the disapproval resolution.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. KRUEGER. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. I thank the gentleman for yielding.

I applaud the gentleman's remarks, and I associate myself with them.

Mr. BROWN of Ohio. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania (Mr. Goodling).

Mr. GOODLING. Mr. Chairman, I only rise to say that for 7 months I have been in these Chambers, and I think the thing that bothers me most of all about this whole procedure is that we seem to spend so much time on ancient history. Each side tries to outfunny the other. Each side tries to outsay which side is in worse shape than the other side. My people back home are not very much interested in who gets credit. My people back home at Allis-Chalmers, where there are 3,000 employees, are told they will not have jobs this winter because we are going to get a natural gas cut of 55 percent down if we have a good winter.

If I go to the Chain Works where they have 2,000 to 2,500 employees, it is the same story. They are not interested in ancient history being discussed on this floor. They are not interested in people trying to outfunny one another. They are not interested in one side calling the other side something else. They are only interested in our doing the job that we were brought here to do, and I think it is about time that we showed some leadership.

Mr. BROWN of Ohio. Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. Pickle).

Mr. PICKLE. Mr. Chairman, the question of a windfall profits or excess profits tax has come before our Committee on Ways and Means several times. At the beginning of consideration of this problem 2 and 3 months ago, we had a task force appointed, and the task force came up with the recommendation that we could have decontrol with a windfall profits tax. It did not say in what order or amount, but one of the alternatives was a gradual decontrol over approximately an 8-year period. That would be the normal life of an oil field. We did not adopt that in committee, but we considered it several times because it was only a task force report. But we have agreed in our committee over and over that we would handle a windfall profits or an excess profits tax. There has been no misunderstanding about what we were going to do. There has been full agreement. We voted that we would not approach this question until the Committee on Commerce had acted. So to come up here now and have the Members, particularly some of them from the Committee on Ways and Means, say that we have doubts that there may not be a good windfall profits tax, is not becoming. Of course, the Members have got to face this possibility. We know that.

For the Members to cast doubts on either side that they will not have a worthwhile tax is to say that they "suspect" the committee, and that, too, is not becoming. That committee is responsible, and it will carry out its responsibility. Our chairman has said as much. For someone to hide behind the question of, "We do not think you will get a worthwhile windfall profits tax, or there might be some kind of a plowback," is to use a crutch or a smoke screen.

I am convinced that the one thing that should be done is a gradual decontrol. The chairman of this committee knows my strong opposition to the mandatory allocation program and he and the members of the committee will admit it is generally a nonworkable nightmare and we want to get out from under it.

But aside from that we must have some kind of means of getting new production. Unless we do that then I think our whole economic machinery is going to fall down. For that reason I think it is best for us to take a gradual decontrol. What we have passed will not become law. I regret we have come to this position. When we had the bill up 2 days ago on the President's program to decontrol I voted against that because I thought that was in effect giving the bargaining power too strongly in his court. But the President has come a long way. It seems to me we ought to have faith the Ways and Means Committee will come out with a responsible bill and we ought to have approved the Krueger amendment.

Mr. STAGGERS. Mr. Chairman, I yield 2 minutes to the gentleman from Colorado (Mr. Wirth).

Mr. WIRTH. Mr. Chairman, I think we are very close to a vote on this and I think it might be appropriate for a quick sum up. There has been a great deal of discussion about who is ripping off whom and a great deal of other discussion about who is protecting whom. What we want to do rather than that is to look at the areas of disagreement that remain.

Two weeks ago I think there were four areas of disagreement:

First. The price cap;

Second. Length of time of decontrol;

Third. Conservation effect of a high price; and

Fourth. Windfall profit tax mechanism.

I think in good faith as the gentleman from Ohio would suggest the administration did give on two of those four points. It gave on the point of the length of time of decontrol, going from 0 to 39 months, and second, they effectively gave considerably on the notion of what the conservation effect would be, admitting it was not as great a conservation effect as they originally offered.

Problems remain significantly in the areas of the cap and the windfall profits tax.

The gentleman from Ohio (Mr. Brown) has suggested the administration plan has an $11.50 cap. That is not the case. It starts at $11.50 and goes up a nickel a month. That is not the kind of cap many of us wanted to come to.

The second large area of disagreement is the windfall profits tax. We have asked, for 6 months, for specifics from the administration on that. We have been assured again and again and again they would be forthcoming, but they have not arrived and they have not arrived and they have not arrived.

I myself have worked as hard as I possibly could to arrive at a kind of agreement. I cannot believe we can OK the administration's program, given these two remaining gaping holes, the one on the price cap and the one on the windfall profits tax.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. WIRTH. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, there is one other disturbing thing and I think that is the pattern that is set forth in this decontrol, is deceptively claimed to be non-hurtful because it is a 1½ percent increase in price in the first year, but if we look at that curve the price goes up very rapidly. This will set a very bad pattern for future negotiations, as well.

Mr. WIRTH. That is the kind of thing that could be taken care of if we had the proper windfall profits tax mechanism.

Then there is the question of the increase in the price. That was to $11.28 6 months ago and we are now talking about $13.50.

Mr. BROWN of Ohio. Mr. Chairman, I yield such time as he may consume to the distinguished minority leader, the gentleman from Arizona (Mr. Rhodes).

Mr. RHODES. Mr. Chairman, I think we have lost sight of several rather important points. This is a plan which was submitted by the President of the United

States in accordance with the law passed by the Congress, to wit; the Emergency Petroleum Allocation Act. This is a program of decontrol of old oil and the President has submitted this plan in the hope that the Congress will agree with him that it is extremely important that we increase production of domestic oil, because if we do not, we only have two alternatives. One of them is to cut down on the supply of oil which we have, to conserve oil, and the other one, of course, is to cut out the imports of oil from other countries.

Well, now actually, I do not know whether this Congress would ever face up to the responsibility of rationing oil, just do a job which is necessary in order to protect the balance of payments, I do not know whether we would do that or not, but it is certainly important that we think about it, at least, because if we continue as we are, if we do not do anything to increase domestic production, that is one of the alternatives that we are going to be faced with.

Now, the President does not want to raise the price of gasoline or oil any more than anybody else does. There has been some talk by the gentleman from Ohio about the great profits of the oil companies. I think the gentleman should read the most recent reports on profits of these companies. The gentleman would find they are down rather considerably since the last reporting period; but nevertheless, I think it is important for us all to realize this.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. Mr. Chairman, I agree with the gentleman. Their profits are down from the 400 percent above the 97 level, but it is what we are comparing to. It is still very high compared to the 1972 level.

Mr. RHODES. I think the gentleman's remark about 400 percent is a little inflated. Also, I think if we are going to compare, we should compare what the profits were prior to the increase in the prices prompted by the Arab oil companies. As we know, nobody likes to pay higher prices for petroleum, but I think we should understand that the days of cheap petroleum are over—are over. There are not any more and the question is whether or not we get the supply.

I agree with the gentleman that the people of the United States are not happy about paying higher prices for gasoline. I am not happy about it, either, but I think they would be much happier if they had the option of buying gasoline at the higher price, instead of the option of not having any at all. That may be what we are facing, unless we do something about domestic production.

Now, it has been said that the bill which we now have before us—and I have great respect for the gentleman from West Virginia and his committee, as he well knows—that this bill that we have before us may become law in the near future and that it has the amendment of the gentleman from West Virginia put on it today. That may be true. I am not sure it is going to become law very soon. I am not sure just how soon the windfall profits tax will be developed. Of course, that is the trigger for the application of any possible rollback; but the amendment of the gentleman from West Virginia actually is a rollback of price on new oil.

Mr. Chairman, I have never been able to understand how we can produce more of a product by pricing it under the world market. I have never understood, either, how anybody could expect to have an orderly marketing system on a three-tier price basis. I think the problem with this House is that we have not made a fundamental decision which we must make and that is whether or not we are going to provide the supplies of oil and gasoline which the economy needs to keep up the employment which we need in the country, to keep the automobiles going, or whether we are going to work mainly for price.

If we work for price only, it is self-defeating because one may have cheap products but one cannot have much of it. If, instead, we go for abundance, which is what we are trying to do in this plan, then we will have abundance, and I think the law of supply and demand works—and nobody has ever successfully repealed it yet—that that will bring in lower prices than we now have or that we can expect if we do not pass this bill.

So I think it is very important, Mr. Chairman, that we look at the main chance.

The gentleman from Texas, Mr. KRUEGER, has offered an amendment to this bill, which I had intended to support—I would have supported it if it had come up—and I suggest to the Members that it is almost exactly as the President's plan. It came not as a result of just the gentleman from Texas sitting in his office and dreaming up some suggestion. This came as a result of long hours of effort between the gentleman from Texas, the gentleman from Michigan, the gentleman from Ohio, and many other people. It was a compromise plan. It should have been adopted, in my opinion, but since it was not adopted, and since the bill as it now stands, H.R. 7014, calls for a rollback in new oil prices, I am frank to tell the Members that I think the chance of H.R. 7014 ever becoming law is very sadly diminished.

So it seems to me that if we do not want to play Russian roulette—and that word has been used here many times—with the President of the United States, and see the possible precipitate decontrol of old oil, this is the only chance we have left. If we refuse to turn down the President's plan, if we accept it instead, then we will have phased in decontrol for 3 months, and if we do not like it at the end of 3 months we can change it. But at least we do not get precipitate decontrol on September 1.

Mr. Chairman, I am absolutely of the opinion, as is the gentleman from Ohio, that the President of the United States is very firm in his intention to decontrol oil just as rapidly as possible. Why? Not because he does not like Congress. He served here many years. He is our guy. But because he feels very strongly the time has come and passed that we must decontrol old oil so that we can be assured we will have adequate supplies for this country.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. RHODES. I yield to the gentle-from Ohio.

Mr. BROWN of Ohio. I thank the gentleman for yielding.

Mr. Chairman, I think the situation ought to be stated for what it is, with respect to the President and his respect for the Congress.

The President indicated he will veto a simple extension. That leaves it up to Congress. If they fail to accept his plan—and that is certainly our prerogative, the prerogative of this body—then the Congress has two choices: either give him an extension of the plan we have now, and which has been in effect for the last 3 years, and which has been so dangerous with respect to our foreign imports, or the Congress can accept his veto and the Congress can have immediate decontrol.

Those are the two choices the Congress has. Both of them are bad, and that is the problem.

Mr. RHODES. Mr. Chairman, I agree with the gentleman, and I think the gentleman from Ohio would agree with me also that one of the really silly problems which we face on this is the fact that an old oil field is an oil field which is producing less now than it did in 1972. I will bet there are not too many people in this Chamber who know this, but if you drill a new well in an old field, the well that you bring in will be a very expensive one, it will be more expensive than any well that is in that field because of the fact that prices have gone up. But the price of that oil which comes from that new well, I am told, will be priced at the old oil price, not the new oil price. You will not get the type of drilling in old proven areas of production which we need to increase our production. And if you drill in that old oil field and go down to a strata below, even lower, it is still an old oil field and you still do not get the prices you need in order to justify that type of investment.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from Texas.

Mr. ECKHARDT. I thank the gentleman for yielding. The gentleman is right in the point he is making, and it is a point that ought to be corrected. But it could be corrected by regulation by FEA, and should be corrected.

For instance such a drilling into another strata should carry a different price than the $5.25 price, and the FEA could establish that price.

Mr. RHODES. Mr. Chairman, the gentleman from Texas (Mr. ECKHARDT) is telling me something which is not in accordance with what I learned before. It was my understanding that the FEA feels it cannot direct this by legislation.

I could make some legislative history right now and say that if it could be done, it might be beneficial.

Does the gentleman feel that it could be done?

Mr. ECKHARDT. Mr. Chairman, I

think it could be done. I think it could be done now, and I think it could be done under the Staggers proposal, which is now part of the Krueger amendment.

The fact is that as long as it is justified and it is equitable and as long as it is not an arbitrary and capricious treatment with respect to other oil, this could be done. I agree with the gentleman that this type of treatment of oil from another strata in an old field is a very insensitive treatment and should be corrected.

Mr. RHODES. Mr. Chairman, I thank the gentleman.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, what the gentleman from Texas (Mr. ECKHARDT) has said is true if we want to continue controls forever. But if there is to be decontrol with reference to what the gentleman has suggested, then it has to be submitted to Congress for congressional approval.

Mr. RHODES. Mr. Chairman, I thank the gentleman.

Mr. STAGGERS. Mr. Chairman, I yield 4 minutes to the last speaker on our side, the chairman of the subcommittee, the gentleman from Michigan (Mr. DINGELL), to end debate.

Mr. DINGELL. Mr. Chairman, I am one of the sponsors of House Resolution 641, which would, if agreed to, disapprove the President's decontrol proposal.

For 7 months I have been the chairman of the subcommittee which has been considering this issue, and I do not think there is a subcommittee in the Congress that has worked harder and on a more difficult and a more political question.

My colleagues on that committee have not always agreed; we have not agreed here on the floor. However, we have established what I think is a congressional policy, at least insofar as the House of Representatives can do so.

I will say to my colleagues that this is the basis for going forward toward the creation of a final piece of legislation for presentation to the President of the United States bearing the imprimatur of the Congress and laying out the basis upon which the Congress, as elected representatives of the people, think the question of petroleum prices and energy should be handled.

In that are contained pricing sections. I did not vote for the pricing sections; I differed rather strongly on that point. But those pricing sections which I did support and which were offered by my friend, the gentleman from Texas (Mr. KRUEGER), are very different than the proposals which are now before the House. They required a very clear action by the Congress before decontrol could take place; they required the finding that there was in effect a windfall profits tax, and they impliedly made it plain that there would be a redistribution mechanism to abate the difficulties which would be caused to the economy and to abate the difficulties which would be caused to individuals by that very quick decontrol.

When the Congress began consideration of this, the consensus was that we ought not decontrol in less than 5 years or 60 months. We came down to 39 months, and largely we are going to accept the President's program, subject to a windfall profits tax and a redistribution mechanism. The House in its wisdom rejected that.

There are some very cogent reasons why, before decontrol takes place, there must be in place a windfall profits tax and a mechanism for redistribution of those profits.

Oil company profits have not been bad, but I do not believe that we can take that as a criterion, nor can we take the word of the oil companies.

The oil companies told us how they were going to use some of the grotesque profits that they have been making of late: to discover new energy sources.

What have they been doing? They have been buying into plutonium, they have been buying into coal companies, and they have been buying into other energy sources. They have not been drilling for oil.

They told us that they had to have the money to find new energy sources, but they have been buying circuses and Montgomery Wards and hotels and other businesses not in the energy business.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. Yes, I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. Mr. Chairman, the gentleman is exactly right. Of the 10 largest coal companies in America today, 8 are owned by the major oil companies.

Mr. DINGELL. That is right, and the oil companies are moving into other energy sources just as fast as they know how.

All of us remember that during the previous Congress we got pockets full of promises that there would be a windfall profits tax brought in by the Senate Finance Committee and by the Senate and by the Committee on Ways and Means. Those promises, I am sure, were as good then as they are today.

The CHAIRMAN. The time of the gentleman from Michigan (Mr. DINGELL) has expired.

(By unanimous consent, Mr. DINGELL was allowed to proceed for 1 additional minute.)

Mr. DINGELL. To continue, Mr. Chairman, we never got a windfall profits tax in place, and we never got a redistribution mechanism.

If the administration's proposal is approved by the Congress, or if the Congress, rather, fails to disapprove, we will never get a windfall profits tax, and we will never get a mechanism for redistributing these grotesque profits. It is not going to happen.

Mr. Chairman, I do not want to let any of my colleagues get the idea that I am questioning the integrity or the honor of any of the Members who told us that was going to happen, because that is not what I am doing, but what I am saying is that the oil companies, when they want to get out from under controls, when they want to raise their prices to the world prices, will promise almost anything, windfall profits taxes or anything else that my colleagues might wish to hear. The hard fact is that once they have gotten out, we will not see it.

Let me go a little further. The hard fact is that for the first year, oil prices are either going to go down or going to remain stable. As a matter of fact, they will not really begin going up under this proposal until about the last 15 months, at which time 50 percent of the oil will begin to be decontrolled and prices are going to begin to go up very sharply.

For this reason, Mr. Chairman, we can be absolutely certain that if we let this administrative decontrol go into force, we can expect that there will be no windfall profits tax ever put in to soften the impact on the economy or upon the individual.

For that reason, Mr. Chairman, the administration's proposal should be rejected and there should be an "aye" vote on House Resolution 641.

Mr. WAGGONNER. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. Yes, I yield to the gentleman from Louisiana.

Mr. WAGGONNER. Mr. Chairman, I thank the gentleman for yielding.

If the oil companies have moved into the coal market to the extent some say, and they do have sizable holdings in coal, does the gentleman believe that we ought to, as a matter of equity, include coal in a control program?

Mr. DINGELL. Until we can get the energy problems in the country sorted out, I would have to endorse that position.

I would like to see decontrol, but I would like to see it over a period of time, and I would like to see it with a windfall profits tax and other measures to abate the impact on individuals.

Mr. DODD. I rise in opposition to the President's decontrol plan, the President has characterized this oil decontrol plan we have before us as a "compromise" proposal. Yet in reality, his plan is no compromise at all.

Consumers, and especially those in my district in Connecticut and in New England, where we use more oil than any other part of the country, still will be hardest hit by this plan.

They will suffer the greatest from the resulting increases in gasoline and heating and fuel oil prices.

The President's latest plan to decontrol the price of old oil, now currently under price controls, calls for gradual decontrol over a 39-month period.

This plan, if implemented, will raise the cost of the now-decontrolled domestic old oil from $5.25 per barrel to a new control price of $11.50 per barrel for a period of time, and then after 39 months, lift all controls from this oil.

I cannot support a plan which provides for the total decontrol of the prices the people I represent must pay for the gasoline they need to drive their cars and for the oil they need to heat their homes and run their factories.

I cannot support the rationale used by decontrol supporters that oil companies need the "incentive" of higher prices to explore and develop more sources of domestic oil. There is no meaningful evidence to show that complete decontrol of oil prices will necessarily spur oil exploration and production.

For example, new oil which is currently at a price level of around $13.50 per barrel is up threefold over the price last year.

But even with these rising prices and soaring profits, domestic production continues to decline. In fact, it is 700,000 barrels per day lower today than it was a year ago. We need an explanation to this paradox before we grant any further oil price increase.

Complete decontrol will also add to the inflationary spiral, by allowing gasoline prices to go up by at least 6 to 10 cents in the next 3 years.

Yet, the President has been using the argument that vital legislation passed by this Congress designed to aid Americans through this recession would have an inflationary effect on the economy as a rationale for his numerous vetoes.

The President's decontrol would have a more adverse effect on inflation than all of the legislation the President has vetoed.

I urge my colleagues to vote against the President's plan for decontrol of oil prices.

Mr. LEGGETT. Mr. Chairman, the House must disapprove this alleged "compromise" decontrol plan, which in reality is not a compromise and constitutes an unconscionable giveaway to the oil companies, and incentive to the OPEC states to raise their prices still further, and an attack on the low and middle consumer who can least afford higher gasoline prices.

The "compromise" would decontrol old oil over 39 months rather than the original 30, and would lower the price of new and released oil from its present OPEC-set $13.50 to $11.50, with this control being phased out over about 40 months.

Other than a very temporary decrease in the price of retail gasoline or something less than 1 cent per gallon resulting from the control of new and released oil, this "compromise" is not significantly different from the President's previous proposal. Let us consider what it will and will not do.

It will not encourage the development of new oil. The idea that higher profits necessarily mean more exploration is sheer nonsense.

There is something to be said for allowing a high price for newly discovered oil, in that this gives a larger incentive to go out and discover. But what happens if high profits are allowed on old oil? There is no incentive to look for new oil.

Moreover, what happens if, as the President would have it, old oil and new oil are allowed to rise to a common price? Since the cost of extraction of old oil is less than the cost of discovering and extracting new oil, there is a positive disincentive to new exploration. There is an incentive to give out profits in the form of salary or fringe benefit hikes, dividends, or diversified investment such as buying circuses or department stores. None of this does a thing for the discovery of new oil. None of it brings us 1 inch closer to solving our energy shortages.

According to a recent study by the Senate Commerce Committee, the cost of producing old oil is under $3; the cost of new oil is under $5.50. We all know the $13 OPEC price is set entirely by political rather than financial considerations; it is a function of what OPEC thinks the traffic and the world's tolerance will bear, and is entirely independent of extraction costs. How, then, can the President claim that $5.25 for old oil and $7.50 for new oil is unfair, or provides inadequate incentive? On the contrary, it provides such a huge profit margin the oil companies do not know what to do about it. Yet the President wants to allow the price to rise uncontrolled, to $13.50 in 3 years, and who knows how high after that?

We should also consider the effect our actions will have on OPEC. Perhaps the possibility of lower OPEC prices is not too good in any case, but the President's proposal will kill this possibility for good. How can we ask OPEC to lower its prices when we have raised ours to the OPEC level?

The President claims he intends to recover his high prices with an excess profits tax. But we have not seen the tax schedule he has in mind, and the schedule he published a few months ago was an excess profits tax primarily in the sense that it allowed excess profits. In any case, an excess profits tax is too easily circumvented.

Finally, we should recognize the basic thrust of this struggle between the President and the Congress: President Ford's consistent objective has been to raise oil prices, raise oil company profits, and let retail fuel prices go where they may while the consumer struggles along as best he can. The President's "compromises," miniscule and grudging as they have been, have been in the direction of lowering prices. He has made it clear that he has taken these steps only after extreme pressure by Congress, and that he would prefer to see our oil companies joining the Arabs in raising prices as far as they like.

I hope Mr. Ford is prepared to defend this position when he runs for reelection in 1976. He will certainly be called to account for it by the American people.

Mr. BADILLO. Mr. Chairman, I urge the House to disapprove, overwhelmingly, the President's compromise plan—a plan which would permit the price of domestic crude oil to rise from $5.25 to over $11.50—then move speedily to extend the Petroleum Allocation Act.

The President's decision to submit his phased decontrol plan to Congress for approval is a brazen attempt on the part of a Republican administration to involve Congress in its disastrous economic policies. The President needs no approval from us to alter or raise the price of domestic crude oil—he is empowered to do so under section 753(g)(2) of the Petroleum Allocation Act. He is only required to justify his actions as economically necessary and justified.

Oil prices have been rising at phenomenal rates and cost of production has not kept pace. Based on oil industry estimates, production costs for flowing domestic crude oil are approximately $2.96. The selling price for such oil, even under present controls is $5.25, resulting in a before-taxes profit of over 40 percent. The production cost of new crude oil is estimated at $5.49, its selling price is now over $12 a barrel. This means a return of over $6 per barrel. Yet the President continues to worry about the profitability of oil production. I only wish he would reserve some of that concern for the plight of the old on social security who will be going without heat; the poor who will have no way to get to work; the thousands of workers who will lose their jobs; the small farmers who will not be able to meet production costs; and the overtaxed middle class who doubtless will be called upon to bear a large part of the cost of this latest economic folly.

Our country is in an economic crisis. The Department of Labor released statistics on July 22 which indicate that the Consumer Price Index rose 0.8 percent in June, twice the 0.4-percent increase registered in May and the largest jump taken by retail prices this year. Significantly, energy prices accounted for a substantial part of this increase. In addition, the purchasing power of weekly paychecks started another decline, dropping by 0.4 percent in June after showing a temporary 4.7-percent increase in May.

Even before this latest reversal, our economic situation was not exactly ideal. A recently published Congressional Budget Office study bluntly announced that we are in the throes of the worst depression since the Second World War. It went on to explain that the 8½ million people estimated to be out of work did not include those who have become too discouraged to look for jobs; that factories and equipment throughout our Nation are standing idle, and that the Nation's total output is at least $230 billion, or approximately $1,000 per person, below its potential. It further predicted that unemployment levels will remain about 9 percent throughout 1975 and will not fall to 8 percent until the end of 1976. The rate of inflation, it estimated, could be as high as 9 percent throughout 1976.

Despite these grim statistics, the administration is opposed to all reasonable alternatives and expects Congress to act upon an energy plan for which no analysis exists, and the impact of which it is impossible to estimate. In addition, it is not even willing to take responsibility for its monstrous proposal—it coerces the approval and cooperation of Congress.

Mr. Chairman, this is preposterous. We must disapprove this plan and act immediately to extend the Petroleum Allocation Act. If the President wishes to implement such a proposal, let him do so at his own initiative. I for one refuse to accept responsibility for such a plan.

Mr. FRENZEL. Mr. Chairman, I oppose this resolution. This Congress has covered itself with shame in its repeated failures to establish an energy policy, or even a little part of an energy policy. If we support this negative resolution we will complete a 2-year record of nonaccomplishment, inaction, and negativism.

If we support the President's energy decontrol plan—not a perfect one, surely, but a reasonable one and still the only plan in favor, we can finally say we have become a part of the energy solution instead of the problem.

The President has been accused of overuse of veto, but I submit that the

Congress has been far more negative on energy than the President has been on all issues. Another congressional veto today is only a continuation of the nonpolicy which the nonleadership of this body has provided since the embargo of 1973.

This congressional veto, if successful, pretty well assures similar treatment by the President of the extension of the Energy Oil Allocation Act. That means, of course, that our blind and senseless veto is an open invitation to removal of all controls. Our veto—a rejection of a third compromise by the President—could trigger immediate high gas prices if controls expire. Congress has insisted on playing a reckless game of chicken in which the whole country is the loser.

The President's plan will cause higher oil prices, too. But the increases will amount to a few cents a gallon each year. In addition a windfall profits tax with a plowback will protect against unjust enrichment and help insure more domestic oil. The President's redistribution plan of the tariff charges would go to relieve the increased energy costs of low and middle income people. All in all, its not a bad plan. It at least tries to expand domestic energy supplies.

Congressional negativism, on the other hand, only insures continued dependence on imported oil. The issue is becoming clearer. Congress is against everything and for nothing except that it seems to be for increasing the national energy miseries. I urge a vote against the resolution.

Mr. DOMINICK V. DANIELS. Mr. Chairman, I rise in support of House Resolution 641, disapproving the President's most recent oil price decontrol plan.

I am most encouraged that the President is moving closer to the Congress in the vital area of price ceilings, and I am also encouraged that he has extended the control phaseout period to 39 months. However, I am disappointed that specific language outlining his proposed "windfall profits" tax did not accompany his proposal.

Mr. Chairman, I believe it is imperative to have a windfall profits tax developed before we proceed to lift price controls on domestic crude oil. We must allow the Ways and Means Committee time to develop their windfall profits tax plan and appropriate language regarding a tax credit for "plowing back" profits into oil exploration and production. The energy consumers of America are entitled to the assurance that increasing energy prices will, indeed, result in increased production, and not simply enrich a few energy corporations. We need to be fair to the consumer as well as the producer, and I believe that Congress has demonstrated its sense of responsibility in the vital energy area.

Mr. Chairman, I am hopeful that the Congress and the administration will soon be able to strike a good compromise on energy pricing policy. However, this latest decontrol plan of the administration compromises only the best interests of the American consumer, and it must be rejected.

Mr. Chairman, I urge my colleagues to join me in rejecting this proposal, and to also join me in supporting the efforts of our colleagues who are engaged in a continuing dialog with the administration to strike a meaningful compromise that will serve the needs of both the public and the energy industry.

Mr. PREYER. Mr. Chairman, for the past 6 months the President and Congress have been struggling to develop an oil pricing policy. Both sides know that we face a deadline—August 31—when all controls on oil go off. Both the President and Congress also know that if no new legislation is signed by then, petroleum prices will skyrocket and deal a jolt to our economy that neither side wants.

It would seem that over a 6-month period, reasonable men could work out a compromise on this issue, despite having started from widely different positions; but now we are coming down to the wire, and we are still playing a game of political chicken. The question is who is going to be run over. My guess is that the answer is: both of us. The American people want a national energy policy, not a Presidential energy policy or a congressional energy policy.

To shift the metaphor to baseball, the score is now tied 0 to 0. Last week President Ford vetoed a congressional energy bill that would have extended present price controls to December 31 and rolled back the price of new oil to $11.28 per barrel. Congress retaliated by killing a Ford plan to phase out price controls over a 30-month period and set a $13.50 price ceiling.

At this stage, with no one on first, the President and Democratic congressional leaders worked out a proposed compromise. Both sides came a long way from their original positions. Like most compromises it did not fully satisfy me or anyone else; but I believe it was reasonable and as close as we are likely to get to a consensus on a national oil pricing policy.

The compromise would gradually lift the controls on old oil over a 39 month period—most of us as Democrats would prefer a longer period, or not lifting controls at all, but 39 months is a big improvement over the President's original demand for immediate decontrol. The schedule of decontrol is so set up that the biggest impact on prices would not occur until after November 1976. There is a better reason than politics for this: the immediate effect on the economy recovering from the recession would be minimal. Estimates are that the price of gas and other petroleum products would rise a mere half-cent to a penny per gallon this year.

Also, the bill puts an initial ceiling of $11.50 per barrel for all oil, which means an immediate rollback of about $1.50 per barrel from the present price. The plan also calls for taxing oil companies' "windfall" profits and returning part of the money to the consumer in the form of tax rebates.

This seemed to me a reasonable solution to the White House-Congress impasse.

The prospective damage to the economy requires that we reach an answer. Where do we stand now, who is on first base? Congress has passed a 6 months extension of existing controls on oil. I hope very much that the President will not veto this bill. To do so will throw us into the chaos of immediate decontrol, with skyrocketing gas and petroleum products prices. It will give us time for another effort at a resolution of the White House-Congress impasse. If that is impossible, it will give Congress time to complete work on its own energy policy, in the hope that it can be passed over a Presidential veto.

Mr. STAGGERS. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. There being no further requests for time, the Clerk will read the resolution.

The Clerk read as follows:

Resolved, That the House of Representatives, under the authority of section 4(g)(2) of the Emergency Petroleum Allocation Act of 1973, hereby disapproves the amendment to the regulation under section 4(a) of that Act proposed by the Federal Energy Administration (pursuant to authority delegated by the President) and submitted to the House on July 25, 1975, under a letter of such date to the Speaker of the House of Representatives from the Administrator of the Federal Energy Administration.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. McKAY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the resolution (H. Res. 641) disapproving the proposed amendment by the President to remove existing price controls relating to crude oil, pursuant to House Resolution 651, he reported the resolution back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the adoption of the resolution.

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. ECKHARDT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 228, nays 189, not voting 17, as follows:

[Roll No. 464]

YEAS—228

Abdnor
Abzug
Adams
Addabbo
Alexander
Ambro
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Ashley
Aspin
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Bennett
Bergland
Biaggi
Biester
Bingham
Blanchard
Blouin
Boland
Bonker
Brademas
Breckinridge
Brodhead
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Carney
Carr
Chisholm
Clay
Cohen
Collins, Ill.
Conte
Conyers
Corman
Cornell
Cotter
D'Amours
Daniels, N.J.
Danielson
Davis
Delaney
Dellums
Dingell
Dodd
Downey, N.Y.
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fary
Fascell
Fisher
Fithian
Flood
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fraser
Fuqua

Gaydos
Giaimo
Gilman
Ginn
Gonzalez
Green
Gude
Hall
Hanley
Harkin
Harrington
Harris
Harsha
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Holland
Holtzman
Howard
Hubbard
Hughes
Hungate
Jacobs
Jeffords
Jenrette
Jones, Ala.
Jones, N.C.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Keys
Koch
Krebs
LaFalce
Leggett
Lehman
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
McCormack
McDade
McFall
McHugh
McKinney
Macdonald
Madden
Madigan
Maguire
Matsunaga
Meeds
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Minish
Mink
Mitchell, Md.
Moakley
Moffett
Mollohan
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Neal
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Peyser
Pike
Pressler
Price
Randall
Rangel
Reuss
Richmond
Riegle
Rinaldo
Rodino
Roe
Rogers
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Russo
Ryan
St Germain
Sarbanes
Scheuer
Schroeder
Sharp
Slack
Solarz
Spellman
Staggers
Stark
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Taylor, N.C.
Thompson
Traxler
Tsongas
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Walsh
Waxman
Weaver
Whalen
Wirth
Wolff
Yates
Yatron
Young, Ga.
Zablocki
Zeferetti

NAYS—189

Anderson, Calif.
Anderson, Ill.
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Bevill
Boggs
Bolling
Bowen
Breaux
Brinkley
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Butler
Byron
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Collins, Tex.
Conable
Conlan
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
de la Garza
Dent
Derrick
Derwinski
Devine
Downing, Va.
Duncan, Oreg.
du Pont
Edwards, Ala.
English
Erlenborn
Esch
Fenwick
Findley
Fish
Flowers
Forsythe
Frenzel
Frey
Gibbons
Goldwater
Goodling
Gradison
Grassley
Guyer
Hagedorn
Haley
Hamilton
Hammerschmidt
Hannaford
Hansen
Hastings
Hébert
Hightower
Hillis
Hinshaw
Holt
Horton
Howe
Hutchinson
Hyde
Ichord
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, Okla.
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Krueger
Lagomarsino
Landrum
Latta
Lent
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McDonald
McEwen
McKay
Mahon
Mann
Martin
Mathis
Mazzoli
Michel
Milford
Miller, Ohio
Mills
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mosher
Myers, Ind.
Myers, Pa.
Nichols
O'Brien
Pettis
Pickle
Poage
Preyer
Pritchard
Quie
Quillen
Railsback
Rees
Regula
Rhodes
Risenhoover
Robinson
Roncalio
Rousselot
Runnels
Ruppe
Sarasin
Satterfield
Schneebeli
Schulze
Sebelius
Shipley
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Smith, Iowa
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Stanton, James V.
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Symms
Talcott
Taylor, Mo.
Thone
Thornton
Treen
Vander Jagt
Waggonner
Wampler
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, Tex.
Winn
Wright
Wydler
Wylie
Young, Alaska
Young, Fla.
Young, Tex.

NOT VOTING—17

AuCoin
Barrett
Bell
Dickinson
Diggs
Eshleman
Flynt
Fulton
Johnson, Calif.
Melcher
Passman
Roberts
Santini
Seiberling
Teague
Udall
Wilson, C. H.

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote

Mr. Udall for, with Mr. Teague against.

Mr. Charles H. Wilson of California for, with Mr. Flynt against.

Mr. Johnson of California for, with Mr. Passman against.

Mr. Diggs for, with Mr. Bell against.

Mr. Barrett for, with Mr. Eshleman against.

Mr. Seiberling for, with Mr. Dickinson against.

Until further notice:

Mr. Santini with Mr. Roberts.

Mr. Fulton with Mr. Melcher.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERMISSION FOR SUBCOMMITTEE ON GOVERNMENT INFORMATION AND INDIVIDUAL RIGHTS OF THE COMMITTEE ON GOVERNMENT OPERATIONS TO SIT DURING HOUSE SESSION ON JULY 31, 1975.

Ms. ABZUG. Mr. Speaker, I ask unanimous consent that the Subcommittee on Government Information and Individual Rights of the Committee on Government Operations be allowed to meet on the afternoon of July 31, 1975, during general debate and under the 5-minute rule.

The **SPEAKER.** Is there objection to the request of the gentlewoman from New York?

There was no objection.

CONFERENCE REPORT ON H.R. 4222, NATIONAL SCHOOL LUNCH ACT

Mr. **PERKINS** submitted the following conference report and statement on the bill (H.R. 4222), National School Lunch Act:

CONFERENCE REPORT (H. REPT. No. 94–427)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4222) to amend the National School Lunch Act and the Child Nutrition Act of 1966 in order to extend and revise the special food service program for children and the school breakfast program, and for other purposes related to strengthening the school lunch and child nutrition programs, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That this Act may be cited as the "National School Lunch Act and Child Nutrition Act of 1966 Amendments of 1975".

SCHOOL BREAKFAST PROGRAM

SEC. 2. Section 4(a) of the Child Nutrition Act of 1966 (80 Stat. 885, as amended) is amended by striking out "for the fiscal years ending June 30, 1973, June 30, 1974, and June 30, 1975,".

SEC. 3. Section 4 of the Child Nutrition Act of 1966 is amended by adding at the end thereof the following new subsection:

"(g) As a national nutrition and health policy, it is the purpose and intent of the Congress that the school breakfast program be made available in all schools where it is needed to provide adequate nutrition for children in attendance. The Secretary is hereby directed, in cooperation with State educational agencies, to carry out a program of information in furtherance of this policy. Within 4 months after the enactment of this subsection, the Secretary shall report to the committees of jurisdiction in the Congress his plans and those of the cooperating State agencies to bring about the needed expansion in the school breakfast program.".

DIRECT FEDERAL EXPENDITURES

SEC. 4. Section 6(b) of the National School Lunch Act (60 Stat. 230, as amended) is amended—

(a) By striking out "nonprofit private" the first time such term occurs in the proviso of the third sentence and inserting in lieu thereof "any of the".

(b) By striking out "nonprofit private" the second time such term occurs in the proviso of the third sentence and inserting in lieu thereof "such".

(c) By striking out "nonprofit private" where such term occurs in the fourth sentence.

MATCHING

SEC. 5. Section 7 of the National School Lunch Act is amended by inserting after the seventh sentence thereof the following new sentence: "The requirement in this section that each dollar of Federal assistance be matched by $3 from sources within the State (with adjustments for the per capita income of the State) shall not be applicable with respect to the payments made to participating schools under section 4 of this Act for free and reduced price lunches: *Provided*, That the foregoing provision shall not affect the level of State matching required by the sixth sentence of this section.".

INCOME GUIDELINES FOR REDUCED PRICE LUNCHES AND MODIFICATION OF PROGRAM REQUIREMENTS

SEC. 6. Section 9 of the National School Lunch Act is amended as follows:

(a) Subsection (a) is amended by adding at the end thereof the following new sentences: "The Secretary shall establish, in cooperation with State educational agencies, administrative procedures, which shall include local educational agency and student participation, designed to diminish waste of foods which are served by schools participating in the school lunch program under this Act without endangering the nutritional integrity of the lunches served by such schools. Students in senior high schools which participate in the school lunch program under this Act shall not be required to accept offered foods which they do not intend to consume, and any such failure to accept offered foods shall not affect the amount of payments under this Act to any such school.".

(b) Subsection (b) is amended—

(1) By inserting "(1)" immediately after the subsection designation.

(2) By striking out in the fifth sentence thereof the following: ", if a school elects to serve reduced-price lunches".

(3) By inserting immediately after the fifth sentence thereof the following new sentence: "Any child in any school in a State who is

eligible for a reduced price lunch under income guidelines prescribed for schools in that State under the preceding sentence shall be served a reduced price lunch.".

(4) By adding at the end thereof the following new sentence: "Notwithstanding any other provision of this subsection, beginning with the fiscal year ending June 30, 1976, the income guidelines prescribed by each State educational agency for reduced price lunches for schools in that State under the fifth sentence of this paragraph shall be 95 per centum above the applicable family size income levels in the income poverty guidelines prescribed by the Secretary, and any child who is a member of a household, if that household has an annual income which falls between (A) the applicable family size income level of the income guidelines for free lunches prescribed by the State educational agency and (B) 95 per centum above the applicable family size income levels in the income poverty guidelines prescribed by the Secretary, shall be served a reduced price lunch at a price not to exceed 20 cents.".

(c) Effective January 1, 1976, paragraph (1) of subsection (b) is revised to read as follows:

"(b) (1) No later than June 1 of each fiscal year, the Secretary shall issue revised income poverty guidelines for use during the subsequent 12-month period from July through June. Such revisions shall be made by multiplying the income poverty guideline currently in effect by the change in the Consumer Price Index for the 12-month period ending in April of such fiscal year: *Provided*, That such revision for use from July 1976 through June 1977 shall be made by multiplying the income poverty guideline currently in effect by the change between the average 1974 Consumer Price Index and the Consumer Price Index for April 1976. Any child who is a member of a household which has an annual income not above the applicable family-size income level set forth in the income poverty guidelines prescribed by the Secretary shall be served a free lunch. Following the announcement by the Secretary of the income poverty guidelines for each 12-month period, each State educational agency shall prescribe the income guidelines, by family size, to be used by schools in the State during such 12-month period in making determinations of those eligible for a free lunch as prescribed in this section. The income guidelines for free lunches to be prescribed by each State educational agency shall not be less than the applicable family-size income levels in the income poverty guidelines prescribed by the Secretary and shall not be more than 25 per centum above such family-sized income levels. Each fiscal year, each State educational agency shall also prescribe income guidelines, by family size, to be used by schools in the State during the 12-month period from July through June in making determinations of those children eligible for a lunch at a reduced price, not to exceed 20 cents. Such income guidelines for reduced-price lunches shall be prescribed at 95 per centum above the applicable family size income levels in the income poverty guidelines prescribed by the Secretary. Any child who is a member of a household, if that household has an annual income which falls between (A) the applicable family size income level of the income guidelines for free lunches prescribed by the State educational agency and (B) 95 per centum above the applicable family size income levels in the income poverty guidelines prescribed by the Secretary, shall be served a reduced price lunch at a price not to exceed 20 cents. Local school authorities shall publicly announce such income guidelines on or about the opening of school each fiscal year, and shall make determinations with respect to the annual incomes of any household on the basis of a statement executed in such form as the Secretary may prescribe by an adult member of such household: *Provided*, That such local school authorities may for cause seek verification of the data in such application. No physical segregation of or other discrimination against any child eligible for a free lunch or a reduced price lunch shall be made by the school nor shall there be any overt identification of any child by special tokens or tickets, announced or published lists of names, or by other means. For purposes of this subsection, 'Consumer Price Index' means the Consumer Price Index published each month by the Bureau of Labor Statistics of the Department of Labor.".

(d) Subsection (b) is further amended by adding at the end thereof the following new paragraph (2):

"(2) Any child who has a parent or guardian who (A) is responsible for the principal support of such child and (B) is unemployed shall be served a free or reduced price lunch, respectively, during any period (i) in which such child's parent or guardian continues to be unemployed and (ii) the income of the child's parents or guardians during such period of unemployment falls within the income eligibility criteria for free lunches or reduced price lunches, respectively, based on the current rate of income of such parents or guardians. Local school authorities shall publicly announce that such children are eligible for a free or reduced price lunch, and shall make determinations with respect to the status of any parent or guardian of any child under clauses (A) and (B) of the preceding sentence solely on the basis of a statement executed in such form as the Secretary may prescribe by such parent or guardian. No physical segregation of, or other discrimination against, any child eligible for a free or reduced price lunch under this paragraph shall be made by the school nor shall there be any overt identification of any such child by special tokens or tickets, announced or published lists of names, or by any other means.".

(e) Subsection (c) is amended by striking out "nonprofit private schools" and inserting in lieu thereof "schools (as defined in section 12(d) (6) of this Act which are private and nonprofit as defined in the last sentence of section 12(d) (6) of this Act)".

NONPROFIT PRIVATE SCHOOLS

Sec. 7. Section 10 of the National School Lunch Act is amended to read as follows:

"DISBURSEMENT TO SCHOOLS BY THE SECRETARY

"Sec. 10. If, in any State, the State educational agency is not permitted by law to disburse the funds paid to it under this Act to any of the schools in the State, or is not permitted by law to match Federal funds made available for use by such schools, the Secretary shall disburse the funds directly to such schools within the State for the same purposes and subject to the same conditions as are authorized or required with respect to the disbursements to schools within the State by the State educational agency, including the requirement that any such payment or payments shall be matched, in the proportion specified in section 7 for such State, by funds from sources within the State expended by such schools within the State participating in the school lunch program under this Act. Such funds shall not be considered a part of the funds constituting the matching funds under the terms of section 7.".

SUBMISSION OF STATE NUTRITION PLAN

Sec. 8. Section 11 of the National School Lunch Act is amended—

(a) By striking out in paragraph (1) of subsection (e) "Not later than January 1 of each year" and inserting in lieu thereof the following: "Each year by not later than a date specified by the Secretary".

(b) By striking out in paragraph (1) of subsection (e) the word "fiscal" and inserting in lieu thereof the following: "school".

MISCELLANEOUS PROVISIONS AND DEFINITIONS

Sec. 9. (a) Section 12(d) of the National School Lunch Act is amended by striking out paragraph (3) and by redesignating paragraphs (4) through (7) as paragraphs (3) through (6), respectively.

(b) Section 12(d) (1) of the National School Lunch Act is amended by striking out "or American Samoa" and inserting in lieu thereof "American Samoa, or the Trust Territory of the Pacific Islands".

(c) Section 12(d) (6) of the National School Lunch Act (as redesignated by subsection (a) of this section) is amended to read as follows:

"(6) 'School' means (A) any public or nonprofit private school of high school grade or under, (B) any public or licensed nonprofit private residential child care institution (including, but not limited to, orphanages and homes for the mentally retarded), and (C) with respect to the Commonwealth of Puerto Rico, nonprofit child care centers certified as such by the Governor of Puerto Rico. For purposes of clauses (A) and (B) of this paragraph, the term 'nonprofit', when applied to any such private school or institution, means any such school or institution which is exempt from tax under section 501 (c) (3) of the Internal Revenue Code of 1954.".

(d) Section 12 of the National School Lunch Act is amended by adding at the end thereof the following new subsection (e):

"(e) The value of assistance to children under this Act shall not be considered to be income or resources for any purposes under any Federal or State laws, including laws relating to taxation and welfare and public assistance programs.".

COMMODITY DISTRIBUTION PROGRAM

Sec. 10. Section 14 of the National School Lunch Act is amended by inserting "(a)" immediately after the section designation, by striking out "June 30, 1975" and inserting in lieu thereof "September 30, 1977", and by adding at the end thereof the following new subsection:

"(b) Among the products to be included in the food donations to the school lunch program shall be cereal and shortening and oil products.".

FEDERAL EXPENDITURES

Sec. 11. Section 6 of the National School Lunch Act is amended—

(a) By adding at the end of subsection (a) the following new sentence: "In making purchases of such agricultural commodities and other foods, the Secretary shall not issue specifications which restrict participation of local producers unless such specifications will result in significant advantages to the food service programs authorized by this Act and the Child Nutrition Act of 1966.".

(b) By adding at the end of subsection (e) the following new sentence: "Notwithstanding any other provision of this section, not less than 75 per centum of the assistance provided under this subsection (e) shall be in the form of donated foods for the school lunch program.".

ELECTION TO RECEIVE CASH PAYMENTS

Sec. 12. The National School Lunch Act is amended by adding at the end thereof the following new section:

"Sec. 16. (a) Notwithstanding any other provision of law, where a State phased out its commodity distribution facilities prior to June 30, 1974, such State may, for purposes of the programs authorized by this Act and the Child Nutrition Act of 1966, elect to receive cash payments in lieu of donated foods. Where such an election is made, the Secretary shall make cash payments to such State in an amount equivalent in value to the donated foods that the State would otherwise have received if it had retained its commodity distribution facilities. The amount of cash payments in the case of lunches shall be governed by section 6(e) of this Act.

"(b) when such payments are made, the State educational agency shall promptly and equitably disburse any cash it receives in lieu of commodities to eligible schools and institutions, and such disbursements shall be used by such schools and institutions to purchase United States agricultural commodities and other foods for their food service programs.".

SUMMER FOOD PROGRAM

SEC. 13. Effective October 1, 1975, section 13 of the National School Lunch Act is amended to read as follows:

"SUMMER FOOD SERVICE PROGRAM FOR CHILDREN

"SEC. 13. (a) (1) There is hereby authorized to be appropriated such sums as are necessary for the fiscal year ending June 30, 1976, for the period July 1, 1976, through September 30, 1976, and for the fiscal year ending September 30, 1977, to enable the Secretary to formulate and carry out a program to assist States through grants-in-aid and other means, to initiate, maintain, and expand nonprofit food service programs for children in service institutions. For purposes of this section, the term 'service institutions' means nonresidential public or private, nonprofit institutions, and residential public or private nonprofit summer camps that develop special summer programs providing food service similar to that available to children under the school lunch program under this Act or the school breakfast program under the Child Nutrition Act of 1966 during the school year. To the maximum extent feasible, consistent with the purposes of this section, special summer programs shall utilize the existing food service facilities of public and nonprofit private schools. Any eligible service institution shall receive the summer food program upon its request.

"(2) Service institutions eligible to participate under the program authorized under this section shall be limited to those which conduct a regularly scheduled program for children from areas in which poor economic conditions exist, for any period during the months of May through September, at site locations where organized recreation activities or food services are provided for children in attendance.

"(3) For the purposes of this section, 'poor economic conditions' shall mean an area in which at least 33⅓ per centum of the children are eligible for free or reduced price school meals under the National School Lunch Act and Child Nutrition Act as shown by information provided from model city target areas, departments of welfare, zoning commissions, census tracts, by the number of free and reduced price lunches or breakfasts served to children attending schools located in the area of summer food sites, or from other applicable sources. 'State' shall mean any of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

"(b) Disbursement to service institutions shall equal the full cost of food service operations, except that such financial assistance to any such institution shall not exceed (1) 75.5 cents for all costs excepting administrative costs for each lunch and supper served, (2) 6 cents for administrative costs for each lunch and supper served, (3) 42 cents for all costs except administrative costs for each breakfast served, (4) 3 cents for administrative costs for each breakfast served, (5) 19.75 cents for all costs except administrative costs for each meal supplement served, and (6) 1.5 cents for administrative costs for each meal supplement served: *Provided*, That the above amounts shall be adjusted each March 1 to the nearest one-fourth cent in accordance with changes for the year ending January 31 in the series for food away from home of the Consumer Price Index published by the Bureau of Labor Statistics of the Department of Labor. The initial such adjustment shall reflect the change in the series for food away from home during the period January 31, 1975, to January 31, 1976. The cost of food service operations shall include the cost of obtaining, preparing, and serving food and related administrative costs. No service institution shall be prohibited from serving breakfasts, suppers, and meal supplements as well as lunches unless the service period of different meals coincides or overlaps.

"(c) Disbursements shall be made to service institutions only for meals served during the months of May through September, except that the foregoing provision shall not apply to institutions which develop food service programs for children on school vacation at any time under a continuous school calendar or prevent such institutions, if otherwise eligible, from participating in the program authorized by this section.

"(d) No later than June 1, July 1, and August 1 of each year, the Secretary shall forward to each State an advance payment for meals to be served in that month pursuant to subsection (b), which amount shall be no less than (1) the total payment made to such State for meals served pursuant to subsection (b) for the same calendar month of the preceding calendar year or (2) 65 per centum of the amount estimated by the State, on the basis of approved applications, to be needed to reimburse service institutions for meals to be served pursuant to subsection (b) in that month, whichever is the greater. The Secretary shall forward any remaining payment due pursuant to subsection (b) no later than 60 days following receipt of valid claims. Any funds advanced to a State for which valid claims have not been established within 180 days shall be deducted from the next appropriate monthly advance payment unless the claimant requests a hearing with the Secretary prior to the 180th day. Institutions operating programs during nonsummer vacations during a continuous school year calendar shall receive advance payments not later than the first day of each month involved.

"(e) Service institutions to which funds are disbursed under this section shall serve meals consisting of a combination of foods and meeting minimum nutritional standards prescribed by the Secretary on the basis of tested nutritional research. Such meals shall be served without cost to children attending service institutions approved for operation under this section.

"(f) The Secretary shall publish proposed regulations relating to the implementation of the summer food program by January 1 of each fiscal year, and shall publish final regulations, guidelines, applications, and handbooks by March 1 of each fiscal year. In order to improve program planning, the Secretary is authorized to provide that service institutions receive as startup costs not to exceed 10 per centum of the Federal funds provided such service institutions for meals served pursuant to this section during the preceding summer. Any such startup costs shall be subtracted from payments subsequently made to service institutions for meals served pursuant to subsection (b) of this section.

"(g) Each participating service institution shall, insofar as practicable, utilize in its program foods designated from time to time by the Secretary as being in abundance, either nationally or in the institution area, or foods donated by the Secretary. Irrespective of the amount of funds appropriated under this section, foods available under section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431), or purchased under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), or section 709 of the Food and Agriculture Act of 1965 (7 U.S.C. 1446a–1), shall be donated by the Secretary to service institutions in accordance with the needs as determined by authorities of these institutions for utilization in their feeding programs.

"(h) If in any State the State educational agency is not permitted by law or is otherwise unable to disburse the funds paid to it under this section to any service institution in the State, the Secretary shall disburse the funds directly to service institutions in the State for the same purpose and subject to the same conditions as are required of a State educational agency disbursing funds made available under this section.

"(i) Expenditures of funds from State and local sources for the maintenance of food programs for children shall not be diminished as a result of funds received under this section.

"(j) There is hereby authorized to be appropriated such sums as may be necessary for the Secretary's administrative expenses under this section.

"(k) The Secretary shall pay to each State for administrative costs incurred pursuant to this section an amount equal to 2 per centum of the funds distributed to that State pursuant to subsection (b): *Provided*, That no State shall receive less than $10,000 each fiscal year for its administrative costs unless the funds distributed to that State pursuant to subsection (b) total less than $50,000 for such fiscal year.

"(l) Nothing in this section shall be construed as precluding a service institution from contracting on a competitive basis for the furnishing of meals or administration of the program, or both.

"(m) States, State educational agencies, and service institutions participating in programs under this section shall keep such accounts and records as may be necessary to enable the Secretary to determine whether there has been compliance with this section and the regulations hereunder. Such accounts and records shall at all times be available for inspection and audit by representatives of the Secretary and shall be preserved for such period of time, not in excess of 5 years, as the Secretary determines is necessary.".

SPECIAL SUPPLEMENTAL FOOD PROGRAM

SEC. 14. Effective beginning with the fiscal year ending June 30, 1976, section 17 of the Child Nutrition Act of 1966 is revised to read as follows:

"SPECIAL SUPPLEMENTAL FOOD PROGRAM

"SEC. 17. (a) The Congress finds that substantial numbers of pregnant women, infants, and young children are at special risk in respect to their physical and mental health by reason of poor or inadequate nutrition or health care, or both. It is, therefore, the purpose of the program authorized by this section to provide supplemental nutritious food as an adjunct to good health care during such critical times of growth and development in order to prevent the occurrence of health problems.

"(b) (1) During the fiscal year ending June 30, 1976, the period July 1, 1976, through September 30, 1976, the fiscal year ending September 30, 1977, and the fiscal year ending September 30, 1978, the Secretary shall make cash grants to the health department or comparable agency of each State, Indian tribe, band or group recognized by the Department of the Interior; or the Indian Health Service of the Department of Health, Education, and Welfare for the purpose of providing funds to local health or welfare agencies or private nonprofit agencies of such State; Indian tribe, band, or group recognized by the Department of the Interior; or the Indian Health Service of the Department of Health, Education, and Welfare, serving local health or welfare needs to enable such agencies to carry out health and nutrition programs under which supplemental foods will be made available to pregnant or lactating women and to infants determined by competent professionals to be nutritional risks because of inadequate nutrition and inadequate income, in order to improve their health status. The program authorized by this section shall be carried out supplementary to the food stamp and food distribution program and operate side by side with existing supplemental food programs.

"(2) Any eligible local health or welfare agency or private non-profit agency that applies to operate such a supplemental food program immediately shall be provided with the necessary funds to carry out the program. The requirements set forth herein shall not be construed to permit the Secretary to reduce ratably the amount of foods that an eligible health or welfare agency shall distribute under the program to pregnant or lactating mothers and infants.

"(c) In order to carry out such program during each fiscal year during the period ending September 30, 1977, there is authorized to be appropriated the sum of $250,000,000, but in the event that such sum has not been appropriated for such purpose by the beginning of each fiscal year, the Secretary shall use $250,000,000, or, if any amount has been appropriated for such program, the difference, if any, between the amount directly appropriated for such purpose and $250,000,000, out of funds appropriated by section 32 of the Act of August 24, 1935 (7 U.S.C. 612c). Any funds expended from such section 32 to carry out the provisions of this section shall be reimbursed out of any supplemental appropriation hereafter enacted for the purpose of carrying out the provisions of such subsection, and such reimbursements shall be deposited into the fund established pursuant to such section 32, to be available for the purpose of such section. In order to carry out the program during the fiscal year ending September 30, 1978, there is authorized to be appropriated not to exceed $250,000,000.

"(d) Whenever any program is carried out by the Secretary under authority of this section through any State or local or nonprofit agency, he is authorized to pay administrative costs not to exceed 20 per centum of the program funds provided to each State under the authority of this section. Each health department or comparable agency of each State, Indian tribe, band, or group recognized by the Department of the Interior; or the Indian Health Service of the Department of Health, Education, and Welfare receiving funds from the Secretary under this section shall, by January 1 of each year (by October 1 in the case of fiscal year 1976), for approval by the Secretary as a prerequisite to receipt of funds under this section, submit a description of the manner in which administrative funds shall be spent, including, but not limited to, a description of the manner in which nutrition education services will be provided. The Secretary shall take affirmative action to insure that programs begin in areas most in need of special supplemental food. During the first 3 months of any program, or until the program reaches its projected caseload level, whichever comes first, the Secretary shall pay those administrative costs necessary to commence the program successfully.

"(e) The eligibility of persons to participate in the program provided for under this section shall be determined by competent professional authority. Participants shall be residents of areas or members of populations served by clinics or other health facilities determined to have significant numbers of infants and pregnant and lactating women at nutritional risk.

"(f) State or local agencies or groups carrying out any programs under this section shall maintain adequate medical records on the participants assisted to enable the Secretary to determine and evaluate the benefits of the nutritional assistance provided under this section. The Secretary shall convene an advisory committee made up of representatives from the Maternal and Child Health Division of the Department of Health, Education, and Welfare, the Center for Disease Control, the Association of State and Territorial Public Health Nutrition Directors, the American Academy of Pediatrics, the National Academy of Science—National Research Council, the American Dietetic Association, the American Public Health Association, the Public Health Service, and others as the Secretary deems appropriate. The committee shall study the methods available to evaluate successfully and economically, in part or in total, the health benefits of the special supplemental food program. The committee's study shall consider the usefulness of the medical data collected and the methodology used by the Department of Agriculture and the Comptroller General of the United States prior to March 30, 1975. The study shall also include the applicability to an evaluation of the special supplemental food program of other Federal and State health, welfare, and nutrition assessment and surveillance projects currently being conducted. The purpose of the advisory committee shall be to determine and recommend in detail how, using accepted scientific methods, the health benefits of the special supplemental food program may best be evaluated and assessed. The advisory committee shall report its study to the Secretary no later than December 1, 1975. The Secretary shall submit to Congress his recommendations based on such study no later than March 1, 1976.

"(g) As used in this section—

"(1) 'Pregnant and lactating women' when used in connection with the term 'at nutritional risk' includes women from low-income populations who demonstrate one or more of the following characteristics: known inadequate nutritional patterns, unacceptably high incidence of anemia, high prematurity rates, or inadequate patterns of growth (underweight, obesity, or stunting). Such term (when used in connection with the term 'at nutritional risk') also includes low-income individuals who have a history of high-risk pregnancy as evidenced by abortion, premature birth, or severe anemia. Such lactating women shall include women who are breast feeding an infant from birth up to one year of age and also all women for a period of six months post partum.

"(2) 'Infants' when used in connection with the term 'at nutritional risk' means children under 5 years of age who are in low-income populations which have shown a deficient pattern of growth, by minimally acceptable standards, as reflected by an excess number of children in the lower percentiles of height and weight. Such term, when used in connection with 'at nutritional risk', may also include children under 5 years of age who (A) are in the parameter of nutritional anemia, or (B) are from low-income populations where nutritional studies have shown inadequate infant diets.

"(3) 'Supplemental foods' shall mean those foods containing nutrients known to be lacking in the diets of populations at nutritional risk and, in particular, those foods and food products containing high-quality protein, iron, calcium, vitamin A, and vitamin C. Such term may also include (at the discretion of the Secretary) any commercially formulated preparation specifically designed for women or infants. The contents of the food package shall be made available in such a manner as to provide flexibility, taking into account medical and nutritional objectives and cultural eating patterns.

"(4) 'Competent professional authority' includes physicians, nutritionists, registered nurses, dietitians, or State or local medically trained health officials, or persons designated by physicians or State or local medically trained health officials as being competent professionally to evaluate nutritional risk.

"(5) 'Administrative costs' include costs for referral, operation, monitoring, nutrition education, general administration, *startup*, clinic, and administration of the State office.

"(h) (1) There is hereby established a council to be known as the National Advisory Council on Maternal, Infant, and Fetal Nutrition (hereinafter in this section referred to as the 'Council') which shall be composed of 15 members appointed by the Secretary. One member shall be a State director of the special supplemental food program, 1 member shall be a State fiscal director for the special supplemental food program (or the equivalent thereof), 1 member shall be a State health officer (or equivalent thereof), 1 member shall be a project director of a special supplemental food program in an urban area, 1 member shall be a project director of a special supplemental food program in a rural area, 1 member shall be a State public health nutrition director (or equivalent thereof), 2 members shall be parent recipients of the special supplemental food program, 1 member shall be a pediatrician, 1 member shall be an obstetrician, 1 member shall be a person involved at the retail sales level of food in the special supplemental food program, 2 members shall be officers or employees of the Department of Health, Education, and Welfare, specially qualified to serve on the Council because of their education, training, experience, and knowledge in matters relating to maternal, infant, and fetal nutrition, and 2 members shall be officers or employees of the Department of Agriculture, specially qualified because of their education, training, experience, and knowledge in matters relating to maternal, infant, and fetal nutrition.

"(2) The 11 members of the Council appointed from outside the Department of Agriculture and the Department of Health, Education, and Welfare shall be appointed for terms of 3 years, except that the 9 members first appointed to the Council shall be appointed as follows: Three members shall be appointed for terms of 3 years, 3 members shall be appointed for terms of 2 years, and 3 members shall be appointed for terms of 1 year. Thereafter all appointments shall be for a term of 3 years, except that a person appointed to fill an unexpired term shall serve only for the remainder of such term. Members appointed from the Department of Agriculture and the Department of Health, Education, and Welfare shall serve at the pleasure of the Secretary.

"(3) The Secretary shall designate one of the members to serve as Chairman and one to serve as Vice Chairman of the Council.

"(4) The Council shall meet at the call of the Chairman but shall meet at least once a year.

"(5) Eight members shall constitute a quorum and a vacancy on the Council shall not affect its powers.

"(6) It shall be the function of the Council to make a continuing study of the operation of the special supplemental food program and any related Act under which diet supplementation is provided to women, infants, and children, with a view to determining how such programs may be improved. The Council shall submit to the President and the Congress annually a written report of the results of its study together with such recommendations for administrative and legislative changes as it deems appropriate.

"(7) The Secretary shall provide the Council with such technical and other assistance, including secretarial and clerical assistance, as may be required to carry out its functions under this Act.

"(8) Members of the Council shall serve without compensation but shall receive reimbursement for necessary travel and subsistence expenses incurred by them in the performance of the duties of the Council.".

AMENDMENTS PERTAINING TO THE COMMONWEALTH OF PUERTO RICO, THE VIRGIN ISLANDS, AMERICAN SAMOA, AND THE TRUST TERRITORY OF THE PACIFIC ISLANDS

SEC. 15. Section 3 of the Child Nutrition Act of 1966 is amended—

(1) By inserting immediately after "Guam," in the second sentence thereof the following: "the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, the Trust Territory of the Pacific Islands,".

(2) By adding at the end thereof the following new sentence: "Notwithstanding any other provision of this section, in no event shall the minimum rate of reimbursement exceed the cost to the school or institution of milk served to children.".

(b) Section 4(b)(1) of the Child Nutrition Act of 1966 is amended by striking out "and American Samoa," in both places where such term occurs and inserting in lieu thereof "American Samoa, and the Trust Territory of the Pacific Islands,".

(c) Section 15(a) of the Child Nutrition Act of 1966 is amended by striking out "or American Samoa" and inserting in lieu thereof "American Samoa, or the Trust Territory of the Pacific Islands".

CHILD CARE FOOD PROGRAM

SEC. 16. The National School Lunch Act is amended by adding at the end thereof the following new section:

"CHILD CARE FOOD PROGRAM

"SEC. 17. (a) (1) There is hereby authorized to be appropriated such sums as are necessary for the fiscal year ending June 30, 1976, the period July 1, 1976, through September 30, 1976, the fiscal year ending September 30, 1977, and the fiscal year ending September 30, 1978, to enable the Secretary to formulate and carry out a program to assist States through grants-in-aid and other means to initiate, maintain, or expand nonprofit food service programs for children in institutions providing child care.

"(2) For purposes of this section, the term 'institution' means any public or private nonprofit organization where children are not maintained in permanent residence including, but not limited to, day care centers, settlement houses, recreation centers, family day care programs, Head Start centers, Homestart programs, and institutions providing day care services for handicapped children. No institution shall be eligible to participate in this program unless it has either local, State, or Federal licensing or approval as a child care institution, or can satisfy the Secretary that its standards are no less comprehensive than the Federal interagency day care requirements as approved by the Department of Health, Education, and Welfare, the Office of Economic Opportunity, and the Department of Labor on September 23, 1968. An institution may be approved for funding under this section only if, under conditions established by the Secretary, such institution is moving toward compliance with the requirements for tax exempt status under section 501(c)(3) of the Internal Revenue Code of 1954, or is currently operating a federally funded program requiring nonprofit status. For purposes of this section, the term 'State' means any of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands. Any eligible institution shall receive the child care food program upon its request.

"(b) for each fiscal year beginning with the fiscal year ending June 30, 1976, the Secretary shall make child care food payments no less frequently than on a monthly basis to each State educational agency in an amount no less than the sum of the products obtained by multiplying (A) the number of breakfasts served in child care food programs within that State by the national average payment rate for breakfasts under section 4 of the Child Nutrition Act of 1966, (B) the number of breakfasts served in child care food programs within that State to children from families whose incomes meet the eligibility criteria for free school meals by the national average payment rate for free breakfasts under section 4 of the Child Nutrition Act of 1966, (C) the number of breakfasts served in child care food programs within that State to children from families whose incomes meet the eligibility criteria for reduced price school meals by the national average payment rate for reduced price school breakfasts under section 4 of the Child Nutrition Act of 1966, (D) the number of lunches and suppers served in child care food programs within that State by the national average payment rate for lunches under section 4 of the National School Lunch Act, (E) the number of lunches and suppers served in child care food programs within that State to children from families whose incomes meet the eligibility criteria for free school meals by the national average payment rate for free school lunches under section 11 of the National School Lunch Act, (F) the number of lunches and suppers served in child care food programs in that State to children whose families meet the eligibility criteria for reduced price school meals by the national average payment factor for reduced price lunches under section 11 of the National School Lunch Act, (G) the number of snacks served in child care food programs in that State by 5 cents, (H) the number of snacks served in child care food programs in that State to children from families whose incomes meet the eligibility criteria for free school meals by 15 cents, and (I) the number of snacks served in child care food programs in that State to children from families whose incomes meet the eligibility criteria for reduced price school meals by 10 cents. The rates established pursuant to clauses (G), (H), and (I) shall be adjusted semiannually to the nearest one-fourth cent by the Secretary to reflect the changes in the series for food away from home of the Consumer Price Index published by the Bureau of Labor Statistics of the Department of Labor. The initial such adjustment shall become effective January 1, 1976, and shall reflect changes in the series for food away from home during the period June through November 1975. Reimbursement for meals provided under this section shall not be dependent upon the collection of moneys from participating children.

"(c) Meals served by institutions participating in the program under this section shall consist of a combination of foods and shall meet minimum nutritional requirements prescribed by the Secretary on the basis of tested nutritional research. Such meals shall be served free to needy children. No physical segregation or other discrimination against any child shall be made because of his inability to pay, nor shall there be any overt identification of any such child by special tokens or tickets, announced or published lists of names, or other means. No institution shall be prohibited from serving a breakfast, lunch, dinner, and snack to each eligible child each day.

"(d) Funds paid to any State under this section shall be disbursed by the State educational agency to institutions approved for participation on a nondiscriminatory basis to reimburse such institutions for their costs in connection with food service operations, including labor and administrative expenses. All valid claims from such institutions shall be paid within 30 days.

"(e) Irrespective of the amount of funds appropriated under this section, foods available under section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431) or purchased under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), or section 709 of the Food and Agriculture Act of 1965 (7 U.S.C. 1446a-1), shall be donated by the Secretary of Agriculture to institutions participating in the child care food program in accordance with the needs as determined by authorities of these institutions for utilization in their feeding programs. The amount of such commodities (or, upon the application of a State educational agency, cash in lieu of commodities in such amounts as may be provided in appropriations Acts) donated to each State for each fiscal year shall be, at a minimum, the amount obtained by multiplying the number of lunches and suppers served in participating institutions during that fiscal year by the rate for commodities and cash in lieu thereof established for that fiscal year in accordance with the provisions of section 6(e) of the National School Lunch Act.

"(f) If in any State the State educational agency is not permitted by law or is otherwise unable to disburse the funds paid to it under this section to any institution in the State, the Secretary shall disburse the funds so withheld directly to institutions in the State for the same purpose and subject to the same conditions as are required of a State educational agency disbursing funds made available under this section.

"(g) Expenditures of funds from State and local sources for the maintenance of food programs for children shall not be diminished as a result of funds received under this section.

"(h) There is hereby authorized to be appropriated for any fiscal year such sums as may be necessary for the Secretary's administrative expenses under this section.

"(i) States, State educational agencies, and institutions participating in programs under this section shall keep such accounts and records as may be necessary to enable the Secretary to determine whether there has been compliance with this section and the regulations hereunder. Such accounts and records shall at all times be available for inspection and audit by representatives of the Secretary and shall be preserved for such period of time, not in excess of 5 years, as the Secretary determines is necessary.

"(j) (1) Of the sums appropriated for any fiscal year pursuant to the authorization contained in this section, $3,000,000 shall be available to the Secretary for the purposes of providing, during each such fiscal year, nonfood assistance for the child care food program. The Secretary shall apportion among the States during each fiscal year the aforesaid sum of $3,000,000; *Provided*, That such an apportionment shall be made according to the ratio among the States of the number of children below age 6 who are members of households which have an annual income not above 125 per centum of the applicable family-size income level set forth in the income poverty guideline prescribed by the Secretary under section 9(b) of this Act.

"(2) If any State cannot utilize all of the funds apportioned to it under the provisions of this section, the Secretary shall make further apportionments to the remaining States. Payments to any State of funds apportioned under the provisions of this subsection for any fiscal year shall be made upon condition that at least one-fourth of the cost of equipment financed under this section shall be borne by funds from sources within the State, except that such condition shall not apply with respect to funds used under this section to assist institutions determined by the State to be especially needy.

"(k) The regulations issued by the Secretary to carry out this section shall be issued and become effective not later than 90 days after the date of enactment of the National School Lunch Act and Child Nutrition Act of 1966 Amendments of 1975. During the period prior to the effective date of the regulations, the Secretary is authorized to conduct a food service program in the same manner and under the same conditions and limitations as the special food service program for children was conducted under section 13 of the National School Lunch Act during the fiscal year ending June 30, 1975. Notwithstanding the foregoing, the child care food payment rates provided in subsection (b) of this section and the provisions of subsection (e) of this section shall become effective on the date of enactment of the National School Lunch Act and Child Nutrition Act of 1966 Amendments of 1975.".

CONFORMING AMENDMENTS

SEC. 17. (a) Section 4(f) of the Child Nutrition Act of 1966 is amended by striking out "nonprofit private schools" in the second sentence and inserting in lieu thereof "schools (as defined in section 15(c) of this Act which are private and nonprofit as defined in the last sentence of section 15(c) of this Act)".

(b) Section 15 of the Child Nutrition Act of 1966 is amended by striking out paragraph (c), by redesignating paragraphs (d) and (e) as (c) and (d), respectively, and by amending paragraph (c) (as redesignated by this subsection) to read as follows:

"(c) 'School' means (A) any public or nonprofit private school of high school grade or under, including kindergarten and preschool programs operated by such school, (B) any public or licensed nonprofit private residential child care institution (including, but not limited to, orphanages and homes for the mentally retarded), and (C) with respect to the Commonwealth of Puerto Rico, nonprofit child care centers certified as such by the Governor of Puerto Rico. For purposes of clauses (A) and (B) of this subsection, the term 'nonprofit', when applied to any such private school or institution, means any such school or institution which is exempt from tax under section 501(c)(3) of the Internal Revenue Code of 1954.".

NONFOOD ASSISTANCE PROGRAM

SEC. 18. Section 5 of the Child Nutrition Act of 1966 is amended—

(a) By changing the period at the end of subsection (b) to a comma and adding the following: "except that such conditions shall not apply with respect to funds used under this section to assist schools if such schools are especially needy, as determined by the State.".

(b) Effective beginning with the fiscal year ending June 30, 1976, by changing subsection (e) to read as follows:

"(e) For the fiscal year ending June 30, 1976, the period July 1, 1976, through September 30, 1976, and the fiscal year ending September 30, 1977, 33⅓ per centum of the funds appropriated for the purposes of this section shall be reserved to the Secretary to assist schools without a food service program and schools without the facilities to prepare or receive hot meals. For the fiscal year ending June 30, 1976, the Secretary shall apportion the funds so reserved among the States on the basis of the ratio of the number of children in each State enrolled in schools without a food service program to the number of children in all States enrolled in schools without a food service program. After the fiscal year ending June 30, 1976, the Secretary shall apportion the funds so reserved among the States on the basis of the ratio of the number of children in each State enrolled in schools without a food service program and in schools without the facilities to prepare or receive hot meals to the number of children in all States enrolled in schools without a food service program and in schools without the facilities to prepare or receive hot meals. In those States in which the Secretary administers the nonfood assistance program in nonprofit private schools, the Secretary shall, for the fiscal year ending June 30, 1976, withhold from the funds apportioned to any such State under this subsection an amount which bears the same ratio to such funds as the number of children enrolled in nonprofit private schools without a food service program in such State bears to the total number of children enrolled in all schools without a food service program in such State. In those States in which the Secretary administers the nonfood assistance program in nonprofit private schools, the Secretary shall, after the fiscal year ending June 30, 1976, withhold from the funds apportioned to any such State under this subsection an amount which bears the same ratio to such funds as the number of children enrolled in nonprofit private schools without a food service program or without the facilities to prepare or receive hot meals in such State bears to the total number of children enrolled in all schools without a food service program or without the facilities to prepare or receive hot meals in such State. The funds so reserved, apportioned, and withheld shall be used by State educational agencies, or the Secretary in the case of nonprofit private schools, only to assist schools without a food service program and schools without the facilities to prepare or receive hot meals. If any State cannot so utilize all the funds apportioned to it under the provisions of this subsection, the Secretary shall make further apportionments to the remaining States for use only in assisting schools without a food service program and schools without the facilities to prepare or receive hot meals: *Provided*, That if after such further apportionments any funds reserved under this subsection remain unused, the Secretary shall immediately apportion such funds among the States in accordance with the provisions of subsection (b) of this section to assist schools with a food service program and with the facilities to prepare or receive hot meals. Payment to any State of the funds provided to it under the provisions of this subsection shall be made upon the condition that at least one-fourth of the cost of the equipment financed shall be borne by funds from sources within the State, except that such condition shall not apply with respect to funds used under this subsection to assist schools which are especially needy, as determined by the State.".

NUTRITION STUDY

SEC. 19. The National School Lunch Act is amended by adding at the end thereof the following new section:

"NUTRITION PROGRAM STAFF STUDY

"SEC. 18. The Secretary is authorized to carry out a study to determine how States are utilizing Federal funds provided to them for the administration of the child nutrition programs authorized by this Act and the Child Nutrition Act of 1966, and to determine the level of funds needed by the States for administrative purposes. The study shall report on the current size and structure of State staffs, job descriptions and classifications, training provided to such staff, representation of minorities on staffs, and the allocation of staff time, training time, and Federal administrative dollars spent among each of the various child nutrition programs. The study shall assess State needs for additional staff positions, training, and funds, for each of the above areas, including additional State needs to implement adequately the provisions of this Act and the Child Nutrition Act of 1966. The study shall also determine State staffing needs and training program support required to conduct effective outreach for the purpose of reaching the maximum number of eligible children in the summer food service program and the child care food program. As part of this study, the Secretary shall also examine the degree and cause of plate waste in the school lunch program. The Secretary shall examine possible relationships between plate waste and (1) lack of adequate menu development, (2) the service of competitive foods, and (3) the nature of the type A lunch pattern. The Secretary shall review the study design with the appropriate congressional committees prior to its implementation, and shall report his findings together with any recommendations he may have with respect to additional legislation, to the Congress no later than March 1, 1976.".

SPECIAL APPROPRIATION

SEC. 20. The National School Lunch Act is amended by adding at the end thereof the following new section:

"APPROPRIATIONS FOR THE TRUST TERRITORY OF THE PACIFIC ISLANDS

"SEC. 19. There is hereby authorized to be appropriated (a) for each of the fiscal years beginning July 1, 1975, and October 1, 1976, the sum of $500,000 and (b) for the period July 1, 1976, through September 30, 1976, the sum of $125,000, to enable the Secretary to assist the Trust Territory of the Pacific Islands to carry out various developmental and experimental projects relating to programs authorized under this Act and the Child Nutrition Act of 1966 to (1) establish or improve the organizational, administrative, and operational structures and systems at the State and local school levels; (2) develop and conduct necessary training programs for school food service personnel; (3) conduct a thorough study of the children's food and dietary habits upon which special meal and nutritional requirements can be developed; and (4) establish and maintain viable school food services which are fully responsive to the needs of the children, and which are consistent with the range of child nutrition programs available to the other States, to the maximum extent possible.".

STUDY OF COST ACCOUNTING REQUIREMENTS

SEC. 21. (a) The Secretary shall not delay or withhold, or cause any State to delay or withhold, payments for reimbursement of per-meal costs with respect to school food service programs authorized pursuant to the National School Lunch Act and Child Nutrition Act of 1966 on the basis of noncompliance with full cost accounting procedures unless and until the requirements of subsection (b) of this section are met.

(b) The Secretary shall study the additional personnel and training needs of States, local school districts, and schools resulting from the imposition of a requirement to implement full cost accounting procedures under the National School Lunch Act and Child Nutrition Act of 1966 and, on the basis of the results of such study, shall within one year after the date of enactment of this Act, submit a report and make such legislative recommendations as he deems necessary to the appropriate committees of the Congress.

TECHNICAL AMENDMENT

SEC. 22. The National School Lunch Act is amended by striking out the following:

"SEC. 15. (a) In addition to funds appropriated or otherwise available, the Secretary is authorized to use, during the fiscal year ending June 30, 1971, not to exceed $35,000,000 in funds from Section 32 of the Act of August 24, 1935 (7 U.S.C. *612c*), to carry out the provisions of this Act, and during the fiscal year ending June 30, 1972, not to exceed $100,000,000 in funds from such section 32 to carry out the provisions of this Act relating to the service of free and reduced-price meals to needy children in schools and service institutions.

"(b) Any funds unexpended under this section at the end of the fiscal year ending June 30, 1971, or at the end of the fiscal year ending June 30, 1972, shall remain available to the Secretary in accordance with the last sentence of section 3 of this Act, as amended.".

CASH GRANTS FOR NUTRITION EDUCATION

SEC. 23. The Child Nutrition Act of 1966 is amended by adding at the end thereof the following new section:

"SEC. 18. (a) The Secretary is hereby authorized and directed to make cash grants to State educational agencies for the purpose of conducting experimental or demonstration projects to teach schoolchildren the nutritional value of foods and the relationship of nutrition to human health.

"(b) In order to carry out the program, provided for in subsection (a) of this section, there is hereby authorized to be appropriated not to exceed $1,000,000 annually. The Secretary shall withhold not less than 1 per centum of any funds appropriated under this section and shall expend these funds to carry out research and development projects relevant to the purpose of this section, particularly to develop materials and techniques for the innovative presentation of nutritional information.".

ADDITIONAL PAYMENTS FOR FULL-PRICE LUNCHES DURING FISCAL YEAR 1976

SEC. 24. (a) Section 4 of the National School Lunch Act is amended by inserting "(a)" immediately before the first sentence and by adding at the end thereof the following new subsection:

"(b)(1) In the fiscal year which begins on July 1, 1975, in addition to food assistance payments under subsection (a) for that fiscal year, the Secretary shall make additional payments to each State educational agency in a total amount equal to the result obtained by multiplying (A) the number of lunches other than free lunches and reduced-price lunches (consisting of a combination of foods which meet the minimum nutritional requirements prescribed by the Secretary under section 9(a)) served during that fiscal year to children in schools in the State which participate in the school lunch program under this Act under agreements with that State educational agency, by (B) 3 cents. Additional payments under this paragraph shall not be subject to the matching requirements contained in the third sentence of section 7. From the payments received under this paragraph, each State educational agency shall disburse—

"(A) to each local educational agency in the State with schools which participate in the school lunch program under this Act under agreements with that State educational agency, an amount equal to the result obtained by multiplying (i) the number of lunches described in clause (A) of the first sentence of this paragraph served in the schools of that local educational agency which participate in such program by (ii) 3 cents, and

"(B) to each school in the State which is not a school of a local educational agency in the State but which participates in the school lunch program under this Act under an agreement with that State educational agency, an amount equal to the result obtained by multiplying (i) the number of lunches described in clause (A) of the first sentence of this paragraph served in that school by (ii) 3 cents.

"(2) In the fiscal year which begins on July 1, 1975, in addition to food assistance payments under subsection (a) for that year, the Secretary shall make additional payments to each school to which the Secretary makes direct disbursements under section 10 in a total amount equal to the result obtained by multiplying (A) the number of lunches described in clause (A) of the first sentence of paragraph (1) served during that fiscal year to children in that school by (B) 3 cents. Additional payments under this paragraph shall not be subject to the matching requirements contained in section 10.".

And the Senate agree to the same.

Carl D. Perkins,
William D. Ford,
Patsy T. Mink,
Lloyd Meeds,
Shirley Chisholm,
Ike F. Andrews,
William Lehman,
Theodore M. Risenhoover,
Paul Simon,
Ronald M. Mottl,
Tim L. Hall,
Michael T. Blouin,
James G. O'Hara,
Leo C. Zeferetti,
George Miller,
John Buchanan,
Larry Pressler,
William F. Goodling,
James M. Jeffords,
Managers on the Part of the House.

Herman E. Talmadge,
George McGovern,
James B. Allen,
Hubert H. Humphrey,
Dick Clark,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4222) to amend the National School Lunch Act and the Child Nutrition Act of 1966 in order to extend and revise the special food service program for children and the school breakfast program, and for other purposes related to strengthening the school lunch and child nutrition programs, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report.

The Senate amendment strikes all of the House bill after the enacting clause and inserts a substitute. The House recedes from its disagreement to the amendment of the Senate, with an amendment which is a substitute for both the House bill and the Senate amendment. The differences between the House bill and the Senate amendment and the substitute agreed to in conference are noted in the following outline, except for conforming, clarifying and technical changes.

(1) *Extension of school breakfast program*

The *House* bill makes permanent the authorization for appropriations in the Child Nutrition Act of 1966 for the school breakfast program.

The *Senate* amendment extends the school breakfast program through September 30, 1977.

The *Conference* substitute adopts the *House* provision.

(2) *Expansion of school breakfast program*

Under the *Senate* amendment, the Secretary would have 6 months, instead of 90 days, as provided in the *House* bill, to report his plans to expand the school breakfast program to the appropriate Congressional committees.

The *Conference* substitute adopts the *House* provision with the modification that the Secretary would have 4 months to submit his plans.

(3) *Reduced price lunches*

The *House* bill deletes the State's option to serve reduced price lunches and provides that any child in any school in a State who is eligible for reduced price lunches under the State's income guidelines shall be served a reduced price lunch. The *House* bill also requires that, beginning with the 1976 fiscal year, State educational agencies are to establish income guidelines for reduced price lunches at levels which are 100 percent above those in the income poverty guidelines prescribed by the Secretary.

The *Senate* amendment strikes the *House* provision.

The *Conference* substitute adopts the *House* provision but modifies the eligibility for reduced price lunches to 95 percent above the income poverty guidelines.

(4) *Income poverty guidelines*

Effective June 1, 1976, the *Senate* amendment amends existing law under which the Secretary issues revised income poverty guidelines. Under the *Senate* amendment, the guidelines would be based on more current data. Under existing law, the guidelines that take effect on July 1 of each year are based on the average Consumer Price Index for the previous calendar year. Under the *Senate* amendment, the guidelines that take effect July 1 of each year would be adjusted according to the percentage change in the Consumer Price Index for the 12-month period ending in April of that year. The first adjustment under the *Senate* amendment—which would be effective July 1, 1976—would be made according to the percentage change between the average CPI for 1974 (on which the 1975–1976 guidelines are based) and the CPI for April 1976.

The *House* bill contains no comparable provision.

The *Conference* substitute adopts the *Senate* amendment.

(5) *Income verification*

The *Senate* amendment provides that local school authorities may for cause seek verification of the data contained in applications for free and reduced price lunches.

The *House* bill contains no comparable provision.

The *Conference* substitute adopts the *Senate* amendment.

(6) *Waste of foods served under the school lunch program.*

The *House* bill requires that the Secretary establish procedures to diminish the waste of foods served by schools participating in the school lunch program. Senior high school students would not be required to accept foods they do not intend to eat and their failure to accept such foods would not affect the amount of payments the school receives under the National School Lunch Act.

The *Senate* amendment strikes the *House* provision.

The *Conference* substitute adopts the *House* provision.

(7) *Additional 5-cent reimbursement.*

The *House* bill provides an additional 5-cent reimbursement for fiscal year 1976 for each lunch served to children who do not qualify for free or reduced price meals.

The *Senate* amendment strikes the *House* provision.

The *Conference* substitute retains the *House* provision but reduces the additional reimbursement rate to 3 cents.

In connection with the funding of the school lunch program, the *Conferees* intend that no State shall lose Federal funds because of the amount of funds appropriated by State governments for school meals. States shall have maximum flexibility in using section 4 funds and State funds as a means of reaching the paying child. It is the intent of Congress that States and local school districts use available financial resources, including section 4 funds, government donated foods, and State and local government funds to maintain, in participating schools, the lowest possible lunch prices to children who do not qualify for free or reduced price lunches.

The Congress has, consistently throughout the years, expressed its intent that maximum State and local participation be encouraged in the child nutrition programs. Therefore, any administrative action which would have the effect of penalizing or discouraging such participation would run directly contrary to Congressional intent.

(8) *Free lunches for children of unemployed parents.*

The *House* bill provides that any child whose parents or guardian (providing the child's principal support) is unemployed shall be served a free lunch during the period of unemployment. The provision is to terminate one year after enactment.

The *Senate* amendment makes the *House* provision permanent, but amends it to provide that the income of the child's parent or guardian during the period of unemployment must fall within the income eligibility criteria for free lunches.

The *Conference* substitute retains the *Senate* provision but also provides that children of an unemployed parent or guardian whose family income falls within the income eligibility criteria for reduced price lunches shall be served a reduced price lunch. Current rates of income shall be utilized as the basis for determining such income eligibility. The *Conferees* are concerned that substantial numbers of children from families of unemployed parents are not receiving the benefits of the free or reduced price lunch program. Recognizing that we are in a situation where there are frequent and indefinite periods of unemployment in certain heavily-industrialized areas, the *Conferees* intend that this provision be implemented so as to provide immediate eligibility for a free or reduced price lunch to any child where the head of the household, heretofore employed, becomes unemployed. Such eligibility is to cover the entire period of unemployment and the family income during such period of unemployment, and only during such period of unemployment, is to be utilized in determining whether the income eligibility criteria have been met. In order that eligible children will be able to receive the benefits intended for them, the Secretary is to issue appropriate regulations requiring local school districts to develop and make available informational materials, relating to the income eligibility criteria for free and reduced price lunches, to local unemployment offices and to major employers contemplating large layoffs throughout the school year. Such a procedure should serve to alert unemployed persons to the potential eligibility of their children to receive free lunches or to purchase reduced price lunches.

(9) *Submission of State nutrition plans.*

The *Senate* amendment authorizes the Secretary to prescribe the date under existing law, not later than January 1) by which State educational agencies shall file their annual plans of child nutrition operations for the following school year.

The *House* bill contains no comparable provision.

The *Conference* substitute adopts the *Senate* amendment.

(10) *Definition of school.*

Both the *House bill* and the *Senate* amendment expand the definition of school under the National School Lunch Act and the Child Nutrition Act of 1966 to include any public or licensed nonprofit private residential child care institution, including, but not limited to, orphanages and homes for the mentally retarded. In addition, the *House* bill specifically names as public or licenesd nonprofit private residential child care institutions "homes for the emotionally disturbed, homes for unmarried mothers and their infants, temporary shelters for runaway children, temporary shelters for abused children, hospitals for children who are chronically ill, and juvenile detention centers."

The *Senate* amendment names by way of illustration only orphanages and homes for the mentally retarded.

The *Conference* substitute adopts the *Senate* amendment. However, the new definition would include all of the institutions named in the *House* bill.

(11) *School lunch assistance as income or resources.*

The *Senate* amendment provides that the value of assistance to children under the National School Lunch Act shall not be considered as income or resources for any purposes under any Federal or State laws, including laws relating to taxation and welfare and public assistance programs.

The *House* bill contains this provision but makes it applicable only to the child care program.

The *Conference* substitute adopts the *Senate* amendment.

(12) *Commodity distribution program.*

The *Senate* amendment extends through September 30, 1977, the Secretary's authority to purchase agricultural commodities for donation to the child nutrition programs and programs for the elderly when acquisitions under other agricultural authorities are not available. States which phased out their commodity distribution facilities prior to July 1, 1974, could elect to receive cash in lieu of donated foods.

The *House* bill contains no comparable provision.

The *Conference* substitute adopts the *Senate* amendment.

(13) *Required donation of certain foods.*

The *Senate* amendment requires the donation to the school lunch program of cereal, shortening, and oil products at the level provided during fiscal year 1974. Such cereal, shortening, and oil products are to be in addition to the value of commodity donations (or cash in lieu thereof) otherwise provided for in section 6 of the National School Lunch Act.

The *House* bill contains no comparable provision.

The *Conference* substitute deletes that portion of the *Senate* provision which requires that the donation of cereal, shortening, and oil products be in addition to the value of commodity donations (or cash-in-lieu thereof) otherwise provided. However, the *Conference* substitute retains that portion of the provision which requires that such products be among the commodities distributed to the school lunch program.

(14) *No restriction on participation by local producers.*

The *House* bill provides that the Secretary, in purchasing commodities and other foods, shall not issue specifications which restrict the participation of local producers unless such specifications will result in significant advantages to the national school lunch program.

The *Senate* amendment retains the *House* provision but expands it to include all of the food service programs authorized by the National School Lunch Act and the Child Nutrition Act of 1966.

The *Conference* substitute adopts the *Senate* amendment.

The *Conferees* wish to stress that this provision is intended to encourage the Department of Agriculture to use local producers whenever possible in purchasing agricultural commodities for the school lunch and child nutrition programs.

The *Conferees* further intend that the Department interpret this provision in a manner which will give proper consideration and attention to the cultural eating habits and dietary preferences of participants when acquiring and distributing agricultural commodities. For example, in some States, the commodities supplied by the Department are not in conformity with the special dietary preferences of the participating school children. The needs of these children would be more adequately met if the Department makes purchases of substitute commodities of equal nutritious value from local producers.

(15) *Extension of the summer food program.*

The *House* bill extends the summer food program through June 30, 1976 (with amendments effective on the date of enactment).

The *Senate* amendment extends the summer food program through September 30, 1977 (with amendments effective October 1, 1975).

The *Conference* substitute adopts the *Senate* amendment.

(16) *Regularly scheduled program requirement.*

The *House* bill provides that institutions eligible for the summer food program must offer a regularly scheduled program at site locations where organized recreational activities or food services are provided for children. Under the *House* bill, the program is for children from areas where (a) poor economic conditions exist or (b) there are high concentrations of working mothers.

The *Senate* amendment retains the *House* provision but deletes the option that the children may be from areas in which there are high concentrations of working mothers. The *Senate* amendment also specifically defines "poor economic conditions".

The *Conference* substitute adopts the *Senate* amendment.

(17) *Reimbursement rates under the summer food program.*

The *House* bill provides that financial assistance to a service institution under the summer food program shall equal 80 percent of the operating costs of such institution's food service or 100 percent of such institution's cash expenditures for the operating costs of its food service, whichever is less. However, in no instance could the financial assistance exceed 80 cents for each lunch or supper served, 45 cents for each breakfast served, and 20 cents for each supplement served.

The *Senate* amendment provides that financial assistance to service institutions under the summer food program shall equal the full cost of food service operations, not to exceed 75.5 cents for each lunch and supper, plus administrative costs not to exceed 6 cents for each meal; 42 cents for each breakfast, plus administrative costs not to exceed 3 cents for each breakfast; and 19.75 cents for each meal supplement, plus administrative costs not to exceed 1.5 cents for each meal supplement.

The *Conference* substitute adopts the *Senate* amendment.

(18) *Service of meals under the summer food program.*

Under the *Senate* amendment, no service institution would be prohibited from serving breakfasts, lunches, suppers, and meal supplements unless the service period of different meals coincides or overlaps.

The *House* bill contains no comparable provision.

The *Conference* substitute adopts the *Senate* amendment.

(19) *Disbursements to service institutions.*

The *Senate* amendment provides that disbursements are to be made to service institutions only for meals served during the months of May through September, except that this provision shall not apply to institutions which develop food service programs for children on school vacation at any time under a continuous school calendar.

The *House* bill contains no comparable provision.

The *Conference* substitute adopts the *Senate* amendment.

(20) *Advance funding.*

The *Senate* amendment requires advance funding of the summer food program in an amount not less than the greater of (a) the total payment made for the same month for the previous year, or (b) 65 percent of the amount estimated by the State to be needed to reimburse service institutions for meals served in that month.

The *House* bill contains no comparable provision.

The *Conference* substitute adopts the *Senate* amendment.

(21) *Service of meals without cost.*

Under the *Senate* amendment, meals under the summer food program are to be served without cost.

The *House* bill contains no comparable

provision and, therefore, continues existing law under which free and reduced price meals are to be served to needy children.

The *Conference* substitute adopts the *Senate* amendment.

(22) *Startup costs.*

The *Senate* amendment provides that funds for startup costs, not to exceed 10 percent of the Federal funds made for meals served during the previous summer, may be furnished institutions participating in the summer food program. Any such startup funds would be subtracted from payments subsequently made to participating institutions.

The *House* bill contains no comparable provision.

The *Conference* substitute adopts the *Senate* amendment.

(23) *Administrative costs.*

The *Senate* amendment provides that the Secretary shall pay to each State for administrative costs of the summer food program an amount equal to 2 percent of funds disbursed to that State for meals. However, no State would receive less than $10,000 each fiscal year for administrative costs unless the funds disbursed for meals in that State total less than $50,000.

The *House* bill contains no comparable provision.

The *Conference* substitute adopts the *Senate* amendment.

(24) *Contracting for administration of summer food program.*

The *Senate* amendment permits a service institution to contract for the furnishing of meals or administration of the program, or both.

The *House* bill contains no comparable provision.

The *Conference* substitute adopts the *Senate* amendment.

(25) *Extension of the special supplemental food program for women, infants, and children (WIC).*

The *House* bill continues through September 30, 1978, the special supplemental food program for women, infants, and children (WIC).

The *Senate* amendment continues the WIC program through September 30, 1977.

The *Conference* substitute adopts the *House* provision.

(26) *Statement of purpose of the WIC program.*

The *Senate* amendment states that it is the purpose of the WIC program to provide supplemental nutritious food during critical times of growth and development in pregnant women, infants, and young children.

The *House* bill contains no comparable provision.

The *Conference* substitute adopts the *Senate* amendment.

(27) *Funding of the WIC program.*

The *House* bill authorizes appropriations for the WIC program in the sum of $250 million for each fiscal year.

The *Senate* amendment also authorizes the expenditure under the WIC program of $250 million for each fiscal year and authorizes the use of section 32 funds as under existing law.

The *Conference* substitute adopts the *Senate* amendment with respect to fiscal years 1976 and 1977 and the *House* provision with respect to fiscal year 1978.

(28) *Determination of "eligible local health or welfare agency or nonprofit agency" for WIC participation.*

The *House* bill defines "eligible local health or welfare agency, or private nonprofit agency" under which eligibility would be determined by the State health department or comparable State agency.

The *Senate* amendment strikes the *House* provision and, therefore, retains existing law under which the Department of Agriculture determines eligibility.

The *Conference* substitute adopts the *Senate* amendment.

(29) *Administrative costs under the WIC program.*

The *House* bill increases the amount the Secretary is authorized to pay States (or local or nonprofit agencies) for administrative costs under the WIC program from 10 to 15 percent of the funds provided under the program.

The *Senate* amendment increases the amount of administrative costs the Secretary may pay to 20 percent of program funds and defines "administrative costs" to include clinic costs and nutrition education. As a prerequisite to receiving such funds, States or agencies must submit a plan showing how the administrative funds will be spent. The *Senate* amendment also requires the Secretary to pay the administrative costs necessary to start the program during the first three months of the program or until the program reaches its projected case load, whichever comes first.

The *Conference* substitute adopts the *Senate* amendment but modifies it to keep "startup" administrative costs within the authorized 20 percent annual limitation.

(30) *WIC programs in neediest areas.*

The *Senate* amendment requires the Secretary to take affirmative action to insure that WIC programs begin in areas most in need of special supplemental food.

The *House* bill contains no comparable provision.

The *Conference* substitute adopts the *Senate* amendment.

(31) *Eligible participants in WIC programs.*

The *House* bill continues existing law under which eligible participants in the WIC programs must be "residents of areas" served by clinics or other health facilities determined to have significant numbers of infants and pregnant and lactating women at nutritional risk.

The *Senate* amendment retains the *House* provision but provides that eligible participants may also be "members of populations" served by such clinics or other health facilities.

The *Conference* substitute adopts the *Senate* amendment.

(32) *Immediate funds for eligible WIC applicants.*

The *House* bill provides that eligible applicant agencies shall immediately be furnished the necessary funds to carry out a WIC program.

The *Senate* amendment strikes the *House* provision.

The *Conference* substitute adopts the *House* provision. However, the *Conferees* point out that the $250 million annual authorization ceiling provided in the bill would apply through the period ending September 30, 1978.

(33) *WIC advisory committee.*

The *Senate* amendment requires the Secretary to appoint an advisory committee with specified membership to determine how best to evaluate the health benefits of the WIC program. The advisory committee is to submit a report to the Secretary by December 1, 1975, and the Secretary must report to Congress by March 1, 1976.

The *House* bill contains no comparable provision.

The *Conference* substitute adopts the *Senate* amendment.

(34) *Definition of pregnant and lactating women.*

The *Senate* amendment redefines "pregnant and lactating women" to include mothers up to six months *post partum*.

The *House* bill contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision with clarifying language to establish the eligibility of nonnursing mothers for a period up to six months *post partum* and to continue the eligibility of nursing mothers for a period up to one year *post partum*.

(35) *Definition of infants.*

The *Senate* amendment redefines "infants" to include children under 5 years of age.

The *House* bill contains no comparable provision and, therefore, continues existing law under which "infants" must be under 4 years of age.

The *Conference* substitute adopts the *Senate* amendment.

(36) *Definition of "supplemental foods."*

The *Senate* amendment redefines "supplemental foods" to provide that the contents of the food package shall be made available in such a manner as to provide flexibility, taking into account medical and nutritional objectives and cultural eating patterns. In addition, under the redefinition, the term could (at the Secretary's discretion) include commercially formulated preparations for women.

The *House* bill contains no comparable provision.

The *Conference* substitute adopts the *Senate* amendment.

(37) *National Advisory Council.*

The *Senate* amendment provides for the establishment of a National Advisory Council on Maternal, Infant, and Fetal Nutrition. The council—to be composed of 15 members and appointed by the Secretary—is to make a continuing study of the WIC program and related programs with a view to determining how the programs may be improved.

The *House* bill contains no comparable provision.

The *Conference* substitute adopts the *Senate* amendment.

(38) *Special milk program.*

The *House* bill makes Puerto Rico, the Virgin Islands, American Samoa, and the Trust Territory of the Pacific Islands eligible for the special milk program authorized by the Child Nutrition Act of 1966.

The *Senate* amendment retains this provision, but provides that in no event shall the minimum rate of reimbursement for each half pint of milk served to children exceed the cost of the milk to the school or institution.

The *Conference* substitute adopts the *Senate* amendment.

(39) *Child care food program.*

Both the *House* bill and the *Senate* amendment revise the year-round phase of the special food service program for children to establish a child care food program for children in nonresidential child care institutions. The *House* bill establishes the program on a permanent basis.

Under the *Senate* amendment, the child care food program would be authorized for the period ending September 30, 1977.

The *Conference* substitute adopts the *House* provision with an amendment extending the child care food program through September 30, 1978.

(40) *Tax-exempt status of child care institutions.*

The *House* bill provides that an institution, in order to be eligible for the child care food program, must be "moving toward compliance with the requirements for tax-exempt status" under the Internal Revenue Code or currently operating a federally funded program requiring nonprofit status. Under the *House* bill, the determination whether an institution so qualified would be made by "the responsible State or local government unit."

The *Senate* amendment retains the *House* provision but provides that the institution must be moving toward compliance with the requirements for tax-exempt status "under conditions established by the Secretary."

The *Conference* substitute adopts the *Senate* amendment.

(41) *Additional payments to "especially needy" institutions.*

The *House* bill authorizes the Secretary to provide additional funding, on at least a monthly basis, to institutions determined to be "especially needy". The funding would be in the amount equal to the difference between (a) the full cost of serving meals (except equipment assistance provided under the legislation) and (b) the meal reimbursement rates under the legislation.

The *Senate* amendment strikes the *House* provision.

The *Conference* substitute adopts the *Senate* amendment.

(42) *Advance monthly payments.*

The *House* bill authorizes monthly advance payments to States for their operation of the child care food program.

The *Senate* amendment strikes the *House* provision.

The *Conference* substitute adopts the *Senate* amendment. However, in making Federal assistance available under the child care food program, the *Conferees* intend that the Department utilize a letter-of-credit system.

(43) *Donation of commodities under the child care food program.*

The *House* bill requires that commodities acquired by the Secretary be donated to institutions participating in the child care food program in accordance with the needs of the institutions. The minimum amount of donated commodities would be the amount determined by multiplying (a) the number of lunches served by (b) the level of commodity assistance under the school lunch program. Upon the application of the State educational agency, cash in lieu of commodities in such amounts as may be provided in appropriations Acts would be made to institutions.

The *Senate* amendment retains the *House* provision with two modifications. The number of suppers served would also be included for purposes of computing the minimum level of commodity assistance. Except with respect to States which phased out their commodity distribution facilities prior to July 1, 1974, institutions could not elect to receive cash in lieu of commodities.

The *Conference* substitute adopts the *Senate* provision with an amendment authorizing cash-in-lieu of commodities for all other institutions as provided in the *House* bill.

(44) *Nonfood assistance.*

The *House* bill provides that of the sums appropriated for the child care food program and the summer food program, $3 million shall be available for each fiscal year for nonfood assistance.

The *Senate* amendment retains this provision, but provides that the money for nonfood assistance shall be available only for the child care food program.

The *Conference* substitute adopts the *Senate* amendment.

(45) *Transition amendment for the child care food program.*

The *Senate* amendment provides that the regulations issued to carry out the child care food program shall be effective not later than 90 days after enactment of the bill. During the period after enactment and before the effective date of the new regulations, the *Senate* amendment authorizes the Secretary to conduct a food service program in the same manner and subject to the same conditions as the special food service program for children was conducted under section 13 of the National School Lunch Act during the fiscal year ending June 30, 1975.

The *House* bill contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision with an amendment providing that the new reimbursement rates (and the level of commodity donations) specified in the bill shall be applicable on the date of enactment.

(46) *Reservation of funds for equipment assistance*

The *Senate* amendment extends through September 30, 1977, the requirement that a percentage of the funds appropriated for nonfood assistance be reserved for use in schools without a food service. Under the *Senate* amendment, the percentage of funds to be reserved would be reduced from 50 percent to 33⅓ percent. In addition, schools that lack the facilities to prepare or receive hot meals would be eligible for reserved funds, along with schools that have no food service.

The *House* bill contains no comparable provision.

The *Conference* substitute adopts the *Senate* amendment.

(47) *Expansion of summer food program and child care food program*

The *Senate* amendment declares that it is the intent of Congress that the summer food program and the child care food program be made available in all institutions where it is needed. The Secretary is directed to carry out a program of information in furtherance of the policy and report his plans to expand the programs to the appropriate Congressional committees within 6 months after enactment.

The *House* bill contains no comparable provision.

The *Conference* substitute deletes the *Senate* amendment.

(48) *Nutrition program staff study*

The *Senate* amendment requires that a study be conducted by the Secretary and submitted to Congress not later than March 1, 1976, determining the level of funds needed by the States for the administration of the child nutrition programs. As part of the study, the Secretary is to examine the degree and cause of plate waste in the school lunch program.

The *House* bill contains no comparable provision.

The *Conference* substitute adopts the *Senate* amendment.

(49) *Authorization of appropriation for the Trust Territory of the Pacific Islands.*

The *Senate* amendment authorizes to be appropriated (a) for each of the fiscal years beginning July 1, 1975, and October 1, 1976, the sum of $500,000 and (b) for the period July 1, 1976, through September 30, 1976, the sum of $125,000 to enable the Secretary to assist the Trust Territory of the Pacific Islands in carrying out various developmental and experimental projects relating to programs authorized under the National School Lunch Act and the Child Nutrition Act of 1966.

The *House* bill contains no comparable provision, but both the *House* bill and the *Senate* amendment make the Trust Territory of the Pacific Islands eligible for participation in the child nutrition programs.

The *Conference* substitute adopts the *Senate* amendment. This provision is not intended to delay implementation of the child nutrition programs. They are to begin consistent with the provisions of the bill.

(50) *Study of cost accounting requirements.*

The *Senate* amendment would exempt schools from any penalties for failure to comply with newly-proposed full-cost accounting procedures. However, the exemption would apply only until the Secretary completes a study of the additional personnel and training needs resulting from the imposition of such procedures. Within one year after enactment, the Secretary would be required to submit the report of his study and make legislative recommendations to the Congress.

The *House* bill contains no comparable provision.

The *Conference* substitute adopts the *Senate* amendment.

(51) *Sale of competitive foods.*

The *Senate* amendment restores to the Secretary full authority to regulate the sale of competitive food products in schools and institutions participating in the programs authorized by the National School Lunch Act and the Child Nutrition Act of 1966.

The *House* bill contains no comparable provision.

The *Conference* substitute deletes the *Senate* amendment.

(52) *Cash grants for nutrition education.*

The *Senate* amendment requires that the Secretary make cash grants to State education departments or comparable agencies to teach school children the nutritional value of foods and the relationship of nutrition to human health. Not to exceed $1 million annually is authorized to be appropriated to carry out such program.

The *House* bill contains no comparable provision.

The *Conference* substitute adopts the *Senate* amendment but strikes the State funding allocation formula. The provision will permit the Secretary to utilize whatever funds are appropriated within the $1 million annual authorization for demonstration or experimental projects within any State or States. It is also the intention of the *Conferees* that whatever projects are undertaken be undertaken in conjunction with existing nutritional education projects and not apart from them.

(53) *Technical amendment.*

The *House* bill repeals a provision in the National School Lunch Act regarding the availability of section 32 funds which was operative during the fiscal years 1971 and 1972.

The *Senate* amendment strikes the *House* provision.

The *Conference* substitute adopts the *House* provision.

Carl D. Perkins,
William D. Ford,
Patsy T. Mink,
Lloyd Meeds,
Shirley Chisholm,
Ike F. Andrews,
William Lehman,
Theodore M. Risenhoover,
Paul Simon,
Ronald M. Mottl,
Tim L. Hall,
Michael T. Blouin,
James G. O'Hara,
Leo C. Zeferetti,
George Miller,
John Buchanan,
Larry Pressler,
William F. Goodling,
James M. Jeffords,
Managers on the Part of the House.

Herman E. Talmadge,
George McGovern,
James B. Allen,
Hubert H. Humphrey,
Dick Clark,
Managers on the Part of the Senate.

GENERAL LEAVE

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the resolution (H. Res. 651) just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

REPORT OF COMMODITY CREDIT CORPORATION FOR FISCAL YEAR ENDED JUNE 30, 1974—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Agriculture:

To the Congress of the United States:

In accordance with the provisions of section 13, Public Law 806, 80th Congress, I transmit herewith for the information of the Congress the report of the Commodity Credit Corporation for the fiscal year ended June 30, 1974.

GERALD R. FORD.

THE WHITE HOUSE, *July 30, 1975.*

SEVENTH ANNUAL REPORT ON NATIONAL HOUSING GOAL—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94-228)

The Speaker laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Banking, Currency and Housing and ordered to be printed with illustrations:

To the Congress of the United States:

I herewith transmit the Seventh Annual Report on the National Housing Goal as required by section 1603 of the Housing and Urban Development Act of 1968.

GERALD R. FORD.

THE WHITE HOUSE, *July 30, 1975.*

PERMISSION FOR COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT TO SIT DURING 5-MINUTE RULE ON FRIDAY, AUGUST 1, 1975

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the Committee on Standards of Official Conduct be permitted to sit during proceedings under the 5-minute rule on Friday, August 1.

The **SPEAKER.** Is there objection to the request of the gentleman from South Carolina?

There was no objection.

TELEVISION NETWORKS REJECT FORD INTERVIEW

(Mr. MURPHY of New York asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. MURPHY of New York. Mr. Speaker, on Monday, July 28, 1975, the Washington Post printed an article by Jack Anderson that strikes a somber note for patriotic expression and our momentous Bicentennial. Mr. Anderson reveals that Philadelphia businessman Edward J. Piszek's offer of a "Bicentennial television show with President Ford" was refused by "the major television networks, including the Public Broadcasting Service." Then, Mr. Piszek's request to purchase commercial prime time to air the show was summarily rejected. It seems quite incredible that this Nation's television networks would have such little regard for the patriotic reflections of the 38th President of the United States of America. I am deeply concerned when the network executives who have such a major effect on this Nation's awareness, are of the opinion that the patriotic comments of the President are not appropriate news for a Nation nearing its Bicentennial. I find nothing improper about the American public hearing the comments of the President on our 200 year old political experiment. The President, as our Nation's Executive, is a most "proper" person to comment on our heritage. Had the program been of a political or controversial nature, the network refusals would be clearly appropriate.

I am troubled when any part of our "American experiment" becomes insensitive to patriotism. We should not allow patriotism to become passé. The networks are large suppliers of programming for this country's television broadcast licensees that operate in the public interest, convenience, and necessity. I am concerned when network policy prohibits the supplying of patriotic programming to the American public. Our networks have a responsibility to give the public programming that is in its interests. Denying the American public access to the President's reflections on our Bicentennial is shocking.

As a Democratic Representative to the House of Representatives, I look to the President, regardless of his political party affiliation, as the Executive of this Nation's Government and the leader of the American people. It is a sad testimony to the state of our country's networks when the comments of the President are denied to this country. This is a dangerous precedent.

I suggest, Mr. Speaker, that our networks need to be regulated in the public interest to prevent such network abuses against American patriotism. I submit for the reading of all Members of the House H.R. 671, a bill to bring networks under FCC regulation, which I introduced on January 14, 1975. It is a sad commentary for free speech when six men, who run the Nation's giant networks, can dictate what 220 million Americans can see and hear on American television. Also, I submit for the RECORD the article written by Mr. Anderson:

TV NETWORKS REJECT FORD INTERVIEW

(By Jack Anderson)

The major television networks, including the Public Broadcasting Service, have refused to broadcast a conversation with President Ford about America.

Philadelphia businessman Edward J. Piszek, who thought the American people should hear what the President had to say, offered to pay the networks commercial rates to present his views during prime time. Still, the networks rejected the program.

The story of their astonishing arrogance is worth telling, as evidence of the tight control a few network czars exercise over the TV channels. Here are the details:

It has been my lot to expose the blemishes on the American system. But the sight of the morning sun glinting off the Capitol dome still gives me a thrill. I arranged, therefore, to do a bicentennial television show with President Ford.

He was to give his reflections on the current condition of America, the health or illness of our basic institutions, the general outlook for the American experiment after 200 years.

The President talked, quite upliftingly I thought, about the enduring values and strengths as he has experienced them over a lifetime of public service.

He spoke about the changes he would like to see. "There has been a *tendency* of late," he complained, "to herd people together. . . . The government is almost overpowering the individual, whethter he is a production worker or whether he is a businessman or whether he is a farmer."

Oh, I asked some impertinent questions: How did he as a politician defend his profession? Has the presidency become too remote from the people?

After reminding him how the British ambassador had been startled to discover Abraham Lincoln shining his own shoes in the White House, I even asked: "Do you shine your own shoes?"

Mr. Ford shot right back. "I shined my own shoes for 61 years, and I can do it. And I made my own breakfast for most of my lifetime."

The program was nonpolitical, noncontroversial. But all in all, it provided a rather intimate glimpse of the President's faith in the country. I thought it was worthwhile television.

The networks, however, disagreed. This upset Edward Piszek, who had offered to help underwrite the production costs. The son of Polish immigrants, he started out with $450 in 1946 and founded Mrs. Paul's Kitchens, Inc. Its sales now exceed $65 million.

For Piszek, the American dream had come true, and he was indignant over the attitude of the networks toward a patriotic program. So he tried to buy commercial prime time to present the President. The networks wouldn't sell him the time.

Each network explained, in effect, that it doesn't carry interviews with the President unless he is buoyed up by a supporting cast of network personalities. In other words, it is not so much the President's answers that matter, it's who asks the questions.

Even more incredibly, public television turned down the show. The taxpayers are doling out $46.4 million to public television stations this fiscal year, plus another $9 million for facilities, plus additional funds for specific television shows. Yet the Public Broadcasting System refused to present, at no cost to the taxpayers, the President talking about the greatness of America.

The explanation, believe it or not, was that the program contained no "hard news," which would justify its inclusion in a lineup that regularly features book reviews and programs about yoga, cooking and chess plays.

The purpose of my conversation with the President was not to make news. Still, there was a time when the opinions of the President of the United States were thought to be news. No holy writ, not even good sense all the time, but always news.

Editors felt that since he was the nation's leader—and since his personality might have something to do with whether there would be peace or war, justice or injustice, order or chaos—even his foggiest notions along with his great concepts were news.

I have been saying for some time that the government doesn't own the news. Network executives don't own it either and their treatment of President Ford's patriotic comments can only diminish the standing of the free press in America.

H.R. 671

A bill to amend the Communications Act of 1934 in order to provide for the regulation of networks

Be it enacted by the Senate and House of Representatives of the United States of

America in Congress assembled, That section 3 of the Communications Act of 1934 is amended by inserting at the end thereof the following:

"(gg) 'Network' means any person engaged in the business of supplying more than ten hours of programing per week to five or more stations by means of the interconnection facilities of a carrier."

Sec. 2. Part I of title III of the Communications Act of 1934 is amended by inserting at the end thereof the following:

"RULES AND REGULATIONS FOR NETWORKS

"Sec. 331. (a) The Commission shall from time to time, as in its judgment the public interest, convenience, and necessity may require, issue such rules and regulations with respect to networks as the Commission may determine to be necessary or appropriate to prevent or prohibit policies, practices, and activities of such networks which may have the effect of substantially lessening competition with respect to the supplying of programs to broadcast stations, or to assure that policies, practices, and activities of such networks shall not adversely affect the duty or ability of broadcast licensees to operate their stations in the public interest, convenience, and necessity. In the exercise of the foregoing and of its authority to issue rules and regulations with respect to station licensees the Commission shall have the specific authority to—

"(1) specify for all agreements, contracts, arrangements, and understandings between a network and a licensee (A) the maximum duration, whether the original term or the term of renewal. of the agreement, contract, arrangement, or understanding; (B) the extent, if any, to which the network may grant the licensee a right of first refusal for the broadcast of any program of said network; and, where the granting of any right of first refusal is allowed, the maximum time which the network may grant the licensee for the acceptance of any program offered by said network to the licensee for broadcast, and the geographical area, if any, within which the network may agree or undertake not to make said program available for broadcast by any other licensee; (C) the extent to which the licensee shall reserve the right to reject any program offered by the network for broadcast, or to cancel any program of the network after acceptance for broadcast; (D) the extent, if any, to which the network may base the compensation to be paid to the licensee for the broadcast of a program on the broadcast or acceptance for broadcast by the licensee of any additional program or programs which are supplied or are to be supplied by said networks; (E) the extent, if any, to which the network may, directly or indirectly, limit the rates or other consideration charged by the licensee to any person placing advertising or other matter with the licensee through a source other than said networks; and (F) the extent, if any, to which the network may, directly or indirectly, limit the subject matter or content of any program or advertising to be broadcast by the licensee which is not supplied by said network;

"(2) specify the extent to which a network shall make a program available for purchase by a licensee or licensees in competition with a licensee to which said program has previously been offered by the network, where the latter licensee (A) has not exercised any right of first refusal of said program that may be granted by the Commission pursuant to paragraph 1(B) of this section within such time as may be prescribed by the Commission pursuant to said paragraph, or (B) has rejected said program, or (C) has canceled said program after acceptance for broadcast;

"(3) specify the extent, if any, to which a network may have an agreement, contract, arrangement, or understanding, express or implied, with a licensee which prevents or hinders the licensee from scheduling programs for any time period before the network notifies the licensee of the network's intention with respect to supplying programs for said time period, or which requires the licensee to make available to the network time already scheduled for another program when the network notifies the licensee of the network's intention to supply programs for said time period;

"(4) specify the extent, if any, to which a network may, directly or indirectly, have a financial or other beneficial interest in any program which the network supplies to a licensee for broadcast;

"(5) specify the maximum cumulative duration, by day or week, of the programs which a network may supply to a licensee for broadcast during each segment of the broadcast day, as determined by the Commission, with due allowance (A) that the licensee may, under rules and regulations prescribed by the Commission, be enabled to broadcast on a continuous basis programs of the network which cover or present news events, political events, or sporting events, and (B) that the licensee may be enabled to broadcast special programs of the network where the Commission determines, upon application to it for such determination, that broadcast would be in the public interest.

"(6) specify the number of broadcast stations of which a network may be the licensee, or in which a network may, directly or indirectly, have a financial or other beneficial interest; and

"(7) specify the extent, if any, to which a network may represent a licensee in the sale of broadcast time for or in connection with any program not supplied by the network.

"(b) The Commission may classify each network with due consideration to (1) the type of broadcast service involved, whether AM, FM, television, or other, (2) the number and type or types of programs supplied, (3) the number of licensees to whom programs are supplied, and (4) the size and character of the area served by the licensees to which programs are supplied; and the Commission may prescribe, pursuant to subsection (a), differing rules and regulations for each class of network.

"ENFORCEMENT PROVISIONS

"Sec. 332. (a) Where any network has violated or failed to observe any of the provisions of this Act or of any rule or regulation of the Commission authorized by this Act, the Commission may issue to any such network an affirmative order, or an order to cease and desist, to compel compliance by such network with this Act or with any rule or regulation issued thereunder.

"(b) Before issuing an affirmative order of a cease-and-desist order pursuant to subsection (a), the Commission shall serve upon the network involved an order to show cause why an affirmative order or a cease-and-desist order should not be issued. Any such order to show cause shall contain a statement of the matters with respect to which the Commission is inquiring and shall call upon said network to appear before the Commission at a time and place stated in the order, but in no event less than thirty days after the receipt of such order, and give evidence upon the matters specified therein. If after a hearing, or a waiver thereof, the Commission determines that an affirmative order or a cease-and-desist order should issue, it shall issue such order, which shall include a statement of the findings of the Commission and the grounds and reasons therefor and specify the effective date of the order, and shall cause the same to be served on said network.

"(c) In any case where a hearing is conducted pursuant to the provisions of this section, the burden of proceeding with the introduction of evidence and the burden of proof shall be upon the Commission."

Sec. 3. Subsection (b) of section 402 of the Communications Act of 1934 is amended by inserting at the end thereof the following:

"(9) By any network upon whom an affirmative order or an order to cease and desist has been served under section 332 of this Act."

Sec. 4. Section 503 of the Communications Act of 1934 is amended by inserting at the end thereof the following:

"(c)(1) Any network which (A) willfully or repeatedly fails to observe any of the provisions of this Act or of any rule or regulation of the Commission prescribed under authority of this Act, or (B) fails to observe any final affirmative or cease-and-desist order issued by the Commission pursuant to section 332 of this Act, shall forfeit to the United States a sum not to exceed $10,000. Each day during which such violation occurs shall constitute a separate offense. Such forfeiture shall be in addition to any other penalty provided by this Act.

"(2) No forfeiture liability under paragraph (1) of this subsection (c) shall attach unless a written notice of apparent liability shall have been issued by the Commission and such notice has been received by the network involved or the Commission shall have sent such notice by registered or certified mail to the last known address of said network. A network so notified shall be granted an opportunity to show in writing, within such reasonable period as the Commission shall by regulations prescribe, why it should not be held liable. A notice issued under this paragraph shall not be valid unless it sets forth the date, facts, and nature of the act or omission with which the network is charged and specifically identifies the particular provision or provisions of the law, rule, or regulation or the affirmative or cease-and-desist order involved.

"(3) No forfeiture liability under paragraph (1) of this subsection (c) shall attach for any violation occurring more than one year prior to the date of issuance of the notice of apparent liability, and in no event shall the total forfeiture under this subsection (c) for the same act or omission occurring on successive days exceed $500,000."

Sec. 5. Section 504(b) of the Communications Act of 1934 is amended by striking out the words "sections 503(b) and 507" and inserting in lieu thereof the words "sections 503(b), 503(c), and 507."

PRESIDENT FORD'S PARTICIPATION IN HELSINKI CONFERENCE CONTRIBUTES TO WORLD PEACE

(Mr. McCLORY asked and was given permission to address the House for 1 minute to revise and extend his remarks and include extraneous matter.)

Mr. McCLORY. Mr. Speaker, I rise to express my strong support of President Ford in his historic mission to Helsinki, where the final phase of the Conference on Security and Cooperation in Europe is taking place.

Mr. Speaker, I am not unmindful of the expressions of concern that have been raised in many responsible quarters about the outcome of this conference or the possible unfavorable effect that it may have on the people of Eastern Europe. As one who has long supported the national aspirations of those who live in states that have been effectively incorporated into the Soviet Union or who live in what are called the "east bloc" nations, I would not be a part of any move that would shatter their yearning for freedom. If I thought that would be the result of this summit conference, I would not support it.

President Ford addressed himself to this specific point quite clearly last Friday when he met with several Members of Congress and representatives of various Eastern European ethnic groups in the White House. The President told the meeting:

> I can assure you as one who has long been interested in this question that the United States has never recognized the Soviet incorporation of Lithuania, Latvia, and Estonia and is not doing so now. Our official policy of nonrecognition is not affected by the results of the European Security Conference.

Mr. Speaker, what is important is that we are taking yet another step—however small, however fragile—in the direction of opening up more contacts with both the governments and the people of the Eastern Bloc nations. This is an area in which I have been deeply involved for many years and about which I have been greatly concerned.

Earlier this year—at the opening of the meeting of the Interparliamentary Union on European Cooperation and Security at Belgrade—I stated that peace and stability on the European continent do not depend solely on inter-governmental relations conducted in a vacuum. Long-term improvements in East-West relations depend as well on the human factor—on understanding among our peoples, and on their commitment to a Europe thriving culturally, intellectually, and technologically.

Mr. Speaker, no one expects that as a result of the Helsinki meeting the barriers to free and open communication and personal contact among the peoples of eastern and western Europe—between the Soviet bloc and the rest of the world—will suddenly come crumbling down. But it is a step in the right direction. As President Ford said on Friday:

> It is a step in the direction of a greater degree of European community, of expanding East-West contacts, of more normal and healthier relations in an area where we have the closest historic ties. Surely, this is the best interest of the United States and of peace in the world.

Mr. Speaker, President Ford deserves the strong support and the best wishes of all of us at this historic meeting. I assure you that he has mine.

THE NEED FOR A NATIONAL HEALTH POLICY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Hastings) is recognized for 20 minutes.

Mr. HASTINGS. Mr. Speaker, today I would like to address a matter of great importance to all Americans; the need for an effective national health policy. We must balance health system supply and demand—facilities, services, and manpower—with financing. However, there is also a great need to put medical intervention in an appropriate context with other key factors affecting health.

FEDERAL INVOLVEMENT IN HEALTH

At the outset, I want to assure my colleagues that I am not proposing a federally-directed or federally-operated national health program. Many of us are justifiably suspicious of grand schemes to solve our Nation's problems. As you know, I have been among the most outspoken critics of the growing Federal involvement in health affairs, as well as in other parts of the lives of the American people.

But, the issue is not one of Federal involvement in health care; the Federal Government is involved. In 1974 the Federal Government spent more for personal health services than was spent for health by all sectors of our economy in 1960. Between 1965 and 1974, expenditures for personal health services by the Federal Government increased over eightfold. In 1974, the Federal Government spent over $28 billion on health.

The impact of Federal involvement goes beyond its spending. Federal regulations and guidelines, sometimes associated with spending programs and some times not, have had a dramatic effect on the health system. Food and drug laws, the Professional Standards Review Organizations programs, health planning and health manpower, as well as other programs have and will have an enormous impact on the performance of the health industry and the resulting benefits and costs to the American public.

I want to assure my colleagues, many of whom I have worked closely with in developing health legislation, that these statistics and facts are not intended to criticize all Federal involvement in health. A combination of national growth and huge increases in Federal revenues put the Federal Government in the best position of supporting much needed changes during the 1960's.

While increasing the Federal role was beneficial in many respects, we must also recognize the negative impact it has had on inflation in the health system, which has consistently been more severe than overall inflation, and its relative ineffectiveness to date in dealing with serious problems such as overspecialization and geographical maldistribution of medical manpower. These undesirable side effects plus the relative ineffectiveness of certain efforts are two of the bases for proposing that we move to improve national health policy mechanisms.

THE HEALTH SYSTEM

There are additional reasons for my proposal, as well. One is the size, impact, and growth of the health system. The industry employs almost 5 million people, and cost $104 billion to operate in 1974. It now consumes almost 8 percent of our gross national product. In comparison, the industry in 1960 employed approximately 2.5 million persons, cost slightly less than $26 billion, and consumed 5.2 percent of the gross national product. Although the past is not always a good predictor of the future, there is need to be concerned with the fact that costs for the health industry have been increasing at a rate of over 10 percent a year since 1965. At that rate, we will be spending almost $900 per capita on health by 1980. Based on a 14-percent increase in costs over the last 12 months, such an estimate might be conservative. All of these facts and figures are familiar to you, and I am sure they are of great concern to you as they are to me. We all want the health system to operate more efficiently, and the services it provides to be of the highest quality.

But there are additional factors that support the necessity for improving national health policy mechanisms.

LIMITED RESOURCES

We are finding out that there are limits to our capacity to meet all the goals we have set for ourselves in both the private and the public sectors of our society. We are going to have to make choices. In 1974, the National Planning Association published a book entitled "Dollars for National Goals: Looking Ahead to 1980." It was a report of the NPA Committee on America's Goals and Resources. The committee was comprised of distinguished Americans familiar with the workings of our economy. It identified fourteen goals concerning every aspect of our economy to which we, as a nation, aspire—including goals for agriculture, health, education, national defense, and transportation. It then priced out what the achievement of these goals would cost by 1980. I would like to quote one sentence from that report:

> An attempt to achieve the standards for all 14 goals included in the report, for example, would involve an estimated deficit in the GNP in 1980 of $236 billion (in 1969 dollars) or 17 percent of the anticipated $1.4 trillion GNP in that year.

This perspective of limited resources must be considered as we continue to work to improve the performance of the health industry and to improve the health of the American people.

One of the challenges we face is how to achieve desirable changes in the health field given the resource constraints that are being predicted—without jeopardizing the performance of the health system where it is currently doing an effective job.

EFFECTIVENESS OF THE PRESENT SYSTEM

Underlying much of our efforts in the 1960's to increase the supply of health workers, to build hospitals, and help people pay for health services was a conviction that more health resources would mean better health. Lately, however, questions are being asked which attack our basic assumption that even an efficient, well-run health system will improve the health of the American people. During the 18th and 19th centuries, scientists and public health workers combined their efforts to develop effective methods of curbing infectious diseases, which were the major causes of poor health and death. These discoveries were mainly in two areas:

First. In discovering how diseases were transmitted and developing methods of interrupting transmission, such as improved sanitation programs and effective aseptic and antiseptic surgical procedures; and

Second. The discovery of effective immunizing agents.

These discoveries were continued into the 20th century with the discovery of a measles vaccine as late as the 1960's. Scientific discoveries continued to show promise in attacking diseases into the

1950's with such advances as the discovery of effective antibiotics. Despite claims to the contrary, and despite some admirable advances in technology such as kidney hemodialysis, progress has slowed. During the 1960's and into the 1970's the crude death rates have stayed constant, although improvement in some areas, such as a reduction in infant mortality, has continued to be made.

This observed behavior in death rates, and our relatively unspectacular progress in dealing with heart, cancer, stroke, and accidents has raised questions about the performance of the health industry in dealing with these diseases. As we have begun to look at the performance of the health industry, and examine it alongside the historical changes in disease, disability, and death, we see increasing evidence of the diminishing utility of additional spending to support the current efforts of the health industry.

The realization that progress has slowed in improving our health, and that the heatlh industry, which is heavily oriented to curative medicine, has not been effective in reducing the incidence or impact of major diseases which confront us today, is causing a renewed interest in preventive medicine and health education. It is also causing us to recognize that, to a large extent, improvements in our health will be dependent upon new discoveries of how diseases are caused and how they can be prevented. We appear to be moving toward far greater interest in preventing diseases and arresting them in their early stages as an approach to improving our health.

The evidence is conclusive that improvements in the quality of the environment and changes in individual lifestyles would have immediate and beneficial impact on the health of people in this country. Belloc and Breslow, in reports contained in the journal Preventive Medicine cite the results of a study of people in Alameda County, Calif., which showed a strong correlation between good health habits and good health. The good health habits which they considered were getting enough sleep, maintaining a reasonable weight relative to body structure, eating regular meals, not smoking or drinking excessively, and getting enough exercise.

Belloc, in a second article in Preventive Medicine in 1973 reported that the average life expectancy of men aged 45 who reported six or seven "good" health practices was more than 11 years more than men reporting fewer than four. For women, it was 7 years. The results were found to be independent of income level or physical health status. These and other studies do support the proposition now increasingly being proposed that health education and health promotion deserve far greater interest than has been received in the past.

Leon Krass, a Joseph P. Kennedy, Sr., Research Professor in Bioethics and associate professor of neurology and of philosophy at Georgetown University, in noting the findings of Breslow and Belloc in an article appearing in Public Interest, stated:

> One feels, I admit, a bit foolish, in the latter half of the twentieth century, which boasts of cracking the genetic code, kidney machines, and heart transplants, to be suggesting a quaint formula, "eat right, exercise, and be moderate, for tomorrow you will be healthy." But quaint formulas need not be proven false to be ignored, and we will look foolish if Breslow and his colleagues are onto something which, in our sophistication we chose to overlook.

I think, however, that we have to be cautious about the promises of health education and promotion, for two reasons. One is that it is difficult to get people to change their lifestyles in order to stay healthy. Persuading people to forego immediate pleasures for a future benefit is a tall order, and although even limited success probably justifies the effort, the results are not apt to be dramatic. Some promising results have been achieved. I think we must also keep in mind that the ways considered to change the behavior of people can have an impact upon individual freedoms and this is an area which needs attention.

THE NECESSITY OF CHANGING CONSUMER EXPECTATIONS

The value of health education, the potential of preventive medicine, and the apparent limitations of curative medicine also has important implcations in another direction—the expectations of consumers regarding the performance of our health industry.

An increased understanding of the causes of illness, and the determinants of good health should create an improved climate for dealing with runaway costs in the health care industry. I noted earlier that we are beginning to question the proposition that more money and more health workers means better health. This questioning paves the way for a fresher, more creative look at ways to achieve better health, which I think will result in new and different roles for the health care industry and a reordering of our priorities to improve the quality of life. Until the public is made aware of the relative value of alternatives to the present system for maintaining and improving health, controlling costs and the growth of resources devoted to health is going to be extremely difficult.

DANGERS IN PRESENT GROWTH PATTERNS OF THE HEALTH INDUSTRY

I think the present growth patterns contain yet another danger. Despite an awareness that overspeculation and geographical maldistribution are major problems, they continue to persist, or where improvements are made, they are being made far too slowly. If it is correct that our society resources will not grow fast enough to support all the goals of our society, as is predicted by the NPA Committee on American's Goals and Resources, it is likely to be the new initiatives that will suffer, such as achieving a better distribution of health manpower.

Unless we develop better measures for allocating a far greater share of new growth in the health care industry to areas where there is the greatest need, we run the danger of being locked into present industry imperfections—or, achieving very little progress in correcting these imperfections—particularly where changes require additional spending.

THE CHALLENGE OF REORIENTING THE GOALS AND PERFORMANCE OF THE HEALTH SYSTEM

There is one final issue that needs to be mentioned—that of motivating the health industry to respond to changing priorities, as they arise. I have spoken of the need to place greater emphasis on methods of reducing the incidence of disease and dealing with disease during its earlier and less serious stages. I have spoken about the need to develop effective means of reorienting our system from its present emphasis on highly specialized, highly technological, curative medicine to a greater attention to primary care, and to geographically redistribute health manpower and facilities to provide more equal access for all people in this country.

There needs to be far more attention to the more productive use of our resources. These are enormous tasks. The challenge we face is how to bring about such changes with so enormous, complex, and diverse a system as the health system. There is no question that the task must be accomplished with the full participation of all the important participants in the health system: providers, planners, regulators, payers, and consumers; and that it will require great skill and effort to accomplish.

A PROGRAM TO DEVELOP BETTER NATIONAL HEALTH POLICIES

My intention today is not to identify every health issue before us, or to try to anticipate every issue that might be confronting us in the future. Both efforts would be impossible, in any event. My intention, rather, is to point to the necessity of developing a mechanism for dealing more effectively with these issues. I think there is a growing appreciation that decisions affecting the health system and our health cannot continue to be made in a disjointed manner, where national health policies are too frequently ineffective—and sometimes counterproductive. Unless we do a better job of national health policy formulation, implementation and review, I foresee a crisis in our health care system far more serious than we face today. We simply cannot afford to meet all the needs of the system given present trends, and the longer we delay facing this issue, the more severe the crisis will become.

Earlier, I indicated that I was not proposing a federally directed or federally operated national health program. What I am proposing is a program which involves both the public and the private sectors of our economy in a joint effort to put the health system in proper perspective, and on the proper course. The task of achieving better coordination and direction for our health system is an enormous one—requiring the best minds available, great commitment, and a sense of common purpose. I am proposing two major steps to begin to build the national health policy mechanisms we need.

Late this year, I plan to reintroduce legislation dealing with national health policy. In addition, I have begun planning for a nationwide Conference on National Health Policy to be held next spring. I am hopeful that this activity will contribute to an improvement of the understanding and performance of our health system, resulting in better health for the American people.

AIR FORCE ACADEMY

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. Robinson) is recognized for 15 minutes.

Mr. ROBINSON. Mr. Speaker, over this past weekend I had occasion as Chairman of the Board of Visitors to visit the Air Force Academy along with two other members of the Board. We spent a full day on Saturday in the Academy's basic cadet training area, Jack's Valley. I would like to share with you my observations and reactions to basic cadet training and also tell you what the Air Force Academy is doing to get ready for women cadets next year.

It was an inspiration—a real shot in the arm—for me to see and talk to the outstanding young Americans who make up the class of 1979 at the Air Force Academy. The rigorous training these young men are going through this summer will undoubtedly prepare them to be at their very best when academics begin around mid-August. Basic cadet training is giving them confidence they did not know they had. They are doing things they did not know they could do. In short, these highly select young men are finding out what they are really made of.

The variety of activities that makes up basic cadet training is impressive. To see these men run the obstacle course and the bayonet assault course, and tackle the challenges of the confidence course is truly inspiring. At the same time they are learning unarmed combatant techniques; firing small arms and the M–16; learning land navigation and map reading; being oriented toward a future Air Force career with an opportunity to parasail and take rides in a T–33 jet trainer and a helicopter; receiving instruction in ethics and the honor code; and doing an impressive amount of physical training and military drill, along with double timing everywhere. The list of activities is much longer; suffice it to say that the basic cadets are on a 7 day a week schedule that runs from 6 a.m. to 10 p.m.

Throughout everything we observed, competition and resourcefulness is being emphasized. There is a keen spirit in these basic cadets that permeates everything they do. It is readily apparent that the training program is providing tremendous physical and mental conditioning.

One of the most impressive things I observed was the fact that all of the training has been planned and is supervised by the upper classmen, of course under the watchful eye of the staff of the commandant of cadets. The quality of the training and instruction which these upper classmen conduct is highly professional. Their involvement in basic cadet training is a superb example of a leadership laboratory in which they have assumed responsibility for all aspects of a rigorous military training program and have, in my judgment, performed magnificently.

I am certain that this leadership experience will stand them in good stead throughout their military career. The goal of the upper classmen was motivation and training, but in an atmosphere of physical toughness and stringent discipline. I should point out that there was a total absence of any kind of demeaning activity.

I was tremendously encouraged by what I saw—outstanding, highly motivated young men who are being prepared to begin their education and military career in the kind of tough, military training situation that is necessary. The Superintendent of the Academy, Lt. Gen. Jim Allen, should be commended for the excellent job he and his staff are doing.

The members of the Board of Visitors were also briefed on the planning being done by the Air Force Academy to prepare for the admission of women cadets next summer, in anticipation of the fiscal year 1976 Defense authorization bill being signed into law. I believe General Allen and the Air Force should be commended for the positive manner in which they are aproaching this issue. Preliminary planning actually began in 1972 when the Congress approved the equal rights amendment and went into full steam when the Stratton amendment to the Defense authorization bill was overwhelmingly passed by the House.

Despite whatever reservations the Academy and the Department of Defense may have had in the past, the Air Force Academy is working toward accommodating women cadets and integrating them into the cadet wing in the best possible way. If the law is to be changed, as appears certain, they are determined to do it right and make it a success. One thing the Academy will need from Congress in order to make the program a success is a sufficiently large number of women nominees so that they can select the same high quality female cadets as they have been selecting for years from the large pool of male nominees. As I said, the Academy wants to do it right and will appreciate support from the Congress.

Our Nation's military academies are unique institutions of which we should be proud. They are dedicated to producing the finest possible future military leaders. What I saw this past weekend was very encouraging. The Air Force Academy is doing its part very well and deserves the continued support of the Congress.

SOLAR ENERGY—ONE POSITIVE APPROACH

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from New Mexico (Mr. Runnels) is recognized for 30 minutes.

Mr. RUNNELS. Mr. Speaker, the Congress of the United States has come under strong attack lately for its lack of or failure to come up with a positive energy program capable of making this nation self-sufficient within the next decade.

Right now, final preparations are underway for the celebration of this nation's 200th birthday. We have a lot to be proud of and a lot to be thankful for. But then there is another side to the coin—we have gone a long way in 200 years—a long way into the pocketbooks of every American.

Unemployment in the United States has surpassed the 9-percent mark—the worst unemployment rate in over 30 years. Our economic experts say we have hit rock bottom in our inflation and recession and that brighter days are ahead. I hope they are right. But what about our energy problem? When one talks about an energy problem in this country, what are you really trying to say? Looking many years ahead, the problem is critical and it is been developing for several years.

Let us go back to late 1973—early 1974. If you will remember the situation approached the emergency stage when the Arab countries placed an embargo on oil. People everywhere began to panic and tempers began to run high in the public. With that embargo came higher prices paid for petroleum and the result found consumers right smack in the middle.

But then the Arabs backed off with the cessation of the boycott and supplies of petroleum products began to ease markedly.

Now, in my opinion, the problem only got its start here. The Congress and American public began to relax and today when one speaks to an individual on the street about the domestic petroleum crisis what you will get is a stare and response, "What crisis?"

Congress, I am afraid, is doing the same thing. Most Members of both Houses apparently believe that they are supposed to mirror public position—that is follow and not lead in a time that a sound energy program is so desperately needed.

Back when the Arabs shut the valve on our supply of foreign crude, we were depending on them to supply us with 35 percent of what we were consuming.

Now, 18 months later we are relying 40 percent on oil from OPEC countries, even though the price has jumped from $3 to $13 per barrel.

The urgency of moving toward self-sufficiency is underscored by a proposal of major oil exporting countries to divorce the dollar as a standard for computing world oil prices. The net effect, some say could be 30 cents a barrel now, and more later.

President Gerald Ford not too long ago said prices on crude should not go up more than 7–8 percent—but when OPEC meets in Vienna this coming September, it is going to be a different ball game.

The Congress has not acted decisively in the area of energy needs. There is a lot of piece-by-piece approaches to the problem.

During the 93d Congress, more than 2,000 energy bills were introduced. Activity in the 94th Congress has already overtaken the whole first session of the 93d Congress. More than 200 energy-related bills and resolutions have been introduced in the Senate, and more than 700 in the House. However, as of the beginning of June this year, the 94th Congress had only enacted a dozen energy-related bills, two of which were vetoed, and another dozen had passed one or both Houses without reaching enactment. The approach to date has been fragmented.

Neither Congress nor the executive branch has done much to increase our supplies of domestic oil or gas.

According to the Committee of Independent Petroleum Association of America, the petroleum demand in 1975 is forecast to increase only slightly, 0.5 percent from 1974 and to remain below the 1973 level. Now, what this forecast assumes is:

First. Normal weather for the remainder of the year;

Second. Adequate imports; and

Third. The absence of mandatory restrictions on petroleum consumption.

The total new supply of petroleum this year is expected to be slightly below 1974 levels because of small drawdown in inventories. Domestic crude oil production is forecast to average 8.4 million barrels daily, down 379,000 barrels per day or 4.3 percent below the 1974 level. Needed imports will rise 228,000 barrels per day to 6.3 million barrels per day.

The energy problem in this country is real and must be dealt with now. It is true that time may produce an answer no one will like. Unless action is taken for a real national energy policy neither the public nor Congress will need to ask, "What Crisis?" They will both know.

What is needed at this point-in-juncture is a total national commitment—one that will clearly put us on the right track to self-sufficiency within a decade.

The New York Stock Exchange, in a study entitled, "The Capital Needs and Savings Potential of the U.S. Economy," has estimated energy requirements from now until 1985 at $824 billion.

Recently, Treasury Secretary William Simon stated his estimate at approximately $1 trillion over the next decade.

What is needed is a program designed after our space efforts. When the Russians first put Sputnik in orbit, the United States had yet to do likewise. So what did we do? We reached into available scientific knowledge and needed capital—a total commitment by both the Government and private sector—and within 12 years we had a man on the Moon. And to show how commonplace the space program has become, I will wager a bet that there is not very many of you that can give me the names of the last two sets of astronauts that came back from the Moon.

We need an energy policy of the seventies and eighties. The policy should ideally be pragmatic and noncontroversial.

In the long-range planning and research, many say nuclear fusion is the answer. Scientific reports have it that one cubic meter of sea water in a fusion reaction could produce enough energy that would be equivalent to 1,340 barrels of oil. In addition, the deuterium, which is contained in the sea water and used in a fusion reaction, is plentiful enough that it can furnish all energy requirements of the world for more than 2,000 years. But there are some inherent problems with nuclear energy—problems that will require years to workout. But we do not have the years to waste. Something has to be done, and done now.

On Monday, June 30th, Robert Seamans, Administrator for ERDA, presented the President a 25-year blueprint which placed a greater emphasis on solar energy to meet our electrical needs.

My proposal calls for a concentrated effort on solar energy. This year, the administration's request for development was less than the cost of one B-1 bomber. The request was for $57 million out of a total budget of $369 billion. This, in my opinion, falls way short of a total commitment on a positive plan toward self-sufficiency.

Solar energy is nothing new to the American people. Research has been carried out for over 20 years. In my own State of New Mexico, experiments on solar energy have been going on at New Mexico State University for almost 25 years. At present, a new agriculture building on the university campus is being constructed and plans call for it to be heated and cooled by solar energy.

When you talk about solar energy you are talking about thermal electric, heating and cooling, wind and ocean thermal, bioconversion which uses methane gas from waste, and photovoltaic—solar cells.

Did you know that the total solar energy input of the Earth per day is equivalent to 2.43 x 10^{12} barrels of petroleum? Or did you know that the solar energy input of the earth in one day is more than the total recoverable oil reserves? And that the total coal recoverable is about 15 days supply of solar energy?

My proposal calls for the expenditure of $17.10 billion by the Federal Government over a 10-year period beginning in fiscal year 1976.

Initially, plans call for funding of multiple demonstration facilities to show that specific solar technologies are both technically and economically feasible. Solar energy is environmentally safe and does not require exotic technologies, and contrary to adverse thinking, solar energy can be brought on line in time to solve our oil import problem.

Current estimates indicate that solar energy, if utilized effectively in areas such as the Southwestern United States, could easily result in reducing the use of conventional energy resources by 40 percent in those areas, or by about 10 percent on a national basis.

Once the demonstration plants have proven successful, Government spending would then concentrate on ways to store the energy created. Development to improve collection and conversion efficiencies could extend the range of effective use of the solar power systems over most of the Southern United States and could provably result in the elimination of oil imports.

Let us take a look at an average home here in the United States. We have windows, which in the summer allows heat to enter and we use energy as air-conditioning to remove it. In the winter, heat escapes from windows and we use energy to add heat. The insulation, if the house is insulated at all, is based on the cheap fuel of yesterday—not the expensive energy we have today. So gas and electric bills, which used to be low enough a short time ago, are now skyrocketing.

The energy waste of today is real and also unnecessary. Adequate insulation can and will reduce winter and summer energy use. We ought to be smart enough to get rid of unwanted heat from stoves, refrigerators, and freezers in the summer and use it in the winter. We might even store it for winter use.

Energy conservation offers a great opportunity to reduce wasteful use of energy, at no harm to any of our industries, with lower costs to consumers for doing so and with the creation of new industries and jobs to carry out conservation. But we have done nothing as leaders in this country.

The one thing lacking in solar energy is the removal of its production from the speculative research level to the demonstration level, where its potential can be evaluated on the basis of experiment rather than theory alone. And this is where the Government will have to play a big role. But once the experiments are complete and proven successful, the Government would invite the public sector to enter the picture and produce plants on a commercial level. The effect would have a direct impact on the economy by adding a stimulant to the now high unemployment as well as affect it indirectly.

Our problem is not with the private sector, but with responsible congressional leadership. Unless Government is prepared to encourage private savings and investment, there will be a continued decline in the number of tools—including energy—per worker and, hence, a further decline in national living standards.

To further dwell on the reasons for an alternate source of energy would serve no purpose, so what I would like to do is give the specifics of my proposal.

First, the program would be a solar, geothermal and energy conservation program which would get underway in fiscal year 1976 and last 10 years. Total cost would be $17.1 billion.

If we, as a nation, fail to take long-range plans to meet our energy requirements the end result would mean the creation of a greater dependence on other nations and would put us at their mercy.

My proposal calls for the construction, operation, and evaluation of at least 10 solar thermal electric powerplants of varying size, concept as well as geographic location. The 10-year budget would call for $6.80 billion.

Once the demonstration stage has proven successful, then full scale commercial development should get underway. The success of this phase of the program should result in an accelerated use of solar energy to produce electrical power. By the year 1980, we should see the construction of commercial power plants large enough to: First, lessen our dependence on foreign crude, and second, help meet the projected increase in electric power demands of the future.

Solar energy offers a partial solution to our energy problems and it is neither dependent on scientific breakthroughs or discovery of vast amounts of hidden resources. But foremost it provides an ideal solution to our dwindling fuel resources and besides that it is clean.

Last year, the Congress of the United States passed the Solar Heating and Cooling Demonstration Act of 1974. This act was designed to foster development and implementation of solar heating and cooling technology to residential, commercial and public buildings. The act was all fine and dandy but they left one important ingredient out—enough money. The amount in the act proved to be less than adequate for rapid development. Now, my proposal, calls for increased funds for the solar heating and cooling demonstration program. It is my intention with increased funds, to spur the development, production and utilization of solar heating and cooling technology to the point that at least 100,000 homes constructed by 1980 in the country would use solar energy for heating and cooling purposes.

In the area of wind and ocean thermal energy, many areas of our country have sufficient wind velocities to produce energy in amounts that will greatly aid in reducing the demand for natural gas and oil. This would especially hold true in the Southwest, as well as the coastal areas of Maine, California, Florida, Louisiana, and Texas. Wind energy constitutes a vital resource but, as of yet, has not been fully utilized.

Our ancestors dotted the plains with windmills for use in their farms and ranches; then came rural electrification. But now I think it is time to accelerate the wind energy program in order to increase the chances of survival of our energy intensive civilization.

Back in the early 1940's, a large wind-generator was built in Vermont and it delivered electricity directly into the local power grid. Wind-generators are currently being used to generate small amounts of power around the world.

There is no question about the technical feasibility of generating electricity from wind-generators as evidenced by the many demonstrations. The only question is can electricity be generated reliably and competitively by wind power and is there enough wind power available to make a significant impact on our energy needs?

Estimates by advocates of wind power in this country claim there is enough wind power to supply all our electrical needs and that winds in the Great Plains alone could supply 50 percent of our 1985 electrical needs.

Still another form of energy in this category, which remains underfunded and thus undeveloped, is the use of ocean thermal energy. Research being carried out indicates great potential in the extraction of thermal energy from the oceans in the areas of North Carolina to Florida and over to California. Wherever thermal gradients exist in the ocean, it is possible to obtain energy. I might point out that work is already underway as far as extracting energy from wave motion in the ocean but we have, as yet, not fully utilized any of the ocean's energy.

This phase of the program carries with it a $750 million price tag. My proposal provides adequate money so that for the first time, not only research but demonstration projects will be funded.

For many years, Americans have been concerned about solid waste disposal or "dumping trash." Many cities have run out of space for landfills and some unfortunately have reverted to dumping garbage into rivers and oceans. Yet for many years, scientists and engineers have been experimenting with waste in producing energy—usually methane gas.

Farmers use solar energy to grow crops. Incidently, that farmer uses only about 1 percent of the solar energy to grow his crops. And yet, if we take the farmers wastes, the unused stalks after the useful grains have been separated, they have the heating value of more than 1 pound of coal or 15 to 20 cubic feet of natural gas—methane.

We can get natural gas from the wastes by digestion with microbes—the same family of microbes used in sewage digestion. These digestors always produce more methane or natural gas than is needed to run the sewage plants. What the farmer now calls waste, and what the cities call sewage, and garbage, can be converted to natural gas, put into pipelines, and serve all of us.

For these reasons, I advocate the expenditure of $1.35 billion over the next 10 years in order to intensify and accelerate the development, implementation, and deployment of bioconversion energy systems.

Now I will embark on another form of energy which I find quite unique. It is called photovoltaic and its devices convert solar energy directly into electrical energy, thus eliminating the requirements for thermal conversion subsystems. The unfortunate thing, though, is that these devices often call for solar cells which are quite expensive and possess low conversion efficiencies.

Most photovoltaic devices consist of silicon, cadmium sulfide or some other crystal which converts solar energy into electricity. The primary use of these devices have been for satellite and space vehicle electrical power systems and because of this, the costs have remained quite high.

The current crystal growth technology is such that most crystals are both small, 1 to 5 inches in size and nonuniform in quality. As a result, the use of such devices for terrestrial energy conversion must wait for reduced cost, increased efficiency and increased crystal size. We can achieve these steps and under my proposal for increased funds, we can develop and produce the needed photovoltaic devices at a reasonable cost, with increased efficiency and in a usable size.

When we are able to achieve this, the construction of solar powered homes, buildings, etc., will indeed become standard practice and there will definitely be a change in our energy requirements.

GEOTHERMAL

At present, geothermal systems are being produced in California and in such countries as Mexico, Russia and others. The United States, with its varied geology, apears to possess numerous geothermal deposits. But here again, the unfortunate aspect is the lack of adequate funding in the area of development of a natural resource which is located at our doorstep.

The proposed 10 year commitment on energy development would rectify this situation by appropriating $2.8 billion for the development and implementation of geothermal and geopressure energy systems.

In my home State of New Mexico, exploratory work is already being done on geothermal energy. In southern and western New Mexico, land is being leased so that companies can be able to drill and test the geothermal activity in an effort to locate hotspots.

The development of geothermal systems could also be undertaken in such States as Arizona, California, Texas and Louisiana and the development of geopressure systems could be undertaken in Texas and Louisiana.

Here again is a case where there is no dependence on scientific breakthroughs but rather engineering development, which can be accelerated by increased funding commitments over a 10-year period rather than inadequate year by year funding.

For example, oil well drilling logs contain vast amounts of information regarding possible geothermal/geopressure deposits. A comprehensive evaluation of these logs on a national level should lead to the discovery and eventual development of this valuable resource. Although this type of evaluation is presently being conducted on a limited scale, we cannot afford to overlook the potential and an accelerated effort, such as the evaluation and utilization of ERTS—Earth resource technology satellite—multispectral data to locate, investigate, and develop geothermal/geopressure systems would be another step in self-sufficiency for the United States.

Our national commitment, though, must not stop here. Once we have been able to develop and deploy solar and geothermal energy systems it is as equally imperative that we as a nation undertake a similar move in developing methods to conserve the energy already produced. This implies the development of energy conserving building materials and techniques, energy conserving systems, and more efficient methods of energy utilization. Even with the full utilization of solar, wind, ocean, and geothermal energy we, as a nation, cannot continue to waste energy nor spend our resources to produce and utilize energy in less than the most efficient manner.

To merely embark on an advertising campaign asking that everyone "stop being fuelish" obviously is not doing the trick. Instead, we need a comprehensive program that encompasses the scientific as well as the commercial aspects all aimed at guaranteeing conservation and efficient energy utilization of the proposed 10-year plan with the purpose of bringing about an energy self-sufficient nation.

We in the Congress have been accused of passing cream-puffed energy bills—I feel we have talked long enough, argued long enough, and now it's time to get the show on the road. The administration, on the other hand, has failed during the past 3 years to resolve the energy problem. Instead of lessening the problem, it has become so serious that the economy has had the worst crippling effect since 1931.

If we in the Congress fail to heed the public's clamor we may find ourselves staying home in 1976. Our constituents truly fail to realize the seriousness of the energy problem and will only awaken when they go to turn on a light switch and nothing happens; when they try to gas up and find there is no more gas to give anywhere; and when the price of petroleum related products become so high that only those in the high income bracket would be able to afford the items in question.

We, as Members of Congress, must accept the challenge and provide the leadership and direction that the Nation is so desperately seeking. The energy problem must be licked and with it comes a partial solution to other economic woes.

The 10-year program I am proposing is a national commitment which runs parallel to the commitment made by President John F. Kennedy to put a man on the Moon. The only difference being that our commitment is to achieve energy self-sufficiency by 1985 through development, implementation, and utilization of solar, wind, ocean, and geothermal energy.

My energy package commits $19.8 billion in Federal money to achieve this objective and in so doing will provide direct employment to over 250,000 persons per year plus having an indirect affect on over a million persons per year for the next 10 years.

I am sure there are some that will say—"We cannot achieve the use of solar energy by 1985." But if we are able to put men on the Moon, develop the atomic bomb, the nuclear submarine, spacecrafts, and the ICBM then we darn sure can put solar energy on line by 1985. In fact, with the proper direction and funding, we can be well on our way by 1980.

Now, I challenge my colleagues in the Congress to join with me in solving the energy, employment, and economic problems of our Nation by making this program a reality within the next 90 days by cosponsoring energy legislation I will be introducing.

TAX INDEXING: AN OVERDUE REFORM II

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. CRANE) is recognized for 5 minute.

Mr. CRANE. Mr. Speaker, in this, the second of a two-part series on tax indexing, I would like to discuss the problems faced by businesses and proposals for reform.

Businesses, like individuals and families, face problems with taxation of capital gains on business property. But, in addition, inflation causes them to be overtaxed in two ways: First, the value of inventories held during inflation may appear to increase, while remaining constant in real value; therefore, the sale price will show a profit that is at least partially illusory. Second, the purpose of depreciation is to allow the retention of funds sufficient to permit replacement of the capital lost in production. However, the current law requires the calculation of depreciation allowances on the basis of historical cost, rather than the current replacement cost. Since true profits represent earnings after making provision to keep real capital intact, inflation and depreciation on historical costs tend to overstate profits and result in overtaxation.

For example, in 1973, capital consumption allowances totaled $68.1 billion. Had the calculation been based on replacement costs, the allowances would have been roughly $4.3 billion higher using straight-line depreciation, or $11 billion higher using the double-declining balance method.

Correcting the tax structure to account for inflation is somewhat more complex with business taxation than with individual income. The adjustment process can be illustrated with 1974 profit figures as follows: The pretax profits of nonfinancial corporations totaled $110 billion. Changes in the value of inventories were the source of $35 billion of that figure. Depreciation, had it been calculated to provide for capital replacement, would have reduced profits by another $15 billion. However, further refinement is necessary. Part of the inventory valuation adjustment—IVA—is due to an increase in the real value, while $20 billion of the IVA is the result of inflation. Also, the $15 billion underdepreciation includes $8 billion from earlier years, while $7 billion of the profit overstatement occurred from 1973 to 1974. In sum, the total pretax profit figure ought to be adjusted downward by roughly $27 billion to take account of inflation. Finally, an adjustment must be made to account for the fact that a significant portion of the investments undertaken are debt financed. When adjusting the tax provisions to avoid taxing inflationary inventory profits, the tax exemption must be carried over to creditors, on whose tax returns the nominal gain appears. The result is that of the $27 billion inflation of the tax base, roughly $13 billion was to the detriment of creditors; therefore, of the reduction of tax liability under an indexing system, $6 billion would have gone to corporations, and $3 billion to their creditors. Instead, they were overtaxed by that amount.

If the business tax structure were indexed, the bulk of the current problem would be taken care of by the reforms just described: Taxation of real capital gains, real inventory profits, and by permitting depreciation on replacement cost.

There are several additional reasons why indexing is an important reform, relating to overall tax and macroeconomic policy.

As was pointed out earlier, as one's income increases to keep up with the cost of living, the real tax rate also increases, because of movement to higher income brackets and constancy of exemptions, deductions, and exclusions. However, in addition to the real tax rate increase, inflation tends to make the tax structure less progressive because the process increases the tax liability of the lowest income groups in the highest proportion; that is, the marginal tax rate increases with taxable income, but at a diminishing rate, and the lowest income groups face the largest increased tax burden relative to their incomes. In addition to the bracket width, the existence of a maximum tax rate tends to prevent any increase in the effective tax rate for the highest income groups. A third factor also reduces progressivity during periods of inflation: Upper-income taxpayers are more likely to use itemized deductions, which increase with the rate of inflation—or faster—while those in lower income groups rely on the standard deductions, which are fixed. The effect of these three factors is illustrated by data from the 1965–67 period, in which taxes were not altered statutorily, but inflation increased consumer prices 5.8 percent. Effective tax rates on real income rose 10.9 percent on $5,000 incomes, 5.8 percent on $10,000 incomes, and 1.9 percent on $40,000 incomes.

"A family with a joint income of $32,000 in 1973 would have paid taxes at a 42 percent marginal rate; if this family's dollar income rose by 12 percent in 1974, it would have moved into the 46 percent bracket. On the other hand, a family with income above $50,000 in 1973 could experience an income gain of 12 percent or more in 1974 and still remain in the same tax bracket," pointed out the Joint Economic Committee in a recent report.

If the interaction of inflation and taxes were to remain untaxed, the system would approach an effective proportional income tax at a high rate, in the very long run.

The conclusion of these findings is inescapable that if an indexing system is adopted, any regressive tax changes will occur only because they are adopted by Congress, not because inflation undermines the structure of the current system.

One of the advantages of a progressive tax structure is that when real income declines—as in a recession—tax revenues decline at a faster rate, thus restoring part of the real income loss and stimulating the economy. However, the rate of inflation in 1974 was sufficiently high to cause an increase in real taxes, despite the decrease in real income; and the automatic stabilization of the tax structure was thus prevented. As a result, while real GNP declined 2 percent through 1974, real tax receipts rose 2 percent. This oppressive increase in taxes was the major reason for the Tax Reduction Act of 1975, which corrected the previous year's inflation on an aggregate level, but at the same time haphazardly modified the basic tax structure.

The previous enactment of tax indexing could have been helpful in several ways. First, it would have permitted the automatic stabilizers to operate as they were designed to. Second, as a result, a special tax cut would not have been necessary, and considerable time and effort could have been saved. And third, if the Congress consciously wished to enact basic structural reforms, it could have examined the proposals in a "purified" structure, where inflationary changes would not complicate the analysis.

As pointed out by the Joint Economic Committee staff, of the expenses facing the taxpayer and consumer, personal income and social security taxes accounted for the most significant increases in the cost of living. Naturally, when taxes are increased, the wage earner must receive still higher wages in order to compensate for taxes, and maintain his previous level of aftertax income. As a result, increased real taxes have the net effect of increasing wages and stimulating inflation, at least in the short run. Of course, if the tax structure were indexed, the rate of inflation would not be amplified, since the real tax rate would not increase except to the extent that real income does.

The Members of Congress and the Federal bureaucracy are the only group in the United States to profit from inflation. They are also the only group to control it and retain the power to limit it. For many years, they have enjoyed the benefits of increased real tax rates through the hidden taxes resulting from inflation, and at the same time unjustifiably received credit for occasional tax "reductions" which had the effect of restoring the former rate.

The advantages of adopting income tax indexing are compelling, and cannot be overestimated; the enactment of such a system, to increase accountability and help the taxpayer, is long overdue.

IMPROVED RELATIONS WITH CUBA URGED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. WHALEN) is recognized for 5 minutes.

Mr. WHALEN. Mr. Speaker, I am pleased to learn that yesterday the United States joined with 15 other Rio Pact members of the Organization of American States in voting to lift the diplomatic and commercial sanctions invoked against Cuba in 1964. This vote to end the collective sanctions now leaves the 21 Rio Pact nations free to determine the kinds of relations each will maintain with Cuba. Seven of the 16 countries voting affirmatively at the meeting in Costa Rica already have diplomatic relations with the island nation. Four more are expected to reestablish diplomatic relations in the near future as a result of the vote.

Following my recent unofficial 6-day visit to Cuba at the invitation of the Cuban Government, I urged President Ford to instruct our Ambassador to the OAS, William S. Mailliard, to vote affirmatively for the two Cuban-related propositions to the Costa Rica meeting. I informed the President that the Cuban officials with whom I met indicated that such a move would be viewed by their government as an important change in American policy—a step, I sensed, which could open the door for formal discussions between the two countries.

I further recommend to the President that after the conference in Costa Rica he direct the State Department to initiate private, informal talks with appropriate Cuban officials. I reiterate this recommendation now in view of the role our delegation played yesterday in working to lift the official ban on diplomatic and commercial activity with Cuba.

The termination of the OAS sanctions against Cuba now removes the last rationale offered by the State Department in defense of its "we will not talk" posture. Two earlier arguments—the Russian presence in Cuba and the "exportation of revolution," now no longer applicable—were dropped several months ago.

Until recently, Prime Minister Castro had insisted that negotiations with the United States could not get underway until we had ended our economic blockade. However, in an interview with Senator GEORGE MCGOVERN in May, the Prime Minister apparently softened his attitude by manifesting a willingness to talk after a partial lifting of the embargo.

While in Havana I raised the possibility of preliminary meetings between Cuban and American negotiators—for the purpose of establishing an agenda—prior to any relaxation of commercial sanctions by the United States. As I expected, no response was forthcoming from those officials toward whom this idea was directed. It is significant, however, that this thought was not rejected out-of-hand. In fact, my hosts' reactions clearly reflected a willingness to consider this suggestion.

Thus, I strongly urge the administration to follow up on the constructive action taken yesterday by the U.S. delegation to the OAS meeting with face-to-fact discussions with the Cuban Government. Such discussions would pave the way for improved Inter-American relations and open the door for mutually beneficial trade contacts with the Republic of Cuba.

Let us pursue this most auspicious opportunity to settle a point of hemispheric contention and synchronize our Cuban policy with that of our neighbors.

THE NATION'S LEADING SMALL BUSINESS ASSOCIATIONS ENDORSE JOB-CREATING, ACCELERATED CAPITAL FORMATION TAX REFORMS, THE BASIC CONCEPT BEHIND THE JOB CREATION ACT OF 1975

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 15 minutes.

Mr. KEMP. Mr. Speaker, the Nation's leading small business associations have endorsed the job-creating, accelerated capital formation tax reform proposals now pending before the Committee on Ways and Means.

These measures include the twelve major tax reforms set forth in the Jobs Creation Act of 1975, a measure which I first introduced in March and which now has over 80 cosponsors.

Through formal statements and testimony and in correspondence and telegrams during the past several weeks, the Nation's three prominent and active small business associations—the National Federation of Independent Business—NFIB, the National Small Business Association—NSB, and the National Associated Businessmen—NAB, have argued the case convincingly for accelerated capital formation. These three organizations have a combined national membership of nearly 470,000 small businesses. They are well representing their respective memberships by their active support of these measures.

CAPITAL SHORTAGES HURT SMALL BUSINESSES THE MOST

The Congress must understand the importance of these capital formation inducing measures to the viability of small businesses. Capital shortages hurt small businesses the most. They do not have the credit ratings of larger businesses. Their debt/equity ratios are usually tighter than those of larger businesses. And, as a consequence of both, they have to pay higher rates of interest.

A small businessman summarized these points in a conversation with me last week. He said:

> Small businesses are the first to be hurt by a capital crunch—by a capital shortage. They are the first to go out of the competition for available funds. And, they are the last to come back.
>
> The capital shortage for the bigger businesses has happened only recently, where the capital shortage for small businesses has been going on for the past fifteen years.
>
> The results are nearly shocking. In 1960, small and medium businesses held 50-percent of the asset value of all businesses; by 1972, it had dropped to 30-percent. In 1960, small and medium businesses had 41-percent of business sales; by 1972, it had dropped to 28-percent.

Mr. Speaker, those comments were not intended to divide small and medium businesses and large businesses into camps competing against each other for capital, but they were designed—and I believe we should all heed the advice—to show the inevitable consequences of inadequate capital formation and accumulation for all businesses, especially small ones.

In the broader context, the plight of small business today is one of continual struggle to keep the black pen on the desk and the red pen in the drawer. Small business is being hit from far too many directions, and no small amount of those injuries are coming from misdirected Government policies. The capital credit crunch, as I indicated, is very severe, but there are other problems too.

Government paperwork requirements—arising from greater regulation and mandatory reporting, much, if not most, of which is of questionable value to either the Government or the consumers—have become excessive to even well-staffed accounting offices. Government procurement policies are often so complex as to restrict the capacity of small businesses to compete for contracts. Small businesses' dollars have been, like everyone else's, devalued, and the price of new goods and services, again like everyone else's, have been inflated.

Too often they cannot buy goods because they are in short supply, and the economic recovery could even worsen these shortages unless there is adequate capital to stimulate more productivity.

Congress is addressing most of these problems through various measures, such as the Federal Paperwork Relief Act, which I cosponsored and which passed the House last year and is under consideration again this year. The Small Business Administration is conducting seminars in metropolitan areas across the Nation on ways to compete for and negotiate Government contracts. And some of us, though not enough, are working to reduce the costs of Government and its deficits, so as to avoid further devaluation and inflation.

TAX RELIEF MEASURES MUST BE ENACTED

The largest, yet unresolved aspect of this problem remains the shortage of capital. Inadequate capital is undermining small business. Family businesses which took years to build can be wiped out in virtually no time because of inadequate capital. The bankruptcy rate of small businesses has grown substantially in the past 3 years. Further, small businesses are often sold to bigger businesses when the owners reach retirement age, because those owners do not want their spouses and children to have to continually fight the battles for growth capital. Or, the businesses have to be liquidated after the owner's death, in order to pay the exorbitant and almost immediately payable estate taxes, when those businesses are closely held ones—family owned.

The Jobs Creation Act is designed to accelerate the formation of the investment capital needed by business—small, medium, and large—to assure both sufficient short-term recovery and long-term growth. This is vital for both jobs and productivity—in short, for our future prosperity.

Tax reforms contained in the Jobs Creation Act and others—which are under my active consideration for inclusion in a subsequent reintroduction of the bill—are being strongly supported by small business.

SMALL BUSINESS SUPPORT FOR CAPITAL FORMATION TAX REFORMS IS STRONG

Last Friday I testified before the Committee on Ways and Means in support of tax reforms to encourage more savings and investment—to build the pool from which capital funds come.

Immediately before I testified, I received a telegram from Mr. Wilson S. Johnson, the president of the National Federation of Independent Business, and Nation's largest organization exclusively representing small businesses. The total membership of the federation employs nearly 5½ million people, and their share of gross national product is approximately $200 billion. That telegram expressed both general support for tax reform and specific support for provisions of the Jobs Creation Act. It read:

> Hon. JACK KEMP,
> *Washington, D.C.:*
>
> The National Federation of Independent Business strongly endorses the concept that the preservation of working capital enables small businesses to grow, creates more jobs, and increases productivity. Equitable tax reform measures, such as those pending in your Jobs Creation Act of 1975, would stimulate this concept. This kind of reform is long overdue.
>
> WILSON S. JOHNSON,
> *President, National Federation of Independent Business.*

That telegram summarized the cogent statements made by the NFIB in its testimony in June before the Senate Select Committee on Small Business. In that testimony, Bruce G. Fielding of California, NFIB's secretary and a director on its board, concluded:

> Our tax laws have neglected to take into consideration that small business must be allowed to accumulate capital in order to insure a healthy and steady growth. The small businessperson is faced with discriminatory tax rates, severe penalties for unreasonable accumulation of surplus, taxation of paper profits, taxation of inflationary inventories, the costly administrative burden of pension and profit-sharing plans and crippling inheritance taxes which can force the sacrifice sale of a healthy business.
>
> The "deck" is stacked against the small independent business person.
>
> All we are suggesting is that the small business people be allowed to pay their taxes based on their ability to pay and at the same time be encouraged, through tax credits, to build up their capital.
>
> Let us take the "neglect" out of the "neglected majority."

During that same presentation by the NFIB, Dr. William C. Dunkelberg, associate professor of business economics at both Stanford and Purdue Universities and economic consultant to NFIB, observed:

> The costs associated with tax payment procedures and the revenues lost by businesses from the effects of inflation on costs and revenues impair businesses' ability to invest in productive capacity. This, in turn, reduces potential out-put in future periods and impairs productivity gains. These developments are central to our ability to deal with inflation in future years.
>
> Keeping in mind that consumers pay all taxes (either through higher prices or through lower profits to owners of businesses), the desirability of a heavy tax on business profits should be carefully re-thought. In the short run, it may be easier to raise taxes for business than for consumers, but in the longer run effects on capacity may cost the consumer a great deal in lost potential out-put.
>
> Profits are the return to capital invested in productive capacity. Firms must provide a competitive return or they will not be able to attract new capital:
>
> (1) Larger firms will not be able to raise equity capital by issuing stocks.
>
> (2) Firms cannot as easily attract funds in the debt markets, and must pay higher interest costs.
>
> (3) New firms will not enter the business sector. Entrepreneurial talent will not find small business an attractive way to utilize resources.
>
> Thus, it would seem that tax reform will be an essential ingredient not only to recovery in this recession, but also to longer run growth and development. To delay reform is to delay the positive benefits to be achieved from the capital accumulation and the spending that will result. This we cannot afford to do.

On Wednesday, July 9, Mr. Milton D. Stewart, the president of the National Small Business Association, testified before the House Committee on Ways and Means in support of tax reforms for small business. Capital formation was a central theme in his remarks also. The NSB has members in over 500 standard industrial classifications.

Mr. Stewart observed:

> No measure pending before the Congress will affect the future of small business and economic diversity in America more than the one on which this Committee is now working.
>
> For 15 years those of us concerned with small business have been warning that we would live with a shortage of capital for the rest of our lives.
>
> Small business . . . has had extensive experience with capital shortages, but some of the forecasts of the size of our private equity needs in the next period are a little stunning.
>
> For example, the new Brookings Study (Capital Needs in the Seventies—Bosworth, Dusenberry and Carron) says that external financing needs of all business will almost double in 1974–1980 (annual average of 64.6 billion) as against 1971–73 (33.9 billions). The study forecasts that these needs will probably be met substantially by debt as against equity. Unfortunately the data are not reported with any distinction as to size of business.
>
> But with the whole capital market under mounting pressure of this kind, small business cannot help but suffer even more grievously.

Mr. Stewart proceeded to argue convincingly for specific changes in our tax laws.

The following week, Mr. Ray M. Stroupe, executive vice president of the National Associated Businessmen, Inc., appeared before the same committee and gave equally persuasive testimony:

> American businesses are being thwarted in their efforts to accumulate sufficient capital to expand, modernize, and diversify their operations.
>
> The alternative is to create a tax environment conducive to economic growth. Capital formation is still necessary to increase productivity, which is essential to economic stability.
>
> The fall-off in corporate earnings and limited capital cost allowances on depreciation in recent years are the major reasons why business capital investment has been inadequate to maintain the long-term growth of productivity so necessary to the expansion of employment.
>
> Many of our problems, such as creating a desirable climate for capital formation . . . can be corrected individually and possibly in the sum total entirely through tax reform. By correcting individual problems we may bring about the stabiilty in government that we seek.
>
> Tax barriers against investment in production facilities must be removed, individual savings and investment must be encouraged, and corporate earnings after taxes must be increased enough to make investment pay. In this way a tax environment more conducive to economic growth, modernization of production capacity, and effective competition at home and in world markets can be created. There must be incentive to expand productive capacity and to create individual and corporate savings upon which this advance depends. Only in this way can productivity be increased which is essential to the elimination of inflation.
>
> Cost recovery allowances and capital investment incentives are far more favorable in other industrial nations than ours.
>
> The Tax Bill of 1975 liberalized the surtax exemption for a period of one year. These provisions should be made permanent so that the average small business corporation knows what it can depend upon in any expansionary move it may have for the future.

> The investment credit should apply to all new equipment and should be made a permanent part of our tax system.
>
> Our tax system should stop penalizing savings and investment which are so necessary to our economic growth.
>
> The estate tax has been referred to as a tax on capital. These taxes mitigate against capital formation and in so doing probably reduce the wealth-creating capacity of the economy, (1) by reducing the incentive of many businessmen to make the fullest possible use of their capital and business abilities, (2) by forcing them to dispose of their businesses to larger corporations, thus fostering monopolistic conditions, and (3) by channeling assets in taxes to the government what otherwise would have been invested in productive plant and equipment. It would, therefore, seem imperative that our estate and gift taxes be brought in line with the situation that now prevails in our economy.

Mr. Speaker, this testimony is of crucial importance. Support for tax reforms to encourage greater capital accumulation is whole-heartedly welcomed by those of us struggling for their enactment. I thank them for their general support of these measures and for the specific support of provisions in the Jobs Creation Act. They do not agree with the dotting of every "i" and the crossing of every "t" in the Jobs Creation Act, and I cannot fully support each and every measure proposed by them. But, on most every measure we are in full accord, and on those in which a difference of view remains, we are working to first resolve them and second to incorporate them into new legislation.

BROAD-BASED CAPITAL FORMATION TAX RELIEF IS NECESSARY

What all of this adds up to is the need to generate sufficient capital in this country through a wide variety of measures. There is no single tax reform which will make all the difference. There is no one segment of the economy whose changed status will assure the overcoming of these problems.

Capital formation must be addressed at as many levels as possible: Business—large and small—farmers, investors, households, workers.

This is what the Jobs Creation Act is all about. It is an attempt to deal with this problem of capital formation through reaching as much as our economy as possible.

THE JOBS CREATION ACT

Eighty Members of the House have joined in the cosponsorship of a measure designed to accelerate the formation of the investment capital required to expand both opportunities and productivity in the private sector.

Those Members are Mr. Archer, of Texas; Mr. Armstrong, of Colorado; Mr. Ashbrook, of Ohio; Mr. Bauman, of Maryland; Mr. Beard, of Tennessee; Mr. Broomfield, of Michigan; Mr. Brown, of Ohio; Mr. Burgener, of California; Mr. Carter, of Kentucky; Mr. Cederberg, of Michigan; Mr. Clancy, of Ohio; Mr. Don H. Clausen, of California; Mr. Del Clawson, of California; Mr. Cleveland, of New Hampshire; Mr. Cohen, of Maine; Mr. Conlan, of Arizona; Mr. Crane, of Illinois; Mr. Robert W. Daniel, Jr., of Virginia; Mr. Davis, of South Carolina; Mr. Derwinski, of Illinois; Mr. Devine, of Ohio; Mr. Dickinson, of Alabama; Mr. Duncan of Tennessee; Mr. Edwards, of Alabama; Mr. Emery, of Maine; Mr. Esch, of Michigan; Mr. Eshleman, of Pennsylvania; Mr. Frenzel, of Minnesota; Mr. Gilman, of New York; Mr. Goldwater, of California; Mr. Goodling, of Pennsylvania; Mr. Grassley, of Iowa; Mr. Guyer, of Ohio; Mr. Hagedorn, of Minnesota; Mr. Hansen, of Idaho; Mr. Hastings, of New York; Mrs. Heckler, of Massachusetts; Mr. Heinz, of Pennsylvania, Mr. Hillis, of Indiana; Mrs. Holt, of Maryland; Mr. Hutchinson, of Michigan; Mr. Hyde, of Illinois; Mr. Johnson, of Pennsylvania; Mr. Kasten, of Wisconsin; Mr. Ketchum, of California; Mr. Kindness, of Ohio; Mr. Latta, of Ohio; Mr. Lent, of New York; Mr. Lott, of Mississippi; Mr. Lujan, of New Mexico; Mr. McClory, of Illinois; Mr. McCollister, of Nebraska; Mr. Madigan, of Illinois; Mr. Martin, of North Carolina; Mr. Mathis, of Georgia; Mr. Michel, of Illinois; Mr. Milford, of Texas; Mr. Montgomery, of Mississippi; Mr. Moore, of Louisiana; Mr. Myers, of Indiana; Mr. O'Brien, of Illinois; Mrs. Pettis, of California; Mr. Pressler, of South Dakota; Mr. Quie, of Minnesota; Mr. Quillen, of Tennessee; Mr. Robinson, of Virginia; Mr. Rousselot, of California; Mr. Runnels, of New Mexico; Mr. Sarasin, of Connecticut; Mr. Shuster, of Pennsylvania; Mr. Sebelius, of Kansas; Mr. Sikes, of Florida; Mr. Spence, of South Carolina; Mr. Steelman, of Texas; Mr. Steiger, of Arizona; Mr. Symms, of Idaho; Mr. Talcott, of California; Mr. Thone, of Nebraska; Mr. Treen, of Louisiana; Mr. Vander Jagt, of Michigan; Mr. Waggonner, of Louisiana; Mr. Walsh, of New York; and Mr. Whitehurst, of Virginia. In addition, Mr. McDonald, of Georgia.

This legislation is intended by its supporters to be a basis for discussion of what the committee and the Congress ought to do to encourage capital formation through tax reform this session.

We are not 100 percent wedded to the specific language of its specific provisions. As a matter of fact, the bill has been amended in at least 30 instances since its initial introduction on March 13, and we are aware of additional changes which are in order.

The process which we are going through in respect to this specific legislation is closely similar to that through which the Committee on Ways and Means must go. We are cognizant of this.

The Jobs Creation Act would reduce taxes for businesses, large and small, so profits could be turned into creating jobs and improving production.

Its enactment would mean savings would flow back into the banks and savings and loan institutions, so funds would be more available for home and business construction at lower interest rates, and for plant expansion and equipment purchases.

Its enactment would help assure the preservation of family farms and family businesses.

They would, consequently, begin a major nationwide shift from tax-consuming jobs to tax-generating jobs and would reduce unemployment compensation and similar aid through a reduced need for them.

The proposed act consists of the following provisions:

It amends the corporate normal tax rate and increases the corporate surtax exemption, including provisions for reduced taxes for small business, which combined with other measures in the bill gives an effective corporate income tax reduction in the range of 5 to 6 percent.

It eliminates the present system of double taxation of common dividends.

It grants a $1,000 exclusion of capital gains for each capital transaction qualifying.

It increases the investment tax credit to 15 percent and makes it permanent.

It allows taxable year price-level adjustments in property and allows increases in class life variances for purposes of depreciation—the latter increasing the asset depreciation range—ADR—from 20 to 40.

It provides for a complete writeoff in 1 year of required but essentially nonproductive pollution control facilities and equipment.

It increases the estate tax exemption for family farming operations to $200,000.

It allows an exclusion from gross income of qualified additional savings and investments made during a tax year—an exclusion up to $1,000 or $2,000 for a married couple filing a joint return.

It grants an extension of time for payment of estate taxes—without a showing of undue hardship—where the estate consists largely of small business interests.

It provides for employee stock ownership plan financing, giving our work force a bigger stake in the productivity and profits of corporations.

Surely, the provisions of this bill or measures similar to those provisions will not alone accomplish all that must be done to assure an adequate investment of job-creating capital over the next decade, but they are important first steps, steps which ought to be taken this session.

PART II: FOOD STAMP REFORM—A MUST FOR THE 94TH CONGRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. Kasten) is recognized for 15 minutes.

Mr. KASTEN. Mr. Speaker, yesterday I discussed at length the food stamp program—its history, its phenomenal growth, the extensive fraud and abuse, and most importantly the need for Congress to immediately begin a comprehensive review.

As President Ford said in his message to Congress last week, the food stamp program must be changed in two fundamental ways—

> In fairness to those truly in need, we must focus food stamp assistance on them;
>
> In fairness to the overburdened taxpayers who must pay the bills, we must tighten the eligibility and participation requirements.

The president cited the National Food Stamp Reform Act of 1975, legislation which I and over seventy of my colleagues have cosponsored, as the type of comprehensive reform which is so desperately needed.

Mr. Speaker, in order to provide the Members of the House the opportunity to carefully review and consider the changes recommended by the National Food Stamp Reform Act, I would like to provide a section-by-section analysis of sections 1 through 6:

SECTION-BY-SECTION ANALYSIS OF H.R. 8146—THE NATIONAL FOOD STAMP REFORM ACT OF 1975

SHORT TITLE

Section 1 sets forth the "short title" of the bill—the "National Food Stamp Reform Act of 1975."

DEFINITION OF INCOME

Section 2(a) would require that, when a household's income is calculated for food stamp eligibility and benefit purposes, the monthly gross income and all members be counted. All types of income would have to be counted—including "in-kind" payments and the value of publicly funded benefits aimed at assisting the household to meet food and housing needs.

The only exception ("deduction") allowed would be a standard deduction of $25 per household per month for households with 1 or more members 65 years of age or older.

Comments

This provision (along with others setting the "poverty level" as the dollar limit on income eligibility) would substantially reduce the number of households eligible for food stamps by ending eligibility for higher income households. It would mandate that *all* household income be considered in determining whether it was in need of food stamp aid and the extent of its benefit. Thus, food stamp eligibility and benefits would be based on *total* household income—a more realistic measure than the current policy of considering only a *portion* of income.

A special $25 per month deduction would be allowed for households with elderly members—in recognition of the special difficulties elderly recipients face in securing an adequate diet.

Under current food stamp rules, a defective eligibility formula permits higher income households to qualify for food stamps. Some types of income are simply *not* counted (for example, income of children under 18 and most "in-kind" payments). Furthermore, *gross* income is not the determinant of eligibility and benefits. Instead, households are allowed to "deduct" numerous types of expenses (for example, taxes, child care costs, and some shelter costs) when their food stamp "net" income is calculated to determine eligibility and benefits.

The end result of the current rules is that non-poor households with substantial gross incomes can become eligible if they have the proper set of "disregards" and "deductions." For example, although the *nominal* income at which a 4-person household becomes ineligible for food stamps is $6480 per year ("net" income), a 4-person household with a gross income of $8880 would be eligible if it claimed *only average* deductions (about $2400 per year). And, households with gross incomes over $10,000 per year can be eligible as long as they have the proper "deductible" expenses.

The practice of allowing essentially unlimited deduction of expenses also tends to benefit higher income households the most—since these households are most likely to have the income to spend on deductible items.

PROPERTY TRANSFERS AND THE ELIGIBILITY OF MINORS

Section 2(b) would prohibit food stamp eligibility for: (1) individuals who knowingly transfer real or personal property for the purpose of attempting to qualify for food stamp benefits; and (2) minors (as defined by State laws) for whom other members of the household have no legal duty of support (unless there is no one who has a legal duty of support or the person with that duty is unable to perform it).

Comments

This provision would close two loopholes in the current food stamp eligibility rules. It would deny food stamp benefits to persons who transfer resources in order to meet the program's limits on liquid and non-liquid assets. It would also put an end to the current policy under which minors who have left their families can qualify for food stamps—often free of charge.

LOCAL OPTION

Section 3 would allow any locality within a State the option of running a Food (Commodity) Distribution Program instead of the Food Stamp Program.

Comments

This provision would reverse a recent change in the law which mandated that all areas of the country switch to the Food Stamp Program—even if a given locality felt that the distribution of Federally donated commodities was cheaper and more effective in providing specific foods to the target population most in need.

MAXIMUM ALLOWABLE INCOME

Section 4(a) would set the maximum level of income for food stamp eligibility at the monthly equivalent of "the current poverty index level of income, as established by the Office of Management and Budget . . ."

COMMENTS

This provision would establish the official "poverty levels" as the criteria for income eligibility for food stamps. In effect, it would substantially reduce (by more than 20%) the maximum allowable monthly income for food stamp recipients, and, thereby, target food stamp aid on the truly needy—those with incomes below the "poverty levels."

Under current rules, there is *no* maximum ceiling on gross income eligibility for food stamps. For example, a 4-person household with "net" monthly income of $540 or less is eligible for food stamps. And, because certain types of income are not counted and many expenses are deducted, a 4-person household can actually have a gross income much higher than $540 per month and still qualify for food stamp aid.

Under the provisions of this bill, a 4-person household could have an income of no more than about $420 per month—and *all* income would be counted (except for a special $25 per month deduction for households with elderly members).

Moreover, this bill would eliminate the current "automatic" food stamp eligibility for welfare recipients with incomes above normal food stamp eligibility limits.

MAXIMUM ALLOWABLE RESOURCES

Section 4(a) would also set the maximum level of liquid and non-liquid resources (assets) for food stamp eligibility at $1500 for 1-person households and $2250 for all larger households.

With the following *exceptions* ("exclusions"), the market value of all resources would be counted—

(1) the first $25,000 (or $35,000 in Alaska and Hawaii) of the market value of a household's principal residence;

(2) the first $1200 of the market value of one motor vehicle;

(3) the first $1500 of the market value of household goods and personal effects;

(4) the total market value of property used in a trade or business; and

(5) the total market value of non-business property that is essential to the self-support of a household.

Furthermore, eligibility rules governing household resources would have to be (to the maximum extent practicable) consistent with similar rules in the Supplemental Security Income Program of cash aid to the aged, blind, and disabled poor.

Comments

This provision would tighten the resource eligibility rules of the Food Stamp Program by, in effect, establishing the resources criteria used in the Supplemental Security Income Program as the resource eligibility limits for food stamp aid.

It would force the counting of many types of resources that are now "excluded" when determining eligibility for food stamps and would require that "market value" be used as the measure for computation (rather than the household's equity in the asset in question).

Under current rules, realistic limitations on resources are non-existent. The *entire* value of a household's home, car and personal belongings are now *excluded* from consideration under the Food Stamp Program—even though the household might have a $75,000 home, a late-model car, and valuable personal belongings.

Under the provisions of this bill, only $25,000 could be excluded based on the value of the household's residence; only $1200 could be excluded based on the value of the household's car; and only $1500 of the household's personal belongings could be excluded.

REQUIREMENTS FOR WORK REGISTRATION, JOB SEARCH, AND WORK ACCEPTANCE AND PROHIBITION ON BENEFITS FOR THE VOLUNTARILY UNEMPLOYED

Section 4(b) would prohibit food stamp eligibility for households which include an able-bodied adult person between the ages of 18 and 65 who:

(1) is voluntarily unemployed without good cause (unless the household was eligible for food stamps immediately prior to such unemployment);

(2) fails to register for employment;

(3) fails to inquire regularly about employment;

(4) refuses to accept employment, public work, or community work-training at not less than the applicable minimum wage or $1.30 an hour if there is no applicable minimum wage; or

(5) is enrolled in an institution of post-secondary education when such enrollment is considered a substitute for full-time employment.

These work registration, job search, and work acceptance requirements would not apply to mothers or other members of a household who have the responsibility of care for dependent children under 6 or incapacitated adults, or persons who are already employed and working at least 30 hours per week.

Refusal to accept work at a plant or site because of a strike would be considered a refusal to accept employment—except in the case of a household that was eligible for food stamps immediately prior to the refusal to work at a struck site.

No person could be exempted from these provisions for the sole reason that, as a condition of employment, such person was required to join, resign from, or refrain from joining any labor organization.

Comments

This provision would significantly tighten current work registration and acceptance rules and add a "job search" requirement. Only persons who are already employed, persons under 18 or over 65, disabled persons, and those caring for children under 6 and incapacitated adults would be exempted from the requirement to register for work, search for a job, and accept employment at a minimum wage. In effect, "work requirements" would be substantially conformed to those in the AFDC Program.

Moreover, this provision would deny food stamp benefits to the voluntarily unemployed (such as students, strikers and those who quit their jobs) and would extend the mandate to register for, search for, and accept employment to food stamp recipients who are drug addicts or alcoholics in treatment programs.

Under current rules, there is no "job search" requirement; students, drug addicts and alcoholics are exempt from work registration requirements; work registration requirements for strikers are all but meaningless; and a person can voluntarily choose to quit his job and still qualify for food stamps.

MONTHLY INCOME REPORTING

Section 4(c) would require that each participating food stamp household report its income at least once each month.

Comments

This provision would mandate a monthly income reporting system for all food stamp households, similar to that being considered for the AFDC Program. Monthly income reporting would facilitate the adjustment of food stamp benefits or the termination of eligibility even when a household has been certified eligible for several months.

Under current rules, food stamp households are often certified eligible for several months at a time and only required to report *changes* in their income. This policy often means that changes in household income which might reduce or end food stamp benefits never get reported since the welfare agency has no systematic method of checking on household income status *during* the certification period.

THE FORMAT FOR FOOD STAMPS AND PHOTO-IDENTIFICATION CARDS

Section 5 (a) and (b) would require that each food stamp include places for the recipient to sign—both when he receives the food stamps, and when he redeems them in a grocery store or other approved outlet.

The recipient would be required to sign and countersign each food stamp, and show a matching photo-identification card in order to negotiate his food stamps.

Welfare agencies would be required to issue photo-identification cards to one member of each participating household.

Special procedures would provide for means for enabling disabled persons to negotiate their food stamps in a manner that would ensure their use only by the intended beneficiary.

Comments

These provisions would mandate a photo-identification card system and a "traveler's checks" format for the Food Stamp Program.

Lax recipient identification is at the heart of many of the criminal activities connected with the Food Stamp Program; the easy negotiability of food stamps facilitates fraud, theft, counterfeiting, and black marketing. By mandating stricter identification procedures and the counter-signing of food stamps when used, the prevention of criminal activities associated with the Food Stamp Program would be greatly facilitated.

PROCEDURES GOVERNING THE SHIPMENT OF FOOD STAMPS

Section 5(b) would also require that procedures governing the shipment of food stamps to issuing agents include:

(1) a method of insuring that welfare agencies are notified when food stamps are shipped to and received by issuing agents;

(2) central computation of adjustments to any issuing agent's monthly food stamp order and notification of issuing agents and welfare agencies when there has been an adjustment in food stamp coupon allotment tables;

(3) a method of informing welfare agencies each time an issuing agent's monthly food stamp order is adjusted; and

(4) a method of assuring that deliveries of food stamps to issuing agents are made only to authorized persons.

Comments

This provision would tighten the procedures governing the shipment of food stamps to issuing agents and insure that welfare agencies are notified when food stamps are ordered and shipped—and in what quantities.

Many areas of the country use issuing agents (for example, banks, credit unions, and post offices) to issue food stamps to households that have been found eligible by the welfare agency. And, the welfare agency involved is fiscally liable for any losses in the issuance process.

However, under current rules, welfare agencies are not informed of the amounts of food stamps ordered by, shipped to, and received by issuing agents in a timely fashion, and the delivery of food stamps is often made in a less-than-careful manner. The end result is that local welfare agencies—though responsible for any losses—have only limited means for spotting any abuses in the issuance process.

UPDATING FOOD STAMP ALLOTMENTS

Section 6(a) would mandate that food stamp monthly allotments be updated by the change in the overall retail cost-of-living index—every 6 months.

Comments

This provision would mandate that the index of overall inflation ("the overall retail cost-of-living index") be used to update food stamp allotments—rather than changes in food prices.

Since the Food Stamp Program is, in reality, a general income supplement program (though delivered in a form that is a substitute for cash), changes in food stamp allotments ought to be tied to changes in general purchasing power—rather than food purchasing power.

Under current rules, food stamp allotments are updated every 6 months according to changes in food prices.

INCREASE IN MONTHLY FOOD STAMP ALLOTMENTS

Section 6(a) would also require that food stamp monthly allotments be based on the USDA's "low-cost food plan" as updated by the overall retail cost-of-living index.

Comments

This provision would substantially increase monthly food stamp allotments—by about 29 percent.

Under current rules, monthly food stamp allotments are based on the USDA's "economy food plan." There appears to be little disagreement, however, that the "economy food plan" provides only a very minimal subsistence diet and that it takes considerable skill to provide, on a continuing basis, a wholesome and flavorful diet for the dollar amounts indicated by the "economy food plan."

With the savings generated by the provisions of this bill which target eligibility on the truly poor and eliminate higher-income and voluntary poor households from the program, it should be possible to adopt the more liberal "low-cost food plan" as the basis for food stamp allotments—thereby providing more realistic benefits and still generating substantial savings.

FOOD STAMP PURCHASE PRICES

Section 6(b) would mandate that the purchase price of food stamps be—

(1) the percent of income expended for food by an average household (of the same size and income) in the region of the country where the household receiving benefits—as established in the most recent Consumer Expenditure Survey of the Bureau of Labor Statistics; or

(2) 30% of household income, *whichever is less.*

Section 6(b) would also require that food stamp purchase prices be adjusted according to any changes in the overall retail cost-of-living index—at the same time and in the same manner as food stamp allotments are updated.

Comments

This provision would tie the purchase price of food stamps to what similar households commit to food costs, or 30%—whichever is less. For most food stamp households, this would mean an increase in their purchase price because similar households commit larger portions of their income to food than is required now under current food stamp rules.

Under current rules, food stamp recipients are permitted to commit far less of their income to food than the average American family of their size and income. For example, a 4-person household with a poverty level income of $5050 per year is required to pay a food stamp purchase price equal to about 20% of its income; whereas, the 1972–73 Consumer Expenditure Survey indicates that the average family in this income category spent almost 33% of its income on food.

This provision would mandate that, when monthly food stamp allotments are updated according to changes in the overall index of inflation, purchase prices would also be adjusted by the same percentage.

Under current food stamp rules, most purchase prices have never been raised—although food stamp allotments have climbed year after year. This has caused a large part of the cost escalation in the Food Stamp Program. Moreover, it has meant that larger and larger portions of food stamp benefits have the effect of increasing the *general* purchasing power of food stamp recipients—rather than increasing *food* purchasing power.

PROCEDURES RELATING TO CASH RECEIVED IN ISSUING FOOD STAMPS

Section 6(c) would require that, when funds derived from the purchase prices charged recipients are deposited in designated banks, immediate notice of such deposits shall be sent to both the issuing agent and the welfare agency involved.

Contracts between welfare agencies and issuing agents would have to include provision for fiscal sanctions against any issuing agent who fails to meet depositing requirements established by the Federal government.

Funds received by issuing agents from the sale of food stamps would have to be immediately set aside as Federal funds and not used in any manner for the benefit of any individual, corporation, association, organization, or entity other than the Federal government.

COMMENTS

This provision would considerably tighten the system under which issuing agents deposit funds derived from purchase prices charged recipients and remove the possibility of losses to the Federal government through delays in making these deposits.

Under current rules, no timely notification of deposits by issuing agents is required and, in fact, issuing agents often fail to make timely deposits of funds derived from purchase prices. The sheer magnitude of the funds involved in the Food Stamp Program means that delays in deposits by issuing agents cause the Federal government to lose substantial sums in interest.

RODINO INTRODUCES VICTIMS OF CRIME ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. Rodino) is recognized for 15 minutes.

Mr. RODINO. Mr. Speaker, the citizen

most immediately and directly injured by the tragic rise in our crime rate has always been the innocent victim of violent crime. A single act of lawlessness can, and all too frequently does, Mr. Speaker, deprive a family of its breadwinner, cripple a person for life, ruin a promising career, or give rise to medical bills far beyond the victim's ability to pay.

No one in this Chamber can feel comfortable with the wholly unsatisfactory fruits of our anticrime efforts to date. Nonetheless, millions of dollars and years of effort have been constructively channeled into a slow improvement of our criminal justice machinery; we have begun to address the needs of police, courts and corrections as an interrelated system; States and localities have become more sophisticated in their approaches to planning for and expending Federal funds.

And yet, the one component we have almost universally neglected is the innocent victim—he or she has been for the most part left to suffer and to shoulder a disproportionate part of the economic injury inflicted by violent crime.

The economic loss caused by crime is a perfectly predictable consequence of society's failure to deal adequately with the control of illegal violence. It seems patently unfair, therefore, to impose the burden of that economic loss in crushing individual doses upon those unlucky enough to have been innocently victimized. Society can and should shoulder a greater degree of this burden itself.

To that end, Mr. Speaker, I am introducing today a bill to provide for compensation of persons injured by certain violent crimes and to make grants to States for the payment of such compensation.

The Committee on the Judiciary has carefully weighed this kind of an approach over the course of extensive hearings in past Congresses. As a longtime sponsor of victims of crime legislation, I have carefully reviewed the record of those hearings and, drawing on that record, I am offering this new proposal today as a redrafted bill that I hope will receive swift and favorable consideration by the House.

Mr. Speaker, it is encouraging that on the local level a number of States have already undertaken constructive compensation programs in this area. I am proud to note that New Jersey is among those States, and that its program has been functioning as a model for several years.

The approach of this new legislation is to capitalize upon and to promote those existing State projects, and to encourage the adoption of similar programs in States throughout the Nation.

I am pleased at this time, Mr. Speaker, to attach to my remarks a copy of the bill, the Victims of Crime Act of 1975, followed by a brief section-by-section analysis."

H.R. 9074

A bill to provide for the compensation of persons injured by certain criminal acts, to make grants to States for the payment of such compensation, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Victims of Crime Act of 1975".

VIOLENT CRIMES COMPENSATION COMMISSION

SEC. 2. (a) There is established the Violent Crimes Compensation Commission (hereinafter in this Act referred to as the "Commission"). The Commission shall consist of five members, one of whom shall be designated the Chairman, all appointed by the President by and with the advice and consent of the Senate. At least one member of the Commission shall be a licensed physician and one member shall be a licensed attorney. The term of office for each member of the Commission shall be four years, except that the President shall designate 2 of the members first appointed who shall serve a term of two years. Each member of the Commission shall be compensated at the rate provided for level V of the executive schedule under section 5316 of title 5 of the United States Code.

(b) The Commission shall have the power to do the following:

(1) Establish general policies, guidelines, rules and regulations which must be followed by qualifying States.

(2) Deny, revise, or ratify any request for regular or supplemental grants which are requested by any State to which funds will be given.

(3) Utilize, with their consent, the services, equipment, personnel, information and facilities of other Federal, State, local or private agencies.

(4) Enter into and perform such contracts, leases, cooperative agreements and other transactions as may be necessary in the conduct of functions of the Commission, with any public agencies, or with any person, firm, association, corporation, educational institution or non-profit organization.

(5) Request information, data, and reports from any Federal agency as may be produced consistent with other law.

(6) Collect systematically the data obtained from studies, research and the empirical experience of public and private agencies concerning victims of violent crime.

(7) Disseminate pertinent data and studies to individual agencies concerned with victims of crime programs.

(8) Publish data concerning victims of crime programs.

(9) Employ such staff at such salaries as are necessary to carry out the functions of the Commission.

GRANTS TO STATES FOR CRIME VICTIM COMPENSATION PROGRAMS

SEC. 3. The Commission shall make an annual grant to each qualifying State. Subject to the limitations imposed by section 5 of this Act, each such grant shall equal 50 percent of the current annual cost, as determined by the Commission, of the program in that State to compensate the victims of violent crimes, if that program qualifies under section 4 of this Act. The Commission shall not review the disposition of any individual claims which have been processed by any State victims of crime programs.

QUALIFICATIONS OF STATE PROGRAMS

SEC. 4. A State qualifies for a grant under this Act if the Commission finds that there is in effect in such State on a statewide basis a system of public compensation for the victims of violent crimes which meets the following criteria:

(1) The State compensation program must be administered impartially with regard to the processing of claims.

(2) The program shall afford compensation to individuals for personal injuries which the proximate result of any act or omission which is criminally punishable by the law of the State or the United States.

(3) The program shall offer compensation to the surviving dependent or dependents of individuals whose deaths were the proximate result of acts or omissions which are criminally punishable by the law of the State or the United States.

(4) The program shall afford individual claimants the right to a hearing with adequate administrative or judicial review for any aggrieved claimant.

LIMITATIONS ON FEDERAL GRANTS

SEC. 5. In computing the annual cost of a qualifying State program for the purpose of establishing the amount of the Federal grant under section 3, there shall be excluded from such cost—

(1) Any amounts representing State compensation awards for pain and suffering and property loss.

(2) The amount by which any individual award under the State program exceeds $50,000.

(3) Any amounts representing State compensation awards to victims who have received compensation from any other source, up to the amount of that compensation.

(4) Any amounts representing lost earnings of more than $150 per week per individual.

(5) Any amounts representing awards to claimants who failed to file claims under the State program within one year after the injury or death was sustained.

(6) Any amounts representing awards to claimants who failed to report the act or omission causing the injury or death to law enforcement authorities for more than 72 hours after the occurrence of that act or omission, unless good cause for such failure to report has been found by the appropriate State agency.

DEFINITIONS

SEC. 6. As used in this Act—

(1) the term "claim" means a written request for compensation made by or on behalf of a victim or intervenor, or any surviving dependent of either of them;

(2) the term "dependent" means a surviving spouse, an individual who is a dependent as defined in section 152 of the Internal Revenue Code of 1954 (26 U.S.C. 152), or a posthumous child;

(3) the term "personal injury" means actual bodily harm and includes pregnancy, mental distress, and nervous shock; and

(4) the term "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or any territory of the United States.

SECTION BY SECTION ANALYSIS, VICTIMS OF CRIME ACT OF 1975

Section 1. Designates this Act as the "Victims of Crime Act of 1975."

Section 2. Establishes the Violent Crimes Compensation Commission with five members appointed by the President with the advise and consent of the Senate. One member of the Commission shall be a licensed physician and one shall be a licensed attorney.

Empowers the Commission to administer and implement this Act through the establishment of general policies and guidelines including the collecting and disseminating of empirical data to state victims of crime programs.

Section 3. Allows annual matching of grants to equal 50% of the operating cost to qualifying States as specified in Sec. 4.

Prohibits the review of individual state claims processed by any State victims of crime program by the Violent Crime Compensation Commission.

Section 4. Establishes the criteria by which a State with a statewide violent crimes program may qualify for funds.

The processing of claims by the State must be impartially administered.

Compensation shall be given to any individual who suffers a personal injury which results from an act which is a crime by the law of a State or the United States or if death should occur to the victim the survivor is available for an aggrieved claimant.

Adequate administrative and judicial review is available for an aggrieved claimant.

Section 5. Limitations are placed on each state program when computing its annual cost for the purpose of the federal grant. Excluded from computation are:

Amounts representing state awards for pain and suffering and property loss.

Amounts received from other sources.

Amounts reporting lost earnings of more than $150.00 per week for each individual.

Any amount received for an individual who failed to file a claim under the State program within a year of the injury or death.

Any amounts received by claimant who failed to report the injury within 72 hours of its occurrence to law enforcement officers.

Section 6. Defines the pertinent terms used in this bill.

THE SECOND RUSSIAN WHEAT DEAL

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. Evans) is recognized for 5 minutes.

Mr. **EVANS** of Indiana. Mr. Speaker, there is an old saying that history repeats itself, and that the wise man examines what has happened in the past to better prepare himself for the future.

Perhaps Secretary Butz is not familiar with this old law, although he was certainly there when history was being made. In 1972, he oversaw the sale abroad of 19 million tons of American wheat to the Soviet Union. He was around when the price of bread doubled and the price of beef skyrocketed. And presumably, he heard the outrage of the American consumer.

Maybe he neither saw nor heard. At least, that is the only excuse I can find for what appears to be history repeating itself.

Even Arthur Burns, Chairman of the Federal Reserve Board, has expressed his concern that U.S. grain sales to the Soviet Union this year may lead to another sharp rise in food prices. "There already has been a significant increase in grain prices." Burns told the Joint Economic Committee. "They have really run up very sharply."

Meanwhile, back at the Department of Agriculture, Secretary Butz has been telling us not to worry; the effect of exports on the price of retail food and farm prices is "insignificant."

Grain sales to the Soviet Union have now gone above the 10 million tons of corn and wheat. That is half of its purchase in 1972. But it seems the Soviet drought is very severe, and makes it likely the Soviets will have to purchase much more in the coming months.

Since word of the Soviet grain sales has come out, the price of wheat has gone up 30 percent, soybeans, 25 percent, and corn for December delivery by more than 20 percent.

Mr. Speaker, I exhort the Secretary to open his eyes and ears, and refresh his memory of 1972. The consumers' patience is wearing thin and the farmer's share of the consumer dollar is still decreasing.

NORTH KOREAN CRAZY BARBARISM THREATENS DÉTENTE

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from California (Mr. Leggett), is recognized for 5 minutes.

Mr. **LEGGETT**. Mr. Speaker, much has been said in recent weeks by colleagues of both the right and left in the Congress, old China hands and others on what South Korea and the United States should do to promote peace on the Korean Peninsula.

Ambassador Edward Reischauer in an article cited by my colleague Don Fraser advises the United States to get out of Korea quietly over the next several years unless the South Koreans change course toward a more democratic society that can win the loyalties of South Koreans and Americans. Reischauer suggests a 4-power agreement of the large, adjacent nations to keep hands off as the Koreans resolve their differences North and South; he also suggests that peace and unification might result.

Colleague Senator Frank Church also writes that since South Korea has engaged in authoritarian rule, the United States should forthwith pull back the 2d Division from a position north of Seoul and disengage from the entire Korean Peninsula in the best interest of the United States.

Colleague Bob Sikes argues in another article that we should not expect pure American style government in South Korea; that the South Korean Government is eminently more democratic than the Communist totalitarians to the North. He states the case well, I believe, that the United States has made a huge human sacrifice for South Korea; that the South Korean nation is emerging as a modern industrial nation just as is Taiwan and that talk of abandonment can only be destabilizing and encourage the overzealous Communists.

Bob Sikes is right some of the time and in this instance he is dead on.

My personal belief is that overresponsive authoritarian rule can cause the Park regime to lose considerable American support. Likewise, I believe that the 2d Division need no longer be a tripwire of American intervention. There is a line between abandonment and the tripwire posture that the United States can assume, which posture, in fact, has been recommended by the staff of the House Appropriations Committee.

While a critique of the governments of Taiwan, Philippines and South Korea are fair game for discussion, I believe the "resolved clause" of abandonment is unduly simplistic.

We have recently seen what a few words from the Congress of the United States can do. We voted on Wednesday of last week not to break the deadlock with the Turks and deliver military goods that were paid for; and on Thursday we found the United States' posture in Turkey emasculated jeopardizing NATO, Greece, Israel and Turkey.

Countries for generations have "cut off their noses" for inadequate reasons and the Greek lobby was totally misled in this instance.

North Korea has been guided for many years by the dictator Kim II Sung. Sung is operating under a severe misimpression of United States' intentions as is evidenced by the two full-page ads that he recently placed in the Washington Post and other major U.S. newspapers. He is apparently under the impression that the following dogma appeals to the average American:

> We are convinced that our visit to China will contribute greatly to developing the traditional relations of friendship and cooperation between our two Parties, two countries and two peoples onto a higher plane in conformity with the trend of the development of the present era, and to accelerating the revolutionary movements in Asia and the rest of the world. . .
>
> As the economic crisis is worsening and the political crisis and social contradictions are growing acute in the capitalist world, the imperialists are more stubbornly persisting in the policy of war, threat and blackmail in an attempt to find a way out. On the other hand, the anti-imperialist struggle of the peoples of the socialist countries and the third world and the international working class is surging high on a worldwide scale.
>
> At the present stage in which the struggle between the revolutionary and the counterrevolutionary forces is becoming increasingly fierce on the international scene, it is of very great importance to intensify the anti-imperialist common struggle of our two peoples.
>
> Once old and new colonialism is wiped out of Asia and Latin America, neither imperialist Western Europe nor imperialist North America will be able to exist. . .
>
> The further the imperialists are driven into a predicament, the more they resort to double-faced tactics, holding an olive branch in one hand and wielding a bayonet in the other, and the more viciously they manoeuvre for aggression and war under the signboard of "peace". This is a rule. . . .
>
> We shall always keep a sharp vigilance against the imperialist threat of war and get ourselves firmly prepared to meet the forthcoming great revolutionary event victoriously whether there will be war or revolution.
>
> We consider that in order to defeat imperialism, maintain and consolidate peace and hasten our revolutionary victory, we must thoroughly frustrate the counterrevolutionary double-faced tactics of the imperialists by countering the enemy's spear with our spear and meeting his deceptive "peace" tactics with revolutionary principle.
>
> If revolution takes place in south Korea, we, as one and the same nation, will not just look at it with folded arms but will strongly support the south Korean people. . .
>
> If the United States really desires peace in Korea and does not want to obstruct the peaceful reunification of Korea, it should stop instigating the traitorous forces rejected by the people in south Korea and it should not interfere in what the people are doing so that they may realize the democratization of society and establish a democratic regime as they demand.

Obviously Sung believes that communism, the ultimate, is democratic and he resorts to the old "change the regime and we will negotiate" tactic just as the North Vietnamese did in South Vietnam.

Sung is obviously paranoid, has the plague of millions of deaths on his conscience and would like to meet his maker under conditions where those millions perhaps were not caused to die in vain.

It is no wonder that the Park regime sometimes reacts in an authoritarian way with threats like these above quoted published in the American press. I believe that Sung is paranoid enough to think that he can start and win a new war in South Korea. I have personally witnessed his soldiers spitting on every car from South Korea entering the DMZ area near Panmunjom.

Foreign Minister Kim Dong Jo of South Korea published recently a foreign policy analysis that makes some sense. He states in part in suggesting that the United States succeed to the U.N. command in South Korea:

> We believe that our proposition with respect to the United Nations Command fully corresponds to the wishes of the members of the United Nations as expressed by the General Assembly Resolution 3333 and fully reflects the declared policy of the Government of the Republic of Korea for peace and security in this area. We also believe that, under the prevailing circumstances on the Korean peninsula, it is the most realistic and constructive proposal which would allow an orderly disposition of the United Nations Command without prejudice to the maintenance of peace and stability in Korea. The Government of the Republic of Korea is therefore prepared, together with the United States Government, to discuss this matter with the other parties to the Armistice Agreement at any time in any place mutually agreed upon, as well as the Security Council if they so desire.
>
> We are convinced that the prevention of recurrence of war and the consolidation of peace on the Korean peninsula are essential for ultimate realization of peaceful unification of the country. Guided by this conviction, the Korean Government has taken various initiatives aimed at reducing tension in this area and creating favorable conditions for peaceful settlement of the Korean question. We initiated the South-North Dialogue in 1971 and the historical South-North Joint Communique was issued in 1972. We also proposed, among others, the conclusion of a Non-Aggression Agreement between the south and the north and called for admission of both parts of Korea into the United Nations as an interim measure pending unification.
>
> To our regret, however, north Korea has thus far failed to respond constructively to our proposals while intensifying its provocation against the south, thus heightening tension in this area. North Korea not only suspended unilaterally the meeting of the South-North Coordinating Committee in August 1972, but also has recently stepped up its military build-up along the demilitarized zone and openly instigated an overthrow of the government in the south in defiance of the South-North Joint Communique of July 4, 1972. The digging of underground tunnels by north Korea across the demilitarized zone which have recently been uncovered is one of the most serious violations of the Armistice Agreement and the South-North Joint Communique.
>
> Therefore, we strongly urge north Korea to discard its hostile attitude towards the Republic of Korea and join us in our efforts to resume the South-North Dialogue without any further delay and to maintain peace in Korea in full compliance with the Consensus Statement and Resolution 3333 adopted by the General Assembly in 1973 and 1974 respectively.
>
> We earnestly hope that all the peace-loving nations around the world will render their full support to the aforesaid position of the Republic of Korea in the interests of maintaining peace and security and expediting a peaceful unification of Korea.

On the 4th of July President Park made the following comments in part:

> As is well known, the basic spirit of the South-North Joint Communique was to restore mutual trust between the south and north through dialogue, and broaden exchanges, establish durable peace in this land and ultimately seek an avenue for self-reliant unification thereon.
>
> Regrettably, however, the South-North Dialogue remains deadlocked and tensions on the Korean peninsula run higher than ever today, three years later . . ."
>
> . . . Particularly before and after 1970, the tensions on the Korean peninsula became so heightened as to place the nation on the brink of another war as the cold-blooded north Korean Communists went so far as to attempt a commando raid on the residence of the President of the Republic of Korea in January, 1968, infiltrate a large number of armed agents into the Uljin and Samchok area in November of that year, and hijack a Korean Air Line passenger plane in December of the following year, to say nothing of numerous other provocations of lesser degrees.
>
> Even under the circumstances, we issued the August 15, 1970 declaration in an effort to forestall recurrence of the horror of war and maintain peace in this land by all means.
>
> In that declaration, I made it clear that should the north Korean Communists accept the authority and competence of the United Nations, we would not oppose their presence, along with us, in the discussions of the Korean question at the United Nations. I urged them to participate in bona-fide competition in development, construction and creation.
>
> And in August 1971, the following year, we propsed a South-North Red Cross Conference.
>
> This was a manifestation of our brotherly love intended to alleviate the human sufferings, and realize reunion, of families dispersed owing to the invasion of the south by the north Korean Communists on June 23, 1950. . . .
>
> It was based on this background that I announced the Special Foreign Policy Statement for Peace and Unification on June 23, 1973 with a view to lending another impetus to the dialogue as well as to creating a climate benign to the international trend toward peace.
>
> This was the announcement of a seven-point policy for peaceful unification, stating that we would strive for the success of the South-North Dialogue with sincerity and perseverance, that we would not oppose north Korea's participation, together with us, in the United Nations and other international organizations, and that we would open doors on the principles of reciprocity and equality to even those countries with different ideologies and systems.
>
> Nevertheless, the north Korean Communists have been holding out against us with slander and intrigue while repeating impracticable and stereotyped demands such as the so-called "Confederation System" and "Grand National Conference" instead of showing a sincere response to our just and realistic policies for peace. . . .
>
> In this acute situation, I proposed for the conclusion of a South-North Non-Aggression Agreement of January 18, 1974 in the firm belief that recurrence of war on the Korean peninsula should be prevented by all means.
>
> Again on the National Liberation day of August 15, 1974, I laid down the realistic and practicable three principles for peaceful unification, which called for conclusion of a South-North Non-Aggression Agreement, opening of the societies of south and north to each other, and realization of unification of the country through free general elections based on restoration of trust between south and north. . . .
>
> Despite our sincere proposals for peace and endeavors for persuasion, however, the north Korean Communists have not only boycotted the South-North Dialogue for no justifiable reason, but also postponed indefinitely even the working level contacts recently, going all out to overthrow the Republic of Korea and realize unification by force of arms and violence.
>
> Fellow Compatriots in the South and North:
>
> From the day of National Liberation in 1945 until now, the north Korean Communists have persistently been pursuing their basic strategy of so-called "Armed Revolution in South Korea" without the slightest alteration.
>
> It is beyond doubt that they are adhering to a policy of armed revolution, and plethora of solid facts substantiate this:
>
> They were digging large-scale underground invasion tunnels across the truce line at the very minute, they, together with us, were having the South-North Joint Communique of July 4, 1972:
>
> And they were continuously perpetrating anti-national and barbarous provacative acts by infiltrating armed guerrillas and assassins with a view to subverting the Republic of Korea at the very hours they were engaged in the South-North Dialogue with us.
>
> Such being the facts, it is beyond any doubt that the "peace" the north Korean Communists seek is by no means the peace we seek, but is a mere treacherous trick intended to cover up their attempts at aggressive war and violent revolution.
>
> In addition, they always reiterate the word "independence", but they have been shunning the South-North Dialogue which represents the first step to alleviation of tensions on the Korean peninsula and peaceful unification.
>
> They have not only evaded the South-North Dialogue designed to get our own brethren to the conference table to discuss the future problems of our nation, but also indulged in slandering and defaming the Republic of Korea in deceptive propaganda in other countries, while they have been loudly pronouncing "self-reliant unification", etc.
>
> This alone attests clearly to the fact that the words they so fondly use such as "peace" and "independence" are nothing more than a mockery . . ."
>
> The north Korean Communists are turning their backs on the national endeavors for restoration of trust between the south and the north and are simply frantic about unification by violence or force of arms, and they do not deserve even to discuss "nation" or "peace" or "peaceful unification of the fatherland."
>
> I would like to take this opportunity today to strongly exhort the north Korean Communists to put in deed the following:
>
> If they really have any affection toward the nation and aspiration for peaceful unification of the fatherland, they should immediately terminate their preparation for aggressive war, all acts of indirect aggression, and self-destructive acts of disgracing their own nation in international society.
>
> And once again I urge them to normalize the suspended South-North Dialogue by responding to our request for resuming the full fledged meetings of South-North Coordinating Committee and the South-North Red Cross Conference respectively at an earliest possible date.
>
> Fellow Countrymen:
>
> This generation shoulders a crucial task to establish durable peace in this land while resolutely forestalling armed invasion of the south by the militant north Korean Communist. . . .

On balance you have to admit that Park's olive branch is much more civilized and promotive of peace than the barbed crazy threats of Sung.

As we critique Park's foreign policy in South Korea, criticize perhaps the overzealous decrees of Park which admittedly lost him much support in the United States, let us remember that we are dealing with a crazy dictator in the North who has had a tendency to do crazy, lethal things in the past.

THE MILITARY PROCUREMENT BILL: MORE DEFEATS FOR THE CAUSE OF PEACE AND SANITY

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 5 minutes.

Mr. BINGHAM. Mr. Speaker, the conference report on the military procurement appropriations bill calls for far more attention and comment than it is likely to receive.

I regret to say that one of the prominent victories of the House conferees over their Senate counterparts was a stinging defeat for the cause of security with peace and sanity. I am referring to the final item in the report, prominently exhibited on pages 72–73 just above the signatures of the conferees. Permit me to quote the stark language of the report:

> The Senate amendment provided language in section 917, general provisions, that would preclude any testing of Maneuvering Reentry Vehicles (MaRV) unless the President certified that such testing was conducted by our potential adversaries or the President certified that it would be in the national interest of the United States to conduct MaRV tests.
>
> The House bill contained no similar provision.
>
> The House conferees strongly opposed such restrictive language, since it could result in unilateral U.S. termination of MaRV testing.
>
> The Senate conferees reluctantly agreed to recede. . . .

Mr. Speaker, many of us fought long and hard to get the House to adopt a limited prohibition against MaRV testing. We lost. I felt strongly that we were losing a perfect opportunity to declare to the Soviet Union that we were not interested in achieving a first-strike, counterforce capacity, and that we were willing, indeed anxious, to negotiate a permanent, total ban on monstrous MaRV. Such a ban, as was often pointed out then, can easily be implemented only before either nation has tested the system; after testing, inspection becomes an incredibly difficult problem.

The Senate vote for the limited testing prohibition occurred at approximately the same time that Secretary Schlesinger began to speak with such equanimity of the possibility that the U.S. might fight a limited nuclear war. This strategy of folly and delusion is, I believe, firmly based upon the assumption that the United States will continue to develop a counterforce capacity. Since MaRV is a key to that development, I was enthused about the implications of the Senate vote: it was a declaration to the Soviets that, despite the Secretary's remarks, powerful forces in the Nation were deeply opposed to a counterforce strategy, and had no delusions about the possibility of fighting a nuclear war that would not be a catastrophe for the planet. I wrote, at the time—in an article which appears in full in today's extensions:

> It is difficult to imagine a reason not to prohibit MaRV tests. American policy has always been that we do not seek to achieve a first strike capability—which is the only possible purpose for MaRV. And since the Soviet Union is well behind us in MaRV development, we lack the excuse that it is the Russians, not ourselves, who are escalating the balance of terror. The only remaining explanation of a decision to test MaRV would be that, as a nation, we are so dazzled by our own technological genius that we cannot resist it; that however compelling the reasons not to test and deploy our technology, we will do so anyway, because it is of our nature to do so.
>
> The House and Senate conferees on the military procurement bill have a rare opportunity to show that our national character is not so fatally flawed; that we are, in fact, capable of rejecting the lure of technological dazzle when it becomes demonstrably dangerous and irrational. Adoption of the Senate's limited prohibition on MaRV testing will not make up for the current Congress's general willingness to embrace the appalling heritage of the arms race; but it will provide a signal, to the nation, the Soviet Union, and the world, that restraint and rationality are becoming part of America's policies on military development.

Once again, Mr. Speaker, a significant opportunity to strike a small blow for peace has been lost. I am deeply disappointed; but I promise that foes of escalating procurement insanity will be back next year, to fight again against our tragically blithe entry into the world of counterforce and terror.

THE DEMOCRATIC 94TH CONGRESS AT MID-SESSION

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from California (Mr. MCFALL) is recognized for 15 minutes.

Mr. McFALL. Mr. Speaker, your statement of Tuesday, July 29, "The Democratic 94th Congress at Mid-Session," is an excellent and eloquent summary of the accomplishments of this Congress to date. The statement outlines the great difficulties and problems we faced when we convened in January and points out clearly and forcefully the substantial progress we have made, often in the face of the stubborn opposition by the administration. I commend it to the attention of our colleagues on both sides of the aisle:

THE DEMOCRATIC 94TH CONGRESS at MIDSESSION

(Statement of Representative CARL ALBERT, the Speaker, House of Representatives, July 29, 1975)

When the Democratic 94th Congress came to Washington in January of 1974, it faced the most difficult set of problems to confront the American people in a generation. The nation was just beginning to recover from the shock of the impeachment proceedings and the Nixon resignation; the bottom was dropping out of the economy; and the great, intractable problem of providing energy for America's future lay in the background.

The new Congress came to Washington and set to work with a will to bring these difficult issues, first, into definition, and then, to resolution. The 94th Congress has, in substantial part, succeeded in these goals.

The new Congress had actually begun its work in December, when the Democratic Caucus met to work on reforming its own procedures. In continuation of a decade-long trend toward more open, democratic and responsive government, the House Democratic Caucus moved early to center stage, adopting in its organizational meetings a series of changes which would underlie future efforts, during the legislative Session itself, to further the wishes of the majority of the Democratic Party in the House and, by reflection, the beliefs and wishes of a majority of the American people.

The Caucus began by transferring the the committee assignment function to its broadly based Steering and Policy Committee and by enlarging the overworked Ways and Means Committee, which has jurisdiction over a great amount of important legislation.

The Caucus then went on to require that Rules Committee members be nominated by the Speaker, in order to give the Leadership greater control over the flow of legislation to the Floor; that Appropriations Subcommittee chairmen be approved by Caucus vote; that full committee chairmen not serve simultaneously as chairmen of other full, select or joint committees; that House-Senate conferences be open to the public; and that jurisdiction of the House Committee on Internal Security be moved to the Committee on the Judiciary. Finally, the organizational Caucus moved to change the leadership of several of the legislative committees. All these actions were aimed toward making the Congressional machinery itself more effective, so that the programs of the Democratic majority might more easily be enacted into law.

In addition to the reform in the Democratic Caucus, another step toward the goal of rapid enactment of Democratic programs was also taken before the Congress itself began work in January. This was the preparation by a Task Force of the Steering and Policy Committee, in December and early January, of a set of legislative goals for enactment early in the next Congress to attack the nation's number one problem, the recession and its deleterious effects on the American people.

Most of the goals of this Democratic Task Force have been met, though not all. In some instances, viable initiatives have met with a stubborn obstructionism on the part of the Republican President and his minority Party allies in Congress. But, overall, the seven point program of the Steering and Policy Committee Task Force has moved rapidly toward fruition.

The 94th Congress itself convened on a hopeful note of cooperation between the Congress and the Executive branch. President Ford, who had resolutely refused to consider the plight of the unemployed through the months of autumn and early winter, who had actually proposed a tax *increase* while unemployment mounted toward ten million, seemed in his State of the Union Message to have come to realize that he was fighting the wrong battle. It was time, he said, in his State of the Union Message, to turn our attention from fighting inflation to fighting unemployment.

In fact, as the Democratic Congress had been saying for months, it was long past time to begin fighting unemployment. But nevertheless it was a hopeful sign to hear the Executive acknowledge its past errors and promise cooperation in the fight to help put the people of our nation back to work.

Unfortunately, the promise of cooperation was short-lived. Wtihin a brief time after the opening of the new Congress, Congress and the President clashed on one of the most fundamental points in the Democratic agenda, protection for those most hurt by the recession. The issue was a simple one. President Ford wanted to raise the cost of food stamps for the poor, for the elderly, for those who had lost their jobs because of the recession. The Congress disagreed. And, on February 4, 1975, battle was joined, with the Democratic Congress voting overwhelmingly to reject the President's proposal to further penalize those already most severely harmed by the recession and inflation. The following day, the Congress voted again to protect America's families from badly designed Administration policy, this time by rejecting the first of many ill-conceived Administration energy plans.

Thus, the mood of conciliation first advanced by President Ford in his State of the Union Message foundered on its first testing—and on virtually every succeeding test. The old conservative Republican inclinations—favoritism toward Big Business, disregard for the unemployed and for the working family, and lack of concern for America's social and environmental needs—proved too strong. So, these themes have become the dominant ones of the Ford Administration, rather than constructive cooperation with the Democratic Congress to solve the problems of the American people.

Each of the confrontations between Congress and the President—and there have been many—have played out some combination of these themes. For example, perhaps the most important single item on the Democrats' agenda for action against the recession was the tax reduction bill, a measure the Democratic Caucus had been advocating for months, while President Ford had advocated an economy-crippling tax increase. When the President finally and belatedly came to realize the need for a tax reduction, he sent to Congress a plan which favored significant tax reductions for Big Business and the well-to-do, and practically nothing for the little man. The President's justification for his proposal was classic Eisenhower-style "trickle-down" economics: that it would not do much good for the average family to have a significant tax cut because they didn't have very much money to spend anyway.

It is certainly true that, after six years of Republican recession, inflation and unemployment, the real wages of the average American working family have taken a terrific beating. But still, the callousness of the President's attitude, as well as the very real economic effects of his aid-the-rich tax plan, were too much for the Democratic Congress to accept. Instead of the President's plan, Congress passed a plan of its own devising, a plan designed to give some much-needed relief to the majority of American working families, not to Big Business.

Republicans, true to their highly conservative President, tried to block the tax cut legislation from coming to the Floor. Nine out of every ten Republicans voted against the Rule permitting consideration of the bill (the Republican vote was 119–15). But Democrats forced the measure through, voting overwhelmingly (227–43) to allow the House to consider a tax bill which gives an even break to the average person, instead of more loopholes to the wealthy. Democrats also, later on, forced through an amendment designed to tax more heavily the swollen profits of the big oil companies, who had made huge profits from the oil embargo and OPEC price increases. Republicans in the House, of course, voted more than two-to-one against taxing the big oil companies.

Public sentiment on the tax reduction act was so strong that President Ford was forced to sign it, even though he openly expressed his preference for vetoing the legislation. Unfortunately, this most veto-prone of Presidents has not felt so constrained on a number of other occasions when confronted with good, effective legislation designed to revitalize the economy and to meet the economic and social needs of America's people.

For example, the House in March passed a $5.3 billion Emergency Employment Appropriations Act designed to put nearly two million of the nation's unemployed to work quickly on a wide variety of useful public works projects. The Jobs bill, as it was called, would have been of particular benefit to the construction industry, where unemployment has been running at more than twice the national average, above 20 percent.

The Emergency Employment bill was a fair reflection of the philosophy of the Democratic Party in Congress: end the recession quickly, put the unemployed back to work, and close the enormous gap between what the nation could produce and what it is producing (and, in the process, stop the huge Federal deficits, which arise directly and totally from the recession).

President Ford vetoed the Jobs bill, an action which reflected clearly the philosophy of his Administration and of the Republican Party in Congress: ignore the unemployed, ignore the public facilities needs of America, and oppose Federal spending blindly, even when it is spending which will pay for itself in the long run by energizing the economy, ultimately reducing, not increasing, the budget deficit.

On original consideration of the Emergency Jobs bill, Republicans in Congress by and large had opposed the measure, but enough of them (55), had supported it so that the veto could be overriden—if they stayed with their convictions. Unfortunately, Presidential favors and pressures—and not the true needs of the American people—proved to be the deciding factor. When the vote to override the veto came, only 19 of the 55 Republicans who had originally voted for the measure stayed with it, giving the President a small margin to sustain his veto—and giving America a promise of continued recession and another million or so unemployed. Congress, of course, later passed another bill containing a substantial portion of the funds contained in the vetoed bill. But still, a price was paid by the American people for President Ford's ill-considered veto of this valuable job-creating legislation.

Another instance of the triumph of conservative economic doctrine over the needs of America occurred in the dispute over Housing legislation. The Democratic Steering and Policy Committe's agenda for action on the economic front had included a major effort to stimulate the housing industry, the "crippled giant" of the American economy. This huge industry is operating further from capacity than at any time since the Great Depression. The high interest rate policies pursued by the Republican Administration have made extra billions for the big banks, and their owners who finance Republican compaigns, but these interest rates have brought bankruptcy to thousands of homebuilders and other small businesmen across America.

Unless the rate of housing starts could be increased dramatically, the recovery from the recession would necessarily be weak and pallid. So, Democrats in Congress fashioned a Housing bill designed to protect unemployed homeowners from mortgage foreclosures and to spur construction of 400,000 new housing starts and creation of 800,000 new jobs in the construction trades, where unemployment was running at 25 percent.

This badly-needed housing legislation fell victim to yet another ill-advised Presidential veto, as a bare one-third minority of the Congress supported the President's veto and stymied the efforts of a majority of the Representatives of the people to end the recession.

It is very important to note, however, that once again (as in the case of the vetoed Jobs bill) the Democratic Congress quickly reformed its ranks and came back to pass another piece of legislation which, even if not as beneficial as the original bill, still provides the nation with some measure of relief. These "second-try" bills rarely receive much, if any, notice in the press—and not nearly the amount of attention devoted to the head-on, veto override confrontations. Nevertheless, they are very important, both in their own right, for the contributions they will make to the economy, and for the evidence they provide of the unwillingness of the Democratic Congress to accept the do-nothing, recession-prone economic policies of this conservative Republican President.

While conflicts over economic philosophy have dominated the Session so far, they represent by no means the only area of controversy between Congressional Democrats and their Republican counterparts. Protection of consumers and workers, environmental matters and social issues have also provided ample evidence of the basic differences in philosophy of the two Parties.

For example, the Ford Administration has requested rescissions of hundreds of millions of dollars in funds appropriated by Congress to protect the health and welfare of American families. On March 10, 1975, the House voted on the President's request not to spend $259 million under legislation administered by the Department of Health, Education and Welfare. One large and representative component of this amount was $102 million for education aid to the handicapped. Typically, Republicans in Congress voted strongly (102–27) to follow the President's advice and deny opportunity to the handicapped children of America. By voting overwhelmingly (225–30) to preserve these funds, however, Democrats staved off this Republican attack on those who need extra help in order to learn to help themselves.

Another, similar, example of the Democratic Congress' successfully fending off Republican attacks on programs to assure the health and well-being of Americans had occurred just two weeks earlier, on another spending rescission Resolution. In that rescission request, President Ford had tried to cut funds for health facilities construction by $285 million and to reduce by $265 million spending for housing assistance. In a key vote, to approve all the rescissions except hospital construction, four out of five House Republicans voted to curtail badly-needed social programs, while Democrats voted overwhelmingly (245–20)—and successfully—to block this Presidential attack on the well-being of millions of American families.

Vote after vote in the House so far this Session reveals the same pattern of Democratic concern for the people of our nation and Republican defense of extrenched privilege or, in many cases, almost mindless denial of the responsibilities of government to safeguard the general welfare. Sometimes these denials by Republicans are public and obvious—but frequently they are hidden in parliamentary tactics, so that constituents will not be aware of Republican irresponsibility.

The Child Nutrition legislation presents an excellent example of this pattern of this covert irresponsibility. It is difficult in almost any Congressional District to defend a vote against providing food for hungry children. So, not surprisingly, the final vote to pass these important programs was very strong, 335–59, with a majority of both Republicans (80–50) and Democrats (255–9) supporting the measure.

Where was the Republican irresponsibility? It had occurred back during the vote on the Rule allowing the bill to come before the House, where these same Republicans who now voted for the bill had voted overwhelmingly (103–27) to prevent the House from even considering this vital legislation to protect the health of America's children.

Not surprisingly, the health of America's workers and the nation's environment have received no more consideration than has the health of our children at the hands of the conservative Republican minority in Congress and their Presidential ally.

Republicans mounted a strong effort to prevent enforcement of the Occupational Safety and Health Act—basic legislation protecting the health of America's working people. By a margin of 104–37, they voted to strip workers of the right to safe working conditions, and only a strong Democratic vote (194–82) prevented them from succeeding in their efforts to undo enforcement procedures under this fundamental legislation which protects working people.

Legislation to regulate strip mining, to prevent abuse of the environment, met a similarly unfriendly reception at the hands of the President and his Big Business-oriented friends in Congress. This time, unfortunately, the President won; and the price the nation will pay for his victory will be unrestrained continuation of the strip mining companies' ravaging of the land.

Early in the Session, a compromise strip mining regulation bill had been worked out by the Democratic Congress. It passed the House handily, by a vote of 333–86, with both Republicans (96–47) and Democrats (237–39) in support. The bill should have been signed into law. But the Big Business lobby, which has been so influential in the Ford Administration, decided it didn't want the bill. So, with nary a thought to the environmental consequences of his action, President Ford vetoed a sound and effective piece of legislation.

Presidential favors and pressures did the rest, as a minority just a little larger than one-third of the House was brought around to the President's anti-environmental position. Republican Congressmen, who had voted two-to-one (96–47) to support passage of the bill, now voted two-to-one (87–56) to kill it. And even this was a "phony" vote, like the one on the Child Nutrition program. The President had probably another 25 Republican "No" votes if he had needed them—the votes of Republican Congressmen who did not want to admit to the people back in their Districts that they would vote to destroy their nation's environment in order to increase the profits of the big energy companies and their wealthy shareholders.

The only thing more amazing than the ease with which the President turned Republican votes against the defense of the nation's environment was the argument he used to justify his total reversal of position on the bill: that it would cost too many jobs. The United Mine Workers—not known for wantonly destroying its members' jobs—never raised the issue, a fact which would be most curious if jobs were, indeed, at stake. But of course they were not, and the entire argument was a straw man. Needless to say, no mention was made by the President, in his veto message, of the fact that payments by the strip mining companies into a fund for reclamation of the ravaged land would reduce somewhat the profits of the mining companies and the big energy conglomerates of which many are a part.

Indeed, the Administration and its conservative Republican backers in Congress seem unable to escape the influence of Big Business on any vote, even one affecting millions of their fellow citizens. For example, a vote to bar variable interest rate mortgages (good for bank profits, but not so favorable for homeowners) got strong backing from Democrats, who voted better than ten-to-one (245–21) in favor of the measure. Republicans—urged on by their friends in the banking industry—voted 83–46 in favor of boosting homeowners' mortgage payments every time Arthur Burns and the Federal Reserve tighten credit another notch.

Even the farmers and food consumers have borne the brunt of the Administration's distaste for protection of the average family. The President vetoed and, with Republican support, sustained his veto of the Agriculture bill. This measure was a well-considered effort to avoid yet another cycle of boom-and-bust on the farm and to avert a continuation of the food-price roller coaster experienced by consumers in recent years. As every shopper knows, food prices have risen drastically ever since the Republican Administration's infamous wheat deal, the "Great Grain Robbery" which financed enormous profits for a few big grain exporting companies—paid for by the American taxpayer—at the cost of depleting our stocks of grain, our nation's margin of safety against bad weather and poor crops.

The Administration is again pursuing grain deals with Russia, necessarily driving up the cost of food in this country. This gives one cause for thought on at least two subjects. First, it is hardly comforting to consider that the same people who managed the first grain deal are still around to manage the second one, now being implemented. And, since further grain sales will, as a direct consequence, further increase the price of food in the United States, questions of sincerity certainly are raised about President Ford's supposed reason for vetoing the Democratic Congress' Agriculture bill—that it would be inflationary in its impact on food prices.

In short, there is hardly a segment of the American public (except perhaps wealthy businessmen) who have not felt the negative influence of the current Administration's policies. Consumers, farmers, working people, the handicapped, the young, the elderly, the poor, homeowners, and the great majority of taxpayers—all have been the target of ill-conceived Administration policies.

Where the parliamentary situation is such that the wishes of the majority can prevail, the Congress has made good progress. Examples of this are the successful efforts to pass legislation such as the Concurrent Resolution calling upon the Federal Reserve Board to lower interest rates in order to stimulate the economy and end the recession; and Congress' successful action in blocking the Administration's efforts to prolong the Viet Nam War and to cut funding for badly needed programs through budget rescissions. But in other areas, where positive action requires Presidential cooperation, progress has necessarily been more difficult. On jobs and housing, the Congress and the American people have had to settle for less than they need and for less than the Congress wishes to provide—though perhaps for more than they might have expected to be able to force on an unwilling, conservative, Big Business-oriented President.

In short, progress, important progress, has been made in this Session of Congress; but a great deal of effort has been required because of the necessity to work around an obstructionist Republican President in order to accomplish the will of the people. President Ford, like his predecessor, has reached for minority rule through his use of the veto power. But the Democratic Congress has been far from complacent in responding to the President's action—and his even more frequent lack of action. Rather, the Congress has seized the initiative in area after area, never stepping backward and only occasionally being slowed in our forward progress in carrying out the wishes of the majority of the American people.

There is a growing sense among our citizens, as well as among their Representatives in Congress, of dissatisfaction with the negativism of the Administration and its Congressional adherents. Perhaps, as many profoundly hope, that dissatisfaction will soon erupt in a successful overriding of the vetoes of the Education Appropriations or Health Services Act, or of the Congress' Local Public Facilities bill, if the President remains true to form and vetoes this recession-fighting measure also.

Meanwhile, Democrats in Congress can take much pride in the fact that, despite Presidential obstructionism, they are building a record of achievement for themselves and for their constituents, a record of acting to end the recession and terribly high unemployment, of boosting housing production, making taxes more equitable, and providing for the well-being of the average American family as well as for those with special needs such as the elderly, the handicapped and the poor. This Congress, like those before it, is living up to the promise the Democratic Party has always stood for, passing progressive legislation to ensure a better life for all the people of our nation.

CONCURRENT RESOLUTION WITH RESPECT TO CERTAIN ARMS CONTROL AND DISARMAMENT NEGOTIATIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. ZABLOCKI), is recognized for 15 minutes.

Mr. ZABLOCKI. Mr. Speaker, since the dawn of nuclear energy some three decades ago the family of man has endured an unprecedented threat of danger. What should have been a blessing of abundance and help has instead become a scourge of fear.

Over the years many have labored to bring nuclear weapons and the byproducts of nuclear energy under rational and constructive control. While periodic and modest gains have been made, true and meaningful progress has proved elusive. Our greatest scientists, our political leaders, and concerned persons everywhere remain frustrated in their efforts.

In the face of this overwhelming danger it is imperative that we control the nuclear threat before it controls us. In many ways the Congress has responded to that challenge. The multilateral Limited Test Ban Treaty and the Nuclear Nonproliferation Treaty are in part the result of congressional initiatives. In addition, the Congress was also instrumental in urging and supporting other bilateral agreements with the Soviet Union, such as the ABM Treaty. We have also proposed a Comprehensive Test Ban Treaty.

Thus, while advances have been made, more—much more—remains to be done. The time for that additional progress is now. In keeping with our role as partners in the policymaking process, it is appropriate that we advise the President on the conduct of foreign policy as it relates to the threat to our national security from the proliferation of nuclear weapons and the increased civilian use of nuclear energy to generate power.

To that end, I am introducing today a concurrent resolution directed to this awesome problem. Joining me in this effort as cosponsors of the resolution are Mr. FOUNTAIN and Mr. BINGHAM.

While the resolution speaks clearly enough for itself I would like to comment only on two somewhat unique aspects of the measure.

First, the resolve section respectfully requests the President to inform the appropriate foreign countries of specific declarations of policy by the Congress. This approach is totally in keeping with our legitimate role as contributors to the policy formulation process. We in the Congress have not only a right but a duty to participate fully in that process, particularily in such critical areas as nuclear proliferation. I hasten to add here that the itnent of this approach is completely positive in every way. Its objective is to give the President guidance and clear understanding as to the position of Congress. At the same time, it offers the opportunity for the Congress, speaking through the President, to inform foreign nations of the basic position of the Congress regarding the ominous dangers posed by unrestrained nuclear proliferation.

A second unique feature of the resolution I introduce today is that it tries, I hope successfully, to deal in a broad way and in one instrument with most aspects of the nuclear threat from weapons, from their proliferation, and from our failure thus far to effectively control the wastes of peaceful nuclear facilities.

In other words, contrary to previous resolutions which dealt with individual aspects of the problem, this resolution represents an omnibus approach. It addresses the total nuclear problem as it affects our relations with other nations.

Finally, Mr. Speaker, in addition to these two unique qualifications it should be noted that the resolution has running through it a single, strong thread. Holding this resolution together and constituting its strength is the one absolute qualfiication that the Congress position is conditioned on all other nuclear weapons states agreeing to the policy positions it advocates.

Mr. Speaker, in conclusion, let me assure you that this resolution is the product of much serious thought and consideration. Contributing to its drafting at various stages of development have been men of extraordinary competence and experience in the field. In short, it has been labored over with care and precision. I believe it embodies the promise of success.

Within the near future the Subcommittee on International Security and Scientific Affairs which it is my privilege to chair will use this resolution as the basis for extensive hearings on the subject. In that effort, I invite the support and contributions of all my colleagues.

For the full and careful reading of my colleagues I am pleased to insert the complete resolution at the close of these remarks:

H. CON. RES. 371

Concurrent resolution with respect to certain arms control and disarmament negotiations

Whereas the operation of the Treaty on the Non-Proliferation of Nuclear Weapons was reviewed in May 1975 by a special conference which included parties to such Treaty;

Whereas such conference confirmed the fact that states with nuclear-weapons capability have made only limited progress in pursuing "negotiations in good faith on effective measures relating to cessation of the nuclear arms race at an early date and to nuclear disarmament, and a treaty on general and complete disarmament", as called for by such Treaty;

Whereas a significant number of non-nuclear-weapons have not acceded to such Treaty; and

Whereas it is important that further efforts be undertaken on an urgent basis to limit the dangers involved in peaceful and military nuclear developments and that the position of the United States Congress be understood with respect to its willingness to give full effect to the terms of the Treaty on the Non-Proliferation of Nuclear Weapons and to take further steps to limit nuclear dangers: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the President of the United States is respectfully requested to inform the appropriate foreign countries of the following declarations by the Congress of the United States with respect to arms control and disarmament negotiations and the proliferation of nuclear weapons materials:

(1) The Congress of the United States, noting the positive steps embodied in the Vladivostok Accord of November 24, 1974, urges their prompt embodiment in a Treaty. The Congress further urges, after the conclusion of such a Treaty, immediate negotiations on a verifiable mutual 20 percent reduction in the number of strategic nuclear delivery vehicles and the number of strategic missile launchers equipped with multiple independently targetable reentry vehicles.

(2) The Congress of the United States urges a comprehensive agreement ending underground nuclear explosions under adequate verification if all other nuclear weapons states will enter into such an agreement.

(3) The Congress of the United States, in order to reinforce international actions to prevent the proliferation of nuclear weapons and other nuclear explosive devices, urges a halt on further transfers of nuclear fuel, technology, and equipment to any country which has not accepted International Atomic Energy Agency safeguards on all its nuclear programs or which by January 1976 has not become a party to the Treaty on the Non-Proliferation of Nuclear Weapons if all other major nuclear suppliers agree to a similar halt on such transfers.

(4) The Congress of the United States urges an agreement providing that, with respect to any plutonium for peaceful uses resulting from any transfer between countries of nuclear fuel, technology, or equipment, all processing of such plutonium (from its extraction from spent reactor fuel elements through its processing, storage, and its final fabrication into new fuel elements and their installation into nuclear reactors) will be performed in regional facilities which are heavily protected and guarded under the strictest possible multinational safeguards.

WPIX ENDORSES TAX DEDUCTIONS FOR ARTISTS

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, one of the bills I introduced on the first day of this Congress was H.R. 585 to restore the artist's tax deduction privileges for donations of his own work to nonprofit organizations. The bill also extends these privileges to writers and musicians donating literary or musical compositions.

Artists used to be able to take a tax deduction from the value of their artwork given to cultural institutions. The 1969 tax reform law, however, took away this privilege. Now the artists can deduct only the costs that actually went into making the piece of art.

The impact of the bill has turned out to be "penny wise, pound foolish" on the part of the Government. Donations of artwork by artists have dropped precipitously since 1969. Consequently, museum collections have not been able to continue their pre-1969 growth patterns. Ultimately, it has been the museumgoer that has suffered, as well as the artist.

The Treasury Department estimates that restoration of the artist's tax deduction privileges would cost $5 million annually. This is a pitence when compared to the artwork that the public would receive in return. It also is a small enough subsidy for American artists and the arts.

Presently, I am surveying approximately 100 museums in this country on the impact of the Tax Reform Act of 1969 on donations to their institutions. The returns that have come in demonstrate the severity of the museums' loss. Numbers of donations have decreased—but, even more important, the value of the donations has dropped dramatically. The museums are no longer receiving the large paintings and pieces of sculpture they used to get that are worth tens of thousands of dollars—works of art that the museums' small purchase funds cannot afford.

Like all institutions, museums are now faced by escalating operating costs. Consequently, many museums are now having to spend all their revenues on operating costs and rely on donations of artwork to expand their collections. And yet, one of their major sources of donated work, the artist, has effectively been eliminated.

In future months I will be releasing a report on the returns I have received from the museums. At this time, however, I would like to include for the RECORD an editorial from the public sector endorsing my bill. The editorial was by WPIX and read as follows:

TAX DEDUCTIONS FOR ARTISTS

The current recession has had more than its share of victims, most of whom are out in the open where they can be seen and heard. One group which is hidden is the museums of the country. In virtually every city, money has been cut back for museums, forcing a reduction of hours, a closing of some galleries and a harsh restriction on acquisitions. While there is very little that can be done to solve the total problem, the Congress could take one important step which would help in the acquisition question.

Since 1969, when the Tax Reform act passed, artists have been unable to take a tax deduction for the value of their paintings, when donated to a non-profit institution. The 1969 legislation limited the amount of deduction the artist could take to the actual costs, which in the case of the painter, would be the cost of the paint and canvas.

To give you some idea of the importance of the 1969 regulation, the Museum of Modern Art reported that in the three years prior to the legislation, it received 321 works of art, as donations from 97 artists. In the three year period following the law, it received 28 works of art from 15 artists.

One may suppose that one of the concerns of the framers of the Tax Reform Act was that artists would over value their creations, in order to take advantage of the tax deduction. The Internal Revenue Service has an Art Advisory Panel which could help establish the fair market value in cases where there is a question, so it would seem that this objection could be readily overcome.

Representative Edward Koch has re-introduced a bill which would correct the problem caused by the 1969 tax reform act, and after considering the matter, the Management of WPIX hopes that it is passed.

In deciding a question of this kind, one has to think who will benefit most. To be sure, the artists will get the tax deductions, but all of us will get the art, and that, through the centuries, has been one of the few constant and lasting assets of society.

We think the people will profit most from passage of Mr. Koch's legislation, restoring fair market tax deductions to artists on donated works of art. We hope the Congress agrees.

What's your opinion? We'd like to know.

FOREIGN MINISTER YIGAL ALLON'S STATEMENT ON ISRAEL'S STATUS IN THE UNITED NATIONS

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I have just read the statement by Deputy Prime Minister and Minister of Foreign Affairs, Mr. Yigal Allon, made in the Knesset, the Israeli Parliament, on July 23, 1975.

It states in a most eloquent way the feelings of the Israelis on the attempts by the Arab/African/Soviet bloc in the United Nations to use its tyranny of a mechanical majority and its power of extortion to unfairly affect the position of Israel in the United Nations.

As I have stated so many times on this floor, in my judgment, the United Nations today is no longer the repository of conscience and morality and is as others have said, "an empty shell."

The speech follows:

Foreign Minister Yigal Allon

ISRAEL'S STATUS IN THE UNITED NATIONS

Statement in the Knesset by the Deputy Prime Minister and Minister of Foreign Affairs, Mr. Yigal Allon, in reply to motions for the agenda, July 23, 1975.

I do not make light—and I do not propose that any of us make light—of the threat recently posed to Israel's status in the UN as a member of equal standing in all respects. Admittedly, the expulsion of Israel from membership of the United Nations Organization does not appear imminent at this time—so long as such a decision is in the hands of the Security Council. But in the light of the current composition of the General Assembly, and the motives that determine the position of most of its members, there does exist a tangible risk that a decision will be taken which may adversely affect our status in the UN, whether by preventing our participation in the General Assembly's debates, or by some other means.

Israel will regard any such decision, any measure prejudicial to its status, if passed, as an extremely grave step, utterly incompatible with the UN Charter, a step which in fact—and first and foremost—undermines the United Nations Organization itself and its declared purposes.

SHEER MOCKERY

To recall today the expressions of hope and faith which at the time—at the close of the most terrible of wars—attended the establishment of the United Nations would sound like sheer mockery. The UN has experienced a precipitous decline since those remote days when its founding was attended by lofty aspirations for the establishment of a new world order, based on the peaceful solution of conflicts, as stated in the orotund Preamble to its Charter—which speaks, inter alia, of the saving of "future generations from the scourage of war," of the creation of "conditions under which justice" can be maintained, and of the resolute determination of the member states "to practice tolerance and live together in peace with one another as good neighbors." This Preamble sounds as though it had come from another world.

Israel has been a member of the United Nations for 26 years—since May 11, 1949—and we cannot complain that we have been spoiled by it. Even the positive and historic Resolution of November 29, 1947, when it was violated and put to the test by the invasion of the Arab States, left Israel on its own in the war for its existence, with the UN, to all intents and purposes, standing aloof. At that time, all we had was our own strength and the stability of our Zionist enterprise: without them, the Resolution for the establishment of the Jewish State would have been no more than a dead letter. Since those distant days, we have suffered much from a discriminatory attitude. We have experienced a lengthy chain of disappointments from the UN, whether as an instrument for preserving peace in the region, or as the international organization meant to give expression to new criteria of relations marked by peace, respect and mutual cooperation among its members.

RESOLUTIONS 242 AND 338

Nonetheless, we have not despaired of the United Nations, which, as it stands, still constitutes the sole political framework for all the nations of the world. We cooperated, to the utmost of our ability, in the constructive operations carried out by various bodies in the economic, social and cultural spheres, and the provision of aid to developing countries. We also gave our consent to Security Council Resolutions 242 and 338, as resolutions establishing—as they stand—the only basis on which we would negotiate with our neighbors, whether for an overall peace, or for interim settlements on the road to peace.

And it is noteworthy that the UN—as the body that counter-signed the Disengagement Agreements between Israel and Egypt and between Israel and Syria, as the body that helped to convene the Geneva Conference and whose Secretary-General chaired its first session, as the body in charge of the Emergency Force in Sinai and the Golan, and responsible for its financing, and as the body one of whose agencies is responsible for the welfare of the Arab refugees—it is noteworthy that the UN is involved in our region to a far greater degree than in any other region in the world.

A TEST FOR UN ITSELF

As I have noted, the United Nations has very little left of its original aims, but even this little is absolutely conditional upon the observance of the fundamental principles underlying its foundation and inscribed in its Charter. Primary among these are the principles of the universality of membership in the organization and the sovereign equality of all its members. Article 2 of the UN Charter clearly establishes that "the Organization is based on the principle of the sovereign equality of all its members." Anyone who robs the UN of these fundamental principles not only robs it of its last remaining breath, but opens a door which must lead to the final collapse of the entire organization.

From this decisive point of view, the machinations of the Arab States against Israel's status in the UN constitute more of a test for the UN itself than for Israel. Should it surrender to these machinations, it is the UN that will suffer by bringing about its own self-liquidation—not only as an international forum which can claim to possess any sort of moral validity, but also as a means—however flawed and defective—for the promotion of peace in the region and the world.

It would, therefore, be advisable for all the UN member States—and, in this connection, perhaps, especially the countries numbered among the Third World—to remember well the fate of the first international organization, the League of Nations, when it estranged itself from the fate of another small nation—Ethiopia—which was then struggling for its survival.

ATTEMPT TO ISOLATE ISRAEL

Israel is, of course, aware of the stubborn attempt of the Arab countries to isolate us in the world and to ostracize us from what is termed "the family of nations." This is a cunning and continuous effort, which had its beginnings several years ago, and which pins its hopes on the hypocrisy, the cynical selfishness and the cowardice which, to our regret, characterize the behavior of a large number of countries in the international sphere.

Against these repeated machinations, we are engaged in an unremitting struggle, both vis-a-vis enlightened public opinion and in every international forum—and, as the experience of our struggle against UNESCO demonstrates, not always without success. The same applies to the abortive attempt of the Arab States to suspend Israel from the Assembly of the World Health Organization—and to the courageous decision of the Government of Canada, which refused to host the UN Conference on Crime Prevention in Toronto.

At this time, too, we are in the midst of a difficult campaign in resisting the efforts of the Arab States—expressed in the decision of the Moslem Foreign Ministers in Jedda on the 16th of this month—to undermine our status and deprive us of our rights in the United Nations Organization itself. Indeed, in recent days, a number of enlightened countries have made important and unequivocal statements against the Arab scheme. Of these, I shall note the statements by the American Secretary of State, the Resolution of the Heads of Government of the European Community, the forceful Resolution of the American Senate and the official declarations of the Governments of France, Holland, Austria, Britain, Denmark, Norway, and, of course, Canada.

In this sphere, Israel will, of course, continue, extend and deepen its struggle, both in the diplomatic arena and on the information front.

THE AUTOMATIC HANDS

Yet I am obliged in all candor to tell the House: We must not delude ourselves. However positive and unequivocal may be the declarations made, and yet to be delivered, by enlightened countries, whatever promises we have received from a whole list of countries—these alone, I fear, will not suffice. The issue confronting us is not a matter of justice and law. If that were the case, had these been the determining criteria, we would have had nothing to worry about. The trouble is that, with the unrestrained tyranny of the artificial majority which rules the United Nations by its votes, there is no idea—however twisted, illegal or crazy it may be—that cannot be assured of an automatic majority. If this effort is not vigorously opposed and nipped in the bud, the automatic hands will always be raised.

The aim of the ramified activity that we are developing in a systematic effort to preserve our rights in the UN to the full is not so much to prevent a majority after the resolutions are presented and the machinations carried out in the Assembly itself—here, I am afraid, the countries of oil and fanaticism will always achieve a technical majority; the aim is to deter the plotters even before they arrive at the Assembly. In order to achieve this, the enlightened countries that are concerned about the fate of the UN will have to take more vigorous measures than they have done so far, in the spirit of the Resolution adopted last week by the US Senate. In other words, the responsible countries will have to make it crystal-clear to those who are plotting the attack on us, as well as to their potential partners, that the fate of Israel in the UN will determine the fate of the UN itself, and that if Israel is suspended from the deliberations of the Assembly, or if its status is affected in any way, its friends, through their solidarity with it, and through their concern for the fate of the UN itself, will see to it that Israel shall not find itself alone in this position. If there is a time and place at which the specific influence of the responsible countries can finally put an end to the irresponsible tyranny of the automatic majority in the UN—this is the time, and this is the place.

Israel is entitled to expect such support, not only from those countries which are its outspoken friends, but also from those countries that still hold dear what remains of the image of the UN as the organization of the world's nations. For, without Israel as a member with equal rights, there will be no universality and equality in the UN. And without universality and equality, the UN will not be the United Nations. The matter is in their hands.

RECIPROCITY—THE ONLY BASIS

In any case, if our enemies are permitted to accomplish their design and to undermine Israel's status in the UN, the nations of the world will not be able to expect us to take such an arbitrary attack lying down. Israel will be able to exist, to advance and to develop even without the UN. But we, for our part, will not be able to act towards the UN other than on a basis of reciprocity.

Should the UN undermine even one of Israel's rights as an equal member of the world organization, Israel must not be expected to pay attention to the views of the UN, or to cooperate with it, either in the region or in the world, as it has done until now. In such event—should it indeed come to pass—Israel will have to reconsider its policy towards UN activities, including the role being fulfilled by the UN and its institutions in the efforts to establish and preserve peace in the region. The suspension of Israel's participation in the debates of the General Assembly, or any other undermining of its status, may prove to be the suspension of the UN itself, or a blow to the authority and work of its own institutions.

The substance of the campaign is still before us, and I shall not prophesy how it will end. There is a chance of success in our efforts. I move that the subject be referred to the Defense and Foreign Affairs Committee for continued consideration.

REMOVAL OF U.S. TRADE EMBARGO ON CUBA SHOULD FOLLOW OAS ACTION

(Mr. BINGHAM asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BINGHAM. Mr. Speaker, the Organization of American States, meeting in Costa Rica, has lifted its multilateral trade embargo against Cuba which has been in effect since 1964.

This action is most welcome. The trade embargo against Cuba has long since outlived its usefulness and has become an impediment to the solution of many political and humanitarian problems. In addition, it has tended to preoccupy policymakers in the United States and throughout Latin America, diverting time and energy from other important problems.

Formal lifting of the OAS embargo, of course, only makes official what many Latin American nations had already done on their own. Argentina and several other OAS members had resumed trade relations with Cuba in recent years despite the OAS embargo. Mexico had never broken them.

It is encouraging and commendable, Mr. Speaker, that the United States generally supported efforts at the Costa Rica meeting to lift the OAS embargo. This undoubtedly is a first step in the direction of improved United States-Cuba relations. The OAS action and our support of it, however, does not remove our own embargo of Cuba.

Mr. Speaker, the way is now clear for the United States to lift its embargo of Cuba. The ball, so to speak, is now in our court and we should take nothing less than a swift and firm stroke at it.

The United States should now follow the course already taken by many of our Latin American neighbors. The President and the Congress should promptly lift the U.S. embargo of trade with Cuba with respect to nonstrategic goods. Such action would benefit neither Cuba nor the United States substantially in an economic sense. Without credits and favorable tariff considerations, only minimal trade between the two countries would be possible. But such action would create an atmosphere in which negotiation could get underway that could reduce tensions and provide humanitarian, political, and economic benefits to both the United States and Cuba.

We have and will probably continue to have basic and substantial differences with the government of Cuba. But we are close neighbors and there are many countries whose governments we disapprove, with which, nevertheless, we carry on amicable commercial relations. That, in turn, helps moderate and stabilize political relations, and gives us influence with these governments we would not otherwise have.

It is time, Mr. Speaker, that we end our embargo of Cuba. It is time that we turn from a counterproductive to a positive approach to Cuba.

Mr. Speaker, the Subcommittee on International Trade and Commerce, which I chair, and the Subcommittee on International Organizations, chaired by Congressman FRASER, have jointly conducted a series of hearings on the U.S. embargo of Cuba. Those hearings, in my judgment, have produced clear evidence of the wisdom of lifting our embargo without delay and without elaborate preconditions. The subcommittees plan to hold a final session of these hearings early in September before taking action on my bill that would remove specific legislative authority for our embargo of Cuba (H.R. 6382). The purpose of that final hearing will be to receive a detailed report of the events that have transpired in the last few days in Costa Rica with respect to Cuba, and to learn of any specific plans the administration may have for lifting the embargo and beginning to negotiate with the Cubans toward resolution of the many difficult differences between our nations.

NUCLEAR HOLOCAUST, A DANDY CHOICE: FIRST STRIKE, OR FIRST USE?

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, whether it is provoked by a first strike with strategic nuclear weapons or by first use of tactical nuclear weapons, it really is a dandy choice. Either way, the result is nuclear holocaust and the end of modern civilization. Either way we will be dead. What is your choice?

Yet, that dandy choice is basically the choice being posed by the gentleman from New York (Mr. BINGHAM) in his "Dear Colleague" letter received yesterday, urging Members of Congress to sponsor his joint resolution declaring it to be "the policy of the United States to renounce the strategy of a nuclear first strike," and deriding my resolution cosponsored by 90 Members, for renouncing a nuclear "first use" strategy, specifically including first strike.

I applaud Mr. BINGHAM's resolution and have cheerfully signed on as a cosponsor, believing it is well worthwhile to eliminate half a loaf of nuclear terror and the weapons race it alone engenders. In the statement presenting my resolution, I pointed out that Secretary Schlesinger had not only failed to rule out tactical first use of nuclear weapons but a strategic debilitating first strike as well. I said that this invites an idiotic game of "nuclear chicken" in any future time of tension between ourselves and the Russians; for the only way to protect against a preemptive nuclear first strike is to strike first yourself.

As Mr. BINGHAM says, the administration's first strike nuclear sabre-rattling can only have a destabilizing effect on the arms race and on world peace. I hope that it will not be too long, however, before we can persuade Mr. BINGHAM and those of like mind, including the editors of the Washington Post to urge renunciation of the other half of the nuclear terror picture; reliance on tactical nuclear weapons.

I just see no scenario in which we would use those nice, sweet little tactical nuclear weapons Secretary Schlesinger is so fond of brandishing without provoking, at the very least, a tactical nuclear response. And I see no way that the loser of that first tactical nuclear exchange will not resort to less nice, less sweet bigger nuclear weapons, and so forth up the scale to ultimate mutual destruction. The good Secretary assures us it is in the cards, but somehow his assurances just do not make me comfortable. I cannot imagine Russians sitting around sipping their vodka and not doing something to counter our good Secretary's nice, sweet little nuclear tactics. Hey, those things are dangerous. I, for one, am not willing to take the risk.

Over the years, what is called a nuclear firebreak has been built up against the contemplation of use of nuclear weapons. Ever since the world saw the horrible consequences of the explosions in Hiroshima and Nagasaki of what were, after all, just nice, sweet little nuclear devices by today's standards, these weapons have more or less assumed the status of poison gas as used in World War I. It has become clear that use of the weapons invites self-destruction, and therefore an increasingly stronger distinction has been made between conventional weapons and nuclear weapons. It is important that this distinction be maintained and, hopefully, confirmed by the banning of nuclear weapons or at least their first use, by international agreement as quickly as possible. For similar reasons, biological weapons have been banned by recent international agreement today and we are actively negotiating for an international agreement eliminating chemical warfare weaponry. One of the great sins of this administration's nuclear saber rattling is the erosion of this firebreak.

If I am correct in my conclusion that tactical nuclear weapons' use would lead to self-destruction and that escalation is inevitable if they are used, then the deterrent on which Europe is being led to rely is illusory. A decision has to be made in advance of use of the tactical weapons that we are willing to risk the destruction of all mankind, including, of course, ourselves, if the Russians were to attack Europe. Perhaps that is a decision we would want to reach. I doubt it. I doubt the Europeans want to be destroyed in order to save themselves in the event of a Russian attack—or develop this self-destructive capability themselves. So long as the conventional weapons balance is so terribly uneven in Europe, however, ultimate destruction is the consequence of our nuclear response policy. But if this is true then, the tactical weapons we have in Europe and elsewhere really are redundant—realistically, we are not going to lob a tactical nuclear weapon at the Russians and wait to see what they lob back. We are going to opt to throw everything we have at them in the first place.

The real alternative to this false reliance on a tactical nuclear deterrent is to provide as quickly as possible for an international agreement to eliminate nuclear weapons or at least ban their first use, and then make sure that we have adequate conventional forces to deter a conventional attack in Europe or elsewhere. On this point Secretary Schlesinger is right. To the extent that opponents of the nuclear option, including me, may have supported cuts in conventional forces beyond the point of deterrent sufficiency, we have virtually mandated resort to a nuclear response option.

I have been told by the distinguished chairman of the International Relations Committee, the gentleman from Pennsylvania (Mr. MORGAN) and the distinguished chairman of the International Security and Scientific Affairs Subcommittee (Mr. ZABLOCKI) that they intend to have hearings on these resolutions in the not too distant future. I am very encouraged by this decision, for it will enable the country to be educated about the consequences and meaning of the administration's recent nuclear first use and first strike threats; and it will enable Congress, the administration, and the public to reassess our deterrent strategies and the consequent needs we may have for both nuclear and conventional forces.

While none of us likes to think about it, we live today on the brink of nuclear death. Our lease on continued life hangs each day on the threadbare string of restraint by the leaders of the United States and Russia against using the ultimate weapons of destruction both possess. This is an intolerable condition.

The issue posed by both the Bingham and Ottinger resolutions, then, is as monumental, final an issue as there is to consider. In my estimation, the risks posed by the administration's nuclear saber rattling are totally irresponsible. But at least, they may have awakened us to serious consideration of their consequences and the alternative we may have if we act soon enough and wisely enough.

I, therefore, am pleased to cosponsor the Bingham resolution in hopes that it will lead to a fundamental reassessment of our policies and then quickly to a total renunciation of first use of nuclear weapons and elimination of these weapons as a fearsome pall over the lives of mankind.

AIRPLANE CRASHES IN LOCKED HANGARS

(Mr. MILFORD asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MILFORD. Mr. Speaker, I introduced a bill today that deals with a very serious problem in aviation safety.

In 1970, Congress amended the Federal Aviation Act by requiring the installation of emergency locator transmitters—ELT's—on fixed-wing, powered aircraft used in air commerce. The ELT is a radio transmitting device that will automatically begin transmitting an SOS, or emergency radio signal, immediately after the impact of an air crash or accident. As a result of this legislation, approximately 130,000 aircraft are now equipped with ELT's.

The radio signal of these devices can be used to identify the crashed airplane, and search and rescue units can use radio direction finding equipment to quickly locate the crash site. The ELT's have proved effective in locating aircraft in distress. They have expedited search and rescue operations and facilitated accident investigation and analysis.

But ELT's have also created some unexpected problems. The biggest problem with these devices has been their very high false-alarm rate. According to the U.S. Air Force Rescue Coordination Center, there have been 6,149 ELT activations between July 1974 and June 1975. The vast majority of these have been false alarms. The false alarm rate is currently running at approximately 130 per week.

Usually, the offending transmitter is readily located and silenced. But in some 5 percent of these cases, the errant equipment is found in locked airplanes or in locked individual hangars. Federal Aviation officials have no authority to enter either a locked hangar or a locked aircraft. This means that these false signals must be tolerated until the aircraft's owner can be rounded up to unlock his plane or hangar.

This gives rise to a potentially dangerous situation. While the false ELT signal is being transmitted, the emergency frequency is blocked, preventing bona fide distress signals from being heard. On some occasions, FAA communication frequencies were also blocked. False ELT activations in excess of 15 hours have been reported. This situation is of grave concern to aviation officials in the Department of Transportation.

The only practical means of silencing an ELT is to gain access to the inside of the aircraft in which it is located and shut it off. Accordingly, this bill grants the Secretary of Transportation the authority to enter locked aircraft or hangars for the sole purpose of deactivating emergency locator transmitters. Quite obviously, carefully drawn regulations would be prepared by FAA to protect the owners aircraft and/or property in cases requiring the use of this authority.

Mr. Speaker, Congress acted wisely in passing the law to require the ELT's—Emergency Locator Transmitters—be installed on all aircraft. These devices can really save lives. By the same token, if one of the devices accidentally goes off in a locked hangar or in a locked aircraft, its transmission will prevent a real crash-activated unit from being heard.

For the information of my colleagues, the bill reads as follows:

H.R. 9071

A bill to amend Section 601 of the Federal Aviation Act of 1958 to authorize the Secretary of Transportation to summarily deactivate emergency locator transmitters on aircraft, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 601 of title VI of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1421), is amended by adding the following subsections:

(e) *Summary deactivation of emergency locator transmitters located on aircraft.* If an emergency locator transmitter, required to be installed on civil aircraft by 49 U.S.C. 1421(d), is activated and, in the opinion of the Secretary of Transportation or any agent of the United States to whom the Secretary may delegate such authority, interferes with air commerce, the Secretary of Transportation or any such agent shall have the right to enter the aircraft and to deactivate the emergency locator transmitter, using his best judgment to prevent any unnecessary injury or damage; and no one shall interfere with or otherwise prevent such deactivation.

(f) The Secretary of Transportation from time to time may grant temporary relief from the requirements of subsection (d) of this section, imposing such conditions and limitations as he determines are necessary to provide adequately for national security and safety in air commerce.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. FLYNT (at the request of Mr. O'NEILL), after 3 p.m. today, through tomorrow, July 31, on account of attendance at a funeral.

Mr. RAILSBACK (at the request of Mr.

Rhodes), until 1 p.m. today on account of illness (throat examination).

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Moorhead of California) to revise and extend their remarks and include extraneous material:)

Mr. Crane, for 5 minutes, today.
Mr. Whalen, for 5 minutes, today.
Mr. Kemp, for 15 minutes, today.
Mr. Kasten, for 15 minutes, today.
Mr. Armstrong, for 60 minutes, July 31, 1975.

(The following Members (at the request of Mr. Fary) to revise and extend their remarks and include extraneous material:)

Mr. Gonzalez, for 5 minutes, today.
Ms. Abzug, for 20 minutes, today.
Mr. Flood, for 5 minutes, today.
Mr. Rodino, for 15 minutes, today.
Mr. Teague, for 10 minutes, today.
Mr. Evans of Indiana, for 5 minutes, today.
Mr. Vanik, for 5 minutes, today.
Mr. Leggett, for 5 minutes, today.
Mr. Bingham, for 5 minutes, today.
Mr. McFall, for 15 minutes, today.
Mr. Ford of Tennessee, for 5 minutes, today.
Mr. Dodd, for 5 minutes, today.
Mr. Zablocki, for 15 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Risenhoover to insert personal explanation immediately following vote on cost-of-living increase for Federal employees (H.R. 2559).

Mr. Randall to include extraneous material and revise and extend his remarks.

(The following Members (at the request of Mr. Moorhead of California) and to include extraneous material:)

Mr. Shuster.
Mr. Gilman in two instances.
Mr. McKinney.
Mr. Crane.
Mr. Whitehurst.
Mr. Erlenborn.
Mr. Martin.
Mr. Horton.
Mr. Schulze.
Mr. Kemp in two instances.
Mr. Bell in two instances.
Mr. Gude.
Mr. Forsythe.
Mr. Heinz.
Mr. Gradison.
Mr. Symms in two instances.
Mr. Buchanan in two instances.
Mr. Rousselot.
Mr. Conte.
Mr. Steiger of Wisconsin.
Mr. Quillen.
Mr. Steiger of Arizona.
Mr. Lagomarsino.
Mr. Hyde.
Mr. Ashbrook.

(The following Members (at the request of Mr. Fary) and to include extraneous matter:)

Mr. Gonzalez in three instances.
Mr. Anderson of California in three instances.
Mr. Edwards of California.
Mr. Teague in two instances.
Mr. Beard of Rhode Island.
Mr. Miller of California.
Mr. Ullman in two instances.
Mr. Steed.
Mr. Dominick V. Daniels.
Mr. Rosenthal.
Mr. Rose.
Mr. Mineta.
Mr. Blanchard.
Mr. Jacobs.
Mr. McDonald of Georgia in four instances.
Mr. Drinan.
Mr. Gaydos.
Mr. Lehman in 10 instances.
Mr. McCormack.
Mrs. Burke of California.
Mr. Koch.
Mr. Fountain.
Mr. Bingham.
Mr. Young of Texas.
Mr. Zeferetti.
Mr. Wright in two instances.
Mr. Brooks.
Mr. Leggett in three instances.
Mr. Fisher.
Mr. Brademas in five instances.
Mr. Pepper in two instances.
Mr. Early.
Mr. Russo.
Mr. Zablocki in two instances.
Mr. Matsunaga.

ENROLLED BILL SIGNED

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 6799. An act to approve certain of the proposed amendments to the Federal Rules of Criminal Procedure, to amend certain of them, and to make certain additional amendments to those Rules.

BILLS PRESENTED TO THE PRESIDENT

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following title:

H.R. 3130. An act to amend the National Environmental Policy Act of 1969 in order to clarify the procedures therein with respect to the preparation of environmental impact statements; and

H.R. 6799. An act to approve certain of the proposed amendments to the Federal Rules of Criminal Procedure, to amend certain of them, and to make certain additional amendments to those Rules.

ADJOURNMENT

Mr. FARY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 10 minutes p.m.), under its previous order, the House adjourned until tomorrow, Thursday, July 31, 1975, at 10 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1500. A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to approve the sale of certain naval vessels, and for other purposes; to the Committee on Armed Services.

1501. A letter from the Executive Secretary of the Department of Health, Education, and Welfare, transmitting notice of final regulations and guidelines on assistance to States for State equalization plans, pursuant to section 842(a)(4), Public Law 93-380; to the Committee on Education and Labor.

1502. A letter from the Executive Secretary of the Department of Health, Education, and Welfare, transmitting proposed regulations applicable to State vocational education programs, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

1503. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Theodore L. Eliot, Jr., Minister-designate, pursuant to section 6, Public Law 93-126; to the Committee on International Relations.

1504. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Minister-designate, Arthur A. Hartman, pursuant to section 6, Public Law 93-126; to the Committee on International Relations.

1505. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Minister-designate, William E. Schaufele, Jr., pursuant to section 6, Public Law 93-126; to the Committee on International Relations.

1506. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Minister-designate, Richard L. Sneider, pursuant to section 6, Public Law 93-126; to the Committee on International Relations.

1507. A letter from the Assistant Secretary for Congressional Relations, transmitting a report on political contributions made by Minister-designate, Wells Stabler, pursuant to section 6, Public Law 93-126; to the Committee on International Relations.

1508. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Minister-designate, Hans N. Tuch, pursuant to section 6, Public Law 93-126; to the Committee on International Relations.

1509. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report of political contributions made by Minister-designate, Viron P. Vaky, pursuant to section 6, Public Law 93-126; to the Committee on International Relations.

1510. A letter from the Secretary of Commerce transmitting the annual report on the relative cost of shipbuilding in the various coastal districts of the United States, pursuant to section 213(c) of the Merchant Marine Act of 1936, as amended; to the Committee on Merchant Marine and Fisheries.

1511. A letter from the Chairman, U.S. Civil Service Commission, transmitting a draft of proposed legislation to authorize employees and agencies of the Government of the United States to experiment with flexible and compressed work schedules as alternatives to present work schedules; to the Committee on Post Office and Civil Service.

Received From the Comptroller General

1512. A letter from the Comptroller General of the United States, transmitting a report examining U.S. international narcotics control efforts and improvements needed in operations, activities, and related policies and objectives; jointly to the Committees on Government Operations, and International Relations.

1513. A letter from the Comptroller General of the United States, transmitting a report that productivity of military below-depot maintenance (repairs less complex than provided at depots) can be improved; jointly to the Committees on Government Operations, and Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. TEAGUE: Committee of conference. Conference report on H.R. 4723 (Rept. No. 94–422). Ordered to be printed.

Mr. YOUNG of Texas: Committee on Rules. House Resolution 653. Resolution providing for agreeing to the Senate amendments to H.R. 2559. An act to amend title 39, United States Code, to apply to the U.S. Postal Service certain provisions of law providing for Federal agency safety programs and responsibilities, and for other purposes (Rept. No. 94–423). Referred to the House Calendar.

Mr. SISK: Committee on Rules. House Resolution 654. Resolution providing for consideration of the conference report on H.R. 4723. An act authorizing appropriations to the National Science Foundation for fiscal year 1976 (Rept. No. 94–424). Referred to the House Calendar.

Mr. BROOKS: Committee on Government Operations. H.R. 7575. A bill to establish an Agency for Consumer Protection in order to secure within the Federal Government effective protection and representation of the interests of consumers, and for other purposes; with amendment (Rept. No. 94–425). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. S. 2073. An act to authorize the American Indian Policy Review Commission to accept voluntary contributions of services and for other purposes; with amendment (Rept. No. 94–426). Referred to the Committee of the Whole House on the State of the Union.

Mr. PERKINS: Committee of conference. Conference report on H.R. 4222 (Rept. No. 94–427). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BINGHAM (for himself and Mr. Rosenthal):

H.R. 9033. A bill to facilitate the economic adjustment of communities, industries, and workers who may be substantially and seriously affected by reductions in defense contracts and facilities which are undertaken to realine defense expenditures with changed national security requirements and to prevent the ensuing dislocations from contributing to or exacerbating recessionary effects on the aforementioned groups; jointly to the Committees on Banking, Currency and Housing; Armed Services; Education and Labor; Government Operations; and Ways and Means.

By Mr. BOWEN:

H.R. 9034. A bill applicable to livestock marketing in commerce to provide the basis for assuming and discharging the financial risks involved in all sales and purchase transactions; to declare certain acts unlawful; to safeguard against unfair and illegal marketing practices; to identify, maintain and uphold business standards and practices which are based upon free, open and competitive factors in all transactions; to provide penalties for violations; to create and empower a livestock marketing commission to administer and enforce the act; and for other purposes; to the Committee on Agriculture.

By Mr. BROYHILL:

H.R. 9035. A bill to amend the Clean Air Act to continue 1975–76 Federal automobile emission standards through the 1981 model year to permit a balance among the important objectives of improving air quality, protecting public health and safety, and avoiding unnecessary increases in consumer costs for automobiles, decreases in gasoline mileage, and increases in the Nation's dependence on imported oil; to the Committee on Interstate and Foreign Commerce.

By Mr. BURKE of Massachusetts (for himself and Mr. Moakley):

H.R. 9036. A bill to suspend until July 1, 1978, the duty on certain iron or steel strips used in the manufacture of razor blades; to the Committee on Ways and Means.

By Mr. DELANEY:

H.R. 9037. A bill to authorize a 2-year program of financial assistance for all elementary and secondary schoolchildren un all of the States; to the Committee on Education and Labor.

By Mr. EDWARDS of Alabama (for himself and Mr. Buchanan):

H.R. 9038. A bill to amend section 901(a) of the Education Amendments of 1972; to the Committee on Education and Labor.

By Mr. GINN (for himself, Mr. Fulton, Mr. Matsunaga, Mr. Randall, and Mr. Santini):

H.R. 9039. A bill to amend the Federal Water Pollution Control Act; to the Committee on Public Works and Transportation.

By Mr. HAMMERSCHMIDT:

H.R. 9040. A bill to amend title 38 of the United States Code to provide supplemental pension payments to certain veterans and for other purposes; to the Committee on Veterans' Affairs.

H.R. 9041. A bill to amend title 38 of the United States Code to liberalize the provisions relating to the payment of pension; to the Committee on Veterans' Affairs.

By Mrs. HECKLER of Massachusetts:

H.R. 9042. A bill to amend the Internal Revenue Code of 1954 to provide reasonable and necessary income tax incentives to encourage the utilization of recycled solid waste materials and to offset existing income tax advantages which promote depletion of virgin natural resources; to the Committee on Ways and Means.

By Mr. HENDERSON (by request):

H.R. 9043. A bill to authorize employees and agencies of the Government of the United States to experiment with flexible and compressed work schedules as alternatives to present work schedules; to the Committee on Post Office and Civil Service.

By Mr. KOCH:

H.R. 9044. A bill to authorize the Secretary of Transportation to make grants for the construction of bikeways in urbanized areas; to the Committee on Public Works and Transportation.

By Mr. MONTGOMERY (for himself, Mr. Roberts, Mr. Teague, Mr. Hammerschmidt, Mr. Brinkley, Mr. Charles Wilson of Texas, Mr. Mottl, Mr. Hefner, Mr. Wylie, and Mr. Guyer):

H.R. 9045. A bill to amend title 38 of the United States Code to liberalize the provisions relating to payment of disability and death pension and dependency and indemnity compensation, to increase income limitations, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. MURTHA (for himself and Mr. Dodd):

H.R. 9046. A bill to amend the Domestic Volunteer Service Act of 1973 to provide that volunteers in foster grandparent programs may furnish supportive services to mentally retarded individuals regardless of the age of such individuals; to the Committee on Education and Labor.

By Mr. PIKE:

H.R. 9047. A bill to provide that no bank which has deposits insured by the Federal Deposit Insurance Corporation may refuse to honor certain checks drawn upon the U.S. Treasury; to the Committee on Banking, Currency and Housing.

By Mr. QUIE:

H.R. 9048. A bill to amend title VII of the Education Amendments of 1974 to provide for a program of distribution of inexpensive books to schoolchildren; to the Committee on Education and Labor.

By Mr. RICHMOND:

H.R. 9049. A bill to amend the Internal Revenue Code of 1954 to exempt nonprofit volunteer firefighting or rescue organizations from the Federal excise taxes on gasoline, diesel fuel, and certain other articles and services; to the Committee on Ways and Means.

By Mr. RODINO:

H.R. 9050. A bill to prohibit the use of dogs by the Department of Defense in connection with the research, testing, development, or evaluation or radioactive, chemical, or biological warfare agents, and to require the Department of Defense to develop and use where feasible alternative, nonanimal methods of experimentation; to the Committee on Armed Services.

H.R. 9051. A bill to amend titles II, VII, XI, XVI, XVIII, and XIX of the Social Security Act to provide for the administration of the old-age, survivors, and disability insurance program, the supplemental security income program, and the medicare program by a newly established independent Social Security Administration, to separate social security trust fund items from the general Federal budget, to prohibit the mailing of certain notices with social security and supplemental security income benefit checks, and for other purposes; to the Committee on Ways and Means.

By Mr. ROSE:

H.R. 9052. A bill to amend section 10 of the Tobacco Inspection Act for the purpose of making it unlawful for a tobacco company to be represented at an auction sale of flue-cured or burley tobacco by more than one buyer; to the Committee on Agriculture.

H.R. 9053. A bill to direct the Secretary of Agriculture to establish a national marketing quota for the 1976 crop of flue-cured tobacco which is 25 percent less than the quota established for the 1975 crop of such tobacco; to the Committee on Agriculture.

By Mr. ROSE (for himself and Mr. Perkins):

H.R. 9054. A bill to amend the computation of the level of price support for tobacco; to the Committee on Agriculture.

By Mr. RUNNELS (for himself and Mr. Udall):

H.R. 9055. A bill to create within the Energy Research and Development Administration the position of Assistant Administrator for Solar and Geothermal Energy and Conservation, and for other purposes; to the Committee on Science and Technology.

By Mr. SMITH of Iowa (for himself, Mr. Evins of Tennessee, Mr. Conte, Mr. Bergland, Mr. J. William Stanton, Mr. Gonzalez, Mr. Hanley, Mr. Yatron, Mr. Breckinridge, Mr. Hungate, Mrs. Fenwick, Mr. Goodling, Mr. McFall, Mr. John L. Burton, Mr. Don H. Clausen, Mr. Hicks, Mr. Ketchum, Mr. LaFalce, Mr. Ottinger, Mr. Peyser, Mr. Roe, and Mr. Roybal):

H.R. 9056. A bill to amend the Small Business Act and Small Business Investment Act of 1958 to provide additional assistance under such acts, to create a pollution control financing program for small business, and for other purposes; to the Committee on Small Business.

By Mr. TEAGUE (by request):

H.R. 9057. A bill to amend title 38 of the United States Code to provide that certain veterans who were prisoners of war shall be deemed to have a service-connected disability of 50 percent; to deem certain prisoners of war to be permanently and totally disabled for the purposes of receiving wartime disability compensation; to provide hospital care and medical treatment for certain non-service-connected disabilities of former prisoners of war; to provide a 10-year presumptive period of service connection for chronic diseases of certain prisoners of war, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. TEAGUE (for himself and Mr. Mosher):

H.R. 9058. A bill to establish a science and technology policy for the United States, to provide for scientific and technological advice and assistance to the President, to provide a comprehensive survey of ways and means for improving the Federal effort in scientific research and information handling, and in the use thereof, to amend the National Science Foundation Act of 1950, and for other purposes; to the Committee on Science and Technology.

By Mr. VANDER VEEN (for himself, Mr. Vander Jagt, Mr. Esch, Mr. Harrington, Mr. Ford of Michigan, Mr. Helstoski, Mr. Badillo, Mr. Riegle, Mr. Beard of Rhode Island, Mr. Moakley, Mr. Traxler, Mr. Cederberg, Mr. Ottinger, Mr. Pickle, Mr. Blanchard, Mr. Brodhead, Mr. Hughes, Mr. Broomfield, Mr. Roe, Mr. Cornell, Mr. Ruppe, Mr. Drinan, Mr. Harris, Mr. John L. Burton, and Mr. Phillip Burton):

H.R. 9059. A bill to amend the Social Security Act to expedite Federal payments to States under the aid to families with dependent children, medicaid and social services programs (and under the other Federal-State public assistance programs where those programs are in effect), and for other purposes; to the Committee on Ways and Means.

By Mr. VANDER VEEN (for himself, Mr. Stark, Mrs. Spellman, Ms. Keys, Mr. Preyer, Mr. Waggonner, Mr. Oberstar, Mr. Moss, Mr. Sharp, Mr. Blouin, Mrs. Schroeder, and Mr. Rees):

H.R. 9060. A bill to amend the Social Security Act to expedite Federal payments to States under the aid to families with dependent child, medicaid, and social services programs (and under the other Federal-State public assistance programs where those programs are in effect), and for other purposes; to the Committee on Ways and Means.

By Mr. WHITEHURST (for himself, Mr. Coughlin, Mr. Dan Daniel, Mr. Dellums, Mr. Duncan of Tennessee, Mr. Forsythe, Mr. Jenrette, Mr. Jones of North Carolina, Mr. Krebs, Mr. Kindness, Mr. Lehman, Mr. Lent, Mr. Mathis, Mr. Moakley, Mr. Robinson, Mr. Roe, Mrs. Spellman, Mr. Treen, Mr. Won Pat, and Mr. Yatron):

H.R. 9061. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for State and local public utility taxes; to the Committee on Ways and Means.

By Mr. ASPIN:

H.R. 9062. A bill to regulate commerce to assure increased supplies of natural gas at reasonable prices for the consumer, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BRINKLEY (for himself, Mr. Abdnor, Mr. Beard of Rhode Island, Mr. Carney, Mr. Cornell, Mr. Edwards of California, and Mr. Walsh):

H.R. 9063. A bill to amend title 38 of the United States Code in order to permit the Administrator of Veterans' Affairs to guarantee up to 50 percent of the amount of any mobile home loan; to the Committee on Veterans' Affairs.

By Mr. GILMAN:

H.R. 9064. A bill to amend the Federal Food, Drug, and Cosmetic Act to establish certain limitations respecting the authority of the Secretary of Health, Education, and Welfare to regulate vitamins and minerals under that act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. GOLDWATER:

H.R. 9065. A bill to amend title 38 of the United States Code in order to waive the payment of premiums for National Service Life Insurance by certain persons who have attained age 70; to the Committee on Veterans' Affairs.

By Mr. HASTINGS (for himself, Mr. Heinz, Mr. Fithian, Mr. Pattison of New York, and Mr. Hannaford):

H.R. 9066. A bill to amend title XIII of the Public Health Service Act to revise and extend the program for the establishment and expansion of health maintenance organizations; to the Committee on Interstate and Foreign Commerce.

By Mr. KARTH (for himself, Mr. Forsythe, Mr. Dingell, Mr. Leggett, Mr. Bauman, Mr. Anderson of California, Mr. Emery, Mr. Breaux, Mr. Lent, Mr. Studds, Mr. Eilberg, Mr. Bonker, and Mr. Oberstar):

H.R. 9067. A bill to provide additional funds to the States for carrying out restoration projects and programs, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. McCORMACK (for himself, Mr. Teague, Mr. Mosher, Mr. Goldwater, Mr. Downing of Virginia, Mr. Roe, Mr. Milford, Mr. Myers of Pennsylvania, Mr. Scheuer, Mr. Emery, Mr. Lloyd of California, Mr. Blouin, Mr. Hall, and Mr. Pressler):

H.R. 9068. A bill to authorize in the Energy Research and Development Administration a Federal program of research, development, and demonstration designed to promote electric vehicle technologies and to demonstrate the commercial feasibility of electric vehicles; to the Committee on Science and Technology.

By Mr. McHUGH:

H.R. 9069. A bill to establish a program whereby payments in lieu of taxes may be made with respect to certain real property owned by the U.S. Government but leased by departments or agencies thereof to private persons not for public purposes; to the Committee on Government Operations.

By Mr. MARTIN:

H.R. 9070. A bill to further restrict the use of the congressional franking privilege during periods preceding elections; to the Committee on Post Office and Civil Service.

By Mr. MILFORD:

H.R. 9071. A bill to amend section 601 of the Federal Aviation Act of 1958 to authorize the Secretary of Transportation to summarily deactivate emergency locator transmitters on aircraft, and for other purposes; to the Committee on Public Works and Transportation.

By Mrs. MINK (for herself, Mr. Mottl, and Mr. Van Deerlin):

H.R. 9072. A bill to authorize the Secretary of Health, Education, and Welfare to make grants to conduct special educational programs and activities designed to achieve conservation and nonuse of energy and materials, and for other related educational purposes; to the Committee on Education and Labor.

By Mr. NEDZI:

H.R. 9073. A bill to amend the Internal Revenue Code of 1954 to provide that advertising of alcoholic beverages is not a deductible expense; to the Committee on Ways and Means.

By Mr. RODINO:

H.R. 9074. A bill to provide for the compensation of persons injured by certain criminal acts, to make grants to States for the payment of such compensation, and for other purposes; to the Committee on the Judiciary.

By Mr. STEIGER of Wisconsin:

H.R. 9075. A bill to amend title 37, United States Code, to provide for the withholding of State and city income taxes from the pay of members of the Armed Forces; to the Committee on Armed Services.

H.R. 9076. A bill to amend the Federal Election Campaign Act to provide that members of the Federal Election Commission shall be appointed by the President, by and with the advice and consent of the Senate, to require that meetings of such Commission shall be open to the public, and for other purposes; to the Committee on House Administration.

By Mr. RICHMOND (for himself, Mr. Badillo, Mr. Solarz, Ms. Abzug, Mr. Harrington, Mr. Patterson of California, and Ms. Chisholm):

H.R. 9077. A bill to establish the Federal Municipal Bond Guarantee Administration to guarantee municipal bonds; to the Committee on Banking, Currency and Housing.

By Mr. BALDUS (for himself and Mr. Gilman):

H.R. 9078. A bill to amend the Agricultural Adjustment Act as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended; to the Committee on Ways and Means.

By Mr. EVINS of Tennessee:

H.R. 9079. A bill to amend the Internal Revenue Code of 1954, and the Tax Reduction Act of 1974, to make permanent certain changes made by such act in the Internal Revenue Code which affect small business; to the Committee on Ways and Means.

By Mr. CLEVELAND:

H.J. Res. 599. Joint resolution to authorize the President of the United States to designate National Ski Week; to the Committee on Post Office and Civil Service.

By Mr. EILBERG (for himself, Mr. Murphy of New York, Mr. Edwards of California, Mr. Sarbanes, and Ms. Abzug):

H.J. Res. 600. Joint resolution to designate January 6, 1976, as Haym Salomon Day; to the Committee on Post Office and Civil Service.

By Mr. GINN:

H.J. Res. 601. Joint resolution proposing an amendment to the Constitution of the United States to abolish the electoral college and establish a new procedure for electing the President and Vice President; to the Committee on the Judiciary.

By Mr. RANDALL:

H.J. Res. 602. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

By Mr. RODINO:

H.J. Res. 603. Joint resolution to amend the Constitution to provide for representation of the District of Columbia in the Congress; to the Committee on the Judiciary.

By Mr. BELL:

H. Con. Res. 368. Concurrent resolution expressing the sense of Congress with respect to the Baltic States; to the Committee on International Relations.

By Mr. DELANEY:

H. Con. Res. 369. Concurrent resolution for negotiations on the Turkish opium ban; to the Committee on International Relations.

By Mr. HARSHA:

H. Con. Res. 370. Concurrent resolution disapproving the District of Columbia Revenue Act of 1975; to the Committee on the District of Columbia.

By Mr. ZABLOCKI (for himself, Mr. Fountain, and Mr. Bingham):

H. Con. Res. 371. Concurrent resolution with respect to certain arms control and disarmament negotiations; to the Committee on International Relations.

By Mr. PERKINS:

H. Res. 655. Resolution disapproving the deferral of budget authority relating to School Assistance in Federally Affected Areas (deferral No. D76–42) which is proposed by the President in his special message of July 25, 1975, transmitted under section 1013 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H. Res. 656. Resolution disapproving the deferral of budget authority relating to higher education, aid to land-grant colleges (deferral No. D76–43) which is proposed by the President in his special message of July 25, 1975, transmitted under section 1013 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H. Res. 657. Resolution disapproving the deferral of budget authority relating to Library Resources (Public Libraries) (deferral No. D76–44) which is proposed by the President in his special message of July 25, 1975, transmitted under section 1013 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

By Mr. PICKLE (for himself, Mr. Rose, Ms. Abzug, Ms. Spellman, Ms. Keys, Mr. Ford of Tennessee, Mr. Harrington, Mr. Rostenkowski, Mr. Studds, Mr. Rooney, Mr. Sarbanes, Mr. LaFalce, and Mr. Seiberling):

H. Res. 658. Resolution directing the Architect of the Capitol to study the feasibility of using solar energy in certain House Office Buildings, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. PICKLE (for himself, Mr. Rose, Mr. Charles H. Wilson of California, Mr. Vander Jagt, Mr. Mollohan, Mr. Emery, Mr. Gude, Mr. Brown of California, Mr. Oberstar, Mr. Martin, Mr. Jenrette, Mr. Forsythe, Mr. Brown of Ohio, Mr. Hughes, Mr. Carr, and Mr. Weaver):

H. Res. 659. Resolution directing the Architect of the Capitol to study the feasibility of using solar energy in certain House Office Buildings, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. RANDALL:

H. Res. 660. Resolution establishing a select committee to study the problem of U.S. servicemen missing in action in Southeast Asia; to the Committee on Rules.

By Mr. ASHBROOK (for himself, Mr. Bauman, Mr. Burgener, Mr. Devine, Mr. Downey of New York, Mr. Gilman, Mr. Hansen, Mr. Ketchum, Mr. Koch, Mr. Long of Maryland, Mr. McDonald of Georgia, Mr. Rousselot, Mr. Symms, and Mr. Whitehurst):

H. Res. 661. Resolution restricting funds to India until democratic liberties and civil rights have been restored; to the Committee on International Relations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of title XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BEDELL:

H.R. 9080. A bill for the relief of Leo Hector Teralta; to the Committee on the Judiciary.

By Mr. GUDE:

H.R. 9081. A bill for the relief of Young Won Lee; to the Committee on the Judiciary.

By Mr. RUNNELS:

H.R. 9082. A bill to authorize and direct the Secretary of the Interior to reinstate oil and gas lease New Mexico 18302; to the Committee on Interior and Insular Affairs.

By Mr. LUJAN:

H.R. 9083. A bill to authorize and direct the Secretary of the Interior to reinstate oil and gas lease New Mexico 18302; to the Committee on Interior and Insular Affairs.

By Mr. WRIGHT:

H.R. 9084. A bill for the relief of T. Sgt. Thomas L. Bilbo and Joan Bilbo; to the Committee on the Judiciary.

H.R. 9085. A bill for the relief of Velzora Carr; to the Committee on the Judiciary.

By Mr. ANDERSON of California (by request):

H. Res. 662. Resolution to refer, H.R. 9027, a bill for the relief of certain former employees of Western Airlines, to the Chief Commissioner of the U.S. Court of Claims; to the Committee on the Judiciary.

FACTUAL DESCRIPTIONS OF BILLS AND RESOLUTIONS INTRODUCED

Prepared by the Congressional Research Service pursuant to clause 5(d) of House rule X. Previous listing appeared in the Congressional Record of July 23, 1975, page 24413.

H.R. 8200. June 25, 1975. Ways and Means. Amends the Internal Revenue Code to revise the amount of a contribution of certain ordinary and capital gain property which may be deducted from gross income, where the contribution is made by a corporation to an organization exempt from the income tax.

H.R. 8201. June 25, 1975. Judiciary. Subjects matters relating to Federal property, loans, grants, benefits and contracts to existing Federal agency rulemaking procedures.

Grants Federal agencies the power to issue subpenas related to administrative hearings.

Directs Federal agencies to pay the costs incurred by certain persons as a result of participating in agency proceedings, under specific circumstances.

Limits the scope of the defense of sovereign immunity in court actions to which a Federal agency or employee is a party.

Establishes procedures for the enforcement of standards for grants administered by Federal agencies.

H.R. 8202. June 25, 1975. Post Office and Civil Service. Stipulates that cost-of-living adjustments in the pay of officers and employees of the United States Postal Service and Postal Rate Commission provided under collective bargaining agreements shall be considered part of the basic pay of such officers and employees for civil service retirement purposes.

H.R. 8203. June 25, 1975. Armed Services. Amends the National Security Act of 1947 to designate the majority and minority leaders of each House of Congress as members of the National Security Council.

H.R. 8204. June 25, 1975. Ways and Means. Amends the Highway Revenue Act of 1956 to change the term "Highway Trust Fund" to "Transportation Trust Fund."

H.R. 8205. June 25, 1975. Banking, Currency and Housing. Revises the National Housing Act with respect to the mortgage purchase authority of the Secretary of Housing and Urban Development.

Authorizes emergency mortgage relief loans and advances of credit, under criteria established by the Secretary of Housing and Urban Development, to prevent mortgage foreclosures and distress sales of homes due to unemployment. Empowers the Secretary to insure financial institutions against losses they may sustain as a result of such emergency loans or advances of credit.

H.R. 8206. June 25, 1975. Interstate and Foreign Commerce. Amends the Railroad Unemployment Insurance Act to increase unemployment and sickness benefits, and to raise the contribution base.

H.R. 8207. June 25, 1975. Interior and Insular Affairs. Revises the boundaries of the Manassas National Battlefield Park in Virginia. Authorizes the Secretary of the Interior to acquire additional lands for the battlefield and to make minor revisions in the boundary. Establishes procedures to allow owners of property within the boundaries of the battlefield to retain a right of use and occupancy.

H.R. 8208. June 25, 1975. Armed Services; Banking, Currency and Housing. Authorizes the President of the United States to present a Medal of Honor to a certain individual.

H.R. 8209. June 25, 1975. Ways and Means. Amends the Internal Revenue Code to allow an estate tax deduction for transfer of property to a nonprofit cemetery company or corporation.

H.R. 8210. June 25, 1975. Ways and Means. Revises the eligibility requirements for Disability Insurance benefits for blind persons under the Social Security Act. Revises the method of computing the primary insurance amount for blind persons under the Social Security Act.

H.R. 8211. June 25, 1975. Ways and Means. Amends the Internal Revenue Code to allow certain otherwise tax exempt organizations to operate a public entertainment activity in conjunction with a National, State, local, regional, or international fair or exposition without losing their tax exempt status, by excluding such public entertainment activity from the definition of the term "unrelated trade or business."

H.R. 8212. June 25, 1975. Interstate and Foreign Commerce. Extends appropriations for emergency medical services systems, under the Public Health Service Act.

Authorizes the Secretary of Health, Education, and Welfare to make certain additional grants for emergency medical service projects and to make grants and enter into contracts with eligible schools and training centers for training programs in the techniques and methods of providing emergency medical services.

H.R. 8213. June 25, 1975. Judiciary. Imposes penalties for the robbery or attempted robbery of any narcotic drug from any pharmacy.

H.R. 8214. June 25, 1975. Science and Technology. Establishes a program of electric vehicle research and development in the Energy Research and Development Administration. Authorizes the introduction of electric vehicles into fleets used by Federal agencies.

H.R. 8215. June 25, 1975. Ways and Means. Amends the Internal Revenue Code to increase the estate tax exemption, and to increase the estate tax marital deduction.

Permits the executor of an estate to elect an alternate valuation of certain lands used for farming, woodland, or scenic open spaces.

H.R. 8216. June 25, 1975. House Administration. Amends the Voting Rights Act of 1965 by abolishing for citizens residing overseas the domicile and residence requirements for voting in Federal elections. Establishes nationwide uniform standards relating to absentee registration and absentee balloting by such citizens in Federal elections.

H.R. 8217. June 25, 1975. Armed Services;

Banking, Currency and Housing. Authorizes the President of the United States to present a Medal of Honor to a certain individual.

H.R. 8218. June 25, 1975. Interior and Insular Affairs. Amends the Mineral Leasing Act of 1920 to authorize the awarding of reasonable attorneys' fees to prevailing plaintiffs in actions brought under provisions of the Act.

H.R. 8219. June 25, 1975. Judiciary. Amends the Clayton Act to authorize the awarding of reasonable attorneys' fees to a prevailing plaintiff in an action for injunctive relief under such Act.

H.R. 8220. June 25, 1975. Judiciary. Authorizes the awarding of attorney's fees to prevailing plaintiffs in actions brought under certain civil rights laws.

H.R. 8221. June 25. 1975. Judiciary. Authorizes the awards of attorney's fees to the prevailing party in Federal courts when the court determines that the interests of justice so require. Stipulates that the Federal government shall be liable for such fees the same as a private person.

H.R. 8222. June 25, 1975. Merchant Marine and Fisheries. Amends the National Environmental Policy Act of 1969 to authorize the awarding of reasonable attorneys' fees to prevailing plaintiffs in actions brought under provisions of the Act.

H.R. 8223. June 25, 1975. Rules. Establishes a Congressional Joint Committee on National Growth and Development Policy. Assigns the Joint Committee the responsibility of studying and coordinating programs and policies relating to land use, national growth and development, and conservation of natural resources.

H.R. 8224. June 25, 1975. Ways and Means. Amends the Internal Revenue Code to allow as a deduction the amortization of the rehabilitation expenditures of certified historic structures.

Allows a charitable tax deduction, an estate tax deduction, or a gift tax deduction for the transfer of partial interests in property for conservation purposes.

H.R. 8225. June 25, 1975. Judiciary; Banking, Currency and Housing. Amends the Civil Rights Act of 1968 to make it unlawful to discriminate in housing on the basis of sex or martial status.

Amends the National Housing Act to prohibit the denial of Federal mortgage assistance on account of sex or marital status. Requires makers of federally related mortgage loans to consider without prejudice the combined income of both husband and wife.

H.R. 8226. June 25, 1975. Ways and Means. Amends the Internal Revenue Code to allow a taxpayer to elect to take a deduction for capital recovery in lieu of depreciating eligible tangible property.

H.R. 8227. June 25, 1975. Judiciary. Imposes standards for the security, accuracy and confidentiality of criminal justice information on certain criminal justice agencies. Establishes a Commission on Criminal Justice Information to study and collect information concerning the handling of criminal justice information and the compliance of Federal agencies with the provisions of this Act and to issue regulations, interpretations and procedures necessary to effectuate this Act.

H.R. 8228. June 25, 1975. Public Works and Transportation. Amends the Federal Aviation Act of 1958 to permit the temporary operation of certain aircraft without emergency locator transmitters when such equipment has been removed for repair, modification, or replacement.

H.R. 8229. June 25, 1975. Judiciary. Prohibits the importation, manufacture, sale, purchase, transfer, receipt, possession or transportation of handguns and handgun ammunition except as authorized by the Secretary of the Treasury or by members of the Armed Forces and law enforcement officials.

H.R. 8230. June 25, 1975. Banking, Currency and Housing. Revises the Emergency Home Purchase Assistance Act of 1974 with respect to the mortgage purchase authority of the Secretary of Housing and Urban Development. Authorizes emergency mortgage relief loans and advances of credit, under criteria established by the Secretary of Housing and Urban Development, to prevent mortgage foreclosures and distress sales of homes due to unemployment. Empowers the Secretary to insure financial institutions against losses they may sustain as a result of such emergency loans or advances of credit.

H.R. 8231. June 25, 1975. Judiciary. Requires that whenever any officer or agency of the executive branch of the Federal Government proposes to prescribe certain rules and regulations or to make changes in rules or regulations, such proposals must be submitted to each House of Congress with a report containing a full explanation thereof. Stipulates that such rule, regulation, or change shall become effective unless either House of Congress disapproves the same by adopting a resolution within 60 days. Sets forth rules of procedure to be followed during the consideration of such resolutions.

H.R. 8232. June 25, 1975. International Relations. Amends the Mutual Security Act of 1954 to require review by the House of Representatives and the Committee on Foreign Relations of the Senate, of all approved applications for licenses to export arms, ammunition, or implements of war, before such licenses may be issued except when the President states that an emergency exists which requires the granting of such license in the interests of national security.

H.R. 8233. June 25, 1975. International Relations; Rules. Amends the Foreign Military Sales Act by setting forth a revised procedure for Congressional approval of foreign military sales proposed by the President.

H.R. 8234. June 25, 1975. Agriculture. Prohibits, under the Packers and Stockyards Act, certain delayed payment practices for the purchase of livestock, unless the packer has at the time of such purchase, current assets in excess of his current liabilities.

Authorizes the Secretary of Agriculture to notify the Attorney General to apply for an injunction in district court to restrain a person subject to this Act who is operating while insolvent or without properly remitting the proceeds from sales.

Grants priority in bankruptcy to debts owing for the purchase of livestock or poultry.

H.R. 8235. June 25, 1975. Public Works and Transportation. Amends the Federal Aid Highways Act of 1956 to (1) authorize appropriations through fiscal year 1979 for the construction of the Interstate System; (2) accelerate completion of high-priority segments of the System by revising appropriations; (3) limit the percentage of Federal funds which a State may use for maintenance of existing roads; (4) extend the provisions of the Act for bridge replacement to all public roads, Federal-aid or not; (5) repeal the system of grants to States for off-system roads; and (6) consolidate existing safety programs into a single program covering all public roads.

H.R. 8236. June 25, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act by abolishing the Professional Standards Review Organizations which were established to review services covered under the Medicare and Medicaid programs.

H.R. 8237. June 25, 1975. Ways and Means. Amends the Social Security Act by entitling certain Child's Insurance beneficiaries to receive benefits until they reach the age of 23.

H.R. 8238. June 25, 1975. Post Office and Civil Service; House Administration. Reduces retirement benefits for Members of Congress who remain in office after attaining seventy years of age.

H.R. 8239. June 25, 1975. Banking, Currency and Housing. Extends for one year the authority of the Federal Reserve Board to continue flexible regulation of interest rates on deposits and share accounts in depository institutions.

Prohibits any Federal regulatory agency of financial institutions from approving establishment or expansion of any electronic funds transfer systems for 90 days. Authorizes the National Commission on Electronic Fund Transfers within such period (1) to review such systems; and (2) to develop procedures for monitoring experimentation of such systems.

Requires financial institutions to maintain and make public certain information on real estate loans and savings accounts, through the Secretary of Housing and Urban Development.

H.R. 8240. June 25, 1975. Veterans' Affairs. Establishes per annum full pay scales for physicians, dentists, and administrators of the Department of Medicine and Surgery of the Veterans' Administration.

Authorizes special and incentive pay for qualified physicians and dentists in such Department.

H.R. 8241. June 25, 1975. Veterans' Affairs. Establishes per annum full pay scales for physicians, dentists, and administrators of the Department of Medicine and Surgery of the Veterans' Administration.

Authorizes special and incentive pay for qualified physicians and dentists in such Department.

H.R. 8242. June 25, 1975. Veterans' Affairs. Extends the term of "World War II" with respect to determining the class of World War II veterans who are eligible for home, farm, and business loans.

H.R. 8243. June 25, 1975. Interstate and Foreign Commerce; Interior and Insular Affairs. Establishes a National Energy Information System to contain information relating to energy supply and consumption patterns affecting the United States. Creates a National Energy Information Administration to collect, evaluate, and disseminate such information.

Sets forth procedures for acquisition of energy information from major energy companies, governmental units, and other institutions. Establishes procedures for classification of such information.

Directs the Secretary of the Interior to conduct surveys of United States energy resources on public lands.

H.R. 8244. June 25, 1975. Government Operations. Authorizes appropriations to the State and Local Government Fiscal Assistance Trust Fund for revenue sharing purposes through fiscal year 1981.

Stipulates that payments under the State and Local Government Fiscal Assistance Act which are waived by the Indian Tribe or Alaskan Native Village entitled to receive them shall become part of the entitlement of the county government in which such Tribe or Village is located.

H.R. 8245. June 25, 1975. Government Operations. Authorizes appropriations to the State and Local Government Fiscal Assistance Trust Fund for revenue sharing purposes through fiscal year 1981.

Stipulates that payments under the State and Local Government Fiscal Assistance Act which are waived by the Indian Tribe or Alaskan Native Village entitled to receive them shall become part of the entitlement of the county government in which such Tribe or Village is located.

H.R. 8246. June 25, 1975. Government Operations. Authorizes appropriations to the State and Local Government Fiscal Assistance Trust Fund for revenue sharing purposes through fiscal year 1981.

Stipulates that payments under the State and Local Government Fiscal Assistance Act which are waived by the Indian Tribe or Alaskan Native Village entitled to receive them shall become part of the entitlement of the county government in which such Tribe or Village is located.

H.R. 8247. June 25, 1975. Interstate and Foreign Commerce. Includes the use of blood and blood products and the management of blood resources within the research and training programs of the National Heart and Lung Institute, under the Public Health Services Act, and extends appropriations for such programs.

Limits the authority of the Secretary of Health, Education, and Welfare to disclose information contained in research grant applications.

Extends appropriations for National Research Service Awards.

Authorizes the Secretary to make grants to and enter into contracts with public and nonprofit private entities for projects related to the testing, diagnosis, counseling, and treatment of individuals respecting genetic diseases.

H.R. 8248. June 25, 1975. Government Operations. Prohibits Government instrumentalities from requiring nonessential declarations of marital status or the nonessential use of prefixes indicating such status.

H.R. 8249. June 25, 1975. Public Works and Transportation. Authorizes the Secretary of the Army, acting through the Chief of Engineers, to investigate and undertake measures to provide flood protection to certain areas of the Ottawa Wildlife Refuge in Ohio.

H.R. 8250. June 25, 1975. Interstate and Foreign Commerce. Stipulates that no regulation, or modification of a regulation, concerning intermediate care facilities for the mentally retarded promulgated by the Secretary of Health, Education, and Welfare pursuant to the Medicaid provisions of the Social Security Act after January 1, 1974 shall be effective prior to July 1, 1976.

H.R. 8251. June 25, 1975. Agriculture; International Relations. Amends the Agricultural Trade Development and Assistance Act of 1954 with respect to regulations on the extension of credit and emergency and disaster relief to friendly nations by the Commodity Credit Corporation.

Directs the President to publish on a yearly basis a list of the nations eligible to enter into sales agreements under this Act.

Authorizes the Secretary of Agriculture, in consultation with the Administrator of the Agency for International Development to designate, on the basis of established criteria, those countries eligible for an agricultural assistance program.

H.R. 8252. June 25, 1975. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigrant and Nationality Act.

H.R. 8253. June 26, 1975. Banking, Currency and Housing. Directs the Comptroller General to make an audit of the administrative expenses of the Federal Reserve Board and the Federal Reserve banks.

H.R. 8254. June 26, 1975. Interior and Insular Affairs. Amends the Wild and Scenic Rivers Act to designate the Loxahatchee River in Florida as a potential component of the National Wild and Scenic Rivers System.

H.R. 8255. June 26, 1975. Armed Services; Banking, Currency and Housing. Authorizes the President of the United States to present a Medal of Honor to a certain individual.

H.R. 8256. June 26, 1975. Defines the term "food supplement" as it appears in the Federal Food, Drug, and Cosmetic Act. Disallows the requirement of warning labels for and the limiting of ingredients in "food supplements" by the Secretary of Health, Education, and Welfare unless such article is intrinsically injurious to health in the recommended dosage.

H.R. 8257. June 26, 1975. Education and Labor. Repeals provisions of the National Labor Relations Act and the Railway Labor Act which authorize employers to make agreements with labor organizations to require employee membership in such organization as a condition of employment.

H.R. 8258. June 26, 1975. Post Office and Civil Service. Grants to Federal employees the right to form, join and assist a labor organization or to refrain from such activity without fear of penalty or reprisal.

H.R. 8259. June 26, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act by abolishing the Professional Standards Review Organizations which were established to review services covered under the Medicare and Medicaid programs.

H.R. 8260. June 26, 1975. Ways and Means. Amends the Internal Revenue Code to allow a deduction for State and local vehicle registration or use taxes.

H.R. 8261. June 26, 1975. Interstate and Foreign Commerce. Requires disclosure of certain information to prospective purchasers of gasoline sold or shipped in interstate commerce which relates to the octane rating of such gasoline.

Requires automobile manufacturers to provide written information relating to the octane levels of gasoline appropriate for use in the engines of each automobile sold or shipped in interstate commerce.

Authorizes the Administrator of the Federal Energy Administration to develop standard methods and studies relating to the performance of various types of gasoline.

H.R. 8262. June 26, 1975. Merchant Marine and Fisheries. Amends the National Wildlife Refuge System Administration Act of 1966 to revise provisions relating to the authority of the Secretary of the Interior and the Fish and Wildlife Service with regard to the disposal of lands within the system.

H.R. 8263. June 26, 1975. Interstate and Foreign Commerce. Amends the Communications Act of 1934 by extending the maximum term of license and license renewal for the operation of broadcasting stations from 3 to 5 years. Revises the conditions for approval of applications for licensing renewal. Allows appeals from Federal Communications Commission decisions to be brought in the circuit in which the broadcast facility is, or is proposed to be, located instead of in the District of Columbia Court of Appeals.

Requires the Federal Communications Commission to study possible reduction and consolidation of the filings, supporting documents, and other administrative materials now required for renewal applications.

H.R. 8264. June 26, 1975. Merchant Marine and Fisheries. Amends the Merchant Marine Act of 1936 to authorize the Secretary of Commerce to guarantee certain obligations incurred by the financing of the construction or rehabilitation of shoreside fishery facilities and equipment.

H.R. 8265. June 26, 1975. Merchant Marine and Fisheries. Directs the Secretary of Commerce to regulate fishing by vessels in the contiguous fisheries zone. Exempts certain foreign vessels, subject to international agreement, from such regulations.

Establishes procedures for the development of fisheries management plans. Creates regional marine fisheries councils and a National Marine Fisheries Board to assist in planning, research, and policy-making activities.

Directs the Coast Guard to enforce regulations issued under this Act.

H.R. 8266. June 26, 1975. Ways and Means. Amends the Internal Revenue Code to exclude from income during the taxable year a limited amount received as an annuity, pension, or other retirement benefit.

H.R. 8267. June 26, 1975. Banking, Currency and Housing. Revises the Emergency Home Purchase Assistance Act of 1974 with respect to the mortgage purchase authority of the Secretary of Housing and Urban Development.

Authorizes emergency mortgage relief loans and advances of credit, under criteria established by the Secretary of Housing and Urban Development, to prevent mortgage foreclosures and distress sales of homes due to unemployment. Empowers the Secretary to insure financial institutions against losses they may sustain as a result of such emergency loans or advances of credit.

H.R. 8268. June 26, 1975. Armed Services; Banking, Currency and Housing. Authorizes the President of the United States to present a Medal of Honor to a certain individual.

H.R. 8269. June 26, 1975. Public Works and Transportation. Terminates the Airlines Mutual Aid Agreement.

H.R. 8270. June 26, 1975. Public Works and Transportation. Requires the planning and installation of warning lights at certain railroad-highway crossings.

H.R. 8271. June 26, 1975. Armed Services. Authorizes eligible persons to receive health benefits under contracts entered into by the Secretary of Defense without regard to such persons' eligibility for compensation for service-connected disabilities or death from the Veterans' Administration.

H.R. 8272. June 26, 1975. Interstate and Foreign Commerce. Amends the Communications Act of 1934 by extending the maximum term of license and license renewal for the operation of broadcasting stations from 3 to 5 years. Revises the conditions for approval of applications for licensing renewal. Allows appeals from Federal Communications Commission decisions to be brought in the circuit in which the broadcast facility is, or is proposed to be, located instead of in the District of Columbia Court of Appeals.

Requires the Federal Communications Commission to study possible reduction and consolidation of the filings, supporting documents, and other administrative materials now required for renewal applications.

H.R. 8273. June 26, 1975. Education and Labor. Amends the Elementary and Secondary Education Act of 1965 to increase the maximum amount that the Commissioner of Education is authorized to pay to the States for any fiscal year for administrative expenses in carrying out certain provisions of such Act.

H.R. 8274. June 26, 1975. Ways and Means. Amends the Internal Revenue Code to allow a taxpayer to designate that any overpayments on any contributions submitted with such taxpayer's tax return shall be available for the National Endowment for the Arts or the National Endowment for the Humanities.

H.R. 8275. June 26, 1975. Interstate and Foreign Commerce. Prohibits the shipping of fur, leather, or finished products in interstate or foreign commerce which come from any State or foreign country which has not banned the manufacture, sale, or use of leghold or steel jaw traps.

H.R. 8276. June 26, 1975. Interior and Insular Affairs. Amends the Land and Water Conservation Fund Act of 1965 to establish a passport program to permit disabled persons to obtain free or reduced admission rates at certain national parks and recreation facilities.

H.R. 8277. June 26, 1975. Armed Services; Banking, Currency and Housing. Authorizes the President of the United States to present a Medal of Honor to a certain individual.

H.R. 8278. June 26, 1975. Interstate and Foreign Commerce. Amends the Public Health Service Act to authorize the Secretary of Health, Education, and Welfare, acting through the National Institute for Health Information, Education, and Promotion which is hereby established, to conduct and support by grant or contract programs in health information, education, and promotion, preventive health services, and education in the appropriate use of medical care.

Revises and extends appropriations for disease prevention and control programs and for venereal disease prevention and control under the Public Health Service Act.

H.R. 8279. June 26, 1975. Ways and Means. Amends the Tariff Act of 1930 to require that all cast and malleable iron pipe fittings imported from outside the United States be marked with the country of origin.

H.R. 8280. June 26, 1975. Banking, Currency and Housing. Revises the Emergency Home Purchase Assistance Act of 1974 with respect to the mortgage purchase authority of the Secretary of Housing and Urban Development.

Authorizes emergency mortgage relief loans and advances of credit, under criteria established by the Secretary of Housing and Urban Development, to prevent mortgage foreclosures and distress sales of homes due to unemployment. Empowers the Secretary to insure financial institutions against losses they may sustain as a result of such emergency loans or advances of credit.

H.R. 8281. June 26, 1975. Judiciary. Establishes the position of Special Prosecutor and the Office of the Special Prosecutor to investigate and prosecute offenses arising out of the conduct of domestic intelligence activities by the Central Intelligence Agency or other Federal law enforcement agencies and all violations of any Federal statute by any Federal intelligence or law enforcement agency. Requires appointment of the Special Prosecutor by a panel of District of Columbia District Court Judges. Specifies that the office shall terminate 3 years after appointment.

H.R. 8282. June 26, 1975. Atomic Energy. Directs the Nuclear Regulatory Commission and the Energy Research and Development Administration to limit the export of nuclear fuel or nuclear technology to those nations which are parties to certain international agreements and which have also restricted the flow of nuclear technology to parties of the nuclear non-proliferation treaty.

Authorizes the President to waive such restrictions if the export of such technology is deemed to be in the national security interests of the United States.

H.R. 8283. June 26, 1975. Ways and Means. Amends the Internal Revenue Code to allow wines containing essences and other flavorings approved by the Secretary of the Treasury to continue to be treated as special natural wines for purposes of the excise tax on wines.

H.R. 8284. June 26, 1975. Post Office and Civil Service. Eliminates the conditions presently imposed on the granting of retention preference credit during reductions in force to civilian employees of the Federal government who are retired members of the uniformed services.

H.R. 8285. June 26, 1975. Veterans' Affairs. Directs the Administrator of Veterans' Affairs to establish a national cemetery in Delaware.

H.R. 8286. June 26, 1975. International Relations. Authorizes appropriations to strengthen the military capabilities of signatories of the North Atlantic Treaty Organization.

Authorizes the issuance of such licenses as the President deems necessary for the transportation of war material under this Act.

H.R. 8287.—June 26, 1975. Agriculture. Revises the formula for allocating Federal matching grants to State agricultural experiment stations for consrtuction purposes. Authorizes the Secretary of Agriculture to make such grants to land grant colleges.

H.R. 8288.—June 26, 1975. District of Columbia Self-Government and Governmental Reorganization Act to abolish the National Capital Service Area.

H.R. 8289.—June 26, 1975. Ways and Means. Amends the Internal Revenue Code with respect to the definition of, conditions for, and limitations on, the deduction of moving expenses.

Allows a taxpayer to exclude from gross income any amount received or accrued from his employer as a reimbursement for a moving expense which would be otherwise deductible but for such reimbursement.

H.R. 8290.—June 26, 1975. Ways and Means. Amends the Social Security Act to prohibit termination of widow's, widower's or parent's insurance benefits if the recipient remarries.

H.R. 8291.—June 26, 1975. Judiciary. Sets forth standards for the establishment of congressional districts based on decennial censuses and composed of contiguous territory.

Grants exclusive jurisdiction to the district courts of the United States to hear actions brought to enforce the provisions of this Act.

H.R. 8292.—June 26, 1975. Ways and Means. Revises the administration of Old-Age, Survivors, and Disability Insurance, Medicare, and Supplemental Security Income under the Social Security Act. Transfers the responsibility for administering these programs and the health standards provisions of the Federal Coal Mine Health and Safety Act from the Department of Health, Education, and Welfare to a newly established Social Security Administration.

H.R. 8293.—June 26, 1975. Ways and Means. Amends the Internal Revenue Code to revise the amount of a contribution of certain ordinary and capital gain property which may be deducted from gross income, where the contribution is made by a corporation to an organization exempt from the income tax.

H.R. 8294. June 26, 1975. Judiciary. Amends the Gun Control Act of 1968 to increase the penalties for use of a firearm in the commission of a felony.

H.R. 8295. June 26, 1975. Ways and Means. Amends the Internal Revenue Code to increase the exemption from industrial bond treatment for certain small issues.

H.R. 8296. June 26, 1975. Public Works and Transportation. Modifies the San Antonio Channel flood control projects in Texas to direct the Secretary of the Army, acting through the Chief of Engineers, to construct additional facilities for the protection and preservation of the Espada Acequia Aqueduct.

H.R. 8297. June 26, 1975. Atomic Energy. Directs the Nuclear Regulatory Commission and the Energy Research and Development Administration to limit the export of nuclear fuel or nuclear technology to those nations which are parties to certain international agreements and which have also restricted the flow of nuclear technology to parties of the nuclear non-proliferation treaty.

Authorizes the President to waive such restrictions if the export of such technology is deemed to be in the national security interests of the United States.

H.R. 8298. June 26, 1975. Ways and Means. Amends the Internal Revenue Code to allow employers of the same employee, by proper notice to the Secretary of the Treasury, to work out an agreement as to their respective employment and unemployment tax liabilities for such employee.

H.R. 8299. June 26, 1975. Education and Labor. Amends the National Foundation on the Arts and Humanities Act of 1965 by authorizing grants to the American Film Institute, and by authorizing grants-in-aid to qualified States for humanities programs.

Establishes within the Department of Health, Education, and Welfare an Institute for the Improvement of Museum Services to provide financial and technical assistance to museums.

Authorizes the Federal Council on the Arts and Humanities to indemnify against loss or damage works of art, manuscripts, and other artifacts or objects of educational, cultural, historical, or scientific value which are on exhibition in the United States.

H.R. 8300. June 26, 1975. Post Office and Civil Service. Precludes any increase in postal rates for certain veterans' organizations entitled to preferential rates, beyond the direct and indirect postal costs attributable to the mailing of such organizations' publications.

H.R. 8301. June 26, 1975. Armed Services. Authorizes eligible persons to receive health benefits under contracts entered into by the Secretary of Defense without regard to such person's eligibility for compensation for service-connected disabilities or death from the Veterans' Administration.

H.R. 8302. June 26, 1975. Ways and Means. Amends the Internal Revenue Code to limit the deductions attributable to farming which can be used by a taxpayer to offset nonfarm income.

H.R. 8303. June 26, 1975. Education and Labor. Amends the Elementary and Secondary Education Act of 1965 to revise the method of allocating grants among local educational agencies for special education programs and projects for educationally deprived children.

H.R. 8304. June 26, 1975. Education and Labor. Amends the Educational Amendments of 1974 to authorize the Commissioner of Education to carry out innovation and development projects and activities of national significance which show promise of having a substantial impact in overcoming reading deficiencies in youths and adults through incorporation into ongoing State and local educational systems. Changes the requirements for the submission of applications for grants under the Education Amendments of 1974.

Amends the General Education Provisions Act to revise the conditions under which the administrative heads of education agencies may accept gifts or donations for the purpose of carrying out their functions.

H.R. 8305. June 26, 1975. Judiciary. Prohibits States and localities from imposing taxes on the privilege of generating electricity where the generation of such electricity is in interstate commerce.

H.R. 8306. June 26, 1975. Banking, Currency and Housing. Prescribes procedures and standards governing the disclosure of customer financial records by financial institutions to governmental agencies.

H.R. 8307. June 26, 1975. Ways and Means. Revises the administration of Old-Age, Survivors, and Disability Insurance, Medicare, and Supplemental Security Income under the Social Security Act. Transfers the responsibility for administering these programs and the health standards provisions of the Federal Coal Mine Health and Safety Act from the Department of Health, Education, and Welfare to a newly established Social Security Administration.

H.R. 8308. June 26, 1075. Ways and Means. Amends the Social Security Act by removing the limitation upon the amount of outside income which an individual may earn while receiving Old-Age, Survivors and Disability Insurance benefits.

H.R. 8309. June 26, 1975. Ways and Means. Stipulates that Medicare supplementary medical insurance covers durable medical equipment used in the patient's home which is furnished on a lease-purchase basis. Directs the Secretary of Health, Education, and Welfare to encourage suppliers of durable medical equipment to make such equipment available on a lease-purchase basis.

H.R. 8310. June 26, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act by abolishing the Professional Standards Review Organizations which were established to review services covered under the Medicare and Medicaid programs.

H.R. 8311. June 26, 1975. Ways and Means; Interstate and Foreign Commerce. Exempts, temporarily, certain rural hospitals from the professional standards review, utilization review, and utilization control requirements imposed by the Social Security Act on hospitals participating in the Medicare, Medicaid, and Maternal and Child Health Services programs.

Directs the Secretary of Health, Education, and Welfare to study alternative methods of utilization review and utilization control for rural hospitals.

H.R. 8312. June 26, 1975. Post Office and Civil Service. Establishes an annuity for certain handicapped children of retired Federal employees and Members of Congress.

H.R. 8313. June 26, 1975. Banking, Currency and Housing. Revises the Emergency Home Purchase Assistance Act of 1974 with respect to the mortgage purchase authority of the Secretary of Housing and Urban Development.

Authorizes emergency mortgage relief loans and advances of credit, under criteria established by the Secretary of Housing and Urban Development, to prevent mortgage foreclosures and distress sales of homes due to unemployment. Empowers the Secretary to insure financial institutions against losses they may sustain as a result of such emergency loans or advances of credit.

H.R. 8314. June 26, 1975. Judiciary. Requires proceedings in certain United States courts to be conducted bilingually under certain circumstances. Directs the Director of the Administrative Office of the United States Courts to determine and supply the personnel and facilities necessary to conduct bilingual proceedings as required by this Act.

H.R. 8315. June 26, 1975. Agriculture. Transfers all functions and duties of the Federal Crop Insurance Corporation and the Secretary of Agriculture under the Federal Crop Insurance Act to the Federal Commodity Insurance Corporation. Extends appropriations to allow such corporation to insure commodities against loss due to unavoidable causes.

H.R. 8316. June 26, 1975. Ways and Means. Amends the Internal Revenue Code to allow an additional personal and withholding tax exemption for a taxpayer, his spouse, or a dependent who is disabled.

H.R. 8317. June 26, 1975. Ways and Means. Amends the Social Security Act to automatically raise the ceiling on Federal payments to States for social services when cost-of-living adjustments of Old-Age, Survivors, and Disability Insurance benefits are made by the Secretary of Health, Education, and Welfare.

H.R. 8318. June 26, 1975. Ways and Means. Excludes general and cost-of-living increases in Old-Age, Survivors and Disability Insurance benefits from being considered income for the purpose of determining an individual's eligibility for supplemental security income benefits, Federal-State public assistance, public housing, food stamps, veterans' pensions, dependency and indemnity compensation for parents of deceased veterans, and any other Federal retirement or disability benefit program.

H.R. 8319. June 26, 1975. Ways and Means. Amends the Internal Revenue Code to exclude from income during the taxable year a limited amount received as an annuity, pension, or other retirement benefits.

H.R. 8320. June 26, 1975. Ways and Means. Amends the Internal Revenue Code to allow individuals either a deduction of a credit against the income tax for the cost of commuting between his or her residence and place of employment.

H.R. 8321. June 26, 1975. Ways and Means. Amends the Internal Revenue Code to permit a taxpayer who has attained the age of sixty-five or one who is handicapped to take an optional tax credit against the income tax for real property taxes paid, or for the amount of rent constituting such taxes paid by the taxpayer.

H.R. 8322. June 26, 1975. Interstate and Foreign Commerce. Amends the Natural Gas Act to authorize the Federal Power Commission to order the transfer of supplies among natural gas companies in order to alleviate shortages.

Directs the Federal Power Commission to prohibit the use of natural gas as a primary energy source for fossil-fuel fired powerplants.

H.R. 8323. June 26, 1975. Ways and Means. Creates a national system of health insurance. Establishes a Health Security Board in the Department of Health, Education, and Welfare to administer such health insurance program.

Repeals the Medicare provisions of the Social Security Act and all health benefit plans for employees of the Federal Government. Amends various other provisions of the Social Security Act and the Public Health Services Act.

H.R. 8324. June 26, 1975. Banking, Currency and Housing. Permits contractual provisions to require payment in gold, gold coin, or in an amount of currency measured by the value of gold or gold coins.

H.R. 8325. June 26, 1975. Education and Labor. Amends the Comprehensive Employment and Training Act of 1973 to revise the eligibility criteria for units of local government to become "prime sponsors" for purposes of the Act.

H.R. 8326. June 26, 1975. Interstate and Foreign Commerce. Amends the Natural Gas Act to direct the Federal Power Commission to authorize transportation of natural gas supplies in order to assist in increasing the production of nitrogen fertilizer.

H.R. 8327. June 26, 1975. Education and Labor. Amends the Higher Education Act of 1965 to base veteran's cost-of-instruction payments to institutions of higher education on the number of graduate as well as undergraduate students in attendance at such institution on October 16 of each year.

H.R. 8328. June 26, 1975. Armed Services. Authorizes the Secretary concerned to specify the number of times annually that each unit of the National Guard must assemble for drill and instruction. Makes the Army National Guard and the Air National Guard subject to the requirement that each reserve component of the Armed Forces shall be divided into training categories.

H.R. 8329. June 26, 1975. Government Operations. Amends the State and Local Fiscal Assistance Act of 1972 to require the States and units of local government to expend some of the funds received under this Act for specified priority expenditures. Increases and extends appropriations to the Trust Fund established under the Act. Provides an alternate method for the division between the State and units of local government of funds allocated to each State. Establishes a system of supplemental entitlements for low income communities.

H.R. 8330. June 26, 1975. Judiciary. Limits the liability of any physician, registered nurse, or aircraft employee who in good faith renders emergency care to an injured or ill person aboard an aircraft within the special aircraft jurisdiction of the United States.

H.R. 8331. June 26, 1975. Ways and Means. Amends the Internal Revenue Code to increase the estate tax exemption and the estate tax marital deduction.

Permits the executor of an estate to elect an alternate valuation of certain lands used for farming, woodland, or scenic open space.

Allows a deduction from the value of the gross estate for a decedent's interests in any qualified farm or business.

H.R. 8332. June 26, 1975. Government Operations. Authorizes Federal payments to county governments to compensate for the tax immunity of Federal lands within their boundaries.

H.R. 8333. June 26, 1975. Judiciary. Amends the Bankruptcy Act to include among debts which have priority certain debts to consumers for goods or real estate not yet received by such consumers.

H.R. 8334. June 26, 1975. Education and Labor. Amends the Occupational Safety and Health Act of 1970 by (1) authorizing the Secretary of Labor to render on-site consultation to small employers, upon their request, to assist such employers in complying with the Act; and (2) by making the issuance of citations discretionary.

H.R. 8335. June 26, 1975. Ways and Means. Amends the Internal Revenue Code to allow certain individuals 65 years of age and over a limited credit against the income tax for the amount of real property taxes paid or accrued or the amount of rent constituting real property taxes paid during the taxable year.

H.R. 8336. June 26, 1975. Ways and Means. Amends the Internal Revenue Code to exempt from taxation the income of certain aliens who are temporarily in the United States solely for the purpose of teaching or engaging in research at an educational institution, or at any agency or instrumentality of the United States which engages in research activities which shall be treated as a recognized educational institution for the purposes of such exemption.

H.R. 8337. June 26, 1975. Ways and Means. Amends the Social Security Act by directing the Secretary of Health, Education, and Welfare to allow a nursing salary cost differential in determining the reasonable cost of inpatient nursing care for the purpose of reimbursement to a provider of services under the Medicare program.

H.R. 8338. June 26, 1975. Public Works and Transportation. Authorizes the Secretary of Transportation, with the approval of the Secretary of the Treasury, to guarantee obligations issued to enable common carriers to refinance existing obligations. Requires the Secretary to prescribe and collect an annual guarantee fee from common carriers sufficient to cover the administrative expenses of such program.

H.R. 8339. June 26, 1975. Ways and Means. Amends the Internal Revenue Code to allow a parent to take an exemption for a child who is physically handicapped or mentally retarded without consideration to such dependent's income.

H.R. 8340. June 26, 1975. Education and Labor. Amends the Comprehensive Employment and Training Act of 1973 to impose additional conditions upon public service employment and training programs authorized by the Act. Prohibits the Secretary of Labor from providing financial assistance for public service jobs for relatives of certain individuals associated with applicants for such funds.

Establishes civil penalties for discrimination against applicants under such programs because of political affiliation.

H.R. 8341. June 26, 1975. Banking, Currency and Housing. Amends the Real Estate Settlement Procedures Act of 1974 with respect to lenders in any real estate settlement where the total charges to be imposed upon the borrower are $100 or less to exempt such lenders from the statement of settlement costs and advance disclosure of settlement costs requirements of the Act.

H.R. 8342. June 26, 1975. Atomic Energy. Directs the Nuclear Regulatory Commission and the Energy Research and Development Administration to limit the export of nuclear fuel or nuclear technology to those nations which are parties to certain international agreements and which have also restricted the flow of nuclear technology to parties of the nuclear non-proliferation treaty.

Authorizes the President to waive such restrictions if the export of such technology is deemed to be in the national security interests of the United States.

H.R. 8343. June 26, 1975. Ways and Means. Amends the Social Security Act by specifying certain factors to be considered by the Secretary of Health, Education, and welfare in determining the reasonable value of an individual's home for the purpose of determining such individual's eligibility for Supplemental Security Income.

H.R. 8344. June 26, 1975. Ways and Means. Amends the Social Security Act by specifying certain factors to be considered by the Secretary of Health, Education, and Welfare in determining the reasonable value of an individual's home for the purpose of determining such individual's eligibility for Supplemental Security Income.

H.R. 8345. June 26, 1975. Ways and Means. Amends the Old-Age, Survivors, and Disability Insurance provisions of the Social Security Act by (1) increasing the amount of outside income which an individual may earn without a reduction in benefits; (2) removing the limitation on the amount of outside income allowed for individuals who have reached age 70; (3) directing the Secretary of Labor to prepare a Senior Citizens Price Index to be used in computing cost-of-living increases in benefits; (4) revising the timing of granting cost-of-living increases; and (5) eliminating marital status as a factor in determining eligibility of certain beneficiaries.

H.R. 8346. June 26, 1975. Agriculture. Directs the Secretary of Agriculture to establish, under the Agricultural Adjustment Act of 1938 and the Agricultural Act of 1949, national acreage allotments and farm marketing quotas for peanuts.

Removes the farmers' right to elect or reject quotas by a referendum and the Secretary's right to apportion State acreage allotments among the counties in the State.

Establishes new marketing restrictions on peanut crops.

Directs the Secretary of Agriculture to make loans and purchases available to producers on within-quota and excess peanuts and the Commodity Credit Corporation to make warehouse storage loans available to cooperative marketing associations.

H.R. 8347. June 26, 1975. Agriculture. Limits "official inspection personnel," under the United States Grain Standards Act, to employees of the Department of Agriculture licensed by the Secretary of Agriculture.

Removes the Secretary's authority to waive restrictions in the licensing of official inspection personnel where there exists a conflict of interest.

Increases the penalties for violation of such Act.

H.R. 8348. June 26, 1975. Education and Labor. Authorizes the Secretary of Labor to set standards and issue licenses for the operation of temporary help agencies. Prohibits such agencies from restricting the rights of temporary employees to accept permanent positions. Prohibits the collection of placement fees from temporary help employees by such agencies. Prohibits employment of temporary help employees as strikebreakers.

H.R. 8349. June 26, 1975. Interstate and Foreign Commerce. Requires franchisors to give franchisees 90 days notice, with limited exceptions, of intent to cancel, or failure to renew, a franchise agreement. Allows such cancellation or failure to renew only for certain specified reasons. Requires a franchisor to compensate a franchisee for the value of the franchisee's business when the franchisor, for a legitimate business reason, fails to renew the franchise.

Sets forth the judicial remedies available to a franchisee for a violation of this Act by a franchisor.

H.R. 8250. June 26, 1975. Armed Services. Authorizes the President to appoint children of recipients of the Distinguished Service Cross, Navy Cross, or Air Force Cross, as well as the Congressional Medal of Honor, to the service academies.

H.R. 8351. June 26, 1975. Ways and Means. Amends the Internal Revenue Code to allow a deduction with respect to the amortization of any qualified coalburning equipment which is used predominantly in the trade or business of furnishing electrical energy.

H.R. 8352. June 26, 1975. Armed Services. Defines the term "ambulatory surgical center" with respect to health and medical care contracts entered into by the Secretary of Defense.

H.R. 8353. June 26, 1975. Public Works and Transportation. Authorizes the Secretary of the Army, acting through the Chief of Engineers, to establish a program of flood prevention for the North Branch of the Chicago River Watershed in Illinois.

H.R. 8354. June 26, 1975. Government Operations. Directs the Comptroller General to conduct a study on the effect of reporting requirements of Federal regulatory programs on business establishments.

H.R. 8355. June 26, 1975. Merchant Marine and Fisheries. Extends the contiguous fisheries zone of the United States to a point 197 miles from the outer limits of the territorial sea. Authorizes the Administrator of the National Oceanic and Atmospheric Administration to establish criteria and procedures for the regulation and licensing of foreign fishing activity within the contiguous fisheries zone.

Prohibits fishing by foreign vessels in United States coastal waters within fifteen miles of the nearest coast-line.

H.R. 8256. June 26, 1975. Interior and Insular Affairs. Enlarges the Land and Water Conservation Fund by establishing a "Save Outdoor America" program.

H.R. 8357. June 26, 1975. Judiciary. Authorizes the detention pending trial of any person charged with an offense involving the use of a firearm when the court or judge has reason to believe that none of the specified conditions of release will reasonably assure the appearance of such person as required or will reasonably assure that such person will not be a danger to the community.

H.R. 8358. June 26, 1975. Banking, Currency and Housing. Directs the Secretary of the Treasury to mint gold coins, which shall not be legal tender, for sale to the American people.

H.R. 8359. June 26, 1975. Agriculture. Redefines the term "rural area" under the Consolidated Farm and Rural Development Act and the Housing Act of 1949 to include towns of twenty-five thousand or less inhabitants within such definition.

H.R. 8360. June 26, 1975. Interior and Insular Affairs. Enlarges the boundaries of the Rocky Mountain National Park in Colorado. Directs the Secretary of the Interior to study such additional lands to determine suitability for designation as wilderness areas.

H.R. 8361. June 26, 1975. Judiciary. Declares certain individuals lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 8362. June 26, 1975. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 8363. June 26, 1975. Judiciary. Confers jurisdiction upon the United States District Court for the District of South Carolina to hear, determine, and render judgment on any claim filed by certain individuals with respect to the death of a certain member of the United States Marine Corps.

H.R. 8364. June 26, 1975. Judiciary. Declares a certain individual to have met the definitional requirements of "widow" for purposes of determining entitlement to a civil service or armed forces survivor annuity.

H.R. 8365. June 26, 1975. Appropriations. Makes appropriations for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, for the Secretary of Transportation, the Coast Guard, the Federal Aviation Administration, the Federal Highway Administration, the National Highway Traffic Safety Administration, the Transportation Administration, the Saint Lawrence Seaway Development Corporation, the National Transportation Safety Board, the Civil Aeronautics Board, the Interstate Commerce Commission, the Panama Canal, the United States Railway Association, and the Washington Metropolitan Area Transit Authority.

H.R. 8366. July 8, 1975. Ways and Means. Amends the Internal Revenue Code with respect to the payment of unemployment taxes for (1) certain agricultural labor; (2) domestic service; (3) service performed for nonprofit corporations; and (4) state and local government employees.

Establishes minimum entitlement and compensation standards for unemployment compensation under State law, and authorizes payments to the States to assist in meeting the cost of such minimum standards.

Increases the amount of wages subject to the Federal Unemployment Tax.

H.R. 8367. July 8, 1975. Merchant Marine and Fisheries. Directs the Secretary of the Interior to regulate the trapping and capture of mammals and birds on Federal lands. Establishes an advisory commission to recommend to the Secretary acceptable methods for trapping and capture of mammals and birds.

Prohibits use of unacceptable traps in interstate or foreign commerce.

Prescribes regulations to prohibit the interstate shipment of hide, skin, feathers, or resulting products of the use of unacceptable traps.

H.R. 8368. July 8, 1975. Judiciary. Authorizes the awarding of attorneys' fees and expenses to the condemnee in proceedings to condemn real property for the use of the United States or its departments or agencies.

H.R. 8369. July 8, 1975. Ways and Means. Requires States which have entered into agreements with the Secretary of Health, Education, and Welfare for coverage of State and local employees under the Social Security Act to make payments and reports to the Secretary of the Treasury on a calendar-quarter basis.

H.R. 8370. July 8, 1975. Armed Services. Revises the uniformed services retirement and severance pay systems.

H.R. 8371. July 8, 1975. Ways and Means. Amends the Internal Revenue Code to allow employers of the same employee, by proper notice to the Secretary of the Treasury, to work out an agreement as to their respective employment and unemployment tax liabilities for such employee.

H.R. 8372. July 8, 1975. Banking, Currency and Housing. Directs the Secretary of the Treasury to strike gold commemorative coins bearing the seal or symbol of the American Revolution Bicentennial Administration.

H.R. 8373. July 8, 1975. Ways and Means. Amends the Internal Revenue Code to designate the place of residence of a Member of Congress within the State, Congressional district, territory, or possession which such Member represents in Congress, and the place of residence of a State legislator as such legislator's home.

Limits the amount which shall be deductible from the income tax by State and Federal legislators for living expenses.

H.R. 8374. July 8, 1975. Rules. Declares that certain rules proposed by Federal agencies shall take effect only if, after a certain period of time, either House of Congress does not pass a resolution disapproving such proposed rule. Establishes procedures for exercising Congressional disapproval of such proposed rules.

H.R. 8375. July 8, 1975. Ways and Means. Amends the Social Security Act by stipulating that certain support and maintenance furnished an individual shall be excluded from income for the purpose of determining such individual's eligibility for supplemental security income benefits.

H.R. 8376. July 8, 1975. Public Works and Transportation. Amends the Federal Water Pollution Control Act to allow the Administrator of the Environmental Protection Agency to accept State certification as discharging his responsibilities under certain provisions for the development and construction of adequate waste treatment facilities.

H.R. 8377. July 8, 1975. Post Office and Civil Service. Makes certain law enforcement service performed in the Coast Guard creditable service for the purpose of determining eligibility for retirement as a law enforcement officer or firefighter.

H.R. 8378. July 8, 1975. Judiciary. Authorizes and directs the payment of attorneys' fees and other costs to any defendant who prevails in a civil action in which the United States is a plaintiff.

H.R. 8379. July 8, 1975. Armed Services; Banking, Currency and Housing. Authorizes the President of the United States to present a Medal of Honor to a certain individual.

H.R. 8380. July 8, 1975. Merchant Marine and Fisheries. Amends the National Wildlife Refugee System Administration Act of 1966 to revise provisions relating to the authority of the Secretary of the Interior and the Fish and Wildlife Service with regard to the disposal of lands within the system.

H.R. 8381. July 8, 1975. Public Works and Transportation. Amends the Federal Water Pollution Control Act to further define the term "navigable waters" as it applies to the issuance of permits for dredged or fill material by the Corps of Engineers.

H.R. 8382. July 8, 1975. Public Works and Transportation. Directs the Secretary of the Army, acting through the Chief of Engineers, to study and undertake measures to improve water resources and alleviate situation problems at Quincy Bay, Broad Lake, and Triangle Lake areas in Illinois.

H.R. 8383. July 8, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act by (1) revising the method of determining a skilled nursing facility's eligibility for reimbursement and the method of computing payments and over payments to skilled nursing and intermediate care facilities under the Medicaid program; (2) requiring skilled nursing facilities to disclose the identity of persons with whom it does business; (3) further regulating business dealings between a skilled nursing facility and its owners; and (4) conditioning payment for certain services provided to a patient under the Medicare and Medicaid program upon such patient's meeting certain criteria of need for such services.

H.R. 8384. July 8, 1975. Interstate and Foreign Commerce. Amends the Communications Act of 1934 by extending the maximum term of license and license renewal for the operation of broadcasting stations from 3 to 5 years. Revises the conditions for approval of applications for licensing renewal. Allows appeals from Federal Communications Commission decisions to be brought in the circuit in which the broadcast facility is, or is proposed to be, located instead of in the District of Columbia Court of Appeals.

Requires the Federal Communications Commission to study possible reduction and consolidation of the filings, supporting documents, and other administrative materials now required for renewal applications.

H.R. 8385. July 8, 1975. Ways and Means. Amends the Internal Revenue Code to exclude from gross income the discharge of disaster relief loans under the Consolidated Farm and Rural Development Act.

Prohibits such exclusion where the disaster loss is otherwise deductible from gross income.

H.R. 8386. July 8, 1975. Ways and Means. Amends the Internal Revenue Code to deny electric and gas public utilities a deduction for any amount paid or incurred by such utility to advertise or promote the sale or use of electrical energy or gas or to promote the seller or furnisher of electrical energy or gas.

H.R. 8387. July 8, 1975. Armed Services; Banking, Currency and Housing. Authorizes the President of the United States to present a Medal of Honor to a certain individual.

H.R. 8388. July 8, 1975. Judiciary. Prohibits employees of the United States from engaging in specified national security crimes. Imposes penalties for the commission of such crimes.

Establishes an independent office to be known as the Legal Office of National Security Affairs to be directed by the National Security Solicitor for the purpose of enforcing the prohibitions specified in this Act.

H.R. 8389. July 8, 1975. Post Office and Civil Service. Eliminates the requirement that a civil service retirement annuitant, to be eligible for continued enrollment in a health benefits plan, must have been enrolled in such plan as an employee for five years prior to retirement.

H.R. 8390. July 8, 1975. Judiciary. Prohibits former Federal employees who participated in a contract formulation from being employed, for two years, by anyone who has a direct interest in the contract.

H.R. 8391. July 8, 1975. Post Office and Civil Service. Extends the period during which the revenues from rates of mail, as determined by rate schedule decisions, for eligible publications mailed by any veterans' organization or association shall not exceed the direct and indirect postal costs attributable to the mailing of such publications.

H.R. 8392. July 8, 1975. Post Office and Civil Service. Declares that letters sent to Members of Congress shall be carried in the mails at no cost to the sender.

H.R. 8393. July 8, 1975. Armed Services; Banking, Currency and Housing. Authorizes the President of the United States to present a Medal of Honor to a certain individual.

H.R. 8394. July 8, 1975. Education and Labor. Amends the Education Amendments of 1972 to stipulate that the provisions of the Act relating to discrimination based on sex or blindness shall not apply to the expenditure of revenues derived from a particular sport to the extent such revenues are used for the support and maintenance of that sport.

Declares that the Act does act prohibit separation of students by sex in physical education classes if equal facilities, equipment, instruction and opportunity for participation are provided to each sex.

H.R. 8395. July 8, 1975. Education and Labor. Amends the Education Amendments of 1972 to stipulate that the provisions of the Act relating to discrimination based on sex or blindness shall not apply to the expenditure of revenues derived from a particular sport or team to the extent such revenues are used for the support and maintenance of that sport or team.

Declares that the Act does not prohibit separation of students by sex in physical education classes if equal facilities, equipment, institution and opportunity for participation are provided to each sex.

H.R. 8396. July 8, 1975. Ways and Means. Requires States which have entered into agreements with the Secretary of Health, Education, and Welfare for coverage of State and local employees under the Social Security Act to make payments and reports to the Secretary of the Treasury on a calendar-quarter basis.

H.R. 8397. July 8, 1975. Ways and Means. Amends the Internal Revenue Code to allow a deduction with respect to the amortization of any qualified coal-burning equipment which is used for the production of heat or power.

H.R. 8398. July 8, 1975. Atomic Energy. Amends the Atomic Energy Act of 1954 to revise procedures for the pricing of enriching services provided by the Energy Research and Development Administration.

H.R. 8399. July 8, 1975. Armed Services. Makes retroactive to February 1961 certain regulations concerning pay and allowances for missing members of the uniformed services which authorize payment for the transportation of house trailers or mobile dwellings of certain members in a missing status or their dependents.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

180. By the SPEAKER: Petition of Maui County Council, Wailuku, Hawaii, relative to funding for public works projects for the State of Hawaii for fiscal year 1976; to the Committee on Appropriations.

181. Also, petition of the Social Legislation Group of Covenant House, St. Louis, Mo., relative to the sale of military arms to Jordan; to the Committee on International Relations.

182. Also, petition of the Western Regional Reciprocal and Family Support Association, San Diego, Calif., relative to child support in the States; to the Committee on Ways and Means.

183. By Mr. PEPPER: Petition of the Dade County Board of County Commissioners, relative to an in-depth assessment of the social, economic, and environmental effects of terminating farming activities in the "hole in the donut" farmland area within Everglades National Park; to the Committee on Interior and Insular Affairs.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 7114

By Mr. EDGAR:

Page 300, after line 6, add the following:

(e) no manufacturer or dealer may make any representation

(1) in writing (including a representation in an advertisement), or

(2) in any broadcast advertisement,

of fuel economy, as measured by the procedures utilized by the EPA Administrator for model year 1975 or procedures which yield comparable results, to represent a model type unless at least 60 percent of the vehicles manufactured of that model type represented in such writing or broadcast advertisement achieved on the EPA test procedures (weighted 55 percent urban cycle, 45 percent highway cycle) at least the fuel economy cited in the representation.

(f) Any representation of fuel economy which does not comply with (e) must show the entire range of fuel economies on the EPA test procedures for the model type represented as well as the fuel economy for the specific model type as equipped for the representation.

Page 300, strike out the period and insert ", or".

Page 300, after line 18, add the following:

(4) the failure to comply with section (506) (e) and (506) (f),

Page 303, after line 22, add the following:

(c) If the Federal Trade Commission determines that a manufacturer or dealer has violated Section 506(e) and/or 506(f) of this Act, it shall assess penalties provided for under subsection (1).

(c) (1) Any manufacturer or dealer who the Federal Trade Commission determines to have violated Section (506) (e) and/or (506) (f) of this Act shall be liable for a civil penalty equal to $5,000 for each violation, each representation violating Section (506) (e) and/or (506) (f) constituting a separate violation.

(c) (2) The amount of such civil penalty shall be assessed and collected by the Federal Trade Commission in a civil action. The Federal Trade Commission shall have the discretion to compromise, modify, remit, with or without conditions, any civil penalty assessed against a manufacturer or retailer only to the extent necessary to prevent the insolvency or bankruptcy of such manufacturer or retailer.

Page 305, after line 26, add the following:

Sec. 511. The United States district courts shall have jurisdiction to restrain any violation of Section 507(4). Such actions may be brought by the Federal Trade Commission in any United States district court for a district wherein any act, omission, or transactions constituting the violation occurred, or in such court for the district wherein the defendant is found or transacts business. In any action under this section process may be served on a defendant in any other district in which the defendant resides or may be found.

(Amendment to the amendment offered by Mr. Dingell.)

Page 300, after line 6, add the following:

(e) no manufacturer or dealer may make any representation—

(1) in writing (including a representation in an advertisement), or

(2) in any broadcast advertisement,

of fuel economy, as measured by the procedures utilized by the EPA Administrator for the model year 1975 or procedures which yield comparable results, representing a specific class of model type (such as a specific engine size and/or transmission, and/or optional equipment) without also making in the representation a fair disclosure of the fuel economy of the model type pursuant to rules prescribed by the Federal Trade Commission. A violation of this section shall be deemed a violation of Section 5(a) of the Federal Trade Commission Act, except that, notwithstanding any provision of the Federal Trade Commission Act, the Federal Trade Commission shall assess civil penalties pursuant to Section 508(b)(2) of this Act and Section 5(m) of the Federal Trade Commission Act does not apply to any such violation.

By Mr. OTTINGER:

Page 315, insert after line 3 the following: "A rule prescribed under this section applicable to a product may require disclosure, in any printed matter distributed at the point of sale of such product, of energy use or energy efficiency of the product (or any other information which may be required under this section to be disclosed on the label of such product). Such requirements shall not be applicable to any broadcast advertisement or any advertisement in any newspaper, magazine, or other periodical."

By Mr. WRIGHT:

On page 223, immediately before line 4, insert the following:

MARGINAL WELL RECOVERY PRICING POLICY

Sec. 302. (a) In the interest of promoting maximum recovery and eliminating waste, there is hereby created a category known as "marginal wells", and, for purposes of oil pricing policy, oil produced from these wells shall be treated as "new crude petroleum" as defined under Sec. 212.72 of Title 10 of the Code of Federal Regulations, as in effect on January 31, 1975, and shall not be subject to the pricing restrictions otherwise applicable to "old crude petroleum" as defined under Sec. 212.72 of Title 10 of the Code of Federal Regulations, as in effect on January 31, 1975.

(b) For purpose of this section, the term "marginal well" shall mean any oil well which is incapable of producing its maximum capacity of oil except by pumping, gas lift, or other means of artificial lift, and which well so equipped is capable, under normal unrestricted operating conditions, of producing such daily quantities of oil as herein set out, as would be damaged, or result in a loss of production ultimately recoverable, or cause the premature abandonment of same, if its maximum daily production were artificially curtailed. The following described wells shall be deemed "marginal wells":

(1) Any oil well incapable of producing its maximum daily capacity of oil except by pumping, gas lift, or other means of artificial lift, and having a maximum daily capacity for production often ten barrels or less, averaged over the preceding thirty consecutive days, producing from a depth of two thousand (2,000) feet or less.

(2) Any oil well incapable of producing its maximum daily capacity of oil except by pumping, gas lift, or other means of artificial lift, and having a maximum daily capacity for production of twenty barrels or less, averaged over the preceding thirty consecutive days producing from a horizon deeper than two thousand (2,000) feet and less in depth than four thousand (4,000) feet.

(3) Any oil well incapable of producing its maximum daily capacity of oil except by pumping, gas lift, or other means of artificial lift, and having a maximum daily capacity for production of twenty-five barrels or less, averaged over the preceding thirty consecutive days, producing from a horizon deeper than four thousand (4,000) feet and less in depth than six thousand (6,000) feet.

(4) Any oil well incapable of producing its maximum daily capacity of oil except by pumping, gas lift, or other means of artificial lift, and having a maximum daily capacity for production of thirty barrels or less, averaged over the preceding thirty consecutive days, producing from a horizon deeper than six thousand (6,000) feet and less in depth than eight thousand (8,000) feet.

(5) Any oil well incapable of producing its maximum daily capacity of oil except by pumping, gas lift, or other means or artificial lift, and having a maximum daily capacity for production of thirty-five barrels or less, averaged over the preceding thirty consecutive days, producing from a horizon deeper than eight thousand (8,000) feet.

The words, "gas lift", when used in this section shall mean gas lift by the use of gas not in solution with oil produced.

And renumber subsequent sections accordingly.

H.R. 8731

By Mr. WYLIE:

On page 2 strike lines 5 through 15.

SENATE—*Wednesday, July 30, 1975*

(Legislative day of Tuesday, July 22, 1975)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by Hon. Joseph M. Montoya, a Senator from the State of New Mexico.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O God, our Father, all the ways of our need lead to Thy throne. We are weak and Thou art strong, we are poor and Thou art rich, we lack wisdom and Thou art all-wise. Be our support all the day long. Help us to work in concord and with joy in our hearts. Grant us the will to accent the positive, to live by affirmation and not by cynicism, to assert our faith and not our doubts. Give us grace to live by Thy Holy Word:

Trust in the Lord with all thine heart; and lean not unto thine own understanding. In all thy ways acknowledge Him, and He shall direct thy paths.—Proverbs 3: 5, 6.

Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Eastland).

The legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, D.C., July 30, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. Joseph M. Montoya, a Senator from the State of New Mexico, to perform the duties of the Chair during my absence.

James O. Eastland,
President pro tempore.

Mr. MONTOYA thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Tuesday, July 29, 1975, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

DISEASE CONTROL AMENDMENTS OF 1975

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar No. 323, S. 1466.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 1466) to amend the Public Health Service Act to extend and revise the program of assistance for the control and prevention of communicable diseases.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Labor and Public Welfare with an amendment to strike out all after the enacting clause and insert the following:

TITLE I—DISEASE CONTROL

SHORT TITLE

Sec. 101. This title may be cited as the "Disease Control Amendments Act of 1975".

AMENDMENT TO THE PUBLIC HEALTH SERVICE ACT

Sec. 102. (a) Subsection (a) of section 317 of the Public Health Service Act (42 U.S.C. 247b) is amended by—

(1) inserting "project" before "grants" in the first sentence;

(2) inserting "project" before "grant" each time it appears;

(3) striking "communicable" each time it appears in the second sentence;

(4) inserting "or conditions" after "diseases" in the second sentence; and

(5) striking "disease" in the second sentence.

(b)(1) Subsection (b) of such section is amended by inserting "project" before "grant" each time it appears.

(2) Subsection (b)(2)(B) of such section is amended by—

(A) inserting "or conditions" after "diseases";

(B) striking "of the importance of immunization against such diseases, to encourage such persons to seek appropriate immunization and to facilitate access by such persons to immunization services" and inserting in lieu thereof "including the methods and services available to prevent these diseases or conditions".

(3) The amendment made by paragraph (2) shall be effective for fiscal years beginning after June 30, 1975.

(c) Subsection (b)(2)(C) of such section is amended by—

(1) striking "communicable" each time it appears;

(2) inserting "or condition" after "disease" the first time it appears; and

(3) striking "disease" the second time it appears and inserting in lieu thereof "related".

(d)(1) Subsection (c) is amended by inserting "project" before "grant" each time it appears.

(2) Subsection (c)(2) of such section is amended by inserting before the period at the end thereof ", and such amount shall be deemed as part of the grant and deemed to have been paid to the recipient".

(e) Subsection (f)(1) of such section is amended by—

(1) striking "communicable";

(2) inserting "or conditions" after "disease"; and

(3) inserting "project" after "grants" each time it appears.

(f) Subsection (g) of such section is amended by—

(1) inserting "or conditions" after "diseases" in clauses (1) and (2), and

(2) inserting "and conditions" after "diseases" in clauses (3) and (4).

(g) Subsection (h)(1) is amended to read as follows:

"(1) The term 'disease control program' means a program which is designed and conducted so as to contribute to national protection against tuberculosis, rubella, measles, Rh disease, poliomyelitis, diphtheria, tetanus, whooping cough, mumps, diabetes mellitus, or other diseases or conditions (other than venereal disease) which are amenable to reduction, and are determined by the Secretary to be of national significance. Such term includes vaccination programs, case-finding programs, public and professional education programs, other preventive health programs, laboratory services, and studies to determine the communicable disease control needs of States and political subdivisions of States and the means of best meeting such needs.".

(h) Subsection (i) of such section is amended by—

(1) striking "communicable"; and

(2) inserting "project" before "grants".

(i) Such section is amended by adding after subsection (i) the following new subsection:

"(j) For the purpose of payments pursuant to project grants and contracts under section 317 of the Act there are authorized to be appropriated $30,000,000 for the fiscal year ending June 30, 1976, $35,000,000 for the fiscal year ending June 30, 1977, and $40,000,000 for the fiscal year ending June 30, 1978."

TITLE II—VENEREAL DISEASE

SEC. 201. This title may be cited as the "National Venereal Disease Prevention and Control Amendments of 1975".

FINDINGS AND DECLARATION OF PURPOSE

SEC. 202. (a) The Congress finds and declares that—

(1) the number of reported cases of venereal disease continues in epidemic proportions in the United States;

(2) the number of patients with venereal disease reported to public health authorities is only a fraction of those actually infected;

(3) the incidence of venereal disease is particularly high in the 15–29-year age group, and in metropolitan areas;

(4) venereal disease accounts for needless deaths and leads to such severe disabilities as sterility, insanity, blindness, and crippling conditions;

(5) the number of cases of congenital syphilis, a preventable disease, tends to parallel the incidence of syphilis in adults;

(6) it is conservatively estimated that the public cost of care for persons suffering the complications of venereal disease exceed $80,000,000 annually;

(7) medical researchers have no successful vaccine for syphilis or gonorrhea, and have no blood test for the detection of gonorrhea among the large reservoir of asymptomatic females;

(8) school health education programs, public information and awareness campaigns, mass diagnostic screening and case followup activities have all been found to be effective disease intervention methodologies;

(9) knowledgeable health providers and concerned individuals and groups are fundamental to venereal disease prevention and control;

(10) biomedical research leading to the development of vaccines for syphilis and gonorrhea is of singular importance for the eventual eradication of these dreaded diseases; and

(11) a variety of other sexually transmitted diseases, in addition to syphilis and gonorrhea, have become of public health significance.

(b) In order to preserve and protect the health and welfare of all citizens, it is the purpose of this Act to establish a national program for the prevention and control of venereal disease.

SEC. 203. (a) Section 318(a) of the Public Health Service Act (42 U.S.C. 247c) is amended by inserting "and nonprofit private entities" after "authorities".

(b) Section 318(b)(1) of such Act is amended by inserting "which will contribute to national objectives" after "training".

(c) Section 318(b)(2) of such Act is amended by inserting before the period at the end thereof "and $5,000,000 for the fiscal year ending June 30, 1976, $5,000,000 for the fiscal year ending June 30, 1977, and $5,000,000 for the fiscal year ending June 30, 1978".

(d) Section 318(c)(1) of such Act is amended by adding at the end thereof "and $5,000,000 for the fiscal year ending June 30, 1976, and $10,000,000 for the fiscal year ending June 30, 1977, and $15,000,000 for the fiscal year ending June 30, 1978.".

(e) Section 318(e)(8)(C) of such Act is amended by striking "(including dark-field microscope techniques for the diagnosis of both gonorrhea and syphilis)".

(f) Paragraphs (D), (E), (F), (G), and (H) of section 318(c)(2) of such Act are redesignated as (E), (F), (G), (H), and (I), and the following new paragraph is inserted after paragraph (C) as follows:

"(D) to the extent feasible as determined by criteria developed by the Secretary, the provision of clinical services for persons affected with venereal disease which includes diagnosis and care for persons with a wide range of genitourinary diseases and conditions, which, because of their symptoms and clinical presentations, are commonly present in persons with actual or suspected venereal disease;".

(g) Section 318(d)(1)(B) of such Act of amended by inserting before the semicolon at the end thereof the following: "and routine testing, including attendant laboratory and followup systems costs thereof".

(h) Section 318(d)(1)(D) of such Act is amended by inserting "targeted" before "professional".

(i) Section 318(d)(1)(E) of such Act is amended by striking "control" and inserting in lieu thereof "prevention and control strategies or activities".

(j) Section 318(d)(2) of such Act is amended by inserting before the period at the end thereof "and $31,000,000 for the fiscal year ending June 30, 1976, $33,000,000 for the fiscal year ending June 30, 1977, and $36,000,000 for the fiscal year ending June 30, 1978".

(k) Section 318(h) of such Act is amended by striking "treated or to have any child or ward of his".

(l) Section 318 of such Act is amended by adding at the end thereof the following:

"(m) As used in this section, the term 'venereal disease' means syphilis and gonorrhea and any other sexually transmitted disease which the Secretary finds to be of national significance and which, with respect to grants under subsection (d), the Secretary finds to be amenable to control.".

TITLE III—HEALTH EDUCATION AND PROMOTION

SHORT TITLE

SEC. 301. This may be cited as the "National Consumer Health Education and Promotion Act of 1975".

AMENDMENT TO THE PUBLIC HEALTH SERVICE ACT

SEC. 302. The Public Health Service Act is amended by adding after title XVI the following new title:

"TITLE XVII—OFFICE OF CONSUMER HEALTH EDUCATION AND PROMOTION AND THE CENTER FOR HEALTH EDUCATION AND PROMOTION

"PART A—OFFICE OF CONSUMER HEALTH EDUCATION AND PROMOTION

"ESTABLISHMENT OF OFFICE OF CONSUMER HEALTH EDUCATION AND PROMOTION

"SEC. 1701. (a) There is established in the Department of Health, Education, and Welfare the Office of Consumer Health Education and Promotion (hereafter in this Act referred to as the 'Office') which shall be under the direction of a Director who shall be appointed by the Secretary of Health, Education, and Welfare (hereafter in this Act referred to as the 'Secretary') and supervised by the Assistant Secretary for Health (or such other officer of the Department as may be designated by the Secretary as the principal adviser to him for health programs).

"(b) To facilitate the development of health education and promotion strategy for the Nation, the Office shall carry out the following functions: Engage in research in health education and promotion, develop community health education programs, stimulate and coordinate communications in health education, and overview and coordinate Federal programs.

"GENERAL AUTHORITY

"SEC. 1702. The Secretary, acting through the Office shall—

"(1) design and implement national goals and strategies with respect to health education and promotion;

"(2) determine health education and promotion needs and resources, and recommend appropriate educational and certifying policies of health education and promotion manpower;

"(3) incorporate appropriate health education and promotion strategies into every facet of our society and increase the application of health knowledge, skills, and practices by the general population in their patterns of daily living;

"(4) increase the effectiveness and efficiency of health education and promotion programs through improved planning, implementation of tested models, and evaluation of results;

"(5) establish systematic processes for the exploration, development, demonstration, and evaluation of innovative health education concepts; and

"(6) foster information exchanges and cooperation among health education providers, consumers, and supporters.

The Secretary shall carry out this title in a manner consistent with the national health priorities set forth in section 1502 of the Public Health Service Act and with activities undertaken under title XV of the Public Health Service Act (relating to health planning and development).

"SPECIFIC FUNCTIONS

"Research Programs

"SEC. 1703. (a) (1) The Secretary shall by grants and contracts to public or nonprofit private entities conduct and support research in health education and promotion. The Secretary shall—

"(A) determine the scope and nature of health education research;

"(B) rank research projects in order of priority;

"(C) initiate, stimulate, and fund projects that are determined to be necessary;

"(D) provide consultation to persons preparing research proposals or those who are conducting research;

"(E) determine the best methodologies to disseminate information on the value of preventive measures in health care and to implement health education and promotion strategies;

"(F) determine the best methods to increase the awareness of health providers regarding the cultural sensitivities of population groups which may affect such groups willingness or ability to seek and accept services, including preventive health services;

"(G) ascertain the costs and cost-benefit of disseminating such information and of implementing health education and promotion strategies;

"(H) determine factors in social behavior which impact on health and determine the interaction of sociological determinants with the field of health education;

"(I) review those factors which affect environmental and occupational health, ascertain those programs and areas for which educational and preventive measures could be implemented to improve environmental and occupational health, and engage in research and policy formulation in such areas as accidents, nutrition, dental care, occupational health and safety, and environmental stress; and

"(J) conduct a review of biological-genetic factors which, acting independently or in concert with environmental factors, can affect health and ascertain whether education of the public concerning these factors, and their detection, can improve health.

"(2) The Secretary, in carrying out his responsibilities under this section, shall use the findings of the continuing surveys of the needs, interests, attitudes, knowledge, and behavior of the American public regarding health as conducted by the National Center for Health Statistics as a basis for formulating policy with respect to health education and promotion.

"Community Programs

"(b) (1) The Secretary shall support and encourage innovative programs in health education and promotion and shall specifically—

"(A) support demonstration programs, including training, in health education and promotion, which programs (i) are within hospitals, ambulatory care settings, and other appropriate settings, (ii) focus on goals and objectives that are measurable, and (iii) emphasize the prevention or moderation of illness or accidents that appear controllable through individual behavior;

"(B) provide consultation to organizations in planning or evaluating health education and promotion programs;

"(C) develop health education and promotion model curriculums with appropriate representatives from medical, dental, and nursing schools, schools of public health, and other institutions engaged in training health personnel for the purpose of implementing such curriculums within these institutions;

"(D) establish continuing education programs to disseminate the most recent research findings in the field; and

"(E) support by grant or contract the development and implementation of a model toll-free telephone system to provide the public with health information, information on available health services, crisis information, and directions for obtaining health related publications.

"(2) (A) The Secretary is authorized to make grants and contracts to public or nonprofit private entities for the purpose of developing programs of health care education for a defined geographic region pursuant to and in accordance with those established in section 1511 of the Public Health Service Act and with activities undertaken under title XV of the Public Health Service Act (relating to health planning and development). In awarding such grants and contracts the Secretary shall assure an equitable geographic and demographic distribution of all funds appropriated.

"(B) Projects which receive Federal funds under this subsection shall—

"(1) utilize in a coordinated manner such health education methods as may be appropriate to provide effective health education services to the population of the applicable region; and

"(2) evaluate the effectiveness of each health education method utilized and identify its particular advantages or disadvantages.

"Health Education Training

"(c) The Secretary acting through the Director is authorized to make grants and contracts to public or nonprofit private entities to provide for the training for health personnel in health education and promotion.

"School Health Education Training

"(d) (1) The Secretary acting through the Director may make grants to local educational agencies and institutions of higher education for teacher training with respect to the provision of comprehensive health education programs in schools. Such grants may be used by such agencies and institutions to develop and conduct training programs for elementary and secondary teachers with respect to teaching methods and techniques, information, and current issues relating to health and health problems. For purposes of this Act the term 'health education and health problems' includes dental health, disease control, environmental health, human ecology, mental health, nutrition, physical health, safety and accident prevention, smoking and health, substance abuse, consumer health, and such others as may be deemed appropriate by the Director in concurrence with the Commissioner of Education.

"(2) The Director, in exercising authority with respect to (a) determination of criteria for the selection of grants, and (b) selection of grants from eligible applicants, shall consult with, and obtain the approval of, the Commissioner of Education.

"(3) In establishing criteria for the award of grants under this section, such criteria must include priority for applications for support of programs which provide: (1) in-service rather than preservice training, except in such cases where an applicant has demonstrated that: (A) inservice training is not practicable, and (B) reasonable opportunity exists for persons undergoing preservice training to obtain positions in which they shall apply such training, and (2) training of persons who, as a result of such training, will have as their major responsibility, work in health education in schools.

"Requirements Applicable to Providers of Institutional Care

"(e) The Secretary may not approve an application of any health care facility for a grant or contract under the Public Health Service Act or the Community Mental Health Centers Act for a fiscal year beginning after the date of enactment of this Act unless the application contains or is supported by assurances satisfactory to the Secretary that, during the period for which the assistance applied is to be made available, the applicant will provide such consumer health education for individuals receiving inpatient or outpatient services through such health care facility as the Secretary shall by regulation prescribe.

"Communications in Health Education and Promotion

"(f) The Secretary shall establish liaison with the Office, providers of health education services, and the communications. The Secretary shall—

"(1) inventory the existing health education information data systems, encourage further development of such systems, and work to coordinate the efforts of all major groups involved in health education information data systems;

"(2) make health information available to the public and to organizations involved in health education and promotion;

"(3) continually evaluate the effectiveness of existing health information and health education and promotion services to enhance their scope and quality;

"(4) encourage pretesting and expert evaluation of health information materials;

"(5) bring together the major national health educational organizations to share ideas, to identify gaps and overlaps in health education and promotion programs and research, and to find ways in which the organizations can cooperate to make efforts more effective.

"(6) find ways in which the communications media and the Office can cooperate to provide effective public service programing in health education and promotion;

"(7) seek ways of promoting general public health education and promotion programs and of reducing misleading media advertising and other health-threatening behavior in communications programs designed for children and families; and

"(8) establish the Office as a source of information and expertise which can be used in planning and creating both commercial and noncommercial material in health education and promotion.

In the case where materials are developed, through activities funded under this title and/or through activities of the Office and where the materials have commercial value, the moneys which result from the license, sale, rent, grant or other transaction of said materials shall be paid into the public treasury. The Director with consultation of the Secretary shall determine the fair market value of such materials and shall have the authority to authorize such transactions.

"Federal Programs

"(g) The Secretary, in conjunction with the Interdepartmental Committee on Consumer Health Education and Promotion established by section 1704, shall make recommendations to the Congress for the inclusion in appropriate legislation of provisions respecting health education and promotion. The Secretary shall—

"(1) promote the coordination, communication, and collaboration of health education and promotion programs within the Department of Health, Education, and Welfare;

"(2) establish a liaison with other Federal agencies engaged in health education and promotion, including the Consumer Product Safety Commission, the Department of Agriculture, the Environmental Protection Agency, the Department of Transportation, and the Department of Defense; and

"(3) identify and make public those Federal programs and actions which are not in the interest of public health and determine methods for reviewing and commenting on such programs and actions as identified pursuant to section 1704(d).

"INTERDEPARTMENTAL COMMITTEE ON CONSUMER HEALTH EDUCATION AND PROMOTION

"SEC. 1704. (a) There is established an Interdepartmental Committee on Health Education and Promotion (hereinafter referred to in this section as the 'Committee') which shall be responsible for overview and coordination of all Federal programs and activities relating to health education and promotion to assure the adequacy and effectiveness of such programs and activities and to provide for the communication and exchange of information necessary to promote these functions;

"(b) The Secretary or his designee shall serve as Chairman of the Committee, the membership of which shall include appropriate representation from the Department of Agriculture, the Environmental Protection Agency, the Department of Transportation, the Department of Defense, the Veterans' Administration, the National Science Foundation, the Federal Communications Commission, the National Academy of Sciences, the Consumer Product Safety Commission, and such other Federal agencies and offices (including appropriate agencies and offices of the Department of Health, Education, and Welfare, including the Office of Education, the National Institute for Occupational Safety and Health, the Office of Child Development, the National Institute of Drug Abuse, and the National Institute of Alcoholism and Alcohol Abuse) as the Secretary determines, administer programs directly affecting health education and promotion;

"(c) The Committee shall meet at the call of the Chairman, but not less often than four times a year;

"(d) The Committee shall identify Federal programs and actions which are not in the interest of public health and determine methods for reviewing and commenting on such programs and actions, including recommendations for legislation and administrative action within the executive branch; and

"(e) The Secretary shall provide the Committee with such full-time professional and clerical staff, information, other support, and the services of such consultants as may be necessary to assist it in carrying out effectively its functions under this section.

"ADVISORY COUNCIL

"SEC. 1705. (a) There is established the Consumer Health Education and Promotion Advisory Council (hereafter in this section referred to as the 'Advisory Council') which shall consist of nineteen members appointed by the Secretary. The Secretary shall from time to time appoint one of the members to serve as Chairman. The members shall include persons who have distinguished themselves in the fields of medicine (including preventive medicine), dentistry, health education, nursing, the social and behavioral sciences, nutrition, and the provision of health services; persons who are representative of the interests of the general public (including representatives of business, labor, and consumer groups); and persons from government. Each member shall hold office for a term of four years, except that the Secretary may stagger the terms of members first appointed to the Advisory Council, and any members appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term. A member shall not be eligible to serve continuously for more than two years. The Secretary may, at the request of the Director, appoint such special advisory professional or technical committees as may be useful in carrying out this title. Members (other than members who are officers or employees of the United States) of the Advisory Council or of such committees, shall be entitled to receive for each day (including traveltime) during which they are engaged in the actual performance of duties vested in the Advisory Council or committee compensation at rates fixed by the Secretary, but not exceeding $100 per day, and while so serving away from their homes or regular places of business each member may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently. The Advisory Council shall meet as frequently as the Secretary deems necessary. Upon request of five or more members, it shall be the duty of the Secretary to call a meeting of the Advisory Council.

"(b) It shall be the function of the Advisory Council to provide advice and recommendations for the consideration of the Secretary on matters of general policy with respect to the functions of the Office. The Advisory Council shall make an annual report to the Secretary and to the Congress on the performance of its functions, including any recommendations it may have with respect thereto.

"(c) The Advisory Council is authorized to engage such technical assistance as may be required to carry out its functions, and the Secretary shall, in addition, make available to the advisory council such secretarial, clerical, and other assistance and such pertinent data obtained and prepared by the Department of Health, Education, and Welfare, as the advisory council may require to carry out its functions.

"REPORTS

"SEC. 1706. (a) The Secretary shall make an annual report (not later than December 1 of each year except in the year this title is enacted into law) to the Congress on the activities and policy recommendations of the Office.

"(b) The Secretary, acting through the Office, shall assemble and submit to the President and the Congress not later than December 1 of each year—

"(1) a report of the activities, findings, and recommendations of the Office, and

"(2) recommendations, based on the findings and recommendations of the Office, and the Interdepartmental Committee on Consumer Health Education and Promotion for legislation and administrative action within the executive branch.

"(c) The Office of Management and Budget may review any report, recommendations, or submission made by the Secretary, the committee, or the Advisory Council in regard to this Act before its submission to the Congress, but the Office of Management and Budget may not revise the report or delay its submission, and it may submit to the Congress its comments (and those of other departments or agencies of the Government) respecting such submission.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 1707. To carry out this title there are authorized to be appropriated $11,000,000 for the fiscal year ending June 30, 1976, $11,000,000 for the fiscal year ending June 30, 1977, and $24,000,000 for the fiscal year ending June 30, 1978.

"PART B—CENTER FOR HEALTH EDUCATION AND PROMOTION

"CONGRESSIONAL DECLARATION OF POLICY

"SEC. 1708. The Congress finds and declares that—

"(1) it is in the public interest to inform the public about health and about ways to best protect and improve personal health;

"(2) the public must develop the ability to examine and weigh consequences of personal decisions respecting health;

"(3) the public must be motivated to desire changes supportive of more healthful lifestyles;

"(4) impediments that inhibit the voluntary adoption and maintenance of more healthful practices by the public must be identified and mitigated or removed;

"(5) to achieve these goals it is necessary for the Federal Government to complement, assist, and support a national policy that will advance the national health, reduce preventable illness, disability, and death; moderate self-imposed risks, and promote progress and scholarship in consumer health education and promotion; and

"(6) a private corporation should be created to facilitate the development of a health education and promotion strategy for the Nation.

"BOARD OF DIRECTORS

"SEC. 1709. (a) The Center shall have a Board of Directors (hereinafter in this title referred to as the 'Board') consisting of twenty-five members appointed by the President, by and with the advice and consent of the Senate.

"(b) The members of the Board (1) shall be selected from among citizens of the United States (not regular full-time employees of the United States) who are eminent in such fields as, and represent, health education, health care services delivery, nutrition, general education, consumer representation and advocacy, communications, labor and business, planning and organizational management, and public and private finance, and (2) shall be selected so as to provide as early as practicable a broad representation of various regions of the country and of various kinds of skills and experiences appropriate to the functions and responsibilities of the Center. They shall serve as incorporators and shall take whatever actions are necessary to create a nonprofit corporation to be known as the Center for Health Education and Promotion (hereafter in this title referred to as the 'Center') under the District of Columbia Nonprofit Corporation Act within sixty days from the effective date of this title. The Center and its articles of incorporation, bylaws, and all other rules and regulations shall incorporate by reference and be subject to this title.

"SEC. 1710. (a) The members of the Committee shall serve as the members of the first Board.

"(b) The term of office of each member of the Board shall be four years; except that (1) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term; (2) the terms of office of members first taking office shall begin on the date of incorporation and shall expire, as designated at the time of their appointment, nine at the end of one year, eight at the end of two years, and eight at the end of four years; and (3) a member whose term has expired may serve until his successor has qualified. No member shall be eligible to serve in excess of two consecutive terms of four years each.

"(c) Any vacancy in the Board shall not affect its power, but shall be filled in the manner in which the original appointments were made.

"(d) The members of the Board shall elect one of their members as Chairman; thereafter the members of the Board shall annually elect one of their number as Chairman. The members of the Board shall also elect one or more of them as a Vice Chairman or Vice Chairmen.

"(e) The members of the Board shall not, by reason of such membership, be deemed to be employees of the United States. They shall, while attending meetings of the Board or while engaged in duties related to such meetings or in other activities of the Board, be entitled to receive compensation at the rate of $100 per day including traveltime, and while away from their homes or regular places of business they may be allowed travel expenses, included per diem in lieu of subsistence, equal to that authorized by law (5 U.S.C. 5703) for persons in the Government service employed intermittently.

"OFFICERS AND EMPLOYEES

"SEC. 1711. (a) The Center shall have a President, and such other officers as may be named and appointed by the Board for terms and at rates of compensation fixed by the Board. No individual other than a citizen of the United States may be an officer of the Center. No officer of the Center, other than the Chairman and any Vice Chairman, may receive any salary or other compensation from any source other than the Center during the period of his employment by the Center. All officers shall serve at the pleasure of the Board.

"NONPROFIT AND NONPOLITICAL NATURE OF THE CENTER

"SEC. 1712. (a) The Center shall have no power to issue any shares of stock or to declare or pay any dividends.

"(b) No part of the income or assets of the Center shall inure to the benefit of any director, officer, employee, or any other individual except as salary or reasonable compensation for services.

"(c) The Center may not contribute to or otherwise support any political party or candidate for elective public office.

"FUNCTIONS

"SEC. 1713. (a) To facilitate the development of a health education and promotion strategy for the Nation the Center shall carry out the following functions:

"(1) The Center shall establish communications with, provide a forum for the involvement of, and seek the advice and support of, organizations, agencies, and groups involved in health care, education, labor and business, social and civic organizations, consumer organizations, and communications. The Center shall review and analyze the need, and resources available, for health education and promotion and the effectiveness of alternative health education methods and procedures on health status to determine which methods and procedures offer the best opportunities for improving the Nation's health. Specifically, the Center shall—

"(A) provide a private focal point for the coordination of a structured national exchange on health education issues and problems involving all of the various concerned disciplines and interests;

"(B) identify and express the superordinate health education policies and guides to which many different organizations, agencies, and groups can subscribe and incorporate voluntarily into their own health education efforts;

"(C) stimulate, sponsor, coordinate, and support the development of new health education initiatives and programs in which many organizations and agencies can participate;

"(D) develop national policy recommendations which are supportive of long-range preventive approaches to national health improvement; and

"(E) provide a forum of nongovernmental organizations to participate in comprehensive national planning, action, and evaluation of health education efforts.

"(2) The Center shall coordinate and stimulate a variety of projects involving other organizations, agencies, and groups to develop such strategy designs or design components as are required to increase the appropriateness, acceptability, and effectiveness of health education efforts nationwide. In the performance of this function, the Center shall—

"(A) in order to indicate directions for improving the Nation's health, develop a perspective and definition of the role of health education, its placement in the health and education systems, and its relationship to prevention and general health maintenance practices;

"(B) review, analyze, and summarize unmet consumer health education needs and identify the critical gaps or deficiencies in personal preventive practices, in the use of health and related social services, and in programs to improve social and environmental conditions and other conditions affecting health care and education;

"(C) review, analyze, and assess the state of health education and promotion theory and practices in relation to identified consumer needs and identify the possibilities for the development of new or improved technologies and practices;

"(D) identify the types and availability of the resources required to meet consumer needs; and

"(E) develop action plans for the development or increased allocation of resources required to produce significant results in meeting consumer health education needs.

"(3) The Center shall assist in stimulating, developing, implementing, and assessing a total communications program utilizing a full range of media available to reach diversified groups in order to increase national understanding and support for the value of health education and the role each citizen and every organization, institution, and agency can and should play to improve individual, community, and, ultimately, the national health through educational means. In performance of this function, the Center shall—

"(A) be an active participant in the efforts of organized elements at all levels in the health and educational systems and work with all interested organizations, agencies, and groups to assist in the development of more concerted, cooperative approaches to meeting consumer needs;

"(B) publicize the latest information on technological developments in health education and on effective health education practices;

"(C) develop opportunities which will enable consumer's and citizen's groups to become effective advocates for health education in their communities; and

"(D) publicize and work with other public or private organizations, agencies (including the Office), and groups to secure widespread endorsement and implementation of the Center's policies and recommendations.

"(4) The Center shall assist in accelerating the incorporation of improved technology into health education practice by establishing a system of technical assistance and training and by making available the expertise of other cooperating organizations, as well as its own staff, in response to the needs of National, State, and local groups for assistance in improving the planning, implementation, and evaluation of their health education programs. In the performance of this function, the Center shall—

"(A) identify individuals with specialized skills, knowledge, and experience for involvement in the Center's policy and strategy functions, for work on specialized cooperative projects, and for response to external requests for assistance;

"(B) develop a cadre of consultants and trainers and establish mechanisms for their use by organizations, agencies, and groups requesting the Center's assistance;

"(C) stimulate and assist in the development and provide practical and tested models, instruments and procedures for health education program planning and assessment, for training of health education providers, and for consumer and community involvement in the planning, implementation, and evaluation of health education strategies and programs; and

"(D) identify information, training, research, and planning deficiencies generally current in health education practices and develop programs of projects for the correction of such deficiencies.

"(5) The Center shall encourage the development and utilization of valid and acceptable research and evaluation methods for a wide variety of health education programs and technologies. It shall develop coalitions and consortium arrangements with other organizations and agencies for cooperative efforts in model design and testing and for joint sponsorship and exchange of information on comparable research and evaluation projects. In the performance of this function, the Center shall—

"(A) stimulate and support the development of valid techniques and strategies to measure the appropriateness, acceptability, and effectiveness of the process and outcomes of experimental and demonstration health education projects;

"(B) establish mechanisms for continuing communication concerning program test experience, modifications, and evaluation;

"(C) analyze, summarize, and disseminate information regarding experiences of diversified applications of recommended models, components, and evaluation approaches; and

"(D) selectively field test measures, instruments, techniques, and model components as required for Center strategy design activities.

"(6) Included in the activities of the Center authorized for accomplishment of the purposes set forth in this section are among others not specifically named—

"(A) to obtain grants from and to make contracts with individuals and with private, State, and Federal agencies, organizations and institutions.

"(b) The Center in carrying out its functions under this section may prescribe such regulations as it deems necessary.

"ADVISORY PANEL

"SEC. 1714. The Board shall appoint an advisory panel comprised of one hundred individuals with appropriate competencies and abilities. The principal function of the advisory panel shall be to provide advice for members of the Board. Additionally, it shall serve as a primary source for appointments to special committees, task forces, and conferences. The advisory panel shall receive all Center reports.

"REPORTS TO CONGRESS

"SEC. 1715. The Center shall submit an annual report to the President for transmittal to the Congress. The report shall include a comprehensive and detailed report of the

Center's operations, activities, financial condition, and accomplishments under this title and may include such recommendations as the Center deems appropriate.

"FINANCING

"SEC. 1716. (a) There are authorized to be appropriated to the Center for the purposes of carrying out the functions enumerated in section 1716 of this Act $1,000,000 for fiscal year ending June 30, 1976; $1,000,000 for the fiscal year ending June 30, 1977; and $1,000,000 for the fiscal year ending June 30, 1978.

"(b) In addition to the sums authorized to be appropriated by paragraph (a) of this subsection, the Center is authorized to receive income, grants, donations, bequests, or other contributions from non-Federal sources.

"RECORDS AND AUDIT

"SEC. 1717. (a) The accounts of the Center shall be audited annually in accordance with generally accepted auditing standards by independent certified public accountants or independent licensed public accountants certified or licensed by a regulatory authority of a State or other political subdivision of the United States. The audits shall be conducted at the place or places where the accounts of the Center are normally kept.

"(b) The report of each such independent audit shall be included in the annual report required by section 208. The audit report shall set forth the scope of the audit and include such statements as are necessary to present fairly the Center's assets and liabilities, surplus or deficit, with an analysis of the changes therein during the year, supplemented in reasonable detail by a statement of the Center's income and expenses during the year, and a statement of the sources and application of funds, together with the independent auditor's opinion of those statements.

"GRANTS FOR WATER TREATMENT PROGRAMS

"SEC. 1718. (a) There are hereby authorized to be appropriated $2,000,000 for the fiscal year ending June 30, 1976; $3,000,000 for the fiscal year ending June 30, 1977; and $4,000,000 for the fiscal year ending June 30, 1978; which shall be used by the Secretary to make grants, only in such instances where the applicant voluntarily requests such assistance, to States, political subdivisions of State, and other public or nonprofit private agencies, organizations, and institutions to assist them in initiating, in communities or in public elementary or secondary schools, water treatment programs designed to reduce the incidence of oral disease or dental defects among residents of such communities or the students in such schools (as the case may be).

"(b) Grants under this section may be utilized for (but are not limited to) the purchase and installation of water treatment equipment.

"(c) Grants under this section shall not exceed 80 per centum of the cost of the treatment program with respect to which such grant under this section is made.

"DEFINITIONS

"SEC. 1719. For purposes of this Act—

"'Health education and promotion' is a process that favorably influences understandings, attitudes, and conduct, including cultural awareness and sensitivity, in regard to individual and community health. Specifically, it affects and influences individual and community health behavior and attitudes in order to moderate self-imposed risks, maintain and promote physical and mental health and efficiency, and reduce preventable illness, disability, and death.".

TECHNICAL AMENDMENTS

SEC. 303. (a) Subsection (c) of section 306 of the Public Health Service Act is redesignated subsection (c)(2), and a new subsection (c)(1) is inserted immediately preceding subsection (c)(2), to read as follows:

"(c)(1) The Center shall make a continuing survey of the needs, interests, attitudes, knowledge, and behavior of the American public regarding health. The Center shall transmit the findings of such surveys and of the findings of similar surveys contracted for or otherwise obtained by the Center and conducted by national health education organizations and community health education organizations accompanied by appropriate Center analysis, if any, to the Secretary, the Assistant Secretary for Health, and to the Office of Consumer Health Education and Promotion for their use in formulating policies respecting health education and promotion."

(b) Subsection (i) of section 308 of the Public Health Service Act is amended by adding the following new paragraph (3) after paragraph (2):

"(3) Of those sums appropriated by Congress under section 308 of the Act not less than $1,000,000 for the fiscal year ending June 30, 1976, $1,000,000 for the fiscal year ending June 30, 1977, and $1,000,000 for the fiscal year ending June 30, 1978, shall be made available to carry out the activities of section 306(c)(1)."

Mr. MANSFIELD. Mr President, on behalf of the Senator from Washington (Mr. MAGNUSON) Chairman of the Committee on Commerce, I call up a series of amendments and ask that they be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the amendments are considered and agreed to en bloc.

The amendments agreed to en bloc are as follows:

On page 45, after line 6, insert the following new title:

"TITLE IV—DENTAL HEALTH

"SHORT TITLE

"SEC. 401. This title may be cited as the 'Children's Dental Health Act of 1975'.

"ALLOCATION OF ASSISTANCE FOR DENTAL HEALTH

"SEC. 402. The Public Health Service Act is amended by inserting the following new section after section 227 thereof:

"'ALLOCATION OF ASSISTANCE FOR DENTAL HEALTH

"'SEC. 228. The Secretary shall annually allocate, from funds appropriated for programs authorized under this Act for migrant health, Indian health, and community health centers, dental health education programs for the benefit of persons eligible for services provided pursuant to such programs. The Secretary shall solicit, and shall be guided by, the recommendations of the Dental Advisory Committee established pursuant to title XVIII of this Act, in determining the amount and disposition of each such allocation.'.

"DENTAL HEALTH PROJECTS

"SEC. 403. The Public Health Service Act is amended by adding after title XVII, as added by this Act, the following new title:

"'TITLE XVIII—DENTAL HEALTH

"'DENTAL HEALTH ADVISORY COMMITTEE

"'SEC. 1801. (a) The President shall appoint a Dental Health Advisory Committee consisting of seven members, not more than four of whom shall be selected from the dental profession. Members shall be appointed from among persons who, by virtue of their training, experience, and background, are exceptionally qualified to appraise the programs established by this title. The Secretary shall be an ex officio member of the Committee.

"'(b)(1) Members shall be appointed for four-year terms, except that of the members first appointed three *shall* be appointed for two years, and four shall be appointed for four years, as designated by the President at the time of appointment. The members shall select their own Chairman.

"'(2) Any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall serve only for the remainder of such term. Members shall be eligible for reappointment and may serve after the expiration of their terms until their successors have taken office.

"'(3) The Dental Health Advisory Committee shall advise the Secretary in regard to the reports required under this title, and in regard to activities carried on by the Department of Health, Education, and Welfare related to dental health, dental manpower, or dental training and services, and shall serve as a reviewing body for grants made pursuant to this title, where such review is deemed necessary by the Secretary.

"'(4) Members of the Dental Health Advisory Committee who are not officers or employees of the United States shall receive compensation at rates not to exceed the daily rate prescribed for GS-18 under section 5332, title 5, United States Code for each day they are engaged in the actual performance of their duties, including traveltime, and while so serving away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as the expenses authorized by section 5703, title 5, United States Code, for persons in Government service employed intermittently.

"'(5) The Secretary shall make available to the Dental Health Advisory Committee such staff, information, and other assistance as it may require to carry out its activities.

"'(6) The Secretary, after consultation with the Dental Health Advisory Committee, shall promulgate such rules and regulations as are necessary to carry out the purpose of this title.

"'REPORT

"'SEC. 1802. (a) The Secretary shall submit a report to the Congress not later than January 31 of each year on the progress of the implementation and administration of the programs established under this title.

"'(b) The Secretary shall submit to the Congress a report containing his recommendation concerning the need and feasibility of a comprehensive national dental health program for children within 90 days before the end of the fiscal year ending September 30, 1977.

"'GRANTS FOR PROJECTS FOR DENTAL CARE FOR CHILDREN

"'SEC. 1803. (a) In order to assist in the implementation of section 1905(a)(4)(B) of the Social Security Act (with regard to providing early and periodic screening, diagnosis, and treatment to individuals under the age of twenty-one) with regard to dental services, the following project grants are authorized.

"'(b) There are authorized to be appropriated such sums as are necessary not to exceed $15,000,000 for the fiscal year ending June 30, 1976, $5,000,000 for the transitional fiscal quarter ending September 30, 1976, $25,000,000 for the fiscal year ending September 30, 1977, and $25,000,000 for the fiscal year ending September 30, 1978; which shall be used by the Secretary to make grants to the health agency of any State (or political subdivision thereof) or to any other public or nonprofit private agency, organization, or institution to pay for part of the cost of the carrying out (on a planned and systematic basis) by such agency, organization, or institution, of one or more comprehensive projects for dental care and services for children of preschool or school age. Any such project shall include such comprehensive corrective, followup and preventive services (including dental health education), treatment as may be required under regulations of the Secretary.

"'(c) Grants under this section may be utilized for the conduct of research, demonstrations, or experimentation carried on with a view of developing new methods for (A) the prevention, diagnosis, or treatment of dental problems, or (B) the payment of dental care and services.

"'(d) Grants under this section shall be made only for dental care and services to children eligible for the benefits provided under section 1905(a)(4)(b) of the Social Security Act (Early and Periodic Screening, Diagnosis, and Treatment). Such funds shall be expended as part of projects to assist in the implementation of such provisions of title XIX of the Social Security Act and shall be supplemental to, and not in substitution for, funds obligated for such purposes.

"'(e) In making grants under this section, the Secretary shall accord priority to projects designed to provide dental care and preventive services for children of preschool age and school age children who are in the first six grades of school.

"DENTAL HEALTH EDUCATION; DEMONSTRATION PROJECT GRANTS AND CONTRACTS

"'SEC. 1804. (a) The Secretary may make grants to State and local educational agencies, institutions of higher education, and other public or nonprofit institutions or organizations to support demonstration projects with respect to dental health education and dental health problems.

"'(b) Grants and contracts under this section shall be available for demonstration projects including—

"'(1) projects for the development of teacher training programs with respect to the provision of dental health education in elementary and secondary schools; including emphasis on the discovery, development, and utilization of specialized teaching techniques that are effective in children's dental health education programs;

"'(2) projects to develop new and evaluate and improve existing dental health education curriculums to be used in elementary and secondary schools, including materials directed at specific age, income, cultural, and geographic populations;

"'(3) projects to develop effective means of imparting nutrition and diet control information as it relates to dental health to elementary and secondary school students;

"'(4) projects for public service advertisements and other programs to provide up-to-date information with regard to dental health including diet and nutrition information and proper oral hygiene methods; and

"'(5) projects to develop more effective methods of dissemination of dental health information to the general public.

"'EVALUATION

"'SEC. 1805. The Secretary shall provide for the conduct of studies to evaluate the effectiveness of projects receiving assistance under section 1804. These studies shall identify those kinds of projects which have been so effective as to justify support on a nationwide basis.

"'NATIONAL DENTAL HEALTH EDUCATION PROGRAM

"'SEC. 1806. The Secretary may make grants to entities eligible for assistance under section 1804 to support programs which have been judged to be effective under section 1805 on a nationwide basis.

"'AUTHORIZATION FOR APPROPRIATIONS

"'SEC. 1807. There are authorized to be appropriated to the Secretary, to carry out the provisions of—

"'(1) section 1804 such sums as are necessary, not to exceed $3,000,000 for the Fiscal year ending June 30, 1976, $1,000,000 for the transitional fiscal quarter ending September 30, 1976, $4,000,000 for the fiscal year ending September 30, 1977, and $5,000,000 for the fiscal year ending September 30, 1978;

"'(2) section 1805 such sums as are necessary, not to exceed $1,500,000, to remain available until expended; and

"'(3) section 1806 such sums as are necessary, not to exceed $2,000,000 for the fiscal year ending June 30, 1976, $750,000 for the transitional quarter ending September 30, 1976, $5,000,000 for the fiscal year ending September 30, 1977, and $8,000,000 for the fiscal year ending September 30, 1978.'."

Mr. MAGNUSON. Mr. President, I am very pleased to see that the Senate is considering Senator KENNEDY's bill to expand Federal efforts in the area of preventive medicine and health education. These programs are cost-effective. This measure has the potential of saving the Federal Government millions, perhaps billions, of dollars in the long run.

I do feel, however, that the bill would be improved if programs emphasizing dental health were added, and I have proposed an amendment to that effect. I shall ask that a section-by-section analysis of the amendment be included in the RECORD at the conclusion of my remarks.

We in the Congress have become increasingly involved over the past several years in efforts to provide access to basic health care benefits to all our citizens. As chairman of the Senate Appropriations Subcommittee on Labor-HEW, I have been intimately involved with the Federal health effort. My subcommittee reviews a vast number of Federal programs which provide extremely necessary and helpful benefits to the people of this country. In reviewing these programs, I have been particularly impressed with the need for continued efforts in providing access to health care, primarily for low-income individuals. I am also strongly impressed with the long-range and cost-effective benefits from preventive and basic educational efforts in the health field.

It is with these concepts in mind that I propose the present amendment to S. 1466, disease prevention and control bill.

The 1967 amendments to the Social Security Act added a requirement under the medicaid program that was intended to direct attention to the importance of preventive health services in the early detection and treatment of diseases in children. This early and periodic screening diagnosis and treatment—EPSDT—program hold great promise for providing the kind of care which can be most beneficial to the long-range health of our low-income children; that is, preventing disease or at least diagnosing and treating it at its very earliest stages. Unfortunately, these provisions have only now begun to be implemented by the States in a significant way. One of the areas of emphasis in these amendments was to provide early and periodic diagnosis, screening, and treatment for dental problems. I might point out to my colleagues that the implementation of the EPSDT program by the Department of HEW has been characterized by lack of enthusiasm, indifference, and foot-dragging. The program languished for more than 2 years until a lawsuit was brought forcing the Department to carry out the provisions of the law.

However slowly, though, I am pleased to be able to say that we are beginning to see real progress in carrying out the EPSDT programs.

In order to assist in the implementation of these provisions with regard to dental services, this legislation would authorize a total of $70 million over 3 years to be made by the Secretary of HEW to pay for part of the cost of carrying out one or more comprehensive projects for dental care and services for children of preschool and school-age who qualify under the EPSDT. The bill stipulates that any such program would include comprehensive corrective followup and preventive services, including dental health education and treatment.

These grants could also be used to conduct research, demonstrations or experimentation, with a view toward developing new methods for the prevention, diagnosis, or treatment of dental problems.

The projects assisted under this legislation would be used to further the implementation of the medicaid EPSDT program. However, I want to point out that these funds are to be supplemental to medicaid funds, and in no way are they to supplant State and Federal obligations under the medicaid program.

The other major program of my amendment is also directed toward measures which will have long-term benefits for the oral health of our Nation. It authorizes funds to support demonstration projects in the area of dental health education and dental health problems. Projects for the development of teacher training programs, particularly for teachers at the elementary and secondary school level, as well as projects to develop new and evaluate and improve existing dental health education curricula would be supported. In addition, the legislation would support projects to develop effective means of imparting nutrition and diet information to elementary and secondary school students, and for the dissemination of general health education to the general public.

Perhaps the most compelling reason for enacting this amendment is presented by the alarming lack of dental care now available to America's children, particular those in low-income families.

By age 2, one-half of this country's children have decayed teeth. By the time he enters school, the average child has 3 decayed teeth, and by his 15th year, he has 11 decayed, missing, or filled teeth. More often than not, these are 11 decayed or missing—rather than filled—teeth, since over one-half of all children has never been to a dentist, and that proportion is even higher in rural areas. But, by far, the greatest need is among children from low-income families—the very children who would be served by the pilot projects served by this legislation—for almost 70 percent of them have never received a dentist's care. My bill will provide the immediate treatment and diagnosis which is necessary to meet the dental needs of these children who have in the past had the least access to good dental care. These programs, along with the provision for community water fluoridation included in the committee bill, would be the best possible preparation for the dental health care provisions of any national health insurance bill finally passed by the Congress.

The provisions of this amendment, while directed primarily at children, are guarantees for the future. Through effective prevention and basic dental health education programs, the future dental health of our Nation can be significantly increased.

I ask unanimous consent that the analysis may be printed in the Record.

There being no objection, the analysis was ordered to be printed in the Record, as follows:

Section-by-Section Analysis

Sec. 401—Short title: "Children's Dental Health Act."

Sec. 402—This part of the bill broadens three existing federal health programs to include comprehensive dental health education.

Allocation of Assistance for Dental Health—A new section 288 is added to the Public Health Service Act to carry out comprehensive dental health education programs as part of migrant health programs, community health centers, and Indian health programs.

Dental Health Projects—Sec. 403 amends the P.H.S. Act by adding, after title XVIII, a new title, "XVII—Dental Health".

Dental Health Advisory Committee—Sec. 1801. This section provides for the establishment of a Dental Health Advisory Committee to advise the Secretary of HEW on dental health, manpower, training and other services. It will review grants for fluoridation, children's dental health care projects, and dental health care demonstration projects.

a. The President shall appoint a Dental Health Advisory Committee consisting of seven members, not more than four of whom shall be selected from the dental profession, with the Secretary of HEW serving as an ex officio member.

b. Members will serve four years, will be eligible for reappointment, and may serve after the expiration of their terms until their successors have taken office. Compensation for members of the Committee shall be at rates not to exceed the daily rate prescribed for GS-18 for each day that they are engaged in the actual performance of their duties, and they may be allowed travel expenses including per diem in lieu of subsistence.

Report—Sec. 1802.

The Secretary of HEW must submit a yearly report to the Congress on the implementation of the programs under this Act. The Secretary of HEW must file a separate report within ninety days of September 30, 1977, concerning the need and feasibility of a comprehensive national dental health program for children.

Sec. 1803—Grants for Projects for Dental Care for Children—This Section creates a grant program for carrying out comprehensive projects for dental care and services for childen of pre-school and school age. Any such projects shall include such comprehensive, corrective, follow-up and preventive services as may be required under regulations of the Secretary.

a. These children's dental care projects must be integrated with existing Medicaid authority for early and periodic medical screening, diagnosis and treatment for children (EPSDT Program).

b. A total of $70 million is authorized for the three year period ending September 30, 1978. The Secretary of HEW can make grants to the health agency of any state or to any other public or non-profit private agency, organization, or institution to pay part of the project cost.

c. Grants may be utilized for the conduct of research, demonstrations, or experimentation designed to develop new methods for dental health care and payment for dental health care delivery.

d. Grants shall be made only for dental care and services to children eligible under Medicaid's EPSDT Program. Although this authority has existed under Medicaid for three years, it has just begun to be implemented to any significant degree. Targeting the dental project exclusively toward children eligible under Medicaid can help put pressure on the EPSDT Program to provide these services as originally intended by Congress. These grants shall be expended to assist in the implementation of Medicaid and shall be supplemental to rather than a substitute for other funds obligated for such purposes.

e. Projects designed to provide dental care and preventive services for children of preschool and elementary age will receive priority in the assignment of these grants.

Dental Health Education—Sec. 1804. Dental health education in elementary and secondary schools is inadequate. An improvement in these programs would be good preventive medicine. Therefore, section 1705 of the bill grants HEW authority to fund a variety of demonstration projects designed to increase the effectiveness of dental health education for school children and the general public. Like fluoridation, good preventive dental medicine for school children would be cost effective and save money when National Health Insurance is finally enacted.

a. The Secretary of HEW may make grants to state and local education agencies, institutions of higher education, and other public or non-profit institutions or organizations to support demonstration projects with respect to dental health education and dental health problems.

b. Eligible demonstration projects include teacher training programs, curriculum development programs, diet and nutrition information programs, and general public information programs.

Evaluation—Sec. 1805. HEW will evaluate the programs supported under section 1705, and will identify those kinds of programs which have been so effective as to justify support on a national basis.

National Dental Health Education Program—Sec. 1806. The Secretary may make grants to entities eligible for assistance which have been judged to be effective under section 1805 on a nationwide basis.

Authorization for Appropriations—Sec. 1807. There are authorized to be appropriated to the Secretary, to carry out the provisions of—

(1) section 1804 such sums as are necessary, not to exceed $3,000,000 for the fiscal year ending June 30, 1976, $1,000,000 for the transitional fiscal quarter ending September 30, 1976, $4,000,000 for the fiscal year ending September 30, 1977, and $5,000,000 for the fiscal year ending September 30, 1978;

(2) section 1805 such sums as are necessary, not to exceed $1,500,000, to remain available until expended; and

(3) section 1806 such sums as are necessary, not to exced $2,000,000 for the fiscal year ending June 30, 1976, $750,000 for the transitional quarter ending September 30, 1976, $5,000,000 for the fiscal year ending September 30, 1977, and $8,000,000 for the fiscal year ending September 30, 1978.

The ACTING PRESIDENT pro tempore. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The ACTING PRESIDENT pro tempore. The question is on the engrossment and the third reading of the bill.

The bill (S. 1466) was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 1466

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—DISEASE CONTROL

SHORT TITLE

Sec. 101. This title may be cited as the "Disease Control Amendments Act of 1975".

AMENDMENT TO THE PUBLIC HEALTH SERVICE ACT

Sec. 102. (a) Subsection (a) of section 317 of the Public Health Service Act (42 U.S.C. 247b) is amended by—

(1) inserting "project" before "grants" in the first sentence;

(2) inserting "project" before "grant" each time it appears;

(3) striking "communicable" each time it appears in the second sentence;

(4) inserting "or conditions" after "diseases" in the second sentence; and

(5) striking "disease" in the second sentence.

(b)(1) Subsection (b) of such section is amended by inserting "project" before "grant" each time it appears.

(2) Subsection (b)(2)(B) of such section is amended by—

(A) inserting "or conditions" after "diseases";

(B) striking "of the importance of immunization against such diseases, to encourage such persons to seek appropriate immunization and to facilitate access by such persons to immunization services" and inserting in lieu thereof "including the methods and services available to prevent these diseases or conditions".

(3) The amendment made by paragraph (2) shall be effective for fiscal years beginning after June 30, 1975.

(c) Subsection (b)(2)(C) of such section is amended by—

(2) inserting "or condition" after "disease" the first time it appears; and

(3) striking "disease" the second time it

appears and inserting in lieu thereof "related".

(d) (1) Subsection (c) is amended by inserting "project" before "grant" each time it appears.

(2) Subsection (c) (2) of such section is amended by inserting before the period at the end thereof ", and such amount shall be deemed as part of the grant and deemed to have been paid to the recipient".

(e) Subsection (f) (1) of such section is amended by—

(1) striking "communicable";

(2) inserting "or conditions" after "disease"; and

(3) inserting "project" after "grants" each time it appears.

(f) Subsection (g) of such section is amended by—

(1) inserting "or conditions" after "diseases" in clauses (1) and (2), and

(2) inserting "and conditions" after "diseases" in clauses (3) and (4).

(g) Subsection (h) (1) is amended to read as follows:

"(1) The term 'disease control program' means a program which is designed and conducted so as to contribute to national protection against tuberculosis, rubella, measles, Rh disease, poliomyelitis, diphtheria, tetanus, whooping cough, mumps, diabetes mellitus, or other diseases or conditions (other than venereal disease) which are amendable to reduction, and are determined by the Secretary to be of national significance. Such term includes vaccination programs, case-finding programs, public and professional education programs, other preventive health programs, laboratory services, and studies to determine the communicable disease control needs of States and political subdivisions of States and the means of best meeting such needs.".

(h) Subsection (i) of such section is amended by—

(1) striking "communicable"; and

(2) inserting "project" before "grants".

(i) Such section is amended by adding after subsection (i) the following new subsection:

"(j) For the purpose of payments pursuant to project grants and contracts under section 317 of the Act there are authorized to be appropriated $30,000,000 for the fiscal year ending June 30, 1976, $35,000,000 for the fiscal year ending June 30, 1977, and $40,000,000 for the fiscal year ending June 30, 1978."

TITLE II—VENEREAL DISEASE

Sec. 201. This title may be cited as the "National Venereal Disease Prevention and Control Amendments of 1975".

FINDINGS AND DECLARATION OF PURPOSE

Sec. 202. (a) The Congress finds and declares that—

(1) the number of reported cases of venereal disease continues in epidemic proportions in the United States;

(2) the number of patients with venereal disease reported to public health authorities is only a fraction of those actually infected;

(3) the incidence of venereal disease is particularly high in the 15–29-year age group, and in metropolitan areas;

(4) venereal disease accounts for needless deaths and leads to such severe disabilities as sterility, insanity, blindness, and crippling conditions;

(5) the number of cases of congenital syphilis, a preventable disease, tends to parallel the incidence of syphilis in adults;

(6) it is conservatively estimated that the public cost of care for persons suffering the complications of venereal disease exceed $80,000,000 annually;

(7) medical researchers have no successful vaccine for syphilis or gonorrhea, and have no blood test for the detection of gonorrhea among the large reservoir of asymptomatic females;

(8) school health education programs, public information, and awareness campaigns, mass diagnostic screening and case followup activities have all been found to be effective disease intervention methodologies;

(9) knowledgeable health providers and concerned individuals and groups are fundamental to venereal disease prevention and control;

(10) biomedical research leading to the development of vaccines for syphilis and gonorrhea is of singular importance for the eventual eradication of these dreaded diseases; and

(11) a variety of other sexually transmitted diseases, in addition to syphilis and gonorrhea, have become of public health significance.

(b) In order to preserve and protect the health and welfare of all citizens, it is the purpose of this Act to establish a national program for the prevention and control of venereal disease.

Sec. 203. (a) Section 318(a) of the Public Health Service Act (42 U.S.C. 247c) is amended by inserting "and nonprofit private entities" after "authorities".

(b) Section 318(b) (1) of such Act is amended by inserting "which will contribute to national objectives" after "training".

(c) Section 318(b) (2) of such Act is amended by inserting before the period at the end thereof "and $5,000,000 for the fiscal year ending June 30, 1976, $5,000,000 for the fiscal year ending June 30, 1977, and $5,000,000 for the fiscal year ending June 30, 1978".

(d) Section 318(c) (1) of such Act is amended by adding at the end thereof "and $5,000,000 for the fiscal year ending June 30, 1976, and $10,000,000 for the fiscal year ending June 30, 1977, and $15,000,000 for the fiscal year ending June 30, 1978.".

(e) Section 318(e) (2) (C) of such Act is amended by striking "(including dark-field microscope techniques for the diagnosis of both gonorrhea and syphilis)".

(f) Paragraphs (D), (E), (F), (G), and (H) of section 318(c) (2) of such Act are redesignated as (E), (F), (G), (H), and (I), and the following new paragraph is inserted after paragraph (C) as follows:

"(D) to the extent feasible as determined by criteria developed by the Secretary, the provision of clinical services for persons affected with veneral disease which includes diagnosis and care for persons with a wide range of genitourinary diseases and conditions, which, because of their symptoms and clinical presentations, are commonly present in persons with actual or suspected venereal disease;".

(g) Section 318(d) (1) (B) of such Act is amended by inserting before the semicolon at the end thereof the following: "and routine testing, including attendant laboratory and followup systems costs thereof".

(h) Section 318(d) (1) (D) of such Act is amended by inserting "targeted" before "professional".

(i) Section 318(d) (1) (E) of such Act is amended by striking "control" and inserting in lieu thereof "prevention and control strategies or activities".

(j) Section 318(d) (2) of such Act is amended by inserting before the period at the end thereof "and $31,000,000 for the fiscal year ending June 30, 1976, $33,000,000 for the fiscal year ending June 30, 1977, and $36,000,000 for the fiscal year ending June 30, 1978".

(k) Section 318(h) of such Act is amended by striking "treated or to have any child or ward of his".

(l) Section 318 of such Act is amended by adding at the end thereof the following:

"(m) As used in this section, the term 'venereal disease' means syphilis and gonorrhea and any other sexually transmitted disease which the Secretary finds to be of national significance and which, with respect to grants under subsection (d), the Secretary finds to be amenable to control.".

TITLE III—HEALTH EDUCATION AND PROMOTION

SHORT TITLE

Sec. 301. This may be cited as the "National Consumer Health Education and Promotion Act of 1975".

AMENDMENT TO THE PUBLIC HEALTH SERVICE ACT

Sec. 302. The Public Health Service Act is amended by adding after title XVI the following new title:

"TITLE XVII—OFFICE OF CONSUMER HEALTH EDUCATION AND PROMOTION AND THE CENTER FOR HEALTH EDUCATION AND PROMOTION

"Part A—Office of Consumer Health Education and Promotion

"ESTABLISHMENT OF OFFICE OF CONSUMER HEALTH EDUCATION AND PROMOTION

"Sec. 1701. (a) There is established in the Department of Health, Education, and Welfare the Office of Consumer Health Education and Promotion (hereafter in this Act referred to as the 'Office') which shall be under the direction of a Director who shall be appointed by the Secretary of Health, Education, and Welfare (hereafter in this Act referred to as the 'Secretary') and supervised by the Assistant Secretary for Health (or such other officer of the Department as may be designated by the Secretary as the principal adviser to him for health programs).

"(b) To facilitate the development of health education and promotion strategy for the Nation, the Office shall carry out the following functions: Engage in research in health education and promotion, develop community health education programs, stimulate and coordinate communications in health education, and overview and coordinate Federal programs.

"GENERAL AUTHORITY

"Sec. 1702. The Secretary, acting through the Office shall—

"(1) design and implement national goals and strategies with respect to health education and promotion;

"(2) determine health education and promotion needs and resources, and recommend appropriate educational and certifying policies for health education and promotion manpower;

"(3) incorporate appropriate health education and promotion strategies into every facet of our society and increase the application of health knowledge, skills, and practices by the general population in their patterns of daily living;

"(4) increase the effectiveness and efficiency of health education and promotion programs through improved planning, implementation of tested models, and evaluation of results;

"(5) establish systematic processes for the exploration, development, demonstration, and evaluation of innovative health education concepts; and

"(6) foster information exchanges and cooperation among health education providers, consumers, and supporters.

The Secretary shall carry out this title in a manner consistent with the national health priorities set forth in section 1502 of the Public Health Service Act and with activities undertaken under ttile XV of the Public

Health Service Act (relating to health planning and development).

"SPECIFIC FUNCTIONS

"Research Programs

"SEC. 1703. (a) (1) The Secretary shall by grants and contracts to public or nonprofit private entities conduct and support research in health education and promotion. The Secretary shall—

"(A) determine the scope and nature of health education research;

"(B) rank research projects in order of priority;

"(C) initiate, stimulate, and fund projects that are determined to be necessary;

"(D) provide consultation to persons preparing research proposals or those who are conducting research;

"(E) determine the best methodologies to disseminate information on the value of preventive measures in health care and to implement health education and promotion strategies;

"(F) determine the best methods to increase the awareness of health providers regarding the cultural sensitivities of population groups which may affect such groups willingness or ability to seek and accept services, including preventive health services;

"(G) ascertain the costs and cost-benefit of disseminating such information and of implementing health education and promotion strategies;

"(H) determine factors in social behavior which impact on health and determine the interaction of sociological determinants with the field of health education;

"(I) review those factors which affect environmental and occupational health, ascertain those programs and areas for which educational and preventive measures could be implemented to improve environmental and occupational health, and engage in research and policy formulation in such areas as accidents, nutrition, dental care, occupational health and safety, and environmental stress; and

"(J) conduct a review of biological-genetic factors which, acting independently or in concert with environmental factors, can affect health and ascertain whether education of the public concerning these factors, and their detection, can improve health.

"(2) The Secretary in carrying out his responsibilities under this section, shall use the findings of the continuing surveys of the needs, interests, attitudes, knowledge, and behavior of the American public regarding health as conducted by the National Center for Health Statistics as a basis for formulating policy with respect to health education and promotion.

"Community Programs

"(b) (1) The Secretary shall support and encourage innovative programs in health education and promotion and shall specifically—

"(A) support demonstration programs, including training, in health education and promotion, which programs (i) are within hospitals, ambulatory care settings, and other appropriate settings, (ii) focus on goals and objectives that are measurable, and (iii) emphasize the prevention or moderation of illness or accidents that appear controllable through individual behavior;

"(B) provide consultation to organizations in planning or evaluating health education and promotion programs;

"(C) develop health education and promotion model curricula with appropriate representatives from medical, dental, and nursing schools, schools of public health, and other institutions engaged in training health personnel for the purpose of implementing such curricula within these institutions;

"(D) establish continuing education programs to disseminate the most recent research findings in the field; and

"(E) support by grant or contract the development and implementation of a model toll-free telephone system to provide the public with health information, information on available health services, crisis information, and directions for obtaining health related publications.

"(2) (A) The Secretary is authorized to make grants and contracts to public or nonprofit entities for the purpose of developing programs of health care education for a defined geographic region pursuant to and in accordance with those established in section 1511 of the Public Health Service Act and with activities undertaken under title XV of the Public Health Service Act (relating to health planning and development). In awarding such grants and contracts the Secretary shall assure an equitable geographic and demographic distribution of all funds appropriated.

"(B) Projects which receive Federal funds under this subsection shall—

"(1) utilize in a coordinated manner such health education methods as may be appropriate to provide effective health education services to the population of the applicable region; and

"(2) evaluate the effectiveness of each health education method utilized and identify its particular advantages of disadvantages.

"Health Education Training

"(c) The Secretary acting through the Director is authorized to make grants and contracts to public or nonprofit private entities to provide for the training for health personnel in health education and promotion.

"School Health Education Training

"(d) (1) The Secretary acting through the Director may make grants to local educational agencies and institutions of higher education for teacher training with respect to the provision of comprehensive health education programs in schools. Such grants may be used by such agencies and institutions to develop and conduct training programs for elementary and secondary teachers with respect to teaching methods and techniques, information, and current issues relating to health and health problems. For purposes of this Act the term 'health education and health problems' includes dental health, disease control, environmental health, human ecology, mental health, nutrition, physical health, safety and accident prevention, smoking and health, substance abuse, consumer health, and such others as may be deemed appropriate by the Director in concurrence with the Commissioner of Education.

"(2) The Director, in exercising authority with respect to (a) determination of criteria for the selection of grants, and (b) selection of grants from eligible applicants, shall consult with, and obtain the approval of, the Commissioner of Education.

"(3) In establishing criteria for the award of grants under this section, such criteria must include priority for applications for support of programs which provide: (1) inservice rather than preservice training, except in such cases where an applicant has demonstrated that: (A) inservice training is not practicable, and (B) reasonable opportunity exists for persons undergoing preservice training to obtain positions in which they shall apply such training, and (2) training of persons who, as a result of such training, will have as their major responsibility, work in health education in schools.

"Requirements Applicable to Providers of Institutional Care

"(e) The Secretary may not approve an application of any health care facility for a grant or contract under the Public Health Service Act or the Community Mental Health Centers Act for a fiscal year beginning after the date of enactment of this Act unless the application contains or is supported by assurances satisfactory to the Secretary that, during the period for which the assistance applied is to be made available, the applicant will provide such consumer health education for individuals receiving inpatient or outpatient services through such health care facility as the Secretary shall by regulation prescribe.

"Communications in Health Education and Promotion

"(f) The Secretary shall establish liaison with the Office, providers of health education services, and the communications media. The Secretary shall—

"(1) inventory the existing health education information data systems, encourage further development of such systems, and work to coordinate the efforts of all major groups involved in health education information data systems;

"(2) make health information available to the public and to organizations involved in health education and promotion;

"(3) continually evaluate the effectiveness of existing health information and health education and promotion services to enhance their scope and quality;

"(4) encourage pretesting and expert evaluation of health information materials;

"(5) bring together the major national health educational organizations to share ideas, to identify gaps and overlaps in health education and promotion programs and research, and to find ways in which the organizations can cooperate to make efforts more effective;

"(6) find ways in which the communications media and the Office can cooperate to provide effective public service programing in health education and promotion;

"(7) seek ways of promoting general public health education and promotion programs and of reducing misleading media advertising and other health-threatening behavior in communications programs designed for children and families; and

"(8) establish the Office as a source of information and expertise which can be used in planning and creating both commercial and noncommercial material in health education and promotion.

In the case where materials are developed, through activities funded under this title and/or through activities of the Office and where the materials have commercial value, the moneys which result from the license, sale, rent, grant or other transaction of said materials shall be paid into the public treasury. The Director with consultation of the Secretary shall determine the fair market value of such materials and shall have the authority to authorize such transactions.

"Federal Programs

"(g) The Secretary, in conjunction with the Interdepartmental Committee on Consumer Health Education and Promotion established by section 1704, shall make recommendations to the Congress for the inclusion in appropriate legislation of provisions respecting health education and promotion. The Secretary shall—

"(1) promote the coordination, communication, and collaboration of health education and promotion programs within the Department of Health, Education, and Welfare;

"(2) establish a liaison with other Federal agencies engaged in health education and promotion, including the Consumer Product Safety Commission, the Department of Agriculture, the Environmental Protection Agency, the Department of Transportation, and the Department of Defense; and

(3) identify and make public those Federal programs and actions which are not in the interest of public health and determine methods for reviewing and commenting on such programs and actions as identified pursuant to section 1704(d).

"INTERDEPARTMENTAL COMMITTEE ON CONSUMER HEALTH EDUCATION AND PROMOTION

"Sec. 1704. (a) There is established an Interdepartmental Committee on Health Education and Promotion (hereinafter referred to in this section as the 'Committee') which shall be responsible for overview and coordination of all Federal programs and activities relating to health education and promotion to assure the adequacy and effectiveness of such programs and activities and to provide for the communication and exchange of information necessary to promote these functions;

"(b) The Secretary or his designee shall serve as Chairman of the Committee, the membership of which shall include appropriate representation from the Department of Agriculture, the Environmental Protection Agency, the Department of Transportation, the Department of Defense, the Veterans' Administration, the National Science Foundation, the Federal Communications Commission, the National Academy of Sciences, the Consumer Product Safety Commission, and such other Federal agencies and offices (including appropriate agencies and offices of the Department of Health, Education, and Welfare, including the Office of Education, the National Institute for Occupational Safety and Health, the Office of Child Development, the National Institute of Drug Abuse, and the National Institute of Alcoholism and Alcohol Abuse) as the Secretary determines administer programs directly affecting health and education and promotion;

"(c) The Committee shall meet at the call of the Chairman, but not less often than four times a year;

"(d) The Committee shall identify Federal programs and actions which are not in the interest of public health and determine methods for reviewing and commenting on such programs and actions, including recommendations for legislation and administrative action within the executive branch; and

"(e) The Secretary shall provide the Committee with such full-time professional and clerical staff, information, other support, and the services of such consultants as may be necessary to assist it in carrying out effectively its functions under this section.

"ADVISORY COUNCIL

"Sec. 1705. (a) There is established the Consumer Health Education and Promotion Advisory Council (hereafter in this section referred to as the 'Advisory Council') which shall consist of nineteen members appointed by the Secretary. The Secretary shall from time to time appoint one of the members to serve as Chairman. The members shall include persons who have distinguished themselves in the fields of medicine (including preventive medicine), dentistry, health education, nursing, the social and behavioral sciences, nutrition, and the provision of health services; persons who are representative of the interests of the general public (including representatives of business, labor, and consumer groups); and persons from government. Each member shall hold office for a term of four years, except that the Secretary may stagger the terms of members first appointed to the Advisory Council, and any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term. A member shall not be eligible to serve continuously for more than two years. The Secretary may, at the request of the Director, appoint such special advisory professional or technical committees as may be useful in carrying out this title. Members (other than members who are officers or employees of the United States) of the Advisory Council or of such committees, shall be entitled to receive for each day (including traveltime) during which they are engaged in the actual performance of duties vested in the Advisory Council or committee compensation at rates fixed by the Secretary, but not exceeding $100 per day, and while so serving away from their homes or regular places of business each member may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently. The Advisory Council shall meet as frequently as the Secretary deems necessary. Upon request of five or more members, it shall be the duty of the Secretary to call a meeting of the Advisory Council.

"(b) It shall be the function of the Advisory Council to provide advice and recommendations for the consideration of the Secretary on matters of general policy with respect to the functions of the Office. The Advisory Council shall make an annual report to the Secretary and to the Congress on the performance of its functions, including any recommendations it may have with respect thereto.

"(c) The Advisory Council is authorized to engage such technical assistance as may be required to carry out its functions, and the Secretary shall, in addition, make available to the advisory council such secretarial, clerical, and other assistance and such pertinent data obtained and prepared by the Department of Health, Education, and Welfare, as the advisory council may require to carry out its functions.

"REPORTS

"Sec. 1706. (a) The Secretary shall make an annual report (not later than December 1 of each year except in the year this title is enacted into law) to the Congress on the activities and policy recommendations of the Office.

"(b) The Secretary, acting through the Office, shall assemble and submit to the President and the Congress not later than December 1 of each year—

"(1) a report of the activities, findings, and recommendations of the Office, and

"(2) recommendations, based on the findings and recommendations of the Office, and the Interdepartmental Committee on Consumer Health Education and Promotion for legislation and administrative action within the executive branch.

"(c) The Office of Management and Budget may review any report, recommendations or submission made by the Secretary, the committee, or the Advsory Council in regard to this Act before its submission to the Congress, but the Office of Management and Budget may not revise the report or delay its submission, and it may submit to the Congress its comments (and those of other departments or agencies of the Government) respecting such submission.

"AUTHORIZATION OF APPROPRIATIONS

"Sec. 1707. To carry out this title there are authorized to be appropriated $11,000,000 for the fiscal year ending June 30, 1976, $11,000,000 for the fiscal year ending June 30, 1977, and $24,000,000 for the fiscal year ending June 30, 1978.

"Part B—Center for Health Education and Promotion

"CONGRESSIONAL DECLARATION OF POLICY

"Sec. 1708. The Congress finds and declares that—

"(1) it is in the public interest to inform the public about health and about ways to best protect and improve personal health;

"(2) the public must develop the ability to examine and weigh consequences of personal decisions respecting health;

"(3) the public must be motivated to desire changes supportive of more healthful lifestyles;

"(4) impediments that inhibit the voluntary adoption and maintenance of more healthful practices by the public must be identified and mitigated or removed;

"(5) to achieve these goals it is necessary for the Federal Government to complement, assist, and support a national policy that will advance the national health, reduce preventable illness, disability, and death, moderate self-imposed risks, and promote progress and scholarship in consumer health education and promotion; and

"(6) a private corporation should be created to facilitate the development of a health education and promotion strategy for the Nation.

"BOARD OF DIRECTORS

"Sec. 1709. (a) The Center shall have a Board of Directors (hereinafter in this title referred to as the 'Board') consisting of twenty-five members appointed by the President, by and with the advice and consent of the Senate.

"(b) The members of the Board (1) shall be selected from among citizens of the United States (not regular full-time employees of the United States) who are eminent in such fields as, and represent, health education, health care services delivery, nutrition, general education, consumer representation and advocacy, communications, labor and business, planning and organizational management, and public and private finance, and (2) shall be selected so as to provide as nearly as practicable a broad representation of various regions of the country and of various kinds of skills and experiences appropriate to the functions and responsibilities of the Center. They shall serve as incorporators and shall take whatever actions are necessary to create a nonprofit corporation to be known as the Center for Health Education and Promotion (hereafter in this title referred to as the 'Center') under the District of Columbia Nonprofit Corporation Act within sixty days from the effective date of this title. The Center and its articles of incorporation, bylaws, and all other rules and regulations shall incorporate by reference and be subject to this title.

"Sec. 1710. (a) The members of the Committee shall serve as the members of the first Board.

"(b) The term of office of each member of the Board shall be four years; expect that (1) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term; (2) the terms of office of members first taking office shall begin on the date of incorporation and shall expire, as designated at the time of their appointment, nine at the end of one year, eight at the end of two years, and eight at the end of four years; and (3) a member whose term has expired may serve until his successor has qualified. No member shall be eligible to serve in excess of two consecutive terms of four years each.

"(c) Any vacancy in the Board shall not affect its power, but shall be filled in the manner in which the original appointments were made.

"(d) The members of the Board shall elect one of their members as Chairman; thereafter the members of the Board shall annually elect one of their number as Chairman. The members of the Board shall also elect one or more of them as a Vice Chairman or Vice Chairmen.

"(e) The members of the Board shall not, by reason of such membership, be deemed to be employees of the United States. They shall, while attending meetings of the Board or while engaged in duties related to such meetings or in other activities of the Board, be entitled to receive compensation at the rate of $100 per day including traveltime, and while away from their homes or regular places of business they may be allowed travel expenses, included per diem in lieu of subsistence, equal to that authorized by law (5 U.S.C. 5703) for persons in the Government service employed intermittently.

"OFFICERS AND EMPLOYEES

"SEC. 1711. (a) The Center shall have a President, and such other officers as may be named and appointed by the Board for terms and at rates of compensation fixed by the Board. No individual other than a citizen of the United States may be an officer of the Center. No officer of the Center, other than the Chairman and any Vice Chairman, may receive any salary or other compensation from any source other than the Center during the period of his employment by the Center. All officers shall serve at the pleasure of the Board.

"NONPROFIT AND NONPOLITICAL NATURE OF THE CENTER

"SEC. 1712. (a) The Center shall have no power to issue any shares of stock or to declare or pay any dividends.

"(b) No part of the income or assets of the Center shall inure to the benefit of any director, officer, employee, or any other individual except as salary or reasonable compensation for services.

"(c) The Center may not contribute to or otherwise support any political party or candidate for elective public office.

"FUNCTIONS

"SEC. 1713. (a) To facilitate the development of a health education and promotion strategy for the Nation the Center shall carry out the following functions:

"(1) The Center shall establish communications with, provide a forum for the involvement of, and seek the advice and support of, organizations, agencies, and groups involved in health care, education, labor and business, social and civic organizations, consumer organizations, and communications. The Center shall review and analyze the need, and resources available, for health education and promotion and the effectiveness of alternative health education methods and procedures on health status to determine which methods and procedures offer the best opportunities for improving the Nation's health. Specifically, the Center shall—

"(A) provide a private focal point for the coordination of a structured national exchange on health education issues and problems involving all of the various concerned disciplines and interests;

"(B) identify and express the superordinate health education policies and guides to which many different organizations, agencies, and groups can subscribe and incorporate voluntarily into their own health education efforts;

"(C) stimulate, sponsor, coordinate, and support the development of new health education initiatives and programs in which many organizations and agencies can participate;

"(D) develop national policy recommendations which are supportive of long-range preventive approaches to national health improvement; and

"(E) provide a forum for nongovernmental organizations to participate in comprehensive national planning, action, and evaluation of health education efforts.

"(2) The Center shall coordinate and stimulate a variety of projects involving other organizations, agencies, and groups to develop such strategy designs or design components as are required to increase the appropriateness, acceptability, and effectiveness of health education efforts nationwide. In the performance of this function, the Center shall—

"(A) in order to indicate directions for improving the Nation's health, develop a perspective and definition of the role of health education, its placement in the health and education systems, and its relationship to prevention and general health maintenance practices;

"(B) review, analyze, and summarize unmet consumer health education needs and identify the critical gaps or deficiencies in personal preventive practices, in the use of health and related social services, and in programs to improve social and environmental conditions and other conditions affecting health care and education;

"(C) review, analyze, and assess the state of health education and promotion theory and practices in relation to identified consumer needs and identify the possibilities for the development of new or improved technologies and practices;

"(D) identify the types and availability of the resources required to meet consumer needs; and

"(E) develop action plans for the development or increased allocation of resources required to produce significant results in meeting consumer health education needs.

"(3) The Center shall assist in stimulating developing, implementing, and assessing a total communications program utilizing a full range of media available to reach diversified groups in order to increase national understanding and support for the value of health education and the role each citizen and every organization, institution, and agency can and should play to improve individual, community, and, ultimately, the national health through educational means. In performance of this function, the Center shall—

"(A) be an active participant in the efforts of organized elements at all levels in the health and educational systems and work with all interested organizations, agencies, and groups to assist in the development of more concerted, cooperative approaches to meeting consumer needs;

"(B) publicize the latest information on technological developments in health education and on effective health education practices;

"(C) develop opportunities which will enable consumer's and citizen's groups to become effective advocates for health education in their communities: and

"(D) publicize and work with other public or private organizations, agencies (including the Office), and groups to secure widespread endorsement and implementation of the Center's policies and recommendations.

"(4) The Center shall assist in accelerating the incorporation of improved technology into health education practice by establishing a system of technical assistance and training and by making available the expertise of other cooperating organizations, as well as its own staff, in response to the needs of National, State, and local groups for assistance in improving the planning, implementation, and evaluation of their health education programs. In the performance of this function, the Center shall—

"(A) identify individuals with specialized skills, knowledge, and experience for involvement in the Center's policy and strategy functions, for work on specialized cooperative projects, and for response to external requests for assistance;

"(B) develop a cadre of consultants and trainers and establish mechanisms for their use by organizations, agencies, and groups requesting the Center's assistance;

"(C) stimulate and assist in the development and provide practical and tested models, instruments and procedures for health education program planning and assessment, for training of health education providers, and for consumer and community involvement in the planning, implementation, and evaluation of health education strategies and programs; and

"(D) identify information, training, research, and planning deficiencies generally current in health education practices and develop programs of projects for the correction of such deficiencies.

"(5) The Center shall encourage the development and utilization of valid and acceptable research and evaluation methods for a wide variety of health education programs and technologies. It shall develop coalitions and consortium arrangements with other organizations and agencies for cooperative efforts in model design and testing and for joint sponsorship and exchange of information on comparable research and evaluation projects. In the performance of this function, the Center shall—

"(A) stimulate and support the development of valid techniques and strategies to measure the appropriateness, acceptability, and effectiveness of the process and outcomes of experimental and demonstration health education projects;

"(B) establish mechanisms for continuing communication concerning program test experience, modifications, and evaluation;

"(C) analyze, summarize, and disseminate information regarding experiences of diversified applications of recommended models, components, and evaluation approaches; and

"(D) selectively field test measures, instruments, techniques, and model components as required for Center strategy design activities.

"(6) Included in the activities of the Center authorized for accomplishment of the purposes set forth in this section are among others not specifically named—

"(A) to obtain grants from and to make contracts with individuals and with private, State, and Federal agencies, organizations and institutions.

"(b) The Center in carrying out its functions under this section may prescribe such regulations as it deems necessary.

"ADVISORY PANEL

"SEC. 1714. The Board shall appoint an advisory panel comprised of one hundred individuals with appropriate competencies and abilities. The principal function of the advisory panel shall be to provide advice for members of the Board. Additionally, it shall serve as a primary source for appointments to special committees, task forces, and conferences. The advisory panel shall receive all Center reports.

"REPORT TO CONGRESS

"SEC. 1715. The Center shall submit an annual report to the President for transmittal to the Congress. The report shall include a comprehensive and detailed report of the Center's operations, activities, financial condition, and accomplishments under this title and may include such recommendations as the Center deems appropriate.

"FINANCING

"Sec. 1716. (a) There are authorized to be appropriated to the Center for the purposes of carrying out the functions enumerated in section 1716 of this Act $1,000,000 for the fiscal year ending June 30, 1976; $1,000,000 for the fiscal year ending June 30, 1977; and $1,000,000 for the fiscal year ending June 30, 1978.

"(b) In addition to the sums authorized to be appropriated by paragraph (a) of this subsection, the Center is authorized to receive income, grants, donations, bequests, or other contributions from non-Federal sources.

"RECORDS AND AUDIT

"Sec. 1717. (a) The accounts of the Center shall be audited annually in accordance with generally accepted auditing standards by independent certified public accountants or independent licensed public accountants certified or licensed by a regulatory authority of a State or other political subdivision of the United States. The audits shall be conducted at the place or places where the accounts of the Center are normally kept.

"(b) The report of each such independent audit shall be included in the annual report required by section 208. The audit report shall set forth the scope of the audit and include such statements as are necessary to present fairly the Center's assets and liabilities, surplus or deficit, with an analysis of the changes therein during the year, supplemented in reasonable detail by a statement of the Center's income and expenses during the year, and a statement of the sources and application of funds, together with the independent auditor's opinion of those statements.

"GRANTS FOR WATER TREATMENT PROGRAMS

"Sec. 1718. (a) There are hereby authorized to be appropriated $2,000,000 for the fiscal year ending June 30, 1976; $3,000,000 for the fiscal year ending June 30, 1977; and $4,000,000 for the fiscal year ending June 30, 1978; which shall be used by the Secretary to make grants, only in such instances where the applicant voluntarily requests such assistance, to States, political subdivisions of States, and other public or nonprofit private agencies, organizations, and institutions to assist them in initiating, in communities or in public elementary or secondary schools, water treatment programs designed to reduce the incidence of oral disease or dental defects among residents of such communities or the students in such schools (as the case may be).

"(b) Grants under this section may be utilized for (but are not limited to) the purchase and installation of water treatment equipment.

"(c) Grants under this section shall not exceed 80 per centum of the cost of the treatment program with respect to which such grant under this section is made.

"DEFINITIONS

"Sec. 1719. For purposes of this Act—

"'Health education and promotion' is a process that favorably influences understandings, attitudes, and conduct, including cultural awareness and sensitivity, in regard to individual and community health. Specifically, it affects and influences individuals and community health behavior and attitudes in order to moderate self-imposed risks, maintain and promote physical and mental health and efficiency, and reduce preventable illness, disability, and death.".

TECHNICAL AMENDMENTS

Sec. 303. (a) Subsection (c) of section 306 of the Public Health Service Act is redesignated subsection (c)(2), and a new subsection (c)(1) is inserted immediately preceding subsection (c)(2), to read as follows:

"(c)(1) The Center shall make a continuing survey of the needs, interests, attitudes, knowledge, and behavior of the American public regarding health. The Center shall transmit the findings of such surveys and of the findings of similar surveys contracted for or otherwise obtained by the Center and conducted by national health education organizations and community health education organizations accompanied by appropriate Center analysis, if any, to the Secretary, the Assistant Secretary for Health, and to the Office of Consumer Health Education and Promotion for their use in formulating policies respecting health education and promotion."

(b) Subsection (i) of section 308 of the Public Health Service Act is amended by adding the following new paragraph (3) after paragraph (2):

"(3) Of those sums appropriated by Congress under section 308 of the Act not less than $1,000,000 for the fiscal year ending June 30, 1976, $1,000,000 for the fiscal year ending June 30, 1977, and $1,000,000 for the fiscal year ending June 30, 1978, shall be made available to carry out the activities of section 306(c)(1)."

TITLE IV—DENTAL HEALTH

SHORT TITLE

Sec. 401. This title may be cited as the "Children's Dental Health Act of 1975".

ALLOCATION OF ASSISTANCE FOR DENTAL HEALTH

Sec. 402. The Public Health Service Act is amended by inserting the following new section after section 227 thereof:

"ALLOCATION OF ASSISTANCE FOR DENTAL HEALTH

"Sec. 228. The Secretary shall annually allocate, from funds appropriated for programs authorized under this Act for migrant health, Indian health, and community health centers, dental health education programs for the benefit of persons eligible for services provided pursuant to such programs. The Secretary shall solicit, and shall be guided by, the recommendations of the Dental Health Advisory Committee established pursuant to title XVIII of this Act, in determining the amount and disposition of each such allocation.".

DENTAL HEALTH PROJECTS

Sec. 403. The Public Health Service Act is amended by adding after title XVII, as added by this Act, the following new title:

"TITLE XVIII—DENTAL HEALTH

"DENTAL HEALTH ADVISORY COMMITTEE

"Sec. 1801. (a) The President shall appoint a Dental Health Advisory Committee consisting of seven members, not more than four of whom shall be selected from the dental profession. Members shall be appointed from among persons who, by virtue of their training, experience, and background, are exceptionally qualified to appraise the programs established by this title. The Secretary shall be an ex officio member of the Committee.

"(b)(1) Members shall be appointed for four-year terms, except that of the members first appointed three shall be appointed for two years, and four shall be appointed for four years, as designated by the President at the time of appointment. The members shall select their own Chairman.

"(2) Any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall serve only for the remainder of such term. Members shall be eligible for reappointment and may serve after the expiration of their terms until their successors have taken office.

"(3) The Dental Health Advisory Committee shall advise the Secretary in regard to the reports required under this title, and in regard to activities carried on by the Department of Health, Education, and Welfare related to dental health, dental manpower, or dental training and services, and shall serve as a reviewing body for grants made pursuant to this title, where such review is deemed necessary by the Secretary.

"(4) Members of the Dental Health Advisory Committee who are not officers or employees of the United States shall receive compensation at rates not to exceed the daily rate prescribed for GS–18 under section 5332, title 5, United States Code, for each day they are engaged in the actual preformance of their duties, including traveltime, and while so serving away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as the expenses authorized by section 5703, title 5, United States Code, for persons in Government service employed intermittently.

"(5) The Secretary shall make available to the Dental Health Advisory Committee such staff, information, and other assistance as it may require to carry out its activities.

"(6) The Secretary, after consultation with the Dental Health Advisory Committee, shall promulgate such rules and regulations as are necessary to carry out the purpose of this title.

"REPORT

"Sec. 1802. (a) The Secretary shall submit a report to the Congress not later than January 31 of each year on the progress of the implementation and administration of the programs established under this title.

"(b) The Secretary shall submit to the Congress a report containing his recommendation concerning the need and feasibility of a comprehensive national dental health program for children within ninety days before the end of the fiscal year ending September 30, 1977.

"GRANTS FOR PROJECTS FOR DENTAL CARE FOR CHILDREN

"Sec. 1803. (a) In order to assist in the implementation of section 1905(a)(4)(B) of the Social Security Act (with regard to providing early and periodic screening, diagnosis, and treatment to individuals under the age of twenty-one) with regard to dental services, the following project grants are authorized.

"(b) There are authorized to be appropriated such sums as are necessary not to exceed $15,000,000 for the fiscal year ending June 30, 1976, $5,000,000 for the transitional fiscal quarter ending September 30, 1976, $25,000,000 for the fiscal year ending September 30, 1977, and $25,000,000 for the fiscal year ending September 30, 1978; which shall be used by the Secretary to make grants to the health agency of any State (or political subdivision thereof) or to any other public or nonprofit private agency, organization, or institution to pay for part of the cost of the carrying out (on a planned and systematic basis) by such agency, organization, or institution, of one or more comprehensive projects for dental care and services for children of preschool or school age. Any such project shall include such comprehensive corrective, followup and preventive services (including dental health education), treatment as may be required under regulations of the Secretary.

"(c) Grants under this section may be utilized for the conduct of research, demonstrations, or experimentation carried on with a view of developing new methods for (A) the prevention, diagnosis, or treatment of dental problems, or (B) the payment of dental care and services.

"(d) Grants under this section shall be

made only for dental care and services to children eligible for the benefits provided under section 1905(a)(4)(b) of the Social Security Act (early and periodic screening, diagnosis, and treatment). Such funds shall be expended as part of projects to assist in the implementation of such provisions of title XIX of the Social Security Act and shall be supplemental to, and not in substitution for, funds obligated for such purposes.

"(e) In making grants under this section, the Secretary shall accord priority to projects designed to provide dental care and preventive services for children of preschool age and school age children who are in the first six grades of school.

"DENTAL HEALTH EDUCATION; DEMONSTRATION PROJECT GRANTS AND CONTRACTS

"SEC. 1804. (a) The Secretary may make grants to State and local educational agencies, institutions of higher education, and other public or nonprofit institutions or organizations to support demonstration projects with respect to dental health education and dental health problems.

"(b) Grants and contracts under this section shall be available for demonstration projects including—

"(1) projects for the development of teacher training programs with respect to the provision of dental health education in elementary and secondary schools; including emphasis on the discovery, development, and utilization of specialized teaching techniques that are effective in children's dental health education programs;

"(2) projects to develop new and evaluate and improve existing dental health education curriculums to be used in elementary and secondary schools, including materials directed at specific age, income, cultural, and geographic populations;

"(3) projects to develop effective means of imparting nutrition and diet control information as it relates to dental health to elementary and secondary school students;

"(4) projects for public service advertisements and other programs to provide up-to-date information with regard to dental health including diet and nutrition information and proper oral hygiene methods; and

"(5) projects to develop more effective methods of dissemination of dental health information to the general public.

"EVALUATION

"SEC. 1805. The Secretary shall provide for the conduct of studies to evaluate the effectiveness of projects receiving assistance under section 1804. These studies shall identify those kinds of projects which have been so effective as to justify support on a nationwide basis.

"NATIONAL DENTAL HEALTH EDUCATION PROGRAM

"SEC. 1806. The Secretary may make grants to entities eligible for assistance under section 1804 to support programs which have been judged to be effective under section 1805 on a nationwide basis.

"AUTHORIZATION FOR APPROPRIATIONS

"SEC. 1807. There are authorized to be appropriated to the Secretary, to carry out the provisions of—

"(1) section 1804, such sums as are necessary, not to exceed $3,000,000 for the fiscal year ending June 30, 1976, $1,000,000 for the transitional fiscal quarter ending September 30, 1976. $4,000,000 for the fiscal year ending September 30, 1977, and $5,000,000 for the fiscal year ending September 30, 1978;

"(2) section 1805, such sums as are necessary, not to exceed $1,500,000, to remain available until expended; and

"(3) section 1806, such sums as are necessary, not to exceed $2,000,000 for the fiscal year ending June 30, 1976, $750,000 for the transitional quarter ending September 30, 1976, $5,000,000 for the fiscal year ending September 30, 1977, and $8,000,000 for the fiscal year ending September 30, 1978.".

The title was amended so as to read:

A bill to amend the Public Health Service Act to extend and revise the program of assistance for the control and prevention of communicable diseases, and to provide for the establishment of the Office of Consumer Health Education and Promotion and the Center for Health Education and Promotion to advance the national health, to reduce preventable illness, disability, and death; to moderate self-imposed risks; to promote progress and scholarship in consumer health education and promotion and school health education; and for other purposes.

ORDER TO PLACE S. 1359 UNDER "SUBJECTS ON THE TABLE"

Mr. MANSFIELD. Mr. President, I ask unanimous consent that Calendar No. 284, S. 1359, be placed on the calendar under "Subjects on the Table."

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the calendar beginning with Corporation for Public Broadcasting.

There being no objection, the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The nominations will be stated.

CORPORATION FOR PUBLIC BROADCASTING

The assistant legislative clerk proceeded to read sundry nominations in the Corporation for Public Broadcasting.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that those nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be notified of the confirmation of the nominations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to and the Senate resumed the consideration of legislative business.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session today except during debate on the Durkin-Wyman issue.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 9 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 9 o'clock tomorrow morning.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Does the acting minority leader seek recognition?

Mr. DOMENICI. Mr. President, I yield 2 minutes of my time to the distinguished Senator from Nebraska.

Mr. CURTIS. Mr. President, I thank my colleague.

Mr. MANSFIELD. If the Senator needs more, I will be glad to yield.

Mr. CURTIS. I thank my distinguished friend from New Mexico, as well as the distinguished majority leader.

SENATE RESOLUTION 229—SUBMISSION OF A RESOLUTION TO AMEND THE STANDING RULES OF THE SENATE

(Referred to the Committee on Rules and Administration.)

Mr. CURTIS (for himself and Mr. BAKER) submitted the following resolution:

Resolved, That rule V of the Standing Rules of the Senate is amended by adding at the end thereof the following new paragraph:

"4. (a) Except as provided in paragraphs 2 and 3, no debate, motion, or other transaction of business shall be in order during any session of the Senate unless at least 25 Senators are present on the floor of the Senate.

"(b) It shall be the duty of the Presiding Officer to maintain a continuous count of the number of Senators present on the floor of the Senate during sessions of the Senate. If, at any time, the number of Senators present is less than 25, the Presiding Officer shall immediately suspend the proceedings of the Senate and such proceedings, except for proceedings under paragraphs 2 and 3, shall not be resumed until at least 25 Senators are present.

Mr. CURTIS. Mr. President, I send to the desk a proposed change in the Rules of the Senate.

What I propose is that we have a requirement that the Senate cannot proceed with any business unless 25 Senators are in the Chamber. It would be the responsibility of the Presiding Officer to enforce that rule and if there were fewer than 25 Senators in the Chamber, the remedy would not be a quorum call, which is just a waste of time when we come in and answer and go out, but that all proceedings would suspend until there are 25 Senators here.

Mr. President, I think one of the most inspiring sights is our night sessions. We have excellent attendance. There will be 70, 80, 90 Senators here for all the debate, and more than that here to vote. Why? Because other business is suspended. Committees, conferences, contacts by the executive branch, and all those things are suspended.

It proves that Senators want to attend the sessions, and when we proceed with just a few Senators it is not because the others are loafing or playing golf or in some lounge someplace; it is because they are otherwise involved.

To reform the procedure, we must start with the parent body. Every committee is the agent of the Senate and if the Senate moves and says we cannot do business unless there is a certain number here, everything else will have to adjust and it will adjust.

It will not be burdensome. The way the Senate is divided now, it will be the responsibility of the minority to see that 10 Members are here, and the majority 15 Members, or there could be no business transacted.

Mr. President, I am convinced that once this is adopted, it would be workable, and the very fact that we have such excellent attendance at night sessions proves a desire on the part of the Senators to be here if the other obligations did not keep them from attending.

Mr. President, I hope that this proposed rule will have serious and early consideration.

I thank my friends.

The ACTING PRESIDENT pro tempore. Without objection, the resolution will be received and appropriately referred.

The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I yield myself 1 minute.

I commend the Senator from Nebraska for once again calling this matter to our attention. But I also want to commend the leadership, both majority and minority leadership, for the consideration they are giving to a proposal by the respective chairmen of the last four classes to join the U.S. Senate. That proposal would break our Senate days up into legislative days and committee days.

I truly hope that that approach will be given consideration for next year. I think it has as its goal and objective much the same thing the Senator from Nebraska is proposing, that is, that when we are considering legislation there would be nothing else going on.

On the other hand, that there would be ample time to have serious committee debate and thought and hearings.

So I believe we are moving in the right direction. I commend him for that, and I also commend the leadership for moving in the direction that they have indicated heretofore they are seriously considering as a result of Senators CRANSTON, HUMPHREY, and others proposing that we break up our sessions in legislative and committee days.

OFFICIAL SENATE PHOTOGRAPH

Mr. MANSFIELD. Mr. President, as the Senate knows, there will be an official photograph of the Senate taken at the hour of 12:15 p.m. I would most respectfully ask the Chair that at 12 o'clock the floor be cleared of all those who are in attendance except Senators and Senate officials so that this matter can be conducted in the way it has been conducted in the past.

In other words, those who do not have regular daily admittance to the Senate on a permanent basis because of their official position as Senate employees should be asked respectfully to leave the Chamber at 12 o'clock.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I yield back any time which may be assigned to me.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Wisconsin (Mr. NELSON) is recognized for not to exceed 15 minutes.

Mr. MANSFIELD. Mr. President, with the consent of the distinguished Senator from Wisconsin (Mr. NELSON), I suggest the absence of a quorum, to be taken out of his time.

Mr. ROBERT C. BYRD. Will the distinguished majority leader withhold that request for a moment?

Mr. MANSFIELD. Mr. President, I yield 1 minute to the distinguished Senator from West Virginia.

ORDER FOR RECOGNITION OF SENATOR ROTH TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders or their designees have been recognized under the standing order, that Mr. ROTH be recognized for not to exceed 15 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 8:45 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 8:45 a.m. tomorrow.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD. Now, Mr. President, I suggest the absence of a quorum on Mr. NELSON's time.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I yield back the remainder of the time allocated to the distinguished Senator from Wisconsin (Mr. NELSON).

ADDITIONAL EXPENDITURES BY THE SELECT COMMITTEE ON NUTRITION AND HUMAN NEEDS

The ACTING PRESIDENT pro tempore (Mr. MONTOYA). Under the previous order, the Senate will now resume the consideration of Senate Resolution 54, which the clerk will state.

The legislative clerk read as follows:

> A resolution (S. Res. 54) continuing and authorizing additional expenditures by the Select Committee on Nutrition and Human Needs.

The Senate resumed the consideration of the resolution.

DETERMINATION OF SENATE ELECTION IN NEW HAMPSHIRE

Mr. MANSFIELD. Mr. President, for the information of the Senate and to bear out newspaper stories which appeared last evening and this morning, and wire stories which appeared yesterday, which indicated that Mr. John Durkin of New Hampshire intended to meet with the Democratic leadership this morning. I wish to confirm that information. At around 9:30, Mr. Durkin did meet with the distinguished chairman of the Committee on Rules and Administration, the Senator from Nevada (Mr. CANNON), the distinguished assistant majority leader, the Senator from West Virginia (Mr. ROBERT C. BYRD), and the Senator from Montana.

At that time he stated what he intended to do, which in effect corroborated what the newsstories carried yesterday and today.

The Democratic leadership and the manager of the bill agreed to accede to the wishes of Mr. Durkin, and I would hope that we would be able to face up to this matter as expeditiously as possible, declare the seat vacant, and return the decision to the people in New Hampshire.

I make this statement with mixed feelings—and I cannot repeat this too often—due to the editorials in various newspapers throughout the country which have been thrown at the Senate Democrats.

Article I, section 5 of the Constitution states:

> Each House shall be the Judge of the Elections, Returns and Qualifications of its own Members.

For that, we have been pilloried. For upholding the Constitution, we have been castigated. We have been accused of trying to steal an election.

There has been no hanky-panky, there has been no subterfuge; yet just this morning, members of the press asked me if I had urged Mr. Durkin to withdraw.

Until this morning I had not seen Mr. Durkin for a week or 10 days, and when I did see him it was to say, "Hello, good morning," or something to that effect. But rumors, innuendos, criticism, and allegations have been rife during the course of these long, laborious proceedings, both in the Committee on Rules and Administration and on the floor of the Senate.

Thirty-five issues were reported out by the Committee on Rules and Administration to be placed before the Senate. Only one of them was considered. We had no chance to see or inspect the evidence. We were, in effect, operating in the dark. But what we were trying to do, as we swore we would when we took our oaths of office, was uphold and defend the Constitution of the United States, the basic document on which this Republic rests. And for that we have been castigated, criticized, and demeaned. The record should speak for itself. We were doing our duty; and that is why it is with mixed emotions that I accede, along with the other members of the leadership in this instance, to the request of Mr. Durkin presented this morning.

So may I say to the distinguished chairman of the committee, the senior Senator from Nevada, that I would hope that some way could be found——

The ACTING PRESIDENT pro tempore. The Senate will be in order.

Mr. MANSFIELD. That some way could be found to face up to this matter as quickly and as fairly as possible.

Mr. CANNON. Mr. President——

The ACTING PRESIDENT pro tempore. Does the Senator from Nevada wish to address himself to what the Senator from Montana has stated?

Mr. MANSFIELD. Mr. President, I ask unanimous consent, in view of the fact that I have taken up some of the time, that the time taken up not be charged to the time on the bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. CANNON addressed the Chair.

The ACTING PRESIDENT pro tempore. I just state for the record that the time for debate on this resolution is limited to 1 hour, time to be equally divided and controlled by the Senator from Montana, Mr. CANNON (sic), and the Senator from South Dakota, (Mr. McGOVERN), and 30 minutes on any amendment, with 20 minutes on any debatable motion, appeal, or point of order.

Who yields time?

Mr. MANSFIELD. Mr. President, that is a great combination. I happen to be the Senator from Montana. But I will be glad to yield to the Senator from Nevada.

Mr. CANNON. Mr. President, I yield myself 5 minutes.

I say, first, to my distinguished colleague that I will have something to say on this subject later.

I certainly share the views that he has expressed here, and I will address myself to that subject later on in the day.

At this time, Mr. President, I address myself to Senate Resolution 54. This resolution would authorize the Select Committee on Nutrition and Human Needs to expend not to exceed $485,000 during the 1975 investigative year for increase in investigations.

During the last session of Congress, the committee was authorized to expend not to exceed $353,800 for that purpose.

The committee estimates it will have spent all of that amount. The pending request includes an increase of $131,200 over last year's authorization.

The Committee on Rules and Administration has amended Senate Resolution 54 by reducing the requested amount from $485,000 to $399,500, a reduction of $85,500, which includes a cut of three employees.

Also a technical amendment has been incorporated in the resolution.

Senator McGOVERN is chairman of the Select Committee on Nutrition and Human Needs, and Senator PERCY is the ranking minority member.

Mr. President, I say that the reason for the reduction is that there were people eligible on the committee under the provisions of Senate Resolution 60 to employ people to assist them, and thus the committee felt that it was not necessary to provide for the increase in the number of personnel as was originally requested in the resolution.

Mr. President, I am ready to proceed to the amendments. I had anticipated that there might be a move to attempt to amend the first committee amendment, but it is my understanding that there is no such——

Mr. HOLLINGS. Just the second committee amendment. We can go with the first committee amendment.

The ACTING PRESIDENT pro tempore. The clerk will state the first committee amendment.

The legislative clerk read as follows:

On page 2, in line 24, strike out "$485,000" and insert "$399,500."

The ACTING PRESIDENT pro tempore. Do Senators yield back their time on the amendment?

Mr. CANNON. I yield back my time on the amendment.

Mr. HOLLINGS. Yes, I yield back the remainder of my time on the amendment.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the first committee amendment.

The amendment was agreed to.

The ACTING PRESIDENT pro tempore. The clerk will state the second committee amendment.

The legislative clerk read as follows:

On page 3, line 5, strike out "committee" and insert "committee, except that vouchers will not be required for the disbursement of salaries of employees paid at an annual rate."

Mr. HOLLINGS. Mr. President, I have an amendment at the desk to the second and last committee amendment, and I ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The legislative clerk read as follows:

The Senator from South Carolina (Mr. HOLLINGS) for himself, Mr. JACKSON, and Mr. BUMPERS proposes an amendment:

The amendment is as follows:

The Senate of the United States, acting pursuant to the authority contained in section 4(g)(2) of the Emergency Petroleum Allocation Act of 1973, hereby states its disagreement with and disapproval of the amendment to the regulations promulgated under section 4(a) of the Emergency Petroleum Allocation Act proposed by the President for the purpose of decontrolling old domestic crude oil over a 30-month period and establishing a ceiling price for all uncontrolled domestic crude oil.

The ACTING PRESIDENT pro tempore. The time for debate on this amendment is limited to 15 minutes to each side.

Who yields time?

Mr. MANSFIELD. Mr. President, I recognize that the distinguished Senator from South Carolina is within his rights, but he will recall that the leadership yesterday asked for and received unanimous consent that a vote on cloture for the purpose of taking up this resolution would occur at the hour of 4 p.m.

Did the Senator consult this matter with the leadership before this action was taken? I am just trying to set the record straight.

Mr. HOLLINGS. Mr. President, to set the record straight, let me make a few preliminary comments, if the Senator does not mind.

The ACTING PRESIDENT pro tempore. How much time does the Senator yield to himself?

Mr. HOLLINGS. Is the Senator on his own time now to explain the question and answer to that, or could I have just 2 minutes to answer the distinguished Senator?

The ACTING PRESIDENT pro tempore. Fifteen minutes have been allotted to each side.

Who yields time?

Mr. HOLLINGS. Mr. President, I yield myself 2 minutes, then.

I advised the majority leader, the entire policy committee membership was there that I was very much concerned over the fact that there has been filibustering of any meaningful energy legislation, so that we do not have the opportunity to vote on the proposals on the merits. The President of the United States has the full rights, title, and interest under present day law to decontrol old oil prices, he could have acted under section 4(b) rather than 4(a) to decontrol prices by filing an economic justification statement.

President Nixon did this when he raised the price of old oil from $4.25 to $5.25 in December 1973.

On the contrary, President Ford left his farewell card and headed to Helsinki, under a guise of section 4(a) where he says in 5 days either House of the U.S. Congress must disapprove his plan or it is the law, without any economic justification required or provided.

When we tried to initiate action on the President's message immediately we were filibustered.

What the distinguished majority leader has asked is, yes, there will finally be a cloture vote this afternoon.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. HOLLINGS. I yield myself 2 additional minutes.

We have finally gotten ourselves at 4

p.m. to a cloture motion just to bring up the resolution, and three days have already passed. Even if cloture is invoked today, it will have to be invoked again to close debate on Senate Resolution 145. We are running out of time; we are coming to Friday and under the law we have to adjourn at midnight that day.

I did advise the distinguished majority leader and our colleagues on the policy committee of my concern over the filibuster and said we would be looking at the calendar for an appropriate measure, where the germaneness rule would not apply, so I could call up the resolution of disapproval and have an up and down vote on it. To call this in a manner so we could rule in a stable, sensible, orderly fashion.

The U.S. Senate has done this on energy. We passed S. 1849. Before that we passed the 6-month extension with a rollback in new oil prices but it was vetoed.

This Senate has passed S. 1849 which provides a 6-month extension. This measure is over in the House of Representatives and my best information is that it is in a fairly tenuous situation.

So, the answer is that yes, I did advise the leadership. In fact, I had heard that the whip was interested in the nongermane aspect of this resolution in connection with the Wyman-Durkin proposition of acceding to Mr. Durkin's request that the matter be returned to New Hampshire, and that he was going to use this vehicle. I do not know whether this is the case. Anyway, that is the kind of discussion that has started but I brought this up under the rules.

Mr. ROBERT C. BYRD. The Senator did not hear that from me.

Mr. HOLLINGS. Yes.

Mr. ROBERT C. BYRD. The Senator did not hear that from me.

Mr. HOLLINGS. No, I did not hear that directly from the Senator.

Certainly the policy committee did hear directly from me, which I am sure the distinguished majority leader will recall.

But we have gotten to a 5-day limitation and the President has been playing high noon with us; we are trying to promulgate a policy but cannot vote for filibusters and we have tried to get a mere extension with no advantage to either side—but to no avail.

The President could have acted on his own under the law in a different section, but instead he said to the National Congress, "You adopt my high price approach or else."

That is in the morning news. That is exactly what Mr. Zarb told the membership of the House of Representatives yesterday.

Mr. President, I make a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the privilege of the floor be accorded Bill Van Ness, Thomas Platt, Mike Harvey, and Mary Jo Manning, and Lynn Sutcliffe, during the consideration of the amendment.

Mr. GRIFFIN. I object.

The ACTING PRESIDENT pro tempore. Objection is heard.

Several Senators addressed the Chair.

Mr. PASTORE. Does the Senator mean to have staff on the floor?

The ACTING PRESIDENT pro tempore. The Senator from Michigan has objected.

Mr. PASTORE. There will never be another staff member on the floor?

Mr. JACKSON. There certainly will not. I will object to all staff members.

The ACTING PRESIDENT pro tempore. Who yields time? Time is on the amendment.

Mr. CANNON. I suppose I have time on the other side.

The ACTING PRESIDENT pro tempore. That is correct.

Mr. CANNON. I really am not involved in this amendment. I will be glad to yield time to anybody who wants time.

Mr. HOLLINGS. Mr. President, will the distinguished manager of the bill yield me a couple of extra minutes?

We are not trying to delay.

Mr. CANNON. The Senator has a total of 15 minutes, but if he wishes, I will yield a couple of extra minutes.

Mr. HOLLINGS. Mr. President, one more time to the point: The Senate has worked and struggled long and hard under the leadership of the distinguished senior Senator from Rhode Island (Mr. PASTORE). We worked with the President all last fall when the President switched off to the high price approach and the inflationary measures, and the Senator has always been concerned primarily with the economy. It is now July 1975, and there is no crisis. There is clearly a problem, and we happen to believe that we could create a crisis by employing the President's approach. Certainly, the President has had his way thus far. He has released the entire price level on all new oil up to $13.50, and domestic production is down 500,000 barrels. He has put a $2 or $3 tariff program in force.

Mr. GRIFFIN. Mr. President, will the Senator yield?

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the members of my staff I mentioned earlier may have the privilege of the floor. May I renew that request?

The ACTING PRESIDENT pro tempore. The Senator may do so.

Mr. HOLLINGS. I ask unanimous consent that Mike Harvey, Bill Van Ness, Tom Platt, Mary Jo Manning, and Lynn Sutcliffe may have the privilege of the floor.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. GRIFFIN. Mr. President, reserving the right to object, will the Senator yield to me for a parliamentary inquiry?

Mr. HOLLINGS. I yield.

Mr. GRIFFIN. Mr. President, I inquire of the Chair under what time constraints we are now considering this resolution from the Rules Committee, having to do with the funding of a Committee on Nutrition.

The ACTING PRESIDENT pro tempore. The time for debate on this resolution is limited to 1 hour, to be equally divided and controlled by the Senator from Nevada (Mr. CANNON) and the Senator from South Dakota (Mr. MCGOVERN) with 30 minutes on any amendment, 20 minutes on any debatable motion, appeal, or point of order.

Mr. GRIFFIN. Is there a provision in the unanimous-consent agreement that any amendments should be germane?

The ACTING PRESIDENT pro tempore. There is not.

Mr. GRIFFIN. I ask the Chair when that unanimous-consent agreement was entered into.

The ACTING PRESIDENT pro tempore. July 28.

Mr. GRIFFIN. I thank the Chair.

Obviously, we would not try to prevent Members from having staff people of their choosing on the floor. However, I call attention to the ridiculous situation that the Senate is in, in which a resolution from the Rules Committee having to do with the funding of a Committee on Nutrition has now been seized upon for the vehicle to propose a very unrelated, nongermane amendment which is very controversial, and the Senate is supposed to vote on it in 30 minutes.

I must say that it will be a pretty cold day when this kind of agreement will be entered into again, allowing nongermane amendments to be offered. I hope the Senator from South Carolina realizes the difficulty in which he is putting the leadership of his party in this way, especially when the leadership on both sides have been taking care of the situation, the issue about which he is concerned. There will be a cloture vote later today.

I will not object, Mr. President.

Mr. PASTORE. Mr. President, reserving the right to object, if anyone is going to make speeches, I am going to reserve the right to object, since I have a little speech.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. PASTORE. Mr. President, will the Senator yield me a few minutes?

Mr. HOLLINGS. I yield.

Mr. PASTORE. Mr. President, let us face it—we have had hard experience in this body. We had the New Hampshire situation. The Rules Committee came out with a recommendation—my distinguished friend the minority whip is a member of that committee—and we struggled and struggled, and we could not come to a vote, so much so that we pushed Durkin into a corner, so that now he has to agree to a new election.

What does that mean, Mr. President? It means that the minority has taken over the majority. We are now in the control of the minority party. The will of the people does not count any more. Majority is the precept and the concept of our democratic process, but it is not working in the Senate. Why? Because we can get ourselves into a filibuster.

Here we are, again being put in the vise all over again by the President's program. We have a miserable 5 days to discuss this matter and 5 days to vote on it. In a filibuster, 5 days could be the blinking of an eyelash.

That is what we are up against. I do not care whether Senators vote it up or down but give us a chance to vote. Let us find out what the American people want; let us find out what the majority represents. Let us find out whether or not we can express our will. That is what this is all about. That is the reason why it is being done.

We have a cloture motion to be brought up at 4 o'clock today. If we have any luck at all, we just bring it up. Then we are going to have another cloture motion, and the law says that we have to get out of here by midnight Friday, and that is where the squeeze comes in. I say that this good American society is being thwarted. That is what the difficulty is.

As the Senator said, if the President wants to raise these prices, he has the authority. But, no, he has to put that cat on the back of Congress; and when the prices go up, he says Congress did it, the Democratic majority in the Senate did it. It is a horrible situation, Mr. President, by any name anyone wishes to call it.

I do not object, Mr. President.

Mr. HOLLINGS. Mr. President, how much time do I have remaining?

The ACTING PRESIDENT pro tempore. Ten minutes.

Mr. HOLLINGS. I yield 2 minutes to the distinguished Senator from Washington.

Mr. JACKSON. Mr. President, I associate myself with the able remarks of the distinguished Senator from Rhode Island and the author of the amendment to the resolution, the distinguished Senator from South Carolina.

The facts are very, very clear: The President does have the authority to increase the price of oil without coming to Congress, as long as he does not call for decontrol. The fact is that he did that previously, when oil was raised from $4 to $5.25 back in December of 1973.

I point out that the administration has admitted that they cannot justify, in accordance with their own regulations, an increase in the price of oil, subject to the requirement of an economic impact statement, to demonstrate that these costs are indeed justified.

The fact is that most of the old oil—we are talking about old oil—costs less than $3 a barrel to produce. So that when they go beyond $5.25 a barrel on old oil, they cannot justify the increase. So the President is asking Congress to be a party to a legislative act that he knows cannot be carried out under existing law, but we are being asked to move arbitrarily and decree this increase.

Mr. President, President Ford is engaged in a last-ditch effort to tie the Congress to an energy price decontrol scheme which—

Is unjustified on the basis of economics or of the costs of producing oil;

Cannot produce significant new supplies, but will institutionalize and ratify high oil prices set by the OPEC cartel;

Cannot produce significant oil savings beyond what has already resulted from the steep price increases of the past year; and

Guarantees further price escalation for consumers and unwarranted profits for oil companies.

The President would have the Congress ratify a price decontrol plan which could be implemented by the President himself, without congressional approval—a plan which is cynically constructed to postpone the most substantial petroleum price increases until after the 1976 election.

Congress is being asked to do this now—in an atmosphere of extreme pressure. The President is in a rush because he knows that oil price decontrol will be impossible to pass in the fall after the oil companies and OPEC impose the price increases they have planned for the rest of 1975.

The oil companies plan increases to recoup costs "banked" during 1974. OPEC plans increases to further bolster incomes reduced by declining sales and growing demands for Western manufactured goods.

This program will be unacceptable then for the same reasons it is unacceptable now. However, the fallacies of the President's energy price rationing philosophy will make even less sense to the American people in the fall when still higher oil prices than now prevail are imposed on the economy.

The President knows that time is not on his side. He is pulling out all stops—to the point of threatening a veto of all petroleum price control and allocation authority. This threat is made with full knowledge of the staggering jolt to the economy and the chaos in the independent sector of the oil industry which would result from abrupt removal of controls from oil prices.

I do not propose to accept yet another energy policy delivered to the Congress at gunpoint. I am asking for prompt consideration in the Senate—and swift passage—of Senate Resolution 145, as amended, disapproving of the jerrybuilt, complex, and inadequate plan for removal of price controls from oil which the President announced on July 25.

What is wrong with the plan?

First, the President's plan ratifies a price for oil which has been set by the OPEC cartel and proposes to permit the price of all domestic oil to increase to equilibrate with the present unjust and arbitrary OPEC level. The President proposes that consumers pay these prices despite the fact that the Administration recognizes that they are arbitrary and are in excess of the prices needed to bring forth new supply. The President proposes that consumers pay these prices despite the fact that the administration recognizes that windfall profits are currently being made by the oil industry and that the revenues which would accrue from decontrol must be taxed.

Second, the plan contemplates continuation of a tariff on imported oil which is inequitable and which was imposed without justification or proper economic analysis. The tariff is an open invitation to the OPEC cartel to raise prices still further.

Third, the plan would institutionalize rising oil prices and rising oil company profits prior to the enactment of either a windfall profits tax or a program to rebate oil tax revenues to consumers. The only sure thing we can say about the administration's tax and rebate shell game is that the consumer will be the loser.

Fourth, the most recent plan is an entirely political document. It cements oil price decontrol into the national energy policy, yet attempts to minimize the inevitable price increases until after the 1976 election.

Fifth, the President's plan creates a four-tier price system but miraculously fails to accomplish the limitation of excessive prices where they are not justified—for old oil—while continuing to maintain higher-than-necessary prices for imported oil.

Sixth, there is a serious legal question raised by the President's submission of a new, revised decontrol plan without notice of proposed rulemaking, opportunity for public comment or required findings. Congress disapproved the President's 30-month plan on July 22, 1975. Now the President has proposed a new, substantially different crude oil decontrol amendment incorporating, among other things, a ceiling price for uncontrolled oil below current new oil prices and alluding to a windfall profits tax and consumer rebate program. No notice has been given, no hearings held, and no findings have been made with respect to this proposal in direct contradiction to established administrative procedure.

Mr. President, if the Congress had given in to the President this spring, we would have had immediate decontrol of domestic oil, a $3 tariff, soaring inflation and far deeper recession. The Congress held its ground, and the President was forced to confront the facts:

Immediate decontrol is inflationary and substantially threatens economic recovery;

Ceiling prices are needed to insulate the United States from the arbitrary decisions of the OPEC cartel; and

A system of price controls and a program to equalize costs within the industry is needed to preserve the price independence of the U.S. economy from OPEC.

The President now accepts these facts. They are incorporated, albeit imperfectly, in his latest plan.

If the Congress had given in to the President in May when the President proposed a 25-month decontrol program, we would have had higher gasoline prices than we have now, an even more sharply rising rate of inflation and exorbitant oil company profits.

The Congress held its ground and the President's attitude changed even further. The President now realizes that high prices will not stimulate supply, that high prices will not lead to conservation commensurate with the cost of the economy and that massive oil company profits do not constitute an automatic solution to our energy problems.

Mr. President, I believe that by opposing the President, the Congress has saved the American consumer billions of dollars, preserved a good chance for economic recovery, permitted a substantial moderation to take place in the rate of inflation and turned the President away from an enormously superficial and dangerous set of energy tax, tariff, and price decontrol policies.

I propose to continue to fight to bring this President closer to a responsible and compassionate energy policy. We are not now near the end of the energy debate; we are in the midst of it. The energy policy of the United States is going to be substantially different from the energy policy of the oil industry. Gerald Ford is coming to realize this, and I hope that the Senate will continue the lesson.

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

Mr. HOLLINGS. I yield the Senator 1 additional minute.

Mr. JACKSON. I commend the Senator from South Carolina for bringing up this amendment. This is the only way we can bring up the amendment. We have been thwarted at every move in the Senate. There is no way in which we can get a vote except by this procedure, and the law provides that we should have 5 days in which to do it.

I think we are doing the right thing. We are doing the conscientious thing. We are doing that which I believe the public interest demands we do.

I salute the Senator from South Carolina for taking this initiative.

Mr. President, I yield back to the Senator from South Carolina such time as I have remaining.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. HOLLINGS. I yield to the distinguished Senator from Arkansas.

Mr. BUMPERS. Mr. President, I wish to associate myself not only with the remarks but with the effort being made by the Senator from South Carolina. It is true that at 4 p.m. this afternoon, we are going to have a cloture vote. Even in the unlikely event that cloture is voted, I do not believe there is a Senator in this Chamber who believes that we can bring this to a head before midnight Friday. We either tell the President now, "No, you cannot decontrol," or we go home under his threat that he is going to veto an extension of controls unless we accept what he calls compromise. I say the message ought to go out from this Chamber that if the President chooses to decontrol the price of petroleum products in this country, let him assume the responsibility for it. I am not going to lend my name to it. I can tell you that most of the people in this Chamber who did most of the work on this are not going to lend their names to it.

The President operates under two basic premises: one, that if we raise prices, the oil companies will have more money to find more oil. Last year, the Mobil Oil Co. drilled and drilled until they hit the Marcor Corp., plunked down $800 million in cash for a nonpetroleum company. Gulf Oil bought Barnum & Bailey. Texaco bought 20 percent of American Climax. Do not tell me how much money they to have to drill for more oil.

The second thing he says is that it will reduce demand. Every witness, administration and otherwise, who appeared before our committee says that up to the price of about 75 cents, the demand is inelastic.

So what are we doing? We are accommodating the major oil companies and we are not dealing with conservation. We are not dealing with an energy problem. The windfall profits tax that has been suggested—is that a tax on the oil companies? Of course, it is not. It is a tax on the consumers. When the price goes up another 10 to 20 cents a gallon, the oil companies do not care. They run it out of the pockets of the consumer through their treasury into the U.S. Treasury through a windfall profits tax. But it is the American consumer that is ripped off.

Finally, he says the administration of a two-tier pricing system is an administrative nightmare. Consider the 25-percent plow-back provision. Add to that the windfall profits tax, then some convoluted system of refunding money to the poor people who are going to be ripped off by it. What could be a bigger administrative nightmare than those three administration measures?

Finally, Mr. President, I reemphasize, as the distinguished Senator from Washington has already so clearly and cogently pointed out, the President can do on his own exactly what he is asking Congress to do with him. He wants us to share the responsibility. I, for one, do not intend to share that responsibility with him, because I think it is wrong and I think it is a breach of faith with the American people. I am hoping to God that this Chamber will feel the same way.

I thank the Senator.

Mr. HOLLINGS. Mr. President, how much time do I have remaining?

The ACTING PRESIDENT pro tempore. The Senator has 3 minutes remaining.

Mr. HOLLINGS. I will withhold now, if I have only 3 minutes remaining, to give the other side a chance to talk.

Mr. CANNON. Mr. President, I shall be glad to yield time to anybody who wants time.

The ACTING PRESIDENT pro tempore. How much time does the Senator from Nevada yield?

Mr. CANNON. How much time do I have left, Mr. President?

The ACTING PRESIDENT pro tempore. The Senator has 8 minutes remaining.

Mr. CANNON. I yield 5 minutes to the Senator from Arizona.

Mr. FANNIN. I thank the distinguished manager of the bill.

Mr. President, what we are about to do could be devastating to this country. Here we are, with an opportunity to go forward with a balanced energy program, a well-constructed program, one that is very fair and equitable, not only to the people of the country but to this very body. It has been thought out for a long, long time. It is a constructive program that I think meets the demands that have been made over a long period of time by Members of this body. Here we are talking about a decontrol program which will extend over a 39-month period. It would provide for a rollback in oil prices for an initial period. We would only be deregulating one and one-half of 1 percent of old oil a month for 12 months, then 2.5 percent for the next 12 months, then 3.5 percent for the remainder of the period.

What alternatives do we have? We have the opportunity that if Congress is not satisfied, in 90 days, they have another look at it. It comes back to us. So we are not making decisions here that are in concrete. We are making decisions here today that are going to give us a way out. It certainly is going to be tremendously beneficial.

If this resolution is defeated, Senate Resolution 45, the phaseout of price controls on old oil will be gradual and therefore, not too sudden. Ceiling prices will be established, meaning rolling back prices for oil now under controls. We will have another opportunity in 90 days to disapprove the President's decontrol plan if we do not like it.

Mr. PASTORE. Will the Senator yield?

Mr. FANNIN. Yes.

Mr. PASTORE. If it is such a beautiful equitable, just plan, why is the Senator afraid to have a vote on it?

Mr. FANNIN. Just because there is an understanding——

Mr. PASTORE. By whom?

Mr. FANNIN. It is a political issue. That is why we are not——

Mr. PASTORE. Oh, no, this is not a political issue. This is gouging the consumer.

Mr. FANNIN. It is not a gouging of the consumer. Let me just finish. If we do not approve the President's program and we have the controls run out on August 31, and controls do in fact, go off, then what happens?

Mr. PASTORE. The fact is that the Congress of the United States has been willing to negotiate this with the administration.

Mr. FANNIN. The President has been trying to negotiate this steadily since January and has come 75 percent of the way toward agreeing with the position of the Democrats.

Mr. PASTORE. I am afraid that Mr. FANNIN does not know the facts. Mr. Zarb told me that he would negotiate with Mr. PASTORE.

Mr. FANNIN. Mr. President, does the Senator from Arizona have the floor?

Mr. PASTORE. Yes. I will do it on my time later.

Mr. FANNIN. I can just say that what the distinguished Senator said is his opinion. It is certainly not the opinion of most of the people, I think, in the country, if the Senator will just get their opinion on it.

Here we are giving a chance for the

administration, working with Congress, to bring forth a program that is workable, that is beneficial, and I cannot understand why we cannot get approval of the program. The old existing authority under which oil prices can be controlled is the Emergency Petroleum Allocation Act, as we all recognize. It expires August 31. If either House of Congress disapproves—I know that this will be up before the other body this afternoon. But I do not think anybody can argue that the President's program is going to be inflationary.

With all of the different plans that have been proposed that have not been accepted, none of them goes as far as this in terms of being equitable to the American people.

Mr. BUMPERS. Will the Senator yield for a question?

Mr. FANNIN. When I finish, I will be very pleased to.

I will yield for a very short question, yes.

Mr. BUMPERS. Is the Senator familiar with what the inflation rate was, according to the Consumers Price Index, for the month of June?

Mr. FANNIN. Yes, I am very much aware. Here is the thing.

Mr. BUMPERS. Will the Senator state what it is? Is it not eight-tenths of 1 percent, an annual rate of 10 percent?

Mr. FANNIN: The thing is this: what we are talking about is meeting the energy crisis. Prices will go up, as far as that is concerned, in the energy field, and they must, if we are going to develop our resources, if we are going to develop our coal gasification, if we are going to develop our shale oil. Yes, it is going to effect the prices of energy to a certain extent. If we do not adopt the President's plan we are going to see prices skyrocket when the Emergency Petroleum Allocation Act expires.

It will not be very long before people will be out of work because we will not have the natural gas or other petroleum products needed to fuel our country.

We understand that much is involved in what we are talking about here today. We are talking about propane. We are talking about the energy supplies for the farmers of this Nation. We are talking about the energy supplies for the rural areas of this country.

So, yes, the Senator realizes that there is an inflational trend in this country.

The PRESIDING OFFICER (Mr. Johnston). The 5 minutes of the Senator has expired.

Mr. CANNON. Mr. President, is the situation such that there are 30 minutes on the committee amendment?

The PRESIDING OFFICER. There should have been 30 minutes on the committee amendment, so that time is available.

Mr. CANNON. So the time on the committee amendment is available. Then I will yield 5 minutes additional on the committee amendment to the Senator from Arizona.

Mr. FANNIN. Mr. President, we are concerned about what the industry is going to do; what we are going to be able to do to get the jobs back for the people who are out of work, and how we will be able to go forward in a competitive position with the other countries of the world.

This is all vital to us. The petroleum industry, is justifiably worried about its capital formation problem which means getting money to keep growing and to get funds in order to drill more wells in this country.

I ask unanimous consent that an article on just what we are up against be printed in the Record at this point.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From U.S. News & World Report, July 14, 1975]

Worry for Industry: Where To Get Money To Keep Growing

A massive drive is getting under way in Washington to make sure that business grows and prospers, so that people's living standards can rise in the years that lie ahead.

It's becoming almost a crusade.

Everyone agrees on the goal. It's the ideas for achieving it that stir deep divisions—among economists, lawmakers and businessmen.

The question, simply, is whether business can build up the funds needed in the next decade to create 16 million new jobs, expand and modernize farms and factories, and keep machinery and equipment up to date.

Profits and Taxes. The Ford Administration, with Treasury Secretary William E. Simon in the vanguard, and businessmen across the country are hammering away at three points:

Profits are too low, and must be increased.

The federal budget must ultimately be balanced, and run surpluses at times.

Congress should enact a broad program of tax reform favorable to business and individual investors.

Wherever businessmen gather, they talk apprehensively about something that not long ago was heard only in corporate board rooms and among economists—"capital formation." This phrase is becoming an everyday term in Congress and with average citizens.

In its simplest terms, capital formation means the creation of productive capacity from funds built up by businesses and individuals.

Nobody knows precisely how much is going to be needed in the years to 1985. The estimates are staggering, ranging from 3.8 trillion to 4.5 trillion dollars.

For an inkling of just how astronomical that is, investors and businesses would have to lay aside 1.1 billion dollars every day through 1985. Put another way, that's roughly three times what business invested during the last decade.

Unless something is done, the argument goes, investment funds are going to fall far short of these needs.

What's at stake, as Mr. Simon and likeminded thinkers see it—to mention a few examples—is whether this country will be able to produce enough steel, oil, natural gas, electric power, housing, transportation, a cleaner environment, and at the same time educate and train a new generation.

The problem grows largely out of the inflation of recent years, huge federal deficits, and the shrinkage in "real" corporate profits that is shown by the chart on this page.

As for tax reform, Mr. Simon was to go before the House Ways and Means Committee on July 8 to sketch, in broad terms, the Administration's tax ideas for encouraging investment.

Except for proposals dealing with energy, however, specific tax recommendations will not come for several weeks, when the hearings close.

The fate of Administration proposals, when they are spelled out, is uncertain, but lawmakers seem more favorable to business-tax reform than anyone would have thought just a few months back.

Representative Sam Gibbons (Dem.), of Florida, a key member of the Ways and Means Committee, sees that group as more sympathetic to business, despite last year's liberal Democratic landslide. This shift, he believes, is due in part to the business recession.

Representative Joseph Fisher, a liberal Virginia Democrat, recognizes that business faces a capital problem, and agrees that tax breaks in some form may be needed.

Mr. Fisher, although a freshman, could play an influential role as a member of the Ways and Means panel and chairman of a tax task force made up of other freshman lawmakers.

Sentiment shifting. The Administration's Congress watchers, too, say they perceive a significant change in congressional sentiment. They contend that, increasingly, the lawmakers are coming to understand that unless business prospers, many more of their constituents will find themselves out of work.

What kind of tax program does Mr. Simon want?

The most important single step Congress could take, he and other officials contend, would be to cut the corporate-tax rate itself. The point is made that an across-the-board reduction in rates would produce the broadest benefits.

Such tax relief would increase after-tax profits, leaving more for investment, and make stocks more attractive to individuals and institutions alike.

A related plank in Mr. Simon's tax platform is a start toward easing double taxation of dividends. Now, dividends are taxed twice—first as corporate profits and then from stockholders when they get their dividend checks.

One effect of such double taxation is to encourage business to raise capital by borrowing instead of selling stock. That's because interest paid on debt is fully tax-deductible, while dividends paid on stock are not deductible at all.

Partly for that reason, it is contended, corporations generally have gone head over heels in debt, some of them dangerously so. Since 1965 alone, corporate debt has nearly tripled, to an estimated 1.25 trillion dollars—or more than twice what the Federal Government owes.

Especially in recent years, companies have found it increasingly difficult to raise equity capital. For one thing, individuals have been net sellers—not buyers—of stock for nearly two decades. In the first quarter of 1975 alone, when the market was rising, individuals were unloading stock at an annual rate of 14.4 billion dollars.

It is the Administration's position that making a start now toward ending double taxation would make equities more attractive to investors, and thus encourage corporations to slow down on going into hock, and maybe pay off some of what they already owe.

Yet officials concede that the cost in revenue rules out eliminating double taxation in one fell swoop. That would cost as much as 15 billion dollars a year.

Secretary Simon would also like to liberalize depreciation write-offs for business investment in plant and equipment. Under existing law, companies can deduct from their income each year a portion of the original cost of their investment. The idea is that, in this manner, they will be able to replace or modernize plant and equipment when it wears out or becomes obsolete.

There are a number of ways to liberalize depreciation if Congress decides to revise present law.

One way, and the most likely one, would be to increase depreciation deductions during the first few years that a factory or piece of equipment is in use. Official figures show that most of this country's competitors permit more liberal depreciation than the U.S. especially in the early years.

U.S. corporations, for example, can recover 55 percent of their investment during the first three years, compared with 100 percent in Canada and the United Kingdom, 90.3 percent in France and 63.9 percent in Japan.

Also important to business, in the Administration's view, would be a long-term extension of the investment tax credit, enacted by Congress as a temporary measure earlier this year.

This law allows business a 10 percent tax credit against investment in machinery and equipment. To illustrate: Suppose a firm invests $100,000 in a new machine. Of that amount, the firm can deduct $10,000 from taxes that otherwise would be due.

Other proposals. Further down the list of measures the Administration would like is a lowering of taxes on long-term capital gains and more liberal allowances for capital losses.

Under present law, capital gains are taxed at half the rate of ordinary income—wages and salaries, for example—up to a maximum of 35 percent. The case for lower taxes on capital gains, once again, is that the move would make equity ownership more attractive.

The same goes for capital losses. Briefly, such losses can now be offset, dollar for dollar, against capital gains in any one year. But it takes $2 of long-term losses to cancel out $1 of ordinary income. What's more, loss deductions against ordinary income are limited to $1,000 a year, though amounts in excess of that can be carried forward.

At best, the outlook is dim for final enactment of broad corporate-tax reform in this session of Congress. Representative Al Ullman (Dem.), of Oregon, chairman of the Ways and Means Committee, has set October 1 as the goal for having a measure ready for action by the House.

But even if the House passes a broad measure, it is even more doubtful that the Senate will act before next year.

Important as the Administration considers tax reform, control of federal spending takes much higher priority.

Meaning of vetoes. Massive deficits—past, present and prospective—and their relation to capital formation partly explain President Ford's vetoes of a series of spending bills passed by Congress. And it is partly this same concern among lawmakers that has persuaded them to sustain so many of the vetoes.

What does deficit spending have to do with capital for private investment?

Simply this: Billions that the Government has to borrow deprive business of billions that might go toward building new factories and machines.

The Government comes first. Says one top federal economist: "The Government is going to get what it needs no matter what happens to anyone else."

That has proven to be the case. During the last year or so, when interest rates were high and the Government was borrowing heavily, billions in private capital-spending projects were canceled or postponed. Others were financed at lofty interest rates.

The end of deficit spending is not yet in sight. The estimated deficit for the year that ended on June 30 was 42.6 billion dollars. It is expected to be at least 60 billion in the coming year. And this magazine's Economic Unit cannot foresee a balanced budget before 1980.

The concern among experts, both in and out of Government, is that huge deficits will refuel inflation and absorb capital needed by business, not only for borrowing but also for stock.

The Administration makes much of the fact, too, that the U.S. for years has been lagging behind other nations in the percentage of gross output invested in productive facilities, as shown in the chart on this page.

L. William Seidman, head of the President's Economic Policy Board, puts it this way: "As other nations have channeled relatively more of their resources into capital investment and have acquired more modern plants and equipment, our competitive edge in world markets has been eroded."

The skeptics. There are skeptics, both on the capital-shortage question and the kind of tax program the administration favors.

One of these skeptics is Prof. Stanley Surrey, of Harvard, former Assistant Secretary of the Treasury for tax policy. Mr. Surrey implores the Ways and Means Committee: "Take your time. Ask some questions. How much growth do we want? How much investment do we actually need? Is there a sufficient supply of capital?"

Another doubter is Charles B. Warden, formerly a top economist with the Council of Economic Advisers, and now vice president of Data Resources, Inc., economic research and consulting firm.

Mr. Warden contends that the recession and a slowing economic growth have "knocked into a cocked hat" projections of a capital shortage made by his own firm. Thus, he foresees no shortage at least before 1980.

Still another study, just published by the Brookings Institution, concedes that there is a capital problem, but contends that it "can be met by a moderate adjustment of fiscal and monetary policies." The study goes on to say that for now, "with the economy operating substantially below full employment, inadequate saving is not a problem. In fact, the problem is just the reverse: Private saving exceeds private investment."

"Fear and trembling." Among businessmen, too, there are those who are in doubt. Albert Sommers, chief economist of the Conference Board, sees "genuine fear and trembling among sophisticated corporate executives as they look toward the financial investment required of them in the future if they are going to contribute to general economic growth, higher productivity and higher levels of employment."

Yet Mr. Sommers notes that some businessmen "hold the problems of financing new capacity out of current cash flow are a cyclical phenomenon which will disappear as economic recovery begins and cash flow increases."

Such dissents as these, however, seem to be definitely in the minority—certainly among businessmen, Administration officials, and increasingly so among members of Congress.

Mr. FANNIN. Mr. President, we have several problems of great consequence here in this country, and we are trying to meet them. But, unfortunately, we have not been able to bite the bullet, to take a stand and do what is necessary to meet those problems.

We are not going to have production of oil shale, as I stated; we are not going to be able to develop all of these other resources, geothermal and solar, unless the capital is available. If we are going to prevent the oil industry from making a legitimate profit, we cannot become self-sufficient in energy. I am not talking about windfall profits. In fact, we have the ability to pass through this Congress a legislative protection to the American people so that if there are windfall profits, they can be taxed.

We also have an obligation to see that money is available through a plowback provision so that we can give the companies of this country an opportunity to go out and explore for more oil and gas.

So, Mr. President, if we do not support the President, if we do not do what we have the ability to do now, we are going to suffer for a long, long time.

Certainly, we can take action that is going to be punitive to the oil industry, and I am not one who benefits from the standpoint of the oil industry. My State does not profit, we do not have oil production in my State. But I have concern for all of the industries of this country. I have concern because we have a great need for them to produce energy, and I feel that we are considering here today what we can do in energy research and development.

The ERDA bill will be before us, but what good is it going to do if we pass all of this legislation providing for what needs to be done to meet the energy crisis and then we do not have the funds available to go forward with the program.

We know there is some integration, so far as that is concerned, between the coal industry and the oil industry. Sure, if there were not, the funds would not be available to develop our domestic energy. So we are not just talking today about what to do in one industry or the fate of one industry. We are talking about what we are going to do about jobs in this Nation, what we are going to do about the availability of fuel; what we are going to do this winter in keeping homes warm and keeping manufacturing plants open. That is what is involved in this amendment. This is the best settlement so far that has been offered Congress, and we have been working for a long, long time on this very issue.

So, Mr. President, I just feel if we do not take advantage of this particular opportunity we are making a great mistake. There are many figures available, and they have been presented to us by the FEA. The figures are very convincing. They show that, if the President's plan is not disapproved, energy production in this country will be expanded.

It is going to take the cooperation and a coordination of effort on the part of all of us. Repeated delaying tactics will not solve the Nation's energy problems.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. CANNON. How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 12 minutes remaining.

Mr. CANNON. I yield an additional 5 minutes.

Mr. FANNIN. Mr. President, what the President is doing is making an effort, and this is an effort, to break the deadlock between the administration and Congress. Nobody is more desirous than he of having a cooperative program, a cooperative attitude, that will carry on a program that will help solve the problems we have.

The President certainly does not enjoy this confrontation with Congress, and I am sure Members of Congress would rather settle this, and settle it now. This is the opportunity to get it settled.

This plan is critical, and this is a first step. There is not any doubt but what we must, as I said, have this followup. We can have a combined windfall profits tax on the oil companies, and rebate the energy taxes to the American people. In fact, the President's plan gives us an opportunity to see that the American public does not suffer from fuel shortages and that the American public benefits. I do not see why it is not beneficial for us to go forward with the President's program.

As I have said earlier, what is the alternative? The alternative is another confrontation, another bitter fight. It is my own belief that the President will not be willing—and I would not blame him at all because he has offered us a very fair and equitable proposition, and if we turn it down, then I do not think he has any alternative but to see that on August 31 the Emergency Petroleum Allocation Act expires. When that happens, we take the consequences. Unfortunately, it is the American people who will suffer.

I feel that as far as the Senator from Arizona is concerned, I do not want to be in that position. I want to be able to say to my people in Arizona and to the people of this Nation that I made every effort to get accomplished what would do for them what has not been provided by Congress before.

I would say that we can, through the efforts of Congress now, go forward with the program that has been recommended to us by the President.

If we would just review it—and I do not think all the Members who have been discussing it have talked about just what would happen, because the plan provides a ceiling price for all domestic crude oil, other than stripper well crude oil, for the 39-month decontrol period.

The President has taken off the 60 cents from the product import fee. The Senator from Rhode Island would be interested in what has been done in that respect. This is assistance to his area.

Mr. PASTORE. Mr. President, will the Senator yield on that? That is an improvement, no one questions that.

I have the highest respect for President Ford. He is a decent man. No one is questioning that. But, after all, he is a human being. He was elected as a Congressman from Michigan, the Fifth District of Michigan. He is a human being, he is still a human being. The mere fact that he became the President of the United States does not necessarily mean that he is a miracle man or that he has all the answers.

The point I am making, if somebody will give me some time to say this, is the tactics that have been used, and I hope the Senator will grant me a little time to say this in due time.

Mr. FANNIN. Fine.

Mr. PASTORE. I do not want to take time away from the Senator from Arizona.

Mr. FANNIN. Let me elaborate. I think the procedure that has been followed by the President has been the fairest one that could possibly——

Mr. PASTORE. It is still jamming it down our throats. That is what is wrong with it.

Mr. FANNIN. In the spring of 1971 we were on this floor and said we were going to pass legislation that was going to solve the energy picture or go a long way toward solving it.

Mr. PASTORE. And we did. We have been working assiduously.

Mr. FANNIN. No, the Senator from Arizona—Mr. President, who has the floor?

Mr. PASTORE. The Senator has the floor.

Mr. FANNIN. All right. We have not taken the steps that should have been taken, and now we have the opportunity to do so. Sure, we have made mistakes in the past and, no doubt, the administration has made serious mistakes in the past. But let us try to rectify those mistakes, and we have this opportunity right now to do so by defeating the Hollings amendment.

I just cannot agree that we should subject the American people to what would happen if controls go off, if what many people in this Chamber have stated will happen.

I happen to disagree it would be that disastrous. I do feel if the Emergency Petroleum Allocation Act does run out, and we have a complete release of prices, we will have a reaction if the price of products is climbing rapidly. But I do not expect that.

We have many reports that there will be some increase, but not a material increase. Well, that, of course, is something we would have to gamble on, and the safe way in which we can act now is not to take that gamble at all, and that is to accept the President's program and see if we cannot then work out a windfall profits tax with a plowback provision——

The PRESIDING OFFICER. The Senator's additional time has expired.

Mr. FANNIN. I thank the distinguished Senator from Nevada.

Mr. PASTORE. Will the Senator yield me 3 or 4 minutes?

Mr. CANNON. I yield 4 minutes to the Senator from time on the bill.

Mr. PASTORE. Mr. President, we keep talking here about not having a confrontation, and no one wants it. We are talking here about cooperation, and everybody wants it. We are talking partnership, and everybody wants it. But we are being told here that this is the President's program, that is a good one. All we are saying is wait a minute, let us take a look at this.

What happened here?

Under the law, section 5, as has been pointed out, when the President sends up a plan, we have 5 days within which to repudiate that plan.

Now, they deliberately waited to give us just the 5 days before August 1.

There is the first oppressive measure against the will of the people.

Then, to add to that, Mr. Zarb went before the House Rules Committee yesterday, so where does the cooperation come in?

When they are saying, stick it in that committee, keep it there, do not give the House of Representatives a chance to vote, how are we going to get the expression of the people?

Another thing, Mr. President, in the President's program, it is said we will bring down the price of new oil for a dollar or two, but we will take that old oil from $5.25 and shoot it up to $11.50.

Now, the old oil is 60 percent of the domestic production and the new is 40 percent. This is what we are up against.

How does he get that price down on the new oil? He has got to negotiate with the oil companies, and the oil companies now are in cahoots with the administration on this program. And does anyone know how they have it figured out—and this is the phony part—they have it figured out that the price will not go up until after the election in 1976.

That is what it is all about. That is where it is phony.

Now, who will make it remain stable? The oil people. They are not going to prove this is a bad program, they are going to let people stay in the state of euphoria until after the election in 1976, and after they have elected a Republican President—if they can—then the price will go up and then the American people will be hurt. The American consumer will be crucified.

A gallon of home heating oil in 1963 in Rhode Island cost 16 cents, today it costs 50 cents, and by the time they get through with us it will be 60 cents.

What do they want the housewives in Rhode Island to do, wash their dishes in long johns to keep warm?

What are they going to do? They cannot turn up their thermostats; they cannot pay the price.

Here they are told that this is a decent program. Well, why do they not put it up to us, put it up to the Members of the House?

Now they have it tied up in committee. Here in this Chamber they want to tie us up in a filibuster.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. PASTORE. Well, I think I have said enough.

[Laughter.]

Mr. ROBERT C. BYRD. Mr. President, may we have order in the galleries and in the Chamber?

The PRESIDING OFFICER. Let there be order in the Senate.

Mr. HOLLINGS. Mr. President, I think I have 18 minutes remaining on the bill.

The PRESIDING OFFICER. The Senator is correct.

Mr. HOLLINGS. I yield 3 or 4 minutes to the distinguished Senator from Washington.

Mr. JACKSON. Mr. President, I think at this point it would be useful, because of misunderstanding, to better understand what is involved in the pending amendment in the form of a resolution.

Mr. President, the Mandatory Allocation Act does two principal things. It gives the power to the President to set prices on oil and it gives authority to the President to make allocations of oil products to the various users.

The first point, and that is where we are involved here today, the President, may I say to the Senate, has two options in dealing with price. The President has total authority, Mr. President, to raise the price of oil, and he did it back in 1973, to any level he sees fit that he can justify economically. He does not have to come to the Congress in that situation to do it as long as he does not decontrol it.

Mr. President, the reason it is before this body right now is because he not only proposes to increase it, and the politics of it is clear, it is a 1.5 percent increase for the first 12 months, that takes us right up to about the election, and then it jumps to 2.5 percent, and then it jumps to 3.5 percent for 15 months and then it is decontrolled.

Mr. President, it is clear, this matter would not be before this body if he did not write in the magic word "decontrol" at the end. He has full authority to make those increases.

However, and Mr. Zarb has admitted this in our discussions in conferences, if he increases the price of oil and does not decontrol it, he must, Mr. President, under the OMB regulations of his own administration, file an economic impact statement and he must justify by cost that increase—let us all understand that point—and they cannot justify it because the oil, that is, oil for $5.25, is old oil.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. JACKSON. May I have another minute?

Mr. HOLLINGS. Yes, one more.

Mr. JACKSON. The old oil, Mr. President, is produced for $3 or less and they cannot justify it economically and they have admitted it.

So this resolution now has nothing to do with the extension of the authority.

If the resolution is rejected and Mr. Ford's program goes under, it will all die on August 31 unless the law is extended and he has twice vetoed the extension of the authority.

We have passed it in the Senate, it is over in the House. They have not ruled, they are taking it up this afternoon, and what the House does has no bearing on this action because his 39-month program will die on August 31 if he vetoes the extension again.

So, Mr. President, it is clear, the only sensible thing——

The PRESIDING OFFICER. The Senator's 1 minute has expired.

Mr. JACKSON. The only sensible thing to do is to reject the President's proposal by supporting the resolution of rejection.

Mr. HOLLINGS. Mr. President, I now yield 3 minutes to the Senator from Utah.

Mr. MOSS. Mr. President, I join my colleagues in their position to reject the President's proposal on this and I endorse the reasons advanced so eloquently.

This is a matter that is of intense importance to this country, especially to the consumers, and I am speaking to the consumers. When gasoline jumped in price on the 4th of July, we awakened to the fact of what has been going on.

But it is not gasoline alone. It is heating oil, it is all petroleum products of every kind that have been going up, up, up in price, and the needs are fixed. Our people must have those products. Therefore, there is nothing to do but pay the higher prices.

We have met a number of times, talking with the President himself, with his representatives. We have been trying to get toward a compromise position that would recognize the realities of the situation and deal with this problem on a long-range basis, but, certainly, it cannot be reached by this proposal in this 39-month phaseout of control on oil prices.

We need to have an extension of at least 3 months' time in which to work further until we can arrive at a compromise.

The day before yesterday, I spoke in this body and proposed what I thought was a workable compromise. I had the task force of the new Budget Committee and for the last 2 weeks we have been holding hearings on the energy situation.

Out of that, we have developed many facts and figures. We will be filing a report very shortly to show what has come out of those hearings and seminars that we have had. They will indicate that if we have a sharp increase in price coming either immediately or coming within a year's time, then we go right back into the inflationary and recessionary cycle that we are just hoping we are coming out of sometime now.

The administration constantly says the recession has bottomed out. Well, if it has bottomed out, let us, for goodness sake, get the economy moving up. Let us get our people back to work rather than give them another shot and go back down in depression. We certainly cannot tolerate this plan at this time. We need further time to refine the compromises that are in the works.

DESCRIPTION

The President's latest plan is to decontrol oil over a 39-month period. Old oil would continue to be price controlled at $5.25, but redefined as new oil at the rate of 1½ percent the first year, 2½ percent the second year, and 3½ percent for the remaining 15 months. By the end of the first year, 18 percent of currently defined old oil would be allowed to sell at new oil prices, rising to 48 percent by the end of the second year, and 10 percent by November 1978. The price of new oil would be rolled back from $12.50 to $11.50 per barrel, but the price would be allowed to increase by 5 cents per month over 39 months, to $13.50 per barrel. The President's proposal also mentions a windfall profits tax which would allow the producer to exclude some undefined portion of his excess profits for moneys reinvested in future exploration. The President continues to propose immediate deregulation of new natural gas.

The Moss compromise rolls back the price of new oil to $10, and allows it to increase by 5 cents per month over a period of 5½ years to a ceiling of $13.30 per barrel. Old oil would continue to be price controlled at $5.25, but would be redefined as new oil at the rate of 1½ percent monthly—over the entire 5½-year period—thereby reflecting the natural decline rate of oil fields. The Moss approach eliminates most of the oil companies' windfall profits by leaving the money with consumers. However, a windfall profits tax with a plowback provision would be retained. The rebate to consumers would not necessarily be restricted to the yield from such a tax, but would also reflect the cost to consumers whether it arose from tariffs or OPEC price increases.

IMPACT

Compared to the President's latest proposal, the compromise recommended by Senator Moss represents a savings to consumers of approximately $13.5 billion over the 39-month period on domestic oil purchases alone. Depending on the policies ultimately selected regarding tariffs, natural gas, and coal, the savings could be twice as large, or approximately $27 billion through the end of 1978. The Moss proposal means an average savings of $200 to $400 per household over the 39-month period.

The most significant difference between the two proposals is their possible impact upon the recovering economy. The President's plan has a "double whammy" effect on the economy, and possibly on production. It concentrates 45 percent of its decontrol during the last 15 months. This significant increase may create inducement to withhold production in order to benefit from the higher price by waiting a relatively short period.

In contrast, the Moss compromise strikes an appropriate balance between energy objectives, and objectives for the economy. It avoids a sharp price increase which would tend to increase inflation and trigger a wage-price spiral which could lead to a substantial increase in unemployment.

The Moss compromise also avoids abrupt increases in energy prices which would impose unnecessary hardships and might not increase production and conservation substantially more. After all, time is required to change living patterns, and to find and produce oil. The price and time-phasing of the Moss compromise provides the incentives to produce without creating incentives to withhold supplies from the market.

TIME-PHASING

Both the President's proposal and the Moss compromise provide a gradual rate of decontrol—18 percent—during the first year.

However, the President's plan would decontrol 82 percent of old oil between September 1976, and November 1978, while the Moss compromise continues the gradual—18 percent—per year decontrol over the entire 5½ years.

In addition, rolling new oil prices back to $10 rather than $11.50 a barrel is unlikely to reduce production, but, the lower price will reduce the adverse impact of higher oil prices on the economy and consumers.

DIRECTION AND CERTAINTY

Both proposals indicate the direction of the Federal Government's plan, but the Moss compromise provides greater certainty and stability. It extends over a 5½ year period into 1981—and better enables consumers and producers alike to plan and act for the longer period. Removal of the uncertainty on prices and regulation will encourage increased investment, production, and conservation.

NATURAL GAS

In addition, Senator Moss has called for the Congress to explore a natural gas price adjustment plan which would:

Allow the price of new gas in interstate and intrastate markets to rise to the blend price of domestic oil;

Permit only 1 to 1½ percent per month of natural gas from producing wells to rise from the old contracted price to the new ceiling price. This would reflect the natural decline rate in gas pricing in a manner similar to that proposed for oil.

Such a plan could add substantially to consumer savings compared to the President's deregulation plan, particularly if there is a rush, as is likely, to renegotiate existing contracts up to the ceiling price.

EXTENSION OF EPAA

The Moss compromise would extend the Emergency Petroleum Allocation Act for 90 days to allow time to work out the details of the new plan.

Mr. HOLLINGS. I yield 2 minutes to the distinguished Senator from Arkansas.

Mr. BUMPERS. Mr. President, first I would like to say that it is very unfortunate that we do not have a better attendance in the Chamber to vote on what I consider to be one of the most important amendments to come before this body. Just as one of the most important debates I have heard in the Senate since I arrived was on Diego Garcia, I feel that the Mansfield amendment would have prevailed had the Members been here.

I feel that the Members would vote overwhelmingly in favor of this amendment if they were here. I could not add to anything my distinguished colleague from Rhode Island (Mr. PASTORE) has already said so eloquently. But I would like to point out that last month the cost of living went up eight-tenths of 1 percent. Compared to an annual rate, that is an annual rate of 10 percent. At the annual rate for last month, the average worker's income will drop between 4 and 5 percent this coming year. The President can do on his own what he is proposing to do here, what he is asking us to join him in doing. He says either adopt this compromise—and it is not a compromise but simply a refinement of the program he has been sending over here since the first of the year. He calls it a compromise, but it is not.

He says, "Either adopt it or I am going to veto all the extensions of the Mandatory Allocations Act."

I say, "Let him."

Let the American people see whose interest the President is looking after. If the Senate does not take this opportunity to adopt this amendment, I can assure Members that once cloture is voted, if it is voted this afternoon, it will not be voted on before midnight Friday night. As far as I am concerned, this body will have broken faith with the American people and it will all be manifested very clearly in the months to come.

I thank my colleague from South Carolina (Mr. HOLLINGS) for having the foresight to give this body a chance to disapprove the President's proposal.

Mr. HOLLINGS. Mr. President, I yield 3 minutes to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I want to join my colleague from South Carolina in this measure which we will have a chance to vote on in the next very few moments.

Mr. President, the President's program is a Presidential guarantee for continued inflation as well as economic recession. I come from a part of the country whose No. 1 problem is not the energy crisis but the economic crisis that we are faced with, with in excess of 12 percent unemployment in my own State of Massachusetts and generally throughout the New England area. This kind of program, which has been put forward by the President, is going to mean a continued problem of recession and failing to get an important recovery in our economy. It will add to the problems of inflation for the working people of my State.

Mr. President, there is a very reasonable way that we can proceed to consider the President's proposal. That is with the extension of the Allocation Act for a period of 90 days or 4 months, and for the appropriate congressional committees to deal with these particular issues in the President's program in a responsible way. But we are denied that opportunity, so the only alternative is the alternative which has been taken advantage of by the distinguished Senator from South Carolina.

Finally, Mr. President, I want to say that if we are unable to vote this particular program down, and if the President's program does go into effect for a decontrol program over the next 39 months, we are sending a very clear message to the OPEC countries that our economy in this Nation can go ahead and tolerate an increase in the international oil price of anywhere from $2 to $3 a barrel. Mr. President, the best estimate now that has been made is that the increase in the OPEC figures will probably go up to close to $2 a barrel. The only way that we are able to convince the OPEC countries not to see this kind of increase is to convince them that we have the economic problems which we do have in this country at this time. But how are we going to be able to influence any of the——

The **PRESIDING OFFICER.** The Senator's time has expired.

Mr. KENNEDY. A half-minute, Mr. President.

Arab leaders when we have the President of the United States prepared to say that we are going to charge the American consumer an additional $30 billion in direct costs over the next 39 months and an additional $30 billion in indirect cost, $60 billion to the American consumer. That is a clear message that it is open season for the oil-producing countries. I hope for this and other reasons that the position of the Senator from South Carolina will be sustained.

Mr. HOLLINGS. How much time remains, Mr. President?

The **PRESIDING OFFICER.** The Senator has 5 minutes remaining.

Mr. HOLLINGS. I believe the Senator from Illinois wanted to be heard. I hope he will talk favorably, but I believe he will have to get the time from the other side.

Mr. STEVENSON. I am not sure, Mr. President, which side I will be on. Will the Senator from Nevada yield 5 minutes?

Mr. CANNON. Mr. President, I only have 7 minutes remaining. I agreed to yield 3 minutes to the Senator from Oklahoma. I will yield that and then maybe I can negotiate some time for the Senator from Illinois.

Mr. BARTLETT. Mr. President, the discouraging thing in this whole debate has been the fact that the majority leaders of Congress have no plan. They have no plan to face up to the energy shortage. In fact, there are really no deliberate and extensive debates on how do we get from our short supply to energy sufficiency. What is talked about by these leaders is let us keep the domestic prices down.

This is self-defeating. In the process of controlling and rolling back domestic prices, this gives more leverage to the OPEC nations and they are in a much stronger position to raise the prices on foreign imports. In doing so, the total price that is paid in this country goes up, up, and up. So if we want to send a message to the OPEC nations, it is to tell them that we are interested in our own problem and that we are willing to put some additional moneys on the line to provide enough drilling, to provide enough discoveries of oil wells, to have energy sufficiency, to bring on the alternate sources, to do more research and development.

But what are the OPEC nations saying about the United States? "Why are you not interested in your own future? Why do you not want to spend the money that it takes?"

What do we do? We pay a very high price to foreign countries and become more dependent upon them continually, an unreliable source, knowing that they are going to have that much more money to invest in their own reserves, until they are in a better position to charge us even more in the future. Then we pay less to ourselves, to our own producers, to our own people who are interested in bringing on alternate sources of energy. So we compound the problem in this kind of nonplanned solution that the majority leaders have.

I think it is very important to recognize that the effort that we are putting forth today is less than one-third of the effort that we need to put forth in order to have any chance of energy sufficiency. It is less effort than we put forth in 1955. At that time we had some 2,700 rigs operating. Today we have approximately 1,750 rigs available to operate but we are only operating about 1,600. Why? Because this body and the other body saw fit to reduce the depletion allowance in such large amounts that the industry was charged an extra $2.5 billion in taxes, retroactive.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. BARTLETT. And this has made it impossible for the industry to do the drilling and even keep busy the rigs now available.

Mr. CANNON. Mr. President, I yield 10 seconds to the Senator from Arizona.

Mr. FANNIN. Mr. President, I ask unanimous consent that the following staff members be allowed the privilege of the floor during consideration and voting on S. 598: Harrison Loesch, Fred Craft, Dave Stang, Roma Skeen, Mary Adele Shute, Gaye Vaughan, Margaret Lane, Nolan McKean, Tom Imeson, Mike Hathaway, Tom Biery.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CANNON. Mr. President, I yield 3 minutes to the Senator from Illinois.

Mr. STEVENSON. I thank the Senator from Nevada.

Mr. President. I would like to use this time to ask some questions of the Senator from South Carolina.

Is it not true, first of all, that for the President's plan to be implemented, Congress would have to enact an extension of the Emergency Allocation Act, and that action would have to be approved by the President? This plan of the President assumes extension of the Emergency Allocation Act, does it not?

Mr. HOLLINGS. That is correct.

Mr. STEVENSON. And under the Emergency Allocation Act, is it not also true that Congress, either house, has the opportunity, at 90-day intervals, to disapprove the implementation of the President's proposal?

Mr. HOLLINGS. I think now is the time to disapprove it. I do not want that 90 days, because in this plan you have got a situation similar to the takeoff of a Saturn rocket. It starts off at 1.5 percent, very gradually, very slowly, deceivingly, for the first 12 months and very little of that will be felt in the first 3 months. The name of the President's game is "Get me past November 1976," and thereafter the increase soars into the 3.5-percent range, soaring off into the stratosphere of inflation. That is after the first year and after the election.

Mr. STEVENSON. The answer is, Mr. President, that at 90-day intervals, and for as long as the act is extended, either body of Congress can disapprove the implementation of the President's plan.

Now, during the first 90 days, as the Senator from South Carolina has mentioned, the price of old oil increases. It is gradually decontrolled. It is not, during that first 90-day segment of the President's plan, true that the price of old oil would rise in the aggregate amount of about $95 million?

Mr. HOLLINGS. I do not have those figures. But it would rise, and there is no economic justification. As Mr. Zarb said, he would have filed it and taken the route of section 4(a), rather than section 4(b), which has been the recourse of the administration in the past but he did not have the justification.

Mr. STEVENSON. Well, Mr. President, according to my calculations, the price of old oil during the first segment would rise about $95 million. During the same period of time, the price of new oil would be brought down from an average of $13, now, to about $11.50. Would not that decrease in the price of new oil mean a reduction in oil costs for the country of about $400 million, for a net reduction of about $300 million in oil costs? Or a net reduction of oil costs for this 90 days, crude oil costs, of about $300 million?

Mr. HOLLINGS. We sent the President a net reduction in the price of oil, in oil costs to the American consumer, and he vetoed it. It was the amendment of the Senator from Ohio which was a part of the earlier extension act.

Mr. JACKSON. Mr. President, will the Senator yield for a clarification on this point?

Mr. HOLLINGS. I yield.

Mr. JACKSON. I think it should be pointed out that the President, even should the Congress approve this proposal, can, as long as he does not take the lid off, turn around and raise the price any time he wants to, and we cannot do a thing about it. That is what they did initially on the old oil; they raised it from $3 something a barrel to around $4, then to $5.25.

The PRESIDING OFFICER. All time of the Senator from Nevada has expired. The Senator from South Carolina has 5 minutes remaining.

Mr. STEVENSON. Mr. President, I ask unanimous consent that I be granted 5 more minutes on this bill. I did not receive any notice of this unanimous-consent agreement, and this measure includes several features which I would like to discuss. It includes, for example, not only the impact on new production, of a reduction in crude oil costs, but also a 60 cents per barrel reduction in the tax on imported oil products.

Mr. GRAVEL. Mr. President, reserving the right to object, if we are going to have more time I want a lot of time, because this has been sprung on us at the last moment here.

Mr. HOLLINGS. Mr. President, since objection has been heard, I would not mind if the Senator from Illinois wanted 3 minutes and the distinguished Senator from Alaska wanted 5.

Mr. GRAVEL. I do not think I could begin to do justice to this issue in 5 minutes. I ask unanimous consent, Mr. President, to release all time limits on this legislation, so we can get at the subject.

Mr. PASTORE. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. HANSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HANSEN. Is there not more time available to those of us who oppose this move on the bill itself?

The PRESIDING OFFICER. There is time on the bill itself for the Senator from South Carolina and the Senator from Nevada.

Mr. HOLLINGS. Can we divide that time? We divided the time on the amendment. Can we divide the time on the bill, to accommodate our colleagues?

Mr. CANNON. Well, Mr. President, I am going to need some time on the bill. I am reluctant to yield. I have already used part of my time on the bill now. I have used 4 minutes to yield to other Senators, and I have to have some remaining time on the bill myself.

Mr. HANSEN. Mr. President, if the Senator from South Carolina will yield 30 seconds for a brief clarification, I would like to make one point.

Mr. HOLLINGS. Let me yield 2 minutes to the Senator from Illinois.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. HOLLINGS. Yes.

Mr. PASTORE. I would like to make a suggestion, with the permission of the Senator from South Carolina. I would be willing to extend the time one-half hour on this particular amendment, to be equally divided 15 to 15. On this particular amendment, in view of the allegations that have been made here, we do not want to shut anyone off, but we do not want to get deadlocked again on a filibuster.

Mr. HANSEN. I am opposed to deadlocks.

Mr. PASTORE. I know you are, but it happens.

I ask unanimous consent for an extension of 30 minutes, to be equally divided.

The PRESIDING OFFICER. Is there objection?

Mr. GRAVEL. There is objection.

The PRESIDING OFFICER. Objection is heard.

Mr. HOLLINGS. I yield 2 minutes to the Senator from Illinois.

Mr. STEVENSON. Mr. President, I am unalterably opposed to the President's proposal, which would result in more unemployment, more recession and more inflation, with no assurance of increased energy supplies or energy conservation.

I think I have already established that during this first 90-day period, energy costs in the United States would be substantially decreased. But is it not also true that as a part of the President's proposal, in addition to another decrease in crude oil costs of about $300 million, he proposes to take the 60-cent tariff off of imported refined products?

Mr. HOLLINGS. I have yielded to the Senator; I suggest he go right ahead and complete his statement.

Mr. STEVENSON. That enlarges the net decrease for the first 90 days to approximately $400 million, and under the Emergency Allocation Act, either body in Congress has the opportunity, at the end of the 90-day period, to disapprove the continuation of the program, which means we would then go back to where we are now.

This proposal, for the first 90 days, means lower oil costs than those available under the Emergency Allocation Act; and if Congress does not accept the President's proposal for the first 90 days, and sends the Emergency Allocation Act to the President, it is possible that he will keep his word, and veto the act. That alternative would mean altogether uncontrolled oil prices by September 1.

So I ask the Senator from South Carolina, if his interest is in lower oil costs and extension of the Emergency Allocation Act, and perhaps, as I suspect, more time in Congress with which to develop a comprehensive energy pricing policy for the country, why should I and other Senators vote for his amendment?

Mr. HOLLINGS. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has less than a minute.

Mr. HOLLINGS. What is that?

The PRESIDING OFFICER. The Senator has less than a minute.

Mr. HOLLINGS. No, I only yielded 2 minutes of my 5. I had 5.

The PRESIDING OFFICER. The remainder of the Senator's 5 minutes had been used up before.

Mr. HOLLINGS. Mr. President, I only yielded 2 minutes.

The PRESIDING OFFICER. I advise the Senator was speaking before he yielded the 2 minutes. At that time he was in a colloquy with the Senator from Rhode Island.

Mr. HOLLINGS. Mr. President, let me say this right in that minute. The President could have decontrolled. The President can do it today. In his compromise he has a lot of come-ons, it would raise this old oil cost up to that level of $11.50, and momentarily, yes, lowering new oil, but in the long range writing in inflation at least for the next 3 years. Everywhere one goes around this town he hears Greenspan and Simon saying we should not make the decision for the next 12 months, the next 3 or 4 years, and economically here he comes.

Mr. President, I ask unanimous consent that documents, one a fact sheet entitled, "Resolution to Disapprove the President's Oil Decontrol Program," and the other entitled, "Cost of Ford 39-Month Decontrol Plan Above Staggers Compromise H.R. 7014," be printed in the Record as to the cost of the President's plan versus one reasonable and meaningful alternative compromise.

Mr. HOLLINGS. We have the research group talking about $40 billion——

Mr. HANSEN. Mr. President, a parliamentary inquiry.

How much time is remaining?

Several Senators addressed the Chair.

Mr. PASTORE. Regular order, Mr. President.

Who has the floor?

Mr. HOLLINGS. I have the floor.

The PRESIDING OFFICER. The time on the amendment has now expired.

Mr. HOLLINGS. Mr. President, we were interrupted and not even given the full minute that remained.

Mr. HANSEN. Is the Senator appealing from the ruling of the Chair?

Mr. GRAVEL. Let the Senator put it in the Record.

The PRESIDING OFFICER. The time has expired.

Mr. HOLLINGS. Mr. President, I ask unanimous consent to put in the Record a listing of the bills relating to energy which have been acted upon, in whole or part, by the Congress as an alternative to the President's program of high price.

There being no objection, the documents were ordered to be printed in the Record, as follows:

Congressional Alternatives to the President's Plan of Higher Prices

Congress has been acting throughout the spring and summer to enact an alternative to the President's program of higher and higher prices. The measures which have been acted upon in whole or in part include:

1. Disapproval of the excise tax—February—vetoed.

2. Repeal of the oil depletion allowance—$3 billion gain for the taxpayers.

3. Strip Mining Act—vetoed.

4. S. 622—Standby Energy Authorities Act—in conference.

5. Appliance Labeling Act—passed the Senate, and contained in H.P. 7014—on House floor.

6. Automobile Fuel Economy Act—passed the Senate and contained in H.R. 7014 on House floor.

7. Strategic Reserves Act—passed the Senate and in conference in H.R. 49.

8. Naval Petroleum Reserves Development Act—in conference in H.R. 49.

9. Coal Conversion Act extension—vetoed earlier and now in S. 1849—passed Senate and on House floor.

10. Six Month Extension of Price Control Authority—in S. 1849 passed the Senate and on the House floor.

11. Coastal Zone Amendments for Energy Facilities Siting—passed the Senate.

12. Offshore Drilling amendments—on Senate calendar.

13. Natural Gas Act Amendments—on Senate calendar.

14. ERDA authorization—passed the House and on Senate calendar.

15. Energy Production Mobilization Board—to be reported to Senate.

16. Energy Policy Council—passed Senate three times.

17. Railroad Rehabilitation Act—passed Senate.

18. Industrial Conservation Act—to be reported to Senate.

Resolution To Disapprove the President's Oil Decontrol Program

A. Why the President's Decontrol Plan Should Be Debated and Rejected as an Amendment to S. Res. 54.

1. The situation in the House is most uncertain. It is not clear when the House will vote on the President's decontrol plan or whether they will reject it.

2. S. Res. 45 (to reject the President's decontrol plan) is likely to be filibustered. A motion to table should be voted down because this is perhaps the only chance to get a vote on the merits of the President's decontrol plan.

B. In the Merits, the President's Decontrol Plan Should Be Rejected Because:

1. Phased decontrol is a plan for inflation and excess profits for the oil industry on the installment plan.

2. Higher prices for old oil is a complete give-away to the oil industry. The present price of $5.25 a barrel is generous. A recent study reveals the cost of old oil is $2.96 a barrel including a 15% profit.

3. The $11.50 per barrel for new oil is too high—it is the OPEC price. We would be ratifying the cartel price.

4. Prices under the President's plan would go up like a Saturn Rocket slowly at first and then up, up and away. Buying the President's plan because of a slow take-off would be buying into a highly inflationary rip-off of the consumer.

5. The President's concession that a windfall profits is needed if his plan goes into effect proves that profits would be excessive. But the tax is not in place and the history of such taxes are that the money seldom returns to the Treasury. Certainly the consumer who pays the higher price will not get his or her money back.

6. A vote against the President's plan is a vote for reasonable ceiling. A vote for the President's plan endorses the concept of decontrol, a plan that ends all American controls on oil in 39 months and lets prices be controlled by OPEC.

7. The argument that the President's plan would save consumers money over the status quo in the next 90 days ignores the oil industry's "banked costs" and their ability to raise retail prices of gasoline and fuel oil. Rather than saving consumers money it would make the Congress a partner in a plan that permits the oil industry to charge prices that are higher than necessary for maximum production of domestic oil.

8. The President can raise oil prices without sending a decontrol plan to Congress. He obviously wants Congress to share the responsibility for higher gasoline and fuel prices. His plan should be rejected because his tariffs, fees, and decontrol ideas are contrary to the public interest and Congress should not approve of them by accepting this decontrol plan.

Cost of Ford 39-Month Decontrol Plan Above Staggers Compromise to H.R. 7014

About $250 per family in 1976 and $400 per family in 1977.

1976

The $1.18 per barrel average additional price for oil under Ford plan increases energy payments over what they would be under the Staggers Compromise by the following amounts:

Impact on oil (5.53 billion barrels annual consumption times 1.18 per barrel average price difference—$11.19/bbl. versus $10.01/bbl.) $6.52 billion; impact in coal (one half of all coal consumed domestically, 275 million tons, times $4.67 per ton) $1.28 billion; impact on unregulated natural gas (70% of unregulated intrastate gas, or 7.2 trillion cubic feet, times $.20 per thousand cubic feet) $1.44 billion gives total fuel cost increase of $9.24 billion.

$9.24 billion fuel cost increase plus 50% ripple effect from energy price increases (Joint Economic Committee suggests 75% ripple) equals $13.86 billion.

$13.86 billion total additional cost of the Ford plan above the Staggers Compromise divided by 210 million persons equals $66/person.

$66/person times 4 person family equals $264/family.

1977

The $1.79 per barrel average additional price for oil under Ford plan increases energy payments over what they would be under the Staggers Compromise by the following amounts:

Impact on oil (5.53 billion barrels annual consumption times $1.79 per barrel average price difference—$12.07/bbl. versus $10.28/bbl.) $9.91 billion; impact on coal (one half of all coal consumed domestically, 275 million tons, times $7.09 per ton) $1.95 billion; impact on unregulated natural gas (70% of unregulated intrastate gas, or 7.2 trillion cubic feet, times $.31 per thousand cubic feet) $2.23 billion gives total fuel cost increase of $14.09 billion.

$14.09 billion fuel cost increase plus 50% ripple effect from energy price increases (Joint Economic Committee suggest 75% ripple) equals $21.14 billion.

$21.14 billion total additional cost of the Ford plan above the Staggers Compromise divided by 210 million persons equals $101/person.

$101/person times 4 person family equals $404/family.

Mr. HANSEN. Mr. President, I ask unanimous consent that there be another 30 minutes equally divided. I am interested in what the Senator from Illinois is saying. He makes good sense. He makes the point that if we vote against this we are voting for higher price. There will be lower price for 90 days.

Mr. MOSS. I object. Regular order.

Mr. PASTORE. I object.

FORD'S OIL PLAN—MORE ECONOMIC TROUBLE

Mr. HUMPHREY. Mr. President, steadfast congressional refusal to be bullied or cajoled into condoning misguided high-priced oil policies has brought the President a long way since January, when he announced his intention to decontrol in one step on April 1. That original plan would have been pure economic disaster. The latest Ford plan for deregulating oil prices over 39 months is an improvement over his earlier proposals—but its full impact means more inflation, more unemployment.

But the fact that President Ford has moved in the right direction is no reason to swallow a program that still contains unacceptable economic consequences and excessively high oil prices. Therefore, Congress must persevere and insist not just on an oil price policy that is better than before but on one that is good and in the public interest.

The latest Ford scheme for high oil prices includes a temporary rollback of new oil from $13.50 to $11.50 per barrel and begins old oil decontrol slowly at first but at an increasing rate. The temporary rollback offsets the initial negative effect on consumer purchasing power of the gradual decontrol.

But this proposal is a sleight-of-hand. It would give us an initial price reduction of 40 cents per barrel in exchange for an increase by $3.20 per barrel by the end of the program. And the increase would hit us with a vengeance in 1977 and 1978, as the ceiling price goes back up and the rate at which old oil is released from control rises from 18 percent for the first year of the plan to 30 percent for the second year and to 42 percent in the third year. The rate of oil price increase during the final 15 months of this Ford plan would be equivalent to that imposed by a 22-month smooth decontrol program, and Congress already has rejected even longer plans because of their harsh effects on employment and prices.

So the President's 39 month oil decontrol program would be administered with novocaine at first, but the relief would be short-lived. The inflationary consequences would gather force and hit the economy at the time when we hope to be climbing out of the current depression but still will be a long way from full employment. Oil-generated inflation at that time will be the threat to a full economic recovery.

If the President has discovered a good thing by rolling back oil prices, then why reverse that action? Why not make it into a still better thing. Oil prices at $13.50 are just plain too high. In fact, I think oil prices at $11.50 are excessive. Let us get one thing straight: You do not need to quadruple the price of something to provide an incentive to production. Doubling or tripling it should be ample. On the other hand, the present two-tiered oil price system is not tenable for the long run.

Recent research by the Joint Economic Committee has shown that a ceiling of $9 on new oil followed by a decontrol of old oil over 60 months—5 years—would cut the inflation rate by one-half percent in 1976 compared even to continuation of today's controls. By boosting consumer purchasing power, it would add one-half percent to our economic growth rate. It would help bring down unemployment. On the other hand, a 60-month decontrol would stretch the consequences of decontrol in the later phases and minimize the effect of rising old oil prices on price levels over the course of the economic recovery.

There is no economic justification for the President's proposal of either $11.50 or $13.50 a barrel for oil. And, a phase-out of any decontrol program must be at not less than a 5-year period so as to minimize the economic impact.

I also call to the attention of the Senate two studies relating to the immediate old oil decontrol—impact.

Here are some of the basic dollar figures and per family impact of immediate old oil decontrol—impact.

I. DOLLAR FIGURES

JOINT ECONOMIC COMMITTEE

Total cost impact of decontrol—$23 billion.

Of this, the cost of old oil increases by $16.3 billion.

The cost of coal increases $3.16 billion.

The cost of natural gas increases $3.6 billion.

Add to this the impact of the tariff—$8.68 billion.

Total impact—$31.68 billion.

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Total cost impact of decontrol—$24.3 billion.

Of this, the cost of old oil increases by $15.7 billion.

The cost of coal increases $4.8 billion.

The cost of natural gas increases $3.8 billion.

Add to this the impact of the tariff—$12.1 billion.

Total impact—$36.4 billion.

In other words, while there is some difference between the two sets of calculations, they are really pretty close.

II. PER FAMILY COSTS

Based on an approximate 55 million families in the U.S. as of 1974, these figures work out as follows:

JOINT ECONOMIC COMMITTEE

The total per-family costs of decontrol—$418.

The total per-family costs of the $2 tariff—$158.

Total impact per family—$576.

LIBRARY OF CONGRESS

The total per-family costs of decontrol—$442.

The total per-family costs of the import tariff—$220.

Total impact per family—$662.

These studies should be ample evidence as to why the President should not decontrol.

I also call to the attention of the Senate a study by the Library of Congress as to the impact of the oil decontrol program, as advocated by the President, on farms, farm families, and overall agriculture.

I ask unanimous consent that the study may be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

OIL PRICE DECONTROL AND EFFECTS ON FARMERS

The President's proposal on decontrol of oil prices would allow the price per barrel of old oil, oil produced from wells in operation before 1972, to rise from $5.25/barrel to $13.50/barrel over 39 months. This additional $8.25/barrel would raise the annual cost of oil by: $1.4 billion in 1976; $4.5 billion in 1977; and $10.0 billion in 1978.

It is estimated by USDA and FEA that 3.0 percent of this cost would fall directly on farmers. Another 7.0 percent of this cost would fall on businessmen who process, transport, market and retail farm food products. And finally, another 3.0 percent would be borne in indirect costs for home preservation and cooking of food. This adds up to the following increases (in millions of dollars), compared to 1975:

	1976	1977	1978
Farm	$42	$135	$300
Middlemen	98	315	700
Consumer	42	135	300
Total	182	585	1,300

The effect on farmers is not large in 1976. The effect on food consumers is much larger, mainly because middlemen can pass the added cost along to the final user.

In 1977 and 1978, the cost rises sharply, for all segments of the food chain. By 1978, farmers would pay $300 million more for fuel than they did in 1975. Depending on the size of the farm, the cost could rise to as much as $500 per farm for the larger farms in the Nation. This would be for only the farm portion of fuel costs, not the portion spent for normal family activities. Farm families would be hit doubly hard by the fuel cost increase due to their expenditures for both the business and family living expenses.

As further information on the overall farm fuel situation, I am attaching a recent hearing by a House Agriculture Subcommittee. Both the USDA and FEA testified and gave considerable background data. You may find it useful if you pursue this issue further.

Mr. BAYH. Mr. President, I am delighted to have this opportunity to cast my vote against the President's plan to decontrol the price of oil produced in the United States. Heretofore, the Senate has had to defer to the House of Representatives on this important issue. Now, for the first time, we can clearly express the unwillingness of the Senate to unleash a new round of rampant inflation; we can clearly state the refusal of the Senate to tolerate a situation in which the price of domestic oil is effectively set by the Organization of Petroleum Exporting Countries—OPEC.

Already approximately 40 percent of the oil produced in the United States is priced at more than $13 a barrel, or four times the price of oil just 2 years ago. This so-called "uncontrolled" sector of the domestic oil industry is not uncontrolled at all; the price of this oil is established by the landed price of imported oil. It is not—and I repeat, not—the free market price of oil. Rather it is the price set by the most effective international cartel in history.

If we permit that portion of domestic oil production now subject to price control at $5.25 a barrel to be "decontrolled", we would not achieve true decontrol. Instead, we would be turning over to the OPEC cartel the power to control the price of domestic oil. In doing so we would initiate a fresh round of major inflationary pressure and, at the same time, make it exceedingly difficult to recover from our worst recession since the Great Depression by robbing American industries and consumers of billions of dollars in purchasing power.

Supporters of the President's plan claim that—by agreeing to a "cap" of $11.50 for domestic oil and letting the price of currently controlled oil rise to that "cap" over a 39-month period—the President is refusing to bow to the cartel and is minimizing the potentially disastrous economic consequences of a rise in oil prices.

A crucial point that is missing in this defense of the President's proposal is whether or not we need permit any rise in the price of the oil now being sold at $5.25 a barrel. Those defending the President's proposal also fail to provide any rational basis for the $11.50 cap the President would place on all domestic oil.

Let us look at these two points, which I believe are the crux of the issue that is now before the Senate.

So-called "old" oil, now selling for $5.25 a barrel, was in production prior to 1973, when it sold for close to $3 a barrel. By the end of 1973 the price of that oil, while under Federal controls, had been permitted to rise to $5.25 a barrel despite the absence of a comparable increase in production costs. Mr. President, this is not oil that was found and developed after the rampant inflation of the past 30 months. It is not oil whose production was associated with the sharp price increase in drilling equipment. Indeed, the General Accounting Office long ago reported to the Congress that increased production costs did not justify the administration's decision to increase the price of "old" oil from $4.25 a barrel to $5.25 a barrel in December of 1973.

Because the cost of producing "old" oil has not increased significantly, to allow its price to rise to $11.50 a barrel—even over an extended period of time—would provide a huge windfall to the major oil companies which produce the vast majority of this oil. This would entail a remarkable transfer of income from American consumers and industry to the multinational oil companies. The consequences of such an oil price rise and income transfer would be disastrous.

First, there is solid evidence of the relative inelasticity of the demand for refined petroleum products; an increase in price has little effect, in the short-term, on demand. What a price rise does do, however, is increase the price of essentials such as gasoline and home heating oil, as well as countless other products that are made in whole or in part from derivatives of oil. The direct and indirect price increases resulting from the President's plan would exceed $10 billion next year alone, and by the end of the 30-month decontrol period the increase in all prices—including other energy sources—would be at an annual rate of more than $50 billion in 1975 dollars. It is painfully obvious that such pfrice increase would stir a new round of inflation. I find it incongruous and tragic that the President and his advisers purport to fight inflation by vetoing a $2 billion health services bill and then invite far worse inflation by letting oil prices rise by many times that $2 billion figure. If the administration is serious about its desire to control inflation, let it show Congress and the American people the seriousness of its commitment by agreeing to an extension of the Mandatory Allocation Act, with its price control authority, beyond the present August 31 expiration date.

Second, even while stirring major inflation, a sharp rise in oil prices, especially in the 60 percent of domestic oil now priced at $5.25, would make it extremely difficult to achieve the kind of economic recovery required in response to our present recession. To understand the recessionary impact of a sharp rise in oil prices we need look no further than our experience in the past 2 years, when the price of imported and uncontrolled domestic oil soared upward.

Charles Schultze, the respected economist, has estimated that that round of oil price increases sapped $35 billion in purchasing power from the economy and was thus a primary cause of our present recession. In other words, since the demand for oil is relatively inelastic, consumers do not respond to higher oil prices by buying fewer refined petroleum products; rather, they continue to buy oil products at the higher price, and are left with significantly less disposable income to spend on other consumer goods and services.

Looked at another way, if the President's decontrol plan is permitted to go into effect it will reduce the purchasing power of the American people for nonpetroleum products by an amount close to the antirecessionary individual tax cut now in effect. We would have to extend that tax cut through 1976 merely to offset the reduced purchasing power resulting from increased oil prices, and would then have to provide a further tax reduction to provide an adequate stimulus to the economy. Otherwise, we will face many months of unemployment at outrageous levels in excess of 8 percent. Otherwise, we will continue to face huge gaps between our actual and potential GNP, with far too much of our productive capacity idle for far too long.

A moment ago I observed, Mr. President, that it was incongruous and tragic that the administration would veto a health services bill in the guise of fighting inflation at the same time that it was proposing an increase in oil prices. It is equally incongruous and tragic that the administration is so insensitive to the human costs of recession and so ready and willing to perpetuate that recession in order to increase oil prices.

Earlier, Mr. President, I said that the essence of the issue is whether we need permit any increase in the price of old oil. I think it is clear that it is neither necessary nor wise to follow that course.

The other issue we must confront is whether $11.50 a barrel is an appropriate ceiling price for currently uncontrolled domestic oil. Earlier this month the President vetoed legislation which would have rolled back the price of that oil to an average of $11.28 a barrel, the price in effect on January 31, 1975. The rationale for that legislation was that we should not permit uncontrolled domestic oil to reflect the $2 import duty imposed by the President in two equal installments on February 1 and June 1.

A price of $11.28—22 cents below the President's proposal of $11.50—means that the cost of a gallon of gasoline refined from that oil would be one-half cent less than if the $11.50 price takes effect. But even this price level is probably excessive. Let us remember that the price of uncontrolled domestic oil was $11.28 on January 31 not because $11.28 was the free market price, but because that was the average landed price of imported oil. The cartel was effectively setting the price of domestic oil, and even a cap of $11.28 accepts the cartel price for oil produced right here in the United States.

In the absence of a truly free market in oil it is difficult to be certain what is a fair price for "new" oil which is being explored for, developed and produced in a period of sharply rising costs. Obviously, that price should be in excess of the "old" price of $5.25 a barrel. Equally obviously it should not be permitted to rise to cartel levels.

An appropriate middle ground must be found for the price of "new" oil; $11.50 a barrel is not such a middle ground, ratifying as it does the cartel price.

Mr. President, I urge defeat of the tabling motion and adoption of the Hollings amendment. I staunchly oppose the President's effort to increase oil prices. I hope my colleagues will join with me and send to the White House the message that we in Congress stand firm in protecting American consumers and industry in refusing to unleash a ruinous inflation, and in demanding that we take steps to solve—not worsen—the recession that has gripped our economy for most of the past 2 years.

Mr. STONE. Mr. President, I shall vote today against a motion to table an amendment expressing Senate disapproval of President Ford's proposal to decontrol "old oil" prices. It is unfortunate that, by a vote of 50 to 44, this motion prevailed. The effect is to prevent the Senate from directly passing judgment on the wisdom of the President's proposal with only a month to go before expiration of the Emergency Petroleum Allocation Act, at which time all petroleum prices would be decontrolled.

In my opinion, the President's proposal has several serious defects. By establishing a ceiling of $11.50 per barrel on domestic oil and permitting such ceiling to rise by 5 cents every month until the ceiling reaches $13.40 per barrel by 1978, the President would be asking American consumers to pay for expected increases in the OPEC price of oil and to carry the burden of his $2 per barrel import tariff. At a time when oil prices are already 400 percent higher than 2 years ago, I cannot accept such an approach to oil pricing policy. In addition, the President is asking the Congress to accept implicitly continuation of his oil import tariff which remains, in my opinion, absolutely indefensible.

Finally, I cannot endorse an oil policy which fails to acknowledge in any way an effort to affect the outrageous OPEC oil price increases over the past several years.

The dangerous consequences of the present impasse between the President and the Congress over oil policy can be averted if the President will simply not veto a simple extension of the Emergency Petroleum Allocation Act for a period of time sufficient to allow a reasonable agreement to be reached outside the context of partisan politics and deadline threats. I am confident that we are near such an agreement and that we can be successful outside of the immediate context of playing Russian roulette with the August 31 deadline of the Emergency Petroleum Allocation Act. I hope the President will see the reasonableness of such an extension.

A GRADUAL DECONTROL PLAN

Mr. ROTH. Mr. President, I am pleased with the Senate's vote to table today the amendment to disapprove the President's plan to gradually decontrol oil prices. If the President's plan is rejected, all price controls on oil would expire on August 31, resulting in higher fuel prices and gasoline price increases of 10 cents per gallon or more. But if the House goes along with the Senate vote, price controls will be phased out in an orderly manner over a 39-month period, the price of oil not now under controls will be rolled back, and Congress will be able to enact a windfall profits tax on oil company profits and a tax rebate for the American people.

In addition, this compromise, which I have been working for in the Senate Finance Committee and in meetings with Federal Energy Administrator Frank Zarb, will also mean that the import fees on refined oil products coming into Delaware and other east coast States will be removed.

The repeal of the import fee, which I had urged in a letter to the President, will result in a savings for the people of Delaware of up to $5 million a year in reduced costs for electricity, heating oil, and gasoline.

Further savings would be achieved through the removal of the tariff on crude oil, which I have also urged. However, I have run into stiff opposition from the White House on this issue, partly on the grounds that its removal would invite the OPEC cartel, which is meeting in September to review its pricing policy, to increase oil prices by at least that much.

Because of the potential inflationary and recessionary impact, I have consistently opposed and voted against efforts to completely lift the price controls on oil. However, the President has shown his willingness to compromise to the fullest extent on this issue, and I believe Congress must also compromise and take action on the energy program.

It is extremely important for the American people to recognize that there are no easy answers to the energy problem. The 20 months of congressional inaction since the oil embargo has resulted in higher oil prices paid to foreign producers and increased dependence on the OPEC cartel. Because of the price controls, American oil production has fallen off substantially, and we have been forced to rely more and more on high-priced foreign oil imports. A gradual phasing out of the controls, combined with tough windfall profits taxes, tax cuts for consumers, and a repeal of the import fees, will reduce our dependence on the foreign oil cartel, increase our production of energy, and reduce our energy consumption.

Several Senators addressed the Chair.

Mr. HOLLINGS. Mr. President, I ask for the yeas and nays.

Mr. JACKSON. Yeas and nays, Mr. President.

The PRESIDING OFFICER. Is there objection to the unanimous consent request?

Mr. PASTORE. I object. They have been asked for. Once they are asked for I object.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The clerk will call the roll.

Mr. GRAVEL. Is there objection to the amendment, Mr. President?

The PRESIDING OFFICER. The yeas and nays were ordered. The clerk will call the roll.

Mr. ROBERT C. BYRD. Is the Senator seeking recognition?

The PRESIDING OFFICER. For what purposes does the Senator from Alaska seek recognition?

Mr. GRAVEL. To table the items on this bill which is nongermane.

I move to table and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Delaware (Mr. BIDEN), and the Senator from Mississippi (Mr. EASTLAND) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from New York (Mr. BUCKLEY), and the Senator from Arizona (Mr. GOLDWATER) are necessarily absent.

I further announce that the Senator from Vermont (Mr. STAFFORD) is absent due to a death in the family.

The result was announced—yeas 50, nays 44, as follows:

[Rollcall Vote No. 353 Leg.]

YEAS—50

Baker
Bartlett
Beall
Bellmon
Bentsen
Brock
Brooke
Byrd, Harry F., Jr.
Case
Chiles
Cranston
Curtis
Dole
Domenici
Fannin
Fong
Garn
Gravel
Griffin
Hansen
Hatfield
Helms
Hruska
Huddleston
Javits
Johnston
Laxalt
Long
Mathias
McClellan
McClure
McGee
Montoya
Nunn
Packwood
Pearson
Percy
Randolph
Roth
Scott, Hugh
Scott, William L.
Stennis
Stevens
Stevenson
Taft
Thurmond
Tower
Tunney
Weicker
Young

NAYS—44

Abourezk
Allen
Bayh
Bumpers
Burdick
Byrd, Robert C.
Cannon
Church
Clark
Culver
Eagleton
Ford
Glenn
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hathaway
Hollings
Humphrey
Inouye
Jackson
Kennedy
Leahy
Magnuson
Mansfield
McGovern
McIntyre
Metcalf
Mondale
Morgan
Moss
Muskie
Nelson
Pastore
Pell
Proxmire
Ribicoff
Schweiker
Sparkman
Stone
Symington
Talmadge
Williams

NOT VOTING—5

Biden
Buckley
Eastland
Goldwater
Stafford

So the motion to table was agreed to.

Mr. CANNON. Mr. President.

Mr. FANNIN. Mr. President, I move to reconsider the vote.

The VICE PRESIDENT. The Senator from Nevada is recognized.

Mr. CANNON. Mr. President, I send up an amendment to the desk and ask that it be considered.

Mr. HANSEN. Mr. President.

Mr. HUGH SCOTT. Mr. President, a parliamentary inquiry. There was a move to reconsider pending, was there not?

Mr. FANNIN. I moved to reconsider, Mr. President.

The VICE PRESIDENT. Nobody had been recognized.

Will the Senator from Nevada yield?

Mr. CANNON. I yield for that purpose without losing my right to the floor.

Mr. HANSEN. I move to lay that motion on the table.

The VICE PRESIDENT. The question is on agreeing to the motion to table.

The motion was agreed to.

The VICE PRESIDENT. The Senator from Nevada.

Mr. CANNON. Mr. President, I ask that the amendment be read.

The VICE PRESIDENT. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

The VICE PRESIDENT. Let us have order in the Chamber. The clerk will suspend. The clerk will not resume until the conversations have died down.

The clerk will resume, please.

The legislative clerk resumed reading the amendment.

Mr. MANSFIELD. Mr. President, may we have order? I cannot hear, and I am halfway down the aisle.

The VICE PRESIDENT. The clerk will suspend until all conversations are suspended.

Mr. MANSFIELD. This is a very important amendment.

The VICE PRESIDENT. It is a very important amendment. Everybody should be able to hear it. Maybe the clerk should read into the microphone.

The clerk will proceed.

The legislative clerk resumed and concluded reading the amendment.

The amendment is as follows:

At the end of Page 3, add the following language:

"The Senate of the United States hereby finds and declares: that Article I, Section 5, of the Constitution of the United States establishes the Senate of the United States as the Judge of Elections of its own Members; that the Senate of the United States, in the exercise of such Constitutional responsibility, has to this date been unable to determine the outcome of the contested election of November 5, 1974, for the office of United States Senator from the State of New Hampshire; that the people of the State of New Hampshire have been represented by only one United States Senator since January 3, 1975; that, on January 22, 1975, the General Court of the State of New Hampshire enacted an Act providing for a Special Election for the office of United States Senator from the State of New Hampshire among the contestants in such November 5, 1974, election for the office of United States Senator from such State; and that, the outcome of any such Special Election may also be brought before the Senate of the United States for determination, thereby requiring the Senate of the United States again to exercise its Constitutional responsibility as the Judge of Elections of its own Members with respect to such office."

"In view of the foregoing findings and declarations, the Senate of the United States, in the exercise of its Constitutional responsibility under Article I, Section 5, of the Constitution as the Judge of Elections of its own Members, does hereby declare its inability to determine the outcome of the contested November 5, 1974, election for the office of United States Senator from the State of New Hampshire, and, in order to enable a Special Election to be held, in accordance with the provisions of the Act enacted January 22, 1975, by the General Court of the State of New Hampshire, providing for a Special Election for the office of United States Senator among the contestants in such November 5, 1974, election, does declare as of August 8, 1975, a vacancy to exist in such office as of such date; and does hereby direct the Chairman of the Committee on Rules and Administration of the Senate of the United States to make available to all three such contestants copies of all voter Check Lists from such November 5, 1974, election in the custody of the Senate of the United States, to release from such custody forthwith all voting machines from such election, and to provide for and designate a process for the independent observation of any recount, in whole or in part, of the votes in such Special Election.".

Mr. CANNON. Mr. President, I yield myself 10 minutes.

Mr. HUGH SCOTT. Mr. President, may I inquire whether we have time? Is there a time limitation?

The VICE PRESIDENT. There are 30 minutes on this amendment.

Mr. HATFIELD. Will the Senator yield for a question?

Mr. CANNON. I yield for a question.

May I say that I understand the parliamentary situation is that there is to be a photograph at 12:15. If that is the case, I should like to get a unanimous consent request that we temporarily suspend at that time during the taking of the photograph.

Mr. President, I ask unanimous consent that at 12:13, we be permitted to suspend for a period of 3 to 4 minutes, without the time being charged to either side.

The VICE PRESIDENT. Is there objection?

Mr. CANNON. May I say not to exceed 10 minutes, Mr. President?

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. CANNON. Mr. President, I yield to the distinguished Senator from Oregon for a question.

Mr. HATFIELD. I wish to inquire of the chairman, since this has been a matter under consideration by the Rules Committee for some 8 months, is it possible to have a copy of the resolution that is being considered this morning, to have it reviewed and, perhaps, during the picture taking some of the other members of the committee may have a chance to read the resolution.

Mr. CANNON. Mr. President, if I may say, I would assume the clerk can make it available. That is the only copy I have, and it is marked up somewhat, but I hope that it can be made available shortly.

I yield myself 3 minutes now and I will then be interrupted for the purpose of the picture taking.

The VICE PRESIDENT. Copies are being made right now and will be distributed.

Mr. CANNON. Mr. President, the New Hampshire election contest has been before the Senate and its Committee on Rules and Administration since January 9, 1975, when the first of a great many hearings and other public sessions——

The VICE PRESIDENT. We will have order in the Chamber. This is an important statement, and everybody should hear it.

Mr. CANNON. Mr. President, the New Hampshire Senate election contest has been before the Senate and its Committee on Rules and Administration since January 9, 1975, when the first of a great many hearings and other public sessions, over 46 in fact, was held to consider the petition of contest filed by Mr. Durkin on December 26, 1974.

This Senate contest has created new Senate records in some areas. It is the first time in the history of the Senate, to my knowledge, or in the experience of any other Senate observers, that any political party has voted in a solid block, unanimously, to thwart the will of the Senate in its effort to resolve an extremely important matter, that is the determination of a seat in the Senate.

To this date, Mr. President, there have been 35 rollcall votes taken in the Senate—all around the edges of the New Hampshire contest—but only 1 vote on any of the 35 issues reported unanimously to the Senate by the Rules Committee on May 22, 1975.

On every one of those efforts, except 1, the Republican Members of this body voted en bloc to prevent consideration and determination of issues which must be decided by the Senate before a recommendation could be made as to which of the contestants is entitled to be seated as the junior Senator from New Hampshire.

The Committee on Rules and Administration labored long and earnestly in an effort to narrow the issues presented to it by the parties to the contest. In over 46 public sessions consuming well over 200 hours of the committee members, and about 650 rollcall votes, the committee was able to reduce the vast number of issues to 35 which were the result of tie votes and which therefore had to be submitted to the full Senate for decision.

Those 35 issues, incorporated in Senate Resolution No. 166, have now been before the Senate in almost continuous debate for 30 days; 35 separate rollcall votes, including 6 votes to invoke cloture have been taken in the Senate, and each time the minority has voted unanimously to block consideration of the issues and against closing the filibuster.

Additionally, on eight occasions there have been votes taken on motions to declare a vacancy in the seat and to send the matter back to the State of New Hampshire for a new election.

It is extremely regrettable that this contest has been before the Senate for 7 months without decision. The State of New Hampshire is without a junior Senator for all these months but the fault lies with the minority of the Senate who have frustrated every effort to vote on the issues with but one single exception.

Time and time again the Democratic leadership and the senior Senator from Nevada have attempted to obtain agreement with the minority with respect to time limitations on debate and votes on any and all the 35 issues included in Senate Resolution No. 166. Any reasonable limitation would have been acceptable with the understanding that there would have been a vote on all of the issues in due time for the sole purpose of resolving this matter in the best interest of the State of New Hampshire, of the Senate, and of the Nation.

RECESS SUBJECT TO CALL OF THE CHAIR

The VICE PRESIDENT. The time for the recess has arrived, Senator. The Senate stands in recess for the purpose of a photograph. All Senators will take their seats, please.

Pursuant to the previous order, all staff not previously authorized will now leave the floor.

The Senate, at 12:13 p.m., took a recess, subject to the call of the Chair.

The Senate reassembled at 12:24 p.m., when called to order by the Vice President.

The VICE PRESIDENT. The Senator from Nevada has the floor.

ADDITIONAL EXPENDITURES BY THE SELECT COMMITTEE ON NUTRITION AND HUMAN NEEDS

The Senate continued the consideration of the resolution (S. Res. 54) continuing and authorizing additional expenditures by the Select Committee on Nutrition and Human Needs.

Mr. CANNON. Mr. President, may we have order?

The VICE PRESIDENT. The Senate is now in session and we will have order, please, before the Senator from Nevada proceeds.

Mr. CANNON. Mr. President, how much time does the Senator from Nevada have remaining?

The VICE PRESIDENT. The Senator has 10 minutes remaining.

Mr. CANNON. Mr. President, may we have order?

The VICE PRESIDENT. Will the Senate please come to order.

Mr. CANNON. Mr. President, I yield myself 5 additional minutes.

Mr. President, in each instance, I regret to say that the minority have objected to any time limitation and instead have continued for over a month with their prolonged debate and dilatory tactics which can only be categorized as a filibuster for partisan political purposes.

The Democrats have explored every opportunity to devise a compromise which would serve to break the impasse on this Wyman-Durkin dispute. The majority have agreed to award the so-called skip candidate ballots to Mr. Wyman and Mr. Durkin as they were counted by the secretary of state of New Hampshire and the ballot law commission if agreement could be reached to vote on the remaining issues.

Mr. MANSFIELD. Mr. President, may we have order?

The VICE PRESIDENT. Please, gentlemen.

I thank the Senators.

Mr. NELSON. Mr. President, there is not order in the Senate and I cannot hear the Senator from Nevada.

The Senator from Indiana is standing in the aisle talking, other Senators are in the well talking, and I think that everybody ought to leave the floor or——

The VICE PRESIDENT. Take their seats.

Mr. NELSON. Take their seats.

The VICE PRESIDENT. The Senators will please clear the well and take their seats.

Mr. CANNON. Mr. President, we have explored the possibility of accepting the decision of the Ballot Law Commission as determinative of the tie vote issues. Both of these efforts were rejected by the minority.

During the discussions on the Senate floor of the skip-candidate ballots, at least ten of my Republican colleagues expressed the strong desire to have a search made for a number of skip-Durkin ballots equal to those skip-Wyman ballots which appear on Senate Resolution No. 166. We went far beyond that in the Mansfield amendment which proposes to search through the 185,000 ballots to find every single skip-candidate ballot for Durkin or for Wyman. Mr. Wyman's forces have submitted many affidavits, including one by former Republican Governor Hugh Gray, attesting to the fact that there are a great many skip-Durkin ballots among the 185,000. Mr. Wyman's chief attorney, Mr. Stanley Brown, stated during the committee hearings there were probably hundreds of skip-Durkin ballots. If that is so, then there is no reason why the Mansfield proposal should not have been agreed to as it would have ensured the election of Mr. Wyman if the facts were true. Instead, when that amendment was called up for consideration, the minority leader, Senator HUGH SCOTT, offered a motion to table the amendment. At the very least, it causes any reasonable man to wonder whether the affidavits submitted on behalf of Mr. Wyman have any merit at all.

It also causes one to wonder, Mr. President, whether the Republicans of this body do not know or have some reason to know the results of the committee's action in voting on almost 900 ballots, including 426 masked ballots and that knowledge must be that Mr. Wyman is trailing Mr. Durkin to such a degree that there is no recourse except to hold fast to the principle of filibuster until the Senate agrees to send the matter back to New Hampshire for a new election.

Mr. President, the issue is very simple. We have labored and searched very diligently to perform our constitutional duty of deciding what really happened in New Hampshire on election day, 1974. We could have taken the easy road and sent the issue back to the electorate of New Hampshire. But what then would the history books say about the dereliction of this body in performing its constitutional duty?

The majority recognized its duty and steadfastly pleaded with the willful men in the minority to produce any formula by which to count the votes in the New Hampshire election. These pleas fell on deaf ears—for they did not want to count the votes.

Someone won that senatorial race. Either Mr. Durkin won it, or Mr. Wyman won it. Or, it was a tie. The people of New Hampshire were entitled to know who won—and they are entitled to know what really happened in Washington when the issue was brought before the Senate.

The issue certainly was bigger than New Hampshire—for the people of the United States also were entitled to know who won—it was their time-tested electoral process at stake. It was the constitutional responsibility of the U.S. Senate to make a finding of fact, to investigate and determine the truth about that election in New Hampshire last November 5.

Now the truth will never be known. The Republicans have had their way. The cover-up has succeeded. Through obstructionist tactics, they have brought about a political impasse that made it impossible for the Senate to do its duty and for the truth to surface to the light. It has been a cover-up that succeeded.

And the tragedy is that the mystery of that election in New Hampshire will never be known, consigned by the history made in this body forever to remain unknown.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER (Mr. CULVER). The Senator from Pennsylvania.

Mr. HUGH SCOTT. Mr. President, would the Senator from Nevada be willing to accept a very minor amendment on page 1, which says: "does hereby direct the chairman of the Committee on Rules and Administration," and so forth, to include, "and the ranking member" as we have customarily done?

Mr. CANNON. I would be willing to accept that amendment; yes.

Mr. HUGH SCOTT. I thank the Senator.

Mr. President, I ask unanimous consent that the amendment may be amended by adding after the word "chairman" on line 13, the words "and the ranking minority member" so it would read: "chairman and ranking minority member of the committee."

The PRESIDING OFFICER. The amendment will be so modified.

The amendment, as modified, is as follows:

On page 3, line 6 strike out the comma and insert a period and the following new paragraph:

"The Senate of the United States hereby finds and declares: that Article I, Section 5, of the Constitution of the United States establishes the Senate of the United States as the Judge of Elections of its own Members; that the Senate of the United States, in the exercise of such Constitutional responsibility, has to this date been unable to determine the outcome of the contested election of November 5, 1974, for the office of United States Senator from the State of New Hampshire; that the people of the State of New Hampshire have been represented by only one United States Senator since January 3, 1975; that, on January 22, 1975, the General Court of the State of New Hampshire enacted an Act providing for a Special Election for the office of United States Senator from the State of New Hampshire among the contestants in such November 5, 1974, election for the office of United States Senator from such State; and that, the outcome of any such Special Election may also be brought before the Senate of the United States for determination, thereby requiring the Senate of the United States again to exercise its Constitutional responsibility as the Judge of Elections of its own Members with respect to such office."

"In view of the foregoing findings and declarations, the Senate of the United States, in the exercise of its Constitutional responsibility under Article I, Section 5, of the Constitution as the Judge of Elections of its own Members, does hereby declare its inability to determine the outcome of the contested November 5, 1974, election for the office of United States Senator from the State of New Hampshire, and, in order to enable a Special Election to be held, in accordance with the provisions of the Act enacted January 22, 1975, by the General Court of the State of New Hampshire, providing for a Special Election for the office of United States Senator among the contestants in such November 5, 1974, election, does declare as of August 8, 1975, a vacancy to exist in such office as of such date; and does hereby direct the Chairman and the ranking minority member of the Committee on Rules and Administration of the Senate of the United States to make available to all three such contestants copies of all voter Check-Lists from such November 5, 1974, election in the custody of the Senate of the United States, to release from such custody forthwith all voting machines from such election, and to provide for and designate a process for the independent observation of any recount, in whole or in part, of the votes in such Special Election.".

Mr. HUGH SCOTT. Mr. President, on behalf of all of us on this side——

The PRESIDING OFFICER. The Senate will be in order.

Mr. HUGH SCOTT. Mr. President, on behalf of all Members on this side we welcome the resolution. We welcome the decision of both Mr. Wyman and Mr. Durkin to submit this matter to the decision of the voters of New Hampshire. I think I can speak for the majority of Senators that we would prefer the decision of the voters to the continued indecision of the Senate.

I make no effort at this point to reply in any vein of argumentativeness whatsoever. We do generally have our points of view. They are different. We would deny some of the statements made by the distinguished chairman, but it is not worth pursuing them here. I think the matter is one which is much more properly within the purview of the people of New Hampshire.

I would assume that the Senator from Connecticut concerning his amendment to declare the seat vacant would probably want to be heard at some time to make such motion as necessary to withdraw it.

I think the solution is creditable to the Senate. It is desirable. It will help us get on with the public's business. I congratulate the majority, Senator WEICKER, and others on this side, all of whom are now in the stance of seeking the same result. It is a good thing for the Senate and it is a good thing for the country.

I will be glad to yield to the Senator from Oregon and designate to him control of the remainder of the time.

Mr. HATFIELD. Mr. President, I yield myself sufficient time to present a few remarks.

Mr. President, first of all, I want to commend the chairman of the Rules Committee, the Senator from Nevada (Mr. CANNON), because I can say, as the ranking minority member of that committee, we have had 8 months of very tedious, at times very frustrating and at times very exciting reviews of ballots and of issues related to this New Hampshire contest. I want to say that in his treatment of me as a person representing the minority during those committee hearings, during those committee discussions and debates, he has been a very fair chairman.

I am sure that I could bespeak his mind as well as my own when I say there is a great deal of gratitude that we feel, and sort of a relief from this burden that we have been carrying in trying to resolve this issue. I will not at this time attempt to rebut some of the comments made by the chairman. I do express one regret; that he should exercised the phraseology "attempt to cover up," because I feel that the record is very clear that the minority has sought from the very beginning to explore all the protests from both parties, to open up the ballot boxes, to open up the machines, to open up the whole exercise that took place in New Hampshire last November for a full review and a full exploration.

I would say, too, that I think this has been an experience in which the Senate has once again demonstrated that by its rules of procedure the rights of the minority have been protected. Even though we have been ascribed as being obstinate and providing obstacles at times for the majority to work its will, I think we can say that as a result of this particular action on the part of Mr. Durkin and Mr. Wyman it is not a question of whether the majority or the minority prevailed in this Chamber; it is not a question of whether the Democrats won or the Republicans won a point; it is not a question of partisan politics, but it is a question that the people of New Hampshire, in effect, are going to be the determining factors on who will be elected to their Senate seat. It will be the people of New Hampshire, in effect, who have won this particular case.

I do not chortle nor do I attempt to say in any kind of way, "I told you so," as an attitude that we have won the case. That is not at all why I rise. I do not view it in that way. I want to assure my chairman of that. He has fought hard and we have fought hard.

We believe we have fought on the basis of principle and law, not on behalf of Mr. Wyman as a candidate for the Republican party. We have based our emphasis and commitment to the law of New Hampshire and to the principles involved in this particular case.

I think the people of New Hampshire are going to be better served. I think the Senator who represents New Hampshire will be better served. As Mr. Durkin said:

> I want to be elected by the people of New Hampshire, not by the United States Senate.

He said that, of course, in the context of the events which occurred here in the Chamber. But I think he put his finger on a very profound point.

I think that honest people in good faith can differ on the facts. It was our belief we could not under any circumstances recreate the exact situation that occurred in New Hampshire with missing ballots, with ballot boxes that were being challenged and not opened. It was not a question that we wanted to either avoid our duty under the responsibility of the Constitution ascribed to us, but it was our belief that we could under no circumstances really determine who won that election. This was such a close election, the closest in the history of the U.S. Senate. Therefore, the people of New Hampshire were the only ones to make that determination.

We further believe that this action today is a further exercise of our duties under the Constitution, where we are the judge of these elections. But it does not say that in judging these elections we should not return the decision to the people for a new election. This will be the action of this Senate, which is in keeping with article I of the Constitution.

So, Mr. President, as I conclude my comments, I want to again express my deep appreciation to the leadership (Mr. CANNON), the chairman of the committee, to Senator MANSFIELD, the majority leader, to Senator BYRD, the majority whip, to my leader, Senator SCOTT, and to the assistant leader, Mr. GRIFFIN, for all of their considerations during this very difficult time.

I have no feeling of hostility, animosity, acrimony or any other kind of negative feeling in my heart. I feel that this issue has now been resolved, and I sense that on the other side there will be, if not now, that feeling toward us.

I want to say to my colleagues on this side I have certainly appreciated their support. The chairman has said that the party on this side supported every vote on cloture in a very disciplined way.

I do not look at that as an example of party discipline. I look at it as a phenomenon of the Republican Party. I have never known the party to stand together on any other issue as this one.

Mr. HUGH SCOTT. Will the Senator yield at that point?

Mr. HATFIELD. Yes.

Mr. HUGH SCOTT. I would like to assert that far from accepting any criticism on that I am inordinately proud of the Members of the Senate on this side of the aisle. They stood together in protection of a sacred principle, the sovereign right of the voters of New Hampshire to make a decision. So I do not accept any other interpretation. I am glad for what they have decided to do.

Mr. HATFIELD. I thank the leader of the minority.

Mr. President, I also want to specifically thank some of my colleagues, like Senator WEICKER, Senator BROCK, Senator MCCLURE, Senator HRUSKA, Senator GARN, and Senator LAXALT. I am not making this an exclusive list. I also thank Senator TAFT. For many days they took the responsibility of carrying this burden.

I also want to thank the staff, both the minority and the majority staff. I know of no man in whom I have more confidence in his statement of fact than Jim Duffy, the majority counsel. I want to take this occasion to thank all who have assisted us in this battle on both sides.

I say to my chairman I look forward to resolving other problems that will be coming before our Rules Committee as we are now considering the new Librarian of Congress.

I certainly want to express my appreciation for the chairman's cooperation.

I want to especially thank my own personal staff and the minority staff of this committee, Judge Schoener and Larry Smith for their very dedicated service.

Mr. BROCK. Will the Senator yield?

Mr. HATFIELD. I yield.

Mr. BROCK. May I say that the Senator, as usual, is always very gracious and mentions everyone except himself.

But there are no Members of this body who have dedicated more of their time and effort to this fight than both the leaders, the Senator from Nevada and the Senator from Oregon, demonstrating principle and character.

For myself as a member of the minority, I wanted personally to express my appreciation for the unwaivering integrity of position of the Senator from Oregon, which is so very much in character for him. I appreciate it.

Mr. CANNON. Mr. President, I yield 2 minutes to the distinguished majority leader.

Mr. MANSFIELD. Mr. President, I appreciate the kind words and thoughtful expressions of the distinguished senior Senator from Oregon, a man for whom I have the greatest admiration, affection, and respect.

Mr. John Durkin has, on his own initiative and without any consultation with the Democratic leadership, reached a decision which, in effect, lifts from the shoulders of the Senate a terrible constitutional responsibility. I know that there are those who can interpret the Constitution in all manners; but I would point out that the guiding principle on this side of the aisle, in the position which we took, was not to uphold the right of Mr. Durkin or to uphold the right of Mr. Wyman, but to uphold the rights of the Senate under the Constitution, under article I, section 5, which states, and I cannot repeat it too often:

> Each House shall be the Judge of the Elections, Returns and Qualifications of its own Members.

So I want the record to show that what we were trying to do was to uphold and defend the Constitution, if you will, and to do so in as responsible a manner as possible. There was no chicanery on this side. There were no plots, subplots, or subterfuges. We wanted to see the evidence and hear the evidence. We were able to consider, on that basis, only one issue, and it was on that basis, I believe, that Mr. Durkin made the difficult decision he did on yesterday evening, and reported that decision and his desire to the distinguished Senator from Nevada (Mr. Cannon), the distinguished assistant majority leader, the Senator from West Virginia (Mr. Robert C. Byrd), and to me this morning at approximately the hour of 9:30.

So we approach the end of what has been an ordeal, not only for the Senate but, most important, for both Mr. Wyman and Mr. Durkin. As we do so, I reiterate again that I would hope that the leadership would, at an appropriate time, join in the introduction of a resolution which would seek to compensate both Mr. Wyman and Mr. Durkin for the untoward and legitimate expenses which have been theirs because of the Senate's inability, within a reasonable period of time to face up to its constitutional responsibilities.

Mr. HUGH SCOTT. Mr. President, may I yield a minute to the distinguished majority leader to add something?

Mr. MANSFIELD. Yes.

Mr. HUGH SCOTT. I would hope that, pursuant to earlier colloquies, the distinguished majority leader also has in mind the matter of compensation of both contestants up to the effective date of the resolution.

Mr. MANSFIELD. That would be agreeable. The expenses would have to be legitimate expenses.

Mr. HUGH SCOTT. Legitimate expenses involved in order to enable them to be reimbursed, since they will not be reimbursed from any other source, so far as I know.

Mr. MANSFIELD. That is correct; and I would hope their lawyers would be reasonable in the fees they charge Mr. Wyman and Mr. Durkin.

Mr. HUGH SCOTT. That will be in the Record. May I thank all members of the Rules Committee——

Mr. MANSFIELD. If they are not, there may be no payments forthcoming, so the lawyers have a great responsibility.

Mr. HUGH SCOTT. The Congressional Record will be carefully read, I am sure, by counsel on both sides.

I just wanted to thank the distinguished chairman and the distinguished ranking member on our side, the Senator from Michigan (Mr. Griffin), and the other Senators that the Senator from Oregon (Mr. Hatfield) has mentioned, and the members of the staff on both sides for all of their tolerance and understanding.

At times the tension increased, at others it ebbed and fell. This is an intensely emotional subject. I hope I have not given any personal offense to anyone.

I would like particularly to note the valiant and unique services of the distinguished Senator from Alabama (Mr. Allen), whose knowledge of the Constitution and of the rules was of inestimable value here in trying to keep the Senate on the track of legitimacy, and in making certain that at all times we upheld the dignity of the Senate through our faithful compliance with its rules and our recognition of the constitutional implications of everything we did. Without him, our procedure would have been less orderly, and I want to thank him on behalf of the Senate.

Mr. CANNON. Mr. President, I yield 2 minutes to the Senator from Kentucky.

The PRESIDING OFFICER (Mr. Culver). The Senator has 1 minute remaining.

Mr. CANNON. I yield 2 minutes on the bill, Mr. President.

Mr. HUDDLESTON. I thank the distinguished chairman of the Committee on Rules and Administration.

First, I would like to commend the chairman for the tremendous amount of time and the diligent effort he devoted to this difficult problem.

I am reluctant to raise a voice of dissent here, considering all the sweetness and light, harmony and salutations we have just heard. However, I feel that I must because I think the resolution is inaccurate when it says that the Senate has been unable to resolve this issue. The Senate has not been given the opportunity to resolve the issue. As has already been pointed out, we were able to vote on only one issue of substance during the entire discourse that has been going on all of these months.

It is the Senate's responsibility to make the determination. It has been said frequently that the people of New Hampshire should make the decision. I submit that the people of New Hampshire did make a decision on November 5, 1974. It is the responsibility of the Senate to ascertain what that decision was, and we have not done that. We would set, I think, a bad precedent in sending back to the State this issue without making a good-faith effort to resolve it.

Another bad precedent for the United States Senate is that we have capitulated to the desires of the principals in this issue.

Mr. President, on the basis of those two bad precedents, and my firm conviction that the Senate has a responsibility and an obligation to resolve this issue, I find I must vote against the motion.

Mr. CANNON. Mr. President, let me say that the Senator has expressed my sentiments very well. I am completely in accord with him, except for the fact that I shall vote for the resolution, because I think it is the only way out as long as the minority in the Senate is unwilling to submit——

The PRESIDING OFFICER. The Senator's 2 minutes have expired. Who yields time?

Mr. CANNON. Mr. President, I yield 2 minutes on the bill to the Senator from Hawaii.

Mr. INOUYE. Mr. President, will the chairman yield for a question?

Mr. CANNON. I yield.

Mr. INOUYE. From his response, am I correct in gathering that henceforth when the U.S. Senate is confronted with a close election outcome, we will return the election to the State for its determination?

Mr. CANNON. I would hope that would not be the case, because that is not carrying out our constitutional responsibility, until, as the Senator from Kentucky has said, we at least try; and that was the problem I was trying to get at here, was to let the Senator hear the facts and vote on the issues involved after hearing the evidence, and then, if we could not make a determination, send it back. I would hope this would not be a precedent for sending every close election back for a rerun simply because it was close.

Mr. HARRY F. BYRD, JR., and Mr. BROCK addressed the Chair.

Mr. INOUYE. Considering the action we are about to take, will the Committee on Rules and Administration recommend that we return the Oklahoma outcome to the State of Oklahoma for another election?

Mr. CANNON. I say to the distinguished Senator we have not conducted our investigation yet on the matter in Oklahoma. We expect to get going on that very quickly. As a matter of fact, I would expect the staff to investigate some of the alleged violations of law that occurred in Oklahoma while we were out during the recess, and we will consider that matter and then make our recommendations after we have considered it. We want to consider the facts just as we do in this case.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield?

Mr. CANNON. Yes. I yield 2 minutes to the Senator from Virginia.

Mr. HARRY F. BYRD, JR. I just will ask a question.

The PRESIDING OFFICER. The Senator from Virginia is recognized for 2 minutes.

Mr. HARRY F. BYRD, JR. I ask the Senator from Nevada for a clarification as to the latter part of this amendment. It directs the chairman of the Committee on Rules and Administration to provide for and designate a process for the independent observation of any recount in full or in part of the votes in such special election.

I do not know exactly what that means. But I assume that it does not mean that the U.S. Senate will become involved in the electoral process of the sovereign State of New Hampshire.

Mr. CANNON. Absolutely not.

What it means is this: If this should turn out to be another close election, it may be that there will again be a recount, and we would simply have observers there during the recount itself so that they could report to the Senate in the event another contest comes to us. It is simply to observe the processes of the recount. In many States, in the past, the Committee on Rules and Administration has had requests to send observers out during the process of recounts, and we have done so.

Mr. MANSFIELD. It is not unusual.

Mr. CANNON. This is not an unusual procedure, but it just simply lays the groundwork in the event there should be a recount so that the committee would send observers there simply to observe and nothing else.

Mr. HARRY F. BYRD, JR. I thank the Senator.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. CANNON. Yes, I yield to the distinguished majority leader.

Mr. MANSFIELD. I was interested in what the distinguished Senator from Kentucky said, and he raised a point which has been bothering me and still bothers me, although I intend to vote for the amendment. But I do hope that this would not be considered a precedent, but that it be considered a special case because of the extreme closeness of the election. I would hope that the Senate would not lost sight now nor ever lose sight of article I, section 5, of the Constitution which does place an unquestioned responsibility on the Senate itself to determine the qualifications of its Members.

Mr. CANNON. I say to my distinguished majority leader that I am certainly in accord with what he has said. I think that we owe it to the Nation and to this body to hear the evidence, to vote on the issues, and then, if one of the parties won by one vote, he should have been certified, whichever party. If it turned out to be a tie, then it should be sent back for a new election.

But, in this instance, we have been precluded from even voting on the matters that were sent here for determination by tie votes of the Committee on Rules and Administration. We have been prohibited from voting on every one, except one of those issues. Therefore, we could not determine from the facts before us, and we were prohibited from being able to determine who actually won the election, which was our responsibility under the Constitution.

Mr. HATFIELD. Mr. President, will the Senator yield?

Mr. CANNON. Yes.

Mr. HATFIELD. Will the Senator be willing to yield 3 minutes on the bill to our side? We have 2 minutes left.

Mr. CANNON. Certainly.

Mr. HATFIELD. May we have 3 minutes on the bill?

Mr. CANNON. I yield 3 minutes on the bill.

The PRESIDING OFFICER. The Senator from Oregon is recognized for 3 minutes.

Mr. HATFIELD. Mr. President, I yield, first of all, 2 minutes to the Senator from Tennessee and then 2 minutes to the Senator from Connecticut.

Mr. BROCK. Mr. President, I had hoped that we could have accomplished this resolution on the part of the two candidates without some of the notes that have been injected in the last few moments. I do not think it is going to serve any useful purpose to respond, but I do think there are a couple of things that ought to be said with regard to the precedents that have been mentioned.

There is another precedent that this Senate has established in this one instance, which I hope does not become a precedent in the future, and that is the precedent of refusing to seat a man who is duly certified by a sovereign State of the Union. The Senate did that for the first time in its history ever.

Mr. CANNON. Mr. President, will the Senator yield?

Mr. BROCK. No; I do not have enough time. I will be delighted if the Senator will yield me time to yield on his time. He controls the time. I do not.

Mr. CANNON. If the Senator will permit, I yield myself 10 seconds to say that his statement is not true. The Senate has refused to seat the certified winner on several occasions.

Mr. BROCK. Except on the basis of an allegation of fraud, and the Senator knows that better than anyone in this Chamber. I think it is important to keep the record straight and not to constantly repeat errors.

The statement is correct that we have never refused to seat a man who is duly certified without an allegation of fraud against either candidate.

We did it in this instance, and it is wrong, and New Hampshire has been deprived of equal representation under the law for 7 long months.

Was this our delay? Not on your life. It was not our delay. Was this our filibuster? Not on your life. It was a conscious action.

The Senator from Nevada and the leadership is the majority of his party. I just do not think we ought to leave that record unchallenged.

I think it is important to point out that we have never once voted for Louis Wyman on this side. All we have asked is that we have an opening up of the ballot process. The Senate refused us the opportunity. We have asked that the election be returned to the State. The Senate refused us that opportunity.

All we have asked is that rational, ethical standards of justice be applied to both.

The PRESIDING OFFICER. The 2 minutes of the Senator have expired.

The Senator from Connecticut is recognized for 2 minutes.

Mr. WEICKER. Mr. President, I have already expressed my thanks to Members on this side of the aisle and most particularly to Senator HATFIELD for his leadership in this matter.

I intend, at the appropriate time, to ask unanimous consent to withdraw the time set aside tomorrow, I believe, to the Senator from Connecticut, at which time he was going to raise this matter.

I just say this. It has been a good, tough, and fair fight.

We presented the constitutional issues. The distinguished Senator from Nevada and the distinguished Senator from Montana presented their interpretation of the constitutional issues, and we presented our interpretation of the constitutional issues on this side.

I do not recall any claims, regardless of what was interpolated in the press as charges of stealing the election or charges of cover up. No such charges were made. It was just a good, hard fight on the facts. There were no charges. There was no charge of stealing of an election or an attempt to steal an election. There was no cover up. These matters did not occur.

The logic of the situation of having people in New Hampshire decide an election in the final analysis, in the final analysis that is what prevailed. But I do not think there are any winners or losers.

I certainly have no regrets over the dialog that occurred. It was a great historical moment for the U.S. Senate.

This time we chose to exercise our power by sending it back to New Hampshire, but the Senator is entirely correct. It could well choose to exercise that power in a different way at another time.

So, we have given up not one whit of our constitutional authority.

I thank the majority leader and the distinguished Senator from Nevada, and also very particularly the distinguished Senator from Alabama for the assistance which he has provided in this whole matter on the part of the Constitution and the matter of principle, logic, and commonsense.

I am just delighted that the people of New Hampshire will have the opportunity to choose their own Senator. I think we are going to feel a lot better about it when it occurs.

In the meantime, I extend my thanks to the other side.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. CANNON. Mr. President, what is the time situation now?

The PRESIDING OFFICER. On the amendment, the Senator from Nevada has 1 minute remaining. That is the only time on the amendment remaining.

Mr. CANNON. I yield 2 minutes on the bill to the Senator from Rhode Island.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized for 2 minutes.

Mr. PELL. I thank the Senator from Nevada and rise to publicly congratulate the chairman of the Committee on Rules and Administration, the Senator from Nevada, for the work he has put into this task, the fairness with which he has run it, and the patience he has exercised. Some of us, including myself, have become very impatient at times, and he always ran the show in a fair and evenhanded way.

I, also, agree with the majority leader that a real debt of gratitude is owed to Mr. Durkin, because he has himself voluntarily taken off our shoulders and put on his own the task that the Constitution laid on our shoulders.

In this regard, the Record should be very clear that the problem arose when we were not permitted to vote on the various issues on which the Rules Committee had split by a vote of 4 to 4 and that the minority side was uniform in their opposition to arriving at a vote. I can see their point of view. I can see their concern. But the Record should show that the reason for this impasse over the last few weeks was as a result of a plain, old-fashioned filibuster—a filibuster that now has been broken, not by the will of the majority, the dominance of the majority, but because of the gratuitous action of Mr. Durkin.

Mr. CANNON. Mr. President, I yield 1 minute to the Senator from West Virginia on the bill.

Mr. ROBERT C. BYRD. Mr. President, I just take the floor at this time to thank the able chairman of the Committee on Rules and Administration for the degree of skill and dignity and ability with which he has conducted himself and conducted the hearings throughout the long, arduous months that this matter has been before the committee and before the Senate. He has set an excellent example of a fine chairman, and he certainly has earned the plaudits of all his colleagues on both sides of the aisle for the work he has done.

It has not been an easy task, it has not been a pleasant task, but it certainly has been a thankless task. I, for one, commend him and salute him and thank him.

Mr. CANNON. Mr. President, I yield 1 minute to the Senator from New Jersey.

Mr. WILLIAMS. Mr. President, I associate myself with everything that the distinguished Senator from West Virginia has said.

As a member of the Rules Committee, I observed the leadership of the Senator from Nevada over these many long months. It is an inspiring sight to see that leadership in such a difficult and contentious situation.

It must be remembered that during that time, the Senator from Nevada was carrying other major responsibilities in his work as a Member of the Senate, major matters that he had to bring to the floor of the Senate, even as he had this responsibility. It was remarkable and great service to the Senate and to the Nation.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield 30 seconds to me?

Mr. CANNON. I yield.

Mr. ROBERT C. BYRD. Mr. President, I am sure that my distinguished colleague from New Jersey also will recall with me that the distinguished chairman has performed in this high and splendid manner not only in this instance but also in the instances when the committee was considering the nominations of two nominees for Vice President, and in the instance when the committee was studying and preparing for a possible impeachment trial of a President of the United States. All through these difficult tasks, the chairman of the committee has performed in the same splendid, outstanding way.

Mr. WILLIAMS. I agree completely.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. CANNON. I yield 2 minutes to the Senator.

Mr. ALLEN. Mr. President, I commend the distinguished chairman of the committee, the distinguished senior Senator from Nevada (Mr. Cannon), for his leadership on the Rules Committee, for the patient and honorable way in which he conducted all the hearings.

As a member of the committee, I never felt that the distinguished chairman acted other than honorably on each and every occasion. I never felt that he would act other than honorably. He was patient; he was fair; he exerted excellent leadership throughout. He adopted, as the Senator from Alabama saw it, a position of deciding every issue conscientiously on its merits. I did not always agree with the decisions he reached, but I felt that each decision he made was based upon a high regard for principle, for a nonpartisan approach to a decision of these issues. It has not been an easy position for him to be in, but he has come through in admirable style. I commend him for the courtesy he always has extended to the Senator from Alabama.

Never, on a single occasion, did the distinguished chairman use any sort of argument or influence in any way to determine the vote of the Senator from Alabama or to influence that vote. The Senator from Nevada was conscientious. He had full regard and full sympathy for any person who might have a opinion different from his own.

I know many men I would like to commend for their fine work, but I feel that the Senator from Nevada should be singled out for having acted in a statesmanlike fashion. It is a pleasure for me to serve on this committee with a great Senator like the distinguished Senator from Nevada (Mr. Cannon). I admire him. I respect his honor and integrity as a great Senator.

Mr. CRANSTON. Mr. President, will the Senator from Nevada yield me 1 or 2 minutes?

Mr. CANNON. Mr. President, do I have 2 minutes remaining?

The PRESIDING OFFICER (Mr. Ford). The Senator has 3 minutes remaining on the resolution and 1 minute on the amendment.

Mr. CANNON. I yield the Senator 1½ minutes.

Mr. CRANSTON. Mr. President, it was my great pleasure to work with the distinguished chairman on this matter. I join in paying tribute to his fairness, his firmness and the sound judgment which he showed throughout, to the wisdom he brought to this matter, to the tenacity and patience that he displayed, to his ability to pay attention to every small detail of the parliamentary situation, and to his understanding of the broad constitutional issue that underlay this matter—an understanding which all of us who were following his leadership also were seeking to provide.

He is a Senator from the State closest to the State of California, and I therefore value greatly the opportunity I had to work with him on this vitally important matter.

Mr. CANNON. Mr. President, I thank all my colleagues who have had most complimentary things to say about me, and I am deeply appreciative.

I have tried to carry out my responsibility as chairman of the Committee on Rules and Administration in a fair and impartial manner, as I saw it, and I hope I have been able to do that.

Mr. HUGH SCOTT. Mr. President, will the Senator yield me 15 seconds?

Mr. CANNON. I yield.

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent that, if they decide to do so, the Senator from Oregon (Mr. Hatfield), the Senator from Michigan (Mr. Griffin), the Senator from Connecticut (Mr. Weicker), and the Senator from Pennsylvania (Mr. Hugh Scott) may include additional statements in the Record prior to the vote on this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the same courtesy be extended to all Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS ON MR. CANNON'S AMENDMENT

Mr. GLENN. Mr. Chairman, this body has expended a great deal of time and effort in an attempt to resolve the disputed New Hampshire election contest. In light of Mr. Durkin's statement that he would prefer that the seat be declared vacant and a new election be held in New Hampshire, it would be easy for us to ease our burden by voting to send the question back to New Hampshire to be decided by a new election. With all due respect to Mr. Durkin, in spite of his wishes I do not think this is the proper course for the Senate to follow, although it might be the expedient course. But expediency is not necessarily right. For the Senate to do so would be to shirk its constitutional duty.

Throughout this whole controversy I have held that the Senate should see the evidence and then determine whether or not, from the evidence, if it is possible to determine who was the winner of the election. If, after the evidence had been examined, it were obvious that it would be impossible for the Senate to make a determination from the evidence available, then I would be the first to agree with the minority that the election should be returned to New Hampshire.

However, I have not seen the evidence. I am still waiting to see it. The Senate has been restrained by the tyranny of the minority from examining the evidence and therefore has been prevented from exercising its constitutional duty. I could not vote to send the election back to New Hampshire under these circumstances.

Mr. **WILLIAMS**. Mr. President, the Constitution of the United States is absolutely clear that it is the duty of the U.S. Senate to determine the outcome of the contested election from the State of New Hampshire. The words of article I, section 5 of the U.S. Constitution state unequivocally that "Each House shall be the judge of the elections, returns, and qualifications of its own Members . . ." The Senate has struggled long and hard over the past 7 months to honor this constitutional responsibility. And while compromise is the essence of legislative action, constitutional principles cannot and must not be easily compromised. Yet, in the action we are taking on this amendment, we are asked to make a compromise with the Constitution. I would not do so except for one clear factual situation and another compelling constitutional provision. The factual situation is that we in the Senate are simply never going to be able to discharge ourselves of this election contest in the face of an adamant and obstinate minority which refuses to allow the Senate of the United States to be "the judge of the elections, returns, and qualifications of its own Members." The compelling constitutional provision is "the Senate of the United States shall be composed of two Senators from each State" and "that no State without its consent shall be deprived of its equal suffrage in the Senate."

Therefore, it is with the greatest reluctance that I shall vote to support this amendment to declare the contested Senate seat in the State of New Hampshire vacant, thereby activating the procedures to allow for a special election in that State. I can only hope that we will never be faced with this type of situation again and I know that, for me, this action shall never serve as a precedent for future cases.

Mr. **BAYH**. Mr. President, I am going to vote for the amendment of the distinguished committee chairman, Mr. Cannon, to declare the New Hampshire seat vacant as of August 8, but I will do so most reluctantly.

It seems to me, Mr. President, that we are embarking on a dangerous journey here today. For the last several months, this body has been engaged in an effort to exercise its constitutional duty under article I, section 5 to resolve contested elections. This is a duty that the Senate has performed on 25 previous occasions. Never once has the Senate failed to exercise this constitutional obligation. Never once has the Senate been forced to declare a seat vacant before it has had the opportunity to examine the merits of the particular case before it. Never once has the Senate bowed to partisan politics.

The principles before us today are the very same principles before the Senate on January 28, 1975, when this body first resolved that it was the constitutional duty of the Senate to determine the winner of the New Hampshire Senate election. At that time, a majority of the Members of this body, myself included, determined that the voters of New Hampshire did indeed have the ultimate right to elect the representative who would serve them for the next 6 years. That person was elected on November 5, 1974. The closeness of that particular election in no way invalidated its legitimacy.

The Senate Rules Committee, under the able leadership of its chairman, Mr. Cannon, made great progress toward resolving the disputed election. Out of 800 ballots, the Rules Committee found that there were only 27 ballots upon which the committee could not reach agreement. These contested ballots, along with eight procedural motions, were referred to the full Senate for consideration.

Unfortunately, due to the use of delaying tactics and filibusters, the Senate was able to vote on only one procedural motion. It is extremely unfortunate that this body must now declare the New Hampshire seat vacant before it has had the opportunity to examine the case before it on its merits. Regrettably, we will never know the true outcome of the election held on November 5, 1974. It very well may have been the case that the Senate would have decided, despite its Democratic majority, that Louis Wyman, was indeed the choice of the New Hampshire electorate. On 12 previous occasions a majority party has determined a contested election in favor of the member of the minority party.

Because of the action the Senate is about to take today, we will not have the opportunity to know whether the Senate would have continued to uphold this nonpartisan and just tradition. I think this sets a very dangerous precedent. In the future, we are placing any close election in jeopardy. The loser of a close contest need only point to this example, and demand that a new election be held.

Despite my grave reservations concerning the pending motion, I intend to support it. The leadership of both parties have determined that this is the only way out of the unfortunate stalemate in which we have found ourselves.

Both of the candidates involved have requested a new election. New Hampshire does deserve full representation in this body. We will be deciding many policies in the Senate during the remainder of this session of crucial concern to New Hampshire citizens. Whether the policy determinations involve the energy crisis, the continuing unemployment problem, or controlling the inflationary spiral, New Hampshire is entitled to have its voice expressed through two representatives. Therefore, with the misgivings I have just expressed, I will cast my vote to declare the seat vacant, and call for a new election.

Mr. **CANNON**. Mr. President, I ask for the yeas and nays on the amendment.

The **PRESIDING OFFICER**. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. **HATFIELD**. Mr. President, how much time remains?

The **PRESIDING OFFICER**. No time remains.

The question is on agreeing to the amendment of the Senator from Nevada. On this question the yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. **ROBERT C. BYRD**. I announce that the Senator from Delaware (Mr. Biden), the Senator from Mississippi (Mr. Eastland), and the Senator from Indiana (Mr. Hartke) are necessarily absent.

Mr. **GRIFFIN**. I announce that the Senator from New York (Mr. Buckley), the Senator from Nebraska (Mr. Curtis), and the Senator from Arizona (Mr. Goldwater) are necessarily absent.

I further announce that the Senator from Vermont (Mr. Stafford), is absent due to a death in the family.

I further announce that, if present and voting, the Senator from Arizona (Mr. Goldwater), would vote "yea."

The result was announced—yeas 71, nays 21, as follows:

[Rollcall Vote No. 354 Leg.]

YEAS—71

Abourezk
Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Bentsen
Brock
Brooke
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Cannon
Case
Church
Cranston
Dole
Domenici
Eagleton
Fannin
Fong
Garn
Gravel
Griffin
Hansen
Hart, Philip A.
Hatfield
Helms
Hruska
Humphrey
Jackson
Javits
Johnston
Kennedy
Laxalt
Leahy
Long
Magnuson
Mathias
McClellan
McClure
McGee
McGovern
McIntyre
Morgan
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott,
  William L.
Sparkman
Stennis
Stevens
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—21

Byrd, Robert C.
Chiles
Clark
Culver
Ford
Glenn
Hart, Gary W.
Haskell
Hathaway
Hollings
Huddleston
Inouye
Mansfield
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Stevenson
Stone

NOT VOTING—7

Biden
Buckley
Curtis
Eastland
Goldwater
Hartke
Stafford

So Mr. Cannon's amendment was agreed to.

Mr. **CANNON**. Mr. President, I ask unanimous consent that the clerk be authorized to have this amendment appear as a new section numbered 5, rather than appear after the word "committee" where it was offered.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. CANNON. Mr. President, I ask that the committee amendment, as amended, be approved.

The PRESIDING OFFICER. The question now is on agreeing to the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

Mr. CANNON. Mr. President, I believe all of my time on the resolution has expired, and I am ready to vote.

The PRESIDING OFFICER. The Senator has 2 minutes remaining.

TRIBUTES TO RULES COMMITTEE

Mr. MANSFIELD. Mr. President, it is with the most profound gratitude and respect that I rise to recognize and accord tribute to the Senate Committee on Rules and Administration, to its chairman, Senator CANNON, to its membership on both sides. For more than 6 months these esteemed Senators have worked assiduously to perform a most difficult and challenging task. It has been a task not a single member of this body would truly enjoy undertaking and, but for the mandate of the Constitution and the rules and procedures of this institution, I would venture to say that none of us would seek out such an awesome responsibility.

What has it meant for these individuals—the members of the committee? For one thing, it has meant great personal sacrifice for Senator CANNON and for all of the other members. It has meant sacrifice in terms of time, in terms of effort. It has meant working late into the night—night after night—thrashing out the issues, endeavoring to present to the full Senate the committee's most carefully considered judgment. As a body we could not be more indebted.

To the chairman, the distinguished Senator from Nevada, Mr. CANNON, goes the very highest commendation. His able and effective handling of this issue was exemplary. The distinguished Senator from West Virginia, Mr. ROBERT C. BYRD, demonstrated the deep devotion and dedication that marks each issue to which he addresses himself. Senator HATFIELD also deserves the highest praise for the manner in which he presented his side of the case—so to speak. Senator PELL, Senator GRIFFIN, Senator HUGH SCOTT, Senator WILLIAMS, along with all members of the committee deserve similar commendation. To their service in this institution and to the Nation as well, has been added the achievement of another enormous task undertaken and executed with the highest distinction.

Mr. CANNON. Mr. President, I yield back the remainder of my time.

Mr. FANNIN. Mr. President, I yield back all of my time.

The PRESIDING OFFICER. The Senator from South Dakota has 30 minutes.

Mr. McGOVERN. Mr. President, I yield back my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the resolution, as amended.

The resolution (S. Res. 54), as amended, was agreed to as follows:

S. RES. 54

Resolved, That the Select Committee on Nutrition and Human Needs, established by S. Res. 281, Ninetieth Congress, agreed to on July 30, 1968, as amended and supplemented, is hereby extended through February 29, 1976.

SEC. 2. (a) In studying matters pertaining to the lack of food, medical assistance, and other related necessities of life and health, the Select Committee on Nutrition and Human Needs is authorized from March 1, 1975, through February 29, 1976, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, (3) to subpena witnesses and documents, (4) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel, information, and facilities of any such department or agency, (5) to procure the temporary services (not in excess of one year) or intermittent services of individual consultants, or organizations thereof, in the same manner and under the same conditions as a standing committee of the Senate may procure such services under section 202(i) of the Legislative Reorganization Act of 1946, (6) to interview employees of the Federal, State, and local governments and other individuals, and (7) to take depositions and other testimony.

(b) The minority shall receive fair consideration in the appointment of staff personnel pursuant to this resolution. Such personnel assigned to the minority shall be accorded equitable treatment with respect to the fixing of salary rates, the assignment of facilities, and the accessibility of committee records.

SEC. 3. The expenses of the committee under this resolution shall not exceed $399,500, of which amount not to exceed $25,000 shall be available for the procurement of the services of individual consultants, or organizations thereof.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SEC. 5. The Senate of the United States hereby finds and declares: that Article I, Section 5, of the Constitution of the United States establishes the Senate of the United States as the Judge of Elections of its own Members; that the Senate of the United States, in the exercise of such constitutional responsibility, has to this date been unable to determine the outcome of the contested election of November 5, 1974, for the office of United States Senator from the State of New Hampshire; that the people of the State of New Hampshire have been represented by only one United States Senator since January 3, 1975; that, on January 22, 1975, the General Court of the State of New Hampshire enacted an Act providing for a special election for the office of United States Senator from the State of New Hampshire among the contestants in such November 5, 1974, election for the office of United States Senator from such State; and that, the outcome of any such special election may also be brought before the Senate of the United States for determination, thereby requiring the Senate of the United States again to exercise its constitutional responsibility as the Judge of Elections of its own Members with respect to such office. In view of the foregoing findings and declarations, the Senate of the United States, in the exercise of its constitutional responsibility under Article I, Section 5, of the Constitution as the Judge of Elections of its own Members, the outcome of the contested November 5, does hereby declare its inability to determine 1974, election for the office of United States Senator from the State of New Hampshire, and, in order to enable a special election to be held, in accordance with the provisions of the Act enacted January 22, 1975, by the General Court of the State of New Hampshire, providing for a special election for the office of United States Senator among the contestants in such November 5, 1974, election, does declare as of August 8, 1975, a vacancy to exist in such office as of such date; and does hereby direct the Chairman and the ranking minority Member of the Committee on Rules and Administration of the Senate of the United States to make available to all three such contestants copies of all voter checklists from such November 5, 1974, election in the custody of the Senate of the United States, to release from such custody forthwith all voting machines from such election, and to provide for and designate a process for the independent observation of any recount, in whole or in part, of the votes in such special election.

Mr. McGOVERN. Mr. President, I wish to extend my appreciation to Senator CANNON and Senator HATFIELD and the other members of the Rules Committee for the consideration they have given to the budget request of the Select Committee on Nutrition and Human Needs, especially during the difficult period of the New Hampshire election dispute.

The Nutrition Committee was established by the Senate to attend to the shameful reality of hunger in America. Since then, nutrition issues have taken on even more urgent dimensions, in terms of domestic prosperity, foreign policy, and public awareness.

At the same time, Government nutrition programs have expanded substantially, though they still remain measurably short of the need. I believe the Senate has played an especially critical and creative role in this expansion, by establishing the select committee with a strong mandate, and by consistently supporting the findings and recommendations of that committee.

Fundamental gains have been made in the struggle against malnutrition. Where once millions were hungry but were not given to eat, food stamps now provide more nearly adequate diets for 18 million citizens. The Nutrition Committee's work was recently vital in preventing a rise in the price of food stamps in the midst of the deepest recession of the post-war period. Child nutrition used to reach only a fraction of even the poorest students in our schools. School lunches and the school breakfast program now reach 10 million students each day. Special help has been given not only to the young but to the old, who are the other group in our society most vulnerable to malnutrition, physically and financially.

In addition, efforts to assist all consumers in areas such as nutrition education, food advertising, product labeling, and food additives have been undertaken by the Select Committee. The work of the committee has also extended to the crucial question of our foreign food aid and the world food crisis.

Senate Resolution 54 requested an authorization of $485,000 on an annual basis for the select committee. As reported by the Rules Committee, the sum has been reduced to $399,500 on an annual basis.The additional sum was proposed by the select committee to finance a thorough, independent, product-by-product review of food pricing practices—a new endeavor for the committee, but one which is directly responsive to its founding purpose of serving the nutritional needs of the Nation. As we all know, food prices across the country have been rising at a rapid, indeed an unprecedented rate. The committee determined that an inquiry into food price increases was indispensable to any informed judgment about possible measures to lift the inflationary burden on household budgets. The select committee will do the best it can with the lesser increase which has been granted, but the inquiry will necessarily fall short of its full potential. And it is clear to me that even on an issue like food prices, the Senate would be reluctant to override the Rules Committee's recommendation.

In conclusion, Mr. President, I should note that this resolution is far more historic than most which have funded Senate committees. It has been amended to provide for a new election in the New Hampshire Senate race. Thus it marks the close of one of the most controversial, protracted, and heated debates in the annals of the Senate. Many of us, indeed, a majority, believed the issue should be settled differently. But at least it has been settled. And it is appropriate that the resolution which has done that, so that we may turn from an election dispute to doing the people's business, also pertains to the Select Committee on Nutrition and Human Needs, which has been serving the people so well for the last 7 years.

Mr. HUGH SCOTT. Mr. President, although the New Hampshire election dispute has been referred back to the State, and the following matter is therefore moot, I wish to permit the Senate the opportunity to look at a resolution adopted earlier today by the Governor and Council of the State of New Hampshire.

As I have said previously, vacating the seat was the only thing that could resolve the question and, as the resolution implies, the Senate could have become involved in troublesome litigation had the impasse remained. Since I am named in the resolution as a recipient of a copy, I ask unanimous consent to have it printed in the RECORD.

There being on objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION

Whereas each house of the national Congress possesses the constitutional power to be the judge of the elections, returns and qualifications of its members;

Whereas the Senate of the United States has invoked this constitutional power in examining the results of the November, 1974 election to fill one of the offices of Senator from the State of New Hampshire;

Whereas the enquiry begun by the Senate has consumed nearly seven months without any conclusion by the Senate that one of the contenders is the winner or that a vacancy in the office exists, during which time the State of New Hampshire and its people have been deprived of their rights to be represented in the Senate equally with the other states;

Whereas the State of New Hampshire has received no official communication from the Senate on the subject of the Senate's examination;

Whereas recent proceedings in the Senate indicate the intentions of a majority of its members to enjoy a recess for thirty days before having resolved that one contender is the winner of the New Hampshire election or that a vacancy exists;

Whereas a state and its people are entitled to representation during periods of congressional recess as well as during the sessions of the houses of Congress;

Whereas the Senate would at the least be seriously derelict in enjoying an extended vacation when its failure to conclude the enquiry it has begun would continue to deprive the State of New Hampshire and its people of their full representation in the Senate even beyond the time which the Senate has already consumed in its enquiry; and

Whereas public funds should not be spent to compensate the members of the Senate or to finance their travel when they would be thus derelict in the exercise of the powers the Senate claims to exercise;

Now Therefore Be It Resolved that the Governor and Council call upon the Senate of the United States to devote themselves without further interruption or delay to reaching a conclusion to the inquiry they have undertaken into the results of the 1974 New Hampshire election of a United States Senator, and in particular call upon the Senate to take no recess until they have concluded that one contender is the winner of the election, or that a vacancy in the office exists so as to authorize a new election under New Hampshire law;

And Be It Further Resolved that in the event the Senate does take a recess prior to reaching such a conclusion the Attorney General of New Hampshire be, and he hereby is, authorized to commence action to enjoin the payment of salaries of the members of the Senate during such recess, the costs of their travel from the District of Columbia for the commencement of such recess, the costs of their travel during such recess and the costs of travel to the District of Columbia when such recess is over;

And Be It Further Resolved that the Secretary of State be, and he hereby is, directed to cause copies of this resolution to be delivered immediately to the President of the Senate of the United States, the President Pro Tempore of the Senate, the Honorable Mike Mansfield, the Honorable Hugh Scott, the Honorable Howard Cannon, the Honorable Mark Hatfield and the Honorable Thomas McIntyre; and to cause a further ninety-three copies to be delivered to the Clerk of the Senate for delivery to the remainder of the Senate.

Mr. President, for 7 months Mr. Wyman urged that there be a new election to resolve the dispute. I ask unanimous consent to include in the RECORD the latest offer of Mr. Wyman to this effect.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., July 28, 1975.

MR. JOHN A. DURKIN,
Care of SENATOR THOMAS MCINTYRE,
Dirksen Building,
Washington, D.C.

DEAR MR. DURKIN: It was suggested in a July 28, 1975, editorial in the Washington Post that, in light of the Senate's apparent inability to resolve the New Hampshire case, you and I attempt to provide a framework for a determination of the matter.

As stated by the Post, "The empty seat can only be won by one candidate and only if both are mature enough to risk losing it." If a runoff election were held, as is authorized under New Hampshire law, each of us would stand the test of our maturity and take that risk of a loss.

I personally am willing to stand the test of a new election. I understand from your public statements that you would acquiesce in such a course if the Senate were to reach an impasse on the contest. It is apparent that such a state is at hand. In the spirit of compromise and in an effort to resolve this matter, I wish to indicate my willingness to stand for such an election on October 7, 1975, the date of the Manchester and Nashua municipal primaries, or any other date satisfactory to you.

I also offer to agree to any limitation upon campaign expenditures, set in advance by you, so long as each candidate be authorized to spend at least $50,000.00. In this manner, we would both go before the people with equal resources and an equal opportunity for success in the election.

With respect to the problems of expenses and legal fees associated with the election contest, I would agree to submit these matters to the Committee on Rules and Administration for its consideration and recommendation to the Senate.

In light of the urgency of this matter to the people of New Hampshire and the imminence of the Senate's August recess, your immediate reply to this hand-delivered letter would be appreciated.

Sincerely yours,
LOUIS C. WYMAN,
Senator-Elect,
State of New Hampshire.

The title of the bill was amended so as to read:

Resolution continuing and authorizing additional expenditures by the Select Committee on Nutrition and Human Needs, and relating to a Special Election for the Office of United States Senator from the State of New Hampshire.

Mr. McCLURE. Mr. President, I move to reconsider the vote by which the resolution, as amended, was agreed to.

Mr. CANNON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF BUSINESS

Mr. METCALF obtained the floor.

Mr. METCALF. Mr. President, I yield to the Senator from Alabama (Mr. ALLEN).

Mr. ALLEN. I ask unanimous consent that I may proceed for 2 minutes.

The PRESIDING OFFICER. Without objection, the Senator may proceed.

POSITION OF SENATOR ALLEN ON FUTURE TIME LIMITATION REQUESTS

Mr. ALLEN. Mr. President, the Senator from Alabama from time to time has objected to time limits on bills and resolutions and what has happened here today, certainly, would justify the Senator from Alabama in being very careful, very cautious about entering into time agreements, because this Resolution 54 was before the Senate under a time limit. There was no agreement as to germaneness.

Therefore, any Senate resolution or any amendment proposing another Senate resolution or proposing any provision that needed concurrence of the Senate only could have been offered and a strict time limit would have been upon the amendment of 30 minutes and it could have passed.

We saw the important matter of Senate Resolution 145 being sought to be added as an amendment, then the amendment with respect to New Hampshire. That amendment with respect to New Hampshire could have just as easily been Senate Resolution 166, the matter of the decision of this issue, and instead of having the matter go back to New Hampshire it could have been decided right here on the Senate floor in a matter of minutes.

Mr. President, the Senator from Alabama is going to be very cautious, even more cautious in the future, in agreeing to time limits on bills and on resolutions, especially when no provision is made that an amendment shall be germane.

We are just out of a very dangerous situation that could have caused tremendous havoc if unfortunate resolutions had been offered under the time limit.

I point that out to justify the position that the Senator from Alabama has taken in the past and the position he is going to take in the future.

Mr. President, I yield back my time.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

ORDER VITIATING ORDER RECOGNIZING SENATOR WEICKER TOMORROW

Mr. WEICKER. Mr. President, I ask unanimous consent that the order setting aside time tomorrow to the Senator from Connecticut be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

OUTER CONTINENTAL SHELF MANAGEMENT ACT OF 1975

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 521, which the clerk will state by title.

The assistant legislative clerk read as follows:

> A bill (S. 521) to increase the supply of energy in the United States from the Outer Continental Shelf Lands Act; and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Interior and Insular Affairs with an amendment to strike all after the enacting clause and insert the following:

That this Act may be cited as the "Outer Continental Shelf Management Act of 1975".

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TITLE I—FINDINGS AND PURPOSES

FINDINGS

SEC. 101. The Congress finds and declares that—

(1) the demand for energy in the United States is increasing and will continue to increase for the foreseeable future;

(2) domestic production of oil and gas has declined in recent years;

(3) the United States has become increasingly dependent upon imports of oil from foreign nations to meet domestic energy demand;

(4) increasing reliance on imported oil is not inevitable, but is rather subject to significant reduction by increasing domestic sources of energy supply;

(5) consumption of natural gas in the United States has greatly exceeded additions to domestic reserves in recent years, so that currently available supplies are less than demand;

(6) technology is or can be made available which will allow sufficient production and consumption of domestic energy supply to meet demands consistent with national environmental policies;

(7) the Outer Continental Shelf contains significant quantities of petroleum and natural gas, which are a vital national reserve that must be carefully managed in the public interest;

(8) there presently exists a variety of technological, economic, environmental, administrative, and legal problems which tend to retard the development of the oil and natural gas resources of the Outer Continental Shelf;

(9) it is the national policy to preserve, protect, and develop the resources of this Nation's coastal zone, and to provide for the orderly siting of energy facilities therein;

(10) the development, processing, and distribution of the oil and gas resources of the Outer Continental Shelf, and the siting of related energy facilities, may cause adverse impacts on the coastal zones of the various coastal States; and

(11) the Coastal Zone Management Act of 1972 provides policy, procedures, and programs designed to anticipate such adverse impacts and in part prevent them by appropriate planning and management of land and water resources in the coastal zone.

PURPOSES

SEC. 102. The purposes of this Act are to—

(1) establish policies and procedures for managing the oil and natural gas resources of the Outer Continental Shelf in order to achieve national economic and energy policy goals and assure national security, reduce dependence on foreign sources, and maintain a favorable balance of payments in world trade;

(2) make oil and natural gas resources in the Outer Continental Shelf available to meet the Nation's energy needs as rapidly as is consistent with the need to balance orderly energy resource development with protection of the marine and coastal environment, and in a manner designed to ensure the public a fair market return on the resources of the Outer Continental Shelf;

(3) encourage development of new and improved technology for energy resource production that will increase human safety and eliminate or reduce risk of damage to the environment; and

(4) provide States which are directly impacted by Outer Continental Shelf oil and gas exploration and development with comprehensive assistance in order to assure adequate protection of the onshore social, economic, and environmental conditions of the coastal zone; and

(5) assure that coastal States which are directly impacted by exploration and development of oil and natural gas adjacent to their coastal zone are provided an opportunity to participate in policy and planning decisions relating to management of the resources in the Outer Continental Shelf.

TITLE II—INCREASED PRODUCTION OF OUTER CONTINENTAL SHELF ENERGY RESOURCES

NATIONAL POLICY FOR OUTER CONTINENTAL SHELF

SEC. 201. Section 3 of the Outer Continental Shelf Lands Act is revised by adding the following new subsections (c), (d), and (e).

"(c) It is hereby declared that the Outer Continental Shelf is a vital national resource reserve held by the Federal Government for all the people, which should be made available for orderly development, subject to environmental safeguards, consistent with and when necessary to meet national needs.

"(d) It is hereby recognized that development of the oil and gas resources of the Outer Continental Shelf will have significant impact on coastal zone areas of adjacent States and that, in view of the national interest in the effective management of the coastal zone, (1) such States may require assistance in protecting their coastal zone insofar as possible from the adverse effects of such impact, and (2) such States are entitled to participate, to the extent consistent with the national interest, in the policy and planning decisions made by the Federal Government relating to exploration for and development, and production of oil and gas in the Outer Continental Shelf.

"(e) It is hereby recognized that the rights and responsibilities of the States to preserve and protect their marine and coastal environments through such means as regulation of land, air, and water uses and of related development and activity should be protected.".

NEW SECTIONS OF OUTER CONTINENTAL SHELF LANDS ACT

Sec. 202. The Outer Continental Shelf Lands Act is hereby amended by adding the following new sections:

"DEVELOPMENT OF OUTER CONTINENTAL SHELF LEASING PROGRAM

"Sec. 18. (a) The Secretary is authorized and directed to prepare and maintain a leasing program to implement the policy set forth in section 3 of this Act. The leasing program shall indicate as precisely as possible the size, timing, and location of leasing activity that will best meet national energy needs for the five-year period following its approval or reapproval in a manner consistent with the following principles:

"(1) management of the Outer Continental Shelf in a manner which considers all of the economic, social, and environmental values of the renewable and nonrenewable resources contained therein and the potential impact of oil and gas exploration and development on these values of the Outer Continental Shelf and the marine and coastal environments;

"(2) timing and location of leasing to distribute exploration, development, and production of oil and gas among various areas of the Outer Continental Shelf, considering:

"(A) existing information concerning their geographical, geological, and ecological characteristics;

"(B) their location with respect to, and relative needs of, regional energy markets;

"(C) their location with respect to other uses of the sea and seabed including fisheries, intracoastal navigation, existing or proposed sea lanes, potential sites of deepwater ports, and other existing or potential uses of the resources and space in the Outer Continental Shelf;

"(D) interest by potential oil and gas producers in exploration and development as indicated by tract nominations and other representations;

"(E) an equitable sharing of developmental benefits and environmental risks among various regions of the United States; and

"(F) laws, goals, and policies of the affected and adjacent coastal States;

"(3) timing and location of leasing so that areas with the greatest potential for environmental damage and impact on the coastal zone are leased last, to the maximum extent practicable, consistent with the Secretary's determination of national needs.

"(4) receipt of fair market return for public resources.

"(b) The program shall include estimates of the appropriations and staffing required by all Federal agencies and programs necessary to—

"(1) conduct such geophysical exploration authorized by section 19 of this Act as may be deemed necessary;

"(2) obtain resource information and any other information needed to prepare the leasing program required by this section;

"(3) analyze and interpret any data and other information which may be compiled under the authority of this Act;

"(4) conduct environmental baseline studies and prepare any environmental impact statement required in accordance with section 102(2)(C) of the National Environmental Policy Act of 1969 (83 Stat. 852; 42 U.S.C. 4321 et seq.); and

"(5) supervise operations under each lease in the manner necessary to assure compliance with the requirements of the law, the regulations and the terms of the lease.

"(c) The environmental impact statement on the leasing program prepared in accordance with section 102(2)(C) of the National Environmental Policy Act of 1969, shall include, but shall not be limited to, an assessment by the Secretary of the relative significance of the probable oil and gas resources of each area proposed to be offered for lease in meeting national demands, the most likely rate of exploration and development that is expected to occur if the areas are leased, and the relative environmental hazard of each area. Such environmental impact statement shall be based on consideration of the following factors, without being limited thereto: geological and geophysical conditions, biological data on existing animal, marine, and plant life, and commercial and recreational uses of nearby land and water areas.

"(d) The Secretary shall, by regulation, establish procedures for receipt and consideration of nominations for areas to be offered for lease or to be excluded from leasing, for public notice of and participation in development of the leasing program, for review by State and local governments which may be impacted by the proposed leasing, and for coordination of the program with the management program being developed by any State for approval pursuant to section 305 of the Coastal Zone Management Act of 1972 and to assure consistency with the management program of any State which has been approved pursuant to section 306 of such Act. These procedures shall be applicable to any revision or reapproval of the leasing program.

"(e) The Secretary shall publish a proposed leasing program in the Federal Register and submit it to the Congress together with a draft environmental impact statement within nine months after enactment of this section. At least sixty days prior to approving a proposed leasing program the Secretary shall submit it to the President and the Congress together with any comments received from State and local governments, and from any regional Outer Continental Shelf advisory board established by section 30 of this Act. Such submission shall indicate why any specific recommendations of a State or local government or regional advisory board were not accepted.

"(f) After the leasing program has been approved by the Secretary or after June 30, 1977, whichever comes first, no leases under this Act may be issued unless they are for areas included in the approved leasing program.

"(g) The Secretary may revise and reapprove the leasing program at any time and he must review and reapprove the leasing program at least once each year.

"(h) The Secretary is authorized to obtain from public sources, or to purchase from private sources, any surveys, data, reports, or other information (including interpretations of such data, surveys, reports, or other information) which may be necessary to assist him in preparing environmental impact statements and making other evaluations required by this Act. The Secretary shall maintain the confidentiality of all proprietary data or information for such period of time as is agreed to by the parties.

"(i) The heads of all Federal departments or agencies are authorized and directed to provide the Secretary with any nonproprietary information he requests to assist him in preparing the leasing program. In addition, the Secretary is authorized and directed to utilize the existing capabilities and resources of other Federal departments and agencies by appropriate agreement.

"FEDERAL OUTER CONTINENTAL SHELF OIL AND GAS INFORMATION PROGRAM

"Sec. 19. (a) The Secretary is authorized and directed to conduct an information gathering program regarding oil and gas resources of the Outer Continental Shelf. This program shall be designed to provide information about the probable location, extent, and characteristics of such resources including, but not limited to, the probable geographical extent of any structure or trap, in order to provide a basis for (1) development and revision of the leasing program required by section 18 of this Act, (2) greater and better informed competitive interest by potential producers in the oil and gas resources of the Outer Continental Shelf, (3) more informed decisions regarding the value of public resources and revenues to be expected from leasing them, and (4) assisting State and local governmental agencies in assessing the likely impacts of the development of such public resources.

"(b) The Secretary is authorized to contract for, or purchase the results of or, where the required information is not available from commercial sources, conduct seismic, geomagnetic, gravitational, geophysical, or geochemical investigations, and to contract for or purchase the results of stratigraphic drilling, needed to implement the provisions of this section.

"(c) The Secretary, in cooperation with the Secretary of Commerce, is directed to prepare and publish and keep current a series of detailed bathymetric, geological, and geophysical maps of and reports about the Outer Continental Shelf, based on nonproprietary data, which shall include, but not necessarily be limited to, the results of seismic, gravitational, and magnetic surveys on an appropriate grid spacing to define the general bathymetry, geology, and geophysical characteristics of the area. Such maps shall be prepared and published no later than six months prior to the last day for submission of bids for any areas of the Outer Continental Shelf scheduled for lease on or after June 30, 1977.

"(d) Within six months after enactment of this section, the Secretary shall develop and submit to Congress a plan for conducting the information gathering programs required by this section. This plan shall include an identification of the areas to be surveyed and mapped during the first five years of the programs and estimates of the appropriations and staffing required to implement them.

"(e) The Secretary shall include in the annual report required by section 15 of this Act, information concerning the carrying out of his duties under this section, and shall include as a part of each such report a summary of the current data for the period covered by the report.

"(f) No action taken to implement this section shall be considered a major Federal action for the purposes of section 102(2)(C) of the National Environmental Policy Act of 1969.

"(g) There are hereby authorized to be appropriated such sums as are necessary to carry out the purposes of this section during fiscal year 1975 and 1976, to the Secretary and to appropriate Federal agencies having responsibilities under this section.

"(h) The Secretary shall, by regulation, require that any person holding a lease issued pursuant to this Act for oil or gas exploration or development on the Outer Continental Shelf shall provide the Secretary with any existing data (excluding interpretation of such data) about the oil or gas resources in the area subject to the lease. The Secretary shall maintain the confidentiality of all proprietary data or information until such time as he determines that public availability of such proprietary data or information would not damage the competitive position of the lessee.

"(i) The Secretary shall make available by appropriate means to the public, the regional Outer Continental Shelf advisory boards and to appropriate State and local governmental agencies all data, information, maps, interpretations, and surveys which are obtained pursuant to subsection (b) of this section directly by the Secretary or under a service contract: *Provided, however,* That the Secretary shall maintain the confidentiality of all proprietary data or information purchased from commercial sources while not under contract with the United States Government for such period of time as is agreed to by the parties. For the purpose of this subsection, subsection 522(b)(9) of title 5 of the United States Code shall not apply to geological and geophysical information and data, including maps, concerning wells or other related information acquired directly by the Department or under a service contract pursuant to subsection (b) of this section.

"(j) All Federal departments or agencies are authorized and directed to provide the Secretary with any information or data (except information or data required by law to be kept confidential by such department or agency) that may be deemed necessary to assist the Secretary in implementing the information program pursuant to this section of this Act. Proprietary information or data provided to the Secretary under the provisions of this subsection shall remain confidential for such period of time as was agreed to by the parties at the time it was obtained by such department or agency. In addition, the Secretary is authorized and directed to utilize the existing capabilities and resources of other Federal departments and agencies by appropriate agreement.

"SAFETY REGULATIONS FOR OIL AND GAS OPERATIONS

"Sec. 20. (a) Policy.—It is the policy of this section to insure, through improved techniques, maximum precautions, and maximum use of the best available technology by well-trained personnel, safe operations in the Outer Continental Shelf. Safe operations are those which prevent or minimize the likelihood of blowouts, loss of well control, fires, spillages, or other occurrences which may cause damage to the environment, or to property, or endanger human life or health.

"(b) Regulation; Study.—(1)(A) The Secretary with the concurrence and advice of the Administrator of the Environmental Protection Agency and the Secretary of the Department in which the Coast Guard is operating shall develop, from time to time revise, and promulgate safety regulations for operations in the Outer Continental Shelf, to implement as fully as possible the policy of subsection (a) of this section. Within one year after the enactment of this section, the Secretary shall complete a review of existing safety regulations, consider the results and recommendations of the study authorized in paragraph (2) of this subsection, and promulgate a complete set of safety regulations (which may include Outer Continental Shelf orders) applicable to operations in the Outer Continental Shelf or any region thereof. Any safety regulations in effect on the date of enactment of this section which the Secretary finds should be retained shall be promulgated according to the terms of this section, but shall remain in effect until so repromulgated. No safety regulations (other than field orders) promulgated pursuant to this subsection shall reduce the degree of safety or protection to the environment afforded by safety reglations previously in effect.

"(B) In promulgating regulations under this section, the Secretary shall require on all new drilling and production operations and, wherever practicable on already existing operations, the use of the best available technology wherever failure of equipment would have a significant effect on public health, safety, or the environment.

"(2) Upon the enactment of this section, the National Academy of Engineering shall conduct a study of the adequacy of existing safety regulations and technology, equipment, and techniques for operations in the Outer Continental Shelf, including but not limited to the subjects listed in subsection (a) of this section. Not later than nine months after the enactment of this section, the results of the study and recommendations for improved safety regulations shall be submitted to the Congress and to the Secretary.

"RESEARCH AND DEVELOPMENT

"Sec. 21. (a) The Secretary is authorized and directed to carry out a research and development program designed to improve safety of operations related to exploration and development of the oil and gas resources of the Outer Continental Shelf where similar programs are not presently being conducted by any Federal department or agency and where he determines that such research and development is not being adequately conducted by any other public or private entity including but not limited to—

"(1) downhole safety devices,

"(2) methods for reestablishing control of blowing out or burning wells,

"(3) methods for containing and cleaning up oil spills, and

"(4) improved flow detection systems for undersea pipelines.

"(b) The Secretary of the department in which the Coast Guard is operating, shall establish equipment and performance standards for oil spill cleanup plans and operations. Such standards shall be consistent with the National Oil and Hazardous Substances Pollution Contingency Plan. Before such standards are issued, the Administrators of the Environmental Protection Agency and the National Oceanic and Atmospheric Administration shall be given an opportunity to review and comment on the proposed standards.

"(c) The Secretary of Commerce, in cooperation with the Secretary of the Navy, the Secretary of the Department in which the Coast Guard is operating, and the Director of the National Institutes of Occupational Safety and Health, shall conduct studies of underwater diving techniques and equipment suitable for protection of human safety.

"ENFORCEMENT OF SAFETY REGULATIONS; INSPECTIONS

"Sec. 22. (a) (1) The Secretary and the Secretary of the department in which the Coast Guard is operating shall jointly enforce the safety and environmental protection regulations promulgated under this Act. They shall regularly inspect all operations authorized pursuant to this Act and strictly enforce safety regulations promulgated pursuant to this Act and other applicable laws and regulations relating to public health, safety, or environmental protection. All holders of leases under this Act shall allow prompt access at the site of any operations subject to safety regulations to any inspector, and provide such documents and records that are pertinent to public health, safety, or environmental protection, as such Secretaries or their designees may request.

"(2) The Secretary, with the concurrence of the Secretary of the department in which the Coast Guard is operating, shall promulgate regulations within one hundred and twenty days of the enactment of this section to provide for—

"(A) physical observation at least once each year by an inspector of the installation or testing of all safety equipment designed to prevent or ameliorate blowouts, fires, spillages, or other major accidents; and

"(B) periodic onsite inspection without advance notice to the lessee to assure compliance with public health, safety, or environmental protection regulations.

"(3) The Secretary of the department in which the Coast Guard is operating shall make an investigation and public report on all major fires and major oil spillage occurring as a result of operations pursuant to this Act. For the purposes of this subsection, a major oil spillage is any spillage in one instance of more than two hundred barrels of oil over a period of thirty days: Provided, That he may, in his discretion, make an investigation and report of lesser oil spillages. All holders of leases under this Act shall cooperate with him in the course of such investigations.

"(4) For the purposes of carrying out their responsibilities under this section, the Secretary or the Secretary of the department in which the Coast Guard is operating may by agreement utilize with or without reimbursement the services, personnel, or facilities of any Federal agency.

"(b) The Secretary or the Secretary of the department in which the Coast Guard is operating shall consider any allegation from any person of the existence of a violation of any safety regulations issued under this Act. The Secretary shall answer such allegation no later than ninety days after receipt thereof, stating whether or not such alleged violations exist and, if so, what action has been taken.

"(c) In any investigation directed by this section the Secretary or the Secretary of the department in which the Coast Guard is operating shall have power to summon before them or their designees witnesses and to require the production of books, papers, documents, and any other evidence. Attendance of witnesses or the production of books, papers, documents, or any other evidence shall be compelled by a similar process as in the United States district court. In addition, they or their designees shall administer all necessary oaths to any witnesses summoned before said investigation.

"LIABILITY FOR OIL SPILLS

"Sec. 23. (a) Any person in charge of any oil and/or gas operations in the Outer Continental Shelf, as soon as he has knowledge of a discharge or spillage of oil from an operation, shall immediately notify the United States Coast Guard of such discharge. Any such person who fails to comply with this requirement shall, upon conviction, be fined not more than $10,000 or imprisoned for not more than one year, or both. Notification received pursuant to this subsection, or information obtained by the use of such notification, shall not be used against any such individual in any criminal case, except a prosecution for perjury or for giving a false statement.

"(b)(1) Notwithstanding the provisions of any other law, the holder of a lease or right-of-way issued or maintained under this Act and the Offshore Oil Pollution Settlements Fund (hereinafter referred to as 'the fund') established by this subsection shall be strictly liable without regard to fault and without regard to ownership of any adversely affected lands, structures, fish, wildlife, or biotic or other natural resources relied upon by any damaged party for subsistence or economic purposes, in accordance with the provisions of this subsection for all damages, including cleanup costs, sustained by any person as a result of discharges of oil or gas from any operation authorized under this Act and maintained by such holder of a lease or right-of-way if such damages occurred (A) within the territory of the United States, Canada, or Mexico, or (B) in or on waters within two hundred nautical miles of the baseline of the United States, Canada, or Mexico from which the territorial sea of the United States, Canada, or Mexico is measured, or (C) within one hundred nautical miles of any such operation. Claims for such injury or damages may be determined by arbitration or judicial proceedings.

"(2) Strict liability shall not be imposed under this subsection on the holder or the fund if the holder or the fund proves that the damage was caused by an act of war. Strict liability shall not be imposed under this subsection on the holder if the holder proves that the damage was caused by the negligence of the United States or other govermental agency. Strict liability shall not be imposed under this subsection with respect to the claim of a damaged person if the holder or the fund proves that the damage was caused by the negligence or intentional act of such person.

"(3) The holder shall be liable for the first $7,000,000 of such claims that are allowed. The fund shall be liable for the balance of the claims that are allowed.

"(4) In any case where liability without regard to fault is imposed pursuant to this subsection, the rules of subrogation shall apply in accordance with the laws of the State in which such damages occurred: *Provided, however*, That in the event such damages occurred outside the jurisdiction of any State, the rules of subrogation shall apply in accordance with the laws applicable pursuant to section 4 of this Act.

"(5) The Offshore Oil Pollution Settlements Fund is hereby established as a nonprofit corporate entity that may sue and be sued in its own name. The fund shall be administered by the holders of leases issued under this Act under regulations prescribed by the Secretary. The fund shall be subject to an annual audit by the Comptroller General, and a copy of the audit shall be submitted to the Congress. Claims allowed against the fund shall be paid only from moneys deposited in the fund.

"(6) There is hereby imposed on each barrel of oil produced pursuant to any lease issued or maintained under this Act a fee of 2½ cents per barrel. The fund shall collect the fee from the lessees or their assignees. Costs of administration shall be paid from the money collected by the fund, and all sums not needed for administration and the satisfaction of claims shall be invested prudently in income producing securities approved by the Secretary. Income from such securities shall be added to the principal of the fund.

"(7) If the fund is unable to satisfy a claim asserted and finally determined under this subsection, the fund may borrow the money needed to satisfy the claim from any commercial credit source, at the lowest available rate of interest, subject to the approval of the Secretary. If the Secretary finds that such credit is not available, the fund may borrow the money needed to satisfy the claim from the United States Treasury at existing commercial interest rates.

"(8) No compensation shall be paid under this subsection unless notice of the damage is given to the Secretary within three years following the date on which the damage occurred.

"(9) Payment of compensation for any damage pursuant to this subsection shall be subject to the holder or the fund acquiring by subrogation all rights of the claimant to recover for such damages from any other person.

"(10) The collection of amounts for the fund shall cease when $200,000,000 has been accumulated, but shall be renewed when the accumulation in the fund falls below $200,000,000. The fund shall insure that collections are equitable to all holders of a lease or right-of-way.

"(11) The several district courts of the United States shall have jurisdiction over claims against the fund.

"(c) (1) Whenever any oil is discharged or spilled as a result of an operation on the Outer Continental Shelf, the Secretary for the Department in which the Coast Guard is operating shall remove or arrange for the removal of such oil as soon as possible, unless that Secretary determines such removal will be done properly and expeditiously by the lessee or permittee of the operation from which the discharge occurs.

"(2) Removal of oil and actions to minimize damage from oil discharges shall, to the greatest extent possible, be in accordance with the National Contingency Plan for removal of oil and hazardous substances established pursuant to section 311(c)(2) of the Federal Water Pollution Control Act, as amended (86 Stat. 862; 33 U.S.C. 1321 et seq.).

"(3) Whenever the Secretary of the Department in which the Coast Guard is operating acts to remove a discharge or spillage of oil pursuant to this subsection, he is authorized to draw upon money available in the Offshore Oil Pollution Settlements Fund established pursuant to subsection (c) of this section. Such money shall be used to pay promptly for all cleanup costs incurred by the United States Government in removing or in minimizing damage caused by such oil spillage or discharge.

"(d) The Secretary shall establish requirements that all holders of leases issued or maintained under this Act shall establish and maintain evidence of financial responsibility of not less than $7,000,000. Financial responsibility may be established by any one of, or a combination of, the following methods acceptable to the Secretary: (A) evidence of insurance, (B) surety bonds, (C) qualification as a self-insurer, or (D) other evidence of financial responsibility. Any bond filed shall be issued by a bonding company authorized to do business in the United States.

"(e) The provisions of this section shall not be interpreted to supersede section 311 of the Federal Water Pollution Control Act Amendments of 1972 or preempt the field of strict liability or to enlarge or diminish the authority of any State to impose additional requirements.

"COASTAL STATE FUND

"SEC. 24. (a) There is hereby established in the Treasury of the United States the Coastal State Fund (hereinafter referred to as the 'fund'). The Secretary shall manage and make grants from the fund according to the regulations established pursuant to subsections (b) and (c) to the coastal States impacted by anticipated or actual oil and gas production.

"(b) The purpose of such grants shall be to assist coastal States impacted by anticipated or actual oil and gas production to ameliorate adverse environmental effects and control secondary social and economic impacts associated with the development of Federal energy resources in, or on the Outer Continental Shelf adjacent to the submerged lands of such States. Such grants may be used for planning, construction of public facilities, and provision of public services, and such other activities as may be prescribed by regulations promulgated pursuant to subsection (c) of this section. Such regulations shall, at a minimum, (1) provide that such grants be directly related to such environmental effects and social and economic impacts; (2) take into consideration the acreage leased or proposed to be leased and the volume of production of oil and gas from the Outer Continental Shelf off the adjacent coastal State; and (3) require each coastal State, as a requirement of eligibility for grants from the fund, to establish pollution containment and cleanup systems for pollution from oil and gas development activities on the submerged lands of each such State.

"(c) The Secretary of Commerce, in accordance with the provisions of subsection (b), and this subsection, shall, by regulation, establish requirements for grant eligibility: *Provided*, That it is the intent of this section that grants shall be made to impacted coastal States to the maximum extent permitted by subsection (f) of this section and that grants shall be made to impacted coastal States in proportion to the effects and impacts of offshore oil and gas exploration, development and production on such States: *And provided further*, That it is the intent that units of general purpose local government may share in the State fund in the proportion that they are impacted by Outer Continental Shelf development as determined by the respective States. Such grants shall not be on a matching basis but shall be adequate to compensate impacted coastal States for the full costs of any environmental effects and social and economic impacts of offshore oil and gas exploration, development, and production. The Secretary shall coordinate all grants with management programs established pursuant to the Coastal Zone Management Act of 1972.

"(d) The Secretary shall distribute annually to each of the impacted coastal States that proportion of $100,000,000 of the fund that equals the average for that State of the following proportions:

"(1) the proportion of Outer Continental Shelf acreage leased off the shores of such State in that year to the total Outer Continental Shelf acreage leased in that year;

"(2) the proportion of the number of wells drilled on the Outer Continental Shelf off the shores of such State in that year to the total number of wells drilled on the Outer Continental Shelf in that year;

"(3) the proportion of the number of persons living in such State in that year who are employed in Outer Continental Shelf activities by Outer Continental Shelf lessees and their contractors to the total number of persons employed in Outer Continental Shelf activities in that year by Outer Continental Shelf lessees and their contractors;

"(4) the proportion of the volume of oil and gas produced from Federal leases on the Outer Continental Shelf and first landed in such State in that year to the total volume of oil and gas produced from Federal leases on the Outer Continental Shelf and first landed in the United States in that year;

"(5) the proportion of the volume of oil and gas produced from Federal leases on the Outer Continental Shelf off the shores of such State in that year to the total volume of oil and gas produced from Federal leases on the Outer Continental Shelf in that year; and

"(6) the proportion of onshore capital investment in such State by Outer Continental Shelf lessees, their contractors, and persons who first purchase, receive or expect to purchase or receive oil or gas produced in that year from Federal leases on the Outer Continental Shelf to the total such onshore investment in all coastal States made by such persons in that year.

"(e) (1) A Coastal State may submit to the Secretary of Commerce an annual impact assessment of the adverse environmental, social and economic impacts on the State as a result of oil and gas exploration, development and production on the Outer Continental Shelf. The annual impact assessment shall seek to quantify the net adverse impacts to the State.

"(2) If the Secretary of Commerce determines that the dollar amount of such impacts is greater than the amount distributed pursuant to subsection (d) of this section, he shall recommend to the Secretary that such State receive a grant from the fund. If the Secretary of Commerce recommends grants in excess of $100,000,000, the Secretary shall reduce the amount granted to the States pursuant to this subsection on a pro rata basis.

"(f) Notwithstanding any other provision of law, 10 per centum of the Federal revenues from the Outer Continental Shelf Lands Act, as amended by this Act shall be paid into the funds: *Provided*, That the total amount paid into the fund shall not exceed $200,000,000 per year.

"(g) There is hereby authorized to be appropriated to the fund $100,000,000.

"CITIZEN SUITS

"SEC. 25. (a) Except as provided in subsection (b) of this section, any person having an interest which is or may be adversely affected may commence a civil action on his own behalf—

"(1) against any person including—

"(A) the United States, and

"(B) any other governmental instrumentality or agency to the extent permitted by the eleventh amendment to the Constitution who is alleged to be in violation of the provisions of this Act or the regulation promulgated thereunder, or any permit or lease issued by the Secretary; or

"(2) against the Secretary where there is alleged a failure of the Secretary to perform any act or duty under this Act which is not discretionary with the Secretary.

"(b) No action may be commenced—

"(1) under subsection (a)(1) of this section—

"(A) prior to sixty days after the plaintiff has given notice in writing under oath of the violation (i) to the Secretary, and (ii) to any alleged violator of the provisions of this Act or any regulations promulgated thereunder, or any permit or lease issued thereunder;

"(B) if the Secretary has commenced and is diligently prosecuting a civil action in a court of the United States to require compliance with the provisions of this Act or the regulations thereunder, or the lease, but in any such action in a court of the United States any person may intervene as a matter of right; or

"(2) Under subsection (a)(2) of this section prior to sixty days after the plaintiff has given notice in writing under oath of such action to the Secretary, in such manner as the Secretary shall by regulation prescribe, except that such action may be brought immediately after such notification in the case where the violation complained of, constitutes an imminent threat to the health or safety of the plantiff or would immediately affect a legal interest of the plaintiff.

"(c) In any action under this section, the Secretary, if not a party, may intervene as a matter of right.

"(d) The court, in issuing any final order in any action, brought pursuant to subsection (a) of this section, may award costs of litigation including reasonable attorneys fees to any party, whenever the court determines such award is appropriate. The court may, if a temporary restraining order or preliminary injunction is sought, require the filing of a bond or equivalent security in accordance with the Federal Rules of Civil Procedure.

"(e) Nothing in this section shall restrict any right which any person or class of persons may have under this or any statute or common law to seek enforcement of any of the provisions of this Act and the regulations thereunder, or to seek any other relief, including relief against the Secretary.

"PROMOTION OF COMPETITION

"SEC. 26. Within one year after the date of enactment of this section, the Secretary shall prepare and publish a report with recommendations for promoting competition and maximizing production and revenues from the leasing of Outer Continental Shelf lands, and shall include a plan for implementing recommended administrative changes and drafts of any proposed legislation. Such report shall include consideration of the following—

"(1) other competitive bidding systems permitted under present law as compared to the bonus bidding system;

"(2) evaluation of alternative bidding systems not permitted under present law;

"(3) measures to ease entry of new competitors; and

"(4) measures to increase supply to independent refiners and distributors.

"ENFORCEMENT AND PENALTIES

"SEC. 27. (a) At the request of the Secretary or the Secretary of the Department in which the Coast Guard is operating, the Attorney General may institute a civil action in the district court of the United States for the district in which the affected operation is located for a restraining order or injunction or other appropriate remedy to enforce any provision of this Act or any regulation or order issued under the authority of this Act.

"(b) If any person shall fail to comply with any provision of this Act, or any regulation or order issued under the authority of this act, after notice of such failure and expiration of any period allowed for corrective action, such person shall be liable for a civil penalty of not more than $5,000 for each and every day of the continuance of such failure. The Secretary or the Secretary of the department in which the Coast Guard is operating may assess, collect, and compromise any such penalty. No penalty shall be assessed until the person charged with a violation shall have been given an opportunity for a hearing on such charge.

"(c) Any person who knowingly and willfully violates any provision of this Act, or any regulation or order issued under the authority of this Act designed to protect public health, safety, or the environment or conserve natural resources or knowingly and willfully makes any false statement, representation, or certification in any application, record, report, plan, or other document filed or required to be maintained under this Act, or who knowingly and willfully falsifies, tampers with, or renders inaccurate any monitoring device or method of record required to be maintained under this Act or knowingly and willfully reveals any data or information required to be kept confidential by this Act, shall upon conviction, be punished by a fine of not more than $100,000, or by imprisonment for not more than one year, or both. Each day that a violation continues shall constitute a separate offense.

"(d) Whenever a corporation or other entity violates any provision of this Act, or any regulation or order issued under the authority of this Act, any officer, or agent of such corporation or entity who knowingly and willfully authorized, ordered, or carried out such violation shall be subject to the same fines or imprisonment as provided for under subsection (c) of this section.

"(e) The remedies prescribed in this section shall be concurrent and cumulative and the exercise of one does not preclude the exercise of the others. Further, the remedies prescribed in this section shall be in addition to any other remedies afforded by any other law or regulation.

"ENVIRONMENTAL BASELINE AND MONITORING STUDIES

"SEC. 28. (a) Prior to approval of any development and production plan as required by section 5 of this Act (as amended), the Secretary, in consultation with the Administrator of the National Oceanic and Atmospheric Administration (hereinafter referred to as 'Administrator'), shall conduct a study of the area or region involved to establish baseline information concerning the status of the marine and coastal environment of the Outer Continental Shelf and the coastal zone which may be affected by oil and gas development.

"(b) Subsequent to development of any area studied pursuant to subsection (a) of this section, the Secretary shall monitor the areas involved in a manner designed to provide time-series data which can be compared with previously collected data for the purpose of identifying any significant changes in the quality and productivity of the environment.

"(c) Such studies shall be planned and carried out in full cooperation with the affected States.

"(d) In addition to developing a baseline of information, such studies, to the extent practicable, shall be designed to predict impacts on the marine biota resulting from chronic low level pollution or large spills associated with Outer Continental Shelf production; the introduction of drill cuttings and drilling muds in the area; and from the laying of pipe to serve the offshore production area; and the impacts of development offshore on the adjacent and affected coastal areas.

"ENVIRONMENTAL IMPACT STATEMENTS

"SEC. 29. (a) The environmental impact statements related to the implementation of this Act pursuant to the requirements of section 102(2)(C) of the National Environmental Policy Act of 1969 (83 Stat. 852; 42 U.S.C. 4321 et seq.), shall include, in addition to any other statutory and regulatory requirements—

"(1) interrelationships and cumulative environmental impacts of development of the proposed lease tract in relation to existing and possible future oil and gas developments or the siting of other energy facilities in the Outer Continental Shelf or in the adjacent coastal zone;

"(2) population and growth characteristics of the affected coastal States or adjacent States and identification of any assumptions used to project the impact of proposed development of offshore oil and gas resources on population and growth, including an assessment of the effect of any possible change in population patterns or growth upon the resource base including land use, water, and public services;

"(3) relationship and consistency of the proposed exploration or development and production of oil and gas to existing or developing or approved coastal zone management programs of the affected coastal States developed in accordance with the Coastal Zone Management Act of 1972 (86 Stat. 1280; 16 U.S.C. 1451 et seq.);

"(4) probable secondary or indirect impact of the proposed exploration, development or production on the marine and coastal environments.

"(b) In preparing environmental impact statements prior to leasing, the Secretary shall give primary emphasis to the assessment of environmental impacts relating to exploration activities to be conducted subsequent to leasing.

"REGIONAL OUTER CONTINENTAL SHELF ADVISORY BOARDS

"SEC. 30. (a) The Governors of coastal States may establish regional Outer Continental Shelf advisory boards for such regions and with such membership as they may determine after consultation with the Secretary of the Interior and the Secretary of Commerce.

"(b) Representatives of the following Federal officials shall be entitled to participate as observers in the deliberations of such boards: the Secretary, the Secretary of Commerce, the Administrator of Federal Energy Administration, the Chairman of the Council on Environmental Quality, the Commandant of the Coast Guard, and the Administrator of the Environmental Protection Agency.

"(c) Such boards shall advise the Secretary on all matters related to Outer Continental Shelf oil and gas development including but not limited to development of the leasing program required by section 18 of this Act; approval of development and production plans required preparation of by section 5 of this Act (as amended); implementation of environmental baseline and monitoring studies; and the environmental impact statements prepared in the course of implementation of this Act.

"(d) If a regional advisory board or a Governor of a potentially affected coastal State makes specific recommendations to the Secretary regarding the size, timing, or location of a proposed lease sale or on a proposed development and production plan, the Secretary shall accept such recommendations from the regional advisory board or Governor, unless he determines they are not consistent with national security or overriding national interests. No action shall lie to review the Secretary's exercise of discretion in accepting or rejecting such recommendations.

"(e) The provisions of subsection (d) above shall apply only to recommendations submitted to the Secretary within sixty days of receipt by the board or the Governor of a notice of a proposed lease sale or of a development and production plan.

"JUDICIAL REVIEW

"SEC. 31. (a) Any action of the Secretary to approve a leasing program pursuant to section 18 of this Act shall be subject to judicial review only in the United States Court of Appeals for the District of Columbia Circuit.

"(b) Any action of the Secretary to approve, require modification of, or disapprove a development and production plan pursuant to section 5 of this Act (as amended) shall be subject to judicial review only by a United States court of appeals for a circuit in which an affected coastal State is located.

"(c) Any person who participated in the administrative proceedings related to the actions specified in subsections (a) and (b) of this section and who is adversely affected or aggrieved by the action must file a petition for review of the Secretary's action within sixty days from the date of such action. The petitioner forthwith shall transmit copies of the petition to the Secretary and the Attorney General of the United States, who shall represent the Secretary.

"(d) The Secretary shall file in the court the record of any public hearings required by this Act and any additional information (including the environmental impact statement which accompanied the leasing program or development and production plan) upon which the Secretary based his decision, as provided in section 2112 of title 28, United States Code. No objection to the action of the Secretary shall be considered by the court unless such objection has been submitted to the Secretary during the administrative proceedings related to the actions involved.

"(e) The court shall hear such petition solely on the record made before the Secretary. The findings of the Secretary, if supported by substantial evidence on the record considered as a whole, shall be conclusive. The court may affirm, vacate, or modify any order or decision or may remand the proceedings to the Secretary for such further action as it may direct.

"(f) Upon the filing of the record with the court, the jurisdiction of the court shall be exclusive and its judgment shall be final, except that such judgment shall be subject to review by the Supreme Court of the United States upon writ of certiorari.

"PLANNING INFORMATION TO COASTAL STATES

"SEC. 32. As soon as practicable after each lease sale, the Secretary shall make available to the affected coastal States, additional information designed to assist them in planning for the on-shore impacts of possible oil and gas development and production. Such information shall include estimates of (1) the oil and gas reserves leased, (2) the size and timing of development if and when oil and/or gas is found, (3) the location of pipelines, and (4) general location and nature of on-shore facilities.

"LIMITATIONS ON EXPORT

"SEC. 33. Any oil or gas produced from the Outer Continental Shelf except such oil or gas which is either exchanged in similar quantity for convenience or increased efficiency of transportation with persons or the government of a foreign state, or which is temporarily exported for convenience or increased efficiency of transportation across parts of an adjacent foreign state and reenters the United States, shall be subject to all of the limitations and licensing requirements of the Export Administration Act of 1969 (Act of December 30, 1969; 83 Stat. 841) and, in addition, before any oil or gas subject to this section may be exported under the limitations and licensing requirements and penalty and enforcement provisions of the Export Administration Act of 1969 the President must make and publish an express finding that such exports will not increase reliance on imported oil or gas and are in the national interest and are in accord with the provisions of the Export Administration Act of 1969: *Provided*, That the President shall submit reports to the Congress containing findings made under this section, and after the date of receipt of such report Congress shall have a period of sixty calendar days, thirty days of which Congress must have been in session, to consider whether exports under the terms of this section are in the national interest. If the Congress within this time period passes a concurrent resolution of disapproval stating disagreement with the President's finding concerning the national interest, further exports made pursuant to the aforementioned Presidential findings shall cease.".

REVISION OF LEASE TERMS

SEC. 203. Section 8 of the Outer Continental Shelf Lands Act is amended by revising subsections (a) and (b) to read as follows:

"(a) The Secretary is authorized to grant to the highest responsible qualified bidder by competitive bidding under regulations promulgated in advance oil and gas leases on submerged lands of the Outer Continental Shelf which are not covered by leases meeting the requirements of subsection (a) of section 6 of this Act. The bidding shall be:

"(1) by sealed bid;

"(2) at the discretion of the Secretary, on the basis of—

"(A) cash bonus bid with a royalty fixed by the Secretary at not less than 16⅔ per centum in amount or value of the production saved, removed, or sold;

"(B) variable royalty bid based on a per centum of the production saved, removed, or sold with a cash bonus as determined by the Secretary;

"(C) cash bonus bid with diminishing or sliding royalty based on such formulae as the Secretary shall determine as equitable to encourage continued production from the lease as resources diminish, but not less than 16⅔ per centum in amount or value of the production saved, removed, or sold at the beginning of the lease period;

"(D) cash bonus bid with a fixed share of the net profit derived from operation of the tract of no less than 60 per centum reserved to the United States;

"(E) fixed cash bonus with the net profit share reserved to the United States as the bid variable;

"(F) cash bonus with a royalty fixed by the Secretary at not less than 16⅔ per centum in amount or value of the production saved, removed, or sold and a per centum share of net profits derived from the production of oil and gas produced from the lease; or

"(G) cash bonus bids for 1 per centum shares of an undivided working interest in the exploration and development of a large area, such shares to be awarded on the basis of the value of the bid per share, with a fixed share of the net profits derived from the lease to be determined by the Secretary, but not to be less than 60 per centum of such net profits, reserved to the United States;

"(H) cash bonus bids for 1 per centum shares of an undivided working interest in the exploration and development of a lease area, such shares to be awarded on the basis of the value of the bid per share, and with a diminishing or sliding share of the net profits derived from the lease reserved to the United States, based on such formulae as the Secretary shall determine as equitable to encourage continued production from the lease as resources diminish and/or costs of production increase and to ensure that the cumulative value of the share reserved to the United States not be less than 50 per centum of the cumulative value of the profits from the lease;

"(I) a proposed exploration program for the area to be leased described in terms of specific activities to be undertaken or amounts of money to be spent with a royalty fixed by the Secretary at not less than 16⅔ per centum in amount or value of the products saved, removed, or sold, or with a fixed share of the net profits derived from the lease to be determined by the Secretary, but not to be less than 60 per centum of such net profits, reserved to the United States;

"(J) royalty based on a percentage of the production saved, removed, or sold, or net profit share reserved to the United States as the bid variable with a cash bonus fixed by the Secretary in an amount which he estimates would pay for an adequate exploratory drilling program on the tract to be leased: *Provided, however*, That such royalty shall not be less than 16⅔ per centum in amount or value of the production saved, removed, or sold and such net profit share shall not be less than 60 per centum of such net profit. The Secretary shall deposit in an interest-bearing escrow account any cash bonus received pursuant to this subparagraph and shall grant to the lessee of any area leased pursuant to this subparagraph such amounts of such funds as the lessee may need to finance the cost of exploratory drilling on the lease area: *Provided, however*, That no grants shall be made in excess of the cash bonus received for the leased area and the interest accrued thereon: *Provided further*, That the payment of the cash bonus may be deferred according to a schedule announced at the time the tract is put out for lease, but such payment shall be made within three years from the date of the lease sale.

"(3) The net profit share to be paid to the United States as provided in subparagraphs (D), (E), (F), (G), and (H) of paragraph (2) of this subsection shall be determined individually for each lease area, and shall be published in the Federal Register not less than ninety days before the lease sale.

"(4) The Secretary shall by regulation establish accounting procedures and standards to govern the calculation of the net profits. Such regulation shall include a capital recovery plan based upon a reasonable rate of interest and a reasonable period of recovery. In the event of any dispute between the United States and a lessee concerning the calculation of the net profits, the burden of proof shall be on the lessee. The accounting procedures shall provide for the deduction of appropriate overhead expenses and general administrative expenses of a lessee which are attributable to the support of activities performed on the lease area in question.

"(5) The United States shall be considered a nonvoting party to any joint working group formed pursuant to subparagraphs (G) and (H) of paragraph (2) of this subsection for the purpose of participating in the management of the joint exploratory and development venture: *Provided, however*, That the United States shall not contribute any operating funds for the exploration and development of a lease other than the matching grants authorized by paragraph (10) of this section. The Secretary shall represent the United States for the purposes of this paragraph. The Secretary shall establish standards and procedures for selection of operators for any joint working group.

"(6) The Secretary shall utilize the bidding alternative from among those authorized by this section so as to accomplish the objectives of this Act, considering both the overall national interest and equity among the interested parties: *Provided, however,* That the cash bonus bid with royalty fixed by the Secretary system authorized by subparagraph (A) of paragraph (2) of this subsection shall not be applied to more than 50 per centum of the area offered for lease each year in the regions where there has been no previous development of oil and gas: *And provided further,* That subsequent to passage of this Act, a study will be initiated of the benefits and costs associated with conducting lease sales using the undivided working interest cash bonus bid systems authorized by subparagraphs (G) and (H) of paragraph (2) of this subsection. These systems shall be analyzed in terms of their ability to accomplish the objectives of this Act, considering both the overall national interest and equity among the interested parties. One of the systems authorized by subparagraphs (G) and (H), and one alternative system shall be tested at sales held in an area previously undeveloped for oil and gas during the first year after enactment of this Act and an additional test of one of such systems and one other alternative system shall be conducted at sales held within one year after the first such tests. The results of such tests shall be incorporated into an overall analysis of these systems and this analysis shall be provided to Congress no later than twelve months after the sale date. If, during the first year following enactment of this Act, the Secretary finds that compliance with the limitations on use of the leasing system authorized by subparagraph (A) of paragraph (2) of this subsection would delay development of the oil and gas resources of the Outer Continental Shelf, he may exceed that limitation after he submits to the Senate and House of Representatives a report stating his finding and the reasons therefor. If, in any year following the first year after enactment of this Act, the Secretary finds compliance with such limitation would delay development of such resources, he shall submit to the Senate and House of Representatives a report stating his finding and the reasons therefor. If either the Senate or House of Representatives passes a resolution of disapproval of the Secretary's finding within thirty days after receipt of such report (not including days when Congress is not in session) such limitation shall not be exceeded.

"(7) The United States shall have the right to purchase up to 16⅔ per centum by volume of the annual production of hydrocarbons from a lease at fair market value at the wellhead of the oil and/or gas (as may be the case) saved, removed, or sold. The lessees of any joint working group of successful bidders under subparagraph (G) or (H) of paragraph (2) of this subsection shall have the right to purchase shares of the remaining production in proportion to their shares in the joint working group, at fair market value at the wellhead of the oil and/or gas (as may be the case) saved, removed, or sold.

"(8) Joint bids shall not be permitted under the undivided working interest cash bonus bid system pursuant to subparagraph (G) or (H) of paragraph (2) of this subsection.

"(9) The Secretary shall deposit in an interest-bearing escrow account the working interest cash bonuses received from each lease sold under the provisions of subparagraphs (G) and (H) of paragraph (2) of this subsection for the purpose of providing working capital for exploratory drilling on the lease sales pursuant to paragraph (10) of this subsection.

"(10) The Secretary is authorized and directed to grant to the operating lessee or lessees of any joint working group of successful bidders under subparagraphs (G) and (H) of paragraph (2) of this subsection such funds as may be needed to finance 50 per centum of the cost of exploratory drilling on the lease areas as such costs accrue. Such matching grants shall be paid from the proceeds of the working interest cash bonus bids for each lease sale: *Provided, however,* That no grants shall be made in excess of the total working interest cash bonuses received for the respective lease sale. Funds from the working interest cash bonus bids remaining at the completion of exploratory drilling shall be deposited in the Treasury of the United States.

"(b) An oil and gas lease issued pursuant to this section shall (1) cover an area designated by the Secretary on the basis of entire geological structures or traps, to the maximum extent practicable; or (2) comprise a reasonable, economic production unit as determined by the Secretary; (3) be for a period of (i) five years or (ii) for up to ten years where the Secretary deems such longer period necessary to encourage exploration and development in areas of unusually deep water or adverse weather conditions and as long thereafter as oil or gas may be produced from the area in paying quantities, or drilling or well reworking operations as approved by the Secretary are conducted thereon; (4) require the payment of value as determined by one of the bidding procedures set out in subsection (a) of this section; (5) entitled the lessee to explore, develop, and produce the oil and gas resources contained within the lease areas; *Provided, however,* That such development and production is conditioned upon approval of the development and production plan required by section 5 of this Act; and (6) contain such rental provisions and such other terms and provisions as the Secretary may prescribe at the time of offering the area for lease.".

DISPOSITION OF FEDERAL ROYALTY OIL

Sec. 204. Section 8 of the Outer Continental Shelf Lands Act as amended by this Act is further amended by adding a new subsection (k) to read as follows:

"(k)(1) Upon commencement of production of oil from any lease, issued after the effective date of this subsection, the Secretary shall offer to the public and sell by competitive bidding for not less than its fair market value, in such amounts and for such terms as he determines, that proportion of the oil produced from said lease which is due to the United States as royalty or net profit share oil. The Secretary shall limit participation in such sales where he finds such limitation necessary to assure adequate supplies of oil at equitable prices to independent refiners. In the event that the Secreary limits participation in such sales, he shall sell such oil at an equitable price. The lessee shall take any such royalty oil for which no acceptable bids are received and shall pay to the United States a cash royalty equal to its fair market value, but in no event shall such royalty be less than the fair market value.

"(2) In the event that net profit share oil produced under an undivided working interest cash bonus bid system pursuant to subparagraphs (G) and (H), paragraph (2) of subsection (a) of section 8 of this Act as amended is sold back to the lessees, each party to the joint working group shall be eligible to purchase pro rata share according to its per centum working interest.".

ANNUAL REPORT

Sec. 205. Section 15 of the Outer Continental Shelf Lands Act is amended to read as follows:

"ANNUAL REPORT BY SECRETARY TO CONGRESS

"Sec. 15. Within six months after the end of each fiscal year, the Secretary shall submit to the President of the Senate and the Speaker of the House of Representatives a report on the leasing and production program in the Outer Continental Shelf during such fiscal year, including a detailing of all moneys received and expended, and of all leasing, development, and production activities; a summary of management, supervision, and enforcement activities; a summary of grants made from the Coastal State Fund; and recommendations to the Congress for improvements in management, safety and amount of production in leasing and operations in the Outer Continental Shelf and for resolution of jurisdictional conflicts or ambiguities.".

OUTER CONTINENTAL SHELF DEVELOPMENT AND PRODUCTION PLAN

Sec. 206. Section 5 of the Outer Continental Shelf Lands Act is amended by adding the following new subsections:

"(d)(1) Prior to development and production, a lessee shall submit to the Secretary for approval, and to the Governors of the affected coastal States and the appropriate regional boards established pursuant to the Act for review, a Development and Production Plan (hereinafter referred to as the 'plan'). The plan may apply to more than one lease.

"(2) After enactment of this section no oil and gas lease may be issued pursuant to this Act unless the lease requires that development and production of reserves be carried out in accordance with a plan which meets the requirements of this section.

"(3) With respect to leases outstanding on the date of the enactment of this section, where development and production have not yet begun on such leases, a proposed development and production plan must be submitted to and approved by the Secretary and submitted to the Governor of the affected coastal State and appropriate regional boards for review in accordance with the provisions of this subsection prior to the commencement of development and production.

"(4) Such plan shall include, to the extent available at the time of its submission, but not limited to, the following information:

"(A) location of the lease area in reference to other coastal and offshore activities, including other oil and gas developments or potential developments nearby and nature and extent of the oil and/or gas resources.

"(B) anticipated location of production units, offshore and onshore support facilities, and rights-of-way and number of pipelines and other infrastructure necessary to produce, transport, process, and distribute oil and gas from the lease area;

"(C) capacity of onshore facilities and infrastructure at the point of entry into a coastal State of the oil or gas produced within the lease area estimated to the extent possible;

"(D) assessment of the need for new onshore facilities or infrastructure that may be required to handle the oil or gas produced from the lease area, or otherwise to support operations within the lease area;

"(E) extraordinary geologic conditions or resource values in the lease area and/or affected areas of the coastal zone which may require special treatment or precautions to protect the marine or coastal environment or insure the safe development and production from the lease area;

"(F) expected rate of development and production from the lease area which shall be consistent with the requirements of paragraph (5) of this subsection;

"(G) anticipated productive life of the lease area and the field in which it is located;

"(H) certification of the consistency of the projected development and production plan in accordance with the provisions of section 307 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1456);

"(I) such other information as may be required by the Secretary to determine environmental, social, or economic impacts of the proposed development.

"(5) All proposed plans shall include a commitment on the part of the lessee to produce at a rate no less than the maximum efficient rate for the duration of production covered by the plan: *Provided*, That upon a finding by the Secretary that production at such rate would be uneconomical for the lessee or would violate other provisions of this Act or for other good cause shown, the Secretary shall waive such requirement. The Secretary shall promulgate by regulation guidelines for the determination by the lessee of such maximum efficient rate of production.

"(6) If the Secretary determines that the proposed plan makes adequate provision for safe operations on the Outer Continental Shelf, he shall tentatively approve those portions of the plan dealing with operations on the Outer Continental Shelf and transmit it, together with any draft environmental impact statement prepared pursuant to section 102(2)(C) of the National Environmental Policy Act of 1969, to the Governors of the affected coastal States, any appropriate regional Outer Continental Shelf Advisory Board, and any appropriate interstate regional entity created under the authority of the Coastal Zone Management Act (as amended), for their review and comment and make the plan available to the general public not less than sixty days prior to public hearings as provided for by paragraph (7) of this subsection. Any such draft environmental impact statement shall be made available to the public as soon as it is completed. After such tentative approval, the lessee may proceed with development on the Outer Continental Shelf in accordance with the plan: *Provided, however*, That prior to approval of the plan the Secretary may require modifications pursuant to paragraph (8) of this subsection.

"(7) The Secretary shall conduct public hearings within the affected coastal States not less than sixty days prior to approval or disapproval of the plan. Sufficient opportunity shall be provided for representatives of the affected States, local governments, the lessee and members of the public to testify. Transcripts of such hearings shall be printed and made part of the record, including the comments of any affected State, any regional Outer Continental Shelf Advisory Board, local government, or interstate or regional entity which reviewed the plan and shall be made available to the public upon request.

"(8)(A) The Secretary shall require modification of a proposed plan if he determines that the lessee has failed to make adequate provision in the plan for safe operations on the lease area or for protection of the marine or coastal environment, including protection of the coastal zone from avoidable adverse impacts: *Provided, however*, That the Secretary may not require any modification which would be inconsistent with a State coastal zone management program approved pursuant to section 306 of the Coastal Zone Management Act of 1972 (-6 U.S.C. 1455) or with any valid exercise of authority by the State involved or any political subdivision thereof. The Secretary shall disapprove a plan only (1) if the lessee fails to demonstrate that he can comply with the requirements of this Act and other applicable Federal law, or (2) if because of extraordinary geologic conditions in the lease area; extraordinary resource values in the marine or coastal environment, or other extraordinary circumstances, the proposed plan cannot be modified to insure a safe operation.

"(B) The Secretary shall require periodic review of the plan in light of changes in available information, and other onshore or offshore conditions affecting or impacted by the development and production. Where the review indicates that the plan should be revised to meet the requirements of this paragraph, the Secretary shall require such revision.

"(9) The Secretary may approve revisions of an approved plan if he determines that such revision will lead to greater recovery of oil and gas, improve the efficiency, safety, and environmental protection of the recovery operation, or is the only means available to avoid substantial economic hardship on the lessee, to the extent consistent with protection of the marine and coastal environments. Any revision of an approved plan which the Secretary deems to be significant must be reviewed as provided in paragraphs (6) and (7) of this subsection.

"(10) Failure to comply with an approved plan shall terminate the lease.

"(e) After the date of enactment of this section, holders of oil and gas leases issued pursuant to this Act shall not be permitted to flare natural gas from any well unless the Secretary finds that there is no practicable way to obtain production or to conduct testing or workover operations without flaring.

"(f) After the date of enactment of this section, all new leases issued pursuant to this Act and, to the extent legally permissible, all existing leases so issued shall require, as a condition to such lease, that the lessee shall design and immediately implement an exploratory, development and production program to obtain maximum efficient rates of production from the lands subject to such lease as soon as practicable.".

GEOLOGICAL AND GEOPHYSICAL EXPLORATION

Sec. 207. Section 11 of the Outer Continental Shelf Lands Act is hereby amended to read as follows:

"Sec. 11. No person shall conduct any type of geological or geophysical explorations in the Outer Continental Shelf without a permit issued by the Secretary. Each such permit shall contain terms and conditions designed to (1) prevent interference with actual operations under any lease maintained or granted pursuant to this Act; (2) prevent or minimize environmental damage; and (3) require the permittee to furnish the Secretary with copies of all data (including geological, geophysical, and geochemical data, well logs, and drill core analyses) obtained during such exploration. The Secretary shall maintain the confidentiality of all data so obtained until after the areas involved have been leased under this Act or until such time as he determines that making the data available to the public would not damage the competitive position of the permittee, whichever comes later."

ENFORCEMENT

Sec. 208. Subsection 5(a)(2) of the Outer Continental Shelf Lands Act is hereby amended by deleting the first sentence.

LAWS APPLICABLE TO OUTER CONTINENTAL SHELF

Sec. 209. Paragraph (2) of subsection (a) of section 4 of the Outer Continental Shelf Lands Act is amended by deleting the following words: "as of the effective date of this Act".

DEFINITIONS

Sec. 210. Section 3 of the Outer Continental Shelf Lands Act is hereby amended by adding the following:

"(e) The term 'coastal zone' means the coastal waters (including the lands herein and thereunder) and the adjacent shorelands (including the waters therein and thereunder), strongly influenced by each other and in proximity to the shorelines of the several coastal States, and includes transitional and intertidal areas, salt marshes, wetlands, and beaches. The zone extends seaward to the outer limit of the United States territorial sea. The zone extends from the shorelines inward to boundaries of the coastal zone as identified by the coastal States pursuant to the regulations promulgated under the authority of the Coastal Zone Management Act of 1972 (16 U.S.C. 1454(b)(1)). Excluded from the coastal zone are lands the use of which is by law subject to the discretion of or which is held in trust by the Federal Government, its officers, or agents.

"(f) The term 'coastal State' means a State of the United States in, or bordering on, the Atlantic, Pacific, or Arctic Ocean, the Gulf of Mexico, or Long Island Sound.

"(g) The term 'marine environment' means the physical, atmospheric, and biological components, conditions, and factors which in combination and interactively determine the productivity, state, condition, and quality of the marine ecosystem including the waters of the high seas, contiguous zone, transitional and intertidal areas, salt marshes, and wetlands within the coastal zone and in the Outer Continental Shelf of the United States.

"(h) The term 'coastal environment' means the physical, atmospheric, biological, social, and economic components, conditions, and factors which in combination and interactively determine the productivity, state, and quality of the human environment and marine life and terrestrial ecosystem from the seaward boundary of the coastal zone inward to the boundary of the coastal zone as identified by the States pursuant to the regulations promulgated under the authority of the Coastal Zone Management Act of 1972 (86 Stat 1280; 16 U.S.C. 1454(b)(1)), and including that part of the marine environment which falls within the coastal zone.

"(i) the term 'exploration' means the process of searching for oil or natural gas, including geophysical surveys where magnetic, gravity, seismic, spectroscopic or other systems are used to detect or imply the presence of oil or natural gas; any drilling, whether on or off known geological structures including a well in which a discovery of oil or natural gas in commercial quantities is made, also including any additional delineation wells after such discovery needed to delineate the formation and to enable the lessee to determine whether to proceed with development and production.

"(j) The term 'development' means those activities which take place following discovery of oil or natural gas in commercial quantities, including geophysical activity, drilling, platform construction, emplacement and outfitting, pipelaying and all on-shore support facilities which are for the purpose of ultimately producing oil or natural gas.

"(k) The term 'production' means those activities which take place after the successful completion of a development well, including but not limited to field operation and transfer of oil or natural gas to shore, operation monitoring, maintenance and work-over drilling.

"(l) The term 'maximum efficient rate of production' means the maximum level of production which can be sustained without detriment to ultimate recovery of the resource produced.".

TITLE III—MISCELLANEOUS PROVISIONS

PIPELINE SAFETY AND OPERATION

Sec. 301. One year after the date of the enactment of this Act, the Interstate Commerce Commission and the Secretary of Transportation shall submit to the President and the Congress a report on the adequacy of existing transport facilities and regulations to facilitate distribution of oil and gas resources of the Outer Continental Shelf. The report shall include recommendations for changes in existing legislation or regulations to facilitate such distribution.

REVIEW OF SHUT-IN OR FLARING WELLS

Sec. 302. (a) Within six months after enactment of this Act the Secretary shall submit a report to Comptroller General and the Congress listing all shut-in oil and gas wells and wells flaring natural gas on leases issued under the Outer Continental Shelf Land Act. The report shall indicate why each well is shut-in or flaring natural gas, and whether the Secretary intends to require production or order cessation of flaring.

(b) Within six months after receipt of the Secretary's report, the Comptroller General shall review and evaluate the reasons for allowing the wells to be shut-in or to flare natural gas and submit his findings and recommendations to the Congress.

RELATIONSHIP TO EXISTING LAW

Sec. 303. Except as otherwise expressly provided herein, nothing in this Act shall be construed to amend, modify, or repeal any provision of the Coastal Zone Management Act of 1972, the National Environmental Policy Act of 1969, or the Mining and Mineral Policy Act of 1970.

SEVERABILITY

Sec. 304. If any provision of this Act, or the application of any such provision to any person or circumstance, shall be held invalid, the remainder of this Act, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

The **PRESIDING OFFICER**. Time on debate is limited to 4 hours to be equally divided and controlled between the Senator from Arizona (Mr. Fannin) and the Senator from Washington (Mr. Jackson), with 1 hour on any amendment in the first degree, with 30 minutes on any amendment in the second degree, debatable motion or appeal, or point of order.

The Senator from Montana.

Mr. **METCALF**. Mr. President, I ask unanimous consent for a quorum call with no time to be charged to either side.

Mr. **HANSEN**. Will the Senator withhold for a minute?

The **PRESIDING OFFICER**. Is there objection?

Mr. **METCALF**. Well, wait a minute now.

Mr. **HANSEN**. Mr. President, if the distinguished floor manager of the bill would withhold that for a moment, I would like to ask unanimous consent that my staff person, Sonny Nixon, may be granted privilege of the floor during the remainder of the afternoon.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **METCALF**. Mr. President, I ask unanimous consent that Gren Garside, Bill Van Ness, Mike Harvey, Lucille Langlois, Mary P. Flanagan, Pat Barry, and Gregg Erickson of the Interior Committee staff be granted the privileges of the floor during consideration of and voting on S. 521.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **FANNIN**. Mr. President, I ask unanimous consent that the following people be granted privilege of the floor during the debate and voting on this particular legislation: David Stang, Harrison Loesch, Fred Craft, Mary Shute, Gay Vaughan, Roma Skeen, Nolan McKean, Tom Imeson, Mike Hathaway, and Tom Biery.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

The Senator from Montana.

Mr. **METCALF**. Mr. President, I ask unanimous consent to have a brief quorum call without time being charged to either side.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. **METCALF**. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **JACKSON**. Mr. President, S. 521, the Outer Continental Shelf Management Act of 1975, is one of the most significant energy policy bills to come before the Senate this year.

During the next decade, development of conventional oil and gas from the U.S. Outer Continental Shelf can be expected: First, to provide the largest single source of increased domestic energy, second, to supply this energy at a lower average cost to the U.S. economy than any alternative and third, to supply it with substantially less harm to the environment than almost any other source.

Despite the intense and justified concern of many people over the potential damage to the environment and the onshore impacts of oil and gas development on the OCS, there is an increasing feeling that responsible OCS development may well be more acceptable environmentally than other potential domestic energy resources such as massive strip mining for coal and oil shale.

Because the OCS represents such a large and promising area for oil and gas exploration, the Congress must update the Outer Continental Shelf Lands Act of 1953, which has never been amended, to provide adequate authority and guidelines for the kind of development activity that probably will take place in the next few years. The law should be revised before any large-scale expansion of OCS leasing.

The major provisions would: First, establish policy guidelines, second, require a 5-year leasing program, third, give the coastal States an increased role in Federal OCS decisions, fourth, provide Federal compensation to coastal States adversely affected by OCS development, fifth, improve safety requirements, sixth, establish unlimited absolute liability for oilspill damage with payments from a liability fund, seventh, provide for a two-step decision process to separate exploration from development and production, and eighth, authorize new leasing systems and require their use on an experimental basis.

Mr. President, I ask unanimous consent that a summary of major provisions of S. 521 be printed in the Record at the close of my remarks.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

(See exhibit I.)

Mr. **JACKSON**. Mr. President, as introduced, S. 521 was virtually identical to S. 3221 of the 93d Congress which the Senate passed last September by a 64 to 23 vote. As reported, S. 521 incorporates many of the principles included in the various OCS bills introduced this year. The work done by the Commerce Committee under the leadership of Senator Magnuson and that committee's national ocean policy study under the leadership of Senator Hollings has made a particularly significant contribution.

During the last several months, I have had extensive discussions with the Governors of the coastal States about Outer Continental Shelf oil and gas development. While the Governors by and large support OCS development, they are deeply concerned about its potential impact on their States. The Governors and other State and local officials have strongly recommended that the Federal decision to allow exploration for oil and gas should be separated from the decision to develop and produce if oil and gas is found. This principle was endorsed by the National Governors Conference, the National Conference of State Legislatures, the Coastal States Organization, and many other groups.

Section 206 of S. 521 provides a mechanism for this separation which, I believe, balances the need of the Federal lessee for reasonable assurance that he can develop any oil and gas found on his lease with the needs of the coastal states to assess the potential impact of such development. Section 206 provides if a Federal lessee finds oil and gas he must prepare and submit to the Secretary, the Governor of affected coastal States, and any regional OCS advisory board, a development and product plan. The plan must include information about the nature and extent of the development and production program—both on the Outer Continental Shelf and onshore. Review of this plan will give the coastal states a real opportunity to assess the potential environmental, social, and economic impacts of the development and to resolve any problems with the Secretary and the lessee before they occur.

This provision reflects the committee's view that Federal-State-industry cooperation can be expected to resolve almost every dispute over proposed development and production plans. Once a lease has been issued it is highly unlikely that an acceptable plan cannot be agreed upon.

Mr. President, OCS oil and gas is a vital part of our domestic energy supply. We must assure that it is developed in a rapid but responsible manner. S. 521 will provide the guidelines for its development. I urge the Senate to pass S. 521.

Exhibit No. 1

Summary of Major Provisions of S. 521

1. POLICY—SECTION 201

The bill declares that the OCS is a vital national resource reserve held by the Federal Government for all the people, which should be made available for orderly development, subject to environmental safeguards, when necessary to meet national needs.

It also expressly recognizes that in view of the impact on the coastal zone of OCS development, the coastal States may require assistance in protecting the coastal zone and coastal States should participate in OCS policy and planning decisions.

The Act also recognizes and preserves the States' rights to protect their marine and coastal environment.

2. ADVANCE PLANNING—NEW SECTION 18

The Secretary is directed to prepare a comprehensive leasing program designed to carry out the policy. This program would indicate the size, timing, and location of leasing activity which the Secretary believes would meet national energy needs over the next five years. The leasing program must be consistent with the following principles:

(1) management of the Outer Continental Shelf in a manner which considers all its economic, social and environmental values and the potential impact of oil and gas development on these values and the marine and coastal environment;

(2) timing and location of leasing so as to distribute exploration, development and production of oil and gas among various areas of the Outer Continental Shelf considering among other things:

(A) existing information concerning their geographical, geological and ecological characteristics;

(B) their location with respect to, and relative needs of, regional energy markets;

(C) their location with respect to other uses of the sea and seabed;

(D) interest by potential oil and gas producers in exploration and development as indicated by tract nominations and other representations;

(E) an equitable sharing of developmental benefits and environmental risks among various regions of the United States; and

(F) laws, goals, and policies of the affected and adjacent coastal States.

(3) timing and location of leasing so that areas with the greatest potential for environmental damage and impact on the coastal zone are leased last, to the maximum extent practicable, consistent with the Secretary's determination of national needs;

(4) receipt of fair market return for public resources.

3. COASTAL STATE AND PUBLIC PARTICIPATION.—NEW SECTIONS 18 AND 30, AND SECTION 206

Numerous provisions of S. 521 are designed to give states and local governments and the general public a significant opportunity to participate in and comment on Federal OCS planning and policy decisions. This is particularly significant with respect to development of the 5-year leasing program pursuant to new Section 18 and review of development and production plans required by Section 206.

New Section 30 authorizes the Governors of coastal States to establish regional Outer Continental Shelf advisory boards. The boards would advise the Secretary on all matters related to Outer Continental Shelf oil and gas development including but not limited to development of the leasing program required by new section 18; approval of development and production plans required by section 206; implementation of environmental baseline and monitoring studies; and the environmental impact statements prepared in the course of implementation of the Act.

One of the most significant features of the bill is the provision of new section 32(d) which states that if a regional advisory board or a governor of a potentially affected coastal state makes specific recommendations to the Secretary regarding the size, timing, or location of a proposed lease sale or on a proposed development and production plan, the Secretary shall accept such recommendations from the regional advisory board or governor, unless he determines they are not consistent with national security or overriding national interests.

4. ASSISTANCE TO THE COASTAL STATES—NEW SECTION 24

The coastal States are impacted by OCS development in a variety of ways. The secondary impacts onshore are far greater than the potential direct impact from oil spills and the activity on the OCS lease site itself. These impacts stem from the development of onshore support facilities for OCS development and the location of petroleum refining and transportation facilities near production sites.

The Committee believes that coastal state opposition to OCS leasing can lead to significient delays in oil and gas development. A major reason for such opposition in "frontier" leasing areas such as the Atlantic and Alaska coasts as well as in California is concern about the ability of State and local governments to cope with the onshore economic and social problems caused by OCS development.

These legitimate concerns of these States must be balanced against the national need to develop the Federal energy resources of the Outer Continental Shelf. The Committee believes that the Federal Government should assist the States in ameliorating adverse environmental impacts and controlling secondary economic and social impacts associated with OCS oil and gas development. For this reason S. 521 provides that 10% of the Federal OCS revenues but not to exceed $200 million per year will be available for grants to impacted coastal States for this purpose.

5. SEPARATION OF EXPLORATION FROM DEVELOPMENT AND PRODUCTION—SECTION 206

Section 206 of S. 521 provides the mechanism for separation of exploration from development and production endorsed by the National Governors Conference, the National Conference of State Legislatures, the Coastal States Organization and many other groups. It is one of the most significant portions of S. 521.

If a Federal lessee finds oil and gas he must prepare and submit to the Secretary, the Governor of affected coastal States and any regional OCS advisory board a development and production plan. The plan must include information about the nature and extent of the development and production program—both on the Outer Continental Shelf and onshore. Review of this plan will give the coastal States a real opportunity to assess the potential, environmental, social and economic impacts of the development and to resolve any problems with the Secretary and the lessee before they occur.

6. FEDERAL OIL AND GAS SURVEY PROGRAM—NEW SECTION 19

The Secretary would be directed to conduct a survey of oil and gas resources of the OCS. This program would be designed to provide information about the probable location, extent and characteristics of these resources. It would provide a basis for development and revision of the leasing program and more informed decisions about fair market value of resources. As part of this program the Secretary would be authorized to purchase data and contract for stratigraphic drilling on the OCS.

The Secretary would prepare and publish maps and reports on the OCS. This information should help potential oil and gas developers to participate in and the general public to understand, OCS programs.

7. RESEARCH AND DEVELOPMENT.—NEW SECTION 21

To improve technology used in OCS development, the Secretary would be directed to carry out a research and development program where such research was not being done adequately by others. This would include consideration of (1) downhole safety devices, (2) methods for reestablishing control of blowing out or burning wells, (3) methods for containing and cleaning up oil spills, (4) improved flaw detection systems for undersea pipelines.

8. UNLIMITED OIL SPILL LIABILITY.—NEW SECTION 23

The bill puts into law the existing rule, established by Departmental regulation, that an OCS lessee is liable for the total cost of control and removal of spilled oil. It also creates a new strict liability rule for damages from OCS oil spills. The provisions are patterned after the Trans-Alaska Pipeline Authorization Act of 1973. (Title II of P.L. 93-153 and the Deepwater Port Act (P.L. 93-627).)

The damage liability is imposed, except for acts of war, without regard to fault, and without regard to ownership of the land or resource damaged if the land or resource is relied on for subsistence or economic purposes. Thus there can be recovery for damage to fisheries despite the fact that the fisherman has no property right in the uncaught fish. Resort owners could also recover for loss of business caused by an oil spill on the beach even though they do not own the beach. On the other hand, sport fishermen or vacationers could not recover for any inconvenience caused by a spill.

The lessee or holder of a right of way is liable for the first $7 million and the Offshore Oil Pollution Settlement Fund, created by the Act, is liable for balance.

The money in this Fund will come from a fee of 2½¢ on each barrel of oil produced from the Outer Continental Shelf. The Fund will be administered by OCS lessees subject to audit by the General Accounting Office.

The Fund is authorized to borrow from commercial sources so no government funds would be used to pay damage claims.

9. INDUSTRY INFORMATION DISCLOSURE.—NEW SECTION 19 AND SECTION 207

The bill requires any person holding a geological or geophysical exploration permit to submit to the government that data and information obtained during exploration. All oil and gas lessees would have to submit data about the oil and gas resources in the area covered by the lease. The Secretary would keep all proprietary data confidential until he determines that public availability of the data would not damage the competitive position of the permittee or lessee.

The Committee feels strongly that private parties using public resources for private profit should be required to make information they obtain about the resources available to the representatives of the public. At the same time, the Committee recognizes the value of this information to the individual explorer or producer. The provisions of S. 521 are designed to balance the public's interest in obtaining information about its resources and public's interest in maintaining an active and competitive oil and gas industry.

10. SAFETY AND PERFORMANCE STANDARDS AND ENFORCEMENT.—NEW SECTION 20

S. 521 directs the Secretary to establish safety and performance standards for all pieces of equipment pertinent to public health, safety or environmental protection. These standards must require use of the best available technology where failure or malfunction of the equipment would have a substantial impact on public health, safety or the environment.

To assure that increased OCS development proceeds in as safe a manner as possible, the Secretary would be directed to conduct regular inspections and strictly enforce safety regulations. The inspections must take place at every stage of operations which means that Congress must provide funding and manpower needed. Penalties for violation of the regulations would be increased and lessees would be required to give the Secretary any information he needs to assure a safe operation.

11. REVISED BIDDING SYSTEMS.—SECTION 203

S. 521 authorizes a wide variety of new bidding systems. These are designed to reduce the front end cash bonus, increase the government's return on actual production of oil or gas, make it easier for smaller companies to enter the OCS development business, and increase the availability of funds for exploration.

The bill sets forth procedures for utilizing the various bidding alternatives authorized, limits the use of joint bidding, and requires the testing of at least four new alternative bidding practices in the first 2 years after the date of enactment of this Act.

The Committee recognizes that these alternatives may not be the "perfect solution." However, they should facilitate entry into the OCS development business of more independent producers and are certainly worth trying on an experimental basis.

In order to assure that these alternatives will be used, the bill limits the Secretary's authority to use the cash bonus fixed royalty system which has been the historical method of OCS bidding.

12. PROMOTION OF COMPETITION.—NEW SECTION 26 AND SECTIONS 203 AND 204

S. 521 revises bidding systems to encourage entry of new competitors, especially small independent operators. It also deals with sale of royalty oil and requires a report with specific recommendations to improve competition, maximum production and insure fair return to the public from development of OCS resources.

13. ENVIRONMENTAL STUDIES BY GOVERNMENT.—NEW SECTIONS 28 AND 29

Environmental baseline and monitoring studies are required before oil and gas drilling can begin on any OCS area not previously leased. These studies will involve all appropriate government agencies, particularly the National Oceanic and Atmospheric Administration.

14. STRINGENT CIVIL AND CRIMINAL PENALTIES.—NEW SECTION 27

Increases criminal penalties for certain willful violations of the Act. Imposes civil liability for violations which continue after notice and opportunity to correct violations.

15. INTERAGENCY COORDINATION OF ALL FACETS OF OCS OIL AND GAS DEVELOPMENT

Contains numerous provisions designed to promote Federal interagency coordination, particularly among the Departments of Interior, Commerce, and Transportation. Also directs coordination with State and local government agencies.

Mr. METCALF. Mr. President, we are taking up a very important bill on leasing of the Outer Continental Shelf. I have a statement that is not directed especially to the presentation Senator JACKSON made, but is directed to some criticisms that were in the committee report, in the minority committee report, and I am going to continue with that, if I may, and I yield myself such time as is necessary to read this statement.

Mr. President, as chairman of the Subcommittee on Minerals, Materials, and Fuels, I strongly support the enactment of S. 521, the Outer Continental Shelf Lands Management Act of 1975. The chairman of the full committee has clearly set out the reasons why this bill is needed and his support of the bill.

I would like to take this opportunity to comment briefly on the statements in opposition to the bill made by the oil industry, the administration, and the three distinguished minority members of our committee who filed minority views with the committee report. From all three, we have heard a series of similar objections. Indeed, they are so similar as to be essentially interchangeable. Their basic position is to oppose any revision of the Outer Continental Shelf Lands Act, arguing that change is unnecessary. Obviously, those of us who support S. 521 have a different idea as to what is "necessary."

The industry, the administration, and my friends in the minority apparently believe that requiring advance planning, public participation, intergovernmental coordination, and improving safety and preventing oil spills are not appropriate matters for Congress to consider. Apparently, the industry, the administration, and my friends in the minority believe that the Federal Government should simply turn the people's oil and gas over to the major oil companies and rely on them to do what is "necessary" to meet the people's energy needs. Judging from events of the last 18 months, what the industry believes is "necessary" are windfall profits and drastically increased gasoline prices.

I must add that, when I voted for the Outer Continental Shelf Lands Act in 1953, I had no idea that I was supporting a measure so wise and so farsighted as to deserve to remain immutable for all time. I believed then and I believe now that times and conditions change.

Surely, the events of the past 22 years warrant intensive congressional review of the Outer Continental Shelf Lands Act and, as the supporters of S. 521 believe, its modernization so as to meet the needs and concerns of the last quarter of the 20th century.

Those of us who support S. 521 believe that the programs under existing law are not adequate to protect the public interest. We believe that Congress must exercise its special constitutional responsibility to make policy for the Outer Continental Shelf rather than simply delegate its authority to the Secretary of the Interior without any policy guidelines.

We do not now have a Secretary of the Interior, Mr. President. We do not even have an Under Secretary. So we do not have any policy guidelines to whom we can delegate any responsibility.

The minority views call this an "obsession with Government management of resource development by the private sector."

They apparently forget that we are not dealing with regulation of the use of private property in this bill. We are dealing with ways of assuring that the people's resources are used in the manner best designed to meet the people's needs. Big oil has no inherent right to exploit public resources.

S. 521 would authorize and direct the Secretray to obtain information about the nature and extent of the oil and gas resources of the Outer Continental Shelf. It would require that whenever an oil company receives an exploration permit or lease that it furnish the resource data which it obtains under the authority of the permit or lease to the Secretary of the Interior who represents the people of the United States who own this property.

S. 521 requires the Secretary to keep all proprietary data confidential. We believe that these provisions of S. 521 balance the public's interest in obtaining better information about its resources and the public's interest in maintaining a competitive oil and gas industry.

My friends in the minority indicate that the data disclosure and mapping requirements of S. 521 would be "the first steps toward the formulation of a Federal oil and gas corporation." How they arrive at this conclusion is beyond my comprehension.

I can only conclude that the industry, the administration, and my friends in the minority believe that the people would make different decisions about the use of their resources if they knew more about them and that somehow those decisions would be adverse to private industry. If the present program is, as they indicate, consistent with the public interest, this fear is groundless. Of course, if the present program is not consistent with the public interest it should be changed.

My friends in the minority raise the specter of speculators being encouraged by information about these resources being available to the public. I applaud their concern about the need for responsible development operations on the Outer Continental Shelf. I wonder why they object to the many provisions of the bill designed to assure such operations.

Mr. JOHNSTON. Will the Senator yield for a question?

Mr. METCALF. I will be delighted to yield.

Mr. JOHNSTON. Am I not correct that there are two strong and dominant purposes in this bill: First, it is that we should provide maximum protection for the States and maximum protection for the environment, while at the same time allowing the oil companies to drill in a safe manner, and, in the process, have no delay at all in terms of extracting oil and gas from the Outer Continental Shelf. Is that a strong purpose?

Mr. METCALF. The distinguished Senator from Louisiana is absolutely correct.

Mr. JOHNSTON. And, second, it is not a strong purpose of this bill, and explicitly stated, that, in effect, any time oil or gas is found in commercial quantities, that it will be allowed to be produced, except in that very unusual circumstance described at page 102 of the bill, lines 19 through 23, where it states because of extraordinary geologic conditions in the lease area, or extraordinary circumstances, the oil cannot be extracted in a safe manner, which is a very unusual circumstance? Otherwise, the owner of the lease will be able to use that oil and gas if he finds it in commercial quantities; am I not correct in that?

Mr. METCALF. The Senator from Louisiana is exactly correct. The Senator from Louisiana knows that the committee desires to produce oil from the Outer Continental Shelf, that the committee looks to the Outer Continental Shelf as a source of energy that we should look to immediately; and, as the Senator has pointed out, only in those cases where there is a fault or a known defect are we going to forbid its drilling.

Mr. JOHNSTON. If I may, to follow up on that question, we heard much testimony from those who wanted to have a second phase or second step between production and leasing; they wanted to go out and explore, then determine what we had, and then make a determination as to whether to produce.

This bill expressly rejects that approach, and states that once you find the oil and gas you will be able to produce it, except in that very unusual circumstance the Senator has just described.

At the same time, they will have to conform their development plans, both offshore and onshore, to the best safety practices available; but that is completely different from saying they will not be able to produce, is that not correct?

Mr. METCALF. That is absolutely correct, and I am pleased that the Senator from Louisiana has more explicitly expressed the desire of the committee than I would have. I certainly concur with everything he has said.

Mr. JOHNSTON. I thank the Senator.

Mr. METCALF. Mr. President, the minority report indicated that quotations of the testimony at the hearings which were presented in the minority view were a "representative sample" of the testimony presented to the committee." This is inaccurate and grossly misleading.

They are a representative sample of the views of the administration and the oil and gas industry on last year's bill. However, they ignore the testimony the committee received from a number of other witnesses including independent experts from such organizations as the Ford Foundation energy policy project, the University of Oklahoma technology assessment group, which has done a very exhaustive study of Outer Continental Shelf development entitled, "Energy Under the Oceans," and other academic and independent legal experts. All of these witnesses supported S. 3221 and S. 521. Of course, many suggested some modifications.

The only independent expert quoted in the minority views was Mr. Robert Krueger, a Los Angeles attorney. Mr. Krueger is an internationally known expert on offshore and gas development. He is presently under contract to the Federal Energy Administration to do a comprehensive study of the international implications of oil and gas development in other countries by U.S. companies. Mr. Krueger concluded his comments on S. 3221 with the following statement:

> S. 3221 is by far the most comprehensive of the pending bills and is consistent in most respects with the realities of the resources and industry which are affected. With the above suggested changes, it would have beneficial effect on the administration and development of the Outer Continental Shelf.

Thus, he should hardly be cited as an advocate of the status quo.

The minority report ignores the testimony of Dr. Walter Mead, professor of economics at the University of California—Santa Barbara—who for many years served as a consultant to the Office of Management and Budget on natural resource matters, particularly the Outer Continental Shelf. While Dr. Mead had a number of suggestions for amendment, he began his testimony as follows:

> In general I want to say before I begin that I think the Jackson bill is a very good bill. It has some innovative ideas in it that I think are commendable.

The minority views ignore the statement by the Chairman of the President's Energy Resources Council, Rogers C. B. Morton, that Senator JACKSON'S work "in the development of S. 521 is exceedingly commendable. The bill has been thought through well."

Their objections to the development and production plan requirements of section 206 ignore the views of the Chairman of the Council on Environmental Quality, which conducted a special 1-year study of the OCS development at the request of the President. Chairman Peterson said:

> After the exploratory phase, the company would submit a detailed development plan for the proposed operations. Among other things, the plan would include a full statement of all facilities both onshore and offshore, likely to be required in order to develop that acreage fully. For each development plan an environmental assessment and, if appropriate, a full environmental impact statement would be prepared and the development plan would not be approved until after full State and local review.
>
> I believe that the Governors of the States and the officials of local communities which would be affected by a development plan should have an opportunity to require modifications in the plan so that it will correspond to their coastal zone management plan and other onshore plans.
>
> However, the Secretary of the Interior should have the authority to require development plans to be modified to protect offshore and onshore environments.

All this seems, Mr. President, to be a desperate effort by the industry, the administration, and my Republican friends to maintain the status quo. Those of us who support S. 521 believe that the status quo tips the scales heavily in favor of the oil industry and against the interest of the American people who own these resources. Mr. President, we believe that the time has come to tip the scales in the other direction and to help the people regain control of their resources. We believe that S. 521 balances the scales.

PRIVILEGE OF THE FLOOR

Mr. FANNIN. Mr. President, I ask unanimous consent that Mr. Douglas Smith, a representative from the staff of the Senator from Idaho (Mr. MCCLURE), be accorded the privilege of the floor during the consideration and the debate on S. 521.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FANNIN. Mr. President, the bill we are considering today, S. 521, is represented by its sponsors as a decisive step in the solution of our national energy problems.

At this time, I commend the Senator from Louisiana for bringing the matter out, and the responses of the floor manager of the bill, in regard to our desire to obtain a greater production of petroleum products, crude oil and natural gas, at the earliest time possible consistent with good environmental policy and with economic considerations.

Mr. President, I think that is a noble goal. But the problem is as to whether or not we have placed restrictions in this bill so that it may not accomplish that objective.

Senators will recall that a nearly identical bill of last session was entitled the "Energy Supply Act." I suggest to my colleagues that this legislation, if enacted, will never fulfill the promises that were implied in that title.

I hope that we can amend the legislation to better achieve the goals expressed today, which certainly we in Congress have the obligation to put forward. Not only would the measure in its present form fail to deliver any increased energy supplies to American consumers, but also could only dim the prospects of Outer Continental Shelf production. Perhaps that is the reason why the sponsors of S. 521 have amended its title to read "The Outer Continental Shelf Management Act"—a title which reflects another inclination of the bill, namely the preference for Government management of our energy resources and curtailment of the activities of the private sector. I am concerned that these two trends—toward increased Federal management and away from incentives for affirmative resource development—bode ill for our national energy situation.

I do not support this legislation and urge my colleagues to consider the myriad reasons why its passage would be a grave disservice to the Nation.

One of my major concerns regarding this bill is that it contains numerous provisions which would slow our national effort toward energy self-sufficiency. One of those is the requirement in section 202 that the environmental impact statement filed on the leasing program include an oil and gas resource assessment for each and every area proposed for leasing. Preparation of such a complex and detailed EIS would be impossible to complete in anything short of several years—years that this country cannot afford to spend on that sort of paperwork. The Interior Department is already putting together a programmatic environmental impact statement for its proposed 10-million-acre accelerated leasing schedule. That statement, however, would not meet the specifications set up in S. 521, and conforming the statement to this legislation would involve unacceptable delays.

Another delay written into the bill is the section 19 expansion of the Department's mandate to gather, map, and publish data on OCS resources. Not only would these efforts be a costly and inefficient allocation of departmental manpower, but also they would consume a considerable period of time, and during that time the information produced would become of questionable value to the private sector. And then there is the section 27 study of methods to promote competition and maximize OCS revenues. This provision merely calls for repeat performance of analyses the Interior Department has already made, at the same time providing no method by which the results of the study can be put into effect, since changes in leasing methods can only be made by additional legislation.

It is this type of delay and diversion of manpower which makes S. 521 an unnecessary modification of the Outer Continental Shelf Lands Act, legislation which has done the job for the past 22 years. We should resist our compulsion to tinker with a machine that is running smoothly.

There are critical sections of S. 521 which authorize the Interior Department to obtain unlimited proprietary data from lessees and exploration permit holders. Regrettably, the provisions which might protect the confidentiality of such critical information are precious few and dangerously vague. The results of this language are threefold:

First, this authority is confiscatory in nature and could lead to unacceptable taking and disclosure of proprietary data on the exploration of yet unleased areas.

The threat of such disclosure, second, would be anticompetitive. This is so because making this data available from the Federal Government would destroy free competition and discourage companies from building their competitive position based on astute assembly of their own proprietary information.

Out of this development would come the third result to which I referred: private concerns would be discouraged from making the efforts to obtain exploratory OCS data on their own. This bill would encourage them to obtain the information through maps and environmental impact statements published in the Interior Department. Thus S. 521 would trigger the following series of events: Substantial lessening of private exploration would require increased Federal activity to obtain data, in turn necessitating that private companies depend upon that Federal exploratory information.

By encouraging the intrusion of the Federal Government into OCS operations in this way and—as we shall see—by other broad avenues as well, S. 521 lays the foundations for a governmental oil and gas corporation. Various sections of the bill authorize the Interior Department to conduct or purchase the results of surveys and investigations, force the industry both to reveal its proprietary resource data in order to retain leases and to disclose information obtained under exploration permits, and limits leasing to those areas which have been mapped in great detail by the Government. All of these provisions put the Government in the position of competing directly with private enterprise. Additionally, the Government would be in a vastly superior position, by virtue of its ability to require private industry to "donate" data from its own efforts. This is certainly not the type of incentive the private sector needs to step up energy production to which we so greatly need. This is not the kind of measure that is needed to encourage energy self-sufficiency. This logical step, when private industry has not responded to S. 521 by miraculously producing vast quantities of OCS oil and gas, will be to put the Federal Government into the oil and gas exploration business on a massive scale.

Mr. President, this is something that I think would be disastrous for this Nation. So much for the effects of S. 521 on the traditional American concept of letting the industry get on with the job.

There are many minor provisions of the bill which, taken as a whole, would result in delays, confusion, and inequities in OCS development. Once again, they can lead only to thwarting energy self-sufficiency. Among these objectionable provisions are those setting out detailed, unnecessary, and administratively burdensome safety programs, authorizing citizen suits which can only slow down and otherwise confound the OCS leasing program, and providing for lease terms in section 203 which will actually work against participation by the smaller companies.

Further major problems are raised by the fact that the bill separates the exploration phase from the development and production phases. The net result is that the required new EIS review adds yet another element of uncertainty and delay. S. 521 adds so many additional provisions for achieving and maintaining the Secretary's approval of a company's plan for development of a lease that many companies may decide to forgo bidding for a lease the Secretary might not permit them to develop.

As a last specific point, I call my colleagues' attention to the coastal State fund created by the bill. That fund provides that a proportion of OCS revenues—although a specific percentage is not set in the bill—be diverted from the U.S. Treasury to the coastal States. The argument behind this provision is that OCS has an adverse impact on the coastal States and that therefore they should be compensated for its effects. There is indeed a possibility—but not a certainty—of such ill-effects, but this is only a justification for compensation based on specific incidents. Diverting these U.S. Treasury funds—which should by right go to the benefit of all citizens in all States—to the coastal States without any requirement for need, would be poor fish policy. It would work as an enticement to coastal States to permit OCS leasing off their coasts. And furthermore, it would be funded at the expense of taxpayers of all the inland States. It should be evident to my colleagues that both the practicality and the equity of the coastal States fund provision in section 26 are highly questionable.

I have attempted to summarize many of the provisions of S. 521 which are most objectionable. In conclusion, let me point out that a majority of the testimony the Interior Committee received on this bill and on its predecessor, S. 3221, indicated that amending the Outer Continental Shelf Lands Act, which has stood this country in good stead for 20 years, is both unnecessary and undesirable. Witness after witness pointed out to the members of the committee that the actual effects of the legislation would be diametrically opposed to the bill's stated objectives. The OCS Management Act can only delay the leasing process, confound development of our Outer Continental Shelf resources, discourage private efforts to meet our energy needs, and provide a serious temptation to the Federal Government to shoulder private industry aside and involve itself on a massive scale in the area of OCS exploration and development.

For all these reasons, I believe that the bill before us today is another attempt by the Senate Interior Committee to generate a smokescreen rather than coming to grips with the real issues which constitute this Nation's energy problem. My colleagues could do no better for the Nation than to cast their votes in opposition to S. 521.

I reserve the remainder of my time.

Mr. HANSEN. Mr. President, I ask unanimous consent that Linda Gould, a member of the staff of the Committee on Interior and Insular Affairs, be accorded the privilege of the floor.

The PRESIDING OFFICER (Mr. THURMOND). Without objection, it is so ordered.

Mr. METCALF. Mr. President, I ask unanimous consent that Philip T. Cummings, Sally Walker, and Richard Grundy of the staff of the Committee on Labor and Public Works be accorded the privilege of the floor during consideration of S. 521.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METCALF. Mr. President, I ask unanimous consent that during debate on S. 521 John Hussey, Pamela Baldwin, and James P. Walsh, of the staff of the Committee on Commerce, be accorded the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, I ask unanimous consent that Richard Arnold of my staff be accorded the privilege of the floor during consideration of S. 521 and S. 391.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FANNIN. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time for the quorum call not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. METCALF. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METCALF. Mr. President, at this time, since we do not have Senators offering amendments, I offer some technical and perfecting amendments and ask unanimous consent that they be considered en bloc. I send them to the desk and ask that they be considered as read.

The PRESIDING OFFICER. Without objection, the technical and perfecting amendments are agreed to en bloc.

The technical and perfecting amendments agreed to en bloc are as follows:

Technical and Perfecting Amendments to S. 521

1. p. 76, line 3. After "person" insert "adversely affected or aggrieved".

2. p. 82, lines 8–11. Strike all and delete "(a)" after "Sec. 29" on p. 81, line 2.

3. p. 83, line 17. Strike "nation interests." and insert "national interests. If the Secretary finds that he cannot accept any such

recommendations, he shall communicate in writing, to the board or the Governor the reasons for rejection of such recommendations."

4. p. 83, line 23. Strike "or of" and insert the following "or within thirty days after public hearings on"

5. p. 88, line 20. Strike "large" and insert "lease".

6. p. 92, line 13. Strike "gas:" and insert "gas prior to October 1, 1975:"

7. p. 100, lines 6–9. Delete all of subparagraph (H) and line 10 redesignate (I) as (H).

8. p. 105, lines 5–9. Delete Section 209 and redesignate the following sections accordingly.

Mr. HANSEN. Mr. President, reserving the right to object, and I shall not object, although I may disagree at times with our distinguished colleague from Montana, never have I questioned his integrity. He assures me they are all right, and they are all right as far as I am concerned.

Mr. METCALF. They are all technical amendments.

I thank the Chair.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. JOHNSTON addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. FANNIN. I yield time to the Senator.

Mr. JOHNSTON. Mr. President, I wonder if I might use a few minutes to engage in a colloquy with the distinguished Senator from Montana.

Mr. HANSEN. Mr. President, will the Senator from Louisiana yield to me for a question, without losing his right to the floor?

Mr. JOHNSTON. I yield.

Mr. HANSEN. Mr. President, it is my intention to support the amendment to provide impact funds for the coastal States, which is included in this bill. The Senator from Louisiana has made a very strong case in support of his contention that we should make this sort of accommodation for the States that are going to suffer the impact.

I ask him and the distinguished floor manager of the bill whether they would be willing to accept my amendment, which would amend the Mineral Leasing Act of 1920 to provide impact funds for the inland States, those States that are going to be called upon to provide the coal—largely, at the moment—for the energy needs of this country.

Mr. METCALF. Mr. President, who has the floor?

Mr. JOHNSTON. I was going to respond very briefly to the Senator from Wyoming.

Mr. METCALF. I have learned, after talking to the Senator from Wyoming, that the distinguished chairman of the committee, the Senator from Washington, desires to be heard on this amendment.

Mr. HANSEN. Mr. President, I withdraw my request.

I will be interested in the observations of the Senator from Louisiana.

Mr. JOHNSTON. Initially, when this amendment was proposed in committee, I opposed the amendment. As I stated publicly at the time and as I have told my friend from Wyoming privately, I opposed it not because it did not have merit but simply because I was afraid it would retard the progress of this legislation, not perhaps being germane to the Outer Continental Shelf legislation. That was the only reason why the amendment was opposed at that time.

Since that time, however, the Senate as a whole has worked its will on that amendment and has attached it as part of the coastal zone management plan legislation. I think it already has been accepted, and it should be included as part of this measure, as it is part of the coastal zone management.

Mr. HANSEN. I appreciate the response of the distinguished Senator from Louisiana.

I thank the Senator from Arizona.

Mr. FANNIN. Mr. President, I ask unanimous consent that Mr. George Jackson have the privilege of the floor during the debate on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FANNIN. Mr. President, I suggest the absence of a quorum, and I ask that the time not be charged against either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BROCK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROCK. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Tennessee (Mr. Brock) proposes an amendment:

At the end of Title III, add the following new section:

Sec. . The Administrator of the Federal Energy Administration shall take no action, directly or indirectly, involving the termination or other reduction of the allocation of any gasoline retail sales outlet on the basis that such outlet is engaged or has engaged in any price reduction in an effort to retain or acquire a competitive viability within its trade area.

Mr. BROCK. Mr. President, I have watched with complete amazement as the Federal Energy Administration has promulgated rules and regulations that go far beyond the original intent of the Emergency Petroleum Allocation Act. Today, I am offering three amendments which will at least help to curb some of the more undesirable FEA regulations.

My first amendment would prohibit FEA from issuing any rule or policy directive designed to discourage gasoline price wars. This will help keep gasoline prices as low as possible to the consumer. I do not believe any Member of Congress ever intended that the EPAA would be used to prevent competition at the retail level.

My second amendment is also designed to correct what I believe to be an overextension of FEA authority. On May 9, 1975, FEA issued without comment a regulation requiring service station operators to get permission of their competitors before they open a new station. Not only does this stifle competition but it puts a tremendous burden on the small station owner seeking to expand his business.

Mr. President, my last amendment requires FEA to do a monthly study of the regional impact of any program, including the Old Oil Entitlements Program, that is designed to equalize crude prices. The report will be on a State-by-State basis and allow each Senator to see what FEA rules are costing his constituents. It should list the cost in cents per gallon of refined products as well as the aggregate costs. Also, FEA must do a monthly audit of the major beneficiaries of any such program, perhaps the top 20 or so companies, and report on whether they are passing through the benefits to the final consumer or the jobber, as the case may be.

I think my amendments clearly demonstrate the fallacy of further regulation of the oil industry. It is simply too complex for any Federal bureaucracy to deal with. We must begin to move down the road toward deregulation, with appropriate windfall profits tax legislation where needed, as soon as possible. As my amendments show, the regulatory process has already begun to fail.

I ask unanimous consent that I may have printed at this point in the Record a policy notice from the Federal Energy Administration dated November 26, 1974.

There being no objection, the notice was ordered to be printed in the Record, as follows:

Federal Energy Administration,
San Francisco, Calif., November 26, 1974.

This Notice Transmits: Policy for the reporting and investigating gas wars as an indication of supply imbalances within Region IX.

Purpose: For several months, there has been an abundant supply of motor gasoline in most areas of Region IX, although some areas and sectors of the market continue to report shortages. There have lately been vague, unconfirmed reports that supply in some areas is so excessive as to precipitate gasoline price wars. The Regional Office believes that any situations of this sort are an indication that product may be poorly distributed. (Section 211.13(f) of the Mandatory Petroleum Allocations Regulations requires that any purchaser (including retail outlets) whose needs decline, shall apply to his supplier for a downward adjustment to base period use.) Hence, it is not the intention of FEA that larger allocations be used for engaging in gas wars. The regulations prohibit suppliers from increasing volumes to a station in order to support gas war activity.

This Policy Notice rescinds: First notice on this subject.

POLICY FOR REPORTING AND INVESTIGATING GAS WARS AS AN INDICATION OF SUPPLY IMBALANCES WITHIN REGION IX

Procedures

1. Reporting of gas wars:

A. All FEA employees are to report any "gas wars" they are aware of, giving names, addresses and specific activity (such as gas war signs, low prices being charged, etc.) to the Director, Compliance and Enforcement Division.

B. Complaints from the public will be accepted by FEA provided the details listed in 1A are given. Initial contact may be made by telephone to the local FEA office but should be followed up by a brief summary in writing to the Director, Compliance and Enforcement Division, 111 Pine Street, San Francisco, California 94111.

2. FEA Region IX will review all reports and will investigate those determined to have merit. The investigation will determine if the stations involved are being allocated product by their suppliers in accordance with the regulations.

3. If FEA determines that violations of the Regulations have occurred, enforcement action will be taken.

4. If FEA determines that there is an excess of product in the area involved, action will be taken under Section 211.14 of the Regulations to redirect the excess product into areas still experiencing shortages.

Mr. BROCK. Mr. President, I think this amendment is acceptable to both sides. It simply says that the Federal Energy Administration shall not prohibit gasoline wars, as it has attempted to do in the past. Gasoline wars in a particular community do not, obviously, encourage the use of gasoline. What they do is give the consumer a better buy. I think it is insane for us in any way to limit the opportunity for Americans to buy gas at competitive prices when they are paying so much more than they need to pay right now.

Mr. FANNIN. Mr. President, I commend the distinguished Senator from Tennessee for offering this amendment. It is a very acceptable amendment, but I think it does add to the bill. Certainly in this great Nation of ours, we do have a free enterprise system. All he is trying to do is comply with the objectives we all have in maintaining a free enterprise program. I think it does protect the consumer. It is an incentive for lower prices. I think this is a very good amendment.

Mr. BROCK. I appreciate the Senator's support.

Mr. METCALF. Mr. President, I have seen the amendment which Senator BROCK has propounded. I am in accord with the amendments to title III. I have no objection to them. I think that they will improve the legislation.

Mr. BROCK. I appreciate the Senator's support.

I am prepared to vote, Mr. President.

The PRESIDING OFFICER. Is all time yielded back?

Mr. FANNIN. I yield back my time.

Mr. METCALF. I yield back my time, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BROCK. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

At the end of Title III, add the following new section:

Sec. 8. The Administrator of the Federal Energy Administration shall take no action, directly or indirectly, nor shall he promulgate any rule or regulation, requiring any gasoline retailer to seek the permission of any other gasoline retailer to open any new retail outlet.

Mr. BROCK. Mr. President, the same remarks apply to this amendment.

I ask unanimous consent to have printed at this point in the RECORD a Federal Energy Administration document, with the headline, "Guidelines for Evaluation of Applications for Assignment of Supplier and Base Period Use to New Gasoline Retail Sales Outlets" which appeared in the Federal Register, volume 40, No. 91, dated May 9, 1975.

There being no objection, the document was ordered to be printed in the RECORD, as follows:

FEDERAL ENERGY ADMINISTRATION

MOTOR GASOLINE

Guidelines for Evaluation of Applications for Assignment of Supplier and Base Period Use to New Gasoline Retail Sales Outlets

The Federal Energy Administration hereby gives notice of guidelines to be used by FEA in evaluating applications for assignment of suppliers and base period uses to new gasoline retail sales outlets. The guidelines are set forth below and will provide a basis for consistent application of FEA's regulatory provisions with respect to new retail sales outlets of motor gasoline.

May 6, 1975, Washington, D.C.

ERIC J. FYGI,
Acting General Counsel.

APPENDIX

GUIDELINES FOR EVALUATION OF APPLICATIONS FOR ASSIGNMENT OF SUPPLIER AND BASE PERIOD USE TO NEW GASOLINE RETAIL SALES OUTLETS

1. *Scope.* Numerous questions have been raised as to the procedures and substantive criteria which FEA should apply to applications for assignment of suppliers and base period use for new gasoline retail sales outlets. These guidelines are intended to provide guidance as to how such applications should be handled both procedurally and substantively under current FEA regulations. In particular, these guidelines will discuss the identification of and service of notice to possible aggrieved parties as required by 10 CFR § 205.33 and the evaluation of applications to determine whether to assign a supplier and, if so, how to determine the assigned base period use pursuant to 10 CFR §§ 205.35 and 211.12(e).

2. *Notice to Aggrieved Parties.* (*a*) *General.* The procedural regulations and criteria applicable to all applications for assignment of suppliers and base period use are set out in Subpart C of Part 205. Section 205.34 requires that the applicant file an application which not only contains various facts regarding the request, but also the "names and addresses of all affected persons (if reasonably ascertainable)," and [t]he indentification of any persons who will be aggrieved by the FEA action sought, including potential suppliers."

Section 205.33(a) provides that FEA *shall* serve notice on any person readily identifiable by the FEA as one who will be aggrieved by the FEA action and *may* serve notice on any other person that written comments will be accepted if filed within 10 days of service of the notice. . . . (Emphasis added.)

The word "aggrieved" is defined in § 205.2 as describing or meaning "a person with an interest sought to be protected under the FEAA or EPAA who is adversely affected by an order or interpretation issued by the FEA or a State Office."

Thus it is the responsibility of the applicant under § 205.34(b) to supply FEA with a list of potentially aggrieved persons, but the burden is on FEA under § 205.33(a) to serve notice of the application on such aggrieved parties. Moreover, FEA "may serve notice on any person. . . ." (Emphasis added.)

(b) *Identification of Aggrieved Parties.* The applicant's task of identifying potentially aggrieved persons is not as difficult as it might seem. In most cases this information is known to the applicant because suppliers opening new sites often have made sophisticated studies of the size of the trading area and the competitors located within it before their application is submitted. As a general rule, in the case of a new station located in a typical residential neighborhood, all retail sales outlets, particularly small and independent refiner-operated outlets and all branded and non-branded independent marketer-operated outlets, located within a mile radius of that station should be presumed to be "aggrieved persons" within the meaning of the notice requirements. The geographical trading area affected might be somewhat larger in rural neighborhoods and somewhat smaller in urban neighborhoods. Moreover, because of the peculiarities of traffic flow, an affected trading area might be longer in one direction than another. But, even though it is not possible to prescribe rigid rules for the determination of the perimeters of the trading area, in most cases the FEA's discretion in this area should be freely exercised so long as the general rule of erring on the side of over-inclusion is followed.

It is not necessary that notice be served on other persons also identified by the applicant but not located in the trading area of the proposed new station—even though they might otherwise be affected because their supplies might be reduced—since the administrative burdens of doing so greatly outweigh the minimal effect which comments received from such persons would have on the decision.

(c) *Method of Providing Notice.* Notice should be individually served upon any person identified by the applicant as an aggrieved party and located in the trading area of the proposed new station using the form of notice provided in Attachment A. In addition, FEA should arrange, using imprest funds, for the publication of a notice in local newspapers of general circulation in the market area to be served by the proposed retail sales outlet. The notice should also be substantially in the form of Attachment A to these guidelines and should be published on at least two separate occasions at least one week apart. This procedure should serve to provide notice to those persons not readily identified by the applicant as aggrieved persons and satisfies FEA's independent responsibility to identify and notify aggrieved persons.

(d) *Information in Notice.* It is not necessary to disclose in the notice any of the information contained in the application except (i) the applicant's name and address, (ii) the location of the station for which application is made, and (iii) an approximation of the base period use sought by the applicant. Only an approximation of the amount being applied for should be given because in some cases applicants have claimed that the actual amount is proprietary information arrived at after a thorough and highly confidential marketing survey of the area, the disclosure of which would inform the applicant's competitors of the applicant's strategy of market expansion. While such information may not in fact be the type of proprietary information protected from disclosure, there is at least a colorable argument that it is. In any event, the problem can be readily avoided by providing in the notice only an approximation of the actual amount. For example, if the amount applied for is 1,000,000 gallons per year, it could be described as "a high volume station having an aggregate base period use in excess of 800,000 gallons per year." Such a description would give potentially aggrieved parties adequate notice of the relative size of the station and at the same time avoid the unnecessary disclosure of possibly confidential competitive information.

(e) *Comment Period, Hearings and Conferences.* Subpart C of Part 205 requires FEA to give aggrieved parties 10 days from service of the notice in which to file written comments. FEA may also make an independent investigation of facts alleged in the application or comments and may rely on information obtained from any source. (*See* § 205.35.) A conference and hearing are both discretionary with the agency. (*See* § 205.35 and Subpart M of Part 205.) A conference with only the applicant in attendance is the recommended means of obtaining additional information if the application and the written comments still leave some unresolved issues. A hearing should be used only rarely and in exceptional circumstances, since most of the information relevant to the application can best be conveyed only in writing.

(f) *Timeliness of FEA Action and Interim Supplies.* FEA is required to act upon an application for assignment of a specified supplier within 90 days after its receipt. Failure to act during such period may be considered by the applicant as a denial from which an appeal may be taken. (*see* § 205.37.)

It is sometimes difficult, however, to evaluate an application properly within the 90-day period. Moreover, the applicant may need prompt action because the station is idle, perhaps at great expense to the applicant. In such cases it is possible for FEA office to issue an order granting a temporary assignment until such time as a full evaluation of the application for a permanent assignment can be completed. (See also discussion below concerning retail sales outlets which operate using surplus products.) The procedures for issuing such temporary orders are founded in § 205.39.

As indicated in that section, a temporary assignment can be made "upon application." This does not mean that the applicant must expressly apply for a temporary as well as a permanent assignment. Since an application for a temporary assignment need contain no more information than that required for a permanent assignment, the filing of two applications is unnecessary. Thus, when an application for a permanent assignment has been made and it is apparent from the circumstances that a temporary assignment is warranted pending a final decision and is not objected to by the applicant, the application on file for a permanent assignment may be treated as an application for temporary assignment as well as for a permanent assignment.

An order granting a temporary assignment can be effective for only 60 days and cannot be renewed. The temporary order must contain an express finding that circumstances do not permit issuance of an assignment onphase with the usual processing of permanent assignment orders. *See* § 205.39(b).

3. *Substantive Criteria Applicable to Assignment of Supplier and Base Period Use.* (a) *General.* The procedural regulations set forth in § 205.35(b) the criteria applicable to the evaluation of applications for assignment of a supplier and new base period use. These criteria restate the criteria set forth in section 4(b)(1) of the Emergency Petroleum Allocation Act of 1973 applicable to FEA's overall duties in promulgating and applying the Mandatory Petroleum Allocation and Price Regulations.

Like the criteria of section 4(b)(1) of the EPAA, the various criteria of § 205.35(b) are to be applied only "to the maximum extent possible." As applied to a particular set of circumstances, these criteria may not only be difficult to apply but also conflicting. As the courts have said in applying the various goals of section 4(b)(1),

> [t]he goals are inherently inconsistent, and no regulation could promote all of them at the same time. Congress recognized this in saying that the regulations shall provide for them "to the maximum extent practicable." A balancing of goals is required, and Congress has left the details of this balancing to the Federal Energy Administration. *Union Oil Co.* v. *FEA*, ——— F. Supp. ———, Fed. Energy Guidelines ¶ 26,007, at p. 26,098 (C.D. Cal. 1974); *see also Air Trans. Ass'n of America* v. *FEA*, 382 F. Supp. 437 (D.C. 1974).

Thus, FEA should be guided by the criteria of § 205.35(b) but have considerable discretion in balancing one against the other.

While it is inappropriate to prescribe precise rules for the application of these criteria to assignments of suppliers and establishment of new base period uses in all circumstances, nevertheless some general principles may be prescribed.

(b) *Whether to Assign a Supplier/Purchaser Relationship.*

Three of the criteria which must be taken into account in deciding whether to assign the new outlet a supplier are whether granting the application in question woulld promote "economic efficiency;" minimize "economic distortion, inflexibilty, and unnecessary interference with market mechanisms;" and promote the equitable distribution of petroleum products at equitable prices among all regions of the country and segments of the industry. (*See* § 205.35(b)(1) (viii), (ix), and (vi).) These three criteria together can be read as stating that even within the context of the regulatory program, free market forces should be allowed to function to the extent possible. Thus, in the absence of other countervailing considerations, FEA should start with a strong but rebuttable presumption in favor of assigning a supplier/purchaser relationship for a proposed new retail sales outlet. In particular cases there might also be other relevant criteria favoring the application, such as the maintenance of public services and agricultural operations. (*See* § 205.35(1) (ii) and (iii).)

A possible countervailing consideration may be the preservation of a competitively viable independent section of the industry.

Thus, in each case the facts must be reviewed to determine whether the general presumption in favor of granting the application should be overridden or sustained by a weighing of these other countervailing considerations.

(i) *Effect on Supplier's Other Purchasers.* Attention should be paid to the effect of any assignment upon the supplier's other customers, particularly the supplier's branded and non-branded independent purchasers. If the assignment will significantly lower the supplier's allocation fraction below one (1.0) then the assignment should be questioned. In general, if the assignment can be expected to reduce the supplier's most recently reported allocation fraction by more than one percentage point (0.010), the reduction may be significant and would warrant especially careful assessment of the supplier's future supply position.

(ii) *Effect on Independent Competitors.* In evaluating applications, the comments solicited from independent and small refiners and branded and non-branded independent marketers operating stations within the same trading area as any new station which will not be operated by an independent marketer or small or independent refiner should be carefully reviewed to determine whether or not granting of the application may seriously jeopardize the competitive viability of small and independent refiners and branded and non-branded independent marketers.

The existence of substantial evidence that granting the application would result in probable severe and irreversible damage to the existing independent segment in the proposed market may be the basis for denial of an application. Such evidence would not consist of a showing of probable financial impairment to a particular independent marketer, but rather would require evidence that the volume of business enjoyed by the independent segment in that marketplace would probably be substantially and permanently reduced.

Although these judgments are extremely difficult to make, FEA cannot ignore clear and compelling evidence that the operation of a new retail sales outlet which is not operated by an independent marketer will so dominate a trading area as to substantially impair the competitive viability of independent marketers. Generally such evidence is not present if: (1) independent marketers in the trading area can remain competitively viable by relying upon customers who will patronize such stations because of the availability of supplementary products and services not provided by the new station; (2) there are other large volume/low profit margin stations in the trading area or in other nearby trading areas, and the presence of such stations has not impaired the competitive viability of independent marketers;[1] and (3) there is a reasonable prospect of consideration growth in demand within the trading area so that the new station, notwithstanding its advantages, will not necessarily acquire most of its business at the expense of the other stations in the area.

This is not meant to be an exhaustive listing of the kinds of evidence that would sustain the granting of such an application notwithstanding a showing of adverse impact upon the various aggrieved parties. Indeed, given the rebuttable presumption in favor of granting such applications in any event, the burden is on those opposing the application to make a clear and convincing showing that the competitive viability of the independent marketing sector within the trading area will be substantially impaired by the opening of a new station which is not to be operated by an independent marketer. This showing is not made merely by a showing of financial harm to, or even of impending bankruptcy by, one or more independent marketers. Finally, such a showing cannot rest upon unsubstantiated assertions or mere speculation. There must be evidence of the specific adverse impacts of the new station's opening before FEA can perform the analysis outlined above and conclude that the application must be denied.

(iii) *Consideration of Applications for Retail Sales Outlets to be Built in the Future.* FEA has encouraged operators and potentially new retail sales outlets to supply for FEA assignment of a supplier/purchaser relationship and a base period use prior to construction of the new outlet. (*See* § 211.12(e).) This policy was established to prevent any hardship which might result from a failure to obtain an assigned supplier or base period use following the operator's expenditure of construction funds and assumption of other obligations connected with the proposed new retail sales outlet. Consequently, consideration of an application should not be delayed because a retail sales outlet is not currently operational or may not become operational before the expiration date of the EPAA. Approvals of such applications may be conditioned upon the retail sales outlets being operational within a certain period of time. Of course, such assignments should be made effective only upon the retail sales outlet's becoming operational.

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[1] The FEA must consider, however, whether, given limited demand within the trading area (see item (3) following), the new station, in conjunction with the existing high-volume station, will destroy the competitive viability of the remaining independent marketers.

(iv) *New Retail Sales Outlets Operating Solely on Supplies of Surplus Product.* In some cases new retail sales outlets are being operated with gasoline purchased from suppliers which have certified their gasoline to be surplus product as permitted by § 211.10 (g). Such retail sales outlets, however, are new suppliers as defined by § 211.10(e) which must receive FEA approval before they commence operations. Such approval should ordinarily be freely granted to gasoline retail sales outlets provided it is made clear that such approvals do not create a supplier/purchaser relationship between the retail sales outlet and the supplier of the surplus product and does not establish a base period use for the retail sales outlet. Approvals pursuant to § 211.10(e) (2) need not be conditioned upon application for a supplier and an assigned base period use. Operators of new retail sales outlets under § 211.10(e) (2) should understand, however, that unless they have been assigned a supplier and a base period use pursuant to § 211.12(e), they have no future claim to a supplier or a pro rata share of available supplies in a period when there is no surplus product.

(c) *Assignment of Base Period Use.* Once a decision to assign a supplier/purchaser relationship for a new retail sales outlet is made FEA must determine the appropriate base period use to be assigned the retail sales outlet. As a general rule, the average base period use for retail sales outlets of a similar size (number of pumps) and nature (full service, gas only, self service, car wash, etc.) in the same market area will be the appropriate assigned base period use. Thus, for example, a station of a particular size and type should receive a base period use approximately equal to other stations of the same kind in the market areas. When a new type of station is constructed in a market area, it should receive an allocation commensurate with the relative treatment of the new type of station compared to existing types in the nearest market area where such comparisons may be made.

The delineation of the market area will vary in each case, and ultimately will be determined by FEA. There can be no hard and fast criteria, but some general guidelines may be observed:

(i) In a city over 25,000 population, the market area to be considered should be the area within a one-mile radius of the proposed new outlet.

(ii) In a suburban area (housing developments, shopping centers, apartments) the market area to be considered should be the area within a two-to-three-mile radius of the proposed new outlet, depending upon the density of recent growth and traffic pattern characteristics in the area.

(iii) On a non-urban arterial highway with full control of access, the market area should include the area within one-fourth mile of the access point at the proposed location of the new outlet and the next two access points in each direction from the proposed location of the new outlet.

(iv) On a non-urban arterial highway with uncontrolled access or partially controlled access, the market area should include five miles in either direction along the highway.

(v) On a through street or through highway in a rural area, the market area should be that area within a five mile radius of the proposed new outlet.

(vi) In a town under 25,000 population, the market area should be a two mile radius from the proposed outlet.

As used in the above guidelines, the following terms have the following meanings:

"Arterial highway" means a highway primarily for through traffic, usually on a continuous route.

"Full control of access" means that the authority to control access is exercised to give preference to through traffic by providing access connections with selected public roads only and by prohibiting crossings at grade or direct private driveway connections.

"Partially controlled access" means that the authority to control access is exercised to give preference to through traffic to a degree that, in addition to access connections with selected public roads, there may be some crossings at grade and some private driveway connections.

"Through street or through highway" means every highway or portion thereof at the entrance to which vehicular traffic from intersecting highways is required by law to stop or yield before entering or crossing and where appropriate signs are erected as provided by law unless entry or crossing is made on the proper indication of traffic control.

"Uncontrolled access" means that the authority having jurisdiction over a highway, street, or road, does not limit the number of points of ingress or egress except through the exercise of control over the placement and the geometrics of connections as necessary for the safety of the traveling public.

ATTACHMENT A

NOTICE

Pursuant to 10 CFR § 205.33(a), this is to notify you that ------------------------- has applied to the Federal Energy Administration for an order assigning to it a base period volume of [more than] [less than] ------ gallons per month for a retail gasoline station it intends to operate at ------------------------------ This retail station will be owned by ----------------- and operated by ----------------------

You are invited to submit written comments to FEA in support of or in opposition to the application. If you oppose the application on the ground that approval of it would adversely affect your business, you should set forth in detail the following minimum information:

1. Your name and address.
2. The person or persons who have an ownership interest in the business which you allege would be adversely affected, and the extent of each such person's ownership interest.
3. The location of your business in relation to the retail station for which the application for assignment was made.
4. The person or company from whom you presently purchase gasoline, and whether your business operates under the trademark of your supplier.
5. The volume, in gallons, of gasoline sold by your business in each month from January 1, 1972 until the present.
6. Whether or not there is a demand for gasoline in the trading area in which your business is located which cannot be met by existing retail stations.
7. The adverse effect which you believe approval of the application would have on your business.
8. Detailed factual data and information which support your claim that approval of the application will have an adverse effect on your business. Such data and information should include, at a minimum, audited or unaudited balance sheets and profit and loss statements for a recent, representative time period.

FEA can consider alleged adverse effects on your business only if such allegations are supported by the best available data. Broad and unsubstantiated allegations of adverse impact will be disregarded.

FEA will consider your written comments along with those submitted by the applicant and other interested persons. If you submit written comments, you will be notified of FEA's decision. FEA may, at its discretion, hold a public hearing to consider the application, in which event you will be notified. A copy of that portion of FEA's procedural regulations applicable to these proceedings is enclosed for your information.

Your written comments should be hand delivered or received by mail not later than ------------ to the following address:

Unless you claim confidential treatment for your submission, a copy of your comments should be delivered to the applicant. If you want the FEA to treat as confidential the information which you submit to it, it will do so if you so request and if the information is of a type entitled to such confidential treatment under the Freedom of Information Act, 5 U.S.C. 552, as amended, 18 U.S.C. 1905, 10 CFR 205.9, or under other Federal statutes, regulations or rules. Trade secrets and certain commercial and financial information are entitled to confidential treatment if you so request. If you request confidential treatment, you should designate on the original version of your written comments the information which you wish to be kept confidential and *submit* to FEA and the applicant another version of the document with such confidential information deleted. Information which is not designated as confidential or is not entitled by law or regulation to confidential treatment will be disclosed to the applicant and perhaps to other interested persons.

Sincerely,

(Name and Title)

Enclosure.

[FR Doc.75-12273 Filed 5-6-75;1:07 pm]

Mr. METCALF. Mr. President, I have no objection to the amendment. I think it improves the bill. I congratulate the Senator for offering it.

I yield to the minority manager.

Mr. FANNIN. Mr. President, I concur with the manager of the bill. This is a constructive amendment. I think it does what, obviously, many have intended to have occur. This will be a matter for consideration and I commend the Senator for offering this amendment. I support the amendment.

Mr. BROCK. I thank the distinguished Senators.

Mr. METCALF. I yield back my time.

Mr. FANNIN. I yield back my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BROCK. Mr. President, may I have just 1 minute more?

I send to the desk my last amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

At the end of title III, add the following new section:

SEC. 3. With respect to any regulation, order, policy, or program carried out by the Federal Energy Administration having, or intended to have, the effect of equalizing prices required to be paid by refiners (and marketers of imported refined products) for so-called imported oil or refined products, old oil or new oil, including the so-called old oil entitlement program or comparable program, the Administrator of the Federal Energy Administration shall, on a monthly basis, report to the Congress concerning the administration thereof. Such report shall include information and other data concerning the regional impact of such regulation, order, policy or program, together with the results of a monthly audit of the major beneficiaries of such regulation, order, policy or program and the views of the Administrator as to the extent, if any, to which consumers are benefiting by the carrying out of such regulation, order, policy, or program.

Mr. **BROCK**. Mr. President, I shall attempt to interpret this amendment very quickly. It is simply to require the FEA to advise Congress, on a monthly basis, as to the intention and the effect of policy directions, guidelines, and regulations, which affect the cost of petroleum by region. I think it is important for us to know exactly what is happening on a regular basis, especially with regard to the entitlements program. Hopefully, the phased decontrol program will be adopted, in which case, we will have 39 or more months in which to watch this program. During that time, I want Congress to have the information on which to make a judgment. That is all the amendment requires. I hope that it will be accepted.

Mr. **METCALF**. Mr. President, I say to the Senator from Tennessee that he has made a contribution. Some of these areas about which he is talking were not discussed in committee and are not specifically germane to this specific bill. Nevertheless, I think they improve the bill and they improve our energy development. I congratulate the Senator for offering these constructive suggestions.

I certainly have no objection. I should like to have the amendment approved.

Mr. **BROCK**. The Senator is very kind. I appreciate his remarks and his support.

Mr. **FANNIN**. Mr. President, I concur with the manager of the bill. I think this will result in better communication between the FEA and Congress. The requirements are not restrictive. They are certainly not all-encompassing.

Normally, I do not like to have voluminous reports. I am sure that the Senator does not intend that to happen.

Mr. **BROCK**. I do not.

Mr. **FANNIN**. He wants us to have the facts and I think Congress is entitled to have factual information and to know if a step is taken or an administrative action is taken by the FEA that is in order, and that it will provide a benefit and not be detrimental to the consuming public.

Mr. **BROCK**. Mr. President, I appreciate the Senator's remarks. I say there is no agency official in Washington for whom I have greater affection and respect than Frank Zarb, but to work these programs out, we have to work together, and we cannot do that unless we have data on which to base our judgment. I appreciate the support of the Senators.

I yield back my time.

Mr. **METCALF**. I yield back my time, Mr. President.

Mr. **FANNIN**. I yield back my time.

The **PRESIDING OFFICER**. All time is yielded back. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. **JOHNSTON**. Mr. President, I have an amendment that I send to the desk and ask for its immediate consideration.

The **PRESIDING OFFICER**. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. **JOHNSTON**. I ask unanimous consent that further reading be dispensed with.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

The amendment is as follows:

On page 83, line 19, add a new sentence as follows:

"The first sentence of this subsection shall not apply to the determination by the Secretary whether the proposed development and production plan insures a safe operation."

Mr. **JOHNSTON**. This is a simple clarifying amendment. Section 30(d) of the bill provides that if a regional advisory board or a governor of a potentially affected coastal State makes specific recommendations to the Secretary regarding the size, timing, or location of a proposed lease sale or on a proposed development and production plan, the Secretary shall accept such recommendations unless he makes certain findings as provided for in the bill. All this amendment does is say that those recommendations need not be accepted if they have to do with the safety of the operation, the idea being and the intent of the committee being that the Secretary of the Interior is the judge of the safety of operations.

For example, if he requires a certain kind of storm choke, if the regulations so provide, then the lessee ought to have to live up to the requirements of the Secretary and not be required to do whatever a regional advisory board or the Governor of an affected coastal State says with respect to safety of operations.

Now, he shall be required to accept that advice on these other matters, such as the timing or the location of a proposed lease sale and, for example, the offshore impact on a proposed development production plan.

So the amendment is simply to clarify that intent of the committee.

Mr. **METCALF**. Mr. President, I have not seen the amendment that the Senator from Louisiana sent up. The Senator from Louisiana very well knows that he is talking my language about having specific agents of the Government have control rather than an advisory board.

May I have just a moment?

Mr. **JOHNSTON**. Certainly.

Mr. **METCALF**. I have the amendment that the Senator has submitted. I am in wholehearted and complete accord with it. I will certainly accept it and I hope the minority will do the same.

Mr. **JOHNSTON**. Mr. President, I yield back the remainder of my time.

The **PRESIDING OFFICER**. The question is on agreeing to the amendment of the Senator from Louisiana.

Mr. **FANNIN**. Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER**. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. **METCALF**. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **FANNIN**. Mr. President, I have no objection to the amendment and the manner in which the Secretary will handle the affairs, which seems to be beneficial, so I will not object to the amendment.

The **PRESIDING OFFICER**. The question is on agreeing to the amendment of the Senator from Louisiana.

The amendment was agreed to.

Several Senators addressed the Chair.

Mr. **BARTLETT**. Mr. President, I have an amendment at the desk.

The **PRESIDING OFFICER**. The clerk will report.

The legislative clerk read as follows:

The Senator from Oklahoma (Mr. BARTLETT) proposes an amendment, amend Sec. 202 as follows:

Beginning on page 70, line 16, strike all lines through page 74, line 22. Redesignate the remaining sections.

Mr. **BARTLETT**. Mr. President, I yield to the Senator from Alaska for a unanimous-consent request.

Mr. **STEVENS**. Mr. President, I ask unanimous consent that 2 members of the Commerce Committee staff, Steve Perles, and Gerry Kovach, and Dave Keto of my staff be granted the privileges of the floor during the consideration of this bill.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **BARTLETT**. The effect of the amendment just read is to delete all of section 24 which begins on page 70, and this is the coastal State fund.

Mr. President, I would like to point out that the coastal State fund provision provides up to $300 million per year to be granted to the coastal States impacted by anticipated or actual oil and gas production to assist them to ameliorate adverse environmental effects and control secondary social and economic impacts associated with the development of Federal energy resources in or on the Outer Continental Shelf adjacent to the submerged lands of such States.

The Coastal State fund created by S. 521 would implement an unconscionable bribery of coastal States not to resist OCS leasing programs on Federal lands adjacent to their coast at the expense of all U.S. taxpayers and particularly to the detriment of the citizens of inland States.

First, I would like to point out that the coastal State fund would divert revenues from the U.S. Treasury. Such a diversion of funds would be inflationary, inequitable, and constitute a poor budgetary practice. In addition, OCS receipts belong to all the people of the country who currently receive benefits through congressional appropriation from the Treasury. Diverting these revenues for coastal States only, without requirement for need, would give coastal States windfalls and would require increased taxation to makeup for diverted revenues, thus placing an unfair burden on inland States.

This fund violates the spirit of the recently passed Congressional Budget and Impoundment Control Act of 1974 by reducing the ability of the Executive and Congress to allocate funds to the highest needs. In order to balance the fiscal 1976 budget and control inflation Congress must decrease uncontrolled appropriations. This section does just the opposite.

A need for this fund has not been convincingly presented. In fact, there is considerable evidence that OCS activity on Federal lands is beneficial to the adjacent coastal States. For instance, Mr. Robert Kruegar, an OCS consultant to the Public Land Review Commission, said in testimony,

> It is very difficult to see what impact Outer Continental Shelf leasing does have on a coastal State. Some of the data we have indicated, for example in Louisiana, that the coastal State benefited economically from Outer Continental Shelf leasing.

The impacts upon adjacent coastal States, should any Federal assistance be needed, should be provided by existing programs for community development provided by Commerce, HEW, HUD, Agriculture, Labor and the EPA—not by establishing overlapping and conflicting programs.

If there was any need for any specific support other than these programs that the various agencies could provide, then that could be addressed after the fact, after there was a clear case showing need.

The Public Land Law Review Commission Report—1968—states:

> The legislative history of the Act, however, makes it clear that Congress considered that the Submerged Lands Act grant to States had satisfied adjacent State equities. With this the Commission agrees. (The coastal States get all the royalty and bonus bids for these State coastal areas granted.)

This is the area from the coast out to the 3-mile limit.

> It may be that States can prove a net burden. But proof should lie with the States and the local units of government having jurisdiction over the area.

Leaseholders, that is oil companies, already have liability obligations for pollution damage they might cause and they should bear the burden—not the taxpayers of States without Federal OCS production.

The Supreme Court has rendered its opinion that the States were not owners of any OCS lands. Congress, therefore, gave to the coastal States the Federal OCS lands to 3 miles out in an attempt to lay the matter of OCS lands to rest. The coastal States receive all the revenues from bonus bidding and royalties on these submerged lands to 3 miles out—a substantial concession.

Mr. METCALF. Mr. President, will the distinguished Senator yield?

Mr. BARTLETT. Yes; I yield to the distinguished Senator from Montana.

Mr. METCALF. If the distinguished Senator from Oklahoma will yield, I would like to propound a unanimous-consent request that from now on on this bill all amendments be germane except the amendment that was previously offered by the Senator from Wyoming and was deferred until the distinguished chairman of the committee would be here.

Mr. STEVENS. Mr. President, reserving the right to object, I would like to inquire whether the amendment offered by the distinguished Senator from South Carolina and Mr. JACKSON, Mr. MAGNUSON and myself, would be germane under that proposal?

Mr. METCALF. The Senator is not asking me, he is asking the parliamentarian?

Mr. STEVENS. I am inquiring. Perhaps it would be covered by the statement that that amendment, too, shall be considered germane in any event.

Mr. METCALF. May I add to my unanimous-consent request the amendment offered by the distinguished Senator from Alaska?

The PRESIDING OFFICER. That is amendment No. 728.

Mr. STEVENS. Yes.

Mr. METCALF. In addition to the amendment offered by the Senator from Wyoming be considered germane. But all other amendments be considered not germane.

Mr. KENNEDY. Reserving the right to object, and I shall not object, I have some amendments at the desk with which the staff has been familiar. I personally feel——

Mr. METCALF. I wanted to except it.

Mr. KENNEDY. I believe there is also an amendment by the Senator from Washington, Senator JACKSON, about the Federal role in exploration. I just want to make sure. Those are extremely important, and I believe they are germane. I would say, Mr. President, and I would say to the manager of the bill, I just want to make sure those are protected in any unanimous-consent agreement.

Mr. HANSEN. Mr. President, will the distinguished floor manager of the bill yield to me for an inquiry?

Mr. BARTLETT. Who has the floor, Mr. President?

The PRESIDING OFFICER. The Senator from Montana has the floor.

Mr. METCALF. The Senator from Oklahoma, I think, has the floor. He yielded to me for a unanimous-consent request.

The PRESIDING OFFICER. The Senator from Oklahoma has the floor.

Mr. METCALF. I yield to the Senator from Wyoming without the Senator from Oklahoma losing his right to the floor.

Mr. BARTLETT. I ask unanimous consent for the yeas and nays. I request the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HANSEN. Now, Mr. President, if the distinguished Senator from Oklahoma, without losing his right to the floor, having recognized the distinguished floor manager of the bill, who in turn would permit an observation from the Senator from Wyoming, will let me say this, I would presume that all amendments which have been filed on this bill would be considered germane and appropriate to it, am I right about that—then, without objection, I ask unanimous consent that all amendments which have been filed previously on the bill, including those which are presently being discussed, may be considered germane, and any other amendment than that, not in the opinion of the Chair germane, would not be in order.

Mr. METCALF. Well, I would like that, and I would certainly concur with my friend from Wyoming, but I would hope that as the bill develops, the amendments that have not been considered and have not been filed and might be germane or nongermane would have to have the test of germaneness.

So I will concur and amend my unanimous-consent request.

The PRESIDING OFFICER. Is there objection?

Mr. MANSFIELD. Mr. President, reserving the right to object, does this include germane amendments only?

Mr. METCALF. Or amendments that have already been filed, such as the amendment of the Senator from Alaska, the amendments of the Senator from Massachusetts, and other Senators who have already submitted amendments.

The PRESIDING OFFICER. Is there objection?

Mr. METCALF. I would like to complete this bill.

Mr. MANSFIELD. How many amendments are at the desk, Mr. President?

The PRESIDING OFFICER. Ten.

Mr. MANSFIELD. I withdraw my objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HANSEN. I thank my colleague.

Mr. METCALF. I thank my colleague.

Mr. JAVITS. Would the Senator yield for a unanimous-consent request?

Mr. METCALF. I yield.

Mr. BARTLETT. I yield to the Senator from New York.

Mr. JAVITS. Mr. President, I ask unanimous consent that Gary Klein be granted privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Oklahoma.

Mr. BARTLETT. Mr. President, I withhold the remainder of my time.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MANSFIELD. When does the hour on the cloture motion begin to run?

The PRESIDING OFFICER. At 4 p.m.

Mr. MANSFIELD. I thank the Chair.

Mr. STEVENS. Mr. President, will the Senator from Montana yield me time on this amendment?

Mr. METCALF. The Senator from Oklahoma has the floor. Will the Senator from Oklahoma yield to the Senator?

Mr. BARTLETT. I yield.

Mr. STENNIS. Mr. President, I thank the Senator and I will not take over 1 minute. If there is any question, I will withdraw this matter.

EXECUTIVE SESSION

Mr. STENNIS. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations.

There being no objection, the Senate proceeded to the consideration of executive business.

IN THE ARMED SERVICES

Mr. STENNIS. Mr. President, I speak for the Senator from New Hampshire (Mr. McINTYRE) who held hearings and reported these nominations here this morning.

Mr. President, I have many names here

for routine promotions from the military. The names have been out of committee for the required 7 days, no protest. This report is unanimous by the committee, it includes one Admiral Geiger, whose services are really needed in this official capacity. I move that his name, as well as the other routine nominations, be approved without objection; that they be called up and approved.

It is a routine matter that has been cleared with the minority.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed.

Mr. STENNIS. Mr. President, I ask unanimous consent that the President be notified of the confirmation of the nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. METCALF. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to, and the Senate resumed the consideration of legislative business.

OUTER CONTINENTAL SHELF MANAGEMENT ACT OF 1975

The Senate continued with the consideration of the bill (S. 521) to increase the supply of energy in the United States from the Outer Continental Shelf Lands Act; and for other purposes.

Mr. STEVENS. Will the Senator from Oklahoma yield?

Mr. BARTLETT. I yield.

Mr. STEVENS. I thank the Senator for the generosity because I am sure he knows I do not agree with his amendment.

Mr. President, I would like to call the attention of the Senate to the fact that amendment No. 728 that I previously mentioned has been filed by those Senators involved with the Coastal Zone Management bill when it came before the Senate, and at that time we entered into an agreement and understanding that if the amendment offered to that act was adopted concerning the manner of making funds available for onshore impacts of Outer Continental Shelf development was approved, we would offer the same amendment to this bill, S. 521.

That amendment has been filed by the Senator from South Carolina, who is here, for himself and the chairman of the Interior Committee, and the chairman of the Commerce Committee, and for myself.

I would call the attention of the Senator from Oklahoma to the fact that our amendment does cover the same problem, it does delete the sections he wants deleted, but it would substitute for those sections the provisions that are identical to the provisions that have been adopted in regard to the coastal zone management, with one exception, and that is that there is one mention here concerning the Secretary of Interior which was not involved in the Coastal Zone Management Act.

Other than that, the formula and principle of financing onshore impacts of Outer Continental Shelf development are the same and I am hopeful the Senate will once again confirm the agreement we made in regard to the Outer Continental Shelf in the act.

I thank the Senator for his generosity.

The PRESIDING OFFICER. Who yields time?

Mr. BUMPERS. Mr. President——

Mr. METCALF. It is not my time.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. What is the pending business?

The PRESIDING OFFICER. Time has to be yielded.

Who yields time?

Mr. FANNIN. How much time does the Senator want?

Mr. METCALF. Mr. President, do I have time on the amendment?

The PRESIDING OFFICER. The Senator from Montana has 29 minutes.

Mr. BUMPERS. Will the Senator yield?

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BUMPERS. Is there an amendment pending at this time?

The PRESIDING OFFICER. Yes, the Senator from Oklahoma has an unprinted amendment pending.

Mr. METCALF. Does the Senator from Arkansas desire time at this time or some later time? I will be delighted to yield to him now or later.

Mr. BUMPERS. Will the Senator yield 1 minute?

Mr. METCALF. I yield.

Mr. BUMPERS. On the amendment of the Senator from Oklahoma, I would probably oppose it because I feel very strongly about the right of States to receive money for any impact they might suffer as a result of offshore drilling. However, I think the point should be made this is really double-dipping. If I am not mistaken, this will be the second bill that this body has passed in the last 3 weeks which provides impact funds for the coastal zone States for any impact they might suffer as a result of offshore drilling. Most will recall the other day when the distinguished Senator from South Carolina (Mr. HOLLINGS) and I were engaged in a battle over the coastal zone management impact fund. I pointed out that this bill was coming up and it was on that basis that I fought to have the impact funds for other than offshore drilling deleted from that bill.

Mr. STEVENS. Will the Senator yield?

Mr. BUMPERS. I yield.

Mr. STEVENS. I want to convey to the Senator our feeling that we have tried to meet his objections. We are now going to offer to put into this bill the identical provisions that are in the Coastal Zone Management Act so that the first act that becomes law would contain those provisions. Obviously, in conference on the second bill to become law those would be dropped, because they would be redundant to existing law and would be subject to being dropped. We have tried to prevent exactly what the Senator is talking about. We are now urging the Senate to be consistent and put into this bill the same provision that was in the Coastal Zone Management Act with the understanding that obviously only one fund is going to be created. We are not trying to double-dip. We are just trying to make certain that the first act that becomes law, knowing that one or the other might not receive executive approval, or both, whatever happens, will have the same concept of financing for the onshore impacts in the coastal zone. We are sensitive to the Senator's concern and there will be only one fund created under this concept at this time. We are saving the concept of revenue-sharing for a later time.

Mr. BUMPERS. I appreciate the assurances of the Senator from Alaska, Mr. President. I do not know whether there is any discrepancy in the bill S. 586, that was passed the other day, so far as the amounts, and the amount that is included in this fund here, are concerned. In any event, the Coastal Zone Management Act in itself contained both planning funds and impact funds. Those impact funds were not limited to impacts from offshore drilling. In any event, I simply wanted to make that point. I champion the idea of supporting States, I champion the idea of revenue-sharing, but I do think there is a point beyond which a responsible Congress should not go.

Mr. FANNIN. Mr. President, I support the distinguished Senator from Oklahoma on his amendment. I feel that there are many benefits that do accrue to the coastal States. When we say they should be provided protection, I agree wholeheartedly. I have no objection to that. I think it is very essential. But I do feel that we do have provisions as far as the funds are concerned. There are certain provisions that have been given to the coastal States.

It was my pleasure to serve on the Public Land Law Review Commission and to hear testimony from Mr. Robert Kruger, an OCS consultant, to the Public Land Law Review Commission. I think this has been referred to before. I believe it is very important. It is very difficult to see what impact the Outer Continental Shelf leasing does have on the coastal States.

We have had many references to the tremendous costs involved. I realize that as far as the schools are concerned, as far as certain facilities are concerned, this is a cost involved. At the same time, there are people who are living there, who are working, who have salaries, who have income from it. They are there because of the opportunities that they are afforded.

So, Mr. President, when we start saying that they are deserving of special consideration, I agree. If there are damages, if there is something specific, then they should be covered. But when we just say that they have additional costs and then do not have specific reference to what would be covered, it is very difficult to evaluate the justification for this being done.

The Senator from Oklahoma has taken, I believe, a very forward approach in this, recognizing that there are afforded them, certain privileges afforded them, within the 3-mile limit. They certainly have a tremendous income, but this is something that is all taken into consideration. If we do look at the overall, I think it is a very equitable arrangement.

The PRESIDING OFFICER. Who yields time?

Mr. JOHNSTON. Will the Senator yield 10 minutes or 5 minutes?

Mr. METCALF. I am delighted to yield 10 minutes. I need time for a consultation.

Mr. JOHNSTON. Mr. President, I shall not be long on this amendment because the concept of coastal impact funds has been considered by this body ad infinitum—some would say ad nauseam—over the last several sessions. We enacted into law last year the principle of coastal zone impact funds after a very protracted debate that took place over 2 full legislative days. Under the consideration of coastal zone management this year we went into the debate at great length. Suffice it to say, Mr. President, that that principle has been firmly imbedded in the law, both in this Congress and in the last Congress. It has been heard at great length by the Committee on Interior and Insular Affairs both in this Congress and in the last Congress; by the Committee on Commerce in this Congress and in the last Congress. The Senate and the Congress have worked their will on that subject.

The record is overwhelming, Mr. President, that coastal States are impacted adversely by offshore drilling. In the case of Louisiana we submitted reports for the record prepared by the Gulf South Research Council which showed, on the basis of objective figures that no one can argue with, that in the year 1972, $38 million of adverse impacts occurred to the State of Louisiana, of net adverse impacts.

And so the evidence goes on and on, Mr. President, as to these adverse impacts.

The Senate has accepted it this year and last year. I submit that further debate on this matter is not necessary. I trust and am confident that the Senate will reject the amendment by the Senator from Oklahoma. I yield back the remainder of my time.

Mr. BUMPERS. Will the Senator yield about 30 seconds to me?

Mr. METCALF. I yield.

Mr. BUMPERS. I wanted to clarify a point. I have needled some of my friends from the coastal zone States until I am a little embarrassed. A moment ago I did say that the Coastal Zone Management Act of 1972 contained both funds for planning and impact. I want to correct that. I am in error on that. It only contained planning funds. So far as I know, that act did not contain any impact funds. I will say my colleagues have rectified that very well since that time. But that act did not contain such funds.

The PRESIDING OFFICER. Who yields time?

Mr. METCALF. I have no further requests for time.

Mr. President, as I understand it, now, if I may propound a parliamentary inquiry, a rollcall has been demanded on this amendment.

The PRESIDING OFFICER. The Senator is correct; the yeas and nays have been ordered on the Bartlett amendment.

Mr. METCALF. With the consent of the Senator from Oklahoma and the Senator from Arizona, I ask unanimous consent that the rollcall on this amendment be postponed until immediately after the rollcall on cloture at 5 o'clock.

The PRESIDING OFFICER. Is there objection?

Mr. BARTLETT. Mr. President, I have no objection. That will be all right with me. I would like to be recognized to offer an amendment which has been accepted by the manager of the bill at the conclusion of the unanimous-consent request.

Mr. MANSFIELD. Mr. President, reserving the right to object, I would hope these amendments would be offered now, and if possible voted on now, because it is my intention, and I am putting the Senate on notice, to endeavor to call up later today a bill (S. 1517), reported yesterday by the Committee on Foreign Relations, to authorize appropriations for the administration of foreign affairs; international organizations, conferences, and commissions; information and cultural exchange; and for other purposes; and to try to attach to a portion of that bill a Turkish aid amendment.

So I would not want to be held up too long, and if Senators want to hold back everything until after the vote on cloture, I would be prepared to call up that bill at this time. Otherwise, I think we ought to go ahead and have the vote now.

Mr. METCALF. Mr. President, may I say to my distinguished colleague the majority leader that the Senator from Montana is trying to get as many of the amendments through and as much passed as possible. If there is a rollcall immediately, then we will have to have some other amendments after the cloture vote. It was my hope that we would have a rollcall immediately after cloture on this amendment, because the yeas and nays have already been ordered. I was just about to ask——

Mr. BARTLETT. Mr. President, if my friend from Montana will yield, I might say I would be pleased to have included in the unanimous-consent request that it be a 10-minute rollcall following the cloture vote at 4 o'clock.

Mr. MANSFIELD. That would be fine. Then, to keep things rolling, I would like to make my move to see if what I have suggested can be done.

Mr. FANNIN. Mr. President, would the majority leader then have the intention of going back on this measure?

Mr. MANSFIELD. Yes.

The PRESIDING OFFICER. Is there objection?

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, may I inquire of the distinguished majority leader and the floor manager, if there are other rollcall votes called for between now and that hour, would the majority leader want all those rollcalls to take place and then bring up his matter?

Mr. MANSFIELD. Yes; I would like, as much as possible, to have them follow one another, 1, 2, 3, 4.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. Garn). There is a unanimous-consent request pending. Is there objection?

Mr. METCALF. Is the Senator from Oklahoma through with his amendment?

Mr. BARTLETT. I have another amendment, Mr. President.

Mr. METCALF. I understand. Does the Senator from Arkansas desire more time on the amendment of the Senator from Oklahoma?

Mr. BUMPERS. No, I was waiting to call up an amendment of my own.

The PRESIDING OFFICER. There is a unanimous-consent request outstanding. Is there objection?

Mr. METCALF. Mr. President, this amendment, as I understand it, will be postponed for a 10-minute rollcall vote immediately after the cloture vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 728 (AS MODIFIED)

Mr. HOLLINGS. Mr. President, I send to the desk an amendment on behalf of myself, the chairman of the Committee on Interior and Insular Affairs (Mr. Jackson), the chairman of the Committee on Commerce (Mr. Magnuson), the ranking member of our committee on the other side of the aisle (Mr. Stevens), and the distinguished Senator from Louisiana, who has worked so hard on this matter (Mr. Johnston).

The amendment just reiterates what we have already passed and it has been agreed to by both sides. I do not think it will require rollcall, unless someone else insists.

May we have it reported?

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from South Carolina (Mr. Hollings), for himself and others, proposes an amendment numbered 728, as modified.

Mr. HOLLINGS. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. Hollings' amendment is as follows:

> On page 70, delete section 24 in its entirety and renumber succeeding sections accordingly.
>
> On page 109, after line 13, insert the following:
>
> "Sec. 305. The Act of October 27, 1972 (Public Law 92–583) is further amended by inserting the following new section 308 and renumbering succeeding sections accordingly:
>
> "'COASTAL ENERGY FACILITY IMPACT PROGRAM
>
> "'Sec. 308. (a) The Secretary of Commerce is authorized to make a grant to a coastal State, if he determines that such State's coastal zone has been, or is likely to

be, impacted by the exploration for, or the development or production of, energy resources or by the location, construction, expansion, or operation of an energy facility. Such a grant shall be for the purpose of enabling such coastal State to study and plan for the economic, environmental, and social consequences which are likely to result in such coastal zone from exploration for and development or production of such energy resources or from the location, construction, expansion, or operation of such an energy facility. The amount of such a grant may equal up to 100 percent of the cost of such study and plan, to the extent of available funds.

"'(b) The Secretary of Commerce is authorized to make a loan and/or a grant to a coastal State, if he determines, pursuant to subsections (d) and (e) of this section, that such State's coastal zone has been or is likely to be adversely impacted by exploration for or by development or production of energy resources or by the location, construction, expansion, or operation of energy facilities if such adverse impact will result as a consequence of a license, lease, easement, or permit issued or granted by the Federal Government which permits—

"'(1) the exploration for, or the drilling, mining, removal, or extraction of, energy resources;

"'(2) the siting, location, construction, expansion, or operating of energy facilities by a lessee, licensee, or permittee; or

"'(3) the siting, location, construction, expansion, or operation of energy facilities by or for the United States Government.

The proceeds of such a loan or grant shall be used for—

"'(A) projects which are designed to reduce, ameliorate, or compensate for the net adverse impacts; and/or

"'(B) projects which are designed to provide new or additional public facilities and public services which are made necessary, directly or indirectly, by the location, construction, expansion, or operation of such an energy facility or energy resource exploration, development or production.

The amount of such a loan or grant may equal up to 100 percent of the cost of such a project, to the extent of available funds.

"'(c)(1) The Secretary of Commerce may make a grant to a coastal State for a purpose specified in subsection (b) of this section, if he determines that such State will suffer net adverse impacts in its coastal zone, as a result of exploration for, or development and production of, energy resources; as a result of the location, construction, expansion, or operation of an energy facility over the course of the projected or anticipated useful life of such energy facility; or as a result of exploration, development, or production activity.

"'(2) The Secretary of Commerce may make a loan to a coastal State for a purpose specified in subsection (b) of this section, if the Secretary determines that such State will experience temporary adverse impacts as a result of exploration for, or development or production of, energy resources or as a result of the location, construction, expansion, or operation of an energy facility if such facility or such energy resource exploration, development or production is expected to produce net benefits for such State over the course of its projected or anticipated useful life. No such loan, including any renewal or extension of a loan, shall be made for a period exceeding 40 years. The Secretary of Commerce shall from time to time establish the interest rate or rates at which loans shall be made under this subsection, but such rate shall not exceed an annual percentage rate of 7 percent. The borrower shall pay such fees and other charges as the Secretary of Commerce may require. The Secretary of Commerce may waive repayment of all or any part of a loan made under this subsection, including interest, if the State involved demonstrates, to the satisfaction of the Secretary of Commerce, that due to a change in circumstances there are anticipated or resultant net adverse impacts over the life of an energy facility or energy resource exploration, development or production which would qualify the State for a grant pursuant to paragraph (1) of this subsection.

"'(d) The Secretary of Commerce shall, by regulations promulgated in accordance with section 553 of title 5, United States Code, establish requirements for grant and loan eligibility pursuant to this section. Such requirements shall include criteria, which may include a formula, for calculating the amount of a grant or loan based upon the difference, to the State involved between the benefits and the costs which are attributable to the exploration for or development and production of energy resources or to the location, construction, expansion, or operation of an energy facility. Such criteria shall ensure that grants and loans under this section relating to impacts resulting from the exploration, development and production, and related energy facilities, shall receive first priority among competing applications. Such regulations shall provide that a State is eligible for a grant or loan upon a finding by the Secretary of Commerce that such State—

"'(1) is receiving a program development grant under section 305 of the Coastal Zone Management Act of 1972 or is engaged in such program development in a manner consistent with the goals and objectives of this Act, as determined by the Secretary of Commerce, and is making satisfactory progress, as determined by the Secretary of Commerce, toward the development of a coastal zone management program, or that it has an approved such program pursuant to section 306 of the Coastal Zone Management Act;

"'(2) has demonstrated to the satisfaction of the Secretary of Commerce that it has suffered, or is likely to suffer, net adverse impacts, according to the criteria or formula promulgated by the Secretary of Commerce, and has provided all information required by the Secretary of Commerce to calculate the amount of the grant or loan; and

"'(3) has demonstrated to the satisfaction of the Secretary of Commerce and has provided adequate assurances that the proceeds of such grant or loan will be used in a manner that will be consistent with the coastal zone management program being developed by it, or with its approved program, pursuant to section 305 or 306 of the Coastal Zone Management Act, respectively.

"'(e) Within 180 days after approval of this Act, the Secretary of Commerce shall issue regulations prescribing criteria in accordance with this Act for determining the eligibility of a coastal State for grants pursuant to subsections (a), (b), and (c)(1) of this section, and regulations for determining the amount of such grant or loan, in accordance with the following provisions:

"'(1) The regulations shall specify the means and criteria by which the Secretary of Commerce shall determine whether a State's coastal zone has been, or is likely to be, adversely impacted, as defined in this section, and the means and criteria by which "net adverse impact" and "temporary adverse impacts" will be determined.

"'(2) Regulations for grants pursuant to subsection (a) of this section for studying and planning shall include appropriate criteria for the activities for which funds will be provided under such subsection, including a general range of activities for which a coastal State may request funds.

"'(3) Regulations for grants and/or loans for projects pursuant to subsections (b) and (c) of this section shall specify criteria for determining—

"'(A) the amounts which will be provided for such projects; and

"'(B) guidelines and procedures for evaluating those projects which each coastal State considers to be most needed.

"'(4) Regulations for loans shall provide for such security as the Secretary of Commerce deems necessary, if any, to protect the interests of the United States and for such terms and conditions as give assurance that such loans will be repaid within the time fixed.

"'(5) In all cases, each recipient of financial assistance under this section shall keep such records as the Secretary of Commerce shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance was given or used, and such other records as will facilitate an effective audit. The Secretary of Commerce and the Comptroller General of the United States, or any of their duly authorized representatives, shall until the expiration of 3 years after the completion of the project or undertaking involved (or repayment of a loan, in such cases) have access for the purpose of audit and examination to any books, documents, papers, and records of such recipients which, in the opinion of the Secretary of Commerce or the Comptroller General may be related or pertinent to any financial assistance received pursuant to this section.

"'(6) In developing regulations under this section, the Secretary of Commerce shall consult with the appropriate Federal agencies, with representatives of appropriate State and local governments, commercial and industrial organizations, public and private groups, and any other appropriate organizations with knowledge or concerns regarding net adverse impacts that may be associated with the energy facilities affecting the coastal zone.

"'(f) A coastal State may, for the purpose of carrying out the provisions of this section and with the approval of the Secretary of Commerce, allocate all or a portion of any grant or loan received under this section to (1) a local government; (2) an areawide agency designated under section 204 of the Demonstration Cities and Metropolitan Development Act of 1966; (3) a regional agency; or (4) an interstate agency.

"'(g) A coastal State which has experienced net adverse impacts in its coastal zone as a result of the development or production of energy resources or as a result of the location, construction, expansion, or operation of energy facilities prior to the date of enactment of this section is entitled to receive from the Secretary of Commerce grants or loans pursuant to subsections (a) and (b) of this section to the same extent as if such net adverse impacts were experienced after the date of enactment, and to the extent necessary to reduce or ameliorate or compensate for such net adverse impacts, within the limit of available funds. This subsection shall expire five years from the date of enactment of this section.

"'(h) All funds allocated to the Secretary of Commerce for the purposes of this section, except those funds allocated to subsection (k), shall be deposited in a fund which shall be known as the Coastal Energy Facility Impact Fund. This fund shall be administered and used by the Secretary of Commerce as a revolving fund for carrying out such purposes. General expenses of administering this section may be charged to this fund. Moneys in this fund may be deposited in interest-bearing accounts or invested in bonds or other obligations which are guaranteed as to principal and interest by the United States.

"'(i) In calculating the amount of a grant or loan, the Secretary of Commerce shall give adequate consideration to the recommendations of a Coastal Impacts Review Board. Such Board shall consist of two members designated by the Secretary of Commerce, one member designated by the Secretary of the Interior, and four members appointed by the President as designated by the National Governors' Conference. Such Board shall recommend the award of grants or loans upon a determination of net adverse impacts and following the procedures and criteria set forth in this section.

“‘(j) Nothing in this section shall be construed to modify or abrogate the consistency requirements of section 307 of the Coastal Zone Management Act.

“(k) The Secretary of Commerce shall, in addition to any financial assistance provided to, or available to, coastal states pursuant to any other subsection of this section, distribute grants annually in accordance with the provisions of this subsection. The moneys received under this subsection shall be expended by each State receiving such grants solely for the purpose of reducing or ameliorating adverse impacts resulting from the exploration for, or the development or production of, energy resources or resulting from the location, construction, expansion, or operation of a related energy facility and/or for projects designed to provide new or additional public facilities and public services which are related to such exploration, development, production, location, construction, expansion, or operation, except that such grants shall initially be designated by each receiving State to retire State and local bonds, if any, which are guaranteed under subsection (m) of this section; *Provided*, That, if the amount of such grants is insufficient to retire both State and local bonds, priority shall be given to retiring local bonds. Subject to the foregoing expenditure requirements, each coastal State shall be entitled to receive a grant under this subsection if such State is, on the first day of the fiscal year—

“(1) adjacent to Outer Continental Shelf lands on which oil or natural gas is being produced; or

“(2) permitting crude oil or natural gas to be landed in its coastal zone: *Provided*, That such crude oil or natural gas has been produced on adjacent Outer Continental Shelf lands of such State or on Outer Continental Shelf lands which are adjacent to another State and transported directly to such State. In the event that a State is landing oil or natural gas produced adjacent to another State, the landing State shall be eligible for grants under this subsection at a rate half as great as that to which it would be eligible in any given year if the oil were produced adjacent to the landing State. In the event that a State is adjacent to Outer Continental Shelf lands where oil or natural gas is produced, but such oil or natural gas is landed in another State, the adjacent State shall be eligible for grants under this subsection at a rate half as great as that to which it would be eligible in any given year if the oil or natural gas produced adjacent to that State were also landed in that State.

Such States shall become eligible to receive such automatic grants in the first year that the amount of such oil or natural gas landed in the State or produced on Outer Continental Shelf lands adjacent to the State (as determined by the Secretary) exceeds a volume of 100,000 barrels per day of oil or an equivalent volume of natural gas. There shall be allocated for this purpose from the revenues derived from Outer Continental Shelf leases sufficient funds to provide such States with grants in the amount of 20 cents per barrel or its equivalent during the first year, 15 cents per barrel or its equivalent during the second year, 10 cents per barrel, or its equivalent during the third year, and 8 cents per barrel or its equivalent during the fourth and all succeeding years during which oil or gas is landed in such a State or produced on Outer Continental Shelf lands adjacent to such a state: *Provided*, That (A) such funds shall not exceed $100,000,000 for the fiscal year ending June 30, 1976; $25,000,000 for the fiscal quarter ending September 30, 1976; $100,000,000 for the fiscal year ending September 30, 1977; and $100,000,000 for the fiscal year ending September 30, 1978; and (B) such funds shall be limited to payments for the first one and one-half million barrels of oil (or its gas equivalent) per day per State for the 10 succeeding fiscal years. The amount of such grants to each such State in any given year shall be calculated on the basis of the previous year's volume of oil or natural gas landed in the State or produced adjacent to the State. For the purposes of this section, one barrel of crude oil equals 6,000 cubic feet of natural gas.

“‘(l) There shall be allocated to the Coastal Energy Facility Impact Fund such revenues derived from Outer Continental Shelf leases not to exceed $200,000,000 for the fiscal year ending June 30, 1976, not to exceed $50,000,000 for the transitional fiscal quarter ending September 30, 1976, not to exceed $200,000,000 for the fiscal year ending September 30, 1977, and not to exceed $200,000,000 for the fiscal year ending September 30, 1978, as may be necessary, for grants and/or loans under this section, to remain available until expended. No more than 25 percent of the total amount appropriated to such fund for a particular fiscal year, not to exceed $50,000,000 per year, shall be used for the purposes set forth in subsection (a) of this section.

“‘(m) The Secretary of Commerce is authorized, subject to such terms and conditions as the Secretary prescribes, to make commitments to guarantee and to guarantee against loss of principal or interest the holders of bonds or other evidences of indebtedness issued by a State or local government to reduce, ameliorate, or compensate the adverse impacts in the coastal zone resulting from or likely to result from the exploration for, or the development of production of, energy resources of the Outer Continental Shelf.

“‘(n) The Secretary of Commerce shall prescribe and collect a guarantee fee in connection with guarantees made pursuant to this section. Such fees shall not exceed such amounts as the Secretary of Commerce estimates to be necessary to cover the administrative costs of carrying out the provisions of this section. Sums realized from such fees shall be deposited in the Treasury as miscellaneous receipts.

“‘(o)(1) Payments required to be made as a result of any guarantee pursuant to this section shall be made by the Secretary of the Treasury from funds hereby authorized to be allocated from the revenues derived from Outer Continental Shelf leases in such amounts as may be necessary for such purpose.

“‘(2) If there is a default by a State or local government in any payment of principal or interest due under a bond or other evidence of indebtedness guaranteed by the Secretary of Commerce pursuant to this section, any holder of such bond or other evidence of indebtedness may demand payment by the Secretary of Commerce of unpaid interest on and the unpaid principal of such obligation as they become due. The Secretary of the Treasury, upon investigation by the Secretary of Commerce, shall pay such amounts to such holders, unless the Secretary of Commerce finds that there was no default by the State or local government involved or that such default has been remedied. If the Secretary of Commerce makes a payment under this paragraph, the United States shall have a right of reimbursement against the State or local government involved for the amount of such payment plus interest at prevailing rates. Such right of reimbursement may be satisfied by the Secretary of Commerce by treating such amount as an offset against any revenues due or to become due to such State or local government under section 308(k) of this Act, and the Attorney General, upon the request of the Secretary of Commerce, shall take such action as is, in the Secretary's discretion, necessary to protect the interests of the United States, including the recovery of previously paid funds that were not applied as provided in this Act. However, if the funds accrued by or due to the State in automatic grants under section 308(k) of this Act are insufficient to reimburse the Federal Government in full for funds paid under this section to retire either the principal or interest on the defaulted bonds, the Secretary of Commerce's right of reimbursement shall be limited to the amount of such automatic grants accrued or due. Funds accrued in automatic grants under section 308(k) of this Act subsequent to default shall be applied by the Secretary of Commerce toward the reimbursement of the obligations assumed by the Federal Government.’”.

Mr. HOLLINGS. Mr. President, with Senator JOHNSTON, Senator STEVENSON, Senator JACKSON, and the others on the floor, this is the amendment that was hammered out after the enactment of S. 586. It could well be that this amendment could be passed and S. 586 held up, or vice versa; but, to have a uniformity of treatment as to handling impacted funds, this is practically word for word, with technical amendments agreed to on both sides, I think, what we have already passed by a vote of about 75 to 12.

I submit the amendment.

Mr. METCALF. Mr. President, I wonder if the Senator from South Carolina will yield to me for a moment so that I may yield to the distinguished Senator from Nebraska on my time, for a conference report.

Mr. HOLLINGS. I yield.

Mr. HRUSKA. Mr. President, the conference report will be submitted by the chairman of the Subcommittee on Criminal Laws and Procedures, the Senator from Arkansas (Mr. McCLELLAN).

FEDERAL RULES OF CRIMINAL PROCEDURE AMENDMENTS ACT OF

Mr. McCLELLAN. Mr. President, I submit a report of the committee of conference on H.R. 6799, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. GARN). The report will be stated by title.

The assistant legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6799) to approve certain of the proposed amendments to the Federal Rules of Criminal Procedure, to amend certain of them, and to make certain additional amendments to those Rules, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of July 28, 1975, at p. 25265.)

Mr. McCLELLAN. Mr. President, approval by the Senate of the conference report on H.R. 6799 will send to the President a measure that, in my judgement, considerably improves the Rules of Criminal Procedure proposed to the Congress by the Supreme Court on April 22, 1974. It also marks the first time that Congress has taken affirmative action concerning criminal rules submitted to it. The conferees recognized that strongly held opposing views were involved in a number of issues. In a spirit of compromise, I believe, these issues have been resolved by the conferees in such a way as to strengthen our criminal justice system.

Mr. President, one of those issues involves pretrial disclosure of witness lists. The conferees adopted the Senate version which deleted provisions for discovery of witness lists (rules 16(a)(1)(E) and (b)(1)(C). As stated in the joint explanation statement of the committee of conference:

> A majority of the Conferees believe it is not in the interest of the effective administration of criminal justice to require that the government or defendant be forced to reveal the names and addresses of its witnesses before trial. Discouragement of witnesses and improper contacts directed at influencing their testimony, were deemed paramount concerns in the formulation of this policy.

Although it should be obvious, I want to emphasize that the policy choice was directly presented and positively resolved in favor of affording all possible protection and encouragement to witnesses in Federal criminal cases. This includes the ability of the prosecutor to assure a reluctant or fearful witness that his identity will not be divulged to the defendant prior to appearance at trial. Although there may be unusual cases involving fundamental fairness, the congressional decision on this issue should be taken as clear disapproval of the exercise of so-called inherent power by the courts to fashion local rules or individual orders calling for discovery of witnesses, see, for example, *United States* v. *Jackson,* 508 F. 2d 1001, 1006 (7th Cir. 1975) and cases cited therein, except insofar as such discovery may be required to effectuate a party's right to constitutional due process of law.

Mr. President, I might also comment on a compromise in proposed rule 12.2 (c). The conferees deemed it wise, in dealing with use of statements made by a defendant in the course of a psychiatric examination ordered by the court pursuant to that rule, to adopt language identical to 18 U.S.C. 4244, which reads in pertinent part:

> . . . No statement made by the accused in the course of any examination into his sanity or mental competency . . . , whether the examination shall be with or without the consent of the accused, shall be admitted in evidence against the accused on the issue of guilt in any criminal proceeding.

This amendment substantially enacts into the rule existing case law concerning the admissibility at trial of a defendant's inculpatory statements made during the course of a mental competency or sanity examination. Thus, while it is clearly not the intent of the rule to require a bifurcated trial in every case in which an accused's inculpatory statement bearing on the issue of his mental responsibility is introduced at trial, the trial court may, within the "broad discretion" accorded it on this issue, consider the possible admissibility of such a statement in deciding whether or not to order a bifurcated trial where the accused presents substantial defenses both on the merits and the issue of responsibility, and the admission of his statement would substantially prejudice his defense on the merits. See *Harried* v. *United States,* 389 F.2d 281, 284 (D.C. Cir. 1967, opinion by Burger, J.) and *Higgins* v. *United States,* 401 F.2d 396 (D.C. Cir. 1968, opinion by Burger, J.).

Mr. President, I urge adoption of the conference report.

Mr. HRUSKA. Mr. President, I rise in support of the conference report on H.R. 6799, the Federal Rules of Criminal Procedure Amendments Act of 1975, and urge its adoption.

The conference report represents a reasoned and balanced accommodation of the competing interests that necessarily come to clash in any reform of this nature: the interest in convicting the guilty and depriving them of the means to forestall justice; while at the same time providing the innocent with the wherewithal to effectively demonstrate their innocence. The Rules Amendment Act that has emerged from conference is, like the Federal Rules of Evidence, a great step forward in the continuing process of improvement of the quality of justice in Federal courts.

The basic amendments were transmitted to Congress by the Supreme Court on April 22, 1974, and embodied much hard work on the part of a distinguished advisory committee appointed under the auspices of the Chief Justice of the Supreme Court and the Judicial Conference of the United States, and on the part of the standing committee to whom the advisory committee reported. Both Houses of Congress then examined the amendments in detail, receiving additional comments from varied segments of the bench and bar. In some instances the two Houses, in the process of their respective deliberations, reached conclusions differing from each other and from the Supreme Court's amendments.

Finally, this month, the conference committee considered the matter, and reached accommodation between the House and the Senate versions.

In short, there was a partnership of effort that assured careful examination and reexamination at each stage, inspiring confidence that few important stones have been left unturned and that the resultant set of amendments are among the very best that could be devised.

Of the nine issues in controversy at the conference, three were resolved by the conference committee by adopting the Senate version. These were rule 15 (g), the definition of availability; rule 16 (a)(1)(E) and (b)(1)(C), pertaining to witness lists; and rule 16 (a)(2) and (b)(2), defining work product. Another three were resolved in accord with the House formulation. These were rule 4 (e)(3), relating to the manner of serving summonses; rule 11(c), relating to information to be furnished the defendant by the judge concerning a guilty plea; and rule 16, dealing with reciprocal versus independent discovery for the Government. The remaining three issues were resolved with provisions that did not precisely mirror either the House or the Senate version; rule 11(e)(6), concerning certain pleas and statements, in which essentially the House position was accepted but with a narrowing along the lines of the Senate version; rule 12.2(c), concerning statements made during a court-ordered psychiatric examination, in which an earlier version of the House provision, standing roughly midway between the House and the Senate versions, was adopted; and rule 16(a)(1)(A), concerning discovery of former employees' grand jury testimony by a corporate defendant, on which a position between those of the House and the Senate versions was adopted.

Mr. President, I would like to conclude with a few words about timing. When Congress temporarily suspended the Supreme Court's version of the amendments to the Rules of Criminal Procedure in order to examine them more closely, Congress suspended their original effective date for 1 year until August 1, 1975. The intendment of the present legislation is to continue present law—that is, the existing Rules of Criminal Procedure, without the Supreme Court's amendments and without the congressional amendments—until December 1, 1975, and to avoid the Supreme Court's amendments taking effect for any period of time before then. On December 1, 1975, the present legislation is intended to come into effect. It provides for the Supreme Court amendments, as themselves amended by Congress, to take effect on that date.

Rule 11(e)(6) is an exception. As set forth in the legislation before us, it is to take effect on August 1, 1975. In other words, the present rules will govern until December 1, 1975, at which time the provisions of the legislation presently under consideration will take effect—except that rule 11(e)(6) in that legislation is by the terms of the legislation to take effect August 1, 1975.

The reason for the special date for rule 11(e)(6), relating to certain pleas and statements, is that it is intended that rule 410 of the Federal Rules of Evidence, dealing with the same matter, shall never come into effect. At the time Congress enacted rule 410, it will be remembered, it was expressly made subject to being overruled by final congressional action on the then-pending criminal procedure rule 11(e)(6). A date of August 1, 1975, was prescribed within rule 410 as rule 410's effective date, a date 1 month later than the effective date of the other Rules of Evidence. It was contemplated that by August 1, 1975, Congress would have acted finally on rule 11(e)(6), which rule 410 expressly provided would supplant rule 410.

In closing, let me again express my support for the pending legislation and urge its immediate enactment.

The PRESIDING OFFICER. Without objection, the conference report is agreed to.

Mr. McCLELLAN. Mr. President, I have just learned that the Senator from South Dakota (Mr. ABOUREZK) wanted to be on the floor when this matter was taken up. This is the conference report on H.R. 6799.

The PRESIDING OFFICER. The conference report has been agreed to, and we are back on the pending amendment. Who yields time?

Mr. METCALF. Are we back on the pending business?

Mr. McCLELLAN. Mr. President, just a moment.

Mr. METCALF. I yield the Senator from Arkansas such time as he may require.

Mr. McCLELLAN. Mr. President, I understand that the Senator from South Dakota (Mr. ABOUREZK) wishes to have a brief conference with me about this report. I did not know it until just now. I am willing for the report to be set aside for 5 minutes, until we may have a conference.

The PRESIDING OFFICER. That requires unanimous consent. The conference report has been agreed to.

Mr. METCALF. Very well, I agree to yield to the Senator from Arkansas and the Senator from South Dakota any time that they desire.

I now yield to my distinguished chairman such time as he may require.

Mr. JACKSON. Mr. President, I should like to respond very briefly——

The PRESIDING OFFICER. If the Senator will withhold for a moment, so Senators can understand, the conference report has been agreed to. If he wants more time, he will have to ask unanimous consent to vitiate that action.

Mr. ABOUREZK. Mr. President, did the Chair say it has been agreed to?

Mr. McCLELLAN. I just brought it up. I have not said a word on it.

Mr. METCALF. Mr. President, I do not wish to vitiate things, but I want to reconsider, and I hope we will go back and reconsider the conference report, so that the Senator from South Dakota may have an opportunity to be heard.

The PRESIDING OFFICER. Does the Senator wish to ask for a unanimous-consent agreement to that effect?

Mr. ABOUREZK. I ask for that.

The PRESIDING OFFICER. Is there objection?

Mr. McCLELLAN. A parliamentary inquiry.

Mr. GRIFFIN. Mr. President, the request is not that it be vitiated but that there be reconsideration.

Mr. ABOUREZK. Mr. President, I ask unanimous consent that the adoption of the conference report be vitiated because I had asked for a hold to be put on it and that I be notified, and I was notified too late through inadvertence.

The PRESIDING OFFICER. Is there objection?

Mr. GRIFFIN. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. ALLEN. Move to reconsider, then.

Mr. McCLELLAN. The Senator had not said a word to me about it.

Mr. METCALF. Mr. President, may we go back into regular order and let these people negotiate?

The PRESIDING OFFICER. We are back in regular order.

Mr. McCLELLAN. I object to any further consideration at this time.

OUTER CONTINENTAL SHELF MANAGEMENT ACT OF 1975

The Senate continued with the consideration of the bill (S. 521) to increase the supply of energy in the United States from the Outer Continental Shelf Lands Act; and for other purposes.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana has the floor.

Mr. METCALF. Mr. President, I will yield time to the Senator after a while.

Mr. President, I hope that my distinguished chairman can follow me.

Mr. JACKSON. I think we can work out an accommodation here.

Let me simply say, in response to the amendment offered by the Senator from South Carolina, that he has stated the situation correctly. What we have done is to add a conforming amendment so that the Coastal Zone Management Act conforms basically, and vice versa, with the Outer Continental Shelf legislation. I support the amendment and hope that it will be adopted.

This deals, of course, with the formula, without going into all the details on the impacted aid to the States that are affected by OCS development.

Mr. JOHNSTON. Mr. President, will the Senator yield to me one minute?

Mr. HOLLINGS. I yield to the distinguished Senator from Louisiana.

Mr. JOHNSTON. Mr. President, I also reinforce and echo what has been said by the Senator from South Carolina and the Senator from Washington.

This amendment represents concerted work of the Committees on Commerce and Interior and Insular Affairs, both working in parallel, both trying to take care of the impact of the Outer Continental Shelf and the management of the coastal zone, the same concept which we incorporated in the coastal zone management bill by compromise previously.

I congratulate the Senator from South Carolina, as well as our committee chairman, for the concerted work on this matter.

Mr. HOLLINGS. Mr. President, I am prepared to yield back the remainder of my time unless there is a question.

Mr. BARTLETT. Mr. President, will the Senator from South Carolina yield?

Mr. HOLLINGS. Yes.

Does the Senator have a question?

Mr. BARTLETT. Yes.

Mr. HOLLINGS. Go ahead.

Mr. BARTLETT. I have a question of the Senator from South Carolina.

Mr. HOLLINGS. Yes.

Mr. BARTLETT. His amendment pertains to section 24. Is that not correct?

Mr. HOLLINGS. That is correct.

Mr. BARTLETT. The amendment that I proposed a few moments ago, that we laid over until after the cloture vote at 4 p.m., also pertains to section 24, and it should come up prior to the vote on the amendment of the Senator from South Carolina, I believe.

Mr. HOLLINGS. I could have offered it as a substitute to the amendment of the Senator from Oklahoma, my distinguished colleague, but there was no attempt to get involved in his amendment. We felt it best we withhold it until we have a vote on the amendment of the Senator from Oklahoma.

Mr. BARTLETT. I think this would be the proper way to proceed. Then if we could have a vote on this immediately after the vote on my amendment I would appreciate it.

Mr. HOLLINGS. That would be perfectly agreeable with us and I am sure agreeable with the Senator from Louisiana and the Senator from Washington. We are trying to expedite to save time.

Mr. BARTLETT. I agree with the Senator from South Carolina.

Mr. HOLLINGS. So we will withhold. I ask the manager of the bill that we withhold the vote until the vote on the amendment of the Senator from Oklahoma.

The PRESIDING OFFICER. Is there objection to setting aside the amendment?

Mr. METCALF. I say to the Senator from South Carolina that I am in complete accord with the distinguished chairman of the committee, and I want to do whatever he wants to do.

Mr. HOLLINGS. We are not trying to preempt the Senator from Oklahoma. We want to get a voice vote on the amendment to save time now.

Mr. METCALF. The yeas and nays were ordered on the previous amendment of the Senator from Oklahoma.

Mr. BARTLETT. Mr. President, it would seem to me that if the vote on the amendment of the Senator from South Carolina could occur immediately after the vote on my amendment, then they would be in proper order, and this is what the Senator from South Carolina wants.

Mr. HOLLINGS. That is satisfactory to me.

Mr. METCALF. It is satisfactory to the Senator from Montana.

I ask unanimous consent that that be done.

The PRESIDING OFFICER. Does the Senator ask for the yeas and nays on his amendment?

Mr. HOLLINGS. No. I made no request. It was my intent to try to cooperate with the leadership and manager of the bill. We could agree to a voice vote. The Senate has by rollcall acted on the exact language.

Mr. METCALF. Mr. President, without objection, I ask unanimous consent that immediately after the yeas and nays have been ordered on the amendment of the Senator from Oklahoma, we vote on a voice vote on the amendment of the Senator from South Carolina.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BARTLETT. Mr. President, I call up my amendment which is at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Oklahoma (Mr. BARTLETT) proposes an amendment.

The amendment is as follows:

On page 52, beginning on line 6, following "(3)", strike the remainder of line 6 through line 10 and insert in lieu thereof the following: "timing and location of leasing so that areas with the greatest potential for the discovery of oil and gas are leased first, taking into consideration, to the maximum extent practicable, the potential for environmental damage and adverse impact on the coastal zone, consistent with the Secretary's determination of national needs."

Mr. BARTLETT. Mr. President, I yield to the Senator from New Mexico for a unanimous-consent request.

Mr. DOMENICI. Mr. President, I ask unanimous consent that Darla West, of my staff, be granted the privilege of the floor during the remainder of the debate on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. I thank the Senator from Oklahoma.

Mr. BARTLETT. Mr. President, this is a very simple amendment.

The bill on page 50 provides:

> The leasing program shall indicate as precisely as possible the size, timing, and location of leasing activity that will best meet national energy needs for the 5-year period following its approval or reapproval in a manner consistent with the following principles:

This changes the principle of section 3 so that it reads:

> timing and location of hearing so that areas with the greatest potential for the discovery of oil and gas are leased first, taking into consideration, to the maximum extent practicable, the potential for environmental damage and adverse impact on the coastal zone, consistent with the Secretary's determination of national needs.

I withhold the remainder of my time. I understand this is acceptable.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. BARTLETT. Yes, I yield.

Mr. JACKSON. The amendment, I believe, is helpful and we have no objection to it. In fact, I am very pleased to support it.

I am ready to yield back the remainder of my time.

Mr. FANNIN. Mr. President, the Senator from Oklahoma is to be commended for this amendment. I think it will be helpful. It is a very appropriate amendment, and I certainly support it.

Mr. BARTLETT. Mr. President, I yield back the remainder of my time.

Mr. JACKSON. I yield back our time.

The question is on agreeing to the amendment.

The PRESIDING OFFICER. All time is yielded back.

The amendment was agreed to.

Mr. ROTH. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. ROTH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 96, beginning with "(6)" in line 3, strike out all through line 7, on page 97, and insert in lieu threof the following: (6) contain a provision that the Secretary shall, under conditions defined in applicable regulations prescribed by the Secretary, have the right to require increased production under such lease for purposes of dealing with emergency shortages of oil or gas or other national emergencies; and (7) contain such rental provisions and such other terms and provisions as the Secretary may prescribe at the time of offering the area for lease.

"FEDERAL ROYALTY OIL AND GAS

"Sec. 204. Section 8 of the Outer Continental Shelf Lands Act, as amended by this Act, is further amended by adding a new subsection (k) to read as follows:

"(k)(1) All royalties accruing to the United States under any oil or gas lease or permit under this Act on demand of the Secretary shall be paid in oil or gas.

"(2) Disposition of Federal Royalty Oil.—Upon commencement of production of oil from any lease, issued after the effective date of this subsection, the Secretary shall offer to the public and sell by competitive bidding for not less than its fair market value, in such amounts and for such terms as he determines, that proportion of the oil produced from said lease which is due to the United States as royalty or net profit share oil. The Secretary shall limit participation in such sales where he finds such limitation necessary to assure adequate supplies of oil at equitable prices to independent refiners. In the event that the Secretary limits participation in such sales, he shall sell such oil at an equitable price. The lessee shall take any such royalty oil for which no acceptable bids are received and shall pay to the United States a cash royalty equal to its fair market value, but in no event shall such royalty be less than the fair market value. In the event that net profit share oil produced under an undivided working interest cash bonus bid system pursuant to subparagraphs (G) and (H), paragraph (2) of subsection (a) of section 8 of this Act, as amended, is sold back to the lessees, each party to the joint working group shall be eligible to purchase a pro rata share according to its per centum working interest.

"(3) Disposition of Federal Royalty Gas.—Upon commencement of production of gas from any lease issued after the effective date of this subsection, the Secretary shall, except as provided in this paragraph, offer to the public and sell by competitive bidding for not less than its fair market value, in such amounts and for such terms as he determines, that proportion of the gas produced from said lease which is due the United States as royalty gas. Whenever, after consultation with and advice from the Administrator of the Federal Energy Administration, and the Chairman of the Federal Power Commission, the Secretary determines that an emergency shortage of natural gas is threatening to cause severe economic or social dislocation in any region of the United States and that such region can be serviced in a practical, feasible and efficient manner by royalty gas of the Federal government, the Secretary shall limit participation of competitors for the sale of any such royalty gas to those servicing such region, but he shall not make any sale for less than the fair market price.".

On page 109, after line 13, add the following:

NATURAL GAS ROYALTY

Sec. 305. Within sixty days after the date of enactment of this Act, the Secretary of the Interior shall submit to the Congress a systematic plan together with any necessary Federal policies, regulations and procedures and any amendments he deems necessary to the Natural Gas Act, the Mineral Leasing Act, 1920, or the Outer Continental Shelf Lands Act or any other applicable Federal legislation, to facilitate and maximize the efficient and effective use of royalty natural gas ordered by the Secretary under the terms of any lease pursuant to the Outer Continental Shelf Lands Act to meet emergency shortages of natural gas in any region of the Nation. In preparing such recommendations for use of such royalty natural gas the Secretary shall consult with the Administrator of the Federal Energy Administration, the Federal Power Commission, and any other appropriate Federal department or agency.

Mr. ROTH. Mr. President, the amendment I am offering today is designed to help provide critically needed quantities of natural gas to regions threatened by crippling shortages.

Just last week, the House Government Operations Committee released a report on its analysis of the natural gas situation facing our Nation this winter—just 3 months away. Their forecasts are grim to say the least. They estimate that many States up and down the Atlantic seaboard and in the Midwest will experience shortages of as much as two-thirds of their minimum requirements—necessitating the closing of industries and businesses—large and small—and loss of tens of thousands of jobs. Forecasts for some regions are that natural gas needs for vital public services and for heating homes may not be met. Literally, the social and economic balance of a dozen or more States is at stake if quantities of natural gas are not immediately made available. Predictions for future years offer no relief.

Mr. President, the purpose of my amendments to the bill before us today is to extend clear statutory authority and responsibility to the Secretary of Interior to provide for distribution of natural gas from publically owned offshore wells to alleviate critical curtailments wherever they occur. This authority is not designed at allocation of privately owned gas which is sold in the competitive market, but at the public's share of gas recovered through the royalty formula on each lease.

The Outer Continental Shelf Lands Act provides that the Secretary of Interior may order operators of OCS oil and gas leases to pay royalties at 12½ percent in product—that is, in oil or gas—in lieu of money payments. Based on total OCS natural gas reserve projections in terms of 500 to 700 trillion cubic feet of gas, Federal royalty shares of one-eighth of production, or better still at one-sixth of production offered in this legislation, would provide quantities of natural gas needed to cover a large portion of shortages now experienced and anticipated for future years.

Earlier this year my congressional colleagues from Delaware, and I joined in correspondence to the Secretary of Interior requesting he take immediate action under the OCS law, which has been on the books for 20 years, to receive Federal natural gas royalties from offshore leases in product and make that gas available to meet critical shortages in those regions experiencing the most severe impact.

In the Interior Department's response we were advised that legal and technical problems and lack of proper implementing regulations prevent Interior from effectively utilizing these provisions. Under pressure, Interior indicated that additional statutory authorization was needed to allocate natural gas royalties to meet critical shortages in various regions. This was very disappointing to me in that the OCS Act has contained product royalty authority for these 20 years, with apparently no efforts made by Interior to carry out one of its principal features.

The specific objectives of my amendments are twofold: First, to provide clear legislative authority for the Federal Government to take natural gas royalties in kind and to dispose of them by competition, at market prices to meet widespread shortages; and, second, to direct the Secretary of Interior to immediately prepare needed implementing directives to see to it that the will and intent of the Congress in providing for natural gas royalty payments in product is carried out efficiently and in a manner consistent with efforts to relieve the impact of natural gas shortages—both now and in the future.

I know my colleagues will want to join me in support of these measures.

Mr. President, I reserve the remainder of my time.

Mr. METCALF. Mr. President, I have examined the amendment that the Senator from Delaware has submitted. I have listened to his arguments, both on the floor of the Senate and in consultation with him, and I feel that he is presenting a very eloquent case for his amendment.

In the absence of the Senator from Washintgon, I agree wholeheartedly with the amendment. I compliment the Senator from Delaware for offering the amendment, which contributes and helps in carrying out the purpose of the bill.

Mr. FANNIN. Mr. President, the Senator from Delaware has stated what would be attained and what would be gained by this amendment in view of the tremendous shortage facing us in the very near future so far as natural gas is concerned. It is our obligation to make every effort possible to alleviate that situation.

If we have a natural gas shortage in this Nation to the extent that is anticipated for the coming months and years, we will displace hundreds of thousands of workers. It will be tremendously damaging to our country. It is highly essential that we do everything within our power to try to see that we do not have any more serious problem than can be avoided.

I feel that in taking a step to accomplish this objective, the Senator from Delaware is doing a service. I do not have any opposition to the amendment.

Mr. ROTH. I thank the Senator from Montana and the Senator from Arizona for joining me in supporting this amendment.

Mr. President, I yield back the remainder of my time.

Mr. METCALF. I yield back the remainder of my time.

The PRESIDING OFFICER. All time on the amendment has been yielded back.

The question is on agreeing to the amendment of the Senator from Delaware.

The amendment was agreed to.

AMENDMENT NO. 695

Mr. BUMPERS. Mr. President, I call up my amendment No. 695.

The PRESIDING OFFICER. The amendment will be stated.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the names of Senator GLENN and Senator HUMPHREY be added as cosponsors of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The assistant legislative clerk read as follows:

> The Senator from Arkansas (Mr. BUMPERS), for himself, Mr. GLENN, and Mr. HUMPHREY, proposes amendment numbered 695:
>
> On page 58, lines 6 and 7, strike the word "excluding" and insert in lieu thereof the word "including".

Mr. BUMPERS. Mr. President, this amendment changes only one word. I shall explain it as cogently and as concisely as I can, and I will do it as quickly as possible.

Section 202 of this bill adds a new section to the Outer Continental Shelf bill which was passed last year, and it reads as follows. If Senators will listen carefully, they will see the word I am proposing to change and the reasons for it.

> The Secretary shall, by regulation, require that any person holding a lease issued pursuant to this Act for oil or gas exploration or development on the Outer Continental Shelf shall provide the Secretary with any existing data (excluding interpretation of such data) about the oil or gas resources in the area subject to the lease.

Mr. President, my amendment simply changes the word "excluding" to "including." There is a very simple reason for this.

One, these interpretative data are not required of the lessee until the lease has been executed by the lessor, that being the Secretary.

Second, I point out that there are basically three kinds of data: one is raw data; one is processed data, which are nothing more than raw data which have been put through a computer; and the third is interpretative data.

The interpretive data usually go to determining, according to somebody's best estimate and best interpretation of the data at hand, the reserves and the amount that can be recovered.

I ask that this amendment be adopted for a very simple reason: One, once the Secretary and the lessee enter into an agreement, they become essentially married partners, and there is no reason to withhold such information from the Secretary.

Second, in August of 1969, the Department of the Interior adopted, by publication in the Federal Register, almost the precise language. The regulation that was adopted in August of 1969 says:

> Geological and geophysical interpretations, maps, and data required to be submitted under this part shall not be available for public inspection without the consent of the lessee so long as the lease remains in effect or until such time as the supervisor determines that the release of such information is required and necessary for the proper development of the field or area.

One step further, Mr. President: Under this amendment, which would include the acquisition of the interpretive data by the Secretary, the bill provides for extreme confidentiality of such information, and it may not be released unless it is released by the Secretary.

I can conceive of no valid reason why this amendment should not be adopted. The bill as reported by committee last year contained no provision for excluding such data. It could be very helpful to the Secretary in determining what the maximum rate or maximum efficient rate of production ought to be. It would give him information about the reserves and the amount that could be recovered, which he certainly is entitled to.

After all, as I have pointed out many times on the floor of this Chamber, these resources belong to the United States and its citizens. Nothing ought to be withheld. The lessee and the lessor ought to be dealing with each other above board. They ought to join, arm in arm, to develop these resources in an orderly, productive way for the best interests of the people of this country.

Mr. JACKSON. Will the Senator yield?

Mr. BUMPERS. I am happy to yield.

Mr. JACKSON. Mr. President, I commend the Senator from Arkansas for his amendment. I supported it in committee. I think he has stated the case very well. The only argument that one can make with reference to this matter is on the element of confidentiality. That is properly safeguarded in the Senator's amendment. I see no reason, if the public interest is going to be properly protected, why this information should not be forthcoming and made available.

Speaking only for myself on this side of the aisle, I am prepared to accept the amendment, because I think it is helpful and useful in the dissemination of this information. We are in a better position, I think, to move forward more rapidly.

Mr. BUMPERS. I thank the distinguished floor manager, chairman of the Committee on Interior and Insular Affairs.

Mr. FANNIN. Mr. President.

Mr. STEVENS. Will the Senator yield?

Mr. FANNIN. I am glad to yield to the distinguished Senator from Alaska.

Mr. STEVENS. I say to my good friend from Arkansas that I compare this to a situation where we have an attorney's opinion interpreting a court decision. I am sure we all know, as attorneys, that when we go to court, 50 percent of us are usually wrong. The problem with this type of data is that it varies in accordance with the person making the interpretation. It is, I think, the most sensitive data in the industry that deals with the development of oil and gas. It is the expertise of the people who interpret data that is available to everybody. The data is proprietary, in my opinion, and it should remain proprietary. It can be interpreted in different manners. The Senator might hire one geologist, I might hire another. We are going to rely upon the interpretation of our people as to the data that has been furnished.

All the data is furnished to the Department of the Interior and they have some very good interpreters themselves. As a matter of fact, their track record is probably as good as anybody else's. I cannot understand why we would provide, in a bill that requires the delivery of all the data that could be interpreted by anybody, that the interpretation made by the experts hired by the individual companies should also go to the Department of the Interior and, in effect, become available to the public. Interpretation of data is the essence of exploration as far as the oil and gas business is concerned.

I like to point the Powder River Basin in Montana. If the Senator is not familiar with it, it is my understanding that the great basin was brought in on the 42d well. There were 41 dry wells. That geologist was so convinced of his interpretation, he kept getting money and he kept getting wells drilled. He finally brought in a significant oil basin. This amendment would require every person who has an opinion, who interprets a Supreme Court decision, to file a copy of that interpretation with the Supreme Court.

In the first place, there are antagonistic opinions at some times. They are going to criticize data, criticize the type of data that has been provided. As I said, I know of no other comparison other than the kind of opinion one would like to get from a lawyer hired to interpret the impact of a particular court decision. He certainly would not want to show it to the court. He should not have to show it to the court, because it is information to guide him in a particular decision. As such, I think this type of data should be protected.

It is the last single segment of proprietary information that is left in the oil industry as far as this type of business is concerned.

I think the bill goes far in changing the regulation that the Senator has already mentioned. If there is any one thing that is going to make the difference in terms of maintaining initiative in the oil and gas industry, it is this kind of initiative given to the young geologist, the newcomer on the scene—or the oldtimer that we rely on very heavily—the opportunity to give advice to his superiors as to the interpretation of data that is available to everybody.

I have to oppose the Senator's amendment. I think it is going entirely in the wrong direction. There has to be some last vestige of initiative left in this industry or we are not going to have any more Powder Rivers, as we did in Montana.

Oil and gas is a vital industry in my State. We probably have over half of the oil that is going to be discovered in the future of this country. I think each oil company should have its own opinions. One company should know that its opinion will be retained in its files.

Incidentally, we do not make available the interpretation of the USGS geologists to the companies. It is not a two-way street. That material is available solely to the Government. I think that if we take the last piece of initiative out of the oil and gas industry we will be going in the wrong direction.

Mr. BUMPERS. Mr. President, in response to the argument by my distinguished colleague from Alaska, I make these observations: One, if a geologist in the Prudhoe Bay area held out to the last minute, certain that there was oil there because of his interpretations, I say first of all, the Secretary of the Interior had that information. If he did not, it is only because he did not request it, because the law right now, under the regulation of the Department of the Interior for leasing public lands, provides very specifically that the Secretary can ask for—indeed demand—this kind of interpretive data.

Mr. STEVENS. Let me make this a dialog. This occurs once the well is starting to be drilled. We are talking about interpretive data on a lease. That is interpretive data of one lease. The next lease, the lease right next to it, may be up for a bid in the next sale. The Senator is saying that all of the interpretive data is to go to the Government.

This interpretive data is not limited to the core drillings, the interpretation of the core drillings, or to the interpretation of a particular area such as Prudhoe Bay.

I hasten to tell my friend that Prudhoe Bay is on Alaska State lands, not Federal lands. We have procedures quite similar to the Federal Government.

The Senator from Arkansas is talking, also, about the interpretation as to the viability or producibility of a particular lease when the next lease has not been bid on yet. Why should we make public the interpretation of one company as to lease block A, when lease block B is going to come up later? We have all the data; all the raw data is available.

Mr. BUMPERS. The answer to that is we are not. The answer is that the Secretary shall maintain the confidentiality of all proprietary data or information until such time as he determines that public availability of such proprietary data or information would not damage the competitive position of the lessee.

I emphasize that, first of all, this demand for interpretive data is not made until after the lease has been executed.

Secondly, if it comes to a question of what is "interpretive data" and what is not, let me answer that by saying that the way the bill reads right now, it says "(excluding interpretive data)." If the oil companies can make a decision as to what they are going to exclude, they should not have any difficulty deciding what they are going to include. As long as the Secretary asks for all information, there can be no question about what is defined as interpretive data and what is not. As long as the word "exclude" is in there, the oil companies will have considerable latitude as to what they are going to give the Secretary and what they are not.

Why? Why in the name of Heaven should the Secretary not have this information?

Mr. STEVENS. I can answer that why. It is because some of our colleagues, sitting here on the floor, have a bill called the Federal Oil and Gas Corporation. Very soon, we are going to be asked to put the Federal Government in competition with those who are gathering this data. What the Senator is saying in this instance is that interpretive data, the very essence of competition, must be given to the Secretary when we are about ready—at least some people suggest it—to put the Federal Government directly in the oil- and gas-producing business. I think that is the last step toward nationalization. What the Senator has suggested will destroy the last essence of private enterprise in the oil and gas industry.

Mr. FANNIN. Mr. President, section 19 of S. 521 discusses the requirements of a Federal OCS oil and gas information program. The sponsors' alleged purposes behind this section are to satisfy the concern of Congress that the U.S. Government has sufficient knowledge about the possible oil and gas resources so that, first, it may more correctly assess the value of the individual tracts that will be offered for lease, and second, the American consumer will not somehow be "ripped off" by oil companies who purchase leases on Federal land.

Section 19(h) states that the Secretary of the Interior, by regulation, shall require "that any person holding a lease pursuant to this act for oil and gas exploration or development on the Outer Continental Shelf shall provide the Secretary with any existing data—excluding interpretation of such data—about the oil or gas resources in the area subject to the lease."

Senator Bumper's amendment would alter section 19(h) by striking the word "excluding" and inserting the word "including" instead. That is, the individual company's evaluation of a leasehold's potential would also come under governmental purview.

The remainder of section 19(h) would feebly attempt to minimize potentially deleterious effects of Senator Bumper's proposed amendment:

> The Secretary shall maintain the confidentiality of all proprietary data or information until such time as he determines that public availability of such proprietary data or information would not damage the competitive position of the lessee.

Before attempting to analyze the proposed amendment, let us consider the present state of the law pertaining to the private sector's divulging data relating to oil and gas activities on the OCS:

At present, a lessee is required to submit proprietary data to the Secretary of the Interior—supervisor, USGS—under 30 CFR 250.34 which reads:

> Sec. 250.34. Drilling and development programs.
>
> (a) Exploratory drilling plan. Prior to commencing each exploratory drilling program on a lease, including the construction of platforms, the lessee shall submit a plan to the supervisor for approval. Each plan for the leased area shall include (1) a description of drilling vessels, platforms, or other structures showing the location, design, and the major features thereof, including features pertaining to pollution prevention and

control; (2) the general location of each well including surface and projected bottom hole location for directionally drilled wells; (3) structural interpretations based on available geological and geophysical data; and (4) such other pertinent data as the supervisor may prescribe. Well records must also be available to the supervisor (USGS) as stated in 30 CFR 250.38.

Senator BUMPERS amendment would extend the present regulations to include any existing data. This would require data far beyond that which is helpful to the USGS. It would go far beyond that which is necessary to protect the public. It would, in fact, help destroy the initiative of the oil companies to lease lands if they must part with all scientific data that they have acquired at their own expense.

Interpretations, in fact, are proprietary data, a protected private property right. It is the difference in interpretations by many geologists and geophysicists in many different companies that provide the competitive edge in leasing. Sometimes they are right and sometimes they are wrong. The Government geologists are entitled to their own interpretations without the invasion of privacy into company business practices. If the oil companies must submit all technical data to the Government, then the principle of governmental scrutiny could be extended to all business and professional activities.

There is also the very real problem of having the confidentiality of the data removed if the data are given to the States, Congress, other Federal agencies or regional boards.

Even though the bill requires that the Secretary shall maintain the confidentiality of all such proprietary data or information so received, these requirements have been qualified by vague clauses pertaining to the amount of time such information or data shall remain confidential.

It is likely that use of the data in the published maps and surveys required by the act and in the environmental impact statements required by the National Environmental Policy Act, let alone the high probability of leaks, will result in disclosure of proprietary information.

One need only look at the horrendous number of so-called leaks relating to governmental activities which have occurred as of late to comprehend the gravity of such a problem.

This would be an additional disincentive for the oil companies to lease offshore land. Any data, once made public, would also belong to other competitive oil companies and would most likely be judiciously utilized by various competitors. Thus, for the reasons I have noted, I call for rejection of the proposed data interpretation amendment.

Mr. BUMPERS addressed the Chair.

Mr. JOHNSTON. Mr. President, will the Senator yield for a question?

Mr. BUMPERS. Yes, I will yield.

Mr. JOHNSTON. I would like to ask with respect to the requirement of confidentiality of this data, on page 58 of the bill it is stated:

That the Secretary shall maintain the confidentiality of all proprietary data or information until such time as he determines that public availability of such proprietary data or information would not damage the competitive positions of the lessee.

That provision remains in with his amendment?

Mr. BUMPERS. That is correct.

Mr. JOHNSTON. Is there a place in the bill where the term "Secretary," which is used in the singular here and refers to the Secretary of the Interior, is more broadly defined to include not only the Secretary but any employee or agent or anyone else, including Jack Anderson or a maid who works in the Department of the Interior, so that they also would be included under the prohibitions of section 27(c)?

Mr. BUMPERS. The Senator will recall when this was debated in the Interior Committee we concluded that this information should not be treated lightly, and we used the word "Secretary" with a great deal of deliberation so that some subordinate, as is now the case, could not release such proprietary data.

Mr. JOHNSTON. My recollection is that in the Interior Committee we did discuss it and we were going to more tightly——

Mr. GARY W. HART. Mr. President, may we have order in the Senate so we can hear the debate.

The PRESIDING OFFICER (Mr. GARN). The Senate will be in order.

Mr. JOHNSTON. We were going to much more tightly define that term "Secretary." But after extended debate the whole amendment was defeated and, therefore, rendered unnecessary the expansion of the word "Secretary," am I correct?

Mr. BUMPERS. As I recall in the committee meetings, and the reason I subsequently only changed the one word was because we felt that under the present regulations of the Interior Department it was not necessary that the bill state that the Secretary personally be liable or responsible for the release of proprietary data, interpretive data, such as it is. We did discuss it and, as I recall, stated that the word "Secretary" would be used in a very narrow sense, and he would be responsible for it.

As the Senator knows, the bill now reads that way. It also states, let me emphasize the point, on page 78, and I believe this language was added—and if it was not added it was certainly discussed—on page 78, subsection (c):

Any person who knowingly and willfully violates any provision of this Act, or any regulation or order issued under the authority of this Act designed to protect public health, safety . . . knowing and willfully reveals any data or information required to be kept confidential by this Act, shall, upon conviction, be punished by a fine of not more than $100,000, or by imprisonment for not more than one year, or both.

Mr. JOHNSTON. That is correct. But the act requires that the information be kept confidential only by the Secretary. This is a criminal law, and the rules are very clear that a criminal law is to be strictly construed.

The problem is what if, for example, a secretary in the office of the Secretary of the Interior sees this information—maybe it is worth millions of dollars—she takes that and gives it to, let us say, Jack Anderson. Now, Jack Anderson publishes it. Who has committed a crime?

Mr. BUMPERS. The person, the secretary, who gave out the information has committed the offense.

Mr. JOHNSTON. Let us say stenographer.

Mr. BUMPERS. Let me say, in response to the Senator's question, quite obviously the Secretary is not going to receive interpretive data from the oil companies, take it home in a briefcase and put it under his bed. The information is going to be used by the Interior Department to determine, first, the reserves available in that field, which information is extremely important, incidentally, in projecting the reserves we will have available for our energy problems in the future. Second, of course, the information cannot be released by anybody except the Secretary; at least, it cannot be legitimately released by anybody except the Secretary. Others have access to it, and rightfully so.

Mr. JOHNSTON. The problem is one that, perhaps, can be corrected. But section 27(c) does make it a crime for anyone knowingly and willfully to release the data that are required to be kept confidential. But over on page 58(h) only the Secretary is required to maintain confidentiality of the data.

The problem is, it being a criminal law, it is required to be strictly construed, and you could very well come to the conclusion that while it may violate the spirit of the law it does not violate the letter of the law for a stenographer in the office or for anyone else to release that data publicly.

Mr. BUMPERS. On the contrary, the Secretary is the only one who is authorized to release those data, and he can only do it under certain circumstances, and anybody else who knowingly and willfully releases that information is subject to a $100,000 fine and a year in the penetentiary or both. Only the Secretary can release it legally, and he can do it only under very stringent limitations.

I yield to the Senator from Colorado.

Mr. GARY W. HART. Mr. President, will the Senator yield for a question?

Mr. BUMPERS. Yes.

Mr. GARY W. HART. I observed the discussion the Senator had with the Senator from Alaska and it concerned the request that if this information were required by law this would somehow be an undermining of the free enterprise system.

Is the Senator from Colorado correct in believing that when one deals with the sovereign different rules apply than if one is dealing with a private individual; that is to say, the sovereign has a duty to represent the public interest, to protect the public interest, and the rights of the citizens who own the resource, and that in carrying out those responsibilities the acquisition of information may, in fact, be necessary to carry out that duty. This has nothing to do really with preserving the free enterprise system. This is a question of carrying out the sovereign's obligation to look after the public interest.

How can the sovereign do that if it cannot acquire the information that its lessee obtains from exploration, and so forth; is that not correct?

Mr. BUMPERS. The Senator, in my opinion, is absolutely correct.

As I posed the question a moment ago, we said many times here in the Chamber that these are natural resources, they are extremely vital to the survival of the country. They are certainly extremely vital to the economic viability of this country.

Let me say this, in response to the Senator's question: that just as a landowner, if I were going to lease a tract of land as an individual to an oil company, I certainly would consider it my right to demand that the oil company give me this kind of data as an individual because I would like to know, first, how much reserves there are there; second, whether those reserves are being produced at the most efficient rate or not.

This is a matter which the Senator from Ohio, Senator GLENN, has asked about many times in the Interior Committee. I believe he has got an amendment on this in the Interior Committee to provide that the Secretary would see that these tracts are produced at the maximum efficient rate. He cannot do that without these interpretive data, and having some access and some knowledge as to what the reserves in a given area are.

Mr. GARY W. HART. I appreciate the Senator's response.

I am frankly always amazed at those who think that one can deal with the Government, which has the responsibility to all the people where the people's resources are involved, in the same way that one can deal with a private entity, and that somehow, in dealing with the Government and in the Government's right to protect the public's interest, this is an undermining of the free enterprise system.

I think it is a question of apples and oranges. I thank the Senator from Arkansas.

Mr. STEVENS. I have the consent of the Senator from Arizona for controlling the time for the time being. He has left the floor.

Mr. JACKSON. I will yield time to the Senator.

Mr. STEVENS. I have heard the Senator from Colorado talking about factual information. I want to be sure we understand each other because I still think there is a matter of communication involved. This is not factual data. I want every bit of factual data provided to the Government. I think the bill requires that.

These are opinions of experts who are hired by the various companies to interpret data. We have Government employees who are interpreting the factual data that are available to the Government. That is the very essence of competition. If we want competitive bids on these tracts, we are going to have to permit the companies to have their own interpretative data. That is, in fact, the very thing that stimulates competition, to have one company have an expert who has one opinion, and another who has another opinion. This is the very essence of the public interest, to get the highest bidder on a tract that is up for competitive bid.

I do not argue with giving all of the factual data that the Senator from Arkansas mentions. The production rate, the reservoir statistics, the core drillings are all statistics. The interpretation of this data is the essence of competition in this area.

If we are going to place interpretative data in the hands of the Government, ultimately it will be made available to anybody who wants it under the Freedom of Information Act, notwithstanding that the bill states that it will not be released until the Secretary determines the person's competitive advantage is not harmed.

It is the question of what is the competitive advantage of a lessee who has someone who interprets data in a new or a different way. That is the opinion we are talking about.

As I said before, it is no different from a legal opinion concerning what is going to be the next decision of the Supreme Court based upon an opinion of what direction the Court is going.

Mr. GARY W. HART. Will the Senator yield?

Mr. STEVENS. Yes.

Mr. GARY W. HART. Is the objection due to the fact that the Government would have this opinion or ultimately it would make its way out to the ultimate domain?

Mr. STEVENS. No.

Mr. GARY W. HART. With what objection——

Mr. STEVENS. We seem to be half a foot away from creating a Federal oil and gas corporation that would have access to this information that is supposed to be confidential.

If one believes in that change, I do not, but if one does, in all honesty he has to say he should not turn over this interpretive data to that Federal agency running that corporation.

The funny thing is that the people who want this exclusion removed in most instances seem to be in favor of a Federal oil and gas corporation.

I think we have an amendment coming along to put the Secretary in that position.

Mr. BUMPERS. Will the Senator yield for a question?

Mr. STEVENS. Yes.

Mr. BUMPERS. I do not want to get too far afield. We are not talking about that.

The Senator from Alaska made a point a while ago about some geologist holding out in the belief that his interpretive data were correct and that that last final hole drilled in Alaska was where they found the oil.

Mr. STEVENS. That was Montana.

Mr. BUMPERS. All right, make it anywhere as long as it is in the public domain.

Would the Senator suggest if that last hole had not been drilled, that the United States, forever in the name of free enterprise, be precluded from going back and putting down one last hole?

Mr. STEVENS. No, the next lessee would not have been prohibited from doing that at all.

One individual convinced them to keep going, looking for risk capital to drill that last hole. There had to be many last holes because I do not know how he had the fortitude, but he did. That was the thing he had to sell, his opinion that there was oil there that conflicted with the opinion of everybody else.

That is what the Senator is taking away by this amendment.

The Senator is taking from him the right to give that advice to the company he works for and the Senator is giving it over to the Government when it is an opinion. It is not a fact.

Mr. STONE. Will the Senator yield for a unanimous-consent request?

Mr. STEVENS. If I have the time, yes.

Mr. BUMPERS. I will yield.

Mr. STONE. Mr. President, I thank the Senator, and I ask unanimous consent that two members of my staff may have privilege of the floor during this bill, Bill Pursley and Glen Reichardt.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSTON. Will the Senator yield for a unanimous-consent request, that Paul Haygood, of my staff, be granted privilege of the floor?

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I ask unanimous consent that Mark Schneider and Anne Strauss of my staff be granted privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, I would like to make one last response which seems to be overlooked, and that is the fact that the Secretary has the right to and I assume has been requesting this very data from the lessees that he has been leasing lands to offshore in Mississippi, Louisiana, and I assume Alaska, Montana, or any other place.

This is not taking anything away from the Secretary. It is simply putting in place what he has had the opportunity and the right to do since 1969.

I do not understand all the sudden furor about that kind of data being excluded.

Second, I think the Secretary and the concerned Members of this body should be more concerned about who is going to define interpretive data than anything else in this.

If we exclude interpretive data, who is going to define what is excluded?

I think it would be much easier, if the lessee and the United States are partners, to go after these resources together. There should be some mutual trust.

I would be willing to insert the word "personally," make the Secretary personally responsible for it.

Mr. STEVENS. Will the Senator yield? Is he not already responsible?

Mr. BUMPERS. That is what I am saying, if we want clarifying language——

Mr. STEVENS. The bills gave him the authority to define what is interpretive data and what is excluded.

He can take a narrow or broad exclusion, that is within his power.

Mr. BUMPERS. There is nothing to determine, if you put in the word that I am asking for, then they give all information. There is no question about what they will give or retain.

Mr. STEVENS. I would ask the Senator to look at amendment No. 751.

My good friend, the Senator from Washington, together with the Senator from Ohio, the Senator from South Carolina, and the Senator from Arkansas, have an amendment which says the Secretary of the Interior is now authorized to conduct seismic operations, drilling, and further authorizes, on an experimental basis, the authority to contract for exploratory drilling.

In other words, the Secretary has some of this interpretive data. Is that going to be made available to the public at large?

Mr. BUMPERS. He has the power now.

Mr. STEVENS. Giving it to companies competing with him, bidding on OCS lands?

Where is the line? That is why we are talking about this. Where is the integrity of the opinion of an expert in the oil and gas industry?

The Secretary defines what the exclusion is.

Mr. BUMPERS. Where has it been for the last 6 years?

Mr. STEVENS. It has been with the Secretary and, as I understand it, the committee has consistently—it is a committee bill I am arguing to support—the committee has done this.

I agree with the committee, I hope it stands by its bill. It has in fact put into the law the existing practice of the Secretary of the Interior. It is not a very broad definition of what is interpretive data, and the Secretary himself has a right to narrow that definition.

But if there is any one essence of competition left, I think the committee has, in fact, retained the exclusion that is necessary to maintain incentive in the oil and gas industry.

Mr. BUMPERS. Mr. President, how much time is left on the proponents' side of the amendment?

The PRESIDING OFFICER. The Senator from Arkansas has 18 minutes.

Mr. BUMPERS. Mr. President, unless there are others who——

The PRESIDING OFFICER. The Senator from Washington has 9 minutes.

Mr. JACKSON. Mr. President, I am prepared to yield back my time.

Mr. BARTLETT. Will the Senator yield?

Mr. JOHNSTON. I have a clarifying amendment.

Mr. BARTLETT. Will the Senator yield to me?

Mr. JACKSON. I yield.

The PRESIDING OFFICER. The amendment would not be in order for the time on this amendment has been used or yielded back.

Mr. JOHNSTON. It is an amendment to the amendment.

Mr. JACKSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The amendment will not be in order until all time has been used or yielded back on the present amendment.

Mr. JACKSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JACKSON. How much time do I have?

The PRESIDING OFFICER. Nine minutes remaining.

Mr. JACKSON. How much does the other side have?

The PRESIDING OFFICER. Eighteen minutes.

Mr. JACKSON. I will yield.

The PRESIDING OFFICER. The Senator from Arkansas has 18 minutes.

Mr. BARTLETT. Will the Senator yield?

The PRESIDING OFFICER. The Senator from Arizona has no time on the amendment.

Mr. FANNIN. Yield on the bill.

Mr. JACKSON. How much time?

Mr. BARTLETT. Four minutes.

Mr. JACKSON. I yield 4 minutes to the Senator.

Mr. BARTLETT. Mr. President, I would like to associate myself with the comments of the Senator from Alaska. I think he made very cogent arguments for the concern that he has and that I have with this amendment.

A professor in the oil prospecting business, a geologist, or whatever he may be, a seismologist, his whole stock in trade is tied right up with his interpretation. Every so often along comes a new interpretive idea that works and that debunks some of the previous thinking, and this is really what is worth something. It is what really creates, as the Senator from Alaska says, competition. It is the essence of competition.

Now, if this would pass, then as I would see it, if someone interpreting data for a company were an employee of that company or a consultant, he might decide he does not want to have his interpretation made available to the Government because it would be made public, so he would not interpret certain geological structures or certain seismic maps, because he would know that then his stock in trade would leak out.

Also, I think it is——

The PRESIDING OFFICER. Will the Senator suspend for a moment?

DISAPPROVAL OF THE PRESIDENT'S PROPOSAL TO DECONTROL OLD OIL PRICES—CLOTURE MOTION

The PRESIDING OFFICER. Under the previous order, the hour of 4 p.m. having arrived, the 1 hour provided for under rule XXII will now begin.

OUTER CONTINENTAL SHELF MANAGEMENT ACT OF 1975

The Senate continued with the consideration of the bill (S. 521) to increase the supply of energy in the United States from the Outer Continental Shelf Lands Act; and for other purposes.

The PRESIDING OFFICER. The Senator from Oklahoma may continue.

Mr. BARTLETT. Mr. President, I would like to point out that the argument is so often made that because the leases involved on the Outer Continental Shelf belong to the Federal Government, this information should be made public. The public does not have the ability to use the knowledge that would come with interpretive data, but the competition certainly does have the capability to recognize the tremendous value of this interpretive data.

Therefore, in making it public it is making it available to the competition or it is making that information available to the Federal Government itself.

I share the concern of the Senator from Alaska that here we are taking a big step toward a Federal oil and gas corporation, or toward the Federal Government becoming involved as a competitor with private enterprise in developing our natural resources of oil and gas. I think this would be a great big step toward narrowing the initiativeness that would appear in different approaches to finding oil and gas. We would not have the "hair-brained ideas," some people thinking a hair-brained idea is not any good but, nevertheless, other persons being able to market that idea, interpreting that particular information and finding out that it is correct and it does make the discovery.

So I think we are putting blinders on the free enterprise initiativeness that is existing at the present time, and that this would not be in the best interest of competition.

Mr. JACKSON. Mr. President, I am prepared to yield back the remainder of my time.

Mr. JOHNSTON. Mr. President, who is controlling time for the opposition?

Will the Senator yield me some time?

Mr. JACKSON. How much time do I have, Mr. President?

The PRESIDING OFFICER (Mr. HELMS). The Senator has 5 minutes.

Mr. JACKSON. I yield 3 minutes.

Mr. JOHNSTON. Mr. President, this matter was considered by the committee and was rejected by the committee. One of the reasons it was rejected is because this language is very loose. I have drawn some language which I think would tighten it, but the language will not be accepted.

Mr. President, it is very easy to legislate in this chamber and to legislate in committee, but I want to tell you what this committee would do, in my judgment. It would require the release of proprietary data worth millions of dollars, it would require the Secretary, defined as the Secretary of the Interior, to keep this data confidential, and make it a crime for anybody knowingly and willfully to release that information in violation of law.

In effect, what it does, Mr. President, in my judgment, is leave it very, very vague as to whether it would be a violation of the law for anyone to engage in industrial espionage with the Secretary of the Interior and to get this information worth millions and millions of dollars.

I have an amendment drawn which I think would clear the matter up, but it will not be accepted. For that reason, Mr. President, I think it would be a most unwise thing, to go against the committee in this matter, to leave it very ambiguous. That is the thing that upsets the oil companies, that their information is going to be required to be revealed to the Secretary of the Interior, and that it is not a crime for anyone other than the Secretary to release that information. Industrial espionage goes on all the time. If we let some GS-7 in the office of the Secretary of the Interior have this information and give it out to whomever he will, whether it is the competition or whether it is the Washington Post, and it is not a crime, or at least that crime is in doubt, then we make it very difficult for that information to be acquired in the first place.

We have had some discussion here about the question of how do we define proprietary data. My friend from Arkansas makes it appear that it is the same definition as saying excluding proprietary data, that the same definition would apply to including.

The fact is it would be very, very difficult to define what is talked about. For example, suppose you have an oral conversation. Is that the kind of data which is required to be revealed? If not, why cannot all these opinions be made orally? Or is it the data used by subcontractors? Is it the data only used by the lessee himself?

There are many difficulties in definition here. If we are going to get into that kind of never-never land, then at least we ought to make as certain as we can that it is unlawful to release this information. As I say, the information is worth millions of dollars.

For the life of me, I do not know why the author of this amendment is not willing to accept a clarifying amendment. When the matter was discussed in committee, as I recall, the committee was ready to accept this clarifying amendment before the whole amendment was voted down.

The PRESIDING OFFICER. Who yields time?

Mr. BUMPERS. Mr. President, will the Senator yield?

Mr. METCALF. I yield.

Mr. BUMPERS. I would like to propound a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BUMPERS. The Chair ruled a while ago that the Senator from Louisiana could not offer a perfecting amendment until all time has elapsed, is that correct? The proponent of the amendment can offer a perfecting amendment to the amendment at any time, can he not? Can he do it by unanimous consent?

The PRESIDING OFFICER. By unanimous consent, yes.

Mr. BUMPERS. Mr. President, I did not realize that this was the major or perhaps only concern the oil companies had or I would have agreed to it, because I think it probably is helpful. Since the Senator from Louisiana has stated that this is their major concern and that it will clarify the language and ease their pain, I would ask unanimous consent that on page 58, line 8, after the word "Secretary" and before "shall," the following be inserted:

> and any other person (other than the owner thereof) who comes into possession of such information

The PRESIDING OFFICER. The Senator has a right to modify his own amendment. Unanimous consent is not required.

Mr. METCALF. Reserving the right to object, I would like to see the modification.

The PRESIDING OFFICER. The Chair will advise it does not require unanimous consent. The Senator may modify his own amendment.

Mr. BUMPERS. I have given the language, Mr. President. That is the modification I would like to give to my amendment. I would like to state the way it will read with the modification.

This is the additional part that I have just added to the modification:

> The Secretary and any other person, other than the owner thereof, who comes into possession of such information shall maintain the confidentiality of all proprietary data or information.

Et cetera.

This means the Secretary or any other person shall maintain the confidentiality of the data.

The PRESIDING OFFICER. The Senator will send his modification to the desk.

Mr. JOHNSTON. Will the Senator yield?

The PRESIDING OFFICER. Who yields time?

Mr. BUMPERS. How much time do I have left?

Mr. METCALF. Will the Senator from Arkansas yield to me?

Mr. BUMPERS. Yes.

Mr. METCALF. I have no objection to that. I think that is a clarifying amendment that I think should be in the bill.

Mr. BUMPERS. I thank the distinguished Senator.

Mr. JOHNSTON. Will the Senator yield to me?

The PRESIDING OFFICER. The Senator from Arkansas has 16 minutes, in response to his inquiry. Who yields time?

Mr. JOHNSTON. Will the Senator yield 1 minute?

Mr. BUMPERS. I yield.

Mr. JOHNSTON. Mr. President, I think the acceptance of this modification vastly improves this amendment. It is still subject to objections that the Interior and Insular Affairs Committee had, but it was one of the principal objections. I think it at least makes it clear that it is unlawful for anyone, other than the owner, to release this information. It clears up that never-never land of ambiguity that I think existed in the original amendment. I think it vastly improves it.

Mr. BUMPERS. Mr. President, I yield to the distinguished Senator from Colorado such time as he may need within the limitations of the time I have left.

Mr. GARY W. HART. We have heard a great deal today about the interests of the oil companies. We are considering a great deal of energy legislation this week. We have heard what are the concerns of the oil companies and what is in their best interests. I think a word needs to be said in behalf of this amendment and a lot of related energy legislation we are considering in the Senate on behalf of the public. The public has the right to have its own resources protected. We are not talking about dealings between private interests. We are talking about people developing and exploiting the public resources.

I think that the duty of the Senate of the United States is not only to protect the private enterprise system, but to protect the public interest, and the public interest is not served if the officials who have the constitutional and legal responsibility to administer its resources do not have adequate information to know what they are doing, including interpretative data that they are under obligation, according to this amendment, to protect under pain of criminal penalty.

I think it would be well for all of us here, when we are considering this amendment and related legislation, to think for a moment of not just what is good for the oil companies in this country, but what is good for the people of the United States who own these resources.

For my part, I intend to support the amendment. I hope all of our colleagues will look at this legislation not only through the eyes of the oil companies, but through the eyes of all the people of the States they represent.

I thank the Senator from Arkansas.

The PRESIDING OFFICER. Who yields time?

Mr. BUMPERS. Mr. President, I am, if the other side is, prepared to yield back the remaining time.

Mr. HANSEN. Mr. President, will the manager of the bill on this side of the aisle yield some time to me?

Mr. FANNIN. Mr. President, as far as I am concerned, we have time on the bill and I yield whatever time the distinguished Senator from Wyoming wishes on the bill, since I do not have time on the amendment.

Mr. HANSEN. I thank the distinguished Senator from Arizona.

Mr. President, I certainly cannot improve one bit on the, I thought, very persuasive argument made by the distinguished Senator from Alaska and the distinguished Senator from Oklahoma.

The troublesome part in this amendment, and I agree with my good friend from Louisiana that his amendment does make very clear who would be covered under the amendment and would be guilty of an illegal action if he were to make any disclosure of information, but I would hope Senators might not be unaware of the stakes that could be involved here.

When I was Governor of Wyoming, we had an oil and gas conservation commission in the State, which still exists; I think it has been changed a little bit. But it was our responsibility to review applications; to unitize areas; we had the right to grant leases on State lands; we had supervision of oil and gas operations on all lands in the State, including those on the publicly owned lands; and as a consequence of the experience I had in my 4 years as Governor, I became aware that when you get into the possession of the kind of information these people have in the oil and gas business, you are not talking about peanuts. This can be very valuable information, and on more than one occasion we sat in judgment hearing plaintiffs and defendants when there was a charge made that someone acting as an employee of a person who had garnered the very kind of information we are talking about now had gone out and committed an illegal act, either in telling some friend about what the prospects were for oil or disclosing confidential information; and so I think I can speak with some background of experience in saying that when we talk about this information on the Outer Continental Shelf—Mr. President, could we have order?

The PRESIDING OFFICER (Mr. HELMS). The Senator is entitled to be heard. The Chair asks the cooperation of Senators.

Mr. HANSEN. When we talk about the kind of information——

The PRESIDING OFFICER. The Senator will suspend until order is restored. The Senate will be in order.

The Senator from Wyoming may proceed.

Mr. HANSEN. When we talk about the kind of information that the oil companies would be required to make a part of the public domain in a proprietary fashion, I am not saying it is going to be turned over to everybody, but when it passes into the possession of the Secretary and of all of the various people who would have access to it or to parts of it in his Department, I think the chances of an Ellsberg deciding that someone else ought to have that information are just pretty darn good; and it may do someone in the business little good, later on, to be able to go back and bring suit against the person who illegally disposed of the information, after a tract, as was pointed out by the distinguished senior Senator from Alaska, may have been offered for lease and some very big bids made on it.

We all know that the bids for a year on tracts on the Outer Continental Shelf can sometimes total up into the billions of dollars.

It is one thing to make available, and I do not object to that, the sort of information that most people can agree ought to be made available to the Secretary. But this amendment by the distinguished Senator from Arkansas, as I understand, goes beyond that. It gets right down to the point of requiring that the interpretative data, what a geologist may think the prospects are for oil and gas, or what all of the geologists think, be made available. As a matter of fact, I do not know how an oil company could comply with this requirement except by making available to the Government of the United States the opinion of every person that it though was competent; and there have been some who, I felt, might not be too competent in that area.

How else could one be certain that compliance with the law had been met, and that all the interpretative data had, indeed, been surrendered to the Secretary of the Interior?

So I must say that, while I agree in spirit with the idea that I am certain prompts the distinguished Senator from Arkansas in proposing this amendment, I do have to raise the points that I do not think we have been successfully answered even by the adoption of the clarifying amendment by the Senator from Louisiana, so that we can be certain that there will not be breaches of confidence by people in the department when the information has been turned over by an oil company to the Secretary of the Interior.

If we want to do the best job we can in, first, seeing that the Government maximizes its opportunities insofar as good bonuses are concerned, and if we want to be sure, as the Senator from Alaska pointed out, in the Powder River Basin in Montana, that the 42d well is drilled after 41 dryholes, then it is well not to ask an oil man to turn over this kind of information.

I recall also that the Senator from Alaska predicted that if we go in the direction that some propose, which I hope we will not go in, and get the Government into the oil business, we can be certain that if this kind of information is made available, private industry will be ruled right out, because the Government of the United States, being charged, as some of the proponents of a Federal Oil and Gas Corporation—Fogco—maintain, must make available to Fogco the first opportunity to bid, we may be quite certain that we have, for all practical purposes, said no to the great accomplishments of free enterprise, and we will be denying ourselves the kind of activity that I think makes the best promise of being certain that we can, sometime in the foreseeable future, achieve that degree of independence from foreign sources of supply that is consonant with our national security and our continued industrial output in the United States.

I hope very much that this amendment will not be adopted.

The PRESIDING OFFICER. Who yields time?

Mr. MANSFIELD. Mr. President, will the Senator yield me just 1 or 2 minutes?

EXECUTIVE SESSION

NOMINATIONS RECALLED

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations which were presented at the desk and confirmed by the Senate be recalled so that they can go through the regular procedure of the leadership.

I have no doubt that they are all right, and they will be passed later this evening or tomorrow, at the latest, providing everything is clear.

The PRESIDING OFFICER. As in executive session, is there objection?

The Chair hears none.

Without objection, it is so ordered.

REMOVAL OF CERTAIN MEASURES FROM THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that Calendar orders Nos. 150, (S. Res. 166) and 268, (S. Res. 173), both relating to the Wyman-Durkin seating in the U.S. Senate, be indefinitely postponed; that Senate Resolutions 209, 210, 211, 212, 213, and 223 under "Resolutions Over, Under the Rule"; and Senate Resolution 204 under "Resolutions Postponed to Date Certain," all also dealing with the New Hampshire Senator vacancy, be taken from the calendar and indefinitely postponed.

The matter has been settled, so I think these are just encumbrances on the calendar.

The PRESIDING OFFICER. Is there objection?

Mr. HARRY F. BYRD, JR. Mr. President, reserving the right to object, since the amendment has been offered by the Senator from Alabama, has he had an opportunity to be consulted on this?

Mr. MANSFIELD. No; I have not discussed it with anyone.

Mr. HARRY F. BYRD, JR. I assume there will be no problem with it.

Mr. MANSFIELD. The matter is settled and out of the Senate's hands now. If the Senator from Alabama wants to put it back on, I will be glad to do that.

The PRESIDING OFFICER. Without objection, it is so ordered.

OUTER CONTINENTAL SHELF MANAGEMENT ACT OF 1975

The Senate continued with the consideration of the bill (S. 521) to increase the supply of energy in the United States from the Outer Continental Shelf Lands Act; and for other purposes.

Mr. BUMPERS. Mr. President, I further modify my amendment.

Mr. METCALF. Wait a minute.

Mr. President, may the Senator from Wyoming request the yeas and nays.

Mr. HANSEN. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. METCALF. Mr. President, if the Senator from Arkansas will yield, that vote will occur immediately after the other rollcall votes.

Mr. HANSEN. Mr. President, if the distinguished floor manager of the bill will yield, I have just received word that the Senator from Alaska (Mr. STEVENS), who is tied up in a conference, so I am told, would like to have 5 minutes in order to respond to the arguments that have been presented by the proponents of this amendment.

I ask unanimous consent that immediately following the rollcall on the cloture amendment he might be recognized for 5 minutes.

Mr. METCALF. No; immediately after that rollcall, there will be a rollcall on the Bartlett amendment, and then there is a vote on the amendment of the Senator from South Carolina.

Is there objection?

Does the Senator from Arkansas object that the Senator from Alaska has 5 minutes before this?

Mr. BUMPERS. Mr. President, I do not object, but I reserve an equal amount of time because there are going to be a large number of Senators in the Chamber at the time.

Mr. HANSEN. Fine.

Mr. METCALF. I withdraw my request.

Mr. HANSEN. Mr. President, I understand, then, there are 10 minutes allotted to be divided between the distinguished Senator from Arkansas and the distinguished Senator from Alaska on the amendment proposed by the Senator from Arkansas prior to the rollcall vote on that amendment.

The PRESIDING OFFICER. The Senator is correct.

Mr. BUMPERS. Mr. President, how much time do I have remaining, completely aside from this?

The PRESIDING OFFICER. The Senator has 11 minutes.

Mr. BUMPERS. Just in a moment, I will probably yield back all but that 5 minutes.

Before I do that I wish to offer a modifying amendment.

Mr. METCALF. Mr. President, will the Senator yield on my time?

The PRESIDING OFFICER. Senator Bumpers still has the floor. Does he yield to the Senator?

Mr. BUMPERS. If the Senator wishes for me to yield to him, I will yield to the Senator.

Mr. METCALF. Mr. President, I yield to the Senator from New Mexico to submit a conference report on my time.

The PRESIDING OFFICER. The Senator from New Mexico.

TREASURY, POSTAL SERVICE, AND EXECUTIVE OFFICES APPROPRIATIONS, 1976—CONFERENCE REPORT

Mr. MONTOYA. Mr. President, I submit a report of the committee of conference on H.R. 8597, and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated by title.

The legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8597) making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the Congressional Record of July 29, 1975, at page 25594.)

Mr. MONTOYA. Mr. President, the conference report has been printed as House Report No. 94–421.

New budget authority recommended in the conference report is $6,314,070,000. This is a reduction of $16,393,000 from the budget estimates. The amount is an increase to the House bill of $48,537,848 and a reduction from the Senate bill of $24,915,000.

TITLE I

For title I of the bill, which covers the Treasury Department, the conference agreement is $2,465,859,000. This is an increase of $20,629,000 to the House bill and $1,990,000 to the Senate bill.

The agreement provides $7,000,000 for grants to the Hoover Institution on War, Revolution, and Peace. These grants, authorized by Public Law 93–585, will enable the Department of the Treasury to match private contributions over a 5-year period for construction of education facilities for the Hoover Institution.

The conferees allowed $5,080,000 over the Senate bill for the U.S. Customs Service. These funds will support additional personnel which are required for the ever-increasing customs workload.

The agreement provides for restoration of $12,000,000 to the Internal Revenue Service. The House bill reduced these appropriations by $21,778,000. The increased funding for personnel will assist in meeting the additional responsibilities of the Service relating to the Freedom of Information Act, the Privacy Act, the Tax Reduction Act, the Employee Retirement Income Security Act, and the Social Security Amendments of 1974.

TITLE II

The conference agreement for title II, for the U.S. Postal Service, is $1,587,185,000. This includes $5,000,000 to reestablish a revolving fund for advance payments to U.S. international air carriers. These carriers are having a difficult time in collecting funds from foreign countries for the carriage of mail pursuant to international agreements. The conferees direct that all executive departments and agencies involved in the international transportation of mail make every effort to expedite and facilitate the collection of outstanding amounts from foreign governments.

The conference agreement for title III, the Executive Office of the President, is $65,161,000. This is a reduction of $15,980,000 from the House bill and an increase of $220,000 to the Senate bill.

The conferees allowed an additional $500,000 over the Senate bill for the unanticipated needs appropriation to provide contingency funds for the President. The agreement provides $23,750,000 for the Office of Management and Budget. The increase of $250,000 over the House bill will assist OMB in meeting its responsibilities under the Budget Reform Act, the Legislative Reorganization Act, and the Freedom of Information and Privacy Acts.

TITLE IV

For title IV, independent agencies, the conference agreement is $2,195,865,000. This is an increase of $38,888,848 over the House bill and a reduction of $25,125,000 from the Senate bill.

The conferees allowed $40,000,000 for increased capitalization of the General Supply Fund of the General Services Administration. Although the assets of the fund have been eroded by inflation, the capitalization has not been increased since 1967. The conference approval reflects a reduction of $25,000,000 from the Senate bill. However, the conferees direct the General Accounting Office to review the operations of the fund and report to the Congress by November 1, 1975, their findings. If these findings support additional funding, the requirements can be included in a supplemental appropriations bill.

For the Federal Buildings Fund, the bill allows limitations on the availability of revenue collected from Federal agencies by the standard level user charges of $1,131,554,000. This is an increase of $15,200,000 over the House bill and a reduction of $11,000,000 from the Senate bill. The increases include funding for a sorely needed tunnel at the Federal Office Building in Oklahoma City, Okla., and increased funding for the rental of space, real property operations, and the program direction and centralized service activities.

The bill includes $1,100,000 for the Office of Federal Management Policy. The conferees request the Office of Management and Budget to review the mission and operation of this organization and report their findings by November 1, 1975.

For the allowances and office staff for former Presidents appropriation, the bill allows $275,000. This is a reduction of $25,000 from the Senate bill. The funds allowed will provide $65,000 for pensions and postal franking privileges for the widows of former Presidents, the pension of $60,000 for former President Nixon, and $150,000 for his office staff and related expenses as authorized by the Former Presidents Act of 1958, as amended.

Mr. President, this has been a summary of the conference report, and I will be pleased to answer any questions any Member may have.

If there are no questions, I move the adoption of the conference report.

Mr. BELLMON. Mr. President, as ranking minority member on the Appropriations Subcommittee for Treasury, Post Office, and General Government, I wish to recommend rapid adoption of this conference report. It was approved by the conferees of the House, and the conferees of the Senate, as the best possible solution to those items and matters in disagreement.

Mr. President, once again I commend the distinguished chairman of our subcommittee, the Honorable Joseph Montoya, for the firm, fair, and methodical manner in which he has presided over the development of this appropriation legislation. His courtesies to all of the members of the subcommittee have been appreciated.

The PRESIDING OFFICER. The question is on the adoption of the conference report.

The conference report was agred to.

The PRESIDING OFFICER. The clerk will state the amendments in disagreement.

The legislative clerk read as follows:

> *Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 18 to the aforesaid bill, and concur therein with an amendment, as follows:
>
> In lieu of the sum named in said amendment, insert: "$5,000,000."
>
> *Resolved,* That the House recede from its

disagreement to the amendment of the Senate numbered 42 to the aforesaid bill, and concur therein with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert: "during fiscal year 1976,".

Mr. MONTOYA. Mr. President, I move that the Senate concur in the amendments of the House to the amendments of the Senate Nos. 18 and 42.

The **PRESIDING OFFICER.** The question is on agreeing to the motion of the Senator from New Mexico.

The motion was agreed to.

Mr. MONTOYA. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table comparing the conference agreements with the amounts for fiscal year 1975, the budget estimates for fiscal year 1976, and the amounts recommended in the House and Senate versions of the bill.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TREASURY, U.S. POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATION BILL FOR FISCAL YEAR 1976 (H.R. 8597)

COMPARATIVE STATEMENT OF CONFERENCE TOTAL WITH NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1975, BUDGET ESTIMATES FOR FISCAL YEAR 1976, AND HOUSE AND SENATE ALLOWANCE

Item	New budget (obligational) authority enacted fiscal year 1975	Budget estimate of new (obligational) authority fiscal year 1976 and transition period	New budget (obligational) authority House bill	New budget (obligational) authority Senate bill	New budget (obligational) authority conference	Conference compared with—			
						Fiscal year 1975 enacted	Budget estimates	House bill	Senate bill
TITLE I—TREASURY DEPARTMENT									
Office of the Secretary	26,040,000	28,050,000	27,000,000	27,500,000	27,500,000	1,460,000	−550,000	500,000	
Transition period		7,067,000	6,750,000	6,875,000	6,875,000		−192,000	125,000	
Office of Revenue Sharing		2,704,000	2,400,000	2,580,000	2,490,000	2,490,000	−214,000	90,000	−90,000
Transition period		736,000	600,000	645,000	622,500		−113,500	22,500	−22,500
Federal Law Enforcement Training Center:									
Salaries and expenses	3,115,000	3,210,000	14,000,000	12,000,000	12,000,000	8,885,000	8,790,000	−2,000,000	
Transition period		828,000	3,500,000	3,500,000	3,500,000		2,672,000		
Construction	18,915,000	14,300,000				−18,915,000	−14,300,000		
Transition period									
Total	22,030,000	17,510,000	14,000,000	12,000,000	12,000,000	−10,030,000	−5,510,000	−2,000,000	
Transition period		828,000	3,500,000	3,500,000	3,500,000		2,672,000		
Bureau of Government Financial Operations		120,141,000	120,000,000	120,000,000	120,000,000	120,000,000	−141,000		
Transition period		29,803,000	30,000 000	30,000,000	30,000,000		197,000		
Expenses for economic stabilization (liquidating functions)	2000,000					−2,000,000			
Transition period									
Bureau of Accounts:									
Salaries and expenses	114,091,000					−114,091,000			
Transition period									
Special payments to recipients of certain retirement and survivor benefits	1,750,000,000					−1,750,000,000			
Transition period									
Government losses in shipment	600,000	700,000	700,000	700,000	700,000	100,000			
Transition period		175,000	175,000	175,000	175,000				
Eisenhower College grants	9,000,000	1,000,000	1,000,000	1,000,000	1,000,000	−8,000,000			
Transition period									
Hoover Institution on War, Revolution and Peace, grants to		7,000,000		7,000,000	7,000,000	7,000,000		7,000,000	
Transition period									
Bureau of Alcohol, Tobacco, and Firearms	94,400,000	101,339,000	101,339,000	101,339,000	101,339,000	6,939,000			
Transition period		26,960,000	25,334,000	25,334,000	25,334,000		−1,626,000		
U.S. Customs Service	292,400,000	304,920,000	310,000,000	304,920,000	310,000,000	17,600,000	5,080,000		5,080,000
Transition period		78,300,000	77,500,000	76,230,000	77,500,000		800,000		1,270,000
Bureau of the Mint:									
Salaries and expenses	34,600,000	41,441,000	41,441,000	41,230,000	41,230,000	6,630,000	−211,000	−211,000	
Transition period		10,360,000	10,360,000	10,307,050	10,307,500		−52,500	−52,500	
Construction of Mint facilities		40,600,000	3,350,000	3,350,000	3,350,000	3,350,000	−37,250,000		
Transition period									
Total	34,600,000	82,041,000	44,791,000	44,580,000	44,580,000	9,980,000	−37,461,000	−211,000	
Transition period		10,360,000	10,360,000	10,307,500	10,307,500		−52,500	−52,500	
Bureau of the Public Debt	96,500,000	98,550,000	98,000,000	98,000,000	98,000,000	1,500,000	−550,000		
Transition period		27,355,000	24,500,000	24,500,000	24,500,000		−2,855,000		
Internal Revenue Service:									
Salaries and expenses	41,970,000	45,260,000	44,000,000	44,500,000	44,500,000	2,530,000	−760,000	500,000	
Transition period		11,620,000	11,000,000	11,125,000	11,125,000		−495,000	125,000	
Accounts, collection and taxpayer service	733,600,000	772,881,000	765,000,000	771,500,000	771,500,000	37,900,000	−1,381,000	6,500,000	
Transition period		193,805,000	191,250,000	192,875,000	192,875,000		−930,000	1,625,000	
Compliance	811,000,000	837,637,000	825,000,000	833,000,000	830,000,000	19,000,000	−7,637,000	5,000,000	−3,000,000
Transition period		209,575,000	206,250,000	208,250,000	207,500,000		−2,075,000	1,250,000	−750,000
Total	1,586,570,000	1,655,778,000	1,634,000,000	1,649,000,000	1,646,000,000	59,430,000	−9,778,000	12,000,000	−3,000,000
Transition period		415,000,000	408,500,000	412,250,000	411,500,000		−3,500,000	3,000,000	−750,000
Federal Tax Lien Revolving Fund	500,000					−500,000			
Transition period									
Office of the Treasurer	14,000,000					−14,000,000			
Transition period									
U.S. Secret Service	82,800,000	95,250,000	92,000,000	95,250,000	95,250,000	12,485,000		3,250,000	
Transition period		28,360,000	28,360,000	28,360,000	28,360,000				
Total, Title I	4,125,531,000	2,514,983,000	2,445,230,000	2,463,869,000	2,4565,859,000	−1,659,672,000	−49,124,000	20,629,000	1,990,000
Transition period		624,944,000	615,579,000	618,176,500	618,674,000		−6,270,000	3,095,000	497,500
TITLE II—UNITED STATES POSTAL SERVICE									
Payment to the Postal Service Fund	1,874,741,000	1,489,685,000	1,582,185,000	1,582,185,000	1,582,185,000	−292,556,000	92,500,000		
Transition period		393,356,000	416,481,000	416,481,000	416,481,000		23,125,000		
Budget submitted by U.S. Postal Service	(1,874,741,000)	(2,109,438,000)	( )	( )	( )	(−1,874,741,000)	(−2,109,438,000)	( )	( )
Transition period	( )	(600,398,000)	( )	( )	( )	( )	(−600,398,000)	( )	( )
Resolving fund for advance payments to U.S. international air carriers				7,000 000	5,000,000	5,000,000	5,000,000	5,000,000	−2,000,000
Transition period									
Total, title II	1,874,741,000	1,489,685,000	1,582,185,000	1,589,185,000	1,587,185,000	−287,556,000	97,500,000	5,000,000	−2,000,000
Transition period		393,356,000	416,481,000	416,481,000	516,481,000		23,125,000		

TREASURY, U.S. POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATION BILL FOR FISCAL YEAR 1976 (H.R. 8597)—Continued

COMPARATIVE STATEMENT OF CONFERENCE TOTAL WITH NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1975, BUDGET ESTIMATES FOR FISCAL YEAR 1976, AND HOUSE AND SENATE ALLOWANCE—Continued

Item	New budget (obligational) authority enacted fiscal year 1975	Budget estimate of new (obligational) authority fiscal year 1976 and transition period	New budget (obligational) authority House bill	New budget (obligational) authority Senate bill	New budget (obligational) authority conference	Conference compared with—			
						Fiscal year 1975 enacted	Budget estimates	House bill	Senate bill
TITLE III—EXECUTIVE OFFICE OF THE PRESIDENT AND FUNDS APPROPRIATED TO THE PRESIDENT									
Compensation of the President	250,000	250,000	250,000	250,000	250,000				
Transition period		62,500	62,500	62,500	62,500				
Council of Economic Advisers	1,600,000	1,617,000	1,600,000	1,600,000	1,600,000		−17,000		
Transition period		404,000	400,000	400,000	400,000		−4,000		
Council on International Economic Policy	1,600,000	1,657,000	1,650,000	1,650,000	1,650,000	50,000	−7,000		
Transition period		415,000	412,000	412,000	412,000		−3,000		
Council on Wage and Price Stability	1,000,000	1,600,000	1,550,000	1,580,000	1,550,000	550,000	−50,000		−30,000
Transition period									
Domestic Council	1,250,000	1,320,000	1,310,000	1,310,000	1,310,000	60,000	−10,000		
Transition period		330,000	327,000	327,000	327,000		−3,000		
Federal Energy Office	19,000,000					−19,000,000			
Transition period									
Unanticipated needs	500,000	1,000,000	1,000,000	500,000	1,000,000	500,000			500,000
Transition period		250,000	250,000	125,000	250,000				125,000
Executive residence	1,744,000	1,826,000	1,826,000	1,826,000	1,826,000	82,000			
Transition period		457,000	457,000	457,000	457,000				
Expansion of Defense production, expenses, Defense Production Act		16,200,000	16,200,000				−16,200,000	−16,200,000	
Transition period		3,800,000	3,800,000				−3,800,000	−3,800,000	
Official residence of the Vice President	315,000	104,000	104,000	274,000	274,000	−41,000	170,000	170,000	
Transition period		26,000	26,000	68,500	26,000				−42,500
National Commission on Productivity and Quality	2,000,000	2,500,000	2,000,000	2,000,000	2,000,000		−500,000		
Transition period		625,000	500,000	500,000	500,000		−125,000		
National Security Council	2,900,000	3,000,000	2,980,000	2,980,000	2,980,000	80,000	−20,000		
Transition period	650,000	650,000	650,000	650,000					
Office of Management and Budget	21,250,000	24,150,000	23,500,000	24,000,000	23,750,000	2,500,000	−400,000	250,000	−250,000
Transition period		6,038,000	5,875,000	6,000,000	5,987,500		−100,500	62,500	−62,500
Office of Federal Procurement Policy	660,000	940,000	530,000	730,000	730,000	70,000	−210,000	200,000	
Transition period		235,000	132,000	182,500	182,500		−52,500	50,500	
Office of Telecommunications Policy	8,450,000	8,962,000	8,900,000	8,500,000	8,500,000	50,000	−462,000	−400,000	
Transition period		2,100,000	2,100,000	2,100,000	2,100,000				
Special Action Office for Drug Abuse Prevention:									
Salaries and expenses	3,000,000					−3,000,000			
Transition period									
Pharmacological Research	1,240,000					−1,240,000			
Transition period									
Special Fund	8,760,000					−8,760,000			
Transition period									
Total	13,000,000					−13,000,000			
Transition period									
Special assistance to the President	910,000	990,000	978,000	978,000	978,000	68,000	−12,000		
Transition period		248,000	244,000	244,000	244,000		−4,000		
The White House Office	16,367,000	16,946,000	16,763,000	16,763,000	16,763,000	396,000	−183,000		
Transition period		4,237,000	4,191,000	4,191,000	4,191,000		−46,000		
Total, title III	92,796,000	83,062,000	81,141,000	64,941,000	65,161,000	−27,535,000	−17,901,000	−15,980,000	220,000
Transition period		19,877,500	19,426,500	15,719,500	15,739,500		−4,138,000	−3,687,000	20,000
TITLE IV—INDEPENDENT AGENCIES									
Administrative Conference of the United States	750,000	790,000	785,000	785,000	785,000	35,000	−5,000		
Transition period		200,000	196,000	196,000	196,000		−4,000		
Advisory Commission on Intergovernmental Relations	1,184,000	1,223,000	1,200,000	1,200,000	1,200,000	16,000	−23,000		
Transition period		314,000	300,000	300,000	300,000		−14,000		
Advisory Committee on Federal Pay	130,000	140,000	135,000	135,000	135,000	5,000	−5,000		
Transition period		35,000	34,000	34,000	34,000		−1,000		
Civil Service Commission:									
Salaries and expenses:									
Appropriation	92,850,000	96,000,000	94,500,000	94,700,000	94,700,000	1,850,000	−1,300,000	200,000	
Transition period		26,000,000	23,625,000	23,675,000	23,675,000		−2,325,000	50,000	
By transfer	(18,698,000)	(20,843,000)	(20,843,000)	(20,843,000)	(20,843,000)	(2,145,000)	( )	( )	( )
Transition period	( )	(5,248,000)	(5,211,000)	(5,248,000)	(5,248,000)	( )	( )	( )	( )
Government payment for annuitants, employees health benefits	264,817,000	338,650,000	338,650,000	338,650,000	338,650,000	73,833,000			
Transition period		94,437,000	94,437,000	94,437,000	94,437,000				
Payment to civil service retirement and disability fund	1,326,933,000	1,280,970,000	1,280,970,000	1,280,970,000	1,280,970,000	−45,963,000			
Transition period		245,000	245,000	245,000	245,000				
Federal Labor Relations Council	1,007,000	1,291,000	1,150,000	1,150,000	1,150,000	143,000	−141,000		
Transition period		327,000	278,000	278,000	278,000		−49,000		
Intergovernmental personnel assistance	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000				
Transition period		4,000,000	4,000,000	4,000,000	4,000,000				
Total	1,700,607,000	1,731,911,000	1,730,270,000	1,730,470,000	1,730,470,000	29,863,000	−1,441,000	200,000	
Transition period		125,009,000	122,585,000	122,635,000	122,635,000		−2,374,000	50,000	
Commission on Federal Paperwork	50,000	100,000	100,000	100,000	100,000	50,000			
Transition period									
Commission to Review National Policy Toward Gambling	1,000,000	750,000	745,000	745,000	745,000	−255,000	−5,000		
Transition period		200,000	186,000	186,000	186,000		−14,000		

TREASURY, U.S. POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATION BILL FOR FISCAL YEAR 1976 (H.R. 8597)—Continued

COMPARATIVE STATEMENT OF CONFERENCE TOTAL WITH NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1975, BUDGET ESTIMATES FOR FISCAL YEAR 1976, AND HOUSE AND SENATE ALLOWANCE—Continued

Item	New budget (obligational) authority enacted fiscal year 1975	Budget estimate of new (obligational) authority fiscal year 1976 and transition period	New budget (obligational) authority House bill	New budget (obligational) authority Senate bill	New budget (obligational) authority conference	Conference compared with—			
						Fiscal year 1975 enacted	Budget estimates	House bill	Senate bill
TITLE IV—INDEPENDENT AGENCIES—Continued									
Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped	252,000	256,000	255,000	255,000	255,000	3,000	−1,000		
Transition period		65,000	64,000	64,000	64,000		−1,000		
Federal Election Commission	500,000	6,355,000	5,000,000	5,000,000	5,000,000	4,500,000	−1,355,000		
Transition period		1,589,000	1,250,000	1,250,000	1,250,000		−339,000		
General Services Administration:									
Disposal of surplus real and related property, Operating expenses	7,156,000	6,340,000	6,000,000	6,000,000	6,000,000	−1,156,000	−340,000		
Transition period		1,450,000	1,450,000	1,450,000	1,450,000				
Federal Buildings Fund (limitation on availability of revenue):									
Construction on buildings	(98,234,000)	(62,586,000)	(62,586,000)	(63,786,000)	(63,786,000)	(−34,448,000)	(1,200,000)	(1,200,000)	
Transition period									
Purchase contract payments	(16,244,000)	(60,000,000)	(60,000,000)	(60,000,000)	(60,000,000)	(43,756,000)			
Transition period		(27,000,000)	(27,000,000)	(27,000,000)	(27,000,000)				
Rental of space	(392,000,000)	(452,700,000)	(440,000,000)	(447,000,000)	(443,500,000)	(51,500,000)	(−9,200,000)	(3,500,000)	(−3,500,000)
Transition period		(129,800,000)	(110,000,000)	(111,750,000)	(110,875,000)		(−18,925,000)	(875,000)	(−875,000)
Alterations and major repairs	(99,107,000)	(110,768,000)	(110,768,000)	(110,768,000)	(110,768,000)	(11,661,000)			
Transition period		(26,300,000)	(26,300,000)	(27,700,000)	(27,700,000)		(1,400,000)	(1,400,000)	
Real property operations	(355,977,000)	(397,029,000)	(380,000,000)	(397,000,000)	(390,000,000)	(34,023,000)	(−7,029,000)	(10,000,000)	(−7,000,000)
Transition period		(106,000,000)	(95,000,000)	(99,250,000)	(97,500,000)		(−8,500,000)	(2,500,000)	(−1,750,000)
Program direction and centralized service	(62,326,000)	(66,900,000)	(63,000,000)	(64,000,000)	(63,500,000)	(1,174,000)	(−3,400,000)	(500,000)	(−500,000)
Transition period		(17,000,000)	(15,750,000)	(16,000,000)	(15,875,000)		(−1,125,000)	(125,000)	(−125,000)
Subtotal	(1,023,888,000)	(1,149,983,000)	(1,116,354,000)	(1,142,554,000)	(1,131,554,000)	(107,666,000)	(−18,429,000)	(15,200,000)	(−11,000,000)
Transition period		(306,100,000)	(274,050,000)	(281,700,000)	(278,950,000)		(−27,150,000)	(4,900,000)	(−2,750,000)
Federal Supply Service	165,990,000	166,912,000	160,000,000	159,000,000	159,000,000	−6,990,000	−7,912,000	−1,000,000	
Transition period		42,059,000	40,000,000	39,750,000	39,750,000		−2,309,000	−250,000	
Payment to the General Supply Fund		75,000,000		65,000,000	40,000,000	40,000,000	−25,000,000	40,000,000	−25,000,000
Transition period									
National Archives and Records Service:									
Operating expenses	51,264,000	62,971,000	60,200,000	60,200,000	60,200,000	8,936,000	−2,771,000		
Transition period		15,572,000	15,050,000	15,050,000	15,050,000		−522,000		
Records declassification	1,305,000	1,372,000	1,350,000	1,350,000	1,3500,00	45,000	−22,000		
Transition period		347,000	337,000	337,000	337,000		−10,000		
Subtotal	52,569,000	64,343,000	61,550,000	61,550,000	61,550,000	8,971,000	−2,793,000		
Transition period		15,919,000	15,387,000	15,387,000	15,387,000		−532,000		
Automated Data and Telecommunications Service	7,102,000	7,320,000	7,250,000	7,250,000	7,250,000	148,000	−70,000		
Transition period		2,080,000	1,812,000	1,812,000	1,812,000		−268,000		
Preparedness activities:									
Office of Preparedness, salaries and expenses	7,650,000	16,843,000	16,000,000	15,00,0000	15,000,000	7,850,000	−1,343,000	−500,000	500,000
Transition period			4,386,000	4,005000	3,875,000		−511,000	−125,000	125,000
Defense mobilization functions of Federal agencies	1,500,000					−1,500,000			
Transition period									
Subtotal	9,150,000	16,843,000	16,000,000	15,000,000	15,500,000	6,350,000	−1,343,000	−500,000	500,000
Transition period		4,386,000	4,000,000	3,750,000	3,875,000		−511,000	−125,000	125,000
General activities:									
General management and agency operations, salaries and expenses	10,650,000	12,887,000	12,000,000	12,000,000	12,000,0000	1,350,000	−887,000		
Transition period		3,053,000	3,000,000	3,000,000	3,000,000		−53,000		
Federal management policy, salaries and expenses	1,748,000	1,880,000	940,000	1,700,000	1,100,000	−648,000	−780,000	160,000	−600,000
Transition period		473,000	235,000	425,000	275,000		−198,000	40,000	−150,000
Indian Tribal Claims	2,549,000	2,660,000	2,600,000	2,600,000	2,600,000	51,000	−60,000		
Transition period		666,000	650,000	650,000	650,000		−16,000		
Allowances and office staff for former Presidents	160,000	328,000	246,152	300,000	275,000	115,000	−53,000	28,848	−25,000
Transition period		82,000	61,538	75,000	68,500		−13,500	6,962	−6,500
Expenses Presidential transition	100,000					−100,000			
Transition period									
Administrative and staff support services	48,122,000	51,776,000	50,300,000	50,300,000	50,300,000	2,178,000	−1,476,500		
Transition period		13,127,000	12,575,000	12,575,000	12,575,000		−552,000		
Subtotal	63,329,000	69,531,000	66,086,152	66,900,000	66,275,000	2,946,000	−3,256,000	188,848	−625,000
Transition period		17,401,000	16,521,538	16,725,000	16,568,500		−832,500	46,962	−156,500
Total	305,296,000	396,289,000	316,886,152	380,700,000	355,575,000	50,279,000	−40,714,000	38,688,848	−25,125,000
Transition period		83,295,000	79,170,538	78,874,000	78,842,500		−4,452,500	−328,038	−31,500
Harry S. Truman Scholarship Fund		10,000,000	10,000,000	10,000,000	10,000,000	10,000,000			
Transition period									
National Commission on Supplies and Shortages	287,500					−287,500			
Transition period									
National Commission on Electronic Fund Transfers	500,000					−500,000			
Transition period									
United States Tax Court:									
Salaries and Expenses	6,285,000	6,919,000	6,600,000	6,600,000	6,600,000	315,000	−319,000		
Transition period		1,662,000	1,650,000	1,650,000	1,650,000		−12,000		
Construction	2,000,000					−2,000,000			
Transition period									
Total	8,285,000	6,919,000	6,600,000	6,600,000	6,600,000	−1,685,000	−319,000		
Transition period		1,662,000	1,650,000	1,650,000	1,650,000		−12,000		

TREASURY, U.S. POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATION BILL FOR FISCAL YEAR 1976 (H.R. 8597)—Continued

COMPARATIVE STATEMENT OF CONFERENCE TOTAL WITH NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1975, BUDGET ESTIMATES FOR FISCAL YEAR 1976, AND HOUSE AND SENATE ALLOWANCE—Continued

Item	New budget (obligational) authority enacted fiscal year 1975	Budget estimate of new (obligational) authority fiscal year 1976 and transition period	New budget (obligational) authority House bill	New budget (obligational) authority Senate bill	New budget (obligational) authority conference	Conference compared with—			
						Fiscal year 1975 enacted	Budget estimates	House bill	Senate bill
Department of Defense:									
Defense Civil Preparedness Agency:									
Operation and maintenance	63,400,000	66,000,000	65,000,000	65,000,000	65,000,000	1,600,000	−1,000,000		
Transition period		14,300,000	14,300,000	14,300,000	14,300,000				
Research, shelter survey and marking	18,600,000	22,000,000	20,000,000	20,000,000	20,000,000	1,400,000	−2,000,000		
Transition period		5,500,000	5,000,000	5,000,000	5,000,000		−500,000		
Total	82,000,000	88,000,000	85,000,000	85,000,000	85,000,000	3,000,000	−3,000,000		
Transition period		19,800,000	19,300,000	19,300,000	19,300,000		−500,000		
Total, Title IV	2,100,841,500	2,242,733,000	2,156,976,152	2,220,990,000	2,195,865,000	95,023,500	−46,868,000	38,888,848	−25,125,000
Transition period		232,169,000	224,735,538	224,489,000	224,457,500		−7,711,500	−278,038	−31,500
Total	8,193,909,500	6,330,463,000	6,265,532,152	6,338,985,000	6,314,070,000	−1,879,839,500	−16,393,000	48,537,848	−24,915,000
Transition period		1,270,346,500	1,276,222,038	1,274,866,000	1,275,352,000		5,005,500	−870,038	486,000

OUTER CONTINENTAL SHELF MANAGEMENT ACT OF 1975

The Senate continued with the consideration of the bill (S. 521) to increase the supply of energy in the United States from the Outer Continental Shelf Lands Act; and for other purposes.

Mr. METCALF. Mr. President, I thank the Senator from Arkansas for helping us get this conference report through at this time.

Mr. BUMPERS. The Senator is quite welcome.

Mr. President, I modify my amendment by striking the word "he" on line 10 of page 58 and substituting therefor the words "the Secretary."

This modification makes it more clear that only the Secretary can release confidential information.

With that, Mr. President, I yield back all my time except the 5 minutes previously reserved.

The yeas and nays have been ordered on this, have they not, Mr. President?

The PRESIDING OFFICER. Yes.

The Chair will point out that inasmuch as the yeas and nays have been ordered it will require a unanimous-consent for the Senator to modify his amendment.

Mr. BUMPERS. Mr. President, I ask that the modification just stated be allowed as a modification to my amendment.

The PRESIDING OFFICER. Is there objection?

Mr. HANSEN. Mr. President, reserving the right to object, and I shall not object, I am pleased as a matter of fact, that the distinguished Senator from Arkansas proposes to make this amendment.

I think it does clarify that language which was made somewhat ambiguous through the insertion of the Johnston amendment, and it seems to me that it spells out now more clearly than would otherwise have been the situation.

I have no objection.

Mr. BUMPERS. I thank the Senator.

The PRESIDING OFFICER. Is there objection to the unanimous-consent agreement?

The Chair hears none.

Without objection, it is so ordered.

Will the Senator send his modification to the desk?

The amendment, as modified, is as follows:

On page 58, lines 6, and 7, strike the word "excluding" and insert in lieu thereof the word "including".

On page 58, line 8, after "Secretary" and before "shall" insert the following:

"and any other person (other than the owner thereof) who comes into possession of such information."

On page 58, line 10, strike the word "he" and insert the words "the Secretary."

Mr. KENNEDY. Mr. President, is it in order at this time to call up an amendment at the desk, given the parliamentary situation?

The PRESIDING OFFICER. Inasmuch as the amendment of the Senator from Arkansas has been set aside, it is in order, and the Senator will send it forward.

AMENDMENT NO. 843

Mr. KENNEDY. Mr. President, I call up my amendment 843, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Massachusetts (Mr. Kennedy) proposes an amendment No. 843.

The amendment is as follows:

On page 83, line 17, beginning with "No", strike out all through the period in line 19.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. Mr. President, I yield such time as I might use on this amendment.

Mr. President, the bill as reported calls for the regional advisory board of governors to make recommendations to the Secretary of the Interior on the size and scope and timing and location of the OCS leases.

This appears to provide full input into the decisionmaking process. The Secretary can disregard these findings based on overriding national interests or national security.

The bill as reported then goes on to prohibit any judicial review of the Secretary's decision regardless of how arbitrary it may be and regardless of how capricious it may be and regardless of the potential threat to the health and safety of the State, region or locality affected.

It is virtually unique in our history to deny concerned parties access to the courts, to challenge arbitrary actions of Government officials, and checks and balances between the branches of Government would be disrupted by denial of judicial review. This amendment permits access to this judicial review, to challenge the Secretary's decision when that decision is arbitrary or capricious.

Mr. President, even the language now included under the proposed legislation, there would be challenges in the courts and there would be a cloud with respect to that section, because it does violate some of the protections which are guaranteed under the Administrative Procedure Act. That act guarantees that any action taken by any Government official that is arbitrary or capricious shall be open to challenge.

I think the various court opinions in this area of law also indicate that it may well be questionable on constitutional grounds.

Irrespective of that, it is my hope that the managers of the bill will recognize that in the cases where action by the Secretary can be interpreted as capricious or arbitrary or in excess of statutory authority in overriding regional advisory recommendations—in those limited circumstances—judicial review is essential.

It seems to me that to provide the opportunities for judicial review in these limited sets of circumstances not only would satisfy the rights of interested and legitimate parties but also would end the confusion as to the existing provisions constitutionality.

Finally, I would note that if we want to insure adequate input from the coastal areas and the coastal States then, it is essential that this amendment be adopted.

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. KENNEDY. Mr. President, how much time remains?

The **PRESIDING OFFICER.** The Senator has used 2 minutes. There are 30 minutes on the amendment, 15 minutes to each side.

Mr. KENNEDY. I yield to the Senator whatever time he requires.

Mr. JOHNSTON. Mr. President, first, I will state my concern with the amendment, and perhaps we can conform the language to meet that concern.

It has been the idea of the bill that we not delay the development of the Outer Continental Shelf, and all provisions of the bill are pointed in that direction, to give maximum protection for the environment, for the coastal States, and so forth, but not to delay.

The problem here is that a regional advisory board for an affected Governor might not want development at all and might suggest a plan and then have that plan turned down by the Secretary, for good and sufficient reasons. Would he then not be able to go to court and get an injunction against the effectuation of this plan until judicial review had run its full course—namely, through the district court, through the court of appeals, and through the Supreme Court? If that is so, could we design some language to provide against injunctive relief and to provide for the quickest possible kind of review, probably starting in the court of appeals?

Mr. KENNEDY. It certainly would not be the intention of the amendment to delay or, to permit this procedure to be used in an arbitrary or capricious way to delay a final decision on the measure.

I would certainly welcome the opportunity to expedite the time procedure for action on a court challenge. It seems to me that a judge would have to make that determination based upon the evidence before him; otherwise, he would not be willing to grant an injunction. I would be glad to clarify that particular provision.

Mr. JOHNSTON. Is the Senator willing to have his judicial review subject to the provisions of section 31, on page 84, which provides for review by the U.S. Court of Appeals for the circuit in which the affected coastal State is located?

Mr. KENNEDY. That would be satisfactory, certainly. I think those circuit courts would have the expertise and knowledge. It seems to me that that would make the most sense.

Mr. JOHNSTON. I think the Senator has a right to modify his amendment, and I suggest that he add that language.

Mr. KENNEDY. I imagine that nothing in the amendment would prohibit that orderly procedure from being followed. I would think that any review would take place within the local circuit at the present time. However, I will be glad to clarify that, if counsel feels there has to be that kind of clarification.

The **PRESIDING OFFICER.** Will the Senator send his modification to the desk please?

Mr. KENNEDY. Mr. President, I suggest the absence of a quorum, in order to perfect that language.

The **PRESIDING OFFICER.** On whose time?

Mr. KENNEDY. On my time.

The **PRESIDING OFFICER.** The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I send to the desk a modified amendment and ask that it be immediately considered.

The **PRESIDING OFFICER.** The amendment as modified will be stated.

The legislative clerk read as follows:

> On page 83, line 17, beginning with "No" strike out all through the period in line 19 and insert in lieu thereof the following: "The Secretary's determination pursuant to this subsection shall be final unless determined in a judicial review to be arbitrary, or capricious."
>
> "Such review shall take place in the United States Court of Appeals for a circuit in which an affected coastal State is located."

Mr. STONE. Will the Senator yield?

Mr. KENNEDY. Yes, I yield to the Senator from Florida.

Mr. STONE. Mr. President, I was the original propounder of the language that is being amended. I think this amendment improves on the provision, makes it clear that, while the Secretary of the Interior is to be the final administrative officer making the determination, nevertheless, if his actions with regard to these development plans proposed by the regional advisory councils is an arbitrary action, a discriminatory action, or a capricious action, it will be subject to review.

The **PRESIDING OFFICER.** The Senator will suspend.

The Senate will be in order.

Mr. STONE. The Senator from Florida supports this amendment and urges its immediate adoption.

I thank the Senator from Massachusetts.

Mr. KENNEDY. I would yield to the Senator from Louisiana.

Mr. JOHNSTON. I think this amendment, as now modified, conforms the amendment to the judiciary review provisions of section 31 for a review in the court of appeals for the circuit in which the affected coastal State is located. I think it takes care of undue delay, and I think it is an acceptable amendment.

Mr. KENNEDY. Mr. President, I move the adoption of the amendment.

The **PRESIDING OFFICER.** Is all time yielded back?

Mr. KENNEDY. I yield back the remainder of my time.

Mr. FANNIN. I yield back the remainder of my time.

The **PRESIDING OFFICER.** All time having been yielded back, the question is on agreeing to the amendment, as modified.

The amendment, as modified, was agreed to.

AMENDMENT NO. 842

Mr. KENNEDY. Mr. President, I call up my amendment 842 and ask for its immediate consideration.

The **PRESIDING OFFICER.** The amendment will be stated.

The legislative clerk read as follows:

> On page 66, after line 14, insert the following new paragraph and renumber following paragraphs accordingly:
>
> "(2) Notwithstanding the provisions of any other law, the holder of a lease or right-of-way issued or maintained under this Act and the Offshore Oil Pollution Settlements Fund (hereinafter referred to as 'the fund') established by this subsection shall be strictly liable for the rehabilitation and restoration, without regard to fault and without regard to ownership, of any adversely affected lands, structures, fish, wildlife, or biotic or other natural resources administered by Federal, State, or local governmental agencies, and in accordance with the provisions of this subsection, for all damages sustained as a result of discharges of oil or gas from any operation authorized under this Act and maintained by such holder of a lease or right-of-way if such damages occurred (A) within the territory of the United States, Canada, or Mexico, or (B) in or on waters within two hundred nautical miles of the baseline of the United States, Canada, or Mexico from which the territorial sea of the United States, Canada, or Mexico is measured, or (C) within one hundred nautical miles of any such operation. Claims for such injury or damages may be determined by arbitration or judicial proceedings.".
>
> On page 66, line 19, after the word "caused" insert "solely", and on line 23, after the word "caused" insert the word "solely".
>
> On page 66, line 25, instead of "$7,000,000" insert $30,000,000".
>
> On page 69, line 22, instead of "The United States Government" insert "Federal, State, or local governmental agencies".
>
> On page 69, line 24, insert the following new paragraph:
>
> "(4) All costs, including administrative, incurred by the Secretary of any other Federal, State, or local official or agency, of such removal and other actions to minimize damages pursuant to this subsection shall be borne by the lessee or permittee of the operation from which the discharge occurs.".
>
> On page 70, line 4, strike out "$7,000,000" and insert in lieu thereof "$30,000,000".

Mr. KENNEDY. Mr. President, I yield myself such time as I may need.

Mr. President, this amendment simply attempts to achieve the stated goals of the committee report with regard to liability of oil lessees for spills which may occur. In the report, on page 5, "Unlimited Oil Spill Liability—New Section 23," the report states:

> The bill puts into law the existing rule, established by Departmental regulation, that an OCS lessee is liable for the total cost of control and removal of spilled oil.

That matter, I think, is an open question, as the language of the statute does not fully reflect that absolute liability for cleaning up oil spills. It is an attempt to insure that the statutory language conforms with the intent of report language as I understand to protect our existing natural resources—our beaches and our fisheries—from any potential risk of pollution from an oil spill.

Coming from a State that is highly sensitive to the potential risk of offshore oil development, it is essential that we provide every assurance that such development will be done according to the highest standards and with the utmost concern for safety practices. I know that the committee has the same desire. Thus, I feel this amendment is simply an improvement in the bill as reported by the committee.

In large part, the amendment tracks the liability provisions of the bill as it now stands. First, the bill provides a strict liability to the lessee for damage which results from the spills which cause economic loss to individuals and businesses. The amendment which I offer merely extends that concept to publicly owned resources, such as public beaches or facilities, where there is no economic loss. It requires that they be restored to their previous condition.

In many areas along the northeastern seaboard, there are many beaches which are publicly owned or administered by the various counties. Those are generally the areas which the public has access to. We do not have, as do many other parts of the country—the west coast, for example—a coastline which is totally publicly owned. This would insure that those areas and public beaches would be assured of protection against damage.

Mr. STONE. Will the Senator yield?

Mr. KENNEDY. If I can just complete my explanation of exactly what my amendment does, then I shall yield.

The amendment first extends eligibility for damage payments to the publicly owned resources which may be damaged and requires that they be restored to their previous condition.

Second, the amendment conditions the exception to the strict liability provisions by inserting the word "solely" to insure that a lessee does not escape liability unless governmental or third party negligence is "solely" responsible for the spill.

This is language which virtually tracks exactly the Deep Water Port Act liability provision.

I ask unanimous consent that that specific language from the Deep Water Port Act be included in the Record. It it on page 17 of Public Law 93–627.

There being no objection, the language was ordered to be printed in the Record, as follows:

LIABILITY

(g) Liability shall not be imposed under subsection (d) or (e) of this section if the owner or operator of a vessel or the licensee can show that the discharge was caused solely by (1) an act of war, or (2) negligence on the part of the Federal Government in establishing and maintaining aids to navigation. In addition, liability with respect to damages claimed by a damaged party shall not be imposed under subsection (d), (e), or (f) of this section if the owner or operator of a vessel, the licensee, or the Fund can show that such damage was caused solely by the negligence of such party.

Mr. KENNEDY. We insert the word "solely" to conform it exactly to the Deep Water Port Act.

Third, the bill as reported does not, although the report asserts that it does, provide absolute liability to the lessees for the cleanup costs. The existing Interior Department regulations provide for absolute liability. The amendment provides such absolute liability for cleanup costs.

Finally, Mr. President, the bill, as reported, limits the front-end liability of the lessee for damage to $7 million. The existing law requires $14 million under the Federal Water Pollution Control Act, Public Law 92–500. The President's bill recommends $50 million, as does the bill introduced by Senator Magnuson on this subject. This amendment raised the liability to a modest $30 million.

Mr. METCALF. I ask my friend from Massachusetts if he will yield at this point?

Mr. KENNEDY. Yes.

Mr. METCALF. I have had a lot of communications from small developers and so forth who say that $7 million may be too small, but $30 million will put them out of business. I wonder if we can agree on some middle ground—$20 million—that would be better for some of our independents. And, believe me, I do not think that Exxon or Arco or any of those people are going to worry about as many million as we put in. But some of our independents are very concerned they may be put out of business if they have to give $30 million and then not get the proper kind of insurance and security.

Mr. KENNEDY. I am sensitive to this point, Mr. President, and as I understand it from statistics available a substantial number of the independents now have liability of up to $22 million. I believe figures provided indicate that some 15 percent of independents have insurance policies from Lloyds of London which provide liability of up to $22 million.

I might mention that with respect to a number of sizable oil spills, the 1970 Shell Gulf of Mexico oil spill cleanup cost approximately $30 million; the 1970 Chevron spill cleanup in the Gulf of Mexico cost $15 million; the 1971 Amoco spill cleanup in the Gulf of Mexico cost $15.4 million.

Mr. METCALF. Chevron, of course, can pay.

Mr. KENNEDY. The only point I am making, and the only reason I am mentioning it, is that a number of the major spills have been up in that range. I would think if we could agree on a $22 million figure, then I would be glad to modify the amendment. The President's proposal was for $50 million. Existing law under the Water Pollution Act provides for $14 million in liability.

We are talking about areas along the coast which, in terms of value, urgently need this kind of protection. I would think with the program of decontrol which has been proposed that the oil companies themselves will be able to afford this level of liability without too much trouble. But I am sensitive to the point the Senator makes, he has been extremely cooperative, and I would like to accommodate him.

Mr. METCALF. The Senator from Massachusetts has given us a good justification for $22 million, and I am certainly willing and acquiescent to that proposal.

Will the Senator from Massachusetts modify it?

Mr. KENNEDY. I modify my amendment to $22 million.

Mr. JOHNSTON. Mr. President, will the Senator yield at that point?

Mr. KENNEDY. Yes.

The PRESIDING OFFICER (Mr. Helms). The amendment will be so modified. Will the Senator please send the modification to the desk?

The amendment, as modified, is as follows:

On page 66, after line 14, insert the following new paragraph and renumber following paragraphs accordingly:

"(2) Notwithstanding the provisions of any other law, the holder of a lease or right-of-way issued or maintained under this Act and the Offshore Oil Pollution Settlements Fund (hereinafter referred to as 'the fund') established by this subsection shall be strictly liable for the rehabilitation and restoration, without regard to fault and without regard to ownership, of any adversely affected lands, structures, fish, wildlife, or biotic or other natural resources administered by Federal, State, or local governmental agencies, and in accordance with the provisions of this subsection, for all damages sustained as a result of discharges of oil or gas from any operation authorized under this Act and maintained by such holder of a lease or right-of-way if such damages occurred (A) within the territory of the United States, Canada, or Mexico, or (B) in or on waters within two hundred nautical miles of the baseline of the United States, Canada, or Mexico from which the territorial sea of the United States, Canada, or Mexico is measured, or (C) within one hundred nautical miles of any such operation. Claims for such injury or damages may be determined by arbitration or judicial proceedings.".

On page 66, line 19, after the word "caused" insert "solely", and on line 23, after the word "caused" insert the word "solely".

On page 66, line 25, instead of "$7,000,000" insert "$22,000,000".

On page 69, line 22, instead of "The United States Government" insert "Federal, State, or local governmental agencies".

On page 69, line 24, insert the following new paragraph:

"(4) All costs, including administrative, incurred by the Secretary or any other Federal, State, or local official or agency, of such removal and other actions to minimize damages pursuant to this subsection shall be borne by the lessee or permittee of the operation from which the discharge occurs.".

On page 70, line 4, strike out "$7,000,000" and insert in lieu thereof "$22,000,000".

Mr. JOHNSTON. I would first like to say I support the idea of getting as much protection as we can. But we built into this bill the ability of the small independents to join together in these consortia, and we have provisions to encourage that.

Now, by requiring them to be insurable up to $22 million as opposed to $7 million, I am afraid it is going to knock out or make it much more difficult for some of the very small independents to join in these consortia.

Is there any limitation by tonnage, so much liability, so much per ton, on the ships?

Mr. KENNEDY. I would like to mention that it would be the intention that the consortium be covered, not every independent that would be a part of it. That is the intent, and if there is any confusion on that, I would like to clarify. Obviously, if there are half a dozen companies that have joined together, they should not each have to bear that kind of liability. The idea is that the whole consortium be covered, and I want to make that clear if it is not clear in the language.

Mr. JOHNSTON. On page 70, subsection (d) the following language is used:

> The Secretary shall establish requirements that all holders of leases issued or maintained under this act shall establish and maintain evidence of financial responsibility of not less than $7 million.

That is the figure used here.

Mr. STONE. Mr. President, if the Senator will yield I might be able to clarify that.

The holder of the lease would be the consortium and not the individual owners of the interest in the consortium, and the leasehold owner would be the one required to get sufficient insurance.

Second, I would just like briefly to point out that according to the figures cited by the Senator from Massachusetts, the great bulk of independents already are insured through Lloyds up to the amount of $22 million, to which the amendment has been modified downward.

Mr. JOHNSTON. I think we can do it by modifying language. But I fear the language that is in there now, which says: "All holders of leases" would lead to the conclusion that each member of the consortium would have to be covered.

Mr. KENNEDY. We would like to clarify it to conform it with the intent as expressed by the Senator from Florida.

Mr. STONE. Mr. President, if the Senator will yield to me——

Mr. KENNEDY. Yes; I yield to the Senator from Florida.

Mr. STONE. Mr. President, I would support this amendment. I know it will be appropriately modified to require only that the direct owner of the leasehold interest be the insured party; that is, the insured party for which the need for this amendment is clear. It may not be readily ascertainable as to amount, but the damage to a beach or to a coral reef, which is publicly owned, is damage to every member, to every citizen of the country, and its difficulty of ascertainment in money damages should not be a bar to appropriate insurability.

We just suffered a massive oil spill of indeterminate origin; we do not yet have the exact perpetrator of the oil spill in the Florida Keys. Not only private property in the Florida Keys but a great amount, a great area, of public property in the Florida Keys was inundated with this oil, including coral areas, areas for minuscule marine animals, animals important to the chain of the biology of the whole area.

I certainly think, the Senator from Florida believes, that coastal areas will be a lot more receptive to immediate and prompt development offshore if the coastal States and the coastal local government units and the individuals who live in that area and who use it as visitors will be assured that an oil spill befouling a public beach or publicly owned property will be cleaned up just as readily by those who allow the oil spill in the first place as it would be were it private property.

So the Senator from Florida supports this amendment and believes that with just a minor modification now to go along with the modification of liability amount that the offeror of the amendment has already accepted, the member of the Interior Committee and the Members of the Senate can and really ought to adopt this good amendment.

Mr. HOLLINGS. Mr. President, S. 521 contains provisions which address the issue of liability and compensation for oil spills from offshore drilling operations. As is indicated in the Interior Committee's report, there has been considerable uncertainty with regard to the legal rules applicable to oil spill damage from OCS operations. This same uncertainty in the context of vessel-source oil spills has led to piecemeal, but major revisions of legal rules on liability and compensation in the Alaska Pipeline Act and the Deepwater Port Act. Further revision of the Nation's oil spill liability laws would occur with the passage of S. 521.

On May 15, 1975, Senator MAGNUSON, chairman of the Committee on Commerce, introduced S. 1754, the "National Oil Pollution Liability and Compensation Act." This bill is offered as a solution to the piecemeal approach we have followed in connection with this issue in the past. S. 1754 seeks to establish a uniform and comprehensive legal regime governing liability and compensation for damages and cleanup costs caused by oil pollution of the navigable waters of the United States and the ocean environment. If enacted, it will supersede existing legal rules applicable to this subject, combining once and for all separate and often inconsistent Federal statutes. It is also intended to supersede the provisions of S. 521 should this bill become law prior to S. 1754 or similar legislation.

The process of developing comprehensive legislation actually began nearly 1 year ago when, during the debate on the Deepwater Port Act, it became obvious that such legislation had been ignored too long. Therefore it was agreed between the Committees on Commerce, Interior; and Public Works that the National Ocean Policy Study would develop and recommend legislation to the three committees.

To prepare for this undertaking, a provision was included in the Deepwater Port Act authorizing and directing the Attorney General, together with other Federal agencies, "to study methods and procedures for implementing a uniform law providing liability for cleanup costs and damages from oil spills from Outer Continental Shelf operations, deepwater ports, vessels, and other ocean-related sources." That study was completed and submitted to the Senate on July 3, 1975. The Committee on Commerce, pursuant to Senate Resolution 222 creating the National Ocean Policy Study, has printed the study and it is now available. In addition, the Ocean Policy Study has contacted States and interested groups seeking their views on a comprehensive national oil spill liability statute. Hearings have been tentatively scheduled for September or October.

The **PRESIDING OFFICER.** Who yields time?

Mr. KENNEDY. I thank the Senator from Florida for his comments. I suggest the absence of a quorum.

The **PRESIDING OFFICER.** The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

DISAPPROVAL OF THE PRESIDENT'S PROPOSAL TO DECONTROL OLD OIL PRICES

The Senate resumed the consideration of the resolution (S. Res. 145) to express the disapproval of the Senate of the President's proposed amendment to the regulations promulgated under section 4(a) of the Emergency Petroleum Allocation Act of 1973 to remove price controls from domestic crude oil, residual oil, propane, and refined petroleum products.

ADDITIONAL STATEMENTS ON S. RES. 145

Mr. JACKSON. Mr. President, the Ford administration's proposals for phased decontrol of domestic oil prices have been advanced in a late-hour effort to draw the Congress into complicity with President Ford—and the oil industry—in the imposition of an energy policy based almost entirely on high energy prices. Under any scrutiny, the logic of President Ford's policy proposals and of their application to the U.S. energy problem utterly collapses.

First, under existing law, the President can raise the price of old oil on his own—to any desired ceiling—and the Congress need not approve the increase. The Emergency Petroleum Allocation Act grants the President this flexibility without a requirement of congressional review. Rather than utilize this authority the President is attempting to have the Congress ratify—and share the liability for—the raising of old oil prices.

Second, the increase in the price of old oil which would result from decontrol immediately or on a phased schedule cannot be justified on the basis of cost or any other economic rationale. The regulations requiring "inflation impact statements" promulgated at this administration's direction—Office of Management and Budget Circular A-107—require an economic analysis and justification of a Presidential decision to increase old oil prices. Such a justification cannot be made in a credible manner. The administration is entirely aware of this and of the potential for prompt litigation challenging an inadequate analysis brought forth under these regulations.

Third, the present price of new domestic oil—over $13 per barrel—and the ceiling proposed by the administration on July 16 for domestic oil—$11.50 per barrel—are far in excess of the levels required to provide an adequate return for domestic producers of oil. The $13 price for new oil is currently generating windfalls to domestic producers. The administration recognizes this. Administration representatives now propose that the ceiling be reduced to $11.50 per barrel.

Fourth, there is no potential for increasing domestic petroleum supply in the near term as a result of these price increases. The brief analysis accompanying the administration's July 16 proposal estimated that if the decontrol proposal were adopted, domestic production would continue to decline. By the end of 1977 production would be below current production and only 187,000 barrels per day above the base case decline projection. This increase represents barely 1 percent of current domestic petroleum consumption, but would cost American consumers billions of dollars each year.

Fifth, current gasoline prices are nearing 60 cents per gallon. The administration and the oil companies estimate refined petroleum product price increases—ultimately—of 7 to 8 cents per gallon from imposition of the current phased decontrol proposal. Even using the overgenerous estimates of demand responsiveness to price which the FEA has factored into its computer analyses, a 12-percent increase in gasoline prices to 67 cents per gallon can scarcely be expected to stimulate significant conservation. In fact, gasoline prices have increased by over 50 percent since the summer of 1973 and gasoline demand has hardly declined at all.

Either these 7- to 8-cent-per-gallon estimates are accurate—in which case there will be little conservation—or larger price increases, which the administration is presently unwilling to disclose, are in fact anticipated.

As Assistant Secretary of State Thomas O. Enders has admitted, a larger savings—up to 2 million barrels per day, substantially larger than the savings projected by the FEA for the President's program—will have little influence on the policies of the OPEC cartel.

In sum, the administration's program is one which is not cost justified; is not economically justified; will not significantly increase domestic supply; will not significantly reduce petroleum consumption or significantly increase incentives for conservation already implied by present prices; and will not weaken the OPEC cartel or increase domestic energy independence.

Mr. President, Senate Resolution 145 offers the Senate an opportunity to express itself on the question of the President's 39-month plan. I oppose this plan. But I think we should vote on it, no matter how the vote goes. I urge a vote by the Senate to end debate and move to face this issue on the merits.

CLOTURE MOTION

The PRESIDING OFFICER. Pursuant to the previous order, the hour of 5 p.m. having arrived, the clerk will report the motion to invoke cloture.

The legislative clerk read as follows:

Cloture Motion

We, the undersigned Senators, pursuant to the provisions of Rule XXII of the Standing Rules of the Senate do hereby move to bring to a close the debate on the motion to proceed to the consideration of S. Res. 145, a Resolution to express the disapproval of the Senate of the President's proposed amendment to the regulations promulgated under sec. 4(a) of the Emergency Petroleum Allocation Act of 1973 to remove price controls from domestic crude oil, residual oil, propane, and refined petroleum products.

Henry M. Jackson, Claiborne Pell, Alan Cranston, Walter D. Huddleston, Frank E. Moss, William Proxmire, Edward M. Kennedy, William D. Hathaway, John C. Culver, Thomas F. Eagleton, Dick Clark, Hubert H. Humphrey, Harrison A. Williams, Jr., Ernest F. Hollings, Walter F. Mondale, Gary W. Hart, Philip A. Hart.

CALL OF THE ROLL

The PRESIDING OFFICER. Pursuant to the rule XXII, the Chair now directs the clerk to call the roll to ascertain the presence of a quorum.

The assistant legislative clerk called the roll and the following Senators answered to their names:

[Quorum No. 68 Leg.]

Allen
Biden
Brooke
Bumpers
Byrd, Harry F., Jr.
Byrd, Robert C.
Culver
Fannin
Garn
Hansen
Hart, Gary W.
Hathaway
Helms
Hollings
Hruska
Inouye
Jackson
Johnston
Kennedy
Mansfield
McIntyre
Metcalf
Morgan
Pastore
Pearson
Randolph
Stone
Taft

The PRESIDING OFFICER. A quorum is not present.

Mr. MANSFIELD. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

Pending the execution of the order, the following Senators entered the Chamber and answered to their names:

Abourezk
Bartlett
Bayh
Beall
Bellmon
Bentsen
Brock
Burdick
Cannon
Case
Chiles
Church
Clark
Cranston
Dole
Domenici
Eagleton
Fong
Ford
Gravel
Griffin
Hart, Philip A.
Haskell
Hatfield
Huddleston
Humphrey
Javits
Laxalt
Leahy
Long
Magnuson
Mathias
McClellan
McClure
McGee
McGovern
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pell
Percy
Proxmire
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

The PRESIDING OFFICER. A quorum is present.

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on the motion to proceed to the consideration of Senate Resolution 145, a Resolution to express the disapproval of the Senate of the President's proposed amendment to the regulations promulgated under sec. 4(a) of the Emergency Petroleum Allocation Act of 1973 to remove price controls from domestic crude oil, residual oil, propane, and refined petroleum products, shall be brought to a close?

The yeas and nays are mandatory under the rule, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Mississippi (Mr. EASTLAND), the Senator from Ohio (Mr. GLENN), and the Senator from Indiana (Mr. HARTKE), are necessarily absent.

I further announce that, if present and voting, the Senator from Ohio (Mr. GLENN) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from New York (Mr. BUCKLEY), the Senator from Nebraska (Mr. CURTIS), and the Senator from Arizona (Mr. GOLDWATER) are necessarily absent.

The yeas and nays resulted—yeas 54, nays 38, as follows:

[Rollcall Vote No. 355 Leg.]

YEAS—54

Abourezk
Bayh
Beall
Biden
Brock
Brooke
Bumpers
Burdick
Byrd, Robert C.
Cannon
Case
Church
Clark
Cranston
Culver
Eagleton
Ford
Hart, Gary W.
Hart, Philip A.
Haskell
Hathaway
Hollings
Humphrey
Inouye
Jackson
Javits
Kennedy
Leahy
Magnuson
Mansfield
Mathias
McGovern
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Packwood
Pastore
Pell
Proxmire
Randolph
Ribicoff
Schweiker
Stafford
Stevenson
Stone
Symington
Talmadge
Tunney
Weicker
Williams

NAYS—38

Allen
Bartlett
Bellmon
Bentsen
Byrd, Harry F., Jr.
Chiles
Dole
Domenici
Fannin
Fong
Garn
Gravel
Griffin
Hansen
Hatfield
Helms
Hruska
Huddleston
Johnston
Laxalt
Long
McClellan
McClure
McGee
Morgan
Nunn
Pearson
Percy
Roth
Scott, Hugh
Scott, William L.
Sparkman
Stennis
Stevens
Taft
Thurmond
Tower
Young

NOT VOTING—7

Baker
Buckley
Curtis
Eastland
Glenn
Goldwater
Hartke

The PRESIDING OFFICER. On this vote, the yeas are 54, the nays are 38. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

Mr. MANSFIELD. Mr. President, despite the previous order, I ask unanimous consent to yield briefly to the distinguished Senator from Idaho for the privilege of offering a concurrent resolution.

SENATE CONCURRENT RESOLUTION 57—AUTHORIZING PRINTING OF ADDITIONAL COPIES OF REPORT OF SELECT COMMITTEE TO STUDY GOVERNMENTAL OPERATIONS WITH RESPECT TO INTELLIGENCE ACTIVITIES

Mr. CHURCH. Mr. President, I send to the desk a concurrent resolution and ask for its immediate consideration.

The **PRESIDING OFFICER**. The clerk will state the concurrent resolution.

The legislative clerk read as follows:

Resolved by the Senate (the House of Representatives concurring), That there shall be printed 10,000 additional copies of the report of the Select Committee To Study Governmental Operations With Respect to Intelligence Activities which will be submitted under Senate Resolution 21, 94th Congress, during the adjournment of the Congress pursuant to Senate Concurrent Resolution 54, 94th Congress. Such additional copies shall be for the use of the Select Committee.

The **PRESIDING OFFICER**. Without objection, the Senate will proceed to its consideration.

Mr. **CHURCH**. Mr. President, I wish to explain the resolution.

The **PRESIDING OFFICER**. Before the Senator proceeds, may we have order.

The Senator may proceed.

Mr. **CHURCH**. Mr. President, this resolution has been cleared with the leadership on both sides of the aisle. It is sponsored by Senator Tower, myself, and the members of the Select Committee to Investigate Intelligence Activities. It has been cleared with the distinguished chairman of the Committee on Rules and Administration and the ranking member of that committee (Mr. Hatfield).

The only purpose of the resolution is to authorize the publication of additional copies of the report on the assassination issue which the Select Committee hopes to agree upon during the recess.

That report will not be made public during the recess, it being the intention of the committee to make a report directly to the Senate in secret session upon the reconvening of Congress.

But the committee wishes to be prepared to issue the report, and that requires the passage of a concurrent resolution prior to the time that Congress adjourns this week.

It is for that purpose that the resolution is offered.

Mr. **TOWER**. Mr. President, will the Senator yield?

Mr. **CHURCH**. I yield to the distinguished Senator from Texas.

Mr. **TOWER**. I join with the Senator from Idaho in asking for immediate and favorable consideration of the concurrent resolution as presented.

It is the intent of the committee to report to the full Senate, as has been indicated by the Senator from Idaho. Further, it was agreed in the committee that we simply wish this authorization. The authorization will not be acted upon unless the full committee decides that it should be. It has the full support of the minority side.

Mr. **ALLEN**. Mr. President, will the Senator yield?

Mr. **CHURCH**. I yield to the Senator from Alabama.

Mr. **ALLEN**. Does the committee plan to make its report in installments? Is that the purpose of this effort at this time?

Mr. **CHURCH**. The committee hopes to reach an agreement on a report dealing with the assassination issue in order that that issue can be put behind us and we can get on with the other aspects of the investigation.

Mr. **ALLEN**. From time to time, then, will installments of the report of the committee be issued, or will the next report be a final report?

Mr. **CHURCH**. We think that the next report will be a final report. That is the present disposition of the committee.

Mr. **ALLEN**. The report will have two categories: First, the alleged assassination attempts; second, the windup of the entire committee activity. Is that correct?

Mr. **CHURCH**. The Senator is correct.

Mr. **ALLEN**. I have no objection.

Several Senators. Vote! Vote!

The **PRESIDING OFFICER**. The question is on agreeing to the concurrent resolution.

The concurrent resolution (S. Con. Res. 57) was agreed to.

Mr. **TOWER**. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. **PASTORE**. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

OUTER CONTINENTAL SHELF MANAGEMENT ACT OF 1975

The Senate continued with the consideration of the bill (S. 521) to increase the supply of energy in the United States from the Outer Continental Shelf Lands Act, and for other purposes.

The **PRESIDING OFFICER**. Pursuant to the previous order, the Senate will proceed to vote on the amendment of the Senator from Oklahoma (Mr. Bartlett) to S. 521.

Mr. **JACKSON**. Mr. President, a parliamentary inquiry.

The **PRESIDING OFFICER**. The Senator will state it.

Mr. **JACKSON**. Is this a 10-minute rollcall vote?

The **PRESIDING OFFICER**. It is a 10-minute rollcall vote.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. **ROBERT C. BYRD**. I announce that the Senator from Mississippi (Mr. Eastland), the Senator from Ohio (Mr. Glenn), and the Senator from Indiana (Mr. Hartke) are necessarily absent.

Mr. **GRIFFIN**. I announce that the Senator from Tennessee (Mr. Baker), the Senator from New York (Mr. Buckley), the Senator from Nebraska (Mr. Curtis), and the Senator from Arizona (Mr. Goldwater) are necessarily absent.

The result was announced—yeas 12, nays 80, as follows:

[Rollcall Vote No. 356 Leg.]

YEAS—12

Bartlett
Bellmon
Brock
Dole
Fannin
Fong
Garn
Griffin
Hruska
Laxalt
Pearson
Young

NAYS—80

Abourezk
Allen
Bayh
Beall
Bentsen
Biden
Brooke
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Domenici
Eagleton
Ford
Gravel
Hansen
Hart, Gary W.
Hart, Philip A.
Haskell
Hatfield
Hathaway
Helms
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams

NOT VOTING—7

Baker
Buckley
Curtis
Eastland
Glenn
Goldwater
Hartke

So Mr. Bartlett's amendment was rejected.

Mr. **JACKSON**. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. **BUMPERS**. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

HOLLINGS AMENDMENT

The **PRESIDING OFFICER** (Mr. Leahy). Under the previous order, the Senate will consider the amendment by the Senator from South Carolina.

The amendment was agreed to.

Mr. **HOLLINGS**. Mr. President, I move to consider the vote by which the amendment was agreed to.

Mr. **JACKSON**. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

BUMPERS AMENDMENT

The **PRESIDING OFFICER**. Under the previous order, the Senate will proceed to consider the amendment by the Senator from Arkansas.

Under the previous agreement, there are 5 minutes to each side.

Who yields time?

Mr. **STEVENS**. Mr. President, the amendment of the Senator from Arkansas would change the provisions on page 58 by changing the word "excluding" to "including." The consequences of this amendment would be that the opinion information that is proprietary information of lessees, those people holding leases on the Outer Continental Shelf, would have to be provided to the Secretary of the Interior.

I have no interest in the oil and gas business and I own no stock in any oil or gas company.

The **PRESIDING OFFICER**. Let us have order in the Senate. There is a time limit on this bill and the Senator has a right to be heard. The Senators will take their seats.

The Senator may proceed.

Mr. STEVENS. My interest in this subject comes from the years that I dealt with this problem when I was at the Department of the Interior. We are dealing here with the opinions that are given by employees of the oil industry, based upon data that is available to everybody, or at least data that is available to anyone who has access to it under the Secretary's regulations.

This, to me, as I said previously for those who were not here before, is the same as an attorney's opinion. An attorney's opinion may vary as to the interpretation of a new Supreme Court opinion, or anything else, or any other ruling of the court. This is the interpretive data of those people who try to analyze all of the data that is available concerning an oil and gas lease and make a determination as to whether or not it is worthwhile, what its relationship might be to adjacent leases, and what its potential might be for a particular company in terms of its particular exploratory pattern, the pattern it wishes to follow as it proceeds to try to locate oil and gas.

I have already mentioned the one rather unique area in which one geologist had insisted that the data available showed there was, in fact, a pool of oil.

The PRESIDING OFFICER. May we have order in the Senate?

Mr. STEVENS. The result was that on the 42d attempt, a pool of oil was proven and there is, in fact, recovery going on from that pool now.

This data has value to the person who is making up the opinion for his company or his supervisor. The Secretary of the Interior has people to interpret data. The U.S. Geological Survey is equipped to interpret this data. But it is the initiative and the innovative interpretations given to raw data which, in fact, lead to the competition between bidders on the Outer Continental Shelf.

The Secretary of the Interior has the right to determine what is the definition of interpretive data. But the Senator from Arkansas would deny the companies that proprietary right, which is the last proprietary right that is available in this industry in terms of providing an initiative to competition.

I oppose the change because this is, in fact, the provision that is in the existing leases on the OCS. In the past it has been done by regulation. The committee's bill now provides that all data other than this will be given to the Secretary of Interior. I urge that the Senator from Arkansas's amendment be defeated, and that the committee bill be sustained because of my feeling that we need to preserve competition in terms of leasing on the OCS. We also need to preserve that basic initiative which will lead that company to look further beyond that particular lease onto the adjacent leases into other areas and, perhaps, even to continue to want to drill when everyone else has given up. This was the case when there was, as I said, on the 42d well a substantial pool of oil was discovered after 41 dry holes because one person had the guts to stand by his interpretation of the data when everybody else said it was no good.

The PRESIDING OFFICER. The time of the Senator from Alaska has expired.

The Senator from Arkansas is recognized for 5 minutes.

Mr. BUMPERS. Mr. President, for my colleagues who were not here earlier this afternoon, the Senator from Alaska and other Members on the other side of the aisle debated this at length. We reserved 5 minutes each with the expectation that there would be a larger attendance on the floor and we would have an opportunity to explain an essentially 1-word amendment.

The bill as it was drafted came out saying that the Secretary could require all sorts of geophysical and geological information from the lessees, the oil companies, but the bill read "excluding interpretive data."

My amendment simply changes the word "excluding" to "including" and it is based on a very simple premise: one, in 1969 the Secretary of the Interior issued in the Federal Register regulations under which he would lease for the purposes of exploring for oil that belongs to the citizens of the United States, and in those regulations he set out that he had the right to require the very data we are talking about here now, interpretive data.

So what I am proposing here is a codification of what the regulations of the Secretary have been since 1969.

Last year, when the Interior Committee came out with a bill, there was no mention in the bill of excluding interpretive data.

I say this is a public resource; that if there is a proprietary interest in anybody, it is in the United States. The oil belongs to the people of the United States.

It will give the Secretary an opportunity to determine the quantities of reserves that are existent.

It will, second, give him the opportunity to determine the maximum rate of efficiency. He could not make that decision without interpretive data.

I want to make this point, and I think it is the most cogent one. The Secretary does not request these interpretive data nor does he have the right to demand them until after the lease has been executed. The lessee has signed a lease, and he and the Secretary are then partners in the exploration and development of this oil resource on our Outer Continental Shelf.

The argument has been made that this information ought to be kept confidential and that leaks to Jack Anderson or some other columnist could result in billions of dollars of damage to some oil company which had that much invested or at least had that much knowledge of interpretive data.

I have made two modifying amendments to the amendment this afternoon to provide (1) that any person who comes into the possession of such proprietary data, if you want to define it as that, any person who discloses the information prematurely shall be subject to the criminal penalties which are set out here, and that is a $10,000 fine or a year in jail or both.

Finally, we have said that the Secretary shall personally be responsible for seeing that such proprietary information is not released until it could not possibly jeopardize the competitive position of the lessee. Now, what more can you ask for?

I do not think this is any more than you would ask for if you were a private lessor. But we are a sovereign nation, and, as I point out, these resources belong to the Nation, and the Secretary has a perfect right to obtain the information. Every safeguard is provided in this bill that we could possibly design into it to make certain that there are no leaks and that the oil companies are not prejudiced as a result.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. BUMPERS. I yield.

Mr. JACKSON. Mr. President, I just want to say this amendment lost by one vote in the committee. I think it is a very important amendment. It is in the public interest.

If the U.S. Government cannot obtain this interpretive data when we are dealing with huge blocks of OCS land for leasing purposes, it is a pretty sad state of affairs in this country. Under this amendment, this information would be transmitted on the basis of confidentiality, as the Senator has pointed out. Any violation would be a felony, and anyone who would give out that information knowingly is subject to the criminal penalties.

The Government is entitled to it. I strongly support the amendment and I hope the Senate will adopt it.

The PRESIDING OFFICER. All time has expired. The question is on agreeing to the amendment, as modified, of the Senator from Arkansas.

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Mississippi (Mr. EASTLAND), the Senator form Ohio (Mr. GLENN), and the Senator from Indiana (Mr. HARTKE) are necessarily absent.

I further announce that, if present and voting, the Senator from Ohio (Mr. GLENN) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from New York (Mr. BUCKLEY), the Senator from Nebraska (Mr. CURTIS), the Senator from Arizona (Mr. GOLDWATER), and the Senator from New York (Mr. JAVITS) are necessarily absent.

The result was announced—yeas 54, nays 36, as follows:

[Rollcall Vote No. 357 Leg.]

YEAS—54

Allen
Bayh
Biden
Brooke
Bumpers
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Eagleton
Ford
Hart, Gary W.
Hart, Philip A.
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Kennedy
Leahy
Magnuson
Mansfield
Mathias
McClellan
McGovern
McIntyre
Metcalf
Mondale
Morgan
Moss
Muskie
Nelson
Nunn
Pastore
Pell
Proxmire
Randolph
Ribicoff
Schweiker
Sparkman
Stennis
Stevenson
Stone
Symington
Talmadge
Tunney
Weicker
Williams

NAYS—36

Bartlett
Beall
Bellmon
Bentsen
Brock
Byrd, Harry F., Jr.
Dole
Domenici
Fannin
Fong
Garn
Gravel
Griffin
Hansen
Haskell
Hatfield
Helms
Hruska
Johnston
Laxalt
Long
McClure
McGee
Montoya
Packwood
Pearson
Percy
Roth
Scott, Hugh
Scott, William L.
Stafford
Stevens
Taft
Thurmond
Tower
Young

NOT VOTING—9

Abourezk
Baker
Buckley
Curtis
Eastland
Glenn
Goldwater
Hartke
Javits

So Mr. BUMPER's amendment (No. 695), as modified, was agreed to.

Mr. BUMPERS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. STONE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. May we have order in the Senate?

The Senators will take their seats. Senators will cease conversations.

The Senator from Montana.

ARMS AID TO TURKEY

Mr. MANSFIELD. Mr. President, I would like to speak on a most important subject which has nothing to do with the pending business. It is the question, it is the issue, really, of arms aid to Turkey.

As we all know, the President is at Helsinki at the present time. He is endeavoring to arrange talks with the appropriate Turkish officials there.

In the meantime, we have been given orders as to how the bases in Turkey will be controlled by the Turks, although our troops are allowed to remain.

We are aware of the fact that according to reports about 25 percent of our intelligence operations vis-a-vis the Soviet Union are located in Turkey and we have spent something on the order of $1.5 billion.

The other body some few days ago turned down a compromise proposal which had been offered by the President. The vote was quite close and the issue is now, once again, before the Congress.

Personally, I wish it was possible in some way for the House to take up this measure and reconsider its previous actions, but with time running short and with the Congress going out on Friday, we now have before us the State-Justice appropriations bill to which a possibility of an amendment affecting aid to Turkey could be considered.

I speak compassionately about Greece because I think what has been done is not in the best interests of Greece, not in the best interests of its outstanding Premier, Mr. Karamanlis, not in the best interests of Cyprus, not in the best interests of the refugees in Cyprus, and because if something is not done to break the impasse which has resulted because of a situation originally inaugurated by the so-called colonels' clique of the Greek Government, it means that there will be no progress made, and that these Greek refugees, the Cypriot refugees on Cyprus, will continue to be in a sorry state, and that improvement in Turkish-Cypriot relations will not occur, and that, in my opinion, the situation in Greece will become more difficult for Prime Minister Karamanlis and will be further away than ever from a possible settlement which could, I think, be achieved and should be in the best interests of Greece and Turkey.

Mr. HUGH SCOTT. Will the Senator yield?

Mr. MANSFIELD. I need not reiterate again to this body what the situation could well be if some agreement, some compromise, is not reached. We know, of course, that of all the NATO allies Turkey has by far the longest border with the Soviet Union, approximately 1,000 miles, I understand. The only other NATO country is Norway, with a common frontier with the Soviet Union, and that is very little as far as mileage is concerned.

We know also that the Greeks have given us a polite request to tone down some of our activities in Turkey. We know that if Turkey does not get arms from this country, for which she has already paid, she will turn to Western Europe, Eastern Europe or the Soviet Union and to pay for those arms in all likelihood she will most likely turn to the Arab States in the Middle East.

Up to this time the Turks have adopted a hands-off, very correct attitude, as far as the Middle East situation is concerned, and, hopefully, she will continue to adopt that attitude. But if she has to turn to the Arabs for money to buy arms which she cannot get from us, for which she has already paid, that means that as a Mohammedan country, it might take a more active interest in that most difficult powder pot in that part of the world.

I yield to the distinguished minority leader.

Mr. HUGH SCOTT. I thank the distinguished Senator.

As we know, Pakistan, for example, has turned in some degree to the Arab nations.

Mr. MANSFIELD. As a matter of fact, some Pakistani troops in the last war, I believe, were stationed in Iraq.

Mr. HUGH SCOTT. That is correct. If Turkey goes that same route I cannot for the life of me see how it helps either Greece or Israel. Certainly, with the tremendous number of nuclear installations in Turkey, the future, with which no one can argue, is certainly unpredictable. It hangs like a great menace over our friends in Greece and Israel.

We have seen already the grim and dreadful results of the lack of progress so far. I understand the distinguished majority leader is simply asking that the House be given a chance to take action if it wants to.

Mr. MANSFIELD. That is correct.

Mr. HUGH SCOTT. The Senator is not asking us to repeat what we have done, to engage in the old controversy, to review the record, but that unless an opening is left for the House by way of this endeavor, the House, which we are informed by members of its principal committee on this subject would at least like to make a try, would even be denied that privilege. I think that is just very unfortunate. I hope the action will at least result in permitting the House of Representatives to have a try at it. I think there is a comity between the two bodies here which reportedly still exists to some degree. I would like to see us recognize the wish of the chairman of the Committee on International Affairs and the ranking majority Member and others who do believe that the time has come to take another look.

I am told, too, that Dean Alfange, of New York, a very prominent Greek-American, has taken a new and strong position. He has become convinced that the action in the House bill for Turkey ought to be done because there is no other way by which we can move toward the health aid to displaced Cypriot refugees. He has stated his views on that. Many Members of this body know the name of Dean Alfange and he has decided to put his country, the United States, above everything in his pleading to his fellow Greeks to do the same. The Greeks whom I know, who have honored me time and again, are very likely to come around to that position if the Congress will give them some explanation of what it is trying to do.

Mr. MANSFIELD. May I say that the Senate has already given some encouragement to the passage of a bill some weeks ago, but, frankly, may I say to the Senators in this institution, I am interested in a settlement in Cyprus. I am interested in the maintenance of power in Greece of a man of the caliber and integrity of Mr. Karamanlis. I am interested in something being done to take care of the Cypriot refugees. I do not want to see the danger point accentuated any further between Greece and Turkey. I do want to see some give on Cyprus so that a degree of stability can be achieved. But as long as this situation is in limbo, the more difficult a solution will be and the more costly the price to be paid, I believe not by Turkey in the long run but by Greece and Cyprus, and that will be most unfortunate, indeed.

Mr. JACKSON. Mr. President, the parliamentary maneuver whereby the administration now seeks to make the continuation of Radio Free Europe and Radio Liberty a hostage to the resumption of Turkish military aid is a tactic we ought to oppose. It is surprising that the administration, in the midst of a European Security Conference designed to foster greater contact between East and West, would mortgage the future of their two important radios, by urging hhe Senate to capitulate to a Turkish ultimatum.

Mr. President, the strong congressional opposition to resumption of Turkish military aid so long as Turkish policy toward Cyprus remains unchanged has been grounded in respect for American law. The law forbids the use of American military assistance for aggressive purposes; it requires that our military assistance be placed only at the service of collective security. The administration, however, continues to seek congressional authorization for a clearly illegal assistance program. Such behavior is not going to strengthen the NATO alliance, nor will it lead to greater stability in the Eastern Mediterranean.

Many of my colleagues, who have been concerned about the rule of law and about the supplying of military assistance to regimes whose policies are ill-advised and counterproductive ought to ponder the implications of resuming Turkish aid on the administration's terms. When Senator PELL and I introduced legislation in 1973 to suspend military aid to the Greek junta, we were joined in that ultimately successful effort by a majority of the Senate. It is puzzling that some of my colleagues, so adamant in insisting that aid to the junta be cut off—despite the administration's scare talk about the imminent collapse of the alliance—are now receptive to the administration's rhetoric on Turkey. Personally, I find no basis for this kind of incorrect distinction, and I shall oppose this last ditch maneuver to undo the will of Congress on this question.

If feelings and sensitivities are involved, let us focus on those of the Cypriot victims of the past year of conflict. We have yet to see this administration speak as eloquently and act as persistently on behalf of the dispossessed and the uprooted as it has on behalf of a resumption of military assistance to Turkey. Nor have we any meaningful indications that Turkish authorities are prepared to recognize their own obligations to the Cypriot people.

I urge my colleagues to continue to stand firm for an independent and secure Cyprus.

FOREIGN RELATIONS AUTHORIZATION ACT, 1976–77

Mr. MANSFIELD. Mr. President, recognizing the fact that we have locked in certain pieces of legislation, and that it takes unanimous consent to call up this bill, recognizing the dangers and the difficulties involved, I do take it upon myself at this time to ask my colleagues for unanimous consent to take up Calendar No. 327, S. 1517.

The PRESIDING OFFICER. The bill will be stated by title.

Mr. EAGLETON. Reserving the right to object——

The PRESIDING OFFICER. The bill will be stated by title, and then the Senator will have a chance to speak.

The legislative clerk read as follows:

> A bill (S. 1517) to authorize appropriations for the administration of foreign affairs; international organizations, conferences, and commissions; information and cultural exchange; and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. EAGLETON. Mr. President, reserving the right to object, I shall be brief. I have listened, with considerable interest and great respect, to the majority and minority leaders as they have addressed themselves to this subject. As my colleagues well know, this is not the first time that the aid-to-Turkey issue has been debated. It is perhaps closer to the 10th time that we have debated this question. To be sure, the issue is not new. The issue is a very basic and fundamental one. The issue, now as before, is whether the requirements of the Foreign Assistance Act and the Foreign Military Sales Act will be adhered to. These acts prohibit a recipient nation, in this instance Turkey, from using American supplied military equipment to perpetrate an aggressive act against another nation.

It is now said that calamity is fast upon us: that our bases in Turkey will be shut tight, and that our ability to acquire intelligence information with respect to the Soviet Union will be temporarily crippled.

I do not believe that, Mr. President. I am a layman and, thus, my judgment may not count for much. Therefore, I cite to my colleagues the opinion of Admiral Zumwalt, the former Chief of Naval Operations, and four-star General James Van Fleet; both of whom believe that the world will not come to an end if, in the execution of foreign policy, we live up to the rule of law. Thus, when we vote, as tomorrow we may vote in this body, and subsequently they will vote in the House, we will have to once again decide whether law is important insofar as our foreign policy is concerned.

Can Turkish blackmail—and that is what it is, Mr. President, pure and simple—bludgeon us into violating our own laws, and force us to provide military equipment when our statutes prohibit us from so doing?

If we cave in and honor Turkish blackmail with regard to our bases in Turkey, then, Mr. President, we will be setting a precedent which will haunt us for years to come with respect to every other country that has an American military presence.

We have over 2,000 military installations around the globe, Mr. President. Three hundred of these are considered as being of significant importance. If we give in at this time to the pressure, the demands, the dictates of the Government of Turkey, the day will come when we will be required to give in to other countries as they may see fit to threaten our bases unless we agree to produce more equipment, more money, or more something.

So what we do in this body and in the House of Representatives in the days ahead has a significance that transcends even the instant matter. It has wide and far-ranging significance insofar as the future of American foreign policy is concerned.

Now, Mr. President, a note about the forgotten victim in this entire debate: A note about Cyprus. So much has been said about our relations with respect to Greece and Mr. Karamanlis, and our relations with respect to Turkey and Mr. Demirel, that it is sometimes forgotten that the focus of this entire problem is a beleaguered small island in the eastern Mediterranean.

As of today, almost a year to this date since Turkey invaded Cyprus, conditions on Cyprus remain as they have from the outset. Turkey occupies 40 percent of that island. They occupied it a year ago, and they occupy it today. They have not given one inch. Turkey adamantly refuses, as she did a year ago, to permit any Greek Cypriots to return to the Turkish-occupied part of Cyprus. Turkey is now encouraging its own mainland citizens to migrate from Turkey to northern Cyprus and to resettle there, thus colonizing the Cypriote land which Turkey occupies and intends to occupy on into the future.

There has not been even the slightest hint on the part of Turkey that it wishes to amicably or reasonably resolve this affair. With this sordid record of Turkish intransigence, Turkey has the gall to demand more military equipment from us or else—or else they will close bases which presumably, in part at least, are designed to protect Turkey.

Finally, Mr. President, may I respond once again to the implication that somehow the restoration of military aid to Turkey will enhance and strengthen the Karamanlis government in Greece. I have always found this argument to be incredible. Mr. President, it defies logic to claim that shipping more arms to Turkey, an historic antagonist of Greece, will in some way make Greece a safer place in which to live. Building up Turkey's military might does not give any comfort to Greece.

Therefore, I must avail myself of my prerogative under the rules and on behalf of myself, the Senator from Washington (Mr. JACKSON), and the Senator from Illinois (Mr. STEVENSON), I object.

The PRESIDING OFFICER. Objection is heard.

Mr. MANSFIELD. Mr. President, the Senator is perfectly within his rights, and insofar as the legalities of the issue are concerned, he is correct without question. But I would have to take an opposite point of view when he indicates that we do not mention Cyprus, nor do we have Cyprus' interests at heart. We do. We think of Cyprus and Greece with a heavy heart, because as long as this impasse remains and becomes more dangerous, the possibility of settlement becomes more remote.

As the Senator knows, it would be possible to move to adjourn for 5 minutes and come back and break the block of following legislation, but if that occurs, would it be possible to get a time limitation on the subject of aid to Turkey?

Mr. EAGLETON. Yes. On behalf of myself and the aforementioned Senators JACKSON and STEVENSON, I would be pleased to agree to a time limitation tomorrow. It is our wish that we not proceed with this matter tonight. However, I would be happy to work with the distinguished majority leader to evolve a unanimous-consent agreement for tomorrow.

Mr. MANSFIELD. Would the Senator consider a 1-hour time limitation—this matter has been considered time and time again in this body—at an appropriate time tomorrow?

Mr. EAGLETON. I do not wish to quibble with the distinguished majority leader, but I would prefer something in the neighborhood of 2 hours, that is, 1 hour to a side, because in addition to myself the distinguished Senator from Washington (Mr. JACKSON), the distinguished Senator from Illinois (Mr. STEVENSON), and the distinguished Senator from Texas (Mr. BENTSEN) all wish to speak. So the time frame of 1 hour to a side would be desirable from our point of view.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that it be in order, at an appropriate time tomorrow, to call up the State Department authorization bill. This is an amendment attached thereto which will be offered by the Senator from Alabama (Mr. SPARKMAN) and the Senator from New Jersey (Mr. CASE); it will probably be separate and apart from the bill itself.

I ask unanimous consent, Mr. President, that there be a 2-hour limitation on that particular proposal at that time.

The PRESIDING OFFICER. Is there objection?

Mr. HARRY F. BYRD, JR. Mr. President, reserving the right to object, the Senator from Virginia will have several amendments. Will the time limitation that the Senator from Montana has in mind apply to other amendments?

Mr. MANSFIELD. Just to this one particular amendment, pertaining to a certain section of the bill having to do with just the question of arms aid to Turkey on a reduced basis, which would tend, I believe, to reduce the tension and maybe pave the way for a change which would achieve stability.

Mr. HARRY F. BYRD, JR. Yes. I am not objecting to the approach taken by the Senator from Montana. There are other portions of the bill to which amendments could be attached, however.

Mr. ROBERT C. BYRD. Mr. President, I would hope, if we get an agreement, we could also have the agreement encompass any other amendments, and only germane amendments.

Mr. MANSFIELD. I would rather have it pertain only to arms aid to Turkey, because that is the issue.

Mr. HARRY F. BYRD, JR. Mr. President, if the Senator will yield, I have no objection to that particular request of the Senator from Montana, but I would appreciate being advised if there are other additional time limitation agreements.

Mr. MANSFIELD. Oh, yes, indeed.

Mr. CASE. Mr. President, will the Senator yield?

Mr. HARRY F. BYRD, JR. I yield.

Mr. CASE. The request involves the State Department authorization bill, and the Sparkman-Case amendment would involve stripping the bill to the single title of provision for the information services, or broadcast services. So the rest of the State Department authorization bill, if this amendment carries, would not be before the Senate tomorrow.

Mr. HARRY F. BYRD, JR. Well, I do not want to be in a position of not being able to offer an amendment to whatever bill might come up. I appreciate the information, because I did not fully understand that.

Mr. MANSFIELD. The purpose, if I might say so to the Senator from Virginia, would be to face up to this one question, because of its immediate importance at this time, and hopefully no others. That would be the intent behind the proposal for a 2-hour limitation made by the Senator from Montana.

Mr. HARRY F. BYRD, JR. I have no objection to a time limitation, but I do not want to be precluded from offering amendments. I will be glad to work out time limitations on any amendments I might offer.

Mr. MANSFIELD. All the other parts of the bill, outside of that mentioned by the ranking minority member of the Committee on Foreign Relations, would be taken up at a later time.

Mr. HARRY F. BYRD, JR. I understand they would be taken up at a later time. But not tomorrow?

Mr. MANSFIELD. Not tomorrow; just this one section, which we would like to do because of the immediacy of the problem and the need for some kind of action, if possible.

Mr. HARRY F. BYRD, JR. I have no objection to taking that up, and I have no objection to time limitations, but I do not want to be prevented or precluded from presenting amendments.

Mr. MANSFIELD. Well, if the Senator could present them within the 2-hour limitation, that would be fine and dandy.

Mr. HARRY F. BYRD, JR. No, I could not do that. The Senator from Missouri needs an hour and the opposition needs an hour. That is 2 hours there.

Mr. SPARKMAN. Mr. President, what we are trying to submit here is not the entire State Department authorization bill. In fact, we have proposed an amendment that would strip the bill of everything except the International Broadcasting Service and add to it the Turkish proposal.

Mr. HUGH SCOTT. There would be nothing else remaining.

Mr. MANSFIELD. There would be nothing else remaining to amend, and the main part of S. 1517 would be called up at a later date.

Mr. HUMPHREY. Mr. President, will the distinguished majority leader yield?

Mr. MANSFIELD. I yield.

Mr. HUMPHREY. I inquire as to what kind of legislative surgery is going to be applied to S. 1517, that it is going to be disemboweled, so to speak, of all other parts except, apparently, some of these that relate to the information service. How are we ever going to get back on the regular bill?

Mr. MANSFIELD. We get back on the regular bill after we come back in September.

Mr. HUMPHREY. Yes. But the bill, S. 1517, is the State Department Authorization Act. Are we going to cut off a big hunk of it and throw it out here, after having worked on it for several weeks, and then leave a little piece there on which we are going to add the amendment for the aid to Turkey?

I wish to know how we are going to pick up what we have thrown out. Once the surgery has taken place where do the parts go?

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield to the Senator from Alabama.

Mr. SPARKMAN. It would be our purpose to report another bill, which would embody the sum and substance of S. 1517, with the exception of this part that is offered in this amendment.

Mr. HUMPHREY. That seems a very peculiar way to accomplish an objective, in other words, to take a bill that has been processed, that was understood to be made available for this body in September, and to take it apart, remove those parts that seem of no immediate urgency, and then attach a provision that relates to Turkey-Greek aid.

I wish to make it clear that I am an open-minded man about that subject of Turkish aid.

Mr. MANSFIELD. Mr. President, I say to the Senator it is most unusual, but it is the only way we can find to possibly achieve action, one way or the other, before the week is out.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished majority leader yield?

Mr. HUMPHREY. I understand the point of view of the distinguished majority leader. He is always helpful to us.

I say that the President and the Secretary of State, within the last 24 hours, have had meetings with the Prime Minister of Greece and the Prime Minister of Turkey. We have had no reports at all, except what the press has carried, as to what transpired in those meetings.

We had people from the White House—they are here in the gallery—telling us that we ought to act and act promptly on this matter of aid to Turkey.

I add that it would seem to me in a matter of such consequence—and it is very important and it is an extremely serious matter—that it would be well if we were able to hear from the Secretary of State as to what transpired in the conference before we move, and I add, very hopefully, with some constructive purpose that there is in section 614 of the Foreign Assistance Act a feature that permits a waiver of authority to the President to grant military assistance in the instance of Turkey, notwithstanding any other law of the land if he deems it to be important to the security of the United States.

That is not a great deal of authority. I think that runs, if I am not mistaken, somewhere around 50 million or more dollars, but it is not as if it is a dead-end street.

I do not know, for the life of me, why the President and the Secretary of State have not used this authority. I have heard a lot of reasons, but it does not make much sense.

What is at stake here is the desire of the Turkish Government to purchase military equipment from the United States. What is available under current law, which would relate to the concern the Senator from Missouri has expressed; namely, the law of the land, is a waiver authority under the military assistance program of substantial amounts at least for the next couple of weeks.

I am just laying out what I consider to be the most unusual situation which is developing here which I cannot find, may I say, very desirable.

Mr. MANSFIELD. The Senator is correct. It is most unusual, but it is the only way we can achieve any action.

Mr. ROBERT C. BYRD. Mr. President, will the majority leader yield?

Mr. MANSFIELD. I yield to the distinguished assistant majority leader.

Mr. ROBERT C. BYRD. Mr. President, as I have listened to the discussion here, it appears to me that there is some disposition to enter into a time agreement of sorts perhaps. But, as I have listened to the objections that were raised by the distinguished Senator from Minnesota (Mr. Humphrey), I wonder if there is such a disposition to at least have a vehicle before the Senate, obtain a time limit on it, discuss it, and perhaps have one or two or three amendments, whatever has to be offered, whatever the Senators feel have to be offered. Why could we not introduce a bill, or a joint resolution, which would contain only that feature of the bill that is on the calendar, dealing with the Board for International Broadcasting, and get consent to proceed to the immediate consideration of that bill, have a time limit on it, which would provide for the 2 hours suggested by the distinguished Senator from Missouri (Mr. Eagleton), provide for time limitation on whatever amendment the distinguished Senator from Virginia has in mind, and vote on it.

This would obviate the problem that was raised by the distinguished Senator from Minnesota, in that it would leave on the calendar the bill which the Committee on Foreign Relations has favored. It would not emasculate that bill. It would remain on the calendar, and the Senate could proceed with its business and send over to the House of Representatives a vehicle on which the House could either act or not act.

Mr. MANSFIELD and Mr. SPARKMAN addressed the Chair.

Mr. MANSFIELD. Mr. President, we have no such resolution at this time. It shall be quite difficult, I think, to achieve that situation which would tend to alleviate the issue itself in the 2 days which are remaining.

What I am trying to seek is some way to face up to this matter on the basis of one amendment which will be offered by Senators Sparkman and Case, and to do so on a 2-hour limitation, hopefully sometime early tomorrow. If we wait until tomorrow for a resolution we might run into additional difficulty.

So I think it is best that at this time I make unanimous-consent request as to the particular section under consideration. Frankly, I do not favor Radio Free Europe or Radio Liberty. I think the Voice of America can take care of transmissions in those categories. But I ask unanimous consent, Mr. President, that on tomorrow that particular portion of the State Department authorization bill be separated from the rest of the bill, that it be in order to offer an amendment seeking to settle the questions of arms aid to Turkey on a reduced basis, that the time be limited to 2 hours and that time be equally divided between the distinguished Senator from Missouri (Mr. Eagleton) and the distinguished chairman of the Committee on Foreign Relations, the Senator from Alabama (Mr. Sparkman).

Mr. EAGLETON. Mr. President, reserving the right to object, may I ask two questions of the majority leader?

Mr. MANSFIELD. Yes.

Mr. EAGLETON. First, is it the intent of the majority leader that this agreement be entered into, that either myself or the distinguished Senator from Washington (Mr. Jackson) or the distinguished Senator from Minnesota (Mr. Humphrey) would be permitted to offer a substitute for the amendment that would be offered by the Senator from Alabama (Mr. Sparkman) and whether that substitute could either be a traditional legislative substitute or a sense of the Senate substitute? Is that permissible?

Mr. MANSFIELD. Yes, within a time limit.

Mr. HUGH SCOTT. And if germane.

Mr. MANSFIELD. It would have to be germane to the subject matter.

Mr. EAGLETON. It would have to be germane to the subject matter.

Will there be an additional time limit to discuss that substitute when offered, or will it be contained within the 2-hour time limit?

Mr. MANSFIELD. If we dragged it out, I think we would lose what possible beneficial effects we might have, and I prefer to set it down within a 2-hour period because we only have 2 days to go.

Mr. EAGLETON. It is not my intent to try to drag it out.

Mr. MANSFIELD. I understand.

Mr. EAGLETON. I assure the majority leader. I am aware of the substitute that the Senator from Washington (Mr. Jackson) is contemplating offering, and I believe the Senator from Minnesota (Mr. Humphrey) is likewise thinking of offering. I think to cramp such a substitute into the 2-hour time restraint may be making it a bit tight.

Mr. MANSFIELD. The Senators and I have discussed this often. Everyone knows it thoroughly.

Mr. EAGLETON. Could we agree on an additional hour for the substitute, if offered, either by the Senator from Washington (Mr. Jackson) or the Senator from Minnesota (Mr. Humphrey)?

Mr. MANSFIELD. Yes.

Mr. EAGLETON. Second, in the unanimous-consent request, the majority leader said that the debate and vote will take place at an unspecified time tomorrow. Could we agree that this matter will not be called up prior to 2 p.m. tomorrow afternoon?

Mr. MANSFIELD. Yes, because we hope to stay in and conclude the OCS bill tonight, and then, because of the lockin, we have the mineral leasing bill tomorrow coming in at 9 a.m., and I am willing to agree to a period between 2 p.m. and 4 p.m., or 2 p.m. and 5 p.m. if need be.

I make that request, Mr. President.

Mr. HARRY F. BYRD, JR. Mr. President, reserving the right to object, as the Senator from Minnesota pointed out, this is a very unusual procedure, and I am not sure just what rights the Members of the Senate will be giving up if this request is agreed to. I have no objection to the request of the majority leader, but I do not at this point want to be precluded from presenting an amendment, if I conclude that it is in the public interest to do so.

Mr. MANSFIELD. Did the Senator address a question to me?

Mr. HARRY F. BYRD, JR. I say that I have no objection to the request of the majority leader, provided the Senator from Virginia is not precluded from presenting an amendment and if we can work out an acceptable time limitation.

Mr. MANSFIELD. Will the Senator indicate what the amendment might be, so that we can be aware of its germaneness or lack of germaneness?

Mr. HARRY F. BYRD, JR. It will not be germane.

Mr. ROBERT C. BYRD. The amendment as to Turkey is not germane, either, for that matter.

Mr. HARRY F. BYRD, JR. That is quite right.

Mr. ROBERT C. BYRD. But the majority leader is trying to preclude other nongermane amendments, and he should try.

Mr. MANSFIELD. I would not want an amendment to come into a 2- or 3-hour period at this time.

I will be forced, then, to make the unanimous consent request, based on the amendments to be offered by Senators Sparkman and Case, and the substitute by Messrs. Eagleton, Humphrey, Jackson, et al., that there be a limitation of 2 hours, 3 hours on the substitute, the time to be equally divided on the basis of the previous requests.

Mr. EAGLETON. And not to be taken up prior to 2 p.m.

Mr. HARRY F. BYRD, JR. Mr. President, reserving the right to object, for the time being, I do object.

Mr. MANSFIELD. I thank the Senate for its consideration, and I appreciate the courtesy which was extended by all concerned, because this is a most trying question.

OUTER CONTINENTAL SHELF MANAGEMENT ACT OF 1974

The Senate continued with consideration of the bill (S. 521) to increase the supply of energy in the United States from the Outer Continental Shelf Lands Act, and for other purposes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, having discussed this request with the manager of the bill and with Mr. Fannin—and I believe through Mr. Fannin with Mr. Hansen—that time on any remaining amendments to the Outer Continental Shelf bill be limited to one-half hour, rather than to 1 hour, and that the time be divided and controlled in the usual form.

The PRESIDING OFFICER (Mr. Huddleston). Is there objection? The Chair hears none, and it is so ordered.

The question recurs on the amendment of the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I send a modification of my amendment to the desk.

The modified amendment is as follows:

On page 66, after line 14, insert the following new paragraph and renumber following paragraphs accordingly:

"(2) Notwithstanding the provisions of any other law, the holder of a lease or right-of-way issued or maintained under this Act and the Offshore Oil Pollution Settlements Fund (hereinafter referred to as 'the fund') established by this subsection shall be strictly liable for the rehabilitation and restoration, without regard to fault and without regard to ownership, of any adversely affected lands, structures, fish, wildlife, or biotic or other natural resources administered by Federal, State, or local governmental agencies, and in accordance with the provisions of this subsection, for all damages sustained as a result of discharges of oil or gas from any operation authorized under this Act and maintained by such holder of a lease or right-of-way if such damages occurred (A) within the territory of the United States, Canada, or Mexico, or (B) in or on waters within two hundred nautical miles of the baseline of the United States, Canada, or Mexico from which the territorial sea of the United States, Canada, or Mexico is measured, or (C) within one hundred nautical miles of any such operation. Claims for such injury or damages may be determined by arbitration or judicial proceedings.".

On page 66, line 19, after the word "caused" insert "solely", and on line 23, after the word "caused" insert the word "solely".

On page 66, line 25, instead of "$7,000,000" insert $22,000,000".

On page 69, line 22, instead of "The United States Government" insert "Federal, State, or local governmental agencies".

On page 69, line 24, insert the following new paragraph:

"(4) All costs, including administrative, incurred by the Secretary of any other Federal, State, or local official or agency, of such removal and other actions to minimize damages pursuant to this subsection shall be borne by the lessee or permittee of the operation from which the discharge occurs.".

On page 70, line 4, strike out "$7,000,000" and insert in lieu thereof "$22,000,000".

Provided, That in the event the lease is held by a consortium, that such financial responsibility may be satisfied by the aggregate financial responsibility of all members of a consortium."

Mr. KENNEDY. Mr. President, I discussed this matter with the manager of the bill and the principal interested Senators. I think it is an improved version of my earlier amendment. I am prepared to yield back the remainder of my time and am prepared to vote on the amendment as modified.

I ask unanimous consent that the name of the Senator from Delaware (Mr. BIDEN) be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BIDEN. Mr. President, as a cosponsor of these amendments, I rise in support of the need to strengthen the liability provision of S. 521, the Outer Continental Shelf Management Act of 1975.

The amendments we are proposing would enable prompt recovery of cleanup costs by Federal, State, and local government, make the lessee absolutely liable without limit for all costs to Government of controlling and cleaning-up a spill, and enable Federal and State government agencies to recover whatever funds are necessary to restore and rehabilitate any public resources under their jurisdiction which are damaged by an OCS spill. In addition, these amendments would raise the limit of liability of the lessee for damages from $7,000,000 to $22,000,000 per incident.

I believe these provisions are absolutely vital to assuring that Outer Continental Shelf development will result in the greatest possible production of oil and gas resources with a minimum risk of damage to other marine and coastal resources. I know my concerns are shared by everyone who enjoys the envigorating pleasures of a rich ocean environment. We, in Delaware are especially sensitive about our coastal resources.

Unlike many coastal States, more than 98 percent of Delaware's ocean and bay coastal zone is open space—parks, marshes, and private land characterized by dunes and beaches for recreation study and a variety of birds and other wildlife, which offer opportunities for study, and appreciation in this unique region.

Ever since the 1790's, families have headed to Delaware's shore to relax and enjoy these resources. Attendance at State coastal parks alone is more than 3.6 million persons yearly. That is seven times the population of the entire State. Municipal beaches and boating, sport fishing, and hunting attract many more. However, this region provides more than recreation and beauty. A million pounds of fish are caught commercially off Delaware shores every year, making a healthy contribution to our economic base.

What I am trying to convey, Mr. President, is that this land—this playground of natural beauty—holds a special significance for each person in my State as well as many residents of the entire Atlantic Seaboard.

Those of us who are from coastal States are accutely aware that oil and gas development on the Outer Continental Shelf will bring pressures and impacts to the marine and coastal environment of a magnitude that has never been experienced before. I have spoken previously of the need for, and wholeheartedly support the provisions in this bill which calls for strong coordination between State and Federal Government to assure that OCS development proceeds in a manner consistent with the coastal zone management programs.

However, the spector of chronic and accidental spills occurring in the course of oil and gas drilling on the Outer Continental Shelf are not removed by these provisions. What this amendment before us is intended to do, is create the greatest possible incentive for OCS operators to conduct their activities using the best possible methods and equipment for minimizing the danger of accidental and chronic polluting incidents.

As the bill is presently written the liability of the lessee is limited to $7,000,000. This is $1 million less than the limit imposed on offshore facility operators by the Federal Water Pollution Control Act, and $43,000,000 of the Deepwater Port Act that was signed into law last year. Currently, under Department of the Interior regulations, an OCS operator is absolutely liable without limit for all Government cleanup costs in the event of a spill.

Mr. President, I believe, that even though the offshore oil pollution settlement fund created by the pending bill, is available to compensate for the damages caused by an OCS spill, it is a mistake to reduce the financial incentive for an operator to prevent the release of oil into the ocean environment. The Department of the Interior's regulations imposing absolute liability for Government cleanup costs on all OCS operators were promulgated after the Santa Barbara oil spill disaster of 1969. One author writing about the events surrounding the Santa Barbara spill notes the significance that well placed responsibility for the risk of oil and gas development can have in selecting areas in which such activities will be carried on. According to Jeffrey Potter in his book "Disaster by Oil," the Department of the Interior,

> Faced a suit brought by a group of oil companies headed by Pawley Petroleum protesting that had they known they would face unlimited liability for spills they would not have bid. The petition states as clearly as any environmentalist charge that the government knew or should have known that the Santa Barbara leases are in a known area of faulting which is subjected to earthquakes and tidal waves and that the drilling requires operations which reach to the presently known limits of the relevant technology.

Deciding the best possible locations to drill is an essential feature of a prudent offshore resource development program.

Absolute liability for oil spill cleanup costs will encourage these decisions to be well reasoned.

It is significant to note, however, that the current Department of Interior liability regulations have not eliminated chronic and accidental spillage of oil to a degree I would hope can be achieved before a new generation of drilling begins off our coasts. For example, recent reports on operations in the gulf indicate that a number of polluting accidents occurred over the past year, one of which resulted in the discharge of 2,213 barrels of oil. In this regard, I ask unanimous consent that a recent article from the Delaware State News be printed in the RECORD at the conclusion of my remarks. According to this article 12 of the 20 oil companies which are planning to operate off the Atlantic coasts have been responsible for more than half of the accidents, including six deaths, that occurred during drilling operations in the Gulf of Mexico over the past year. The amendment before us will complement the more stringent safety and performance standards in S. 521 to help achieve this goal.

Mr. President, the incentive created by imposing absolute liability on an OCS operator for Government cleanup costs and a $22,000,000 limit for all other damages is the kind of assurance that we need to protect the public and to prevent major and permanent disturbance of our coastal and marine environment. I firmly believe that all operators, whether they are major oil companies, or smaller independents, will be able to secure the insurance coverage or other backing necessary to demonstrate financial responsibility in accordance with this act. Thus, the liability we propose will not impair competition for Outer Continental Shelf leases.

We need oil and gas, but we also need the delicate and irreplaceable plant, animal, recreation, and esthetic resources of the ocean environment.

I, therefore, urge adoption of these amendments.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Delaware State News, July 13, 1975]

TWELVE COMPANIES HAD 74 OFFSHORE OIL ACCIDENTS

(By Judith Roales)

WASHINGTON.—Twelve of the 20 oil firms which nominated areas for leasing in the Atlantic off Delaware have been responsible for more than half the accidents, including six deaths, at offshore operations in the Gulf of Mexico during the past year.

The dozen firms were involved in 74 of the 138 accidents reported between June 1, 1974, and May 31, 1975, according to inspection of monthly records at the U.S. Geological Survey (USGS) national center in Reston, Va.

Two of the fatal accidents occurred on Sun Oil Co. operations.

The others were on rigs or platforms operated by Cities Service, Exxon, Shell and Kerr McGee.

In what's called "an uneventful period" by USGS workers, most of the oil spills resulting from the accidents were only a few barrels in size. The largest was an estimated 2,213-barrel spill from a Shell pipeline that was not checked for damage after a hurricane ripped through the Gulf of Mexico.

Among the dozen companies, there were also 19 fires—about half of them related to careless welding—and six times work boats collided with oil equipment.

Most of the small spills were blamed on pipeline corrosion, malfunctioning sump pumps, failure of pressure sensors to shut protective valves, and human error or carelessness.

The companies operating drilling rigs, production platforms and boats involved in the accidents and the number of accidents they reported are Shell, 32; Mobile, 8; Exxon, 7; Continental, 7; Gulf, 5; Chevron, 4; Kerr McGee, 3; Atlantic Richfield, 2; Cities Service, 2; Sun Oil, 2; Amoco, 1; and Trans Ocean Oil, 1.

USGS officials, who were less than enthusiastic about sharing the records with the press, are quick to claim that a tabulation of accidents means little.

For example, the conservation division branch chief pointed out, Shell may have reported the most accidents but that company is one of the largest operators in the Gulf.

The accidents are also unrelated to the operators' compliance with federal orders that govern offshore work.

Nevertheless, the types of incidents reported do give Delawareans some idea what to expect in the day-to-day operation of oil and gas wells off their shores.

The Shell 2,213 barrel spill is a classic example.

According to a summary of the report, sometime between Sept. 6 and Sept. 9 last year a hurricane tore an eight-inch ARCO pipeline lose from a 12-inch Shell line, leaving the Shell line open.

Before the split was discovered, Shell gave Continental the go-ahead to start pumping oil through the line. The oil flowed freely into the Gulf of Mexico until 5 p.m. Sept. 10 when the break was finally discovered.

As a result of the incident, the report said, Shell claims it will develop procedures for checking pipelines after they've been shut down during a storm.

Several other accidents also hint that somebody simply goofed.

Continental has one such incident Nov. 27.

The summary report for that accident says, "Due to an error, the platform was put on remote control to the computer at Continental's main office in New Orleans. Well Q-5D was opened to test by the computer, but the flowline had been removed."

The solution noted in the report was to clean up the 120 barrels of oil that had poured into the Gulf and install the missing pipeline.

A similar incident at Exxon resulted in a negligible spill, but six men were injured and production equipment and pipelines were extensively damaged.

That report shows that there was an explosion during start-up of a new platform on July 1, 1974.

Workers had by-passed the safety controls on two wells so the wells could not be shut down automatically. As a result, the fire spread and raged for more than an hour.

Worker carelessness was blamed for another Exxon accident a week later.

According to the report, a welder used an empty chemical drum as a stand for cutting. His torch ignited vapors in the drum, causing an explosion but luckily no fire.

Larger than expected waves are also cited in the reports as the cause of some accidents and at least two deaths.

For example, Chevron reported a vessel collision and fire on Oct. 4 when waves washed a capsized work boat into an 18-inch pipeline and tore it open.

The escaping gas was ignited and burned for two hours.

According to a Sun Oil report, on Oct. 22, two roustabouts working on a drilling rig were washed overboard by large waves. Only one body was recovered.

Typical of the collisions between work boats and equipment was a March 18 accident when the "M.V. Midnight Worker" bumped into a platform and tore a hole in a 13,800 gallon fuel tank; 166 barrels of diesel fuel spilled before repairs could be made, the report said.

"Mechanical failure" was blamed for the death of a Kerr McGee worker on Sept. 29.

A break in a weld allowed escaping pressure to blow the man down a stairway to the deck below, killing him and injuring one other, the report said.

Several gas well blowouts were also reported during the year. Unlike oil accidents, the escaping gas is not considered "pollution" for reporting purposes.

A March 19 gas blowout on a Mobil rig, however, resulted in a capsized rig and a gas leak that lasted six days.

The report says a 1,150 foot deep well began to flow when the crew pulled out piping. The rig listed to one side as gas shot 200 feet into the air. All personnel were evacuated. By morning the rig had capsized and gas was boiling to the surface of the water in a bubble that was 100 yards in diameter and four to five feet high.

Mr. BIDEN. Mr. President, I commend the chairman and members of the Interior Committee for the excellent work they have done in designing a rational program for leasing resource development rights on the Outer Continental Shelf. The importance and need for this legislation has been demonstrated repeatedly in recent years and I hope this legislation will soon be enacted and signed into law.

I am especially gratified by the inclusion of several provisions in the bill which will insure that affected coastal State governments and the public will have ample opportunity to participate in the decisionmaking process regarding the disposition of resources off their shores. The distinguished manager of the bill has been exceedingly helpful in accepting some simple clarifying amendments that I proposed, to set forth explicitly the procedures for State and local government and public participation in the formulation of a Federal leasing program. These procedures will apply both in the original formulation of the leasing program and in the annual review and revision of the program.

In addition to assuring full participation during the formulation of a Federal leasing program, my amendments assure that sufficient time for responding to the Secretary's decision will be afforded for State and local government and the public, to comment before the program is finally approved.

In addition to assuring that public participation will be a large part of the OCS leasing process, S. 521 also establishes new safety and performance standards to govern operations on the Outer Continental Shelf. These standards will require the use of best available technology in order to protect public health, safety, and the environment.

As I stated before, I hope that the Congress will act expeditiously and favorably on this legislation so that the safeguards which it provides will be put into force as quickly as possible. In this regard, I just want to voice some of my immediate concerns.

As we know, the Department of the Interior has already initiated a massive Outer Continental Shelf leasing process to bring areas not previously developed into production. These "frontier" areas include areas off the coasts of California, Alaska, and the eastern seaboard. When these plans were first announced, I joined several other members of the Senate and the House in expressing our concerns that the massive acceleration of OCS leasing was premature and ill-conceived. The Interior Department's frontier area leasing proposal appeared to us to be based on scant information concerning the quantity of resource reserves in this area, the value of those reserves, and the environmental impact that oil and gas development in these relatively unexplored areas would have. Our concerns were borne out by assessments of the leasing program conducted by the General Accounting Office which concluded that:

> The far-reaching implications of such a leasing goal, both with respect to the direction of future energy resource development and potential environmental consequences, made it one of the most critical policy decisions in the 20-year history of Federal OCS leasing. Yet we found that the goal was hastily conceived by Interior policy officials under pressures exerted by the energy crisis without adequate data or adequate consideration of several major factors, and despite opposition from Interior's program personnel.
>
> Interior is proceeding with Shelf leasing at a pace which far exceeds its administrative capacity to insure proper evaluation of leased areas and fair value on the disposition of oil and gas resources. The argument that gains in earlier oil and gas production

> will occur proportionate to acreages leased is highly questionable because of the constraints industry will face in responding to the greatly accelerated program.

In testimony during hearings held jointly by the Interior and Commerce Committees in April of this year, the Assistant Comptroller General of the United States testified further that:

> Interior officials now say that Interior no longer has a 10 million acre leasing goal. They state that emphasis is on production and opening up frontier areas as quickly as possible by proceeding expeditiously with the preparatory steps for six proposed lease offers in 1975. What concerns us most with this change . . . is that Interior has not shed any light on what the magnitude of the leasing program might be. No new acreage goals were announced and the rationale for holding six sales in 1975 rather than some other number remains a mystery. We do not see how it is possible to conduct a rational leasing program without setting reasonable goals of where to lease, when to lease, how much to lease—with some preliminary estimates of how much oil and gas to expect from development of the leases.

Without clear guidance as to the relationship of any OCS leasing program to national goals and objectives, we do not see how Government or industry can effectively plan for OCS development. Accordingly, our report recommends that the Secretary of the Interior clearly define the leasing goals and how they relate to overall national energy goals and plans.

Subsequent to the hearings in the Senate on proposed OCS leasing legislation, new petroleum reserve figures published by the U.S. Geological Survey contained a susbtantial downward appraisal of OCS resource potential. For example, in March of 1974, undiscovered offshore reserves were estimated to be 58 to 116 billion barrels of oil and 355 to 710 trillion cubic feet of natural gas. Most recent figures, however, indicate these reserves to be 10 to 49 billion barrels of oil and 26 to 111 trillion cubic feet of natural gas.

Insofar as Atlantic coast potential reserves are concerned, early 1974 figures were 10 to 20 billion barrels of oil and 55 to 110 trillion cubic feet of natural gas. However, latest figures place these reserve estimates at 2 to 4 billion barrels of oil and 5 to 14 trillion cubic feet of natural gas. This is almost an 80-percent reduction in reserve estimates off the Atlantic coast.

I believe these evaluations bear out the conclusions reached by me and other Members of this body and the Government Accounting Office that: Under the present leasing system, the Federal Government is frequently committed to development before it has sufficient information to make intelligent choices.

I agree that our domestic resources must be made available to the American consumer as quickly as it is rationally possible to do so. However, there are several reasons to be concerned over premature development of the frontier OCS areas; these concerns are largely socioeconomic and environmental. As the Council on Environmental Quality's recently published "Environmental Assessment of OCS Oil and Gas Development" states:

> Development of offshore petroleum must be evaluated in terms of possible effects on the coastal and offshore regions as well as onshore. Valuable wetlands, beaches, and tidal flats can be physically and biologically changed by the presence of oil. Residents of the areas may suffer economic, social and psychological harm from the possibility and reality of accumulated oil. The value of preserving recreational, business, and ecologically productive areas must be acknowledged in the development decision.

This report also concluded that:

> Storm conditions in the Atlantic and storm and seismic conditions in the Gulf of Alaska present more severe threats to personnel safety and environmental protection than the petroleum industry has faced before. Industry's ability to use technology safely is an essential element in minimizing environmental damage from oil and gas operations in new OCS areas. Careful attention to human factors, systems analysis, and personnel training are very important.

The bill we are considering today goes a long way toward meeting these concerns, however, I would like the distinguished manager of the bill to assure me on one point. If it does happen, that the Interior Department issues leases as currently proposed for these vast frontier areas, before this bill is enacted, I believe it imperative that any further operations and activities on these or any other leases be governed by the provisions of this bill once it becomes law. Will this in fact be the case?

Mr. BUMPERS. Yes, that is absolutely correct. All leases, those existing now and those issued between now and the time this bill is enacted will be subject to its provisions the moment it is signed into law. This includes the oil spill liability rules and requirements for development and production plans.

Mr. BIDEN. Thank you, I would also like to, if I may, clarify one additional matter.

As I read section 206 which sets forth the procedures for preparation and approval of an Outer Continental Shelf lease development and production plan it states, on page 101, that the Secretary shall transmit the plan, and I am quoting here:

> Together with any draft environmental impact statement prepared pursuant to section 102(2)(C) of the National Environmental Policy Act of 1969, to the Governors of the affected coastal States, any appropriate regional Outer Continental Shelf Advisory Board, and any appropriate interstate regional entity created under the authority of the Coastal Zone Management Act . . . for their review and comment.

Now, as I interpret this wording it implies that there may be a situation where a development and production plan would be prepared without any environmental impact statement to accompany it. If my interpretation is correct, would the Senator describe to me the conditions under which this might happen?

Mr. BUMPERS. Yes, that is in fact true. A lessee is required under this bill to prepare a development and production plan for any lease on which development and production had not yet begun by the date of enactment of this measure. Whether approval of a plan requires preparation of an environmental impact statement will depend on the circumstances.

For example, a lease for which such a plan is prepared might be adjacent to a leased tract held by the same lessee and on which development and production have been underway for some time. In this case, development and production on the new tract might involve a tie-in to the existing pipeline and other facilities serving the adjacent tract. It is possible that the impact of tying-in to these facilities would not be significant and that any alternative to the tie-in would be more costly and involve greater environmental disturbance. In this instance there may not be a need to prepare an environmental impact statement since approval of the plan would not be considered a major Federal action with a significant impact on the environment.

Mr. BIDEN. Well, off the mid-Atlantic Coast, an area in which I have some interest and off the Alaskan coast—there are no leases issued as of this date, therefore, no development and production have taken place. As I understand it, however, unless Congress moves quickly—as I believe they should—leases may be granted in these areas before this bill is enacted. The leasing process is therefore proceeding under the authority of the existing OCS law that was enacted in 1953, the one we are trying to update here.

The total acreage involved in these new lease sales is nearly equal to the total 8 million acres that have been leased over the last 20 years. The Atlantic sale alone may involve 3,161,249 acres. I have already expressed my concerns over the manner in which these proposed lease areas have been selected. But even though they are being conducted in haste it is my understanding that it will be 3 years at least and maybe 5 before development and production will begin in these frontier areas.

It seems to me that a lot will be learned about these areas by companies, the Federal and State government agencies and local groups that are studying these areas and planning for the impacts of offshore development. I believe approval of a development and production plan for these previously undeveloped areas where no operating experience exists would be a "major Federal action" and that preparation of an environmental impact statement is an absolute necessity. Under the legislation before us today, would an environmental impact statement accompany a proposed development and production plan involving these frontier areas or areas where very little development and production have previously taken place?

Mr. BUMPERS. Yes; I am sure that it would. Approval of any plan which constituted a significant change from the past situation or level of development and production would be a "major Federal action" and, therefore, an environmental impact statement would be required.

Mr. BIDEN. And this would be so even though the leases were issued before this act we are considering today was signed into law?

Mr. BUMPERS. That is correct.

Mr. BIDEN. I thank the Senator for clarifying this matter.

Mr. BUMPERS. Mr. President, we do not have order in the Senate.

The PRESIDING OFFICER. The Senate will be in order. Senators will take their seats. Conversations will cease.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the names of the two Senators from California (Mr. CRANSTON and Mr. TUNNEY) be added as cosponsors of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL SCIENCE FOUNDATION AUTHORIZATION ACT, 1976—CONFERENCE REPORT

Mr. KENNEDY. Mr. President, I submit a report of the committee of conference on H.R. 4723, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. HUDDLESTON). The report will be stated by title.

The legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4723) authorizing appropriations to the National Science Foundation for fiscal year 1976, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of today.)

Mr. KENNEDY. Mr. President, the conference report on the National Science Foundation authorization for fiscal year 1976 which we have before us today merits the full support of the Senate.

It will provide $787,000,000 for the Foundation's programs in the coming fiscal year, a figure which is $35,600,000 more than the amount authorized in the House bill, and $35,600,000 less than the amount authorized in the Senate bill. The authorization also provides $4,000,000 in excess foreign currencies.

The amount which the conferees have authorized is approximately 5 percent above the amount requested by the administration. It is very close to the target recommended by the Senate Budget Committee of $755,400,000. The increases over the amount requested by the administration are to be used for science education and for programs to improve the ability of State and local governments to utilize more effectively the benefits of science and technology.

Of particular importance and a major focus of the deliberations between the House and Senate was the provision adopted on the House floor to require prior congressional approval of all NSF grants. This provision was not included in the Senate bill and the Senate conferees argued strongly against its inclusion in the final bill.

We are pleased to be able to return to the Senate with a bill which does not include that provision. The bill we have reported makes it clear that the role of the Congress must be to set policy and priorities and to conduct careful oversight of the National Science Foundation, rather than to be involved in the day-to-day execution and administration of that policy. It will maintain the integrity of our Nation's academic and research enterprise, and removes a serious potential threat to the principles which have made our country a leader in the world scientific community.

Mr. President, the funds authorized in the conference report are to be allocated as follows:

Scientific research project support, $377,600,000.

National and special research programs, $109,800,000.

National research centers, $60,200,000.

Research applied to national needs, $70,500,000.

Science education innovation, $39,800,000.

Science education support, $35,300,000.

Science information activities, $6,600,000.

International cooperative activities, $8,000,000.

Intergovernmental science and R. & D. incentives, $10,000,000.

Science assessment, policy and advisory activities, $11,100,000.

Program development and management, $41,700,000.

Within those categories, we agreed to place spending floors under the following programs and in the following amounts:

Science education innovation, $39,800,000.

Science education support, $35,300,000.

Graduate student support, $16,400,000.

Science information activities, $6,600,000.

Environmental research and earthquake engineering, $25,000,000.

Applied social research and policy sciences research, $23,000,000.

Intergovernmental science programs, $8,000,000.

Ethical and human value implications of science and technology, $1,500,000.

Mr. President, an expanding base of scientific knowledge is of critical importance to the Nation's future and to efforts to find ways to deal with a wide range of domestic and international problems. The products of research by scientists in all parts of the Nation not only have provided for the progress of science, but provide the knowledge base needed to increase understanding of the principles that govern the physical, life, and social sciences—understanding which is essential if we are to enhance the quality of life.

Mr. ROBERT C. BYRD. Mr. President, will the Senator put a time limitation on the conference report?

Mr. KENNEDY. I do not think there is any objection. It is on my time.

Mr. ROBERT C. BYRD. I would hope not, but will he limit it to 5 minutes?

The PRESIDING OFFICER. The Senator has only 5 minutes, anyway.

The question is on agreeing to the conference report.

The conference report was agreed to.

OUTER CONTINENTAL SHELF MANAGEMENT ACT OF 1975

The Senate continued with the consideration of the bill S. 521 to increase the supply of energy in the United States from the Outer Continental Shelf Lands Act, and for other purposes.

Mr. KENNEDY. Mr. President, I am prepared to yield back the remainder of my time.

Mr. STEVENS. Is the Senator yielding back the remainder of his time on the amendment?

Mr. KENNEDY. I am getting prepared to do it.

Mr. STEVENS. Before the Senator does that, I point out that we have a fund created in the Alaska Pipeline Act to establish a special liability. Do I correctly understand that the Senator's amendment now means that oil produced in Alaska which already pays 5 cents a barrel to establish a $100 million liability fund there, now will have to pay another 2.5 cents a barrel to pay any damages that occur in Mexico and Canada, also?

Mr. KENNEDY. Nothing in my amendment remotely touches that.

Mr. STEVENS. Will the oil in Alaska pays for this fund? Are we going to create an additional payment here—a separate fund?

Mr. KENNEDY. This would not in any way touch that particular provision. There are provisions in the legislation that refer to that, but this does not relate to those provisions.

The PRESIDING OFFICER. The time of the Senator from Massachusetts has expired.

The Senator from Arkansas has 15 minutes.

Mr. BUMPERS. Mr. President, the amendment of the Senator from Massachusetts is acceptable to the floor managers and to the committee.

Mr. STEVENS. Under those circumstances, I understand that the minority would control the time, and I would like to continue.

Mr. BUMPERS. I have not yielded back my time, Mr. President. I simply stated that the amendment was acceptable to us.

The PRESIDING OFFICER. If the Senator favors the amendment, the time goes to the minority leader or his designee.

Mr. STEVENS. Having been designated to control that time, I should like to make certain, and I am not trying to confuse the issue——

Mr. KENNEDY. If the Senator will yield for 1 minute, quite frankly, this will be less of a drain on the fund, because under the existing fund now, after the payment of liability, up to $7 million, there will be drawing down out of the fund for a complete liability. This will raise the liability that will be necessary in terms of the private developers of the lease. Therefore, hopefully, it will actually mean less of a drawdown on the existing fund that the Senator refers to. I think it provides additional protection for the Alaska situation.

Mr. STEVENS. I am interested in protection. I am not interested in having Alaskan oil pay twice; that is all. I have not registered an opposition to the amendment. I understand the Senator is not asking for the yeas and nays. It is a voice vote; is it not?

Mr. KENNEDY. The Senator is correct.

Mr. STEVENS. I will voice my personal opposition to it at a later time. It is just another reason why I feel compelled to oppose the passage of this bill. We are lumping funds on funds. We just got $10 million added to the coastal pollution funds, we have the Alaska pipeline pollution fund, we have the fund created for the offshore ports that assesses 5 cents a barrel, and now we have another assessment of 2½ cents. We are going to price ourselves out of the market.

I do not see why Canada and Mexico could not have been approached for this fund. Canadians have pollution control funds and, as far as I know, they are not extending the application of their law to either the Alaska waters or the Alaskan offshore area or the State of Washington or its areas. I think this whole concept should have been explored very deeply in terms of its relationship to other laws.

I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. HUDDLESTON). All time has been yielded back. The question is on agreeing to the amendment of the Senator from Alaska.

The amendment was agreed to.

Mr. HASKELL. Mr. President——

Mr. ROBERT C. BYRD. Mr. President, will the Chair recognize the Senator from Colorado? Then I will ask him to yield to me.

The PRESIDING OFFICER. The Senator from Colorado is recognized.

Mr. HASKELL. I yield to the Senator from West Virginia.

The PRESIDING OFFICER. On whose time?

Mr. ROBERT C. BYRD. I can send an amendment to the desk and get some time.

I move to strike section 304 from the bill.

The PRESIDING OFFICER. The Senator from West Virginia is recognized for 15 minutes.

TIME-LIMITATION AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I have attempted to get a reduction in time on each amendment to the bill. I thought I had cleared this with the other side of the aisle. In view of the fact that it is the expectation of the leadership to try to get action on this bill tonight, I ask unanimous consent that time on any amendment be limited to 30 minutes, rather than 1 hour, and that the division and control of the time be in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

AMENDMENT NO. 726, AS MODIFIED

Mr. HASKELL. Mr. President, I send to the desk a modification of amendment No. 726 on behalf of myself and the Senator from California (Mr. CRANSTON).

The modification basically corrects a clerical error discovered since the amendment was printed.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

(k) The Secretary is authorized and directed to make available without charge to any State agency having management responsibility for submerged lands, any information, data, maps, interpretations, or surveys which are in his possession or control, and which relate to the State agency responsibility for development of oil and gas resources in submerged lands: *Provided, however*, That such State agency shall provide proper assurances of confidential treatment of such data as to which the Secretary is obligated by law or contract to maintain confidentiality: *And provided further*, That the provisions of section 27 of this Act shall apply to any public disclosure of such confidential data by any person possessing such confidential data.

(l) After the Secretary determines that he has leased an entire geologic structure or trap he shall publish annually estimates of the amounts of oil and gas contained in such structures or traps. Such estimates shall be based on all the information available to the Secretary about such structures or traps and he shall make such information available to the public.

Mr. HASKELL. Mr. President, the amendment has been discussed with the managers of the bill on both sides of the aisle. It is my understanding that it is acceptable to them. It is in two parts. The first part would force the Secretary of the Interior to make available to a State information which relates to the State lands within the 3-mile limit, subject, of course, to the strictures of confidentiality.

The second portion of the amendment states that after an entire geological structure has been leased, then, at that time, the Secretary must publicize estimates of reserves and also must make available to the public all geological, geophysical, and other information that is in his possession. I do not think I need to go on at any further length, in view of the fact that the managers of the bill, I believe, agree with this.

Therefore, I move the adoption of my amendment.

The PRESIDING OFFICER. Do the Senators yield back their time?

Mr. STEVENS. The amendment is acceptable to the minority and has been cleared on this side, I am informed. I yield back my time.

Mr. BUMPERS. I yield back my time.

Mr. HASKELL. I yield back my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. There being no further amendment, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

Mr. ROBERT C. BYRD. Mr. President, the Senator from Delaware has an amendment.

Mr. ROTH. Mr. President, I send my amendment to the desk and ask that it be considered.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. ROTH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 65, line 5, strike all through page 70, line 15, and insert in lieu thereof, the following:

LIABILITY FOR OIL SPILLS

SEC. 23

Mr. ROTH. Mr. President, my amendment will provide for strict liability on the part of lessees in offshore development. The key features of my amendment would be, first, it would impose strict liability without regard to fault, and without limitation on the owner or operator of a public OCS lease for oil and natural gas exploration and development for damages resulting from oil spills at or adjacent to such lease;

Second. It would impose strict liability without regard to fault and without limitation on the owner or operator of any vessel transporting oil or natural gas from any OCS lease site to onshore storage facilities for damages resulting from oil spills from such vessels;

Third. Persons eligible to recover for damages caused by oil spills either at the OCS lease site or in transport would include both coastal area property owners and parties, such as fishermen who, without regard to ownership of any adversely affected lands, suffer damages in loss of fish, wildlife, or biotic or other natural resources relied upon for subsistence or economic purposes;

Fourth. All costs of control and removal of oil pollutants in the ocean resulting from OCS oil spills shall be borne by the lease owner or operator. Ocean pollution clean-up from tanker spills is now covered by the Federal Water Pollution Control Act; and

Fifth. It would authorize the Secretary of the Interior to establish a program whereby Government insurance would be provided, at premiums accepted in insurance practice, to holders or operators of OCS leases and to vessel owners and opators for liability in amounts exceeding the capacity of the private insurance market.

Mr. President, I feel that this legislation is of particular importance to those of us who will be impacted by the proposed leasing of land offshore, and I urge adoption of this amendment. I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Is all time yielded back?

Mr. BUMPERS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, this amendment is one that I think possibly has merit. However, some portions of this amendment are already included in the bill; and, secondly, there is a bill 1754, now pending before three committees, Interior, Commerce, and Public Works. I would strongly urge, and certainly suggest anyway to my distinguished colleague that he reserve this amendment and present it to any one or more of those respective committees which are handling a major bill to take care of the very problems he seeks to redress in this amendment.

Mr. STEVENS. Mr. Present, will the Senator yield to me for one moment?

Mr. BUMPERS. I yield to the Senator from Alaska.

Mr. STEVENS. This, as my good friend referred to it, is a portion of what we call the "Big Spill" bill, and it is before the Commerce Committee, on which I serve, and before the Public Works Committee and Interior Committee.

A portion of it has already been included in this bill, I might say to the Senator from Delaware, and I can assure him when the Commerce Committee takes up the total liability bill that we will consider his suggestion.

We are trying to do what he is suggesting, and that is to combine all of these various funds into one, and establish a national policy with regard to liability in connection with substances such as oil or other substances that might adversely affect the coastal zones.

So I do not know, I think the Senator from Arkansas could make the same commitment, and I hope he will, that when the bills are before the three committees involved that we will consider his bill and he will have a hearing on it. But I would urge him not to try to further inject that subject into this bill which deals merely, mostly, with the Outer Continental Shelf.

Mr. BUMPERS. Mr. President, I would simply concur in what my distinguished colleague from Alaska has said, and I would hope that because of the magnitude of the problem of oil spills, and because of the complexity of the legislation that we are going to hopefully get out some time this year the Senator would present this to the committees and allow them to incorporate the general ideas into what we euphemistically refer to as the "Big Spill" bill, and that we would not take up so complex a matter on this S. 521 this evening.

Mr. WILLIAM L. SCOTT. Mr. President, will the Senator yield?

Mr. BUMPERS. I yield to the Senator from Virginia.

Mr. WILLIAM L. SCOTT. Mr. President, I appreciate the Senator's yielding.

I just wonder if the Members of the Senate have noticed the clock. We were here until about 9:30 last night. You know, I have been married to the same woman for the past 35 years. I am going home to be with her.

Mr. BUMPERS. I would like to say goodnight to the Senator from Virginia and I hope he has a very pleasant evening.

[Laughter.]

Mr. HOLLINGS. Mr. President, will the floor manager yield?

Pursuant to the comments made by the managers on both sides, my friend, the Senator from Delaware, as a member of the ocean policy study, we have scheduled on behalf of Public Works, Interior, and Commerce an overall comprehensive liability bill approach.

There has been one submitted by the administration; there has been one submitted by Senator MAGNUSON, myself, and Senator STEVENS. There are several others, and we have those hearings scheduled for late September. The suggestions of the Senator from Delaware will certainly be considered along with them. As a member of the Ocean Policy Study he will help us formulate this study.

Mr. BUMPERS. I thank the Senator from South Carolina. I might further assure my distinguished colleague by pointing out the committee report states:

> The committee anticipates and hopes that the comprehensive strict liability law governing all oil spills into the ocean will be enacted by the 94th Congress, the provisions of such a bill to replace section 23.

Mr. ROTH. Mr. President, I appreciate the statements made by the distinguished Senators from Arkansas and South Carolina, as well as the senior Senator from Alaska.

I think it is important that it be clear that this legislation we adopt in this particular bill is not the final legislation. There are a number of areas where I think what we are adopting here—and I cosponsored Senator KENNEDY's proposal—but it does seem to me there are a number of weaknesses. For example, this legislation in no way covers liability for vessels transporting oil from OCS sites to shore, an area of expanded jeopardy by OCS operation.

It seems to me my proposal offers certain advantages from the standpoint that it will put the obligation upon the lessors and less obligation on the Government.

Mr. President, with the understanding that this legislation will be considered at that future date I withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

AMENDMENT NO. 727

Mr. HOLLINGS. Mr. President, I send my NOAA amendment to the desk on behalf of myself, the Senator from Washington, the Senator from Alaska, and ask the clerk to report.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

> The Senator from South Carolina (Mr. HOLLINGS) for himself, Mr. MAGNUSON and Mr. STEVENS proposes amendment No. 727.

The amendment is as follows:

> On page 79, line 24, after "(as amended)", delete the following: "the Secretary, in consultation with".
>
> On page 80, line 1, after " 'Administrator')" insert: "in consultation with the Secretary".
>
> On page 80, line 8, after "section," insert: "the Administrator, in consultation with".
>
> On page 80, line 8, after "Secretary" insert a comma.
>
> On page 80, line 2, delete "involve" and insert "involved".

Mr. HOLLINGS. Mr. President, I cannot overemphasize the importance I attach to this amendment. Its purpose is to transfer to the National Oceanic and Atmospheric Administration—NOAA—the primary responsibility for conducting environmental baseline and monitoring studies related to OCS development. Let me distinguish carefully between baseline studies and environmental impact statements. As required by the National Environmental Policy Act, impact statements must be prepared by the Federal agency which is proposing a major action with significant environmental impacts. In the case of OCS leasing and development that agency is of course the Interior Department. But in order to prepare useful and scientifically sound impact statements, the Interior Department needs the full force of NOAA's preeminence in marine biology, physical oceanography, weather prediction and monitoring, civilian research ship capability, fishery coordination, and coastal zone management. NOAA is the Nation's ocean and coastal agency, with nearly 3,000 scientists and other professionals uniquely qualified to conduct an objective and thorough examination of the marine and coastal environment prior to and during OCS exploration, development, and production. NOAA is also blessed with a strong affiliation with several thousand university scientists through the sea grant program.

NOAA is already deeply involved in the conduct of OCS-related environmental baseline studies through an interagency agreement with the Bureau of Land Management in the Interior Department, but at Interior's insistence, that agreement has been narrowly construed to deny NOAA the lead in planning and managing the studies in the mid-Atlantic OCS region. When the first baseline study program was initiated in 1974 in the Gulf of Alaska region, the Interior Department found itself totally inadequate for the task, and turned over full management responsibility for the Alaska studies to NOAA. At that time, I successfully sponsored an amendment to the Energy Research and Development Act of 1974 which made available funds for reactivating three NOAA research vessels—the *Discoverer*, the *Surveyor*, and the *Miller Freeman*—which had been mothballed because of a lack of operating funds. By making these funds available, we were able to end the wasteful idleness of NOAA's ships and—particularly important for the issue before us now—we made it possible for these ships to provide 540 out of a needed 600 ship-days this year for the Alaskan OCS baseline studies. Mr. President, without objection, I would like to have printed in the RECORD at this point a letter from Dr. Robert M.

White, Administrator of NOAA, to me, describing the activities undertaken by these ships in connection with the Alaskan studies.

There being no objection, the letter was ordered to be printed in the Record, as follows:

National Oceanic and
Atmospheric Administration,
Rockville, Md., March 24, 1975.
Hon. Ernest F. Hollings,
U.S. Senate,
Washington, D.C.

Dear Senator Hollings: I would like to take this opportunity, to bring you up-to-date on the reactivation and deployment of the three ships (*Surveyor, Discoverer* and *Miller Freeman*) which were funded under the Energy Research and Development Act of 1974 to conduct environmental assessment studies in support of OCS oil and gas development. Requirements for a number of the OCS environmental assessment studies are now well defined and others have been sufficiently identified so that I can apprise you of our plans as I had promised.

We have recently concluded a Memorandum of Agreement with the Bureau of Land Management which assigns NOAA the management responsibility for the environmental assessment studies of the Alaskan outer continental shelf. This rather massive undertaking will require among other things a considerable amount of research ship support each year. At present our plans call for a requirement in excess of 600 days at sea each year for the Alaskan studies. The remoteness of most of the regions where studies are to be conducted dictates the use of relatively long-range, high endurance vessels to conduct the work effectively. The three ships reactivated for these studies are ideally suited for operations in this region and can provide 540 days of the required time. Consequently, we have made the decision to transfer the *Discoverer* to the Seattle, Washington ship base. The extensive capabilities and characteristics of the *Discoverer* will be fully utilized to supplement the *Surveyor* and *Miller Freeman*, in Alaska. These three ships will provide a major capability for the Alaskan studies. We plan to provide the remainder of the time required either through leasing vessels or extending the operating period of the NOAA fleet.

The Alaskan studies will go into full operation this spring. The ship *Surveyor* will depart Seattle for the Gulf of Alaska on April 1, 1975. Present plans are for the *Discoverer* to depart Norfolk, Virginia late March 1975, arriving in Seattle, Washington, about April 12, 1975. Following a brief inport period for hiring the remainder of the crew, the ship *Discoverer* will depart for the Southeast Bering Sea on May 5, 1975. As I indicated to you earlier, the *Miller Freeman* will be delayed due to our decision not to accept the single, somewhat high shipyard bid. We have now completed the process of readvertising the ship yard work on the *Freeman* and this time received four responsive bids. The successful bid was within our available funds and we are proceeding with the repairs and modifications on that vessel. We expect the *Freeman* to be fully operational by late June. The ships *Townsend Cromwell* and *Rainier* will be reprogrammed to make up the deficit created by delaying the *Freeman*. The latter two ships will also sail during April and operate in the Gulf of Alaska.

We are continuing to work closely with the U.S. Geological Survey and the Bureau of Land Management to ensure that adequate ship support will be available for all the planned OCS environmental assessment studies. USGS will be using some NOAA ship time in their Northeast Gulf of Alaska work this spring. In areas outside of Alaska various options are being explored and decisions whether to use the academic fleet, private contract vessels, other Federal vessels or augment the NOAA fleet's operating schedules thru additional resources will be made based on what is most efficient in each time.

The three reactivated vessels can not be expected to meet all of the study requirements. They will, however, provide a viable nucleus which can be adequately supplemented thru leasing and by augmenting Federal vessel's schedules.

I thank you for your continued interest in this matter.

Sincerely,

Robert M. White,
Administrator.

Mr. HOLLINGS. By early 1975, when environmental baseline studies were being organized for the mid-Altantic region in anticipation of leasing in the Baltimore Canyon area of the OCS in 1976, Interior was apparently less willing to allow NOAA a management role. Instead, NOAA was invited to "coordinate" the mid-Atlantic studies—a role which denied the ocean agency the right to participate in the key activities of designing the scientific plan for the study and choosing the contractors who would perform portions of the work outside the Government. NOAA declined the opportunity to coordinate the study because it rightly believed that it would be in the untenable position of being held accountable for studies which were to be conducted under an Interior-drafted scientific plan which NOAA believed to be deficient in certain areas, by contractors which NOAA had no hand in choosing. Mr. President, I have been extremely concerned that NOAA's ocean expertise and facilities are being bypassed as a result of Interior's decision to offer NOAA a narrow coordination role rather than an effective planning and management role. In February I wrote the then Secretary of Interior Rogers Morton to request further information on this situation. Without objection, I would like to insert my letter and Secretary Morton's reply into the Record at this point.

There being no objection, the letters were ordered to be printed in the Record, as follows:

February 13, 1975.
Hon. Rogers C. B. Morton,
Secretary of the Interior,
Washington, D.C.

Dear Mr. Secretary: I understand that the Bureau of Land Management (BLM) has made a recent decision not to request that the National Oceanic and Atmospheric Administration (NOAA) of the Department of Commerce manage the marine environmental assessment studies of the Mid-Atlantic areas of the Outer Continental Shelf lands being considered for oil and gas leasing. Although NOAA was offered a vague coordinating role by BLM, the situation is in sharp contrast to that in the Alaskan frontier areas where agreement was reached that NOAA manage the effort in a straightforward manner for BLM.

I would like an explanation from your Department as to how and why this particular decision was made. I am concerned that maximum use of available Federal expertise and facilities is not being made in this instance and fear that political or other pressure will result in an undesirable and expensive contract for this work.

Sincerely,

Ernest F. Hollings,
Chairman, National Ocean Policy Study.

U.S. Department of the Interior,
Washington, D.C., April 16, 1975.
Hon. Ernest F. Hollings,
Chairman, National Ocean Policy Study, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: This is in response to your letter of February 13, 1975, concerning the role of the National Oceanic and Atmospheric Administration (NOAA) in our Mid-Atlantic baseline study program. It is correct that the Bureau of Land Management (BLM) approached NOAA to assume the role of overall project coordinator for the Mid-Atlantic baseline studies to be started in fiscal year 1975. NOAA declined to accept such a role on the grounds that it contrasted to the Alaskan area work where BLM assigned NOAA a management role while retaining overall program review and direction. In the Mid-Atlantic area NOAA believed that they would be held responsible for the quality and success of the program, but the authority, including the detailed design of the study plan and approval of contracts to participants, would reside heavily with BLM. A copy of the NOAA response is enclosed.

The Department believes that it must retain administrative control of its Outer Continental Shelf (OCS) baseline study program in order to assure that vital information is available to us when OCS management decisions need to be made. Decisions which may require information from the baseline study program include selecting areas and tracts to be considered for sale, selecting tracts to be offered for sale, determining lease stipulations, approving development plans, and modifying operating orders. The Department exercises administrative control over this program through the design of the studies, the establishment of standards for sampling and analysis, scheduling the study components and selecting participants in the studies. To aid the Department in designing study plans we have established an OCS Research Advisory Board composed of representatives of the Environmental Protection Agency, U.S. Geological Survey, Fish and Wildlife Service, NOAA, and the twenty-one coastal States. NOAA was asked by the Department to assume a wide administrative responsibility for the OCS baseline studies in Alaska because NOAA has a strong operating program in Alaska. Further, we believe that the significant number of Alaskan studies to be undertaken in a short timeframe would strain BLM's capability in view of its responsibilities on other parts of the OCS. We believe that the Department can adequately administer the studies on the OCS areas other than Alaska in the manner we have described and that sound management principles require us to do so.

NOAA has, however, encouraged individual elements of NOAA to participate in the Mid-Atlantic studies within the capacity of their available resources. In every OCS area, BLM is attempting to utilize NOAA's capabilities to perform marine research. All study plans are reviewed by them through the OCS Research Advisory Board, and NOAA participates in the selection of contractors through a BLM Technical Proposal Evaluation Committee.

We share your concern that we must use all available Federal expertise in the implementation of this important environmental studies program.

Sincerely yours,

Rog Morton,
Secretary of the Interior.

National Oceanic and
Atmospheric Administration,
Washington, D.C., February 5, 1975.
Mr. George L. Turcoft,
Associate Director, Bureau of Land Management, Department of the Interior, Washington, D.C.

Dear Turk: We have reviewed your letter of January 24, 1975, requesting NOAA to accept responsibility for project coordination of the Mid-Atlantic baseline environmental studies program to be initiated in FY 1975.

The confidence you have in our agency to carry out this function is greatly appreciated. However, for the responsibilities and functions outlined for a project coordinator, I believe it advisable to decline this role. NOAA is being requested to assume responsibility for the quality and success of the program, but the authority, including the detailed design of the study plan and approval of contracts to participants, resides heavily with BLM.

This proposed arrangement contrasts to our agreement for the Alaskan work where BLM has assigned NOAA a management role while retaining a reasonable level of overall program review and direction. Should, on review, you wish to propose an arrangement for the Mid-Atlantic work on a basis similar to that for Alaska (option 2 in your letter), I would be glad to reconsider our decision. In this context, I would agree that it would be proper to consider an important role for the college and university community in the environmental studies and would work with you to make sure that this is accomplished. In any event, for the good of the project, I urge that you tighten up the arrangements with any coordinator so that there is strong and unified management for this very difficult undertaking.

The importance of the OCS environmental studies is certainly recognized by NOAA with the involvement we have had in the projects to date. I wish to assure you that even though we find it inadvisable to assume the overall project coordinator role, individual elements of NOAA are encouraged to participate in the Mid-Atlantic studies within the capacity of their available resources. In those cases where you, or the project coordinator you select, believe we have the expertise necessary for a particular aspect of the project, I would like to suggest that your staff contact Dr. Donald Martineau so that he can make arrangements to involve appropriate NOAA line directors to explore this participation.

We look forward to a continued relationship in carrying out the OCS environmental assessment programs for the areas under consideration for development.

Sincerely,

JACK W. TOWNSEND, JR.,
Associate Administrator.

Mr. HOLLINGS. Let us now look, Mr. President, at NOAA's specific capabilities and participation in OCS-related baseline and monitoring studies. Through its ships, its Washington headquarters and its network of marine laboratories around the country, NOAA is conducting both field and laboratory studies relating to:

The fate and effects of hydrocarbon-related and heavy-metal-related pollutants from OCS activities on the marine ecosystem;

The short- and long-term effects of petroleum, including sublethal doses, on selected marine species at various points in their life cycles;

Ocean processes—waves, currents—which move pollutants through the marine environment;

Comparison of ecosystem changes in an area containing an active oil field in the Gulf of Mexico with ecosystem changes in a control area;

Evaluation of existing oil-spill trajectory computer models and development of better models;

Development of unmanned "data buoys" to collect and transmit information needed for OCS research and monitoring;

Assistance to States in development of comprehensive coastal zone management programs, including extensive inventories of living and nonliving resources in the coastal zone;

Ongoing inventory of fish stocks, catches, and migratory patterns.

The establishment of the National Oceanic and Atmospheric Administration by Executive Reorganization Plan No. 4 in 1970 was described by President Nixon as essential to give ocean policy and scientific matters the central focus they so badly needed in the Federal organizational structure. It was an important first step in implementing the recommendations of the Commission on Marine Science, Engineering and Resources—better known as the Stratton Commission—for the formation of an independent agency to be the "principal instrumentality within the Federal Government for administration of the Nation's civil marine and atmospheric programs."

We should continue to encourage consolidation of ocean research in NOAA and oppose its fragmentation among competing Federal agencies. Making NOAA the lead agency with primary responsibility for OCS environmental baseline and monitoring studies is a crucial part of that consolidation effort.

I can summarize this amendment in just a few sentences.

What this does, Mr. President, is to transfer the lead responsibility for environmental baseline studies on the OCS to the National Oceanic and Atmospheric Administration.

I hasten to add in the very same breath that this does not in any way disturb the fundamental responsibility of the Department of Interior to prepare, submit and fund the environmental impact statements. They are two significantly different things. Specifically, in the baseline studies there is a comparison to the ecosystems, the flow charts, the fisheries, and all the other things that have to be done, with the expertise that lodges presently within NOAA, some 3,000 scientists and experts. NOAA can, in addition, call on thousands of university scientists and young student leaders in the Sea Grant program.

Now, this particular function is presently being——

The PRESIDING OFFICER. Will the Senator suspend—may we have order in the Chamber?

The Senator may proceed.

Mr. HOLLINGS. That function is presently being conducted in part by NOAA, but at the behest of the Department of Interior. I realize that my distinguished colleague, the Senator from Arizona, is here, and he says the Interior Department would like to retain it. I have the position of the Secretary of Commerce that they would like to retain it, too. I do not want to take advantage of them. I happen to have a Secretary who happens to have been the former Secretary of the Interior. I have a letter here which I ask unanimous consent to be printed in the RECORD. This is from the Honorable Rogers B. Morton.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF COMMERE,
Washington, D.C., July 30, 1975.

Hon. ERNEST F. HOLLINGS,
Chairman, Subcommitee on Oceans and Atmosphere, Senate Commerce Committee, Washington, D.C.

DEAR SENATOR HOLLINGS: I think there is much merit in your views that the Department of Commerce/NOAA should assume a leadership responsibility with respect to baseline studies on the Outer Continental Shelf, and monitoring subsequent to oil and gas production as long as responsibility for preparing environmental impact statements rests with the agency responsible for Federal actions as defined under the National Environmental Policy Act. I believe that we could deploy our ship facilities and other oceanographic resources more effectively under such an arrangement.

Sincerely,

ROGERS MORTON,
Secretary of Commerce.

Mr. HOLLINGS. I think the distinguished Secretary of Commerce should be commended for this position. I have gone over the particular budget so that there would be no misunderstanding. For this particular budget there is a leasing administration in the amount of $1.3 million that remains in Interior; resource analysis, $.6 million remains in Interior; environmental analysis, environmental impact statement preparation, hearings, and so forth, $3.4 million, which remains in Interior; general administration, $.6 million which remains in Interior; contracts for special studies, environmental, economic, and otherwise, $7.5 million remains in Interior; but the baseline studies and monitoring would go, of course, $44.9 million in that part of the budget, to the National Oceanic and Atmospheric Administration.

I have checked this with our distinguished colleague, the Senator from Washington, Senator JACKSON.

I would be glad to yield to my colleague, the Senator from Alaska.

Mr. STEVENS. Let me, if I may, make certain, because I cosponsored this, that my colleague from South Carolina agrees that the obligations which have been placed upon the Secretary of the Interior, as the representative of the United States to conduct leasing activities on the Outer Continental Shelf, are not affected by this.

Mr. HOLLINGS. They are not affected.

Mr. STEVENS. The duties he has to perform in terms of gathering information for the preparation of environmental impact statements or analyzing the proposals to lease or determine the areas that should be put up for lease are still within the Department of the Interior; is that correct?

Mr. HOLLINGS. That is correct.

Mr. STEVENS. And the funding for such studies as may be necessary to prepare the environmental impact statements will still be funded by the Department of the Interior even though we have, in the past, urged Interior to use the services of NOAA. In my State, Alaska, the Department of the Interior has, in fact, contracted with NOAA to do the work for BLM in connection with the Outer Continental Shelf leases. Is the

Senator's interpretation of the amendment the same as mine?

Mr. HOLLINGS. That is my interpretation. That is why I listed those items so there would be no misunderstanding.

Mr. FANNIN. Mr. President, the distinguished Senator from South Carolina has stated a case. I do not think he has taken into consideration—and perhaps has given—full significance to the responsibility of the Department of the Interior in this regard. This is a jurisdictional grab. It is a matter of whether or not the Department of the Interior, which has the responsibility, will also be in a position where they can carry it through without having to release any of their rights to another department.

Now, assuredly they do, no doubt about that, and there should be coordination of effort and cooperation, but if we are going to take the responsibility away from the Interior Department, I think it is going to be detrimental to the program. They have carried through.

The information I have from the Department of Interior officials is that they do not want this.

The Secretary of Commerce, the former Secretary of the Interior, may have a different position, but I do not think that position prevails or that has been the way in which they have looked at it before.

So I do not think it would be advantageous to carry through with the amendment of the distinguished Senator from South Carolina.

I realize that it is late here today, and we are trying to get this legislation finished, but this is just another jurisdictional problem that I think is created and unnecessary.

Mr. HOLLINGS. On the contrary, Mr. President, it really clarifies the jurisdictional problem because the U.S. Geological Survey does not have a single vessel, it is not equipped, it does not have the expertise, yet with relation to baseline studies, the currents, the fisheries, and the ecosystem that is there, it has got to be done. We are trying to expedite it.

The Senator from Alaska and I have had mixed feelings about one aspect of this. We have had very good luck with our budget. I happen to be on the Appropriations Subcommittee for Interior, and I have fine experience there; we have a little easier time getting money there than we do for Commerce, but this is, on the contrary, to clarify that particular responsibility, put it where it should be, make certain that the environmental impact statement responsibility remains the jurisdiction, not a grab, with Interior.

It has been checked out. I am sure the distinguished Senators from Washington, Louisiana, and other outstanding Members, would not go along with a description of this as a jurisdictional grab.

It really clarifies that issue, and that is why we submit the amendment.

Mr. BUMPERS. Mr. President, on behalf of the amendment, I would also like to point out something that may not be a matter of knowledge.

The Senator from South Carolina may have made the point, but in Alaska the BLM has actually contracted out this very service to NOAA, and NOAA is now performing baseline studies on the environmental impact of drilling there because they recognized they did not have the expertise to do it.

Mr. HOLLINGS. The manager is so correct. They have got to discover—of course, up in Alaska, they are engaged in seven baseline studies trying to proceed and go ahead with this offshore drilling right now. NOAA is doing it at the request, incidentally, of the Department of the Interior.

Mr. BUMPERS. Under contract.

Mr. HOLLINGS. By contract, oh yes.

Mr. FANNIN. The Senator already stated that at the beginning of his remarks, at the same time the responsibility does lie with the Department of the Interior and I think that is where it should stay.

Mr. HOLLINGS. On a voice vote, if the Senator would agree, I would yield back my time.

Mr. BUMPERS. I yield back the time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from South Carolina.

The amendment was agreed to.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BUMPERS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BIDEN. Mr. President, I send three amendments to the desk and ask unanimous consent that they be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments will be stated.

The assistant legislative clerk proceeded to read the amendments.

Mr. BIDEN. Mr. President, I ask unanimous consent that further reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

On page 50, line 21, insert the following: After the word "program" and before the word "to", insert the following: "in accordance with the procedures established pursuant to subsection (d) of this section".

On page 55, line 1, insert the following: After the word "may" and before the word "revise" insert the words: ", in the same manner as it was originally developed,".

On page 54, lines 13–18, after the word, "section." strike the entire sentence beginning with the word "At" on line 13 and ending with the word "Act." on line 18, and substitute in lieu thereof the following: "No less than 60 days after publication of the proposed leasing program in the Federal Register and at least 60 days prior to approving a leasing program the Secretary shall publish it in the Federal Register and submit it to the President and the Congress together with any comments received from State and local governments, and from any regional Outer Continental Shelf Advisory Board established by Section 30 of this Act."

On page 54, line 19, after the word "Such" and before the word "submission" insert the words "publication and".

Mr. BIDEN. Mr. President, I can explain the amendments very rapidly, the purpose of these three amendments, they are clarifying amendments.

The first amendment assures that the public, State, and local governments are given ample opportunity to participate in the development of the 5-year leasing program required by the act to be developed within 9 months of the date of enactment.

The second amendment assures that during review and revision of the leasing program, which is required annually by the act, the public, State, and local governments will have the same opportunity to participate and review the program as when it was originally developed and filed.

The third amendment assures that the State and local governments will have ample opportunity to respond to the Secretary's final decisions concerning the leasing program.

It has been the intent of the bill, as I understand it, to give the States this opportunity.

I understand the distinguished manager of the bill is prepared to accept what I would consider clarifying amendments; although that is always a loaded word to use here, a lot gets clarified at the last minute. But it is a sincere attempt to clarify what I believe to be the intent of the legislation, to have the States participate in this process and be able to participate throughout the process.

The PRESIDING OFFICER. Who yields time?

The Senator from Arkansas.

Mr. BUMPERS. Mr. President, the amendments have been studied by the managers and, actually, it is good clarifying language. I have no trouble with it.

I yield back my time.

Mr. BIDEN. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendments of the Senator from Delaware.

The amendments were agreed to en bloc.

AMENDMENT NO. 844

Mr. HANSEN. Mr. President, I call up my amendment No. 844 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. HANSEN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Add new section title III as follows:

SEC. . Section 35 of the Act of February 25, 1920 (41 Stat. 450), as amended (30 U.S.C. 191), is further amended by deleting "52½ per centum thereof shall be paid into, reserved" and inserting in lieu thereof: "30 per centum thereof shall be paid into, reserved", and is further amended by striking the period at the end of the provision and inserting in lieu thereof the following language: "*And provided further*, That an additional 22½ per centum of all moneys received from sales, bonuses, royalties, and rentals of public lands under the provisions of this chapter shall be paid by the Secretary of the Treasury as soon as practicable after December 31 and June 30 of each year to the State within the boundaries of which the leased lands or deposits are or were located; said additional 22½ per centum of all moneys paid to any State on or after January 1, 1976, shall be used by such State and its subdivisions as the legislature of the State may direct giving priority to those subdivisions of the State socially or economically impacted by development of minerals leased under this Act for (1) planning, (2) construction and maintenance of public facilities, and (3) provision of public services.".

Mr. HANSEN. Mr. President, my distinguished colleague, Senator McGEE, and I have the following cosponsors with respect to this amendment: Mr. TALMADGE, Mr. GARN, Mr. MOSS, Mr. HATFIELD, Mr. DOMENICI, Mr. HRUSKA, Mr. MANSFIELD, Mr. CHURCH, Mr. HASKELL, Mr. MCCLURE, Mr. FANNIN, Mr. LAXALT, Mr. GARY W. HART, Mr. ABOUREZK, Mr. YOUNG, Mr. BURDICK, Mr. MONTOYA, Mr. STEVENS, Mr. SPARKMAN, Mr. HATHAWAY, and Mr. TUNNEY.

This amendment addresses a problem that is unique to the public land States of the West. It is out there where the coal and oil shale is found that we can anticipate having the biggest problem that will come from our increasingly strenuous efforts to achieve a greater degree of independence from the present dependence that we now have upon the OPEC countries for oil.

We have already found out in Wyoming, as Senator McGEE and I know all too well, what it means when people move into a town such as Gillette, Wyo., and the population within a couple of years doubles, when they have to bring water from 42 miles away, when they need new hospital facilities, new sewer lines, and other public facilities, and they have no tax base with which to build these very needed and necessary facilities.

Our amendment would provide that an additional 22.5 percent of the mineral revenues that go to the Federal Government under the 1920 Mineral Leasing Act would be available to those States at the direction of the State legislature with specific attention being given to these needs: Planning, construction and maintenance of public facilities, and provision of public services.

Under this amendment, a town such as Gillette, Rock Springs, Hanna, or Douglas, would be able not only to provide facilities, it could as well provide additional policemen and other necessary services not now available under the royalty return that goes back to the States which provides that the moneys now going back to the States may be spent only for roads and schools.

This amendment seeks to do for the public land States what Senator JOHNSTON's amendment will do for the coastal area States.

That means giving them the opportunity to address the problem of the impact that comes.

Mr. McGEE. Will the Senator yield?

Mr. HANSEN. I will be happy to yield.

Mr. McGEE. I want to pay tribute to my colleague for his leadership in this particular measure. But to underscore its implications for a State like Wyoming, like eastern Montana, parts of the Dakotas if we just take the Fort Union formation where most of this new low-sulfur coal is readily available, where the issue of strip mining is a very contentious issue even at the present time, the growth projection there is frightening, in our terms, in our part of the world. When you are talking about 100,000 new faces in an area that has only a very low population, one begins to appreciate the social, economic, and community growth problems that this immediately brings to the surface.

On behalf of our colleague from Florida, the day before yesterday, I had occasion to run a series of hearings on updating the Census Bureau's estimates annually on population growth in communities such as ours. It was a very revealing study for our own State of Wyoming. It showed a couple dozen Wyoming communities, including Jackson, my colleague's hometown, that have grown in population more than 15, 20, and 25 percent since the last official census reading.

It illustrates what is happening in our part of the world.

This kind of money, the little bit that would be available, is indispensable if we are to do this in an orderly way, planning ahead in order to avoid chaos. I trust that our colleagues will understand the equity that is implicit in this very simple proposal.

Mr. HANSEN. Mr. President, I thank my distinguished colleague from Wyoming for his very perceptive and incisive observations on the great need that exists now for the kind of help that this amendment of ours will provide.

I reserve the remainder of my time.

Mr. DOMENICI. Mr. President, I am pleased to join my distinguished colleague from Wyoming (Mr. HANSEN) in strongly urging the Senate to adopt the amendment he has proposed. In my opinion, it is imperative to the orderly development of the vast energy resources of the Western States that this kind of legislative measure become the law of the land.

We are all aware that the strongest glimmer of hope that can be seen on the domestic energy horizon is the reemergence of coal, primarily from coal-rich areas of the West. If this salvation for an energy-hungry nation is not to condemn its areas of production to miserable and unhealthy conditions of unplanned and poorly financed development, we simply must have the foresight to take steps such as are embodied in Senator HANSEN's amendment.

The State and local governments in the West, where coal is abundant, are not reluctant to share that resource with the rest of the Nation, but they rightfully expect that the exploitation and consequent sharing will not leave them worse off than they were before. They rightfully expect that part of the revenue generated by coal development on public lands would be available to help discharge the additional burdens associated with concentrated development in rural areas. Without some assistance from the very beginning, these governmental units will crumble from the load of public service demands far exceeding capabilities.

This amendment, Mr. President, provides a portion of the revenues received from mining companies from leasable minerals extracted from public lands within a State, to be devoted to reducing the adverse impact of mining activities in that State. In short, it provides that "front end money" from the source of the development be committed to preventing and reducing the tragic consequences of unstructured development. That seems genuinely fair to me, Mr. President.

The amendment is definitive in its terms so that certainty of expectation is insured. It increases the State share of royalties, paid from the present 37½ percent, to 60 percent. It further requires that the additional 22½ percent be spent on: First, planning; second, construction and maintenance of public facilities; and third, provision of public services in areas suffering impact problems as a result of energy development.

In 1974, the total revenue from mineral leases on public lands in New Mexico was in excess of $47 million. Of that, New Mexico received almost $18 million as its share under the existing formula for schools and roads. Under the amendment I support, approximately 10 million additional dollars would go to the State to help offset the impact of the energy development. This is a small sum, but it would certainly help, particularly in providing the planning required for orderly development.

Mr. JACKSON. Mr. President, I regret that I must oppose this amendment. However, it would increase the Federal payments to public land States based on total Federal revenues under the Mineral Leasing Act of 1920 from 37.5 percent to 70 percent, revenues derived from a leasing of not only Federal coal but also oil, gas, phosphates, sodium, oil shale, and native asphalt and solid and semisolid bituminous. The additional 22.5 percent would be earmarked specifically for, first, planning; second, construction and maintenance of public facilities, and third, provision of public services in those areas suffering impact problems as a result of energy development.

I am strongly sympathetic to the problems faced by State and local governments in meeting increased demands for public service because of Federal resource development. I will support the provisions of section 104 of S. 391, the coal leasing bill, which we will be considering tomorrow and which would broaden the purpose for which the present Federal payments can be used.

I supported coal development impact aid as provided for in the surface mining bill and which would be in effect today if the President had not vetoed it.

I have supported Federal aid to coastal States impacted by the Outer Continental Shelf oil and gas development.

However, I cannot support this large increase in the present Federal payments to States impacted by public land mineral development. For example, based on estimated revenues in the fiscal year 1975 of $311 million, the public land States will be receiving almost $117 million. Under section 111, this payment will be increased by $70 million, to $187 million.

Furthermore, the Department of the Interior expects these payments to increase rapidly in future years as coal development expands and coal, oil, and gas prices increase. Therefore, I must, and I regret, oppose this amendment.

May I say to my colleagues, especially in the South but all over the country, where we have national forest lands, under existing law, the local government gets 25 percent of the revenues from the sale of the timber.

If we are going to do this in the mineral area, what are we going to do about the timberlands? I do not think this has been thought through properly. I must say I am prepared and willing to look at the whole resource area and not single out one.

As I have indicated, I supported the impact aid funds. I think Senators will find that the reaction to this, when it is finally understood, will be very clear. We are just zeroing in on a very few States, on a special situation that, if we are going to be consistent, we have to spread to the other States.

Mr. President, may I say that the Public Land Law Review Commission, when they considered this matter—and that was referred to this morning—recommended termination of so-called resource revenue sharing.

Mr. President, I am prepared to hold hearings to deal with this whole issue of utilization of Federal resources and their impact on the local community. But if we are going to do this piecemeal, we are doing an injustice to the other States.

I just mentioned the national forest States, which cover a broad area of the United States, and there is a long list of others that I need not go into tonight. I would hope that this matter would be deferred so we can have a hearing and go into all aspects of it.

Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. ROTH. Will the Senator yield?

Mr. JACKSON. I yield.

Mr. ROTH. The distinguished Senator from Washington wants to look at the whole resource problem. Does that include oil in the offshore area?

Mr. JACKSON. Yes. We do provide——

Mr. ROTH. I realize there are some funds provided on this end of the exploration, but some of us feel there should be revenue sharing once we get to production. Would it be the Senator's intent to consider that part of the problem?

Mr. JACKSON. We will look at the entire problem. As the Senator knows, we have covered impacted aid in this bill and not revenue sharing. We have covered impacted aid, which is tied to the actual impact that it has on the budding States.

Let me point out to my colleagues, those who are interested in conservation, that the land and water fund comes out of the Outer Continental Shelf fund and applies to all 50 States. I think we need to keep in mind the financial integrity, Mr. President, of the fund itself. I would be compelled later to turn around and increase the forestry fund. We would go on to other funds. It gets to be a raid on the Treasury. I suggest that we look at the whole problem, act in a responsible way and not do it piecemeal.

Mr. McGEE. Are we on controlled time?

Mr. JACKSON. Yes.

Mr. BUMPERS. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. BUMPERS. How much time have we left?

The PRESIDING OFFICER. The Chair advises 9 minutes remain.

Mr. McGEE. Will the Senator yield 2 minutes?

Mr. HANSEN. How much time does our side have remaining?

The PRESIDING OFFICER. Nine minutes.

Mr. McGEE. Will the Senator yield 2 minutes?

Mr. JACKSON. Yes. I will be glad to answer questions. Then I want to turn the time over to the distinguished Senator from Arkansas.

Mr. McGEE. I want to say to my colleague from the State of Washington that our real concern is the fact that the problem is not only here but it was here the day before yesterday. We are petitioning for some kind of a way to assault it. Gillette, Wyo., is languishing in growth problems and there is no relief in sight. The city of Rock Springs languishes in growth problems. Green River languishes in growth problems. These are real problems that have never faced us in the West before. We have not had to face the impact of rapid population infusion. I would just hope that we could meet this on the terms which we can best meet it.

Mr. JACKSON. I admire both of my good friends from Wyoming, but let us keep the record straight.

The trouble that the Senator is referring to, I regret to say to him, comes from State coal leasing. There has been a 5-year moratorium on Federal coal leasing. So the impact he is talking about comes from the leasing and development of State coal lands.

That is all the more reason, Mr. President, why we ought to look at this entire problem. My State has an interest in the problem. All of the Western States have an interest in the problem. But let us look at the entire problem, and not confine it to this specific situation.

Mr. McGEE. I understand and appreciate the Senator's point.

Mr. JACKSON. I will hold hearings, I assure the Senator.

Mr. McGEE. All right. We are going to have another set of hearings. We are going to have another legislative year go by, and then it will be 2 years, and we are already past the crisis in this problem. We are already engulfed in its complexities.

If I still have not used up my 2 minutes, I top it off by saying to the Senator from Washington, who regrets so much not being able to allow this to his two highly respected colleagues from Wyoming, I would hope that respect would outweigh his determination not to allow it. It seems to me there is an eloquent and compassionate case to be made here for areas which have never had to face up to the problem of masses of people moving in before.

Mr. JACKSON. The problem relates to the State coal leasing.

Mr. McGEE. You know that is not true, SCOOP. It has no relevant truth. The truth is that the Nation is looking for new energy sources, and it does not find them except in Wyoming.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. JACKSON. I turn the problem over to the junior Senator from Arkansas, who can give the subject a carefully studied point of view.

Mr. BUMPERS. That is what junior Senators are for, to turn problems over to.

Mr. President, how much time do we have remaining?

The PRESIDING OFFICER. The Senator from Arkansas has 7 minutes. The Senator from Wyoming has 9.

Mr. BUMPERS. Mr. President, this amendment was offered by our distinguished colleague from Wyoming in the committee, and while I am totally sympathetic with the problems of Wyoming, just as I try to be sympathetic with the problems of other States, I think that we should all bear in mind that when you refine this thing down, it is a very simple proposition: All of the vast millions of acres of mineral rights in the West, which were reserved to the United States by visionary people in the recognition that those resources would indeed be needed for the survivability of this country at some time in the future, are going to be leased at fantastic sums of money; and what this amendment proposes to do is increase the amount that the States get for leases, sales, cash bonuses, and you name it, from 37.5 percent to 60 percent.

When you consider the literally hundreds of billions of dollars that the United States is going to get for the coal and oil in those areas, surely 37.5 percent is adequate to take care of whatever problems they have.

The State of Arkansas, my State, which has been economically deprived since the Civil War, in 1970 started experiencing a sudden population growth—and I might remind my friends again, that was the year they elected that dynamic young Governor down there—in 1970 Arkansas started growing, and in the last 4 years we are growing at twice the national rate in population.

I am not particularly pleased or happy over the fact that we are growing in population. It never was a gold mine. When I was Governor, I was trying to improve the plight of the people who were already there. But we have growth problems there, too, and the only resources we have are the national forests in the Ozarks and the Ouachitas. We get 25 percent of the timber revenue, but only after they get through building roads. We advertise a tract of land with $100,000 worth of timber. We say, "You can deduct the cost of the roads." And the high bid comes in at $15,000 plus the roads, and what Arkansas gets is 25 percent of $15,000, not of $100,000.

Moreover, many of the school districts in my State are virtually isolated in the national forests, and the State has to give special considerations to keep the schools going. So I know what the problems are.

I do not want my colleagues to think I am insensitive to their States, and certainly not to their feelings. I would do anything possible, within reason, to accommodate my good friend from Wyoming. But I simply cannot see and I simply cannot understand or agree to increasing the royalties to the States from 37.5 percent to 60 percent. What is next? Seventy-five percent? What is after that? Give it all to them?

Right now the Department of the Interior gets 52.5 percent of all this money to go into a reclamation fund, and that money, which this amendment reduces to 30 percent, also goes back into those States for reclamation purposes. So it is really more than 60 percent when you add it all up, when you consider what the Interior Department will take out of the reclamation fund to put back into those States.

Last year 77 percent of all the mineral sale royalties in this country went to Wyoming, Colorado, and New Mexico—77 percent. The State of New Mexico last year received $27 million. I wish it had been $100 million. All I am saying is that there is not even any coal being mined on the Federal domain right now, as I understand it.

Mr. HANSEN. Where is this?

Mr. BUMPERS. I thought there was a moratorium on mining in the Federal domain. If there is not, the Secretary of the Interior has misled the committee.

There is a moratorium on new leases, I am sorry. I stand corrected.

But my point is, what is an adequate amount, and how do we set it? Is it 37.5 percent? Is it 60 percent? Is it 75 percent?

I am really sensitive to the problem, and I am saddened to disagree with my colleague, but I must take exception to the amendment.

I have made the argument on this floor many times, and make it one more time, that surely there is an end to how much we can do for the States. Lord only knows we have taken care of the coastal zone States here in the last 3 weeks, and certainly revenue-sharing, with $5 billion to $6 billion a year going to the States. Now, if we do this, as far as I am concerned we are actually breaking faith with those visionaries who said those resources belong to the people.

The PRESIDING OFFICER. The time of the Senator from Arkansas has expired.

Mr. HANSEN. Mr. President, I regret that the distinguished Senator from Washington is not here, because I cannot believe he does not know better when he says we can blame all the fault on the State of Wyoming for the coal being mined in that State. According to the information I have, there is only one active coal mine on a State lease in Wyoming. Seventy percent of all our minerals are owned by the Federal Government, and most of the coal being produced now is federally owned coal. If the Senator from Arkansas has any refutation of that, I will be here to listen to him later. But there is no answer, because those are the facts.

The facts are that his State of Arkansas has come to Wyoming. What for? They want coal to keep the lights on in Little Rock. There is a big mine south of Gillette mining Federal coal, if I am not mistaken, that is going to provide coal for the Little Rock people. Yet that town of Gillette has to go 42 miles away to bring water into the city to take care of the people who are developing those coal mines out there.

This is not a problem that is the fault of the State of Wyoming. It is Wyoming's response and the Interior Department's response to a very real national concern, and that national concern is, we need coal.

Where do they go for coal? They go where the coal is, and the coal is in Wyoming; and 70 percent of it, or more, is federally owned. The facts are that we can talk about the 37.5 percent of these royalties under the Mineral Leasing Act of 1920 going—for two things: roads and schools only.

But the problem is not confined to roads and schools for the people in Gillette, Rock Springs, Green River, Douglas, Hanna, and Sheridan. The problem is trying to provide hospitals, medical facilities, stores, and enough policemen to do the job.

What stories were we reading here just a year ago in the New York Times, the Washington Post, and the Wall Street Journal? They were about Wyoming coal towns, and they told how crime and every kind of vice that one could point to had risen. The New York Times seems to be doing a pretty good job of pointing to vices in other places. They called attention to crimes in Wyoming.

Mr. GARY W. HART. Mr. President, will the Senator yield?

Mr. HANSEN. I yield to the Senator from Colorado.

Mr. GARY W. HART. Will the Senator tell our colleagues what happens when a mineral deposit is developed? Tell what develops around that and what kind of community problems are involved.

Mr. HANSEN. My good friend from Colorado can answer as well as I can because he has seen the problem. There are all sorts of things happening.

I will not go to the sordid kind of crime that we find, but it is there, and it is real.

Senator HART from Colorado knows them as well as Senator MCGEE and I. He is cosponsor on this amendment.

When we get into oil shale, and people are looking at oil shale, we can anticipate the same kind of problem.

Mr. GARY W. HART. Even greater.

Mr. HANSEN. That is exactly what this bill proposes to do. It is not a ripoff. It is a very long overdue recognition of what is needed to be done in order that the people of the West, where these mineral resources are being developed, can take care of places like Little Rock, Ark. It is so people can be cared for, so there will be some decent sewage plants and adequate sewage facilities, good water, and maybe a hospital or two, which we now do not have in sufficient supply at all.

These are the kinds of problems we are talking about, and I hope very much that our colleagues, in recognizing the problem here, will give a little attention to the problems of the West.

I am happy to yield to my colleague from Colorado.

Mr. GARY W. HART. I thank the Senator from Wyoming.

I think many of our colleagues do not realize that where we have mineral deposits out on the public land or the barren part of the State, there are not any community facilities around. We have to start from the ground up. Many people in this Chamber have never seen what it is like to try to build a community from scratch with no hospitals, roads, schools, sewage treatment facilities, and water facilities and the kind of coasts that are involved in building a town or a whole city literally from nothing. That is what we are talking about here. The costs are enormous, and what might have applied to the Leasing Act in certain circumstances, when the Leasing Act was passed 50 years ago or 55 years ago, are totally changed now.

It costs a great deal more to build a city than it used to, and when we were building cities back in the 19th century with all the harum-scarum. If they wanted water, they got it themselves. If a fire broke out, they put the fire out themselves or with the volunteer fire brigade.

Times have changed and costs have risen. If we are going to develop the kind of energy supplies in our States that the Senator from Wyoming is talking about, it is going to cost the people of this country some money. We are going to need water. We are going to need water development. We are going to need funds and the reclamation funds. But this is not the same era in the seventies and eighties as it was 20, 30, 40, or 50 years ago in terms of dam building.

Priorities are changed, but we need this money in community development in the Western States.

Mr. HANSEN. I thank our colleague from Colorado.

I just add, Mr. President, that it is true we have reclamation projects in Wyoming, and it is also true that our water goes south, west, north, and east. The biggest portion of those reclamation projects in Wyoming serve surrounding States and surrounding river basin areas. We do not receive very much out of that.

So I appreciate my friend from Colorado calling attention to the reclamation side of the facet because that is a very important issue also.

Mr. DOMENICI. Mr. President, will the Senator yield for 1 minute?

Mr. HANSEN. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 3 minutes remaining.

Mr. HANSEN. I am happy to yield 1 minute.

Mr. DOMENICI. Mr. President, I call two facts to the attention of the Senate with reference to these statements made by the distinguished Senator in opposition to the amendment of the Senator from Wyoming.

First of all, for States like mine, and many others that have more than one-third of their land owned by the Federal Government, I just ask how they would like to have one-third of their States or in some instances two-thirds removed from the tax rolls. That is something we have not considered.

We pay for schools and public improvements in many States by an ad valorem tax on real estate. We can start with the premise that the public domain is excluded. In the State of New Mexico over one-third of the real estate cannot be taxed with the kind of improvements that the distinguished Senator from Wyoming is talking about us making in those States.

The PRESIDING OFFICER. The Senator's 1 minute has expired.

Mr. DOMENICI. Mr. President, I ask the Senator to yield me just 30 seconds additionally?

Mr. HANSEN. I yield the Senator from New Mexico 30 additional seconds.

Mr. DOMENICI. He talks about the foresight of those who worked out the relationship with States like New Mexico in 1912 to bring them into the Union by reserving the mineral rights and giving the States back 37½ percent.

I suggest that we do not need anything more than the State of Alaska to show that times have changed. If the State of New Mexico were joining this Union 6 years ago we would receive 70 or 75 percent of the royalties, like Alaska is, because that is consistent with the modern developmental needs that come with the resources that are on the Federal land.

The figure that we used back in the 1920's or in 1912, when we came into the Union, would not be the figure today if we were negotiating as a sovereign territory with the United States of America.

That is the point the Senator from Wyoming is trying to correct.

It is many years with many more problems depending upon real estate as a resource to be taxed and developed. If we are going to develop the minerals, we need the resources to do it.

We are just saying it is inadequate to take a 50-year-old ratio for today's time.

I thank the Senator.

Mr. HANSEN. I appreciate our colleague's remarks very much. How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 1 minute.

Mr. HANSEN. Mr. President, I think it is too bad really, that there would be any effort made to try to minimize the needs of Wyoming, the Powder River Basin Area, and those other parts of the United States where most of the coal is found, to suggest that this is a ripoff from the public Treasury.

I think it is too bad that the people would be callous in their lack of concern for the human needs that we have as Senator McGEE said, that are here and now and came about yesterday.

I wish that we have the support of an overwhelming majority of the Members of the Senate when we vote on this issue.

The PRESIDING OFFICER. All time has expired.

The yeas and nays have been ordered. The question is on agreeing to the amendment.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Mississippi (Mr. EASTLAND), the Senator from Ohio (Mr. GLENN), the Senator from Indiana (Mr. HARTKE), the Senator from Washington (Mr. MAGNUSON), the Senator from North Carolina (Mr. MORGAN), the Senator from Missouri (Mr. SYMINGTON) and the Senator from Alaska (Mr. GRAVEL) are necessarily absent.

I further announce that, if present and voting, the Senator from North Carolina (Mr. MORGAN) and the Senator from Washington (Mr. MAGNUSON) would each vote "nay."

Mr. HUGH SCOTT. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Nebraska (Mr. CURTIS), the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), the Senator from New York (Mr. JAVITS), and the Senator from Virginia (Mr. SCOTT) are necessarily absent.

The result was announced—yeas 46, nays 40, as follows:

[Rollcall Vote No. 358 Leg.]

YEAS—46

Abourezk
Allen
Bartlett
Bentsen
Brock
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church
Dole
Domenici
Fannin
Garn
Hansen
Hart, Gary W.
Haskell
Hatfield
Helms
Hollings
Hruska
Humphrey
Inouye
Johnston
Laxalt
Long
Mansfield
McClellan
McClure
McGee
McGovern
Metcalf
Mondale
Montoya
Moss
Nunn
Pearson
Percy
Stennis
Stevens
Talmadge
Thurmond
Tower
Tunney
Young

NAYS—40

Bayh
Beall
Bellmon
Biden
Brooke
Buckley
Bumpers
Case
Clark
Cranston
Culver
Eagleton
Fong
Ford
Hart, Philip A.
Hathaway
Huddleston
Jackson
Kennedy
Leahy
Mathias
McIntyre
Muskie
Nelson
Packwood
Pastore
Pell
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Sparkman
Stafford
Stevenson
Stone
Taft
Weicker
Williams

NOT VOTING—13

Baker
Curtis
Eastland
Glenn
Goldwater
Gravel
Griffin
Hartke
Javits
Magnuson
Morgan
Scott,
  William L.
Symington

So Mr. HANSEN's amendment was agreed to.

Mr. HANSEN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. McGEE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

IMPACT AID FOR THE WEST

Mr. HANSEN. Mr. President, I was extremely pleased the Senate included in the Outer Continental Shelf legislation, my proposal authorizing an increase from 37.5 to 60 percent in the mineral revenues returned to the public lands States.

This action will provide front-end money to the predominantly rural Western States so that beleaguered communities can deal with the massive and sudden population increases which accompany rapid energy development, and so that basic public services can be provided to the citizens of the public lands States.

The amendment would provide an additional 22.5 percent in revenue returns, and this additional amount would be earmarked specifically for planning, construction, and maintenance of public facilities, and provision of public services, in those areas suffering impact problems as a result of energy development.

The Mineral Leasing Act of 1920 requires that all money received from the sales, bonuses, royalties, and rentals be paid to the Federal Government by companies extracting federally owned minerals under the act's leasing provisions. Minerals covered by the act include coal, gas, phosphate, sodium, potassium, oil, oil shale, native asphalt, and solid and semisolid bitumen. Ten percent of the income received by the Government is paid into the Federal Treasury; 52.5 percent is paid into the reclamation fund administered by the U.S. Department of the Interior; and 37.5 percent is returned to the States from which the royalties derived for provision of public schools and roads on a statewide basis.

Under this amendment 60 percent would be returned to the States—37.5 percent for roads and schools, and 22.5 percent for impacted areas—30 percent would be paid to the reclamation fund; and 10 percent would be paid to the Federal Treasury.

PROBLEMS IN THE WEST

Mr. President, already many small communities in the Western States have experienced sudden and massive increases in population as a result of stepped-up energy activity to meet national energy needs. These small communities simply are not equipped to meet the problems posed by these population increases. Housing, water, sewer, and medical facilities are inadequate. And here is no money to build the necessary facilities and provide the necessary services.

The population in Sweetwater County, Wyo., has doubled since the 1970 census, and it is expected the population in Campbell County, Wyo., will more than triple by 1980. The Powder River Basin Resource Council reports that the population of the Sheridan, Wyo., area is expected to increase in the next 2 years by more than 2,000 residents.

The council says of the anticipated population increases:

> Unfortunately, these new people will need schools, sewage and water facilities, health care, police and fire protection and housing. These costs will fall to the taxpayers of the county since the services will need to be increased before the new residents arrive.

The council's report on the Sheridan area impact situation further notes that most of the people expected to settle there will be young, and this means that the elementary school population will increase. The report says half the existing schools are in deteriorating or dilapidated condition, and they would be expected to accommodate hundreds of new children.

The mayor of Gillette, the Honorable Mike Enzi, reported to me recently that his town needs $2 million "immediately" to provide additional sewage treatment facilities, and $13.4 million to provide basic water services to his community's growing number of residents. Further, he reported, Gillette needs twice as many policemen as there now are, and needs some $8 million for an additional hospital facility.

Officials of the community of Evanston, Wyo., contacted me recently about the critical need for a new hospital there. Residents of Wheatland, Wyo., are desperately trying to plan to accommodate an influx of new people as a result of a proposal to build a multimillion-dollar power facility in their area.

Mr. President, these communities must have frontend money to provide necessary facilities before these population increases are an accomplished fact. It is true that additional revenue will be generated at some point as a result of taxes paid by new residents and new development. But the problems are already there. They cannot wait.

In the Powder River Basin area of northern Wyoming, there is a current need for $63 million to provide schools; $54.9 million for highways; $64 million for rail facilities; and $15 million for public transportation.

The West, which has been called upon to provide additional energy in this time of energy shortages since it is the area where much of the energy is found, must be permitted to meet the social and economic problems which accompany energy development.

The Senate recognized the importance and merit of helping communities deal with impact from development related to the national interest when it added this same amendment to the coastal zone management bill. The mineral royalty amendment at that time was cosponsored by Senators McGee, Talmadge, Garn, Moss, Hatfield, Domenici, Hruska, Mansfield, Church, Haskell, McClure, Fannin, Laxalt, Hart, Abourezk, Hathaway, Tunney, Young, Cranston, Burdick, and Montoya.

The sole intent of the Coastal Zone Management Act amendments was to provide impact aid to coastal areas experiencing energy development. It was pointed out time and again during the debate that the impact problems of the inland States, and particularly of the Western States where energy development will be concentrated, are every bit as critical and deserving of national concern as are the impact problems of the coastal States.

I am very pleased the Senate added this amendment to the coastal zone management bill. By including it in the pending Outer Continental Shelf bill, as well, we will perhaps be in a more advantageous position to see that the provision gets through the House of Representatives, too.

Mr. President, this amendment isn't the total answer to the impact problems facing the West, but it would certainly help. Had the amendment been in effect in 1974, Wyoming would have received $16.2 million for public facilities and services in energy-impacted areas. Last year, the Federal Government received $72,159,565 in royalties on minerals extracted in Wyoming, and returned to the State $27,059,772—37.5 percent. Under this amendment, the additional $16.2 million in impact aid would have brought the State's total payment to $43,259,000.

The PRESIDING OFFICER. The Senator from California is recognized.

Mr. TUNNEY. I send an amendment to the desk and ask for its immediate consideration.

The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. TUNNEY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 92, line 11, after "in" delete "the regions" and insert in lieu thereof: "each region".
>
> On page 92, line 12, after "no", delete "previous".
>
> On page 92, line 13, after "gas" insert the following: "prior to October 1, 1975, including the Outer Continental Shelf region off Southern California outside the Santa Barbara Channel."

Mr. TUNNEY. Mr. President, the purpose of this amendment is to clarify the applicability of the requirement that the Secretary use leasing systems other than the cash bonus/fixed royalty system. In order to insure that the Secretary uses the new—and, I believe, far better—options for leasing contained in S. 521 throughout the "frontier" areas of the OCS, my amendment would substitute the words "each region" for "the regions". This means that new systems would be tried, under requirements of the act, in every frontier area, including southern California outside the Santa Barbara Channel, the Gulf of Alaska, the Baltimore Canyon, the Georges Bank, and so forth.

Further, the amendment states that the areas included in this requirement include all areas where no oil or gas development took place prior to October 1, 1975. This change makes it clear that even if a lease sale is held in one or more of the new areas after October 1 of this year, prior to enactment of this provision, the provision will still apply to those areas. As the bill is presently written, it might appear that the requirement to use new leasing systems on 50 percent of the acreage leased is waived after the first lease sale in such areas. This amendment makes it clear that such is not the case.

Mr. JACKSON. Mr. President, this amendment, I think, is clearly in order. We have no objection to it on our side.

Mr. FANNIN. We have no objection.

The PRESIDING OFFICER. Is all time yielded back under the amendment?

Mr. FANNIN. All time is yielded back.

Mr. JACKSON. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. TUNNEY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. TUNNEY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 100, line 18, after "lessee" insert ", would result in more production than can reasonably be stored, transported, or consumed,".
>
> On page 100, lines 18 and 19, strike "or for other good cause shown".

Mr. TUNNEY. Mr. President, this amendment would deny the Secretary of the Interior discretionary authority to waive the production on an OCS lease without a specific reason.

By striking "or for other good cause shown" on page 100, lines 18 and 19, I feel that we are removing the arbitrary right of the Secretary to permit industry the privilege of holding a lease and not producing the oil within the provisions of the contract.

Instead, I would substitute the language "or would result in more production than reasonably could be stored, transported or consumed."

Reports indicate that frequently companies may delay production on lands which are capable of production, but for "good cause shown," which was often unknown, did not have to meet any production demands.

I feel that the exemptions provided for in the bill, with my amendment added, would suffice in the case where a lease cannot be produced at its maximum efficient rate.

In this case, the Secretary should not have any easy "out" for the industry in the case where an oil company does not want to develop Federal lands as rapidly as possible.

Mr. JACKSON. Mr. President, on this side, we are prepared to accept the amendment.

Mr. FANNIN. Mr. President, we accept the amendment.

The PRESIDING OFFICER. Is all time yielded back?

Mr. FANNIN. All time is yielded back.

Mr. JACKSON. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. FANNIN. Mr. President, I send my amendment to the desk and ask for its immediate consideration.

The **PRESIDING OFFICER**. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. **FANNIN**. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

The amendment is as follows:

On page 62, line 23, strike "and" and insert in lieu thereof: "with the assistance of".

On page 62, line 25, strike the word "jointly", on page 84, line 6 between the words "to" and "approve" add the words "approve the holding of a specific lease sale or".

Mr. **FANNIN**. Mr. President, this is to clarify and simplify procedures.

The regulatory restraints which have already been placed on oil and gas operators on the Outer Continental Shelf are numerous and complex. A welter of Government departments and agencies are involved in the process. Adding the confusion of having two Secretaries enforce the safety regulations would be an unnecessary and undue burden, both on the governmental agencies and on the operators. The initial responsibility for enforcing those regulations should be given to a single department—in this case the logical administrator is the Secretary of the Interior. If my colleagues should deem it advisable to bring another department—such as the Coast Guard—into the process, that is well and good. However, that secondary role should be one of assistance, not of joint administration.

This amendment would simplify safety enforcement, while at the same time providing an opportunity for Interior to benefit from the marine expertise of the Coast Guard through assistance from the Secretary of the department in which Coast Guard is operating.

The other part of the amendment would provide, consistent with other provisions of the bill, that any litigation in opposition to the holding of a lease sale be lodged in the U.S. court of appeals nearest to where the proposed lease sale would be held.

It is a very simple amendment that, I think, would be very helpful.

Mr. **JACKSON**. Mr. President, we are prepared to accept the amendment.

The **PRESIDING OFFICER**. Is all time yielded back?

Mr. **JACKSON**. I yield back my time.

Mr. **FANNIN**. I yield back my time.

The **PRESIDING OFFICER**. The question is on agreeing to Mr. FANNIN's amendment.

The amendment was agreed to.

AMENDMENT NO. 751

Mr. **JACKSON**. Mr. President, I call up my amendment, No. 751.

The **PRESIDING OFFICER**. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Washington (Mr. JACKSON) for himself, Mr. GLENN, Mr. HOLLINGS, and Mr. BUMPERS proposes an amendment No. 751, as modified.

The amendment, as modified, is as follows:

On page 56, lines 12 through 18, strike all and insert the following:

(b) The Secretary is authorized to conduct seismic, geomagnetic, gravitational, geophysical, geochemical, or stratigraphic drilling, or to contract for or purchase the results of such exploratory activities from commercial sources which may be needed to implement the provisions of this section of this Act. The Secretary is further authorized and directed on an experimental basis to contract for such exploratory drilling as necessary to contract for such exploratory drilling as necessary to determine the presence or absence of commercial quantities of oil or gas, and to obtain sufficient information concerning the geology or seabed conditions which may affect the development of the resources on geological structures which the Secretary determines should be explored by the United States Government for national security or environmental reasons or for the purpose of expediting development in frontier areas. Beginning at the end of the first year in which exploratory drilling is conducted, the Secretary shall file an annual report to Congress which shall include, but not be limited to, costs of exploration, staffing required to administer the program, and a detailed description of the progress of the program and recommendations as to whether such programs should be expanded. Such programs shall be conducted so as not to delay commercial production of oil and gas on the Outer Continental Shelf where such production is consistent with the principles of this Act.

Page 57, line 18, insert after "section" the following: "except Federal exploratory drilling".

Mr. **JACKSON**. Mr. President, I ask unanimous consent that Senator KENNEDY and Senator MUSKIE be added as cosponsors.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **JACKSON**. Mr. President, this amendment directs the Secretary of the Interior to contract for exploratory work in order to obtain more information about the publicly owned oil and gas resources on the Outer Continental Shelf. This work would include drilling exploratory wells when the Secretary determines they are needed for national security or environmental reasons or to expedite Outer Continental Shelf development in frontier areas.

The amendment expressly states that the drilling program is an experiment. It requires the Secretary to report on the progress of the program within 1 year after any drilling takes place.

The concept of Federal exploration has been endorsed by the General Accounting Office in its recent report entitled "Outer Continental Shelf Oil and Gas Development—Improvements Needed in Determining Where To Lease and at What Dollar Value." The GAO report recommends the very kind of limited program done as a supplement to—not a substitute for—exploration by private industry which my amendment would authorize.

The Office of Technology Assessment has also considered the question of Federal exploration of the Outer Continental Shelf. Their study "An Analysis of the Feasibility of Separating Exploration From Production of Oil and Gas on the Outer Continental Shelf" concludes that the Government could conduct a limited program. If limited exploration was solely a Federal program, they estimate the cost to be $2.7 billion. What our amendment proposes would cost much less since it is merely a supplement to private industry work. The exact amount of Federal funds which would be used would, of course, be determined by the Congress in future appropriations.

The amendment in no way authorizes Federal production of oil and gas. In fact, it cannot lead to that end under this legislation. It is purely a Federal contractual program, similar to contracting out for defense work or other jobs which must be done in the national interest.

An exploratory drilling program should improve the accuracy of the Interior Department's prelease sale evaluations of OCS tracts. As the GAO has pointed out in several reports, the Department has frequently set minimum acceptable bids far below what oil companies have offered. For example, in the March 1974 Louisiana offshore lease sale, the Government's estimated value of the tracts was $679 million; bids amounted to nearly $2.175 billion, about $1.5 billion more than the Interior evaluation. Finally, a limited Federal exploratory program, with the resulting information made public, will help put the independents on an equal footing with the major oil companies when the areas are made available for leasing.

I urge the Senate to adopt the amendment.

I think this is a much-needed amendment if we are going to meet our energy requirements and, at the same time, provide proper environmental safeguards by knowing what is really out there.

Mr. President, I reserve the remainder of my time.

I yield first to the Senator from Florida.

Mr. **STONE**. Mr. President, I would simply ask unanimous consent to be added as a cosponsor on this amendment, which I support.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

LIMITED GOVERNMENT EXPLORATORY DRILLING

Mr. **HOLLINGS**. Mr. President, I rise in support of the amendment to permit the Government to engage in limited exploratory drilling when national security or environmental reasons mandate it or when it is necessary to expedite development of OCS oil and gas. I firmly believe that there may well be circumstances in which this authorization is not only justified but even required to serve the interest of the American people, the owners of our OCS oil and gas resources. There are, for example, some areas of our Continental Shelf which are not currently available for leasing to private industry. An example is the Destin Dome in the Gulf of Mexico, which is currently used by the military and is a restricted area for vessels and for civilians. This geological structure has been identified as potentially valuable for oil and gas recovery. Under the terms of this amendment, the Federal Government would be authorized to explore the Destin Dome on an experimental basis, if the Secretary determined that oil and gas development could thereby be expedited.

This amendment is not, as some have

suggested, the first step toward nationalization of the oil industry. It is not a taking away of the industry's inherent rights. It is the people, not the oil companies, who own the oil and gas resources of the Outer Continental Shelf. Where national security, environmental protection or speedy development are to be enhanced, the people's interests are clearly well-served by Government exploration. And what is good for the American people is surely good for the oil companies, to borrow an idea from the past.

In most cases, if not all, the actual drilling would be done by private drilling companies under contract to the Federal Government. The drillers are independent operators who are accustomed to working by contract for a large number of clients. They can work just as effectively for the Government as they can for the oil companies. By using their manpower, expertise, and equipment, the Government will not need to establish a new bureaucracy or body of experts in oil exploration. Thus the cost should be reasonable and well justified in terms of benefits gained.

Mr. FANNIN. Mr. President, there has been a complete change in the practice which has been so successful in this country, and this amendment would be devastating to the meeting of our energy requirements rather than be helpful.

The proposed amendment would have the Federal Government explore for oil and gas under Federal leases. Such a drastic rejection of the private sector's role in exploration and development of petroleum potential on Federal lands can only be viewed as criminal in light of the present energy situation.

An objective, bipartisan analysis by the Office of Technology Assessment rejected a Federal exploratory drilling program. It categorically examined such a Federal exploratory proposal and revealed a startling array of difficulties and problems that enacting such a program would engender: as just a few of the analysis' examples—you can see the size of this book which I have in my hand.

First. "A staff of over 115 personnel of specialized experience including exploration management would be required in each frontier area to direct the program—but from whence would such personnel come?

Second. The uncertainty of success rises—due to increasing reliance on relatively inexperienced Government management to design and carry out the required programs.

Third. Government programs have been estimated to need longer start up times than industry programs. For any new program, some organizational and planning time is required.

Mr. LONG. Is this an amendment for the Federal Government to drill for oil and gas?

Mr. FANNIN. It is the start of that. It is an exploratory drilling amendment; that is exactly right.

Mr. JACKSON. Mr. President, will the Senator yield? That is not true.

Mr. FANNIN. Well, the thing is it is a start, I say. It is taking over the work that is now being done by private industry.

Mr. JACKSON. Let me take this on my own time. It is no different from what we do in the timber areas of the United States. We go out and do a timber cruise to find out what is there.

We are trying to find out exactly what the reserves are in these given areas, and it is all done under private contract.

One of the big arguments, and one of the reasons why we have not made much progress in the Outer Continental Shelf, is, unfortunately, the Governors, people in the adjoining Outer Continental Shelf States are not willing to allow drilling because they do not believe what the oil companies say is out there. What we are trying to do is get the facts, find out what it is. It is just like the lease off of Louisiana in 1974 to which I referred.

The Government estimate—just think of this discrepancy—they held a lease sale off of Louisiana—I want all my colleagues to hear this—and the Government's estimated value of it was $679 million. The bids amounted to $2.175 billion. They were just $1.5 billion off on that one sale alone.

Now, this has nothing to do with the Government going into the oil business. It certainly has a lot to do, however, in finding out what the property rights of the Government of the United States are. That is all it is.

Mr. LONG. Does this mean the Federal Government is going into the drilling business to drill for oil.

Mr. JACKSON. No, it is exploratory work to find out what is there, period.

Mr. LONG. Does this mean that the Federal Government plans on paying somebody to do a seismograph study or paying somebody to drill wells?

Mr. FANNIN. That is right.

Mr. JACKSON. We provide for exploratory drilling by contract to find out what is there, that is all. This is what the Governors want, the Governors who have been involved in this problem. This goes to the whole of the environmental fight that has been going on for many years. We have got them all together now and, it seems to me, that this is well past due.

Mr. LONG. What Governors is the Senator talking about?

Mr. JACKSON. I am talking about the Governors on the west coast; I am talking about the Governors on the Atlantic coast.

Mr. LONG. Well, the Senator is talking——

Mr. JACKSON. We are not talking about Louisiana. They have all the oil in the world. They have got the oil from the—as the Senator knows, from the legislation we passed in 1953. They not only got oil out to the 3-mile limit, but beyond, and now they are getting a big chunk out of the Outer Continental Shelf. That was provided for in the Tidelands Act.

Mr. LONG. But about 1 out of 100——

Mr. JACKSON. How much money has the State of Louisiana taken in from that legislative act which the Supreme Court of the United States upheld? The Senator and I were on the committee at the time—Louisiana got land which was the property of all the people of the United States?

It runs into billions of dollars that the States like Louisiana were able to get because of an act of Congress giving the tidelands away without knowing their full value. The great Senator from Alabama at that time led that fight.

Mr. LONG. Well, the States were permitted 3 miles, the U.S. Government got the other 200.

Mr. JACKSON. Now we are getting part of the 200 in this bill.

Mr. LONG. We are not talking about that. This amendment is an amendment for the Federal Government to go into the business of drilling for oil.

Mr. FANNIN. That is right.

Mr. LONG. There is less than 1 person in 4 in this Nation that favors the Federal Government——

The PRESIDING OFFICER. Whose time is yielded?

Mr. FANNIN. I yield time to the Senator.

Mr. LONG. There is not one person in four in America who favors the Federal Government's going into the business of drilling for oil. That means this is a first move to nationalize the oil and gas industry. A lot of people would like to nationalize it, but why do we not call this what it is?

Mr. JACKSON. Why does the Senator not say that we are drilling for oil on the naval petroleum reserves. The Senator knows it. We have been doing it since the Teapot Dome Scandal. We do not want to go that way again.

Mr. LONG. We are not talking about a scandal here.

Mr. JACKSON. I think it is a scandal when the Government is a billion and a half dollars off on a lease in valuation. That is a scandal.

Mr. FANNIN. The Senator from Washington is talking on his own time, I assume.

Mr. JACKSON. Yes, go ahead.

Mr. FANNIN. Mr. President, this is a very serious matter to come up this late at night.

Mr. LONG. Let us understand each other. I have no objection to the Federal Government's wanting to seismograph that lease and wanting to provide everybody with all the information in that seismograph. I have no objection to that.

All many oil companies can know when they bid on a lease is what the seismograph shows. But for the Federal Government to go into the business of drilling fields—call it exploratory if one wants—but to go into business even on a contract, the business of drilling wells is a long step in the direction of what a lot of people are afraid of in this country.

Three people out of four are against it, that is, the Federal Government's nationalizing that industry, and this is the first step along the line when we start the Federal Government going into the business of drilling wells on the submerged lands.

I have no objection to seismographing them and to provide the information to anybody wanting to bid on it.

Mr. JACKSON. How does the Senator

justify seismographing it, but he does not want to get the corroboration for it?

Mr. LONG. Well, when we start the Federal Government drilling——

Mr. JACKSON. We have the Federal Government get into the exploration phase of it. But evidently the Senator just does not want us to find out what we really have there and that is why they were $1.5 billion off on that Louisiana sale that was estimated at $679 million. It turns out to be over $2 billion.

If one were that far, if one were on a timber cruise he would be in deep trouble.

Mr. LONG. On that same subject, I am told, and the Senator can confirm that on the Alabama lease, $600 million was bid on that, and so far they have nothing but dry holes, so it looks like they lose their $600 million.

Here, the Federal Government on that lease makes $600 million, and the company loses $600 million. One is gambling when one bids on a lease when one has a seismograph survey that would look like there ought to be some oil and gas there.

I would be willing to vote for the Senator's amendment if he wants the Federal Government to seismograph it and let everybody look at it to see what it shows. It is perfectly all right with me. In fact, I favored for many years a proposal to put the leases out on a royalty basis where we have a small amount of front money required and have bidding on how much royalty is to be paid.

But for the Federal Government to start drilling the wells on an exploratory basis is the first step to the kind of thing the Senator's colleague from Washington introduced, which is a Federal oil and gas corporation.

We have that before the Commerce Committee now. First they go out and drill for it and eventually we fear they would nationalize the industry. We might as well face it. It is being discussed in the cloakrooms, I know on this side of the aisle, and down in the restaurant—we hear it suggested that the Government should rationalize the entire industry.

One person in four, at best, is for that. the other three out of four Americans are against it.

If one wants to nationalize the industry, this looks to me like the first step in that direction with the Federal Government in the business of drilling for oil and gas out on the Continental Shelf.

There is no need whatever to nationalize where we have a good prospect, our industry is ready and willing to drill.

Mr. HOLLINGS. Mr. President, will the Senator yield me 2 minutes? I cosponsored the amendment.

Mr. JACKSON. I have only 7 minutes left.

Mr. HOLLINGS. The Government has already done oil drilling at Elk Hills, and as a result, had strategic reserves in World War II.

The only thing they did not hit at Pearl Harbor was the Government-drilled oil, which saved this Nation in World War II, and it was Government-drilled, and the first—on my time, Mr. President.

A Navy lieutenant who used to work for the Joint Committee Atomic Energy drilled at Teapot Dome, Government drilling. That was not nationalization, and nobody is suggesting nationalization now.

To go down to the Destin Dome near Florida, which is presently restricted from civilian use, and access, and everything else, and do exploratory drilling to find what we have on public lands, that is not nationalization.

Mr. FANNIN. Mr. President, the Senator from South Carolina—

Mr. PASTORE. Mr. President, may we have order?

The PRESIDING OFFICER. Who yields time?

Mr. PASTORE. On whose time?

Mr. FANNIN. The Senator from South Carolina is the one responsible for wanting this study and now I do not know what he thinks of it, but probably not very much.

I yield to the Senator from Louisiana. The Senator has the floor for 1 minute, I yield to the Senator from Louisiana.

Mr. LONG. Mr. President, I would invite the Senator to put before the Senate the amount of oil we are getting out of Elk Hills.

One will find a dozen fields in Louisiana alone producing more oil than Elk Hills and not one of them drilled by the State or Federal Government.

Elk Hills should have been drilled a long time ago. Everywhere that governments are trying to produce oil, they are trying to find out how we do it in this country, the Soviet Union and all the rest are achieving very little compared to what private industry has achieved here.

Mr. FANNIN. I yield 2 minutes to the Senator from Texas.

Mr. BENTSEN. Mr. President, in considering this amendment, let us take a serious look at what this proposal would be getting the Federal Government into. Recently, two companies paid over $800 million for leases on what was considered one of the most promising areas in the Northeast Gulf Region. The region is specifically known as the Destin Dome and one company alone paid over $211 million for one lease. The results of these enormous expenditures were 10 dry holes at a cost of $16 million.

This is why exploration is the most uncertain phase of oil production. And this is the phase in which this amendment would have the Federal Government get involved. Had this amendment been in effect before the exploration of the Destin Dome it would have been the Nation's taxpayers who would have borne the brunt of the $16 million in dry holes. In addition, the Federal Treasury would not have had the benefit of the $800 million that the companies paid for the leases. Mr. President, these are enormous losses; yet, they happen despite the enormous expertise that these two major oil companies have in offshore drilling.

The amendment we are considering would put the Federal Government, with its lack of exploration experience, into the risky exploration business.

I do not believe anyone can justify replacing private enterprise with another Government bureaucracy, especially in a field which involves the taking of such great financial risks. Until there is a marked improvement in the Federal Postal Service, I suggest the Senate restrain itself from running headlong into such an ill-conceived program.

I oppose this amendment. I would rather see exploration left in the hands of those who have a record of experience in offshore exploration. I would rather see the Federal Government remain in its profitable position of receiving lease payments and production returns, rather than financing the enormous risk of a Federal oil and gas exploration unit.

We are talking about a high risk, high capital activity. It is better that we let industry finance the exploratory effort and allow the Federal Government to receive its benefits from the payments made when the leases are awarded and from production payments when oil and gas is found. We do not need a Federal oil and gas corporation and I see this amendment as the first step in that direction.

In fact, while keeping the Government out of expensive and uncertain exploration efforts, I would increase the American taxpayer's revenues from offshore development. I introduced legislation to this effect last year and again this year, and I am pleased that this bill contains a portion of my proposal for increased production payments as one of the leasing alternatives. This is the route we must take—increasing the taxpayer's benefits, not his risk.

Mr. President, I do not want the Government in the business of having to lease offshore exploration platforms, some of which cost $25,000 a day, and drilling dry holes that cost over a million dollars apiece. This is industry's role. Let us let them do it. Let us avoid the temptation of creating another ill-conceived bureaucracy to replace private enterprise. I urge my colleagues to oppose this pending amendment.

Mr. FANNIN. I yield 2 minutes to the Senator from Louisiana.

Mr. JOHNSTON. Mr. President, as with most bills where there is an attempt to amend on the floor, there is a great deal of misunderstanding about this legislation.

I would like to point out we held days and days and days of hearings on this bill; that after those hearings the Interior Committee considered it and voted it down and for very good reasons, the first reason of which is it is totally without limit. It states in the dear colleague letter, at least, that it is critically important for the Federal Government to know as much as possible about the extent of our OCS resources.

If we are going to find out as much as possible about our OCS resources through Government drilling, I would invite you to look at the Office of Technology Assessment and their report on Government drilling and what it costs. Even a limited program costs about $3 billion. An intermediate program costs almost $5 billion. A full program, as envisaged by this dear colleague letter would cost tens of millions of dollars. It is right here in this report which was commissioned by, among others, the Senator from South Carolina, who is a cosponsor of the amendment.

If we are going to go into the Government drilling business, we better know what we are doing, what it will cost us, whether it will bust the budget, and what it is going to entail.

When we read the dear colleague letter, we read one statement about we ought to explore new areas which industry has been unable or unwilling to explore.

Is that what we are going to explore? If we are, I think we ought to put it in the amendment, that it is only such areas as private enterprise have been unable or unwilling to explore.

Or, on the other hand, is it the other sentence, that we ought to find out as much as possible. If we are going to do that we have to drill in the Gulf of Alaska, off the coast of California and off the Atlantic coast.

I am going to offer some amendments that will give a chance to try more perfectly to define what we intend. All this is is a complete no-cap amendment that would authorize unlimited appropriations. We know how it is when we set up a bureaucracy. By the way, OTA says it would take a bureaucracy of over 100 people for each area that is explored. Once we get a bureaucracy set up in the Department of the Interior, they are going to want to justify their existence more and more.

I would like to point out that just the exploration part of this program, according to OTA, would take up to seven and a half years—seven and a half years of Government exploration, of Government expenditures.

Mr. President, if we are going into a multibillion-dollar program of Government expenditure, of Government exploration, of Government bureaucracy, then let us look at the record. Let us look at the record of days of testimony; let us look at the record of what it would achieve and how much it would slow the program down. That is in here, too. I can show you that it will slow the program down. If you are going to build a bureaucracy you have to take the time to hire the people, to write the regulations, and to write the contracts under which private enterprise is going to explore.

The PRESIDING OFFICER. The Senator's time has expired. Who yields time?

Mr. JACKSON. Mr. President, I yield 2 minutes to the Senator from Colorado who will be offering a perfecting amendment.

Mr. HASKELL. Mr. President, I believe the floor manager of the bill will find this satisfactory. We have talked about it. I would like to describe it before I offer it. The amendment will insert on line 6 of page 2 the following:

> Such exploratory drilling shall not be done in areas included in the leasing program prepared pursuant to section 18 of this Act. However, in developing the leasing program, the Secretary must take the Federal exploratory option provided herein into consideration.

I say to my friend from Washington that this is highly desirable. If we give the Federal Government the option of exploring, no oil company in its right mind would expend the money for geological and geophysical work within the leasing program if they thought that Uncle Sam would step in there at the last minute ahead of them and drill.

For this reason, I feel the amendment is desirable.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. HASKELL. One more minute?

Mr. JACKSON. A half minute.

Mr. HASKELL. It says that the Federal Government shall stay out of the area of the leasing program, and it also says the Federal option shall be taken into consideration in connection with the leasing program.

Mr. JACKSON. Mr. President, I ask that my amendment be modified accordingly.

The PRESIDING OFFICER. The Senator has the right to modify his amendment. Will he send the modification to the desk?

Mr. McCLURE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. Who yields for the parliamentary inquiry?

Mr. JACKSON. I ask for the yeas and nays on my amendment, as modified.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. JACKSON. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator has 3 minutes remaining.

Mr. JACKSON. I yield a minute and a half to the Senator from Florida.

Mr. CHILES. Mr. President, I have listened to the debate and for the life of me I cannot understand what we are talking about in all of this change. If we are talking about the Federal Government being able to look and determine whether we want to do some sampling or do some exploring over federally owned oil, our oil, the birthright of this country, and it seems like everybody else says, "No, you cannot do that. It is ours."

It has been ours so long that nobody can understand it is ours, it is the peoples' and we ought to have an opportunity to look at it before we start the sale, before we start setting how it is going to go, when we are dealing with this finite quantity that is going to run out. It seems kind of ridiculous to me that we cannot say that we are going to be able to be in the ball game, too, if we do not think we are getting the right kind of information or if we think there needs to be some change. I can say the people of my State are as concerned as they can be about the Destin Dome and why those 10 dry holes are there, whether we have drilled deep enough, whether somebody is trying to find oil or not. There are a lot of new sales that will go off that area. I think this amendment should be adopted.

Mr. FANNIN. How much time have I remaining, Mr. President?

The PRESIDING OFFICER. The Senator from Arizona has 2 minutes and the Senator from Washington has 1 minute.

Mr. FANNIN. Mr. President, we absolutely must defeat this amendment if we are going to carry through with the program we have decided to embark upon, in accordance with what the Senator from Washington has stated continuously, that we are going to solve this problem. Here we have a good exploratory program, in fact, the finest in the world, and still we are going to change that. Why should we change something that is successful and going along in good order?

This is a first step to nationalization. That is all there is to it. What comes next? If we are going to start this, we are going to take another step.

THIS NATION NOW HAS A GOOD EXPLORATORY SYSTEM

The present system of leasing Federal lands by private enterprise has worked well for the American taxpayer and consumer. Bonus bids and first-year rentals on offshore Federal leases, for example, have added some $14 billion to the U.S. Treasury. Development of those areas by private industry is now providing 17 percent of all the oil and natural gas produced in the United States.

PRIVATE INDUSTRY TECHNOLOGY AND EXPERTISE IS PROVEN, WORLDWIDE

The U.S. petroleum industry's competence is recognized around the world. It is U.S. technology, equipment, and manpower that, for the most part, is developing the petroleum in the North Sea, Arctic Alaska, in Southeast Asian waters, and elsewhere. There is no need to send in an untrained team of Government explorers to replace the many experienced private teams. Government-only exploration would eliminate competition in gathering and interpreting data, and in risking large sums of money on varying research techniques and interpretation of similar data. It is this kind of risk taking, based on different approaches and attitudes, that resulted in the discovery of the Alaska North Slope and Gulf of Mexico Bay Marchand fields, after earlier exploration had turned up only dry holes.

In contrast, the Government is not prepared to explore for oil and natural gas in the OCS. It has neither the expertise, nor the trained and experienced personnel, the equipment, nor the organization. Clearly this is no time for hit-or-miss, on-the-job training programs for civil servants.

WE CANNOT AFFORD FURTHER DELAYS

The high cost of delay in developing and marketing needed petroleum was all too evident in the trans-Alaskan pipeline project. For nearly 5 years construction was delayed by environmental and legal challenges. The result: Oil that should have been flowing to consumers, had the original schedule been permitted, would have been on hand to ease the winter 1973–74 Arab oil embargo. Delaying tactics—such as the proposal to grant a political entity veto power over exploration of Federal lands—could seriously impair attainment of our energy goals. The American consumer and worker would be victimized.

Also, it would take years to develop an effective governmental exploration mechanism. This would mean more years of delay before the critically needed natural gas could be flowing to east coast homes and industries before domestic oil from the Atlantic OCS could be lessening dependence on foreign imports.

FINDING OIL AND NATURAL GAS IS NOT A MATTER OF POLITICS

To find oil and natural gas, you have got to drill where nature put them, and, if you do not drill, you will never find that petroleum. But petroleum is not necessarily where most of the votes are. Technical—not political—know-how holds the key to discovering new petroleum reservoirs, on land or under the Outer Continental Shelf. But a Government agency—whose funds are controlled by Congress—might well decide where to drill or not to drill on the basis of politics, rather than geology. Finally, as one section of the country or another sought to impose its prodevelopment or antidevelopment influence, more precious time would be frittered away. The American consumer would suffer from this sectionalism and wrangling amongst the States over energy supplies.

GOVERNMENT OFFICIALS ARE NOT LIKELY TO TAKE HIGH-COST RISKS

Exploring for oil is a high-risk gamble. It involves an incredible amount of expertise, determination, luck, and money. Most Government officials are not likely—and should not—be risk takers. That should be left to private enterprise staked by private, not public funds. For example, the Bay Marchand field—one of the largest in the Gulf of Mexico—was found only after a dozen or more dry wells were drilled.

In Alaska, even industry had almost given up hope of finding oil and natural gas on Alaska's North Slope. But someone decided to drill just "one more well." The result: the largest petroleum discovery in the Western Hemisphere to date; and the Destin Anticline—a geological formation in the Northeast Gulf has proven a disappointment so far. Companies have spent over $908 million on acquiring lease rights and drilling six dry holes. They are still drilling, and maybe—just maybe—the next well will prove successful.

A "rational" bureaucracy would have stopped drilling as soon as the public—and the congressional Budget Committees—became concerned about the agency's exploration budget.

After all, the bureaucracy cannot be accused of wasting public funds, if it does not continue drilling dry holes. And it cannot be criticized for not finding oil or gas, if its initial dry holes show there is none to be found.

THE GOVERNMENT ALREADY HAS SUFFICIENT CONTROLS OVER EXPLORATION AND PRODUCTION ON FEDERAL LANDS

The Government, not industry, now decides what Federal acreage will be leased, how many acres, and on what schedule. Government sets and monitors regulations relating to exploration, platform construction, drilling, production and transportation associated with Federal leases, including environmental regulations. It also establishes and regulates environmental standards for onshore operations. In addition, States exercise further controls within their jurisdictions. There simply is no need for additional controls, nor for exclusive rights to data gathering.

COMPLAINTS ABOUT THE PRESENT SYSTEM SIMPLY DO NOT JUSTIFY THE EXTREME CURES PROPOSED

The proposed bills, in effect, claim that the present system has a "head cold." To cure it, they prescribe amputation. Not only is the diagnosis wrong; the "cure" could kill the patient.

The complaints, in general, charge that: First, the present system has failed because of the shortcomings of private enterprise; second, the Federal Government could do the better job; and third, the Federal umbrella is needed to provide ample time for the development of State coastal zone management plans. All three complaints have no basis in fact.

First, industry has sought—and is still seeking—implementation of a Government offshore leasing plan that would fully use the private sector's proven capability. Unfortunately, too often in the past Government leasing programs have been based on revenue, not energy, needs. As a result, only 3 percent of the U.S. Outer Continental Shelf has been opened to leasing.

Second, there is no evidence to indicate that a Government agency could do a better job of exploring for or producing oil and natural gas. We have only to look at the poor experiences of the Postal Service and Amtrak. Can anyone really believe Government can do the job better than private industry, with its 100-plus years of experience in finding oil and gas?

Nor is there any reason to believe that a Government exploration agency would show more concern for protecting the environment. Witness the current fight over TVA's refusal to implement clean air standards. Government's strong point is not a "practice what you preach" philosophy.

Private companies, spurred by competition and equipped to do the job, would be in a far better position to find and produce that petroleum than a Federal agency which had to start from scratch.

Third, development of offshore operations could not—and would not—take place overnight. It takes many months for a proposed lease sale to move from the conceptual stage through programing, impact studies, public hearings, lease sale approvals, and into the exploration phase. Additional years will be required to explore for oil and gas, and to develop the resources that may be found.

This long lead time from concept through production would provide ample opportunity to develop and put into action sound coastal zone management plans. And, in fact, allowing the exploration phase to continue while coastal zone planning is carried out could save taxpayers a great deal of money. It would be a gesture in futility to implement costly CMZ actions to "protect" the States from adverse production impacts, only to find that no oil and natural gas lies offshore, and none will be brought in.

THE PROPOSALS AVOID THE REAL ISSUE OF SUFFICIENT AND SECURE OIL AND NATURAL GAS SUPPLIES

The proposals for a Government exploration and production effort have a common failing. Rather than expedite the development of additional, secure domestic petroleum supplies, the proposals would delay, impede, and perhaps destroy the present programs for onshore and offshore Federal land resources development. The proposals are diametrically opposed to the long-standing concept of public law that:

> It is in the national interest to foster and encourage private enterprise in the orderly and economic development of domestic mineral resources . . ." (P.L. 91-631).

But, even more important, the proposals fails to get at the root of the problem facing energy development in the United States: It is the lack of comprehensive and consistent national energy policies and the proliferation of piecemeal actions that have hindered the development of our energy resources.

What is needed is not more Government controls, more Government interference in fuels discovery and development, but fewer controls and less interference. Steps should be taken now to encourage the essential investment in energy exploration and production.

America needs energy to recover from its present recession, and as a guarantee that—in the future—no industry will have to shut down for want of fuel. And, voting for Mr. Jackson's amendment will be one step in the direction away from energy self-sufficiency for America.

We know the success that the American industry has had is the envy of all the world.

The **PRESIDING OFFICER**. The Senator's time has expired.

Mr. **JACKSON**. I yield 30 seconds to the Senator from South Carolina.

Mr. **HOLLINGS**. Mr. President, in 30 seconds, this Senate yesterday passed the Naval Petroleum Reserves bill. In that bill, they directed the U.S. Navy, the U.S. Government, to drill Petroleum Reserve No. 4. But now some folks come around here late at night hollering, "We are going to nationalize the oil." We just voted it yesterday and nobody gave that silly argument then. The Government has been drilling. Petroleum Reserve No. 4 is Government drilling. Elk Hills and Teapot Dome are Government drilling.

To answer the OTA argument, this was exclusive Government drilling that they treated, not combined with the seven other options for leasing, as this bill provides. The OTA study found that it did improve the availability of the resource information, the guarantee of a fair return to the taxpayers, and public control of resource development. They came out in favor of it on those grounds.

The **PRESIDING OFFICER**. The Senator's time has expired.

Mr. **JACKSON**. Mr. President, they are trying to scare everyone to death about nationalizing the oil business. This is the most disgraceful kind of debate that I have watched in a long, long time. If you do not have an answer to something, scare them.

If the Government of the United States cannot find out in a proper way what property it owns, we are in a pretty sorry state.

This amendment limits the Secretary to known "geological structures which the Secretary determines should be explored by the U.S. Government for national security or environmental reasons or for the purpose of expediting development in frontier areas."

That is what the amendment is about.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. JACKSON. And I strongly urge that the amendment be adopted.

The PRESIDING OFFICER. The Senator's time has expired.

Several Senators addressed the Chair.

Mr. JACKSON. It lost but by only one vote after we had extensive hearings——

The PRESIDING OFFICER. All time has expired. The question is on agreeing to the amendment of the Senator from Washington.

Several Senators addressed the Chair.

Mr. FANNIN. Mr. President, I move to lay the amendment on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table.

Mr. PASTORE. Ask for the yeas and nays.

Mr. FANNIN. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER (Mr. NUNN). The question is on agreeing to the motion to lay on the table the amendment of the Senator from Washington (Mr. JACKSON). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Mississippi (Mr. EASTLAND), the Senator from Ohio (Mr. GLENN), the Senator from Indiana (Mr. HARTKE), the Senator from Washing (Mr. MAGNUSON), the Senator from Mississippi (Mr. STENNIS), the Senator from Missouri (Mr. SYMINGTON), and the Senator from North Carolina (Mr. MORGAN) are necessarily absent.

I further announce that, if present and voting, the Senator from Washington (Mr. MAGNUSON), the Senator from North Carolina (Mr. MORGAN), and the Senator from Ohio (Mr. GLENN) would each vote "nay."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Nebraska (Mr. CURTIS), the Senator from Arizona (Mr. GOLDWATER), the Senator from New York (Mr. JAVITS), and the Senator from Virginia (Mr. WILLIAM L. SCOTT) are necessarily absent.

The result was announced—yeas 39, nays 48—as follows:

[Rollcall Vote No. 359 Leg.]

YEAS—39

Allen
Bartlett
Beall
Bellmon
Bentsen
Brock
Buckley
Byrd, Harry F., Jr.
Byrd, Robert C.
Dole
Domenici
Fannin
Fong
Ford
Garn
Gravel
Griffin
Hansen
Hatfield
Helms
Hruska
Huddleston
Johnston
Laxalt
Long
McClure
Packwood
Pearson
Randolph
Roth
Scott, Hugh
Stafford
Stevens
Taft
Talmadge
Thurmond
Tower
Weicker
Young

NAYS—48

Abourezk
Bayh
Biden
Brooke
Bumpers
Burdick
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Eagleton
Hart, Gary W.
Hart, Philip A.
Haskell
Hathaway
Hollings
Humphrey
Inouye
Jackson
Kennedy
Leahy
Mansfield
Mathias
McClellan
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Pastore
Pell
Percy
Proxmire
Ribicoff
Schweiker
Sparkman
Stevenson
Stone
Tunney
Williams

NOT VOTING—12

Baker
Curtis
Eastland
Glenn
Goldwater
Hartke
Javits
Magnuson
Morgan
Scott, William L.
Stennis
Symington

So the motion to lay on the table Mr. JACKSON's amendment No. 751, as modified, was rejected.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. JOHNSTON. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Louisiana (Mr. JOHNSTON) proposes an amendment..

The amendment is as follows:

At the end of the amendment offered by Messrs. Jackson et al., add the following:

No more than $2,190,000,000 shall be expended by the Secretary pursuant to the second sentence of this subsection.

Mr. JACKSON. Mr. President, wait a minute.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator yield?

Mr. JOHNSTON. I yield, without losing the right to the floor.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. I think a reading of the amendment makes clear what it is.

Could we get a time limitation on this of, say, 10 minutes?

Mr. JACKSON. Mr. President, I am prepared to accept the amendment.

The PRESIDING OFFICER. Does the Senator accept the amendment?

Mr. JACKSON. I accept the amendment, and I yield back all remaining time, if the Senator from Louisiana will yield back his time.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The amendment is modified.

Mr. JOHNSTON. Who has the floor, Mr. President?

The PRESIDING OFFICER. The Senator from Louisiana has the floor.

Mr. JACKSON. He does not want to accept it.

Mr. JOHNSTON. Mr. President, it is not my purpose to detain the Senate. It is late. I know everyone wants to go home. I am sure of that. I want to go home.

Mr. President, this is a bad amendment. We are late at night taking a very significant step.

I wish to get some kind of guidance as to what this means. I have heard it explained here in the Chamber that this is an option for the Secretary of the Interior. It is no option, I say to the Senator. It is a mandate.

The Secretary is further authorized and directed on an experimental basis to contract for such exploratory drilling, et cetera.

The word "shall" is not an option, I say to the Senators. It is a mandate.

I sent my amendment to the desk because I had to have some vehicle to elicit what the limits of the amendment are, that the authorization shall not exceed $2,190,000,000. That figure came from the Office of Technology Assessment when they assessed the three different options, that is, the limit drilling program, an intermediate program, and a full drilling exploratory program.

The limit drilling program, according to the OTA, costs $2,190,000,000.

What I would like to do is to get some answers from our distinguished colleague from Washington.

Does he know how much this experimental program would cost?

Mr. JACKSON. We do not know exactly. Of course, if the Government goes into the whole business of drilling, and that is not what is proposed, the Senator is taking and putting into the bill the ultimate total cost if the U.S. Government, according to the OTA estimates, went into all areas. This is purely experimental. Of course, if he wants to build it up to $2 billion, which is just sheer nonsense, he can do it. He has done it by his amendment, and he has invited a full-scale exploratory program, I assume in a facetious way, but I have accepted the amendment, and I am prepared to accept it if he is serious about it.

Mr. JOHNSTON. Mr. President, I wish to receive some answers. I am seriously trying to set some limits on this bill; $2,190,000,000 is the figure here. I wonder if we can agree on a smaller amount.

Mr. JACKSON. The point of the matter is, Mr. President, that this, as the amendment indicates——

Mr. JOHNSTON. Mr. President, I asked a question, and my distinguished colleague has 15 minutes to argue. I am not trying to argue. I simply want to ask a question. Will the Senator agree to a smaller amount of authorization?

Mr. JACKSON. Yes; I will be glad to agree to that. Why did the Senator ask for a ceiling?

Mr. JOHNSTON. Because I had to have some figure to put in the amendment.

Mr. JACKSON. The Senator knows that we had extensive hearings on this matter. This was not something that popped out of the evening sky here tonight. The Senator knows that we had witnesses who testified on this matter at length—the Governors, the environmentalists. It lost by one vote. He left the impression here earlier that we suddenly brought out an amendment late at night. That is nonsense. We held weeks of hearings on this bill, and it has been printed for weeks—all on this very issue. It lost by one vote.

Sure, I will accept a lesser amendment. I will put in at this point $500 million, if the Senator wants to bring it down. But he offered the amendment; I did not.

Mr. JOHNSTON. In just a moment, Mr. President. I will accept that amendment.

Mr. HUMPHREY. Maybe some of the rest of us will not.

I do not see any reason, I say most respectfully, for jumping around here and talking about $2 billion as if it is tips for a night out, and $500 million over here. Let us find out what we are talking about.

I am on the board of OTA. We made the assessment and it is a reasonable estimate.

Indeed, some drilling is necessary. Not long ago, I was with the Norwegian Oil Corp. in Oslo. For 10 years, they drilled in the North Sea and did not find a thing. In 1965, they drilled and found one of the greatest oil reserves in the world. So possibly some drilling on an experimental basis is a good idea.

Mr. JACKSON. I point out to the Senator that, after all, this is Government property. We get our money back.

The PRESIDING OFFICER. The Senate will be in order. Any Senators who are holding their microphones in place but do not have recognition will put them back in place.

Mr. JACKSON. I say to the Senator that the OCS sales last year amounted to $7 billion. I think we have a right to protect Government property.

There is all this business that if you do not have an answer and if the Government does anything, you just scare them to death. That is what we have had here tonight. As the Senator from North Carolina said, dear, old Carl Vinson has had the Government drill for oil for years in Elk Hills, to find out what our requirements are and basically to supply the needs of the Navy.

We are not putting the Government into business. All this business about the Government hiring a private contractor to find out what is there is no different from when the Forest Service hires the cruisers to go out and find out what timber is there. We have a right to know and to have an inventory of our property.

Somehow or other, this is treated as if it belongs to the oil companies and the Government has no right to find out what it owns. I think it is outrageous. It is high time we have some control over it.

Mr. HUMPHREY. This has been the problem with the oil industry all along. Two years ago, this body could not get information from the oil industry. The Federal Power Commission had no information from the oil industry. The testimony of the Federal Energy Administrator was that he had no information as to the reserves, as to what the oil industry marketing practices were and as to their pricing practices. They ignored us as though we did not exist.

Here is a situation in which there is public property, public resources, and somebody wants to find out what you have there, and the oil companies are saying, "Do not look at that. We do not want that to happen."

It is one thing for the Government to own the oil, but I do not want the oil industry to own the Government. The oil industry has been running roughshod over us for a long time, and it is time we put a halt to it.

This amendment seeks to ascertain whether or not there are reserves here that are worthy of prospecting and developing; to find out what assets this Government has. By the way, the Government could well use some of this property.

Mr. JACKSON. It will also help the little independents that are not out on the Outer Continental Shelf. And we do not have a single independent in the North Slope in Alaska. Why? Because they do not have the resources; they cannot take the risk. We have a very few in the Outer Continental Shelf. This at least will provide the kind of lead information so that we can get greater participation, greater competition into this area, and we should not allow it to be run by a few.

Mr. HUMPHREY. I compliment the Senator.

The Senator from Iowa is not in the Chamber tonight, but Senator CULVER and I sat for 3 hours with the director of the Norwegian Oil Corp., Dr. Leid, telling about their explorations in the North Sea and the fabulous resources that have been discovered. They have utilized, yes, the private companies for much of the exploration, but the oil is Government-owned. The total cost of that oil—that oil delivered, to where the crude wants to be delivered—out of the most turbulent waters in the world, the North Sea, the most difficult engineering that mankind has ever known, is $3 to $4 per barrel gross at the end of the pipeline in England—delivered.

Here we are talking today about when we are going to have $11.50 or $13.50, the biggest ripoff since the manufacture and preparation of Crazy Crystals—the family laxative. Crazy Crystals, which is nothing more than the a crystalized form of Glauber salts which farmers gave to horses when they overate moldy hay. The cost of the crystals was about 2 cents and, the box and packing 3 cents, and it sold for a dollar. That can be termed the "oil prescription" for the family drugstore—yes, a high profit item.

I say the Government has a right to protect its property, and if there is going to be any bargaining about whether it is $2 billion or $500 million, we are going to be here a long time.

Mr. JOHNSTON. Mr. President, as always, I have enjoyed hearing the Senator from Minnesota. The Senator from Minnesota is incorrect when he says the cost of lifting the North Sea oil is less than $2.50 a barrel.

Mr. HUMPHREY. I said $3.

Mr. JOHNSTON. It is more than twice that much. If I am not incorrect, it is in excess of $10.

Mr. JACKSON. He is talking about the Norwegian side not the British side.

Mr. HUMPHREY. We are talking about what the good, frugal, hard-working Norwegians can do, working with Exxon, Phillips, and Conoco who are over there, getting the oil out for $3, and over here are saying, "Come on, Uncle Sam give us $13.50." [Laughter.]

I have just about had it.

Mr. JOHNSTON. That may very well be. The facts do not jibe with that. It costs more than that.

I would like to get back to the point. We are not here to entertain one another or to put it on the oil companies, although I must say that if we had the oil companies up for a popularity contest, I might vote against them.

That is not the question. We are trying to define what this amendment would do.

If my good friend the Senator from Washington will answer this question without making a speech—and I do not say that in a bad sort of way—I would like the question answered.

The experimental drilling is supposed to be for three purposes—for national security, for environmental reasons, or for the purpose of expediting the development in frontier areas. Those are the only three purposes.

Do I correctly understand that if the Secretary of the Interior believes that it is not in the interest of national security and does not believe that environmental reasons dictate that, or that the Federal Government can do it faster, he should not do any experimental drilling? Is that correct?

Mr. JACKSON. The authority is limited to the three areas in the amendment that the Senator read.

Mr. JOHNSTON. And if the three areas do not exist, he may not drill?

Mr. JACKSON. That is right. They cover the national security area, environmental area, and expediting development in frontier areas.

Mr. JOHNSTON. Mr. President, with that explanation, I will amend my amendment to $500 million.

The PRESIDING OFFICER. The amendment to the amendment is so modified.

Mr. JOHNSTON. If the distinguished Senator from Washington will yield back the remainder of his time, I will do the same.

Mr. JACKSON. I yield back the remainder of my time.

The PRESIDING OFFICER. All time on the amendment is yielded back.

The question is on agreeing to the amendment of the Senator from Louisiana, as modified.

The amendment, as modified, was agreed to.

Mr. STEVENS. Mr. President, I have an amendment at the desk which I ask to have considered immediately.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 1, line 6, insert the following: delete all language after the word "Act." through the word "expanded." on page 2, line 63.

Mr. STEVENS. Mr. President, I apologize to all of my colleagues for taking time at this time of night to remind them that it is impossible under these agreements to get in all the changes until all the time has expired on the amendments and the amendments to the amendments.

There has been some misunderstanding on the floor and I hope to clear it up. In the first place, I offered, along with the Senator from Washington, the concept of exploring Naval Petroleum Reserve No. 4 and assisted in getting the appropriations for the exploratory programs going on there. Government exploration was required because that is an exclusive Federal reserve and it is not available for private enterprise and will not be available for private enterprise until the basic law is changed.

This amendment happens to cover a very small area of 560 million acres. That is the amount of acreage on the U.S. OCS. There are currently about 60 million acres that have been subject to exploration, so greater than 500 million acres are going to be covered by the authority provided for in this amendment. Naval petroleum reserve No. 4 is 25 million acres. In a 5-year exploration program that we currently have underway, which will cost us $525 million, we are going to drill three wells—three wells in 25 million acres. What we are doing now in this amendment is just what my friend from Louisiana has stated—and I hate to disagree with my good friend from Washington, we are starting on the road to nationalization of the U.S. oil industry. That little word "frontier" area should really be read to mean "Alaska." That is what it means. The committee did not say "Alaska." They said "frontier area." That means the public lands in Alaska—offshore, some 500 million acres.

The Senator is saying we are going to put the Federal Government in the position of drilling exploratory wells. Let me tell the Senators, a platform on the OCS off Alaska costs a minimum of $25 million. It costs $100,000 a day to keep a seismic crew in the field. It would cost close to $5 million for every well they want to drill offshore.

Who is going to put up that money? We have not been able to get the full amount we originally authorized for Naval Petroleum Reserve No. 4. My good friend from South Carolina compares this amendment to Petroleum Reserve No. 4. No private enterprise could bid on Pet-4 until we changed the law. The OCS is an area that is available for private enterprise.

We talk about the great, great profits that the oil industry is making. We are going to have an excess profits tax and say, "Plow it back and get us more oil as quickly as you can and you will not have to pay excess profits tax." Where are they going to plow it back? This is one of the areas that they could plow it back.

My friend says we do not have any independents in Alaska. That is not exactly true. We do have independents, but they are very large independents because there is no room there for small independents.

Mr. JACKSON. What are the independents on the North Slope?

Mr. STEVENS. Husky and Hess.

Mr. JACKSON. What others?

Mr. STEVENS. They are independents. They are large independents, but they are there. I ask my friend from Washington if he can tell me any place in the world where the Government has discovered oil in the first instance? The North Sea was drilled by American companies under the governments of the countries involved—both the Norwegian and the British.

Mr. JACKSON. Will the Senator yield?

Mr. STEVENS. In just a second. Previous oil discoveries have been made by private enterprise. We have never yet, never to this day, put the Government into competition with the oil industry in the area that was open to free and open competition in the industry itself. This is the first step toward nationalization.

Mr. JACKSON. Will the Senator yield?

Mr. STEVENS. Yes.

Mr. JACKSON. This is not putting the Government into the oil business, let us get that clear.

This is on my time.

What the Senator is saying is that he does not want the Government of the United States to find out what its assets are in this particular area. This is simply exploratory drilling to find out what they are.

Mr. President, this is on my time. We are just going up the hill and down the hill. Read this amendment. He just guts the whole amendment. It is a vote all over again, and as soon as the Senator is through, I will move to table.

He knocks out the authority of the Secretary to undertake to do this. Other than that, there is no problem.

Mr. STEVENS. Will the Senator tell me why he used the words, "frontier areas," in a bill that covers the OCS except for my State?

Mr. JACKSON. The frontier areas are the areas of the Atlantic Coast, the Pacific Coast, and Alaska, other than the gulf. They are all frontier areas.

Mr. STEVENS. They are offshore areas everywhere else in the country but Alaska, is that right?

Mr. JACKSON. No, the Senator is dead wrong.

Mr. STEVENS. Is the onshore area a frontier area——

Mr. JACKSON. We are talking about frontier areas. The frontier areas are the Atlantic. We do not have any oil in the Atlantic. The Senator knows that. We are talking about the Pacific Coast where we have limited oil and we have run into really difficult problems in the Santa Barbara channel because we did not explore in advance to find out whether or not those areas were geologically sensitive and, therefore, a matter of critical environmental concern. This is a very, very important issue from an environmental point of view. It is simply to find out exactly what we have.

I reserve the remainder of my time.

Mr. STEVENS. Mr. President, I have marched with my friend from Washington on the National Environmental Policy Act and on the approach to Naval Petroleum Reserve No. 4. I have tried my best to be responsible in terms of my State and its interest in oil and gas. But this again is stumbling down the road toward nationalization. No one can tell me where it has worked before.

The Senator says we cruised timber. The seismic information provided for in my amendment, if it is adopted, is similar to cruising timber. The Senator knows timber cruises can be a thousand percent incorrect, just as can seismic information.

Mr. JACKSON. It is all right for the Government to get the seismic information, but not to find out whether the seismic information is sound by finding out whether the oil is there.

Mr. STEVENS. They should have the information so they can judge whether competitive bids are responsible. We are trying to get the most for the consumer and the American public, who owns these areas. To put the private U.S. oil industry in a position where they are drilling in competition with the Federal Government is a step toward neutralization of the industry. Remember that we just adopted the Bumpers amendment which provides that every company give to the Secretary of the Interior all of its information concerning the OCS. Then the Federal Government will go out and drill wherever it well pleases under the Senator's amendment. Where is the competition left in this industry? Where is the incentive to find the oil we must find if the Senator does what he wants to do?

Mr. JACKSON. The Government is not competing with industry. The Government is going to turn around and throw this open. But we shall know, at least, what we are throwing open. That is all that is involved. It is purely exploratory and the Senator knows it.

Furthermore, it has nothing to do with the uplands. Its total reference is, of course, to the Outer Continental Shelf in Alaska. The Senator is implying that it covers his State of Alaska. Alaska is very important and thank God for Alaska and the oil that is there. But I must say if it had not been for the U.S. Government in connection with Petroleum Reserve No. 4—and thank God for Carl Vinson—we would not have had oil in the North Slope—the Senator knows it—because the Navy did that exploratory work during the World War II in Naval Petroleum Reserve No. 4.

Mr. STEVENS. Oh, my good friend; President Harding, in the——

Mr. JACKSON. Oh, do not bring him up.

Mr. STEVENS. In the Teapot Dome Scandal, he drew the line around Pet. 4 because there were natural oil seeps there. The Navy drilled to 4,000 feet, spent $40 million, and never produced any oil at all. It was private enterprise that developed Prudhoe Bay which is 400 miles from the well-drilled in Pet. 4.

Mr. JACKSON. Where was the oil first discovered and who discovered it?

Mr. STEVENS. The Navy discovered the Umiat well after spending $40 million and nothing was ever done with it. All the data was filed away in some Government office. It was Wally Hickel in 1968 who opened the North Slope to leasing. There was a leasing bid of $900 million. We did in fact develop it through private enterprise. No Government has ever yet developed a new field.

I would say that advisedly. You name

me a government in the world that has developed a new well.

Mr. JACKSON. Well, who developed and who found the oil in the North Slope first?

Mr. STEVENS. Who found it?

Mr. JACKSON. On the North Slope.

Mr. BELLMON. Phillips Petroleum Co. found it first.

[Laughter.]

Mr. STEVENS. As a matter of fact, he is right. Oil was first found at the old Gubik gas field.

It is wrong to use Pet-4 as an example for this amendment. This is a step toward nationalization. We will never go back if we take this step.

Mr. LONG. Mr. President, will the Senator yield to me 1 minute?

Mr. STEVENS. Yes.

Mr. LONG. Let me just say something about the very entertaining speech my friend from Minnesota made. The cost of producing oil from any field depends upon the kind of well you find. Now, if you drill a Norwegian well producing 3,000 barrels per day, even if your production cost is twice as high as it is off Louisiana, you are going to have just a much lower cost than you do in Louisiana where 300 barrels a day is a very good well. So the cost you are talking about has to do with the kind of field you discover, and that varies tremendously.

There are some fields that cannot be produced profitably even at $13 a barrel. Just because the other fellow does not have a low production cost does not mean you buy it at a low cost. If you want to buy it they will charge you the same price as the Arabs will. If you have any doubts about it go talk to our friends in Canada who just got through proving the point to us.

Mr. STEVENS. Mr. President, how much time is left?

The PRESIDING OFFICER (Mr. BURDICK). The Senator has 5 minutes.

Mr. STEVENS. I will yield to the Senator. But before I do I want to say one last thing. In the entire history of the oil and gas leasing program on the Outer Continental Shelf, the total cumulative revenues to the United States have been $12,577,602,478. The total oil the value of the oil produced from the Outer Continental Shelf, has been $15,729,172,944. Six dollars out of every $7 earned from OCS wells have gone to the Federal Government. This was accomplished by allowing private enterprise to competitively bid for the leases.

Now you are going to put the Government into the business of going out, looking and saying, "Hey, boys, we need more money." When they have already made good competitive bids under the current system.

I yield to the Senator from Oklahoma.

Mr. HUMPHREY. Mr. President, will the Senator yield just for a point of information?

Mr. STEVENS. Yes.

Mr. HUMPHREY. Does the Senator indicate that the amendment of the Senator from Washington would prohibit the leasing for private development and exploration to ascertain what the reserves might be? Is the Senator from Alaska saying that?

Mr. STEVENS. Is the Senator on his own time?

I just say that when you put the Government into the business of drilling wells offshore, you either will have to use something like the *Glomar 2* in which the cost will be around $500,000 to $1 million a day or you will have to build a platform. No Appropriations Committee is going to put up the money to go at the speed we have to go. Under the existing competitive system the taxpayers have received $6 of every $7 earned in oil production from the OCS. The current competitive system has been a good, profitable leasing business for the Government.

Yet they say, "No, no, we have got to go out and give the money. Let the Interior Department start drilling exploratory wells."

We have never needed an exploratory well drilled by the United States yet on land such as this. There are competitive interests in every single acre. There are people ready to put up the money to drill it without using taxpayer funds and, as a matter of fact, the taxpayer has been getting back $6 of every $7 that has been earned from OCS oil production.

Mr. HUMPHREY. May I say this is one time when you lose money and you get rich because I have not seen the oil companies paying all that money going on welfare.

Mr. STEVENS. It has been going into the Treasury of the United States.

Mr. HUMPHREY. Sure, they are paying for those leases, but they know what they are getting. It is a real estate investment; it is a resource investment. Sure, they pay for those leases.

Mr. STEVENS. So far they have received $15.7 billion worth of oil for paying $12.5 billion for the privilege of looking.

Mr. HUMPHREY. Yes, and they know they have got $100 billion under the surface. That is not a bad deal. Take it any day.

Mr. STEVENS. I do not believe that.

Mr. HUMPHREY. What does the Senator think?

Mr. STEVENS. You are putting the first step to the nationalization of the oil industry.

Mr. HUMPHREY. Not at all.

Mr. STEVENS. Think of the railroads, think of everything we have done so far. This is the one industry that throughout the world has produced——

Mr. HUMPHREY. Senator, wait a minute. You know——

Mr. STEVENS. Our industry has produced every single major find in the world.

Mr. HUMPHREY. Do not try to tell me the oil companies are so stupid and so poor in their management calculations that they are paying $12 billion for leases thinking they are not going to have some assets after they have bought up the leases. They know what they are getting. The only thing that Senator JACKSON is trying to determine is what the Government has before they get, and that is not a bad idea.

Mr. STEVENS. You have got all of that data already.

Mr. HUMPHREY. Oh, boy, I want to tell the Senator with all that data, listen, even the CIA did not have that data. [Laughter.] Senator, that is a fact.

Mr. STEVENS. I cannot answer that.

Mr. HUMPHREY. I am not trying to be facetious. The simple truth is that the Interior Department did not have that data nor did the Federal Power Commission.

Mr. STEVENS. I cannot match my good friend tonight. All I can tell him is that we will rue the day when you put the Interior Department into drilling for exploratory wells. The existing competitive system has been very successful in discovering new sources of oil for the United States.

Mr. LONG. Mr. President, will the Senator yield at that point?

Mr. STEVENS. Yes.

Mr. LONG. According to those figures, companies are paying $12 billion for the privilege of going out and looking for oil. Then the Government will use some of that $12 billion to go into competition and put them out of the business. That can be compared with the French Revolution when some of the victims were required to carry baskets to the guillotine with them for the convenience of the executioner in carrying away the heads.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. Who yields time?

Mr. STEVENS. I yield back my time.

Mr. JACKSON. Mr. President, I move to lay the amendment on the table. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. JACKSON. I ask unanimous consent that the rollcall be 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Mississippi (Mr. EASTLAND), the Senator from Ohio (Mr. GLENN), the Senator from Indiana (Mr. HARTKE), the Senator from Washington (Mr. MAGNUSON), the Senator from Mississippi (Mr. STENNIS), and the Senator from Missouri (Mr. SYMINGTON), are necessarily absent.

I further announce that if present and voting, the Senator from Ohio (Mr. GLENN) and the Senator from Washington (Mr. MAGNUSON) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Nebraska (Mr. CURTIS), the Senator from Arizona (Mr. GOLDWATER), the Senator from New York (Mr. JAVITS), and the Senator from Virginia (Mr. SCOTT), are necessarily absent.

The result was announced—yeas 48, nays 40, as follows:

[Rollcall Vote No. 360 Leg.]

YEAS—48

Abourezk
Bayh
Biden
Brooke
Bumpers
Burdick
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Eagleton
Ford
Hart, Gary W.
Hart, Philip A.
Haskell
Hathaway
Hollings
Humphrey
Inouye
Jackson
Kennedy
Leahy
Mansfield
Mathias
McGovern
McIntyre
Metcalf
Mondale
Morgan
Moss
Muskie
Nelson
Nunn
Pastore
Pell
Percy
Proxmire
Ribicoff
Schweiker
Sparkman
Stevenson
Stone
Talmadge
Tunney
Williams

NAYS—40

Allen
Bartlett
Beall
Bellmon
Bentsen
Brock
Buckley
Byrd, Harry F., Jr.
Byrd, Robert C.
Dole
Domenici
Fannin
Fong
Garn
Gravel
Griffin
Hansen
Hatfield
Helms
Hruska
Huddleston
Johnston
Laxalt
Long
McClellan
McClure
McGee
Montoya
Packwood
Pearson
Randolph
Roth
Scott, Hugh
Stafford
Stevens
Taft
Thurmond
Tower
Weicker
Young

NOT VOTING—11

Baker
Curtis
Eastland
Glenn
Goldwater
Hartke
Javits
Magnuson
Scott, William L.
Stennis
Symington

So the motion to lay on the table Mr. STEVENS' amendment to Mr. JACKSON's amendment was agreed to.

Mr. JACKSON. Mr. President, voice vote on the amendment.

The PRESIDING OFFICER (Mr. BURDICK). Is all time yielded back?

Mr. JACKSON. There is no time left.

The PRESIDING OFFICER. There has to be unanimous consent to rescind the yeas and nays.

Mr. JACKSON. Mr. President, I ask unanimous consent to rescind the yeas and nays and have a voice vote.

The PRESIDING OFFICER. Is there objection?

Mr. BUCKLEY. Objection.

The PRESIDING OFFICER. Objection is heard.

Mr. JACKSON. Mr. President, I ask unanimous consent that the rollcall be limited to 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, will the issue be stated?

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Washington, as modified.

The legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The Senate will be in order.

The legislative clerk resumed the call of the roll.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

The legislative clerk resumed and concluded the call of the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Mississippi (Mr. EASTLAND), the Senator from Ohio (Mr. GLENN), the Senator from Indiana (Mr. HARTKE), the Senator from Washington (Mr. MAGNUSON), the Senator from Maine (Mr. MUSKIE), the Senator from Mississippi (Mr. STENNIS), and the Senator from Missouri (Mr. SYMINGTON) are necessarily absent.

I further announce that, if present and voting, the Senator from Ohio (Mr. GLENN), and the Senator from Washington (Mr. MAGNUSON) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Nebraska (Mr. CURTIS), the Senator from Arizona (Mr. GOLDWATER), the Senator from New York (Mr. JAVITS), and the Senator from Virginia (Mr. WILLIAM L. SCOTT) are necessarily absent.

The result was announced—yeas 46, nays 41, as follows:

[Rollcall Vote No. 361 Leg.]

YEAS—46

Abourezk
Bayh
Biden
Brooke
Bumpers
Burdick
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Eagleton
Ford
Hart, Gary W.
Hart, Philip A.
Haskell
Hathaway
Hollings
Humphrey
Inouye
Jackson
Kennedy
Leahy
Mansfield
Mathias
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Nelson
Pastore
Pell
Percy
Proxmire
Ribicoff
Schweiker
Sparkman
Stevenson
Stone
Tunney
Williams

NAYS—41

Allen
Bartlett
Beall
Bellmon
Bentsen
Brock
Buckley
Byrd, Harry F., Jr.
Byrd, Robert C.
Dole
Domenici
Fannin
Fong
Garn
Gravel
Griffin
Hansen
Hatfield
Helms
Hruska
Huddleston
Johnston
Laxalt
Long
McClellan
McClure
McGee
Nunn
Packwood
Pearson
Randolph
Roth
Scott, Hugh
Stafford
Stevens
Taft
Talmadge
Thurmond
Tower
Weicker
Young

NOT VOTING—12

Baker
Curtis
Eastland
Glenn
Goldwater
Hartke
Javits
Magnuson
Muskie
Scott, William L.
Stennis
Symington

So Mr. JACKSON's amendment, as modified, was agreed to.

Mr. JACKSON. Mr. President, I have two amendments. May I say, for the benefit of the Senate, that these two amendments are technical in nature and will be accepted by the minority in behalf of Senator GLENN, who cannot be here.

AMENDMENTS NO. 845 (AS MODIFIED) AND 847 (AS MODIFIED)

I ask that amendments Nos. 847 and 845 be considered en bloc, as modified.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Washington (Mr. JACKSON) proposes amendments numbered 845 and 847, as modified.

The amendments are as follows:

At the end of page 108 insert the following new section and renumber subsequent sections accordingly:

REVIEW AND REVISION OF ROYALTY PAYMENTS

SEC. 303. As soon as feasible and no later than ninety days after enactment of this Act the Secretary of the Interior shall submit a report or reports to the Congress describing the the extent, during the two-year period preceding enactment, of delinquent royalty accounts under leases issued under any Act which regulates the development of oil and gas on Federal lands. Such report or reports shall include any recommendations for corrective action which the Secretary of the Interior determines to be appropriate.

On page 100, line 13, strike "proposed".

On page 100, at the end of line 22, insert "Such rate shall be submitted by the lessee to the Secretary at the earliest practicable time following discovery of oil or natural gas. The Secretary shall review such rate to insure consistency with such guidelines, and if he finds that such rate complies with such guidelines, such rate shall become a part of the plan. If he finds that such rate does not comply with such guidelines, he shall revise such rate, and such revised rate shall then be included in the plan. The Secretary shall review periodically his findings under the preceding two sentences pursuant to paragraph (8) (B) of this subsection and order such adjustments in such rates as are appropriate.

Mr. JACKSON. Mr. President, the first amendment, No. 847, simply clarifies a provision of the bill as reported. It requires production on the Outer Continental Shelf at the maximum efficient rate.

The other amendment, No. 845, is designed to deal with the recurring problem of late and inadequate royalty payments. This matter, I might say, has been discussed at some length recently by Mr. Kenworthy in last Sunday's New York Times, and also in an article in the Wall Street Journal. I ask unanimous consent that the articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, July 27, 1975]

U.S. FAILING TO GET ITS DUE IN OIL ROYALTIES

(By E. W. Kenworthy)

WASHINGTON.—The United States Government is not getting full value from onshore gas and oil leases on Federal lands, according to a review of the royalty accounting system by the Interior Department's Office of Audit and Investigation.

Nor, the study concludes, are Indian tribes receiving "all royalty payments due them" for leases granted on their reservations—a finding that the Office of Audits says raises questions about the Interior Department's proper discharge of its "trust responsibility."

These conclusions were reached after an investigation lasting from March to December last year of royalty collections, which, under the 1920 Mineral Leasing Act, are the responsibility of the Interior Department's United States Geological Survey.

The report found that the losses sustained by the Federal Government, the states with which Federal income is shared, and Indian tribes were attributable to the Geological Survey's *undervaluation of oil and gas production, inadequate and confusing reporting procedures on production and sales by oil companies, delayed royalty payments, poor accounting procedures, failure to conduct reviews of company reports and staff deficiencies in both "expertise and numbers."*

The report said that it was impossible to put a figure on the total losses, but there was reason to believe them "significant," probably on the order of *several million dollars a year*.

For example, it found that undervaluation of gas production in just one year by the Northern Rocky Mountain area offices cost the Government $136,000 in royalties, and that "the real loss is probably several times that figure."

Again it discovered that a postaudit by just one of the Geological Survey's six area offices that covered only 10 per cent of the accounts under its supervision produced $362,000 in added royalties.

The highly critical report comes at a time when the Geological Survey has been under fire on other fronts. Its expertise has been called in question by oil company geologists who have regarded the survey's estimates of the nation's undiscovered, recoverable oil as highly optimistic and unrealistic.

In the early 1960's the survey's estimate ranged from 400 billion to 590 billion barrels. Last year, however, Vincent E. McKelvey, the survey's director, estimated it to be 200 billion to 400 billion barrels. And a few weeks ago, the estimate was dropped to 50 billion to 127 billion barrels—roughly the estimate of oil company and independent geologists.

In another area, the General Accounting Office disclosed that several high level survey officials were stockholders in companies affected by actions of the survey.

There have been complaints on Capitol Hill and from consumer and environmental organizations for a long time that the upper echelons of the Geologic Survey were too heavily staffed with scientists and engineers who had come from the oil and gas industries or who intended to go into such employment after Government service.

However, there was not the slightest suggestion in the audit report of any collusion between officers in the survey's Royalty Accounting System and oil and gas producers. Nor was any evidence adduced of deliberate cheating of the Government by the companies.

Rather the failure of the Government to get all the royalty income it could and should receive was set down to an inexpert accounting system and imprecise reporting procedures that often led to company errors and delays in payments.

There was an oblique suggestion that the Geological Survey, an agency made up largely of scientists and engineers, was more interested in oil exploration and development than in collecting royalties, and that therefore the survey should be relieved of the latter responsibility.

In commenting on the understaffing of the Royalty Accounting System, which has only 54 employes, and its lack of expertise, the report said that interviews suggested this was due to "a negative attitude on the part of management."

A scientific organization, the report said, had a tendency to "underestimate the importance of other disciplines or to relegate other disciplines to minor roles."

If this was putting it mildly, the report also put it bluntly when it said: "The Conservation Division [of the survey] has never come to grips with the issues of establishing fair product value and verifying production volume." Royalty payments are based on volume of output.

Nevertheless, the report credited the Conservation Division with recognizing the shortcomings in royalty collecting and requesting the study.

Furthermore, in a lengthy comment on the audit report, the Conservation Division endorsed many of the recommendations made. For example, the division, under direction of Russell Wayland, said: "We agree that there is a need to expand the present accounting staff and that . . . more professional accountants should be hired."

The survey now administers 12,386 leases on Federal and Indian lands, involving 31,399 producing oil and gas wells.

Under the law and regulations, lessees winning competitive bids pay from 12½ to 25 per cent royalty on oil and either 12½ or 16⅔ per cent on gas produced from the leases. The royalty rate depends on the daily average production per well—the greater the production, the higher the rate.

The leases are sold in competitive bidding when they contain geological structures indicative of oil and gas potential. On noncompetitive leases—those on unknown geologic structures—the production royalty is 12½ per cent on both oil and gas.

Total royalty proceeds are not peanuts—amounting as they did to $220-million in 1974. This was nearly double the 1973 figure because of the sharp rise in the price of new oil following the Arab embargo imposed late in 1973 and the subsequent surge in the price of imported oil. Of this amount, $33.4-million went to Indian tribes.

The Federal income split is 37.5 per cent to the states where the leases lie, to be used for schools and highways; 52.5 per cent to the Federal Reclamation Fund, and 10 per cent to the Federal Treasury.

Among the practices uncovered by the review, undervaluation occurred when a simple sales price was taken.

The supervisor of each Geological Survey area office, on the basis of production reports by the lessees, is empowered to set the value on which royalties are to be paid.

In setting an "estimated reasonable value," the supervisor is required to consider "the highest price paid for a part or a majority of production of like quality in the same field, to the price received by the lessee, to posted prices and to other relevant matters."

Thus the value for royalty computation is not necessarily the sales price received by the producer. However, the review found that with few exceptions, the Geological Survey computed royalties on the sale price. It particularly noted that, in setting gas values, area offices gave "virtually no consideration" to area prices established by the Federal Power Commission for sale of natural gas in interstate commerce.

The review gave two causes for this situation—lack of established guidelines for area offices and lack of capable staff.

As to reporting procedures, the review found that "information needed is not always required to be submitted and the information that is required is not always submitted, or sometimes not submitted on time and often submitted in a nonstandard format."

Data, the review went on, comes in "from different sources at different times during the month." Thus, the operator may submit a production report; the lease holder may submit a sales the lessee and the purchaser and royalty report, and the various purchasers may, or may not, submit statements of their purchases.

The purchasers' statements are the only method that the Geological Survey has of verifying the producer's stated sales volumes and values. The trouble is that the purchaser's statements are not required and are supplied, as the audit stated, "strictly through the generosity of the purchaser." Area offices receive such statements for only about 70 to 80 percent of the leases. Furthermore, the study said, were often the same company, "which makes the control mechanism unreliable."

This confused reporting system is further fragmented where a lease is held by several companies—all of which are permitted to file separate reports on their proportional ownership of production and royalties due. The area offices then compound the confusion by accumulating all the separate ownership statements into one "balance carry-forward amount" for the whole lease.

"As a result," the report said, "the statement becomes almost meaningless to the lease interest holders and the Geological Survey because neither can readily differentiate which portion of the account balance carry-forward applies to each lease interest."

The upshot was the "delinquent balances were allowed to accumulate until the Geological Survey determined royalties due from each lease interest and submitted appropriate billings." In some cases, the study said, "years may elapse" between the account reviews.

This situation was responsible, the report stated, for the large amount of late payments, although it added that many companies had become "somewhat lax" about making payments within the required month after production. The total overdue amount in December, 1973, was $3.3-million, which resulted in interest loss to the Government for the year of $104,000.

Among the recommendations of the audit team were standardized and timely reporting, "meaningful penalties" for reporting of royalties due and for late payments (present penalties are described as "meaningless"), separate accounting for multiple interests in a lease and frequent reviews of accounts.

Most important, however, were the personnel recommendations: a 37-person increase in staff (eight accountants and 29 clerks); creation of a team comprising a lawyer, an engineer, an accountant and an economist to be responsible for valuation of production in all areas, and appointment of a systems manager to oversee all aspects of a centralized royalty accounting system no one official is now in charge, the report said.

The estimated cost of these added positions was $500,000 a year.

That said, the Office of Audit and Investigation has turned to investigating offshore practices, conducting a study of royalty collections from leases on the outer continental shelf.

[From the Wall Street Journal, July 14, 1975]

AGENCY SAYS UNITED STATES IS SHORTCHANGED BY OIL, GAS FIRMS

(By Karen Elliott House)

WASHINGTON.—The Interior Department said major oil and gas companies are shortchanging the government on royalty payments for federal leases but it doesn't know how widespread the practice is.

"We have no way of knowing how much royalty is being lost because of undervaluation but we believe the figure is significant, particularly for gas production," the department concluded in a recent audit of royalty-accounting practices.

The internal audit report, obtained by The Wall Street Journal through a Freedom of Information Act request, shows that the department's royalty-accounting system is so riddled with inefficiencies that royalty payments are often late or insufficient to cover the volume of oil or gas sold from a lease.

The department's Geological Survey administers 12,400 producing oil and gas wells on federal and Indian lands. Royalties from those leases totaled $220 million in 1974. About $33.4 million went to Indian tribes. The federal income is split among the U.S. Treasury, 10%; a federal reclamation fund, 52.5%, and the states where the leases lie, 37.5%.

GOVERNMENTS, TRIBES GET HURT

"Obviously, when companies misstate their production and pay royalties on less than they actually produce, then both federal and state governments and Indian tribes get hurt," said A. L. Reynolds, director of the department's audit and investigation unit, which conducted the audit.

Mr. Reynolds and other department officials say it is impossible to estimate how much revenue governments lose because of inaccurate reporting of production on federal leases. But his report gives an example of how widespread the problem could be.

An audit in one of the six areas offices where royalty payments are processed compared actual production with royalties paid. The audit, which covered less than 10% of the accounts handled by that area office, produced $362,000 in additional royalties for one year.

The report says late reporting is another way the government is shortchanged. Late reports by oil and gas companies mean late royalty payments. That boosts the government's interest costs, as it must borrow to make up for the late payments.

NO FOLLOW-UP ACTION

Delinquent payments as of Dec. 31, 1973, totaled $3.3 million, the audit found. "The principle reason for this balance was that follow-up collection action hadn't been initiated," the report stated, "and it hadn't been initiated because the accounts hadn't been reviewed." The auditors proposed that the agency keep closer track of payemnts due and crack down on lessees who are habitually late.

A shortage of manpower, the audit concluded, is the major reason oil and gas companies can get away with such practices. The royalty accounting system has only 64 employes in the six area offices to review rental payments and royalties.

The audit report recommends adding at least 45 new employes to the accounting unit so that each statement of sales from the lease can be checked against production reported by the lessee to see if sufficient royalties were paid.

The report also recommends formation of a special production-valuation team of economists, accountants and engineers to ensure that lessees' royalty payments are based on a fair value of oil and gas removed from federal leases.

Vincent E. McKelvey, director of the Geological Survey, said he is trying to carry out the auditors' recommendations but added: "Some things can be done to improve the system by improving our procedures, but we realize more people are needed to do the job and we don't have them."

Mr. FANNIN. Mr. President, I am willing to accept the amendments as modified.

Mr. JACKSON. I yield back the remainder of my time.

Mr. FANNIN. I yield back the remainder of my time.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the amendments, as modified.

The amendments, as modified, were agreed to.

ADDITIONAL STATEMENTS ON S. 521

Mr. MUSKIE. Mr. President, the bill we are considering today, S. 521, is designed to improve our management policies toward the oil and gas reserves of the Outer Continental Shelf. The bill is therefore an important component of the Nation's energy program and represents a congressional initiative in meeting a critical national need.

S. 521 directs the Secretary of the Interior to prepare a 5-year leasing program for the energy reserves of the Outer Continental Shelf. Recognizing that the development of these reserves directly affects coastal States, the bill provides, through the establishment of regional Outer Continental Shelf advisory boards, for participation by our coastal States in the Outer Continental Shelf decision-making process. S. 521 also provides for a Federal survey program to improve our basic information about the oil and gas reserves we have offshore. It directs the Secretary to promulgate appropriate safety regulations for Outer Continental Shelf energy operations and insure that we receive a fair market return for what are, after all, public resources.

The bill establishes a special fund in the Treasury from which the Secretary of the Interior will make grants to coastal States that are affected by the offshore energy development. These grants may be used for planning purposes, the provision of public services or the construction of public facilities. Money for the fund, which is limited to $200 million a year, will be earmarked from the Federal Outer Continental Shelf revenues.

In some ways, S. 521 is similar to a bill the Senate enacted 2 weeks ago, S. 586. Both bills deal with the all-important coastal areas of our country and are concerned with both the direct and secondary impact of offshore oil and gas development. Both bills establish a coastal State impact fund. Yet the bills differ basically. S. 586 amends the Coastal Zone Management Act and authorizes $450 milion for a variety of coastal zone programs, including the impact fund. S. 521 amend the Outer Continental Shelf Lands Act and requires a 5-year leasing plan. The only money it authorizes is the $200 million for the impact fund. The coastal impact fund in S. 521, however, would derive its funding money from earmarked Outer Continental Shelf receipts while the fund in S. 586 will be funded directly from Federal expenditures.

It is my understanding that S. 521 will be amended, as S. 586 was amended, so that the level of funding for the impact fund in the two bills is identical. I know that the Senators involved have worked long and hard to reach what appears to be sensible and reasonable accommodation. The end result will be identical legislative authorization for one impact fund.

The agreed-upon joint amendment will also establish a program whereby $100 million would be set aside for an automatic grant of money to coastal States adjacent to or actually landing offshore oil.

The $300 million—$200 million for the impact fund and $100 million for the automatic grant program—to be provided in S. 521 through the joint amendment is identical to the $300 million in S. 586, and should not be counted twice. Because the authorized expenditures are greater in S. 586—$450 million—than in S. 521, our attention, from a budgetary point of view, should focus on S. 586.

Several days ago I commented on the budgetary impact of S. 586. But the points I made then bear repeating today.

S. 586 does not in itself exceed the budget target for this category contemplated in our congressional budget. But in the context of additional legislation that the Senate will soon consider, the target that Congress adopted last May for this functional category may soon be breached. That is, if we appropriate the full authorizations contained in everything that we now seem likely to pass the budgetary target we accepted for natural resources, environment, and energy will be exceeded.

Let me direct your attention to page 25 of the Senate budget scorekeeping report dated July 28. Table A lays out quite simply what the situation is. If we pass—and fund—those bills that are going to come out of committee soon, we will add $2.8 billion in budget authority and $1.1 billion in outlays to the functional base, as line 117B shows. And if we do that, we will overshoot our functional target by $1.8 billion in budget authority and $0.2 billion in outlays, as the bottom line on page 25 indicates.

If these targets are breached, then the Budget Committee, and ultimately the full Senate, will have to weigh very carefully what the appropriate response should be.

Indeed, as chairman of the committee, I myself intend to take a hard look at these forthcoming proposals and may be compelled to speak out in opposition to them if, as reported, they are likely to breach the budget targets we have set for ourselves.

In one respect, the situation may not be as bleak as it seems. Within the natural resources, environment, and energy function we may, in fact, have more leeway than our scorekeeping report indicates; $5 billion in budget authority is actually borrowing authority for the TVA and will not result in Federal outlays, now or in the future. It is listed here because, strictly speaking, it is a budgetary item and is carried as such on the books. But it is not budget authority like most budget authority. It is not an authorization for TVA to incur a Federal obligation. Thus our budget authority column on page 25 is "soft."

However, this is not the case with outlays. The outlay column is "hard," and I call your attention to the bottom line: If we pass—and fund—those bills we seem likely to have before us soon, then our outlay target will be breached by $200 million.

In reaching our functional targets the Budget Committee had the benefit of the views of the other Senate committees which reported to us on March 15. Two committees reported to us then on the need for assistance to coastal States impacted by offshore energy development. Although they provided us with differing estimates, we carefully considered their recommendations in coming to conclusions about the need for additional funds in this functional category.

It may be said that our targets were too low, that we did not make proper allowance for energy legislation and that we should have. I can only respond by pointing out that in the natural resource functional target we allocated $1.6 billion in budget authority and $1.5 billion in outlays above the President's budget request.

And in our Senate report on the budget resolution we explained that we recommended these substantial increases precisely because we recognized the need for additional energy legislation and funds.

S. 586 uses up $0.3 billion of that additional $1.6 billion in budget authority and $0.2 billion of the additional $1.5 billion in outlays. This is clearly reflected on page 27 of the Senate Budget Scorekeeping Report.

Let me close by emphasizing that the real significance of these numbers lies in the collective impact of legislation upon which the Senate will shortly act and which—if passed and funded—may lead to the breaching of the targets we set last May.

Mr. President, I intend to vote for this bill, as I did for S. 586. S. 521 does what needs to be done: It draws up a sound development program for the oil and gas reserves of the Outer Continental Shelf. S. 521 is good for Maine, it is good for all coastal States, and by directing the wise management of our offshore energy resources it is good for the Nation.

SENATOR RANDOLPH SUPPORTS REVISION OF OUTER CONTINENTAL SHELF LEASING POLICIES

Mr. RANDOLPH. Mr. President, the principal challenge in coping with our country's energy problems is to assure adequate supplies for the American consumer not only for the short term but, more important, in the distant future. This is particularly true for the petroleum supplies on which our national transportation system relies, as well as natural gas.

We are all familiar with the consequences of the 1973 oil embargo. A few years earlier—like the other three embargos during the last 25 years—and this one would have amounted only to a distraction. A few years from now an embargo could result in disaster.

Since 1971 world oil prices also have increased aver 500 percent. The resultant inflationary pressures threaten to erode the assets of the oil producing countries as well as those of the oil consuming nations. In addition the accumulated wealth of the member states of OPEC must be coped with by the world monetary system.

Continuation of this specter is unacceptable. Domestic energy supply alternatives must be developed and their costs reflected in the marketplace. For the long-term economic implications of doing otherwise are far worse, not to mention national security concerns.

While coal will provide the critical long-term constant now missing from our present domestic energy supplies, we can—and must—also expand our domestic petroleum reserves. A vigorous exploration program for oil and natural gas is essential.

The two principal future sources of oil and natural gas will be the Alaskan North Slope and the Outer Continental Shelf. Timely development is unlikely to occur under current Federal leasing policies, however.

Offshore petroleum activities first began in 1897 when the first hole was drilled over water at Summerland, Calif. The first producing well drilled out of sight of land was in 1947 in the Ship Shoal area of the Gulf of Mexico.

Growth of offshore activities in the Gulf of Mexico proceeded steadily until 1950 when brought to a halt by the Supreme Court's decision against Louisiana and Texas in the Tidelands case.

Subsequent enactment in 1953 of both the Submerged Lands Act and Outer Continental Shelf Lands Act brought about a resurgence of offshore activities. Then a U.S. Supreme Court injunction in 1956 caused another almost instant dislocation. This was followed by a severe recession in the offshore areas until 1960 when there was the stimulus of major Federal lease sales.

Prior to the 1972 lease sale off Louisiana, a broad Federal policy was followed of maximizing the size of the bonus payments to the U.S. Treasury rather than an emphasis on orderly energy production. In late 1972, however, the Department of the Interior, in recognition of the need for faster development of OCS resources, began to reevaluate its priorities.

Mr. President, in revising these priorities it is essential that the Congress and the offshore energy industries clearly understand the goals and expectations of Federal policies. The industry's perspective in this regard was clearly enunciated during Project Independence hearings in Atlanta, Ga., on September 23, 1974, by Charles D. Matthews, president of the National Ocean Industries Association:

> ". . . there is a way to have more energy while enjoying and protecting our fragile environment. There may be some trade-offs necessary in certain circumstances; still, the goal must be to maximize the supply of energy consistent with sound environmental practices. Nevertheless, the ocean industries must have a clear and consistent indication of Congressional desires in this regard. We might paraphrase I Corinthians on this point and say, 'If the trumpet give an uncertain sound, who shall know how to proceed with the task before us.'"

Mr. Matthews then added:

> The choice does not have to be either energy or environment; but energy and environment, properly balanced for the good of all. . . . "Furthermore, we should all realize that the potential and type of offshore petroleum resources cannot be ascertained fully until drilling has been undertaken. All estimates of OCS potentials are only that—estimates—until the field, if any, has been delineated by the penetration of the drill bit. Historically, something over 95 percent of all exploratory wells have not located commercially attractive fields."

Mr. President, by the end of 1973, a total of some 18,123 wells were drilled offshore; approximately one-third of these were in State-controlled waters and the other two-thirds were on the OCS. During that same time period, there were only four spills greater than 5,000 barrels of oil from offshore production platforms.

Oil spills cause environmental damage. Every reasonable effort must be undertaken to prevent them and to minimize the injury they cause.

In this regard, Mr. President, the Outer Continental Shelf Management Act, S. 521, as reported by the Interior Committee, contains a new section 23. This provision establishes limited liability for oil spills by holders of leases and rights-of-way. This provision also substitutes a fund—deriving its income from a per-barrel fee on the oil produced—for the liability of individual lessees.

As chairman of the Committee on Public Works, I am concerned for the policies set forth in this section; it departs from present policy in two respects:

First, section 23 offers compensation on a liberal basis to parties damaged by oil spills; however, this provision makes the Federal Government the guarantor of all losses. It does so through an insurance mechanism funded by all the producers of oil from the Outer Continental Shelf. Because the fund stands liable for oil pollution caused by any particular lessee—in combination with the low $7 million individual liability limit in the reported bill—there appears to be very little if any incentive to exercise due care in oil production activities.

The potential for damage from Outer Continental Shelf oil spills is great and can easily exceed $7 million. Because the lessee is not liable commensurate with the risk attendant to his oil production, the pressure is reduced for him to adequately supervise employees and invest in improved oil spill prevention techniques and training. This limitation in the provision is especially troublesome in the light of the unlimited liability now imposed on Outer Continental Shelf lessees for oil spills under authorities which would be replaced by this Act.

Second, section 23 of the reported bill is inconsistent with policies set forth in other major oil spill liability statutes, such as the Deep Water Ports Act, enacted just last year.

The committee report on S. 521 indicates that this provision is likely to be replaced by a comprehensive strict liability statute governing all oil spills in the ocean. It is anticipated that this more inclusive law will be enacted by the 94th Congress.

I share the hope of the Interior Committee that a comprehensive oil-spill liability law can be developed by this Congress. I joined Senators Magnuson and Jackson in cosponsoring such a bill, S. 1754, to establish a uniform Federal liability law for oil spills. That bill, together with S. 2162, the administration bill, is presently pending before the Committees on Commerce, on Interior, and on Public Works.

Mr. President, the consideration and concern over a comprehensive oil-spill liability law is likely to last through this entire Congress. The committees will review actual operating experience under section 311 of the recently enacted Deepwater Ports Act, and other laws governing oil production on the Outer Continental Shelf.

The oil-spill liability provisions of this bill should not be considered as a precedent for a more comprehensive liability bill. Speaking for myself, I will look to the experience gained under section 311 of the Federal Water Pollution Control Act and the Deepwater Ports Act. The record must clearly reflect that this bill does not represent a fully reasoned step forward on policies governing oil spill liability.

It is essential that the Federal Government maintain an economic and regulatory framework conducive to healthy competition and to the orderly development of our natural resources to meet the needs of American consumers.

Mr. President, S. 521, the Outer Continental Shelf Management Act of 1975, is responsive to the need for revision of Federal leasing policies governing oil and gas resources on the Outer Continental Shelf. The measure addresses the issues raised in the March 19, 1975, report of the General Accounting Office on the "Outlook for Federal Goals To Accelerate Leasing of Oil and Gas Resources on the Outer Continental Shelf." The chairman of the Subcommittee on Minerals, Materials and Fuels, Mr. METCALF, and the members of the full Interior Committee, are to be commended for their leadership in bringing this comprehensive bill to the Senate at this time. I urge Senate approval of this measure.

Mr. BIDEN. I want to commend the chairman and members of the Interior Committee for the excellent work they have done in designing a rational program for leasing resource development rights on the Outer Continental Shelf. The importance and need for this legislation has been demonstrated repeatedly in recent years and I hope this legislation will soon be enacted and signed into law.

I am especially gratified by the inclusion of several provisions in the bill which will insure that affected coastal State Governments and the public will have ample opportunity to participate in the decisionmaking process regarding the disposition of resources off their shores. The distinguished manager of the bill has been exceedingly helpful in accepting some simple clarifying amendments that I proposed, to set forth explicitly the procedures for State and local government and public participation in the formulation of a Federal leasing program. These procedures will apply both in the original formulation of the leasing program and in the annual review and revision of the program. In addition to assuring full participation during the formulation of a Federal leasing program, my amendments assure that sufficient time for responding to the Secretary's decision will be afforded for State and local government and the public, to comment before the program is finally approved.

In addition to assuring that public participation will be a large part of the OCS leasing process, S. 521 also establishes new safety and performance standards to govern operations on the Outer Continental Shelf. These standards will require the use of best available technology in order to protect public health, safety, and the environment.

As I stated before, I hope that the Congress will act expeditiously and favorably on this legislation so that the safeguards which it provides will be put into force as quickly as possible. In this regard, I just want to voice some of my immediate concerns.

As we know, the Department of the Interior has already initiated a massive Outer Continental Shelf leasing process to bring areas not previously developed into production. These "frontier" areas include areas off the coasts of California, Alaska, and the eastern seaboard. When these plans were first announced, I joined several other Members of the Senate and the House in expressing our concerns that the massive acceleration of OCS leasing was premature and ill-conceived.

The Interior Department's frontier area leasing proposal appeared to us to be based on scant information concerning the quantity of resource reserves in this area, the value of those reserves, and the environmental impact that oil and gas development in these relatively unexplored areas would have. Our concerns were borne out by assessments of the leasing program conducted by the Government Accounting Office which concluded that:

> . . . The far-reaching implications of such a leasing goal, both with respect to the direction of further energy resource development and potential environmental consequences, made it one of the most critical policy decisions in the 20-year history of Federal OCS leasing. Yet we found that the goal was hastily conceived by Interior policy officials under pressures exerted by the energy crisis without adequate data or adequate consideration of several major factors, and despite opposition from Interior's program personnel.
>
> Interior is proceeding with Shelf leasing at a pace which far exceeds its administrative capacity to insure proper evaluation of leased areas and fair value on the disposition of oil and gas resources. The argument that gains in earlier oil and gas production will occur proportionate to acreages leased is highly questionable because of the constraints industry will face in responding to the greatly accelerated program.

In testimony during hearings held jointly by the Interior and Commerce Committees in April of this year, the Assistant Comptroller General of the United States testified further that:

> Interior officials now say that Interior no longer has a 10 million acre leasing goal. They state that emphasis is on production and opening up frontier areas as quickly as possible by proceeding expeditiously with the preparatory steps for six proposed lease offers in 1975. What concerns us most with this change . . . is that Interior has not shed any light on what the magnitude of the leasing program might be. No new acreage goals were announced and the rationale for holding six sales in 1975 rather than some other number remains a mystery. We do not see how it is possible to conduct a rational leasing program without setting reasonable goals of where to lease, when to lease, how much to lease—with some preliminary estimates of how much oil and gas to expect from development of the leases.
>
> Without clear guidance as to the relationship of any OCS leasing program to national goals and objectives, we do not see how Government or industry can effectively plan for OCS development. Accordingly, our report recommends that the Secretary of the Interior clearly define the leasing goals and how they relate to overall national energy goals and plans.

Subsequent to the hearings in the Senate on proposed OCS leasing legislation, new petroleum reserve figures published by the U.S. Geological Survey contained a substantial downward appraisal of OCS resource potential. For example, in March of 1974, undiscovered offshore reserves were estimated to be 58 to 116 billion barrels of oil and 355 to 710 trillion cubic feet of natural gas. Most recent figures, however, indicate these reserves to be 10 to 49 billion barrels of oil and 26 to 111 trillion cubic feet of natural gas. Insofar as Atlantic coast potential reserves are concerned early 1974 figures were 10 to 20 billion barrels of oil and 55 to 110 trillion cubic feet of natural gas. However, latest figures place these reserve estimates at 2 to 4 billion barrels of oil and 5 to 14 trillion cubic feet of natural gas. This is almost an 80-percent reduction in reserve estimates off the Atlantic coast.

I believe these evaluations bear out the conclusions reached by me and other Members of this body and the Government Accounting Office:

> Under the present leasing system, the Federal Government is frequently committed to development before it has sufficient information to make intelligent choices.

I agree that our domestic resources must be made available to the American consumer as quickly as it is rationally possible to do so. However, there are several reasons to be concerned over premature development of the frontier OCS areas, these concerns are largely socioeconomic and environmental. As the Council on Environmental Quality's recently published "Environmental Assessment of OCS Oil and Gas Development" states:

> Development of offshore petroleum must be evaluated in terms of possible effects on the coastal and offshore regions as well as onshore. Valuable wetlands, beaches, and tidal flats can be physically and biologically changed by the presence of oil. Residents of the areas may suffer economic, social and psychological harm from the possibility and reality of accumulated oil. The value of preserving recreational, business, and ecologically productive areas must be acknowledged in the development decision.

This report also concluded:

> Storm conditions in the Atlantic and storm and seismic conditions in the Gulf of Alaska present more severe threats to personnel safety and environmental protection than the petroleum industry has faced before. Industry's ability to use technology safely is an essential element in minimizing environmental damage from oil and gas operations in new OCS areas. Careful attention to human factors, systems analysis, and personnel training are very important.

The bill we are considering today goes a long way toward meeting these concerns, however, I would like the distinguished manager of the bill to assure me on one point. If it does happen, that the Interior Department issues leases as currently proposed for vast frontier areas, before this bill is enacted, I believe it imperative that any further operations and activities on these or any other leases be governed by the provisions of this bill once it becomes law. Will this in fact be the case?

Mr. BUMPERS. Yes; that is absolutely correct. All leases, those existing now and those issued between now and the time this bill is enacted will be subject to its provisions the moment it is signed into law. This includes the oil spill liability rules and requirements for development and production plans.

Mr. BIDEN. Thank you. I would also like to, if I may, clarify one additional matter.

As I read section 206 which sets forth the procedures for preparation and approval of an Outer Continental Shelf Lease Development and Production Plan it states, on page 101, that the Secretary shall transmit the plan, and I am quoting here, "together with any draft environmental impact statement prepared pursuant to section 102(2)(C) of the National Environmental Policy Act of 1969, to the Governors of the affected coastal States, any appropriate regional Outer Continuental Shelf Advisory Board, and any appropriate interstate regional entity created under the authority of the Coastal Zone Management Act . . ., for their review and comment."

Now, as I interpret this wording it implies that there may be a situation where a development and production plan would be prepared without any environmental impact statement to accompany it. If my interpretation is correct, would the Senator describe to me the conditions under which this might happen?

Mr. BUMPERS. Yes; that is in fact true. A lessee is required under this bill to prepare a development and production plan for any lease on which development and production had not yet begun by the date of enactment of this measure. Whether approval of a plan requires preparation of an environmental impact statement will depend on the circumstances. For example, a lease for which such a plan is prepared might be adjacent to a leased tract held by the same lessee and on which development and production have been underway for some time.

In this case, development and production on the new tract might involve a tie-in to existing pipeline and other facilities serving the adjacent tract. It is possible that the impact of tying in to these facilities would not be significant and that any alternative to the tie-in would be more costly and involve greater environmental disturbance. In this instance there may not be a need to prepare an environmental impact statement since approval of the plan would not be considered a major Federal action with a significant impact on the environment.

Mr. BIDEN. Well, off the mid-Atlantic coast, an area in which I have some interest and off the Alaskan coast—there are no leases issued as of this date; therefore, no development and production have taken place. As I understand it, however, unless Congress moves quickly—as I believe they should—leases may be granted in these areas before this bill is enacted. The leasing process is therefore proceeding under the authority of the existing OCS law that was enacted in 1953, the one we are trying to update here.

The total acreage involved in these new lease sales is nearly equal to the total 8 million acres that have been leased over the last 20 years. The Atlantic sale alone may involve 3,161,249 acres. I have already expressed by concerns over the manner in which these proposed lease areas have been selected. But even though they are being conducted in haste it is my understanding that it will be 3 years at least and maybe 5 before development and production will begin in these frontier areas. It seems to me that a lot will be learned about these areas by companies, the Federal and State Government agencies and local groups that are studying these areas and planning for the impacts of offshore development. I believe approval of a development and production plan for these previously undeveloped areas where no operating experience exists would be a "major Federal action" and that preparation of an environmental impact statement is an absolute necessity. Under the legislation before us today, would an environmental impact statement accompany a proposed development and production plan involving these frontier areas or areas where very little development and production have previously taken place?

Mr. BUMPERS. Yes, I am sure that it would. Approval of any plan which constituted a significant change from the past situation or level of development and production would be a "major Federal action" and therefore an environmental impact statement would be required.

Mr. BIDEN. And this would be so even though leases were issued before this act we are considering today was signed into law?

Mr. BUMPERS. That is correct.

Mr. BIDEN. I thank the Senator for clarifying this matter.

THE PUBLIC INTEREST AND OFFSHORE OIL

Mr. McGOVERN. Mr. President, I have an amendment number 831 in the nature of a substitute to S. 521, the Outer Continental Shelf Management Act of 1975. I realize that the proposal is too far reaching to be accepted on the Senate floor without hearings, but I offer it now to alert the Senate that I intend to press it as a separate bill at the appropriate time.

According to an estimate by the Exxon Co., over half our domestic oil and gas production will come from frontier areas of Alaska and the Outer Continental Shelf by 1990. Virtually all these reserves, most of them as yet undiscovered, are under publicly owned territory.

In a world of increasingly scarce energy resources, I believe that we should treat the precious reserves which remain to us as a public trust. These reserves should be developed by the public and in the public interest not, as in the past, for the private benefit of a few giant energy corporations.

My amendment to S. 521 mandates public development of the energy and other resources of the Outer Continental Shelf. Under this system, the Secretary of the Interior would engage in exploration and development activities, either directly or through contract arrangements with private companies. Contractors would be paid either in cash or with a percentage of the oil and gas they produce. This approach—royalties to the contractor—is quite common in international practices.

In addition, the amendment provides for using any revenues accruing to the Federal Government over and above program cost to establish an energy development trust fund. This fund would be used not only to promote research and development in such areas as new energy sources and improved fossil fuel recovery techniques, but also to encourage conservation. My intent here is to define "conservation" as broadly as possible in order to include programs designed to save energy in transportation, industrial use, and home heating.

I am sure that some will consider the public development approach a threat to free enterprise. I understand this concern, but do not consider is justified.

There is no question at all that if adopted, my amendment would bring Government participation into what has to date been essentially a private sphere of economic activity. We should keep in mind, however, that offshore oil and gas begin in the public domain. At the time the original decision was taken to permit private interests to develop these public resources, there was no reason to believe that we would ever be confined by the energy situation we now face.

Mr. President, given the record, I do not consider it prudent to entrust our remaining reserves to the multinational energy corporations. Their decisions, taken with global profits in mind, cannot be expected to coincide with the American public interest. We are dealing here with oligopoly, not with the small producers and free entry the free enterprise system requires if it is to function properly.

I do not want to conjure up devils and demons where the multinationals are concerned. But it is perfectly legitimate to point out that the energy companies are in business primarily to make money. From the Exxon, Gulf or Shell point of view, the OPEC cartel must be considered a positive, not a negative phenomenon.

Without OPEC, energy prices would certainly fall around the world. Any threat to OPEC, therefore, is a direct threat to energy industry profits everywhere, the United States included. It is not rational to expect the American branch of the world energy cartel to take steps which might undermine the most extraordinary "good thing" of the 20-century.

The cozy relationship between OPEC and the American energy industry is of very considerable importance with regard to Outer Continental Shelf development. As long as this relationship continues, we may expect the energy industry to understate domestic reserves wherever possible. We may also expect production to stick at the level at which monopoly profits are maximized, not at the level we might expect in a free market situation.

As things stand now, in other words, our energy industry has every economic incentive to operate in total concert with OPEC. Total decontrol of domestic oil and gas prices would simply strengthen this perverse incentive system. Even with safeguards, I am afraid that leasing may well do the same.

In S. 521 as reported, the Committee

on Interior and Insular Affairs has clearly moved toward a public interest orientation in Outer Continental Shelf development. Among other things, the committee proposes safeguards in the leasing program, better Federal access to reserve information and high standards with regard to occupational safety and pollution control.

I very much approve of the thrust the committee has taken in this legislation. I submit, however, that public development has several important advantages over the way we now manage our public resources.

First, public development will give the President, the Congress and the public direct access to all information about the nature and extent of OCS reserves. This kind of information is now virtually impossible to obtain. Companies seem clearly to have falsified their reports on reserves to the Federal Government—reserves, by the way, under public lands, leased from the Government. I consider it ludicrous that in spite of persistent public and congressional complaints, we still do not have reliable data on our own reserves.

Access to accurate information will, in turn, permit us to develop a sensible long-term energy program. If OCS reserves prove large, as I have stated, American policy might be to speed up development in order to break OPEC. If reserves are small, we might have to accept increasing import dependence, launch strict conservation programs and engage in new energy source development on a crash basis. Without accurate information, we decide in the dark.

Further, public development will make it possible to control the pace of resource exploitation in the context of public policy priorities. Where company priorities might call for slow, or rapid development, public priorities could well be different.

Finally, public development will insure that the American people receive a fair return on our national resource endowment. If profits are to be made in exploiting public resources, the people should enjoy them.

It is certainly true that we need to call upon the American energy industry to bring its technological skill to bear in exploring and developing the Outer Continental Shelf. The amendment I propose to S. 521 would permit us to do just that. But at the same time, this amendment would insure that development will be determined by our own national energy priorities and not by the preferences of the companies. It will provide profitable opportunities for the industry while avoiding the kinds of arrangements which have led to abuses in the past.

Mr. MUSKIE. Mr. President, the legislation before us today, S. 521, the Outer Continental Shelf Management Act of 1975, will greatly improve our ability to assure that development of the Outer Continental Shelf is managed responsibly and in the public interest. If properly administered, it will assure the public a fair return for the public resources which are to be exploited.

Additionally, it provides assistance to the States, and through the States to local governments, to aid them in planning for the substantial economic, social and environmental impacts which are likely to be incident to Outer Continental Shelf development. Futher, it assures that States which are adversely impacted by demands for services and other effects of Outer Continental Shelf development will be compensated for losses.

Included in this legislation, both in section 4 of the present Outer Continental Shelf Lands Act and in the proposed sections 23(e) and 5(d)(8) of legislation before us today, are provisions to assure continued effectiveness of State regulations applicable to Outer Continental Shelf activities. These provisions are of particular concern to me because the State of Maine has adopted what may be the most comprehensive regulation relating to oil transfers and oil pollution of any State in the Nation.

Basically, Maine's legislation prohibits discharges of oil into waterways, requires the licensing of transfers of oil from any facilities in tidal waters of the State, uses the license fees collected from these transfer activities to support a fund to pay for cleanup of oil spills and damages to third parties resulting from oil spills, and provides for strict liability of oil facilities in cases of the State seeking repayment to the fund for cleanup costs and damage claims.

Two years ago this legislation, after being thoroughly reviewed, was upheld by the Maine Supreme Court. To assure that the State of Maine can continue to adequately protect its citizens under this comprehensive legislation, and to assure that other States adopting similar innovative programs will be equally well protected, I have several questions relating to the potential impact of this legislation.

Mr. MUSKIE. Is there any provision of S. 521 which would prohibit States from adopting or enforcing laws and regulations controlling oil transfers and oil pollution?

Mr. JACKSON. There is no provision of S. 521 which in any way preempts States from regulating oil transfers and oil pollution.

Mr. MUSKIE. Is there anything in this legislation which would affect or preempt the right of States to charge license fees for oil transfers?

Mr. JACKSON. No.

Mr. MUSKIE. Is there anything in this legislation which would in any way affect or preempt any State laws, or rules of law created by court decisions, such as standards of liability, compensation for damage or otherwise in an area where States presently exercise legislation?

Mr. JACKSON. No. This legislation only applies to the Outer Continental Shelf; it affects no areas over which the States currently exercise jurisdiction. Further the provisions relating to compensation in this bill, where they might apply to damage occurring within a State's jurisdiction supplement, not substitute, current Federal and State laws and court decisions making provisions for compensation for damage from oil-spills.

I would like to draw your attention to the language of section 23(e):

> The provisions of this section shall not be interpreted to supersede section 311 of the Federal Water Pollution Control Act Amendments of 1972 or preempt the field of strict liability or to enlarge or diminish the authority of any State to impose additional requirements.

I would also like to read the report language discussing section 23(e):

> Subsection 23(e) provides that section 23 does not supersede section 311 of the Federal Water Pollution Control Act Amendments of 1972 or preempt the field of strict liability or to enlarge or diminish the authority of any State to impose additional requirements.
>
> The Committee did not want to override the cleanup requirements of the 1972 Act except to provide unlimited liability for cost of cleaning up OCS spills. The Committee also did not want to preclude the States from imposing more stringent requirements if they wished to do so.

Mr. MUSKIE. Does the limitation of individual liability to the $7 million proposed in the new section 23(b)(3) in any way prevent State courts from awarding and forcing recovery of a greater sum against a leaseholder for damages which may occur within the territorial jurisdiction of a State court.

Mr. JACKSON. The limitation of liability provision in section 23(b)(3) does not prohibit State courts from awarding and enforcing recovery of greater sums against individual leaseholders.

Mr. MUSKIE. Is there any provision of this legislation which would provide justification for any person suggesting, in a court action or otherwise, that any State law or regulation, program of compensation or rule established by a State court has been in any way preempted by the provisions of S. 521?

Mr. JACKSON. No; there is no such provision. Again, I refer to section 23(e) of S. 521 and the accompanying report language.

Mr. MUSKIE. Does this legislation provide any special rights for construction, maintenance, or operation of pipelines or other rights-of-way from the Outer Continental Shelf through State territory within the 3-mile limit which could exempt such pipelines or other rights-of-way from regulation by the States?

Mr. JACKSON. Within the 3-mile limit, State laws are and remain fully applicable to any pipelines or other rights-of-way; in fact, the States must grant those rights-of-way within the 3-mile limit.

Mr. HATHAWAY. I am pleased to add my support to this OCS leasing bill today. The Senate previously passed a bill to effect modifications in the legislation governing the granting and administration of OCS leases by the Interior Department. This year's legislation, S. 521, admirably resolves the legitimate, but sometimes conflicting, concerns of Federal, State, and local governments, as well as those of the industry itself.

Section 206 of the bill should be of particular interest to the coastal States, such as my own State of Maine, which have not yet had OCS leasing and development begin off their coasts. The requirement that a development and production plan be drawn up prior to actual development of the OCS resources protects the interests of those States and gives them the opportunity to have substantial input into the progress of resource development off their shores. This section provides a separation of the exploratory phase of OCS leasing from the development phase, and is effective immediately for all leases as of the date of enactment of the bill, including outstanding leases on which development and production has not yet begun. This plan, through transmittal to the Governors and appropriate agencies of the affected coastal States for review and public hearings, gives protection to the interests of those States. In addition it assures industry cooperation with, and full understanding, of their legitimate interests. I feel this is a necessary and strong addition to the present OCS leasing procedure.

Although leasing may continue while the Secretary formulates the 5-year leasing program, the requirement of development and production plans prior to developing leases will necessitate close coordination of these activities with this 5-year program. Additionally, these lease plans, with the preceding environmental baseline studies, will undoubtedly be a source of valuable information and data to the Secretary in developing the comprehensive plan.

Finally, the bill provides for oil spill liability and immediate clean-up procedures, as well as thorough safety procedures to assure to the greatest extent possible that damaging oil spills do not occur. The consideration of the possibility of oil spills cannot be denied, as cannot the possibility of adverse impacts on the coastal states affected by OCS development. This bill adequately recognizes, and protects against these possibilities. Along with the amendments to the Coastal Zone Management Act, it is a well-balanced approach to the need and desire to develop our resources while protecting the total environment which may be affected by this development. It is in the Nation's interest that our offshore resources be developed; it is equally in the interest of the citizens of all States that it be done safely and in accord with full environmental considerations. I am happy to support this bill which, I believe, effectuates both these policies.

CLARIFICATION OF ROLE OF REGIONAL ADVISORY BOARDS

Mr. STONE. Mr. President, S. 521, as reported to the Senate by the Interior Committee—of which I am privileged to be a member—provides for a significant role on the part of the States with respect to the development of the oil and gas resources on the Outer Continental Shelf. I strongly support the principle of giving the States a large role in planning for energy resource development on the Outer Continental Shelf because such development will have a tremendous impact on the coastal States near to and adjoining areas of development. During the committee's consideration and markup of S. 521, I participated in drafting some of the provisions which implement this principle.

In the course of the committee's discussions of the proper role of the States with respect to Outer Continental Shelf development, it was made clear that committee members were interested in giving the States a real and meaningful role, but had no intention of establishing procedures and processes which would directly or indirectly result in unnecessary delay.

Mr. President, I am somewhat concerned that a literal and narrow reading of the present language of S. 521 may cause some misunderstanding in this connection.

In section 30(c) of S. 521, the regional advisory boards established pursuant to the bill are directed to advise the Secretary of Interior on the development and production plans required to be submitted by lessees to the Secretary of the Interior pursuant to section 5 of the act. Section 30(d) provides that the Secretary shall accept recommendations made by a regional advisory board or a Governor of a potentially affected coastal State on such proposed development and production plans unless the Secretary determines that they are not consistent with national security or overriding national interests. It is possible, Mr. President, since such development and production plans may include information concerning matters which have little if any relationship to coastal impact of Outer Continental Shelf development, that these provisions could be used to delay unnecessarily a lessee from proceeding to make the financial commitments and business decisions which need to be made to proceed with development of the Outer Continental Shelf.

In order to clear up any possible misunderstanding in this connection, I would like to point out to the Senate that section 206(4) of S. 521 outlines the kind of information to be included by lessees in the development and production plans which must be submitted to the Secretary before such development and production can be undertaken. Such information includes location of the lease area in reference to other coastal and offshore activities, anticipated location of production units, offshore and onshore support facilities, rights-of-way, and number of pipelines; capacity of onshore facilities and infrastructure at the point of entry into a coastal State of the oil and gas produced, and other such information which is directly related to the potential onshore impact of development and production on the Outer Continental Shelf.

With respect to these matters, Mr. President, I believe the States have every reason to be given a significant voice. With respect to other information not having an impact on coastal areas adjoining or near Outer Continental Shelf development, there is, of course, no reason for the States to be concerned.

Mr. HOLLINGS. Mr. President, today I take great pleasure in supporting a package of legislation which will, if enacted, bring significant reforms to the manner in which the United States explores for and develops the oil and gas resources of our Outer Continental Shelf.

This bill, containing most of the features of my original bill, S. 426, represents the culmination of nearly 2 years of studies, research, hearings, and literally dozens of meetings with concerned parties in order to seek the right legislative balance.

This bill also represents the finest example in my experience of the level of cooperation between Senate committees and other agencies of the Congress so necessary to deal with the important energy matters of our generation. While some have criticized the Congress for inaction on energy matters, there can be no fault found with Congress on the issues dealt with by this legislation amending the Outer Continental Shelf Lands Act. We on the national ocean policy study, the Committee on Commerce, and the Committee on Interior and Insular Affairs, and our staffs, have worked closely and diligently. The result has been a bill which, in my opinion, should receive the support of responsible leaders in the oil industry, its support industry, the Governors of coastal States, concerned environmentalists, and citizens in general.

My colleagues and I who have cosponsored this legislation have every hope that the Senate will be able to act swiftly on this measure and send it on to the House, which is now considering the OCS question through a special ad hoc committee chaired by the distinguished Representative from New York, Mr. JOHN MURPHY.

The national ocean policy study, which I am privileged to chair, has issued a number of reports to the Congress on the OCS issue, and I would commend them to my colleagues who are interested in this matter. They include "North Sea Oil and Gas: Impact of Development on the Coastal Zone," October 1974; "Outer Continental Shelf Oil and Gas Leasing Off Southern California: Analysis of Issues," November 1974; "Outer Continental Shelf Oil and Gas Development and the Coastal Zone," November 1974; "The Economic Value of Ocean Resources to the United States," December 1974; and "Analysis of the Feasibility of Separating Exploration From Production of Oil and Gas on the Outer Continental Shelf," May 1975.

These studies have pointed conclusively to the need to bring the Outer Continental Shelf Lands Act into the decade of the 1970's and to make it capable of meeting the demands of the years of energy strain which lie in the future. The present law was passed in 1953, and has never been amended. There was no need. We have always enjoyed adequate domestic supplies and the oil available from abroad was cheap and plentiful. But things have changed dramatically, and we must hasten to develop new domestic sources of oil and gas. But we must be careful that in our zeal to avoid delay and discover new oil, we do not create an even greater threat to our society through pollution of the seas, destruction of valuable estuaries and coastal wetlands, and proliferation of unplanned, disorderly energy-related development within the coastal zone.

Every Member of the Senate is aware of the legal problems resulting from conflicts between developers and those concerned about protecting the environment. The fight over the Alaska pipeline is the best case in point. Many are annoyed at the delays of the disparate groups petitioning and appealing—as they have every moral and legal right to do—and the judicial bog of that pipeline. Today, I am told, its construction will be a model to the world—a mammoth project which at the same time will leave the fragile Alaskan environment virtually unscathed. The pipeline issue taught us a lesson, and that is that we must face facts as they face us. Under present laws, when interest groups share genuine concerns about Federal performance, such as that conducted pursuant to the OCS Act, interminable appeals can delay any well-intentioned effort on the Outer Continental Shelf for 3 to 4 years. This legislation would, in my opinion, lessen the opportunities for appeal by dealing with the conflicts in advance of final decisions.

Another major reason for amending the act has been the increase of urbanization within our coastal regions. By the year 2000, some 85 percent of our population will live within 50 miles of the coast, about 225 million Americans gathered at the water's edge. Until recently, there has been no national policy influencing development of the coastal zone. Legitimate questions arose: Where was the urban sprawl to be allowed? Where was recreation areas to be secured? Where should we locate the water-consuming industries, the ports facilities? What about the fishing industry? What about the few remaining tracts that lie in their natural state? What about the nuclear powerplants that require water for cooling? What about the oil refineries and pipeline complexes to care for the oil and gas to be brought from the Outer Continental Shelf?

In 1972, there was not a single State in the United States which had a comprehensive management program for its coastal zone. Areas were up for grabs and grabs resulted in injunctions, in lawsuits and letterwriting campaigns. Therefore, in response to the need created by such pressures, the Congress enacted the Coastal Zone Management Act to encourage the State to develop a plan for coastal areas. The Governors are now involved in this national effort. They have a responsibility to their constituencies to look to the future. Every coastal Governor knows that the landside impacts of offshore oil and gas development can be severe. Some States, notably Louisiana and Texas, have conducted preliminary studies which count adverse impacts from OCS development in the millions of dollars annually. Now, in the midst of developing their coastal zone programs, the States are understandably concerned about the lack of information available from the Department of the Interior and the oil companies about the extent of impacts likely to occur in frontier areas. Through the legislation passed by the Senate last week, S. 586, the major concerns of the coastal States for financial planning assistance and compensation, for coordination of OCS development with State coastal zone programs, and for specialized energy-related research and analysis will be met by the Congress. This bill today also reflects the agreement between the Committee on Commerce and the Committee on Interior and Insular Affairs that the proposed Coastal State Fund in section 24 of S. 521 will be eliminated in order to make that provision consistent with the appropriate sections of S. 586 proposing a Coastal Energy Facility Impact Fund and automatic payments to States which are either landing or adjacent to to OCS development. I will join in an amendment to S. 521 which would add to this bill the identical language passed in S. 586 providing aid to the coastal States. I am pleased to join in this agreement with the distinguished chairman of the Committee on Interior and Insular Affairs (Mr. Jackson) which recognizes the expertise and areas of responsibility of our two respective committees, and further evidence the outstanding spirit of cooperation and coordination achieved through the National Ocean Policy Study of the Committee on Commerce and the Fuels and Energy Policy Study of the Interior Committee.

Since 1953, we have gone from energy abundance to energy shortages. Today, we must seek an OCS policy aimed at development of energy, not simply revenue for the treasury. In 1953, the law could be simple, because there were for all practical purposes only two parties involved: The oil companies and the Bureau of Land Management. Now, there are multiple interests: Governors, environmentalists, the Congress, the executive branch and the courts. A law which would disregard the rights of any would only bog us down in further delay. And finally, we now have open Government, Government in the sunshine, where the value of the people's ownership must be assessed and published before the public's resources are bargained away. A new law should be one which ends further need for timeless legal proceedings, but at the same time mandates action from the perspective of the public's rights. And I think more than anything else, industry needs to know its Government's policy so it can act accordingly.

Mr. President, I ask unanimous consent to have printed in the Record a brief analysis of the legislation.

There being no objection, the analysis was ordered to be printed in the Record, as follows:

Analysis of the Legislation

The major provisions of this legislation are:

1. New policies and procedures are established for the management of OCS resources to consider the goals of national economic well being, independence from foreign resources, protection of the environment, and consistency of federal programs with state policies and objectives in their coastal zones.

2. Secretary of the Interior is directed to take renewed recognition of the fact that OCS resources are held in trust for all the people and that development will have significant impacts within the coastal zone.

3. New leasing alternatives are made available with the objective of moving away from strict adherence to the bonus bid system. The preferred alternative would be a procedure whereby entire offshore structures thought to contain oil would be leased to joint ventures composed of private industry and the government, with the government receiving a fair return through a share of net profits after development.

4. Separation of exploration from development would be achieved through imposition of environmental impact statements on field development plans, which would be required following exploration of offshore structures.

5. Orderly development of OCS leases would become the responsibility of the Secretary of the Interior in accordance with a development and production plan to be submitted by the owner of the lease, which would address questions of environmental protection and performance schedule.

6. The Secretary of the Interior would be directed to establish a leasing program to meet national energy needs for a 10-year period. Such a program would consider OCS development in light of other economic, social, and environmental values and the impact of OCS development upon the marine and coastal ecosystem. Leasing would be encouraged first in areas with the least potential for adverse impact.

7. The Secretary would be directed to improve his own program for evaluation of oil and gas resources offshore as to better able to guard the public interest in obtaining fair market value for leased lands. Such efforts would be undertaken by the U.S. Geological Survey through seismic, geomagnetic, gravitional, geophysical, geochemical, of stratagraphic drilling. All data developed will be made available to the public.

8. All programs carried out pursuant to this legislation would be coordinated by the Secretary with coastal management programs being development pursuant to the Coastal Zone Management Act of 1972.

9. The Development and Production Plan submitted to the Secretary following exploration and prior to development may be an action requiring an environmental impact statement and will provide the information now lacking on such questions as the amount of oil and gas available, anticipated location of production units, and other offshore and onshore support facilities as well as estimates of secondary development likely to occur in coastal regions resulting from OCS development.

10. The responsibility for conducting environmental studies and collecting baseline information pertaining to the marine and coastal zone environment shall be assigned to the National Oceanic and Atmospheric Administration. The Secretary of the Interior shall consult with the administrator of NOAA in applying results of this research to the OCS development program.

11. Strengthened safety regulations for oil and gas offshore would be imposed by the Secretary, the Coast Guard, and the Environmental Protection Agency. Enforcement of safety regulations and inspections shall be conducted jointly by the Department of the Interior and the Coast Guard, thus eliminating the duplication of effort which now appears to detract from diligent enforcement of OCS orders and regulations, particularly regarding oil spills.

12. New and higher liability standards would be imposed with a maximum limitation of $200 million per incident.

Mr. HOLLINGS. Now, Mr. President, I think it is important to discuss in greater detail the major items of concern related to the present process of leasing conducted by the Department of the Interior. How these issues would be resolved by our new leasing proposals have been very succinctly analyzed jointly by the staff of the national ocean policy study and the Congressional Office of Technology Assessment. The major issues are: First, public availability of resource information, second, public control of resource development, third, return to the public, and fourth, efficiency of exploration. The following is a brief staff analysis of our proposed lease plan in view of these issues.

1. PUBLIC AVAILABILITY OF RESOURCE INFORMATION

Greater availability of information on the location and amounts of OCS oil and gas resources has been seen as serving three major objectives: First, energy policy planning, second, impact planning, and third, receipt of fair return by the public. Analysis indicates that the proposed leasing plan will further each of these objectives in the following ways.

The proposal to lease by trap, instead of tract, should improve planning for both national energy policy and impact management by providing more rapid and complete information on resource potential through more efficient exploration. In addition, trap leasing and exploration should greatly reduce the current industry opposition to release data. Under the current system, in which some tracts covering a given trap may not be offered for lease at an initial sale, the lessees of adjacent tracts have a strong incentive to preserve confidentiality of the results of their own exploration in order to maintain a competitive advantage in bidding on the remaining tracts when they are offered for sale. If entire traps are sold as units, this incentive to withhold information should be substantially reduced, since data obtained from the exploration of one trap would be of relatively little value in bidding on another unconnected trap. The proposed plan should also facilitate the transfer of information to the public by providing for direct participation by the Government in the deliberations of each joint venture, and by requiring the development of reserve estimates during the development of a production plan for each discovered field.

The proposed leasing system reduces the importance of availability of resource information as a means of assuring fair return to the public because it shifts the primary source of Government revenues from the front-end bonus calculated prior to exploratory drilling to a profit share contingent upon the action level of resources discovered. Since the total amount paid by the lessee to the Government would depend primarily upon the amount of resources ultimately recovered, rather than upon the lessee's guess about that amount at the time of bidding, availability of better information about resource levels prior to leasing would have relatively little effect on the return to the public.

2. PUBLIC CONTROL OF RESOURCE DEVELOPMENT

This issue relates to two primary areas of concern: First, the ability of the affected coastal States to influence the manner in which discovered fields are developed, in order to alleviate or moderate the impacts of development, and second, the ability of the Federal Government to control the rate of production of OCS oil and gas for purposes of national energy policy and environmental protection. The proposed leasing system would affect both areas.

The proposal would significantly increase the States' role in planning for field development by requiring that the production plan prepared by the operator be consistent with the affected States' coastal zone management programs. This should insure that the States' needs and abilities to tolerate the impacts of OCS development will be taken into account in proposed production plans.

The proposed system would also enhance the Federal Government's control over the rate of resource development by specifying that the Government would retain the right to delay or deny production privileges on a discovered field for reasons of environmental protection or national energy policy. At the same time, the provision allowing compensation of bonuses and additional costs, plus interest, to the lessees when it is decided not to produce a discovered field should lessen the reduction of bids that could occur if bidders thought that there were much probability of such action.

3. RETURN TO THE PUBLIC

The proposed system should move the return to the public closer to the true value of the resources being leased than is the case under the current system, for several reasons. Under the present leasing practices, the Government receives the bulk of the total revenue from a lease in the form of a large front-end bonus bid, which is calculated before the actual level of resources being sold is known.

If the company winning the lease is over optimistic in its estimates, the Government may receive more than a fair share of the value of the resources; by the same token, if the winning bidder has underestimated the actual level of resources, the Government may receive less than a fair share.

This uncertainty about the return to the public can be reduced in two ways: First, by increasing the knowledge about the actual amounts of resources being offered for sale—for example, by exploratory drilling prior to leasing for production—or second, by making the public's share primarily dependent upon the amount of resources ultimately recovered. The proposed leasing system adopts the latter approach by shifting the primary source of Government revenue to a contingent profit share. This has the advantage not only of reducing the importance of highly uncertain reserve estimates in determining the return to the public, but also of enabling increased competition in bidding by reducing the high front-end capital requirements associated with the current bonus-bidding system.

Competition in the bidding process, and hence the assurance of fair return to the public, should also be enhanced in several other ways. First, the proposal to offer 1 percent shares should further reduce the front-end capital requirements for participation, giving even a small company the chance to outbid a large one on at least some portion of the interest in a trap. Second, the proposal to ban joint bidding should further enhance competitive pressures.

4. EFFICIENCY OF EXPLORATION

The lease plan as proposed provides a major improvement in efficiency of exploration over the existing system by permitting the leasing of traps instead of tracts. This practice could reduce the drilling rig requirements by 40 percent, according to Interior Department studies. In addition, it reduces the number of marginal holes which might be drilled on marginal tracts. Data disclosure should also provide increased information on frontier areas, while avoiding the historic competitive pressures for data confidentiality, caused by tract leasing. This increased data could improve judgments of drilling sites and depth selections. Since traps would be offered, there would be little or no offering of marginal land for a few years. This should assure the best targets will be drilled first.

Our staff, and the staff of the OTA, has held informal discussions with representatives of the oil industry as well as resource economists. These discussions, which occurred after the hearings conducted jointly by the Interior and Commerce Committees, attempted to identify the areas of general agreement, disagreement, and where problems could be anticipated.

AREAS OF GENERAL AGREEMENT

First. Leasing of entire traps is more desirable and leads to more efficient exploration and development than leasing by fixed tracts.

Second. Trap leasing reduces the competitive pressures for data confidentiality. Under the current system, portions of a trap may not be leased in the initial sale. Data from the leased tracts is then valuable in bidding for those offered later. If entire traps are leased, exploratory data from each trap has little value in subsequent sales of unconnected traps.

Third. No concern was expressed about the ability of industry and USGS to define traps for lease sales. It was felt that ample geophysical data has already been gathered to enable ready identification of major traps.

Fourth. Extensions of fields beyond the area encompassed in the initial trap sale should be offered for competitive bid as drainage tracts when nominated by the field operator, so that the area can be developed in conjunction with the main trap.

Fifth. Profit from each field should be calculated independently of any consideration of the tax position of the individual joint venture members.

Sixth. Each sale in a given region should include several traps.

Seventh. A bidder should be allowed to make multiple bids up to a total of 100 percent, if desired. For example, company A might bid $100,000 per 1 percent share for the first 5 percent, $80,000 per share for the next 5 percent, $70,000 per share for another 5 percent, and so on.

Eighth. Joint ventures formed through the bidding process should be operated on the basis of majority rule, with each member having votes in proportion to his shares. Any member unwilling or unable to provide his share of an expenditure approved by the group either would forfeit his shares, which would be assigned to the other members of the group in proportion to their shares, or would suffer a large penalty, say 300 percent or more of the part of his share of the expenditure borne by the group.

Ninth. A surety bond commensurate with trap size should be required of each bidder to insure financial responsibility.

Tenth. The requirement that a field development plan be consistent with adjacent affected States' coastal zone management programs was seen as agreeable and desirable.

Eleventh. No capital recovery should be allowed on the bonuses in calculating profits or costs for purposes of profit sharing. Allowing recovery of bonuses would cause two problems. First, it would simply be reflected in higher bonuses, which would hinder the objective of reducing the amount of capital tied up in the front-end bonuses. Second, it would greatly confuse the calculation of net profits, since each participant in the joint venture would have different bonuses to recover.

Twelfth. Tax benefits should be shared within the joint venture in proportion to shares.

Thirteenth. The desire to protect its investment is adequate incentive for a firm to be the operator for a field; no other special incentive, such as a tax break, is required.

Fourteenth. Industry representatives felt that there would be no problem with releasing drilling data to USGS, but also felt that because of SEC requirements and other considerations the estimates of reserves for public release should be made by the USGS rather than by the lessees.

Fifteenth. Termination of a lease after discovery of petroleum would be unacceptable except in extreme circumstances arising from national security consideration or from major environmental risks not anticipated at the time of the lease sale. They felt that in general, areas offered for lease should already have been judged to be suitable for production if a discovery is made.

Mr. President, I ask unanimous consent to have printed in the RECORD a description of my basic plan.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PLAN DESCRIPTION

1. Leasing would be on the basis of entire geological structures, rather than 5,760 acre tracts. The geological structures would be defined prior to sale by calling for industry nominations of tracts covering the structure. Based on these nominations and its own analysis, Interior would determine the area to be offered for lease following required environmental hearings.

2. Parties would bid on 1% shares of an undivided working interest in the entire structure. Joint bidding would not be allowed. A party could bid for up to 20% of the total working interest (i.e., twenty 1% shares). Shares would be awarded on the basis of the highest dollar value per 1% interest. The share awarded to the lowest of the high bidders would be adjusted to bring the total of the shares award to 100%.

To see how this system would work, assume that the government received the following bids on a trap offered for lease:

Company	W.I. desired (percent)	Rate dollars per 1 percent	Total bid
A	20	80,000	1,600,000
B	5	120,000	600,000
C	20	75,000	1,500,000
D	10	100,000	1,000,000
E	1	150,000	150,000
F	20	50,000	1,000,000
G	15	90,000	1,350,000
H	20	85,000	1,700,000
I	10	70,000	700,000

In this example, the total of 100% of the undivided working interest would be awarded as follows:

Company	W.I. (percent)	Total bid
E	1	150,000
B	5	600,000
D	10	1,000,000
G	15	1,350,000
H	20	1,700,000
A	20	1,600,000
C	20	1,500,000
I	9	630,000

If there were insufficient bidding interest to cover the entire 100% working interest offered, the government would have the right to reject all offers of offering the remaining shares at the rate specified by the lowest acceptable bidder.

3. The bidders selected in this process would form a joint venture for the exploration and development of the structure. USGS would select an operator from among the winners on the basis of first, the firm's record as a prudent and safe operator, and second, the size of the share won by the firm. Operation would be according to an accounting system and voting procedures (for approving or disapproving operating and exploration plans, and related expenditures) specified by USGS in a standard contract issued at the time of notification of the sale. The government would have the right to participate in all operating decisions.

4. The money received from the high bidders would be placed into an escrow account to draw interest and be made available to the operator for the costs of the exploration development program, with the restriction that exploration costs would only be eligible for 50% reimbursement from the escrowed funds. If the property were explored and condemned as dry prior to using all of the funds placed in the escrow account, the balance would revert to the government. If the exploration and development program required more money than that escrowed into the account from the sale of the working interest, the members of the joint venture would place additional funds into the escrow account in the amount estimated to be necessary. The members would provide these funds in proportion to their shares of the working interest.

5. The government would retain a fixed share of the net profits on the proceeds from sale of the product at fair market value; there would be no royalty payments. Provisions may be made for downward revision of the government's share if it can be demonstrated that increased production costs would make further production uneconomical without such revision. Provision may also be made for a sliding scale of profit sharing keyed to either volume of production or level of profits. The specific requirements would be set prior to each lease sale, and could be varied from sale to sale depending upon analysis of projected production costs and field sizes. The remainder of the profits would be distributed among the members of the venture in proportion to their shares.

6. The government would retain the right to take a part of its profit share in kind, up to a limit of 16⅔% of the total production. The members of the joint venture would have the right to purchase up to their pro rata share of the remaining production at a fair market price.

7. A proposed plan for the development and production of a trap would be submitted to USGS for approval. This approval would be a major Federal action for purposes of NEPA and would require certification for consistency with relevant state coastal zone management plans pursuant to section 307 (c) (3) of the Coastal Zone Management Act.

8. The government would retain the right to refuse permission to produce a productive trap, for reasons such as environmental protection or national energy policy. In this case, the members of the joint venture would be reimbursed all costs incurred in the exploration process including interest.

Mr. HOLLINGS. Mr. President, we have been wrestling to come forth with a realistic proposal that would accelerate private development of our Outer Continental Shelf with a fair return to the taxpayers of America and the oil industry. In this pursuit, we have completed 5 long days of hearings. One major factor stands out, and that is, in offshore drilling, exploration must be decoupled from development. This was most forcibly stated by Dr. William Hargis, chairman of the President's National Advisory Committee on the Oceans and Atmosphere. This committee is made up of scientists, business executives, oil drilling executives, geologists, oceanographers, educators and citizens generally. This Presidential group has also been meeting and debating the issue, and they are convinced in their conclusion to decouple the exploration from the actual development.

Vice President James Carter of the Gulf Oil Corp. probably stated my basic concern best. I asked Vice President Carter whether, if Gulf Oil owned 10 million acres of Outer Continental Shelf lands and was preparing to sell it to Exxon, was not it fundamental that Gulf Oil explore these properties to determine a value before selling them to Exxon. He stated that there was no doubt about it. If this business practice is considered sound to protect the interests of stockholders, then why is not the same practice by Government to protect the citizenry considered sound?

While there is some thought that a Government corporation should be organized to explore and develop the Government's resources, the overriding view of Congress is that we should keep the Government out of the drilling and production business. I firmly believe that we should keep the Government out of the oil business. In my earlier bill, S. 426, I proposed that the Government sponsor exploratory drilling in the same manner that Government conducted its space program. That is, Government should contract with the private or independent drillers to do the work, and the information gained therefrom should be public. I have talked to experts in the Geological Survey and I have talked to drillers. There is no doubt in my mind that the Government could develop a team to do this effectively. At our first hearing, I presented a flow chart of planning, exploration, environmental impact statements, hearings, decisions, drilling and leasing for development. I displayed on this chart the proposals of S. 426 to Secretary Morton and his experts and asked several times, "Do you object to Government exploration because of possible delays?" His categorical answer was "No." He was not worried about delays. He was worried about the political implications of coming up with dry holes. Of course, I told him that there had been plenty of misfires and mishaps at Cape Kennedy. We all know that for every 10 holes drilled, nine come up wanting.

I believe that a sufficient record has been made to substantiate the advantages of a Government exploratory drilling program, and I believe we have the votes in the Senate to enact such a bill. We are prepared on an experimental basis in this new bill to authorize Government contracted exploration in certain areas, some of which may be forbidden for leasing, such as the Destin Anticline off northwest Florida.

There is an old saying that a man convinced against his will is of the same opinion still. Many a congressionally mandated program has been aborted by an unwilling executive. We in Congress are ready to move with dispatch to amend the law and make it possible to develop that Outer Continental Shelf. But until recently, the executive department and most of industry was reluctant. I am told the industry fears that if Government explores and finds oil, the Government will want to produce that oil itself. I don't want that.

Our proposed new legislation offers a solution. What if we go in business together with the Government deciding what areas to explore, and private industry, paying a percentage of profits to the Government, with industry managing the exploration and managing the development. Because of the geological features of the traps of oil and gas in frontier areas of the Outer Continental Shelf, such an approach is not only feasible but attractive.

One of the arbitrary, costly and wasteful policies under the 1953 act was the 5,700-acre requirement. This was not sound geologically. It caused unnecessary drilling, and it created a need for secrecy in drilling data. With high bonus bids, it encompassed a lease package that only the majors could afford. But you ask who is big enough to lease an entire trap? Not even a joint venture could do it. No, not a joint venture of industry, but a joint venture of Government and industry together can do it if we break down the units to be leased in packages of one percent. My proposal is that, geologically, we take an entire trap, say in the Baltimore Canyon. The Government would then lease the trap for exploration in one percentage units to private industry. No one company could unfairly dominate the venture, and the Government's share of a fixed percentage of net profits is announced ahead. This means that small independents as well as major companies will all bid competitively and the lease will be awarded on terms which are in the best interest of both parties.

The Government would prepare the environmental impact statements, if necessary, at both the exploratory and the developmental stages, and the industry would manage and conduct the exploration. The findings would be made public, and, thereafter, development of those finds would be conducted by the companies which had been awarded the lease, subject to approval of their development plan. A composite team could be made from several companies participating, and a major or minor participant could be selected by the composite group as operator for the group. If it succeeded in finding oil, the Government's reward would be a percentage of the rewards to industry. If it failed, the Government, of course, would suffer as others from the failure. But the high risk factor and the high cost of bonus participation have been removed. The Government's royalty interest would become a working interest. With this plan, rather than a reluctant and suspicious industry and Interior Department, we could have willing partners to the initiatives of Congress.

We are all working toward the same goals. We need to get going now to explore new areas of the OCS. We need to increase the stock of public information about the extent of the resources in those areas, so we can use that information for energy policy planning and coastal zone planning. We need to get the small companies into the business. We need to be efficient, to make the most of the available rigs, equipment, capital, manpower and time. We need to ensure the taxpayers and the industry a fair return. And most of all, we need to find and produce oil and gas—the sonner the better. Our people are demanding that, and the state of the world is making it urgent.

Mr. TUNNEY. Mr. President, I am pleased to have this opportunity today to discuss S. 521, proposed revisions to the Outer Continental Shelf Lands Act, comprehensive legislation which will provide for the more orderly development of oil and gas resources in Federal waters adjacent to coastal States.

The bill amends the 1953 law by providing new leasing, exploration, development and production guidelines, giving impacted coastal States a meaningful input, coupling Federal compensation for industrial impacts with the Coastal Zone Management Act and improving safety requirements governing resource recovery technology.

The bill also vastly improves oil spill liability responsibilities, procedurely separates exploration from development and provides incentives to utilize alternative and innovative bidding systems which could provide more return to the public.

Over the past 20 years, we have paid scant attention to the industrial development resulting from OCS development as it was gradual and concentrated in the Gulf of Mexico and Louisiana.

As a result, there grew up a closed system for development of the offshore resources of the United States, consisting of major oil companies and Department of Interior officials. No one questioned the program or sought better ways to manage the leasing and improve the operations.

Beginning with the disastrous Santa Barbara spill in 1969, which was followed by other major platform accidents in the Gulf of Mexico, national attention focused on the inadequacies of OCS leasing and development laws and several in-depth studies of offshore safety, technology and management were initiated. It was evident that gaps in information regarding OCS impacts existed.

Such a review was demanded when in 1973 a proposed schedule for provisional leasing was prepared by the administration which indicated Southern California lands would be nominated for leases in 1974.

In September of 1974, I initiated hearings in California to fully explore the Department's proposal and the implications it would have on the coastal zone adjacent to the federally leased waters. State and local officials were invited to testify on the needs they foresaw for the State to insure reliable protections. Their statements were balanced by reports from the government outlining projected national needs.

In summary, I feel the essence of the testimony was concentrated into eight areas which included:

Need and justification of OCS gas and development;

Response of State and local governments, and the public to the Department of Interior OCS lease schedule in southern California;

Energy conservation and the use of substitute energy sources as alternatives to OCS development;

The impact of government credibility on OCS leasing;

Adequate information on the development of oil and gas resources of the OCS;

Federal, State and local roles in the development of OCS oil and gas;

The Coastal Zone Management Act and its role in OCS development; and

Role of the National Environmental Policy Act in the OCS planning process.

I am very pleased to note that S. 521 addresses itself to most of these issues and I feel satisfactorily meets many of my State's expressed concerns.

There is no questioning the need to develop our domestic resources as our past experience with fuel shortages and price hikes has made clear our desperate need for self-sufficiency. Studies indicate our dependence on foreign oil has tripled in percentage since 1970 and because of price increases, we are now paying 10 times as much for oil as we did 5 years ago.

But, in considering this bill, we must examine three primary areas which I feel need to be strengthened.

First, I would like to discuss the economic aspects involved in accelerating the lease sale.

Lease sales are scheduled in California in October, 3 months before its coastal plan is completed.

According to a study prepared by the national ocean policy study, the undervaluation of tracts by the Department of Interior, using recent tract valuations, would result in a loss of as much as $7.2 billion to the American public.

The study went further to point out that because the Department chose to release such a vast reserve of land in a short time, the bids would be considerably lower and the competition for obtaining leases would be lessened.

In addition, the General Accounting Office has questioned the ability of the oil companies to rapidly develop the amount of leases being offered for sale.

We all realize the need to expedite the development of this Nation's domestic energy resources, but we still have not been informed of any factual basis for the Interior's judgment why October must be the magic month to initiate lease sales, other than it may exempt California from the provisions of this legislation.

One-half of the acreage proposed for immediate sale lies in waters greater than 1,000 feet and present technology may restrict the development of that oil for another 5 years. Shallow water production may not begin for at least 2 years because of the lack of drilling rigs committed by the industry for production.

I also feel we should know the full extent of the estimated reserves. Reports show that OCS oil and gas represents between 10 and 40 percent of all domestic reserves. With an orderly, well-defined, goal-oriented leasing program OCS resources could provide this country with a consistent source of energy, at least to the end of this century.

The petroleum industry has based its "proven reserve" figures on oil and gas which has been identified in the ground which can be produced economically under present conditions. They have identified approximately a 10-year supply. Our planning, however, must be for a much longer period and must take into account all oil and gas potentially available in the United States. Needless to say, offshore reserves are an even greater unknown resource than onshore reserves. I support limited Federal exploration, as proposed in Senator Jackson's amendment, which would provide more definite answers to the extent of the resources and our expected net gains and loss from those areas to produce the oil. Although I oppose Government development of oil and gas I feel a limited exploration program is possible.

In the administration's haste to sell OCS oil and gas, consideration must be given as to timing and leasing of the tracts. S. 521 contains an amendment I introduced last year which mandates that the timing of the sales and location of the leases and tracts not infringe upon the environmental sensitivities of the area to the upmost practical extent. S. 521 also addresses itself to other problems. What is the effect of offshore development on siting of onshore facilities, on the ecology, and on land use patterns? What happens when pipelines, which as of necessity, come ashore? Dredging and laying pipelines can disturb marine and plant life, and building protection for the pipelines at the shoreline can harm fragile areas. Moreover, multiple landings of pipelines can magnify the environment damage, and provides very clear evidence of the need for coordinated planning to create pipeline corridors.

Other facilities associated with offshore development also have major impacts: onshore storage tanks, refineries, port facilities for tankers, petrochemical plants—what do they do? All these things come along with major oil and gas development—although they admittedly might not occur everywhere OCS operations are taking place.

The onshore effects of offshore development are very significant over the long run, and can produce great strains on local resources although, of course, this is not necessarily the case where the onshore effects are located in or near already well-developed centers.

There is a critical need for long-term planning to meet these problems. This planning must include the State and local jurisdictions which will be affected, and this coordination must occur from the very earliest moment. Right now, the degree of local consultation and planning is minimal. S. 521 addresses these problems.

As a Senator from the State which will be of the first to experience OCS impacts, I feel not enough emphasis can be placed on preventative measures in reference to oil spills and equipment safety regulations and inspections.

I joined in support of an amendment which would increase oil spill liability from $7 million to $30 million.

The threat of an oil spill on the coastline and even more certain danger from pollution from very small day-to-day spills underscores the necessity of employing the strictest technological and environmental safeguards. Reports indicate that in 1973 alone there were 13,327 reported spills totaling more than 24 million gallons. One-third of the oil spilled is from unidentified sources. It has also been estimated by the Department of Interior that as many as 16 major oil spills could occur in the next 40 years in southern California alone, all of which would have the repeated impact of the Santa Barbara spill. The oil spill liability provisions of S. 521 would mitigate against such spills.

However, as we all realize, there can never be enough financial compensation for the imposed environmental impact resulting from a spill and, therefore, I have turned my attention toward strengthening provisions concerning the development and production technology. Language which I introduced last year was kept in S. 521 which demands that high standards be kept up by the industry in the area of drilling technology.

The needs of the individual States in terms of procedural protection must not be neglected either.

I support the amendments which insure that adequate information is made available to Federal and State governments regarding the extent of the reserves.

In addition, in this bill, as amended by Senator Stevens, Jackson and Hollings, there are provisions which will give the coastal States financial aid in order to reduce the adverse impacts.

Also with this legislation it would be possible to ensure that the maximum amount of oil is in fact produced.

Reports indicate that there are at least 838,000 acres on Federal land which are classified "producing, shut-in". The leasing oil companies perform a bare minimum required to retain the lease, but are looking more at the future value of the oil.

I am pleased that the Senate passed my amendment which would revise the now proposed discretionary powers of the Secretary to waive production only on the basis of good cause. My amendment removes this loophole and provides that specific production can only be delayed if there is a demonstrated surplus of produceable oil and not enough storage support systems.

The bill makes reference to lease contracts which are outstanding at the time this bill is signed. As I understand this, contracts which have not been fulfilled or, in other words, developed and produced, are subject to the same long-term development plans and programs that new leases are subject to.

This provision is critical if the lease sale in California proceeds according to schedule. The provisions of this bill should apply to existing leases.

Without that guarantee, existing leasees will be developed under the current archaic program regardless of the concerns of the adjacent coastal State.

Hopefully, this will insure a consistency between the leasing agreements made before and made after this becomes law.

Finally, and it goes without saying, that overall national energy policies with regard to resource development go hand in hand with projections and policies regarding energy consumption. Long-term energy consumption is hard to predict, but the information about the availability and cost of producing alternate energy resources must be an ongoing mission, so that future energy consumption rates become clearer with the passage of time.

I feel that drilling for oil and gas on the Outer Continental Shelf should proceed without undue adverse impacts on the coastal States and in fact, should serve as an economic stimulus to those States. This can only happen, however, with a substantive projection of this Nation's future energy needs that is coupled with an orderly and timely leasing schedule.

The State and Federal Government must fully cooperate with each other in order to satisfy the other's demands and in order for us to meet our consumptive needs.

I would like now to commend my colleagues Senator Jackson and Senator Hollings for their work and efforts on this OCS legislation.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

Mr. JACKSON. I ask for the yeas and nays on passage.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. JACKSON. I ask unanimous consent that the time for the rollcall be limited to 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on the engrossment and third reading of the bill.

The bill (S. 521) was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Mississippi (Mr. EASTLAND), the Senator from Ohio (Mr. GLENN), the Senator from Indiana (Mr. HARTKE), the Senator from Washington (Mr. MAGNUSON), the Senator from Montana (Mr. MANSFIELD), the Senator from Maine (Mr. MUSKIE), the Senator from Mississippi (Mr. STENNIS), and the Senator from Missouri (Mr. SYMINGTON) are necessarily absent.

I further announce that if present and voting, the Senator from Ohio (Mr. GLENN), and the Senator from Washington (Mr. MAGNUSON) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Nebraska (Mr. CURTIS), the Senator from Arizona (Mr. GOLDWATER), the Senator from New York (Mr. JAVITS), and the Senator from Virginia (Mr. SCOTT) are necessarily absent.

The result was announced—yeas 67, nays 19, as follows:

[Rollcall Vote No. 362 Leg.]

YEAS—67

Abourezk
Allen
Bayh
Beall
Biden
Brooke
Bumpers
Burdick
Byrd,
Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Domenici
Eagleton
Fong
Ford
Gravel
Hansen
Hart, Gary W.
Hart, Philip A.
Haskell
Hatfield
Hathaway
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So the bill (S. 521) was passed, as follows:

S. 521

An act to increase the supply of energy in the United States from the Outer Continental Shelf; to amend the Outer Continental Shelf Lands Act; and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Outer Continental Shelf Management Act of 1975".

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TITLE I—FINDINGS AND PURPOSES

FINDINGS

SEC. 101. The Congress finds and declares that—

(1) the demand for energy in the United States is increasing and will continue to increase for the foreseeable future;

(2) domestic production of oil and gas has declined in recent years;

(3) the United States has become increasingly dependent upon imports of oil from foreign nations to meet domestic energy demand;

(4) increasing reliance on imported oil is not inevitable, but is rather subject to significant reduction by increasing domestic sources of energy supply;

(5) consumption of natural gas in the United States has greatly exceeded additions to domestic reserves in recent years, so that currently available supplies are less than demand;

(6) technology is or can be made available which will allow sufficient production and consumption of domestic energy supply to meet demands consistent with national environmental policies;

(7) the Outer Continental Shelf contains significant quantities of petroleum and natural gas, which are a vital national reserve that must be carefully managed in the public interest;

(8) there presently exists a variety of technological, economic, environmental, administrative, and legal problems which tend to retard the development of the oil and natural gas resources of the Outer Continental Shelf;

(9) it is the national policy to preserve, protect, and develop the resources of this Nation's coastal zone, and to provide for the orderly siting of energy facilities therein;

(10) the development, processing, and distribution of the oil and gas resources of the Outer Continental Shelf, and the siting of related energy facilities, may cause adverse impacts on the coastal zones of the various coastal States; and

(11) the Coastal Zone Management Act of 1972 provides policy, procedures, and programs designed to anticipate such adverse impacts and in part prevent them by appropriate planning and management of land and water resources in the coastal zone.

PURPOSES

SEC. 102. The purposes of this Act are to—

(1) establish policies and procedures for managing the oil and natural gas resources of the Outer Continental Shelf in order to achieve national economic and energy policy goals and assure national security, reduce dependence on foreign sources, and maintain a favorable balance of payments in world trade;

(2) make oil and natural gas resources in the Outer Continental Shelf available to meet the Nation's energy needs as rapidly as is consistent with the need to balance orderly energy resource development with protection of the marine and coastal environment, and in a manner designed to ensure the public a fair market return on the resources of the Outer Continental Shelf;

(3) encourage development of new and improved technology for energy resource production that will increase human safety and eliminate or reduce risk of damage to the environment; and

(4) provide States which are directly impacted by Outer Continental Shelf oil and gas exploration and development with comprehensive assistance in order to assure adequate protection of the onshore social, economic, and environmental conditions of the coastal zone; and

(5) assure that coastal States which are directly impacted by exploration and development of oil and natural gas adjacent to their coastal zone are provided an opportunity to participate in policy and planning decisions relating to management of the resources in the Outer Continental Shelf.

TITLE II—INCREASED PRODUCTION OF OUTER CONTINENTAL SHELF ENERGY RESOURCES

NATIONAL POLICY FOR OUTER CONTINENTAL SHELF

SEC. 201. Section 3 of the Outer Continental Shelf Lands Act is revised by adding the following new subsections (c), (d), and (e).

"(c) It is hereby declared that the Outer Continental Shelf is a vital national resource reserve held by the Federal Government for all the people, which should be made available for orderly development, subject to environmental safeguards, consistent with and when necessary to meet national needs.

"(d) It is hereby recognized that development of the oil and gas resources of the Outer Continental Shelf will have significant impact on coastal zone areas of adjacent States and that, in view of the national interest in the effective management of the coastal zone, (1) such States may require assistance in protecting their coastal zone insofar as possible from the adverse effects of such impact, and (2) such States are entitled to participate, to the extent consistent with the national interest, in the policy and planning decisions made by the Federal Government relating to exploration for and development, and production of oil and gas in the Outer Continental Shelf."

"(e) It is hereby recognized that the rights and responsibilities of the States to preserve and protect their marine and coastal environments through such means as regulation of land, air, and water uses and of related development and activity should be protected.".

NEW SECTIONS OF OUTER CONTINENTAL SHELF LANDS ACT

SEC. 202. The Outer Continental Shelf Lands Act is hereby amended by adding the following new sections:

"DEVELOPMENT OF OUTER CONTINENTAL SHELF LEASING PROGRAM

"SEC. 18. (a) The Secretary is authorized and directed to prepare and maintain a leasing program in accordance with the procedures established pursuant to subsection (d) of this section, to implement the policy set forth in section 3 of this Act. The leasing program shall indicate as precisely as possible the size, timing, and location of leasing activity that will best meet national energy needs for the five-year period following its approval or reapproval in a manner consistent with the following principles:

"(1) management of the Outer Continental Shelf in a manner which considers all of the economic, social, and environmental values of the renewable and nonrenewable resources contained therein and the potential impact of oil and gas exploration and development on these values of the Outer Continental Shelf and the marine and coastal environments;

"(2) timing and location of leasing to distribute, exploration, development, and production of oil and gas among various areas of the Outer Continental Shelf, considering:

"(A) existing information concerning their geographical, geological, and ecological characteristics;

"(B) their location with respect to, and relative needs of, regional energy markets;

"(C) their location with respect to other uses of the sea and seabed including fisheries, intracoastal navigation, existing or proposed sea lanes, potential sites of deepwater ports, and other existing or potential uses of the resources and space in the Outer Continental Shelf;

"(D) interest by potential oil and gas producers in exploration and development as indicated by tract nominations and other representations;

"(E) an equitable sharing of developmental benefits and environmental risks among various regions of the United States; and

"(F) laws, goals, and policies of the affected and adjacent coastal States;

"(3) timing and location of leasing so that areas with the greatest potential for the discovery of oil and gas are leased first, taking into consideration, to the maximum extent practicable, the potential for environmental damage and adverse impact on coastal zone, consistent with the Secretary's determination of national needs.

"(4) receipt of fair market return for public resources.

"(b) The program shall include estimates of the appropriations and staffing required by all Federal agencies and programs necessary to—

"(1) conduct such geophysical exploration authorized by section 19 of this Act as may be deemed necessary;

"(2) obtain resource information and any other information needed to prepare the leasing program required by this section;

"(3) analyze and interpret any data and other information which may be compiled under the authority of this Act;

"(4) conduct environmental baseline studies and prepare any environmental impact statement required in accordance with section 102(2)(C) of the National Environmental Policy Act of 1969 (83 Stat. 852; 42 U.S.C. 4321 et seq.); and

"(5) supervise operations under each lease in the manner necessary to assure compliance with the requirements of the law, the regulations and the terms of the lease.

"(c) The environmental impact statement on the leasing program prepared in accordance with section 102(2)(C) of the National Environmental Policy Act of 1969, shall include, but shall not be limited to, an assessment by the Secretary of the relative significance of the probable oil and gas resources of each area proposed to be offered for lease in meeting national demands, the most likely rate of exploration and development that is expected to occur if the areas are leased, and the relative environmental hazard of each area. Such environmental impact statement shall be based on consideration of the following factors, without being limited thereto: geological and geophysical conditions, biological data on existing animal, marine, and plant life, and commercial and recreational uses of nearby land and water areas.

"(d) The Secretary shall, by regulation, establish procedures for receipt and consideration of nominations for areas to be offered for lease or to be excluded from leasing, for public notice of and participation in development of the leasing program, for review by State and local governments which may be impacted by the proposed leasing, and for coordination of the program with the management program being developed by any State for approval pursuant to section 305 of the Coastal Zone Management Act of 1972 and to assure consistency with the management program of any State which has been approved pursuant to section 306 of such Act. These procedures shall be applicable to any revision or reapproval of the leasing program.

"(e) The Secretary shall publish a proposed leasing program in the Federal Register and submit it to the Congress together with a draft environmental impact statement within nine months after enactment of this section. No less than sixty days after publication of the proposed leasing program in the Federal Register and at least sixty days prior to approving a leasing program the Secretary shall publish it in the Federal Register and submit it to the President and the Congress together with any comments received from State and local governments, and from any regional Outer Continental Shelf Advisory Board established by section 30 of this Act. Such publication and submission shall indicate why any specific recommendations of a State or local government or regional advisory board were not accepted.

"(f) After the leasing program has been approved by the Secretary or after June 30, 1977, whichever comes first, no leases under this Act may be issued unless they are for areas included in the approved leasing program.

"(g) The Secretary may, in the same manner as it was originally developed, revise and reapprove the leasing program at any time and he must review and reapprove the leasing program at least once each year.

"(h) The Secretary is authorized to obtain from public sources, or to purchase from private sources, any surveys, data, reports, or other information (including interpretations of such data, surveys, reports, or other information) which may be necessary to assist him in preparing environmental impact statements and making other evaluations required by this Act. The Secretary shall maintain the confidentiality of all proprietary data or information for such period of time as is agreed to by the parties.

"(i) The heads of all Federal departments or agencies are authorized and directed to provide the Secretary with any nonproprietary information he requests to assist him in preparing the leasing program. In addition, the Secretary is authorized and directed to utilize the existing capabilities and resources of other Federal departments and agencies by appropriate agreement.

"FEDERAL OUTER CONTINENTAL SHELF OIL AND GAS INFORMATION PROGRAM

"SEC. 19. (a) The Secretary is authorized and directed to conduct an information gathering program regarding oil and gas resources of the Outer Continental Shelf. This program shall be designed to provide information about the probable location, extent, and characteristics of such resources including, but not limited to, the probable geographical extent of any structure or trap, in order to provide a basis for (1) development and revision of the leasing program required by section 18 of this Act, (2) greater and better informed competitive interest by potential producers in the oil and gas resources of the Outer Continental Shelf, (3) more informed decisions regarding the value of public resources and revenues to be expected from leasing them, and (4) assisting State and local government agencies in assessing the likely impacts of the development of such public resources.

"(b) The Secretary is authorized to conduct seismic, geomagnetic, gravitational, geophysical, geochemical, or stratigraphic drilling, or to contract for or purchase the results of such exploratory activities from commercial sources which may be need to implement the provisions of this section of this Act. The Secretary is further authorized and directed on an experimental basis to contract for such exploratory drilling as necessary to determine the presence or absence of commercial quantities of oil or gas, and to obtain sufficient information concerning the geology or seabed conditions which may affect the development of the resources on geological structures which the Secretary determines should be explored by the United States Government for national security or environmental reasons or for the purpose of expediting development in frontier areas. Such exploratory drilling shall not be done in areas included in the leasing program prepared pursuant to section 18 of this Act; however, in developing the leasing program, the Secretary must take the Federal exploratory option provided herein into consideration. Beginning at the end of the first year in which exploratory drilling is conducted, the Secretary shall file an annual report to Congress which shall include, but not be limited to, costs of exploration, staffing required to administer the program, and a detailed description of the progress of the program and recommendations as to whether such programs should be expanded. Such programs shall be conducted so as not to delay commercial production of oil and gas on the Outer Continental Shelf where such production is consistent with the principles of this Act. No more than $500,000,000 shall be expended by the Secretary pursuant to the second sentence of this subsection.

"(c) The Secretary, in cooperation with the Secretary of Commerce, is directed to prepare and publish and keep current a series of detailed bathymetric, geological, and geophysical maps of and reports about the Outer Continental Shelf, based on nonproprietary data, which shall include, but not necessarily be limited to, the results of seismic, gravitational, and magnetic surveys on an appropriate grid spacing to define the general bathymetry, geology, and geophysical characteristics of the area. Such maps shall be prepared and published no later than six months prior to the last day for submission of bids for any areas of the Outer Continental Shelf scheduled for lease on or after June 30, 1977.

"(d) Within six months after enactment of this section, the Secretary shall develop and submit to Congress a plan for conducting the information gathering programs required by this section. This plan shall include an identification of the areas to be surveyed and mapped during the first five years of the programs and estimates of the appropriations and staffing required to implement them.

"(e) The Secretary shall include in the annual report required by section 15 of this Act, information concerning the carrying out of his duties under this section, and shall include as a part of each such report a summary of the current data for the period covered by the report.

"(f) No action taken to implement this section, except Federal exploratory drilling, shall be considered a major Federal action for the purposes of section 102(2)(C) of the National Environmental Policy Act of 1969.

"(g) There are hereby authorized to be appropriated such sums as are necessary to carry out the purposes of this section during fiscal year 1975 and 1976, to the Secretary and to appropriate Federal agencies having responsibilities under this section.

"(h) The Secretary shall, by regulation, require that any person holding a lease issued pursuant to this Act for oil or gas exploration or development on the Outer Continental Shelf shall provide the Secretary with any existing data (including interpretation of such data) about the oil or gas resources in the area subject to the lease. The Secretary and any other person (other than the owner thereof) who comes into possession of such information shall maintain the confidentiality of all proprietary data or information until such time as the Secretary determines that public availability of such proprietary data or information would not damage the competitive position of the lessee.

"(i) The Secretary shall make available by appropriate means to the public, the regional Outer Continental Shelf advisory boards and to appropriate State and local governmental agencies all data, information, maps, interpretations, and surveys which are obtained pursuant to subsection (b) of this section directly by the Secretary or under a service contract: *Provided, however*, That the Secretary shall maintain the confidentiality of all proprietary data or information purchased from commercial sources while not under contract with the United States Government for such period of time as is agreed to by the parties. For the purpose of this subsection, subsection 552(b)(9) of title 5 of the United States Code shall not apply to geological and geophysical information and data, including maps, concerning wells or other related information acquired directly by the Department or under a service contract pursuant to subsection (b) of this section.

"(j) All Federal departments or agencies are authorized and directed to provide the Secretary with any information or data (except information or data required by law to be kept confidential by such department or agency) that may be deemed necessary to assist the Secretary in implementing the information program pursuant to this section of this Act. Proprietary information or data provided to the Secretary under the provisions of this subsection shall remain confidential for such period of time as was agreed to by the parties at the time it was obtained by such department or agency. In addition, the Secretary is authorized and directed to utilize the existing capabilities and resources of other Federal departments and agencies by appropriate agreement.

"(k) The Secretary is authorized and directed to make available without charge to any State agency having management responsibility for submerged lands, any information, data, maps, interpretations, or surveys which are in his possession or control, and which relate to the State agency responsibility for development of oil and gas resources in submerged lands: *Provided, however*, That such State agency shall provide proper assurances of confidential treatment of such data as to which the Secretary is obligated by law or contract to maintain confidentiality: *And provided further*, That the provisions of section 27 of this Act shall apply to any public disclosure of such confidential data by any person possessing such confidential data.

"(l) After the Secretary determines that he has leased an entire geologic structure or trap he shall publish annually estimates of the amounts of oil and gas contained in such structures or traps. Such estimates shall be based on all the information available to the Secretary about such structures or traps and he shall make such information available to the public.

"SAFETY REGULATIONS FOR OIL AND GAS OPERATIONS

"Sec. 20. (a) Policy.—It is the policy of this section to insure, through improved techniques, maximum precautions, and maximum use of the best available technology by well-trained personnel, safe operations in the Outer Continental Shelf. Safe operations are those which prevent or minimize the likelihood of blowouts, loss of well control, fires, spillages, or other occurrences which may cause damage to the environment, or to property, or endanger life or health.

"(b) Regulation Study.—(1)(A) The Secretary with the concurrence and advice of the Administrator of the Environmental Protection Agency and the Secretary of the Department in which the Coast Guard is operating, shall develop, from time to time revise, and promulgate safety regulations for operations in the Outer Continental Shelf, to implement as fully as possible the policy of subsection (a) of this section. Within one year after the enactment of this section, the Secretary shall complete a review of existing safety regulations, consider the results and recommendations of the study authorized in paragraph (2) of this subsection, and promulgate a complete set of safety regulations (which may include Outer Continental Shelf orders) applicable to operations in the Outer Continental Shelf or any region thereof. Any safety regulations in effect on the date of enactment of this section which the Secretary finds should be retained shall be promulgated according to the terms of this section, but shall remain in effect until so repromulgated. No safety regulations (other than field orders) promulgated pursuant to this subsection shall reduce the degree of safety or protection to the environment afforded by safety regulations previously in effect.

"(B) In promulgating regulations under this section, the Secretary shall require on all new drilling and production operations, and, wherever practicable on already existing operations, the use of the best available technology wherever failure of equipment would have a significant effect on public health, safety, or the environment.

"(2) Upon the enactment of this section, the National Academy of Engineering shall conduct a study of the adequacy of existing safety regulations and technology, equipment, and techniques for operations in the Outer Continental Shelf, including but not limited to the subjects listed in subsection (a) of this section. Not later than nine months after the enactment of this section, the results of the study and recommendations for improved safety regulations shall be submitted to the Congress and to the Secretary.

"RESEARCH AND DEVELOPMENT

"Sec. 21. (a) The Secretary is authorized and directed to carry out a research and development program designed to improve safety of operations related to exploration and development of the oil and gas resources of the Outer Continental Shelf where similar programs are not presently being conducted by any Federal department or agency and where he determines that such research and development is not being adequately conducted by any other public or private entity including but not limited to—

"(1) downhole safety devices,

"(2) methods for reestablishing control of blowing out or burning wells,

"(3) methods for containing and cleaning up oil spills, and

"(4) improved flow detection systems for undersea pipelines.

"(b) The Secretary of the department in which the Coast Guard is operating, shall establish equipment and performance standards for oil spill cleanup plans and operations. Such standards shall be consistent with the National Oil and Hazardous Substances Pollution Contingency Plan. Before such standards are issued, the Administrators of the Environmental Protection Agency and the National Oceanic and Atmospheric Administration shall be given an opportunity to review and comment on the proposed standards.

"(c) The Secretary of Commerce, in cooperation with the Secretary of the Navy, the Secretary of the Department in which the Coast Guard is operating, and the Director of the National Institutes of Occupational Safety and Health, shall conduct studies of underwater diving techniques and equipment suitable for protection of human safety.

"ENFORCEMENT OF SAFETY REGULATIONS; INSPECTIONS

"Sec. 22. (a)(1) The Secretary with the assistance of the Secretary of the department in which the Coast Guard is operating shall enforce the safety and environmental protection regulations promulgated under this Act. They shall regularly inspect all operations authorized pursuant to this Act and strictly enforce safety regulations promulgated pursuant to this Act and other applicable laws and regulations relating to public health, safety, or environmental protection. All holders of leases under this Act shall allow prompt access at the site of any operations subject to safety regulations to any inspector, and provide such documents and records that are pertinent to public health, safety, or environmental protection, as such Secretaries or their designees may request.

"(2) The Secretary, with the concurrence of the Secretary of the department in which the Coast Guard is operating, shall promulgate regulations within one hundred and twenty days of the enactment of this section to provide for—

"(A) physical observation at least once each year by an inspector of the installation or testing of all safety equipment designed to prevent or ameliorate blowouts, fires, spillages, or other major accidents; and

"(B) periodic onsite inspection without advance notice to the lessee to assure compliance with public health, safety, or environmental protection regulations.

"(3) The Secretary of the department in which the Coast Guard is operating shall make an investigation and public report on all major fires and major oil spillage occurring as a result of operations pursuant to this Act. For the purposes of this subsection, a major oil spillage is any spillage in one instance of more than two hundred barrels of oil over a period of thirty days: *Provided*, That he may, in his discretion, make an investigation and report of lesser oil spillages. All holders of leases under this Act shall cooperate with him in the course of such investigations.

"(4) For the purposes of carrying out their responsibilities under this section, the Secretary or the Secretary of the department in which the Coast Guard is operating may by agreement utilize with or without reimbursement the services, personnel, or facilities of any Federal agency.

"(b) The Secretary or the Secretary of the department in which the Coast Guard is operating shall consider any allegation from any person of the existence of a violation of any safety regulations issued under this Act. The Secretary shall answer such allegation no later than ninety days after receipt thereof, stating whether or not such alleged violations exist and, if so, what action has been taken.

"(c) In any investigation directed by this section the Secretary or the Secretary of the department in which the Coast Guard is operating shall have power to summon before them or their designees witnesses and to require the production of books, papers, documents, and any other evidence. Attendance of witnesses or the production of books, papers, documents, or any other evidence shall be compelled by a similar process as in the United States district court. In addition, they or their designees shall administer all necessary oaths to any witnesses summoned before said investigation.

"LIABILITY FOR OIL SPILLS

"SEC. 23. (a) Any person in charge of any oil and/or gas operations in the Outer Continental Shelf, as soon as he has knowledge of a discharge or spillage of oil from an operation, shall immediately notify the United States Coast Guard of such discharge. Any such person who fails to comply with this requirement shall, upon conviction, be fined not more than $10,000 or imprisoned for not more than one year, or both. Notification received pursuant to this subsection, or information obtained by the use of such notification, shall not be used against any such individual in any criminal case, except a prosecution for perjury or for giving a false statement.

"(b) (1) Notwithstanding the provisions of any other law, the holder of a lease or right-of-way issued or maintained under this Act and the Offshore Oil Pollution Settlements Fund (hereinafter referred to as 'the fund') established by this subsection shall be strictly liable without regard to fault and without regard to ownership of any adversely affected lands, structures, fish, wildlife, or biotic or other natural resources relied upon by any damaged party for subsistence or economic purposes, in accordance with the provisions of this subsection for all damages, including cleanup costs, sustained by any person as a result of discharges of oil or gas from any operation authorized under this Act and maintained by such holder of a lease or right-of-way if such damages occurred (A) within the territory of the United States, Canada, or Mexico, or (B) in or on waters within two hundred nautical miles of the baseline of the United States, Canada, or Mexico from which the territorial sea of the United States, Canada, or Mexico is measured, or (C) within one hundred nautical miles of any such operation. Claims for such injury or damages may be determined by arbitration or judicial proceedings.

"(2) Notwithstanding the provisions of any other law, the holder of a lease or right-of-way issued or maintained under this Act and the Offshore Oil Pollution Settlements Fund (hereinafter referred to as 'the fund') established by this subsection shall be strictly liable for the rehabilitation and restoration, without regard to fault and without regard to ownership, of any adversely affected lands, structures, fish, wildlife, or biotic or other natural resources administered by Federal, State, or local governmental agencies and in accordance with the provisions of this subsection, for all damages sustained as a result of discharges of oil or gas from any operation authorized under this Act and maintained by such holder of a lease or right-of-way if such damages occurred (A) within the territory of the United States, Canada, or Mexico, or (B) in or on waters within two hundred nautical miles of the baseline of the United States, Canada, or Mexico from which the territorial sea of the United States, Canada, or Mexico is measured, or (C) within one hundred nautical miles of any such operation. Claims for such injury or damages may be determined by arbitration or judicial proceedings.

"(3) Strict liability shall not be imposed under this subsection on the holder or the fund if the holder or the fund proves that the damage was caused by an act of war. Strict liability shall not be imposed under this subsection on the holder if the holder proves that the damage was caused solely by the negligence of the United States or other governmental agency. Strict liability shall not be imposed under this subsection with respect to the claim of a damaged person if the holder or the fund proves that the damage was caused solely by the negligence or intentional act of such person.

"(4) The holder shall be liable for the first $22,000,000 of such claims that are allowed. The fund shall be liable for the balance of the claims that are allowed.

"(5) In any case where liability without regard to fault is imposed pursuant to this subsection, the rules of subrogation shall apply in accordance with the laws of the State in which such damages occurred: *Provided, however*, That in the event such damages occurred outside the jurisdiction of any State, the rules of subrogation shall apply in accordance with the laws applicable pursuant to section 4 of this Act.

"(6) The Offshore Oil Pollution Settlements Fund is hereby established as a nonprofit corporate entity that may sue and be sued in its own name. The fund shall be administered by the holders of leases issued under this Act under regulations prescribed by the Secretary. The fund shall be subject to an annual audit by the Comptroller General, and a copy of the audit shall be submitted to the Congress. Claims allowed against the fund shall be paid only from moneys deposited in the fund.

"(7) There is hereby imposed on each barrel of oil produced pursuant to any lease issued or maintained under this Act a fee of 2½ cents per barrel. The fund shall collect the fee from the lessees or their assignees. Costs of administration shall be paid from the money collected by the fund, and all sums not needed for administration and the satisfaction of claims shall be invested prudently in income producing securities approved by the Secretary. Income from such securities shall be added to the principal of the fund.

"(8) If the fund is unable to satisfy a claim asserted and finally determined under this subsection, the fund may borrow the money needed to satisfy the claim from any commercial credit source, at the lowest available rate of interest, subject to the approval of the Secretary. If the Secretary finds that such credit is not available, the fund may borrow the money needed to satisfy the claim from the United States Treasury at existing commercial interest rates.

"(9) No compensation shall be paid under this subsection unless notice of the damage is given to the Secretary within three years following the date on which the damage occurred.

"(10) Payment of compensation for any damage pursuant to this subsection shall be subject to the holder or the fund acquiring by subrogation all rights of the claimant to recover for such damages from any other person.

"(11) The collection of amounts for the fund shall cease when $200,000,000 has been accumulated, but shall be renewed when the accumulation in the fund falls below $200,000,000. The fund shall insure that collections are equitable to all holders of a lease or right-of-way.

"(12) The several district courts of the United States shall have jurisdiction over claims against the fund.

"(c) (1) Whenever any oil is discharged or spilled as a result of an operation on the Outer Continental Shelf, the Secretary for the Department in which the Coast Guard is operating shall remove or arrange for the removal of such oil as soon as possible, unless that Secretary determines such removal will be done properly and expeditiously by the lessee or permittee of the operation from which the discharge occurs.

"(2) Removal of oil and actions to minimize damage from oil discharges shall, to the greatest extent possible, be in accordance with the National Contingency Plan for removal of oil and hazardous substances established pursuant to section 311(c) (2) of the Federal Water Pollution Control Act, as amended (86 Stat. 862; 33 U.S.C. 1321 et seq.).

"(3) Whenever the Secretary of the Department in which the Coast Guard is operating acts to remove a discharge or spillage of oil pursuant to this subsection, he is authorized to draw upon money available in the Offshore Oil Pollution Settlements Fund established pursuant to subsection (c) of this section. Such money shall be used to pay promptly for all cleanup costs incurred by Federal, State, or local governmental agencies in removing or in minimizing damage caused by such oil spillage or discharge.

"(4) All costs, including administrative, incurred by the Secretary or any other Federal, State, or local official or agency, of such removal and other actions to minimize damages pursuant to this subsection shall be borne by the lessee or permittee of the operation from which the discharge occurs.

"(d) The Secretary shall establish requirements that all holders of leases issued or maintained under this Act shall establish and maintain evidence of financial responsibility of not less than $22,000,000: *Provided*, That in the event the lease is held by a consortium, that such financial responsibility may be satisfied by the aggregate financial responsibility of all members of a consortium. Financial responsibility may be established by any one of, or a combination of, the following methods acceptable to the Secretary: (A) evidence of insurance, (B) surety bonds, (C) qualification as a self-insurer, or (D) other evidence of financial responsibility. Any bond filed shall be issued by a bonding company authorized to do business in the United States.

"(e) The provisions of this section shall not be interpreted to supersede section 311 of the Federal Water Pollution Control Act Amendments of 1972 or preempt the field of strict liability or to enlarge or diminish the authority of any State to impose additional requirements.

"CITIZEN SUITS

"Sec. 24. (a) Except as provided in subsection (b) of this section, any person having an interest which is or may be adversely affected may commence a civil action on his own behalf—

"(1) against any person including—

"(A) the United States, and

"(B) any other governmental instrumentality or agency to the extent permitted by the eleventh amendment to the Constitution who is alleged to be in violation of the provisions of this Act or the regulation promulgated thereunder, or any permit or lease issued by the Secretary; or

"(2) against the Secretary where there is alleged a failure of the Secretary to perform any act or duty under this Act which is not discretionary with the Secretary.

"(b) No action may be commenced—

"(1) under subsection (a)(1) of this section—

"(A) prior to sixty days after the plaintiff has given notice in writing under oath of the violation (i) to the Secretary, and (ii) to any alleged violator of the provisions of this Act or any regulations promulgated thereunder, or any permit or lease issued thereunder;

"(B) if the Secretary has commenced and is diligently prosecuting a civil action in a court of the United States to require compliance with the provisions of this Act or the regulations thereunder, or the lease, but in any such action in a court of the United States any person adversely affected or aggrieved may intervene as a matter of right; or

"(2) Under subsection (a)(2) of this section prior to sixty days after the plaintiff has given notice in writing under oath of such action to the Secretary, in such manner as the Secretary shall by regulation prescribe, except that such action may be brought immediately after such notification in the case where the violation complained of, constitutes an imminent threat to the health or safety of the plaintiff or would immediately affect a legal interest of the plaintiff.

"(c) In any action under this section, the Secretary, if not a party, may intervene as a matter of right.

"(d) The court, in issuing any final order in any action, brought pursuant to subsection (a) of this section, may award costs of litigation including reasonable attorneys fees to any party, whenever the court determines such award is appropriate. The court may, if a temporary restraining order or preliminary injunction is sought, require the filing of a bond or equivalent security in accordance with the Federal Rules of Civil Procedure.

"(e) Nothing in this section shall restrict any right which any person or class of persons may have under this or any statute or common law to seek enforcement of any of the provisions of this Act and the regulations thereunder, or to seek any other relief, including relief against the Secretary.

"PROMOTION OF COMPETITION

"Sec. 25. Within one year after the date of enactment of this section, the Secretary shall prepare and publish a report with recommendations for promoting competition and maximizing production and revenues from the leasing of Outer Continental Shelf lands, and shall include a plan for implementing recommended administrative changes and drafts of any proposed legislation. Such report shall include consideration of the following—

"(1) other competitive bidding systems permitted under present law as compared to the bonus bidding system;

"(2) evaluation of alternative bidding systems not permitted under present law;

"(3) measures to ease entry of new competitors; and

"(4) measures to increase supply to independent refiners and distributors.

"ENFORCEMENT AND PENALTIES

"Sec. 26. (a) At the request of the Secretary or the Secretary of the Department in which the Coast Guard is operating, the Attorney General may institute a civil action in the district court of the United States for the district in which the affected operation is located for a restraining order or injunction or other appropriate remedy to enforce any provision of this Act or any regulation or order issued under the authority of this Act.

"(b) If any person shall fail to comply with any provision of this Act, or any regulation or order issued under the authority of this Act, after notice of such failure and expiration of any period allowed for corrective action, such person shall be liable for a civil penalty of not more than $5,000 for each and every day of the continuance of such failure. The Secretary or the Secretary of the department in which the Coast Guard is operating may assess, collect, and compromise any such penalty. No penalty shall be assessed until the person charged with a violation shall have been given an opportunity for a hearing on such charge.

"(c) Any person who knowingly and willfully violates any provision of this Act, or any regulation or order issued under the authority of this Act designed to protect public health, safety, or the environment or conserve natural resources or knowingly and willfully makes any false statement, representation, or certification in any application, record, report, plan, or other document filed or required to be maintained under this Act, or who knowingly and willfully falsifies, tampers with, or renders inaccurate any monitoring device or method of record required to be maintained under this Act or knowingly and willfully reveals any data or information required to be kept confidential by this Act, shall upon conviction, be punished by a fine of not more than $100,000, or by imprisonment for not more than one year, or both. Each day that a violation continues shall constitute a separate offense.

"(d) Whenever a corporation or other entity violates any provision of this Act, or any regulation or order issued under the authority of this Act, any officer, or agent of such corporation or entity who knowingly and willfully authorized, ordered, or carried out such violation shall be subject to the same fines or imprisonment as provided for under subsection (c) of this section.

"(e) The remedies prescribed in this section shall be concurrent and cumulative and the exercise of one does not preclude the exercise of the others. Further, the remedies prescribed in this section shall be in addition to any other remedies afforded by any other law or regulation.

"ENVIRONMENTAL BASELINE AND MONITORING STUDIES

"Sec. 27. (a) Prior to approval of any development and production plan as required by section 5 of this Act (as amended), the Administrator of the National Oceanic and Atmospheric Administration (hereinafter referred to as 'Administrator'), in consultation with the Secretary, shall conduct a study of the area or region involved to establish baseline information concerning the status of the marine and coastal environment of the Outer Continental Shelf and the coastal zone which may be affected by oil and gas development.

"(b) Subsequent to development of any area studied pursuant to subsection (a) of this section, the Administrator, in consultation with the Secretary, shall monitor the areas involved in a manner designed to provide time-series data which can be compared with previously collected data for the purpose of identifying any significant changes in the quality and productivity of the environment.

"(c) Such studies shall be planned and carried out in full cooperation with the affected States.

"(d) In addition to developing a baseline of information, such studies, to the extent practicable, shall be designed to predict impacts on the marine biota resulting from chronic low level pollution or large spills associated with Outer Continental Shelf production; the introduction of drill cuttings and drilling muds in the area; and from the laying of pipe to serve the offshore production area; and the impacts of development offshore on the adjacent and affected coastal areas.

"ENVIRONMENTAL IMPACT STATEMENTS

"Sec. 28. The environmental impact statements related to the implementation of this Act pursuant to the requirements of section 102(2)(C) of the National Environmental Policy Act of 1969 (83 Stat. 852; 42 U.S.C. 4321 et seq.), shall include, in addition to any other statutory and regulatory requirements—

"(1) interrelationships and cumulative environmental impacts of development of the proposed lease tract in relation to existing and possible future oil and gas development or the siting of other energy facilities in the Outer Continental Shelf or in the adjacent coastal zone;

"(2) population and growth characteristics of the affected coastal States or adjacent States and identification of any assumptions used to project the impact of proposed development of offshore oil and gas resources on population and growth, including an assessment of the effect of any possible change in population patterns or growth upon the resource base including land use, water and public services;

"(3) relationship and consistency of the proposed exploration or development and production of oil and gas to existing or developing or approved coastal zone management programs of the affected coastal States developed in accordance with the Coastal Zone Management Act of 1972 (86 Stat. 1280, 16 U.S.C. 1451 et seq.);

"(4) probably secondary or indirect impact of the proposed exploration, development or production on the marine and coastal environments.

"REGIONAL OUTER CONTINENTAL SHELF ADVISORY BOARDS

"Sec. 29. (a) The Governors of coastal States may establish regional Outer Continental Shelf advisory boards for such regions and with such membership as they may determine after consultation with the Secretary of the Interior and the Secretary of Commerce.

"(b) Representatives of the following Federal officials shall be entitled to participate as observers in the deliberations of such boards: the Secretary, the Secretary of Commerce, the Administrator of Federal Energy Administration, the Chairman of the Council on Environmental Quality, the Commandant of the Coast Guard, and the Administrator of the Environmental Protection Agency.

"(c) Such boards shall advise the Secretary on all matters related to Outer Continental Shelf oil and gas development including but not limited to development of the leasing program required by section 18 of this Act; approval of development and production plans required preparation of by section 5 of this Act (as amended); implementation of environmental baseline and monitoring studies; and the environmental impact statements prepared in the course of implementation of this Act.

"(d) If a regional advisory board or a Governor of a potentially affected coastal State makes specific recommendations to the Secretary regarding the size, timing, or location of a proposed lease sale or on a proposed development and production plan, the Secretary shall accept such recommendations from the regional advisory board or Governor, unless he determines they are not consistent with national security or overriding national interests. If the Secretary finds that he cannot accept any such recommendations, he shall communicate, in writing, to the board or the Governor the reasons for rejection of such recommendations. The Secretary's determination pursuant to this subsection shall be final unless determined in a judicial review to be arbitrary, or capricious. Such review shall take place in the United States Court of Appeals for a circuit in which an affected coastal State is located. The first sentence of this subsection shall not apply to the determination by the Secretary whether the proposed development and production plan insures a safe operation.

"(e) The provisions of subsection (d) above shall apply only to recommendations submitted to the Secretary within sixty days of receipt by the board or the Governor of a notice of a proposed lease sale or within thirty days after public hearings on a development and production plan.

"JUDICIAL REVIEW

"SEC. 30. (a) Any action of the Secretary to approve a leasing program pursuant to section 18 of this Act shall be subject to judicial review only in the United States Court of Appeals for the Ditrict of Columbia Circuit.

"(b) Any action of the Secretary to approve the holding of a specific lease sale or approve, require modification of, or disapprove a development and production plan pursuant to section 5 of this Act (as amended) shall be subject to judicial review only by a United States court of appeals for a circuit in which an affected coastal State is located.

"(c) Any person who participates in the administrative proceedings related to the actions specified in subsections (a) and (b) of this section and who is adversely affected or aggrieved by the nation must file a petition for review of the Secretary's action within sixty days from the date of such action. The petitioner forthwith shall transmit copies of the petition to the Secretary and the Attorney General of the United States, who shall represent the Secretary.

"(d) The Secretary shall file in the court the record of any public hearings required by this Act and any additional information (including the environmental impact statement which accompanied the leasing program or development and production plan) upon which the Secretary based his decision, as provided in section 2112 of title 28, United States Code. No objection to the action of the Secretary shall be considered by the court unless such objection has been submitted to the Secretary during the administrative proceedings related to the actions involved.

"(e) The court shall hear such petition solely on the record made before the Secretary. The findings of the Secretary, if supported by substantial evidence on the record considered as a whole, shall be conclusive. The court may affirm, vacate, or modify any order or decision or may remand the proceedings to the Secretary for such further action as it may direct.

"(f) Upon the filing of the record with the court, the jurisdiction of the court shall be exclusive and its judgment shall be final, except that such judgment shall be subject to review by the Supreme Court of the United States upon writ of certiorari.

"PLANNING INFORMATION TO COASTAL STATES

"SEC. 31. As soon as practicable after each lease sale, the Secretary shall make available to the affected coastal States, additional information designed to assist them in planning for the on-shore impacts of possible oil and gas development and production. Such information shall include estimates of (1) the oil and gas reserves leased, (2) the size and timing of development if and when oil and/or gas is found, (3) the location of pipelines, and (4) general location and nature of on-shore facilities.

"LIMITATIONS ON EXPORT

"SEC. 32. Any oil or gas produced from the Outer Continental Shelf except such oil or gas which is either exchanged in similar quantity for convenience or increased efficiency of transportation with persons or the government of a foreign state, or which is temporarily exported for convenience or increased efficiency of transportation across parts of an adjacent foreign state and reenters the United States, shall be subject to all of the limitations and licensing requirements of the Export Administration Act of 1969 (Act of December 30, 1969; 83 Stat. 841) and, in addition, before any oil or gas subject to this section may be exported under the limitations and licensing requirements and penalty and enforcement provisions of the Export Administration Act of 1969 the President must make and publish an express finding that such exports will not increase reliance on imported oil or gas and are in the national interest and are in accord with the provisions of the Export Administration Act of 1969: Provided, That the President shall submit reports to the Congress containing findings made under this section, and after the date of receipt of such report Congress shall have a period of sixty calendar days, thirty days of which Congress must have been in session, to consider whether exports under the terms of this section are in the national interest. If the Congress within this time period passes a concurrent resolution of disapproval stating disagreement with the President's finding concerning the national interest, further exports made pursuant to the aforementioned Presidential findings shall cease.".

REVISION OF LEASE TERMS

SEC. 203. Section 8 of the Outer Continental Shelf Lands Act is amended by revising subsections (a) and (b) to read as follows:

"(a) The Secretary is authorized to grant to the highest responsible qualified bidder by competitive bidding under regulations promulgated in advance oil and gas leases on submerged lands of the Outer Continental Shelf which are not covered by leases meeting the requirements of subsection (a) of section 6 of this Act. The bidding shall be:

"(1) by sealed bid;

"(2) at the discretion of the Secretary, on the basis of—

"(A) cash bonus bid with a royalty fixed by the Secretary at not less than 16⅔ per centum in amount or value of the production saved, removed, or sold;

"(B) variable royalty bid based on a percentum of the production saved, removed, or sold with a cash bonus as determined by the Secretary;

"(C) cash bonus bid with diminishing or sliding royalty based on such formulae as the Secretary shall determine as equitable to encourage continued production from the lease as resources diminish, but not less than 16⅔ per centum in amount or value of the production saved, removed, or sold at the beginning of the lease period;

"(D) cash bonus bid with a fixed share of the net profits derived from operation of the tract of no less than 60 per centum reserved to the United States;

"(E) fixed cash bonus with the net profit share reserved to the United States as the bid variable;

"(F) cash bonus with a royalty fixed by the Secretary at not less than 16⅔ per centum in amount or value of the production saved, removed, or sold and a per centum share of net profits derived from the production of oil and gas produced from the lease; or

"(G) cash bonus bids for 1 per centum shares of an undivided working interest in the exploration and development of a lease area, such shares to be awarded on the basis of the value of the bid per share, with a fixed share of the net profits derived from the lease to be determined by the Secretary, but not to be less than 60 per centum of such net profits, reserved to the United States;

"(H) cash bonus bids for 1 per centum shares of an undivided working interest in the exploration and development of a lease area, such shares to be awarded on the basis of the value of the bid per share, and with a diminishing or sliding share of the net profits derived from the lease reserved to the United States, based on such formulae as the Secretary shall determine as equitable to encourage continued production from the lease as resources diminish and/or costs of production increase and to ensure that the cumulative value of the share reserved to the United States not be less than 50 per centum of the cumulative value of the profits from the lease;

"(I) a proposed exploration program for the area to be leased described in terms of specific activities to be undertaken or amounts of money to be spent with a royalty fixed by the Secretary at not less than 16⅔ per centum in amount or value of the products saved, removed, or sold, or with a fixed share of the net profits derived from the lease to be determined by the Secretary, but not to be less than 60 per centum of such net profits, reserved to the United States;

"(J) royalty based on a percentage of the production saved, removed, or sold, or net profit share reserved to the United States as the bid variable with a cash bonus fixed by the Secretary in an amount which he estimates would pay for an adequate exploratory drilling program on the tract to be leased: *Provided, however,* That such royalty shall not be less than 16⅔ per centum in amount or value of the production saved, removed, or sold and such net profit share shall not be less than 60 per centum of such net profit. The Secretary shall deposit in an interest-bearing escrow account any cash bonus received pursuant to this subparagraph and shall grant to the lessee of any area leased pursuant to this subparagraph such amounts of such funds as the lessee may need to finance the cost of exploratory drilling on the lease area: *Provided, however,* That no grants shall be made in excess of the cash bonus received for the leased area and the interest accrued thereon: *Provided further,* That the payment of the cash bonus may be deferred according to a schedule announced at the time the tract is put out for lease, but such payment shall be made within three years from the date of the lease sale.

"(3) The net profit share to be paid to the United States as provided in subparagraphs (D), (E), (F), (G), and (H) of paragraph (2) of this subsection shall be determined individually for each lease area, and shall be published in the Federal Register not less than ninety days before the lease sale.

"(4) The Secretary shall by regulation establish accounting procedures and standards to govern the calculation of the net profits. Such regulation shall include a capital recovery plan based upon a reasonable rate of interest and a reasonable period of recovery. In the event of any dispute between the United States and a lessee concerning the calculation of the net profits, the burden of proof shall be on the lessee. The accounting procedures shall provide for the deduction of appropriate overhead expenses and general administrative expenses of a lessee which are attributable to the support of activities performed on the lease area in question.

"(5) The United States shall be considered a nonvoting party to any joint working group formed pursuant to subparagraphs (G) and (H) of paragraph (2) of this subsection for the purpose of participating in the management of the joint exploratory and development venture: *Provided, however,* That the United States shall not contribute any operating funds for the exploration and development of a lease other than the matching grants authorized by paragraph (10) of this section. The Secretary shall represent the United States for the purposes of this paragraph. The Secretary shall establish standards and procedures for selection of operators for any joint working group.

"(6) The Secretary shall utilize the bidding alternative from among those authorized by this section so as to accomplish the objectives of this Act, considering both the overall national interest and equity among the interested parties: *Provided, however,* That the cash bonus bid with royalty fixed by the Secretary system authorized by subparagraph (A) of paragraph (2) of this subsection shall not be applied to more than 50 per centum of the area offered for lease each year in each region where there has been no development of oil and gas prior to October 1, 1975, including the Outer Continental Shelf region off southern California outside the Santa Barbara Channel: *And provided further,* That subsequent to passage of this Act, a study will be initiated of the benefits and costs associated with conducting lease sales using the undivided working interest cash bonus bid systems authorized by subparagraphs (G) and (H) of paragraph (2) of this subsection. These systems shall be analyzed in terms of their ability to accomplish the objectives of this Act, considering both the overall national interest and equity among the interested parties. One of the systems authorized by subparagraphs (G) and (H), and one alternative system shall be tested at sales held in an area previously undeveloped for oil and gas during the first year after enactment of this Act and an additional test of one of such systems and one other alternative system shall be conducted at sales held within one year after the first such tests. The results of such tests shall be incorporated into an overall analysis of these systems and this analysis shall be provided to Congress no later than twelve months after the sale date. If, during the first year following enactment of this Act, the Secretary finds that compliance with the limitations on use of the leasing system authorized by subparagraph (A) of paragraph (2) of this subsection would delay development of the oil and gas resources of the Outer Continental Shelf, he may exceed that limitation after he submits to the Senate and House of Representatives a report stating his finding and the reasons therefor. If, in any year following the first year after enactment of this Act, the Secretary finds compliance with such limitation would delay development of such resources, he shall submit to the Senate and House of Representatives a report stating his finding and the reasons therefor. If either the Senate or House of Representatives passes a resolution of disapproval of the Secretary's finding within thirty days after receipt of such report (not including days when Congress is not in session) such limitation shall not be exceeded.

"(7) The United States shall have the right to purchase up to 16⅔ per centum by volume of the annual production of hydrocarbons from a lease at fair market value at the wellhead of the oil and/or gas (as may be the case) saved, removed, or sold. The lessees of any joint working group of successful bidders under subparagraph (G) or (H) of paragraph (2) of this subsection shall have the right to purchase shares of the remaining production in proportion to their shares in the joint working group, at fair market value at the well head of the oil and/or gas (as may be the case) saved, removed, or sold.

"(8) Joint bids shall not be permitted under the undivided working interest cash bonus bid system pursuant to subparagraph (G) or (H) of paragraph (2) of this subsection.

"(9) The Secretary shall deposit in an interest-bearing escrow account the working interest cash bonuses received from each lease sold under the provisions of subparagraphs (G) and (H) of paragraph (2) of this subsection for the purpose of providing working capital for exploratory drilling on the lease sales pursuant to paragraph (10) of this subsection.

"(10) The Secretary is authorized and directed to grant to the operating lessee or lessees of any joint working group of successful bidders under subparagraphs (G) and (H) of paragraph (2) of this subsection such funds as may be needed to finance 50 per centum of the cost of exploratory drilling on the lease areas as such costs accrue. Such matching grants shall be paid from the proceeds of the working interest cash bonus bids for each lease sale: *Provided, however,* That no grants shall be made in excess of the total working interest cash bonuses received for the respective lease sale. Funds from the working interest cash bonus bids remaining at the completion of exploratory drilling shall be deposited in the Treasury of the United States.

"(b) An oil and gas lease issued pursuant to this section shall (1) cover an area designated by the Secretary on the basis of entire geological structures or traps, to the maximum extent practicable; or (2) comprise a reasonable, economic production unit as determined by the Secretary; (3) be for a period of (i) five years or (ii) for up to ten years where the Secretary deems such longer period necessary to encourage exploration and development in areas of unusually deep water or adverse weather conditions and as long thereafter as oil or gas may be produced from the area in paying quantities, or drilling or well reworking operations as approved by the Secretary are conducted thereon; (4) require the payment of value as determined by one of the bidding procedures set out in subsection (a) of this section; (5) entitled the lessee to explore, develop, and produce the oil and gas resources contained within the lease areas: *Provided, however,* That such development and production is conditioned upon approval of the development and production plan required by section 5 of this Act; and (6) contain a provision that the Secretary shall, under conditions defined in applicable regulations prescribed by the Secretary, have the right to require increased production under such lease for purposes of dealing with emergency shortages of oil or gas or other national emergencies; and (7) contain such rental provisions and such other terms and provisions as the Secretary may prescribe at the time of offering the area for lease.

FEDERAL ROYALTY OIL AND GAS

Sec. 204. Section 8 of the Outer Continental Shelf Lands Act, as amended by this Act, is further amended by adding a new subsection (k) to read as follows:

"(k)(1) All royalties accruing to the United States under any oil or gas lease or permit under this Act on demand of the Secretary shall be paid in oil or gas.

"(2) DISPOSITION OF FEDERAL ROYALTY OIL.—Upon commencement of production of oil from any lease, issued after the effective date of this subsection, the Secretary shall offer to the public and sell by competitive bidding for not less than its fair market value, in such amounts and for such terms as he determines, that proportion of the oil produced from said lease which is due to the United States as royalty or net profit share oil. The Secretary shall limit participation in such sales where he finds such limitation necessary to assure adequate supplies of oil at equitable prices to independent refiners. In the event that the Secretary limits participation in such sales, he shall sell such oil at an equitable price. The lessee shall take any such royalty oil for which no acceptable bids are received and shall pay to the United States a cash royalty equal to its fair market value, but in no event shall such royalty be less than the fair market value. In the event that net profit share oil produced under an undivided working interest cash bonus bid system pursuant to subparagraphs (G) and (H), paragraph (2) of subsection (a) of section 8 of this Act, as amended, is sold back to the lessees, each party to the joint working group shall be eligible to purchase a pro rata share according to its per centum working interest.

"(3) DISPOSITION OF FEDERAL ROYALTY GAS.—Upon commencement of production of gas from any lease issued after the effective date of this subsection, the Secretary shall, except as provided in this paragraph, offer to the public and sell by competitive bidding for not less than its fair market value, in such amounts and for such terms as he determines, that proportion of the gas produced from said lease which is due the United States as royalty gas. Whenever, after consultation with and advice from the Administrator of the Federal Energy Administration, and the Chairman of the Federal Power Commission, the Secretary determines that an emergency shortage of natural gas is threatening to cause severe economic or social dislocation in any region of the United States and that such region can be serviced in a practical, feasible and efficient manner by royalty gas of the Federal government, the Secretary shall limit participation of competitors for the sale of any such royalty gas to those servicing such region, but he shall not make any sale for less than the fair market price.".

ANNUAL REPORT

Sec. 205. Section 15 of the Outer Continental Shelf Lands Act is amended to read as follows:

"ANNUAL REPORT BY SECRETARY TO CONGRESS

"Sec. 15. Within six months after the end of each fiscal year, the Secretary shall submit to the President of the Senate and the Speaker of the House of Representatives a report on the leasing and production program in the Outer Continental Shelf during such fiscal year, including a detailing of all moneys received and expended, and of all leasing, development, and production activities; a summary of management, supervision, and enforcement activities; a summary of grants made from the Coastal State Fund; and recommendations to the Congress for improvements in management, safety and amount of production in leasing and operations in the Outer Continental Shelf and for resolution of jurisdictional conflicts or ambiguities.".

OUTER CONTINENTAL SHELF DEVELOPMENT AND PRODUCTION PLAN

Sec. 206. Section 5 of the Outer Continental Shelf Lands Act is amended by adding the following new subsections:

"(d)(1) Prior to development and production, a lessee shall submit to the Secretary for approval, and to the Governors of the affected coastal States and the appropriate regional boards established pursuant to the Act for review, a Development and Production Plan (hereinafter referred to as the 'plan'). The plan may apply to more than one lease.

"(2) After enactment of this section no oil and gas lease may be issued pursuant to this Act unless the lease requires that development and production of reserves be carried out in accordance with a plan which meets the requirements of this section.

"(3) With respect to leases outstanding on the date of the enactment of this section, where development and production have not yet begun on such leases, a proposed development and production plan must be submitted to and approved by the Secretary and submitted to the Governor of the affected coastal State and appropriate regional boards for review in accordance with the provisions of this subsection prior to the commencement of development and production.

"(4) Such plan shall include, to the extent available at the time of its submission, but not be limited to, the following information:

"(A) location of the lease area in reference to other coastal and offshore activities, including other oil and gas developments or potential developments nearby and nature and extent of the oil and/or gas resources.

"(B) anticipated location of production units, offshore and onshore support facilities, and rights-of-way and number of pipelines and other infrastructure necessary to produce, transport, process, and distribute oil and gas from the lease area;

"(C) capacity of onshore facilities and infrastructure at the point of entry into a coastal State of the oil or gas produced within the lease area estimated to the extent possible;

"(D) assessment of the need for new onshore facilities or infrastructure that may be required to handle the oil or gas produced from the lease area, or otherwise to support operations within the lease area;

"(E) extraordinary geologic conditions or resource values in the lease area and/or affected areas of the coastal zone which may require special treatment or precautions to protect the marine or coastal environment or insure the safe development and production from the lease area;

"(F) expected rate of development and production from the lease area which shall be consistent with the requirements of paragraph (5) of this subsection;

"(G) anticipated productive life of the lease area and the field in which it is located;

"(H) such other information as may be required by the Secretary to determine environmental, social, or economic impacts of the proposed development.

"(5) All plans shall include a commitment on the part of the lessee to produce at a rate no less than the maximum efficient rate for the duration of production covered by the plan: *Provided*, That upon a finding by the Secretary that production at such rate would be uneconomical for the lessee, would result in more production than can reasonably be stored, transported, or consumed, or would violate other provisions of this Act, the Secretary shall waive such requirement. The Secretary shall promulgate by regulation guidelines for the determination by the lessee of such maximum efficient rate of production. Such rate shall be submitted by the lessee to the Secretary at the earliest practicable time following discovery of oil or natural gas. The Secretary shall review such rate to insure consistency with such guidelines, and if he finds that such rate complies with such guidelines, such rate shall become a part of the plan. If he finds that such rate does not comply with such guidelines, he shall revise such rate, and such revised rate shall then be included in the plan. The Secretary shall review periodically his findings under the preceding two sentences pursuant to paragraph (8)(B) of this subsection and order such adjustments in such rates as are appropriate.

"(6) If the Secretary determines that the proposed plan makes adequate provision for safe operations on the Outer Continental Shelf, he shall tentatively approve those portions of the plan dealing with operations on the Outer Continental Shelf and transmit it, together with any draft environmental impact statement prepared pursuant to section 102(2)(C) of the National Environmental Policy Act of 1969, to the Governors of the affected coastal States, any appropriate regional Outer Continental Shelf Advisory Board, and any appropriate interstate regional entity created under the authority of the Coastal Zone Management Act (as amended), for their review and comment and make the plan available to the general public not less than sixty days prior to public hearings as provided for by paragraph (7) of this subsection. Any such draft environmental impact statement shall be made available to the public as soon as it is completed. After such tentative approval, the lessee may proceed with development on the Outer Continental Shelf in accordance with the plan: *Provided, however,* That prior to approval of the plan the Secretary may require modifications pursuant to paragraph (8) of this subsection.

"(7) The Secretary shall conduct public hearings within the affected coastal States not less than sixty days prior to approval or disapproval of the plan. Sufficient opportunity shall be provided for representatives of the affected States, local governments, the lessee and members of the public to testify. Transcripts of such hearings shall be printed and made part of the record, including the comments of any affected State, any regional Outer Continental Shelf Advisory Board, local government, or interstate or regional entity which reviewed the plan and shall be made available to the public upon request.

"(8)(A) The Secretary shall require modification of a proposed plan if he determines that the lessee has failed to make adequate provision in the plan for safe operations on the lease area or for protection of the marine or coastal environment, including protection of the coastal zone from avoidable adverse impacts: *Provided, however,* That the Secretary may not require any modification which would be inconsistent with a State coastal zone management program approved pursuant to section 306 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1455) or with any valid exercise of authority by the State involved or any political subdivision thereof. The Secretary shall disapprove a plan only (1) if the lessee fails to demonstrate that he can comply with the requirements of this Act and other applicable Federal law, or (2) if because of extraordinary geologic conditions in the lease area; extraordinary resource values in the marine or coastal environment, or other extraordinary circumstances, the proposed plan cannot be modified to insure a safe operation.

"(B) The Secretary shall require periodic review of the plan in light of changes in available information, and other onshore or offshore conditions affecting or impacted by the development and production. Where the review indicates that the plan should be revised to meet the requirements of this paragraph, the Secretary shall require such revision.

"(9) The Secretary may approve revisions of an approved plan if he determines that such revision will lead to greater recovery of oil and gas, improve the efficiency, safety, and environmental protection of the recovery operation, or is the only means available to avoid substantial economic hardship on the lessee, to the extent consistent with protection of the marine and coastal environments. Any revision of an approved plan which the Secretary deems to be significant must be reviewed as provided in paragraphs (6) and (7) of this subsection.

"(10) Failure to comply with an approved plan shall terminate the lease.

"(e) After the date of enactment of this section, holders of oil and gas leases issued pursuant to this Act shall not be permitted to flare natural gas from any well unless the Secretary finds that there is no practicable way to obtain production or to conduct testing or workover operations without flaring.

"(f) After the date of enactment of this section, all new leases issued pursuant to this Act and, to the extent legally permissible, all existing leases so issued shall require, as a condition to such lease, that the lessee shall design and immediately implement an exploratory, development and production program to obtain maximum efficient rates of production from the lands subject to such lease as soon as practicable.".

GEOLOGICAL AND GEOPHYSICAL EXPLORATION

SEC. 207. Section 11 of the Outer Continental Shelf Lands Act is hereby amended to read as follows:

"SEC. 11. No person shall conduct any type of geological or geophysical explorations in the Outer Continental Shelf without a permit issued by the Secretary. Each such permit shall contain terms and conditions designed to (1) prevent interference with actual operations under any lease maintained or granted pursuant to this Act; (2) prevent or minimize environmental damage; and (3) require the permittee to furnish the Secretary with copies of all data (including geological, geophysical, and geochemical data, well logs, and drill core analyses) obtained during such exploration. The Secretary shall maintain the confidentiality of all data so obtained until after the areas involved have been leased under this Act or until such time as he determines that making the data available to the public would not damage the competitive position of the permittee, whichever comes later.".

ENFORCEMENT

SEC. 208. Subsection 5(a)(2) of the Outer Continental Shelf Lands Act is hereby amended by deleting the first sentence.

DEFINITIONS

SEC. 209. Section 3 of the Outer Continental Shelf Lands Act is hereby amended by adding the following:

"(e) The term 'coastal zone' means the coastal waters (including the lands herein and thereunder) and the adjacent shorelands (including the waters therein and thereunder), strongly influenced by each other and in proximity to the shorelines of the several coastal States, and includes transitional and intertidal areas, salt marshes, wetlands, and beaches. The zone extends seaward to the outer limit of the United States territorial sea. The zone extends from the shorelines inward to boundaries of the coastal zone as identified by the coastal States pursuant to the regulations promulgated under the authority of the Coastal Zone Management Act of 1972 (16 U.S.C. 1454(b)(1)). Excluded from the coastal zone are lands the use of which is by law subject to the discretion of or which is held in trust by the Federal Government, its officers, or agents.

"(f) The term 'coastal State' means a State of the United States in, or bordering on, the Atlantic, Pacific, or Arctic Ocean, the Gulf of Mexico, or Long Island Sound.

"(g) The term 'marine environment' means the physical atmospheric, and biological components, conditions, and factors which in combination and interactively determine the productivity, state, condition, and quality of the marine ecosystem including the waters of the high seas, contiguous zone, transitional and intertidal areas, salt marshes, and wetlands within the coastal zone and in the Outer Continental Shelf of the United States.

"(h) The team 'coastal environment' means the physical, atmospheric, biological, social, and economic components, conditions, and factors which in combination and interactively determine the productivity, state, and quality of the human environment and marine and terrestrial ecosystem from the seaward boundary of the coastal zone inward to the boundary of the coastal zone as identified by the States pursuant to the regulations promulgated under the authority of the Coastal Zone Management Act of 1972 (86 Stat. 1280; 16 U.S.C. 1454(b)(1)), and including that part of the marine environment which falls within the coastal zone.

"(i) the term 'exploration' means the process of searching for oil or natural gas, including geophyical surveys where magnetic, gravity, seismic, spectroscopic or other systems are used to detect or imply the presence of oil or natural gas; any drilling, whether on or off known geological structures including a well in which a discovery of oil or natural gas in commercial quantities is made, also including any additional delineation wells after such discovery needed to delineate the formation and to enable the lessee to determine whether to proceed with development and production.

"(j) The term 'development' means those activities which take place following discovery of oil or natural gas in commercial quantities, including geophysical activity, drilling, platform construction, emplacement and outfitting, pipelaying and all one-shore support facilities which are for the purpose of ultimately producing oil or natural gas.

"(k) The term 'production' means those activities which take place after the successful completion of a development well, including but not limited to field operation and transfer of oil or natural gas to shore, operation monitoring, maintenance and work-over drilling.

"(l) The term 'maximum efficient rate of production' means the maximum level of production which can be sustained without detriment to ultimate recovery of the resource produced.".

TITLE III—MISCELLANEOUS PROVISIONS

PIPELINE SAFETY AND OPERATION

SEC. 301. One year after the date of the enactment of this Act, the Interstate Commerce Commission and the Secretary of Transportation shall submit to the President and the Congress a report on the adequacy of existing transport facilities and regulations to facilitate distribution of oil and gas resources of the Outer Continental Shelf. The report shall include recommendations for changes in existing legislation or regulations to facilitate such distribution.

REVIEW OF SHUT-IN OR FLARING WELLS

SEC. 302. (a) Within six months after enactment of this Act the Secretary shall submit a report to Comptroller General and the Congress listing all shut-in oil and gas wells and wells flaring natural gas on leases issued under the Outer Continental Shelf Lands Act. The report shall indicate why each well is shut-in or flaring natural gas, and whether the Secretary intends to require production or order cessation of flaring.

(b) Within six months after receipt of the Secretary's report, the Comptroller General shall review and evaluate the reasons for allowing the wells to be shut-in or to flare natural gas and submit his findings and recommendations to the Congress.

REVIEW AND REVISION OF ROYALTY PAYMENTS

SEC. 303. As soon as feasible and no later than ninety days after enactment of this Act the Secretary of the Interior shall submit a report or reports to the Congress describing the extent, during the two-year period preceding enactment, of delinquent royalty accounts under leases issued under any Act which regulates the development of oil and gas on Federal lands. Such report or reports shall include any recommendations for corrective action which the Secretary of the Interior determines to be appropriate.

RELATIONSHIP TO EXISTING LAW

SEC. 304. Except as otherwise expressly provided herein, nothing in this Act shall be construed to amend, modify, or repeal any provision of the Coastal Zone Management Act of 1972, the National Environmental Policy Act of 1969, or the Mining and Mineral Policy Act of 1970.

SEVERABILITY

SEC. 305. If any provision of this Act, or the application of any such provision to any person or circumstance, shall be held invalid, the remainder of this Act, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

DISPOSITION OF MONEYS RECEIVED

SEC. 306. Section 35 of the Act of February 25, 1920 (41 Stat. 450), as amended (30 U.S.C. 191), is further amended by deleting "52½ per centum thereof shall be paid into, reserved" and inserting in lieu thereof: "30 per centum thereof shall be paid into, reserved", and is further amended by striking the period at the end of the provision and inserting in lieu thereof the following language: "And provided further, That an additional 22½ per centum of all moneys received from sales, bonuses, royalties, and rentals of public lands under the provisions of this chapter shall be paid by the Secretary of the Treasury as soon as practicable after December 31 and June 30 of each year to the State within the boundaries of which the leased lands or deposits are or were located; said additional 22½ per centum of all moneys paid to any State on or after January 1, 1976, shall be used by such State and its subdivisions as the legislature of the State may direct giving priority to those subdivisions of the State socially or economically impacted by development of minerals leased under this Act of (1) planning, (2) construction and maintenance of public facilities, and (3) provision of public services.".

COASTAL ENERGY FACILITY IMPACT PROGRAM

SEC. 307. The Act of October 27, 1972 (Public Law 92–583) is further amended by inserting the following new section 308 and renumber succeeding sections accordingly:

"COASTAL ENERGY FACILITY IMPACT PROGRAM

"SEC. 308. (a) The Secretary of Commerce is authorized to make a grant to a coastal State, if he determines that such State's coastal zone has been, or is likely to be, impacted by the exploration for, or the development or production of, energy resources or by the location, construction, expansion, or operation of an energy facility. Such a grant shall be for the purpose of enabling such coastal State to study and plan for the economic, environmental, and social consequences which are likely to result in such coastal zone from exploration for and development or production of such energy resources or from the location, construction, expansion, or operation of such an energy facility. The amount of such a grant may equal up to 100 percent of the cost of such study and plan, to the extent of available funds.

"(b) The Secretary of Commerce is authorized to make a loan and/or a grant to a coastal State, if he determines, pursuant to subsections (d) and (e) of this section, that such State's coastal zone has been or is likely to be adversely impacted by exploration for or by development or production of energy resources or by the location, construction, expansion, or operation of an energy facility, if such adverse impact will result as a consequence of a license, lease, easement, or permit issued or granted by the Federal Government which permits—

"(1) the exploration for, or the drilling, mining, removal, or extraction of, energy resources;

"(2) the siting, location, construction, expansion, or operation of energy facilities by a lessee, licensee, or permittee; or

"(3) the siting, location, construction, expansion, or operation of energy facilities by or for the United States Government.

The proceeds of such a loan or grant shall be used for—

"(A) projects which are designed to reduce, ameliorate, or compensate for the net adverse impacts; and/or

"(B) projects which are designed to provide new or additional public facilities and public services which are made necessary, directly or indirectly, by the location, construction, expansion, or operation of such an energy facility or energy resource exploration, development or production.

The amount of such a loan or grant may equal up to 100 percent of the cost of such a project, to the extent of available funds.

"(c)(1) The Secretary of Commerce may make a grant to a coastal State for a purpose specified in subsection (b) of this section, if he determines that such State will suffer net adverse impacts in its coastal zone, as a result of exploration for, or development and production of, energy resources; as a result of the location, construction, expansion, or operation of an energy facility over the course of the projected or anticipated useful life of such energy facility or as a result of exploration, development, or production activity.

"(2) The Secretary of Commerce may make a loan to a coastal State for a purpose specified in subsection (b) of this section, if the Secretary determines that such State will experience temporary adverse impacts as a result of exploration for, or development or production of, energy resources or as a result of the location, construction, expansion, or operation of an energy facility if such facility or such energy resource exploration, development or production is expected to produce net benefits for such State over the course of its projected or anticipated useful life. No such loan, including any renewal or extension of a loan, shall be made for a period exceeding 40 years. The Secretary of Commerce shall from time to time establish the interest rate or rates at which loans shall be made under this subsection, but such rate shall not exceed an annual percentage rate of 7 percent. The borrower shall pay such fees and other charges as the Secretary of Commerce may require. The Secretary of Commerce may waive repayment of all or any part of a loan made under this subsection, including interest, if the State involved demonstrates, to the satisfaction of the Secretary of Commerce, that due to a change in circumstances there are anticipated or resultant net adverse impacts over the life of an energy facility or energy resource exploration, development or production which would qualify the State for a grant pursuant to paragraph (1) of this subsection.

"(d) The Secretary of Commerce shall, by regulations promulgated in accordance with section 553 of title 5, United States Code, establish requirements for grant and loan eligibility pursuant to this section. Such requirements shall include criteria, which may include a formula, for calculating the amount of a grant or loan based upon the difference, to the State involved between the benefits and the costs which are attributable to the exploration for or development and production of energy resources or to the location, construction, expansion, or operation of an energy facility. Such criteria shall ensure that grants and loans under this section relating to impacts resulting from the exploration, development and production, and related energy facilities, shall receive first priority among competing applications. Such regulations shall provide that a State is eligible for a grant or loan upon a finding by the Secretary of Commerce that such State—

"(1) is receiving a program development grant under section 305 of the Coastal Zone Management Act of 1972 or is engaged in such program development in a manner consistent with the goals and objectives of this Act, as determined by the Secretary of Commerce, and is making satisfactory progress, as determined by the Secretary of Commerce, toward the development of a coastal zone management program, or that it has an approved such program pursuant to section 306 of the Coastal Zone Management Act;

"(2) has demonstrated to the satisfaction of the Secretary of Commerce that it has suffered, or is likely to suffer, net adverse impacts, according to the criteria or formula promulgated by the Secretary of Commerce, and has provided all information required by the Secretary of Commerce to calculate the amount of the grant or loan; and

"(3) has demonstrated to the satisfaction of the Secretary of Commerce and has provided adequate assurances that the proceeds of such grant or loan will be used in a manner that will be consistent with the coastal zone management program being developed by it, or with its approved program, pursuant to section 305 or 306 of the Coastal Zone Management Act, respectively.

"(e) Within 180 days after approval of this Act, the Secretary of Commerce shall issue regulations prescribing criteria in accordance with this Act for determining the eligibility of a coastal State for grants pursuant to subsections (a), (b), and (c)(1) of this section, and regulations for determining the amount of such grant or loan, in accordance with the following provisions:

"(1) The regulations shall specify the means and criteria by which the Secretary of Commerce shall determine whether a State's coastal zone has been, or is likely to be, adversely impacted, as defined in this section, and the means and criteria by which "net adverse impact" and "temporary adverse impacts" will be determined.

"(2) Regulations for grants pursuant to subsection (a) of this section for studying and planning shall include appropriate criteria for the activities for which funds will be provided under such subsection, including a general range of activities for which a coastal State may request funds.

"(3) Regulations for grants and/or loans for projects pursuant to subsections (b) and (c) of this section shall specify criteria for determining—

"(A) the amounts which will be provided for such projects; and

"(B) guidelines and procedures for evaluating those projects which each coastal State considers to be most needed.

"(4) Regulations for loans shall provide for such security as the Secretary of Commerce deems necessary, if any, to protect the interests of the United States and for such terms and conditions as give assurance that such loans will be repaid within the time fixed.

"(5) In all cases, each recipient of financial assistance under this section shall keep such records as the Secretary of Commerce shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance was given or used, and such other records as will facilitate an effective audit. The Secretary of Commerce and the Comptroller General of the United States, or any of their duly authorized representatives, shall until the expiration of 3 years after the completion of the project or undertaking involved (or repayment of a loan, in such cases) have access for the purpose of audit and examination to any books, documents, papers, and records of such recipients which, in the opinion of the Secretary of Commerce or the Comptroller General may be related or pertinent to any financial assistance received pursuant to this section.

"(6) In developing regulations under this section, the Secretary of Commerce shall consult with the appropriate Federal agencies, with representatives of appropriate State and local governments, commercial and industrial organizations, public and private groups, and any other appropriate organizations with knowledge or concerns regarding net adverse impacts that may be associated with the energy facilities affecting the coastal zone.

"(f) A coastal State may, for the purpose of carrying out the provisions of this section and with the approval of the Secretary of Commerce, allocate all or a portion of any grant or loan received under this section to (1) a local government; (2) an areawide agency designated under section 204 of the Demonstration Cities and Metropolitan Development Act of 1966; (3) a regional agency; or (4) an interstate agency.

"(g) A coastal State which has experienced net adverse impacts in its coastal zone as a result of the development or production of energy resources or as a result of the location, construction, expansion, or operation of energy facilities prior to the date of enactment of this section is entitled to receive from the Secretary of Commerce grants or loans pursuant to subsections (a) and (b) of this section to the same extent as if such net adverse impacts were experienced after the date of enactment, and to the extent necessary to reduce or ameliorate or compensate for such net adverse impacts, within the limits of available funds. This subsection shall expire five years from the date of enactment of this section.

"(h) All funds allocated to the Secretary of Commerce for the purposes of this section, except those funds allocated to subsection (k), shall be deposited in a fund which shall be known as the Coastal Energy Facility Impact Fund. This fund shall be administered and used by the Secretary of Commerce as a revolving fund for carrying out such purposes. General expenses of administering this section may be charged to this fund. Moneys in this fund may be deposited in interest-bearing accounts or invested in bonds or other obligations which are guaranteed as to principal and interest by the United States.

"(i) In calculating the amount of a grant or loan, the Secretary of Commerce shall give adequate consideration to the recommendations of a Coastal Impacts Review Board. Such Board shall consist of two members designated by the Secretary of Commerce, one member designated by the Secretary of the Interior, and four members appointed by the President as designated by the National Governors' Conference. Such Board shall recommend the award of grants or loans upon a determination of net adverse impacts and following the procedures and criteria set forth in this section.

"(j) Nothing in this section shall be construed to modify or abrogate the consistency requirements of section 307 of the Coastal Zone Management Act.

"(k) The Secretary of Commerce shall, in addition to any financial assistance provided to, or available to, coastal States pursuant to any other subsection of this section, distribute grants annually in accordance with the provisions of this subsection. The moneys received under this subsection shall be expended by each State receiving such grants solely for the purpose of reducing or ameliorating adverse impacts resulting from the exploration for, or the development or production of, energy resources or resulting from the location, construction, expansion, or operation of a related energy facility and/or for projects designed to provide new or additional public facilities and public services which are related to such exploration, development, production, location, construction, expansion, or operation, except that such grants shall initially be designated by each receiving State to retire State and local bonds, if any, which are guaranteed under subsection (m) of this section: *Provided*, That, if the amount of such grants is insufficient to retire both State and local bonds, priority shall be given to retiring local bonds. Subject to the foregoing expenditure requirements, each coastal State shall be entitled to receive a grant under this subsection if such State is, on the first day of the fiscal year—

"(1) adjacent to Outer Continental Shelf lands on which oil or natural gas is being produced; or

"(2) permitting crude oil or natural gas to be landed in its coastal zones: *Provided*, That such crude oil or natural gas has been produced on adjacent Outer Continental Shelf lands of such State or on Outer Continental Shelf lands which are adjacent to another State and transported directly to such State. In the event that a State is landing oil or natural gas produced adjacent to another State, the landing State shall be eligible for grants under this subsection at a rate half as great as that to which it would be eligible in any given year if the oil were produced adjacent to the landing State. In the event that a State is adjacent to Outer Continental Shelf lands where oil or natural gas is produced, but such oil or natural gas is landed in another State, the adjacent State shall be eligible for grants under this subsection at a rate half as great as that to which it would be eligible in any given year if the oil or natural gas produced adjacent to that State were also landed in that State. Such States shall become eligible to receive such automatic grants in the first year that the amount of such oil or natural gas landed in the State or produced on Outer Continental Shelf lands adjacent to the State (as determined by the Secretary) exceeds a volume of one hundred thousand barrels per day of oil or an equivalent volume of natural gas. There shall be allocated for this purpose from the revenues derived from Outer Continental Shelf leases sufficient funds to provide such States with grants in the amount of 20 cents per barrel or its equivalent during the first year, 15 cents per barrel or its equivalent during the second year, 10 cents per barrel, or its equivalent during the third year, and 8 cents per barrel or its equivalent during the fourth and all succeeding years during which oil or gas is landed in such a State or produced on Outer Continental Shelf lands adjacent to such a State: *Provided*, That (A) such funds shall not exceed $100,000,000 for the fiscal year ending June 30, 1976; $25,000,000 for the fiscal quarter ending September 30, 1976; $100,000,000 for the fiscal year ending September 30, 1977; and $100,000,000 for the fiscal year ending September 30, 1978; and (B) such funds shall be limited to payments for the first one and one-half million barrels of oil (or its gas equivalent) per day per State for the ten succeeding fiscal years. The amount of such grants to each such State in any given year shall be calculated on the basis of the previous year's volume of oil or natural gas landed in the State or produced adjacent to the State. For the purposes of this section, one barrel of crude oil equals six thousand cubic feet of natural gas.

"(l) There are hereby authorized to be

allocated to the Coastal Energy Facility Impact Fund such revenues derived from Outer Continental Shelf leases not to exceed $200,000,000 for the fiscal year ending June 30, 1976, not to exceed $50,000,000 for the transitional fiscal quarter ending September 30, 1976, not to exceed $200,000,000 for the fiscal year ending September 30, 1977, and not to exceed $200,000,000 for the fiscal year ending September 30, 1978, as may be necessary, for grants and/or loans under this section, to remain available until expended. No more than 25 percent of the total amount appropriated to such fund for a particular fiscal year, not to exceed $50,000,000 per year, shall be used for the purposes set forth in subsection (a) of this section.

"(m) The Secretary of Commerce is authorized, subject to such terms and conditions as the Secretary prescribes, to make commitments to guarantee and to guarantee against loss of principal or interest the holders of bonds or other evidences of indebtedness issued by a State or local government to reduce, ameliorate, or compensate the adverse impacts in the coastal zone resulting from or likely to result from the exploration for, or the development of production of, energy resources of the Outer Continental Shelf.

"(n) The Secretary of Commerce shall prescribe and collect a guarantee fee in connection with guarantees made pursuant to this section. Such fees shall not exceed such amounts as the Secretary of Commerce estimates to be necessary to cover the administrative costs of carrying out the provisions of this section. Sums realized from such fees shall be deposited in the Treasury as miscellaneous receipts.

"(o) (1) Payments required to be made as a result of any guarantee pursuant to this section shall be made by the Secretary of the Treasury from funds hereby authorized to be allocated from the revenues derived from Outer Continental Shelf leases in such amounts as may be necessary for such purpose.

"(2) If there is a default by a State or local government in any payment of principal or interest due under a bond or other evidence of indebtedness guaranteed by the Secretary of Commerce pursuant to this section, any holder of such bond or other evidence of indebtedness may demand payment by the Secretary of Commerce of unpaid interest on and the unpaid principal of such obligation as they become due. The Secretary of the Treasury, upon investigation by the Secretary of Commerce, shall pay such amounts to such holders, unless the Secretary of Commerce finds that there was no default by the State or local government involved or that such default has been remedied. If the Secretary of Commerce makes a payment under this paragraph, the United States shall have a right of reimbursement against the State or local government involved for the amount of such payment plus interest at prevailing rates. Such right of reimbursement may be satisfied by the Secretary of Commerce by treating such amount as an offset against any revenues due or to become due to such State or local government under section 308(k) of this Act, and the Attorney General, upon the request of the Secretary of Commerce, shall take such action as is, in the Secretary's discretion, necessary to protect the interests of the United States, including the recovery of previously paid funds that were not applied as provided in this Act. However, if the funds accrued by or due to the State in automatic grants under section 308(k) of this Act are insufficient to reimburse the Federal Government in full for funds paid under this section to retire either the principal or interest on the defaulted bonds, the Secretary of Commerce's right of reimbursement shall be limited to the amount of such automatic grants accrued or due. Funds accrued in automatic grants under section 308(k) of this Act subsequent to default shall be applied by the Secretary of Commerce toward the reimbursement of the obligations assumed by the Federal Government.".

NEW GASOLINE RETAIL OUTLETS

SEC. 308. The Administrator of the Federal Energy Administration shall take no action, directly or indirectly, nor shall he promulgate any rule or regulation, requiring any gasoline retailer to seek the permission of any other gasoline retailer to open any new retail outlet.

GASOLINE PURE REDUCTION

SEC. 309. The Administrator of the Federal Energy Administration shall take no action, directly or indirectly, involving the termination or other reduction of the allocation of any gasoline retail sales outlet on the basis that such outlet is engaged or has engaged in any price reduction in an effort to retain or acquire a competitive viability within its trade area.

PRICE EQUALIZATION REPORT

SEC. 310. Wth respect to any regulation, order, policy, or program carried out by the Federal Energy Administration having, or intended to have, the effect of equalizing prices required to be paid by refiners (and marketers of imported refined products) for so-called imported oil or refined products, old oil or new oil, including the so-called old oil entitlement program or comparable program, the Administrator of the Federal Energy Administration shall, on a monthly basis, report to the Congress concerning the administration thereof. Such report shall include information and other data concerning the regional impact of such regulation, order, policy or program, together with the results of a monthly audit of the major beneficiaries of such regulation, order, policy, or program and the views of the Administrator as to the extent, if any, to which consumers are benefiting by the carrying out of such regulation, order, policy, or program.

NATURAL GAS ROYALTY

SEC. 311. Within sixty days after the date of enactment of this Act, the Secretary of the Interior shall submit to the Congress a systematic plan together with any necessary Federal policies, regulations and procedures and any amendments he deems necessary to the Natural Gas Act, the Mineral Leasing Act, 1920, or the Outer Continental Shelf Lands Act or any other applicable Federal legislation, to facilitate and maximize the efficient and effective use of royalty natural gas ordered by the Secretary under the terms of any lease pursuant to the Outer Continental Shelf Lands Act to meet emergency shortages of natural gas in any region of the Nation. In preparing such recommendations for use of such royalty natural gas the Secretary shall consult with the Administrator of the Federal Energy Administration, the Federal Power Commission, and any other appropriate Federal department or agency.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. GRIFFIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make clerical and technical corrections in the engrossment of S. 521.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER THAT H.R. 8564, FEDERAL AVIATION ACT OF 1958, BE HELD AT THE DESK

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that H.R. 8564 be held at the desk pending further action thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

JOINT COMMITTEE ON ARRANGEMENTS FOR THE BICENTENNIAL

Mr. ROBERT C. BYRD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on Senate Concurrent Resolution 44.

The PRESIDING OFFICER laid befor the Senate the amendment of the House of Representatives to the concurrent resolution (S. Con. Res. 44) to provide for the appointment of a Joint Committee on Arrangements for the Commemoration of the Bicentennial of the United States of America, as follows:

Strike out all after the resolving clause, and insert: That the Congress should play a significant and substantive role in honoring the Nation's two hundredth anniversary and in assisting the American Revolution Bicentennial Administration.

SEC. 2. (a) There is hereby established a joint congressional committee to be known as the Joint Committee on Arrangements for the Commemoration of the Bicentennial of the United States of America (herein referred to as the "joint committee").

(b) The joint committee shall be composed of twelve members as follows:

(i) the majority and minority leaders of the House of Representatives and of the Senate;

(ii) the Members of Congress who are members of the American Revolution Bicentennial Board;

(iii) two Members of the House of Representatives appointed by the Speaker of the House of Representatives. Members appointed under this paragraph shall not be of the same political party; and

(iv) two Members of the Senate appointed by the President of the Senate. Members appointed under this paragraph shall not be of the same political party. (c) The joint committee shall select a chairman from among its members. Seven members of the joint committee shall constitute a quorum. Any vacancy in the membership of the joint committee shall not affect its authority and shall be filled in the same manner in which the original appointment was made.

SEC. 3. The joint committee shall—

(1) coordinate the planning and implementation of Bicentennial activities and events of the Congress with the activities and events of other governmental and nongovernmental groups;

(2) consult with the Speaker of the House of Representatives and the President of the Senate to provide for representation of the Congress at appropriate Bicentennial ceremonies and events; and

(3) develop and implement programs to inform and emphasize to the Nation the role of the Congress, as the representative of the people, from its historic beginnings in pre-Revolution days through two hundred years of growth, challenge, and change.

SEC. 4. The joint committee may—

(1) adopt rules respecting its organization and procedures;

(2) sit and act at such times or places as it shall deem appropriate;

(3) in carrying out any of its functions

under this Act the joint committee may utilize the services, information, facilities, and personnel of the departments and establishments of the Government, and to procure the temporary (not to exceed one year) or intermittent services of experts or consultants or organizations thereof by contract at rates of pay not in excess of the per diem equivalent of the highest rate of basic pay set forth in the General Schedule of section 5332 of title 5, United States Code, including payment of such rates for necessary travel-time;

(4) hold hearings;

(5) procure printing and binding; and

(6) with the prior consent of the agency concerned, use on a reimbursable basis the services of personnel, information, and facilities of any such agency.

Sec. 5. The expenses of the joint committee shall be paid from the contingent fund of the House of Representatives upon vouchers approved by the chairman of the joint committee.

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate concur in the House amendment with an amendment which is at the desk.

The amendment is as follows:

In lieu of the language proposed to be inserted by the House, insert the following:

Resolved by the Senate (the House of Representatives concurring), That the Congress should play a significant and substantive role in honoring the nation's 200th anniversary and in assisting the American Revolution Bicentennial Administration.

Sec. 2. (a) There is hereby established a joint congressional committee to be known as the Joint Committee on Arrangements for the Commemoration of the Bicentennial of the United States of America (hereinafter referred to as the "joint committee").

(b) The joint committee shall be composed of twelve members as follows:

(i) the majority and minority leaders of the House of Representaitves and of the Senate;

(ii) the Members of Congress who are members of the American Revolution Bicentennial Board;

(iii) two Members of the House of Representatives appointed by the Speaker of the House of Representatives. Members appointed under this paragraph shall not be of the same political party; and

(iv) two Members of the Senate appointed by the President of the Senate. Members appointed under this paragraph shall not be of the same political party.

(c) The joint committee shall select a chairman from among its members. Five members of the joint committee shall constitute a quorum. Any vacancy in the membership of the joint committee shall not affect its authority and shall be filled in the same manner in which the original appointment was made.

(d) For purposes of paragraph 6 of Rule XXV of the Standing Rules of the Senate, service of a Senator as a member of the joint committee, or as chairman of the joint committee, shall not be taken into account.

Sec. 3. The joint committee shall—

(1) coordinate the planning and implementation of Bicentennial activities and events of the Congress with the activities and events of other governmental and non-governmental groups;

(2) consult with the Speaker of the House of Representatives and the President of the Senate to provide for representation of the Congress at appropriate Bicentennial ceremonies and events; and

(3) develop and implement programs to inform and emphasize to the Nation the role of the Congress, as the representative of the people, from its historic beginnings in pre-revolution days through 200 years of growth, challenge and change.

Sec. 4. The joint committee may—

(1) appoint such staff as may be necessary;

(2) adopt rules respecting its organization and procedures;

(3) sit and act at such times or places as it shall deem appropriate;

(4) procure the temporary or intermittent services of individual consultants, or organizations thereof, in the same manner and under the same conditions as a standing committee of the Senate may procure such services under subsection (i) of section 202 of the Legislative Reorganization Act of 1946;

(5) hold hearings;

(6) procure printing and binding; and

(7) with the prior consent of the agency concerned, use on a reimbursable basis the services of personnel, information, and facilities of any such agency.

Sec. 5. The expenses of the joint committee shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the joint committee.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia.

The motion was agreed to.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

REPORT OF THE COMMODITY CREDIT CORPORATION—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. Montoya) laid before the Senate a message from the President of the United States transmitting the report of the Commodity Credit Corporation for the fiscal year ended June 30, 1974, which, with the accompanying report, was referred to the Committee on Agriculture and Forestry. The message is as follows:

To the Congress of the United States:

In accordance with the provisions of Section 13, Public Law 806, 80th Congress, I transmit herewith for the information of the Congress the report of the Commodity Credit Corporation for the fiscal year ended June 30, 1974.

Gerald R. Ford.

The White House, *July 30, 1975.*

REPORT ON THE NATIONAL HOUSING GOAL—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. Montoya) laid before the Senate a message from the President of the United States submitting the Seventh Annual Report on the National Housing Goal, which, with the accompanying report, was referred to the Committee on Banking, Housing and Urban Affairs. The message is as follows:

To the Congress of the United States:

I herewith transmit the Seventh Annual Report on the National Housing Goal as required by Section 1603 of the Housing and Urban Development Act of 1968.

Gerald R. Ford.

The White House, *July 30, 1975.*

MESSAGES FROM THE HOUSE

At 2:15 p.m., a message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6674) to authorize appropriations during the fiscal year 1976, and the period of July 1, 1976, through September 30, 1976, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and the selected reserve of each reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loans, and for other purposes.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8597) making appropriations for the Treasury Department, the U.S. Postal Service, the executive office of the President, and certain Independent Agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes; that the House recedes from its disagreement to the amendments of the Senate numbered 50, 60, and 61 to the bill and concurs therein; and that the House recedes from its disagreement to the amendments of the Senate numbered 18 and 42 and concurs therein, each with an amendment in which it requests the concurrence of the Senate.

The message further announced that the House has passed the bill (S. 6) to insure the right to an education for all handicapped children and to provide financial assistance to the States for such purpose, with amendments in which it requests the concurrence of the Senate.

The message also announced that the

House agrees to the amendment of the Senate to the bill (H.R. 8714) to amend the Railroad Unemployment Insurance Act to increase unemployment and sickness benefits, and for other purposes.

The message further announced that the House agrees to the amendments of the Senate to the bill (H.R. 2559) to amend title 39, United States Code, to apply to the U.S. Postal Service certain provisions of law providing for Federal agency safety programs and responsibilities, and for other purposes.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6799) to approve certain of the proposed amendments to the Federal Rules of Criminal Procedure, to amend certain of them, and to make certain additional amendments to those rules.

The message further announced that the House has passed the bill (H.R. 8564) to amend the Federal Aviation Act of 1958 relating to war risk insurance, in which it requests the concurrence of the Senate.

ENROLLED BILLS SIGNED

At 4:11 p.m., a message from the House of Representatives by Mr. Berry announced that the Speaker has signed the enrolled bill (H.R. 6799) to approve certain of the proposed amendments to the Federal Rules of Criminal Procedure, to amend certain of them, and to make certain additional amendments to those rules.

The enrolled bill was subsequently signed by the Acting President pro tempore (Mr. METCALF).

At 4:45 p.m., a message from the House of Representatives by Mr. Berry announced that the House has passed the bill (H.R. 5272) to amend the Noise Control Act of 1972 to authorize additional appropriations, in which it requests the concurrence of the Senate.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. SPARKMAN, from the Committee on Banking, Housing and Urban Affairs, without amendment.

S. 848. A bill to amend section 2 of the National Housing Act to increase the maximum loan amounts for the purchase of mobile homes (Rept. No. 94-341).

By Mr. LONG, from the Committee on Finance, without amendment:

H.R. 7715. An act to extend until the close of June 30, 1978, the period during which certain dyeing and tanning materials may be imported free of duty (Rept. No. 94-342).

H.R. 7706. An act to suspend the duty on natural graphite until the close of June 30, 1978 (Rept. No. 94-343).

By Mr. MAGNUSON, from the Committee on Commerce, without amendment:

H.R. 5405. An act to amend the Merchant Marine Act, 1920, in order to permit cargo vessels to carry more than sixteen passengers when emergency situations arise (Rept. No. 94-344).

By Mr. CANNON, from the Committee on Rules and Administration, with an amendment:

S. Res. 218. A resolution authorizing supplemental expenditures through February 1976 by the Select Committee To Study Governmental Operations With Respect to Intelligence Agencies for an inquiry and investigation relating to the intelligence activities carried out by or on behalf of the Federal Government (Rept. No. 94-345).

By Mr. MATHIAS, from the Committee on the Judiciary, without amendment:

H.R. 1553. An act for the relief of Victor Henrique Carlos Gibson (Rept. No. 94-346).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. McINTYRE, from the Committee on Armed Services:

Martin R. Hoffmann, of Virginia, to be Secretary of the Army.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. McINTYRE. As in executive session, from the Committee on Armed Services, I report favorably the nomination of Rear Adm. Robert K. Geiger, USN, for appointment as Chief of Naval Research in the Department of the Navy for a 3-year term. Brig Gen. Hoyt S. Vandenberg, Jr., USAF, to temporary appointment to major general, and Col. Robert L. Thompson, USAF, for temporary appointment to brigadier general. Brig. Gen. John A. Johnston to be major general, Air National Guard, and Brig. Gen. Billy M. Jones to be major general, Air National Guard. In the Air National Guard there are five colonels to be appointed to the grade of brigadier general.

In addition, there are in the Marine Corps one retired officer for reappointment to the grade of major, and two permanent appointments to the grade of second lieutenant. There are in the Navy 1,368 for temporary promotion to the grade of chief warrant officer, and 216 for appointment to the grade of captain and below. In the Air Force there are 574 for appintment from lieutenant colonel to colonel. Since these names have already appeared in the CONGRESSIONAL RECORD and to save the expense of printing again, I ask unanimous consent that they be ordered to lie on the Secretary's desk for the information of any Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD on July 21, 1975, at the end of the Senate proceedings.)

By Mr. MAGNUSON, from the Committee on Commerce:

Howard D. Tipton, of California, to be Administrator of the National Fire Prevention and Control Administration.

James A. Baker III, of Texas, to be Under Secretary of Commerce.

Travis Edwin Reed, of California, to be an Assistant Secretary of Commerce.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. MAGNUSON. Mr. President, as in executive session, I report favorably from the Committee on Commerce, sundry nominations in the Coast Guard which have previously appeared in the CONGRESSIONAL RECORD and, to save the expense of printing them on the Executive Calendar, I ask unanimous consent that they lie on the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD of July 18, 1975, at the end of the Senate proceedings.)

By Mr. SPARKMAN, from the Committee on Foreign Relations:

The following-named persons to be representatives of the United States of America to the Seventh Special Session and to the Thirtieth Session of the General Assembly of the United Nations:

Daniel P. Moynihan, of New York.
W. Tapley Bennett, Jr., of Georgia.
Donald M. Fraser, U.S. Representative from the State of Minnesota.
J. Herbert Burke, U.S. Representative from the State of Florida.
Clarence M. Mitchell, Jr., of Maryland.

The following-named persons to be alternate representatives of the United States of America to the Seventh Special Session and to the Thirtieth Session of the General Assembly of the United Nations:

Albert W. Sherer, of Illinois.
Jacob M. Myerson, of South Carolina.
Barbara M. White, of Massachusetts.
Carmen Maymi, of the District of Columbia.
John H. Haugh, of Arizona.

The following-named Foreign Service officers for promotion from class 1 to the class of Career Minister:

Theodore L. Eliot, Jr., of California.
Arthur A. Hartman, of New Jersey.
Deane R. Hinton, of Illinois.
William E. Schaufele, Jr., of Ohio.
Richard L. Sneider, of New York.
Helmut Sonnenfeldt, of Maryland.
Wells Stabler, of the District of Columbia.
Viron P. Vaky, of Texas.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Jacob M. Myerson, of South Carolina, a Foreign Service officer of class 1, to be the Representative of the United States of America on the Economic and Social Council of the United Nations, with the rank of ambassador.

STATEMENT OF POLITICAL CONTRIBUTION

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on date of the nomination.

Nominee: None.
Post: N/A.
Amount: None.
Date: N/A.
1. Jacob M. Myerson.
2. Helen H. Myerson.
E. Sylvie Anne Myerson (Minor, No Spouse).
4. Mother: Lena Clein Myerson (Deceased 1965), Father: Solomon Myerson (Deceased 1969).

5. Grandparents: Mr. and Mrs. Myer Myerson (Deceased Many Years) Mr. and Mrs. L. Clein (Deceased Many Years).

6. None.

7. Mr. and Mrs. Ellis from Mr. and Mrs. Irving Roth.

I have listed above the names of each menber of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge the information contained in this report is complete and accurate. End text.

I personally appeared on July 22 to have this form notarized by vice consul, F. Cunningham, American Embassy, Belgium, Greenwald.

Jacob M. Myerson.

Albert W. Sherer, Jr., of Illinois, a Foreign Service officer of the class of Career Minister, to be Deputy Representative of the United States of America in the Security Council of the United Nations, with the rank of ambassador.

Political Contributions

1. Report of Federal campaign (political) contributions:

(1) Albert W. Sherer, Jr., none.

(2) Carroll R. Sherer, none.

(3) Mr. and Mrs. Peter R. Sherer, none, Mr. and Mrs. Peter Osnos, none, Mr. Anthony W. Sherer, none.

(4) Mr. and Mrs. Albert W. Sherer, none.

(5) Deceased.

(6) None.

(7) Mrs. Stanley R. Morton, none.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge the information contained in this report is complete and accurate.

2. Form was signed on July 21, 1975. Signature was notarized by consular officer.

Albert W. Sherer, Jr.

(The above nominations of Ambassadors were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. EAGLETON, from the Committee on the District of Columbia:

Bruce S. Mencher, of the District of Columbia, to be an Associate Judge of the Superior Court of the District of Columbia; and

Julia P. Cooper, of the District of Columbia, to be an Associate Judge of the District of Columbia Court of Appeals.

By Mr. LONG, from the Committee on Finance:

Edwin H. Yeo III, of Pennsylvania, to be Under Secretary of the Treasury for Monetary Affairs; and

Charles M. Walker, of California, to be an Assistant Secretary of the Treasury.

(The above nominations from the Committee on Finance were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. WILLIAMS, from the Committee on Labor and Public Welfare:

Robert O. Aders, of Ohio, to be Under Secretary of Labor.

George S. Ives, of Maryland, to be a member of the National Mediation Board.

James D. Isbister, of Maryland, to be Administrator of the Alcohol, Drug Abuse, and Mental Health Administration.

(The above nominations from the Committee on Labor and Public Welfare were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. PROXMIRE, from the Committee on Banking, Housing and Urban Affairs:

David S. Cook, of Ohio, to be an Assistant Secretary of Housing and Urban Development.

Robert E. Patricelli, of Connecticut, to be Urban Mass Transportation Administrator.

Charles J. Orlebeke, of Illinois, to be an Assistant Secretary of Housing and Urban Development.

(The above nominations from the Committee on Banking, Housing and Urban Affairs were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

NATIONAL SCHOOL LUNCH ACT AND CHILD NUTRITION ACT OF 1966 AMENDMENTS OF 1975—CONFERENCE REPORT (REPT. NO. 94–347)

Mr. TALMADGE submitted a report from the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4222) to amend the National School Lunch Act and the Child Nutrition Act of 1966 in order to extend and revise the special food service program for children and the school breakfast program, and for other purposes, which was ordered to be printed.

BILL JOINTLY REFERRED

Mr. FANNIN. Mr. President, I ask unanimous consent that S. 2188, a bill to amend the Federal Energy Administration Act of 1974, introduced on Monday, July 28, by the distinguished Senator from Oregon (Mr. Hatfield), be referred jointly to the Committee on Interior and Insular Affairs and the Committee on Commerce.

The PRESIDING OFFICER. Without objection, it is so ordered.

HOUSE BILL REFERRED

The bill (H.R. 5272) to amend the Noise Control Act of 1972 to authorize additional appropriations, was read twice by its title and referred to the Committee on Public Works.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. HUMPHREY:

S. 2216. A bill to transfer the functions of the Passport Office to a new agency of the Department of State to be known as the U.S. Passport Service, to establish a Passport Service Fund to finance the operations of the U.S. Passport Service, and for other purposes. Referred to the Committee on Foreign Relations.

By Mr. BELLMON:

S. 2217. A bill to provide for the adjustment of geographic boundaries of standard metropolitan statistical areas for the purpose of Federal assistance programs. Referred to the Committee on Government Operations.

By Mr. STONE:

S. 2218. A bill to amend chapter 19 of title 38, United States Code, to require the Administrator of Veterans' Affairs to provide veterans with certain cost information relating to the conversion of Government supervised insurance to individual life insurance poliices. Referred to the Committee on Veterans' Affairs.

By Mr. FONG:

S. 2219. A bill to amend the Central, Western, and South Pacific Fisheries Development Act to extend the appropriation authorization through fiscal year 1979, and for other purposes. Referred to the Committee on Commerce.

By Mr. MONTOYA (for himself and Mr. Domenici):

S. 2220. A bill to authorize and direct the Secretary of the Interior to reinstate oil and gas lease New Mexico 18302. Referred to the Committee on Interior and Insular Affairs.

By Mr. PERCY (for himself, Mr. McClellan, Mr. Jackson, Mr. Hruska, Mr. Ribicoff, Mr. Javits, and Mr. Bentsen):

S. 2221. A bill to amend chapters 25, 113, and 203 of title 18 of the United States Code to prevent illegal traffic in lost, stolen, forged, counterfeit, and fraudulent securities. Referred to the Committee on the Judiciary.

By Mr. PERCY:

S. 2222. A bill to require the Secretary of Housing and Urban Development to furnish additional consumer protection services, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. SPARKMAN (by request):

S. 2223. A bill to provide for increased participation by the United States in the Inter-American Development Bank, and for other purposes. Referred to the Committee on Foreign Relations.

By Mr. CLARK (for himself, Mr. Abourezk, Mr. McGovern, Mr. Gary W. Hart, Mr. Humphrey, Mr. Hartke, Mr. Mondale, Mr. McGee, and Mr. Culver):

S. 2224. A bill entitled "the Rural Manpower Service Act of 1975." Referred to the Committee on Labor and Public Welfare.

By Mr. CHILES:

S. 2225. A bill for the relief of Lucas Violet Williams (also known as Violet Williams). Referred to the Committee on the Judiciary.

By Mr. DOLE:

S. 2226. A bill for the relief of Severiano Vasquez Valle, Rosario Lazaro de Valle, and Rosa Maricela Valle. Referred to the Committee on the Judiciary.

By Mr. MONDALE:

S. 2227. A bill to amend the National Labor Relations Act to permit certain labor organizations to be certified by the National Labor Relations Board as representatives of individuals employed as guards. Referred to the Committee on Labor and Public Welfare.

By Mr. RANDOLPH (for himself, Mr. Baker, Mr. Montoya, and Mr. McClure):

S. 2228. A bill to amend the Public Works and Economic Development Act of 1965 to extend the authorization for a 3-year period. Referred to the Committee on Public Works.

By Mr. BAYH:

S. 2229. A bill to direct the National Commission on the Observance of International

Women's Year, 1975, to organize and convene a National Women's Conference, and for other purposes. Referred to the Committee on the Judiciary.

By Mr. SPARKMAN (for himself and Mr. CASE):

S. 2230. A bil to authorize appropriations for the Board for International Broadcasting for fiscal year 1976; and to promote improved relations between the United States, Greece, and Turkey, to assist in the solution of the refugee problem on Cyprus, and to otherwise strengthen the North Atlantic Alliance. Ordered placed on the Calendar, by unanimous consent.

By Mr. BROCK:

S. 2231. A bill to provide for an orderly transition from the mandatory petroleum allocation and price regulations promulgated and made effective under the Emergency Petroleum Allocation Act of 1973, as amended, to deregulation of petroleum supply relationships. Referred to the Committee on Interior and Insular Affairs.

By Mr. ROBERT C. BYRD:

S. 2232. A bill to provide 4-year terms for the heads of the executive departments. Referred to the Committee on Post Office and Civil Service.

By Mr. CLARK:

S.J. Res. 118. A joint resolution to renounce the first use of nuclear weapons. Referred to the Committee on Foreign Relations.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 19

At the request of Mr. DOLE, the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 19, a bill to amend title XVI of the Social Security Act so as to provide for the referral, for appropriate services provided by other State agencies, of blind or disabled children who are receiving supplemental security income benefits.

S. 123

At the request of Mr. INOUYE, the Senator from West Virginia (Mr. RANDOLPH) was added as a cosponsor of S. 123 to amend title XVIII of the Social Security Act.

S. 865

At the request of Mr. JAVITS (for Mr. BUCKLEY) the Senator from Vermont (Mr. STAFFORD) was added as a cosponsor of S. 865, a bill to promote more efficient use of the Nation's construction resources, to foster the preservation of buildings of historic or architectural significance, and to enhance the social and economic environment within and surrounding Federal office buildings.

S. 1652

At the request of Mr. STONE, the Senator from Colorado (Mr. HASKELL) was added as a cosponsor of S. 1652, a bill to amend the Internal Revenue Code of 1954 to provide that no interest is payable on income tax deficiencies in the case of returns prepared by the Internal Revenue Service until the expiration of 30 days after notice to the taxpayer of such deficiency.

S. 1712

At the request of Mr. HATFIELD, the Senator from Oregon (Mr. PACKWOOD) was added as a cosponsor of S. 1712, a bill to authorize the issuance of gold commemorative coins bearing the seal or symbol of the American Revolution Bicentennial Administration.

S. 1808

At the request of Mr. DOLE, the Senator from Texas (Mr. BENTSEN) was added as a cosponsor of S. 1808, a bill to provide for the payment of overtime to certain personnel employed in the Department of Agriculture, Animal and Plant Health Inspection Service.

S. 1925

At the request of Mr. ROTH, the Senator from South Dakota (Mr. ABOUREZK), the Senator from North Carolina (Mr. MORGAN), and the Senator from Alabama (Mr. SPARKMAN) were added as cosponsors of S. 1925, to amend the Internal Revenue Code of 1954 to provide assistance to taxpayers.

S. 1956

At the request of Mr. MONDALE, the Senator from Montana (Mr. METCALF) was added as cosponsor of S. 1956, a bill to amend the Federal Crop Insurance Act to extend crop insurance coverage under such act to all areas of the United States and to all agricultural commodities, and for other purposes.

S. 2049

At the request of Mr. BUMPERS, the Senator from Wyoming (Mr. HANSEN), the Senator from Oregon (Mr. PACKWOOD), the Senator from Illinois (Mr. STEVENSON), the Senator from California (Mr. CRANSTON), the Senator from Florida (Mr. STONE), the Senator from Mississippi (Mr. EASTLAND), and the Senator from Arkansas (Mr. MCCLELLAN) were added as cosponsors of S. 2049, a bill to amend title 23 of the United States Code in order to conserve vital fuel and energy resources.

S. 2198

At the request of Mr. GARN, the Senator from Idaho (Mr. MCCLURE) was added as a cosponsor of S. 2198, a bill to amend the Fair Labor Standards Act of 1938 to repeal provisions relating to State and local employees.

SENATE RESOLUTION 180

At the request of Mr. ALLEN, the Senator from Florida (Mr. STONE) was added as a cosponsor of Senate Resolution 180, to amend the Standing Rules of the Senate.

SENATE RESOLUTION 197

At the request of Mr. LEAHY, the Senator from South Dakota (Mr. ABOUREZK) and the Senator from Wyoming (Mr. HANSEN) were added as cosponsors of Senate Resolution 197, to establish a Select Committee on Federal Responsiveness and Accountability.

SENATE RESOLUTION 216

At the request of Mr. HUDDLESTON, the Senator from Minnesota (Mr. HUMPHREY) was added as a cosponsor of Senate Resolution 216, a resolution requesting the Secretary of Agriculture to submit a plan for the eradication of brucellosis.

SENATE JOINT RESOLUTION 105

At the request of Mr. CLARK, the Senator from Alaska (Mr. GRAVEL), the Senator from Illinois (Mr. PERCY), and the Senator from Indiana (Mr. HARTKE) were added as cosponsors of Senate Joint Resolution 105, to strengthen the foreign relations of the United States.

SENATE JOINT RESOLUTION 113

At the request of Mr. ALLEN, the Senator from West Virginia (Mr. RANDOLPH) was added as a cosponsor of Senate Joint Resolution 113, to amend the Constitution of the United States relating to prayers in public buildings.

SENATE RESOLUTION 230—SUBMISSION OF A RESOLUTION CONCERNING RELATIONS WITH CUBA

(Referred to the Committee on Foreign Relations.)

Mr. BROCK (for himself, Mr. STONE, Mr. CHILES, Mr. GARN, Mr. BARTLETT, Mr. ALLEN, Mr. DOMENICI, Mr. LAXALT, Mr. ROTH, Mr. BEALL, and Mr. HANSEN) submitted the following resolution:

S. RES. 230

Whereas relations between the United States and Cuba traditionally have been those of friendship, comity, and cooperation; and

Whereas this relationship was ruptured following the advent to power of the Government in Cuba headed by Premier Fidel Castro; and

Whereas the Castro regime in Cuba has imprisoned and continues to imprison political prisoners in larger numbers, has sought and still seeks to train insurgents and to promote insurgency in this hemisphere by violent means, has seized and refused compensation for more than one and a half billion dollars in American-owned properties, has refused to permit inspection of forced labor camps and political prisons by the International Red Cross or bodies of jurists or other impartial agencies, has permitted and continues to permit the use of its ports for the deployment of nuclear submarines and its land for military purposes by the Soviet Union, has insulted and continues to insult the United States of America on every available occasion taking even the occasion of a visit by two members of the United States Senate to issue a diatribe against the United States; and

Whereas, in the face of all of the foregoing, any normalization of relations with Cuba by the United States without meeting certain conditions would demean the United States and reward the above-described and other hostile acts and would further damage the already eroding prestige and reputation of the United States in the crucial matter of the self-defense of American interests by the United States without measurable commensurate benefits for our country: Now, therefore, be it

Resolved, That it is the sense of the Senate of the United States that before bilateral economic or diplomatic relations be resumed with Cuba, the following issues must be resolved.

1. Acceptance of fundamental human rights through a liberalization of travel restriction, free emigration of Cuban and American citizens still in Cuba, access by impartial observers to prisons and detention centers, and the extension of constitutional guarantees to those now unlawfully imprisoned.

2. Acceptance of the standards of international law in dealing with international criminals such as hijackers.

3. Acknowledgement of claims for compensation for confiscated American property

and prompt, good-faith negotiations on a comprehensive settlement.

4. Cessation of illegal terrorist activities in Puerto Rico. They are totally unacceptable and must cease forthwith.

5. Acceptance of principles set down in the Charter of the Organization of American States, including the principle of non-intervention.

NORMALIZING CUBAN-AMERICAN RELATIONS: SOME SUGGESTIONS

Mr. BROCK. Mr. President, no one can fail to note that this country appears to be on the verge of restoring at least limited diplomatic relations with Cuba. Fidel Castro is said to be mellowing—he supposedly has given up his promotion of violent revolution throughout Latin America. Personally, I doubt he has changed his spots.

Cuba remains a threat to the peace of the hemisphere. Nevertheless, I believe there is a possibility that coexistence can be developed over a number of years to our advantage. Surely patriotic Cubans fear the dangers inherent in their alliance with the Soviet Union. At least in this instance, history and geography can operate to our long-term advantage.

Not only does geography bring us close but also we are drawn together by bonds of blood that must not be forgotten. As early as 1857 Americans were giving their lives in the Cuban fight against colonial oppression. Over 40 years later the United States threw the full might of its wealth and power into our neighboring island to end forever anachronistic Spanish rule.

Over 2,000 Americans were killed or wounded.

Even those who criticized our paternalistic attitude in the newly liberated Cuba and decried the overwhelming American investment in the Cuban economy would not fail to appreciate the sacrifices of our fighting men and sincere desire of the average American in 1898 to free Cuba for the Cubans. We did not annex Cuba, nor did we intend to control its policies. Even the infamous Platt Amendment, which permitted U.S. intervention to prevent disorder, was in large part motivated by a desire to make democracy succeed.

Thus, until 1960, relations with Cuba and more particularly with the Cuban people were always harmonious. The guaranteed quota for Cuban sugar provided that country with valuable insulation from the cycles of world sugar prices. Americans flocked to Cuban resorts in winter and crisscrossed the island in search of opportunities to invest in Cuba's economic development. And Cuba prospered. All this has changed. Fifteen years ago the people of Cuba lost their freedom, and for 15 years this Nation has abstained from contact.

Today, as the administration approaches détent in the Caribbean, it is important that the Senate exert its influence to insure that vital American interests are protected. It is our responsibility, Mr. President, to make clear to the State Department what kind of change the Senate will accept. It is in no one's interest to negotiate an agreement with Cuba that is subsequently rejected by the American people and the Senate—relations would only worsen.

I am submitting, therefore, a resolution expressing the Senate's sense that specific points of contention between our two countries must be resolved in any agreement to ease relations with the present Government of Cuba. I hope that through this forthright statement of the Senate's minimal requirements the air is cleared and productive negotiations can begin.

SENATE CONCURRENT RESOLUTION 58—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO THE ABOLISHING OF POVERTY FOR THE AGED

(Referred to the Committee on Finance.)

Mr. CHURCH. Mr. President, I submit for appropriate reference a concurrent resolution calling upon the President to submit recommendations to the Congress by December 31, 1975, for the purpose of abolishing poverty for older Americans.

In recent years, important advances have been made in improving the income position of older Americans.

Last year, for example, the supplemental security income program became effective. It built a Federal floor, for the first time in our history, under the incomes of the aged, blind, and disabled.

Five across-the-board social security increases since 1970 have helped to reduce poverty markedly for persons 65 and above.

But the harsh reality is that 3.3 million older Americans still are impoverished.

And poverty, as defined by the Census Bureau, is a bare bones standard: $2,352 for an aged individual and $2,958 for an elderly couple.

These figures, as depressing as they are, do not even begin to tell the whole story, though, because there is a substantial amount of hidden poverty among older Americans.

Nearly 1.2 million persons below the official poverty lines are not counted as poor because they live in families with sufficient incomes to raise them above the Government's thresholds.

Moreover, the official poverty figures do not include the institutionalized aged. About 1 million older Americans live in nursing homes or other extended care facilities. Of this total, an estimated 500,000 can be classified as poor.

The net impact is that more than 5 million aged—or nearly one out of every four older Americans—have subpoverty incomes.

Abolition of poverty for the elderly has long been my top priority goal.

Surely the wealthiest Nation in the world—with a gross national product of $1.5 trillion—has the resources to accomplish this objective.

What is needed, though, is an action plan to bring it about.

And that is why I have submitted this resolution to direct the President to submit alternative proposals at an early date for congressional consideration.

The development of these recommendations will, of course, require considerable technical information which is not readily available to the Congress. But the executive branch has the manpower, resources, and technical know-how for this purpose.

With this body of information, appropriate congressional units can then weigh carefully important policy considerations in fashioning a sound and effective strategy to eliminate poverty once and for all for older Americans.

The 3,400 delegates at the 1971 White House Conference on Aging gave priority attention to the development of an adequate living standard for older Americans.

One of the first steps to move toward that objective is to remove the ugly wound of poverty.

Mr. President, I urge prompt approval of my resolution, and ask unanimous consent that it be printed in the Record.

There being no objection, the concurrent resolution was ordered to be printed in the Record, as follows:

S. Con. Res. 58

Whereas, 3.3 million persons aged 65 and above live in poverty;

Whereas, the annual poverty threshold is defined by the Bureau of the Census at $2,352 for a single aged person and $2,958 for an elderly couple;

Whereas, nearly 1.2 million older Americans below the official poverty lines are not counted as poor because they live in families with sufficient incomes to raise them above the Government's poverty indexes;

Whereas, an estimated 500,000 elderly persons in nursing homes and other extended care facilities are considered poor;

Whereas, 5 million aged persons—or almost one out of every four older Americans—have incomes below the official poverty lines; and

Whereas, abolition of poverty was one of the priority recommendations of the 1971 White House Conference on Aging:

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the President submit to the Congress not later than December 31, 1975, his recommendations (together with appropriate cost estimates) for abolishing poverty for persons age 65 and over by (1) raising the income standards of the Supplemental Security Income program, and (2) such other alternatives or combinations of approaches as he deems appropriate.

SENATE CONCURRENT RESOLUTION 59—SUBMISSION OF A CONCURRENT RESOLUTION TO ISSUE A SPECIAL STAMP CONCERNING FREE ENTERPRISE

(Referred to the Committee on Post Office and Civil Service.)

Mr. FANNIN submitted the following concurrent resolution:

S. Con. Res. 59

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the Citizens' Stamp Advisory Committee of the United States Postal Service recommend to the Postmaster General that a special postage stamp be issued during 1976 commemorating two hundred years of free enterprise in the United States.

Sec. 2. The Secretary of the Senate shall transmit a copy of this resolution to the Citizens' Stamp Advisory Committee of the United States Postal Service.

Mr. FANNIN. Mr. President, I am pleased to submit today a concurrent resolution recommending the issuance of a special postage stamp commemorating 200 years of free enterprise in the United States.

If adopted, this concurrent resolution would make it the sentiment of this Congress that a special postage stamp should be issued next year to commemorate the history and development of free enterprise in the United States. The Secretary of the Senate would transmit a copy of this resolution to the Citizens' Stamp Advisory Committee to recommend to the Postmaster General that there be a stamp for that purpose.

This concurrent resolution is proposed to give appropriate recognition to America's free enterprise system during the year of our Nation's Bicentennial anniversary. As next year we celebrate the founding of our constitutional Republic, we should remember and honor the economic principles upon which this great Nation was founded. We should give homage to our Founding Fathers who had the experience, wisdom, and foresight to establish in this new land a free and democratic form of government which would guarantee to all its citizens economic and social liberty and justice. We are indeed fortunate that those learned patriots established, in conjunction with that democracy, an economic system which would nourish those inalienable rights based upon the principles of private property and dependent upon the energies, responsibility, initative, and choices of free men.

Mr. President, for over 200 years we have seen our great Nation grow and our marvelous system of free enterprise prosper. Today our citizens enjoy the greatest economic prosperity and material benefits that the world has ever seen. Most significantly, this capitalistic system has been achieved and maintained at no cost in human life or freedom: In fact, it has strengthened the liberties and rights upon which the Republic was founded. Now, as the United States enters its third century and we reflect on the wonderful and unique American experience of the past two centuries, we pray that we continue to have the strength and good fortune to preserve this free enterprise system which has served us all so well for so long.

Mr. President, as we prepare to celebrate our Nation's 200th birthday, it is appropriate that we give the recognition to the revolutionary economic system which has been at the cornerstone of America's revolutionary experiment in freedom. I believe that a special postage stamp commemorating two centuries of free enterprise in the United States would be an appropriate way to celebrate our Nation's heritage of liberty.

Mr. President, Congressman PHILIP CRANE has introduced a similar bill, House Concurrent Resolution 298, in the House of Representatives. I sincerely hope that both Houses will take speedy action in approving these measures so that we will have a special postage stamp issued next year commemorating 200 years of free enterprise in celebration of 200 years of freedom in America.

AMENDMENTS SUBMITTED FOR PRINTING

ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION—S. 598

AMENDMENTS NOS. 849 AND 850

(Ordered to be printed and to lie on the table.)

Mr. BAKER submitted two amendments intended to be proposed by him to the bill (S. 593) to authorize appropriations to the Energy Research and Development Administration in accordance with section 261 of the Atomic Energy Act of 1954, as amended, section 305 of the Energy Reorganization Act of 1974, and section 16 of the Federal Nonnuclear Energy Research and Development Act of 1974, and for other purposes.

AMENDMENT NO. 851

(Ordered to be printed and to lie on the table.)

Mr. BAKER (for himself and Mr. BROCK) submitted an amendment intended to be proposed by them jointly to the bill (S. 593), supra.

EQUITY OF SURVIVOR BENEFITS TO WIDOWS AND CHILDREN OF FEDERAL JUSTICES AND JUDGES—S. 12

AMENDMENT NO. 852

(Ordered to be printed and referred to the Committee on the Judiciary.)

Mr. METCALF. Mr. President, today I am submitting, for appropriate reference, amendments to amendment No. 587 to S. 12. The purpose of amendment No. 587 is to improve the judicial survivors' annuity system. However, I do not believe that the improvements are nearly adequate enough. My amendments would strengthen the system and assure that the benefits to the surviving widows of Federal justices and judges are more equitable. We are concerned with inadequacies which threaten to undermine the integrity of a coordinate branch of our Federal Government at a time when we are drawing near the Bicentennial celebration of this country. We must assure that we no longer ignore this critical problem which is contrary to the intent of the Founding Fathers of this country.

For many years I have been interested in the judiciary and in assuring that we have the highest caliber of legal minds appointed to the Federal bench. My concern is that we make judgeships as attractive as possible, aside from the prestige derived from receiving the appointment. We must assure that we can select from the total population of attorneys who are in public service, private practice and academic service. Maintaining a Federal judicial system that attracts the highest quality of legal minds is crucial to our form of government.

We have always known that accepting an appointment as a Federal judge is a financial sacrifice. Although the figures are not available, I would surmise that acceptance probably means at least a 50-percent decrease in annual income. In recent years, the sacrifice has been even greater, both for new judges and those who are already on the job. We have had a 46-percent increase in the cost of living since 1969, but we have not increased Federal judicial salaries since that time. The initial appeal of a lifetime appointment and full salary upon retirement diminishes when earnings fall so far behind what it costs for maintenance of a home and family.

Officials of the Administrative Office of the Courts have indicated that since November of 1973, seven judges have resigned to return to private practice. Insufficient remuneration in relation to family obligations seems to be the underlying reason. Such resignations mean no future benefits at all from the service these people have rendered. They receive only a lump sum payment of the amount they have contributed—plus interest accruded—to their survivor benefits program. By comparison, in the previous 34 years only six judges resigned to return to private practice. These facts are not only unfortunate but are also an indication of serious problems.

Although the salary of Federal judges is not the focus of my amendments, I am concerned with maintaining a Federal judicial system that is appealing enough to attract those attorneys most suited for the Federal bench. Direct monetary compensation is one factor. Another major factor is the adequacy of the benefits system available to the family in the event of the judge's death. Today I am addressing proposed changes in that system—a system that I am convinced we must revise and improve. We must improve it not only to assure that we maintain quality in the judicial branch but also for humanitarian reasons. Consequently, I am pleased with some of the provisions of amendment No. 587 in the nature of a substitute to S. 12. For example:

First. Changing the period of time from 5 years to 18 months in which a judicial official has to be a contributing member before the right to an annuity is applicable.

Second. Making annuities available to surviving spouses on the day of the judge's death as opposed to age 50.

Third. Providing annuity eligibility to widowers.

Fourth. Changing the period of time from 2 years to 1 year that a surviving spouse must have been married to the judge before being eligible for an annuity.

Fifth. Increasing the amount of money available to surviving children.

Sixth. Increasing the time that surviving children who are full-time students can receive benefits.

Seventh. Providing some cost-of-living increase.

Eighth. Providing for the computation of the annuity based on the highest average annual salary for 3 years instead of the last 5 years.

In spite of these improvements, I have grave problems with the substitute bill. It is apparent that the primary objective is to establish a self-sustaining system. While this is an admirable goal, establishment of a fair and equitable system for providing benefits to survivors of Federal justices and judges is unquestionably the more important objective.

I am appalled that we have allowed an annuity system to remain in effect since 1956 which is exceedingly deficient in the amount of money provided annually to surviving widows. We have had a 97-percent increase in the cost of living since 1956. However, we have not provided a cost-of-living increase to the survivors of Federal judges since the inception of the judicial survivor benefits program in 1956. Almost half of the surviving widows now receiving benefits under the judicial survivors' annuity system receive less than $5,000 annually. Seventeen percent receive less than $2,500—near the so-called poverty level for an individual in 1974. I am aware that amendment No. 587 provides a formula for a catchup cost-of-living increase.

However, when the formula is applied, the increase amounts to approximately 2.4 percent a year. A widow who has been covered since 1956 would receive only a 45.6-percent cost-of-living increase. This is not only inappropriate but disgraceful. Other pension and annuity systems, such as social security and civil service, have built-in increases. In fact, the system by which survivors of Members of Congress are paid has a very generous cost-of-living increase in it. Using the formula provided in that system, which allows compounding year after year, there has been a 114-percent increase since 1956. For 20 years we have completely ignored the cost of inflation to survivor benefits for one branch of our Government. We must immediately alleviate the hardship imposed on survivors of our Federal justices and judges. We must provide them with full catchup compensation which is long overdue.

Another important area of concern is the formula for computing survivor benefits. We cannot permit the continued use of a formula which provides insufficient funding for survivors. While I do not think we can make a direct comparison between the annuity system available to survivors of Federal justices and judges and that provided to survivors of Members of Congress, I think that the system available to Members of Congress can provide a "yardstick." Even after correcting certain inequities as amendment No. 587 does, major disparities continue to exist.

If a Member of Congress dies at age 57 with 10 years of service, his surviving spouse receives $7,596.87. The surviving spouse of a circuit judge with comparable service receives $5,312.50. The judge would have to serve 14 years before his surviving spouse could receive approximately that amount.

If a Member of Congress dies at age 50 with 5 years of service, his surviving spouse receives $8,765.62. The surviving spouse of a circuit judge with comparable service receives $2,656.25. The judge would have to serve 16 years before his surviving spouse could receive approximately that amount.

If a Member of Congress dies at age 45 after 18 months of service, his surviving spouse receives $9,350. The surviving spouse of a circuit judge with comparable service receives $796.88. The judge would have to serve 18 years before his surviving spouse could receive approximately that amount.

Since surviving spouses of Members of Congress traditionally also receive a lump sum payment equal to a year's salary, they are at an astounding immediate advantage. It would take a surviving spouse of a Federal circuit judge many years—approximately 53 years if the minimum annuity was received—to receive that amount.

To correct the inequities in the present judicial survivors' annuity system and achieve the goal of establishing a fair and equitable system, I am introducing amendments to the proposed legislation. They will differ from amendment No. 587 in several important ways:

First. They provide for a catch-up cost-of-living increase equivalent to the one that has been provided under the Civil Service Retirement System to date.

Second. They revise the formula to assure that the minimum amount available to a survivor today is in line with the cost of living and other similar systems.

Third. They revise the method whereby future cost-of-living increases are provided, establishing a system whereby annuities are increased at the rate of increases in the Consumer Price Index.

At present we are talking about 172 surviving spouses—a very small number of people in comparison to the number in most other partially supported Government programs. I believe unquestionably that the Government, not the judges, should assume the costs of improving this system. The judges are making more than an adequate contribution. It would be unconscionable for us not to correct this deficient system upon which these people are dependent. In short, we cannot act half-heartedly to revise this system. We must act immediately, and we must act fairly. I believe that my amendments will make the necessary improvements, and I ask unanimous consent that they be printed in the Record.

There being no objection, the amendment was orderd to be printed in the Record, as follows:

On page 16, line 21, strike out "1¼ per centum" and insert in lieu thereof "1⅜ per centum".

On page 17, line 24, strike out the colon and insert in lieu thereof a semicolon and "or" and the following:

"(3) $7,500, unless the amount computed under paragraphs (1) and (2) of this subsection is greater:

Beginning on page 18, line 4, strike out all through line 17, and insert in lieu thereof the following:

"(m) Each annuity payable under this section shall be increased by the increase used to adjust a survivor annuity payable from the Civil Service Retirement and Disability Fund whenever an increase is required to be made in the amount of any such annuity except that the total increase shall be calculated without regard to the one percent increase which is in addition to the percent rate in the price index under section 8340(b) of title 5.

On page 23, line 4, strike out "The" and all that follows through the period in line 6, and insert in lieu thereof the following: "There are authorized to be appropriated such sums as may be necessary to implement the provisions of the preceding sentence. In addition to such sums there are authorized to be appropriated such sums as may be necessary to meet the matching requirements of section 376(c) of title 28, United States Code (as amended by section 2 of this Act).

On page 24, line 1, strike out all through line 16, and insert in lieu thereof the following:

Sec. 5. (a) On the effective date of this Act, each annuity then being paid to a widow from the judicial survivors' annuity fund established by section 2 of the Act of August 3, 1956 (70 Stat. 1021), as amended shall be increased to an amount equal to $7,500 unless the annuity then being paid is greater than such amount. Each annuity payable to a widow from the judicial survivors' annuity fund established by section 2 of such Act, as increased by the preceding sentence, shall be further increased by the same total increase used to adjust a survivor annuity paid from the Civil Service Retirement and Disability Fund with the same commencing date, or to an amount equal to 37½ percent of the current salary of the office in which the widow's decedent served immediately prior to retiring from service in the judicial branch, whichever is less.

(b) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

FOREIGN AFFAIRS AUTHORIZATIONS—S. 1517

AMENDMENT NO. 853

(Ordered to be printed and to lie on the table.)

Mr. SPARKMAN (for himself and Mr. Case) submitted an amendment intended to be proposed by them jointly to the bill (S. 1517) to authorize appropriations for the administration of foreign affairs; international organizations, conferences, and commissions; information and cultural exchange; and for other purposes.

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 842

At the request of Mr. Kennedy, the Senator from Delaware (Mr. Roth) was added as a cosponsor of amendment No. 842, intended to be proposed to the bill (S. 521), the Outer Continental Shelf Management Act.

AMENDMENT NO. 843

At the request of Mr. Kennedy, the Senator from Florida (Mr. Stone), the Senator from California (Mr. Cranston), the Senator from California (Mr. Tunney), and the Senator from Massachusetts (Mr. Brooke) were added as cosponsors of amendment No. 843, proposed and agreed to, to the bill (S. 521), the Outer Continental Shelf Management Act.

NOTICE OF HEARING

Mr. McINTYRE. Mr. President, I wish to announce that the Subcommittee on Financial Institutions of the Committee on Banking, Housing and Urban Affairs will hold a hearing on NOW accounts in the hearing room of the Federal Building on Concord, N.H., on Friday, September 12, 1975.

Since NOW accounts are presently restricted to the States of New Hampshire and Massachusetts, it is my hope and expectation that the hearing will afford an opportunity to discuss with the actual parties involved all significant aspects of the so-called "NOW account experiment."

Anyone wishing information concerning these hearings should contact Mr. William R. Weber, counsel, room 5300, Dirksen Senate Office Building, Washington, D.C. 20510, telephone: Area code 202/224-7391.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HUMPHREY:

S. 2216. A bill to transfer the functions of the Passport Office to a new agency of the Department of State to be known as the United States Passport Service, to establish a Passport Service Fund to finance the operations of the United States Passport Service, and for other purposes. Referred to the Committee on Foreign Relations.

ESTABLISHMENT OF A U.S. PASSPORT SERVICE IN THE DEPARTMENT OF STATE

Mr. HUMPHREY. Mr. President, today I am introducing legislation to create a new agency within the Department of State charged with the responsibility of providing Americans with a better, more efficient system of passport issuance. The current institutional procedures which provide for passports to be issued by a Passport Office directly integrated into the State Department structure and working in conjunction with the Postal Service have not served well the growing numbers of Americans who each year seek to obtain passports for foreign travel. Approximately 74 million Americans traveled outside of the United States last year.

The Passport Office as now constituted is experiencing many problems and difficulties in issuing the 2.4 million passports yearly in an economic and expeditious manner. The current arrangements between the Postal Service and the State Department for passport issuance and delivery not only are costly but also involve the mail service in an activity which only deprives it of much needed manpower. I see no reason why the Postal Service should be diverted from its mission of handling the mail in an efficient manner.

Furthermore, relations between the Postal Service and the Passport Office are not handled directly by the skilled professionals in the Passport Office but are carried out by the State Department. The U.S. Postal Service should concentrate on improving the speed and efficiency of its mail service and leave the passport business to a new passport service.

The measure I introduce today contains the following provisions:

It establishes the U.S. Passport Service as a semiautonomous unit within the Department of State. It provides that the Service shall be responsible for the administration of U.S. nationality laws, the documentation of American citizens traveling abroad, and the control of travel by citizens under applicable statutes. The status of the Service within the State Department would be comparable in structure to the Immigration and Naturalization Service of the Justice Department.

It transfers all the functions, powers, duties, and authority of the present Passport Office to the new Passport Service.

The legislation provides that the Service shall be under the control of a Director appointed by the Secretary of State and responsible directly to him. The Director's position shall carry with it a general schedule classification of 18.

The legislation also establishes a revolving fund for the U.S. Passport Service. This fund would enable a portion of the revenues brought in each year from passport fees to be used to finance better and more efficient service to the American public. The yearly receipt of passport fees exceeds the operating costs of passport issuance. In view of the fact that a Passport Service meets the criteria established by the OMB for the creation of public enterprise revolving funds, I see no reason why this self-sustaining method of financing could not be utilized by the new Service.

Many of the basic provisions of this legislation have been introduced in separate legislation over the years. In 1973, I introduced legislation similar to the measure I now introduce. In other words, the needs for a change in the present system have been recognized for many years. The time has come for a comprehensive overhaul of a system which was designed to handle a far smaller volume of business. Projections of increased passport use based on a standard yearly increase of 11.5 percent indicate that by 1982 over 8 million passports will be issued. The ability of the Government to handle this ever-increasing workload will depend on whether the Congress has the foresight and will to enact legislation such as I and others have introduced.

Over the years the State Department has consistently opposed this legislation. I have no doubt that it will do so again. It claims that a new Passport Service will interfere with the Secretary's authority to organize his own department. I could not disagree more with this argument. The issuing of passports is a service to the American people. It is not a foreign policy matter. Its needs and administration have little or nothing to do with the interests and needs of a Secretary of State. There is ample precedent for the creation of a statutory organization within the executive branch. The Bureau of Security and Consular Affairs, of which the present Passport Office is a constituent part, itself was created by statute in section 104 of the Immigration and Naturalization Act of 1952.

In years past I have watched the State Department lobby this important legislation to death. I do not intend to take a passive role this year. I hope this legislation will be given serious consideration by my colleagues on the Foreign Relations Committee because of the demonstrated need for a change in the provision of this basic service to the American people.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2216

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby established in the Department of State the United States Passport Service (hereinafter referred to as the "Service") which shall have as its purpose the administration of the laws and regulations relating to nationality, documentation, protection, and control of international travel of nationals of the United States.

SEC. 2. All functions, powers, duties, and authority of the Passport Office of the Department of State, together with those funds, liabilities, commitments, authorizations, allocations, personnel, properties, and records of the Department of State which the Secretary of State shall determine to be primarily related to, and necessary for, the exercise of such functions, powers, duties, and authority, are hereby transferred to the Service.

SEC. 3. The Service shall be headed by a Director, who shall be appointed by the Secretary of State and responsible directly to him for the administration of the Service. The Director shall be appointed in accordance with the civil service laws in the grade of GS-18 of the General Schedule as prescribed in the Classification Act of 1949, as amended. The Director—

(a) shall be responsible for the administration of the Service, the supervision of all personnel, including personnel of the Foreign Service, who are engaged in carrying out the laws and regulations administered by the Service, and shall possess such other powers and authorities as may be necessary to carry out the provisions of this Act;

(b) may appoint and fix the compensation of passport agents and such other officers and employees as may be necessary to carry out the provisions of this Act. Such appointments shall be under the civil service laws. Passport agents and such other officers and employees of the Service as may be designated in writing by the Director for that purpose may, in connection with their official duties, administer to or take from any person an oath, affirmation, affidavit or deposition; and

(c) is hereby authorized and empowered to establish, staff, and maintain passport issuance and/or acceptance facilities at such locations in the United States as the need for efficient and convenient public service may from time to time require: The funds necessary for establishment and operation of such agencies and offices shall be drawn from the fund authorized and established by section 4 of this Act.

SEC. 4. (a) There is hereby established a fund for the Service (hereinafter referred as the "fund"). The fund shall be capitalized on the basis of—

(1) an initial appropriation by the Congress to the fund of a sum of at least $20,000,000, which sum is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated;

(2) any unexpended balances of appropriations, the inventories, and other physical assets of the Passport Office (exclusive of buildings occupied and land), such inventories and other physical assets to be capitalized at their fair and reasonable value; and

(3) assumption by the fund of all obligations, commitments, and liabilities of the Passport Office as of the effective date of this Act.

(b) The fund shall include all property and other physical assets of the Passport Office (except buildings and land), and there shall be deposited into the fund all amounts received by the Service from whatever the disposition of any property or other assets acquired by the fund.

(c) The fund shall be available without fiscal year limitation for financing the direct costs and expenses of operating and maintaining the Service.

(d) Any surplus accruing to the fund in any fiscal year shall be deposited into the general fund of the Treasury as miscellaneous receipts during the ensuing fiscal year: *Provided,* That any such surplus shall be applied first to restore any impairment of the capital of the fund.

SEC. 5. In accordance with the provisions of existing law—

(a) there shall be prepared and submitted annually a business-type budget program for the Service;

(b) there shall be installed and maintained in the Service an integrated system of accounting, including proper features of internal control, which will (1) assure adequate control over all assets and liabilities of the fund, (2) afford full disclosure with respect to the financial conditions and operations of the fund according to the accrual method of accounting, and (3) supply on the basis of accounting results and data for the annual budget of the Service with respect to the last completed fiscal year. The system of accounting shall conform to principles and standards prescribed by the Comptroller General of the United States so as to accomplish the purposes of this section, and shall be subject to such review by the Comptroller as may be necessary to assure its conformance with the principles and standards prescribed and its effectiveness in operation; and

(c) the financial transactions, accounts, and reports of the fund shall be audited annually by the General Accounting Office and a copy of each report or audit shall be furnished promptly to the President and the Congress.

SEC. 6. Section 1 of the Act of June 4, 1920, as amended (41 Stat. 750; 22 U.S.C. 214), is amended by striking out the figure "$10.00" wherever it appears and by inserting in lieu thereof the figure "$12.00."

SEC. 7. All other laws, or parts of laws, in conflict or inconsistent with this Act are, to the extent of such conflict or inconsistency, repealed.

By Mr. BELLMON:

S. 2217. A bill to provide for the adjustment of geographic boundaries of standard metropolitan statistical areas for the purpose of Federal assistance programs. Referred to the Committee on Government Operations.

Mr. BELLMON. Mr. President, over the past 10 years a number of Federal categorical assistance programs have used the SMSA geographic boundaries to guide the expenditure of funds. This has been done despite the fact that the clearly stated purpose of the SMSA's is for statistical use, not to identify the difference between metropolitan and rural areas for program determinations. OMB Circular A-46—page 5—clearly states the executive policy.

In some cases large rural counties, with only a small portion oriented to the metropolitan areas, have been unable to qualify for rural programs because of the rigid use of the SMSA designation. In many of these cases local elected officials and Federal agencies have been unable to adjust boundaries where the SMSA limits are not relevant to program objectives.

The purpose of this bill is to allow more flexibility to city and county officials and Governors in setting realistic boundaries, in cooperation with the Federal agencies, for the administration of Federal grant-in-aid programs. It allows these elected officials to take the initiative to establish realistic program service areas rather than remain subject to a program delivery system based on a boundary concept that may not be relevant to that particular area.

This is a case where the agency—OMB—who established and oversees the SMSA concept, strongly supports more flexibility in their use for program boundaries. This is clearly stated in the "Report and Recommendations of Directors' Task Force on Standard Metropolitan Statistical Areas—SMSA" where OMB—

. . . would emphasize that use of the SMSA in establishing program area boundaries should be based on a careful determination as to whether the boundaries of SMSA's, which are approximate for the collection and aggregation of statistics, fit the nonstatistical purposes of the programs involved.

This bill clarifies the use of an increasingly difficult and confusing concept in Federal program administration. It provides an overview policy that meets the expressed desires of the Federal executive branch and the States and local governments.

I ask unanimous consent that this proposal be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2217

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) in the administration of any Federal assistance program under which such assistance is allocated or apportioned or otherwise made available on the basis of, or by reference to, whether the geographic location of a recipient is within or outside a standard metropolitan statistical area (SMSA), the head of the department or agency carrying out such program may, upon the request of the Governor of the State in which such area is located, modify the geographic boundaries of such area in order to specify the portions of such area which are and which are not essentially metropolitan, except that—

(1) such modification shall apply only to the specific program with respect to which the request was made; and

(2) no such modification may be made in the case of a standard metropolitan statistical area incorporating all or part of more than one State without the consent of the Governors of all affected States.

(b) For the purpose of subsection (a)—

(1) "State" includes the District of Columbia and the Commonwealth of Puerto Rico; and

(2) "Governor" means the chief executive officer of any State.

By Mr. STONE:

S. 2218. A bill to amend chapter 19 of title 38, United States Code, to require the Administrator of Veterans' Affairs to provide veterans with certain cost information relating to the conversion of Government supervised insurance to individual life insurance policies. Referred to the Committee on Veterans' Affairs.

VETERANS INSURANCE DISCLOSURE ACT OF 1975

Mr. STONE. Mr. President, today I am introducing legislation which would require the Veterans' Administration to provide all veterans interested in converting their Government life insurance policy to a commercial life insurance policy with adequate information concerning the cost and value of the conversion policy.

Unlike their older counterparts, Vietnam veterans have not been offered an opportunity to purchase inexpensive, Government-administered whole life insurance protection. In fact, prior to the enactment of the Veterans' Insurance Act of 1974, these veterans were offered low-cost servicemen group life insurance for only 120 days after being discharged from military service. The Veterans' Insurance Act of 1974, introduced by Chairman VANCE HARTKE, provided for the automatic conversion of servicemen group life insurance—SGLI—policy to a nonrenewable 5-year term policy known as veteran group life insurance—VGLI. This program allows recently discharged veterans to maintain the benefits of inexpensive, Government-administered insurance for 5-year readjustment period. Upon the termination of this 5-year policy, the veteran is permitted to convert his VGLI policy to a private commercial life insurance policy offered by a Veterans' Administration approved commercial life insurance company.

Given the complex and often confusing nature of life insurance policies, veterans wanting to convert to a commercial life insurance policy need more information than is presently available to select the best insurance policy for their particular needs. Unfortunately, there are no guidelines nor any comparative data published either by the Veterans' Administration or the commercial life insurance industry to assist these veterans in making an intelligent choice as to which company and policy is best suited for their needs. Without a low-cost Government insurance program or without adequate information to make a conversion to a private commercial policy, the Vietnam veteran is clearly in an inequitable position relative to other veterans.

In the short time I have served as chairman of the Veterans' Affairs Subcommittee on Housing and Insurance, I have received considerable correspondence from the American Legion and other veterans organizations asking me to introduce legislation creating a separate Government-administered life insurance program for Vietnam veterans. I must say that as a strong advocate of private enterprise, I am not inclined to push for the creation of new Government-administered insurance programs. I believe that with the full cooperation of the private commercial life insurance companies, we can avoid the necessity of creating a new Government life insurance program.

However, if we are going to pursue a policy of providing Vietnam veterans with Government-supervised life insurance for only a limited period of time, following which these veterans must convert to a participating commercial life insurance policy, I believe the Government has a firm obligation to provide these veterans with all information necessary to make a rational and prudent conversion to a private life insurance policy. Should hearings on this bill indicate that the Veterans' Administration and private insurance companies are either unable or unwilling to provide our veterans with adequate information at the time of conversion to a private policy, I will be compelled to give strong consideration to the establishment of a new Government life insurance program for Vietnam veterans as suggested by the American Legion and other veterans organizations.

As chairman of the Veterans' Affairs Subcommittee on Housing and Insurance, I intend to schedule comprehensive hearings in order to determine the exact contents and methods of providing veterans necessary price information. Hearings on this bill will consider the merits of the interest-adjusted cost disclosure method contained in the most recent version of a model bill prepared by the National Association of Insurance Commissioners. This method, which would require the disclosure of cost indexes to the veterans covering both 10- and 20-year periods on both a "net surrendered cost" basis and a "net outlay" basis, is presently required in Texas, California, Wisconsin, Arkansas, and Pennsylvania.

The subcommittee will also examine carefully the annual cost disclosure method contained in S. 2065, a bill recently introduced by my distinguished colleague from Michigan (Senator PHILIP HART). The annual disclosure method contained in S. 2065 requires that the policyholder be furnished a disclosure statement at the time of sale which includes: First, the annual premium payable by the policyholder, second, the face amount payable on the death of the insured in any given year, third, the cash value payable to the policyholder on the discontinuation of the policy in any given year, fourth, the dividend payable to the policyholder each year based on the commercial life insurance company's current dividend scale, fifth, the price of each $1,000 of life insurance protection each year based on a reasonable interest rate as determined by the Veterans' Administration Administrator, and sixth, the annual rate of return on the savings element each year. In addition to the interest-adjusted method and the annual disclosure method the subcommittee will study other disclosure proposals which may be helpful in providing the veterans with necessary cost information.

Mr. President, the State of Pennsylvania Insurance Commission annually publishes a comparative cost list entitled "The Shopper's Guide." This publication rates each insurance company operating in the State according to the actual cost of insurance protection. Because "The Shopper's Guide" is easily understood by laymen, I have included a section in this bill directing the Veterans' Administration to determine the cost and feasibility of composing an annual comparative price list of commercial life insurance companies similar to "The Shopper's Guide."

Mr. President, I have introduced this bill because I believe the Government has an obligation to provide our Vietnam veterans with clear, accurate, reliable and adequate information about the cost and value of the commercial life insurance they buy when converting from their Government-administered life insurance policy. This bill does not direct the Veterans' Administration to adopt any particular disclosure method. Rather, it gives the Administrator the discretion to determine the cost disclosure information necessary for a veteran to make a rational and prudent choice of life insurance policy upon the conversion of government supervised life insurance. Should the hearings on this bill indicate that a particular disclosure method is clearly preferable, I will amend this bill to incorporate the specific disclosure information.

By Mr. FONG:

S. 2219. A bill to amend the Central, Western, and South Pacific Fisheries Development Act to extend the appropriation authorization through fiscal year 1979, and for other purposes. Referred to the Committee on Commerce.

Mr. FONG. Mr. President, I introduce today a bill to extend, for 3 years, the authorization for the Central, Western and South Pacific Fisheries Development Act. Passed in September 1972, the act (Public Law 92–444) provides authorization for appropriations which expires on June 30, 1976.

The present bill would amend the act to extend the appropriation authorization for another 3 years, through fiscal year 1979. The sum authorized for the 3 years would be for $4 million.

Mr. President, this legislation has my enthusiastic support because it would promote the tremendous economic potential of the development of fisheries and the fishing industry in the Pacific area, particularly the tuna fishing industry. The bill is strongly endorsed by the Pacific Islands Development Commission, PIDC, which developed a tuna program in connection with the Federal legislation. The four permanent members of the PIDC are the Governors of Hawaii, Guam, and American Samoa, and the High Commissioner of the Trust Territory of the Pacific Islands.

The tuna program was initiated in fiscal year 1975, after considerable preliminary discussions and planning among all parties concerned. The first year's program was financed with funds from the Federal Government, supplemented by contributions from PIDC and the tuna industry.

A good start has been made in the tuna program, through effective cooperation among all parties, Government and private. It is especially important that Federal support be continued and expanded, with the National Marine Fisheries Service taking the lead in this effort.

George Ariyoshi, Governor of Hawaii:

I endorse the amendment proposed by Senator Fong to Public Law 92–444. The continued Federal program to develop the fisheries in the Central, Western, and South Pacific Ocean holds great promise to benefit the tuna fisheries of the members to the Pacific Islands Development Commission.

Edward E. Johnston, High Commissioner, Trust Territory of the Pacific Islands:

Needless to say, we are in full agreement with Senator Fong's amendment if it means that the PIDC/PTDF will be able to obtain the funds necessary to carry out the enormous task of resource evaluation in the PIDC area, as we have not in the past been able to do.

Earl B. Ruth, Governor of American Samoa:

Inasmuch as tuna development in the Pacific still has a long way to go to meet its full potential, I see Senator Fong's amendment as a needed stimulus.

Ricardo J. Bordallo, Governor of Guam:

I am in full support of the measure.

I ask unanimous consent to have printed in the RECORD the text of the bill, a statement on the background and need for extending the Central, Western, and South Pacific Fisheries Development Act, preceded by endorsements of my extension amendment by the chief executives of the four island areas involved.

There being no objection, the bill and statement were ordered to be printed in the RECORD, as follows:

S. 2219

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Central, Western, and South Pacific Fisheries Development Act (86 Stat. 744; 16 U.S.C. 758a note), is amended—

(1) by striking in section 2 the words "three-year";

(2) by striking in section 4 "June 30, 1976," and inserting in lieu thereof "September 30, 1976, and September 30, 1979,"; and

(3) by inserting in section 7 after "$3,000,000" a comma and the following: "and for the succeeding three years through fiscal year 1979, the sum of $4,000,000,".

STATEMENT BY SENATOR HIRAM L. FONG

BACKGROUND

A great deal of information on the assessment of the fishery resources in the central, south and western Pacific, particularly on tuna and tuna-bait fish, has been obtained during the past 25 years. An excellent base of data is now available for the development of commercial tuna fishing operations for the benefit of the people of the U.S. island areas, including the Trust Territory of the Pacific Islands and the U.S. tuna industry.

Both entities have an immediate need to begin commercial operations for the harvest of tuna from the region. As a prerequisite to commercial operations by U.S. interests, including the island people, funds are required for the development of fishing gear, gear handling and fishing methods, and the improvement of existing vessels and gear for operation in these offshore areas.

THE NEED

The island areas and the tuna industry have common interests in developing a substantial tuna fishery in the region but they have some quite different objectives. Each agrees that there is a need to establish historical fishing rights in the vast area of the central, south and western Pacific to assure access to the tunas and other high seas fishery resources and a voice in their management.

Beyond that, however, the island interests look to the harvest of the resources to contribute to the employment of their people and their overall economic development. The tuna industry looks to the region for an additional supply of raw or processed tuna products.

The four island areas (the State of Hawaii, Guam, American Samoa and the Trust Territory of the Pacific Islands) described are looking for means to expand their economic base. Except for the benefits which result from military expenditures and various other governmental activities which are not likely to increase, the opportunities lies principally in tourism, agriculture and fisheries.

There are substantial harvestable living resources available in the ocean areas surrounding them, especially tunas. This is evidenced from the historical catches of foreign countries and assessments made by fishery research laboratories, notably the Honolulu Laboratory of NMFS. Therefore, fisheries development offers the island areas the greatest immediate, if not long-range, potential for economic development.

The resource assessment work indicates conclusively that the potential for expansion of the tuna harvest within the region lies primarily with skipjack, which, unlike the other species, is substantially under harvested. There are various estimates of the potential annual harvest for this species within the region; these estimates range up to one million tons.

The United States is the leading consumer of tuna in the world. In 1973 total usage, round weight basis, was approximately 678,000 tons, of which domestic products accounted for 276,000 tons or 40 percent. Total demand by 1976 should reach 775,000 tons for the year. Current fisheries cannot meet this increased demand and it is mandatory that new grounds be developed.

On the basis of excess fishing capacity of the U.S. fleet, these grounds should be developed by and for United States interests. It will increase vessel productivity at no additional capital investment, stimulate additional employment through the development of support facilities, will save foreign exchange and add to the options of the United States with respect to the management of high seas resources.

Specifically, the tuna processors are interested in obtaining additional raw tuna to supply their mainland canneries, plants they operate elsewhere including the two, and soon three, in American Samoa and one in Honolulu. It may be advantageous in the future to establish others in region under discussion.

Whereas U.S. processors wish to maintain a viable U.S. tuna fleet (because otherwise they would be entirely dependent on foreign suppliers), the existing demand-supply problem dictates that they also expand their supply sources from wherever else possible. The successful development of a major skipjack fishery in central, south and western Pacific is a means of not only increasing their supply of raw material to the processors but also will contribute to the economic well-being of the U.S. and Trust Territory fishermen.

Because of international conservation measures which were instituted in 1966, the open season for the yellowfin tuna in the eastern Pacific, the mainstay of the U.S. fishery, has been reduced to the first four to five months of the year. Thereafter, fishing in the eastern Pacific is primarily limited to skipjack, whose availability varies markedly from year to year, but generally do not occur in sufficient quantity for most vessels.

The operators of the larger vessels have been accommodating to the problem after the closure by moving to other regions, such as the eastern seaboard of the United States to fish for bluefin, the eastern tropical Atlantic to fish for yellowfin and skipjack and the offshore grounds southeast of Hawaii. These alternatives will not satisfy the growing fleet of large vessels.

In the past six years the capacity of this element of the tropical tuna fleet has grown from 14 vessels (capacity 10,200 tons) to 96 vessels (capacity 97,000 tons). The small vessels, those of 400 tons capacity or less, presently have no suitable alternatives. The region of the central, south and western Pacific would offer an opportunity for both groups to operate more profitably. The small vessels could base within the area and larger vessels would have the option to do so. Present fishing technology must be modified and adapted, however, to realize these opportunities and to operate under the conditions which prevail there.

The primary goal at this time is experimentation to adapt modern, highly productive methods of fishing tunas, live bait method, trolling and purse-seining, to the economic conditions that prevail in the central and western Pacific. If successful, any one of the three methods for fishing surface tunas can be adopted by Micronesian fishermen for the development of their own tuna fisheries.

Local development using either the live bait fishing method or trolling is especially amenable to investment, development and management by peoples of the Trust Territory. However, based on current and historical knowledge of the Trust Territory area, only three locations, Truk, Marshalls and Palau, have sufficient bait resources to support an economically viable pole and line fishery of any significance, i.e., 7,000–12,000 tons per year. Ponape may have the potential to support a smaller pole and line fishery, i.e., under 5,000 tons per year.

Certain other locations undoubtedly have the potential to support trollers or troller/baitboat combination vessels. In total, the bait resources of the Trust Territory might support a pole and line fishery that lands between 25,000–35,000 tons per year and troller activity that lands another 5,000–10,000 tons. Thus, the total small boat potential is 30,000–45,000 tons per year out of an overall potential for the area of over 250,000 tons per year. Ultimately, the remaining potential must be harvested by vessels that can range the Trust Territory area and adjacent seas and are not dependent upon bait, i.e., the purse-seiner. The operation of these vessels in the area will benefit local island economies through equity positions, provide job opportunities, expenditures for support facilities, services, transshipment of catches and possibly processing of catches.

To the extent that the experimental operations can be based in ports of the Trust Territory, they will serve as a viable demonstration to local citizens of advanced methods that are used for catching tuna and thus will have value for the transfer of fishing technology.

The development of an important tuna fishery in the central, south and western Pacific would bring about the development by private investors of facilities for transshipment, cold storage, fuel and supplies, live bait and other needs. Certain of these requirements can be currently obtained in Hawaii, American Samoa, Guam and the Trust Territory which result in direct economic benefit to those areas. These support facilities will expand rapidly to accommodate a growing fishery. Economics will dictate that the vessel owners will train and employ fishermen from the region to augment their crews.

Successful expansion of the U.S. tuna industry's activities in the region is certain to result in economic benefit to the island areas. Just how these specific benefits will be distributed within the area cannot presently be defined. They will depend on which fishing methods prove feasible, the geographic regions in which adequate catches can be made, where vessel support, transshipment or processing facilities are available or can be established and the willingness of the island people to participate in the overall operations, in essence a joint venture, should provide the experience base of "know-how" for them to establish and expand fishing and processing operations of their own, not only for tuna but for other fisheries resources.

By Mr. PERCY (for himself, Mr. McClellan, Mr. Jackson, Mr. Hruska, Mr. Ribicoff, Mr. Javits, and Mr. Bentsen):

S. 2221. A bill to amend chapters 25, 113, and 203 of title 18 of the United States Code to prevent illegal traffic in lost, stolen, forged, counterfeit, and fraudulent securities. Referred to the Committee on the Judiciary.

FRAUDULENT SECURITIES AND ORGANIZED CRIME

Mr. PERCY. Mr. President, I am today introducing legislation, entitled "The Securities Protection Act of 1975," which is designed to insure the vigorous pursuit, arrest, and prosecution of all those involved in fraudulent securities transactions. Cosponsoring this bill along with me are Senators McClellan, Jackson, Hruska, Ribicoff, Javits, and Bentsen.

The need for such legislation was well documented during the 1971–74 hearings concerning the connection between organized crime and the traffiicking in counterfeit securities held before the Permanent Subcommittee on Investigations, on which I serve as the ranking minority member. It was at those hearings, which were so ably chaired by both Senator McClellan, and later by Senator Jackson, that expert witnesses testified that billions upon billions of dollars of worthless securities could be found in the Nation's brokerage houses and banks and that the Federal Government's efforts to prosecute the organized criminals who specialize in this type of activity have been hampered by ineffective laws and a lack of coordination on the part of Federal investigators and prosecutors. What was made especially clear by the witnesses who testified before the subcommittee was that neither the banks nor the brokerage houses, nor the public, nor even the Federal Government understood the magnitude and scope of this problem or the potential for catastrophic consequences if it were not adequately remedied.

It is now time for the Congress to do what it can to ensure that confidence men dealing in stolen or fraudulent securities are dealt with swiftly and harshly by the law and that banks and brokerage houses exercise due diligence in reviewing the securities they accept and trade. The scope of the Securities Protection Act of 1975 would be wider than present Federal criminal laws in this area. For example, this statute would make it a Federal crime to possess or conceal counterfeit marketable securities of a corporation or of a state or municipal government. Existing law only covers counterfeit marketable securities which are transported in interstate or foreign commerce or the possession of such counterfeit securities which are "moving as, or which are a part of, or which constitute interstate or foreign commerce." (18 U.S.C. 2315)

The legislation being offered today would bring complete Federal criminal sanctions to the counterfeiting, possession, and use of counterfeit marketable securities at all federally-insured financial institutions. Another significant change that this legislation would work in the Federal criminal law would be to prohibit the possession and dealing in stolen U.S. marketable securities (section 511). This section of the bill would be applicable without regard to from whom the securities had been stolen.

Mr. President, one of the most important issues considered at the hearings on fraudulent, stolen and counterfeit securities was how to ensure that banks, brokerage houses, and other members of the financial community take strong steps to validate the securities they accept. Senator JACKSON, the chairman of the Permanent Subcommittee on Investigations, introduced an amendment to Public Law 94–29, which was designed to deal with the need for authenticating the billions of dollars of securities that are traded daily in this country. This amendment, which was signed into law in June of 1975, meshes perfectly with the legislation being offered today. It creates a mechanism whereby all data concerning missing, lost, or stolen securities will be stored in one place.

The machinery created under this amendment will be regulated by the Securities and Exchange Commission—SEC—and, once it is operational, persons engaging in certain securities transactions will be required by law to authenticate the securities through the SEC.

I commend Senator JACKSON for his role in the enactment of this statute. It is my hope that it will lead to effective cooperation between the financial community, the SEC and other regulatory agencies, as well as law enforcement officials in establishing a securities validation system which will serve the needs of all the separate interests concerned, and the Nation as a whole.

The hearings held by the Permanent Subcommittee on Investigations regarding the role of organized crime in the counterfeiting, theft, and use of stolen or worthless securities were extraordinarily useful in alerting the Congress to the dangers caused by the widespread use of fraudulent securities. The lesson has been learned and now is the time for the Congress to take vigorous action. I am hopeful that the legislation being introduced today will play a significant part in lessening the threat that the use of stolen and fraudulent securities poses to the fundamental health of the financial institutions of this country.

I am particularly pleased to have as principal cosponsor of this legislation Senator MCCLELLAN who is chairman of the Criminal Laws and Procedures Subcommittee of the Judiciary Committee and Senator HRUSKA its ranking minority member; also Senators JACKSON, RIBICOFF, and JAVITS, who played important roles in the hearings held by the Senate Permanent Investigating Committee, and Senator BENTSEN, who has always demonstrated his interest in improving the functioning of the securities industry.

Mr. President, I ask unanimous consent that this bill be printed at the conclusion of any remarks, together with a detailed explanatory memorandum.

There being no objection, the bill and statement were ordered to be printed in the RECORD, as follows:

S. 2221

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "The Securities Protection Act of 1975".

SEC. 2. STATEMENT OF FINDINGS AND PURPOSE

(a) The Congress finds that (1) organized crime and organized criminal activities in the United States are highly sophisticated, diversified, and widespread operations that annually drain billions of dollars from America's economy by unlawful conduct and the illegal use of force, fraud, and corruption; (2) organized crime and organized criminals derive a major portion of their power through money obtained from such illegal endeavors as syndicated gambling, loan sharking, the theft and fencing of property, and other fraudulent transactions in forged, counterfeited, and stolen private and Government securities, the importation and distribution of narcotics and other dangerous drugs, and other forms of social exploitation; (3) the activities of organized crime and organized criminals in general and in particular in the theft and fencing of property and other fraudulent transactions in forged, counterfeited, and stolen private and Government securities are affecting commerce with foreign nations and among the several States and the ability of the United States effectively to pay its debts, to borrow money on its credit, to coin its money and issue its securities and to establish post offices. The Congress further finds that most forgery, counterfeiting, and theft of securities involves a potential for the adverse effects noted with respect to such activities on the part of organized crime and organized criminals and also that such activities are often accomplished by depredations upon instruments of commerce or the mails and once accomplished pose a high degree of risk for distribution of the securities in commerce or in the mails, often accompanied by direct or indirect involvement of organized crime or organized criminals.

(b) the theft, forging, and counterfeiting of marketable securities, and the trafficking in such securities, which is carried on to a substantial extent in interstate and foreign commerce and through the means and instrumentalities of such commerce, directly affects interstate and foreign commerce; even where the use of such securities is purely in character, it nevertheless substantially affects interstate and foreign commerce;

(c) the use of stolen, forged, counterfeit, and fraudulent securities at financial institutions which are federally insured affects interstate and foreign commerce, is harmful to the national economy, and should be severely punished;

(d) the use of stolen marketable securities of the United States by organized criminals imposes a drain on the assets of the United States Treasury and impairs investor confidence in the integrity and negotiability of United States securities;

(e) the "immobilization" of marketable securities should be encouraged and the financial community should make greater use of central depositories which use book entry systems;

(f) the financial community should strive to improve its storage, shipping, and handling of marketable securities including closer validation of securities at the time of transfer, sale, exchange, or pledging in order to guard against the utilization of stolen, forged, counterfeit, or altered marketable securities; and

(g) the financial community should expeditiously report instances of missing, lost, forged, counterfeit, or stolen marketable securities to law enforcement authorities.

On the basis of these findings, therefore, the Congress determines that the provisions of this Act are necessary and proper for the purpose of carrying into execution the powers of Congress to regulate commerce with foreign nations and among the several States, to pay debts, to borrow money on the credit of the United States, to coin money and issue securities of the United States, and to establish post offices.

Section 3, Chapter 25 of Title 18 of the United States Code is amended by adding after Section 509 the following new Sections:

"Section 510. Forging or Counterfeiting of Marketable Securities and Possession thereof.

"(a) Whoever with intent to defraud or having reason to believe his act will facilitate fraud makes, alters, forges, counterfeits, prints or in any manner executes any engraving, print, or impression in the likeness of any marketable security or any part thereof, or who with like intent or belief possesses or conceals any such marketable security, shall be fined not more than $50,000 or three times the value of the marketable security, whichever is greater, or imprisoned not more than ten years, or both.

"(b) Whoever knowingly makes, alters, forges, counterfeits, prints or in any manner executes any engraving, print, or impression in the likeness of any marketable security or any part thereof without the written approval of an authorized official of the issuing corporation, business, or Government shall be fined not more than $5,000 or imprisoned not more than one year, or both.

"(c) Whoever with intent to defraud, possesses, keeps, safeguards, controls, sells, gives, or delivers without the authority of an authorized official of any issuing corporation, business, or Government any tool, implement, plate, negative, photograph, or other thing used or fitted to be used in making, altering, forging, counterfeiting, or printing any marketable security shall be fined not more than $10,000 or imprisoned not more than ten (10) years, or both.

"(d) As used in this section, the term:

"(1) 'marketable security' means:

"(A) any note, stock, treasury stock, bond, interest coupon, debenture, or blank certificate of any of the above, other than currency, issued by a corporation, business, or foreign Government; and

"(B) any bond, interest coupon, or other obligation issued or guaranteed by any state or territory of the United States, or by any political subdivision of a state or territory or by any public instrumentality of one or more states or territories;

"(2) 'value' means the face, par, or market value, whichever is the greatest, and the aggregate value of all marketable securities referred to in a single count of an indictment or civil complaint shall constitute the value thereof.

"(e) In addition to any other remedy at law, any corporation, business, or government whose marketable securities are made, altered, forged, counterfeited, or printed in violation of paragraph (a) of this section, shall have the right to recover in a civil suit brought in a United States District Court from any person who violates paragraph (a) damages equal to three times the value of such securities in addition to reasonable attorney fees and court costs.

"(f) Any printing equipment used in the commission of an offense set forth in subsection (a) or subsection (c) shall be forfeited to the United States; the provisions of the third paragraph of Section 492 of this title shall be applicable to a forfeiture under this subsection.

"(g) Investigations for violations of this section shall be conducted by the United States Secret Service.

"(h) Nothing contained in subsection (b) shall be deemed to prohibit the true owner, legal custodian, or authorized official of a financial institution from making a photostatic copy of any marketable security for the purposes of record keeping or validation."

"Section 511. Possession of Stolen United States Marketable Securities.

"(a) Whoever receives, possesses, passes, delivers, sells, or offers for sale or attempts to receive, pass, deliver, sell, or offer for sale any marketable security of the United States knowing the same to be stolen, converted or obtained by fraud.

"(1) shall, if the value of the securities exceeds $100, be fined not more than $50,000 or three times the value of the securities, whichever is greater, or imprisoned for not more than ten years, or both; or

"(2) shall, if the value of the securities is $100 or less, be fined not more than $5,000 or imprisoned for not more than one year, or both.

"(b) As used in this Section, the term:

"(1) 'marketable security' means any obligation which earns interest, either by discount or accrual, including any bond, interest coupon, treasury note, treasury bill, or other similar obligation, which is issued or guaranteed by the United States, any agency or territory thereof, or any person controlled or supervised by and acting as an instrumentality of the United States pursuant to authority granted by Act of Congress.

"(2) 'value' means the face, par, or market value, whichever is the greatest, and the aggregate value of all marketable securities referred to in a single count of an indictment or civil complaint shall constitute the value thereof.

"(c) Investigations for violations of this Section shall be conducted by the United States Secret Service."

SEC. 4. The Chapter analyses of Chapter 25 of Title 18, United States Code is amended by adding at the end thereof the following:

"Section 510. Forging or Counterfeiting of Marketable Securities and Possession thereof.

"Section 511. Possession of Stolen United States Marketable Securities."

SEC. 5. Section 3056 of Title 18, United States Code is amended to insert "510, 511" after "509" and before "and 871."

SEC. 6. Chapter 113 of Title 18 of the United States Code is amended by adding at the end thereof the following new sections:

"Section 2319. Theft and Unlawful Possession of Marketable Securities.

"(a) Whoever takes and carries away, or attempts to take and carry away, with intent to steal, embezzle, purloin, or otherwise knowingly unlawfully converts to his use or the use of another, any marketable security belonging to or in the care, custody, control, management, or possession of any financial institution:

"(1) shall, if the value of the securities exceeds $100, be fined not more than $50,000 or three times the value of the securities, whichever is greater, or imprisoned for not more than ten years, or both; or

"(2) shall, if the value of the securities is $100 or less, be fined not more than $5,000 or imprisoned for not more than one year or both.

"(b) Whoever buys, receives, conceals, or unlawfully has in his possession any marketable security which has been stolen, embezzled, purloined, or unlawfully converted from a financial institution, knowing the marketable security to be stolen, embezzled purloined, or knowingly unlawfully converted:

"(1) shall, if the value of the securities exceeds $100, be fined not more than $50,000 or three times the value of the securities, whichever is greater or imprisoned for not more than ten years, or both; or

"(2) shall, if the value of the securities is $100 or less, be fined not more than $5,000 or imprisoned for not more than one year or both.

"(c) As used in this section, the term:

"(1) 'financial institution' means any bank whose deposits are insured by the Federal Deposit Insurance Corporation, any member of the Federal Reserve System, and any member of or business insured by the Securities Investor Protection Corporation;

"(2) 'marketable security' means:

"(A) any note, stock, treasury stock, bond, interest coupon, debenture, or blank certificate of any of the above, other than currency, which is issued by any corporation, business, or foreign government;

"(B) any obligation which earns interest, either by discount or accrual, including any bond, interest coupon, treasury note, treasury bill, or other similar obligation, which is issued or guaranteed by the United States, any agency or territory thereof, or any person controlled or supervised by and acting as an instrumentality of the United States pursuant to authority granted by Act of Congress; or

"(c) any bond, interest coupon, or other obligation issued or guaranteed by any State or territory of the United States, or by any political subdivision of a State or territory or by any public instrumentality of one or more States or territories.

"Section 2320. Use of Stolen or Counterfeit Marketable Securities at a Financial Institution.

"(a) Whoever tenders, presents, delivers, sells, pledges, assigns, or accepts, or attempts to tender, present, deliver, sell, pledge, assign, or accept any stolen, counterfeit, falsely made, altered, or forged marketable security, knowing the same to be stolen, counterfeit, falsely made, altered, or forged, at any financial institution—

"(1) shall, if the value of the securities exceeds $100, be fined not more than $50,000 or three times the value of the securities, whichever is greater, or imprisoned for not more than ten years, or both; or

"(2) shall, if the value of the securities is $100 or less, be fined not more than $5,000 or imprisoned for not more than one year, or both.

"(b) As used in this section, the term:

"(1) 'financial institution' means any bank whose deposits are insured by the Federal Deposit Insurance Corporation, any member of the Federal Reserve System, and any member of or business insured by the Securities Investor Protection Corporation:

"(2) 'marketable security' means:

"(A) any note, stock, treasury stock, bond, interest coupon, debenture, or blank certificate of any of the above, other than currency, which is issued by any corporation, business, or foreign government;

"(B) any obligation which earns interest, either by discount or accrual, including any bond, interest coupon, treasury note, treasury bill, or other similar obligation which is issued or guaranteed by the United States, any agency or territory thereof, or any person controlled or supervised by and acting as an instrumentality of the United States pursuant to authority granted by Act of Congress; or

"(C) any bond, interest coupon, or other obligation issued or guaranteed by any State of the United States, or by any political subdivision of a State or territory or by any public instrumentality of one or more States or territories."

SEC. 7. The Chapter analysis of Chapter 113, Title 18, United States Code is amended by adding at the end thereof the following:

"Section 2319. Theft and Unlawful Possession of Marketable Securities.

"Section 2320. Use of Stolen or Counterfeit Marketable Securities at a Financial Institution."

MAIN PURPOSES OF THE "SECURITIES PROTECTION ACT OF 1975"

A. NEW COVERAGE

1. This Act makes it a Federal crime to steal marketable securities from a brokerage firm insured by the Securities Investor Protection Corporation. This gives to brokers the similar protection which the present criminal coverage provides Federally insured banks under 18 USC § 2113 and § 656.

2. The Act helps to remove some of the jurisdictional burden facing Federal prosecutors when they attempt to prove the "interstate commerce" requirement when prosecuting fences and other traffickers in stolen securities. Often there are significant time delays between the actual theft and the surfacing of stolen securities. During this time the securities are often moved around in interstate and foreign commerce by the criminal underground as the securities pass from one fence to another looking for an opportunity to dispose of them. Normally when the securities finally surface the prosecutor can only obtain evidence in regard to their theft and the circumstances of their surfacing. When, how and who transported them from State X to State Y is undeterminable. The prosecutor is then confronted with the legal problem of proving that the security was still in interstate commerce and had not come to rest. While it would seem plausible that a stolen security when once introduced into the stream of interstate or foreign commerce would remain in such a stream and would not come to rest until the security was successfully disposed of by the criminal element into the hands of a legitimate holder-in-due course, the courts unfortunately have never expressly ruled in such a manner although the dicta and rationale of some of their decisions seem to be pointing in that direction. The Congress, however, has within its power the ability to remove this "interstate commerce" burden when the marketable security is stolen from a Federal insured institution and when the use or attempted use of a stolen security is made at such an institution. This legislation will, therefore, help to eliminate these burdens and make prosecution of fences and traffickers in stolen securities earier.

3. The Act makes it a Federal crime to counterfeit marketable securities of a corporation or of a state or municipal government. Presently, it is not a Federal crime to simply counterfeit corporate or municipal securities. It becomes a Federal crime only when such counterfeit securities cross state lines or enter foreign commerce. The Senate hearings have shown that marketable securities by their very nature affect interstate and foreign commerce and therefore their counterfeiting should be Federally prohibited in the first instance.

4. The Act also makes it a Federal crime to possess or conceal counterfeit marketable securities of a corporation or of a state or municipal government. Presently, existing legislation would only cover counterfeit marketable securities which are transported in interstate or foreign commerce (18 USC § 2314) or the possession of such which are "moving as, or which are a part of, or which constitute interstate or foreign commerce" (18 USC § 2315). This legislation would bring complete Federal criminal sanctions to the counterfeiting, possession, and use of counterfeit marketable securities at a Federally insured financial institution. The first two would be covered under 18 USC § 510 and the last one by 18 USC § 2320.

5. The Act also creates a new offense to prohibit the possession and dealing in stolen United States marketable securities (Section 511). This section will be applicable without regard to from whom the securities were stolen. It is felt that a considerable portion of the nearly $100 million

worth of currently lost and missing United States marketable securities are actually stolen and being held by the criminal element with the hopes of eventually disposing of them at sometime. It is felt that because of this significant amount of missing securities, special legislation is needed to deal with the problem. Section 511 is aimed at diminishing the opportunities for losses to the United States Treasury by it having to pay twice for the stolen securities and at promoting investor confidence in United States securities. The Government owes this added protection to its creditors and to itself. Many matters develop each year where informants advise the Secret Service that fences have stolen United States securities but because of no existing criminal statute no Federal violation exists absent other factual developments such as interstate transportation (18 USC § 2314) or forging (18 USC § 495). It is felt by having this special legislation the Secret Service can thoroughly focus upon this problem insofar as it affects United States marketable obligations and therefore, better help to protect the investing public and the taxpayers.

B. IMPROVED COVERAGE AND OTHER POINTS

1. The legislation increases the criminal penalties for the thieves, fences and users of stolen and counterfeit securities.

2. In regard to possession of stolen securities, the statute (18 USC § 2319(b)) requires only that the prosecution prove that the possessor knew the securities were stolen. The prosecution would not have to prove that the defendant knew from where they were stolen. (For instance, the present 18 USC § 2113(c) where the Government must prove that the receiver of the property from a bank robbery knew that the bank loot was stolen from a Federally insured bank.) The government would still have to prove that the securities were stolen from a Federal insured institution. This would make Setcion 2319(b) similar to the knowledge required for possessors of property stolen from the mail (18 USC § 1708) and from interstate shipments (18 USC § 659).

3. The theft statute (18 USC § 2319(a)) would cover both outsiders and persons who work for the financial institution. This is done by the word "whoever."

4. The theft statute (18 USC § 2319(a)) would also cover clearly thefts by employees of a bank of the bank's own securities. Presently, under 18 USC § 656 the bank's own securities must be found to be encompassed within the term "moneys, funds, or credits of such bank." While this would obviously cover "bonds" (because they are "credits") there is a legal argument that can be against "stock" being covered. The new bill will clearly cover both.

5. The theft and possession statutes (18 USC § 2319 (a) & (b)) cover the securities stolen from a Federal Reserve Bank as well as a central depository which is a member of the Federal Reserve System in addition to the other banks and brokerage houses which are Federally insured. The former being covered because it is also a member of the Federal Reserve System.

6. The theft (18 USC § 2319(a)), possession (18 USC § 2319(b)), and use (18 USC § 2320 (a)) statutes define marketable securities to include all corporate stocks and bonds, state and municipal bonds, and United States and foreign governments obligations which bear interest either by the accrual or the discount manner method. The legislation does not cover currency of either the United States or foreign governments. It does, however, encompass interest coupons.

7. The "use" statute (18 USC § 2320) makes it a serious felony to use or attempt to use stolen or counterfeit marketable securities at any Federally insured financial institution. Presently, 18 USC § 1014 and § 2315 are partially applicable to this situation. Unfortunately, 18 USC § 1014, the general false statement to a bank statute, carries only a two year penalty. This is no deterrent to the criminal when one considers the sums of money to be possibly gained by this illegal activity. In addition, 18 USC § 2315 suffers because the Government is required to prove that the securities pledged were "moving as, or which are a part of, or which constitute interstate or foreign commerce." This can be an extremely difficult burden to overcome especially if there has been no evidence of any interstate movement close in time to the attempted pledging. This bill will remove the need to prove the interstate aspects when securities are used at federally insured institutions.

8. The "use" statute (18 USC § 2320) also prohibits the use of any marketable securities stolen from any source. In other words it is not limited to marketable securities stolen from a financial institution. It will also prohibit the use of any marketable securities at any "financial institution" which have been stolen from interstate shipment, the mails, a private residence, or a corporate office. Also there does not have to be any interstate activity in regard to any counterfeit marketable security when such is used or attempted to be used at any insured financial institution.

9. The "use" statute (18 USC § 2320) prohibits the use of disposition or attempted use or disposition of stolen or counterfeit securities at or through any federally insured financial institution. This would include any pledging as collateral for a loan, depositing into any type of account, including a trust account, or any sale thereof.

10. The "use" statute (18 USC § 2320) is aimed not only at the person who knowingly presents such stolen and counterfeit securities at the financial institution but it also covers the official of the financial institution who *accepts* such securities *knowing* them to be stolen or counterfeit.

11. Section 2320 not only covers the uses of marketable securities which will be stolen in the future, it also prohibits the future use of all past stolen, regardless of from where these were stolen, and counterfeit securities, which are existing at the time of the enactment of this legislation. Thus, Section 2320 will make it more difficult for the criminal element to dispose of the billions of dollars worth of missing, lost, stolen, and counterfeit securities presently in existence.

12. The theft (18 USC § 2319(a)), possession (18 USC § 2319(b)) and the use of (18 USC § 2320) statutes have misdemeanor provisions if the value of the marketable securities is $100 or less.

13. The counterfeiting statute (18 USC § 510) increases the penalties for counterfeiting foreign obligations (see the present 18 USC §§ 478–481). It is felt that in these days of great international finance that the counterfeiting of interest bearing types of foreign obligations can have serious detrimental effects on the nation's financial institutions and also interfers with the good diplomatic and economic relationships with foreign governments and is deserving of increased punishment.

14. The phrase "or having reason to believe his act will facilitate fraud" is included in Section 510 to encompass those situations where the criminal is attempting to dispose of counterfeit marketable securities to an undercover law enforcement agent or an accomplice because in these situations the purchaser (i.e., the undercover agent or an accomplice) is not being defrauded since he knows the securities are counterfeit. The seller in these instances, however, does have reason to believe that his purchaser intends to dispose of these securities in such a manner that some victim will ultimately be defrauded. By including this provision in Section 511 you combine into one statute the separate offenses which are covered by 18 USC § 472 (Uttering) and 18 USC § 473 (Dealing) in regard to counterfeit United States obligations.

15. The counterfeiting statute (18 USC § 510) is not applicable to United States obligations as existing legislation is felt to be more than adequate. (See Chapter 25 of Title 18, United States Code.)

16. The counterfeit statute (18 USC § 510) carries a misdemeanor provision for anyone who without appropriate authority makes a copy of any domestic or foreign corporation, municipal, or foreign government security covered under the bill. The statute does not prohibit the true owner, legal custodian, or authorized official of a financial institution from making a photostatic copy of any marketable security for the purposes of record keeping or validation (18 USC § 510(h)). Neither of these (subsections (b) or (h) of Section 510) lessen the *sanctions* for the person who intends to defraud anyone by his duplication activities.

17. Both Sections 510 (counterfeit) and 511 (possession of stolen United States marketable securities) also have misdemeanor provisions if the value of the securities is $100 or less.

18. Investigative jurisdiction of 18 USC § 510 and § 511 is vested in the Secret Service because of their expertise in the area of counterfeiting and primary responsibility for United States obligations.

19. Investigative jurisdiction of 18 USC § 2319 and § 2320 would be with the Federal Bureau of Investigation.

20. While Sections 510 and 511 will expand Federal criminal jurisdiction it is anticipated that the Department of Justice and the Secret Service will agree on those areas of priority upon which to focus their limited investigative and prosecutive resources. Under Section 510 the emphasis will undoubtedly be on the counterfeiters and the distributors of such counterfeits. Under Section 511 the emphasis will be on the fences who receive the stolen United States securities and those who attempt to dispose of such. It is not anticipated under Section 511 that the Secret Service will have to enter into active investigation of any matter involving the theft of United States marketable securities until there is an indication of some effort to dispose of such stolen securities. A large theft of such securities, however, might itself be indicative of an ultimate effort to dispose of them. The thefts of United States marketable securities from private parties therefor remains a local crime.

21. While under Section 511 and 2319(b) there would be some potential overlap in regard to possession of stolen marketable securities issued by the United States, their focal points are different and because of the greater harm to the nation in these situations the fence and trafficker in stolen United States securities does face the risks of greater penalties if he possesses stolen securities of this nature. Under Section 2319(b), the Federal Bureau of Investigation is given the mandate to detect possessors of any marketable security stolen from a Federally insured financial institution regardless of the type of marketable security because the safety of these institutions is vital to the nation's economy. The focal point under Section 511 is somewhat broader as it is aimed at protection of the United States Treasury against financial losses and to insure the integrity and negotiability, and hence their marketability of United States securities among the investing public and the financial community. As such, it legitimately falls within the functions and obligations of the Secret Service. Furthermore, Section 511 would prohibit the future possession of not only future thefts of

United States marketable securities but also the possession of previously stolen United States securities as long as they remain in their stolen status (i.e., not subsequently obtained by a holder-in-due course who paid adequate consideration and took custody of the securities without notice of their being stolen). Therefore, Section 511 not only looks forward to the possessors of future thefts, it also reaches those fences who will be possessing the proceeds of past thefts, insofar as they are United States securities. By these two statutes, the criminal element is exposed to the double barrel threat of detection and investigation by the Secret Service and the Federal Bureau of Investigation. Undoubtedly, the Department of Justice will issue appropriate instructions to its various prosecutors to insure that the particular charges brought against any one defendant are not overburdensome and are equitable and fair. Furthermore, in the unlikelihood of overzealous prosecution, the courts through their supervisory and sentencing powers in the absence of some unusual circumstances would impose concurrent sentences for any conviction of both Section 2219(b) and Section 511 since these are basically the same offense being committed although it could be legitimately argued that because of their different focal points they are deserving of additional punishment.

22. Nothing in this legislation reduces, restricts, or supersedes existing statutes and nothing in this legislation reduces existing investigative authority of any law enforcement agency under existing law or practices. And while the "Securities Protection Act of 1975" does have certain provisions which will create on the fringes of their coverage concurrent jurisdiction between various Federal investigative agencies (i.e., FBI, Secret Service and Postal Service), this is not bad or undesirable because it will undoubtedly cause a healthy form of competition between them while each concentrates on the areas of either its sole or primary responsibilities. Furthermore, in actual practice involvement of a Federally insured financial institution would normally trigger investigation by the Federal Bureau of Investigation. Thefts from the mail and the use of mails to promote fraudulent activity involving stolen or counterfeit marketable securities would continue to be within the jurisdiction of the United States Postal Service. And in the absence of any Federally insured financial institution or the use of the mails, the United States Secret Service would investigate most of the counterfeiting of marketable securities and the fencing of stolen United States securities. The Attorney General through his prosecutive agencies would provide for any additional coordination of investigations which might be required. The Act, therefore, helps to insure and permit the better detection, apprehension, prosecution, conviction, and punishment of fences and traffickers in stolen and counterfeit securities.

Mr. JACKSON. Mr. President, I am pleased to be a cosponsor of the legislation entitled "the Securities Protection Act of 1975."

The legislation would strengthen the Government's ability to control the traffic in stolen and counterfeit securities.

The bill is the result of a 5-year inquiry by the Permanent Subcommittee on Investigations into the role of organized crime in the stolen and counterfeit securities traffic.

The bill was drafted by the Investigations Subcommittee in consultation with and with the assistance from the Department of Justice and the Treasury Department.

The bill will enable Federal authorities to more effectively pursue, arrest and prosecute persons involved in fraudulent securities transactions. The legislation closes loopholes in the law and defines specific violations in areas of the law where precise definitions have been lacking.

A key provision of the bill is that it allows Federal authorities to prosecute suspected securities violators even if no interstate movement has been established. As the law reads now, interstate traffic must be indicated.

In addition, the measure makes it a Federal crime to counterfeit marketable securities of a corporation or of a State or municipal government; and to possess or conceal counterfeit marketable securities of a corporation or of a State or municipal government.

Also defined as a Federal offense will be the theft of marketable securities from brokerage firms insured by the Securities Investor Protection Corporation. This gives to brokers the same protection which the present criminal coverage provides federally insured banks.

The legislation increases criminal penalties given to persons convicted of stealing, fencing or using stolen or counterfeit securities.

The Securities Protection Act of 1975 is the second legislative proposal introduced this year concerning the traffic in spurious securities which stemmed from our investigation.

The first proposal, an amendment to Public Law 94-29, which was signed into law in June, sets up machinery to be regulated by the Securities and Exchange Commission—SEC—in which identifying data on missing, lost or stolen securities is stored. Once this machinery is operational, persons wishing to execute certain securities transactions will have to confirm the authenticity of the securities through the SEC. This law calls for law enforcement, the financial community and the regulatory agencies to work together to produce a system which serves the valid needs of all interests.

These two legislative proposals, taken together, would make it possible for both the financial community and Federal enforcement agencies to work together to prevent and control this type of white collar crime.

I am pleased that Senator McClellan has joined in sponsoring this bill. It was Senator McClellan who, as chairman of the Permanent Subcommittee on Investigations, first authorized the subcommittee's inquiry into the role of organized crime in the traffic of stolen and counterfeit securities in 1969.

Due in large part to Senator McClellan's leadership, the investigation went forward responsibly and constructively. In 1973, when I succeeded Senator McClellan as chairman of the Investigations Subcommittee, the Senator recommended to me that this inquiry be continued in light of the fact that new areas of the traffic should be explored and the need for corrective legislation. I concurred in Senator McClellan's recommendation and the inquiry continued.

By Mr. PERCY:

S. 2222. A bill to require the Secretary of Housing and Urban Development to furnish additional consumer protection services, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. PERCY. Mr. President, I am introducing today the Home Buyers and Homeowners Protection Act of 1975.

This act is a revised and expanded version of a bill I first introduced in 1973. That bill, in turn, was based on three pieces of legislation I introduced late in the 92d Congress.

My intention now, as it was in both the 92d and 93d Congress, is to make our FHA housing programs work for the benefit of the housing consumer. The primary purpose of this bill is to end the mismanagement of essentially sound and worthwhile programs which have as their goal the promotion of homeownership among the American people.

I had hoped that the implementation of the Housing and Community Development Act of 1974 would make it unnecessary for me to reintroduce my bill. The 1974 act incorporated a number of my proposals, albeit in greatly modified and less specific terms.

Recent revelations about massive fraud and abuse in FHA mortgage insurance programs, particularly those contained in the superb series of articles by George Bliss and Chuck Neubauer which appeared in the Chicago Tribune, have convinced me that a drastic and fundamental reordering of FHA's priorities and mode of operations brought about by a clear and unmistakable legislative mandate is absolutely necessary.

The Home Buyers and Homeowners Protection Act is based on three premises: First, the overwhelming weight of evidence suggests that FHA mortgage insurance and subsidized housing programs are conceptually sound. Second, these programs, particularly the ones added by the Housing Act of 1968, have been badly mismanaged by a HUD/FHA bureaucracy concerned more with saving money and protecting mortgage bankers than with serving the people. Third, the way to reform and revitalize these programs is to direct the Secretary to run them in the interest of the housing consumer and to give the Secretary the necessary tools to achieve this objective.

I believe the Department must assure the home buyer—and the renter, for that matter—that he is receiving a quality product. The Department must assist the home buyer in assuming the responsibilities of homeownership. And the Department must help the homeowner avoid default and foreclosure.

I propose establishing an Office for consumer Affairs within HUD to act as an advocate of consumer interests at the highest levels of the Department.

The Office will act as an ombudsman for the consumer as well as the focal point for developing and managing HUD's consumer programs. The Office, as well as its units in area and insuring offices, should also act as a mediator between builders and buyers and between mortgagees and mortgagors.

My bill also authorizes the Secretary to establish neighborhood offices in areas of potentially high mortgage insurance activity to provide information and assistance to home buyers in locating and acquiring a property and to homeowners in maintaining the property. These offices will provide homeownership counseling services which HUD is directed to have in operation across the country within a year after the bill is enacted. Moreover, the neighborhood office will assist homeowners who may face default and foreclosure proceedings.

The Home Buyers and Homeowners Protection Act adds a new subsection to section 518 of the National Housing Act. My intention is to provide section 518 protection against certain major structural defects to all families who purchase homes with the aid of FHA-insured mortgages for a period of up to five years after the mortgage is endorsed. This provision builds on the refined version of section 518(b) which was a part of last year's Housing Act.

I want to make a special note of a provision in my bill which rewrites section 109 of the Housing Act of 1968. That act very wisely directed the Secretary to develop a plan to protect homeowners against default and foreclosure due to "personal economic adversity." Unfortunately, section 109 was never implemented and the Congress was forced this year to establish a limited emergency program of aid to homeowners facing foreclosures because of involuntary unemployment.

Now is the time to set up a permanent program which could be in effect when the emergency program expires next June. My bill gives the Secretary 1 year from enactment to implement section 109.

Evidence supplied by the Chicago Tribune series and other sources points to a possible cause of "quickie foreclosures" which this bill seeks to remedy. FHA-insured mortgages often are sold and resold in the secondary market with the original mortgagee only servicing the mortgage. This process has at least two undesirable consequences: First, the property owner usually has no idea who actually holds the mortgage on his or her home. Second, the mortgage holder may live thousands of miles away and have no knowledge of the property or the neighborhood in which it is located. Moreover, the holder, in contrast to the original lender, may have no stake in the community; his only interest is in maximizing the return on his investment. This is a legitimate goal, but it may conflict with the socially desirable goal of forebearance in cases of mortgage defaults.

I am proposing that the homeowner be informed of any sale, resale, or assignment of any mortgage insured by the FHA. In addition, the Secretary is directed to formulate procedures and recommend legislation to discourage the sale or assignment of mortgages to out-of-State interests.

The Chicago Tribune series spotlighted another serious problem in the foreclosure process: Mortgage companies sometimes fail to secure and maintain homes and yet collect fees for their services as well as mortgage insurance due them. My bill would require the Secretary to pay fees and mortgage insurance only after an inspection and determination that all rules and regulations regarding property maintenance have been complied with.

The legislation I am proposing today also includes the following provisions:

To direct the Secretary to issue regulations requiring the seller or his agent to disclose all information about a property, and about mortgage money market conditions, as well as requiring agents to show all similar properties available in the area;

To require annual reinspections of FHA insured homes for 5 years after the issuance of the insurance;

To require the Secretary to recommend to the Congress a mechanism to provide for some repairs, including repair of latent defects undetected at the time of purchase, for low- and moderate-income homeowners.

Mr. President, to implement the provisions of my bill will require a certain amount of qualified manpower in HUD. But an investment in manpower will be returned several-fold in the form of reduction in defaults, foreclosures, abandoned homes, and, ultimately, property acquisitions by HUD. I consider this expenditure an investment not only in helping to arrest the cycle of urban decay but also in keeping faith with the low- and moderate-income families who have taken new hope from our housing programs.

The doctrine of caveat emptor—let the buyer beware—has prevailed for too long in the operation of the Department of Housing and Urban Development. It is time for HUD to put the consumer's interest first. I believe my bill will help accomplish this objective.

Mr. President, I want to acknowledge the contribution not only of the Chicago Tribune to the substance of their legislation, but also that of a number of community-based housing groups in Chicago, particularly the Metropolitan Area Housing Alliance and its constituent organizations. These issues are being discussed today because of the dedication and hard work of many men and women in Chicago who are committed to making our housing programs contribute to neighborhood preservation and not bring about urban decay.

I ask unanimous consent to have the Home Buyers and Homeowners Protection Act of 1975 and an analysis of the bill printed in the Record.

There being no objection, the bill and analysis were ordered to be printed in the Record, as follows:

S. 2222

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Home Buyer and Home Owner Protection Act of 1975".

Sec. 2. The Congress finds that—

(1) the Federal Housing Administration of the Department of Housing and Urban Development administers programs designed to promote homeownership among low- and middle-income individuals and families;

(2) the doctrine of caveat emptor has too often prevailed in the operations of the Department, particularly the Federal Housing Administration;

(3) the hardships which many individuals and families have experienced in purchasing badly constructed, unsafe, or otherwise defective homes could have been prevented in numerous cases if the Federal Housing Administration had effectively carried out its responsibility; and

(4) many of the defaults, abandonments, and foreclosures occurring in some Federal homeownership programs could be prevented by a greater involvement with and concern for the home purchaser in the administration of such programs by the Department of Housing and Urban Development.

Sec. 3. The primary purpose of this Act is to strengthen the administration by the Department of Housing and Urban Development of low- and moderate-income housing programs and to eliminate abuses in such programs. It is also the purpose of this Act to accelerate the movement of the Department of Housing and Urban Development toward an activist consumer orientation, to encourage the Secretary of Housing and Urban Development to use fully the power and authority he now possesses to act on behalf of the home buyer, the homeowner, the tenant, and all other groups of housing consumers with which the Department deals, and to provide the Department of Housing and Urban Development with such additional personnel as may be necessary to accomplish these objectives.

Sec. 4. Section 518 of the National Housing Act is amended by adding at the end thereof the following:

"(d) If the owner of any property which is improved by a one- to four-family dwelling covered by a mortgage insured under any provision of this Act requests assistance from the Secretary within five years after the insurance of the mortgage, the Secretary is authorized—

"(1) to correct structural defects in any such property or any other defects in such property which seriously affect the use and livability of the dwelling;

"(2) to pay the claims of such owners arising from any such defect or from any substantial nonconformity with any plans and specifications (including any amendments thereof, or changes or variations therein, approved in writing by the Secretary) on which the Secretary based his valuation of the dwelling; or

"(3) to acquire title to property in which any such defect or nonconformity exists.

"(e) The Secretary shall, with all reasonable promptness, make expenditures, for any of the purposes specified in subsection (d), with respect to structural or other defects which seriously affect the use and livability of any single-family dwelling which is covered by a mortgage insured under any section of this Act and is more than one year old on the date of the issuance of the insurance commitment, or with respect to any substantial nonconformity with the plans and specifications on which the Secretary based his valuation of any such dwelling, if (A) the owner requests assistance from the Secretary not later than five years after the insurance of the mortgage, and (B) the defect or nonconformity is one that existed on the date of the issuance of the insurance commitment and is one that a proper inspection could reasonably be expected to disclose. The Secretary may require from the seller of any dwelling an agreement to reimburse him for any payments made pursuant to this subsection with respect to such dwelling.

"(f) The Secretary shall prescribe regulations providing for the annual reinspection of any dwelling during any period when the dwelling is subject to a warranty under subsection (a) or the owner of the dwelling is eligible for assistance in accordance with subsection (b) or (d)."

Sec. 5. (a) Title V of the National Housing Act is amended by adding at the end thereof the following new sections:

"COUNSELING AND RELATED SERVICES FOR HOME BUYERS

"Sec. 528. (a) The Secretary is authorized to provide, in connection with the insurance of mortgages, neighborhood counseling services in areas in which he determines that there is a special interest in and need for federally assisted home-ownership programs. Such services shall be provided at readily accessible locations and shall include—

"(1) the provision of information to prospective home buyers concerning federally assisted homeownership programs.

"(2) the collection of information concerning properties which are available for homeownership in the neighborhood, together with the names of persons handling or otherwise involved in the sale of such properties, and the furnishing of such information to prospective home buyers;

"(3) the provision of assistance to home buyers in locating and acquiring suitable properties and in dealing with the various parties having an interest in such properties;

"(4) the provision of pre- and post-purchase homeownership counseling to home buyers;

"(5) the handling of consumer complaints concerning the conduct of the parties in a federally related real estate transaction, structural or other defects in a dwelling subject to a mortgage which is insured under this Act or under any other Federal program designed to furnish assistance or services to the homeowner;

"(6) the provision of information to prospective home buyers concerning mortgage market conditions;

"(7) the furnishing of legal counsel to homeowners in cases of default and the institution of foreclosure proceedings;

"(8) the provision of such other similar or related services or facilities as the Secretary determines to be necessary or desirable; and

"(9) the provision of legal assistance to home buyers at the time of closing.

"(b) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

"OBSERVANCE OF CERTAIN STANDARDS OF CONDUCT IN THE SALE OF FEDERALLY ASSISTED HOUSING

"Sec. 529. The Secretary shall by regulation prescribe 'fair-dealing requirements' which must be observed by any person selling real property, if (1) the property is to be occupied by the purchaser or his family as a residence, and (2) the sale is to be financed with assistance under this Act. Such requirements shall include, but are not limited to, the following:

"(A) The seller shall apprise the buyer of any information known to him with respect to the condition or previous sales history of the property which could reasonably affect the buyer's decision to purchase.

"(B) Any person acting as a real estate agent or broker in connection with the sale of the property shall, upon request, identify and show to a prospective purchaser any other similar properties which are known to him to be available in the area.

"(C) The mortgagee or his agent shall apprise the mortgagor or his agent of any sale, resale, or assignment or any mortgage insured under title II.

Any person who violates any fair-dealing requirement may, in accordance with regulations prescribed by the Secretary, be prohibited from participation in any program administered by the Secretary for a period of not to exceed five years. The Secretary shall give written notice of his intention to impose such a prohibition to such person, and such person may request a hearing within twenty days after receipt of such notice. If a hearing is requested, the Secretary shall hold the hearing not later than twenty days after receipt of the request. Any determination of the Secretary under this section shall be subject to review in the same manner as is provided under section 1411 of the Housing and Urban Development Act of 1968."

(b) The first sentence of section 512 of such Act is amended by inserting after "or of any regulation issued by the Secretary under" the following: "section 529 or any other section of".

Sec. 6. Section 101(e) of the Housing and Urban Development Act of 1968 is amended by adding at the end thereof the following new sentence: "The Secretary shall establish the program authorized under this subsection not later than one year after the enactment of the Home Buyer and Home Owner Protection Act of 1975.".

Sec. 7. There is hereby established in the Department of Housing and Urban Development an Office of Consumer Affairs (hereinafter referred to as the "Office") which shall represent and be an advocate in behalf of the interests of housing consumers in proceedings within the Department. The Office shall represent interest of the Secretary of Housing and Urban Development in disputes under warranties under section 518(a) of the National Housing Act, and is hereby authorized to act as a mediator in any such dispute. The Office shall also mediate disputes between mortgagees and mortgagors before and after closing. It shall also be the function of the Office to develop and operate or coordinate programs of the Department relating to homeowner, home purchasers, tenants, home inspection and repair, consumer complaints, and neighborhood counseling and complaint centers. Each area and insuring office of the Department shall have a representative of the Office.

Sec. 8. Not later than one year following the date of enactment of this Act, the Secretary of Housing and Urban Development shall transmit to the Congress a report on the need for and the feasibility of (1) a program to provide, by insurance or otherwise, home repair assistance for low- and moderate-income homeowners; and (2) a program whereby mortgagors under mortgages insured by the Secretary pay a monthly fee or premium (or part of currently charged premiums for insurance) into an escrow account to be utilized for repairs resulting from latent defects.

Sec. 9. Section 109 of the Housing and Urban Development Act of 1968 is amended—

(1) by striking out "is authorized" in subsection (a) and inserting in lieu thereof "shall";

(2) by striking out "at the earliest practicable date" in subsection (a) and inserting in lieu thereof "not later than one year after the date of enactment of the Home Buyer and Home Owner Protection Act of 1975"; and

(3) by striking out "this Act" in subsection (b) and inserting in lieu thereof "the Home Buyer and Home Owner Protection Act of 1975".

Sec. 10. Not later than 6 months after the date of enactment of this Act, the Secretary shall transmit to the Congress his recommendations for the adoption of administrative policies or the enactment of legislation to discourage the sale or assignment of interests in mortgages insured under title II of the National Housing Act to persons who reside or do business outside the State in which the property securing the mortgage is located (other than any such sale or assignment to or through any agency of or instrumentality established by the Government of the United States).

Sec. 11. Title V of the National Housing Act is amended by adding at the end thereof the following new section:

"DUTY OF THE SECRETARY TO PROTECT PROPERTY DURING FORECLOSURE

"Sec. 530. (a) The Secretary is authorized and directed to make such expenditures as may be necessary in order to secure and protect the interests of the United States in properties which are subject to mortgages insured under this Act and with respect to which foreclosure proceedings have been commenced.

"(b) Notwithstanding any other provision of this Act, the Secretary may make a final mortgage insurance payment to a mortgagee only after (1) an inspection of the property involved, and (2) a determination by the Secretary that the provisions of this Act and any other law relating to foreclosure proceedings and the protection of the interests of the United States have been complied with."

Analysis of Home Buyer and Home Owner Protection Act of 1975

I. Congressional Findings:

HUD/FHA administers programs designed to promote homeownership among low- and moderate-income individuals and families;

The doctrine of caveat emptor has too often prevailed in the operations of HUD/FHA;

The hardships which many individuals and families have experienced in purchasing badly constructed, unsafe, or otherwise defective homes could have been prevented in numerous cases if the FHA had effectively carried out all its responsibilities; and

Defaults, abandonments and foreclosures occuring in some Federal homeownership programs could be prevented by a greater involvement with the concern for the home owner in the administration of such programs by HUD.

II. Purposes:

To strengthen HUD/FHA administration of programs designed to promote homeownership among low- and moderate-income families and to eliminate abuses of these programs;

To make HUD/FHA concerned primarily with the housing consumer;

To accelerate HUD/FHA's movement toward an activist consumer orientation; and

To supply the Secretary with the power and the authority he may now lack to act on behalf of the home buyer, and home owner, the tenant, and all other groups of housing consumers.

III. Major provisions:

A. Amend Section 518 of the National Housing Act—

To extend the coverage of Section 518 to all FHA mortgage insurance programs;

To authorize the Secretary to correct defects, to pay claims, or to acquire title to properties if the owner requests assistance within five years after the insurance of the mortgage; and

To provide the same benefits as above to the purchasers of existing houses if the defects should have been evident on inspection at the time of closing.

B. Establish an Office of Consumer Assistance in HUD, with units in each FHA Area and Insuring Office—

To represent and advocate the interests of the housing consumer;

To develop and administer or coordinate all departmental programs designed to aid consumers; and

To mediate disputes between builders and buyers and between mortgagees and mortgagors both before and after closing.

C. Authorize neighborhood FHA housing assistance offices—

To provide information about Federal homeownership programs;

To collect and disseminate information about the real estate market in the community including information about the conditions of the mortgage money markets in the area;

To assist home buyers in locating and acquiring suitable properties;

To provide pre- and post-purchase homeownership counseling to home buyers;

To assist the homeowner in identifying home repair needs;

To process and act on complaints about the operation of Federal programs from housing consumers; and

To provide legal counsel to homebuyers and homeowners at closing and in cases of default and the institution of foreclosure proceedings.

D. Require the Secretary to issue "fair-dealing" requirements applying to the sellers of real property and to mortgagees—

To require the seller or his agent to disclose all information about the property and its history which is known to him;

To require a broker or his agent to show all similar properties available in the area; and

To require a mortgagee or his agent to disclose the sole resale, or assignment of any interest in an FHA-insured mortgage and to disclose the name and address of the purchaser.

E. Other major provisions—

To require a HUD-administered homeownership counseling program within one year after enactment;

To require annual reinspections of FHA-insured homes for five years after the issuance of the insurance;

To require the Secretary to recommend to the Congress a mechanism to provide for home repairs for low- and moderate-income homeowners;

To require the Secretary to implement within one year's time a permanent insurance program to help homeowners meet mortgage payments in times of personal adversity Rewrite Section 109 (a) and (b) of the Housing Act of 1968);

To require the Secretary to recommend to the Congress within six months of enactment ways and means of discouraging the sale of or assignment of any interest in FHA-insured mortgages to parties residing or doing business outside the state in which the residential property securing the mortgage is located; and

Direct the Secretary to make payments for securing and protecting properties which are involved in the foreclosure process and to make final mortgage insurance payments to mortgagees only after inspection by HUD/FHA of the properties involved.

By Mr. SPARKMAN (by request):

S. 2223. A bill to provide for increased participation by the United States in the Inter-American Development Bank, and for other purposes. Referred to the Committee on Foreign Relations.

Mr. SPARKMAN. Mr. President, by request, I introduce for appropriate reference a bill to provide for increased participation by the United States in the Inter-American Development Bank, and for other purposes.

The bill has been requested by the Department of the Treasury and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when it is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the Record, together with the letter from the Secretary of the Treasury to the President of the Senate dated July 22, 1975.

There being no objection, the bill and letter were ordered to be printed in the Record, as follows:

S. 2223

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Inter-American Development Bank Act (22 U.S.C. 283 et seq.) is further amended by adding at the end thereof the following new sections:

"Sec. 26. (a) The United States Governor of the Bank is hereby authorized to vote in favor of two resolutions proposed by the Governors at a special meeting in July 1975 and now pending before the Board of Governors of the Bank, which provide for (1) an increase in the authorized capital stock of the Bank and additional subscriptions of members thereto and (2) an increase in the resources of the Fund for Special Operations and contributions thereto. Upon adoption of such resolutions, the United States Governor is authorized to agree on behalf of the United States (1) to subscribe to ninety-nine thousand four hundred and seventy-four shares of $10,000 par value of the increase in the authorized capital stock of the Bank of which eighty-nine thousand five hundred and twenty-six shall be callable shares and nine thousand nine hundred and forty-eight shall be paid-in and (2) to contribute to the Fund for Special Operations $600,000,000, in accordance with and subject to the terms and conditions of such resolutions.

"(b) There are hereby authorized to be appropriated, without fiscal year limitation, the amounts necessary for payment by the Secretary of the Treasury of $(1) $1,199,997,873 for the United States subscription to the capital stock of the Bank and (2) $600,000,000 for the United States share of the increase in the resources of the Fund for Special Operations.

"Sec. 27. (a) The United States Governor of the Bank is hereby authorized to vote for an additional increase of one hundred and eight thousand shares of $100,000 par value in the authorized callable capital stock of the Bank as recommended in the resolution of the Board of Governors entitled "Increase of US $4 Billion in the Authorized Capital Stock and Subscriptions Thereto." Upon adoption of a Board of Governors resolution increasing the authorized capital stock of the Bank by such amount, the United States Governor is authorized to agree on behalf of the United States to subscribe to thirty-seven thousand three hundred and three shares of $10,000 par value of such additional increase in callable capital in accordance with and subject to the terms and conditions of such resolution.

"(b) In order to pay for the increase in the United States subscription to the Bank provided for in this section, there is hereby authorized to be appropriated, without fiscal year limitation, $450,002,218 for payment by the Secretary of the Treasury."

The Secretary of the Treasury,
Washington, D.C., July 22, 1975.

Hon. Nelson A. Rockefeller,
President of the Senate,
Washington, D.C.

Dear Mr. President: There is transmitted herewith a draft bill "To provide for increased participation by the United States in the Inter-American Development Bank, and for other purposes."

At a meeting of the Board of Governors of the Inter-American Development Bank on July 9, 1975, the Governors agreed to recommend to their governments that appropriate steps be taken to permit adoption of two Resolutions providing for (1) an increase in the authorized capital stock of the Bank and additional subscriptions of members thereto and (2) an increase in the resources of the Fund for Special Operations (FSO) and contributions thereto.

The draft bill would authorize the U.S. Governor of the Bank to vote for increases in the authorized capital stock and in the resources of the FSO. It would also authorize the U.S. Governor to agree on behalf of the United States to subscribe to 136,777 shares of the capital stock of the Bank and to pay to the Fund for Special Operations the sum of $600,000,000. Finally, it would authorize the appropriation of $2,250 million for the U.S. subscriptions and contributions.

This legislation is necessary because Section 5 of the Inter-American Development Bank Act provides that Congressional authorization must be obtained for the United States Governor to agree to (1) an increase in the capital stock of the Bank and in the resources of the Fund for Special Operations, and (2) an increase in the U.S. subscription to the capital stock and contributions to the Fund for Special Operations. Moreover, legislation is required in order to authorize the appropriation of the necessary amounts to enable the United States to actually subscribe to capital stock and contribute to the FSO.

In its fifteen years of operations the Inter-American Development Bank has loaned more than $7 billion for the economic and social development of its Latin American member countries. In 1974, the Bank extended $1.1 billion in development loans. This replenishment of the Bank's resources is critical to the continuation of this lending activity at levels which are compatible with the Bank's experience and Latin America's development needs. Without this replenishment, the IDB will exhaust its ordinary capital commitment authority by the end of 1975 and the convertible currency resources of the FSO by the end of 1976. This replenishment will permit the Bank's lending operations to continue to increase at a rate of about 7% per year in real terms. The Bank's annual lending program will be subject to periodic review by the Bank's Board of Executive Directors.

The proposed replenishment provides for an increase of $5,300 million in the authorized capital stock of the Bank, and $1,045 million for the FSO. Of the total replenishment of $6,345 million, the U.S. would provide $2,250 million. The U.S. share of the capital increase would amount to $1,650 million of which $1,200 million is to be subscribed in three equal installments of $40 million paid-in and $360 million callable in FY 1976, FY 1977, and FY 1978. An additional $450 million of callable capital is to be subscribed in FY 1979. U.S. contributions to the FSO would total $600 million to be provided in three equal annual installments of $200 million over the period FY 1977–79.

The U.S. share of the total replenishment would be 36 percent, compared with the 52 percent U.S. share in the last replenishment initiated in 1970. The composition of U.S. participation would be 73 percent capital and 27 percent FSO, compared to 45 percent and 55 percent, respectively, in the 1970–73 exercise. Actual cash outlays would amount to $720 million ($120 million paid-in capital and $600 million FSO). This cash outlay represents 32 percent of our total participation, a reduction from the $1,150 million, or 64 percent, in the last replenishment.

United States participation in this replenishment must be viewed in the light of the two important developments in the continuous U.S. efforts to obtain greater participation by other countries in financing development in Latin America.

First, several Latin American countries will be taking major steps toward burden sharing within the Hemisphere. They have agreed to refrain from borrowing convertible currencies from the soft-term Fund for Special Operations (FSO) during the replenishment period. They have also agreed to make a meaningful proportion of their contributions to the FSO fully convertible. The Latin Americans' total contributions to the FSO of $395 million will account for about 38 percent of the replenishment of the FSO, compared to 33 percent of the contributions to FSO under the replenishment initiated in 1970. More important, for the first time, Argentina, Brazil, and Mexico are prepared to guarantee the convertibility of 25 percent of their FSO contributions and Venezuela and Trinidad and Tobago will make convertible 100 percent of their contributions to the FSO. The total amount of fully convertible currencies to be made available by these five Latin American countries will be $118 million. In addition, Venezuela is expected to make convertible approximately another $100 million of local currency already held by the Bank. This shift toward effective donor status by the Latin American countries able to do so was our foremost objective in the negotiations and it converts the Bank into a more truly inter-American organization as several Latin countries become donors of grant-like funds to finance development in the poorer Latin countries.

For our part, in the course of the negotiations we agreed to consider an additional subscription of $450 million to callable capital shares in FY 1979. This proposed one-year extension of the replenishment of the capital resources of the Bank was consistent with our original proposal to shift the emphasis of our participation from the FSO to capital share subscriptions. The extension is also consistent with the fact that our replenishment contribution to the FSO will extend into FY 1979. The additional $450 million subscription to callable capital would also help meet the anticipated increase in demand from the more developed countries for loans on the Bank's ordinary capital terms.

Second, U.S. participation in this replenishment will parallel the actions by twelve nonregional countries to become members of the Bank. The proposed amendments to the Bank's Charter to permit twelve nations from outside this Hemisphere to join the Bank are expected to be adopted by the Board of Governors this year. I transmitted proposed legislation on July 2, 1975 which would authorize the U.S. Governor to vote for these amendments. The addition of the nonregional countries to the Bank's membership is expected to bring at least $745 million into the Bank over the 1976-78 period. The nonregional membership exercise and the recently established $500 million Venezuelan Trust Fund dramatically demonstrate progress toward effective burden sharing. The U.S. share of the total new resources to become available in 1975-79 would not be more than 30 percent, compared to 48 percent of the combined replenishment and Canadian membership inputs that occurred in 1970–74.

Implementation of nonregional membership will involve the creation of inter-regional capital stock in order that callable capital subscriptions in non-U.S. dollar convertible currencies not be wasted owing to restrictions in the covenants of outstanding ordinary capital bonds. These covenants limit IDB borrowing against callable subscriptions to the amount of U.S. callable capital available on demand (i.e., appropriated by the United States Congress). Of the proposed total United States subscription of $1,650 million, we anticipate subscribing to $1,050 million of inter-regional capital, $600 million in FY 1976–78, with $120 million paid in and $480 million callable, and an additional $450 million, all callable, in FY 1979. Since the covenants limiting borrowing to the amount of U.S. callable capital available on demand would not apply to inter-regional capital, we would propose not to seek appropriation of the $930 million proposed for callable subscriptions to inter-regional capital. We would, of course, seek appropriation of the contributions to the callable ordinary capital and paid-in capital subscriptions as well as to the FSO.

The proposed U.S. participation in the IDB replenishment would assure continuation of an important U.S. role in the Bank. However, as a result of the replenishment and nonregional membership combined, the U.S. share of the voting power would decline from our current 40 percent to approximately 35 percent. If other members (including the prospective nonregional countries) exercise their preemptive rights to subscribe to additional authorized but unassigned shares, U.S. voting power could decline below 35 percent. In any case the proposed amendments to the Charter to facilitate nonregional membership will fix the U.S. share at no less than 34.5 percent, an adequate level to sustain the U.S. veto in the FSO where a two-thirds majority governs operations.

Implementation of the proposed IDB replenishment, including the U.S. contribution of $2,250 million, will be a major contribution to overall U.S. relations with Latin America, an area of key importance to the United States. It will constitute confirmation of our support of economic and social development throughout the Hemisphere. Also, it will indicate that Latin American countries themselves are prepared to embark on meaningful sharing of the development finance burden.

I urge the Congress to give the proposed legislation its prompt approval. Because the adoption of the replenishment Resolutions requires a favorable vote by countries having at least 75 percent of the total voting power, United States approval of the Resolutions is essential. Moreover, in order for the replenishment to become effective and for the Bank to receive contributions from other members, the U.S. must agree to contribute the specified amounts. A Special Report of the National Advisory Council on International Monetary and Financial Policies on the replenishment of the resources of the Bank will be transmitted separately to you and to the Speaker of the House of Representatives.

It would be appreciated if you would lay the proposed bill before the Senate. A similar proposal has been sent to the House of Representatives.

The Office of Management and Budget advises that there is no objection to the presentation of this legislation for the consideration of the Congress and that its enactment would be in accord with the President's program.

Sincerely yours,

William E. Simon.

By Mr. CLARK (for himself, Mr. Abourezk, Mr. McGovern, Mr. Gary W. Hart, Mr. Humphrey, Mr. Hartke, Mr. Mondale, Mr. McGee, and Mr. Culver):

S. 2224. A bill entitled "The Rural Manpower Service Act of 1975." Referred to the Committee on Labor and Public Welfare.

RURAL MANPOWER SERVICES ACT OF 1975

Mr. CLARK. Mr. President, today I am introducing legislation with Senators Abourezk, McGovern, Gary Hart, Humphrey, Hartke, Mondale, McGee, and Culver, to establish the Rural Manpower Service formally in the law as a part of the Department of Labor's Manpower Administration. If enacted, this bill will help ensure that rural residents receive employment services in parity with those provided in the Nation's cities.

A few weeks ago, the Department of Labor announced plans to eliminate the Rural Manpower Service from the Department of Labor's Manpower Administration. This announcement was particularly unfortunate because the Rural Manpower Service is the one agency in the Federal Government that has sought to broaden the range of employment services in rural areas and increase the availabilty of manpower and supportive services to rural workers. Several innovative programs have been developed successfully under the direction of the Rural Manpower Service: Operation Hitchhike, the Area Concept Expansion program and the Concerted Services in Training and Education program are just a few examples. They have provided comprehensive manpower services to a group of selected rural areas not adequately served by regular employment service offices and they have uncovered jobs not listed with the employment service. Together, they have increased placements, helped people obtain the necessary training and education to increase their employability and promoted job development.

These services are vitally needed in the countryside. Right now, many rural Americans are disadvantaged and in dire need of all basic services. While only 30 percent of the population lives in nonmetropolitan areas, half of the Nation's poor, over 60 percent of the Nation's substandard housing, and a disproportionate share of unemployed and underemployed people are located there. Supportive services and facilities—taken for granted in urban areas—often are inaccessible or they simply are not available. And because of insufficient resources and geographical barriers, the outlook for new and improved employment opportunities are not good either.

In many rural areas, there has been an increasing trend toward industrialization and an expansion in jobs for professional, skilled blue collar and services workers. However, many rural residents have not had the skills or educational requirements, employment and supportive services to benefit from these new job opportunities. Thus, many potential employers have recruited from outside local areas leaving rural residents that much further behind.

The legislation that we are introducing today recognizes these problems and establishes an agency within the Department of Labor that is sensitive to the special needs and problems of rural workers—an agency that will innovate, initiate, and advocate employment services for rural people.

Rural America's employment problems cannot be neglected because they account for a significant portion of the Nation's most chronic unemployment problems. Statistics available from the first quarter of this year show that some 2½ million residents of nonmetropolitan areas were jobless—about a third of the national total. This year, percentage increases in nonmetropolitan unemployment have been substantially greater than metropolitan increases. And that is especially alarming because before 1975, the nonmetropolitan unemployment was relatively low.

Moreover, while unemployment in rural areas is the immediate problem, underemployment, poverty and a lack of education are even more serious problems facing rural America. Characterized by low-paid occupations, the rural labor force has a disproportionate share of working poor. In 1974, 14 percent of the nonmetropolitan labor force, compared to 9 percent of the metropolitan labor force, was living in poverty. This can be explained, in part, because workers in the country receive lower wages than their urban neighbors for the same kind of work. But it is also true that rural workers generally do not have comparable educational backgrounds, and this often results in lower paying jobs.

Another problem inherent in the rural situation, not confronting urban areas, is the disseminated population. While the rural population accounts for about a third of the Nation's total population, it is scattered over 99 percent of the land area. This makes it extremely difficult for a rural worker to travel to a job or to an employment office which may be located as far as 50 miles away from his or her home. And to make matters worse, some rural residents do not own an automobile or cannot afford to keep one.

Without a car, the urban resident may be inconvenienced. But for the rural worker, it is a tragedy because public transportation is virtually nonexistent in the countryside. Rural workers must depend entirely upon the automobile to get to work, an employment office, or any other basic service not located within walking distance from their homes. Rising gasoline prices have placed enormous burdens on everyone, but they have caused rural workers to pay an even higher price because of the great distances they must travel. And for the unemployed rural resident, no public transportation and increased gasoline prices have put them even further behind in their efforts to secure productive jobs.

Historically, workers have tended to address these problems by moving with their families to areas that are more accessible to jobs—they have moved to the Nation's cities. This outmigration from rural areas has been an increasing problem ever since the end of World War II, and it has caused many urban areas to suffer chronic unemployment problems accompanied by burdensome pockets of poverty and thousands of unemployed and unproductive workers. In the early 1970's, data from the Bureau of the Census suggests that the outflow of people from rural areas has subsided. But that could be only a short-term trend.

Improved employment services and increased job opportunities in rural areas are the real answers for rural workers and their families. They could make it possible for more rural residents to obtain jobs in nonmetropolitan areas and prevent any further deterioration of conditions in rural America.

In order to accomplish this goal, special approaches must be developed to provide these employment services and to help promote additional opportunities for training and employment. To provide a focal point for this effort, a Rural Manpower Service is needed within the U.S. Department of Labor.

The legislation being introduced today will permanently establish such an agency. The Rural Manpower Service will give rural areas the special attention that they need and deserve. It will provide for a permanent office for rural employment programs. And it will establish a position for a Director of Manpower Services to serve as an advocate for rural employment services.

The Director of Rural Manpower Services will be responsible for the coordination, initiation, and innovation of employment programs and supportive services to secure jobs for rural residents. And the Rural Manpower Services Act of 1975 also would assure all rural people of a viable employment services program by providing for at least one rural employment representative for each 250,000 rural residents in each State. These employment representatives would be primarily responsible for the implementation of rural employment programs at State and local levels, and they would serve as a catalyst to bring the full range of employment services available through the State employment security agencies to bear upon rural employment problems.

Under this legislation, all Federal agencies are required to furnish all records, statistics, and information that's necessary to help the Department of Labor and its employees implement the provisions of this act. And, the Secretary of Labor is required to consult with the Assistant Secretary for Rural Development to insure maximum coordination among the Rural Manpower Service, the Department of Labor and the Department of Agriculture helping to avoid any waste and duplication of Federal, State, and local services. Furthermore, the Secretary of Labor is required by this bill to report annually to the Congress on the rural employment activities of the Department of Labor and on the administration of the rural employment programs in each State so that the Congress can get a better understanding of the employment and related problems confronting rural areas and rural people.

Finally, the legislation provides for a special line item budget in the Department of Labor's annual budget to insure the proper and efficient administration of the Rural Manpower Service and its various components.

Mr. President, this legislation is one way to bring employment services to rural areas and to give rural residents equal access to the employment services now provided in the Nation's cities by the Department of Labor. This legislation is not meant to establish another Federal bureaucracy. Rather, it is intended to redefine and refocus the work that the present Rural Manpower Service Office already is conducting on an ongoing basis.

Support for this effort can be found in a number of legislative enactments, but most prominently, legislative support can be found in the Wagner-Peyser Act of 1933, the Agricultural Act of 1970, the Rural Development Act of 1972, and the Comprehensive Employment and Training Act of 1973. Together, these congressional enactments provide solid support for the position that rural areas have severe employment problems and special measures are needed to correct them.

Further support can be found in a study conducted by the Department of Labor's Office of Administration and Management in August 1974. That study concluded:

> There is a need for a United States Employment Service component responsible for the performance of staff functions aimed at improving employment services for rural people. Its (the present Rural Manpower Service) focus should be sharpened and reoriented. It should be strengthened by the realignment of its structure and the addition of some functions from other parts of the United States Employment Service. . . . These are measures that can be taken in the interest of a substantial contribution to the ending of rural decay.

Mr. President, this legislation meets those standards by improving employment services for rural people. The legislation sharpens and refocuses the structure of the present Rural Manpower Service. We believe that the Secretary of Labor should undertake the improvements we are suggested without any additional legislation; but we will press forward with this bill if that kind of action is not forthcoming.

At this time, I ask unanimous consent that some correspondence involving Secretary Dunlop, myself, and other Members of Congress be printed in the RECORD, and that a study conducted in August 1974 by the Department of Labor entitled "A Review of the Role of the Rural Manpower Service" be included in the RECORD along with an eight-point action plan for providing employment service to rural workers.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MARCH 28, 1975.

Hon. JOHN DUNLOP,
Secretary of Labor,
U.S. Department of Labor,
Washington, D.C.

DEAR MR. SECRETARY: We are writing to you in a cooperative spirit to discuss the continuing deterioration of the Rural Manpower Service. In the past months, despite a successful lawsuit (in connection with migrant worker programs) and additional action taken by Congress to end this deterioration, the Administration continues to persist in its effort to eliminate services to rural Americans.

We are hopeful that given the new spirit of cooperation engendered between President Ford and the Congress, and given the serious economic circumstances persisting in rural as well as urban America, that we can sit down and examine what might be done to provide a balanced level of job creation and training services for all Americans.

Under Title III of the Concentrated Employment and Training Act, you are authorized to use national funds to provide manpower and supportive services, as well as training programs, to special, target disadvantaged groups and areas, including rural areas, having large concentrations of low-income, unemployed persons and substantial outmigration to urban areas.

Most of rural America can be classified as disadvantaged and in dire need of all basic services. Rural areas (outside SMSAs, and those areas within SMSAs with a population density of 200 persons per square mile or less) contain about 30 percent of the population, but half of the nation's poor.

In rural America supportive services and facilities, which are generally taken for granted in urban areas, are often either inaccessible or of a much poorer quality and quantity than in urban areas.

Local bonding capacities are limited and local governments are usually unable to hire high-level professional staff to deal with local problems.

Many rural residents and employers are not within commuting distance of local employment services offices. Because of inadequate resources and the geographic constraints of sparse populations spread over wide areas, regular employment offices either provide no services to large sections of rural America, or only periodic, itinerant assistance.

There is an increasing trend toward industrialization in some rural areas. However, many local residents have not had the skills or educational requirements to benefit from these increasing job opportunities. Thus many employers have recruited from outside rural areas.

Despite a recent stabilizing trend, rural poverty, underemployment and a lack of services has tended to force rural people to move to already congested metropolitan centers, where they have found it difficult to locate jobs or adjust to urban living. This factor has intensified social, economic and environmental problems in urban areas.

Further, because of gaps in data gathering in rural areas (outside SMSAs) by the Bureau of Labor Statistics, we feel that the seriousness of the current economic recession is not being adequately represented. Industries which in recent years have tended to locate in rural areas, such as shoes, textiles, plastics, wood and paper products, have been especially hard hit. Yet we have found no one within government who can give us a fair assessment of the economic condition of rural America in the recession. The only information we are receiving is from hard-hit constituents, whose data can only be measured for the quality of grief.

The Rural Manpower Service of the Department of Labor has developed over the years a number of innovative approaches to deal with rural manpower problems. Examples are:

1. Operation hitchhike: This program was initiated in 1971 to test an innovative approach for delivering manpower services in rural areas. It uses the resources of existing rural institutions to deliver Labor program resources to areas not served by normal employment office operations. In fiscal 1974, the Labor Department funded 18 Hitchhike projects in 17 states for a total of $1.5 million. Nonagricultural placements accounted for almost four-fifths of total placements in fiscal 1974, compared with about two-thirds in FY 1973.

An in-house evaluation has shown marked benefits from this program, and that a high level of services has been provided at low cost. However, from the $1.5 million expenditure in FY 1974, pending for the program in fiscal 1975 dropped to $147.415, and the program is to be discontinued in fiscal 1976.

2. Concerted services in training and education: CSTE was initiated in 1965, and has been a low cost approach to pooling the resources of numerous Federal, State and local agencies in activities to promote community development and training activities in rural areas. Principal CSTE activities here involved improvement of supportive services (child care, health, housing and transportation facilities), development and improvement of training, basic education, and vocational education programs, initiation of manpower resource surveys, leadership in economic and industrial development, and the promotion of soil conservation.

During fiscal 1974, there were 17 CSTE projects in 13 states funded by the Departments of Labor, Agriculture and Health, Education and Welfare. The cost to the government of all projects was $270,157. It is our understanding that the 1976 budget has no provision for the continuation of this program. Nevertheless, our evaluation of this program through hearings and other methods, shows that it is one of the most successful of Federal programs. It should be continued and expanded on a pilot basis if for no more than as a guide to the states on how best to use Balance-Of-The-State CETA money. While the CSTE program has never been formalized into law, it represents the best effort yet at inter-agency coordination and cooperation to get a job done.

3. Area concept expansion program: This program began in 1971 to provide a single manpower delivery system to a large geographic multi-county rural area where the individual political units within the area are related economically or in other ways. Using the state and local employment security system, all manpower services are centralized in a dominant city within the area. This office is then linked to satellite offices in more remote regions of the area.

During fiscal 1974 there were 10 ACE projects in 10 states. In that year, the government spent $648,000. There is no provision in the budget to continue this program.

In the interest of space and your time, we have not mentioned the Employment Service staff training program to help the staff improve services to rural areas; the Smaller Communities Program; Operation Greenthumb) (which apparently will be funded by Congress); or the circumstances which led to the filing of *NAACP, Western Region et al.* vs. *Peter J. Brennan.*

The point is that the extremely modest rural programs of the Department of Labor have been successful in providing comprehensive manpower services to rural people not previously served by regular ES services. They have uncovered jobs not previously listed with the ES. They have helped rural people obtain the necessary training and education to increase their employability, and they have promoted job development.

The rural people who communicate with us feel there is a definite need for these programs to continue and expand. Further, other innovative approaches need to be developed to serve neglected rural areas.

A mandate issued by the Secretary of Labor in 1972 requires that rural areas be provided with equity of access to comprehensive manpower services comparable to that available to urban residents. To meet this goal, national guidelines indicate that states will have to design a variety of delivery systems. Traditional manpower systems will not suffice to handle the needs of the widely dispersed rural population.

We do not feel that the problem of equity will be resolved simply through the Balance-Of-The-State money available through CETA. We cannot accept this as an argument for disposing of proven rural manpower programs. As you know, the large metropolitan areas can also compete for Balance-Of-The-State money. Given their large professional staffs, we expect them to be able to lay heavy claims upon these funds.

The Rural Development Act of 1972 mandates that Federal, State, and local governments take steps to carry out the basic goals under the Act, including creating more and better job opportunities, increased incomes, and a higher quality of services to rural areas.

The Employment Service has never been adequately funded and staffed to help overcome the serious economic disparities between urban and rural areas. The amount of DOL outlays for manpower services and training programs going to metropolitan areas more than doubled between fiscal 1970 and 1972, while the amount to rural areas increased only 23 percent. The share distributed to rural areas declined from 29 percent of the total in 1970 to only 19 percent in 1972. This is far below the rural representation in the total population and the rural share of poor people.

Under Title III of CETA you are authorized to provide additional manpower services to segments of the population to persons determined to have particular disadvantages in the labormarket, or to areas having substantial outmigration to urban areas. Further, you are authorized to establish experimental pilot projects which demonstrate the effectiveness of methods to meet manpower, employment and training problems.

We urge you to use these authorities to maintain proven rural programs on a pilot basis.

We would be pleased to meet with you to discuss our concerns further. We do not feel that in this letter we are even asking for what should be a fair share for rural America, but rather for crumbs.

In the event that you do not feel that certain programs now under the jurisdiction of the Rural Manpower Service are properly functioning there, please consider this a formal request for bill drafting service. We would like to have drafted four separate bills, all similar in nature. We would wish that as drafted, these bills would incorporate the Small Communities Program, CSTE, ACE and Operation Hitchhike into the Rural Development Service of the U.S. Department of Agriculture under the provisions of Title VI of the Rural Development Act of 1972. In the case of CSTE, we are desirous that the language would in no manner interfere with the existing cooperative initiative between Federal Agencies. We feel that this can be done by using the Rural Development Service as a home base, while maintaining a strong Federal Advisory Committee, whose chairmanship rotates annually between participating agencies.

As we indicated previously, it would also be most helpful if better rural data was maintained by the Bureau of Labor Statistics. In this connection, your staff might find it useful to initiate dialogue with the Economic Research Service of the Department of Agriculture so that they may help you identify data needs.

As we said at the outset, we have no wish to be contentious, and will work with you in any cooperative fashion which you may deem worthwhile. However, we canot stand by and watch worthwhile innovative programs be blown away because of an apparent lack of interest at the Department of Labor.

We look forward to working with you in this regard in the future.

With every good wish, I am,

Sincerely,

DICK CLARK,

HUBERT H. HUMPHREY.

Hon. DICK CLARK,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CLARK: Thank you for your letter of March 28, 1975, expressing your concern relative to the equitable provision of manpower services in rural areas as well as the continuation of various specific manpower projects.

Under the Comprehensive Employment and Training Act (CETA) and related legislation, the initiative for planning and implementing programs to increase the effectiveness of service delivery has been shifted from the Federal Government to the States and their subordinate jurisdictions. More specifically, the Balance-of-State formula ensures that nonmetropolitan areas receive what each State considers a fair share of manpower program resources. While we have established and proven local models for delivery of services to rural areas through federally-controlled discretionary funds in the past, their continued funding or expansion is now within the discretion of CETA price sponsors. In fact, seven of the thirteen hitchhike projects now funded totally or in part by the Department of Labor will continue in the next fiscal year, funded entirely from State resources.

Whereas in the past manpower delivery service models were restricted to selected States under discretionary national office funding, they are now available to all States at the discretion of Balance-of-State prime sponsors under the provisions of CETA legislation.

In 1971, the Department recognized the fact that services were not being provided to migrants and seasonal farmworkers on an equal basis with nonagricultural workers. The Special Review Staff (SRS) reviewed the problem, and on the basis of their report the Secretary of Labor issued a 13-point directive outlining steps to be taken immediately in both the Rural Manpower Service and the Employment Service to begin a consolidation process which would result in integrated services at the local level. Such consolidation is aimed at offering a broader spectrum of services to rural workers and employers and at providing sufficient resources to accomplish the objective. This directive provides guidelines for implementing this point and those portions of the additional points which require immediate planning and action in the field. Since 1972, some portion of each of the 13 points have been accomplished and some points have been completely accomplished.

To ensure timely compliance with the 13-point directive, a monitor-advocate system has been implemented on a national scale. This system is designed to monitor activities of State ES agencies regarding rural services and to resolve complaints involving rural service delivery deficiencies and abuses.

The Employment Service has been especially sensitive to the need for expanding in rural areas, partly in response to the recent Court Order resulting from the case, *NAACP, Western Region et al vs. Peter J. Brennan.* In its move to provide greater equity of access to employment services in rural areas, employment service manyears in rural counties have increased 10 percent from 1970–1975. The increase in manyears, plus the reorganization of some servicing units to coincide with functional economic areas with outreach into smaller communities, has had a positive impact on improving both the quality and quantity of available employment service.

In response to the Court Order, the Department has established a Task Force on Rural Equity. This task force is in the process of reviewing actions being taken to comply with the Order as well as developing substantive program approaches which will ensure an equity of access to manpower services for all rural residents.

There are other rural efforts by the Department that have significantly expanded under CETA. Particular note should be given to the establishment of an Indian Manpower Program under Section 302 of CETA. Aside from public service employment funds available for Indians, the Manpower Administration will provide about $52 million in FY '75. Most of these funds will serve rural Indians.

Under CETA Section 303, we have established a program for migrant and seasonal farmworkers that increased the funding level in FY '75 more than 50 percent above FY '74—from $40 million to nearly $63 million, with the same higher level projected for FY '76.

Much more needs to be done. The Rural Manpower Service, as a program arm of the Employment Service, serves as an advocate for providing better employment and manpower services for rural people. With the resources now available to States and counties, the range of opportunities for servicing rural areas is greater than ever before.

In order to begin a dialogue on some of the issues raised in your letter, we would welcome the opportunity to meet with your staff whenever it is deemed appropriate.

Again, I thank you for your concern in this matter.

Sincerely,

John Dunlop,
Secretary of Labor.

June 27, 1975.

Hon. John Dunlop,
Secretary, Department of Labor,
Washington, D.C.:

We are disturbed by the decision of the Labor Department to eliminate the Rural Manpower Service (RMS), including successful programs such as Operational Hitchhike, Concerted Service in Training and Education, and the Area Concept Expansion Program.

Even in times of high national employment, rural areas face serious underemployment and receive fewer manpower services than their urban counterparts. Now that unemployment is approaching 10 per cent, with 8 million Americans out of work, the need for job creation, placement and training programs is critical in Rural America.

Federal government programs aimed at helping the poor have always been heavily concentrated on urban areas. However, the poverty rate is two-thirds higher in Rural American than in urban areas. Now the Department is proposing to compound this neglect by eliminating the RMS.

There is no human and no economic justification for a cutback in rural manpower services. What the country needs most, and what economists agree is the only way to solve the federal government's budgetary problems, is to help people find jobs so they can be productive, tax-paying citizens.

We urge that the Rural Manpower Service be retained.

Sincerely,

James Abourezk, Walter Mondale, Stuart Symington, Floyd Haskell, Vance Hartke, Hubert Humphrey, Quentin Burdick, Dick Clark, Gary Hart, George McGovern, Gale McGee, and John Culver.

Department of Labor,
Washington, D.C., July 23, 1975.

Hon. Dick Clark,
U.S. Senate, Washington, D.C.

Dear Senator Clark: This is in response to your telegram of June 27, 1975, in which you expressed concern over the reported plan to eliminate the Rural Manpower Service and to discontinue certain manpower programs designed specifically for rural areas.

The proposed reorganization within the Manpower Administration will not adversely affect services to rural residents. On the contrary, its goal is to provide comprehensive employment services for all Americans in the most efficient fashion. It is an integrated approach which, we believe, will bring about improved and more equitable services for rural residents.

The current economic problem is causing great difficulty for many citizens, including those living in rural America; but I must submit that it is an integral part of the total problem which confronts our Nation and that continued fragmented and piecemeal approaches to relieving rural pressures serve only to exacerbate the problem.

The Department of Labor is sensitive to the special problems in rural America, and we are proud of the programmatic efforts we have made to provide better manpower services to rural residents. In the past 5 years, the proportion of man-years devoted to rural employment services has increased 10 percent. The reorganization of some servicing units to coincide with functional economic areas, with outreach into more remote communities, has had a positive impact on improving both the quality and quantity of available employment services.

Under the Comprehensive Employment and Training Act (CETA), approximately $52 million was made available for Indian manpower programs in FY '75, and the funding level for migrant and seasonal farmworker programs rose from $40 million in FY '74 to nearly $63 million in FY '75. In response to allegations of service disparity made by agricultural workers through the courts, the Employment Service has integrated service delivery at the local level. This has the effect of offering a broader spectrum of services to agricultural workers, because they receive the same services as nonagricultural workers.

The Comprehensive Employment and Training Act assigns to the States and their subordinate jurisdictions the responsibility of developing human resources through manpower programs. The Federal role in this area has been mandated as one of policy establishment, technical assistance, and general oversight. Accordingly, many of the pilot programs developed over the past 5 years (for example, Hitchhike and Concerted Services in Training and Education) will be funded with CETA monies made available to the States and local jurisdictions.

Under CETA, rural residents should receive an equitable share of a State's resources. Funds are allocated to the Balance of State on the basis of a formula. It avoids the problem of "grantsmanship," which in the past has placed nonurban areas at a disadvantage in obtaining funds.

While the CETA prime sponsor determines the allocation of funds within its jurisdiction, Department of Labor regulations require the prime sponsor to consider the relative number of unemployed persons in different parts of its jurisdiction. Furthermore, State prime sponsors have a special responsibility for providing satisfactory service to all areas within the jurisdiction. States are specifically authorized to provide financial assistance for special programs and services designed to meet the needs of rural areas outside of major labor market areas.

The Department of Labor, while recognizing the unique problems of rural areas which inhibit the effective delivery of manpower services, strongly feels that the consolidation of resources and a singular and nondiscriminative system of service delivery will strengthen the U.S. Employment Service. We are motivated not by operating economies, but by the desire to devise a public service system which will treat all of our citizens equitably.

I appreciate your concern in this matter and would welcome the opportunity to brief you on the planned reorganization if you consider it appropriate.

Sincerely,

William H. Kolberg,
Assistant Secretary for Manpower.

A Review of the Role of the Rural Manpower Service

I. PURPOSE

The purpose of this paper is to provide some conclusions on the appropriate role of the Rural Manpower Service in light of the current mission of the United States Employment Service (USES). Every effort has been made to base these conclusions on all pertinent facts and administrative considerations such as legislation and the needs of the rural population. However, the overriding consideration has been the current mission of the USES.

II. BACKGROUND INFORMATION

A. *Legislation.*

1. The Wagner-Peyser Act, which dates from June 6, 1933, provides the basis for some emphasis on services for rural areas in that it states in section 3.(a) that "It shall be the province and duty of the bureau to promote and develop a national system of employment offices for men, women, and juniors who are legally qualified to engage in gainful occupations, including employment counseling and placement services for handicapped persons, to maintain a veterans' employment service to be devoted to securing employment for veterans, *to maintain a farm placement service*, . . . and, in the manner hereinafter provided, to assist in establishing and maintaining systems of public employment offices in the several States and political subdivisions thereof in which there shall be located a veterans' employment service." (Emphasis supplied.)

A fair interpretation of the above quotation is that Congress intended that in addition to a system of services for all with special emphasis upon employment services for veterans, the needs of certain other segments of the population, including youths, farmworkers, and the handicapped are not to be ignored. It is fair to conclude that Congress felt the needs of such categories of people might be given an inappropriately low priority in the absence of special mention of these categories in the legislation.

2. The Agricultural Act of 1970 states in Title IX—Rural Development, section 901(a) that "The Congress commits itself to a sound balance between rural and urban America. The Congress considers this balance so essential to the peace, prosperity, and welfare of all our citizens that the highest priority must be given to the revitalization and development of rural areas."

More meaning is given to the above quoted paragraph by paragraph (e) of the same section which states that "The President shall submit to the Congress a report not later than September 1 of each fiscal year stating the availability of telephone, electrical, water, sewer, medical, educational, and *other government or government assisted services to rural areas* and outlining efforts of the executive branch to improve these services during the immediately preceeding fiscal year." (Emphasis added.)

The third annual report submitted pursuant to section 901(e) places emphasis on seven areas, including:

"(2) Job development in rural areas compared with urban areas, 1960–70.

"(3) Needed new rural jobs to achieve a rural-urban balance, 1970–1980.

"(4) Needed rural community facilities and services to support rural industrialization."

Although the report points out under item (4) that community services (such as health and welfare) are generally much poorer in rural than in urban areas, there is oddly no comparison or even mention of manpower services even though a U.S. District Court has ruled that they are deficient, at least with respect to migrant and seasonal farmworkers.

3. The Rural Development Act of 1972 contains the following amendment to existing section 526 of the Revised Statutes (7 USC 2204):

"(b) The Secretary of Agriculture is authorized and directed to provide leadership and coordination within the executive branch and shall assume responsibility for coordinating a nationwide rural development program utilizing the services of the executive branch departments and agencies and the agencies, bureaus, offices, and services of the Department of Agriculture in coordination with rural development programs of State and local government. In carrying out this responsibility the Secretary of Agriculture shall establish employment, income, population, housing, and quality of community services and facilities goals for rural development and report annually prior to September 1 to Congress on progress in attaining such goals."

The Manpower Administration contributes directly to the administration of certain other provisions of the Rural Development Act of 1972 through certification that rural business development loans made or guaranteed by the Farmers Home Administration will not likely result in the relocation of employment or industry or have an adverse effect upon employment or other businesses in the area. Another passage of the act provides a similar role for the Department of Labor in the making of industrial development grants. Significantly, Manpower Administration responsibilities under the Act are not carried out by the Rural Manpower Service (RMS).

4. The Comprehensive Employment and Training Act of 1973. One passage in this Act pertinent to RMS responsibilities is found in section 106(b), which states that "The State comprehensive manpower plan shall . . .

(1) Provide satisfactory arrangements for serving *all* geographical areas under its jurisdiction except areas served by an eligible applicant . . .," that is, a local prime sponsor. (Emphasis supplied.)

Section 303(a) also contains pertinent language: "The Congress finds and declares that—

(1) chronic seasonal unemployment and underemployment in the agricultural industry, substantially affected by recent advances in technology and mechanization constitute a substantial portion of the Nation's rural manpower problems and substantially affects the entire national economy. . . ."

Section 304(a) of the CETA is also pertinent: "The Secretary may provide financial assistance in urban and rural areas, including areas having large concentrations or proportions of low income, unemployed persons, and rural areas having substantial outmigration to urban areas, for comprehensive work and training programs, and necessary supportive and followup services. . . ."

The net effect of the above quoted excerpts (legislative background) is that there is solid legislative support for the position that rural areas and populations have severe manpower problems and special measures to correct those problems are demanded.

B. *The Dimensions and Manpower Needs of Rural Areas.*

1. Dimensions of Rural America. Any description of rural America in relation to demographic and geographic parameters should be preceded by a cautionary note: (1) There are defects in the definition of key terms such as "rural," "urban" and "rural employment." The definition of "rural" appears to vary with the purpose of the statistician; "rural employment" statistics obscure underemployment conditions. (2) Data are often non-existent or defective—e.g., there appears to be no good estimate of rural unemployment.

a. Area. This is a most striking feature of the rural part of the country. About 59 percent of the U.S. population lives on 1 percent of the land area. This population lives in central cities and their surrounding urban fringes while the other 41 percent lives in open country and in the smaller cities and towns. If rural population is defined in accordance with the ESARS, i.e., all population in open country or in towns of less than 10,000 population outside urbanized areas, then we can say that rural people inhabit nearly 99 percent of the country's area. While the urban population is settled at a density of 3,400 persons per square mile, the average density of the rural population is 19 persons per square mile.

b. Rural Population, 1970 (ESARS definition):

Total: 68.2 million.

Non-farm: 59.9 million; Farm: 8.3 million.

c. Rural Labor Force, 1970 (ESARS definition):

Total: 24.9 million.

Non-farm: 20.4 million; Farm: 4.6 million.

It can be deduced from the above that about 32 percent of our 1970 labor force of 80.1 million lived in rural areas.

2. Indicators of Need. The above statistics, reflecting a large population and labor force living in a vast area are, of course, indicators of need. However, the needs of the rural population are proportionately greater than the needs of the urban population as indicated by the following:

a. Migration from rural to urban areas has been a long-standing trend in this country. The decline in farm population, especially farm workers, has been continuing from about 1910 and was precipitous during the early 40's and 50's.

There are indications that migration from small towns and rural areas to large cities has recently abated and perhaps reversed. More time is required to determine the persistence of this apparent trend and whether its result will be population dispersion or the creation of more giant metropolises. For the time being, continuing migration from rural to urban areas can well be viewed as a threat to the well being of both urban and rural residents. Moreover, continued outmigration of the farm population can be considered a contributor to this general problem.

b. Rural Unemployment and Underemployment. For a variety of reasons, including the fact that farmworkers are not covered by unemployment insurance, good statistics on rural unemployment are not available. However, statistics of rural poverty are revealing and are admirably summed up in the 1971 *Manpower Report of the President:*

"The growth of nonfarm employment in rural areas has not been sufficient to absorb workers displaced from agriculture plus the many rural youth entering the work force each year. This shortfall in jobs is a basic reason for the widespread underemployment and poverty in rural areas. Other contributory factors include the low incomes of operators of marginal farms, a decline in openings for farm tenants, and the traditionally low wages and intermittent employment of hired farmworkers. To these must be added barriers associated with racial discrimination, language handicaps, and inadequate education. Furthermore, though improved communication and transportation have made some rural areas less isolated than in the past, distance to urban labor markets is still a serious problem for most rural workers.

For all these reasons, the incidence of poverty is higher in rural areas than in cities. In 1969, half the nation's poor, some 12 million poor people, lived outside metropolitan areas, although little more than a third of the total population resided there. Poverty is not only more frequent but also more severe among rural than among urban families."

c. Needed Growth in Jobs. According to the Department of Agriculture's *Third Annual Report of the President on Government Services to Rural America*, the growth rate of employment in metropolitan areas was nearly twice that in nonmetropolitan areas during the decade 1960–70. During the decade 1970–80, the little research that has been done indicates that there will be 17.2 percent increase in the nonmetro male labor force (compared with a 15.3 percent increase for metro areas), implying a need for a 2.6 million net increase in jobs, accessible to nonmetro men, unless further outmigration to metro areas is to occur.

The Report goes on to state that:

"Although projections are not available for women, it can be said that the proportion of women who are employed has increased even more rapidly in nonmetro areas in recent years than in metro areas. To an increasing extent, the ability of nonmetro areas to retain their population depends on availability of productive employment for women as well as for men."

3. The items under B.1. and B.2. above are offered as indicators of pressing needs in rural areas just as the legislative language quoted under II. A. above was offered to indicate a solid statutory basis for special efforts toward the fulfillment of those needs. The following quotations from the 1971 Manpower Report of the President indicate an appropriate control unit that the USES through the RMS, can make toward these efforts:

"——Improving the functioning of the labor market. Rural people would be greatly aided in finding employment by the extension to rural areas of the full range of services offered in rural employment service offices. More comprehensive and timely labor market information, employment counseling, job development, placement, and other services would enlarge the range of job choices available to rural workers. There will be a special need for assistance to migratory and other farmworkers in making the difficult transition to nonfarm jobs, as seasonal activities in agriculture are phased out through mechanization. But there will also be continued need for efforts by employment security agencies to regularize farm employment and to participate with other community agencies in programs to improve the health, education, and working and living conditions of migratory farm workers.

The USES, to a large extent through the RMS, can contribute indirectly to several other possible components of any comprehensive program to meet rural manpower needs which would include the following measures spelled out in the 1971 Report:

a. Aiding relocation of workers.

b. Giving rural workers new skills.

c. Developing more jobs in rural areas and nearby cities.

III. THE CURRENT ROLE OF RMS

A. Organizational Missions.

1. The mission of the RMS is encompassed by the mission of the USES which is "to develop, maintain and improve a nationwide Federal-State employment service which will provide employment assistance to individuals; and provide employers and workers with job development, placement and supportive services."

2. The role of the RMS is largely described, or at least delimited, by its mission and 13 stated functions. Its mission is stated as follows: "To develop new and modify existing programs, techniques and methods to deliver manpower services to rural areas; to maximize employment opportunities for domestic workers in agriculture and related activities; and to provide for the controlled use of foreign workers in agricultural and woods activities.

B. *The Current Role of the RMS as a Part of the USES*. The principal role of the USES is the implementation of the Wagner-Peyser Act through the performance of a variety of staff type (i.e., advisory) activities aimed at the maintenance and strengthening of the nationwide employment service system comprised of 54 State agencies and numerous local offices. These activities include: (1) Developing the design, goals, standards and procedures for the overall employment service program and its various subprograms. (2) Providing operational guidance (including program emphases and recommended funding levels) to the Office of Field Direction and Management. (3) Reviewing program performance on a nation-wide basis. (4) Developing program techniques and devices for regional offices, and State agencies. (5) Providing direct technical advice to regional offices and State agencies on request.

Since the primary and overriding continuing responsibility of the USES is, as stated above, Wagner-Peyser Act implementation, it is heavily oriented toward the job placement of members of the workforce seeking work and the securing of workers needed by employers. Responsibilities relating to training, work experience, supportive services and labor market information are still present in some degree and must be taken into account for many reasons. Chief among these reasons is that State Employment Service agencies are involved in providing these services, but such services are now the primary responsibility of other parts of the Manpower Administration.

The USES carries out its activities mainly through three functional components—the Office of Employment Service Administration, the Office of Placement Support and Development and the Office of Technical Support. Most of the products and communications of these offices are utilized by or channeled through the Office of Field Direction and Management which oversees direct Federal involvement with State agencies by MA regional office (MARO) components—staff involvement in the case of MARO Offices of Program and Technical Services and line involvement in the case of MARO Area Operations Offices.

Strictly from the standpoint of good management and administration, the three USES offices named above are all the components necessary to discharge USES responsibilities. However, we find that in fact there are two additional major components of the USES organized around services to a client group rather than a program function. One such component is the Veterans Employment Service (VES) and the other is, of course, the RMS. There is ample justification for the existence of both components and in both cases justification is based on: (1) needs of the client group, (2) statutory requirements, and (3) tradition—both the VES and the RMS's predecessor, the Farm Labor Service, antedate the USES.

However, the continued existence of the RMS requires special consideration. Its statutory justification found in the Wagner-Peyser Act is not nearly as strong as that supporting a separate VES. Indeed, if there is no statutory bar to the already accomplished merging of the "farm placement service" with regular employment services at the local and State level, it is hard to see why such a bar should exist against merger at the national level.

Tradition as an argument for the continuance of the RMS does not carry much weight since only a vestigial remnant of the once-strong Farm Labor Service with a staff of 11 employees very similar in all important characteristics to employees in any other USES division.

Nevertheless, there is strong justification for the continuance and strengthening of the RMS from (1) other legislation quoted above and (2) the overwhelming need.

In discussing the employment needs of our rural population it is appropriate first to take into account the facts and statistics, set forth above under section II, which speak for themselves in arguing the acuteness and special nature of rural deprivation. Certainly this argument is buttressed by decisions of the U.S. District Courts in favor of certain types of farm workers and against the Department of Labor. For those who would still maintain that the present imbalance in urban versus rural development is insufficient grounds for a separate USES component to improve services to the rural population, it should be pointed out that urban blight is the corollary of rural decay and therefore rural development is essential if the cities are to be made more habitable—unless, of course we find some way of holding rural people captive on the land. Of course, too, haphazard and uncontrolled rural development will merely result in the multiplication and spread of undesirabe metropolitan complexes.

IV. NEEDED CHANGES IN THE ROLE OF THE RMS

If it is granted that there should be a staff type component in the USES with a mission to further vigorously and effectively the accomplishment of the USES mission in rural areas, thereby contributing to general rural economic development, then certain changes in the RMS are desirable. These changes include: (1) A clarification of the basic mission of the organization. (2) The dropping of responsibility for certain operational functions, some at the local as well as the national level, and the decentralization of others. (3) The addition of certain functions. (4) A reorganization *of the* national office organization's substructure. (5) Some organizational adjustments at the regional and State levels.

Each of these proposed changes will be considered in turn.

A. *Clarification of the RMS Mission*. The development of a clarifying revision of the RMS mission would be enhanced by a corresponding revision of the USES mission statement, although such USES mission revision is not absolutely necessary since the present USES statement is quite broad. The following appears to be a reasonable alternate statement of the USES *mission:* "To develop, maintain and improve a nationwide Federal-State labor exchange system which will focus on providing jobs for workers and workers for employers; to cooperate with other components of the MA and other Federal agencies which provide manpower services." This would appear to be in line with an eminently sound effort now apparently under way to concentrate on a manageable portion of the MA's total manpower responsibilities through the USES. This being the case, it would appear equally sound to make the RMS mission as compatible as feasible with the overall USES mission, thus: "To develop, maintain, and aid in the oversight of the administration of programs, policies, and procedures to improve the functioning of the labor market in rural areas; to cooperate with other parts of the MA and other Federal agencies which provide manpower services in rural areas; and to perform other related employment service functions concerned with rural development."

A gradual adjustment to this more limited mission which lends itself to more concentrated and intense efforts can be brought about by a variety of management actions ranging from changing the name of the organization to the "Rural Employment Service" (RES) to providing special staff development courses on, say, "Counselling of Migrant and Seasonal Farmworkers." Such concentration should also result in the management and funding of all state agencies in a manner that would assure equity of access for the vast majority of our rural population. Another result should be the concentration of more effort on placing migrants in permanent jobs than on maximizing their use in seasonal farmwork.

B. The Elimination or Decentralization of Certain Functions. Employment Service involvement with Day Haul Operations should be eliminated from the national through the local level. This is recommended because it is at best a wasteful allocation of trained employment service manpower; at its worst, it involves participation in the exploitation of ignorant and unskilled people. Employers who must resort to such operations should, and are usually quite able to, bear the entire expense of the operation. Certainly employment service involvement is not mandated by the phrase "to maintain a farm placement service" since "placement" should be defined in a way that would exclude ES participation in Day Haul Operations except for outreach purposes.

A variety of operational activities should be decentralized to the MARO's in accordance with the principle which has guided MA organization since 1969: Authority should be delegated and responsibility assigned to the lowest feasible level, resulting in the performance of operations at the regional office level or lower and the performance or overall planning, technical assistance and evaluation at the national office level. Therefore every effort should be made to turn over to MARO's performance of the following activities:

1. Inspection of Worker Housing. Far better, efforts should be renewed to transfer this function to OSHA.

2. Conduct of wage surveys.

3. Audit of employer payrolls of growers bound by the criteria stated in 20 CFR 602.10.

4. Certification of the use of foreign workers as mandated by P.L. 82-414. This should be coupled with efforts to increase cooperation with the Immigration and Naturalization Service in the exclusion of illegal alien labor. The argument that regional officials could not bear up under pressures from Congressmen has no basis if the regional officials are merely doing their jobs.

5. Direction of interstate recruitment.

6. Puerto Rican recruitment. Decentralize to Region II.

In addition to the actions recommended above, the service delivery system projects (ACE, Hitchhike, and Concerted Services for Training and Education) should be subjected to careful scrutiny with an eye toward streamlining in accordance with the new mission, simplification, consolidation, and standardization. States should be told to plan for and attain equity of access to employment services, regardless of the funding level in any particular year, and that they should apply and expand whatever delivery system is appropriate. Rural Employment Service experts from the national and regional offices should provide technical assistance and monitoring.

C. *Addition of Functions*

1. The monitor advocate program. This is a program for assuring that the Manpower Administration ceases to be an unwitting party to abuses and inequities that migrant and seasonal farmworkers have been subjected to at local, State and interstate levels. Whether or not it can be effective is open to question since much seems to depend upon the performance of certain isolated individuals—the Monitor Advocates. However, the USES organization charged with expanding and improving services for rural people should be entrusted with the program which is to be under fairly tight central administration and control. If that organization cannot be trusted with such a program, then stringent managerial corrective measures designed to produce an organization sympathetic to the plight of the rural disadavntaged are in order.

2. Rural Industrialization Loan Certification.

This function consists of the establishment and maintenance of a system for determining whether applications for rural industrialization loans under provisions of the Consolidated Farm and Rural Development Act will result in relocation of industry or have an adverse competitive effect on other industries or employment in the proposed areas of location. The function, or program, should be moved to the RMS as a means of strengthening the resources at its command for the improvement of rural employment. After the program is fully established, its operational activities should be decentralized to the regions.

D. *National Office Reorganization.* The reorientation of the RMS component along with the elimination, addition and decentralization of functions requires reorganization. The following three division structure is suggested:

1. A Division of Rural Program Planning and Development. This division should cooperate with and assist OPER on long-range plans as well as with the Office of Employment Service Administration and the OFDM on short range planning and budgeting. It should also be in charge of creating and bringing to the operational stage new broad-gauge efforts such as ACE and rural loan certification. Cooperation with OPER on policy development and legislative proposals should also be the responsibility of this division.

2. A Division of Program Operations. This division should be charged with the performance of whatever operational functions that are assigned to the component, such as those farm labor service operations which must remain centralized, the monitor advocate program and rural industrialization loan certification. It should also be responsible for providing training, technical assistance and the writing of ongoing program procedures.

3. A Division of Rural Program Review. This division should monitor MARO operations and participate with MARO's in monitoring State agency operations; in short, it should carry out a complete short-range evaluation program in cooperation with the Office of Employment Service Administration. This division should also cooperate with and assist OPER on long-range evalution.

E. *Organizational Adjustments at Regional and State Agency Levels.*

1. In regional offices, there should be a consolidation of all "line" authority pertaining to rural employment service responsibilities in an identifiable unit of each Area Operations Office. The unit should be identifiable to at least the major program (USES) level in order to provide a reasonable degree of accountability and to enhance the flow of communications and the effective use of technical assistance received from the national office. The unit should also be responsible for insuring "that the importation, interstate recruitment and utilization of rural area workers within the region fully complies with established rules and regulations." This should be done because in enforcing compliance with such regulations (always written pursuant to a statute) we come as close as we ever do to the exercise of line authority over a State agency. We should make it clear that those who enforce the regulations also have their hands on the purse strings and that we will not accept transgressions involving the abuse and exploitation of farmworkers.

2. The creation of an identifiable unit responsible for staff level rural employment service functions within the State Employment Service central office should be encouraged. Such consolidation of functions should be encouraged for the same reasons that were stated in relation to the MARO's. However, this identifiability should not extend to the district or local office level where employment services are actually offered. This should not be done because the Statewide emphasis should be on providing farmworkers and rural residents the same services that are provided to urban workers.

V. SUMMARY

There is a need for a United States Employment Service component responsible for the performance of staff functions aimed at improving employment services for rural people. Its focus should be sharpened and reoriented. It should be strengthened by the realignment of its structure and the addition of some functions from other parts of the USES. Operating functions should be decentralized to the regions because they divert attention from more important staff functions, because they will be more effectively performed by the MARO's eventually, and because their movement will add to the strength of the regional offices.

These are measures that can be taken in the interest of a substantial contribution to the ending of rural decay.

A Rural Manpower Action Plan

The United States Congress committed the Federal Government to assigning a top priority to serving rural America when it made the following statement in Title IX of the 1970 Farm Bill:

"The Congress commits itself to a sound balance between urban and rural America. The Congress considers this balance so essential to the peace, prosperity, and welfare of all our citizens that the highest priority must be given to the revitalization and development of rural areas."

In line with this commitment, the United States Employment Service proposes the following eight-point action plan for providing manpower services to rural workers:

1. Implement a manpower technical assistance program in rural communities in order to establish linkages with Comprehensive Employment and Training Act resources allocated to rural prime sponsors and to Balance of State.

2. Establish interagency committees for the study of rural manpower problems. Include those Federal agencies that are concerned with rural issues.

3. Expand the role of the Rural Manpower Service to include contact with private sector organizations involved in rural economic development.

4. Continue Rural Manpower Service pilot and demonstration program activities in rural areas with emphasis on developing program mix responsive to local area problems of service delivery.

5. Assess research and development activities in rural areas to determine the effectiveness and replicability of innovative measures.

6. Implement a Rural Manpower Laboratory program, targeting on a multicounty area in a selected State. The purpose of this program would be to experiment with several manpower delivery service approaches with emphasis on cost effectiveness and replicability.

7. Conduct a study of rural manpower data needs. Assess current data collecting systems to determine adequacy in providing information required for effective planning and operations assessment.

8. Establish regional rural manpower institutes to foster effective program planning based on the knowledge of problems unique to rural areas.

The paper which follows treats in detail the reasons for proposing these action steps.

The manpower problems of rural America cannot be neglected, because they account for an appreciable portion of the Nation's problems and tend to be more serious than in the cities. While the assistance of the Federal-State Employment Service is needed, it cannot be provided according to a model designed to fit an urban situation. The low density of the population makes it necessary to design special approaches to the delivery of manpower services. The following discussion covers the immediate and chronic problems of rural America and suggests what the Federal-State Employment Service can do to help solve them. The role of the local office, the State agency, and the regional and national offices will be suggested.

I. THE PROBLEMS

During the first quarter of this year, some 2½ million residents of nonmetropolitan areas were jobless, nearly a third of the national total. Percentage increases in nonmetropolitan unemployment have been substantially greater than metropolitan increases. (See Attachment No. 1.) Before 1975, the nonmetropolitan unemployment rate tended to be relatively low, but this winter it was as high as the metropolitan rate. The rate for farm residents, usually extremely low, had risen to 4.4 percent. For nonmetropolitan nonfarm residents the unemployment rate was as high as in the central cities of metropolitan areas—9.8 percent.[1]

The figures do not reveal the greater incidence of hidden unemployment in the hinterland. Farm operators are not counted as unemployed, because they continue to work on their own farms while looking for off-farm jobs. No urban-rural break of discouraged workers is available, but the relatively fast rise in the nonmetropolitan working-age population out of the labor force suggests the problem is greater there.

While unemployment is the immediate problem, underemployment, poverty, and lack of education are chronic problems in rural areas. In 1974, 14 percent of the nonmetropolitan labor force, against 9 percent of the metropolitan labor force, was living in poverty.[2] Low rural income is associated with the occupational structure of the rural labor force. It is heavily laden with low-paid occupations. Further, workers in the hinterland receive lower wages than their colleagues in the cities that do the same kind of work. Also associated with poor earnings is the low educational level of rural workers. At the time of the 1970 Census, the median years of school completed by all persons aged 25 and over was 12.1 years, but for residents of predominantly rural counties, it was 10.5 years.[3]

Plant locators are attracted by the low wages in small communities, but only if they can use a relatively uneducated labor force.

Urban-rural differences in unemployment and underemployment are matters of degree. But there is another problem inherent in the rural situation which does not exist in urban areas. This is the problem of a disseminated population. While the rural population (ESARS definition) accounts for a third of the Nation's total population, it is scattered over 99 percent of the land area at a density of 19 persons per square mile. In fact, in some remote sections of the West the density is less than one person per square mile. This makes it difficult for a rural worker to travel to the nearest local office which may be over 100 miles away. Even if the worker does get to the local office and finds a suitable job, he may have to turn it down for lack of a means of transportation.

Eighty-three percent of the nonmetropolitan households, compared with 78 percent of the metropolitan households, own automobiles.[4] The lack of a car may be an inconvenience for the city dweller, but for the rural resident it is a tragedy. The job offer is frequently in a different county than his residence, and public transportation is almost nonexistent. (See Attachment No. 2) Rising gasoline prices are aggravating the rural worker's problem, because he is entirely dependent on his automobile.

Historically workers have tended to meet this problem by moving to places more accessible to jobs. For decades, rural areas have suffered the ill effects of outmigration. In the early 1970's, however, the flow of migration seems to have reversed, owing to the decentralization of industry, the increase in retirement and/or resort communities and the proliferation of small colleges. (See Attachment No. 3) However, rural counties that are predominantly agricultural or predominantly black continue to decline. Whether the problem is providing recruitment services to newly arrived employers or finding jobs for workers in declining counties, the Federal-State Employment Service has a role to play in rural America. The following sections suggest what needs to be done.

II. PUBLIC SERVICE EMPLOYMENT

Since the immediate problem is the high incidence of unemployment among rural workers, the first consideration is to help these workers obtain public service jobs. If such jobs are to be created where they are needed, then timely unemployment information must be made available concerning the nonmetropolitan sections of each State, just as monthly unemployment estimates are made for major labor areas. Such estimates should be made by county, or at least, multicounty units. A few State ES agencies do estimate unemployment by county, but sometimes the information is incomplete or too old to be useful.

Different from the cities, which have well-developed systems of public administration providing public service jobs and "United Ways" with jobs in the nonprofit sector, small communities have only a rudimentary governmental arrangement and virtually no nonprofit agencies. Even rural churches have disbanded in areas where outmigration has been heavy. In many communities, the only active public agency is the educational system. School consolidation is rapidly taking place in rural areas and, where it has occurred, many of the smaller towns are left without any effective political or social institution.[5]

Because of the dearth of rural public service jobs, unemployed rural workers should be given priority in filling those jobs that are accessable to them—for example, highway construction, railroad maintenance of way, conservation, and jobs with State or Federal facilities in remote sections.

Another problem, involving placing rural workers in either the public or private sector, is that many workers are located too far from the local office to use it and, in many instances, do not know that a local public employment office exists. Possible solutions to this problem will be presented in the next section.

III. IMPROVING PLACEMENT SERVICES FOR RURAL WORKERS

Of the total 2,727 local ES offices, 1,528—or 56 percent—are located in rural areas. These offices are expected to carry the bulk of the workload of serving workers scattered over 99 percent of the Nation's land area. Theoretically, every inch of U.S. territory is within some local office jurisdiction, but in actuality thousands of workers could not possibly use a local office. Some offices, particularly in the West, are located nearly 200 miles from the outer boundaries of their jurisdictions. Moreover, rural offices may have a staff of only one or two people, and even workers living close by have no access to counseling, testing, or other special services offered by a full functioning local office.

In this era of decentralization, everybody suffers from the anachronism of concentrating services in the hearts of large cities. Employers suffer as they move their plants to rural locations. Workers suffer as they migrate to the hinterland. The Federal- State Employment Service suffers from loss of placements. What is needed is experimentation to find the best ways of serving a dispersed population and then widespread adoption of those ideas proven successful into the ongoing programs of State agencies.

The following is a description of innovative practices that have been tried or could be tried for the purpose of delivering services to areas where the Employment Service has not yet penetrated.

A. Reaching Beyond the Vicinity of the Local Office.

Local offices that serve rural areas usually have several counties within their jurisdiction. This section suggests ways of better serving residents who live outside of the county where the local office is located.

1. *Satellite Offices*—The Area Concept Expansion Program (ACE) was funded from the MDTA unapportioned account through the end of FY 1974. Under this program, all manpower services are at the hub of a functional economic area. The regular office is linked to satellite offices in the more remote sections of the local office jurisdiction. At the end of FY 1974, there were 10 ACE projects in 10 States—all absorbed into the State grants. The success of the ACE pilot projects merits the extension of the ACE concept into other States as well. In Iowa for example, 31 satellite offices are now in operation. With the anticipated openings of two more satellites, placement services will be within 25 miles of every Iowa resident. During the first 8 months of FY 1975, a period of deepening recession, Iowa's satellite offices filled 10,348 job openings—2,698 more than were filled in the same territory during the entire 12 months of FY 1974.

2. *Operation Hitchhike*—This involves a contractual arrangement between State ES agencies and existing rural institutions that have the capability of delivering manpower and related services to areas not adequately served by regular ES offices. Examples of contracting agencies are the Cooperative Extension Service, Farmers Union, community colleges, and the Navajo Nation. Nineteen projects were developed by DOL in 17 States. As of April 1975, 13 were totally or partially funded from DOL funds, three were totally State funded, and three had been terminated. Of the 13 whose DOL funding will expire June 30, 1975, seven plan to continue, though not necessarily at the present level of operation. Six are uncertain as to whether or not State funds can be secured. The success of these projects also merits the adoption of the concept by States where DOL has not developed this concept. In fact, several Hitchhike-type projects have been developed and funded entirely by State agencies in response to the success and experiences of the pilot DOL projects. ACE and Hitchhike are not incompatible. Iowa, for example has integrated a Hitchhike-type project within its ACE approach.

3. *Rural Manpower and Economic Development Project*—Experience in the operation of Hitchhike and Concerted Services in Training and Education (CSTE) projects have shown that, in many instances, these concepts are highly compatible. In many project areas, CSTE efforts resulted in the creation of jobs without the benefit of intensive human resource development components which characterize Operation Hitchhike. In Hitchhike projects, the converse was true. It is proposed that a new approach be implemented which would include both program concepts. An excellent demonstration potential exists in New Mexico where the Hitchhike and CSTE programs could be combined in the Demming-Socorro area.[6]

4. *Full-Service Suboffices*—As in the ACE concept, offices of this type enable rural workers to obtain specialized services. Originated by the Texas Employment Commission (TEC), these offices are entirely funded and staffed by this State agency. Training and operational programs are implemented by a nearby local office under the direction of the district office. If, for any reason, an applicant cannot receive services immediately at the suboffice, a specialist is dispatched from the nearest local office to assist.[7]

5. *Itinerant Offices*—Many States operate an office one or two days a week at certain rural locations—often county seats—manned by a local office staff member who travels from one office to another. Also the manager of a rural local office will sometimes go circuit riding on a nonperiodic basis, asking the local postmaster to post a notice of the time and place where he can be contacted.

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6. *Community Operated Offices*—This technique was also originated by the Texas Employment Commission. Such offices have been established to operate 40 hours a week in promising areas of this State. They are staffed by a local temporary interviewer. The local interviewers are usually Neighborhood Youth Corps (NYC) or Operation Mainstream trainees. The TEC commitment is to provide an employment interviewer one day a week to train and/or monitor the NYC or Operation Mainstream employee. He also contacts employers to solicit job orders.[8]

This idea has the double attraction of making it possible to create public service jobs for rural workers while bringing placement services closer to remotely located people.

Another option within the "community operated office" concept is the local initiative approach. Under this program, communities would actually plan and implement their own service delivery system based on the unique and specific needs of the area. Utilizing minimal grant resources a local manpower service delivery council could design and implement a delivery system which, while nontraditional, would reflect the flexibility and innovativeness necessary to be totally responsive to local needs. The responsibility for technical assistance and oversight would rest with the State ES agency.

B. *Beyond the County Seat.*

If outpost offices were located at the county seat or some other centrally located place in every county, rural workers would be much better served than they are today. Even with this penetration, some rural workers would find it inconvenient to look for work there. In a county of average size, a worker living in a corner of the country would have to travel 68 miles per day round trip to a centrally located place every day that he looked for work. In today's labor market, when many workers are out of work 15 weeks or more, this traveling becomes costly. The following techniques are suggested ways of reaching the more remotely located workers.

1. *Volunteers*—The use of volunteers is not new to the Rural Manpower Service. For over 20 years, it has been a valuable adjunct of the farm placement program. A typical Volunteer Farm Placement Representative runs a business patronized by the farming community (grocery store, feed store, filling station, etc.) He is trained in the fundamentals of taking job orders and filling out applications. He forwards information to the local offices about supply and demand in remote locations, dispenses information, and sometimes makes placements. Following the termination of the Mexican contract worker program, the Nebraska agency launched an intensive volunteer program to recruit domestic workers to replace foreign workers. These volunteers found that many of the rural workers they contacted were not interested in farm jobs, but wanted the volunteer to help them find nonfarm jobs. The State then converted its program to a Volunteer Rural Manpower Representative program—helping rural workers to find both farm and nonfarm jobs.[9]

North Dakota has an elaborate network of 200 Volunteer Rural Manpower Representatives covering every one of its 53 counties. They work primarily with the placement of migrants and small grain combine contractors. In addition, the State has 40 Job Information Centers manned in the local community on a volunteer basis to supply informational materials and application and job order forms, to display the daily statewide Job Bank Index, and to house a toll-free Job Bank telephone number.[10]

In other instances, volunteer assistance has developed out of pilot projects. In Schoharie County, New York, for example, the original plan for the Hitchhike project was for staff to provide services at various outreach centers around the county. The need for staff to respond to the large backlog of residents seeking employment services at the central office in Cobleskill negated the manned outreach approach. Instead, volunteer assistance was obtained from elected officials or social agencies in other parts of the county. The outreach centers dispense information on jobs available through weekly listings sent by the Cobleskill office, self-application cards to be mailed to Operation Hitchhike, information on training possibilities, and publications on getting and keeping a job.[11]

Originated in various ways, a variety of volunteer programs is operating in a number of States. Since reports on these programs are not required, information about them is incomplete. Certainly the use of volunteers offers the opportunity for ES to extend its services beyond the satellite offices and Hitchhike offices into many small towns remote from established placement services.

A variation on the volunteer program might be to use retired ES personnel either as volunteers or on a parttime basis in those instances where they have retired to small communities.

2. *Mobile Vans*—In some States mobile vans manned by ES personnel have been used successfully. They travel from village to village acquainting the local inhabitants with openings available, taking applications, and making placements. This technique works better in the States east of the Mississippi River where villages are close together than in the west where distances are great. In some States Job Bank information has been circulated by the mobile units of other agencies such as the Bookmobile.

Florida has purchased mobile units to use as branch offices. Such an office is established with a view toward locating a more permanent office at the particular place if the need for services is demonstrated on the basis of performance criteria. If a permanent office is established, the mobile unit can then be moved to another town to further expand rural services.[12] This idea seems to hold promise for any State where the rural population is expanding rapidly.

3. *Railroad Mobile Offices*—Many rural areas are criss-crossed by railroads with many unused or seldom-used spurs penetrating now isolated rural communities. Frequently, these small communities have abandoned or seldom used railroad stations which could provide space for placement activities. Further, surplus rolling stock is sometimes available which could be converted into mobile offices to travel from one small town to another along the line. These unused facilities could provide SESA's with an excellent opportunity to bring ES services to rural residents. In some instances, a full range of ES services could be offered including counseling, job bank, and claims. Through cooperative arrangements with local CETA prime sponsors or program agents, training and supportive services could also be provided in these facilities.

4. *Mailed Applications*—The one government official who penetrates the remotest corners of the hinterland is the rural mail carrier. One device for reaching remotely located workers would be to send out a blanket "occupant" mailing to every resident of a rural route advising him of the services available at the local office, giving the name and address, and enclosing a self-application card to be mailed in.

The application form should request information on how far the applicant is willing to commute to a job and whether or not he would be willing to move to a job located beyond commuting distance of his home. A variation of this would be a mailing in selected districts where ES is recruiting large numbers of workers for a new plant that is moving in. In this case the covering letter could list the skills that were needed, and ask the respondent to give his qualifications for a specific job. If the person desires additional information, he could call a toll-free number.

5. *Applicant Bank*—If a voluminous application file were built up by a mail return, searching the application files by hand might become unwieldly. Until a computerized job matching system is worked out, the Job Bank, which is unilateral, has been the interim phase. This is satisfactory where workers have easy access to a Job Bank. But in remote areas where it is difficult or impossible for a worker to search a Job Bank, a unilateral applicant bank is a more reasonable transition phase.

C. *Information Clearing House.*

A great many fine techniques for providing placement services to rural people have probably been originated and conducted within the States. Other State ES agencies could benefit from these experiences in designing their manpower programs. If the National Office knew of these projects, it could set up an information clearing house to disseminate this information. Frequently the National Office does not know what is going on, or has a two or three-sentence description in the Annual Rural Manpower Report (MA5–79). It is recommended that the instructions for preparing the MA5–79 be revised to make sure of getting at least a rudimentary account of all innovative practices.

Where the idea seems practical and applicable to situations in other States, the National Office should contact the SESA's for enough information to enable another State to try out the same idea. This should then be published in an information exchange. Regional Offices should make sure that all innovative practices in their States are reported to the National Office.

The clearinghouse principle should also be applied to disseminating information about what SESA's are doing to provide services to rural residents in cooperation with Comprehensive Employment and Training Act (CETA) prime sponsors and program agents. The MA5–79 instructions should be revised to call for this information from State agencies. For example, it is important to know what SESA's are doing particularly in connection with Balance of State (BOS) operations, what CETA services they are providing rural residents, and what proportion of the BOS money has gone to ES.

Since the future role of ES in rural areas will depend not only on Wagner-Peyser service delivery, but CETA as well, it is important for the National Office to inform SESA's of the tactics, strategies, and techniques used by their counterparts in other States. For example, how do they obtain a large role in providing BOS services and what are their methods of service delivery? The SESA's must compete every year for CETA money. The National Office could, perhaps, provide ideas and information which would serve to improve their ability to compete as well as improve their delivery system.

D. *Experimentation.*

The most promising ideas for providing placement services to isolated workers should be subject to rigorous experimentation. USES should make sure that the benefits to be derived are worth the cost and should determine the set of circumstances to which the technique is adapted.

Experience in evaluating pilot projects under the ACE, Hitchhike, Smaller Communities, and CSTE programs has shown that it is sometimes difficult to know whether observed strengths or weaknesses are inherent in the technique or due to the impact of exogenous factors such as prosperity or depression. It is recommended that studies of the target area be made before, during, and

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after the experimental technique is applied. It is also recommended that a control area be selected that is similar to the target area in terms of social and economic conditions and that this area be studied for the same time periods. This would enable USES to determine whether or not the outcome would have been the same if the technique had not been applied.

Another possible experimental technique is the Rural Manpower Laboratory. In view of the recent District Court decision requiring equity of access for rural residents, it is proposed that a Rural Manpower Laboratory be established, initially funded from OPER resources. The purpose of this project would be to determine the effectiveness of innovative techniques to deliver a full range of services to rural residents. A single State would be selected as the Laboratory and the microcosm technique would be employed. It is envisioned that several mini-projects would be implemented, impacting on a few communities in a selected area. Emphasis would be placed on production evaluation, cost-effectiveness studies, overall feasibility of program approach, and potential for replicability. It is envisioned that the program would be a cooperative venture between a State agency and one or more participating institutions of higher learning with capability of outreach and research. The overall goal of the program would be to determine the extent to which equity of access to manpower services for rural residents can be achieved and at what cost.

IV. ASSISTING WITH RURAL COMMUNITY DEVELOPMENT

Because the staff of the Federal-State Employment service has the professional expertise in the manpower field, it is the responsibility of this organization to assume professional leadership in community development. This section discusses the ES role in assisting rural communities with manpower planning, job creation, and employability development.

A. *Identifying Rural Communities.*

Fundamental to the solution of a community's manpower problems is a locally designed plan tailored to fit the situation in the particular locality. This is the principle on which the Comprehensive Employment and Training Act (CETA), is based. However, the "Balance-of-State," to which most of a State's rural population is relegated, is not a true community. Representatives of rural organizations are complaining bitterly that they are forced to live with decisions handed down by the Governor's office and that their interests are not being considered.

In some States, the governor has delegated planning authority to carefully delineated multicounty units. In Iowa, for example, former Governor Hughes assigned a group at the University of Iowa headed by Professor Karl Fox, to study commuting patterns and trading patterns and set up logical communities. New jurisdictional lines for local ES offices and other State agencies were drawn according to these delineations. In some other States, the Governor has either not delegated his CETA authority at all or has set up irrational multicounty units, usually not coinciding with local office jurisdictions.

To assist with sound community planning, USES should acquaint governors with the research of Fox and other investigators and help them obtain the information they need for identifying rural communities. Lines of local office jurisdictions should be redrawn to coincide with these communities as the local office ought to asume professional leadership in the planning effort.

B. *The Role of the Local Office in Rural Community Planning.*

While local leaders of industry, labor, and argriculture, as well as elected officials, should be involved in deciding what kind of manpower programs are needed, it is up to the local office serving the multicounty community to provide the group with needed information about the manpower characteristics of the area. Federal and State statisticians should assist in this process. The following are examples of questions that the local office should answer:

a. What is the general state of the local economy?

b. What changes are taking place?

(1) Is there a shift in the use of land to other purposes?

(2) What other significant developments are taking place in local industries? How do these developments affect the need for labor?

c. What is the composition of the local labor supply in terms of numbers, sex, age, work experience, education, employment status, skills, training needs, etc.?

d. What is the general level of unemployment? Is there a seasonal pattern?

e. How much underemployment exists and in what industries?

f. How many individuals not presently in the labor force would be available for employment if the oportunity for employment existed?

g. How far do local workers usually travel to work? Is lack of automobile ownership frequently a barrier to taking a job? What is the extent of outcommuting from the area and incommuting to the area?

h. To what extent do workers migrate out of or into the area? Is this migration seasonal, permanent or a mixture of both? Who are the migrants? What are their characteristics and needs? What services do they require and what role can the local office play in providing these services?

i. Who are the employers in the area and what are their manpower requirements?

j. How many employers in this rural area are currently listing jobs within the Employment System?

k. How is the Job Bank being used, if currently in operation, and what are plans for its expansion and/or innovative use for this area?

l. In normal times, can local employers provide jobs for all local workers who need them? If not, what needs to be done to achieve full employment?

m. What are the agencies, organizations, or other groups, public or private, which perform or may perform functions bearing on the manpower situation in the area? What are the working relationships between the various organizations and the local office?

On the basis of this review of the manpower situation, the local office should help the planning group to develop the programs required to meet the rural manpower needs in the area of service. While these programs should have as their prime objective the meeting of employer needs for workers and worker needs for jobs, the programs must also take into account the need to enhance worker employability through training and/or the provision of other services necessary to correct deficiencies in health, education, housing, transportation, etc., which may be barriers to employment.

The program emphasis for rural manpower services should indicate the number of workers and employers who will be provided services, the types of service to be provided, and the results expected. Where the service will involve the participation of, or referral to, other State Employment Service offices (or other public or private agencies), the plan should indicate the agencies involved and the nature of the services of these agencies will provide. Linkages with other agencies at the State, regional and national level will have to be established to carry out these plans.

It should be recognized that not all desired program objectives can be accomplished; hence, priorities must be established under the plan so that the most important needs can be met first. Meeting the needs of isolated rural residents must be included in these priorities.

Finally, the State agency should review the plan and set quantitative goals so as to provide a standard against which the performance of the office can be evaluated and as a guide for future planning. To be meaningful, these goals need to be expressed in terms of the number of services provided. It should be remembered that the objective is to place workers in jobs (and to fill the employer's order) and that the various services provided to workers and employers are a means to achieving that end.

State agencies should work closely with the local offices to help them carry out the plans designed by these rural multicounty communities. In some instances, such as the Delmarva Peninsula (Delaware, Maryland, and Virginia), a logical labor market area may cut across State lines. Rather than hamper the functioning of the area by dividing it into State parts, the regional office ought to work with the local planning group to facilitate the carrying out of the plan.

e. Job Creation.

In assisting rural communities to provide sufficient jobs, the most important service that the Federal-State Employment Service can perform is to encourage new plants to move into such communities. Experienced plant locators claim that labor market data is the weakest link in their chain of information about potential locations.[13]

Apparently, the ability of State ES agencies to provide this information is uneven. According to a corporation executive:

"Our company, for example, has found that the Employment Service in the State of Ohio has been very competent in providing any and all of the data we wish to secure about a rural location being considered. They coordinate information at the State level with the other agencies to give the employer complete data from all sources. On the other hand, in some midwestern States which have not developed systems such as Ohio's, we found the local Employment Service to be almost useless in its ability to supply meaningful information."[14]

This indicates a need for the National Office of USES to work with parent companies in finding out what labor market information is needed and to work with State ES agencies in developing systems for gathering the required information about rural areas and making it available to plant locators.

Rural residents complain that, when a new employer comes into a rural area, he gives the best jobs to workers who come in from other areas. Assurances should be obtained from plant locators assisted by USES that a certain portion of the better jobs will go to local residents.

Efforts to promote rural economic development are not new to the Federal-State Employment Service. In the mid-1960's a Smaller Communities Program was set up. Mobile teams of employment service specialists traveled to remote rural areas and remained for several months to provide a range of manpower services and help promote the economic growth of the area. These teams inventoried the skills of local workers and published brochures telling of the manpower resources and other facilities available to a prospective company who might consider locating in the area. In 1973, this program was operating in 12 States. Subsequently, it was absorbed in the State grants programs of these States. It serves as a model for other States which have not yet tried the program.

The Employment Service also participates in the Concerted Services in Training and Education (CSTE) program where Federal agencies work along with State and local governments and local community agencies and leaders to cooperatively promote economic development in rural areas and increase the employability of residents by enhancing their education and training opportunities. At the end of FY 1974, there were 17 CSTE projects in 13 States. This also serves as a model for other States, which can benefit from interagency cooperation in achieving rural economic development.

Through the efforts of rural development groups and for other reasons, nonagricultural wage and salary employment in nonmetropolitan areas expanded nearly twice as fast as in metropolitan areas between 1970 and early 1975. While the nonmetropolitan economy has suffered more severe employment losses during the recent recession, it maintains its lead for the half decade as a whole. Past experience suggests that recovery may be faster in the hinterland. As these areas gain a greater share of the job openings, it is important for State agencies to reassess the allocation of staff to make sure that rural employers have adequate access to recruitment services.

D. *Interagency Cooperation for Employability Development.*

By cooperating with other agencies and private groups to improve the skills of rural workers, the Federal-State Employment Service can both increase the appeal of the rural labor force and assure rural workers of better jobs. The following are suggested as workable ideas for pursuing this goal:

1. *Rural Skill Centers*—While not a new idea, the concept could be improved in rural areas if the OIC approach could be applied on a modified basis. In view of the rapid industrialization in many rural areas, particularly in the South, a system could be established whereby local business owners could serve as an advisory board to ensure that skills taught were consistent with demand, and that potential employers would have significant input in areas of instruction and standards of proficiency.

2. *Rural Electrification and Apprenticeship Program*—This would be a special training program to prepare rural workers for employment with rural telephone or electric line companies or cooperatives. The need for these utility employees is expanding as the nonmetropolitan population is expanding faster than the metropolitan population and the distance over which lines must be strung is much greater than in the cities. During FY 1976, for example, the Rural Electrification Administration (REA) anticipates that an additional 7,000 workers will be needed to operate rural telephone companies properly. Rural electrification cooperatives are also expanding throughout rural America.

The International Brotherhood of Electrical Workers (IBEW), working in cooperation with REA, is offering excellent on-the-job training and related instruction, while other small cooperatives offer limited training due to the lack of manpower and teaching skills.

RMS proposes that a special project be established with REA and IBEW to carry out a National Rural Apprenticeship Program. This would offer many job opportunities for rural unemployed workers throughout the Nation.

3. *National Rural Industrial Promotion*—National Constructors Association (NCA), (an organization of the largest builders in the U.S.) distributes a list of onging and future construction projects. The information covers the city and site location and the builder's name and client. The NCA has been having problems finding skilled labor in some rural areas to carry out the construction jobs.

This is an excellent opportunity for the ES to assist companies in rural America. A sector of Rural National Industrial Promotion could be established in RMS to assist building and industry in rural America. Working in coordination with other departments and agencies, information on site selection, manpower resources, and other national resources could be provided as well as referral of skilled employees and qualified trainees.

4. *Resource Conservation and Development Program (RC&D)*—In the late sixties, ES participated in the Cherokee Hills project in Northeastern Oklahoma. Sponsored by USDA's Soil Conservation Service, this resource-conservation-oriented program sought to improve the natural environment through community action. Necessarily included in this effort was a human resource development component, funded through MDTA, which sought to provide rural residents with marketable skills consistent with the demand created by the project spin-off. More than 1,500 new jobs were created, ranging from road building and sewage system installation to food processing and utility maintenance. From a dozen or more projects in as many States in 1968, the USDA program now includes projects in 49 States, many of which are multicounty in coverage. It is proposed that ES implement a program which will ensure SESA support, where appropriate, for all operational RC&D projects. It is envisioned that ES staff could play an important part in human resource and skills requirement inventory as well as placement services for rural residents in project areas.

5. *Program Developing Cooperatives*—This would be a continuation of technical assistance activities in support of rural cooperative development. Inasmuch as cooperatives, particularly in the agricultural production category, have substantively improved the income and standard of living of countless marginal farm families, it is imperative that ES continue to provide manpower services where such services increase the economic viability of cooperative organizations. ES responsibility in the area falls into two main categories: (1) encouraging a more equitable distribution of State manpower resources, particularly in the area of managerial and production membership skill training, and (2) to serve as a catalyst in the coalescence of resources, both public and private, which will have a significant impact on cooperative development. While the role of ES in the latter objective may appear somewhat marginal, one must recognize the need for increasing the economic viability of the rural self-employed is a legitimate concern of a manpower-resource development agency.

6. *Off-shore Oil Exploration*—In view of the current energy crisis, activity and interest in the development of off-shore oil resources is increasing at a rapid rate. As this increase occurs, it is reasonable to assume that the demand for labor in the industry will also show a comparable upward trend. Of particular interest is the activity contiguous to Texas and Louisiana, a favorable area due in part to the refinery capability of the two States. A fortunate coincidence lies in the fact that there is a surplus of unskilled and semi-skilled agricultural workers in both States due to technological displacement. It would be interesting to test the effectiveness of a program to train these workers in the basic skills required in oil exploration. Since a program was proposed a few years ago, with the concurrence of labor unions, but was never implemented due to a lack of Federal support. The program, if revived, could provide a substantial number of jobs in an area characterized by a serious lack of job opportunities for this category of workers.

7. *Cooperative Development of Migrant Employability*—In the fall of 1974, the Labor Department's Farmworker Task Force recommended that efforts be made to coordinates ES and CETA Title III operation in the field. Specifically, it was suggested that three pilot projects be started where ES and migrant sponsors worked cooperatively and complimentarily on serving their common target populations.

V. RESOURCE ALLOCATION

Some of the proposals set forth in this paper could be carried out with no additional allocation of resources for rural manpower services—others with very little. Still others might require significant additional resources. On the other hand, USSDL has been ordered by the Court to provide rural workers with the same quantity and quality of services as urban workers. Whatever additional allocations are needed to carry out these proposals can probably be justified in terms of carrying out the Court Order.

Expanded services to rural residents will require combined and coordinated effort. The National Office and the Regional Offices can make a significant contribution to this effort by encouraging State administrators to give rural people the consideration they deserve in allocating resources.

In planning to achieve equity the following principles should be kept in mind:

a. Manpower and supportive services should be distributed to achieve equity for rural people and to better serve the unemployed and disadvantaged in these areas.

b. There should be recognition that population dispersion in rural areas requires a higher per-capita cost than in urban areas. This fact should be taken into account in reviewing rural programs.

c. The proportion of resources allocated to provide these services to rural individuals needing manpower services sould represent an equitable share of total resources available.

In essence, it is a planning system which has its roots at the local office operating level with the objectives of:

a. Providing a systematic guide for directing the use and coordination of available resources towards common goals;

b. Providing a sound basis for estimating resource needs and for requesting and allocating resources; and

c. Providing a rational basis for evaluating State and local office performance in terms of results or services provided rather than in terms of workloads.

VI. CONCLUSION

Because the delivery of manpower services requires a different approach than in urban areas, and because rural areas differ from each other, the planning and conduct of rural manpower programs ought to be placed in the hands of rural communities. The States and regions can most effectively back up this effort. Nevertheless, the National Office has an important role to play.

To carry out its responsibility to improve the quality of placement services to rural workers, it is important for the National Office to become cognizant of every method that is used in every State. Experimentation is needed to determine what methods are best adapted to a particular situation. When the Natonal Office has a thorough knowledge of how to serve a dispersed population, it will be in a position to advise the States how to put a rural program into effect, not in just a few pilot areas, but throughout the entire Nation.

Assistance with rural community development requires linkages with other agencies and private groups not just at the local level, but at the State, regional, and national level. In establishing cooperation with other Federal agencies, it should be kept in mind that the U.S. Department of Agriculture, the most important agency in the rural development field, is not represented on the regional councils. It is up to the National Office to work with this agency and help the State ES agencies to establish contacts with the State departments of agriculture and the various county offices.

The National Office can greatly assist with recruitment services to rural employers, as well as facilitating the training and placement of rural workers, by establishing relations with parent companies having far flung subsidiaries and with national headquarters of trade associations and trade unions.

The American population of the future will be more widely dispersed than it is today. On the one hand, the areas of most intense population concentration are losing population. Of the 50 largest cities in the United States, 24 lost population between 1960 and 1970. On the other hand, the sparsely populated areas are gaining population. Even the countries remote from metropolitan areas grew faster than the metropolitan areas between 1970 and 1973. Projections prepared by the U.S. Department of Agriculture show that the urban to rural migration will intensify. In order for the Federal-State Employment Service to prepare for the future situation confronting it, it must start today learning how to serve a widely disseminated population.

FOOTNOTES

[1] Bureau of Labor Statistics, *Employment and Earnings*, April 1975, p. 64.

[2] Estimated from data in *Employment and Earnings*, January 1975 and CPS Series P-60 No. 98, January 1975, *Characteristics of Low Income Population: 1973.*

[3] Rural Manpower Service, *Rural Manpower Developments*, Fall 1973, p. 34.

[4] *Current Population Reports* (Washington: U.S. Department of Commerce, Bureau of the Census, May 1972) Series P-65, No. 40.

[5] Miles, Guy H., *Optimizing the Benefits of the Neighborhood Youth Corps Projects for Rural Youth*, Manpower Administration Contract No. 41-7-006-25.

[6] A detailed description of Concerted Services in Training and Education is given in Section IV C.

[7] Texas Employment Commission, *Texas Rural Manpower Services, 1974 Annual Report.*

[8] *Ibid.*

[9] Proceedings of the Rural Manpower Conference, Daytona Beach Florida, January 1969.

[10] North Dakota Employment Security Bureau, *1974 Rural Manpower Report.*

[11] *Operation Hitchhike, A Manpower Program for Rural Areas, a Joint Program of New York State Department of Labor, Cornell University, and Cooperative Extension*, Year End Report 1972–1973.

[12] Florida Annual Rural Manpower Report, 1973.

[13] J. D. Little of Harper, Cotton, Little, Inc., "Employers' Needs for Labor Market Information in Order to Locate and Operate in Rural Areas," *Labor Market Information in Rural Areas*, Proceedings of a Conference Sponsored by the Center for Rural Manpower and Public Affairs, Michigan State University, East Lansing, Michigan, February 22–23, 1972. pp. 47–50.

[14] Jack Thiele, Director, Industrial and Community Relations, Whirlpool Corporation, "An Employer Views Rural Labor Markets" ibid p. 51.

ATTACHMENT 1

LABOR FORCE STATISTICS FOR METROPOLITAN AND NONMETROPOLITAN AREAS, SELECTED TIME PERIODS

[Numbers in thousands]

	Metropolitan areas[1]			Nonmetropolitan areas[2]		
	Prior period	Most recent period	Percent change	Prior period	Most recent period	Percent change
Annual averages, 1973 and 1974:						
Labor force	61, 530	63, 123	2.6	27, 301	27, 889	2.2
Employed	58, 369	59, 477	1.9	26, 091	26, 458	1.4
Unemployed	3, 161	3, 645	15.3	1, 210	1, 430	18.2
Unemployed rate	5.1	5.8		4.4	5.1	
1st quarter averages 1974 and 1975:						
Labor force	62, 197	63, 580	2.2	27, 191	27, 575	1.4
Employed	58, 641	57, 823	−1.4	25, 779	25, 046	−2.9
Unemployed	3, 556	5, 757	61.9	1, 412	2, 526	78.9
Unemployed rate	5.7	9.1		5.2	9.2	

As delineated in the 1970 Census. 86 percent of the metropolitan population was urban in 1970 (Based on ESARS definition that became effective Feb. 5, 1974).

[2] 77 percent of the nonmetropolitan population was rural in 1970 (Based on ESARS definition which became effective Feb. 5, 1974.).

Source: Bureau of Labor Statistics, "Employment and Earnings," January 1975, p. 163 and April 1975, p. 64.

ATTACHMENT No. 2

RURAL AND URBAN COMMUTING 1970

	Urban residents[1]	Rural residents			
		Total	Places to 2,500 to 10,000	Other rural nonfarm	Farm
Reporting county of employment (millions of workers)	49	22	5	14	4
Percent employed outside county residence	18.3	21.3	15.6	24.2	17.6
Reporting means of transportation to work (millions of workers)	53	24	5	15	4
Percent distribution (total)	100.0	100.0	100.0	100.0	100.0
Public transportation, total	12.4	1.1	1.3	1.1	0.7
Bus or streetcar	7.7	.7	.7	.7	.5
Subway or elevated	3.3	(2)	(2)	(2)	(2)
Railroad	.9	.1	.1	.2	(2)
Taxicab	.5	.2	.5	.1	(2)
Private automobile, total	76.6	80.3	81.4	85.1	60.2
Driver	65.2	67.6	68.1	71.6	51.4
Passenger	11.3	12.7	13.4	13.4	8.8
Other, total	11.1	18.7	17.2	13.9	39.2
Walked only	7.4	7.5	11.4	6.6	5.6
Worked at home	1.8	7.2	2.3	3.3	29.3
Other means	1.9	4.0	3.5	4.1	4.2

[1] Residents of urbanized areas or places of 10,000 or more outside of urbanized areas.

[2] Less than 0.05 percent.

Source: 1970 census, PC(1)–C, U.S. summary, table 98.

ATTACHMENT 3

POPULATION CHANGE 1970 TO 1973 BY RESIDENCE: UNITED STATES

Residence	Population			Net migration (thousands)	
	1973 (thousand)	1970 (thousand)	Percent 1970–73	1970–73	1960–70
Total	209, 851	203, 301	3.2	1, 632	3, 001
Metropolitan[1]	153, 252	149, 002	2.9	486	5, 997
Nonmetropolitan	56, 599	54, 299	4.2	1, 146	−2, 996
Nonmetropolitan:					
Adjacent counties[2]	29, 165	27, 846	4.7	722	−724
Nonadjacent counties	27, 434	26, 452	3.7	424	−2, 273

[1] Metropolitan status as of 1974.

[2] Nonmetropolitan counties adjacent to standard metropolitan statistical areas.

Source: Current population reports, U.S. Bureau of the Census. Compiled by Population Studies Group. Economic Research Service, U.S. Department of Agriculture.

By Mr. MONDALE:

S. 2227. A bill to amend the National Labor Relations Act to permit certain labor organizations to be certified by the National Labor Relations Board as representatives of individuals employed as guards. Referred to the Committee on Labor and Public Welfare.

Mr. MONDALE. Mr. President, I am today introducing legislation designed to remove an inequity in the Taft-Hartley Act. My bill will allow guards and security personnel to be represented by unions which also represent employees other than guards.

Section 9(b)(3) of the Taft-Hartley Act reads, in pertinent part:

> The Board shall decide in each case whether, in order to assure to employees the fullest freedom in exercising the rights guaranteed by this Act, the unit appropriate for the purposes of collective bargaining shall be the employer unit, craft unit, plant unit, or subdivision thereof: *Provided*, That the Board shall not . . . decide that any unit is appropriate for such purposes if it includes, together with other employees, any individual employed as a guard to enforce against employees and other persons rules to protect property of the employer or to protect the safety of persons on the employer's premises; but no labor organization shall be certified as the representative of employees in a bargaining unit of guards if such organization admits to membership, or is affiliated directly or indirectly with an organization which admits to membership, employees other than guards.

The House version of the act would have denied employee status to plant guards entirely, as it was approved by the House in 1947. The Senate version of act contained language closely paralleling the present statute. The present language was finalized in the House-Senate conference.

Apparently, the provision was enacted in response to the Supreme Court's decision in the Jones and Laughlin case.

That case had held, inter alia, that employees who were militarized during World War II, and then became local peace officers under Ohio law, were nonetheless employees of the employer for the purposes of the National Labor Relations Act. The cases also held that such guards were entitled to be represented by the same union which represented employees other than guards.

It seems that a fear existed that guards, if allowed to be represented by the same union which represented other employees, would not be able to resist anticipated union violence.

Thus, section 9(b)(3) required guards to be in a separate unit and denied certification to any labor organization which represented nonguards.

As is readily evident, the reasoning behind the inclusion of the provision in the NLRA in 1947 no longer remains valid. Guards are no longer militarized. To my knowledge, guards are not deputized police officers. Guards are no longer used to control union violence, even in the extremely rare case where such violence occurs.

Moreover, the reorganization of the employer-employee relationship into one in which guard services, rather than directly employed guards, predominate undercuts the entire rationale for the statutory provision.

Yet, section 9(b)(3) remains as an impediment to the full realization by guard personnel of the rights guaranteed by the NLRA to other employees. I see no reason, Mr. President, for this inequitable situation to continue.

The continuation of the restriction on certification for a unit of guards represented by an affiliated labor organization has had the effect of making guard personnel second-class citizens. Because guard units may not be represented by unions which represent employees other than guards, these units are currently represented by either nonaffiliated labor organizations, which are frequently ineffective because they are small, or by affiliated labor organizations, which are ineffective because they are unable to use the mechanisms of the NLRA because of section 9(b)(3) prohibitions.

As a result, guard personnel frequently have extremely low wages and few rights. This despite the fact that guard personnel are employed by numerous segments of the commercial economy and are extremely important to the commercial economy.

In addition to the obvious implication of the language of section 9(b)(3), the National Labor Relations Board has approved certain corollary propositions. First, the Board has held that nonqualifying labor organizations may not file a petition for a unit of guards, since it may not be certified as representing that unit.

Second, the Board has held that a nonqualifying union may not allege a refusal to bargain in a unit of guards, since a bargaining order in favor of the union would be equivalent to certification. Finally, the Board has held that a nonqualifying union may not picket for the purpose of forcing or requiring an employer either to recognize the union or to bargain with the union as the representative of the unit of guards.

Senator Murray of Montana, a critic of the provision during the 1947 debates on the NLRA, predicted at that time that section 9(b)(3) would severely restrict the bargaining power of guard employees. His analysis was certainly prophetic.

The legislation which I am introducing today is designed to remove this inequity. My bill amends section 9(b)(3) by removing the restriction upon certification of an affiliated labor organization as the representative of a guard unit. This legislation would allow guards to be represented by any labor organization of their choice, including affiliated labor organizations, with no legal restrictions upon that labor organization's composition. Any union represented or sought to represent guards would have full access to the National Labor Relations Board and its processes.

This bill would not, however, remove the 9(b)(3) requirement that guards be in separate bargaining units.

Mr. President, the time has come for guards to be permitted the same rights granted to other employees under the National Labor Relations Act. This legislation would accomplish that objective. I urge my colleagues to give prompt attention to this important bill.

Finally, Mr. President, I wish to note that similar legislation has been introduced in the House by Congressman FRANK THOMPSON of New Jersey.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2227

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 9(b)(3) of the National Labor Relations Act (29 U.S.C. 159(b)(3)) is amended by striking out "; but no labor organization" and all that follows through "employees other than guards".

By Mr. RANDOLPH (for himself, Mr. BAKER, Mr. MONTOYA, and Mr. MCCLURE):

S. 2228. A bill to amend the Public Works and Economic Development Act of 1965 to extend the authorizations for a 3-year period. Referred to the Committee on Public Works.

Mr. RANDOLPH. Mr. President, I introduce, for myself and Senators BAKER, MONTOYA, and MCCLURE, a bill to extend the Public Works and Economic Development Act of 1965, as amended, for an additional 3 years, through September 30, 1979.

The program is currently authorized through June of next year. Consistent with the intent of the Congressional Budget Act that legislative recommendations be submitted in advance of consideration of the budget resolution, the executive branch has forwarded this proposal to the Congress early in the fiscal year. We agree that this is an important matter which the committee may consider later in this session or early next year. We are pleased that the administration is recommending a continuation of the program.

I ask unanimous consent that the letter of transmittal from the President, together with the statement of purpose and text of the proposed bill, be included in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

JULY 21, 1975.

Hon. NELSON A. ROCKEFELLER,
President of the Senate, U.S. Senate, Washington, D.C.
Hon. CARL ALBERT,
Speaker of the House of Representatives, Washington, D.C.

DEAR MR. PRESIDENT and MR. SPEAKER: Enclosed are six copies of a draft bill—

"To amend the Public Works and Economic Development Act of 1965 to extend the authorizations for a 3-year period."

Together with a statement of purpose and need in support thereof.

Since this legislation merely extends existing authorizations, no inflationary impact is involved.

We have been advised by the Office of Management and Budget that there would be no objection to the submission of our draft bill to the Congress from the standpoint of the Administration's program.

Sincerely,

ROGERS C. B. MORTON,
Secretary of Commerce.

STATEMENT OF PURPOSE AND NEED

This draft bill would extend the Public Works and Economic Development Act of 1965, as amended, for a period of 3 years. Thus, the authorization in the Act would be extended from June 30, 1976, until September 30, 1979. In recent years, the Economic Development Administration and the Title V Regional Commissions have had to carry on their duties with uncertainties as to whether the Act would be extended or whether it would be reorganized into proposed new departments of government. Constituents of these programs such as States and development districts have likewise experienced uncertainty. A three-year extension removes this uncertainty and provides long-run stability and greater efficiency in the administration of programs. A three-year extension also allows sufficient time to implement and evaluate new programs authorized by the Act. Finally, this extension is needed to meet changing circumstances in the economy.

S. 2228

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 102 of the Public Works and Economic Development Act of 1965, as amended (42 U.S.C. 3121 et seq.) is amended by inserting after "June 30, 1976," the following: "September 30, 1977, September 30, 1978, and September 30, 1979,".

SEC. 2. Section 105 of such Act, as amended, is amended by striking out the period at the end of the first sentence and inserting in lieu thereof a comma and the following: "September 30, 1977, September 30, 1978, and September 30, 1979.", and by inserting in the third sentence after "June 30, 1976," the following: "September 30, 1977, September 30, 1978, and September 30, 1979,".

SEC. 3. Section 201 of such Act, as amended, is amended by deleting in subsection (c) "and June 30, 1976." and inserting the following in lieu thereof: "June 30, 1976, September 30, 1977, September 30, 1978, and September 30, 1979.".

SEC. 4. Section 303 of such Act, as amended, is amended by deleting in subsection (a) "and June 30, 1976" and inserting the following in lieu thereof: "June 30, 1976, September 30, 1977, September 30, 1978, and September 30, 1979".

SEC. 5. Section 304 of such Act, as amended, is amended by inserting in subsection (a) after "June 30, 1976," the following: "September 30, 1977, September 30, 1978, and September 30, 1979,".

SEC. 6. Section 403 of such Act, as amended, is amended by deleting in subsection (g) "and June 30, 1976," and inserting the following in lieu thereof: "June 30, 1976, September 30, 1977, September 30, 1978, and September 30, 1979,".

SEC. 7. Section 404 of such Act, as amended, is amended by deleting "and June 30, 1976," and inserting the following in lieu thereof: "June 30, 1976, September 30, 1977, September 30, 1978, and September 30, 1979,".

SEC. 8. Section 509 of such Act, as amended, is amended by deleting in subsection (d) "and June 30, 1976," and inserting the following in lieu thereof: "June 30, 1976, September 30, 1977, September 30, 1978, and September 30, 1979,".

SEC. 9. Section 905 of such Act, as amended, is amended by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: "September 30, 1977, September 30, 1978, and September 30, 1979.".

By Mr. BAYH:

S. 2229. A bill to direct the National Commission on the Observance of International Women's Year, 1975, to organize and convene a National Women's Conference, and for other purposes. Referred to the Committee on the Judiciary.

Mr. BAYH. Mr. President, earlier this session, I introduced legislation calling for the convening of a National Women's Conference no later than December 31, 1976. This bill was the same legislation introduced in the House by Representative ABZUG.

Today, Mr. President, I would like to introduce a revised bill which has been introduced in the House by 15 women Members of the House of Representatives, Congresspersons ABZUG, BURKE, BOGGS, CHISHOLM, COLLINS, FENWICK, HECKLER, HOLTZMAN, JORDAN, KEYS, MEYNER, MINK, PETTIS, SCHROEDER, and SPELLMAN.

Under the provisions of this bill, the Commission on the Observation of International Women's Year, created by Executive order on January 9, 1975, would be responsible for organizing and convening a national conference to assess the progress made to date by both the private and the public sector in promoting equality between men and women. This conference will consist of representatives from local, State, regional and national institutions, agencies, organizations, unions, and associations which work to advance the rights of women; men and women involved in policymaking and decision-making in government, private industry, education, child care and social welfare, the media and other fields; and members of the general public.

The celebration of our Nation's 200th anniversary is, indeed, an appropriate occasion in which to focus attention on both the current status of American women and on the means to improve that status. Our emphasis must be on constructive action. Other nations have already begun preparations for national conventions such as I am suggesting under this legislation. I urge the Congress to act promptly to insure that an American Women's Conference be held as part of this Nation's commitment to International Women's Year.

International Women's Year provides an unprecedented opportunity for all concerned with promoting equality for men and women to effect the ways and means by which women can achieve full participation in all aspects of our society. It is now incumbent upon the Congress to implement this legislation to assure that our symbolic recognition of International Women's Year may be a meaningful one.

Mr. President, I ask unanimous consent that the full text of this legislation be printed in the RECORD at this time.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2229

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. The Congress hereby finds that—

(1) International Women's Year, and its World Plan of Action, have focused attention on the problems of women throughout the world, and have pointed to the need for an evaluation of the discrimination which American women face because of their sex.

(2) The Bicentennial year of 1976 is a particularly appropriate time for the United States to recognize the contributions of women to the development of our country, to assess the progress that has been made toward insuring equality for all women, to set goals for the elimination of all barriers to the full and equal participation of women in all aspects of American life, and to recognize the importance of the contribution of women to the development of friendly relations and cooperation among nations and to the strengthening of world peace;

(3) a national conference of American women, preceded by state conferences, is the most suitable mechanism by which such an evaluation of the status of women and issues of concern to them can be effected.

DUTIES OF COMMISSION

SEC. 2. (a) The National Commission on the Observance of International Women's Year, 1975, established by Executive Order 11832 on January 9, 1975, (hereinafter in this Act referred to as the "Commission"), shall organize and convene a national conference to be known as the National Women's Conference (hereinafter in this Act referred to as the "Conference"). The Conference shall be held in such place and at such time in 1976 as the Commission deems appropriate, but no later than December 31, 1976.

(b) The Commission shall consult with such national and state organizations concerned with women's rights and related matters as the Commission considers necessary to carry out the purpose of this Act.

COMPOSITION AND GOALS OF THE CONFERENCE

SEC. 3. (a) The Conference shall be composed of—

(1) representatives of local, state, regional and national institutions, agencies, organizations, unions, and associates which work to advance the rights of women;

(2) men and women involved in policy-making and decision-making in government, private industry, education, child care and social welfare, the media, and other fields; and

(3) members of the general public, with special emphasis on the representation of low-income women, members of racial, ethnic, and religious groups, and women of all ages.

(b) The Conference shall—

(1) recognize the contributions of women to the development of our country;

(2) assess the progress that has been made to date by both the private and public sectors in promoting equality between men and women in all aspects of life in the United States;

(3) assess the role of women in economic, social, cultural, and political development;

(4) assess the participation of women in efforts aimed at the development of friendly relations and cooperation among nations and to the strengthening of world * * *;

(5) identify the barriers that prevent women from participating fully and equally in all aspects of national life, and develop recommendations for means by which such barriers can be removed;

(6) establish a timetable for the achievement of the objectives set forth in such recommendations; and

(7) establish a committee of the Conference which will take steps to provide for the convening of a second National Women's Conference in 1985. The second Conference will assess the progress made in achieving the objectives set forth in paragraphs (5) and (6) of this subsection, and will evaluate the steps taken to improve the status of American women during the "Decade of Women", 1975–85.

POWERS OF COMMISSION

SEC. 4. The Commission shall—

(1) grant technical and financial assistance by grant, contract, or otherwise to each State to enable them to organize and conduct local, State, and regional meetings in preparation for the Conference;

(2) prepare and make available background materials relating to women's rights and related matters for the use of representatives to local, State, and regional meetings, and to the Conference;

(3) establish procedures to provide financial assistance for representatives to the Conference who are unable to pay their own expenses;

(4) establish such advisory and technical committees as the Commission considers necessary to assist and advise the Conference; and

(5) publish and distribute for the Conference the report required under this Act.

ADMINISTRATION OF COMMISSION

SEC. 5. (a) The Commission may appoint such staff personnel as it considers necessary to carry out its duties under this Act. Such personnel shall be appointed subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule.

(b) The Commission may accept, use, and dispose of contributions of money, services or property.

(c) The Commission may use the United States mails under the same conditions as other department and agencies of the United States.

REPORT

SEC. 6. The Commission shall submit a report to the President and to each House of the Congress not later than 120 days after the conclusion of the Conference, and shall make such report available to the general public. Such report shall contain a detailed statement of the findings and recommendations of the Conference with respect to the matters described in subsection (b) of section 3. The President shall, not later than 120 days after the receipt of the report, submit to each House of the Congress recommendations with respect to matters considered in such report.

TERMINATION OF COMMISSION

SEC. 7. Notwithstanding the provision of Executive Order 11832, the Commission shall continue in operation until 30 days after submitting its report pursuant to section 6, at which time it shall terminate.

AUTHORIZATION OF APPROPRIATION

SEC. 8. There are authorized to be appropriated without fiscal year limitation, such sums, but not to exceed $10,000,000, as may be necessary to carry out the provisions of this Act. Such sums shall remain available for obligation until expended.

DEFINITION

SEC. 9. For the purpose of this Act, the term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.

By Mr. BROCK:

S. 2231. A bill to provide for an orderly transition from the mandatory petroleum allocation and price regulations promulgated and made effective under the Emergency Petroleum Allocation Act of 1973, as amended, to deregulation of petroleum supply relationships. Referred to the Committee on Interior and Insular Affairs.

SOME FEATURES OF A TRANSITION PROGRAM BETWEEN ALLOCATION AND DEREGULATION

Mr. BROCK. Mr. President, it now appears that the Emergency Petroleum Allocation Act will expire.

One of the main reasons why the demand for allocation continues is a concern by many independent refiners and marketers that, without allocation, they would be cut off by major oil company suppliers. A transitional program should be written so that these fears are put to rest. This is necessary politically; it would also serve the long run interests of the industry and especially the major oil companies, themselves, by helping to still demands for punitive actions against the major oil companies. However, the program should be transitional. It should serve as a stepping-stone from the present cumbersome, complex system to eventual total deregulation of the industry.

To this end, the following provisions should be included in the program.

First. Existing price regulations should be terminated, if necessary in a phased out program. This is especially necessary for the two-tier price system for crude oil.

Second. For a period of 2 years, major oil company suppliers would be required to sell 1972 amounts of crude oil and refined products to major classes of trade supplied in 1972. These classes of trade shall include:

Independent refiners purchasing or exchanging crude oil with the major oil companies during the base year. These refiners should be defined by a size criterion only, this size not to exceed 75,000 barrels per day.

Unbranded wholesalers and resellers not affiliated or managed by major oil companies.

Branded jobbers not wholly owned and operated by major oil companies.

Branded dealers, including lessees and owner-operators.

Direct consumers, including governmental entities and large industrial users.

Third. Major oil company suppliers would not be required to sell to the same customers served during the base year 1972, but only base period amounts to customers falling in the same general classes of trade. Any amounts of crude oil or refined products produced above base year levels may be distributed at the major oil companies' discretion.

Fourth. Similarly, qualified independents would be eligible to purchase base period volumes, but not necessarily from base period suppliers.

Fifth. Suppliers and customers would be allowed 90 days to negotiate no less than 2-year supply contracts with whomever they choose as long as the requirement to supply major classes of trade is met.

Sixth. After a contract or contracts are signed, and the requirements on major oil company suppliers fully met, suppliers would no longer be subject to the allocation program but to general laws governing contractual obligations. Similarly, once a purchaser has secured his full 1972 level of supply under contract, he, too, would no longer be subject to the allocation program but would be protected by laws governing normal contractual relationships.

Seventh. The contracts could contain normal provisions for prorationing during times of scarcity. However, these provisions should involve equitable prorationing within particular classes of trade.

Eighth. If, at the end of 90 days, some customers are unable to negotiate satisfactory contractual relationships with major oil company suppliers, they may be assigned by the Federal Energy Administration to suppliers that have not already obligated their 1972 base period levels. The terms of the contracts for assigned customers should be the same as those for other customers of a major oil company supplier. Should a customer refuse to accept these terms, he would forfeit his right to an assignment under the transitional allocation program.

Ninth. Special problems will arise because of the withdrawal from certain areas by particular major oil company suppliers. The major oil company suppliers would be allowed to engage in swapping arrangements to supply customers that would otherwise be denied oil, and would receive credit for customers supplied in this way.

Tenth. All companies, customers as well as major oil company suppliers, shall be required to provide data to the Federal Energy Administration, certified by a company official, stating base period purchases and sales to major classes of trade. Any purchasers found to have falsified information provided to the Federal Energy Administration shall be ineligible for the program. Any major oil company suppliers found to have falsified information shall also be penalized.

Eleventh. For purposes of this program, the definition of a small and independent refiner shall be 75,000 barrels per day or less, with no provision for percentage of captive crude oil run in a refinery.

Twelfth. For purposes of this program, the definition of an independent marketer shall be any reseller not directly affiliated with a major oil company. This definition should cover all outlets not directly owned and operated by the supplier, including both branded and unbranded and major and private brand jobbers.

Thirteenth. Any direct consumer of oil shall be defined as a customer who purchased in bulk directly from major oil company suppliers during the base year.

Fourteenth. Once 2-year contracts have been signed guaranteeing the supply of crude oil and refined products to independent nonaffiliated segments of the industry, the regulatory role of the Federal Energy Administration shall cease. FEA will continue to collect data and to monitor the system to assure that it is working reasonably well. Any complaints that contracts are being violated or that suppliers or customers are not fulfilling the terms of their contracts shall be handled through normal legal channels.

Fifteenth. Once contracts expire at the end of 2 years, it will be up to each customer to renew his contract or find another under normal market conditions. The allocation program will have ended. The customer will be expected to obtain an alternative source of supply on his own.

Mr. President, I am today introducing legislation designed to meet these needs.

By Mr. ROBERT C. BYRD:

S. 2232. A bill to provide 4-year terms for the heads of the executive departments. Referred to the Committee on Post Office and Civil Service.

RECONFIRMATION OF CABINET OFFICERS

Mr. ROBERT C. BYRD. Mr. President, the 93d Congress will be remembered in history as the Congress which reasserted the constitutional prerogatives of the legislative branch. The past 2 years were a time for regaining the necessary tools to remain an effective and coequal branch of our Government.

But despite the great gains made during the past 2 years, the 93d Congress adjourned with much work undone in its attempts to regain all of its constitutional powers.

On May 2, 1973, the Senate passed by a vote of 73 to 17, S. 755, a bill which required reconfirmation of Cabinet officers by the Senate, but the bill failed to receive floor action in the House of Representatives in the 93d Congress.

I am reintroducing today a bill to require reconfirmation of Cabinet officers in the same form as it passed the Senate during the last Congress.

The bill will set the term of service for an executive department head at 4 years beginning at noon on January 20 of the year in which the term of the President appointing such department head begins. The term of any department head serving at the time of enactment of this act shall expire at noon on January 20, 1977.

A department head appointed to fill a vacancy occurring prior to the expiration of the term shall serve only the unexpired portion of that term.

Nothing in the bill would affect the power of the President to remove any department head at any time.

Under article II, section 2 of the Constitution, the heads of executive departments were made subject to confirmation by the Senate, a part of the body responsible for their creation. Since the department heads then serve at the pleasure of the President, once appointed they may disregard their responsibilities to the people's elected representatives and the people so long as they satisfy the President, since they will never have to face confirmation hearings or debate again. The irony of this present arrangement is that the head of the executive branch must face the voters every 4 years but his subordinates need face no one for a judgment as to how they are doing their jobs but the President.

The framers of our Constitution wisely established a Government based on delicate balance of power between three equal branches. Built into the system is the necessity of a certain degree of distrust between each of the branches as each attempts to check excessive power exercised by the other branches while maintaining its own powers.

The enactment of my bill would insure legislative review of the stewardship of these high Government officials whose acts once confirmed, are now beyond action by the people or their elected representatives. Senate reconfirmation would not only serve as a check upon individuals, but it would also serve the congressional oversight function by providing an additional forum for public review of the activities of the executive department, the cabinet officer heads.

Accountability to the public interest is the best guarantee a democracy has to preserve an effective and efficient government. My bill would substantially increase the accountability of officials who are now relatively isolated from the will of the people. Early enactment will help complete some of the unfinished constitutional business of the 93d Congress.

By Mr. CLARK:

S.J. Res. 118. A joint resolution to renounce the first use of nuclear weapons. Referred to the Committee on Foreign Relations.

Mr. CLARK. Mr. President, I am today introducing Senate Joint Resolution 118, a resolution declaring it to be the policy of the United States to renounce the first use of nuclear weapons. A companion resolution has been introduced in the House of Representatives by the gentleman from New York (Mr. OTTINGER).

In recent weeks we have heard and read much about the matter of first strikes and first use. There has been considerable confusion concerning the meaning of these terms and the meaning intended by the Secretary of Defense when speaking of U.S. defense policy. Has there been a shift in our policy or not? Is it now the thinking of our defense planners that a certain ambiguity in our position might complicate the planning of the Soviet Union? Do we now in fact draw a distinction between strategic and tactical nuclear weapons when speaking of first use? Do we imagine that tactical nuclear weapons could be employed without this escalating rapidly to the use of strategic weapons?

These are questions that need answers. I am afraid that the many words written in recent weeks have not cleared up for me, or perhaps most Americans, just where the United States stands on the grave question of introducing nuclear weapons into our contingency plans. For this reason I am introducing Senate Joint Resolution 118 to provide a vehicle for serious examination of an issue of far-reaching importance, having great significance with regard to the arms race, and raising serious questions concerning the historic position of this country that it will never be the aggressor, in any sense, with respect to armed conflict.

Mr. President, I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 118

Whereas the willingness for first use of nuclear weapons poses an intolerable threat to world security; and

Whereas failure to renounce first use of nuclear weapons will intensify the international arms race, causing the United States and other nations to spend billions of dollars on creating the capability for first use of nuclear weapons, preventing the use of those vast monetary resources for constructive and peaceful purposes: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That Congress declares it to be the policy of the United States to renounce the first use of nuclear weapons.

ADDITIONAL STATEMENTS

THE POWER OF THE NETWORKS

Mr. HUGH SCOTT. Mr. President, under the American system, no one owns the news. No single entity can decide what is the truth, or even what is worth reporting. The Government cannot dictate what the public shall read in the morning newspaper or watch at night on the television sets. Nor can Government decide what shall be excluded. And no commercial interest, or any other kind of special interest, is big enough to control the news.

This is our crowning glory, but it is also sometimes a crown of thorns. For, as a practical matter, someone has to decide what shall go over a wire service news ticker, what shall appear in a newspaper, and what shall be aired on radio and television. In the area of network television particularly, it falls to a handful of professionals to make the decision as to what is news, or what is of sufficient interest to the American people to merit a viewing.

This is an awesome power. We leave that power in the hands of a few network professionals, because we do not know of a better or more practical way for it to be exercised. But when the networks blunder, or appear to blunder, it is important that they hear our protest, loud and clear, not because we seek to control them but because if network decisions are not subject to criticism, those who make them will soon begin to add arrogance and arbitrariness to the normal human faculty for error.

On July 28, columnist Jack Anderson wrote of just such a blunder. I trust I need not point out that Mr. Anderson has never been noted for a reverent attitude toward officialdom, nor has he ever been known to be reticent in asserting the most far-reaching claims of the rights of the press. So when he writes of "arrogance" in the media, and of "the tight control a few network czars exercise over the TV channels," we may assume we are getting it straight from the horse's mouth.

Mr. Anderson recently conducted a televised interview with President Ford. It was not designed as an "adversary" interview. It had a Bicentennial motif, patriotic if you will, and the President was encouraged to discuss the strengths of America as he sees them, the values that have worked, the ideas that have endured. No scoops, just the quiet assessment by the President of what he has perceived in the Nation and the system he has been a part of for a lifetime.

The program was offered to the major networks, each in turn. It was offered free of charge to public broadcasting. And it was offered to each of the three major commercial networks not only free of charge but with a sponsor ready to pay prime time rates. That sponsor, I am proud to say, is a constituent of mine, Edward J. Piszek, of Philadelphia. Mr. Piszek, son of Polish immigrants and the founder of Mrs. Paul's Kitchens, has worked his way up from the bottom in the kind of America President Ford was talking about, and he thought the airing of the interview was important enough to back it with his own money.

It turned out that none of the networks, not one, could find a place for such a program, even in the dark days of the summer schedule.

The Public Broadcasting Service said it could not broadcast the interview because it contained no "hard news," which strikes me as rather strange. I am an interested follower of public television and, noting the time it has for reviewing delightfully obscure books, and programs about yoga, exercising, cooking, and chess playing, I was rather taken aback by its "hard news" dictum where the President of the United States is concerned. I think there is room for tax-assisted public broadcasting to broaden the definition of public interest.

All the commercial networks demurred on the grounds that they do not televise interviews unless they are conducted by their own news staff. As Anderson put it:

> Each network explained, in effect, that it doesn't carry interviews with the President unless he is buoyed up by a supporting cast of network personalities. In other words, it is not so much a President's answers that matter; it's who asks the question.

Such a policy raises a serious question that the networks, for their own bureaucratic and promotional purposes, are asserting a claim to control the news on grounds that are specious, self-serving, and unwarranted.

Certainly, there must be time on some television network for a discussion with the President of the United States about the greatness of America.

COMPROMISE ON OIL PRICING

Mr. FANNIN. Mr. President, we have only a few days remaining in which to arrive at an agreement between the President and the Congress regarding oil price controls which are to expire August 31, 1975.

President Ford has offered a reasonable compromise which would provide for an orderly and noninflationary phase out of price controls on "old" oil, ceiling prices for oil not now under controls, an opportunity in 90 days to disapprove the President's decontrol plan, and the opportunity to vote for separate legislation to establish a windfall profits tax on U.S. oil production.

What alternative does the Congress have? The alternative is to let the Emergency Petroleum Allocation Act expire on August 31, 1975, and then allow petroleum prices to rise free of any controls. The President has no alternative but to veto any extension of the Emergency Petroleum Allocation Act should the Congress disapprove his new compromise proposal.

Congress and the President are in a standoff. The President has demonstrated his willingness to go more than halfway. Now it is up to Congress to act responsibly.

Responsible action requires: First, that neither the Senate nor House of Representatives take action to disapprove the President's plan; and second, the Congress then extend the Emergency Petroleum Allocation Act so the President's plan will become effective.

Again, let me stress that the alternative is a situation which neither the Congress nor the President would want—that is, an immediate expiration of all oil price controls on August 31.

Proponents of controls should welcome this opportunity. If the President's decontrol plan is the disaster they fear, it should be quickly evident and Congress would have the opportunity to react accordingly. The only thing they have to fear is that the President's plan will be a success, and they will lose their argument that stringent price controls are necessary.

Mr. President, an editorial in Monday's Washington Star pointed out that "Congress has bickered over this issue long enough." The editorial suggests that Congress should meet the President midway and accept the latest program for an orderly decontrol rather than an abrupt end to all controls. I ask unanimous consent to have this editorial printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Compromise on Oil Pricing

President Ford and Congress both have more to gain than to lose, politically, by meeting midway on the issue of domestic crude oil pricing. Finding that meeting point, somewhere between "free market" pricing and arbitrary legislated ceilings, has not been easy.

But if it is not found before Congress recesses—if the August 31 lapse of present ceilings sends the price of fuels zooming up—there will be plenty of blame to go around. Most of it will properly be laid to Congress, however. Congress seems remarkably complacent about the growing U.S. dependency on imported crude oil—and in some quarters, at least, is still assuming that we can have all the home-produced oil we want at bargain basement prices.

The debate over oil pricing and decontrol has largely turned on speculation over the impact of decontrol on domestic prices. Nearly everyone agrees that a sudden lapse of the $5.25 price ceiling on "old oil" would be severely inflationary. But there is a school of thought among some congressional Democrats that even if some concession must be made to the growing cost of search and drilling, domestic crude should be held to the neighborhood of $7.50 a barrel, lest the oil cartel and OPEC drain the proceeds of higher prices out of our pockets.

It shouldn't be beyond the wit of man—even of Congress—to combine incentive to increase production with a stable price index.

On Friday, President Ford sent to Congress still another "compromise" plan—the final offer, he says—for gradual decontrol. It would phase out the ceiling on old oil prices over a 39-month period. It would even carry the political bonus of causing no increase in fuel prices before the 1976 election.

It may not be a dream plan from the point of view of national security. But it should be sufficiently attractive, if the claims made for it are accurate, to bring Congress to a compromising mood before all controls suddenly end next month.

Certainly Congress has bickered over this issue long enough. This time it should accept the President's olive branch offer and get the oil decontrol issue behind it.

NUCLEAR POWER—THE MORAL QUESTION

Mr. GRAVEL. Mr. President, last fall, in concise remarks before a group of Washington, D.C., religious leaders, Ms. Egan O'Connor explained the unique threat to present and future generations posed by our planned reliance on nuclear power plants for electricity.

As Ms. O'Connor stresses, you do not need to be a Ph. D. in nuclear physics to understand the enormous moral implications of building our energy supply on some of the worst poisons known to man, capable of irreversibly contaminating our planet for future generations.

While there are many technical and complex issues involved in the nuclear controversy, we must never lose sight of the simple but crucial moral questions. Ms. O'Connor puts it well when she says:

> In fact, Ph.D.'s and nuclear engineers have no special expertise at all in either common sense or morality. They are the wrong kind of experts to be making our country's energy policy—to be making a decision which will affect all men for all time.

Egan O'Connor is a consultant to the Committee for Nuclear Responsibility, an organization of scientific and political leaders. She is also a board member of the Task Force Against Nuclear Pollution, Inc., which represents over a quarter million American voters who want nuclear power out of their lives. The task force, which is conducting the nationwide petition drive against nuclear power is located at 153 E Street SE., Washington, D.C. 20003.

Mr. President, I ask unanimous consent that "Religous Leaders: Nuclear Power Is Your Problem," be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

Religious Leaders: Nuclear Power Is Your Problem

Remarks to a gathering of Washington, D.C. religious leaders October 10, 1974, by Ms. Egan O'Connor for the Committee for Nuclear Responsibility, POB 2329, Dublin, CA 94566.

I am here because I know a lot about nuclear electric power, and about the alternatives to it, like solar power. So I have some information you may want.

The reason I have this information is because I have some opinions about minimum human morality. I feel outrage over wars, slaughter, genocide, famine, and injustice around me of all types and stripes. Yet topping the list and exceeding my choke-point, is nuclear power—the splitting of atoms to make electric power.

Our use of nuclear power necessarily creates radioactive garbage which is so deadly and so long in decaying, that some of what escapes into the environment will cause cancer and genetic injuries for 100,000 years—or longer.

I simply can not imagine any greater depravity than for this society to reach into the future and poison it for essentially all generations to come. This kind of evil is irreversible.

Naturally, I want you to share my concern. I think you will, if I just stick to the facts. There is no disagreement or controversy about the following facts:

Nuclear power plants do exactly what atom bombs do—they both split atoms of heavy elements, like uranium and plutonium. Bombs are designed to split a certain number of atoms as fast as possible, and nuclear power reactors are designed to do the same job slowly. That's the basic difference.

For every pound of uranium or plutonium which you split, you're going to get a definite amount of heat and a definite amount of radioactive poisons, whether it's a bomb or a nuclear power reactor.

When bombs are tested in the air, the radioactive poisons come back to earth as fallout. When atoms are split inside a power reactor, which is a big, steel pressure-cooker, the radioactive poisons are mostly contained inside the pot—for the time-being. Later, the poisons will get moved from place to place. The heat is used to boil water, make steam, turn turbines, and make electric power in the familiar way.

There is no doubt that we could get a lot of heat energy and electric power from atom-splitting, and it was natural for people to investigate this possibility—up to a point.

Here's the problem:

A single nuclear power plant necessarily produces as much long-lived radioactivity as 1,000 Hiroshima atom-bombs—every year. In its 30-year lifetime, each and every plant will produce as much radioactive poison as a full nuclear war—about 600 megatons.

Right now, there are 50 plants licensed to operate in this country, 200 more under construction or on order, and a total of 1,000 projected for the next 25 years. That's an average of 20 in every state, so there will be no place to hide.

These thousand plants will, by the laws of nuclear physics, produce as much radioactivity as a million Hiroshima bombs in this country, every year. If you add the rest of the world, to which we are busily exporting nuclear power plants, the figure could be about three million Hiroshima-bombs' worth per year.

Dr. Hannes Alfven, who won the Nobel Prize for Physics in 1970, has pointed out: "In a full-scale fission program, the radioactive waste will soon become so enormous that a total poisoning of our planet is possible."

And that's not all. These plants produce a special radioactive element called plutonium. As many of you know, plutonium is the material from which the Nagasaki atom-bomb was made.

It takes only about 20 pounds or less to make an atom-bomb, and it is now widely admitted that atom-bombs could be made in a garage by 2 or 3 physicists without any classified information. Private atom-bombs could fit in a suitcase. An excellent series of articles on this prospect appeared in the "Profile" section of the New Yorker magazine last year, December 3, 10, 17, 1973.

If we permit the proliferation of nuclear power plants, we are going to put about 600,000 pounds of additional plutonium every year into commercial circulation. Since it takes the theft of only 20 pounds to make a bomb, there is official admission that it will be difficult to prevent atomic terrorism.

The Atomic Energy Commission has recommended that we create a special police force because of the plutonium problem. All domestic and foreign groups which show any hostile feelings toward society will have to be infiltrated and checked out, in an attempt to prevent the construction and use of private atom-bombs. And when the first private atom-bomb is used nevertheless, we face the possibiilty of panic and martial law—indefinitely.

One other thing: plutonium is special enough as atom-bomb material, but it's unique as a poison. One pound—about three tablespoons—represents the official maximum permissible amount for 700 million people, it's so toxic.

And another thing: the radioactive half-life of plutonium is 24,000 years. That means if you have a pound of plutonium in the environment today, you'll still have a half-pound 24,000 years from today. And it will take another 24,000 years for half of that to decay. You'll be rid of the problem in about a quarter-million years.

One last thing: plutonium and all the other radioactive poisons produced inside the so-called "clean" nuclear power plants, can cause both cancer and genetic injuries. There is no disagreement about that.

In fact, there is no disagreement about anything I have said so far.

The advocates and opponents of nuclear power agree that this is an inherently dangerous technology. Dr. Alvin Weinberg, formerly Director of the Oak Ridge Lab and now research chief for the Federal Energy Administration, has said that "deficiencies" in nuclear technology, if not remedied, "could mean catastrophe for mankind". He is a heavy advocate for nuclear power, nevertheless.

With the planned production of radioactive poison every year equivalent to a million Hiroshima explosions, and annual plutonium production around 600,000 pounds, it is self-evident that nuclear power requires 99.999% success in containing radioactive poisons and controlling plutonium. I have never heard a nuclear power advocate deny that, during four years of debate.

So the whole nuclear power controversy boils down to two simple questions:

1. What is the likelihood that the nuclear power industry will achieve a miraculous 99.999% success in containing radioactive poisons and controlling plutonium?

2. What is the morality of going ahead if there is a reasonable doubt?

You don't have to be a Ph.D. in nuclear physics to answer these questions. In fact, Ph.D.'s and nuclear engineers have no special expertise at all in either common sense or morality. They are the wrong kind of experts to be making our country's energy policy—to be making a decision which will affect all men for all time. This is your field.

So much for the facts about nuclear power. The rest is opinion.

A FIGHT WHICH CAN BE WON . . . AND FINISHED

If you agree that the facts make nuclear power a major moral issue, then you may be interested in my answers to the two central questions in this controversy.

I

With regard to containment and control, I consider the likelihood to be zero that the nuclear power industry will contain its radioactive poisons and control its plutonium with the required 99.999% success. It certainly does not happen with either gold or heroin.

Even in the nuclear submarine and Apollo moon programs, human errors have set a record which would be a disaster in civilian nuclear power. In the nuclear weapons program, I believe 1% to 5% of the radioactive poison is unaccounted for. Fortunately, the weapons program is small compared with the planned civilian program.

I consider the probability to be extremely high, and not at all remote, that nuclear electricity will mean nuclear pollution, misery, and fear.

I think it is perfectly grotesque to plan to build a civilization on plutonium—the worst poison known to man. Cancer and genetic mutations from nuclear pollution could someday nullify all the life-saving efforts of modern medicine and social workers.

A "plutonium economy", as the Atomic Energy Commission calls it, is a wild idea. I'm sure it was never fully explained to Gen. Eisenhower when he was sold the "Atoms for Peace" slogan in 1954. The depth with which politicians have considered the plutonium economy, is reflected in the following remarks by President Nixon at Hanford, Washton, Sept. 26, 1971:

"I live, as you know, in California, down in San Clemente. Right next to us, within a couple of miles, is one of the new nuclear power plants . . . I am not afraid, not because I know much about it, but because what I do know tells me that here we have a new source of energy that is absolutely important to the future of the world . . .

"Don't ask me what a breeder reactor is; ask Dr. Schlesinger. But tell him not to tell you, because unless you are one of those Ph.D.'s, you wouldn't understand it either, but I do know that here we have the potentiality of a whole new breakthrough in the development of power for peace . . .

"I mentioned a moment ago how all of this business about breeder reactors and nuclear energy is over my head. That was one of my poorest subjects, science . . . But it has always been fascinating to me because it seems to me that if a people are to be a great people, we must always explore the unknown . . ."

We who oppose nuclear power are not afraid of "the unknown". Our number includes some of the world's top nuclear scientists. We oppose nuclear power because we do understand it.

"Safe" nuclear power is a fantasy. Advocates of nuclear power are asking us to suspend our own common sense when they call nuclear power "clean". I think they have lost touch with reality.

Listen when they answer questions about nuclear power. There is just a single, feeble refrain: "We have considered that problem, and we are confident the problem is manageable." If you ever hear a different answer, please let us know.

People in the real world do not share their confidence. A rapidly growing number of middle Americans are ready to revolt before they will make the habitability of this planet dependent on miracles in the nuclear power industry.

As for the morality of going ahead, I think it violates minimum morality for this generation of humans to compromise the future for essentially all generations to come.

Nuclear power is the filthiest possible energy choice. There is no other way of making electricity which also makes it possible to poison the planet totally and irreversibly. Nuclear power raises the question: just how much do we treasure this planet, and appreciate life's chance here?

Even if you and I escape without direct personal injury from nuclear power, would we feel proud to leave a deadly radioactive legacy to our descendants? I think if you put that question to your constituents, as I hope you will, the revulsion against nuclear power would grow to powerful dimensions very rapidly.

What makes tolerance for nuclear power all the more unnecessary is the availability of another energy source which is even bigger. And it is benign. I am referring to energy from the sun. It is safe and it is certain to work. According to expert panels who reported to the National Science Foundation in 1972 and to the A.E.C. in 1973, 100% of the country's present energy needs could be met by using just 5% of the solar energy which falls on 4% of our land.

The availability of solar energy makes it all the more inexcusable for us to permit the rush into nuclear power. The choice between solar and nuclear power is, in my opinion, a choice between good and evil ways of managing our sacred trust—this planet, Earth.

That is why I think it is your responsibility to pay attention and organize effective action, as some of you did on the issues of civil rights and the Vietnam war. I know it is hard to interest people in distant problems, when they are not even that excited about the abuses they tolerate every day. Yet the monstrosity of the nuclear power plan seems to stir something in the soul of almost everyone. It is most encouraging.

Usually issues have to reach a crisis before any action is taken. But the very nature of the nuclear power problem means that the crisis has to be prevented because once we create radioactive poisons, we can not get rid of them. It's an irreversible act.

If you muff the nuclear power issue, future generations of all races, everywhere, may not know how to forgive you. If I were born onto a hopelessly contaminated planet, with cancer, mental retardation, deformities, and genetic illnesses built right into the air and water and food forever, I don't think I would say, "Oh well, other issues in 1974 must have been more important."

I'll close by saying that, unlike most issues, the nuclear power fight is a fight which can be won and finished. The effort now to build a sunshine economy instead of a radioactive one, will have its effect for centuries and millenia . . . which is another thing which makes this issue different.

THE MISSING IN ACTION

Mr. McCLELLAN. Mr. President, I have this week received a letter from my constituent and friend, Mrs. Mary E. Wright of Green Forest, Ark., concerning her son, Col. Gary G. Wright, who was reported missing in action near Hanoi, North Vietnam, in 1967.

According to Mrs. Wright, her son, the commander of a RF4 Phantom, was "presumed killed in action" by the Air Force Review Board in January of 1974. Since the date when the Wright family first learned that Colonel Wright was missing, no word concerning his whereabouts has been received from the North Vietnamese.

The brave American fighting men still unaccounted for should not be forgotten by our country. Our efforts to obtain full information about them must continue.

In the words of Mrs. Wright:

> Please help us if you can to keep this Nation from "putting these men behind it" as it moves on to detente, trade, economic recovery, and the celebration of two hundred years of building a noble and proud heritage.

Mr. President, Mrs. Wright's son and the others missing in action must not be abandoned. I request that Mrs. Wright's letter be printed in the Record so that all Members of Congress and others may hear her plea.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Green Forest, Ark., *July 23, 1975.*

Sen. John L. McClellan,
Senate Office Building,
Washington, D.C.

Dear Senator McClellan: During the last campaign you wrote a very nice letter to me—the result of an unnamed mutual friend telling you of my interest in your work in Washington. It began long before I came to Arkansas in 1956. Regardless of the political label, we need honest, courageous men in our legislative halls. I hope you will be able to serve your State and Nation there for a long time to come. You deserve any reward you may receive. The need grows greater and the burden heavier each passing year. I hesitate to increase it.

The plight of our remaining POW's in North Vietnam and Indochina rests heavily on my heart. I wrote to you about it in 1967 when our only son, Col. Gary G. Wright, commanding an RF4 Phantom was lost near Hanoi. You were kind to answer expressing your concern.

Only about one-third of those men were accounted for by North Vietnam, tho' she signed a treaty in Paris two years ago agreeing to account for all of them. She has since indicated that there are more men there for whom she will account when we have complied with further demands on her part. North Vietnam is in flagrant violation of her treaty obligations. The United States is publicly insulted and degraded. As far as I can determine, the responses of the United States are weak and ineffective.

Bringing up the subject in conference, requesting information, asking permission to search, accepting the killing of members of our search teams, importuning and begging is not enough. Nothing short of firm economic pressure or military force will have any effect on the Communists. The Mayaguez incident should be an indication. A broken treaty justifies decisive action.

Certainly we should not consider any reconstruction or economic aid to North Vietnam, Laos, Cambodia until we have compliance from them. Even trade agreements with Russia or China weaken our position.

As we break faith with our missing men, our proud heritage is tarnished. We will have to live with our yellow streak the rest of our national existence. We cannot put Vietnam behind us by betraying our loyal men who served (are serving) this nation bravely and in good faith. Surely they are as worthy as any other group. They deserve more than desertion and abandonment.

I talked to Mr. Whitaker and Jim Gary about this matter in relation to Mr. Solzhenitsyn's statements as quoted in the U.S. News & World Report, July 14, 1975, pp. 44–50; especially the second column of p. 47 referring to our POW's. They said you have this reference in your office. I think Mr. Solzhenitsyn's is an accurate evaluation of the situation.

We should demand information on every man who is MIA, POW, or KIA. It is defeatist to fold our hands and say, "We wish it were in our power to account fully for all our men" as Robert J. McCloskey recently wrote to Congressman John Paul Hammerschmidt.

Procedures thus far are inconsistent. The Air Force Review Board of January 1974 made a finding concerning Colonel Wright of "presumed killed in action" without any evidence—only its absence. His co-pilot, Lt. Woziak, remains on the missing in action list. I think Col. Wright's wife, Joan, asked for the decision. This does not alter the possibility that he may be still helpless and suffering in a Communist prison. If or when he comes home, I could not look him in the eye if I failed to express these facts. Someone must speak for him and his companions. They cannot speak for themselves.

My husband, Floyd, died January 8, 1975. That leaves me and my family alone in this struggle to prevent the abandonment of our son. Gary's family of five children has suffered greatly, as I know have the families of all the other men concerned. We are grateful to the Air Force for the beautiful U.S. Flag, Gary's Purple Heart, his Air Medal with three clusters, and his Distinguished Flying Cross. These speak mutely of his valiant life. Please help us if you can to keep this Nation from "putting these men behind it" as it moves on to 'detente', trade, economic recovery, and the celebration of two hundred years of building a noble and proud heritage.

Sincerely but sadly yours,

Mary E. Wright.

P.S.—I realize that this is a very unpopular cause at this time. For this reason, I appeal to men of courage.

THE NATIONAL DISEASE CONTROL AND CONSUMER HEALTH EDUCATION AND PROMOTION ACT OF 1975

Mr. JAVITS. Mr. President, I urge my colleagues to support "The National Disease Control and Consumer Health Education and Promotion Act of 1975" (S. 1466).

INTRODUCTION

The bill would:

First. Authorize $105 million over 3 years to continue disease prevention and control programs;

Second. Authorize $145 million over 3 years for venereal disease prevention and control programs, and expands the definition of venereal disease to include other sexually transmitted diseases in addition to syphilis and gonorrhea; while enabling minors to seek and receive treatment for venereal diseases on their own, in conformance with current statutes in 49 of our 50 States; and

Third. Authorizes $55 million over 3 years to establish health education and promotion programs, including grants to communities that wish to initiate water treatment programs to reduce the incidence of oral disease and dental defects, and create in the private sector a center for health education and promotion.

Title II of the bill respecting venereal disease incorporates "The National Venereal Disease Prevention and Control Amendments of 1975" (S. 1454), which I introduced with broad bipartisan cosponsorship. To the cosponsors of S. 1454: Mr. Kennedy, Mr. Schweiker, Mr. Williams, Mr. Abourezk, Mr. Beall, Mr. Brooke, Mr. Case, Mr. Clark, Mr. Cranston, Mr. Philip Hart, Mr. Hartke, Mr. Hathaway, Mr. Inouye, Mr. Humphrey, Mr. Mathias, Mr. McGee, Mr. McGovern, Mr. Pell, Mr. Randolph, Mr. Ribicoff, Mr. Hugh Scott, and Mr. Stafford—they will be pleased to know their support for the bill in great measure contributed to the Labor and Public Welfare Committee's decision to maintain a separate program to continue the national commitment to deal with venereal disease.

Title III of the bill respecting health education and promotion incorporates many of the provisions of a bill I introduced "The National Health Education Policy and Development Act of 1975" (S. 1521)—which was also introduced in the House of Representatives by Congressmen Cohen and Hastings (H.R. 3205).

This title also incorporates an amendment I offered in committee, and which the committee adopted, based upon a provision in S. 2026 authored by Senator Magnuson. The provision authorizes $9 million over 3 years for grants to communities who wish to initiate water treatment programs to reduce the incidence of oral disease and dental defects.

VENEREAL DISEASE

The national attack on VD—launched under a bill I authored which became law—represented a new chapter in the saga of VD prevention and control. It authorized unprecedented support levels both for proven and theoretical VD control activities.

Today venereal disease control is at a critical juncture. The increase in the gonorrhea rate has been slowed and the syphilis rate has been brought to a stationary level.

Increased efforts should bring even greater progress. The provisions of the bill will insure that our effort to control and prevent venereal disease in the United States does not become fragmented and intermittent. The measure will permit us to continue the national commitment. History has shown that recurring peaks and valleys of national interest and apathy have produced unsatisfactory results in respect to reducing the reservoir of infection, developing vaccines to prevent VD, improving methods for better diagnosis, and stalemating or drying up promising efforts in control and research. We cannot afford to have myths and cliches become the currency of public knowledge on VD.

Today, more than ever before, we must step up our national effort to rid ourselves of VD as a major social health problem once and for all. I urge my colleagues to support this bill, which is designed to do precisely that.

HEALTH EDUCATION

In the past the Nation's most important health problems were infectious diseases—polio, diphtheria and pneumonia—where the patient had little role in his own health care. However, infectious diseases have been replaced by chronic diseases in importance. The most common causes of death now are heart disease, cancer and stroke. Other important health conditions are respiratory disease, obesity, alcoholism, accidents, and suicide. In these instances, the general health of individuals depends greatly on their own informed actions and practices, and impressive gains in the prevention of illness and death can be made if people are better informed and motivated to take action to improve their health.

The tragedy is that a great many individuals are still unaware of their own role in the prevention and relief of such chronic diseases and other health conditions and lack the knowledge needed to utilize health services effectively. Many Americans persist in lifestyles which threaten their own well-being. Millions of Americans eat too much, drink too much, exercise too little, and lead lives which are too stressful.

It is in the interest of our Nation that we educate and encourage our citizens to develop sensible health practices.

This is consistent with my own commitment to equity, economy and efficiency respecting health care.

For too long we have given remarkably little attention to the education of our people for better health. The provisions of this bill respecting health education provide, I believe, the necessary mandate for change.

Through this bill we can change the current inadequate and fragmented efforts in the field of prevention and reduce the cost of illness and its associated human suffering, and thus improve the quality of life for all Americans.

FLUORIDATION

The safety and effectiveness of fluoridation as a powerful preventive weapon in the battle against dental disease can no longer be denied. The efficacy of fluoridation has been widely known for many years, and overwhelming testimony has been received from both scientific and professional groups to this effect.

Bringing the level of fluoridation in community water supplies to the optimum level is the safest, most effective, and most economical way to prevent tooth decay. Fluoridation prevents 40–60 percent of the dental caries usually experienced by children. The effects of fluoridation have been studied in the United States since 1945 and all communities involved have reported significant reductions in tooth decay as a result of this public health measure.

The American Dental Association support for this provision is set forth in a letter to me printed on pages 38–39 of the committee report on this bill (Senate Report No. 94–330).

COMMUNICABLE DISEASES

The control of communicable disease is not and should not be solely the responsibility of State and local governments. They cannot do the job alone and communicable disease does not recognize State boundaries.

While measles, rubella, and polio are at their lowest points ever, too much of the population is not protected against these diseases and a relaxation of our national commitment to support efforts to immunize children will have dire, totally preventable, consequences.

Rather than turn our attention away from these diseases and tuberculosis, I believe we should seize the opportunity to accelerate the decline and eventual eradication of these diseases.

CUBA

Mr. SPARKMAN. Mr. President, a page one story in many of this morning's newspapers is the announcement that members of the Organization of American States are no longer formally bound to uphold the 1964 OAS resolution imposing diplomatic and economic sanctions against Cuba. The decision to end the 11-year-old policy of trying to isolate the Castro government was made yesterday in San Jose, Costa Rica.

I welcome that decision because, as I stated earlier this year:

> The time has . . . come for careful consideration of making a change in our policy toward Cuba. Our policy of isolating Cuba has been a failure, and it is time to reexamine that policy with a view toward ending the futile economic boycott and restoring normal relations.

The decision by the United States to join 15 other OAS members to rescind the 1964 sanctions resolution indicates, I believe, that a positive reexamination of our policy toward Cuba is now underway. I hope this change in official attitude will lead to a staged removal of our economic embargo and to the beginning of diplomatic discussions with the proper Cuban authorities.

THE UNITED STATES-SOVIET NAVAL BALANCE

Mr. TAFT. Mr. President, the July 28 edition of the Washington Post contained some very interesting material relative to the United States-Soviet naval balance.

I think some very important points are made in these two interviews. Secretary Middendorf is quite right when he states that the Soviet system permits greater consistency in long-range planning—and not just in naval affairs, I would add. I am not endorsing the whole of the Soviet system when I say this, but we are foolish if we do not recognize those advantages which our competitor possesses. Planning is one such advantage, and it is a significant one. As the Secretary notes, it enables the Soviets to embark on a 10-year shipbuilding program and know that in 10 years, they will have the ships they have planned.

However, I would point out that the Soviet planning is sometimes overly rigid. Once they decide to go ahead with a program, it is even more difficult for them to stop it, if it is outdated by new developments, than it is for us to do so in the same situation. And it is not easy for us to do so.

Admiral Zumwalt also makes some important points which I think we should consider.

When the admiral states that the Soviets could very possibly have overpowered us in the Mediterranean in October of 1973, he is not being unduly alarmist. I have pointed out to the Senate before that the Soviets are today superior to us in some aspects of naval power. They have naval superiority in certain areas, including, I believe, the Eastern Mediterranean. I believe their capability to cut our vital sea lanes with their submarines is superior to our capability to keep them open. I am not talking of what they may be able to do in the future. Both Admiral Zumwalt and I are speaking of capabilities the Soviets have right now.

The admiral also notes that the advent of the ship-to-ship missile—a Soviet development which we are now attempting to copy—has worked a profound change in naval warfare, a change which must necessarily influence future naval building programs, both in terms of individual ship designs and in terms of the size and type of the overall program. The ship-to-ship missile is an "equalizer". It used to be that, if you wanted a ship with enough hitting power to fight a cruiser, you had to build a cruiser. To fight an aircraft carrier, you had to have another aircraft carrier. With the ship-to-ship missile, that no longer is true. A small, inexpensive boat—something no bigger than a PT boat—can carry a missile with enough punch to inflict heavy damage on a major opponent, including a cruiser or an aircraft carrier. Each enemy ship, even small ones, can carry these missiles and almost every modern Soviet ship does carry them.

What this means is that each individual ship, in an action against an opponent equipped with antiship missiles, runs a much higher chance of being hit and at least knocked out of action, if not sunk. This, in turn, means that our primary requirement is to have in our own fleet a larger number of fighting ships, so that our capability is diversified. I think the reasoning is clear; if all our capability is concentrated into a small number of ships, and each of those ships is more likely to be knocked out of action than previously was the case, our likelihood of being defeated has gone up. The proper response to that problem is to give ourselves more fighting ships, so that when some are knocked out, we still have some capability remaining.

It is this situation that lends credence to Admiral Zumwalt's remarks about nuclear power. I agree with those who say that nuclear power has many advantages. If there were no trade-off between nuclear power and numbers, I would be all for nuclear power.

But if there is going to be a trade-off, we must remember that our first priority is numbers. When the actual crunch comes, a nuclear-powered ship is no less likely to be hit by an enemy's ship-to-ship missile than is a conventionally powered ship. Nuclear power in no way lessens the need for numbers: and if numbers are the first priority, and nuclear power does not change that fact, then nuclear power is second priority. That means if we have to choose between larger numbers of conventionally powered ships and smaller numbers of nuclear-powered ships, the former is the logical choice at the present time.

It is, of course, quite possible that we should make the choice another way, in that we should choose to have nuclear power but not to reduce the numbers of ships we build. That would mean a larger naval shipbuilding budget. Admiral Zumwalt notes that, in his view, the budget should be $10 billion larger, and I am not certain I disagree with him, if we are really to meet the Soviet naval challenge. The admiral thinks this money should come from an expansion of the total defense budget. I am not certain I agree with that; we are already running a huge deficit, and I am not certain any specific budget should be expanded.

If, however, we were to recognize that by every criteria we are a sea power, not a land power, and reallocate our existing defense budget accordingly, we could provide enough money for an adequate naval program within the existing defense total. Admittedly, that would mean reduction in land forces, but if we have to choose between land and sea power there is only one logical choice for us.

I hope my colleagues will read the words of our Secretary of the Navy and the former Chief of Naval Operations. I believe they make some very valid points, that we in the Congress must consider. They are a significant contribution to the ongoing debate over the future structure for our defense establishment.

DANGER OF INFECTED BLOOD PLASMA

Mr. McGOVERN. Mr. President, in an article in the July 4, 1975, issue of the National Catholic Reporter, Mark Winiarski called attention to serious and growing problems related to the international trade in human blood plasma.

In the last 20 years, 30,000 Americans died after receiving infected blood transfusions. In the name of free enterprise, unscrupulous commercial blood banks opened in this country and abroad. Poor people, sick people, ill-fed people, alcoholics, and drug addicts have tried to support themselves by selling their blood.

Increases in the blood plasma trade have brought about increases in the danger of blood transfusions. Blood infected with hepatitis, blood short in protein, blood that is anemic; in short, diseased blood is daily finding its way into the bodies of unsuspecting victims.

The international trade in blood plasma has produced many horrors, only some of which we know about. Blood collection companies operating outside this country pay little heed to donor health or the frequency of donation. One woman in the Philippines, for example, bled herself to death attempting to support her family. An American blood collection company operating in Haiti paid its donors $3 per liter of plasma. The company then sold the plasma in the United States for $23.

The international blood plasma trade threatens the lives of desperate people and contributes to anti-American sentiment in foreign countries. It may also pose a real and unnecessary danger to Americans.

It is currently illegal to use imported blood plasma for human patients unless the manufacturer is licensed by the Federal Drug Administration. Only two companies presently hold a license to import plasma for human use. However, many observers of the situation suspect that large quantities of imported plasma are finding their way into hospitals illicitly.

I believe that this situation may well demand legislative attention in the near future.

Mr. President, I ask unanimous consent that the Winiarski article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Blood Trade Drains Poor, Aids Rich

(By Mark Winiarski)

Kansas City, Mo.—An international trade in human blood plasma is thriving with the aid of American and Western European pharmaceutical companies.

The plasma is bought in undeveloped countries for as little as $2 to $4 a quart and sold in this country and Europe for 10 times those prices.

The plasma is sold to laboratories which make it into products that fall into two groups: products, such as anti-hemophilia agents and gamma-globulin which are reinjected into persons, and products for laboratory use only, such as reagents.

The Geneva-based World Health Organization (WHO) reports horror stories in the international trade. One mother in the Philippines attempted to support her family of 11 by selling blood. She literally bled herself to death, selling repeatedly to the blood collection company.

Commercial blood collection agencies are persuading governments of undeveloped countries—especially, it seems, in Central and Latin America—to lend support to the for-profit blood collection drives.

"American companies are offering fabulous sums of money to endorse commercial blood collection," Robert Martin, assistant director of international services, American Red Cross, told NCR. He would not name any companies.

In a recent report, WHO said: "The poorer people who, for health reasons, can least afford to part with their blood, are encouraged to give blood for the benefit of wealthier populations."

Both WHO and the International Red Cross believe the blood plastma trade to be "widespread," but neither would provide the names of specific countries or specific firms.

Plasma is a part of the blood obtained through a process called plasmapheresis. During the donation process, whole blood is drawn and spun in a centrifuge to separate the red cells. The red cells are returned to the donor's body and the plasma is packaged.

The U.S. Food and Drug Administration (FDA) regulates only the market for plasma for human use. Federal standards specify the health of the donor, the quality of the blood and frequency of donation. The FDA also conducts annual inspections of companies dealing in plasma for human use.

But there is no regulation of the traffic in plasma for laboratory use, "a loophole you could drive a truck through," according to an FDA official.

The international blood trade presents dangers both for the donor and the recipient.

The WHO report says, "Commercial plasmapheresis in developing countries seems to carry high risk for undernourished plasma donors, which may result in a deficiency of proteins or other essential plasma components and lead to an impairment of the body's natural defense mechanisms; it is also accompanied by an inevitable small loss of red cells and when repeated frequently might provoke iron deficiency and anemia."

For the recipients, "of at least some of the plasma derivatives . . . it has been established that there is a higher risk of transmitting diseases, particularly hepatitis, when the blood has been obtained from paid rather than from voluntary donors," the WHO report says.

The international blood trade has been in the news before. Two years ago columnist Jack Anderson described the operations of a company called Hemo-Caribbean operating in Haiti. As a result of the articles, the company was barred from the country.

"People operating those commercial blood banks have incurred some ill-will abroad," John J. Corson, president of the American Blood Commission, a group coordinating elements of the private sector in blood distribution, told *NCR*.

Corson said that when Haiti expelled Hemo-Caribbean, the government took the position, "We are not going to allow blood from our people to preserve the Yankees."

Only one company, Central Americano Plasmapheresis, of Managua, Nicaragua, is licensed by the FDA to import blood plasma into the United States. The FDA keeps no records of the company's volume of business and Fausto Alvarez, an officer of the company who maintains offices in Miami, Fla., declined to comment on the volume when pressed.

Alvarez described himself as an independent blood broker connecting companies which draw blood in Central and Latin America with U.S. and European pharmaceutical firms. The U.S. corporations use the plasma both here and in their European plants to make laboratory products.

"Vampire! Some people call me a vampire. But I don't care as long as I am honest. It's a marginal business," Alvarez contended. The Central Americano Plasmapheresis official, who described himself as an accountant who entered the blood business eight years ago, told *NCR:*

"People always criticize those who are at the collection end. But they don't criticize anyone when the blood is needed."

Alvarez refused to say which countries the blood is coming from and which companies here are his clients.

NCR called several pharmaceutical firms and those officials who would comment contended they used only domestically obtained plasma.

Airline officials questioned by *NCR* said their company flew in plasma from Venezuela, Nicaragua and the Dominican Republic.

Both the World Health Organization and the International Red Cross have declared themselves virtually powerless to act. Red Cross spokesman Martin said, "There is nothing we can do," other than to promote nonprofit blood collection in the international arena.

THE NATURAL GAS SHORTAGE

Mr. PEARSON. Mr. President, there have been inadequate deliveries of new natural gas by producers to the interstate pipelines in recent years—inadequate, that is, to meet the current demand for this most efficient and environmentally attractive fuel.

The supply deficiency for the year April 1975–March 1976 has been projected by the Federal Power Commission—FPC—to approach 3.2 trillion cubic feet, about 16 percent of total demand.

Part of the problem is that interstate pipelines cannot compete in the marketplace for new natural gas because interstate wellhead prices are controlled by Federal regulation. Where the producer has a choice at all, he will sell to the unregulated, free market in intrastate commerce.

FPC records indicate that sales committed to the interstate market from 1973 through the first quarter of 1975 averaged 45 cents per 1,000 cubic feet. Under its Order No. 521 issued January 9, 1975, the FPC has collected data on intrastate, or free market, prices for new natural gas. According to FPC, 78.6 percent of the total volumes of new natural gas in intrastate commerce were sold at a price ranging from 83.09 cents to 89.63 cents per 1,000 cubic feet from January 1, 1974 to January 9, 1975.

Thus, in 1974 the average free market price for new natrual gas was about twice the federally controlled price. It should not be surprising that producers are reluctant to commit new supplies to the federally controlled, interstate market when wellhead prices in that market are kept far below the true economic value of the product to society.

Mr. President, as a practical matter the only supplies of new natural gas available to the interstate system are those developed for sale by producers who have no real choice of market. And those producers who, effectively, are captives of the interstate market will not develop supplies of new natural gas for sale until Congress resolves the wellhead pricing issue.

Under every natural gas proposal now pending Senate floor debate, including S. 692, the Commerce Committee's bill, the price of new natural gas at the wellhead would increase. The overwhelming weight of the testimony before our committee, in hearings spanning 3 years, supported substantial price increases for wellhead sales of new natural gas to the interstate pipelines. Under all four bills now pending Senate debate, including Senator TUNNEY's substitute, Senator FANNIN's substitute, the so-called Pearson-Bentsen substitute, and S. 692, the price paid to most producers of new natural gas from on-shore reserves would be decontrolled, although S. 692 establishes an overall ceiling price based on oil-equivalency value, limits decontrol to independent producers as defined in the bill, and further limits decontrol to nonassociated new natural gas production.

Mr. President, this Nation's natural gas producers and consumers have every right to expect Congress to resolve the wellhead pricing controversy before major commitments of new natural gas are made to the interstate pipelines. The Congress, for its part, has a responsibility to act on the pending legislation at the earliest possible time. The uncertainty of price has already cost our economy billions in higher priced alternate fuel supplies and loss of employment opportunity where industry cannot convert.

Mr. President, under the circumstances, it would seem that the worst possible advice to Congress would be to delay further action on S. 692, the Natural Gas Production and Conservation Act of 1975. Nevertheless, the Nation's most widely circulated periodical, the Reader's Digest, this month has published an article that challenges the accuracy of the American Gas Association's reports of proved reserves of natural gas. The article concludes by suggesting that "consideration of a deregulation law should be postponed. If you use natural gas for cooking or heating, write your Congressman telling him to vote against deregulation until this urgent question has been settled once and for all."

The question, in a word, is whether the industry has underreported its proved reserves in order to make our shortage appear worse than actually is the case. From my own personal knowledge, it is highly complex and technical. The treatment of the issue in the Reader's Digest article is controversial, to say the least.

Mr. President, I ask unanimous consent that the full text of the Reader's Digest article, "Is There Really a Shortage of Natural Gas?" be printed in the RECORD immediately following these remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. PEARSON. Mr. President, the Chairman of the Federal Power Commission, John Nassikas, appeared on July 14, 1975, before the Subcommittee on Oversight and Investigations of the House Committee on Interstate and Foreign Commerce. In his prepared statement, Chairman Nassikas discussed in detail the controversy over possible underreporting of proved reserves of natural gas by the industry. On page 33 of his statement, Mr. Nassikas said:

> . . . those who emphasize the frailties of our present data and who would base national gas policy on the supposition that vast quantities of gas are being withheld from the markets are not, in my opinion, being realistic about the magnitude of the problem which we face. If natural gas is being witheld from the market, the potential for withholding is, in my view, simply not large enough to substantially alter the dimensions of the gas shortage as we now know it.

The supply crisis is so grave that massive reserve additions are needed *simply* to maintain production at current levels. Chairman Nassikas observed on page 32 of his July 14 statement that:

> . . . maintenance of our approximate 1973 level of production requires that we develop about 253 Tcf of new gas supplies between now and the end of 1985. If present rates of reserves development continue, we will only have added a cumulative 102 Tcf through 1985 for a shortfall of about 151 Tcf and an attendant reduction in productive capacity of less than 14 Tcf annually. Through 1985, this cumulative shortfall of 151 Tcf would be equivalent to about 26.9 billion barrels of crude oil. On a daily basis, the oil equivalency of this shortfall would range from a 1974 level of about 0.6 million barrels per day to

a 1985 level of about 4.1 million barrels per day.

Mr. President, Chairman Nassikas cited the "National Gas Reserves Survey"—revised, September 1973—the first independent estimate of proved reserves ever conducted, in its finding that:

> . . . as of year-end 1970, proven reserves amounted to 258.6 trillion cubic feet. The A.G.A. estimate at that time was about 10 percent greater.

Finally, Mr. President, the Federal Power Commission Chairman noted on page 38 of his July 14 testimony the results of another independent study of proved reserves.

> . . . in compliance with Public Law 93–275, Section 15(b) the Federal Energy Agency (FEA) has recently completed a report titled, "Initial Report on Oil and Gas Resources, Reserves and Productive Capacities." The preliminary findings displayed in the report, based on FEA's incomplete study, are that year-end 1974 total United States' natural gas reserves amounted to approximately 237 trillion cubic feet compared to the American Gas Association's estimate (excluding reserves in underground storage) of 233.2 trillion cubic feet, a difference of about 1.6 percent. The FEA estimate is based on a survey of the Nation's oil and gas field operators in which the FEA requested that the operators submit estimates of the reserves and capacities for each of the properties they operate.

Mr. President, I do not suggest that further studies of America's natural gas reserves are unnecessary. On the contrary, I would congratulate Representative John Moss, of California, on his efforts as chairman of the Subcommittee on Oversight and Investigations to determine whether there are significant errors in the reporting of proved reserves by major natural gas producers.

I am informed that the American Gas Association, along with Exxon, Shell, Mobil, Standard of California, Standard of Indiana, Tenneco, and Texaco have complied with the July 22, 1975, return date on Mr. Moss' subcommittee subpenas for company data on proved reserves.

These materials, I am informed, occupy an entire room in the old FBI building, now known as House Annex No. 2. Standard of California submitted 13 cartons of materials, Shell supplied 9 cartons; and altogether, countless thousands of pages of "proved reserve ledgers," company memoranda and other business records have been assembled. I am informed that six accountants from the GAO, along with two staff attorneys, have begun the task of analyzing these materials.

Mr. President, the Moss subcommittee may be able to provide some insight into the overall accuracy of the AGA-reported reserve estimates before adjournment of the 94th Congress sine die. But even if there has been an underreporting of proved reserves of 10 percent, or even 20 percent, the basic policy decision on wellhead pricing should be the same. I would emphasize again Chairman Nassikas' statement that—

> . . . the potential for withholding is, in my view, simply not large enough to substantially alter the dimensions of the gas shortage as we now know it.

Mr. President, I am informed by knowledgeable people, both in Government and in the private sector, that the definition of the term, proved gas reserves, may be responsible for some of the variations in the estimates. The most commonly cited definition of "proved gas reserves" is that used by the AGA and the American Petroleum Institute, as follows:

> Proved reserves are the current estimated quantity of natural gas (and natural gas liquids) which analysis of geologic and engineering data demonstrate with reasonable certainty to be recoverable in the future from known oil and gas reservoirs under existing economic and operating conditions. Reservoirs are considered proved that have demonstrated the aiblity to produce by either actual production or conclusive formation test.
>
> The area of a reservoir considered proved is that portion delineated by drilling and defined by gas-oil, gas-water contracts or limited by structural deformation or lenticularity of a reservoir. In the absence of fluid contacts, the lowest known structural occurrency of hydrocarbons controls the proved limits of the reservoir. The proved area of a reservoir may also include the adjoining portions not delineated by drilling but which can be evaluated as economically productive on the basis of geological and engineering data available at the time the estimate is made. Therefore, the reserves reported should include total proved reserves which may be in either the drilled or the undrilled portions of the field or reservoir.

Unlike the AGA and API definition of "proved gas reserves," the FPC "form 15" definition, used by pipelines in reporting data, does not require demonstration of the ability of a reservoir to produce through actual production or conclusive formation test in order for the reserves to be considered "proved."

Mr. President, I am further informed that some producing companies use variations of these two definitions for their own in-house management purposes. It should be noted, finally, that all definitions of proved gas reserves include, as one variable, the economic recoverability of gas reserves. If the price of natural gas goes up, the amount of gas in a reservoir which is economically recoverable is enhanced. For example, the rate of return to the producer would make it economically attractive to invest in expanding deliverability and the economic limits of the reservoirs to maximize recovery of our finite supply of natural gas. This would not only be sound economics, but equally important, it would be a sound conservation practice. Thus, "proved gas reserves" at a free market price would be greater than "proved gas reserves" at the controlled FPC price of 52 cents per 1,000 cubic feet.

Mr. President, the controversy over the exact volume of "proved reserves" of natural gas should not deter congressional action on wellhead pricing policy. It is apparent that the definition of "proved gas reserves" is inexact. Because price is a variable in determining the volumes of natural gas that are economically recoverable, the estimates of "proved reserves" will vary with time and price.

America needs more natural gas in the immediate future. The best way to accomplish this objective is to provide price incentives. Nothing of value will be accomplished with further delay on this essential issue.

EXHIBIT 1

[From the Reader's Digest, August 1975]

IS THERE REALLY A SHORTAGE OF NATURAL GAS?

(By James Nathan Miller)

This is the story of an explosive question that Congress must answer before it acts on an important piece of legislation. The question is this: are the big energy companies creating a phony "shortage" in order to force Congress to deregulate the price of natural gas?

To the nation as a whole—and specifically to the 40 million families who regularly use natural gas—the question is crucial. Natural gas is our most important domestically owned energy source. It's the cleanest fuel we have, it's nearly all produced in the United States, and it provides more than 40 percent of our energy. Congress is now debating whether to free a key element in its price from regulation, thus adding billions of dollars to the national fuel bill. Yet the key figures around which the debate revolves come from the gas industry itself, and the industry refuses to let the government see the records on which these figures are based.

What are the chances that the industry is rigging the figures? During a recent investigation, I came across some very troubling evidence. But first, take a quick look at the main facts of the present debate over deregulation.

Sudden Drop. The natural-gas industry consists of three elements: the big producers that extract the fuel (these are mainly the same companies that pump oil: Chevron, Exxon, Mobil, Gulf, Texaco, others); the transporters that haul it to 48 states via 265,000 miles of pipeline; and the local utilities that pipe it into your house. There's also a fourth element: the Federal Power Commission (FPC), which regulates the price of interstate gas at two key points in its flow: at the wellhead in the gas fields, where the producers sell it to the pipelines; and at the "city gate," where the pipelines sell it to the local utilities.

For the last 20 years, the big oil-and-gas companies have been lobbying Congress to free the wellhead end of the pipe from regulation. Now, because a sudden change in a group of key statistics seems finally to have put Congress in a "deregulation" frame of mind, it looks as if such a law may be passed before this year is out. What happened was this:

Since 1946, the American Gas Association (AGA) has been making an annual survey of the producers' underground reserve stocks, and each year the association has issued its official estimate of total U.S. "proved" reserves: that is, the amount the companies have drilled into, measured and are "reasonably certain" that they can sell at a profit. For 20 years these figures showed that the companies were discovering more gas than they were selling, and thus the nation's proved reserves were getting bigger even as we used more gas.

But when the AGA issued its figures for 1968, they showed a calamitous change: an enormous drop of 5.5 trillion cubic feet in the proved reserves. (The United States consumes about 22 trillion cubic feet a year.) Since then the yearly drops have been even worse—the biggest was 16 trillion in 1973—and if something isn't done to stop the hemorrhage we could run out of gas in 35 years or so. Indeed, the first symptoms are beginning to show, as pipelines have cut deliveries in the Northeast, closing factories and throwing hundreds out of work.

Hence the present impetus toward deregulation. The reasoning is simple and convincing: everybody agrees there's plenty of gas underground waiting to be discovered; so what we have is not a natural, but a legislatively created shortage. The government-imposed ceiling on the wellhead price has made it uneconomic for producers to explore for more gas to add to the proved column. Take off the ceiling, let the wellhead price go up (most estimates agree it would double or triple), and we'll have all we need.

Designed for Doctoring. But the "let's-deregulate" argument is based largely on statistics that are collected and vouched for by the AGA. Is it possible that the AGA has been manipulating its statistics to make things look worse than they are?

It is possible, according to economics professor David Schwartz of Michigan State University, an expert in public-utility regulation who resigned from the FPC in May after serving ten years as assistance chief of the agency's Office of Economics. Says Schwartz: "The industry has both the incentive and the ability to manipulate the figures, and the likelihood that it is doing so is suggested by the many inconsistencies, contradictions and anomalies that are contained in the figures it has reported to the FPC. The industry has refused to release the data that would prove or disprove the charge of manipulation."

Take those elements in order: the incentive, the ability and the evidence. The incentive is obvious—for the basic fact is that the worse the figures look, the better the chance of getting deregulation.

What about the ability to doctor them, given the fact that the industry operates directly under the eye of the FPC? First, take a look at the reserves themselves.

Most of the gas in the United States lies in pockets of porous rock, roofed over by more-solid rock. These pockets—they vary in size from a few hundred acres to hundreds of square miles—constitute the nation's gas fields, and so far we have discovered about 6000 of them, scattered from Alaska to the Gulf of Mexico. The crucial fact about measuring the proved reserves in these fields is that only the gas producers themselves have the billions of dollars' worth of drilling and pumping equipment required to do it. And thus only the gas producers possess the vital data.

Though these field-by-field data are a gas company's most precious trade secrets, the individual companies do allow one select group of their competitors' employes to get a peek at some of the information: the members of AGA's Committee on Natural Gas Reserves and its subcommittees. Each year, AGA takes about 100 geologists and petroleum engineers from the various companies and divides them into ten teams, one for each of the country's ten major producing areas. Each team member has a list of fields to check. He asks the companies on his list for their field-by-field production-and-discovery figures for the year, then makes his own estimate of the reserves in his fields and hands his list to the team captain. The ten captains make their own area-wide estimates, and each spring the AGA combines these estimates and issues its own national figures.

There's a vital point to note about these national statistics: to avoid giving away trade secrets, they're kept purposely unspecific and general. Almost all the totals are one a statewide basis, and even in four states that require regional breakdowns, the regions are so large that the AGA's totals reveal nothing about what any one field may be producing. Thus, since these figures can't be checked, it seems clear that if the industry wanted to doctor them, the system is ideally designed to do it.

There is one way to verify the figures. The FPC could demand the companies' in-house records, then compare them with the AGA's figures, field by field. Why doesn't it do this? There is some disagreement as to whether the agency has the authority to subpena the material; in any case, it has never tried. Nor does there seem much hope that it will, for the FPC is generally recognized in Washington as one of the weaker regulatory agencies. Its present commissioners are all strong defenders of the industry. And it chairman, John Nassikas,* is a former lawyer for the power industry.

Troubling Evidence. What, then, about the evidence of possible manipulation? There are many bits and pieces, some of them circumstantial, some factual, all of them troubling. Here is a sampling:

Stymied Investigation. Five years ago, Sen. Philip Hart (D., Mich.) asked the Federal Trade Commission (FTC) to investigate the accuracy of the AGA's statistics. (He chose the FTC, rather than the FPC, because he did not trust the latter to do a thorough job.) The FTC subpoenaed the records of 11 major gas producers. Only four complied, and the other seven are still fighting the subpoena in court.

The documents that the FTC did get have convinced members of its staff that there is "serious underreporting," that it is "tantamount to collusive price rigging" and that it "significantly increased" in 1968 and 1969, the years when the figures began their steep drop. Among the huge disparities that the FTC cited were instances in which the companies' in-house reports on their reserves were ten times higher than what the AGA reported. In some cases, the high in-house estimate and the low AGA estimate were made by the same individual.

The "Independent" Study. In 1971, the FPC announced that it was determined to settle the questions about the AGA's statistics once and for all. It hired a professor of petroleum and geological engineering from the University of Oklahoma, put him in charge of a large team of FPC geologists and engineers, and persuaded the gas companies for the first time in their history to turn over to a group of outsiders a massive collection of their most secret data: the flow measurements, well logs, etc., of a sampling of 158 gas fields that contained, according to the AGA's figures, about half the nation's proved reserves.

To doublecheck, the government experts went out to the gas fields to make their own spot checks on many of the wells. The result was a hard blow to the charge that the AGA was underreporting: the FPC's estimate indicated that the United States actually possessed ten percent less gas than the AGA figures show.

The FPC calls it "the first independent, government-conducted appraisal of the proven gas reserves of the United States," and chairman Nassikas cites an analysis of the study made by a Washington consulting firm, Energy Research, Inc., which found it "of very high quality."

However, Energy Research failed to look into several critical points. If it had, it would have made some startling discoveries. The "independent" study was actually designed by an "advisory" committee dominated by industry executives from Exxon, Mobil, Gulf, Texaco, etc. The study's director, University of Oklahoma Prof. Paul Root, admits that the 158-field sample was not designed to check the accuracy of AGA's figures. In fact, Harvard Business School Prof. Howard Pifer III, a "public" member of the study group, says the 158 fields (chosen from a total of more than 6000) "represented the least likely places to look for AGA underreporting." Concludes Rep. John Dingell (D., Mich.) whose subcommittee investigated the way the study was made, "I don't see how the FPC thought it could get away with this. It gives every appearance of having been a put-up job."

The Case of the 31 Leases. Two years ago, as Congressional pressure increased on the FPC to check up on the AGA, the commission agreed to send a team of FPC geologists and engineers out to the wells to come up with their own reserve data. The area they chose to sample was the Gulf of Mexico off Louisiana, where companies lease government-owned tracts that produce about 19 percent of the nation's gas.

Though the team was able to get information on only 31 gas leases—less than four percent of the off-Louisiana total—the figures they came up with were, once again, startling: during 1971 and 1972, the wells in the FPC's small sample were found to contain 4.8 trillion feet of new gas—54 percent more than the 3.1 trillion feet of new discoveries that the AGA had reported for the same period for all 850-odd leases off Louisiana. How does the AGA explain the disparity? It says the FPC used "speculative" methods in its assessment, compared with the AGA's more conservative methods. But when the FPC asked to see the data the AGA had used, the association refused.

The Information Gap. Perhaps the most troubling question is why the oil-and-gas industry—in the midst of a public-relations campaign to re-establish its credibility with the public—is putting the whole campaign in jeopardy with its determined secrecy about the gas reserves. Many other industries routinely turn over their most closely guarded secrets to government agencies—patent applications, detailed financial figures, chemical and drug formulas, etc. If the oil-and-gas companies have nothing to hide, why do they insist on hiding so much?

Will we ever get the answer? The industry says yes. Though it is still fighting to keep vital figures from the FPC and FTC, it says it is cooperating by giving a third agency, the Federal Energy Administration (FEA), the facts needed for a solid assessment of the reserves. However, its questionable how solid that assessment will be. FEA head Frank Zarb, a strong backer of deregulation, is on record as a firm believer in the validity of the AGA's figures, and the investigation his agency is making doesn't seem designed to weaken this belief. Indeed, the only information the FEA has received from the AGA is a two-page list of reserve figures from what the association claims are the country's 50 biggest fields. This makes it impossible for the agency to check the estimates of the remaining 6308 fields on the AGA's list.

So it would seem to be up to Congress to get the answer. As this article goes to press, a House subcommittee under Rep. John Moss (D., Calif.) has just issued a subpoena demanding that seven major producers, the same seven who have long resisted subpoenas from the FTC, turn over to the subcommittee "all documents containing estimates or evaluations of the quantity of natural gas" in areas under federal control in the Gulf of Mexico off Louisiana. The subpoena must be answered by July 22.

Meanwhile, until Congress has had a chance to determine whether the figures have been manipulated, consideration of a deregulation law should be postponed. If you use natural gas for cooking or heating, write your Congressman telling him to vote against deregulation until this urgent question has been settled once and for all.

ADULT EDUCATION

Mr. MONTOYA. Mr. President, one of my constituents who runs a very effective adult education program at the University of Albuquerque contacted me recently to express his concern about some remarks which were made here in the Senate recently about the program which he directs. In order that whatever misimpression about the University of Albuquerque's program might have been created is effectively dispelled, I ask unanimous consent to have printed in the RECORD a letter from Dr. George Calvert.

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* Nassikas resigned in June, but will remain in his post until a successor is confirmed.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNIVERSITY OF ALBUQUERQUE,
Albuquerque, N. Mex., July 9, 1975.
Hon. JOSEPH M. MONTOYA,
U.S. Senator, New Mexico, Dirksen Senate Office Building, Washington, D.C.

DEAR SENATOR MONTOYA: I am writing with reference to a comment made on the floor of the U.S. Senate on June 27, 1975. (See Congressional Record: Senate, page S11843.) Senator Magnuson seems to imply that several projects funded by the Fund for Improvement of Post Secondary Education were "laughable", and makes the comment "Some of these are just amazing." A few lines later he describes the University of Albuquerque Adult Education Program, although at that point he does not identify the University of Albuquerque. Later on, however, the same description is shown under the title University of Albuquerque.

I believe that Senator Magnuson has a negative impression of the University of Albuquerque program because he lacks complete information on the nature and success of the Adult Education Program. Below are listed some facts about the program:

(1) The program is a bachelor's degree program designed for mature adult students. The students must be age 25 or older to enter.

(2) The students are essentially the type of people described by Senator Randolph in the Senate discussion of June 27. (See Congressional Record: Senate, page S11845, June 27, 1975.) They went out after high school to military service and/or to pursue vocations. At this stage in their life, for further professional development and advancement, they have found a college degree a necessity. They have also discovered that the typical traditional college program is inadequate for their needs.

(3) In answering the special needs of these mature adults the Adult Education Program provides:

(a) Flexible scheduling convenient to full-time employes.

(b) Evaluation of each student to allow "credit for life experiences" where possible.

(c) A general education program designed to be relevant to the needs of mature adults.

(d) An area of concentration related to a professional competency or vocational field.

(e) Courses and seminars offered off-campus near the adults residences and/or work places.

(4) In July 1973 (on the date of the first FIPSE funding) there were 26 active students enrolled. In two years the program has grown to 330 students. The infusion of this new type of student has allowed the University of Albuquerque to gain enrollment and remain financially viable instead of losing enrollment and going bankrupt as so many private colleges have recently done.

(5) In 1973–75 FIPSE granted the University of Albuquerque $27,115. With that money we were able to hire three full time staff members and put the program into full operation.

(6) The program is now fully self supporting. In 1975–76 the tuition from the program is projected to be $235,700. The cost of the program operation will be $97,000. As a result we shall contribute $318,700 to the operation of other programs within the university. This to me indicates a wise use of federal money, wherein a small amount of "seed" money has allowed a private university to establish a financially viable program, and become self supporting in only two years.

(7) The Adult Education Program is allowing the re-entry of women and minority groups to higher education at a rate that essentially duplicates their percentage in the local population. (Student percentage chart enclosed). According to the 1970 census our program is attracting minority students at a higher rate than any university in the southwest except New Mexico Highlands University.

(8) 50% of the students are veterans.

(9) The student retention rate in the program is over 66%. During the last three-year period over 66% of the students are either still active or have graduated. The typical retention rate of colleges and universities is approximately 40%.

(10) Exit examinations indicate that our students do very well on national tests, and are receiving promotions or moving on to higher paying jobs after graduation.

In short, Senator Montoya, the program is cost effective, high quality and serves a previously unmet need. It is a credit to New Mexico and the Fund for the Improvement of Post Secondary Education.

In closing I wish to commend the professional and accommodating way in which your staff, particularly Ms. Andrea Stern and Mr. Mike Daly handled my inquiry about the matter. It is indicative of a staff genuinely responsive to your constituency.

Sincerely,
GEORGE C. CALVERT, Ph. D.,
Director, Adult Education Program, University of Albuquerque.

TABLE 1.—ETHNIC, SEX AND MARITAL BREAKDOWN BY PERCENT ENROLLMENT AND GENERAL POPULATION ADULT EDUCATION PROGRAM, UNIVERSITY OF ALBUQUERQUE

[In percent]

	Adult program		
	Jan. 15, 1974	June 15, 1974	University
ETHNIC GROUP IDENTIFICATION			
Anglo (white)	53.0	53.0	58
Spanish surname	28.6	28.0	27
Indian (Native American)	12.0	11.0	7
Black	5.5	7.0	4
Other	(1)	(1)	3
Total minority enrollment		47.0	42
SEX			
Male	69.0	67.0	64
Female	31.0	33.0	36
MARITAL STATUS			
Married	83.0	83.2	49
Single	17.0	16.8	51

(1) Negligible.

TOTAL MINORITY ENROLLMENT, OTHER UNIVERSITIES

	Percent
University of New Mexico	20.6
New Mexico Highlands University	62.6
New Mexico State University	24.0

ETHNIC—SEX GROUP IDENTIFICATION (RE: UNIVERSITY OF NEW MEXICO BUREAU OF BUSINESS RESEARCH—1970 CENSUS)

[In percent]

	Anglo (white)	Spanish surname/ language	Indian (Native American)	Black	Women
New Mexico	50.8	40.1	7.2	1.9	50.7
Bernalillo County	56.0	39.2	1.9	2.1	51.3

INACTION ON CRUDE OIL PRICING

Mr. TAFT. Mr. President, there have been signs in recent days that the haggling over the possible decontrol of crude oil prices is belatedly coming to a head. I say "belatedly" because in less than 5 weeks, while Members of this body are enjoying their traditional August recess, the current controls on the price of "old" oil are due to expire.

For this Congress to stand idly by and watch this potential economic nightmare occur would be shameful and irresponsible.

Immediate decontrol would mean that oil now held down to a price of $5.25 a barrel could suddenly and dramatically skyrocket in price, perhaps to as much as $11 to $12, according to some forecasts. At a time when reliable indicators are pointing to recovery from the deep recession with which we already have lived for far too long, this would indeed be a tragedy.

Let those in the Government who would permit the Nation to drift over this brink try to explain that to the people. It cannot be explained.

On the positive side, I was pleased to see the Senate Finance Committee move Monday to deny windfall profits to the oil corporations, under a taxing formula that would encourage the plowback of excessive profits into the search for and development of new fuel sources.

It is my belief that such a tax is key to any action this Congress takes on decontrol of petroleum or natural gas prices. Energy price increases have already ripped into the American pocketbook with such savagery as to drive home to every family in this country a basic lesson in energy economics. The man on the street knows he is paying more at the gas pump. He knows that the butcher and baker—all the people upon whom he depends for goods and services—are paying more, too. He does not need to be told of the problem. What he needs and deserves is a solution. He deserves assurances that any further price increases are not merely for the purpose of lining a corporate pocket. He deserves to know that the higher prices he may ultimately pay for fuel are being reinvested by those corporations in the development of new fuel sources that will, in the long term, be to his and his children's economic advantage. He deserves to know that the proceeds from his taxes and high costs will contribute in some way—directly or indirectly—to innovation and research in the energy field. And he deserves his fair share of the increased revenues generated by a windfall profits tax—his fair share in the form of individual tax relief and other mechanisms that would lighten his burden.

In short, Mr. President, the windfall profits tax must be tough. It must be free of loopholes. And it must be directed toward protecting the consumer as we work toward the ultimate goal of improving this Nation's energy situation.

I would like to return to the subject of decontrolling petroleum prices, but not to the irresponsible decontrol by default, which today threatens this Nation.

Rather, we must dedicate ourselves to

developing a rational, clearly thought-out plan of decontrol that will accomplish the goals which I believe this Congress should establish. These goals should be to provide the working capital necessary for as rapid development as possible of petroleum supplies, in such a way as to minimize negative impact on the consumer and our recovering economy.

My serious doubts about abrupt movement in this area dates to my opposition to President Ford's original proposal for immediate decontrol of petroleum prices.

I had doubts, as well, about the President's preliminary proposal for phasing out controls. The Federal Energy Administration staff and a few other experts predicted little adverse economic impact from the President's July 16 proposal for a phaseout of controls over 30 months. Other economists foresaw an impact so powerful that combined with the likely OPEC price increase this fall, it would counteract by several magnitudes any positive effects which could be gained by extending the 1975 tax cut for individuals through next year.

A gradual increase in petroleum prices may be desirable in the long run to provide the working capital needed to expand supplies. Thus, a compromise along these lines may be workable. But any compromise simply must be designed in view of the lack of any need for immediate decontrol, and the great need to proceed in a way which minimizes consumer impact. Thus, I have felt that decontrol over a 5-year period would be a reasonable compromise.

With his most recent proposal for decontrol over 39 months—coupled with a rollback of domestic "new oil" prices of $11.50 per barrel a cap on new oil prices at that level and the elimination of the tariff on imported refined oil products, the President has shown his willingness to compromise. He has taken a positive step which would prevent domestic new oil prices from being determined solely by OPEC cartel prices. His proposal softens the impact of decontrol on the economy. He has come a long way. The Congress urgently needs to move in the same spirit of compromise.

The lack of congressional inactivity has not and will not serve our OPEC-strangled people in the manner they deserve. Presently we are stuck with the inequitable Federal tariff as our only oil conservation tool. This is an across-the-board approach which indiscriminately raises prices for everyone. It holds out no mercy to the person who might be willing, but is unable to conserve on oil. It also places our industry at a disadvantage in the international marketplace, simply because the price of necessary fuel in this country is forced even above the already astronomical world oil price.

It is an invitation to OPEC to raise prices further. Yet it is all we have, precisely because it requires no congressional action to impose.

Once Congress moves positively on a national petroleum policy, I would be inclined to work for total elimination of the oil tariff. It would be premature to do so now.

The fact that we have so little on which to rely as the foreign oil tariff should serve as an embarrasing reminder to Congress and the administration of the bankruptcy of this Nation in the field of energy policy. We heard the initial warnings many—too many—months ago. The American people can no longer afford, nor will they tolerate, the failure of their leaders to move with selflessness, courage, and deliberate speed toward an effective and equitable solution to this problem.

TIME TO CONSOLIDATE BANK REGULATION

Mr. PROXMIRE. Mr. President, for the information of my fellow Senators, I wish to have printed in the Record two items which appeared recently in the financial press supporting a restructuring of the Federal agencies which regulate the Nation's commercial banks under Federal law.

Business Week, in its August 4, 1975 issue, carried an editorial titled "Banking's Big Change." That editorial pointed to the changes which will come about in banking as the result of the implementation of new technology regarding electronic funds transfers. The editorial noted that as banking changes, regulation must change to keep pace with it, but the editorial doubted that the present regulatory apparatus is adequate to the task. The editorial supports a consolidation of the three regulatory agencies into a single agency outside the Federal Reserve which would leave that agency of Government in a position to concentrate on monetary policy.

Mr. President, I ask unanimous consent that the editorial be printed in the Record at this point.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Banking's Big Change

In addition to the immediate problem of money management, the Federal Reserve—along with other agencies that regulate banking—faces a longer-term challenge. The swift spread of electronic banking is putting what can amount to branch banks in supermarkets and chain stores all across the country (page 44). Since the thrift institutions are also using these terminals, the traditional distinction between banks and other financial institutions is blurring rapidly. The way is open for a variety of newcomers to start performing banking functions. And the whole concept of money supply—now defined in terms of bank deposits and currency—may be changing radically.

The banking regulators should not try to stop the spread of the new technology. Electronic banking is fast, efficient, and flexible. It is a convenience to customers and an important cost-cutter for bankers.

But as banking changes, regulation must change to keep up with it. In particular, no institution, financial or otherwise, should be allowed to take on the basic function of accepting transferable deposits and making loans without being regulated as a bank. It should be subject to the same capital requirements, the same reserve requirements, and the same examinations. Its banking operations should be kept strictly segregated from the business of selling cold cuts or yard goods.

A commission appointed by President Nixon already has recommended abolishing the distinctions between commercial banks and thrift institutions. Its proposals could serve as a guideline for making the shift to electronic banking.

It is doubtful, however, that the present regulatory machinery could carry the new load. There is a strong argument for consolidating authority that now is divided among the Federal Reserve, the Comptroller of the Currency, and an assortment of other agencies. The Fed could then concentrate on monetary policy while a new agency would deal with the problem of regulating electronic banking.

Mr. PROXMIRE. Mr. President, an editorial in Financial World dated July 16, 1975 lends further support to the consolidation of the three Federal bank regulatory agencies into a single agency outside the Federal Reserve. The editorial takes the position that the "competition in laxity" among the three bank regulators must be eliminated.

Mr. President, I ask unanimous consent that the editorial be printed in the Record at this point.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

We note with interest that the Senate Banking Committee is working on legislation that would create a single bank regulatory agency. The agency, which is tentatively called the Federal Banking Commission, would receive the regulatory functions now divided among the Federal Reserve Board, the Comptroller of the Currency and the Federal Deposit Insurance Corporation. It can be argued whether this power should be given to the Federal Reserve or whether the new agency should be created separately, allowing the Fed to concentrate on monetary policy.

But there can be no argument that the complexity, the overlapping, the inefficiency and the "competition in laxity" amnog bank regulators must be eliminated quickly. Just a few weeks ago this magazine reported a case of a prominent bank that seemed to escape regulatory stringency by changing its status and thus shifting regulators.

A single regulatory agency would have final authority over all of the major banks in the country and prevent any omission of prudent action that all admit occurs today.

LIGHT RAIL FOR WASHINGTON

Mr. TAFT. Mr. President, I think we should all take note of an editorial from the Washington Post, entitled, "Return of the LRV?"

The LRV, or light rail vehicle, is a modern version of the old streetcars and interurbans. It is an electrically-powered rail vehicle designed for urban mass transit. It is the vehicle for light rail systems, which, again, are similar to streetcar systems except that they avoid mixing the streetcars with automobile traffic. We should remember, when we think back to the streetcars, that the problem was not the streetcar itself, but the fact that it was slowed to a crawl by the automobile traffic through which it had to operate. Light rail eliminates that problem by giving the streetcar, or LRV, its own reserved right-of-way.

Light rail is a very promising answer to many of our urban mass transit problems. It costs comparatively little to build—generally four to five times less than rapid transit, and often less than busways—and it is inexpensive to operate. Yet it provides reliable, electrically-powered rail transit—transit which is highly attractive to potential riders.

Recently, there have been proposals to give Washington a light rail system, both by converting some planned Metro lines to light rail—at great cost savings—and by reviving some of the old streetcar lines to be used as feeders to the Metro, in those areas, such as Georgetown, which Metro will not serve directly. I believe that these proposals should be evaluated carefully and with a friendly eye. They hold promise of saving many tax dollars and at the same time providing excellent transit service to Washingtonians. I hope the Washington city government will take a good look at this apparent chance to make a major step forward in urban transportation in the Nation's capital.

I ask that the editorial from the Post, "Return of the LRV?", be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Return of the LRV?

Many local officials around the country are now talking about turning back to the LRV as a mode of public transportation.

An LRV, which is coming under new study around this town too, is a "light rail vehicle," which is a new way of saying trolley car—or street car, as most Washingtonians used to call it.

Last month, representatives from the Metropolitan Washington Council of Governments and the Maryland National Capital Park and Planning Commission were among observers at a conference near Philadelphia at which more than 500 planners, transit officials and others discussed the possibilities of modern street car systems. In addition, the D.C. city council and the city's planning office have been giving preliminary consideration to the idea of using the trolley as a supplement to the area's Metrorail system.

There's more to it than nostalgia. What is attracting the planners is an availability of federal funds to help build transit systems, the apparent advantages of reducing air pollution and conserving petroleum and—in this town—the possibility of salvaging and using some of the remaining conduits buried in the city streets. As examples of what might be studied here, there have been informal proposals to run a route along the 14th Street corridor in Northwest and along the old right-of-way of the abandoned Cabin John trolley line, a scenic route along the Potomac that could be connected to fringe parking for the bicentennial crowds. In certain parts of town, lines could be run along sides of streets, similar to the way that reserved bus lanes now are used.

Apparently Metro general manager Jackson Graham is dubious about the utility of modern trolleys here. But recently he did confer with some supporters of the idea of further studies. We hope that continued talks will produce some proposals for future discussion and trial. A modern trolley system might connect well with outer ends of the Metrorail system. It just might be a good idea, in other words, and we'd like to hear more from the experts.

THE NEW MONOPOLIES—INFLATION REPORT NO. 5

Mr. **HUMPHREY**. Mr. President, the psychology of a nation during a time of acute trouble is often as important as the trouble itself. And on that psychology rests the personal fortunes of the politicians who lead during such times. Therefore, it should hardly be surprising that the administration tells the American people we are recovering, the economy is progressing well, the future is secure, and there is generally very little to worry about.

Well, I am opposed to panic—and there is nothing now for reasonable people to panic about. But I am also against false reassurances, for only out of realism will emerge the sacrifices and commitment needed for final solutions.

In my continuing effort to contribute to that realism, I call the attention of my colleagues and fellow concerned citizens to an excellent short article in the June issue of Consumer Reports. "The New Monopolies," describes in laymen's terms the state of current research and thinking about the effects of industrial concentration on price levels.

Some of the major findings related in the article are worthy of special note:

Prof. Willard Mueller of the University of Wisconsin has determined that the 200 largest manufacturing corporations own two-thirds of all manufacturing assets, compared with 1,000 firms in 1941. This dramatizes "the trend toward industrial bigness."

Sixty-four percent of all manufacturing sales are accounted for by "concentrated" industries, those in which four firms produce more than 50 percent of the output.

"Prices in oligopolistic, or shared-monopoly, industries are 10 to 30 percent higher than they would be if those industries were less concentrated—that is, if sales were divided among more firms." And oligopolists' prices are "also relatively impervious to the workings of supply and demand."

Based on 1974 GNP, oligopolists reaped $87 billion a year above purely competitive price levels. "Demand," the article states:

> Is supposed to be the invisible hand of the marketplace, determining supply and price. But the oligopolist's ability to control, or administer price upsets the market mechanism.

Economies of scale attributed to economic concentration are most often illusionary since most efficiency benefits occur at much lower levels of concentration.

The article concludes that antitrust law should be broadened. While I, of course, agree, it should be understood that the Government is not impotent in the face of current administered price increases if full advantage were made of the administration's Council on Wage and Price Stability.

Some apologists for monopoly assert that industrial concentration would only fuel inflation if the level of concentration were increasing. Concentration has been increasing since 1941, as we have seen.

But if we could achieve even a once and for all reduction of prices in oligopolistic industries of 10 to 30 percent—an addition to the economy of $87 billion of real output—would this not be of windfall benefit in our present recessionary dilemma?

Mr. President, this is obviously an area of great concern to me and the country. A greater comprehension of the processes at work in oligopolistic caused cost-push inflation might very well provide better tools for dealing with inflation. And then we will have even less excuse for resorting, as the administration insists upon doing, to policies that depress the economy to control inflation. The staff of the Joint Economic Committee, of which I am chairman, will be releasing several studies on this matter within the next several months.

Mr. President, I ask unanimous consent that the short and instructive article from Consumer Reports which I have liberally cited in this statement, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

The New Monopolies: How They Affect Consumer Prices

Tough times make for tough talk about enforcement of antitrust laws. It's happened in past economic downturns, and it's happening now—for good reasons. Economic concentration costs consumers dearly.

According to a complaint by the Federal Trade Commission, for example, consumers pay 15 to 20 per cent too much for breakfast cereals because three companies (Kellogg, General Mills, and General Foods) control 82 per cent of the market. Other potential cereal producers, it is alleged, are effectively kept out of the cereal market because they can't compete against the enormous advertising campaigns of the big three, which spend 20 per cent of gross sales promoting their products.

The direct benefit for consumers in successful antitrust action was illustrated dramatically in a landmark case charging pharmaceutical manufacturers with fixing the price of certain antibiotics, including tetracycline and its derivatives. The wholesale price of these drugs had remained unchanged for 10 years at approximately 32¢ for a 250-mg tablet. That price, it turned out, had been set by an illegal conspiracy among drug companies. After indictments were handed down by the Federal Trade Commission and the Justice Department, the wholesale price of a tetracycline tablet dropped to about 11¢, a decrease of approximately 66 per cent, and millions of dollars in damages have been awarded to those who bought the drug during the period the price was fixed.

The Justice Department has promised to prosecute antitrust violators just as vigorously as it prosecutes fraud or civil-rights violations. And Congress late last year voted the first improvement in the antitrust laws since 1955. Criminal antitrust violations are now felonies rather than misdemeanors; violators risk three years in prison and a fine of $100,000 for individuals and up to $1-million for corporations; and procedures for setting civil antitrust cases are open to closer public scrutiny than before.

The Government's prime targets are what's called behavioral antitrust infractions. Familiar examples are bid-rigging, overt price-fixing conspiracies, market division by agreement, and profit-pooling. Such schemes tend to recur even in traditionally competitive markets, but they also tend to be short-lived—either because the violations of law are easy to spot and stop, or because they result in artificially high returns that tempt new entrants into the business and thus revive competition.

There's another kind of antitrust problem that's more difficult to get at. It's called structural. A structural problem is the anticompetitive effect that comes about naturally when a small number of companies account for a substantial portion of an industry's sales—a situation economists call economic concentration.

Structural issues underlie the Justice Department's recent suit against the nation's largest privately held corporation, American Telephone and Telegraph. The charge is monopolization of telecommunications equipment and service. Structural issues are also involved in the Federal Trade Commission's case against ITT Continental Baking Co., makers of Wonder Bread, for alleged attempts to monopolize the wholesale bread industry.

Some economists are saying it might be wise to break up giant corporations that control a disproportionate share of an industry. The Justice Department, for example, wants Western Electric split off from its parent, A.T.&.T. General Motors is another frequently mentioned candidate for dismemberment.

This report will examine why economists are concerned about economic concentration, how economic concentration affects consumers, and what might be done about it.

THE EXTENT OF CONCENTRATION

According to Professor Willard Mueller of the University of Wisconsin, the 200 largest manufacturing corporations now control two-thirds of all manufacturing assets. That's a greater share of assets than the thousand largest manufacturing corporations controlled in 1941. Mueller's statistics dramatize the trend toward industrial bigness, but they say nothing about competition within individual markets.

William G. Shepherd of the University of Michigan did examine individual industries. He reported that industries in which four firms or fewer control 50 percent or more of sales account for 64 percent of all manufacturing sales. Shepherd's finding is significant because many economists consider an industry to be a shared monopoly, or oligopoly, when the percentage of sales accounted for by the top four companies exceeds 50 percent. A shared monopoly exists when the dominant companies in a particular industry are so few that they collectively behave as a monopolist would—that is, restrict output in order to charge higher prices than would be possible in a competitive marketplace.

Shepherd concludes, however, that really tight shared monopoly is still confined to a "relatively few major industries." However few, these industries do occupy critical sectors of the economy. The list of consumer-product industries where four firms or fewer control 50 percent or more of sales includes: telephone equipment (Western Electric); cars and trucks (GM, Ford, Chrysler); soaps and detergents (Procter & Gamble, Colgate, Lever); glass (P.P.G. Industries, Libbey-Owens-Ford); and tires (Goodyear, Firestone, Uniroyal). Many other concentrated industries, including computers (IBM), heavy electrical equipment (General Electric, Westinghouse), industrial chemicals (DuPont, Union Carbide, Dow, Monsanto), copper (Anaconda, Kennecott, Phelps-Dodge), and others, contribute to high consumer costs indirectly, through high manufacturing costs of consumer products.

OLIGOPOLY VS. COMPETITION

Oligopolies are often the offspring of industrial mergers. The three great merger waves occurred at the turn of the 20th century, from 1925 to 1929, and during the 1960's. Between 1962 and 1968 alone, 110 of the 500 largest industrial firms disappeared in mergers. Between 1948 and 1968, some 1200 manufacturing companies, each with assets of $10-million or more, were merged with other firms.

Once an industry is concentrated, it often stays that way, because potential competitors can't get started. They run up against market factors that economists call entry barriers.

Entry barriers include: large capital outlays that may be required at the outset for operating facilities; an absolute cost advantage that established firms hold because of superior production techniques, managerial talent, or control over special resources or special patents; distribution channels that are tied up because existing companies established exclusive dealerships; and product differentiation—large-scale advertising that already established firms have employed to replace price and quality competition with promotional competition aimed at loyalty to a brand name.

In an ideal competitive market, many sellers vie for the consumer's dollar. Consumers, presumed to be knowledgeable about their purchases, choose products that offer the highest quality, the lowest price, or the best combination of quality and price. By thus "voting" with their dollars, consumers determine what is to be produced and at what price. Sellers must constantly compete for the consumer's favor through innovations that raise quality and efficiencies that lower cost and permit price reductions.

But what happens when the "many sellers" of the classical, competitive model in the economy give way to a few larger sellers—that imperfect form of competition called shared monopoly or oligopoly? A study conducted by the Center for Study of Responsive Law noted: "Because there are few firms (in an oligopolistic industry), the actions of one are noticed by the rest; each realizes that any move on its part—a price increase, for example—will generate a reaction by the other firms. Since the best way to maximize profits is to act as a monopolist would, the oligopolistic firms begin to march to the same corporate drummer. Such joint behavior has been described as 'parallel pricing,' 'conscious parallelism,' and 'price leadership'—or what one former antitrust official has called 'conspiracy through newspaper pronouncements'. The technique is simple: U.S. Steel announces a price increase of 6 per cent on many major products; within two days all other firms increase their prices by an identical amount. No formal price-fixing conspiracy has occurred—yet the effect is the same."

Prices in oligopolistic industries, according to various estimates, are 10 to 30 per cent higher than they would be if those industries were less concentrated—that is, if sales were divided among more firms. If the oligopolist's prices are high, they are also relatively impervious to the workings of supply and demand. Economist John Blair studied 16 pairs of products, one from a concentrated industry, the other a related product from an industry considered to be more competitive. Blair found that during the two recessions of the 1950's, the wholesale price index of every product produced in a competitive industry fell, responding to slack demand. But the price indices of 13 of the 16 products produced in concentrated industries actually rose, defying the law of supply and demand.

Demand—the consumer voting with his dollars—is supposed to be the invisible hand of the marketplace, determining supply and price. But the oligopolist's ability to control, or administer, price upsets the market mechanism.

Economist Frederic M. Scherer, now head of the Federal Trade Commission's Bureau of Economics, has estimated the loss to the economy because the oligopolist can charge higher than competitive prices. Among the factors included in Scherer's calculations: diversion of resources from more competitive to less competitive sectors of the economy caused by the oligopolist's high prices; inefficiencies due to organizational slack in less competitive industries; wasteful advertising that serves no informational purpose but instills brand-name loyalty to the oligopolist's product; and idle production facilities in uncompetitive industries. Scherer concludes that such economic losses from oligopoly and other breakdowns of competition amounts to 6.2 per cent of the Gross National Product. Based on the 1974 GNP of $1396.7-billion, that's an oligopoly cost of $87-billion a year.

INFLATION AND INEQUALITY

Senator Philip A. Hart, chairman of the Senate Antitrust and Monopoly Subcommittee, has conducted a 10-year investigation of economic concentration. He contends that because oligopolists can often establish price independent of the forces of supply and demand, they fuel a chronic inflation. Tight money, a traditional remedy for inflation, has little effect on uncompetitive industries because, says Hart, they "simply pass high interest rates on to their customers through price increases. The burden of tight money falls on the shoulders of competitive small business firms and consumers, without the monetary policy accomplishing its goal of checking inflation."

A second traditional remedy for inflation, lowering aggregate demand through higher taxes or reduced Government spending, may, in fact, spur oligopolists to raise their prices, according to Hart. They would do this, says the Senator, "to maintain their revenues—and profit rates—in the face of declining physical output." And they could do this because price competition had been eliminated.

An analysis by economist Gardiner C. Means supports Hart's contention. Means examined economic changes between September 1973 and September 1974, a period of falling demand (a 23 per cent increase in unemployment and a 25 per cent increase in idle manufacturing capacity) and rising prices (a 20 per cent increase in the wholesale price index). Means found that wholesale prices increased less than 5 per cent in "competition-dominated industries," including farm, leather, lumber, and textiles. But the rise in "concentration-dominated industries" was 27 per cent. Included in that definition were metals, machinery, nonmetallic minerals, rubber, paper, and transportation equipment.

Economic inequality is another cost laid to oligopoly. "Market power [oligopoly] is ordinarily attained and exploited by relatively few members of society (as managers and/or owners), and their enrichment ordinarily involves a relative, and not always small, decrease in purchasing power on the part of those who face higher prices as consumers, possibly lower prices as suppliers, and lower returns as competitors," economist Shepherd wrote.

FLAWED DEFENSE OF OLIGOPOLY

A defense often made for oligopoly is that large corporations insulated from competition can introduce the kind of technological innovations that benefit society. Put another way, the oligopolist can afford to spend heavily on research and development because his profits are secure.

That's a nice theory, but there's no evidence to support it and some to dispute it. One economist, for example, examined research expenditures and concluded that "size adds little to research intensity and may actually detract from it in some industries." Another economist, using patents to estimate inventive output, found that the lower half of the nation's 500 largest corporations was more innovative than the upper half.

Two cases in point:

The auto industry agreed in the 1950's that no company would develop and introduce an antipollution device until all could. Antipollution devices didn't find their way into cars until the mid-1960's, long after the necessary technology was available.

Of the 13 major production inventions in the steel industry between 1940 and 1955, not one was made by the concentrated American steel industry.

A second defense of oligopoly is that large companies can produce goods at lower cost because of "economies of scale"—efficiencies resulting from large production-plant size, multiplant operations, procurement of materials in vast quantity, preferential access to capital, transportation discounts, and other factors related to firm size.

But according to several recent studies, scale economies are exhausted at relatively modest levels of concentration in many industries. F. M. Scherer, for example, in a review of 12 industries, wrote that "in most instances, realizing the principal advantages of multiplant size did not necessitate high concentration at the nationwide level . . . national market seller concentration in most industries appears to be much higher than it needs to be for leading firms to take advantage of all but slight residual scale economies."

Summing up, oligopoly is real, costly, and usually unnecessary for economic efficiency. The country has had antitrust laws since 1890, but they've failed to ensure competition in every corner of the marketplace. Why?

For one thing, the antitrust divisions of the Justice Department and the Federal Trade Commission are underfunded. The money spent by a single corporation, Control Data, to prosecute its *private* antitrust suit against IBM exceeded the Justice Department's entire antitrust budget of $13-million in 1974. Congress increased appropriations for antitrust enforcement slightly this year. A doubling or tripling would be more like what's needed.

A more important reason for the weakness of antitrust enforcement is the weakness of the antitrust laws themselves. Those laws, principally the Sherman Act, have been interpreted by the courts to mean that mere possession of monopoly power is not illegal; there must be a proven *intent* to "monopolize." To show such intent, prosecutors must prove that industrial conspirators took concrete steps to control prices or exclude competitors.

The antitrust laws were aimed against the turn-of-the-century buccaneer who gained monopoly control of an entire industry, often with brazen tactics that were easy to prove in court. The situation is quite different when several firms, not one, collectively hold the power to act as a monopolist would. Oligopolists needn't formally conspire to control prices; they just follow the price leader. And price leadership—the "conspiracy through newspaper pronouncements"—isn't illegal under the antitrust laws. As one antitrust attorney puts it: "Much of what the law forbids today, the modern would-be monopolist doesn't *need* to practice anyway. And what he does *need* in order to ply his trade, the law often allows."

The law, therefore, should be changed. CU urges that Congress amend the Sherman Act so it reaches oligopoly, as well as monopoly, when oligopoly impairs price competition without offering consumer benefits for the resulting higher prices. And the Government should no longer have to prove that an oligopolist's intent is evil; the possession of monopoly power, either collectively among oligopolists, or individually as a monopolist, should be an offense when it is detrimental to the nation's economic well-being. Senator Hart has reintroduced legislation, called the Industrial Reorganization Act, incorporating this change.

In addition to being outdated, sections of the antitrust law hinder effective enforcement. Senator Hart, along with Senate Republican Leader Hugh Scott, has introduced another bill (S. 1284) to remedy certain of these procedural roadblocks. It would allow the Justice Department to obtain, in advance of a merger, the information necessary to determine whether the merger should be challenged. The bill would also increase the penalty for not obeying special orders or subpoenas of the Federal Trade Commission from $100 a day to a minimum of $1000 a day and a maximum of $5000 a day. And it would permit State Attorneys General to file antitrust actions and collect treble damages on behalf of state citizens. Finally, under the bill, a *nolo contendere* (no contest) plea to an antitrust charge could be used in private, treble-damage suits as evidence that a crime has been committed.

HOW LOUD IS LOUD? CONCORDE SST—EARSPLITTING

Mr. PROXMIRE. Mr. President, this Chamber recently turned back by only two votes a measure to bar SST-type aircraft from landing at U.S. airports until they can comply with environmental noise standards established to protect the health, safety, and comfort of American citizens.

During debate on this issue, much was made of the noise created by the Concorde—the Anglo-French SST which is to be permitted limited landing rights at Kennedy and Dulles airports.

Some of my colleagues who are proponents of the SST told us that the Concorde is not that much noisier than other large commercial jets. They quoted figures and recounted personal experience to attest to their belief that we would not be putting undue hardships on those who live near Kennedy and Dulles airports if we allow the SST's to land there.

For their instruction, as well as for the further education of those who supported the amendment to ban the SST until it complied with noise standards, I would like to recommend a sample of British press articles.

These articles, I believe, will be extremely helpful in that they address themselves to what the Concorde is doing now, not to projections, studies, guesses, rumors, et cetera. The Concorde is flying in Britain, and the British—as seen in these sample articles—wish it were not.

The arguments entertained in this Chamber last week seemed to ask question, "how loud is loud?" These news reports, which recount on-the-spot monitoring of the Concorde and preliminary findings of the Greater London Council's scientists, point out that the Concorde is without exception the loudest airplane in the world.

Reporters and residents exposed to its noise levels near London describe its sound as "earthshaking," "earsplitting," "excruciating," "unbearable," et cetera.

Those who monitored its noise at and around Heathrow Airport report that it reached decibel levels that exceeded the noise pain threshold.

These reports, these descriptions, Mr. President, come from those who have experienced the noise of Concorde. I sincerely hope that reading about them will help convince the majority of my colleagues in the Senate that U.S. citizens should never have the awful opportunity to share in that experience.

I commend these news reports to my fellow Senators, and ask unanimous consent that they be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the London Evening Standard, July 22, 1975]

GLC SCIENTISTS REPORT ON TAKE-OFFS: CONCORDE IS THE NOISIEST

(By Roger Bray)

Concorde is considerably noisier on take-off than other types of aircraft using Heathrow. That is the preliminary verdict of GLC scientists which is expected to be delivered to the council today.

But readings taken at 13 measuring points around the airport during the first five days of Concorde's exhaustive endurance flying programme show that the duration of noise over a given level is significantly less than that of the Boeing 707 or the VC–10, for example.

The GLC's preliminary findings, which have the advantage of being considered and dispassionate, are expected to be released by planning committee chairman Mr. Norman Howard in answer to a question from a Heathrow area member.

They show that on average, Concorde was 7 dba noisier than other aircraft using a similar flight path on take-off. The dba measurement is in noise decibels with a special weighting for frequency which also conditions the effect on the listener.

PROTESTS

Scientists are understood to want more convincing results from Concorde landings before arriving at a preliminary verdict.

In crude terms, an increase of 10 dba above other aircraft could represent a doubling of noise levels. The GLC scientists are still only about 60 per cent of the way through their full analysis of the tests and will continue taking measurements after the aircraft returns from the Middle East at the end of the month.

The GLC's measuring points included Hounslow Heath, Stanwell Moor, and a site in Richmond, where there were student protests about the aircraft's approach after a flight on July 3.

In the aircraft's favour are the duration measurements. These measure the time between the point at which noise reaches 10 d.b.a. below its peak and the point at which it dips below that level. At Stanwell Moor this was seven seconds, whereas a 707 lasted 13 seconds, and a VC–10 13 seconds.

There are still no preliminary results in perceived noise decibels—a further refinement and the method used for Heathrow and Gatwick's noise limits.

[From the Daily Telegraph, July 23, 1975]

CONCORDE NOISIEST, REPORTS GLC

(By Air Cdr. E. M. Donaldson)

The Greater London Council entered the Concorde noise controversy yesterday. Its scientists declared the aircraft to be far the noisiest using Heathrow.

Although they explained that it was a preliminary verdict, it is serious news for Concorde because the report coming from the G.L.C. is considered to be "dispassionate."

It says that, on average, Concorde was 7dba noiser than other aircraft using the London airport, taking off and landing on the same runways. There are many ways of measuring noise and the dba scale is one that measures in decibles with a special weighting for frequency.

Other experts point out, however, that the only true way to assess the real nuisance of noise is on a scale which records the period of the nuisance as well as its intensity. This scale is PND—perceived noise decibles—and is used by official Government recording teams.

The GLC scientists say that they took readings at 13 points around the airfield and are only 60 percent, the way through analysing the results.

The analysis will not be concluded until Concorde returns from the Middle East, at the end of the month. The 7dba already recorded means that the aircraft is as much as 70 percent, noiser on this scale.

When Concorde's noise is judged on PND, however, it may well be reprieved for the GLC tests already concluded show that, because of the immense power of its engines, residents have to endure it only for a comparatively short period.

The acute apprehension about Concorde noise in the U.S. is real. On a visit to Boeing last week a company supersonic expert said to me that Concorde's engines, because they are straight jets, can never be silenced. Future supersonic aircraft must have fan bypass jets.

[From the Daily Telegraph, July 21, 1975]

WAY OF THE WORLD

SOOTHING NOISES

(By Peter Simple)

Experts employed by the Greater London Council declare (surprise!) that the Concorde is by far the noisiest aircraft ever made. In fact, if I have got this right, it seems to be noisier than any other by 70 percent.

However, the Friends of Noise should not be unduly worried that their triumph will be snatched from them. Other experts say that the only true way to measure noise is to take into account not just its loudness but also its duration.

The Concorde may be (indeed is) much noisier than other aircraft. But because its engines are so powerful, its audience will have to put up with its terrific noise for a shorter time than they would have to put up with the soothing noise of less powerful machines.

So that's all right. If, by a further technical advance, the Concorde were to become twice as noisy as it is now, but only for half as long, then although the eardrums of everyone within 20 miles might be split and all but the strongest buildings shaken to bits, the Concorde would, in expert and absolute terms, be no more and possibly less of a nuisance.

I hope you follow my reasoning, even if I don't.

[From the Birmingham Post, July 16, 1975]

HOW U.S. LANDING BAN COULD UPSET CONCORDE

(By John Slim)

After last week's announcement that there will be Congressional hearings to determine whether the White House made secret and illegal guarantees to the British and French Governments to allow Concorde into U.S. airports, a senior State Department official has denied that any such promise was made. This denial was coupled with a strong recommendation that Concorde should "be treated fairly in all aspects of U.S. Government recommendations."

These comments were contained in an unusual letter from Assistant Secretary of State Robert Ingersoll to the Speaker of the House, Carl Albert. The letter, dated July 9, was obtained and released by Congressman Lester Wolff who has been leading Congressional action to ban Concorde from the U.S.

"The allegations that we promised British or French Governments that the Concorde would be admitted to the U.S. are not correct," Ingersoll's letter stated. "They understood that the Concorde must meet U.S. environmental and other requirements . . .

"However, the British and French Governments have on several occasions expressed to the U.S. Government their concern about the possible discriminatory treatment of the Concorde. We have assured them at the highest levels that the Concorde would be treated fairly in all aspects of U.S. Government regulations.

"For the Congress to suspend existing procedures even now in progress without an administrative, judicial or Congressional hearing and to ban Concorde summarily would certainly provoke claims on the part of the British and French Governments that the Concorde, a project in which they have invested nearly three billion dollars and which is of enormous significance to them, was being excluded discriminatorily and contrary to U.S. treaty and other obligations."

Ingersoll's letter shows a subtle shift in the State Department's attitude towards Concorde landings. Last month he was reported to have been one of two senior State Department officials who wrote to the Governors of New York, New Jersey and other state officials (who could have the last word on whether Concorde lands in New York), hinting that a ban on Concorde could seriously harm Anglo-American diplomatic relations. The existence of this and other Administration pressures gave rise to the demand for Congressional hearings which will start on July 24.

Meanwhile, at a public protest meeting on Long Island last week, several groups of residents who live within earshot of Kennedy Airport threatened legal action if the Federal Aviation Agency or the New York Port Authority give permission for Concorde to land—a decision which is expected in September, and which would mean a relaxation of current noise level standards at the airport.

"There is no reason why exceptions should be made for a foreign plane," stated Duncan Sterling of the Nassau County Village Officials Association. "We are not interested in bailing out the economic difficulties of the British at the expense of our environment and our citizens in order to avoid political embarrassment."

Congresswoman Bella Abzug of New York, who is a member of the Congressional subcommittee which will conduct the hearings, declared that "Concorde is nothing but a plaything for the super-rich" and charged that it had become FAA policy to serve the few who would use it "at the expense of the vast majority upon whom the Concorde would have serious negative effects."

John Hellegers, counsel to the Environmental Defense Fund—a nationwide conservationist organization—announced to the meeting that if the FAA gives permission for Concorde to land, his group will sue the FAA.

There would be several grounds for the suit, he said—the threat of skin cancer to residents of the area by Concorde's probable damage to the ozone layer, plus the noise and safety factors.

"If we can keep Concorde out of Kennedy, it may be the end of this plane world-wide," Hellegers added. "There is a report that British Airways, which does not like this plane any more than we do, has an escape clause in its contract with the French Government that if it cannot get landing rights at Kennedy it may withdraw from the deal."

[From the Evening Post, July 10, 1975]

"NIXON SECRET DEAL OVER CONCORDE" PROBE

The U.S. Congress—scene of a mounting campaign against the Anglo-French supersonic Concorde—are to hold an inquiry to find out if former President Nixon made any secret deals to support the plane.

Congressman Lester Wolff said a house operations subcommittee would hold a hearing on July 25, to determine whether Mr. Nixon made any commitments on Concorde.

He claims Mr. Nixon wrote unpublished letters to Britain and France in January 1973 about the plane.

Meanwhile, the House of Representatives were to be asked later today to ban Concorde from flying commercially into the United States.

Eight Congressmen, including Mr. Wolff, have called for the ban in an amendment to a routine budget bill for the transportation department.

RAYS

They say they oppose Concorde because of its noise on take-off and because of what they say are possible skin cancer risks if there are many flights.

Some scientists have said that extensive supersonic flight at high altitudes could deplete the earth's ozone layer, exposing people to dangerous ultra-violet rays.

Britain and France are seeking U.S. approval for daily Concorde flights to Washington and New York later this year.

[From the Buckinghamshire Advertiser & County Gazette, July 17, 1975]

NOT MUCH CONCORD OVER CONCORDE

A week of Heathrow trials for Britain's newest supersonic airliner has brought about a distinct lack of concord between people who live near the airport and the air authorities.

For the Department of Trade has received over 400 individual complaints about the excessive noise—and anti-noise groups are up in arms about the row made by Concorde's super jet engines.

Some of the complaints were from Beaconsfield district which was overflown by the plane on its take-off for the proving flights to the Middle East.

"The noise was absolutely dreadful," said Cllr. Adrian Nevard, representing Iver, who went to the edge of the airport with an official party to hear the Concorde sound. "If that's Concorde we don't want to know."

Both he and Cllr. Alan Beale had previously been greatly in favour of Concorde.

But after hearing the machine, first reaction of both was that if it goes into service as planned, they will have to think about moving house!

Cllr. Nevard said that one elderly lady who prepared to take pictures of Concorde with her small camera was so terrified by the roar as it took off that she was trembling too much to click the shutter.

The British Airports Authority, police stations and Scotland Yard all received phone complaints, which were referred to a special office at the Department of Trade in London. One report said doors and windows were rattled in houses as much as a mile from the airport perimeter when the airliner revved-up for take-off.

[From the Reading Chronicle, July 18, 1975]

CONCORDE ROAR 'INTOLERABLE'

The noise of the supersonic airliner Concorde as it passed over Reading twice last week was described as "intolerable" at Tuesday's meeting of the council.

Mr. R. J. Garnett said he wholeheartedly supported a recent report by the Local Authorities' Aircraft Noise Council, of which Reading Council was a member.

The document, which calls for action from the 50 local authorities around Heathrow Airport, has been supported by the borough council and they are to make representations.

Mr. Garnett said: "The noise as Concorde passed over the town twice last Wednesday afternoon can only be described as intolerable, and I feel we should support the Aircraft Noise Council wherever possible. (Reading is 20 miles west of Heathrow.)

[From the Richmond & Twickenham Times, July 18, 1975]

Concorde: Stop Pretending MP Tells Minister

Determined to "get something done" about the noise of Concorde, Mr. Toby Jessel, MP for Twickenham, is bombarding the Government with questions.

On Monday in the Commons, Mr. Jessel told the Government to stop pretending that Concorde "is quieter than it really is." He asked Mr. Eric Varley, Secretary of State for Industry, if he was aware that it made an "appalling noise," causing a great deal of distress.

But Mr. Varley replied that there were many varying opinions about Concorde. "We want to see Concorde a success. We want the 16 authorised in the production programme to proceed and all the aircraft to be sold," he said.

Mr. Jessel yesterday tabled a written question to the Secretary of State for Trade, asking for an official report to be published with a completed list of noise tests carried out on Concorde in the second week of July.

Mr. Jessel, who wants the results specified in detail, also wants the figures contrasted with those corresponding to other noisy aircraft.

And next Monday he has a question down, asking the Secretary of State for Trade if Concorde will be further tested for noise.

[From the Bromley Times, July 17, 1975]

Concorde Path Protest

I was interested to read your news item concerning Concorde.

My husband and I were in the kitchen of our home when suddenly we heard what I thought to be, as I remember them as a small child during the war, a squadron of heavily-laden bombers flying low overhead. My home shook.

No. I certainly don't relish the prospect of a flight-path over Chislehurst, and I think it would be a good idea for like-minded people, through any associations to which they belong in Chislehurst, to petition as I shall do against this deafening and foundation-shaking intrusion.

Mrs. Viviene Richards.

Concorde flew over Bromley at 12:35 p.m. last Saturday, not the quietest time to select for a noise nuisance test. I mention this for the information of residents and the British Airports Authority which is presently unwilling to confirm the flights.

Noise complaints should be made by telephone to the BAA at Heathrow, but as they have only two telephones there is practically no chance of getting through and thus there will officially be very few complaints received.

Residents will, of course, get accustomed to 135 decibels and to paying an increased NHS contribution for the extra cost of medical treatment which will be required by those under the Concorde approach path to Heathrow, only 28 air miles away.

D. F. Linford.

(Bromley and Chislehurst are 25 miles east of Heathrow.)

[From the Middlesex Chronicle, July 18, 1975]

Excruciating—the Only Word for It

At about 3:30 p.m. on Tuesday last week, Concorde took off from London Airport, passing over my house three miles to the east. The noise was so intense that it was extremely painful, not only to my ears and head, but it caused a constricting feeling in one's chest.

The children were just leaving Nelson Road School opposite my house, and fortunately most of them were being met and were able to run to their parents. It was terrifying.

My usually placid dog, unaffected by albeit "normal" aircraft din, was very noisy and disturbed, as were most of the dogs in the neighborhood!

The excruciating noise made by this aircraft is quite intolerable. May I appeal to everyone who experienced it—and anyone who has not yet done so, but who values their sanity—to write protesting to: The Divisional Controller, Southern Division, Department of Trade and Industry, Heston Aerodrome, Hounslow, and to send copies to the managing director of the British Aircraft Corporation, Bristol; the chairman of the British Airports Authority, Heathrow, and your MP.

(Mrs.) Joyce Robson.

[From the Richmond & Twickenham Times, July 18, 1975]

Concorde—Complaints Pour In

Sir Anthony Royle, MP for Richmond, said this week he had received many complaints from constituents about the noise of Concorde, when landing at Heathrow after its test flight.

He has taken up the matter with Mr. Stanley Clinton Davis, Under Secretary of State, and put down a question.

The Local Authorities Aircraft Noise Council said that noise monitoring tests of Concorde at Heathrow last week confirmed the worst fears of the organisation.

Mr. Geoffrey Holmes, chairman, said although the Government had imposed a security embargo on the results of the official noise level tests, LAANC itself, and member authorities had conducted their own tests which would be continued.

The initial tests showed that decibel readings for Concorde were well above the threshold of pain. The aircraft was three times as loud as the previous noisiest aircraft. Independent experts had shown it would take more than 30 Trident aircraft, flying simultaneously overhead, to make as much noise as Concorde did on the days of the tests.

Mr. Holmes said that LAANC was not anti-Concorde, but it was against any increase in the already unbearable noise burden on the two million people affected by Heathrow traffic.

The committee is getting support from local authorities, and individual councils were asking their MPs to take immediate action.

"Keep It Out" Says Group

The controversy over Concorde noise continues in the advertising pages of this newspaper today with a plea from the Anti-Concorde Project to "Keep Concorde out of Heathrow".

The claim that the plane is "no noisier" than other aircraft, alleges the group, is untrue. Even people affected by the noise at many international airports are resisting the proposals for commercial Concorde operations, it adds.

As the older, noisier subsonic aircraft are retired, Concorde (if it is in operation) will, says the group, stick out "like the proverbial sore thumb".

Finally, the group lists seven points which it claims the Government should take into consideration, and asks readers to support the anti-Concorde campaign by filling out a number of complaint slips.

[From the Evening Mail Slough, July 17, 1975]

MP's Press Wilson in Concorde Noise Row

West London MPs are pressing for an early Government statement in the Commons on the Concorde tests at Heathrow.

Barney Hayhoe (Con, Brentford and Isleworth), Toby Jessel (Con, Twickenham) and Sir Anthony Royle (Con, Richmond), have all tabled Commons questions of the results of the tests.

Sir Anthony says he had received "many complaints" about the noise caused by Concorde approaching to land and he wants a Government statement on "the noise nuisance caused by this aircraft."

Mr. Jessel, who protested in the Commons earlier this week about Concorde's noise, is asking the Government to publish a complete list of the noise tests carried out on Concorde over the last week, together with figures for "other relatively noisy aircraft."

A similar question from Mr. Hayhoe asks what noise levels have been measured at the monitoring points round Heathrow for landings and take-offs on Concorde during recent weeks, and how these compare with those of 707s, 747s, VC10s and Tridents.

[From the Richmond & Twickenham Times, July 11, 1975]

Try It on the Dog

To the noise this week has been added that of Concorde, which is admitted to be noisier on take-off than any other jet aircraft in use. The noise it makes has struck dismay into the hearts of many sufferers already. But the present series of flights are designed to "try it on the dog"—to soften-up the local people into acceptance of regular daily flights by this noisy monster.

One perceptive reader in Teddington noticed that Concorde went over him after take-off on Monday at a higher altitude than normal. This was possible, of course, and no doubt deliberately designed, because on these so-called "route-proving flights" the aircraft is nowhere near fully laden.

When it is fully laden for fare-paying flights, it will obviously need more power, accompanied by more noise, for take-off, and will still be unable to climb so rapidly. The noise of the VC 10's, the Boeings and others over Teddington and Twickenham is already over the threshold of endurability. The noise that Concorde will make in normal use will be totally unacceptable.

What hope is there for the people, when their elementary right to peaceful enjoyment of their homes and gardens, and rest and sleep after their day's work, enshrined in the common law of the land, is deliberately destroyed, with no apparent means of redress?

Concorde does not even begin to make commercial sense. Not only is it contributing millions of taxpayers' money in Government subventions, but the people who "enjoy" flying in it, the *top-flight* businessmen, will be able to charge the cost against taxation.

But for the people of Twickenham, Teddington and district, the immediate problem is how to win even some slight relief from what they have suffered for the last few weeks.

[From the Richmond & Twickenham Times, June 11, 1975]

Anger Over Air Noise; It's Crash, Bang Wallop—Bid to Ban Concorde From Heathrow

The noise of Concorde, going to and from Heathrow Airport this week, has angered, worried and even frightened many residents of Richmond and Twickenham.

It was at its worst on Tuesday night when the aircraft went over central Richmond, on its way to the airport.

It made such a noise that dozens of people rushed out of their homes into the streets, many believing that an air crash was imminent.

Immediately Concorde had gone over Richmond, the telephone started ringing at the Kew home of Mrs. Alison Williams, Press officer of the Heathrow Association for the Control of Aircraft Noise, and it went on ringing, with people asking where they should register their complaints.

"HACAN has 2,500 members and is supported by 35 amenity groups," said Mrs. Williams, "and we will campaign to try and prevent Concorde using Heathrow. The noise it makes is worse than any other plane going over the district."

The association wants Lord Beswick, Under-Secretary at the Department of Trade, to visit Richmond and experience the noise of Concorde himself.

Mr. Leonard McNae, a retired journalist, who lives in Pagoda Avenue, Richmond, said that when he first heard the noise of Concorde on Tuesday evening, he thought a plane was about to crash.

"The noise was terrible," he said.

Complaints were also made to Sir Anthony Royle, through the offices of Richmond and Barnes Conservative Association, to Liberal Cllr. Tim Lewis, representing Richmond Town ward, and other Council members.

"UNACCEPTABLE"

Mr. John Saunders, of Townshend Terrace, was one of many residents who went out of his house because of the noise of Concorde, which, he said, was at an unacceptable level.

Mr. Philip Sayer, chairman of the Kew Society, said that when he heard Concorde he thought a plane was about to crash. "The noise was earshattering," he said.

Residents of the Twickenham-Teddington districts suffered when Concorde left Heathrow, and on Tuesday afternoon, schools had to stop work as it went overhead.

Cllr. Mrs. Norah Buckley, who lives in Teddington, thought the Concorde's noise was worse than that of three Caravelles.

But not everyone was upset by the Concorde's noise—a number of people claimed that over Twickenham, at least, it was no worse than other planes.[1]

[From the Richmond & Twickenham Times, July 11, 1975]

WORSE THAN EVER

For some 20 years now, reports of protests against the noise of aircraft flying into and out of Heathrow have been a regular feature of this and other local newspapers in this area. During that time many of the older sufferers have died off, and many others have moved away, to be replaced by new and younger sufferers, who take up the complaints anew.

Both Parliament and the Government departments responsible have been made continuously and emphatically aware of the extent of the suffering of literally a million or more people from this noise, for throughout, MP's in the locality have accepted it as one of the most serious problems affecting their constituents, and have been willing to support demands for some relief from the nuisance.

The results of all this have been literally painfully evident to residents of Twickenham and Teddington, ever since the "splitting" of the Mole Valley take-off route in mid-June. They have been subjected to an onslaught of noise and mechanical vibration greater in intensity and frequency, and longer in daily duration, than anything they have suffered from the day of the first public protect against this nuisance.

Almost to the day of the "route-splitting," the near-winter of May and early June had persisted. The summer came at last, but the only hope of any enjoyment of the glorious weather for people living in the afflicted area has been to get out of the place, well away from Twickenham and Teddington, and the curse of an incessant din that is beyond the bearing of normal human nerves.

Particularly during the referendum campaign of a few weeks ago, politicians have been prating about the glories of British democracy, and the need to preserve it. In heaven's name, where is this democracy to be found, if the politicians and bureaucrats who control the country not merely ignore the demands of a million people, over many years, to be allowed relief from an intolerable invasion of their domestic lives, but actually deliberately, as a matter of policy, increase this infliction?

[From the London Daily Express]

"FOREIGN" AIR GIRLS LAND A FIRST FOR BRITAIN

Welcome aboard Britain's Concorde . . . from the Gulf Air girl.

The irony as British Airways began its first passenger-carrying supersonic flight was that the airline's own cabin staff boycotted the trip.

They are in dispute over Concorde flying hours so their places on the journey to Bahrain were taken by two Bahraini stewards and four English girls working for Gulf Air.

It was the first Concorde flight for 27-year-old Cathy Murphy, of Liverpool, and her colleagues. "We wouldn't have missed it," she said.

British Airways pilots are also flying the jet under protest. They want double pay for operating Concorde to bring them into line with the £28,000 a year earned by their French counterparts.

CONCORDE ROARS TO A RECORD IN TIME FOR TEA

(By Frank Robson on board Concorde)

Concorde was streaking back to London tonight to complete an astonishing 7,000-mile round trip to the Persian Gulf for tea.

I was among 96 guests on the first British Airways passenger-carrying supersonic flight.

The Bristol-built Concorde No. 4 slashed nearly two and a half hours off the normal six hour, 15 minute journey to Bahrain.

But the superjet got off to a slow start at London's Heathrow Airport when a jammed tow-bar delayed takeoff for an hour.

But Concorde was soon climbing over France and Italy where it has to operate at subsonic speeds because of noise restrictions.

Eventually, we were cruising at 1,400 miles an hour over the Mediterranean and then across the desert wastes of Lebanon, Syria, Jordan, and Saudi Arabia to Bahrain.

We travelled 11 miles high—almost twice the height flown by conventional subsonic airliners.

During the flight, British Airways chairman Henry Marking said London-Bahrain was the route chosen for the airline's first scheduled Concorde service next January.

PROFITABLE

But he added that New York was considered the most important and profitable route. British Airways hope to start services there in April.

Proposals on fares are to be put to a meeting of the International Air Transport Association in September. "The sort of thing we have in mind for the London-New York flight will be first-class fares plus 20 per cent," said Mr. Marking.

That would mean a £657 return fare to New York and about £558 on the Bahrain route.

Passengers today included businessmen, airline and Government officials.

NOISE "EXCRUCIATING"

Concordes take-off noise registered 136 decibels—five times louder than most planes—according to Mr. Geoffrey Holmes, chairman of the Local Authorities Aircraft Noise Brigade, who took a reading at Hatton village next to Heathrow. Mr. Richard Wiggs, secretary of the anti-Concorde project, said: "The noise was excruciating."

[From the Western Morning News, July 15, 1975]

SELLING CONCORDE

An entirely new approach to trade missions is being launched in a joint Concorde venture by the Department of Trade and British Airways.

Six MPs drawn from both sides of the House of Commons will be beating the gun and leaving Westminster just before the summer recess early in August for a propaganda exercise in Australia.

There, for about a week, they will be out to "sell" the merits of the supersonic aircraft and to persuade the Australian Government to put no obstacles in its flight path.

This is the first time MPs have been used in this way and, with full Government backing, further groups involving 25 Members will be following on during August and September on what, in effect, will be a world tour. It is hardly surprising that there is stiff competition for a place in one of the missions.

[From the Hillingdon Mirror, July 15, 1975]

BOROUGH IN TALKS ON AIRCRAFT NOISE

Members of Hillingdon Council met Environment Department officials yesterday to discuss the effect of noise levels on residential development in areas near Heathrow Airport.

The Hillingdon delegation comprised Labour leader Ald. John Bartlett, housing chairman Ald. David Heppenstall, planning chairman Cllr. Don Mitchell, and Cllr. Miss Beryl Double, representing the Conservatives.

The talks have come as noise levels at the airport are at their highest because of a series of flights by the supersonic airliner Concorde.

ASSURANCES

In September last year a council officer told the public protection committee that a noise reading taken near Heathrow was 137 PNdB—above the threshold of pain.

Council officers were at the airport again last week to take readings of Concorde's flights, in co-operation with scientific officers of Greater London Council.

Their readings were not available last week, but readings taken by members of the Anti-Concorde Project showed a noise level of 137 PNdB—the same as the level recorded last year, in spite of assurances by British Aircraft Corporation that noise levels would be improved.

Project secretary Richard Wiggs said last week that the level was five times noisier than the average noise from subsonic aircraft and three times as noisy as the noisiest subsonic aircraft—a Trident.

"The question that arises is that since the noise is clearly above the threshold of pain, what is going to be the effect on small children or babies even on a minimal programme of seven flights of Concorde a day?" he asked.

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[1] Note by the Anti-Concorde Project: Twickenham is at 3½ nautical miles from start of take-off—the distance of the statutory noise measuring point, at which the "beat the meter" take-off procedure takes effect.

Mr. Wiggs warned residents groups not to be complacent about noise levels.

Mr. Mike Richardson, chairman of Longford Residents' Association, said there had not been a great stir among Longford residents because Concorde had mainly been using the southern runway.

"However, we're reserving our judgment," said.

[From the Bristol Western Daily Press, July 12, 1975]

Concorde Flight Again Hits Snag

(By Jack Pugsley)

Concorde had to be rerouted its way from London to Bahrain yesterday because Saudi Arabia had not, as thought, given clearance for it to overfly the country supersonically.

The airliner instead went to Toulouse to refuel, then flew over the Mediterranean to Bahrain. Part of the Mediterranean flight was supersonic.

Yesterday was only a positioning flight, in which the aircraft carried British Aircraft Corporation and British Airways support personnel.

RETURN

Concorde is scheduled to make the return Bahrain-London-Bahrain flight today.

A BAC spokesman said: "We are still awaiting diplomatic clearance, and we hope it will arrive by tomorrow so that we can make the return flight direct to London."

Earlier this week another Concorde flight was stopped when Saudi Arabia objected, but later it was stated its objection had been withdrawn.

Flying mainly below the speed of sound meant that Concorde took more than five hours to get to Bahrain yesterday, instead of the scheduled three hours 15 minutes.

[From the Buckinghamshire Advertiser & County Gazette, July 10, 1975]

High Sound of Concorde

Residents in the eastern half of Beaconsfield district could face a big increase in air noise when Concorde goes into operation with British airways.

For local councillors who went to Heathrow on Monday to see the supersonic airliner take-off for a proving flight to Bahrain and back learned that the take-off noise reached 137 decibels—a sound volume equal to a large number of normal airliner engines.

An Iver councillor present described the sound as "absolutely dreadful" when the plane roared off on its 7¼-hour return flight.

And Mr. Richard Wigg, leader of the Anti-Concorde Project League confirmed that the noise measurement was well above the measurement for conventional jet liners which use Heathrow.

[From the Acton Gazette & West London Post, July 17, 1975]

Residents Slam Concorde's "Din"

Concorde, the new supersonic jet liner, and local residents just do not mix, as was shown by a recent test flight from Heathrow. In fact, one resident went quite hysterical with pain from the noise it caused.

A group of local people were waiting for the pride of British aviation with noise monitors, and they were horrified at the results.

Reporting on the effect of the test flight, vice-chairman Henry Threlfall of HACAN—the Heathrow Association for the Control of Aircraft Noise—roundly condemned the plane for its "nerve shattering din".

'The noise level of Concorde taking off was equivalent to that of 20 and 30 Tridents all put together," he claimed.

"What is in store for thousands of inhabitants of the borough if Concorde comes into service next year with a projected 50 landings and takeoffs a week?

"It is simply inhuman—nothing human or animal should be subjected to a din like this. People will not be able to stand it."

"This association maintains that we now have sufficient proof that Concorde is unacceptable for regular use at Heathrow. The further proving flights to be made during the summer will, we are certain, confirm this."

In a letter to Minister of State, Lord Beswick, he pointed out that one resident standing nearby the monitoring area in Hatton became "quite hysterical with the pain, which is not an agreeable thing to see."

He asks the Minister to come and hear for himself what people living near the flight paths of Hounslow are going to be subjected to.

The noise meter readings that were taken along to the test flight recorded 136–137 PNdB compared with a reading of 119–122 for a Trident, VC 10 or Boeing 707.

[From the Evening News, July 11, 1975]

Concorde Goes Slow to Arabia

Concorde was forced to make a "round-the-houses" subsonic flight from London to Bahrein today because there has still not been cleared to fly supersonic over Saudi Arabia.

The Saudis objected earlier this week to supersonic flights but later it was understood that they had withdrawn their objections.

A BAC spokesman said today: "We are still awaiting clearance."

Concorde flew from London to Toulouse to refuel, and then over the Mediterranean and into Bahrein.

[From the Bristol Western Daily Press, July 18, 1975]

Concorde Hit by Radar Fault

(By Jack Pugsley)

The Bristol-built Concorde 204 production aircraft has run into fresh trouble in Bahrain, on its flight-proving programme.

A fault developed in the weather radar system in the nose of the supersonic airliner, and a flight from Bahrain to Bombay and Kuala Lumpur had to be cancelled, a Concorde spokesman said yesterday.

He said the radar system was being refitted and the programme was expected to be resumed last night, with another flight to Bombay and Kuala Lumpur.

The aircraft began a two-month endurance programme 12 days ago, and is based in Bahrain for the environmental part of the programme.

Since it began it has faced a ban on overflying Saudi Arabia, and a refusal by British Airways stewards and stewardesses to serve on board because of a dispute on working hours.

FLAG-WAVING

Bristol MP Mr. Terry Walker (Lab. Kingswood) has been invited by Trade Minister Mr. Peter Shore to join Concorde's flag-waving tour of the Far East and Australia next month.

A new campaign to have Concorde banned from London's Heathrow airport takes off today.

The Anti-Concorde Project, which is opposed to all supersonic airliners, has taken half-page advertisements in six local newspapers, headlined Keep Concorde Out of Heathrow.

The advertisements are financed by the anti-Concorde group, the Federation of Heathrow Anti-Noise Groups, and the Heathrow Association for the Control of Aircraft Noise.

Mr. Richard Wigg, secretary of the Anti-Concorde Project, said the advertisements provided cut-out reply coupons, so people could easily make their views known to the airport authority and to British Airways.

[From the Guardian, July 12, 1975]

Concorde Cools It

Concorde's fourth British Airways proving flight—the plane left Heathrow Airport at 10:17 yesterday for Bahrain—was confined to subsonic speeds.

But this time it was not Saudi Arabia which objected to the airliner's supersonic boom—which it did on Tuesday—but Lebanon and Syria. Although both countries apparently accept the principle of a supersonic "boom corridor" across their territory, they have asked for further discussion of the exact route.

Yesterday the airliner called at Toulouse to refuel—presumably because it requires rather more fuel to fly slower.

[From the London Evening Standard]

Saudis Bar Concorde Test Flight

(By Roger Bray)

Concorde's second proving flight was abruptly cancelled today when Saudi Arabia said it would not allow the airliner to fly supersonic over its territory.

The flight to Bahrain in the Persian Gulf was called off 14 minutes after the scheduled departure time from Heathrow as passengers waited in the cabin for takeoff.

The Saudis have asked Britain not to fly over their country while they analyse recordings carried out yesterday in Jeddah.

Concorde flew supersonically over Saudi Arabia during yesterday's historic endurance flight, which marked the start of a 300,000-mile programme of tests.

Britain was informed of the Saudi decision in a last-minute message received this morning.

Although noise is the ostensible reason for the trouble, it is understood the real cause can be found in negotiations between the Saudi Arabian national airline and British Airways over their pooling agreement for seating capacity on flights in and out of London.

SEATING

The Saudis, rich with new oil money, and in the market for new aircraft, are believed to be bidding for agreement to offer more seats.

Today's cancellation was typical of the sort of problem Concorde will be faced with during the agonising months leading up to its entry into airline service with British Airways and Air France.

A spokesman for the British Aircraft Corporation, the Concorde builders, said today: "Saudi Arabia has asked us not to fly supersonic over their * * * and require certain fuel reserves, the subsonic legs are such that we are not sure we would meet certification requirements for reserves because of the high subsonic fuel consumption."

This meant that because Concorde was at maximum fuel efficiency when flying at twice the speed of sound, it was not immediately clear there would be enough fuel to make a diversion in case of emergency if the aircraft were to fly subsonically over Saudi Arabia.

Experts waiting around Heathrow to record the noise from Concorde's Olympus 593 engines were disappointed. But it was hoped the aircraft would later take off on a flight over the North Atlantic.

Today's problem follows difficulties for the French Concorde F–BTSC which is conducting a parallel series of endurance tests.

It was understood today that route proving flights to Beirut have been cancelled by the French because of the volatile political situation in the Lebanon.

A BAC spokesman said the Syrians had also asked for a slight change in Concorde's route after yesterday's flight, but that this in itself would not have forced the interruption of the programme.

[From the Daily Telegraph, July 8, 1975]

DOM PERIGNON IN CONCORDE AT 1,350 MPH

(By Ann Morrow)

There is something delicious about sipping Dom Perignon when you're travelling at 1,350 mph at a height of 11 miles.

There were 55 of us in Concorde 204 flying from Heathrow to Bahrein on the first in a series of test trips before the plane starts commercial service with British Airways.

I was the only woman passenger.

Far from being alarming, the Heathrow take-off was incredibly exciting and within seconds we were allowed to smoke. The whole flight took 3 hours and 49 minutes—which covered a distance of 3,515 miles from London to Bahrein.

Concorde is like any other super modern jet inside—except that its * * * decor is relaxing with yellow curtains and red and purple upholstery.

All the signs are in French and English. Even though it was just a route-proving test there were lots of cosmetics on board like cleansers and skin-fresheners.

We were looked after by six stewardesses from Gulf Air—all English girls. They wore the airline's headdress—a veil in different colours. Green represents the Oman, red for Bahrein and purple for Qatar.

NO PUFFY ANKLES

One of them, Patricia Edwards, agreed that from a woman's point of view flying supersonic was really better for the skin and general well-being.

I found it marvellous to get out of Bahrein and not have the usual puffy ankles associated with long flights.

The outside temperature during the flight, minus 60 deg. C., suddenly jumped to plus 110 when we went supersonic.

For two hours and 10 minutes we were supersonic. The tiny windows were warm to touch and the sky the strangest and darkest blue I've ever seen. We had flown subsonic across Europe until we got to the Adriatic.

Sir Geoffrey Tuttle, vice-chairman of the Commercial Aircraft Division, British Aircraft Corporation, confessed: I've flown on Concorde 133 times and it's still magical for me."

In the cockpit Capt. John Cochrane, of BAC, and Capt. Mickey Miles, British Airways, were totally relaxed. I was one of the few women to visit them on Concorde apart from Princess Margaret and the Duchess of Kent.

Mr. Henry Marking, managing director of British Airways, holding a supersonic press conference, talked about plans for Concorde when scheduled services with British Airways and Air France begin next year. Hoped for routes will be London-New York, Tokyo-Soviet Union and Australia.

CHASED THE SUNSET

We chased the sunset as Concorde flew back to London in 3 hrs. and 54 mins. The whole trip covered 7,030 miles and took 7 hours 43 minutes flying time together.

On the return journey, all the passengers were much more blase when we went supersonic with the sky a mass of orange, green and dark blue.

But the departure from Bahrein was low-key, after the emotional send-off from Heathrow.

CONCORDE NOISE

"INTOLERABLE" CLAIM

Our Air Correspondent writes: When Concorde 204 took off from Heathrow yesterday it made "an intolerable noise which shook the ground and people's bodies," claimed Mr. Michard Wigg, secretary of the Anti-Concorde Project League.

He said he had monitored the noise at Hatton one mile from the end of Heathrow's runway, and recorded 137 perceived decibels of noise.

Boeing 707s, monitored at the time, made only 112 perceived decibels and a Trident recorded 123.

[From the Evening News, July 9, 1975]

CONCORDE FLIGHTS HIT A NEW SNAG

(By John Keeble)

The trouble-hit Concorde test programme was disrupted again today, as its proposed flight to Bahrein was dropped for the second day running.

The latest problem centred on a route change requested by the Lebanon after Monday's supersonic flight over its territory.

"The re-tracking was not of significant proportions, but the request reached us too late for flight planning," said a spokesman for Concorde's builders, the British Aircraft Corporation.

EMERGENCY

Yesterday the Saudi Arabian government ordered a supersonic ban over its country while it assessed Monday's Concorde noise readings. It later withdraw the ban.

VIPs scheduled to fly on the 7,000-mile round trip to Bahrein were taken on a flight over the North Atlantic instead yesterday—and witnessed another hitch.

Concorde's pilots, flying the plane 54,000 ft. high at 1,320 mph, had to make an emergency shutdown of an engine.

The plane, which was turning back to Britain 300 miles off Newfoundland, returned to Heathrow at 700 mph.

A BAC spokesman said today that fault was in the warning system, which falsely showed the engine overheating.

Concorde was making another Atlantic flight today, and resumes Bahrein tests on Friday.

[From the East Anglian Daily Times, July 8, 1975]

CONCORDE GETS ITS NOSE STUCK

The Anglo-French supersonic Concorde made its first passenger-carrying flight yesterday from London to Bahrain—after an embarrassing technical hitch that delayed take-off by an hour.

Sporting the red, white and blue livery of British Airways, Concorde made the 3,515-mile journey in three hours and 50 minutes, clipping the regular time for the London-Bahrain run by one-third, and was 20 minutes ahead of its own flight timetable.

The delay at Heathrow Airport was caused by a pin that jammed a towing tractor to Concorde's nosewheel. While ground crew worked to get the airliner free, the flight captain, former RAF pilot Mickey Miles, 51, apologised repeatedly to the 50 specially-invited guests aboard.

CHALLENGE

Mr. Richard Wigg of Anti-Concorde project said, the noise at the nearby village of Hatton was "excrutiating." He said he would challenge the Ministers responsible for Concorde, the plane's makers and British Airways officials, to go to Hatton and experience the noise of Concorde taking off.

The flight was the first in a final two-month endurance programme to prove airworthiness. The aircraft is to start carrying fare-paying passengers on its London to Melbourne route next January.

This is typical of a large number of published reports based on a report transmitted by the Press Association.

[From the London Evening Standard, July 7, 1975]

CONCORDE ROARS INTO AN UPROAR

With an ear-splitting, ground-shaking roar the first of British Airways' Concorde fleet left Heathrow today. Behind, she left a mass protest at the "bloody unbearable noise."

Concorde was over an hour late for take off on her first airline condition-proving flight to Bahrein.

Five miles from the "point of roll" members of the Local Authorities Aircraft Noise Council waited with noise recorders.

For 90 minutes they monitored Tridents, Jumbos, Tri-Stars and VC 10s. The noisiest, a Trident, roared over to record a noise factor of 122. Concorde's ear-splitting roar clocked 136.

Then council chairman Mr. Geoffrey Holmes said: "That is equal to the noise of 30 Tridents all taking off at once.

"This Concorde noise level is impossible to live with. People cannot be expected to live here with this," he said.

Mr. Holmes was speaking from the grass-covered centre of Hatton Green—an estate of properties built 25 years ago to house the families displaced when Heathrow was built across Harlington Road. One of those displaced persons is Mr. Fred Wheatley, 68. After Concorde's passing he said: "For 25 years I've learned to live with aircraft noise.

"I don't see how anyone is going to live with that."

Mrs. Ethel Young, 95, is the oldest Hatton Green resident in an old people's bungalow. She said: "That was too terrible for words. It's awful. It's left me shaking."

Loudest and bluntest outburst of all came from Mrs. Gladys Morris, another long-term tenant who said: "I'm still shaking.

"They expect me to pay £8.81 a week for that bloody noise. This is too much. It's the end."

Mrs. Norma Thurgood has lived on Hatton Green for just 12 months. She said: "I wasn't expecting it and when Concorde went over it frightened the life out of me."

Mr. Geoffrey Holmes, who is also chief environmental officer at Reading, said: "The recording went right off the top of our equipment. Something has to be done. No one can expect people living around airports to tolerate that."

The British Airports Authority telephone switchboard at Heathrow received no complaints from local residents living under the airline's flight path.

A spokesman said: "No one complained—quite the opposite in fact. Our switchboard has been inundated with calls from well-wishers."

[From the London Evening Standard, July 9, 1975]

"SHATTERING CONCORDE ROAR" ROW

Concorde's shattering descent into Heathrow last night caused widespread alarm in West London.

Residents long-used to aircraft noise rushed into the streets to see what had caused the ear-splitting roar.

The supersonic airliner was flying on only three of its four engines because of a fault in the monitoring system, the British Aircraft Corporation said today. Apart from that the landing was "perfectly normal."

But in a terrace of 13 cottages at Richmond, four householders dashed into the street. Mr. Walter Mills, who has lived beneath the flight path for many years, said:

"I was watching television when everything in the house started shaking. I am so used to planes flying over that I tend to switch off and not hear more than a drone.

DEAFENING

"But this was something totally new. I couldn't hear the television three yards from me. The roar was so loud I covered my ears. It was genuinely scarifying."

A neighbour added: "Allowing for the fact it was a warm evening and all the windows were wide open the volume of noise was deafening. I also covered my ears. It seemed as if the plane was coming through the French windows and flying out the front door."

In Grena Road, Richmond, one resident said: "Concorde followed about five other planes into Heathrow which flew overhead with scarcely a thought or a glance, and it illustrated quite clearly the difference in noise level.

"Nobody will ever be able to persuade me that Concorde is just the same as any other aircraft. It isn't."

Mrs. Eileen Murray, who lives off Bath Road, beneath the Heathrow flight path, said: "I for one will not be too happy if Concorde is taking off and landing regularly at the airport."

Mr. James Howard, of Whitton, said: "It was noisy enough last night to make me go out and watch it. I am so used to airplanes overhead I learn to switch off after a while but for some reason this made me want to take a look."

BAC said later that yesterday's fault would not affect today's flying.

Mr. Philip Sayer, chairman of the Kew Society, said when he heard the Concorde from his home in Fitzwillian Avenue, Kew, he thought the aircraft was just about to crash.

"The noise was really frightening," he said. "And I rushed out of the house, as did my neighbours and heard the ear-shattering noise as the plane went over. The noise got worse as the plane went off into the distance."

In the Hounslow area some people said they felt so battered by aircraft overhead every two minutes that Concorde had gone unnoticed this week.

The Department of Trade, to which noise complaints are being channeled, is understood to have received a modest reaction to yesterday's flight, but it was noted today that some calls came from people living in areas not usually disturbed by aircraft noise.

[From the Western Daily Press, July 8, 1975]

NEW YORK IS THE BIG ONE FOR CONCORDE, SAYS CHIEF

(By Jack Pugsley)

The most important route British Airways wants for its supersonic Concorde service next year is London-New York.

In his first supersonic press conference as Concorde 204 sped from London to Bahrain, Mr. Henry Marking, chairman of British Airways said:

"Although we have not yet got the necessary permission to fly into Kennedy airport, I am hopeful that by next April this will be cleared up."

Concorde will first go into service between London and Bahrain in the Middle East, next January.

Concorde was delayed for nearly an hour in a queue of subsonic airliners before it could take off from London's Heathrow, yesterday for the route-proving flight to Bahrain.

NOISE

During the time it was on the ground it could have been over the Mediterranean and accelerating to twice the speed of sound.

It lost its place in the take-off queue when a towbar broke, but British Airways said it soon made up 27 minutes of the lost time on the four hours ten minute flight.

Concorde chased the sun on the return trip. From night time in Bahrain, the supersonic jet landed in the after-glow of an English sunset.

The 7,530-mile round-trip took just over 9½ hours, an actual flying time of just over seven hours 40 minutes.

It was the first of an intensive programme for Concorde which will make more than 60 endurance flights from Heathrow over the next two months.

Anti-noise groups, and Trade Department officials with noise monitoring equipment were out in force at the airport.

But up to three hours after Concorde had left Heathrow, the Trade Department had received only four complaints about noise.

[From the Richmond & Twickenham Herald, July 17, 1975]

CONCORDE ROARS INTO ROW

The row about Concorde grows steadily louder, and Sir Anthony Royle, MP for Richmond and Barnes, has now entered the fray.

Sir Tony reports that, following numerous complaints from constituents about the noise made by Concorde, he has taken up the question with the Minister concerned, and also put down a Parliamentary Question to the Secretary of State for Trade.

Noise monitoring tests of Concorde at Heathrow have confirmed the worst fears of the Local Authorities' Aircraft Noise Council, of which Richmond upon Thames is a constituent member.

Results of initial noise tests were considered on Friday and showed that decibel readings for Concorde were well over the threshold of pain.

Concorde is three times as loud as the previous noisiest aircraft out of 28 types measured, and independent experts state that it would take more than 30 Tridents, flying simultaneously overhead to make the noise that Concorde did on the days of the tests last week.

The Government has imposed a security embargo on the results of official noise level tests.

The LAANC has demanded that Ministers concerned should spend a few days in the noisy conditions and experience what residents near Heathrow have to suffer.

Chairman, Mr. Geoffrey Holmes, stressed that the LAANC was not anti-Concorde, but opposed any increase in the already "unbearable" noise burden inflicted on the two million residents affected by air traffic.

[From the Manchester Daily Telegraph, July 22, 1975]

CONCORDE "LEGAL FIGHT" THREAT

A leading Congressional opponent of the Anglo-French Concorde yesterday threatened legal action to bar the supersonic airliner if it is allowed to land at Kennedy Airport, New York.

Citing British Press reports of complaints about the noise of Concorde's engines, New York Democrat Lester Wolff said he would help organise citizens anti-noise suits against the Port Authority of New York if it failed to ban the aircraft from regular scheduled flights.

[From the Brentford & Chiswick Times, July 17, 1975]

WAS HYSTERICAL WITH PAIN OVER CONCORDE NOISE

A plea that a Government Minister should travel down to the West London area and actually hear for himself the noise of Concorde's take-off and landing was made last week by a local amenity group.

It follows the flight last week undertaken by members of the Press when Concorde flew them from Heathrow to Bahrein and back.

Mr. H. M. Threlfall, vice-chairman of the Heathrow Association for the Control of Aircraft Noise, has written to Lord Beswick, Minister of State at the Department of Industry.

Sent on the day Concorde flew the journalists to the Middle East, the letter from Mr. Threlfall, who lives at 60 Strand-on-the-Green, states that one resident had become hysterical with pain because of the sound emitted at Hatton.

Mr. Threlfall told the Times that sound from Concorde on taking off made a noise equivalent to that of between 20 and 30 Tridents all together.

"What is in store for thousands of inhabitants of the borough if Concorde comes into service next year with a projected 50 landings and take-offs per week is simply inhuman—nothing human or animal should be subjected to. People will not be able to stand it.

"The association maintains that we now have sufficient proof that Concorde is unacceptable for regular use at Heathrow. The further proving flights to be made during the summer will, we are certain, confirm this amply," added Mr. Threlfall.

[From the Middlesex Chronicle, July 18, 1975]

CONCORDE DISCORD

Unofficial noise monitoring tests of Concorde at Heathrow confirm the worst fears of the campaigners against jet noise. Letters from readers this week also support the claim that Concorde, a major technological breakthrough and an aircraft which could revolutionize air travel, is unacceptable to those under its takeoff and landing flight paths.

The government has imposed a security embargo on the results of its own official noise level tests but there is already ample evidence to show that because of its roar the Concorde that flew last week must not be the Concorde that will eventually go into service.

Figures issued by Hounslow Council show that over Hatton Green, Concorde was 26 perceived noise decibels higher than Department of Trade limits. Over Hounslow Heath it was five over the limit. On landing, Concorde was 21 perceived noise decibels more than the Department of the Environment limit when over Hatton Green.

Tests taken by the Local Authorities Aircraft Noise Council put the figures into perspective. Concorde, says the council, produced noise well over the threshold of pain; the aircraft was three times as loud as the previous noisiest aircraft out of 28 measured, and that it would take more than 30 Trident aircraft, flying simultaneously overhead, to make the noise that Concorde did on the days of the tests.

At a time when several airlines are making strenuous efforts to reduce the noise levels of existing aircraft—and Lufthansa, as the German airline points out in a letter on this page, is a prime example—we cannot have new aircraft going into service producing noise above the already intolerable levels.

Concorde on its tests is proving a safe, reliable, fast jetliner, to those who will fly in it up there. It has a long way to go before it proves to be acceptable to the millions affected by Heathrow traffic who will have to live with it down on the ground.

[From the Evening Standard, July 7, 1975]

CONCORDE ROARS INTO AN UPROAR

With an ear-splitting, ground-shaking roar the first of British Airways' Concorde fleet left Heathrow today. Behind, she left a mass protest at the "bloody unbearable noise." Concorde was over an hour late for take off on her first airline condition-proving flight to Bahrein.

Five miles from the "point of roll" members of the Local Authorities Aircraft Noise Council waited with noise recorders.

For 90 minutes they monitored Tridents, Jumbos, Tri-Stars and VC 10s. The noisiest, a Trident, roared over to record a noise factor of 122. Concorde's ear-splitting roar clocked 136.

Then council chairman Mr. Geoffrey Holmes said: "That is equal to the noise of 30 Tridents all taking off at once.

"This Concorde noise level is impossible to live with. People cannot be expected to live here with this," he said.

Mr. Holmes was speaking from the grass-covered centre of Hatton Green—an estate of properties built 25 years ago to house the families displaced when Heathrow was built across Harlington Road. One of those displaced persons is Mr. Fred Wheatley, 68. After Concorde's passing he said: "For 25 years I've learned to live with aircraft noise.

"I don't see how anyone is going to live with that."

Mrs. Ethel Young, 95, is the oldest Hatton Green resident in an old people's bungalow. She said: "That was too terrible for words. It's awful. It's left me shaking."

Loudest and bluntest outburst of all came from Mrs. Gladys Morris, another long-term tenant who said: "I'm still shaking.

"They expect me to pay £8.81 a week for that bloody noise. This is too much. It's the end."

Mrs. Norma Thurgood has lived on Hatton Green for just 12 months. She said: "I wasn't expecting it and when Concorde went over it frightened the life out of me."

Mr. Geoffrey Holmes, who is also chief environmental officer at Reading, said: "The recording went right off the top of our equipment. Something has to be done. No one can expect people living round airports to tolerate that."

Mr. Richard Wiggs, full-time secretary of the Anti-Concorde Project said: "The Government have led us up the garden path.[1] That noise is more than the bearable threshold. I will be telling the people in New York about this morning's reading. That's where there's likely to be legal action to stop this unbearable and cursed thing."

PRELIMINARY RESULT

Greater London Council experts measuring the effects of Concorde's Olympus 593 engines on Hounslow Heath made it several decibels louder than any other aircraft which had flown overhead in the previous hour.

But they stressed that this was only a preliminary result, and that the gusting wind might force them to discard the results in later analyses.

Today's flight was being undertaken in conditions fairly representative of air line service—that is to say with an almost full load of passengers and a representative amount of fuel.

The GLC noise reading on Hounslow Heath, about three-and-a-half-miles from the start of take-off roll, was 102 DBA.

[This is a decibel measurement which includes a special weighting to take account of frequency.]

Minutes afterwards a VC–10, though slightly lower, it seemed, recorded a peak of 98 DBA. A low-flying Boeing 747 Jumbo jet had peaked at 91, and a DC–10 at 85. One problem for the experts is that all these aircraft were at slightly different heights and take-off paths, and more accurate measurements taking altitude into account will not be made till later.

The British Airports Authority telephone switchboard at Heathrow received no complaints from local residents living under the airline's flight path.

A spokesman said: "No one complained—quite the opposite in fact. Our switchboard has been inundated with calls from well-wishers."

CREDIT FOR INTEREST ON MORTGAGE

Mr. MONTOYA. Mr. President, on July 10 I introduced S. 2082, a bill to amend the Internal Revenue Code to provide for a credit, in lieu of a deduction, for interest paid on a mortgage on a taxpayer's principal residence. The main thrust of the statement I made at that time, and the purpose and intent of my bill is to correct the way in which we now encourage and assist homeownership through the tax system.

We no longer, it seems to me, provide assistance to the average working family in buying a home. Since these median-income families are the backbone of our revenue system, paying the bulk of the taxes through which we provide Government assistance of this kind, it is clear that we must find a way to assure that they are not shut out of the housing market as a result of inflated home costs and inflated interest costs. The situation is so serious that many economists, both conservative and liberal, have now pointed out that only the very top income groups in the United States can afford to purchase the "average" new home. What this really means is that our handicapped and wounded construction industry is now forced to build homes only for the wealthy.

On July 26, Mr. Kenneth R. Harney of the Bureau of National Affairs, Inc., wrote an article for the Washington Post which illustrates this point very clearly. I ask unanimous consent that Mr. Harney's statement be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD as follows:

HOUSES: ONLY FOR WEALTHY?

(By Kenneth R. Harney)

A subtle but tremendously important shift is occurring in national housing policy that could determine whether millions of Americans will ever own a home.

No one in Congress or the White House has put it in blunt terms but here are the facts:

Home buying in the U.S. has become the exclusive preserve of a decreasing fraction of the nation's families. Sixty-three per cent of U.S. families own their homes, but only the top 15 per cent of U.S. families have the income to buy even a median-priced new home in today's market.

The economic advantages of owning a home—as an investment hedge against the worst period of inflation the country has ever experienced and as a way to cut the federal tax bite—have grown sharply in the past several years. The Treasury wrote off more than $10 billion in tax revenue last year in the form of deductions for mortgage interest and property taxes by homeowners; it will write off in the neighborhood of $11 to $12 billion this year. Homeowner tax collections represent what is by far the federal government's largest housing subsidy program, but one which is accessible to progressively fewer—and richer—newcomers.

The federal government's official policy is to encourage homeownership as a goal in the national interest. Its activities in the past several years, however, have restricted the supply of housing for families with incomes at the national average and below. In 1973, according to data compiled by the congressional Joint Economic Committee, 121,000 dwellings with prices below $25,000 were produced under two moderate income subsidized homeownership programs—the Department of Housing and Urban Development's Section 235 and the Farmers Home Administration's Section 502.

These units constituted 85 per cent of all new housing for less than $25,000 (excluding mobile homes) in 1973. The following year, as the effects of President Nixon's moratorium on low- and moderate-income subsidies took shape, only 10,000 units were produced for sale under Sections 235 and 502, severely limiting the availabilities in the $10,000 to $12,000 income range.

Through a series of mortgage purchase programs during the past 18 months, the federal government has provided some aid for the housing market in general, but nowhere near the amounts needed to sustain a high level of home buying, and nowhere near the amounts cited in the headlines accompanying Presidential announcements of the aid. Of the $13.5 billion made available by HUD to assist the mortgage market since early 1974, for example, only $4 billion has actually been used to purchase mortgages.

The rest remains in the hands of lenders, still to be committed to home buyers or simply never used. What percentage of the remainder will ever go for mortgages is uncertain. Of the $3 billion in special Federal Home Loan Mortgage Corp. assistance made available last year for home mortgages, only $1.25 billion has ever been used by lending institutions.

The new Secretary of HUD, Carla A. Hills, has conceded that research performed by her own department has been unable to turn up conclusive statistical evidence that the federal government's main mortgage market assistance program—known as the "tandem plan"—has had any stimulative effect on housing and production: i.e., total housing availability.

Congress, for its part, has filled its halls with rhetoric extolling the virtues of homeownership, but has given home buying a surprisingly low legislative status. Over the past 2½ years, both the House and Senate have all but acceded to former President Nixon's policy of ending federal aid for home-buying by families earning less than the median income. Congress has gone along with the phaseout of Section 235 on budget grounds—although a suit by the General Accounting Office to free $250 million in impounded funds is now in court—and has accepted the White House view that federal money should only be used to put lower and moderate income families into rental units, not units they own.

Despite its heavy Democratic majorities, Congress lost a fight with President Ford on homeownership this spring when it failed to override his veto of a bill that would have provided subsidies for 400,000 middle income families to buy houses in the next 12 months. What is finally agreed to was a bill providing substantially less federal support, with a built-in Presidential control on when and how much of the assistance will be spent. The bill authorized $10 billion in "tandem plan" aid; the administration promptly turned around and said it only wanted $5 billion in appropriations and warned that it may never use any of the funds at all.

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[1] The "garden path" remark was Geoffrey's. (So was the "bearable threshold" comment).

The chief casualties in the shrinking home buying market are the people who look forward to owning a home as an important step up—young couples just establishing their families, and middle income families and individuals. The couples in their mid 20s and early 30s whose parents in the post-World War II period found homeownership a readily attainable goal—because federal policy made it attainable—now find themselves confined to suburban apartments with little prospect of change.

PROPOSED SALE OF HAWK MISSILES TO JORDAN

Mr. SPARKMAN. Mr. President, on July 10, 1975, the Department of Defense notified the Congress of proposals to sell a classified number of Hawk and Vulcan weapons to the Government of Jordan. The statements of these offers were submitted pursuant to section 36 (b) of the Foreign Military Sales Act. The 20-day period during which Congress has the right to disapprove sales proposals in excess of $25 million by concurrent resolution was due to expire July 30.

However, the Department of Defense resubmitted the proposal July 28 to allow the Congress an additional 20 days for consideration. The proposal is to be submitted twice more in sequence so that the period for congressional review of the proposed Hawk missile sale to Jordan will expire in late September after Congress has returned from the August recess and has had an opportunity to fully assess the proposal.

I ask unanimous consent that the resubmitted proposal be printed in the Congressional Record following my remarks. I ask also that the explanatory covering letter from the Department of Defense and the relevant letter from Robert Ingersoll, the Under Secretary of State, be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Office of the Director, Defense
Security Assistance Agency,
Washington, D.C., July 28, 1975.

Hon. John J. Sparkman,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: Pursuant to the reporting requirements of Section 36(b) of the Foreign Military Sales Act, as amended, we are retransmitting under separate cover Transmittal No. 75–40A, concerning the Department of the Army's proposed Letter of Offer to Jordan for the Hawk Air Defense System.

When this 20 day notification period expires, we will resubmit the notification required by Section 36(b) of the Foreign Military Sales Act, as amended, thereby providing an additional period of 20 days in view of the Congress regular August 1975 recess. We will also, on the expiration of that 20 day period, resubmit for one additional period of 20 days to insure an opportunity for Congressional review after the August recess.

Sincerely,

H. M. Fish,
Lieutenant General, USAF.

Transmittal No. 75–40a

Notice of proposed issuance of letter of offer pursuant to section 36(b), of the Foreign Military Sales Act, as amended.

a. Prospective Purchaser: Jordan.

b. Total Estimated Value: (Deleted).

c. Description of Articles or Services Offered: Improved Hawk Air Defense Equipment. (D) Batteries, with supporting test equipment, current spare parts, and (D) Improved Hawk Missiles.

d. Military Department: Army.
28 July 1975.

e. Date Report Delivered to Congress: 28 July 1975.

Department of State,
Washington, D.C., July 28, 1975.

Hon. John Sparkman,
Chairman, Senate Foreign Relations Committee, Washington, D.C.

Dear Mr. Chairman: In connection with the letter of offer to sell Hawk missiles to Jordan sent to the Congress by the Department of Defense on July 10, 1975, under Section 36(b) of the Foreign Military Sales Act, as amended, we will submit a new notification of the proposed letter of offer prior to the expiration of the initial twenty-day period on July 30, 1975, and again resubmit it for an additional time period of twenty days immediately thereafter in view of the Congress' regular August 1975 recess. If necessary, we will, at the expiration of this second twenty-day period, resubmit it for an additional period of twenty days.

Sincerely,

Robert S. Ingersoll,
Acting Secretary.

FEA: IN THE DARK—V

Mr. METCALF. Mr. President, four times in the past 2 weeks, I have called to the attention of my colleagues that the Federal Energy Administration, saving energy by working in the dark, has been doing an "information survey" of the problem of electric utility construction and output.

These remarks appear in the Congressional Record editions of July 9, 10, 11, and 16.

They document that a Federal agency sent an "information survey" team into a State that has acted responsibly in the area of utility construction without timely notification to either the State government or local people concerned; that they were interested only in talking to spokesmen for commercial utilities.

Further documentation is provided by a letter to FEA Administrator Zarb from Gov. Thomas Judge of Montana. Under date of July 21, he said it "appears that the Federal Government is interfering with the internal affairs of the State of Montana." The Governor continued:

> The rights of the people of this State to the management of our water, coal, minerals and other natural resources cannot and must not be cavalierly cast aside by the Federal Government.

Mr. President, I call this letter to Mr. Zarb to the attention of my colleagues and ask unanimous consent that this letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

July 21, 1975.

Mr. Frank Zarb,
Administrator, Federal Energy Administration, Washington, D.C.

Dear Mr. Zarb: It was particularly disturbing for me to discover first in reading in the newspaper that the Federal Energy Administration had sent a five-member Labor Management Task Force to Colstrip, Montana.

I understand, by reading the press release, that the President, acting on a recommendation of this Task Force, has asked the FEA to examine cases where utility plants are being delayed for one reason or another. It appears to me that your agency did go to the trouble of directly contacting Joseph McElwain, the President of the Montana Power Company, prior to their visit. At that time, he issued a press release criticizing the state's review of proposed Colstrip Units 3 and 4 under the Montana Utility Siting Act of 1973.

It appears to me that the Federal Government is interfering with the internal affairs of the State of Montana. The rights of the people of this state to the management of our water, coal, minerals and other natural resources cannot and must not be cavalierly cast aside by the Federal Government. The people of this sovereign state—acting through the Legislature, the new State Constitution and the Executive Branch of State Government under this administration—have voiced their determination to maintain an equitable balance between the harvesting of our resources and the quality of our environment. In addition, the people of this state have made clear throughout the history of our region—prior to and since statehood—that they will surrender to no one control over the shape and destiny over their own communities. The Tenth Amendment to the Constitution of the United States guarantees to them this right.

By conferring only with the representatives of the Montana Power Company, the FEA has displayed callous disregard for the people of the State of Montana. Any recommendation made to President Ford on the basis of this visit can, at best, be one-sided. Therefore, I would appreciate hearing from you at your earliest convenience as to how this situation can be remedied.

Sincerely,

Thomas L. Judge,
Governor.

Mr. METCALF. Mr. President, on July 9, I had a messenger deliver my inquiry for a report on this question to Mr. Zarb. He has been unable or unwilling to reply.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, yesterday I noted that the Genocide Convention is one of those treaties which affirms the kind of commitment to peace and to the sanctity of life which this country has always exhibited. I noted that our presence at Helsinki is another example of the strength of our commitment to international cooperation.

I want to point out that this principle of life's sacred value is a strong one in American life. In my opinion, the environmental concern which we have seen in the last few years grows out of this principle, as does the civil rights movement.

Mr. President, I have shown clearly in these past few years that the legal and technical arguments against the ratification of the Genocide Convention are either false or outweighed by the benefits of this treaty. At a time when our international posture is at a moral low point, we could do no better than to step forward among the nations of the Earth and affirm a basic principle: the right of ethnic groups to preserve their heritages. Surely, if we can agree not to go to war over European boundaries, we can agree to punish genocide.

MINNEAPOLIS AGE AND OPPORTUNITY CENTER, INC.

Mr. HUMPHREY. Mr. President, on Sunday, July 27, the CBS television program, "60 Minutes," had a special feature on the Minneapolis Age and Opportunity Center, Inc. I am most pleased to see that this program is being recognized for the fine work they are doing to help our elderly in the Twin Cities area. There is no question that this is truly an exemplary program, demonstrating how a comprehensive program of support services can be established to serve the elderly.

On July 8, eight representatives from the Minneapolis Age and Opportunity Center, Inc., headed by Ms. Daphne H. Krause, executive director, appeared before the House Subcommittee on Health and Long Term Care of the Select Committee on Aging.

The Minneapolis Age and Opportunity Center, Inc.—MAO—was incorporated in 1969 as a nonprofit corporation. An organization that has received funds only from the Minneapolis and St. Paul area, it has combined the efforts of many local organizations and individuals to become what committee chairman Pepper characterized as "the best of this type of program anywhere in the country." This group of concerned citizens have combined their efforts to provide a multidiscipline, comprehensive program of supportive services as an alternative to institutionalization for many of our elderly.

Some of the programs which serve our senior citizens include a broad range of medical services and delivery approaches to providing medical care, home delivery meals, an employment service, home care services, handyman services, a transportation program, legal services, counseling, information, and referral services, Operation Grandparents, volunteer services, telecare phone services, Food Closet, a 24-hour emergency service, and many other valuable services for our senior citizens.

Ms. Krause points out that 8 years ago there were few programs that were meeting the needs of the elderly. There was little idea on what the problems were, nor were there ideas on how to go about solving some of the problems of the elderly. Ms. Krause attacked the problem by searching for those elderly citizens who could help her. Today, it is a different story in Minnesota and elsewhere. There are presently some very well organized groups such as the Metropolitan Senior Foundation, and the Northeast and North United Seniors. These groups, besides being involved, are taking steps to insure that older people's concerns are being heard and dealt with.

While meeting with the senior leadership the first several months Ms. Krause learned of the disintegration of lives when they encountered multiple social and medical problems. She saw that these problems compounded one another so much that they could be summed under the broad heading of "health." She found that medical intervention by itself was not enough and that social services could not stand alone if medical needs were not met. It was at this point that Ms. Krause coined the term "medi-supportive" to describe what she was hearing.

The seniors expressed many fears that an elderly person in our society should not have to confront. They feared institutionalization, the traditional approach to handling severe social and medical problems. They spoke of fear of personal assault, of loneliness, fear of dying alone, and fear of fear. They spoke of the need for an alternative system for people who did not need 24-hour care, with or without nursing service.

The seniors and Ms. Krause met with the president of Abbott/Northwestern Hospital, Inc., Robert C. Millar, and George G. Adamovich, administrator, to discuss the concept of MAO. It was recognized that the hospitals had all the services and expertise necessary to join and produce the "medi-supportive" concept.

These conferences led to many great achievements. First, the founding of the Abbott/Northwestern-Minneapolis Age and Opportunity Center, Inc. senior citizens clinic, the first of its kind in the country. Second, the start of home delivered meals, using the hospital's dietary department and kitchen. Third, the placement of the first nurse in a high-rise in Minnesota. Fourth, the first subsidized clinic and first "mini-clinic center" in America. Along with these developments there was the start of many unique service delivery consortiums with other partners.

As an example of how badly such a clinic was needed, and to show that it did indeed serve a great purpose, in a matter of 3 months over 8,000 people registered for the clinic who were eligible. The clinic and the hospital were swamped. The Abbott nurses and MAO counselors were screening a hundred patients a day, and having to make the agonizing choice between the sick, as to who would have the opportunity to see a doctor. Shocking cases of neglect came to the attention of the clinic.

It was pointed out in the testimony of Joseph Wolkowicz, that there are over 8,000 seniors on "medi-supportive" services, plus the 21,000 that the program is serving through volunteer action programs. Mr. Wolkowicz pointed out that it has been conservatively estimated that 40 percent of the present nursing home population would not be there if supportive services were available to them. Moreover, nursing homes are costing the American taxpayer an unbelievable amount of $2.7 billion per year.

The story of MAO has been spread through almost all branches of the media, reaching over 200 million people. It seems very clear to me that MAO is showing us the direction that we as a Nation must take in answering the needs of the elderly in this Nation. There is so much more that could be said about the MAO program. We can only learn from it.

I urge everyone to take a very close look at this program. It shows how we can give these citizens the chance to live without fear or despair and contribute to the Nation.

LIFTING OF ECONOMIC SANCTIONS AGAINST CUBA

Mr. McGEE. Mr. President, for 11 years the executive branch has taken the position that U.S. policy toward Cuba would be guided by the 1964 OAS resolution which imposed severe political and economic sanctions against the Castro government. Hence what our policy toward Cuba has lacked in imagination has been countered by the consistency of it—at least until yesterday.

Mr. President, the concerted efforts of the nations of this hemisphere to isolate Cuba came to end yesterday in San Jose, Costa Rica, when the United States and 15 other members of the Organization of American States voted to set aside the 1964 sanctions resolution.

The positive vote of the U.S. delegation, headed by Ambassador William Mailliard, in brining about this major change in OAS policy should not go unnoticed. For example, the Washington Post reports this morning:

> The U.S. voting switch to affirmative—after abstaining when the OAS first sought to lift the quarantine last November—was the key change.

Mr. President, this is an encouraging change, one which I have advocated for several years. I hope it will be followed by progressive removal of our own economic embargo and by efforts to reestablish normal diplomatic relations. The San Jose decision clears the way for such moves by the United States. We should respond promptly.

I ask unanimous consent that this morning's Washington Post article entitled "OAS Lifts Isolation on Cuba" be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

OAS Lifts Isolation of Cuba

(By Joseph Novitski)

San Jose, Costa Rica, July 29.—The United States joined 15 Latin American nations here today in voting to end 11 years of formal diplomatic and economic isolation of Cuba from its Latin neighbors.

The United States which began the push to cut off Prime Minister Fidel Castro's Communist government from the rest of Latin America, was behind the diplomatic formula put together at a special meeting here of the Organization of American States to end the collective sanctions forbidding diplomatic and trade relations and all shipping to Cuba.

Affirmative votes of Argentina, Colombia, Costa Rica, Ecuador, El Salvador, Honduras, Mexico, Panama, Peru, the Dominican Republic, Trinidad-Tobago, Venezuela, Haiti, Bolivia and Guatemala were lined up by Mexican delegates last week, after the U.S. delegation to the OAS had committed its vote earlier this month in Washington.

Brazil and Nicaragua abstained from voting. Chile, Paraguay and Uruguay voted no.

The approved resolution left OAS members free to establish whatever relations they want with Cuba, thereby nullifying the collective decision for sanctions made 11 years ago this month in Washington, at the height of the Cold War and Cuban-supported guerrilla activity in the hemisphere. Eight Latin American nations were already ignoring the 1964 resolution.

Costa Rican President Daniel Oduber said the resolution marked the end of the Cold War in Latin America. However, as delegates from the right-wing government of Chile, Uruguay and Paraguay pointed out in voting against the formula, no delegation has asserted that Cuba had stopped meddling, sometimes violently, in the affairs of its neighbors.

The 100-minute voting session in a crowded meeting room of a hotel catering to American tourists seemed an uncertain end for an era in inter-American relations. The vote, U.S. officials have said repeatedly, does not mean the U.S. boycott of Cuba will end immediately or that the United States will establish diplomatic relations with the Castro government soon.

An immediate effect of the resolution here, diplomats said, will probably be the reestablistment of diplomatic relations with Cuba by Costa Rica, Ecuador, El Salvador and Honduras.

The final, low-key solution of the Cuban question reflected Castro's failure to transplant his formula for socialist revolution to any other Latin country, latent Latin irritation over the way the United States had imposed its Cuban policy on its neighbors and a slow change in U.S. policy after President Nixon resigned.

The U.S. voting switch to affirmative—after abstaining when the OAS first sought to lift the quarantine last November—was the key change.

The formula drafted here, after about three months of maneuvering set in motion by American diplomats, leaves all 21 countries that belong to the defense treaty linking the United States and Latin America free to choose what kind of relations each will maintain with Cuba. It does not compel the United States or any other nation, to change its own policies and therefore leaves intact the U.S. boycott of Cuba, a wall built of executive orders and legislation dating back to 1960 that consistently hurt Cuba more than any collective OAS measure.

The affirmative American vote here, U.S. diplomats have said, does not necessarily mean that the United States will renew diplomatic or trade relations with Cuba soon. They said Washington was committed, after several months of American hestitation over the Cuban issue, primarily to holding the system of U.S.-Latin alliances together.

If the United States were to vote to continue the sanctions or to abstain on the question, the thinking goes, the alliances would be threatened by a renewal of Latin anger.

The Cuban question has been divisive in hemispheric relations since 1960, one year after Castro came to power in Cuba, when the United States pressed a resolution through an OAS conference that declared Marxist Leninism incompatible with the inter-American system of defense and diplomatic alliances.

In 1962, a two-thirds majority of member states, under intense American pressure at Punta del Este, Uruguay, voted to expel Cuba from the system, suspending its OAS membership and cutting it out of the mutual defense treaty known as the Rio Pack. Then, after arms and equipment found hidden on a Venezuelan beach for pro-Castro guerrillas in that country were unequivocally traced to Castro's government, another two-thirds majority voted in Washington, in 1964, to impose collective sanctions.

The sanctions, requiring the cancellation of commercial and diplomatic relations with Cuba, were not totally effective. From the beginning, Mexico refused to abide by the resolution, on legal grounds.

The United States forced compliance on some reluctant countries by refusing to refuel in U.S. ports any ship that had carried cargo to Cuba. There were other penalties, including the suspension of U.S. military aid, for those countries that failed to observe the sanctions.

Since the United States had begun a unilateral economic and communication boycott of Cuba years before collective action by the OAS, Latin countries that did not feel threatened by Cuban-supported guerrilla movements complained that the OAS sanctions demonstrated U.S. domination of the hemisphere. It rankled them.

After many countries, including Venezuela, Colombia, Peru, Argentina and Brazil, crushed domestic guerrilla movements with U.S. assistance, irritation overcame fear.

"The sanctions were totally ineffective," said Gonzalo Facio, the Costa Rican foreign minister who was elected to preside over the special OAS meeting today. He said they had solidified popular support around Castro in Cuba.

"Now I think that, in the context of coexistence, we cannot justify any more boycott against Cuba," he added. There was another worry for small countries like Costa Rica, which count on the Rio Pact's defense treaty to protect them from invasion by their neighbors. The pact, Facio has argued for more than a year, was seriously weakened as one member country after another ignored the sanctions and reopened relations with Cuba. Of the countries voting today, Argentina, Colombia, Mexico, Panama, Peru, Trinidad-Tobago and Venezuela all have diplomatic relations with Cuba.

THE POLITICS OF ENERGY

Mr. McGOVERN. Mr. President, the administration has made energy proposals which, if accepted by the Congress, would lead to extraordinary increases in oil and natural gas prices. The administration tells us that price increases will ease our energy problems by providing "incentives" to the energy industry to increase domestic production. At the same time, drastically higher prices are supposed to decrease consumption simply because those who cannot afford energy will have to do without.

Higher prices may result in somewhat lower consumption, though it is difficult to see from where major savings can come as long as our transportation system is built primarily around the private automobile. It is certain, however, that if we permit energy prices to rise in the way that even decontrol advocates admit they will, we shall have another round of real cost inflation. Higher energy prices will impact on virtually every area of our economy, from food to medicine to all types of manufactured goods.

The idea that the energy giants will produce more oil and gas at the higher prices than they do now is questionable at best. In fact, decontrol would give the major American energy producers every "incentive" to keep production relatively low so as not to break OPEC prices. If we decontrol, we permit our own majors to, in effect, join OPEC.

Mr. President, the decontrol proposals amount to little more than a request by the administration to the Congress to issue a license to the energy industry to raid the public pocketbook.

As William V. Shannon observed in a column in the July 22, 1975, Washington Star, the energy question before us is political rather than economic. It is a question of our response to blackmail, both from OPEC and from the energy companies. Mr. Shannon advocates tough action to stabilize domestic prices at a reasonable and profitable level. He urges to take steps to break OPEC rather than continuing to reinforce it by permitting the American branch of the world oil syndicate to make our national energy policy.

In the near future, I intend to introduce legislation designed to address some of the problems which Mr. Shannon has so ably defined. I ask unanimous consent that the Shannon article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FIGHT THE OIL CARTEL

(By William V. Shannon)

The oil problem is essentially political in nature and can only be overcome by the power of government. But the United States has been unable to cope with the problem because the Nixon and Ford administrations insist upon treating it as an economic issue that can be resolved by the natural play of market forces.

Because of the sudden, huge increase in the price of oil, the inflation and the recession were both made much worse than they would otherwise have been. As long as President Ford persists in his mistaken policies, the United States will continue to suffer severe economic damage in lost jobs and depreciated currency.

Ford follows the judgment of the major international oil companies on oil problems in the same way that he amiably heeds the advice of other big businesses on the problems that interest them. This is partly because, like Nixon before him, he is heavily dependent on the oil industry as part of his political base. He is also a stolid believer in the business ideology of rugged individualism, free markets and price competition—virtues that exist more clearly in his mind than they do in the practices of the international oil industry.

But, basically, Ford plods ahead with his disastrous policies because he does not know any better.

The fundamental fact is that there is no oil shortage and no energy crisis. Rather, there is a political crisis. In this crisis, no one is defending the interests of American consumers. Although five of the seven major international oil companies are American-owned, their interests and the nation's interests are not identical.

With the world market now glutted with

oil, these American companies help the Arab countries allocate and rationalize the cutbacks in production that are necessary to keep prices from falling. As business partners of the Arabs in the Middle East and as producers of oil in the United States, these companies have no incentive to keep the price of oil down. On the contrary, they are the propaganda and political protagonists inside this country for the cartel.

Ford is now urging Congress to abolish the price ceiling of $5.25 a barrel on oil from wells that were producing before 1973. This so-called "old oil" provides 40 per cent of U.S. supplies. The rest of native oil is selling at the world cartel price of about $13 a barrel.

Since companies produce both old and new oil, they are getting an average price for their total output of roughly $7.50 a barrel. This is triple the price of only two years ago. Yet the companies have the audacity to say that they need to get the extortionate world price for all their oil if they are to have any "incentive" to search for and produce additional oil in this country.

The United States ought to have the political will and toughness to refuse to be blackmailed. It should stabilize the price of domestic oil, old and new, at $7.50 a barrel as provided in a bill sponsored by Rep. John Dingell, Michigan Democrat. It should then make a concerted effort to break the world cartel price.

The Arab countries supplied only 1.3 million barrels of oil a day to this country in the first quarter of this year, less than 8 percent of total U.S. oil requirements. By conservation, the U.S. could promptly reduce oil consumption by that amount. A sustained cutback of this magnitude would be a significant political signal to the cartel.

Gasoline consumption could be limited by law to the present level. As the economy recovered and as Detroit produced more fuel-efficient cars, gasoline consumption could gradually be reduced from present levels by steeply rising gasoline taxes.

The United States could adopt a much firmer policy toward Saudi Arabia and Iran than merely getting some of its depreciated dollars back by selling them military equipment and petrochemical plants. They should both be treated the way one treats any blackmailer.

As the world's strongest economic power and greatest single user of petroleum, the United States could face down the cartel and win. But not as long as its President espouses the policies of the American division of the world oil cartel.

DISEASE CONTROL AMENDMENTS—S. 1466

Mr. KENNEDY. Mr. President, the National Disease Control and Consumer Health Education and Promotion Act—S. 1466—which has been unanimously approved to be reported by the Committee on Labor and Public Welfare, has three titles: Disease prevention and control and venereal disease, both of which are now expired PHS Act authorities, and Consumer Health Education and Promotion, which would add a new title XVII to the PHS Act. The bill authorizes $308 million for 3 years.

Hearings on the bill were in May. All witnesses were favorably disposed, with the exception of the administration.

Titles I and II revise and extend sections 317—disease control—and 318—venereal disease—of the PHS Act. The moneys in the bill will go for disease prevention and control, vaccine preventable diseases, and epidemiologic surveillance.

Witnesses who testified before the committee revealed that immunization levels were dangerously low and the potential for mischief high, that CDC desperately needs resources and manpower to do its important job, that we are now experiencing the worst epidemic of venereal disease since the 1960's, that there exists a profoundly disturbing relationship between health status and lifestyles, and the morbidity and mortality rates will not be significantly improved unless self-imposed risks are modified or the environment changed to enhance health.

1. TITLE I

Title I of the committee reported bill would continue a national program of assisting States in carrying out programs which are needed to protect the American people from unnecessary suffering from communicable diseases, and to build upon our successes in communicable disease control by including an attack on other preventable conditions. These programs are an essential element in forging a truly effective health care policy for our country, and have the potential for undergirding work in reforming our system of health care financing and the delivery of personal health services.

The bill authorizes $30,000,000 for project grants and contracts in fiscal year 1976 to carry out these programs, with $35,000,000 and $40,000,000 being authorized for fiscal years 1977 and 1978 respectively. These grants are to support projects at the State and local level, and are to be awarded on the basis of the extent of the problem in the State or local area and on the soundness of the applicant's proposed control program. The bill reemphasizes the importance of carrying out public awareness programs in these projects so that, to the extent possible, citizens will be properly informed of disease risks and the services available to them to prevent illness. Grantees will continue to be able to draw on personnel and other resources of the Department to carry out these projects in lieu of receiving direct financial assistance.

The definition of disease control program has been broadened to permit the administration and the Congress to address other problems of national significance which are amenable to control through organized State and community programs such as those authorized by this bill. Venereal disease control programs, however, are addressed separately under title II of the bill in recognition of the importance of a special attack on this problem. Similarly, lead-based paint poisoning prevention grants are, in the committee's view, best undertaken in the context of a comprehensive attack. This approach is reflected in Senate bill 1664 which was ordered reported by the committee on July 16, 1975.

2. TITLE II

Title II of the bill, National Venereal Disease Prevention and Control Amendments of 1975, continues and strengthens the national campaign against venereal disease under section 318 of the PHS Act, which was formulated by this committee in 1972. The bill extends authority for the Secretary to provide technical assistance to other organizations in their conduct of research, training, and public health programs for the control of venereal disease, and emphasizes the key role of private nonprofit organizations in the national control effort. Research, demonstration, and training grants are also authorized to enable the Secretary to meet national needs in developing and upgrading control programs. The committee has authorized $5,000,000 annually for these grants in fiscal years 1976, 1977, and 1978.

In addition, the bill extends section 318(c) formula grant authority for upgrading diagnostic and treatment services, and adds an additional requirement that the providers of clinic services begin to meet the needs of patients with genito-urinary diseases other than those which have been traditionally defined as venereal diseases. The funding authorizations for this program are $5,000,000 for fiscal year 1976, $10,000,000 for 1977, and $15,000,000 for 1978.

Project grants for control programs under 318(d) of the act are also continued with revisions to clarify the purposes of these grants. The committee is encouraged by the early results which have been achieved through 318(d) project grants, and is recommending a funding authority for the next 3 years which will avoid retrenchment at this critical phase of our all-out attack on venereal disease. In fiscal year 1976, $31 million is authorized for 318(d) grants, with $33 million in 1977, and $36 million in 1978.

The funding authorizations for each of the programs under title I and title II of the bill have been developed after careful consideration of the needs of the Nation in disease control and the demands for restraint in Federal spending. Funding levels are lower than those authorized for the period 1972–75, and are lower than our original estimates of the need for the next 3 years. They represent in each instance reasonable and minimal investments which must be made if we are to achieve the level of success in preventing illness which we, as a Nation, have both the financial and technical capability to achieve.

3. TITLE III

The scientific community has made enormous strides during this century in helping us to identify the nature of diseases; we have developed effective and costly technological methodologies for detecting the preclinical signs and symptoms of disease; we possess many measures to prevent disease from occurring and, when these are unsuccessful, many efficacious regimens and remedies for treatment; we now replace damaged organs with organs from donors and have even developed a synthetic organ industry; and we have renewed our scientific adventure into the origins of life itself.

This is an imposing litany, Mr. President, but the application of what we know has left a great deal to be desired. We spend nearly 8 percent of our gross national product on health services and for such an enormous expenditure of funds we should expect a substantial reduction in the incidence and prevalence of disease. But this is not the case. In other words, we should be healthier than we are and the data reveals just the opposite. Though we proudly list the achievements of nearly two decades of biomedical research there has been very little improvement in life expectancy for adults since the 1920's. We simply have not found effective means of coping with the chronic and social conditions that are now predominant in our country. Our current "epidemics" in addition to communicable and chronic disease are accidents, alcoholism, delinquency, deprivation, inadequate "parenting," loneliness, occupational boredom and suicide. The data reveal an intolerably high number of people being disabled by preventable and curable diseases, dying prematurely from causes that could have been controlled, being maimed or killed in accidents that for the most part are preventable, or leading destructive lifestyles.

We do not have enough trained personnel to implement patient education programs; too many of our physicians appear unaware of preventive medicine techniques; too many of our hospital administrators do not yet recognize the great savings in financial cost possible when patient education programs are introduced; we do not know why some people choose between health promoting and illness promoting behavior; and, we do not yet know the extent to which the doctor, or those trained specially for this purpose, should be responsible for educating his community so that its members can better cope with changing life styles, urbanization, adverse working conditions, and rapid social change.

Mr. President, though we must press on with our proposals to reorganize, restructure, and modify our health care system and continue to seek means to make our system more efficient, equitable, and economical, we should recognize that we also need a new strategy, one which will assist us to understand the nature and cause of self-imposed risks, adds to our knowledge of illness, educates patients and consumers about health maintenance and prevention, and improves the physical and social environment.

We have had Presidential messages, task force and commission reports, and the occasional statute; HEW's forward plan presents prevention as its first major planning theme; and there is even a Bureau of Health Education in the Center for Disease Control in Atlanta, Ga., although very few know of this fact. Blue Cross and the American Hospital Association have both endorsed patient health education programs. The new Health Planning and Resources Development Act considers prevention and health education national health priorities as do the statutes creating health maintenance organizations. And, in Canada, the Minister of Health and Welfare has produced a unique document which presents a new health promotion perspective which will be embodied in future Canadian health programs.

But despite activity in both the private and public sectors there is still no coordinated national program or adequate central focus to stimulate and coordinate a comprehensive health education program. Our efforts remain fragmented. The moneys we spend for health education, health promotion, and preventive medicine are miniscule. There is no informational exchange between those public and private agencies and organizations concerned with health education; there has been little evaluation of results among similar or related health education programs sponsored by different organizations; information about health education theory, programs, and methods is not easily accessible; there is presently no agency, public or private, which is systematically reviewing the broad range of experience and theoretical experimentation in health education and related fields; and, there is no focal point to facilitate communication and cooperation among the significant health organizations in and out of Government.

The needs and problems are so major and complex that progress will depend upon a major long-term commitment by both the public and private sectors of society. It is to meld such efforts, provide for a focal point for the Nation's multiple but disparate health education and promotion activities, improve the health status of Americans, design a mechanism by which we may establish a national health education and promotion strategy, that parts A and B of title III of S. 1466 have been proposed.

A. BACKGROUND

The concept of a complementary national public and private strategy to improve consumer health education and promotion is the result of four years of study and development. This concept was originated by the President's Committee on Health Education and has been further amplified by a study performed by the National Health Council, Inc. under the contract to the Center for Disease Control. Both studies based their findings and recommendations on the input of hundreds of citizens, including health educators, other health professionals and educators, consumers, and representatives of business and industry, labor unions, and government drawn from all parts of the country.

The President's Committee on Health Education was charged to describe the "state of the art" in health education of the public and to propose a comprehensive, nationwide plan to raise the level of health consumer citizenship. Through seven subcommittees, eight regional hearings and one national forum the committee involved many hundreds of individuals of different backgrounds and expertise from all parts of the country in the development of their findings.

After 2 years of study, the President's committee recommended the creation of two separate but complementary entities: First, a governmental unit within HEW to make the Federal Government's involvement in health education more visible, effective, and efficient; and second, a publicly chartered, private organization which would be a source of innovation problem solving and policy guidance for health education efforts.

B. THE OFFICE OF CONSUMER HEALTH EDUCATION AND PROMOTION

Nestled within the Center for Disease Control is the Bureau of Health Education, presently the administration's major focal point for better education activities. The committee recognizes the creditable performance of the Bureau which despite very limited resources in terms of both budget and personnel has made a number of important contributions both within and outside the Federal structure. A number of witnesses have applauded the Bureau for programmatic, consultative, and monetary assistance; others, however, are gravely concerned that the Bureau is an anomaly, pointing out that the subordinate location in CDC, its miniscule budget, and lack of resources contradict the Bureau's broad mandate. The committee was persuaded by those skeptical of the administration's commitment and by the apparent discrepancy between the administration's promise—for bold health education and promotion initiatives—and reality.

1. High-level Office of Consumer Health Education and Promotion.—The committee considered a number of loci for the proposed Office of Consumer Health Education and Promotion, including a center-model akin to the National Center for Health Statistics or the National Center for Health Services Research or creating an organization similar to the National Science Foundation. Ultimately, the committee opted for a locus in the Office of the Secretary with adequate status, authority and resources to carry out policy design and implementation and other collaborative, oversight and coordinating functions. Policy direction and design, the committee believed, could only be attained and implemented in a high-level Office of Consumer Health Education and Promotion. The proposed Office may very well consult with CDC and other organizations in HEW that have health education components to execute the programmatic aspects of health education, but the locus of policy activity must be in the Office of the Consumer Secretary for Health and not in an operating agency.

2. Research activities.—Despite the considerable number of significant health education programs scattered across the country and the efforts of thousands of dedicated professionals, the general state-of-the-art is in need of greater precision and development. The large-scale program of public and private support recommended in this report must be accompanied by intensive efforts directed to improvement of health education principles, techniques, and methodologies, and the formulation of more precise criteria and protocols both for implementation and evaluation. This

should include a delineation of areas of strength and weakness in knowledge, looking toward development of a national statement of priorities and realistic goals.

Much of the support, as well as initiative, for these efforts should come from the private sector. But there is a special need for Federal leadership. Federal support, with special emphasis on evaluation, should be made available to qualifying institutions, organizations, and agencies.

The committee notes the existence of a number of community "laboratory" populations for the study of problems in health education. Such communities should be encouraged to participate in the development and evaluation of health education methodologies. The committee also endorses the development of large-scale programs, specifically designed to test health education hypotheses, such as the Stanford heart disease prevention program.

Closely related is the need for expansion of the present valuable surveys and studies of the National Center for Health Statistics to include more information on consumer health status, health behavior, and related data useful and necessary for planning and evaluation of health education programs and techniques. Relevant resources of CDC should also be fully explored and utilized.

3. Regional and State systems.—Even with the severely limited funds and personnel now available for health education, there is considerable duplication and waste. More importantly, most American communities lack access to any comprehensive consumer health education.

To avoid these inefficiencies, to promote optimum utilization of both money and manpower, and to help develop a stable infrastructure for community and other programs, it is highly desirable to develop local, regional, and/or State networks. This can be accomplished through the coalescence of existing programs, new regional and statewide initiatives under the leadership of a State health department, a university extension system, a State hospital or professional association, medical school, regional medical program, or other organization with the concern and resources to play the coordinator role, or through a combination of various approaches.

The National Health Planning and Resource Development Act of 1974 provides a potential mechanism for promoting such networks.

4. Health education training.—Both quantitative and qualitative improvements in health education manpower are essential if the national efforts recommended in this report are to be effectively implemented.

The committee recognizes the need for adequately trained health education practitioners who will be engaged in health education teaching and research and in health education practice. Emphasis should be placed on raising the level of training given to those who will enter the field of health education practice. Additionally, support should be given to those who are engaged in theoretical research in the field of health education and promotion since it is this group who develop the conceptual frameworks from which sound practice derives. Short-term continuing education programs should also be included to upgrade skills of a variety of health providers, including doctors, nurses, educational specialists, and midlevel health practitioners.

Special attention should be given to the introduction and development of health education concepts and methodologies into basic education for the various health professions, including medicine, dentistry, nursing, pharmacy, and public health. The time is ripe for such a new initiative.

Finally, the committee urges that in considering health education manpower, special attention be given to the definition and development of a new occupational category of indigenous community health education aides, advocates, or facilitators to act as a bridge between the community, especially in low-income areas, and health providers, including health educators. The success of programs utilizing such individuals, under various names, has been demonstrated in a number of locations, but the concept needs more precise definition, more standardized training, and some form of academic certification.

5. School health education training.—The committee considered S. 544 at some length with a view to including this comprehensive school health education provision in this bill. The committee recognizes that S. 544 is essential legislation if a meaningful preventive program to improve the health of the American people is to be a reality.

The committee has included a portion of S. 544 as section 1703d(1), (2), (3) of S. 1466. The language establishes a program of grants to local education agencies and institutions of higher education for in-service education opportunities for elementary and secondary school teachers in a broad scope of health education areas. The committee believes this to be a pressing need at this time and recognizes that no program can be successfully developed in the schools until a cadre of career teachers is well prepared to deal professionally with the issues involved.

The bill will thus make available to presently employed teachers workshops, seminars and courses during summer and evening sessions. The workshops, seminars and courses will deal with the broad scope of issues including dental health, disease control, environmental health, human ecology, mental health, nutrition, physical health, safety and accident prevention, smoking and health, substance abuse, consumer health and such others as may be deemed appropriate. The Director is required to confer with, and receive the approval of, the Commissioner of Education in determining the recipients of the grants and the scope of the program.

Because of the alleged surplus of teachers the bill emphasizes inservice education rather than preservice education for persons who later may not be employed. The committee feels this is a practical approach to the solution of the problem which presently exists in most schools where comprehensive health education programs are nonexistent. It is essential that school health education begin in the primary grades and extend through the secondary curriculum. Too often health education is confined, if indeed provided at all, to students in their teens. It is the committee's purpose to correct the situation by providing a practical, although somewhat limited opportunity, for inservice education in school health education for persons who are and will continue to be employed as elementary and secondary teachers so that when broader, more comprehensive school health legislation is enacted in the future there will be no delay, owing to a lack of qualified personnel, in implementing the health education curricula in the schools of the Nation.

6. Media programing.—The impact of television as an informational and motivational force in contemporary U.S. society, especially in relation to children and individuals with less-than-average schooling, can hardly be exaggerated. With respect to health-related behavior, it is difficult to say whether the net impact has been positive or negative.

The positive can be documented by a growing list of first-rate health documentaries, public service "spots," and even some of the theatrical programs presented by the Public Broadcasting System and the three commercial networks. The negative has been convincingly documented by a number of carefully designed professional studies including two prestigious national commissions looking into the relationship between televised violence and individual behavior.

Despite this anomalous record, the committee believes that—with more consistent and accountable attention from the leadership of the industry, with more high-level assistance from representatives of the public and the health and education professions, and with identification of adequate sources of financing for constructive programs—the positive potential can be greatly enhanced and the negative minimized.

The committee's emphasis on TV is by no means intended to belittle the influence of the press, radio, and other media which have also produced some excellent material and whose continuing participation should be enlisted in the national effort to improve consumer health education. Since TV's capacity for both positive and negative impact is so crucial, however, we think the primary effort, at the present time, should be aimed in this direction.

The committee hopes that through section 1703(c), the resources of television and advertising will be mobilized in the development of a long-range, multiaudience, multiformat series of programs, utilizing documentaries, theatrical programs, cartoon and news programs, public service spots, and all other appropriate formats, aimed at helping the American people increase their understanding of, and ability to cope with, health and health-related problems. Both commercial and public TV should be involved. Assistance in funding through public and private sources should be explored. The existence of such a formally designated industry council working through the Center for Higher Education—*infra*—would also provide a body to which the public and the health and education professions could relate.

Another objective of sections 1703(e) and 1703(f) is to encourage the industry, the Food and Drug Administration, the FCC, and the FTC to intensify their efforts—through voluntary advertising codes, "Family viewing hours," and other means—at effective self-regulation. The committee expects that, through the use of factfinding, publicity, nongovernmental sanctions, and all the moral and political force the Office of Consumer Health Education and Promotion commands, the elimination of material deemed, by objective professional opinion, to be injurious to the Nation's health will be secured.

7. Federal programs.—Areas that should come under such continuous monitoring include agricultural supports for harmful products such as tobacco, or those potentially harmful if used to excess, such as beef with high-fat content. The conflicts or apparent conflicts between a number of existing programs in these areas and the goals of health promotion have been increasingly publicized in recent years.

The monitoring should extend not only to areas where harmful or allegedly harmful policies now exist but to those currently marked by the general absence of essential health promotion policies, including low-income housing, the control of violence, and public service employment. The irony of spending billions of Federal dollars to patch up the victims of big city violence, squalor, and frequently intolerable living conditions, while refusing to face up to the root causes, cannot be indefinitely sustained as general economic conditions deteriorate, budgetary constraints increases, and various safety valves disappear.

The committee is aware that policy development in health education and production cuts across departmental lines and that HEW can do little or nothing alone. However, we feel strongly that the Department should be continuously engaged in monitoring such policies, in advising the President, the Congress, and the American people with respect to such policies, and in representing the health point of view in interdepartmental decisionmaking. Primary responsibility for policy design and staff work should be lodged in the proposed Office of Consumer Health Education and Promotion.

8. Budget.—The committee has tried to reconcile the competing claims of a noninflationary Federal budget and the necessity of providing at least enough financial support to give the new program a chance of succeeding. Major elements of the projected first-year budget might include:

Cost estimate—Office of Consumer Health Education and Promotion

	Millions
Extramural grants and contracts:	
Basic research programs	$1.0
Academic centers	1.0
State networks	1.0
Experimental media research	1.0
Consumer health education training	4.0
School health education training	3.0
Total	11.0

The estimated cost of the basic research programs is related to the cost of a number of successful programs, including the Stanford heart disease prevention program and the diabetes control program of the Los Angeles County General Hospital. The cost of the State networks is derived in part from the experience of the College of Medicine and Dentistry of New Jersey.

The media projection is far less than the $7 million that it cost Public Broadcasting System's "Feeling Good."

With respect to the long-term costs, including those that might be met through third-party payments, school budgets, and voluntary agencies, the committee has set a tentative goal of 6 percent of total national health care expenditures. Obviously, the committee needs a more precise figure as well as a timetable for moving from the present one-quarter to one-half of 1 percent, the sum presently being spent by the Federal Government, toward 6 percent and a study of alternative methods of financing. For example, should the financing of health education and promotion programs be closely related to that of national health insurence? How much reliance should there be on social security taxes or general revenues? Should there be special taxes on cigarettes, alcohol, other health-threatening products, certain nonprescription drugs where overuse or other abuse is common?

The committee recommends that the office consider such a study one of its priorities.

C. THE CENTER FOR HEALTH EDUCATION AND PROMOTION

As defined by the President's committee, health education is a process that bridges the gap between health information and health practices and motivates the change of behaviors destructive to health maintenance. The committee saw this process as applying to institutions as well as to individuals. In order to improve the Nation's health through educational means, the President's committee concluded that fundamental changes in the attitude and behavior of our social institutions in general and within the health industry in particular are required. They saw a primary need to heighten awareness of and response to health needs as a major shift in emphasis and expansion of effort beyond the current focus on the treatment of disease and injury. It was their finding that such fundamental change would not occur unless some mechanism could be created which would address and resolve complex and controversial issues of individual and social values and behaviors in a nonbureaucratic and noncoercive manner. They, therefore, recommended the establishment of a unique national private institution which they called a national Center for Health Education as the key component in the plan they presented to the President in 1973.

1. The National Health Council's Project.—As a follow-up to the Report of the President's Committee on Health Education the Department of Health, Education, and Welfare took two actions in 1974: First, a Bureau of Health Education was administratively created as a new unit of the U.S. Center for Disease Control in Atlanta, Ga., to coordinate Federal health education efforts; and, second, a contract was awarded by CDC to the National Health Council, Inc., to explore in detail the most appropriate and feasible objectives, functions, structure, staffing, and financing pattern for a National Center for Health Education.

The Council's project was designed to build upon the work already accomplished by the President's committee and to involve a large sample of organizations and individuals not limited to the Council's member agencies. Through the work of the project's policy committee, study groups and subcommittees, mail surveys and conferences, this project developed a model design for a private national Center which is complementary to and nonduplicative of either an expanded Federal governmental program or of any existing private sector resources. The recommended design is for an open, nonbureaucratic problem-solving mechanism incorporating innovative elements of policy development and action program planning processes which have been tested in business and industry as well as community health planning agencies during the past decade. The project's findings and recommendations were provided to the committee and are a primary source of referral for additional information concerning the intended nature and character of the Center for Health Education and Promotion.

2. The need for a private center for health education and promotion.—The arguments supporting the need for a private national center for health education and promotion focus on the advantages and benefits of voluntary, nongovernmental leadership and action to improve the Nation's health through educational means.

Health education is concerned with every facet of consumer beliefs, attitudes, and behaviors which contribute to the maintenance or self-destruction of health. This includes especially those choices the individual exercises concerning his or her private life—what and how much the individual eats and drinks, how much rest and exercise he or she gets, habits of personal hygiene, how the individual handles anger and frustration, how fast he or she drives, how early and often medical care is sought, career and family formation decisions, choice of dwelling, and so forth. It is also equally concerned with the content and quality of information and guidance the individual receives from health and social institutions, commercial enterprises, labor unions, civic associations, and from the mass media concerning appropriate and inappropriate health maintenance behaviors.

Thus, much of the content of consumer health education is concerned with precisely those areas which have traditionally been regarded as private matters. These are, however, also matters of growing public concern and rising medical costs. Whether through public tax payments or through insurance premiums, our society has assumed an increasing responsibility for the treatment of the individual's diseases and injuries. Society, therefore, also has an increased stake in affecting—to the extent possible—the frequency and severity of the individual's need for such treatment.

While governmental programs can and must be substantially improved and expanded, governmental action alone cannot provide the kind and scope of leadership and initiatives required to realize the potential benefits of improved consumer health education. Direct governmental efforts to modify citizens' behaviors, mass media content, and school curricula in ways that are scientifically sound, effective, and culturally acceptable represent extremely difficult issues. On the one hand the current state of the art of health education is probably inadequate to deliver effective and reliable results in the public interest from such interventions. On the other, to be effective, such action by a governmental agency may conflict with constitutionally guaranteed private freedoms.

Therefore, organized private action is needed to explore controversial issues and develop national guidance which reflects a general professional and consumer consensus on appropriate and acceptable directions of effort. Because such private policy does not have authority to compel compliance, it must necessarily include development of voluntary support and resolution of realistic constraints which are a fundamental part of the problem. Once the efficacy and acceptability of such privately developed initiatives has been demonstrated, then the need for and exact nature of additional governmental support to extend implementation will be both clearer and less likely to encounter opposition.

The voluntary health promotional agencies and health professional associations have traditionally carried the burden of consumer health education in this country. While much is being done in the private sector to inform the public about the actions they can take to protect and maintain their own health, the results cannot be considered good. The reasons for this are numerous.

There is no consistent thread which defines and articulates health education content or methods. There are no generally recognized standards, guides and measures for evaluation of health education efforts. It is, therefore, virtually impossible to objectively discriminate against the ineffective, confusing or even potentially misleading information and education the consumer receives in great quantity from a multiplicity of sources.

There is no common frame of reference shared by the various disciplines and interests working in this field. There is little continuing communication, cooperative program planning or comparative evaluation of results among similar or related health education programs sponsored by different organizations. There is no unified or comprehensive perspective from which to assess results and determine which of alternative approaches is most appropriate to a given situation. And finally, with some notable exceptions, for the overwhelming majority of agencies which dispense some form of health education to consumers, this activity is not their primary purpose and therefore does not receive top priority for their allocation of funds and program attention. Thus, very little of the current consumer health education efforts are as effective or efficient as they could be, were there some national focal point to improve communications and cooperation among the major programs within the private sector.

Clearly a nationally recognized source of policy development, guidance and technical assistance, cooperative program planning and coalition building, evaluation and advocacy could make a major impact on the kinds and quality of health education efforts in the private sector without a net increase in overall expenditures simply by reducing the fragmentation and discontinuity of current efforts.

Testimony given to the committee strongly indicates the existence of considerable support from private sector sources for the creation of such an organization. The granting of a congressional charter to such an organization would improve opportunities for:

First. Supporting private leadership in policy exploration and program development by the creation of an entity with quasi-official legitimacy and stability;

Second. Integrating utilization of private and public resources in the development of converted national strategies for improving consumer health education nationwide; and

Third. Maintaining formal channels of communication, information exchange and public accountability between the governmental and private sectors.

3. Activities of the private center.—The mission of the Center will be to improve the health of people by encouraging and supporting the improvement and expansion of health educational activities throughout the Nation.

The Center should be a mechanism which links together primarily nongovernmental organizations and agencies involved in health education, including those which engage in health care, education, business and industry, social and civic purposes, consumer and labor representation and communications. The widest possible range of participants should be given significant, structured opportunities to debate, select and influence the development of Center policies and strategies.

The Center should manage an open decisionmaking process for the development of national private sector policy concerning key issues in the field of health education. The Center should coordinate the review and analysis of consumer health education needs, provider resources, the impact of alternative health education approaches and other factors on health status to determine which lines of development offer the best opportunities for the improvement of the Nation's health through educational means.

Through participatory processes it should seek to identify the locus of responsibility for addressing identified consumer needs and for the development of the resources required to meet these needs. The Center should also provide a forum for the determination of the most appropriate and acceptable roles it can play in stimulating and energizing the actions required to secure widespread endorsement and implementation of its goals and policies.

Policy guidance alone cannot secure the improvement of program services; frequently there are challenging impediments to the development of improved methods which require extended problem-solving and strategy design efforts. The Center, therefore, should coordinate a variety of activities, programs, and developmental projects which draw upon external sources of support and expertise to develop improved methodologies, especially concerning appropriate and acceptable ways to influence positive consumer behavioral changes, and concerning realistic and acceptable criteria for evaluation of health education programs. To encourage similar activities by other organizations, the Center also should organize a national network of technical assistance in the planning, implementation and evaluation of health education programs utilizing not only its own but the expertise available for other cooperating agencies.

4. Board of Directors.—The Center for Health Education and Promotion will be directed by a 25-member Board of Directors to be appointed by the President of the United States. Its functions should include:

First. Final Center policy and strategy design determinations;

Second. Center program direction;

Third. Center financial policy determinations, including direction of the basic funding strategy for Center programs and approval of budgets and resource allocations;

Fourth. Representation of the Center to and liaison with outside organizations;

Fifth: Charge and appointments to committees, task forces and study groups; and

Sixth. Appointment of the Center's President.

Members of the Center's Board should serve as individuals *and not* as the official representatives of outside organizations. The Board as a whole should reflect a balanced mix of experts representing the fields of health education, health services delivery, education, consumer representation and advocacy, news media and communications, business and industry, organizational management, and public and private finance.

In addition, the Board as a whole

should reflect a diversity of personal backgrounds and inserts which assures not only the development of broad policy direction but facilitates the acceptance of its findings and recommendations by those asked to implement these recommendations.

During its deliberations this committee considered a number of specific nominations for appointment to this Board. The following individuals are suggested as representative of the type and quality of members the Board should reflect:

Stanley Bergen, Newark, N.J.; Lisle Carter, Atlanta, Ga.; Paul Ellwood, Minneapolis, Minn.; Howard Ennes, Craryville, N.Y.; Paul S. Entmacher, New York, N.Y.; Robert H. Felix, St. Louis, Mo.; Evalyn S. Gendel, Topeka, Kans.; William Griffiths, Berkeley, Calif.; M. Alfred Haynes, Los Angeles, Calif.; Howard Hiatt, Boston, Mass.; Magda Hinojosa, San Antonio, Tex.; Robert L. Johnson, Berkeley, Calif.; Philip M. Klutznick, Chicago, Ill.; A. M. Lilienfeld, Baltimore, Md.; J. Alexander McMahon, Chicago, Ill.; Lois Michaels, Pittsburgh, Pa.; Walter J. McNerney, Chicago, Ill.; Mary Mulvey, Providence, R.I.; Arthur C. Nielsen, Jr., Northbrook, Ill.; Eva M. Reese, New York, N.Y.; Samuel Sherman, Los Angeles, Calif.; Elena M. Sliepcevich, Carbondale, Ill.; Anne Somers, Princeton, N.J.; Frank N. Stanton, New York, N.Y.; James Howard Walker, Charleston, W. Va.; and Harold M. Wiseley, Indianapolis, Ind.

5. Advisory panel.—In addition to the Board of Directors, there should be a large panel of at least one hundred individuals representing the same kinds of competencies and abilities as those described for Board membership. The principal function of this panel should be to provide advice to the Board. The advisory panel should routinely be requested to review and comment on Center reports and policy drafts. The panel should also be the primary source for appointments to special committees and study groups created by the policy board to explore a particular problem or subject area in depth.

6. Program priorities.—In a field as diverse and fragmented as health education there are no immediately obvious, generally acceptable, and logically appropriate priority rankings among the long list of potential specific program objectives the Center could select for action in its first years of operation. Consequently an organizing phase is indicated for the Center's initial activities. In this period, the open, indepth analysis of alternative opportunities to achieve nationally significant impacts and the consensus selection of initial program priorities by the Board based on input from the advisory panel and a large sample of outside organizations and agencies should be the Center's top priority objective.

7. External relationships.—The organizations, groups and individuals to be involved in any given phase in the Center's policy process will vary depending on the nature of the needs or problems being explored. Although the Center will not be a membership organization, it should be linked to a comparatively large number of external organizations by a variety of both formal and informal mechanisms. The Center should seek ties with representative health, education, welfare, and civic organizations and associations. It should also seek the support and endorsement of major corporations in business and industry, labor unions, and private foundations. The Center should involve these constituents in all aspects of its policy and program development both on an individual basis and through the formation of special purpose coalitions and consortia. The Center also should develop mechanisms to involve outside organizations in its processes for the periodic review and assessment of its policies and performance.

Private and public financial supporters of the Center should be publicly identified in the Center's annual report. Outside organizations unable to support the Center financially but wishing to affiliate with its goals and policies should be given the opportunity to formally signify their endorsement after action by the Center's and the respective agency's policy body. All organizations, groups and individuals who participate in Center activities, advisory groups, and projects should be listed in relevant reports.

8. Center funding.—The Center should be funded by varying combinations of private and public funds, including direct appropriations, grants, contracts and unrestricted donations as appropriate for its general support and the financing of various special projects and activities.

The authorized $1 million of core support for the Center for its first 3 years of operation is intended to provide for the establishment of its core policy process and staffing; that is to provide for the costs associated with the meeting and other expenses of the Board and its communications with the advisory panel, and to support the acquisition of a competent core staff. The Center's internal staff organization should be headed by a President to be named by the Board and such other members as he selects. The staff organization should be modeled on a matrix—rather than a bureaucratic—organizational design which stresses the accomplishment of tasks by ad hoc teams and special project activity in combination with routine program functions. The initial core staff should be small in number and emphasize coordinative, program design and management, group process, and communication skills. Members of the Board and advisory panel, staff on loan from cooperating organizations and outside consultants should be utilized in addition to Center staff to complete special project activities.

It is estimated that full scale Center operation will require approximately $5 million annually. Funds to support the increased costs should be raised from private sources.

In addition to support for core operating costs of the Center, it is expected that the Center will also seek variable additional amounts in grants and contracts from both private and public sources in order to accomplish a variety of special projects. Thus the total annual income required to achieve the Center's program objectives in any given year should vary substantially depending on changes in program priorities and on the extent to which external organizations voluntarily undertake the performance of Center designed projects without using the Center as a fiscal intermediary.

A modest but relatively secure core operating budget combined with the necessity to secure additional, earmarked financial support to accomplish nonroutine tasks and special projects is inherent to our concept of the center as a nonbureaucratic, private-sector-based problem-solving mechanism. The committee recognizes that the burden of securing the support and resources required to perform projects on a case-by-case basis can be quite high. The committee believes, however, that the quality, feasibility, and general acceptability of proposed center projects should be tested "realistically"; that is by their ability to attract endorsement and allocation of resources from outside organizations.

D. GRANTS FOR WATER TREATMENT PROGRAMS

Section 178 of the committee's bill provides a modest authorization of $9 million for communities which wish to seek partial Federal assistance in order to treat their water supplies. The committee is convinced of the safety and effectiveness of fluoridation as a powerful preventive weapon in the battle against dental disease. The efficacy of fluoridation has been widely known for many years, and the committee has received overwhelming testimony from both scientific and professional groups to this effect.

Dental caries is the most prevalent disease in the United States today and one of the most costly of all chronic diseases. By age 2, approximately one-half of the children in this Nation have experienced tooth decay. By age 15, the average child has 11 decayed, missing, or filled teeth.

Bringing the level of fluoridation in community water supplies to the optimum level is the safest, most effective, and most economical way to prevent tooth decay. Fluoridation prevents 40–60 percent of the dental caries usually experienced by children. The effects of fluoridation have been studied in the United States since 1945 and all communities involved have reported significant reduction in tooth decay as a result of this public health measure.

Fluoride occurs naturally in most water supplies and raising it to the optimum level to prevent tooth decay, usually one part per million, has never been proved to be hazardous to health. Adjusting the fluoride content of the water will not increase the likelihood of cancer, heart disease, kidney disease, allergies, or any other physical or mental illness. Indeed, fluoride is considered an essential trace element vital to proper nutrition, growth, and development.

Adjusting the fluoride level in a community's water supply costs a maximum of 10 or 15 cents per person annually. It results in a 50 percent or more savings in a family's dental bill. For every dollar spent on fluoridation, $30–50 can be saved in dental care costs. Other methods for the prophylactic application of fluoride are available, however, none are as effective or as economical as fluoridation of drinking water. Its benefits are conferred on everyone, regardless of socioeconomical level. It is effective without the need for any action by the individual.

A report released this year by the Director-General of the World Health Organization renewed that organization's support of water fluoridation and said that "unless there are overriding technical reasons, no nation can afford the luxury of not fluoridating every central water supply system containing less than the optimum concentrations of fluoride." The WHO report affirmed that fluoridation of the water supply should be the cornerstone of any national program of dental caries prevention.

E. CONCLUSION

Mr. President, we need money for training consumer health education and school health education practitioners and teachers, for research and evaluation, for demonstrations and media research. Despite this administration's putative comment to prevention and health education, there continues to be a great discrepancy between rhetoric and reality. Witnesses have testified that we need a highly visible focus for consumer health education and promotion in both HEW and in the private sector with adequate authority and resources to do the job. This bill is not a panacea, but I am convinced that the time is propitious for such a national health education and promotion strategy. I am confident that my bill will result over the long term in substantial reductions in morbidity, in premature mortality, in social and economic costs—and in better health for the people of our Nation.

I have been greatly encouraged that we are on the right track with this legislation. I have received many letters in favor of this proposal. Supportive statements have been received from those in industry, academia, public health, hospitals, voluntary agencies, labor, and the community. The support is as wide as it is deep. I trust the Senate will enthusiastically support this timely and necessary measure.

ACKNOWLEDGMENT

Mr. President, one final word is necessary. I should like to acknowledge at this time the efforts on behalf of health education and promotion made by my good friends and colleagues, Senator Javits and Congressmen Tim Lee Carter and William Cohen. Senators Schweiker, Clark and McGovern and Congressman Meeds, sponsors of school health and nutrition education bills, have also contributed to the committee-reported bill. The National Disease Control and Consumer Health Education and Promotion Act of 1975 has benefited from their collective advice and counsel.

THE NATIONAL DISEASE CONTROL AND CONSUMERS HEALTH EDUCATION AND PROMOTION ACT OF 1975—S. 1466

Mr. SCHWEIKER. Mr. President, I want to express my strong support for S. 1466, the National Disease Control and Consumer Health Education Act of 1975.

This legislation extends and revises the program of assistance for the control and prevention of communicable disease. The bill is designed to advance the national health, and thereby improve the quality of life for all Americans.

Mr. President, today many Americans risk unnecessary suffering from preventable communicable diseases. Far too many young children are not fully protected from the crippling effects of polio. The percent of the population protected against rubella has apparently declined since 1972. And the incidence of venereal disease continues to increase. Must we suffer a major epidemic, such as the rubella epidemic of 1964, before we direct our full attention to the health problems of the Nation?

Mr. President, the committee believes that State and local governments cannot and should not bear the burden of controlling communicable disease. The States alone cannot provide the coordinated action necessary to minimize the incidence of diseases that do not recognize State boundaries. S. 1466 creates a broad preventive health program, essential to improvement of national health.

Americans pay over $116 billion a year for health care and related expenses. And yet, of this enormous sum, only about 4 percent is used for health education and disease prevention. Despite the great size of health care expenditures, the rates of illness, disability, and premature death have changed very little in the last decade. Clearly, it is time for positive action in this area.

The committee reports that the major reasons for our present failures in the field of health education are individual ignorance, public apathy, commercial pressures, and the lack of any strong, positive leadership on the part of either the Government or the health profession. S. 1466 asserts firm national leadership, and attempts to come to grips with the other problems of health education. This bill offers a strong and concerted effort to stimulate and coordinate a comprehensive health education program. It sets forth a mechanism to establish a national strategy for health education, health promotion and preventive medicine. It creates a Center for Health Education and Promotion in HEW and charters a private corporation, the Center for Health Education and Promotion.

Health education and promotion has been neglected, despite an ever-growing need for such services. S. 1466, in recognizing this need, will, in the long run, save the American people needless suffering and expenses.

In conclusion, Mr. President, I support this legislation because it lays the groundwork for a truly effective health education program in this country.

THE PROPOSED PANAMA CANAL TREATY

Mr. HATFIELD. Mr. President, negotiations between the United States and Republic of Panama on a new Panama Canal treaty are underway. These talks have stimulated a great deal of interest and emotional reaction in this country. Some people fear that our Government is preparing to turn the canal over to Panama or to the United Nations. As a consequence, efforts are being made to prevent any change in our present treaty relationship with Panama.

It is unfortunate that an issue of such great importance to this country, and indeed to the world, is so clouded with misunderstanding. For instance, many people confuse the Canal Zone, which is a 500-square-mile political jurisdiction under U.S. control, with the canal itself. But persons who do not realize that the Canal Zone and the canal are distinguishable mistakenly believe that initiatives to modify the U.S. position in the zone represent an effort to give control of the canal over to Panama. In truth, the United States has no intention of giving up its responsibilities to continue operating and defending the Panama Canal under a new treaty. Indeed, our Government hopes to build a more stable and viable partnership with the Republic of Panama. It is no wonder that the present relationship is sometimes tense given the fact that it is so one-sided. For example:

> The Canal Zone is a colonial enclave in Panama, bisecting the country. A person cannot travel from Panama's capital, Panama City, to any other major point in the country without passing through the Canal Zone, under U.S. jurisdiction.
>
> While Panamanians are in the Zone, they are subject to U.S. laws, not Panamanian laws; U.S. courts, not Panamanian courts; U.S. police, not Panamanian police. Although in their own country, Panamanians are governed by the laws of a foreign government.
>
> The presence of U.S. jurisdiction in the Canal Zone has severely stifled the natural growth of Panama's two major urban centers, Panama City and Colon.
>
> The United States operates almost all commercial enterprises in the Canal Zone. Panama Canal Company employees, many of whom live in the Zone, make healthy salaries and shop in these Company stores. Panamanian merchants, who are great believers in free enterprise, are denied the right to compete in this U.S.-controlled Canal Zone market, and are economically injured because prices in U.S.-subsidized Zone stores are markedly lower than prices in the Republic of Panama.

These and numerous other examples make it easier to understand Panama's claim that present conditions impinge upon its dignity, its growth, its sense of nationhood.

These conditions stem from 1903, when Panama was a fledgling nation. Today, Panama is a nation with a thriving middle class. It is a country making improvements in health and social services. It is a country engaged in an important campaign to eradicate illiteracy and provide proper housing for its people. It is a responsible country capable of partnership with the United States. Our treaty can be revised to accommodate these realities while maintaining essential American interests in the canal.

I have heard the sentiment expressed that the United States cannot deal with Panama because that country is governed by a constitutional, but military-based government. Those of us who are believers in the democratic ideal obviously would prefer that a popularly elected government sat at the other end of the negotiating table. We must, however, take the Panamanian Government as we find it. The mere presence of a democratic government would not guarantee the stability of United States-Panama relations under present conditions. Indeed, a popularly elected government was in office in Panama when the 1964 riots broke out there as a protest to the current treaty arrangement.

No one can insure, of course, that any given government in the world will remain perfectly stable for decades into the future. But the United States should be able to establish, in the treaty negotiations, a military presence in Panama sufficient to guard against disruption to canal service that might come from changes in Panama's Government. The Pentagon is involved in this aspect of the treaty negotiations to insure any agreement guarantees the United States an appropriate measure of military strength at the canal. Furthermore, while American bases would be strong enough to resist any local military or para-military threat, the likelihood of such threat would be diminished under a more modern treaty which is acceptable to the Panamanian people and in which Panama has a tangible stake.

We cannot assume an ostrich-like posture and ignore the substance of our problems with Panama while waiting for a return of party-system democracy to that country. The canal issue is of such fundamental importance to the Panamanian people that it transcends the question of which government is in power in Panama City.

In our analysis of the issues under negotiation, we should not proceed from the premise that Panama is our adversary. To look at the problem from that perspective is to foment prejudice against the negotiations and the people of the Government of Panama. Moreover, it is to condemn our countries to an atmosphere of perpetual confrontation. We should not be unduly concerned about the nationalistic sentiments emanating from Panama. It is easy to imagine similar expression coming from American patriots were the roles between the two countries reversed. The present negotiations represent an effort to accommodate both Panama's national aspirations and America's vital canal interests. These factors are not necessarily inconsistent. Through the spirit of compromise, and partnership they can coexist.

In the emotional controversy festering over the canal treaty, few persons have addressed a basic question: What is our essential national interest in Panama? I maintain that interest lies in keeping the canal safe, open, efficient, and neutral.

While most Americans would agree with that objective, some people believe the only way to maintain it is by the continuing exercise of jurisdiction by the United States over the Canal Zone. Sovereignty has been a means to an end, but it is a tool fashioned in an age of imperialism and gunboat diplomacy. Better tools, more attuned to the political realities of the 1970's than to the turn of the century, can be found to keep the Canal open and under U.S. control.

The idea that continuing American exercise of jurisdiction rights in the Canal Zone will insure the safety of the canal is a myth. The canal is vulnerable not only to nuclear arms but to unsophisticated weapons, not only to big-power aggressors, but to local malcontents.

Our exercise of jurisdiction in the Canal Zone does not change the fact that the most reliable way to guarantee a safe and open canal is by securing the consent and cooperation of the Panamanian people. Such a measure of consent can be obtained by a new, better-balanced treaty which recognizes the fundamental rights and interests of all its parties.

To repeat: the U.S. Government is not prepared to relinquish, for the duration of a new treaty our rights to operate and defend the canal. Indeed, in the Statement of Principles which govern the conduct of treaty negotiations, Secretary of State Henry Kissinger and Panama's Foreign Minister Juan Antonio Tack, expressly stipulated that within the time period of a new treaty the United States will be granted, the right to use the lands. waters, and airspace which may be necessary for the operation, maintenance, protection, and defense of the canal and the transit of ships.

Some concern has been expressed about the proposed length of the treaty. At present, American rights in the Canal Zone are guaranteed in perpetuity. Reasonable people have asked why the United States should agree to a treaty with a fixed timeframe.

It is important to realize that, although some disagreement exists between the United States and Panama as to the possible duration of a new treaty, any revised document would grant the United States rights for a period covering the useful life of the existing canal.

The Panama Canal was constructed in the early years of this century. Its operation is based on a system of locks which raise and lower vessels 85 feet as they traverse the Isthmus of Panama. Although the canal represents a remarkable engineering feat, it is becoming antiquated, unable to handle modern ships of considerable size. As decades pass, this trend will become more pronounced. Eventually, the United States will have to consider the construction of a new, sea-level canal, probably elsewhere in Panama, or at some other point in Central America.

When that time comes, the good will generated by the present treaty negotiations and a strong United States-Panama partnership may be very important to our national interest. The treaty negotiations now underway are directed at maintaining our vital interests at the existing canal until that time.

I believe the treaty negotiations are being conducted by honorable men on both sides. They have labored for more than a year to produce a document which will guarantee a solid relationship between the United States and Panama and which will continue the free flow of commerce through the canal.

After recent events in Cambodia and South Vietnam, I realize many well-intentioned Americans may resist treaty revisions in the belief that such changes represent "another American surrender." I reject this view. The Government of Panama is fundamentally friendly to the United States. The Panamanian people have had a long close relationship with Americans. There is no reason why we cannot build upon this foundation of friendship with good results for both sides.

If we are inflexible to any changes in the treaty, if we resist good-faith efforts to negotiate an agreement, we may destroy such moderate leadership as exists and actually strengthen the hand of Panamanian far-left extremists who would try to push us out of Panama at any price. Such extremists feed upon the general public discontent with the status quo. But they cannot prevail in an atmosphere dominated by progress rather than stagnancy, in a climate characterized by substantive negotiation instead of stubborn resistance.

As a U.S. Senator, I feel strongly that the United States must, under a new treaty, retain primary responsibility for the operation and defense of the Panama Canal. Within the framework of this position, I will be open-minded about revisions in our treaty relationship with Panama. The new treaty will be a delicate matter of great complexity. It will have an indelible impact on our relations with Latin America for years to come.

AN ALIEN EMPLOYMENT ACT, S. 1928

Mr. DOMENICI. Mr. President, on July 29, 1975, I asked that I be added as a cosponsor to S. 1928, an Alien Employment Act. If I may, Mr. President, I would like to address certain issues that led me to the conclusion that S. 1928 was indeed the best and most thoroughly thought out piece of legislation to deal with the problem of illegal alien employment.

I have in the past been reluctant to support legislation that first of all, placed the burden on the employer to enforce the law, and second, failed to recognize the difficulties that would arise with respect to Americans who may look or speak differently than other Americans.

Mr. President, I have never understood, first, why other legislation introduced to deal with this national problem would ever suggest that the employer be placed in a position where he is asked to enforce the law, and then, to further enforce and obey the law without adequate information necessary for doing so. Yet, this is the approach that others are taking in legislation now pending before Congress. I have always felt that the employer should not be forced into the business of law enforcement.

The above-mentioned approach places the employer in a position where, if he suspects that a prospective employee may be an illegal alien because he looks or speaks differently, he runs the risk of being in violation of the law if he hires that individual. Consequently, the employer and the employee are both shortchanged. The employer, because he cannot hire a willing and able individual because the employer suspects that the applicant is an illegal alien; and the prospective employee, because he is denied the opportunity to work. The dilemma is further complicated if the prospective employee is in fact an American citizen, legally entitled to work. The employer is then subject to charges of discrimination which are potentially costly if the question is eventually litigated. Again, the employer and the prospective employee are both losers, the employer, because he must defend against charges of discrimination, and the employee, because he is still out of work.

I think that this other legislation would still be as objectionable even if a speedy and adequate remedy were available to the employee, since the employer should not be placed in a position of enforcing the law. I think, Mr. President, that I have painted a more realistic picture of a situation that could occur if other legislation presently pending in the Congress were ever passed.

It is my hope that more of my colleagues in the Senate will give S. 1928 serious consideration. I have for the past 2 months been studying all of the pending legislation before the Congress dealing with illegal alien employment. As I have previously stated, this study has led me to reach the conclusion that S. 1928 is by far the best and most thoroughly thought-out piece of legislation that I have seen in this area.

S. 1928, or the Alien Employment Act provides that the Attorney General, together with the Social Security Administration enforce the provisions of the act. It places the burden of enforcement on the Government agencies that should be charged with such a responsibility. It further provides for a system of determining whether a person is legally entitled to employment, without a provision that would require everyone to present or carry a universal form of identification not already in existence. Employers who, with due diligence, follow the provisions of the act could only be prosecuted for hiring persons known not to be entitled to employment in this country. Since the act does spell out what type of identification is required to prove that the person seeking employment is an American citizen, the risk that the employee will be discriminated against will be substantially reduced.

Mr. President, I am pleased that others in my State share the same concern in trying to eliminate this national problem, and they share my opinion that S. 1928 is worthy of support. Mr. President, I ask unanimous consent that a letter from the New Mexico Building and Construction Trades Council be printed in the Record following my remarks.

There being no objection, the letter was ordered to be printed in the Record, as follows:

New Mexico Building and
Construction Trades Council,
Albuquerque, N. Mex., July 21, 1975.

Hon. Pete Domenici,
U.S. Senator,
Washington, D.C.

Dear Pete: Your letter of July 11, 1975, addressed to Mr. Luther Sizemore regarding S 1928 Packwood Bill was discussed at the New Mexico Building and Construction Trades Council meeting on this date by some twenty union delegates present.

After discussing the merits of the Packwood Bill, I have been instructed to advise you that the N. M. Building and Construction Trades Council supports S 1928 and urges you to lend your support to this bill.

As you are aware, some kind of illegal alien employment act is of the utmost importance at this time and we feel the Packwood Bill is a better bill in some respects than the Rodino Bill; therefore, your support of S 1928 would be appreciated.

Very truly yours,

George Suddarth,
President.

A STORY "STRAIGHT OUT OF HOLLYWOOD"

Mr. WILLIAMS. Mr. President, Ken Mazik calls it a story "straight out of Hollywood" and at the risk of being repetitious, I think that is the best way of describing it.

The story is detailed in an article in today's New York Times. Basically, it involves one of the world's finest standard bred horses; an outstanding school for autistic children; and two truly generous and dedicated people, Ken and Claire Mazik.

As the article relates, the Maziks had been using horses as teaching objects at the school and began racing them in an attempt to help defray expenses. Then they took their most modest salaries and bought an animal named Silk Stockings. He has become a big winner, but the real winners are the children and the school.

The Maziks have been using the winnings to help defray costs at the school and to establish a horse farm which they hope will guarantee the continuation of the school.

Just last Sunday, Silk Stockings won $115,260 at Monticello Raceway in New York State, bringing its total winnings to $351,438.

Knowing the Maziks and their work, it is a particular joy to me to see this story unfold. I know of no people who give more of themselves or of their resources than do the Maziks.

However, I think that this story is a reminder to us that we must continue to develop programs so that autistic children—and all others who need help—will not have to rely on such a rare combination as Mr. and Mrs. Mazik and Silk Stockings.

In the meantime, so that we may all enjoy this heartwarming story, I ask unanimous consent that the full text of the New York Times article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Filly Winning a Fortune for a Struggling School

(By James T. Wooten)

Bear, Del., July 29.—Not long ago, Au Clair, a respected but struggling school for autistic children, was hard pressed to pay its bills here in this isolated rural village.

Today, there is money in the bank.

The difference has been a benefactor, and the benefactor is a horse.

Not just any horse, but Silk Stockings, a 3-year-old pacer that was bought in 1972 by the school's founders and directors, Mr. and Mrs. Kenneth Mazik, in the hope that "she would, at least, pay for her feed."

Actually, she has done a bit better than that. In two years of racing, she has won 22 times, never finished out of the money, earned $351,438—more than many Americans make in a lifetime of work—and Au Clair, the Maziks' school, is struggling no more.

Some of the money has gone into the institution itself, but the couple have used most of the winnings to purchase five other horses—the beginning of a breeding operation—and a nearby 50-acre farm that is already being used to help support Au Clair. Both the farm and the breeding operation, the Maziks say, are aimed at providing them with the source of financial security that will insure the school's survival.

"It's straight out of Hollywood," Mr. Mazik laughingly said yesterday as he joyfully recounted the horse's latest exploit, a $115,260 victory Sunday night in the Monticello-New York City Off-track Betting Classic in Monticello, N.Y.

Not only did Silk Stockings pick up the richest purse in the history of harness racing, she also set a new world's record—1:57.4—for pacing fillies and mares, and became the hottest female on the national circuit.

"I'm telling you folks, it's straight out of Hollywood," Mr. Mazik said again, jubilantly repeating himself.

"You said that already, Ken," his wife Claire pointed out.

"I know, I know," he answered, "but isn't it? Isn't it?"

It does resemble that wellworn screen play in which a worthy institution—a church, more often than not, with Barry Fitzgerald or Pat O'Brien in the role of the parish priest—winds up as the beneficiary of some unlikely enterprise—a bookie operation, perhaps, or a race horse named Heavenly Days or First Communion.

Still, given its unusual nature, one wonders whether any self-respecting producer would ever buy the Maziks' story.

Mr. Mazik is a 35-year-old, salty-talking clinic psychologist who met his future wife, a psychiatric nurse, when they were working in a Delaware mental institution.

After receiving a graduate degree from Temple University, he became a highly paid "diagnostic expert" who could rattle off the more than 200 causes of mental retardation among children in less time than it took to write him a sizable check.

"Then, one day," he recalled, "I tested this kid, couldn't quite figure out what was wrong and rescheduled him for the next week. In the meantime, he pulled his eye out. I mean it! He actually reached in and pulled out his own eye.

"Well, I couldn't believe any child could be that self-destructive and my guilt was just enormous. So following my usual pattern, I overcompensated. I threw myself into autism—which was what was wrong with the boy."

While there is considerable debate about its precise definition, it is generally agreed that autism is an inability to pair sights and sounds. It results in an inability to speak and frequently in a complete withdrawal that can sometimes produce self-destructive acts by the child.

Mr. Mazik's new interest led, in 1969, to the purchase of a fading, 28-room mansion, built here in the heart of Delaware's horsey country by a New York physician, and its conversion into a school for children with early infantile autism.

The school now has 26 students, all but three of them boys, ranging in age from 7 to 17. Most of their parents are "creative achievers," Mr. Mazik said.

The school, a private institution, has a sliding tuition scale based on the ability of parents or sponsoring agents for each child to pay. The estimated cost per student is

$14,000 a year Mr. Mazik said, "but we have kids here paying only $5 a month."

Eventually, Mr. and Mrs. Mazik decided that the older boys needed some form of vocational education, and after giving up on farming and poultry raising—one was too dangerous and the other too expensive—they settled on horses.

"We wanted a teaching object," Mrs. Mazik said, so in 1971 they bought a 9-year-old claimer named Tugfire, a trotter that paid his bills and became part of the Au Clair educational experience.

He was the first of several so-so horses the children came to love, but after losing several claiming races, the Maziks decided to take a larger plunge into their strange new world.

Each of them is paid $10,000 annually by the Au Clair Corporation. They took their salaries for one year and went to a standardbred sale with their eye on Silk Stockings, the daughter of Most Happy Fellow, a respected pacer recently put to stud.

"We thought she was just beautiful, with those long, delicate legs." Mrs. Mazik said.

"But we knew we couldn't get her," her husband recalled. "We knew she would go for some price far beyond our means."

What happened, in fact, was that the filly was not thought to have much potential by anyone else because of her long, delicate legs, and they got her for exactly the money they had.

Now her success story is the talk of racing circles all over the country. She is mentioned as the first filly with the chance to win. The Little Brown Jug, pacing's "Kentucky Derby," and Mr. Mazik, who has learned to speak in the jargon of the tracks, now gives visitors a detailed commentary on the science of harness racing and his plans for the future.

Most of Silk Stockings' earnings this year will go toward paying the note on the new farm and the purchase of two brood mares, giving the Maziks what they believe will be a fairly firm financial footing on which to continue the work of the school.

"You know, "it's the craziest thing," he was saying yesterday afternoon as he watched Au Clair Fury, the young, half-brother of Silk Stockings," romp in the paddock in the front yard of the school.

"You start off doing something with the hope that maybe a little good will result, and all of a sudden you wind up—" and he broke off in midsentence as the black colt snorted and pranced in the green turf.

"Look at that," Mr. Mazik said, not sounding much like a clinical psychologist. "Look at his configuration. Look at that balance. Look at the power in his legs."

THE PLAINFIELD SENIOR HOME CONVERSION PROGRAM

Mr. WILLIAMS. Mr. President, recently, on behalf of the Senate Committee on Aging, I conducted hearings in Newark, N.J. Our subject was the cost of living as it affects the elderly, but I also invited testimony on positive actions that can be taken to help alleviate major economic problems facing older Americans. One promising innovation in meeting shelter needs was described by Richard Fox, assistant director of the Plainfield, N.J., housing authority. It is the result of teamwork between the housing authority and the New Jersey State Office on Aging, and it is called the demonstration senior home conversion program.

Essentially, the senior home conversion program provides elderly homeowners with loans to convert single-family dwellings into two-family units, thus adding an income-producing unit. In addition to creating a more manageable one-floor unit for the owner, it provides the added security of having another person or couple close by. To be eligible for participation in the program, a homeowner must be at least 60 years of age and have an income of less than $5,000. Other factors considered are the health of the homeowner and the stability of the neighborhood.

In order to establish an on-going program, a participant is required to amortize the non-interest bearing loan, and pay into a revolving fund which would finance additional conversions. As money accrued in the fund, additional units will undergo similar transformation. Funds were made available under the Older Americans Act through a model project grant authorized by the New Jersey Division on Aging.

Under the Plainfield program, the homeowner and the housing authority jointly manage the property. Although the apartment can be rented in the open market, the intent of the program is to rent to elderly tenants who are eligible for public housing and could utilize section 23 Federal leasing program, and eventually the new section 8 program.

Mr. President, I see much merit in the concept that my constituents in Plainfield have advanced and I feel that their program should be considered by the Congress when developing housing alternatives. In order to share Mr. Fox's testimony, I ask unanimous consent that it be printed in the Record.

There being no objection, the testimony was ordered to be printed in the Record, as follows:

Statement of Mr. Richard D. Fox, Assistant to the Director of the Housing Authority of Plainfield, Plainfield, New Jersey

Mr. Fox. Senator Williams, on behalf of the Housing Authority of Plainfield, I thank you for being invited to discuss the Demonstration Senior Home Conversion Program.

I also want to express Plainfield's gratitude to you, Senator Williams, for your diligent efforts which made Richmond Towers Senior Citizens Building a reality today.

We commend your work which has improved the lives of New Jersey's elderly.

The following is a description of a Demonstration Senior Home Conversion Grant provided by the Department of Community Affairs, Division on Aging to the Housing Authority of Plainfield.

Funds were made possible by the Older Americans Act of 1965, as amended—Model Project.

The Demonstration Senior Home Conversion Program will provide elderly homeowners with a loan to convert their dwellings to include an income producing unit.

Elderly persons would be able to maintain their homes, and decent housing units would be increased for the aged. The grant includes architectural and administrative assistance. A revolving fund will be established as loan payments accumulate, additional homes will be converted.

An eligible homeowner is defined as 60 years of age or older with a maximum income of $5,000, or eligibility for State property tax exemptions. The ten-year loan would be non-interest bearing.

The administrative Housing Moratorium of January, 1973, impeded conventional senior citizen housing production programs.

However, the need for senior citizen housing continued. Housing professionals sought alternative methods to meet the demand for low-income elderly housing while waiting for Section 8 to materialize.

Section 8 at this time is not a proven housing production program. The demonstration program provides another alternative.

Elderly low-income homeowners in the recent inflationary period have been economically burdened by fixed limited incomes and rapidly rising property taxes.

Some have been forced to sell their homes because of their inability to pay taxes.

Since there are few or no suitable housing choices for low-income elderly, they must move out of the community, away from family, friends, and familiar surroundings.

The State of New Jersey has recognized that low-income elderly homeowners need some form of property tax relief. Recently, homeowners 65 years of age with incomes under $5,000 qualified for a $160 property tax exemption. With property taxes over $1,000 a year, this exemption is of minimal assistance. Many in this income group are only able to pay their property taxes by limiting other necessities such as food and medical care. This program will defray housing expenses for elderly homeowners by adding an income producing apartment.

The homeowner will have to be in reasonably good health, both mentally and physically, house in satisfactory repair and suitable for conversion. In addition to giving the homeowner the added income from the rental of the new apartment, it would create a safer, one-floor living unit for the owner and the comfort and security of another person or couple living in the same house. Each house conversion creates an additional housing unit for another elderly individual or couple. This type of loan will preserve existing housing and neighborhoods by enabling the homeowner to maintain his house properly.

This demonstration project is located where a public housing authority exists with Section 23 leasing funds. In the future, Section 8 existing housing funds would be applicable. It would be preferable, if the Housing Authority administers both aspects of the project, i.e., the conversion of the five homes and the leasing of the new apartments. The Housing Authority will engage an architect for assistance in selecting appropriate homes, and designing plans needed for the conversions. The Plainfield Housing Authority has available Section 23 funds and is a suitable administrative agency.

In order to qualify for this low-interest loan, the homeowner should be 60 years of age or older and have an income of under $5,000, or be eligible for the $160 state property tax exemption.

In addition, the homeowner should be able to act as a landlord for the new apartment. The home to be converted should be in reasonably good repair and suitable for a second floor apartment.

The neighborhood should be fairly stable. It would be preferable for the home to be located in a zone that permitted two family units.

The Tax Assessor and Planning Director of Plainfield have both been consulted and feel the program can work. The Planning Director advised that the program be implemented in an R3, R4, R5, R6 or R7 zone. If any zoning variance is required, it would have a high feasibility of passage because of the unusual hardship of senior citizens, prior non-conforming usage in various zones and minor nature of any necessary variance. The Planning Director recommended the program not be implemented in commercial and industrial zones.

The Tax Assessor was consulted regarding possible tax increases resulting from the alteration. Under the City, BB Code, the alteration could possibly add a $1,500 assessment value, resulting in a tax increase of $60.00 to $90.00 per year.

Although the new second floor apartment can be rented on the open market, it would be desirable to have elderly tenants who are eligible for public housing and utilize the Section 23 Federal Leasing Program. The sublessor would benefit from the Brooke Amendment. Each conversion would be creating housing units for two elderly low-income families because the owner would not be financially forced to sell.

Three exhibits are enclosed for review, a demonstration budget, apartment operating budget and conversion cost per unit budget.

The demonstration budget consists of four cost categories, administrative $4,775, architectural $5,560, conversion $46,965, and contingency $2,700, a total of $60,000.

Five apartment units would be developed at a cost of $12,000 per apartment. A participant would amortize the non-interest bearing loan and pay into a revolving fund which would finance additional conversions. When $12,000 was accumulated in the fund, another unit could be implemented.

Another apartment could be achieved in 2.6 years with five units paying $4,697 a year. The time would decrease if additional units were developed initially. A 15-unit program of $180,000 would produce a new apartment every year.

An apartment operating budget was devised to calculate the financial feasibility of the apartment unit.

The local Housing Authority's Section 23 Lease Program will pay $182.00 per month to the homeowner and generate $2,184 a year.

Expenses of the homeowner consisting of utilities, tax, insurance and amortization would total $134.34 a month and $1,613.30 a year. The residual receipts of $570.70 a year would help defray tax expenditures for the homeowner.

If the loan time was extended, debt service per year would decrease and yearly residual receipts would increase additionally helping the homeowner.

However, it would take longer to build up the revolving fund. The alteration budget is $9,393 per unit. Compared to new apartment construction cost of approximately $38,000 per apartment, a considerable savings is realized.

Since costs vary with competitive bidding, an apartment unit may be developed for less than the alteration budget.

The Housing Authority of Plainfield enters into agreements with residents consenting to participate in the program.

The Local Housing Authority will proceed to employ an architect for planning and inspection. Upon finalization of plans, the Local Housing Authority would advertise for bidders, take bids, award contracts, administer construction and inspect.

The Local Housing Authority will lease the new units from the homemakers with the Section 23 Program and sublease to a low-income elderly person.

The homeowner and Local Housing Authority would jointly manage the property. The Local Housing Authority would collect rent and directly pay the homeowner. The sublessor's ability to pay rent would be determined by the Brooke Amendment, basically a yearly rent of 25 percent of the senior citizens yearly income.

Should the sublessor's ability to pay decrease, so would the rent.

However, the local Housing Authority would continue to pay the same rental amount to the homeowner. A HUD subsidy finances the difference and insures the program's low-income nature. The sublessor's housing would be a guarantee for the term of the lease. The lease could continue for 15 years, renewable in five-year intervals.

Should the homeowner die, the estate would be obligated to honor the duration of the lease.

A total budget of $60,000 will provide loans to elderly homeowners to convert their homes to include an income producing unit. Principle amortization will continue to produce additional apartments. The program's concept is based on the investment multiplier effect of the original grant. After a designated period, the program could be halted and the original $60,000 returned to the State. The Housing Authority expects the grant to produce housing as long as the need for senior citizen housing exists.

This program offers a new concept for maintaining neighborhoods and providing decent, safe and sanitary housing to the low-income elderly of America.

Thank you.

Senator Williams. Thank you very much, Mr. Fox. That is fine for a City like Plainfield, and we have a lot of cities just like it.

Mr. Fox. Yes, we do. Hopefully, Section 8, which has problems in obtaining financing, could use this tool to constantly recycle the original finance money and cause it constantly to multiply housing, to start with an original base, and you maintain the original, and you keep producing housing, and the very rare aspect of this program is that it continually turns the original Federal grant back to the State or the Federal Government, which would result in sincere cost savings.

Senator Williams. How far along are you?

Mr. Fox. We have just executed all contracts with the State.

We have retained an architect, and we are now surveying the zones to make sure the senior citizens we contact will be appropriate to the family, so we do not waste time, and then when we interview somebody who is physically capable of managing the home alterations, we can proceed directly without variance, etc.

This will also have a spinoff on the neighborhood, because deteriorating housing in the neighborhood brings down the general housing, and eventually the older homeowners leave their houses, the neighborhood declines because nobody cares.

With the older homeowner staying there, and with the safety of another person in the home, the neighborhood can stay stable.

Senator Williams. Give me a street where you would think it would lend itself to the various criteria.

Mr. Fox. Possibly Richmond Street, where sections of the street are dilapidated, and other sections of the street, they have large homes, where senior citizens live in, or 2nd Street where you have some larger homes, they are old, however, if they do not have the money to rehabilitate them, they will go downhill, and the neighborhood with them.

There are senior citizens living in the older homes, where with $500.000 or $600.000 extra a year, and paying their taxes, they could pump some money back into alterations, alterations that are necessary for the house, into repairing, general repair, window repairs and shingle roofs and repair drainage, all needed to maintain a house, but without it, the neighborhood in general will decline, will slip away into an undesirable neighborhood.

Senator Williams. Very good.

Mr. Fox. Thank you.

GOVERNMENT REGULATION: A NEW PHILOSOPHY

Mr. FANNIN. Mr. President, there is a growing awareness among the American people that something must be done about big government and overregulation of industry. I am pleased to note that many responsible businessmen are speaking out on this matter. This is encouraging for I have feared that too many businessmen were either intimidated by or becoming too accustomed to Government regulation and protection to fight against the expansion of government.

One of the ablest and most articulate spokesmen for the business community is Mr. Z. D. Bonner, president of Gulf Oil Co. Mr. President, I call the attention of my colleagues to a speech which Mr. Bonner delivered to the 91st Annual Convention of the Texas Bankers Association in Houston, Tex., on May 6.

In his remarks, Mr. Bonner discusses the many problems that economic regulation and Government fiscal policies have created in our society:

> To state that the federal government has grown enormously in the past half century—and particularly during the past decade—is to state the obvious. Its financial needs have grown substantially disproportionate to its revenues. Federal regulatory activities are imposing costs on society as a whole which frequently exceed benefits. And Washington has, to a considerable extent, usurped from business its traditional decision-making role."

Unfortunately, as Mr. Bonner points out:

> Government has been perceived as an even-handed, disinterested catalyst uniquely capable of regulating business activity to the better advantage of consumers and workers. . . . The increasing power of government has always been rationalized in the name of "the public interest."

The result of this view of Government as the ultimate problem-solving catalyst—what Mr. Bonner calls the "Catalytic Converter Theory in Government"—has been disaster all around. According to the President's Council of Economic Advisors, economic regulation is costing the economy at least $14 billion a year. Such regulation increases business costs which, in turn, are reflected in higher prices that consumers must pay for the products and services they need. In addition, we are beginning to experience shortages in certain vital goods and services as a result of delays in regulatory decisionmaking and "an anti-innovation bias on the part of some regulators."

As an example of regulatory failure, Mr. Bonner points to the deteriorating process that has occurred in the energy field. As a result of overregulation of the oil and gas industry, exploration and production have declined, energy shortages have become critical, our country remains dependent on the OPEC cartel, economic recovery has been slowed, and oil and gasoline prices are higher than ever. From this experience with regulation under the FPC and FEA programs, Mr. Bonner concludes:

> Regulatory intervention also hampers national productivity by creating uncertainty within the business community. In the face of steadily escalating involvement of the federal government in economic matters, we simply do not know from one day to the next what the rules will be. This atmosphere compounds the natural difficulties inherent in business planning and has a chilling effect on investors.
>
> Conflicting and constantly shifting policies are taking their toll on industry and its ability to adjust to economic circumstances. When political considerations enter the picture, then the importance of economic factors is reduced by just that much in the corporate decisionmaking process. The inevita-

ble result is a loss in efficiency. Market dislocations begin to occur and then someone in Washington begins to argue for more rules, controls, regulations or laws to counteract the problems created by the earlier instances of intervention.

The result has been a "mixed economy" in which private management decisionmaking has been shifted to centralized political decisionmaking in Washington. This trend toward political control has been exacerbated by Government fiscal irresponsibility. Today we face the bitter choice of inflation or unemployment. But, as Mr. Bonner observes, even the fiscal capacity of the tax state has limits. Fortunately an increasing number of economists, Government experts, policymakers and consumer advocates are beginning to reassess their thinking about the role of Government and to examine more carefully the effects of Government regulation. As a result, Mr. Bonner is optimistic that—

> Some theories and, eventually, some new policies will emerge which will benefit business, consumers and workers.

As a result of this change in attitude, free enterprise is gaining intellectual ground. Perception of Government as a problem-solving catalyst is changing. Its image as a fiscal alchemist is being discredited as the results come in. On the other hand, a new generation of economists is reevaluating the potentials of capitalism. In an era of ponderous bureaucracy and "stagflation," the historical efficiency of the free marketplace appears more and more attractive.

I certainly hope that Mr. Bonner is correct that, in fact, a new philosophy is developing which emphasizes the potential and efficiency of free enterprise while promoting deregulation and fiscal reform. The problem, then, is not to attract better regulators but, as Mr. Bonner suggests, "to define the fundamental limitations of government and capabilities of business." The difficulties we face today in our society are results of confusing the essential nature of the institutions of business and government and failing to recognize their respective strengths and weaknesses.

Mr. Bonner concludes by posing some important questions concerning the relationship between business and government—questions which Congress must answer as it reexamines and reevaluates Government regulation. I quote Mr. Bonner:

> We will eventually have to decide:
>
> First, in view of the costs and frequently negative results of regulatory intervention, would society be better served if economic decision-making were exercised by profit-oriented institutions?
>
> Second, is government—as an essentially politic entity—an effective and appropriate institution for achieving economic benefits?
>
> Third, at what point do the fiscal demands of government become excessive and begin adversely to affect society as a whole?
>
> Fourth, what are the so-far unexplored capabilities of profit-oriented institutions?
>
> Finally, based on whatever may be the limits of its economic abilities, what are the appropriate limits of governmental power?

Mr. President, I ask unanimous consent that Mr. Bonner's speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

SPEECH BY MR. Z. D. BONNER

Good morning:

I appreciate your inviting me to be with you because there are two rather critical issues which I want to discuss.

Both concern the evolving role of government and its impact, both on the business community and society as a whole. The two areas which particularly concern me relate to the Federal government's regulatory role and the impact of its enormous fiscal demands on the U.S. economy.

There is a great need for all of us to understand the changes which are occurring in our world. The velocity of change in the latter half of this Twentieth Century has not been equalled in the course of history. Unless we understand the nature of these social stresses, we are apt to let change get the better of us.

Six months ago, it seemed we might be headed for a major depression. But as the Editor of *Barron's* recently noted: "Doomsday will be a little late this year."

Business leaders are frequently inclined these days toward pessimism. Analyzing current events as they unfold, they certainly have their reasons. Nonetheless, I think we are approaching a watershed point in this nation's history. The theories and policies of the past four decades are culminating in the roller-coaster economy of the present—and the results are far from popular.

ANALYZING THE RESULTS

For those willing to look closely enough, there are some propitious signs that a reassessment is underway among scholars and economists. Some fundamental questions are being raised concerning the direction of economic regulation and national fiscal policies. From this reassessment, I am cautiously optimistic that some new theories and, eventually, some new policies will emerge which will benefit business, consumers and workers.

There is clear evidence that the contemporary political process—particularly as it is evolving at the Federal level—is creating tremendous burdens of its own upon American society. To state that the Federal government has grown enormously in the past half century—and particularly during the past decade—is to state the obvious. Its financial needs have grown substantially disproportionate to its revenues. Federal regulatory activities are imposing costs on society as a whole which frequently exceed benefits. And Washington has, to a considerable extent, usurped from business its traditional decision-making role.

Over the past year, I have addressed perhaps some thirty-five or more groups, to speak about the energy crisis and the nation's economic problems.

My remarks have necessarily included some frequent mention of the Federal government's regulatory role in the energy shortage—since oil and gas production is one of the more intensely regulated industries. A number of my colleagues at Gulf have also found themselves frequently at the podium.

In the course of these activities I had the opportunity to address members of the Economic Club of Detroit, early in March. My speech was destined to be more timely than I had anticipated. The Environmental Protection Agency, less than a week before, announced that it was suspending for one year the 1977 emission standards on automobiles and that it would ask Congress to rework the standards for the rest of the decade and beyond.

The reason, of course, was the dismal failure of the catalytic converter.

EPA's decision—an admission of defeat really—was long overdue.

But since I had decided to speak about the converter and its problems, from the standpoint of my speech, their timing was fortuitous.

GOVERNMENT AS PROBLEM-SOLVING CATALYST

It occurred to me following the speech that the catalytic converter was a symbol of our times. For years, the theory has persisted that you can run problems in one end of Washington and they will come out the other end solved. Those who hold to what I have come to call the "Catalytic Converter Theory of Government" have—naively I think—believed as a matter of faith that politics is the ultimate problem-solver.

The theory has many disciples.

Even had the analogy occurred to me prior to my remarks in Detroit, I would have resisted the temptation to use it. There were a number of auto industry executives in the audience, and Detroit was in no mood to be joking about the problems of catalytic converter technology.

Yet, I think there is more truth than humor in the analogy.

As a political institution, Government has been perceived as an even-handed, disinterested catalyst uniquely capable of regulating business activity to the better advantage of consumers and workers. Politics was the instrument which could arbitrate the interests and demands of consumers and workers with the interests and demands of the business community, converting the problems to benefits. The increasing power of government has always been rationalized in the name of "the public interest." But today a growing number of consumer advocates, economists and government policymakers are looking at the results. The evidence now developing seems to contradict this theory.

In January, the President's Council of Economic Advisers estimated in its annual report that political regulation of business affairs may be costing the economy the equivalent of one percent of the Gross National Product. In a $1.4 trillion economy, this would be about $14 billion annually.

Others have advanced even higher estimates.

It is difficult to ascertain with any real accuracy how much economic regulation is costing. The CEA figures are tentative. But we can say that regulation does increase business costs and that these costs do show up in terms of higher consumer product prices.

REGULATORY FAILURES

Another problem is that certain goods and services are not available, due to notorious delays in regulatory decision making and an anti-innovation bias on the part of some regulators. Professor Sam Pelzman, of the University of Chicago, recently reported in a study of Food and Drug Administration regulations that agency procedures have delayed introduction of new drugs by some four years and added $200 million to $300 million a year in consumer costs.

Regulatory delay was the deciding factor in sending the Rock Island railroad into bankruptcy just last March. The Rock Island had petitioned the Interstate Commerce Commission fully 12 years ago for permission to merge with Union Pacific. The Commission held 274 days of hearings in the course of the 12 years the request was pending. As late as last January, the ICC even refused to permit the financially starved line to hike its freight rates by seven percent. However, it did agree to the increased rates the week after the Rock Island filed for bankruptcy. To late; after waiting 12 years for the ICC to make up its mind it couldn't wait any longer. The Rock Island reached the end of the line on March 14th.

The ICC was the first of the so-called independent Federal regulatory agencies. It was created in 1887 and in 1975 large segments of the American railroad industry are a shambles. The reputation of the ICC for incompetence, delay and lack of direction is as well deserved as it is widespread.

Other regulated industries—and their shareholders, their customers and their employees—have good reason to wonder how long it will take for the regulatory process to achieve similar ends in business they patronize, work in or invest in.

THE REGULATED PETROLEUM INDUSTRY

The same deteriorating process is already beginning in the oil and gas industry. In 1954, the Supreme Court directed the Federal Power Commission to regulate the well-head price of natural gas. The FPC did not seek this authority. But once it had been directed to exercise it, the agency pursued its mission by holding the price of natural gas down considerably below free market levels. The results are probably familiar to you: increased demand for natural gas, a decline in exploration and drilling activity, resulting in a decline in proved reserves. By suspending the law of supply and demand in natural gas, the FPC also damaged coal production.

The price of so-called 'old' domestic crude is now regulated, a move which could not have happened at a worse time so far as developing this nation's future energy supplies is concerned.

In the late 1960s and early 1970s the environmental issue surfaced. The issue is certainly legitimate and properly a matter of social concern. But new ideas are often embraced with a zeal which results in extreme positions among the advocates. Consequently, attempts to develop energy supplies from shale deposits, from nuclear power and from this nation's vast coal reserves are being checkmated by extreme environmental laws.

So when you hear a member of the oil and gas industry cite what has happened through political regulation to the railroad industry, I think you can appreciate the tone of concern in his voice.

While price controls in the petroleum industry are resulting in energy commodity shortages, other types of controls are increasing consumer product prices.

A group of economists at George Washington University has just concluded a study of the effects of the crude oil "entitlements" program on consumer prices for gasoline. They found that for the nation as a whole, "gasoline prices should, in theory, rise by about one-fourth of a cent per gallon," due to the impact of the FEA's entitlements controls. The total cost of gasoline to all American consumers should, theoretically, be increased by roughly $250 million for the first five months of the program.

I want to stress that these figures are only approximations. It is exceedingly difficult to isolate the cost of any one regulatory program from costs imposed by other controls, since literally hundreds of interdependent regulatory and market variables are involved.

REGIONAL BIAS

In addition to raising total gasoline costs, entitlements regulations favor one section of the country—the Northeastern states—at the expense of consumers in the South, Southwest, Midwest and Rocky Mountain states.

Three states among the lowest in per capita income—Alabama, Mississippi, and Tennessee—might be expected to pay the highest entitlements increases (between six-tenths to seven-tenths of a cent per gallon). While consumers in New York, New Jersey and Ohio—much wealthier states in terms of per capita income—would be benefitted at the expense of residents in all other states.

The entitlements program is only one of a number of Federal regulatory activities which affect the petroleum industry and add costs for society as a whole.

According to a *Wall Street Journal* editorial of March 3:

"... the bureaucratic cost of all FEA controls amounts to an estimated three to five cents a gallon of product, according to varied industry sources. There are FEA officials who privately agree with the higher estimate, which rounds out to a bureaucratic burden of roughly $10 billion a year that the private economy would recover if FEA simply vanished. ..."

Regulatory intervention also hampers national productivity by creating uncertainty within the business community. In the face of steadily escalating involvement of the Federal government in economic matters, we simply do not know from one day to the next what the rules will be. This atmosphere compounds the natural difficulties inherent in business planning and has a chilling effect on investors.

FOLLOWING UP ON THE RESULTS

The shift from private managerial decision-making to political decision-making in economic affairs began in earnest during the New Deal days of the 1930s.

It has escalated considerably during the past decade.

The process has been that—from one quarter or another—a new government regulatory program would be suggested to relieve some real or imagined grievance against business. The legislation would be debated and usually passed. The various controls would be initiated and market practices or structure would be altered, and that would be it. Attention would shift to the next issue or crisis. Failure to achieve the ends aimed at in the initial legislation would result in amendments, almost invariably increasing the scope of government activity.

In this process, almost no attempts were made to analyze—really objectively determine—the overall impact of regulation on prices and productivity. Virtually no follow-up efforts were made to consider whether society might not better be served by removing the original controls.

But we are beginning to see such efforts initiated.

The American Enterprise Institute in Washington, D.C. has just published a study by Dr. Murray L. Weidenbaum, entitled, "Government Mandated Price Increases—A Neglected Aspect of Inflation." I recommend it to you.

Dr. Weidenbaum's thesis represents what I hope will be the first of many attempts to identify the social impact of Federal regulatory activities, and to quantify the effect in terms of consumer prices.

Other economists and writers have begun to address the subject.

Walter Guzzardi Jr., writing in the April issue of *Fortune* magazine, enumerates some of the ways in which the Federal government's policies are impinging on management's decision-making prerogatives.

Quoting Mr. Guzzardi:

"... every big corporation today finds itself ... grappling with the entwining coils of government. The freedom of business to hire and fire is limited by equal-opportunity laws. The rate that must be paid for unskilled work is set by minimum wage laws. When there are wage and price controls, all pay scales are set by the government. ... Decisions about how to raise money and where to build plants are only made after a close look at Federal and state tax laws and the constantly changing investment tax credit. How to dispose of waste, how to advertise, what new products to market, how much to reveal about profitability—all these are decisions shared by the government in its capacity as regulator. So great chunks of executive time and legal talent go to coping with government instead of business problems."

DEREGULATION AS A SOCIAL ISSUE

There are clear warnings that the business community must rescue its decision-making role. This is *not a narrow* **business** issue. In view of the consumer cost impact, it should be a matter of broad *social* concern.

If the evidence indicated that this shift were achieving social benefits, there might well be reason to welcome the incursions. But the evidence now emerging is far from favorable.

The list of regulatory failures grows daily. Consider the following facts and examples:

Wage and price controls were a colossal failure;

The Federally-mandated ignition interlock system on cars has been "unmandated" by Congress because it was an unpopular and costly dud;

By outlawing carrier price competition, denying entry to new competitors and imposing certain market-service requirements, the CAB may be increasing airline fares by as much as 40 percent.

The Interstate Commerce Commission's prohibition against back-hauling by trucks wastes a quarter of a billion gallons of fuel a year.

A small Oregon company which owns three television stations recently reported that its license renewal application to the FCC weighed forty-eight pounds.

Labor regulations which sanction featherbedding and bar more efficient labor methods are responsible for extra consumer costs of $2.6 billion to $5.6 billion annually.

The examples are too numerous to include all of them here. But this list—and other case histories which have been documented—can support charges against the Federal government's regulatory apparatus that it has: caused consumer product price increases, encouraged waste of resources, discouraged or forbidden business competition, created commodity shortages, reduced the rate of innovation and engaged in harrassing tactics against business through exercises in trivia.

That may sound like a rather stern judgment, but I would not voice it if I were not acquainted with evidence which would support every one of these charges.

These are some of the problems of doing business within a controlled, regulated economy. Conflicting and constantly shifting policies are taking their toll on industry and its ability to adjust to economic circumstances.

When political considerations enter the picture, then the importance of economic factors is reduced by just that much in the corporate decision-making process. The inevitable result is a loss in efficiency.

Market dislocations begin to occur and then someone in Washington begins to argue for more rules, controls, regulations or laws to counteract the problems created by the earlier instance of intervention.

The former Chairman of the Wage and Price Commission under Phase II, C. Jackson Grayson, Jr., commented recently on this phenomenon:

"In the Price Commission, almost everytime we tried to adjust our economic system to correct one problem, two or three more were created, and the more we felt the temptation to 'control.'"

In truth, the shift from private management decision-making to centralized political decision-making is inherent in a "mixed economy." As is evident in Dean Grayson's quote, even the best intentioned Washington administrators are faced with a serious dilemma in trying to untangle the problems of a mixed economy.

They must either move in the direction of further controls or lobby on Capitol Hill to have Congress remove those legal restrictions which brought about the present problems. A mixed economy does not stand still in terms of controls. There is no point at which some "optimum mix" is achieved and government or the people can say, "We're not going any further," or "This is it, we have the best of both worlds. Let's just remain at this point."

No such static point exists. I think the present accelerated trend toward political control bears out this hypothesis.

GOVERNMENT FISCAL REFORM

Not all the problems are regulatory. The evolution of the Federal role in fiscal affairs is also being studied. The high cost of government has for many years been a political issue and attempts to hold spending down have so far largely been fruitless.

However, in 1975 it is impossible to ignore Federal spending any longer simply because of the *size of the budget* and the *impact of the deficit*. Last year, spending by governments at all levels in the United States was more than *five times* the after-tax profits of all the corporations in the country. Compared to U.S. Gross National Product, it represented a whopping 33 percent of GNP.

By any comparison, these sums are enormous. But now, in 1975, the projected $60 billion to $70 billion Federal deficit is creating an altogether new problem—one of critical significance.

In order to finance this huge deficit, the Federal Reserve can either increase the money supply or the Treasury can initiate a struggle with private industry for funds in the money markets. Either way, the country can be hurt. It can be hurt by a new round of inflation if the debt is monetized or industrial recovery can be damaged if the Federal government crowds out private borrowers by competing for funds which are badly needed to finance industrial expansion.

The bitter choice is inflation or unemployment.

In 1974, inflation increased the cost of transportation for middle income American families by 14.3 percent; housing went up by 13.5 percent; and food prices rose nearly 12 percent. At the same time, the *impact of taxes* was even more damaging. Personal income taxes to finance all levels went up 26.5 percent and social security taxes increased 21.6 percent. Clearly, the unprecedented fiscal demands of government are creating extraordinary burdens on the lives of every American.

One of the slogans of the New Deal was: "We have solved the problems of production, now we must solve the problems of distribution." This is a recipe for inflation, which might be defined as the political attempt to give things away before they are produced. The Keynsian theories of the 1930s have come full circle, proving that pleasing voters without sufficient reference to economic capabilities is proving endemic to everyone's best interest.

LIMITS OF THE TAX STATE

Now, this is not a narrow business issue . . . it is a matter which must be faced by every consumer, employee, business executive and politician. The fiscal capacity of the state has its limits and the signs are clear that *those limits are being reached*.

The Tennessee Valley Authority has for decades been regarded by some as the shining example of governmental economic achievement; it has symbolized the idea that government could provide benefits which profit-seeking private enterprise could not.

But a year ago—with curiously little fanfare—TVA requested and received congressional forgiveness on a $400 million repayment of principal and interest to the U.S. Treasury. TVA said it would have to raise its consumer rates to an extent which it felt would be politically unacceptable. Although the bill was subsequently vetoed, had it not been vetoed, the shortfall would have been made up by all the taxpayers.

Governmental enterprises such as TVA do not enjoy extraordinary economic capabilities, but are bound—no less than privately owned enterprises—by fiscal limitations. The difference being that all taxpayers must shoulder the burden if and when those limits are exceeded, rather than customers or stockholders as would be the case in a private enterprise situation.

Fifty-five years ago the economist Joseph Schumpeter forecast the possibility that government might reach its fiscal limits in a democracy. He wrote:

"If the will of the people demands higher and higher public expenditures, if more and more means are used for purposes for which private individuals *have not produced* them, if more and more power stands behind this will, and if finally all parts of the people are gripped by entirely new ideas about private property and the forms of life—then the tax state will have run its course and society will have to depend upon other motive forces for its economy than self-interest.

"This limit, and with it the crisis which the tax state could not survive, can certainly be reached. Without doubt, the tax state can collapse."

I began my remarks by saying I was cautiously optimistic. In the face of some of the problems I have described, there would seem to be little room for optimism.

A NEW PHILOSOPHY IS DEVELOPING

But I firmly believe we are at a turning point in history. The success or failure of the American system is at issue. The results of unrealistic public policies surround us. And the evidence is not being ignored.

In the year 1975, free enterprise may have few of the votes, but it is gaining intellectual ground. The perception of government as a problem-solving catalyst is changing. Its image as a fiscal alchemist is being discredited as the results come in.

On the other hand, a new generation of economists is reevaluating the potentials of capitalism. In an era of ponderous bureaucracy and "stagflation," the historical efficiency of the free market place appears more and more attractive.

Ideas take time to penetrate a culture and the theory of government as economic catalyst and fiscal alchemist is riding on sheer momentum alone. No one wants the U.S. to follow the lead of Great Britain, where public spending now amounts to 60 percent of GNP. The tax state there has clearly run its course.

What I have said today is not to denigrate politicians or appointed civil servants and I would not want my remarks to be so interpreted. By an overwhelming number, the men and women serving in government are motivated to serve it well.

The problem does not lie in attracting better administrators. This is the perennial aim of reformers. But such efforts have not achieved better policies because this is not the heart of the problem.

DEFINING THE NATURE OF INSTITUTIONS

The real heart of the problem is the failure to define the fundamental limitations of government and capabilities of business.

Business decisions are made on economic grounds; political decisions are based on political goals. When politicians are vested with authority over business decisions, they exercise that authority with concern for political repercussions—not economic consequences.

In a democracy, government is a *political* institution; its decisions are—and must always remain—essentially *political*. This does not mean that *economic* considerations, in the sense of choosing the most efficient course from among alternatives, can never win out. But because of the *political* nature of government, economic efficiency must take a back seat to pleasing voters and attracting their support.

For example, it is common and accepted knowledge in Washington that decisions as to where to locate domestic military bases are made in deference to the interests of chairmen of powerful Congressional committees, in reference to rewarding a particular area for supporting an Administration, or on other primarily political grounds.

Economic factors may be considered, but political factors probably *dominate*.

An economy under complete political control would result in factories being located—not at points of greatest economic efficiency—but in deference to political sensitivity. Imagine what would happen if refineries were built and oil wells drilled—not in reference to transportation, market and geological realities—but on the basis of political considerations. Clearly, society as a whole would lose.

Business is a profit-oriented institution, and its decisions and activities are bounded by what has been described as "the tyranny of the balance sheet." The specter of having to print the annual report in red ink acts as an effective check on the whims, personal prejudices and wishes of managers. Similar automatic checks are not possible in a non-profit motivated government, the only check is the power of the voters to express in the course of the next election their displeasure with excessive spending, mismanagement and waste.

All this suggests that the problems we are facing today are the results of confusing the essential natures of these two institutions, and failing to recognize their respective strengths and weaknesses. The theory that government can solve all production problems and distribute benefits for all its citizens has led to exorbitant social expectations and unrealistic demands. In the desperate attempt to live up to these expectations, government is failing in broad areas and is pulling the house down.

Sooner or later some very fundamental questions must inevitably be asked.

We will eventually have to decide:

First, in view of the costs and frequently negative *results* of regulatory intervention, would society be better served if economic decision-making were exercised by profit-oriented institutions?

Second, is government—as an essentially *political* entity—an effective and appropriate institution for achieving *economic* benefits?

Third, at what point do the *fiscal* demands of government become excessive and begin adversely to affect society as a whole?

Fourth, what are the so-far unexplored capabilities of profit-oriented institutions?

Finally, based on whatever may be the limits of its economic abilities, what are the appropriate limits of governmental power?

I would like to leave you with these questions. I hope you will want to ponder them at your leisure. For myself, I think that in the answers lies the future of industrial civilization.

They are abstract questions, for the most part.

The answers depend upon one's view of the relationship between society and government. But in society's response to fundamental questions lies its future—or its future demise.

It has been a pleasure being with you today. I sincerely appreciate your invitation to address you. And I thank you.

DEVELOPMENT ASSISTANCE IN FOREIGN AID

Mr. PACKWOOD. Mr. President, last week Senator MAGNUSON and I introduced an amendment to the Foreign Assistance Act of 1975. As we indicated at that time, the amendment suggests a new course of action for implementing the development assistance portion of our foreign aid program.

The author of that proposal is Dr. Roy Prosterman, professor of law at the University of Washington. Yesterday, Dr. Prosterman testified before the Senate Foreign Relations Committee. He elaborated extensively on the recommendations contained in amendment No. 819 and I would like to bring his statement to the attention of my colleagues. It sets out clearly and with supporting data a rational system of developmental goals and the means by which progress can be made toward achieving them.

Mr. President, I ask unanimous consent that Dr. Prosterman's testimony be printed in the RECORD and I commend it to the attention of my colleagues.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF PROF. ROY L. PROSTERMAN, UNIVERSITY OF WASHINGTON SCHOOL OF LAW, BEFORE THE SENATE FOREIGN RELATIONS COMMITTEE, JULY 29, 1975

Foreign aid is among the most maligned, despised, and crucially-important, of all government programs. The time has come to rescue it from the abyss into which it has fallen. And it is a rescue operation which only Congress is equipped to undertake.

At the very outset, it must be recognized that foreign aid is an extremely scarce resource, in the sense that the potential "demand" for funding of economic development projects far exceeds any present or potential "supply" of aid resources from the U.S. and from all other aid-giving countries. This scarcity situation will prevail for the foreseeable future.

Whenever one has such a scarce resource, it is clear that some basis for allocation must be adopted. Since all demands cannot be met, some will be rejected, and they will be rejected on grounds that can be of varying degrees of consistency, rationality, or relevance to the perceived reasons for giving aid. For example, the grounds could, in theory, be simply first-come first-served, or could turn on the political complexion of the recipient, or could express preference for certain kinds of projects, or could express preference for certain kinds of predicted or actual results.

When it is a democracy which is supplying the aid, a further problem intrudes at this point, for, to the extent that the grounds for allocation are applied in an inconsistent or apparently irrational fashion, and especially to the extent that the grounds for allocation are not persuasively related to the claimed purposes of aid as a means of fostering development, then the public support and political consensus needed to sustain an aid program is likely to be badly eroded. The resources then become still scarcer, relative to the demand, and even greater pressure is placed on the already inconsistent, irrational, or irrelevant principles of allocation.

This is precisely what has been happening to the U.S. foreign-aid program over the postwar years. It is precisely what has led to a decline in public support for development assistance which is reflected in the awesome decline in such assistance (so-called "official development assistance") as a percentage of America's GNP, from 2.79 percent at the height of the Marshall Plan in the late 1940's to only 0.23 percent currently one-twelfth as much as in relation to our national capacity to give. It is precisely what has led to various polling results which shows 60%, 70%, even 80% of Americans would like to cut foreign aid still further, generally as high or higher a percentage as favors cuts in any other federal program.

America is thus most of the way towards having no foreign-aid program at all, and unless this erosion of public support can be reversed, in a convincing and long-term manner, I believe that we will be all of the way very soon.

With this failure, probably even with the present degree of failure, will come future alternatives so bleak for the world that the mind reels back from the merest glimpse of the possibilities—population growth checked only by the periodic depredations of the Four Horsemen, famine and civil wars raging over countries armed with nuclear weapons, demagogues and extremists as the standard of third world leadership, commodity and energy supplies and prices in chaos, private investment and the growth of trade at a standstill in an atmosphere of total unpredictability, and the suffering of billions brought home to us daily on our television screens. And I must add that I consider the present aid program, gravely deficient as it is, as far better than none.

This bleak future—for aid, for the world's poor, and inevitably for ourselves—cannot be permitted to happen. But if it is not to happen, the fundamental question of allocation, of consciously establishing principles that are defensibly consistent, rational, and relevant, must be faced.

And it must be faced, not by the self-perpetuating, self-serving, grey, unimaginative bureaucracy of AID, which has an unbetterable record for not facing such issues, but instead intelligently and imaginatively faced by the Congress, and then explained to the people by the Congress, in ways that can reestablish, on a common foundation, both the public support for economic assistance that existed at the time of the Marshall Plan, and an adequate aid program that serves the basic needs of development.

I believe that Amend. No. 819 to S. 1816, introduced on July 25th as an amendment to the Foreign Assistance Act by Sen. Magnuson and Sen. Packwood, would go far towards establishing the conscious and defensible principles for allocation of this scarce resource which are so desperately needed. This is a process which begins with the recognition that the day of the shotgun is over, the day of the rifle is long since here: we *have* countries whose development programs have succeeded admirably, we *have* models, we *have* targets, we *know* what will work nine times out of ten, and we have the techniques for measuring what is being accomplished *as* it is being accomplished.

Stated very briefly, Amend. No. 819 proposes to set goals for performance in three basic areas: ownership of land by those who cultivate it, lowered infant mortality rates, and lowered birth rates. In each case, the goal is set at levels that reflect a significant approach towards developed-country performance, and towards the point where economic growth has become essentially self-sustaining. Progress towards these three basic goals over successive periods of time becomes, under the proposed Amendment, a central and conscious principle for future allocations of foreign aid.

I propose to look for a moment—as background to the goals or standards proposed by Amend. No. 819—at just what *has* worked. First, I should like to turn to a study which we completed at the University of Washington just a few weeks ago, of the comparative productivity of nine Asian rice agricultures, and concerning certain other features of those nine societies. Here is the basic data:

RICE PRODUCTION PER HECTARE IN NINE ASIAN COUNTRIES

	1974 production in metric tons of paddy rice per hectare	1974 production in each country as multiple of India's 1974 production	1974 production: tons-per-hectare increase over 1947 production in same country	1974 production: percent increase over 1947 production in same country	Infant mortality per 1,000 under one year old (data as of 1972 or 1973)	Birth rate per 1,000 population (1970–75 average)
Japan	5.64	3.48	2.08	58	12	19.2
South Korea	5.02	3.10	2.52	101	60	28.7
Taiwan	4.22	2.60	2.00	90	18	24.0
China	3.17	1.96	.64	25	55	26.9
Indonesia	2.77	1.71	1.23	80	125	42.9
South Vietnam	2.60	1.60	1.24	91	------------	41.4
North Vietnam	1.86	1.15	.61	49	------------	41.7
Philippines	1.69	1.04	.59	54	78	43.8
India	1.62	1.00	.41	34	139	39.9

NOTES

The primary source is USDA Foreign Agricultural Service reports on rice production; supplemental data are also taken from FAO crop reports and USAID 1970 Spring Review reports. Infant mortality and birth rate data are from the Population Reference Bureau and United Nations data

For North and South Vietnam, the 3d and 4th columns are calculated with 1948–52 average production as the baseline figure, there being no adequate data for 1947 or earlier years.

The consistent pattern of these figures is, quite simply, that farmers who own their own land produce much more than those who do not. The three great Asian land reforms of the post-World War II era—Japan's, South Korea's, and Taiwan's—have produced rice agricultures approximately two-and-a-half to three-and-a-half times more productive, per hectare (or per acre) as those of countries like India or the Philippines, even though the basic physical conditions for rice production in the latter two countries—soil, water and growing season—are at least as favorable as those in the top countries.

And, I might add, the abysmal performance of the Philippines, where I have spent extensive time out in the field myself, comes despite the fact that it was there where the highly-touted "Green Revolution" in rice technology was first developed and introduced. But merely technology, without motivation, is not enough, and the tenant farmers and landless laborers of countries like

India and the Philippines have shown—in every single country, every one—that they will not make the vital on-farm improvements, such as new drainage and water systems and land levelling, that are crucial to producing a good first crop and absolutely prerequisite to producing any second or third annual crop. Non-owners will not make these or other essential agricultural improvements, for about the same reasons that tenants in a Washington apartment won't install a new bathroom or kitchen half-way through their one-year lease.

Consider also these figures on comparative wheat production, adapted from Lester Brown's book, *By Bread Alone:*

WHEAT YIELDS IN METRIC TONS PER HECTARE

	1951	1961	1971	1974
Mexico	0.9	2.1	2.8	2.8
Pakistan	.8	.9	1.3	1.4
India	.8	.9	1.5	1.2
China				1.4

Again, it is Mexico, with its sweeping program of land reform, that has far outpaced India and Pakistan, despite the highly-touted introduction of the "Green Revolution" technology in the latter, and it has also far outpaced the collectivized Chinese wheat farms, even more so than Japan, South Korea and Taiwan have outpaced her in the case of the comparative rice results, where China has shown an intermediate pattern of production gain. (Collectivized rice farming in North Vietnam, incidentally, has done barely better than the landlord system of India or the Philippines; and we are learning again this year of the shortcomings of collectivized wheat farming in Russia.)

The first chart, comparing rice producers, also shows data on two non-agricultural factors, infant mortality rates and birth rates. Here the striking success stories are the top four producing countries, in each of which the landlord system was ended prior to 1953. It is becoming ever more clear that reduced infant mortality must precede reduced birth rates—in the sense of being a "necessary" though not always "sufficient" condition of the latter—because parents who expect a high proportion of their children to die in infancy will have extra children as insurance against that contingency.

It is also quite clear that good nutrition is vital to reduced infant mortality, and that, quite simply, owner-operators (or their equivalent) with more rice to put in their childrens' bowls quickly find that fewer of their children are dying than in the low-productivity and high-rent household of the tenant farmer, or low-productivity and low-wage household of the landless laborer; the owner-operators also produce far more rice for their minority of non-farming neighbors, and generate more economic activity—more demand for products and services of all kinds—within their society that supplies those non-farming neighbors with the jobs and wherewithal to buy the newly-produced rice.

The old-age security provided by land ownership also figures prominently, in many societies, in the family decision that they will be able to get by in their declining years with fewer surviving children. (China, it should be noted, with her different approach to ending the landlord system, has also had to use considerably more draconian measures to reduce birth rates than the top three producing countries. North Vietnam, after collectivization, has not reduced birth rates, but neither—at least to the early 1970's—had Mexico, and in this sense the factors cited remain a vitally "necessary", but not always "sufficient" condition, by themselves, for a reduction in births. Cultural factors, and the vigor of the particular family-planning program, can also come into play.)

There are then, as this data shows, and as any visitor to the countryside in these countries can see, highly successful models, which combine the essential motivation of land ownership (whether through deliberate land reform measures, as in Japan, Taiwan, South Korea, and Mexico, or through a pre-existing traditional agricultural structure which is essentially egalitarian, as in Jamaica, Barbados, or Trinidad and Tobago) with modern agricultural technologies; which show sharp reductions in mortality rates for their children; and which then show marked reductions in birth rates.

It would be difficult in the extreme to find standards more relevant to the real processes of development than those that would be set by Amend. No. 819. If three-quarters or more of the agricultural land is owned by those who till it, the first goal stated in the Amendment, then the most fundamental prerequisite for sustained agricultural growth—a universally "necessary", though not always exclusively by itself "sufficient", condition for such growth—has been met; if infant mortality has declined to 40 per 1000 live births or less (or there is an equivalent decline measured in second-year mortality rates, to 10 per 1000 in that age-group or less), which is the second goal stated in the Amendment, then that country is performing with great and grass-roots effectiveness in the basic areas of nutrition, preventive public-health measures, and, probably, education; and if birth rates have declined to 30 per 1000 population or less, the third goal stated, then the Gordian knot of population growth has been cut in ways that reflect even more complex grass-roots successes, including land-reform and other measures of old-age security, lowered infant mortality (with all which that, in turn, implies), effective grass-roots education, and the creation for women of roles alternative to early childbearing.

Moreover, the model countries have generally performed within the time standards for performance visualized by the Amendment. That measure would propose to set up as a standard that each of the three goals described—75 percent of land to be owned by the cultivator, infant mortality reduced to 40 per 1000 live births (or the second-year equivalent of 10 per 1000), and birth rate down to 30 per 1000 population—be approached in some significant degree over time: so that the *gap* between past performance and any two of the three goals should be closed by at least *one-fourth* over successive five-year periods, and the *gap* with the remaining goal closed by at least *two-fifths,* with additional variations and flexibility allowing for regional pilot programs (with somewhat greater "gap-closing"), allowing for some time-lag in meeting the birth-rate reduction goal, and allowing for a seven-year rather than five-year period to measure progress in the most seriously disadvantaged countries; also, if one of the goals has already been met, than the lesser requirement, of "closing the gap" with the others by one-fourth, applies.

Countries which performed adequately or brilliantly in relation to these standards would know that they would receive highly-preferential treatment in allocation of future U.S. aid, while countries which performed poorly in relation to these standards would foreclose themselves from subsequent aid out of the 80 percent of bilateral aid under chapter 1 of the Foreign Assistance Act of 1961 which the Amendment proposes to administer under these standards—denominating these as "Least-Developed-Country Development Assistance Funds". The remaining 20 percent of aid under chapter 1 would still remain available for allocation on the basis of other considerations.

The goals for progress over time that would be set under Amend. No. 819 are highly realistic and attainable ones in the light of experience in country after country. Land-tenure reforms, once decided on, have generally been carried not just one-quarter or two-fifths of the way to conclusion but *all* the way to conclusion in less than five years. This has been true, in the course of this century, in Greece, Japan, South Korea, Taiwan and Bolivia; there have been major stages of land reform which would also meet the proposed test of the Amendment in Mexico and Iran and probably, based on partial data, in several other countries. Such programs currently appear to be going forward—although the available data is fragmentary—in Ethiopia and Peru and perhaps Sri Lanka (and to have been preserved, by a regime fearful of the consequences of reversing it, in Chile).

The progress goals for reduction in infant mortality and birth rates are also fully realistic and practical. Consider, for example, the following data on first-year infant death rates (the bill proposes the slightly more sensitive second-year death indicator, for which additional data would need to be gathered, but which would fairly closely parallel the first-year rates) and on birth rates, taken over five-year intervals from 1947 to 1972:

	1945–49	1950–54	1957	1962	1967	1972
Infant death rate (per 1,000 live births, during 1st year of life):						
Barbados	152.4	130.9	87.4	54.6	41.8	30.9
Jamaica	90.0	72.9	54.7	48.1	31.0	30.9
Trinidad and Tobago	79.8	74.8	56.5	46.2	41.8	26.2
Japan	66.9	52.7	40.0	26.5	15.0	11.7
Taiwan	70.9	56.5	30.9	29.1	20.6	18.0
South Korea						60.0

	1947	1952	1957	1962	1967	1970–75 average
Birth rate (per 1,000 population):						
Barbados		33.6	31.8	29.6	21.9	21.6
Jamaica				40.8	35.4	33.2
Trinidad and Tobago				37.0	30.2	25.3
Japan	33.7	23.5	17.3			
Taiwan		46.6	41.4	37.4	28.5	24.0
South Korea			[1] 44.7	[2] 40.6	[3] 35.6	28.7

[1] 1955–60. average.
[2] 1960.
[3] 1965–70 average.

Note: Primary source is annual U.N. demographic reports; supplemental data are from the Population Reference Bureau.

While there are some gaps in the available data (gaps that would be closed, in the future, under the monitoring provisions of Amend. No. 819), all of the above are "success stories" which appear to meet or exceed the time-progress standards that would be set by the bill for reductions in infant-mortality and birth rate. All of these, moreover, would fully meet the Amendment's ultimate land-tenure requirements from at least 1952 onward. (By contrast, India's 1951–61 average infant mortality rate of 139 per 1000 was unchanged in the early 1970's, according to the Population Reference Bureau, and her 1954 estimated birthrate of 40.9 had declined only to a 1970–75 average of 39.9. Nor had there been any progress in land reform.)

Other countries that have shown rapid progress in the reduction of infant mortality rates include Mexico (reduced from 105 per 1000 to 61) and Sri Lanka (from 110 to 45)—and, of course, countries thought of until quite recently in development terms as European "backwaters", such as Greece, Portugal, Malta, or Yugoslavia, have uniformly reduced infant deaths to less than 45 per 1000 (in Greece, 27 per 1000) and birth rates to under 20 per 1000.

It is vitally important to review such figures, and such country experiences, in order to maintain the clear-sighted recognition that *it can be done* by countries that want to do it. Effective over-all development programs can be mounted. And, as well, their progress can be measured, not only by complete census tabulations, but even more conveniently by adequately-designed random-sample surveys—in effect, by "consumer surveys" seeking facts on matters such as land-ownership, infant deaths, and births, and with these progress-monitoring surveys forming an integral part of the whole development program.

What Amendment No. 819 to S. 1816 proposes, quite simply, sharply, and dramatically, and, I believe, quite practically and realistically, is that the over-all development program of a country—if that country is normally to qualify for future U.S. aid under chapter 1 of the Foreign Assistance Act—must show concrete evidence of policies and motivations that, by 1990 or soon thereafter, provide a high likelihood of achieving a basic measure of grass-roots wellbeing for the population, and of achieving the essential conditions for self-supporting development.

This basic principle would then guide, in the future, consciously and deliberately, our allocation of the great bulk of the scarce resource of foreign aid. (Note too that the Amendment does not propose an effort to trace the progress towards stated standards to *our* aid alone—which would be an impossible task—but rather looks to the impact of that country's *over-all* development policies and to the way in which that country is using *all* of its development resources, including our aid, others' aid, and internal resources, either to achieve, or not to achieve, a better life for its people and a set of conditions where development can become wholly self-sustaining.)

To apply *some* principle of allocation is essential. Willy-nilly, it will be done. To apply *this* principle of allocation, it seems to me, is eminently rational and eminently defensible.

The brute fact remains: over the balance of this century, there is no country on earth that cannot achieve economic development in the most basic terms, food self-sufficiency, and population growth rates under 1% *if* its government wants to follow policies calculated to achieve those goals. What Amendment No. 819 says is, let us help, by preference and priority in allocating the scarce foreign-aid resource, those governments that set out down that path and show progress along it. Faced with the inescapable need to allocate aid in 1978, in 1980, in 1985, between Government A, which is on that path, and Government B, which is not, let us, by all means, allocate our aid to Government A, under principles that would control allocation of four-fifths of our basic economic aid, given under chapter 1 of the Foreign Assistance Act.

We have calculated at the University of Washington—based on outlays required for the successful development programs and cost estimates for most major countries—that the application of over-all development resources equal to about three times the current world total of $10 billion in economic development aid ("official development assistance"), *if* allocated strictly to the highest-priority, proven programs, could achieve self-sufficiency for the billion poorest people on our planet by the late 1980's. Such an augmented total of $30 billion annually, even if it came wholly out of external aid rather than internal resources, would not be large at all in relation to the aid-giving countries' total GNP's of well over $3 trillion annually. Spent on the right programs, it would be a cheap insurance policy on the planetary future, and a guarantee against enormous suffering, violence, and uncertainty. But spent as it is at present there will exist not only virtually no prospect of increase in the aid resources available, but a very strong prospect for further shrinkage—and what *is* left will remain of mixed, often very low, effectiveness.

The rationality of the new approach embodied in the Amendment—which is a further step in the same direction as changes already initiated in the aid program by Congress in 1973—and foreign aid's defensibility before the taxpayers, go together. Somewhere in the back of their minds, large numbers of Americans without any specialized knowledge of development matters sense that development programs *can* be made to work, and sense also that many countries are continuing to receive aid without having done anything to make *their* development programs work. It is *not* unconcern with the world's poor, but concern with the perceived *irrelevance* of much "foreign aid" to the plight of the world's poor, that leads large numbers of Americans to oppose "foreign aid" as they understand that term.

Let me advert, finally, to just two instances of AID's continuing failure to address the basic issues, reflected in the so-typical "smorgasbord" of their current year's requests: a set of requests so varied, so diffuse, so different from place to place, that one is tempted to regard the only principle of "selection" as the bare-knuckle contest of bureaucratic infighting—and in this there is much sad truth. First, the "Summary" of AID's "Fiscal Year 1976 Submission to the Congress" treats the fundamental issue of land-tenure reform virtually as an afterthought, and the various country requests, in case after case, appear willing to assume—as for years past—that a "credit" or "rural roads" or "coop" or "rural electrification" program can have the same impact and significance for the impoverished, unmotivated tenant farmer as for the small owner-operator.

This never has been the case, and it never will be, but the bureaucracy generates its own needs, and its own rationalizations, for continued funding. In one particularly dis-indigenous example, where a "well-conceived land tenure system" finally *is* mentioned, we are told (Summary, p. 34), "The *Philippines* will use FY 1976 aid for an agrarian reform project aimed at converting one million small tenant farmers to leaseholders by the end of 1977." A *far* more acceptable statement would have been:

"The *Philippines* has virtually given up on its crucial effort to transfer ownership of land to one million small farmers, once stated to be the cornerstone of President Marcos' 'New Society'. It had achieved barely 1% of its goal after 30 months of effort and minimal support from AID. Instead, a 'smokescreen' operation has been mounted to extend the past, administratively-complicated and historically-ineffectual effort to legally regulate one million continuing landlord-tenant relationships under 'leasehold' legislation, an undertaking in which no less-developed country has ever been successful. AID has been asked to give support to this useless charade, and to proclaim to the American Congress that this is a "land reform" program. Naturally, we have refused."

Regrettably, what the AID bureaucracy has produced is not this accurate, but hypothetical, statement, but the straight-faced *apologia* on p. 34.

A second instance of AID's basic failure to address the issues can be seen permeating the "Summary" of the proposed 1976 "population" program. As one population expert put it during my own very recent discussions of foreign-aid with officials of the major Western European donors, AID has taken a completely "mechanistic" view of family-planning support—concentrating on the mere supply of technology, such as condoms and IUD's and "delivery" services for them—without any significant effort to integrate family planning programs, or even any apparent consciousness of the need to integrate them, or to assign priorities, in accordance with the economic-development context and with key programs such as old-age security measures and measures for the reduction of infant mortality. Here, AID's chief family planner is clearly applying 1955 thinking to 1975 problems.

The AID bureaucracy's failure to deal in basics, to face the need to set the right standards and the relevant priorities, and to do so rationally and consistently, simply will not be accepted by the American public any longer. At the same time, my own extensive experience in speaking on this subject to various audiences around the country, and polls such as that commissioned two years ago by the Overseas Development Council, are persuasive that, while 60%, 70% or 80% of Americans questioned tell Mr. Gallup and the various pollsters that they would *cut* "foreign aid" as they understand that term, a good *two-thirds* of Americans would support *more* aid to help poor people in other countries live better lives and move towards self-sufficiency.

That gap, between warm response and cold appraisal, *can* be bridged, by transforming the discredited "foreign aid" of the past into the effective, rationally-allocated and scientifically-monitored "Earth Aid" of the future. Public support for help to the poor world—if it really is transformed into meaningful help—can flower again in a way fully parallel to the support that existed for the astonishingly successful and wonderfully generous Marshall Plan. But it is a bridging operation that can *only* be performed by the Congress, and, I respectfully suggest, through a measure such as Amendment No. 819.

Indeed, it is precisely an approach of this kind that—in tentatively exploring it with them—I have seen draw virtually unanimous support from American audiences of every kind over the past year. *This* is an approach which the American public can understand, and believe in, and support.

But of one thing we can be certain. If foreign aid is to rise out of the abyss into which it has fallen, if it is, in fact to be transformed—and if we should seek to describe a dramatically new approach in a dramatically new way, I would venture to suggest the term "Earth Aid"—then that transformation must be wrought by the Congress.

One final point should be made, in response to the question, "Are U.S. aid resources sufficient to provide leverage on these basic matters?" The answer is *yes*, and fourfold: first, that our aid resources still *do* represent a significant element of the potential "discretionary" budget for several important countries (for example, Pakistan and the Philippines); secondly, that adoption by Congress of the principles embodied in Amend. No. 819 would strengthen the hand of those within a number of less developed countries who wish to move in this direction, and could itself help shift the balance in the direction of basic reforms; thirdly, our leadership might move a number of other aid-donors (already tending that way) strongly in the same direction, thus multiplying the available "leverage"; and, finally, that by rebuilding public support in the U.S. for a rationally-allocated aid program more and more adequate in its funding, would achieve more and more effective "leverage" as the years passed, rather than less and less, the present prospect.

SOCIAL SECURITY INCREASE CAN BE FINANCIAL SETBACK

Mr. ABOUREZK. Mr. President, well-intentioned actions of the Congress frequently have unintended consequences which penalize the very people we had intended to help. There is no more apparent example of this paradox than the pension increases which put an individual in a higher income bracket, reducing other Government benefits to which the person had previously been entitled.

The July social security increase, while a modest and very necessary one, had disastrous results for South Dakotans whose only "income" was social security and had checks of $160 to $170 per month.

The increase made these people ineligible for supplementary security income, and as a consequence, ineligible for medicaid. Not only did this cause the individuals to assume the $6.70 monthly medicare premium, which medicaid paid previously, but more seriously, revoked coverage for certain items which medicaid paid, but medicare does not.

A woman in Sioux Falls, S. Dak., found that her actual income decreased more than $60 when her social security check went up $12.50. Because it shows so clearly why remedial action is necessary, I would like to share with my Senate colleagues the facts of this case. I am sure that every Senator knows of comparable "horror stories" in his own State.

Before the recent cost-of-living adjustment in social security benefits, my constituent had a total monthly income of $173.90. She received $167.50 monthly from social security and $6.40 monthly as SSI. The SSI eligibility assured medicaid coverage for the prescription drugs which she must take for rheumatory arthritis.

This month, the woman's social security check increased to $180. However, that increase made her $2.30 per month too wealthy for SSI. She must now pay out of her own pocket $6.70 for medicare and $60 per month for the prescription drugs she must take. These "new" expenses whittle her social security check down to $113.30. Thus, she loses $60.60 before even considering additional doctor or hospital deductibles which she must pay under medicare, and without considering rent, food, and other necessities.

Before July 3:	
Social Security check	$167.50
SSI check	+6.40
Total	173.90
After July 3:	
SS check	$180.00
Prescription drugs	−60.00
Medicare premium	−6.70
Total	113.30

Mr. President, this only goes to show the urgent need for prompt Senate consideration of S. 445, which I introduced along with Mr. Scott of Pennsylvania, to insure that an increase in one Government pension does not disqualify a person for others. It also is a strong argument for including the cost of needed prescription drugs under medicare. I understand there are four Senate bills which would accomplish the badly needed result: S. 440, S. 862, S. 1456, and S. 1504.

Action on such legislation will assure the older people of this country that we do not intend Government programs to be in conflict. When we raise false hopes of a benefit increase and dash those hopes through unjust loopholes, the public has a right to be concerned. People like the woman in Sioux Falls need help, not rhetoric, so I urge the Senate again to pass the necessary corrective legislation.

JOB OPPORTUNITIES AND REGIONAL DEVELOPMENT

Mr. McCLURE. Mr. President, the administration's economic policy is keyed to the creation of more jobs for American workers. Having more jobs means having more money in circulation and a healthier economy.

The distinguished Senator from Pennsylvania (Mr. Hugh Scott), the Republican leader, vigorously supported the job development tax credit. He also supported the proposal to encourage American industry to expand its work force. By advocating general revenue sharing, Senator Scott is encouraging States to solve their problems at the local level.

As the ranking Republican member on the Public Works Subcommittee on Economic Development, I ask unanimous consent that Senator Hugh Scott's outstanding record on job opportunities and regional development be printed in the Record.

There being no objection, the record was ordered to be printed in the Record, as follows:

Job Opportunities and Regional Development

94TH CONGRESS

Legislation

S. 472—a bill to provide for the implementation of a full employment policy through the establishment of a Federal full employment board.

S. 607—a bill to extend the authorization for the emergency job programs for one year.

S. 766—a bill to amend the Emergency Unemployment Compensation Act of 1974 so as to increase from 13 to 26 the maximum number of weeks for which an individual may receive emergency compensation thereunder.

S. 767—a bill to amend the Emergency Jobs and Unemployment Assistance Act of 1974 so as to increase from 26 to 39 the maximum number of weeks an individual may receive unemployment assistance under the special unemployment assistance program.

S. 1326—a bill to provide assistance to unemployed persons and for other purposes.

Votes

Voted for Surface Mining Control and Reclamation Act of 1975.

Voted for the Public Works Employment Act of 1975.

93RD CONGRESS

Legislation

S. 1475—a bill to amend the Internal Revenue Code of 1954 to allow a double investment credit for certain property placed in service in rural areas which will assist in providing new employment opportunities.

Votes

Voted for Labor-Management Relations Act Amendments.

Voted for Emergency Employment Amendments of 1973.

Voted for amendment to provide a selective public employment subsidy in areas of high persistent unemployment, and to provide assistance to underemployed as well as unemployed.

Voted for National Labor Relations Act Amendments.

Voted for Amendment to increase from $5 to $10 million funds for rural housing for domestic farm labor.

Special Employment Assistance Act of 1974.

Voted for amendment to provide loans to small business concerns for adjustment assistance as a result of base closings.

SUPPLY-DEMAND ESTIMATES FOR WHEAT AND CORN

Mr. TALMADGE. Mr. President, the American people are extremely concerned about current and rumored sales of grain to the Soviet Union. When we consider the debacle that occurred in 1972 when the Russians outtraded and outmaneuvered the U.S. Department of Agriculture completely, the American people have a right to be concerned.

However, I have been disturbed in recent days by some of the statements that are being made by Members of Congress and high Government officials regarding the export of grain and particularly our shipments to the Soviet Union. I hope that Members of Congress and other leaders will refrain from making emotional, ill-founded statements about the current supply and demand situation of grain and that they will consider the facts of the situation.

In an effort to help to clarify the facts and the issues involved, the ranking minority member, Mr. Dole, and I have asked the staff of the Committee on Agriculture and Forestry to prepare a memorandum for the committee members. I believe that this memorandum does help to put the entire issue in true perspective and should dispel some of the fears that are being voiced.

Furthermore, we have directed the staff to stay in constant touch with USDA officials and others interested in the grain trade during the August recess. On August 11, the Department of Agriculture will issue its next crop report. This report should give us much better information about the amount of grain that we will be able to export to the Soviet Union and to other countries. We have directed the staff to confer with the USDA upon the release of this report and to provide an independent analysis for all committee members after the issuance of the August 11 report. Although Congress will be in recess and the Members will not be in Washington, I have asked that the staff apprise the committee members of the results of their analysis.

Mr. President, the Committee on Agriculture and Forestry has jurisdiction over agriculture and the export of agricultural products. We are fulfilling our responsibility by having the Secretary of Agriculture appear periodically before the committee to report on the supply and demand situation for agricultural commodities, farm and food prices, and the state of the agricultural economy generally.

We had a very informative hearing on July 11, after the July 10 crop report. Although the Congress will not be in session when the August crop report comes in, we can have additional hearings in September if the situation warrants. There is some feeling among committee members that we should ask the Chairman of the Board of Governors of the Federal Reserve System to appear, since he has begun to speak out on agricultural policy.

In any event, the Committee on Agriculture and Forestry will be in a position to take whatever action is necessary.

Mr. President, I ask unanimous consent that the committee staff memorandum be printed in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM

To: Committee Members.
From: Committee Staff.
Subject: Supply-Demand Estimates for Wheat and Corn.
Date: July 30, 1975.

Recent grain purchases by the Soviet Union as a result of further deterioration of their grain crop have received much publicity. As a result, there is concern about the adequacy of U.S. stocks and the effect of these grain purchases on domestic grain and food prices.

These concerns are legitimate. Therefore, the following information was developed for Committee Members to provide the most current data available.

1. SUPPLY AND DEMAND SITUATION FOR WHEAT

Beginning stocks of old wheat as of July 1, 1975 were 319 million bushels—29 percent above beginning stocks in 1974. The most recent projection of wheat production for this year is 2,187 million bushels—21 percent above last year. The total supply for the 1975-76 marketing year therefore is estimated at 2,507 million bushels—22 percent greater than the total supply last year and the largest since 1961.

On July 25, the Department of Agriculture reassessed the demand situation in light of the recent Russian purchases. This newest estimate indicates that domestic demand this year might total 800 million bushels of which about 525 million bushels would be used for food and some 275 million for feed and seed. This would represent a very strong domestic offtake, 17 percent higher than last year. Assuming this level of domestic consumption, there would still be over 1,700 million bushels available for export and carryover.

USDA is now estimating that record export sales of 1,200 million bushels could develop this year. This estimate considered all current sales including the 165 million bushels already purchased by the Russians and the prior record level of wheat exports was 1,186 million bushels in 1972-73, the year of the previous large Russian purchases. However, even with exports of 1,200 million bushels, the ending stocks in 1976 would still be at the 500 million bushel level—56 percent above carryover coming into this year and the highest since 1972.

2. SUPPLY AND DEMAND SITUATION FOR CORN

Carryover of old crop corn on October 1, 1975, is now estimated at 360 million bushels—down one fourth from the previous year. Latest production estimate for this year is 6,046 million bushels—30 percent above last year's crop. If this estimate proves correct, the total corn supply this year will be around 6,407 million bushels—25 percent above last year.

Latest estimates of demand by the Department of Agriculture place total domestic requirements at about 4,365 billion bushels. Of this amount, approximately 3,900 million bushels would be used for feed and 465 million bushels for food, seed and industrial purchases.

Therefore, we will have about 2,042 million bushels above domestic needs, available for export and for carryover stocks in 1976–77.

The latest (July 25, 1975) estimates by the Department indicate potential exports of corn of up to 1,300 million during 1975–76. Again, this figure includes allowances for current and expected Russian grain purchases (185 million bushels to date) and it exceeds the previous record of corn exports of 1,258 million bushels. If these estimates prove correct, our carryover stocks will still increase to 841 million bushels, an increase of 134 percent.

3. RUSSIAN GRAIN PURCHASES

The toal grain sales (wheat, corn and barley) to the Soviet Union by private U.S. grain export firms through July 25, 1975 amount to 401 million bushels. None of these sales involves U.S. government credit or grain export subsidies.

These sales are on an "all origin" basis. Most of the wheat and corn is expected to be shipped from the U.S. but very little U.S. barley is expected to be shipped.

In addition, the USSR has purchased a total of about 138 million bushels of wheat from Canada and Australia, so USSR total purchases amount to 539 million bushels or just over 14 million metric tons.

The current estimate of the total Soviet grain crop is now about 185 million metric tons. The highest level of Soviet grain consumption in the past three years was about 200 million tons so expected production and visible purchases at this time would nearly cover this consumption level.

4. COMPARISON OF 1972 PURCHASES WITH CURRENT PURCHASES

In 1972, the Soviet Union purchased over 430 million bushels of wheat and about 240 million bushels of corn compared to current purchase levels of 165 million bushels of wheat and 185 million bushels of corn.

In addition to the difference in size of the purchases, there are other significant differences.

a) In 1972, there was no requirement that U.S. export firms report current sales to the Government, so the Russians were able to conclude their purchases in 1972 in virtual secrecy. But, Section 812 of the Agriculture and Consumer Protection Act of 1973, legislation developed by this Committee, makes all export sales subject to USDA reporting regulations that prevent a recurrence of the secrecy surrounding the 1972 grain sales.

At this time, exporters are required to report all sales on a weekly basis. In addition, any sales of 100,000 tons or more are required to be reported within 24 hours. Since July 24, further safeguards have been instituted and exporters are required to advise the Department of Agriculture of any large potential sales before final negotiation of the sale.

b) In 1972, a total of about $160 million in subsidies were paid on wheat exported to the USSR—an average of 40.6 cents per bushel. There are no export subsidies on this year's sales to the Soviet Union.

c) In 1972, the Commodity Credit Corporation provided credit to the Soviet Union for about 60 percent of their purchases. There is no government credit involved in the Soviet sales this year.

5. STAFF MONITORING OF DEVELOPMENT

The staff of the Committee on Agriculture and Forestry has maintained daily contact with the Department of Agriculture and will continue to do so. The August 11 Crop Report is extremely important in view of possible weather complications. The staff will meet with Department specialists when this report is issued to further assess the situation and report to each member of the Committee on Agriculture and Forestry.

ESTIMATED CHANGE IN U.S. GRAIN POSITION FROM PREVIOUS YEAR TO 1975-76 MARKETING YEAR

	Million bushels	Percent change from 1974–75
Wheat:		
Supply:		
Beginning stocks (July 1, 1975)	319	+29
Production	2,187	+21
Total	2,507	+22
Utilization:		
Domestic	800	+17
Export	1,200	+15
Ending stocks	507	+59
Corn:		
Supply:		
Beginning stocks (Oct. 1, 1975)	360	−25
Production	6,046	+30
Total	6,406	+25
Utilization:		
Domestic	4,365	+18
Export	1,300	+21
Ending stock	841	+137

COMPARISON OF U.S. GRAIN POSITION AND EXPORTS TO THE U.S.S.R. FOR 1972 AND 1975 MARKETING YEARS [1]

[In millions of bushels]

	Wheat		Corn	
	1972	1975 [2]	1972	1975 [1]
Beginning stocks	863	319	1,126	360
Production	1,545	2,187	5,573	6,046
Total supply	2,409	2,507	6,700	6,407
Domestic use	785	800	4,733	4,365
Available for export and carryover	1,624	1,707	1,967	2,042
Export sales to U.S.S.R.	433	[3] 165	240	[3] 185
Total export sales	1,186	[4] 1,200	1,258	[4] 1,300
Ending stocks	438	507	709	742

[1] The marketing year for wheat begins on July 1 and for corn it begins on October 1.

[2] 1975 production, supply, use and quantities for export and carryover are USDA projections.

[3] U.S.S.R. purchases as of July 25, 1975.

[4] USDA upper limit projection of export sales considering current sales and anticipated demand.

GRAIN SALES TO RUSSIA

Mr. DOLE. Mr. President, I am pleased to join with the chairman of the Agriculture Committee, Senator TALMADGE, in an effort to clarify the present situation regarding the sale of wheat and feed grains to Russia.

This report that we submit for inclusion in the Record is a detailed explanation of the present position regarding our supply of grains and indicates the efforts being made by the Senate Agriculture Committee to monitor the supply situation.

CONSUMER SUPPLIES

Consumers are assured an adequate supply of bread at reasonable prices. This report indicates that the recently completed wheat harvest has supplied adequate stocks for a high domestic demand, as well as adequate supplies for our regular export customers and existing and projected sales to the Soviet Union and still have a carryover of 500 million bushels—56 percent higher than wheat stocks this year—July 1.

Many public comments have been made that the sale of wheat to Russia will greatly increase the price of bread. This simply is not true. An increase in the price of wheat of $1 per bushel will only justify an increase in the price of a 1-pound loaf of bread of 1½ cents. An increase in the price of wheat of $3 per bushel would amount to less than a nickel increase in the price of bread.

We have seen the disastrous results of tampering with export sales since October 4 of last year when sales of wheat were stopped and adjusted. The price of wheat dropped to below the farmer's cost of production and it was not until just recently that the prices improved to any degree.

NO EXPORT RESTRICTIONS

I have always opposed and shall continue to oppose any form of controls, including prior approval that denies our wheat farmers access to world markets. If we are going to continue to ask our farmers to produce to their capacity, they deserve the rewards of these export sales.

As the chairman indicated, the staff of the Agriculture Committee will maintain a close monitoring of these sales and of production forecasts in coming weeks.

THE 75TH ANNIVERSARY OF WAIPAHU ELEMENTARY SCHOOL IN OAHU, HAWAII

Mr. INOUYE. Mr. President, the 1974–75 academic year in Hawaii marks the 75th anniversary of Waipahu Elementary School, the oldest school in the Leeward District of Oahu, Hawaii. At its founding at the turn of the century, the student body of 125 and staff of three—sometimes traveling miles by foot, horseback, or buggy—received the first formal education in the district.

Since 1899, Waipahu Elementary has significantly expanded—its enrollment peaking at 2,000 in the early 1960's. The merits of its educational system are evidenced by the number of former Waipahu students who have served the community as leaders in business, education, and public service.

Because education—especially that of our young—is vital to the future of Hawaii and our Nation, I ask unanimous consent that material written by Waipahu Elementary School students be printed in the Record in commemoration of the school's 75th anniversary.

There being no objection, the material was ordered to be printed in the Record, as follows:

Waipahu Elementary School (1899–1974)

Small, small school,
Founded in cane fields,
Near a stable camp.
Year by year it grows
More children, more teachers
How fast it grows!
New playground,
New cafetorium,
New classrooms,
Now so big and large.

Lisa Takiguchi.

Fifty years from now Waipahu Elementary School will be Hawaii State University. People will have machines strapped to their backs to make them fly. There will be no more gas shortages because the astronauts will discover millions and millions of tons of gas on the moon and on Mars. Food will just cost a penny. Houses will be like a king's palace. The backyards will be at least 10 acres. People will be dressed in silk and velvet. Dog's collars will be trimmed with emeralds and diamonds which will come from the planets Pluto and Nepture. The laws will change. Nobody will be a robber because there would be no need to rob. The President of the United States will see to it that everybody gets a share of the riches.

Ramona Villa,
Grade 4.

My Future

I will be an old teacher 25 years from today. The school will be the same as when I attended it.

I will always remember this school as long as I live. I will remember the room I was in in the 4th grade. I will always like this school.

My children will like it here too. My husband will be a good man. He will be handsome too. I will marry a rich man, and my mom and dad will like him.

Stephanie Nelson,
Grade 4.

W.E.S.

Many students.
Reading, playing, working.
Friendship, happiness, learning, good.
My school.

James Pak,
Grade 5.

The Future

In the year 2000, our school will be like outer space with very modern equipments. The school would have more supplies, and maybe there might be new books to read in the library.

When I grow up, I would like to be an accountant so I would have enough money to send my children to Waipahu Elementary School. I wish the P.T.A. would have more money by then to get more things for our children.

Eileen Cadlente,
Grade 4.

REMARKS OF SENATOR MANSFIELD ON "MEET THE PRESS"

Mr. MANSFIELD. Mr. President, I ask unanimous consent that a transcript of NBC's "Meet the Press" of Sunday, July 27, 1975, on which I was the guest, be printed in the Record.

There being no objection, the transcript was ordered to be printed in the Record, as follows:

Meet the Press

Mr. Spivak. Our guest today on MEET THE PRESS is the Majority Leader of the United States Senate, Mike Mansfield of Montana.

Senator Mansfield was elected to the Senate in 1952 after ten years in the House of Representatives. He has been Majority Leader since 1961 and long an important member of the Senate Foreign Relations Committee.

We will have the first questions now from Bill Monroe of NBC News.

Mr. Monroe. Senator Mansfield, if the Congress doesn't take some action in the next five days before it goes on its summer recess, on energy, all controls on oil will go off and at the end of August automatically gasoline prices will go way up.

Now, to prevent that, can the Congress agree in the next few days to accept President Ford's gradual oil decontrol proposal?

Senator Mansfield. That is a possibility.

Mr. Monroe. Only a possibility?

Senator Mansfield. That is right.

Mr. Monroe. What happens if the Congress does not accept the President's plan?

Senator Mansfield. If that happens, then it means controls will go off on August 31st and prices for gasoline will skyrocket.

Mr. Monroe. There is no alternative between those two.

If the President's plan is not accepted, then all controls would go off at the end of August.

Senator Mansfield. The only alternative would be a three to six months' extension of present controls.

Mr. Monroe. Do you think that is likely?

Senator Mansfield. Possible.

Mr. Monroe. Would the President accept it?

Senator Mansfield. He said he wouldn't, but we'll see what happens.

Mr. Monroe. How much of a possibility is there that the Congress will accept the President's plan?

Senator Mansfield. Can't say. Fifty-fifty.

Mr. Monroe. What would the President's plan do to lower gasoline consumption?

Senator Mansfield. Well, it would bring about a decontrol on a phased-out basis for old oil. That is, oil already producing between—wells which produce between 15 and 20 barrels of oil a day. It would, as I say, stretch it out for 39 months, which would bring about an increase of one and a half per cent the first year, two and a half per cent the second year, three and a third per cent the third year.

It would also bring about a reduction of price, a cap of $11.50, I believe, and the President would then offer legislation for rebates and also for excess profits windfall taxes.

Mr. Monroe. Are you personally in favor of the President's plan?

Senator Mansfield. I think it should be given every consideration. I think he has come a considerable length of way towards trying to reach a compromise from nothing in the way of a cut-off to 30 months, to 39 months, with a lowering of the cap.

(Announcements.)

Mrs. Drew. Senator Mansfield, in May speaking of the Congress inaction on the energy program, you said the Congress has an energy crisis of its own. Not much has really happened since then. Do you think the Congress still has that kind of energy crisis?

Senator Mansfield. I think much has happened since then. There has been bills reported out of the Commerce and Interior Committees. We have considered a number of energy bills out of Henry Jackson's committee. We only have three on the calendar at the present time and we hope to get two of them this coming week.

Mrs. Drew. The Congress will adjourn at the close of this following week for a month, and as we have counted that leaves 61 working days to work until Christmas and that assumes work on Mondays and Fridays.

Senator Mansfield. The Senate always works Mondays and Fridays and sometimes on Saturdays.

Mrs. Drew. Do you think that is enough time to take care of all the large questions on the agenda?

Senator Mansfield. I think so.

Mrs. Drew. Do you understand, Senator, why there is a decline in public confidence in the Congress?

Senator Mansfield. Well, the people have never had too much confidence in the Congress. I recall a couple years ago at a Democratic caucus I pointed out that our standing was 28 percent according to a Gallup poll and Fitz Hollings of South Carolina said "Don't say anything about it, that is as high as we have ever gotten.

Mr. Will. Senator, with confidence in Congress declining the Senate will come back in September and begin its ninth month of considering who should be the second Senator from New Hampshire, choosing between the Republican, Mr. Wyman, who was certified by the unanimous Ballot Law Commission the winner in New Hampshire and Mr. Durkin, the Democrat, who charged no fraud or other illegality but asked (inaudible).

Senator Mansfield. (inaudible) nor did Mr. Wyman.

Mr. Will. (inaudible) No one has, though. Given the fact no one has charged fraud and that Mr. Wyman was certified the winner, why did the Senate not seat Mr. Wyman even provisionally?

Senator Mansfield. Because we had two certificates of election and what we are trying to do is to abide by Article 1, Section 5 of the Constitution, which says that each House shall be the judge of the validity of its own members.

Mr. Will. Did not the final certification from New Hampshire supersede the one that Mr. Durkin had?

Senator Mansfield. Evidently not.

Mr. Will. The Democrats have been unable to shut off debate on this and the Republicans think they can hold and avoid cloture. Do you realistically expect to be able to shut off debate on this even in September?

Senator Mansfield. Time will tell. There is always the possibility, but in the meantime we have no choice but to adhere to the Constitutional responsibility which is ours.

Mr. Will. You then think of as no choice the Republican choice of sending this back to New Hampshire and letting the people have a special election?

Senator Mansfield. What we would like to do would be to vote on the proposals, 25 or 35 reported out unanimously by the Rules Committee, but the Republicans will not let us get to a vote on those proposals and we'd like to cast our votes on the evidence and I want to assure you there is no stealing, no hanky-panky, no skullduggery attached to our position on this election.

Mr. Cloud. Senator, a minute ago you said that you thought the compromise energy package that the President had sent up to the Hill should be given every consideration but I would like to take another run at Mr. Monroe's question and ask you whether you personally favor it at this point?

Senator Mansfield. I am inclined to give it every consideration because just about a week ago I made a speech in which I said nobody is going to gain no matter how this comes out, that prices are going to go up anyway and I suggested that a stretch-out period for decontrol extend from four to six years, that the $2 import tax be taken off. The President has not done so and doesn't intend to do so at this time anyway, but I think he has come some way and I think he is entitled to consideration.

Mr. Cloud. Well, in any case it appears that a good portion of the Democrats in Congress have serious reservations about the President's plan.

Senator Mansfield. There is a difference of opinion.

Mr. Cloud. Why? After all the ballyhoo of just a few months ago both in the press and I might add in Congress, has the Congress, which is so overwhelmingly dominated by Democrats, failed to come up with an alternative energy proposal of its own?

Senator Mansfield. Oh, we are coming up with proposals, but we are doing it on a piece by piece basis and that is the only way we can operate down there whereas the President singly can do anything he wants. He is one man and he can come out with a set of any kind of proposals he desires. He has a single program and we haven't. But we do have a program and we are fitting the pieces in place.

Mr. Cloud. Will Congress come out with a gasoline tax that is meaningful, do you think?

Senator Mansfield. As of now I would say it is doubtful but we will pay a tax on gasoline when decontrol goes off or if it doesn't go off anyway because prices are going to go up; you are not going to call it a tax. The same thing.

Mr. Spivak. Senator, how serious is this energy problem today? Congress has been fooling around with it and the President and Congress has been in controversy for a long time now.

Senator Mansfield. Well, at the moment it isn't serious. We have gasoline running out our ears but you will recall that the OPEC countries meeting some weeks ago indicated that they were going to raise the price by 30 per cent in October.

I think they meet this fall. I think they meet in September or October and if they raise their price 30 per cent and if our prices continue to go up for other reasons, why I think that we are going to face a crisis because it is the main question confronting the nation at the present time, even though there is no crisis at the moment.

Mr. Spivak. Senator, if you had the power to establish and enforce an energy policy, what major steps would you propose? What do you think we ought to do?

Senator Mansfield. I think we ought to give serious consideration to rationing. It is pretty hard to take and it would be hard to put into effect. I think we ought to take steps to bring about a reduction in the 40 per cent waste of gasoline which is the norm in this country today.

There are a number of factors which could and should be considered, but which will not be considered at this time.

Mr. Spivak. Well, why won't it be considered? What sort of a show of representative government are we giving the world?

Senator Mansfield. Representative government represents different points of view, but you have have got the President and his advisers sticking pretty well together. You have the Congress going at sixes and sevens and you just can't reach a consensus as yet, but if we do not reach it, events will force us to.

Mr. Monroe. Senator Mansfield, Mr. Solzhenitsyn, the Russian writer, says President Ford is engaging in a betrayal of the people of Eastern Europe by going to the European Security Conference, a trip he is now on, and preparing to sign what some people interpret as an endorsement of the Soviet domination of the satellite countries.

Do you agree with this criticism?

Senator Mansfield. I would disagree with Mr. Solzhenitsyn. I think what we do is our business. I am glad the President is going to Helsinki and visting other countries as well. I think it is far better to talk about things than to adopt a preparatory stance for events which might be much more serious than this. I think we can handle our own affairs and I wish the President good luck.

Mr. Monroe. Isn't there an element in the papers to be signed that suggests acceptance of the Soviet domination of the satellite countries?

Senator Mansfield. That is what they say, but it also, if I read the papers correctly—I have had no access to the information from the Administration—it calls for better transportation, contacts, between the various countries, the people therein and the like.

I understand unless something develops of which I am not aware of that these are more symbolic than meaningful. They are not substantive; they are not binding, and I wish that any time the President can meet with heads of state it could possibly react to our benefit.

Mr. Monroe. What is your criticism of Mr. Solzhenitsyn's general criticism of the policies of détente including grain sales to Russia? He says that these have a tendency to reinforce the Soviet Goverment in their own police state suppression of their own people.

Senator Mansfield. He is entitled to his opinion.

Mr. Monroe. You don't think so?

Senator Mansfield. He is entitled to his opinion.

Mr. Monroe. You disagree with him?

Senator Mansfield. I disagree with him on détente. I think we ought to try to bring about a more peaceful world. Détente is one way. As far as wheat to Russia is concerned if we can afford it, I mean if we have enough in the way of surplus, fine, providing that we are not taken in like we were in '72 when the wheat ranchers in the southwest were taken for a ride and the situation in this country became difficult economically speaking because of two factors: food and oil.

Mrs. Drew. The relationship between the Congress and the President has been characterized by confrontation, vetoes, attempts to override vetoes. Do you think this is the most preferable way to go about setting national policy now?

Senator Mansfield. I wouldn't use the word "confrontation." There have been differences of opinion. The President has acted within his constitutional rights; we have acted within ours. I would point out that yesterday the Senate did override a Presidential veto on a health bill which I think was a very good bill and deserved to be overridden.

Mrs. Drew. Do you think there should be more attempts on both sides at conciliation?

Senator Mansfield. I do.

Mrs. Drew. You called for return of the military assistance to Turkey, but how can we avoid situations where the recipient countries set the terms of our aiding them.

Senator Mansfield. Well, that is a very serious question. I will answer it to the best of my ability. If something isn't done legally, what the House has done is correct. But you are faced with a factor covering NATO with Portugal in a state of transition. We don't know what is going to happen with the Communists making large gains in the recent elections in Italy, with Greece and Turkey at loggerheads, and if we keep on at the present pace there will be no give on the part of the Turks, there will be no settlement of the Cyprus question. Caramanlis will be undermined because he is being buffeted by the right and the left, and I think the only answer is to bring about some sort of a possibility whereby Cyprus can be restored to something approaching its former status, and in that way bringing surcease and relief to the Greek government which is the one, in my opinion, which will be the real sufferer.

Mrs. Drew. How does giving Turkey more arms resolve the Cyprus problem?

Senator Mansfield. I will point out first this was started by actions of the Greek colonels, the group which we supported, which I think was entirely wrong and from that came this sequence of events. But if you don't do something on this basis, you are going to have us forced out of Turkey, I think, out of these bases—they say they are quite important, a billion and a half has been spent there, supposedly 25 percent of our intelligence capabilities are located in Turkey, in relation to the Soviet Union, and I think that you have to do something, although I am congenitally against arms purchases, arms sales and the like, to bring about a settlement of the Aegean question. Furthermore, if you don't do that, I think it is quite possible that Turkey will take a more active interest in the Middle East and it will not be to the best interests of Israel.

Mr. Will. Senator, if you are against these large arms sales will you vote on Monday to block the Administration's proposed sale of a large number of sophisticated missiles to Jordan?

Senator Mansfield. No, if Iran and Saudi Arabia and all the others are eligible for sales, I don't see why Jordan shouldn't be.

Mr. Will. Let me go on to politics if I might. You and other leading Democrats have indicated you would be very reluctant to support George Wallace if he won the Democratic nomination. Yet on some of the vital issues, life and death issues of foreign policy, your differences with, say Henry Jackson, seem to be as large as they are with George Wallace. Why is George Wallace singled out in this way? Could you cheerfully support Henry Jackson?

Senator Mansfield. Yes, I could support any Democrat who gets the nomination, but I don't expect Governor Wallace to get the Democratic nomination.

Mr. Will. Is there a Democratic candidate now who you think is a frontrunner?

Senator Mansfield. No.

Mr. Will. Is there any Democratic leader who is not yet in the race who you think should get in race?

Senator Mansfield. Yes, Governor Askew of Florida, for one.

Mr. Will. Do you take as final and irrevocable Senator Kennedy's decision to stay out of the race even if the Convention should deadlock and turn to him?

Senator Mansfield. I do. I don't want to see him a candidate because of his family, because of what happened to his brothers, because he is a good Senator and I think his place is in the Senate.

Mr. Cloud. Senator, following that, do you have any reason to suppose that he wants to be a candidate next year?

Senator Mansfield. None.

Mr. Cloud. Quite apart from whether, as you said in answer to an earlier question, we have had an air of confrontation between the Congress and the President——

Senator Mansfield. I think you people built that up.

Mr. Cloud. The fact is that President Ford has vetoed what I think is a record 36 bills in his one year in Congress, and this year at least the Congress has failed in every case so far.

Senator Mansfield. Yes, sir.

Mr. Cloud. Well, that is not the whole Congress. So far, to override any of those votes. Yesterday the Senate did override the President's veto of a $2 billion Mental Health Bill.

Senator Mansfield. And nurses' training.

Mr. Cloud. And I understand there is a $6.9 billion Education Bill that will be coming before you in September.

Senator Mansfield. Before the House first.

Mr. Cloud. Why has—in spite of these tentative signs that Congress will be stirring itself, why has it failed so far to override any of the vetoes and are we now reaching a point at which Congress is sort of regrouping and taking the battle back to the President?

Senator Mansfield. It is simple. We didn't have the votes.

Mr. Cloud. Why didn't you have them?

Senator Mansfield. We didn't have them, that is all.

Mr. Cloud. Isn't it because the Congress perceived that the President is right when he said that the country was more concerned about inflation than recession. Isn't that the basic reason?

Senator Mansfield. Possibly. The people are more concerned about unemployment, inflation and something must be done about it, but I have no apologies to make for what the Democratic Congress has done as long as you want to refer to us on that basis because many Republicans have joined us in passing good legislation and when we think it is good we are still going to pass it, veto or no veto.

Mr. Cloud. But you obviously would be happier if you overrode some of those vetoes.

Senator Mansfield. Of course.

Mr. Spivak. Senator, Assistant Minority Leader, Robert Griffin of Michigan said recently he couldn't recall a more disappointing Congerss in the 20 years he has been in Congress. You have been in Congress 30 years. What is your appraisal of this Congress?

Senator Mansfield. This is a good Congress. I think it has conducted itself well, responsibly, just as it has over the past two years during the Watergate hearings, and again I have no apologies to make for this Congress, only commendation for the way it has acted. I can't speak for the House, but as far as the Senate is concerned I am very proud of the way it has conducted itself.

Mr. Spivak. A recent Harris poll indicates that only 22 per cent of those polled approve of the job that Congress is doing. Do you see any justification for that low esteem?

Senator Mansfield. No, I don't, and if you take the Senators individually and had them return to their states, you will find that the people there approve of what they have done, what they are doing. What they are against is the institution but as far as their own Senators are concerned by and large they approve of what is being done so I don't think you can get much satisfaction or comfort out of a poll of that nature.

Mr. Spivak. Now, the President will be completing on August 9th one year in office. How do you appraise the job he has done today?

Senator Mansfield. Not bad.

Mr. Monroe. Senator, would it be responsible of the Congress to vote against President Ford's decontrol plan and thus allow all price controls on oil to expire fully at the end of August?

Senator Mansfield. Well, that is my concern. I don't want to see price controls taken off abruptly because I think the result would be disastrous and the economy, which seems to be coming back I think, would be knocked into a cocked hat and we would really be in a tailspin.

Mr. Monroe. Are you agreeing in effect it would not be responsible of Congress to turn down the President's plan?

Senator Mansfield. I say we ought to give it every possible consideration.

Mr. Monroe. Another subject involving Congressional action—Greek-Americans influence the House vote against arms for Turkey; Jewish-Americans have been lobbying against the idea of missiles to Jordan. Are we getting too far into a foreign policy made by Congress responsive to domestic political issues?

Senator Mansfield. Ethnicity does have its effect.

Mr. Monroe. You are worried about this tendency?

Senator Mansfield. Yes, because I can only give my loyalty to one country and this happens to be the United States of America. My father and mother were immigrants from Ireland, but my loyalty isn't to Ireland; it is to this country.

Mr. Spivak. We have three minutes left.

Mrs. Drew. You mentioned Watergate and this is the season of the anniversary of the President's resignation. A lot of issues that were raised during that period in some forms are still with us. I would like to ask you first, would you favor public disclosure of the financial holdings of members of the Senate?

As of now, although you do report it, there is no way that the public or the press can find out.

Senator Mansfield. Yes, I would. As a matter of fact, I have cosponsored legislation in the past four or five years calling for public disclosure of members of Congress, and the executive branch, all those getting salaries above $18,000—I think I would probably raise it to $20,000 now—yes, I would be in favor of it.

Mrs. Drew. What about real disclosure of lobbying activities the current laws——

Senator Mansfield. Everything. I *believe*, like Senator Chiles and Stone, in sunshine.

Mr. Will. Senator, the President says it is his feeling that the American people don't want very much from government but they would rather like less government. What is your opinion? What do the American people want?

Senator Mansfield. Well, idealistically I would agree with the President, but practically people want more and more from the government and it is because of what the government done to create a dependency, in effect, on the part of the people in relation to the government itself.

You take all these factors, food stamps, highway building, Social Security, you name it, and there is some facet of the government which is tied in with some facet of state government, with the lives of our people. We are living in a new age so we have to face up to the realities of the moment and not the idealism of the past. It is unfortunate.

Mr. Cloud. Senator, the fact that the Soviet Union is buying grain again in large quantities approaching 1972 levels has been mentioned here. Do you think if it appears this could drive the price of American food up higher that there is anything the government can or should do to limit those purchases?

Senator Mansfield. Oh, yes. I think they ought to scrutinize most carefully the dealings of these private——

Mr. Cloud. But I mean anything in addition——

Senator Mansfield.——grain merchants and I think they ought to relate exports to home prices and they ought to compare it to what we have in reserves.

The last time our granary of grain was cut down way below the safety level and I hope that we would have learned from what happened in 1972 so that in 1975 we won't get caught the same way, and I think that will be pretty much the case, except I am not so certain about Mr. Butz, who says prices are going to go up—there is going to be a minimal rise, but he never defines what minimal means.

Mr. Cloud. Let me ask you one political question. You say the President is doing not bad. There is a lot of talk he is in an excellent position to win in 1976. Do you agree?

Senator Mansfield. Well, the Republican nomination, because after all he has been a Republican all his life. His chief contender, Mr. Reagan, is a former Democrat who turned Republican, so I would say the odds are very much in favor of Mr. Ford.

Mr. Cloud. I don't mean the nomination, I mean the election.

Senator Mansfield. I mean the nomination.

Mr. Spivak. One very quick question. I am not sure you can answer it. You said two months ago that the economic situation was grim. Do you still think it is grim today?

Senator Mansfield. Well, it is better than it was. If the signs keep on going the way they have, I will be encouraged, but we still got a long way to go.

Mr. Spivak. I am sorry, but our time is up.

Thank you, Senator Mansfield, for being with us today on MEET THE PRESS.

NATIONAL PARK SERVICE CONCESSIONER POLICY

Mr. MOSS. Mr. President, an important juncture in the course of Federal lands administration has been reached with the impending closure of overnight lodging facilities in Zion National Park. It appears that the National Park Service has made a fundamental policy decision concerning the use of public resources that is at best a misinterpretation of existing law and past legislative intent, and more importantly, a decision that may well be an abrogation of the authority of Congress to specify basic policy on the disposition of public lands.

The Park Service specifically plans to close and remove accommodations at Zion National Park at the end of the current season, and to take similar action in Bryce Canyon National Park within the next 2 years as provided by contract with the current concessioner; moreover, under the same contract, the Park Service will evaluate the feasibility of eliminating lodging facilities at the north rim of the Grand Canyon within 8 years. This contract was made immediately after the Utah Parks Co. donated all of the concession facilities in these areas to the National Park Service and a prospectus for their continued operation was circulated.

It was in the aforementioned prospectus that the policy of accommodations phaseout was first initiated. Justification for the policy was given as follows:

> In carrying out these [Park Service] responsibilities, concession facilities and services are authorized by contracts or permits granted private parties to provide the visiting public with such accommodations, facilities, and services as are reasonably necessary for the full enjoyment of the areas. However, under present policy, where adequate accommodations exist or can be developed by private enterprise outside of such areas, similar accommodations shall not be provided within the areas.

This argument concerning alternative accommodations has been used repeatedly ever since, and is purportedly derived from Public Law 89–249. This claim deserves scrutiny.

Public Law 89–249 was enacted to—

> Encourage and enable private persons and corporations . . . to provide and operate facilities and services which (the Secretary of the Interior) . . . deems desirable for the accommodation of visitors in areas administered by the National Park Service.

At the time of enactment Secretary Stewart Udall revealed his desires in a letter to the House Committee on Interior and Insular Affairs in which he urged Congress to pass a law that would encourage investments of private capital in the national parks. He specifically cited concessioner operations in Zion and Bryce National Parks as examples of developments beneficial to the public. Enactment of 89–249 was requested by the Secretary as a measure to induce needed concessioner facilities within the parks. Congress complied with this request with enactment of the law, and further recommended that the National Parks Service require concessioners to provide all types of facilities to all types of people.

This law also provides the Secretary of the Interior with the charge to limit concessioner developments to those that "are consistent to the highest practicable degree with the preservation and conservation of the area," and that such facilities should be under "carefully controlled safeguards so that heavy visitation will not unduly impair park values." It is further specified that it is the policy of Congress "that such development shall be limited to those that are necessary and appropriate for public use and enjoyment of the national park area in which they are located." It is this section of the law that the Park Service cites as its basis for discontinuing accommodations in the park. It must be recognized, however, that this section of 89–249 is merely a word of caution against overdevelopment in a bill designed to encourage concessioner investment within park boundaries. Interpreting the language of this section as a sanction for removal of such concessioners blatantly misconstrues this statute.

It is important to realize that Public Law 89–249 does not provide a basis for the Park Service to remove existing lodging facilities within National Parks simply because alternative accommodations are present or can be developed outside the boundaries of any such park, and no other statute has been offered as the basis for this policy. Yet this policy exists and the decisionmaking authority for the future of concessions is being exercised by the Park Service in the present case.

Even if the entire question of decisionmaking authority in the matter is temporarily set aside, the justifications for discontinuance circulated with the Park Service and offered to interested parties may be questioned with good cause. While the specifics of the issue such as the nature of the physical plant and operating conditions are important, they will not be discussed here—these are not broad policy issues and for the most part are management problems that the Park Service is responsible for dealing with effectively. It is the simple issue of alternative non-park accommodations that must be addressed.

The Park Service has declared that alternative facilities can be developed outside both Zion and Bryce National Parks to provide adequate services to visitors. While it is conceivable that alternative, if not necessarily similar, accommodations could in fact be "developed" outside of the parks given sufficient incentive, there does not seem to be any question about whether or not such alternatives exist near Zion National Park at this time: the draft environmental statement for the proposed Zion master plan authored by the National Park Service states that "the town, Springdale, will most likely not be able to handle the increased tourist demand initially and this could cause some inconvenience to the park visitor." The implication is not only that the experience of lodging in the park will be foregone, but that lodging anywhere in the vicinity of the park may not be available to park visitors.

This concept of alternative external accommodation has a bearing on all national parks. Yellowstone, Grand Teton, Mesa Verde, and Glacier National Parks are all examples of areas with support communities in close proximity to present concession sites. There is no significant distinction between the Zion or Bryce situations and these other areas on the accommodations issue. The problem at hand obviously involves the future of the entire concessions system. The successful application of the "alternative concessions policy" to Zion National Park will cause virtually every other national park to feel the repercussions of this precedent.

The National Park Service has made a far-reaching policy decision that it is not entitled to make. Congressional mandate on the matter of removing concessions does not currently exist even though decisionmaking at the congressional level is certainly needed. The basic ways in which these public lands are utilized is an issue for Congress to address, and is of particular interest to representatives from the Western States in which the majority of these lands are located. The congressional delegation from the Western States involved will not stand idly by while these substantial and magnificent parts of our public lands are withdrawn from this type of public access without comment or debate. No further actions should be taken by the Park Service to discontinue inpark accommodations at the two Utah parks or anywhere else as a matter of policy until this issue is resolved by Congress.

REPORT ON THE INDOCHINA REFUGEE RESETTLEMENT PROGRAM

Mr. KENNEDY. Mr. President, over the past 3 months the Subcommittee on Refugees, which I serve as chairman, has exercised close oversight responsibilities over the President's program for resettling refugees from Cambodia and South Vietnam.

At the conclusion of extensive hearings in April, the subcommittee dispatched a study mission to the field to assess the resettlement process. On June 9, the subcommittee received a preliminary report of the majority staff, based upon their visits to Subic Bay in the Philippines, Guam, and Camp Pendleton in early May. Their findings and recommendations were transmitted to the Inter-Agency Task Force for comment, and were included in the Record on June 10.

Recently, the subcommittee has received a report from the minority counsel, Mrs. Dorothy Parker, on her visit to refugee areas in Southeast Asia, the Pacific, and reception centers in the United States. This report makes a number of valuable recommendations which I am confident will contribute to the work of the task force in expeditiously and humanely resetting the refugees who have come to our shores.

Mr. President, I would like to share with the Senate the summary of findings and recommendations of the subcommittee's minority counsel, as well as the preface to her report by the ranking minority member of the subcommittee, the

distinguished Senator from Hawaii (Mr. Fong), and I ask unanimous consent that both be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

[Minority counsel report, Subcommittee on Refugees, Committee on the Judiciary]

INDOCHINA EVACUATION AND REFUGEE PROBLEMS

(Preface by U.S. Senator Hiram L. Fong)

As the Chairman so aptly stated in his Preface to the Subcommittee Majority Study Mission Report:

"There is no more enduring theme in our Nation's history than our tradition of compassion and humanitarian concern for the homeless of the world."

It is reported that approximately 150,000 Indochinese refugees have fled from Cambodia and Vietnam since the fall of the respective governments on April 11 and April 28.

In keeping with this tradition of concern, Minority Counsel visited as many of the camps throughout Asia, the Pacific and Mainland United States as were opened to her inspection.

The graphic picture of the plight of these refugees so fully documented in the Report of these visits to camps housing refugees in Hong Kong, Thailand, Taiwan, Guam, Subic Bay, Camp Pendleton, Fort Chaffee and Eglin Air Force Base calls upon all Americans to live up to our tradition of helping the downtrodden of the world.

We must not let our feelings—pro or con—about the Indochina War mar our welcome of this newest wave of immigrants.

Most of these refugees represent a brain drain who, if given a chance at proper resettlement in these United States, must prove an untapped windfall asset to our heritage and to our economy. These refugees represent over half the doctors of Vietnam, the bulk of the officer corps, the highest government officials, the trusted employees of the United States, the editors and publishers, the professors and businessmen of Indochina and the vocal opponents of Communism of all ranks and religions.

We have made a good start in providing for the evacuation and temporary shelter and care of the refugees. Now, we must overcome all bias of whatever nature and of whatever origin and work together to effectuate their proper resettlement in this country and in the other countries of this world.

Proper and permanent resettlement of so many cannot be accomplished in a day, a week or a month. It must be done with patience, with generosity and with brotherly love and concern for our fellowmen, regardless of their country of origin, race or religion.

In our anxiety to settle these people, we must not overlook their long-term needs. Many need English language training, most need some orientation, some need vocational retraining—all need our compassion and understanding at this time of upheaval in their lives. They should, and must, be given the tools needed to be most effectively absorbed into the American way of life.

Jobs and homes, clothes and food, education for children and adults are not realistically produced by any magical formula overnight.

The Indochina refugees are scattered throughout the world—on sufferance, ill-housed, ill-fed, ill-clothed, under threat of being expelled from even these present temporary havens. In keeping with our immigration policy, let us try to reunite those with families already in the United States.

Let us try to bring other refugees together in family groups so that third countries can more easily accept them for resettlement as family units. I trust that this further humanitarian action on our part will inspire the efforts of the other Nations of the world to accept for resettlement many more of these refugees than they have to date.

Mrs. Dorothy Parker, the Minority Counsel, and I have worked very closely with the Interagency Task Force on Indochina Refugees and with the voluntary agencies which have resettled millions of prior refugees. Many of the suggestions based on the conditions observed in the camps have already been implemented.

Recommendations for further study and action are contained in the Minority Counsel's Report and Comments and Recommendations and will, I am certain, be given proper evaluation and adopted or rejected, based on sound reasoning.

I join in commending all the generous people of these United States for their dedication and hard work on behalf of the Indochina refugees.

Let us all now, as Americans, do our utmost to help these people build a new and good life in this Land of Liberty and Freedom for all.

MINORITY COUNSEL'S COMMENTS AND RECOMMENDATIONS

Based on the very full description of what Minority Counsel found in the many and varied refugee situations she inspected for the Subcommittee on Refugees and Escapees, Minority Counsel makes the following comments and recommendations:

1. COMMENDATION OF MILITARY

Special commendation should go to the particular military commanders who set up the refugee camps in such short time for so many people and to the members of our volunteer armed forces who toiled so diligently for so many hours to make the camps ready to receive these unfortunate Indochina refugees and to feed and care for them. Not only did the men in our Armed Forces work uncomplainingly for long hours at heavy duties, but on their off time, they were volunteers at the respective camps eager to do whatever necessary to make the refugees feel they were being treated with respect and to make it known to them that there were Americans who wanted to make them feel welcome.

In addition, the wives of the officers and enlisted men at most camps gave unstintingly of themselves in providing the human touch needed to show the refugees that they were at home in this land of immigrants and to help pave the way for their being resettled with greater ease and grace.

2. COMMENDATION OF VOLUNTEERS AND OFFICIALS

Taking the lead of President Ford, Governors, Mayors and many members of Congress should be commended for leading the civilian population and making their voices heard in welcome of the refugees and in freely volunteering their offices and services to help the refugees adapt to the new life upon which they were entering in the United States.

3. COMMENDATION OF INTERAGENCY TASK FORCE ON INDOCHINA REFUGEES

The Interagency Task Force on Indochina Refugees should be commended for their 24 hour per day, 7 day a week dedication to the task of facilitating the evacuation, reception and resettlement of these refugees in the United States and in third countries. The Task Force, together with the voluntary agencies, are doing all humanly possible to integrate this largest wave of immigrants to enter upon our American way of life in so short a period of time.

4. PACE OF RESETTLEMENT OF INDOCHINA REFUGEES

Much stress is being put upon the pace at which this latest influx of human beings is resettled and integrated into the mainstream of America.

It has been said that America is the greatest experiment in human freedom and dignity ever attempted by man. But, no one can do much about today's or tomorrow's problems if they do not understand her yesterdays.

Acceptance and resettlement of refugees is not new to America, but never before have we been asked to do so much, for so many, so quickly.

For example:

(1) *Hungarian refugees program*

In October 1956, the Soviet Union invaded Hungary. 200,000 Hungarians fled to Austria.

On November 2, 1956, President Eisenhower made $20 million in emergency funds available for the relief of the refugees in Austria and for people in Hungary.

By December 1, 1956, President Eisenhower announced that the United States would give asylum to 21,500 displaced Hungarians. Camp Kilmer, New Jersey, was set up as a receiving center for the incoming refugees. More than 20 volunteer and government agencies provided services for the refugees. No refugee was released from camp until he and his family had confirmed housing and employment or other assurances of support.

By March of 1957, only 1,600 of the more than 27,000 who had been admitted by that time as parolees or as refugees under the Immigration and Nationality Act remained in camp.

It was not until May, 1957 that approximately 32,000 refugees had arrived and had been processed through Camp Kilmer. On May 14, 1957, Camp Kilmer was closed and the reception center transferred to quarters in the St. George Hotel in Brooklyn, New York.

It was not until July, 1958 that Congress finally enacted legislation making the 32,000 Hungarian parolees eligible for processing for permanent residence.

In other words, it took from October, 1956 (the time they became refugees) to mid-May, 1957, a period of seven months, for 32,000 people to be integrated into the mainstream of American life.

At that rate, it would take 2½ years to resettle over 4 times this number of people. In the little over two months since the fall of Cambodia and Saigon, as of July 2, 46,073 people have been released from this Indochina program as resettled.

(2) *Cuban refugees program*

On January 1, 1959, Castro took over the Government of Cuba.

It was not until November, 1960 that arrivals began averaging 1,700 Cubans a week.

On December 2, 1960, President Eisenhower declared Cuba to be a Communist controlled country and an Emergency Refugee Center was opened in Dade County, Florida.

In February, 1961, Federal funds became available for a Florida-administered Cuban refugee cash assistance program. Only registered refugees became eligible for benefits, which included medical examinations, resettlement and employment services from voluntary agencies, the U.S. and Florida Employment Services and the Red Cross.

From December, 1965 to April, 1973, 260,000 Cubans arrived on the U.S. sponsored Cuba-Miami airlift.

Between January, 1961 and December, 1974, the Center registered approximately 460,000 Cubans. Of these, the voluntary agencies resettled approximately 300,000 outside of the Miami area. To date, the program is still in operation at a non-phaseout level of funding.

In other words, it took 14 years to resettle 300,000 people—who arrived at a rate of 1700 per week.

At that rate, it would take approximately 6 years to resettle the people now in the Indochina program.

(3) *Asian-Ugandan Program*

On August 5, 1972, General Amin announced that all non-citizen Asians would be expelled in 90 days.

November 7, 1972 was set as a deadline for departure of these Asians from Uganda.

September 30, 1972, the Attorney General announced 1000 Asian-Ugandans would be paroled into the United States. 1000 Asians rendered stateless by General Amin's decree were selected in the Autumn of 1972 for resettlement in the United States. Along with other Asians, they were flown from Uganda on flights arranged by the Intergovernmental Committee for European Migration (ICEM) and financed by the United Nations High Commissioner for Refugees (UNHCR).

In November, 1972, the first Asian-Ugandan refugees arrived in the United States under the auspices of the voluntary agencies.

April 3, 1973, the Attorney General granted parole authority for 500 more refugees.

By June, 1974, the last of 1337 Asian-Ugandans had been paroled and resettled in the United States.

In other words, it took 22 months to resettle 1337 people.

At that rate, it would take over 180 years to resettle the people now in the Indochina program.

Much stress is being put on rapid resettlement of these refugees by both the media and the Interagency Task Force on Indochina Refugees. While the process should proceed with all due diligence, too hasty pushing of refugees out of camp to "sponsors" not fully able to assume all the responsibilities of providing a home, entering children in schools, obtaining jobs, furnishing English and orientation training, food, clothes and other needs of the extended Vietnamese families will only lead to breakdowns in sponsorship with the concomitant breakdown in morale of the Indochinese family and their being relegated to welfare.

A more generous pattern of support by Congress for the Office of Refuge and Migration Affairs of the Department of State would, undoubtedly, have made it easier to gear up for this resettlement problem as the funds for ICEM and the voluntary agencies would have permitted them greater staffs than they had on hand when this emergency arose. Nonetheless, be that as it is, it appears to Minority Counsel that full use of the services of the voluntary agencies and the assistance of the Task Force and the media in fostering group sponsorship would, in the long run, be the more economical and satisfactory way of resettling these refugees so as to avoid their becoming welfare recipients on any large scale even though it means a few more months of operation of one or two large scale refugee camps.

5. SUGGESTED CHANGES IN PRESENT CAMP LOCATIONS IN UNITED STATES

Especially if refugees are to continue to be in refugee camps into the fall, because of the physical and climatic conditions prevailing at Camp Pendleton and the high cost factor, plus climatic conditions, at Eglin Air Force Base, it is suggested these two operations be phased out at the earliest possible time and the refugees housed in heated, permanent facilities until such time as they can be properly and permanently resettled. This may entail the opening of another camp in addition to Chaffee and Indiantown Gap (the latter of which Minority Counsel has not visited), but Minority Counsel has been advised informally that such other facilities can be made available, if necessary, at minimal cost.

6. INGATHERING OF REFUGEES IN UNITED STATES

It is now a month since Minority Counsel visited the refugee camps, in third countries, overseas. As hereinafter described at pages 16–19 of Minority Counsel's Report, conditions in some of these camps were deplorable. And, it is to be anticipated that they may be no better than in those camps established in other countries of Asia which at first had refused entry to Indochinese refugees but then thereafter admitted them because of the assurance of the UNHCR that the asylum would be temporary.

It appears to Minority Counsel that an ingathering into the U.S. of these refugees now in temporary asylum in Asian countries, would serve two aims of American foreign policy and at the same time afford the refugees more humane conditions than now accorded them.

Firstly: Having all refugees available for interviews in a few central locations might facilitate their resettlement in third countries.

Secondly: Having all refugees available for identification in a few central locations would facilitate family reunions.

(a) *Facilitation of resettlement of refugees in third countries*

With refugees scattered throughout ten camps in the U.S. pipeline, in Hong Kong, Taiwan, and throughout Asia such as Singapore, Malaysia, Indonesia, as of July 2, third country resettlements showed only **4,322** refugees released from camps in the U.S. pipeline, 749 from Hong Kong and 57 from 4 ships at the port of Hong Kong.

State Department breakdowns of these figures follow: (1) 4,322 Refugees released to third countries from U.S. pipeline:

REFUGEES RELEASED TO THIRD COUNTRIES (AS OF JULY 2, 1975)

	Chafee	Clark	Eglin	Guam	Hickam	Indiantown Gap	Pendleton	Subic	Thailand	Wake	Total
Australia	15			77	7		18				117
Canada	346		50	1,523	1		754				2,674
France	288		55	245			337	9	15		949
United Kingdom	3			9			14				26
Guam				317			5				322
Hong Kong	2			3							5
Iran	3			6							9
Korea				1	2						3
New Zealand	4			12							16
Switzerland				1							1
Germany	6										6
Bahrain	2										2
Singapore	11										11
Spain	2										2
Belgium	2			7		1					10
Philippines	2	64						3			69
Italy			1								1
Cambodia									88		88
Laos									1		1
Thailand									10		10
Total	686	64	106	2,201	10	1	1,128	12	114	0	4,322

(2) 749 Refugees Released to Third Countries from Hong Kong:

Initial total of refugees in camps: 3,900

Canada	269
Taiwan	1
Australia	208
France	207
Hong Kong	58
New Zealand	1
Belgium	5
Total	749

Excluding 79 refugees who have been released to the U.S.

(3) 57 refugees released to third countries from 4 ships at the port of Hong Kong.

These refugees have not been permitted to land other than to proceed as follows:

From—

M.S. *Japan*. Total: 27; 22 to Sweden, 5 to U.S.

M.S. *Oregon*. Total: 103; 103 to U.S.

Glorious Country. Total: 35; 5 to France, 30 remained aboard ship.

Eurybates. Total: 35; 35 to U.S.

Total taken from ships: 200, of whom 143 went to the U.S.

In addition, Taiwan, as of May 19–20, had accepted over 900 ethnic Chinese for resettlement.

Every effort should be made to have the other countries of the world assume some of the burden of resettling some of the Indochina refugees. And, the U.S. should do everything in its power to facilitate this third country resettlement.

The U.S. should make it easier for the Task Forces of third countries to interview refugees for potential resettlement. Having the refugees congregated in 3 or 4 camps in the U.S. would facilitate this process and hopefully increase the number of refugees identified as suitable for resettlement in these third countries.

Furthermore, such ingathering of refugees would facilitate the task of ICEM in selecting refugees for resettlement under their mandate in third countries, particularly in South America and developing countries which need the skills of certain of the refugees.

In furtherance of this stress on third country resettlement of refugees, every effort should be made to explore the possibility of permanent resettlement with financial aid from the U.S. and/or the UNHCR of refugees now in Hong Kong, Taiwan and perhaps some of the other haven countries which are now affording to these refugees the best asylum of which they are capable. This might be a more economical and effective method of resettlement in some of the less affluent areas of the world which, but for their economic conditions, could be motivated to afford humane, permanent resettlement to the Vietnamese and Cambodian refugees now on their soil.

In the interim, these refugees now temporarily scattered throughout Asia should be afforded more tolerable physical and emotional conditions in the U.S., especially since so many allegedly understood that the Voice of America news broadcasts were "encouraging" them to flee from Vietnam by reporting that refugees were being picked up by U.S. Naval vessels once they were at sea. See pages 16, 26 and 30 of Minority Counsel Report.

b. Family reunions

One of the basic concepts back of the Immigration and Nationality Act is the concept of reuniting families. With families scattered throughout camps in the United States and throughout Asia, it is imperative that all refugees be identified and reunited with their families.

Minority Counsel's visits to camps in Hong Kong and Thailand as well as visits to camps at Subic Bay at Guam and in continental United States clearly pointed out there were many split families. Some left by plane, others by boat, some were evacuated by the U.S. By accident of nature, not all reached our pipeline and of those who did, not all, as yet have been reunited with their families.

This failure to reunite families is one of the causes of refugee failure to leave a camp when a sponsor is obtained for the part of the family in that camp, without provision for bringing together of the rest of the family.

For purely humanitarian reasons, such family reunions should and would be facilitated if all these refugees were within the U.S.

7. REPATRIATION AND FAMILY REUNIONS

It is reported that as many as 2,000 refugees have asked to be repatriated to Cambodia and Vietnam.

For those refugees who seek to return home because they never intended to become refugees or feel they were mistaken in ever leaving their country, every effort should be made by the UNHCR to repatriate these people as soon as the Provisional Revolutionary Government in Saigon (PRG) will permit such repatriation.

In the interim, these refugees should be separated from the other refugees in camp for their own safety and to prevent their becoming a disruptive factor in camp.

However, many, if not most, of those seeking to return to Cambodia or Vietnam are doing so because they have been unable to locate their families, as indicated throughout Minority Counsel's Report and particularly at Page 7 (Thailand), Page 36 (Guam), Page 112 (Chaffee) and Page 124 (Eglin).

The Central Tracing Agency of the International Committee of the Red Cross is reportedly planning to undertake its usual role and set up a family-locator function for Indochinese Refugees (See page 21 of Minority Council's Report). To date, this has not been activated.

It is, therefore, entirely possible that some people who are being repatriated in order to be reunited with their families may find that their families are not in Vietnam or Cambodia, but have fled and are refugees elsewhere. For these potential repatriates, it is essential that it be ascertained whether or not their families are still in Vietnam or Cambodia before they are repatriated.

8. DANGERS INHERENT IN UNHCR QUESTIONNAIRE AND VOLUNTARY REPATRIATION

As pointed out on Page 112 of Minority Counsel's Report, it is not certain that the PRG will permit the repatriation of all who seek to return. The questionnaire agreed to between the PRG and the UNHCR, a copy of which is attached, elicits a great deal of information about relatives inside and outside of Vietnam; military, governmental and other affiliations of the repatriate; reasons and means of leaving Vietnam.

If the refugee is accepted for repatriation, indications of the types of information that can be elicited from him upon his return about other participants in his activities are set forth. And, there is no definite assurance as to the treatment he will be afforded after repatriation.

If the refugee is not accepted for repatriation, because of the detailed information requested, there is potential danger to his family should they be in Vietnam. They are clearly labeled as the family of a deserter.

There is no assurance that a potential refugee will be advised whether or not his family is in Vietnam. As indicated above, he may be returning solely to be reunited with his family, only to learn the family has departed Vietnam.

Those seeking to be reunited with their families should be given an opportunity to do it within or outside of Vietnam, as they choose. They should not merely be given the possible chance of returning to Vietnam for such family reunion.

However, it is not known whether the UNHCR has succeeded in negotiating with the PRG for the departure of families from Vietnam for the purpose of a family reunion when the head of the family is denied reentry, as outlined on Page 113 of Minority Counsel's Report.

9. DANGER IN COMPUTERIZATION AND DISTRIBUTION OF ADP ID CARD

Form (MCBCP–3305/4 (5–75)).

For every refugee in the U.S. pipeline, a computerized form is filled out. A copy of that form is attached hereto.

As indicated at Page 91 of Minority Counsel's Report, the information on this form is available at 41 terminals. Included in these terminals are the voluntary agencies that do not handle the refugee, as well as the voluntary agency to which he is assigned and various governmental agencies, including the FBI. All agencies to which this information is available for their data bank are unknown to Minority Counsel.

While much of the information is relevant to the resettlement of a refugee, some of the information, such as religion, medical data, and financial data, in the wrong hands or wrong data bank would be a most serious invasion of one's right to privacy. The use of this form should be restricted and the data destroyed when its purpose of aiding a refugee's resettlement is completed.

10. DIFFERENT TREATMENT AFFORDED INDOCHINA REFUGEES FROM ALL OTHER REFUGEE GROUPS

The Indochina Refugees like the Hungarian, Cuban and Asian-Ugandan refugees were paroled in by the Attorney General under Section 212(d)(5) of the Immigration and Nationality Act, which reads:

"(5) The Attorney General may in his discretion parole into the United States temporarily under such conditions as he may prescribe for emergent reasons or for reasons deemed strictly in the public interest any alien applying for admission to the United States, but such parole of such alien shall not be regarded as an admission of the alien and when the purposes of such parole shall, in the opinion of the Attorney General, have been served the alien shall forthwith return or be returned to the custody from which he was paroled and thereafter his case shall continue to be dealt with in the same manner as that of any other applicant for admission to the United States."

a. Security clearance

In the course of its hearings on May 5 and 7, 1975 on H.R. 6755, the Indochina Migration and Refugee Assistance Act of 1975, the Subcommittee on Immigration, Citizenship and International Law of the House Committee on the Judiciary raised numerous questions as to whether these refugees had misappropriated American funds while in South Vietnam, ran "tiger cages" or were engaged in torture of political prisoners (see House Hearing, Pages 29–32, 48), and it was urged that "security checks should be completed before anyone is released into the stream of our community" (Page 88, ibid). It was urged that the Immigration and Naturalization Service (INS) in the exercise of its authority, "require all persons entering from Vietnam as a result of this evacuation to sign some kind of statement with respect to activities they engaged in. And to sign a statement stating, in fact, that they had not engaged in any persecution or torture of anybody on account of political opinion or race, relegion, national origin or the like. And that if somebody falsely filled out such a document, the penalties would be perjury." (Page 102, ibid).

INS officials pointed out that, in reality, (1) a refugee under the Convention was entitled to asylum, unless a third country could be found to which to send him; (2) the refugee could be subjected to denaturalization if he falsely signed a verified statement; and (3) whether or not he could, in fact, be deported would depend on whether another country would accept him for deportation. Nonetheless, INS pointed out that insofar as his parole was concerned, conditions, such as restriction to a geographic area or weekly reporting, could be imposed (Pages 103 and 104, ibid).

Despite the impracticability of this suggestion, security clearances from four government agencies (DOD, CIA, DEA and State) were requested on all refugees by INS. And, if the refugee had ever been in the U.S., security clearance from the FBI was also required.

On May 13, at the hearings before the Subcommittee on Refugees and Escapees of the Senate Committee on the Judiciary, General Chapman, Director of the INS, at p. 75, pointed out that under the asylum protocol, a refugee with any claim to persecution in his home country could not be forcibly returned to his country of origin, that we would appeal to third countries to see if one would take someone who is excludable under our laws, but that this "effort usually fails, obviously, so the net result is that we have him in a constrained situation". At that point, Senator Fong, the ranking Minority Member of the Subcommittee, suggested: "So why do you not let them (the refugees) in without all these clearances, and then follow up after they get in." But that was not done.

The delay occasioned by this prior clearance procedure did much to set back the process of resettlement of the refugees and raised many questions in the minds of a public already preconditioned against receiving these refugees as to the desirability of allowing these people to enter the U.S.

As it turned out, INS advised Minority Counsel that as of July 2, no persons had not been cleared for security purposes for admission as parolees, while 90,497 refugees had been cleared by all investigating agencies, and only 147 cases were under investigation.

In essence, this was much to do about nothing. Yet, the program was initially set back by the fears engendered in the minds of the public lest in their assuming sponsorship of these refugees, we do admit murderers, torturers and thieves; by the time this checking by the various agencies necessarily consumed; and by the initial confusion caused by each agency reporting separately to the camp on each refugee.

By now, security clearances are, for all practical purposes, behind us.

The results of these clearances should amply demonstrate to the public that these Vietnamese and Cambodian refugees are no danger to this country or its people and should be welcomed to our shores as all previous groups of refugees who have been resettled in the U.S.

b. Sworn statements required of refugees

In trying to comply with the House Subcommittee's request, INS devised a sworn statement based on Section 212(a) of the

Immigration and Nationality Act, which it requires all refugees to sign. This statement, a copy of which is attached, goes far beyond that ever required of any entrant to the United States and even beyond the requirements of the Immigration and Nationality Act.

As of July 5, volags were still being required to sign this sponsor certification at Indiantown Gap—despite the assurance of the Task Force that this practice would be discontinued.

11. VARIANCES IN CAMP PROCEDURES

There is too much variance in procedure among the camps. Each Senior Civil Coordinator is given more or less full authority to run his camp. Only when something is amiss and it is called to the Task Force's attention, is there an effort to remedy the situation. It is suggested that some coordination of procedure be instituted—by meetings of Senior Coordinators or telephonic conferences, so that each Civil Coordinator may learn what is going on at the other camps, how different problems are handled at the different camps. In that way, they could learn from each others mistakes or good planning.

12. AVAILABILITY OF JOB OFFERS THROUGHOUT UNITED STATES TO VOLAGS

A computerization of all valid job offers throughout the U.S. should be made available to all voluntary agencies (Volags). At present, this information is not generally disseminated. For example: Minority Counsel was advised at Eglin Air Force Base that there were over 250 jobs available for fishermen from Gulf Coast corporations. This job availability is not known to persons in other camps.

The State Employment Service in Florida furnishes information as to available jobs to the voluntary agencies at Eglin Air Force Base. Similar information should be obtained from the U.S. Employment Service and the 50 State Employment Agencies and disseminated to all voluntary agencies at each and every camp, wherever situated in the U.S. and from which refugees are resettled.

13. POSSIBLE REVISION OF RESETTLEMENT PROCEDURES OF VOLAGS

Distribution of refugee cases to the voluntary agencies varied in the different camps. In some camps, cases were assigned by dividing the cases among the voluntary agencies. In other camps, it was left to the refugee, on the date of entry, to pick an agency. Obviously, the refugee's knowledge of which agency could best assist him was limited. While it is too late in the program to reassign cases to different voluntary agencies, it is a practice to permit transfer of a case from agency to agency upon the request of the refugee.

As of July 2, there were 63,787 refugees in camps in the U.S., as follows:

Chaffee	24, 004
Pendleton	17, 530
Eglin	5, 652
Indiantown Gap	16, 601

In addition, on July 2, there were 19,277 refugees under U.S. control as follows:

Thailand	216
Clark	527
Subic	927
Wake	7, 298
Guam	10, 188
Hickam	121

With 83,064 refugees still to be resettled, and over 10,000 jobs to be found for these refugees, perhaps the cases distributed to the various voluntary agencies and now documented in the computer print-out available at each agency should once again be thrown into a common pool. Some practice should be worked out to pay the voluntary agency a fixed part of the $500, allocated for resettlement of a refugee, for obtaining the necessary background information on a refugee.

Then, when a voluntary agency has a sponsor and can match that with a valid job offer which it has obtained or which comes from the centralized job computer, the volag should seek a family from the pool of refugees that meets this need and accept them for resettlement.

There appears to be no reason for a family to be registered with one agency which cannot find a sponsor and job for the head of the family, while another agency has sponsors and jobs available from its own resources or from the data bank, but no family registered with it that fills the required profile.

Anything that might so expedite valid and effective resettlement should be attempted rather than having each volag act solely on its own.

14. GOVERNMENT SPONSORSHIP OF RESETTLEMENT OF REFUGEES

States and local governments have been undertaking resettlement of refugees. This is commendable. However, when the governmental agency uses the churches to effectuate the resettlement, as was reported before the President's Task Force meeting on June 25 to be the case in Washington State, they are depriving the volags of their primary source of sponsorship. With the volags unable to exercise full moral pressure on their congregations or affiliates, fewer refugees are actually resettled because of the governmental intervention. This should be guarded against.

Governmental resettlement, be it by a State or local government, should use its governmental facilities or at least, not the resources of the volags, to accomplish the end of resettling the refugees. Otherwise, the effort is counter-productive.

Another precaution to be observed in governmental resettlement is that they not resort to welfare payments as a means of resettlement within the State.

15. REFUGEES LEAVING CAMPS FOR RESETTLEMENT

Minority Counsel has heard reports of refugees with sponsorship and job offers failing to leave camp. Interviews have shown that this is sometimes due to a desire on the part of the refugees to wait to ascertain if missing members of their family are in other camps. Some assurance should be given them that even if they leave camp, through the use of an Interagency Task Force computer-locator system, they will still be reunited with the rest of the family when they are located and identified.

Refugees cleared to leave camp for resettlement should be separated from others in the camp and given any concentrated orientation or English training course needed before they leave camp. Further, this separation of cleared refugees would prevent the fraudulent use of their documents by other refugees desperate to leave camp.

16. ENGLISH AND VOCATIONAL TRAINING IN CAMPS

Since the refugees are staying in camps longer than the 30 days originally estimated (see Sen. Rept. No. 94–138, to accompany H.R. 6894, the appropriation for refugees from Cambodia and Vietnam), it is suggested that HEW institute English and vocational training courses at the various camps. This training would help expedite the resettlement of the refugees and their integration into the mainstream of American life as they could be trained to meet the current employment needs not filled by American citizens or permanent residents.

17. PAYMENT FOR SERVICES OF FORMER U.S. EMPLOYEES

Many former employees of the U.S. government have indicated that they had not been paid for their past services or that they had not received their severance pay, if any was due. These claims should be looked into and liquidated as soon as verified. Many fear leaving the camps lest they lost this money.

18. ASYLUM FOR DIPLOMATS

Insofar as diplomats who found themselves in third countries are concerned, it is presently required that they show no third country will accept them for resettlement before they are permitted to resettle in the U.S.—despite whatever ties they have to the U.S.

In Taiwan, this is an almost impossible condition to meet because of the few diplomatic relations left to that country.

In all countries, where diplomats can show ties to the U.S., they should be treated like all other refugees and reunited with their families.

19. TREATMENT OF STUDENTS

Students who were attending colleges in the United States are being permitted to remain and take employment. However, in that status, they are not permitted to have their relatives come to the U.S. to be reunited with them as they could if they were deemed refugees.

Rather than making them go through the procedure of asking for asylum and refugee status, it is suggested that their families be eligible for parole as are families of American citizens or permanent residents, as suggested in a letter to the Attorney General by Senator Hiram L. Fong under date of April 22, 1975, a copy of which is attached.

20. IMMIGRATION STATUS OF INDOCHINESE REFUGEES

As advocated by Item 11 of the Majority Staff Recommendations, early consideration should be given to special legislation authorizing an adjustment of a refugee's status to that of a permanent resident alien.

Especially in view of the number of refugees trained by the U.S. Military who seek to enter our Armed Forces and afford us the benefit of such training and the number of professional people, particularly physicians, in the group of refugees who would benefit our economy and well-being, early adjustment of the immigration status of these security-cleared refugees would enhance their ability to enter the mainstream of American life and facilitate their adjustment and integration into their adopted country.

WAR IN ANGOLA

Mr. KENNEDY. Mr. President, one of the most promising results to emerge from last year's change of government in Portugal has been the liberation of Portugal's former colonies in Africa from colonial rule. And for all of those colonies, except Angola, the anticipation of success in the struggle to establish home rule seems to be developing into the reality so many people had hoped for. But the tragic conflict among those who seek to assume power has thrust Angola into a bloody feud that has claimed thousands of lives.

From all corners of the globe, the turmoil in Angola is deplored by people who cherish the sanctity of human life. The senseless killing of innocent citizens must be halted. And I join with those who believe the sooner that happens the better. Yet there are other observers who view that war in the context of mankind's historical struggle to gain freedom. For them today's violence in Angola is observed as another episode in man's solemn but imperfect blueprint for settling disputes over control of the reins of power.

Others say that the bloodshed in Angola could have been avoided if Portugal had prepared Angolans for independence. I believe that is debatable. But in any event, we should be supporting all efforts to end the fighting, and to settle the question of Angola's political future through peaceful means.

I therefore share the prayers and hopes of people from around the world who want to bring a swift and just cessation to the warfare in that troubled land. And I believe that if economic help is requested by the peoples of Angola they should receive a generous response from all nations that want social and human justice to prevail.

Mr. President, an editorial in the Washington Post on July 29 places in perspective the various interests and forces that are embroiled in the current struggle in Angola. I ask unanimous consent to have printed in the Record the editorial "War in Angola."

There being no objection, the editorial was ordered to be printed in the Record, as follows:

WAR IN ANGOLA

The biggest hot war now going on in the world is in Angola, the mineral-rich west African state where three rival nationalist groups are fighting to inherit the power laid down by Portugal when it abandoned its colonies last year. The Portuguese had hoped to transfer power in a peaceable orderly fashion next Nov. 11. But the three groups, which had been conducting small separate guerrilla campaigns against Lisbon for 13 years, plunged at once into a savage war against each other. As against the 81 Portuguese soldiers killed (75 by mines) in the anti-Portuguese phase, upwards of 5000 Angolans have been killed in the last year in direct civil strife and in the parallel violence of irregulars and bandits.

What makes the Angolan prospect so cruel is that each of three nationalist groups has the army, the military supplies, the territorial base and the major tribal support it needs to struggle on indefinitely. A troublesome international aspect has been injected by the fact that the Popular Movement for the Liberation of Angola, led by Marxist Agostinho Neto, is supported by the Soviet Union. The National Front for the Liberation of Angola, headed by Holden Roberto, is backed by neighboring Zaire, whose president (Mr. Roberto's brother-in-law) is thought to have designs on the oil-soaked Angola enclave of Cabinda—Cabinda is separated from Angola proper by a strip of Zaire. The Chinese are giving some military support to Mr. Roberto, too. It is the battling between the Popular Movement, which controls the capital of Luanda, and the National Front which has been in the news lately. The third group, militarily the weakest, is the National Union for the Independence of Angola. Sometimes regarded as a likely swing group, its chief is Jonas Savimbi.

In Lisbon the leftist military men who run Portugal lean politically towards the Popular Movement. The Portuguese on the scene, however, counsel a careful policy whose principal purpose is to assure the safety of the quarter-million frightened Portuguese in Angola. Policy notwithstanding in the disintegration stalking Angola, events may be taking control: over the weekend Portuguese soldiers responded to an attack on some of their own by shooting up the Popular Movement's headquarters in Luanda. Though perhaps 100,000 Portuguese have fled in the last year, Lisbon and—they all say—the Angolan groups wish the Portuguese community, whose Angolan roots are 500 years deep, to remain. But other foreigners are leaving. There are fewer than 150 Americans, a number which helps the United States to stay in the low posture it would have chosen for political reasons anyway.

Seven times in the last year cease-fires have been arranged, seven times they have collapsed. African efforts at reconciliation have utterly failed. Gestures intended to give the Organization of African Unity a mediating role have foundered on the Angolan rivals' common resistance. Mediation by the United Nations is regarded as out of the question as long as the OAU is immobile. This whole tragedy might have been avoided if the old dictatorship in Portugal had prepared Angola for independence and self-government, but no such preparation was made and now the tragedy is unfolding.

RESOLUTIONS ADOPTED BY THE NATIONAL CONVENTION OF THE SONS OF THE AMERICAN REVOLUTION

Mr. ALLEN. Mr. President, earlier this month, the National Society of the Sons of the American Revolution assembled in Boston, Mass., for its 85th convention. This patriotic organization is dedicated to the protection and preservation of our constitutional form of government. President Thomas Jefferson is often quoted as saying that "the price of liberty is eternal vigilance." Members of the Sons of the American Revolution are always in the forefront in providing "eternal vigilance," as will be shown in the breadth of the resolutions adopted at their convention.

Among the subjects of public interest covered during the convention and upon which the organization defined a position were the following: foreign policy, national defense, law enforcement, Federal land use planning, internal security, gun registration, public morals, and the intelligence-gathering agencies of the Government. I believe our colleagues will find the resolutions passed by the compatriots of the SAR of interest, particularly in these trying times.

Mr. President, I ask unanimous consent that the adopted resolutions of the National Society of the Sons of the American Revolution, be printed in the Record.

There being no objection, the resolutions were ordered to be printed in the Record, as follows:

RESOLUTIONS

The National Society of the Sons of the American Revolution, at its 85th Annual Congress, assembled from June 28 through July 2, 1975 at The Copley Plaza, Boston, Massachusetts, adopted the following resolutions:

RE-EXAMINATION OF THE NATION'S FOREIGN POLICY—RESOLUTION NO. 1

Whereas, the policy of detente between the United States and the Soviet Union has not resulted in a peaceful status quo between the two nations, but rather represents a new tactic in the pronounced aims and long range goal of the Soviet Union for world conquest and domination, and is designed to promote the accomplishment by the Soviet Union of complete military superiority; and

Whereas, the Strategic Arms Limitation Treaty provided for certain strategic missile supremacy of the Soviet Union over the United States, and the Soviet Union has continued to exceed such superiority; and

Whereas, the recent defeat and humiliation of our Allies in South Vietnam was an important part accomplished by the supplying of arms, munitions and materials to the North Vietnamese, thus enabling them to violate the cease-fire agreement signed in Paris;

Resolved that there be a re-examination of this Nation's foreign policy to the end that a more realistic foreign policy may be adopted which will primarily and properly advance the interests of the United States, and depart from the present ruinous policy of detente between this country and the Soviet Union.

NATIONAL DEFENSE—RESOLUTION NO. 2

Whereas, the armament and military equipment of the United States during the past ten years have not kept pace with the greatly increased development of armaments and military equipment by the Soviet *Union* so that in certain respects, the Soviet Union has, or is, approaching superiority in nuclear weapons, air power, sea power and land warfare; and

Whereas, the primary duty of the Government of the United States is to protect and defend that Nation and its citizens from the threat of domination or conquest by any foreign power;

Resolved that the National Society of the Sons of the American Revolution urge that prompt, effective action be taken:

(1) to obtain a provision in any second Treaty for Strategic Arms Limitation for effective nuclear weapons for the United States;

(2) to provide the United States with the best and most advanced military aircraft, anti-aircraft equipment and missiles, submarines and other naval vessels, anti-tank missiles and all other military equipment for the adequate defense of the United States, and superior to such armament and military equipment of any foreign power; and

(3) to strengthen the moral fiber and will of all citizens of the United States of America to use any and all weapons as needed to defend our Constitution against all enemies, both foreign and domestic.

ENFORCEMENT OF THE CRIMINAL LAW, AND ELIMINATION OF ERRONEOUS DECISIONS OF THE SUPREME COURT OF THE UNITED STATES—RESOLUTION NO. 3

Whereas, during the past thirty years, the number and rate of occurrence of crimes in the United States have greatly increased so that the security of the people of the United States in their persons and property has been gravely impaired and threatened; and

Whereas, the prompt and effective enforcement of the criminal laws, both State and Federal, is recognized as the best deterrent to the commission of crime, and properly protects the law-abiding citizens; and

Whereas, many informed jurists and others charged with the obligation to enforce the criminal laws of the several States and of the United States have concluded that various decisions of the Supreme Court of the United States in the field of criminal law have greatly and unnecessarily expanded the supposed "rights" of those charged with the commission of crimes far beyond the rights guaranteed to such persons by the Constitution of the United States, and have imposed those supposed "rights" upon the several States and State law enforcement officials contrary to prior decisions of the Supreme Court, itself, and contrary to a proper interpretation of the provisions of the Fourteenth Amendment to the Federal Constitution; and

Whereas, the Congress of the United States under the authority granted to it by Article III, Section 2 of the Constitution of the United States, has the power to restrict, abolish or limit the appellate power of the

Supreme Court, and also under Article III to define the jurisdiction of the Federal Court inferior to the Supreme Court;

Resolved that the National Society of the Sons of the American Revolution urge its members to study the impact and influence of the more recent decisions of the Supreme Court of the United States upon the substantial increase of crime at both the State and National levels;

Resolved that its members study the feasibility of a proper limitation by Congress upon the appellate powers of the Supreme Court of the United States and the jurisdiction of the lower Federal Courts to the end that unnecessary and harmful strictures and limitations upon the enforcement of the criminal law can be removed, and such laws be more effectively enforced.

FEDERAL LAND USE PLANNING LEGISLATION—RESOLUTION NO. 4

Whereas, in the last two years, efforts have been made in the Congress of the United States to establish criteria for land use in the several States by use of Federal money in grants to complying States and a denial of Federal grants to those States which do not comply; and

Whereas, if accomplished, another layer of bureaucratic Federal control will be placed upon the use of private property by owners, without any provision for the payment of just compensation to the great injury of such owners, and to the impairment of the powers of those States which may surrender their rights in the field of land use planning by the acceptance of Federal grants conditioned upon compliance with Federal criteria.

Resolved that the National Society of the Sons of the American Revolution alert its members to the dangers of Federal Land Use Planning Legislation; and

Resolved that the National Society of the Sons of the American Revolution oppose such Federal Land Use Planning Legislation.

REESTABLISHMENT OF THE HOUSE COMMITTEE ON INTERNAL SECURITY AS A STANDING COMMITTEE OF THE HOUSE OF REPRESENTATIVES—RESOLUTION NO. 5

Whereas, the House of Representatives of the Congress of the United States has eliminated its Committee on Internal Security as one of the Standing Committees, and has transferred its functions to another Standing Committee of the House of Representatives; and

Whereas, this action by the House of Representatives greatly weakens the operations of the House Committee on Internal Security at a time when its operations in protecting the people and Government of the United States against the increased subversion activities of their enemies;

Resolved that the National Society of the Sons of the American Revolution urge its members to support all efforts to have the House Committee on Internal Security reestablished as a Standing Committee of the House of Representatives with the same powers, functions and operations that it had before transfer of such powers, functions and operations to another Standing Committee of the House of Representatives.

GUN CONTROL LEGISLATION—RESOLUTION NO. 6

Whereas, citizens of the United States have the right to keep and bear arms guaranteed to them by the Federal Constitution and, also have the right to protect themselves against assaults upon their persons and against the theft and vandalization of their property; and

Whereas, it has been shown by experience that compulsory registration or prohibiting the carrying and use of such weapons by law-abiding citizens of handguns and other weapons has not resulted in the decrease of crimes of violence in jurisdictions having such laws but, on the contrary, has resulted in part, in a disarming of the law-abiding citizen without disarming the criminal, thus leaving the law-abiding citizen at the mercy of the armed criminal; and

Whereas, required registration of weapons in certain European nations has provided a ready means of completely disarming law-abiding citizens by those who have subverted and overcome the governments of such European nations so that any effective citizen resistance to such subversive forces has been effectively eliminated;

Resolved that the National Society of the Sons of the American Revolution urge its members to study carefully any proposed legislation in their respective States or in the Congress of the United States requiring the registration of weapons or substantially limiting their possession or use by law-abiding citizens and, if such proposed legislation impairs the Constitutional rights and the ability of law-abiding citizens to protect themselves, to resist such proposed legislation by every lawful and effective means.

OBSCENITY, UNDUE EMPHASIS ON SEX, AND UNDERMINING OF FAMILY AND CIVIC AUTHORITY IN PUBLIC SCHOOL TEXTBOOKS—RESOLUTION NO. 7

Whereas, the National Society of the Sons of the American Revolution has learned of the strong and welcome protest made by Citizens of the State of West Virginia against the use of certain textbooks in the public schools of that State; and

Whereas, those textbooks contain shocking examples of the use of obscene words, the degrading of family relationships, undue emphasis on sex, incitement to disregard authority in school and elsewhere and actual instructions in methods of violation of the criminal law; and

Whereas, there is genuine concern that the public school textbook problem in West Virginia may be national in scope and represents a real threat to the American System by weakening the moral and ethical fiber of the youth of the Nation;

Resolved that the National Society of the Sons of the American Revolution take the necessary and proper steps to alert the State Societies, the Chapters and members of the Sons of the American Revolution to the serious danger the Nation faces in the inclusion of obscenity and other un-American material in textbooks of the education system, and that the various Chapters conduct a grassroots investigation and evaluation of the schools in their respective communities in order to report to the National Society in regard to the extent of this danger and a proper response to that danger.

CENTRAL INTELLIGENCE AGENCY RESOLUTION NO. 8

Whereas, there appears to be a concerted effort among certain groups, including part of the news media, either to abolish the Central Intelligence Agency or to so restrict its activities as to prevent it from performing its functions effectively; and

Whereas, there is a definite need and requirement in the Government of the United States to have such an arm of the Executive Branch of that Government to investigate and to protect it, and the people of the United States, in regard to matters that either are not within the purview of the powers and duties of the Federal Bureau of Investigation, or are so intertwined with national and international matters of interest and intrigue as to require special and delicate handling by the Central Intelligence Agency.

Resolved that the National Society of the Sons of the American Revolution is of the opinion and does hereby declare that the reasons and purposes for the existence and proper operation of the Central Intelligence Agency are very much with the Nation at the present time, and that there should be no downgrading of its activities, but on the contrary, the Central Intelligence Agency should be continued with necessary powers and appropriations to perform effectively its most important work under the direction of the Executive Branch of the Government of the United States.

COURTESY RESOLUTION—RESOLUTION NO. 9

Whereas, the National Society of the Sons of the American Revolution recognizes that its 85th Annual Congress has been successful in every respect; and

Whereas, that success has resulted from the efforts of those who planned and implemented the program for the National Congress;

Resolved by the National Society of the Sons of the American Revolution that it hereby expresses its deep appreciation and gratitude to:

1. The President General for his able and dynamic leadership.
2. The Officers, Chairmen and Members of their Committees.
3. The Executive Secretary and the loyal Headquarters staff for their constant and effective efforts in providing for an efficient operation.
4. The speakers, Lieutenant General Vernon A. Walters, USA, Deputy Director, Central Intelligence Agency, and The Reverend (Dr.) John McLaughlin, S.J., former Special Assistant to the President of the United States for their timely and inspiring addresses.
5. Mrs. Ralph H. Richardson and Miss Page Miller for their talented vocal contributions to the music of the Congress.
6. The Massachusetts Society Continental Guard for furnishing color guards and escorts.
7. Mr. William Mitman and the entire staff of The Copley Plaza for their many services and courtesies, beyond normal limits of a host hotel.
8. The news media for their coverage of the Congress.
9. The Massachusetts Society for its contribution to a successful 85th Annual Congress.
10. To the Committee on Resolutions and its Chairman for the prompt and efficient preparation of proposed resolutions, so that they could be presented to the Congress at its Monday meeting and voted upon at its Tuesday meeting in accordance with the established order of the business of the Congress, rather than at later times as in previous Congresses of the Society.

REAFFIRMATION OF PRIOR RESOLUTIONS—RESOLUTION NO. 10

Resolved that the National Society of the Sons of the American Revolution, at its 85th Annual Congress assembled, reiterates and reaffirms all previous Resolutions adopted at prior Congresses.

MEDICAL MALPRACTICE INSURANCE

Mr. KENNEDY. Mr. President, the medical malpractice insurance crisis has drawn increasing interest on the part of physicians, insurance companies, and State and Federal legislators. Whatever other factors may be involved, it appears that a very real increase in the number of claims filed and the size of settlements and judgments awarded is responsible to some degree for the rapid rise in the cost of medical malpractice insurance, and for the increasing reluctance of private insurance companies to write medical malpractice insurance. Moreover, what few reliable statistics are available seem to indicate that the number of claims actually filed represent only the tip of the iceberg with respect to injuries related to medical diagnosis and treatment. Figures derived from the report of the Secretary's Commission on Medical Malpractice indicate that as few as 5 percent of negligence-related injuries associated with medical treatment result in claims.

Although other factors have clearly been important in precipitating the medical malpractice insurance crisis, the avoidance of preventable injuries associated with medical treatment must be given high priority in any proposed solution to the problem, whether it be on a State or Federal level. The track record of the medical profession is effectively controlling and educating its members who are well known within the profession to practice substandard medicine has not been encouraging.

Trial lawyers will continue to point to horror stories which they will assert typify medical care in the United States. Although I do not believe these examples to be typical of most medical practice in the United States, unless the underlying problems they illustrate are effectively dealt with, I believe it will be impossible to enact effective legislation designed to assist physicians in their current dilemma, which is in many ways a legitimate one.

I ask unanimous consent to have a series of stories from the Los Angeles Times printed in the RECORD at this point. They articulately describe some of the problems of quality control in medicine, and the response of the California medical profession to them. I think it is important to note that California is in many ways a leader among all the States in medical quality assurance. Despite that, the situation which these articles address persists.

There being no objection, the series was ordered to be printed in the RECORD as follows:

INCOMPETENT DOCTORS: FEW LOSE LICENSE

By Harry Nelson

Dr. X is a distinguished appearing gentleman and his understanding manner convinces patients that he is on their side.

Consequently, when he moved to California from the Midwest a few years ago, it was not long before his practice was large and flourishing.

But other doctors in the community soon began to have doubts about Dr. X's competence.

First there was the matter of the mastectomy he did without first having taken a biopsy to show that the breast was malignant.

Then a patient died of blood poisoning following surgery to remove part of his colon. It turned out that the patient had a known preexisting condition responsible for his symptoms—a condition which should have been treated nonsurgically.

Dr. X pulled up stakes shortly after that episode. But he is still practicing in California—probably with equally disastrous results.

If the estimate by the medical profession is accurate that 3% of doctors are "bad apples," 1,000 incompetent doctors are endangering the lives of Californians by practicing medicine.

Most of these practitioners are well known to their colleagues, as are their periodic transgressions.

Some are the subject of files in the state Board of Medical Examiners office in Sacramento that bulge with evidence of negligence.

But nearly all remain fully licensed to exercise their medical judgments—and misjudgments.

Why?

Why doesn't the medical profession rise in indignation and throw out the bad apples?

Why doesn't the state take away their licenses?

Simply put, the medical profession has failed to create a system that monitors physician competency so that both public life and physician livelihood are protected.

The profession is worried that any system sensitive enough to detect and discipline an incompetent physician would also work against doctors practicing good medicine.

Underlying this fear is the fact that medicine is far from being an exact science. No one knows better than a practicing physician how much scientific uncertainty and guesswork go into diagnosis and treatment.

As a consequence:

The state law under which doctors are disciplined is vague and ineffective.

Doctors are reluctant to testify against one another at hearings.

The state agency responsible for protecting the public from incompetent doctors, the Board of Medical Examiners, is failing for the most part to carry out its highly important role.

The medical malpractice insurance crisis suddenly has turned the spotlight on the question of doctor competency.

But the extent to which the rash of malpractice claims is truly the result of incompetent doctors is a matter of controversy. Trial lawyers and much of the public seem convinced that the relation is strong and quite obvious. The medical profession disagrees.

Cited by the profession as evidence for its conviction that incompetent doctors are responsible for only a small fraction of malpractice claims are these observations:

Some of the best doctors in the nation are being sued. The seven surgeons who head the departments of neurosurgery at New York City's seven medical schools currently have malpractice suits totaling $63.5 million filed against them. Neurosurgery, especially at university hospitals where many of the toughest cases end up, is a very high-risk specialty.

Canadian doctors, whose training is almost identical to that of Americans, have a far lower risk of being sued. Their malpractice insurance premium is $200 a year compared to many thousands of dollars for American doctors.

Incompetent doctors often have had few lawsuits filed against them because, other doctors say, their bedside manner is so good that injured patients end up believing they have been helped.

A 6½-year experience by the American College of Surgeons at providing malpractice insurance for about 4,000 of its members—all highly qualified surgeons—resulted in a 100% loss and was abandoned. The original assumption was that covering only qualified surgeons would result in a lower loss experience.

"We didn't have more than five cases in six years for which we would have blamed the surgeon," said Dr. George Stevenson, a consultant. "I don't think the number of malpractice suits has anything to do with competence. Important things are the doctor-patient relationship and the degree to which the patient is confident that he is handled with concern by the doctor."

It has been pointed out that some physicians practicing in rural areas where doctors are scarce do not have malpractice insurance. The reason they are not sued, reportedly, is that they have good rapport with patients who are glad the doctor is there.

Whatever the reason, California's Board of Medical Examiners is currently swamped with the largest number of investigations in its history—approximately 1,700 are pending.

Unbelievable though it may seem in light of today's concern over quality of care, it has been only 10 years that even an inadequate California law has existed to make possible disciplinary action against doctors for incompetence.

Before 1965 there was no way for the state to go after a doctor for incompetence because there was nothing in the Medical Practice Act on which to base legal action. Many states still do not list incompetence as a cause for action.

Today's California law establishes gross negligence, incompetence (until last year it had to be gross incompetence) or gross immorality as reasons for the board to take action against a physician.

But according to board members and investigators, the act still falls short of providing the legal basis necessary for proper disciplinary action on grounds of unprofessional conduct.

"We have repeatedly asked the Legislature for the power to look into and investigate physicians who have a pattern of repeated instances of incompetence that signals the need for an administrative hearing against that doctor," says Dr. R. Theodore Nussdorf, board president.

"But so far the Legislature has not provided us with the power to do that."

(Some legislative experts contest the assertion that the board has repeatedly asked for the law to be strengthened.

("No one here remembers any bill in the past five years from the board asking for a revision of the Medical Practice Act on competency," says Steve Lipton, a member of the staff of the Assembly Health Committee.

("The only request from the board last year was to raise their per diem from $25 to $125 a day."

(Steve Thompson, former principal consultant for health to the Assembly Ways and Means Committee, agreed with Lipton. Several years ago, he said, the medical profession lobbied to death a bill requiring relicensure of physicians, although its purpose was to improve quality by requiring continuing medical education for doctors.

(However, Assemblyman Gordon Duffy (R-Hanford), a key legislator in health matters, said the board has made suggestions to the current session of the Legislature which he regards as good ones. One suggestion is that the code be amended to include the excessive use of therapeutic procedures as grounds for a judgment of unprofessional conduct.)

The problem with the current law, according to doctors, is that a physician can still commit a number of negligent acts, each of which in the opinion of the attorney general's office is insufficient ground for action, but which, taken together, represent considerable harm to the public.

Sooner or later this physician may harm a patient sufficiently to fit the definition of the law. But that may be after many years and many injuries.

"We are continuously blasted by critics who say we work 1,500 cases and then come up with only a couple of license revocations," said William Wheeler, deputy director of the board and the officer in charge of investigations. "But we are defenseless with a definition of unprofessional conduct like that."

Last year the board revoked 21 physicians' licenses, but only one revocation was based on gross negligence or gross incompetence. The majority were for narcotics law violations or alcholism.

Recently, The Times compiled a list of 15 MDs and four podiatrists from the Los Angeles area against whom large numbers of malpractice suits were filed over an approximately seven-year period.

One of the MDs, a neurosurgeon, has had

70 malpractice claims filed against him. Another, an orthopedic surgeon, has had more than 50—as has one of the podiatrists. Malpractice awards against the podiatrist have already totaled more than $1 million and only half of the claims have been decided. He has admitted to performing 500 operations of the type on which most of the claims have been based.

However, a check with the Board of Medical Examiners (which also licenses podiatrists) revealed that the podiatrist, the neurosurgeon and the orthopedic surgeon are all still in practice—and with no accusations filed against them by the attorney general's office.

In fact, only two of the doctors on the list—one a podiatrist and the other a plastic surgeon—have had such accusations filed against them: the podiatrist for filing fraudulent MediCal claims and the plastic surgeon for dispensing amphetamines (pep pills) without medical indication for use of the drugs.

There is no record of the board having yet taken any action against the podiatrist, although the accusation from the attorney general was filed nearly two years ago.

In the case of the plastic surgeon, the board revoked the surgeon's license, stayed the revocation and placed him on five years probation. The probation has now terminated.

Delays of two or three years between the time of an accusation and action by the board are not uncommon. In one case an investigation of an orthopedic surgeon for improper and unnecessary operations and gross negligence and gross incompetence was opened in December, 1968. The attorney general's accusation did not come until almost four years later, and the board did not revoke the doctor's license until 13 months after that.

While physicians point out that there is not necessarily a correlation between malpractice suits and incompetence (because, for example, surgeons in some hospitals get a lot of tough cases), there is no reason why the existence of a large number of suits cannot serve as a red flag to alert the board to look deeper.

In fact, a good case can be made that the board has been negligent in taking full advantage of the information it does have.

A year ago, a report by an Assembly Select Committee on malpractice declared the board "itself has been notably ineffective in assuming its obligations to discipline incompetent doctors. The board has been slow in acknowledging, let alone investigating, consumer complaints of physician incompetence. Nor does the board make any effort to investigate malpractice complaints which have been filed in court."

The committee concluded that physicians on the board are "simply opposed to an active governmental interest in a thorough investigation of the quality of health care mandated by the Medical Practice Act."

That kind of criticism from a legislative body has resulted in a considerable increase in activity by the staff of some 40 persons who do the front-line work of the board. The board itself is composed of 10 physicians and one public member, an attorney, who serve on a part-time basis and do much of their decision-making at seven meetings each year.

It is possible that the foot-dragging complained of by the committee is due as much to an inefficiently organized staff as it is to the alleged disinterest of the practicing physicians on the board in disciplining incompetent doctors.

"The board members are well intentioned and motivated but the office is poorly managed and is dragging the board down," said Robert Hidley, a management analyst who has spent much of the past year reviewing the board's office procedures.

Employe turnover is high, morale is poor and administrative supervision is weak, according to Elizabeth Kersten, deputy director of the Department of Consumer Affairs.

The Board of Medical Examiners is a part of that department. A recent Brown Administration appointee, Kersten formerly worked on the staff of Assemblyman Willie L. Brown Jr. (D—San Francisco), a legislator who has been strongly critical of the board in the past.

An audit that has been under way in the board office for the past three months revealed that several hundred cases of malpractice reported to the board—and which should have been under investigation—had been languishing in a clerk's drawer for six months or longer.

Confronted with this information by a reporter, Dr. Nussdorf, the board president, said he is aware of the incident. However, both he and Wheeler, the deputy director in charge of investigations, declined to discuss the matter further.

The malpractice cases were in the form of reports from insurance companies which, since 1971, have been required by law to send the board annually the names of doctors against whom judgments of $3,000 or more have been made.

For 1973, insurance companies reported 655 judgments against California-licensed physicians totaling $23,231,961.36.

(According to the Insurance Information Institute, only about one malpractice claim in 100 results in a trial that awards damages to the plaintiff. However, the 655 judgments cited here include an undetermined number of cases that were settled out of court, as well as awards resulting from trials.

(The institute said one malpractice claim is made each year for every four insured doctors in California.)

The reports sent to the Board of Medical Examiners are supposed to serve as one source for the names of doctors who may be suspected of incompetence and therefore may be candidates for investigation.

The board decided several years ago it would not investigate every case. It decided instead to investigate every doctor with a judgment of $50,000 or more and one out of every 10 with judgments between $3,000 and $50,000.

Besides insurance companies, other sources of information that have triggered investigations in the first six months of 1975 are law enforcement agencies (70), other doctors (93), medical societies (32), patients (345), news clippings (15) and hospitals or pharmacies (25). From all sources, 1,072 investigations have been opened so far this year.

The board spent $890,350 for investigations last year, compared to $304,516 four years ago.

One issue that may have a bearing on the board's effectiveness is the way the division of investigation is organized.

In addition to physicians, the Department of Consumer Affairs also is responsible for overseeing competency of a wide variety of other professions and trades, ranging from psychologists to barbers and auto repair shops. Before 1961 the Board of Medical Examiners had its own investigators but now it must depend on a pool of 80 investigators who serve some 40 boards and bureaus.

This means that the individual sent out to investigate a physician could have been investigating a mattress-stuffing violation the week before and then be assigned to some other nonmedical matter the following week.

The Board of Medical Examiners would like to have its own investigators because it feels that medicine is a complex area that demands a large amount of background experience. The board would also like to have its own department, separate from the Department of Consumer Affairs.

The counterargument is that the present system makes it more difficult for investigators to form an allegiance with one profession and thereby perhaps serve the public less well. Underlying this philosophy is the suspicion that if the Board of Medical Examiners—or any other professional board—controls its own investigators, the public will come off second best.

There is still an opportunity for that to happen.

After investigators gather the court records and patient charts, the information must be evaluated by a doctor to determine whether there are grounds for action by the board. Only a doctor has the necessary training to make this decision.

The physician who does it is called a medical consultant. The board has four such consultants, three full-time and one part-time, all chosen by the board. The selection of a consultant is important. For example, if he is a physician who left private practice because of a bitter personal experience with malpractice claims, he may be partial to a doctor under investigation for a similar charge.

It is for reasons such as these that the Brown Administration is plugging for a mapority of public members on the physician-dominated board. The theory is that the presence of public members will prevent the public interest from coming out second best.

Actually, California is one of the few states to have even one public member on its board. In fact, it is generally agreed that the California board—despite all its inefficiencies—is far more effective as a disciplinary body than that of nearly any other state.

Dr. Robert C. Derbyshire, secretary of the New Mexico Board of Medical Examiners and a nationally recognized authority on boards, has done a comparative study of boards in the United States. He found that between 1969 and 1973 seven states with a total of 23,000 physicians reported no disciplinary actions whatsoever.

California, which had about 33,000 practicing doctors, reported 194.

Excluding California, the five largest states, with a total of 104,000 physicians, reported only 140 actions. New York state, for example, which had 36,000 doctors, revoked 14 licenses during the five-year period, suspended six and placed 22 doctors on probation.

Nevertheless, it could be argued that California looks good only because most of the rest of the states are so abysmally poor at disciplining MDs. Even in California only 0.58% were disciplined over the five-year period, leaving quite a gap between that figure and the 3% said to be bad apples.

It is statistics such as these that have left the strong impression that boards in general do a very poor job of disciplining.

Boards are not good insurers of quality partly because their members have a natural reluctance to discipline fellow physicians. Part of the reason is the "there but for the grace of God go I" philosophy, which is related to the fact that medicine is not a precise science.

But another reason is the fear of legal action by the accused. Disciplinary action often results in lawsuits against a board to get the license reinstated by court order. If a board believes this may happen, it will be inclined to take actions mainly in open and shut cases, such as narcotics law violations, rather than the tricky business of charging gross negligence or incompetency.

(It recently cost the American College of Surgeons $75,000 in legal fees to relieve an errant member of his status as a fellow of the organization because he was practicing surgery unprofessionally. And this action had nothing to do with the much bigger task of relieving a doctor of his license to practice.)

A federal commission on medical malpractice gave one pertinent example in its 1973 report. A physician whose license had been revoked obtained a court stay during which he was said to have been responsible for two patient deaths, perhaps to blame for two others and responsible for permanent injury to two more patients.

In a California case a doctor charged with gross incompetence on June 17, 1966, obtained a court stay. The matter was not settled until six years later. The final court order suspended his license for 90 days and restricted his privileges.

Boards of medical examiners can also be bypassed by their own state legislature. This is most apt to happen in states where doctors are in short supply and where, in order to attract more doctors, the legislature passes a law under cutting quality standards set by the board.

This happened in Arizona where the legislature dropped to 70 the passing score for out-of-state doctors to become licensed. The passing score set by the board was 75.

In California approximately half a dozen special bills are introduced each legislative session to benefit some out-of-state graduate, usually a graduate of a foreign medical school.

In one recent case a bill ordering the board to give a special oral examination to a medical graduate from the Soviet Union was vetoed twice by then-Gov. Reagan before finally being signed by Reagan after its third passage through the Legislature.

The purpose of the bill was to bypass the standard board requirement for training in California and a more extensive examination in order to prove competence when a physician from a foreign country has no documentation that he has met California standards.

The physician flunked the special oral exam ordered by the Legislature but passed it when the board had to give it a second time due to a mixup in the first exam. The doctor is now practicing in the Los Angeles area.

The case has raised the ire of other foreign medical graduates who, unlike the physician from the Soviet Union who was licensed nine months after arrival, have had to wait six or seven years and in some cases take internships.

The special bill for the former Soviet doctor was authored by former Assemblyman Henry Waxman, who was chairman of the Select Committee on Malpractice—the committee charged with finding solutions to the malpractice problem. Waxman is now a congressman from Los Angeles.

Waxman told The Times he supported the physician, a Russian Jew immigrant, because he was convinced of the doctor's competence. He said he believed that the board, who he had asked to license the doctor before introducing the special bill, refused to do so because the members were angry at Waxman for being critical of the board in his malpractice committee report.

Currently, the board is concerned about pressures that may be felt to bypass regulations for some 250 Vietnamese physicians now in this country.

In California, as elsewhere, even unlicensed doctors are allowed to work in state hospitals. California is more strict, however, in that it limits the employment to two years and insists that the doctor have a license to practice in another state.

Derbyshire, the New Mexico examiner, touched on the issue this raises in a recent article in the Journal of the American Medical Assn. He declared his concern "with the widespread exploitation of unqualified foreign medical graduates who were used to fill positions on the staff of state hospitals that are so desperate for help that they are willing to put about any warm body into a white coat."

Derbyshire continued: "In states that permit unlimited renewal of their temporary permits, incompetent physicians can continue their substandard practices indefinitely, periodically taking and failing the licensure examination.

"In other states such as California, which sets a limit on such permits, many foreign medical graduates resort to nomadic lives, accepting employment in one state hospital after another that desperately needs physicians."

Although most laymen may be unaware of it, hospitals actually have far more power to control quality than do boards of medical examiners. This is because in order to be accredited, and thereby be eligible to collect from Medicare and Medi-Cal, hospitals must have certain quality control committees overseeing the doctors.

These committees are charged with such things as reviewing the specialty credentials of new staff members and checking up on their performance while in the hospital.

Unfortunately, the conscientiousness of these committees is not uniformly high. At some hospitals, particularly those affiliated with medical schools, the committees work well. At many other hospitals their performance is poor.

But even at the best hospitals there is little or no communication with other hospitals when a doctor's hospital privileges are revoked—or he is allowed to resign—because his professional performance has been judged below par by his colleagues.

This means that the doctor need only apply to another hospital for staff privileges, with the chances good that he will get them if the review committee there does not do a thorough job.

A review committee may not do a thorough job if it has a financial stake in the hospital, especially if, as now is often the case, the occupancy rate of the hospital is down. But there are also some so-called nonprofit hospitals whose standards are equally lax.

The usual excuse for not notifying other hospitals is that the administration is reluctant to interfere with the doctor's means of livelihood.

"But," asks Dr. Derbyshire, "isn't protection of the reputation of the physician, when it is a reputation for incompetence, flagrant disregard of an obligation to protect the welfare of the public?"

Equally important to notifying other hospitals of a doctor's alleged incompetency should be notification to the Board of Medical Examiners. The information can be incorporated with other bits of information in the doctor's file to help decide whether an investigation should be begun.

But at present, California's board, like the boards in other states, exists almost in a vacuum insofar as its awareness of what is taking place in the various communities.

Except for the law requiring insurance companies to report malpractice judgments, the board's staff is dependent on the crumbs of information that come in over the transom.

While input from the public has increased considerably (by dialing 620-4270, Los Angeles residents can register a complaint on a direct line to the board's Sacramento office), much of this information concerns matters over which the board has no authority—compaints about fees, for example.

So it has become apparent that the public agency in the best position to assure competency is doing a poor job. One reason is its own failings. Another is that no one has taken the time and trouble to structure a system that works fairly for both the profession and the patients.

THE NUCLEAR NONPROLIFERATION TREATY

Mr. **KENNEDY**. Mr. President, last May, 72 nations met in Geneva, to review progress made during the past 5 years to advance the goals of the Nuclear Nonproliferation Treaty—NPT. On May 21, I was pleased to address the delegates at that Conference, as a guest of the U.S. delegation.

On July 17, the President of the NPT Review Conference, Ambassador Inga Thorsson, Sweddish Under Secretary of State, reported on its work to the Conference of the United Nations Committee on Disarmament in Geneva. Ambassador Thorsson has a distinguished record in support of arms control, and ably led the NPT Review Conference during its month-long deliberations.

Her report is a serious indictment of the policies of the United States and the Soviet Union in continuing their own strategic arms race. As such, it should give us pause, as we consider our own nuclear armaments programs, and our approach to strategic arms control.

Ambassador Thorsson spoke for many nations, when she addressed her strongest comments to the two superpowers. She said to Washington and Moscow:

> You should not be allowed to bury ideas, suggestions, proposals and draft tests submitted by us, who are not superpowers, in the secrecy of your bilateral talks, while asserting that these talks are nobody's busines but your own. For you should not be allowed to turn the nuclear armament spiral one or several rounds upward only in order to put yourself in a better bargaining position, while the world is crying out for nuclear disarmament.

Did the NPA Conference fail, as many observers concluded? Ambassador Thorsson disagrees—and we should heed her words:

> What was a failure was not the conference, but the way in which the superpowers proved themselves unable to show the world not only their genuine will but also their capacity for disarmament. They did not make a contribution of strengthening the NPT regime."

Mr. President, these words of Ambassador Thorsson are a severe criticism of our efforts—and those of the Soviet Union—to meet the single greatest challenge of nuclear weapons that remains: The imperative need to find ways of limiting the spread of these deadly weapons around the globe, to dozens of nations not now possessing them. For our own security would be in serious jeopardy if this became a world of many nuclear powers. Yet if Ambassador Thorsson is right—and her credentials in this field are unchallenged—then the superpowers failed to take the opportunity open to them at the NPT Review Conference to act in their own, and others', self-interest.

Last week, Ambassador Thorsson also called for conclusion of a Comprehensive Test Ban Treaty, which many of us in the U.S. Senate have sought to achieve for many years, so far without decisive impact either on our Government or on that of the Soviet Union. And she criticized, indirectly, the decision of the West German Government to provide Brazil with a complete nuclear fuel cycle—an agreement that brought only lukewarm opposition from our own Government.

Mr. President, I believe we in the United States should listen, when a commentator as distinguished as Ambassador Thorsson talks of "the resentment felt against the nuclear weapon states for refusing to give up something themselves—political status from nuclear weapons—which they try to keep others from acquiring."

Finally, Ambassador Thorsson said that:

> We the non-aligned non-nuclear weapon states shall have to continue and increase our political and moral pressure on the super-powers. . . . We shall have to make them understand that we expect results, soon, of their talks which will imply not a raising but a significant lowering of armament ceilings.

Mr. President, many of us in the Senate share this view. We, too, expect results soon. We, too, should continue and increase political and moral pressure on the administration, and expect a response from the Soviet government, as well. For there is no issue more pressing for us or for the world than the halting of the strategic nuclear arms race, once and for all.

Mr. President, I ask unanimous consent that the relevant portions of Ambassador Thorsson's statement be printed in the Record, and I commend it to my colleagues.

There being no objection, the material was ordered to be printed in the Record, as follows:

Portions of Statement by Under Secretary of State Mrs. Inga Thorsson, Leader of the Swedish Delegation to the Conference of the Committee on Disarmament, on Thursday, July 17, 1975

It might not be a surprise to anyone that my first statement at this summer session of the CCD will be devoted to the continuous and increasingly serious problem of nuclear arms, the Non-Proliferation Treaty, and nuclear disarmament, so long, and I would say too patiently, waited for. I want, as a matter of course, to dwell to some extent on the results of the Conference on the Review of the NPT, speaking here and now as the Swedish chief delegate to the CCD. . . .

We have a reason to recall that yesterday, was the 30th anniversary of history's first atomic blast. This apocalyptic event stirred a development that has been carried to continuously unsurpassed and inconceivable levels of destructive capability through the use of scientific ingenuity and technological skills and a waste of material resources on ever expanding nuclear arsenals.

Was there anyone who had enertained hopes that in conducting their disarmament talks, the nuclear weapon superpowers would let reason and common sense prevail, by arriving, after years of pledges and promises, at genuine results in terms of nuclear disarmament long overdue, that they would be eager to show to the world, thereby, that they did not look at their commitment under the NPT article VI as a simple scrap of paper, which could be whisked away with a reference to ongoing negotiations, but as a serious pledge to stop the nuclear arms race at an early date and to produce those genuine results and thereby making their contribution of the strengthening of the NPT regime?

Yes, there were such persons, there were indeed such states. This might in retrospect seem a little naive. We should long ago have learned by experience, that political realities as conceived by the super-powers and not by the rest of the world, dictate the rules of international negotiations. We would not for a moment deny the importance of the fact that the two superpowers entertain strategic arms limitation talks. But the fact is that these talks are bilateral and based on their concepts of world realities. This is what makes the super-powers believe that each and every armament problem facing mankind today can best be solved, if solved at all, through bilateral talks between them, presenting the results to us as finished products, when they consider, for various reasons, time ripe and appropriate. This is what makes them continue the nuclear arms race in spite of repeated talks of arms limitations. This is what makes them devote astronomic sums to research and development efforts to produce new and increasingly ingenious weapon systems, the latest of which is feared to establish a first strike capability. This is what makes us all live under the threat of a nuclear arms strategy, implying the possibility of first use of tactical nuclear weapons in areas of the world where this would cause unlimited, yes total destruction.

Naive questions were put to the super-powers at the NPT Review Conference, naive statements were made on that occasion, naive proposals were submitted, in the common interest of mankind. I believe that I speak not only for myself, my own government and my own country when I say, in all seriousness, to the super-powers: we shall continue to put perhaps naive but, hopefully embarrassing and challenging questions to you. We shall continue to expose you to the strongest possible pressure to answer such questions. For you should not be allowed to bury ideas, suggestions, proposals and draft texts submitted by us, who are not super-powers, in the secrecy of your bilateral talks, while asserting that these talks are nobody's business but your own. For you should not be allowed to turn the nuclear armament spiral one or several rounds upwards only in order to put yourself in a better bargaining position, while the world is crying out for nuclear disarmament.

I would like to assure you that if I have used, and will continue to use, rather harsh words in speaking of the domineering way in which the super-powers use their military power and might, a phenomenon which should have long outlived itself in our age and in our interdependent world, it is because of what is known of the wide-spread support of the call for exactly the opposite: significant arms reductions, particularly in the nuclear field, restraint in arms trade, intensification of efforts to achieve permanent arms control, the effective turning of arms into plough-shares.

Against this background, would it surprise anyone that the overwhelming majority of states participating in the NPT Review Conference urgently requested the super-powers finally to meet their obligations under article VI of the treaty? As I said, with the moderation suited to my position, when summing up the general debate at the conference:

"It seems to me that an enlightened world opinion, reflected in this case in statements by non-nuclear weapon states, rather impatiently awaits concrete and binding results of on-going bilateral negotiations, aiming at ending the quantitative and qualitative arms race and reducing substantially, the levels of nuclear armaments".

Much has been said of the results of the Review Conference, an event which was called, by some, the most important in 30 years of disarmament history. It has been called a failure, both by participants and observers. I would say, in all frankness, that the conference achieved what was realistically possible. If it brought the super-powers one inch towards a more clear understanding of what the world expects of them, it was worthwhile efforts and costs. For what was a failure was not the conference, but the way in which the super-powers proved themselves unable to show the world not only their genuine will but also their capacity for disarmament. They did not make a contribution of strengthening the NPT regime.

Thus, as from now, and during the follow-up of the Review Conference, we the non-aligned non-nuclear weapon states shall have to continue and increase our political and moral pressure on the super-powers. We shall have to continue to give voice to our deep concern and growing impatience with the present situation. We shall have to make the super-powers understand that their bilateral negotiations are indeed our business, because their outcome will affect the fate of all of us. We shall have to make them understand that we expect results, soon, of their talks which will imply not a raising but a significant lowering of armament ceilings.

As is well known, there is one disarmament matter which according to a decision by the United Nations General Assembly has the highest priority on the CCD–agenda, which is being referred to in deferential terms now and again but on which very little progress, if any, has been made for 12 years now. I am referring, of course, to the comprehensive test ban. Mr. Chairman, it is our intention not to allow this matter to be buried beneath the threshold of any partial underground test ban treaty, as—contrary to any such ban—the CTB is the single most decisive step towards nuclear disarmament that could be taken, a step to be greeted with joy and relief all over the world, a step in the way of which there are no technical difficulties that could be accepted as an excuse not to take it. I therefore want to bring to light again the Swedish working paper CCD/348 of September 1971 as well as the nine delegations joint memorandum CCD/354 of September 1971, on a comprehensive test ban treaty. As might be recalled by some around this negotiating table, the working paper CCD/348 contains a draft text of a treaty banning all underground nuclear weapon tests, thus making for a complete test ban. With the intention to initiate a full and concrete discussion on the many aspects of such a treaty, leading up to renewed negotiations on this urgent matter, I am considering to propose that the CCD call an expert meeting, to be held during its spring session 1976, on the remaining problems still considered to be in the way towards the discontinuance of all test explosions in all environments.

There is, I think, general agreement that with respect to the peaceful use of nuclear energy, the recommendations contained in the final declaration of the Review Conference represented real progress. Let me mention just a few points. We are satisfied that the conference urged the strengthening, in all achievable ways, of safeguards to all peaceful nuclear activities in connection with commercial transactions between supplier countries and recipient countries not party to the NPT. We welcome the request that concrete recommendations for the physical protection of nuclear material in use, storage and transit be elaborated within the IAEA and the call to all states engaged in peaceful nuclear activities to enter into such international agreements and arrangements that might be necessary to ensure such protection. We attach considerable importance to the suggestions for establishing regional or multinational nuclear fuel cycle centers.

I emphasize these particular points, against the background of the ideas and suggestions regarding comprehensive international cooperation to prevent effectively any diversion of nuclear material from rapidly expanding nuclear energy programmes that I put forward on behalf of the Swedish government here in the CCD about a year ago. It is our hope and belief that what is said in the final declaration of the Review Conference represents the first step towards some kind of international management of fissile material, assisting in efforts to prevent further proliferation of nuclear explosive technology as well as diversion of fissile material. We for our part are going to continue to discuss these matters and develop our ideas further at various international fora and we pledge our full and devoted cooperation in and assistance for any such efforts.

Press reports have reached us, Mr. Chairman, indicating that a number of countries suppliers of nuclear facilities have met recently to discuss further measures to increase control and safeguard mechanisms in accordance with certain standards. As a country deeply concerned at the serious side-effects of nuclear technology we appreciate the efforts thus reportedly made, although we have no information as to their scope and content.

In the light of these reported efforts, we find it disquitening to say the least, that meanwhile immense commercial deals are concluded, involving the provision not only of nuclear reactors but also all the facilities to complete the nuclear fuel cycle, thereby in reality enabling the recipient country to develop nuclear weapons capability. This affair again, but with uncommon force, brings to mind doubts whether the NPT-safeguards, not to speak of the original IAEA-safeguards, really are sufficient to contain the spread of nuclear energy technology in its hoped for civilian limits. To avoid any misunderstanding here I want to stress that I say this without address to the particular countries involved. I say it in response to my own doubts that our present nuclear energy regime really is sufficient, something I have said repeatedly before.

In view of the fact that the supplier country is a party to the NPT and was a participant in the Review Conference I do, however, hope that it might be presumed that this country has kept in mind the conference request—which it has supported—that export requirement include the application of safeguards to all peaceful nuclear activities in importing states not party to the treaty. Even better would it have been if the country in question had adhered to suggestions made for a moratorium on transfers of this kind, to give time for the implementation of the conference recommendation—also supported by that country—for the establishment of regional or multinational nuclear fuel cycle centers.

In concluding my comments on the outcome of the NPT Review Conference, Mr. Chairman, I want to put on record my hope that all non-nuclear states parties to the treaty will adhere to what is said in the final declaration in its review of article VIII. In doing so, we would ensure a procedure intended to keep, for the remaining years of the 1970's, the non-proliferation issues on the agenda of the international disarmament community, thus to utilize every opportunity to exert continuous pressure in order to stop vertical nuclear proliferation as well as further nuclear weapons" tests.

We all know that in our efforts to stop nuclear arms proliferation on any kind and to establish a world free from nuclear arms, the heart of the matter, the real problem to overcome, is the belief in those arms as a supposed means to assert political power, to exert political influence. The political status value thus attached to the possession of nuclear arms, or even nuclear explosive capability, is of course, one main reason for the resentment felt against the nuclear weapon states for refusing to give up something themselves which they try to keep others from acquiring. Status, political power and influence must be effectively dissociated from the possession of nuclear arms. I look indeed forward to the day when the continuance of such a possession is a sign of weakness and lack of morals, when states in this category are considered politically inferior to those which have foresworn that possession.

But, alas, from here to there is a long way to travel. Much of the news of the day compounds a sinister confirmation of the political importance still attached to this horrible means of warfare and seems, incredibly enough, to negate, again, the hope that it will never be used as an instrument of foreign policy, for what else is at stake, when, against the background of huge arsenals of tactical nuclear weapons in Europe and elsewhere the leaders of one of the super-powers repeatedly confirm their consistent refusal to rule out first use of nuclear weapons as a response to a massive attack with conventional weapons? What else is at stake, when new weapons or weapon systems are developed which seem to "take on a life of their own" and which seem to result in a need for new policies and strategics instead of the other way around, out of the sheer momentum of advances in military technology? What else is at stake, when we see again the proposition to replace higher-yield weapons now deployed in Europe with accurately delivered low-yield nuclear weapons?

We remain unconvinced that these developments are likely to make nuclear war unthinkable and therefore impossible. We remain unconvinced that there is anything, in a world of realities, which can be called limited nuclear war by its victims or anything which by those victims will be called discriminate use of nuclear weapons. We remain firmly convinced, that there is one alternative only to nuclear destruction: effective nuclear disarmament leading up to a world free of nuclear arms.

For this reason we are determined not to be impressed with the rhetoric of the superpowers military planners and strategists, nor paralyzed in our efforts by the political and military hegemony of these powers. We are going to face them with the legitimate request, over and over again, that they respond in action and practical results to the universal cry for disarmament, as a means to substitute progress towards genuine peace for the possibility of catastrophic disaster. For it is they who carry the main responsibility for such a process leading up to human survival in decency and dignity. At the second NPT Review Conference we do indeed expect them to prove to the world the effective start of that process.

GUN CONTROL

Mr. INOUYE. Mr. President, the law-abiding private citizens of this country who own rifles and pistols have been caught in the middle of a lengthy and continuing debate over the regulation of such weapons in America.

I recently received a copy of a letter to the National Rifle Association from one of my constituents, Mr. Ralph S. Honjo, an owner of firearms. Mr. Honjo has not been a political activist with regards to the firearms regulation debates. But he has responded thoughtfully to a recent questionnaire circulated by the National Rifle Association.

I ask unanimous consent that Mr. Honjo's response be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Aina Haina Baptist Church,
Honolulu, Hawaii, July 23, 1975.

Gen. Maxwell Rich,
National Rifle Association,
Washington, D.C.

Dear General Rich: I am an owner of a .30 caliber hunting rifle and an .22 caliber target pistol. Both are registered and I have a permit on both. I learned to shoot and to handle these weapons and the safety rules all according to NRA specification.

I would like to answer your questions here instead of on the cards provided. Yes, I would definitely want for you to include my response in your report to the State and Federal Legislators.

Question No. 1. Do you believe you have a right to personally defend yourself and your property against a violent criminal attack? The right to protect self and property is not in question under the present gun control law in question.

Question No. 2. Do you believe your local police need to carry firearms to arrest robbery and murder suspects? Are the Legislators seeking to disarm the police force?

Question #3. Do you believe that by banning the ownership of firearms (including sporting and antique guns) that the numbers of murders and robberies would significantly be reduced in your community? Sporting and antique guns are not in question. The question is on hand guns and in particular the Saturday night specials.

Question #4. If a new firearms law was enacted in your state banning all ownership of guns, do you believe that hoodlums and organized criminals would volunteer their guns to your local police department? The Law Makers are not talking about banning all ownership of guns.

It seems that the real questions on the floor are:

(1) The banning of the manufacturing and the sale of the Saturday Night specials. This weapon is of no useful value because of its inaccuracy therefore banning it should be of no consequence to the honest sportsman.

(2) Requiring permits and registrations. Seems to me that any law abiding citizen would not mind at all this slight inconvenience which in turn may help checking crime rates.

(3) Checking into the character of the one who will purchase and the one who is selling the weapons. There are many things that an excon or others with a severe handicap are not allowed to do because of the potential danger to self and others. Even age is a factor to limit the ownership of guns. I see only the good in a law that requires the checking of a person who intends to purchase a potentially dangerous weapon. Likewise to check into the person desiring to sell guns seems to make very good sense to me.

None of these laws seems to say that we are banning all guns. Whether or not these laws would stop crimes, I could not answer until we try it. As it stands now any sensible change would be welcomed.

I do believe in gun control!

I do hope that the NRA would show their dignity by dealing with the issues at hand.

Thank you for providing me to getting involved with some of the issues before us as Americans.

Sincerely,

Ralph S. Honjo.

USRA FINAL SYSTEM PLAN

Mr. BAYH. Mr. President, the U.S. Railway Association formally presented its final system plan to Congress Monday. This two-volume document runs more than 900 pages and cannot be fully digested in 48 hours. Indeed, that is why the Rail Services Planning Office has 30 days to comment on the final plan. However, the nature of our Nation's rail system is of vital importance to millions of Americans, and today is not too soon to share with my distinguished colleagues an initial response to the final plan.

The primary concerns of many of my constituents in Indiana have revolved around the proposed disposition of the light density rail lines owned by the bankrupt carriers. There was great concern about the way the USRA preliminary system plan, delivered to Congress on February 26, 1975, dealt with this problem. In fact, subsequent field hearings conducted by the Rail Services Planning Office of the Interstate Commerce Commission revealed that the data utilized by USRA in its determinations was not always accurate.

USRA has advised me that more than 43 percent of the Nation's rail traffic which would have been excluded from ConRail by the preliminary plan is now included in the final plan. Further, if solvent carriers choose to acquire all the bankrupt lines' trackage they have been offered, USRA says that 64 percent of the traffic excluded by the preliminary plan will be protected under the final plan.

In Indiana, for example, the final plan includes seven lines which were originally earmarked for exclusion. At this point, we are looking at a total of some 800 miles of Indiana track which may lose service, including some 630 miles which will or may be available for subsidy. This is a manageable task, and these developments are encouraging. However, it remains for Congress to decide how to handle these parts of the bankrupt systems which the final plan does not identify for inclusion in ConRail.

The question is: What do we want to accomplish with regard to light density line operation by ConRail? The answer, I believe, has five parts. First, we want to insure that all necessary service is maintained. Second, we want to insure that operational and rehabilitation cost estimates are based on accurate data. Third, we want to take into account the possibility that lines presently operating at a deficit might make a considerably more valuable contribution to the ConRail system if shippers are given better service. Fourth, we want to identify those lines which clearly do not and cannot contribute satisfactory traffic and revenue to the ConRail system, and which are not necessary to maintain. Fifth, we want to discontinue service on these lines as early as possible but without unduly disrupting normal commerce.

How can these goals be achieved? At present, under the law, lines not included in ConRail will be served if State and/or local interests provide 30 percent of the necessary subsidy. The Federal Government will provide the remaining 70 percent. I have requested information from the Governor's office and will be checking very carefully to see how the existing program would work in Indiana, particularly in the case of certain lines which appear to need protection, such as Line 633 from Charlottesville to Centerville, Line 399 from Goshen to Shipshewana, Line 429 from Ridgeville to Decatur, Lines 589 and 590 from North Vernon to Madison, and service over the present Erie Lackawanna line between Hammond and Lima, Ohio.

There seems to be considerable sentiment in Washington supporting a change in the light density subsidy provision to 100 percent Federal assistance. At this time, I do not believe that such a change meets the five criteria above. However, it would be premature to draw a final conclusion pending a more thorough analysis of the final plan and the RSPO response which will not be available until sometime next month. While we cannot build a strong national rail network by burdening ConRail with unnecessary and unprofitable light density commitments, we must consider all alternatives to strike the proper balance between the needs of the shipping public and the economic viability of our rail system.

Congress may very well conclude that the public interest would be served by modifying the 70/30 subsidy ratio to something like 90/10 the first year, 80/20 the second year, and 70/30 the third year. But local and/or State participation in this process seems essential if we are really committed to the creation of a viable national rail network. This point becomes more important as we come to grips with the fact that subsidy costs may be much higher than originally anticipated if service on subsidized lines is to be adequate.

It should be pointed out that the final plan also addresses itself to one of the most fundamental problems which will confront ConRail: The urgent need for track and facility rehabilitation. In Indiana, for example, the final plan places a high priority on upgrading mainline routes. It also recommends rehabilitation and expansion of the Elkhart Yard, the construction of intermodal facilities at the Avon Yard in Indianapolis and in Gary, and signal system improvements between Marion and Goshen.

The Senate Transportation Appropriations Subcommittee, which I am privileged to chair, has acted to protect the bankrupt lines' services until ConRail is in operation. We have also restored the cuts made in the House to provide ConRail with its full budget request for light density subsidies for fiscal year 1976 and the transition period.

Congress now has 60 legislative days in which to act on the final system plan. Technically the plan will go into effect automatically unless Congress objects. As a practical matter, however, the ConRail system, as envisioned in the final plan, requires additional authorizing legislation, and Congress will have to take positive action to put ConRail in the railroad business sometime during the first half of 1976.

Last March, my testimony submitted to the Rail Services Planning Office field hearings in Indianapolis and Fort Wayne stated that I would not permit the people of Indiana and America to suffer in the face of the rail reorganization. That commitment stands. I believe we can build a strong, viable national rail network, and after an initial reading of the USRA final system plan, I believe we are headed in the right direction.

The northeastern and midwestern rail lines which will comprise the ConRail system are sorely in need of rehabilitation. More than that, ConRail will suceed only if it is a source of substantial innovation and if it is fully responsive to the needs of its users. I will continue to keep actively involved in this vital reorganization process, not only to approve the ultimate form which ConRail will take, but to insure the effective implementation of the ultimate intent of Congress, reflecting the needs and concerns of the American public.

As I have said on previous occasions, the time has come to make a fundamental commitment that we will restore our railroad system to its rightful role in the American transportation complex. The task before us is enormous, but we must not let this opportunity pass us by.

ANDREI SAKHAROV

Mr. HARRY F. BYRD, JR. Mr. President, the August 4 issue of Time magazine contains an article on Andrei Sakharov, a world recognized nuclear physicist who was instrumental in the development of Russia's hydrogen bomb.

He is recognized as a leader of the human rights movement within Russia.

Sakharov warned the United States against détente with Russia and told of the oppression that exists in Russia.

He has completed a new book and said he was encouraged to publish it largely as a result of discussions about détente in his Moscow apartment in November with New York Conservative Senator James L. Buckley.

Senator Buckley is not only a splendid asset to the Senate but he, too, like Sakharov, is a leader of those who believe strongly in the rights of the individual in opposition to tyrannical government.

I ask unanimous consent to insert the Time article at this point in the Record:

There being no objection, the material was ordered to be printed in the Record, as follows:

SAKHAROV: A DISSIDENT WARNS AGAINST DÉTENTE

Ever since the Kremlin exiled Alexander Solzhenitsyn to the West 17 months ago, Russia's leading resident political dissenter has been Andrei Sakharov. A world-renowned nuclear physicist who was instrumental in the development of the U.S.S.R.'s hydrogen bomb, Sakharov, during the past decade, has emerged as a leader of the human rights movement within the Soviet Union.

Last month Sakharov completed a 20,000-word essay titled *My Country and the World*, which will be published in the U.S. by Alfred A. Knopf later this year. In his introduction, Sakharov describes this new book as an updating of his widely publicized 1968 manifesto, *Thoughts on Progress, Peaceful Coexistence and Intellectual Freedom*, in which he called for rapprochement between the Communist and capitalist systems. The physicist writes that he decided to undertake the new project largely as a result of a discussion about détente in his Moscow apartment last November with New York's Conservative Senator James Buckley ("the first U.S. Government figure who considered it possible to meet with me"). In sending the typescript of the essay to the West, Sakharov asked that excerpts be published before the opening of the European Security Conference in Helsinki this week.

Describing himself as "a confirmed evolutionist and reformist," Sakharov begins his essay with a tinging, detailed indictment of Soviet domestic and foreign policy. He decries average living and working conditions, the "lumpenization" of the Russian proletariat ("Per capita consumption of alcohol is twice what it was in tsarist Russia"). He also chastises the government for its "Rusification" of ethnic minorities in the

U.S.S.R., its support of dictatorships in Libya and Uganda, and genocide against the Kurds in Iraq. In a highly technical chapter on disarmament, he draws upon his own scientific expertise to discuss the problems posed by "heavy" missile, "dirty" weapons and "throw-weight."

My country and the World concludes with a 12-point program for reform of the Soviet system. Among his recommendations: the institution of a multiparty system, a general amnesty for political and religious prisoners, the legalization of labor strikes, and open borders. His sweeping criticism of U.S. policy shows that he does not really know the U.S. very well; he speaks simplistically of the American "working class" and suggests that every critic of Senator Henry Jackson's anti-détente stand is politcally motivated. But Sakharov's is nonetheless a compelling voice, more measured than Solzhenitsyn's. Excerpts from the essay, as edited by Time's State Department Correspondent Strobe Talbott:

THE MILITARIZED SOCIETY

Contemporary Soviet society is based on "state capitalism," a total party-government monopoly over economy, culture, ideology and the other basic spheres of life. In periods of crisis, such a system engenders rule by terror; in quieter periods, it engenders the dominance of bungling bureaucracy, mediocrity, apathy and dissipation among the people, and the permanent militarization of our economy. The last is burdensome for our own population and dangerous for the whole world. The state has at its disposal huge sums, thanks to artificially depressed wages, and a large portion of this money goes toward gigantic military expenditures. The secretive and totalitarian nature of the system has important consequences for foreign policy. Ours is government behind closed doors. Vast, unaccounted-for funds go toward covert and overt expansion in all parts of the world.

Much of our financial resources provide a high standard of living for the privileged strata of society that [Yugoslav Author Milovan] Djilas called "the new class." Every day radio loudspeakers tell the ordinary Soviet citizen that he is the master of his country, but he knows perfectly well that the real masters are "the bosses," who, morning and evening, are whisked along quiet, closed-off streets in their armored limousines.

The diversion of resources to the military and the party-bureaucratic elite has had a devastating effect on art and the humanities and an indirect, though no less destructive impact on science as well. It is no accident that the great scientific discoveries of recent years—in quantum mechanics, antibiotics, transistors, computers, the Green Revolution in agriculture—have all occurred outside our country. [Soviet] achievements in the first decade of the Space Age constitute an exception that does not disprove the general law. And certain successes in military technology are the result of a monstrous concentration of resources in that sphere.

There is no question that the economic system of our country is tremendously weighted down by military expenditures and that it is in the interests of the majority of the population to reallocate millions of rubles to peaceful purposes. It is also very significant that thanks to the continued supermilitarization, it is precisely the U.S.S.R. which is necessitating high military expenditures throughout the world. But any genuine, fundamental change in our country's militarized economy is impossible without sweeping political reforms.

INJUSTICE AND REPRESSION

The world press is full of articles about inflation, the fuel crisis, growing unemployment. But I would like to say: You [in the West] do not have your backs to the wall; even if you reduced your standard of living to one-fifth of what it is, you would still be better off than people in the world's wealthiest socialist country.

Workers in the Soviet Union have the right neither to strike nor to appeal to higher authorities. For years, fishermen in the Murmansk area have been ruthlessly shortchanged on their pay and forced to pay bribes for permits to put out to sea. They have been fighting back, but so far the only result is that many of the protesters have been fired or confined to psychiatric hospitals. This year Easter Sunday was declared a working day. No one dared protest except two priests, one of whom was arrested.

The average apartment building in this country resembles a low-income housing project in America, though ours has fewer conveniences and is more crowded. In most parts of the country, one has to stand in line for hours to get meat, and even then it is sometimes not fit for a dog.

There are a million and a half prisoners [in Soviet jails and camps]; victims of a corrupt judicial machinery that is run by state authorities and local "mafias," they did not bribe the right officials at the right time. There are as many as 10,000 political prisoners in the U.S.S.R. and even more people persecuted for their religious convictions. At the same time, only a small number of people, mostly concentrated in two or three cities, make up what may be called "the democratic movement." But their very existence within the monolith of Soviet society is of great ethical significance.

I am convinced that the defense of Soviet dissenters—like my good friends Andrei Tverdokhlebov and Sergei Kovalyov[1] is not only a moral duty for honest people around the world but is also a direct defense of human rights in their own nations.

The salvation of our country—in its interdependence with all the rest of the world—is impossible without saving all of humanity. We must have democratic reforms affecting all aspects of life. The future of the country lies in an orientation toward progress, science and a personal and social moral regeneration. But we must not call upon our people, our youth to make sacrifices. As for victims, we have already had more than enough of them.

THE JACKSON AMENDMENT

The freedom to emigrate is guaranteed by the Universal Declaration of Human Rights (Article 13) and has been both confirmed by the U.N. General Assembly in 1968 and ratified by the Soviet government in 1973. In December 1974 the U.S. Congress passed a trade bill wth an amendment that made the granting of credits and most-favored-nation status to the U.S.S.R. contingent upon the fulfillment of guarantees concerning the right to emigrate.

American businessmen, who had counted on reaping huge profits from trade with the U.S.S.R. (chiefly, let it be noted, at the expense of the American taxpayer), were disillusioned. The authors of the amendment to the trade bill, especially Senator [Henry] Jackson, were sharply, and in my view unjustly, criticized. Unfortunately, President Ford joined these critics. Of course, not all Americans condemn the amendment. I was particularly glad to hear on the radio a report of a speech by George Meany which reflected the viewpoint of the U.S. working class—and a better perspective on the problem than that of the businessmen and the political enemies of Senator Jackson.

I feel that the Congress, in passing the amendment, performed an act of historic significance in the best democratic and humanitarian traditions of the American people. I reject the argument that the amendment constitutes intervention in the internal affairs of the U.S.S.R., which has ratified the right to emigrate. The freedom to leave is important to those citizens who remain behind since [the option to emigrate] serves as a guarantee of their civil rights.

A delegation from the U.S. Senate was in Moscow from June 29 to July 2 [led by Hubert Humphrey and Hugh Scott]. Reportedly, some of the Senators proposed a compromise whereby the Soviet leaders would promise to raise the emigration quota in exchange for the repeal of the [Jackson] amendment. This deal would be an inadmissible retreat on the part of Congress; indeed, it would be a capitulation because the right to emigrate has to be backed up by law if it is not going to be violated.

The freedom to choose one's country of residence has become a touchstone for the entire process of détente. Therefore I trust that the defense of that freedom will become a leitmotiv of the European Security Conference. It is being decided right now whether détente is to be a comprehensive, profound process of historic significance involving the democratization and opening up of Soviet society, or whether it isto be a cynical political and economic interests of some individuals, a plot behind the backs of the people at large.

Surely the West can bring itself to make some small, temporary sacrifices by putting pressure on the two Achilles' heels of the Soviet system—its pocketbook and its prestige. I hope that all Western European countries and international humanitarian organizations (not just Jewish ones) will close ranks and offer a common front to Soviet countermaneuvers on this issue.

ARMS CONTROL

The problems of disarmament cannot be separated from other basic goals of détente—those of overcoming the secretiveness and weakening the totalitarian nature of Soviet society. The Nixon-Brezhnev agreement [of 1972] limiting antimissile defenses and the Ford-Brezhnev agreement [of 1974] limiting offensive strategic weapons are important but in my opinion incomplete and even dangerous.

The Soviet side has rigidly resisted verification. There are many reasons: the traditional, and today senseless, spymania, the tendency to bluff and the desire to gain the advantage of surprise. The West must insist, with great firmness, on a better system of vertification, including on-site inspection.

The fact that the Vladivostok agreement [signed by Ford and Brezhnev last year] seemed to legitimize multiple, independently targetable warheads [MIRVs] is also alarming. MIRVs, which are a new fashion in military rocketry, open up wider possibilities for the arms race and increase the danger of a so-called unstable situation, in which it would be strategically advantageous for either side to deliver a pre-emptive nuclear strike. In the language of human beings, that would mean committing the greatest crime in history.

Thermonuclear warfare is a dark reality of modern times. It has become part of our lives, like Auschwitz, the Gulag [the Soviet prison camp system] and famine. Perhaps I feel this more acutely than many people, since for more than 20 years I was in close touch with that fantastically terrifying world. Although for the past seven years I have not had clearance to do secret work, the psychological experience of those tense two decades is still alive in me.

I remember that in November 1955 important tests were being carried out on a thermonuclear weapon. A young soldier was killed when he was blown into a trench, and a two-year-old girl died when a girder collapsed in a bomb shelter. One evening after a test, at a banquet for some officials and scientists, I proposed a toast that "our handiwork would never be used against cities." The director of the project, a high-ranking general, felt obliged to respond that the scientists' job is to improve a weapon, and how it is used is none of his business. But I believed then, as I do now, that no one can shed his share of responsibility.

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[1] Until their recent arrests, Physicist Tverdokhlebov (TIME, April 14) and Biologist Kovalyov were leaders of the Soviet chapter of Amnesty International, a human rights organization based in London. Sakharov refers to their imprisonment repeatedly in this essay.

WESTERN LIBERALS

My attitude toward the foreign intelligentsia is a mixture of fondness, hope and admiration bordering on envy. But there is one disturbing trait common to many Western intellectuals. I call it "leftist-liberal faddishness." Leftist intellectuals entertain illusions about the nature of Soviet society and urge their governments to grant "gifts" in the name of detente and to make unilateral concessions, especially in disarmament. They are often ready to support and defend various extremist and even terrorist groups in their own countries and throughout the world.

The dangers of divisiveness and myopic selfishness in the West have already played a fatal role in the tragedy of Viet Nam and Cambodia. The U.S. should have acted more resolutely and consistently by putting pressure on the U.S.S.R. to prevent deliveries of arms to North Viet Nam. But a large share of the blame must be borne by Western European countries, Japan and nations of the Third World that did nothing to help their ally oppose the totalitarian threat in Southeast Asia. I attach great importance to the solidarity of the West. I want to believe that the terrible lesson of Indochina will not be lost on the world—and on America. That lesson is not isolationism, but a generous and courageous concern for the fate of all human beings. One should expect as much from the land of Lincoln, Roosevelt, Eisenhower and Marshall.

TIME LIMITATION AGREEMENT—CONFERENCE REPORT ON H.R. 6674

Mr. ROBERT C. BYRD. Mr. President, I have been requested by Mr. Stennis to ask unanimous consent that on the conference report on the military procurement authorization bill there be a limitation of 2 hours, with 1 hour under the control of Mr. Stennis and 1 hour under the control of Mr. Muskie.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION TOMORROW OF THE CONFERENCE REPORT ON H.R. 6674

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent following the disposition of the mineral leasing bill tomorrow, the Senate proceed to the consideration of the conference report on the military procurement authorization bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask that morning business be closed.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

FEDERAL COAL LEASING AMENDMENTS ACT OF 1975

Mr. ROBERT C. BYRD. Mr. President, I ask that the Chair proceed to the next order and that no time be charged against the order for the remainder of this day.

The PRESIDING OFFICER. Without objection, it is so ordered.

Under the previous order, the Senate will now proceed to the consideration of S. 391, which will be stated by title.

The legislative clerk read as follows:

A bill (S. 391) to amend the Mineral Leasing Act of 1920, and for other purposes.

The Senate proceed to consider the bill, which had been reported from the Committee on Interior and Insular Affairs.

ORDER FOR ADJOURNMENT UNTIL 8:45 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 8:45 tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for routine morning business tomorrow morning, for the purpose only of the introduction of bills, joint resolutions, concurrent resolutions, simple resolutions, petitions, memorials, and statements into the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. And that the period be limited to not to exceed 15 minutes, with statements therein limited to 5 minutes each.

The PRESIDING OFFICER. Is that to come after the special orders?

Mr. ROBERT C. BYRD. To come after the special order.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION TOMORROW OF S. 391, FEDERAL COAL LEASING AMENDMENTS ACT OF 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of routine morning business tomorrow, the Senate resume consideration of the then unfinished business, the mineral leasing bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS CONSENT AGREEMENT—S. 2230

Mr. ROBERT C. BYRD. Mr. President, the distinguished majority leader sought to obtain an agreement this afternoon on the foreign aid bill; and in view of the fact that no agreement was reached, the majority leader asked me to attempt to work out an agreement.

I have discussed the matter with Mr. Harry F. Byrd, Jr., and with Mr. Stone, Mr. Eagleton, Mr. Humphrey, Mr. Case, Mr. Sparkman, and the leadership on the other side of the aisle.

Therefore, I ask unanimous consent that on the bill S. 2230, at such time as it is called up and made the pending business before the Senate, there be a 2-hour limitation, to be divided between Mr. Eagleton and Mr. Sparkman; that there be 1 hour on a substitute by Mr. Jackson, if offered; and that regardless of the outcome on that measure, there be not to exceed 2 hours on the resolution by Mr. Harry F. Byrd, Jr., with a limitation of 1 hour on a substitute if offered by Mr. Pastore.

The resolution by Mr. Harry F. Byrd, Jr. is to deal with the Panama Canal.

Mr. HARRY F. BYRD, JR. Mr. President, reserving the right to object, if there is to be——

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum, temporarily withdrawing my request.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to consideration of calendar orders numbered 328 and 329.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Ford). Without objection it is so ordered.

EMERGENCY BANK HOLDING COMPANY ACQUISTION ACT

The bill (S. 2209) to amend the Bank Holding Company Act of 1956, as amended, to provide special procedures for the acquisition of failing banks or bank holding companies and for the acquisition of banks or bank holding companies in emergencies, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3 of the Bank Holding Company Act of 1956 (12 U.S.C. 1842) is amended—

(1) by striking out subsection (b) and inserting in lieu thereof the following:

"(b) Upon receiving from a company any

application for approval under this section, the Board shall give notice to the Comptroller of the Currency, if the applicant company or any bank the voting shares or assets of which are sought to be acquired is a national banking association or a District bank, or to the appropriate supervisory authority of the interested State, if the applicant company or any bank the voting shares or assets of which are sought to be acquired is a State bank, in order to provide for the submission of the views and recommendations of the Comptroller of the Currency or the State supervisory authority, as the case may be. The views and recommendations shall be submitted within thirty calendar days of the date on which notice is given, or within ten calendar days of such date if the Board advises the Comptroller of the Currency or the State supervisory authority that an emergency exists requiring expeditious action. If the Comptroller of the Currency or the State supervisory authority so notified by the Board disapproves the application in writing within this period, the Board shall forthwith give written notice of that fact to the applicant. Within three days after giving such notice to the applicant, the Board shall notify in writing the applicant and the disapproving authority of the date for commencement of a hearing by it on such application. Any such hearing shall be commenced not less than ten nor more than thirty days after the Board has given written notice to the applicant of the action of the disapproving authority. The length of any such hearing shall be determined by the Board, but it shall afford all interested parties a reasonable opportunity to testify at such hearing. At the conclusion thereof, the Board shall by order grant or deny the application on the basis of the record made at such hearing. In the event of the failure of the Board to act on any application for approval under this section within the ninety-one-day period which begins on the date of submission to the Board of the complete record on that application, the application shall be deemed to have been granted. Notwithstanding any other provision of this subsection, if the Board finds that it must act immediately on any application for approval under this section in order to prevent the probable failure of a bank or bank holding company involved in a proposed acquisition, merger, or consolidation transaction, the Board may dispense with the notice requirements of this subsection, and if notice is given, the Board may request that the views and recommendations of the Comptroller of the Currency or the State supervisory authority, as the case may be, be submitted immediately in any form or by any means acceptable to the Board, and, notwithstanding the receipt of any such views and recommendations or any recommended disapproval by the appropriate authority, the Board may grant or deny immediately any such application.".

Sec. 2. Subsection (b) of section 11 of the Bank Holding Company Act of 1956 (12 U.S.C. 1849) is amended to read as follows:

"(b) The Board shall immediately notify the Attorney General of any approval by it pursuant to section 3 of a proposed acquisition, merger, or consolidation transaction. If the Board has found that it must act immediately in order to prevent the probable failure of a bank or bank holding company involved in any such transaction, the transaction may be consummated immediately upon approval by the Board. If the Board has advised the Comptroller of the Currency or the State supervisory authority, as the case may be, of the existence of an emergency requiring expeditious action and has required the submission of views and recommendations within ten days, the transaction may not be consummated before the fifth calendar day after the date of approval by the Board. In all other cases, the transaction may not be consummated before the thirtieth calendar day after the date of approval by the Board. Any action brought under the antitrust laws arising out of an acquisition, merger, or consolidation transaction approved under section 3 shall be commenced prior to the earliest time under this subsection at which a transaction approved under section 3 might be consummated. The commencement of such an action shall stay the effectiveness of the Board's approval unless the court shall otherwise specifically order. In any such action, the court shall review de novo the issues presented. In any judicial proceeding attacking any acquisition, merger, or consolidation transaction approved pursuant to section 3 on the ground that such transaction alone and of itself constituted a violation of any antitrust laws other than section 2 of the Act of July 2, 1890 (section 2 of the Sherman Antitrust Act, 15 U.S.C. 2), the standards applied by the court shall be identical with those that the Board is directed to apply under section 3 of this Act. Upon the consummation of an acquisition, merger, or consolidation transaction approved under section 3 in compliance with this Act and after the termination of any antitrust litigation commenced within the period described in this section, or upon the termination of such period if no such litigation is commenced therein, the transaction may not thereafter be attacked in any judicial proceeding on the ground that it alone and of itself constituted a violation of any antitrust laws other than section 2 of the Act of July 2, 1890 (section 2 of the Sherman Antitrust Act, 15 U.S.C. 2), but nothing in this Act shall exempt any bank holding company involved in such a transaction from complying with the antitrust laws after the consummation of such transaction.".

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 94–338), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

Excerpt From Report No. 94–338

LEGISLATIVE HISTORY

On February 28, 1975 Senators Proxmire and McIntyre introduced a bill, S. 890, at the request of the Federal Reserve Board which would amend the Bank Holding Company Act of 1956, as amended, to provide special procedures for the acquisition of failing banks or bank holding companies and for the acquisition of banks or bank holding companies in emergencies and to provide for the acquisition by bank holding companies of banks outside their State of principal banking operations in emergency situations and situations involving a failing bank or bank holding company.

The Subcommittee on Financial Institutions of the Senate Committee on Banking, Housing and Urban Affairs held hearings on July 22 and 28, 1975 to consider this legislation.

On July 29 the Full Committee met in open session. The Committee decided to move expeditiously and report a Committee bill in order to provide special procedures for the acquisition of failing banks or bank holding companies in emergencies. In doing so, the Committee did not address the Federal Reserve Board's recommendation that it be given the authority to approve acquisitions by bank holding companies of banks outside their State of principal banking operations in emergency situations and situations involving a failing bank or bank holding company.

EXPLANATION OF THE LEGISLATION

Section 1 of this bill amends section 3 of the Bank Holding Company Act of 1956 (12 U.S.C. 1842) to allow the Federal Reserve Board to shorten the time requirements for notice to the respective primary bank supervisory authority from 30 to 10 days where the Board finds that an emergency exists requiring expeditious action.

Under this legislation, where the Board finds that it must act immediately to prevent a probable failure of a bank or bank holding company, the Board may dispense with all notice requirements, and the Board may act immediately with regard to any such merger, acquisition, or consolidation application.

Section 2 would amend subsection (b) of section 11 of the Bank Holding Company Act of 1956 (12 U.S.C. 1849) to shorten from 30 days to 5 days the Justice Department's period for comment on an approved acquisition where an emergency exists requiring expeditious action. In the case of a probable failure the Board may act immediately to effectuate an acquisition.

COST OF CARRYING OUT THE LEGISLATION

In compliance with Section 252 of the Legislative Reorganization Act of 1970, the Committee reports that the bill would require no additional costs in carrying out its provisions.

SECURITIES AND EXCHANGE ACT AMENDMENTS

The bill (S. 2136) to amend the Securities and Exchange Act of 1934, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 28(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78bb (d)) is amended to read as follows: "No State or political subdivision thereof shall impose any tax on any change in beneficial or record ownership of securities effected through the facilities of—

"(1) a registered clearing agency; or

"(2) a registered transfer agent when performing the function described in section 3 (a)(25)(E) of this title or, in connection with such function, any functions described in section 3(a)(25) (B) through (D) of this title,

or any nominee thereof or custodian therefor or upon the delivery or transfer of securities to or through or receipt from such agency or agent or any nominee thereof or custodian therefor, unless such change in beneficial or record ownership or such transfer or delivery or receipt would otherwise be taxable by such State or political subdivision if the facilities of such registered clearing agency, registered transfer agent, or any nominee thereof or custodian therefor were not physically located in the taxing State or political subdivision.".

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 94–340), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

BACKGROUND AND HISTORY

The purpose of S. 2136 is to make technical and clarifying changes in Section 28(d) of the Securities Exchange Act of 1934 (the "Act"). This section of the Act is concerned with state and local transfer taxes on securities and was contained in the Securities Acts Amendments of 1975 (Public Law 94–29).

The development of a modern, nationwide system for the clearance and settlement of securities transactions was a principal purpose of Public Law 94–29. As clear evidence of that purpose, Public Law 94–29 expressly included within it stated purposes the removal of impediments to and the perfection of a national system for the clearance and settlement of securities transactions. Moreover, the Securities and Exchange Commission was directed and empowered to facilitate the establishment of such a system.

Due to the fact that the imposition of state and local transfer taxes could well impede the development of a national securities processing system, Section 28(d) was originally intended to remove impediments which might arise from state and local taxes imposed on changes in ownership of securities merely because the facilities of a clearing agency was physically located in the taxing jurisdiction. This provision was drafted to preserve state taxing powers on transactions over which the taxing state had a traditional jurisdictional basis.

As Public Law 94–29 emerged from the Committee of Conference, and was enacted into law, the phrase "or registered transfer agent" was inadvertently added to Section 28(d). A practical consequence of this phrase was to impact seriously on the ability of certain state and local governments to raise revenues through the levy of stock transfer taxes in a manner not necessary to achieve the Congressional intent of creating a national securities processing system. Thus Section 28(d) of Public Law 94–29 provided that no state or political subdivision thereof may impose a tax on a change in beneficial or record ownership of securities effected through the facilities not only of a "registered clearing agency" but also a "registered transfer agent" where the change in ownership would not otherwise be taxable by such jurisdiction if the facilities of the clearing agency or transfer agent were not physically located in the taxing jurisdiction.

The effect of the additional phrase would preclude a state from imposing a stock transfer tax where the only basis for the tax is the transfer and issuance of a new certificate by a transfer agent located within the state. As a result, the present taxing powers of state and local governments are circumscribed, with serious effects on stock transfer tax revenues.

Public Law 94–29 was never intended to have this effect. Nevertheless, this is the legal and economic result, albeit inadvertent, of Public Law 94–29 dealing with so-called transfer-agent depositories ("TAD's")—entities transferring record ownership by bookkeeping entry without physical issuance of securities certificates.

While the Congress fully intended to place the operations of such entities beyond state taxing powers, it is now aware that the exemption contained in present Section 28(d) is much broader than necessary to achieve this goal. Thus, the Committee feels it is necessary, to undertake prompt consideration of the necessary technical amendments to avoid an unintended loss of taxing power by state and local governments.

NATURE AND PURPOSE OF THE LEGISLATION

S. 2136 is curative legislation. Section 28 (d) of the Act would be amended to restore the ability to a state or political subdivision to impose a transfer tax where the basis of the tax is the transfer and issuance of a new certificate by a transfer agent. It would make it equally clear that such taxes could not be imposed on registered transfer agents that transfer record ownership of securities by bookkeeping entry without physical issuance of securities certificates ("TAD's") and which perform certain described additional functions incidental to such bookkeeping transfers. Consequently, the bill would make clear that the transfer agent which is the subject of Section 28(d), and as to which a stock transfer tax may not be imposed, is one which performs in the manner described in Section 3(a)(25)(E) of the Act—e.g., transfer agent depositories.

While the Committee is cognizant that this bill will result in additional stock transfer tax revenues, it is also mindful of its longstanding commitment to the development of a national securities processing system. To restate the purposes of Section 28 (d), the Committee believes it is essential to the development of that system to remove such taxes to the extent they are now, or in the future may become, impediments. Thus, the Committee believes Section 28(d), as amended by S. 2136, provides the proper resolution of the state transfer tax problem on a nationwide basis and will facilitate the development of a national securities processing system.

ESTIMATED COST OF THE LEGISLATION

In accordance with Section 252 of the Legislative Reorganization Act of 1970, the Committee reports no costs will be incurred in carrying out the bill.

TIME LIMITATION AGREEMENT—S. 2195

Mr. ROBERT C. BYRD. Mr. President, I have been asked by Mr. Nunn to make the following request. As a matter of fact, this measure has been cleared on both sides for passage by unanimous consent. Mr. Nunn, however, wants to make a statement on it. I, therefore, ask unanimous consent that there be a 20-minute time limitation on S. 2195, Calendar Order No. 326, a bill to establish a National Center for Productivity and Quality of Working Life, to be equally divided between Mr. Nunn and Mr. Percy; that there be an equal time limitation on any amendment, debatable motion or appeal or point of order in relation thereto, if such point of order is submitted to the Senate; and that the agreement be in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME LIMITATION AGREEMENT—S. 2230

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, on the bill which was introduced and placed on the calendar late today by Mr. Sparkman (S. 2230) there be a time limitation thereon of 2 hours, to be equally divided between Mr. Eagleton and Mr. Sparkman; that no amendment be in order with the exception of a possible substitute by Mr. Jackson, on which there be a 1-hour limitation, to be equally divided between Mr. Jackson and Mr. Sparkman; and that there be a time limitation on any debatable motion or appeal or point of order, if submitted to the Senate, of 20 minutes, to be equally divided in accordance with the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, reserving the right to object. That is only part of the unanimous-consent agreement.

The PRESIDING OFFICER. The Chair might observe that the Senator from West Virginia made a statement tonight and the Senator from Virginia and the Senator from Kentucky are about to follow him.

Mr. HARRY F. BYRD, JR. One is always wise in following the Senator from West Virginia, but let us not follow him quite this quickly.

Mr. ROBERT C. BYRD. It looks as though the Byrd boys are in the saddle tonight. [Laughter.]

I ask unanimous consent that in connection with the unanimous-consent request I just made, Mr. President, there also be a 2-hour limitation on a resolution to be offered by Mr. Harry F. Byrd, Jr., in relation to the Panama Canal matter, and that the 2 hours be equally divided between Mr. Byrd and Mr. Sparkman; that no amendment be in order, with the exception of a possible amendment or substitute by Mr. Pastore, on which there be a 1-hour limitation to be equally divided between Mr. Pastore and Mr. Harry F. Byrd, Jr.

Mr. HARRY F. BYRD, JR. I have to ask my good friend from West Virginia if he would be willing to change that in either of two ways: That the Harry F. Byrd resolution be voted on up or down without amendment, or all amendments that might be up would be in order?

Mr. GRIFFIN. Does the Senator mean germane?

Mr. HARRY F. BYRD, JR. Germane amendments.

Mr. ROBERT C. BYRD. It is a sense of the Senate resolution.

I thought the understanding was that there be no amendments, except one possible amendment by Mr. Pastore.

Mr. HARRY F. BYRD, JR. It was the hope, or the thought, or the Senator from Virginia, that a very simple amendment or resolution could be presented to the Senate and the Senate would vote thereon. But if others want to present amendments to that amendment, I do not want to foreclose other Members of the Senate, or the Senator from Virginia, for that matter, from presenting germane amendments to the same proposal.

Mr. ROBERT C. BYRD. Well, ordinarily, the Senator from West Virginia would not want to do that either, but the matter to which we are addressing ourselves at the moment is a peculiar one in that the bill—I am talking about the bill introduced by Mr. Sparkman—was introduced today and put on the calendar today by unanimous consent, and can be brought up tomorrow under a unanimous-consent order that bans amendments, except one. The only reason we are discussing the Byrd resolution now is by virtue of what we have done in connection with the Sparkman bill.

Mr. HARRY F. BYRD, JR. I might say to the Senator from West Virginia that the unanimous-consent request that put that on the calendar was made at the time the Senator from Virginia was not in the Chamber, even though it was known that the Senator from Virginia had an interest in that matter.

I do not object, but I think the record should show that was done while I was not here.

Mr. ROBERT C. BYRD. Mr. President, the record should show that both of the Byrd cousins were out of the Chamber at that time. I, too, came back in and it was on the calendar.

TIME LIMITATION AGREEMENT—S. 2230

I ask unanimous consent that on the resolution by Mr. Harry F. Byrd, Jr. there be a 2-hour time limitation to be equally divided between him and Mr. Sparkman, and that on any amendment thereto there be a 30-minute limitation to be equally divided in accordance with the usual form; that there be a time limitation on any debatable motion or appeal or point of order of 20 minutes to be equally divided in accordance with the usual form, and that the agreement be in the usual form, which would lock out any nongermane amendments.

The PRESIDING OFFICER. Without objection——

Mr. GRIFFIN. Reserving the right to object, would it be possible to preclude an amendment that would change it from a sense of the Senate resolution? In other words, other amendments modifying what is the sense of the Senate in one way or another, but not changing it in terms of being a sense of the Senate resolution.

Mr. HARRY B. BYRD, JR. I understand what the Senator from Michigan has in mind and what he has in mind is not what the Senator from Virginia has in mind.

On the other hand, I do not believe I would want to preclude that because there are many others, as the Senator knows, who are very much interested in the subject.

Could we do it this way then, maybe this would be more appropriate——

Mr. ROBERT C. BYRD. Let me ask the Chair a parliamentary question. Mr. President, for a simple resolution to be changed by amendment to a joint resolution or bill, would that not require unanimous consent?

The PRESIDING OFFICER. The Senator is correct.

Mr. GRIFFIN. I thank the distinguished majority whip for that clarification.

It also occurs to me this is a Senate resolution which in and of itself could not become law in any event.

Mr. ROBERT C. BYRD. That is right.

Mr. HARRY F. BYRD, JR. To expedite the consideration, would it be in order to suggest that there be only the one resolution and it be an up or down vote on that resolution?

Mr. ROBERT C. BYRD. Well, I believe Mr. Pastore has indicated he would not want to enter into that kind of an agreement.

Mr. HARRY F. BYRD, JR. I do not believe he will. So I think that being the case we ought not to pursue that point. But if there is to be or if there are to be amendments, then I would hope that unanimous-consent request being enunciated by the distinguished Senator from West Virginia would not limit it to just one amendment.

Mr. ROBERT C. BYRD. No, it would not. The last request I made would not limit it to one amendment.

Mr. GRIFFIN. One other inquiry: Of course, this would be predicated on or conditioned on the fact that if the leadership did call up the Sparkman bill on the calendar, and it was considered by the Senate and then the agreement concerning the resolution of the Senator from Virginia would then be called up, is that the understanding?

Mr. HARRY F. BYRD, JR. The Senator from Michigan is correct because it would be if the leadership or Senator Sparkman does not call up the bill which he submitted today, if he does not call that up tomorrow——

Mr. GRIFFIN. Then we would not be obligated to call it up.

Mr. HARRY F. BYRD, JR. The Senator from Virginia would not be obligated to present his proposal. It is only if this bill is called up that then the Senator from Virginia would have the opportunity to call up a resolution.

Mr. GRIFFIN. No objection.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 8:45 tomorrow morning. After the two leaders or their designees have been recognized under the standing order, Mr. Roth will be recognized for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements limited therein to 5 minutes each; at the conclusion of which the Senate will resume consideration of the then unfinished business S. 391, a bill to amend the Mineral Leasing Act of 1920.

There is a time agreement on that bill. Rollcall votes will occur on amendments thereto and on final passage thereof.

On the disposition of the Mineral Leasing Act, the Senate will take up the conference report on the military procurement bill under a time agreement of 2 hours, and a rollcall vote will probably occur thereon.

Now, whether or not, the leadership calls up S. 2230 at all tomorrow remains a matter for the leadership to determine on tomorrow, but it was the understanding today that if an agreement were to be entered into, and if the matter is called up, it will not be called up prior to the hour of 2 p.m. tomorrow.

I ask unanimous consent that that understanding be effectuated.

Mr. HARRY F. BYRD, JR. Reserving the right to object, as I understand it, immediately after that matter is disposed of one way or the other, then the resolution by the Senator from Virginia would be in order and would be called up.

Mr. ROBERT C. BYRD. I am not going to ask the Senator to stay around any longer. [Laughter.] Is that a further price? [Laughter.]

Mr. HARRY F. BYRD, JR. That was part of the original proposal; at least I assumed it to be a part of the original proposal.

Mr. ROBERT C. BYRD. I thought the understanding was that if the bill by Mr. Sparkman is called up, that this guarantees then that the Senator from Virginia will have his resolution called up.

But it just might be that for some reason or other the leadership would want to go to another matter at that time, perhaps a conference report or something. But if the Senator from Virginia feels strongly that the one should immediately follow the other, then I will ask unanimous consent that that be done.

Mr. HARRY F. BYRD, JR. Except for conference reports. If the Senator has a conference report, I would not want to stay in the way of that. But otherwise I think it would be well to follow because the two are tied together and both of them are handled in sort of an unusual way, shall we say.

Mr. ROBERT C. BYRD. All right.

Mr. President, I ask unanimous consent that, if the bill by Mr. Sparkman, S. 2230, is called up before the Senate and acted upon, the resolution of Mr. Harry F. Byrd, Jr.—to which reference has been made earlier—immediately follow upon the disposition of the former matter.

The PRESIDING OFFICER. Does the Senator state that in the form of a request?

Mr. ROBERT C. BYRD. I do.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Now, Mr. President, continuing, upon the disposition of the military procurement conference report and/or the bill by Mr. Sparkman, and the resolution by Mr. Harry F. Byrd, Jr.—if the bill by Mr. Sparkman and the resolution by Mr. Harry F. Byrd, Jr., are called up—the Senate would then take up the so-called redline bill, S. 1281, and that would be followed by S. 963, the diethylstilbestrol bill. The bill with respect to the Energy Research and Development Administration is also on the calendar, and there is a time agreement thereon, and it will be acted upon tomorrow or Friday.

I wonder if the distinguished assistant Republican leader would care to make a suggestion as to whether or not we attempt to lock that very important energy bill into the line-up prior to the redline bill or should it take its place at the end of the line.

It may be well to let that go until tomorrow and to make that decision tomorrow.

Mr. President, there will be rollcall votes tomorrow and we will have a very late session again tomorrow evening.

ADJOURNMENT UNTIL 8:45 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 8:45 tomorrow morning.

The motion was agreed to; and at 10:51 p.m., the Senate adjourned until tomorrow, Thursday, July 31, 1975, at 8:45 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate on July 30, 1975:

CORPORATION FOR PUBLIC BROADCASTING

The following-named persons to be members of the Board of Directors of the Corporation for Public Broadcasting for the terms indicated:

For the remainder of a term expiring March 26, 1976:
Robert S. Benjamin, of New York.
Virginia Bauer Duncan, of California.

For the remainder of a term expiring March 26, 1978:
Amos B. Hostetter, Jr., of Massachusetts.

For a term expiring March 26, 1980:
Lucius Perry Gregg, Jr.
Lillie E. Herndon, of South Carolina.
Donald E. Santarelli, of Virginia.
W. Allan Wallis, of New York.

(The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

EXTENSIONS OF REMARKS

GROWTH

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

INTEREST RATES AND MONETARY

Tuesday, July 29, 1975

Mr. KEMP. Mr. Speaker, few in this Congress are as knowledgeable about fiscal and monetary matters as is the Senator from New York, our very able colleague, Senator JAMES BUCKLEY.

In this morning's edition of the Washington Post he explains clearly why interest rates have been so high and might go even higher despite the dangerous recent expansion of the money supply by the Federal Reserve—an expansion designed to help finance the profligacy of this and previous congressional deficits.

High interest rates, as the Senator reminds us, are a hindrance to economic recovery and have seriously depressed the housing and construction industry and thereby resulted in high unemployment in the construction trades.

We need more voices, such as his, to alert this Nation and this Congress to the counterproductive character of printing press answers and cheap money politics in stimulating our economy, all of which eventually adds up to recession. Congress cannot by fiat break certain immutable laws of economics, specially that law which holds, "The growth of money cannot exceed the growth of the economy without resulting in ruinous rates of inflation and cycles of boom and bust."

I commend Senator BUCKLEY for his leadership, and his willingness to challenge the widely accepted myth in this country and in Britain, perpetrated and perpetuated by the Keynesian economists, that Government deficit spending can turn "stones into bread."

This myth that cheap money creates prosperity is the cause of our recession and has led Britain to the brink of financial disaster. Unless we learn the lession and steer a separate course, we will be forced to the same brink, if we are not already there.

The article follows:

INTEREST RATES AND MONETARY GROWTH

In his July 24, column, "Tight Money and Economic Recovery," Hobart Rowen raises an issue of crucial importance. The issue is interest rates and the monetary growth targets of the Federal Reserve's Open Market Committee. The problem is his answers are wrong.

Mr. Rowen associates himself with an economic analysis which suggests that the threat to the now emerging economic recovery comes in the form of higher interest rates and can be handled in a manner which I suggest will increase rates even further. Mr. Rowen quotes approvingly a number of economists, including Professor Arthur M. Okun, to the effect that overly restrictive policies of the Federal Reserve are causing the recent increases in interest rates.

Mr. Rowen, and those who share his economic analysis (most of the Democratic leadership), confuse cause and effect. They suggest that it is the Federal Reserve's monetary policies which have pushed up interest rates. That is not correct. First, monetary growth over the last four months has been anything but restrictive. The conventionally defined money supply has grown at an annual rate of nearly ten percent since March. If it continues very much longer, such growth would assure a resumption of double-digit inflation in the near future. It is not sufficient to my mind to point to the existence of "slack" in the economy as safeguarding against renewed runaway inflation. The slack is not uniformly distributed throughout the economy and the stimulus does not necessarily seek out the slack.

Second, nowhere in the Rowen-Okun et al. analysis is it suggested that the federal government's demand for credit is having any effect on interest rates. One would think that somewhere in an analysis of rising interest rates, the demand for credit would be mentioned.

Third, Rowen and Okun presume that a more rapid growth in the money supply would bring down interest rates or at least keep them at or around current levels. It is this last point which is the crux of the matter, and they are wrong.

When interest rates began to move up in 1972, what is it the Federal Reserve did? It did exactly what Messrs. Rowen and Okun would have them do now: increase the rate of growth of the money supply. For what purpose? To keep interest rates lower than credit market forces would otherwise dictate. What was the result? Interest rates soared. Why? Because rational lenders and borrowers understood that rapid money supply growth was significantly accelerating the inflation spiral. Under these circumstances, lenders did not want to extend credit at rates that are lower than the anticipated rate of inflation. By the same token, the expectation of soaring inflation causes borrowers to boost the amount they are willing to pay for long term credit.

Now, in unnecessarily nasty terms, Mr. Rowen suggests that the policies announced by Arthur Burns are nothing more than "some preconceived, rigid notions about money supply," the consequences of which, if followed, are an economy which goes to pot. But the 1973 results suggests that the opposite is likely. An attempt to push into the economy a supply of money which the economy is unable to accommodate is to lay the seeds of a new inflation, the anticipation of which pushes interest rates higher than they would otherwise be. Moreover, Rowen has failed to observe that our present recession is to a significant extent traceable to the inflation of 1973–74. And the inflation is traceable in substantial part to an extraordinarily expansionary monetary policy beginning in 1970.

The obligation of government is a negative one: to avoid policies which create inflations and sow the seeds for recession. In specific, the Fed must avoid expanding money supply at rates faster than the economy's long-term growth potential. And, it is the responsibility of the Congress and the administration to avoid fiscal policies which excessively increase the demand for credit, which is exactly what federal budget deficits as huge as the current ones do. Nonetheless, the Congress ignored all such warnings as it adopted Budget Resolutions which proudly recommended budget deficits of nearly $70 billion.

The Rowen-Okun policies have produced a cycle of inflation-recession-inflation of increasing severity. They must be jetisoned if we are to avoid economic disaster. Hopefully, Chairman Burns will not yield to what will surely be enormous pressure to increase money supply growth rates to levels which some feel will lower interest rates but will actually give us a renewed inflation, higher interest rates, and a recession soon thereafter. If interest rates are to go up it should not be because of too excessive a monetary stimulus.

I agree it is a shame that interest rates are likely to go up in the near future. But that will be the result of the huge federal deficits we are running. The higher rates will hinder the recovery. The remedy is to reduce government spending.

PRO-TERRORIST PROPAGANDA IN THE MOVIES

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. McDONALD of Georgia. Mr. Speaker, the Weather Underground Organization terrorists have taken responsibility for a whole series of bombings, including one right here in the Capitol and one in the State Department earlier this year. Now a group of Hollywood's left-wing crackpots are planning to do a propaganda puff piece film on these criminals.

The ring leader of the Hollywood crew is the notorious Emile de Antonio, the maker of a number of pseudo-documentary left-wing propaganda films, including one smearing the late Senator Joseph McCarthy and another supporting the Communist aggressors in Vietnam.

De Antonio and some of his staff members met with the Weather Underground terrorists and filmed them. However, de Antonio promised that "Every mistake of the camera in which a subject's face is seen has been destroyed." He certainly would not want the police to use his films to apprehend the criminals.

An attempt was made to bring de Antonio and some of his colleagues before a grand jury investigating terrorism. They came with their attorney, Leonard Boudin, whose daughter is a Weather Underground fugitive last seen scrambling from the collapsing Greenwich Village townhouse blown up accidentally by her Weatherman comrades. Boudin, himself, long a supporter of Communist causes, was once a registered agent of Castro's Cuban Communist regime.

The subpena's were later withdrawn, but not until a whole crew of Hollywood's radical chic colony signed a statement deploring the attempts of the Federal Bureau of Investigation and the grand jury to gather evidence against the Weather Underground terrorists.

The dishonor roll, consisting of many people who have grown rich because of the American film-going public, is as follows:

> We support the right of people to make a film about any subject, and specifically the right of these people to make a film about the Weather Underground Organization—and we deplore the efforts of the FBI and the grand jury to prevent them from completing their work.
>
> Hal Ashby, Warren Beatty, Ed Begley Jr., Harry Belafonte, Alan Bergman, Steve Blouner, Peter Bogdonovich, Jeff Bridges, Mel Brooks, Peter Davis, Sally Field, Cinda Firestone, William Friedkin, Henry Joglim, Elia Kazan, Arthur Knight, Shirly MacLaine, Terry Malick, Daniel Melnick, Jack Nicholson, Arthur Penn, Frank Pierson, Bob Rafelson, Toby Rafelson, Artie Ross, Bert Schneider, Rip Torn, Robert Towne, Jon Voigt, Robert Wise, Paul Williams, Harriet van Horne, Jay Cocks, Ben Cunningham, Eddie Deutsch, Daniel Ellsberg, Jim Frye, Robert Gottleib, Duane Johnson, George Lang, Michael Meeropol, Earl Ofari, Ron Ridenour, Romona Ripsotn, Stanley Sheinbaum, Jack Scott, Micki Scott.

EDUCATION FOR ALL HANDICAPPED CHILDREN

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. BELL. Mr. Speaker, national statistics concerning the number of handicapped children who are not receiving an adequate education, or any education whatever, are overwhelming and staggering. That a country such as ours—a country that prides itself on its high principles and values—should allow this condition to exist, is a national tragedy.

I believe that we should all be shocked by this situation. The "Education for All Handicapped Children Act of 1975," H.R. 7217, is necessary and yesterday is too late to have had this legislation on the books. This measure must be passed.

I agree wholeheartedly with the gentleman from Indiana (Mr. BRADEMAS), that we in Congress must now pledge our commitment to handicapped children. I must also praise the gentleman for his hard work and diligence over the years in developing this legislation.

The Subcommittee on Select Education, on which I am currently ranking member, has held numerous hearings on the subject of education for our handicapped children. It is good to know that these hearings have not been in vain, that a good piece of legislation has been the final result. Both the subcommittee and the full Education and Labor Committee extensively reviewed the provision of this bill, and the result of these deliberations is now before us. H.R. 7217 deserves our support.

As my colleagues know, California is one of our more progressive States—especially in the area of education. I am confident that this legislation will bolster California's special education system to the point that within a few years, the majority, if not all, of California's handicapped children will be served.

H.R. 7217 is, I believe, a solid commitment to education for all handicapped children. My only regret is that this commitment comes at a time when we are in such financial distress. It is for this reason that I joined several of my colleagues in drafting additional views to the committee report on the bill.

These additional views state our strong support for H.R. 7217, but also our reservation regarding the dollar levels authorized in the bill.

This reservation, however, does not alter my support for the overall intent and purpose of this bill, and I again urge my colleagues to approve H.R. 7217 so that our handicapped children may finally have their right to an education realized.

REVISING SOCIAL SECURITY FUNDING

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. GAYDOS. Mr. Speaker, like many Americans, the social security system is facing a financial squeeze. As the system broadens the number of eligible recipients and increases its benefits in conjunction with rising costs of living, social security funds are being strained.

Presently, funds are derived from a social security tax. Employees and employers are each contributing 5.85 percent of the employee's wages into social security. For 1975, all earnings up to $14,100 are subject to this taxation.

A proposal to use general revenue funds to bolster social security has received widespread attention lately. Basically, H.R. 3848 proposes that one-third of the retirement program be funded from general revenues, while the other two-thirds be the equally-divided responsibility of employee and employer. The bill would also increase the taxable wage base from $14,100 to $25,000.

Supporters feel H.R. 3848 is an equitable formula for financing Social Security. Because of the changing birth rate, high unemployment and increased benefits, retirement deductions are becoming an excessive burden on young and low to middle income workers. Thus, proponents are pressing for reduced contributions.

The one-third general revenue supplement, they say, can be derived from cutbacks in other areas, such as foreign aid, rather than from a general tax hike. Supporters add that the proposed wage base increase will draw additional funds from those more able to pay.

Despite these advantages, objections to the bill have been voiced. Many people maintain that since no general revenue funds are currently available for the retirement program, passage of the bill would incur a larger Federal deficit or an income tax increase. Under the current economic situation, opponents warn against any changes in revenue policy before 1977.

Others oppose the bill because some persons, not covered by social security, would indirectly be contributing to it through their tax dollars. Some critics even say that the legislation is unnecessary since the economy is recovering, and retirement benefits were never intended to fully support senior citizens anyway.

Social security is a significant problem because it touches nearly everyone and because quick action, in the way of raising taxes or reducing benefits, is unattractive. But one thing is certain Congress is determined to solve the system's woes.

METRO FUNDING

HON. GILBERT GUDE

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. GUDE. Mr. Speaker, a recent editorial broadcast by WTOP here in Washington deals with the urgent need for additional funding for the completion of the Metro subway system in Washington and the metropolitan area. The editorial rightly points out that, while there is a need for local governments to contribute more toward Metro's escalating costs, there is an equally pressing need for the Federal Government to increase its share of funding.

During a meeting with the President, I was assured that the President does indeed wish to see the Metro system completed. The Secretary of Transportation has been assigned the task by the President of developing an acceptable financing plan. Thus far, no such plan has been forthcoming.

The Secretary does not have an easy task. There is a great deal of work to be done, and I do not wish to minimize the complexity of the situation. However, few things worth achieving come easily. For the Federal Government to turn its back on public transportation now would be a policy error of such major consequence that its effects would be felt for years to come.

I firmly believe that Metro must be built. The local citizens are willing to put up whatever they can possibly afford by way of taxes to help finish the system. It is time for the Department of Transportation to come up with its proposal. There has been so much concern over the increased costs of transit construction that it has, at times, tended to blind people to the enormous benefits to be derived from a good rapid transit system. Public transit is expensive to build, but it is a safe bet that it will never be cheaper.

The text of the editorial follows:

INCREASE FEDERAL FUNDING OF METRO SYSTEM

Metro's funding problems are a muddle, but a couple of things are clear:

One, the local communities will have to contribute more dollars if the rail system is to be completed. And polls of both citizens and political leaders indicate that the willingness to contribute more exists. Two, the federal government must contribute a far greater share of the construction costs.

The federal government now contributes two-thirds of the construction money. While in other communities it contributes 80 per cent. Furthermore, the federal government has a greater responsibility to help complete Washington's rail system than it might appear.

It was Congress that initiated the study that led to construction of a subway system for the Washington area. And it was also years of haggling on the part of Congressional appropriations leaders that held up construction of the system.

The years that were lost represent millions of lost dollars; especially recently, as inflation sent costs soaring. During those years, some members of Congress—William Natcher of Kentucky, in particular—were insisting that Metro "wouldn't get a dime" unless the District finished building all those superhighways on the planning boards.

The fact is that the United States is an underdeveloped nation when it comes to mass transportation, and until the Metro system is completed, the nation's capital will remain a prime, visible example of this underdevelopment.

Because this is the nation's capital, and because the Metro rail system is a child of the federal government, we think the President and Congress have a responsibility to insure that the system is completed and on time.

Contrary to Transportation Secretary Coleman's position, we think the government should pay 80 per cent of the costs of the Metro system. For that matter, the federal government is paying 90 per cent of the costs for interstate highway construction. And the benefits of the Metro rail system are going to be late in coming—and the costs even higher—if an acceptable solution to Metro's funding problem isn't found soon.

Secretary Coleman has told us what sort of funding plan he opposes. He owes it to us now to tell us what sort of plan he will endorse.

This was a WTOP editorial, Ray White speaking for WTOP.

NATIONAL WILDLIFE REFUGE SYSTEM IN VIRGINIA

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. WHITEHURST. Mr. Speaker, we consider ourselves in Virginia to be most fortunate to have 11 units of the National Wildlife Refuge System. If we hope to preserve these tracts from the development pressures that are so intense in our region, I believe we must preserve the integrity of the refuge system nationally.

The Appropriations Committee report on the Interior and Related Agencies appropriations bill appears to recognize this basic issue in its direction to the Interior Department not to turn the western wildlife ranges over to the Bureau of Land Management. The committee has directed that such a transfer not be carried out unless legislation is enacted to authorize it. This is a very constructive and timely action on the part of the Appropriations Committee.

Transferring the Kofa, Sheldon, and Russell wildlife ranges to BLM administration and ousting the Fish and Wildlife Service from them would set a bad precedent for the entire National Wildlife Refuge System. At bottom it amounts to turning these ranges over to an agency which is primarily concerned with managing livestock grazing and mining on public lands. Only 1 percent of the BLM's activities is in the area of wildlife management.

In the near future, the House will be considering H.R. 5512, Mr. DINGELL's bill, which I have cosponsored, legislation that would confirm explicitly what has long been implicit—that the U.S. Fish and Wildlife Service is, and should be, responsible for administering the National Wildlife Refuge System, including the Kofa, Sheldon, and Russell Ranges. Under H.R. 5512, if the Secretary of the Interior wishes to have the BLM continue to handle livestock grazing and mining in these ranges, he may do so, but the Fish and Wildlife Service cannot be summarily ousted, as is now planned by Interior.

I urge my colleagues to join me in support of H.R. 5512 and resoundingly reject the notion that at the whim of Interior Department officials National Wildlife Refuges can be summarily removed from the jurisdiction of the Fish and Wildlife Service, an agency which has done such an outstanding job of protecting our Nation's wildlife.

MARV RUSSELL—LEADER, TEACHER

HON. CHARLES THONE

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. THONE. Mr. Speaker, these days you cannot successfully farm by the seat of your plants. Agriculture is a business and a science. It requires operators who are willing to make changes when better results can be obtained and who are constantly looking for more efficient methods.

No person has done more to teach and to advocate businesslike agriculture in the part of the Nation from whence I hail than Marvin Russell. Marv is vice president and secretary of the Nebraska Farmer Co., and editor of Nebraska Farmer and Colorado Rancher and Farmer. He is retiring July 31, 1975, after 28 years with his company.

A native of Oklahoma, he is a journalism graduate of Colorado College. He worked for the Associated Press in Jefferson City and Kansas City, Mo. He was editor of the Daily Express Courier of Fort Collins, Colo. At Colorado State University, he was agricultural extension station editor and director of information.

Marv joined Colorado Rancher and Farmer when it was founded in 1947. Since 1957, he has been editor of both the Colorado and Nebraska publications.

All his titles with the Nebraska Farmer Co. make Marv sound like an executive only. With all his supervisory responsibilities, however, he has remained a writer, producing thousands of articles and editorials to promote better agriculture. His "swan song" editorial in the July 19 issue of Nebraska Farmer does not indulge in reminiscence but looks forward, seeking an improved U.S. policy on grain.

Marv Russell won an "Oscar" in 1973 from the DeKalb Agricultural Association "in recognition of outstanding effectiveness in service to American agriculture." In 1967, he was presented the national Pfizer Agricultural Editor's Award. He has been cited by the Nebraska Agribusiness Club, Ak-Sar-Ben, Soil Conservation Society of America, National Plant Food Council, and the Nebraska, Colorado, and national associations of Future Farmers of America.

As chairman of the Nebraska Council for Economic Education, he has greatly furthered teaching of practical economics in Nebraska schools. He has been president of Nebraska Agribusiness Club, a director of Nebraska Grain Improvement Association, and a member of the Nebraska Hall of Agricultural Achievement, the University of Nebraska College of Agriculture's Dean's Advisory Council, and the Nebraska Governor's Commission for Public Relations for Agriculture.

Marv has trained an able staff to succeed him, including Bob Bishop, who becomes editor of Nebraska Farmer after 14 years with the publication. Nevertheless, many in agriculture around the Nation and especially in Nebraska and Colorado will miss Marvin Russell. We hope he keeps his old manual typewriter well oiled and limber from regular use and that he continues to use it as an instrument to teach and advocate better agricultural practices and policies.

"PAULINE REVERE"—A LESSON FOR TODAY

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. McKINNEY. Mr. Speaker, with the possible exception of a few of King George's direct descendants, there are few who would deny the significance of Paul Revere's contributions to the cause of freedom, most notably, his famous ride through the Massachusetts countryside warning the citizenry of the impending British attack. I believe it appropriate to note, however, that the gentleman from the Bay State was not the only patriot to ride on behalf of those rebelling against the Crown.

It is especially noteworthy, and most significantly in this, the International Year of Women, to recall the heroics of Sibyl Ludington, a 16-year-old girl who rode over some 40 miles of back country trails to warn militia men of a British landing in Connecticut.

On April 25, 1777, 2,000 Crown troops, under the command of General Tryon, came ashore at Compo Beach in what is now Westport, Conn., a community in Fairfield County's Fourth Congressional District, of which I am the Representative. As the troops marched inland toward Danbury, Conn., they pillaged homes and stores along the way. The raid on Danbury, itself, did not appear to have any other objective than the total destruction of the town. As American messengers rode to hasten Generals Arnold, Wooster, and Sillman to come to the aid of Danbury, Col. Henry Ludington, the commander of the Patriot's garrison at Frederickstown, N.Y., was summoned in the hopes that he would be able to furnish much needed extra troops. The messenger who arrived at the Ludington home had been shot and was too weary to spread the news to Colonel Ludington's scattered militia. He turned to his daughter, Sibyl, who took to the road and made her night ride rousing the Colonials as it was necessary for her father to be at home to muster the men as they arrived.

By daybreak, thanks to Sibyl's daring, nearly the entire regiment was mustered before her father's house, and an hour or two later, they marched for vengeance on the raiders. Thus, the British were soon in retreat to their boats at Compo Beach.

As we celebrate our Bicentennial, let it be remembered that in 1777, a 16-year-old girl was able to ride through some 40 miles of rough terrain during the night to rouse her neighbors, and thereby be recorded as one of the many heros of the Revolution. It did not matter that she was 16, or that she was female. During the past 198 years, however, we have continually attempted to throw off the yoke of discrimination against sex and age. Perhaps we can learn a valuable lesson from Sibyl Ludington and the countless others who share the back pages of our country's annals. Perhaps these are the individuals we should remember and take heed to their lack of bias and prejudice. It is an unfortunate commentary on the "progress" we have made to say that we must continually relearn and reevaluate our thinking 198 years after the birth of this Nation.

THE VOCAL MAJORITY: BEST INTERNATIONAL BARBERSHOP CHORUS

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. COLLINS of Texas. Mr. Speaker, I am proud to bring to the attention of my colleagues in Congress and to the entire country the accomplishments of a barbership chorus of young men from the Third Congressional District of Texas. The group, known as the Vocal Majority, is the Dallas Metropolitan Chapter of the Society for the Preservation and Encouragement of Barbershop Quartet Singing in America. Each year, barbershop choruses from this national organization and from around the world compete at an international contest. Last month, in Indianapolis, Ind., the Vocal Majority won first place as the best barbershop chorus in the world.

Winning the international was well deserved by these talented vocalists. Since their beginning in August 1972, their record is incredible. Only 2 months after forming the group, the Vocal Majority won second place in the district contest of 15 groups. Of the 25 original charter members, 24 are still performing with the group today.

In the following months, the Vocal Majority's members quickly became seasoned veterans. The chorus gained instant acclaim in July of 1973 when the Dealers' Choice, a quartet from their group, won first place in the international competition for barbershop quartets. Then, in August of that same year, the Vocal Majority won the regional competition for barbershop choruses. They continued their winning ways by claiming the top spot at the district level, thereby earning a trip to international where in July of 1974, they placed third.

With experience under their belts, the Vocal Majority began their ultimate climb to the top in October 1974, by winning the district contest again and qualifying for the next international competition. It was then that the Vocal Majority of Dallas, Tex., became the barbershop chorus international champions.

Although musical entertainment is certainly their forte, the Vocal Majority has been involved in many charity activities. Although the group is a nonprofit organization, they join other barbershop groups around the country in raising funds each year for the Institute of Logopedics in Wichita, Kans.

Plans for the future call for the Vocal Majority to continue to perform monthly with their "sing-outs" which have become regular sell-outs. They are now producing a bicentennial album and also are coordinating a bicentennial program which will be given on several occasions during the next year.

I am extremely proud of these young men for their talent and their dedication to become an active and positive force in the community. The Vocal Majority is certainly a credit to Dallas and I know will represent all barbershop choruses around the world in an outstanding fashion as the international champions.

THE ECONOMY

HON. EDWARD P. BEARD

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. BEARD of Rhode Island. Mr. Speaker, it pleased me greatly to receive recently remarks made by Pamela Ann Watts of 535 Algonquin Drive, Warwick, R.I., who makes observations about what could be done to improve our economy. I offer them for the benefit and scrutiny of the Members. Her thoughts closely parallel the bill I introduced to the Congress, the National Employment Recovery Act which is pending in the Education and Labor Committee. It is refreshing to know that constituents support my views on this matter.

The remarks follow:

WHAT I THINK COULD STEP UP THE ECONOMY OF THE COUNTRY AND HOW I COULD BECOME INVOLVED

Sir Anthony Hope Hawkins, in the *Dolly Dialogues*, wrote: "Economy is going without something you do want, in case you should, someday, want something you probably won't want." In this piece of humorous philosophy lies the key to stepping up the economy of our own country. Then, as now, our ingrained attitude was to conscientiously save our money for that mythical rainy day. The old adage of "A penny saved is a penny earned" is deeply rooted in our heritage. But times have changed and with it, our needs have changed. Quite simply, our unstable economy needs the stimulation and support of our money. Taking our clue from Hawkins, we should buy what we do want now rather than going without it.

The most basic contribution we can make to our troubled economy is to get more money into circulation. This can only be accomplished by spending our money on products we want, especially on hard goods. Buying an appliance or car, for example, increases the need for the production of a quantity of parts and this in turn, creates more jobs for the unemployed. Once we begin to spend our money a bit, business inventories will go down and to replenish their supplies will require more production and consequently, more jobs.

If we initiated a program similar to the one constructed under Franklin D. Roosevelt's administration (NRA–WPA) we could create jobs for the unemployed that would also be of great value to our nation; jobs such as planting trees and landscaping some of our deteriorating countryside or rehabilitating impoverished ghetto areas.

We need to talk plainly and openly about our country's economic situation. If the economy's problems were made apparent in layman's terms through articles and advertising, Americans would be more motivated and less hesitant to spend their money. This would also boost our emotional outlook on the economy, which is vital to its recovery. Many people are far too gloomy over America's economic status. We need to instill confidence in each other about our country, for optimism is as contagious as laughter and mirth. Gaining confidence and assurance that our country is still strong will help us to loosen those precious purse strings.

As individuals, it is difficult to take our hard earned money and spend it when we fear what the future may hold. But it is in times such as these that our prided American bravery and perseverance is brought forth and tested. I have never known the American people not to be able to rise to any occasion and unite together courageously for a common cause.

In addition to what I have already said, there are many ways I hope personally to become involved in stepping up the country's economy. I intend to spend my tax rebate as a start. And the money I saved due to the reduction in income taxes will also be poured back into the economy.

While attending the University of Rhode Island, I shall devote more attention to the study of economics which will enable me to make an intelligent contribution towards a sound economic philosophy. And I hope to take advantage of social gatherings with family and friends to discuss the economic situation and how it is best remedied.

Most importantly, I hope to become involved by spreading my cheer and faith in our economy and in our *country* to all those I meet.

THE BLACK COLLEGE STRUGGLES FOR SURVIVAL

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. RANGEL. Mr. Speaker, on February 25, 1975, the Boston Evening Globe carried a column by Dr. Hugh M. Gloster, the distinguished president of Morehouse College.

In his well reasoned and thoughtful column Dr. Gloster described the severe economic burden presently being carried by black colleges and the great loss that would be suffered by this Nation if these important institutions are not allowed to survive.

It is with great enthusiasm that I respectfully submit the full text of Dr. Gloster's column for the RECORD:

[From the Boston Evening Globe, Feb. 25, 1975]

ECONOMIC BURDEN FOR BLACK COLLEGES

(By Hugh M. Gloster)

Today's economy is disheartening for just about every segment of our society, but especially for the nation's black colleges, the majority of which have perennially struggled for basic survival.

The dual forces of recession and inflation have severely aggravated the already precarious condition of many of these colleges. Unfortunately, most parents of students in black colleges do not possess the resources themselves to significantly influence this state of affairs. Increases in tuition, no matter how slight or justified, still place an additional and some times intolerable burden on many parents.

Of course, few parents of college students pay the entire cost of tuition and other expenses. This would be impossible, particularly when, as at Morehouse College in Atlanta, more than half of the students come from families earning less than $7500 per year. Nearly 70 percent of the 1275 students receive financial aid, whether through a scholarship, grant, loan, campus job or any combination of these. Luckily, financial assistance at Morehouse has increased. But any increases to students are negligible, since more and more students need additional aid in order to compensate for what their parents simply cannot afford.

Recently I read with interest in an educational journal that several colleges have initiated slick recruitment programs with a view toward increasing enrollment and thereby combating mounting financial pressure. Colleges have employed such techniques as massive direct mail and telephone campaigns, radio and television advertisements, nonrestrictive distribution of brochures and catagogues, and hiring of free-lance salesmen and professional management consultants.

Even if black colleges had the funding to implement such tactics, and even if these efforts were successful, no substantial revenue would accrue. More students may apply, but the majority would still need considerable financial aid.

Almost any discussion about how the economic ills affect black colleges produces the inevitable question from at least one skeptic, "But do black colleges deserve to survive?" or "Is it worthwhile to save these colleges?"

The answer is yes. Black colleges merit the right to exist IF they provide their students with a quality education. The point, is, why must black colleges always defend their right to exist?

In the spring of 1974, Central State University in Ohio was nearly flattened by a tornado. Members of the Ohio legislature questioned the feasibility of releasing funds toward the reconstruction of the predominantly black institution. Had such misfortune befallen a comparable white institution, I have no doubt that construction crews would have immediately been dispatched to start rebuilding.

"Merger" has recently become a threatening word to black college administrators. The predominantly black Arkansas AM&N College is no longer autonomous, but has been merged with the University of Arkansas. Plans of similar mergers are already under discussion for several other public colleges.

If public and private black colleges are not given the necessary financial and moral support, our society will lose an irreplaceable asset. Book learning is only a part of the whole education process. Black colleges offer motivation, consciousness, character-building, and perhaps most important, a positive image of blackness, an image which a young black student does not often find in the larger society.

The first black colleges educated ex-slaves, and the task was formidable. Today, black colleges educate the sons and daughters of ex-slaves, and the task is no less awesome. We must not allow national economic ailments or rationales of any type to interfere with the significant work of black colleges.

WHAT GOALS, AMERICA?

HON. RICHARD T. SCHULZE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. SCHULZE. Mr. Speaker, often I have found that the editors of local weekly papers have their fingers on the pulse of the people. These weekly papers are sensitive to the grassroots sentiments of our constituencies and they are direct and unequivocal in expressing them. Such an article appeared in the Suburban and Wayne Times of July 24, 1975. I believe that we here in Washington should listen carefully to the concerns articulated by these weekly newspapers and, for the benefit of my colleagues, I insert the article in the RECORD at this point:

WHAT GOALS DOES AMERICA HAVE FOR SURVIVAL FREEDOM?

If the United States is to survive into the 21st Century, it must have specific goals for survival, and a rational program to attain them.

Presently, the U.S. has none of these, as can be seen by what is happening on the international arena—and the national scene as well. Consider the following:

1. The Apollo-Soyuz rendezvous is the end-product of America's space program. For the Russians, however, it is only the end of the beginning. They are continuing their space program at an increasing pace, while we wind ours down. Indeed, there seems a psychological compulsion to eventually deny that Americans ever went to the moon. America will leave the future of space, the future of mankind, to Soviet imperialism.

2. America is continuing its unilateral disarmament, while the Russians furiously spend 40 per cent of their national budget on arms, mostly of an offensive nature. America's arms spending amounted to only nine per cent of its total national output at the height of the Vietnam war. It is less now. Why does America need a defense program at all? Simply because the Soviet Union has never ceased its expansionist urge from the time of Lenin until now. The Communists mean to rule the world—and make no bones about it.

3. President Ford continues with the idiotic Kissinger policy of "detente." This policy is simply America's surrender on the installment plan. And if Mr. Kissinger bitterly challenges his critics to come up with something better, well, yes, we think that can be done—although it is very late in the game. The only illusions about "detente" are those which have been sold to the American people, that it would bring them peace. It is, in fact, the Munich of the 1970's—and Mr. Kissinger is the Neville Chamberlain of our days.

4. The world groans beneath a burden of slavery and tyranny. Yet, "the land of the free and the home of the brave" no longer exports freedom, by word or by deed, for fear of offending those whose chief export is violence, revolution and slavery. That violence extends to our own shores, as the increasing number of bombings shows clearly—and they will be greatly increased in 1976.

5. A nation dedicated to its own survival would simply not permit known agents of a foreign intelligence-subversive-terrorist organization to operate with virtual immunity. Yet, the KGB has thousands of agents in this country—for which there is plenty of documentation.

6. A nation which intends to be around in the year 2000 A.D. would not be destroying its intelligence apparatus both foreign and domestic—both the C.I.A. and the F.B.I.—so that those agents of foreign powers, including Russia, Cuba and China, can operate with impunity.

7. A nation planning its own survival would not be sending millions of tons of wheat to those still determined to bury us. Food is as much of a weapon, when dealing with an enemy, as is the Bomb. Without food, the Russians must be careful in their adventures. Why make it easy for them?

8. A nation intending to remain free would not permit the sale of its most sophisticated plants, equipment and technology to its sworn enemy—either by its own business firms or those of its presumed allies. But then, Lenin humself accurately described the capitalists as those who would sell the Communists the rope with which to hang capitalists.

9. A nation dedicated to freedom would have a President unafraid to talk with the incarnate spirit of suffering and freedom which Aleksandr Solzhenitsyn embodies. The President's cowardice—on the advice of counsel, God help us!—is on a par with out failure to do anything, when we were much stronger, about the Soviet invasions of Hungary and Czechoslovakia. Let us quiver in fright in our shrinking bastion of freedom.

10. A nation dedicated to its own survival would not be contemplating giving up the Panama Canal, as our unelected President is doing.

11. A nation which intends to survive would not be going to Helsinki later this month in order to "legitimize" the Russian conquests of Eastern Europe and half the world. By denying the slave people of those Russian colonies—for that is what they now are—the last hope of eventual freedom, we turn them over to despair and eventual hatred of the America which abandoned them.

12. A nation dedicated to both freedom and survival would, in 1976 be producing a new "Declaration of Independence" for all the

peoples of all the world, announcing its determination that, by the year 2000, all men and all nations would be free of their chains.

Is the United States prepared to make any of the sacrifices such a program woud entail? If not, it will neither be free nor independent within the next 25 years.

While embracing "detente," let us consider, with anguish and determination, the millions of Soviet citizens barely existing in concentration camps and "mental hospitals." These are the daily realities of life under Communism.

Unlike most other nations, America still has a choice as to how it will exist in 2000 A.D. But not for long, if Americans are not prepared to fight for their freedom, to sacrifice for it, as their forebears did 200 years ago.

When will we again have a President, a Congress, a news media and an academic establishment all speaking with one voice, proclaiming: "Freedom, yes. Slavery, never." No matter what the cost?

Unless we are willing to risk all for freedom, we shall have no freedom, no peace, no survival.

But that is what is necessary if our children are to see the 21st Century as free men and women. Nothing less.

Or do we wish to be slaves?

SOCIALISM'S WORLD FAILURE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. McDONALD of Georgia. Mr. Speaker, during my recent trip to the Middle East, I was shocked and dismayed to learn that many people both in the Arab world and in Israel think that socialism is a viable political and economic system. Experience has shown not only that socialism is inefficient and unworkable, but that it fails to provide the benefits of the free enterprise system; and in its extreme forms socialism degenerates into communism and nazism.

The world's leading experts on the failure of socialism are its victims. Last November, Aleksandr Solzhenitsyn held a press conference in Zurich, Switzerland, It followed by 2 days a November 14, 1974, press conference held in Moscow in which reporters were given copies of a samizdat—self-published—anthology of leading Soviet dissenters.

The Moscow press conference was widely ignored in this country, despite the risks the Russian patriots took. Solzhenitsyn's press conference got almost as little publicity. But the message that these men risked their freedom to send to the West is of great imporance.

One of the articles in the anthology is by Igor Shafarevich, a mathematician. Solzhenitsyn described the article as follows:

> Shafarevich shows that the system created in the USSR is genuine socialism, not a distortion of it. This is socialism realized. He deduces that the destruction of relations between individuals and the suppression of individuality are not, as is often said, a means used by socialism to promote its brighter aims in the future—they are the actual aim of socialism. Socialism destroys those elements in the life of many and mankind that form the highest and finest aspects of being.

Another author published in the anthology is Melik Agursky, a cyberneticist. He is a Soviet Jew born in the U.S.S.R. of American Communist parents who had made the mistake of immigrating to the Soviet Union. Agursky himself is not a Communist, but has become a religious man. He demands the right to live in Israel. Agursky's contribution shows us that the victims of Soviet Socialism even understand the problems of the West. As Solzhenitsyn described his contribution:

> He reminds us of a fact that we now tend to forget: that the democratic systems emerged at times when the population had a high degree of self-discipline based on religious ethics. However, as the centuries passed, these religious foundations have been eroded away and forgotten; self-discipline has faded; and this has placed many democratic systems in jeopardy.

Avraham Shifrin is a Soviet Jew now living in Israel. He provided valuable testimony before Senate and House Committees based on his 10 years experience as an inmate in Soviet slave labor camps. His "crime" was being a Jew. Shifrin's father was murdered in the Soviet camps for the same reason.

Shifrin has been a strong defender of the State of Israel, which took in the homeless Jews released from Soviet Russia. But even Shifrin is now critical of the failures of Socialism in Israel. This victim of Soviet Socialism has begged the American Jews to protect their brethren in Israel who are the victims of rigid Israeli Socialist bureaucrats. And he points out that the Russian Jewish victims of the Soviet horrors have now become the victims of the incompetent and stupid Israeli Socialist bureaucracy.

In the Arab world and in sub-Saharan Africa, the major roadblock to progress and threat to world peace are the young Socialist army officers and bureaucrats who have maliciously disrupted and destroyed many of the opportunities that their countries have had for prosperity and peace.

Socialism, it is clear, has never worked anywhere. Its claims to efficiency and justice are mere propaganda. At its best it produces human hardships; at its worst, human misery.

EDUCATION OF ALL HANDICAPPED CHILDREN

HON. TOM HAGEDORN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. HAGEDORN. Mr. Speaker, the House of Representatives today considers H.R. 7217, a bill with the grandiose and promissory title, "Education of All Handicapped Children Act of 1975."

The title and the outrageous sums proposed to be spent for this program are completely illusory, representing a cruel hoax on the long suffering and courageous families of our handicapped children.

Congress cannot and will not appropriate the money to pay for this bill, and for us to vote for such an impossible program is unconscionable. These brave families deserve our genuine support, not more unfulfilled promises.

H.R. 7217 requires an individual educational program for all handicapped children, complete with evaluative procedures. This could well mean 8 million separate educational programs with oversight requirements for each one, untold expense, and an administrative nightmare.

Mr. Speaker, the States have the primary responsibility to provide special education to the handicapped, and have clearly shown their ability and willingness to perform this most worthwhile task. For the Federal Government to now step in with its usual "money cures all ills" approach would be ridiculous. With the added knowledge that this program cannot be funded, that this action would result in the States dropping their programs and that the ultimate harm would reach the very children the lofty title purports to help, I see every reason to turn down this proposal.

Congress is providing assistance to the States for their special handicapped children programs, and I fully support this concept. H.R. 7217 would undermine the fine State progress in this training area, hurt the educational efforts for these children, and therefore I strongly oppose this bill.

FEDERAL SCIENCE EFFORT

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. TEAGUE. Mr. Speaker, last March 6, Mr. Mosher and I introduced a bill, H.R. 4461, the National Science Policy and Organization Act of 1975. As I explained at the time, that bill culminated about 5 years of study and work in both subcommittee and full committee on the total Federal science effort and ways in which it might be made more effective.

Hearings were scheduled on the bill to begin on June 10. On June 9 the administration forwarded to the House and Senate a bill, which was introduced as H.R. 7830, to provide a statutory base for a Presidential science advisory mechanism.

Our full committee held hearings on both bills over a period of almost 3 weeks, and I believe that we established a solid base for legislation in this area. While the administration bill was addressed to only one of the four major areas which the Teague-Mosher bill encompasses, subsequent review and study has demonstrated to our satisfaction that a reasonable compromise which is both effective and possible can be reached.

Mr. Speaker, the bill which Mr. Mosher and I originally introduced sought to accomplish four things:

First, it endeavored to enunciate a well-rounded national science policy.

Second, it would have established a Council of Advisers on Science and Technology in the Executive Office of the President—but with specially built-in discretionary powers as to use and organization vested in the President. Third, it would have provided administrative unity and coordination of the essentially "R. & D." agencies of Government, as well as Government-wide oversight and budget review of "R. & D." activities, through the innovation of a staff-function, cabinet-level Secretary of Research and Technology Operations. Fourth, it would have undertaken to consolidate and make compatible the operations of the various Federal science information agencies by merging them into a single Government corporation with special ties to the private sector.

The administration bill, on the other hand, is concerned only with the Presidential science advisory mechanism. Entitled "The Presidential Science and Technology Advisory Organization Act of 1975," this bill would do the following:

First. Establish in the executive office of the President a new Office of Science and Technology Policy.

Second. Designate a director and deputy director, to be appointed by the President, and authorize such additional staff as might be needed.

Third. Set out, in rather general terms, the functions of the Director, who is also designated as "the President's chief policy adviser with respect to scientific and technological matters."

The administration has estimated that it would expect to employ not more than 15 additional people within the proposed office and that the annual cost of the office would be approximately one and a half million dollars.

Mr. Speaker, I am sympathetic to the request which the President has made and applaud his decision to undertake it by statute. I believe that the statutory route has much to be said for it, not the least of which is the improved relationship and liaison between the executive and legislative branches which may be expected to result from it.

At the same time, I believe it is important that we include those parts of H.R. 4461 which might reasonably be undertaken at this time and which both the Congress and the President would be likely to find feasible and beneficial.

Mr. Speaker, in light of the foregoing, and after an intensive review and study of the information and viewpoints received during the hearings, Mr. Mosher and I are today introducing a revised bill.

The revised version is an alternative containing the most promising features of H.R. 4461 and H.R. 7830. The basic elements of the bill we are introducing are as follows:

Title I—This title deals with a statutory statement of science policy. The revised version includes the same statement of science policy as the Teague-Mosher bill—but much refined and somewhat honed down as a result of the recommendations obtained in the hearings.

Title II—This title deals with the President's science advisory apparatus. The Teague-Mosher bill would establish a five-man Science Advisory Council. The administration bill would establish an Office of Science and Technology Policy with a single Director, who would also be the President's science adviser, and a Deputy Director. The revised version of the bill is built on the administration's proposal but with the following three major changes.

First. Instead of providing a deputy director by statute this version would give the President discretion to appoint up to four assistant directors. Hence, the President could appoint a single assistant and designate him as a deputy if he chose. If, on reflection, he would prefer a three-man council or a five-man council, he could follow that route. The option would be entirely with him. It would also give subsequent Presidents more flexibility of organization.

Second. The Director of the Office and such assistants as the President may decide to appoint would be subject to confirmation by the Senate.

Third. The duties and functions of the new Office are described and stated in more precise and specific terms than the somewhat vague and general language used in the administration bill.

Note, however, that all of the functions stipulated in the administration bill are definitely also encompassed in the revised version.

Title III—The Teague-Mosher bill contained two additional titles—title III, which would set up a Department of Research and Technology Operations, and title IV, which would set up a Science and Technology Information and Utilization Corp. Testimony received was virtually unanimous that legislation as far reaching as this required additional study; it was also unanimous on the point that the committee should not let the issues addressed in those two titles lapse.

Consequently, title III would establish within the Executive Office of the President, as a temporary adjunct to the new science advisory Office requested by the President, a Federal Science and Technology Survey Committee. This Committee would have a life of 15 months from the time it came into existence and at the end of that time would report its findings and recommendations to the Director of the new advisory Office, who would review it and pass it on to the President and Congress with his recommendations.

The survey committee would be composed of from 5 to 12 members, appointed by the President, one of whom would be appointed by the President as chairman. Its specific duty would be to make a comprehensive survey of the overall Federal science effort including missions, goals, personnel, funding, organization, facilities, and general activities. In undertaking this task the Committee would be charged with giving particular attention to organizational reform, science information systems, technology innovation and transfer, Federal-State relations and Federal-industry liaison and cooperation, improved science budgeting process, and so forth.

Upon the completion of its report this Committee would cease to exist. Its importance lies in the fact that it will require continued attention to the very important matters which the Teague-Mosher bill seeks to address in its titles III and IV and require the administration and the Congress to consider them anew after further examination.

Mr. Speaker, it is quite clear to us that the legislation with which we are here dealing is extremely important in our efforts to solve many if not most of the grave national issues which confront us. It is our hope and intention that the science committee will report a bill some time in September. It is my understanding that the Senate, which is and has been involved in similar activities for some time, is also ready to consider the matter. We look for a bill compatible to all parties to become law before the end of this year.

GRAIN SCANDAL SHOWS NEED FOR LEGISLATION—III

HON. NEAL SMITH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. SMITH of Iowa. Mr. Speaker, the massive grain scandal, which I have called to the attention of the House the last 2 days, involves among its various aspects threats to inspectors and adulteration of grain.

I have introduced a bill, H.R. 8764, which would make these practices illegal. The text of the bill is printed in the Congressional Record of July 18, starting at page 23553.

James Risser, a Washington correspondent for the Des Moines, Iowa, Register, has written a series of articles which point up the need for legislative action. Two of these articles follow:

[From the Des Moines Register, May 21, 1975]

Threaten, Harass U.S. Grain Men at New Orleans

(By James Risser)

Washington, D.C.—U.S. Department of Agriculture (USDA) employes, who oversee the inspection and grading of American export grain, have been harassed and physically threatened at the New Orleans, La., port, department officials said Tuesday.

"There is a measure of fear among our folks down there," said Ervin L. Peterson, administrator of USDA's Agricultural Marketing Service.

The USDA personnel reportedly are working in pairs much of the time in New Orleans, rather than singly as they did before, for purposes of added protection.

U.S. export grain is inspected and graded by employes of boards of trade and other private organizations. The role of the USDA employes is to supervise the work and to conduct "appeal inspections."

SOME INDICTED

A number of the private inspectors and samplers have been indicted in New Orleans and Houston for accepting bribes, and grand juries in both cities are continuing to investigate.

The New York Times reported Tuesday that the USDA supervisors have had their automobile tires slashed and have been jostled while riding manlifts in grain elevators. One USDA supervisor, who protested when one of the private samplers permitted fermented corn to be loaded on a ship, later was told a "contract" was out to break both his kneecaps.

The Times story also confirmed stories earlier this month by the Des Moines Register, which first disclosed the extent of the federal probe into grain inspection and uncovered conflicts-of-interest in the entire inspection process.

"We're under a lot of duress," said one USDA official who asked not to be quoted. "We keep getting the word that more things are going to happen to our people, and so we're taking precautions."

Lucius L. Free, assistant director of USDA's Office of Investigation, declined to discuss any specific actions being taken by his office, but confirmed that "threats to USDA personnel, attempts to intimidate them and prevent them from doing their jobs, are within our area of concern." The Office of Investigation has been co-operating with the Justice Department on the bribery investigations since last year.

Some of the threats are said to have occurred after USDA placed a 24-hour surveillance on one of the large export elevators in New Orleans, the Mississippi River Grain Elevator.

ELEVATOR SUIT

The elevator filed suit against the Agriculture Department in February, claiming "unreasonable and non-justifiable surveillance, regulation, and control" by the USDA supervisors.

The petition said the round-the-clock surveillance had not been used against other elevators in the area and was causing "a complete disruption of the orderly conduct" of the elevator's business.

However, department officials said the extra surveillance was ordered after it was noticed that an unusual number of large grain shipments were being loaded at night at the elevator, when no federal surpervisors were on hand to oversee the ship inspections and grain grading by the private inspectors from Delta Weighing and Inspection Bureau, Inc.

The elevator since has dismissed the suit.

Inspectors employed by the Delta agency were among those indicted in New Orleans for taking bribe payments to certify that ships were clean and acceptable for loading with grain.

[From the Des Moines Sunday Register, June 15, 1975]

How Exporters Add Debris to Good Grain

BOOST PROFIT BY EXPLOITING GRADING LAW

(By James Risser)

NEW ORLEANS, LA.—Grain elevators here and in other port cities employ "blenders" whose job is to make sure that shipments of U.S. export grains contain the maximum allowable amounts of "foreign materials"—even if it means deliberately adding debris to the grain.

A skillful blender can save his grain company many thousands of dollars a year by insuring that a shipload of "U.S. Number 33" corn, for example, contains at least 4 per cent foreign material.

In that case, the foreign buyer receives a load containing 4 per cent of such things as broken corn, other cheaper grains, dust, or even dirt or trash.

The practice of deliberately blending or mixing foreign material into grain shipments is coming under scrutiny by farmer organizations and government officials, as increasing complaints are received from overseas customers that U.S. grain is dirtier and inferior to that from other nations.

WON'T PRESERVE SAMPLES

The situation is complicated in New Orleans—the largest U.S. grain port—by the refusal of some private inspection agencies to preserve the samples from which they inspect and grade each shipload of grain.

Their refusal makes it difficult for U.S. Agriculture Department personnel to oversee the work of the federal licensed but privately employed inspectors.

Grain division officials, suspicious that some shipments contain even more than the allowable amounts of foreign material, have proposed a change in federal regulations to require the inspectors' samples to be kept for a specified period of time.

RELUCTANT TO TALK

Because of the still-developing scandal here involving bribery and other corruption in grain inspection, grain company officials are reluctant to talk about their operations, including the role of "blenders" or "mixers" at their elevators.

But they do not deny that part of the blender's job is to add foreign material, if the grain being loaded does not contain the maximum allowed for the particular grade being shipped.

"We all use mixers, and they try to get the grain down as close to the grade limits as possible," said the manager of one elevator here.

However, he and other grain trade officials defended the practice on the ground the buyer is still getting what he paid for. They also disputed contentions that the mixers intentionally add dirt or any harmful foreign material, saying that the added material usually consists of broken, damaged, inferior, or cheaper grains.

LOOPHOLE IN STANDARDS

But Agriculture Department officials here and in Washington told The Register there is nothing in federal grain standards to prohibit the grain elevator "blender" from adding foreign material, including dirt, to a shipment that otherwise would be cleaner than the minimum standards.

"It's part of his job to make sure the shipment has the maximum amount of foreign material," said one department official in Washington directly involved in grain inspection.

Representative Neal Smith (Dem., Ia.), noting that U.S. No. 2 corn—a common export grade—is permitted to contain 3 per cent foreign material said "If the grain being loaded has only one per cent foreign material, they sweep up the floor and put that in to bring it up to 3 per cent.

"They actually add dirt, and that's what the purchaser sees at the other end," said Smith, who owns a farm at Altoona, Ia. "Then he thinks American grain is no good, and it hurts our sales."

If corn is selling for $3 a bushel, for example, the addition of 2 per cent extra foreign material can save the shipper six cents on every bushel because he is getting paid for corn that actually is waste, Smith said.

URGES LAW

Smith believes the deliberate addition of foreign material to grains should be prohibited by law.

An Agriculture Department official in New Orleans said that some grain exporting countries prohibit adding any material to grain as it goes from country elevator to port elevator to export vessel. And in Canada, for example, there is little chance of dirt or dust being added to grain because the elevators "are kept so clean you can eat off the floor," he said.

At U.S. port elevators, it is common practice, for quality control purposes, to remove foreign material from all incoming grain so that there is a maximum of 1 per cent foreign material remaining, the official said.

But when the grain is loaded out onto export ships, foreign material is added again, in varying amounts depending on the grade of the grain to be shipped, he said.

The most common foreign material added to corn shipments is lower grade or broken corn, the official said. Broken corn can be used by animal feeders, but is useless for certain processors who need ony whole corn kernels, he said.

RICE HULLS

Soybean sellers, he said, will often throw some lower-priced corn in with the soybeans. They also have been known to buy rice hulls, which cost much less than soybeans, and mix them with the beans, he said.

"It has happened that they add dirt and dust, too," he said. "I don't think they should do it, but there's nothing legally to prohibit it. That's one way you get weevils in the grain, too."

Senator Dick Clark (Dem., Ia.), in a speech last week accusing grain elevator operators of collecting kickbacks for grain they "skim off" while loading export ships, said the operators also "mix or blend beyond what is acceptable under U.S. standards."

Even critics of the foreign-material standards acknowledge that the blends serve a valuable function in making sure that the proper grade of grain is loaded onto a ship. The work involves loading grain of the proper weight and moisture, in addition to seeing that limits on foreign material, broken and damaged grain are not exceeded.

CAN UPGRADE LOADS

In some cases, a skillful blender can "upgrade" grain. For example, corn that grades poorly because of high moisture but that has very low amounts of damaged kernels, might be combined with other corn of low moisture but with many damaged kernels. The total effect of the blending then might be a load of corn that has a higher grade than either of the two original lots.

All the operations take place under the eye of inspectors from the private inspection agencies. More than a dozen of the inspectors here and in Houston, Tex., have been indicted on various corruption charges, and Congress is considering turning over all inspection to federal authorities. At present, federal grain division personnel can conduct only supervisory and appeal inspections, while all initial inspection work must be done by the private inspectors.

The inspection agencies here, as well as in Iowa and other inland points, often are run by persons in the grain and shipping trades, thus raising a question of conflicts-of interest in the inspection process.

At most ports, inspection agencies unquestionably retain file samples of their inspector's tests so that grain division personnel can test them if complaints arise later. But in New Orleans, according to **Harlan L. Ryan**, grain division field office supervisor, some of agencies have contended successfully that the regulations on retention of file samples are not legally binding.

Even if tightened regulations take effect later this year, as proposed, there are problems in insuring that the file samples accurately reflect the total shipment because the samples can be altered, said Ryan.

"The file sample is no better than the inspector," he said. "The honesty of the inspector is the whole thing."

Ryan, an Iowa native, came to the New Orleans office two years ago and has directed efforts to strengthen the inspection process here.

British buyers of U.S. corn have called recent U.S. corn shipments "rubbish," saying that the quality of the corn has "deteriorated to unbelievable depths."

This week, officials of the Federation of Europeans Feed Compounders will outline their complaints about U.S. soybeans to Agriculture Department officials and members of Congress, in two days of meetings coordinated by the American Soybean Association, of Hudson, Ia.

DREAM GOES ON FOR RODINO

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. EDWARDS of California. Mr. Speaker, I would like to call to my colleagues attention, a recent column in the Chicago Tribune written by Pulitzer Prize winner Mary McGrory. The column honors the man who, just 1 year ago, skillfully and patiently guided us through one of our Nation's greatest crises. Chairman Peter Rodino of the House Judiciary Committee is the type of man that many of us in the House and in the country try to emulate for the quality of his courage and convictions. I think this article is a simple, yet eloquent view of Peter Rodino. I submit it for the consideration of my colleagues and countrymen:

[From the Chicago Tribune, July 28, 1975]

Dream Goes on for Rodino

(By Mary McGrory)

Washington.—Rep. Peter Rodino [D., N.J.] was in the middle of one of the innumerable anniversary interviews requested of him last week; but his mind was not on it. His eye was on the door.

The gentle Italo-American poetaster from Newark, who a year ago said gravely he found Richard Nixon "wanting" and who, against heavy odds, led the House Judiciary Committee into voting three counts of impeachment, was expecting company.

Finally, a little band of 25 young blacks, some brilliantly dressed, began to filter into the room, and he sprang to his feet, all welcome and genuine solicitude.

"This is the House Judiciary Committee," he called out. "Did you have trouble finding it?"

His guests were members of Vindicate, a Newark rehabilitation program for boys from 15 to 18, who, as he delicately put it, had "had experience with the law."

"I don't know whether you know," he began with the diffidence that had once made so many members uncertain of his ability to take Richard Nixon's measure, "but I am Peter Rodino, and I am your congressman. This is the House Judiciary Committee hearing room. Many, many things have happened in this room which are important. Here, members of the Judiciary Committee voted Richard Nixon guilty on three counts. It was a year ago this week that we convened. This was televised. Maybe some of you saw it?"

Seven of the group raised their hands.

He told of the work of three blacks on the committee, Charles Rangel [D., N.Y.], John Conyers [D., Mich], and Barbara Jordan [D., Tex.]. He recalled Barbara Jordan's speech about "we the people." Then he asked for questions.

One tall young man in a dazzling white suit said, "Folks here have had some kind of a run-in. How do you explain the system of justice to them? They did maybe armed robbery, got $2 or $3, and a sentence of three to five years, and a guy like President Nixon rips off the country and gets to spend his time on the beach. How do you explain that?"

Rodino said gently he had disagreed with the pardon.

"You have got to recognize this: That the Judiciary Committee in 1974 did not let abuse of power go unchecked, and took issue with the most powerful man in the most powerful office and said 'this is a government of laws.' "

"You just can't lose heart," he told the youthful offenders. Afterwards, he said cheerfully, "they weren't too interested." Then he hurried off to a Bicentennial television spot, and was joined by a radio reporter who had been promised a half-hour of impeachment reminiscences.

He prizes the esteem in which he is held. While his prestige is ever more brightly burnished, that of the House has fallen around its ankles, largely due to its folly in not calling on him to chair the inquiry into the exploding intelligence scandals.

While the House has become an embarrassment to itself, Rodino moves around the country on a cloud of approval. Colleagues beseige him with invitations. Awards, medals, and scrolls are heaped on him. He is an ornament to his party. This year, for the first time in 27 years, he skipped the Puerto Rican Day parade in Newark to appear, at urgent request, on the Democratic telethon.

Several of his Judiciary Committee colleagues have lost heart in the people's House. James Mann, [D., S.C.], whose lapidary interventions in the debate are engraved on a thousand hearts, is waiting to be appointed a judge on the Military Appeals Court. William Hungate [D., Mo.], whose humor lightened the tensions of that portentous week, is quitting, overcome by nostalgia for Camelot and frustrated hopes. Paul Sarbanes [D., Md.], who carried the evidence against Richard Nixon, is looking toward the Senate.

Rodino regrets, but understands. "After a period like that, a height, a golden moment, you know, what is there left?"

For him what is left is to enjoy the rewards of vindication, to try to restore the shattered hopes that impeachment built about congressional honor and dignity.

"It was different," he says, "despite the interference and harassment, we had complete control. We had the sole authority. We went slowly. When I speak, I say we haven't learned the lesson of impeachment.

"Instead of thinking what's best for the country, we're just thinking of the next election. We haven't learned that if we are fair, and if we are decent and then resolve to do what is right and make the people privy to it, the people will understand and approve and accept.

"I don't think the millennium came a year ago," he adds, "but we have to go on dreaming."

THE SOFTBALL TEAM OF CONGRESSMEN GRADISON AND JEFFORDS

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. GRADISON. Mr. Speaker, it is with great sorrow that I note the loss of our inspirational team leader, Jim Jeffords, who was seriously injured while risking life and limb for the glory of J. & B. on the rocks.

Mr. Speaker, the office of my colleague from Vermont and my office combine to form an outstanding softball team which breezed through the first nine games of the season. Unfortunately, we went into a tailspin which lasted three games. In a staff meeting, we discussed this tragic turn of events and determined that the team suffered from lack of leadership, for which the blame was placed squarely on the shoulders of my colleague and me, since we had been missing from many of the games.

As a result, my colleague decided to play in the game on Monday night. As soon as the House adjourned for the evening and my colleague's work was completed, he took a cab to the field and arrived just in time for the game to begin.

It was unfortunate that he was so prompt, for he was involved in a serious accident in the first inning. One of our opponents plowed into my colleague and, among other things, broke his finger.

In the tradition of other great leaders, my colleague continued to play despite the excruciating pain he was suffering. His courage was truly inspirational and, of course, the losing streak, like his finger, was snapped. Our hitters came out of their mysterious batting slumps to score more than 20 runs. My colleague nobly contributed to this productive effort with five hits in seven tries.

My colleague now faces a long period of recovery. I hope that the pain he feels is dampened by the team's gratitude for the finger he gave us.

I realize that he will be unable to play in the coming weeks. However, I hope that he will continue to attend the games as our manager, for it is clear that his mere physical presence will supply all of the inspiration that is necessary for us to continue our winning ways.

THE JOSEPH C. WILSON AWARD

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. HORTON. Mr. Speaker, I would like to announce to my colleagues the establishment of the Joseph C. Wilson Award in international affairs. This award, made possible by the Rochester Association for the United Nations, Xerox Corp., the United Nations Association of the United States, and the University of Rochester, will annually honor an individual who has made an outstanding contribution toward the peaceful resolution of international problems.

The winner will receive $10,000, contributed by Xerox, to provide some form of enriching experience, training, or study that might not otherwise be available, or to assist in the completion of a special project of international significance.

The award is a fitting memorial to the late Rochestarian Joseph C. Wilson, who was the chief executive officer and chairman of the board of the Xerox Corp. An industrialist, humanitarian, civic and educational leader, with a profound interest in the betterment of international relations, Mr. Wilson was active in all the sponsoring organizations. This award does justice to the memory of this great man.

The winner will be announced each United Nations Day beginning October 24, 1975, and will be chosen after a nationwide canvass by a panel of prominent citizens.

I congratulate the organizations responsible for the creation of this award, not only for their tribute to a great citizen, but for their contribution to the increasingly important search for world peace.

VITAMIN REGULATION

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. GILMAN. Mr. Speaker, in response to the growing concern of many of my constituents to the Food and Drug Administration's proposed regulation of the sale of vitamins, minerals and food supplements, I rise to introduce legislation which would limit the Secretary of HEW's authority to regulate such products.

At a time when so many products on the market are full of useless additives, it is vital that nutrition-conscious consumers be able to acquire the dietary supplements they deem necessary. This bill assures that right. There is nothing in this legislation which would weaken the provisions of the Food and Drug Act which duly protects the consumer from false and misleading advertising. Nor does the bill prohibit the sale of products which are not dangerous at recommended dosages. What this measure does do is to insure that consumers will be able to choose and decide for themselves what constitutes a balanced diet.

I urge my colleagues to join me in supporting this proposal and request that a copy of his measure be reprinted in full at this portion in the Record:

H.R. ——

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. (a)(1) Chapter IV of the Federal Food, Drug, and Cosmetic Act is amended by adding after section 410 (21 U.S.C. 349) the following new section:

"VITAMINS AND MINERALS

"Sec. 411. (a)(1) Except as provided in paragraph (2)—

"(A) the Secretary may not establish maximum limits on the potency of any synthetic or natural vitamin or mineral within a food to which this section applies;

"(B) the Secretary may not classify any vitamin or mineral as a drug on the basis of the potency of the vitamin or mineral or on any other basis other than the fact that—

"(i) the vitamin or mineral is represented (as determined by the Secretary by regulation) in its labeling for use in the diagnosis, cure, mitigation, treatment, or preventon of disease in man; or

"(ii) a condition (including toxicity) which—

"(I) is described in section 503(b)(1), and

"(II) requires that a drug be dispensed only upon prescription,

exists with respect to the vitamin or mineral; and

"(C) the Secretary may not limit the combination or number of any synthetic or natural—

"(i) vitamin,

"(ii) mineral, or

"(iii) other ingredient of food, within a food to which this section applies.

"(2)(A) Paragraph (1) does not limit the Secretary in the exercise of his authority under and in accordance with—

"(i) section 402, 406, or 409, or chapter V, or

"(ii) any other provision of this Act except to the extent that the authority under such other provision is to be exercised to take an action specifically prohibited by subparagraph (A), (B), or (C) of such paragraph.

"(B) Paragraph (1) shall not apply in the case of a vitamin, mineral, or other ingredient of food which the Secretary determines by regulation is represented for use by children or pregnant or lactating women. For purposes of this subparagraph, the term 'children' means individuals who are under the age of twelve years.

"(b)(1) A food to which this section applies shall not be deemed under section 403 to be misbranded solely because its label bears, in accordance with section 403(i)(2), all the ingredients in the food.

"(2) The labeling for any food to which this section applies may not—

"(A) list its ingredients which are not vitamins or minerals (i) except as a part of a list of all the ingredients of such food, and (ii) unless such ingredients are listed in accordance with an applicable regulation promulgated under section 403(j), or

"(B) give prominence to or emphasize ingredients which are not vitamins or minerals.

"(c)(1) For purposes of subsections (a) and (b) of this section, the term 'food to which this section applies' means a food for humans which is a food for special dietary use—

"(A) which is or contains any natural or synthetic vitamin or mineral, and

"(B) which—

"(i) as determined by the Secretary by regulation is intended for ingestion in tablet, capsule, or liquid form, or

"(ii) if not intended for ingestion in such a form, does not simulate or is not represented as conventional food (as defined by the Secretary by regulaiton).

"(2) For purposes of paragraph (1)(B)(i), a food shall be considered as intended for ingestion in liquid form only if, as determined by the Secretary by regulation, it is formulated in a fluid carrier and it is intended for ingestion in daily quantities measured in drops or similar small units of measure."

(2) Section 201(f) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(f)) is amended (A) by inserting "(1)" after "(f)", (B) by redesignating clauses (1), (2), and (3) as clauses (A), (B), and (C), respectively, and (C) by adding immediately after such section the following:

"(2) The term 'special dietary use' as applied to food used by man means a particular use for which a food purports or is represented to be used, including but not limited to the following:

"(A) Supplying a special dietary need that exists by reason of a physical, physiological, pathological, or other condition, including but not limited to the condition of disease, convalescence, pregnancy, lactation, infancy, allergic hypersensitivity to food, underweight, overweight, or the need to control the intake of sodium.

"(B) Supplying a vitamin, mineral, or other ingredient for use by man to supplement his diet by increasing the total dietary intake.

"(C) Supplying a special dietary need by reason of being a food for use as the sole item of the diet.".

(b) The Secretary of Health, Education, and Welfare shall amend any regulation promulgated under the Federal Food, Drug, and Cosmetic Act which is inconsistent with section 411 of such Act (as added by subsection (a)) and such amendments shall be promulgated in accordance with section 553 of title 5, United States Code.

Sec. 2. (a)(1) Section 403(a) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 343(a)) is amended (A) by inserting "(1)" after "If", and (B) by inserting before the period at the end a comma and the following: "or (2) in the case of a food to which section 411 applies, its advertising is false or misleading in a material respect or its labeling is in violation of section 411(b)(2)".

(2)(A) Section 201(n) of such Act is amended by inserting "or advertising" after "labeling" each time it occurs.

(B) Section 303 of such Act is amended by adding at the end the following new subsection;:

"(d) No person shall be subject to the penalties of subsection (a) of this section for a violation of section 301 involving misbranded food if the violation exists solely because the food is misbranded under section 403(a)(2) because of its advertising, and no person shall be subject to the penalties of subsection (b) of this section for such a violation unless the violation is committed with the intent to defraud or mislead.".

(C) Section 304(a) of such Act (21 U.S.C. 334(a)) is amended by adding after paragraph (2) the following new paragraph:

"(3)(A) Except as provided in subparagraph (B), no libel for condemnation may be instituted under paragraph (1) or (2) against any food which—

"(i) is misbranded under section 403(a)(2) because of its advertising, and

"(ii) is being held for sale to the ultimate consumer in an establishment other than an establishment owned or operated by a manufacturer, packer, or distributor of the food.

"(B) A libel for condemnation may be instituted under paragraph (1) or (2) against a food described in subparagraph (A) if—

"(i)(I) the food's advertising which resulted in the food being misbranded under section 403(a)(2) was disseminated in the establishment in which the food is being held for sale to the ultimate consumer,

"(II) such advertising was disseminated by, or under the direction of the owner or operator of such establishment, or

"(III) all or part of the cost of such advertising was paid by such owner or operator; and

"(ii) the owner or operator of such establishment used such advertising in the establishment to promote the sale of the food.".

(b) Chapter VII of such Act is amended by adding after section 706 (21 U.S.C. 376) the following new section:

"ADVERTISING OF CERTAIN FOODS

"Sec. 707. Before initiating any action under chapter III with respect to any food to which section 411 applies and which is deemed to be misbranded under section 403(a)(2) because of its advertising, the Secretary shall consult with the Federal Trade Commission and, for the purpose of avoiding unnecessary duplication, coordinate such action with any action taken or proposed to be taken by the Commission under the Federal Trade Commission Act.".

(c) The amendments made by subsection (a) shall take effect one hundred and eighty days after the date of the enactment of this Act.

FORMER FORMER MEMBERS

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. JACOBS. Mr. Speaker, because of the fine work of our former colleague Jed Johnson in the Former Members of Congress organization, I have been inspired to announce the formation of the Former Former Members' Organization. In order to qualify to pay dues one must, in fact, be a former former member—sometimes called retread or recycle.

BACK AT THE OIL BRINK

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. FORSYTHE. Mr. Speaker, I have in the past expressed my concern about the failure of Congress to act on reducing the U.S. dependence on imported oil, and I would like to reiterate those concerns in view of the present squabble over oil price decontrol.

I am appalled that Congress continues to shirk from its responsibility to end the U.S. dependence on foreign oil. Gradual decontrol is the wisest course to take to not only spur domestic oil production but also to reduce the United States demand for oil. Yet Congress refuses to enact its own decontrol plan, and refuses to compromise with President Ford on his decontrol measures.

The United States continues to be vulnerable to price and supply tactics used by the Middle Eastern oil producers. For the United States to extricate itself from this vulnerable position, which will not be cost-free, a carefully constructed plan for decontrol must be enacted. "Old" oil prices must be decontrolled in order to insure further production of this resource, which will require special equipment and expensive methods. But this further production is necessary if the United States is to become energy independent. The realities of the oil situation need to be recognized. President Ford has done this; Congress has not.

I call to the attention of my colleagues the following editorial from the Philadelphia Sunday Bulletin and I urge them to carefully consider the views it presents:

BACK AT THE OIL BRINK

Congress doesn't want to compromise with President Ford on decontrolling domestic oil prices, yet it shrinks from an effective program to reduce U.S. dependence on imported oil supplies.

That in a nutshell, is the situation as the latest round of oil brinksmanship between the President and Congress nears its climax this week. Neither Mr. Ford nor Congress wants the immediate surge in oil prices that a flat removal of controls on "old" domestic oil on Sept. 1 would produce.

Gradual decontrol is the wisest course for the nation both to spur domestic oil production and restrain rising U.S. demands for oil. Consumption pressures will increase as the economic recovery gains headway.

Even though it will require some nervy maneuvering, including a veto or two threatened or used, President Ford should insist on a congressional commitment to phased decontrol of domestic oil. The drift toward steadily higher dependence on imported oil has to be curbed—starting soon, not years from now. Mr. Ford knows that. Congress still isn't facing up to the situation.

The U.S. will be inviting deep trouble if it remains vulnerable to price and supply tactics at the disposal of Middle Eastern oil producers. That has been as plain as an empty gas pump since the 1973 oil embargo. Western European nations have so far been more intent than the U.S. on reducing oil consumption. Further, rapidly growing petrodollar reserves by Middle Eastern producers are a "sleeper" peril to international economic stability.

So long as gasoline supplies are plentiful, U.S. consumers would appear unlikely to accept for any sustained period the oil quota-allocation system that congressional Democrats seem to be favoring. A pricing strategy is necessary, and Congress itself has balked at higher gasoline taxes—the only other pricing alternative to Mr. Ford's program.

As the President apply noted, "There is no cost-free way to reduce our dependence on increasingly expensive foreign oil." His carefully constructed plan for a 30-month phase-out of controls on "old" domestic oil—that from U.S. wells before the 1973 embargo—would increase oil prices by seven cents a gallon by 1978. Coupled with Mr. Ford's proposals for a "windfall profits" tax on oil companies and refunds to consumers, gradual decontrol would be cushioned and sustainable. It would also provide a needed stimulus to speeding up new uses of coal and other energy resources.

In pushing for decontrol, Mr. Ford is not ratitying the monopoly power of the international oil cartel. He is both recognizing the going world price for oil and challenging the cartel's dominance in the only ways possible. Those are to cut U.S. oil consumption and increase domestic output of oil and other forms of energy.

"Old" oil represents 60 percent of the nation's continental production, which peaked in 1970 and has been falling increasingly short of meeting U.S. petroleum needs. Much of the remaining "old" oil requires special, expensive methods to recover. It won't all be produced at the controlled price of $5.25 a barrel.

Even if the wells could readily be pumped dry, however, the depletion of America's oil reserves would argue for higher prices to restrain consumption and extend remaining supplies.

Mr. Ford's recommendation for an eventual new $13.50 a barrel ceiling on domestic oil—equivalent to the current cost of imported oil—would keep the overseas cartel from pushing the domestic price still higher.

The President has been showing the sort of firmness on oil policy that has been needed since the fateful 1973 oil embargo. Congress needs to pull itself together and recognize compelling oil realities—for the nation's good.

There is no longer any really inexpensive oil available anywhere.

JACK ANDERSON CAUGHT REDHANDED

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. McDONALD of Georgia. Mr. Speaker, as a recent target of the professional smear artist, Jack Anderson, I have been taking an interest in his methods of operation. One of the more interesting incidents in his sordid career was when he was caught bugging a conversation between an attorney and employees of his client. This incident took place in Washington, D.C., on July 6, 1958, when Roger Robb, a prominent attorney, realized that a hotel room in which he was conferring with employees of Bernard Goldfine, his client, was being bugged from the next room. As a press conference had been scheduled shortly, the newsmen were brought to the room where they discovered the recording device, Jack Anderson, and Baron Shacklette, a congressional employee. Representative Orin Harris, Democrat, of Arkansas, announced that Shacklette was not on official business for the committee that Harris chaired and that Shacklette had been fired for his role in this incident.

Seventeen years later, Jack Anderson was miffed when an organization called Accuracy in Media exposed one of his phony stories. As a result of the AIM complaint, the media-sponsored National News Council found that Anderson had misrepresented and misquoted in the column in question. Anderson then took out his wrath on the chairman of Accuracy in Media, Reed Irvine, who is also an employee of the Federal Reserve Board. After a hearing in which both Irvine and Anderson testified, it was clear to everyone that Anderson was a liar and that Irvine had done nothing wrong. Anderson's attempt to get Irvine fired from his Government *job failed*. But an interesting coincidence was revealed: the administrative aide to the chairman of the subcommittee that heard the testimony was the same Baron Shacklette that had been caught bugging the room with Jack Anderson years ago. Shacklette's influence did not help Anderson, as his intended target Reed Irvine was exonerated. But, it would be interesting to ask the question, "Why is Shacklette still pulling Anderson's dirty irons out of the fire?"

CONGRESSIONAL PAY RAISE IS WRONG FOR TWO REASONS

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. SHUSTER. Mr. Speaker, the proposed pay increase for Congress is wrong for two reasons and I shall vigorously oppose it. It is wrong for Members of a current Congress to vote themselves a raise. Any such increase should not take effect until the next Congress so the people can vote for or against the Members in an election prior to the increase taking effect.

It is also wrong for Members of Congress to give themselves an automatic cost-of-living increase because it is the big spenders in Congress who cause the cost of living to rise through deficit spending. Consider the self-serving irony: First, Congress votes itself an automatic cost-of-living increase; then it continues to vote for big spending programs which will create an $80 billion deficit next year; the deficit forces the Federal Reserve to print more paper money to pay the Government's bills which in turn increases inflation; inflation drives up the cost of living and Congress automatically gets a pay raise.

The American people would be better off if Congress got a pay decrease when the cost of living went up and a pay increase when the cost of living went down. Then we might see more fiscal responsibility in Washington.

FLORIDA MEMORIAL

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. PEPPER. Mr. Speaker, the Florida Legislature recently memorialized the Congress, urging action to allow the continuation of agricultural activities in the "hole in the donut" area of Everglades National Park. You submited this memorial to the Congress on July 24 and referred it to the House Interior and Insular Affairs Committee.

I thought the text of this memorial should be included in the RECORD and I insert it at this point:

FLORIDA MEMORIAL

Whereas, the Hole-in-the-Donut area of the Everglades National Park is a unique and extremely productive farming area which has been in agricultural use for over 60 years, and

Whereas, the Hole-in-the-Donut area was excluded from the original boundaries of the park in recognition of its value for agricultural use, and

Whereas, in 1970, the Congress of the United States authorized the acquisition of agricultural holdings in the park, including the Hole-in-the-Donut area, and legislation was enacted requiring all farming to cease on the government acquired lands within the Hole-in-the-Donut area, and

Whereas, individual efforts by growers over the past 5 years to reach a compromise agreement with the Department of the Interior to allow farming to continue have been fruitless, and

Whereas, the remaining agricultural leases for the 3,500-plus acres farmed in the Hole-in-the-Donut area this year will expire on June 30, 1975, and

Whereas, an independent study of farming in the Hole-in-the-Donut area indicates that there is no history of, and no indication of future environmental damage as a result of farming in the areas, and

Whereas, the cessation of farming in the Hole-in-the-Donut area will have extremely severe social, economic, and environmental impacts as it will lead to the virtual destruction of the Hole-in-the-Donut area's tomato industry, which during a certain 6-week period produces up to half of all the tomatoes packed in the United States, and the unemployment of thousands of farmworkers, and

Whereas, the continuation of farming in the Hole-in-the-Donut areas is in the best interests of the nation and the park itself, as well as of the people of Florida, Now, Therefore,

Be it resolved by the Legislature of the State of Florida:

That the Congress of the United States is urgently requested to immediately take appropriate action to allow the continuation of farming in the Hole-in-the-Donut area of the Everglades National Park by providing for the continuation of the long term agricultural lease of 5,000 acres within that area.

Be it further resolved that copies of this memorial by dispatched to the President of the United States, to the President of the United States Senate, to the Speaker of the United States House of Representatives, and to each member of the Florida delegation to the United States Congress.

RECREATION AREA AND PRESERVE ON THE SNAKE RIVER

HON. AL ULLMAN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. ULLMAN. Mr. Speaker, as you know, I have introduced legislation—H.R. 30—to create a national recreation area and preserve the last free-flowing stretch of the Snake River in Hells Canyon. I would like to share with you an article from the Wall Street Journal that objectively presents the issues of dams and preservation. I recommend this article to all my fellow Members:

LONG BATTLE OVER DAMS ON THE SNAKE RIVER SEEMS ABOUT TO END IN VICTORY FOR ENVIRONMENTALISTS

(By Richard D. James)

HELLS CANYON, IDAHO.—Deep in this rugged, remote gorge, some 70 miles south of Lewiston, a small single-engine airplane twists and turns between steep canyon walls, following the Snake River as it cuts through the mountains.

"Right here we're under water," one of the passengers suddenly announces. Actually, the airplane isn't under water; it's 200 to 300 feet above the river. But the point being made is that if the river were dammed at a spot called Pleasant Valley, as proposed by a group of Pacific Northwest electric utilities, the water would back up to form a reservoir 34 miles long and, at this point, around 400 feet deep.

Whether to dam this 100-mile stretch of the Snake, which forms a portion of the Oregon-Idaho border, is the center of an intense fight that spans more than 20 years and that finally is coming to a climax. Initially the battle revolved around who would build the hydroelectric project, a consortium of private utility companies known as Pacific Northwest Power Co., or a group of public-utility districts in Washington State.

In 1967 those two opponents settled their differences and decided to build the project together. But about that time the environmental movement stepped into the picture, and since then the fight has been over whether the dams should be built at all, with the power industry on one side and environmental and conservation groups on the other.

STILL BEFORE THE FPC

It now appears that despite the nation's need for energy, the environmentalists are winning and that a project that would produce enough electricity to meet the residential needs of 2.3 million people won't be built.

Technically, the matter is still before the Federal Power Commission, which is considering applications to build the project. But legislation prohibiting dams in this section of the river has already passed the U.S. Senate, and sponsors of similar legislation in the House say passage there is imminent. The House Interior and Insular Affairs Committee is scheduled to begin action on the proposal tomorrow. Concedes one power company official: "I believe the bill will pass and be signed by the President. The political forces behind it are too great to stop."

If the legislation is indeed passed, it will create a 700,000-acre national recreation area, preserving largely unchanged what is considered to be the deepest river gorge in North America (a maximum of 7,900 feet, compared to the Grand Canyon's maximum of 5,500-feet) and an area that many agree is a natural wonder of spectacular beauty. That river, which flows between snow-capped peaks of the Seven Devils and Wallowa mountain ranges, is noted for its good fishing, including small-mouth bass, channel catfish, steelhead trout and Chinook salmon. The canyon lands themselves contain abundant populations of mule and white-tailed deer, elk and other wildlife.

The proposed hydroelectric project calls for construction of a 500-foot-high concrete dam at Pleasant Valley and a 275-foot-high dam some 20 miles farther downstream. Together they would back the river up for about 55 miles, flooding 7,300 acres in the lower reaches of the canyon and producing some 6 billion kilowatt hours of electricity annually. Cost of the project would be more than $500 million.

HATE MAIL AND THREATS

The battle over the project has often been emotional and bitter. One power company official says he received more than 150 "hate" letters from across the nation, including several assassination threats, after appearing on a national television documentary dealing with the matter three years ago.

From the power industry's viewpoint, the proposed Snake River development represents one of the few remaining potential hydroelectric sites in the Pacific Northwest. It's a site, advocates point out, capable of generating almost as much power as the enthe Tennessee Valley Authority development, which has 29 dams.

But from the opponents' viewpoint, the project means destruction of one of the nation's last remaining wild rivers. They observe that the river, which rises in Wyoming near Yellowstone National Park, already has been dammed some 15 times along its 1,000-mile course and that this segment is the last major free-flowing stretch.

Both sides agree that it's something of a fluke that the dams haven't already been built. In 1964 the Federal Power Commission granted a license to Pacific Northwest Power Co. to build the project, but at the 11th hour the U.S. Supreme Court stepped in and revoked the authority on grounds that the FPC hadn't adequately considered possible federal construction of the project. The case was returned to the FPC, where it eventually became entangled in the environmental issues.

Proponents argue that the dams are the cleanest and cheapest way of generating badly needed power for their 2 million customers in the Pacific Northwest. To build and operate an alternative generating plant would cost consumers at least $50 million a year more. Moreover, the dams would save 12 million barrels of oil or 4 million tons of coal annually, the prime alternative fuels used to generate electricity.

UNACCEPTABLE TRADEOFF?

"With hydro, you don't use up anything. It's always there, always coming down. But every year you don't use it, it's lost forever," says Hugh Smith, counsel for Pacific Northwest Power. (The company is owned equally by Portland General Electric Co., Pacific Power & Light Co., Washington Water Power Co. and Montana Power Co. Its partner in the hydro project is Washington Public Power Supply System, composed of 18 Washington State public-utility districts.)

Critics don't really dispute the proponent's figures. Instead, they counter that the dams' output would be a drop in the bucket compared to what's needed, supplying enough power to keep up with the region's forecast energy load growth for only seven or eight months. To drown a "precious national treasure" simply to provide for eight months of growth is an unacceptable trade-off, they say.

"It would be like turning the Notre Dame cathedral in Paris into condominiums to solve a housing shortage," says Peter Henault, a past president of the Hells Canyon Preservation Council.

The power companies say the dams would change the canyon's scenic character very little. Near the Pleasant Valley dam the water would be around 400 feet deep, but farther upstream, where the canyon is deepest, the water would rise only 90 feet and the gorge would still retain the distinction of being the deepest in North America, they say.

Moreover, except for a few places atop the canyon, one can't see the river below. Thus, the true scenic grandeurs of the area "are completely unaffected by the present river level or the undetectably higher reservoir level," says Mr. Smith.

The power companies, however, do concede that the dams would turn the river into a lake. And Douglas Scott, a Sierra Club representative says: "When all is said and done, the river is the very essence of this whole great landscape, and the focus of the visitors' attention. The river created this landscape, and the living river is essential to the full appreciation and understanding of this vast geologic story. Flood the river in its heart and you drown the very soul and spirit of the canyon."

PRESERVING HABITATS

Some archeologists say the reservoirs would destroy 200 important archeological sites that should be protected for future generations, and wildlife experts say the waters would inundate important elk and deer habitats in the bottom of the canyon. Such areas "are particularly important to wildlife during hard winters when the upper elevations are under a deep snow cover," states the Oregon Wildlife Commission, which opposes the dams.

Most importantly, damming the river would seriously injure the fish, it's argued. The governors of Idaho, Washington and Oregon all oppose the project partly on this ground. "We know the very great and tangible value of the Snake River salmon and steelhead runs to downstream and ocean commercial fisheries and to our sports fishing-tourism industry. Today those fish runs are at a point of crisis. Even one more dam would very likely destroy this multimillion-dollar resource," the governors said in a joint statement before congressional hearings on the matter.

The federal government currently is working with the three states to augment the fish runs with salmon and steelhead trout raised in hatcheries, "but it is imperative that this free-flowing segment of the Snake be preserved if we are to succeed in our efforts to raise these runs to anything approaching their former magnitude," says one U.S. Interior Department official.

Earlier this year both Oregon and Idaho denied the power companies' applications for permits to build the dams. Among the reasons cited were the potential destruction of spawning habitats and changes in water temperature that would damage aquatic life.

The power companies, which are contesting both of these rulings, say the dams' impact, at least on the anadromous fish such as salmon and steelhead, would be minor. Most of these fish, they claim, currently go up two of the Snake's tributaries, the Salmon and Imnaha rivers, to spawn. The dams would be located above the mouths of these rivers and thus wouldn't block the fish migrations.

WARMER-WATER TYPES

The companies agree that there would be a greater impact on other fish. Small-mouth bass, sturgeon and channel catfish would largely disappear, but based on experience at other reservoirs, the companies argue, these fish would be supplanted by warmer-water types including perch, crappie and some rainbow trout.

A final point advanced by the power industry is that reservoirs created by the dams would greatly enhance the area's recreation opportunities and make the canyon more accessible. For instance, because of the river's dangerous rapids, boating on the Snake now is limited to expert boatmen, and nonexpert members of the public "must buy their way down upon these waters in float trips or in commercial sight-seeing boats," says Wendell Satre, chairman and president of Pacific Northwest Power.

Reservoirs would cover the rapids and provide facilities for weekend boating, swimming and water skiing, the companies say. Water-related recreational use would grow to as much as 500,000 visitor-days annually from the present 20,000 to 30,000, they estimate. The only type of usage that would suffer would be white-water float trips, which are available on other wild rivers nearby.

Development also would include construction of two mass recreation areas in the canyon and "access roads to these two points would provide a major and spectacular sightseeing experience for travel by auto into the Snake River Canyon," according to a power industry project summary. "Without development millions of Americans who otherwise could will never see Hells Canyon."

The notion that reservoirs are needed to provide more recreation would have made sense in the Northwest 30 years ago, but not today, opponents say. "Today our great rivers are mostly slack-water reservoirs behind the many existing dams," says the Sierra Club's Mr. Scott. For those who want recreation on reservoirs, there are already seven major ones nearby behind existing dams on the Snake.

Dam opponents also cite studies showing that fishermen, boaters and others prefer the river's free-flowing stretches. The Oregon Wildlife Commission says a recent study shows that nearly four times as many boaters and three times as many recreationists during the summer preferred the free-flowing sections to the reservoirs, and during other seasons the preferences for the free-flowing reaches were even greater. The study also showed that four times as many anglers used the free-flowing portions.

OUR COUNTRY IS SUFFERING FROM AN OVERGOVERNED SOCIETY

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. CRANE. Mr. Speaker, government involvement in the economy has grown significantly in recent years—and has worked against the interests of the majority of Americans.

One of the most recent analyses which comes to this conclusion was published in June 1975 by the Brookings Institution. Brookings researchers examined the railroad, trucking, and airline industries for "the possibility and desirability of diminishing the scope of regulation." The unanimous conclusion was that an end to Government regulation would be in the best interests of the consuming public.

Similarly, Federal Trade Commission Chairman Lewis Engman recently noted that:

> Most regulated industries have become Federal protectorates, living in a cozy world of cost-plus, safely protected from the ugly specters of competition, efficiency and innovation.

To correct these problems, he called for reexamination of "every regulation or regulatory policy that contributes to inflation."

In an interview with Nick Poulos, financial editor for the Chicago Tribune, Chicago Banker Allen P. Stults noted that:

> Our country is suffering from the sickness of an overgoverned society. Government's tampering with the basic components of our economy—supply, demand and prices—was, is, and always be detrimental. And every government intervention is harmful. Without exception, it hurts the long-range economic well-being of the country.

Mr. Stults, chairman and chief executive officer of American National Bank and Trust Co., declared that most of the country's ills could be solved by simply letting the economy operate without interference. "Our markets are the most efficient elements of our economy," Stults continued. "They properly assess and they properly price. Price functions as the chastiser, the punisher of the oversupplier. The *economic* health of our country is the key to our overall well-being, and profits are the barometer of economic health."

It is high time that we rejected the advice of those who call for more, not less, governmental intervention in the economy and who criticize profits, rather than recognizing them for the sign of economic health which they are.

I wish to share with my colleagues the interview with Allen P. Stults conducted by Nick Poulos and appearing in the July 11, 1975, issue of the Chicago Tribune and insert it into the RECORD at this time:

STULTS HITS GOVERNMENT ECONOMIC TAMPERING

(By Nick Poulos)

"Our country is suffering from the sickness of an overgoverned society," Banker Allen P. Stults was ruminating.

"Government's tampering with the basic components of our economy—supply, demand, and prices—was, is, and always will be detrimental.

"And every government intervention is harmful. Without exception, it hurts the long-range economic well-being of the country."

Stults, chairman and chief executive officer of American National Bank & Trust Company of Chicago, told his visiting interviewer that most of the country's ills could be solved by simply letting the economy operate without interference.

"Our markets are the most efficient elements of our economy," Stults continued. "They properly assess and they properly price. Price functions as the chastiser, the punisher of the oversupplier.

"The economic health of our country is the key to our overall well-being, and profits are the barometer of economic health.

"These profits are the sole source—directly or indirectly—of financing all cultural, educational, and social activities.

"In a free enterprise system where there are no uncontrollable monopolies, there is no way profits can be too high. With our free markets working so that prices are determined by supply and demand factors, there's no way profits can be obscene.

"The higher the profits the better, because there is more money available to finance the better life in this country."

Stults noted an observation by journalist Eric Sevaried that the "chief cause of problems is solutions."

The implication, Stults said, is that unqualified people try to solve certain problems, or people qualified for other things are asked to solve problems in an area they should never attempt.

"Tom Martin, the educator who wrote 'Malice in Blunderland,' said our problems are caused by the 'provocative purveyors of panaceas,'" the banker added.

As for the state of the economy, Stults said the country's major problems have bottomed out.

"Our problems are mostly behind us—what we have to do now is fight the solutions," he said.

Stults noted that housing and autos are on their way back up, that inventory reduction for all practical purposes has been completed. Consumer confidence also has seen its low, and the inflation trend is favorable, he added.

Stults marveled at the ability of the economy to withstand the shock of double-digit inflation, the energy crisis, an unprecedented political upheaval, and an all-time low in consumer confidence—all occurring in a relatively short period of time.

"Even in this recession, the economy is functioning to the benefit of more than 95 per cent of our citizens," he said. "This hasn't been given the kind of recognition it deserves."

Stults had criticized a couple of decisions President Ford made early in his administration [the pardoning of Richard Nixon and the amnesty offer to Viet Nam War deserters] without first consulting his advisers or members of the Congress.

"If Ford had devised a game plan—which I don't think he did—I don't believe he could have done a better job of showing the nation he was a strong decision-maker," said the banker.

"But since then, I think he has done an excellent job; demonstrating he is a thoughtful statesman who does use his advisers, careful not to shoot from the hip, yet capable of decisive action as in the case of the Mayaguez ship seizure.

"He's made great strides in building the confidence of the nation in the fact it has an honest, dedicated statesman at the helm."

THE UNHINGED ALLIANCE

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. ROSENTHAL. Mr. Speaker, a distinguished American public servant, the Honorable J. Robert Schaetzel, former U.S. Ambassador to the European Communities, has just writen an important book "The Unhinged Alliance: America and the European Community."

Mr. Schaetzel's work is based on 4 years of service as Deputy Assistant Secretary of State for Atlantic Affairs as well as 6 years in Brussels as Ambassador to the European Communities.

It is a wise and cogent book which deserves the judgment of George Ball, former Under Secretary of State, who calls it—

By far the most perceptive study of the European Economic Community than any American has written.

In include below extracts from Ambassabor Schaetzel's epilogue which gave a good indication of the book's merit:

[From "The Unhinged Alliance: America and the European Community"]

Epilogue

(By J. Robert Schaetzel)

As the end of my years in Brussels approached, I welcomed escape from the government and the opportunity to reflect, away from official pressures and responsibilities, on the future course of American-European relations. Reducing these reflections to written form seemed then a simple task: describe the objective situation, the current state of the Community, the economic and political setting, and American attitudes and policy; and, with this in hand, let the prescription emerge.

Some reference to my dashed expectations is in order. All the reader need do is compare the end of 1972 with the end of 1974, just two years. January 1973 seemed an authentic turning point for Europe, from stalemate to fresh movement. With the settlement of the British question, at issue for twenty years, and enlargement of the Community accomplished, one could reasonably believe that French policy was evolving from the obstructionism of Gaullism. While inflation was worrisome, nonetheless, the European economy boomed, even holding the promise of lifting Britain out of its perenial doldrums. Nixon's 1972 electoral triumph implied, among other things, continued priority to foreign policy, with new emphasis on Europe, even though American diplomacy could be expected to employ the tested Nixon-Kissinger instruments—secrecy, confrontation, surprise—within an adversary environment.

* * * * *

As one sat in the midst of the broken crockery, the nagging question was whether there was any pattern behind it all. There was still the ill-defined support for European unity, even in the United Kingdom as the obscure battle between the Trades Union Congress and the moderates of the Parliamentary Labour Party drifted from London to Brighton. The resurrection of Franco-German intimacy recalled the original motor of European progress.

The abrupt departure of so many political leaders brought into question Kissinger's proclivity for resting international affairs exclusively on personal relations among heads-of-government. For those of us who thought the cycle of European crises and stalemate was broken, we could only recant and accept the fact that there would always be European problems. Gaullism was still alive and well in Brussels, only the language of obstruction was now English. Agriculture proved that it could be unmanageable under any set of economic conditions.

The search for the continuing threads revealed the strength of nationalism, in both America and Europe, the related obsession with domestic matters, and the complementary emergence of, not isolationism, but new forms of anti-internationalism. A strong thread was the unremitting European struggle to escape oppressive American domination. Manifestly impossible in defense or in superpower politics, and disconcertingly more distant in economics, the compulsive drive for a degree of independence sought outlet in other areas and other ways.

Despite all the turmoil, disputes, and misunderstandings, one basic constant has remained in the minds of responsible Americans and Europeans: the common interest in preserving the Atlantic relationship. As the agenda of problems lengthened—inflation, energy deficits, threats to the international financial system, food shortages, world population explosion—Europeans and Americans accepted, however grudgingly, that there was no chance whatever of solutions without American-European collaboration.

In this connection one wonders whether the Nixon-Kissinger diplomacy will turn out to have been aberrant or will be the enduring new form of American foreign policy. In terms of strategy, tactics, and style, it had been a relationship of perfect harmony between President and Secretary of State. In certain ways this diplomatic practice all too accurately reflected the domestic mood—the desire to limit commitments, the instinct for adversary relations and the excitement that the use, and abuse, of power creates. The encouragement of these anti-internationalist tendencies hardly eased the task of those who must administer American foreign policy in the future. There are other legacies. The soft background music of Atlantic harmony and devotion to Europe cannot block out the public memories of years of errors and omissions, interrupted by sharp charges and angry responses. A price must be paid for the degradation of language, of words emptied of meaning. A costly legacy may be the degree to which the Nixon-Kissinger diplomacy transposed the American public from participant to spectator—invited to observe, but not expected to become involved.

When applied to American-Community relations some elements of this inherited diplomacy may turn out to be durable. The skepticism of large ideas and of institutions may reinforce popular doubts about the end results, or even the possibility, of European unity. A pessimistic American public is certainly prone to expect the worst from its allies and to cast European actions in the least favorable light. While this mood prevails, Kissinger's exercise of power toward Europe is more congenial to the public than would be the exercise of restraint, or of forbearance. Fatigued by foreign affairs and roused only by crises, the American public plays neatly into the scenario of recent diplomacy.

* * * * *

In the coming years America will confront many critical issues in its relations with a uniting Europe. It will have to determine whether its interests will be best served by giving priority to Europe as an entity and as a concept or by sporadic relations with individual European states and by hasty expeditions to cope with immediate crises. If the first option is elected, then there will be the continuing need to insure that problems are managed within the largest political context.

There will be many seductive temptations. Pessimism, confusion, and cross-purpose among the Europeans will foster further skepticism about European unity. Credence will be given to those who urge that America stand aside and leave this subject to Europeans. The inclination to deal with Europe through Bonn, Paris, and London will persist, an American preference reinforced by the instinctive reactions of European leaders. This curious blindness, the superficial ease of dealing with the parts rather than with Europe as a whole, remains despite the accumulated evidence that the smaller countries cannot be ignored, for they have the spoiling capacity to block European and Atlantic actions. The OECD may emerge as the lowest common denominator for Atlantic economic cooperation, the easy course which raises for the nation-states no embarrassing questions of sovereignty. Each of these temptations works against a policy of support for close cooperation with a united Europe.

America must revive its credibility. The threadbare litanies must go. The Europeans must be convinced by indisputable actions that Washington's support for unity is clear and genuine. The policy of support must be exercised with discretion and patience.

RURAL DEVELOPMENT: BROKEN PROMISES II

HON. CHARLES ROSE III

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. ROSE. Mr. Speaker, this week nine witnesses testified before my Subcommittee on Family Farms and Rurel Development of the Agriculture Committee on the implementation of the Rural Development Act of 1972 (RDA). They represented organizations which are involved, in one way or another, with rural America.

Bill Murray of the National Rural Electric Cooperative reminded us of rural poverty. Leslie Peterson, president of the Primont, Minn., Farmers State Bank and Glenn Swanson of Independent Bankers Association of America urged for increased loan ceilings for rural residents, while Ruth Kobell, representing the National Farmers Union, expressed concern about the national recession translated into rural realities.

Clay Cochrane of Rural Housing Alliance and Bill Powers of Housing Assistance Council spoke about the need to improve rural housing; Cary Byrd, on behalf of the Center for Responsive Technology, and Bill Bivens from the National Association of Development Organizations, urged that municipal planning take place on a local, rather than Federal level.

Frank Tsutras, of the Congressional Rural Caucus gave an evaluation of the second RAD goals report. Robert Harbison of the National Association of Counties submitted written testimony in which he expressed concern with the cutbacks in RDA programs and the recission of emergency job programs.

RDA NOT IMPLEMENTED

Their verdict was unanimous: The Rural Development Act of 1972 is not being implemented and the problems in rural America are growing.

We are all deeply concerned about these problems. Rural America contains one-third of our population and almost one-half of our poor. Sixty percent of the Nation's substandard housing exists in rural areas and hundreds of communities are without basic community facilities.

And the problems are increasing because our rural areas are growing in population. Farmers are selling out to developers because of tax increases, or because the inflated land price is so attractive. In Tuesday's Washington Post, a farmer in Montgomery County talked about the possibility of selling his 121-acre farm. He said:

> Suppose somebody offers $10,000 an acre and you refuse it, and five years from now you can't get even half that? Then you'd be disappointed and feel like kicking yourself in the behind, now wouldn't you?

Sure he would. I would, too, and so would almost anybody else. And as urban areas encroach into rural areas, and as people move back to small towns in search of the roots that are nonexistent in an urban city, they take the problems with them. Unfortunately, we have been finding out that, for the most part, not much is being done to help the situation.

GOALS REPORT INCOMPLETE

The Second Annual Rural Development Goals Report, released in late June by the executive branch, has disappointed us. Instead of providing strong national leadership by creating a system of goals that could be used to revitalize the countryside, the administration states that national goals for rural areas "pose a dilemma" for them.

In fact, the report poses a dilemma for rural people everywhere. It offers no concrete guidelines for solving rural problems. The report works with "crude" figures and goals for fiscal year 1975 when we are concerned with fiscal year 1976 reality.

The report states that limited data and inadequate methodology made it impossible for comprehensive insights on rural development to be made, even though the administration does admit that the report is not in full compliance with congressional intent.

We cannot afford to wait any longer. The latest USDA figures show a pronounced reversal of the rural exodus and an increase in rural population. If we do not begin to serve the interests of these people in the short run, and make logical planning steps for the future, we will perpetuate an already pervasive attitude that the Congress is incapable of serving the people, and that the ordinary citizen is powerless within the democratic process.

We should begin immediately on next year's goals report, complying with instructions in section 603 of the RDA, to provide strong national leadership in rural America. The rural sector has been traditionally ignored, and we must begin to realize that poverty and lack of decent social services are not defined by city blocks and urban ghettos. The collapsing shanty of a small farmer is just as profound. What would be the reaction if a suburban resident had inadequate water or sewerage system? Poor health facilities? Inadequate schools?

Listen to Randall Williams of Montgomery, Ala., from a recent New York Times article about his experience as a poor country boy. He says:

> It really is hell to live in a house that was in bad shape 10 years before you moved in. . . . I woke up every morning for a year and a half with plaster on my face where it had fallen out of the ceiling during the night.

Mr. Speaker, nobody in this country should have to live like that, especially the people who work on the land to produce the food for our tables and the clothes for our backs.

With 30 percent of the population, rural Americans represent 44 percent of the nation's poor and live in 60 percet of the Nation's substandard housing. In real terms, this means that poverty is twice as common in rural areas as in the cities, and the prevalence of substandard housing five times as great.

The number of "elderly households" is increasing in rural America, bringing with them the economic problems of the elderly living on fixed incomes. Hopelessness and despair often accompany growing old in rural America, especially if family members have gone to the cities, and community services—especially health—are poor.

RURAL HOUSING INADEQUATE

The Department of Housing and Urban Development has been inadequate in the area of rural housing. Farmers Home Administration, on the other hand, though understaffed and under financed, has the expertise and grassroots understanding to be of real service to residents in rural America. Today a farmer must deal with two uncoordinated, complex bureaucracies, and he often gives up dealing with either. To make this system more effective and reduce the 60 percent substandard housing, we might separate the responsibilities of the two agencies and more clearly define their roles.

The housing problem is compounded by the fact that home loans to farmers are hard to get. The authorized loan programs of the RDA are of immense importance to the small community bankers, but technical details need to be worked out so that money will be more available. Also, the FmHA needs to provide more information and organizational support at the local levels. If FmHA regional staffs were increased, they could handle increased applications, as well as iron out local administrative differences. The loan ceilings need to be raised so that rural people can more realistically participate in the market.

Banks in rural areas have not taken advantage of RDA programs because of the complexity of processing loans and the number of "red tape" procedures. The Office of Management and Budget has axed rural development programs for the sake of fiscal conservatism because they say the programs do not work. They encourage farm families to "bite the bullet." In reality, the programs are not allowed to get started and function as Congress intended them to. If loans could be made more easily available to young farmers with new business ventures, we might be able to turn the trend of decaying rural America around.

Rural citizens have come to expect parity of incomes, living standards, community facilities, and services with those of urban and suburban dwellers. Now that the shift of population has gone back to the country, we must make strides in providing human programs of national consistency and quality.

We have reached a crossroads in serving all Americans. Economics, worldwide and domestic, and politics have been irreversibly altered by the events of the last five years. A new emphasis on improving the lot of all Americans, rural and urban, is sweeping Congress.

Congress has long called for the efficient coordination of national programs, such as the RDA, from the top of the executive agency to the grassroots implementation. The future presents us with a challenge of coordinating the programs that seek to quell the ills of all sectors. And if we meet the challenge, our country will be a better place to live because of it.

THE FUTURE OF HELLS CANYON

HON. AL ULLMAN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. ULLMAN. Mr. Speaker, one of the most important issues regarding the future of Hells Canyon is how we can provide the greatest recreation benefit. I would like to share with you the results of some recent studies that have been conducted to ascertain the present patterns of recreational use along the remaining free-flowing stretches of the Snake River and in the reservoirs created by the hydroelectric dams already constructed in the canyon. In deciding the fate of the only remaining free-flowing portions in Hells Canyon, we should carefully weigh how people can best use this unique corner of the world.

The Hells Canyon region is a rugged area with a low population density, but because of the many streams and rivers flowing out of the various mountain ranges and through canyons cut deep into solid bedrock, many dams have been built for flood control, irrigation, power generation, and recreation. However, because of the low population centers, most of these reservoirs do not receive heavy use by recreationists. In fact, recent studies indicate that the remaining free-flowing stretches of the river are preferred to the flooded sections.

The portions of the river that have not been inundated offer a greater variety of recreational opportunities than can be found in the flooded areas. When a dam floods the area behind it, it destroys the banks and upsets the balance of nature. The channel, home for several species of fish, is ruined and the destruction of the bank removes an important grazing source for wildlife. Raising of the water level affects flora and fauna in the upper reaches of the canyon by disrupting the careful temperature balance and thermal interaction between the rim and canyon floor. Any tampering with this balance affects all native fish and game and lowers the quality of natural recreational activities. Recreation activities in the remaining free-flowing stretches of the river include fishing, hunting, sightseeing, and recreational boating. Fisherermen pursue steelhead, salmon, smallmouth bass, channel catfish, trout, Dolly Varden, and white sturgeon. In addition, hunters stalk elk, deer, quail, chukar partridge, Hungarian partridge, ducks, and geese.

A 1970 study entitled "An Evaluation of Recreational Use on the Snake River in the High Mountain Sheep Dam Impact Area," surveyed Hells Canyon from Hells Canyon Dam to the proposed China Garden dam site. This is a distance of 75 miles or about 75 percent of the proposed Hells Canyon Recreation Area. The study concludes that:

> The . . . area is unique in scenic qualities, fishery resources, and boating opportunities. Recreationists from other regions are drawn into the area because of these features. Impounded areas of the Snake River are not unique, as similar types of reservoirs are numerous throughout the western states. White water boating by float boats and power boats is rapidly increasing. The Snake River in the Hell's Canyon is know to be one of the most challenging stretches of white water in the western United States. Many boaters interviewed in the study area volunteered their opinion that hydroelectric development should be curtailed on the Snake River, and only one individual volunteered that he preferred boating on a reservoir. The esthetic value of the Hell's Canyon area are becoming increasingly important to recreationists, and these values would be diminished by hydroelectric development in the study area.

Additional data collected on impounded and free-flowing portions of the Snake River from Brownlee Dam to below Hell's Canyon Dam during 1969 indicate a significantly greater use by anglers on the free-flowing portions of the river. Angler hours per lineal mile of water amounted to 53.6 on Oxbow Reservoir and 30.0 on Hell's Canyon Reservoir, as compared to 322.0 angler hours per lineal mile in the 1.6 miles of river below Hell's Canyon Dam. A survey conducted in 1968 by the Cooperative Fishery United of the University of Idaho revealed that about 65 percent of Idaho anglers fish streams, even though streams comprise only 22 percent of the available water surface area in Idaho. Some of the reasons that anglers prefer fishing streams rather than reservoirs are that the more desired species of game fish and scrap fish abound in the impounded waters. Approximately 73 percent of the anglers interviewed below Hell's Canyon Dam expressed a preference for steelhead, salmon, or sturgeon; those fishes that would be eliminated by hydroelectric development in the study area. The remainder of the anglers interviewed expressed a preference for smallmouth bass, rainbow trout, or channel catfish, and the quality of the fishery for these three species would be adversely affected by hydroelectric development in the study area.

"Studies conducted by Washington Department of Game revealed that hunters, as well as anglers, preferred those portions of the lower Snake River that were free-flowing to those portions of the river that were impounded.

"Considering preferences of recreationists, existing recreational use on the middle Snake River, and recent trends in recreation, it is anticipated that recreational benefits derived will be greater in future years if the remaining stretches of free-flowing Snake River are not developed for hydroelectric power."

Another study, "Distribution of Recreationists on Impounded and Unimpounded Sectors of the Lower Columbia and Snake Rivers" conducted by Terry Holubetz of the Idaho Fish and Game Department and Richard Simons of the Washington Department of Game also shows the preference for free-flowing over impounded stretches. It is interesting to note that the unimpounded sections were preferred by recreationists by a ratio about 4.5 to 1 in the winter, 8 to 1 in the spring, 2.5 to 1 in the summer, and 19.5 to 1 in the fall.

"Data collected on four sample days representing typical recreational use during the four seasons of the year illustrates the predominantly higher use of unimpounded sectors compared to impounded sectors of the Columbia and Snake Rivers. Preference of anglers for the unimpounded river areas was exhibited (Table 2) through the year.

"Distribution of all recreationists, including anglers, on the Columbia and Snake Rivers, is illustrated by season (Table 3).

"Use of recreational boats per linear mile of river was greatest on the unimpounded sectors of the Columbia and Snake Rivers in all seasons (Table 4).

TABLE 2.—COMPARISON OF RELATIVE ABUNDANCE OF ANGLERS USING IMPOUNDED AND UNIMPOUNDED SECTORS BY SEASON (EXPRESSED AS ANGLERS PER LINEAR MILE OF STREAM CHANNEL).

	Spring—Apr. 21, 1973	Summer—July 4, 1970	Fall—Oct. 24, 1970	Winter—Feb. 6, 1971
Unimpounded sectors	27.8	5.2	5.7	0.6
Impounded sectors	3.2	1.1	.1	.2

TABLE 3.—COMPARISON OF RELATIVE ABUNDANCE OF ALL TYPES OF RECREATIONISTS USING IMPOUNDED AND UNIMPOUNDED SECTORS BY SEASON (EXPRESSED AS RECREATIONISTS PER LINEAL MILE OF STREAM CHANNEL).

	Spring—Apr. 21, 1973	Summer—July 4, 1970	Fall—Oct. 24, 1970	Winter—Feb. 6, 1971
Unimpounded sectors	32.2	20	7.8	0.9
Impounded sectors	4.0	8	.4	.2

TABLE 4.—COMPARISON OF RELATIVE ABUNDANCE OF BOATS IN IMPOUNDED AND UNIMPOUNDED SECTORS BY SEASON (EXPRESSED AS BOATS PER LINEAL MILE OF STREAM CHANNEL).

	Spring—Apr. 21, 1973	Summer—July 4, 1970	Fall—Oct. 24, 1970	Winter—Feb. 6, 1971
Unimpounded sectors	6.6	4.6	1.4	0.1
Impounded sectors	.4	1.2	.03	.01

The importance of free-flowing or impounded river areas to anglers and other water-oriented recreationists is clearly demonstrated by the distribution of recreational activity. The results of this study indicate that the preponderance of impounded river areas (391 miles) supports a disproportionate amount of the recreational use in the study area.

In the past, comparisons of recreational use of impounded and unimpounded sectors have been confined to use estimates for the summer months only. These comparisons eliminated the high use periods for the unimpounded sectors associated with salmon and steelhead fishing. In addition, the comparisons were often made utilizing impounded waters with full development of access and picnic facilities in contrast to unimpounded areas with little or no development.

Steelhead and salmon angling has been relatively unsuccessful in impounded sectors of the Snake and Columbia Rivers. With the addition of each impoundment in the last several years, use by anglers has shifted and intensified in the remaining unimpounded river. Salmon and steelhead anglers of eastern Washington and Oregon who are not willing to travel great distances to pursue their sport are confined to the tailrace areas below each dam. A major portion of the anglers recorded as fishing in the impounded sectors of the Snake and Columbia Rivers were actually fishing in the flowing area immediately below the dams. If this angler use would have been classified as river use, rather than reservoir use, the importance of the unimpounded sectors to anglers would have been accentuated further.

Proximity of the study sectors to population centers influences the amount of recreational use, but in the length of the study area, the influence of population centers was probably equalized for both impounded and unimpounded sectors.

Density of recreational boats was greatest in impounded stream sectors in all seasons dispelling the theory that boaters shun flowing waters in favor of reservoirs.

The distribution of recreational use on the Snake and Columbia Rivers shows that recreationists prefer unimpounded sectors during all seasons of the year. In light of the findings of this study, any further development of dams on the Columbia or Snake Rivers would result in a net loss of recreational value. Extensive compensation efforts are being planned to restore losses of anadromous fishery resources of the Columbia and Snake Rivers. Compensation for sport fisheries on salmon and steelhead cannot be accomplished in impoundments. These compensation efforts will increase angling use of the unimpounded sectors of the Snake and Columbia Rivers and further enhance the recreational values of the free-flowing river sectors.

Messrs. Holubetz and Simons of the Idaho Fish and Game Department and the Washington Department of Game, respectively, collaborated on another study that further details the relationship between the natural condition of the canyon and the wildlife there:

The United States Army Corps of Engineers . . . publicly announced in 1969 that Asotin Dam was one of the most desirable of the proposed hydroelectric projects in the Columbia River system. On December 10, 1969, Major Harold L. Mathias, Acting Walla Walla District Engineer, stated that the present recreational use of the Asotin Dam impact area was estimated to be 10,000 visitor days and would increase to 30,000 visitor days upon completion of the project. Studies conducted by the Washington Department of Game from 1964 through 1968 indicated that use of this sector of the Snake River by hunters and fishermen was extensive. The Corps figure of 10,000 visitor days for the free-flowing river was believed to be far below the actual use of the impact area.

As the lower Snake River was impounded, a shift of angler use to the impact area was noted. Fishing in the newly-created impoundments for all species declined. Fishing for steelhead in Snake River reservoirs has proven to be almost fruitless based on a 1969 survey of fishing in Ice Harbor reservoir versus free-flowing river area. An expanded study of recreationists distribution on Snake River, conducted in conjunction with this study, also revealed the shift of angler use to free-flowing sectors of Snake River . . .

Construction of Asotin Dam would eliminate the qualities that now attract recreationists to the impact area. Impoundment would eliminate most flat land in the area including key riparian habitat necessary to sustain huntable upland bird populations in contiguous areas. Most all recreational use is concentrated in those areas that have flat land adjacent to water. Sand beaches which are cleaned and renewed by the high river flows would also be eliminated.

The steelhead fishery in the impact area is high in quality and catch per unit of effort is comparable to the best steelhead fishing in the Pacific Northwest. This is demonstrated when comparing creel census effort and success of other Washington summer run steelhead streams.

The Corps of Engineers estimate that the proposed reservoir behind Asotin Dam would have approximately 30,000 visitor days annually. If this estimate is accurate, construction of Asotin Dam would result in at least a 50 percent reduction of recreational use.

Recreational use is clearly not the major issue in the debate about the future of Hells Canyon, but it is certainly an important consideration. It has been argued that reservoirs offer more recreational opportunities to a greater number of people, but these studies have proven that a free-flowing Snake River will provide greater environmental benefits than reservoirs created by hydroelectric dams.

COMMENTS ON NOTICE 1975–11

HON. TOM STEED

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. STEED. Mr. Speaker, in keeping with my previously announced policy, I am today presenting for the benefit of my colleagues materials furnished to me by the Federal Election Commission. I would especially like to draw attention to the fact that comments on Notice 1975–11, which I provided for the Record of July 24, have been extended to August 30, 1975. Members wishing to locate other items which I have placed in the Record should consult those of June 2 and 25, and July 9, 14, 15, 16, 17, 23, and 24.

Comments on Notice 1975–11

AOR 1975–2: The Michigan Democratic Party (Multi-Candidate Political Committees) (Edited):

Dear Sirs: 1. It is my understanding that 18 U.S.C. Section 608(f) entitles state committees and their subordinate committees to make independent expenditures on behalf of a candidate for federal office in an amount up to $10,000 for a United States House of Representatives candidate and up to $.02 times the VAP for a United States Senate candidate.

In order to meet all of the reporting requirements of the federal law and those of our state laws the Michigan Democratic Party maintains two separate accounts—one for federal elections and one for state elections. My question to the Commission which I seek guidance on is this: Even though the moneys for federal elections are not kept in the official account of the Michigan Democratic Party, can they nevertheless be used to make the types of independent expenditures that are permitted for State Central Committees?

2. Section 608(f)(3) states that "A State committee of a political party, including any subordinate committee of a State committee" may not make an expenditure with regard to the election of a United States senator in Michigan of more than 2¢ times the VAP or for a United States representative, $10,000. How are we to interpret the phrase "subordinate committee"? Michigan statute establishes in addition to a State Central Committee, 83 county committees and 19 congressional district committees of each major party. There are some interlocking relationships between these organizations and the state committee but these relationships do not extend to our controlling their decisions on the raising or expenditure of campaign funds. Are we required under this act to institute a new system of control such as requesting them to file with us so that we can make a consolidated filing of all of their federal election expenditures or are they to be treated as any other other political committee and therefore limited to an expenditure of $1,000 on behalf of any candidate or are both they and the state committee permitted to make separate $10,000 expenditures? If they are not subordinate committees, I would presume the entire expenditure limit cited above would apply to the state committee. Since an interpretation that would require consolidated reports would result in the necessity for a great deal of explanation and re-organization within our party, I would urge a prompt response to this question."

3. Section 432(f)(2) and Section 433(e) and Section 434(2) all state that a political committee which is not a principal campaign committee "shall not file the required reports or statements with the Federal Election Commission" but instead with the appropriate principal campaign committee. Is there other language in the statute or legislative intent in the conference committee report that would indicate that these sections do not apply to state political party committees? A literal interpretation of this language would seem to indicate that we, as a state party, would have to file a complete statement of all contributions received and all expenditures made with every candidate whom we supported. If your answer to my first request also envisions the state party consolidating the reports of all of our local party committees, I believe you can immediately see the horrendous logistical problems such a requirement would create. It also appears to me the intent of this statutory language was to take care of those political committees who were supporting one candidate but were not the principal campaign committee. Since we support a number of candidates, I do not believe it would be practical to interpret the statute any other way but to have us file directly with your Commission. We will need an answer on this question well in advance of the first date on which we need to file.

4. Section 431(f)(4)(C) excludes from the definition of expenditures, communication by any membership organization to its members. Since we are a membership organization in Michigan and since the state party is not organized primarily for the purpose of influencing the election of any person to federal office, are our expenditures for our newsletter not an expenditure under the scope of the statute?

5. Does Section 437a. require the filing of reports by local political committees who do not receive contributions over $1,000 or make expenditures over $1,000 with regard to federal elections, to still report to the Federal Election Commission any moneys received or expended in a lesser amount which are used to influence the outcome of a federal election? Does the phrase "commits any act directed to the public" mean that such routine activities by a political committee as putting up a poster for a candidate for federal office must be translated into a dollar value and reported to the Commission? In the interest of not subjecting a large number of people to criminal prosecution for innocent actions, I suggest the Commission examine carefully the legislative intent behind this statute and write strict regulations regarding its interpretation.

Morley A. Winograd,
Chairperson.

AOR 1975–3: National Republican Congressional Committee (Multicandidate Political Committee) (Edited):

Dear Commissioners: The National Republican Congressional Committee (hereinafter "NRCC"), a political committee as defined by 2 U.S.C. Section 431(d), hereby requests that the Federal Election Commission (hereinafter "FEC"), issue an advisory opinion pursuant to 2 U.S.C. Section 437(f) as to the legality of the transactions and activities described in this letter.

On the basis of the facts and law set forth in this letter, it is requested that the FEC advise the NRCC, a multi-candidate political committee as defined by 18 U.S.C. Section 608(b)(2), that the following services and property which it provides to Republican Members of the House of Representatives (hereinafter "Member"), are non-campaign in nature and, therefore, do not count against its $5,000 campaign contribution limitation to a candidate in any election (*See* 18 U.S.C. Section 608(b)(2)) and also do not apply to the Member's election expenditure limitations. (*See* 18 U.S.C. Section 608(c)(1)(E)). These services are:

1. The NRCC's preparing and printing newsletters, questionnaires and other printed matter to be mailed by Members under the Congressional frank.
2. The NRCC's reprinting of excerpts from the *Congressional Record* to be mailed by Members under the Congressional frank.
3. The NRCC's paying the cost of tabulating responses to questionnaires sent by a Member to his constituents under the Congressional frank including the cost of using a computer for such tabulation.
4. The NRCC's reimbursing a Member for the cost of newsletter paper purchased by the Member from the House of Representatives Stationary Room to be used by the Member in preparing materials to be mailed by the Member under the Congressional frank.

FACTS

The NRCC is a political committee as defined in 2 U.S.C. Section 431(d) and 18 U.S.C. Section 591(d) and also qualifies as a multicandidate political committee pursuant to 18 U.S.C. Section 608(b)(2). The NRCC, which was founded in 1866, has traditionally provided various forms of support to Republican Members of the House of Representatives in connection wtih their fulfilling their duties as federal officeholders.

The NRCC provides to Republican Members of the House of Representatives a variety of services to assist the Members in fulfilling their duties as federal officeholders and in keeping their constituents informed on matters pending before the House. These services are not directed to a Member's campaign efforts. On the contrary, they permit a Member to provide citizens in his District with accurate and up-to-date information on the important issues in Congress as well as allowing the Member to receive and tabulate the opinions of his constituents on these same issues.

The monetary allowance which a Member receives from the federal government is not sufficient to cover the costs of these non-campaign services. The NRCC has for many years provided a certain percentage of the funds for said services and has furnished certain of these services in kind to Members.

The following services are among those which the NRCC has traditionally supplied to Members for non-campaign purposes:

1. The NRCC's preparing and printing newsletters, questionnaires and other printed matter to be mailed by a Member under the Congressional frank.
2. The NRCC's reprinting of excerpts from the Congressional Record to be mailed by Members under the Congressional frank.
3. The NRCC's paying the cost of tabulating responses to questionnaires sent by a Member to his constituents under the Congressional frank, including the cost of using a computer for such tabulation.
4. The NRCC's reimbursing a Member for the cost of newsletter paper purchased by the Member from the House of Representatives Stationery Room to be used by the Member in preparing materials to be mailed by the Member under the Congressional frank.

STEVEN STOCKMEYER,
Executive Director, National Republican Congressional Committee.

AOR 1975-5: Contributions for Campaign Debts Incurred Prior to December 31, 1972 (Requests Summarized by the Commission):

Facts: Candidates who ran for federal office in 1970 and 1971 have outstanding debts remaining from their respective election campaigns. Solely to liquidate these past debts, the former candidates and their campaign committees have been accepting contributions from a variety of legitimate sources. The former candidates and their campaign committees wish to continue accepting such contributions if this is permitted by the Federal Election Campaign Act of 1971 as revised by the Federal Election Campaign Act amendments of 1974 (hereinafter referred to as the "Act").

Source: William B. Stanley. 12–13–74, Taft '71 Committee. 5–21–75.

Issues: (1) To what extent is the Act applicable to current contributions made solely for repayment of debts stemming from federal election campaigns which ended prior to December 31, 1971?

Source: William B. Stanley. 12–13–74, Taft '71 Committee. 5–21–75.

(2) If 18 U.S.C. Section 608 is applicable to current contributions made solely for the repayment of debts stemming from a federal election campaign ending prior to December 31, 1972, are these contributions to be reported to the Federal Election Commission as relating to a prior election or should these be included within and counted toward the limitations provided for the next forthcoming federal election campaign?

Source: Taft '71 Committee. 5–21–75.

(3) If 18 U.S.C. Section 608 is applicable to current contributions made solely for the repayment of debts stemming from a federal election campaign ending prior to December 31, 1972, is a distinction made between contributions by the candidate and his immediate family, and contributions by some other person?

Source: William B. Stanley. 12–13–74. Taft '71 Committee. 5–21–75.

Sources (A.O.R. 1975–5): William B. Stanley, 17 Meadow Lane, Box 1129, Norwich, Connecticut 06360. Taft '71 Committee, through its Attorney, Richard Roberts, care of Richard Roberts, Esquire, Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202.

AOR 1975–6: Campaign Debts Incurred During the Period of January 1, 1973 through December 31, 1974, Inclusive (Request Summarized by the Commission):

Facts: Candidates for federal office in 1974 have outstanding debts remaining from their respective campaigns. If there is no conflict with the Federal Election Campaign Act of 1974 as revised by the Federal Election Campaign Act Amendments of 1974 (hereinafter referred to as the "Act"), several different approaches are proposed in order to eliminate the outstanding financial obligation:

(a) Former candidate wishes to personally pay her debts and the debts of her campaign committee.

Source: JoAnn Saunders. 2–3–75.

(b) Former candidates and their campaign committee wish to accept from other political committees contributions to be used solely to liquidate past campaign debts.

Source: Republican Congressional Boosters Club. 2–5–75, Representative Richard Kelley. 5–6–75.

(c) Former candidate wishes to cancel a debt owed to him by his campaign committee and, if appropriate, have the debt be treated as a contribution made in 1974. Creditor of a campaign committee wishes to cancel the debt owed him by the committee and treat it as a contribution made in 1974.

Source: Representative Richardson Preyer. 2–10–75. Democrats for Harlan. 5–22–75.

(d) A campaign committee owed a private survey organization two thousand dollars for 1974 election campaign services. In 1974, a private individual pledged to pay this amount in behalf of the committee, and executed a note in this amount in favor of the survey company. This pledge was duly reported by the committee to the previous supervisory officer in the report covering the last quarter of 1974. However, the survey company did not agree to accept the note in satisfaction of the committee's debt until after January 1, 1975.

Source: Hart for Senate Committee. 4–23–75.

Issues: (1) Is 18 U.S.C. Section 608 applicable to current contributions made solely to pay debts from a federal election campaign held during the period of January 1, 1973 through December 31, 1974, inclusive?

Source: JoAnn Saunders. 2–3–75, Republican Congressional Boosters Club. 2–5–75, Representative Richard Kelley. 5–6–75, Representative David Emery Committee. 5–14–75, James R. Soles. 4–30–75.

(2) If 18 U.S.C. Section 608 is applicable to current contributions made solely for the repayment of debts stemming from a federal election campaign held during the period of January 1, 1973 through December 31, 1974, inclusive, are these contributions to be reported to the Federal Election Commission as relating to a prior election or should these be included within and counted toward the limitations provided for the next forthcoming campaign?

Source: Republican Congressional Boosters Clubs. 2–5–75, Representative Richard Kelly. 5–6–75, Representative David Emery Committee, 5–14–75.

(3) If 18 U.S.C. Section 608 is applicable to current contributions made solely for the repayment of debts incurred during the period January 1, 1973 through Decmber 31, 1974, inclusive, is a distinction made between contributions by the candidate and his immediate family and contributions by some other persons?

Source: JoAnn Saunders. 2–3–75, Republican Congressional Boosters Club. 2–5–75, Representative Richard Kelly, 5–6–75, Representative David Emery Committee, 5–14–75, James R. Soles. 4–30–75.

(4) Is the 1974 Act applicable in a situation in which (a) a political committee owed a private research group $2,000 for 1974 campaign services, (b) an individual supporter of that political committee executed a promissory note in that amount in favor of the creditor in 1974, (c) the committee acknowledged the note as a pledge which was duly reported in the committee's report covering the last quarter of 1974, (d) but the note is not itself accepted by the creditor in satisfaction of the committee's debt until January 1, 1975?

Source: Hart for Senate Committee. 4–23–75.

(5) If a creditor of a campaign is willing to cancel a campaign debt incurred during the period of January 1, 1973 through December 31, 1974, inclusive, does the cancellation constitute a personal contribution under 18 U.S.C. Section 608 and should it thus be treated as any other contribution to repay campaign debts?

Source: Representative Richardson Preyer. 2–10–75.

Sources (A.O.R. 1975–6):

Democrats for Harlan, adopted request by Murray T. Johnson, care of Democrats for Harlan, 236 Argyle Avenue, San Antonio, Texas 72809. By its Request Dated: 5–22–75.

Representative David Emery Committee, care of Robert N. Pyle, 425 Cannon House Office Building, Washington, D.C. 20515. By its Request Dated: 5–14–75.

Hart for Senate Committee, care of Harold A. Haddon, Esquire, Suite 1130 Capitol Life Center, 16th at Grant Street, Denver, Colorado 80203, By its Request Dated: 4–23–75.

Representative Richard Kelly, adopted request by Representative John J. Rhodes, care of Honorable Richard Kelly, 1130 Longworth House Office Building, Washington, D.C. 20515. By its Request Dated: 5-6-75.

Representative Richardson Preyer, care of Honorable Richardson Preyer, 403 Cannon House Office Building, Washington, D.C. 20515. By its Request Dated: 2-10-75.

Republican Congressional Boosters Club, care of I. Lee Potter, Executive Director, 300 New Jersey Avenue, S.E., Suite 522, Washington, D.C. 20003. By its Request Dated: 2-5-75.

JoAnn Saunders, 2123 Alameda Drive, Orlando, Florida 32804. By her Request Dated: 2-3-75.

James R. Soles, 215 Vassar Drive, Newark, Delaware 19711. By His Request Dated: 4-30-75.

THOMAS B. CURTIS,
Chairman, for the Federal Election Commission.

Date: June 19, 1975.

ANOTHER DEFEAT FOR THE CAUSE OF PEACE

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. BINGHAM. Mr. Speaker, today's RECORD contains an explanation of my deep disappointment in the conference report on the military procurement appropriations, which I voted against. In particular, I spoke of the decision not to adopt the Senate's limited prohibition on MaRV testing as a defeat for the cause of peace and sanity. My remarks referred to an article which more fully relates my position on the MaRV question, and my reasons for thinking it such an important issue. I should here like to introduce the full text of the article, which I wrote at a time when the conferees still had a chance to adopt the Senate's sane approach to MaRV testing:

MIRV, MARV, AND THE BALANCE OF TERROR

"A screaming comes across the sky. It has happened before, but there is nothing to compare to it now. It is too late."—Thomas Pynchon, "Gravity's Rainbow."

The balance of terror: though the biggest of subjects, one seldom hears it discussed. Perhaps this is because of how technical the issue so quickly becomes: accuracy versus throwweight; MIRV's against silos; Tridents, Minutemen III, land mobile systems, strategic cruise, counter-force and verification . . . Or perhaps it is the very importance of the problem that hides it from scrutiny: the consequences of any major shift in the balance are so plainly disastrous that we avert our eyes. Let the generals mold the specific contours of the terror, let the experts fiddle with the fine tuning, while we attend to problems more susceptible to the processes of ordinary thought.

The military procurement bill for Fiscal Year 1976, now past both Houses and awaiting conference, is our heritage from two decades of leaving it to the generals. Over the last month, both Houses of Congress have carefully preserved this dubious heritage by passing up numerous opportunities to restrict the development of new arms technology. The only significant opportunity remaining was kept alive by the Senate last week, when it passed (by a vote of 43-41) a measure that would—at least provisionally—prevent the testing and deployment of MaRV (under the Senate amendment testing would be permitted only if the Soviet Union tested its own MaRV, or if the Soviet Union took action which made MaRV testing "essential" to our national security). Since the House has already refused to pass this restriction, a key decision about the future of the arms race is about to be made, behind closed doors, by House and Senate conferees.

Whatever the factors that determine their final decision, its implications are already a matter of very public record; the story of MIRV, MaRV's deadly elder cousin, is a clear illustration of how the testing and deployment of MaRV, if not prevented, will severely disrupt the fragile strategic balance between the U.S. and the Soviet Union.

For nearly two decades, that balance has been based on the mutual certainty that a first strike by one would be countered by an equally lethal blow. Hardened ICBM silos guaranteed each nation a second strike capacity, whose certain deadlines became the indispensable fulcrum of the balance of terror.

The U.S. decision in 1969 to test MIRV (Multiple Independently-targeted Re-entry Vehicles) posed a significant threat to this balance. Given warheads of sufficient accuracy and yield, the existence of missiles which could each deliver warheads to a number of silo targets rendered land-based ICBM's suddenly—and painfully—vulnerable. The consequent spectre of an American first strike potential seriously upset the tenuous nuclear balance. And that balance could hardly be said to have been restored when the Soviets so predictably developed their own MIRV; for when both sides are convinced that the adversary may be achieving a preemptive capability, the result, clearly, is less, not more stability.

Significant in maintaining some sense of continued stability—despite MIRV—has been the fact that, by itself, MIRV does not give a first-strike capability. There are three crucial factors in achieving such a capability. The first is numbers—and it is here that MIRV was such a breakthrough, since it could vastly increase the sheer numbers of striking warheads without requiring a corresponding increase in number of missiles. Having once arrived near their targets, however, warheads still face the formidable task of destroying a concrete silo.

Two factors determine whether the exploding warhead will fulfill its task. The first is yield (the power of the blast, measured in mega, or kilotons); and the second is accuracy. Of the two, accuracy is—surprisingly—considerably more significant (technically, it is said to be as important as the cube of the yield; meaning that if the accuracy of our warheads is three times that of the Soviets', theirs will be as effective as ours only if they are twenty-seven times more powerful). Thus, it is clear that any breakthrough in the accuracy of warheads will bring us close to accomplishing a first-strike capacity.

MaRV, the Maneuverable Re-entry Vehicle, places us on the verge of a breakthrough. Utilizing a TV, radar or infra-red terminal guidance system, a MaRV warhead will strike within little more than one hundred feet of its target. Such startling accuracy will wreak havoc with even the hardest concrete silo; it has been calculated that a standard Minuteman III warhead of only 170 kilotons would, with such accuracy, have a 99.9% kill probability against a Soviet silo, while even a forty kiloton Poseidon warhead would strike with a 99% likelihood of a kill.

MaRV is still in an early stage of development; although preliminary tests have been made on a related, though far cruder weapon (known as "evasive MaRV"), we are still nearly five years away from being able to test MaRV itself. And since testing is a prerequisite for deployment, this major hurdle continues to stand between us and the nightmare vision of young MaRV working hand-in-hand with the more mature MIRV to throw the strategic balance uncontrollably out of whack.

The point is, to keep that hurdle there.

A peculiar feature of such systems as MIRV and MaRV makes the pre-testing stage absolutely vital to any effort to control these technological monsters. Testing, unlike development or deployment, can be detected without introducing inspection agencies onto the territory of the foe. Thus, if the U.S. could sit down at the SALT talks with the Soviet Union, and agree that neither will test or deploy MaRV, the agreement could be easily implemented. On the other hand, should negotiations take place only after MaRV is tested, the difficulties of detecting its deployment would make both the negotiating process and subsequent inspection efforts far more difficult. We would be left in the same position that we were in after testing MIRV: enforcement of the SALT agreement limiting deployment of MIRV will depend, to a large extent, on faith; and, perhaps even more importantly, although its use is currently limited—in principle—by the Vladivostok Agreement, it is highly improbable that the MIRV systems will soon be dismantled. MIRV is a hard and current reality, which, by its very existence, continues to foster suspicion and instability.

MaRV politics should have as its goal a permanent, negotiated ban on the testing and deployment of MaRV. In order to show the Soviet Union that despite our wide lead in developing MaRV we seriously hope and intend never to deploy it, the Congress should prohibit the expenditure of funds to test either MaRV or "evasive MaRV." Such a limited prohibition, which would not even require halting MaRV research and development, would assure the Soviet Union *that the* U.S. is serious about avoiding the next qualitative leap in the arms race and would thus facilitate progress toward the goal of a negotiated and permanent ban on MaRV testing.

It is difficult to imagine a reason not to prohibit MaRV tests. American policy has always been that we do *not* seek to achieve a first strike capability—which is the only possible purpose for MaRV. And since the Soviet Union is well behind us in MaRV development, we lack the excuse that it is the Russians, not ourselves, who are escalating the balance of terror. The only remaining explanation of a decision to test MaRV would be that, as a nation, we are so dazzled by our own technological genius that we cannot resist it; that however compelling the reasons *not* to test and deploy our technology, we will do so anyway, because it is of our nature to do so.

The House and Senate conferees on the military procurement bill have a rare opportunity to show that our national character is not so fatally flawed; that we are, in fact, capable of rejecting the lure of technological dazzle when it becomes demonstrably dangerous and irrational. Adoption of the Senate's limited prohibition on MaRV testing will not make up for the current Congress' general willingness to embrace the appalling heritage of the arms race; but it will provide a signal, to the nation, the Soviet Union, and the world, that restraint and rationality are becoming part of America's policies on military development.

CONGRESS' RATE OF SUCCESS IN OVERRIDING VETOES OF PRESIDENT FORD BEST IN 20TH CENTURY

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. DRINAN. Mr. Speaker, I am pleased to report that with the overwhelming vote in the House yesterday to override the President's unfortunate veto of the health services bill, Congress raised to 13.5 percent its rate of success in overriding the 37 vetoes issued by President Ford since he came to office last August. During modern times, only Presidents Truman and Franklin Roosevelt have suffered more than the 5 overrides experienced by President Ford. These two Presidents, however, were in office for a total of 20 years and vetoed a combined total of 885 bills. Thus, on a percentage basis, Congress has had more success in overriding the vetoes of President Ford than it did in the case of Truman, Roosevelt, or any other President during the 20th century.

I should also point out, Mr. Speaker, that a considerable number of President Ford's vetoes have been of the pocket-veto variety, affording Congress no opportunity to affirm the will of the people by overruling his action. Several other Presidential vetoes have been sustained by a bare handful of votes. I am confident, Mr. Speaker, that yesterday's margin in the House of 384 to 43 to override the veto of S. 66 marks the inception of a new phase in the President's relationship with Congress. When Congress reconvenes in September, let us override the President's veto of H.R. 5901, the education division appropriations bill, by an equally convincing margin and further demonstrate that the American people will not stand for government through an Executive policy of inaction and paralysis which ignores the pressing needs of all our citizens.

I have reprinted below a table containing information on Presidential vetoes and Congressional success in overriding those vetoes since 1929:

President	Years	Vetoes	Overrides	Percent overridden
Ford	1	37	5	13.5
Nixon	5½	43	5	11.6
Johnson	5.0	30	0	0
Kennedy	3.0	21	0	0
Eisenhower	8.0	181	2	1.1
Truman	8.0	250	12	4.8
Roosevelt	12.0	635	9	1.4
Hoover	4.0	37	3	8.1

ASSISTANT SECRETARY OF THE INTERIOR JACK W. CARLSON MET WITH IDAHO MINING ASSOCIATION

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. SYMMS. Mr. Speaker, I was very pleased to learn that the Assistant Secretary of the Interior for Energy and Minerals, Dr. Jack W. Carlson, journeyed out to the beautiful First District of Idaho last week to meet with the Idaho Mining Association in their convention in Coeur d'Alene.

It is always reassuring to have a high ranking member of the executive branch go out to the grassroots and renew his ties with the people who make this great Nation work.

It is even more reassuring, however, to read the speech which Jack Carlson made before those people in their convention assembled on the shores of one of America's most beautiful lakes. In his speech, Jack Carlson called attention to the fact that this Nation is running head-on into a situation where we will be faced with mineral shortages similar to the energy shortage which now handicaps our economy and complicates our unemployment picture.

Mr. Carlson does an excellent job of pointing out that the public lands contain large areas which hold potential mineral resources which this Nation will need. He further points out that the withdrawals from the public lands for various worthwhile purposes has now proceeded so far that 55 percent of the public lands are closed to mineral entry. He added that implementation of current proposals for further withdrawals will—if adopted—increase that total to 78 percent of the public lands closed forever to mineral exploration.

Mr. Carlson sounded the call for careful consideration of all future proposals to lock this Nation away from its own mineral riches. His is no extremist position, he only asks this Nation to consider its own future needs for minerals when it is considering removing lands from the public domain for single purpose use.

It is a wise and needed warning, and I commend the Assistant Secretary for his foresight. I am pleased that he chose the mineral rich State of Idaho as a sounding board for his statements. I urge all Members, particularly Members from the Western States to take a few minutes to read Secretary Carlson's speech, which follows:

REMARKS OF ASSISTANT SECRETARY OF THE INTERIOR JACK W. CARLSON

Thank you Mr. Chairman, and Good Morning, ladies and gentlemen. Thank you for inviting me out here into the beautiful mountain West which I call home. Thank you also for giving me the opportunity to talk to you about a problem which this Nation will have to face up to in the very near future.

The problem is—stated simply—how are we going to keep on supplying the minerals which this Nation needs, in the increasing quantities which will be required in the next two decades?

I am well aware that government may make plans, and government may pass laws, and government may change the regulatory climate which can have a very marked effect upon your industry—but I am also aware that minerals do not come out of the ground in accordance with governmental regulation. Minerals do not come out of these mountains and into gondola cars by reason of a legislative action. I am aware that minerals must be mined—and they must be mined by you—before this Nation can benefit from their use.

It is fitting that we address the problem of continued sufficiency in mineral supplies here in beautiful Coeur d'Alene. This area is one of the Nation's most important in mineral production, yet its very beauty is one of the reasons why this Nation is now on a collision course between the two disparate concepts—the production of minerals on the one side and the preservation of beauty on the other side. Can we achieve environmental objectives and at the same time meet the Nation's needs for minerals? Can we afford to dedicate land to a single purpose use—if that land is needed for many purposes and if that land is suited to many needs? Coeur d'Alene is a fitting stage for this discussion. Idaho's mineral production in 1974 was valued at $196 million, with Shoshone County contributing over half of that total. Idaho leads the Nation as a domestic primary producer of silver, is second in lead and fifth in the production of zinc—yet Idaho, together with the other mineral producing states, is not producing anywhere near enough of these three minerals to satisfy the Nation's needs. Last year we imported 70 percent of the silver we used, 60 percent of the zinc and 20 percent of the lead.

The amounts of these three important minerals which we will require in the next two decades will certainly increase. We do not feel that we can reduce our imports of these metals, but we certainly want to encourage domestic production. We need to remind this Nation that an adequate supply of minerals is equally important to an adequate supply of energy, if we are to maintain the standard of living which the American people want.

In 1974, the Office of Management and Budget—which is an official arm of the President of the United States—studied the implications of our dependence upon foreign supplies for lead, zinc, and silver. At that time, we had been jolted heavily by the cartel actions of the OPEC nations *in turning* off the flow of cheap, seemingly inexhaustible crude oil. The Nation had to determine if there was a chance that our supplies of lead, zinc and silver could be shut off in the same manner, and we had to determine what the results would be to the Nation's economy, and to the Nation's safety.

The results of that study, which relied heavily upon statistical information compiled by our Bureau of Mines, were that we could not be hit with a cartel-caused catastrophe in these metals, similar to the cartel-caused catastrophe in the crude oil situation. However, it was definitely seen that short term supply disruptions were possible and that they should be avoided to the extent possible. We are monitoring and will continue to monitor that situation.

No matter the extent of the disruptions which are possible, it is obvious that we must expand domestic production—if we are to continue our economic growth and if we are to continue to maintain a position of national security, free from outside dangers.

We estimate that the growth of demand is in the nature of 1.4% for lead; 1.2% per year for silver and 2.6% per year for zinc. We are forecasting annual U.S. primary demand in the year 2000 as being 1.5 million short tons of lead; 3.1 million short tons of zinc and 230 million troy ounces of silver. It should be obvious to anyone that the continued dedication of public lands to a single purpose use will not help the industry supply America needs. Somehow we must remove some of the restrictions which are hampering our efforts—and your efforts—to produce the needed minerals in the quantities needed for an economically healthy Nation.

Obviously, the demand is increasing and will continue to increase. Even if Zero Population Growth could be achieved next year—the requirements of people who are already alive would dictate that we must increase our mineral production.

While common sense indicates that we must increase accessibility to minerals—there are many activities and actions currently under consideration, each of which will reduce accessibility of lands for mineral production.

In our part of the world, for example, consider the following: There is a proposal to establish the Hells Canyon National Recreational Area, which action would prohibit dam construction and create a national recreation area on the Middle Snake River. This proposal has the support of the Governors of Idaho, Oregon and Washington, and is supported by the Senators from Oregon and Idaho.

Although the southern part of this beautiful area contains potentially significant copper deposits and one active producing mine immediately adjacent to the south, we must remember that the NRA proposal—if enacted—would permanently prohibit future mineral entry in the area. The Administration proposes that no further action on NRA designation go forward until the ongoing mineral study by Interior's Bureau of Mines and Geological Survey is completed in 1976.

The United States Forest Service is conducting claim validity examinations on approximately 7,000 claims staked within the Sawtooth National Forest. The mineral potential study by the Bureau of Mines and Geological Survey put on record the fact that this area contains large undeveloped mineral resources and is one of the most highly mineralized and potentially productive regions in Idaho.

Governor Andrus wants the size of Idaho wilderness area increased over that recommended by the Forest Service, the Department of Agriculture and the President. The Governor has proposed upping the acreage to 1.8 million acres, and environmental organizations are pushing for a 2.3 million acre figure. Because this area is so beautiful, it is very attractive to environmentalists who seek to preserve natural beauty.

Each proposal to establish a wilderness area can be defended logically because so much of the mountain West fits the qualifications people have in mind when they use the words "wilderness area." But we must consider the other needs of man, in addition to his need for unspoiled beauty in his western scenery. And we must consider the cumulative effect of the addition of more and more wilderness areas. Is it possible to add up so many "good" proposals that their sum total is "bad"?

As of November 1973, 37 Idaho areas totalling 4 and a quarter million acres were identified as either existing or potential Forest Service wilderness area. In Montana, 46 areas totaling 3.6 million acres were identified; in Oregon, 22 areas with more than a million acres; and in Washington there are 29 areas comprising more than two million acres.

If all of these wilderness areas are incorporated into the Wilderness System, over 11 million acres will be removed from mineral entry on the public domain.

A summary of all the public domain shows that 55% of it has already barred from access for mineral exploration or production, and that percentage figure will rise to 78% if all pending proposals are adopted. Can we afford to dedicate such a tremendous part of our available land to the luxury of one-purpose use?

If each and every one of these proposed wilderness areas is a good proposal—if each and every one would make a valued contribution as a wilderness—can we afford the contributions and still remain strong and secure in our Nation's supply of minerals which are absolutely required?

As you are probably aware, the Energy Research and Development Administration is currently asking Congress for increased appropriations which would pay for the construction of a pilot power plant in the Raft River Valley, a plant which will produce energy from geothermal steam. Yet, geothermal steam is no longer the darling of the environmentalists—and we have the suit filed by the Sierra Club to halt geothermal development as proof of this activity. The new concern for the environment is based on the fact that geothermal brines may pose an environmental disposal problem—and on the fact that the high temperature discharge of the geothermal steam or hot water may result in thermal pollution. We agree that these problems must be addressed and that they must be conquered. We do not agree that the orderly development of alternate sources of energy—nor additional sources of minerals—should be halted by unreasonable environmental attacks.

As I am sure you already know, thorite deposits in the Lemhi Pass area are being considered as a source of fuel for a nuclear reactor in Pennsylvania. The thorite resource appears significantly large. Obviously, this requires further exploration. The orderly development of nuclear reactor power sources has been seriously hampered, and in many instances stopped outright . . . by well-meaning persons who worry about possible pollution, and/or about possible danger from nuclear reactors, or by worry about storage of the waste products of the nuclear processes. We must address the problems of nuclear radiation leaks, and the problems of waste product storage and the problems of thermal pollution potential which accompany nuclear plants. But there is a great difference between addressing and solving problems—on the one hand—and abandoning a very promising energy source because of hysterical attacks. Let's put things in perspective. It is certain that bee stings caused more deaths in the United States last year than did pollution from nuclear power plants.

Ladies and gentlemen of the mining industry, it is obvious that it is possible to have too much of a good thing.

Many wilderness proposals are good things. But we can have so many that our ability to provide for our needs is severely curtailed. It is possible to have too much wilderness area and too much national recreation area and too much game range. But we do not have to have too much. We can address our problems and we can conquer them.

Clean Air legislation is, of itself, good. It protects the health and safety of the human population, and that is a good thing. But it is possible to have too much of a good thing. It is possible to have restrictions enacted into law which unduly restrict production, without safeguarding human life. It is possible to have too much Clean Air legislation—of the wrong kind. At a time when this Nation desperately needs all of its energy sources, we have clean air legislation which makes it almost impossible to expand the use of abundant coal—yet which do not safeguard human life or human safety. We need to change those rules. Not abandon the principle, just remedy the excesses which have crept into the legislation, into the regulations and into the court decisions—most of which have been caused by our zeal to do a good job of protecting the environment.

But here—again—Interior's mineral resource study disclosed areas of potentially significant mineral deposits that were not considered in the recent hearing on the larger NRA held by the House of Representatives in Washington. More importantly, we have not had the resources to make a mineral study of about two-thirds of the larger area under consideration. So the question becomes, "Should we make decisions concerning public lands future use before we ever learn what minerals those public lands contain?" . . . and another question grows louder all the time, "Where will the Nation find the minerals for generations yet to come?"

In addition to the problem of disappearing acres of public domain, the mining industry is facing another challenge—a battle between those who would preserve the native beauty and those who must produce the needed minerals. The mining industry is not winning that battle, not at the moment and not here in Idaho.

As you are aware, metal pollution of the South Fork of the Coeur d'Alene River and in the beautiful lake itself, is being studied by the University of Idaho and by Washington State University. The source of that pollution is reported as tailings from the Coeur d'Alene Mining District that have washed downstream.

Today's mining adheres to stricter standard than were in effect when this was a frontier land. Today's mining does not—must not—leave permanent scars. Proper extraction techniques can remove the minerals the Nation needs and still leave a landscape suited to recreational use for future generations.

The Environmental Protection Agency has ordered the Bunker Hill Company to reduce sulfur dioxide emissions by 85 percent by August 1975 and by 96 percent in 1977. The State plans call for a 72 percent reduction by August of 1975. The State Director of the Department of Health and Welfare says that the state plan will be enforced without EPA approval if necessary. Governor Andrus has been reported as saying that the state will not hesitate to defend Bunker Hill against EPA if EPA insists upon unrealistic regulations. We are very happy to report that the pilot plant which Bureau of Mines is operating at the Bunker Hill smelter, using the citrate process to remove SO2, is showing excellent promise.

But the question comes louder all the time, how are we going to produce the needed minerals if the producing area is even more severely circumscribed?

But this is not the end of the story at all, insofar as reduced accessibility to the public lands is concerned. Let us go a bit farther. . . .

The Alpine Wilderness Area in the Cascade Mountains of Washington calls for an area of 292,000 acres as proposed by the Forest Service. The Alpine Lakes Protection Society, a group of environmental organizations, wants a 575,000 acre wilderness core surrounded by a 437,000 acre national recreation area, which would remove not 292,000 acres—but more than a million acres, from the area upon which you must produce the Nation's needs in the next decades. I am sure that the Alpine Lakes area is worthy of designation as a Wilderness Area, or as a National Recreation Area. Its support by the mayors of Seattle and Tacoma, and even by Governor Evans of Washington shows that it is a worthy proposal.

In addition to the wilderness proposals shrinking the world we have to work with, and in addition to the necessary and unnecessary environmental constraints shrinking the area in which we have to work—there is another danger at the present time. There are many moves afoot to revise, reform, re-enact, amend and otherwise change the venerable old Mining Law of 1872, which has served this Nation well for more than a century. The Administration favors updating and improving the Mining Law of 1872. But we are worried that we may have too much of a good thing here also. We remember that the individual prospector is the man who located most of our minerals in the past . . . and we do not want to lose him. We remember the contributions made by the small mine operator in building the Nation we have today . . . and we don't want to lose him.

Last week I had the privilege of testifying before the Subcommittee on Mines and Mining of the House Interior Committee relative to the proposals to change the Mining Law of 1872. I stressed five main points, objectives which we believe that any reform of the Mining Law should address.

1. Exploration, development and production of minerals on public lands should be encouraged through adequate access to the public lands.

2. The Federal Government should continue to rely on the private sectors for mineral exploration, development and production of essential minerals.

3. Any law would assure adequate security of tenure to the minerals discovered, but not necessarily to surface ownership. After completion of the normal mining cycle, title to public lands must remain with the public.

4. Claims, long since dormant, which remain as clouds upon titles to some of these lands, should be identified and either recorded or allowed to lapse.

5. Any new mining law should provide for sound environmental controls during exploration, development, mining, and should provide for land reclamation after mining.

It is our hope that the Congress of the United States will come up with changes to the Mining Law of 1872—changes which are overdue and needed. It will be a good thing if they do come up with some changes. But again we don't want too much of a good thing.

By now I must be beginning to sound like a broken record . . . but my point is worth repeating, and we must repeat it over and over again to all segments of the American public.

Wilderness areas are good things, and environmental restrictions are good things. But it is possible to have so much of one good thing that it over-balances other desirable things, giving an overall negative effect.

It is possible to have so many good things that we cannot produce the minerals which this Nation needs.

We can have too much of any one thing.

Thank you.

HOUSE OF REPRESENTATIVES—*Thursday, July 31, 1975*

The House met at 10 o'clock a.m.

Rabbi Lewis A. Weintraub, Temple Israel, Silver Spring, Md., offered the following prayer:

O Heavenly Father, reverently I stand in this sacred sanctuary of our corporate national life to implore Thy blessings upon this session of our people's elected Representatives. May Thy spirit be with them to bless them, to guide them, and to inspire them. Keep them physically well and morally strong to perform their tasks in justice and equity. Inspire them to make our laws just and fair, our economy productive and equitable, our culture deep and true, to the end that every citizen may enjoy fully the blessings of freedom and equality.

As we approach our Nation's Bicentennial we pray Thee to unite all the inhabitants of this land into a bond of true brotherhood promoting the welfare of our country and the happiness of its citizens. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4723) entitled "An act authorizing appropriations to the National Science Foundation for fiscal year 1976."

The message also announced that the Senate agrees to the conference report and to the amendments of the House to the amendments of the Senate numbered 18 and 48 to a bill of the House of the following title:

H.R. 8597. An act making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

The message also announced that the Senate agrees to the amendment of the House with an amendment to a concurrent resolution of the Senate of the following title:

S. Con. Res. 44. Concurrent resolution to provide for the appointment of a Joint Committee on Arrangements for the Commemoration of the Bicentennial of the United States of America.

The message also announced that the Senate had passed bills and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 2136. An act to amend the Securities and Exchange Act of 1934;

S. 2209. An act to amend the Bank Holding Company Act of 1956, as amended, to provide special procedures for the acquisition of failing banks or bank holding companies and for the acquisition of banks or bank holding companies in emergencies; and

S. Con. Res. 57. Concurrent resolution authorizing the printing of additional copies of the report of the Select Committee To Study Governmental Operations With Respect to Intelligence Activities.

RABBI LEWIS A. WEINTRAUB

(Mr. GUDE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GUDE. Mr. Speaker, I am pleased to note that the invocation today has been given by Rabbi Lewis Weintraub, the spiritual leader of Temple Israel, in Silver Spring, Md.

Rabbi Weintraub is an active leader in civic and community affairs. He is now serving as a member of the President's and the Governor's Committee for the Employment of the Physically Handicapped, of the executive council of the Jewish Community Council of Greater Washington, of the board of the Hebrew Academy of Washington, of the Intergroup Relations Committee of the Jewish Community Council, of the Ministerial Association of Silver Spring and of other fraternal organizations such as B'nai B'rith, the Masonic Lodge, and the Association of Jewish Chaplains.

Rabbi Weintraub received an honorary doctor of divinity from the Jewish Theological Seminary of America at a special convocation in 1971.

I am delighted to have him with us.

PERSONAL EXPLANATION

(Mr. HUNGATE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUNGATE. Mr. Speaker, when one of our colleagues from Maryland called yesterday for a recapitulation, I heard him with some sympathy. I heard voices back here crying, "The machine is not working."

On page 24844 of the July 25, 1975, Congressional Record, I am shown as having voted "nay" on rollcall No. 437 in consideration of H.R. 5900.

Had I been present and voted, I would have voted "yea." However, to the best of my knowledge, recollection, and belief, I was not present for that vote, and since I was not present, I therefore did not vote on that issue.

Mr. Speaker, my wife confirms my recollection that we left the Capitol Building at 3:45 p.m. to catch a plane at Dulles International Airport.

I am advised by the computer that the vote began at 3:45:20 p.m. The computer shows that Hungate put his card in station 27 at 3:50:26 p.m. and did not vote; and that Hungate put his card in station 27 at 3:50:29 and voted "nay."

Anyone unfortunate enough to do battle with a computer in attempting to correct a credit card billing error understands the frustration in dealing with machines that supposedly do not make mistakes. Although Hungate knows he did not vote on rollcall 437, the computer apparently knows better.

One such computer translated the poet's phrase "out of sight, out of mind" from English to Russian and back to English, ending up with the phrase "invisible maniac."

I do not know what language one would use to explain to that computer that it had made a mistake, any more than I know how to convince the House computer that it somehow got its wires crossed. Until I find the words, I will have to settle for a disclaimer in this public record which, blessedly, is not yet printed by computer.

PRESIDENT FORD SHOULD SUSPEND FURTHER GRAIN SALES TO SOVIET UNION

(Mr. ANDERSON of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANDERSON of California. Mr. Speaker, yesterday I wrote to President Ford, asking him to suspend any further grain sales to the Soviet Union until an accurate estimate can be made on the effects of further sales on our domestic food prices.

If anything deserves a veto, these sales do. To date, approximately 10.3 million tons of wheat and other grains have been purchased by Moscow, and the total sales this year are expected to reach at least 22 million tons. Apparently we have not learned anything from the events 3 years ago, when a 19-million-ton purchase of American grain by the Soviets caused domestic food prices to shoot out of sight.

Although Secretary of Agriculture Earl Butz has stated that the sale will have only a minimal effect on U.S. price levels, Federal Reserve Chairman Arthur Burns has expressed fears that large-scale sales may well force domestic prices up. Since rumors about the sales first started earlier this month, the price of wheat has increased by more than 30 percent, corn by more than 20 percent, and soybeans by 25 percent.

I agree with the longshoremen who have refused to load Soviet-bound wheat unless it is proven that the sales will not hurt our consumers. Therefore, I strongly feel that no further grain sales to the U.S.S.R. should be allowed until their impact is known.

If it turns out that the sales will not leave us with a shortage, we can let our farmers go ahead and sell the grain.

But we simply cannot let the events of 1972 repeat themselves, and allow the consuming public to pay the price of shortsighted economic policies through high food costs.

DECEIT AND THE RUSSIAN WHEAT DEAL

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BIAGGI. Mr. Speaker, events of the last several days have presented convincing evidence that the Secretary of Agriculture has deceived and misled Congress and the American people about the new Russian wheat deal's true effects on food prices.

In promoting this wheat sale to the Soviet Union, the Secretary of Agriculture has contended that it would cause only a slight effect on bread prices. He conceded, however, that there would be at least some increase.

Now the Chairman of the Federal Reserve Board, Mr. Burns, has come forward with his own assessment that this Soviet-American wheat deal will cause domestic prices to soar on bread and other wheat products.

It appears that, while the Soviet purchase of grain may serve to enhance our already favorable balance of trade, it will also impose an unacceptable hidden tax on American consumers in the form of drastically increased prices for bread and other wheat products.

The cost of détente with the Soviets should not be included in the daily food budget of every American family. The administration should not require Americans to pay the price of détente every time they go to the supermarket.

Mr. Speaker, while the administration fiddles with figures, the American consumer is getting burned by this deal. It must be stopped before its effects are felt at every dining table in America.

OUR SURPLUS WHEAT SHOULD BE SOLD

(Mrs. FENWICK asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. FENWICK. Mr. Speaker, I would remind the Members of the House of the very fine discourse of our distinguished colleague, the gentleman from Iowa (Mr. SMITH), concerning the sale of wheat.

The surplus in this country is enormous and must be sold. We never consume all our crop, and the farmers are expecting to be able to sell it for the hard cash which sales to Russia provide.

I hope that our colleagues will read the very able discourse of our distinguished colleague, the gentleman from Iowa (Mr. SMITH), in consideration of these matters. It is important that the people of this Nation should fully understand the reason for these sales and, in fact, the necessity of these sales, unless we are to charge them very large sums for storage of the crop.

IN RE: POSSIBLE VIOLATION OF 18 U.S.C. 371, 1001

The SPEAKER. The Chair laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
July 28, 1975.

Hon. CARL ALBERT,
The Speaker, House of Representatives.

DEAR MR. SPEAKER: On this date, I have been served with a subpoena duces tecum by a representative of the U.S. Department of Justice, that was issued and signed by the acting Chief Judge for the U.S. District Court for the District of Columbia. This subpoena is in connection with a possible violation of 18 U.S.C. 371 and 1001.

The subpoena commands me or my authorized representative to appear before the Grand Jury of the U.S. District Court on August 1, 1975, and requests certain House records of Loretta Valena Sanderson, that are outlined in the subpoena itself, which is attached hereto.

House Resolution 9 of January 14, 1975, and the rules and practices of the House of Representatives indicate that no official of the House may, either voluntarily or in obedience to a subpoena duces tecum, produce such papers without the consent of the House being first obtained. It is further indicated that he may not supply copies of certain of the documents and papers requested without such consent.

The subpoena in question is herewith attached, and the matter is presented for such action as the House in its wisdom may see fit to take.

With kind regards, I am,
Sincerely,
W. PAT JENNINGS,
Clerk, House of Representatives.

The SPEAKER. The Clerk will read the subpena.

The Clerk read as follows:

[U.S. District Court for the District of Columbia]

SUBPOENA DUCES TECUM

(In re possible violation of 18 U.S.C. §§ 371, 1001)

To: Honorable W. Pat Jennings, Clerk of the House of Representatives, Washington, D.C., or his authorized representative:

Bring with you: All original and official payroll, tax and personnel documents and materials, relating to Loretta Valena Sanderson, social security number 417-54-8225, for the period beginning January 1, 1969 through the present, such documents and materials to include all applications for employment, W-4 Federal Tax Forms, clerk-hire forms, personnel files, payroll ledgers or journals, and House of Representative records reflecting all United States Treasury checks, by number, issued to Ms. Sanderson during the above-mentioned period.

You are hereby commanded to attend before the Grand Jury of this Court on Friday the 1st day of August, 1975, at 9:30 a.m. to testify and produce the aforesaid documents on behalf of the United States, and not depart the Grand Jury without leave of the Court or United States Attorney.

Witness: this 25th day of July, 1975.

HOWARD F. CORCORAN,
Acting Chief Judge, U.S. District Court for the District of Columbia.

Mr. O'NEILL. Mr. Speaker, I offer a privileged resolution, House Resolution 663, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 663

Whereas in a Grand Jury Investigation pending in the United States District Court for the District of Columbia, a subpena duces tecum was issued by the said court and addressed to W. Pat Jennings, Clerk of the House of Representatives, directing him to appear as a witness before the grand jury of the said court at 9:30 o'clock antemeridian on the 1st day of August, 1975, and to bring with him certain papers and documents in the possession and under the control of the House of Representatives: Therefore be it

Resolved, That by the privileges of the House no evidence of a documentary character under the control and in the possession of the House of Representatives can, by the mandate of process of the ordinary courts of justice, be taken from such control or possession but by its permission; be it further

Resolved, That when it appears by the order of the court or of any judge thereof, or of any legal officer charged with the administration of the orders of such court or judge, that documentary evidence in the possession and under the control of the House is needful for use in any court of justice or before any judge or such legal officer, for the promotion of justice, this House will take such action thereon as will promote the ends of justice consistently with the privileges and rights of this House; be it further

Resolved, That W. Pat Jennings, Clerk of the House, or any officer or employee in his office whom he may designate, be authorized to appear at the place and before the grand jury in the subpena duces tecum before mentioned, but shall not take with him any papers or documents on file in his office or under the control or in the possession of the House of Representatives; be it further

Resolved, That when the said court determines upon the materiality and the relevancy of the papers and documents called for in the subpena duces tecum, then the said court, through any of its officers or agents, be authorized to attend with all proper parties to the proceeding and then always at any place under the orders and control of this House, and take copies of those requested papers and documents which are in possession or custody of the said Clerk; and the Clerk is authorized to supply certified copies of such documents or papers in his possession or control that the court has found to be material and relevant and which the court or other proper officer shall desire, so as, however, the possession of said documents and papers by the said Clerk shall not be disturbed, or the same shall not be removed from their place of file or custody under the said Clerk; and be it further

Resolved, That as a respectful answer to the subpena duces tecum a copy of these resolutions be submitted to the said Court.

The resolution was agreed to.

A motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. DEL CLAWSON. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 465]

Anderson, Ill.
Andrews, N.C.
Archer
Armstrong
Baldus
Barrett
Bell
Buchanan
Byron
Chappell
Clay
Conyers
Dellums
Devine
Dodd
Drinan
Esch
Eshleman
Florio
Flynt
Foley
Fraser
Fulton
Giaimo
Gibbons
Harsha
Hayes, Ind.
Hèbert
Heckler, Mass.
Horton
Ichord
Johnson, Colo.
Jones, Ala.
Kastenmeier
Kelly
Kemp
Lehman
Litton
McClory
Matsunaga
Mollohan
Montgomery
Neal
Pattison, N.Y.
Pike
Rosenthal
Scheuer
Shriver
Shuster
Stanton,
  James V.
Teague
Udall
Vander Jagt
Wolff
Wright
Young, Tex.

The SPEAKER. On this rollcall 378 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AUTHORIZING PRINTING OF ADDITIONAL COPIES OF REPORT OF SELECT COMMITTEE TO STUDY GOVERNMENTAL OPERATIONS WITH RESPECT TO INTELLIGENCE ACTIVITIES

Mr. HAYS of Ohio. Mr. Speaker, by direction of the Committee on House Administration, I call up the Senate concurrent resolution (S. Con. Res. 57) and ask unanimous consent for its immediate consideration.

The Clerk read the title of the Senate concurrent resolution.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 57

Resolved by the Senate (the House of Representatives concurring), That there shall be printed ten thousand additional copies of the report of the Select Committee To Study Governmental Operations With Respect to Intelligence Activities which will be submitted under Senate Resolution 21, Ninety-fourth Congress, during the adjournment of the Congress pursuant to Senate Concurrent Resolution 54, Ninety-fourth Congress. Such additional copies shall be for the use of the select committee.

Mr. HAYS of Ohio (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the Senate concurrent resolution be dispensed with and that it be printed in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF S. 1849, TO EXTEND THE EMERGENCY PETROLEUM ALLOCATION ACT

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 632 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 632

Resolved, That immediately upon the adoption of this resolution it shall be in order to take from the Speaker's table the bill S. 1849, to extend the Emergency Petroleum Allocation Act, and to consider said bill in the House.

The SPEAKER. The gentleman from Florida is recognized for 1 hour.

Mr. PEPPER. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois (Mr. ANDERSON), pending which I yield myself such time as I may consume.

Mr. Speaker, this rule would make it in order for the House to consider immediately, upon the adoption of the rule, S. 1849, which extends for a period from August 31 until March 1 of next year the Petroleum Allocation Act, and it would extend from June 30 of this year to December 31 of this year the Energy Supply and Environmental Coordination Act. This latter relates to the duty of the administration having to do with coal to make certain findings and make certain determinations relative to the relationship of price and supply and the like. However, I understand that part of S. 1849 is noncontroversial.

The passage of S. 1849 to extend for a period of 6 months the Energy Petroleum Allocation Act, it seems to me, is absolutely essential to the well being of this country. I am advised that the House intends to complete action on H.R. 7014 and send it to conference with the other body before the beginning the recess. It is unlikely that both Houses of the Congress can adopt any conference report which may be agreed upon before the recess. And we are advised that the President intends to veto any petroleum price control bill the Congress enacts. The law that now permits the President to allocate petroleum and, I understand, to fix the price as well, will expire on August 31 of this year before we return after the recess.

So if we do not extend the Petroleum Allocation Act to authorize the Executive branch of the Government to allocate critical petroleum supplies and quantities and also, as I shall point out, to fix the price, there will be utterly no control whatsoever upon the principal fuel and energy supplies of this country, in view of the fact that yesterday this House disapproved the promulgated plan of the President, the fourth one that he has sent to the Congress and presented to the country.

Mr. Speaker, in the present law which would be extended by S. 1849 we find section 4. I would like to read this section 4, because there has been some controversy heretofore as to whether the Executive under the authority of this act has the power to fix prices of petroleum products allocated, as well as to allocate them. Section 4 reads as follows:

> Not later than fifteen days after the date of enactment of this Act, the President shall promulgate a regulation providing for the mandatory allocation of crude oil, residual fuel oil, and each defined petroleum product, in amounts specified in (or determined in a manner prescribed by) and at prices specified in (or determined in a manner prescribed by) such regulation.

The Executive has indicated through spokesmen on the floor of the House that the President will veto this 6-month extension if we enact it into law.

Why should the President wish to deprive the economy of this country which is struggling toward recovery of the necessary protection to the public through the right to allocate petroleum and to fix the price of petroleum products? Is it because he wants to show to the country that he is going to exercise control and authority over this subject beyond the control of Congress?

Is it because the President is and has been in favor of decontrol of petroleum products and that if we get into a stalemate, decontrol will come about by the expiration of the control authority, and the President will say, Of course, I wanted decontrol all the time. My latest proposal to the Congress has as its ultimate goal decontrol after 1978, but now, since the Congress would not enact legislation for decontrol and would not accept my decontrol plan now by vetoing the legislation passed by Congress providing for control of petroleum prices if Congress has acted prior to August 31 and by vetoing the act of Congress extending for 6 months the Petroleum Allocation Act we will have decontrol of petroleum products when the Allocation Act expires August 31.

When the prices leap up, the President can blame the Congress for the price increase all over the country, not only in gasoline, but in home heating oil and all other aspects of the petroleum industry.

What I am asking, Mr. Speaker and Members of the House, is that we enact this extension for a period of 6 months of S. 1849 so that when we come back in September, we can resume the consideration of H.R. 7014, for the conference report on it and the comparable Senate bill, as I am sure it is the intention of the House to do. Then we will try to find our consensus in dealing with this very controversial and very difficult problem.

Just let me add this: The President has taken occasion time and again to contend before the people of this country that there has been a lack of action on the part of the Congress on the energy problem implying, I suppose, that we are stalling or we are deliberately dilatory in facing up to the necessity of adequate legislation dealing with this critical subject.

I do not believe there is a Member on this floor who will charge his colleagues on any committee or otherwise with any ill motive in our failure to enact legislation that would reflect the consensus of the House. There has been no stalling tactics in the House I believe all will agree.

On the contrary, it was pointed out here recently that the Committee on Interstate and Foreign Commerce has spent many, many days in trying to come to a solution of this problem and so have other committees. The matter is controversial, and we have had difficulty in finding a consensus in the Congress as to how to deal with this problem. But there has been one thought, one sentiment, that has been uppermost in the congressional mind, and that is that we ought to have some kind of control over the allocation and the price of petroleum products.

Is that unreasonable on the part of the people's representatives in a critical time like this when the economy is faltering at the bottom of the cycle, struggling to begin some kind of incline upward; that a critical source of energy which would lead so significantly to the incline in prices should not be decontrolled and turned absolutely loose in a scarce market, to rise to whatever level it might reach? Is that an unreasonable attitude on the part of the Members of the Congress in trying to protect the economy and the people of this country?

The President's determination is for decontrol, no control—to turn petroleum products loose until the price rises to whatever level they may achieve. Although he now says $13.50 a barrel the ceiling on old oil, we have not had any ceiling on new oil. So what has happened to discourage exploration for new oil? Nothing.

Yet, they tell us that exploration for new oil has been reduced, that the number of people engaged in exploration has decreased, and the number of rigs for drilling produced has diminished, for some reason that I do not know.

There does not seem to be the incentive for new oil discovery or for exploration that there previously was.

I do not know whether it is because the oil companies are holding back, hoping that some day we will restore the depletion allowance which they resisted. They said then that if we eliminated the depletion allowance, there would be a decrease in exploration in the country. I do not know whether they are taking punitive action against us for having deprived them of that depletion allowance or whether there is just not the incentive now for them to produce new oil.

Well, what price will it take to produce more new oil? They have had no limitation on the price of new oil.

So it would seem to me, Mr. Speaker, that it ought to be easy for us to come to the conclusion that it is in the public interest to extend this central authority on petroleum products for another 6 months, maximum—and I understand that we would like to make it for 3 months, but the other body has insisted on 6 months. But, let me add, Mr. Speaker, I am sure we are all sure that the committees are not going to take the full 6 months. I am sure, and I am speaking in the presence of the distinguished chairman of the Committee on Interstate and Foreign Commerce, the gentleman from West Virginia (Mr. STAGGERS), and I say that I believe it is the intention of the gentleman's committee to resume the consideration of this matter in September when we return if it has not been enacted before then. I believe the committees will act as expeditiously as possible and with sincerity in trying to find a plan upon which we can have a consensus that will properly allocate and regulate the price of petroleum products.

Mr. GONZALEZ. Mr. Speaker, will the gentleman yield?

Mr. PEPPER. I yield to the gentleman from Texas.

Mr. GONZALEZ. Mr. Speaker, I thank my very distinguished colleague for yielding to me. I know that this is the resolution on the rule, and it is defined as a rule to permit the House to entertain the consideration of S. 1849, an act to extend the Emergency Petroleum Allocation Act, but I notice that the copy of the bill I have goes beyond that, and it provides, in title II, additions to the Energy Supply and Environmental Coordination Act of 1974.

Let me ask this question: This is not just a simple extension of the Emergency Petroleum Allocation Act?

Mr. PEPPER. No, that is not related, as I understand it. The gentleman will notice on page 2 of the bill in title II, it says the title may be cited as the Coal Conversion Extension Act of 1975.

Then it says that section 2(f)(1) of the Energy Supply and Environmental Coordination Act of 1974 is amended by striking June 30, 1975, and inserting December 31, 1975, and then, further, that it is amended by adding the following new paragraph:

> "(E) Price trends and related developments for coal and for other major energy sources which are not subject to direct price regulation at any level by the United States Government. As soon as practicable after the date of enactment of this subparagraph and at such times thereafter as he deems appropriate, the Federal Energy Administrator, after consultation with such other persons and agencies as he deems appropriate, shall provide an assessment of the relationship between price trends and related developments for energy sources covered by this subparagraph and energy policies, including any recommendations he may have in connection with such assessment.".

I understand, and the chairman of the Committee on Interstate and Foreign Commerce Committee can correct me if I am in error, that this relates to coal, and not petroleum.

Is that correct?

Mr. STAGGERS. If the gentleman will yield, that is correct.

Mr. PEPPER. I do not know why, but it was requested of the Committee on Rules to include that, but I had assumed that is noncontroversial.

Mr. GONZALEZ. The point I am getting at, Mr. Speaker, is that we are getting into a further consideration of other legislation when we had page 2, title II, and this is not just a simple extension of the Emergency Petroleum Allocation Act.

Mr. PEPPER. The first part of the Emergency Petroleum Allocation Act is extended for six months, to March 1, 1976, and the other one, title II, relates to the coal matter, and that is extended to December 31 of this year. That is different from the other.

Mr. GONZALEZ. It is different?

Mr. PEPPER. That is correct.

Mr. GONZALEZ. And it is over and beyond just the allocation itself?

Mr. PEPPER. That is correct.

Mr. GONZALEZ. I thank the gentleman.

Mr. PEPPER. Mr. Speaker, I urge that this rule be adopted. I hope that after its adoption that the House may approve this extension, and I further very earnestly hope that the President of our country in the public interest may not veto this bill, and deprive the people and especially the consumers of America the protection afforded to them by this vital control legislation which this 6 months' extension would continue.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I think the gentleman from Florida (Mr. PEPPER) has adequately explained the nature of this rule. Perhaps it is worth repeating that it is somewhat unusual in that what we do by the adoption of the resolution or the rule is to take the bill from the Speaker's table that would extend, as he said, the Emergency Petroleum Allocation Act for 6 months, and then it would involve the recognition of the gentleman from West Virginia (Mr. STAGGERS) for 1 hour.

The gentleman from West Virginia would be in control of the time. The time would not be subject to any amendment unless the gentleman from West Virginia, who is in control of the time, saw fit to yield for the purpose of amendment. Presumably, he will yield for purposes of debate only, so in effect we will be considering this piece of legislation under a closed rule.

I shall not take any time of the Members this morning to look into the substantive nature of the proposition before us for two reasons. First of all, after rather extensive comment on my part, the House on yesterday did not see fit to take my advice on either the so-called Staggers-Eckhardt amendment, or the vote on the motion of disapproval on the President's plan. I have no more reason to expect that I would be successful in getting the Members of the House to turn down an extension of this act this morning. Nevertheless, I cannot refrain from saying before I yield the floor that I personally am going to vote against a simple 6-months' extension of this act on the ground that it is no substitute for an energy policy.

The Congress having failed, I believe, in each of the two instances to which I have just made reference to act responsibly to take actions that would be dignified by being called a policy on the part of the Congress, to now suggest that, by passing a simple extension of this act for

6 months, we will have taken action on the energy crisis is, I think, to completely miss the point of the debate we have been having, so I personally think we should defeat S. 1849.

Mr. KETCHUM. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I am pleased to yield to the gentleman from California.

Mr. KETCHUM. I thank the gentleman for yielding.

In the gentleman's statement he indicated that should this rule pass, control of the time will rest with the majority side.

Mr. ANDERSON of Illinois. That is correct.

Mr. KETCHUM. If the gentleman will yield further, has there been any indication of accommodation by the majority that some time will be yielded to the majority to discuss this?

Mr. ANDERSON of Illinois. I would be pleased at this time to yield to the gentleman from West Virginia (Mr. STAGGERS), the chairman of the committee, if he has a statement that he wishes to make on that point.

Mr. STAGGERS. If the gentleman will yield, yes, we propose to yield to those who wish to speak on that side, and time will be yielded to them accordingly.

Mr. KETCHUM. I thank the gentleman.

Mr. ANDERSON of Illinois. If I may have the attention of the distinguished chairman, do I understand from the response that he has just made that the time previously requested by the gentleman from Ohio will be allotted to him during the 1 hour?

Mr. STAGGERS. If the gentleman will yield, it will be allotted, and if he wants more time, he can have it.

Mr. ANDERSON of Illinois. And other Members on this side of the aisle who seek time will similarly find that their requests for time will be honored by the chairman?

Mr. STAGGERS. If the gentleman will yield, as long as it is within the time limit, we will try to divide the time fairly; that is right.

Mr. ANDERSON of Illinois. I thank the chairman for his assurance.

I have no further requests for time, Mr. Speaker, and I yield back the balance of my time.

Mr. PEPPER. Mr. Speaker, I yield 5 minutes to the able gentleman from California (Mr. SISK).

Mr. SISK. Mr. Speaker, I do not wish to impose upon the time of the House, but I want to rise, No. 1, to say I am supporting this resolution presented here this morning by my distinguished friend, the gentleman from Florida (Mr. PEPPER). I have some very grave concerns about what the House and what the Congress have done in connection with this whole energy matter. I think there is no point in recriminations or name-calling or "I-told-you-so's," or anything else. Unfortunately, I think we arrive here this morning with way too little and much too late.

Each and every one of us, of course, is going home on this weekend and next week and the week thereafter, we are going to have to be answering questions from our constituents as to why—why—we have not been able to come up with an energy package.

To me this is a tragic criterion of our ability to do our work. Nothing I am saying here I hope would be interpreted as any personal criticism of either any committee or any individual. The gentleman from West Virginia knows the high respect in which I hold him and have throughout our service together in this body and the work the committee has done, as well as the gentleman from Michigan, the chairman of the subcommittee, and the gentleman from Oregon (Mr. ULLMAN) and the Ways and Means Committee and the efforts they have made. But unfortunately we have struggled and we have come forth with not even a mouse.

I think it is well if each and everyone of us gives serious consideration, and I am talking particularly to our Democratic colleagues, to the answers we are going to have to give as to what the future holds in connection with some assurance of an energy program.

I heard all kinds of discussions here yesterday about what the crux of the situation was, but let me tell the Members what I understand my constituents to be saying. Yes, they want to be able to purchase gasoline and diesel fuel and stove oil as cheaply as possible. That is the position of all of them.

But they are adding another verse: In the final analysis they prefer to pay some additional amount and be certain to be able to buy the fuel.

So I would hope that as we go down this road that we have been traveling, we might at some point see a little light at the end of the tunnel. I am here this morning in a sense and I want to conclude on this note, of pleading with the President to possibly be a little more compromising and have a little more forebearance with us than we have had with him in the last month or two. I was as critical as anyone in the House of the President back 2 or 3 or 4 or 5 months ago because I said he was being arbitrary and unwilling to compromise. But at the same time I said when there comes a time in which he expresses a willingness to compromise and offers some proof he is willing to give here and there, that I am then prepared to give.

I think within recent weeks he has demonstrated some willingness to do that. I am not thoroughly sold on his program but lord knows I do not see this Congress having any alternative.

Unfortunately we have not come up with anything any better. In fact we have not come up with anything, period.

Mr. OTTINGER. Mr. Speaker, will the gentleman yield?

Mr. SISK. I cannot yield at this point.

My friends on the committee have been talking a great deal in the last two or three weeks and we on the Rules Committee have been trying to listen a great deal. Frankly I recognize by friends on the Committee on Interstate and Foreign Commerce have possibly forgotten more than I will ever know on this subject, but we have in the last few weeks done a great deal of listening up there and I think we have learned a little bit about the practical facts of life and what is going to happen if we do not indicate some willingness at some point to be willing to compromise.

So let me conclude on this note. I said I hope that he will and I even plead this morning with the President to sign this extension. I understand he can say: "We have already given you months and months and months," but I am pleading with him to give us another 90 days or another 6 months. I recognize our feelings and our failures, "But if perchance, Mr. President, you will do that, there are many of us in this House who are going to do everything we can to try to come up with a program that will be of service to the American people."

Mr. PEPPER. Mr. Speaker, I yield 2 minutes to the able gentleman from New York (Mr. OTTINGER).

Mr. OTTINGER. Mr. Speaker, I appreciate the concern expressed by my good friend, the gentleman from California (Mr. SISK) but I do not quite understand his point, because the House, in fact, did pass an interim energy policy which was very similar to what the President has proposed when we passed H.R. 4035. It provided for an interim extension of the Emergency Allocation Act with a $11.28 cap on the price of oil. The President vetoed it.

I do not know whether my good friend, the gentleman from California (Mr. SISK) is aware or not, but this committee and the leadership on the majority side of the House have expressed their intention to finish House action on H.R. 7014 today, so that we will have a comprehensive energy program completed by the House along with the extension of the Emergency Petroleum Allocation Act for which this rule provides. H.R. 7014 is a comprehensive energy program. It provides for conservation in the fields of fuel efficiency for automobiles, industry, appliances, and buildings—the major areas of oil consumption, and it provides incentives for production. I think it is a very well thought out, good program. It also provides for a strategic petroleum reserve to protect us against further boycotts.

I think we will have a comprehensive energy package prepared to go to conference before we leave. We will not have it on the President's desk because of the necessity for Senate action, but we will have it passed and prepared to go to conference. The rule provides that H.R. 7014 can be attached to a Senate bill, S. 622, so it can go directly to conference.

I will say that the Interstate and Foreign Commerce Committee, under the able leadership of my good friend, the gentleman from West Virginia (Mr. STAGGERS), and my good friend, the gentleman from Michigan (Mr. DINGELL), the subcommittee chairman, the committee has labored as long and hard as any committee in this House to bring forth a comprehensive energy bill and to see to it that the various differences that are represented in the House on energy are resolved.

Mr. Speaker, I hope the gentleman will find that a satisfactory answer to the accusations that we have no energy policy. It infuriates me that the administration and its spokesmen in Congress repeatedly assert we have no energy policy just because we reject their policy of decontrol. They take the attitude that if we don't allow energy prices to soar to the world market level we have no policy. This is an unfair and inaccurate characterization.

In truth, the administration has no comprehensive energy policy—it has only a policy of increasing prices. There are other solutions, and I think that embodied in H.R. 7014 is a good one. It is an energy policy. It happens just not to adopt the President's overwhelming desire to raise prices.

I think we can proudly present to our constituents our own congressional energy policy when we go home and make it clear that if the President does not extend the Energy Petroleum Allocation Act which I am sure we will pass today, it is he who is being totally unreasonable and preventing a comprehensive policy from being adopted.

We have had enough of government by veto. Let the President now join with Congress in giving the country the energy policy the majority of its representatives in Congress have adopted.

Mr. PEPPER. Mr. Speaker, I have no further requests for time.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EMERGENCY PETROLEUM ALLOCATION EXTENSION ACT

Mr. STAGGERS. Mr. Speaker, pursuant to the provisions of House Resolution 632, I call up the Senate bill (S. 1849) to extend the Emergency Petroleum Allocation Act, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The Clerk read the Senate bill, as follows:

S. 1849

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I

SHORT TITLE

Sec. 101. This title may be cited as the "Emergency Petroleum Allocation Extension Act of 1975".

EXTENSION OF MANDATORY ALLOCATION PROGRAM

Sec. 102. Section 4(g)(1) of the Emergency Petroleum Allocation Act of 1973 is amended by striking out "August 31, 1975," wherever it appears and inserting in lieu thereof "March 1, 1976,".

TITLE II

Sec. 201. This title may be cited as the "Coal Conversion Extension Act of 1975".

Sec. 202. Section 2(f)(1) of the Energy Supply and Environmental Coordination Act of 1974 is amended by striking "June 30, 1975" and inserting "December 31, 1975".

Sec. 203. Section 11(c)(2) of the Energy Supply and Environmental Coordination Act of 1974 is amended by adding the following new subparagraph:

"(E) Price trends and related developments for coal and for other major energy sources which are not subject to direct price regulation at any level by the United States Government. As soon as practicable after the date of enactment of this subparagraph and at such times thereafter as he deems appropriate, the Federal Energy Administrator, after consultation with such other persons and agencies as he deems appropriate, shall provide an assessment of the relationship between price trends and related developments for energy sources covered by this subparagraph and energy policies, including any recommendations he may have in connection with such assessment.".

The SPEAKER. The gentleman from West Virginia (Mr. Staggers) is recognized for 1 hour.

Mr. STAGGERS. Mr. Speaker, I shall not take long.

Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill contains interim extensions of certain expiring energy authorities to allow an additional period of time for the Congress to work out a well-reasoned energy policy.

The coal conversion authorities contained in the Energy Supply and Environmental Coordination Act would be extended to December 31, 1975. More importantly, the provisions of the Emergency Petroleum Allocation Act are proposed to be extended beyond their August 31 termination date to March 1 of next year—an additional 6-month period. As my colleagues know, the Allocation Act constitutes the only existing authority for continued price regulation of crude oil and petroleum products. A failure to extend this act would result in abrupt decontrol of existing price ceilings. Every economic analysis available to the committee indicates that abrupt decontrol holds great peril. Although different estimates of impact have been made, there is general agreement that the resulting price increases would wound our economy, prevent recovery and drive this Nation into a deeper recession.

Yesterday's votes in the House demonstrate conclusively, I believe, that Members believe there is a continuing need for price regulation. It is painfully clear that existing market mechanisms do not and cannot work. Product prices are not a result of consumer bargaining but a matter of agreement among the participating nations in the OPEC cartel.

On this, the President and the Congress are apparently agreed. The President's latest proposal calls for a maintenance of controls for the next 39 months. In rejecting the President's program, Members argued that even a 39-month period is too short. But clearly the Congress and the President should be able to agree on extending these controls for an additional 6-month period.

For the President to state that he will not sign an extension of the act even for an interim period is, in my opinion, irresponsible. It is as if the President has taken the position that unless the Congress accepts his proposals, he, like an ill-mannered child, will take his ball and go home and will not play the game any longer.

Now I believe that a shorter extension may be appropriate—perhaps for 3 months. But now we are told that if we amend this bill in any fashion, it will be filibustered in the Senate. In effect recalcitrant forces in the Senate and the obstinacy of Presidential advisers leave the House no choice.

Yesterday we adopted pricing provisions in the bill H.R. 7014. It is my hope that this bill will be completed and committed to a conference with the Senate by the conclusion of business on Friday. I am confident that that conference will produce a comprehensive energy program which Members will support and the President can agree to. But the task of obtaining agreement requires additional time. The difficult process of melding the conflicting views of 535 Members of the Congress requires time. The President, as a former Member of some 25 years of this House, is aware of the problems inherent in legislative decisionmaking. The President should not listen to those advisers who counsel continued confrontation when we are within reach of a final legislative agreement. I implore the President to reject that advice and sign an interim extension of this act and I ask my colleagues to send a clear message to the White House by voting overwhelmingly for this extension.

This should not be a matter of party or politics. It is a matter of responsible government.

Mr. Speaker, I yield 12 minutes for the purposes of debate only to the distinguished ranking member of the subcommittee, the gentleman from Ohio (Mr. Brown).

Mr. BROWN of Ohio. Mr. Speaker, I rise in strong opposition to S. 1849, which would extend the provisions of the Emergency Petroleum Allocation Act. Congress, which has failed to come forth with a comprehensive program of its own to deal with our Nation's many energy problems, has twice rejected Presidential attempts to compromise on one of the most important of these problems, oil pricing. Congress now wishes to throw up its hand 2 days before it goes on a 1-month-long recess and pass a simple extension of the existing law. This is a complete congressional copout, in my opinion.

The Emergency Petroleum Allocation Act was designed to deal with the Arab embargo-created shortage of oil that existed in late 1973. It was meant to be temporary legislation, as is clear from several of its provisions, such as the one which allows the President to submit a 90-day plan for exemptions of petroleum or petroleum products from price controls or allocation. Extension of the act in the past and extension today will continue the costly and economic distorting effects of this legislation.

There has been a lot of talk in this Chamber in the discussion of the energy programs about cost to the consumer. I urge the Members to consider the growing negative commentary by the public, the press, and Members of the Congress ourselves about the growing excesses of government overregulation.

It has been estimated by OMB that the cost per family of all government regulation is about $2,100 annually. There is a growing concensus among officials of government, as reflected by the partisan calls for regulatory reform, many of them coming out of our committee, that much needs to be done to curb the governmental interference in the daily lives of our citizens and their businesses.

One of the best examples of the inefficiency and the economic distortion caused by Government agencies is the ICC. One only has to look at the report of the Commerce Committee on the Surface Transportation Act of 1974, a bill supported by the vast majority of the Members of this House, including many of those who have railed so intensively against the President's attempt to reduce overregulation of the oil industry. As stated in that report:

> Government regulation—at both state and Federal levels—has hampered the development of the industry. The cumbersome, slow process of rate-making, division of rates, merger proposals, and other vital matters to the industry have caused enormous roadblocks to rapid change in the industry.

Largely as a result of this governmental interference, this Congress has had to spend billions of dollars of the taxpayers' money in recent years to pick up the pieces of our Northeast railroads. I hope we do not have to do the same with the oil industry.

The FEA is as bad, or perhaps worse, than the ICC. Certainly, it is more rapidly growing than that agency.

The authorities of the FEA to specify prices and to allocate petroleum and its products were required by the Emergency Petroleum Allocation Act which was most clearly a temporary expedient created to deal with a shortage situation. As stated in section 2(b) of this act:

> The purpose of this Act is to grant to the President of the United States and direct him to exercise specific temporary authority to deal with shortages of crude oil, residual fuel oil, and refined petroleum products of dislocations in their national distribution system.

Continuing the requirements for allocation and price controls, as Congress seems bent on doing without any changes in the act's substantive provisions, will place a continuing burden on our economy and our consumers far beyond the effects of the decontrol of 45 percent of our production, which would be the result of the expiration of the Emergency Petroleum Allocation Act.

Since controls went into effect in August 1973, domestic production has sunk by almost a million barrels of oil a day, one-sixteenth of what we need in this country for our consumers. That has to be replaced by OPEC oil, and that oil will be charged at any price OPEC darn well pleases.

Continuation of the entitlements program, which FEA was required to create in order to meet the requirements of the Emergency Petroleum Allocation Act, is a prime example of the negative impact of the Emergency Petroleum Allocation Act on our economy. That regulation has the unique result of punishing oil producers who have invested capital in American production by requiring them to sell their product to importing refiners for the right to refine the domestically produced old oil they have invested their own money to find, oil that belongs to them. It encourages imports, which I hope no one in this Chamber favors, because the higher cost of imports is not borne solely by the importers, but is shared with his competitors and the consumers.

Another example of undesired effects which are frozen into this act is the supplier-purchaser relationships which were required to deal with the shortages existing in 1973.

Continuing those frozen-in-concrete supplier-purchaser relationships during a period of oil surplus has significantly reduced competition in the industry, and has imposed unnecessarily higher costs on Government and consumers who are precluded from procuring fuel at the lowest possible prices based upon competitive bids.

Another example is the dollar for dollar passthrough rule of section 4(b) (2) of the Emergency Petroleum Allocation Act, which requires the Government to set profit margin levels based on an historical base. In some cases, those margins were unnecessarily high during the base period, but the logic of current market conditions might very well dictate lower margins today and lower costs to the consumer.

These are just a few of the myriad examples of the economic distortions and high costs to petroleum consumers which will result from the continuation of a complex, confusing bureaucratic mechanism born in a period of shortage and now applied to a time of surplus. This mechanism is designed to be solely a temporary expedient for a period of shortage.

The economic impact of immediate decontrol has been vastly overstated. FEA analysis of immediate decontrol indicates that the price of gasoline would increase about 7 cents per gallon with immediate decontrol. Given the alternative of continuing current controls system which has seen our dependence upon OPEC oil increase, soon to reach 40 percent of our oil supply, 7 cents per gallon hardly seems like an inordinate price to pay for the independence. We seem to miss the point that if we do not pay our domestic producers for oil and gasoline, we will pay the OPEC countries whatever they ask in order to provide that supply.

Their price has always been above the domestic free market price in this country, even in the face of our growing domestic shortages of supply, and any increases in OPEC imports will increase prices to the gasoline consumers regardless of what the Congress tries to do.

As for the studies that are continually quoted by doomsayers on the impacts of decontrol, every study factors into the econometric model a range of somewhere between $1.50 to $4 as an OPEC price increase. That has no relation to decontrol.

For example, the subcommittee study on immediate decontrol, which includes a $4 OPEC price increase, states on page 3 that the GNP would decrease 2.8 percent and the Consumer Price Index would decrease 1.3 percent as a result. But OPEC price increases are responsible for 60 percent of those impacts.

Furthermore, none of the studies takes into account the counter-effect that appropriate fiscal and monetary policy would have in bringing our economy back into equilibrium, and, tragically, no studies take into effect the impact on probable OPEC price increases from our failure in this body to come up with a policy to deal with our need for more domestic oil.

If there is anything that is going to encourage the OPEC nations to jump that price of oil early in September when they come to consider their profits, it is our failure in this body to try to encourage the production of domestic oil. This Congress and the Members who voted for that legislation yesterday will be responsible for the OPEC price increase, if one occurs, in my opinion. I personally do not intend to take the blame for that occurrence.

In conclusion, the benefits of ending the Emergency Petroleum Allocation Act far outweigh the costs that potentially might accrue from a rise in the wellhead prices of a fraction of our crude oil and the rise in costs as a result of what the OPEC nations will do to us in response.

The authorities contained in this act may very well be useful as standby authorities to be brought into place, if necessary, in case of another supply interference or another embargo. Such a standby mechanism is in fact contained in H.R. 7014, if that bill ever becomes law. That is a matter on which I have expressed some doubt, of course. Some standby authority may be necessary. A simple extension of this act is not a solution but, rather, it is another negative act of this Congress, demonstrating to the American people our bankruptcy in our ability to come to terms with our energy problem.

Mr. Speaker, I have here a letter from Hon. Frank Zarb, the Administrator of the Federal Energy Administration, in which he states clearly as he did before the Interstate Commerce Commission and as he did before the Committee on Rules and as he has stated to the press and as he stated yesterday, both before and after we took the action we took, that the President intends to veto this extension of the Emergency Petroleum Allocation Act because of its adverse effects. That will put squarely up to Congress the decision of whether the Congress wants to make one of two bad choices, either immediate decontrol or a continuation of this rotten legislation we are considering now.

Mr. Speaker, I ask unanimous consent that I may be permitted to insert at this point in the RECORD the letter to which I have just referred.

The SPEAKER pro tempore (Mr. EVANS of Colorado). Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BROWN of Ohio. Mr. Speaker, the letter referred to is as follows:

FEDERAL ENERGY ADMINISTRATION,
Washington, D.C., July 30, 1975.

Hon. CLARENCE BROWN,
House of Representatives,
Washington, D.C.

DEAR BUD: You asked me this morning if the President would accept an extension of the Emergency Petroleum Allocation Act beyond its August 31 expiration date.

As I testified yesterday, the Administration cannot accept such an extension in the absence of a program to begin the decontrol process on September 1, and thereby make progress toward a solution to our domestic energy problems. The President feels strongly that additional delays of any variety can only deepen this Nation's vulnerability. A delay would be seen by foreign producers as further evidence that we lack the capability to formulate and implement the tough domestic policy required to lessen our dependence on their oil. In view of the OPEC Ministerial price meeting scheduled for September 4, and the lack of time for Congress to act before their return from recess, this is not a desirable result.

We are deeply troubled and confused by the hesitancy on the part of the Congress to accept the compromise proposal. Indeed, you and many Democratic members met with the Administration for many hours attempting to construct a program which would honestly meet the objections to the 30-month decontrol program. Every one of those substantive objections has been responded to in our most recent submission. The American people want a demonstration that the President and the Congress can respect each other's views and make progress in solving this serious National problem. The President's compromise represents a real opportunity to move ahead.

Some say that if the House of Representatives legislates a decontrol program similar to the President's before it leaves for its August recess, that would be ample progress. But that legislation would be part of a bill which itself includes controversial provisions. It would be many weeks before such a bill would get to the President's desk—if ever. That simply means additional delay, more question as to the final result, and lack of real progress. By allowing the President's program to take effect on September 1, the Congress retains its ability to review and reject the plan in ninety days. Surely this is sufficient time to insure that legislation is promptly enacted.

Bud, the President has made an honest and forthright attempt to meet all of the objections to his initial decontrol plan. He cannot accept any measure which simply puts off to another day material progress in this important area. By accepting the Presiday's administrative program the Congress will say to the foreign oil producers that this Nation has begun its firm and unhesitating program to regain energy independence. It will signal to those who are considering new and arbitrary price increases for imported oil that this Nation is now joined together in a common effort to free the American people from their vulnerability.

Many members from both parties contributed to the development of this compromise. I sincerely hope that the Congress will adopt it, and from this common start, we can continue toward the completion of a comprehensive National energy program.

Sincerely,

Frank G. Zarb,
Administrator.

Mr. FREY. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Florida.

Mr. FREY. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I have listened to the gentleman's comments, and it is pretty obvious that we have for consideration here two bills, H.R. 7014 and S. 1849, both are real turkeys. Neither will become law.

We have risen to incredible heights of incompetence. We have managed to discourage oil production in this country, and we have managed to increase our reliance on OPEC oil.

The SPEAKER pro tempore. The time of the gentleman from Ohio has expired.

Mr. STAGGERS. Mr. Speaker, I yield 1 additional minute to the gentleman from Ohio (Mr. Brown).

Mr. FREY. Mr. Speaker, will the gentleman yield further?

Mr. BROWN of Ohio. I yield to the gentleman from Florida.

Mr. FREY. Mr. Speaker, we have labored on an energy bill for many months, and I feel as though I am now on the third level of Dante's Inferno; it seems we are predestined to do this forever.

We have been unable to come to any conclusion. The only thing we are able to do is say "No." We are in a situation where these bills will be vetoed and we are not going to have anything come out of Congress. Yet we have managed in 2 days to raise our pay and are planning to take off on a recess. We have only about 50 days of work left this year. We must resolve this problem and make the tough choices. We should stay in session until our work is done.

Mr. BROWN of Ohio. Mr. Speaker, let me point this out to the gentleman: I will say that if we had had three more votes yesterday in this body, then we would have been able to solve the oil problem.

Mr. STAGGERS. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, I wish to reply to what the gentleman from Ohio just said, that the Federal Energy Administrator did not want an extension.

I will put this in the Record because he said that he does need an extension of the coal conversion provisions of the Energy Supply and Environmental Coordination Act.

I will read part of this:

> I am writing to urge prompt congressional action in order to continue an ongoing program which will make an immeasurable contribution to obtain national energy independence.

Mr. Speaker, that has to do with coal.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. STAGGERS. Yes, I yield for the purposes of debate.

Mr. BROWN of Ohio. The letter to which the gentleman makes reference is not the letter to which I make reference. The letter to which I make reference is a letter from Mr. Zarb yesterday to me in which he says that the President will not sign an extension of this legislation.

The letter to which the gentleman from West Virginia makes reference is a letter about coal matters.

Mr. STAGGERS. Yes, an extension.

Mr. BROWN of Ohio. He is calling for an extension of the authority, as I understand. However, with respect to the legislation that went off the books on the 30th of June, where was our concern then? Why did we not do something about that then?

Mr. STAGGERS. The gentleman will recall that we did extend those provisions also in the bill H.R. 4035, but the President vetoed it.

Mr. BROWN of Ohio. I am addressing my remarks to the Emergency Petroleum Allocation Act. That is what we are talking about.

Mr. STAGGERS. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts (Mr. Macdonald).

Mr. OTTINGER. Mr. Speaker, will the gentleman just yield for 1 second for a reply to that?

Mr. MACDONALD of Massachusetts. Yes; I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Speaker, that is a part of the legislation which we are considering today, the extension of the Coal Conversion Act, exactly what the gentleman from Ohio (Mr. Brown) was referring to.

The gentleman from West Virginia (Mr. Staggers), our chairman, is 100-percent correct.

Mr. MACDONALD of Massachusetts. Mr. Speaker, I thank the chairman of the full committee for yielding to me, and I want to compliment the chairman of the subcommittee and all the members of that subcommittee who worked so hard and long on this entire problem.

I think that the gentleman from Ohio (Mr. Brown) has confused some Members of the House by discussing things that do not have anything really to do with the extension of the Mandatory Allocation Act which is before us today.

Some of the arguments that the gentleman from Ohio (Mr. Brown) made are perfectly sound arguments from his point of view, but they do not go to the extension of the Mandatory Allocation Act, because if this act is not extended, it expires, by law, on August 31.

That is all this bill that we have before us right now is concerned with, to extend for 6 months what is presently law. It seems very clear to me that the Congress will need that much time to work, as the chairman of the full committee said, in a democratic way, which leads me actually to my main point, and that is that I hope that every Member of this body does not confuse the two things.

Yesterday and the day before and during other debate, we were doing what we were sent here to do, which is to represent our districts, our State, the people that we do represent, and their interests. However, today that is not what confronts us. Today is D-Day as to whether or not we will agree with the President.

He keeps telling us, and the press especially, both the news media, the written media, and the broadcast media, that we have refused to compromise.

It seems to me that the compromises that he has offered us are somewhat like when a man goes in to buy a car that is worth $12,000 and he offers $7,000. The salesman says he wants $15,000, and the man says, "All right. I will give you $8,000."

The salesman says, "No; since then it has gone up to $18,000."

At that point any sensible man does

buy the car which the seller knew all the time.

Then he goes to the press and says that the Congress or the buyer refused to cooperate with him.

I think the time is long past due that he be given time to think the thing through, to come to some conclusion that will be satisfactory.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. MACDONALD of Massachusetts. I will yield to the gentleman as soon as I can.

I think that the President himself by now, since he has had so many people in charge of that program under FEA, has forgotten what his people are saying. Last year on January 24, 1974, Mr. Simon, who has never been accused of being antibig oil, said that any price at all that exceeded $7 per barrel was by itself a windfall profit. I repeat, Mr. Simon said any price for the oil, per barrel of oil over $7, is a windfall to the producer.

If the IRS or the FEA do not need more than 30 days to get geared up or, say that no bill does pass at the time the 6 months expires, it took the FEA so long to know what they were doing, and you can still get incorrect answers down there. I know they have been working under a handicap and they are still working under a handicap, but they need more time. The Nation needs more time.

We are voting not on local interests today, we are voting for the Nation. We are voting, among other things, to keep the costs to the farmers down. I know that everyone thinks of fuel oil in terms of gasoline and heating oil, but we should all remember that there is very much more to it than that. It is needed for protection of public health, safety, and welfare, the maintenance of public services and, as I say, agricultural operations.

We gave this authority to the FEA, and they have used part of it as far as allocation of the product, but they have done nothing much about the pricing, which they can under the mandatory allocation bill.

The SPEAKER. The time of the gentleman has expired.

Mr. STAGGERS. Mr. Speaker, I yield 1 additional minute to the gentleman from Massachusetts.

Mr. MACDONALD of Massachusetts. Mr. Speaker, I would like to point out that if you were a driller and you had overseas operations, or if you owned any reserves of any kind, that you knew where they were and could tap them, and if two Presidents in a row had kept telling you that you are going to get deregulated completely, would you go ahead under a pricing structure? Or are you going to wait until such time as there are absolutely no controls on you, and you can charge any price that you want to, which is factually and actually the case that has happened? Two Presidents have told our oil companies, and now they are telling the natural gas people not to worry about it, there is no need to do any drilling because they are going to be deregulated completely, and they can work under their own structure.

Therefore, what has been the incentive except the high prices that are now occurring here within the United States, for them to do the drilling that the gentleman from Ohio, Mr. Brown, properly said has fallen off?

The SPEAKER. The time of the gentleman has again expired.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman from West Virginia (Mr. Staggers), yield 2 additional minutes to the gentleman from Massachusetts so that I might ask the gentleman a question?

Mr. STAGGERS. I yield the gentleman from Massachusetts 2 additional minutes.

Mr. BROWN of Ohio. Mr. Speaker, if the gentleman will yield, as the gentleman from Massachusetts knows, I have a great deal of respect for the gentleman, and a great deal of affection for him, because we worked together on the Subcommittee on Communications and Power under his strong leadership as chairman. Up to the beginning of this Congress, communications and energy were separated and placed in separate subcommittees, the problems of energy were under that subcommittee's jurisdiction.

During that period of time when we were on the Energy Subcommittee together, the gentleman from Massachusetts, the distinguished chairman, and I were obligated to consider the extension of this act once before. That was from its expiration on December 31 of last year until August 31 of this year. We both supported that extension, as I recall, because we both believed that by this time, or August 31, the Congress would have come up with legislation which would have updated the legislation then on the books as it related to the situation in our current energy problem.

The change has come from shortage to surplus in terms of oil availability. The change has gone the other way as to where the oil comes from, more of it coming from the OPEC nations, and even more from the Arab nations. I would just ask the gentleman when are we going to update that legislation that he and I both worked on to have updated?

Mr. MACDONALD of Massachusetts. Mr. Brown, the problem remains the same—are we willing to allow our entire Nation to exist at the whim of the pricing policies of the oil cartel or are we to do away with this talk about free market and world prices, and guide our own energy policies?

Mr. Speaker, I would like to reemphasize my strong support of S. 1849, the extension of the Emergency Petroleum Allocation Act. As former chairman of the Subcommittee on Power, I fought long and hard to implement this bill in the 93d Congress. This is a debate that we have had many times on the floor of the House; and, indeed, the circumstances surrounding the debate on this issue have changed over the years, but they are no less important today. As most of my distinguished colleagues remember, the dominent feature of the initial Emergency Allocation Act was to prevent the threat against supply curtailment caused by the Arab embargo. At that time we were confronted with a shortage in crude oil and petroleum products. I do not think there is any question that the implementation of the original act is the chief reason why this Nation was able to survive the Arab oil embargo as well as we did. It also worked well in providing an equitable distribution of supplies and for stalling erosion of competition in the oil industry. The fact that the Emergency Petroleum Allocation Act has worked in the past and can continue to work in the future is not the issue in question here. I feel we have widespread support for the concept that the Emergency Allocation Act allocates supplies equitably. Thus, the debate here today is very different from the former debates on the initiation or the extension of the Emergency Allocation Act. The problem we are facing today is not one of shortage, but of price.

As the allocation act became firmly entrenched in the oil price scheme in this country we witnessed the more disastrous effect of the embargo—not the problem of supply interruption but the more economically damaging staggering increase in the price of imported oil; and this is the situation that we have to deal with today. If the Emergency Allocation Act is allowed to expire on August 31, we will experience disastrous price increases up to the level of the cartel OPEC determined price. The possibility that the Emergency Allocation Act will expire and that domestic prices will be able to rise to OPEC prices is a very troubling thought for me, Mr. Speaker. The price of old oil at $5.25 per barrel will rise immediately up to the OPEC level of $13. What will this do to a nation that is struggling to get back onto its feet after our severe economic recession? The price of all oil will skyrocket, meaning increased cost for heating, electricity, and gasoline. We have experienced price increase in oil in the past, but they will never be so devastating as the general overall recession that will follow if the Emergency Allocation Act is allowed to expire.

The price of all food commodities will increase also, because the interrelationship between oil and the food that we produce is unavoidable. There is also no question that the cost of all goods and services in this Nation will rise because of the increased costs of transportation and consumer goods. I think all of my colleagues here are aware of the implications of the expiration of the act; and yet, we have some among us who would be willing to have those controls expire on August 31.

The debate on oil pricing is extremely complex, and there are opinions on both sides. Mr. Speaker, we do not have the oil price policy before us, we have the simple extension of the mandatory allocation act. The expiration of price controls on oil is going to put this country in a recession from which we may not be able to recover. The need for this extension has never been greater and I hope that my colleagues will see fit to support this bill today.

The SPEAKER. The time of the gentleman has expired.

Mr. STAGGERS. Mr. Speaker, I yield 5 minutes to the gentleman from Texas (Mr. COLLINS), a member of the committee, for debate only.

Mr. COLLINS of Texas. As we have talked so much in generalities, I wonder if I could review some of the specifics on this decontrol bill. I want to go back to the last comment about why we are here today talking about this bill. In the last session of Congress I had the honor of serving on the Energy Committee. We talked about trying to reach a decision on oil control and we did not reach one. Finally, we ended up with this bill. The original bill for decontrol had the deadline this February, but when we discussed it last year in the committee, they said February was too soon to make a decision in this session of Congress; we only have 2 months; it would probably be March of this year before we reached a decision.

March went by, and April went by, and May and June went by. The reason we are talking about it today is that we finally have a deadline in August. The house is on fire, and we are having to talk about it. To keep putting it off does not help in any way.

President Ford came to Congress with an energy policy. He came in with a positive plan that would work. He gave it to us in January. The opposition party had many things they said was wrong with it. It is easy to say what is wrong with anything, but the opposition party talked about it in January right on through, and here we are the last of July, and they have not come up with a solution.

This is complete price control, so I hope we realize what we are talking about in this bill. Congress is either voting for price control or we are voting against price control. Price control will not work today; it never has worked in history; and price control is not going to work in the future. We have many products in this country. Suppose I suggested that we put a price control on automobiles made in Michigan, the Members would think I was crazy, or to roll back the price on steel in Pennsylvania, or place a price ceiling on tires from Ohio. Suppose Congress legislated we were going to put a price control on carpenters' wages. We cannot isolate one particular factor for price control and make it apply; it just will not work. You cannot take crude oil alone and maintain it under artificial price control.

I will give the Members an example of what we found when we tried to apply price control to gold. This is an actual example from recent years, and the Members of Congress remember it well because we were the ones who made possible the disaster. Congress placed price control on gold of $35, and said that is what it is going to be. From the time Congress did this, we lost this Nation's gold. We saw gold drift and drift and drift and drift abroad. Finally, when the price of gold reached its true world price, which is now around $170 from $35, we had lost most of this Nation's gold. The price of gold is five times as high and we have little gold left.

We cannot have price control. It is similar to cancer, and I think as we weigh this bill, we can say that really anyone who advocates this bill would advocate that there are advantages to having cancer. If there are advantages to having cancer, I do not know what they are. Whenever one has cancer, the sooner he finds out about it, the sooner he faces realities and has an operation, the better off he is. One might live for awhile with cancer, and he might not even feel any pain for awhile. Price control on crude oil is a cancer to sit here and the longer we postpone the more it will hurt our country.

I want to site some examples of what we get into when the oil business has artificial rules. We can take a situation in Ohio and Kentucky where there is what is known as Devonian shale, but they cannot afford to produce from that particular type of oil reserve unless the free market gets up to a realistic price. How do we set prices on oil when we do not know what it costs to drill in different sands with varying oil potential?

Price control does not take into account such situations. Let me give you another situation. In Florida we sold Government leases off shore, we sold six tracts for which industry paid $632 million for those leases. Then private enterprise spent millions and millions and millions of dollars to drill seven dry holes and then finally gave up on them. When we talk about finding oil in one place, how do we allocate the expenses for the dry hole losses when they tried in other places and had dry holes? In wildcat drilling only one of nine come in with oil and the others are dry.

Let us pause and consider the filling stations. We find them on almost every corner in America. Usually they are just across the street from one another. One is selling gasoline for a certain price and the man across the street is selling it for 3 cents cheaper. So the one writes in and complains and is indignant, but the problem is the refinery that is selling to him has a different basis for buying oil. They buy some crude oil at $11.50 and some at $5.25. If they get enough at the $5.25 price they can sell more cheaply.

But we cannot pay the Arabs $11.50 and pay the Americans $5.25. American oil deserves fair and equal treatment with Arab oil.

We have to come back and face this: This is a price control bill. If Members believe price control is good for America I suggest they check their history. They should remind themselves that it never will work. It never has.

This is a pro-Arab bill. The interests of this country are not served by our paying the Arabs $11.50 when we pay the Americans only $5.25. That is taking a shortsighted point of view for America.

It is true we are talking about what we are going to do, but the President is the only one who has had the courage and the foresight to face the issue. The issue is: We ought to decontrol and we ought to decontrol oil right now.

Mr. STAGGERS. Mr. Speaker, I yield 5 minutes to the chairman of the Subcommittee on Energy and Power, the gentleman from Michigan (Mr. DINGELL), for purposes of debate only.

Mr. DINGELL. Mr. Speaker, I urge adoption of S. 1849. For the Congress to fail to adopt this bill would constitute the basis for economic disaster in this country.

The President, very regrettably, has already vetoed a similar extension of the allocation act, that was H.R. 4035. S. 1849 is a simple 6-month extension of the authorities of the Emergency Petroleum Allocation Act. This bill could be the basis under which the President can avoid damage to the economy of the United States, avoid increases in the cost of living and achieve reductions in the levels of unemployment.

The subcommittee has prepared a study which indicates what we might anticipate if the Arabs increase prices and if decontrol goes into effect. Briefly summarized, this study forecasts economic disaster. Very regrettably the President has suggested a possible veto of S. 1849. That possibility should turn the blood of every American cold. Not only does the veto of S. 1849 and the sudden termination of controls under the Emergency Petroleum Allocation Act render likely the skyrocketing of the cost of living and the cost of petroleum products, which are part of everything that is used by every American, but also this possibility indicates the real potential for our witnessing the most destructive imaginable consequences within the petroleum marketing industry.

For example, hundreds of thousands of supply relationships within the industry would terminate. There is a strong possibility that major suppliers will pull out of whole areas of the country. There is the probability of price increases of crude oil; there is the probability of price increases of refined products; there is the probability of price increases at the wholesale level; and there is the probability of price increases at the retail level.

There is a possibility of something still worse, and that is that the whole distribution system upon which the supply of petroleum products to the economy is based will literally collapse by reason of termination of hundreds of thousands of ever-green contracts that exist in the industry.

Mr. CONTE. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield very briefly for debate only to my dear friend, the gentleman from Massachusetts.

Mr. CONTE. Mr. Speaker, I want to commend the gentleman from Michigan and associate myself with his remarks.

I urge passage of S. 1849.

Mr. DINGELL. Mr. Speaker, I thank my colleague. He has been my dear friend and the senior ranking minority member of the Subcommittee on Energy and Environment of the Small Business Committee where the gentleman and I have worked continuously to see that small businesses were properly treated in this matter and I pay tribute to the gentleman.

Mr. Speaker, I have a question I would like to direct to the chairman of the committee in light of the comments I have raised.

There is a possibility of a veto of this extension. If a veto of this legislation does occur, there is a possibility that there would be a hiatus or a brief period during which there would be no authority to enforce the allocation and price control regulations relating to petroleum products, to supply relationships, to allocations and to entitlements.

Mr. Speaker, I am satisfied on the basis of reading the language in S. 1849 that it is the intent of the Congress that the extension of the allocation act included in S. 1849 take effect immediately and retroactively in the event of a veto and an override of that veto, and that there be no hiatus or gap during which violations of these regulations would not be subject to civil sanctions. Am I correct?

Mr. STAGGERS. Mr. Speaker, the gentleman is correct.

Mr. DINGELL. I am apprehensive that someone might interpret our actions today as failing to provide adequate notice to persons who might be affected by these regulations and it is my view that the consideration of this legislation at this time and the long history of the legislation, both in the House and in the Senate, makes it very plain that it is the intention of the Congress that there be no gap, no hiatus, and that the legislation be considered as following immediately and successively. That is to say, the allocation act as amended by this bill, if amended after the 31st of August, would nonetheless be read quite literally. As amended, the allocation act would continue, without interruption, to make enforceable the regulations. Thus, if this bill has not become law before August 31, and, therefore, the authority to enforce the regulations under the EPAA should expire, if this bill becomes law thereafter, violations of the regulations during the interim would subject the violator to civil liability under the act.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. STAGGERS. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. DINGELL. Thus, this legislation will be considered as following immediately and successively upon expiration of the Emergency Petroleum Allocation Act on the 31st of August of this year at 12 o'clock midnight; is that correct?

Mr. STAGGERS. The gentleman is correct.

Mr. DINGELL. So, therefore, I might assume that all persons are necessarily on notice and there is no peril that this legislation would raise constitutional questions as to lack of notice by Congress regarding retroactivity in these matters; is that correct?

Mr. STAGGERS. The gentleman is correct.

Mr. ADAMS. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Washington.

Mr. ADAMS. Mr. Speaker, I want to associate myself with the remarks of the gentleman from Michigan, the chairman of the subcommittee, and the gentleman from West Virginia, the chairman of the full committee, in the colloquy they have just finished. I am in support of the resolution.

Mr. STAGGERS. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. KETCHUM).

Mr. KETCHUM. Mr. Speaker, it is a weary task to march up and down this hill again. We have been marching up and down it since late in 1973 when the Committee on Interstate and Foreign Commerce brought us a wonderful energy bill that we debated in the late hours prior to Christmas. Back when we passed the Emergency Petroleum Allocation Act, we really compounded the felony of wage and price controls. This very body terminated the wage and price controls when they discovered to their amazement that each and every time that the U.S. Congress got messed up with trying to direct the economy, we proceeded to wreck the economy. This bill seems to me to perpetuate the difficulties that we found ourselves in. We may recall when the Emergency Petroleum Act was first brought to this floor that several of us took the floor and indicated nothing but problems ahead. We can recall since the passage of that bill, we have been in a constant discussion in this body about one subject, and one subject only, energy, and particularly energy as it applies to oil.

Yesterday, this body in its limitless wisdom took action on H.R. 7014 in adopting an amendment that is certain to bring a veto of that bill. A few moments later, we took another action, which absolutely made a certainty that we would face decontrol, by turning down the President's program. Let me say at the outset that I do not think that the President's program is the greatest thing since powdered sugar either, but at least he did give us 39 months to achieve decontrol—3¼ years to achieve it on an orderly basis—and we turned that down.

Four times he has come to us in an attempt to compromise, and four times he has been turned down. I think he has no choice but to veto this resolution if it is passed, and if it is vetoed, on August 31 we will decontrol, and decontrol we should; return to the real world, to the real marketplace where supply and demand provides the answer. Those Members who fear immediate reprisals—if we choose to call it that—in the form of increased prices should have called to their own attention the fact that every bill that we have had on the floor of this House would ultimately increase the price of gasoline, only we would have been mandating it rather than relying on the free market.

I hope that the Members will refuse this last ditch stand on the part of perpetuating a controlled economy in America.

Mr. STAGGERS. Mr. Speaker, I yield 2 minutes to the gentleman from Texas, a member of the committee (Mr. ECKHARDT), for the purposes of debate only.

Mr. ECKHARDT. Mr. Speaker, I rise to further emphasize a point that my distinguished subcommittee chairman made a moment ago, because I think it is extremely important. That is, that this act does not permit for any hiatus between the termination of the present Allocation Act and its effective date. Of course, this act would not go into effect until a veto override, assuming there were a veto and then an override, but the act purports to take effect immediately at the termination of the Allocation Act. If there were a veto override, there would indeed be a hiatus during which prices might rise, but Congress would have given notice that such rise is made illegal if Congress ultimately prevails by a veto override. Clearly Congress has authority to act retroactively, and that retroactive effect would not be unconstitutional when those acting with notice of Congress intention have deliberately acted at their peril.

I cite in that connection the case of *First National Bank in Dallas* v. *United States*, 420 2d 725. So, what would occur? I feel sure that Congress would reexamine the matter after a veto and if prices had gone extremely high, as everyone is predicting they might do, Congress would, I believe, very likely override a veto. That means that any increase in price during the hiatus period could result in treble damages against those who deliberately raised prices above the level that Congress ultimately mandated.

Mr. STAGGERS. Mr. Speaker, I yield 1 minute to the gentleman from Oklahoma (Mr. JONES).

Mr. JONES of Oklahoma. Mr. Speaker, I think it is a foregone conclusion that this is going to pass. If it does, there will be a lot of bureaucrats downtown laughing up their sleeves at Congress.

A few months ago I became seriously interested in regulatory reforms to let us take control of the Government again. At the time, one of the FEA officials said that, "You will never get rid of us because we are almost 7,000 strong and now we have an average salary of about $17,000." And I guess he knew more about Congress than I did at that time.

I think all of the predictions that are made in good conscience by everybody as to what will happen if we phase out controls or if there is complete decontrol really are just predictions. They are not based on any kind of fact. I cannot tell the Members about the rest of the country, but should the President veto this extension and should price controls go off at the end of August, in the Midwest, in my part of the country, I think we are going to see the greatest consumer benefits that has ever happened. We will see a gas war that will let the consumer purchase gas at a reasonable price. We will see that competition, more than Government bureaucracy, is the best friend of the American consumer.

Mr. STAGGERS. Mr. Speaker, I yield

4 minutes for the purpose of debate only to the gentleman from California (Mr. Krebs).

Mr. KREBS. Mr. Speaker, as someone who has come to this Chamber with relatively little knowledge—hopefully, with relatively few prejudices, although I have some—I have sat here for the last several days, and I have heard the majority—at least on the basis of yesterday's vote it is still a majority—being berated by some of our fellow Members on the theory that we have not done anything about the field of energy because some of us in these chambers—and I will plead guilty—have refused to fall over and play dead for the oil companies.

Mr. Speaker, as far as the President's so-called program is concerned—and I want to emphasize it is a so-called program because I am still trying to figure out what the President's program is, other than to hand a bonanza at the expense of the American consumer to the oil companies—let me say in as clear a fashion as I can to the leadership of the minority party—not the rank and file, but the leadership of the minority party—that I have not heard them say one thing constructive as far as an energy program is concerned, other than their well-orchestrated refrain which originated from Pennsylvania Avenue, to the effect that we have to decontrol, and unless we decontrol we have no energy program.

Mr. Speaker, I think anyone who looks at H.R. 7014 cannot help but be struck by the fact that we have heard no arguments on H.R. 7014, which is the bill before us, other than the matter of pricing of oil.

We have heard a lot about compromise supposedly originating from the White House, and this has been repeated time and time again by very articulate members of the minority party and also some members of the majority party, but I cannot help but feel that the type of compromise that we have heard about is the type of compromise which is offered to a man who has been condemned to death and who has been told that his death penalty is going to be carried out except that it is going to be postponed for 30 days, and then an additional compromise is being made by offering a reprieve for 45 days, and a final compromise by offering a reprieve for 90 days. But he is still going to be executed.

I submit if the Members vote against the resolution before us and if we do what the President, for reasons best known to himself, wants us to do, then we will be doing exactly what will happen through the analogies I have drawn, namely, in my opinion, dealing a death blow to the best interests of the American consumer.

Mr. OTTINGER. Mr. Speaker, will the gentleman yield?

Mr. KREBS. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Speaker, I would like to commend the gentleman from California (Mr. Krebs) for his fine statement. He has been saying what I have been trying to articulate during these past few days far better than I have been able to state. I associate myself with the gentleman's remarks.

Mr. KREBS. Mr. Speaker, I thank the gentleman very much.

Let me just close on a hopeful note. Maybe I am optimistic because I am influenced by my next door colleague, the gentleman from California, who likes to say that it is much more fun to be optimistic.

I hope that by granting this extension the President, those in the minority party, and those who come from the oil-producing States of this Nation will have second thoughts as to what they are really doing to the American consumer by removing controls from oil. If we are going to remove controls from oil, let us not kid ourselves as to what we are going to do. The sheiks in Saudi Arabia, Kuwait, and Algeria are going to determine what the price of our oil is going to be. I think that is not what the American consumer would like to see happen.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. KREBS. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Speaker, that is a bonanza for the sheiks. That will increase our alliance with them.

Mr. STAGGERS. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. Brown) for the purpose of debate only.

Mr. BROWN of Ohio. Mr. Speaker, I would like to raise one point here, and I wonder if I could have the attention of the gentleman from Texas (Mr. Eckhardt).

I hope the gentleman from Texas did not think he was setting legislative history here by the suggestion that it was his opinion that oil companies or any retailers or any jobbers in the distribution business would be subject to treble damages if we raised their price or made some different arrangement should the Emergency Petroleum Allocation Act authorities expire at any time in the future.

I do find some difficulty with that as being a very clear conclusion that one can draw from the legislation.

I wonder if the gentleman would be kind enough to offer me some verification that he was merely expressing a personal opinion and not drawing on an opportunity to try to establish a legal base for lawsuits.

The SPEAKER. The time of the gentleman from Ohio (Mr. Brown) has expired.

Mr. STAGGERS. Mr. Speaker, I would be glad to yield 1 additional minute to the gentleman from Ohio (Mr. Brown) for the purpose of debate only.

Mr. ECKHARDT. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Speaker, the case of First National Bank of Dallas versus the United States said that extensive nonstatutory notice prior to enactment regarding retroactive effect of a statute constituted sufficient information in advance that if the act had retroactive effect, such would not deny due process.

I was simply trying to make it clear that there is obviously extensive nonstatutory notice here and by this debate that the Allocation Act extension refers to and incorporates the Economic Stabilization Act, which provides for treble damages and other penalties and puts that into effect retroactively, assuming the President vetoes the bill and we override the veto, and that constitutes a binding effect.

The SPEAKER. The time of the gentleman from Ohio (Mr. Brown) has again expired.

Mr. STAGGERS. Mr. Speaker, I yield 1 additional minute to the gentleman from Ohio (Mr. Brown) for the purpose of debate only.

Mr. BROWN of Ohio. Mr. Speaker, I would like to refer the gentleman from Texas (Mr. Eckhardt) to the language in section 4(g) of the EPAA, which says as follows:

> The regulation promulgated and made effective under subsection (a) shall remain in effect until midnight—

Now August 31, 1975—

> except that (A) the President or his delegate may amend such regulation so long as such regulation, as amended, *meets the* requirements of this section, and (B) the President may exempt crude oil, residual fuel oil, or any refined petroleum product from such regulation in accordance with paragraph (2) of this subsection. The authority to promulgate and amend the regulation and to issue any order under this section, and to enforce under section 5 such regulation and any such order, expires at midnight—

Now August 31, 1975—

> but such expiration shall not affect any action or pending proceeding, civil or criminal, not finally determined on such date, nor any action or proceeding based upon any act committed prior to midnight—

Of that date.

I would suggest that that latter phrasing does indicate that the authority of the act in that respect terminates on that date.

The SPEAKER. The time of the gentleman from Ohio (Mr. Brown) has expired.

Mr. STAGGERS. Mr. Speaker, I yield 1 additional minute to the gentleman from Ohio (Mr. Brown) for the purpose of debate only.

Mr. ECKHARDT. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I will be glad to yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Speaker, what the gentleman read would be subject to the change provided in this act from August 31, 1975, to March 1, 1976. Therefore, if there were an ultimate override of a veto, that act would be in effect continuously until March 1, 1976.

The hiatus time would be, in effect, a time subject to a retroactive penalty governed by section 210 of the Stabilization Act which is adopted in this act, which reads to this effect:

> In any action brought under subsection (a) against any person renting property or selling goods or services, who is found to have overcharged the plaintiff, the court may, in its discretion, award treble damages or $1,000 in each case, whichever is the lesser.

Mr. BROWN of Ohio. Mr. Speaker, may I just say in response to that that the gentleman may have a point. There would be a question because of the unusual nature of this. It occurs to me, however, that the action would almost be a Supreme Court constitutional issue, and not one that would flow from that kind of case.

Mr. STAGGERS. Mr. Speaker, I yield our remaining time to the gentleman from Ohio (Mr. Brown).

Mr. BROWN of Ohio. Mr. Speaker, I thank the gentleman for yielding.

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. Yes. Mr. Speaker, I yield 6 minutes to the gentleman from Arizona (Mr. Rhodes).

Mr. STAGGERS. Mr. Speaker, as I understand it, that is for the purpose of debate only.

Mr. RHODES. Mr. Speaker, I wish I could stand here and tell the Members that I think if this bill passes, it will become law, and that if the House had not taken the action on the President's decontrol plan which it took yesterday, I am sure that would be the case.

As it is, however, the President, if he signs this bill, will be putting himself and this country in a position of acquiescing in delaying, acquiescing in no action at all to do something about the plight that the country finds itself in insofar as energy is concerned.

I do not know any reasonable person who could expect the President to believe that the House of Representatives and the Senate, with the track record which we have as far as inaction on energy is concerned, would do any better if there were 6 months more provided for that purpose.

I do not know how the President of the United States can be expected, feeling as strongly as he does about the necessity for decontrol, to wait any further for actions which this House might take which would result in more production from domestic oil fields. After all, is not that what we are trying to do?

I thought the name of the game was to provide better supplies of oil from domestic sources so that we would not have to import more from foreign sources. That was what I thought until yesterday, and on yesterday the whole roof caved in. Not only was the President's plan not approved, but also amendments to H.R. 7014 were approved which in my opinion, and in the opinion of practically everybody I have talked to, will be completely counterproductive insofar as increasing production of domestic oil is concerned.

What did we do yesterday? In the first place, we fixed the price of old oil at $5.25. We rolled back the prices of new oil from the price which is, I guess, somewhere around $12.50, back to $7.50. If anybody really believes that you are going to get more oil at lower prices, then he just does not understand the economic facts of life. How this could be done in the light of the testimony which has been given, in the light of the information which was brought forth about the cost of the production of old oil, is beyond me.

Let me say that in California there is a field that is operated by the State of California, and that field probably is going to be closed down because the cost of production from that field is up almost to $5.25 a barrel.

I said on the floor—and the gentleman from Texas agreed with me—under the present situation if you have on old oil field and you want to drill a new well there, and it costs plenty to drill wells these days, that if you do you will find yourself in a situation of taking oil from the new well and selling it at the old oil price. So, as a result, nobody is drilling in the old oil fields, and they are among the quickest, and the best areas for increasing our domestic production.

Everything this Congress has done, Mr. Speaker, as far as energy is concerned, has been counterproductive. It has been going in the direction of furnishing this country less energy, and not more energy. I say it is a shameful situation.

We are about to recess for 30 days. I approve of the recess. The Speaker and I together worked out the schedule earlier in the year, and I do not disapprove of the fact that we are doing it, but I do disapprove of the fact that we are leaving the country in a situation right now where the President of the United States will have only two possible courses of action: One is to surrender and forget decontrol of old oil, and the second is to veto S.1849. I am not interested in the decontrol of old oil so we can get more of it.

I do not think that the President is going to say that he is not interested in decontrolling old oil—he knows we need more oil. The only other option which we are giving him is to veto this bill, which would extend the EPAA for 6 more months. If we were to remove EPAA controls immediately, the pricing of old oil could move up as high as the cap on new oil is now, and if it does that it would have the effect, in my opinion, of increasing the price of gasoline at the pumps very precipitously.

Of course, that does not have to happen. It could be that the oil companies can—and they should—agree voluntarily to abide by the President's decontrol plan which the House did not approve. I would hope they might consider doing that. But the chances are that this idea might not be adopted, and if it is not adopted the prices will go up rather precipitously.

Mr. STAGGERS. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from West Virginia.

Mr. STAGGERS. I thank the gentleman from Arizona for yielding to me.

Of course, the gentleman knows of my admiration and respect for him.

Mr. RHODES. The gentleman from Arizona knows that, and reciprocates that feeling.

Mr. STAGGERS. I would like to say that I do not see why the President does not have more than two options. He has the options of signing or not signing, he has those two. And he has also the option of waiting until we have completed the work on H.R. 7014 which we are working on now, and see what is in it before he takes any adverse action.

Mr. RHODES. My friend, the gentleman from West Virginia, I believe will have to agree with me that the amendment adopted yesterday provides for a price rollback which in the opinion of the President and in my opinion will produce less domestic oil instead of more domestic oil. I can say to my good friend, the gentleman from West Virginia, and I think that I can assure the gentleman that I am correct, that if that bill goes to the President with that rollback provision in it, it will be vetoed. It might be that the veto would not be sustained. I do not know that.

Mr. STAGGERS. Mr. Speaker, will the gentleman yield again?

Mr. RHODES. Yes, of course, I yield.

Mr. STAGGERS. None of us is prophet enough to know what is going to be in H.R. 7014 when it finally gets through this House and when it gets through conference. I do not see why the President of the United States would not wait to see our final product.

The SPEAKER. The time of the gentleman has expired.

Mr. STAGGERS. Mr. Speaker, I yield 1 minute to the gentleman from Michigan (Mr. Dingell), chairman of the subcommittee.

Mr. DINGELL. I thank the chairman.

Mr. Speaker, I observe that the legislation before us strikes out the date "August 31, 1975," and inserts in lieu thereof "March 1, 1976." I observe that the language of section 4(g)(1) of the Emergency Petroleum Allocation Act states:

> The regulation promulgated and made effective under subsection (a) shall remain in effect until midnight August 31, 1975. . . . The authority to promulgate and amend the regulation and to issue any order under this section, and to enforce under section 5 such regulation and any such order, expires at midnight August 31, 1975, but such expiration shall not affect any action or pending proceedings, civil or criminal, not finally determined on such date, nor any action or proceeding based upon any act committed prior to midnight August 31, 1975.

I note that the practical effect of the amendment is to extend the period during which the regulations must remain in effect and the life of the authority to promulgate, amend and, most importantly, amend the regulations until the first of March 1976. I think this is a very important point. I ask if my chairman of the committee agrees.

The SPEAKER. The time of the gentleman has expired.

Mr. STAGGERS. Mr. Speaker, I yield 1 additional minute to the gentleman from Michigan.

Mr. Speaker, the answer is "Yes."

Mr. DINGELL. I ask my friend, the chairman of the Committee on Interstate and Foreign Commerce who is managing this bill, if it is not the clear intention of this Congress that the literal reading of the plain language of S. 1849 and of the Allocation Act as amended by S. 1849 be followed. Thus, it is the Congress intent that the regulations be viewed as having continued in effect without interruption from their original effective date until March 1 of 1976.

Mr. STAGGERS. That is correct.

Mr. DINGELL. Therefore, if this bill is vetoed, and the veto overridden, the regulation and the authority to enforce it would continue according to the literal language of the Allocation Act as amended by this bill. No constitutional impediments exist to this interpretation in view of the notice which this debate and the legislative history of this bill affords all interested persons.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. STAGGERS. The gentleman from Michigan is correct. If I have any time left, I yield to the gentleman from Ohio (Mr. BROWN).

Mr. BROWN of Ohio. It would be a hiatus. I think there would have to be a Supreme Court determination.

The SPEAKER. The time of the gentleman has expired.

Mr. STAGGERS. Mr. Speaker, I yield myself such time as I may consume.

I think, Mr. Speaker, we all know the issue very well. It is as to whether we are going to extend this bill which will give the President authority to continue petroleum price and allocation controls until we conclude our work on energy legislation. I think that those who have said that the President is going to veto this bill have been belittling him and demeaning him, because I think he is going to work for what is in the best interests of America. I think he is going to say, "Let us wait until the Congress of the United States finishes its work and puts a bill on my desk, and let me judge whether I think it is a fair bill," and that then he will make up his mind. I have no hesitancy in my mind whatsoever that he will sign this bill. I think he is that kind of man. I think he is too big a man to veto it and subject this Nation to the harsh consequences of abrupt decontrol. I think he is too big a man as President of the United States to say, "I am going to veto any bill that comes down here." I do not believe he will veto this bill. I do not believe he should.

So I would urge every Member of this House to vote aye on this resolution to send it to the President so that he can make the final decision.

Mr. PICKLE. Mr. Speaker, I note that section 203(E) provides for the Federal Energy Administrator to provide an assessment of the relationship between price trends and related development for coal, as well as other major energy sources. In my opinion, it is high time that we look into the price of coal.

I have consulted with the Bureau of Labor Statistics and am informed that the figures that they keep monthly, on an index basis, of the spot market for coal on a weighted average basis indicates the following:

1967 index figure	100
1973 October (embargo oil)	224.1
1975 June	385.9

Other figures that I have obtained from the Federal Energy Administration, indicate that the average price per ton of coal prior to the embargo was $8.50 per ton. After the embargo currently, the average price per ton of coal is approximately $15 per ton. While these figures are based on averages they are the combination of prices for utility, manufacturing and metallurgical spot market prices for coal. They are based on the latest figures available to the FEA.

Looking at these figures, it is apparent that since 1967 the price of coal has almost quadrupled. Since the Arab embargo on oil, the price of coal has doubled. Why are we so eager to control the price of oil, and yet do nothing to control the price of another energy source, coal?

This in the face of the fact that we have vast quantities of domestic coal, while oil is an increasingly scarce resource. It is oil that we need to encourage domestic production as well as natural gas, another price regulated energy source. Our oil and gas reserves are the sources that we should be using, priced to attract the needed capital to produce more.

While philosophically I am opposed to price controls, I find it inconsistent to understand why we regulate the price of oil and natural gas, but do not regulate the price of coal.

Therefore, it seems to me that we should indeed encourage investigation into these price trends in coal.

Mr. DEVINE. Mr. Speaker, after yesterday's performance by the House it seems more than useless to address any advice on the energy situation in its direction. The President's plan has been sabotaged. The energy bill has been saddled with a completely unacceptable pricing provision which the membership well knew was unacceptable and impossible of implementation. H.R. 1849, the extension of the Emergency Petroleum Allocation Act will undoubtedly be passed as an additional gauntlet to be flung on the turf before the Executive. At this point appealing to the House to make sense of the energy tangle would be a waste of time. It appears certain that when September 1 rolls around there will be no energy legislation of any kind in place. So be it.

At this time I direct my attention to the oil industry and the Executive. Decontrol need not be a disaster if some discretion is used. Industry can and must exercise restraint in the same way that the American public is being asked to use restraint. Citizens should heed the pleas of government to cut down on the use of energy. Industry must make a determined effort to use less energy. In the same vein, the oil industry must not go hog wild when faced with sudden and complete decontrol of oil prices. In the long run the oil industry will be better served and will maintain public support and understanding by going forward along the lines suggested by the President in his latest decontrol plan.

Mr. DOMINICK V. DANIELS. Mr. Speaker, I rise in support of S. 1849, which would extend the Petroleum Allocation Act through March 1976.

It is obvious to me that the interests of America's energy consumers will not be served by the immediate decontrol of all oil prices that would result following expiration of the act on August 31. Such decontrol would result in an almost immediate increase of gasoline prices by some 7 cents per gallon. Other energy products would follow suit, including the price of natural gas currently unregulated in the intrastate market and coal. The expiration of oil price controls on September 1 would send shock ripples throughout the entire economy, and would offset the economic recovery that is just now getting underway. Even the President is aware of the serious implications of immediate decontrol, and has asked for a 3-month extension of the program pending the development of a compromise on the oil pricing issue. However, I believe that a 6-month extension of the act is warranted, both to allow time for reaching a compromise on price ceilings, and to allow the Ways and Means Committee time to work out an effective windfall profits tax plan.

Mr. Speaker, I urge all of my colleagues to join with me in supporting S. 1849, and to lend their support for an extension of the act if the President vetoes the legislation. American energy consumers need and deserve the price protection of this legislation while the administration and the Congress continue to work out a reasonable national energy policy.

Ms. HOLTZMAN. Mr. Speaker, I rise in support of Senate bill 1849 which extends the price controls on oil until March 31, 1976. Unless we enact this bill, all price controls on oil will expire August 31, 1975.

Twice this session, I have voted to reject Presidential plans to decontrol oil prices. Yesterday we heard a letter from the Federal Energy Administrator, Mr. Zarb, saying that he and the President were confused by the hesitancy of the Congress to accept the President's last decontrol "compromise."

I do not think that they should be confused. I think the message is very clear. The Congress cannot accept oil decontrols which will cause more inflation and more unemployment. The Congress cannot accept decontrols as a substitute for a comprehensive program to conserve our resources without wrecking our economy.

The President last suggested that we decontrol oil over a 39-month period—the major portion of the decontrol coming after the 1976 election—and that we cap the price of oil at a "mere" $11.50 per barrel with periodic adjustments for inflation. New York State officials have estimated that under this plan the price of old oil would rise from the current $5.25 to $14.58 per barrel by September 1978 at which time oil prices controls would expire and oil would rise to the world level. The President assures us that the burden on the consumer may be lifted by imposing a windfall profits tax on the oil companies and making a rebate.

Besides the obvious wastefulness of this proposal it makes several naive assumptions about a "windful profits" tax. The President ignores the fact that the current tax structure allows oil companies to shelter a large portion of their profits. The President ignores the possibility that oil companies may choose to avoid a windfall profits tax simply by deferring production.

The President's plan relies upon high prices alone to solve our energy problems and does not address a number of other specific needs.

We need uniform data on oil production and profits with which to make intelligent decisions. The wide variation in estimates of "cost of production" and "price necessary to stimulate exploration" which we have heard in recent months show that we do not have adequate information upon which to make an intelligent decision.

We must restrict the purchase of foreign oil imports, but we must make sure that import quotas are combined with an equitable allocation system to prevent severe shortages in some areas of the country.

We must plan to use our energy resources more wisely, to drive smaller cars, to use mass transit, but higher oil prices alone cannot be relied upon to meet these objectives.

We must fund research for developing alternate energy resources. We cannot naively assume that greater oil profits will assure that oil companies develop cheap new sources of energy.

Immediate decontrol of oil now by allowing the price guidelines to expire will result in skyrocketing oil prices and leave us even further from a comprehensive energy plan. I urge my colleagues to join me in voting for House Resolution 632 accepting Senate bill 1849.

The SPEAKER. Without objection the previeus question is ordered.

There was no objection.

The SPEAKER. The question is on the third reading of the Senate bill.

The Senate bill was ordered to be read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the Senate bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BROWN of Ohio. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 303, nays 117, not voting 14, as follows:

[Roll No. 466]

YEAS—303

Abdnor
Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Ashley
Aspin
AuCoin
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breckinridge
Brinkley
Brodhead
Brooks
Brown, Calif.
Buchanan
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Carney
Carr
Carter
Casey
Chappell
Chisholm
Clancy
Clay
Cohen
Collins, Ill.
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniels, N.J.
Danielson
de la Garza
Delaney
Dellums
Dent
Derrick
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
Esch
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fary
Fascell
Fenwick
Fish
Fisher
Fithian
Flood
Flowers
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fraser
Fuqua
Gaydos
Giaimo
Gilman
Ginn
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hanley
Hannaford
Harkin
Harrington
Harris
Harsha
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hillis
Holland
Holtzman
Howard
Howe
Hubbard
Hughes
Hungate
Ichord
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Keys
Koch
Krebs
LaFalce
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Lott
Lujan
McCormack
McDade
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mann
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Peyser
Pike
Preyer
Price
Railsback
Randall
Rees
Regula
Reuss
Richmond
Riegle
Rinaldo
Roberts
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Ruppe
Russo
Ryan
St Germain
Santini
Sarbanes
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Sikes
Simon
Sisk
Smith, Iowa
Snyder
Solarz
Spellman
Staggers
Stanton, J. William
Stanton, James V.
Stark
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Taylor, Mo.
Taylor, N.C.
Thompson
Thornton
Traxler
Tsongas
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Walsh
Wampler
Waxman
Weaver
Whalen
Whitten
Wilson, C. H.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Ga.
Zablocki
Zeferetti

NAYS—117

Anderson, Ill.
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Breaux
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Burgener
Burleson, Tex.
Byron
Cederberg
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Collins, Tex.
Conable
Conlan
Crane
Daniel, Dan
Daniel, R. W.
Davis
Derwinski
Devine
Dickinson
Edwards, Ala.
English
Erlenborn
Eshleman
Findley
Forsythe
Frenzel
Frey
Gibbons
Goldwater
Gonzalez
Goodling
Gradison
Hammerschmidt
Hansen
Hastings
Hébert
Hightower
Hinshaw
Holt
Hutchinson
Hyde
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, Okla.
Kasten
Kelly
Kemp
Ketchum
Kindness
Krueger
Lagomarsino
Landrum
Long, La.
Long, Md.
McClory
McCloskey
McCollister
McDonald
McEwen
Mahon
Martin
Mathis
Michel
Montgomery
Moore
Moorhead, Calif.
Myers, Pa.
Passman
Pettis
Pickle
Poage
Pressler
Pritchard
Quie
Quillen
Rhodes
Risenhoover
Robinson
Rousselot
Runnels
Sarasin
Satterfield
Schneebeli
Shriver
Shuster
Skubitz
Smith, Nebr.
Spence
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Symms
Talcott
Thone
Treen
Waggonner
White
Whitehurst
Wiggins
Wilson, Bob
Wilson, Tex.
Young, Alaska
Young, Fla.

NOT VOTING—14

Andrews, N.C.
Barrett
Bell
Florio
Flynt
Fulton
Horton
Jones, Ala.
Rangel
Slack
Teague
Udall
Vander Jagt
Young, Tex.

So the Senate bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Florio for, with Mr. Teague against.

Mr. Slack for, with Mr. Flynt against.

Until further notice:

Mr. Barrett with Mr. Andrews of North Carolina.

Mr. Rangel with Mr. Young of Texas.

Mr. Fulton with Mr. Horton.

Mr. Udall with Mr. Vander Jagt.

Mr. Jones of Alabama with Mr. Bell.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the Senate bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

PERMISSION FOR COMMITTEE ON POST OFFICE AND CIVIL SERVICE TO FILE REPORT ON H.R. 8617

Mr. CLAY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service may have until midnight tonight to file a report on the bill (H.R. 8617), to restore to Federal civilian and Postal Service employees their rights to participate voluntarily, as private citizens, in the political process of the Nation, to protect such employees from improper political solicitations, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

AUTHORIZING THE AMERICAN INDIAN POLICY REVIEW COMMISSION TO ACCEPT VOLUNTARY CONTRIBUTIONS OF SERVICES

Mr. MEEDS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the Senate bill (S. 2073) to authorize the American Indian Policy Review Commission to accept voluntary contributions of services, and for other purposes.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

The Clerk read the Senate bill as follows:

S. 2073

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3 of the joint resolution entitled "Joint resolutition to provide for the establishment of the American Indian Policy Review Commission", approved January 2, 1975, Public Law 93–580 (88 Stat. 1912), is amended by adding at the end thereof the following new subsections:

"(e) The Commission is authorized to accept and use donations of money, property (whether real or personal), and uncompensated services from any person whether public or private for the purpose of carrying out the provisions of this resolution.

"(f) Matter mailed by the Commission may be mailed under the frank of any Member of Congress who is serving as the chairman of the Commission.".

Sec. 2. Section 6(b) of such resolution (88 Stat. 1914) is amended to read as follows:

"(b) (1) In carrying out its functions under this resolution, the Commission is authorized to utilize the services, information, facilities, and personnel of the executive departments and agencies of the Government with or without reimbursement, and the head of any such department or agency is authorized to provide the Commission such services, facilities, information, and personnel to the Commission.

"(2) The Commission is authorized to procure the temporary or intermittent services of experts or consultants or organizations thereof by contract at rates of compensation not in excess of the daily equivalent of the highest per annum rate of compensation that may be paid to employees of the Senate generally.".

Sec. 3. Section 6 of such resolution is further amended by adding at the end thereof the following new subsection:

"(c) A person who provides voluntary and uncompensated services to the Commission shall not by reason of such service be deemed to be an employee of the United States. Any such person may be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of their service to the Commission upon the approval of the chairman.".

With the following committee amendment:

Page 2, following line 5, insert the following new Section 2 and renumber the succeeding sections accordingly:

Sec. 2. Section 4(c) of such resolution is amended to read as follows:

"(c) The Commission may fix the compensation of the members of such task forces at per annum gross rates or at a rate not to exceed the daily equivalent of the highest rate of annual compensation that may be paid to employees of the United States Senate generally."

Mr. MEEDS (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

The committee amendment was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXPRESSING OPPOSITION OF CONGRESS TO ANY CHANGE IN THE PRESENT METHOD OF PROVIDING FINANCIAL SUPPORT FOR MILITARY COMMISSARIES THROUGH APPROPRIATIONS TO MEET THEIR PAYROLL COSTS

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 652 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 652

Resolved, That upon the adoption of this resolution it shall be in order to move, clause 2(l) (6) of rule XI to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the concurrent resolution (H. Con. Res. 198) expressing the opposition of the Congress to any change in the present method of providing financial support for military commissaries through appropriations to meet their payroll costs. After general debate, which shall be confined to the concurrent resolution and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the concurrent resolution shall be read for amendment under the five-minute rule. At the conclusion of such consideration, the Committee shall rise and report the concurrent resolution to the House with such amendments as may have been adopted. The previous question shall be considered as ordered on the concurrent resolution to final adoption or rejection without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Florida is recognized for 1 hour.

Mr. PEPPER. Mr. Speaker, I yield 30 minutes to the able gentleman from Tennessee (Mr. Quillen), and pending that I yield myself such time as I may consume.

Mr. Speaker, House Resolution 652 provides for an open rule, with 1 hour of general debate, on House Concurrent Resolution 198.

House Resolution 652 provides that all points of order against the provisions of clause 2(L) (6) of rule XI of the Rules of the House of Representatives providing for 3 days are waived.

Mr. Speaker, I point out that was necessary when the rule was issued, but it is no longer necessary because the report was filed the necessary 3 days prior to today.

House Concurrent Resolution 198 expresses congressional opposition to any change in the present method of providing financial support for military commissaries through appropriations to meet their payroll costs.

Under present law, the following commissary costs are met out of funds appropriated for the military: First, pay and allowances for employees operating the stores; second, facilities, including store rental; and third, procurement, warehousing, accounting, and other administrative functions performed for the stores. In 1975 the estimate of appropriated fund support of commissary stores will total approximately $324 million.

Mr. Speaker, it is not necessary to tell the Members of this House what an important function the commissaries of our Armed Forces provide to members of the Armed Forces, to their dependents, and to the survivors of deceased members of the Armed Forces.

Mr. Speaker, I urge that this rule, House Resolution 652, may be adopted in order that the House may consider and, I hope, approve House Concurrent Resolution 198.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Florida (Mr. Pepper) has ably explained the provisions of the resolution.

Our commissaries do provide a very worthwhile service, and the present method of operation should be continued. It not only serves its purpose in the recruitment in our military process, but it also provides an incentive for military personnel to remain and make the military their career.

Mr. Speaker, I have no requests for time on the resolution. I urge its adoption.

Mr. PEPPER. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. HÉBERT. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the concurrent resolution (H. Con. Res. 198) expressing the opposition of the Congress to any change in the present method of providing financial support for military commissaries through appropriations to meet their payroll costs.

The SPEAKER. The question is on the motion offered by the gentleman from Louisiana.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the Concurrent Resolution 198, with Mr. Ashley in the chair.

The Clerk read the title of the concurrent resolution.

By unanimous consent, the first reading of the Concurrent Resolution was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Louisiana (Mr. Hébert) will be recognized for 30 minutes, and the gentleman from Tennessee (Mr. Beard) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Louisiana (Mr. Hébert).

Mr. HÉBERT. Mr. Chairman, on July 23, the Committee on Armed Services ordered favorably reported to the House

Concurrent Resolution 198 by a rollcall vote of 30 to 5. This resolution expresses the opposition of the Congress to any change in the present method of providing financial support for military commissaries through appropriations to meet their payroll costs.

The problem arose, Mr. Chairman, because the President's budget for fiscal year 1976, submitted February 3, 1975, proposed a change in the method of financing the payroll cost of commissary personnel. This proposal, after its full implementation, would require customers to absorb all payroll costs of commissary personnel.

These additional costs would be borne by the commissary store customer, beginning October 1, 1975, through increases in surcharges. On and after that date, customers, under the administration proposal, would pay 50 percent of personnel costs associated with commissary store operations.

Beginning October 1, 1976, and after that date, 100 percent of these costs would be absorbed by the commissary customer.

Basically, the administration proposal does not require a change in permanent law. It is simply a question of funding, or more accurately, annual appropriations. Therefore, the actual decision, whether to adopt or reject this administration policy will be reflected in the bill reported by the Appropriations Committee providing annual appropriations for the Department of Defense for fiscal year 1976.

The purpose of the resolution is to have an expression from the Congress which will serve as guidance to the Committee on Appropriations in this very sensitive matter. Therefore, it is necessary to take prompt action on the resolution.

The Committee on Armed Services, which performs oversight responsibility on the subject of commissaries and all other resale activities within the Department of Defense, was never informed in advance by the Defense Department that this proposal was being considered.

After I read about the proposal in the newspaper I directed a letter to the Secretary of Defense requesting details about the proposal and what it would mean to the well-being of military families. I was advised by the Acting Secretary of Defense that this decision was based upon his belief that active duty military compensation now is generally competitive with other public as well as private compensation and further, that this change in funding is an effort to reduce defense expenditures and increase the share of the defense budget allocated to combat forces.

Mr. Chairman, I agree that military pay today may be considered by many as comparable to that in the private and public sector. However, there are factors to be considered other than the alleged pay comparability. Mr. Chairman, how can you compensate for the sacrifices our military personnel endure when they are separated from their families for long periods of time, serve in isolated areas of the world, and are prepared to give their lives in combat in defense of our freedom? There is no valid way the monetary value of these hardships can be computed.

As for the alleged savings in the administration proposal, they are somewhat speculative at this time. For example, a recent study completed for the Navy by an independent operations research firm indicates that increased costs for recruitment and retention will be required to offset the benefits lost due to decreased commissary savings. Based on data developed in this study, recruitment and retention costs will have to be increased by an estimated $66 million if the proposal to require Navy commissaries to be self-supporting is fully implemented. This increase cost for recruitment and retention is therefore $10 million more than the estimated savings which would be generated by reducing the appropriated fund subsidization of Navy commissary stores.

No similar study has been conducted by the Army and Air Force; however, it is reasonable to assume that Army and Air Force recruitment and retention costs will similarly increase with a consequent elimination of any projected savings. Therefore, at best, the availability of additional funding for combat support from the administration's proposal is, in my opinion, illusory. In any case. I cannot see much sense in getting money for the combat forces from pocketbooks of service families. The administration argument frankly does not appeal to me.

There are other Members of Congress who agree with me, since more than 50 Members, upon learning of the President's proposal, sponsored or cosponsored legislation opposing any change in the present method of financing commissary operation.

Sixteen bills and resolutions were referred to the Armed Services Committee on this subject and, in turn, were referred to the Investigations Subcommittee, which I chair. The subcommittee held 4 days of public hearings, heard 29 witnesses representing the Department of Defense military services, and associations of military personnel, both active duty and retired. The subcommittee unanimously reported this resolution favorably to the full committee.

Mr. Chairman, over 90 percent of the active duty military commissary customers affected by this proposal are young enlisted members, noncommissioned officers, and field grade officers with families—not the generals and admirals as some have implied. These are the groups that will be hardest hit in the service, but let us not forget our retired military. Many of our retirees are in the lower-income brackets, since their retirement income is based on the low military pay of years gone by; in fact, many of these retirees, because of their meager income, are currently using food stamps, and higher prices in the commissary would simply increase their numbers.

Mr. Chairman, if the Congress wishes to eliminate commissary savings for those people entering the service in the future, that is another matter. However, the people who will be affected by this proposal were promised commissary privileges when they came into the service and when they retired. Recruiters today are advertising this benefit in their recruiting efforts for the all-volunteer forces. It is considered one of the most important incentives not only in attracting young men into the services, but in retaining them after their first enlistment. Many of our military, both active and retired, strongly believe that this is a breach of contract, and that the integrity and credibility of our Government are in question in this instance.

Mr. Chairman, I am sure that improvements can be made in the organizational structure, management and operations of the commissary system. If and when such improvements are made, perhaps reductions can be made in the appropriated fund requirement for support of the commissary system. However, the brief time allowed under the administration proposal to make the commissaries substantially self-sustaining will cause turbulence, lowered morale, withdrawal of patrons and possible destruction of the commissary system as it has existed for so many years and now serve close to 2 million families.

Mr. Chairman, I urge my colleagues to support this resolution.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. HÉBERT. Yes, I yield to the gentleman from Florida.

Mr. SIKES. Mr. Chairman, I commend the distinguished gentleman from Louisiana (Mr. Hébert) and his committee for the action they are proposing. I recognize the fact that it will be the responsibility of the Committee on Appropriations to take final action to insure that commissaries continue to provide their present services. Nevertheless, I think it well that the sense of the House be clearly expressed in support of the resolution now before us. There should be an opportunity such as this to show support of the principle of the continuation of the commissary system.

I agree with the distinguished gentleman that there is room for improvement, that there should be economies, and that there should be an effort for better management. These things will mean less cost of operation for the commissaries and they will mean savings to the taxpayers.

I feel as do many of my colleagues, that the commissary system should be continued in a way that will provide the services which historically have been available to servicemen and their dependents and to retirees.

Mr. HÉBERT. Mr. Chairman, I thank the gentleman from Florida (Mr. Sikes), my dear friend, for this commendation and support of the concurrent resolution.

He has stated the facts as they are, and particularly since he is a member of the Committee on Appropriations, he understands, I am sure, the reason for this particular action today.

Mr. PICKLE. Mr. Chairman, will the gentleman yield?

Mr. HÉBERT. Yes, I yield to the gentleman from Texas.

Mr. PICKLE. Mr. Chairman, I also

wish to commend the committee for this action.

I was particularly pleased to hear a member of the Committee on Appropriations take a very moderate and understanding position.

We owe our veterans many things, one of which, of course, is continuation of rights to use the commissaries. Of course, if they are not working well, there should be some changes, and there should be some improvements.

What we are attempting to do by this resolution is a worthwhile assertion of what I beileve our intentions are.

Mr. Chairman, again, I commend the committee for its action on this matter.

Mr. HEBERT. Mr. Chairman, I now yield 2 minutes to the gentleman from Texas (Mr. Kazen), the author of the concurrent resolution.

Mr. KAZEN. Mr. Chairman, and Members of the Committee, this concurrent resolution which I am pleased to sponsor requires no detailed explanation. It focuses on a proposal of the Secretary of Defense, embodied in the fiscal 1976 budget sent to us by the President, which would cut 50 percent of the manpower support for commissary stores in the next fiscal year. Furthermore, the President's message declares that the other 50 percent of the manpower funding would be eliminated the following year.

Inquiry by the Investigations Subcommittee of our Armed Services Committee established three fundamental facts. First, the Defense Department has consistently and is today using the access to commissary stores as a recruiting appeal. It has promised and is now promising these benefits to those who join the service or reenlist. Second, it has long extended the commissary privilege to retired military, many of whom live on incomes computed well before the present economic conditions put pressure on their budgets. Third, the Department of Defense is the source of information that nearly $20 mililon a year in food stamps are being used by our military and retired personnel shopping in the commissary stores. That figure measures the number of people who reluctantly have turned to food stamps to stretch the limited dollars of their income.

That array of solid facts focuses our attention now on one issue: The people to whom we have made promises—and that "we" includes the administration, the Defense Department and the Congress. There can be no question that we have promised commissary benefits. If any Member doubts that those promises were accepted in good faith, let him read his mail or the committee report.

Last Monday we voted authorization of millions and millions of dollars for military construction. The total, with the deficiency appropriations, topped $4 billion for new operational facilities for the active and guard/reserve forces plus military family housing. We approved a number of energy conservation projects.

This resolution, I believe, aims at people conservation. The House has demonstrated its interest in operational facilities and in equipment ranging from aircraft and ships to infantry weapons and mess kits. I trust that most Members want to show the same interest in the people of the Armed Forces.

They were promised the commissary benefits when they signed up—and a survey of reenlistments showed that virtually every man cited commissaries as a factor in his decision to remain in the service. I believe it fair to conclude that if the commissary benefits are removed, the services will have greater difficulty in recruiting and in getting reenlistments. I believe the added dollar costs would exceed the alleged savings of the administration recommendation. The witnesses who appeared for this proposal failed to convince me, and obviously did not convince most Members of the Armed Services Committee, that there was long-range dollar economy in cutting the commissary support.

I did not hear a single witness contend that the men and women in the services or the retirees would benefit from the cut. The computer experts may like it, but if we consider people as well as statistics, we can only conclude that this proposed cut is wrong.

I do not demean the men who rose to high rank while in service, but I think we should understand that we are not considering an obligation to generals and admirals. We are talking about veteran enlisted men or young officers, many of them heads of families. We are considering the gallant retirees—and it is pertinent that the Department of Defense has computed that almost one-half of all retirees get less than $4,000 a year. A fraction of 1 percent of the retirees were generals, and among the whole number there are more E–7's than former officers.

We do not have to be computer experts or accountants to recognize that the commissaries provide a price benefit at the checkout counter. The Department of Defense has recognized for many years that the Congress, shortly after the Civil War, created the commissary system by providing partial support. Now the Defense Department—or I suspect it would be more accurate to say the computer experts at the Office of Management and Budget—wants to cut out that support.

The arithmetic is very simple. If commissaries have to provide more funds for their payrolls, their prices are going up. The dollar of the customer will not go as far. He may not choose to use the commissary as much. I can foresee business dropping off to the point where commissaries close. I have said we promised these people "commissary benefits." Erode the benefits and you will eliminate the commissaries themselves.

So what are we asked to do today by this resolution? We are asked to say to the budget makers, in the administration and our Appropriations Committees of the Congress, that we believe—in the words of the resolution—"that any move to eliminate this support is neither justified nor desirable."

We have heard this funding labeled a "subsidy." I say it is not a subsidy; it is a continuation of benefits long promised to our military, and that we should recognize the essential need to keep our promises. As I told the Armed Services Committee and the Appropriations Subcommittee—let us keep the faith. Let us not cut out this benefit, and thereby actually cut the pay of our military and retired.

Mr. Chairman and members of the Committee, consider the people affected by this bill. Consider the promises we have made in the past. Let us say unequivocally that we scrutinize the budget proposals, we get. We demand that the taxpayers' interests be protected. Let us take our stand today to reaffirm our belief that we have established an obligation to our military and our retired, and that we shall keep the faith.

Mr. JENRETTE. Mr. Chairman, will the gentleman yield?

Mr. KAZEN. Yes, I yield to the gentleman from South Carolina.

Mr. JENRETTE. Mr. Chairman, I rise in support of the concurrent resolution.

Mr. Chairman, before we allow the present status of military commissaries to be financially undercut, I urge the Members of this body to seriously consider what such action means.

It means, in the first place, an unexpected burden upon those who are retired or disabled, and on a fixed income.

It means a harsh and unprepared increase in the food budget of many low-income families.

Further, it represents a breach of contract—a word given by the Federal Government to those enlisting in the armed services that their efforts deserved ample recompense.

In short, it means a deplorable injustice to persons who joined the service of their country with the simple faith that their needs would be met.

Now, it should be quite obvious to all of us here that more is at stake than the relatively small savings intended by this proposal. There is the stake—minor, perhaps, to some—that our country can remain strong while the incentive to serve it is quietly being eroded by selective administration austerity.

While we are at a time of peace, let us remember who helped to make it possible. Let us also remember that retention of a promised staple is small recompense for the sacrifices of our uniformed personnel.

I strongly urge passage of this resolution.

Mr. KRUEGER. Mr. Chairman, will the gentleman yield?

Mr. KAZEN. I am delighted to yield to my colleague, the gentleman from Texas (Mr. Krueger) who is a cosponsor of this legislation.

Mr. KRUEGER. Mr. Chairman, I wish to associate myself with the remarks of the gentleman in the well.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. KAZEN. I yield to my colleague, the gentleman from Texas.

Mr. WHITE. Mr. Chairman, I definitely want to commend the gentleman in the well from Texas (Mr. Kazen) and his colleague, the gentleman from Texas (Mr. Krueger), for cosponsoring this measure.

Mr. Chairman, I have received hundreds of letters from people who have been in the military, and from those who are presently in the military, who feel that the commissary privileges were part of the contractual agreement the Government made with them, and were part of the reason for them entering into the service, with the understanding that they were going to get commissary privileges and others as part of their remuneration for serving their country.

I think that passage of this concurrent resolution will help rectify the problem which has arisen through an administrative decision.

Mr. KOCH. Mr. Chairman, will the gentleman yield?

Mr. KAZEN. I yield to the gentleman from New York.

Mr. KOCH. Mr. Chairman, I too am in accord with the position of the gentleman from Texas. I think it would be wrong to remove these privileges.

I might say that when I first considered this matter I thought that maybe there was a case for it, but then after having spoken with people who have served in the service, and who are retired from the service, and whose retirement benefits did not escalate as dramatically as they subsequently did in the Volunteer Army which we now have, that it simply would be wrong to remove what in fact was a contractual benefit; even further than that, a right—although not in writing.

I think our colleagues may be interested in a letter which I sent to those writing to me on this matter. The letter follows:

House of Representatives,
Washington, D.C., July 25, 1975.

Dear Friend: Since last writing to you on pending legislation which would end commissary privileges for those currently on active military service and for retirees, I have done some more homework. You may recall that my position was that commissary privileges should continue for those on active duty but that I believed these privileges should terminate for those who had retired from such service. My reasons were that our fiscal problems required cuts in excessive spending and I did not think these privileges to be a contractual benefit which should continue after service.

However, I had a discussion the other day with a young man on my staff whose father is a retired Navy Commander; and he convinced me that I was wrong. He said that when his father retired in 1960, which was before the institution of the voluntary army with considerable increases in active duty pay scales making them comparable to those in private employment, one of the reasons that had led to his father's remaining in the Navy was the expectation that there would be security and retirement benefits which would continue after he left the Navy, including commissary privileges. A significant fact is that almost one half of all military retirees receive under $4,000 annually in pensions.

Therefore, the position which I will advocate when this matter comes before the Congress is that commissary benefits should continue for those on active military service and for those who retired prior to the initiation of the voluntary army with the subsequent dramatic increase in salaries.

It is never too late to admit error, and that is what I am doing.

Sincerely,

Edward I. Koch.

Mr. LEGGETT. Mr. Chairman, will the gentleman yield?

Mr. KAZEN. I yield to the gentleman from California.

Mr. LEGGETT. Mr. Chairman, I thank the Gentleman for yielding.

Mr. Chairman, I wish to commend my colleague, the gentleman from Texas (Mr. Kazen), on the statement he has made.

Certainly we are all for saving money, and we have been hammering at the Pentagon to save money in their budgets, but this destruction of the commissary is not in the area of the priorites we have discussed. Unfortunately this resolution today is merely a policy statement that is not necessarily binding on the administration. I would hope that they take this lead from the Congress.

Mr. KAZEN. I thank the gentleman very much for his comments.

Mr. Chairman, this is a resolution that should have the support of the vast majority of this House.

Mr. HÉBERT. Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. John L. Burton).

Mr. JOHN L. BURTON. I thank the Chairman for yielding.

Mr. Chairman, I, too, rise in support of this resolution. Many of the people whom I represent are those who are retired military service personnel who were serving at a time when the wage scales were very low, when their retirements are very low. When we see retired service personnel and their families go into commissaries, or go into places where their income is so low that they even have to apply for a food stamp program, it seems to me inconceivable that this is an area where we would try to save a piddling amount of money out of the Federal budget. This is, as other speakers have said, a relationship that had existed.

Anyone who is a first-year law student in contracts can remember the theory of detrimental reliance. When many of these people were enticed into serving in the armed forces, they were told there were several benefits that would accrue to them, and one of the benefits was commissary privileges for themselves and their dependents. Now to willy-nilly take that benefit away is inconceivable.

Many people went into the armed forces at a time when enlisted personnel were making $75 a month, and some of the officers were making only $300 or $400 a month, and many of them stuck it out because of the fact that they knew there were some fringe benefits available to them. Now after they have served their country for 20 years, and some of them for longer periods, to say that we are going to cut back in the interest of economy by denying them this program, which was one of the reasons that enticed many of them to serve their Nation at a time, as I said, when the wage scales were totally inadequate to meet any standard of living, would be a dishonor not only to this House but to the Nation and to those who have served in the armed services.

Mr. DAVIS. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I yield to the gentleman from South Carolina.

Mr. DAVIS. I thank the gentleman for yielding.

Mr. Chairman, I wish to associate myself with the remarks of the gentleman from California. I applaud him on his stand. He has hit at the heart of the point. It is a very basic and simple issue of breach of faith, and this is one way that we can continue to keep the faith and maybe continue to keep some kind of military going.

Mr. Chairman, I would like to reiterate my previous stand on the current move by the Pentagon dealing with the military commissary. I call it a "scheme" to get more guns by forcing military personnel to pay more for butter. I refer to the proposal in this year's defense budget which would ultimately eliminate altogether appropriated funds for the operation and maintenance of military commissaries. This proposal reminds me of a poem once told me:

> God and the soldier we adore, in time of danger, not before. After deliverance, both requited, God is forgotten and the soldier slighted.

I am fully aware that we are in a time of diminishing expectations, and the military budget has been trimmed and pared unmercifully to adhere to that policy. However, in this move against the commissary, nothing is being offered as an alternative. We are stripping away another of the fringe benefits that have made the military attractive, and for what?

It has been estimated that the Pentagon's proposal would save about $400 million a year in subsidies to commissaries. I call this false economy. In fact, it pales in comparison to the almost $30 billion of what the Pentagon wanted for weapons for fiscal year 1976 alone. If the Pentagon is so greatly concerned about its people—as it so often trumpets—this proposal is hardly the way to demonstrate it. How can you put a "price tag" on retaining skilled, highly trained servicemen? Surely, there are areas of waste in the defense budget that could be reduced by $400 million with far less consequences than this proposal would have.

The Pentagon speciously justifies eliminating commissary subsidies on the basis of pay comparability with the private sector. By whose definition? I doubt if you would find a consensus on this point even in the Pentagon. Nevertheless, I remind my colleagues that fringe benefits—including commissary sale stores—have long been considered a part of military compensation.

Furthermore, while pay has increased, you will not find anyone who wants to become rich trying to do it in the military. The bottom line here is not money, it is personnel. People—and the effect this move will have on them is the issue. We have already "allowed" the military to set the example for frugality by accepting a 5-percent pay raise limit, even though the consumer price index is going to top 7.8 percent in 1976. Now we come back to the already burdened soldier and his family and say we are going to "allow" you to pay at least 6 percent more for food this year and another 6 percent next year. How long will it be before the soldier will not be able to stand any more of these "allowances"? How much of an example must he and his family set for the country?

My gravest concern is for the married enlisted members with families and retired military personnel on fixed incomes—in particular those retired before 1958. These people are finding it difficult enough to survive in this inflationary economy. But the Pentagon would propose adding to their already substantial financial burdens. A measure of their financial difficulties can be seen in the amount of food stamps—a symbol of poverty these days—being cashed by military commissaries. Commissaries redeemed almost $10 million worth in calendar year 1974. The figure for the first 3 months of this year has already reached over $3 million. At this rate the total for 1975 will soar to over $13 million.

This Congress has passed several measures recently to provide relief for those people hardest hit by the sad state of our economy. A large number of enlisted and retired personnel fall into that category. Increasing food prices at the commissaries would have no part of this contradiction in policy.

In my view the only beneficiaries to the Pentagon's plan are the supermarket chains.

Commissaries have always been a selling point for recruiting and retaining personnel. Perhaps this inducement is not quite as necessary these days. With the huge unemployment rate among our young men and women, the services are having little difficulty getting them to join up. But what of the future when the economy rights itself and the services have to battle for the available manpower to maintain the ranks of the All-Volunteer Force? By the Pentagon's own forecast, the services over the next decade, will have to recruit 1 in 3 qualified and available 18-year-old males. This promises to be a formidable task. And if the services falter, you can almost bet the Pentagon will come asking for funds for addditional inducements that will cost far more to the taxpayer than the continued maintenance of commissaries.

Let us look at the demands of the job of the soldier for this country. There is not another job in the United States which makes so much of a call for sacrifice. True, there are some civilian positions where there is a threat of death, but most pay premium wages. There is not another job in the country where the regularity of moving every few years is so assured. There are few jobs that send people to isolated duty tours at the far corners of the Earth and even less jobs that separate a man and his family so frequently. The soldier is a 24 hour a day, 365 days a year worker who is called upon to perform at his best in any circumstance. How can we expect to get and keep the caliber of men needed for this thankless task when we are continually whittling away at the very pillars that support the entire structure. I again offer my support for the military commissary system and urge this committee to do likewise.

I urge the adoption of the concurrent resolution.

Mr. DOWNING of Virginia. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I yield to the gentleman from Virginia.

Mr. DOWNING of Virginia. I thank the gentleman for yielding.

Mr. Chairman, I commend the gentleman on his statement which he has just made. I enthusiastically support passage of this resolution.

Mr. Chairman, my concern is a dual one—first for those on active duty in our all-volunteer armed services. They were recruited with the promise of commissaries. To withdraw the benefit or impair in any fashion to me would be an insidious way of nullifying a contract. We have every right to expect them to live up to the contract and they have every right to expect the same of us.

My second concern is that of a moral commitment which we as a nation made to retirees. About 80 percent of those retired from the Armed Forces live within 50 miles of commissaries. The district which I represent is heavily impacted by the military and as a result we have a high percentage of retirees. I know that many of these men and women made decisions to enter the service partly in consideration of the benefits that would be available upon retirement and many of them selected their retirement homes based on the availability of these benefits. Retired service members use the commissaries, they really do, because they need to get the maximum dollar out of what is available to them. I, for one, cannot find it in my heart to tell these people that we are going to renege on our promise to them. I say pass the resolution.

Mr. RANDALL. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I yield to the gentleman from Missouri.

Mr. RANDALL. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, the gentleman a moment ago recited a principle of contract law. He said there was a commitment here akin to a building contract.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HÉBERT. Mr. Chairman, I yield 1 additional minute to the gentleman from California.

Mr. RANDALL. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I yield to the gentleman from Missouri.

Mr. RANDALL. I thank the gentleman once again for yielding.

The principle involved is what is called consideration, because there was not a recruiter anywhere in the country who did not say to those men he was trying to enlist, "You are going to receive commissary benefits." That is known as consideration for a contract. Part of the consideration which made the contract for enlistment valid was the benefits that were promised and what they thought that they were going to receive from the commissary. So while this is only a sense-of-Congress resolution—and we do not know what is going to happen when it reaches the Chief Executive—it is certainly very important that this House go on record today and say that there is not going to be a breach of a valid contract affecting those who thought that they were going to receive these benefits. By our vote on this resolution let the House express itself that there will be no breach of faith. Put differently, let us not be guilty of challenging the rules in the middle of a game.

Mr. JOHN L. BURTON. I thank the gentleman.

Mr. Chairman, I would strongly urge an aye vote. This is one time I hope the House can vote unanimously on an issue.

Mr. BEARD of Tennessee. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to commend the distinguished chairman of the subcommittee (Mr. HÉBERT), who chaired the hearings on this very sensitive and important matter. I rise to speak in support of the resolution.

I am deeply concerned with the mounting efforts to effect what could be an emasculation of the commissary system. I am disturbed because this benefit directly affects those people who are in most need of assistance; namely, lower ranking military families with children and enlisted retirees of advanced years, and widows of military personnel. They can ill afford the projected price increases.

I am aware that the administration has made no recommendation to do away with military commissary stores, per se—nevertheless, with the cutback in fund support of this activity as recommended by the administration, I fear this may well be the result.

Military people feel that reductions in commissary savings would represent a major step toward a complete phasing out of the stores. One noncommissioned officer got to the heart of the matter in a letter to the committee which I will quote:

> We drive the 7 miles to the commissary maybe twice a month. We fight the traffic, parking problems, over-crowded aisles, and long lines because at each visit we may save $7 to $8 over the local supermarket. But cut that savings in half, and it wouldn't be worth the effort. Our friends feel the same way.

If this noncommissioned officer decides it is not worth the effort, I am sure others will do likewise. Many military personnel predict that if the savings are withdrawn it will eventually lead to the closing of all commissary stores.

I believe that this particular issue is of vital concern to all military personnel, active and retired, especially the lower grades as I have previously mentioned. They believe that it is an item which affects their financial stability and family welfare.

I am acutely aware that our national budget deficit continues to grow and that there are literally thousands of competing priorities crying for attention. However, and equally important, this proposed increase in commissary prices is just one more piece of evidence to the serving active duty military personnel, and to the veteran retiree, that his Government is changing the rules after the game is underway—or, in the case of retirees, penalizing those who already have given so much.

Mr. Chairman, I urge my colleagues to favorably consider this resolution.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. BEARD of Tennessee. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. I thank the gentleman from Tennessee for yielding.

Mr. Chairman, I rise in strong support of the resolution.

Mr. Chairman, I thank the gentleman from Tennessee (Mr. BEARD) for yielding and join him in support of House Concurrent Resolution 198, expressing the opposition of Congress to any change in the present method of providing financial support for military commissaries through appropriations.

The fiscal 1976 Department of Defense budget proposes to make military commissaries self-sustaining financially. This can only be done by raising the commissary surcharge by 15 percent and thereby increasing the cost of food to the members of our armed services and military retirees. I believe this proposal is a false economy and a betrayal of promised fringe benefits for military personnel and retirees.

It is a false economy because it could have a profound impact on retention of present military personnel. The military community sees the possible loss of commissary savings as a breach of faith and a significant reduction in spending power, at a time when inflation has already decreased their discretionary income. The proposal has reduced confidence in their ability to retain other benefits of military life, and made the prospect of continued service in the military less attractive.

The situation for the military retiree is equally important. Most military retirees served before the "catchup" pay raises of today's all-volunteer army, and commissary prices constitute a substantial portion of their retirements benefits. These individuals and their families must live on a fixed income, subject to the pressures of inflation, and increasing the commissary surcharge by 15 percent would work a severe hardship on them.

Therefore, I am very pleased that the House Armed Services Committee has held hearings on this proposal, and reported out this resolution of disapproval. The Federal Government has a moral obligation to career military personnel, active and retired, who are devoting and have devoted the major portion of their adult lives in service to this Nation. To fulfill that obligation, the Government must, at the very least, keep the past promises it has made.

Mr. Chairman, I urge my colleagues to give overwhelming approval to House Concurrent Resolution 198 and thereby place the House on record as disapproving the DOD proposal to make military commissaries self-sustaining. Further, I sincerely hope that my colleagues on the Defense Appropriations Subcommittee will favorably consider the necessary appropriation to keep our military commissaries on their present financial basis. The Congress must keep its promises to our military personnel and retirees.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. BEARD of Tennessee. I yield to the gentleman from California (Mr. HINSHAW).

Mr. HINSHAW. Mr. Chairman, I rise in support of House Concurrent Resolution 198 out of a deep conviction that we have made a commitment to members of the Armed Forces and retirees—a commitment that we are morally obligated to honor.

While I agree with the support the administration's efforts to reduce the Federal budget and to stimulate the economy, I have come to the conclusion that the proposal concerning commissaries would have an infinitesimal effect on a reduction in our Federal budget.

Moreover, cutback proposed by the administration would have a significantly adverse effect on a relatively small but very important segment of our society. To those who have served in the military, continuation of the commissary program represents an expression of national appreciation for the sacrifices that almost every military person must make. Furthermore, I believe that there is an implicit contract between the Federal Government and members of our military services that such privileges will continue to be available on the same basis as they were when their military careers began.

The following are excerpts from letters I have received from constituents which I believe eloquently express the sentiments of the majority who will be affected by the proposed cutback in commissary privileges:

> My understanding of the situation is that the commissaries are to become self supporting with little and then no subsidies. This will mean an end to our commissaries because they cannot exist under those circumstances and this is unfair beyond all belief!
>
> I realize that my feelings may seem biased and emotional but we military families are by nature a quiet bunch who usually go along with whatever is our lot, but I guarantee you that I do not think we can sit still for this without at least telling it like it is.
>
> We understand the state of the economy better than most—we raised a family of six on an income of less than $8000 last year. The pay raises we have had have not even kept up with the inflation and we have actually less buying power than we had a few years ago at a lower rate of pay. (Wife of an enlisted man)
>
> I think this is nothing but a complete double-cross of men who have served this country over the years. Men and women who have put in twenty years, and retired on very tight budgets with the expectation of utilizing this privilege which they were promised. Now this is in jeopardy and many people could be hurt badly. This type of action does not sound like the American way of doing things. I always felt we took care of our obligations. (Retiree)
>
> Since I'm a retired disabled veteran with over twenty-six (26) years service to our great country, and fought in three (3) wars, I'm deeply concerned about the benefits which are continually being taken from active and retired members of the Armed Forces.
>
> The civil servants are getting many additions to their "fringe benefits". A few examples are: (1) raised mileage and per-diem limits, (2) special legislation to prevent loss of pay for a few hundred civilians because of a job change, (3) liberalized retirements, (4) liberalized survivors benefits, and (5) government payment of a bigger part of health insurance costs. Not one reduction.
>
> Now that we have an all volunteer military, how would anyone think that I could encourage any young person to volunteer for military service? The military are constantly being asked to sacrifice part or most of their lives and instead of being rewarded for their faithful services and sacrifices are continually being deprived of benefits which were in effect when they entered the military service. (Retired disabled veteran)
>
> Morale wise, the effect would be severe—confidence in the faith of the government to maintain and support the traditional benefits of the military would be shattered once more. First it was recomputation, now commissaries. The feeling is "What's coming next?" (Retired Colonel)
>
> Little by little the benefits are eroding, until one day we may be left with only our original motivation—the privilege to serve. Will this feed our families? (Marine Corps Staff Sergeant)
>
> Congressman Hinshaw, many persons in the "military family" are struggling for survival and the continual stripping and threats of stripping of benefits is grossly unfair and enormously detrimental to the morale of the military widow. (Society of Military Widows)

I am sure that all Members of this House have received similar expressions of opposition to the commissary proposal and I submit that further erosion of faith and morale in this country must and should not be permitted in view of our commitment, and particularly when we are attempting to maintain a quality All-Volunteer Army. One way to accomplish this end is by the favorable action of the committee and the Congress on this legislation.

Mr. McEWEN. Mr. Chairman, will the gentleman yield?

Mr. BEARD of Tennessee. I yield to the gentleman from New York.

Mr. McEWEN. Mr. Chairman, I commend the authors of this resolution and the committee for bringing this resolution to the House at the present time.

I strongly support the resolution.

Mr. MOORHEAD of California. Mr. Chairman, will the gentleman yield?

Mr. BEARD of Tennessee. I yield to the gentleman from California.

Mr. MOORHEAD of California. Mr. Chairman, I rise in support of this concurrent resolution. I know many of the people who have served in the Army Reserves for 20 years or more stay active in the Reserves with no pay but with the thought they will be eligible after they are 60 to shop in the commissaries along with the very small pension they get, many of them only around $100. Since this is a consideration which has been put forward for their services I think it would be wrong to take it away from them.

Mr. McCOLLISTER. Mr. Chairman, will the gentleman yield?

Mr. BEARD of Tennessee. I yield to the gentleman from Nebraska.

Mr. McCOLLISTER. Mr. Chairman, I strongly support the resolution.

Mr. Chairman, the House has wisely voted to continue assistance to military commissary stores. Since first public notice that the administration intended to eliminate this benefit for military families and retirees, I have steadily opposed such a policy and am, therefore, pleased with the House action.

Commissaries provide an important benefit to members of our armed forces. Removing this benefit would increase family grocery bills substantially for all commissary users, half of whom are retired and enlisted personnel who can least afford higher food prices.

More importantly, such a policy reversal would break a tacit agreement made to military personnel when they enlisted. One of the recruiting inducements used by the Armed Forces is the substantial fringe benefits available, including commissary privileges. This particular benefit has been increasingly viewed as a form of compensation and its elimination would have the effect of a pay cut and a resulting decrease in living standards for more than 2 million service men and women. In our present efforts to attract a high caliber of people into our new, all-volunteer military, breaking this promise would certainly be a step backwards.

A recent survey revealed that many military couples could not make ends meet on their military pay without the 20- to 30-percent savings made possible by their commissary privileges. Many indicated that there would be no alternative to leaving the services if commissary privileges were no longer available.

I urge Members of the Senate to join in approving this House-passed resolution to continue assistance to military commissaries and eliminate this threat to the family budgets of military personnel.

Mr. WHITEHURST. Mr. Chairman, will the gentleman yield?

Mr. BEARD of Tennessee. I yield 2 minutes to the gentleman from Virginia (Mr. WHITEHURST).

Mr. WHITEHURST. Mr. Chairman, all Members of Congress certainly appreciate the desire of President Ford and Secretary Schlesinger to trim the defense budget to the greatest feasible extent. In this time of huge budget deficits and the concommitant inflation which continues to plague our economy, all responsible officials must make every effort to reduce Federal spending. The House Armed Services Committee has recently demonstrated its determination to support reasonable cuts in defense spending by reducing the administration's requests by $3.7 billion, and I am sure that this committee will also trim the defense budget.

However, in making spending cuts, we must always be cognizant of the impact of these reductions on the ability of our Armed Forces to perform their mission. In my judgment, requiring commissaries to become self-supporting would cause a severe morale problem resulting in a less effective military force. The increased cost of food at commissaries along with the proposed ceiling on cost of living increases and recent reductions in health benefits are bound to arouse feelings among the military that their service is unappreciated. Additionally, many active personnel believe that these reduced benefits represent a breach of faith by the Government, since these benefits were promised to them at the time they entered the service.

In view of the strong negative reaction on the part of military personnel engendered by the proposed increase in commissary prices, it seems to me very likely that reenlistment efforts will be hampered significantly if the Congress approves the administration's plan. It also seems likely that recent recruiting successes will be reversed when the public becomes aware that traditional fringe benefits received by the military can no longer be counted on.

The administration's basic rationale for increasing commissary prices is that military pay has increased substantially in recent years. Although there is no doubt that pay has increased, it remains substantially below compensation received in the private sector. At the present time, two-thirds of the active duty personnel earn below $7,000 per year. Since less than 17 percent of military personnel are in actual combat assignments, it is clear that most personnel, who are in administrative and specialized positions, would be better rewarded outside the military.

There is another statistic which further dramatizes the relatively low pay of military personnel. According to recent reports, more than $1.5 million in food stamps are being redeemed at commissaries each month. If the price increases recommended by the administration are implemented, it is likely that the number of military personnel applying for food stamps will also increase.

While I believe it is apparent that military pay has not achieved comparability with civilian salaries, there are other considerations, aside from low pay, which justify fringe benefits for the military. All career personnel face the prospect of having to engage an armed enemy at some point in their service. They also have limited ability to choose where they live, and face frequent and expensive moves with little opportunity to build an investment in a home or to enjoy the long-term security of a familiar community. In addition, military personnel are required to surrender certain basic freedoms which civilians take for granted.

In light of these sacrifices required of members of the armed forces, it will always be difficult for the services to compete for capable people on equal terms with industry. However, it will make the recruiter's task infinitely more difficult if fringe benefits, such as commissaries, are reduced or eliminated. It puzzles me that the Department of Defense, which has enthusiastically supported the all-volunteer force concept, seems unconcerned that the loss of the commissaries as a meaningful benefit will hamper efforts to attract capable personnel. Although the recruiting goals of the services are being met now, reduced benefits combined with an improved economy could well cause future difficulty in meeting acceptable force levels.

I would like to make particular mention of the impact of increased commissary prices on military retirees. In my view, the administration's proposal is especially inequitable for them. They served their country for many years at low pay. Thus far, the Congress has failed to enact recomputation legislation, and this year the Ford administration withdrew its previous support for recomputation. In addition, as I mentioned before, the President has recommended a ceiling on cost of living increases for retirees this year. All of these proposed actions by the Government, at a time when the economy continues to suffer severe inflation, would amount to a significant reduction in retirees' purchasing power. These actions would cause great hardships to this group, which consists in large measures of people who even now receive income sufficient for little more than the basic necessities.

Not only are increased prices unacceptable for all the reasons I have already stated, but they also could lead to the closing of many commissaries. If the price differential between supermarkets and commissaries becomes minimal, there will be little incentive to make the longer trip to the commissary and withstand the limited item selection, long lines, and other inconveniences of commissaries as compared with commercial supermarkets. Officers at the Norfolk Naval Commissary Store Complex located in my congressional district, have told me they expect a sharp decline in sales if commissaries become self-supporting.

In summary, I believe the administration's recommendation to require reimbursement for all direct costs of commissary operations is wrong in two basic respects. First, it is inequitable to force an increase of 10 to 12 percent in food costs at a time when other fringe benefits are being reduced and the economy continues to suffer rampant inflation. Second, it would cause severe morale problems, and ultimately contribute to difficulty in meeting the goal of a capable all-volunteer force. It has been said that fringe benefits, such as commissaries, have a symbolic significance to the military that overrides the dollar value many times.

Their continuation represents a symbolic expression of national appreciation for the sacrifices that almost every military person has been called upon to make at some time in his career. In addition, active and retired military personnel make a persuasive argument that the armed services assumed a contractual obligation to maintain the existing pricing system for commissaries. If this Congress agrees to reduce commissary benefits, which for so long have been of the utmost importance to military personnel, then our action will surely be taken by our Armed Forces as a sign that this Nation has less regard for its efforts and sacrifices.

Mr. BEARD of Tennessee. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. MITCHELL).

Mr. MITCHELL of New York. Mr. Chairman, I rise in support of the resolution. I feel that the breach of contract argument which has been presented by so many is sufficiently strong to carry the resolution. All the services apparently use it in their recruiting efforts and I think it would be unfair and unwise and counterproductive if we were to change the system at the present time.

But I would like to address myself to another aspect of the problem that was presented at our hearings. At present in most instances the primary incentive for shopping at the commissary is the price differential. This price differential as I understand it is not really all that great right now. The service is often poor in the commissary, usually the variety of goods is far less, quarters are more cramped, and the surroundings are less attractive. Should the administration proposal have carried I feel it would certainly have further decreased this price differential which again would very seriously decrease the number of people who would be attracted to the commissaries. This in turn would again increase per unit costs and again discourage commissary usage.

The bottom line is if the administration proposal should have carried it would almost surely have seriously crippled the commissary system.

I appreciate we have problems with the commissary program. We do need to improve our management policies apparently among other things, but we also need time to really study the problem, really look it over and find out how we can keep it and improve what we do have.

Mr. Chairman, I would strongly urge support for this resolution so that we can be provided the time to make these improvements.

Mr. ABDNOR. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of New York. I yield to the gentleman from South Dakota.

Mr. ABDNOR. Mr. Chairman, today we are discussing an action that would make a very noticeable mark on a segment of our Nation's populace and that mark will have serious consequences.

The proposal to make the commissary a self-supporting operation by October, 1977, is a very feeble effort on the part of the Department of Defense to cut its budget. I think that there are other places that can be cut. The commissary privilege is, and long has been, a benefit of the military life, and I feel very strongly that it should be continued.

I feel that this effort would, in effect, deal a "below the belt" blow to our retired personnel as well as those low ranking military personnel on active duty that depend very much on the commissary for part of their survival. The proposal will raise the price of the products available to these people, and the end result will create a severe hardship.

Obviously, driving commissary prices sharply upward will drastically reduce—or eliminate—any savings active and retired service personnel presently enjoy. Patronage, doubtless, would drop as customers found their local commercial stores more competitive. And many commissaries will fail to meet the congressionally mandated test of producing sufficient savings to be kept open. The end result could well be the death of the commissary system as we have known it. Is this the answer we are looking for? I think not.

Today the commissary patron saves on the average of 20 percent of the total bill for those items purchased. This is a substantial amount, especially when you look at the rate of the inflation we have today in this country. Losing that amount is the same as a pay cut, and that is very difinitely a squeeze on the pocketbook.

The commissaries have long been a fringe benefit traditional to service life. They are part of the total compensation package and a part of the military community. These privileges often entice members into the military and have often kept them in the armed services. These people have served our country well in our time of need; therefore, I must vehemently object to taking away one of the reasons that they served so honorably.

It is shortsighted indeed to believe that comparability of military and civilian pay adequately recompenses the military man and his family for a life that imposes severe demands and hardships on the family structure. Further, using that rationale as an excuse for the new commissary scheme totally ignores the plight of the retiree who completed his service long before pay comparability was assured.

I, therefore, urge you to think of those who have given so much of their lives to our country's defense. We have a moral commitment to them by preserving the benefits they have been assured, and I urge a yes vote.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. BEARD of Tennessee. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Chairman, I want to associate myself with the remarks made by the gentleman from Tennessee (Mr. BEARD) and the gentleman from New York (Mr. MITCHELL) who preceded him.

This measure, seeking to maintain our military commissaries, not only is important to the many persons who are now in the military service, but it is also important to military retirees, to families of retirees and to our disabled veterans, all of whom are struggling to make ends meet.

Commissaries have traditionally been important to military personnel stationed in remote or high cost areas, to families of personnel in the lower ranks whose income is relatively low, and most importantly to those retirees on fixed incomes. The amount of money which would be saved by the administration's proposal eliminating the subsidies which are now granted to military commissaries would be miniscule compared to the increases in the costs-of-living for those who utilize the commissaries. Our military personnel should not be penalized for their dedication by the imposition of a higher cost-of-living which would surely follow if the administration's proposal is adopted.

Accordingly, I urge my colleagues to disapprove any change in the current method of providing financial support for military commissaries.

Mr. HÉBERT. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia (Mr. DAN DANIEL).

Mr. DAN DANIEL. Mr. Chairman, I rise in support of this resolution.

Mr. Chairman, today we are considering adoption of a resolution which should not have to be. However, the OMB has committed a breach of faith which we the Representatives of the people cannot let go unchallenged.

No one is more concerned, or works much harder, to save the taxpayers' money than I, but I must point out that a certain cynicism prevails in the action to shift an additional financial burden on members of the armed services and their families in the effort to trim Government expenses. For in this action the administration has singled out a group without recourse but to accept the action, or rely on the Congress to right the wrong in their behalf.

Several years ago, when I chaired a special subcommittee charged with identifying methods and policies which would help insure success of the all-volunteer concept for maintaining and obtaining our needed military manpower, we found that the existence of certain fringe benefits, including commissary privileges, was of great importance to service personnel, and a great inducement to recruitment and retention.

It was a major factor, especially for those entering service for the first time or in the lower pay grades.

The Department of Defense obviously recognized the validity of commissary privileges as a recruiting tool, for it is set forth in recruiting materials and is a talking point for the recruiting officers.

The primary argument advanced by those who would impose this extra cost on young military families is that service pay is now comparable to civilian salaries.

But the fact is, great as the cost of manpower is for the services, many of those in grade E–4 and below still fall within the poverty category as defined by the Government. And additionally, by what yardstick does one measure sacrifice; time away from loved ones, regimentation and the risk of life and limb.

By this action, the U.S. Government is providing one more example that our word does not mean very much.

We will be reneging on a moral commitment—a commitment of long standing, and of major importance to those affected.

If we operated a private business, we made pledges to a potential employee that certain things would be done, certain privileges provided, and if we made a conscious decision to go back on our word, what would happen? The answer is obvious.

This man or woman would probably not leave us because of the loss of one specific benefit, but because of a mistrust of future actions on our part as an employer.

That employee could not be faulted for assuming that if our word meant nothing in one instance, then the same would apply in other matters.

The truth is, any employee who did not make this assumption would be more dim-witted than I would want on my payroll.

In essence, a portion of that employee's feeling of loyalty would have been washed away.

For loyalty is a two-way street.

It cannot be bought.

It cannot be demanded.

It cannot be ordered by passage of a law.

It is earned.

And it is earned by the perception of consistency in action on the part of both parties.

If one party acts unilaterally and arbitrarily in what it believes to be its own interest, without regard to the effect on the other, that loyalty begins to diminish, and it is seldom restored.

Since the removal of commissary privileges has been put on a dollars-and-cents basis, it may be well to ask another question:

What will be the cost of replacing those men and women who complete their present enlistment, and then leave as a result of a lack of trust in the Government?

On the basis of training cost alone, the figure is $6,000.

Do we know, or have we considered the number by which we will multiply that figure?

So the Congress must act to restore what the executive branch would take away.

Already the question is being asked by those in the Armed Forces: "What will be next? Which of those things you have pledged to provide in order to secure my services will be removed by administrative decision?"

OMB, Mr. Chairman, has learned the recipe for cooking a frog.

This may be one of the most costly dishes——

Mr. NICHOLS. Mr. Chairman, will the gentleman yield?

Mr. DAN DANIEL. I yield to the gentleman from Alabama.

Mr. NICHOLS. Mr. Chairman, I would like to remind the gentlemen of the House that there are two other groups that receive commissary privileges that have not been mentioned today. One group are those veterans who are 100 percent totally and permanently disabled. We have in this country about 115,000 of those veterans, veterans who served in the Spanish-American War, World War I, World War II, Korea, and Vietnam.

Mr. Chairman, there is still another group that I would like to call attention to. That is the Congressional Medal of Honor winners. We have about 294 of these boys who have received the Nation's highest award. I think it would be very shabby treatment, indeed, if we cut off commissary privileges for those two groups.

I would like to include the following material and letters in support of my position:

VETERANS OF FOREIGN WARS,
Washington, D.C., July 25, 1975.

Hon. BILL NICHOLS,
House of Representatives,
Washington, D.C.

MY DEAR MR. NICHOLS: We have been advised that House Concurrent Resolution 198, introduced by the Honorable Mr. Kazen and cosponsored by Mr. Gonzalez and Mr. Krueger in which the opposition of the Congress is expressed to any change in the present method of providing financial support for military commissaries through appropriations to meet their payroll costs, was passed by the House Armed Services Committee on July 23, 1975 and will be taken up by the full House on Thursday, July 31.

In behalf of the 1.8 million members of the Veterans of Foreign Wars of the United States and our more than 540,000 members of our Ladies Auxiliary, it is requested you use the influence of your most prestigious office to muster the necessary vote for passage of this resolution having a direct bearing on the financial resources of active-duty military personnel and retirees, vast numbers of whom are members of our organization.

This key fringe benefit should not join the list of many whittled away in recent years. Commissary privileges have long been an implied contract by recruiting material published by the Department of Defense through the various services, and is, also, cited as one of the reasons for over the years depressing active-duty pay by seven percent. We do not believe active-duty personnel and their dependents, military retirees and their dependents, as well as 100 percent combat disabled veterans and Medal of Honor holders should be made the scapegoats in Department of Defense budget cutting or the sacrificial lambs to giant food chains.

There has been an unrelenting effort in many quarters to correlate military service with Civil Service or civilian occupations, and no such correlation has ever existed nor will such. No other segment of our society is called upon repeatedly to serve in remote and dangerous areas, to be separated from their families, and undergo the hardships and rigors of military service. It is unconscionable that military personnel should be given an increase in pay one year, and, then, such increase negated by reducing and ultimately eliminating the savings obtained in military commissaries.

With best wishes and kindest personal regards, I am

Sincerely,

JOHN J. STANG,
Commander-in-Chief.

[From the Morning Advertiser]

ANOTHER SELL OUT

The military retired community around Montgomery is in for an economic kick in the pants next year, another federal thank-you for years spent in service.

On the surface, the plan to end federal subsidies to the 419 million supermarkets around the world is economically good.

What with service people earning salaries equal to or possibly higher than many of their civilian counterparts, it seems ridiculous to continue to provide them with cut-rate groceries.

The whole theory behind commissaries and exchange facilities—those discount stores where military folk could purchase their cigarets, toilet articles, civilian clothes and a variety of other sundries—was to supplement the shamefully low pay they received.

Until only recently, many service personnel lived on what could be considered starvation wages, some even qualifying for food stamps.

It was only right that their meager income should have been supplemented.

Today, this subsidy is no longer necessary.

However, back when many military people were searching for a pittance, the folks they swore an oath to defend promised them a fair retirement and the right to continue using commissary and exchange facilities after they'd served their 20 or more years.

What they were never told was that this same benevolent government was going to defraud them of their retirement rights piece by piece.

Around mid-century, the government decided that retirement payrolls were too high. So the government said, in essence, "We promised to give you a raise every time the active duty people received one, but we've decided it costs too much. Sorry."

As a result, we have many retired people scratching to get by on an inadequate income.

And now the Washington promise-makers will deal them another economic blow by jacking up the price of their groceries.

This is, indeed, shabby treatment. Another broken promise.

While Congress hikes Social Security pensions with alarming regularity, it keeps chipping away at military retirement benefits.

Ironically, few of the people drawing Social Security were ever promised anything. The military people were.

When supporting those who defended the nation becomes too expensive, our government, like the Vietnam draft-dodgers, prefers to bug out.

TALLASSEE, ALA.,
January 7, 1975.

Hon. JOHN SPARKMAN,
Senate Office Building,
Washington, D.C.

DEAR SENATOR SPARKMAN: This is a plea in behalf of all active servicemen with families and retired personnel to please vote against President Ford's proposal to cut down on the savings we receive by utilizing the commissaries. I am retired with a growing family and need this privilege. Commissary privileges was one of the attractions that kept me in the Army for 21 years. I fought in Korea on two separate tours of duty and in Vietnam for one tour. I went through hell and only by the grace of God lived through these wars. What burns me is that every time my enlistment was coming to an end, the attractions of all the "lifetime *privileges*" was presented to me and now slowly but surely all these privileges are being taken away. The retirement allowance that I drew is heavily taxed, therefore I feel that I am still paying for this privilege.

Sincerely,

RAY T. STEELE,
First Sergeant Retired.

WETUMPKA, ALA.,
February 11, 1975.

Hon. BILL NICHOLS,
U.S. House of Representatives,
House Office Building,
Washington, D.C.

DEAR MR. NICHOLS: Military retirees are losing their commissaries, medical care is on shaky ground and recomputation of retired pay will never happen. Loss of commissaries will cause a severe hardship, especially to those who retired with low pay.

Incidentally, when my husband enlisted in the army in 1935, he was promised medical care; pay adjustment in line with current pay scale; and commissary benefits upon retirement. Of course, none of this was in writing and we are told that it was not a legal contract.

It is really sad that service people are the first targets when the government starts cutting back. But then there isn't a war now and the burden of paying off the obligation to retirees becomes irksome to the government and the taxpayers.

Maybe those draft evaders and deserters had something after all!

Congress got on the ball and pushed through HR 15301, the railroad retirement bill, over President Ford's veto. If I remember correctly, railroad workers were out on strike most of the time during World War II, and troops had to take over running the railroads. The average railroad employee retires with benefits over a $1100 a month. A lot of military retirees are not so lucky.

Please use your influence to retain our commissaries and other benefits.

Sincerely,

(Mrs.) EVELYN A. GOSA.

P.S.—With reference to recomputation of retired pay, the Department of Defense shouldn't be too apprehensive about costs. Just look at the obituary columns of retired deaths. They are dying off rather rapidly and at extremely early ages!

February 3, 1975.

Congressman Nichols: I am writing you concerning the recent threats on the closing of the Commissaries on our Forts and Bases. This would be a tragic mistake. I am sure whoever is behind this action never spent twenty or more years of his life in the Armed Forces.

My Father, like millions of other men who felt it was their duty, served twenty years in the Air Force. My father and family were always told when to move, where to live and then when to move again. My brother and I went to eight different schools in four States. We were never really settled into close friendships before we would move and have to start over.

My father was sent to a remote site for a year and my mother and us had to live alone all that time. The next year Dad was sent to Arabia, again we waited alone. Not long after that he again was sent away, this time to Dominican Republic.

We all knew it was Dad's duty since he was in the Air Force, but he would never have stayed twenty long years in, if it weren't for the benefits a respected retired man receives.

When father retired he literally had to start all over again. Most men his age have a nice home and business. Dad had to find a job, which isn't easy to do after you're forty, and then find a home.

But he realized he would be able to buy groceries at the Commissary, which doesn't save much, but enough on some items to be worth waiting for. Of course there are other benefits, but whose to say, if they start cutting into them where they will stop. This would only throw more people onto Welfare and food stamps. Please try to discourage this action on the Commissary.

Yours Truly,

Mrs. Robert L. Slay, Jr.

Mr. GONZALEZ. Mr. Chairman, will the gentleman yield?

Mr. DAN DANIEL. Mr. Chairman, I yield to the gentleman from Texas.

Mr. GONZALEZ. Mr. Chairman, we are currently considering a resolution expressing the sense of Congress that it supports and is in favor of continuing the present support method of providing financial support for commissary stores. This present method allows the Department of Defense, through appropriated funds, to meet the payroll costs of their civilian and military employees.

I am a cosponsor of this resolution and urgently request my colleagues to support it. By doing so we will be telling the military that we have not broken faith with them and that we are living up to our commitment made to them when they entered the military.

The President's budget for fiscal year 1976 requests a reduction in the appropriated funds needed for commissary operations beginning July 1, 1975, with the ultimate goal of eliminating all appropriated funds for civilian and military personnel working in commissary stores after September 30, 1976. If the President's proposal is accepted by Congress it would result in commissary stores becoming self-sustaining.

I have expressed my opposition to this proposal before the Subcommittee on Investigations of the Armed Services Committee and the Defense Appropriations Subcommittee, and now would like to express my strong opposition to my colleagues here on the House floor.

We are all aware of the concentrated attacks that have been made on the military in the last couple of years and the continued attempts by many to cut back and erode away the compensation and benefits promised them by Congress. The President's proposal to make commissaries self-sustaining is the latest breach of faith and the administration is looking to Congress to support such action.

I am afraid, Mr. Chairman, that if we continue along this path we will find that we have not only weakened the faith of the current military personnel but will have seriously impaired morale.

Commissary privileges were and are considered as fringe benefits and have always been included as part of the compensation package. This and other benefits have always been considered when pay increases are programed for the military. The President has tried to justify his decision to slash commissary subsidies by saying the current level of pay in the Armed Forces is adequate, and I will not try to deny that Congress has attempted to upgrade the salaries by increasing basic pay in order to entice more volunteers to join the service. But let us look at the facts.

Of the entire active duty forces 67 percent are in pay grades E5 and under and receive less than $7,000 annually in pay and allowances, hardly an exorbitant figure given the cost of living today. In comparison let us look at the recent study done by the Bureau of Labor Statistics showing what a family of four would need to sustain a certain level of living. I have taken the lower level figures since the largest group of military are grade E5 and under. The average income needed for a family of four to sustain a low level of living in the urban areas of the United States is $9,198 per year, over $2,000 more than the majority of active duty military personnel currently receive. In Washington, D.C., the necessary income is $9,723 and in Austin, Tex., $8,108. I believe these figures speak for themselves.

When deciding whether we should continue our present method of supporting commissaries we cannot ignore recent reports that a number of lower grade enlisted service people have been forced to purchase food stamps in order to make ends meet.

The Agriculture Department figures shows that comstores redeemed $8,115,570 worth of stamps from December 1973 through September 1974—an average of $676,300 per month. Last October, the figure rose to $872,517, and in November it shot to $1,367,592, almost double the average for the previous 12 months. Based on the above figures I can hardly find the argument of increased base pay a legitimate one for making commissaries a self-sustaining, in effect doing away with them.

If Congress goes along with the President's proposal the enlisted personnel will be hit hard, but the retirees will suffer greatly, especially those who were caught in the changeover of the retirement system in 1958. These retirees are struggling as it is to keep up with the fantastic increase in the cost of living, and to burden them with additional expenses at this time is unconscionable.

I hardly believe any one of us in Congress would approve the action of a President who cuts out commissaries when he demands we give the same amount of money and food to the Middle East. According to AID figures, approximately $186 million was appropriated for use in the major food subsidy program for Middle Eastern countries in fiscal 1975 under Public Law 480. This does not include donation programs such as CARE, UNICEF or UNRA which are channeled into the Middle East, although these programs are on a smaller scale.

If Congress supports the President's proposal we will be breaking faith with the millions of military families who have served and are serving our country as well as destroying the morale of our Armed Forces. They will be waiting to see what promises the Government will break next. Everyone talks about the need for a strong defense, from the President down, but that is talk, while the action is calculated to reduce our defenses.

I know that our current economic conditions call for "biting the bullet," but military personnel have been exposed to too many bullets for too long.

As some one said years ago, "God and the soldier, all men adore in time of trouble and no more. For when wars are over and all is righted, God is neglected and the soldier slighted."

I hope my colleagues will disprove this quote by voting in favor of this resolution.

Mr. MARTIN. Mr. Chairman, I wish to commend the Committee on Armed Services for its timely action in bringing the measure to sustain military commissaries before the House.

The proposal of the Department of Defense to reduce this and other benefits to families in the armed services might be more logical and reasonable if it were part of a package of improved compensation for military personnel. Without some offsetting advantages, it stands out as a sacrifice that service families must bear, and so it had to be opposed.

There are no large defense installations in or near my district. Yet I can understand the objections which some merchants might have to the subsidized competition of neighboring commissaries. And I can understand the intentions of the Secretary of Defense in looking for noncombat expenditures to reduce under the congressional pressure to cut the defense budget. But I can also understand the feelings of service personnel and their families.

For the lower ranks, who are certainly not overpaid, this is an extra financial break that can make the difference in their family budget. Even for the higher ranks, since vital decisions to stay in the service are family decisions. Thus the "fringe benefit" of the commissary can help to offset some of the disadvantages of living on or near a base, of having to move every 2 or 3 years, and of periods of assigned duty which requires temporary separations.

We do not save that much by depriving service families of this economic and symbolic advantage. Until it can be considered as part of an overall improvement in compensation, let us leave it alone.

Mr. KRUEGER. Mr. Chairman, as a cosponsor of this bill, I am pleased to assist my comments with those of my colleague from Texas (Mr. KAZEN). In particular, we must give attention to the responsibility of our Government to live up to its obligations. Many people entered the Armed Forces years ago expecting commissary privileges, but receiving very low pay.

It is particularly important that those people whose present salary, on retirement, which is geared to their pay while active in the service, have access to commissaries. Today, new members of the Armed Forces have higher salaries, and their need may not be as great as that of those who are retired. If there must be higher prices for commissary services, then the higher prices should be paid by those still active and receiving higher salaries, but not by the retired.

I am pleased to have the strong support of many Members from all parts of the country for this bill. I believe that their support will help cause the administration carefully to listen to these voices. These people speak as representatives; they speak for people all over the country in expecting the continuation of these services. We must live up to our contract with these people.

Mr. NATCHER. Mr. Chairman, I rise in support of the bill now before the House which directs the Secretary of Defense to continue to operate and maintain the commissary stores of the agencies of the Department of Defense.

The bill before us today expresses the opposition of the Congress to any change in the present method of providing financial support for military commissaries through appropriations to meet their payroll costs. A number of us introduced bills expressing the opposition of the Congress to any change in the present method of operating commissaries and these bills were all referred to the Committee on Armed Services. After appropriate hearings, the committee reported out the bill which we now have before the House at this time.

Mr. Chairman, as you know, sales of subsistence supplies to Army military personnel originated with the "sutler system." Sutler's were peddlers who followed the Army from place to place at frontier posts and sold food and other goods to the troops. Mr. Chairman, in 1825 the Army was authorized to sell subsistence supplies to officers at certain frontier posts at cost. In the year 1866 this authority was expanded to include enlisted personnel.

Mr. Chairman, since 1947 when the Air Force was established as a separate branch of service it has had the same right as the Army to sell subsistence supplies. The law authorizing the Navy and the Marine Corps to sell subsistence supplies does not specify that they may be sold at cost and consequently the Navy and Marine Corps have sold subsistence supplies for slightly more than the cost of the merchandise. The Marine Corps opened its first commissary store in 1909 and the Navy in 1910. Since January 1, 1952 the annual Department of Defense Appropriation Act has contained language which provided that certain costs of operation of commissaries will not be paid from appropriated funds. This language provides for a cost of purchase and maintenance and operating of equipment and supplies, cost of transportation in the United States to the place of sale, the actual and estimated cost of utilities as may be furnished to the Government; the cost resulting from shrinkage, spoilage, and pilferage of the merchandise under the control of such commissary stores.

Mr. Chairman, the remaining costs that are not collected from customers are borne by appropriated funds of the military departments. The costs are principally pay and allowances for military and civilian employees engaged in operating the stores; facilities including store rental and procurement, inspection, receiving, warehousing, disbursing, and accounting. These costs are referred to as indirect costs.

It is well known, Mr. Chairman, that commissary privileges are considered an excellent incentive in the military services recruiting programs. This bill before the House today would continue the operation of our commissaries under the present method of providing financial support for commissaries through appropriations to meet the payroll of civilian and military employees.

Mr. Chairman, I introduced H.R. 6337, a companion bill with the bill that is now before this committee.

I rise in strong support of this legislation, and I urge that every Member in this House vote for passage of this bill.

Mr. BENNETT. Mr. Chairman, I rise in support of House Concurrent Resolution 198, to express the opposition of Congress to any change in the present method of providing financial support for military commissaries through appropriations to meet their payroll costs. The commissaries have met a very real need to assist the military in meeting the needs which they have. In a way it is like a part of their pay. No one would think of providing a pay cut for our military and that is what it would amount to if the commissaries are required to follow the administration's suggestion for future financing. The present military pay scales were arrived at with the understanding that the commissaries would continue. People were enlisted on this basis. Since those last pay raises, the cost of living has dramatically escalated The resolution before us is, therefore, simple justice and should be passed unanimously.

Mr. KETCHUM. Mr. Chairman, I rise in support of House Concurrent Resolution 198, which expresses congressional disapproval to the President's proposal to eliminate the appropriation of funds for the payroll of commissary employees of the Department of Defense.

I, along with several of my colleagues, have introduced legislation to direct the Secretary of Defense to continue to operate and maintain the commissary stores of the agencies of the Department of Defense. The bill was necessitated by DOD's plan to make military commissary stores self-supporting by October 1, 1976. As you know, commissaries are funded through direct appropriations, but in an effort to trim its budget, the Department has proposed that commissary stores pay for all direct costs involved in their operation out of their revenues, with the exception of the cost of transporting merchandise overseas. This, of course, will have the effect of reduced savings for the patrons.

I consider such a move to be grossly unfair, not only to our active duty Armed Forces personnel but also to our retirees. For years, the promise of commissary and exchange privileges, along with other special benefits, has provided an incentive to our young men and women to make the armed services their career. Now it is proposed that these commissary privileges be taken away. These privileges constitute a traditional part of military compensation and our military personnel had every reason to believe they would enjoy them when they entered the service of their country. For the country to go back on its word is deplorable.

The use of commissaries was a privilege promised to military personnel not only during active duty but also in retirement. I have received countless letters from armed services retirees stating that their retirement benefits are slowly being whittled away and an increase in prices at the commissaries will make it exceedingly difficult to make ends meet.

The Department of Defense has given as justification for its proposal the increases in military pay in the recent past. The reasoning goes that military pay is now comparable to civilian pay and the savings obtained at the commissaries are no longer needed. While military basic pay has increased appreciably over the past several years, I think we need to look at who is using the commissaries. Active duty personnel account for approximately 50 percent of commissary patrons; the other 50 percent include retirees, widows of servicemen and their dependents, and the 100-percent service-connected disabled. The figures speak for themselves—half of the people who utilize the commissaries have not benefited from increases in military basic pay.

I would also like to point out that a career in the military encompasses various hardships which make comparison with civilian jobs difficult. Military personnel have to endure long separations from their families, they are reassigned from base to base without a choice, and they risk their very lives on the battlefield. I wonder how many individuals in private industry face similar situations?

I commend the Department of Defense for looking for ways to reduce its budget. I believe well-planned cuts can, and should, be made in the budgets of all our departments. However, I do not feel the decision to cut costs in the area of commissaries is a wise one. Surely, the Department can find other areas to practice economy, which will not so directly and adversely affect its personnel.

The men and women who have served

and are currently serving in our Nation's armed services have devoted years of their lives to the service of their country and certainly deserve those few extra benefits which have traditionally been provided them. If we institute measures to make military life less attractive, what incentive can there be for choosing the military as a career? One of my constituents has put the matter quite succinctly by saying:

> I think the fringe benefits say thanks and show our appreciation for those willing to serve and be ready 24 hours a day to go anywhere and lay their life on the line.

I agree with these sentiments 100 percent!

I strongly urge my colleagues to give this resolution their support.

Mr. FISHER. Mr. Chairman, I am pleased to speak in favor of House Concurrent Resolution 198. This resolution expresses the sense of Congress that the present method of financing military commissary stores should be maintained, and that efforts to eliminate the present support from appropriations for the commissary payrolls are not justified or desirable.

This resolution has been made necessary by the proposal in the President's budget for fiscal year 1976 which would have required the commissary stores to become self-sufficient within the next 2 years. When this proposal was announced, I received hundreds of letters and phone calls from my constituents in northern Virginia protesting the plan. As a result of these communications, I am acutely aware of the genuine concern among military retirees and active military personnel that service-related benefits are being rapidly drained away under the guise of fiscal responsibility. I think that we must recognize that fiscal responsibility should not mean reducing promised and deserved benefits for people.

Retirees, many of whom now live on fixed incomes, were promised at the time they were recruited that they would have life-time privileges at commissaries offering considerable savings. Active personnel, who entered the service within the last decade, cite the same understanding. Inflation has affected costs in the commissary stores, as it has affected every other price in our economy. The administration's proposal would add unconscionably to these already greatly increased costs.

Customers in the commissaries already pay a surcharge in addition to the cost price of the items they purchase to pay for the cost of equipment and supplies; commercial transportation within the United States; utilities; and shrinkage, spoilage, and pilferage. To add significantly to this surcharge would deprive commissary customers of the convenience and economic benefit for which the stores were established.

I believe that it is important that the Department of Defense and Congress take note of this serious situation. Cutting the Federal budget is essential and adjustments in the defense budget are warranted. But it must be done where the cost in human terms is not so severe.

By this resolution we put all concerned on notice that the Congress remembers its obligation to retired, as well as active, military personnel. I am pleased to support this resolution.

Mr. DODD. Mr. Chairman, we have before us a concurrent resolution which is of great concern to many of my constituents in the Second Congressional District of Connecticut.

We are considering House Concurrent Resolution 198, which expresses the opposition of the Congress to any proposed changes in the current method of providing financial support for the commissaries which serve our military and retired military personnel.

I support this resolution, Mr. Chairman, and I urge my colleagues to do so as well.

I have the honor of representing a district which is the home of one of this Nation's major, Navy submarine bases, and the location of the premier naval underwater warfare laboratories in the country.

Both of these facilities are located in New London and Groton, Conn., and the men and women who serve at them, and their families, are important members of the second district community.

I have heard from a great many of these military people and their dependents about this question—of removing the Department of Defense's financial support for these commissaries where they buy food and other necessary items at reasonable prices.

These people are confused by this administration's decision and they cannot understand why they who are not paid as well as many civilians, must face this action at a time when inflation is rampant.

One of my constituents, a retired officer who served his country honorably in three wars—World War II, Korea, and Vietnam, writes, and I quote:

> We who risked our lives and fortunes when the country needed us, should be able to count on that same government to live up to the promises which the service made to us to induce us to stay in the service and make the military, with all its hardships, a career.

This is only one of many similiar letters, Mr. Chairman, and I have received many telephone calls also.

As I listen to the concerns of these men and women, and to their families, who have devoted a great part of their lives to serving this country, I, too, question the merits of an action which will be so costly to them who are so deserving of our consideration.

The administration's decision to economize in the operation of the Defense Department is a laudable one, Mr. Chairman. In these troubled economic times, all parts of Government and the civilian sector must assume the responsibility to tighten their financial belts.

We should be concerned about economizing in some of the more questionable areas—not just in those areas which would adversely affect what has traditionally been the real strength of our Armed Forces—the men and women who pilot the planes, steer the tanks or sail the ships, and their families who give them emotional support and courage.

The administration's decision about the commissaries would mean higher living costs for the active duty and retired military who have relied on the low-cost merchandise of these stores to make ends meet.

By eliminating the Federal Government's support for the payroll costs of the commissaries's employees, the President and the Defense Department will force each of these stores to raise their prices substantially in order to become self-supporting.

Now I realize that there have been problems with the military commissaries system, and that the General Accounting Office has made solid recommendations in an effort to improve the management and lower the costs to operate these stores.

But these recommendations have only just been handed down, Mr. Chairman, and there has been no opportunity for either the administration or the Congress to evaluate them to see whether such changes as they propose are appropriate.

This should happen before any changes in the current commissaries situation takes place. The precipitous decision and changes proposed by the administration should not be allowed to happen.

In conclusion, Mr. Chairman, during the past few years there has been a serious erosion of benefits to our military personnel and their families—programs such as the CHAMPUS health care program. This has amounted to a denial of benefits these people were led to believe they could count on receiving.

Those in the military and their families, who have endured the hardships and inconveniences and the sacrifices of life in our Armed Forces, should not now be called upon to bear this additional burden which the administration proposes.

I urge my colleagues to support House Concurrent Resolution 198.

Mr. HANNAFORD. Mr. Chairman, I thank the gentleman for yielding. I, too, would like to associate myself with the remarks made by the gentleman from Texas, and to commend the committee for this important piece of legislation.

I believe that the gentleman from Texas (Mr. KAZEN) has stated the case extremely well. I believe that the deprivation of these privileges would be a denial of the rights to these individuals who were promised these rights long years ago.

I wonder, Mr. Chairman, how many young boys at the recruiting stations were taken by the arm and told, "Now, son, these are the things you are going to get over the years." And then 30 years down the road they are suddenly denied that promise. I think this would be a disgrace to this country and a breach of faith with military personnel and their families.

Those men and women who served in the Armed Forces with the expectation that they would receive this traditional fringe benefit upon retirement deserve better treatment from our Government.

I would also like to point out, Mr. Chairman, that these commissaries are so very important to the retired people of the military who comprise some 49 percent of the patrons of these commissaries. These retired people after retiring even live near the locations of these commissaries so as to be able to have their benefits.

This selective austerity program will represent an increase of about 19 percent in the family food budget of retired and disabled military personnel.

While I believe that budget reductions can definitely be made in certain other areas of the Defense Department budget, this proposed cut is in the wrong place and at the wrong time.

Mr. Chairman, I am pleased that the House now has an opportunity to express its position on this resolution identical to the bill I introduced early in this Congress. I would urge my colleagues to join me in supporting this extremely important resolution.

Mr. HÉBERT. Mr. Chairman, I have no further requests for time.

Mr. BEARD of Tennessee. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Resolved by the House of Representatives (the Senate concurring), That the Congress finds and declares that the present method of providing financial support for commissary stores operated by agencies of the Department of Defense through appropriations of funds to meet the payroll costs of their civilian and military employees is a rational and appropriate way of assuring to personnel of the armed services the convenience and economic benefit which such stores were established and are intended to provide. Any move to eliminate this support, and to require instead (either on an immediate or gradual basis) that the full costs of the payrolls involved be borne by the commissary patrons themselves, is neither justified nor desirable.

SEC. 2. The Congress expresses its disapproval of the President's recent proposal (contained in his budget for the coming fiscal year) to eliminate the use of appropriated funds to meet the payroll costs of commissary employees, and declares that it will neither take nor permit any action which would implement such proposal or have the effect of achieving its objective.

Mr. HÉBERT (during the reading). Mr. Chairman, I ask unanimous consent that the concurrent resolution be considered as read, printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The CHAIRMAN. Are there any amendments?

If there are no amendments, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. ASHLEY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 198) expressing the opposition of the Congress to any change in the present method of providing financial support for military commissaries through appropriations to meet their payroll costs, pursuant to House Resolution 652, he reported the concurrent resolution back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the concurrent resolution.

Mr. HÉBERT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 364, nays 53, not voting 17, as follows:

[Roll No. 467]

YEAS—364

Abdnor
Abzug
Addabbo
Alexander
Ambro
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Baldus
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bennett
Bevill
Biaggi
Biester
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carter
Casey
Chappell
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Corman
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dent
Derrick
Devine
Dickinson
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
English
Esch
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fary
Fascell
Fenwick
Fish
Fisher
Fithian
Flood
Flowers
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Frey
Fuqua
Gaydos
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Green
Gude
Guyer
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harris
Harsha
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Hinshaw
Holland
Holt
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Leggett
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McEwen
McFall
McKay
McKinney
Madigan
Maguire
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nichols
Nix
Nolan
Nowak
Oberstar
O'Brien
O'Neill
Passman
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pepper
Perkins
Pettis
Peyser
Pickle
Poage
Pressler
Preyer
Price
Pritchard
Quillen
Railsback
Randall
Rangel
Regula
Rhodes
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thone
Thornton
Traxler
Treen
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Whalen
White
Whitehurst
Whitten
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki

NAYS—53

Adams
Anderson, Ill.
Ashley
Aspin
AuCoin
Badillo
Bedell
Bergland
Bingham
Blanchard
Brodhead
Broomfield
Carr
Cederberg
Conyers
Dellums
Derwinski
Drinan
Emery
Erlenborn
Findley
Foley
Fraser
Frenzel
Giaimo
Hagedorn
Harrington
Hechler, W. Va.
Holtzman
Kastenmeier
Lehman
McHugh
Macdonald
Michel
Moffett
Mosher
Mottl
Nedzi
Obey
O'Hara
Ottinger
Pattison, N.Y.
Pike
Quie
Rees
Reuss
Roybal
Scheuer
Schneebeli
Thompson
Tsongas
Weaver
Wiggins

NOT VOTING—17

Andrews, N.C.
Bafalis
Barrett
Bell
Brooks
Brown, Calif.
Florio
Flynt
Fulton
Horton
Jones, Ala.
Madden
Mahon
Teague
Udall
Vander Jagt
Zeferetti

So the concurrent resolution was agreed to.

The Clerk announced the following pairs:

Mr. Florio with Mr. Andrews of North Carolina.

Mr. Barrett with Mr. Mahon.

Mr. Teague with Mr. Brown of California.

Mr. Zeferetti with Mr. Horton.

Mr. Flynt with Mr. Bell.

Mr. Brooks with Mr. Bafalis.

Mr. Fulton with Mr. Jones of Alabama.

Mr. Madden with Mr. Udall.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HÉBERT. Mr. Speaker, I ask unanimous consent that all Members may be given 5 legislative days in which to revise and extend their remarks on the subject of the concurrent resolution, House Concurrent *Resolution 198*, which was just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

PERMISSION FOR COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO FILE A REPORT ON H.R. 8757

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation have until midnight tonight, Thursday, July 31, 1975, to file a report on H.R. 8757, authorizing additional appropriations for prosecution of projects in certain comprehensive river basin plans for flood control, navigation, and for other purposes.

The **SPEAKER.** Is there objection to the request of the gentleman from Texas?

There was no objection.

COUNCIL ON WAGE AND PRICE STABILITY ACT AMENDMENTS OF 1975

Mr. **YOUNG** of Georgia. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 650 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 650

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8731) to amend and extend the Council on Wage and Price Stability. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking, Currency and Housing, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The **SPEAKER.** The gentleman from Georgia (Mr. Young) is recognized for 1 hour.

Mr. **YOUNG** of Georgia. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio (Mr. Latta) pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 650 provides for an open rule with 1 hour of debate on H.R. 8731, a bill which extends the Council on Wage and Price Stability until September 30, 1977. In addition, H.R. 8731 amends the current act to provide for confirmation of the Director of the Council by the Senate and grants the Council authority to require periodic reports from businesses on information maintained in the ordinary course of business which relates to wages, cost, productivity, prices, sales, profits, imports, and exports in order to preserve the confidentiality of data reported to the Council, H.R. 8731 would immunize periodic reports from any subsequent subpena by another Federal agency or third party. This bill will allow the Council to operate far more effectively in order to combat inflation.

H.R. 8731 would authorize appropriations at a rate of $1.7 million per year through September 30, 1977.

Mr. Speaker, the Committee on Banking, Currency and Housing reported this bill by a vote of 25 to 7 and I urge the adoption of House Resolution 650 in order that we may discuss, debate, and pass H.R. 8731.

Mr. **LATTA.** Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I take these few moments to point out that there is more to this bill than has come to most Members' attention. This is more than a simple extension of the act, and there might be, I might add, some question around the country as to whether or not this act should in fact be extended, or as to whether it ought to die as of August 15, 1975.

Section 7 of the proposed act would extend the authority until September 30, 1977. However, there are three new additions to the authority of the Council on Wage and Price Stability. No. 1 is the matter of requiring periodic reports from businessmen for the submission of information maintained by them in the ordinary course of business and which relates to wages, costs, productivity, prices, sales, profits, imports, and exports, by product line or by such other categories as the Council may prescribe.

Mr. Speaker, I maintain that is quite a bit of authority and quite a bit of information that is going to be requested.

As I read my mail and listen to the business people back home, they are fed up with Federal forms and reporting. Every time they turn around, they have to fill out a Federal report of some kind.

The other day I had a businessman in my office, and he said he is spending about 40 percent of his time making out reports. Are we now about to put this Council into the business of requiring reports of this magnitude? They have not had the authority to request and secure such information in the past. I think we ought to know what we are considering and what we are going to be voting on later today.

If they do not get the information or completed forms they want, this legislation will give the bureaucrats the power of subpena so they can get it. If the Members think this will not agitate the business people in their districts, you have not been talking to them lately.

We have already given too many of these regulatory agencies subpena power. Many bureaucrats go out armed with subpenas and demand information they are not entitled to, and they do not know what to do with it after they get it. But they succeed in agitating the life out of American business people in the process and cause the consumer to pay higher prices due to increased bookkeeping costs which are passed along to him.

Thirdly, if that is not enough, we will be giving this Council the power to intervene—the power to intervene—in agency rulemaking procedures. I cannot think of any additional power the Council could possibly envision other than what is proposed in this legislation. During the debate the proponents are going to be pointing out that they really limit the power of this Council to get reports by inserting language stating the information must be maintained in the ordinary course of business—whatever that means. I would not think that they would want the businessmen to give them information not acquired during the ordinary conduct of their course of business, so I do not think this language means much.

But I am predicting here and now, if this legislation passes and becomes law, the Members are going to hear from businessmen in their districts they never have heard from before.

Mr. Speaker, I not only oppose the rule, I oppose the bill. I have no requests for time, and reserve the balance of my time.

Mr. **YOUNG** of Georgia. Mr. Speaker, the Committee on Banking, Currency and Housing reported this bill out by a vote of 25 to 7. I urge the adoption of House Resolution 650.

I would just like to say briefly, Mr. Speaker, that we have had two classical types of inflation through the years, the kind of cost-push inflation and the demand-pull inflation. But in recent years we have seen something that can only be called administrative inflation—inflation caused by the automobile industry arbitrarily deciding upon a $500 increase in automobiles and then coming up with a scheme of a $250 rebate.

I think it is very important for this government to administer and understand some of the problems of this kind in an administrative inflation. I suggest that this bill gives us the vehicle with which to do that.

Mr. Speaker, I move the previous question in order that we may discuss and debate and pass H.R. 8731.

Mr. **LATTA.** Mr. Speaker, I wonder if the gentleman would reserve that for just a moment.

Mr. **YOUNG** of Georgia. I will be glad to.

Mr. **LATTA.** Mr. Speaker, I yield myself 1 additional minute.

Mr. Speaker, I do not think that the House should be led to believe that this only applies to big business. The automobile industry already makes out these reports, and when they ask for a price increase, they had better substantiate it. We are talking about the little businessman on Main Street, he is included in this proposal. There is no limitation on who is covered by this new authority—they are all included and must report. So before we vote on this rule and this bill, we ought to know how all-inclusive it is, and it is just that-all-inclusive.

Mr. **YOUNG** of Georgia. Mr. Speaker, I move the previous question on the resolution.

The **SPEAKER.** Without objection, the previous question is ordered.

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. **REUSS.** Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8731) to amend and extend the Council on Wage and Price Stability Act.

The **SPEAKER.** The question is on the motion offered by the gentleman from Wisconsin.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 8731, with Mrs. Burke of California in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule the gentleman from Ohio (Mr. ASHLEY) will be recognized for 30 minutes and the gentleman from Connecticut (Mr. MCKINNEY) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Ohio (Mr. ASHLEY).

Mr. ASHLEY. Madam Chairman, I yield to the distinguished chairman of the full committee, the gentleman from Wisconsin (Mr. REUSS) such time as he may consume.

Mr. REUSS. Madam Chairman, I fully support the bill H.R. 8731 without amendment, the bill which is before us. I commend the distinguished chairman of the relevant subcommittee, the gentleman from Ohio (Mr. ASHLEY) for the breadth and depth of the hearings which he held on this and for the results which he brings before us today.

If it were I that were all by myself bringing in a bill on stability before the House, it would be a different bill from this. It would be a bill with teeth in it and it would be a bill which recognized the danger of administered prices in concentrated industries such as oil, automobiles, aluminum, tires, heavy chemicals, and the like, and a bill which gave actual price control rather than merely monitoring powers. But that was not the bill requested and in all honesty I do not think such a measure could pass here today.

The bill that is before us does some good and I cannot see it is doing any harm.

Much time has been spent on it. The administration is very, very keenly interested that it be passed and I think in the interest of price stability we owe it to ourselves and to our country to view it favorably today and to pass it without amendment.

Madame Chairman, the bill (H.R. 8731) would extend the Council on Wage and Price Stability Act to September 30, 1977, and would authorize appropriations of $1.7 million per fiscal year to that same date. In addition, the bill would provide that the Director of the Council shall be subject to Senate confirmation. The bill would confer a modest addition of powers to the Council. The legislation provides authority to require periodic reports and to issue subpenas in order to obtain information regarding prices, sales, profits, and imports and exports from individual firms. The Council is authorized to obtain such information by product line within the framework of appropriate safeguards against the disclosure of confidential corporate data.

The bill also adds clarifying language to the Council on Wage and Price Stability Act by clarifying that the language in existing law which requires the Council to "review and appraise the various programs, policies, and activities of the departments and agencies of the United States for the purposes of determining the extent to which these programs and activities are contributing to inflation." Under the provisions of the bill, the Council is authorized to intervene and otherwise participate in rulemaking, ratemaking, licensing and other proceedings before any of the agencies of the Federal Government in order to present its views as to the inflationary impact that might result from the possible outcomes of such proceedings.

Finally, the bill provides language that all product line and other categories of information relating to an individual firm or person is confidential information for the purposes of the Freedom of Information Act and shall not be disclosed by the Council. With these safeguards, the many firms who were apprehensive about the provisions of this legislation have indicated that the language adopted by the committee constitutes an adequate and acceptable safeguard protecting information which, if disclosed, would reveal corporate data in a way which would diminish the competitiveness among firms.

The bill before you was ordered reported by the committee by a vote of 25 yeas, 7 nays, and 1 pass. A very similar bill, S. 409, passed the Senate on May 6 by a vote of 67 yeas, 20 nays.

I would like to commend the chairman of the Subcommittee on Economic Stabilization, Mr. ASHLEY, for the hearings he held on this bill.

Madam Chairman, again I urge my colleagues to proceed with dispatch and take the necessary steps to assure the enactment of H.R. 8731.

Mr. ASHLEY. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, this really is a very modest and moderate piece of legislation. Last year President Ford requested that the Congress adopt the Council on Wage Price Stability Act and he did so because he recognized, as did the Congress, that it was essential that we accept the responsibility or a share of the responsibility for monitoring wages and prices and similar phenomena that are of great importance in focusing on the problem of inflation.

It cannot be said that something has happened since last year that has reduced that problem or caused it to evaporate into thin air.

I would point out to those who have indicated their objection to this legislation that in June of this year the cost of living rose on an annualized basis of nearly 10 percent, so I do not think that it is incumbent upon us at this juncture to say that our responsibilities have been discharged, that there is no longer any need for surveillance of wage and price behavior in the private sector and in those agencies taken by Federal agencies and Departments, which contribute to and cause continued inflation.

Madam Chairman, I said a few moments ago that this is a moderate piece of legislation, and so it is. Let the Members understand that there have been introduced literally scores of bills that would have the administration directed to require prenotification of any wage or price increase. That proposal was rejected by the subcommittee. There have been proposals that would insist that there be a waiting period of some 30–60–90 days before the wage and price increases in certain situations could become effective.

These proposals were rejected as going too far.

Now, it is true, as I have indicated, that there are those who say, "Well, we shouldn't have any legislation at all."

There are some Members, indeed, who would have it both ways. They say, "Well, unless we do something more than we are doing right now, we shouldn't do anything at all." We will hear from such Members.

I suggest, Madam Chairman, that this legislation, unfortunately, but most certainly, continues to be needed. My colleague, the gentleman from Ohio (Mr. LATTA) has waved the red flag of caution by saying that this legislation is addressed not only to the major participants or actors in the private sector, but, indeed, to the small businessman, the manufacturer, on main street, U.S.A.

Well, I suppose theoretically that might be acknowledged; but as a practical matter, Madam Chairman, the fact is that the Council on Wage and Price Stability is manned by about three dozen people and if my colleague, the gentleman from Ohio, thinks that it is humanly possible to survey and to monitor the kinds of price and wage behavior on main street, in Bowling Green, Ohio, with this force at the same time that it is reviewing the behavior of major unions and major industries, then the gentleman most certainly is not on his two feet.

Mr. LATTA. Madam Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman.

Mr. LATTA. Madam Chairman, it seems to me in the discussion about Ohio that we do not want to forget that we have another gentleman from Ohio on the committee from Painesville, so we ought to also refer to Painesville.

Mr. ASHLEY. Well, let us just take Bowling Green as a start.

Mr. LATTA. If the gentleman will yield further, I want to say to my good friend that when he says there are *x* number of employees employed by this Council, he is absolutely right, whatever that figure might be; but this legislation will give the Council reason to claim more and the next time the Committee on Appropriations looks at the request of this Council, certainly they will point to this legislation and say, "We need more employees to do the job that the Congress has mandated in this legislation that it do." That happens all the time and the gentleman knows it.

Mr. ASHLEY. The gentleman says it happens all the time. The fact is, he is correct. He is correct as far as this legislation is concerned. My impression is that we provide for three more top grade employees for the Council, but I must say that during our hearings we did not hear any objections to this. It seemed like a very modest request considering the scope of the activity with which the Council is charged.

Mr. SYMMS. Madam Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from Idaho.

Mr. SYMMS. Madam Chairman, would those three new supergrades come under the new pay increase voted upon by the Congress yesterday?

Mr. ASHLEY. I would certainly suppose so. Would the gentleman not suppose so?

Mr. SYMMS. I just was wondering.

Mr. ASHLEY. Let us assume for a moment the increased scope of authority which seems to bother my colleague from Ohio so much. It really falls into two areas, this increase in authority. First would be the additional power to subpena individuals and information. There is really nothing so precedent setting in this grant of authority. After all, if we are to have a Council, certainly we would expect the Council to be able to insist upon having, where there has been evidence of behavior that appeared to be unreasonable, to have the information available to it that will allow it to examine more fully and, if necessary, to focus the spotlight upon such wage or price behavior. So most certainly, Madam Chairman, this grant of subpena authority is eminently justified and no real criticism can be made of that.

The second area of authority to which the gentlemen from Ohio (Mr. LATTA) objects is the authority that would permit the Council—permit the Council, and I stress the word "permit"—to require periodic reporting from various firms or unions, again whose behavior has appeared to raise serious questions with respect to its inflationary impact. At the present time, as I have indicated, the Council can only ask, can only request that the information that it seeks from either side, labor or management, be furnished on a voluntary basis.

If we provide the power of subpena, it will surely be able to obtain this information, as it should be able to do. The periodic reports would request information in existence and readily available in the normal course of business. This is simply a substitute for repeatedly asking for information, either with or without the power of subpena and having the person or the firm to which the request is made respond on a periodic basis. How much better to say, "We would like periodic reports with respect to these particular aspects of your activities."

So, again I say, Madam Chairman, it really cannot be a thing of such an onerous nature in this request. To start with, it is not expected, according to Dr. REES and those who man the Council, that it would be used on a regular, frequent basis, but only in those few situations, and only a few of the situations, I should say, in which they are concentrating their efforts and attention.

Mr. LATTA. Madam Chairman, will the gentleman yield for one more question?

Mr. ASHLEY. I yield.

Mr. LATTA. Did the gentleman say they are contemplating monthly reports?

Mr. ASHLEY. The language is periodic reports.

Mr. LATTA. Would the gentleman think this would mean monthly reports?

Mr. ASHLEY. It could be. What does "periodic" mean to the gentleman?

Mr. LATTA. I do not know. The language is very unclear. But I am asking whether or not the gentleman envisions that this Council will request monthly reports from these industries and from business people across the country?

Mr. ASHLEY. In certain instances they would spell out what they mean by "periodic." It could be monthly, it could be quarterly, it could be semi-annually, whatever the Council thought was appropriate under the circumstances.

Mr. LATTA. Did the committee give the matter of the frequency of these reports some attention?

Mr. ASHLEY. Yes, we did.

Mr. McKINNEY. Madam Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman.

Mr. McKINNEY. I thank the gentleman for yielding.

What we did in this is to state very clearly in the RECORD and in the bill that this Council may not ask for any information that is not kept in the course of a normal business operation. They cannot come in here and say, "Here Is Government Form 59,600–X. Fill it out." They can only require the normal bookkeeping that the company carries on in its regular business, so that these types of reports do not become onerous, there are to be no special reports, special bookkeeping, and special accounting.

Mr. LATTA. Madam Chairman, will the gentleman yield so that I can ask a question?

Mr. ASHLEY. I yield to the gentleman.

Mr. LATTA. When the gentleman says that these reports will be based on ordinary business information, what other kinds of information would they want?

Mr. McKINNEY. If the gentleman will yield further, what we are trying to escape is, as the gentleman from Ohio can answer, in terms of Government accounting are specialized reports. We are telling the council, "You may request records of the company, but you must accept what they normally keep in the course of business. You may not go out and ask for any special or differentiating type of information."

Mr. ROUSSELOT. Madam Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding.

In answer to my colleague from Ohio, they are any records that are normally kept. Let us take McDonald's. They keep a daily record. They could subpena that. So you could actually subpena anything you wanted—daily records, weekly records, monthly records.

A lot of businesses keep daily and weekly records today. For instance, in the fast food business, or something like that, that is highly competitive, they have to keep extensive records. The gentleman knows that the people from the Council came up and told us one of the areas of the food business was subject to fluctuation.

So the gentleman from Ohio (Mr. LATTA), has brought out an important point. It can be any records, any normal business records, and that means daily records, weekly records, and I am sure the gentleman from Ohio (Mr. LATTA), understands what that means to the average business. It can be a highly harassing type of thing.

I think it is wholly unnecessary, and I agree with my colleague from Ohio (Mr. LATTA), that, from a very practical and genuine standpoint, small- and medium-sized businesses could in fact be improperly put upon by this kind of power that we are giving this agency.

Mr. ASHLEY. The gentleman from California, of course, knows that the subcommittee and the committee were extremely careful in the language that was adopted. What we wanted to assure ourselves of was that information could not be requested, with or without subpena, which did not exist. It was not the view of the subcommittee or the full committee that we should cause labor or management to take on additional people in order to shape information that would be responsive to a request from the Council.

What we said, and the gentleman from California, of course, knows this, was that under no circumstances should the Council be able to request or demand information that was not and is not in existence and maintained in the normal course of business activity.

Mr. ROUSSELOT. Madam Chairman, if the gentleman will yield further, I wish to compliment the subcommittee for its efforts to try to define clearly what could be and what could not be subpenaed. However, the point that the gentleman from Ohio (Mr. LATTA) was making is that there are extremely detailed, normal records that under this language clearly could be subpenaed, and that it would be highly difficult to produce those records in volume over a period of time. The question is: Why should they have to produce all of this if they had monthly records or something else that would suffice?

There is nothing in this subpena power to limit an unnecessary request or mandate for records. I mentioned McDonald's, because they do keep daily records of sales in every single one of their outlets. I could just as well mention Sears, Roebuck or some other company.

Mr. ASHLEY. Madam Chairman, I understand what the gentleman is saying. I will simply repeat that the Council is staffed by 41 employees. Under no circumstances are they going to invite a mountain of paper to come before their door every time they report for work.

The reason they are given this subpena power is so they may request and, if necessary, demand information that is responsive to a particular inquiry, an inquiry based upon behavior which suggests unnecessary inflationary activity on the part of a particular participant, be it labor or management, in the private sector, or, indeed, with respect to the activities of the Federal Government.

Mr. LEVITAS. Madam Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from Georgia.

Mr. LEVITAS. Madam Chairman, I thank the gentleman for yielding.

I would like to pursue the point that the gentleman from California (Mr. ROUSSELOT) and the gentleman from Ohio (Mr. LATTA) emphasized. I do not think it is quite accurate for the gentleman from Connecticut to suggest that the so-called limited version of subpena power that has been written into this legislation will not be extremely burdensome, particularly to small businesses and other organizations, because the subpena power asks for information and permits information to be demanded and given, and this is information relating to wages, costs, productivity, prices, sales, profits, imports, and so forth.

It seems to me that a company cannot be asked periodically to box up all its records and ship them out.

Mr. ASHLEY. Madam Chairman, let me say to the gentleman that if there is a particular company, small as well as large, whose pricing activities are such that they come to the attention of the Council and excite the curiosity of the Council because of their inflationary appearance, then absolutely the Council is going to obtain this information, either with or without subpena power. They have that authority presently, and they should exercise that authority.

We established the Council last year in the office of the White House as a statutory arm of the Federal Government because there is a responsibility on the Federal Government to track and to monitor such inflationary behavior in our economy, whether it be in the private sector or in the Federal Government itself.

If we want to turn our backs on that responsibility, then, by all means, the way to do it is to vote down this legislation. But I think that would be a very, very dangerous thing for us to do. I believe it would be a course that would be widely misunderstood and disdained by the public.

Madam Chairman, let me say that the legislation which we adopted last year had an expiration date of August 15, 1975. What this means, of course, is that unless action is taken, the Council on Wage and Price Stability will expire.

The date that has been proposed in the legislation before us is September 30, 1977. The bill calls for an authorization for appropriations amounting to $1.7 million.

Madam Chairman, at this time I want to compliment my very able colleague, the gentleman from Connecticut (Mr. McKinney), who is the ranking minority member of the subcommittee and who has cooperated with us and helped in the shaping of the legislation before us. I do wish to extend my thanks and my congratulations to him.

Madam Chairman, H.R. 8731 would extend, to September 30, 1977, the Council on Wage and Price Stability Act. The bill would authorize the Council to require periodic reports and to issue subpenas in order to obtain information regarding wages, cost, productivity, prices, sales, profits, imports, and exports by product line.

At the same time, Madam Chairman, in the interest of maintaining the confidentiality of information received from individual firms or persons, the legislation provides that the information received is deemed confidential financial information under the Freedom of Information Act and further provides that such information on individual firms and persons shall not be disclosed by the Council. The legislation further provides that periodic reports obtained by the Council and copies thereof which are retained by a reporting firm or person shall be immune from legal process.

Madam Chairman, the bill also provides for Senate confirmation of the Director of the Council and authorizes appropriations of $1.7 million for each fiscal year through September 30, 1977, and extends the life of the Council from August 15 of this year to that date.

Madam Chairman, the legislation also provides for the addition of three supergrade positions in addition to the five now authorized for the Council and specifies that preference for filling these slots be given to economists and other individuals with special ability and experience in one or more of the various sectors of the economy. It also provides that the Director shall be compensated at the rate prescribed by level III of the executive schedule instead of the present level IV.

Finally, H.R. 8731 would clarify the intent of the Congress with respect to the relationship of the Council to other departments and agencies. Under existing law the Council is mandated to review and appraise the various programs, policies, and activities of the departments and agencies of the United States for the purpose of determining the extent to which those programs and activities are contributing to inflation. Mr. Chairman, testimony received by the Subcommittee on Economic Stabilization, which I chair, indicated that there have been instances in which private firms have sought to contest the authority of the Council to fulfill this mandate. As a consequence, my very able colleague, the gentleman from Connecticut (Mr. McKinney), introduced an amendment in the subcommittee which was adopted and which clarifies existing law by specifying that the Council is permitted to intervene and otherwise participate on its own behalf in ratemaking and other proceedings before the departments and agencies of the United States in order to present its views with respect to the inflationary impact that may result from the possible outcomes of such proceedings.

Madam Chairman, I would point out to my colleagues that this is, indeed, urgently needed legislation. Existing law expires on August 15. It is absolutely essential that the authority provided in this legislation be adopted now. I am aware, as are my colleagues, that the 9.6 percent annualized rise in the consumer price index in June is evidence that inflation remains a threat to us all.

Madam Chairman, I urge adoption of the bill before us.

Mr. McKINNEY. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, I would fully concur with the remarks of the gentleman from Ohio (Mr. Ashley), the chairman of the subcommittee.

I have worked closely with the gentleman from Ohio (Mr. Ashley) in attempting to formulate a comprehensive and responsible plan to strengthen the ability of this Council on Wage and Price Stability to beat back the inflationary problems that we see in front of us.

I did have a rather short prepared dialog, but I think perhaps my time could be spent best in explaining away some of the misconceptions of this bill that have come forth in the previous debate.

We have had an extreme amount of testimony from business and all other sectors, and one of the things that I think the chairman did was to remain astutely fair in trying to reach a compromise between those who would have total wage and price controls and those, such as my good friend, the gentleman from California, who would have, as they say, nothing.

I know that my good friend, the gentleman from Georgia (Mr. Levitas), is going to put in an amendment that would remove the subpena power. I am sorry that I have to oppose him. If he would like to change that amendment and say that the subpena power would not be used on any entity that did less than $5 million worth of business, I would back it, and I would hope that he would back the bill. That would remove some of the concerns we have about the small business argument.

Madam Chairman, let me tell the Members why we put the subpena power in. The subpena power was put in because the Council on two specific occasions—one which is totally notorious, which had this whole Congress in an uproar—was absolutely and totally defied by the corporations involved.

During the last session, every congressional office filled up with outraged housewives' letters about the price of sugar. When this Council tried to go to get the information on what had happened to sugar, they were refused that information. Therefore, it was our determination that the subpena power was a necessary tool.

Another suggestion has been made that the periodic reports will be onerous. They will be as onerous as having a Xerox machine, because that is what the Council is limited to asking for.

Certainly, we have given the Council a long purview of the areas it may express itself in, but it is not going to ask the Whoopee Wowser Co. of Connecticut about its exports if it does not have any exports.

What we have done in the legislation is to say that all of these things are factors of the market; and it may, when it feels the necessity, go into that market. However, we have very specifically said that the Council—and this is important—must use the businesses' method of accounting. The Council cannot say, "Here is another form of accounting." They cannot do what the Internal Revenue Service does to every single American and say, "Forget sensible accounting. Here is the way we want you to account."

Another question that has been brought up concerns an amendment that is an amendment of mine, and it talks about the right of the agency to review and appraise the inflationary impact of the various Federal agencies and their activities.

This amendment would simply clarify, Madam Chairman, the right of the Council to give its opinion on those actions of Government agencies which would have an inflationary impact on the economy. The amendment does not in any way set the Council up so that friends at ITT may say, "This is going to affect our ratemaking structure." It does not in any way set the Council up as a regulatory agency.

What it does, very simply, is to provide the council with a clear right to express an opinion. It does not allow the council to delay. It does not allow the council to stop. It does not allow the council to authorize or not to authorize. What it simply says is that when a Government agency is to make a decision that is significant to the economy that they should be able to express to the President of the United States and to the Congress of the United States their opinion.

In the past they have let out opinions on the FCC, the CAB, the ICC, OSHA, the FDA and many others.

There is not a Member in this room who does not know what the economic impact of OSHA has been.

There have been Government regulatory agencies who have said to the council that this is not under the purview of their agency.

Madam Chairman, I congratulate the chairman of the subcommittee, the gentleman from Ohio (Mr. ASHLEY) for picking a rational and realistic course to set an agency up on that will be the watchdog of letting us in the Congress, those in the administration, and other governmental officials who are charged with the job of watching inflation, which is a growing danger this Nation faces, have the knowledge we must have if we are to pass the type of legislation which will end inflation, stop the terrible spiral of costs and put the people of this country back to work, which is what they want.

Mr. McKINNEY. I yield 3 minutes to the gentleman from Ohio (Mr. J. WILLIAM STANTON).

Mr. J. WILLIAM STANTON. Madam Chairman, I rise in support of this legislation. This legislation would establish a Council on Wages and Price Stability for 2 years.

I would simply like to leave with the Members in these few short minutes this thought: That it seems that among the outstanding Americans that we have in our Government around here, who have the ability to forecast the future or who have the ability to give us the benefit of their long experience, that we sometimes have the occasion to agree with them when we want to agree with them, and to disagree with them when we do not want to agree with them.

One of these who is recognized across the country is the Chairman of the Federal Reserve Board, Arthur Burns, who in the last week was only one of many witnesses who appeared before our committee who gave testimony, was in favor of this legislation.

It was Chairman Burns' strong recommendation that to curb the inflation that is taking place we should make better use of this council. And let me say, as one Member who is standing in this well, that I am one of the staunchest Members in this House against wage and price controls. I think it is one of those things that should be done once in a generation. The proper operation of this council will go a long way in withstanding the call for price and wage controls.

Mr. LEVITAS. Madam Chairman, will the gentleman yield?

Mr. J. WILLIAM STANTON. I yield to the gentleman from Georgia.

Mr. LEVITAS. Madam Chairman, I have recently seen an article quoting Mr. Arthur Burns on this very point, as I understand it. I would like to have the gentleman from Ohio tell me whether the gentleman agrees with this position that has been testified to wherein Dr. Burns said that he would urge the establishment of a wage and price review board in the Federal Government to look at major wage and price increases; and that he thought that the United States would sooner or later resort to a controls policy again.

Is that not in effect saying that he would like to see this Wage and Price Stability Council be the forerunner of another Wage and Price Stabilization Board?

Mr. J. WILLIAM STANTON. I will say to my good friend, the gentleman from Georgia, that is just absolutely fully contrary to the basic fundamental philosophy of Arthur Burns. He is just as totally opposed as any person I would know in and out of Government to a controlled economy. It is a question of interpretation, but the gentleman is wrong in that regard, and I am very glad he gave me the opportunity to clear that up.

Mr. ROUSSELOT. Madam Chairman, will the gentleman yield?

Mr. J. WILLIAM STANTON. I will be most pleased to yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate the gentleman's yielding.

That is exactly what he said, though, in his testimony and in his statement before the Joint Economic Committee, and that is exactly what the gentleman from Georgia has projected.

Mr. J. WILLIAM STANTON. Madam Chairman, I refuse to yield further.

I want to ask the gentleman from California a question. Is he saying that the Chairman of the Federal Reserve Board is for a controlled economy?

Mr. ROUSSELOT. If the gentleman will yield, no, I did not say that. I am following up exactly on what the gentleman from Georgia has interpreted to be the long-range projection of the Chairman of the Federal Reserve Board, and that is that wage and price controls will be necessary.

In addition, there has been a great deal of discussion, and properly so, about the current recessions in the housing and automotive sectors of the economy and about the generally high level of unemployment. I would like to share with my colleagues some material which indicates that there is an interesting relationship between the present disappointing statistics in these areas and the fact that wage and price controls, in various forms, have been imposed upon the economy since 1971.

According to a report prepared by Dr. Michael K. Evans, of Chase Econometric Associates, for the business roundtable, based upon an econometric model which was designed to compare the economic effects of wage and price controls from mid-1971 to 1975 with the result which would have been achieved in the absence of controls, controls have had a devastating effect on the economy. A summary of Dr. Evans' findings, which appear in full on pages 513–543 of the Hearings on Incomes Policy of the Subcommittee on Economic stabilization follows:

ACTUAL MODEL SIMULATIONS

We now turn to a comparison of the actual results obtained under the controls and no controls sets of assumptions. The principal results are given in Table 2. The complete printouts which list all 465 variables are available. These results can be summarized as follows:

(1) The price level at the end of 1975 is virtually indistinguishable in the two cases. We find that the CPI would be 167.5 without controls, compared with an estimated value of 167.3 with controls. The value of WPI without controls is estimated to be 160.4, compared to a value of 180.1 with controls. Insofar as these small differences are significant, we would expect that the loss in productivity due to controls would affect wholesale prices more than consumer prices, which contain a much larger services component. In addition, we find that the rate of unemployment in 1975 is much lower in the no controls case, which leads to somewhat greater pressure on wage rates and hence unit labor costs and prices. In other words, the positive effect on prices of higher productivity is approximately cancelled out by the negative effect of higher wage demands. This remark, however, should be interpreted with some caution. We have known for some time that we could put an end to inflation if the nation were willing to tolerate an unemployment rate of 9% for a substantial length of time. It is quite doubtful whether the Administration actually planned or expected such high rates of unemployment this year, and we do not believe that the fact that it will reduce inflationary pressures sharply can be taken as a mandate for a continuation of these policies.

(2) The unemployment rate reaches a level of 9.3% by the end of 1975 under the control simulation, whereas it rises only to 6.5% in the no controls case. This difference is due primarily to an even-handed monetary policy, which has been discussed above, and thus a retention of reasonable levels of housing starts, auto sales, and other consumption and investment purchases depending directly on credit availability.

In the same vein we find that the index of industrial production is almost 9% higher and real GNP is 5% higher by the end of 1975 under the no controls case. This gap is particualrly notewothy when we realize that real output was lower in the no controls case until the last quarter of 1974. While controls did lead to lower inflation, higher purchasing power, and hence faster growth during the period in which they were in force, this was only a facade of well-being since the dam burst wide open once the controls were lifted, double-digit inflation occurred, and an unreasonably tight monetary policy resulted in a severe decline in virtually all sectors of the economy. The question of whether controls could have been continued indefinitely is discussed in the next section.

(3) We find that interest rates would have been significantly below the levels reached during the height of the credit crunch in

> 1974.3, but would return to approximately the same levels as given in the control simulation by the end of 1975. Short-term rates would in fact be slightly higher in view of the much larger demand for loanable funds.
>
> (4) Housing starts would have remained in the range of 1.6 to 1.9 million units throughout 1974 and 1975, instead of declining as low as 0.98 million units in 1974.4. New passenger car sales would have dipped to 8.2 million units in 1974.4, but would have rebounded to 10.1 million units by the end of 1975, compared to the control simulation estimates of a trough of 6.9 million units and a rebound only to 8.3 million units.
>
> (5) Labor productivity in the manufacturing sector would have increased steadily over the simulation period except for the first four quarters. By the end of 1975 it would have been 4.5% higher than was the case with controls.

The CHAIRMAN. The time of the gentleman has expired.

Mr. McKINNEY. Madam Chairman, I yield 2 additional minutes to the gentleman from Ohio.

Mr. J. WILLIAM STANTON. I am glad to clear this up. I hope the gentleman would not disagree with my answer that my interpretation from knowledge and from personal experience and from testimony before our committee is that the Chairman of the Federal Reserve Board is not for a controlled economy as the gentleman would imply. Would he agree with me?

Mr. ROUSSELOT. If the gentleman will yield, no. I wish to agree with my colleague——

Mr. J. WILLIAM STANTON. Would the gentleman agree with me?

Mr. ROUSSELOT. If the gentleman will yield, I wish to agree to this extent: It is a qualified answer.

Mr. J. WILLIAM STANTON. I thank the gentleman very much. Madam Chairman, I yield back the balance of my time.

Mr. McKINNEY. Madam Chairman, I yield 5 minutes to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Madam Chairman, to follow through on the colloquy that was suddenly cut off by time limitation Chairman Burns has indicated that he believes in a policy of more rigid I repeat more rigid—price and wage controls than this bill contains. He has so testified on several occasions. That is not new. That does not mean that he believes in a totally controlled economy. So nobody is implying that, and I know my colleague, the gentleman from Ohio, knows that.

What the gentleman from Georgia was bringing out is that the passage of this legislation will provide really part of the machinery that the Chairman of the Federal Reserve Board is hoping to achieve, but he is also hopeful that if inflation gets more accelerated, that we have more extensive wage and price control machinery.

So what the gentleman from Georgia, as I understood it, was trying to say—and what many of us fear—is that this is only a first step to more wage and price controls, which many of us feel, and I think has been shown, were a failure. The overwhelming majority of the people connected with wage and price controls when it was previously imposed in 1971 have said over and over again it was a failure, that it generated more inflation the minute all the various wage and price controls were either partially released or released, that it generated tremendous inflationary pressures in the economy, and that this Council on Wage and Price Stability is the last vestige of that same bad machinery and, therefore, we ought to just let it expire on August 15. That is my position.

My colleague, the gentleman from Ohio, knows that is my position, and I was merely trying to support the point that the gentleman from Georgia was making that this could in fact be a preliminary step to continuing the same kind of bad machinery that we had before that caused so much problem in the wage and price control activities.

Mr. SYMMS. Madam Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Idaho (Mr. SYMMS).

Mr. SYMMS. Madam Chairman, I thank the gentleman for yielding.

From reading this bill, I see on page 3 that there are some comments about product line reporting.

I understand the gentleman had an amendment he offered on this in the committee.

My question is: Does this mean to say, for example, a manufacturing plant or a food processing plant would have to actually go to the extent of filling out product line reports and turning in this costly paperwork, as well as confidential inventory information.

Mr. ROUSSELOT. The gentleman is absolutely correct. We debated this extensively in the committee and although my amendment failed to strike the product line language of the bill, the gentleman is absolutely correct. It could be a mountainous pile of paperwork they would be forced to keep. So the gentleman is correct. It could be a new mountain of paperwork and liaison work which would have to be done by an individual manufacturer and/or a retail outlet for the Council on Wage and Price Stability. So I will offer that amendment, as the gentleman has suggested, and I wish in that way to give the House an opportunity to vote on it.

Mr. McKINNEY. Madam Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Connecticut.

Mr. McKINNEY. Madam Chairman, I would like to try to answer the question of the gentleman from Idaho as well as insert my own remarks.

Madam Chairman, very clearly in this bill we have protected the companies. They may not be asked for any report or form to be filled out they would not normally keep in the business. Perhaps, at most, they are asked to keep a well-running Xerox machine, perhaps.

Mr. ROUSSELOT. That can get very expensive, as the gentleman knows.

The product line requirement in this bill is in this bill to help the gentleman sell a lot of those machines to help produce the paper.

Mr. SYMMS. Madam Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Idaho (Mr. SYMMS).

Mr. SYMMS. Madam Chairman, under the format for our information under the act, then do we not put some company like the ABC Processing Co. in a position of having their information available to a competitor, the XYZ Co. which with the help of Ralph Nader or some other crusader may be able to come in and get that information made available to them and compete with that product line?

Mr. McKINNEY. Absolutely not. We have protected and safeguarded the information from that.

Mr. ROUSSELOT. As the gentleman from Idaho pointed out, all of these are listed on page 3 and are under the power of subpena of this agency and they can go on any kind of fishing expedition they want, not necessarily knowing what they are ultimately after. I think the gentleman has made a good point and I know he probably just does not want the apple business down to the last apple core pursued.

Mr. McKINNEY. Madam Chairman, will the gentleman yield further?

Mr. ROUSSELOT. I yield to my distinguished ranking minority subcommittee member.

Mr. McKINNEY. Madam Chairman, page 6 of the report states:

> While it is the Committee's view that the Council must have access to the above kinds of economic data to fulfill its statutory functions, it is also the Committee's view that such data should be publicly available only in a form that would not allow it to be used in any way that would diminish competition among firms. Thus the Committee has included a provision in H.R. 8731 that would protect the confidentiality of the product line data of an individual firm.

Madam Chairman, I hope my colleague understands that is a judgment of bureaucracy, and just because we have nice language in the report, as we have learned the hard way on seat belts and everything else, we must realize that does not mean they will do it that way, and when we give them this kind of absolute subpena power, that could well have the result that the bureaucracy gets carried away, as they have time and time again.

Mr. McKINNEY. The gentleman knows this is the most toothless of all tigers. Let us let them have it.

Mr. ROUSSELOT. Let us make it more toothless. This has become a pussy cat and I think it is time for its ninth life to expire.

Mr. McKINNEY. Madam Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. Madam Chairman, I do not favor passage of this bill for several reasons. I am under no illusions that my opposition will result in the defeat of this bill, but I do welcome the opportunity to state the reasons for my opposition.

One, the Council on Wage and Price Stability contributes to the feeling by businessmen and labor of unnecessary harassment by the Government. I have appeared on three talk shows recently on radio and TV where people call in questions to their Congressmen. One of the issues that came up very frequently concerned Government regulation, Government control and the paperwork required, plus all the bureaucratic redtape involved. This agency is authorized on page 3 of this bill, to require periodic reports for the submission of information maintained in the ordinary course of business and issue subpenas signed by the chairman or the director for the attendance and testimony of witnesses and the production of relevant books, papers, and other documents, relating to wages, costs, productivity, prices, sales, profits, imports, and exports by product line or by such other categories as the Council may prescribe.

Now, given all that authority to gather information, it has no function except to report to the President and jawbone. Inflation has had its greatest increase, as the gentleman from Connecticut (Mr. McKINNEY) the ranking minority member of the subcommittee, said a little while ago, has had its greatest increase since this Commission has been in existence; but the cause of the inflationary increase is not this Commission, of course, or the fact that it came into existence. The cause of inflation is deficit spending and our huge budget deficit. It has very little if anything to do with what businessmen have or have not done.

Now, my second reason for opposing this bill is that this agency is required to perform many functions which are already required to be performed by other Federal agencies. According to law, the Wage and Price Stability Council performs the following functions: Monitor economic concentration and anticompetitive practices.

Now, these functions are already performed by the Federal Trade Commission and the Justice Department.

Two. Work with labor and management to improve collective bargaining and restrain prices. This function is already performed by the Department of Labor, the National Labor Relations Board, and the Department of Commerce.

Three. Improve wage and price data bases to improve collective bargaining and encourage price restraint. The Bureau of Labor Statistics, the Federal Trade Commission, and the Federal Reserve Board all perform these functions.

Four. Conduct public hearings for public scrutiny. All agencies do this. The press and the Nation's TV, radio, and news media generally have done a good job. In this connection, Congress has also lived up to its responsibility by publicizing inflationary pressures.

Five. Focus attention on the need to increase productivity. We have just passed a bill for the continuation of the National Commission on Productivity. It has that specific function to perform.

Six. Monitor the economy as a whole through reports on wage and price costs. All Government agencies already do this; but the Department of Commerce and the Labor Department do this now by statutory requirement.

Seven. Review and appraise Government programs and agency policy for inflationary impact. This information is required at the present time to be collected by the Office of Management and Budget which thereupon advises the President, the same function that this agency is to perform.

In other words, everything this agency does is duplicated. I know the amount asked for to fund this agency is small in our big picture, but we do need to draw the line somewhere and $3.4 million is a saving of sorts.

Besides, this agency can do a lot of harm, it seems to me, as the gentleman from Ohio (Mr. LATTA) pointed out, by harassing business and labor without having to accomplish any valid purpose that I can see. What we need is increased production, healthy competition, and not increased harassment by a Government agency looking over the shoulders of American businessmen and labor leaders.

The third reason I oppose this bill and will vote against it is because it adds subpena power and three more supergrade employees. With the subpena power, part of the load should be reduced and the three supergrades should not be needed.

Here we are, the very agency charged with restraining the inflationary spiral of wages and prices, itself fueling the fires of inflation. I would just close by saying that for each specialized function, it seems that Congress has to create a whole new agency, new board or new council, and it all adds up to more inflation, especially when a flock of new supergrade positions are created at the same time.

Today, our National Government has over 1,250 Federal supervisory boards, committees, commissions, and councils. Last year, we saw the creation of 216 new boards and commissions, and 24 of them were created by acts of Congress.

Although I would be the first to agree that our economy needs some sort of monitoring to check our inflationary spiral, I seriously doubt that this Council on Wage and Price Stability is the way to do it. We need increased productivity, as I indicated earlier, not more harassment of businessmen having to account for every nickel of profit; nor does labor enjoy being told what is best for it.

I think passage of this bill might be counterproductive. A lot of good patriotic citizens were caught short when wage and price controls were imposed before. One businessman told me the other day that he would not be caught again, and he increases his prices in anticipation of future Government mandatory controls.

Mr. ASHLEY. Madam Chairman, I yield 5 minutes to the gentleman from Georgia (Mr. LEVITAS).

Mr. LEVITAS. Madam Chairman, it seems to me that the most important question that should have been addressed by the proponents of this bill has yet to be addressed. We have talked about little pieces and bits around this legislation, but not really to the direct question. That is really, what is this Council able to do? What has it done? And what would it do in the future about fighting inflation? The answer is very simple—nothing. It has done nothing; it can do nothing and if it is extended, it will do nothing.

Mr. ASHLEY. Madam Chairman, will the gentleman yield?

Mr. LEVITAS. I yield to the gentleman from Ohio.

Mr. ASHLEY. Madam Chairman, while it is true that this Commission does not have power to impose direct controls, I would invite the gentleman's attention to the quarterly report which was issued just a few days ago by the Council, which certainly outlines, I think, contrary to the statement of the gentleman, the areas of scrutiny of wage and price behavior by the Council.

In these areas I might say, based on the testimony received by the committee, the actions and the activities, watchdogging of the Council, have been effective, so that I think the gentleman really overstates the case. I see he has a copy of the report before him.

Mr. LEVITAS. I thank the gentleman for raising the question so that I can comment upon this, because I think the proof of the pudding is not how much running in place is done, but whether there has been any forward motion. The director of this Council himself has testified that since the creation of this Council, inflation has continued. The last report we have, it was at an annual rate of almost 10 percent, and the director of this Council has further testified that it is going to be even higher by the end of this year.

It seems to me that if this Council is doing something about inflation, he would not have to admit that inflation has continued to rise.

Mr. ASHLEY. If the gentleman will yield further, then by his definition of doing something constructive, if they were doing something constructive, what would the rate of inflation be?

Mr. LEVITAS. I would assume that if they were doing something constructive, they would have been able through their efforts to hold down prices, and they have not accomplished that purpose.

Mr. ASHLEY. Is there at least a possibility that were the Council not in existence, the rate of inflation would be higher than it is at this time?

Mr. LEVITAS. If the gentleman would examine that proposition, I think he would see that it is like trying to answer the same question about how many murders are deterred by taking off or adding on capital punishment.

We just do not know. But what we do know is that with the existence of this Council the rate of inflation has not slowed, and that the Director of this Council predicts it will be higher by the end of the year.

I suggest that this Council should be allowed to expire on August 15. It has not accomplished anything, and I suggest that it was not intended to accomplish anything. But it was set up in 1974 as a cosmetic effort by the administration to claim it was doing something about inflation, following the debacle and disaster of the so-called mandatory wage and price controls of the Nixon administration's phases 1, 2, 3, and so forth.

Wages and salaries were effectively strangled, and some prices spasmodically and haphazardly were slapped at. At the same time, interest, rents, and dividends continued to rise.

The Council was given the task of monitoring the economy as a whole, the entire private sector, and impact of all governmental decisions that might be inflationary.

How did they go about undertaking that important task? What formidable group of economists, investigators, researchers, accountants and attorneys were assembled to fight inflation?

At present, there is a staff of 42 people, only 28 of which are professionals, and this is the army that has been assembled for the purpose of fighting inflation throughout the entire country. The tiny staff of an agency with such a vast mission should be sufficient proof that the Council cannot do anything, and that is the reason it has not done anything. Imagine—the entire economy, with its millions of daily economc decisions, being controlled in some way by a staff of 28 people. The entire Government, even the 535 Members of Congress, with a staff of over 3,000, cannot seem to do much about impacting on the Government. How can a pitiful little group of 28 professionals do the job on the entire economy? Who is kidding whom?

And then I ask the Members to consider this: How do they go about this task? What systematic or scientific methods do they employ to target on the few selected areas they pick out to do something about?

The CHAIRMAN. The time of the gentleman has expired.

Mr. ASHLEY. Madam Chairman, I yield 1 additional minute to the gentleman.

Mr. LEVITAS. The fact of the matter is that the way the Council goes about conducting its task is not through any scientific methodology, but by reading the newspapers, getting letters from Members of Congress and from the public. All this on a haphazard basis.

I say to the Members that the worst argument that can be given in favor of supporting this legislation is the argument that if we do not pass this legislation we will not be able to tell the people we have done something. And the reason that is such a poor argument is that I think the people of America are sick and tired of being told that we are doing something when we are not doing anything. I think the way we can remedy this problem is to let this agency die and then get on with a program of fighting inflation.

Mr. McKINNEY. Madam Chairman, I yield 4 minutes to the gentleman from Pennsylvania (Mr. Schulze).

Mr. SCHULZE. Madam Chairman, all I can say to my colleagues on this occasion is, "Here we go again!" There is not a Member of this body who can honestly say that he has not been deluged with complaints from the business community, labor interests, and his constituency generally over the burgeoning Federal paperwork requirements imposed upon them. Yet here we are, considering a bill which will further increase this staggering and costly burden. There are few if any Members of this body who have not, in speeches to businessmen in your home districts, sympathized with them over the ever-increasing burden of paperwork.

Let us take just a few minutes to review the provisions contained in this legislation. First of all, the bill extends the life of the Council on Wage and Price Stability for an additional 2 years. It also increases funding to $1.7 million per year, expands the Council's authority to require periodic reports on a product-line basis, and empowers the Council to "issue subpenas signed by the Chairman or the Director for the attendance and testimony of witnesses and the production of relevant books, papers, and other documents."

"Books, papers, documents," and it is estimated that in fiscal year 1975 Federal spending for the various business inspection and regulatory activities will reach $2.2 billion. In addition, a recent study reports that individuals and business firms already spend over 130 million man hours a year filling out Federal forms. These costs are staggering, and they are paid for through tax dollars and through higher prices by the consumer. A study released by the Senate Subcommittee on Government Regulations revealed that U.S. businessmen spend $18 billion a year in time and accountants' fees to fill out Government forms and return them to agencies of Federal, State, and local governments. What an expenditure for paperwork requirements which detract from productive efforts. It reminds me of a statement delivered by one witness before the House Public Works Subcommittee on Investigations and Oversight:

> What's wrong with paper? After all, do we count the flakes of snow that give a sense of beauty and serenity to the countryside in winter? Do we count the shovel loads of fertilizer that nurture the flowers that brighten our lives? Paper can be beautiful.

Just as a mud-caked sow may be a thing of beauty to a boar, so also a massive flow of multicopy forms and questionnaires may be a thing of grace and beauty to a practicing bureaucrat. We are not here, however, to serve the Washington bureaucrats. We are here to serve the American public, and I do not view this legislation which calls for more paperwork, increased regulatory authority for Government, and the expenditure of more tax dollars as serving the public interest.

Further, I have yet to be convinced that this expanded authority and increased expenditure is necessary. Testimony before the Committee by the business community, labor organizations including the AFL–CIO, and even the Director of the Council himself protested this increased power. Mr. Rees stated to the committee that:

> Finally, the Council does not want the authority to require periodic reports. This authority could create an onerous reporting burden on business and labor unions, and it would require an unwanted expansion of our staff to receive and process such reports.

At the time establishment of the Council was initially being considered, C. Jackson Grayson, former head of the Cost of Living Council under which wage and price controls were administered, stated that:

> The Agency will increase (falsely) expectations that the solution to inflation is closer. It will do little to stop inflation. In fact, it will increase some wages and prices, and will prevent decreases.

Former Director of the Office of Management and Budget, Roy Ash, remarked at the time the creation of the Council was first being discussed that:

> It could well be perceived by many as the first step toward wage and price controls.

Finally, I am not convinced that the Council can or should be doing the job of "monitoring" the entire economy, both in government and the private sector. During its lifetime, the Council has conducted only nine major studies of profit monitoring and made 17 formal comments to Federal agencies. This is like putting a Band-Aid on a broken leg. It does nothing to remedy the ailment, and only calls attention to the fact that it exists.

I believe that our efforts here in Congress would be better spent in trying to keep our own financial house in order. By pointing off in the other direction at the causes for America's financial ills, we are simply diverting public attention from the real cause of our economic problems, which is irresponsible deficit spending. I believe that by enlarging the existing bureaucracy and broadening its authority we are attempting to perpetrate a hoax on the American public and I, for one, do not believe that U.S. citizens will be fooled by this attempt. I will vote against this bill and I urge my colleagues to do the same. Let us settle down to the business of making the hard decisions which will bring Federal revenues and expenditures in line.

Mr. McKINNEY. Madam Chairman, I yield 2 minutes to the gentleman from Minnesota (Mr. Frenzel).

Mr. FRENZEL. Madam Chairman, this bill comes to us from the great Committee on Banking, Currency and Housing. I sat on that committee when we voted by a wide majority to give the President his wage and price control powers, I sat on the committee when we extended those powers by a similar overwhelming majority. And finally I sat there when we repudiated and revoked those authorities by an equally large majority.

It is obvious that the committee today has chosen the path of conservatism and moderation in bringing us a very useful bill. It is a bill that attempts to help us to exercise our responsibilities of trying to monitor and control inflation without unreasonably interjecting the Government into the marketplace. I think the committee has brought us a very good compromise.

I do, however, like the amendment that will be offered by the gentleman from Georgia (Mr. Levitas). I intend to support it, although I would prefer the compromise suggested by the gentleman from Connecticut (Mr. McKinney).

I compliment the committee on its work, and I do suggest to this committee that what the committee has given us is not an extreme case of Government bureaucracy. It is, in fact, the very minimum by which this House can exercise its responsibility in helping to monitor this very difficult economy in which we have all identified inflation as the No. 1 enemy.

Mr. EVANS of Indiana. Madam Chairman, I rise in support of H.R. 8731, to extend the Council on Wage and Price Stability for 2 years and provide the Council with additional tools for information gathering.

The bill before us would give the Council the authority to subpena information from business on wage and price information. I realize that some members of the subcommittee object to this particular provision, but I believe that it is fundamental to the Council's work. As Arnold Weber of the Carnegie-Mellon Graduate School of Industrial Administration testified before our subcommittee:

> If the Council has been established as an expression of the public's interest in economic stability, it should be given the rudimentary legal tools to insure that this interest can be properly pursued.

This subpena power includes an express provision for the subpena of product line data. Without this authority, the Council would be severely handicapped in its efforts to study price increases for particular products of manufacturers or processors produce a variety.

I would like to point out in this regard that the information the Council obtains on product line data must have its confidentiality protected. This provision will require that the public disclosure of data must be presented in such a form that any single firm's data would not be identifiable.

Charges have been made that the Council will be tempted to send out subpenas willy-nilly, and will abuse the authority the bill would give it. Madam Chairman, I would only say that if this turns out to be the case, the Congress is free to rescind this authority. Frankly, I would foresee that the subpena power would be used by the Council only in those instances where less drastic forms of persuasion have not worked.

Madam Chairman, charges have also been made that this bill spells a return to wage and price controls. I would like to say emphatically that this is not the case. The subcommittee specifically rejected proposals to require prenotification of wage and price increases, and providing the Council with the authority to delay wage and price increases. Those businesses which have expressed fears that Congress will reimpose such controls should keep this in mind.

But the information which this Council can provide to us is invaluable. Are wages accelerating? Is business now at the point of trying to recoup more than the profit margin it lost during the period of controls? As the economy improves, we must be careful not to rush headlong into another round of inflation. The Council should help us in this effort.

Further, the Council will be able to help in reducing the inflationary impact of Federal agency actions. The bill before us contains a provision permitting the Council to participate in rulemaking, ratemaking, licensing and other proceedings before Federal regulatory agencies. The Council has already taken a few steps in this direction by making formal and informal comments and testimony before agencies. For example, the Council has participated in rate proceedings before the Civil Aeronautics Board and is monitoring a number of regulations proposed and recently implemented by the National Highway Traffic Safety Commission. I ask unanimous consent to include at the end of my remarks a portion of the Council's recent quarterly report which tells of these activities.

Madam Chairman, this is a good bill, and I would urge the support of my colleagues for it.

CHAPTER III.—MONITORING FEDERAL ACTIONS

One of the major functions of the Council on Wage and Price Stability is to examine activities of the Federal Government which may contribute to inflation. The limited size of the Council staff precludes a complete review of all such activities, so the staff selects for its review and analysis those which appear likely to impose major costs on consumers, industry, or the government itself.

The Council neither has nor seeks the statutory power to interfere with the issuance of Federal rules, regulations, or standards. Rather, the Council attempts, through formal and informal staff comments and testimony, to make government decisionmakers more sensitive to the full range of costs generated by their agencies' activities. We find that some of these costs are ignored because they do not appear in the budget of the agency responsible for the program. However, these costs can be both real and substantial to those who ultimately must bear them.

The Council recognizes, of course, the mere fact that a government action may impose significant additional costs upon the economy as a whole or upon some segment of it does not mean that the action is necessarily "inflationary " It may generate benefits that equal or exceed the costs. However, the Council believes that the current heightened concern over inflation requires that agencies proposing cost-increasing actions be particularly careful to assure both themselves and the public that the tangible and intangible benefits of such actions indeed exceed the costs they will cause others to bear. Agencies also have a particular duty to re-examine past actions in the light of changed economic circumstances to see that such decisions are still justified.

Furthermore, the Council believes that agencies are justified in making maximum use of whatever administrative discretion they have concerning the timing of the implementation of rules, regulations, and standards if by doing so short-run inflationary pressures can be eased. This is especially true where a particular segment of the economy has been or is likely to be confronted with a large number of costly government actions, all of which may be implemented over a relatively short period of time.

The Office of Government Operations and Research, headed by Assistant Director George C. Eads, has the primary responsibility for carrying out this function. During the three-month period February-April 1975, the Council staff participated formally in eight proceedings before four Departmental agencies and two independent regulatory agencies. In addition, the Council staff engaged in discussions with several government agencies and presented testimony before two Congressional committees. This chapter summarizes these activities.

AIRLINE FARES

One area of government regulation to which the Council on Wage and Price Stability has devoted a great deal of attention is the domestic airline industry. The Council has been particularly concerned with the 16 percent increase that has occurred in the basic coach fare since November 30, 1973, and with the further fare increases that are currently being proposed by several air carriers. These substantial fare increases, coupled with the present severe recession, have resulted in significant traffic declines for some domestic carriers. In addition, as capacity has increased following an easing in fuel shortages, load factors have declined even more sharply than traffic.

The Council has actively participated in rate proceedings before the Civil Aeronautics Board (CAB). On March 19, the Council filed an answer in opposition to the complaints of American Air Lines and Eastern Air Lines seeking suspension of National Air Lines' tariff offering 'No-Frills' passenger service. The Council supported National's proposed experiment of offering the traveling public a 35 percent reduction from normal coach fares for service in the rear compartments of National's wide-body aircraft during specified off-peak travel periods. The staff was of the opinion that National's proposal gave promise of allowing the carrier to fill otherwise empty seats at fare levels which appeared compensatory at least in the short run. It agreed that the Board ought to examine the premises upon which the proposal was based, but only *after* actual experience with the fare had been obtained. The CAB allowed the 'No-Frills' service to go into effect pending a later full investigation by the Board. The Council staff intends to participate in this investigation.

On April 1 the Council opposed a proposal by Trans World Air Lines to institute reduced promotional fares for selected segments of the population—family members, youths, and senior citizens. This proposal was opposed on the grounds that fare reductions designed to favor a particular social group are unjustly discriminatory and unlawful. Rather, the Council believes alternative methods of reducing fares such as overall fare reductions and off-peak pricing should be used. The Board suspended the proposed fares.

On April 10 the Council urged the CAB to grant World Airways an expedited hearing on its application to provide "No-Frills," transcontinental service at a fare of $85 (plus tax and security charge). The Council took no position on whether the World application should be granted. It agreed that an immediate hearing was warranted because World had presented a plausible case that its proposed new service would reach a segment of the traveling public now effectively barred from the use of air travel because of its high price. The Council also stated that a prompt hearing of the World application might encourage other carriers to consider offering similar service innovations.

The Council also has been actively involved in the Administration's effort to develop legislation to reform the present system of airline regulation In this connection the Council presented testimony before the Senate Judiciary Committee's Subcommittee on Administrative Practice and Procedure, pointing out that the domestic air transportation system could be significantly improved by such a reform. Air fares could be reduced substantially, aircraft could be operated with fuller loads, thereby economizing on scarce fuel, and, contrary to the assertions of some certified carriers and the Air Transport Association, service to smaller communities likely would improve than be impaired.

NOISE ABATEMENT

During the February-April quarter, the Council staff prepared two formal filings in the area of noise abatement.

Occupational Noise. On March 21 the Council filed a comment on a request by the Environmental Protection Agency (EPA) that the Secretary of Labor review a regulation proposed by the Occupational Safety and Health Administration (OSHA) on occupational noise exposure in general industry. OSHA had tentatively decided that the current general industry occupational noise level standard be set at 90 dBA for an eight-hour day. EPA, in requesting a review of the 90 dBA standard, stated that the available evidence to it supported its proposal to tighten the occupational noise level standard to 85 dBA.

Noting that cost estimates for achieving the 85 dBA level ranged as high as $32 billion, the Council urged that EPA and OSHA jointly sponsor a study, preferably on an industry-by-industry basis, of all relevant costs and benefits associated with a lower occupational noise level standard before such a standard is implemented. The Council noted that the contractor hired by EPA to critique the OSHA proposal concluded that there was insufficient evidence on which to base a well-informed decision on just which level was most in the public interest. The Council also recommended that alternative methods of solving the occupational noise problem, such as research on hearing protector usage, be considered. The Council is prepared to present its position at hearings to be conducted by OSHA on June 28.

Aircraft Noise. On April 7 the Council submitted to the Federal Aviation Agency (FAA) its comments on a proposal by the Environmental Protection Agency (EPA) that noise standards of Part 36 of the Federal Aviation Regulations (FAR 36) apply to existing subsonic turbojet aircraft as of June 30, 1978. The reduction in noise levels would be implemented by the retrofit of airplanes with quiet nacelles.

The Council performed its own benefit-cost analysis using data from several sources, including EPA. It concluded that the program was potentially inflationary because the costs of the retrofit program appeared to exceed the tangible economic benefits by a substantial margin. The Council recommended that the program not proceed unless EPA could present a convincing case for the existence of intangible benefits sufficient to overcome this gap. In this connection, the Council observed that the level of noise abatement to be achieved by the proposed retrofit program would eventually be realized even without the program because all new aircraft have for some time been required to meet the requirements of FAR 36.

AUTOMOTIVE SAFETY

The Council staff is continuing to monitor a number of the regulations that have either been proposed or recently implemented by the National Highway Traffic Safety Administration (NHTSA). In his March 20 testimony before the Senate Commerce Committee's Consumer Subcommittee, Council Director Albert Rees outlined the interests of the Council in these standards. He observed that while the cost and benefits of such standards admittedly are difficult to quantify, the public has a right to know what benefits it is likely to get in return for the costs that these Federal regulations are forcing it to bear. (See Appendix for the text of Mr. Rees' testimony.)

Brake Standards. Responding to requests from NHTSA for comments on the proposed implementation of standards for hydraulic brake systems, the Council on February 11 recommended that implementation be delayed pending a detailed, formal evaluation of its economic impact. NHTSA subsequently delayed the application of the standard to passenger cars for a period of three months and suspended the standard for trucks. It gave as its reason for the latter decision its determination that the costs that the standard would impose probably would exceed the potential benefits. NHTSA recently announced that it would make public the analysis upon which this conclusion was based. The Council has always believed that such analyses should be made part of the public record, and so commends NHTSA for this decision. When the analysis becomes available, we will critique it and make our comments available to both NHTSA and to the public.

The Council had earlier recommended to NHTSA that the implementation of standards for truck air brake systems be similarly delayed to allow time for detailed studies of the relative economic costs and benefits of such a regulation. Although NHTSA eventually decided to implement the proposed truck air brake standard without delay, it assured the Council that it would closely monitor the costs and benefits of this standard. The Council is also continuing to monitor this standard.

Occupant Crash Protection. In contrast with its brake standard proposals, NHTSA's proposal to require improved passenger restraint devices ("passive restraints" or "air bags") was accompanied by a very useful economic impact analysis. The Council commissioned an independent critique of NHTSA's analysis and reviewed the available evidence. The Council staff concluded there was excessive uncertainty, both technological and economic, about the cost-effectiveness of devices the proposed standard would mandate. In view of the substantial costs the standard would impose on the consumer, the Council staff urged NHTSA to propose that a large-scale field test be undertaken before finalizing its standard. (Estimates of these costs vary widely, but range up to $3 billion per year.)

Mr. ASHLEY. Madam Chairman, I have no further requests for time.

Mr. McKINNEY. Madam Chairman, I have no further requests for time.

The CHAIRMAN. There being no further requests for time, the Clerk will read.

Mr. SYMMS. Madam Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, she will vacate proceedings under the call when a quorum of the committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

The CHAIRMAN. A quorum of the Committee of the Whole has not appeared nor does it appear that a quorum of the Committee of the Whole will appear.

The Chair announces that a regular quorum call will now commence.

Members who have not already responded under the noticed quorum call will have a minimum of 15 minutes to record their presence. The call will be taken by electronic device.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 468]

Anderson, Ill.
Aspin
Barrett
Bell
Brown, Calif.
Burton, John
Chappell
Conyers
Derwinski
Diggs
Drinan
Esch
Eshleman
Fithian
Florio
Flynt
Fraser
Fulton
Harsha
Hastings
Hébert
Heckler, Mass.
Hefner
Holland
Horton
Jeffords
Johnson, Colo.
Jones, Ala.
Mathis
Mikva
Moorhead, Pa.
O'Hara
O'Neill
Pepper
Pike
Rodino
Rosenthal
Ryan
Scheuer
Schneebeli
Seiberling
Solarz
Spence
Stanton, James V.
Teague
Udall
Wilson, C. H.
Wydler

Accordingly the Committee rose; and the Speaker having resumed the chair, Mrs. Burke of California, Chairman of the Committee of the Whole House on the State of the Union, reported that the Committee, having had under consideration the bill H.R. 8731, and finding itself without a quorum, she had directed the Members to record their presence by electronic device, whereupon 386 Members recorded their presence, a quorum, and she submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. This Act may be cited as the "Council on Wage and Price Stability Act Amendments of 1975".

Sec. 2. (a) The first sentence of section 2(c) of the Council on Wage and Price Stability Act is amended by striking out the period and inserting in lieu thereof the following: "by and with the advice and consent of the Senate.".

(b) The amendment made by subsection (a) shall take effect immediately after the individual holding the office of Director of the Council of Wage and Price Stability on the date of enactment of this Act ceases to hold that office.

(c) Section 2(c) of the Council on Wage and Price Stability Act is amended by—

(1) striking out "level IV" and inserting in lieu thereof "level III"; and

(2) striking out "section 5315" and inserting in lieu thereof "section 5314".

(d) (1) Section 2(d) (relating to the number of authorized positions for the Council in grades 16, 17, and 18 of the General Schedule) of the Council on Wage and Price Stability Act is amended by striking out "five" and inserting in lieu thereof "eight".

(2) In appointments to the additional positions authorized by the amendment made by subsection (a), the Council shall give preference to economists and other persons with special ability and experience in one or more of the various sectors of the economy.

Sec. 3. Section 2 of the Council on Wage and Price Stability Act is amended by adding at the end thereof the following:

"(g) The Council shall have the authority, for any purpose related to this Act, to—

"(1) require periodic reports for the submission of information maintained in the ordinary course of business; and

"(2) issue subpenas signed by the Chairman or the Director for the attendance and testimony of witnesses and the production of relevant books, papers, and other documents;

relating to wages, costs, productivity, prices, sales, profits, imports, and exports by product line or by such other categories as the Council may prescribe. The Council shall have the authority to administer oaths to witnesses. Witnesses summoned under the provisions of this section shall be paid the same fees and mileage as are paid to witnesses in the courts of the United States. In case of refusal to obey a subpena served upon any person under the provisions of this section, the Council may request the Attorney General to seek the aid of the United States district court for any district in which such person is found, to compel that person, after notice, to appear and give testimony, or to appear and produce documents before the Council."

Sec. 4. Section 3(a) of the Council on Wage and Price Stability Act is amended by striking out "and" at the end of paragraph (6), by striking out the period at the end of paragraph (7), and inserting in lieu thereof "; and", and by adding at the end thereof the following new subsection:

"(8) intervene and otherwise participate on its own behalf in rulemaking, ratemaking, licensing and other proceedings before any of the departments and agencies of the

United States, in order to present its views as to the inflationary impact that might result from the possible outcomes of such proceedings.".

SEC. 5. Section 4 of the Council on Wage and Price Stability Act is amended by adding at the end thereof the following new subsection:

"(f) (1) Product line or other category information relating to an individual firm or person and obtained under section 2(g) shall be considered as confidential financial information under section 552(b) (4) of title 5 of the United States Code."

"(2) Periodic reports obtained by the Council under section 2(g) and copies thereof which are retained by the reporting firm or person shall be immune from legal process.".

SEC. 6. Section 6 of the Council on Wage and Price Stability Act is amended by striking out "$1,000,000 for the fiscal year ending June 30, 1975" and inserting in lieu thereof "$1,700,000 for each fiscal year ending prior to October 1, 1977".

SEC. 7. Section 7 of the Council on Wage and Price Stability Act is amended by striking out "August 15, 1975" and inserting in lieu thereof "September 30, 1977".

Mr. ASHLEY (during the reading). Madam Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Page 4, line 16, after "Code" insert "and shall not be disclosed by the Council".

The committee amendment was agreed to.

AMENDMENT OFFERED BY MR. WYLIE

Mr. WYLIE. Madam Chairman, I offer an amendmnt.

The Clerk read as follows:

Amendment offered by Mr. WYLIE: On page 2 strike lines 5 through 15.

Mr. WYLIE. Madam Chairman, this amendment would simply remove the authorization in the bill for three additional GS supergrade positions, GS-16, GS-17, and GS-18, for the Council on Wage and Price Stability. These three additional supergrades would be added to the staff of the Council.

The amendment would also maintain the Director's salary at $38,000, the amount of the salary now.

I checked to find out the source of the addition of these three new supergrades. I called the Council on Wage and Price Stability and was informed that they had not requested the addition of these three new supergrades. I then called the Committee on Banking, Housing and Urban Affairs of the Senate and found that the staff had added the three new supergrades at the same time it had added the so-called prenotification authority. They felt that with the addition of the so-called prenotification authority, which would simply say that if there is to be a wage increase or a price increase, the industry must be prenotified, they would need additional personnel to carry out this provision of the new law.

However, the prenotification authority has been removed from the bill. That provision is no longer in the bill. Therefore, I see no need for adding the three new supergrades, who were added in the first instance to carry out an authority previously in the bill and which has now been removed from the bill.

Madam Chairman, I think the intent of the amendment is clear.

Mr. MITCHELL of Maryland. Madam Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. Madam Chairman, I am delighted to associate myself with the gentleman's remarks.

If the gentleman will recall, I fully supported his amendment in committee. I think it is nonsensical to create three supergrades when there is no need for them. I believe it is important to pay our civil servants well, but I do not believe it is necessary to create positions where there is no need for them.

Madam Chairman, I support the gentleman's amendment.

Mr. WYLIE. Madam Chairman, I thank the gentleman for his support.

I will add one other thing. Last year when we created this Council, we included five supergrade positions. There is one vacancy on the Council at the present time, so actually there are only four supergrades in place at the present time.

So why should we add three more positions to a staff which has not already been filled?

I think there is a further argument for removal of these three supergrades, which is that the Council on Wage and Price Stability is the very agency which is charged with the responsibility of restraining the spiraling of wages and prices, and it should itself be restraining its own wages and prices. I think the Council should serve as an example and should not itself be adding fuel to the fires of inflation by adding three supergrades which the agency itself never in the first instance asked for. As I said, I checked with the Senate committee and found that the staff had added these three supergrade positions.

Mr. ROUSSELOT. Madam Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from California.

Mr. ROUSSELOT. Madam Chairman, I appreciate the gentleman's yielding.

As a member of the Committee on Post Office and Civil Service, I will point out that we just a few weeks ago passed a bill giving an increase in supergrades to the entire White House staff. In discussions with those responsible for the administration of the White House a week ago they made it clear that the number of added supergrades that this House voted for is more than adequate, and this is just an add-on of three supergrades that are wholly unnecessary since we have already provided additional personnel.

I compliment my colleague, the gentleman from Ohio (Mr. WYLIE) for offering this amendment.

Mr. WYLIE. Madam Chairman, I thank the gentleman.

This is relatively a small amount we may save. We are only going to save $110,000 a year. But I do not believe the three additional supergrades are needed at this particular time, and since the Council does not even need them, I urge an "aye" vote for my amendment.

Mr. J. WILLIAM STANTON. Madam Chairman, will the gentleman yield?

Mr. WYLIE. Yes, I yield to my friend, the gentleman from Ohio.

Mr. J. WILLIAM STANTON. Madam Chairman, I appreciate the gentleman's yielding.

I have just one question as a matter of clarification. The gentleman stated that in his amendment there is an existing grade in the agency now at $38,000 a year. The gentleman's amendment would keep him at $38,000; is that correct?

Mr. WYLIE. My amendment would retain the $38,000 salary for the Director. It would retain the five supergrade positions, that already exist, but the bill, as it is now before us says there would be three additional supergrades, GS-16, -17, and -18.

As I said, the reason these three supergrades were added was because the Senate bill gave the Council prenotification authority to deny or allow a wage or price increase. Since that prenotification authority was removed from the bill, the three new supergrades are not needed.

Therefore, Madam Chairman, I urge the adoption of my amendment.

Mr. ASHLEY. Madam Chairman, I rise in opposition to the amendment.

Madam Chairman, I am not going to take the full 5 minutes, but I do rise in opposition to the amendment.

It seems to me that the source of the amendment—and I say this with respect and affection for my friend, the gentleman from Ohio (Mr. WYLIE)—and the support for this amendment really come from the very same people that do not want any Council on Wage and Price Stability at all.

An effort will probably be made to kill the bill; short of that, the effort at this moment is simply to try to cause the Council to do as little as possible in the way of carrying out its fundamental responsibility, which is a monitoring of the wage and price behavior in our economy and to survey the activities of the Federal Government which may be unnecessarily inflationary.

Madam Chairman, let us understand one thing: This Council that we established last year at the request of the President is staffed by the enormous army of 25 professionals—25.

Twelve of these professionals are concerned with the activities of the Federal Government which may be inflationary. Thirteen professionals are seeking to survey and monitor the entire spectrum of our private sector, including organized labor, including industry, commerce, and so forth.

Obviously, there is a need, if the responsibility of the Council is to be met, for it to be at least adequately staffed.

Madam Chairman, we have received strong indications that the addition of these three supergrades, grades 16 through 18, the increase from five to eight—there are presently five people occupying grade 16 to 18—the increase to eight is more than justified, as I say, on the basis of the vast scope of responsibility that we, the Congress, have put upon the Council in the action that we took in establishing the Council last year.

Mr. WYLIE. Madam Chairman, will the gentleman yield?

Mr. ASHLEY. Yes, I yield to the gentleman from Ohio.

Mr. WYLIE. Madam Chairman, I thank the gentleman for yielding.

Is it not true that the Council on Wage and Price Stability or no person representing that Agency, Dr. Rees, or anyone else, asked for the addition of these three supergrades?

Mr. ASHLEY. That is true. We discussed it, however, during our hearings, and had the opportunity to hear the testimony of Dr. Rees specifically about the personnel within the Council and whether there were sufficient personnel for the expanding role that the Council must play if it is to exert a beneficial kind of influence on the stability of our economy.

Therefore, I think the gentleman is overstating the case when he says that this is not a specific request of the administration or that they do not want it.

That dialog quite clearly covered the testimony taken in the subcommittee.

Mr. McKINNEY. Madam Chairman, if the gentleman will yield, I would like to concur with the remarks of the gentleman from Ohio. The debate on the floor of the other body on May 6 of this year states quite clearly the need for the type of senior grade positions, and also states that there was definitely no objection on the part of the administration for hiring this type of help to try and build up the necessary professional staff and thorough type of staff that such organizations as the Federal Reserve have done.

It was pointed out in the dialog that to get the type of personnel needed to monitor the activities that were to be undertaken, that they needed such trained professional people, and that such people simply will not work unless they work at that particular level.

Mr. WYLIE. If the gentleman will yield further, certainly the Council will accept the three new supergrades if forced upon them, but should not the Council spell out the need for extra staff. I would reply in response to what the gentleman has said.

Mr. ASHLEY. The gentleman from Connecticut (Mr. McKinney) mentioned that this was covered specifically by the testimony of Dr. Rees, and we thought there was sufficient testimony and that it was perfectly clear that Dr. Rees supported this move in an effort to further attempt to be able to meet the responsibilities with which his Council is charged.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. Wylie, and by unanimous consent, Mr. Ashley was allowed to proceed for 1 additional minute.)

Mr. WYLIE. Madam Chairman, if the gentleman will yield further, the gentleman from Connecticut read from a statement made on the Senate floor which had to do with a provision with respect to prenotification. And it was stated that there was the need for three supergrades who would be required to carry out the provision with respect to prenotification if such a provision was going to be incorporated in the law providing for the Council on Wage and Price Stability. That provision ultimately was stricken from the bill.

Mr. ASHLEY. I must say to the gentleman from Ohio that I have read the colloquy of the Senate debate in which Senator Proxmire, Senator Kennedy, and one other Senator engaged in a colloquy. It was not in reference to prenotification or any other thing, they simply adopted it on the basis of the broad responsibilities and need particularly for additional people to carry out the activities in the private sector, management and labor alike.

Mr. McKINNEY. If the gentleman will yield further, I was referring to S. 749, and that was simply Senator Kennedy's discussion on the subject of the necessity for the extra employees.

Mr. ASHLEY. Madam Chairman, I would most strenuously urge the defeat of this amendment if we want to have a council that can face up to the responsibilities this Congress has placed upon it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. Wylie).

The question was taken; and on a division (demanded by Mr. Ashley) there were—ayes 93, noes 29.

So the amendment was agreed to.

AMENDMENT OFFERED BY MR. M'KINNEY

Mr. McKINNEY. Madam Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. McKinney: At the end of section 3(g)(2) strike the semicolon and in lieu thereof insert a comma followed by "only to entities whose annual gross revenues are in excess of $5,000,000."

Mr. McKINNEY. Madam Chairman, I shall not take the full 5 minutes of the time of the Committee. I would simply suggest that during the debate on this bill there was a great deal of concern expressed about the harassment ability of this power on small business. This amendment would very simply and clearly perfect section 3 and state that no entities with revenues of less than $5 million could be affected. This would insure that the small businesses or the very small businesses that are not part of the price-push drive anyway would be safeguarded from the subpena and the results of the section.

I strongly urge its support by the Committee, as I think that it makes this a better bill.

There has also been a question as to how do we describe the entities? As the Members know, this bill covers all aspects of the economy, so we can use the word "entity" so that there can be no confusion in anyone's mind that all aspects of the economy that are covered by the major bill are also covered by this amendment.

Mr. ASHLEY. Madam Chairman, this type of a perfecting amendment is a strengthening amendment. It will improve the bill, and I support its adoption.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut (Mr. McKinney).

The amendment was agreed to:

AMENDMENT OFFERED BY MR. LEVITAS

Mr. LEVITAS. Madam Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Levitas: Page 2, strike out line 21 and everything that follows down through page 3, line 20, and redesignate sections 4 through 7 as sections 3 through 6, respectively.

Mr. LEVITAS. This amendment has the effect of simply striking out altogether the subpena powers. By including subpena powers in this legislation we transform a useless agency into a useless and harassing agency, because it is quite obvious that the use of the subpena power will not be productive of anything, because the agency itself cannot do anything useful. In consequence, all that will be done is that an additional burden will be laid upon the backs of the American business community, and perhaps upon the backs of the labor organizations. But the amendment just adopted, which was offered by the gentleman from Connecticut (Mr. McKinney), may very well have exempted labor organizations altogether from the subpena power and, therefore, it would apply only to the business community, because the amendment, as I read it, provides that the subpena powers would apply only to entities whose annual gross revenues are in excess of $5 million. There is a substantial question in my mind, and I am sure in the minds of the Members, whether union dues are in fact considered revenues for purposes of this amendment. If that is the case, then there will be no subpena power applicable to labor organizations, and the subpena would apply only to the American businessman.

It seems to me that the best way to deal with this problem of making a useless and harassing agency at least not harassing is simply to strike out altogether the subpena power.

I think it is interesting to note that this is one measure in which the U.S. Chamber of Commerce and the labor organizations such as the AFL–CIO are in complete agreement. I do not think there are going to be many times this year when we will be able to see a proposal which has the support of the U.S. Chamber of Commerce, the National Association of Manufacturers, the American Federation of Retailers, and the AFL–CIO. I think we really ought to take advantage of this opportunity and adopt the amendment.

Mr. ASHLEY. Madam Chairman, I rise in opposition to the amendment.

Madam Chairman, it is one thing to reduce the number of supergrades, as we did a moment ago or prevent the number from being increased, but it is really quite another thing to adopt this amendment.

If we do that it will make abundantly clear that the next step we should probably take in order to be at all consistent is simply to vote down the legislation altogether and allow it to expire.

Is that what we want to do? Is that our perception of the responsibility that we as Members of Congress have to control inflation?

If so, for what purpose did we act last year when we established this Council?

What we were presenting at that time was of course that it is necessary with the wildly escalating prices and wages to cause a Council, an arm of the White House, to have a specific responsibility to monitor this kind of economic behavior and to bring public attention to those instances where prices or wages were clearly out of hand.

This is what the Council has been doing and it has been effective. There can be no question about that. As I indicated in the general debate all we have to do is to look at the report that is filed quarterly by the Council and we can track the activities of that body in discharging the responsibility we put upon it.

Madam Chairman, let us understand the thrust of this amendment. What the gentleman from Georgia is saying is if that Council is to remain in business at all it should be permitted only to request information from the labor community and from the business community where there is apparently irresponsible behavior.

Command it by subpena? Absolutely not, says the gentleman from Georgia, and he makes the point that organized labor does not want this and the National Association of Manufacturers does not want this. Perhaps not. But what does that have to do with our responsibility? Our responsibility is a national one, not a local or parochial one such as that enjoyed by the AFL–CIO or the National Association of Manufacturers.

So, of course, this authority is needed. The testimony before the committee was that in certain instances, including one with respect to the sugar refiners and another with respect to a major metal can manufacturer, respondents just thanked the Council and refused to cooperate.

Mr. REES. Madam Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from California.

Mr. REES. Madam Chairman, I might point something out. This is a short bill which is very easy to read. The amendment strikes out line 21 on page 2 and all down through line 20 on page 3. Not only does it affect the subpena power but also the power the agency now has which is to require periodic reports, so the agency would not have even the power to require reports.

The next time the sugar goes up to $1.45 or $1.50 a pound in the district of the gentleman and his people say: "Why do we not have an agency to look into this and find out about it?" Perhaps the gentleman can explain his amendment would not permit the agency even to require the information. It would be completely toothless under this amendment.

Mr. ASHLEY. The gentleman is absolutely correct.

Mr. BROWN of Michigan. Madam Chairman, will the gentleman yield?

Mr. ASHLEY. Madam Chairman, I yield to the gentleman from Michigan.

Mr. BROWN of Michigan. Madam Chairman, I commend the gentleman for his statement in opposition to the amendment. I think he is quite right. If we are going to have a Council to have some authority and some ability to really be a monitoring agency with clout I think the agency needs this authority and I think to strike all the language relative to the subpena power, since we provide ample protection for the information obtained, would be a mistake.

Mr. ASHLEY. I thank the gentleman from Michigan.

Madam Chairman, I urge that the amendment be voted down.

Mr. SCHULZE. Madam Chairman, I rise in support of the amendment.

Madam Chairman, first I would like to thank the chairman of the subcommittee, the gentleman from Ohio. I did offer this amendment in the subcommittee and in the full committee and I would like to commend the gentleman for the manner in which he handled the meetings. He was most gracious and accommodating and did a superior job.

But, Madam Chairman, I rise in support of the amendment offered by my colleague, the gentleman from Georgia (Mr. LEVITAS), and I associated myself with his effort.

I am strongly opposed to the subpena power provision in this bill for the following reasons: This authority is neither needed nor useful.

It significantly alters the direction of the Council's activities in the direction of more direct controls.

It increases the cost of Government to the taxpayer and the consumer.

Concerning the need for subpena power, Mr. Ash, then Director of the Office of Management and Budget, testified before the committee when the legislation establishing the Council on Wage and Price Stability was first being discussed that, "If we were given subpena powers, it would accomplish nothing in the way of getting useful information that is otherwise not available."

Mr. ROUSSELOT. Madam Chairman, will the gentleman yield?

Mr. SCHULZE. I yield to the gentleman from California.

Mr. ROUSSELOT. Madam Chairman, who, did the gentleman say, testified that subpena power would accomplish nothing?

Mr. SCHULZE. Mr. Roy Ash, then the Director of the Office of Management and Budget.

The gentleman from California may be interested in another quotation. In addition, the Council's own Director, Mr. REES, has stated that—

> As a practical matter, subpena power may not make a significant contribution to the Council's monitoring activities.

This is hardly an enthusiastic endorsement or request for such additional power. In conjunction with these remarks, it is noteworthy that the Council has made no effort to pursue a broad reporting program even under existing authority.

Madam Chairman, the expansion of the Council's activities in the direction of more direct controls was of deep concern to many Members when the creation of the Council was initially considered in mid-1974. Mr. Ash testified at that time that subpena power "implies, more than implies, it calls for enforcement. If we go to subpena powers, we are putting into this bill an enforcement power and authority which clearly is the first step toward other enforcement powers and authorities * * *"

This is another way of saying that this provision is the proverbial camel's nose under the tent. There is virtually no public support for controls and the business community, together with the AFL–CIO, testified overwhelmingly to this effect. It is clear that subpena power will give new direction and meaning to the Council's authority.

Further on this question of subpena power, the Council's own Director stated that—

> It would not be our intention to use it very often, but there might be occasions when we would find it useful.

This statement brought to mind the observation of James Madison in the Federalist Papers that—

> In framing a government which is to be administered by men over men, the great difficulty lies in this: You must first enable the government to control the governed; and in the second place oblige it to control itself.

While I applaud the intention of the Council in this regard, I suspect the temptation would be great. One is reminded of the child who asks its mother only to hold the lollipop, promising not to eat it.

The cost of this power to both Government and the taxpayer-consumer must also be considered. Earlier in this debate, I cited figures which demonstrated clearly that the private sector is being overwhelmed by costly and restrictive Federal paperwork requirements. Adding to this burden, in my view, is not the solution. If subpena power is granted to the Council on Wage and Price Stability, it should also be granted the authority to call in the Congress to justify the irresponsible spending spree which has resulted in $100 billion in deficits the past few years and an additional $150 billion this year and next. Reckless Federal spending policies are the major cause of the inflation that we are all experiencing.

Mr. ROUSSELOT. Madam Chairman, will the gentleman yield?

Mr. SCHULZE. I yield to the gentleman from California.

Mr. ROUSSELOT. Madam Chairman, I appreciate the gentleman's comments and indications that we have people who have testified there is really no necessity for this kind of subpena power.

I know the gentleman is on the subcommittee, and other than the head of this section of the White House staff, who I understand assumed the lead, was there anybody else that really asked for this?

Mr. SCHULZE. Not to my knowledge.

Mr. ROUSSELOT. So we had a request from the head of this section of the White House, from a person who is probably going to go out of the thing soon; so I know the gentleman has spent a great deal of time on this subcommittee and that he brings a point of view that is extremely worthwhile, because he just put in the testimony.

Mr. SCHULZE. One other point is that since we have limited the supergrades, we may not have sufficient personnel to enforce this kind of thing. We should not give them the job if they do not have the personnel to do it.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. Symms and by unanimous consent Mr. Schulze was allowed to proceed for 1 additional minute.)

Mr. SYMMS. Madam Chairman, will the gentleman yield?

Mr. SCHULZE. I yield to the gentleman from Idaho.

Mr. SYMMS. Madam Chairman, I would just like to commend the gentleman in the well for his enthusiasm for private enterprise, and also the gentleman from Georgia for offering this amendment.

I would like to point out to the members of the committee who may not have been here for general debate that part of this amendment strikes out the line, "By product line or by such other categories as the Council may prescribe."

This means that if a member has small manufacturing plants or food processing plants in his district, that they will have subpena power to come in and get actual quantitative inventories. This will be harassing and a bureaucratic nightmare for small manufacturers and food processors.

Mr. SCHULZE. As well as the point that reports could be mandated daily, weekly, monthly, or yearly. This could be one of the most harassing things the business community and labor community has ever had. I urge adoption of this amendment.

Mr. REES. Madam Chairman, I would like to speak in opposition to the amendment.

Madam Chairman, members of the Committee, we have a Wage and Price Council which under the present law and in this legislation has no enforcement power. It can only monitor prices. It is always pleasing to read an economic textbook and find out about our American free enterprise economy—and as a businessman by profession, I know we would always like to think that everything is beautiful and we have a price competitive economy.

Part of the economy is very price competitive, but a good part of the economy is not. We deal in much of our economy with administered prices. The price of petroleum is administered. If one automobile company raises the price of an automobile by $100, they all raise the price of an automobile by $100. If Alcoa raises the price of aluminum, they all raise the price of aluminum. If one company raises the price of sugar, they all raise the price of sugar. We call these administered price industries, and they tend to be the very large industries in our economy.

We need to have some way of looking at prices to see if there is some relationship between price and the cost of producing goods, to see if there is price competition in these industries. This is really what this Council is trying to do, and they do it by jawboning.

Right now, the consumer is probably being saved quite a few million dollars because of Mr. Rees' excellent work in the Wage and Price Council in dealing with aluminum. All the aluminum companies were ready to raise the price of aluminum despite the fact that demand for aluminum has gone down because of the recession, and it was the Wage and Price Council convinced the aluminum companies not to unduly raise new prices.

We can bleed all we want for the small little companies, but they have already been taken out of this bill. All companies with sales below $5 million are not affected by the Wage Price Council because the amendment offered by the gentleman from Connecticut (Mr. McKinney) effectively took them out.

We have to remember that this is a very complex economy, and the economy has a lot of rigidities and we have to have a council that can deal with the complexities. With the amendment of my good friend from Georgia, more than the subpena power taken out. According to testimony—and I am on that subcommittee also—the subpena power was asked for on several occasions. There was the need for subpena power for example, in the sugar case—and the Members know what happened to sugar prices last year—there was some information that the council could not get and they did not get, and because they did not have subpena power.

The amendment of the gentleman from Georgia also takes out the ability of the agency to require reports and require information maintained in the ordinary course of business relating to wages, cost, productivity, prices, sales, profits, and so forth. Why even have the agency if they cannot do anything? They can have the biggest consumer ripoff in history and the agency could not do any good. They could not even request action on all those prices, according to the proposed amendment.

So let us not try to gut this bill. I think this is a very reasonable bill. There is no enforcement power. The Council cannot go in and tell you what to do about prices. But if they think the prices are way out of line, at least they can get up there and jawbone. Maybe they can persuade an aluminum company to keep from raising its prices, as has happened.

So I ask the Members please do not vote for this amendment, because it will effectively destroy this Council. Of course, if this is what the Members want to do, vote for the amendment. I hear the AFL–CIO, the chamber of commerce and merchants and manufacturers are opposed to the bill. I do not know if in fact they are. I have found out, in my experience, that when you get these groups so closely together, there is reason to be suspicious. I think the bill before us is a good bill. It is for our protection, and I urge the Members to vote against the amendment that will effectively gut the bill.

Mr. ROUSSELOT. Madam Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman.

Mr. ROUSSELOT. Will the gentleman tell us something about the great industries that have been kept from raising prices as a result of the efforts of the Council on Wage and Price Stability?

Mr. REES. The aluminum industry was one of the administered price industries I mentioned. If one company goes up on price, they all seem to go up.

Mr. ROUSSELOT. If the gentleman will yield further, how long did that wonderful jawboning activity work, and how long did the reduced prices stay in effect?

Mr. REES. It occurred about a month and a half ago, and the aluminum prices have been stabilized and they have not gone up.

Mr. ROUSSELOT. If the gentleman will yield further, they have not gone up since?

Mr. REES. I will show the gentleman the Wall Street Journal commodity price index.

Mr. ROUSSELOT. They have gone up.

Mr. REES. They have not gone up. I think if jawboning works for 2 days, it will save the consumer a lot of money.

Mr. WYLIE. Madam Chairman, I move to strike the requisite number of words, and I rise in support of the amendment of the gentleman from Georgia.

The gentleman from Ohio (Mr. Ashley) is a good friend for whom I have great respect He is an outstanding Member of this body and makes many contributions as a member of the committee. Having said all that, that does not prevent me from disagreeing with him on this particular amendment or having a different opinion. And I do in this case. Mr. Ashley said in his statement in opposition to the amendment that if this amendment is adopted then we might just as well kill the bill and abolish this Council.

What the gentleman implies by saying that is that the Council has not been very effective so far, and I do not really think it has. Mr. Ashley says this is because up to now it has not had subpena power. But this subpena power gives this Council a whole new direction, as the gentleman from Pennsylvania (Mr. Schulze) pointed out a little earlier. I think it would be a first step toward price and wage controls at a time when production is down and at a time when production needs more encouragement and not more Federal bureaucracy hanging over its back.

As I pointed out in my statement during the general debate, this agency does nothing that some other agency of Government can not already do. So its function, as far as I am concerned, is entirely duplicative, and I would suggest that a good vote would be for this amendment and then for the defeat of the bill.

Mr. McKINNEY. Madam Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Madam Chairman, we have heard a lot of talk about what this bill does, as far as getting its foot in the door. Let us say the ordinary fact that all of the objections to the subpenas that have been brought up by the people proposing this amendment have been taken care of in the bill. We have exempted the small businesses that people were concerned would be harassed. We have turned around and, in fact, the United States

Code states you cannot subpena something that does not already exist. So we are not requiring all kinds of onerous forms to be filled out.

It amuses me that everyone in this Congress is trying to figure out what they said to the housewife last year when the price of sugar went to the Moon.

What we are simply doing with this subpena power is to give the Council a club in a closet and say that if something like this happens to sugar again, we want to know why it happens.

As far as records are concerned, we have very specifically stated they cannot even ask for another accounting form. They cannot do the things that the IRS does to every American citizen in every section of this country. They have to accept the records that are kept in the normal course of business.

So, Madam Chairman, I would hope in all honesty that if the Members do not want a Council to monitor wage and price controls, then they should vote against this bill, but they should not vote for this amendment, because then what they are simply doing is perpetrating a fraud, because if this amendment is agreed to, there will be nothing that is satisfactory for the Council on Wage and Price Stability to accomplish in doing their job that we say they should be doing in watching the economy of the United States.

Mr. SYMMS. Madam Chairman, will the gentleman yield?

Mr. McKINNEY. I yield to the gentleman from Idaho.

Mr. SYMMS. Madam Chairman, I thank the gentleman for yielding.

I would just say that with regard to the gentleman's amendment concerning the $5 million, it does not take a very large company in this modern world, with the value of dollars thanks to this Congress, dollars that are getting more and more worthless each year, to have $5 million worth of sales.

I think if the gentleman will go around and check in his own district, he will find there are small manufacturing plants, food processing plants, and medium-sized companies—in fact, almost any kind of a plant—that will have $5 million worth of sales, and yet they are still small businesses. That is true because our dollars today are only worth about half of what they were worth 10 years ago.

Mr. ROUSSELOT. Madam Chairman, I move to strike the requisite number of words.

I am just as anxious to vote on this amendment as the Members are. My colleague, the gentleman from Connecticut (Mr. McKinney), has just said that this bill, without this section, perpetrates a fraud because we are misleading the American people. I hope the Members will remember that if this amendment succeeds.

I hope the Members remember this, because I believe my colleague, the gentleman from Georgia (Mr. Levitas), has offered this amendment in all sincerity because of his concern over the impact of this subpena power on medium businesses and small businesses. I appreciate my colleague's willingness to eliminate the $5-million-in-sales type of business.

Madam Chairman, let me in a few words tell the Members what the bill says and point out the power of this section in the way of giving authority to an administrative agency in issuing subpenas. This is on page 3 of the bill.

It says:

> To issue subpenas signed by the Chairman or the Director for the attendance and testimony of witnesses and the production of relevant books, papers, and other documents.

That does not really specify all the documents which could be demanded.

And where will they have to come? To Washington, D.C., from all over the country. And they will have to bring all these books and papers that are subpenaed under this bill.

Many of my colleagues in this House have said time and again that we give too much power to agencies. This is a subpena power that is unnecessary.

Let me read some of the other items that are included. These are documents relating to "wages, costs, productivity, prices, sales, profits, imports, exports, and by product lines or by such other categories as the Council may prescribe."

Most of the Members can think of businesses in their own districts that sell $5 million, $10 million, and $15 million a year. Many of them have total sales of $5 million.

They will be asked to come in with a listing of all their product line.

Let us think of that. If someone is in the hardware manufacturing business, think what they would mean. Compliance with this type of subpena would be a horrendous task.

We have agreed here time and time again that we have put tremendous burdens on unions—this applies also to unions—and on businesses and on all kinds of groups all over this country. I think it would be a horrendous mistake not to accept the amendment offered by my colleague, the gentleman from Georgia (Mr. Levitas). The amendment has been properly thought out, and it was debated in committee. I am sorry we did not win the point in committee.

Madam Chairman, I congratulate the gentleman for offering the amendment.

Mr. LEVITAS. Madam Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Georgia.

Mr. LEVITAS. Madam Chairman, I thank the gentleman for yielding.

Would the gentleman from California (Mr. Rousselot) please explain to me what this agency would do with all this information since it has no powers whatsoever? Does not the gentleman think that the only purpose of putting this subpena power in is to give this agency an indirect enforcement tool to threaten and harass?

Mr. ROUSSELOT. I do not think there is any doubt about it. The gentleman makes an excellent point.

Once we have all these documents, many of which are already public and some of which are not necessarily public, and they are brought on to Washington, they are brought here, the Council goes all through them. Then what do they have that they did not have anyway? The prices have gone up; the wages have gone up.

I say to my colleagues, the Members of the House, that this is an important amendment. I think my colleague, the gentleman from Georgia (Mr. Levitas) was absolutely correct in offering it, and I am happy to support him in that effort.

Mr. DEL CLAWSON. Madam Chairman, will the gentleman yield?

Mr. ROUSSELOT. Yes, I will yield to the gentleman from California.

Mr. DEL CLAWSON. The gentleman indicated that there had been a statement made by the gentleman from Connecticut that if this amendment failed, we would be perpetrating a fraud.

Mr. ROUSSELOT. Yes.

Mr. DEL CLAWSON. The Council does not have this power at the present time; is that correct?

Mr. ROUSSELOT. That is correct.

Mr. DEL CLAWSON. Then has it not been a fraud from its inception?

Mr. ROUSSELOT. I cannot say that. I would hate to talk about it in that way, but I think the gentleman might be correct. In fact, on balance the Council actually has a negative effect in the fight against inflation.

I would like to bring to the attention of the gentleman and my other colleagues the views of Mr. Judson Hannigan, president of International Paper Co., on behalf of the American Paper Institute, and of Charles W. Stewart, president of the Machinery and Allied Products Institute. Both of these gentlemen have expressed the view that the continuation of wage and price controls, in any form, will actually contribute to inflation. Excerpts of their views, which appear in their entirety on pages 314 to 342 of the hearings on incomes policy of the Subcommittee on Economic Stabilization, follow:

Testimony of Mr. Judson Hannigan, American Paper Institute:

TESTIMONY OF MR. JUDSON HANNIGAN

First, let me present the paper industry's position on wage and price controls, based on 1971–74 experience, when wage and price controls—which were intended to curb inflation—actually fueled inflation. Controls created distortions, inequities and shortages throughout our industry and in the economy as a whole. These distortions produced surges in demand, both real and artificial, a rapid escalation of prices had contributed substantially to the recession we are experiencing right now.

The long and varied history of controls in Europe is full of failures; not one attempt has succeeded. In the United States' recent experience, the inflation rate was more than twice as high when controls ended as when they began.

Here are five ways in which controls impacted on the U.S. paper industry.

1. Controls created shortages of some papers. Some grades were eliminated because it was uneconomical to make them.

2. Controls almost put some smaller mills out of business. Mills without pulping capacity had to buy their woodpulp in the world markets at uncontrolled prices.

3. Controls delayed decisions to invest in plant and equipment. Projected returns on new investment were little better than break even. Small wonder that reinvestment in the form of capacity additions came to a virtual standstill.

4. Controls could not be administered with equal success in all areas so that cost pressures continued to rise, resulting in delayed but nonetheless necessary increases in prices.

Here's a specific example. In August 1971, the marked price for containerboard, used for corrugated boxes, was $125 per ton. The price was up to $165 per ton 2½ years later, an increase of 32 percent in 31 months—all under price controls. However, the capital costs required for new container-board capacity were escalating so rapidly that the return on investment for a new containerboard mill was still less than 6 percent. Think of it! A 32-percent increase in price, during price controls, permitted less than 6 percent return on investment for new capacity.

5. Controls created "floors" for prices and "umbrellas" for producers. Prices went up during controls—never down. With "floors" under prices, inefficient producers enjoyed an umbrella of protection against competition from efficient, low-cost producers. Customers lost the advantage normally offered by the competitive supplier who is constantly striving to produce, and sell, a higher quality product more effectively.

Having been through this type of experience under controls, the paper industry is wary of legislation which could involve, or lead to, economic constraints. There is some legislation pending which, if enacted, would put us right back into controls. There are other bills which would be a further step toward Government participation in wage and price decisions.

TESTIMONY OF CHARLES W. STEWART

We were opposed to controls then and are opposed now to the restoration of wage and price controls, in any form. While the imagination of proponents for government intervention in our free market system is fertile, we do not think it possible to construct a mechanism in our economy which can work. We think further that partial-controls, near-controls, or even quasi-controls or any variations thereof also will fail. What is worse, any attempt to provide the Administration with control-type monitoring authority—even something far less than full controls—will tend to institutionalize inflation by perpetuating the threat of controls. Thus, we oppose proposed legislation before this Subcommittee which would enlarge the authority of the Council on Wage and Price Stability. Indeed, we recommend allowing the present authority for the Council to expire.

Mr. LaFALCE. Madam Chairman, I move to strike the requisite number of words.

Mr. ASHLEY. Madam Chairman, will the gentleman yield?

Mr. LaFALCE. Yes, I yield to the gentleman from Ohio.

Mr. ASHLEY. Madam Chairman, I wonder whether we can begin to get an idea as to time. We have been on this amendment for the best part of an hour.

I would ask unanimous consent that all debate on this amendment and all amendments thereto conclude in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. LaFALCE. Madam Chairman, this so-called fraud we have heard about, called the Council on Wage and Price Stability, is the so-called fraud requested by President Gerald Ford 1 week after he took office when he said to the Congress: "Let us have not a honeymoon, but a happy marriage."

The Council, the so-called fraudulent Council that has been spoken of, is the product of that marriage, although in retrospect perhaps we should call it a honeymoon.

The question is now, What should we do with the baby, let it grow and develop, or abort the baby?

I think we must face up to the fact that this amendment is really going to abort the baby.

If that is what we are going to do, fine, but let us realize what we are doing.

The Executive Director of the Council, Dr. Rees, testified that he would desire the subpena power because without the subpena power, he could do virtually nothing. If we give the subpena power to the Council, would they just exercise it willy-nilly?

Who is the chairman of the board of this Council? That gentleman is the Secretary of the Treasury, Mr. Simon. Are we fearful of what Mr. Simon and his Council are going to do?

If the Members are fearful of that, then, fine; vote for this amendment. I do not think that Mr. Simon is going to engage in harassment of American businessmen. It would be anathema to everything he stands for.

When his own Council seeks this very power we are discussing, I say, give them the power that they sought in testimony, or terminate the Council, but let us not confuse the issue.

The CHAIRMAN. Members standing at the time the unanimous-consent request was made will be recognized for one-half minute each.

The Chair recognizes the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Madam Chairman, I rise in opposition to the amendment.

I had indicated earlier that I would support it. However, the amendment strikes all of the ability of this agency to even request reports. It goes far beyond striking the subpena power. The subpena power has already been limited by amendment only to large business entities.

The amendment removes the only significant powers delegated to the Commission. Unless we want to abandon all of our responsibility in the field of inflation control, we must defeat the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. Madam Chairman, the point that was made here a little earlier or attempted to be made that the Council, during its deliberations this year, held hearings with respect to the price of sugar and caused sugar prices to come down is overstating the case, in my judgment.

I have not heard about anything else, really, that the Council has accomplished during the past year and not much is published in its report.

But it is a fact that since the Council held the sugar hearings the difference between the price of raw sugar and refined sugar on the market has actually increased. I think it was more the commonsense of the consumer that forced the price of sugar down, and the fact that consumers went to other sweeteners instead of using so much sugar that had more effect on bringing the price of sugar down.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan (Mr. BROWN).

Mr. BROWN of Michigan. Madam Chairman, many of the Members who are supporting this amendment have said they are for the free enterprise system. May I suggest that this Nation has become great not just on the free enterprise system, but the competitive free enterprise system. But if the Members do not believe that there is any price administering in big oil, big steel, big what-have-you, then vote for this amendment, because I suggest that if you follow the premises that have been put forth by those who support the amendment then we should do away with the Antitrust Division of the Justice Department also.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. J. WILLIAM STANTON).

Mr. J. WILLIAM STANTON. Madam Chairman, I rise in strong opposition to this amendment.

As the gentleman from Minnesota has so rightly pointed out, we are far away from the subject of the question of subpenas because if the Members will read the start of this amendment, it says that the Council shall have the authority, et cetera, for asking for information, et cetera.

So, Madam Chairman, I would simply say to the Committee that it would be a crime to see this stricken from this particular bill because to me this is the very information which this Council must rest in order to do its job.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia (Mr. McDONALD).

(By unanimous consent, Mr. McDONALD of Georgia yielded his time to Mr. LEVITAS.)

The CHAIRMAN. The Chair recognizes the gentleman from Georgia (Mr. LEVITAS).

Mr. LEVITAS. Madam Chairman, this amendment really is essential unless we are to perpetrate a fraud on the American public. The gentleman from Connecticut has said that the defeat of this amendment was essential if we are to avoid defrauding the American public. But the fact of the matter is this Council itself, by its very existence, is a fraud on the public because it has no authority to do anything about inflation and it has not done anything about inflation. Those Members who are talking about fighting inflation and doing something about it ought to know that the only way to do this is to get rid of this agency altogether. To give the Council these kinds of subpena powers would make the fraud even worse. It would take a useless agency and make it dangerous, without doing one iota about solving the problem of inflation.

I urge the adoption of the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Colorado (Mr. ARMSTRONG).

Mr. ARMSTRONG. Madam Chairman, do I understand that following the discussion on this amendment that other amendments will be in order?

The CHAIRMAN. The gentleman from Colorado is correct.

Mr. ARMSTRONG. Then, Madam

Chairman, I will offer a pro forma amendment at that time, and I now yield back my time.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. Ashley).

Mr. ASHLEY. Madam Chairman, I do not see how anybody in this body can vote to circumscribe the effectiveness of the Council on Wage and Price Stability which this very body voted approval of last year at the behest of the President of the United States.

How can this body turn its back on the responsibilities that we all have in the continuing fight against inflation?

The amendment that is offered by the gentleman from Georgia (Mr. Levitas) would gut this legislation, and I mean that. That is the purpose of the amendment.

I urge that the amendment be defeated.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Georgia, (Mr. Levitas).

The question was taken; and the Chair announced that the ayes appeared to have it.

RECORDED VOTE

Mr. ASHLEY. Madam Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device; and there were—ayes 185, noes 237, not voting 12, as follows:

[Roll No. 469]

AYES—185

Abdnor
Alexander
Andrews, N.C.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Bedell
Blouin
Boggs
Bowen
Breaux
Brinkley
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burleson, Tex.
Butler
Byron
Carr
Casey
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Collins, Tex.
Conable
Conlan
Crane
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Davis
de la Garza
Delaney
Derwinski
Devine
Dickinson
Downing, Va.
Duncan, Tenn.
Edwards, Ala.
English
Erlenborn
Eshleman
Evans, Ind.
Fascell
Findley
Fithian
Flowers
Fountain
Frey
Ginn
Goldwater
Goodling
Gradison
Grassley
Guyer
Hagedorn
Haley
Hammerschmidt
Hannaford
Hansen
Harkin
Harsha
Hastings
Hayes, Ind.
Hays, Ohio
Hefner
Helstoski
Hightower
Holt
Hubbard
Hutchinson
Ichord
Jacobs
Jarman
Jenrette
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kasten
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Krueger
Lagomarsino
Landrum
Latta
Lent
Levitas
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCollister
McDade
McDonald
McEwen
Madigan
Mahon
Mann
Martin
Mathis
Michel
Milford
Montgomery
Moore
Moorhead, Calif.
Murtha
Myers, Ind.
Myers, Pa.
Nedzi
Nichols
Nowak
O'Brien
Passman
Perkins
Pettis
Pickle
Poage
Quie
Quillen
Randall
Regula
Risenhoover
Roberts
Robinson
Roe
Roncalio
Roush
Rousselot
Runnels
Ruppe
Ryan
Santini
Satterfield
Schneebeli
Schroeder
Schulze
Sebelius
Sharp
Shriver
Shuster
Sikes
Skubitz
Smith, Iowa
Smith, Nebr.
Snyder
Spence
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stuckey
Symms
Taylor, Mo.
Thone
Thornton
Waggonner
Wampler
White
Whitehurst
Whitten
Wilson, Bob
Wilson, Tex.
Winn
Wright
Wylie
Young, Alaska
Young, Fla.
Zeferetti

NOES—237

Abzug
Adams
Addabbo
Ambro
Anderson, Calif.
Anderson, Ill.
Annunzio
Ashley
Aspin
AuCoin
Badillo
Baldus
Baucus
Beard, R.I.
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Boland
Bolling
Bonker
Brademas
Breckinridge
Brodhead
Brooks
Brown, Calif.
Brown, Mich.
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Carney
Carter
Cederberg
Chisholm
Clay
Cohen
Collins, Ill.
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Danielson
Dellums
Dent
Derrick
Diggs
Dingell
Dodd
Downey, N.Y.
Drinan
Duncan, Oreg.
du Pont
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
Esch
Evans, Colo.
Fary
Fenwick
Fish
Fisher
Flood
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fraser
Frenzel
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Gonzalez
Green
Gude
Hall
Hamilton
Hanley
Harrington
Harris
Hawkins
Hechler, W. Va.
Heckler, Mass.
Heinz
Henderson
Hicks
Hillis
Hinshaw
Holland
Holtzman
Howard
Howe
Hughes
Hungate
Hyde
Jeffords
Johnson, Calif.
Jordan
Karth
Kastenmeier
Koch
Krebs
LaFalce
Leggett
Lehman
Litton
Lloyd, Calif.
McCloskey
McCormack
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Maguire
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Natcher
Neal
Nix
Nolan
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Peyser
Pike
Pressler
Preyer
Price
Pritchard
Railsback
Rangel
Rees
Reuss
Rhodes
Richmond
Rinaldo
Rodino
Rogers
Rooney
Rose
Rosenthal
Rostenkowski
Roybal
Russo
St Germain
Sarasin
Sarbanes
Scheuer
Seiberling
Shipley
Simon
Sisk
Slack
Solarz
Spellman
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Stokes
Stratton
Studds
Sullivan
Symington
Talcott
Taylor, N.C.
Thompson
Traxler
Treen
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Walsh
Waxman
Weaver
Whalen
Wiggins
Wilson, C. H.
Wirth
Wolff
Wydler
Yates
Yatron
Young, Ga.
Young, Tex.
Zablocki

NOT VOTING—12

Barrett
Bell
Evins, Tenn.
Flynt
Fulton
Hébert
Horton
Jones, Ala.
Mills
Riegle
Teague
Udall

So the amendment was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Hébert for, with Mr. Barrett against.

Mr. Teague for, with Mr. Riegle against.

Mr. Flynt for, with Mr. Jones of Alabama against.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. ROUSSELOT

Mr. ROUSSELOT. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Rousselot: On page 3, line 9, strike all after "exports" through "prescribe" on line 10.

Mr. ROUSSELOT. Madam Chairman, I will not take the full time. Madam Chairman, this is just a limitation on the subpena power that evidently a slim majority of the House wishes to maintain. It strikes from the language "by product line."

The reason I believe this is necessary is because in any business of $5 million or over, as we discussed before, many times there are a substantial number of product lines, and to force by subpena the bringing into Washington a long list of product line material, I think is unwarranted, and unfair. This phrase in the subpena power does not really assist the main goal of what this bill would supposedly achieve, of encouraging jawboning. How is the subpena power to force small and medium size businesses to bring in volumes of product lines and documents going to hold down prices and wages.

Therefore, I hope that my colleagues will see fit to support this limitation on the subpena power that I feel is necessary.

Mr. REES. Madam Chairman, I rise to speak in opposition to the amendment.

Madam Chairman, this product line issue in the bill has been very complex, and it has been negotiated over the last several months. The bill allows the Council if it deems necessary, to request specific price information by specific product lines that a company might manufacture, or produce.

Let me give the Members an example. General Electric Co., for example, makes toasters, television, makes turbines, and atomic energy plants and hundreds of other products. All these are different products, and if the Council does not have the power to actually ask for information in the product line, then they really do not have the power to do anything, because all they can get is the total aggregate cost data.

Therefore, you have to get into an individual product line to assess costs. When we started dealing with this one issue of product line, we talked to people who represented industry, and we said, "Look, we want to get a product line, but we do not want to unduly harass you." After some discussion it was finally decided that we amend the act to require product lines, but without unduly harassing the company. And that compromise is on line 2, of page 3, that states, "Information maintained in the ordinary course of business."

This is information that these companies already have broken down in the product line accounting, and that is the only information that would be required under this act.

We also further protected the product line information by requiring, on page 4, that this product line information could not be subpenaed by any other agency or subpenaed by private persons, and that this was "confidential financial information."

I think with this amendment the industries which would be affected by the product line clause withdrew their opposition. I think it is absolutely necessary that we be able to give the Council the opportunity to deal with the specific product line.

Mr. J. WILLIAM STANTON. Madam Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from Ohio.

Mr. J. WILLIAM STANTON. I wish to associate myself with the gentleman's remarks. The gentleman is absolutely correct. He spent a great deal of time in the subcommittee exactly on this wording.

As the gentleman in the well said, we have clearly stated we have limited this information only in the ordinary course of business, and I know of nobody who objects to this language.

Mr. REES. I thank the gentleman.

If this were knocked out, the Council would have no ability to deal with any major multiline businesses we have in this country.

Mr. ASHLEY. Madam Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from Ohio.

Mr. ASHLEY. Madam Chairman, the gentleman is entirely correct. It would be manifestly impossible to examine price increases of specific products by large companies, particularly, unless it relates to a specific product.

The Rousselot amendment is a part of a broader amendment offered by the gentleman from Georgia. In my view, this amendment is an effort to dilute the effectiveness of the bill and should be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. ROUSSELOT).

The amendment was rejected.

The CHAIRMAN. If there are no further amendments, under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker resumed the Chair, Mrs. BURKE of California, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 8731, to amend and extend the Council on Wage and Price Stability Act, pursuant to House Resolution 650, reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ROUSSELOT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 235, nays 188, not voting 11, as follows:

[Roll No. 470]

YEAS—235

Abzug
Adams
Addabbo
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Ashley
Aspin
AuCoin
Badillo
Baldus
Baucus
Beard, R.I.
Bennett
Bergland
Biaggi
Biester
Bingham
Blanchard
Boland
Bolling
Bonker
Brademas
Breckinridge
Brodhead
Brooks
Brown, Calif.
Brown, Mich.
Broyhill
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, Phillip
Carney
Carter
Cederberg
Chisholm
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniels, N.J.
Danielson
de la Garza
Delaney
Dent
Diggs
Dingell
Dodd
Downey, N.Y.
Drinan
Duncan, Oreg.
du Pont
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
Esch
Evans, Colo.
Fary
Fenwick
Findley
Fish
Fisher
Flood
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fraser
Frenzel
Gaydos
Giaimo
Gilman
Gonzalez
Gradison
Green
Gude
Hall
Hamilton
Hanley
Hawkins
Heckler, Mass.
Heinz
Henderson
Hicks
Hillis
Hinshaw
Holtzman
Howard
Hughes
Hungate
Hyde
Jeffords
Johnson, Calif.
Jordan
Karth
Kastenmeier
Keys
Koch
LaFalce
Lagomarsino
Leggett
Lent
Litton
McCloskey
McCormack
McDade
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Ohio
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Natcher
Neal
Nedzi
Nix
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Patten, N.J.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Preyer
Price
Pritchard
Quie
Railsback
Rangel
Rees
Regula
Reuss
Richmond
Riegle
Rinaldo
Rodino
Roe
Rogers
Rooney
Rosenthal
Rostenkowski
Roybal
Ruppe
Russo
St Germain
Sarasin
Sarbanes
Scheuer
Seiberling
Shriver
Simon
Sisk
Snyder
Solarz
Spellman
Staggers
Stanton, J. William
Stanton, James V.
Stephens
Stokes
Stratton
Studds
Sullivan
Symington
Talcott
Taylor, N.C.
Thompson
Traxler
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waxman
Weaver
Whalen
Wiggins
Wilson, C. H.
Wirth
Wolff
Wright
Wydler
Yates
Yatron
Young, Ga.
Young, Tex.
Zablocki

NAYS—188

Abdnor
Alexander
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Bedell
Bevill
Blouin
Boggs
Bowen
Breaux
Brinkley
Broomfield
Brown, Ohio
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Burton, John
Butler
Byron
Carr
Casey
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Collins, Tex.
Conable
Conlan
Crane
Daniel, Dan
Daniel, R. W.
Davis
Dellums
Derrick
Derwinski
Devine
Dickinson
Downing, Va.
Duncan, Tenn.
Edwards, Ala.
English
Erlenborn
Eshleman
Evans, Ind.
Fascell
Fithian
Flowers
Forsythe
Fountain
Frey
Fuqua
Gibbons
Ginn
Goldwater
Goodling
Grassley
Guyer
Hagedorn
Haley
Hammerschmidt
Hannaford
Hansen
Harkin
Harrington
Harris
Harsha
Hastings
Hayes, Ind.
Hays, Ohio
Hébert
Hechler, W. Va.
Hefner
Helstoski
Hightower
Holland
Holt
Howe
Hubbard
Hutchinson
Ichord
Jacobs
Jarman
Jenrette
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Krebs
Krueger
Landrum
Latta
Lehman
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCollister
McDonald
McEwen
Maguire
Mahon
Mann
Martin
Mathis
Michel
Milford
Miller, Calif.
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Murtha
Myers, Ind.
Myers, Pa.
Nichols
Nolan
Passman
Patterson, Calif.
Poage
Pressler
Quillen
Randall
Rhodes
Risenhoover
Roberts
Robinson
Roncalio
Rose
Roush
Rousselot
Runnels
Ryan
Santini
Satterfield
Schneebeli
Schroeder
Schulze
Sebelius
Sharp
Shipley
Shuster
Sikes
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Spence
Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stuckey
Symms
Taylor, Mo.
Thone
Thornton
Treen
Waggonner
Walsh
Wampler
White
Whitehurst
Whitten
Wilson, Bob
Wilson, Tex.
Winn
Wylie
Young, Alaska
Young, Fla.
Zeferetti

NOT VOTING—11

Barrett
Bell
Evins, Tenn.
Flynt
Fulton
Horton
Jones, Ala.
Mills
Patman, Tex.
Teague
Udall

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Barrett for, with Mr. Teague against.

Mr. Mills for, with Mr. Flynt against.

Until further notice:

Mr. Jones of Alabama with Mr. Udall.

Mr. Evins of Tennessee with Mr. Bell.

Mr. Patman with Mr. Fulton.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. ASHLEY. Mr. Speaker, I call up the Senate bill (S. 409) an act to increase the authorization for the Council on Wage and Price Stability, and to extend the duration of such Council, and I ask unanimous consent for its immediate consideration.

The Clerk read the Senate bill as follows:

S. 409

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—COUNCIL ON WAGE AND PRICE STABILITY

SEC. 101. Council on Wage and Price Stability Act is amended by striking out sections 6 and 7 and inserting in lieu thereof the following:

"SEC. 6. There are hereby authorized to be appropriated to carry out the purposes of this Act not to exceed $1,000,000 for the fiscal year ending June 30, 1975, and not to exceed $1,600,000 for the fiscal year ending June 30, 1976.

"SEC. 7. The authority granted by this Act terminates on June 30, 1976.".

SEC. 102. Section 2 of the Council on Wage and Price Stability Act is further amended by adding at the end thereof the following:

"(g) The Council shall have authority, for any purpose related to this Act, to require periodic reports and to issue subpoenas, signed by the Chairman or the Director, for the attendance and testimony of witnesses and the production of relevant books, papers, and other documents relating to wages, prices, costs, profits, and productivity by product line, or by such other categories as the Council may prescribe to carry out the purposes of this Act, and to administer oaths. Witnesses summoned under the provisions of this section shall be paid the same fees and mileage as are paid to witnesses in the courts of the United States. In case of refusal to obey a subpoena served upon any person under the provisions of this section, the Council may request the Attorney General to seek the aid of the United States district court for any district in which such person is found, to compel that person, after notice, to appear and give testimony, or to appear and produce documents before the Council.".

SEC. 103. (a) The first sentence of section 2(c) of the Council on Wage and Price Stability Act is amended by adding "by and with the advice and consent of the Senate" after the word "President".

(b) Section 2(c) of such Act is further amended by—

(1) striking out "level IV" and inserting in lieu thereof "level III"; and

(2) striking out "section 5315" and inserting in lieu thereof "section 5314".

(c) The amendment made by subsection (a) of this section shall take effect immediately after the individual holding the office of Director of the Council on Wage and Price Stability on the date of the enactment of this Act ceases to hold that office. The amendment made by subsection (b) of this section shall take effect on the date of the enactment of this Act.

SEC. 104. (a) Section 2(d) (relating to the number of authorized positions for the Council in grades 16, 17, and 18 of the General Schedule) of the Council on Wage and Price Stability Act is amended by striking out "five" and inserting in lieu thereof "eight".

(b) In appointments to the additional positions authorized by the amendment made by subsection (a), the Council shall give preference to economists and other persons with special ability and experience in one or more of the various sectors of the economy.

SEC. 105. Section 5 of the Council on Wage and Price Stability Act is amended by adding at the end thereof the following new sentence: "Nothing in this Act shall be construed to authorize or permit the Council to make any recommendation which, if implemented, would result in or have the effect of imposing any ceiling on social security cost-of-living benefit increases authorized under existing law, it being the sense of the Congress that no such ceiling be imposed.".

TITLE II—INFLATIONARY IMPACT STATEMENT ACT

SEC. 201. SHORT TITLE.—That this Act may be cited as the "Inflationary Impact Statement Act of 1975".

SEC. 202. FINDINGS.—The Congress finds that—

(1) inflation is one of the principal economic problems facing Americans;

(2) Federal programs and expenditures which Congress authorize have a significant impact on the economy and can play a major role in contributing to inflation;

(3) it is imperative that Congress, in keeping with its unique responsibility for balancing the possible adverse effects of programs it considers against the beneficial aspects of the same, be informed in advance of the impact on inflation of any legislative proposal to come before it for action.

SEC. 203. INFLATION IMPACT STATEMENTS.—(a) Section 403 of the Congressional Budget Act of 1974 is amended—

(1) by striking out "and" at the end of paragraph (1);

(2) by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; and";

(3) by inserting after paragraph (2) the following new paragraph:

"(3) an inflationary impact statement relative to such bill or resolution covering the fiscal year in which it is to become effective and each of the four fiscal years following such fiscal year. As used in this paragraph, the term 'inflationary impact statement' means an estimate, to the extent practicable, of the probable impact of a particular bill or resolution on the aggregate rate of inflation and the cost of goods and services to be affected by its enactment. Such estimate shall be based on the amount of new budget authority contained in such bill or resolution, as well as the new budget authority at specified projected levels assumed to be authorized by subsequent legislation, unless, with respect to any fiscal year for which an estimate is required, the Director determines that it is improbable that outlays will occur."; and

(4) by striking out "estimate and comparison" in the last sentence and inserting in lieu thereof "estimate, comparison, and statement".

(b) The provisions of subsection (a) are enacted by the Congress as an exercise of its rulemaking power as provided by section 904 (a) of the Congressional Budget Act of 1974.

TITLE III—TRUTH IN SPENDING ACT

SEC. 301. SHORT TITLE.—That this Act may be cited as the "Truth in Spending Act of 1975".

SEC. 302. Title IV of the Congressional Budget Act of 1974 (Public Law 93-344) is amended by adding at the end thereof the following new section:

"ESTIMATES OF COSTS TO EACH TAXPAYING FAMILY OF LEGISLATIVE PROPOSALS

"SEC. 405. (a)(1) Any bill or resolution of a public character introduced in the House of Representatives or the Senate, and the report on any such bill or resolution reported by any committee of the either House, shall contain an estimate of the average cost for each taxpaying family, if that bill or resolution were to be enacted into law. Such estimates shall be determined by multiplying the total amount of funds of the United States Government expected to be obligated in carrying out such bill or resolution or the total amount of reduced tax revenues as the case may be by the percentage of the total Federal corporate and individual income taxes attributable to individuals and by dividing such product by the number of taxpaying families for the year immediately preceding the year in which the bill or resolution is introduced or reported, as the case may be. In the case of an introduced bill or resolution, such estimates shall be contained in a note following the text of the bill or resolution.

"(2) It shall not be in order to receive or consider any bill or resolution referred to in paragraph (1) of this subsection unless the provisions of such paragraph have been satisfied.

"(b) At the end of any week during which either House of the Congress has been in session for at least one day, the Director of the Congressional Budget Office shall tabulate the amount of authorization of budget authority contained in each bill or resolution passed by each House during such week, the average cost for each taxpaying family for each bill or resolution passed by each House during such week, and the total amount of authorizations of budget authority contained in, and the total average cost for each taxpaying family for, all bills and resolutions passed by each House from the first day of that session of Congress through the week for which the tabulation is made. Each such tabulation shall be printed in that issue of the Congressional Record which is first published after the tabulation for that week is completed.

"(c) For purposes of this section, the number of taxpaying families is determined by dividing the total population of the United States by the average number of individuals in a family of the United States, rounded to the nearest five hundred thousand, on the basis of the most recent satisfactory data available from the Department of Commerce for the year immediately preceding the year in which the bill or joint resolution is introduced or reported, as the case may be.".

SEC. 303. The provisions of section 904 of the Congressional Budget Act of 1974 shall apply to section 405 of such Act (as added by this Act) in the same manner as if such section were included in such Act at the time of its enactment.

TITLE IV—ENERGY SUPPLY AND ENVIRONMENTAL COORDINATION ACT

SEC. 401. Section 11(c)(2) of the Energy Supply and Environmental Coordination Act of 1974 is amended by adding the following new subparagraph:

"(E) Price trends and related developments for coal and for other major energy sources which are not subject to direct price regulation at any level by the United States Government. As soon as practicable after the date of enactment of this subparagraph and at such times thereafter as he deems appropriate, the Federal Energy Administrator, after consultation with such other persons and agencies as he deems appropriate, shall provide an assessment of the relationship between price trends and related developments for energy sources covered by this subparagraph and energy policies, including any recommendations he may have in connection with such assessment.".

MOTION OFFERED BY MR. ASHLEY

Mr. ASHLEY. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. ASHLEY moves to strike out all after the enacting clause of the Senate bill S. 409 and insert in lieu thereof the provisions of H.R. 8731, as passed by the House, as follows:

SECTION 1. This Act may be cited as the "Council on Wage and Price Stability Act Amendments of 1975".

SEC. 2. (a) The first sentence of section 2 (c) of the Council on Wage and Price Stability Act is amended by striking out the period and inserting in lieu thereof the following: "by and with the advice and consent of the Senate.".

(b) The amendment made by subsection (a) shall take effect immediately after the individual holding the office of Director of the Council of Wage and Price Stability on the date of enactment of this Act ceases to hold that office.

(c) In appointments to the additional positions authorized by the amendment made by subsection (a), the Council shall give preference to economists and other persons with special ability and experience in one or more of the various sectors of the economy.

SEC. 3. Section 2 of the Council on Wage and Price Stability Act is amended by adding at the end thereof the following:

"(g) The Council shall have the authority, for any purpose related to this Act, to—

"(1) require periodic reports for the submission of information maintained in the ordinary course of business; and

"(2) issue subpenas signed by the Chairman or the Director for the attendance and testimony of witnesses and the production of relevant books, papers, and other documents, only to entities whose annual gross revenues are in excess of $5,000,000;

relating to wages, costs, productivity, prices, sales, profits, imports, and exports by product line or by such other categories as the Council may prescribe. The Council shall have the authority to administer oaths to witnesses. Witnesses summoned under the provisions of this section shall be paid the same fees and mileage as are paid to witnesses in the courts of the United States. In case of refusal to obey a subpena served upon any person under the provisions of this section, the Council may request the Attorney General to seek the aid of the United States district court for any district in which such person is found, to compel that person, after notice, to appear and give testimony, or to appear and produce documents before the Council."

SEC. 4. Section 3(a) of the Council on Wage and Price Stability Act is amended by striking out "and" at the end of paragraphs (6), by striking out the period at the end of paragraph (7), and inserting in lieu thereof "; and", and by adding at the end thereof the following new subsection:

"(8) intervene and otherwise participate on its own behalf in rulemaking, ratemaking, licensing and other proceedings before any of the departments and agencies of the United States, in order to present its views as to the inflationary impact that might result from the possible outcomes of such proceedings.".

SEC. 5 Section 4 of the Council on Wage and Price Stability Act is amended by adding at the end thereof the following new subsection:

"(f)(1) Product line or other category information relating to an individual firm or person and obtained under section 2(g) shall be considered as confidential financial information under section 552(b)(4) of title 5 of the United States Code and shall not be disclosed by the Council.".

"(2) Periodic reports obtained by the Council under section 2(g) and copies thereof which are retained by the reporting firm or person shall be immune from legal process.".

SEC. 6. Section 6 of the Council on Wage and Price Stability Act is amended by striking out "$1,000,000 for the fiscal year ending June 30, 1975" and inserting in lieu thereof "$1,700,000 for each fiscal year ending prior to October 1, 1977".

SEC. 7. Section 7 of the Council on Wage and Price Stability Act is amended by striking out "August 15, 1975" and inserting in lieu thereof "September 30, 1977".

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

A similar House bill (H.R. 8731) was laid upon the table.

AUTHORIZING CLERK TO CORRECT SECTION NUMBERS AND PUNCTUATION IN ENGROSSMENT

Mr. ASHLEY. Mr. Speaker, I ask unanimous consent that in the engrossment of the House amendment to S. 409 the Clerk be authorized to correct section numbers, punctuation, and cross-references.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

GENERAL LEAVE

Mr. ASHLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous matter, on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate disagrees to the amendment of the House to the bill (S. 1247) entitled "An act to authorize certain construction at military installations, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. STENNIS, Mr. SYMINGTON, Mr. JACKSON, Mr. CANNON, Mr. HARRY F. BYRD, Jr., Mr. LEAHY, Mr. TOWER, Mr. THURMOND, and Mr. GOLDWATER to be conferees on the part of the Senate.

FURTHER LEGISLATIVE PROGRAM

(Mr. O'NEILL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. O'NEILL. Mr. Speaker, I rise to announce the program for the remainder of the day.

Mr. Speaker, we will go back to the bill H.R. 7014, and we will rise at 8 o'clock this evening. This is in agreement with the minority leader.

ADJOURNMENT TO 10 O'CLOCK TOMORROW

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourns to meet at 10 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. RHODES. Mr. Speaker, reserving the right to object, and I shall not, can the majority leader give the House some indication as to how late tomorrow afternoon we might be in session?

Mr. O'NEILL. To my knowledge there are only two pieces of legislation that are left. There could be others, of course, that could come over that are still in conference, but I have no knowledge of any except the NASA authorization and the completion of this bill. I have no knowledge of a Turkey resolution coming before us, so it would be with the completion of the NSF conference report and the completion of this bill that we would complete business for the week.

Mr. RHODES. It is the plan of the majority leader to complete this bill before recess?

Mr. O'NEILL. Yes, it is.

Mr. HAYS of Ohio. Mr. Speaker, will the gentleman yield for a parliamentary inquiry?

Mr. O'NEILL. I would be glad to yield.

PARLIAMENTARY INQUIRY

Mr. HAYS of Ohio. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HAYS of Ohio. Would it be in order for a person not a member of the committee to move to close debate on whatever pending amendment there might be, and all amendments thereto, to this bill when we go into the Committee of the Whole?

The SPEAKER. It is the practice and custom of the House that the Chair looks to the manager of the bill for motions relating to the management of the bill.

Mr. HAYS of Ohio. If I made the motion—and I will make it more specific—would it be out of order or in violation of the rules?

The SPEAKER. A proper motion could be entertained at the proper time.

Mr. HAYS of Ohio. I am prepared to make such a motion and I will seek the proper time.

HOUR OF MEETING

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ENERGY CONSERVATION AND OIL POLICY ACT OF 1975

Mr. DINGELL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for further consideration of the bill (H.R. 7014) to increase domestic energy supplies and availability; to restrain energy demand; to prepare for energy emergencies; and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Michigan.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 7014, with Mr. BOLLING in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, title III of the committee amendment in the nature of a substitute was open to amendment at any point.

Mr. DINGELL. Mr. Chairman, I ask for the regular order.

The CHAIRMAN. The gentleman from Michigan is recognized for 5 minutes.

Mr. DINGELL. Mr. Chairman, I rise to make a unanimous-consent request. I ask unanimous consent that all debate on title III and all amendments thereto terminate in 40 minutes.

The CHAIRMAN. Is there any objection to the request of the gentleman from Michigan?

Mr. BROWN of Ohio. Mr. Chairman, reserving the right to object, could we have some indication from the Chair or the gentleman from Michigan as to how many amendments are pending to title III?

The CHAIRMAN. The Chair will have to state he has no knowledge.

Mr. DINGELL. Mr. Chairman, if the gentleman will yield, I am advised by the staff we have 14 printed in the Record of which the committee is aware. There may be a few more of which we are not aware.

Mr. BROWN of Ohio. Mr. Chairman, I would not want to object to the unanimous-consent request of the gentleman from Michigan but it seems to me 40 minutes for 14 amendments is a little abrupt for reasonable consideration of each amendment.

Mr. DINGELL. Mr. Chairman, I think if the gentleman feels that way it is proper he object and we will see how we go from there and we will try to limit time as we go.

Mr. BROWN of Ohio. Mr. Chairman, could I inquire how many amendments are at the desk?

The CHAIRMAN. The Chair is informed we have about eight at the desk. About eight.

Mr. BROWN of Ohio. Mr. Chairman, I wonder if the gentleman would agree if we take the eight amendments and if we could at least go until 6 o'clock and at least get a reasonable consideration of those amendments?

Mr. DINGELL. If these are published amendments, and we have 14 published, they get 5 minutes automatically.

Mr. BROWN of Ohio. So on those the time limitation is not effective?

Mr. DINGELL. It is the best time limitation I can come up with at this time.

Mr. Chairman, I withdraw my unanimous-consent request.

The CHAIRMAN. The gentleman from Michigan withdraws his unanimous-consent request.

AMENDMENT OFFERED BY MR. WRIGHT

Mr. WRIGHT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Wright: On page 223, immediately before line 4, insert the following:

MARGINAL WELL RECOVERY PRICING POLICY

Sec. 302 (a) In the interest of promoting maximum recovery and eliminating waste, there is hereby created a category known as "marginal wells", and, for purposes of oil pricing policy, oil produced from these wells shall be treated as "new crude petroleum" as defined under Sec. 212.72 of Title 10 of the Code of Federal Regulations, as in effect on January 31, 1975, and shall not be subject to the pricing restrictions otherwise applicable to "old crude petroleum" as defined under Sec. 212.72 of Title 10 of the Code of Federal Regulations, as in effect on January 31, 1975.

(b) For purpose of this section, the term "marginal well" shall mean any oil well which is incapable of producing its maximum capacity of oil except by pumping, gas lift, or other means of artificial lift, and which well so equipped is capable, under normal unrestricted operating conditions, of producing such daily quantities of oil as herein set out, as would be damaged, or result in a loss of production ultimately recoverable, or cause the premature abandonment of same, if its maximum daily production were artificially curtailed. The following described wells shall be deemed "marginal wells":

(1) Any oil well incapable of producing its maximum daily capacity of oil except by pumping, gas lift, or other means of artificial lift, and having a maximum capacity for production often ten barrels or less, averaged over the preceding thirty consecutive days, producing from a depth of two thousand (2,000) feet or less.

(2) Any oil well incapable of producing its maximum daily capacity of oil except by pumping, gas lift, or other means of artificial lift, and having a maximum daily capacity for production of twenty barrels or less, averaged over the preceding thirty consecutive days producing from a horizon deeper than two thousand (2,000) feet and less in depth than four thousand (4,000) feet.

(3) Any oil well incapable of producing its maximum daily capacity of oil except by pumping, gas lift, or other means of artificial lift and having a maximum daily capacity for production of twenty-five barrels or less, averaged over the preceding thirty consecutive days, producing from a horizon deeper than four thousand (4,000) feet and less in depth than six thousand (6,000) feet.

(4) Any oil well incapable of producing its maximum daily capacity of oil except by pumping, gas lift, or other means of artificial lift, and having a maximum daily capacity for production of thirty barrels or less, averaged over the preceding thirty consecutive days, producing from a horizon deeper than six thousand (6,000) feet and less in depth than eight thousand (8,000) feet.

(5) Any oil well incapable of producing its maximum daily capacity of oil except by pumping, gas lift, or other means of artificial lift, and having a maximum daily capacity for production of thirty-five barrels or less, averaged over the preceding thirty consecutive days, producing from a horizon deeper than eight thousand (8,000) feet.

The words, "gas lift", when used in this section shall mean gas lift by the use of gas not in solution with oil produced.

And renumber subsequent sections accordingly.

Mr. WRIGHT (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record. I shall not endeavor to explain it, since copies are available for all the Members who desire it.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. DINGELL. Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. The gentleman from Michigan reserves a point of order against the amendment.

Mr. WRIGHT. Mr. Chairman, this amendment would involve separate treatment for a new category of wells to be described as marginal oil wells. The purpose of the amendment would be to insure that the Nation shall recover the maximum recoverable petroleum that can be realized from these wells. Its effect would be to treat marginal wells in the same way that stripper wells are now treated under the law. The current Federal law exempts from treatment as old oil and treats as new oil for pricing purposes that petroleum which comes from stripper wells, and they are defined in current law as wells which produce no more than 10 barrels per day.

The effect of this amendment would be to extend that same treatment to wells which may produce slightly more, depending upon their depth and the strata from which they are required to pump oil. The definition would permit, for example, a well which must pump oil from somewhere between 2,000 and 4,000 feet of depth to produce as much as 20 barrels daily. It would graduate until from the very deepest strata, those below 8,000 feet, it would permit up to but no more than 35 barrels daily to be produced from these wells at the price allowed for new oil.

Now, the purpose of the amendment is to avoid a very dangerous situation which exists in many parts of the country. It probably does not involve a great percentage of our total daily volume of petroleum, but I think it may eventually involve a quite considerable percentage of the recoverable oil that exists under the ground and which ultimately can be recovered if these wells are permitted to produce at the economically viable volumes. Thirty-five barrels, of course, still constitutes a comparatively small well, and more than 70 percent of these are owned by the small independent producers. When we consider that for purposes of taxes we voted earlier this year to exempt from the abolition of the depletion allowance those producers whose production does not exceed 3,000 barrels daily, I think we recognize that 35 barrels daily is truly a small amount of production.

The definition of a "marginal well," which this amendment embodies, is taken directly from a statute which has been in effect in the State of Texas for more than 30 years. It recognizes the direct relation which exists between depth of the well and the volume of oil which must be produced in order for the well to be economically viable.

It would permit someone to produce up to 20 barrels daily if he is to continue pumping from a depth of 4,000 feet, 25 barrels from 6,000 feet, up to 30 barrels from a depth of 8,000 feet, and up to 35 barrels daily if he must produce from even deeper strata.

Under present law, these small producers are permitted to recover and sell at market price no more than 10 barrels daily, subject to certain administrative interpretations, even if they must incur the greater expense of drilling and pumping from strata of 8,000 feet and greater depths.

Numbers of them are actually losing money on these marginal operations today. Some are facing the necessity of closing down the wells and pulling out the pipe. If this is done, a very great deal of recoverable petroleum could be lost to the country forever.

The Interstate Oil Compact Commission, recognizing this problem, estimates that there may be a total of some 2.5 billion barrels of recoverable oil involved.

This amendment certainly will not enrich any large oil producers. It could allow many small producers to stay in business. It could help the country recover a substantial amount of oil which otherwise might be irretrievably lost to the American public.

Mr. SKUBITZ. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Kansas.

Mr. SKUBITZ. Mr. Chairman, will the gentleman tell me what the average production per well is in the United States?

Mr. WRIGHT. I am sorry to say that I do not know what the average production is, but I am advised from the FEA that something in the neighborhood of 10 percent of the total production comes from stripper wells. So, I think we are not talking in terms of a great percent of our total production. Obviously, there may be more wells that produce relatively less oil each, but when we think in terms of total production, their aggregate probably amounts to a relatively small percentage of the whole.

Mr. SKUBITZ. I think, in terms of wells outside the average is about 80 percent. In other words, 80 percent of the oil produced comes from wells producing less than 25 barrels per day.

Mr. WRIGHT. The gentleman may be correct. I am not in possession of that information.

Mr. SKUBITZ. Would the gentleman's amendment then change the classification of oil from wells now producing less than 25 barrels from old oil to new oil?

Mr. WRIGHT. No, it would not. It would extend only to those whose production requires their going into deeper strata to get that oil.

POINT OF ORDER

The CHAIRMAN. Does the gentleman from Michigan desire to press his reserved point of order?

Mr. DINGELL. Mr. Chairman, it is with great regret that I make a point of order against the amendment offered by the gentleman from Texas, a learned member of the committee.

The CHAIRMAN. The gentleman will state it.

Mr. DINGELL. The point of order is that the amendment offered by the gentleman from Texas (Mr. WRIGHT) essentially seeks to redo or undo matters attended to in the Staggers amendment of yesterday, printed at page 25855 of the CONGRESSIONAL RECORD.

As the Chair will recall, the Staggers amendment relate to pricing of oil. It related very specifically to categories of oil covered by the amendment offered by the gentleman from Texas. First of all, it applied to stripper oil, which is one of the categories here. Second, it applied to old oil, which is one of the categories considered by the Wright amendment. Third, it covered categories of old oil and new oil which are covered here insofar as price. Lastly, it covered high-cost oil, which the Administrator of FEA would treat differently than he does other categories to which I have alluded earlier.

The amendment here would apply to classification of production from properties which are covered in the Staggers amendment in 8(c)(1), and in which, in that section, a $5.25 pricing ceiling would be applied.

As I understand the rules, Mr. Chairman, amendments which should have been offered to amendments previously offered are not in order by reason of the fact that they should have been offered at a time earlier to other amendments upon which the House has acted.

In a sense, Mr. Chairman, what the amendment here does, or seeks to do, is to alter actions taken earlier by the House with regard to pricing and with regard to the categories of oil which were mentioned by me.

The CHAIRMAN. Does the gentleman from Texas (Mr. WRIGHT) desire to be heard?

Mr. WRIGHT. Yes, Mr. Chairman, I would appreciate the opportunity of being heard.

The amendment which I offered, Mr. Chairman, would be a separate section of the bill which would create a new category not described in the amendment which we acted upon yesterday, nor described in the section just passed.

I think, Mr. Chairman, to follow the argument of the gentleman from Michigan to its logical conclusion would be to say that we could not at this juncture introduce any amendment which would bear upon the production of oil in this country, upon the theory that we had acted on that and dealt with old oil and new oil in the amendment agreed to yesterday, since all oil, obviously, must fall within the category of either old oil or new oil.

Therefore, it seems to me it would be straining the rules of the House to forbid the offering of an amendment of this type, which is offered in complete good faith, and which is done with the full prior knowledge of Members on both sides of the aisle on the committee.

On yesterday I discussed with these Members, both the majority members and the minority members, both of the authors of the two amendments who were appearing before us yesterday, the prospect of my offering this proposal as an amendment to their proposition. In each instance they—the spokesmen for the committee and the authors of the amendments—suggested to me that I hold it apart and offer it as a separable proposition, which is precisely what, at their suggestion, I am doing.

Mr. Chairman, to hold that would not be germane, it seems to me, would betray the right of the House to work its will.

The CHAIRMAN. The Chair is ready to rule.

The point of order made by the gentleman from Michigan (Mr. DINGELL) against the amendment offered by the gentleman from Texas (Mr. WRIGHT) would be of some merit if the amendment were offered to the new section 301—that is, to the amendment which was agreed to on yesterday. But as the gentleman from Texas points out, his amendment provides for a new section which is otherwise germane in every way to the title of the bill in its amended form, and the Chair does not rule on consistency of amendments.

Therefore, the Chair overrules the point of order.

Mr. ECKHARDT. Mr. Chairman, I move to strike the requisite number of words, and I rise, reluctantly, against the amendment. I say reluctantly because I think the proposal of the gentleman from Texas is essentially a desirable one; however, I do note in his explanation that the Interstate Oil Compact Commission recognizes this problem and estimates there may be a total of some 2.5 billion barrels of recoverable oil involved. Of course, that does not tell us what percentage of oil produced in any given year is involved, and I must say to my colleague from Texas that I just do not know how much is involved. But I do know that, with respect to stripper well production, there is approximately 13 percent of the total involved.

When one moves up to 35 barrels per day, there may be a considerable amount involved.

Mr. Chairman, I recognize immediately that the gentleman is not excluding all wells that produce 35 barrels per day, but only those of a certain depth, which may be a rather deep well for that amount of production.

Mr. Chairman, I want to say this: That I would hope that this whole question, if we should defeat this amendment, would not be precluded from some future consideration because the gentleman from Texas (Mr. WRIGHT) is raising a very serious and important point. The question of the relation between amount of production and the depth of the well is just as important as the question of very costly offshore production. I certainly recognize the problem.

But may I say to the gentleman from Texas that whether this amendment should be adopted or not, I would hope that our discussion here would constitute a directive to the FEA to treat this problem with great seriousness. The FEA, under the Staggers amendment and under existing law, has authority to set a price which is equitable with respect to various classifications of oil.

I feel that the FEA has authority, without the adoption of this amendment, to establish a rule in accordance with the Wright proposal. I do not know the exact figures. I would think that such a rule would be desirable if it were measured with respect to costlyness of production and if it did not in effect drain too much out of the category of old oil.

Mr. WRIGHT. Mr. Chairman, if the gentleman will yield further, I think the gentleman may be aware of this, but if he is not aware, I should like to advise him that the definition I have incorporated in this amendment for "marginal wells" is precisely and verbatim that definition which exists and has existed for something more than 30 years in Texas law to define "stripper wells." There is a statute, of which the gentleman is surely aware, with respect to what are called stripper wells under Texas law for purposes of proration.

Mr. ECKHARDT. The gentleman is

correct. These wells have not been cut down from their assumed maximum productive capacity because they are stripper wells.

Mr. WRIGHT. Precisely, because they are stripper wells.

That statute, which I think has stood the test of time, makes a rational recognition of the correlation which must exist between the number of barrels daily and the depth of the well in order for it to be an economically viable property.

So my amendment tracks in its exactitude that time-tested provision of Texas law which defines for purposes of Texas law what constitutes a stripper well and pegs the maximum allowable production under this pricing amendment at precisely the figure by depth that is permitted under that time-tested statute to escape proration.

The CHAIRMAN. The time of the gentleman from Texas (Mr. ECKHARDT) has expired.

(By unanimous consent, Mr. Eckhardt was allowed to proceed for 1 additional minute.)

Mr. ECKHARDT. Mr. Chairman, the gentleman from Texas is correct. I frankly had intended to get in touch with the Texas Railroad Commission to establish the amount involved. I do not know whether this would drain a very sizable amount of the $5.25 oil out of that category.

I would suggest to the gentleman that we might be better advised in this body to reject the amendment and at the same time in effect, by our discussion here, advise the FEA that this matter should be looked into and treated perhaps a bit more discreetly than we may be able to treat it here on the floor of the House.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield further?

Mr. ECKHARDT. I yield to the gentleman from Texas.

Mr. WRIGHT. Mr. Chairman, will the gentleman not perhaps agree that, important as this particular subject admittedly is—and the gentleman acknowledges it—it might be well for us to adopt this amendment or something very substantially similar as an amendment to this bill, thus giving us an opportunity to try to identify with some greater precision just how much oil could be involved preparatory to that action?

Mr. DINGELL. Mr. Chairman, I move to strike the requisite number of words.

I rise reluctantly in opposition to the amendment offered by the gentleman from Texas (Mr. Wright).

The gentleman from Texas is a most able Member of this body and a very good friend of mine. I am sure he offers this amendment with the best of intentions.

I think it ought to be known, first of all, that marginal wells are covered by the old oil provisions of the Staggers amendment. The Staggers amendment places at $5.25 ceiling on all old oil and permits price increases subject to congressional review.

With regard to the subject matter, I think that there is a sound, rational basis for the amendment that is offered by the gentleman from Texas (Mr. Wright). It is a highly complex and technical amendment, and one which involves matters relating to price and depths to which oil wells are going to be drilled. It tends to relate price to the depths to which the wells will be drilled. I am not able to tell the gentleman exactly what the consequences of this amendment are or to tell the House what the consequences of the amendment are.

It is possible that the matter can be handled by regulation, subject to congressional review, under the provisions of section 751. I am not prepared to assure the House as to the consequences, or the volume of oil covered, by the amendment.

Mr. Chairman, I would give the gentleman this assurance: As soon as the time of the subcommittee permits, we will try to go into this particular question because I can see the goal of the gentleman, and I think it is a desirable one. However, I am not sure whether the amendment meets the intentions of the drafter or whether, in fact, there might be unintended and perhaps perilous consequences, from it.

For that reason, Mr. Chairman, I have to regretfully oppose the amendment and hope that we might have an opportunity to consider the amendment in subcommittee and introduce it as a bill before we go into the issue.

Mr. Chairman, I hope that meets with the approval of the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. Yes, I yield to the gentleman from Texas.

Mr. ECKHARDT. There is another thing that comes to my attention in looking over this amendment, and it is that it exempts from the regulation and not from the ceiling created by the statute that we would enact pursuant to the Staggers amendment.

I have serious doubt as to whether this will accomplish the purpose desired by the gentleman from Texas. This amendment might do nothing. I would suggest that we not act precipitously.

Mr. DINGELL. If the gentleman would permit, the regulations referred in the amendment are to be superseded by section 8 in the Staggers amendment.

The amendment, as offered, therefore, in all probability does nothing because it does not exempt "marginal wells" from the provisions of section 8(c)(1) of the Staggers amendment. It exempts marginal wells only from a regulation which would be superseded by section 301.

I point out to my friend, the gentleman from Texas (Mr. Wright), that if we in the subcommittee can have an opportunity to look at it, I think that this is something that has merit. Certainly I would like to see something done on this matter at the earliest moment, but I am afraid that the amendment does not accomplish the goal set forth by my friend, the gentleman from Texas.

Therefore, I would hope that it would be possible to either withdraw or reject the amendment, and then perhaps we could consider it at a later time, in hopes that it could be perfected to accomplish the ends the gentleman intends.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. Yes, I yield to the gentleman from Texas.

Mr. WRIGHT. Mr. Chairman, I do want to thank my friend, the gentleman from Michigan (Mr. Dingell), very sincerely for his assurance that if this amendment should fail of adoption today, his committee will give serious and careful consideration to it.

It would like to suggest, however, that while, admittedly, oil pricing is, as he said, a very complicated question, no one should know that better than he because of the difficulties of arriving at a very complicated formula in this bill.

This language was drafted in conjunction with the committee staff and the legislative counsel following the vote yesterday and was changed so as to make its definition apply with some precision. If there are imperfections in the drafting, I would suggest to the gentleman that those imperfections certainly could be ironed out in a conference with the other body. I do not believe they exist, but, obviously, I cannot give the gentleman positive assurance in that respect.

Mr. DINGELL. Mr. Chairman, I have expressed to the gentleman my apprehensions. I think they were amply set forth.

I would hope that the House with all due respect to my friend, the gentleman from Texas, would reject the amendment.

Mr. BROWN of Ohio. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Texas (Mr. Wright).

Mr. Chairman, I think I should address myself first to some general facts. That is, in view of the nature of the legislation we have before us I have been counseled by some of my colleagues on my side of the aisle to not take a very active part in this legislation from this point on, because they feel that the legislation is going no place. Therefore, the worse product we could produce perhaps the better. I do not share that view. I think we have a responsibility to try to draft the best piece of legislation we can at this point.

For that reason I would say to my colleagues on both sides of the aisle that I think it is important that we take seriously our responsibility both with regard to what may be placed in the legislation in the form of amendments, and also those amendments which we might wish to offer ourselves.

I recognize that there is a certain spirit that motivates the House as we get closer to the time for an extended adjournment period, so maybe I am flying in the face of tradition by taking the position I am. But, nonetheless, I think this amendment has merit. It ought to be folded into the bill at this point because it addresses itself to a very significant part of the future of our oil supplies in the United States. We are past the point of being able to find oil easily in this country. We will not find those great fields that we found in the area represented by the gentleman from Texas, and other Members from Texas and Oklahoma who are on the floor today. We are not going to find them either with ease or for the cheap prices that we found them before. We are going to have to go to new locations, to great depths now in the southwest. They are doing that in the southeast. I have recited on the floor, probably to the nausea of my colleagues, the Alabama experience, where there has been an important new find, but the find is at 20,000 feet below the surface of the ground. The costs are excessive by comparison to what has traditionally been known as well drilling costs in the continental United States.

I am told that there is promise in the older oil areas of our country, that is, up in my part of the United States, Pennsylvania, eastern Ohio—and I hasten to point out for the benefit of those who may be cynical about my position on this legislation, that I do not represent any current or past oil production areas—Kentucky and Tennessee, there is some prospect that we may be able to find, at great depths, some new oil strikes in areas where we have exhausted the oil that once was the major producing area in the United States.

For that reason I think we ought to encourage the prospect of these deep drilled wells. I think the amendment offered by the gentleman from Texas (Mr. WRIGHT) does that.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I will be glad to yield to the gentleman from Texas (Mr. ECKHARDT).

Mr. ECKHARDT. Mr. Chairman, I thank the gentleman for yielding. The gentleman, though, does understand, does he not, that the Wright amendment deals with wells already drilled; it deals with old oil. Whereas the problem that the gentleman is suggesting would be taken care of with respect to new, hard-to-get oil, in the fourth category.

Mr. BROWN of Ohio. I understand that, and the example that I gave of the existing wells in Alabama I assume would fall in some instances under both categories, both old and new oil wells, if we are drilling in fields open before 1972, and producing before 1972, it seems to me there is a real question as to whether that falls in the category of an old well or a new well if we are going down beyond what would be the normal production depth in that area.

Maybe I should address that question to the gentleman from Texas (Mr. WRIGHT).

What is the definition, if you are drilling in the area where there has been an old field at what has been known as the traditional depth, and go down?

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent Mr. BROWN of Ohio was allowed to proceed for 2 additional minutes.)

Mr. BROWN of Ohio. As I was saying, at what has been known as traditional depth, does that qualify as an old well in an old field or a new well in an old field or a new well in a new field?

Mr. WRIGHT. If the gentleman will yield, I must say in all candor that I believe the principal application of this amendment that I have offered would be to wells already drilled to a maximum recovery rate that would be economical to permit their continued pumping from those wells. It is conceivable that someone may have found oil at 2,000 feet and may believe that oil exists immediately below at a deeper strata, and that he might be thus encouraged to drill for it; but I would have to say in all honesty to the gentleman that that was not the basic intent or purpose of what I had in mind in drafting this legislation, and I am not really sure of the extent to which that additional incentive would be applicable, though it could conceivably be in some instances.

Mr. BROWN of Ohio. May I ask the gentleman from Texas, who is much more sophisticated in the oil business than I, if one had a well that was down to 2,000 feet and the assumption was made that there was oil at a well-depth of, say, 10,000 or 15,000 or 20,000 feet beneath that, would the prospect be for drilling an entirely new well, or would one drill further in the same well that produced at 2,000 or 3,000 feet?

Mr. WRIGHT. I must say to the gentleman that I am not absolutely certain what the answer to his question is under this bill, whether it would be defined as new oil or as old oil. I do not want to answer him incorrectly. I am just not absolutely certain.

Mr. BROWN of Ohio. I wonder if there is anyone on the floor who might enlighten me to that extent, whether one would drill in an existing well or one would drill a separate well to get down to the depth below that 3,000 or 4,000 feet.

Mr. ROBERTS. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Texas.

Mr. ROBERTS. If a well were drilled to a new strata, being in a new lower strata, it would be classified as a new field, new oil, and would be entitled to a discovery allowable, which is a special allowable and a special charge-off by Internal Revenue. But it has to be entirely separate from the other field and the other producing strata.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Michigan.

Mr. DINGELL. I thank the gentleman for yielding.

I would point out that that is not true, however, under the Staggers amendment adopted yesterday, nor is it in fact true as of this time.

Mr. ROBERTS. If the gentleman will yield, I disagree with the gentleman. I do not know what the Staggers amendment provides, but it certainly is true now, and it would be entitled to a discovery allowable, and the gentleman from Texas I am sure will agree with me.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Texas.

Mr. ECKHARDT. I thank the gentleman for yielding.

It is true under the Texas allowable law, but it is not true under the Federal law and FEA regulations. It could be done, and last night I was suggesting to the able minority leader that it perhaps should be done under regulation by FEA.

Mr. BROWN of Ohio. Would the gentleman from Michigan respond to a question from me?

Mr. DINGELL. I will be glad to.

Mr. BROWN of Ohio. Under the definition within the Eckhardt-Staggers amendment, the definition of property, is the property the geography that one owns on the surface, and everything under that then qualifies as an old field, or as a new well?

Mr. DINGELL. If the gentleman will yield, that is appreciably in the Staggers amendment.

Mr. MAHON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, within a few days most of us will be going back to our districts and one of the major questions that the constitutent will want to discuss is energy because he wants gasoline, he wants natural gas, he wants more freedom from the Arab control of oil, he wants fewer dollars exported for the purchase of oil, and he wants to see to it that we have a greater degree of self-sufficiency.

And what are we going to say? Are we going to be compelled to say that for months we have been maneuvering on the fringes of the problem but that we have not really come to grips with it and that we have not achieved meaningful results?

It is possible to discuss at great length many aspects of the energy problem but really the basic issue is: How can we at the earliest possible moment get more oil and natural gas and energy otherwise for the American public?

As I see it at this moment, H.R. 7014 gives no hope of getting additional energy, additional gas—and it is said we are going to have a shortage of gas this winter—or additional gasoline for the American consumer. That is what the American consumer is interested in, but I think he is wondering if that is what the Congress is interested in.

It disturbs me that I think we have got to report to our constituents that we have not gone all out in a program to provide more exploration and production of oil and gas.

Some of my colleagues have reluctantly risen in opposition to the Wright amendment. I rise enthusiastically in support of the Wright amendment because the Wright amendment would prevent our wasting forever vast quantities of oil that cannot be effectively produced under the situation that now exists. I would just hope that the Wright amendment will be adopted and that we will take some steps, minor as they may be, to provide greater enthusiasm and incentive for the production of oil and gas in this country. I think that is what we ought to be doing but that is not what we seem to be doing in a meaningful way.

Sustained momentum depends upon incentive. What is wrong in the American system if the citizen or corporation makes an adequate return on an investment? That is the American system of free enterprise.

I represent a great oil- and gas-producing area, I will say to my colleague, the gentleman from Ohio, I know that these people can survive and do a great job for the Nation if they are given an adequate opportunity. The highest priority must be given to the national interest. The national interest requires a bigger and better job of exploring for and producing more oil and more gas.

The people in the oil industry want to accomplish this objective, but they are so uncertain as to what the future holds that they are losing momentum. They are not going full speed ahead. We should not hobble ourselves if our objective is to move toward a solution of the energy problem.

Mr. BROWN of Ohio. Will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, I agree with the gentleman from Texas. He is making the point effectively that the Wright amendment should be adopted because it provides that if on existing property there is an old well at a shallow level that property would qualify as old oil. If then the owner of that property drilled a deep well and found new oil and that deep well is a very expensive proposition, without the Wright amendment the man would be limited to the old oil price which is that frozen at $5.25. But in order to encourage him to drill to that new strata and get a new pool of oil he should be exempted from the $5.25 price and be allowed to get the excessive expense price provided for in the Eckhardt-Staggers pricing structure. Is that not correct?

Mr. MAHON. The gentleman in my opinion is correct.

It makes me sad to say that the independent oil operators in my area—and they are the people who drill the discovery wells—find it impossible to make the contribution to the solution of the energy problem that they are capable of because of uncertainty and the threat of punitive action against the oil and gas industry. This situation must be improved at the earliest possible moment.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(By unanimous consent, Mr. MAHON was allowed to proceed for 1 additional minute.)

Mr. MAHON. Mr. Chairman, I would like to see this Congress face up to the fact that major efforts must be made to create an adequate incentive for the production of more energy. That has not been done. The various programs will be expensive but we have to pay the price if we are to reduce our dependence on Arab oil. The alternative is a worsening situation.

Mr. Chairman, I rise in strong support of the Wright amendment and express the hope that it will be approved.

Mr. DINGELL. Mr. Chairman, I ask unanimous consent that all debate on this amendment and any amendments thereto close at 10 minutes to 6.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. Members standing at the time the request was made will be recognized for 1½ minutes each.

The Chair recognizes the gentleman from Kentucky (Mr. CARTER).

Mr. CARTER. Mr. Chairman, back when I was practicing medicine, and making real money, I became involved in drilling for oil. Down on Big Sulphur we hit an artesian salt water well. The driller plugged the well above the source of the saline. As a result, every water well and flowing spring for miles around spouted salt water. But for the help of God, and the fact that I had assisted in the birth of the children of owners of these wells and springs, the owners of these wells would have sued me and I guess I would still be in court to this day.

Undaunted, I continued, sometimes in partnerships, sometimes singly, sinking holes throughout Monroe County with the same dismal and disastrous results, until finally I became known as "Dry Hole" Carter. I got some advice, however, and it was "play the top of the ground, lease and sell, never drill." But Lady Luck works in mysterious ways its mysteries to perform. In partnership with another physician, I finally hit a streak of good luck and struck bubbling crude, black gold, Texas tea—but it was expensive and it took a great deal of money, time and trouble. This was in the Sulphur Lick field, which happened to be the most productive shallow oil field ever struck in the United States.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

(By unanimous consent, Mr. BROWN of Ohio yielded his time to Mr. CARTER.)

Mr. CARTER. The depth was only 400 feet. One of these wells in this sulfur lick field produced 7,000 barrels per day. Unfortunately, my well was not in that number and I did not know what to do with it, so since we struck this bubbling crude, this Texas tea, I sold it and I recouped a little of the money.

But I want to say right now, gentlemen, that $12 or $13 a barrel for new oil is not excessive. It is necessary as an incentive for finding new oil. At the same time, I see no need for increasing the price of oil drilled before 1973.

Mr. Chairman, I further submit it is necessary that controls be in place on August 31. Otherwise, the price of oil and petrochemical products will skyrocket and the resulting inflation might well be disastrous.

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. Mr. Chairman, I think I have adequately explained the amendment that I offered. Let me merely recapitulate very briefly. Its purpose would be to recover some oil that otherwise may not be recovered and may be lost to the country forever.

I do not know how much oil is involved. The Interstate Oil Compact Commission estimates that eventually there may be as much as 2½ billion barrels. It does not, however, involve a large percentage of our daily production. It would not enrich the major oil companies.

It would limit its application to no more than 35 barrels daily, and that is a relatively small well. But, it could keep in production a quite considerable number of oil wells which, if allowed to stay in economical production, could over the period of time bring on more of this precious, vital, and irreplaceable resource which otherwise may be forever and irretrievably lost to the Nation.

Therefore, I would urge an "aye" vote on the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. KRUEGER).

Mr. KRUEGER. Mr. Chairman, I rise in support of the amendment. One of the basic concerns that this amendment addresses is the fact that the cost per barrel of bringing oil out of the ground in low-production wells is very much higher than it is in higher production wells. The cost of work hour rates which are required for this sort of marginal well has grown from $50 per hour in 1950 to $350 per hour in 1974. Nobody is going to pay $350 per hour if he cannot get additional oil at something approaching market price, at a higher price than what he would otherwise get by not investing in this additional production.

Currently, if one produces less than 10 barrels, he gets stripper well prices, which is higher than the controlled price. If we are interested in enhancing domestic recovery, and making oil available from our own States, and keeping those jobs and that capital at home instead of sending it overseas, then this seems to me a very well directed, good faith amendment. I urge its support.

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. COLLINS).

Mr. COLLINS of Texas. Mr. Chairman, I join my friend from Texas (Mr. WRIGHT) in this amendment, which is one of the most commonsense and most logical amendments we have for this bill. If we do not pay a full price on this stripper well production, we do not get the production.

What is so essential about it is that if we do not get it today, we are going to lose it forever. We have wells here that started out with tremendous flows and gradually, as gas pressure eased off, the flow was less and less and we have less and less oil in the sands. If we stop on those wells and fail to continue to produce, they begin to wax up. They wax over, and we can never get production out of that well. We have to drill a completely separate well.

There is no estimate of stripper wells I have ever seen where they did not figure that they cost twice as much as normal production, and in most cases they think they cost four times as much. What the gentleman is talking about in his amendment is offering some encouragement to go back and have stripper production on deeper wells. They are just as vital to this stripper production as the biggest producer we can have in the way of additional production.

Mr. Chairman, I commend the gentleman and hope that all Members join in support of the amendment.

Mr. DINGELL. Mr. Chairman, I have a unanimous consent request which I place before the committee, and I ask particularly for the attention of the gentleman from Texas, the author of the amendment.

Mr. Chairman, I ask unanimous consent that the amendment offered by the gentleman from Texas (Mr. WRIGHT) be amended to read as follows:

Section 302(a) in the interests of promoting maximum recovery and eliminating waste, there is hereby created a category of domestic crude oil denominated "marginal wells production", and, for purposes of high cost well production and for purposes of section 8 of this Act, oil produced from those wells shall be treated as high cost property production under section 8(c)(3)(c).

Then the balance of the amendment would be as so denominated.

The CHAIRMAN. The Chair will say that he feels that that is complicated enough so that it should be submitted in writing and reported to the desk.

Mr. DINGELL. Mr. Chairman, I will send it to the Clerk's desk.

Mr. BROWN of Ohio. Mr. Chairman, I wonder if the minority might have a copy of the modification.

The CHAIRMAN. The Clerk will read the modification, and we will attempt to obtain a copy as quickly as possible.

The Clerk read as follows:

In the amendment offered by Mr. WRIGHT, of Texas, change the first paragraph to read as follows: "On page 223, immediately before line 4, insert the following:

MARGINAL WELL RECOVERY PRICING POLICY

SEC. 302. (a) In the interests of promoting maximum recovery and eliminating waste, there is hereby created a category of domestic crude oil denominated "marginal wells production", and, for purposes of high cost well production and for purposes of section 8 of this Act, oil produced from those wells shall be treated as high cost property production under section 8(c)(3)(c).

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. ECKHARDT. Mr. Chairman, reserving the right to object—and I do not believe I shall object—I simply want to understand it.

As I understand it, what this does is to place the type of oil-producing categories in the Wright amendment into that section of the Staggers amendment that has been referred to as category No. 4, that is, the high-cost oil category to be established by FEA subject to Congressional veto which requires that the average price not exceed $10, but, of course, does not direct that it be at any price except that which should not exceed a $10 average. Therefore, the FEA would be required, as I understand it, to treat these——

POINT OF ORDER

Mr. ASHBROOK. Mr. Chairman, I have a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. ASHBROOK. Mr. Chairman, even by the most liberal interpretation, all time has expired.

The CHAIRMAN. The Chair is aware of that. We are operating under a reservation of objection.

Mr. DINGELL. Mr. Chairman, if the gentleman will yield to me under his reservation, I would observe that the gentleman is correct in his interpretation.

Mr. ECKHARDT. Therefore, of course, the FEA could place this type of oil in this category at any price, just so the price does not exceed a $10 average.

Mr. DINGELL. If the gentleman will yield further, the gentleman is correct. So long as it maintains the average of $10.

Mr. ECKHARDT. So it could be $6 or $6½, or whatever figure, but the ultimate limitation of price concerning the various producing categories under the Wright amendment would be subject to Congressional veto.

Mr. DINGELL. If the gentleman will yield further, that is right. As long as you maintain the figure of $10.

Mr. ECKHARDT. If the gentleman will permit, with that explanation and the unanimous consent request, I do not object to the amendment.

Mr. Chairman, I withdraw my reservation of objection.

Mr. BROWN of Ohio. Mr. Chairman, reserving the right to object, I will inquire of the gentleman from Michigan (Mr. DINGELL) and the gentleman from Texas (Mr. WRIGHT) whether or not the unanimous-consent request merely conforms the objective of the gentleman from Texas (Mr. WRIGHT) to the presently existing language in the bill known as the Staggers-Eckhardt pricing provision, or whether it substantially changes the objective by the modification proposed under the unanimous-consent request.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. Mr. Chairman, I will yield to the chairman of the subcommittee, and then I will yield to the gentleman from Texas (Mr. WRIGHT), because I will want an answer from him.

First I yield to the gentleman from Michigan (Mr. DINGELL).

Mr. DINGELL. Mr. Chairman, it is my understanding that it just adapts the language contained in the amendment to meet the purposes of the Staggers amendment which was adopted by us yesterday, so that the Wright amendment comes within the conformance of the amendment previously adopted.

Mr. WRIGHT. Mr. Chairman, if the gentleman will yield, that is my understanding. That is correct.

Mr. BROWN of Ohio. And the gentleman from Texas (Mr. WRIGHT) has no objection to this?

Mr. WRIGHT. I have no objection.

Mr. BROWN of Ohio. I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan (Mr. DINGELL) to modify the amendment offered by the gentleman from Texas (Mr. WRIGHT)?

There was no objection.

The CHAIRMAN. The question is on the amendment, as modified, offered by the gentleman from Texas (Mr. WRIGHT).

The amendment, as modified, was agreed to.

AMENDMENT OFFERED BY MR. DODD

Mr. DODD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DODD: Page 230, after line 12, insert the following:

(f) (1) The Secretary shall, by rule, prohibit the granting of any right to develop crude oil, natural gas, coal, or oil shale on Federal lands to any person if more than one major oil company, more than one affiliate of a major oil company, or a major oil company and any affiliate of a major oil company, has or have a significant ownership interest in such person. The rules required to be promulgated pursuant to this paragraph shall apply to the granting of any such right which occurs after the 60-day period which begins on the date of enactment of this Act.

(2) For purposes of this subsection—

(A) The term "major oil company" means any person who, together with any affiliate of such person, produces 1.6 million barrels of crude oil, natural gas liquids, and natural gas equivalents per day.

(B) The term "affiliate of a major oil company" means any person (i) which, directly or indirectly, controls, is controlled by, or under common control with, any major oil company; (ii) which has a significant ownership interest in any major oil company; or (iii) in which any major oil company has a significant ownership interest.

(C) The term "significant ownership interest" means—

(i) with respect to any corporation, 10 percent or more in value of the outstanding stock or the capital assets of such corporation,

(ii) with respect to a partnership, 10 percent or more interest in the profits or capital of such partnership,

(iii) with respect to an estate or trust, 10 percent or more of the beneficial interests in such estate or trust, and

(iv) with respect to any other unincorporated association, 10 percent or more of the beneficial interests or assets of such unincorporated association.

(D) One barrel of natural gas equivalent equals 5,626 cubic feet of natural gas measured at 14.73 pounds per square inch and 60 degrees Fahrenheit.

Page 230, line 13, strike out "(f)" and insert in lieu thereof "(g)".

Mr. DODD (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. DODD. Mr. Chairman, above all else, H.R. 7014 seeks to establish a comprehensive energy and oil policy that will insure the future availability of needed energy resources at a fair and reasonable price.

To further these purposes, I am offering this amendment to H.R. 7014 which would promote competition among the major oil companies and provide greater opportunity for the lesser, independent oil firms to become more involved in energy resource development on Federal lands. My amendment would instruct the Secretary of Interior to promulgate rules which would prohibit joint ventures in the development of oil, natural gas, coal, or oil shale by the major oil companies on federally leased property within 60 days of enactment of the bill.

This amendment would only prohibit joint ventures, however, by and between companies which produce 1.6 million barrels a day or more of crude oil, or the corresponding amount of natural gas liquids and natural gas.

What this amendment really does, is tell the Secretary it is the express will of the House that he stop delaying action he has planned for the past year, to make our energy industry more competitive in the true sense of our free enterprise system.

It would not prohibit joint ventures

by the so-called majors and any independent or smaller firm. Nor, would it prohibit joint ventures among the independent firms. Also, it would not prohibit joint ventures by the majors in State or private lease sale arrangements.

And let me assure my colleagues that my amendment does not call for the breaking up any existing joint ventures among the major companies on Federal lands. It is strictly designed to prevent future joint ventures among the majors on Federal properties.

Mr. Chairman, let me explain exactly what I mean when I use the phrase, "major oil companies."

My definition comes from a 1-year study conducted by the Interior Department into the basic anti-competitive nature of joint ventures, a study in which the Department proposed regulations to prohibit joint ventures among these companies in the acquisition of OCS leases. The definition can be found on page 7674 of the Federal Register, volume 40, No. 36, dated Friday, February 21, 1975. The definition is included in the proposed rules by the Department of the Interior.

The major oil companies justify joint ventures by saying they are necessary to engage in such partnerships so as to share the large risks involved in energy development.

However, the Department of the Interior has found that there is some number of tracts which provide adequate risk diversification and that companies with large exploration budgets may be able to obtain adequate diversification without entering into joint venture.

Quoting from the Interior Department's report:

> In order to develop an idea of the number of prospects which provides adequate risk diversification, the risk associated with a company's annual rate of return is considered. It is shown that 80 percent of this risk is eliminated if 25 independent prospects are explored, regardless of the level of risk associated with each prospect. Since little additional risk reduction can be obtained even by doubling or quadrupling this number, exploration of at least 25 prospects is assumed to provide adequate risk diversification.
>
> In order to be conservative, we will assume that annual exploration of 25 prospects implies reserve additions of 592.5 million barrels per year, which is 1.6 million barrels per day.
>
> Thus, we conclude that a company producing 1.6 million barrels per day of oil and oil equivalent gas is adding reserve of 1.6 million barrels, and thus is large enough to be exploring 25 typical prospects by itself. Such a company can be assumed to be adequately diversified without bidding jointly for prospects.

It is from these figures that the Interior Department has proposed to prohibit joint ventures among the eight largest oil companies, or producers of 1.6 million barrels per day or more—or the equivalent in natural gas—5,626 cubic feet per day at 14.73 pound/square inch.

My amendment, Mr. Chairman, is not the first recognition of the problems involved with the unlimited utilization of joint ventures among the majors—allowing these majors to dominate the development of our energy resources.

The Federal Trade Commission—FTC—reported to the Senate Committee on Government Operations in July 1973, that, and I quote:

> Joint bidding, and joint ventures in general, may promote competition in certain kinds of situations, but such conduct by large petroleum firms, given the concentration already existing in the industry, is decidedly anticompetitive.

The FTC already has brought suit against the eight major oil firms, charging that through joint ventures, these companies have developed mutual intercorporate interests in order to share risks and insure monopoly profits.

The FTC admits that it will take at least several years before the outcome of this suit is determined.

But I am concerned about the immediate future, when we are considering the leasing of millions of acres of valuable federal energy resources, especially on the Outer Continental Shelf.

My amendment deals with this immediate problem and the long-range problem—the problem of allowing joint ventures to continue.

The time for action on regulating joint ventures is now, not in 5 or 10 years, after literally millions of acres of Federal energy lands will already have been leased.

The Interior Department's rules are that agency's reaction to the joint venture problem, but since they published the proposed rules on February 25, 1975, there has been little action on the part of this agency to deal with the problem.

Promulgation of these rules have been twice postponed. My amendment will insure there is no further postponement.

Also in the Senate, that body's Commerce Committee has reported out favorable S. 692, which prohibits the majors from entering into joint ventures with each other to develop federal natural gas resources.

The Senate committee took this action after recognizing the great control these firms have over our natural gas resources and industry.

The committee concluded, and I quote:

> There is another important reason for encouraging more production of natural gas by the independents—to strengthen competitive forces in an industry that is very concentrated and in a position to administer natural gas prices.

On the House side, a December 30, 1974, report by the Subcommittee on Activities of Regulatory Agencies of the Permanent Select Committee on Small Business stated that:

> Based upon the testimony, the evidence, and the findings, the subcommittee recommends that the Department of the Interior . . . promulgate regulations banning joint bidding by major oil companies with one another.

Time and again, Mr. Chairman, expert witnesses and administration spokesmen have testified to the crippling effect upon competition

In effect, the Department has decided that its accelerated OCS lease schedule, joint venture bidding possessing "anti-competitive impacts" which should be dealt with by banning joint bidding between major producers.

In regard to the argument by the majors that enormous risks are involved in exploration and development and that they need joint ventures to share these risks, I want to point out to my colleagues that risk must always be viewed as related to the amount risked and the degree of risk associated with the uncertainties of resource evaluation.

According to Dr. Vogely—

> Joint bidding facilities this kind of diversification of risks since it allows participation in a larger number of leases for a given exploration budget.

Dr. Vogely continued:

> On the other hand the additional risk reduction achieved through diversification becomes smaller and smaller with increases in the number of leases wholly or partly owned.
>
> In reality, the largest companies achieve very little additional risk reduction from joint bidding. Their exploration budgets are so large as to allow adequate diversification of risks even if all of their activity were carried out on a wholly owned basis.

Mr. Chairman, it is no secret that our energy industry is one of the least competitive in this country, and that these eight majors possess what amounts to a virtual stranglehold over the industry.

Let me illustrate from statements in a June 1975 report from the Department of Interior:

> In the March sale Mobil Oil Company bid jointly in different groups with Texaco, Gulf, Chevron and Amoco. Thus, Mobil through various joint bidding arrangements may have had the opportunity to learn where four other major oil companies were bidding.

In this March sale, 27 tracts were won by majors bidding jointly with other majors. All 27 tracts were won by groups connected either directly or indirectly with each other. In addition almost 60 percent of the total bids tendered in this sale involved one or more majors.

The independents, although they can enter into joint ventures among themselves, cannot match the majors in terms of information resources and sheer economic and production power.

By continuing to freeze out their competition, the majors perpetuate their concentration and power a virtual monopoly on the energy industry.

Let me provide the statistics which demonstrate this convincingly:

Just last year, these majors produced 70.2 percent of all the oil coming from Federal offshore leases in this country, according to the U.S. Geological Survey.

The majors control 64 percent of all known domestic petroleum reserve.

They account for more than half of all the crude oil currently produced in this country.

Of all the natural gas produced on Federal offshore leases, these majors control 38 percent.

Of all acreage now leased on Federal offshore property, 30 percent is owned by these same majors.

These facts and figures have been documented by the U.S. Geological Survey, the Bureau of Land Management and in Senate testimony given by John Wilson, former chief economist for the Federal Power Commission.

The following data, provided by the Library of Congress, is clear evidence that the total and current assets, and yearly profits of these individual companies are more than enough to cover exploration costs for the companies to explore separately or engage in joint ventures with independent oil companies.

1974 data from industry financial statements

Company:	*Total Assets*
Exxon	$31.1 billion
Texaco	17.1 billion
Mobil	14.0 billion
Socal	11.6 billion
Gulf	12.5 billion
Standard of Indiana	8.9 billion
Shell	6.1 billion
Arco	6.1 billion
Total	107.6 billion

Company:	*Current Assets*
Exxon	$14.8 billion
Texaco	6.7 billion
Mobil	5.8 billion
Socal	5.2 billion
Gulf	5.8 billion
Standard of Indiana	3.1 billion
Shell	2.1 billion
Arco	1.9 billion
Total	45.4 billion

Company:	*Exploration Expenses*
Exxon	$360 million
Texaco	1.9 billion
Mobil	148 million
Socal	197 million
Gulf	255 million
Standard of Indiana	315 million
Shell	628 million
Arco	Not available
Total	3.8 billion

Company:	*Profits*
Exxon	$3.1 billion
Texaco	1.5 billion
Mobil	1.0 billion
Socal	970 million
Gulf	1.1 billion
Standard of Indiana	970 million
Shell	620 million
Arco	Not available
Total	9.26 billion

The problem is a clear one and also a growing one.

The June 1975 report by the Interior Department states in part, that the proportion of high bids tendered by joint ventures involving at least two major oil companies has increased substantially since the December 1972 and June 1973 sales.

In 1972, they comprised 3 percent and 8 percent, respectively, of the high bids. For the March and May 1974 sales this proportion rose to 24 percent and 17 percent, respectively.

The problem is a clear one and a persistent one. According to the Outer Continental Shelf Office in New Orleans, these eight majors have leased independently or through joint ventures, 41 percent of the tracts in the Gulf of Mexico between December 1973 and May 1975.

As of 1973, 10 percent of all the majors' owned Federal offshore producing leases were joint ventures among these same majors.

In the 1968 sale of Federal OCS leases for the Santa Barbara, Calif., channel, more than 43 percent of the total tracts sold were joint ventures involving Exxon, Standard of California, and Atlantic Richfield.

Mr. Chairman, what I have outlined is a virtual stranglehold by eight major oil companies over the entire industry.

Due to their incredible financial resources, wideranging operations, and the way they do business together, these firms set the entire tone and approach of this industry to our energy dilemma.

I have demonstrated that the effects of such partnerships already have been recognized by the Interior Department, the Federal Trade Commission, and the Senate Commerce Committee.

It is now time for the House of Representatives to come to grips with this question.

What this amendment would do, by instructing the Secretary to complete his long-delayed work on barring joint ventures among the majors, is force these majors to either go it alone in their lease bidding or force them to joint ventures with the independents.

What this amendment would do is increase competition and participation of the independent oil companies in the development of Federal resources.

My amendment is a necessary beginning step to restore our free enterprise system and should result in better production and ultimately more reasonable prices for consumers.

I urge my colleagues to support the passage of this amendment.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. DODD. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, I understand this is an amendment on which the gentleman and I and the staff have had consultation; am I correct?

Mr. DODD. The gentleman is correct.

Mr. DINGELL. The amendment prohibits a joint-venture bidding by major oil companies one with another; am I correct?

Mr. DODD. The gentleman is correct.

Mr. DINGELL. And it covers only the eight top names; is that correct?

Mr. DODD. The gentleman is correct.

Mr. DINGELL. It does not, however, as I understand it, preclude joint-venture bidding by any major oil company with small firms; is that correct?

Mr. DODD. That is absolutely correct.

Mr. DINGELL. Mr. Chairman, as I understand it further, it stands upon a proposed ruling of the Department of the Interior relating to this matter, a ruling which has been promised for a period of time but which has not been forthcoming from Interior?

Mr. DODD. The gentleman is correct.

Mr. DINGELL. Mr. Chairman, I will have to advise the gentleman that although I cannot accept the amendment, it carries out the recommendations made by another subcommittee of which I was chairman.

I do not personally have objection to the proposal. I think it helps the bill.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. DODD. Yes, I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, I would just like to congratulate the gentleman on a very excellent amendment.

It is within the confines of this bill.

But what the gentleman is attempting is that he is trying to circumscribe the behavior of the major oil companies, which I think is behind the present price problems that we have.

Mr. Chairman, I hope the Committee will support the amendment.

Mr. DODD. Mr. Chairman, I appreciate the gentleman's comments.

That is exactly what this amendment is designed to do.

Mr. CHARLES WILSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. DODD. Yes, I yield to the gentleman from Texas.

Mr. CHARLES WILSON of Texas. As I understand it, this does not preclude an independent, small firm from joint bidding with the major; is that correct?

Mr. DODD. That is absolutely correct.

Mr. CHARLES WILSON of Texas. Therefore, all the gentleman from Connecticut (Mr. DODD) is doing is forbidding majors from joint bidding with one another?

Mr. DODD. That is absolutely correct.

Mr. CHARLES WILSON of Texas. Mr. Chairman, I thank the gentleman.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. DODD. Yes, I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. I am interested in this matter with respect to the development of the Alaskan finds. The reason for my interest is that I understand some of those finds were on Federal lands.

I understand most of them were developed by joint efforts with some of the major oil companies making the investment.

I do not think this body will—at least, I do not think I am anxious to support an amendment which would have prohibited the development of the Alaskan finds, or which would prohibit in the case of the Outer Continental Shelf development such development where the costs may be quite high, which would prevent the putting together of such capital possibilities as would develop this area.

Can the gentleman from Connecticut offer me any information or reassurance in that concern?

Mr. DODD. Mr. Chairman, I can do so.

In the first place, the information I have received, regarding the areas in Alaska, indicates that the only leases that have been granted to date involve State land. There has been no leasing of any Federal property in Alaska.

Then, second, the arrangements that were made on even the State lands were not those that would follow the routine pattern of Federal leases on Federal property. On the State land in Alaska, special arrangements were created for an "exploration-development" kind of agreement in which those companies which were willing to undertake the exploration to determine whether there was any oil or gas, that they would then be allowed to share in a certain amount of the development of those resources, if any were found. It was within the State land that this occurred.

I am informed that the Alaskan findings are on the State lands, some of which have been leased. To the west of the area the gentleman is talking about is the naval petroleum reserve, which is Federal, and which has not been leased. To the east is the Arctic National Wildlife Reserve, which is also Federal property, and upon which no leases have been granted, either.

And the bay, of course, where you have the State having jurisdiction over the 3 miles offshore, and beyond that there have been no leases granted.

I recognize what the gentleman from Ohio is talking about, not just about Alaska, but where there may be difficulty in the extraction of petroleum. I would point out to the gentleman from Ohio that it is possible to enter into joint ventures with smaller companies. This does not prohibit joint ventures between a major and any number of smaller or independent petroleum companies.

The **CHAIRMAN**. The time of the gentleman has expired.

(On request of Mr. Brown of Ohio, and by unanimous consent, Mr. Dodd was allowed to proceed for 3 additional minutes.)

Mr. **DODD**. Mr. Chairman, I thank the gentleman for the additional time.

Mr. Chairman, I was just saying that the point is that the companies can enter into joint ventures. All we are trying to do is to get more of the companies involved, and not allow the concentration that there has been between these majors, to enter into joint ventures with such massive and concentrated power through which they are able to shift or completely outmaneuver the smaller companies who would not have financial wherewithal to get involved in development and exploration of oil and gas.

Mr. **BROWN** of Ohio. Mr. Chairman, if the gentleman will yield, may I ask the gentleman if it would not be possible under Federal regulations or under a different amendment to make it possible for the Department of the Interior or the appropriate Federal agency to give a preference to those who might want to enter into a joint venture in an interference order related to their size without specifically prohibiting the large companies from participating in that joint venture?

I will tell the gentleman the reason I have asked that question is that it occurs to me that with the restrictions and the proscriptions that we may have placed under pricing in this legislation that it may be possible that this amendment would be limited to companies which have the capital available or the capital formation potential, that is the opportunity to go out and borrow money, from participating. And that that would, in effect, discourage the putting together of the large capital resources that may be needed to put together for the development of the Outer Continental Shelf areas, or Alaska, that are not going to be as easy as the Prudhoe Bay area.

Does the gentleman understand my concern?

Mr. **DODD**. I believe I do, but my response to the gentleman would be that the record and the information that is available, shows that as a result of the assets of the companies that do have the production figures that I have mentioned, would seem to negate what the gentleman from Ohio is proposing in the sense that these companies do have the financial wherewithal individually to enter into these leases alone or with other independents and the risk factor is not going to be lessened appreciably.

The **CHAIRMAN**. The time of the gentleman has expired.

Mr. **YOUNG** of Alaska. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, if this amendment were to be adopted, there would be no further development of the oilfields in Alaska. I can say that without any reservation. We have gone on a pipeline that was supposedly to cost $900 million to $7 billion in a matter of 5 years. The inflationary rate of development in our fields of Alaska would prohibit any future development without the ability of the large majors to become involved in joint ventures. I can say this: I have supported the independent developers. I always have, and I always will.

But we are talking about vast quantities of dollars on Federal lands, not State lands. Prudhoe Bay is State land, but approximately 94 percent of the lands in Alaska are still controlled as Federal land by the Federal Government. If this amendment is adopted, I can assure the Members—and I have stated this on the floor before—we have the oil; by that I mean the State and the Federal Government that owned the land have the oil available for the consumer. It is there, but the Members must realize that we are transporting that oil approximately 800 miles further than some of the oil we are delivering to the ports today from foreign countries. We are talking about temperatures up to 70 below zero. We are talking about logistics where there is no existing road system, where needed supplies can only be flown in and shipped in by water. We are talking about prohibitive costs and about the moneys available under the measure. There will be no future development, neither of the lands of Alaska nor on the Gulf of Alaska.

If the Members want oil, then defeat this amendment; if they do not want oil, then pass this amendment.

Mr. Chairman, I yield back the remainder of my time.

Mr. **JOHN L. BURTON**. Mr. Chairman, I move to strike the requisite number of words, and I rise in strong support of the amendment.

The **CHAIRMAN**. The question is on the amendment offered by the gentleman from Connecticut (Mr. Dodd).

The question was taken; and the Chair announced that the ayes appeared to have it.

Mr. **YOUNG** of Alaska. Mr. Chairman, I demand a recorded vote.

Mr. **BROWN** of Ohio. Mr. Chairman, I make the point of order that a quorum is not present.

The **CHAIRMAN**. The Chair will count. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears. Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The **CHAIRMAN**. One hundred and five Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

RECORDED VOTE

The **CHAIRMAN**. The pending business is the request of the gentleman from Alaska (Mr. Young) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 206, noes 207, answered "present" 1, not voting 20, as follows:

[Roll No. 471]

AYES—206

Abzug
Adams
Addabbo
Alexander
Ambro
Annunzio
Ashley
Aspin
AuCoin
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Bennett
Bergland
Bevill
Biaggi
Bingham
Blanchard
Blouin
Boland
Bonker
Brademas
Breckinridge
Brinkley
Brodhead
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burton, John
Burton, Phillip
Carney
Carr
Clay
Cohen
Collins, Ill.
Conte
Conyers
Corman
Cornell
Cotter
D'Amours
Daniels, N.J.
Davis
Delaney
Dellums
Dent
Derrick
Diggs
Dingell
Dodd
Downey, N.Y.
Drinan
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
Evans, Ind.
Fary
Fascell
Fisher
Fithian
Flood
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fraser
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Green
Hall
Hanley
Harkin
Harrington
Harris
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Holland
Holtzman
Howard
Hubbard
Hughes
Hungate
Ichord
Jacobs
Jenrette
Johnson, Calif.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Keys
Koch
Krebs
LaFalce
Leggett
Lehman
Lloyd, Tenn.
McCloskey
McFall
McHugh
McKinney
Macdonald
Madden
Maguire
Mathis
Matsunaga
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Minish
Mink
Mitchell, Md.
Moakley
Moffett
Moorhead, Pa.
Moss
Mottl
Murphy, Ill.
Murtha
Natcher
Neal
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Patten, N.J.
Pattison, N.Y.
Perkins
Peyser
Pike
Price
Randall
Rangel
Rees
Reuss
Richmond
Riegle
Rodino
Roe
Roncalio
Rooney
Rosenthal
Rostenkowski
Roush
Roybal
Russo
St Germain
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Simon
Smith, Iowa
Solarz
Spellman
Staggers
Stanton, James V.
Stark
Stokes
Stratton
Studds
Sullivan
Symington
Thompson
Traxler
Tsongas
Van Deerlin
Vander Veen
Vanik
Waxman
Weaver
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wright
Wydler
Yates
Yatron
Young, Ga.
Zeferetti

NOES—207

Abdnor
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Biester
Boggs
Bolling
Bowen
Breaux
Brooks
Broomfield
Brown, Mich.

Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Collins, Tex.
Conable
Conlan
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
Danielson
de la Garza
Derwinski
Devine
Dickinson
Downing, Va.
Duncan, Oreg.
Duncan, Tenn.
du Pont
Edwards, Ala.
English
Erlenborn
Esch
Eshleman
Evans, Colo.
Fenwick
Findley
Fish
Flowers
Forsythe
Frenzel
Frey
Fuqua
Goldwater
Goodling
Gradison
Grassley
Gude
Guyer
Hagedorn
Haley
Hamilton
Hammerschmidt
Hannaford
Hansen
Harsha
Hastings
Henderson
Hicks
Hightower
Hillis
Hinshaw
Holt
Howe
Hutchinson
Hyde
Jarman
Jeffords
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Krueger
Lagomarsino
Landrum
Latta
Levitas
Litton
Lloyd, Calif.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCollister
McCormack
McDade
McDonald
McKay
Madigan
Mahon
Mann
Martin
Mazzoli
Meeds
Melcher
Michel
Milford
Miller, Ohio
Mills
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Morgan
Mosher
Myers, Ind.
Myers, Pa.
Nichols
O'Brien
Passman
Pepper
Pettis
Pickle
Poage
Pressler
Preyer
Pritchard
Quie
Quillen
Railsback
Regula
Rhodes
Rinaldo
Risenhoover
Roberts
Robinson
Rogers
Rose
Rousselot
Runnels
Ruppe
Sarasin
Satterfield
Schneebeli
Schulze
Sebelius
Shipley
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Steelman
Steiger, Ariz.
Steiger, Wis.
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thone
Thornton
Treen
Ullman
Vander Jagt
Vigorito
Waggonner
Walsh
Wampler
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Winn
Wylie
Young, Alaska
Young, Fla.
Young, Tex.
Zablocki

ANSWERED "PRESENT"—1

Santini

NOT VOTING—20

Barrett
Bell
Chisholm
Evins, Tenn.
Flynt
Fulton
Hébert
Horton
Jones, Ala.
Lent
McEwen
Murphy, N.Y.
Patman, Tex.
Patterson, Calif.
Ryan
Steed
Stephens
Stuckey
Teague
Udall

So the amendment was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Barrett for, with Mr. Hébert against.

Mrs. Chisholm for, with Mr. Flynt against.

Mr. Murphy of New York for, Mr. Teague against.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. AMBRO

Mr. AMBRO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. AMBRO: Page 230, after line 12, insert the following:

(f) (1) The Secretary shall, by rule, prohibit the granting of any right to develop natural gas, coal, or any other mineral deposit on Federal lands (other than crude oil) to any vertically integrated petroleum company. The rules required to be promulgated pursuant to this paragraph shall apply to the granting of any such right which occurs after the 60-day period which begins on the date of enactment of this Act.

(2) The Secretary shall, by rule, prohibit the granting of any right to develop crude oil on Federal lands to any vertically integrated petroleum company which owns or controls, directly or through affiliates, mineral deposits in any of the following classes:

(A) coal, including hydrocarbons, but excluding coal found as a small fraction of a deposit containing coal and other marketable minerals.

(B) uranium and other fissionable minerals.

(C) natural gas, other than natural gas which is produced from a well from which crude oil is produced.

(D) oil shale.

(E) geothermal energy resources.

The rules required to be promulgated pursuant to this paragraph shall apply to the granting of any such right which occurs after the 60-day period which begins on the date of enactment of this Act.

(3) For purposes of this subsection—

(A) The term "vertically integrated petroleum company" means any person engaged in the production, refining, and marketing of petroleum products (and any affiliates of such person).

(B) The term "affiliate" with respect to a vertically integrated petroleum company means any person (i) which, directly or indirectly, controls, is controlled by, or under common control with, any vertically integrated petroleum company; (ii) which has a significant ownership interest in any vertically integrated petrolelm company; or (iii) in which any vertically integrated petroleum company has a significant ownership interest.

(C) The term "significant ownership interest" means—

(i) with respect to any corporation, 10 percent or more in value of the outstanding stock or the capital assets of such corporation,

(ii) with respect to a partnership, 10 percent or more interest in the profits or capital of such partnership,

(iii) with respect to an estate or trust, 10 percent or more of the beneficial interests in such estate or trust, and

(iv) with respect to any other unincorporated association, 10 percent or more of the beneficial interests or assets of such unincorporated association.

Page 230, line 13, strike out "(f)" and insert in lieu thereof "(g)".

Mr. AMBRO (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read, and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. AMBRO. Mr. Chairman, this amendment encourages competition in the petroleum industry to make available adequate petroleum products and energy supplies at the lowest reasonable cost and assures that the resources owned by the people of the United States are leased in accordance with free enterprise precepts.

Specifically, the amendment prohibits the granting of a lease on Federal lands for the development of mineral deposits other than crude oil to a vertically integrated petroleum company. Further the amendment prohibits granting crude oil rights on Federal lands to these same petroleum companies if they own or control coal, uranium, natural gas, oil shale, and geothermal energy resources. The reasons for this amendment simply stated are that if we turn over a multitude of energy resources to a few of the large oil companies, then we run the very great risk of undermining this Nation's free enterprise system and we provide the potential to a shared monopoly to strangle this country economically.

It has been estimated that 35 percent of the oil and gas, 50 percent of the coal, 85 percent of the oil shale, 50 percent of the uranium and some 60 percent of the geothermal energy resources are contained on Federal lands. Recently there has been a demand for acceleration of leasing of offshore oil and gas lands, western coal lands, and our petroleum naval reserves by the administration under pressure by the major oil companies.

Study after study, report after report, Senate and House committee and subcommittee hearing after hearing, have all provided us with the ominous facts that there is a trend toward monopolistic control of a range of energy resources by the oil companies. The major oil companies dominate the natural gas industries, controlling about 72 percent of the natural gas production and reserve ownership, as the accompanying charts clearly indicate.

The major oil companies own or control 30 percent of the domestic coal reserves and over 20 percent of the domestic coal capacity; over 50 percent of the uranium reserves and 25 percent of uranium milling capacity; they are fast acquiring oil shale, tar sands, and water rights throughout the country. The trend toward concentrated competing fuel resources is causing a dangerous monopoly in our Nation's fuel supply situation.

As a result buyers are forced to deal, in effect, with a single supplier, and since the power to control supply is the power to determine prices, and since we are fast approaching an absence of interfuel competition, then consumers are at the mercy of a handful of giant corporations.

Petroleum firms are openly moving toward horizontal integration in the energy field. The competition among alternate fuels is diminishing to the point of becoming meaningless, and it is imperative that we act and act now.

Beyond the economically subversive indicators that are evidenced, the horizontal expansion of oil companies portends a real problem with respect to the efficient and effective availability of vitally needed natural resources.

Because of current leasing practices, a multitude of resources are transferred from public ownership to a private corporation. These corporations, the oil companies, then sell the resource originally leased from the public back to the public at prices that have little relation to costs. Speculators who front for the major oil companies hold leases for them, but do not develop or utilize their rights until it is convenient for the oil companies. This practice should be stopped, but with respect to this legislation, what it means is that control by the oil companies of leases which benefit them not to develop diminishes that which would benefit the American people in terms of greater available energy supplies.

There is evidence that oil companies

arbitrarily raise coal prices in line with their ability to charge higher prices for oil. There is evidence that interrelationships among integrated oil companies in energy resource exploitation constitute collusive restraints of trade. And, there is evidence that if this trend continues, this Nation and its consumers—commercial, utility, residential, and independent consumers—will be at the mercy of an oligopoly, which has its own self-serving goal of expansion and market control. Certainly this is not in the best interest of the American people.

In conclusion, this amendment would either require vertically integrated petroleum companies to relinquish their holdings in other energy resources in order to acquire leases on Federal lands, or if they are unwilling to do this, to then encourage competition for these leases in a variety of separate energy resource areas among hundreds of individual companies.

Since, historically, these independent companies have taken the risks and have always accounted for the finding of at least 75 percent of the new oil in this country, then we can assume that they have both the risk capital and the know-how to develop efficiently and effectively federally leased lands in order to provide this Nation with crude oil, coal, uranium, natural gas, oil shale, and geothermal energy within the framework of a competitive free market system; and since this is what this amendment seeks to do, I urge your support.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. AMBRO. I yield to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Chairman, I thank the gentleman from New York for yielding to me.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from New York, and I appeal to my rural colleagues, if they are familiar with what happens to farmers, such as dairy farmers, who get into competition in a vertically integrated agricultural business, then they know what we are talking about when we talk about a vertically integrated energy business, people who control it from the ground to the grocery shelves, or from the ground to the gas tank.

They know what the vertically integrated agricultural combines have done to the independent farmers. All that the amendment offered by the gentleman from New York (Mr. Ambro) is trying to do is to limit this in the energy area.

Mr. MARTIN. Mr. Chairman, will the gentleman yield?

Mr. AMBRO. I yield to the gentleman from North Carolina.

Mr. MARTIN. I thank the gentleman for yielding.

It would seem to me that since it is very evident that in 30 or 40 years we are going to be needing to produce the gasoline and whatever fuel is going to be used to turn combustion engines in that day from synthetic oil and coal, instead of discouraging oil companies from developing their resources, we should be encouraging them to move in that direction, to provide a coal field so that they will have mineral resources at their disposal, so that they can synthesize, if necessary, the necessary gasoline.

Mr. AMBRO. I might say to the gentleman that in my view the complete opposite is true. We have evidence to indicate that due to the domination of coal by the oil companies that almost immediately the oil companies receive a rise in the price of oil they orchestrate as well a diminution in the extraction of coal resources, thereby diminishing the availability because of their own self-interests of alternate energy sources and they also increase the price of coal. So I disagree completely with the gentleman.

Mr. MARTIN. I understand the gentleman must disagree because of his amendment. I think we are going to find in 30 or 40 years——

The CHAIRMAN. The time of the gentleman has expired.

Mr. DINGELL. Mr. Chairman, I ask unanimous consent that all debate on this amendment end in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. BROWN of Ohio. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. DINGELL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, with all due respect to my colleague who has offered this amendment, it is a very bad amendment which should be rejected by the House. The House just rejected a similar amendment. It provides the Secretary would by rule prohibit granting of any right to develop natural gas, coal, or any other mineral deposit on any Federal lands to any vertically integrated petroleum company: a company that has mining and refining and distributing capability.

The amendment further provides the Secretary would by rule prohibit the right to develop crude oil on Federal lands to any vertically integrated petroleum company which owns mineral deposits, in any of these categories: coal, including hydrocarbons, uranium, oil, natural gas, oil shale, and geothermal energy resources.

This goes far too far. I think we would severely hurt the development of mineral resources of public lands and would contribute significantly to a curtailment of the development of energy resources of this Nation and hurt the development of oil, coal, natural gas, uranium, and other mineral resources including ferrous and nonferrous metals.

It is an unfortunate amendment and I regret to say, that notwithstanding my respect for the author, the amendment should be rejected by the House.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Ohio (Mr. Brown).

Mr. BROWN of Ohio. Mr. Chairman, I share the opposition to the amendment. I think we ought to look at five quick reasons why this amendment is undesirable.

Eighty percent of the oil in the country comes from independent producers now. We do not have the problem of concentration in the oil industry that some people seem to think we have on that basis. So while they would not be affected there is a capital need for some of the large producers in this country to develop the exotic and expensive kind of development which is covered in this amendment. Research and development competence, the need for exploration in the expensive and difficult areas is going to require a vast amount of capital. Future energy development will be high-cost development again particularly in the exotic areas which are covered by the amendment offered by the gentleman from New York.

I might say also that there is a concentration definition which is generally applied by the Justice Department and the Federal Trade Commission to major industries.

The basic criteria as to whether a market is workably competitive is the so-called "eight-firm concentration" which means that when eight firms have 50 percent or more of the sales, there are questions as to whether normal market forces are adequate to sufficiently assure a reasonably competitive market.

In the natural gas industry we find one of the highest concentrations in the energy field, but in 1972 approximately 70 percent of the gas was produced by 22 domestic producers, so that with respect to the production and sales of natural gas at least it appears very clear that there is significant competition in the market, and the "eight-firm concentration" does not apply.

Miss JORDAN. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to my friend, the gentlewoman from Texas (Miss Jordan).

Miss JORDAN. Mr. Chairman, this amendment which has been offered innocently in purpose is nevertheless offered in the wrong place. The thrust of it would be to discourage monopolistic practices by vertically integrated oil companies.

The Monopoly and Commercial Law Subcommittee of the Committee on the House Judiciary right now is undertaking hearings with a view toward legislation which will attack the problem of monopolistic practices and concentrations in the oil industry. I think not until we can complete a very thorough investigation and discover how far afield this problem of integration and anti-competitive practices goes can we act on the basis of sound and reasoned judgment, and in this instance this amendment should be rejected.

Mr. SCHEUER. Mr. Chairman, I move to strike the requisite number of words.

Mr. AMBRO. Mr. Chairman, will the gentleman yield?

Mr. SCHEUER. I am happy to yield to the distinguished author of the amendment.

Mr. AMBRO. Mr. Chairman, I just have one point to make, that has to do with the comment of the distinguished gentlewoman from Texas. This deals, one must be aware, with regulation only of federally owned lands and leases accruing thereto. The subject has been studied to death. Having said that, I would be happy to provide, but it is too long a list to read, anyone with the sources from subcommittee after committee hearing after hearing with respect to this entire subject of oligopolistic control and the debilitating, inflationary, horrendous effect of oil company control over our energy resources.

When we deal in another area with divesture, the gentlelady is right; but when we are dealing with the use of federally owned lands, it is a different proposition and this amendment is both appropriate and relevant. The control of the land owned by the people of this Nation and the resources attendant thereto is one of the most important questions policymakers must address.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. SCHEUER. I yield to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Chairman, we really have to remember that the only issue here is whether we are going to let these vertically integrated conglomerate corporations rake Federal people's land. It has nothing to do with divesture. It has nothing to do with antitrust. It just says we are going to establish a level of competition in the operation and the profitmaking from the people's land and the wonderful minerals that are below the land that belong to the people. It does not get into antitrust. It does not get into the other parts of the marketplace. It just says the free marketplace system will operate on people's land, because it does not operate in too many other sectors of the economy.

Mr. SCHEUER. Mr. Chairman, there is no more worthy national goal than compelling stationary energy consumers to move away from oil and gas and toward coal. We may have a 25- or 30-year supply of oil. It may be less than that. We probably have a 500- or 600-year supply of coal. So it is essential that we structure incentives to move, at least, all stationary consumers of energy, that is, homes, businesses, office buildings, factories, schools, hospitals, and apartment houses, away from oil and gas and toward coal.

Now, the control of coal by the oil and gas producers means that as the price of oil goes up due to the Arab oil boycott and shortages and oligopolistic control of oil and gas, so, magically enough, because of that control, the price of coal has gone up, too.

I remember when the coal operators were making money at $5 and $6 a ton a couple years ago. Now coal has doubled, tripled, quadrupled, to $20 and $25 a ton. There is actually no rhyme or reason for this, except for the fact that the oil producers control the price of coal. As long as we permit the oil and gas companies from owning major sources of coal, so long will we insure that coal will never compete pricewise with oil. We insure that price competition by cheap coal will not be effective to induce large stationary users of oil and gas to convert from oil to coal, which is an urgent and essential national need.

Mr. CARTER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, last Saturday it was my privilege to be in Harlan, Ky., where coal was selling at $13 and $14 a ton. The coal operators gave 1,000 tons of coal. The Shriners gave a barbecue. I auctioned the coal. It brought $25 per ton through the benevolence of the buyer, Mr. Etha Blanton, of Wallins. The total receipts $25,000 are to be given to the Crippled Children's Hospital and Burn Center in Lexington.

Through the goodness of the people and the benevolence of some of the buyers, we did secure a price of $25 a ton for a thousand tons, but I want to assure the gentleman that the price of coal now is $14 a ton, or even a little less, and that the laws of supply and demand are working. Actually, we have an oversupply of coal at this time.

Mr. PATTEN. Mr. Chairman, will the gentleman yield?

Mr. CARTER. I am delighted to yield to the gentleman from New Jersey.

Mr. PATTEN. Mr. Chairman, I believe that I share the concern of my colleagues about our Nation's "energy crisis." This crisis, about which we have heard so much during the past 1½ years, is directly related to this Nation's high dependence on foreign oil production.

Such a dependence has caused this Nation to import a disproportionate amount of the vital energy which fuels our homes, industries, automobiles, and mass transit.

It seems foolish to me to trust unpredictable Mideast nations with control of so much of the valuable energy resources which are vital to our national interest. All developed nations in the world are extremely dependent upon energy for their economic well being and our Nation is no exception.

It seems only logical, therefore, that this Nation must break its energy bondage to the oil-rich Mideast nations. It must minimize its dependence on foreign supplies of energy by developing and utilizing energy sources within its borders. In this way, I suggest, will our Nation begin to solve its energy crisis.

How is this to be done, some ask? Where can this Nation find the energy supplies necessary to fuel our technological and industrial development for the future? The partial answer is to be found in a four-letter word—coal. Coal in the Midwest, coal in the West, coal in Appalachia, coal in Pennsylvania—almost 437 billion tons of coal reserves exist within our borders according to a background paper prepared for the Committee on Interior and Insular Affairs of the U.S. Senate.

Our Nation has not widely tapped this treasure of coal, but has instead sought to tap the sands of Arabia for what had been until recently, cheap oil. However, the events of the past 1½ years have shown that this policy has been foolish and that if continued, will eventually result in further hardship for many of our citizens.

For the fact remains that this Nation simply cannot afford to continue to pay for the energy bill which is presented to us monthly by the Mideast oil nations. Therefore, we must commence a wise and careful development program of the vast coal reserves within our borders, keeping in mind that environmental safeguards must be followed. Advanced technology exists which can allow for such a program.

According to Mr. Alwin B. Newton, an expert in energy matters, a known process of micronation of coal could allow the United States to economically and efficiently tap its vast coal reserves. And the coal which would be extracted would be virtually without pollutants.

This is because the process of micronation reduces any coal to a uniform microscopic shape and allows the removal of uncombustible materials such as dirt, ash and sulfur, which are pollutants.

Micronation, however, is not the only process available for the utilization of our coal reserves for energy. There is a process of coal gasification which is presently available for use in this Nation. Some 13 nations in Europe, Africa, and Asia presently use the process of coal gasification, but it is infrequently utilized in this Nation.

I can remember vividly of a time not too long ago, when there was a coal gasification plant in my hometown of Perth Amboy. Millions of tons of coal were carried to it by the Lehigh Valley Railroad, and that coal gasification plant provided fuel for hundreds of customers in the area. With the great shortage of natural gas which confronts our Nation, this process should be more frequently utilized in the future.

Coal can also be used to make the equivalent of crude oil, which could be used to fuel our automobiles and mass transit. I can well remember that the German Government during World War II expended enormous amounts of money to develop a coal conversion process for gasoline. It seems to me that this Nation's technology could be harnessed to more economically and efficiently improve the coal conversion process for gasoline.

These are just some of the existing technological tools that our Nation can presently utilize for the tapping of America's coal reserves for energy—energy which is so essential to our economic well-being. Even though other future sources of energy remain to be tapped—among them solar power and nuclear fusion—coal reserves are presently in such abundance that a wise and careful development of them could partially solve our energy crisis. Coal helped to fuel our industrial revolution and to make us a greater world power. It is now needed to keep our industrial development second to none and to keep our Nation economically sound in the world community.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. CARTER. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Mr. Chairman, in

dealing with the national energy problem it is imperative that the interchangability of fuels be considered and that one direct a national energy policy toward the substitution of those fuels which are in plentiful supply domestically. Since petroleum prices are higher, some of the fuels which are available from domestic sources are actually much cheaper than petroleum products. Of course motor vehicles which do not travel the same route on a regular basis and certain kinds of mechanical devices must be powered by a movable, available, and easily handled type of energy such as petroleum. However, many of the big petroleum users in this country have been those which could have used a different form of fuel.

In view of the tremendous importance of the possible substitution of fuels, I have asked the Library of Congress to prepare an analysis showing the possibilities for substitution for different fuels, using the British thermal unit as the common unit for comparison, and expressing the comparison in terms of prices per million Btu. I have now received these tables comparing the energy contents and prices for crude oil, natural gas, coal and electricity. The conversions are based upon fuel energy contents used by the Department of the Interior and the National Petroleum Council in recent analysis but the tables have been prepared by specialists at the Library of Congress. So that all may have these valuable tables for their use during this period of developing an energy policy, I include them in the RECORD as follows:

TABLE 1. *Abbreviations*

B, bbl equal barrels (42 U.S. gal.).

Btu equal British thermal unit, the amount of energy needed to raise the temperature of one pound of water by one degree Fahrenheit.

gal equal gallon (U.S.).

hp equal horsepower, 1 hp=746 watts.

hphr equals horsepower hour, 1 hphr=.746 kwhr.

kw equal kilowatt, or 1,000 watts.

kwhr equal kilowatt hour.

lb equal pound.

MCF equal thousand cubic feet.

MMCF equal million cubic feet.

Q equal quadrillion Btu, $1Q=10^{15}$ Btu.

T equal short ton, 2,000 lbs.

w equal watt, a basic energy unit.

$/B equal dollars per barrel.

$/kwhr equal dollars per kilowatt hour.

$/MCF equal dollars per thousand cubic feet.

$/T equal dollars per ton.

TABLE 2. *Comparative energy contents of coal, oil, natural gas and electricity*

1 ton bituminous coal equals 23 million Btu.

1 pound bituminous coal equal 11,500 Btu.

1 ton subbituminous coal equal 17 million Btu.

1 pound subbituminous coal equal 8,500 Btu.

1 ton lignite equal 13.5 million Btu.

I pound lignite equal 6,750 Btu.

1 barrel crude oil equal 5.8 million Btu.

1 barrel distillate fuel oil (including diesel) equal 5.83 million Btu.

1 barrel residual fuel oil equal 6.29 million Btu.

1 barrel liquefied petroleum gas equal 4.01 million Btu.

1 gallon liquefied petroleum gas equal 95,500 Btu.

1 barrel gasoline equal 5.25 million Btu.

1 gallon gasoline equal 125,500 Btu.

1 pound U_2O_8* equal 170 million Btu.

1,000 cubic feet natural gas equal 1.0 million Btu.

1 Kilowatt hour of electricity equal 3,412 Btu.

1 horsepowerhour of mechanical energy equal 2,545 Btu; 0.746 kwhr.

1 million Btu equal 0.17 B. crude oil; 7.1 gal. crude oil; 1,000 MCF natural gas; 0.043 T. bituminous coal; 86 lbs. bituminous coal; 293 kwhr; 393 hphr.

TABLE 3.—CONVERSION OF COAL PRICE FROM DOLLARS PER TON TO DOLLARS PER MILLION BTU

Price of coal	Price per million Btu[1]		
	Bituminous coal	Subbituminous coal	Lignite
$1 per ton	$0.04	$0.06	$0.07
$5 per ton	.22	.30	.37
$6 per ton	.26	.35	.44
$7 per ton	.30	.41	.52
$8 per ton	.35	.47	.59
$9 per ton	.39	.53	.66
$10 per ton	.43	.58	.74
$11 per ton	.49	.65	.81
$12 per ton	.52	.71	.88
$13 per ton	.56	.76	.96
$14 per ton	.61	.82	1.04
$15 per ton	.65	.88	1.11
$16 per ton	.69	.94	1.18
$17 per ton	.74	1.00	1.26
$18 per ton	.78	1.06	1.33
$19 per ton	.83	1.12	1.41
$20 per ton	.87	1.17	1.48
$22 per ton	.96	1.30	1.63
$24 per ton	1.04	1.41	1.77
$26 per ton	1.13	1.53	1.93
$28 per ton	1.21	1.65	2.07
$30 per ton	1.30	1.76	2.22
$32 per ton	1.39	1.88	2.37
$34 per ton	1.48	2.00	2.52
$36 per ton	1.57	2.12	2.67

[1] Price per million Btu equals price per ton over Btu per ton of coal equals $1 per ton over 23,000,000 Btu per ton equals $0.04 per million.

Note: Energy contents used were: Bituminous coal at 23,000,000 Btu per ton; subbituminous coal at 17,000,000 Btu per ton; and lignite at 13,500,000 Btu per ton. Sample calculation for bituminous coal at $1 per ton.

TABLE 4.—CONVERSION OF PRICE CRUDE OIL AND DISTILLATE FUEL OIL FROM DOLLARS PER BARREL TO DOLLARS PER MILLION BTU

	Per million, Btu[1]	Per barrel	Per million Btu
$1 per barrel	$0.17	$11	$1.89
$2 per barrel	.34	12	2.07
$3 per barrel	.52	13	2.24
$4 per barrel	.69	14	2.41
$5 per barrel	.86	15	2.58
$6 per barrel	1.03	16	2.76
$7 per barrel	1.21	17	2.93
$8 per barrel	1.38	18	3.10
$9 per barrel	1.55	19	3.27
$10 per barrel	1.73	20	3.44

[1] Price per million Btu equals price per barrel over Btu per barrel equals $1 per barrel over 5,800,000 Btu per barrel equals $0.17 per million Btu.

Note: 1 barrel of crude oil contains 5,800,000 Btu. Sample calculation for oil at $1 per barrel.

TABLE 5. *Conversion or residual fuel oil price from dollars per gallon to dollars per million Btu*

Dollars per barrel:	*Dollars per million Btu*
1	$0.16
2	.32
3	.48
4	.64
5	.79
6	.95
7	1.11
8	1.27
9	1.43
10	1.59
11	1.75
12	1.90
13	2.07
14	2.23
15	2.38
16	2.54
17	2.70
18	2.86
19	3.02
20	3.18

NOTES: 1 barrel of residual fuel oil contains 6.29 million Btu. Sample calculation for residual fuel oil at $1.00/bbl.

Price per million Btu=*price per barrel/* Btu per barrel=*$100/bbl/* 6.29 million Btu=$0.16 per million Btu.

TABLE 6. *Conversion of gasoline price from dollars per gallon to dollars per million Btu*

Dollars per gallon:	*Dollars per million Btu*
$0.30	$2.40
.32	2.56
.34	2.72
.36	2.88
.38	3.04
.40	3.20
.42	3.36
.44	3.52
.46	3.68
.48	3.84
.50	4.00
.52	4.16
.54	4.32
.56	4.48
.58	4.64
.60	4.80
.62	4.96
.64	5.12
.66	5.28
.68	5.44
.70	5.60
.72	5.76
.74	5.92
.76	6.08
.78	6.24
.80	6.40

NOTE: 1 gallon of gasoline contains .125 million Btu. Sample calculation for gasoline at $0.30 1 gallon.

Price per million Btu equals price per gallon/Btu per gallon equals $0.30/.125 million Btu/gallon equals $2.40 per million Btu.

TABLE 7.—CONVERSION OF NATURAL GAS PRICE FROM DOLLARS PER THOUSAND CUBIC FEET TO DOLLARS PER MILLION BTU

	Price of gas		
	Per million Btu[1]	Per MCF	Per million Btu
$0.10 per MCF	$0.09	$2.20	$2.13
$0.20 per MCF	.19	2.40	2.32
$0.30 per MCF	.29	2.60	2.52
$0.40 per MCF	.38	2.80	2.71
$0.50 per MCF	.48	3.00	2.90
$0.60 per MCF	.58	3.20	3.10
$0.70 per MCF	.67	3.40	3.29
$0.80 per MCF	.77	3.60	3.49
$0.90 per MCF	.87	3.80	3.68
$1 per MCF	.96	4.00	3.87
$1.20 per MCF	1.16	4.20	4.07
$1.40 per MCF	1.35	4.40	4.26
$1.60 per MCF	1.55	4.60	4.46
$1.80 per MCF	1.74	4.08	4.65
$2 per MCF	1.93	5.00	4.84

[1] Price per million Btu equals price per MCF over Btu per MCF equals $0.10 per MCF over 1,032,000 Btu per MCF equals $0.09 per million Btu.

Note: 1 MCF contains 1,032,000,000 Btu. Sample calculation for gas at $0.10 per thousand cubic feet.

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* In a boiling water reactor using feed at 0.2 short tons/yr./Mwe.

TABLE 8.—*Conversion of price of liquefied petroleum gas from dollars per barrel to dollars per million Btu*

Dollars per gallon:	*Dollars per million Btu*
$0.02	$0.21
.04	.42
.06	.63
.08	.84
.10	1.05
.12	1.26
.14	1.47
.16	1.68
.18	1.89
.20	2.11
.22	2.32
.24	2.53
.26	2.74
.28	2.95
.30	3.16
.32	3.37
.34	3.58
.36	3.79
.38	4.00
.40	4.21
.42	4.42
.44	4.63
.46	4.84
.48	5.05
.50	5.26
.52	5.47
.54	5.68
.56	5.89
.58	6.11
.60	6.32
.62	6.53
.64	6.74
.66	6.95
.68	7.16
.70	7.37

NOTE.—One gallon of propane contains .095 million Btu. Sample calculation for propane at $0.02/gallon.

Price per million Btu equals price per gallon/Btu per gallon equals $0.02/gallon/.095 million Btu gallon equals $0.21 per million Btu.

TABLE 9.—*Conversion of electricity price from dollars per kilowatt hour to dollars per million Btu*

Dollars per Kwhr:	*Dollars per million Btu*
$0.001	$0.29
0.002	0.58
0.003	0.88
0.004	1.17
0.005	1.46
0.006	1.76
0.007	2.05
0.008	2.34
0.009	2.64
0.010	2.93
0.02	5.86
0.03	8.79
0.04	11.72
0.05	14.65
0.06	17.58
0.07	20.52
0.08	23.45
0.09	26.38
0.10	29.31
0.11	32.24
0.12	35.17
0.13	38.10
0.14	41.03
0.15	43.96

NOTE: One Kwhr=3,412 Btu. Sample calculation for electricity at $0.001 per kilowatt hour (1 mill per kilowatt hour).

Price per million Btu equals price per kilowatt hour×1 million/Btu per kilowatt hour; equals $0.001/Kwhr×$10^6$/3,412 Btu /Kwhr equals $0.29 per million Btu.

TABLE 10.—BTU PRICE AND COMMON UNIT PRICES

[In dollars per unit]

Btu (million)	Ton of coal	Barrel of oil	Pound of U_3O_8 [1]	Gas (M=cf)	Electricity (kilowatthour)	Barrel of residual fuel	Gallon of gasoline	Gallon of liquified petrol gas
0.10	2.30	0.58	17.00	0.10	0.00034	0.63	0.013	0.010
.20	4.60	1.16	34.00	.21	.00068	1.26	.025	.019
.30	6.90	1.74	51.00	.31	.0010	1.88	.037	.028
.40	9.20	2.32	68.00	.41	.0014	2.52	.050	.038
.50	11.50	2.90	85.00	.52	.0017	3.15	.062	.047
.60	13.80	3.48	102.00	.62	.0020	3.77	.075	.057
.70	16.10	4.06	119.00	.72	.0024	4.40	.087	.066
.80	18.40	4.64	136.00	.82	.0027	5.03	.100	.076
.90	20.70	5.22	153.00	0.93	.0031	5.66	.112	.085
1.00	23.00	5.80	170.00	1.03	.0034	6.29	.125	.095
1.20	27.60	6.96	204.00	1.24	.0041	7.55	.150	.114
1.40	33.20	8.12	238.00	1.44	.0048	8.81	.175	.133
1.60	36.80	9.28	272.00	1.65	.0055	10.06	.200	.152
1.80	41.40	10.44	306.00	1.86	.0061	11.32	.225	.171
2.00	46.00	11.60	340.00	2.06	.0068	12.58	.250	.190
2.20	50.60	12.76	374.00	2.27	.0075	13.84	.275	.209
2.40	55.20	13.92	408.00	2.48	.0082	15.10	.300	.228
2.60	59.80	15.08	442.00	2.68	.0089	16.35	.325	.247
2.80	64.40	16.24	476.00	2.89	.0095	17.61	.350	.266
3.00	69.00	17.40	510.00	3.10	.0102	18.87	.375	.285
3.20	73.60	18.56	544.00	3.30	.0109	20.13	.400	.304
3.40	78.20	19.72	578.00	3.51	.0116	21.39	.425	.323
3.60	82.80	20.88	612.00	3.71	.0123	22.64	.450	.342
3.80	87.40	22.04	646.00	3.92	.0129	23.90	.475	.361
4.00	92.00	23.20	680.00	4.13	.0136	25.16	.500	.380
4.20	96.60	24.36	714.00	4.34	.0143	26.42	.525	.401
4.40	101.20	25.52	748.00	4.54	.0150	27.68	.550	.420
4.60	105.80	26.68	782.00	4.75	.0157	28.93	.575	.439
4.80	110.40	27.84	816.00	4.95	.0164	30.19	.600	.453
5.00	115.00	29.00	850.00	5.16	.0171	31.45	.625	.458
5.20	119.60	30.16	884.00	5.37	.0177	32.71	.650	.476
5.40	124.20	31.32	918.00	5.57	.0184	33.97	.675	.497
5.60	128.80	32.48	952.00	5.78	.0191	35.22	.700	.535
5.80	133.40	33.64	986.00	5.99	.0198	36.48	.725	.554
6.00	138.00	34.80	1,020.00	6.19	.0204	37.74	.750	.573
6.20	142.60	35.96	1,054.00	6.40	.0211	38.99	.775	.592
6.40	147.20	37.12	1,088.00	6.60	.0218	40.26	.800	.611
6.60	151.80	38.28	1,122.00	6.81	.0225	41.51	.825	.630
6.80	156.40	39.44	1,156.00	7.02	.0232	42.77	.850	.649
7.00	161.00	40.60	1,190.00	7.22	.0239	44.03	.875	.669
7.20	165.60	41.76	1,224.00	7.43	.0246	45.29	.900	.688
7.40	170.20	42.92	1,258.00	7.64	.0252	46.55	.925	.707
7.60	174.80	44.08	1,292.00	7.84	.0259	47.80	.950	.726
7.80	179.40	45.24	1,326.00	8.05	.0266	49.06	.975	.745
8.00	184.00	46.40	1,360.00	8.26	.0273	50.32	1.000	.764

[1] Based on 170 million Btu/lb U_3O_8 in boiling water reactor using feed at 0.2 short tons/yr./MWe.

Note: Bituminous coal at 23 million Btu/ton, crude oil at 5.8 million Btu/bbl, gas at 1.032 million Btu/MCF and electricity at 3, 412 Btu/kwhr or 0.003412 million Btu per kwhr.

Computation: Price per unit of fuel equals the energy content per unit in million Btu's times the price per million Btu, e.g., for coal, price equivalent to $0.10 per million Btu is 23 million Btu per ton times $0.10 per million Btu=$2.30 per ton. For electricity, 0.003412 million Btu per kwhr times $0.10 per million Btu=$0.0034 per kwhr.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. AMBRO).

The question was taken; and the chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. AMBRO. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered

The vote was taken by electronic device, and there were—ayes 158, noes 254, not voting 22, as follows:

[Roll No. 472]

AYES—158

Abzug
Addabbo
Ambro
Anderson, Calif.
Anderson, Ill.
Aspin
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boland
Brademas
Brodhead
Broomfield
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burton, John
Burton, Phillip
Carney
Carr
Chappell
Chisholm
Clay
Collins, Ill.
Conte
Conyers
Corman
Cornell
D'Amours
Davis
Dellums
Derrick
Diggs
Dodd
Downey, N.Y.
Drinan
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
Evans, Ind.
Fascell
Fithian
Flood
Florio
Ford, Mich.
Fraser
Gaydos
Giaimo
Gibbons
Grassley
Green
Gude
Hall
Hanley
Hannaford
Harkin
Harrington
Harris

Hawkins
Hayes, Ind.
Hechler, W. Va.
Heckler, Mass.
Helstoski
Holland
Holtzman
Howard
Hungate
Ichord
Jacobs
Jeffords
Jenrette
Karth
Kastenmeier
Keys
Koch
Krebs
Lehman
Lent
Litton
Long, Md.
Madden
Maguire
Mann
Matsunaga
Metcalfe
Meyner
Mezvinsky
Mikva

Miller, Calif.
Mineta
Minish
Mink
Mitchell, Md.
Moakley
Moffett
Moss
Mottl
Nedzi
Nichols
Nolan
Nowak
Oberstar
Obey
O'Hara
Ottinger
Patterson, Calif.
Pattison, N.Y.
Perkins
Peyser
Pike
Rangel
Reuss
Richmond
Riegle
Roe
Roncalio
Rose

Rosenthal
Roybal
Russo
St Germain
Sarbanes
Scheuer
Seiberling
Simon
Solarz
Spellman
Staggers
Stanton, James V.
Stark
Studds
Sullivan
Symington
Traxler
Tsongas
Van Deerlin
Vander Veen
Vanik
Waxman
Weaver
Wilson, C. H.
Wolff
Yates
Yatron
Zeferetti

NOES—254

Abdnor
Adams
Alexander
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
AuCoin
Bafalis
Bauman
Beard, Tenn.
Boggs
Bolling
Bonker
Bowen
Breaux
Breckinridge
Brinkley
Brooks
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carter
Casey
Cederberg
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Cotter
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
de la Garza
Delaney
Dent
Devine
Dickinson
Dingell
Downing, Va.
Duncan, Oreg.
Duncan, Tenn.
du Pont
Edwards, Ala.
English
Erlenborn
Esch
Eshleman
Evans, Colo.
Fary
Fenwick
Findley
Fish

Fisher
Flowers
Foley
Ford, Tenn.
Forsythe
Fountain
Frenzel
Frey
Fuqua
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Guyer
Hagedorn
Haley
Hamilton
Hammerschmidt
Hansen
Harsha
Hastings
Hays, Ohio
Hefner
Heinz
Henderson
Hicks
Hightower
Hillis
Hinshaw
Holt
Howe
Hubbard
Hughes
Hutchinson
Hyde
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Krueger
Lagomarsino
Landrum
Latta
Leggett
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McEwen
McFall
McHugh
McKay

McKinney
Macdonald
Madigan
Mahon
Martin
Mathis
Mazzoli
Meeds
Melcher
Michel
Milford
Miller, Ohio
Mills
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Murphy, Ill.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nix
O'Brien
O'Neill
Patten, N.J.
Pepper
Pettis
Pickle
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Rees
Regula
Rhodes
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Rogers
Rooney
Rostenkowski
Roush
Rousselot
Runnels
Ruppe
Santini
Sarasin
Satterfield
Schneebeli
Schroeder
Schulze
Sebelius
Sharp
Shipley
Shriver
Shuster
Sikes
Skubitz

Slack
Smith, Iowa
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Stuckey
Symms

Talcott
Taylor, Mo.
Taylor, N.C.
Thompson
Thone
Thornton
Treen
Vander Jagt
Vigorito
Waggonner
Walsh
Wampler
Whalen
White
Whitehurst

Wiggins
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wright
Wydler
Wylie
Young, Alaska
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki

NOT VOTING—22

Barrett
Bell
Burke, Fla.
Derwinski
Evins, Tenn.
Flynt
Fulton
Hébert

Horton
Jarman
Jones, Ala.
LaFalce
Murphy, N.Y.
Passman
Patman, Tex.
Ryan

Sisk
Stokes
Teague
Udall
Ullman
Whitten

So the amendment was rejected.

The Clerk announced the following pairs:

Mr. BARRETT for, with Mr. TEAGUE against.

Mr. LAFALCE for, with Mr. PASSMAN against.

Mr. MURPHY of New York for, with Mr. HÉBERT against.

Mr. STOKES for, with Mr. FLYNT against.

Mr. SISK for, with Mr. WHITTEN against.

The result of the vote was announced as above recorded.

Mr. DINGELL. Mr. Chairman, I rise to make the announcement to the Committee that it will be my purpose after the offeror of each amendment has spoken, to try to limit time to 5 minutes thereafter, so that the total time consumed on amendments will be 5 minutes for the offeror and then 5 additional minutes, for a total of 10 minutes.

Mr. BROWN of Ohio. Reserving the right to object, Mr. Chairman, and I shall not object, I think we should have the opportunity to complete this section.

The CHAIRMAN. The Chair will advise the gentleman that there is no request pending. Nobody has made any at this time.

Mr. DINGELL. Mr. Chairman, I move to strike the requisite number of words.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. Yes, I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, as I understand the suggestion of the gentleman from Michigan (Mr. DINGELL), it is that our procedure from here on, until either 8 o'clock or when we finish this section, will be, because we were, as I understand it, due to rise at 8 o'clock, that when an amendment is offered, the offeror of the amendment will have 5 minutes and then the gentleman from Michigan will move that all debate on that amendment cease within 5 minutes after the offeror has completed making his presentation. Is that correct?

Mr. DINGELL. The gentleman is correct. That is with regard to title III, which is the title on which we are now, I advise the gentleman.

Mr. BROWN of Ohio. It is section 304. We have three or four amendments to section 304, do we not?

Mr. DINGELL. We will deal with section 304 and see how we come out. We are now dealing with title III.

AMENDMENT OFFERED BY MR. HECHLER OF WEST VIRGINIA

Mr. HECHLER of West Virginia. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HECHLER of West Virginia: On page 225, line 24, strike out "1969)" and insert in lieu thereof "1969, the Federal Water Pollution Control Act, the Clean Air Act, the Refuse Act of 1899, the Fish and Wildlife Coordination Act, section 4f) of the Department of Transportation Act, and other laws and regulations concerning health and safety of persons)".

Mr. HECHLER of West Virginia. Mr. Chairman, the section of the bill on page 225 with which my amendment deals is headed "Federal Oil, Gas, and Coal Leasing Arrangements," and section 304 commences with the words:

> Notwithstanding any other provision of law (Other than the National Environmental Policy Act of 1969) . . .

Quite clearly, Mr. Chairman, Congress does not want to override all vital Federal and State health and safety laws and statutes which protect the environment. Yet this "notwithstanding" phrase in the beginning of section 304 is so broad as it is now worded that it could essentially be construed to do just that.

My amendment is designed merely to make explicit what is set forth in the committee report on page 45 by specifying that the Clean Air Act, the Federal Water Pollution Control Act, and those other environmental and health and safety acts, are not to be brushed aside by the provisions of section 304. The language on page 45 of the committee report makes this clear.

The committee's report—House Report 94-340—on H.R. 7014 makes the following statement concerning the language of section 304 of the bill—page 45:

> The Committee wishes to call special attention to the language contained in subsection (a) of this section which provides that the requirements respecting the mineral rights in Federal lands contained in this bill shall take effect notwithstanding any other provision of law (other than the National Environmental Policy Act of 1969). It is the Committee's intention to *override only* those provisions of other Federal law which pertain to the rights and obligations to proceed with the exploration, development and production of the property. *It is not intended to override any provisions which relate to environmental protection and health and safety standards as they may pertain to schedule for production from a property.* [Emphasis supplied.]

I understand the committee's intention and agree with it. But I am fearful that the bill's language is quite broad and it may not be construed by the Interior Department or the courts in the way intended by the committee.

All my amendment does is to write into the legislative and statutory provisions of the bill what is set forth on page 45 of the committee report. The amendment covers the statutes set forth explicitly, plus other laws and regulations concerning the environment, health and safety. The amendment also provides that health, safety and environment laws at the Federal and State level will also apply.

Mr. Chairman, I would be glad to yield

to any Member who has any questions about my amendment.

Mr. DINGELL. Mr. Chairman, if the gentleman will yield, I am unable to accept the amendment, but I have no objections to it.

Mr. HECHLER of West Virginia. I thank the gentleman from Michigan for his enthusiastic endorsement. I hope that the amendment is not entirely damned by such faint praise.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. HECHLER of West Virginia. I yield to my colleague, the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, I want to give the amendment an enthusiastic endorsement. I think it is a very good amendment, and I hope the Members will support it.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. HECHLER of West Virginia. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, my endorsement of the amendment will be more enthusiastic, but probably not more effective. I see no reason to exempt from provisions of other law, leasing activities of Federal lands. I think the provision that we now have in law that applies to private property ought to apply to the leasing of Federal lands. Therefore I think the amendment offered by the gentleman from West Virginia (Mr. Hechler) should be accepted.

Mr. HECHLER of West Virginia. Mr. Chairman, I thank the gentleman from Ohio (Mr. Brown) for being far more enthusiastic than the gentleman from Michigan (Mr. Dingell). I urge the adoption of my amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from West Virginia (Mr. Hechler).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. HUGHES

Mr. HUGHES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Hughes:

On page 230, after line 26, insert the following new section:

LIMITATIONS ON EXPORT

Sec. 305. Any oil or gas produced from the Outer Continental Shelf except such oil or gas which is either exchanged in similar quantity for convenience or increased efficiency of transportation with persons or the government of a foreign state, or which is temporarily exported for convenience or increased efficiency of transportation across parts of an adjacent foreign state and reenters the United States, shall be subject to all of the limitations and licensing requirements of the Export Administration Act of 1969 (Act of December 30, 1969; 83 Stat. 841) and, in addition, before any oil or gas subject to this section may be exported under the limitations and licensing requirements and penalty and enforcement provisions of the Export Administration Act of 1969 the President must make and publish an express finding that such exports will not increase reliance on imported oil or gas and are in the national interest and are in accord with the provisions of the Export Administration Act of 1969: *Provided*, That the President shall submit reports to the Congress containing findings made under this section, and after the date of receipt of such report Congress shall have a period of sixty calendar days, thirty days of which Congress must have been in session, to consider whether exports under the terms of this section are in the national interest. If the Congress within this time period passes a concurrent resolution of disapproval stating disagreement with the President's finding concerning the national interest, further exports made pursuant to the aforementioned Presidential findings shall cease.

Renumber subsequent sections of Title III accordingly.

Mr. HUGHES (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. HUGHES. Mr. Chairman, my amendment is very simple, and I do not expect to take the full 5 minutes that I have been granted.

In essence, what this amendment does is cure what I think is a big gap in our present leasing procedures. It just makes certain that the oil and gas found in the Outer Continental Shelf, particularly in the frontier areas, is made subject to the Export Administration Act. The Department of the Interior has indicated that this is in fact an inadequacy in our leasing policy, and that it is desirable that this provision be put in future leases.

Mr. Chairman, I ask support for this amendment which in effect merely puts Outer Continental Shelf oil in the same category as any other oil, that is, subject to the Export Administration Act.

Mr. DINGELL. Mr. Chairman, if the gentleman will yield, the rest of the bill provides for similar restrictions on exports, and I believe, this comports with the intentions of the bill. It simply sets the number of restrictions on exports of the Outer Continental Shelf, and I think it is a good idea.

Mr. HUGHES. I am happy to yield and thank the gentleman. I think it is important when we talk about the domestic independence of foreign oil, that we make certain that we not only induce our oil industry to produce more domestic oil and gas, but also that the oil and gas so produced is brought into the domestic markets, if we elect that we want them in the domestic markets. We must have that control over these precious resources. Otherwise, the talk about reducing foreign imports and reducing dependence is absolutely meaningless.

I hope you will support my amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey (Mr. Hughes).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. HUGHES

Mr. HUGHES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Hughes: On page 230, after line 12, insert the following new subsection:

(f) Notwithstanding any other provisions of law, no lease sale or other transfer of proprietary interest shall be made of mineral reserves in frontier waters of the Outer Continental Shelf before May 1, 1976.

On page 230, line 13, strike out "(f)" and insert in lieu thereof "(g)".

Mr. HUGHES. Mr. Chairman, this is, likewise, a very important amendment. All I am trying to do by this amendment is to give the Ad Hoc Select Committee on the Outer Continental Shelf an opportunity to report back to this Congress its findings insofar as present leasing practices and procedures. This would postpone lease sales, not exploration in frontier waters, but lease sales. I would not postpone exploration 1 minute. It also has nothing to do with lease sales in the Gulf of Mexico. It would enable the ad hoc select committee that is now working overtime and, in fact, will be leaving tomorrow for California and Alaska, to make an onsite inspection of the infrastructure in that area of our country, and to take testimony from interested and concerned citizens. This will enable our committee to provide for the kind of leasing of our people's resources that we need and deserve. Such is our sworn obligation.

I think you will agree that the leasing procedures and techniques of the Department of the Interior leaves a lot to be desired. The previous amendment was one of the things that came out of the hearings insofar as the serious defects in the present leasing practices and procedures. I respectfully ask the Members' support for this amendment.

It just does not make sense to create an ad hoc select committee to review leasing in the OCS if the administration is permitted to lease our lands before our work is completed. Our committee will report back to the Congress by January 31, 1976. This amendment gives the Congress 3 months to act. I think this is abundantly reasonable.

I hope the committee will support my amendment.

Mr. DINGELL. Mr. Chairman, I rise in opposition to the amendment. This effectively suspends all leasing on the Outer Continental Shelf until some time in the future. If another committee wishes to do that, I think it is proper, but I do not think it comports with the policy of this committee, and I do not think it is wise in the public interest. I oppose the amendment for those reasons.

Mr. WIGGINS. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, if I correctly understood the amendment offered by the gentleman from New Jersey, it would, indeed, effectively suspend leasing in the Outer Continental Shelf until the date mentioned in the amendment. It should be a matter of interest to all Members on this floor that a committee of Congress is now considering that issue, and it has not yet made up its mind. It is a very controversial subject on which witnesses on both sides have differed sharply. For this committee now to preempt the Outer Continental Shelf Committee's judgment on this matter would be most unfortunate.

I urge the Members not to take this hasty action, especially when another committee of the Congress is presently taking testimony on this very issue.

Mr. HUGHES. Mr. Chairman, will the gentleman yield?

Mr. WIGGINS. I yield to the gentleman from New Jersey.

Mr. HUGHES. I thank the gentleman for yielding.

That is precisely my point. My colleague, the gentleman from California, is absolutely correct. I happen to be a member of the Ad Hoc Select Committee on the Outer Continental Shelf, and the point I am making is that this committee was created and is working overtime to report back to the House. We need until May 1, 1976, to make a report. It does not make sense to lease our frontier waters under present practices and procedures if we are reviewing exactly those practices and procedures.

Mr. WIGGINS. I cannot yield any further on my limited time. But let me say I cannot disagree with the gentleman more emphatically. If this amendment is passed, the decision is made right now. As it is now, that issue is alive and not yet decided by the subcommittee charged with that responsibility.

Mr. Chairman, I urge the Members to take their time on this vote. It is an important vote, and pending a decision by a committee created by the Congress, I urge the Members to vote no.

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. WIGGINS. I yield to the gentleman from Texas.

Mr. KAZEN. Mr. Chairman, I associate myself with the remarks of the gentleman. I, too, am a member of Outer Continental Shelf Ad Hoc Committee. He has stated the situation as it exists. If we, on that committee, are going to be bound by the provisions of this amendment in this act we might as well give up and discontinue our studies.

Mr. WIGGINS. I agree.

Mr. EDGAR. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the amendment.

I yield to the gentleman from New Jersey (Mr. HUGHES).

Mr. HUGHES. Mr. Chairman, I just want to make it clear that this amendment will not postpone exploitation in the Outer Continental Shelf 1 minute. The oil industry concedes we do not have enough rigs and platforms to adequately develop the Gulf of Mexico. All it does is postpone the leasing of lands in the frontier waters of the OCS until the select committee this Congress has created has had an opportunity to report back the findings and recommendations of the committee—nothing more, nothing less.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey (Mr. HUGHES).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. HUGHES. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 120, noes 286, not voting 28, as follows:

[Roll No. 473]

AYES—120

Abzug
Addabbo
Ambro
Anderson, Calif.
Ashley
Aspin
AuCoin
Badillo
Baldus
Bedell
Biaggi
Bingham
Blanchard
Blouin
Bonker
Brodhead
Brown, Calif.
Burke, Calif.
Burton, John
Burton, Phillip
Carr
Chisholm
Clay
Cohen
Collins, Ill.
Conyers
Cornell
D'Amours
de la Garza
Dellums
Dodd
Downey, N.Y.
Edgar
Edwards, Calif.
Eilberg
Emery
Evans, Colo.
Evans, Ind.
Fish
Fisher
Florio
Ford, Mich.
Forsythe
Fraser
Green
Gude
Hall
Hannaford
Harrington
Harris
Hawkins
Hechler, W. Va.
Hinshaw
Holtzman
Howard
Hughes
Jacobs
Jenrette
Kastenmeier
Keys
Koch
Krebs
LaFalce
Lagomarsino
Lehman
Levitas
Lloyd, Calif.
Long, Md.
McHugh
Maguire
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Mink
Mitchell, Md.
Moakley
Moffett
Mosher
Mottl
Nedzi
Nolan
Oberstar
Obey
Ottinger
Pattison, N.Y.
Pike
Railsback
Rangel
Rees
Richmond
Riegle
Rodino
Rooney
Rosenthal
Roybal
Russo
Sarbanes
Scheuer
Schroeder
Seiberling
Simon
Solarz
Spellman
Stark
Studds
Sullivan
Tsongas
Vanik
Waxman
Weaver
Whalen
Wilson, Bob
Wirth
Wolff
Young, Alaska
Young, Fla.
Young, Ga.
Zeferetti

NOES—286

Abdnor
Adams
Alexander
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Bafalis
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bennett
Bergland
Bevill
Biester
Boggs
Boland
Bolling
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carney
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Collins, Tex.
Conable
Conlan
Conte
Corman
Cotter
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
Delaney
Dent
Derrick
Derwinski
Devine
Dickinson
Dingell
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edwards, Ala.
English
Erlenborn
Esch
Eshleman
Fary
Fascell
Fenwick
Fithian
Flood
Flowers
Foley
Ford, Tenn.
Fountain
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Guyer
Hagedorn
Haley
Hamilton
Hammerschmidt
Hanley
Hansen
Harsha
Hastings
Hayes, Ind.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Howe
Hubbard
Hungate
Hutchinson
Hyde
Ichord
Jeffords
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kazen
Kelly
Ketchum
Kindness
Krueger
Landrum
Latta
Leggett
Lent
Litton
Lloyd, Tenn.
Long, La.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McEwen
McFall
McKay
McKinney
Macdonald
Madden
Madigan
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Michel
Milford
Miller, Ohio
Minish
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Moss
Murphy, Ill.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nichols
Nix
Nowak
O'Brien
O'Hara
O'Neill
Patten, N.J.
Patterson, Calif.
Pepper
Perkins
Pettis
Peyser
Pickle
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Randall
Regula
Reuss
Rhodes
Rinaldo
Risenhoover
Roberts
Robinson
Roe
Rogers
Roncalio
Rose
Rostenkowski
Roush
Rousselot
Runnels
Ruppe
St Germain
Santini
Sarasin
Satterfield
Schulze
Sebelius
Sharp
Shriver
Shuster
Sikes
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Spence
Staggers
Stanton, J. William
Stanton, James V.
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Stuckey
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Treen
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vigorito
Waggonner
Walsh
Wampler
White
Whitehurst
Wiggins
Wilson, Tex.
Winn
Wright
Wydler
Wylie
Yates
Yatron
Young, Tex.
Zablocki

NOT VOTING—28

Barrett
Bell
Diggs
Evins, Tenn.
Findley
Flynt
Fulton
Harkin
Hays, Ohio
Hébert
Horton
Jarman
Jones, Ala.
Kemp
Metcalfe
Mills
Murphy, N.Y.
Passman
Patman, Tex.
Ryan
Schneebeli
Shipley
Sisk
Stokes
Teague
Udall
Whitten
Wilson, C. H.

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan (Mr. DINGELL).

Mr. DINGELL. Mr. Chairman, I have a unanimous consent request.

Mr. Chairman, I ask unanimous consent that all debate on title III, and all amendments thereto, end in one-half hour; that all debate on title IV, and all amendments thereto, end an hour and one-half thereafter; that all debate on title V, and all amendments thereto, end an hour and one-half after that; that all debate on title VI, and all amendments thereto, end one-half hour after that; that all debate on title VII, and all amendments thereto, end one-half hour thereafter; and that all debate on title VIII, and all amendments thereto, end one-half hour after that.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. BROWN of Ohio. Mr. Chairman, reserving the right to object, I think, first, we should observe what is involved in these titles.

Title III, which is the price section, we are fairly along on. I have no objection to the time limit on that. This side, I might point out, has not been recognized yet this evening on that particular title.

Title IV is the mandatory gasoline shortage title, the purchasing agency authority, and the industrial energy conservation title.

I will suggest that 1½ hours might be slightly abbreviated for the consideration of that title.

Mr. DINGELL. Mr. Chairman, if the gentleman will yield, does the gentleman want to make a suggestion on that point?

Mr. BROWN of Ohio. Mr. Chairman, if I may go through the list and make my suggestions, I would prefer to do it that way.

Title V is the auto and appliance efficiency title. In the auto area we have dealt earlier with these issues in the bill from the Committee on Ways and Means. However, this legislation mandates the setting of standards on appliances. It occurs to me that that title may be somewhat controversial.

Title VI is the coal conversion title; title VII is the administrative law title; and title VIII is the GAO audit.

I would suggest, rather than 1½ hours on the Mandatory Gasoline Shortage, Purchasing Agency Authority, and Industrial Energy Conservation title, that we may want more time. I would suggest 2½ hours on that title.

Mr. DINGELL. Mr. Chairman, would the gentleman perhaps suggest 2 hours?

Mr. BROWN of Ohio. Mr. Chairman, we will settle for 2 hours. That is a better compromise than we have been able to get thus far. I appreciate the gentleman being that generous.

On auto standards and appliance standards, I would also suggest that we take 2 hours rather than the hour and a half.

Coal conversion is put down for a half hour. However, we have, as I understand it, an amendment which would provide a new title. If I may yield to the gentleman from Kentucky (Mr. CARTER), I believe he will comment on that.

Mr. CARTER. Mr. Chairman, if the gentleman will yield, my colleague, the gentleman from Kentucky (Mr. PERKINS) and I plan to present a new title, Coal Gasification and Liquefaction. I think it is a very worthwhile amendment, and certainly I want to protect my right to offer this amendment at the proper time.

Mr. BROWN of Ohio. Mr. Chairman, does the gentleman want to suggest a timeframe that he and the chairman of the committee would like to have?

Mr. CARTER. Mr. Chairman, I should think it would take in the neighborhood of an hour and a half. Perhaps we could make it an hour.

Mr. DINGELL. Mr. Chairman, if the gentleman from Ohio will yield, I would like to suggest a half hour. How about a half hour?

In addition, Mr. Chairman, I suggest that if we want to offer new titles, we allow 20 minutes for each.

Mr. BROWN of Ohio. Mr. Chairman, I have no objection to the half-hour limitation.

Mr. CARTER. Mr. Chairman, if the gentleman from Ohio will yield, as I understand it, the gentleman from Michigan wants to limit the offering of new titles to 20 minutes; is that correct?

Mr. DINGELL. Mr. Chairman, if I may have the attention of the gentleman from Ohio (Mr. BROWN), and if he will yield to me, I think we may perhaps be a bit over-generous, and, therefore, I suggest 30 minutes on all new titles.

Mr. BROWN of Ohio. Does the gentleman mean 30 minutes on each new title?

Mr. DINGELL. No, that is the total.

Mr. CARTER. Mr. Chairman, in that case, I will object.

Mr. DINGELL. We have not gotten down to the unanimous-consent request yet.

Mr. CARTER. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. DINGELL. Mr. Chairman, I have the right to make another unanimous-consent request, then.

Noting, first of all, that we are going to rise very shortly, and that we will be doing all of this tomorrow when we will be trying to get out of here, I will make another unanimous-consent request.

Mr. BROWN of Ohio. Mr. Chairman, if the gentleman will yield, may I just suggest that we rise now, and that after that the gentleman from Michigan (Mr. DINGELL) and I may sit down and we may submit a proposal and come to some agreement?

Mr. DINGELL. First of all, Mr. Chairman, I suggest that if the minority wishes to be recognized, I call the attention of my colleagues to the fact that there will be limitations of time, and, therefore, I suggest that Members who wish to offer amendments have their amendments published in the RECORD so that they will be granted their 5 minutes on each amendment.

Mr. RHODES. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take this time to observe that the other body is undoubtedly considering or beginning to consider now a bill on Turkish aid.

I recognize that the hour is late, and I also know that the other body has provided for a 2-hour time limitation on this bill, and there may be another hour on an amendment.

However, the other body, if it chose to do so, could get this legislation to the House by 11 o'clock, and it would be possible then for the Committee on Rules to meet and to vote out a rule for consideration of this legislation, which then would make the bill in order for tomorrow. Then it would be possible to again consider the matter of the sale of arms to Turkey.

Mr. Chairman, I do not think that I need to tell the Members that this is a matter which has very great priority insofar as the State Department and the President are concerned. It is a matter of grave national importance.

Therefore, Mr. Chairman, I merely make this explanation to indicate to the Members of the House why I do not oppose the rising of the committee, which I understand will occur soon, however, it would be my hope that the House would not adjourn tonight, but that it would recess, subject to the call of the Chair, in the hope that it would be possible for this legislation to go to the Committee on Rules and possible for a rule to be granted.

Therefore, Mr. Chairman, it will be my purpose, at the proper time, to ask for a recorded vote on the motion to adjourn this evening. I hope the motion will not succeed.

Mr. SARBANES. Mr. Chairman, will the gentleman yield?

Mr. RHODES. Yes; I yield to the gentleman from Maryland.

Mr. SARBANES. Mr. Chairman, I think it is important for the Members to know that I have been in touch 4 minutes ago with the Senate. They are still on the ERDA bill. Their best guess, I am told, is 45 minutes or an hour to complete that bill.

I was told that 2 hours ago, with respect to completing that bill, I might add to the gentleman from Arizona (Mr. RHODES).

Of course, as the gentleman points out, there is a total of 3 hours debate as yet on the Turkish aid bill, if it is taken up.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. RHODES. Yes; I yield to the distinguished Speaker.

Mr. ALBERT. Mr. Chairman, I know that the gentleman feels that he has to make this statement, but there is no chance, none whatsoever, of getting this bill up in the House tonight. There is no mathematical way of doing it.

Therefore, it seems to me, although I am not objecting to what the gentleman is trying to do, that it would be absurd to try to stay here until 12 o'clock tonight, under the circumstances.

Mr. RHODES. Mr. Chairman, I agree with the Speaker, that the mathematical chances of any possibility of considering a rule are not good, but nevertheless, I think it is imperative for the House to rely on those chances.

Mr. ANNUNZIO. Mr. Chairman, the bill before us (H.R. 7014) has attempted to deal with one of the thorniest problems this country faces—meeting our energy needs not only for the present but in future years as well.

This body has acted wisely and prudently in rejecting the President's plan to decontrol oil prices. The average person in this country cannot afford to have the price of oil rise much higher. The Staggers amendment to retain a ceiling price on "old" oil and to roll back the price of uncontrolled "new" oil was a vote in favor of the American consumer.

One of the principal aims in our deliberations on H.R. 7014 should be to do everything in our power to insure that energy price increases are as minimal as possible. Decontrolling the price of oil would clearly be a step in the opposite direction.

The President has argued that oil price decontrol would not seriously damage the American economy. There is very little factual evidence to support his claim. Not too long ago we were faced with a similar situation on the Banking and Currency Committee over wage and price controls. In language very similar to that now employed by the President, the previously Republican administration assured us that lifting price controls would not cause the American consumer any undue hardship. Of course, we all know what happened—prices went through the roof. And that is what we can expect to happen to the cost of oil and gas if we lift price controls on these fuels.

The President claims that decontrolling oil prices would be an important step in enabling this country to become independent of foreign sources of oil. This is a worthy goal—one which I wholeheartedly support. However, it is not at all clear how oil price decontrol will help to achieve this aim. Most evidence presently available indicates that higher prices of oil and gasoline will neither increase the energy supply nor decrease its demand. The dramatic rise in oil and gasoline prices over the past 2 years has not been accompanied by an equivalent rise in domestic production. Moreover, our experience in the past 2 years has shown that consumer demand for energy is clearly not an "elastic" demand. The rise in energy prices over that period has not been met by a decrease in consumer demand—only a drop in oil production. Clearly, then, this argument for decontrol is a shaky one.

There are even more serious problems with the President's other contention that oil price decontrols will not have an adverse effect on the economy. Obviously, the first effect will be an increase in the price that the American public will have to pay for oil and gasoline. The analysis of the staff of the Subcommittee on Energy and Power indicates that the President's plan would result in an increase in the annual energy costs of an American household twice as large as the President estimates. Furthermore, because oil is the price leader for other fuels, decontrols would result in increased prices for natural gas and coal. This is something that the energy suppliers have sought for a long time but certainly not something which is good for the average American family which is already seriously beset by rising costs in almost all aspects of their daily lives.

The negative economic effects of price decontrol are not restricted to energy prices alone. Prices of the hundreds of oil-derived products, such as plastics, would also go up. Moreover, many other crucial sectors of the economy would be adversely affected as well. For example, as compared with the present situation under existing controls the removal of controls would by the end of next year result in: Increasing the number of unemployed by 800,000; increasing consumers prices by 2 percent; decreasing our real gross national product by $26 billion; decreasing new housing starts by 16 percent; and decreasing auto sales by 1 million units per year. To call these disastrous economic consequences "minimal," as the President and other supporters of decontrol do, flies in the face of economic reality.

Decontrolling the price of oil would undoubtedly be applauded by the large oil and gas companies. Not content with the excessive profits—often greater than 100 percent—that they have made in recent years they want to charge "as much as the market will bear." And yet since, as I pointed out, the demand for fuel is relatively inelastic we can expect skyrocketing fuel prices if controls are lifted.

Finally, if we are unable to prevent the decontrol of oil prices I would hope that we would enact legislation to ensure that the excess or windfall profits that would result would be "recycled" back into the economy. This could be accomplished by giving a direct rebate to taxpayers. Or the excess profits could be used for research into new and alternative energy sources. This latter course would get us moving in a direction I have advocated for some time—searching for solutions to our long-range energy problems as well as trying to cope with current crises. Such research could be directed at devising economically feasible plans for coal liquefaction and gasification; for developing a means of increasing the yield of our oil shale deposits; for realizing the potential of solar, thermal, and nuclear energy; for utilizing the vast untapped off-shore oil and gas resources; and for moving ahead on the Alaskan pipeline. America must become self-sufficient in its energy requirements and this is the way to move forward.

The lifting of oil price controls would not increase supply. The lifting of controls would not decrease demand. The lifting of controls would not make this country energy self-sufficient. The lifting of controls would, however, surely have a calamitous effect on this country's economy. I urge my colleagues to do everything possible to prevent the lifting of oil price controls.

Mr. DON H. CLAUSEN. Mr. Chairman, I simply want to take this opportunity to call the attention of my colleagues to the fact that we are now a day away from the fifth recess of this year, and we are no closer to a positive solution to the Nation's critical energy problems—if anything, the action taken by this body in disapproving the President's proposal puts us in a position of being further from a solution than we have ever been. In short, the Congress by its action has clearly demonstrated to the American people that it would rather be a part of the problem than a part of the solution. It is also becoming very clear there is a majority of this House that does not want to work out a reasonable, realistic, and responsible compromise energy program. The phased decontrol proposal is the responsible way to go.

As one who from the beginning has viewed H.R. 7014 as a measure having little or no value in achieving the stated goal of energy independence, I will admit openly to my colleagues that I am angry, and very, very disappointed.

In this late-hour flurry of activity, this body is reaching a new high—or perhaps a new low—in creating an image of total irresponsibility for itself.

In all candor, I can see no value in holding a slumber party over this measure we are now considering. H.R. 7014 will not lead to the production of 1 additional barrel of oil—in fact, if approved, it will most likely contribute to a drop in energy production. Not only that, it will surely create more bureaucracy and redtape, and lead to higher energy prices and higher taxes as well.

Now I realize that some may believe it to be good politics to work feverishly well into the late hours to approve a measure that was ill-conceived in the first place, for the sake of creating the image of dedication and commitment to solving this critical national problem. But I submit, Mr. Chairman, that the American people would not be fooled.

They know that the cards are all on the table. They know that in disapproving the President's latest compromise proposal, after numerous sincere, good-faith efforts to compromise on his part, that the door to immediate decontrol on August 31 is now wide open. And the people know that it is the Congress, not the President, that has let them down. So they are not going to be fooled by any slick, gimmicky attempt to create a more favorable image.

If I might respectfully offer a word of advice to my colleagues, it would be that we adjourn right now, get a good night's rest, come back tomorrow to finish up other important business and depart for the recess. Perhaps when we return in early September we will truly have the desire and the courage to put aside the rhetoric and the petty partisanship and get down to the business of working out a realistic and reasonable compromise with the President. The ball is clearly in the Congress court at this point.

Mr. DINGELL. Mr. Chairman, I ask unanimous consent that all debate on title III and all amendments thereto conclude at the end of 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. BROWN of Ohio. Mr. Chairman, I will object.

Mr. PICKLE. Mr. Chairman, reserving the right to object, could I inquire of the gentleman as to how many amendments may be pending on this?

Mr. DINGELL. About four or five amendments remain, to the best of my knowledge.

Mr. BROWN of Ohio. Mr. Chairman, I withdraw my objection.

Mr. PICKLE. Mr. Chairman, I withdraw my reservation of objection.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. Yes, I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. There are three amendments pending on this side, and again, I hasten to point out to the gentleman, since we took up H.R. 7014 this evening has decided to submit a further amendment.

Mr. DINGELL. I am aware of that, and I am sympathetic to the gentleman's position.

Mr. BROWN of Ohio. Could I inquire of the Chair as to how many amendments are pending at the desk, in general?

The CHAIRMAN. We have nine amendments at the desk that I know of.

Mr. DINGELL. Mr. Chairman, I move that all debate on title III and all amendments thereto——

Mr. MATSUNAGA. Mr. Chairman, will the gentleman from Michigan yield to me briefly before he moves his question?

Mr. DINGELL. Mr. Chairman, I yield to the gentleman from Hawaii.

Mr. MATSUNAGA. Mr. Chairman, I would ask the gentleman from Michigan is it the intention of the gentleman to continue with title III until it is completed before moving that the Committee rise?

Mr. DINGELL. I would reply to the gentleman from Hawaii that the answer is "No"; it is not my intention to complete all debate, but to move that the Committee do rise.

Mr. MATSUNAGA. I thank the gentleman.

Mr. DINGELL. Mr. Chairman, I move that all debate on title III and all amendments thereto terminate in 30 minutes.

The motion was agreed to.

Mr. DINGELL. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Bolling, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7014) to increase domestic energy supplies and availability; to restrain energy demands; to prepare for energy emergencies; and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. DINGELL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill H.R. 7014 on the debate just concluded.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate disagrees to the amendments of the House to the bill (S. 6) entitled "An act to insure the right to an education for all handicapped children and to provide financial assistance to the States for such purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Randolph, Mr. Cranston, Mr. Williams, Mr. Pell, Mr. Kennedy, Mr. Mondale, Mr. Hathaway, Mr. Stafford, Mr. Taft, Mr. Schweiker, Mr. Beall, and Mr. Javits to be the conferees on the part of the Senate.

REQUEST FOR PERMISSION FOR COMMITTEE ON RULES TO FILE A REPORT ON S. 2230

Mr. BROWN of Michigan. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file a report on the Senate bill S. 2230.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. BRADEMAS. Mr. Speaker, reserving the right to object, what is the title of that bill?

Mr. BROWN of Michigan. The bill is S. 2230.

Mr. BRADEMAS. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

Mr. CARNEY. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER. The gentleman from Ohio moves that the House do now adjourn.

Mr. RHODES. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 184, nays 195, answered "present" 1, not voting 54, as follows:

[Roll No. 474]

YEAS—184

Abzug
Adams
Addabbo
Alexander
Ambro
Andrews, N.C.
Annunzio
Aspin
AuCoin
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Bergland
Biaggi
Bingham
Blanchard
Blouin
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Brodhead
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Carney
Carr
Chappell
Collins, Ill.
Conyers
Corman
Cornell
Cotter
D'Amours
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Evans, Colo.
Evans, Ind.
Fary
Fascell
Fisher

Fithian
Flood
Florio
Foley
Ford, Mich.
Fraser
Gaydos
Giaimo
Ginn
Gonzalez
Green
Haley
Hall
Hanley
Hannaford
Harrington
Harris
Hawkins
Hayes, Ind.
Hechler, W. Va.
Helstoski
Holland
Holtzman
Howard
Howe
Hughes
Jacobs
Johnson, Calif.
Jones, Okla.
Jordan
Kastenmeier
Keys
Koch
Krebs
Landrum
Leggett
Lehman
Lloyd, Calif.
Long, La.
Long, Md.
McFall
McHugh
McKay
Macdonald
Madden
Maguire
Mahon
Matsunaga
Meeds
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Minish
Moakley
Moffett
Montgomery
Moorhead, Pa.
Moss
Murphy, Ill.

Natcher
Nedzi
Nichols
Nolan
Oberstar
Obey
O'Neill
Ottinger
Patterson,
  Calif.
Pattison, N.Y.
Pepper
Pickle
Pike
Price
Randall
Rangel
Reuss
Richmond
Riegle
Risenhoover
Roberts
Rodino
Roe
Rogers
Roncalio
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Russo
St Germain
Santini
Sarbanes
Scheuer
Schroeder
Seiberling
Simon
Smith, Iowa
Spellman
Stark
Studds
Sullivan
Symington
Taylor, N.C.
Thompson
Traxler
Tsongas
Ullman
Vander Veen
Vanik
Vigorito
Waxman
Weaver
Wirth
Wright
Yates
Young, Ga.
Young, Tex.
Zeferetti

NAYS—195

Abdnor
Anderson,
  Calif.
Anderson, Ill.
Andrews,
  N. Dak.
Archer
Armstrong
Ashbrook
Ashley
Bafalis
Bauman
Beard; Tenn.
Bennett
Bevill
Biester
Breckinridge
Brinkley
Broomfield

Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burleson, Tex.
Butler
Carter
Casey
Cederberg
Clancy
Clausen,
  Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conable

Conlan
Conte
Crane
Daniel, Dan
Daniel, R. W.
Derrick
Derwinski
Devine
Duncan, Oreg.
Duncan, Tenn.
du Pont
Edwards, Ala.
Emery
English
Erlenborn
Esch
Eshleman
Fenwick
Fish

Flowers
Ford, Tenn.
Forsythe
Frenzel
Frey
Fuqua
Gibbons
Gilman
Goldwater
Goodling
Gradison
Grassley
Gude
Guyer
Hagedorn
Hamilton
Hammer-
  schmidt
Hansen
Harsha
Hastings
Hays, Ohio
Heckler, Mass.
Hefner
Henderson
Hicks
Hightower
Hillis
Hinshaw
Holt
Hubbard
Hutchinson
Hyde
Ichord
Jeffords
Jenrette
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Kasten
Kazen
Kelly
Ketchum
Kindness
Krueger
LaFalce
Lagomarsino
Latta

Lent
Levitas
Litton
Lloyd, Tenn.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McEwen
Madigan
Mann
Martin
Mathis
Mazzoli
Melcher
Michel
Milford
Miller, Ohio
Mink
Mitchell, N.Y.
Moore
Moorhead,
  Calif.
Morgan
Murtha
Myers, Ind.
Myers, Pa.
Neal
Nowak
O'Brien
Perkins
Pettis
Peyser
Poage
Pressler
Preyer
Pritchard
Quie
Quillen
Railsback
Regula
Rhodes
Rinaldo
Robinson

Rooney
Rousselot
Runnels
Sarasin
Schulze
Sebelius
Sharp
Shriver
Shuster
Sikes
Skubitz
Slack
Smith, Nebr.
Snyder
Solarz
Spence
Stanton,
  J. William
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stratton
Symms
Talcott
Taylor, Mo.
Thone
Thornton
Treen
Van Deerlin
Vander Jagt
Waggonner
Walsh
Wampler
Whalen
White
Whitehurst
Wiggins
Wilson, Bob
Wilson, Tex.
Winn
Wolff
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Zablocki

ANSWERED "PRESENT"—1

Ruppe

NOT VOTING—54

Barrett
Bell
Boggs
Brooks
Brown, Calif.
Burke, Fla.
Byron
Chisholm
Clay
Coughlin
Dickinson
Diggs
Evins, Tenn.
Findley
Flynt
Fountain
Fulton
Harkin
Hébert

Heinz
Horton
Hungate
Jarman
Johnson, Pa.
Jones, Ala.
Karth
Kemp
McKinney
Mills
Mitchell, Md.
Mollohan
Mosher
Mottl
Murphy, N.Y.
Nix
O'Hara
Passman
Patman, Tex.

Patten, N.J.
Rees
Ryan
Satterfield
Schneebeli
Shipley
Sisk
Staggers
Stanton,
  James V.
Stephens
Stokes
Stuckey
Teague
Udall
Whitten
Wilson, C. H.

So the motion was rejected.

The Clerk announced the following pair:

On this vote:

Mr. O'Hara for, with Mr. Ruppe, against.

Mr. RUPPE. Mr. Speaker, I have a live pair with the gentleman from Michigan (Mr. O'Hara). If he were present he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

Mr. JOHN L. BURTON. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER. *The motion* is not in order since we just had a vote on a similar motion and there has been no intervening business or debate.

Mr. JOHN L. BURTON. Mr. Speaker, I thought a motion to adjourn is always in order.

The SPEAKER. The Chair will take unanimous-consent requests.

Mr. RHODES. Mr. Speaker, I move

that the House recess subject to the call of the Chair.

The SPEAKER. The Chair will state to the gentleman that is not a privileged motion. The Chair cannot entertain that motion at this time.

URGENT NEED TO COMPLETE ACTION ON H.R. 7014

(Mr. BRADEMAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BRADEMAS. Mr. Speaker, I hope very much that in its wisdom the House of Representatives will this evening, on the subsequent motion, decide to adjourn and enable us to get back early in the morning to the energy bill and complete action on the energy bill in order to give the Members of the House of Representatives the constructive record on energy which I am sure, Mr. Speaker, it is the hope of many of the Members on both sides of the aisle to be able to compile.

Mr. ECKHARDT. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER. The question is on the motion.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. LATTA. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 156, nays 194, not voting 84, as follows:

[Roll No. 475]

YEAS—156

Abzug
Adams
Addabbo
Alexander
Ambro
Andrews, N.C.
Aspin
AuCoin
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Bergland
Blanchard
Blouin
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Brodhead
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Carney
Carr
Cornell
Cotter
D'Amours
Daniels, N.J.
Danielson
Davis
Dellums
Dent
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Evans, Colo.
Evans, Ind.
Fary
Fascell
Fisher
Fithian
Flynt
Foley
Ford, Mich.
Fraser
Gaydos
Giaimo
Ginn
Gonzalez
Green
Haley
Hall
Hanley
Harrington
Harris
Hayes, Ind.
Hechler, W. Va.
Helstoski
Holtzman
Howard
Howe
Hughes
Jacobs
Johnson, Calif.
Jones, Okla.
Jordan
Keys
Koch
Krebs
Lloyd, Calif.
Long, La.
McFall
McHugh
McKay
Macdonald
Madden
Maguire
Mahon
Matsunaga
Meeds
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Moakley
Moffett
Moss
Murphy, Ill.
Natcher
Nolan
Oberstar
Obey
O'Neill
Ottinger
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pickle
Pike
Randall
Reuss
Richmond
Riegle
Risenhoover
Rodino
Roe
Rogers
Roncalio
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Russo
St Germain
Sarbanes
Scheuer
Schroeder
Seiberling
Smith, Iowa
Solarz
Spellman
Stark
Steed
Stephens
Studds
Symington
Taylor, N.C.
Thompson
Thornton
Traxler
Vander Veen
Vanik
Vigorito
Weaver
Wirth
Wright
Yatron
Young, Ga.
Young, Tex.
Zeferetti

NAYS—194

Abdnor
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Armstrong
Ashbrook
Ashley
Bafalis
Bauman
Beard, Tenn.
Bennett
Bevill
Biester
Bingham
Breckinridge
Brinkley
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burleson, Tex.
Butler
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Conte
Crane
Daniel, Dan
Daniel, R. W.
Delaney
Derrick
Derwinski
Devine
Duncan, Oreg.
Duncan, Tenn.
du Pont
Edwards, Ala.
English
Erlenborn
Esch
Eshleman
Fenwick
Fish
Flowers
Ford, Tenn.
Forsythe
Frenzel
Frey
Fuqua
Gibbons
Gilman
Goldwater
Goodling
Gradison
Grassley
Gude
Guyer
Hagedorn
Hamilton
Hammerschmidt
Hansen
Harsha
Hastings
Hays, Ohio
Heckler, Mass.
Hefner
Heinz
Henderson
Hicks
Hightower
Hinshaw
Holt
Hubbard
Hutchinson
Hyde
Ichord
Jeffords
Jenrette
Jones, N.C.
Jones, Tenn.
Karth
Kasten
Kazen
Kelly
Ketchum
Kindness
Krueger
LaFalce
Lagomarsino
Latta
Lent
Levitas
Litton
Lloyd, Tenn.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McEwen
McKinney
Madigan
Mann
Martin
Mathis
Mazzoli
Melcher
Michel
Milford
Miller, Ohio
Mink
Mitchell, N.Y.
Moore
Moorhead, Calif.
Morgan
Murtha
Myers, Ind.
Myers, Pa.
Neal
Nowak
O'Brien
Pettis
Peyser
Poage
Pressler
Preyer
Pritchard
Quie
Quillen
Railsback
Regula
Rhodes
Rinaldo
Roberts
Robinson
Rooney
Rousselot
Runnels
Ruppe
Sarasin
Schulze
Sebelius
Sharp
Shriver
Shuster
Sikes
Skubitz
Slack
Smith, Nebr.
Snyder
Spence
Steelman
Steiger, Ariz.
Steiger, Wis.
Stratton
Stuckey
Symms
Talcott
Taylor, Mo.
Thone
Treen
Ullman
Van Deerlin
Vander Jagt
Waggonner
Walsh
Wampler
Whalen
White
Whitehurst
Wilson, Bob
Wilson, Tex.
Winn
Wolff
Wydler
Wylie
Young, Alaska
Young, Fla.
Zablocki

NOT VOTING—84

Annunzio
Archer
Barrett
Bell
Biaggi
Boggs
Brooks
Brown, Calif.
Burke, Calif.
Burke, Fla.
Byron
Chisholm
Clay
Collins, Ill.
Conyers
Corman
Coughlin
de la Garza
Dickinson
Diggs
Emery
Evins, Tenn.
Findley
Flood
Florio
Fountain
Fulton
Hannaford
Harkin
Hawkins
Hébert
Hillis
Holland
Horton
Hungate
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Kastenmeier
Kemp
Landrum
Leggett
Lehman
Long, Md.
Mills
Minish
Mitchell, Md.
Mollohan
Montgomery
Moorhead, Pa.
Mosher
Mottl
Murphy, N.Y.
Nedzi
Nichols
Nix
O'Hara
Passman
Patman, Tex.
Patten, N.J.
Price
Rangel
Rees
Ryan
Santini
Satterfield
Schneebeli
Shipley
Simon
Sisk
Staggers
Stanton, J. William
Stanton, James V.
Stokes
Sullivan
Teague
Tsongas
Udall
Waxman
Whitten
Wiggins
Wilson, C. H.
Yates

So the motion was rejected.

The result of the vote was announced as above recorded.

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. STEIGER of Arizona. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

Mr. ARMSTRONG. Mr. Speaker, reserving the right to object, may I ask a parliamentary inquiry of the Chair?

The SPEAKER. There is no business pending on which a reservation of objection can be made at this time.

Mr. ARMSTRONG. Mr. Speaker, I believe that the gentleman in the well has asked unanimous consent to proceed for 1 minute.

Mr. DINGELL. Mr. Speaker, I withdraw my unanimous-consent request.

Mr. ARMSTRONG. Mr. Speaker, I rise to ask the Chair what is the pending business? Reserving the right to object, may I inquire of the Chair what is the pending business at this time?

The SPEAKER. The Chair recognizes the gentleman from Michigan.

Mr. ARMSTRONG. Mr. Speaker, the gentleman in the well has made a unanimous-consent request.

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to proceed for 1 minute for the purpose of making an announcement.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. LATTA. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

Mr. ARMSTRONG. Mr. Speaker, reserving the right to object.

The SPEAKER. Objection is heard.

Mr. ARMSTRONG. Mr. Speaker, I have a parliamentary inquiry. Mr. Speaker, my parliamentary inquiry is will the Chair state what is the pending business before the House?

The SPEAKER. The Chair will state there is no pending business.

Mr. ARMSTRONG. Mr. Speaker, I ask to be recognized for a special order previously agreed to.

Mr. Speaker, if there is no further pending business, under the special order previously entered into, I believe I am entitled to be recognized.

The SPEAKER. The gentleman from Colorado does not even have the first special order.

Mr. ARMSTRONG. Mr. Speaker, under a previous order of the House I have been granted a special order for 60 minutes. I ask to be recognized at this time for that purpose.

The SPEAKER. The gentleman from Colorado does not have the first special order.

Mr. CONABLE. Mr. Speaker, I believe I have the first special order, and I ask to be recognized.

The SPEAKER. The Chair is not going to recognize any special order at this time, and the Chair has that authority.

Mr. RHODES. Mr. Speaker, I ask unanimous consent that the House recess at the call of the Chair.

Mr. O'NEILL. Mr. Speaker, reserving the right to object, as I understand it at the present time the Turkish-Greek resolution is pending before the Senate. It is my understanding that it started sometime within the last half hour. The gentleman from Alabama (Mr. SPARKMAN) has 2 hours, the gentleman from Washington has 1 hour, and Mr. BYRD has 2 hours. There are 5½ hours of debate.

In view of the fact that there are 5½ hours of debate, that would take us a considerable length of time.

I understand the object of the gentleman.

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. No, not at this time. I do not yield at this time.

As I understand it, we all understand the object that the gentleman would like to get this bill before the House tonight. If it were to pass over there, there is no way that we could force the Committee on Rules to meet.

But I would agree with the suggestion of the gentleman that the House recess subject to the call of the Chair and if the matter does come over from the Senate, of course it does not come directly to the House floor, and it is something the Rules Committee would be cognizant of, and if they do report they could report at any time before 10 o'clock, and tomorrow morning we come in at 10 o'clock.

Mr. RHODES. Mr. Speaker, if the gentleman will yield, it is my understanding the other body will probably vote on this matter by 9:30 or 9:40. All the time available will not be taken. If that is the situation, we can expect the matter to be messaged over here sometime soon after 10:00, and it would be my hope at that time the matter would be given attention immediately by the Rules Committee. I think it is definite that the Rules Committee has a mandate from the House to consider this matter and vote out a rule so it can be considered tomorrow morning in the regular order. It would be my hope certainly this could occur, and recognizing the fact that this can be done without the House being in session, then, Mr. Speaker, if I may address a parliamentary inquiry, is my understanding correct that if the House recesses subject to the call of the Chair, that bills can be received from the other body, and the matter referred to the Rules Committee without calling the House back into session?

The SPEAKER. Reception of the message is not relevant to this situation; the authority of the Rules Committee to file its report is relevant.

Mr. RHODES. Of course, I have not addressed it to the committee filing the report. I had addressed myself to the referral of the matter to the Rules Committee without the House being in session. I ask whether that can be done without the House being in session?

The SPEAKER. The Chair will answer no, since the bill is not referred to the Rules Committee when it comes over.

Mr. RHODES. A further parliamentary inquiry. If the bill comes to the House during the time that the House is in recess, subject to the call of the Chair, what disposition would the Chair make of that?

The SPEAKER. The Chair will have to hold the matter on the Speaker's table until other dispositions are made.

Mr. RHODES. Let me, if I may, further propound a parliamentary inquiry. Would then, according to the customs and usages of the House, the Speaker feel impelled to immediately refer it?

The SPEAKER. The Chair will be explicit and fair. If it comes over it can be referred to the Committee on International Relations or held at the table but not referred to the Committee on Rules.

Mr. RHODES. So that the Committee on International Relations would then have to report the matter to the House and then subsequently the matter could be addressed by the Rules Committee?

The SPEAKER. The Committee on International Relations would request a rule of the Committee on Rules.

Mr. RHODES. Mr. Speaker, could not the Rules Committee meet immediately and report a resolution, taking the matter from the Speaker's table, bypassing the Committee on International Affairs and reporting the matter directly. Is it not possible?

The SPEAKER. That is a possible procedure.

Mr. RHODES. I understand, but it would be my hope the Committee on Rules would consider the House has given it a mandate to bring this matter to the House tomorow in order for it to be considered in the usual manner.

Mr. O'NEILL. Mr. Speaker, in view of the fact the gentleman was going to do it, why does he not go ahead with his motion that the House recess subject to the call of the Chair?

Mr. BROOMFIELD. Mr. Speaker, I reserve the right to object.

Mr. Speaker, this is a tragic shame. We all know why we are here. We are waiting on the Senate to complete action on the bill providing limited arms aid to Turkey. We have the votes in the House to pass it if we can bring it up tomorrow morning. We have enough votes in the Rules Committee to have it reported out, but the chairman of the Rules Committee declines to call a meeting of the committee tonight to report this legislation.

I think it would be unconscionable for this body to be presented, as a result of a denial of the parliamentary process, the opportunity to vote for our national security. It is time we recognize the importance of this issue to the security of our country. We must resolve this issue tomorrow. It cannot wait another 30 days.

Mr. O'NEILL. Mr. Speaker, I am sure technically the gentleman is correct. I am sure the gentleman is aware the matter is tied up and there is no use going through a useless manuever. I am sure the gentleman is aware we are not doing any business. We are not accomplishing anything. The minority leader knows as well as I do apparently it is not possible this matter will reach the floor. So other than bringing this matter to the attention of the public, we are not accomplishing anything, and the gentleman knows that as well as I do.

Mr. RHODES. Mr. Speaker, if the gentleman will yield, I do not have that feeling at all. My feeling was that way until we voted on the motion to adjourn.

Mr. O'NEILL. Mr. Speaker, if it goes to the Committee on Foreign Affairs or the Committee on Intelligence and it is reported, anybody has the right for 3 days to write a minority report on it. That automatically ends it because we have to be through by 12 o'clock tonight. It is the law. We cannot keep the House after 12 o'clock tonight. If there were a hearing by the Committee on Rules, as I understand it, it would be filibustered all along the line. There are people just as intent and sincere on the opposite side of the issue as the gentleman is. Why not go forward with the unanimous consent request?

Mr. RHODES. Mr. Speaker, I have made the unanimous consent request and it stands if there is no objection.

Mr. Speaker, I renew my request.

The SPEAKER. Is there objection to the request of the gentleman from Arizona (Mr. RHODES)?

Mr. BROWN of Michigan. Mr. Speaker, I reserve the right to object.

The SPEAKER. The gentleman from Michigan reserves the right to object.

Mr. BROWN of Michigan. Mr. Speaker, I do that for the purpose of attempting to put the thing in perspective. There is no question if this House is to work its will, which I thought was a principle that that side of the aisle stood for, if this House is to work its will it seems to me that the Speaker and the majority leader and at least some who bear that feeling should speak to the chairman of the Committee on Rules, because we do not have to recess to the call of the Chair. We do not have to be in session for the Committee on Rules to meet. We do have to agree, which seems a sensible thing to do, which is the request I made earlier, that this House permit the Committee on Rules to have until midnight to file a report.

We have to take that step first. A logical thing is for the chairman of the Committee on Rules to at least contact the Committee on Rules and see if they want to meet and to abide by that majority decision, so that the Committee on Rules can meet and if the Committee on Rules by a majority vote decides to provide a rule for this measure that it can be taken up tomorrow.

It seems to me that if anyone believes in letting the House work its will that those two steps should be and must be taken.

Mr. Speaker, I abhor those who will not permit the House to work its will.

Mr. OBEY. Mr. Speaker, I reserve the right to object.

The SPEAKER. The gentleman from Wisconsin reserves the right to object.

Mr. OBEY. Mr. Speaker, I would like to say as one Member on this side of the aisle who has voted to support the administration on the Turkish question that I think the kind of remarks we have heard tonight are illustrative of the fact that a subject this serious should not be debated under these conditions and I think efforts to bring up the matter tonight are irresponsible.

Mr. THOMPSON. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

Mr. THOMPSON. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER. The question is on the motion offered by the gentleman from New Jersey (Mr. THOMPSON).

Mr. RHODES. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 151, nays 198, answered "present" 1, not voting 84, as follows:

[Roll No. 476]

YEAS—151

Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Aspin
AuCoin
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Bergland
Blanchard
Blouin
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Brodhead
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Carney
Carr
Clay
Cornell
Cotter
D'Amours
Daniels, N.J.
Danielson
Davis
Dellums
Dent
Dingell
Dodd
Downey, N.Y.
Drinan
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Evans, Ind.
Fary
Fascell
Fisher
Fithian
Flood
Flynt
Foley
Ford, Mich.
Gaydos
Giaimo
Ginn
Gonzalez
Green
Haley
Hall
Hanley
Harrington
Harris
Hayes, Ind.
Hechler, W. Va.
Hefner
Helstoski
Holtzman
Howard
Howe
Hughes
Johnson, Calif.
Jones, Okla.
Jordan
Keys
Koch
Krebs
Lloyd, Calif.
Long, La.
McFall
McHugh
McKay
Macdonald
Madden
Maguire
Matsunaga
Meeds
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Mink
Moakley
Moffett
Moss
Murphy, Ill.
Natcher
Nolan
Oberstar
Obey
O'Neill
Ottinger
Patterson, Calif.
Pattison, N.Y.
Pepper
Pickle
Pike
Reuss
Richmond
Riegle
Risenhoover
Rodino
Roe
Rogers
Roncalio
Rosenthal
Rostenkowski
Roush
Roybal
Russo
St Germain
Sarbanes
Scheuer
Schroeder
Seiberling
Smith, Iowa
Spellman
Steed
Studds
Sullivan
Symington
Taylor, N.C.
Thompson
Thornton
Traxler
Vander Veen
Vanik
Vigorito
Weaver
Whitehurst
Wirth
Wright
Young, Ga.
Young, Tex.
Zeferetti

NAYS—198

Abdnor
Anderson, Ill.
Andrews, N. Dak.
Armstrong
Ashbrook
Ashley
Bafalis
Bauman
Beard, Tenn.
Bennett
Bevill
Biester
Bingham
Breckinridge
Brinkley
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burleson, Tex.
Butler
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Conte
Crane
Daniel, Dan
Daniel, R. W.
Delaney
Derrick
Derwinski
Devine
Downing, Va.
Duncan, Oreg.
Duncan, Tenn.
du Pont
Edwards, Ala.
English
Erlenborn
Esch
Fenwick
Fish
Flowers
Ford, Tenn.
Forsythe
Fraser
Frenzel
Frey
Fuqua
Gibbons
Gilman
Goldwater
Goodling
Gradison
Grassley
Gude
Guyer
Hagedorn
Hamilton
Hammerschmidt
Hansen
Harsha
Hastings
Hays, Ohio
Heckler, Mass.
Heinz
Henderson
Hicks
Hightower
Hinshaw
Holt
Hubbard
Hutchinson
Hyde
Ichord
Jeffords
Jenrette
Jones, N.C.
Jones, Tenn.
Karth
Kasten
Kazen
Kelly
Ketchum
Kindness
Krueger
LaFalce
Lagomarsino
Latta
Leggett
Lent
Levitas
Litton
Lloyd, Tenn.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McEwen
McKinney
Madigan
Mahon
Mann
Martin
Mathis
Mazzoli
Melcher
Michel
Milford
Miller, Ohio
Mitchell, N.Y.
Moore
Moorhead, Calif.
Morgan
Murtha
Myers, Ind.
Myers, Pa.
Neal
Nowak
O'Brien
Perkins
Pettis
Peyser
Poage
Pressler
Preyer
Pritchard
Quie
Quillen
Railsback
Randall
Regula
Rhodes
Rinaldo
Roberts
Robinson
Rooney
Rousselot
Runnels
Ruppe
Sarasin
Schulze
Sebelius
Sharp
Shriver
Shuster
Sikes
Skubitz
Slack
Smith, Nebr.
Snyder
Solarz
Spence
Steelman
Steiger, Ariz.
Steiger, Wis.
Stratton
Stuckey
Symms
Talcott
Taylor, Mo.
Thone
Treen
Ullman
Van Deerlin
Vander Jagt
Waggonner
Walsh
Wampler
Whalen
White
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wolff
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Zablocki

ANSWERED "PRESENT"—1

Jacobs

NOT VOTING—84

Annunzio
Archer
Barrett
Bell
Biaggi
Boggs
Brooks
Brown, Calif.
Burke, Calif.
Burke, Fla.
Byron
Chisholm
Collins, Ill.
Conyers
Corman
Coughlin
de la Garza
Dickinson
Diggs
Emery
Eshleman
Evans, Colo.
Evins, Tenn.
Findley
Florio
Fountain
Fulton
Hannaford
Harkin
Hawkins
Hébert
Hillis
Holland
Horton
Hungate
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Kastenmeier
Kemp
Landrum
Lehman
Long, Md.
Mills
Minish
Mitchell, Md.
Mollohan
Montgomery
Moorhead, Pa.
Mosher
Mottl
Murphy, N.Y.
Nedzi
Nichols
Nix
O'Hara
Passman
Patman, Tex.
Patten, N.J.
Price
Rangel
Rees
Rose
Ryan
Santini
Satterfield
Schneebeli
Shipley
Simon
Sisk
Staggers
Stanton, J. William
Stanton, James V.
Stark
Stephens
Stokes
Teague
Tsongas
Udall
Waxman
Whitten
Wiggins
Yates

So the motion was rejected.

The result of the vote was announced as above recorded.

PARLIAMENTARY INQUIRY

Mr. WAGGONNER. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore (Mr. BOLLING). The gentleman will state his parliamentary inquiry.

Mr. WAGGONNER. Specifically, Mr. Speaker, I rise to make a parliamentary inquiry with the hope that I can break this impasse, and I need enough indulgence on the part of the Chair to clarify, I might say, the issue at hand.

Mr. Speaker, is it not correct to say that if a unanimous-consent request to allow the Committee on Rules until midnight to file a report on the Turkish aid issue now being debated by the other body, was granted, that the House could then adjourn and at the same time work its will because then, if the Committee on Rules files a report, it could be considered then under the rules of the House, and if they did not file a report, the issue would be moot?

The SPEAKER pro tempore. The Chair will state that that is an accurate statement of the situation, as the Chair understands it.

Mr. WAGGONNER. Mr. Speaker, in an effort to break the impasse, I ask unanimous consent that the Committee on Rules be allowed until midnight to file a report on the Turkish said issue now being considered by the other body.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

Mr. CEDERBERG. Mr. Speaker, reserving the right to object, first, I would just like to say that during the years that I have had the honor and responsibility of serving in this body under Presidents of both political parties, this is the first time that I have ever seen that this House would deny the request of a President to have it consider a matter that he considers to be a national security matter, an emergency matter connected with our national security. I have never seen that before.

Further reserving the right to object, Mr. Speaker, and I will object unless we can get some assurance from the Committee on Rules that what the gentleman from Louisiana (Mr. WAGGONNER) states will occur, we can grant the unanimous-consent request and be right back where we were in not allowing this House to have the opportunity to consider a matter of urgent national security that the President of the United States and many in this body and in the other body, which is considering it now, want us to consider. I just cannot believe this.

Mr. JOHN L. BURTON. Mr. Speaker, reserving the right to object, as someone who has been here a little over a year, I think the House has considered this matter 6 or 7 times; and it is not, as stated, just that urgent.

All of a sudden now it is being said that we are failing to face a responsibility of great magnitude that just appeared on the horizon.

We have dealt with the issue several times. The House has worked its will several times. And, for all we know, the chairman of the Committee on Rules might have to go to see if his barn burned down, if he had a barn, which I understand is the basic custom for Chairman of the Committee on Rules when important legislation is before it—they have to go and inspect their barns.

But, really, I would just kind of hope that that procedure would not be used, if the Senate works its will, and the matter comes over here, and the House wants to do something about it in an orderly fashion, fine. But we have debated this matter five or six times before. The House has worked its will, and now we are being told, zip-zap, in the middle of an energy crisis with people going everywhere—and I will not be going anywhere, I will be here all August—we are asked to deal with a problem of this magnitude.

Mr. DU PONT. Mr. Speaker, reserving the right to object, with all due respect to the gentleman from California, I think that I can state correctly that since the last time we voted on this issue there has been a dramatic change on the factual situation.

Our intelligence data-gathering capabilities were intact the last time we considered this matter, and that data is not being gathered now.

Mr. Speaker, I speak as one who has not sided with the administration on the Turkish question, and I do not believe that I could honestly side with it tomorrow if a vote occurs on this matter. But I do believe that the matter is of urgent international importance and of urgent importance to the security of the United States, and I cannot believe that the House of Representatives cannot find a procedure whereby this important issue can be voted on tomorrow, considering the shape we are in.

Mr. JOHN L. BURTON. Mr. Speaker, will the gentleman yield?

Mr. DU PONT. I yield to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Speaker, I thank the gentleman for yielding, and all I would like to say is that if there are so many facts that could be brought to the attention of this body that would have the probability of changing the position that has been taken on this matter which has been debated upon many times, that it should not be done in an untoward manner. It should go through the regular process and not through an emergency process, so that we could determine whether the intelligence situation there is such as to change our vote and what we consider to be in the best interests of our country.

Mr. DU PONT. Further reserving the right to object, Mr. Speaker, I would say to the gentleman from California that we do have an emergency, and if an emergency procedure is necessary then we ought to adapt ourselves to the facts at hand.

Mr. JOHN L. BURTON. How could the facts be brought to our attention?

Mr. CEDERBERG. Mr. Speaker, further reserving the right to object, I think the emergency situation we are faced with today is that we all know we are under an adjournment resolution that we have agreed upon, and we will not be here next week to consider the matter. That is what makes this an emergency situation. It is one that the President has said he considers a matter of national emergency. It is not only Turkey that is involved, but the whole Middle East is involved, or could be involved.

Mr. BROOMFIELD. Mr. Speaker, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman.

Mr. BROOMFIELD. Mr. Speaker, I would like to make a couple of observations as to the real difficulty that the President is facing, and that is that the President has been in touch with his White House aides, as I am informed, and he is pleading that we have another opportunity in the House for a reconsideration of this matter.

So I consider this to be an emergency situation, as the gentleman from Michigan (Mr. CEDERBERG) has pointed out.

To have this House denied the opportunity to consider this matter because of political maneuvers, and not to give us the opportunity to vote on this, I think is disgraceful, especially because I believe that we do have the votes to pass this issue come tomorrow.

Mr. WOLFF. Mr. Speaker, further reserving the right to object, the gentleman has indicated that new facts have come to light. I would like to inform the Members of the House—and this is taken from the AP ticker, which says:

> President Ford offered today to give Turkey $50 million in military aid in exchange for the reopening of American bases, but was turned down, according to Secretary of State Henry Kissinger.

Mr. CEDERBERG. Mr. Speaker, further reserving the right to object, if I were part of the Turkish Government I would turn it down in light of the action we have taken here.

That is what makes it an urgent national security matter.

Mr. BROOMFIELD. If the gentleman will yield still further, I believe it should be clarified as to what the gentleman from New York was talking about, on the offer of the $50 million. The Turks did not want a gift; they want that for which they have paid, and which is in the pipeline. I think that most of the Members of this Congress well know that they do not want a gift, they simply want that which we were obligated to do before February 5.

Mr. WOLFF. Further reserving the right to object, the Turks have been interested in grant in aid all along, which was the only aid they could possibly get other than the offer of military sales under the limitation. Therefore when the President has the opportunity of giving them aid he offered it to them, he offered them the opportunity of getting $50 million in aid, and they thumbed their noses at us.

Mr. DU PONT. Mr. Speaker, I decline to yield further.

I would say that the issue is not aid to Turkey. The issue is whether the House of Representatives is going to have an opportunity to vote on a question of this importance. As I say, I cannot imagine our adjourning without having that opportunity.

Mr. MILFORD. Reserving the right to object, Mr. Speaker, would it not be a fact that if, indeed, the President considered it to be a national emergency situation that he could call this Congress back into session after we leave on the recess?

The SPEAKER. The President has authority under the Constitution to convene the Congress or either House.

Mr. ROUSSELOT. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

PARLIAMENTARY INQUIRY

Mr. WAGGONNER. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. WAGGONNER. Is the objection to my unanimous consent request?

The SPEAKER. It is the only unanimous consent request pending, as far as the Chair knows.

PARLIAMENTARY INQUIRY

Mr. FASCELL. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. FASCELL. Mr. Speaker, there have been some remarks made that the House would be denied its will and there would be no way to consider the matter in the event the other body agreed to some legislation tonight. Am I correct in the proposition that if a bill is passed by the other body tonight, there is a procedure under the rules whereby the matter could be considered tomorrow?

The SPEAKER. Of course, there are various ways.

Mr. FASCELL. So there is no denial of due process.

The SPEAKER. The Chair will state this. The regular rule is that if a report from the Rules Committee has to go over 1 day or it, takes a two-thirds vote for consideration on the day reported. The other way is that a unanimous-consent request can be made, and if the Committee on Rules can file it by 10 o'clock tomorrow, and the House adjourns tonight, then it will take a majority vote for consideration tomorrow after the House meets, just as it always does on a subsequent legislative day.

REQUEST FOR PERMISSION FOR COMMITTEE ON RULES TO HAVE UNTIL 10 O'CLOCK TOMORROW TO FILE A PRIVILEGED REPORT

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until 10 o'clock tomorrow morning to file a privileged report.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. LATTA. Mr. Speaker, reserving the right to object, and I probably will not object, I just want to clarify one point. We are assuming under the motion of the gentleman from Missouri that the chairman of the Committee on Rules will call the Committee on Rules together for the purpose of reporting out the resolution I have in my hand now, which provides as follows:

> *Resolved*, That immediately upon the adoption of this resolution, it shall be in order to take from the Speaker's table, notwithstanding any rule of the House of Representatives, the bill S. 2230 to authorize appropriations to the Board of International Broadcasting for fiscal year 1976, and to promote—

Mr. WOLFF. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

Mr. LATTA. Mr. Speaker, I ask unanimous consent to proceed for 1 minute so that the House will know something about this resolution that they have not even heard yet.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The SPEAKER. The Chair recognizes the gentleman from Ohio (Mr. LATTA) for 1 minute.

RESOLUTION MAKING IN ORDER CONSIDERATION OF S. 2230

Mr. LATTA. Mr. Speaker, I would like once again to call the attention of the House to this resolution which would be taken up by the Committee on Rules, providing the chairman of the Committee on Rules would call the Committee on Rules together. The chairman of the Committee on Rules has already told me tonight that he would not call the Committee on Rules together until September 9 after the recess.

I have heard that the Democratic majority of the Rules Committee is an arm of the Democratic leadership, so it would be incumbent upon the leadership of this House to instruct the chairman of the Rules Committee to call the Rules Committee together before 10 o'clock tomorrow morning if we are going to adopt the motion made by the gentleman from Missouri.

This is the resolution that would be before the House provided the chairman of the Rules Committee is instructed by the House Democratic leadership to call the Rules Committee together by 10 o'clock tomorrow morning:

Resolved, That immediately upon the adoption of this resolution it shall be in order to take from the Speaker's table, notwithstanding any rule of the House of Representatives, the bill S. 2230, to authorize appropriations for the Board for International Broadcasting for fiscal year 1976; and to promote improved relations between the U.S., Greece, and Turkey, to assist in the solution of the refugee problem on Cyprus, and to otherwise strengthen the North Atlantic Alliance, and to consider said bill in the House.

This would be the resolution before the Rules Committee provided the Rules Committee meets tomorrow. Until the Rules Committee is called together we cannot report out that resolution. The buck stops here, so let those with the means to get action proceed to do so.

Mr. MADDEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Speaker, considering the fact that my name has been mentioned so often here I do think I ought to have just a word in defense against some of the things that have been said. I have been in Congress for a long while and this is my 33d year. I have seen many an adjournment and I have seen many a recess and I am talking mainly to the new Members, the freshmen, here tonight. Every piece of legislation that cannot stand the light of day, that the people of this country should be kept away from understanding comes to the House floor in the 11th hour of adjournment or recess.

Now I say to the new Members: Why was this Turkish grant legislation not brought in here a week ago or 2 weeks ago? Why? There is no answer for that.

It is because the proponents wanted to stage this kind of crisis.

I talked to my friend, the gentleman from Ohio (Mr. LATTA), whom I respect very much, who is a member of our committee, and I have observed him over the years. He is always wanting to let the people back home know what is going on in the Congress.

For the information of the Members I have made three trips back home in the last month. During the recess over the Fourth of July I was back there and the last two Sundays I attended several picnics of my constituents.

Mr. Speaker, these picnic gatherings were almost unanimous in criticism of this Turkish grant legislation. I did not hear a person there speak for it, and there were speeches made and I received comments for fighting it and voting against it.

Now 2 weeks ago Sunday, and the newspapers are out there if Members want to check on it, I attended a Greek picnic and many other ethnic groups were there from my district of South Chicago and there were over 6,000 people there when I was addressing the gathering. The response against this Turkey grant was almost unanimous.

Those here tonight should have heard the speeches about providing the Turkish Government with more artillery and tanks. I can speak with authority to the freshmen Members. I was chairman of the Katyn-Massacre Committee that held hearings in Europe and came back to this country and exposed the barbarous, inhuman massacres of Polish people committed by Soviets in World War II. About 14 million Poles were massacred. But listen, we do not have to go back to Stalin or Khrushchev. Within the last 12 months the leaders of the Turkish Government with our armaments and our tanks went in and massacred thousands of people of Cyprus. They took over 40 percent of that nation's land, the best land there, and here we want to send a couple hundred million dollars and armament over to that nation for maybe further aggression.

I think it is time that we should want to press this thing through at midnight before the adjournment, because we cannot go home and justify this outrageous tossing away of the American taxpayers' money to an aggressive nation.

Mr. STRATTON. Mr. Speaker, will the gentleman yield?

Mr. MADDEN. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Speaker, I understand the gentleman's sentiments with respect to this issue, but if the President of the United States says that our security could be adversely affected, what is the gentleman's position on that?

Mr. MADDEN. Mr. Speaker, I refuse to yield any more.

Mr. Speaker, now, I am going to close by reminding the Members what a bad experience we had with Turkey on the poppy weed and it cost us millions of dollars when Turkey did not carry out their agreement.

Remember, about a week before the 1972 election Mr. Kissinger and President Nixon went on a national hookup. This was about a week before the election and they said, "Peace in our time." That was as phoney as what this propaganda we hear that our taxpayers must subsidize Turkey to continue its aggressions on American money and armament.

Mr. Speaker, I move that the House do now adjourn.

The SPEAKER. The question is on the motion offered by the gentleman from Indiana (Mr. MADDEN).

Mr. RHODES. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 140, nays 200, not voting 94, as follows:

[Roll No. 477]

YEAS—140

Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Andrews, N.C.
Aspin
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Bergland
Blanchard
Blouin
Boland
Bolling
Bonker
Brademas
Brodhead
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Carr
Collins, Ill.
Cornell
Cotter
D'Amours
Daniels, N.J.
Danielson
Davis
Dellums
Dent
Derwinski
Dingell
Dodd
Downey, N.Y.
Drinan
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Evans, Ind.
Fary
Fascell
Fisher
Fithian
Flood
Flynt
Foley
Gaydos
Giaimo
Ginn
Gonzalez
Green
Haley
Hall
Hanley
Harris
Hayes, Ind.
Hechler, W. Va.
Hefner
Helstoski
Holland
Holtzman
Howard
Howe
Hughes
Johnson, Calif.
Jordan
Koch
Krebs
Lehman
Lloyd, Calif.
Long, La.
McFall
McHugh
McKay
Macdonald
Maguire
Matsunaga
Meeds
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Mink
Moakley
Moffett
Mottl
Murphy, Ill.
Natcher
Nolan
Oberstar
Obey
O'Neill
Ottinger
Patterson, Calif.
Pattison, N.Y.
Pepper
Pickle
Pike
Reuss
Richmond
Riegle
Rodino
Roe
Rogers
Roncalio
Rosenthal
Rostenkowski
Roush
Roybal
Russo
St Germain
Sarbanes
Scheuer
Schroeder
Seiberling
Smith, Iowa
Spellman
Steed
Studds
Sullivan
Symington
Taylor, N.C.
Thompson
Thornton
Traxler
Vander Veen
Weaver
White
Wirth
Young, Ga.
Young, Tex.
Zeferetti

NAYS—200

Abdnor
Anderson, Ill.
Andrews, N. Dak.
Armstrong
Ashbrook
Ashley
AuCoin
Bafalis
Bauman
Beard, Tenn.
Bennett
Bevill
Biester
Bingham
Breaux
Breckinridge
Brinkley
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burleson, Tex.
Butler
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Conte
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
Delaney
Derrick
Devine
Downing, Va.
Duncan, Oreg.
Duncan, Tenn.
du Pont
Edwards, Ala.
English
Erlenborn
Esch
Fenwick
Fish
Flowers
Ford, Tenn.
Forsythe
Fraser
Frenzel
Frey
Fuqua
Gibbons
Gilman
Goldwater
Goodling
Gradison
Grassley
Gude
Guyer
Hagedorn
Hamilton
Hammerschmidt
Hansen
Harsha
Hastings
Heckler, Mass.
Heinz
Henderson
Hicks
Hightower
Hinshaw
Holt
Hubbard
Hutchinson
Hyde
Ichord
Jeffords
Jenrette

Jones, N.C.
Jones, Okla.
Jones, Tenn.
Karth
Kasten
Kazen
Kelly
Ketchum
Kindness
Krueger
Lagomarsino
Latta
Leggett
Lent
Levitas
Litton
Lloyd, Tenn.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McEwen
McKinney
Madigan
Mahon
Mann
Martin
Mathis
Mazzoli
Melcher
Michel
Milford
Miller, Ohio
Mitchell, N.Y.
Moore
Moorhead, Calif.
Morgan
Murtha
Myers, Ind.
Myers, Pa.
Neal
Nowak
O'Brien
Perkins
Pettis
Peyser
Poage
Pressler
Preyer
Pritchard
Quie
Quillen
Railsback
Randall
Regula
Rhodes
Rinaldo
Roberts
Robinson
Rooney
Rousselot
Runnels
Ruppe
Sarasin
Schulze
Sebelius
Sharp
Shriver
Shuster
Sikes
Skubitz
Slack
Smith, Nebr.
Snyder
Solarz
Spence
Steelman
Steiger, Ariz.
Steiger, Wis.
Stratton
Stuckey
Symms
Talcott
Taylor, Mo.
Thone
Treen
Ullman
Van Deerlin
Vander Jagt
Vanik
Waggonner
Walsh
Wampler
Whalen
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wolff
Wright
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Zablocki

NOT VOTING—94

Ambro
Annunzio
Archer
Barrett
Bell
Biaggi
Boggs
Bowen
Brooks
Brown, Calif.
Burke, Calif.
Burke, Fla.
Byron
Carney
Chisholm
Clay
Conyers
Corman
de la Garza
Dickinson
Diggs
Emery
Eshleman
Evans, Colo.
Evins, Tenn.
Findley
Florio
Ford, Mich.
Fountain
Fulton
Hannaford
Harkin
Harrington
Hawkins
Hays, Ohio
Hébert
Hillis
Horton
Hungate
Jacobs
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Kastenmeier
Kemp
Keys
LaFalce
Landrum
Long, Md.
Madden
Mills
Minish
Mitchell, Md.
Mollohan
Montgomery
Moorhead, Pa.
Mosher
Moss
Murphy, N.Y.
Nedzi
Nichols
Nix
O'Hara
Passman
Patman, Tex.
Patten, N.J.
Price
Rangel
Rees
Risenhoover
Rose
Ryan
Santini
Satterfield
Schneebeli
Shipley
Simon
Sisk
Staggers
Stanton, J. William
Stanton, James V.
Stark
Stephens
Stokes
Teague
Tsongas
Udall
Vigorito
Waxman
Whitehurst
Whitten
Wiggins
Yates

So the motion was rejected.

The result of the vote was announced as above recorded.

Mr. PHILLIP BURTON. Mr. Speaker, I make a point of order that a quorum is not present.

POINT OF ORDER

Mr. BAUMAN. Mr. Speaker, I make a point of order.

The SPEAKER. The gentleman from Maryland will state his point of order.

Mr. BAUMAN. Mr. Speaker, I would like to make the point of order to this effect: Under the new rules of the House, is it not true that once the House has proceeded to the closing business of the day, granting requests for absences and special orders, that it is no longer in order to make a point of order that a quorum is not present?

The SPEAKER. The Chair has not started to recognize Members for special orders yet. All the business on the Chair's desk has been completed.

Mr. BAUMAN. Mr. Speaker, the personal requests have already been read from the desk.

The SPEAKER. The Chair had not started recognizing Members for special orders.

Mr. BAUMAN. Mr. Speaker, I make the point of order that the rules preclude a quorum at this point because personal requests have already been read from the desk. A leave of absence was granted to the gentleman from Texas (Mr. TEAGUE).

Under the new rules, Mr. Speaker, a quorum does not lie after this point of business in the day.

The SPEAKER. If the Chair understands the gentleman's point of order, it relates to the fact, which is a new rule, not the rule we used to follow. The rule is that once a special order has started, the Member who has the special order and is speaking cannot be taken off his feet by a point of order of no quorum. However, there is nothing in the rules of which the Chair is aware that requires the Chair to begin to call a special order at any particular time.

Mr. BAUMAN. Mr. Speaker, I move, under rule XXV that the House proceed to recognize the Members previously ordered to have special orders today, and on that I ask for a rollcall vote.

Mr. BLOUIN. Mr. Speaker, I move that the House do now adjourn.

The question was taken.

Mr. BAUMAN. Mr. Speaker, on that, I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 137, nays 202, not voting 95, as follows:

[Roll No. 478]

YEAS—137

Abzug
Addabbo
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Aspin
AuCoin
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Bergland
Blanchard
Blouin
Boland
Bolling
Bonker
Brademas
Brodhead
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Carr
Clay
Collins, Ill.
Cornell
Cotter
D'Amours
Daniels, N.J.
Danielson
Davis
Dellums
Dent
Derwinski
Dingell
Dodd
Downey, N.Y.
Drinan
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Evans, Ind.
Fary
Fascell
Fisher
Fithian
Flood
Flynt
Foley
Gaydos
Giaimo
Ginn
Gonzalez
Green
Haley
Hall
Hanley
Harris
Hayes, Ind.
Hechler, W. Va.
Helstoski
Holtzman
Howard
Howe
Hughes
Johnson, Calif.
Jordan
Koch
Krebs
Lehman
Lloyd, Calif.
Long, La.
McFall
McHugh
McKay
Macdonald
Madden
Maguire
Matsunaga
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Minish
Mink
Moakley
Moffett
Mottl
Murphy, Ill.
Natcher
Nolan
Oberstar
O'Neill
Ottinger
Pattison, N.Y.
Pepper
Pickle
Pike
Reuss
Richmond
Riegle
Rodino
Roe
Rogers
Roncalio
Rosenthal
Rostenkowski
Roush
Roybal
Russo
St Germain
Sarbanes
Scheuer
Schroeder
Seiberling
Shipley
Smith, Iowa
Spellman
Studds
Sullivan
Symington
Thompson
Thornton
Traxler
Vander Veen
Weaver
Wirth
Young, Ga.
Young, Tex.
Zeferetti

NAYS—202

Abdnor
Anderson, Ill.
Andrews, N. Dak.
Armstrong
Ashbrook
Ashley
Bafalis
Bauman
Beard, Tenn.
Bennett
Bevill
Biester
Bingham
Breaux
Breckinridge
Brinkley
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burleson, Tex.
Butler
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cohen
Collins, Tex.
Conable
Conlan
Conte
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
Delaney
Derrick
Devine
Downing, Va.
Duncan, Oreg.
Duncan, Tenn.
du Pont
Edwards, Ala.
English
Erlenborn
Fenwick
Fish
Flowers
Ford, Tenn.
Forsythe
Fraser
Frenzel
Frey
Fuqua
Gibbons
Gilman
Goldwater
Goodling
Gradison
Grassley
Gude
Guyer
Hagedorn
Hamilton
Hammerschmidt
Hansen
Harsha
Hastings
Hays, Ohio
Heckler, Mass.
Hefner
Heinz
Henderson
Hicks
Hightower
Hinshaw
Holt
Hubbard
Hutchinson
Hyde
Ichord
Jeffords
Jenrette
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Karth
Kasten
Kazen
Kelly
Ketchum
Kindness
Krueger
LaFalce
Lagomarsino
Latta
Leggett
Lent
Levitas
Litton
Lloyd, Tenn.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McEwen
McKinney
Madigan
Mahon
Mann
Martin
Mathis
Mazzoli
Melcher
Michel
Milford
Miller, Ohio
Mitchell, N.Y.
Moore
Moorhead, Calif.
Morgan
Murtha
Myers, Ind.
Myers, Pa.
Neal
Nowak
O'Brien
Patterson, Calif.
Perkins
Pettis
Peyser
Poage
Pressler
Preyer
Pritchard
Quie
Quillen
Railsback
Randall
Regula
Rhodes
Rinaldo
Roberts
Robinson
Rooney
Rousselot
Runnels
Ruppe
Sarasin
Schulze
Sebelius
Sharp
Shriver
Shuster
Sikes
Skubitz
Slack
Smith, Nebr.
Snyder
Solarz
Spence
Steelman
Steiger, Ariz.
Steiger, Wis.
Stratton
Stuckey
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thone
Treen
Ullman
Van Deerlin
Vander Jagt
Vanik
Waggonner
Walsh
Wampler
Whalen
White
Wilson, Bob
Wilson, Tex.
Winn
Wolff
Wright
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Zablocki

NOT VOTING—95

Adams
Annunzio
Archer
Barrett
Bell
Biaggi
Boggs
Bowen
Brooks
Brown, Calif.
Burke, Calif.
Burke, Fla.
Byron
Carney
Chisholm
Cochran
Conyers
Corman
de la Garza
Dickinson
Diggs
Emery
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Findley
Florio
Ford, Mich.
Fountain
Fulton
Hannaford
Harkin
Harrington
Hawkins
Hébert
Hillis
Holland
Horton
Hungate
Jacobs
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Kastenmeier
Kemp
Keys
Landrum
Long, Md.
Meeds
Mills
Mitchell, Md.
Mollohan
Montgomery
Moorhead, Pa.
Mosher
Moss
Murphy, N.Y.
Nedzi
Nichols
Nix
Obey
O'Hara
Passman
Patman, Tex.
Patten, N.J.
Price
Rangel
Rees
Risenhoover
Rose
Ryan
Santini
Satterfield
Schneebeli
Simon
Sisk
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Stephens
Stokes
Teague
Tsongas
Udall
Vigorito
Waxman
Whitehurst
Whitten
Wiggins
Wilson, C. H.
Yates

So the motion was rejected.

The result of the vote was announced as above recorded.

THE TURKISH RESOLUTION

(Mr. O'NEILL asked and was given permission to address the House for 1 minute.)

Mr. O'NEILL. Mr. Speaker, I am sure we are all aware of the situation. The situation is this, that the Senate has a motion to reconsider at the present time on the Turkish resolution. This motion comes before the final vote and then after the motion to reconsider, they can vote again. If the bill is passed in the Senate, the normal procedure would be to send it to the House. The normal procedure is that they usually send it by U.S. mail, but tonight they may bring it by messenger. When it comes by messenger it is really put in the top drawer. No motion is made or anything like that to refer to the committee. It is just before the Committee on Rules and they would automatically take it up when they see fit.

Mr. Speaker, I see no sense in staying here at the present time, so I would ask unanimous consent that the House be in recess until 11 o'clock. At that time most likely the Senate would be through and we would have a better idea.

Mr. ANDERSON of Illinois. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from Illinois.

Mr. ANDERSON of Illinois. Mr. Speaker, is the gentleman suggesting we recess until 11 o'clock tomorrow morning?

Mr. O'NEILL. 11 o'clock this evening.

Mr. ANDERSON of Illinois. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

PRIVILEGE OF THE HOUSE

Mr. ANDERSON of Illinois. Mr. Speaker, I rise to a point of privilege of the House.

AUTHORIZATION FOR COMMITTEE ON RULES TO MEET JULY 31, AT 11 O'CLOCK P.M.

Mr. Speaker, I send to the desk a privileged resolution, and ask for immediate consideration of the resolution.

The Clerk read the resolution, as follows:

> H. RES. —
>
> Whereas the Chairman of the Committee on Rules is unable to be present and preside over said committee: And Whereas there is no one else authorized to act for him in calling said committee together and presiding over its deliberations;
>
> Whereas it is vitally necessary that said committee meet and consider legislation without delay: Therefore be it:
>
> *Resolved*, That the members of said committee on Rules, be, and they are hereby, authorized to and directed to meet in the Committee room now provided for said Committee on Thursday, July 31st at 11 p.m., to elect a temporary Chairman and consider Special Orders of Business.

Mr. ANDERSON of Illinois. Mr. Speaker, I ask to be heard on the privileged resolution.

The SPEAKER. The gentleman may be heard.

Mr. O'NEILL. Mr. Speaker, the gentleman has not presented a privileged resolution.

The SPEAKER. The Chair is going to hear the gentleman on the resolution.

Mr. ANDERSON of Illinois. I thank the Speaker.

Mr. Speaker, I would quote from volume 6 of Cannon's Precedents of the House of Representatives, page 816, paragraph 577.

The attention of the House was directed to the question of the—

> Lack of authority to convene a committee in the absence of the chairman having prevented the consideration of legislation, a resolution directing the committee to meet at a designated time was held to involve a question of the privilege of the House.
>
> On January 29, 1931, Mr. John E. Rankin, of Mississippi, offered, as involving the privilege of the House, the following resolution:
>
> Whereas the chairman of the Committee on World War Veterans' Legislation is unavoidably absent on account of illness and unable to be present and preside over said committee; and
>
> Whereas there is no one else authorized to act for him in calling said committee together and presiding over its deliberations; and
>
> Whereas there are pending before that committee various and sundry bills providing for relief for the disabled veterans of the World War, their widows, and orphans; and
>
> Whereas it is vitally necessary that said committee meet and consider such legislation without delay: Therefore be it
>
> *Resolved*, That the members of the said Committee on World War Veterans' Legislation be, and they are hereby, authorized and directed to meet in the committee room now provided for said committee on Tuesday, February 3, 1931, at 10 o'clock a.m., to elect a temporary chairman and consider the legislation pending before said committee.
>
> Mr. Cary E. Mapes, of Michigan, questioned the privilege of the resolution.
>
> The Speaker ruled:
>
> The Chair is inclined to think that inasmuch as this committee is a legislative agent of the House and the question deals with legislative procedure, it is a matter of privilege.
>
> The Chair desires to emphasize the fact that he has said repeatedly it is always within the power of the House to call a meeting of a committee if it so desires under such circumstances as these.

Mr. Speaker, I was just informed a few minutes before the last rollcall by the distinguished chairman of the Committee on Rules, the gentleman from Indiana (Mr. MADDEN) that he was going home; he was leaving the Hill.

I would suggest, therefore, that there is no one capable at this hour, therefore, of convening the committee, and that in the absence of the chairman, under the precedent I have just cited it is a question of the privilege of the House, and the Chair would therefore be in order in ruling that the resolution that I have just offered is in order for consideration.

The SPEAKER. The Chair is prepared to rule. The gentleman has found an interesting precedent, except that it is not on all fours with the situation confronting the House tonight. In the precedent cited by the gentleman, it specifically stated that the chairman of the committee was unavoidably absent on account of illness and unable to be present and preside over the said committee.

That situation of course, we know, or did know just a few minutes ago, does not prevail in the committee of this particular chairman. We have been further informed that the chairman is returning to the chamber. He will be here and will be able to call or not to call a meeting within his own discretion.

To rule otherwise would permit a change of the rules of the House under the guise of a question of privilege of the House. The Chair would also cite, under the privileges of the House: Chapter 11, Section 1.7 of Deschler's Procedure:

> A question of the privileges of the House may not be invoked to effect a change in the rules of the House.

The gentleman from Illinois was the Member involved in that ruling relating to his attempt to bring up "H. Res. 1203, requesting the Committee on Rules to make in order the consideration by the House of H. Res. 988."

In other words, it comes down to this: The facts are different.

The gentleman is an attorney.

It is clearly against the rules of the House to merely change the rules of the House under the guise of a question of the privilege of the House.

Mr. ANDERSON of Illinois. Mr. Speaker, may I be heard briefly in reply to the Chair?

The SPEAKER. The gentleman may be heard.

Mr. ANDERSON of Illinois. Mr. Speaker, I would call the Speaker's attention, most respectfully, to the final sentence that I read in the ruling of the Speaker in the case which I cited, where the Chair desired to emphasize that he has repeatedly said that it is always within the power of the House to call a meeting of the committee if it so desires under such circumstances as these. Despite the difference in circumstances that has been cited by the Chair, the fact remains that the chairman is absent; that he is unable to call a meeting of that committee, and I would ask for a vote on the resolution.

The SPEAKER. But the circumstances are not the same. That is what seems to the Chair to be critical.

Mr. RHODES. Mr. Speaker, may I be heard on a point of order?

The SPEAKER. The Chair has ruled but is interested in what the gentleman from Arizona may say.

Mr. RHODES. Mr. Speaker, I recognize the Speaker's differentiation of this case with the case the gentleman from Illinois has presented. However, it seems that the case we have before us is even stronger than the case cited by the gentleman from Illinois, because in the case cited by the gentleman from Illinois the chairman was absent because of illness, and did not call the meeting because of illness. In this instance, the chairman has willfully decided not to call a meeting. I cannot believe that the Chair is ruling that it is not possible for the House to instruct the chairman of the committee to call a meeting of that committee and, failing to do so, to cause somebody else to call a meeting of that committee.

I would hope that the Chair's ruling would not be so construed.

The **SPEAKER**. The Chair is willing to rule on that issue. Such a resolution cannot change the rules of the House. It is that simple. It cannot be done by a resolution raising a question of privilege, otherwise the Chair by his rulings would have complete control over the rules of the House.

The Chair recognizes the gentleman from Missouri.

Mr. BOLLING. Mr. Speaker, if I can be heard in this connection, the rules of the House are very clear in this whole matter, and there is a very specific rule which was reworded in the Reorganization Act of 1970, after a great deal of labor by the Committee on Rules, which provided for the only method that exists within the rules to force a chairman to hold a meeting. It is, to the best of my knowledge, the only way which a chairman under any modern circumstances can be forced to hold a meeting, and it requires the filing of a petition and 7 days in toto to achieve that purpose. I think that any approach other than that one would definitely and clearly change the rules of the House and, therefore, clearly the Speaker's ruling is absolutely correct.

The **SPEAKER**. Further, the Chair would note that nothing is pending before the Committee on Rules. This is an issue that has not even been raised. But that is the fact, about which everybody is aware.

The Chair recognizes the gentleman from Hawaii.

Mr. MATSUNAGA. The Speaker has ruled that there is nothing pending before the House. I wanted to speak relative to the point of order. If it is all over, I do not need to speak, Mr. Speaker.

The **SPEAKER**. The Chair has ruled.

Mr. ANDERSON of Illinois. Mr. Speaker, I insist on my privileged resolution, and I ask for a vote by the House.

The **SPEAKER**. It is not a privileged resolution.

Mr. DENT. Mr. Speaker, may I be heard?

The **SPEAKER**. The Chair recognizes the gentleman from Pennsylvania (Mr. DENT).

Mr. DENT. Mr. Speaker, the Speaker has handed down a decision. If there is any question about that decision, the only thing the gentleman from Illinois (Mr. ANDERSON) can do is to appeal the decision of the Chair, and it requires a two-thirds vote.

Mr. ANDERSON of Illinois. Mr. Speaker, may I be heard in brief reply to my distinguished colleague, the gentleman from Pennsylvania (Mr. DENT)?

The **SPEAKER**. The Chair will not listen to any further argument on the issue on which the Chair has ruled. This could go on all night, and the gentleman from Pennsylvania is not correct in his assertion.

The Chair recognizes the minority leader, the gentleman from Arizona (Mr. RHODES).

SENATE ACTION ON TURKISH AID BILL

(Mr. RHODES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RHODES. Mr. Speaker, I have been informed that the other body has voted on the motion to recommit the legislation which is under consideration, and the bill was not recommitted by a vote of 49 to 43.

I am further informed that the other body is now proceeding to final passage of the legislation.

Mr. BAUMAN. Mr. Speaker, under rule XXV, I again renew my motion that the Chair proceed to the recognition of other Members who have previously been granted special orders for today.

The **SPEAKER**. The Chair recognizes the gentleman from California (Mr. DANIELSON).

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The **SPEAKER**. Is there objection to the request of the gentleman from California?

Mr. BAUMAN. Mr. Speaker, there is a motion pending.

Mr. Speaker, I object.

The **SPEAKER**. Objection is heard.

Mr. BOLLING. Mr. Speaker, I move that the House do now adjourn.

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. RHODES. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 142, nays 205, not voting 87, as follows:

[Roll No. 479]

YEAS—142

Abzug
Addabbo
Alexander
Anderson, Calif.
Andrews, N.C.
Aspin
AuCoin
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Bergland
Blanchard
Blouin
Boland
Bolling
Bonker
Brademas
Brodhead
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Carney
Carr
Clay
Collins, Ill.
Cornell
Cotter
D'Amours
Daniels, N.J.
Danielson
Davis
de la Garza
Dellums
Dent
Derwinski
Dingell
Dodd
Downey, N.Y.
Drinan
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Evans, Ind.
Fary
Fascell
Fisher
Fithian
Flood
Flynt
Foley
Gaydos
Giaimo
Ginn
Gonzalez
Green
Haley
Hall
Hanley
Harris
Hayes, Ind.
Hechler, W. Va.
Helstoski
Holtzman
Howard
Howe
Hughes
Johnson, Calif.
Jordan
Koch
Krebs
Lehman
Lloyd, Calif.
Long, La.
McFall
McHugh
McKay
Macdonald
Madden
Maguire
Matsunaga
Meeds
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Minish
Mink
Moakley
Moffett
Mottl
Murphy, Ill.
Natcher
Nichols
Nolan
Oberstar
Obey
O'Neill
Ottinger
Patterson, Calif.
Pattison, N.Y.
Pepper
Pickle
Pike
Reuss
Richmond
Riegle
Rodino
Roe
Rogers
Roncalio
Rosenthal
Rostenkowski
Roush
Roybal
Russo
St Germain
Sarbanes
Scheuer
Schroeder
Seiberling
Shipley
Smith, Iowa
Spellman
Stokes
Studds
Sullivan
Symington
Thompson
Traxler
Vander Veen
Weaver
Wirth
Young, Ga.
Young, Tex.
Zeferetti

NAYS—205

Abdnor
Anderson, Ill.
Andrews, N. Dak.
Armstrong
Ashbrook
Ashley
Bafalis
Bauman
Beard, Tenn.
Bennett
Bevill
Biester
Bingham
Breaux
Breckinridge
Brinkley
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burleson, Tex.
Butler
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Conte
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
Delaney
Derrick
Devine
Dickinson
Downing, Va.
Duncan, Oreg.
Duncan, Tenn.
du Pont
Edwards, Ala.
English
Erlenborn
Fenwick
Fish
Flowers
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fuqua
Gibbons
Gilman
Goldwater
Goodling
Gradison
Grassley
Gude
Guyer
Hagedorn
Hamilton
Hammerschmidt
Hansen
Harsha
Hastings
Hays, Ohio
Heckler, Mass.
Hefner
Heinz
Henderson
Hicks
Hightower
Hinshaw
Holt
Hubbard
Hutchinson
Hyde
Ichord
Jeffords
Jenrette
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Karth
Kasten
Kazen
Kelly
Ketchum
Kindness
Krueger
LaFalce
Lagomarsino
Latta
Leggett
Lent
Levitas
Litton
Lloyd, Tenn.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McEwen
McKinney
Madigan
Mahon
Mann
Martin
Mathis
Mazzoli
Melcher
Michel
Milford
Miller, Ohio
Mitchell, N.Y.
Moore
Moorhead, Calif.
Morgan
Murtha
Myers, Ind.
Myers, Pa.
Neal
Nowak
O'Brien
Perkins
Pettis
Peyser
Poage
Pressler
Preyer
Pritchard
Quie
Quillen
Railsback
Randall
Regula
Rhodes
Rinaldo
Roberts
Robinson
Rooney
Rousselot
Runnels
Ruppe
Sarasin
Schulze
Sebelius
Sharp
Shriver
Shuster
Sikes
Skubitz
Slack
Smith, Nebr.
Snyder
Solarz
Spence
Steelman
Steiger, Ariz.
Steiger, Wis.
Stratton
Stuckey
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thone
Thornton
Treen
Ullman
Van Deerlin
Vander Jagt
Vanik
Waggonner
Walsh
Wampler
Whalen
White
Wilson, Bob
Wilson, Tex.
Winn
Wolff
Wright
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Zablocki

NOT VOTING—87

Adams
Ambro
Annunzio
Archer
Barrett
Bell
Biaggi
Boggs
Bowen
Brooks
Brown, Calif.
Burke, Calif.
Burke, Fla.
Byron
Chisholm
Conyers
Corman
Diggs
Emery
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Findley
Florio
Ford, Mich.
Fulton
Hannaford
Harkin
Harrington
Hawkins
Hébert
Hillis
Holland
Horton
Hungate
Jacobs
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Kastenmeier

Kemp
Keys
Landrum
Long, Md.
Mills
Mitchell, Md.
Mollohan
Montgomery
Moorhead, Pa.
Mosher
Moss
Murphy, N.Y.
Nedzi
Nix
O'Hara
Passman
Patman, Tex.
Patten, N.J.
Price
Rangel
Rees
Risenhoover
Rose
Ryan
Santini
Satterfield
Schneebeli
Simon
Sisk
Staggers
Stanton,
J. William
Stanton,
James V.
Stark
Steed
Stephens
Teague
Tsongas
Udall
Vigorito
Waxman
Whitehurst
Whitten
Wiggins
Wilson, C. H.
Yates

So the motion was rejected.

The result of the vote was announced as above recorded.

PARLIAMENTARY INQUIRY

Mr. RHODES. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. RHODES. Mr. Speaker, it is my understanding that the other body has passed this legislation and that it will soon be messaged over to the House. My inquiry is whether or not there is any way under the parliamentary procedures of the House that the bill can be brought up for immediate consideration upon its receipt in the House.

The SPEAKER. It can be brought up only by a unanimous-consent request.

Mr. RHODES. Mr. Speaker, in that event, I ask unanimous consent that when the bill is brought to the House that it be immediately considered by the House.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

Mr. MOFFETT. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

PARLIAMENTARY INQUIRY

Mr. RHODES. Mr. Speaker, is a motion in order for the immediate consideration of the bill by the House?

The SPEAKER. It is not.

REQUEST FOR COMMITTEE ON RULES TO HAVE UNTIL 10 O'CLOCK TOMORROW TO FILE REPORT AND RESOLUTION

Mr. RHODES. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until 10 o'clock tomorrow to file a report and a resolution on the subject of the bill we are discussing.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

Mr. BRADEMAS. Mr. Speaker, reserving the right to object, could I ask the distinguished minority leader what the vote was in the other body to pass the bill under consideration, the bill to which he refers?

Mr. RHODES. My understanding was 47 ayes and 46 noes.

Mr. BRADEMAS. I thank the distinguished minority leader for that observation, because I think that the narrowness of that vote, and in view of the vote by which the Senate passed a similar bill in May, which was 41 to 40, given the extraordinary amount of the margin about which to be euphemistic about its activity during the intervening weeks, and the fact that this body by a vote of 223 to 206 rejected the measure, is an indication that there is no mandate on the part of the elected Representatives of the people for the passage of this legislation, and it is something on which we have, as has been pointed out earlier, voted a number of times in this body.

Mr. RHODES. Would the gentleman yield?

Mr. BRADEMAS. Yes, I yield to the gentleman from Arizona, the minority leader.

Mr. RHODES. I thank the gentleman. It is my understanding also that there has been considerable activity on both sides of this question and I think it is at least worthy of comment that the vote did not change on that other side. I think the gentleman from Indiana would agree it is better to be on the long end of the majority rather than the short end.

Mr. BRADEMAS. I am not aware of the arithmetic.

Mr. JOHN L. BURTON. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Speaker, it is almost better to be on the 2 to 1 minority than on a 2 to 1 majority sometimes.

Mr. RHODES. It is a profound statement and I agree with the gentleman.

Mr. HAYS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the chairman of the Committee on House Administration.

Mr. HAYS of Ohio. Mr. Speaker, it is pretty late but I would like to make the observation that the pay bill the other day passed this body by a vote of only 214 to 213, but I will be willing to take odds on it that those voting against it will be glad to take the pay increase.

Mr. BRADEMAS. Mr. Speaker, I am constrained, and I dislike very much having to do so, but in view of the nature of much of the activity that has gone on on this matter in this last several weeks and in view of the fact that the House of Representatives has already worked its will on this matter, I would be constrained to object to the unanimous-consent request.

Mr. RHODES. Mr. Speaker, will the gentleman from Indiana withhold his objection for another observation?

Mr. BRADEMAS. Yes, of course I will withhold.

Mr. RHODES. Mr. Speaker, it would be my hope the gentleman would not object. I think the gentleman will realize that the various votes that have taken place on the floor of this House tonight, while I am certainly not going to interpret that as a change in heart on the main question, at least seem to indicate the House would like to work its will on this legislation, and it would be my hope the gentleman from Indiana would allow us at least to keep this one avenue open so that if in some manner, perhaps from the Deity or somebody else, the chairman of the Rules Committee happened to change his mind, that he would be able to proceed to vote out a rule.

I am not under any great illusion as to that occurring, but it does seem to me that in light of the votes which have been cast that it would not be amiss for the gentleman from Indiana to agree to the unanimous-consent request.

As a matter of fact, I feel rather strongly on the matter and I would hope we could adjourn here before long, but I do not see any possibility of it if this unanimous-consent request is denied.

Mr. BRADEMAS. If my friend, the gentleman from Arizona, who is always fair in his discussions of these matters, would allow the gentleman from Indiana to make a suggestion perhaps it would be possible to work out something that would be agreeable because I understand the point that the gentleman is making.

I would suggest that the gentleman from Arizona withdraw his unanimous-consent request and offer another unanimous-consent request that the House recess for let us say 20 minutes, in order to have some conversation on this matter to a greater extent than so far is possible and then perhaps come back and take another look at the gentleman's unanimous consent request.

Would the gentleman be willing to do that?

Mr. RHODES. If the gentleman from Indiana wants to make that request, I would not object to it myself. The gentleman from Indiana knows that I am always available to talk to the gentleman at any time.

Mr. BRADEMAS. I thank the gentleman.

Mr. RHODES. Mr. Speaker, I will make that request, that the House stand in recess for 20 minutes, to meet again at 11:30.

The SPEAKER. Is there objection to the request of the gentleman from Arizona.

There was no objection.

RECESS

Accordingly, at 11 o'clock p.m., the House stood in recess until 11:30 o'clock p.m.

AFTER RECESS

The recess having expired, at 11 o'clock and 30 minutes p.m., the House was called to order by the Speaker.

Mr. RHODES. Mr. Speaker, I ask unanimous consent that the bill just messaged over be immediately considered by the House.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

Mr. BRADEMAS. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed a bill of the following title in which concurrence of the House is requested.

S. 2230. An act to authorize appropriations for the Board for International Broadcasting for fiscal year 1976; and to promote improved relations between the United States, Greece, and Turkey, to assist in the solution of the refugee problem on Cyprus, and to otherwise strengthen the North Atlantic Alliance.

H.R. 8561 AGRICULTURE APPROPRIATION BILL AND SOYBEAN RESEARCH IN HAWAII

(Mrs. MINK asked and was given permission to extend her remarks at this point in the Record and to include extraneous matter.)

Mrs. MINK. Mr. Speaker, a committee of conferees from the House and the Senate will soon begin working on the differing versions of the 1976 appropriation bill for Agriculture and related agencies. The bill, H.R. 8561, was passed by the House on July 14, 1975 and by the Senate on July 25, 1975.

It was our view in the House when we approved the bill that funding be provided in the amount of $11.05 billion. The Senate has added some $30.8 million to this amount, and the differences in the legislation will be discussed in the days ahead.

Mindful of the fact that in my State of Hawaii, and more particularly in my Second Congressional District, a predominantly rural district, the main economic activity is agriculture-based, I have watched the agriculture appropriations with great interest.

We find, Mr. Speaker, that in the absence of a Sugar Act there is considerable instability in the price of sugar, instability which can only work to the detriment of the consumer as well as the producer. We find further that in the face of ever increasing labor costs, Hawaii's pineapple producers have turned to foreign production in Asia, and that a great deal of land formerly given over to pineapple production is now being turned to other uses as the industry attempts to remain cost-competitive.

In the face of economic changes which could bear significantly on the future of agriculture in Hawaii, I am pleased to see that the House Committee on Agriculture has given special recognition to our island State's need to explore the possibility of alternate crops for former sugar and pineapple lands. My specific reference is to the growing volume of evidence that the soybean may prove to be an economically viable crop for the islands. Studies have been initiated in Hawaii to develop soybean varieties suitable to the State's temperatures and day-length conditions. Additionally, because the shortage of soybeans and other feed ingredients have had adverse effects on Hawaii's livestock industry, the need for Hawaii to gain self-sufficiency in production of soybeans and soybean products is viewed as a matter of great urgency by the State's Department of Agriculture. Comprehensive research is necessary in the State's attempts to achieve this goal.

In its report on the agriculture appropriation bill, the House committee noted that:

> The bill includes $6,453,800 for research on soybeans, an increase of $856,200 over the amount available for 1975. The Committee will expect the Department to give attention to Hawaii's needs with respect to the production of soybeans and soybean products.

I would like to express my gratitude to members of the committee for their recognition of our needs, and I expect that the efforts of our agricultural researchers under the auspices of Federal funding will be successful.

REPORT TO MEMBERS OF CONGRESS FOR PEACE THROUGH LAW DENOUNCES NUCLEAR WEAPONS FIRST USE STRATEGY

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, today our distinguished colleague from Arizona, MORRIS K. UDALL, has submitted to the Arms Control Committee of Members of Congress for Peace through Law a scholarly analysis of the nuclear first use controversy which has arisen as a result of the recent statements by Secretary of Defense Schlesinger to the effect that the United States will, in certain combat situations, use nuclear weapons first. The Udall report points out that such a strategy is "misguided, dangerous, and very likely to be counterproductive to the United States." The report concludes that such a strategy should be promptly repudiated by the United States.

The report points out that Secretary Schlesinger has stated that U.S. tactical nuclear weapons may be used not only to stem the tide of a Soviet conventional attack in Central Europe, but that the U.S. response could include selected strikes with nuclear weapons against the Soviet homeland.

Moreover, the report notes that Secretary Schlesinger has introduced new Defense budget requests which represent a radical new departure in nuclear military strategy by financing the building of "counterforce" nuclear weapons.

The report outlines in detail the reasons why such a policy is dangerously misguided and should be repudiated and summarizes these reasons as follows:

> First, despite Secretary Schlesinger's assertions to the contrary, nuclear war once initiated is very nearly certain to escalate into a society-killing holocaust for both sides.
>
> Second, an emphasis on nuclear first use is likely to increase the velocity of the strategic arms race rather than to slow it. Belligerent talk mated with increased preparation for nuclear warfare by the United States can only damage our efforts to reach further SALT agreements with the Soviets.
>
> Third, Schlesinger's first use emphasis promotes rather than retards the prospects of nuclear weapons proliferation to countries that are not presently part of the nuclear club.
>
> Fourth, such a United States emphasis may well make accidental war or pre-emptive war between the United States and the Soviet Union more likely.

The full report by Congressman UDALL follows these remarks.

THE NUCLEAR FIRST USE CONTROVERSY

(By Congressman MORRIS K. UDALL)

Secretary of Defense Schlesinger has gone out of his way recently to emphasize that the United States will, in certain combat situations, use nuclear weapons first.

He has stated that not only U.S. tactical nuclear weapons may be used to stem the tide of a Soviet conventional attack in Central Europe but that the U.S. response might include using strategic nuclear weapons in selective strikes against the *Soviet homeland.* Moreover, Schlesinger has introduced new defense budget requests which represent a radical new departure in nuclear military strategy and which, if passed, will finance the building of a new series of "counterforce" nuclear weapons which could be used to implement his new strategy of selective warfare with nuclear weapons. This emphasis on the first use of U.S. nuclear weapons by the Secretary of Defense is misguided, dangerous, and very likely to be counter productive to the United States. It should be promptly repudiated.

Why is this so? *First,* despite Secretary Schlesinger's assertions to the contrary, nuclear war once initiated is very nearly certain to escalate into a society-killing holocaust for both sides. *Second,* an emphasis on nuclear first use is likely to increase the velocity of the strategic arms race rather than to slow it. Belligerent talk mated with increased preparation for nuclear warfare by the United States can only damage our efforts to reach further SALT agreements with the Soviets. *Third,* Schlesinger's first use emphasis promotes rather than retards the prospects of nuclear weapons proliferation to countries that are not presently part of the nuclear club. *Fourth,* such a United States emphasis may well make accidental war or pre-emptive war between the United States and the Soviet Union more likely.

CONFUSION CLOUDS THE "FIRST USE" DEBATE

The debate over Secretary Schlesinger's nuclear first use comments has created more confusion than clarification. Some members of the press have concluded that the Secretary really said nothing new, or even particularly disturbing, and that some of the critical response amounted to nothing more than eager partisans searching for an issue. This is untrue, for thoughtful Americans and administration critics have solid ground for finding the comments of President Ford and Secretary Schlesinger alarming, and not in the best interests of this nation.

Some of this confusion has arisen because attenion has been directed to the wrong issues and questions. The issue is not whether the United States should formally disavow nuclear first use. Because of longstanding commitments made to our partners in NATO, the United States can not unilaterally do so at this time. Rather the critical questions are these: Once a nuclear war has been started, can it be kept limited and what are the probabilities that escalation will not occur? What might be the lasting onsequences of threatening first use? And what impact will counterforce weapons and first use strategies have on the strategic arms race? On SALT negotiations? On the chances of accidental nuclear war? What impact will such nuclear utility theories and threats have on the desire of nonnuclear states to acquire nuclear weapons? These are some of the issues addressed in this analysis.

FIRST USE VERSUS FIRST STRIKE

First let us clear up some areas of confusion. Nuclear "first use" and "first strike", terms which have been used interchangeably in some reports, do not mean the same thing, although the issues raised by each are closely related. A United States first strike capability means the ability to launch a nuclear attack on the Soviet Union sufficient to destroy its ability to launch a devastating retaliation.

In other words, the attainment of a first strike capability is the only condition under which it would not be suicidal for either side to initiate an all out nuclear war. We do not now have, nor do the Russians, a first strike capability, and this balance is our principal protection against a strategic nuclear attack.

Less frequently the term "limited" or "selective" first strike is used to refer to a strategic nuclar attack which, while not destroying the enemy's ability to retaliate, would nevertheless involve the use of strategic missiles.

On the other hand, nuclear first use refers to the initial employment of nuclear weapons. First use can be an attack of any size: from a single nuclear artillery shell to an entire ICBM force. It can occur during a conventional war, or not. Only one nation—the People's Republic of China—has explicitly stated a no first use policy. At the other end of the spectrum, only one nation—the United States—is now explicitly threatening first use. The talk is all the more disturbing because the Secretary's remarks are *not* just talk; they come in the context of Administration budget requests to develop and procure military hardware appropriate for such use. Behind the budget requests lies an unknown degree of change in Pentagon planning and strategy that should be of great concern to every American.

CONSEQUENCES OF FIRST USE

The controversy following the Secretray's remarks has also failed to distinguish between the consequences of actually implementing a first-use policy, and the consequences of talking about and planning for it. In both cases, I believe, the disadvantages enormously outweight the benefits, but the issues involved are quite different. Let us consider first the likely consequences of actually implementing this policy.

Without question the most likely occasion for nuclear first use would arise if the allied powers were losing a conventional war following a Russian attack in Europe. The United States would then resort, so the theory goes, to the use of some of the 7000 tactical nuclear weapons now deployed in Europe and on board the Sixth Fleet. The Russians would then be faced with three options. They could: (1) stop fighting and negotiate; (2) respond in kind, that is, with a "limited" nuclear response in Europe, or (3) escalate their response with a more massive nuclear response in Europe or a strategic attack of some size on the continental United States.

Option one seems to me very unlikely. Considering the strength of the NATO defense, and the long-standing public commitment by the United States to use its nuclear force in defense of its allies, a very powerful motive would have been necessary to impel the Soviet Union to start a conventional war in the first place. To then conclude that having progressed to the point of winning a conventional war, Soviet leaders would be so frightened, impressed or sobered by a small nuclear attack (probably falling not on their own territory, but on one of the Eastern European nations) that they would abandon their original purpose and call for negotiations, makes little strategic sense. The difficulties of stopping a war, once large armies are engaged in combat, should also not be underestimated.

Option two—a Soviet response in kind—is equally unlikely. It requires, first, that Russian radar and communications systems are working well enough to be able to determine the origin, type and yield of our nuclear attack, and second, that in the crisis conditions of wartime, Russian leaders would be interested in selective responses in kind. Unlikely, at best. We know that concepts of flexible response and limited nuclear war are not discernible in Soviet military doctrine. In Schlesinger's own words: "Operational Soviet military doctrine apparently does not subscribe to a strategy of graduated nuclear response . . .". We also know that the Russians have not deployed, and show no signs of developing, the kind of low yield weapons the United States possesses. They would therefore be forced to employ large yield weapons, accepting the great risk that the United States would view this as an escalation and would respond accordingly.

Even if the Soviet Union were to respond initially with a moderately small nuclear force, the consequences of a limited nuclear war in Europe could not fail to be devastating to the very people we were attempting to defend—our Western European allies. A NATO war game named Carte Blanche projected five times as many German deaths in forty-eight hours as were inflicted by aerial bombardment of Germany in the whole of World War II. Another simulation, Operation Sagebrush, involving only low yield weapons, led to the conclusion in the military evaluation that: "The destruction was so great that no such thing as limited nuclear war was possible in such an area." I agree.

Third, and I believe the most likely option, the Soviet Union could respond to our first use with a massive nuclear attack in Europe or a strategic attack on the United States. Soviet leaders might, for example, try to test our commitment by demonstrating their own determination, they might overestimate the size of our attack in the confusion of battle, or they might simply decide for any number of reasons that this was the response most in their own interest. In this case, it seems to me that the chances are vanishingly small that the conflict would not escalate to Armageddon.

In sum despite Secretary Schlesinger's arcane scenarios, which bear so clearly the marks of his military thinktank background, the application of some informed common sense should lead any reasonable person to the conclusion that the probable outcome of a limited nuclear war would be the virtual devastation of Western Europe, an all-out strategic conflict involving the United States and Russia, or both. The first use of nuclear weapons to create such an outcome would therefore hardly be in the United States' own interest.

FIRST USE IN KOREA

Nuclear first use has also been suggested as a possible option in the event of another war in Korea. I do not believe that it is a practical option. After decades of military build-up, South Korea now has adequate conventional strength to repel any attack from the North, and this margin of security can be maintained. I believe that the nuclear weapons now deployed in South Korea should be removed, for they do not add to the security of either South Korea or Japan.

These weapons are dangerous to the South Koreans because they encourage the North Koreans to arm themselves similarly. And, given the growing internal tensions in South Korea caused by President Park's repressive domestic policies, these weapons might be vulnerable to seizure by dissident groups. Finally, because of the short range of many tactical nuclear weapons, they are deployed close to the line of battle, and are therefore very vulnerable to capture should the North Koreans break through in a surprise atttack. They may then be fired by United States or South Korean troops in order to prevent their capture, or be captured by the North Koreans and used against the very people they are intended to defend.

Should the removal of the nuclear weapons cause any doubt as to the strong United States commitment to protect the people of South Korea, it should be quickly dispelled by the continued presence of some American troops. Strong diplomatic pressure from the U.S. and its continued conventional commitment should suffice to discourage the South Korean government from attempting to acquire nuclear weapons of its own in the wake of the U.S. nuclear withdrawal. Of course, the American nuclear umbrella will continue to be spread over Japan by the heavily armed U.S. Seventh Fleet and other U.S. forces in the Pacific. In sum, the United States nuclear presence in South Korea is a dangerous and unnecessary anachronism.

THREATENING FIRST USE

Let me turn now to an entirely different argument—the one more nearly at issue in this current debate. That is, that regardless of whether or not one believes that a limited nuclear war is possible, and regardless of whether or not one is prepared to formally disavow nuclear first use, there are a number of very damaging consequences associated with simply *threatening* it.

From the point of view of the Soviet military planner, the thrust of the Secretary's remarks lends considerable weight to the view that the Soviet Union does not benefit from trying to win a conventional war. The responsible Soviet policy-maker would have to conclude that if the tides of conventional war began to run against her, the United States would escalate very quickly to a nuclear conflict.

The Defense Secretary's remarks and his counterforce program are likely to spur Soviet military planners to adopt strategies and nuclear arms building programs which anticipate and make more likely the early use of Soviet nuclear weapons. Similarly, on the allied side, American nuclear saber-rattling discourages the NATO powers from making additional investments in strengthening and improving their own conventional capabilities. The overall effect, of course, despite Secretary Schlesinger's assertion to the contrary, is to *lower* the nuclear threshold.

Secondly, by appearing to find nuclear war not unthinkable, Schlesinger strengthens the hand of the hawks in the Kremlin who oppose arms control agreements. The result will be damage to the progress of the SALT talks. The SALT I agreement, and the pending Vladivostok accord to limit offensive strategic weapons, are only the most recent results of a 30-year trend; a web of talks and understandings woven with great effort, often with much uncertainty and backsliding, to ensure that nuclear weapons are never again unleashed on mankind. To ignore the importance of that central moving force behind the SALT talks, is to place them in severe jeopardy.

There is, finally, a separate set of consequences involving the non-nuclear nations of the world, which may ultimately prove to be the most serious. I refer here to the proliferation of nuclear weapons technology. The Secretary's recent remarks will enhance the worth of a nuclear force in the eyes of military planners and political leaders in nations now hovering near the nuclear threshold. After all, if the United States with its enormous conventional capabilities and its unparalleled strategic strength emphasizes the possibility of nuclear first use, would it not be reasonable for a nation facing an enemy, or simply looking to augment its international prestige, to undertake the moderate expense of building its own nuclear weapons? The United States has already shown the way with relatively cheap delivery systems. We have nuclear bombs which can be delivered from conventional fighter-bombers; we have nuclear artillery shells; we even have nuclear land mines which require no delivery system at all.

It must be remembered, that to the rest of the world, Schlesinger's remarks come in the wake of the American defeat in Vietnam. Other nations may well conclude that one of the lessons the United States thinks it learned from the Vietnam debacle is the need to get tougher, sooner, to avoid being bogged down in a conventional war. Also of course, the threats of first use increase the fears of Third World nations that American nuclear weapons might some day be used against one of them, and encourage them to acquire their own as a deterrent. North Korea is an obvious candidate.

With the rapid spread of nuclear reactor technology, and the tons of enriched plutonium and uranium now moving around the globe, the threats to our national security from nuclear proliferation may soon far outweigh the Soviet threat. For as membership in the nuclear club continues to expand, the world will be only as safe as the weakest link in the chain of nuclear nations. It would need only one ambitious terrorist group or one slightly deranged ruler—no stranger to history—to plunge the world into holocaust.

THE COUNTERFORCE PROBLEM

These very dangerous consequences of threatening first use are reinforced by Schlesinger's recent proposals to research, develop and test improvements in missile yield, throw weight, and accuracy, the so-called counterforce improvements.

Under the counterforce doctrine, American missiles would be designed to strike the Russian missile force in its hardened silos (hence the name) rather than Russian cities and other soft targets. Contrary to Schlesinger's misleading statements, the United States has for many years had the capability—"flexibility" as he calls it—to target Russian missiles and other hard targets. What is new in the counterforce program is the proposed increase in accuracy and yield, allowing us to assign just one or two warheads to each Russian missile with a high confidence that each warhead will destroy its target. Thus we threaten the elimination of their entire land-based ICBM force.

These budget proposals effectively refute Schlesinger's assertions that he is saying nothing new. In fact, the United States is embarking on a new and risky policy. The Secretary's remarks are only the visible tip of a hidden iceberg of changes inside the Defense Department: changes in strategy, planning, and command and control, as well as hardware.

Soviet policy makers know that our present strategic force already has a significant capability to carry out limited strikes, even against hard targets. Therefore, Schlesinger's oft-repeated view that the new counterforce improvements will allow more flexible, limited use of strategic weapons must imply that the United States perceives an increased likelihood for such use. Seen in this light, Schlesinger's recent statement that the United States might escalate a conventional war to a nuclear conflict by a selective strategic attack on Russia (rather than a tactical attack on Eastern Europe) takes on a frightening new dimension. In fact, the Secretary has removed a rung from the escalation ladder.

Because the very high accuracy, high yield counterforce missiles are a greater threat, they also become more attractive targets. A precision-guided missile, powerful enough to destroy a Russian missile in its protected silo, is not much good if it is fired at an empty silo. There is therefore a premium for the Soviet Union to strike first to catch our missiles on the ground, or to keep its missiles in a state of constant alert, ready to launch on warning of an American attack. Either way, the chances of nuclear war—particularly an accidental war—are increased.

Although the counterforce improvements alone will not be sufficient to give the United States a first strike capability, they do pose a significant new threat to the Soviet deterrent. Much of the current stability in the strategic arms balance, and therefore the cushion of trust on which the SALT negotiations rest, lies in the submarine-based missiles of both sides. As long as these forces remain invulnerable, as they are now, both sides are prevented from acquiring a disarming first strike capability. But the Soviets now see the United States proceeding full-speed ahead with large expenditures on both anti-submarine warfare and counterforce improvements. Hardliners in the Kremlin may therefore understandably fear that the United States is attempting to achieve a first strike capability.

During the Congressional debate over deletion of the counterforce improvements from this year's budget, the distinguished chairman of the Armed Services Subcommittee on Research and Development, Senator Thomas McIntyre, characterized Schlesinger's proposals as representing "a radical revision of our strategic policy from one of mutual deterrence to one of nuclear war fighting." Although this view did not prevail in this year's debate, a growing number of members of Congress understood and voted against this dangerous (and expensive) new doctrine. I hope that next year's efforts to stop these programs will finally prove successful.

IN CONCLUSION

Secretary Schlesinger's remarks *do* indicate a new and alarming phase in United States military policy. In this realm, talk is not just talk. It causes significant changes in military planning, and in weapons research and acquisition. Modern weapons systems generally take years from initial planning to final development, and once early development funds have been spent, the program will nearly always run to completion. Russian military spending may well be deeply affected by the Administration's new stance, causing new threats and new fears for years to come.

Arms control agreements also take years to construct, and in an atmosphere of threats and nuclear saber-rattling, the momentum toward a real end to the nuclear arms race will be diminished if not seriously damaged.

While the limited war scenarios Schlesinger has described may seem so improbable as to be unreal, talking about them, war-gaming them and planning for them, makes it much more likely that in the crisis conditions of war they will actually be employed.

The damage that could prove most difficult to undo is the impetus such talk provides to nuclear proliferation. Membership in the nuclear club could well double in the next decade, and if it does the security of the United States will be more damaged by that fact than by any foreseeable Russian threat.

The controversy over the recent first use comments is no mere hub-bub. What we are hearing from the Administration is neither casual talk, post-Vietnam bluster, nor merely a subtle change in emphasis. Secretary Schlesinger's proposals amount to a change in course in American military thinking, which sees the utility of nuclear weapons in fighting wars as well as deterring them.

For the sake of its own security, and for that of the rest of the world, the United States must repudiate any policy which increases the possibility of nuclear conflict. Beyond question, Secretary Schlesinger's nuclear first use policies lie squarely in that category.

THE HUMAN PRICE OF UNCONTROLLED STRIP MINING

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, the Akron Beacon Journal recently reprinted an article by Colman McCarthy of the Washington Post which brings out in the most graphic terms the terrible human price being exacted by uncontrolled strip mining on the people living in strip mine areas of Appalachia. Even the poor residents of the coal mine areas in the past were able to endure hard times because they could catch fish in their streams, grow some corn and vegetables, and keep a cow and some hogs. But today acid runoff from the mines has rendered thousands of miles of streams devoid of fish life and has buried thousands of acres of productive bottom lands under airless and caked mud that lacks nutrients and is blackened by coal particles.

Mr. McCarthy points out that the hills and hollows of Appalachia have countless victims who, unlike the hirelings of the coal companies, are unable to drive hundreds of trucks to Washington to demonstrate against effective strip mining regulations. He points out that these victims of strip mining have had their properties destroyed by the mining companies as effectively as if they were in a war zone lain to waste by defoliants and herbicides.

Fortunately, as he points out, some of these people are determined to fight back. Perhaps their voices will ultimately reach the offices of the Federal Energy Administration or even the inner reaches of the White House. Certainly Members of Congress, as the elected agents of the people, should be listening.

Mr. McCarthy's article follows:

LONE HILLSMAN FIGHTS STRIP MINERS

(By Colman McCarthy)

CLAIRFIELD, TENN.—"See the beans? See how they're dying?" asked Lewis Lowe, a retired and disabled coal miner. He was walking among the rows of his garden beside his home in this isolated mountain community.

"Look at the corn. It's but a foot high and already turning brown. It's near dead. We'll get hardly an ear. The same with the tomatoes and carrots. The soil is bad, you can't raise anything in it."

Lewis Lowe spent 45 years in the deep mines, was trapped twice, had some ribs crushed and his left foot crippled. Those were physical injuries.

The past few years, though, his spirit has been assaulted, suffering in ways that he has only begun to explain to outsiders. The cause of his mental anguish is the strip mining in the mountains up the hollow from his home.

When the strip miners release water from the pits, it floods the Clear Fork creek that runs behind the Lowe property. The creek bed is so filled with coal sediment that even a modest rainfall causes flooding. The banks overflow with water that carries the coal sediment.

It has happened with enough regularity that when an engineer came to test the soil in the Lowe garden, he had to dig five feet before hitting the original earth. Everything above it was muck—airless and caked mud that lacked nutrients and was blackened by coal particles.

Aside from the mental suffering he and

his wife endure—mountain people have ties to their land that cannot be cut without immense interior pain—Lowe has been hurt economically. He used to keep a cow and some hogs.

He would sell the milk and butter, and butcher the hogs for his family. Together with the crops, fresh or canned, he was usually self-sustaining. But now he shops at the store.

"The prices are high," he says. "And the store butter is hard to eat. It's nothing like the way I used to make my own butter."

The hills and hollows of Appalachia have countless invisible victims like Lewis Lowe. The strip mining companies have destroyed their properties as effectively as if it had been a war zone lain to waste by defoliants and herbicides.

If Lowe is different from the other casualties it is because he is moving in a way that is uncharacteristic in the mountains: he is fighting back through the courts.

Most of those who have been victimized by the might of the energy companies, as the coal is stripped and the balance of nature is ruined, have embraced stoicism, accepting defeat rather than fighting back and risking even more disappointment at the hands of the powerful.

Lewis Lowe is taking the strip miners to court, asking $20,000 in damages and compensation to work to his befouled property. This is the third house Lowe has lived in; he was driven from the first two—both rented from a London-based strip mine leasing company that owns most of the land around Clairfield—by floods that resulted from strip mining operations.

Lowe was told by operators that flooding was "the Lord's work." That line has been a standard defense of the companies, given notoriety in the Buffalo Creek dam break that killed 124 in 1972.

When Lowe said that his farm had been under siege for more than 10 years, he was asked why he waited a decade to take the operators to court. He replied that 10 years were needed to find a lawyer in the mountains who wasn't in some way aligned with the coal companies.

The lawyer he has is a young attorney in nearby Jacksboro, a member of the East Tennessee Research Corp., a firm that has yet to adapt to the ways of mountain "justice."

When discussing his torment, it is noticeable that Lowe never refers to the Tennessee strip mine law, much less to the recently defeated federal bill. For Lowe, the laws and politicians are irrelevant.

It works the other way, too. Following the defeat of the federal bill, when the White House lined up with the energy companies and thereby gave respectability to the kind of exploitation that has reduced much of Appalachia to rubble, only a few members of the Senate tried to bring some controls in another way.

But Harry Caudill, the Whitesburg, Ky., lawyer and writer, said recently that strip mining will end only when the strippable coal seams run out. The pressure from the energy lobby is so great that it "could buy every voter in the country, if needed. And most people couldn't care less. We're a people without any land ethic whatever."

Lewis Lowe isn't a nationally respected writer like Harry Caudill, so he doesn't speak about the land ethic. But he has feelings about it. He knows that his property has been damaged and he can't get through to the damagers to get them to stop or make restitution.

In a tone of fundamentalist Protestantism still strong in the area, Lowe says quietly that "strip mining is plain wrong and nothing can make it right." He fears for the future of deep mining in the area, saying that the deep mines are where the jobs are, not to mention the vast reserves of coal.

He doesn't know when the court will get to his case, except that it will be "soon." He may have to be patient. It was only after a four-year fight—waged by the citizens group Save Our Cumberland Mountains—that Tennessee officials were forced to open the way to assessing the coal companies a more equitable property tax.

Merely raising life to a modest level of fairness requires immense stamina. Then, too, mountain justice can be strange. A citizen can set up a lone moonshine still and posses of law agents will hunt him down relentlessly, but a coal company can steal rivers and hills, and drive off families, and the law looks the other way.

Only occasionally does someone like Lewis Lowe come along to ask that the law look his way.

ACDA DIRECTOR STRESSES IMPORTANCE OF TURKISH BASES FOR MONITORING ARMS CONTROL AGREEMENTS

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, in the Record for July 22, 1975 at page 24019, I inserted a letter from Dr. Herbert Scoville stating that the Turkish bases have only marginal utility in verifying past and future strategic arms limitation agreements. It seemed to me that Dr. Scoville's views had an important bearing on the claims by the administration that the Turkish bases were essential for this purpose. Dr. Scoville is one of the foremost U.S. experts in the fields of strategic weaponry, arms control, and scientific intelligence gathering, with more than 20 years of service in important posts in the Department of Defense, Central Intelligence Agency, and Arms Control and Disarmament Agency.

In connection with the administration's efforts to obtain consideration of a revised compromise resolution on a partial lifting of the ban on arms shipments to Turkey, I received a phone call yesterday from Dr. Fred C. Ikle, Director of the U.S. Arms Control and Disarmament Agency. Dr. Ikle called to say that he considered the bases very important for monitoring both present and future arms control agreements. I suggested to Dr. Ikle that he review Dr. Scoville's letter and give me his comments, and I offered to give his comments the same distribution that I had given to Dr. Scoville's letter. Dr. Ikle has now responded, and I am offering Dr. Ikle's letter for inclusion in the Record at this time. I am also including Dr. Scoville's letter, in order that Members may draw their own conclusions as to the adequacy of Dr. Ikle's response to the points made by Dr. Scoville:

U.S. Arms Control
and Disarmament Agency,
Washington, July 31, 1975.

Hon. John F. Seiberling,
U.S. House of Representatives.

Dear Congressman Seiberling: I wish to follow up on your questions as to the importance of U.S. bases in Turkey for the verification of arms control agreements. In particular, you were interested in my reactions to the letter by Dr. Herbert Scoville, Jr. which you inserted in the Congressional Record of July 22, 1975.

In his letter, Dr. Scoville states that the bases in Turkey are not well located to monitor the SALT Interim Agreement and the ABM Treaty. While the sites in Turkey have made some contribution to monitoring the ABM Treaty, it would be shortsighted to consider the verifiability of only those limitations which were agreed to in the past. The Interim Agreement will expire in two years and the SALT II agreement now under negotiation will have additional limitations more difficult to monitor. Moreover, we must ensure that our verification capabilities will be adequate for further limitations and reductions to be negotiated after SALT II. If we permit our verification capabilities to contract, how can we expand the scope of future arms control limitations?

Many Members of Congress expressed an interest in limiting cruise missiles. As far as we can anticipate, the verification of such limits will have to be based primarily on the observation of tests. For this purpose, bases in Turkey would play a crucial role; without them, any actual or likely potential test locations could not be monitored. It would take may years and considerable investment to develop alternate means of verification, if the gap could be closed at all.

We must also keep in mind that the Soviets may change the location of their test sites or the way in which they use them. This possibility lends added importance to the U.S. monitoring facilities in Turkey.

The suggestion has been made that the facilities in Turkey could be moved to another country. But this would forfeit Turkey's unique geographic location. Moreover, such a relocation would almost certainly entail new political vulnerabilities.

Classified data necessarily omitted from this letter would lend greater clarity and force to these conclusions. However, the importance of the Turkish bases for the monitoring of arms limitations agreements can be sufficiently appreciated, I think, from the considerations sketched here.

Please let me know if I can provide you with additional information.

Sincerely,

Fred C. Ikle.

July 20, 1975.

Dear Congressman Seiberling: This is in answer to your request for my views on the usefulness of our Turkish bases for verifying the SALT agreements. I understand that it has been argued that these bases are essential for ensuring that the Russians are not violating the SALT I ABM Treaty and Interim Agreement on Offensive Weapons and that they are also necessary if we are to verify any future agreements deriving from the Vladivostok Accords.

While there is no doubt that the Turkish bases provide useful information on certain aspects of the Soviet military complex, to say that they are essential for verifying past or future SALT agreements would appear to be such an exaggeration as to raise questions as to the sincerity of those making the statements.

First, with respect to the ABM Treaty, the bases would appear of marginal if any value. A glance at the globe will show their unsuitability for observations of the Soviet ABM Test Site at Sary Shagun, which is on Lake Balkash about 2,000 miles east of Turkey. That country is far less satisfactory for observing activities at the Test Site than would be bases in countries directly to the south. Turkey is not a good location for observing whether their radars are being tested in the ABM mode or their SAM missiles are being tested against incoming ballistic missiles. It has no value at all for verifying deployment of ABMs. While the Turkish bases are closer to the Russian ICBM, IRBM, or MRBM test launch areas, which are north of the Caspian Sea, information on such firings that might come from the Turkish bases is not of any great value in vertifying the ABM Treaty.

The Turkish bases provide no information relative to the Interim Agreement on Offensive Weapons, since this agreement only freezes deployment of offensive missiles, not their development or testing. Information on deployment comes from observation satellites, not from surface observation posts. Thus, the Turkish bases have little if any value in verifying either of the SALT I Moscow Agreements.

It is harder to be so categorical relative to future agreements, since details on these are still unknown. However, looking at the Vladivostok Accords, it is doubtful whether the bases can be very important. As with the Interim Agreement, these bases have no relation to the ceiling on deployment of delivery vehicles.

They could be of some value relative to the ceiling on MIRVd missiles, since a factor here is what types of missiles have been tested with MIRVs. However, the key observation [point] to determine this is not at the launch end of the test range, but at the reentry point which occurs on the Kamchatka Peninsula in the Pacific Ocean. Both of those areas are subject to observation from U.S. ships or land areas. It is these locations, not the Turkish bases, which have provided the information that the Secretary of Defense has used to announce Soviet MIRV tests. If observation of the launch areas were essential, then verification would be impossible, regardless of whether we had the Turkish bases, since there is nothing to prevent the Russians launching from one of their operational sites far from the Turkish bases. Finally, there are other land areas closer than Turkey for observing the current Soviet missile test lanuch area to the north of the Caspian Sea.

In sum, the Turkish bases have only marginal utility in verifying past or possible future SALT agreeemnts. Other observation sites and satellites would appear much more useful. SALT cannot be reasonably used as a justification for making a decision on our Turkish aid program.

HERBERT SCOVILLE, Jr.,
Former Assistant Director of the CIA for Scientific Intelligence and Deputy Director for Research.

INFERTILITY PROBLEMS ASSISTED

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, existing family planning programs are primarily designed to prevent the cycle of unwanted children. But there are millions of persons who would like to have children but are unable to. They too should be able to find medical assistance to help them have children.

The Fertility Research Foundation, located in my congressional district in New York City, has a team of specialists to deal with infertility problems. An article appears in the September issue of Lady's Circle on this organization and I would like to append it for the information of our colleagues and their constituents:

[From Lady's Circle, September 1975]

IS THERE SUCH A THING AS PSYCHOSOMATIC INFERTILITY?

(By Lynn Yates)

No one is perfectly fertile. There are so many infertility variables possible that infertility expert, Dr. Albert Decker, director of the New York Fertility Research Foundation, calls the reproductive process "nature's Russian Roulette."

Some physicians believe that pregnancy can be prevented by some conscious or unconscious will of the mind and will tell a couple after a few routine tests that their problem is "all in their heads." Couples who have followed their advice to "relax and keep trying" are far from relaxed after a year or more of struggling to conceive.

We have all heard of women who conceived after adopting a child—or even after going for initial infertility tests—but they are the exception rather than the rule. A diagnosis of so-called "psychosomatic infertility" should not be accepted until all other possible defects are ruled out through a complete fertility survey by experts.

Couples should consider infertility treatment if they are in their twenties and have been trying without success to conceive for a year. If they are in their thirties, doctors recommend treatment after trying for six months, as fertility chances decrease with time.

If women who have been taking birth control pills find they have irregular periods after discontinuing them to get pregnant, they should consider infertility treatment. Birth control pills can suppress the ovulatory systems of some women and may even cause "post-pill amenorrhea" (no periods at all). Hormone therapy may help get these women back to normal ovulation. It is not true that birth control pills make you menstruate more regularly. You bleed more regularly, but when you are on the pill, you do not actually menstruate. The body has simulated pregnancy, and ovulation is turned off.

The most important decision an infertile couple has to make is whether they sincerely want to be parents. Once the decision is made they should enter into the work-up as a cohesive team.

The importance of the initial history-taking in tandem cannot be over-stressed. Doctors who specialize in infertility are quick to pick up overtones between the couple indicating any other problems that need solving. Sometimes the couple is having marital difficulties and think having a baby will "hold their marriage together." If the interviewing doctor discovers this, he will recommend marriage counseling at the outset.

Some couples will go through extensive infertility work-up tests at more than one institution only to confess after a long time that they have an unconsummated marriage—or that they only have sexual intercourse three or four times a year.

One couple I'll call John and Marcia showed their immediate problem in their first interview with Dr. Decker. They were openly hostile in blaming each other for their inability to conceive. John complained that Marcia's physical health might be excellent, but her emotional health was not. He said she was a bundle of nerves, quick to cry and had limited their sex life to once or twice a month. As a man in his late twenties, married just 2 years, he was puzzled and felt rejected.

Marcia complained it was John's fault she couldn't get pregnant, since their last infertility check-up indicated he had a low sperm count.

When John left the room to give a sperm sample to the urologist, and while Marcia was being examined internally, Dr. Decker gently asked her if she had ever experienced a pregnancy. She burst into tears and said she had an abortion several years earlier. She hadn't told her husband. Now that she was unable to conceive, her guilt at giving up that baby was enormous. She believed her inability to get pregnant had to be John's fault since she had been pregnant already. She had punished him by not permitting sexual intercourse and thus had further reduced their chances.

Dr. Decker sensed that Marcia felt childbearing would relieve her of her guilt. He advised her to forget the past and not to dwell on the abortion. He explained the possibility of secondary infertility which is a state where one or more pregnancies are followed by a year or more of involuntary barrenness.

The examination revealed she had irregular periods and painful ovulation. This indicated there was a combination of physical factors reducing their "fertility index," which is usually the case in most infertile couples. Dr. Decker suggested she tell her husband about her early abortion so he could better understand her present emotional stress.

After eliminating other factors, Dr. Decker performed an examination of Marcia's pelvic area with a culdoscope. This procedure revealed minor defects caused by adhesions which were removed at the time of culdoscopy. Also the birth control pills she had taken for over five years had suppressed her ovulation significantly and hormone therapy was necessary.

John's sperm was collected in several samples, concentrated and frozen, and eventually combined for an H.A.I. (husband artificial insemination) on Marcia's ovulation day. A successful pregnancy resulted and their infertility problem was solved. More impressive was the fact that they had gained a new understanding of each other through the infertility therapy.

It would have been easy to dismiss Marcia's problem on the surface as being psychosomatic, but that would have been a grave disservice to this couple.

An initial interview sometimes reveals mixed feelings about being a parent. Some people have barely weathered the storm of getting through their own childhood and feel they would make poor parents. Many women fear losing their independence and resist the "baby trap" by having infrequent sex. Doctors understand this and point out that it is not a crime not to want children. This gives the couple a sense of relief and they can better face pressure from family and friends.

One woman I'll call Sylvia revealed her ambivalence about the infertility treatment in the opening interview. She explained that she and her husband were there because her mother-in-law had badgered them into coming. The couple had been married 10 years and had a 4-year-old adopted daughter. This evidently didn't satisfy her mother-in-law who wanted her son to carry on the family name and genes.

Dr. Decker began an internal examination. Sylvia's body was cold with perspiration and she was so tense that he could barely examine her. She gradually relaxed after, under quiet questioning, she admitted she resented the pressure from her husband's mother and the feeling that she had "failed" in some way to produce the desired grandchild.

Dr. Decker recommended family counseling for this couple before further infertility treatment. He felt Sylvia would not be cooperative until she resolved her ambivalence about the situation. And infertility treatment requires complete cooperation and a great deal of patience on the part of the patients and the doctors.

After the history is taken, the next step is a complete physical examination of husband and wife. Dr. Decker sees the infertility work-up as a way to provide general health care.

He says, "Infertility is not a disease state, but the result of other diseases. In many instances relief of the infertile state results in improved physical and mental health and prevention of progression of minor disease to an advanced or serious state."

A Rubella test is advised as part of the initial routine to eliminate the possibility of German measles affecting the fetus if the treatment is successful. Then begins the elimination process that characterizes infertility treatment.

The male factor is ruled out with three specific tests: 1) a sperm count, 2) a mobility test or examination of the sperm's forward mobility and 3) a post-coital test. The post-coital test (or Huhner test) is necessary to determine if the sperm survives for at least several hours after intercourse. This test determines both the potency of the sperm and whether there is an immune factor at work.

In up to 30 per cent of couples with long-term infertility, an immune response to the man's sperm plays a significant role. According to the Foundation's immunologist, Dr. Sidney Shulman, "The presence of sperm antibodies is common enough to warrant routine testing of all infertile couples." This particular problem is determined with a blood test.

A split sperm count is sometimes recommended if the husband's semen is subfertile. The first ejaculation of semen usually contains a greater concentration of sperm and this is collected first and the bulk of the ejaculate is collected in another container. Counts can vary widely depending on which half of the sperm sample is studied. And since illness, job tension or unusual stress can produce marked differences in sperm production and strength, sperm counts should be repeated at times.

Dr. Hugh Melnick, another staff member of the Foundation, explains. "The virus a man has today, or the confrontation with his boss tomorrow, will effect the quality of his sperm six weeks hence since it takes that long for sperm production."

Once the male factor has been eliminated as the cause of infertility, the rest of the tests are focused on the female factor. The ultimate fertility of every woman depends upon the activity of her ovaries and the production of sex hormones.

Regular ovulation is established by a Basal Body Temperature Chart and tests made on the cervical nucous produced during the process of ovulation. The test Dr. Decker uses to see if the fallopian tubes are open is hydrotubation. This procedure is also used as therapy for tubal closure. X-ray examinations may be used to check the condition of the uterus and also of the fallopian tubes. A well-rounded fertility survey should also include tests to determine if there is any disturbance of the endocrine system.

When none of the tests reveal the exact cause for failure to conceive, it may be necessary to take a look inside the pelvic area to see if disease states or adhesions are upsetting the finely-tuned mechanism of reproduction in the woman's body. Dr. Albert Decker devised a means of introducing a lighted telescope inserted through the vagina for this examination, which is performed without surgery, general anesthesia or stitches. Minor defects have been discovered in 80 percent of infertile women examined by the culdoscope, and 40 percent had endometriosis (blood blisters in the pelvic area).

Joan S. describes her torment for five years when doctor after doctor told her that pregnancy would result if she would be patient and not so "nervous." She said their constant reminders that her nerves were the cause of her barrenness made her so tense she could barely function as a wife or in her job. Her salvation was a culdoscopy which revealed that a childhood infection had closed the end of both fallopian tubes. The closure was not apparent in the X-rays or with a Rubin test (tubal insufflation). She was treated with hydrotubation and became pregnant three months later. She is now expecting her second child.

If tests indicate that a woman is not ovulating, then and only then, fertility drugs are prescribed. Today, most infertility specialists are alarmed by the fact that fertility drugs are being overprescribed. Doctors who give in to pressure from infertile women who should not receive these ovulation stimulants are doing them a disservice because such drugs can be dangerous.

Dr. Melnick also warns that women taking the drugs have to have "customized therapy" with daily monitoring to ensure good results without complications or multiple births.

At the Fertility Research Foundation in New York, where a team of specialists engages in research and treatment, Dr. Masood A. Khatamee has discovered that sometimes infertility is caused by a micro-organism found in the genitourinary tract of women. This disease, called Mycoplasma, is uncovered with a culture taken much like a PAP smear and has been proven to be the cause of infertility and spontaneous abortion in animal studies. It now appears that such a relationship exists between this disease and infertility in humans. Mycoplasma responds to antibiotics.

Research in immune reactions to sperm, genetic defects and how they can be worked around to produce normal births and how to predetermine the sex of your child are also going on at this center devoted exclusively to the problems of the childless, but funding has never before been made available for this long-neglected field.

Representatives Edward I. Koch (D/L-NY) and Dr. Tim Lee Carter (R-Ky) have introduced a bill in Congress to gain support for research programs in fertility, sterility and the reproductive process. Initiated by the Foundation, this proposed legislation also seeks funds to establish treatment centers for infertility diagnosis and treatment modeled after the Foundation's procedures.

It may be possible, with government support, for couples all over the country to obtain the integrated efforts of a study group of specialists involved in a complex detective search for the causes of infertility. Then there will be less likelihood of an infertile couple's being told their problem was "all in their heads."

HOME HEALTH CARE—PART XXII

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, together with 113 House cosponsors, I have introduced H.R. 4772 and H.R. 4774, the National Home Health Care Act of 1975. The bill has been given equally strong support in the Senate where it has been introduced as S. 1163 by Senators Frank Moss and Frank Church, respective chairmen of the Senate Subcommittee on Long Term Care and Committee on Aging, Hugh Scott, Senate minority leader, and Senators Williams, Domenici, and Tunney.

To discuss the need for home health services and the public support this proposal is receiving, it is my intention to place statements in the Record several times a week by experts and lay persons commenting on this subject.

Today I am submitting, as the 22d part of this series, two statements: the first, a summary of an experimental program in long-term care which will be conducted in Rochester, N.Y.; the second, the opening remarks in the Senate Subcommittee on Health of the Elderly of the Special Committee on Aging's hearings on home health care and an appended proposal submitted by Mr. Allen Lesser, director of the public affairs committee, Zionist Organization of America:

State of New York,
Department of Social Services,
Albany, N.Y., July 22, 1975.

Hon. Edward I. Koch,
U.S. House of Representatives,
Washington, D.C.

Dear Mr. Koch: Knowing your interest in the field of health care, I enclose for your information a summary of an experimental program in long-term care which will be conducted in Rochester, New York.

A community-based planning group freed by waivers from many constraints will select alternative modes of care and financing from a spectrum of change possibilities ranging from minimal to radical.

We feel this model program has important implications for patterns of long-term care not only in New York but in the nation.

Sincerely,
Beverlee A. Myers,
Deputy Commissioner,
Division of Medical Assistance.

Enclosure.

Summary

The start of an experimental project centered in Monroe County to develop new and more effective ways of providing comprehensive long-term health and social services for the elderly was announced today by Stephen Berger, Acting Commissioner of the State Department of Social Services.

One of the main purposes of this demonstration project will be to test the ability of a locally-based community group to assume responsibility for planning and organizing a system of long-term care in the county as an alternative to the present fragmented system of delivery and financing of such care.

The impetus for the project came from a meeting of key persons concerned with care for the elderly, held in Rochester over a year ago, which identified the need for greater decision-making responsibility on long-term care at the community level. The State Department of Social Services assisted the county in developing a proposal to the U.S. Department of Health, Education, and Welfare, which resulted in a first year grant of $188,700.

The need for such a project is underscored by recent studies which show that many patients in nursing homes really do not need the level of care which such facilities are designed to provide, and could be better served elsewhere.

Medicaid expenditures in New York State for care in nursing homes and health-related facilities have soared in recent years—from $254.3 million in 1970 to $662.5 million in 1974. Monroe County expenditures in 1974 for long-term care in nursing homes and health-related facilities amounted to about $25 million—more than half of total Medicaid expenditures for the county.

A community-wide planning and operating body will be established in the initial phase of the project. It will be made up of representatives of consumer groups, the Monroe County Legislature, other government agencies, the health professions, third party payment agencies such as Blue Cross-Blue Shield, and the public at large.

The community-wide body by functioning under provisions of a demonstration project will be enabled to operate in a framework freed of some of the restrictions which have characterized long-term care. It is hoped this will make it possible to overcome the problems arising out of the fragmentation of responsibility in this field.

The State Department of Social Services is the recipient of the Federal grant which is funding the project. Welfare Research, Inc., a not-for-profit research corporation affiliated with the Department, will be responsible for the grant's management.

Operations will be limited for the first year to Monroe County to determine whether the program or some of its components should be extended elsewhere. The project will seek to determine whether incentives to change the present organization of health care or methods of financing should have a beneficial effect on the availability of cost of health and social services for the aged.

According to James Reed, Monroe County Director of Social Services, there are about 20,000 persons in the county who are potential beneficiaries of the alternatives to be developed by the program. Commissioner Reed and his department will be involved in the local effort.

The Department of Social Services has established a State Advisory Committee to provide guidance and assistance to the project, under the chairmanship of the Department's Deputy Commissioner for Medical Assistance, Beverlee A. Myers. The committee is made up of representatives of State agencies concerned with programs for the elderly.

Mr. Berger noted that Monroe County was chosen as the site for this demonstration project because it has been traditionally receptive to programs designed to bring about institutional changes in the health care field. Under a recent contract with the Rochester Health Network, for instance, the Monroe County Department of Social Services is now offering the first prepaid comprehensive health care plan in New York to persons eligible for Medicaid, he said.

BARRIERS TO HEALTH CARE FOR OLDER AMERICANS

(Hearings before the Subcommittee on Health of the Elderly of the Special Committee on Aging, U..S. Senate, July 11, 1973)

The subcommittee met, pursuant to notice, at 10 a.m., in room 1318, Dirksen Building, Hon. Edmund S. Muskie, chairman, presiding.

Present: Senators Muskie, Fong, and Stafford.

Also present: William E. Oriol, staff director; David A. Affeldt, chief counsel; Elizabeth M. Heidbreder, professional staff member; John Guy Miller, minority staff director; Robert M. M. Seto, minority counsel; Patricia Oriol, chief clerk; Gerald Strickler, printing assistant; and Yvonne McCoy, clerk.

OPENING STATEMENT BY SENATOR EDMUND S. MUSKIE, CHAIRMAN

Senator MUSKIE. The subcommittee will come to order.

The Subcommittee on Health of the Elderly today enters a new phase in its inquiry, "Barriers to Health Care for Older Americans."

In prior hearings—in the field, as well as in Washington, D.C.—we have dealt priparily with the harsh problems facing older Americans in need of health and medical care.

We have heard overwhelming opposition to the administration's proposals to increase the cost of Medicare in the name of "cost sharing."

We have listened to older persons with firsthand experience of what it means to go without prescription drugs because of high prices, to go to hospital emergency rooms for hours of waiting because no other help is available, to know of friends and neighbors who daily become more feeble because they can't afford to use the coverage that Medicare is supposed to provide.

The subcommittee must conclude, even at this stage of our inquiry, that an intolerable number of the elderly of the United States today live in pain or in debilitating illness simply because they are priced out of the market, or they can't find the services they need.

I am speaking now not only of those older persons who are obviously ill and in need of direct treatment.

I am speaking also of those who somehow manage to get along each day—to take care of their apartments and homes, to do their shopping, to visit their friends—despite illnesses that are taking hold and that could be, with proper attention, warded off or controlled.

Why in this Nation do we insist on talking only about medical care when we should be at least as concerned about health care?

Why do we wait for the person to become incapacitated, and then insist that the institution is the place for him?

These are not hypothetical questions. They are based upon the growing realization that the United States has to put its health system in order. For those Americans in need of institutional care, there is no substitute for good institutions. But for those who can better be served outside those institutions, options should be available.

Programs endangered

The subcommitee has been told, in no uncertain terms, that those options do not exist, or that they exist only on a limited scale, and that even the limited, pioneering programs are endangered.

Home health agencies today are relegated to an almost insignificant role in Medicare. If current trends continue, their role will diminish still further. The number of home health agencies certified by Medicare dropped from 2,350 in 1970 to 2,221 in 1972. They receive less than 1 percent of reimbursements under Medicare. Reimbursement policies have been so restrictive that dollar amounts have dropped from about $80 million in 1969 to $59 million in 1972. But at the same time, the amount spent for hospitalization under Medicare has been rising.

The Federal Government should be encouraging, not handicapping, effective innovations in health care for the elderly. The figures showing declining use under Medicare suggest that in this field we are, in fact, headed in the wrong direction.

Recently, when the subcommittee took testimony in Livermore Falls, Maine, I was impressed by the earnest, grassroots efforts that were taking place in a three-county area of my home State. There, citizens have organized themselves, with the help of the State office on aging, in what they called Project Independence. Their purpose is to provide the services needed by older persons, not only for survival, but for well-being.

Health care does not stand alone as a separate, detached component of the program; it is built into almost everything that is done through Project Independence. There is a screening program to detect incipient or even acute health problems. There is a pioneering home health program which has been linked to Project Independence, with good results for all. The transportation problem is dealt with, to a large degree, by oncall buses. A health maintenance organization is also helping to solve problems caused in part by the rural nature of much of the area served.

But shifts or reversals of Federal policy could endanger the achievements of Project Independence and other similar programs.

APPENDIX 2—LETTERS FROM INDIVIDUALS AND ORGANIZATIONS

ITEM 1. STATEMENT SUBMITTED BY ALLEN LESSER, WASHINGTON, D.C.

I appreciate the opportunity to submit this statement on Home Health Care for the Elderly.

As a former executive assistant to Senator Jacob K. Javits (Republican of New York), I was assigned the responsibility for the development of legislation on health care for the elderly (Medicare) for the years from 1959 to 1965, which culminated in the passage of title 18 of the Social Security Act.

My interest in the development of home health care is the result of my study of such services in Great Britain and Germany in 1962. I am deeply convinced that if Medicare costs are to be controlled and reduced, and delivery of needed services to the elderly improved, a national comprehensive system of home health care services is the way to do it.

In 1965, when Medicare became law, the average cost per patient for hospital care in New York State stood at $50 to $58 per day. At that time health economists were predicting that by 1975, the cost of hospital care would raise to $100 per day. As a matter of fact, such costs reached that high point in New York in 1970. According to the American Hospital Association, the national average for that year was $81.01, and in 1971 it climbed to $92.31. Today, it is even higher.

The accelerating rate of increase in hospital care costs has far exceeded congressional estimates made when the Medicare program was enacted. While the demand for hospital beds continues to remain high, it seems futile to hope that greater efficiency, automation, consolidation and improved management skills will somehow halt the rising spiral of costs, much less lead to substantial cost reductions.

It is important to note that current proposals for catastrophic illness insurance and national health insurance emphasize coverage for payment of costs rather than their control or reduction. As a matter of experience, there is sound reason to believe that such proposals, if enacted, would have the effect of skyrocketing costs, just as in the case of Medicare. No insurance program by itself can reduce costs; it is much more likely to result in increases by encouraging greater use of already costly facilities.

The largest single factor in the high cost of health care for the elderly is the hospital. Therefore, if the use of hospital beds can be substantially reduced without impairing necessary health care, Medicare costs could at least be stabilized. The Medicare program, however, is hospital centered. It does not have to be. Hospital and skilled nursing institutional care are not the only kinds of health care indicated for an elderly patient nor are they necessarily the best kind of health care in every case. Sharp reductions in health care costs can be effected if such institutional care were to be employed exclusively for cases of emergency or acute illness or surgery.

Emphasis on hospital health care has discouraged the development of badly needed home health care services. While home health care is authorized in the Medicare legislation, it has been used relatively little primarily because it is hospital centered and can be prescribed only after a stay in hospital. Posthospital home health services under Medicare are limited to 175 visits after at least a 3-day stay in hospital. Where available, these services must conform to a plan prescribed by the physician in charge of the patent, and must be directly related to the patient's condition. These restrictions and lack of available services have discouraged use of this provision and encouraged the use of costlier skilled nursing home services for posthospital care.

Home health care efforts are sporadic and limited in kind. Only rudiments of a program exist in most parts of the country, much of it on a volunteer basis, and only with state support when it involves children of a family on welfare. A major share of the health care for the elderly, however, could be taken up at far less cost by a comprehensive wide range of home and ancillary health care services such as exist in Great Britain, for example. Cost runs have demonstrated that home health care on an organized adequate scale can be provided for a fraction of the cost of hospital care, something on the order of about $15–$20 a day, depending upon the community.

Under State and local administration, a home health care program can become an effective and economic way to treat chronic disease and long-term disability. As outlined below, the program I advocate can be used satisfactorily not only for posthospital care but also when illness strikes and hospital beds are not immediately available, and the ailing person can be taken care of temporarily in his home. Furthermore, the psychological advantages of home health care offer a distinct benefit and should not be overlooked by the physician. Gerontologists are agreed that aging patients almost without exception would be greatly relieved if they knew that they did not have to go to a hospital for care and could remain in their own familiar surroundings while undergoing treatment.

To establish a national comprehensive program of home health care, legislation amending title 18 of the Social Security Act will be necessary to authorize such services without a prior stay in hospital and on the prescription of an attending physician. There should be no limitation on the number of days such services can be provided. Legislation will also be necessary to amend the Public Health Service Act to provide for Federal-State sharing in financing these services. With the Federal Government setting standards and providing overall national coordination, home and ancillary health care services can be set up as the responsibility of state and local health authorities. They should be as readily available as police or fire prevention services, or as current ambulance services. Abuses should not occur if the following organization of services is established and made available:

(1) A health supervisor. This is usually a woman who is trained to assess the health care needs of the household as a whole, and particularly the health care needs of infirm old people who are living alone. Her basic concern should be to provide for preventive care, but in all instances she should be the one responsible to the physician for the execution of his orders and the one to negotiate with the physician for any other services she believes are required.

(2) Home nurse. This is a professionally trained practical nurse capable of caring for the sick and coping with the complications arising from social breakdown and mental confusion. Where possible she would enlist and instruct relatives to care for their elderly sick. In cases of acute illness, her services might be employed—day or night—under the direct guidance of the physician in charge until a hospital bed becomes available. (In rural or sparsely populated areas, the functions of the health supervisor and the home nurse may be combined in the same person.)

(3) Technicians and therapists. Ancillary services of all kinds should be available to the physician on prescription through the centrally administered service.

(4) Social worker. This person may be called in to help where problems arise concerning the accommodation, care and family adjustment of those who become tubercular, disabled, chronically ill, or otherwise handicapped.

(5) Home helpers. These persons are primarily concerned with domestic duties such as washing, cooking, cleaning, and purchase of food. For elderly men living alone, male home helpers may be indicated.

(6) Hospital equipment. Wheel chairs, walking aids, hospital beds, sanitary equipment, appliances, etc., should be made available for temporary loan in the home.

(7) Meals-on-Wheels. This service should be available in order to provide housebound patients with at least one hot meal a day.

(8) Supplementary services. Voluntary groups and organizations should be encouraged and assisted. Working in coordination with local health authorities and in some cases partially subsidized by them, church, fraternal, local industry, senior citizens and golden age volunteers could provide a wide range of specialized services including shopping, visiting and socializing, repairing, reading aloud, holiday and outing programs, organized entertainments, transportation library services, staffing for day centers, and special housing for the elderly. There are no limits to the quality and number of services that a properly motivated community can provide on a volunteer basis.

Physicians could be alerted to the availability of ancillary services as they are organized and encouraged to make maximum use of them in order to enable the elderly to remain independent and in their homes as long as possible. Increased emphasis and professional quality of home health care services could reverse the present tendency to refer aging persons to hospitals and other institutions simply because there is no other way to take care of them.

We have hardly begun to tap the community resources, voluntary as well as professional, out of which ancillary and home health care services can be developed and supplemented. There would also be side benefits of such a program through opportunities for greater employment of low-income groups. The kind of home health care services suggested in this statement would require the training and employment of large numbers of paraprofessional workers and thus help reduce unemployment.

To a large extent the costs of a comprehensive home health care program can be met out of savings effected in the reduced use of hospital services. Extension of the program to cover Medicaid and some veterans' health services could result in further substantial savings.

A comprehensive, fully staffed and adequately funded program in each state would take home health care services out of their present piecemeal and limited existence, help control and reduce Medicare and Medicaid costs, reduce unemployment, and make a vital contribution to the health and morale of the infirm poor and elderly in urban and rural communities. As the number of men and women over 65 years of age continues to rise—it is expected to total 25 million in 1980—we shall have to make use of all our community resources and services in order to keep the cost of delivering health and medical care viable and within a manageable range. Home and ancillary health care services outside of the hospital point the way in which this can be done.

Respectfully submitted.

ABUNDANT OPPORTUNITY FOR THE COMMISSION ON PAPERWORK

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. SIKES. Mr. Speaker, the members of the new Commission on Paperwork have been appointed. If the average businessman were asked what aggravates him most about Government, probably he would say, "Too much paperwork." Year after year the volume of paperwork required of business and industry goes up. It has reached the point where the average businessman must employ additional personnel just to fill out forms. Whether the majority of these forms ever see the light of day or serve any useful purpose is questionable.

Most of them stem from new regulations. Every agency in Government seems to be in the business of issuing regulations which have the effect of law. The private businessman is harassed by forms he does not know how to fill out and does not have time for.

Almost in the same vein is the rapidly increasing number of agencies, bureaus, commissions, et cetera. As I recall, we have gotten rid of only one in the past decade or two; we probably have created hundreds. The Commission on Paperwork could be a great boon to the American business community by helping to provide some relief from unnecessary and unwanted regulations, paperwork, commissions, et cetera.

SONS OF AMERICAN REVOLUTION TAKE LEADING ROLE IN BICENTENNIAL

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. SIKES. Mr. Speaker, America's Bicentennial is of interest to a great many of the world's people. It is indeed a signal event within our own country. Here many organizations are taking an active part in bringing out the true significance of the Bicentennial and stressing the opportunities which it gives us to reaffirm our dedication to the principles which made America great. One organization which truly enters into the spirit of the event is the National Society of the Sons of the American Revolution, which is observing our Bicentennial with commendable activity. The Society is composed of branches in all 50 States, the District of Columbia, France and Switzerland, and all have local chapters therein. Therefore, Bicentennial activity is being implemented at the national, State and community levels.

The National Society plans to lay the cornerstone of a new SAR building next to its present headquarters on Washington's embassy row, and this edifice will be dedicated to our Nation's birthday. It will house a museum with artifacts and furnishings of the Revolutionary period. In addition, the building will include one of the finest historical and genealogical libraries in America. Those interested in research and enlightenment relative to Americans of the Revolutionary period will find the collection to be priceless. Also, commemorating the birth of our Nation, the National Society has issued a Bicentennial ingot of limited distribution.

The SAR National Headquarters is working closely with governmental and private organizations in the furtherment of this celebration. Several friendly foreign governments have received invaluable assistance, especially in obtaining data concerning volunteers from their lands who served the cause of American independence.

At the request of governors and mayors throughout the United States, knowledgeable members of the SAR are serving upon Bicentennial commissions, and are chairmen of many.

The National Society, SAR, recently presented a magnificent porcelain masterpiece to President Ford and the American people, depicting the signing of the Declaration of Independence. By express direction of the President, this artwork has been deposited for public view on the Freedom Train, and is the only nonantique in the fine arts car. The beauty of this masterpiece will truly be an inspiration to all who view it.

Additional Bicentennial programs at state and community levels include:

The formation and training of authentically-uniformed units and color guards that are furnished to pertinent ceremonies in their areas at no charge. The Massachusetts unit, for example, numbers almost 100.

Collections of historical American flag replicas are loaned for display and participation. The collection of the Ohio Society, SAR, is only one, and it numbers 130.

A retired clergyman in Minnesota is traveling throughout the United States at his own expense with a Liberty Bell of original proportions. He has visited hundreds of schools, and his patriotic discourse has impressed and delighted almost 100,000 students thus far.

In New York State, the SAR has purchased the Odell House, which was the headquarters of General Rochambeau. The structure is being completely restored with authentic furnishings, and will be available to the public.

Throughout America, chapters and State societies are presenting framed copies of the Declaration of Independence and Bill of Rights to schools, Government offices, post offices, airports, and so forth.

In New York State, the Stony Point Chapter, SAR, has launched a drive to restore and promote the Stony Point Battlefield. At Utica, the Oriskany Battle Chapter, SAR, is doing likewise for its namesake.

Bicentennial coins have been designed by SAR organizations to commemorate our Revolutionary history, and their distribution is adding to the public knowledge of our heritage. For example, the coin honoring the Battle of the Fort of William and Mary in New Hampshire was little known, but constituted one of the first expressions of our wish for freedom.

SAR branches in Arizona, New Mexico and Nevada are engaged in fruitful research that has revealed that the residents of those areas sent funds to support the cause of independence.

In all States where Revolutionary veterans are buried, their graves are being identified and properly marked by SAR units. In addition, bronze plaques are being placed at historical points where none previously existed.

The national SAR magazine, in addition to state and chapter SAR publications, is devoting a majority of space to the Bicentennial and how it can be better implemented.

The National and Florida Societies, SAR, have researched the exploits of the Spanish General, Bernardo de Galvez who assisted the American cause. His "second front" in Florida, Alabama and Louisiana is recognized by the U.S. Army as a vital assistance in our war for Independence. This new awareness of Spanish assistance has generated a feeling of pride and involvement for the millions of Americans of Spanish blood.

In many States, SAR groups are engaged in archaeological research, working with professionals to discover and safeguard artifacts of our heritage.

National, State and local units of the SAR are recognizing and honoring other Americans who are engaged in meaningful Bicentennial programs. By conferring gold, silver and bronze Good Citizenship medals and certificates, they are providing an added incentive for the observance of our national birthday.

Since 1889, the Sons of the American Revolution have been preserving and promoting the American heritage, and they may well be proud of their current critical role in this noble effort. The greatest nation on Earth deserves a very special birthday.

THE COSTS TO NEW YORK OF THE PRESIDENT'S OIL PRICE DECONTROL PLAN

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, I am inserting for the benefit of my colleagues a memorandum from the office of the Governor of New York to our congressional delegation setting forth the State's estimate of the increased costs the State would incur if the President's latest proposed oil price decontrol plan were to go into effect. As you can see, by defeating that plan yesterday, we have saved the taxpayers of New York millions of dollars, and I am sure the result is the same in every other State.

MEMORANDUM

To: Members of the New York Congressional Delegation

From: James L. Larocca, Office of the Governor of the State of New York

Subject: Dollar Impact of the President's New Oil Price Decontrol Plan

H. Res. 641 disapproving the President's latest proposal to remove price controls from domestic crude oil will reach the House floor this week. In addition, a vote on a motion to close further debate on S. Res. 145, expressing Senate disapproval of the President's proposal, will occur on Wednesday, July 30. The attached tables have been assembled in an attempt to sketch the effects of the President's new plan on New York consumers. The following points should be taken into consideration with respect to the information:

1. All figures are approximate based on 1974 NYS consumption, and intended to indicate relative prices. Thus, they may differ slightly from those of the FEA or other Administration sources.

2. Though price increases are designed to be gradual, they may not appear so to the consumer. For example, if you heat your home with oil, you may not buy fuel from April until October or November.

3. What mechanisms are there in law or regulation to control delivery schedules for heating oil? Some customers will get their tanks filled in May; some not until October. Who will be served first at the lower prices?

4. These calculations of impact consider none of the various rebate proposals, which are too indefinite to calculate at this time.

I. APPROXIMATE PRICE OF "OLD" OIL PER BARREL[1]

	Sept. 1, 1975	Sept. 1, 1976	Sept. 1, 1977	Sept. 1, 1978
September	5.33	6.42	8.72	13.16
October	5.41	6.58	9.02	13.62
November	5.49	6.74	9.33	14.09
December	5.57	6.91	9.66	14.58
January	5.65	7.08	10.00	(3)
February	5.73	7.26	10.35	
March	5.81	7.44	10.71	
April	5.90	7.63	11.08	
May	5.99	7.82	11.47	
June	6.08	8.02	[2] 11.87	
July	6.17	8.22	12.29	
August	6.26	8.43	12.72	

[1] All figures rounded to nearest cent.

[2] During May 1978, "old" oil price will pass "new" oil ceiling price—thereafter the distinction will not exist.

[3] PriceControls end.

II. Gross Price Increases in New York.

The various factors involved in the various proposals and plans are presented below. They may be combined in any configuration to provide the total price increase for a given plan.

A. Annual cost of President Ford's $2/bbl Import Fee, beginning 6/1/75.

Gasoline	$119,153,726
Residual	158,143,176
Distillate	116,044,368
Total	393,341,270

B. Annual Cost of Proposed OPEC Price Increases (presuming control of all domestic oil), beginning 9/1/75.

	$2/bbl
Gasoline	$93,395,713
Residual	320,666,666
Distillate	109,871,999
Total	523,934,378

	$4/bbl
Gasoline	$186,791,427
Residual	641,333,335
Distillate	219,743,999
Total	1,047,868,761

C. Annual Cost of Proposed OPEC switch from the U.S. dollar as standard currency, beginning 9/1/75.

Gasoline	$23,785,357
Residual	45,021,599
Distillate	25,183,671
Total	93,990,627

D. The following tables show monthly changes in Oil Cost under President Ford's New Decontrol Plan.

N.B.

(1) Though the first year's figures might seem to indicate a downward trend, gasoline prices are unlikely to actually go down, because producers will be passing through accumulated costs. Thus, no unit price change is noted for the first year.

(2) The plan will have significant effects on the prices of gasoline and distillate oils (diesel and home heating) beginning in 1977.

(3) Since 89% of New York's residual oil is imported, the President's program will have a maximum effect of $.09/bbl in December, 1978—not a significant change. Again, no unit price change is noted.

(4) All calculations are based on 1974 consumption figure and should be read not as exact predictions but as long range and seasonal trend indicators. Consumption of residual and distillate oil will vary from year to year and month to month depending upon the weather, so no exact prediction is possible.

	Old	New	Net	Unit price (per gallon)
September 1975:				
Gas	440, 174	−5, 431, 111	−4, 990, 937	
Residual	23, 728	−296, 601	−272, 873	
Distillate	192, 018	−2, 370, 306	−2, 178, 288	−3. 009
October 1975:				
Gas	880, 349	−5, 431, 111	−4, 550, 762	
Residual	66, 933	−540, 068	−473, 135	
Distillate	611, 014	−3, 771, 222	−3, 160, 208	−. 008
November 1975:				
Gas	1, 320, 523	−5, 431, 111	−4, 110, 588	
Residual	115, 685	−611, 370	−495, 685	
Distillate	1, 169, 403	−4, 811, 760	−3, 642, 357	−. 0076
December 1975:				
Gas	1, 760, 698	−5, 431, 111	−3, 670, 413	
Residual	208, 660	−1, 165, 937	−957, 277	
Distillate	2, 007, 881	−6, 196, 391	−4, 118, 510	−. 0069
January 1976:				
Gas	2, 200, 872	−5, 431, 111	−3, 230, 239	
Residual	289, 119	−1, 008, 981	−719, 862	
Distillate	2, 494, 627	−6, 158, 806	−3, 664, 179	−. 0060
February 1976:				
Gas	2, 641, 047	−5, 431, 111	−2, 790, 064	
Residual	374, 083	−1, 064, 906	−690, 823	
Distillate	3, 121, 801	−6, 422, 658	−3, 300, 857	−. 0051
March 1976:				
Gas	3, 081, 222	−5, 431, 111	−2, 349, 889	
Residual	462, 687	−1, 111, 606	−648, 919	
Distillate	4, 293, 120	−7, 570, 697	−3, 277, 577	−. 0043
April 1976:				
Gas	3, 567, 730	−5, 431, 111	−1, 863, 381	
Residual	544, 576	−910, 359	−365, 783	
Distillate	2, 390, 571	−3, 631, 944	−1, 241, 373	−. 0034
May 1976:				
Gas	4, 054, 239	−5, 431, 111	−1, 376, 872	
Residual	590, 221	−507, 398	82, 823	
Distillate	2, 526, 033	−3, 370, 996	−844, 963	−. 0025
June 1976:				
Gas	4, 540, 748	−5, 431, 111	−890, 363	
Residual	632, 765	−472, 930	159, 835	
Distillate	1, 787, 608	−2, 162, 891	−375, 283	−. 0017
July 1976:				
Gas	5, 027, 257	−5, 431, 111	−404, 854	
Residual	656, 466	−263, 473	392, 993	
Distillate	2, 380, 608	−2, 555, 353	−174, 745	−. 0006
August 1976:				
Gas	5, 513, 765	−5, 431, 111	−82, 654	
Residual	683, 833	−304, 218	379, 615	
Distillate	2, 450, 321	−2, 395, 810	54, 511	. 002
September 1976:				
Gas	6, 311, 460	−5, 431, 111	880, 349	+. 0038
Residual	731, 221	−296, 601	434, 620	
Distillate	2, 616, 255	−2, 370, 306	245, 949	+. 001
October 1976:				
Gas	7, 191, 809	−5, 431, 111	1, 760, 698	+. 0076
Residual	817, 507	−540, 068	277, 439	
Distillate	4, 773, 548	−3, 771, 222	1, 002, 326	+. 0026
November 1976:				
Gas	8, 072, 158	−5, 431, 111	2, 641, 047	+. 0114
Residual	915, 185	−611, 370	303, 815	
Distillate	7, 260, 046	−4, 811, 760	2, 448, 286	+. 005
December 1976:				
Gas	8, 998, 841	−5, 431, 111	3, 567, 730	+. 0154
Residual	1, 113, 378	−1, 165, 937	−52, 559	
Distillate	8, 418, 887	−6, 196, 391	2, 222, 496	+. 0037
January 1977:				
Gas	9, 925, 525	−5, 431, 111	4, 494, 414	+. 0194
Residual	1, 284, 891	−1, 008, 981	275, 910	
Distillate	11, 412, 921	−6, 158, 806	5, 254, 115	+. 0086
February 1977:				
Gas	10, 898, 542	−5, 431, 111	5, 467, 431	+. 0236
Residual	1, 476, 487	−1, 064, 906	411, 581	
Distillate	13, 072, 543	−6, 422, 658	6, 649, 885	+. 0139
March 1977:				
Gas	11, 871, 560	−5, 431, 111	6, 440, 449	+. 0278
Residual	1, 676, 485	−1, 111, 606	564, 879	
Distillate	16, 789, 167	−7, 570, 697	9, 217, 470	+. 0126
April 1977:				
Gas	12, 890, 911	−5, 431, 111	7, 459, 800	+. 0322
Residual	1, 849, 317	−910, 359	938, 958	
Distillate	8, 753, 168	−3, 631, 944	5, 121, 224	+. 014
May 1977:				
Gas	3, 048, 041	−5, 431, 111	8, 479, 172	+. 0366
Residual	1, 945, 647	−507, 398	1, 438, 249	
Distillate	8, 772, 847	−3, 370, 966	5, 401, 881	+. 016
June 1977:				
Gas	14, 975, 949	−5, 431, 111	9, 544, 838	+. 0412
Residual	2, 040, 730	−472, 930	1, 567, 800	
Distillate	5, 965, 875	−2, 162, 891	3, 802, 984	+. 0179
July 1977:				
Gas	16, 041, 635	−5, 431, 111	10, 610, 524	+. 0458
Residual	2, 092, 767	−263, 473	1, 829, 294	
Distillate	7, 685, 225	−2, 555, 353	3, 300, 578	+. 012
August 1977:				
Gas	17, 107, 320	−5, 431, 111	11, 676, 209	+. 0504
Residual	2, 156, 652	−304, 218	1, 852, 434	
Distillate	7, 714, 873	−2, 395, 810	5, 319, 063	+. 02 2
September 1977:				
Gas	18, 613, 181	−5, 431, 111	13, 182, 070	+. 0569
Residual	2, 242, 506	−296, 601	1, 945, 905	
Distillate	8, 328, 814	−2, 370, 306	5, 958, 508	+. 025
October 1977:				
Gas	20, 211, 710	−5, 431, 111	14, 780, 599	+. 0638
Residual	2, 404, 526	−540, 068	1, 864, 458	
Distillate	18, 215, 863	−3, 777, 222	14, 438, 641	+. 038
November 1977:				
Gas	21, 879, 740	−5, 431, 111	16, 448, 629	+. 0710
Residual	2, 606, 728	−611, 370	1, 995, 359	
Distillate	19, 879, 860	−4, 811, 760	13, 072, 742	+. 027
December 1977:				
Gas	23, 617, 271	−5, 431, 111	18, 186, 160	+. 0785
Residual	2, 991, 037	−1, 165, 937	1, 825, 100	
Distillate	22, 357, 864	−6, 196, 391	16, 161, 473	+. 0266
January 1978:				
Gas	25, 470, 638	−5, 431, 111	20, 039, 527	+. 0865
Residual	3, 334, 090	−1, 008, 981	2, 235, 109	
Distillate	29, 623, 702	−6, 158, 806	23, 464, 896	+. 038
February 1978:				
Gas	27, 439, 840	−5, 431, 111	22, 008, 729	+. 0950
Residual	3, 706, 807	−1, 064, 906	2, 641, 901	
Distillate	33, 169, 139	−6, 422, 658	26, 746, 481	+. 0418
March 1978:				
Gas	29, 362, 708	−5, 431, 111	23, 931, 597	+. 1033
Residual	4, 106, 985	−1, 111, 606	2, 995, 379	
Distillate	41, 857, 925	−7, 570, 697	34, 287, 228	+. 0454
April 1978:				
Gas	31, 378, 244	−5, 431, 111	25, 947, 133	+. 1120
Residual	4, 443, 818	−910, 359	3, 533, 459	
Distillate	25, 119, 387	−3, 631, 944	21, 487, 443	+. 059
May 1978:				
Gas	47, 160, 017	−5, 431, 111	41, 728, 906	+. 1207
Residual	4, 740, 646	−507, 398	4, 233, 244	
Distillate	31, 459, 567	−3, 370, 996	28, 088, 571	+. 0836
June 1978:				
Gas	50, 375, 252	−4, 426, 354	45, 948, 898	+. 1300
Residual	5, 024, 404	−192, 719	4, 831, 685	
Distillate	21, 262, 249	−1, 733, 416	19, 528, 833	. 0921
July 1978:				
Gas	53, 659, 632	−3, 285, 821	50, 373, 811	+. 1395
Residual	5, 190, 392	−79, 700	5, 110, 692	
Distillate	27, 166, 247	−1, 545, 988	25, 620, 259	. 10
August 1978:				
Gas	57, 289, 735	−2, 118, 132	55, 171, 063	+. 1500
Residual	5, 386, 613	−76, 055	5, 310, 558	
Distillate	27, 025, 833	−934, 366	26, 091, 467	+. 109
September 1978:				
Gas	60, 677, 832	−933, 288	59, 754, 544	+. 1598
Residual	5, 582, 370	−25, 211	5, 557, 159	
Distillate	28, 313, 073	−402, 952	27, 910, 121	+. 118
October 1978:				
Gas	59, 118, 832		59, 118, 832	+. 1710
Residual	5, 955, 017		5, 955, 017	
Distillate	47, 666, 542		47, 666, 542	+. 126
November 1978:				
Gas	62, 887, 225		26, 887, 225	+. 1819
Residual	6, 386, 093		6, 836, 092	
Distillate	64, 233, 598		64, 233, 598	+. 134
December 1978:				
Gas	66, 448, 184		66, 448, 184	+. 1922
Residual	7, 243, 057		7, 243, 057	
Distillate	68, 295, 492		68, 295, 492	+. 112

RESTORING CONGRESSIONAL AUTHORITY OVER THE CENTRAL INTELLIGENCE AGENCY

(Ms. HOLTZMAN asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

Ms. HOLTZMAN. Mr. Speaker, it has become all too apparent that the Central Intelligence Agency has abused its powers and has engaged in illegal activities both in the United States and abroad. In my judgment, this has happened in part because Congress has abdicated its responsibility over funds given to the CIA and how they are used. This abdication is not only unwise and dangerous, but is probably unconstitutional as well.

In this respect, I would like to bring to the attention of my colleagues a very important study of the CIA conducted by a committee of the bar association of the city of New York.

In this study the association concludes not only that the CIA has exceeded its legal authority in many of its activities, but that by surrendering its authority to review the CIA budget, the Congress has apparently unconstitutionally ceded its appropriations power.

I call this study to the attention of my colleagues because it is an excellent and thoughtful review of a very sensitive problem. It has important suggestions for improving the accountability of the CIA to both the Congress and the American people:

The text follows:

THE CENTRAL INTELLIGENCE AGENCY: OVERSIGHT AND ACCOUNTABILITY

(By the Committee on Civil Rights and the Committee on International Human Rights)

INTRODUCTION

The Central Intelligence Agency, although created expressly for the purpose of gathering and coordinating intelligence, has also been used as a secret instrument of domestic and foreign policy. William E. Colby, Director of the CIA, stated in his January 15, 1975 report to the Senate Appropriations Committee that the domestic activities of the CIA have included the insertion of agents into "American dissident circles" in the late 1960's and early 1970's, and the compilation of dossiers on about 10,000 American citizens. Mr. Colby stated further that a "major" function of the CIA was to undertake, when directed, "covert foreign political or paramilitary operations."

These activities have been facilitated by the extraordinary statutory scheme under which the CIA operates. Its budget is exempt from legislative review, a privilege shared by no other federal agency, and its activities may be any that the National Security Council directs, as long as they concern in some fashion "the national security."

As the debate grows over the historical role of the CIA, more questions have been posed concerning the statutory and constitutional limits of the CIA's authority. The purpose of this report is to respond to these questions. The report will (1) summarize the creation and legal development of the CIA, (2) discuss the CIA's domestic activities and their relation to the laws governing the Agency and to the Constitution, (3) discuss the foreign activities of the CIA and the legislative constitutional basis for these activities, (4) describe the present funding arrangements of the Agency and their legal basis, and (5) discuss possible remedies and make recommendations concerning regulation of the CIA's activities in the future.

I. CREATION AND LEGAL DEVELOPMENT OF THE CENTRAL INTELLIGENCE AGENCY

Pearl Harbor convinced the United States that the need for an intelligence organization was imperative.[1] On June 14, 1942 the Office of Strategic Services (OSS) was created, headed by Col. (later Major-General) William J. Donovan, and throughout the war it gathered intelligence and conducted activities of a paramilitary nature in support of the war effort.[2] In 1944, Donovan prepared a plan for President Roosevelt which would establish a central intelligence agency when the war was ended, but the plan was sidetracked by the Joint Chiefs of Staff,[3] and the OSS was disbanded on September 20, 1945.

On January 22, 1916, President Truman by Executive Order [4] estabished the National Intelligence Authority (NIA), composed of the Secretaries of State, War and Navy and a personal representative of the President, Admiral William Leahy, for the purpose of planning, developing and coordinating all federal foreign intelligence activities.[5] The operating arm of the NIA was a new organization called the Central Intelligence Group to be staffed with personnel from the Departments of the respective Secretaries.[6] The Group was to be headed by a Director of Central Intelligence who was also a non-voting member of the NIA.

The Central Intelligence Group was the first formal central organization in American history devoted to intelligence matters. Its duties included correlating and evaluating intelligence relating to the national security, disseminating the results thereof to interested government officials and coordinating the activities of the intelligence agencies throughout the government. One of the first tasks it undertook was to furnish the President with a daily report of intelligence information, a function which its successor continues to perform.[7]

Less than a year after the establishment of the Central Intelligence Group, the House Committee on Military Affairs issued a report recommending that instead of permitting the existence of the Group to remain dependent on an Executive Order, the Congress ought to enact enabling legislation giving the Group statutory authority and providing for its funding directly through congressional appropriations.[8] Accordingly, the National Security Act of 1947,[9] in addition to establishing the Department of Defense and unifying the armed services, created the National Security Council (NSC) and, under it, established the Central Intelligence Agency. The duties of the CIA were set forth in five short paragraphs, based very closely on the language contained in the NIA Executive Order. These duties were generally:

1. To advise the NSC in matters concerning such intelligence activities of the government departments and agencies as related to national security;

2. To make recommendations to the NSC for the coordination of such intelligence activities;

3. To correlate and evaluate intelligence relating to the national security, and to provide for the appropriate dissemination of such intelligence within the government, provided that the CIA was to have no police, subpoena, law-enforcement powers or internal security functions;

4. To perform, for the benefit of the existing intelligence agencies, such additional services of common concern as the NSC determined could be more efficiently accomplished centrally; and

5. To perform such other functions and duties related to intelligence affecting the national security as the NSC might from time to time direct. (50 U.S.C. § 403(d)).

By this legislation, the CIA was removed from military control and placed solely under the direction of the NSC. Heading the newly-formed CIA was a Director of Central Intelligence appointed by the President with the advice and consent of the Senate.[10] The authority conferred upon him under the law was extensive. Subject to the recommendations of the NSC and the approval of the President, he was empowered to inspect all intelligence relating to national security gathered by any agency of the government, and all departments were directed to make available to him such intelligence gathered by them "for correlation, evaluation and dissemination." [11] Internally, the Director was empowered, in his personal discretion and notwithstanding any civil service statutes or regulations, to terminate the employment of any agency employee "whenever he shall deem such termination necessary or advisable in the interest of the United States." [12]

In 1949, even more specific powers were conferred upon the Director of the CIA by the passage of the Central Intelligence Agency Act.[13] This Act exempted the CIA from all federal laws which required the disclosure of the "functions, names, official titles, salaries or numbers of personnel employed by the Agency." [14] In addition, the Act gave the Director power to spend money "without regard to the provisions of law and regulations relating to the expenditure of government funds," [15] and granted him the extraordinary right to spend money simply by signing his name, "such expenditures to be accounted for solely on the certificate of the Director without any further accounting therefor." [16] In addition, the 1949 Act allowed the Director, in collaboration with the Attorney General and the Commissioner of Immigration, to admit up to 100 persons into the United States each year secretly and without regard to immigration quotas.[17]

Neither of the foregoing Acts provided any explicit authority for the CIA to conduct so-called covert activities. All attempts to justify legally such activities, therefore, have had to rely upon the general catch-all provision which makes it the CIA's duty "to perform such other functions and duties relating to intelligence affecting the national security as the NSC may from time to time direct." [18] Apparently relying upon this provision the NSC, in 1948, is said to have authorized the CIA to conduct such special operations, setting forth only two guidelines—first, that the operations be secret and second, that they be "plausibly deniable" by the Government.[19] A section was thereupon created by President Truman within the CIA to conduct secret political operations,[20] and Frank G. Wisner, a former OSS man, was brought in from the State Department to head the section with the title of Assistant Director of the Office of Policy Coordination. In addition, the Office of Special Operations was created to conduct secret activities aimed solely at gathering intelligence. The machinery of both offices was in the CIA, but control was shared with the State Department and the Pentagon. On January 4, 1951, the Offices of Policy Coordination and Special Operations were merged into the Directorate of Plans, and thereafter the CIA had sole control over secret operations of all types. Allen Dulles was its first Chief; Frank Wisner was Deputy Chief.[21]

With its newly-formed Directorate of Plans and its involvement in the Korean War, the CIA expanded rapidly. From less than 5,000 employees in 1950, it grew to about 15,000 in 1955 not counting others recruited specially as contract employees and foreign agents. During this period, the Agency is estimated to have spent well over one billion dollars on its various overt and covert activities.[22] Although no information is publicly available, it is estimated that the CIA presently has an authorized manpower of 16,500 and an authorized budget of 750 million dollars,[23] and that approximately two-thirds of its funds and manpower are used for covert operations and supporting services, such as communications, logistics and trade which relate to its covert activities.[24]

II. DOMESTIC ACTIVITIES AND THEIR LEGAL BASIS

A. Domestic Surveillance and Infiltration

In December, 1974, it was reported that the CIA had been engaged in considerable surveillance of American citizens including the opening of mail, tapping of telephones, physical break-ins and the maintenance of files on about 10,000 individuals,[25] William E. Colby, the Director of the CIA, confirmed to the Senate Appropriatons Committee that the domestic activities of the CIA had included:

(1) The recruiting or insertion into "American dissident circles" of at least 22 CIA agents as part of two separate programs by the Agency to monitor such activities in the late 1960s and early 1970s.

(2) The establishment of files by the counterintelligence unit on about 10,000 citizens including members of Congress.

(3) The authorization by Richard Helms of the establishment of a unit inside the Agency's counterintelligence division "to look into the possibility of foreign links to American dissident elements."

(4) The conducting between 1953 and 1973 of "several programs" to survey surreptitiously and open the private mail of American citizens who had correspondents in certain communist countries.[26]

As a result of these and similar revelations the domestic activities of the CIA are currently being investigated by a 7-man Commission appointed by President Ford [27] and several congressional committees.

In addition to the CIA's domestic surveillance of dissident political organizations, it is also alleged to have participated in other kinds of domestic operations. These include the funding of special university programs, such as MIT's Center For International Studies, which was reported to have received

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Footnotes at end of article.

$300,000 in 1950 and additional financing until 1966.[28] In 1967, following a series of disclosures, the CIA and other government agencies adopted a statement of principles providing that "the fact of government research support should always be acknowledged by sponsor, university and researcher."[29]

The CIA was also alleged to have infiltrated the National Student Association and other youth groups.[30] From 1952 to 1966, the CIA funnelled approximately $3.3 million to the National Student Association, providing in some years up to 80% of its budget.[31] Some of the money was used for scholarships for students from South Africa, Mozambique and Angola. None but the top officials of the Association knew of the CIA connection, much less of the fact that CIA agents were posing as students and influencing the policies of the organization by arguing on issues involving socialism. At the same time some students were recruited by the CIA to act as spies abroad, making dossiers on foreign student leaders.

The consequences growing out of the CIA's relationship with the National Student Association were succinctly analyzed by Professor Jerrold L. Walden:

"In the first place, the relationship constituted outright deception of the membership-at-large, which knew nothing about the CIA's affiliation with the NSA, and thereby violated their constitutional right to freedom of association. As one officer of the NSA observed after evidence of the longstanding relationship had come to light, 'Ninety percent of them wouldn't have anything to do with the organization if they'd known about the CIA business before they joined.' Furthermore, the fact that the CIA financed and influenced the policies of the NSA abroad all but makes meaningless the concept of a free and independent student organization in international affairs."[32]

In 1967, after many of the CIA's domestic activities had been disclosed, President Johnson appointed a committee to examine the CIA's relationships with private organizations. The committee recommended unanimously, and the President adopted as national policy, that: "No federal agency shall provide any covert financial assistance or support, direct or indirect, to any of the nation's educational or private voluntary organizations."[33] However, CIA support to many domestic organizations apparently continued until new ways to finance them could be developed.[34] In some cases, such groups were supported for many years by CIA "severance payments."[35]

The Agency's covert activities in respect to private organizations and the surveillance of domestic political groups acknowledged in Mr. Colby's January, 1975 testimony raise serious questions as to the statutory boundaries of the CIA's authority to operate within the United States. The subsequent section will analyze these boundaries, as well as the CIA's own conception of them as set out in the statements of the Director of Central Intelligence.

B. Statutory Limitations Upon CIA Activities in the United States

The only express statutory limitations upon the activities of the CIA are those found in Section 102(d)(3) of the National Security Act of 1947 (50 U.S.C. 403[d][3]) which provides that it shall be the duty of the Agency

"(3) to correlate and evaluate intelligence relating to the national security, and provide for the appropriate dissemination of such intelligence within the Government using where appropriate existing agencies and facilities: *Provided*, That the Agency shall have no police, subpoena, law-enforcement powers, or internal-security functions . . . . *And provided further*, That the Director of the Central Intelligence shall be responsible for protecting intelligence sources and methods from unauthorized disclosure;"

The language of the first *proviso* was derived from President Truman's Executive Order of January 22, 1946, establishing the Central Intelligence Group, the CIA's predecessor, which stated:

"4. No police, law enforcement, or internal security functions shall be exercised under this directive."

It was further provided:

"9. Nothing herein shall be construed to authorize the making of investigations inside the continental limits of the United States and its possessions, except as provided by law and Presidential directives."

The National Security Act of 1947 as originally proposed in Senate Bill 758 and House Resolution 2319 (80th Congress, 1st Session) did not expressly state either the powers and duties of the CIA or any limitations thereon. Instead, those bills in effect provided that the CIA would assume the responsibilities of the Central Intelligence Group as set forth in President Truman's Directive. As finally passed, however, the statute expressly adopted, generally verbatim, the powers and duties of the Agency and limitations thereon contained in the Order.[36]

That part of the *proviso* which states that the CIA shall have "no police, subpoena, [or] law-enforcement powers" is clear, and no serious difference of opinion as to what is meant by that phrase appears to have arisen. The term "internal security functions," however, has no well established meaning and is nowhere defined in the Act. Nonetheless, there was no doubt in the minds of the supporters of the National Security Act of 1947 that the Agency's primary concern is with foreign intelligence and that its activities in this country were to be strictly limited to those directly related to the correlation and evaluation of such intelligence.[37]

President Truman's Order dealt expressly with "Federal foreign intelligence activities," and it was clear to General Vandenberg, the Director of the Central Intelligence Group, that the CIA in assuming the responsibilities of the Central Intelligence Group would similarly be involved only in foreign intelligence.

Thus, he testified in Senate hearings that:

"The role of the Central Intelligence Group is to coordinate this collection of foreign intelligence information and avoid wasteful duplication . . ."[38]

"One final thought in connection with the President's directive: It includes an express provision that no police, law enforcement, or internal security functions shall be exercised. These provisions are important, for they draw the lines very sharply between the CIG and the FBI. In addition, the prohibition against police powers or internal security functions will assure that the Central Intelligence Group can never become a Gestapo or security police."[39]

The House also held hearings with regard to the proposed National Security Act of 1947. Dr. Vannevar Bush, a witness in support of the Act, when asked whether there was any danger that the CIA might become a Gestapo, replied:

"I think there is no danger of that. The bill provides clearly that it is concerned with intelligence outside of this country, that it is not concerned with intelligence on internal affairs. . . .

"We already have, of course, the FBI in this country, concerned with internal matters, and the collection of intelligence in connection with law enforcement internally."[40]

Secretary of War Forrestal, also testifying in favor of the Act, similarly said:

"The purposes of the Central Intelligence Authority [sic] are limited definitely to purposes outside of this country, except the collation of information gathered by other Government agencies.

"Regarding domestic operations, the Federal Bureau of Investigation is working at all times in collaboration with General Vandenberg. He relies upon them for domestic activities."[41]

Official recognition of these limitations has also been expressed by top CIA officials. Testifying before the Senate Armed Services Committee in January, 1975, former Director Richard Helms stated:

"It so happens that the word 'foreign' does not appear in the act. Yet there never has been any question about the intent of the Congress to confine the agency's intelligence function to foreign matters. All the directors from the start—and Mr. Colby is the eighth in the succession—have operated on the clear understanding that the agency's reason for being was to collect intelligence abroad."[42]

William E. Colby, the present CIA Director, reported that he approved a proposed amendment to the National Security Act of 1970 to

". . . add the word 'foreign' before the word 'intelligence' wherever it appears in the act, to make crystal clear that the agency's purpose and authority lie in the field of foreign intelligence."[43]

There is general agreement, therefore, that the CIA's primary concern is "foreign intelligence" and that it is to have no "internal security functions." What is not clear is the exact meaning of those terms and the extent to which the CIA is or should be authorized to operate domestically.

We have found no source which defines the term "internal security functions" as used in the National Security Act or even attempts a definition, and there is nothing in the legislative history of the Act which provides any certainty as to exactly what Congress intended to prohibit.

Some limited assistance can be derived from judicial usage of the term in related areas. In *United States* v. *United States District Court*, 407 U.S. 297 (1971) (the so-called "Keith" case), the Supreme Court held that the Fourth Amendment prohibits warrantless electronic surveillance in cases involving "domestic security," a term which the Court used interchangeably with "internal security." The Court spoke of the difficulty of defining "the domestic security interest" and the "inherent vagueness of the domestic security concept" and never provided a complete definition. It did, however, indicate that insofar as the question related to electronic surveillance, "domestic security" was not involved where the activities were those of a foreign power or its agents, whether within or without the country, and, as a corollary, that "domestic security" was involved where the activities were those of American citizens who had no significant connection with a foreign power, its agents or agencies.

The Keith case notwithstanding, however, Messrs. Helms and Colby appear to have adopted a different definition of the term "internal security" based solely on whether or not the intelligence activities are conducted in this country. Thus according to Mr. Helms:

". . . The FBI handles the counterintelligence function inside our shores. The CIA does the job abroad . . . ."[44]

and as stated by Mr. Colby:

"Counterintelligence activities in this country, for our internal security, are the responsibility of the FBI.

"However, the National Security Council has directed the CIA to conduct 'clandestine counterintelligence outside the United States . . .'"[45]

Footnotes at end of article.

The limitations on the CIA's authority to act domestically have been confused by its power to protect "intelligence sources and methods from unauthorized disclosure" [§ 403(d) (3)]. The extent to which this is used to justify domestic operations is reflected in the one federal court opinion involving domestic CIA activities. In *Heine* v. *Raus*, 261 F. Supp. 570 (D. Md. 1966), vacated and remanded 399 F. 2d 785 (4th Cir. 1968), an employee of the CIA asserted a defense of absolute privilege against a charge of slander, on the ground that he had been instructed by his CIA superior to warn the members of an Estonian emigre group in the United States that plaintiff was a Soviet agent and that when he did so he was acting within the scope of his employment and authority.

Plaintiff contended that the statements made by defendant were actions beyond the statutory power of the CIA because 50 U.S.C. 403(d) (3) provides that the Agency shall have no internal security functions. Plaintiff argued that agencies such as the FBI "must deal with security matters arising within the borders of the United States." The court noted, however, that one of the functions entrusted to the CIA was the protection of intelligence sources and methods, and cited the affidavit filed by Richard Helms stating that the defendant had been instructed to inform the emigre group about the plaintiff "to protect the integrity of the Agency's foreign intelligence sources." The court concluded (p. 576):

> "It is reasonable that emigre groups from nations behind the Iron Curtain would be a valuable source of intelligence information as to what goes on in their old homeland. The fact that the immediate intelligence source is located in the United States does not make it an "internal-security function," over which the CIA has no authority. The Court concludes that activities by the CIA to protect its foreign intelligence sources located in the United States are within the power granted by Congress to the CIA."

In attempting to define the appropriate limits of CIA domestic activity, it is instructive to review the perimeters established by the CIA itself. For that purpose, we set forth below an analysis of the public statements of Messrs. Colby and Helms regarding permissible activities of the CIA.

Domestic activities viewed as permissible by the CIA

1. Recruiting, screening, training and investigating employees.[46]

2. Investigating Americans with whom the CIA "anticipates some relationship—employment, contractual, informational or operational." These include actual or potential contacts of the Agency, consultants and independent contractors, and individuals employed by contractors.[47]

3. Identifying "individuals who might be of assistance to agency intelligence operations abroad." [48]

4. "Interviewing American citizens who knowingly and willingly share their information about foreign subjects with their government." [49]

5. "Contracting for supplies essential to foreign intelligence operations." [50]

6. Contracting with U.S. industrial firms or research institutes for research and development of technical intelligence devices and enlisting the capabilities of the American scientific, technical and other research communities to assist in research and analysis. This includes, in some cases, the establishment of separate organizations "under a cover story of commercial justification." [51]

7. Collecting foreign intelligence from foreigners in the United States; developing relationships with foreigners in the United States who might be of assistance to the collection of intelligence abroad.[52]

8. Resettling foreign defectors who take up residence in the United States.[53]

9. Establishing support structures in the United States to permit CIA operations abroad.[54]

10. Providing training to foreigners in the United States.[55]

11. Carrying on ostensibly private commercial and funding activities to support CIA operations, and in that connection negotiating with cooperating United States business firms and others on private cover arrangements.[56]

12. Carrying on investigations within the Government of unauthorized disclosures of classified intelligence.[57]

13. Protecting intelligence sources and methods within the Agency.[58]

14. Disseminating to responsible United States agencies information on the foreign aspects of the anti-war, youth and similar movements, and their possible links to American counterparts; also supplying information to a Government committee on the foreign aspects of civil disorders.[59]

15. Passing on to the FBI "information on foreign connections with Americans"; advising the FBI of "possible foreign links with domestic organizations"; providing at the request of the FBI coverage of foreign travel of FBI suspects.[60]

16. Contributing to a "joint effort" to cover domestic unrest by increasing its coverage of American students and others involved with foreign subversive elements while travelling or living abroad.[61]

17. Passing the results of foreign intelligence operations to appropriate U.S. agencies having a legitimate interest therein, e.g. advising the FBI of the imminent arrival in the U.S. of a foreign terrorist, advising the Drug Enforcement Administration regarding details of the drug traffic and appropriate authorities regarding the evasion of U.S. export controls, etc.[62]

18. Supplying equipment and "safe houses" to other government officials if to be used for a legitimate purpose.[63]

Domestic Activities Viewed as Prohibited by the CIA

1. Identifying and countering foreigners working within the United States against our internal security (this, Mr. Colby says, is a function of the FBI).[64]

2. Helping to make policy regarding the collection of intelligence on domestic groups.

3. Collecting, or providing the support necessary for collecting, intelligence within the United States on domestic groups.[65]

4. Collecting intelligence on U.S. citizens abroad who do not appear to be involved with the activities of foreign governments or foreign institutions.[66]

DOMESTIC ACTIVITIES OF THE CIA IN "GRAY AREA"

1. Preparing a psychological profile on a U.S. citizen such as Daniel Ellsberg.[67]

2. Providing covert assistance to American educational or voluntary organizations.[68]

3. Inserting agents "into American dissident circles in order to establish their credentials for operations abroad." [69]

4. Inserting agents into American dissident organizations to gather information relating to plans for demonstrations, pickets, protests or break-ins that might endanger CIA personnel, facilities and information.[70]

5. Training local police personnel.[71]

6. Making a vulnerability study of a foreign embassy in Washington.[72]

7. Surreptitious entry into homes of employees and former employees; physical surveillance and wiretapping of some persons who were not employees or former employees; opening the mail of attorney Bella Abzug and other persons, and maintaining counter-intelligence files on her activities and those of three other members of Congress.[73]

What conclusions can be drawn from the foregoing listings and the statements of Messrs. Helms and Colby?

1. To the Agency, the term "foreign intelligence" means "information associated with foreign happenings" [74] or "intelligence pertaining to foreign areas and developments." [75] Nonetheless, although in Mr. Helms' words, "the agency's reason for being . . . [is] to collect intelligence abroad," [76] it is evident from the activities listed above that much of its work is done in this country and that the support structure in the United States which the Agency believes is necessary to carry out its intelligence function now permeates our national life and society to a very substantial extent. It is also apparent that the operation of such a structure and the "need" to protect it have resulted in, and served as a justification for, the Agency's intrusion into domestic areas only distantly related to the field of foreign intelligence.

2. It is evident from the foregoing tabulation of permissible and prohibited powers, as well as other statements of Messrs. Helms and Colby, that they have had no consistent and common understanding of the activities prohibited to the Agency by statute.

How is it that the Agency has become involved in "internal security" matters, despite its public position that subversive activities carried on within the United States, whether by a foreign power or an American citizen, are not within its jurisdiction?

One answer is that even though the Agency appears to have developed its own working definitions of "internal security functions," the lack of a statutory definition permits the Agency to adjust its meaning or to carve out exceptions to it to fit the circumstances. As experience has shown, this is particularly likely to occur when the Agency is under pressure from others in the Executive Branch to provide information or assistance or when the Agency believes one of its activities requires "protection."

Another answer in many cases seems to be that in the Agency's view, the responsibility put upon the Director by the National Security Act to protect "intelligence" sources and methods from unauthorized disclosure constitutes authority to protect not only CIA files and sources, but all government documents and sources. There is no legislative history regarding Congress' intention in giving the Director this responsibility. Even Mr. Helms and Mr. Colby appear not to agree as to the interpretation of the provision.[77] However interpreted, the provision has been used to justify CIA domestic activity which in our view involves the exercise by the CIA of internal security functions, and thus to nullify the statutory prohibition against such activity.[78]

III. FOREIGN INVOLVEMENTS AND THEIR LEGAL AND CONSTITUTIONAL BASIS

A. Foreign activities

That the Central Intelligence Agency conducts disruptive political operations abroad that are not directly related to the gathering of information is not disputed. CIA Director William E. Colby, in his January 15, 1975 report to the Senate Appropriations Committee, described the third of the CIA's "three major functions" as being

> "To conduct clandestine operations to collect foreign intelligence, carry out counterintelligence responsibilities abroad, and un*dertake—when directed—covert foreign political or paramilitary operations.*" (Emphasis added) [79]

One such paramilitary operation was the armed invasion of Cuba at the Bay of Pigs by a small army organized, paid and equipped by the CIA in April, 1961.[80] Another was the war in Laos, where from 1963 to 1973 the CIA with financial assistance from AID and the Defense Department, paid, equipped and directed an armed force of irregulars to fight the Pathet Lao and North Vietnamese Communists in Laos.[81] In fiscal 1973 the United

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Footnotes at end of article.

States spent $353 million on military activities in Laos.[82] In discussing these involvements Mr. Colby has emphasized that they were directed by the National Security Council[83] and that the appropriate congressional committees were informed of the war in Laos.[84] However Senator Symington, Chairman of the Senate Armed Services Committee, has stated that he was not informed until long after the fact.[85] And Senator Ellender, then a member of the Senate Appropriations Intelligence Subcommittee charged with CIA oversight, stated in 1971 that he had not been informed of CIA plans to spend money on an army of 36,000 in Laos.[86]

The CIA has also acknowledged its covert political operations in Chile. In September, 1974 Representative Harrington made public the substance of testimony by Mr. Colby to the Intelligence Subcommittee of the House Armed Services Committee regarding political activities in Chile by the CIA from 1970 to 1973.[87] According to this account, the Nixon Administration authorized a total of $8 million for expenditure on such activities as campaigns of anti-Allende candidates, subsidy of an anti-Allende newspaper, purchase of a radio station and other projects, although a lesser amount was actually disbursed.[88] President Ford subsequently stated that the covert funds had been spent in Chile to "preserve opposition political parties," but said that he would take no position on whether such CIA activities were permitted by international law.[89]

B. Statutory framework for CIA covert political operations

Serious questions have been raised regarding the legal justification for and the political wisdom of the CIA's foreign political operations. Since this report is concerned solely with the constitutional and statutory issues affecting the CIA, it will not focus on any of the political issues but rather will be limited to a review of the legal authority upon which the CIA's foreign covert operations are said to be based.

Prior to the passage of the Foreign Assistance Act of 1974 which was signed into law on December 31, foreign covert operations not directly linked to the gathering of intelligence were justified under the fifth and last of the duties established for the CIA under the National Security Act of 1947. Pursuant to that provision it was the CIA's duty "to perform such other functions and duties related to intelligence affecting the national security as the National Security Council may from time to time direct."[90] Richard Helms, while Director of the CIA, took this approach in a speech delivered on April 14, 1971 in which he said that the language of this provision "was designed to enable us to conduct such foreign activities as the national government may find it convenient to assign to a 'secret service'."[91]

Director Colby also implied as much in his nomination hearings when he referred to that provision as "the authority under which a lot of the Agency's activities are conducted."[92]

Upon careful analysis of the provision's language, however, the interpretation forwarded by Messrs. Helms and Colby does not appear to be warranted. Not only must the "other functions and duties" be "related to intelligence," they must also be performed only upon the direction of the National Security Council. The authority of the National Security Council is therefore the key issue and the limitations upon the NSC's authority are clear. The NSC is not an action agency. Its primary function is—

"To *advise* the President with respect to the integration of domestic, foreign, and military policies relating to the national security so as to enable the military services and the other departments and agencies of the Government to cooperate more effectively in matters involving the national security." (Emphasis added)[93]

The NSC was also given certain "additional functions," none of which gave it any more operational responsibility than its primary function. These additional functions were—

(a) to perform "such other functions as the President may direct, for the purpose of more effectively *coordinating* the policies and functions of the departments and agencies of the Government relating to the national security . . ."; [94]

(b) *"to assess and appraise* the objectives, commitments, and risks of the United States in relation to our actual and potential military power, in the interest of national security, for the purpose of making recommendations to the President in connection therewith": [95]

(c) "to *consider* policies on matters of common interest to the departments and agencies of the Government concerned with the national security, and to make *recommendations* to the President in connection therewith;"[96] and

(d) "to make such *recommendations, and such other reports* to the President as it deems appropriate or as the President may require."[97] (Emphasis added)

The powers given to the National Security Council by Congress, therefore, were either of an advisory nature or were related to the coordination of policies and functions of the other agencies in the national security area. Nowhere is the NSC directly given the power to conduct political operations. It is therefore difficult to maintain that the CIA can define its covert activities as a delegation of power from the National Security Council, since the NSC has no such power to delegate.

It is also interesting to note that in the provision of the National Security Act of 1947 headed "Protection of Nature of Agency's Functions," which section exempts the CIA from the provisions of any law requiring the publication or disclosure of organizational information, justification for the exemption is based solely upon "the interests of the security of the foreign intelligence activities of the United States" and the protection of "intelligence sources and methods from unauthorized disclosure."[98] This means either that nonintelligence covert activities were not contemplated by Congress or that such activities were not intended to be exempted from the disclosure laws,[99] an interpretation which is unlikely since it would render any such activities ineffective.

On a more general level, the CIA's covert activities not directly related to the gathering of intelligence are in some instances inconsistent with its basic purpose, that of gathering sufficiently detailed and accurate information to enable our Government to formulate foreign policy. To the extent that the CIA's activities conflict with rather than assist in the formulation of foreign policy, congressional purpose would appear to have been thwarted.

Prof. Jerrold L. Walden has concluded as the result of a detailed analysis of the congressional debates establishing the CIA that "at no place in the legislative history of the C.I.A. is it apparent that Congress intended the Agency to engage in subliminal warfare. The C.I.A. was touted as being exclusively an intelligence coordinating body, and it was created as such."[100] Walden points out that what few recommendations there were that such activities be allowed were not adopted.[101] Other participants favorable to such operations explicitly acknowledged their exclusion from the coverage of the legislation. For example, Representative Patterson (R. Conn.) stated in the debate leading to enactment of the 1947 law that while he clearly wanted "an independent intelligence agency working without direction by our armed services, with full authority in operation procedures," he recognized that it was "impossible to incorporate such broad authority in the bill now before us . . ."[102]

That the CIA was intended for intelligence gathering purposes only is also reflected in the relevant House and Senate committee reports. According to one House report the CIA was created in order that the National Security Council "in its deliberations and advice to the President, may have available adequate information," the CIA to "furnish such information."[103] The Senate Armed Services Committee's report set out in its statement of basic objectives that ". . . we must make certain . . . that a central intelligence agency collects and analyzes that mass of information without which the Government cannot either maintain peace or wage war successfully . . ."[104] Nowhere in any report is any reference made to activities other than those of an intelligence-gathering nature.

Ironically, the only clear congressional authorization for the CIA to conduct covert activities resulted from an attempt to limit those activities. This authorization is contained in Section 663 of the recently enacted Foreign Assistance Act of 1974 which amends the Foreign Assistance Act of 1961 to add the following new section:

"SEC. 633. Limitation on Intelligence Activities.—(a) No funds appropriated under the authority of this or any other Act may be expended by or on behalf of the Central Intelligence Agency for operations in foreign countries, other than activities intended solely for obtaining necessary intelligence, *unless and until* the President finds that each such operation is important to the national security of the United States and reports, in a timely fashion, a description and scope of such operation to the appropriate committees of the Congress, including the Committee on Foreign Relations of the United States Senate and the Committee on Foreign Affairs of the United States House of Representatives. (emphasis added)

"(b) The provisions of subsection (a) of this section shall not apply during military operations initiated by the United States under a declaration of war approved by the President under the War Powers Resolution."[105]

Under this provision no covert activity is permitted until (a) the President makes a finding that such an operation is important to the national security of the United States, *and* (b) the President reports "in a timely fashion" to the appropriate congressional committee. While this provision makes it clear that such a Presidential finding and report is a prerequisite to any CIA covert operation, it provides no guidance as to what the report should contain.

As will be shown in greater detail in a subsequent section, both Congress and the Executive have constitutionally-based responsibilities in the establishment of foreign policy. Congressional supervision of CIA foreign political activities is possible only if Congress is sufficiently informed; the report required under the Foreign Assistant Act of 1974 could provide the necessary information.

To assure the usefulness of the report, however, further guidelines should be established by Congress, such as a set of basic questions to be answered by each such report. At a minimum, Congress should require legislatively that each such report be accompanied by a proposed budget to be followed up, as promptly as possible, by a statement of the funds actually expended for the operation. The proposed budget would give the legislators an idea of the scope of the program intended, enabling them to focus more clearly on the plan, and the follow-up budget would serve as a check on the ac-

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curacy of the initial report. Such a requirement would be a logical addition to Section 663, the basic concern of which is the expenditure of funds by the CIA.

B. Imposition of substantive standards in foreign political activities

Professor Stanley Futterman suggests that if the CIA is to be allowed to continue to conduct political activities abroad, some standards should be established to place limits on these activities. Futterman, *Toward Legislative Control of the CIA*. 4 Int'l Law & Pol. 431, 446 (1971). For example, Professor Futterman urges that the CIA "should never torture holders of information, or, at least short of a war situation, engage in political assassination." Others, including Rep. Michael Harrington, have suggested that the CIA should be limited to gathering intelligence, purportedly the intention of Congress in 1947 in establishing the Agency, and prohibited from conducting any clandestine political activities.[106]

Establishment of standards is related to the basic question of what role the United States should play in international affairs—i.e., should a nation engage in espionage and undeclared wars—and of what role Congress should play vis-a-vis the President in directing the foreign affairs of our country.

These issues can be raised but not answered within the scope of this report. However, they are appropriate, and indeed vital, for congressional consideration.

C. International law

In order to assess whether or not the activities of the CIA have violated international law, one must recognize that international law itself is a continually evolving area. As one commentator has explained, "the emphasis nations currently place on political and ideological warfare has, as a matter of necessity, resulted in the creation of new forms of 'indirect' or 'subversive' intelligence that are not amenable to traditional criteria and definitions [of international law]." Comment, *The Dominican Crisis,* 4 Duquesne Univ. L.R. 547, 556 (1965–6).

It has been urged that direct military intervention, such as the Bay of Pigs incident in 1961, is clearly an interference in the internal affairs of another state. Friedman, *United States Policy and the Crisis of International Law,* 59 A.J.I.L. 857, 865 (1965). It has also been argued that international law precludes the more indirect CIA operations, such as the alleged funding and other assistance provided various political groups in Latin America,[107] Professor Quincy Wright suggests that as a basic proposition of international law, every state has the right to enact within its territory any legislation whatever (except an abridgment of diplomatic immunities), and that such legislation must be respected by other states in time of peace. He therefore concludes that all espionage activities authorized by a government which violate the internal law of the target country (which would presumably include bribery, riots, and disruptive activity, along with murder, theft and other violent actions) are in violation of international law. *The Pueblo Seizure, Facts, Law, Policy,* 69 Proc. Am. Soc. Int. L.2, at 8–9 (1969). The Universal Declaration of Human Rights and the Covenants also contain standards which guarantee to the citizens of all states the fundamental right of self-determination and the right to govern their own affairs.

On the other hand, it has been asserted that since the communist countries take the position that wars of "national liberation" are valid under international law, see Reisman, *Private Armies in a Global War System: Prologue to decision* 14 Va.J. Int. Law 1 at 4–5 (1973), the actions taken by the West to anticipate, counteract and otherwise prevent such communist activities prior to the full outbreak of war are lawful either as legitimate means of self-defense or otherwise.[108] As State Department Legal Advisor Leonard Meeker stated with regard to United States intervention in the Dominican Republic:

"... [R]eliance on absolutes for judging and evaluating the events of our time is artificial, ... black and white alone are inadequate to portray the actuality of a particular sitution in world politics, and ... fundamentalist views on the nature of international legal obligations are not very useful as a means to achieving practical and just solutions to difficult political, economic, and social problems. ... It does not seem to me that law and other human institutions should be treated as abstract imperatives which must be followed for the sake of obeisance to some supernatural power or for the sake of some supposed symmetry that is enjoined upon the human race by external forces. Rather, it seems to me that law and other institutions of society should be seen at deliberate and hopefully rational efforts to order the lives of human communities—from small to great—in such a way as to permit realization by all members of a community of the full range of whatever creative powers they may possess. ... We recognize that, regardless of any fundamentalist view of international law, the situation then existing required us to take action to remove the threat and at the same time to avoid nuclear war. In the tradition of the common law we did not pursue some particular legal analysis or code, but instead sought a practical and satisfactory solution to a pressing problem."[109]

Greater guidance can be found in the treaties into which the United States has entered and to which it is bound. Because of the large number of treaties to which the United States is a party, we have limited our review to the countries of Latin America. Despite the small size of this sampling, several interesting points emerge.

In the additional Protocol Relative to Non-Intervention, signed in 1936 by Argentina, Paraguay, Honduras, Costa Rica, Venezuela, Peru, El Salvador, Mexico, Brazil, Uruguay, Guatemala, Nicaragua, Dominican Republic, Colombia, Panama, Chile, Ecuador, Bolivia, Haiti, Cuba and the U.S.A.,[110] the parties "declare inadmissible the intervention of any one of them, directly or indirectly, and for whatever reason, in the internal or external affairs of any other of the Parties" (Article 1). Similarly, the "Convention on Rights and Duties of States," proclaimed Jan. 18, 1935,[111] provides in Article 8: "No state has the right to intervene in the internal or external affairs of another."[112] Article 11 asserts:

"... The territory of a state is inviolable and may not be the object of military occupation nor of other measures of force imposed by another state directly or indirectly or for any motive whatever even temporarily."

In the Inter-American Treaty of Reciprocal Assistance (Rio Treaty), proclaimed in December, 1948,[113] the parties "undertake to submit every controversy which may arise between them to methods of peaceful settlement." (Article 2). In Article 6, the treaty sets forth that if "the inviolability or the integrity of the territory or the sovereignty or political independence of any American State should be affected by an aggression which is *not* an armed attack ... the Organ of Consultation shall meet immediately in order to agree on measures which must be taken to assist the victim of aggression" (emphasis added).

Finaly, in the Charter of the Organization of American States,[114] the signatories affirm that "International order consists essentially of respect for the personality, sovereignty and independence of States ..." (Article 5[b]), that "Every American State has the duty to respect the rights enjoyed by every other State in accordance with international law" (Article 7) and that "No State may use or encourage the use of coercive measures of an economic or political character in order to force the sovereign will of another State and obtain from it advantages of any kind." (Article 16).

Thus, although some questions may exist under the principles of international law, the obligations of the United States under its treaties are clear. To the extent that the activities of the CIA violate these treaties, the Executive is abrogating policy established through the advice and consent of the Senate as the foreign policy of the United States and international obligations of our Government.

D. Constitutional issues regarding foreign covert political activities

The Constitution draws no clear boundaries between the foreign affairs responsibilities of Congress on the one hand and those of the President on the other. No cut-off point exists where the powers of one end and those of the other begin. Certain limited powers are assigned to both but an enumeration of those powers provides little help in defining the relative jurisdictions of the two branches of Government. What remains is a broad area in which either branch is able to operate subject only to its own limitations and to any counter-efforts which might be undertaken by the other. Differences in this area are resolved not by the courts but through intra-governmental conflict, each branch making such use as it is able of its unique powers and its ability to gather support in the political arena.

As far as Congress is concerned, it was expressly vested by the Constitution with the general "power to provide for the common Defence ... of the United States,"[115] supported by the more specific powers to "declare War,"[116] "raise and support Armies ....,"[117] "provide and maintain a Navy,"[118] "make rules for the Government and Regulation of the land and naval Forces,"[119] and "provide for calling forth the Militia."[120]

By giving Congress the power to declare war, the framers of the Constitution were attempting to make certain that no such action would be taken without broad and meaningful public debate. James Wilson, one of the most active participants in the drafting and passage of the Constitution, expressed this attitude when he told the Convention that the power to "declare" war was lodged in Congress as a guard against being "hurried" into war, so that no "single man [can] ... involve us in such distress."[121] Congress' power to declare war is limited only by the power of the President to repel sudden attacks without congressional authorization.[122] Such an exception, which recognizes that Congress as a deliberative body might not be able to respond sufficiently quickly to an attack, was the express intent of James Madison and Elbridge Gerry during the drafting of the Constitution when they moved to replace the phrase "make war" with the ultimately adopted "declare war."[123]

Whatever might have been the intentions of the framers, however, it is clearly unrealistic to believe that the power to declare war, taken literally, automatically gives Congress control over the country's military involvement. Only the Executive Branch is structured to deal with the complexities of foreign affairs on a daily basis, and whether the President's power to do so is founded solely in the powers enumerated in the Constitution or derives in bulk through his duty to "take Care that the Laws be faithfully executed,"[124] his power in conducting foreign affairs cannot be seriously questioned.[125] While this power relates basically to the execution of our foreign policy, however, left unchecked by a benign Congress it becomes the force which dictates what our foreign policy is to be.

The President's role in foreign affairs has

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explicit limits. The ultimate policy decision to engage in war can be made only by Congress; a formal declaration is not required, any action from which congressional consent or ratification might be clearly inferred being constitutionally sufficient.[126] Armed forces and the militia can be raised and supported only by Congress. Treaties can be entered into only with the concurrence of two-thirds of the Senators present.[127]

Many aspects of the CIA's covert political activities abroad remain unclear or unverified. However, certain CIA operations which have been acknowledged by the Agency appear to be patently unconstitutional. The Bay of Pigs invasion, for example, was a usurpation by the Executive of Congress' power to raise and support Armies . . ."[128] and to "declare War."[129] Similarly unconstitutional was the recruiting and supporting over a period of years of a large army in Laos without congressional knowledge.[130] Both the Cuban and Laotian operations might have been justifiable had they involved the need to act promptly to repel sudden attacks upon the United States. The planning of both operations, however, took sufficently long as to eliminate any reason for not involving Congress.

In still other actions, such as those in Chile,[131] the CIA conducted activities which apparently breached treaties ratified by the Senate. In ratifying these treaties, the Senate was exercising its constitutional power to set the standards which guide the President in the conduct of foreign policy. The CIA's violation of these treaties contravened the standards established by the Senate and undermined its constitutional role.

It is the opinion of some that many of these abuses result from improper internal controls or lack of accountability. It is thought, therefore, that organizational reform could be used to create an effective deterrent to further illegal activities. Among the steps recommended are a limit on the Director's term of office, clearly designated channels of responsibility, an internal "Inspector General" with the right to take administrative action against individuals, and the mandatory rotation of senior officials. We believe that these and similar reforms should be given serious consideration.

By failing to provide proper review of CIA operations, Congress has relinquished to the CIA its own constitutionally-based responsibility in the formulation of our foreign policy.

Under such circumstances, a President acting entirely within his constitutional prerogatives could lead the country to a point where Congress could do nothing but support the *status quo*, thus effectively "declaring" war. To the extent that Congress by its inaction allows such a situation to arise, it is violating its constitutional trust as seriously as if it were affirmatively passing legislation unconstitutional on its face.

Congress has not necessarily met its constitutional obligations with the passage of the CIA amendment to the Foreign Assistance Act of 1974. If this provision serves merely to perpetuate the past practice of providing limited information to a few sympathetic senior committee members,[132] the new law will provide no effective means for congressional assertion of its constitutional role. Only by subjecting the CIA to a continual and meaningful review process and by promptly challenging any activities which are contrary to its own general foreign policy objectives will Congress be realizing this duty.

Mr. Colby has referred to the Agency's need to protect "intelligence secrets" as in "obvious potential conflict . . . with the right of citizens in a democracy to know what their Government is doing in their name (and with their money)."[133] It should be recognized that Congress has in the past worked out a variety of procedures for safeguarding information while continuing to exercise oversight of Executive actions. Former Attorney General Elliot Richardson has testified that classified and other sensitive information is "constantly" made available to congressional committees in executive session or otherwise under terms and conditions limiting or prohibiting disclosure to the public.[134] However, if the ultimate choice in balancing these interests were between the constitutional requirement of effective control of American foreign policy by our elected representatives on the one hand and the clandestine foreign political activities of a small number of unaccountable bureaucrats on the other, we would opt for congressional control.

IV. BUDGETARY PROCEDURE AND ITS STATUTORY BASIS

A. Funding arrangements: The present process of appropriation

The question persists why Congress has not acted sooner to prevent the CIA from carrying out foreign policy abuses. Part of the answer lies in the fact that by enacting and implementing unique budgetary procedures which allow the Congress to vote on the CIA budget without knowing its contents, the Congress has abandoned its most effective method of controlling the activities of the CIA. An understanding of these procedures is essential to any evaluation of Congress' present role in overseeing the Agency.

The CIA budget process begins like that of any other executive agency, with a budget request to the Office of Management and Budget (OMB).[135] This request is supposedly reviewed by the Intelligence Resources Advisory Committee (IRAC) chaired by the Director of Central Intelligence (DCI) and consisting of representatives from the Departments of State, Defense and the OMB, and coordinated with the intelligence requests of other agencies before it is formally submitted to the OMB, but such review is reportedly sketchy.[136] The OMB then conducts a detailed review of the CIA budget request, consisting of a written justification for the request, written responses to detailed questions posed by OMB staff and oral hearings.[137] During the review process, the CIA budget is coordinated with those of the other foreign intelligence agencies and the total intelligence budget is then forwarded to the President for submission to Congress.

However, the Congress never sees the actual CIA budget, nor do the Appropriations Committees of the House and Senate. Rather, the budget is reviewed and approved only by the Intelligence Subcommittee of the Appropriations Committee of each house.[138] Until the present Congress, the Intelligence Subcommittees have been composed of the chairmen of the full Appropriation Committees, the ranking minority member of the full committees and senior members of the Appropriations Subcommittees on Defense.[139] They are said to conduct extensive budget hearings attended by staff members of the Intelligence Subcommittees and representatives of the CIA.[140] In the House, a complete stenographic record is made of these proceedings, which is then stored at the CIA and delivered to the Capitol on request; in the Senate, no record of CIA budget hearings is made.[141] Once the Subcommittee decides what the CIA budget will be, it then divides up and disguises it in various appropriation of the Defense Department and other agencies.

Congress then votes on appropriations inflated by sums destined for the CIA without knowing either that they are doing so or the dollar amount earmarked for the CIA. Even if a Congressman suspects that an appropriation contains CIA funds, he has no means of discovering how much CIA money is entailed. Once the bills are enacted, the Appropriations Committee Chairmen supply the OMB with instructions as to which funds are to be transferred to the CIA, and the OMB carries out these instructions.[142]

B. Statutory basis and constitutionality of appropriations process

The legal authority for these extraordinary procedures is found in the Central Intelligence Agency Act of 1949.[143] Section 6 of the Act provides:

"In the performance of its functions, the Central Intelligence Agency is authorized to:

(a) Transfer to and receive from other Government agencies such sums as may be approved by the Bureau of the Budget, for the performance of any of the functions or activities authorized under sections 403 and 405 of this title, and any other Government agency is authorized to transfer to or receive from the Agency such sums without regard to any provisions of law limiting or prohibiting transfers between appropriations. Sums transferred to the Agency in accordance with this paragraph may be expended for the purposes and under the authority of this Act without regard to limitations of appropriations from which transferred."[144]

Section 10(a) provides:

Notwithstanding any other provisions of law, sums made available to the Agency by appropriation or otherwise may be expended for purposes necessary to carry out its functions . . .[145]

The language in these sections allowing transfers of money to the CIA "without regard to any provisions of law limiting or prohibiting transfers between appropriations" and providing for expenditure of "sums made available to the Agency by appropriation *or otherwise*" (emphasis added) and "without regard to limitations of appropriations from which transferred" seems difficult to reconcile with the *constitutional* requirement contained in Article I Sec. 9, Cl. 7 that "[n]o money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law."[146] A transfer of money to the CIA despite a prohibition against such transfer and the expenditure of that money in a manner forbidden by the appropriation legislation would not be "in consequence of appropriations made by law," but rather would be in derogation of such appropriations.

It has been convincingly argued that in passing the 1949 Act, Congress did not intend to exempt the CIA from substantive limitations on expenditures enacted by subsequent Congresses, but only to free it from compliance with technical funding limitations. Support for this argument can be found in the fact that Section 6(a) quoted above, is followed by several sections exempting the CIA from other technical limitations, such as prohibitions on the exchange of appropriated funds other than for silver, gold, United States notes and national bank notes, restrictions on using personnel or other government agencies, and limitations on the payment of rent and making of improvements to leased premises.[147] Similarly, Section 10(a) contains a long list of housekeeping purposes for which sums may be expended, including "purchase, maintenance, and cleaning of firearms," "printing and binding," "association and library dues" and "repair, rental, operation and maintenance of buildings, utilities, facilities and appurtenances."

Further support for the view that the 1949 Congress did not intend to exempt the CIA from future substantive limitations on expenditures is found in the legislative history of the 1949 Act. Former CIA Director Rear Admiral Hillenkoeter, in a letter to Senator Millard E. Tydings, assured Congress that:

"In almost all instances, the power and authorities contained in the bill already exist for some other branch of the Government, and the bill merely extends similar authorities to the Central Intelligence Agency."[148]

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An identical assurance was given to the House of Representatives by the sponsor of the bill, Representative Sasscer.[149]

Thus the authority in the 1949 Act for the CIA to spend money "[n]otwithstanding any other provision of law" does not free the CIA from compliance with later substantive restrictions on spending, such as those contained in the Foreign Assistance Act of 1974. Moreover, the existence of such restrictions, while providing a check on CIA expenditures, does not resolve the conflict between the present practice of concealing the CIA budget from the legislature and the constitutional requirement that money may not be disbursed except "in consequence of appropriations made by law." That requirement would be met only if Congress knowingly voted on the total budget amount.[150]

C. The present accounting procedure

Once the money for the CIA has been appropriated and transferred, there is no way under present arrangements for Congress, much less the public, to know how it has been spent. In order to assure that CIA activities will remain secret, four subcommittees charged with oversight of the CIA meet in executive session and are not required to report to Congress as a whole.[151] No agency within the executive branch has a statutory duty to audit CIA expenditures, and although OMB performs some budgetary oversight, it relies on financial data supplied by the CIA, which it does not check independently.[152] As a result of the hidden appropriations procedure described above, the annual "Combined Statement of Receipts, Expenditures and Balances of the United States Government" (Combined Statement) published by the Secretary of the Treasury pursuant to 31 U.S.C. § 1029 and Article I, Section 9, Clause 7, of the Constitution, contains no mention of monies received and expended by the CIA.[153]

Neither of these provisions expressly exempts the CIA from its coverage, however. The relevant part of Article I, Section 9, Clause 7, the Statements and Accounts Clause, requires that: "a regular Statement and Account of the Receipts and Expenditures of all public Money shall be published from time to time."

The legislation implementing this requirement, 31 U.S.C. § 1029, states:

"It shall be the duty of the Secretary of the Treasury annually to lay before Congress, on the first day of the regular session thereof, an accurate, combined statement of the receipts and expenditures during the last preceding fiscal year of all public moneys, including those of the Post-Office Department, designating the amount of the receipts, whenever practicable, by ports, districts, and States, and the expenditures, by each separate head of appropriation." [154]

Read alone, these provisions would seem to require an accounting of CIA receipts and expenditures along with those of all other executive agencies. However, the argument is generally made that the 1949 Act provides an exception to these requirements in the case of the CIA.

D. Statutory basis for the present accounting procedure

The language of the 1949 Act does not seem to free the CIA entirely from any duty to account to Congress or the public. The relevant provision states:

"The sums made available to the Agency may be expended without regard to the provisions of law and regulations relating to the expenditure of Government funds; and for objects of a confidential, extraordinary, or emergency nature, such expenditures to be accounted for solely on the certificate of the Director and every such certificate shall be deemed a sufficient voucher for the amount therein certified." [155]

Logic dictates that "the provisions of law and regulations relating to the expenditure of Government funds" referred to in the first half of subsection (b) must be provisions other than those relating strictly to accounting requirements. If accounting requirements were included among such "provisions" then the CIA would be exempted from them by this language, and the second half of the sentence would be rendered either superfluous or meaningless. Although it is addressed solely to the question of accounting, the second half of the sentence does not exempt the CIA from all accounting requirements, but only from accounting for expenditures made "for objects of a confidential, extraordinary, or emergency nature." Thus Congress seems to have expected that the CIA's expenditures for compiling and analyzing, if not gathering, intelligence would be publicly accounted for. If no accounting from the CIA were mandated, there would have been no need to define the particular types of expenditures for which the Director was not required to account.

E. The constitutionality of the accounting procedure: the Richardson case

The failure of the CIA to account publicly for its receipts and expenditures was recently challenged as unconstitutional in a suit brought under the Mandamus and Venue Statute, 28 U.S.C. § 1361, to compel the Secretary of the Treasury to publish a complete Combined Statement. The district court dismissed the complaint for lack of standing and justiciability, but the Court of Appeals reversed, finding that the plaintiff had standing as a taxpayer to raise the claim that insofar as the 1949 Act excused the CIA from reporting its receipts and expenditures it was unconstitutional, and that he had raised a justiciable question. *Richardson* v. *United States*, 465 F.2d 844 (3d Cir. 1972). The Supreme Court granted certiorari on the question of taxpayer's standing and reversed 5–4, holding that the requirements of *Flast* v. *Cohen*, 392 U.S. 83 (1968) had not been met. *United States* v. *Richardson*,— U.S.—, 41 L.Ed.2d678 (1974).

Although the merits of Richardson's claim were never decided, they were discussed briefly by the Third Circuit in the course of its determination that a substantial constitutional question had been raised, and were again argued by both parties in their briefs to the Supreme Court. The Government maintained that the Statements and Accounts Clause had been intended by the Framers to allow the Congress to decide which Government expenditures should be made public. It noted that Mason, the author of the clause, had originally proposed an *annual* statement of account but that Madison's amendment had substituted the words "from time to time." Mason had opposed this amendment on the ground that it might allow too much secrecy by not requiring a report at regular intervals.[156]

In its brief, the Government urged the Supreme Court to infer from the fact that Madison's language was accepted despite these fears, that a certain latitude in the reporting requirement must have been intended.

Richardson, on the other hand, pointed out that the reason for Madison's amendment was his belief that to require reporting at regular intervals might lead to no reporting at all. This, Madison noted, was what had happened under the Articles of Confederation, which required semi-annual reporting: "a punctual compliance being often impossible, the practice has ceased altogether." [157] Richardson also pointed out to the Virginia debates on the Constitution where Mason again objected to the words "from time to time" as being too "loose," and Lee replied that Mason's concern was "trivial," that the phrase "must be supposed to mean, in the common acceptation of language, short, convenient periods," and that [t]hese who would neglect this provision would disobey the most pointed directions." [158] To this Madison added that:

"[h]e thought it much better than if it had mentioned any specified period; because, if the accounts of the public receipts and expenditures were to be published at short, stated periods, they would not be so full and connected as would be necessary for a thorough comprehension of them, and detection of any errors. But by giving them an opportunity of publishing them from time to time, as might be found easy and convenient, they would be more full and satisfactory to the public, and would be sufficiently frequent."[159]

Based on this statement, Richardson argued that Madison and Mason were in wholehearted agreement as to the desirability of full disclosure and differed only in their views as to how best to achieve it.[160]

Both Richardson and the Government drew the Court's attention to the language of Article 1 Section 5 Clause 3, which states "Each House shall keep a Journal of its Proceedings, and from time to time publish the same, excepting such Parts as may in their Judgment require Secrecy." The Government argued that it would be illogical to allow the Legislature an exception for matters requiring secrecy while not allowing the Executive Branch such an exception. Richardson maintained that the difference in language was intended to reflect the Framers' belief that while some matters may require secrecy, the receipts and expenditures of public money should never be concealed.[161]

The Government further bolstered its interpretation of the Statements and Accounts Clause by citing two instances in which Congress enacted secret appropriations bills prior to its passage of the 1949 Act. The first occurred in 1811 when President Madison requested of Congress a secret appropriation to be used in purchasing parts of Spanish Florida. This was not made public until 1818. The second instance consisted of the secret $2 billion appropriated for the Manhattan Project to develop the atomic bomb during World War II. It should be noted, however, that each of these examples involved one appropriation or series of appropriations for one specific purpose, not an entire system of appropriating money to be used on an annual basis for a particular agency regardless of the goals for which the money will be used. It should also be noted that at least in the case of the Florida appropriations bill, the entire Congress was aware of the acquisition plan, which is not the case when money is appropriated for the CIA.

As its final argument on the merits, the Government cited three other statutes which authorize Congress to exempt certain appropriated funds from the public accounting requirement. The oldest of the statutes, dating from 1793, is 31 *U.S.C.* § 107, which states:

"Whenever any sum of money has been or shall be issued, from the Treasury, for the purposes of intercourse or treaty with foreign nations, in pursuance of any law, the President is authorized to cause the same to be duly settled annually with the General Accounting Office, by causing the same to be accounted for, specifically, if the expenditure may, in his judgment, be made public; and by making or causing the Secretary of State to make a certificate of the amount of such expenditure, as he may think it advisable not to specify; and every such certificate shall be deemed a sufficient voucher for the sum therein expressed to have been expended."

Although this statute allows the President or Secretary of State to certify expenditures without specifying their purposes, it does not become effective until Congress has appro-

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priated money "for the purposes of intercourse or treaty with foreign nations." It does not permit a practice of concealing both receipts and expenditures regardless of the purpose for which they were appropriated, as is done by the CIA.[162]

A second statute cited by the Government was 28 U.S.C. §537, covering expenditures by the Federal Bureau of Investigation for unforeseen emergencies of a confidential character. It provides as follows:

"Appropriations for the Federal Bureau of Investigation are available for expenses of unforeseen emergencies of a confidential character, when so specified in the appropriation concerned, to be spent under the direction of the Attorney General. The Attorney General shall certify the amount spent that he considers advisable not to specify, and his certification is a sufficient voucher for the amount therein expressed to have been spent."

This statute, even more clearly than the previous one, limits the Executive's authority to spend money secretly to cases where Congress has specifically provided for it in a separate appropriations act. This is also true of the third statute relied on by the Government, 42 U.S.C. §2017 (b), regarding appropriations for the Atomic Energy Commission, which states simply:

"(b) Any Act appropriating funds to the Commission may appropriate specified portions thereof to be accounted for upon the certification of the Commission only."

In contrast to the Government's interpretation of the 1919 Act, neither of these statutes purports to confer blanket authority on an Executive agency to ignore the requirements of the Statements and Accounts Clause and the statutes implementing it.[163]

In examining the scope of the Director's authority not to account for sums expended under the 1949 Act, it is important to view this authority in the context of a unique appropriations process applicable to no other agency. When other agency heads give special certification instead of accounting for their expenditures, the public can at least determine the amount secretly spent because the agency's total budget is listed in the Combined Statement, and its normal expenditures are accounted for. In the case of the CIA, its total budget is never known even to Congress, and no receipts or expenditures are listed in the Combined Statement. Thus the 1949 Act as presently applied allows the Director of Central Intelligence far more authority to operate secretly than any other agency head.

This degree of secrecy conflicts with the constitutional mandate of the Statements and Accounts Clause. That Clause requires that at least the total amounts actually spent by the CIA be published in the Combined Statement.[164] Whether greater detail is mandated and, if so, what degree of specificity, are more difficult questions requiring a balance between the interests of national security and the right of the public to know.[165]

V. THE RANGE OF REMEDIES

A. Suits challenging CIA activities

Because of the sensitive nature of the CIA's legitimate functions the courts may be reluctant to entertain challenges to its other activities. If the courts are to provide redress, however, a threshold question to be resolved is that of standing to sue.

(1) Taxpayer's Standing

Although the previously discussed decision of the Supreme Court that Richardson lacked standing rested on narrow grounds, it contained broad language to the effect that Richardson's complaint lay more properly within the province of Congress than of the courts. It has therefore been argued that the decision closed the door to any judicial enforcement of the Statements and Accounts Clause.

The majority opinion in *Richardson* held only that the first requirement of *Flast* v. *Cohen*, 392 U.S. 83 (1968) had not been met, in that the plaintiff had failed to establish a logical nexus between his status as a taxpayer and the statute he was attacking. To establish this nexus, a taxpayer must challenge an exercise of the taxing and spending power of Congress. Technically, the *Richardson* holding does not foreclose a plaintiff who seeks not only to enforce the Statements and Accounts Clause but also to enjoin the expenditure of money by the CIA unless openly appropriated and accounted for, from claiming taxpayer's standing.

However, in dictum the Court conceded the correctness of Richardson's argument that if he lacked standing then no one could bring such a suit. The Court stated:

"It can be argued that if respondent is not permitted to litigate this issue, no one can do so. In a very real sense, the absence of any particular individual or class to litigate these claims gives support to the argument that the subject matter is committed to the surveillance of Congress, and ultimately to the political process. Any other conclusion would mean that the Founding Fathers intended to set up something in the nature of an Athenian democracy or a New England town meeting to oversee the conduct of the National Government by means of lawsuits in federal courts. The Constitution created a representative Government with the representatives directly responsible to their constituents at stated periods of two, four, and six years; that the Constitution does not afford a judicial remedy does not, of course, completely disable the citizen who is not satisfied with the "ground rules" established by the Congress for reporting expenditures of the Executive Branch. Lack of standing within the narrow confines of Art. III jurisdiction does not impair the right to assert his views in the political forum or at the polls. Slow, cumbersome and unresponsive though the traditional electoral process may be thought at times, our system provides for changing members of the political branches when dissatisfied citizens convince a sufficient number of their fellow electors that elected representatives are delinquent in performing duties committed to them."

In view of this language, it appears doubtful that another plaintiff would be held to have standing even on a more expertly pleaded complaint.

(2) Congressman's standing

To the extent that the activities engaged in by the CIA have exceeded the scope of its statutory authority, one possible remedy is a Congressman's lawsuit. Congressman's standing has been held to rest on a broader basis than taxpayer's standing and to include challenges to the conduct of foreign policy. *Mitchell* v. *Laird*, 488 F.2d 611 (D.C. Cir. 1973).

In *Coleman* v. *Miller*, 307 U.S. 433 (1939), a leading case on legislator's standing, the Supreme Court held that twenty members of the Kansas Senate had standing to challenge the casting of a deciding vote on the ratification of the Child Labor Amendment to the United States Constitution by the Lieutenant Governor of Kansas. The court noted that the twenty Senators had all voted against ratification of the amendment, and that it would not have been ratified but for the vote of the Lieutenant Governor. The basis for standing was the legislators' interest in protecting their votes. This interest was also found to constitute a basis for standing in a suit by Senator Kennedy challenging President Nixon's use of the pocket veto. *Kennedy* v. *Sampson*, 364 F.Supp. 1075 (D.D.C. 1973).

A broader basis for standing was found in *Trombetta* v. *State of Florida*, 353 F.Supp. 575 (M.D. Fla. 1973) where members of the Florida legislature sought a declaratory judgment as to whether a provision in the Florida Constitution governing ratification of amendments to the United States Constitution conflicted with Articles V and VI of the Constitution. There the legislators were attempting to protect votes as yet uncast, and the court based its finding of standing on the "unresolved constitutional dilemma" confronting them.[166]

Other grounds for findings of Congressmen's standing have included their duties to consider whether to impeach, to make appropriations for the Vietnam war, and to take other legislative actions.[167] *Mitchell* v. *Laird*, *supra*. However, even when the standing requirement is met, a Congressman's suit challenging the conduct of foreign policy may be dismissed as raising a non-justiciable political question. *Holtzman* v. *Schlesinger*, 484 F.2d 1307 (2d Cir. 1973).

The question of Congressmen's standing is currently being tested in a suit filed in December, 1974 by Congressman Michael Harrington against William E. Colby, Henry Kissinger and William E. Simon. The complaint seeks four types of declaratory and injunctive relief: 1) a declaration that the performance of any non-intelligence related foreign activities by the CIA or any domestic surveillance break-ins or wiretapping by the CIA is illegal and an injunction against all such activity; 2) a declaration that the expenditure of funds or use of services under the purported authority of the exemptions contained in the Act is illegal when used for any of the purposes set forth in (1) above and an injunction against such expenditures; 3) a declaration that the failure of the CIA to report the activities listed in (1) above in the Federal Register in compliance with the Freedom of Information Act (5 USC §552) is illegal and a mandatory injunction requiring such reporting; and 4) a declaration that the failure of defendants to report in the Combined Statement receipts and expenditures used for the activities listed in (1) above is illegal and a mandatory injunction requiring such reporting. The theory of the Harrington complaint is that the 1949 Act exempts from reporting only such expenditures by the CIA as are spent in intelligence-related activities and that any exemptions taken pursuant to the 1949 Act for purposes other than those specified therein are illegal and should be enjoined.

In order to establish standing, the complaint alleges that the plaintiff Congressman's interest in a declaratory judgment stems from his constitutional duties (1) to consider impeachment of Colby, Kissinger and other civil officers of the United States, (2) to consider and vote for legislation proscribing the activities of the CIA, (3) to consider and vote for legislation proscribing or limiting the use by the Agency of any public funds and (4) to take other legislative actions relative to the activities of the Agency. It further alleges that Congressman Harrington has an interest in preserving the constitutional powers and prerogatives of Congress and that he has an interest in insuring that the Executive seek and obtain express and specific appropriations from Congress for the Agency except as the Executive may have been constitutionally authorized by statute to do otherwise. Related to this interest is the right as a Congressman to be informed whether the funds appropriated by any given appropriations bill may be expended by the CIA, and to participate in the legislative process upon the basis of such knowledge. Similarly the complaint asserts Harrington's interest as a Congressman in having the CIA comply with reporting and transfer provisions except insofar as it is legally and constitutionally exempt from them. The care

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and specificity with which standing is pleaded reflects the concern of Harrington's counsel that standing will be an important threshold issue in the case. However, even if he is held to have standing, the case might nonetheless be dismissed on "political question" grounds.

(3) Congressional Grant of Standing to Sue

It seems clear that if there is to be effective control of domestic surveillance activities of the CIA, standing to sue will have to be given to individual citizens who have been the targets of such activity.

An analogy can be made to military surveillance of civilian political activities.[168] In our view, the domestic surveillance activities of the CIA, like those of the Army, exceeded its statutory authority. Some of the reported activities such as warrantless electronic surveillance would of course be unconstitutional even if not contrary to statute, if they involve domestic security. But the decision of the Supreme Court in *Laird* v. *Tatum,* 408 U.S. 1 (1972), requiring a showing of direct injury or the threat of imminent injury, makes it difficult, if not impossible, effectively to control such surveillance activities under present law.[169]

The proposed Freedom From Surveillance Act of 1973 (S. 2318, 93rd Congress, 1st session) which would prohibit surveillance by the military, serves as an excellent model of the type of legislation which appears to be needed with respect to CIA activities impinging upon the rights of individual citizens. The proposed statute first sets forth a broad, but nonetheless precise, description of the prohibited activities and the penalties imposed and then narrowly describes the exceptions to the general rule.

New legislation which would not only impose sanctions[170] but would give targeted citizens standing to sue is, therefore, clearly desirable. Such persons should be granted the following rights, at a minimum:

1. The right to bring a civil action for damages (including punitive damages) and/or for equitable relief regardless of the actual amount of pecuniary damage suffered.
2. The right to recover attorneys' fees if plaintiff substantially prevails.
3. The right to bring suit in the district where the violation occurs, where plaintiff resides or conducts his business, or in the District of Columbia.

Other provisions which might be considered would be: giving any case brought pursuant to the statute docket precedence and requiring the Government to answer the complaint within thirty days rather than sixty days.[171] The proposed Freedom From Surveillance Act, *supra,* also includes a provision authorizing class actions to enjoin surveillance by the military, and such a provision would seem to be equally desirable in the case of the CIA.

Finally, in view of the trepidation with which the courts have habitually dealt with matters relating to national security and foreign relations, particularly where the CIA is involved, it might be desirable to include provisions expressly granting the trial court power to review *in camera* relevant documents as to which a privilege is claimed (this power is now granted under the Freedom of Information Act, as recently amended) and making clear plaintiff's right to ascertain through speedy and effective discovery procedures whether improper domestic surveilliance has, in fact, occurred.

B. Stricter congressional oversight

As a result of disclosures concerning CIA domestic and foreign activites, many bills and resolutions have been introduced in Congress to define and limit the CIA's functions, to restrict its domestic operations and to provide for more effective congressional oversight over its foreign political activities.[172]

It is easier to agree in principle that each of these is desirable than to put in statutory form a clear, workable application of the principle. We will discuss below some of the approaches presented.

(1) Domestic activities

A number of bills seek to eliminate domestic surveillance operations. In S. 3767, 93rd Cong., 2nd Sess. (1974), the CIA is specifically unauthorized to:

"(1) carry out, directly or indirectly, within the United States, either on its own or in cooperation or conjunction with any other department, agency, organization, or individual any police or police type operation or activity, any law enforcement operation or activity . . ."

In addition, the CIA would not be permitted to:

"(2) participate, directly or indirectly, in any illegal activity within the United States.[173]

Others (e.g. S. 2597 93rd Cong., 1st Sess. [1973]) create exceptions for "carrying on within the United States activities necessary to support its foreign intelligence responsibilities." This would appear to provide a broad loophole which would not effectively bar such activities as opening the mail of Bella Abzug while she was a practicing attorney, and keeping counter-intelligence files on her activities and those of three other members of Congress (see Point 11B, *supra*).

Some members of the Committees preparing this report believe that such an exception would be appropriate if it were coupled with a *proviso* that internal security functions in support of foreign intelligence activities would be impermissible.

(2) Congressional Review of Foreign Political Activities: Prior Approval or Later Disclosure

The amendment to the Foreign Assistance Act of 1961, enacted as Public Law 93-559, Dec. 30, 1974, adding Sec. 663, requires only a report by the President as to CIA foreign operations "other than activities intended solely for obtaining necessary intelligence," to the appropriate committees of Congress, including the Senate Foreign Relations and the House Foreign Relations Committees. This Act does not, however, mandate authorization by Congress or any committee.

Some of the proposed legislation goes farther. H.R. 9511, 93rd Cong., 1st Sess. (1973), would prevent "covert" action without written approval of an oversight committee of Congress. "Covert" action is inadequately defined as being "the commonly accepted understanding of that term within the intelligence community of the Federal Government."

In H.R. 16,905, 93rd Cong., 2d Sess. (1974), funds are not to be appropriated for intelligence activities unless such operations are authorized by further legislation. The approach of this bill is to set up a congressional council which would have powers somewhat similar to the National Security Council. The limitation imposed by requiring authorization of intelligence operations by legislation enacted after the date of this Act would have consequences perhaps unintended by the draftsmen. It would appear that the CIA cannot receive funds for any activity unless Congress as a whole so authorized by vote, which would in effect impair any secret operations including intelligence-gathering.

(3) Composition and Powers of Oversight Committees

Many different approaches have been suggested as to the composition of a joint committee to oversee the Agency's operations. One bill seeks a fourteen member committee, seven from the House and seven from the Senate, each to be divided among the two parties (H.R. 16,905): another seeks twenty-five members (S. 1547, 93rd Cong., 2nd Sess. [1974]).

In H.R. 16,905, the joint committee is authorized to conduct continuing studies and investigations of all security agencies, namely, the CIA, FBI, Secret Service, Defense Intelligence Agency, the National Security Agency and all other intelligence departments and agencies of the Federal Government.

Other bills have sought (1) detailed and regular reports to congressional committees (H.R. 7596, 93rd Cong., 1st Sess. [1973]); (2) increased powers of congressional committees to obtain as a matter of law, further information from the CIA (H.R. 13,798, 93rd Cong., 2nd Sess. [1974]) "Central Intelligence Agency Disclosure Act");[174] and (3) further study and correlating of information available to Congress relating to intelligence (S. Con. Res. 23, 93rd Cong., 1st Sess. [1973]).

It is apparent that congressional oversight has many variations. Regular reporting and submission of a proposed budget to a carefully organized joint committee representing all segments of Congress, should be a minimum.

VI. RECOMMENDATIONS

1. Despite the present restriction of the CIA to the foreign intelligence field and despite the prohibition against its exercising any internal security functions, its domestic activities—viewed as legitimate by the Agency—so pervade our national life and society as to make such restriction and prohibition almost meaningless. A revision of the National Security Act so as to define more precisely both the authority of, and the restrictions on, the Agency is plainly necessary.

Legislation for this purpose referred to in CIA Director William E. Colby's report to the Senate Appropriations Committee as acceptable to the CIA is inadequate. This legislation would add the word "foreign" before the word "intelligence" wherever it appears in the Act, and would add a prohibition against "any domestic intelligence operations or activity" to the existing ban against the exercise of police, law-enforcement or internal security functions. However, this prohibition would be "supplemented" by an additional proviso preserving for the CIA the right to carry on within the United States any activity "in support of its foreign intelligence responsibilities . . ."[175] It is difficult to determine which of the domestic activities now regarded by the CIA as not prohibited even though they appear to involve internal security functions, would be curtailed under such a proviso.

It is recommended that new legislation be formulated, which would (a) clearly define the terms "internal security operation" and "domestic intelligence operation" in accordance with Recommendations 2 and 3 below, and (b) permit no exceptions to the ban on such operations by the CIA.

2. In light of recent testimony about CIA domestic activities, special attention should be given in any new legislation to the protection of First and Fourth Amendment rights of speech, association and privacy. In our view, CIA surveillance within the United States of any person who is not an employee of the CIA constitutes an "internal security function" prescribed by its present charter. Equally unlawful is the CIA's maintenance and dissemination of information concerning individuals in this country with no clear and direct involvement with foreign powers. Such CIA activities have a serious potential for infringement of First Amendment rights and are not necessary to the Agency's authorized objectives.

In addition, the exemption of the CIA from the restrictions contained in the Privacy Act of 1974[176] should be revised. That Act provides that any *citizen* or *resident*

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alien about whom records are kept by a federal agency may inspect and make copies of such records, request corrections, and add to the records a statement of the reasons for his disagreement if the agency refuses to make such corrections. Exceptions to the requirement of allowing individuals to inspect and correct their own records are made, *inter alia,* for (a) investigative material compiled by a law enforcement agency; (b) information specifically authorized by Executive order to be kept secret in the interest of national defense or foreign policy; and (c) records maintained by the CIA. The total exemption for any records kept by the CIA constitutes a broad and unnecessary loophole which severely weakens the protection to individual privacy which the Act otherwise affords. This exemption should be limited to cases where the CIA can demonstrate that the individual making the request has a clear and direct connection with a foreign power.

3. The responsibility placed upon the Director to protect intelligence sources and methods from unauthorized disclosure should be eliminated. Mr. Helms and Mr. Colby disagree as to how the present provision is to be interpreted, but however interpreted, the provision has been used to justify CIA domestic activity—such as the Ellsberg profile, the insertion of CIA agents into domestic "dissident" groups, and CIA investigations within the Government of unauthorized disclosures of classified intelligence—which in our view conflicts with the prohibition against the exercise by the CIA of internal security functions. This domestic activity is premised on an overly broad definition of "intelligence" which encompasses not only CIA files and sources, but all Government documents and sources. Any protection of domestic sources and methods other than routine safety measures which may be necessary must be carried out by the FBI. With regard to sources and methods outside the United States, the authority to protect them is implied as part of the Agency's intelligence-gathering function.

4. Neither the National Security Act of 1947 nor the Central Intelligence Act of 1949 contains any express authority for the CIA to undertake foreign political operations. The amendment to the Foreign Assistance Act requiring the President promptly to report any such operation to the appropriate congressional committees represents an attempt to increase the CIA's accountability to Congress for its overseas activities. Congress has a constitutionally-based responsibility as a partner with the Executive in the etablishment of foreign policy; the oversight committee should therefore consider any CIA political operation in the light of the foreign policy goals of Congress. If the committee members find that a particular CIA acitvity may conflict with these goals, congressional policy should be ascertained without revelation of specific details to Congress as a whole.

In order for the appropriate congressional committee to exercise its oversight responsibilities effectively under the 1974 amendment to the Foreign Assistance Act, the Act should be amended to require that the President's report on any proposed foreign political activity be defined to include a detailed proposed budget to be followed at a later date by an account of actual expenditures. Such a budget could assist the committee members in analyzing the scope and objectives of the proposed operations.

5. The funding process for the CIA is unique, in that the annual budget is discussed and voted upon only by one intelligence sub-committee of the Appropriations Committee in each house and is then divided up by the committee chairmen and disguised in various other appropriations so that the Appropriations Committee and the Congress as a whole do not know when, much less what total amount, they are voting for the CIA budget. However, the Constitution requires that at least the total budget must be separately and knowingly appropriated by Congress. The Constitution further requires the Executive to make a regular statement of account of all public money spent; thus, the total sum actually disbursed by the CIA should be published in the Combined Statement.[177]

The entire CIA budget should be reviewed by the joint congressional committee responsible for CIA oversight. This committee should be equipped with an adequate information-gathering staff and with enough professional accountants to allow it to perform meaningful budgetary review, and should require regular and special reports from the CIA. Budget oversight by this committee should include serious study of the CIA's proprietary corporations.

6. The legislation required to implement the above recommendations should confer standing to sue on injured citizens, such as those who have been the objects of surveillance. The holding of the Supreme Court in *Laird* v. *Tatum* to the effect that Government surveillance does not in itself create a chilling effect on First Amendment rights, has diminished still further the likelihood that a citizen who has been the object of CIA surveillance would be accorded standing under current constitutional standards, and has augmented the need for a new statutory enactment. It should be understood, however, that such legislation must not be interpreted as detracting from any presently established substantive rights, whether statutory or constitutional.

Committee on Civil Rights

Maria L. Marcus, *Chairman.*
Ann Thacher Anderson.
Charles R. Bergoffen.
Paul H. Blaustein.
Franklin S. Bonem.
Constance P. Carden.
Seymour Chalif.
Robert J. Egan.
James J. Fishman.
Benjamin Ira Gertz.
Joel B. Harris.
George M. Hasen.
David L. Katsky.
Alexander A. Kolben.
Larry M. Lavinsky.
Joseph H. Levie.
Edith Lowenstein.
Cyril H. Moore, Jr.
Bruce Rabb.
Jerry Slater.
William Sterling, Jr.
Franklin E. White.

Committee on International Human Rights

William J. Bulter, *Chairman.*
George G. Adams, Jr.
Robert Belt.
Benjamin B. Ferencz.
Richard N. Gardner.
Albert H. Garretson.
Robert Hornick.
Richard Paul Kramer.
Andre W. G. Newburg.
Allan S. Parter.
Ronald Pump.
Deborah L. Seidel.
Edward Sheldon Stewart.
Leonard M. Wasserman.
Richard A. Whitney.
H. Donald Wilson.

Dated: March, 1975.

FOOTNOTES

[1] See, *e.g.*, letter dated 4/25/47 from Allen Dulles to Chan Gurney, Chairman of the Committee on Armed Forces, reproduced in *National Defense Establishment* (*Unification of the Armed Services*) *Hearings before the Committee on Armed Services, United States Senate, 80th Cong., 1st Sess. on S. 758,* at 524.

[2] Wise & Ross, The Invisible Government (New York, Random House, 1964) at 91–93. With the creation of the OSS, the United States for the first time became engaged in intensive strategic intelligence research, and extensive and covert activity, on a worldwide scale. Ransom, Central Intelligence and National Security (Cambridge, Harvard Press, 1958) at 64.

[3] Hillsman, Strategic Intelligence and National Decisions (1956) at 29. The Joint Chiefs of Staff are credited with developing the plan eventually adopted by President Truman in the Statement of Lt. Gen. Hoyt S. Vandenberg, Director of Central Intelligence, reproduced in *National Defense Establishment, supra* at n. 1, 491, 494.

[4] Presidential Directive of 1/22/46, 3 C.F.R. 1080 (1943–48 Comp.). See 11 Fed. Reg. 1337, 1339 (2/5/46); Kirkpatrick, The Real CIA (1968) at 74: Ransom, *supra* at n.2, at 75.

[5] Wise & Ross, *supra* at n.2, at 93; Walden, *The C.I.A..; A Study in the Arrogation of Administrative Powers,* 39 Geo. Wash. L.Rev. 66, 70 (1970).

[6] Wise & Ross, *supra,* at 93: Walden, *supra* at n.5, at 70.

[7] Walden, *supra,* at 71.

[8] H.R. Rep. No. 2734, 79th Cong., 2d Sess. 4 (1946); see, Walden, *supra,* at 70–72.

[9] 50 U.S.C. § 401 *et seq.*

[10] Rear Admiral Roscoe H. Hillenkoeter became its first Director on September 15, 1947.

[11] 50 U.S.C. § 403(c) (1964); Walden, *supra,* at 73.

[12] 50 U.S.C. § 403(c) (1964); Ford, Donovan of OSS, (Boston, Little Brown & Co., 1970) at 316–17. Professor Walden notes that heads of other government agencies were authorized in 1950 to suspend any employee "when deemed necessary in the interest of national security," 5 U.S.C. § 22–1 (1964), but the broad authority granted to the Director of Central Intelligence is paralleled only by that conferred upon the Secretary of Defense with respect to employees of the National Security Agency, 50 U.S.C. § 833 (1964). Walden, *supra,* at 74.

[13] 50 U.S.C. § 403a–§ 403j (1964).

[14] *Id* at § 403g.

[15] *Id* at § 403j(b).

[16] In other words, the Director can spend money from the CIA's appropriations on his personal voucher. The CIA is said, however, to have taken administrative measures strictly to control its expenditures and to require a complete internal accounting for the use of all its funds, vouchered or unvouchered. Ransom, *supra* at n.2, at 81, 263, n.5. See Dulles, The Craft of Indilligence (New York, Harper & Row, 1963) at 259.

[17] 50 U.S.C. § 403(h).

[18] *Id.* at § 403(d) (5). See e.g. *Hearing before the Committee on Armed Services, United States Senate, 93rd Cong., 1st Sess., on Nomination of William E. Colby to be D.C.I., at* 14, 19.

[19] Wise & Ross, *supra,* n.2 at 94–5; Marchetti & Marks, The C.I.A. and the Cult of Intelligence (New York, Knopf, 1974) at 22–23. According to one authority, the NSC gave the CIA responsibility for "political, psychological, economic and unconventional warfare operations," Harry Rositzke, "America's Secret Operations: A Perspective," 53 *Foreign Affairs* 334, 341 (1975). The CIA's real role is therefore spelled out in a series of top-secret NSC directives ("NSCIDs"). Marchetti & Marks, *supra,* at 323. The fact that the Director participates in NSC meetings suggests that the scope of Agency operations may be largely self-determined. Ranson, *supra* at n.2, at 82.

[20] According to Marchetti & Marks, *supra,* at 22, this was accomplished by means of a secret National Security Council Director, NSC 10/2.

[21] Marchetti & Marks, *supra,* at 23.

[22] Id.

[23] *Id.* at 58; see Schwartzman, *infra* at n.86, at 493 n.1.

[24] *Id.* at 78–9.

[25] New York Times, Dec. 22, 1974. p. 1, col. 8.

On December 29, 1974 an ex-agent was quoted as describing his infiltration of the Students For A Democratic Society as one of a number of CIA agents assigned to spy on anti-war groups in New York between 1968 and 1972. He stated that the Agency had supplied him with psychological assessments of more than forty individuals to be used in connection with this spying. New York Times, Dec. 29, p. 1, col. 1.

In San Diego a former CIA official, Dr. Melvin Crain, who resigned in 1959 and is now a professor of political science, recalled an Agency practice of opening the mail of American citizens who were corresponding with relatives or friends in Russia, a practice alleged to have started in the summer of 1953. New York Times, Jan. 8, 1975, p. 24, col. 1.

A few days later Ralph Stein, an ex-Army intelligence agent, described how he had briefed CIA officers on radical activities in 1967, and how they seemed already familiar with the literature and the personalities of the left-wing movement. New York Times, Jan. 11, 1975, p. 11, col. 4.

[26] New York Times, Jan. 16, 1975, p. 1, col. 1.

[27] New York Times, Jan. 5, 1975, p. 1, col. 8.

[28] Jerrold L. Walden, *"Proselytes for Espionage—The CIA and Domestic Fronts,"* 19 J. Pub. L. 179, 183, (1970). Michigan State University was alleged to have received $5,354,352.75 for a public administration and law enforcement program for the Government of South Vietnam, Walden, *supra,* at 181–183.

[29] As quoted in Walden, *supra* at n.28, at 185.

[30] *Id.* at 185–188.

[31] *Id.*

[32] *Id.* at 185.

[33] Marchetti and Marks, *supra,* at 50.

[34] Id. at 51.

[35] *Id.*

[36] The House Committee on Expenditures in the Executive Departments reported that the provision "prohibiting the agency from having the power of subpoena and from exercising *internal police powers,* provisions not included in the original bill nor in S. 758, were added by your committee." H.R. Rep. No. 961, 80th Cong., 1st Sess. (1947), p. 4. (Emphasis supplied.) Still another version of the functions to be prohibited to the CIA was set forth in a suggested redraft of S. 758 offered by the Reserve Officers Association of the United States which provided that the CIA was to have "no police or law-enforcement functions and *no domestic counterintelligence functions.*" *Hearings on S. 758 before the Committee on the Armed Services, United States Senate, 80th Cong., 1st Sess. (1947), Pt. 3,* p. 555 (hereinafter cited as "*S. 758 Hearings*") (Emphasis supplied).

[37] One possible "gray area," however, which will be considered hereafter, is the question of Congress' intention in charging the Director of the CIA with responsibility for the protection of intelligence sources and methods from unauthorized disclosure.

[38] Testimony of General Hoyt Vandenburg at S. 758 *Hearings,* p. 498.

[39] *Id.* at 497.

[40] *Hearings on H.R. 2319 before the Committee on Expenditures in the Executive Departments. United States House of Representatives, 80th Cong., 1st Sess. (1947)*, p. 559.

[41] *Id.* at 127.

[42] From the statement of Richard Helms before the Senate Armed Services Subcommittee on Central Intelligence on January 16, 1975, as reported in the New York Times, January 17, 1975, (hereinafter, *"Helms Statement"*).

[43] From the report of William E. Colby submitted on January 15, 1975, to the Senate Appropriations Committee, as reported in the New York Times on January 16, 1975, pp. 30–31 (hereinafter, *"Colby Report"*).

[44] *Helms Statement,* New York Times, January 17, 1975, p. 10, col. 4.

[45] *Colby Report,* New York Times, January 16, 1975, p. 30, col. 3.

[46] *Hearing before the Committee on Armed Services, United States Senate, 93rd Cong., 1st Sess., on Nomination of William E. Colby to be Director of Central Intelligence, July 2, 20 and 25, 1973* (hereinafter *"Colby Hearing"*), at 157.

[47] *Colby Report,* New York Times, January 16, 1975, p. 30, col. 4.

[48] *Colby Report,* New York Times, January 16, 1975, p. 30, col. 3.

[49] *Colby Hearing* at 157; see also *Colby Report, supra,* p. 30, col. 3.

[50] *Colby Hearing,* at 157.

[51] *Colby Report, supra,* p. 30, cols. 4 and 5.

[52] *Colby Report, supra,* p. 30, col. 4. Cf. *Colby Hearing,* at 157, where the reference is to "foreigners temporarily within the U.S." The operation of CIA agents among emigre groups in this country has reportedly been terminated, *Hearings before the Committee on Foreign Relations, United States Senate, 93rd Cong., 1st Sess., on Nomination of Richard Helms to be Ambassador to Iran and CIA International and Domestic Activities, February 5 and 7 and May 21, 1973,* (hereinafter *"Helms Hearings"*), at 34.

[53] *Colby Report, supra,* p. 30, col. 3.

[54] *Colby Hearing* at 157. This, presumably, includes CIA "proprietaries" such as Pacific Corporation, Air America, Air Asia, etc. See Marchetti & Marks, *supra,* at 134–153.

[55] *Id.*

[56] *Colby Report, supra,* p. 30, col. 4.

[57] *Id.* This function stems, Mr. Colby states, from the Director's responsibility to protect intelligence sources and methods.

[58] *Colby Hearing* at 25.

[59] *Colby Report, supra,* p. 30, col. 5. See also *Colby Hearing,* at 24. Cf. Helms statement that CIA was not involved in investigations of the anti-war movement because "it seemed to me that was a clear violation of what our charter was." *Helms Hearings* at 43.

[60] *Colby Report, supra.* p. 30, col 6. But at his confirmation hearing, Mr. Colby had said that the authority of the CIA did not extend to collecting intelligence of U.S. citizens abroad who do not appear to be involved with the activities or foreign governments or foreign institutions, *Colby Hearing* at 23.

[61] *Colby Report, supra,* p. 30, col. 5. At his confirmation hearing, Mr. Colby referred to this area of activity in response to questions about the so-called Houston White House Plan. *Colby Hearing* at 157.

[62] *Colby Hearing* at 157.

[63] *Colby Hearing* at 22. Mr. Colby testified, however, that a mistake had been made in furnishing equipment to E. Howard Hunt.

[64] *Colby Report, supra,* p. 30, col. 4. Mr. Helms agrees, *Helms Hearings* at 69.

[65] *Colby Hearing* at 24–25, See also *Helms Hearings* at 34, where Mr. Helms states that surveillance in this country of people shuttling between here and Hanoi is not a function of the CIA.

[66] *Colby Hearing* at 23. Cf. item 15 under Permissible Domestic Activities, *supra.* But information regarding improper conduct if obtained as a by-product of foreign intelligence activities is reported to the FBI. *Colby Report, supra,* p. 30, col. 6, *Colby Hearing* at 23.

[67] This is not a function of the CIA in the view of Mr. Colby. *Colby Hearing* at 21. But Mr. Helms defended such profile as being authorized by the statutory provision making the Director responsible for protecting intelligence sources and methods from unauthorized disclosure since it is "difficult to protect sources and methods from disclosure unless you know who is doing the disclosing." *Helms Hearings* at 63.

[68] *Colby Report, supra,* p. 31, col. 2. Such assistance has been banned by the CIA by internal regulations, but this may have occurred not because the activity was thought to be unlawful but as a matter of policy.

[69] *Colby Report, supra,* p. 30, col. 6. Until 1973, Mr. Colby stated, some information on American dissidents collected in the United States by said agents was furnished to the FBI. In 1973, such information was limited to that collected abroad. In March, 1974, the program was terminated, and the Director issued specific guidance that any collection of counter-intelligence information on Americans would take place only abroad and only in response to a request from the FBI. However, Mr. Colby neither defends nor deprecates the practice of infiltrating "dissident" organizations to provide CIA agents with cover.

[70] *Colby Report, supra,* p. 30, col. 6. Mr. Colby reports that information acquired was made available to the FBI, Secret Service and local police departments and that this program was terminated in December, 1968. But, again, Mr. Colby does not indicate whether in his view these activities were permissible or not. Cf. with Mr. Helms' testimony (*Helms Hearings,* at 99) that attempts to involve the CIA in doing something about leaks and demonstrations and trouble in the streets were totally and 100 percent resisted.

[71] *Colby Hearing,* at 27–28, where Mr. Colby states that the legality of such training by the CIA might be defended. But Mr. Helms disagrees. *Helms Hearings* at 23.

[72] *Helms Hearings* at 100–101. Mr. Helms thought that since foreign embassies are extraterritorial installations, this was a gray area and it was not clear whether or not such a study was a "domestic activity." But based upon the relations of the CIA and FBI over the years, he said, it would be an FBI function.

[73] *Colby Report, supra,* p. 31, cols. 1 and 2; New York Times, March 6, 1975, p. 1, col 4. It is not clear whether Mr. Colby thought these activities were permitted or prohibited.

[74] *Helms Statement,* New York Times, January 17, 1975, p. 10, col. 1.

[75] *Colby Report, supra,* p. 30, col. 1.

[76] *Helms Statement, supra,* p. 10, col. 2. It is interesting to note, however, that as originally envisioned, the CIA was to be, primarily, a correlator and evaluator of intelligence gathered by others.

[77] Mr. Helms does not know whether this responsibility conflicts with the prohibition against the exercise by the CIA of internal security functions, but does believe that it creates a "gray area." *Helms Hearings* at 76–77. Mr. Colby believes that the provision gives the Director only the job of identifying a problem but no authority to deal with it and, hence, he sees less of a "gray area in that regard." *Colby Hearing* at 25. A proposed amendment to Section 102(d)(3) of the National Security Act (S. 2597, 93rd Cong., 1st Sess.) would give the Director only the responsibility of developing plans, policies and regulation for the protection of intelligence sources and would make it clear that such responsibility should not be construed as authorizing the Agency to engage in any activity prohibited by the first proviso of clause (3)(50 U.S.C. 403(d)(3)).

[78] E.g. the Ellsberg profile, the insertion of CIA agents into domestic "dissident" groups, CIA investigations within the Government of unauthorized disclosures of classified intelligence, the wiretapping of telephones of private American citizens.

[79] *Colby Report, supra,* pps. 30–31.

[80] *Colby Hearing* at 20: Address to the Fund for Peace Conference on CIA and Covert Actions by William E. Colby, September 13, 1974 (hereinafter, *"Colby Address"*) at 8.

[81] *Colby Address, supra,* at 7–8; See Wise & Ross, *supra,* at 147–54; Marchetti & Marks, *supra,* at 31–32; *AID Activities in Laos, Hearing Before the Subcommittee on U.S. Security Agreements and Commitments*

Abroad of the Committee on Foreign Relations, United States Senate, 92nd Cong., 2nd Sess., April 13, 1972 at 3–4; Staff report prepared for Subcommittee on U.S. Security Agreements and Commitments Abroad of the Committee on Foreign Relations of the United States Senate, 92nd Cong., 1st Sess., April 1971.

[82] *Hearings Before the Committee on Armed Services, United States Senate, 93rd Cong., 1st Sess., on S. 1263, June-August, 1973,* Pt. VIII at 5886–5887.

[83] *Colby Hearing, supra,* at 19; *Colby Address, supra,* at 6.

[84] *Colby Address, supra,* at 8.

[85] *Helms Hearings, supra,* at 41.

[86] 117 Cong. Rec.: 42, 929–31 (1971) as quoted in Robin Schwartzman, *Fiscal Oversight of the CIA,* 7 N.Y.U. J. Int'l. Law and Pol. 493 (1974) at 499.

[87] New York Times, Sept. 8, 1971, p. 1, col. 6.

[88] *Id.* Former DCI Richard Helms also reportedly testified to the Senate Foreign Relations Committee on January 22, 1975 that the Nixon Administration sought ways to overthrow President Allende after his election in September, 1970. New York Times, Feb. 10, p. 1, col. 7.

In March, 1973, William V. Broe, then in charge of Clandestine Operations for the Western Hemisphere, testified that on the instructions of Richard Helms, then DCI, he met with a Senior Vice President of International Telephone and Telegraph (ITT) on September 29 or 30, 1970, and suggested a series of possible actions designed to put economic pressure on Chile. There was no evidence that these actions were implemented. However, the ITT Vice President summarized the suggestions as follows:

"1. Banks should not renew credits or should delay in doing so.

2. Companies should drag their feet in sending money, in making deliveries, in shipping spare parts, etc.

3. Savings and loan companies there are in trouble. If pressure were applied they would have to shut their doors, thereby creating stronger pressure.

4. We should withdraw all technical help and should not promise any technical assistance in the future. Companies in a position to do so should close their doors.

5. A list of companies was provided and it is suggested that we approach them as indicated. I was told that of all the companies involved, ours alone has been responsive and has understood the problem. The visitor added that money was not a problem."

Hearing on ITT and Chile 1970–71, Before the Subcommittee on Multinational Corporations of the Committee on Foreign Relations, United States Senate, 93rd Cong., 1st Sess., March-April, 1973, Pt I, at 172.

[89] As quoted in New York Times, Tuesday, Sept. 17, 1974, p. 1, col. 1. The President further stated:

"It's a recognized fact that historically as well as presently, such actions are taken in the best interests of the countries involved."

Examples of such covert activities can be found in Wise and Ross, *supra,* at n. 2, where the CIA is described as organizing a putsch in Iran in 1953 which overthrew Premier Mohammed Mossadegh, arranging a coup in Guatemala in 1954 which replaced the government of Jacobo Arbenz Guzman with that of Colonel Elfego Monzon, assisting the Diem regime to become established in South Vietnam and supporting an attempt to overthrow President Sukarno of Indonesia in 1958.

The CIA is also depicted in Marchetti and Marks, *supra,* at n. 19 at 27–28 as having assisted Magsaysay's election in the Philippines in 1953 and provided him with help in fighting the Huks, including the use of psychological warfare.

In addition, the CIA allegedly carried on political activities in the 1960's in Ecuador (1960–63), Brazil (1962–63), Zaire (1960–65), Somalia (1967–69) and Indonesia (1965). Morris, "Reflections on Five Case Histories," unpublished paper presented at Fund for Peace Conference on CIA and Covert Actions, September 12–13, 1974.

[90] 50 USC § 403(d)(5). Subsections (3) and (4) are sometimes also used to justify the CIA's covert activities. Subsection (3) provides in part that "the director of Central Intelligence shall be responsible for protecting intelligence sources and methods from unauthorized disclosure" and subsection (4) provides that it is the duty of the CIA "to perform, for the benefit of the existing intelligence agencies, such additional services of common concern as the National Security Council determines can be more efficiently accomplished centrally." Both these functions, however, are explicitly related to intelligence gathering and, as Director Colby noted in his January 15, 1975 report to the Senate Appropriations Committee, supra, the CIA itself makes the distinction between "clandestine operations to collect foreign intelligence and counterintelligence responsibilities" on the one hand and "covert foreign political or paramilitary operations" on the other. *Colby Report, supra,* p. 30.

[91] Address to the American Society of Newspaper Editors, April 14, 1971 (text p. 5) (referred to in unpublished paper by David Wise entitled "Covert Operations Abroad: An Overview," pp. 7–8).

[92] *Colby Hearing,* at 13–14.

[93] 50 U.S.C. § 402(a).

[94] 50 U.S.C. § 402(b).

[95] 50 U.S.C. § 492(b)(1).

[96] 50 U.S.C. § 402(b)(2).

[97] 50 U.S.C. § 502(d).

[98] 50 U.S.C. § 403g.

[99] The theory that such activities are not legally exempted from the disclosure law is currently being advanced by Congressman Michael Harrington in a suit to enjoin such activities discussed *infra at* Point V.

[100] Walden, *supra* at n. 5, at 84.

[101] *Id.* at 82.

[102] *Id.* at 83, n.88.

[103] "National Security Act of 1947," Report of the Committee on Expenditures in the Executive Department, to accompany H.R. 4214, p. 3, as quoted in Wise & Rose, *supra,* at 10.

[104] Senate Committee on Armed Services, Senate Report No. 239, June 5, 1947, U.S. Code Cong. Serv., 80th Cong., 1st Sess., 1947, p. 1487.

[105] Pub. L. 93–559, 93rd Cong., S. 3418, December 31, 1974, 88 Stat. 1795.

[106] The Committee on International Human Rights of the Association of the Bar of the City of New York, which assisted in the development of this report, believes that Congress should take appropriate action to prevent the CIA from engaging in foreign political operations and to assure that the CIA will confine its activities to those intelligence-related activities permitted by its charter.

[107] See notes 88 and 89, *supra.*

[108] *The Dominican Crisis, supra.*

[109] *Id.* at 550.

[110] 51 Stat. 41.

[111] 49 Stat. 3097. Signed by Honduras, El Salvador, Dominican Republic, Haiti, Argentina, Venezuela, Uruguay, Paraguay, Mexico, Panama, Guatemala, Brazil, Ecuador, Nicaragua, Columbia, Chile, Peru, Cuba and the United States.

[112] United States bilateral treaties with Ecuador, Brazil, Chile and Guatemala, signed during or shortly after World War I, make no reference to intervention but provide that all disputes between them of whatever nature, will be referred to arbitration. See, e.g., Treaty for Advancement of Peace (Ecuador-U.S.A.), proclaimed Jan. 24, 1916; Treaty for Advancement of Peace (Brazil-U.S.A.), proclaimed Oct. 30, 1916; Treaty for the Settlement of Disputes (Chile-U.S.A.), proclaimed Jan. 19, 1916. It should be noted, of course, that to the extent the United States believes that one of its treaty partners has taken actions which violate its treaties with the United States (and such violations may consist of a number of activities, such as expropriation of American property, making agreements with nations that pose a threat to the security of the United States, etc.), the United States may well be free to treat said treaty as abrogated and consider itself no longer bound by its provisions.

[113] 62 Stat. 1681. The Treaty was ratified by Brazil, Dominican Republic, Panama, Columbia, Honduras, Uruguay, Paraguay, Nicaragua, Mexico, and the United States.

[114] 2 UST 2394. The Protocol of Amendment adopted in 1967, 21 UST 607, does not make any substantive changes in regard to the matters discussed herein.

[115] Article I, Sec. 8, Clause 1.

[116] Article I, Sec. 8, Clause 11.

[117] Article I, Sec. 8, Clause 12.

[118] Article I, Sec. 8, Clause 13.

[119] Article I, Sec. 8, Clause 14.

[120] Article I, Sec. 8, Clause 15.

[121] Prof. Raoul Berger, *War-Making by the President,* Cong. Rec., February 20, 1973, 4568, 4570, n. 62.

[122] If " a war be made by invasion of a foreign nation, the President is not only authorized but bound to resist by force." *The Prize Cases,* 2 Black 635, 668 (U.S. 1862); see also *Martin* v. *Mott,* 12 Wheat. 19, 30 (U.S. 1827); *Mitchell* v. *Laird,* 488 F.2d 611, 613–614 (D.C. Cir. 1973).

[123] *The Records of the Federal Convention of 1789,* at 318–319 (N. Farrand ed 1911), (August 17, 1787), as reported in William Van Alstyne, *Congress, The President and the Power to Declare War: A Requiem for Viet Nam,* 121 Univ. of Pa. L. Rev. 1, 6.

[124] Article II, Sec. 3.

[125] Louis Henkin, "Foreign Affairs and the Constitution," (New York, The Foundation Press, 1972) Chapter II.

[126] *Mitchell* v. *Laird, supra,* at 615; *Berk* v. *Laird,* 429 F.2d 302, 305 (2d Cir. 1970).

[127] Article II, Sec. 2, Cl. 2.

[128] See n. 117, *supra.*

[129] See n. 116, *supra.*

[130] See ns. 81–86, *supra.*

[131] See ns. 88 and 89, *supra.*

[132] For a detailed description of the present procedure, see Point IV, *infra.*

[133] *Colby Report, supra.* p. 30.

[134] *Joint Hearings before the Subcommittee on Intergovernmental Relations of the Committee on Government Operations and the Subcommittee on Separation of Powers and Administrative Practice and Procedure of the Committee on the Judiciary, United States Senate, 93rd Cong., 1st Sess., on S. 858, S. Con. Res 30, S.J. Res. 72, S. 1106, S. 1142, S. 1520, S. 1923, and S. 2073, April 10, 11, 12, May 8, 9, 10, and 16, 1973,* Vol. 2 at 225.

[135] The following description is adapted from Robin Schwartzman, *Fiscal Oversight of the CIA,* 7 N.Y.U.J. Int'l L. & Pol. 493 (1974).

[136] Schwartzman, *supra,* at *495–96.*

[137] *Id.* at 496–97.

[138] *Id.* at 497. In the House of Representatives this Subcommittee is called a Special Group, rather than a Subcommittee, because each Appropriations Subcommittee is responsible for a particular appropriations bill, and there is no separate appropriations bill for intelligence services. *Id.* at 497.

[139] *Id.*

[140] *Id.* at 497–500. The House subcommittee apparently conducts a more thorough review than the Senate Subcommittee.

[141] *Id.* at 497–98.

[142] *Id.* at 501.

[143] 50 U.S.C. §§ 403a–403j (1964).

[144] 50 U.S.C. § 403f.

[145] 50 U.S.C. § 403j(a).

[146] Several legislative corollaries to this con-

stitutional requirement are found in Title 31 of the United States Code.

Section 529, for example, provides:

"No advance of public money shall be made in any case unless authorized by the appropriation concerned or other law."

Section 628 similarly states:

"Except as otherwise provided by law, sums appropriated for the various branches of expenditure in the public service shall be applied solely to the objects for which they are respectively made, and for no others."

A third provision which the 1949 Act appears to make inapplicable is § 627:

"No Act of Congress passed after June 30, 1906, shall be construed to make an appropriation out of the Treasury of the United States, or authorize the execution of a contract involving the payment of money in excess of appropriations made by law, unless such Act shall in specific terms declare an appropriation to be made or that a contract may be executed."

[147] Stanley Futterman, *Toward Legislative Control of the CIA*. 4 N.Y.U. J. Int'l. L. & Pol. 431 (1971), at 451.

[148] Letter to Hon. Millard E. Tydings, Feb. 11, 1949, printed in S. Rep. No. 106, 81st Cong. 1st Sess. (1949), 2 U.S. Cong. and Adm. News 1399 (1949), as quoted in Futterman, *supra*, at 452.

[149] 95 Cong. Rec. 1944 (1949) as quoted in Futterman, *supra*, at 452.

[150] See Note " *The CIA's Secret Funding and the Constitution*" 84 Yale L.J. 608 (1975) at 619.

[151] Schwartzman, *supra* at n.135, at 507. Both the intelligence subcommittee of the Senate Armed Services Committee and that of the House Armed Services Committee, which are composed of senior members of the full committees and which together perform most of the oversight function, have become increasingly active since 1971. In that year the House subcommittee was disbanded and the Senate subcommittee did not meet. After the House subcommittee was reconstituted under the chairmanship of Rep. Lucien Nedzi, Ms. Schwartzman reports, based on information received from counsel to the committee, that it met nine times in 1972, 24 times in 1973, and 17 times in 1974. The Senate subcommittee on the other hand, held only two formal meetings during the 93rd Congress, although it met informally a number of other times, and occasionally reviewed CIA spending in great detail, according to a committee staff member. See Schwartzman, *supra* at 508–509.

[152] Schwartzman, *supra*, at 502–507.

[153] Items in the Combined Statement are listed by appropriation heading and there is no item for the CIA. Money transferred to the CIA is listed the same way as money routinely transferred between agencies—i.e. listed as a transfer without specifying the destination.

[154] This section was enacted in 1894. A 1950 statute, 31 U.S.C. § 66b(a), provides for cooperation by all executive agencies in the preparation of the Secretary's report:

(a) The Secretary of the Treasury shall prepare such reports for the information of the President, the Congress, and the public as will present the results of the financial operations of the Government: *Provided*, That there shall be included such financial data as the Director of the Bureau of the Budget may require in connection with the preparation of the Budget or for other purposes of the Bureau. Each executive agency shall furnish the Secretary of the Treasury such reports and information relating to its financial condition and operations as the Secretary, by rules and regulations, may require for the effective performance of his responsibilities under this section.

[155] 50 U.S.C. § 403j(b).

[156] 2 Farrand, ed., "The Records of the Federal Convention of 1787" (1911) (hereafter Farrand) at 618–19; see also G. Hunt and J.B. Scott, eds., "The Debates in the Federal Convention of 1787, Reported by James Madison" (1920) (hereafter Hunt and Scott)at 566–67. Mason's fear was shared by Patrick Henry who argued at the Virginia debates on the Constitution that the Statements and Accounts Clause did not provide sufficient protection against government secrecy, and urged the adoption of a bill of rights. 3 J. Elliot, Debates on the Federal Constitution (1836) (hereafter Elliot) at 462.

[157] 2 Farrand at 619; Hunt and Scott at 566.

[158] 3 Elliot at 459.

[159] *Id.* at 460.

[160] At least two commentators have also reached this conclusion. See Schwartzman, *supra*, at 522; Note, *The CIA's Secret Funding and the Constitution, supra* at n. 150, at 611–15 and 622–23.

[161] 3 Elliot at 459.

[162] The "Historical Note" accompanying this statute remarks that Congress in several years prior to and including 1926 appropriated money specifically to be used pursuant to the requirements of this section.

[163] A statute more broadly framed but not cited by the Government is 31 U.S.C. § 529d which provides:

"A certificate by the Commissioner of Customs stating the amount of an expenditure made from funds advanced and certifying that the confidential nature of the transaction involved renders it inadvisable to specify the details thereof or impracticable to furnish the payee's receipt shall be a sufficient voucher for the sum expressed to have been expended."

Even this statute, however, requires a separate certificate and explanation for each expenditure, whereas 50 U.S.C. § 403j(b) is framed in the plural and does not require a written explanation by the Director, thus allowing him to include a number of expenditures in one certificate.

[164] Note, *The CIA's Secret Funding and the Constitution, supra* at n.150, at 633.

[165] The Atomic Energy Commission is an example of an agency related to the national security whose budget is made public in some detail, including the amount spent on "objects of a confidential nature." See Note, *The CIA's Secret Funding and the Constitution, supra*, at 618. Whether the CIA budget should be published in the same manner is a question for Congress to consider. However, Mr. Colby has stated that publication of the total CIA budget would not threaten the national security, except insofar as trends in intelligence expenditures discernible after several years might reveal changes in priorities. Testimony, Fund for Peace Conference, September 13, 1974, at 47.

[166] See Note, *Standing to Sue for Members of Congress*, 83 Yale L. J. 1665 (1974) at 1684.

[167] These bases were not considered sufficient by the Second Court, however, in a suit to challenge the United States involvement in Cambodia, *Holtzman* v. *Schlesinger*, 484 F.2d 1307 (2d Cir. 1973).

[168] Report of the Civil Rights Committee. *Military Surveillance of Civilian Political Activities: Report and Recommendations for Congressional Action*, 28 Record of the Association of the Bar of the City of New York 651 (October 1973).

[169] The decision in *United States* v. *Richardson*,—U.S.—, 41 L. Ed. 2d 678 (1974), holding that plaintiff taxpayer lacked standing to challenge that provision of the statutes regulating the CIA which allows the Agency to account for expenditures solely on the certificate of the Director, indicates the difficulty which private citizens will have in questioning other activities of the CIA.

[170] A prerequisite to imposition of sanctions on CIA employees who violate the law would be a clearly drawn statute setting out precisely the actions prohibited. Such sanctions under other statutes relating to government employees have included the imposition of fines, 18 U.S.C. §§ 209, 219, 432, 435–437, 755, 1385, 1901–1913, 2075; removal from office, 18 U.S.C. §§ 437, 1901, 1905, 1908, 1912, 1913; 31 U.S.C. 665; forfeiture of pension benefits, 5 U.S.C. §§ 8312–8315; and disciplinary action, 5 U.S.C. § 552.

[171] These provisions appear in the Freedom of Information Act, 5 U.S.C. § 552, as recently amended over President Ford's veto.

[172] 93d Congress, 1st Sess. (1973): H.R. 2486, 2572, 7596, 9347, 9370, 9511, 9688, 10,363, 11,054. 93rd Cong., 2nd Sess. (1974): H.R. 13,798, 15,235, 15,845, 16,388. 93rd Cong., 2nd Sess., (1974): S. 1547, 2597, 3767, 4019; H. Res. 1231, 1232, 1441. 93rd Cong., 1st Sess. (1973): S. Con. Res. 23.

[173] In H.R. 9511, the CIA is prevented from engaging in police type of law enforcement or internal security operations; and from providing assistance to any Federal, State or police agencies unless written approval of an oversight subcommittee of Congress (Appropriations and Armed Services) is given.

[174] This bill provides for rather widespread dissemination of data to congressional committees, but without adequate safeguards as to security information.

[175] *Colby, Report, supra*, at p. 31.

[176] Pub. Law 93–579, 93rd Cong., Dec. 31, 1974, 43 U.S.L.W. 148 (Jan. 21, 1975). Under this statute, the Executive could order that CIA files relating to the national defense be treated as exceptions. Thus, the separate exemption for all CIA files appears unnecessary, and should be given careful reconsideration.

[177] The CIA's charter exempts from this requirement only expenditures for "objects of a confidential, extraordinary or emergency nature." 50 U.S.C. § 403j(b). See discussion in Point IV, *supra*.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Teague (at the request of Mr. McFall), from July 30 through August 1, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Hagedorn), to revise and extend their remarks, and to include extraneous matter):

Mr. Biester, for 5 minutes, today.

Mr. Kemp, for 30 minutes, today.

Mr. du Pont, for 15 minutes, today.

Mr. Ruppe, for 10 minutes, today.

Mr. Archer, for 5 minutes, on August 1, 1975.

Mr. Conable, for 15 minutes, on August 1, 1975.

Mr. Frenzel, for 5 minutes, today.

Mr. Clancy, for 5 minutes, today.

Mr. Findley, for 5 minutes, today.

Mr. McDade, for 5 minutes, today.

Mr. Kasten, for 15 minutes, today.

(The following Members (at the request of Mr. Evans of Indiana) to revise and extend their remarks and include extraneous matter:)

Mr. Gonzalez, for 5 minutes, today.

Mr. Thompson, for 10 minutes, today.

Mr. Van Deerlin, for 5 minutes, today.

Mr. Cornell, for 5 minutes, today.

Mr. Drinan, for 20 minutes, today.

Mr. Rees, for 5 minutes, today.

Mr. Mezvinsky, for 10 minutes, today.

Mr. Adams, for 5 minutes, today.

Mr. Wolff, for 5 minutes, today.

Mr. Flood, for 5 minutes, today.

Mr. Vanik, for 5 minutes, today.

Mr. St Germain, for 5 minutes, today.

Mr. Dent, for 30 minutes, today.

Mr. Phillip Burton, for 10 minutes, today.

Mr. Harrington, for 5 minutes, today.

Mr. Dominick V. Daniels, for 5 minutes, today.

Ms. Abzug, for 40 minutes, today.

Mr. Ford of Tennessee, for 5 minutes, today.

Mr. Ford of Michigan, for 5 minutes, today.

Mr. Early, for 5 minutes, today.

Mr. Dent, for 30 minutes, on August 1, 1975.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Koch, and to include extraneous material on House Concurrent Resolution 198 today.

Mr. Smith of Iowa, and to include extraneous material and certain tables in his remarks today.

Mr. Hechler of West Virginia, and to include extraneous material in the Committee of the Whole on H.R. 7014 today.

Ms. Holtzman, and to include extraneous material, notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $3,892.

(The following Members (at the request of Mr. Hagedorn), and to include extraneous matter:)

Mr. Broomfield in two instances.

Mr. Frey in two instances.

Mr. Heinz.

Mr. Fish.

Mr. Whitehurst in two instances.

Mr. Snyder in three instances.

Mr. Skubitz in four instances.

Mr. Kemp in three instances.

Mr. Kasten in two instances.

Mr. Martin.

Mr. Rousselot in three instances.

Mr. Treen in two instances.

Mr. Crane.

Mr. Conte.

Mr. Grassley.

Mr. Hyde.

Mr. Quie.

Mr. Beard of Tennessee.

Mr. Ketchum in two instances.

Mr. Clancy.

Mr. Sebelius.

Mr. Gilman.

Mr. McCollister.

Mr. Ashbrook in four instances.

Mr. Sarasin.

Mr. Pettis.

Mr. O'Brien.

Mr. Forsythe.

Mr. Symms.

Mrs. Heckler of Massachusetts.

(The following Members (at the request of Mr. Evans of Indiana), and to include extraneous matter:)

Mr. Gonzalez in three instances.

Mr. Anderson of California in three instances.

Mr. Patten.

Mr. Teague.

Mr. Harrington.

Mr. Matsunaga.

Mr. Edgar.

Mr. Gaydos.

Mr. Hamilton.

Mr. McCormack in four instances.

Mr. Mazzoli in two instances.

Mr. Russo in five instances.

Mr. Evins of Tennessee in two instances.

Mr. Drinan.

Mr. Litton.

Mr. Chappell.

Mr. Rangel.

Mr. Roush.

Mr. Evans of Indiana.

Mr. Phillip Burton.

Mr. Waxman.

Mr. Fisher.

Mr. McDonald of Georgia in three instances.

Mr. Solarz.

Mr. Hightower.

Mr. Downey of New York in two instances.

Mr. Badillo.

Ms. Burke of California.

Mr. Flood.

Mr. Stokes.

Ms. Holtzman.

Mr. Burke of Massachusetts.

Mr. Vanik in two instances.

Mr. O'Hara.

Mr. Blanchard.

Mr. Jones of Tennessee.

Mr. Yates.

Mr. Oberstar.

Mr. Bonker.

Mr. Mahon in two instances.

Mr. Fascell.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 2136. An act to amend the Securities and Exchange Act of 1934; to the Committee on Interstate and Foreign Commerce.

S. 2209. An act to amend the Bank Holding Company Act of 1956, as amended, to provide special procedures for the acquisition of failing banks or bank holding companies and for the acquisition of banks or bank holding companies in emergencies; to the Committee on Banking, Currency and Housing.

ENROLLED BILLS SIGNED

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 8714. An act to amend the Railroad Unemployment Insurance Act to increase unemployment and sickness benefits, and for other purposes;

H.R. 8597. An act making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes; and

H.R. 2559. An act to amend title 39, United States Code, to apply to the United States Postal Service certain provisions of law providing for Federal agency safety programs and responsibilities, to provide for cost-of-living adjustments of Federal executive salaries, and for other purposes.

REQUEST FOR PERMISSION FOR COMMITTEE ON RULES TO HAVE UNTIL 10 O'CLOCK TOMORROW TO FILE A REPORT

Mr. RHODES. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until 10 o'clock tomorrow to file a resolution and report.

The **SPEAKER.** Is there objection to the request of the gentleman from Arizona?

Mr. BRADEMAS. Mr. Speaker, I object.

The **SPEAKER.** Objection is heard.

CIRCUMSTANCES RESULTING IN ADJOURNMENT

(Mr. **RHODES** asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RHODES. Mr. Speaker, I think it is obvious that the House would have liked to have voted on this measure tomorrow. That is the usual course of events where a rule could be passed by a majority. It is obvious to me that that situation will not occur.

From my previous parliamentary inquiry to the Chair, it is also obvious that there is no parliamentary procedure whereby this legislation can be brought before us tonight. From the speech by the chairman of the Committee on Rules, it is obvious to me that at least as of now, unless he has a change of heart, the chairman of the Committee on Rules will not call his committee into session to consider this matter.

Under these circumstances, Mr. Speaker, I move that the House do now adjourn.

Mr. MILLER of Ohio. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

So the motion was agreed to; accordingly (at 11 o'clock and 35 minutes p.m.), the House adjourned until tomorrow, Friday, August 1, 1975, at 10 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1514. A letter from the Director, Defense Civil Preparedness Agency, transmitting a report on property acquisitions of emergency supplies and equipment during the quarter ended June 30, 1975, pursuant to section 201 (h) of the Federal Civil Defense Act of 1950, as amended (50 U.S.C. App. 2281(h)); to the Committee on Armed Services.

1515. A letter from the Chairman, Federal Election Commission, transmitting a proposed regulation pertaining to accounts used to support the activities of Federal officeholders, pursuant to section 316(c) of the Federal Election Campaign Act of 1971, as amended (H. Doc. No. 94-232); to the Committee on House Administration and ordered to be printed.

1516. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on foreign assistance obligations for Cambodia, Laos, and Vietnam during the fourth quarter of fiscal year 1975, pursuant to section 655(f) of the Foreign Assistance Act of 1961, as amended, and sections 38(e) and 40(f) of the Foreign Assistance Act of 1974; to the Committee on International Relations.

1517. A letter from the Assistant Secretary of State for Congressional Relations, transmitting the text of an international agreement proposing a modification in the terms of debt owed to the United States by Chile, pursuant to section 4 of the Foreign Disaster Assistance Act of 1974; to the Committee on International Relations.

1518. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the National Traffic and Motor Vehicle Safety Act of 1966 to authorize appropriations; to the Committee on Interstate and Foreign Commerce.

1519. A letter from the Secretary of Transportation, transmitting the final report and recommendations on the 2-year daylight saving time experiment, pursuant to section 4, Emergency Daylight Saving Time Act of 1973, as amended; to the Committee on Interstate and Foreign Commerce.

1520. A letter from the Chairman, Federal Power Commission, transmitting a draft of proposed legislation to amend the Natural Gas Act; to the Committeee on Interstate and Foreign Commerce.

1521. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend title XVIII of the Social Security Act to modify the requirements for coordination between the medicare program established by that title and the Federal employees health benefits program, and for other purposes; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FOLEY: Committee on Agriculture. H.R. 7887. A bill to amend the Food Stamp Act of 1964, and for other purposes; with amendment (Rept. No. 94–428). Referred to the Committee on the Whole House on the State of the Union.

Mr. TEAGUE: Committee on Science and Technology. H.R. 8800. A bill to authorize in the Energy Research and Development Administration a Federal program of research, development, and demonstration designed to promote electric vehicle technologies and to demonstrate the commercial feasibility of electric vehicles; with amendment (Rept. No. 94–439). Referred to the Committee of the Whole House on the State of the Union.

Mr. JONES of Alabama: Committee on Public Works and Transportation. H.R. 8757. A bill authorizing additional appropriations for prosecution of projects in certain comprehensive river basin plans for flood control, navigation, and for other purposes (Rept. No. 94–440). Referred to the Committee of the Whole House on the State of the Union.

Mr. FOLEY: Committee on Agriculture. H.R. 6346. A bill to make permament the authorization of appropriations for carrying out title V of the Rural Development Act of 1972; with amendment (Rept. No. 94–441). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MOORHEAD of California: Committee on the Judiciary. H.R. 1558. A bill for the relief of Dr. Gernot M. R. Winkler; with amendment (Rept. No. 94–429). Referred to the Committee of the Whole House.

Mr. PATTISON of New York: Committee on the Judiciary. H.R. 3815. A bill for the relief of Joseph J. Andrews (Rept. No. 94–430). Referred to the Committee of the Whole House.

Mr. DANIELSON: Committee on the Judiciary. H.R. 3816. A bill for the relief of John A. Townsley; with amendment (Rept. No. 94–431). Referred to the Committee of the Whole House.

Mr. DANIELSON: Committee on the Judiciary. H.R. 3817. A bill for the relief of the Billings Gazette, the Idaho Statesman, the Independent Record, the Newspaper Agency, Utah State Press Association, Inc., Arizona Daily Sun, and Williams News; with amendment (Rept. No. 94–432). Referred to the Committee of the Whole House.

Mr. MAZZOLI: Committee on the Judiciary. H.R. 4825. A bill for the relief of M. Sgt. George C. Lee, U.S. Air Force (Rept. No. 94–433). Referred to the Committee of the Whole House.

Mr. MOORHEAD of California: Committee on the Judiciary. H.R. 4829. A bill for the relief of Leah Maureen Anderson. (Rept. No. 94–434). Referred to the Committee of the Whole House.

Mr. MAZZOLI: Committee on the Judiciary: H.R. 5752. A bill for the relief of Lucie Stein (Rept. No. 94–435). Referred to the Committee of the Whole House.

Mr. MOORHEAD of California: Committee on the Judiciary. H.R. 6156. A bill for the relief of Walma T. Thompson (Rept. No. 94–436). Referred to the Committee of the Whole House.

Mr. MOORHEAD of California: Committee on the Judiciary: H.R. 6512. A bill for the relief of certain postmasters charged with postal deficiencies (Rept. No. 94–437). Referred to the Committee of the Whole House.

Mr. FLOWERS: Committee on the Judiciary. H.R. 2110. A bill for the relief of Joyce Ann Farrior; with amendment (Rept. No. 94–438). Referred to the Committe of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ADAMS:

H.R. 9086. A bill to amend title 38 of the United States Code to provide, in certain cases, for the reimbursement of veterans for costs incurred by them for flight school course work for private pilot licenses; to the Committee on Veterans' Affairs.

By Mr. ASPIN:

H.R. 9087. A bill to amend title 39, United States Code, to prohibit any increase in Postal Service lockbox rental rates in effect on June 30, 1975, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BEARD of Tennessee (for himself, Mr. Eilberg, Mr. Florio, Mr. Ford of Tennessee, Mr. Gibbons, Mr. Holland, Mr. Long of Maryland, Mr. Martin, Mr. Milford, Mr. Murphy of New York, Mr. Roe, Mr. Schulze, Mr. Snyder, Mr. Treen, Mr. Whitehurst, Mr. Winn, Mr. Young of Florida, and Mr. Hubbard):

H.R. 9088. A bill to authorize the 101st Airborne Division Association to erect a memorial in the District of Columbia or its environs; to the Committee on House Administration.

By Mr. BEDELL (for himself, Mr. Neal, Mr. Yatron, Mr. Reuss, Mr. Fithian, Mr. Roe, Mr. Jenrette, Mr. Hechler of West Virginia, Mr. Mitchell of New York, Mr. Pressler, Mr. Brown of California, Mr. Harrington, Mr. Baldus, Mr. Mikva, Mr. Cornell, Mr. Harkin, Mr. Dan Daniel, Mr. Flood, Mr. Pattison of New York, and Mr. McHugh):

H.R. 9089. A bill to amend the Rural Development Act of 1972; to the Committee on Agriculture.

By Mr. CORMAN (for himself, Mr. Anderson of California, Mrs. Fenwick, Mr. Rinaldo, Mr. Thompson, Mr. Traxler, Mr. Vigorito, and Mr. Scheuer):

H.R. 9090. A bill to amend XVIII of the Social Security Act to provide for the coverage of certain psychologists' services under the supplementary medical insurance benefits program established by part B of such title; to the Committee on Ways and Means.

By Mr. CORMAN (for himself, Mr. Steiger of Wisconsin, and Mr. de Lugo):

H.R. 9091. A bill to provide that certain unemployment compensation funds may be used for repayable loans to the Virgin Islands; to the Committee on Ways and Means.

By Mr. CRANE (for himself and Mr. Robert W. Daniel, Jr.):

H.R. 9092. A bill to preserve and protect the free choice of individual employees to form, join, or assist labor organizations, to refrain from such activities; to the Committee on Education and Labor.

By Mr. CRANE (for himself, Mr. Duncan of Oregon, and Mr. Cleveland):

H.R. 9093. A bill to provide that in civil actions where the United States is a plaintiff, a prevailing defendant may recover a reasonable attorney's fee and other reasonable litigation costs; to the Committee on the Judiciary.

By Mr. CRANE (for himself, Mr. Breaux, Mr. Harsha, Mrs. Holt, and Mr. Waggonner):

H.R. 9094. A bill to amend title XI of the Social Security Act to repeal the provision for the establishment of professional standards review organizations to review services covered under the medicare and medicaid programs; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. DELANEY:

H.R. 9095. A bill to amend the Export Administration Act of 1969 to provide for the regulation of the export of agricultural commodities; to the Committee on International Relations.

H.R. 9096. A bill to amend the Federal Food, Drug, and Cosmetic Act to clarify the regulatory authority under that act over vitamins and minerals; to the Committee on Interstate and Foreign Commerce.

By Mr. EDGAR (for himself, Mr. Moakley, and Mr. Russo):

H.R. 9097. A bill to designate the majority and minority leaders of each House of Congress as members of the National Security Council; to the Committee on Armed Services.

By Mr. EDGAR (for himself, Mr. Biester, and Mr. Rooney):

H.R. 9098. A bill to provide for certain additions to the Tinicum National Environmental Center; to the Committee on Merchant Marine and Fisheries.

By Mr. EDGAR (for himself and Mr. Carr):

H.R. 9099. A bill to amend the Highway Revenue Act of 1956 relating to the highway trust fund; to the Committee on Ways and Means.

By Mr. PHILLIP BURTON (for himself, Mr. Anderson of Illinois, Mr. Annunzio, Mr. Conable, Mr. Thompson, Mr. Cleveland, Mr. Brademas, Mr. Quie, Mr. Hawkins, Mr. Van Deerlin, Mr. Minish, Mr. Davis, Mr. Rose, Mrs. Boggs, Mr. John L. Burton, Mr. Madden, Mr. Sisk, Mr. Pepper, Mr. Matsunaga, Mr. Long of Louisiana, Mr. Moakley, Mr. Young of Georgia, Mr. Eckhardt, Mr. Rangel, and Mr. Mineta):

H.R. 9100. A bill to provide for public financing of congressional election campaigns by amending subtitle H of the Internal Revenue Code of 1954; to the Committee on House Administration.

By Mr. PHILLIP BURTON (for himself, Mr. Anderson of Illinois, Ms. Abzug, Mr. Adams, Mr. Addabbo, Mr. Ambro, Mr. Anderson of California, Mr. Andrews of North Carolina, Mr. Andrews of North Dakota, Mr. Ashley, Mr. Aspin, Mr. AuCoin, Mr. Badillo, Mr. Baldus, Mr. Barrett, Mr. Baucus, Mr. Beard of Rhode Island, Mr. Bedell, Mr. Benitez, Mr. Bergland, Mr. Biester, Mr. Bingham, Mr. Blanchard, Mr. Blouin, and Mr. Boland):

H.R. 9101. A bill to provide for public financing of congressional election campaigns by amending subtitle H of the Internal Revenue Code of 1954; to the Committee on House Administration.

By Mr. PHILLIP BURTON (for himself, Mr. Anderson of Illinois, Mr. Bonker, Mr. Bowen, Mr. Breckinridge, Mr. Brodhead, Mr. Broomfield, Mr. Brown of California, Mr. Burke of Massachusetts, Mrs. Burke of California, Mr. Carr, Mrs. Chisholm, Mr. Clay, Mr. Cohen, Mrs. Collins of Illinois, Mr. Conyers, Mr. Corman, Mr. Cornell, Mr. Cotter, Mr. Coughlin, Mr. Dominick V. Daniels, Mr. Danielson, Mr. Dellums, Mr. de Lugo, and Mr. Derrick):

H.R. 9102. A bill to provide for public financing of congressional election campaigns by amending subtitle H of the Internal Revenue Code of 1954; to the Committee on House Administration.

By Mr. PHILLIP BURTON (for himself, Mr. Anderson of Illinois, Mr. Diggs, Mr. Downey of New York, Mr. Drinan, Mr. Duncan of Oregon, Mr. du Pont, Mr. Edgar, Mr. Edwards of California, Mr. Eilberg, Mr. Emery, Mr. Esch, Mr. Eshleman, Mr. Evans of Colorado, Mr. Fascell, Mr. Fauntroy, Mrs. Fenwick, Mr. Fisher, Mr. Florio, Mr. Foley, Mr. Ford of Tennessee, Mr. Ford of Michigan, Mr. Forsythe, Mr. Fraser, and Mr. Giaimo):

H.R. 9103. A bill to provide for public financing of congressional election campaigns by amending subtitle H of the Internal Revenue Code of 1954; to the Committee on House Administration.

By Mr. PHILLIP BURTON (for himself, Mr. Anderson of Illinois, Mr. Gilman, Mr. Green, Mr. Gude, Mr. Hall, Mr. Hanley, Mr. Hannaford, Mr. Harkin, Mr. Harrington, Mr. Harris, Mr. Hastings, Mr. Hayes of Indiana, Mr. Hefner, Mr. Heinz, Mr. Helstoski, Mr. Hillis, Mr. Holland, Ms. Holtzman, Mr. Horton, Mr. Howard, Mr. Howe, Mr. Hubbard, Mr. Hughes, and Mr. Hungate):

H.R. 9104. A bill to provide for public financing of congressional election campaigns by amending subtitle H of the Internal Revenue Code of 1954; to the Committee on House Administration.

By Mr. PHILLIP BURTON (for himself, Mr. Anderson of Illinois, Mr. Jacobs, Mr. Jenrette, Mr. Johnson of California, Mr. Karth, Mr. Kastenmeier, Mrs. Keys, Mr. Koch, Mr. Krebs, Mr. LaFalce, Mr. Leggett, Mr. Lehman, Mr. Levitas, Mr. Litton, Mr. Lloyd of California, Mr. McCloskey, Mr. McCormack, Mr. McDade, Mr. McEwen, Mr. McHugh, Mr. McKay, Mr. McKinney. Mr. Madigan, and Mr. Maguire):

H.R. 9105. A bill to provide for public financing of congressional election campaigns by amending subtitle H of the Internal Revenue Code of 1954; to the Committee on House Administration.

By Mr. PHILLIP BURTON (for himself, Mr. Anderson of Illinois, Mr. Mazzoli, Mr. Meeds, Mr. Melcher, Mr. Metcalfe, Mrs. Meyner, Mr. Mezvinsky, Mr. Mikva, Mr. Miller of California, Mr. Mills, Mr. Mitchell of New York, Mr. Mitchell of Maryland, Mr. Moffett, Mr. Moorhead of Pennsylvania, Mr. Mosher, Mr. Moss, Mr. Myers of Pennsylvania, Mr. Neal, Mr. Nix, Mr. Nolan, Mr. Nowak, Mr. Oberstar, Mr. Obey, and Mr. Ottinger):

H.R. 9106. A bill to provide for public financing of congressional election campaigns by amending subtitle H of the Internal Revenue Code of 1954; to the Committee on House Administration.

By Mr. PHILLIP BURTON (for himself, Mr. Anderson of Illinois, Mr. Patten, Mr. Patterson of California, Mr. Pattison of New York, Mr. Perkins, Mr. Peyser, Mr. Pressler, Mr. Preyer, Mr. Pritchard, Mr. Railsback, Mr. Rees, Mr. Regula, Mr. Reuss, Mr. Richmond, Mr. Riegle, Mr. Rinaldo, Mr. Rodino, Mr. Roe, Mr. Roncalio, Mr. Rooney, Mr. Rosenthal, Mr. Roybal, Mr. Roush, and Mr. St Germain):

H.R. 9107. A bill to provide for public financing of congressional election campaigns by amending subtitle H of the Internal Revenue Code of 1954; to the Committee on House Administration.

By Mr. PHILLIP BURTON (for himself, Mr. Anderson of Illinois, Mr. Santini, Mr. Sarasin, Mr. Sarbanes, Mr. Scheuer, Mr. Schneebeli, Mrs. Schroeder, Mr. Seiberling, Mr. Sharp, Mr. Simon, Mr. Slack, Mr. Smith of Iowa, Mr. Solarz, Mrs. Spellman, Mr. Stark, Mr. Stokes, Mr. Studds, Mr. Symington, Mr. Traxler, Mr. Tsongas, Mr. Udall, Mr. Vander Veen, Mr. Vanik, and Mr. Walsh):

H.R. 9108. A bill to provide for public financing of congressional election campaigns by amending subtitle H of the Internal Revenue Code of 1954; to the Committee on House Administration.

By Mr. PHILLIP BURTON (for himself, Mr. Anderson of Illinois, Mr. Waxman, Mr. Whalen, Mr. Weaver, Mr. Whitehurst, Mr. Wirth, Mr. Charles H. Wilson of California, Mr. Winn, Mr. Wolff, Mr. Won Pat, Mr. Yates, Mr. Zablocki, Mr. Hicks, Mrs. Mink, Ms. Jordan, and Mr. Fithian):

H.R. 9109. A bill to provide for public financing of congressional election campaigns by amending subtitle H of the Internal Revenue Code of 1954; to the Committee on House Administration.

By Mr. EILBERG:

H.R. 9110. A bill to clarify the provisions of Federal law prohibiting the transmission in interstate commerce of threats to injure an individual; to the Committee on the Judiciary.

By Mr. FISH:

H.R. 9111. A bill to prohibit any change in the status of any member of the uniformed services who is in a missing status under chapter 10 of title 37, United States Code, until the provisions of the Paris Peace Accord of January 27, 1973, have been fully complied with, and for other purposes; to the Committee on Armed Services.

H.R. 9112. A bill to amend the Federal Food, Drug, and Cosmetic Act to establish certain limitations respecting the authority of the Secretary of Health, Education, and Welfare to regulate vitamins and minerals under that act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FRASER (for himself and Mr. Biester):

H.R. 9113. A bill to amend section 1661 of title 38 of the United States Code in order to entitle veterans to 2½ months of educational assistance for each month of service on active duty and to extend the maximum entitlement to such assistance to 45 months; to the Committee on Veterans' Affairs.

By Mr. FREY (for himself, Mr. Byron, Mr. Breaux, Mr. Buchanan, Mr. Cederberg, Mr. Fascell, Mr. Findley, Mr. Fithian, Mr. Goldwater, Mr. Litton, Mr. McCormack, Mr. McKinney, Mr. Murtha, Mr. Pepper, Mr. Runnels, Mr. Shipley, Mr. Stratton, and Mr. Young of Florida):

H.R. 9114. A bill to amend the Communications Act of 1934 with respect to the renewal of licenses for the operation of broadcasting Foreign Commerce.

By Mr. GUDE (for himself and Mrs. Meyner):

H.R. 9115. A bill to authorize the District of Columbia government to enter into and to amend compacts between the District and a State; to the Committee on the District of Columbia.

By Mr. GUDE (for himself, Mr. Jeffords, Mr. Frenzel, Mr. Hannaford, Mr. Carr, and Mr. Cleveland):

H.R. 9116. A bill to amend title 39, United States Code, to increase to 90 days the period before an election during which a Member of, or Member-elect to, the Congress may not make a mass mailing as franked mail if such Member or Member-elect is a candidate in such election; to the Committee on Post Office and Civil Service.

By Mr. HANNAFORD (for himself, Mr. Carter, Mr. Duncan of Tennessee, Mr. Symington, Mr. Hastings, Mr. Mikva, Mr. Price, and Mr. Steelman):

H.R. 9117. A bill to amend title XVIII of the Social Security Act to require the continued application of the nursing salary cost differential which is presently allowed in determining the reasonable cost of inpatient nursing care for purposes of reimbursement to providers under the medicare program; to the Committee on Ways and Means.

By Mr. HEFNER (for himself and Mr. Preyer):

H.R. 9118. A bill to amend the Controlled Substances Act to provide penalties for persons who obtain or attempt to obtain narcotics or other controlled substances from a retail pharmacy by force and violence, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HEINZ:

H.R. 9119. A bill to require filing of domestic food price impact statement in connection with exports of U.S. commodities; to the Committee on International Relations.

By Mr. KASTEN:

H.R. 9120. A bill to amend the Federal Water Pollution Control Act; to the Committee on Public Works and Transportation.

By Mr. KASTENMEIER (for himself, Mr. Steelman, Mr. LaFalce, Mr. Patterson of California, Mr. Hughes, Mrs. Meyner, and Mr. Helstoski):

H.R. 9121. A bill to require candidates for Federal office, Members of the Congress, and officers and employees of the United States to file statements with the Comptroller General with respect to their income and financial transactions; jointly to the Committees on the Judiciary, and Standards of Official Conduct.

By Mr. LITTON:

H.R. 9122. A bill to establish a Department of Education; to the Committee on Government Operations.

By Mr. McKINNEY:

H.R. 9123. A bill to provide for a Veterans' Administration outpatient clinic in Fairfield County, Conn.; to the Committee on Veterans' Affairs.

By Mr. MIKVA:

H.R. 9124. A bill to amend title II of the Social Security Act to permit a State, under its section 218 agreement, to terminate social security coverage for State or local policemen or firemen (on at least 1 year's advance notice) without affecting the coverage of other public employees who may be members of the same coverage group (and to permit the reinstatement of coverage for such other employees in certain cases where the group's coverage has previously been terminated); to the Committee on Ways and Means.

H.R. 9125. A bill to abolish certain Federal regulatory agencies and to cause the self-destruct of certain Federal regulatory agencies or their successor agencies after a specified period of time, and for other purposes; jointly to the Committees on Government Operations, and Rules.

By Mr. MILLER of California:

H.R. 9126. A bill to authorize the establishment of the Eugene O'Neill National Historic Site, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MOORHEAD of California:

H.R. 9127. A bill to amend section 2 of the Internal Revenue Code of 1954 (relating to definitions of surviving spouse and head of household); to the Committee on Ways and Means.

By Mr. PEYSER (for himself, Mr. Badillo, Mr. Carr, Mr. Dominick V. Daniels, Mr. de Lugo, Mr. Drinan, Mr. Gude, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Hyde, Mr. Koch, Mr. Lagomarsino and Mr. Lloyd of California):

H.R. 9128. A bill to require prior approval by the Secretary of Agriculture on the export of certain grains; to the Committee on International Relations.

By Mr. PEYSER (for himself, Mr. Lujan, Mr. McDade, Mr. McHugh, Mr. Moakley, Mr. Moorhead of Pennsylvania, Mr. Mottl, Mr. Pepper, Mr. Rosenthal, Mr. Stratton, Mr. Vander Veen, and Mr. Koch):

H.R. 9129. A bill to require prior approval by the Secretary of Agriculture on the export of certain grains; to the Committee on International Relations.

By Mr. RHODES (for himself, Mr. Horton, Mr. Charles Wilson of Texas, Mr. Burgener, Mr. Riegle, Mr. Winn, Mr. Regula, Mr. Roe, Mr. Rooney, Mr. Bob Wilson, Mr. Melcher, Mr. Stark, Mr. McDade, Mr. Baldus, Mr. Badillo, Mr. Vander Jagt, Mr. Simon, Mrs. Burke of California, Mr. Hannaford, Mrs. Chisholm, Mr. Jones of Oklahoma, and Mr. Obey):

H.R. 9130. A bill to implement the Federal responsibility for the care and education of the Indian people by improving the services and facilities of Federal Indian health programs and encouraging maximum participation of Indians in such programs, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. RISENHOOVER:

H.R. 9131. A bill to grant permanent easements for the construction, maintenance, and use of boat docks and similar structures on certain property of the United States in the State of Oklahoma; to the Committee on Public Works and Transportation.

By Mr. ROONEY (for himself, Mr. Bedell, Mr. Carney, and Mr. Drinan):

H.R. 9132. A bill to improve the reliability, safety, and energy efficiency of railroad transportation, and to reduce unemployment by providing funds for work in repairing, restoring, rehabilitating, and improving essential railroad roadbeds and facilities; to the Committee on Interstate and Foreign Commerce.

By Mr. ROUSH (for himself, Mr. Aspin, Mr. Carr, Mr. Howard, Mr. Hutchinson, Mr. Johnson of Pennsylvania, Mr. Stratton, Mr. Traxler, and Mr. Cornell):

H.R. 9133. A bill to amend the Regional Rail Reorganization Act of 1973 to authorize the discontinuance of service and abandonment of certain lines of railroad and to require the Consolidated Rail Corporation to provide rail service over certain light density lines, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ST GERMAIN (by request):

H.R. 9134. A bill to provide for Family Financial Centers, and for other purposes; to the Committee on Banking, Currency and Housing.

By Mr. SCHNEEBELI:

H.R. 9135. A bill to amend the Internal Revenue Code of 1954 with respect to the tax treatment of the cancellation of certain Federal loans made to individuals in the case of certain disasters; to the Committee on Ways and Means.

By Mr. SYMMS (for himself, Mr. Dickinson, Mr. McDonald of Georgia, Mr. Crane, Mr. Derwinski, Mr. Collins of Texas, Mr. Dan Daniel, Mr. Ketchum, Mr. Lujan, Mr. Steiger of Arizona, and Mr. Moorhead of California):

H.R. 9136. A bill to repeal the Occupational Safety and Health Act of 1970; to the Committee on Education and Labor.

By Mr. THOMPSON:

H.R. 9137. A bill to protect against using Federal funds to undermine Federal standards of employment; to the Committee on Government Operations.

By Mr. WHITEHURST:

H.R. 9138. A bill to amend the Internal Revenue Code; to the Committee on Ways and Means.

By Mr. CHARLES H. WILSON of California:

H.R. 9139. A bill to prohibit discrimination against locally recruited teachers in the granting of overseas differentials and allowances, revise the method of establishing the compensation of overseas teachers, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BOB WILSON (for himself and Mr. Young of Florida):

H.R. 9140. A bill to amend title 10 of the United States Code to eliminate the reduction made to retired or retainer pay, for purposes of providing a surviving spouse with an annuity under the Survivor Benefit Plan, during periods when the person entitled to such pay is unmarried; to the Committee on Armed Services.

H.R. 9141. A bill to amend title 10 of the United States Code in order to provide for the reduction in survivor annuities under the survivor benefit plan by reason of social security benefits based on military service only if such benefits are in fact received by the survivor; to the Committee on Armed Services.

By Mr. BOB WILSON (for himself, Mr. Beard of Rhode Island, Mr. Fisher, Mr. Lagomarsino, Mr. Santini, Mr. Snyder, and Mr. Taylor of North Carolina):

H.R. 9142. A bill to authorize recomputation at age 60 of the retired pay of members and former members of the uniformed services whose retired pay is computed on the basis of pay scales in effect prior to January 1, 1972, and for other purposes; to the Committee on Armed Services.

By Mr. BOB WILSON (for himself, Mr. Burke of Florida, Mr. Edwards of California, Mr. LaFalce, Mr. Hannaford, Mr. Heinz, Mr. Patterson of California, Mr. Lloyd of California, and Mr. Melcher):

H.R. 9143. A bill to prohibit any change in the status of any member of the uniformed services who is in a missing status under chapter 10 of title 37, United States Code, until the provisions of the Paris Peace Accord of January 27, 1973, have been fully complied with, and for other purposes; to the Committee on Armed Services.

By Mr. WOLFF (for himself, Mr. Koch, Ms. Abzug, Mr. Addabbo, Mr. Badillo, Mr. Brown of California, Mr. John L. Burton, Mr. Cleveland, Mr. Conte, Mr. Conyers, Mr. Downey of New York, Mr. Eilberg, Mr. Fithian, Mr. Gilman, Mr. Harrington, Mr. Hechler of West Virginia, Mr. Howard, Mr. Jenrette, Mr. Jeffords, Mr. Lehman, Mr. Long of Maryland, Mr. Mitchell of New York, Mr. Mitchell of Maryland, Mr. Ottinger and Mr. Pattison of New York):

H.R. 9144. A bill to amend chapters 34 and 35 of title 38 of the United States Code in order to entitle veterans and widows and surviving children of veterans to a maximum of 45 months of educational assistance; to the Committee on Veterans' Affairs.

By Mr. WOLFF (for himself Mr. Koch, Mr. Edgar, Mr. Edwards of California, Mr. Ford of Tennessee, Mr. Hannaford, Mr. Mottl, Mr. Murtha, Mr. Pepper, Mr. Price, Mr. Rangel, Mr. Rodino, Mr. Roncallo, Mr. Rosenthal, Mr. Sarbanes, Mr. Seiberling, Mr. Solarz, Ms. Spellman, Mr. Walsh, Mr. Charles H. Wilson of California, Mr. Wirth, Mr. Won Pat, and Mr. Yatron):

H.R. 9145. A bill to amend chapters 34 and 35 of title 38 of the United States Code in order to entitle veterans and widows and surviving children of veterans to a maximum of 45 months of educational assistance; to the Committee on Veterans' Affairs.

By Mr. WOLFF (for himself, Ms. Abzug, Mr. Addabbo, Mr. Badillo, Mr. Brown of California, Mr. John L. Burton, Mr. Cleveland, Mr. Cohen, Mr. Conte, Mr. Conyers, Mr. Downey of New York, Mr. Eilberg, Mr. Fithian, Mr. Fraser, Mr. Gilman, Mr. Harrington, Mr. Hechler of West Virginia, Mr. Howard, Mr. Jenrette, Mr. Jeffords, Mr. Koch, Mr. Lehman, Mr. Mitchell of New York, Mr. Mitchell of Maryland, and Mr. Ottinger):

H.R. 9146. A bill to amend title 38 of the United States Code to provide for the payment of supplemental tuition allowances for certain veterans pursuing educational programs; to the Committee on Veterans' Affairs.

By Mr. WOLFF (for himself, Mr. Carney, Mr. Edgar, Mr. Edwards of California, Mr. Ford of Tennessee, Mr. Hannaford, Mr. Mottl, Mr. Murtha, Mr. Pattison of New York, Mr. Pepper, Mr. Price, Mr. Rangel, Mr. Rodino, Mr. Roe, Mr. Rosenthal, Mr. Seiberling, Mr. Solarz, Ms. Spellman, Mr. Studds, Mr. Walsh, Mr. Charles H. Wilson of California, Mr. Won Pat, and Mr. Yatron):

H.R. 9147. A bill to amend title 38 of the United States Code to provide for the payment of supplemental tuition allowances for certain veterans pursuing educational programs; to the Committee on Veterans' Affairs.

By Mr. WOLFF (for himself, Ms. Abzug, Mr. Addabbo, Mr. Badillo, Mr. Brown of California, Mr. John L. Burton, Mr. Cleveland, Mr. Conte, Mr. Conyers, Mr. Downey of New York, Mr. Eilberg, Mr. Fithian, Mr. Gilman, Mr. Harrington, Mr. Hechler of West Virginia, Mr. Howard, Mr. Jenrette, Mr. Koch, Mr. Lehman, Mr. Long of Maryland, Mr. Miller of Ohio, Mr. Mitchell of New York, Mr. Michell of Maryland, Mr. Ottinger, and Mr. Pepper):

H.R. 9148. A bill to amend title 38, United States Code, to provide counseling for certain veterans; to permit acceleration of monthly educational assistance payments to veterans; to revise the criteria for approval of nonaccredited courses; and for other purposes; to the Committee on Veterans' Affairs.

By Mr. WOLFF (for himself, Mr. Carney, Mr. Edgar, Mr. Edwards of California, Mr. Ford of Tennessee, Mr. Hannaford, Mr. Mottl, Mr. Murtha, Mr. Price, Mr. Rangel, Mr. Rodino, Mr. Roe, Mr. Rosenthal, Mr. Seiberling, Mr. Solarz, Ms. Spellman, Mr. Walsh, Mr. Charles H. Wilson of California, Mr. Wirth, Mr. Won Pat, and Mr. Yatron):

H.R. 9149. A bill to amend title 38, United States Code, to provide counseling for certain veterans; to permit acceleration of monthly educational assistance payments to veterans; to revise the criteria for approval of nonaccredited courses; and for other purposes; to the Committee on Veterans' Affairs.

By Mr. ANNUNZIO:

H.R. 9150. A bill to amend title XV of the Public Health Service Act to require that upon the request of a city with a population of 3 million or more such city shall be designated as a health service area; to the Committee on Interstate and Foreign Commerce.

By Mr. BIESTER (for himself, Mr. Fraser, Mr. Hamilton, Mr. Pressler, Mr. Badillo, Mr. Coughlin, Mr. Edgar, Mr. Eilberg, Mr. Fauntroy, Mr. Gude, Mr. Harrington, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Howard, Mr. Krebs, Mr. McKinney, Mrs. Meyner, Mr. Moakley, Mr. Nix, Mr. Rees, and Mr. Rodino):

H.R. 9151. A bill to provide for a procedure to investigate and render decisions and recommendations with respect to grievances and appeals of employees of the Foreign Service; to the Committee on International Relations.

By Mr. BROOKS (for himself, Mr. Randall, and Mr. English):

H.R. 9152. A bill to amend the Federal Property and Administrative Services Act of 1949 to permit the donation of Federal surplus personal property to the States for public purposes, and for other purposes; to the Committee on Government Operations.

By Mr. CLEVELAND:

H.R. 9153. A bill granting the consent of Congress to the New Hampshire-Vermont Interstate Sewage Waste Disposal Facilities Compact; to the Committee on the Judiciary.

By Mr. CORNELL (for himself Mr. Benitez, Mr. Brown of California, Mr. Conyers, Ms. Jordan, Mr. Riegle, Mr. Ryan, Mr. Seiberling, and Mr. Vander Veen):

H.R. 9154. A bill to amend the Internal Revenue Code of 1954, the Social Security Act, and other laws to provide effective welfare reform by replacing public assistance and food stamps with a system of allowances and refundable credits, and other purposes; to the Committee on Ways and Means.

By Mr. DENT (for himself and Mr. Erlenborn):

H.R. 9155. A bill to provide for pension reform for State and local public service employees; to the Committee on Education and Labor.

By Mr. DRINAN (for himself, Mr. Hechler of West Virginia, Mr. Duncan of Oregon, and Mr. Reuss):

H.R. 9156. A bill to abolish the death penalty under all laws of the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. EDWARDS of Alabama:

H.R. 9157. A bill to amend the Wild and Scenic Rivers Act (82 Stat. 906); to the Committee on Interior and Insular Affairs.

By Mr. FLOOD:

H.R. 9158. A bill to amend the Internal Revenue Code of 1954 with respect to the tax treatment of the cancellation of certain Federal loans made to individuals in the case of certain disasters; to the Committee on Ways and Means.

By Mr. FRASER (for himself, Mr. Obey, Mr. Conyers, Mr. Edgar, Mr. Eilberg, Mr. Florio, Mr. Gude, Mr. Hechler of West Virginia, Mr. Krebs, Mr. Nix, and Mr. Thompson):

H.R. 9159. A bill to regulate commerce to assure increased supplies of natural gas at reasonable prices for the consumer, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FRASER (for himself, Mr. Karth, Mr. AuCoin, Mr. Conyers, Mr. Brown of Michigan, Mr. Blanchard, Mr. Sieberling, Mr. Matsunaga, and Mr. Riegle):

H.R. 9160. A bill to provide for the Federal payment of State unemployment compensation benefits which are attributable to services performed by certain employees of State or local governments; to the Committee on Ways and Means.

By Mr. FUQUA:

H.R. 9161. A bill to amend the computation of the level of price support for tobacco; to the Committee on Agriculture.

By Mr. GUDE:

H.R. 9162. A bill to permit the use of the golf course facilities at the Naval Surface Weapons Laboratory by individuals not in the employ of the laboratory; to the Committee on Armed Services.

By Mr. HAGEDORN:

H.R. 9163. A bill to amend the Internal Revenue Code of 1954 to impose an excess profit tax on the income of corporations engaged in oil production and refining; to the Committee on Ways and Means.

H.R. 9164. A bill to amend part A of title IV of the Social Security Act to eliminate the provisions which presently prohibit the payment of aid thereunder with respect to dependent children of unemployed fathers in cases where such fathers are receiving unemployment compensation, and to restore the provisions making payment of such aid in those cases optional with the States; to the Committee on Ways and Means.

By Mr. HARRINGTON:

H.R. 9165. A bill to establish judicial practices and procedures to protect constitutional rights and liberties involved in the disclosure of records of private communications, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 9166. A bill to provide standards for treatment of fuel adjustment clauses and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HEINZ (for himself and Mr. Vigorito):

H.R. 9167. A bill to authorize the modification of the beach erosion control project for Presque Isle Peninsula, Erie, Pa.; to the Committee on Public Works and Transportation.

By Ms. HOLTZMAN (for herself, Mr. Rodino, and Mrs. Fenwick):

H.R. 9168. A bill to amend title 18 of the United States Code to prohibit certain forms of economic coercion based on religion, race, national origin, sex, or certain other factors; to the Committee on the Judiciary.

By Mr. JOHNSON of Pennsylvania:

H.R. 9169. A bill to amend the Tax Reform Act of 1969 to extend for an additional 2 years the application of a certain transitional rule relating to taxes on acts of self-dealing between private foundations and disqualified persons; to the Committee on Ways and Means.

By Mr. KETCHUM:

H.R. 9170. A bill to amend the Interstate Land Sales Full Disclosure Act for the purpose of making retroactive any exemption issued under such act; to the Committee on Banking, Currency and Housing.

By Mr. KETCHUM for himself, Mr. Jenrette, Mr. Montgomery, Mr. Roe, Mr. Robinson, Mr. Charles Wilson of Texas, Mr. Whitehurst, Mr. Bevill, Mr. Treen, Mr. Burgener, Mr. Won Pat, Mr. Young of Florida, Mr. St Germain, Mr. Boland, Mr. Hawkins, Mr. Cochran, Mr. Gude, Mr. de Lugo, Mr. Moorhead of California, and Mr. Bennett):

H.R. 9171. A bill to amend the Outer Continental Shelf Lands Act to authorize certain revenues from leases on the Outer Continental Shelf to be made available to coastal States; jointly to the Committees on the Judiciary, and Merchant Marine and Fisheries.

By Mr. KOCH (for himself, Ms. Abzug, Mr. Baucus, Mrs. Burke of California, Mr. Carr, Ms. Collins of Illinois, Mr. Conyers, Mr. Duncan of Oregon, Mr. Eckhardt, Mr. Edgar, Mr. Edwards of California, Mr. Fraser, Mr. Gude, Mr. Hannaford, Mr. Harrington, Mr. Hechler of West Virginia, Mr. Mazzoli, Mr. Pepper, Mr. Reuss, Mr. Regula, Mr. Sarbanes, Mrs. Spellman, Mr. Waxman, and Mr. Weaver):

H.R. 9172. A bill: Urban Bikeway Transportation Act of 1975; to the Committee on Public Works and Transportation.

By Mr. LITTON:

H.R. 9173. A bill to amend the Fair Labor Standards Act of 1938 to exclude from its coverage certain patients employed by institutions primarily engaged in the care of the sick, the aged, or the mentally ill or defective; to the Committee on Education and Labor.

By Mr. McCORMACK (for himself, Mr. Teague, Mr. Mosher, and Mr. Goldwater):

H.R. 9174. A bill to establish a research and development program leading to advanced automobile prototypes, and for other purposes; to the Committee on Science and Technology.

By Mr. RISENHOOVER:

H.R. 9175. A bill to provide for the adjustment of geographic boundaries of standard metropolitan statistical areas for the purpose of Federal assistance programs; to the Committee on Government Operations.

By Mr. SEIBERLING (for himself, Mr. Baucus, Mr. Bedell, Mr. Carr, Mr. Fithian, Mr. Hawkins, Mr. Nolan, Mr. Pattison of New York, Mr. Roe, Mrs. Spellman, and Mr. Thompson):

H.R. 9176. A bill to amend the Clayton Act to prohibit undue concentration in the energy-producing industries, and for other purposes; to the Committee on the Judiciary.

By Mr. STEELMAN (for himself, Mr. AuCoin, Mr. Hannaford, and Mr. Long of Maryland):

H.R. 9177. A bill to amend section 552 of title 5 of the United States Code to clarify certain exemptions from its disclosure requirements, to provide guidelines and limitations for classifying official information; to the Committee on Government Operations.

By Mr. WHITE (by request):

H.R. 9178. A bill to amend chapter 89 of title 5, United States Code, to provide for a new medicare supplement option under the Federal employees health benefits program, and to provide a Government contribution to the subscription charge for an employee or annuitant enrolled in such new option equal to 100 percent of the subscription charge up the maximum dollar contribution the Government makes toward the health insurance of any employee or annuitant enrolled for high option coverage under the Government-wide plans; to the Committee on Post Office and Civil Service.

By Mr. GILMAN:

H.R. 9179. A bill to impose an excess profits tax on the income of corporations engaged in the production of petroleum and petroleum products for a limited period; to the Committee on Ways and Means.

By Mr. ESCH (for himself, Mr. AuCoin, Mr. Carr, Mr. Collins of Texas, Mr. Derwinski, Mr. Eshleman, Mr. Hungate, Mr. Mosher, Mr. Roe, and Mr. J. William Stanton):

H.R. 9180. A bill to amend the Internal Revenue Code of 1954 to increase the exemption for purposes of the Federal estate tax, to increase the estate tax marital deduction, to allow an estate tax deduction with respect to the value of certain farm or business interests held by the decedent, and to provide an alternate method of valuing certain real property for estate tax purposes; to the Committee on Ways and Means.

By Mr. McCORMACK (for himself, Mr. Teague, Mr. Mosher, Mr. Goldwater, Mr. Andrews of North Dakota, Mr. Beard of Rhode Island, Mrs. Burke of California, Mr. Burgener, Mr. Carr, Mr. Cleveland, Mr. Corman, Mr. Coughlin, Mr. Dellums, Mr. Drinan, Mr. du Pont, Mr. Edgar, Mr. Edwards of California, Mrs. Fenwick, Mr. Florio, Mr. Harrington, Mr. Horton, Mr. Ichord, Mr. LaFalce, Mr. Lent, and Mr. Mazzoli):

H.R. 9181. A bill to authorize in the Energy Research and Development Administration a Federal program of research, development, and demonstration designed to promote electric vehicle technologies and to demonstrate the commercial feasibility of electric vehicles; to the Committee on Science and Technology.

By Mr. MEZVINSKY:

H.R. 9182. A bill to require the Federal Trade Commission, the Department of Justice, and the Department of Agriculture, to compile information and annually report to the Congress with respect to antitrust enforcement, market structure, and state of competition in the food industry, and for other purposes; to the Committee on the Judiciary.

By Mr. MURTHA (for himself, Mr. Hechler of West Virginia, Mr. Kemp, Mr. Nowak, Mr. Staggers, Mr. Dent, and Mr. Johnson of Pennsylvania):

H.R. 9183. A bill to authorize and direct the Secretary of Transportation to carry out a demonstration project for construction of a highway between Buffalo, N.Y., and Princeton, W. Va.; to the Committee on Public Works and Transportation.

By Mr. BYRON (for himself, Mr. Barrett, Mr. Eilberg, Mr. McDonald of Georgia, Mr. McEwen, Mr. Moorhead of Pennsylvania, Mr. Randall, and Mr. Rosenthal):

H.J. Res. 604. Joint resolution authorizing and requesting the President to issue a proclamation designating Sunday, September 14, 1975, as National Saint Elizabeth Seton Day; to the Committee on Post Office and Civil Service.

By Mr. CONABLE:

H.J. Res. 605. Joint resolution to save the great whales from extinction by amending the Fishermen's Protective Act of 1967 to impose an embargo on the products of all foreign enterprises engaged in commercial whaling; jointly to the Committees on Merchant Marine and Fisheries, and Ways and Means.

Mr. FINDLEY (for himself, Mr. Zablocki, Mr. Fascell, Mr. Nix, Mr. Yatron, Mr. Harrington, Mr. Ryan, Mr. Charles Wilson of Texas, Mr. Riegle, Mrs. Collins of Illinois, Mrs. Meyner, Mr. Biester, Mr. Adams, Mr. Anderson of Illinois, Mr. Bolling, Mr. Lujan, Mr. Matsunaga, Mr. Murphy of Illinois, Mr. Pepper, Mr. Price, Mr. Quie, Mr. Rodino, Mr. Schneebeli, Mr. Sisk, and Mrs. Sullivan):

H.J. Res. 606. Joint resolution to call an Atlantic Convention; to the Committee on International Relations.

By Mr. FRASER (for himself, Mr. Addabbo, Mr. Anderson of California, Mr. Aspin, Mr. AuCoin, Mr. Badillo, Mr. Baucus, Mr. Bedell, Mr. Bell, Mr. Blanchard, Mr. Blouin, Mrs. Boggs, Mr. Brown of Michigan, Mrs. Burke of California, Mr. Carr, Mr. Cederberg, Mr. Conte, Mr. Corman, Mr. Coughlin, Mr. Dominick V. Daniels, Mr. Downey of New York, Mr. Drinan, Mr. Duncan of Oregon, Mr. Edgar, and Mr. Edwards of California):

H.J. Res. 607. Joint resolution to call an Atlantic Convention; to the Committee on International Relations.

By Mr. WRIGHT (for himself, Mr. English, Mr. Esch, Mr. Evans of Colorado, Mrs. Fenwick, Mr. Fisher, Mr. Flood, Mr. Ford of Tennessee, Mr. Frenzel, Mr. Fulton, Mr. Giaimo, Mr. Gibbons, Mr. Goodling, Mr. Gradison, Mr. Gude, Mr. Hall, Mr. Hannaford, Mr. Harris, Mr. Hawkins, Mr. Hayes of Indiana, Mr. Heinz, Mr. Helstoski, Mr. Horton, and Mr. Jacobs):

H.J. Res. 608. Joint resolution to call an Atlantic Convention; to the Committee on International Relations.

By Mr. HOWE (for himself, Mr. Jones of Tennessee, Mr. Ketchum, Ms. Keys, Mr. LaFalce, Mr. Leggett, Mr. Lehman, Mr. Long of Maryland, Mr. McCloskey, Mr. McHugh, Mr. Mikva, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Moorhead of Pennsylvania, Mr. Mosher, Mr. Moss, Mr. Neal, Mr. Nedzi, Mr. Nowak, Mr. Oberstar, Mr. O'Hara, Mr. Preyer, Mr. Railsback, Mr. Rees, and Mr. Regula):

H.J. Res. 609. Joint resolution to call an Atlantic Convention; to the Committee on International Relations.

By Mr. FINDLEY (for himself, Mr. Rinaldo, Mr. Risenhoover, Mr. Roe, Mr. Ruppe, Mr. Scheuer, Mr. Seiberling, Mr. Steiger of Wisconsin, Mr. Thompson, Mr. Thone, Mr. Udall, Mr. Vander Veen, and Mr. Whitehurst):

H.J. Res. 610. Joint resolution to call an Atlantic Convention; to the Committee on International Relations.

By Mr. RISENHOOVER:

H.J. Res. 611. Joint resolution to designate the square dance as the national dance of the United States; to the Committee on Post Office and Civil Service.

By Mr. TRAXLER (for himself, Mr. Ruppe, Mr. Gaydos, Mr. Hughes, Mr. Coughlin, Mr. Vigorito, Mr. Cleveland, Mr. Evins of Tennessee, Mr. Hanley, Mr. J. William Stanton, Mr. Myers of Pennsylvania, Mr. Thone, Mr. McHugh, Mr. Gude, Mr. Roberts, Mr. Ginn, Mr. Fithian, Mrs. Meyner, Mr. Stark, Mr. Flood, Mr. Blanchard, Mr. Schulze, Mr. Weaver, Mr. Moorhead of Pennsylvania, and Mr. Shipley):

H.J. Res. 612. Joint resolution to require the Attorney General of the United States to conduct an investigation to determine whether antitrust violations are occurring in the manufacture or marketing of replacement home canning lids, and for other purposes; to the Committee on the Judiciary.

By Mr. BOB WILSON:

H.J. Res. 613. Joint resolution to authorize and request the President of the United States to issue a proclamation designating September 17 as Constitution Day; to the Committee on Post Office and Civil Service.

H.J. Res. 614. Joint resolution designating December 15 of each year as Bill of Rights Day; to the Committee on Post Office and Civil Service.

By Mr. BROOMFIELD:

H.J. Res. 615. Joint resolution proposing an amendment to the Constitution of the United States relating to the term of Office of President and Vice President of the United States; to the Committee on the Judiciary.

By Mr. CRANE (for himself, Mr. Myers of Indiana, and Mr. Howe):

H. Con. Res. 372. Concurrent resolution expressing the sense of the Congress that a special postage stamp be issued commemorating 200 years of free enterprise in the United States; to the Committee on Post Office and Civil Service.

By Mr. HUNGATE (for himself, Mr. Rosenthal, and Mr. Adams):

H. Con. Res. 373. Concurrent resolution urging review of the United Nations Charter; to the Committee on International Relations.

By Mr. HARRINGTON:

H. Res. 664. Resolution to amend the Rules of the House of Representatives to allow Members to hire additional staff members to assist them in connection with their membership on standing committees on which they serve; to the Committee on Rules.

By Mr. COCHRAN (for himself and Mr. Lott):

H. Res. 665. Resolution expressing the sense of the House of Representatives that the United States should not establish diplomatic or economic relations with Cuba; to the Committee on International Relations.

By Mr. ANDERSON of Illinois:

H. Res. 666. Resolution authorizing the Committee on Rules to meet; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mrs. BOGGS:

H.R. 9184: A bill for the relief of the heirs of Harmon Wallace Jones; to the Committee on the Judiciary.

By Mr. MOORHEAD of California:

H.R. 9185. A bill for the relief of Marina Tingalon Baguyos; to the Committee on the Judiciary.

By Mr. SARASIN:

H.R. 9186. A bill for the relief of David D. Bulkley; to the Committee on Merchant Marine and Fisheries.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 7014

By Mr. BROWN of Ohio:

Page 223, immediately after line 10, insert "or by rule"

Page 223, line 11, strike out the comma and all that follows down through "authority" on line 12.

Page 224, line 21, insert "or the maximum efficient rate of production" immediately after "rate".

Page 225, strike out line 21 and all that follows down through line 26 on page 230 and re-number the subsequent sections accordingly.

Page 224, insert immediately after line 17 the following new subsection:

"(f) Regulations promulgated and made effective under this Act shall remain in effect until midnight June 30, 1980. The authority to promulgate and amend regulations and to issue any order under this Act, and to enforce under section 5 such regulations and any such order, expires at midnight June 30, 1980, but such expiration shall not affect any action or pending proceedings, civil or criminal, not finally determined on such date, nor any action or proceeding based upon any act committed prior to midnight June 30, 1980."

Page 246, line 6, strike out "Not" and all that follows down through the first "the" on line 8 and insert in lieu thereof "The".

Page 246, line 13, strike out "during" and all that follows down through "section" on line 15 and insert in lieu thereof "for a three-year period".

Page 250, line 9, strike out the quotation marks.

Page 250, immediately after line 9, add the following:

"(d) No authority may be exercised under this section unless—

"(1) the President has submitted to both Houses of Congress a plan which shall include a written justification and substantiation for the exercise of such authority and such plan has been approved by a resolution by each House of Congress in accordance with the procedures specified in section 752 of the Energy Conservation and Oil Policy Act of 1975, and

"(2) after such approval, (A) the President has found that the exercise of such authority is required by severe energy supply interruption or by the international energy program, and has submitted to the Congress in accordance with section 751 of such Act a request to implement such plan, and (B) neither House of Congress has disapproved (or both Houses have approved) such request in accordance with the procedures specified in section 751 of such Act.

"(e) Within 180 days after the date of enactment of this section, the President shall transmit to Congress a plan with respect to the mandatory gasoline allocation savings program required by this section. The President may at any time transmit additional plans."

Page 257, strike out line 17 and all that follows down through line 12, Page 265, and renumber the subsequent sections accordingly.

Page 285, strike out the following from the table immediately preceding line 1:

"1985 and thereafter................ 28.0."

Page 285, line 8, strike out "an" and all that follows down through "and" on line 11.

Page 286, line 3, change the comma to a period and strike out all that follows down through the period on line 6.

Page 286, strike out line 16 and all that follows down through line 3 on page 287, and re-number the subsequent paragraph accordingly.

Page 288, line 23, strike out "one" and insert in lieu thereof ".5".

Page 288, line 23, strike out "which" and all that follows down through "gallon" on line 24.

Page 289, line 3, strike out "excess" and insert in lieu thereof "penalty".

Page 319, line 18, strike out "If" and all that follows thereafter down through line 2 on page 320.

Amendment to title IV: "Strike the last word."

Amendment to title IV: "Strike out the necessary number of words."

Amendment to title IV: "Strike out the requisite number of words."

Amendment to title IV: "Strike out the penultimate word."

Amendment to title V: "Strike the last word."

Amendment to title V: "Strike out the necessary number of words."

Amendment to title V: "Strike out the penultimate word."

Amendment to title V: "Strike out the requisite number of words."

Amendment to title VI: "Strike the last word."

Amendment to title VI: "Strike out the necessary number of words."

Amendment to title VI: "Strike out the requisite number of words."

Amendment to title VI: "Strike out the penultimate word."

Amendment to title VII: "Strike the last word."

Amendment to title VII: "Stirke out the necessary number of words."

Amendment to title VII: "Strike out the requisite number of words."

Amendment to title VII: "Strike out the penultimate word."

Amendment to title VIII: "Strike the last word."

Amendment to title VIII: "Strike out the necessary number of words."

Amendment to title VIII: "Strike out the requisite number of words."

Amendment to title VIII: "Strike out the penultimate word."

By Mr. CARTER:

On page 356, line 6, insert the following new Title and renumber subsequent Titles accordingly:

TITLE VIII—COAL GASIFICATION AND LIQUEFACTION DEVELOPMENT

SEC. 801. (a) The Administrator shall establish a program of assistance to private industry for the construction and operation of one or more facilities for the liquefaction and gasification of coal. In order to effectuate such program, the Administrator may make loans and issue guarantees to any person for the purpose of engaging in the commercial operation of facilities designed for the liquefaction or gasification of coal.

(b) (1) For the purpose of making loans or issuing guarantees under this section, the Administrator shall consider (A) the technology to be used by the person to whom the loan or guarantee is made or issued, (B) the production expected, (C) reasonable prospect for repayment of the loans.

(2) In making such determination, the Administrator is to give preference to projects which would provide additional employment opportunities in depressed areas and increase competition within the coal and petroleum industry.

(3) The Administrator shall not make any loan or issue any guarantee to any person which is owned or controlled directly or indirectly, by any foreign government or instrumentality of such government, including any national oil company of such foreign government, unless the President finds that such loan or guarantee is in the national interest and authorizes the Administrator to make such loan or issue such guarantee.

(c) (1) The Administrator may enter into purchase agreements to assure a market for the output of such facilities when the cost of production exceeds current market prices.

(2) The Administrator shall, in order to assure adequate supplies of material, equipment, and market outlets for the output of such facilities, guarantee performance of contracts by persons receiving loans from the Administrator for the purchase, construction, or other acquisition of equipment and supplies necessary to develop, construct, and operate any such facility.

(d) The construction plans and actual construction of any facility (including any exploration) financed, in whole or in part, under this section shall be reviewed from time to time by the Administrator of the Environmental Protection Agency who is authorized to require the use in such facility of the most thorough pollution control devices then available. The cost of such devices shall be included in the total cost of each such facility and shall be taken into consideration by the Administrator in granting any loan or entering into any guarantee agreement or purchase or price support agreement under this section.

PURCHASES OF SITES, RESERVES AND CONSTRUCTION OF FACILITIES

SEC. 802. (a) The Administrator is authorized—

(1) to acquire sites by purchase, except by condemnation, and to construct facilities deemed necessary by him to carry out the gasification and liquefaction of coal under section 801 of this Act,

(2) with respect to each such project, to acquire, by purchase, except by condemnation, such reserves of coal as he may deem necessary to assure supplies of raw materials adequate for the attainment of the objectives of such project, and

(3) to acquire, except by condemnation, from private interests such facilities as may have theretofore been constructed or acquired by such interests, whether in whole or in part, in connection with any project for the liquefaction or gasification of coal at prices to be negotiated by the Administrator with such private interests: *Provided, however,* That in connection with any such acquisition the private interests shall be granted an option to lease such facilities upon the terms and conditions provided for in subsection (b) of this section, such option to be exercised within six months from the date on which the facilities were transferred to the Administrator, if complete, or within six months from the date when such facilities are completed by the Administrator.

(b) (1) Facilities acquired or constructed under this section shall be leased to any person at such rentals and upon such terms and conditions as shall be agreed to by the parties.

(2) Each such lease shall provide that the lessee may sell at prevailing market prices or acquire for its own account at such prices, the output of such facilities.

(3) Each lease shall further provide that the lessee shall have options to purchase the facilities at any time within ten years after the date of the respective lease at a price to be agreed upon by the parties. Each option shall be conditioned, however, upon the right of the Administrator within the ten-year term to offer the facilities for sale at public auction and the lessee shall be entitled to purchase the facilities if he meets the highest bona fide offer in excess of the agreed option price. In order that an offer may be con-

sidered bona fide, it shall be offered by a bidder who shall have been determined by the Administrator to be financially and technically qualified to purchase and operate the facilities.

(4) No private interest shall be permitted to lease or purchase any facility covered by this section if such interest is a person who is owned or controlled directly or indirectly by any foreign government or instrumentality of such government, including any national oil company, unless the President finds that such sale or lease is in the national interest and specifically authorizes such lease or purchase.

DEFINITIONS

SEC. 803. As used in sections 801 and 802—

(1) the term "facilities" means land, mineral rights, mines, water rights, rights-of-way, easements, and other interests in land, pipelines, machinery and equipment, and all other property, real, personal, or mixed, used or to be used in connection with any project for the liquefaction or gasification of coal.

(2) The term "person" does not include Federal, State or local governments or any subdivision or agency thereof.

AUTHORIZATION OF APPROPRIATIONS

SEC. 804. (a) There are authorized to be appropriated sums not to exceed $750,000,000 for fiscal year 1976 to carry out section 801.

(b) There are authorized to be appropriated sums not to exceed $750,000,000 for fiscal year 1976 to carry out section 802.

Page 356, immediately after line 5 insert the following new title and renumber the following title accordingly:

TITLE VIII—COAL GASIFICATION AND LIQUEFACTION DEVELOPMENT

LIQUEFACTION AND GASIFICATION OF COAL

SEC. 801. (a) The Administrator shall establish a program of assistance to private industry for the construction and operation of one or more facilities for the liquefaction or gasification of coal. In order to effectuate such program, the Administrator may make loans and issue guarantees to any person for the purpose of engaging in the commercial operation of facilities designed for the liquefaction or gasification of coal.

(b)(1) For the purpose of making loans or issuing guarantees under this section, the Administrator shall consider (A) the technology to be used by the person to whom the loan or guarantee is made or issued, (B) the production expected, (C) reasonable prospect for repayment of the loans.

(2) In making such determination, the Administrator is to give preference to projects which would provide additional employment opportunities in depressed areas and increase competition within the coal and petroleum industry.

(3) The Administrator shall not make any loan or issue any guarantee to any person which is owned or controlled directly or indirectly, by any foreign government or instrumentality of such government, including any national oil company of such foreign government, unless the President finds that such loan or guarantee is in the national interest and authorizes the Administrator to make such loan or issue such guarantee.

(c)(1) The Administrator may enter into purchase agreements to assure a market for the output of such facilities when the cost of production exceeds current market prices.

(2) The Administrator shall, in order to assure adequate supplies of material, equipment, and market outlets for the output of such facilities, guarantee performance of contracts by persons receiving loans from the Administrator for the purchase, construction, or other acquisition of equipment and supplies necessary to develop, construct, and operate any such facility.

(d) The construction plans and actual construction of any facility (including any exploration) financed, in whole or in part, under this section shall be reviewed from time to time by the Administrator of the Environmental Protection Agency who is authorized to require the use in such facility of the most thorough pollution control devices then available. The cost of such devices shall be included in the total cost of each such facility and shall be taken into consideration by the Administrator in granting any loan or entering into any guaranted agreement or purchase or price support agreement under this section.

PURCHASES OF SITES, RESERVES AND CONSTRUCTION OF FACILITIES

SEC. 802. (a) The Administrator is authorized—

(1) to acquire sites by purchase, except by condemnation, and construct facilities deemed necessary by him to carry out the gasification and liquefaction of coal under section 801 of this Act.

(2) with respect to each such project, to acquire, by purchase, except by condemnation, such reserves of coal as he may deem necessary to assure supplies of raw materials adequate for the attainment of the objective of such project, and

(3) to acquire, except by condemnation, from private interests such facilities as may have therefore been constructed or acquired by such interests, whether in whole or in part, in connection with any project for the liquefaction or gasification of coal at prices to be negotiated by the administrator with such private interests: *Provided, however,* That in connection with any such acquisition the private interests shall be granted an option to lease such facilities upon the terms and conditions provided for in subsection (b) of this section, such option to be exercised within six months from the date on which the facilities were transferred to the Administrator, if complete, or within six months from the date when such facilities are completed by the Administrator.

(b)(1) Facilities acquired or constructed under this section shall be leased to any person at such rentals and upon such terms and conditions as shall be agreed to by the parties.

(2) Each such lease shall provide that the lessee may sell at prevailing market prices or acquire for its own account at such prices, the output of such facilities.

(3) Each lease shall further provide that the lessee shall have options to purchase the facilities at any time within ten years after the date of the respective lease at a price to be agreed upon by the parties. Each option shall be conditioned, however, upon the right of the Administrator within the ten-year term to offer the facilities for sale at public auction and the lessee shall be entitled to purchase the facilities if he meets the highest bona fide offer in excess of the agreed option price. In order that an offer may be considered bona fide, it shall be offered by a bidder who shall have been determined by the Administrator to be financially and technically qualified to purchase and operate the facilities.

(4) No private interest shall be permitted to lease or purchase any facility covered by this section if such interest is a person who is owned or controlled directly or indirectly by any foreign government or instrumentality of such government, including any national oil company, unless the President finds that such sale or lease is in the national interest and specifically authorizes such lease or purchase.

DEFINITIONS

SEC. 803. As used in sections 801 and 802:

(1) The term "facilities" means land, mineral rights, mines, water rights, rights-of-way, easements, and other interests in land, pipelines, machinery and equipment, and all other property, real, personal, or mixed, used or to be used in connection with any project for the liquefaction or gasification of coal.

(2) The term "person" does not include Federal, State, or local governments or any subdivision or agency thereof.

AUTHORIZATION OF APPROPRIATIONS

SEC. 804. (a) There are authorized to be appropriated sums not to exceed $750,000,000 for fiscal year 1976 to carry out section 801.

(b) There are authorized to be appropriated sums not to exceed $750,000,000 for fiscal year 1976 to carry out section 802.

By Mr. COLLINS of Texas:

Page 273, strike out line 5 and all that follows down through line 16 on page 282.

By Mr. DELLUMS:

Page 232, line 6, strike out "(2)" and insert in lieu thereof "(3)".

Page 232, after line 10, insert the following:

"(2)(A) The President shall, by amendment to the regulation under subsection (a) of this section or by order, prevent the export of natural gas, crude oil, residual fuel oil, and any refined petroleum product at a rate with respect to such gas, each such oil, and each such product which is more than the rate permitted pursuant to subparagraph (B) of this paragraph.

"(B)(i) The United States Tariff Commission shall report monthly to the President and the Congress with respect to the total volume and value of exports of coal, natural gas, crude oil, residual fuel oil, any refined petroleum product, and any petrochemical feedstock.

"(ii) If the President finds, on the basis of information collected by the United States Tariff Commission, that the monthly rate of the volume of exports of natural gas, crude oil, residual fuel oil, or any refined petroleum product for any consecutive three-month period exceeds or is likely to exceed by more than 50 per centum the average monthly rate of the volume of exports of any such gas, oil, or product for the nine-month period which precedes such three-month period, the President shall exercise his authority under this paragraph to prevent exports in excess of 50 per centum above such average monthly rate.

"(C) Any export restriction imposed under subparagraph (B)(ii) shall remain in effect (i) until the President transmits to the Congress a written request that any such export restriction be terminated, and (ii) such request has not been disapproved by either House of Congress (or has been approved by both Houses) in accordance with the congressional review procedures specified in section 751 of the Energy Conservation and Oil Policy Act of 1975.

"(D) The restrictions imposed under subparagraph (B) shall take effect with respect to the first month which begins after the date of enactment of this subsection.

Page 232, line 11, strike out "(2)" and insert in lieu thereof "(3)".

Page 232, line 12, after "(1)" insert "or (2)".

Page 232, line 24, strike out "(3)" and insert in lieu thereof "(4)".

Page 232, line 25, after "(1)" insert "or (2)".

Page 233, line 1, strike out "(2)" and insert in lieu thereof "(3)".

By Mr. EDGAR:

Page 298, line 24, after the period insert the following: "Such rules shall be prescribed after consultation with the Federal Trade Commission, and shall require, to the extent practicable, that any determination of fuel economy of an automobile for purposes of this section reflect the fuel economy of such automobile as actually equipped by the manufacturer."

Page 300, after line 6, add the following:

"(e) (1) No manufacturer or dealer may make any representation in writing (including a representation in an advertisement), or in any broadcast advertisement, of the fuel economy of any automobile or class of automobiles, unless—

"(A) in the case of a representation relating in whole or in part to the fuel economy of an automobile or class of automobile which does not have a range of fuel economy, such representation fairly discloses, in accordance with rules prescribed by the Federal Trade Commission, the fuel economy required to be disclosed with respect to such automobile or class under subsection (a) of this section; and

"(B) in the case of a representation relating in whole or in part to the fuel economy of a class of automobiles which has a range of fuel economy, such representation fairly discloses the fuel economy of such class, in accordance with rules prescribed by the Federal Trade Commission.

Rules of the Commission under this subsection shall be prescribed after consultation with the EPA Administrator.

"(2) A violation by a manufacturer or dealer of paragraph (1) of this section or any rule thereunder shall be deemed to be a violation of section 5(a) of the Federal Trade Commission Act; but, notwithstanding any provision of the Federal Trade Commission Act, (A) the Federal Trade Commission shall assess civil penalties for any such violation of this section pursuant to section 508(b)(2) of this Act, and (B) section 5(m) of the Federal Trade Commission Act does not apply to any such violation.

By Mr. McCOLLISTER:

Page 276, line 16, after "shall," insert: "after affording interested persons an opportunity to present oral and written data, views, and arguments and taking into consideration and comparing the economic costs of achievement of energy efficiency targets and the energy efficiencies to be obtained and".

Page 279, immediately after line 6, insert the following:

"(6) the energy efficiency of the product produced;"

Page 279, line 7, strike out "(6)" and insert in lieu thereof "(7)"

By Mr. MADIGAN:

Page 356, strike out line 6 and all that follows down through line 18 on page 365 an insert in lieu thereof the following:

TITLE VIII—ENERGY DATA COMMISSION

ENERGY DATA COMMISSION

SEC. 801. There is hereby established an Energy Data Commission (hereinafter referred to as the "Commission") which shall be composed of representatives of the Securities and Exchange Commission, the Federal Trade Commission, the Department of Interior, the Department of the Treasury, the Interstate Commerce Commission, the Department of Commerce, the Federal Power Commission, the Federal Energy Administration, and the General Accounting Office. The Chairman of the Commission shall request other Federal agencies to participate with the Commission when matters affecting their responsibilities are considered by the Commission. The Chairman of the Commission shall be designated by the President.

DUTIES OF THE COMMISSION

SEC. 802. (a) The Commission shall conduct a comprehensive study and investigation of the scope and adequacy of energy data collection by agencies of the Federal Government. Such study and investigation shall include consideration of the following:

(1) the extent to which such data assists the Federal Government in making informed national energy policy;

(2) a review of Federal, State and local laws relating to energy data collection, the adequacy of investigatory powers under such laws, and the quality of enforcement;

(3) the extent to which data collection activities of the Federal Government are duplicative and the impact of such activities on persons engaged in the business of exploring for, producing, transporting, refining, or distributing petroleum products; and

(4) the need for standards for uniform accounting practices to be followed by persons engaged, in whole or in part, in the production of crude oil.

(b) The Commission may transmit to the President and to the Congress such interim reports as it deems advisable and shall transmit its final report to the President and to the Congress not later than two years from the date of enactment of this Act. Such final report shall contain a detailed statement of findings and conclusions of the Commission together with its recommendations for such legislation as it deems appropriate.

POWERS OF THE COMMISSION

SEC. 803. (a) For the purpose of carrying out the provisions of this title, the Commission may: (1) hold such hearings, sit and act at such times and places, take such testimony, receive such evidence, and print or otherwise reproduce and distribute so much of its proceedings and reports thereon as it may deem advisable; (2) acquire, furnish, and equip such office space as is necessary; (3) use the United States mails in the same manner and upon the same conditions as other departments and agencies of the United States; (4) employ and fix the compensation of such personnel as it deems advisable, in accordance with the civil service laws and chapter 51 and subchapter III of chapter 53 of Title 5; (5) procure services as authorized by section 15 of the Act of August 2, 1946, at rates not to exceed $100 per diem for individuals; and (6) incur such necessary expenses and exercise such other powers as are consistent with and reasonably required to perform its functions under this title.

(b) Any member of the Commission is authorized to administer oaths when it is determined by a majority of the Commission that testimony shall be taken or evidence received under oath.

(c) To the extent permitted by law, all appropriate records and papers of the Commission may be made available for public inspection during ordinary office hours.

(d) Upon request of the Commission, the head of any Federal department or agency is authorized (1) to furnish to the Commission such information as may be necessary for carrying out its functions and as may be available to or procurable by such department or agency, and (2) to detail to temporary duty with such Commission on a reimbursable basis such personnel within his administrative jurisdiction as it may need or believe to be useful for carrying out its functions, each such detail to be without loss of seniority, pay, or other employee status.

(e) The Commission shall be responsible for (1) the appointment and supervision of personnel, (2) the assignment of duties and responsibilities among such personnel, and (3) the use and expenditures of funds.

AUTHORIZATIONS OF APPROPRIATIONS

SEC. 804. There are authorized to be appropriated such sums, not to exceed $2,000,000, as may be necessary to carry out the provisions of this title.

By Mr. MATSUNAGA:

On pages 233 and 234, strike all of Section 307 and renumber subsequent sections accordingly.

By Mr. MOFFETT:

Page 232, line 6, strike out "(2)" and insert in lieu thereof "(3)".

Page 232, after line 10, insert the following:

"(2)(A) The President shall review all contracts for the export of natural gas, crude oil, residual fuel oil, and refined petroleum products. He shall, by amendment to the regulation, require that any person intending to export any such natural gas, oils, or any such products file notification of such intention prior to the date such person intends to export such gas, oils, or any such products.

"(B) The President shall exercise his authority under paragraph (1) to prevent any exports of such gas, oils, or any such products (other than exports pursuant to contracts entered into prior to September 1, 1975), unless he determines that such exports are consistent with the attainment of the objectives specified in subsection (b) of this section and will not result in increased dependency on imported natural gas, crude oil, residual fuel oil, or any refined petroleum product and will not result in a significant decrease in the availability of such gas, oils, and any such products within the United States.

Page 232, line 11, strike out "(2)" and insert in lieu thereof "(3)".

Page 232, line 12, after "(1)" insert "or (2)".

Page 232, line 24, strike out "(3)" and insert in lieu thereof "(4)".

Page 232, line 25, after "(1)" insert "or (2)".

Page 233, line 1, strike out "(2)" and insert in lieu thereof "(3)".

By Mr. MOORHEAD of California:

Page 246, strike out line 1 and all that follows down through line 26 on page 256, and renumber the subsequent sections accordingly.

Page 315, strike out line 17 and all that follows down through line 12 on page 319 and renumber the subsequent sections accordingly.

Page 315, strike out line 18 and all that follows down through line 14 on page 316 and insert in lieu thereof:

"SEC. 554. (a)(1) The Secretary may prescribe an energy efficiency standard under this section applicable to any class of product listed in paragraphs (1) through (10) of section 551; if he determines—"

Page 317, line 10, insert "(2)" before "For"

Page 317, strike out line 17 and all that follows down through line 23

By Mr. MOSS:

Page 356, strike out line 7 and all that follows down through line 18 on page 365 and insert in lieu thereof the following:

VERIFICATION AUDITS

SEC. 801. (a) The Comptroller General may conduct verification audits with respect to the books and records of—

(1) any person who is required to submit energy information to the Federal Energy Administration, the Department of the Interior, or the Federal Power Commission pursuant to any rule, regulation, order, or other legal process of such Administration, Department, or Commission; and

(2) any person who is engaged in the production, processing, refining, transportation by pipeline, or distribution (at other than the retail level) of energy resources—

(A) if such person has furnished, directly or indirectly, energy information (without regard to whether such information was furnished pursuant to legal requirement) to any Federal agency (other than the Internal Revenue Service), and

(B) if the Comptroller General determines that such information has been or is being used or taken into consideration, in whole or in part, by a Federal agency in carrying out responsibilities committed to such agency.

(b) The Comptroller General may conduct verification audits with respect to the financial statements of any vertically integrated petroleum company filed with the Securities and Exchange Commission.

(c) The Comptroller General shall conduct verification audits of any person described in subsection (a) or (b) if requested to do so by any duly established committee or subcommittee of the Congress having legislative or investigative jurisdiction.

(d) For purposes of this title—

(1) The term "verification audit" means an examination of such books and records of a person as the Comptroller General determines necessary and appropriate to assess the accuracy, reliability, and adequacy of the energy information furnished or financial statements filed, as the case may be, by such person.

(2) The term "energy information" has the same meaning as such term has in section 11(e)(1) of the Energy Supply and Environmental Coordination Act of 1974.

(3) The term "person" has the same meaning as such term has in section 11(e)(2) of the Energy Supply and Environmental Coordination Act of 1974.

(4) The term "vertically integrated petroleum company" means any person engaged in the production, refining, and marketing of petroleum products.

(5) The term "financial statement" means any financial statement filed with the Securities and Exchange Commission pursuant to the Securities Act of 1933 or the Securities Exchange Act of 1934.

POWERS OF THE COMPTROLLER GENERAL AND REPORTS

Sec. 802. (a) For the purpose of carrying out his authority under section 801—

(1) the Comptroller General may—

(A) sign and issue subpenas for the attendance and testimony of witnesses and the production of books, records, papers, and other documents,

(B) require any person, by general or special order, to submit answers in writing to interrogatories, to submit books, records, papers, or other documents, or to submit any other information or reports, and such answers or other submissions shall be made within such reasonable period, and under oath or otherwise, as the Comptroller General may determine; and

(C) administer oaths;

(2) the Comptroller General, or any officer or employee duly designated by the Comptroller General, upon presenting appropriate credentials and a written notice from the Comptroller General to the owner, operator, or agent in charge, may—

(A) enter, at reasonable times, any business premise or facility; and

(B) inspect, at reasonable times and in a reasonable manner, any such premise or facility, inventory and sample any stock of energy resources therein, and examine and copy books, records, papers, or other documents, relating to any such energy information.

(b) The Comptroller General shall have access to any energy information or financial statement within the possession of any Federal agency (other than the Internal Revenue Service) as is necessary to carry out its authority under this section.

(c)(1) Except as provided in subsection (d), the Comptroller General shall transmit a copy of the results of any verification audit conducted under section 801 to the Federal agency to which energy information or financial statement which was subject to such audit was furnished.

(2) Any report made pursuant to paragraph (1) of this subsection shall include the Comptroller General's findings with respect to the accuracy, reliability, and adequacy of the energy information or financial statement which was the subject of such audit.

(d) If the verification audit was conducted at the request of any committee or subcommittee of the Congress, the Comptroller General shall report his findings directly to such committee or subcommittee of the Congress.

(e) The Comptroller General shall prepare and submit to the Congress an annual report with respect to the exercise of its authorities under this title, which report shall specifically identify any deficiencies in energy information or financial statements reviewed by the Comptroller General and include a discussion of action taken, if any, to correct any such deficiencies.

(f) Any reports made by the Comptroller General under this section and any information obtained by the Comptroller General under this title (except reports and information made or obtained by the Comptroller General in response to a request of a duly established committee or subcommittee of the Congress pursuant to section 801(c)) shall be subject to section 552 of title 5, United States Code, except that any such report and any information obtained by the Comptroller General under this title shall be supplied to any duly established committee or subcommittee of the Congress having legislative or investigative jurisdiction over the subject matter to which such report pertains upon request of such committee or subcommittee.

ACCOUNTING PRACTICES

Sec. 803. (a) For purposes of developing a reliable energy data base related to the production of crude oil and natural gas, the Securities and Exchange Commission shall, by rule, prescribe accounting practices to be followed in the preparation of accounts by persons engaged, in whole or in part, in the production of crude oil or natural gas in the United States. Such rules shall be prescribed not later than twenty-one months after the date of enactment of this Act and shall take effect with respect to the first accounting quarter of each such person which begins six months after the date on which such rules are prescribed and shall apply to each such person.

(b) In carrying out its authority under this section—

(1) the Commission shall consult with the Federal Energy Administration, the General Accounting Office, and the Federal Power Commission with respect to any rule proposed to be prescribed under paragraph (1) of this section, and

(2) may use the Financial Accounting Standards Board to advise and assist the Commission in prescribing such rules.

(c) The Commission, in prescribing such rules, shall require observances of accounting practices to be followed in the preparation of accounts which, to the greatest extent practicable, permit the compilation, treating domestic and foreign operations as separate categories, of an energy data base consisting of:

(1) The separate calculation of capital, revenue, and operating cost information pertaining to—

(A) prospecting,

(B) acquisition,

(C) exploration,

(D) development, and

(E) production,

including geological and geophysical costs, carrying costs, unsuccessful exploratory drilling costs, intangible drilling and development costs on productive wells, the cost of unsuccessful development wells, and the cost of acquiring oil and gas reserves by means other than development. Any such calculation shall take into account disposition of capitalized costs, contractual arrangements involving special conveyance of rights and joint operations, differences between book and tax income, and prices used in the transfer of products or other assets from one person to any other person, including a person controlled by, controlling or under common control with such person.

(2) The full presentation of the financial information of persons engaged in the production of crude oil or natural gas, including—

(A) disclosure of reserves and operating activities, both domestic and foreign, to facilitate evaluation of financial effort and result; and

(B) classification of financial information by function to facilitate correlation with reserve and operating statistics, both domestic and foreign.

(3) Such other information, projections, and relationships of collected data as shall be necessary to facilitate the compilation of such data base.

ENFORCEMENT

Sec. 804. (a) Any person who violates any general or special order of the Office issued under section 802(a)(2) of this Act may be assessed a civil penalty not to exceed $10,000 for each violation. Each day of failure to comply with such an order shall be deemed a separate violation. Such penalty shall be assessed by the Comptroller General and collected in a civil action brought by the Comptroller General through any attorney employed by the General Accounting Office or any other attorney designated by the Comptroller General, or upon request of the Comptroller General, the Attorney General. A person shall not be liable with respect to any period during which the effectiveness of the order with respect to such person was stayed.

(b) Any action to enjoin or set aside an order issued under section 802(a)(2) may be brought only before the United States Court of Appeals for the District of Columbia. Any action to collect a civil penalty for violation of any general or special order may be brought only in the United States District Court for the District of Columbia. In any action brought under subsection (a) to collect a civil penalty, process may be served in any judicial district of the United States.

(c) Upon petition by the Comptroller General through any attorney employed by the General Accounting Office or designated by the Comptroller General, or, upon request of the Comptroller General, the Attorney General, any United States district court within the jurisdiction of which any inquiry under this title is carried on may, in the case of refusal to obey a subpena of the Comptroller General issued under this title, issue an order requiring compliance therewith; and any failure to obey the order of the court may be punished by the court as a contempt thereof.

AMENDMENTS TO ENERGY SUPPLY AND ENVIRONMENTAL COORDINATION ACT OF 1974

Sec. 805. (a) Section 11(g)(2) of the Energy Supply and Environmental Coordination Act of 1974 is amended by striking out "June 30, 1975" wherever it appears and inserting in lieu thereof in each case "September 30, 1980".

(b) Section 11(c) of such Act is amended by adding at the end thereof the following:

"(3) In order to carry out his responsibilities under subsection (a) of this section, the Federal Energy Administrator shall require, pursuant to subsection (b)(1)(A) of this section, that persons engaged, in whole or in part, in the production of crude oil or natural gas submit reports with respect to energy information kept in accordance with the accounting practices prescribed under section 804 of the Energy Conservation and Oil Policy Act of 1975. The Administrator shall file quarterly energy data base reports with the President and the Congress compiled from accounts kept in accordance with such section 803 and submitted to the Administrator in accordance with this paragraph. Such reports shall present energy information in the categories specified in subsection (c) of such section 803 to the extent that such information may be compiled from such accounts. Such energy information shall be collected and such quarterly reports made for each calendar quarter which begins six months after the effective date of the rules prescribed under such section 803.

By Mr. OTTINGER:

Page 306, line 18, strike out "Secretary" and insert in lieu thereof "Commission".

Page 307, line 5, strike out "Secretary" and insert in lieu thereof "Commission".

Page 307, line 11, strike out "Secretary" and insert in lieu thereof "Commission".

Page 309, strike out lines 4 and 5 and insert in lieu thereof the following: (15) The term "Commission" means the Federal Trade Commission.

Page 309, line 20, strike out "Secretary" and insert in lieu thereof "Commission".

Page 310, line 6, strike out "Secretary" and insert in lieu thereof "Commission".

Page 310, line 14, strike out "he" and insert in lieu thereof "the Commission".

Page 310, line 22, strike out "Secretary" and insert in lieu thereof "Commission".

Page 311, line 3, strike out "he" and insert in lieu thereof "the Commission".

Page 311, line 18, strike out "Secretary" and insert in lieu thereof "Commission".

Page 312, line 3, strike out "Secretary" and insert in lieu thereof "Commission".

Page 312, line 7, strike out "he" and insert in lieu thereof "the Commission".

Page 312, line 11, strike out "Secretary" and insert in lieu thereof "Commission".

Page 312, line 12, strike out "his" and insert in lieu thereof "its".

Page 312, line 14, strike out "he" and insert in lieu thereof "the Commission".

Page 312, line 17, strike out "he" and insert in lieu thereof "the Commission".

Page 312, line 23, strike out "Secretary" and insert in lieu thereof "Commission".

Page 312, line 24, strike out "he" and insert in lieu thereof "it".

Page 313, line 7, strike out "(A)".

Page 313, line 11, strike out "Secretary" and insert in lieu thereof "Commission".

Page 313, line 13, strike out "he" and insert in lieu thereof "it".

Page 313, line 14, strike out "he" and insert in lieu thereof "it".

Page 313, strike out lines 22-24.

Page 314, lines 12 and 13, strike out "Secretary" and insert in lieu thereof "Commission".

Page 315, line 6, strike out "Secretary" and insert in lieu thereof "Commission".

Page 315, line 19, strike out "Secretary" and insert in lieu thereof "Commission".

Page 316, line 4, strike out "Secretary" and insert in lieu thereof "Commission".

Page 316, line 8, strike out "him, he" and insert in lieu thereof "the Commission, it".

Page 316, line 10, strike out "he" and insert in lieu thereof "the Commission".

Page 316, line 13, strike out "He" and insert in lieu thereof "The Commission".

Page 317, line 10, strike out "Secretary" and insert in lieu thereof "Commission".

Page 317, line 13, strike out "Secretary" and insert in lieu thereof "Commission".

Page 317, line 17, strike out "Secretary" and insert in lieu thereof "Commission".

Page 317, line 21, strike out "he" and insert in lieu thereof "the Commission".

Page 318, line 1, strike out "Secretary" and insert in lieu thereof "Commission".

Page 318, line 4, strike out "he" and insert in lieu thereof "the Commission".

Page 318, line 15, strike out "Secretary" and insert in lieu thereof "Commission".

Page 318, line 23, strike out "the Secretary may, if he" and insert in lieu thereof "the Commission may, if it".

Page 319, line 23, strike out "Secretary" and insert in lieu thereof "Commission".

Page 320, line 5, strike out "Secretary" and insert in lieu thereof "Commission".

Page 320, line 9, strike out "Secretary" and insert in lieu thereof "Commission".

Page 320, lines 15 and 16, strike out "Secretary" and insert in lieu thereof "Commission".

Page 320, line 18, strike out "Secretary" and insert in lieu thereof "Commission".

Page 320, lines 20 and 21, strike out "Secretary" and insert in lieu thereof "Commission".

Page 321, line 3, strike out "Secretary" in both places it appears and insert in lieu thereof in both places "Commission".

Page 321, line 9, strike out "Secretary" and insert in lieu thereof "Commission".

Page 321, line 16, strike out "Secretary" and insert in lieu thereof "Commission".

Page 322, line 23, strike out "Secretary" and insert in lieu thereof "Commission".

Page 322, line 25, strike out "Secretary" and insert in lieu thereof "Commission".

Page 323, line 3, strike out "Secretary" and insert in lieu thereof "Commission".

Page 323, line 5, strike out "he" and insert in lieu thereof "the Commission".

Page 323, line 8, strike out "Secretary" and insert in lieu thereof "Commission".

Page 323, line 13, strike out "Secretary" and insert in lieu thereof "Commission".

Page 323, line 22, strike out "Secretary" and insert in lieu thereof "Commission" and strike out "he" and insert in lieu thereof "it".

Page 324, line 3, strike out "Secretary" and insert in lieu thereof "Commission".

Page 324, strike out lines 10 and 11, and insert in lieu thereof "persons subject to this part, the Commission may seek an order from the district court".

Page 327, line 3, strike out "Secretary" and insert in lieu thereof "Commission".

Page 327, strike out line 25 and line 1 on page 328, and insert in lieu thereof the following: "section 553 or 554. Such action may be brought in any United States district court for a".

Page 328, line 11, strike out "Secretary" and insert in lieu thereof "Commission".

Page 328, line 14, strike out "he" and insert in lieu thereof "the Commission".

Page 328, line 22, strike out "Secretary" and insert in lieu thereof "Commission".

Page 329, line 8, strike out "Secretary" in both places it appears and insert in lieu thereof in both places "Commission".

Page 330, line 6, strike out "The Secretary" and all that follows down through line 9.

Page 330, line 12, strike out "such agreement" and insert in lieu thereof "this part".

Page 330, strike out line 15, and all that follows down through line 10 on page 331 and insert in lieu thereof the following:

"(b) The Commission may enter into an agreement with the National Bureau of Standards to aid the Commission, on a reimbursable basis, in performing research and analyses related to energy use and energy efficiency of products, and in developing and recommending to the Commission test procedures, labeling requirements, and energy efficiency standards."

By Mr. PICKLE:

Page 223, after line 3, insert:

"COAL PRICE REGULATION

"Sec. 9(a) For the purposes of this section:

"(1) The term 'coal' means a mixture of hydrocarbons that existed in solid phase in underground reservoirs and remains solid when brought to the surface.

"(2) The term 'domestic coal' means coal produced in the United States.

"(3) The term 'producer' means a person who produces coal or any person who owns coal when it is produced.

"(4) The term 'property' means the right to produce domestic coal which arises from a lease or from a fee interest.

"(5) The term 'inflation adjustment factor' means an amount which equals

"(A) during the 45-month period commencing with the first full month after the date of enactment of this section, zero; and

"(B) after such 45-month period two-thirds of one percent (rounded to the nearest whole center) of the ceiling price (without addition of an inflation adjustment factor) compounded, for each month occurring after such 45-month period, up to and including the current month of coal production.

"(b) No producer may charge a price which is higher than the ceiling price for the first sale of coal except as provided in subsection (d).

"(c) The 'ceiling price' for the first sale of coal shall be the highest posted price at 6 o'clock antemeridian, local time, July 31, 1975, on such date for such grade of coal, at such field; or if there was no such posted price for such grade of coal at that field, the related price for such grade of coal which is most similar in kind and quality at the nearest field for which prices were posted at such time and date.

"(d) The ceiling may be increased by

"(1) the inflation adjustment factor; or

"(2) in the case of such sales from a property which the President, upon petition on a property-by-property basis, determines that an increase will significantly enhance production from such property; or

"(3) if the President determines the ceiling price should be modified. The modification shall become effective—

"(A) if the President transmits to the Congress a proposal to modify such amount in accordance with section 751(b) of the Energy Conservation and Oil Policy Act of 1975, accompanied by his findings with respect to the following matters:

"(i) the need for the proposed modification;

"(ii) the prices of imported and domestic coal and other fuels and forms of energy which are in fact anticipated to result from such modification;

"(iii) the impact of such modification upon domestic production and consumption of coal and other fuels and forms of energy;

"(iv) the impact of such modification and of the resulting prices of coal and other fuels and forms of energy upon living costs, employment and unemployment, and real incomes; and differential economic impacts among regions, socioeconomic groups, and industrial sectors of the United States;

"(v) the impact of such modification on competition in the coal industry; and

"(vi) the anticipated effects, with respect to the considerations in subparagraph (C) and (D) of this paragraph, of reasonable alternatives to such modification; and

"(B) if neither House disapproves (or both Houses approve) such proposal in accordance with the congressional review procedures specified in section 751 of such Act.

"(e) Section 5(a) of the Emergency Petroleum Allocation Act of 1973 is amended by adding at the end thereof the following:

"(3) A violation of section 9(b) of this Act shall be treated as if it were a violation of the regulation promulgated under section 4(a) of this Act."

"(b) The amendments made by this section shall take effect on the first day of the first full month following the date of enactment of this Act."

Redesignate the succeeding sections of title III accordingly.

By Mr. WAGGONNER:

In section 502. (a) (1) delete:

"1985 and thereafter................ 28.0".

In section 502. (a) (2) delete "an assessment of the ability of manufacturers to meet the average fuel economy standards for model year 1985 as specified in paragraph (1) of this subsection, and"

In section 502. (a) (3) (A) place a period "." after the phrase "average fuel economy level" and delete "and which will result in steady progress toward meeting the average fuel economy standard established under this subsection for model year 1985."

In section 502. (a) delete paragraph (4) and renumber paragraph (5) as paragraph "(4)".

By Mr. BROWN of Ohio:

Page 214, strike out line 1 through line 3 on page 223, as amended, and reinsert all of the matter so stricken except for section 301, as amended. Renumber the subsequent sections accordingly.

Page 223, immediately after line 3, strike out section 301, and renumber the subsequent sections accordingly.

Page 223, immediately after line 3 strike out Sections 301 and 302, and renumber the subsequent sections accordingly.

Page 214, strike out line 4 through line 3 on page 223 as amended by Mr. Staggers, and renumber the subsequent sections accordingly.

Page 214, strike out line 4 through line 3 on page 223 as amended by Mr. Staggers and Mr. Wright, and renumber the subsequent sections accordingly.

Strike out Section 301. Renumber the subsequent sections accordingly.

Strike out Sections 301 and 302. Renumber the subsequent sections accordingly.

Strike out Title III, as amended, and reinsert all except for Section 301, as amended. Renumber the subsequent sections accordingly.

SENATE—*Thursday, July 31, 1975*

The Senate met at 8:45 a.m., and was called to order by Hon. Dick Clark, a Senator from the State of Iowa.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Bless the Lord, O my soul: and all that is within me, bless His holy name. Bless the Lord, O my soul, and forget not all His benefits: Who forgiveth all thine iniquities; who healeth all thy diseases; Who redeemeth thy life from destruction; who crowneth thee with loving kindness and tender mercies; Who satisfieth thy mouth with good things; so that thy youth is renewed like the eagle's.—Psalms 103: 1–5.

O Thou who giveth life and light for each new day, grant to Thy servants here generous spirits, cheerful hearts, and ready wills that the hours may be well spent in service to others in this Nation and beyond. Help us to meet with quiet confidence whatever the day may bring. Guard us in temptation. Keep us always loyal to the highest and best after the example of the Master who went about doing good. In His holy name we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The **PRESIDING OFFICER**. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Eastland).

The legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, D.C., July 31, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. Dick Clark, a Senator from the State of Iowa, to perform the duties of the Chair during my absence.

James O. Eastland,
President pro tempore.

Mr. **CLARK** thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Wednesday, July 30, 1975, be dispensed with.

The **ACTING PRESIDENT** pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The **ACTING PRESIDENT** pro tempore. Without objection, it is so ordered.

ANNOUNCEMENT OF POSITION ON VOTE—S. 521

Mr. **MANSFIELD**. Mr. President, I am listed on the final vote on S. 521 as not voting. I was in the Chamber. I thought I had voted. I am not questioning the Record, but I wish to state that had I been allowed to vote I would have voted in the affirmative.

The **ACTING PRESIDENT** pro tempore. Does the acting minority leader seek recognition?

Mr. **GRIFFIN**. No, Mr. President.

SENATE RESOLUTION 145 PLACED ON CALENDAR UNDER "SUBJECTS ON THE TABLE"

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent that Calendar No. 279, Senate Resolution 145, resolution of disapproval of the President's proposal to decontrol old oil prices, be placed on the calendar under "Subjects on the Table."

The **ACTING PRESIDENT** pro tempore. Is there objection? If not, it is so ordered.

ORDER OF BUSINESS

The **ACTING PRESIDENT** pro tempore. Under the previous order, the Senator from Delaware (Mr. Roth) is recognized for not to exceed 15 minutes.

OPPOSITION TO BUSING OF STUDENTS FOR DESEGREGATION

INTRODUCTION OF SENATE JOINT RESOLUTION 119 AND SUBMISSION OF SENATE CONCURRENT RESOLUTION 60

Mr. **ROTH**. Mr. President, since the mid-1960's, when the courts began ordering the large-scale use of the schoolbus as the primary vehicle for desegregating the schools, the forced busing of students has come to occupy the storm center of sincere and legitimate concern, not only of parents and school administrators but of Congress and the President as well. So-called busing for desegregation has become the symbol of a massive reformist effort by the Federal courts and administrative agencies. Experience has shown that it is socially disruptive, financially burdensome, and administratively unfeasible.

In the process, the will of a vast majority of the American people, both black and white, has been callously ignored and subordinated to the views of a relative handful who are largely unaccountable to the people or their elected representatives. Through imposition of an ill-conceived theory of social justice, these judges and Federal bureaucrats have distorted the spirit of democratic government to achieve an end mandated neither by local or constitutional guarantee. The result has been intrusive Federal intervention in local affairs and the watering down of educational standards.

The forced busing of our schoolchildren is as wrong in constitutional theory as it is as a matter of social and educational policy. Today, few would argue with the decisions handed down some two decades ago by the Supreme Court in Brown against Board of Education. Brown was a libertarian decision which, when correctly interpreted, meant only this: No State may compel separation of the races in the public schools.

In other words, the States may not, on the basis of a child's race or color, designate where he is to attend school. Over the course of the last 20 years, however, the noble principle of Brown has been eroded to the point that we find the present-day court announcing that the 14th amendment, far from prohibiting the assignment of pupils on the basis of race, actually demands it. For the Court in Swann against Board of Education specifically endorsed student busing for the purpose of enforcing racial quotas in the public schools. The principal effect of this and subsequent High Court rulings is to require the assignment of students to the public schools of this Nation on the basis of race, in contravention of the letter and spirit of the Brown rulings. Thus, what began as a call to freedom for all children of this Nation has been tortured by subsequent judicial decision into a major threat to individual liberty and the local community.

That this result, which now obtains as the law of the land, was hardly contemplated by the Court in 1954 and 1955 when the Brown decisions were announced, or was even sought by the plaintiffs, is clear from the record in those cases. The proposition is nowhere better stated than in one of the petitioners' briefs which addressed the question of appropriate relief in school desegregation cases. There, counsel for petitioners eloquently argued:

> The Negro children before the court in these cases are entitled to public education on a non-segregated basis. The only way the relief can be meaningful to them is to abolish the policy of using race as a criterion for assignment of students. Thus, the only effective decree would be one which would enjoin the use of race in the assignment of any pupils in the school districts involved. (Memorandum Brief for Petitioners filed May 6, 1955 at pages 10–11.)

This statement takes on special significance when one realizes that its author was the lead counsel for petitioners in the case, Thurgood Marshall.

The Supreme Court decision of last year in the Detroit case, Bradley against Milliken, it might have been hoped, would stay the intemperate hand of various judges who had sought to further the process of desegregation of the schools by schemes requiring the transportation of students between inner city and suburban districts in major metropolitan areas. Recent disturbing developments since then, however, are beginning to make the Detroit ruling look like little more than a meaningless charade.

The Supreme Court this term refused to review cases from Indianapolis, Ind., and Louisville, Ky., where far-ranging plans involving the busing of thousands of students from their neighborhood schools to schools in the inner city and elsewhere in the metropolitan area had either been ordered or were under consideration. The order in the Louisville case, left standing by the Supreme Court, requires that some 30,000 children be bused between downtown Louisville and suburban Jefferson County.

A Federal district court in my own State of Delaware earlier this year made a ruling calling for the submission of a plan which, if approved, might open the way for compulsory busing between Wilmington and 11 suburban districts. Thus, it is clear that the social division and community turmoil that has attended the excessive actions of the Federal judiciary in the past can only intensify if the courts are permitted to continue their headlong assault on the neighborhood school which has traditionally been at the heart of the American educational system.

The widespread disruption to the community and educational system caused by court ordered busing is magnified in the lives of those most directly affected—the schoolchildren and their parents—whose individual freedom to choose a school, by their choice of a neighborhood in which to live, is being flagrantly violated. Homelife is disrupted by virtue of the additional time a family is kept apart while children are waiting for and riding buses to distant schools, when they could walk or ride to their neighborhood schools. This is compounded by the inevitable, and often realistic, fears experienced by both the parents and children at being sent off to a school in an unfamiliar area. Moreover, quality education and educational progress itself is often sacrificed because of these factors and due to the diversion of limited funds away from school facilities, equipment, teachers' salaries, and other educational purposes in order to meet insatiable transportation demands.

Additionally, children who are bused under court order are often deprived of an opportunity to engage in extracurricular activities which play an integral role in the total educational experience. The buses must leave on schedule and cannot wait for individual students involved in afterschool sports, band practice, dramatics, or other activities. Parental responsibilities or financial circumstances may make it impossible in many cases to drive to distant schools to pick up children who might otherwise profit from these activities. In such cases, forced busing amounts to a virtual prohibition against extracurricular activities. Parents may also be deprived of an opportunity to become involved in the schools, and the schools denied their support, through participation in groups and associations such as PTA which are so essential to improving the educational process.

It is indeed ironic that the tyrannical adherence of the courts to busing as a panacean approach to school desegregation is based in large part on social theories and assumptions that have recently been drawn into serious question. Much of the thrust toward school desegregation was provided by the 1966 Coleman report which produced certain findings that immediately captured widespread public attention. Specifically, that report purported to show that low-income black students performed better in classes with an economic and racial mix than did students in all black schools. Civil rights leaders seized upon the Coleman report to bolster their demands for school desegregation. And as the courts across the country began to order communities to integrate their schools, the study was cited regularly as the rationale for large scale busing.

Subsequent researchers have challenged this basic finding in light of more recent evidence. One outstanding survey demonstrating the questionable validity of the theories relied on by the courts was that reported by David J. Armor, associate professor of sociology at Harvard in 1972. Professor Armor had this to say of the implications of his findings on busing:

> It is obvious that the findings of integration research programs have serious implications for policy . . . The most serious question is raised for mandatory busing (or induced integration) programs. If the justification for mandatory busing is based upon an integration policy like the one we have tested here, then that justification has to be called into question. The data do not support the model on most counts. Public Interest Quarterly, Summer 1972, at page 114.

While urging more support for voluntary desegregation, he reached the following conclusion with respect to the courts' attempts to force integration by means of mandatory busing:

> Massive mandatory busing for purposes of improving student achievement and interracial harmony is not effective and should not be adopted at this time.

Earlier this year, Professor Coleman himself made public the results of a 5-year follow-up study on the long term impact of court ordered busing in 70 of the largest school districts in the country. Pointing to the prevalence of "white flight" by middle class white families to the suburbs or private schools when confronted with the possibility that their children would have to be bused by court order, Professor Coleman stated in a recent interview:

> Programs of desegregation have acted to further separate Blacks and Whites rather than bring them together. (National Observer, June 7, 1975, at pp. 1–18.)

Further commenting on the findings of his earlier report and the courts' use of it as a rationale for ordering large scale busing over the last decade, he observed:

> The report did imply that Blacks in integrated classrooms would perform better than their counterparts in black classrooms. But it was published before there was massive school desegregation so that it couldn't say what the results of massive busing would be. I think that the mistake was in the functioning of the courts. I think the country would have been better off if the report had not led to that result, busing. But again, I think the problem is not with the report but with the courts, which have used the expected benefit as a rationale for reorganizing the school systems.

Professor Coleman summed up the findings of his latest research in this way:

> The extremely strong reactions of individual whites in moving their children out of large districts engaged in massive and rapid desegregation suggests that in the long run the policies that have been pursued will defeat the purpose of increasing overall contact among races in the schools. It is clear that for this purpose to be achieved, there should have been greater attention to the reactions of whites with economic means to move. Yet the instrument through which most desegregation was accomplished—the courts—must be blind to such considerations. Other branches of government can initiate policies such as desegregation in ways that excite fewer fears among middle class parents, and thus generate less counter action. Thus, a major policy implication of this analysis is that in an area such as school desegregation, which has important consequences for individuals and in which individuals retain control of some actions that can in the end defeat the policy, the courts are probably the worst instrument of social policy.

The foregoing underscores the basic fallacy underlying the courts' approach to the problems of school desegregation. Instead of pursuing reasoned adjudication based on fundamental principles of constitutional law, the courts in recent years have departed from the Brown mandate and sought to impose sociological patterns in the school by means of costly forced busing of our children. In so doing, they have neglected their fundamental role under our constitutional system. That is, to interpret the Constitution and laws.

The courts are granted no power under the Constitution to determine the validity of social theory. Law under the Constitution is the guide for our courts, not the disproven—or unproven—assumptions of social theoreticians, no matter how well intentioned they may be. Federal fiat which claims to be juridical but is merely sociological has no place in this area. Professors Armor and Coleman, and others, have demonstrated the unsound and self-defeating character of the courts' sociological jurisprudence, and the Nation and our children must no longer be required to pay the price of the courts' errant ways.

Over several years in Congress, I have consistently opposed the forced busing of schoolchildren for whatever purpose and have supported my beliefs by my votes in both the House and Senate. My position has always been that the States and localities have the right to determine matters of educational policy for all their children, black and white, so long as officially enforced discrimination condemned by Brown is ended. In the first session of this Congress, I have sponsored two measures which would restore rightful control of the schools back to the local community and preserve the neighborhood school concept from further judicial assault. S. 634 proposes legislation which would prohibit the courts and Federal agencies from requiring local school districts to bus students as a condition to receiving Federal financial assistance. It would also prohibit the use of Federal funds to bus students without the express written consent of the parents. The other proposal, Senate Joint Resolution 29, would amend the Federal Constitution to prohibit the forced busing of students on the basis of race.

Mr. President, I am today introducing additional proposals which will help to clarify the educational and legal issues surrounding the busing of students and assist in the search for viable alternatives for achieving quality education for all our children. The first, Senate Concurrent Resolution 60, would make it the sense of Congress that the Federal courts and the Department of Health, Education, and Welfare halt the implementation of any desegregation plan or order requiring the busing of students until a thorough study of the subject has been completed. Senate Joint Resolution 119 would create a "National Commission on School Busing"—consisting of 15 members appointed by the President from educators, parents, and other qualified persons across the country—to conduct just such a study.

This Commission would be empowered to hold hearings, take testimony, and issue subpenas for the appearance of witnesses and the production of documents necessary to its investigations. Specifically, it would be authorized to examine the educational effects of federally ordered student busing, investigate possible alternatives to such plans, and determine the feasibility of legislative action—including a constitutional amendment. The Commission would be required to submit its final report to the President and Congress, together with its recommendations, not later than March 1, 1976.

We need this kind of Commission if we are to acquire sufficient information to meaningfully assess current Federal policies with regard to school desegregation. The courts and Federal agencies have too long made policy in this area on the basis of their best guess as to the relevant educational considerations and current social theories which have proved so unreliable over time. We must thoroughly reexamine the logic of those policies which have propelled the law of the land in a boomerang course from its laudable point of departure in Brown. Only in this way can we resolve once and for all the troublesome and divisive problem of forced busing and get on in earnest with the task of providing the best education for all our children.

Mr. President, I ask unanimous consent that the text of this joint resolution and concurrent resolution be printed at this point in the Record.

There being no objection, the resolutions were ordered to be printed in the Record, as follows:

S. Con. Res. 60

Whereas the effects of compulsory schoolbusing on the quality of education have not been assessed adequately,

Whereas alternative plans, projects, and programs designed to achieve quality education without the necessity of compulsory schoolbusing have not been assessed adequately: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that schoolbusing compelled by the order of any court or by a plan approved by the Department of Health, Education, and Welfare be discontinued until such time as a study of the effects of and alternatives to such schoolbusing is completed.

S.J. Res. 119

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That this joint resolution may be cited as the "National Commission on School Busing Act".

COMMISSION ESTABLISHED

Sec. 2. (a) There is established a commission to be known as the National Commission on School Busing (hereafter referred to as the "Commission").

(b) The Commission shall be composed of fifteen members appointed by the President from among individuals who are representative of educators, concerned parents, the law, and other individuals who are especially qualified to serve on the Commission.

(c) At no time shall more than eight of the members appointed under subsection (b) of this Act be persons who are members of the same political party.

(d) Any vacancy in the Commission shall not affect its powers but shall be filled in the same manner in which the original appointment was made, and subject to the same limitations with respect to party affiliations as the original appointment was made.

(e) Eight members shall constitute a quorum, but a lesser number may conduct hearings. The Chairman of the Commission shall be selected by the members from among the members.

FUNCTIONS OF THE COMMISSION

Sec. 3. (a) The Commission shall make a full and complete investigation with respect to school busing compelled by the order of any court or by a plan approved by the Department of Health, Education, and Welfare to achieve integration. Such study and investigation may include a consideration of—

(1) the necessity and feasibility of extraordinary measures including—

(A) amending the United States Constitution to prohibit compulsory school busing to achieve integration, and

(B) reopening court orders and plans approved by the Department of Health, Education, and Welfare which require such school busing in order to modify such plans and orders;

(2) the effect of such busing orders and plans upon the quality of education received by the children involved; and

(3) alternative plans, projects, and programs designed to achieve quality education without the necessity of such school busing.

(b) The Commission shall submit to the President and to the Congress such interim reports as it deems advisable, and not later than March 1, 1976, a final report of its study and investigation together with its recommendations, including recommendations for legislation, as it deems advisable. The Commission shall cease to exist sixty days after its final report is submitted.

POWERS AND ADMINISTRATIVE PROVISIONS

Sec. 4. (a) The Commission may, in carrying out the provisions of this joint resolution, sit and act at such times and places, hold such hearings, take such testimony, require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, administer oaths, and have such printing and binding done, as the Commission deems advisable.

(b) (1) Subpenas shall be issued under the signature of the Chairman or any member of the Commission designated by him and shall be served by any person designated by the Chairman or any such member. Any member of the Commission may administer oaths or affirmations to witnesses appearing before the Commission.

(2) The provisions of section 1821 of title 28, United States Code, shall apply to witnesses summoned to appear at any such hearing. The per diem and mileage allowances of witnesses so summoned under authority conferred by this section shall be paid from funds appropriated to the Commission.

(3) Any person who willfully neglects or refuses to appear, or refuses to qualify as a witness or to testify, or to produce any evidence in obedience to any subpena duly issued under authority of this section shall be fined not more than $500, or imprisoned for not more than six months, or both. Upon the certification by the Chairman of the Commission of the facts concerning any such willful disobedience by any person to the United States Attorney for any judicial district in which such person resides or is found, such Attorney shall proceed by information for the prosecution of such person for such offense.

(c) Subject to such rules and regulations as may be adopted by the Commission, the Chairman shall have the power to—

(1) appoint and fix the compensation of an executive director, and such additional staff personnel as may be necessary, without regard to the provisions of title 5, United States Code, governing appointments in the

competitive service, and without regard to chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but at rates not in excess of the maximum rate for GS–18 of the General Schedule under section 5332 of such title; and

(2) procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code, but at rates not to exceed $100 a day for individuals.

COMPENSATION OF MEMBERS

Sec. 5. (a) Members of the Commission who are otherwise employed by the Federal government shall serve without compensation but shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in carrying out the duties of the Commission.

(b) Members of the Commission not otherwise employed by the Federal government shall receive per diem at the maximum daily rates for GS–18 of the General Schedule when they are engaged in the performance of their duties as members of the Commission and shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in carrying out the duties of the Commission.

EXPENSES OF THE COMMISSION

Sec. 6. There are authorized to be appropriated such sums, but not to exceed $1,000,000, as may be necessary to carry out the provisions of this joint resolution.

Mr. BIDEN. Mr. President, I share the conviction of my senior colleague from Delaware (Mr. Roth) that busing is not the means to achieve equal educational opportunity. In fact, it seems to create more problems that it solves.

Unfortunately, Mr. President, proposals which come before the Senate dealing with this question are either blatantly unconstitutional, totally ineffective or so broad that they would not accomplish anything.

I support the proposals of Senator Roth. They are different. These resolutions will give Congress the chance to go on record as to whether it is for or against busing. It will give us a chance to tell the courts, the Department of Health, Education, and Welfare and, most importantly, the American people, that we are against busing. That it is the wrong approach. That it is a bankrupt policy.

I think that it is time that Congress recognized what educators from Prof. James Coleman to John Holt have told us. I think it is time that Congress recognized what black Americans like Washington Post columnist William Raspberry and activist Ericka Huggins have stated. I think it is time that Congress recognized the realities of school desegregation in the 20 years since Brown against Board of Education. It is time that we said "No more busing."

I think that those who continue to support busing do a disservice to those who are interested in improving the quality of education in this country. As Michael Novak pointed out in a recent article in the Wall Street Journal:

> What seems to have been forgotten is merely an instrument, a tool, a method, not an end.

Because busing is treated as an end and not a means, we lose sight of the real reason behind school desegregation and the real meaning behind Brown against Board of Education, namely that we want to assure that each child is given the opportunity to receive an equal education.

The busing issue prevents us from considering whether we ought to change the way we finance our schools or whether we ought to try a different program in our schools. Instead, we have to fight the busing question—an issue that nobody ever wins.

In his article, Mr. Novak points out that—

> Busing is, in important ways, the Vietnam of the 1970s. It is a quagmire; a lost cause.

I think this is an apt analogy Mr. President. In Vietnam we saw what happened when we stuck to a misguided, ineffective policy, even though the goal was laudable. Let us not repeat the mistake. It is time to cut our losses and end this policy before the busing controversy destroys not only our educational philosophy, but also our civil rights philosophy.

Mr. President, I ask unanimous consent that the Wall Street Journal article be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Busing—The Arrogance of Power

(By Michael Novak)

Busing is, in important ways, the Vietnam of the 1970s. It is a quagmire; a lost cause; taxation without representation; a policy of massive social engineering with little clear prospect of benefit; a mistake; a tragedy; breeder of endless demonstrations, riots, and dissent.

At last count, only 4% of whites and 9% of blacks favored busing. Only "the best and the brightest," it seems, as in Boston, favor it. They designed it, they impose it, and they will never suffer their children to experience it.

On its face, busing has racist presuppositions. A century ago, hardly literate immigrant Catholic young women established a massive parochial school system which soon rivaled the well-financed public schools in the quality of discipline, instruction, and social mobility they imparted. But the assumption behind busing is that blacks, unlike Catholic immigrants, cannot learn in largely separate environments. They need an infusion of "white magic." They can learn only among whites. This is a preposterous assumption. Excellent black schools like Dunbar in Washington give it the lie.

Busing arose as an issue in the South. There the court orders at first had the effect of *halting* busing—of allowing blacks to attend neighborhood schools rather than of being bused away from home to all-black schools.

JUDICIAL ASSUMPTIONS

Next, busing advanced in the South from being an issue in *de jure* segregation to being an issue in *de facto* segregation. In cities like Charlotte, historic patterns of residential segregation were diagnosed by the courts as having an unconstitutional effect on equal opportunity in schooling. Here the courts made fresh assumptions: that education in more or less homogeneous neighborhood schools are inequitable; and that historic residential patterns have the force of unjust coercion. (The courts *might* have commanded *residential* integration rather than *school* integration.)

The structure of the courts' reasoning becomes weaker and more dubious still when Northern cities like Boston, Buffalo, Pittsburgh, Detroit and others come into view. Consider the following propositions:

(1.) The traditional residential patterns of Northern cities over the last 100 years have always involved *de facto* ethnic segregation, not only for blacks, but for virtually every ethnic group.

(2.) In some cases, as in Boston and Detroit, more financial resources, federal programs, and educational experimentation have been lavished on predominantly black schools than on predominantly white ethnic schools of the working class. Rates of entrance into college, drop-out rates, and other indices of the status of such schools are often comparable.

(3.) Before 1900, 90% of all blacks lived in the South; and 90% of the white ethnics who now live in the Northern cities had not yet arrived. These two great migrations were not linked by slavery, were culturally almost totally unprepared for their future meeting, and came to their rendezvous with some different social skills, family traditions, disciplines, needs and aspirations.

(4.) The average child of black migrants to the North was academically three or four years behind his average white counterpart even though blacks had English as a mother tongue. Even today, the average black child is academically at least a year behind the average white.

(5.) The patterns of parental discipline in the typical white ethnic home, particularly as between fathers and sons, is quite different from the patterns of discipline in the home, not of middle class blacks, but of the most poor, despairing and suffering blacks.

(6.) The "street culture" of poor black students is of a different moral and emotional "life style" from that of both middle-class black and white ethnic students. In particular, incidences of premarital sexual expressions, illegitimate birth, hustling, intimidation, and disruptive behavior are significantly different.

(7.) The role of the family or family-substitute in bringing about differential attitudes, behaviors, and success in school is undoubtedly the greatest single factor influencing the classroom. The family is a more basic social unit than the school.

(8.) Class factors influence dramatically the attitudes, behaviors, aspirations and educational success of students in school.

(9.) Families choose their place of residence—or judge its merit—by their preference for its neighborhood school as much as, or more than, by any other factor.

If these propositions are true, then it must surely be predictable that 96% of the whites and 91% of the blacks would find busing a poor instrument for what a great majority, both black and white, also desire: a genuinely, peacefully integrated society.

What seems to have been forgotten is that busing is merely an *instrument, a tool, a method,* not an end. The most appropriate question with respect to busing, as for any instrument, is "Does it work?" However moral the instrument may sound, "What are its effects" is the central moral question.

In my view, busing of the Boston and Detroit sort is an immoral policy. It goes against the basic social principles of American life; against family, neighborhood, class, ethnic, and even educational realities which are so basic they are seldom even voiced. Working-class whites who are bused have too much to lose; they face possible downward mobility. Workingclass blacks or poor blacks have too little to gain; indeed, the ensuing experience of cultural segregation within the purportedly integrated schools can be embittering.

It would be lovely if greater contacts between persons from different cultures always led to greater understanding and good will. In fact, contact often reinforces the worst stereotypes. This is particularly likely where the contact is unequal—when those of a more suffering lower class, educationally behind their peers, become tangible proof to other children of realities they had heretofore held to the mere bigotry.

Human beings are not parts of a machine, to be anonymously fitted into slots. They approach each other from complicated past histories and diverse personal experiences. They do not perceive each other accurately, or easily find it possible to share honest transactions. Even highly educated blacks and whites often find honesty anguishingly difficult. What, then, about the less articulate? To ride roughshod over such histories is to exhibit gross human arrogance. It is to invite great human disaster. It is to destroy integration in the name of saying it.

EMBITTERING A GENERATION

Forced busing will set back the advances of civil rights made during the past generation by 20 years; a whole generation, and maybe another, will be embittered, just as South Boston and Roxbury are likely to be for decades to come. Family folklore will recount the ugly history for years.

Busing is to black equality what Prohibition was to the moral crisis of the Depression. It is a flaming moral issue of dubious social judgment. Now, as then, the fundamental problem is economic.

Blacks do not need buses; they need jobs. Having acquired solid jobs, the black family will have an economic base. Then school will be meaningful, and its lessons liberating and inspiring. The key to integration in the United States is a plan to allow every available black worker to work; and to rebuild and to beautify black homes and neighborhoods. For families increase their net worth not so much through wages as through real estate.

Most black neighborhoods were, hardly a generation ago, among the most solidly built and desirable in the Northern cities; restored, they would be far more valuable—as investments—than the filmsy modern housing of working-class suburbs. Under improved economic conditions, a black middle class and working class will integrate with whites as economic, social, cultural, and educational equals.

Economics first, education second. A cardinal principle both of Marx and of capitalism cannot be all wrong.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business of not to exceed 15 minutes with statements therein limited to 5 minutes.

Is there morning business?

AUTHORIZATION FOR CERTAIN ACTION TO BE TAKEN DURING ADJOURNMENT OF THE SENATE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that during the adjournment of the Senate until September 3, 1975, the Secretary of the Senate be authorized to receive messages from the President of the United States and from the House of Representatives; that the Vice President, President pro tempore, and Acting President pro tempore be authorized to sign duly enrolled bills and joint resolutions; and that committees be authorized to file their reports from 10 a.m. to 3 p.m. on August 18, 1975, and September 2, 1975.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD subsequently said: Previously I had propounded a unanimous-consent request relative to duly enrolled bills, joint resolutions, and so on, which was agreed to by the Senate. I ask that there be an exception insofar as the Senate Committee on Intelligence is concerned.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. This will not apply to that.

MESSAGES FROM THE HOUSE

At 2 p.m., a message from the House of Representatives by Mr. Berry announced that the House has passed, without amendment, the bill (S. 1849) to extend the Emergency Petroleum Allocation Act.

The message also announced that the House has agreed to, without amendment, the concurrent resolution (S. Con. Res. 57) authorizing the printing of additional copies of the report of the Select Committee To Study Governmental Operations With Respect to Intelligence Activities.

At 3:30 p.m., a message from the House of Representatives by Mr. Berry announced that the House has agreed to the concurrent resolution (H. Con. Res. 198) expressing the opposition of the Congress to any change in the present method of providing financial support for military commissaries through appropriations to meet their payroll costs, in which it requests the concurrence of the Senate.

The message also announced that the House has passed the bill (S. 2073) to authorize the American Indian Policy Review Commission to accept voluntary contributions of services and for other purposes, with amendments in which it requests the concurrence of the Senate.

At 5:57 p.m., a message from the House of Representatives by Mr. Berry announced that the House has passed the bill (S. 409) to increase the authorization for the Council on Wage and Price Stability, and to extend the duration of such Council, with an amendment in which it requests the concurrence of the Senate.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. Clark) laid before the Senate the following letters, which were referred as indicated:

Notice of Final Regulations and Guidelines on Assistance to States for State Equalization Plans

A letter from the Executive Secretary for the Department of Health, Education, and Welfare, transmitting, pursuant to law, notice of final regulations and guidelines on assistance to States for State Equalization Plans (Section 842, Part D, Title VIII, Education Amendments of 1974, P.L. 93–380) (with accompanying papers); to the Committee on Labor and Public Welfare.

Proposed Federal Employees' Flexible and Compressed Work Schedules Act of 1975

A letter from the Chairman, U.S. Civil Service Commission, transmitting a draft of proposed legislation to authorize employees and agencies of the Government of the United States to experiment with flexible and compressed work schedules as alternatives to present work schedules (with accompanying papers); to the Committee on Post Office and Civil Service.

Report on Implementation of the Federal Fire Prevention and Control Act of 1974

A letter from the Secretary of Commerce, transmitting, pursuant to law, the first annual report summarizing activities under the Federal Fire Prevention and Control Act of 1974, June 30, 1975 (with an accompanying report); to the Committee on Commerce.

Reports of the Comptroller General

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on productivity of military below-depot maintenance—repairs less complex than provided at depots—can be improved, Department of Defense, July 29, 1975 (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "If the United States Is To Develop An Effective International Narcotics Control Program, Much More Must Be Done," July 29, 1975 (with an accompanying report); to the Committee on Government Operations.

Annual Report of the Bonneville Power Administration

A letter from the Acting Secretary of the Interior, transmitting, pursuant to law, the annual report of the Bonneville Power Administration (with an accompanying report); to the Committee on Interior and Insular Affairs.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore (Mr. Clark):

Three resolutions adopted by the Governor and Council of the State of New Hampshire relating to the disputed Senate election in 1974; ordered to lie on the table.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. RANDOLPH, from the Committee on Public Works, without amendment:

H.R. 4241. An act to designate the John C. Kluczynski Federal Building (Rept. No. 94–348).

By Mr. BUCKLEY, from the Committee on Public Works, with amendments:

S. 865. A bill to promote more efficient use of the nation's construction resources, to foster the preservation of buildings of historic or architectural significance, and to enhance the social and economic environment within and surrounding Federal office buildings (Rept. No. 94–349).

By Mr. CHURCH, from the Committee on Interior and Insular Affairs, with amendments:

S. 151. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Polecat Bench area of the Shoeshone extension unit, Pick-Sloan Missouri Basin program, Wyoming, and for other purposes (Rept. No. 94–350).

By Mr. CHURCH, from the Committee on Interior and Insular Affairs, without amendment:

S. 1531. A bill to designate the Mountain Park Reservoir, Oklahoma, as the Tom Steed Reservoir (Rept. No. 94–351).

By Mr. MORGAN, from the Committee on Public Works, with amendments:

H.R. 6151. An act to authorize appropriations for services necessary to nonperforming arts functions of the John F. Kennedy Center (Rept. No. 94–352).

By Mr. PROXMIRE, from the Committee on Banking, Housing and Urban Affairs, with an amendment:

S. 1537. A bill to amend the Defense Production Act of 1950, as amended (Rept. No. 94–353).

By Mr. CHILES, from the Committee on Government Operations, with an amendment:

S. 5. A bill to provide that meetings of Government agencies and of congressional committees shall be open to the public, and for other purposes (Rept. No. 94–354).

By Mr. STEVENSON, from the Committee on Banking, Housing and Urban Affairs, without amendment:

H.R. 5884. An act to authorize appropriations for carrying out the provisions of the International Economic Policy Act of 1972, as amended, and for other purposes (Rept. No. 94–355).

By Mr. HASKELL, from the Committee on Interior and Insular Affairs, with an amendment:

S. 10. A bill to amend section 5(a) of the Wild and Scenic Rivers Act (Rept. No. 94–356).

S. 1004. A bill to amend the Wild and Scenic Rivers Act of 1968 by designating a portion of the Allegheny River, Pennsylvania, for potential addition to the National Wild and Scenic Rivers System (Rept. No. 94–358).

S. 1391. A bill to study certain lands in the Mendocino National Forest, California, for possible inclusion in the National Wilderness Preservation System (Rept. No. 94–359).

By Mr. HASKELL, from the Committee on Interior and Insular Affairs, with amendments:

S. 74. A bill to designate certain lands in the Angeles and San Bernardino National Forests as the "Sheep Mountain Wilderness" (Rept. No. 94–357).

H.R. 3979. An act to authorize appropriations for the Indian Claims Commission for fiscal year 1976 (Rept. No. 94–360).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. RANDOLPH, from the Committee on Public Works:

Brig Gen. Charles Irving McGinnis, Corps of Engineers, to be a member of the Mississippi River Commission under the provisions of section 2 of the Act of Congress approved 28 June 1879 (21 Stat. 37) (33 U.S.C. 642), vice Maj. Gen. Harold R. Parfitt, reassigned.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. PROXMIRE, from the Committee on Banking, Housing and Urban Affairs:

Irving M. Pollack, of Maryland, to be a member of the Securities and Exchange Commission.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. JACKSON, from the Committee on Interior and Insular Affairs:

Eric R. Zausner, of Virginia, to be a Deputy Administrator of the Federal Energy Administration.

Thomas E. Noel, of Virginia, to be an Assistant Administrator of the Federal Energy Administration.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. HARTKE, from the Committee on Commerce:

Asaph H. Hall, of Maryland, to be Administrator of the Federal Railroad Administration.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. HRUSKA, from the Committee on the Judiciary:

Richard D. Rogers, of Kansas, to be U.S. district judge for the district of Kansas.

JOINT REFERRAL OF A NOMINATION

Mr. JACKSON. Mr. President, on July 22, the nomination of Austin N. Heller to be an Assistant Administrator of ERDA was referred to the Committee on Interior and Insular Affairs. Mr. Heller's principal responsibilities will be in the area of energy conservation. Because the Commerce Committee has significant jurisdiction in the field of energy conservation, I ask unanmious consent that his nomination be jointly referred to the Interior and Commerce Committees.

The PRESIDING OFFICER. Without objection, it is so ordered.

HOUSE CONCURRENT RESOLUTION REFERRED

The concurrent resolution (H. Con. Res. 198) expressing the opposition of the Congress to any change in the present method of providing financial support for military commissaries through appropriations to meet their payroll costs was referred to the Committee on Armed Services.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. PROXMIRE (for himself and Mr. Tower) (by request):

S. 2233. A bill to amend the Federal Deposit Insurance Act (12 U.S.C. 1811–31b), and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. PROXMIRE:

S. 2234. A bill to abolish certain Federal agencies and for other purposes. Referred to the Committee on Government Operations.

By Mr. FANNIN (for Mr. Jackson) and himself (by request):

S. 2235. A bill to amend certain laws relating to livestock trespass on Indian lands. Referred to the Committee on Interior and Insular Affairs.

By Mr. TUNNEY (for himself and Mr. Cranston):

S. 2236. A bill to amend the National Labor Relations Act to provide that the duty to bargain collectively includes bargaining with respect to retirement benefits for retired employees. Referred to the Committee on Labor and Public Welfare.

By Mr. INOUYE:

S. 2237. A bill for the relief of Vladimir F. I. Velasco. Referred to the Committee on the Judiciary.

By Mr. HARTKE:

S. 2238. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 to provide for the establishment of safety standards for the living quarters of recreational vehicles, and for other purposes. Referred to the Committee on Commerce.

By Mr. HUGH SCOTT:

S. 2239. A bill to permit the enlistment of Vietnamese and Cambodian refugees into the Armed Forces of the United States under certain circumstances. Referred to the Committee on Armed Services.

S. 2240. A bill to authorize the Administrator of General Services to investigate the feasibility of a temporary transfer of the enrolled copy of the Declaration of Independence from the custody of the National Archives to the custody of the Secretary of the Interior. Referred to the Committee on Government Operations.

By Mr. TUNNEY:

S. 2241. A bill entitled "The Utility Tax Deductibility Act." Referred to the Committee on Finance.

S. 2242. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit for a portion of utility cost incurred by individuals in connection with their principal residence. Referred to the Committee on Finance.

By Mr. NUNN:

S. 2243. A bill to revise and improve the child support program established by part D of title IV of the Social Security Act. Referred to the Committee on Finance.

By Mr. MAGNUSON:

S. 2244. A bill to amend the Natural Gas Act. Referred to the Committee on Commerce.

By Mr. FONG:

S. 2245. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968, to include the Trust Territory of the Pacific Islands. Referred to the Committee on the Judiciary.

By Mr. BEALL (for himself and Mr. Ford):

S. 2246. A bill to amend the Communications Act of 1934 with respect to the renewal of licenses for the operation of broadcasting stations. Referred to the Committee on Commerce.

By Mr. BENTSEN (for himself and Mr. Hugh Scott):

S. 2247. A bill to authorize the President to suspend participation and to withhold payment of expenses with respect to any organ, commission, or other body of the United Nations which discriminatorily applies to any procedural rule or discriminatorily imposes any sanction. Referred to the Committee on Foreign Relations.

By Mr. MOSS:

S. 2248. A bill to amend the Federal Cigarette Labeling and Advertising Act to require the Federal Trade Commission to establish acceptable levels of tar and nicotine content of cigarettes. Referred to the Committee on Commerce.

By Mr. SCHWEIKER (for himself and Mr. HUGH SCOTT):

S. 2249. A bill to authorize and direct the Secretary of Transportation to carry out a demonstration project for construction of a highway between Buffalo, N.Y., and Princeton, W. Va. Referred to the Committee on Public Works.

By Mr. MONDALE (for himself, Mr. STAFFORD, Mr. BUMPERS, Mr. HATFIELD, Mr. INOUYE, Mr. KENNEDY, Mr. LEAHY, Mr. METCALF, and Mr. YOUNG):

S. 2250. A bill to provide for a program of research to help better understand, identify, and to the extent possible, prevent or relieve pressures on families. Referred to the Committee on Labor and Public Welfare.

By Mr. ABOUREZK (for himself and Mr. MCGOVERN):

S. 2251. A bill to amend the Water Resources Development Act of 1974 relating to the project to provide bank stabilization works for the protection of the Sacred Heart Hospital in Yankton, S. Dak. Referred to the Committee on Public Works.

By Mr. ABOUREZK:

S. 2252. A bill to amend section 402 of title 23, United States Code, relating to highway safety programs. Referred to the Committee on Public Works.

By Mr. BELLMON (for himself and Mr. BARTLETT):

S. 2253. A bill to amend section 3015 of title 10, United States Code, to provide that the Chief of the National Guard Bureau shall be appointed to the reserve grade of lieutenant general. Referred to the Committee on Armed Services.

By Mr. BURDICK:

S. 2254. A bill to amend the Occupational Safety and Health Act of 1970 to improve the administration of that Act with respect to small businesses. Referred to the Committee on Labor and Public Welfare.

By Mr. McCLELLAN (for himself, Mr. HUGH SCOTT, Mr. PHILIP A. HART, and Mr BURDICK):

S. 2255. A bill for the general revision of the Patent Laws, title 35 of the United States Code, and for other purposes. Referred to the Committee on the Judiciary.

By Mr. CLARK:

S. 2256. A bill to amend the United States Grain Standards Act in order to establish a Federal Grain Inspection Agency, to require that inspections made under such Act be made by Federal employees, and for other purposes. Referred to the Committee on Agriculture and Forestry.

By Mr. CASE:

S. 2257. A bill to amend the Act of September 5, 1962, to authorize the acquisition of land for the Edison National Historic Site in the State of New Jersey, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. GRIFFIN (for himself, Mr. PHILIP A. HART, Mr. MAGNUSON, Mr. PEARSON, Mr. BEALL, Mr. HARTKE, and Mr. MOSS):

S.J. Res. 120. A joint resolution to authorize and request the President to issue a proclamation designating the period from September 2, 1975, through September 8, 1975, as "National School Bus Safety Week". Referred to the Committee on the Judiciary.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 865

At the request of Mr. BUCKLEY, the Senator from Maine (Mr. MUSKIE) and the Senator from New Mexico (Mr. DOMENICI) were added as cosponsors of S. 865, a bill to promote more efficient use of the Nation's construction resources.

S. 1908

At the request of Mr. MANSFIELD (for Mr. MAGNUSON), the Senator from California (Mr. TUNNEY) was added as cosponsor of S. 1908, a bill to regulate commerce by directing the Secretary of Commerce to establish and maintain an industrial energy conservation program, and for other purposes.

S. 1916

At the request of Mr. CLARK, the Senator from Minnesota (Mr. HUMPHREY), the Senator from Michigan (Mr. HART), the Senator from Arkansas (Mr. BUMPERS), the Senator from Vermont (Mr. LEAHY), the Senator from South Dakota (Mr. MCGOVERN), and the Senator from Indiana (Mr. HARTKE) were added as cosponsors of S. 1916, a bill to provide public employment conservation jobs in rural areas.

S. 1926

At the request of Mr. SCHWEIKER, the Senator from Colorado (Mr. HASKELL) was added as a cosponsor of S. 1926, the Health Maintenance Organization Amendments of 1975.

S. 1962

At the request of Mr. CLARK, the Senator from New York (Mr. JAVITS) was added as a cosponsor of S. 1962, a bill to allow foster grandparents to continue serving mentally retarded children after the children reach age 18.

S. 1985

At the request of Mr. TOWER, the Senator from Oregon (Mr. HATFIELD) was added as a cosponsor of S. 1985, a bill entitled "The Farmers Market Act of 1975."

S. 2098

At the request of Mr. HASKELL, the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 2098, a bill to limit potential or existent conflicts of interest on the part of elected and appointed officers and employees of the Government.

S. 2145

At the request of Mr. CRANSTON, the Senator from West Virginia (Mr. RANDOLPH) was added as a cosponsor of S. 2145, a bill to provide Federal financial assistance to States in order to assist local educational agencies to provide public education to Vietnamese and Cambodian refugee children.

S. 2165

At the request of Mr. MANSFIELD (for Mr. MAGNUSON), the Senator from Kansas (Mr. PEARSON) was added as a cosponsor of S. 2165, a bill to amend the provisions of title XIII of the Federal Aviation Act of 1958, as amended, relating to war risk insurance.

S. 2180

At the request of Mr. ABOUREZK, the Senator from North Dakota (Mr. BURDICK) was added as a cosponsor of S. 2180, a bill to amend the Community Development Act of 1974 and revise the allocation formula.

SENATE JOINT RESOLUTION 65

At the request of Mr. INOUYE, the Senator from Maryland (Mr. BEALL) was added as a cosponsor of Senate Joint Resolution 65, to authorize and request the President to call a White House Conference on Women in 1976.

SENATE JOINT RESOLUTION 105

At the request of Mr. CLARK, the Senator from Rhode Island (Mr. PELL) and the Senator from Massachusetts (Mr. BROOKE) were added as cosponsors of Senate Joint Resolution 105, to strengthen the foreign relations of the United States.

SENATE RESOLUTION 214

At his own request, the Senator from Texas (Mr. TOWER) was added as a cosponsor of Senate Resolution 214, to express concern over attempts to expel Israel from the United Nations.

SENATE CONCURRENT RESOLUTION 60—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO SCHOOLBUSING

(Referred to the Committee on Labor and Public Welfare.)

Mr. ROTH submitted a resolution to express the sense of the Congress that compulsory schoolbusing be discontinued until such time as an adequate study of the effects of such busing and alternatives to it is completed.

[Mr. ROTH's remarks on the above concurrent resolution are printed earlier in the RECORD.]

AMENDMENTS SUBMITTED FOR PRINTING

OIL DEREGULATION AND WINDFALL PROFITS TAX

AMENDMENT NO. 854

Mr. LONG submitted the following amendment which was ordered to be printed and to lie on the table:

AMENDMENT NO. 854

TITLE II—OIL DEREGULATION AND WINDFALL PROFITS TAX

SEC. 201. EFFECTIVE DATES.

(a) IN GENERAL.—Chapter 44 of the Internal Revenue Code of 1954, as added by this Act, shall not take effect unless the regulations promulgated under section 4 of the Emergency Petroleum Allocation Act of 1973 cease to be in effect.

(b) Period to Which Chapter 44 is Applicable.—The provisions of chapter 44 of the Internal Revenue Code of 1954 apply to—

(1) crude oil produced after—

(A) August 31, 1975, or

(B) the last day of the last calendar month ending before the date on which the Emergency Petroleum Allocation Act of 1973 ceases to be in effect,

whichever is later, and

(2) The first sale of natural gas liquids or natural gas liquid products occurring after August 31, 1975, and before October 1, 1975.

(c) Termination Date.—The tax imposed by section 4981 of the Internal Revenue Code of 1954, as added by this Act, applies only to crude oil produced not more than 66 calendar months after the month in which such tax first applies.

SEC. 202. DEREGULATION AND WINDFALL PROFITS TAX; PLOWBACK CREDIT.

(a) IN GENERAL.—

(1) AMENDMENT OF SUBTITLE D.—Subtitle D (relating to miscellaneous excise taxes) of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new chapter:

"CHAPTER 44—DEREGULATION AND WINDFALL PROFITS TAXES

"Subchapter A. Oil deregulation and windfall profits taxes.

"Subchapter B. Natural gas liquids deregulation profits taxes.

"Subchapter A—Oil Deregulation and Windfall Profits Tax

"Sec. 4981. Imposition of tax.
"Sec. 4982. Amount of tax.
"Sec. 4983. Plowback credit against tax.
"Sec. 4984. Definitions and special rules.
"Sec. 4985. Records and information; regulations.

"Sec. 4981. Imposition of Tax.

"(a) Imposition of Tax.—There is hereby imposed—

"(1) on the deregulation profits from deregulated oil, and

"(2) on the windfall profits from other oil, removed from the premises during each taxable period an excise tax as provided in this chapter.

"(b) By Whom Paid.—Except as provided in section 4983(e), the tax imposed by this section shall be paid by the person entitled to the deduction under section 611 for depletion with respect to the crude oil.

"Sec. 4982. Amount of Tax.

"(a) In General.—The tax imposed by section 4981 shall be an amount equal to 90 percent of the deregulation profit or windfall profit, as the case may be, from each taxable barrel of crude oil removed from the premises.

"(b) Fractional Part of Barrel.—In the case of a fraction of a barrel, the tax imposed by section 4981 shall be the like fraction of the amount of such tax imposed on a whole barrel.

"(c) Limitation.—The amount of tax imposed under section 4981 on a barrel of taxable crude oil may not exceed an amount equal to 75 percent of the net income attributable to such barrel. For purposes of the preceding sentence, the net income attributable to a barrel shall be determined—

"(1) by taking the taxable income from the property (within the meaning of section 613(a)) for the taxable period, computed without an allowance for depletion and without any deduction for the tax imposed by section 4981 or for costs deductible under section 263(c) (other than those incurred in drilling a nonproductive well), and

"(2) by dividing such taxable income by the number of barrels of all crude oil produced from such property during such taxable period."

"Sec. 4983. Plowback Credit Against Tax.

"(a) General Rule.—There shall be allowed to each person liable for the tax imposed by section 4981 for any taxable period, as a credit against such tax, an amount equal to such person's plowback investment for such taxable period.

"(b) Limitation.—The amount of the credit allowed under subsection (a) for any taxable period shall not exceed 25 percent of the taxpayer's liability for tax under section 4981 for that period.

"(c) Plowback Investment.—For purposes of this chapter, a person's plowback investment for any taxable period is the excess of—

"(1) his qualified investment for such taxable period, over

"(2) his plowback threshold for such taxable period.

"(d) Recomputation of Tax and Credit on Cumulative Basis.—

"(1) In general.—In the case of each taxable period (hereinafter in this subsection referred to as 'current period') ending after December 31, 1975, the taxpayer's liability for the tax imposed by section 4981 and his credit under this section shall be recomputed by treating the current period and all prior taxable periods as one taxable period (hereinafter in this subsection referred to as 'recomputation period').

"(2) Effect of recomputation.—If the sum of the taxpayer's net tax liability for the current period and for each prior taxable period exceeds his net tax liability for the recomputation period—

"(A) a portion of such excess (not greater than the amount by which the tax imposed by section 4981 for the current period is greater than the credit allowable by this section for the current period) shall be applied to, and shall reduce, the amount of the tax imposed by section 4981 for the current period, and

"(B) the remainder of such excess shall be treated as an overpayment of the tax imposed by section 4981 for the current period.

"(3) Net tax liability defined.—For purposes of this subsection, the term 'net tax liability' means, with respect to any taxable period, the excess (if any) of the amount of the tax imposed by section 4981 for such period (or, in the case of the recomputation period, would be imposed for such period) over the credit allowable by this section for such period.

"(4) Adjustment of net tax liability for prior adjustments under this subsection.—For purposes of this subsection, if for any taxable period before the current period the application of this subsection resulted in a reduction in tax liability or an overpayment of tax (or both) under paragraph (2), the excess referred to in paragraph (2) for the current period shall be reduced by an amount equal to the sum of all such reductions and overpayments.

"(e) Liability for Tax in Case of Certain Production Payments.—If a portion of the crude oil removed from a property is applied during the taxable year in partial or complete discharge of a production payment which—

"(1) qualifies as an economic interest in the property, and

"(2) is not limited by time or to a specified number of units, but will be fully discharged only when a specified dollar amount (plus interest or other charges, if any) has been received by the holder of the production payment,

then the tax imposed by section 4981 on such portion of the crude oil shall be paid by the owner of the economic interest burdened by such production payment. In any case in which such owner can establish that the production payment could not have been ultimately discharged but for the deregulation or windfall profits on the crude oil applied against the production payment, the owner of the economic interest shall be entitled to recover from the holder of the production payment such tax paid by such owner on the oil applied against the production payment.

"Sec. 4984. Definitions and Special Rules.

"(a) Deregulation Profit; Windfall Profit.—

"(1) In general.—For purposes of this chapter, the terms 'deregulation profit' and 'windfall profit' mean an amount equal to the excess of the removal price of the barrel of taxable crude oil over the sum of—

"(A) the base price for such barrel, and

"(B) that portion of any severance tax imposed with respect to such barrel which may, under the rules of paragraph (3), be taken into account.

"(2) Severance tax rules.—

"(A) In general.—For purposes of paragraph (1)(B), there shall be taken into account the amount by which any severance tax imposed with respect to a barrel exceeds the severance tax which would have been imposed if—

"(i) in the case of deregulated oil, the barrel of oil had been extracted and sold on July 31, 1975, at the ceiling price in effect on such date determined in the manner provided in section 150.353 of the regulations prescribed by the Cost of Living Council, as such regulations were in effect on such date, for domestic crude oil of the same grade and location, and

"(ii) in the case of oil other than deregulated oil, the barrel of oil had been extracted and sold at $11.50 a barrel.

"(B) Certain increases in tax disregarded.—For purposes of this paragraph that portion of any severance tax imposed with respect to a barrel which exceeds the smaller of—

"(i) the amount of severance tax which would have been imposed under the law under which such tax is imposed as it was in effect on July 31, 1975, or

"(ii) the amount of the severance tax which was imposed during the period for which the determination is being made,

shall be disregarded.

"(b) Removal Price.—For purposes of this chapter—

"(1) In general.—Except as otherwise provided in this chapter, the term 'removal price' means the amount for which the barrel of oil is sold.

"(2) Sales between related persons.—In the case of a sale between related persons (within the meaning of section 103(c)(6)(C)), the removal price shall be not less than the constructive sales price for purposes of determining gross income from the property under section 613.

"(3) Oil removed from premises before sale.—If crude oil is removed from the premises before it is sold, the removal price shall be the constructive sales price for purposes of determining gross income from the property under section 613.

"(4) Refining begun on premises.—If the manufacture or conversion of crude oil into refined products begins before such oil is removed from the premises—

"(A) such oil shall be treated as removed on the day such manufacture or conversion begins, and

"(B) the removal price shall be the constructive sales price for purposes of determining gross income from the property under section 613.

"(5) Meaning of terms.—As used in this subsection, the terms 'premises' and 'refined product' have the same meaning as when used for purposes of determining gross income from the property under section 613.

"(c) Base Price.—For purposes of this chapter—

"(1) Base price.—For purposes of this subchapter—

"(A) Deregulated oil.—The term 'base price' for deregulated oil is the ceiling price determined under section 212.73 of title 10 of the Code of Federal Regulations as prescribed by the Federal Energy Administration under the Emergency Petroleum Allocation Act of 1973, as such regulations were in effect on June 30, 1975, plus the amount of the inflation adjustment determined under paragraph (2).

"(B) Other oil.—The term 'base price' for oil other than deregulated oil is $11.50 per barrel, plus the amount of the inflation adjustment determined under paragraph (2).

"(2) Inflation adjustment.—For purposes of paragraph (1), the amount of the inflation adjustment for any barrel for any calendar month is the product (rounded to the nearest whole cent) of the base price multiplied by one-half of 1 percent for each calendar month ending after August 31, 1975, and before the calendar month for which the inflation adjustment is being determined.

"(d) Taxable Oil.—

"(1) In general.—The provisions of this chapter apply to so much of the production of crude oil from any property (other than from a stripper well) as does not exceed—

"(A) the number of barrels produced from such property and sold or removed from the premises during the month, or

"(B) the adjusted base price control quantity for such property for the month,

whichever is less.

"(2) Base price control quantity.—For purposes of this subsection—

"(A) Deregulated oil.—The base price control quantity for deregulated oil is the average monthly number of barrels from any property for the 3-month period ending June 30, 1975. In the case of any property from which production does not occur for the entire 3-month period, or in the case of any property which is not in full production during the entire 3-month period, the average monthly production shall be determined under regulations prescribed by the Secretray or his delegate.

"(B) Other oil.—The base price control quantity for oil other than deregulated oil is the number of barrels of oil other than deregulated oil from any property for the month for which the determination is being made.

"(3) Adjusted base price control quantity.—For purposes of this subsection, the adjusted base price control quantity for any month is an amount equal to the base price control quantity reduced (but not below zero) by an amount equal to 1.5 percent of the base price control quantity multiplied by the number of calendar months ending after August 31, 1975, and before the month for which taxable domestic crude oil is being determined.

"(e) Qualified Investment.—For purposes of this chapter, any person's qualified investment for any taxable period is the amount paid or incurred by such person during such taxable period (with respect to areas within the United States or a possession of the United States) for—

"(1) intangible drilling and development costs to which section 263(c) applies or geological and geophysical costs described in subsection (g)(7),

"(2) the construction, reconstruction, erection, or acquisition of the following items (but only if the original use of such items begins with such person):

"(A) depreciable assets used for the exploration for, or the development or production of, oil or gas (including development or production from oil shale),

"(B) pipelines used for gathering crude oil from wells in a field (or under a lease) to the point at which the removal price is determined, and

"(C) the trans-Alaskan pipeline or any portion thereof;

"(3) secondary or tertiary recovery of oil or gas, and

"(4) the purchase of qualified plowback stock (within the meaning of subsection (g)(8)).

"(f) Plowback Threshold.—For purposes of this chapter, any person's plowback threshold for any taxable period is an amount equal to the sum of—

"(1) 40 percent of the base price for deregulated oil (determined under subsection (c)(1)(A) but without regard to the inflation adjustment in paragraph (2) of subsection (c)) multiplied by an amount equal to the sum of the lesser of—

"(A) the number of barrels of crude oil produced, or

"(B) the base price control quantity for each of such person's oil producing properties, and

"(2) in the case of a corporation, amounts received during the taxable period for qualified plowback stock.

"(g) Other Definitions.—For purposes of this chapter—

"(1) Crude oil.—The term 'crude oil' includes field or lease condensates recovered from a gas well in lease separators or field facilities.

"(2) Domestic crude oil.—The term 'domestic crude oil' means crude oil produced from an oil or gas well located in the United States or in a possession of the United States.

"(2A) Deregulated oil.—The term 'deregulated oil' means so much of the crude oil produced from any property as could not be sold at a price above the maximum price allowable for oil of the same grade and location, and produced during the same month of the year, under section 212.73 of title 10 of the Code of Federal Regulations, as such section was in effect on June 30, 1975, determined without regard to whether such section is in effect for the month in which such oil is produced.

"(3) Barrel.—The term 'barrel' means 42 United States gallons.

"(4) United states.—The term 'United States' has the meaning given to such term by paragraph (1) of section 638 (relating to Continental Shelf areas).

"(5) Possession of the united states.—The term 'possession of the United States' has the meaning given to such term by paragraph (2) of section 638.

"(6) Taxable period.—The term 'taxable period' means—

"(A) the period beginning on the first day of the first calendar month beginning after the date of the enactment of this chapter and ending at the close of December 31, 1976,

"(B) each calendar year beginning after December 31, 1976, and ending before January 1, 1981, and

"(C) the period beginning on January 1, 1981, and ending on March 31, 1981.

"(7) Geological and geophysical costs.—The term 'geological and geophysical costs' means expenditures for ascertaining the existence, location, extent, or quality of any deposit of crude oil or natural gas.

"(8) Qualified plowback stock.—For purposes of this section the term 'qualified plowback stock' means shares (including fractional shares) of an issue of common stock in a corporation engaged in the production of oil or gas which are specifically designated as issued for purposes of financing qualified investments (within the meaning of section 4983). For purposes of the preceding sentence, a corporation shall not be treated as being engaged in the production of oil or gas if the corporation, or any member of an affiliated group (within the meaning of section 1563) has not made qualified investments at least equal to its plowback threshold (within the meaning of subsection (8)) for any taxable period prior to the taxable period in which such shares of stock are issued.

"(h) Members of Affiliated Group Treated as One Person.—If two or more corporations are members of an affiliated group making a consolidated return with respect to the tax imposed by chapter 1 for a taxable year or years which include any entire taxable period, such corporation shall be treated as one person for purposes of the tax imposed by section 4981 for such taxable period and for purposes of the credit against such tax allowable under section 4983 in such period.

"(i) Exemptions.—

"(1) Stripper oil.—The provisions of this subchapter do not apply to oil from a stripper well. For purposes of this paragraph the term 'stripper well' means a property which is a stripper well lease as defined in section 210.32 of title 10 of the Code of Federal Regulations as such regulations are in effect on June 30, 1975.

"(2) Imported oil.—The provisions of this subchapter do not apply to oil produced outside of the United States and its possessions.

"(3) State and local government royalty income.—The provisions of this chapter do not apply to deregulation profit or windfall profit accruing to a State, a political subdivision of a State, or to an agency or instrumentality thereof to the extent that such profit is attributable to a royalty interest held by such State, political subdivision, agency, or instrumentality. Under regulations prescribed by the Secretary or his delegate, the provisions of this paragraph do not apply to so much of such profit as is payable to such State, political subdivision, agency, or instrumentality under an agreement between, or including, a State, political subdivision of a State, or an agency or instrumentality thereof and any other person determined by the Secretary or his delegate to have been entered into for the purpose of avoiding the payment of the tax imposed by section 4981 or section 4991 on such other person with respect to deregulation or windfall profit which, but for such agreement, would be payable by him.

"(4) Certain charitable organizations.—In the case of an organization described in section 501(c)(3) which is exempt from tax under subtitle A which, under applicable State or local law, or under a provision in its governing documents which cannot be changed, is not permitted (and was not, on April 1, 1974, permitted) to pay or incur amounts for any of the purposes set forth in subsection (e) (relating to qualified investment), such organization shall be treated, for purposes of this subchapter as having a qualified investment for each taxable period in an amount equal to the maximum qualified investment creditable under section 4983 or 4992 (as may be appropriate) for that organization for the taxable period.

"Sec. 4985. Records and Information; Regulations.

"(a) Records and Information.—Each person liable for tax under section 4981 and section 4901, each partnership, trust, or estate producing domestic crude oil, each purchaser of domestic crude oil, and each operator of a well from which domestic crude oil was produced, shall keep such records, make such returns, and furnish such information with respect to such oil as the Secretary or his delegate may by regulations prescribe.

"(b) Regulations.—The Secretary or his delegate shall prescribe such regulations as may be necessary to carry out the purposes of this chapter.

"Subchapter B—Natural Gas Liquid Deregulation Profits Tax

"Sec. 4991. Natural gas liquids and natural gas liquid products.
"Sec. 4992. Plowback credit against tax.
"Sec. 4993. Definitions and special rules.

"(a) Imposition of Tax.—There is hereby imposed on the deregulation profits from taxable natural gas liquids and taxable natural gas liquid products sold in a first sale (within the meaning of subpart K of part 212 of title 9, Code of Federal Regulations, as in effect on June 30, 1975) during each taxable period an excise tax as provided in this subchapter.

"(b) Amount of Tax.—

"(1) In general.—The tax imposed under subsection (a) shall be an amount equal to 90 percent of the deregulation profit from each gallon of taxable natural gas liquids or taxable natural gas liquid products.

"(2) Fractional part of a gallon.—In the case of a fraction of a gallon, the tax imposed under subsection (a) shall be the like fraction of the amount of tax imposed on a whole gallon.

"(c) By Whom Paid.—The tax imposed by this section shall be paid by the person making the first sale (within the meaning of section 212.162, title 10, Code of Federal Regulations, as in effect on June 30, 1975) of taxable natural gas liquids or taxable natural gas liquid products.

"(d) Net-Backs.—For purposes of any net-back sale (within the meaning of section 212.162 of title 10, Code of Federal Regulations, as in effect on June 30, 1975) the amount of any tax paid pursuant to this section shall be treated as revenue which is not subject to the net-back agreement.

"(e) Limitation.—The amount of tax imposed under section 4981 on a gallon of taxable natural gas liquids or taxable natural gas liquid products may not exceed an amount equal to 75 percent of the net income attributable to such gallon. For purposes of the preceding sentence, the net income attributable to a gallon shall be determined—

"(1) by taking the taxable income from first sales of taxable natural gas liquids and taxable natural gas liquid products by the person subject to tax under this section during the taxable period, computed without any deduction for the tax imposed by this section, and

"(2) by dividing such taxable income by the number of gallons of taxable natural gas liquids and taxable natural gas liquid products sold by such person in such taxable period.

"Sec. 4992. Plowback Credit Against Tax

"(a) General Rule.—There shall be allowed to each person liable for the tax imposed by section 4991 for any taxable period as a credit against such tax, an amount equal to such person's plowback investment for such taxable period.

"(b) Limitation.—The amount of the credit allowed under subsection (a) for any taxable period shall not exceed the liability for the tax imposed under section 4991 of such person for such period.

"(c) Plowback Investment.—For purposes of this subchapter, a person's plowback investment for any taxable period is the amount paid or incurred by such person during such taxable period (with respect to areas within the United States or a possession of the United States) for the construction, reconstruction, erection, or acquisition of gas plants, or depreciable assets used in gas plants (within the meaning of section 212.162 of title 10, Code of Federal Regulations, as in effect of June 30, 1975) or pipelines used for transporting natural gas liquids to gas plants, but only if the original use of such property begins with such person.

"(d) Recomputation of Tax and Credit on Cumulative Basis.—

"(1) In General.—In the case of each taxable period (hereinafter in this subsection referred to as 'current period') ending after December 31, 1975, the taxpayer's liability for the tax imposed by section 4991 and his credit under this section shall be recomputed by treating the current period and all prior taxable periods as one taxable period (hereinafter in this subsection referred to as 'recomputation period').

"(2) Effect of recomputation.—If the sum of the taxpayer's net tax liability for the current period and for each prior taxable period exceeds his net tax liability for the recomputation period—

"(A) a portion of such excess (not greater than the amount by which the tax imposed by section 4991 for the current period is greater than the credit allowable by this section for the current period) shall be applied to, and shall reduce, the amount of the tax imposed by section 4991 for the current period, and

"(B) the remainder of such excess shall be treated as an overpayment of the tax imposed by section 4991 for the current period.

"(3) Net tax liability defined.—For purposes of this subsection, the term 'net tax liability' means, with respect to any taxable period, the excess (if any) of the amount of the tax imposed by section 4991 for such period (or, in the case of the recomputation period, would be imposed for such period) over the credit allowable by this section for such period.

"(4) Adjustment of net tax liability for prior adjustments under this subsection.—For purposes of this subsection, if for any taxable period before the current period the application of this subsection resulted in a reduction in tax liability or an overpayment of tax (or both) under paragraph (2), the excess referred to in paragraph (2) for the current period shall be reduced by an amount equal to the sum of all such reductions and overpayments.

"Sec. 4993. Definitions and Special Rules.

"(a) Deregulation Profits.—The deregulation profit from each gallon of taxable natural gas liquids and taxable natural gas liquid products shall be the excess of the amount received by the person subject to tax under this section from the first sale of such gallon of such liquid or of such liquid products over the lawful first sale price of a gallon of such liquids or such liquid products, as determined under subpart K of part 212 of title 10, Code of Federal Regulations, as in effect on June 30, 1975, plus an inflation adjustment within the meaning of section 4984 (c)(2). For purposes of the preceding sentence, the inflation adjustment shall be computed by determining the amount of the inflation adjustment under such section for a barrel of 42 gallons of taxable natural gas liquids or taxable natural gas liquid products and then dividing such amount by 42.

"(b) Natural Gas Liquids.—For purposes of this section, the term 'natural gas liquids' means a mixed hydrocarbon stream containing, in whole or in substantial part, mixtures of ethane, butane, propane, or natural gasoline.

"(c) Natural Gas Liquid Products.—For purposes of this section, the term 'natural gas liquid products' means propane, butane, propane-butane mixtures, and the natural gasoline secured from gas plants (within the meaning of section 212.162 of title 10, Code of Federal Regulations, as in effect on June 30, 1975.)

"(d) Taxable Natural Gas Liquids.—For purposes of this section, the term 'taxable natural gas liquids' means the amount of natural gas liquids under contract on June 30, 1975, reduced by the applicable monthly decline factor.

"(e) Taxable Natural Gas Liquid Products.—For purposes of this section, the term 'taxable natural gas liquid products' means the amount of natural gas liquid products under contract on June 30, 1975, and natural gas liquid products attributable to natural gas liquids under contract on June 30, 1975, reduced by the applicable monthly decline factor.

"(f) Monthly Decline Factor.—For purposes of this subsection, the term 'monthly decline factor' means an amount equal to 1.5 percent of the natural gas liquids and natural gas liquid products described in subsections (d) and (e) multiplied by the number of calendar months ending after September 1, 1975 and before the month for which the taxable natural gas liquids or taxable natural gas liquid products is determined.

"(g) Sales Between Related Persons.—In the case of a sale between related persons (within the meaning of section 103(c)(6)(C)), the amount received by the person subject to the tax imposed under section 4991 shall be determined in accordance with regulations prescribed by the Secretary of the Treasury or his delegate which are consistent with the regulations prescribed for purposes of determining gross income from the property under section 613.

"(h) Other Definitions.—

"(1) Gallon.—The term 'gallon' means a United States gallon.

"(2) United States.—The term 'United States' has the meaning given to such term under paragraph (1) of section 638 (relating to Continental Shelf areas).

"(3) Possession of the United States.—The term 'possession of the United States' has the meaning given to such term by paragraph (2) of section 638.

"(4) Taxable period.—The term 'taxable period' means—

"(A) the period beginning on the first day of the first calendar month beginning after the date of the enactment of this subchapter and ending at the close of December 31, 1975.

"(B) each calendar year beginning after December 31, 1976, and ending before January 1, 1981, and

"(C) the period beginning on January 1, 1981, and ending March 31, 1981.

"(i) Members of Affiliated Group Treated as One Person.—If two or more corporations are members of an affiliated group making a consolidated return with respect to the tax imposed by chapter 1 for a taxable year or years which include any entire taxable period, such corporation shall be treated as one person for the purposes of the tax imposed by section 4991 for such taxable period and for purposes of the credit against such tax allowable under section 4992 for such period."

(2) Clerical amendment.—The table of chapters for subtitle D of such Code is amended by adding at the end thereof the following new item:

"Chapter 44. Deregulation and windfall profits taxes.".

(b) Technical Amendments.—

(1) Section 275 of the Internal Revenue Code of 1954 (relating to certain taxes) is amended by redesignating subsection (b) as (c), and by inserting after subsection (a) the following new subsection:

"(c) Deregulation and Windfall Profits Taxes.—The provisions of subsection (a) shall not apply to the taxes imposed under sections 4981 and 4991."

(2) (A) Part II of subchapter B of chapter 1 of such Code (relating to items specifically included in gross income) is amended by adding at the end thereof the following new section:

"Sec. 85. Overpayment of deregulation and windfall profits taxes.".

"Gross income includes any amount treated as an overpayment of tax under section 4983(d)(2)(B) (relating to recomputation of oil deregulation and windfall profits tax and credit on cumulative basis) and under section 4902(d)(2)(B) (relating to natural gas liquid deregulation profits tax).".

(B) The table of sections for such part II is amended by adding at the end thereof the following new item:

"Sec. 85. Overpayment of deregulation and windfall profits taxes.".

(c) Time for Filing Return of Deregulation Profits Tax.—

(1) Part V of subchapter A of chapter 61 (relating to time for filing returns and other documents) of such Code is amended by adding at the end thereof the following new section:

"Sec. 6077. Estimated Payments of Deregulation Profits Taxes; Time for Filing Return of Deregulation Profits Taxes.

"(a) Estimated Tax Payments.—The Secretary or his delegate may, by regulations, require each taxpayer who is liable for the taxes imposed under section 4981 and section 4991 to make monthly or quarterly estimated tax payments with respect to not more than 75 percent of his liability for tax under such sections (determined without regard to any credit allowable under section 4983 or 4992, as applicable).

"(b) Time for Filing Return.—Each return of the tax imposed by section 4981 (relating to oil deregulation profits tax) and by section 4991 (relating to liquid natural gas deregulation profits tax) for any taxable period (within the meaning of sections 4884 (g)(7) and 4993 (h(4)) shall be filed not later than the 15th day of the 3d month (15th day of the 4th months in the case of an individual) following the close of the taxable period.".

(2) The table of sections for such part V is amended by adding at the end thereof the following new item:

"Sec. 6077. Time for filing return of deregulation and windfall profits tax.".

(d) Certain Information Required To Be Furnished.—

(1) General rule.—Subpart B of part III

of subchapter A of chapter 61 of such Code (relating to information concerning transactions with other persons) is amended by adding at the end thereof the following new section:

"Sec. 6050A. Information Furnished by Purchaser and Operator Regarding Deregulation Profits and Windfall Profits Taxes

"(a) Certain Information Furnished by Purchaser.—Under regulations prescribed by the Secretary or his delegate, the purchaser of domestic crude oil (as defined in section 4894(g)(2)), natural gas liquids (as defined in section 4993(b)), or natural gas liquid products (as defined in section 4993(c) shall furnish to the person liable for tax under section 4981 or section 4991 with respect to such oil, gas, or products a monthly statement showing the following:

"(1) the amount of domestic crude oil, natural gas liquids, or natural gas liquid products purchased from such person during such month,

"(2) the amount of taxable domestic crude oil, taxable natural gas liquids, or taxable natural gas liquid products purchased from such person during such month.

"(3) the removal price of such taxable oil, gas, or products,

"(4) the base price with respect to such taxable oil, gas, or products,

"(5) the amount of such person's liability for tax under section 4981 and section 4991 with respect to such oil, gas, or products.

"(6) the severance tax liability with respect to such oil, and the severance tax liability which would have applied with respect to such oil under the rules in effect on December 1, 1973, and

"(7) such other information as may be required by regulations prescribed by the Secretary or his delegate.

"(b) Information Furnished by Operator.—Under regulations prescribed by the Secretary or his delegate, if the purchaser of domestic crude oil and the operator of the well from which such crude oil was produced make a joint election under this subsection, the monthly statement required to be furnished by the purchaser under subsection (a) shall be furnished by such operator.

"(c) Time for Filing Monthly Statement.—Each monthly statement required to be furnished under subsection (a) or (b) for any month shall be furnished before the first day of the second month which begins after the close of such month.

"(d) Certification Furnished by Operator.—Under regulations prescribed by the Secretary or his delegate, the operator of the well from which crude oil subject to the tax imposed under section 4981 was produced shall certify (at such time and in such manner as the Secretary or his delegate shall by regulations prescribe) to the purchaser the base price (within the meaning of section 4984(c)) and the base price control quantity (within the meaning of section 4984(d)(2) with respect to such crude oil. For purposes of section 6652(b) (relating to additions to tax for failure to file other returns) such certification shall be treated as a statement of a payment to another person.

"(e) Cross References.—

"(1) For additions to tax for failure to furnish information required under this section, see section 6652(b).

"(2) For penalty for willful failure to supply information required under this section, see section 7252".

(2) Technical and conforming amendments.—

(A) Section 6652(b) of such Code is amended by striking out "or section 6051(d)" and inserting in lieu thereof the following: "section 6050A (relating to information regarding deregulation profits and windfall profits taxes), or section 6051 (d)".

(B) The table of sections for subpart B of part III of subchapter A of chapter 61 of such Code is amended by adding at the end thereof the following new item:

"Sec. 6050A. Information furnished by purchaser and operator regarding deregulation profits and windfall profits taxes.".

(e) Criminal Penalty for Failure To Publish Certain Information.—

(1) In general.—Part II of subchapter A of chapter 75 of such Code (relating to penalties applicable to certain taxes) is amended by adding at the end thereof the following new section:

"Sec. 7242. Willful Failure To Furnish Certain Information Regarding Deregulation Profits and Windfall Profits Tax.

"Any person who is required under section 6050A (or regulations thereunder) to furnish any statement, information, or certification to any other person and who willfully fails to furnish such statement, information, or certification to any other person and who willfully fails to furnish such statement, information, or certification at the time or times required by law or regulations, shall, in addition to other penalties provided by law, be guilty of a misdemeanor and upon conviction thereof, shall be fined not more than $10,000, or imprisoned not more than 1 year, or both, together with the costs of prosecution.".

(2) Clerical amendment.—The table of sections for such part II is amended by adding at the end thereof the following new item:

"Sec. 7242. Willful failure to furnish certain information regarding deregulation profits and windfall profits taxes.".

(f) Information Furnished by Partnerships, Trusts, and Estates.—

(1) Information to be furnished to partners and to beneficiaries of estates and trusts.—Subpart B of part III of subchapter A of chapter 61 of such Code is amended by adding at the end thereof the following new section:

"Sec. 6050B. Information To Be Furnished To Partners and Beneficiaries of Estates and Trusts.

"(a) Requirement.—Under regulations prescribed by the Secretary or his delegate, each partnership, estate, and trust required to file a return pursuant to section 4985 for any taxable period shall furnish to each partner or beneficiary, as the case may be, a written statement showing the following:

"(1) the name of such partner or beneficiary,

"(2) information received by the partnership, trust, or estate pursuant to section 6050A,

"(3) the total amount of qualified investment made by such partnership, trust, or estate during such taxable period,

"(4) such partner's or beneficiary's distributive share of the items referred to in paragraphs (2) and (3), and

"(5) such other information as may be required by regulations prescribed by the Secretary or his delegate.

"(b) Time for Furnishing Written Statement.—Each written statement required to be furnished under this section with respect to any taxable period shall be furnished before the first day of the third month following the close of such period.".

(2) Clerical amendment.—The table of sections for such subpart B is amended by adding at the end thereof the following new item:

"Sec. 6050B. Information to be furnished to partners and to beneficiaries of estates and trusts.".

Sec. 203. Refund of Windfall Profits To Individual Consumers.

(a) In General.—Subchapter B of chapter 65 (relating to rules of special application in the case of abatements, credits, and funds) of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new section:

"Sec. 6429. Windfall Profits Refund.

"(a) General Rule.—Except as otherwise provided in this section, each individual who is—

"(1) a resident of the United States, and

"(2) 18 years of age or older

before the end of the calendar year shall be treated as having made a payment against the tax imposed by chapter 1 for the taxable year which ends within or with such calendar year in an amount determined under subsection (b).

"(b) Amount of Refund.—The amount treated as paid under subsection (a) shall be determined under the following table:

"If the taxable year is the first taxable year beginning during the calendar year:
Then the amount of the refund is:

1975	$34.
1976	85.
1977	75.
1978	63.
1979	52.
1980	42.
1981	24.

"(c) Date Payment Deemed Made.—The payment provided by this section shall be deemed made on whichever of the following dates is the later:

"(1) the date prescribed by law (determined without extensions) for filing the return of tax under chapter 1 of the taxable year, or

"(2) the date on which the taxpayer files his return of tax under chapter 1 for the taxable year.

"(d) Joint Return.—For purposes of this section, in the case of a joint return under section 6013, each spouse shall be treated as a single individual.

"(e) Definition of Resident.—For purposes of this section, the term 'resident of the United States' means an individual who is a resident of any State or the District of Columbia, and, in the case of an individual who is an alien, who has been admitted for permanent residence within the meaning of the Immigration and Nationality Act.".

(b) Coordination With Other Federal Programs.—Any payment considered to have been made by an individual by reason of section 6429 of the Internal Revenue Code of 1954 shall not be taken into account as income or receipts for purposes of determining the eligibility of such individual or any other individual for benefits or assistance, or the amount or extent of benefits or assistance, under any Federal program or under State or local program financed in whole or part with Federal funds.

(c) Recipient Identification.—The Secretary of Health, Education, and Welfare shall provide the Secretary of the Treasury or his delegate with such information and data as may be needed to enable the Secretary of the Treasury or his delegate to determine which individuals are entitled to refunds of taxes under section 6429 of the Internal Revenue Code of 1954.

(d) Clerical Amendment.—The table of sections for subchapter B of chapter 65 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new item:

"Sec. 6429. Windfall profits refund.".

(e) Withholding Tax.—

(1) Requirement of withholding.—Subsection (a) of section 3402 of the Internal Revenue Code of 1954 (relating to income tax collected at source) is amended to read as follows:

"(a) Requirement of Withholding.—Except as otherwise provided in this section, every employer making payment of wages shall deduct and withhold upon such wage a tax determined in accordance with tables prescribed by the Secretary or his delegate. The tables so prescribed shall be the same as the tables contained in this subsection as in effect on January 1, 1975, except that the amounts set forth as amounts of income tax to be withheld with respect to wages paid after April 30, 1975, and before January 1, 1976, shall reflect the full calendar year effect for 1975 of the amendments made by sections 201, 202, 203, and 204 of the Tax Reduction Act of 1975, in accordance with Internal Revenue Service Circular E (Revised April 1975), issued pursuant to Treasury Decision 7355 and the amounts set forth as amounts of income tax to be withheld with respect to wages paid after September 30, 1975, and before January 1, 1982, shall reflect the full calendar year effect for the calendar years 1975 through 1981 of section 6429. For purposes of applying such tables, the term 'the amount of wages' means the amount by which the wages exceed the number of withholding exemptions claimed, multiplied by the amount of one such exemption as shown in the table in subsection (b)(1).".

(2) Conforming amendment.—Section 3402(c)(6) (relating to wage bracket withholding) is amended by striking out "table 7 contained in subsection (a)" and inserting in lieu thereof "the table for an annual payroll period prescribed pursuant to subsection (a)".

(3) Effective date.—The amendments made by this section apply to wages paid after April 30, 1975, and before January 1, 1982.

(f) Section Not to Apply for Purpose of Tax Laws of Certain Possessions.—Section 7651 of such Code (relating to administration and collection of taxes in possessions) is amended—

(1) by striking out "Except as otherwise provided in this subchapter," and inserting in lieu thereof:

"(a) In General.—Except as otherwise provided in this subchapter,", and

(2) by adding at the end thereof the following:

"(b) Exception.—Section 6429 (relating to windfall profits refund) does not extend to or apply in any possession of the United States.".

SUSPENSION OF DUTY ON NATURAL GRAPHITE—H.R. 7706

AMENDMENT NO. 855

(Ordered to be printed and to lie on the table.)

Mr. EAGLETON (for himself, Mr. Bayh, Mr. Burdick, Mr. Huddleston, Mr. Humphrey, Mr. Kennedy, Mr. Leahy, and Mr. Proxmire) submitted an amendment intended to be proposed by them to the bill (H.R. 7706) to suspend the duty on natural graphite until the close of June 30, 1978.

IMPORTATION FREE OF DUTY OF CERTAIN MATERIAL—H.R. 7715

AMENDMENT NO. 856

(Ordered to be printed and to lie on the table.)

Mr. EAGLETON (for himself, Mr. Bayh, Mr. Burdick, Mr. Huddleston, Mr. Humphrey, Mr. Kennedy, Mr. Leahy, and Mr. Proxmire) submitted an amendment intended to be proposed by them to the bill (H.R. 7715) to extend until the close of June 30, 1978, the period during which certain dyeing and tanning materials may be imported free of duty.

DECONTROL MAKES TARIFF RESCISSION CRITICAL

Mr. EAGLETON. Mr. President, yesterday's House vote to disapprove the President's oil decontrol plan raises the prospect of substantial increases in all petroleum products beginning September 1 unless the President reconsiders his threat to veto an extension of the Emergency Allocation Act.

I believe such a veto would be irresponsible and highly damaging to the economy, but given the collision course the President seems to have set for himself, I am not optimistic he can be persuaded to change his mind.

Under the circumstances, I think it is critical for Congress to take whatever steps it can to mitigate the inflationary impact of sudden price decontrol. I would, of course, hope that Congress will override any Presidential veto of legislation to extend allocation and price authority. In addition, however, I believe we should move now to rescind the $2 tariff the President has imposed on each barrel of imported oil. Not only has that tariff been ineffective in reducing overall levels of imports, but it is a heavy burden on every American consumer.

We are dependent on imported oil because we cannot be self-sufficient within the next several years. And since OPEC controls the price of this marginal oil supply, the selling price for all oil would rise to near the OPEC level following decontrol. Thus the tariff would add $2 to the cost of every barrel of oil sold—whether domestic or foreign. With decontrol, the direct cost would be 5 cents a gallon, plus the inflationary impact of these costs would be transmitted through all of the products and services which require oil.

The tariff cannot reduce imports; there is no domestic production available to take up the slack. The tariff will not encourage any more domestic production; decontrol will provide all the incentive to drill that could possibly be needed. The tariff will cost us $30 million a day with decontrol and give us nothing in return.

On February 5, 1975, the House voted 309 to 114 to rescind for 90 days the President's authority to impose a tariff on oil imports.

On February 19, 1975, the Senate passed the identical bill by a vote of 66 to 28.

On March 3, President Ford vetoed the bill.

Since then, Congress has done nothing about the oil tariff which, at $2 a barrel, is estimated currently to be costing the American consumer $6.8 billion a year in direct price increases and as much as $18 billion a year when indirect costs are added on. With decontrol, those costs would be much higher. That virtually wipes out the economic stimulation of this year's $8 billion tax rebate.

If the President adds to that the cost of decontrolling old oil in this country as he threatens to do, he will plunge this country into economic turmoil.

Congress cannot sit by and let that happen. We must act to protect the economy from the ill-advised energy and economic policies of this administration.

Mr. President, I send to the desk a series of identical amendments to various House-passed tariff bills and ask that they be printed and held at the desk. These amendments would rescind the present $2 tariff on oil and remove the President's authority to impose any future tariffs or fees on imported petroleum and petroleum products.

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 586

At the request of Mr. Pearson, the Senator from Illinois (Mr. Percy) was added as a cosponsor of amendment No. 586 intended to be proposed to the bill (S. 692), the Natural Gas Production and Conservation Act of 1975.

ANNOUNCEMENT OF HEARINGS ON THE ECONOMIC PROBLEMS OF SMALL BUSINESSES AND FARMS IN OREGON AND THE NORTHWEST

Mr. NELSON. Mr. President, I wish to announce that the Select Committee on Small Business will hold public hearings on the current economic problems of small businesses and farms on August 25, 1975, in the Eugene City Council Chamber, 777 Pearl Street, Eugene, Oreg., and on August 26, 1975, in the Bonneville Building, 1002 N.E. Holladay Street, Portland, Oreg. The hearings will begin at 9 a.m. each day.

Cochairing the hearings will be the Senator from Oregon (Mr. Packwood) and the Senator from Maine (Mr. Hathaway).

Further information on the hearings can be obtained from the offices of the committee, 424 Russell Office Building, telephone 224-5175.

HEARINGS TOMORROW ON PRESIDENT'S LABOR-MANAGEMENT COMMITTEE

Mr. METCALF. Mr. President, because of the Senate's consideration this morning of the mineral leasing bill it was necessary to postpone the previously announced hearings on the President's Labor-Management Committee and its recommendations regarding electric utilities.

The hearings, by the Subcommittee on Reports, Accounting and Management, will begin at 10 a.m., Friday, August 1, in 3110 Dirksen Senate Office Building.

The first witness will be the Honorable John T. Dunlop, Secretary of Labor and Coordinator of the President's Labor-Management Committee.

Federal Energy Administrator Frank G. Zarb, who was scheduled to follow Secretary Dunlop, will be represented by Acting Assistant Administrator Donald Craven.

The third witness will be Larry Hobart, assistant general manager of the American Public Power Association.

NOTICE OF HEARING

Mr. ROBERT C. BYRD. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for

Thursday, September 4, 1975, at 9:30 a.m., in room 2228, Dirksen Senate Office Building, on the following nomination: Clarence A. Brimmer, Jr., of Wyoming, to be U.S. district judge for the District of Wyoming, vice Ewing T. Kerr, retired.

Any persons desiring to offer testimony in regard to this nomination, shall, not later than 24 hours prior to such hearing, file in writing, with the committee a request to be heard and a statement of their proposed testimony.

The subcommittee will consist of the Senator from Mississippi (Mr. EASTLAND) chairman; the Senator from Arkansas (Mr. McCLELLAN), and the Senator from Nebraska (Mr. HRUSKA).

ANNOUNCEMENT OF PUBLIC HEARING BEFORE THE ENVIRONMENT AND LAND RESOURCES SUBCOMMITTEE OF THE INTERIOR AND INSULAR AFFAIRS COMMITTEE

Mr. HASKELL. Mr. President, I wish to announce for the information of the Senate and the public, the scheduling of a public hearing before the Environment and Land Resources Subcommittee of the Senate Interior and Insular Affairs Committee. The hearing is scheduled for September 11, 1975 at 10 a.m. in room 3110 of the Dirksen Senate Office Building.

Testimony is invited on several land conveyancing measures currently pending before the committee. The bills are:

S. 1958: A bill to provide for a survey of certain omitted public lands and authorizing the Secretary of the Interior to convey certain islands and other lands to the States and their political subdivisions;

S. 1134: A bill to amend the act of March 30, 1904 (33 Stat. 154) granting certain lands to the city of Port Angeles, Wash.;

S. 864: A bill to amend the act entitled "an act to authorize the sale of certain public lands in Alaska to the Catholic bishop of northern Alaska for use as a mission school," approved August 8, 1953;

S. 726: A bill to direct the Secretary of the Interior to convey, for fair market value, certain lands to Valley County, Idaho; and

S. 301: A bill relating to lands in the Middle Rio Grande Conservancy District, New Mexico.

Those who wish to testify or submit a written statement for the hearing record, should contact Mr. Steven P. Quarles of the subcommittee staff at 224-9894.

ANNOUNCEMENT OF PUBLIC HEARING BEFORE THE ENVIRONMENT AND LAND RESOURCES SUBCOMMITTEE OF THE INTERIOR AND INSULAR AFFAIRS COMMITTEE

Mr. HASKELL. Mr. President, I wish to announce for the information of the Senate and the public, the scheduling of a public hearing before the Environment and Land Resources Subcommittee of the Senate Interior and Insular Affairs Committee. The hearing is scheduled for September 4, 1975, at 10 a.m. in room 3110 of the Dirksen Senate Office Building.

Testimony is invited on S. 75—a bill to study certain lands in the Sierra National Forest, California, for possible inclusion in the National Wilderness Preservation system. This 28,000-acre area is generally referred to as the Kaiser Wilderness Study Area.

Those who wish to testify or submit a written statement for the hearing record should contact Mr. Thomas B. Williams of the subcommittee staff at 224-9894.

ANNOUNCEMENT OF PUBLIC HEARING BEFORE THE ENVIRONMENT AND LAND RESOURCES SUBCOMMITTEE OF THE INTERIOR AND INSULAR AFFAIRS COMMITTEE.

Mr. HASKELL. Mr. President, I wish to announce for the information of the Senate and the public, the scheduling of a public hearing before the Environment and Land Resources Subcommittee of the Senate Interior and Insular Affairs Committee.

The hearing is scheduled for 9:30 a.m., August 25, 1975, in the Library Room, room 148, of Eastern Montana College, Billings, Mont.

Testimony is invited regarding S. 1506 which is currently pending before the committee. This bill, introduced by Senator METCALF, would designate a 175-mile segment of the Missouri River as a component of the National Wild and Scenic Rivers System. That area, known as the Missouri Breaks, includes the original route traversed by Lewis and Clark when they explored the upper reaches of the river more than 170 years ago and contains 14 original campsites used by that famous expedition.

Those who wish to testify or submit a written statement for the hearing record should contact Mr. Steven Quarles, Senate Interior Committee, 3106 Dirksen Senate Office Building, Washington, D.C., 20510, 202-224-9894; Mrs. Sally Jordan, Federal Building, Room 4435, Billings, Mont., 59101, 406-259-5966; or the office of Senator LEE METCALF, 1121 Dirksen Senate Office Building, Washington, D.C., 20510, 202-224-2651.

THE CONGRESSIONAL RECORD OF WEDNESDAY, JULY 30, 1975, SETS NEW RECORD

Mr. MANSFIELD. Mr. President, the month of July 1975 has been one of incredible legislative achievement. We have passed more major legislation in this month than probably ever before in such a short interval. In fact, yesterday's session set a record as well.

The CONGRESSIONAL RECORD of yesterday's proceedings consisted of 384 of the single-spaced, three-column, folio-sized pages with which we are all familiar. Senate proceedings alone consisted of 230 pages. This is the largest RECORD of a single day's proceedings ever published in one edition.

The accomplishment of this feat required the processing of the material for the RECORD by the Official Reporters of Debates at a pace sufficiently rapid to coordinate with the functions of the staff at the Government Printing Office, who worked throughout the night.

Yesterday was a 13-hour day, the Senate having convened at 10 a.m. and adjourned at 10:51 p.m. The final delivery of transcript from the Senate Reporters of Debates arrived at the Printing Office at 12:25 a.m., and the RECORD was delivered to the Chamber this morning at 8:20 a.m., certainly an outstanding accomplishment by the Government Printing Office, requiring the combined efforts of a great many people working as a team, and an achievement deserving of our thanks.

Anyone examining yesterday's RECORD will agree that the Official Reporters of Debates and their staff did a remarkable job under often difficult and confusing circumstances; they deserve this recognition and our thanks.

ENERGY RECORD OF THE 94TH CONGRESS

Mr. MANSFIELD. Mr. President, an extraordinarily fine analysis of the 94th Congress legislative record in developing energy policy was compiled by the Congressional Research Service of the Library of Congress under the supervision of Frances A. Gulick, Ph. D. This analysis is actually an update of one submitted by the Library of Congress to the U.S. Senate under Senate Resolution 45 establishing a national fuels and energy policy study. This updated analysis gives the highlights of energy legislation in the Congress through July 31, 1975, and demonstrates the incredible effort that has been made by the Congress during the first 6 months of this session in every facet of the energy problem from production to conservation and their correlation to the economy. I ask unanimous consent that excerpts from this analysis be inserted in the RECORD at this point.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

OUTLINE

Memorandum of the Chairman.
Letter of transmittal.
Abstract and introduction.
I. Reduce dependence on foreign imports of oil.
A. Oil import tariffs and other fees.
B. Quantitative oil import controls.
II. Protect against disruptions in imports.
A. Allocation and rationing authority.
B. National strategic petroleum reserves.
III. Restrain and reshape energy demand.
A. Pricing as an energy demand constraint.
B. Restraining consumption of gasoline.
C. Improved auto fuel efficiency.
D. Modification of buildings to conserve energy.
E. Conversion to coal to conserve oil and gas.
F. Other industrial conservation measures.
G. Improved mass transit systems.
IV. Stimulate increased production of domestic energy supplies.
A. Removal of the depletion allowance and changes in some foreign oil tax credits.
B. Price policy as a stimulus to increased domestic energy production.
1. Increase the cost of imported oil by the amount of the tariff or fee imposed.
2. Spread price increase through the FEA "Old Oil Entitlements Program".

3. Decontrol the price of oil.

4. Decontrol the price of natural gas sold in interstate trade.

5. Establish a floor price for oil to insure price stability over the longer run.

C. A National Energy Production Board.

D. Increased production of coal.

E. Nuclear energy.

1. ERDA and NRC organization and funding for nuclear power.

2. The breeder reactor.

3. Plutonium recycle.

4. Exports of nuclear materials and technology and related safeguards issues.

5. Siting and licensing of nuclear plants.

F. Oil and gas development on the Outer Continental Shelf.

G. Solar and other nonnuclear energy research and development.

H. Quantitative quotas as an incentive for both conservation and for increased domestic energy production.

APPENDIXES

I. Status of active energy related bills: 94th Congress (as of June 30, 1975).

II. Tabular summary of major omnibus proposals.

Highlights of Energy Legislation in the 94th Congress

(Through July 31, 1975)

ABSTRACT AND INTRODUCTION

The 94th Congress is deeply engaged in intensive consideration of a strategic national issue: What should be the size, substance and shape of a comprehensive energy policy for the United States?

At midpoint in the first session, when it broke for the August recess, the new Congress had not only undertaken a very substantial volume of legislative action but had also produced several distinctive approaches which may prove to be definitive in shaping the character of the emerging national energy policy.

Legislative actions

Half a dozen energy-related bills and resolutions had been enacted into law, three more were enacted but were vetoed, another dozen had been passed by one or both Houses, six more have been favorably reported from committee, and four others were scheduled for Senate decision before the August recess begins. (See Appendix I for a list of these and their status.)

Bills already enacted include the Tax Reduction Act (Public Law 94–12) which repealed the long standing oil and gas depletion allowance for major companies; approval of $50 million in supplemental funds for improved nuclear safety measures for the Nuclear Regulatory Commission (Public Law 94–18); and several measures to improve the Nation's railroad system and service (Public Law 94–5 and Public Law 94–25). Executive authority in national emergencies, including authority for allocation of energy and other scarce materials, as provided under the Defense Production Act of 1950, was extended through December 31, 1975, by Public Law 94–9.

Congress passed, but the President vetoed, a bill to control strip mining and provide for reclamation of strip mined areas (H.R. 25/S. 7) a bill suspending the President's authority to impose oil import fees for 90 days (H.R. 1767), and H.R. 4035 to provide Congressional review of Presidential decisions removing controls on oil products.

The House has passed a multipurpose energy bill (H.R. 6860) which includes a volumetric foreign oil import limit, tax incentives and discentives for industrial oil and gas conservation and a civil penalty for automobile firms in the event they do not comply with targets for improved gasoline fuel efficiencies, and a bill authorizing creation of a system of national petroleum reserves (H.R. 49). Pending is a companion bill (H.R. 7014) which includes standby emergency energy authorities, a quantitative limit on how much gasoline can be used, limits on the use of oil and gas for industrial purposes, oil price decontrol and limitation, and provisions for national strategic petroleum reserves to be coordinated with H.R. 49. Floor debate began July 15.

A number of Senate bills which have already passed that body and are now before the House contain provisions similar to those in H.R. 7014, among them S. 622, providing standby energy authority, S. 621 which includes a price increase limitation, S. 1518, a motor vehicle information and cost savings act, and S. 323 to protect franchised dealers in petroleum products. Both Houses of Congress have passed the ERDA authorization (H.R. 3474) which is now in conference; and the Senate has passed a "Truth in Energy" act (S. 1883); an auto fuel economy act (S. 1883); a bill to extend the Emergency Petroleum Allocation Act to March 1, 1976 (S. 1849); S. 677 on the strategic reserves, and S. 521 on the Outer Continental Shelf.

Targeted for priority action early after the August recess are the natural gas production and conservation act (S. 692), S. 1777 on oil conservation and conservation to coal, and S. 740 creating a National Energy Production Board. The Senate Finance committee has completed hearings and is nearing final markup of the House major energy bill, H.R. 6860.

Three distinctive features

The volume of activity alone is, of course, no true index of progress. The 93d Congress was no less involved with energy issues. Some 2,000 energy-related bills and resolutions were introduced, over a thousand collective days of hearings were held, some 40 energy-related laws were enacted and several dozen more were passed by one or both of the Houses.

What seems different and distinctive now, early in the first session of the 94th Congress is that recent action has produced several new approaches which may prove to be definitive in setting the direction in which the new national energy policy will move—among them the adoption of a composite approach to energy policy, the repeal of the depletion allowance for large oil and gas firms, and the emergence of the use of quantitative ceilings as a major management tool in restraining and reshaping energy demand.

The Composite Approach to Formulating Energy Policy.—Responding to the Administration's omnibus legislative package announced January 15, 1975, Congress has begun to approach the complex collection of basic energy issues and their legislative options comprehensively. Among the several comprehensive Congressional proposals, the most prominent were the Congressional Majority proposals, a joint House and Senate economy-energy statement issued by the Democratic majority leadership on February 27, 1975, and a similar composite energy program announced by the Democratic members of the House Ways and Means Committee on March 3, 1975. (See Appendix II for a tabular summary of the main provisions of these Administration and Congressional proposals.)

Repeal of the Depletion Allowance.—After sixty years in which this provision was a key factor in the U.S. petroleum industry's exploration, production and pricing policies, Congress repealed the 22 percent depletion allowance in its entirety for all major oil and natural gas producers, identified as those producing more than 2,000 barrels of oil per day, or 12 million cubic feet of natural gas per day, postponing its abolition for independent companies who do not have retail outlets and produce less than these amounts, on a graduated schedule until 1984.

While a number of major companies have announced that removal of the depletion allowance would require reconsideration and reduction in their capital investment plans, there is some indication that the reductions would take place in projected capital ventures other than exploration and investment.

Whatever the role of the depletion allowance has been in the past, its recent repeal clears the way for a fresh look at oil and other fossil fuel production incentives whose effectiveness as stimulants to increased domestic production can be more easily measured and identified.

Quantitative Ceilings as a Major Energy Policy Management Approach.—Perhaps the most unique feature of the Congressional energy initiatives during this period has been the emergence of the use of quantitative limits as a major management tool in conserving energy, redirecting demand and stimulating increased production. This approach is a distinctive alternative to the Administration's heavy reliance on a market oriented approach.

Four key bills have incorporate quantitative control concepts of this type: The House Ways and Means energy bill, H.R. 6860, approved June 19, 1975, would place quantitative limits—subject to some flexibility—on the volume of crude oil and oil products which could be imported. The complementary House Commerce Committee bill H.R. 7014, includes a quantitative ceiling on the volume of gasoline which may be consumed.

The Senate National Petroleum and Natural Gas Conservation and Coal Substitution bill, S. 1777, and the National Energy Production Board bill, S. 740, both of which have been targeted by the Congressional leadership for early floor action after the August recess, are oriented toward quantitative limitation concepts. The Coal Substitution bill would limit the number of oil and gas fired power plants and industrial boilers to those existing now and would require them to convert to coal by 1980; and require all new power plants and industrial boilers to be capable of burning coal and to convert to coal by 1985. The National Energy Production Board, to be patterned after the War Production Board of World War II, would be charged with establishing quantitative energy production goals and programs whose priority claims on scarce materials and capital would have the effect of placing quantitative limits on all less essential claims on energy and materials.

None of these quantitative limitations necessarily require the imposition of price ceilings, although price ceilings are also a feature of the Congressional alternatives, nor would they foreclose the options of how low or how high such price ceilings, if adopted, might be set.

What is unique is that these particular ceilings are set in quantitative, not percentage, terms. Even the long standing mandatory oil import control program did not have limits fixed in quantitative volumetric terms. The volumetric formula used in the mandatory oil import control program, in force between 1959–1973, was intended to limit U.S. imports to a more or less fixed proportion of U.S. production. A crude oil-oil products import level was set initially at a little over 12 percent of estimated U.S. consumption. After 1963, the quota was calculated at about 12 percent of U.S. production.[1] However, the pressure of increasing U.S. demand for oil products coupled with flattening domestic U.S. petroleum production induced exceptions and adjustments in the program to such a degree that by March 1973, just before the President removed the mandatory oil imports quotas, foreign crude-product imports totalled 6,575,000 barrels a day (3,162,000 in crude and 3,413,000 in refined petroleum products) as compared with 9,175,000 barrels a day of crude from domestic production.[2]

Enactment of legislation setting a quanti-

Footnotes at end of article.

tative ceiling on oil imports would **mark a** major change in U.S. oil policy and require significant conservation in the use of oil and a shift to other fuels.

The quantitative ceiling on oil imports survived a strong effort to strike it out entirely in an early vote on June 10, and was approved as amended, by the House on June 19, 1975, but has still to be debated by the Senate.

These activities and selected related non-legislative events are summarized in the following status report, under the general functional headings of:

I. Measures designed to reduce dependence on foreign oil imports.

II. Measures to protect against interruptions in supply.

III. Measures to restrain and redirect the use of energy.

IV. Measures to increase energy supplies.

I. REDUCE DEPENDENCE OF FOREIGN IMPORTS OF OIL

During the year and a half since the Arab oil embargo in mid-October 1973, a consensus has been reached within Congress and the Administration that the country's growing dependence on imports of foreign oil is undesirable, that it should be curbed and, hopefully, reduced.

This consensus on the broad objective, however, has not yet been matched with a consensus on means. The Administration believes that oil imports can and should be reduced through imposition of import tariffs, fees and/or excise taxes, coupled with removal of price controls on domestic oil and gas, relying on the higher prices to lower imports through lowered consumption. Higher prices would also serve, it is argued, to stimulate increased domestic production of not only oil and gas but alternative energy sources as well.

The Democratic proposals in general place more reliance on quantitative controls, through various types of import quotas and other energy management measures. Decontrol of oil and gas prices may be permitted, but only gradually and at a much slower rate than the Administration desires, and up to some specified ceiling.

During the first half of the 94th Congress there has been a great deal of legislative activity and debate on import tariffs, quantitative oil import controls and other management tools directed at reducing oil imports. There has also been a great deal of debate on legislative action on oil and gas pricing policy but, as discussed in sections III and IV below, the debate has centered less on its role as a deterrent to imports than as a measure either to constrain demand or to stimulate increased domestic supplies.

A. Oil import tariffs and other fees

Following up on the Administration's comprehensive energy plan, formally announced January 15, 1975, and introduced as S. 594 and H.R. 2633 and H.R. 2650 on February 5, 1975, President Ford imposed a $1 a barrel tax on imported oil, effective February 1, to rise to $3 in two additional $1 increases scheduled for March 1 and April 1, 1975.

At the same time he stated that "I am prepared to use Presidential authority to limit imports, as necessary, to guarantee success" in reducing imports. Title IX of the Administration bill, directed at ensuring price stability should foreign prices fall, would provide specific authority to use tariffs, quotas and variable fees to control imports as well as to establish a floor price for domestic oil.

Congress responded immediately with a bill, H.R. 1767, introduced in the House on January 20, 1975, to suspend for a 90 day period the authority of the President under section 232 of the Trade Expansion Act of 1962, or any other provision of law, to increase tariffs or to take any other import adjustment action with respect to petroleum or petroleum products and to negate any such action which may be taken by the President after January 15, 1975.

The bill passed the House by a vote of 309 to 114, February 5, and was approved by the Senate February 19, by a vote of 66 to 28.[3]

It was vetoed by the President on March 5, 1975, but only after he announced that in interests of accommodation and to provide additional time for Congressional action he would postpone the additional $2 tariff on oil imports until May 1.

On April 30, he again announced a further delay in import fees until June 1 to give Congress further time to develop its alternatives. Subsequently, as discussed in Section IV below, on May 27, 1975, after Congress had recessed without agreement on comprehensive legislation, the President announced the imposition of the next $1 fee on imported crude oil and $.60 on imported refined products, effective June 1, 1975.

On July 30, the FEA administrator announced that FEA was prepared to eliminate the 60 cent per barrel tariff on refined oil products imported into the United States. However it was apparent that this offer was contingent on Congressional agreement to the Administration's price decontrol plan and Congressional disapproval of that plan, on the same day, left the outcome of the offer to drop the tariff in imported refined products in doubt.

Meanwhile, a vote to attempt to override the veto was postponed while intensive committee review of the Democratic alternative programs went forward in both the House and Senate.

The House included an ad valorem tariff in its first major composite energy bill, H.R. 6860 which passed the House on June 19, 1975, and was in markup in the Senate Finance Committee when Congress began its August recess. As described in the report of the Ways and Means Committee.

The bill imposes a tariff on oil imports of 2 percent ad valorem for crude oil and 5 percent ad valorem for petroleum products. These are approximately the levels of the import license fees that were in effect in January 1975 under the national security provision of the Trade Expansion Act. The authority of the President to impose oil import tariffs or quotas under that Act (except in the case of war) is terminated, but the President is given the authority to increase the oil import tariff to 10 percent ad valorem or $1.00 per barrel, whichever is higher. For a two-year period, however, the tariff on residual and distillate fuel oil is limited to 5 percent. Your committee believes that the tariff will be a significant conservation measure.

B. Quantitative oil import controls

Two major omnibus alternative energy policy approaches were announced by members of the Democratic majority six weeks after the Administration's program was announced. One entitled "The Congressional Program of Economic Recovery and Energy Sufficiency, was announced by the Majority leaders of both House and Senate, February 27, 1975; and the other was prepared by eight task forces made up of the Democratic members of the House Ways and Means Committee, issued March 3, 1975.

The two proposals, although favoring quantitative controls as preferable to increased import tariffs, differed on how, when and to what degree such controls would be applied.

The most specific active legislative proposal mandating quantitative oil import controls was included in H.R. 6860, a clean bill reported from the Ways and Means Committee by the fairly close vote of 19–16, on May 15, 1975, after a marathon, almost nonstop series of hearings and open mark-up sessions, beginning March 3, 1975.

With quantitative import control provisions stronger than those included in H.R. 5005, originally introduced March 17, 1975, the proposed legislation would impose mandatory quotas on oil imports. These would have been at 6.0 million barrels per day in 1975 and 1976, 6.5 million barrels per day in 1977, 6.0 million b/d in 1978 and 5.5 million b/d thereafter. These levels were lower than the level of imports prevailing prior to the oil embargo and, together with a civilian strategic reserve and a program for standby emergency conservation measures, would, it was believed, provide adequate protection against an oil embargo.

As described in the Committee's report (H. Rept. 94–221):

Your committee does not intend that these import quotas be an energy conservation measure in themselves. Rather, the levels of the quotas are designed to reflect the energy conservation and conversion measures elsewhere in the bill, and the purpose of the quotas is to make sure that all oil savings resulting from the conservation and conversion program are reflected in reduced imports. The President, therefore, is given the authority to vary the level of the quota. Because of the greater uncertainty about the level of demand and domestic supply farther into the future, the President is given more flexibility in later years. The bill gives the President the authority to vary the basic quota by up to one million barrels per day in 1975, 1976, and 1977, 1.5 million barrels per day in 1978 and 1979, and 2 million barrels per day in 1980 and thereafter. If the quotas are at all restrictive, to prevent oil importers from receiving excessive profits from the import licenses provided under the quota system and to allocate oil imports as efficiently as possible, import licenses are to be distributed through public auctions. Also, to ensure that users of imported fuel oil have time to convert to other energy sources, import restrictions for residual and distillate fuel oil are set at a minimum of 2 million barrels per day for the years 1975–1977 out of the overall quotas for those years.

The Chairman of the Ways and Means Committee had intended to seek House passage before the Memorial Day recess, and floor debate had been scheduled for May 21 and 22, subject to clearance by the Rules Committee. The Democratic leadership decided on May 20th to postpone debate until after the Memorial Day recess, hoping to be able to consider the proposals jointly with the House Commerce Committee's complementary companion bill, H.R. 7014, not then reported from committee.

When it became clear that the House Commerce Committee would not be able to report H.R. 7041 in time for joint consideration, the House proceeded to consider the Ways and Means bill alone, in the general understanding that other complementary and supplementary measures were pending in committees, but scheduled for reasonably early debate. Specifically, in addition to the allocation, pricing, investment plowback, conservation, strategic reserves and standby emergency authorities included in H.R. 7041, there was also legislation pending which would enlarge non-nuclear research and development, deal with nuclear safety regulation and amend the Clean Air Act.[4]

General debate began June 9, 1975, under a rule, H. Res. 505, which permitted consideration of the more than 100 pending amendments title by title.

The quantitative import quota provision came under attack almost immediately, with a recommendation that it be stricken entirely from the bill.[5] The motion was rejected by a vote of 185 ayes to 224 noes, on June 10, 1975, and Title I was retained with a modification which increased ceilings permitted for 1979 from 5.5 million barrels a day to 6 million b/d, and for 1980, from 5.5 million b/d to 6.5 million b/d. The adjustment was

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Footnotes at end of article.

based primarily on the prediction that, even with positive action to bring about substantial savings in consumption and positive incentives to increase domestic production, total domestic oil production was likely to at best remain at present levels but could still continue to decline as old fields went out of production faster than new fields could be brought into flow. The vote approving the increase, on June 11, 1975, was 211 ayes to 200 noes and, at these levels, quantitative quotas were retained in the final bill which was approved on June 19, 1975, by 291 ayes to 130 noes.

The Congressional Majority proposals, although favoring quantitative import controls, were not specific about when, how, to what degree they should be imposed. Instead, authority to "recommend import quotas, allocations and even rationing in event of emergency" was to be given to a new National Energy Production Board. Described in the proposals as "the core of the recommendations," it is intended to be an independent agency of the government patterned after the War Production Board of World War II and, "subject to Congressional review, would have authority and funding to break energy bottlenecks and to take all actions necessary to accelerate the production of and conversion to domestic energy sources." It would also oversee establishment of a national system of oil strategic reserves and storage.

The Senate Committee on Interior and Insular Affairs held hearings March 20, April 14 and 15 and July 21 on S. 740, a bill to establish a National Energy Production Board. As introduced, the bill does not mention control of imports or establishment of import quotas among the responsibilities and authorities to be vested in the Board.[6]

The bill was among eight measures targeted for early Senate floor action but was not reported from Committee before the August recess.

II. PROTECT AGAINST DISRUPTIONS IN IMPORTS

The continuing heavy dependence on imported oil coupled with declining domestic production heightens the importance of reaching early agreement on and enactment of special measures to protect against another interruption of imports such as that produced by the Arab embargo. The principal measures designed to provide such protection which are under current congressional consideration are development and production of oil from the naval petroleum reserves and standby allocation, rationing and other emergency energy conservation measures.

A. Allocation and rationing authority

Standby emergency allocation, rationing and other emergency conservation legislation, closely circumscribed by elaborate Congressional review and veto rights, was passed by both Houses during the 93rd Congress, vetoed in March, 1974, reintroduced in April, and was still being heatedly pursued when that Congress adjourned in late December 1974.

S. 62, which was approved by the Senate on April 10, 1975, by a vote of 60 to 25, contains rationing and other emergency energy conservation standby provision virtually identical to the vetoed bill, as does Title I, Part A, of H.R. 7014, which was reported favorably on June 24, 1975 by the full House Committee on Interstate and Foreign Commerce. The Amdinistration's somewhat simpler alternative proposals are included in S. 594 (and H.R. 2650) as Title VIII. House floor debate on H.R. 7014 began July 15, 1975 but the bill had not been brought to final vote at the time of the August recess.

The petroleum allocation authority and resulting system mandated in the Petroleum Allocation Act of 1973, and administered by the Federal Energy Administration, will lapse August 31, 1975, unless extended, as has been proposed in a number of bills. Section 122 of S. 622 would extend the Act until March 1, 1976, and other provisions of the bill call for substantial changes in the Act. H.R. 7014 also includes several very substantial proposed revisions of the allocation authority, in Sections 304 and 401-404. S. 1849, a clean bill to extend the Emergency Petroleum Allocation Act of 1973 from its present expiry date of August 31, 1975 to March 1, 1976, was ordered reported from the Senate Committee on Interior and Insular Affairs on June 23, 1975 (S. Report 94-220). It passed the Senate July 15 and passed the House on July 31.

The President and FEA officials have repeatedly indicated their preference for dismantling the system set up under the 1973 Act and prefer to rely on fuels and materials authorities and systems created under the Defense Production Act of 1950, as amended. S. J. Res. 48, signed into law as Public Law 94-9 on March 21, 1975, extends that authority until December 31, 1975. The Senate Committee on Banking, Housing and Urban Affairs reported favorably, on July 29, S. 1537, which would extend provisions of this Act through September 30, 1977.

The Administration and Democratic majority pending bills described above are designed to limit the emergency stand-by authorities which would be confined to "specific temporary emergency actions." These would be invoked either when there is "interruption in the supply of imported petroleum or as a result of Acts of God or sabotage" creating energy shortage conditions which threaten United States national security or when they are needed to fulfill obligations of the United States under an international agreement.

It is of interest, therefore, that other critical shortages are already emerging which, although scarcely definable as sabotage, Acts of God or embargo, may require the use of continuing allocation authority. An immediate example is the impending shortage caused by reductions in Canadian oil exports to the United States.

Canadian oil exports to the United States have dropped from over one million barrels per day a year ago to about 800,000 barrels per day at present. A further reduction to 650,000 B/D on July 1 is being contemplated and Canada has announced that it intends to completely phase out oil exports to the United States by 1983. Assuming that this schedule will be followed, the Federal Energy Administration has begun preliminary planning for the allocation of Canadian crude supplies as their availability becomes more and more limited.

As a part of its preliminary plan, FEA has asked that the public and industry present their views concerning the necessity for, and provisions of, a Canadian oil allocation program. Specifically, FEA has asked for information on (1) the present degree of dependence of individual refiners and other industry on Canadian crude and the availability of alternative energy supplies; (2) projected future dependence on Canadian imports and plans to meet refinery requirements in the event of a cut-off; (3) costs and practicability of reducing Canadian dependence by various means; and (4) analysis of the markets serviced by the refiners involved, including access of consumers to alternate energy sources. A public hearing was held May 14th.

b. National strategic petroleum reserves

A logical counterpart to continued dependence on oil imports, even at a decreasing rate, is the creation of some kind of strategic reserve capability to be drawn on in the event of serious interruption or depletion of supply. In the United States the petroleum industry has in the past maintained inventories of less than 40 to 50 days supply to deal with seasonal demands and operating requirements. However, this is only normal working inventory and cannot by any means be said to constitute a reserve capability.

In developing a reserve capability, there are two basic options open: Oil can be bought and stored in salt domes and tanks or developed in place and then shut in, to be drawn on when needed.

The most far reaching proposals introduced in the current Congress to provide this capability are those in Titles I and II of the Administration bill (S. 594 and H.R. 2650). Elk Hills Naval Petroleum Reserve (NPR No. 1) in California, would be opened up for production under Navy control. It is believed production could reach 160,000 barrels per day in 1975 and 300,000 barrels per day by 1977. The oil produced would be used to top off Defense Department storage tanks with the rest sold or exchanged for refined products used by DOD. Surplus revenues would be used to finance further exploration, development and production of the reserves, particularly NPR No. 4, a 24-million acre tract in Alaska, with at least 20 percent of production earmarked for military needs and strategic storage.

Military storage facilities maintaining a reserve of 300 million barrels and civilian stored reserves of up to one billion barrels of oil are projected. Production surplus to this amount would be available for sale in the civilian market. It is expected that NPR No. 4 would be able to produce a minimum of 2 million barrels per day by 1985, which would allow about 1,600,000 barrels a day for civilian consumption. In addition, the President would be authorized to require domestic importers or refiners to maintain stored petroleum reserves at levels to be determined by the President.

Two competing and conflicting House bills were pending on the House Calendar at the time of the July 4th recess. Debate is scheduled for the second week in July.

H.R. 49, reported from the Committee on Interior and Insular Affairs by a unanimous vote on March 18, 1975, would provide for the development of national petroleum reserves, (including all or part of naval petroleum reserves), and would transfer administrative authority over all four naval reserves from the Navy Department to the Interior Department (No. 1—Elk Hills; No. 2—Buena Vista Hills, in Kern County, Calif.; No. 3—Teapot Dome, Wyo.; and No. 4—on the North Slope of Alaska).

The bill would authorize the Interior Department to establish national petroleum reserves on federal public lands (exclusive of National parks, National wildlife refuges, wild and scenic river areas, national wilderness areas and Alaskan lands not included in the No. 4 Naval Petroleum Reserve) and would allow the Interior Department to prepare plans for the development and production of oil and gas on the national reserves, excluding the No. 4 Alaskan reserve.

The plan would become effective within 60 days unless either House vetoed it, or took no action. The Secretary of Interior would be required to consult with the Secretary of Defense before including all or part of any naval petroleum reserve in a national reserve.

The bill would also allow the Interior Department to contract to sell oil and gas produced from the national petroleum reserves and to explore for oil and gas in the naval petroleum reserve in Alaska, but the Secretary would be barred from any development or production of this reserve without express authorization from Congress. Independents would have equal contract opportunity.

The Committee on Armed Services requested and received sequential referral of H.R. 49. The Committee reported its own bill (H.R. 5919) in the form of a substitute to H.R. 49 by a vote of 28 to 3 on April 18, 1975. The Armed Services bill would allow the full exploration, development and production of U.S. naval petroleum reserves, and would place the revenue derived from the production in a special fund to be applied to the petroleum needs of the Department of Defense and for the establishment of a study group to investigate the feasibility of creating a military National Strategic Petroleum Reserve. The measure also provides for the production of petroleum reserves for a period not to exceed three years, at a rate not to exceed 200,000 barrels per day. All oil produced from these reserves would be sold or exchanged for the exclusive use of the military.

Production authorization for Elk Hills would be conditioned upon the Secretary of the Navy reaching an agreement with the private owners to continue operation of Elk Hills under a unitized plan contract.

In its report, the Armed Services Committee stated that our national security requires the assurance that U.S. Armed Forces have enough fuel to supply their needs in time of national emergency of war and that the reserves must be "completely protected from depletion before any alternative oil sources in them may be established."

Initially scheduled for floor debate April 29, 1975, H.R. 49 and H.R. 5919 were withdrawn pending completion of the Ways and Means and Commerce comprehensive energy bills. H.R. 49 passed the House July 8, 1975, by a vote of 391 to 20.

As reported by the House Committee on Interstate and Foreign Commerce, Title II, part B of H.R. 7014, would establish a National Civilian Strategic Petroleum Reserve of one billion barrels of petroleum products and create as part of such a reserve an Early Storage Reserve of 150,000,000 barrels of petroleum products to protect against near-term disruptions of imports. The President is directed to prepare a plan incorporating these features and to submit it for Congressional review and approval. Drawdown of these supplies would be permitted only if the President determines it necessary due to a severe supply interruption. Import restrictions would not apply to any products purchased for storage in the Reserve, a provision confirmed in H.R. 6860, the Ways and Means bill.

The Senate Interior and Armed Services Committees held joint hearings on proposals to develop Elk Hills and the Administration's storage proposal. S. 677, a bill to establish a system of strategic petroleum reserves—civilian, military and industrial—was ordered reported from the Senate Interior Committee on June 13, 1975, and was passed by the Senate July 8, 1975. Management of the system, under the Senate bill, would be given to the Federal Energy Administration. Another bill, S. 2173, which was approved by the Senate by a vote of 93 to 2 on July 29, 1975, would permit limited production of Naval Petroleum Reserves No. 1, 2, and 3 (in California and Wyoming). The National Energy Production Board, which would be created by S. 740, is authorized and directed to prepare and carry out a Naval Petroleum Reserves Development and Production Program for NPR's 1, 2, and 3 and an Alaska Naval Petroleum Reserve Exploration (but not development) Program, covering NPR 4, to be submitted for Congressional review with the right to disapprove.

III. RESTRAIN AND RESHADE ENERGY DEMAND

There is general agreement between Congress and the Administration that in the immediate and near term, major savings must come from voluntary or mandatory efforts to restrain consumption of petroleum and petroleum products and to encourage, or order, conversion to other forms of energy.

However, there is no similar agreement on the means to be used. The Administration's energy-conservation proposals rely primarily on higher prices, jawboning for voluntary compliance, modest subsidies for building and industrial conservation efforts and relaxation of auto emission and other clean air requirements. In general, the various House and Senate bills which have been reported out or are in markup reflect a preference for specific incentive and disincentive taxes and subsidies for specific conservation targets plus selected mandatory conservation measures.

The following sections summarize briefly some of the legislative and other action to date on (a) pricing as a demand constraint; (b) restraining consumption of gasoline; (c) improved auto fuel efficiency measures; (d) modification of buildings to conserve energy; (e) conversion to coal to save oil and gas; (f) other industrial conservation measures; and (g) encouragement and improvement of mass transit facilities to conserve gasoline.

A. Pricing as an energy demand constraint

A key feature of the Administration's overall energy policy approach is the claim that higher oil and natural gas prices are not only necessary to encourage increased production of domestic supplies, but are also the best means to bring about reduced consumption of petroleum products. The energy conservation function is discussed briefly in this section; price-related actions intended to encourage supply are treated in Section IV.

On June 1, 1975, the Administration's previously announced second $1 per barrel fee on imported oil took effect, raising the total to $2 a barrel on crude oil imports, with a $0.60 fee per barrel on imported refined products. This has the effect of increasing the acquisition cost to domestic refiners of crude imports by an equivalent amount. In addition, the President has submitted draft tax legislation which would place an excise tax of $2 per barrel on all domestic crude oil (the price of which is to be decontrolled entirely over a period of two years), an import fee of $2 on all imported crude oil and petroleum products "to help reduce the demand for oil," and a 37-cent per 1,000 cubic feet excise tax on natural gas, the wellhead price of which would also be deregulated. (See Section IV-B-3- and 4 for further details.)

The Administration has claimed a dampening of demand is already occurring, although by the end of April the full impact of the first $1 import fee was not yet reflected in the refiners acquisition cost. (This is because not all foreign oil purchased and reported to FEA in a given month actually enters the country in that month. Import fees are only incurred by refiners when oil physically enters the country in that month.)

It is too soon to judge whether oil and oil product demand will be as responsive to additional rises in price as the Administration believes it will be, and in any event it is extremely difficult either (a) to separate out the dampening due to the recession or (b) to calculate what the otherwise unrestrained level might have been, a free floating statistical exercise which has been undertaken in connection with all the omnibus proposals.

A comparison of the levels of consumption for imported crude over the past several years, during periods of price increases much sharper than would result from the President's program, does not provide much encouragement that price alone can reduce U.S. demand. As shown in the following table, imports of crude which were 2,046,000 barrels a day in January 1972, when the posted price was $2.48, rose to 3,740,000 b/d in October 1973, after two price increases to $5.12. Once the embargo imposed in mid-October 1973 was lifted in April 1974, consumption rose to more than the pre-embargo level. In October 1974, at refiners import acquisition prices at $12.44—an import price level which had been sustained for nine months—crude imports totaled 3,936,000 b/d. In December 1974, crude imports were still high, 3,964,000 b/d at a price of 12.82 per barrel. At the end of February 1975 crude imports had risen slightly to 4,061,000 b/d, at a refiners import acquisition price of $13.05, and eased to 3,837,000 b/d in March.

OIL PRICES, OIL IMPORTS (CRUDE AND PRODUCT) TOTAL U.S. OIL PRODUCTS CONSUMPTION, U.S. CRUDE PRODUCTION JANUARY 1972 THROUGH MARCH 1975 (SELECTED MONTHS 1972, 1973)

[In thousands of barrels of oil per day]

Year and month	Imports, price per barrel [1]	Domestic, uncontrolled well head price	Imports, crude	Imports, refined products	Total oil imports	Total U.S. consumption oil products	U.S. crude production
1972 January	$2.48		2,046	2,721	4,767	16,735	9,114
1973:							
August	3.07		3,593	2,913	6,906	17,414	9,161
October	5.12		3,740	2,785	6,525	17,095.	9,172
November	5.18		3,452	3,412	6.864	18,434	9,144
December	5.04		2,891	3,055	5,746	17,429	9,041
1974:							
January	9.59	$9.82	2,382	2,973	5,355	17,270	8,907
February	12.45	9.87	2,248	2,973	5,221	17,371	9,156
March	12.73	9.88	2,462	2,753	5,215	16.045	8,950
April	12.72	9.88	3,267	2,703	5,970	15,919	8,952
May	13.02	9.88	3,908	2.454	6,362	15,740	8,903
June	13.06	9.95	3,925	2,218	6,143	16,191	8,777
July	12.75	9.95	4,091	2,140	6.231	15,853	8,698
August	12.68	9.98	3,924	2,281	6.205	15,803	8.717
September	12.53	10.10	3,758	2,180	5,938	16,318	8,622
October	12.44	10.75	3,936	2,361	6,297	17,121	8,651
November	12.53	10.90	3.997	2,581	6,578	17,129	8,458
December	12.82.	11.08	3,964	2,623	6,587	17,688	8,471
1975:							
January	12.77	11.28	3,934	2,324	6,298	17,425	8,577
February	[1] 13.05	11.39	4,061	2,136	6,197	17,338	8,496
March	13.28	11.47	3,834	1,938	5,772	16,635	8,394
April	13.28	[2] 11.57					
May	[2] 13.11						
June							

[1] Beginning in 1974, includes fees and transportation to refineries.
[2] Preliminary.

Source: FEA publications.

It should also be noted that during the same period prices of domestically produced crude oil which could be sold on the free market rose rapidly, within the framework of a two tier price system which allowed "stripper well", "new" oil and "released" oil to be exempt from price control.[7]

By January 1975, the price of uncontrolled domestic crude (which accounted then for about one third of domestic production) had risen to $11.28, only $1.35 below the reported import price at that time of $12.63, before the imposition of the first $1 import fee.

It is important to look at these prices not solely in terms of their levels but also in relation to the quantities of crude oil in-

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volved: In December 1974, despite the dampening effect of slack economic activity, demand was strong enough so that refiners were willing to and did buy 6.7 million b/d of crude oil—2.8 million b/d of uncontrolled domestic and 3,964,000 b/d of imported oil—at the high prices already then prevailing for uncontrolled domestic oil and imported crude.

This was a million barrels a day more than the total amount available and bought by refiners from supplies of price controlled domestic crude—5.6 million b/d at the ceiling price of $5.25.

After the ninth consecutive month of rising well-head prices, the price for domestic uncontrolled crude had risen from $9.95 a barrel, in July 1974, to $11.57 in April 1975, and the refiners acquisition price for imported crude, in that month, had risen to $13.17 a barrel.

In January 1975, the Administration instituted an equalization program, the "Old Oil Entitlements Program."[8] which has been used to spread this price differential more evenly between refiners dependent on the more expensive crude and those with access to the crude supplies still under price control.

B. Restraining consumption of gasoline

The private automobile occupies a central place in the American lifestyle and economy. Consumption of gasoline to fuel that lifestyle accounts for almost forty percent of the total demand for oil products in the United States and, prior to the Arab embargo in October 1973, it was anticipated that gasoline consumption would probably continue to rise at the rate of more than 5 percent annually for the country as a whole. Measured in its equivalent of barrels of oil per day, motor gasoline was being consumed in March 1975 at the rate of 6 million barrels of oil per day and being consumed in cars which had been increasing in weight, air conditioning and gadgetry and had decreased in fuel mileage efficiency. The 1958 model year cars averaged about 14 miles per gallon. This had dropped to a low for the 1973 model year average of only 11.6 mpg.[9] A joint EPA-Department of Transportation study published in October 1974 ("Potential for Motor Vehicle Fuel Economy Improvement: Report to Congress") estimated 1974 model year average fuel efficiencies as 14 mpg and 1975 model year efficiency at 15.9 mpg, a 13.5 percent improvement in 1 year.

To make any real dent in this gargantuan consumption sector, much less hold the total volume at or near present levels, requires strong measures, and, despite their lack of political appeal, there are a few which are being readied for or have already been subjected to floor debate.

One active bill dealing head-on with the issue of restraining gasoline demand is H.R. 7014, which was approved by the House Interstate and Foreign Commerce committee June 26. Floor debate began July 15th.

Title IV, Part A contains a series of amendments to the Emergency Petroleum Allocation Act of 1973, including a "Mandatory Gasoline Allocation Savings Program" which would require that gasoline consumption be restricted to 1973–1974 levels and that no growth in gasoline consumption above these levels be permitted for three years. In addition, the President would be given discretionary authority to further reduce gasoline availability by 1 percent increments if such reductions in consumption can be achieved consistently with the objectives of the Emergency Petroleum Allocation Act of 1973. This is intended as an interim measure imposed until conservation measures become effective in reducing consumption.

A Retail Distribution Control Measures Amendment would provide a mechanism designed to minimize any motorist inconvenience which might possibly arise from the Mandatory Gasoline Allocation Savings Program and assure gasoline availability during non-business working hours.

Another provision, the Direct Controls on Refinery Operations Amendment and Inventory Controls Amendment, would provide the President with additional authorities he may require to manage the Mandatory Gasoline Allocation Savings Program.

The Ways and Means bill, HR 6860, in Title II, had originally proposed approaching this particular task somewhat less directly, using a tax incentive-disincentive system to encourage reduced use of gasoline. As described in the Committee Report:

The bill imposes a gasoline tax of 3 cents per gallon beginning next year and provides that if gasoline consumption increases over the record 1973 level, an additional 5 cents per gallon (with a 20-cent maximum) will go into effect for each one percent by which consumption exceeds the 1973 level. Thus, if voluntary conservation and the effect of price increases for gasoline which have already taken place do not restrain the growth of gasoline consumption, additional restraint will automatically be provided through the imposition of a gasoline tax. The gasoline tax can be expected to have some effect in discouraging driving in the short run and, in the longer run, encourage persons to live nearer their place of employment or to make greater use of mass transit. However, the principal impact of the gasoline tax will be to work in conjunction with the auto efficiency tax to encourage the shift to smaller, more efficient cars.

In order to offset the adverse effect on the overall economy of a gasoline tax, which generates revenues of approximately $1 billion for each one cent of tax, and to offset the impact of higher gasoline prices on individuals who consume the average amount of gasoline, a tax credit is provided for tax in excess of the first 3 cents. The credit offsets approximately two-thirds of the average amount of gasoline tax paid when the tax is fully effective, and other credits and exemptions increase the offset to 80 percent of the gross tax. The general credit for personal use of gasoline is in the form of a refundable income tax credit equal to the tax on 40 gallons of gasoline a month (480 gallons a year) to each individual age 16 or over. The credit will be reflected in income tax withholding. By the use of this tax credit, the deterrent to gasoline use created by the gasoline tax is retained because the tax credit is independent of the amount of gasoline purchased. Your committee believes that this current refundable credit approach will offset any adverse effects on the economy generally that a tax increase of this magnitude might otherwise have and that making the credit independent of the amount of gasoline purchased is simpler and more efficient than a system of rationing or of a basic tax exemption using coupons.

Special exemptions are also provided for certain types of individuals who must rely on the use of automobiles far more than the average, such as migrant workers or construction workers who must work at a variety of jobs during the year. Farmers, tax-exempt educational, charitable, and religious institutions and State and local governments are exempt from the gasoline conservation tax as they are under the present gasoline tax. Commercial aviation is exempt from the tax, and taxicabs are given a credit equal to three-quarters of the possible 20-cent increase if they permit shared ridership. The impact on the possible 20-cent increase on business generally also is reduced by providing a tax credit equal to 50 percent of the tax. (Businesses may deduct the other half of the tax.)

The energy savings from the gasoline tax is estimated to be 1.1 million barrels a day by 1985. Your committee believes that unless further mandatory or voluntary conservation actions are taken, a 5-cent increase in the gas tax will be triggered in 1977, followed by a 10-cent increase in 1978, and the final 5-cent increase in 1979.

Title II was stricken in its entirety from the bill, on June 11, 1975, by a vote of 209 to 187, in the initial round of votes. Its legislative history, however, particularly the rationale presented for the exemptions from the tax, may be of interest in the event end-user gasoline rationing may be considered to be necessary.

Another provision of H.R. 6860 directed at conserving gasoline is a repeal of the present excise tax on radial tires. Radial tires improve the mileage obtained by automobiles by between 3 and 5 percent, but they are more expensive than other types. To reduce the price differential and encourage greater use of these tires, the bill repeals the present excise tax of 10 cents per pound on radial tires (about $3.00 per tire).

On June 13, 1975, the House approved by a standing vote of 73 to 31 an amendment to H.R. 6860 which would provide a tax credit of up to $750 (25 percent of the first $3,000 cost) for the next three years to those who buy electric cars for highway use. It was argued that this would help sell 50,000 vehicles that "guzzle no gas". On July 28, 1975, the House Committee on Science and Technology ordered favorably reported, H.R. 8800, the Electric Vehicle Research, Development and Demonstration Act of 1975.

These two provisions were included in the bill as passed by the House, June 19, 1975. The President has strongly and repeatedly rejected the use of either rationing or a gasoline tax as a means of restraining the use of gasoline, relying on voluntary cooperation and somewhat higher prices for gasoline, caused by a pass-through of his import and excise fees, to produce the savings of 450,000 barrels of oil equivalent in gasoline he hopes to achieve by the end of 1975.

Early in June, the Federal Energy Administration received, and is studying, a 12 volume, 3,000 page government task force report on gasoline rationing, outlining a contingency rationing plan which would provide about 40 gallons of gasoline a month for every licensed driver, available by presentation of transferable coupons. The task force estimated rationing could be fully operational within 90 days of a decision to go ahead. The program would cost an estimated $400 million to launch, would require 93,000 employees to administer, at an estimated annual cost, once put into effect, of nearly $2 billion. The task force recommended that price controls be imposed at all levels to prevent windfall profits accruing to the oil industry.[10]

C. Improved auto fuel efficiency

A promising area for substantial gasoline savings without sacrificing mobility appears to be in retooling car designs to obtain greater mileage per gallon of gasoline. Allowing for gradual attrition and junking of old models—and no net increase in total number of cars—a requirement that all new models be built to run 24 miles a gallon could cut gasoline consumption in half by 1985 without drastic change in life styles.

Among the various legislative proposals under current consideration, the strongest is found in S. 1883, reported from the Senate Commerce Committee on June 5, 1975, and approved by the Senate, July 15, 1975.

The bill amends the Motor Vehicle Information and Cost Savings Act by adding two new titles as described below:

The new Title V of the Motor Vehicle Information and Cost Savings Act would establish a mandatory fuel economy standards program within the Department of Transportation. The 1980 goal of the program would be to increase by 50 percent over 1974 models the average fuel economy of new passenger automobiles manufactured for sale

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Footnotes at end of article.

in, or imported into, this country. A 100-percent improvement would be the goal for model year 1985.

The effect of this would be to establish mandatory standards of 21 miles per gallon by 1980 and at least 28 miles per gallon by 1985. Calculations by the Department of Transportation of the likely impact of the standard mandated by S. 1883 are savings of 225,000 barrels per day in 1977 relative to 1975, 790,000 per day by 1980 and more than 2,000,000 by 1985. This latter figure is roughly one-third of current crude-plus-product imports and the equivalent of about the entire anticipated flow of oil expected from the Alaska Pipeline.

The Secretary of Transportation would be authorized, with the consent of Congress, to adjust the 1980 and 1985 goals up or down to the maximum feasible levels. A mandatory fuel economy standards program would also be established for light duty trucks, but light duty trucks would not be subject to the 50- and 100-percent improvement goals for model years 1980 and 1985. Standards for these vehicles would be set by the Secretary of Transportation at maximum feasible levels.

The standards would apply to a manufacturer's average annual production, leaving the manufacturer maximum flexibility to meet the standards. Civil penalties would be imposed on manufacturers who fail to achieve these standards, but these penalties could be waived or modified. A fuel economy labeling program for new cars and new light duty trucks would also be required.

The new title VI of the Motor Vehicle Information and Cost Savings Act would create an automotive research and development program within the Department of Transportation, coordinated with the Energy Research and Development Administration (ERDA) to develop production prototypes of advanced automobiles which would have high fuel efficiency while complying with Federal requirements with respect to emissions, safety, and any other requirements. This program is designed to develop, from the ground up, automobiles that meet all government requirements in the most economic way.

The House Commerce Committee bill, H.R. 7014, contains strong incentive-disincentive provisions, similar to those in S. 1883, aimed at increasing auto fuel efficiency.

Part A of Title V, of H.R. 7014, calls for mandatory automobile fuel economy standards. Each manufacturer's average fuel economy for all of his production (including imports) in a model year must meet the following standards:

Model year:	*Miles per gallon*
1978	18.5
1979	19.5
1980	20.5
1985	28.0

Standards for model years 1981–84 are to be set administratively by the Secretary of Transportation. The standard for 1985 may be modified administratively, subject to Congressional veto.

Standards are required to be adjusted downward to reflect any decrease in fuel economy which results from more stringent motor vehicle emission standards.

A one-half miles per gallon (mpg) margin of error is provided for, thus not penalizing a manufacturer who misses the standard by less than ½ mpg. If a manufacturer exceeds the standard by more than ½ mpg, he is permitted a one-year carry back or carry forward or both.

Violations of the fuel economy standard subject to the manufacturer to a civil penalty of $50 per unit of automobile production in the model year times the number of miles per gallon by which the manufacturer misses the standard.

Trucks and multipurpose vehicles are not included in determining the manufacturer's average fuel economy; however, DOT is directed to establish separate standards for these vehicles.

Fuel economy labeling of automobiles is required.

These provisions have been approved, as Section 311 of Title III of the Ways and Means bill, H.R. 6860, and were approved as a substitute for the original provisions by a vote of 306 to 86.

As originally proposed, in H.R. 6860, an auto efficiency tax was to be imposed on any U.S. auto manufacturer or importer whose new auto fleet averages less than 18 miles per gallon (mpg) in the 1978 model year, 19 mpg in 1979, and 20 mpg in 1980. The tax itself was to be 2 percent of the manufacturer's sales price on cars that are up to 1 mpg below the standards and was to be applied at higher rates to less efficient cars.

The Committee had considered heavier taxes on fuel-inefficient automobiles, as well as the possibility of providing tax credits for fuel-efficient cars. It decided not to impose a heavier tax because of the danger of a major loss of jobs in the automobile and related industries, and because it did not want to stimulate increased imports of foreign cars.

A Senate bill, S. 1518, reported from the Senate Commerce Committee May 22, 1975, and approved on June 5, 1975, would also amend the Motor Vehicle Information and Cost Savings Act (Public Law 93–492) to incorporate within it "a concern for fuel efficiency of motor vehicles." This concern takes the form of authorizing for appropriation $5,000,000 for fiscal year 1976 and additional amounts totalling $16,500,000 in subsequent years through September 30, 1978, in order to set up diagnostic inspection demonstration projects with a capacity to determine a car's fuel efficiency capability as well as whether it meets emission standards. Citing the cost benefits which would be associated with enforcement of mandatory standards (which the bill does not set, but which development of diagnostic equipment would help enforce), the report (S. Rept. 94–155) stated:

The most recent study on air quality and emission controls done by the National Academy of Sciences has determined that the societal loss due to auto emissions is between $2.5 billion and $7 billion per year.

The Environmental Protection Agency data indicates that emission tune ups could save as much as 375,000 barrels of crude oil per day nationally.

On the cost side, the States of Pennsylvania and New Hampshire which currently have the most comprehensive inspections, charge about $4.65 for the inspection. Several studies have been conducted to determine the costs associated with State owned and operated lane type inspection facilities. One study concludes that separate safety and emissions inspection facilities are significantly more expensive than multipurpose facilities combining safety and emissions inspection under one roof. Where a comprehensive approach is taken, the study concludes that fees between $2 and $6 are feasible depending on the level of inspection.

S. 1883, approved on July 15, 1975, included an amendment to establish a maximum of three motor vehicle diagnostic demonstration projects with a view to assisting the States in its inspection of motor vehicles.

President Ford, in his State of the Union address to Congress, January 15, 1975, stated that before he had decided on the measures to be adopted to conserve energy, "I considered rationing and higher gasoline taxes as alternatives. In my judgment, neither would achieve the desired results and both would produce unacceptable inequities."

Instead, he announced that he was submitting "legislation to modify and defer automotive pollution standards for five years which will enable us to improve new automobile gas mileage by 40 percent."

Section 503 of Title V of the Administration Bill (S. 594/H.R. 2650), amending the Energy Supply and Environmental Coordination Act of 1974 (ESECA), would stabilize the auto emission requirements for five years at the level of California's 1975 standards for hydrocarbons and carbon monoxide emissions, holding at national 1975 standards for oxides of nitrogen. An accompanying White House fact sheet announced that, "The Secretary of Transportation has obtained written agreements with each of the major domestic automobile manufacturers which will yield a 40 percent improvement in fuel efficiency on weighted average for all new autos by 1980 model year. *These agreements are contingent upon relaxation of Clean Air Act auto emission standards* [italics added]. The agreement provides for in-term goals, Federal monitoring and public reporting of progress."

During the July Senate hearings on Clean Air Act amendments, the point was brought out that since air pollution standards are set for each individual pollutant, it is possible to change or relax standards for one pollutant until technology is further improved but still maintain existing standards for another pollutant. This is well illustrated in the case of current auto emission control requirements: There seems to be general agreement that the use of a catalytic converter to abate carbon monoxide and hydrocarbon emission levels in conformance with existing standards will not exact a fuel penalty and therefore levels for those particular pollutants would not necessarily have to be changes. However a fuel penalty is likely to be exacted if the requirement to abate nitrogen oxide standards to currently required levels would be allowed to stand.

The only mandatory provision relating to fuel efficiency in the Administration bill is found in Title XII, "The National Appliance and Motor Vehicle Energy Labelling Act of 1975," which authorizes the President to require appliance and motor vehicle labels to give the consumer information that will permit comparison of relative energy consumption.

D. Modification of buildings to conserve energy

Almost coequal with transportation as a major consumer of total energy in the United States is space conditioning of residential and commercial buildings. About 12 percent of total energy is used for residential heating and cooling and 9 percent for similar commercial uses. When heating and cooling of industrial buildings is added, more than 25 percent of all the energy used in the United States is consumed in heating and cooling the buildings where people live and work.

The Ways and Means bill includes several measures designed to speed up the conservation of energy in this consumption sector. As summarized in the Committee Report (H. Rept. 94–221), these include:

Tax credit for home insulation. An important way to conserve energy is to install such energy saving items as insulation, storm windows and thermal glass in homes. To encourage a major effort during the next three years, your committee has included in the bill a 30 percent tax credit for up to $500 of expenditures on insulation, storm windows and similar energy-saving items for principal residence. The maximum credit, then, would be $150. It is expected that this tax credit will save between 50,000 and 100,000 barrels of oil per day by 1985.

Tax credit for residential solar energy equipment. Eventually, solar energy will have to become a major source of energy, since the sun is one of the few nondepletable resources. To stimulate a more rapid development of solar energy, your committee has included a tax credit for homeowners who install solar heating or cooling equipment. The credit is to be 40 percent on the first $1,000 of such expenditures and 20 percent on the next $1,000, so that the maximum credit is to be $600. While probably only several thousand households will actually make use of this tax credit, so that the revenue loss will be minimal, these homeowners will be the vanguard of the shift to alternative sources of energy.

Investment credit for insulation and solar energy equipment. As noted above, a new tax credit is provided for insulation and solar energy equipment for homeowners and tenants. In the case of businesses, the investment credit is made applicable through 1977 for insulation and through 1980 for solar energy equipment. These investments are not now eligible for the investment credit, because they are considered to be parts of the building or its structural components. At the same time, the investment credit is removed from room air conditioning units and space heaters, which are less efficient than central units. Central units do not receive the credit because they are part of the building and not equipment.

In initial votes on these provisions on June 13, 1975, the House retained the tax credit for insulation and, by a vote of 244 to 132, raised the solar energy credit to 25 percent of the first $8,000 of cost. The House also extended residential solar energy credit to equipment meeting "interim" rather than "definitive" HUD standards and allowed credit for solar installations shared by several houses.

Title X of the Administration bill (S. 594/H.R. 2650) would establish mandatory thermal (heating and cooling) efficiency standards for all new homes and commercial buildings to be developed, discussed, reviewed and promulgated over a period of about four years before becoming mandatory.

It was anticipated that this program would save the equivalent of 500,000 barrels of oil per day in 1985. The Secretary of Housing and Urban Development in consultation with engineering, architectural, consumer, labor and industry representatives would be responsible for developing thermal efficiency standards. Standards for residential dwellings would be promulgated and implemented within one year, and performance standards for commercial and other residential buildings developed and implemented as soon thereafter as practicable. State and local governments would assume primary responsibility for enforcing standards through local building codes.

In addition, Title XI of S. 594 would establish, within the Federal Energy Administration, a grant program for States to assist low income persons, particularly the elderly, in winterizing their homes. Title XI is modeled after a successful pilot project that was conducted in the State of Maine during 1974. Annual appropriations of $55 million would be authorized to fund the three-year grant program, and enable States to purchase winterization materials for dwellings of low-income persons.

S. 622, which passed the Senate April 10, 1975, as the "Standby Energy Authorities Act," included as Title II a statement of policy and several recommendations for a more permanent energy conservation program over the near and longer term.

Entitled "Energy Conservation Policy," Title II includes the finding that:

> The Congress hereby declares that it is in the national interest for, and shall be the continuing policy of, the Federal Government to foster and promote comprehensive national fuels and energy conservation programs and practices in order to better assure adequate supplies of energy to consumers, reduce energy waste, conserve natural resources, and protect the environment.

The proposed legislation requires that the Administrator of FEA, in cooperation with the Secretaries of the Departments of Housing and Urban Development, Commerce, Interior, Transportation, Health, Education, and Welfare, Treasury, and the heads of other appropriate Federal agencies shall, "within three months of the effective date of this Act," promulgate, among other measures, regulations which specify standards for energy efficiency and conservation and establish thermal performance standards for all new Federal construction and all new homes and buildings financed under any Federal loan guarantee or mortgage program, and low interest loans and loan guarantee programs to improve the thermal efficiency of individual residences by installation of insulation, storm windows, or other improvements.

These, and any other energy conservation measures so promulgated, are subject to a Congressional right to review and disapprove.

The Senate inserted in the Senate draft of the Emergency Housing Act of 1975 (S. 1483) a stiff energy conservation buildings standards title, in contrast to the mild hope for encouragement of energy conservation expressed in Section 10 of the House version, H.R. 4485. Title II would direct the Secretary of HUD to establish energy conservation standards for new residential and commercial buildings. These energy standards would be implemented and enforced by States and local governments through their building codes or other legal requirements governing construction. A financial sanction was laid down in a provision that where States or local governments fail to adopt and enforce such standards, direct and indirect, Federal financial assistance would be barred, except for grants made to States by formula. The provisions were almost identical with Title X of S. 594. They had earlier been introduced as a new bill, S. 1283.

However, at the insistence of the House, this title was dropped in the final conference compromise, and the bill was subsequenty vetoed. A new House version with similar provisions was reported on July 22, 1975 as H.R. 8650, the Building Energy Conservation Standards Act (House Rept. 94-377). The Senate Committee on Banking began mark up on a new bill, on July 25, including provisions of S. 2063 and Title III or S. 1483.

E. CONVERSION TO COAL TO CONSERVE OIL AND GAS

In 1974, some 35 percent of electric power generation and 80 percent of industrial energy supply were fueled by oil or natural gas. Only 44 percent of electric power and 20 percent of industrial energy supply were provided by coal. Yet the country has hundreds of years of coal supply and only 35 years or so of oil and gas reserves.

Over the past 10 years or so, and up to the oil embargo of 1973-4, coal was losing ground to oil and gas on the basis of both economics and environmental protection. Hundreds of existing coal-fired utility generators were converted to oil or gas, and essentially no new coal-fired facilities for industry were built.

After the oil embargo, the 93rd Congress passed the Energy Supply and Environmental Coordination Act (ESECA) requiring that electric power plants capable of burning coal on the date of passage be ordered to do so and that power plants "in the early planning stages" be required to have the capability of burning coal. ESECA also authorizes but does not require the Federal Energy Administration to order that industrial boilers with the appropriate capabilities burn coal. Authorities under ESCEA are limited, so that its total impact on fuel consumption will be small.

Measures under active consideration in the 94th Congress affecting production and utilization of coal focus on broadening ESECA to apply to additional power plants, and extending its authorities with respect to industrial boilers, on the one hand, while modifying the Clean Air Act to permit the additional burning of coal without violation of national health-related air quality standards on the other hand.

In the Senate, hearings have been completed on S. 1777, the National Petroleum and Natural Gas Conservation and Coal Substitution Act of 1975. These hearings were carried out under the auspices of the Senate's National Fuel and Energy Policy Study (S. Res. 45, 92d Congress) by the Committee on Public Works, the Committee on Interior and Insular Affairs, and the Committee on Commerce. S. 1777 would require that all new fossil fuel-fired power plants and major fuel burning installations be capable, after January 1, 1979, of burning coal as their primary fuel, that existing fossil fuel-fired power plants and industrial boilers be burning coal by January 1, 1980, and that all new fossil fuel-fired power plants and industrial boilers be burning coal by January 1, 1985. This bill is scheduled to be reported to the Senate after the August recess.

Concurrently, the Senate Committee on Public Works, in its Environmental Pollution Subcommittee, is marking up a bill to amend the Clean Air Act to clarify Congressional intent with respect to the "no significant deterioration" provision of the Act and to take into more specific account the impact of air quality control requirements on the added burning of coal that will occur as a result of the amendments of ESECA.

On the House side, the Committee on Interstate and Foreign Commerce has reported favorably H.R. 7014, the Energy Conservation and Oil Policy Act of 1975. Title VI of this bill would enlarge the powers of FEA under ESECA to order power plants and industrial boilers to burn coal but would not require all fossil fuel-fired boilers to convert. H.R. 7014 does not deal with the Clean Air Act, but the Committee's Subcommittee on Public Health and Environmental is currently marking up a draft bill for that purpose. Floor debate on the bill, which began July 15, is not yet complete.

Recent hearings, held July 8 to 14 by the Subcommittee on the environment and the Atmosphere of the House Committee on Science and Technology, have addressed the possible increase of sulfates in the atmosphere resulting from additional conversions to coal. Emissions from stationary sources are acknowledged to contribute 99 percent of the current sulfate load.

The Administration's bills (S. 594/H.R. 2860) also addressed themselves to these issues.

Title IV and V contain amendments to the Clean Air Act and the Energy Supply and Environmental Coordination Act of 1974 (ESECA).

The amendments to ESECA would expand and extend the Federal Energy Administrations authority to issue and enforce orders prohibiting power plants and other major installations from burning petroleum products and natural gas. One of the amendments to the Clean Air Act would eliminate the regional requirement which prohibits major fuel burning sources from burning coal where the violation of health-related standards is caused by other sources. Another amendment would permit certain isolated plants to use intermittent control systems on an interim basis where they do not pose a threat to public health.

Title VI would delete the "significant deterioration" requirement from the Clean Air Act. The Administration argues that "there may be more appropriate ways to deal with the issues associated with significant deterioration than through the Clean Air Act, and Congress should undertake a prompt and comprehensive review of this issue."

Both the Administration and both houses of Congress agree that these initiatives designed to increase utilization of coal to replace oil and natural gas will demand a greatly enlarged production of coal. Estimates of the amount needed range from 1 to 1.4 billion tons by 1985. For this extra production, a large number of new mines must be opened and rail and water transportation facilities expanded and improved.

H.R. 7014 would provide loan guarantees to small coal producers to open new underground mines which produce low sulfur coal. H.R. 6860, as approved by the House, provides for a five-year amortization for railroad facilities—rolling stock, roadbed improvements, and loading-unloading facilities—plus a five-year amortization for coal slurry pipelines, coal conversion equipment, shale oil conversion equipment and deep coal mining equipment. H.R. 6860 was in markup in the Senate Finance Committee at recess time.

F. Other industrial conversation measures

The industrial sector consumes about 40 percent of the U.S. energy budget. It has been estimated that up to 30 percent of industrial energy consumption is wasted. Industrial energy consumption patterns are extremely complex and are effected by choice and availability of fuel type and costs, raw materials, state of the economy and type of industrial processing. Because of the complexities within the industrial sector, it is difficult to reasonably define baseline energy consumption conditions on which to found regulatory or incentive measures considered in the building and transportation sectors.

A bill passed by the Senate (S. 622) would provide the President with the authority to promulgate, by regulation, interim energy conservation plans that could include "standards and programs to increase industrial efficiency in the use of energy" (Sec. 202). The bill also provides that FEA shall, within three months of the effective date of the Act, promulgate regulations which specify standards for energy efficiency and conservation for various areas including the industrial sector. (Sec. 203)

Other legislative proposals are more specific in defining industrial energy conservation programs. S. 1908, introduced on June 10, 1975, would promote through Federal assistance and research and development of energy efficient industrial technologies, target increases in efficiency of at least 15 percent by 1980 and 30 percent by 1985. Also H.R. 7014, as reported by the House Commerce Committee would provide Federally defined "energy efficiency targets" for each of 2000 "largest energy consuming manufacturers." The FEA would then conduct continuing evaluations of the progress made by industry in achieving compliance with the energy efficiency targets.

Other legislative approaches, as found in S. 1149, introduced on March 11, 1975, would provide for accelerated Federal research and development efforts related to new energy efficient industrial processes.

The Administration bill, S. 594/H.R. 2650, includes a number of provisions in addition to those which would encourage conversion from oil or natural gas to coal, which could contribute to energy conservation. Title VII would eliminate prohibitions against off-peak pricing so that utilities may charge lower prices to consumers during off-peak hours, and eliminate prohibitions against utilities' fuel adjustment clauses to ensure that utility rates accurately reflect increasing fuel costs.

Title V of the Ways and Means bill, H.R. 6860, entitled "Encouraging Business Conversion for Greater Energy Savings," includes an excise tax on business use of petroleum and petroleum products.

As summarized in the Committee report:

> To spur conservation and conversion in this area, the bill includes an excise tax on oil and gas used as fuel in a trade or business. When it is fully effective, the taxes are to be $1 per barrel on crude oil and 18 cents per thousand cubic feet (mcf) on natural gas. These are one-half of the rates of the excise tax on crude oil and natural gas proposed by the administration. Unlike the administration proposal, however, the tax is not imposed immediatly but rather is phased in between 1977 and 1980 for natural gas and between 1977 and 1982 for crude oil. The gradual phase in spreads out the inflationary impact of the excise tax. It also reflects the fact that energy conservation and conversion take time. Putting this tax in place with a phase-in rate schedule puts businesses on notice that they will be able to reduce their costs significantly by initiating energy conservation and conversion measures.
>
> In certain cases industries have special problems in coverting alternative sources, and the bill exempts some of these from the tax and in other cases delays imposition of the tax for existing facilities.

During floor debate, the provisions which sought to discourage the business use of petroleum and petroleum products were approved with a number of amendments, among them one which exempted from the business tax industries engaged in manufacturing, processing and finishing glass products; industries which generate their own electric power; and the textile and apparel industries.

During the floor debate on June 19, 1975, a provision for a tax credit for recycling (Section 533) was dropped. The sponsor of the motion to delete the provision emphasized that it was the means, not the end, which should be disapproved, that the proposed credit would benefit companies already in the business of recycling, at a cost estimated at $1,000,000,000 over the next five years, without stimulating any increase in total recycling. A comprehensive solid waste program, under current consideration in the Subcommittee on Transportation and Commerce, of the House Commerce Committee, was expected to be reported out "by the end of the summer" at which time recycling incentives would be considered in the context of a broader range of measures to encourage greater reuse of materials.

G. Improved mass transit systems

Use of railroad and other mass transit facilities is recognized as a major potential source of fuel savings enabling conservation of gasoline otherwise used for personal transport use and more efficient use of other motor fuels. However, it is also increasingly realized that until improved mass transit is actually in place and available, it cannot serve to divert present auto users from reliance on personal transport.

During the first six months of the 94th Congress, the following bills were either enacted into law or had passed one or both houses:

Public Law 94–5, approved February 2, 1975, authorizes an additional $347 million to insure the continuation of essential rail services in the Northeast and Midwest under the regional Rail Reorganization Act (P.L. 93–236); increases from $85 million to $282 million Federal grants to bankrupt railroads in the Northeast and Midwest to keep them in operation until a plan being developed by the U.S. Rail Association becomes effective; increases from $150 million to $300 million loan guarantees to bankrupt railroads to maintain and improve rail facilities until the new system is in operation and gives the Secretary of Transportation more flexibility in deciding how and when the guarantees will be used.

An Amtrac Supplemental Authorization (S. 852/HR 4975), which passed the House April 24, 1975, and the Senate on May 13, 1975, provides a $63 million supplemental authorization for fiscal year 1975, of which increased operating costs due to inflation accounted for about $50 million. It was signed as Public Law 94–25 on May 25, 1975.

H.R. 8365, making appropriations for FY 1976 and the transition period, totaling $10.8 billion and 2.7 billion respectively, passed the House on July 10 and the Senate, amended, on July 25. Included in these amounts were $439 million for Amtrak, of which $110 million is for capital costs, which for the first time are being funded by a direct Federal grant.

The Senate tried, unsuccessfully, to add a $700 million allotment to repair thousands of miles of railroad track, first, to the $5.3 billion emergency jobs appropriations bill (H.R. 4481), and, second, to the fiscal year 1975 supplemental appropriations bill (H.R. 5899), losing out in conference.

The rationale—that of linking expenditures to decreasing present unemployment and to link a full-employment goal with increased energy savings and increased domestic energy production—is a key element in the longer term Senate proposal for a National Energy Production Board, described below in Section IV, Part C.

IV. STIMULATE INCREASED PRODUCTION OF DOMESTIC ENERGY SUPPLIES

Two major legislative measures enacted or still under debate on this key energy goal are: (1) Removal of the depletion allowance for oil and gas and adjustment of selected foreign tax credits; and (2) the use of price policy as a primary stimulus for increased production, including decontrol of prices of both oil and natural gas and related offsetting provisions to manage windfall profits.

Abolition of the depletion allowance, which for sixty years has been a key feature in the U.S. petroleum industry's production and pricing policies, is a landmark event, the consequences of which for both energy investment and price have not yet been fully identified. Enacted as part of a tax reduction bill intended to stimulate the economy, removal of the depletion allowance eliminated what had traditionally been thought of as a prime incentive to encourage increased investment in oil and natural gas while at the same time permitting reasonably low domestic prices for their end products in the United States.

Coupled with the sudden escalation in prices for oil produced abroad, repeal has had the effect of requiring a revision in both attitude and approach to the question of U.S. energy pricing policies.

This is not to say that these are the only measures under current consideration which could serve to increase domestic energy supplies.

As listed in Appendix II and Subsections C to H below, there are a number which have already been considered by one or both Houses and will be important in the evolving new U.S. energy policy and program. For example, nuclear and other powerplant siting procedures to speed up decisions on new energy facilities; revision of rate structures for utilities to aid in providing more capital; increasing the share of the states in oil shale and other energy related revenues from public lands; agreement on the environmental and health safety standards to be required in the future production of coal; a new consensus on terms for offshore oil and gas development; capital and other incentives to encourage increased use of solar energy for heating and cooling—all of these could have the effect of stepping up domestic production.

It may be noted, however, that their effectiveness as stimulants to increased domestic energy production will to a substantial degree depend on the outcome of the debate on quantitative import quotas and prices, and their status is described only briefly at this time.

A. Removal of the depletion allowances and changes in some foreign oil tax credits

Historically, the primary Congressional endorsed stimulus to domestic production of oil and natural gas was the depletion allowance. Beginning with the first income tax law in 1913 and modified as a flat percentage level in 1926, the depletion allowance permitted subtraction of 27.5 percent of gross income from production of oil and gas at the wellhead, in recognition of the fact that extraordinary capital costs and risks were involved in exploration and development of oil to replace that depleted by each year's production. The allowance was a flat deduction and did not include any mandatory requirement that it would in fact be invested in new exploration and development of oil.

Oil had quickly been realized to be a much more convenient and mobile substitute for coal and certainly a much more desirable fuel for military use, and successive Congresses developed supporters for continuing the allowance, which was claimed to be a strong incentive for further investment and production. Despite opposition to it in three administrations—Roosevelt's, Truman's and Kennedy's—except for 1969 when it was reduced somewhat, to 22 percent, open support in Congress for its removal was not strong until last year.

The sudden sharp rise in the price of imported oil and the consequent astronomic increase in income and profits accruing to the U.S. industry caused an equally sharp change in attitude. A reasonably stiff bill—with a three year phase out of the depletion allowance combined with a windfall profits and investment plow-back credit—was reported from the House Ways and Means Committee May 4, 1974, but the 93d Congress adjourned before agreement could be reached on the rules under which the bill would be put to vote.

The 94th Congress came into Washington in a different mood. A strong and vocal group of Congressmen overrode more senior colleagues in the House Democratic Caucus to insist that depletion repeal be included in the tax reduction bill and won. As finally enacted, the new law. Public Law 94–12 (H.R. 2166), includes the following changes which greatly reduce the hitherto almost untouchable oil and natural gas investment incentives:

On the crucial issue of oil and gas depletion, the new law:

Repealed the 22 percent depletion allowance on oil and gas production retroactive to January 1, 1975.

Retained the 22 percent allowance until July 1, 1976, for natural gas sold under federal price regulations (or until the controlled price was raised to take account of repeal of depletion).

Retained the allowance for natural gas sold under fixed-price contracts until the price was raised.

Provided a permanent small producer exemption that allowed independent oil companies to continue taking the depletion allowance on a basic daily output of oil and natural gas.

Allowed an initial small producer exemption retaining a 22 percent depletion allowance for producers with an average daily production of 2,000 barrels of oil or 12 million cubic feet of natural gas or an equivalent quantity of both oil and gas.

Reduced the daily production eligible for depletion by 200 barrels a day for each year between 1976 and 1980, leaving the small producer exemption at a permanent level of 1,000 barrels of oil per day or 6 million cubic feet of natural gas.

Reduced the depletion rate available on the small producer exemption to 20 percent in 1981, 18 percent in 1982, 16 percent in 1983 and to a permanent 15 percent rate in 1984.

Kept the depletion rate at 22 percent until 1984 for production of up to 1,000 barrels a day through costly secondary or tertiary recovery methods used to extract remaining oil and gas from wells that were mostly pumped out.

Limited the deduction taken under the small producer exemption to 65 percent of the taxpayer's income from all sources.

Denied the small producer exemption to any taxpayer that sold oil or gas through retail outlets or operated a refinery processing more than 50,000 barrels of oil a day.

Former tax breaks involving foreign income were also changed. The new law:

Limited the amount of foreign tax payments on oil-related income that an oil company could take as a credit against U.S. taxes to 52.8 percent of its 1975 income from foreign oil operations. The limit would be reduced to 50.4 percent in 1976 and 50 percent thereafter.

Allowed use of excess credits within those limits only to offset U.S. taxes on foreign oil-related income, not on income from other foreign sources.

Denied oil companies after 1975 the use of the per country limitation option that allowed a company to compute its maximum foreign tax credits on a country-by-country basis.

Required recapture of foreign-related losses that were deducted from income subject to U.S. taxes by taxing an equivalent amount of subsequent foreign oil-related profits as if earned in the United States (and therefore not eligible for deferral until transferred to the United States). The credit for foreign taxes on the subsequent profits also would be reduced in proportion to the amount treated as U.S. profits.

Denied the foreign tax credit for any taxes paid to a foreign country in buying or selling oil or gas from property that the nation had expropriated.

Denied the investment tax credit for drilling rigs used outside the northern half of the Western Hemisphere.

Denied deferral of taxes on half of the profits from exports of natural resources and energy products by domestic international sales corporations (DISCs).

Repealed, effective in 1976, certain existing exemptions from a 1962 law requiring current U.S. taxation of profits earned by subsidiaries set up by U.S. corporations in tax haven countries that imposed little or no taxes.

Allowed deferral of U.S. taxes on all earnings by a foreign subsidiary if less than 10 percent of its income was defined as tax haven income.

The additional revenues which would accrue to the Treasury (and, at the same time, be withdrawn from the major oil producers' cash flow) are estimated at around $3.7 billion in 1975: About 1.7 billion by denial of the depletion allowance; some 1.5 billion by changes in the foreign tax credits; and about $500 million by requiring that the foreign income of all multinational corporations, including the oil companies, be taxed in the year earned.

While these amounts are substantial, they are only a small fraction of the volume of capital investment in oil development in the United States which had been planned for 1975 by the oil companies before the tax changes were enacted: $26.2 billion for the oil industry as a whole, of which $8 billion was to be in drilling and exploration and $2.1 billion in production.[11] Industry claims of drastic negative effect on new domestic investment of the loss of up to $3.7 billion from these particular changes have not received much post-enactment congressional sympathy, especially since there remain many write-offs and investment credit provisions under which actual development expenses can be and are being charged off as regular business costs.

An interesting aspect of the testimony and floor debate on removal of the depletion allowance was the argument that, although the intent of the original legislation providing generous percentage depletion allowances was to encourage increased exploration and development of new oil and gas supplies, in fact, the volume of such exploration over the years did not appear to be particularly related to the amount or to the level of the depletion allowance.

The total number of exploratory wells drilled annually in the United States has been declining since 1956, despite the existence of the depletion allowance. The first major cut took place in the tax revisions of 1969 when the depletion allowance was cut from 27.5 to 22 percent. However, the industry's capital expenditures in the United States have substantially increased since 1971. Actual capital expenditures in the United States by the oil industry in 1973 were estimated at $15.3 billion (with $6.6 billion for drilling exploration and $1.7 billion for production); $21.1 billion in 1974 (with $7.7 for exploration and $2 billion for production) and, as mentioned above, $26.2 billion had been estimated as budgeted for 1975 with $8 billion tagged for drilling exploration and $2.1 billion for production. These figures do not include the hundreds of millions U.S. companies have also budgeted for projects abroad, and may be compared with total oil industry capital investment in development of oil in the United States of $7.7 billion in 1971 and $12.7 billion in 1972.

While a number of major companies have announced that removal of the depletion allowance would require reconsideration and reduction in their capital investment plans, there is some indication that the reductions would take place in projected capital ventures other than exploration and investment.

If industry capital investment decisions on domestic exploration programs made by the major oil firms have been based primarily on factors other than the level of the depletion allowance, its removal may not have any particularly depressant effect per se on future domestic exploration programs. In any event, 80 percent of the exploratory drilling in the United States is done by independents, for many of whom the 22 percent depletion allowance has been largely maintained for some time to come.

Whether the changes in foreign tax credits are sufficient to encourage a shift of exploration and development resources away from the up-to-now less costly operations abroad to the United States remains to be seen.

Whatever the role of the depletion allowance has been in the past, its recent repeal clears the way for a fresh look at oil and other fossil fuel production, incentives whose effectiveness as stimultants to increased domestic production can be more easily measured and identified.

B. Price policy as a stimulus to increased domestic energy production

The most direct polarization of position, as between the Administration and the Majority proposals has been on the issue of pricing policy. For the first six months of 1975, these positions were, on the face of it, 180 degrees apart: The Administration held out for a price policy which had a floor but no ceiling; the Majority called for a price policy which set a ceiling but no floor.

The Administration had been seeking price authority that would permit decontrol of oil over a period of 25 months with no ceiling price limit, but provide authority to establish a floor price for oil—at $7 to $8.40 a barrel[15] if needed.

As described below in subsection 3, in mid-July the President offered what the Administration claimed to be a major concession by stretching the decontrol period, first to 30 than 39 months, and by including the concept of a ceiling in his long delayed oil price decontrol program. However, despite a feverish round of negotiations and multiple moves toward compromise, the Congress recessed after exercising its right of disapproval, rejecting on July 30 the proposed new regulations, and the President announced that he would make no further concessions and would veto any extension of the Emergency Petroleum Allocation Act to keep existing price controls intact. Major Con-

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gressional proposals are seeking price changes which in general would permit controlled decontrol of the price of oil, with an upper ceiling at or about $11.50. The level is intended to be set at the free market price before the first one dollar import tariff was imposed. For the time being, they reject the idea of a floor, leaving the door open, however, for later thorough review. The House and the Senate are not yet agreed on the timing of the controlled decontrol or on whether some part of the two tier price system on oil should be retained.

As noted in Part III, the Administration's primary energy policy position has been to rely on deregulation of the price of domestically produced oil and natural gas and its consequent effect within the domestic market to produce not only reduction in consumption of these products but also to provide the price incentive which the Administration believes will result in increased supplies of oil and natural gas. The import tariffs on imported oil and oil products were intended to tilt domestic purchases of oil and natural gas toward domestically produced products and thus provide an additional stimulus for increasing domestic supplies from increasingly expensive exploration and development operations in continental and offshore U.S. sources.

In addition, it was anticipated that, as the deregulated prices approached the (at the time) concurrent costs of developing "new" energy supplies (i.e coal gasification and/or liquification, oil shale, geothermal and solar), this would further encourage the shift away from oil and gas and stimulate increased private investment in these areas.

In contrast, the policy proposals backed by the Democratic Majority, "The Congressional Program of Economic Recovery and Energy Sufficiency," issued February 27, 1975, stated on the question of price control:

We reject the fundamental premise of the President's program that the only way to achieve energy conservation is deliberately to raise the price of all petroleum products to all American consumers by heavy indiscriminate additions in taxation. The $3 per barrel tariff on oil imports will not reduce imports; it simply will make them more costly to American consumers.

As its goal the Administration seeks a reduction of energy consumption by one million barrels per day in 1975. To achieve it, energy prices would be greatly increased, first by taxing all crude oil and natural gas and then by removing the present controls on the market price of oil and gas.

The price of energy is not determined by free forces of supply and demand but rather by the governments of the nations that produce energy. The policy question is whether the U.S. or the OPEC governments will set energy prices in this country. The Administration wishes to decontrol old oil and new natural gas, giving the control of prices to OPEC and letting U.S. energy prices follow the prices established by it....

The oil price control program should be modified also to create sufficient incentives to produce all oil that can be recovered economically through secondary and tertiary recovery, substantially increasing the amount of oil ultimately produced from the average field. Perhaps the most effective plan would be to include some decontrol treatment for secondary and tertiary recovery as "new" oil.

Exploiting fully natural gas potential is equally critical and the Federal Power Commission must be mandated to provide price certainty at levels high enough to reflect future costs and to eliminate regulatory delays, reducing any incentive to withhold gas because of the uncertainty over government pricing policy.

The Congressional program therefore recommends measures to reform and simplify natural gas regulation, but continue interstate price controls on old natural gas, and establish a statutory formula ceiling that reflects cost of production. This should assure that the price is high enough to encourage maximum domestic production, but still below the OPEC cartel level.

In support of its program, the Administration has made price deregulation proposals, both under existing executive authority and as proposed in S. 594/H.R. 2650, which would, if approved, accomplish at least five interrelated results: (1) Increase the cost of imported oil by imposing tariffs and fees, to raise its price relative to domestic oil and encourage production of domestic oil; (2) spread price increases on crude oil among all refiners by using the FEA "Old Oil Entitlements Program"; (3) decontrol the price of "old" oil; (4) decontrol the price of natural gas sold in interstate trade; and (5) establish (or authorize establishment of) a floor price for oil to insure price stability over the longer run.

The Administration's proposals on each of these are discussed below together with the related Congressional responses and alternatives.

1. Increase the cost of imported oil by the amount of the tariff or fee imposed

As of June 1, 1975, when the President imposed the second $1 import fee, the additional cost of imported oil amounted to $2.00. World wide oil prices in June, 1975, ranged generally between $11 and $12 and OPEC ministers meeting in Gabon on June 8, 1975, reportedly discussed imposing a possible additional $2.00 increase in September of this year. By February 1975, when not all of the first $1.00 import fee had been fully passed through to the import price, U.S. refiners were already paying $13.05 for crude imports arriving at the rate of 4 million barrels of oil a day. This price had risen to $13.17 by March, the latest month for which FEA had import price figures at the time of writing. If OPEC prices are raised, the price U.S. refiners might have to pay could be at least $3 higher than the present rate: At least one additional dollar in the June import fee and perhaps $2 additional reflecting the OPEC hike.

Many of the Democratic House and Senate measures introduced since the President's January 15th energy-economy package was presented have been designed mainly to block or prohibit him from taking further action on important fees, decontrolling old oil or setting a price floor.[10]

In addition to these, however, many others have included very specific alternatives, particularly on price decontrol of oil and natural gas, as discussed below, and, at least, H.R. 6860, approved by the House on June 19, 1975, includes a provision for an import fee:

Part II of Title I, "Import Treatment of Oil," establishes a rate of duty on crude petroleum of 2 percent ad valorem, and on petroleum products of 5 percent ad valorem. As described in the Committee report (H. Rept. 94–221):

The differential between the rates on crude petroleum and on petroleum products is designed to favor the importation of crude oil over the importation of products and thus, to develop, utilize, and thereby protect domestic refinery capacity. The President may adjust the rates of duty established by the bill whenever he finds such adjustments necessary to carry out the purposes of this bill, in the light of overall considerations of the national interest.

Your committee's bill limits such presidential adjustments, however, so that no rate of duty may exceed 10 percent ad valorem or $1 a barrel (whichever is greater), nor fall below 2 percent ad valorem. This is to enable the President to restore the present fees of up to $1.20 per barrel if he concludes this is in the national interest, so long as the price of oil is $12 or more per barrel. Even if the price should fall appreciably, the tariff can be as high as $1 per barrel because of the specific alternate of $1 per barrel where that is higher than the 10-percent ad valorem amount.

One further limitation on the President's authority to adjust the rate provides that for 2 years after the date of enactment, the President may make no adjustment which results in a rate of duty of more than 5 percent ad valorem on any distillate fuel oil or residual oil imported for use as fuel, other than in the propulsion of motor vehicles. This is designed to provide assurance that the already high prices of heating oil and of residual fuel used to generate electric power will not go still higher in the immediate future because of the imposition of further duties.

The bill expressly nullifies any presidential adjustment of imports of petroleum and petroleum products under authority granted him under the Trade Expansion Act of 1962 (sec. 232(b)), effective 60 days after the date of enactment of the bill. This is the same time interval allowed before the President may increase his duty to 10 percent. As a result, the rate of duty for crude oil could, under this bill, stay at approximately present levels if the President exercises this authority immediately after the enactment of this bill.

2. Spread price increase through the FEA "Old Oil Entitlements Program"

Among the administrative actions undertaken by the President, pending congressional action on the more comprehensive tax and price decontrol measures he had proposed, was one involving the Federal Energy Agency's old oil entitlements program.

As announced in the White House Fact Sheet, January 15, 1975:

FEA's "Old Oil Entitlements" program will be utilized to spread price increases on crude among all refiners, and to lessen disproportionate regional effects, such as New England, or in any specific industries or areas of human need where oil is essential.

Pursuant to this decision, beginning January 1, 1975, refiners relatively well supplied with price-controlled "old" oil at $5.25 a barrel (that is, with amounts in excess of a "national average" calculated at about 35 percent of their total supply) were required to purchase "entitlements" at prices which began at $5 a barrel in January and were increased to $7.29 in April, from refiners more dependent upon free market oil.

The effect of this has been to expose and accustom all U.S. refiners—in vertically integrated firms as well as independents—to crude oil acquisition costs much higher than the controlled price for "old" domestic oil of $5.25 a barrel.

Much has been made of the fact that decontrolling the price of "old" oil would produce a shock wave of inflation even if spread over the 25 months proposed by the Administration. Through the operation of the entitlements program, it would appear that some $5 to $7 per barrel of that inflationary shock wave is already being absorbed.

This is not to say that further price increases in the resultant refined products may not take place, nor should it be implied that the higher prices are the result of the old oil entitlements program. On the contrary, the entitlements program only spreads crude oil price increases which occurred as a result of other factors—primarily the OPEC price increases and their influence on the price of domestic crude not subject to price controls. Nonetheless, it should not be overlooked that for a much longer period than is generally recognized, U.S. refiners have been paying and are accustomed to pay average crude oil prices well in excess of the domestic controlled price.

The House Commerce Committee bill, H.R.

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7014, favorably reported on June 26, 1975, endorses the concept of continuing oil entitlements program, but would exempt the first 50,000 barrels per day for refiners whose total refining capacity did not exceed on January 1, 1975, and does not thereafter exceed, 100,000 barrels per day. Floor debate began July 15.

S. 621, passed by the Senate on May 1, 1975, includes an entitlements exemption for refiners within the capacities listed above.

3. Decontrol the price of old oil

As announced by the President on January 15, 1975, the Administration has taken steps to remove price controls on domestic oil, to permit domestic crude prices to rise to the prevailing world price levels. The FEA proposal, announced in the Federal Register May 2, 1975, would reduce the amount of "old" oil now subject to price controls for each property by 4 percent a month for the next 25 months. A public hearing was held May 14, 1975, and the Administration announced it intended "early in June" formally to submit the proposal for Congressional right of review and disapproval as provided by Section 4(g) of the Emergency Petroleum Allocation Act of 1975. In accordance with that provision, Congress will have five days during which each House is in session to disapprove the proposed change in the oil price regulations, if either House so desires.

In mid July, through a proposed change in the regulations dated July 14 (published in the Federal Register July 16) the Administration proposed a compromise offer, taking into account the 59 written comments and 29 oral presentations made at the May hearings.

Under the new proposal, prices of old oil would be permitted to rise gradually over a period of 30 months, at the rate of 3.3 percent a month until January 31, 1978, to an "ultimate" ceiling which would apply to all oil except stripper well crude, set at approximately $13.50 per barrel. It was argued that this ceiling, which was about the then present world price level, plus the $2.00 per barrel supplementary import fee, would prevent any future crude oil price increases by OPEC from triggering still higher domestic crude oil prices.

While Congress, in the midst of considering its own alternative price decontrol proposals, prepared to exercise its right of disapproval, the Administration engaged in further negotiations leading to a second decontrol offer, on July 25, this time offering a ceiling of $11.50, with an upward inflation adjustment factor, over a period of 39 months. The series of intermediary votes culminated in a rejection by the House of the second proposal, by a vote of 228 to 189 (on H. Res. 641, the resolution of disapproval) and a subsequent passage, on July 31, by a vote of an interim extension of the Emergency Petroleum Allocation Act (S. 1849) to keep price control authority—and responsibility—intact for sufficient time after its scheduled expiration date of August 31, 1975, so that Congress could resume deliberations on its own price control provisions being debated as Title III of H.R. 7014.

A number of bills are pending in Congress which have alternative formulas for what could be called "controlled" decontrol of crude oil subject to a quantitative price ceiling.

S. 622, which passed the Senate April 10, 1975, by a vote of 60 to 25, provides in Sections 107, 122, and 123 for the following, which would permit decontrol of crude oil prices but within specific ceiling limits:

Extends the Emergency Petroleum Allocation Act from August 31, 1975, to March 1, 1976; makes any increases in the price of "old" oil (oil from wells existing in 1973 produced at a rate equal to 1972 production) and any proposed exemptions of crude oil, residual fuel oil, or a refined petroleum product from price controls subject to congressional review and approval; permits the pricing of oil recovered by secondary or tertiary methods up to $7.50 a barrel; sets a maximum price for "new" domestic crude oil at a level not to exceed that prevailing on January 31, 1975; [17] exempts small refiners (100,000 barrels a day) for the first 50,000 barrels from the entitlements program under the oil allocation regulations.

In S. 621, passed by the Senate May 1, 1975, by a vote of 47 to 36, the Senate changed its position and accepted an amendment that would allow oil produced from secondary and tertiary methods to sell at the highest price set by FEA for oil that is now exempt from price regulation. An attempt to re-impose the $7.50 ceiling was defeated.

The House Commerce Committee energy bill, H.R. 7014, as reported from committee, included a crude oil pricing provision tied in with a delayed inflation adjustment formula. Old oil would be subject to a decline adjustment factor of one percent per month which would gradually reduce the volume of such oil subject to the old price ceiling of $5.25 per barrel, recognizing declining field production rates. As described in the official summary:

Part A of Title III contains a crude oil pricing provision. Oil presently classified as "old oil" by F.E.A. regulations are subject to a decline adjustment factor of 4 percent per month which would gradually reduce the volume of such oil subject to the old oil ceiling price of $5.25 per barrel. This adjustment recognizes and reflects declining field production rates. By taking this factor into consideration in establishing the amount of old oil which is subject to price control, the provision encourages recovery techniques to augment production which would not be encouraged under present regulations.

To give incentives to producers to enhance production from 1972 producing properties, production in excess of this declining volume subject to the $5.25 per barrel ceiling price is permitted to be sold at an average price of $7.50 per barrel. The price of all other oil productions, including stripper production and so-called "new oil," is rolled back from current market levels in excess of $12.00 per barrel to a $7.50 per barrel average. Four exceptions to the $7.50 per barrel ceiling are permitted: (1) Production from the Outer Continental Shelf; (2) production from above the Arctic Circle; (3) production properties certified as having made bona fide application of tertiary recovery techniques; and (4) certain high cost properties. Production from properties qualifying for application of one of these exceptions is price ceilinged at an average $8.50 per barrel price.

An inflation adjustment factor of ⅔ percent per month, compounded of the respective $7.50 and $8.50 prices, is included. With regard to the $7.50 price, the inflation adjustment factor becomes operative 45 months after date of enactment; with respect to the $8.50 price, the inflation adjustment factor becomes operative 64 months after date of enactment, at which time the two prices have merged.

No ceiling limits the escalation of the ceiling price under this inflation adjustment factor. No windfall profits tax is proposed.

The price provision was approved in the full committee by a vote of 22 to 21 and rejected during floor debate.

On July 30, the House approved a modified substitute for Title III of H.R. 7014 which provides for ceilings of $5.25 a barrel for old oil; $7.50 for new oil; and $10 a barrel for high cost oil, agreed to by a vote of 231 ayes to 193 noes. This came after the House rejected an amendment which sought to provide the substance of the President's proposals, except that a windfall profits tax would have to be enacted before the process began.

The Senate Finance Committee, also on July 30, approved a windfall profits tax designed to recapture profits and return a portion to the public.

The bill proposes a number of amendments to the Emergency Petroleum Allocation Act, among them a reevaluation of Section 4(a)—on price control—which, in the words of the Subcommittee, "requires a thorough review of the pricing and allocation regulation by FEA with a view toward simplification of the system to meet current needs."

4. Decontrol the price of natural gas sold in interstate trade.

Natural gas shortages are producing curtailments of supplies to many industries and denial of supplies to many new residential customers.

The Federal Power Commission on June 6, 1975, released a staff report indicating that natural gas supply deficiencies for major interstate natural gas pipeline companies, for April 1975, through March 1976, are expected to be 45 percent higher than they were for the preceding 12 months.

Title III of the Administration bill proposes the deregulation of all "new" natural gas in interstate commerce. It defines new natural gas as natural gas sold or delivered by a producer to a natural gas company in interstate commerce (i) which is dedicated to interstate commerce for the first time on or after January 1, 1975 (ii) which is continued in interstate commerce after the expiration of a contract by its own terms for the sale or delivery of such natural gas existing as of such date, or (iii) which is produced from wells commenced after such date.

Under the proposal, wellhead price controls over new natural gas sold in interstate commerce would be removed. This action will enable interstate pipelines to compete for new onshore gas and encourage drilling for gas onshore and in offshore areas. In addition, however, in order to discourage further conversions to natural gas and to encourage greater natural gas conservation, the President is also proposing an excise tax of 37 cents per thousand cubic feet on natural gas which is equivalent to the proposed $2.00 excise tax on oil, also designed to encourage conservation.

The Senate Commerce Committee approved a bill (S. 692), on May 6, to partially deregulate natural gas prices and the Report (S. Rept. 94–191) was filed June 12, 1975. The Committee's action, which came on a 10 to 8 vote, focuses on providing exploration incentives—but primarily for the smaller, independent producers. So-called "new" gas produced on shore since January 1, 1975, by these producers would be exempt from price regulation, and subject only to a price ceiling determined by the equivalent value of oil at world prices (potentially $1.94 per thousand cubic feet of gas) provided that $1.50 of the price is a "plowback expenditure" for exploration. The Senate bill also permits higher interstate gas prices (within a range of 40 to 75 cents—compared with the present 51 cents plus Btu and tax adjustments per thousand cubic feet) for "new" gas produced by the large, integrated companies. However, the measure also would extend the FPC's existing interstate regulation (at the proposed higher prices) to intrastate markets as well—thus effecting a rollback of the current unregulated prices in the intrastate markets. Under the bill, both interstate and

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intrastate regulated prices for "new" gas would be subject to two percent automatic cost escalators for each such well. The so-called "old" gas which has been regulated for over twenty years would not be affected by the bill. The overall intent of the Committee proposal is to provide incentives in the most competitive sectors of the industry, and to tie the highest prices to the newest, or additional, uses of natural gas energy—thus simultaneously building in stimulation for exploration and for conservation through the price structure.

When the bill comes up for floor debate, sometime after the August recess, it is anticipated that one of the amendments to be offered will be to peg the price of new natural gas to the price of domestic oil.

5. Establish a floor price for oil to insure price stability over the longer run

Title IX of the Administration's bill, called the "Energy Development Security Act of 1975," requests additional authority under which the President could take action to protect domestic producers of energy from the instability of foreign oil price fluctuations. In order to insure that foreign oil producing countries cannot undercut United States efforts to develop and exploit domestic petroleum resources by instituting massive price cuts, additional authority to provide investment certainty is needed.

The main features of the proposed legislation are:

Investigations by the Administrator of FEA to determine whether there has been a significant drop in the price of imported petroleum such that the economic viability of a substantial part of United States petroleum production and development is threatened or that such a price drop threatens to cause a substantial increase in petroleum consumption; and

Presidential authority to impose tariffs, quotas or variable import fees if such a drop occurs.

As mentioned earlier in this report, the Secretary of the Treasury has suggested that in the absence of the depletion allowance, $8.40 might be an appropriate long term supply or floor price.

In another move reinforcing his concern for insuring price stability, the President on January 15, 1975, resubmitted a proposal made earlier, on October 8, 1974, to amend the Employment Act of 1946 to make explicit the goal of price stability, by substituting the phrase "to promote maximum employment, maximum production, and stability of the general price level" in place of the present language, "to promote maximum employment, production and purchasing power."

S. 621, "The Petroleum Price Increase Limitation Act of 1975", passed by the Senate May 1, 1975 (and substituted by the Senate for H.R. 4085, on June 11, 1975) requires congressional review and right of disapproval of any Presidential action which would create or maintain a floor under domestic energy prices. As of June 20, 1975, the bill was still in conference. Section 403 of H.R. 7014 denies the President the authority to prescribe any floor price for crude oil or any refined petroleum producer.

The basis for rejecting the prospect of establishing a basic minimum price for oil at this time—and for rejecting all the Administration's price proposals—was strongly stated in the Senate Interior Committee Report (S. Report 94–32) accompanying S. 621.

The Committee finds that the benefits and advantages which have been claimed for the Administration's energy tariff, tax and pricing proposals have not been clearly or convincingly demonstrated. On the other hand, the opinion of the economic community is virtually unanimous concerning the dangers posed for the domestic economy by these proposals.

The Committee therefore believes that Congress must accept the responsibility to arrest the Administration's rush towards a major economic disaster. The proposal to decontrol domestic oil is one of the most potentially damaging features of this plan. . . .

The procedure embodied in S. 621 would provide for Congressional review and a right of disapproval of each proposed action. These procedures would also require that the justification and need for each action be explicitly stated, and that the impact of the action on the prices of fuels and other forms of energy, on domestic energy consumption and production, on the cost of living, and on the economic well-being, on employment or regions, socio-economic groups and industrial sectors be fully analyzed. The Committee believes that these are necessary if the Congress is to play its Constitutional role in the decisions that have substantial effects on the domestic economy. . . .

Section 103 of the Act specifically requires that the Congressional review procedure described in the Act shall apply to any proposal employed for the purpose or with the effect of establishing or maintaining a minimum price for any domestically produced fuel or other form of energy. Institutionalizing cartel-set energy prices by setting a price "floor" has been declared national policy by the President and the Secretary of State. In response to a question at a press conference on February 25, 1975, Secretary of State Henry A. Kissinger said:

First, the speech that I delivered—on I believe it was February 3d [before the National Press Club]—was done at the request of the President. It was approved in all its particulars by the President. It was gone over by the White House officials that are responsible for economic policy. It was gone over by Assistant Secretary of the Treasury—the Secretary of the Treasury being out of the country, in England, on that particular weekend. The speech on February 3d reflected the views of the President and reflected the views of the Administration.

Since then—and I have had occasion to review this whole matter with the President again this morning—there is no question that the United States supports a guaranteed price for alternative sources of energy.

Whether this price is achieved by subsidy or by tariff, or by some other method, is a matter for negotiation and is, indeed, a matter which we would leave to the decision of each country. And so far as the Department of State is concerned, we have no particular interest in how this guaranteed price is achieved—as long as it is achieved.

The Committee believes that the development of alternative energy sources must proceed at an expeditious pace. The Non-Nuclear Energy Research and Development Act of 1974 which originated in this Committee provides a comprehensive framework for this effort, including authority for price guarantees to facilitate research and development of alternative energy sources. The committee does not believe that the case has, however, in any sense been made that the establishment of a price floor for all energy consumed in the United States, with its enormous attendment costs to consumers, is a policy the United States ought or need follow in order to achieve the development of these new energy options. Section 103 of the Act would require that any proposal to establish an energy price floor would first have to be fully justified and analyzed by the Administration and then reviewed by the Congress before it was implemented.

C. A national energy production board

The Democratic Majority proposals issued February 27, 1975, recognized the importance of an "orderly but accelerated development of greater and more diversified domestic sources of supply." As described in the published report, "The Congressional Program of Economic Recovery and Energy Self Sufficiency":

The overall objective of national energy sufficiency recognizes the enormous undertaking involved in terms of capital investment and incentives, in terms of environment protection and national security. Switching from oil and gas to coal and other sources is just one aspect of the program although a most critical one and it alone will require a substantial commitment of national resources. A national program of this magnitude requires the establishment of an instrumentality at the highest level of government to make certain that the program is successful. Therefore at the core of the recommendations is the creation of a National Energy Production Board as an independent agency of the government. It would mobilize unutilized and under-utilized private and public resources to increase domestic energy production on an urgent basis. The National Energy Production Board would be patterned after the War Production Board of World War II and, subject to Congressional review, would have authority and funding to break energy bottlenecks, and to take all actions necessary to accelerate the production of and conversion to domestic energy sources. Much of the cost would be funded out of an Energy Trust. . . .

As the financial base for this trust, a 5 cent tax on gasoline at the pump would be imposed 30 days after enactment. This revenue would begin to pay for the urgent program of conservation and production.

Additional revenues for the Trust would be derived from energy taxes on inefficient uses of energy and by dedication of part of the funds paid for leases covering the Outer Continental Shelf.

It was anticipated that Trust fund receipts should and would be $1 billion in 1976 and $2 billion thereafter through fiscal year 1984.

S. 740, introduced February 18, 1975 (by Senators Jackson, Magnuson, Stevenson, Bayh and Leahy), provides the proposed legislative authority and administrative framework through which this broad objective would be carried out.

As introduced, the bill would establish a "National Energy Production Board to assure early development of energy resources on the public domain and other Federal lands and on the Outer Continental Shelf to overcome the dependence of the United States on foreign nations for energy supplies which are essential to national security, commerce, and a full-employment economy."

The independent nature of the Board is described in Title I, subject to cooperative liaison and "rights of review and comment" on proposals, which are listed in Title V: As described in the official summary of Title I:

The National Energy Production Board will consist of a Chairman and four members appointed by the President with the advice and consent of the Senate. The Chairman of the Board has cabinet rank (Level I of the Executive Schedule) and the members of subcabinet rank (Level II). The Board is established for a five-year term subject to extension by the Congress. No member may hold another position in the Executive branch, nor may a member, after service on the Board, represent any party other than the United States in a matter involving the Board. The Board will have power to make full use of competent personnel and enter into contracts to carry out its work.

Title V on Guidelines and Administration provides that:

The Energy Resources Council, the Governor of any affected State and the governing bodies of political subdivisions of affected local areas shall review proposals of the Board. In addition, right of review and comment shall be provided to private industry, labor, and environmental and consumer groups.

The duties, responsibilities and authorities of the Board are comprehensive and far reaching, but place certain of the programs mandated under congressional review with a right of, disapproval and others in a status which requires express legislative authorization.

Two major overall duties are described in Title II, (1) general monitoring of all energy resource activities and (2) preparation and execution of a Federal oil and gas exploration program on Federal lands including the OCS.

The Board is empowered to monitor all activities of the Federal government and the private sector within the United States or in other parts of the world which have a bearing on the development of domestic energy resources or the availability of material, equipment or manpower for such development.

The Board is directed to prepare and carry out a Federal oil and gas exploration program designed to determine the extent, location and value of oil and gas reserves on Federal lands, including the Outer Continental Shelf. This program shall involve prompt, comprehensive, and environmentally responsible activities, including exploratory drillings, in consultation with affected State and local governments.

Three programs, ordered to be developed by the Board are to be subject to Congressional review and right of disapproval within 60 days, the Naval Petroleum Reserves program (described in Section II above), a Federal Facilities Energy Program and an Expedited Energy Project Procedure to overcome delays and "institutional impediments."

The Federal Facilities Energy Program, as described in Title III, Section 303 of the bill, to be drawn up by the Board within 90 days of the effective date of this section, would be based on and would include:

(1) an inventory of federally owned and federally controlled industrial and manufacturing plants and installations, including but not limited to naval shipyard, ship repair facilities, depots, arsenals, and other facilities and installations of the Department of Defense and industrial and manufacturing facilities of other departments, agencies, and instrumentalities of the Federal Government:

(2) an inventory and assessment of the capacity of various departments, agencies, and instrumentalities of the Federal Government, including but not limited to the Corps of Engineers of the Department of the Army, the Naval Ordnance Command of the Department of the Navy, the Bureau of Reclamation of the Department of the Interior, and the General Services Administration to participate in the management of Federal energy exploration, development and production programs;

(3) the identification and designation of idle, underutilized, or surplus Federal facilities and installation capable of, or capable of being adapted to, at reasonable cost, the production of materials and equipment essential for the production of energy and fuels, including but not limited to drilling platforms, drilling rigs, pipe for drilling operations and pipelines, and mining and transportation equipment, goods, and supplies;

(4) estimates of the cost of equipping, reequipping, tooling, or retooling such facilities and installations for the production of energy-related materials, goods, and equipment;

(5) estimates of the availability of the manpower required to staff such Federal installations and facilities;

(6) a plan for the conversion of designated appropriate federal facilities and installations for production of energy-related materials and equipment;

(7) a schedule for the conversion of designated Federal facilities and installations for the production of energy-related materials and equipment.

Programs to be drawn up by the Board "within nine months," but which require express Congressional authorization are authorized in Title IV, officially summarized as follows:

The Board is directed to prepare, within nine months, Federal action programs to accelerate coal production from public lands of the United States, improvement and augmentation of the energy transportation system, including rebuilding railroad systems, coal slurry pipelines, oil and natural gas pipelines, and a Federal oil and gas production program. The Federal oil and gas production program shall include provisions for development and production of oil and gas reserves under Federal management, joint ventures and cost sharing with private industry and preferences for entry into the oil and gas production industry by independent producers. None of the programs authorized under the title may proceed without express legal authorization of the Congress.

D. Increased production of coal

All of the measures listed in Section III–E above, while directed at conserving oil and gas by encouraging or forcing conversion to the use of coal—would also have the effect of encouraging increased production of coal.

In addition to these, agreement on the terms under which strip mining would take place has been considered of major importance in achieving this goal.

Both the Administration and Congress have placed a high premium on rapidly stepping up the output of coal as a means of offsetting reductions in imports of oil and as a longer run substitute for oil and natural gas. The Administration's target is to double coal output in ten years—from the present 600 million tons per year (TPY), a goal which would require opening up about 140 new two-million TPY eastern underground mines, some 30 new two-million TPY eastern surface mines and 100 new 5-million TPY western surface mines. About half of present production is by the stripping process.

The Congressional Majority energy policy statement also endorsed increased use of coal but underscored its concern for "an energy production policy fully compatible with environmental concerns." It recommended the adoption of the Surface Mining Control Act, legislation "which recognizes the interests of states" in energy facilities siting, and called for establishment of "machinery to recognize and resolve the concerns of Coastal, Rocky Mountain states and others concerned with damage to the quality of life from potential exploitation of their regions and to provide adequate funding to minimize detrimental secondary effects."

While only about 5 percent of the approximate 3 trillion tons of coal resources in the United States is close enough to the surface to lend itself to stripping, nevertheless the leadtime from opening up a new mine to delivery of coal is shorter than that of opening up new deep mines,[18] working conditions are safer, it usually results in a more complete recovery of deposits (90 percent as compared with 55 percent recovery in deep mines), and is generally cheaper in terms of cost per unit of production.

Environmental costs of stripping, however, are high, and related costs of reclamation are also high. Water pollution occurs through acid drainage. There is loss of agricultural production on lands disturbed by stripping as well as a long delay in return to arable status unless thorough reclamation takes place, a process involving draining, grading and revegetation which would add from 5 to 60 cents per ton to the cost of mining, depending on terrain, soil, mining method and climate.

Both the Administration and Congress have sought to find an acceptable strip mining bill on which they could agree, and bills were introduced early in the first session of the 94th Congress seeking to resolve the differences which had prompted President Ford to veto the bill which passed both houses late in 1974. S. 652 and H.R. 3119, were introduced by the Administration, S. 7 and H.R. 25 for the Congressional Majority.

The Administration had requested 27 changes in last year's vetoed bill and Congress claimed to have met most of the "critical" changes in the melded version of S. 7 and H.R. 25, which passed the Senate, on May 5, and the House by a vote of 293 yeas to 115 nays on May 7.

Major provisions in the legislation as passed include: (1) Allowance of surface mining in alluvial valley floors, where such activities will not jeopardize irrigated agricultural activities. (2) Prohibition of surface mining in National forests. (3) Imposition of a tax in the amount of 35 cents/ton on surface-mined coal and 10 cents/ton on deep-mined coal, for the establishment of an abandoned mine reclamation fund. (4) Exemption of anthracite coal mines from the provisions of the bill. (5) Elimination of special unemployment compensation for persons dislocated from their jobs by the administration and enforcement of the bill's provisions.

On May 20, 1975, President Ford vetoed H.R. 25, the Surface Mining Control and Reclamation Act of 1975, citing unacceptable levels of lost coal production, unemployment, and the fact that "since 1971, 21 states which produce over 90 percent of the nation's surface mined coal have either enacted new environmental legislation governing surface mining or have strengthened laws already on the books," as three of the primary reasons for returning the measure to Congress.

In the course of House hearings held on June 3, prior to the House vote on the veto on June 10, 1975, it became clear that the Administration was no longer prepared to support even its own bill as introduced four months earlier.

The President, in his veto message, repeated the Administration's claim that "a production loss of 40 to 160 million tons would result in 1977" and that "as many as 36,000 people would lose jobs," but he admitted that his own bill would also result in production losses—as much as 80 million tons—and loss of a substantial number of jobs, placed at about 18,000 by other Administration spokesmen.

He tied his veto not only to the fact that "Congress has yet to act on a comprehensive energy program capable of achieving goals on which we all agree," but to the fact that Congress had not enacted the program which the Administration had proposed.

He said:

> The bill I sent to the Congress in February would have also entailed production losses estimated between 33 and 80 million tons. Even though these losses would have been

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substantial, we could have accepted them if Congress had enacted the comprehensive energy program I proposed. But, now the potential losses of H.R. 25 are intolerable.

At a press conference on May 19, 1975, FEA Administrator Frank Zarb, reiterated this point. Citing as first among other factors the drop in domestic production of oil in the first quarter of 1975 to 8.5 million barrels a day, down half a million barrels from the same period in 1974, he replied to the question "Does the President favor any surface mining at all?", as follows:

Mr. ZARB. The President sent up a bill in February, and for the most part, it had the elements of a bill that would be satisfactory to us. Even that bill had a penalty, but keep in mind two things that were somewhat different.

When that bill went forward, there was some reasonable expectation that at this moment we would be looking at the possibility of a comprehensive piece of legislation in the total energy area having been completed. That certainly is not the case.

If a national energy program was in place, and if we were already underway in reducing our consumption levels of oil, and if we were already underway in putting those measures into place to get additional production between now and 1980, then perhaps this bill might have been examined differently.

And when the vote to override failed by 3 votes—278 yeas to 143 nays—it also became apparent that Congress itself was not yet prepared to insist on a definitive bill, for reasons at least in part aligned to those outlined by the Administration.

E. Nuclear power

Estimates and plans for future energy supplies for the United States anticipate major expansion of nuclear power, the technology for which has been developed over the past three decades with very large infusions of public funds through the Atomic Energy Commission (AEC) and now through the Energy Research and Development Administration (ERDA).

However, during recent Congresses, issues have been raised concerning the general presumption that nuclear power will supply an increasing part of the Nation's energy through the year 2000. Included are such basic questions as the sufficiency of domestic supplies of low priced uranium ore to fuel the anticipated expansion; the balancing of risks from possible catastrophic accidents or misuse of stolen nuclear materials against the economic and environmental benefits of nuclear power; the possible impacts on society of measures to keep risk of theft of nuclear materials or sabotage of nuclear facilities within acceptable bounds; a legislative decision whether to look to the government or the private interests to finance, build and operate missing parts of the nuclear fuel cycle, particularly enrichment of uranium and long term management of radioactive wastes; and control over nuclear exports to minimize prospects for further proliferation of nuclear weapons among the arsenals of nations of the world.[19] Indications of these questions are to be found in hearings held by the Joint Committee on Atomic Energy on the breeder, chaired by Mr. McCormack; by the House Committee on Interior and Insular Affairs on the nuclear debate, chaired by Mr. Udall; by the Joint Economic Committee on the breeder, chaired by Senator Humphrey; by the Senate Committee on Government Operations on nuclear safeguards, chaired by Senator Glenn; and by the Senate Committee on International Relations on nuclear transfers, chaired by Senator Symington.

During the first 7 months of the 94th Congress, ERDA and NRC authorizations were the only significant nuclear energy bills which had received either House or Senate approval, although supplemental appropriations for NRC, to provide an additional $50 million for safety measures, had been approved, and enacted as Public Law 94–18. They provided, however, a forum for early floor debate on many questions which have already been addressed in extensive hearings on legislation which is nearing markup stage.

The following sections very briefly describe legislative activity and other events during this period involving: (1) ERDA and NRC organization and funding; (2) the breeder reactor; (3) plutonium recycling; (4) exports of nuclear materials and technology, and related safeguards issues; and (5) siting and licensing of nuclear plants. Additional details may be found in "Nuclear Power and the 94th Congress: A Midterm Report," by Dr. Warren Donnelly and Ms. Barbara Rather, from which this summary has been drawn.

1. ERDA and NRC organization and funding for nuclear power

On January 19, 1975, President Ford activated the Energy Research and Development Administration (ERDA) and the Nuclear Regulatory Commission (NRC). Both new agencies were created by the Energy Reorganization Act of 1974[20] which also abolished the old Atomic Energy Commission.

The NRC is to carry out the licensing and regulatory functions formerly assigned to the AEC, and is to devote its full attention to assuring the safety as well as the reliability of nuclear power. Creation of the NRC should end the concern that some have expressed in the past when one agency, the AEC, had the dual and conflicting responsibilities for development and for regulation of civilian nuclear power.

The ERDA brings together in one agency the major Federal energy research and development programs and bears the responsibility for leading the national effort to develop the technology needed to assure the United States ample and secure supplies of energy at reasonable prices. ERDA consolidates major energy research and development functions from the AEC, the Department of the Interior, National Science Foundation and Environmental Protection Agency. ERDA will also continue research and development for production of nuclear materials and for atomic weapons.

Organization should receive fresh attention after June 30, 1975, which is the latest date for the President to transmit to Congress such additional recommendations as he deems advisable for organization of energy and related functions in the Federal Government.[21]

As approved by the House on June 20, 1975, by a vote of 317 yeas to 9 nays on H.R. 3474, ERDA authorizations for fiscal year 1976 plus an amount to cover the three months' transition period form July 1, 1976, to October 7, 1976, were as follows: [22]

[In billions]

	Fiscal 1976	*Transition quarter*
Operating expenses	$3.462	$1.030
Plant and capital equipment	.938	.195
Total	4.400	1.225

Of this amount, less than half—approximately $1.9 billion for fiscal year 1976 and about $500 million for the transitional period—was approved for nuclear energy.

While only $212 million of this amount (plus $58 million for the transition period) was earmarked for the liquid metal fast breeder reactor, the overall LMFBR program cost for the period through the year 2020 is now estimated at $10 billion, as compared with a late 1960's estimate in the range of $3 to $4 billion, and the estimated total program cost of the Clinch River demonstration Breeder Reactor Project, an essential element of the whole fast breeder program, has already escalated from $700 million to $1.7 billion, although it will not be operational until the year 1982.

Authorizations approved by the House for the Nuclear Regulatory Commission, on June 20, totaled $272 million for fiscal year 1976 and the transition period.

ERDA appropriations, approved by the House on June 24 (H.R. 8122) totaled $5 billion for fiscal year 1976 and the transition, but excluded some fossil fuel and conservation funding still be to approved by another subcommittee. The NRC appropriations, approved in the same bill, totaled $252 million.

2. The breeder reactor

A major controversial issue of energy and nuclear power policy in the 94th Congress is the future of the breeder reactor and the ERDA's program to further develop this technology and to build a larger breeder demonstration on the Clinch River at Oak Ridge, Tennessee. Compared with previous Congresses, more Members are now raising questions about and challenging this program than in the past. The breeder is likely to receive additional attention later this year after four reports due by the end of June become available to the Congress and to the public.

These four studies include: ERDA's final environmental statement on the breeder program; a report on ERDA's administrative hearings on the breeder program; a GAO study on the cost of the breeder program; and a report from the Joint Committee on Atomic Energy's ad hoc Subcommittee that is studying the breeder.

In January 1975, an ERDA review group completed its report on the LMFBR program and confirmed the need to ". . . proceed expeditiously to develop the LMFBR at this time to assure the continued availability of the nuclear power option to meet the Nation's future energy needs." The report deemed prudent the objective of achieving commercial breeder availability by the early 1960's, although it noted some risk that this timing may be late in relation to need.[23]

The report also found that known economically recoverable domestic uranium reserves would be committed to converter reactors within a few years; that the LMFBR program contained the essential elements for success and was in reasonable balance; and that foreign LMFBR programs would contribute important data and information, but that it would be impractical to substitute foreign reactor experience and technology for critical elements of the U.S. program.

In March 1975, ERDA proposed realignment of management of the Fast Breeder Reactor Project. The change would have ERDA assume direct management of the demonstration project in order to recognize the Government's expanded financial commitment and to assure that the project has single lines of authority and that its objectives are met.[24]

At about the same time, the National Resources Defense Council issued a report sharply criticizing the breeder project[25] and proposed bypassing the breeder and moving directly into using solar, geothermal and fusion energy and energy conservation. The real LMFBR debate, according to NRDC, will center around whether it is possible to make this leap. NRDC believes the leap can be made and recommended that the Federal

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Government delay the LMFBR program for a decade as premature and because they see no penalty in such delay. Funds freed by the LMFBR cutback could finance accelerated development of solar, geothermal, fossil, fusion and conservation technologies.

The postponement would also provide time for data to be gathered and assessed which bears critically on the future desirability of the LMFBR program. Such data would include: (1) More accurate information on uranium availability and future energy demands; (2) information on the potential of solar, geothermal and fusion energy (which should increase "dramatically" with appropriate funding); and (3) information to answer critical health and safety problems of the LMFBR with more certainty than is now present.

The Joint Economic Committee, chaired by Senator Humphrey, held hearings on the LMFBR program on April 30 and May 8. In June, the Subcommittee on Energy and the Environment of the House Committee on Interior and Insular Affairs and the Ad Hoc Subcommittee to Review the National Breeder Program of the Joint Committee on Atomic Energy began hearings on the national breeder reactor program and related issues.

Secretary of Commerce Morton and Federal Energy Administrator Zarb told Washington newsmen that the breeder program should not be undertaken on a crash basis.[26]

On June 30, ERDA Administrator Seamans issued a finding on the preliminary final environmental statement for the breeder that in essence supported further development. ERDA has announced that it has commissioned the National Academy of Sciences to conduct an 18-month independent analysis of all the risks and benefits associated with alternative conventional and breeder reactors as sources of power.[27]

Bills concerning the breeder thus far in the 94th Congress have been limited to the ERDA authorizations. In the Senate, Senator Tunney on June 10 proposed an amendment to the ERDA authorization for Fiscal Year 1976 to eliminate funds for on-site construction of the breeder demonstration and to require an assessment and report to Congress by the Office of Technology Assessment on the breeder within a year.[28] In the House, the ERDA authorization was passed on June 20, after attempts to amend the bill to reduce or delay the breeder had not succeeded.[29]

3. Plutonium recycle.

Whenever nuclear fuel containing uranium-238 is exposed to neutrons, which is the condition within a nuclear reactor, some of the U–238 is transformed into plutonium. If more atoms are so transformed into plutonium than are fissioned to energize the reactor, then the reactor is called a breeder. Conventional nuclear powerplants do transform U–238 into plutonium, which in principle can be recovered and used as a nuclear fuel in the reactors by mixing it with ordinary uranium. Over the years, the AEC has funded some research and development to perfect this idea, known as plutonium recycle. In August 1974 the AEC published in draft an environmental statement on use of such fuels in light-water reactors.[30] The issue addressed is a method of operation of the nuclear power industry, including nuclear reactors and associated fuel cycle facilities and operations. If plutonium recycle is authorized for commercial practice, then the plutonium produced in conventional nuclear powerplants will extend the nuclear fuel resources of the Nation and also provide new income for the nuclear industry and reduce that amount of plutonium held in storage. If plutonium recycle is not authorized, then the energy recoverable from uranium reserves with present nuclear powerplants will not be increased, there would be less reason to process used fuels—which would reduce opportunities for theft or diversion of recovered plutonium, a new source of income for the nuclear industry would be foregone, but the chances of dangerous releases of plutonium to the environment would be substantially reduced.

The National Resources Defense Council in its analysis of plutonium cycles strongly opposed the concept as dangerous and unnecessary.[31] The Nuclear Regulatory Commission addressed plutonium recycle early in 1975. On May 8, the NRC announced that before making a decision as to whether recycled plutonium may be used widely in fuel for light water reactors, it would ask for public comment regarding possible courses of action for evaluating the safeguards issue.[32]

The Joint Committee on Atomic Energy in reporting the NRC's authorization for FY 1976 noted that undue delay by NRC will inevitably result in expensive inefficiencies and postponement of related (commercial) decisions. The Joint Committee urged the NRC to expedite its decisions on plutonium recycling and safeguards ". . . to the maximum extent without reducing the necessary scope and depth of its inquiry, regardless of its decision as to the separability of these two issues." [33]

Plutonium recycle has attracted legislative attention. In February, 1975, Mr. Aspin introduced a Plutonium Recovery Control Act, to prohibit the licensing of certain activities regarding plutonium until expressly authorized by Congress and to require a comprehensive study of plutonium recycling by the Office of Technology Assessment.[34]

In the Senate, Senator Tunney introduced a Plutonium Recovery Control Act to likewise prohibit licensing of plutonium recycle except for military or research and development purposes, and to require OTA to undertake a three-year assessment.[35]

4. Exports of nuclear materials and technology and related safeguards issues

Controlling exports of nuclear materials and technology and safeguarding these items from theft and diversion in the U.S. and abroad has been a concern of the 94th Congress. Reports of U.S. shipments of weapons grade uranium to South Africa, of West Germany's intention to export large-scale nuclear reactors, fuel processing plants and a uranium enrichment plant to Brazil, and recent international meetings to review safeguards problems have heightened this concern and prompted Congress to introduce and act on legislation as well as hold hearings on nuclear exports and safeguards.

The Export Reorganization Act of 1975 [36] would reorganize functions of the Departments of Commerce and State, ERDA and the NRC to focus control of exports of nuclear materials and equipment in the Department of Commerce. However, Department of Commerce issuance of an export license would require certification by the NRC that the receiving country has safeguards at least substantially comparable to those that the NRC requires for domestic nuclear activities.

The Senate Committee on Government Operations held hearings on this proposed reorganization in late April, 1975. In the House, bills have been introduced to prohibit the transfer of atomic technology to foreign powers without the express approval of the Congress,[37] and to prohibit the transfer of nuclear materials to countries which have not ratified the Treaty on Non-Proliferation of Nuclear Weapons.[38]

One provision of the Plutonium Recovery Control Act introduced in the House by Mr. Aspin would require the Office of Technology Assessment to conduct and complete within three years a comprehensive study of the recycling of plutonium to include an investigation of the risks of the unauthorized diversion or theft of plutonium.[39]

During House debate on the NRC authorization bill for fiscal year 1976, Mr. Long of Maryland introduced an amendment to prevent the NRC from using any of its funds to license or authorize the export of nuclear fuel or technology to any country which furnishes or agrees to furnish uranium enrichment or nuclear fuel reprocessing plants to a country not a party to the NPT, or any country which is not a party to the NPT and which develops either an enrichment or reprocessing plant without concluding an arrangement with IAEA or Euratom requiring present and future nuclear facilities to be subject to safeguards established by either such agency against diversion of nuclear material. The provisions would not prevail if the President determines that the national security requires such a license or authorization and reports this determination to Congress at least 60 days prior to the issuance of such a license or authorization. Opponents of the amendment argued that it would not serve to advance U.S. policy towards nonproliferation. The amendment was defeated 139–117.[40]

Concurrent resolutions have been passed which expressed congressional approval of proposed additional amounts of special nuclear material which may be distributed to the International Atomic Energy Agency [41] and the European Atomic Community [42] pursuant to the Atomic Energy Act, and the proposed two-year extension of the 1955 Agreement for Cooperation between the U.S. and Israel concerning the civil uses of atomic energy.[43] Hearings were held on these proposals on February 6, 1975, by the Subcommittee on Agreements for Cooperation of the Joint Committee on Atomic Energy.[44]

Hearings on the export and safeguarding of nuclear materials and technology not related to specific legislation were held by committees of the House and Senate. The Subcommittee on Energy and Environment of the House Committee on Interior and Insular Affairs held hearings on the plutonium economy and nuclear theft on May 2, 1975, as part of its overall hearings on nuclear energy. The Subcommittee on Arms Control of the Senate Foreign Relations Committee held hearings on March 19, 1975, on issues relative to nuclear nonproliferation.

5. Siting and licensing of nuclear plants

President Ford in his State of the Union Message of January 15, 1975, spoke of nuclear power in the context of beginning to restore the Nation's surplus capacity in total energy. He mentioned a number of actions to energize the Nation's nuclear power program and said he would submit legislation to expedite nuclear licensing and the rapid selection of sites. He also recommended that the one-year investment tax credit of 12 percent be extended an additional *two* years to speed the construction of powerplants that do not use natural gas or oil, and proposed selective reform of State utility commission regulations. His program envisions that within the next 10 years there will be 200 major nuclear powerplants in the United States.[45]

The Energy Reorganization Act of 1974 requires that the Nuclear Regulatory Commission make a national survey to locate and identify possible nuclear energy center sites defined as an area, not limited to land, large enough to support all the facilities used in the whole nuclear fuel cycle—uranium en-

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richment, fuel reprocessing, waste storage and other processes, in addition to the generating plant itself.

The survey is to include:

(a) A regional evaluation of natural resources, including land, air, and water resources, available for use in connection with nuclear energy center sites; estimates of future electric power requirements that can be served by each site; assessment of the economic impact of each nuclear energy site; and consideration of any other relevant factors;

(b) an evaluation of the environmental impact likely to result from construction and operation of such sites, including an evaluation of whether such centers will result in greater or lesser environmental impact than separate siting; and

(c) consideration of the use of federally owned property and other property designated for public use, but excluding national parks, national forests, national wilderness areas and national historic monuments.

The report is to be published and sent to the Congress and to the Council on Environmental Quality not later than October 11, 1975, and is to be updated from time to time thereafter by the NRC.

The Act also authorizes the NRC to adopt policies which will encourage the location of nuclear power reactors and related fuel cycle facilities on nuclear energy center sites insofar as practicable.

Legislation to improve nuclear licensing procedures and to provide for siting include H.R. 3995, introduced by Mr. McCormack on February 25, 1975; S. 894, introduced by Senator Jackson and 26 cosponsors on March 6, 1975; H.R. 7002, introduced by Mr. Price on May 14, 1975; and S. 1717, introduced by Senators Pastore and Baker on May 12, 1975. S. 984 would authorize the Secretary of the Interior to assist the States to develop and implement State land resource programs and, among other things, to encourage expeditious energy siting decisions. The other bills would improve licensing and siting in various ways.

F. Oil and gas development on the Outer Continental Shelf

Ever since President Nixon announced January 23, 1974, that the Interior Department would lease up to 10 million acres of the Outer Continental Shelf in 1975, there has been an increasing demand that OCS exploration and development procedures be changed.

The Senate is moving toward definitive markup of a bill that would revise the leasing system for Outer Continental Shelf (OCS) oil and natural gas.

The Senate Interior and Insular Affairs and Commerce Committees' staffs have completed two months of hearings, study and discussions on OCS legislation. The Interior Committee completed markup sessions on July 11, 1975, on a bill (S. 521) which amends the Outer Continental Shelf Lands Act, to create, among other things, a new and comprehensive method of leasing the offshore lands, which had been proposed in S. 426. S. 521 passed the Senate on July 30, 1975, by a vote of 67–19.

Key features of the bill as passed are:

Creates 8 new bidding methods by which the Secretary of the Interior may offer a lease for sale. In addition to the existing combinations of cash bonus and royalty methods, the new methods authorize the use of diminishing or sliding royalties, and a fixed share, diminishing or sliding share, or percentage share of the net profits to the U.S. Additionally there is included a provision that the net profit share methods must be used for at least 50 percent of the frontier areas offered for lease in a given year.

Authorizes the Secretary to conduct or contract for exploration activities, including exploratory drilling on an experimental basis to determine the presence or absence of commercial quantities of oil or gas prior to selling a lease.

Changes the present limitation that a lease be no larger than 5,760 acres. Under the proposal the Secretary would be authorized to lease an entire geological structure or trap to the extent practicable.

Requires that prior to development or production of oil and gas from the Outer Continental Shelf, the lessee must submit a development plan for the approval of the Secretary.

Other features of S. 521 include a Coastal State Fund for the purpose of compensating the coastal State for the adverse impacts, primary and secondary, economic, social and environmental in nature caused by OCS oil and gas activity; and an Off-shore Oil Pollution Settlements fund, which would be used to compensate for damages caused by oil or gas discharges. A holder of a lease or right-of-way is held strictly liable for such discharges, except those caused by an act of war or negligence on the part of the United States or other governmental agency. Recovery is limited to $200,000,000 per incident and the holder is liable for the first $22,000,000.

This legislation is also among pending major energy proposals which have been identified for expedited action by the Senate, before the August recess.

The House of Representatives has recently moved to consolidate OCS jurisdiction, which formerly was divided among the Interior and Insular Affairs, Judiciary, and Merchant Marine and Fisheries Committees, into a new Ad Hoc Select Committee on the Outer Continental Shelf, by the adoption of H. Res. 412.

The bill being considered by the Select Committee at the present time (H.R. 6218) is similar to S. 426. The Committee received an extensive briefing on June 9, 1975 from the Congressional Research Service of the Library of Congress, the Office of Technology Assessment, General Accounting Office, and the staffs of the National Ocean Policy Study and Senate Interior and Insular Affairs Committees. On June 7, 1975, the Committee held an eleven hour hearing on H.R. 6218 in New Orleans, La.; and three days of hearings were held in Washington, D.C. on June 17–19, 1975. The Select Committee visited England, Scotland, and Norway the last week in June to draw on the experience of these countries in the North Sea explorations. Additional hearings have been held in New York (July 18–19), New Jersey (July 25), and Philadelphia (July 26). The Select Committee leaves August 1 for California and Alaska where hearings are scheduled. Further hearings are tentatively scheduled in the Boston, Connecticut area (September 12–14); Maryland/Eastern Shore area (September 26); concluding in Washington, D.C. (October 15–16). The Committee expects that H.R. 6218 will be ready for floor action by mid-November.

G. Solar and other nonnuclear energy research and development

Continuing a Congressional initiative for greater federal support for solar energy begun in the 93d Congress, during the first six months of the 94th Congress both the House and the Senate have pushed for additional resources in this energy field.[46]

A tax credit of up to $2,000 (25 percent of the first $8,000 cost) for converting homes to solar heat was approved by a vote of 244 to 132 on June 13, 1975, in the course of debate on the Ways and Means energy bill, H.R. 6860. The residential solar energy credits are permitted for insulation of equipment meeting "interim" rather than "definitive" HUD standards and may be provided for solar equipment shared by several houses.

Title II of S. 622, passed by the Senate on April 10, 1975, provides that energy conservation plans may include "low interest loans and loan guarantee programs to improve the thermal efficiency of individual residences by installation of insulation, storm windows, or other improvements, or by the application of solar energy heating and cooling equipment which meets the specifications developed under section 8 of the Solar Heating and Cooling Demonstration Act of 1974."

The Senate Select Committee on Small Business began hearings, expected to extend over a period of several months, on "Solar Energy: How Much? How Much from Small Business: How Soon? Why not More? Why not Sooner?" At the first of these hearings, held May 13 and 14, 1975, witnesses from the private sector testified who urged inclusion of heating-and-cooling systems contractors in the projected solar demonstration projects to be financed under Public Law 93–409, and provided examples of discrimination against small business in the emerging solar energy industry.

A staff study prepared as background for the hearings tabulated a large number of estimates by government agencies and private research firms, prepared between 1972 and 1975, on U.S. energy consumption projected for estimated solar energy contributions, by technology, 1980–2020.[47]

A preliminary finding was that official estimates of contribution which can be provided by solar technologies appear to have begun to go up quite rapidly. The joint NSF/NASA solar energy panel, which in 1972 had estimated that by the year 2000 only 5 percent of total national electricity supply would be generated by solar energy (including wind, ocean thermal differences and other solar induced energy sources), in 1975 reportedly had raised this estimate to as much as 50 percent of projected electric power generation, made up of 25 percent wind generated, 9 percent photovoltaic, and 16 percent form ocean thermal differences, assuming, however, no limit on capital availability for concurrent development of all three technologies.

The NSF/NASA projection assumed that a little more than 40 percent of total U.S. energy would come from electricity in 2000, and would add up to an estimated 76 quads, or a little more than the equivalent of 30 million barrels of oil a day. About half of this could come from solar energy.

Meanwhile, FEA has contracted with Florida Technological University for a study to provide regulatory and legislative recommendations designed to expand the market for solar water heating equipment. Florida law already requires new single family homes to be constructed in such a manner as to be adaptable to the installation of solar water heating equipment, and further state and local ordinances may result from the study. Before the introduction of cheap natural gas as an energy source, more than 25,000 solar water heaters were in use in the Southeastern states, including Florida.

On April 7, 1975, ERDA and the Department of Housing and Urban Development, in compliance with P.L. 93–409, submitted to Congress an interim report for conducting a

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Footnotes at end of article.

nationwide solar heating and cooling demonstration program. The report, "National Plan for Solar Heating and Cooling (ERDA-15)," calls for the demonstration of solar heating by late 1977, and the demonstration of combined solar heating and cooling by late 1979. Hearings on this report were held by the Subcommittee on Energy Research, Development and Demonstration of the House Science and Technology Committee on May 13, 14 and 15. This subcommittee also held hearings on a second important solar energy policy document, "Preliminary Definition Report. National Solar Energy Research, Development and Demonstration Program (ERDA-49)." A draft of this report was released by ERDA in early July in compliance with provisions of P.L. 93-473 which required ERDA to develop a comprehensive plan for a national solar energy program in all solar research areas. The final ERDA-49 is expected to be released in late July or early August.

Nonnuclear research and development authorizations, as approved by the House on June 20, 1975, included among the total ERDA authorizations of $5.6 billion for both fiscal year 1976 and the transition period, some $367 million for fossil energy development, $194 million for solar, geothermal and advanced energy systems, and, $40 million for research and development in energy conservation.

On June 24, the House considered and passed H.R. 8122, which makes appropriations to ERDA and other agencies for FY 1976 and the transition period. As reported by the Committee on Appropriations, the bill made appropriations to ERDA for solar energy programs totalling $127.7 million for FY 1976 and $29.3 million for the transition period. An amendment was agreed to that increased the FY 1976 appropriation to $140.7 million and the transition period appropriation to $38.8 million. An amendment that would have raised the FY 1976 and transition period appropriations to the levels authorized in H.R. 3474 was rejected.

H. Quantitative quotas as an incentive for both conservation and for increased domestic energy production

The Administration's energy policy has emphasized the central role of a pricing policy designed to increase the cost of oil and natural gas as a dual measure for both cutting back on consumption and encouraging increased production of domestic supplies.

During the course of the floor debate on H.R. 6860, a parallel alternative concept was put forward, namely, that quantitative limitations on petroleum imports would also serve a dual role, both to promote conservation of energy and to encourage increased domestic production of not only oil and natural gas but also alternative energy resources.

It should be noted that this rationale was a new phenomenon in the evolution of the Ways and Means energy proposals. As a number of opponents of the bill sharply pointed out, the Committee Report had downplayed the role of quotas as a direct constraint on consumption, arguing that its role would be rather to insure that petroleum savings otherwise achieved would be reflected in savings in imports.

However, this premise was promptly challenged by both opponents and proponents of the quantitative import limitation provision, early in the debate and even before the tax on gasoline was removed from the bill:

Mr. Ketchum. I find it absolutely amazing that the committee majority continues to believe that quotas on imports are not going to produce a major crunch. Just listen to this language from the committee report:

"Your committee does not intend that these import quotas be an energy conservation measure in themselves . . . a comprehensive program of quota restrictions is necessary to be sure that the conservation achieved by other provisions in the bill will result in an increase in foreign imports rather than a reduction in domestic production."

This premise is so false that it defies comprehension. Domestic production is declining and this pious hope will not stem the decline. On the contrary, other actions already taken by Congress, such as the repeal of the depletion allowance, and actions being contemplated such as a windfall profits tax insure a drop in domestic energy activity. The FEA estimates that, at best, there would be a 1 million barrel a day increase in petroleum production, if a massive development program were underway and oil sold at $11 a barrel. These are optimistic assumptions by anyone's standards. At the same time, assuming a 4-percent increase in demand a year, we will need between 7 and 9 million barrels a day of imported oil, figures well above the 6 million barrel a day quota. So how in the name of heaven can the supporters of this bill say that the quotas would not have a tremendous impact? [48]

* * * * *

Mr. Conable. This quota supposedly has enough flexibility so that it will not bite, but if the gasoline tax is eliminated I do not think there is any doubt that the quota, as a quantitative limitation would in fact come into play and cause serious problems in the administration of the resulting scarcity.[49]

* * * * *

Mr. Ottinger. We have in the bill which is coming up from the Commerce Committee provided allocations, so that if import quotas create some shortfall and it may well do that at some time in the future, we will be able to manage that and the President will have the authority to make the necessary allocation.

We have got to take some hard decisions in this House and any way we turn is hard. If the decision is to go to the price route, it means everybody is going to pay huge increases in price for everything in our economy. If we decide to do nothing to conserve, we are going to have this absolutely horrendous transfer of assets to the OPEC countries. Quotas and allocations with price controls is by far the best alternative.

I think this is at the heart of the bill. Regardless of what people do on the gasoline tax, if we have a quota in place we will have a meaningful congressional energy policy.[50]

The Congressman who fought the hardest to strike all of Title I, on oil import quotas, was the first to argue that its effect would in fact be so rapidly to drive up domestic oil production as to "drain America first":

Mr. Gibbons. Now, oil is a very precious commodity. If we call up the Federal Energy Agency and ask them how much oil there is in the United States within the 50 States, the safe 50, they will tell us there are about 4,000 days of oil left in this country.

If we call up the U.S. Geological Survey and say, "How much oil is left in this country, oil we know is here and oil we hope is here and how long will that last at the present rate of consumption?" They will tell us oil we know is here and oil we hope is here and oil we know is on the Outer Continental Shelf, all that oil will last for all of 35 years.

Now, how old will we be when that oil runs out and how old will our children and grandchildren be when that oil runs out? What kind of heritage will we be leaving for ourselves and what kind of heritage will we be leaving for our children and for our grandchildren? What kind of position are we putting the United States in as far as bargaining just down the road? What kind of position are we putting the United States in as far as national security is concerned?

Our answer to all of those questions has got to be that we are putting them in the worst possible position that we could dream of. What worse position could we get ourselves in than to use up our most precious natural resource before and at a much more rapid rate than we should be exhausting it.

If we put on quotas, that is the only result that can happen. The only reason for quotas is to protect domestic production and to make domestic production run at its top rate, while the rest of the world goes on with its oil resources.[51]

Proponents agreed that the effect of quotas firmly applied would indeed provide a "bite" and a "crunch" but pointed out that, with or without quotas, oil as a finite resource was being depleted in the U.S. and throughout the world, that quotas served notice both to OPEC and to ourselves that the U.S. must move swiftly to develop not just remaining oil but also all available sources alternative to oil.

Mr. Bell. Mr. Chairman, I just wanted to point out something else which *I think* has not been mentioned. When we talk about draining the resources of our country, we also should be considering the fact that we are encouraging other oil companies in this country to go out and explore. By this proposal we are encouraging this, which is also a very important facet of this program it sems to me.[52]

* * * * *

Mr. Corman. If we must cut back on those imports or, at least, hold them where they are, then clearly the sensible way to do it is through an import quota. It will be the incentive for investing in domestic exploration and production. If we do it merely by price, we will further bloat the profits of the oil companies, and we will leave totally within their discretion where exploration money is spent.[53]

* * * * *

Mr. Koch. The only way we could find a feasible way of facing up to the problem is laying out the numbers of barrels, as we have here. Oil is a finite commodity. The gentleman says we have a glut of oil, but the world will be out of oil in 20 or 30 or 35 years. There is no long-range glut of oil, and in terms of history that is a very short time.

This country peaked out in production 5 years ago, and production has gone down each year since. The best possible way of developing alternative sources and assuring that there will be a market is to establish

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Footnotes at end of article.

this kind of quota system. This is the heart of the bill.[54]

* * * * *

Mr. Green. Every country in the world is running out of oil, and we have to find alternate sources of energy. That is one of the things this bill has tried to do, to stop being energy hogs, to serve notice that we intend to discipline ourselves. We have very carefully tailored this quota, and we have time in the future, if we have made a mistake to correct it.

The quota that would be in effect this year will not be reached and if it were and we were in some kind of a tight bind and needed oil. we have given the Presidents an additional 1 million barrels a day for the next 2 years, discretionary authority. By balance, I think we have built in the kind of flexibility we need to begin to come to grips with this problem. American oil is drying up with or without a quota. We cannot afford the dependence today. We must develop our own sources.[55] . . .

The fact of the matter is that we are going to run out of oil at some point, and unless we begin to develop alternate sources of energy in this country, we are in trouble.

Let us say it is 35 years, 13 years, or 42 years, or let us say it is 112 years. The fact of the matter is that we are going to run out of oil in this country, and we cannot, in the meantime, continue to be dependent and be placed in a position where the OPEC countries can strangle the United States of America. Unless we begin to put a quota on as to how much we are going to take, and unless we begin to develop alternate sources of energy in this country, we can quibble as to whether it is 35 years, 13 years, or 50 years, but we have to get down to doing the job that is necessary.[56]

At the end of the two weeks of hard fought floor debate, as the House moved toward the final showdown vote in June 19, 1975, the Chairman of the Way and Means Committee summed up the message that was intended to be communicated through the measure and through the then still pending critical vote:

Mr. Ullman. Mr. Chairman, we are about to conclude a long and tedious debate on the subject of energy.

We know better now than we did in the beginning that there are no easy answers. There will be, I understand, a recommittal motion; but I would like to say to my colleagues that a recommittal has to be a dead end. There is no way we can go back to the committee and take a new turn. . . .

We begin by telling the OPEC countries and the world that we are putting a limit on the amount of oil we import. From now on we are not going to import oil without limit. We are telling the oil producing countries that there will no longer be an unlimited flow of petroleum into this country from abroad.[57] We are telling industry and utilities, through our excise tax provisions, that they simply must begin the job of converting to coal and nuclear energy. We are telling the automobile industry that they simply have to start building more efficient automobiles in this country.

We have credits here for the average citizen with respect to home insulation to conserve heat, which is very important.

We have tax incentives that I think are very important in developing the flow of capital into vital areas which will produce alternative energy sources.

We have a trust fund that goes specifically to developing alternative energy sources in a meaningful way. This also is very important . . .

Mr. Chairman, the way that legislation is passed in Congress is that we build a framework, we build a base and this is a base. We build over it in subsequent legislation. That is the way it ought to be with energy policy.

Soon to come along will be the energy bill from the Committee on Interstate and Foreign Commerce on which they have jurisdiction, and these two measures will work together. Then after that we will have the bill brought out by the gentleman from Washington (Mr. McCormack) on NASA and atomic energy. That is another ingredient added on to what we now have and will soon have. Together, they will all make up our energy policy.[58]

Shortly afterward the final vote was taken and there were yeas 291, nays 130, not voting 12.

So the bill was passed.

FOOTNOTES

[1] *The Oil Import Question*, Cabinet Task Force on Oil Import Control, February 1970, p. 121.

[2] *Monthly Energy Review*, Federal Energy Administration, February 1975, pp. 6, 8.

[3] Action then pending on S.J. Res. 12, introduced Jan. 12, 1975, to prohibit for 60 days the imposition of tariffs, fee and quotas on oil imports and the lifting of all price controls on domestic oil, reserving Congressional right to approve or disapprove within 30 days, was transferred to the calendar under subjects on the table Feb. 20, 1975.

[4] See statements made during the opening debate, June 9, 1975, Mr. Long, pp. 17871–17872, Mr. Ullman, p. 17880, and Mr. Pryer, p. 17898.

[5] See section IV—H, for more details of the debate on this issue.

[6] See section IV–C for further details.

[7] Production of crude petroleum is subject to three basic price rules: (1) Monthly production up to the level of 1972 is controlled at a price of about $5.25 per barrel. Crude petroleum determined under this rule is termed "old." (2) Production over the level of 1972, termed "new" oil, and production from wells yielding 10 barrels or less a day, termed "stripper well" oil, are not price controlled and can be sold at the existing market price. (3) For each barrel of new oil that is produced in a given month, a like amount of the old oil production for the month is released from price controls, and hence is called "released" oil.

[8] See section IV–B–2, for additional details on this use of the "Old Oil Entitlement Program."

[9] These figures refer to sales weighted average fuel economy by model year, as calculated by EPA, defined as the average fuel economy of all cars sold in a given model year, taking into account the number of cars sold in a given weight class. U.S. Environmental Protection Agency, "A Report on Automotive Fuel Economy," February 1974, p. 12.

[10] As reported in the Washington Post, May 30, 1975.

[11] *Oil and Gas Journal*, Feb. 3, 1975, p. 37.

[12] Chart not printed.

[13] *Oil and Gas Journal*, Feb. 3, 1975, p. 37.

[14] *Energy Notes*, Feb. 24, 1975. Morgan Stanley and Co., Inc., reprinted in Congressional Record, Mar. 22, 1975, pp. 8078–8081. See also *Wall Street Journal*, June 9, 1975, p. 1, 25.

[15] Secretary of the Treasury Simon, in discussing a minimum long-term supply price before the Ways and Means Committee on Mar. 17, 1975, said that if the depletion allowance were removed he felt the "long-term supply price" would have to be raised from a then estimated $7 to $8 per barrel to about $8.40 per barrel. *Hearing*, Transcript, p. 1665.

[16] S. 622 gave Congress 10 days to veto Presidential proposals in this area, extending the time under existing law an additional 5 days; S. 621, passed 20 days later on May 1, 1975, gave Congress 30 days to disapprove administration price plans and also gave Congress time to disapprove import fees and cancel those already imposed. See also H.R. 1767, to suspend the President's authority to impose oil import fees for 90 days, vetoed March 4, 1975, and S.J. Res. 12. H.R. 4035, to provide Congressional review of Presidential decisions on oil products, passed by the House on June 5, 1975, would allow Congress 15 days to nullify an Administration move to remove the price ceiling on old oil.

[17] Wellhead prices for domestic uncontrolled oil in January 1975 were $11.28 a barrel and prices for imported crude were averaged at $12.77 that month, according to FEA.

[18] About 2 to 4 years for surface mining and 3 to 5 years for deep mining, according to the National Academy of Engineering, *U.S. Energy Prospects*, May 1974, p. 92.

[19] The Subcommittee on Energy and the Environment of the House Committee on Interior and Insular Affairs held oversight hearings on nuclear energy April 28–29, May 1, 2, June 2, 5 and 6. See *Hearings*, Part II, Nuclear breeder development program, scheduled for publication in July, for a detailed discussion of estimates on uranium reserves and resources of the United States.

[20] Public Law 93–438, 88 Stat. 1233, approved Oct. 11, 1974.

[21] This report is required by section 109(a) of the Energy Reorganization Act of 1974.

[22] See H. Rept. No. 94–294, to accompany H.R. 3734. June 13, 1975, for the recommendations and comments of the Joint Committee on Atomic Energy.

[23] U.S. Energy Research and Development Administration, *Report of the Limited Metal Fast Breeder Reactor Program Review Group*, January 1975, 59 p., report ERDA–1.

[24] Cf., ERDA press release No. 75–32, Mar. 11, 1975.

[25] Thomas B. Cochran, J. Gustave Speth and Arthur R. Tamplin. Bypassing the breeder. A report of misplaced Federal energy priority. Washington, D.C.: Natural Resources Defense Council, March 1975, 16 p.

[26] Victor K. McElheny, "Morton and Zarb join in suggesting a slowdown on nuclear breeder reactors and call for more research." *The New York Times*, June 10, 1975, p. 25.

[27] *Nucleonics Week*, June 12, 1975, p. 4. This newsletter attributed the origins of the study to a letter from NAS president Philip Handler to Senator Tunney.

[28] Congressional Record, June 10, 1975, p. 18088.

[29] Congressional Record, June 20, 1975, pp. 19918–19975.

[30] U.S. Atomic Energy Commission, *Draft generic environmental statement mixed oxide fuel (recycle plutonium in lightwater reactors)*. August 1974, 4 vols., report No. WASH–1327 (Known as the GESMO report.)

[31] J. Gustave Speth, Arthur R. Tamplin and Thomas R. Cochran. *The plutonium deci-*

sion, A report on the risks of plutonium recycle. Washington, D.C.: Natural Resources Defense Council, September 1974, 29 p.

[32] NRC press release No. 75-115, May 8, 1975.

[33] S. Rept. 94-174, to accompany S. 1716, June 4, 1975, p. 6.

[34] H.R. 3618, Feb. 25, 1975, and H.R. 4945 and H.R. 4946, Mar. 14, 1975. Referred to the Joint Committee on Atomic Energy. Mr. Aspin was joined by 48 cosponsors on the several bills. Cf., Mr. Aspin's statement in the *Congressional Record* of Feb. 26, 1975, pp. 4515–4517 and Mar. 14, 1975, pp. 6753–6754.

[35] S. 1197. May 17, 1975. Referred to the Joint Committee on Atomic Energy. The bill would require the OTA to conduct and complete within three years a comprehensive study of the recycling of plutonium for the purposes of determining the extent of the dangers to the public health and safety and the environment of such recycling. The study would include: (1) Investigation of the toxicity and carcinogenic characteristics of plutonium; (2) Investigation of the risks of unauthorized diversion or theft of plutonium; and (3) Consideration of the development of systems for the use of plutonium which will assure the protection of the public health and safety of the environment. Cf., Senator Tunney's remarks in the CONGRESSIONAL RECORD of Mar. 17, 1975, p. 6874.

[36] S. 1439. Apr. 15, 1975, by Senators Percy, Ribicoff and Glenn. Referred to the Committee on Government Operations.

[37] H.R. 622. Jan. 14, 1975; H.R. 2452, Jan. 30, 1975.

[38] H.R. 6082, Apr. 16, 1975; H.R. 7224, May 21, 1975.

[39] H.R. 3618, Feb. 25, 1975.

[40] Cf., debate in the *Congressional Record*, June 20, 1975, pp. 19979–19982.

[41] S. Con. Res. 13, Feb. 11, 1975; and H. Con. Res. 115, Feb. 10, 1975. Approved by the Senate Feb. 19, 1975, and tabled in House May 17, 1975.

[42] S. Con. Res. 14, Feb. 11, 1975; and H. Con. Res. 116, Feb. 10, 1975. Passed by Senate Feb. 19, and tabled in the House on Mar. 17, 1975.

[43] S. Con. Res. 15. Feb. 11, 1975, Mr. Pastore; and H. Con. Res. 114, Feb. 10, 1975. Passed by Senate February 19, 1975, and in the House Mar. 11, 1975.

[44] U.S. Congress. Joint Committee on Atomic Energy. Subcommittee on Agreements for Cooperation. *Proposals for international cooperation in nuclear energy.* Hearings, 94th Congress, 1st session. Feb. 6, 1975. Washington, U.S. Govt. Print. Off., 1975, 16 p.

[45] As of Mar. 13, 1975, ERDA reported 53 operating nuclear generating units, 63 being built, 13 with site work authorized, 92 with reactors ordered, 13 planned, plus two ERDA-owned units, for a total of 236 nuclear generating units, Cf., AEC press release No. 75-60, Apr. 29, 1975.

[46] Public Law 93-409, "The Solar Heating and Cooling Demonstration Act of 1974"; Public Law 93-383. "Housing and Community Development Act of 1974"; Public Law 93-473. "The Solar Energy R&D and Demonstration Act of 1974"; and Public Law 93-316, "The NASA Authorization Act."

[47] *Congressional Record,* May 8, 1975, p. 13570.

[48] *Congressional Record,* June 10, 1975, p. 18021.

[49] Ibid, p. 18034.

[50] Ibid., p. 18041.

[51] Ibid., p. 18033.

[52] Ibid., p. 18034.

[53] Ibid., p. 18036.

[54] Ibid., p. 18038.

[55] Ibid., p. 18033.

[56] Ibid., p. 18039.

[57] Mr. Ullman spoke extemporaneously on the floor and was misquoted in one respect by the recorder; he used the word "companies," not "countries" in the second sentence. As phrased in the written text of his remarks, issued at the end of the debate, this paragraph reads: "The energy bill passed today is a message to the world that we are not going to import unlimited foreign oil. It's a message to the oil companies that they can't count on mounting supplies of OPEC oil for their refineries—that they must restructure their production. We are signalling industry and electric utilities that a massive shift away from oil toward other sources of energy must begin. And the energy bill includes a clear order to produce cars that don't waste so much gasoline."

[58] *Congressional Record,* June 19, 1975, pp. 19780–19782.

APPENDIX I: STATUS OF ACTIVE ENERGY RELATED BILLS

SELECTED ENERGY RELATED LEGISLATION IN THE 94TH CONGRESS

[Status as of July 31, 1975]

Goal and task bill No. and title	House report and date	House and date passed	Senate report and date	Senate and date passed	Public law date signed
I. Reduce dependence on foreign oil:					
H.R. 1767—Suspend President's authority to impose oil import fees for 90 days.	94-1. Jan. 30, 1975. (Referred to Ways and Means Mar. 11, 1975).	Feb. 6, 1975	94-11. Feb. 19, 1975	Feb. 19, 1975	Vetoed, Mar. 4, 1975
S.J. Res. 12—Prohibit oil import tariffs, fees, quotas for 60 days.			(On calendar Feb. 20, 1975)		
H.R. 6860 (H.R. 5005)—Energy Conservation and Conversion Act (establish oil import quotas title I).	94-221. May 15, 1975	June 19, 1975	Hearings, Finance Committee July 10–18.		
H.R. Res. 505—Rule for debate on H.R. 6860	94-255. June 3, 1975		Markup began July 21		
II. Protect against disruption in oil imports:					
S. 622—Standby energy authorities	(Referred Interstate and Foreign Commerce, Apr. 15, 1975)		94-26, Mar. 5, 1975	Apr. 10, 1975	
S.J. Res. 48—Defense Production Act 1950, extended until Dec. 31, 1975.		Mar. 10, 1975		Mar. 6, 1975	Public Law 94-9 Mar. 21, 1975.
H.R. 7014—Energy Conservation and Oil Policy Act (titles II, III, IV).	94-340. July 9, 1975	Debate began July 15, 1975			
H.R. 5919—Establish National Strategic Petroleum Reserve (military).	94-156. Apr. 18, 1975				
H.R. 49—Develop petroleum reserves on public lands	94-81. Pt. I. Mar. 18, 1975, Apr. 18, 1975, pt. II, Apr. 22, 1975, pt. III.	July 8, 1975			
H. Res. 416—Rule for considering H.R. 49 and 5919	94-167. Apr. 22, 1975				
S. 677—Establish national Strategic Petroleum Reserve Office in the FEA.			94-260. June 26, 1975	July 8, 1975	
S. 1849—Extend Emergency Petroleum Allocation Act, to Mar. 1, 1976.	H.R. 632. 94-387. July 23, 1975.	July 31, 1975	94-220. June 23, 1975	July 15, 1975	
S. 2173—Permit limited production from NPR's in Colorado and Wyoming.			94 327. July 24, 1975	July 29, 1975	
S. 1537—Extend Defense Production Act through Sept. 30, 1977.			Reported from Senate Banking Committee, July 29, 1975.		
III. RESTRAIN AND RESHAPE ENERGY DEMAND					
H.R. 4485—Emergency Middle Income Housing Act (Included building conservation as title III, dropped in Conference report).	94-64. Mar. 14, 1975; C94-246, May 22, 1975.	Mar. 21, 1975. June 5, 1975—Sustained June 25, 1975.	94-86. Apr. 18, 1975; C-94-161. May 22, 1975.	Apr. 24, 1975. June 11, 1975	(Vetoed June 24, 1975).
H.R. 7014—Energy Conservation and Oil Policy Act (titles IV, V).	94-340. July 9, 1975	Debate began, July 15, 1975			
H.R. 6860—Energy Conservation and Conversion Act (titles II, III, V).	94-221. May 15, 1975	June 19, 1975	Finance Committee markup began July 21.		
S. 622—Standby energy authorities (title II) Energy Conservation Policy.	(Referred Interstate and. Foreign Commerce. Apr. 15, 1975).		94-26. Mar. 5, 1975	Apr. 10, 1975	
S. 1730—Rail Transportation System, provide funds to repair.			94-134. May 13, 1975	May 16, 1975	
S. 281/H.R. 2051—Regional Rail Reorganization Act, amended 1975.	94-7. Feb. 19, 1975	Feb. 19, 1975	94-5 Jan. 27, 1975	Jan. 29, 1975	Public Law 94-5. Feb. 28, 1975.
H.R. 8365—Department of Transportation appropriations through Sept. 30, 1976.	93-331. June 26, 1975	July 10, 1975	94-291. July 22, 1975	July 25, 1975	

SELECTED ENERGY RELATED LEGISLATION IN THE 94TH CONGRESS—Continued

[Status as of July 31, 1975]

Goal and task bill No. and title	House report and date	House and date passed	Senate report and date	Senate and date passed	Public law date signed
III. RESTRAIN AND RESHAPE ENERGY DEMAND—Continued					
S. 852/H.R. 4975—Amtrak Improvement Act, supplemental funds for fiscal year 1975–77.	94-119. Mar. 26, 1975	Apr. 24, 1975	94-65. Apr. 9, 1975	May 13, 1975	Public Law 94-25. May 25, 1975.
H.R. 4481—Emergency employment appropriations (included $700,000,000 for railroad track repair, but deleted in final bill).	94-52. Mar. 7, 1975; C94-201. May 12, 1975.	Mar. 12, 1975, May 14, 1975, sustained June 4, 1975.	94-91. Apr. 22, 1975	Apr. 25, 1975, May 16, 1975	(Vetoed May 28, 1975).
S. 1777—National Petroleum and Natural Gas Conservation and Coal Substitution Act.				(Nearing markup).	
H.R. 5899—Supplemental appropriations fiscal year 1975 (included $700,000,000 for railroad track repair, but deleted in final bill).	94-141. Apr. 10, 1975, C94-239.	Apr. 15, 1975, June 9, 1975	94-137. May 14, 1975	May 20, 1975, June 11, 1975	Public Law 94-32. June 12, 1975.
S. 1518—Motor Vehicle Information and Cost Savings Act.			94-155. May 22, 1975	June 5, 1975	
S. 349—Truth in Energy Act of 1975			94-253. June 24, 1975	July 11, 1975	
S. 1883—Auto Fuel Economy Act of 1975			94-179. June 5, 1975	July 15, 1975	
S. Res. 59—Energy Conservation Month				Feb. 5, 1975	
S. 2063—Home Energy Disclosure Act			94-265. July 8, 1975		
H.R. 8650—Building Energy Conversion Standards	94-377. July 22, 1975				
IV. Increase domestic energy supplies (including energy management and pricing issues):					
S. 7 H.R. 25—Strip Mining Control and Reclamation Act.	94-45. Mar. 6, 1975; C94-189. May 2, 1975.	Mar. 18, 1975. May 7, 1975. Sustained June 10, 1975.	94-28(S.7). Mar. 5, 1975; 94-101. May 2, 1975.	Mar. 12, 1975. Mar. 20, 1975. May 5, 1975.	(Vetoed May 20, 1975).
H.R. 7014—Energy Conservation and Oil Policy Act (titles III and IV, oil price deregulation and conversion to other fuels).	94-340. July 9, 1975	Debate began July 15, 1975			
S. 692—Natural Gas Production and Conservation Act of 1975.			94-191. June 12, 1975		
S. 621—Petroleum price increase limitation (sets ceiling for all except "old" oil at Jan. 3, 1975 price, C. $11–$12 per barrel).			94-32. Mar. 7, 1975	May 1, 1975	
S. 622—Standby energy authorities (title I, increase ceiling on "old" oil produced by secondary, tertiary recovery, and title III, conservation to other fuels).	(Referred Interstate and Foreign Commerce. Apr. 15, 1975).		94-26. Mar. 5, 1975	Apr. 10, 1975	
S. 994/H.R. 4224—Supplemental funds for improved nuclear safety measures, Nuclear Regulatory Commission, $50,200,000.	94-100. Mar. 20, 1975	Apr. 10, 1975	94-50. Mar. 20, 1975	Mar. 24, 1975	Public Law 94-18. Apr. 25, 1975.
H. Res. 412—Create a Select committee on the Outer Continental Shelf.		Apr. 22, 1975			
H. Res. 427—Funding for study of OCS by Select Committee.	94-231. May 20, 1975	May 22, 1975	94-284. July 17, 1975	July 30, 1975	
S. 521—Outer Continental Shelf development					
H. Res. 439—Disapproving proposed action by President to remove existing price controls relating to crude oil.	(Approved Interior C. May 14, 1975).				
S. 834—Amend the Mineral Leasing Act of 1920 to enable States to use funds from development of oil shale for purposes other than public roads and schools.			94-85. Apr. 18, 1975	Apr. 22, 1975	
S. 586—Coastal Zone Management Act amendments			94-277. July 11, 1975	July 16, 1975	
H.R. 2166—Tax Reduction Act (includes increase in investment tax credit including public utilities, repeal of oil and gas depletion allowance, and changes in foreign tax credits from foreign oil extraction).	94-19. Feb. 25, 1975; C94-20. Mar. 26, 1975.	Feb. 27, 1975. Mar. 26, 1975	94-36. Mar. 17, 1975	Mar. 22, 1975. Mar. 26, 1975	Public Law 94-12. Mar. 29, 1975.
H. Con. Res. 218—First Concurrent Resolution on the budget fiscal year 1976: Natural resources, environment and energy outlays assumed, $11,600,000.	94-145. Apr. 15, 1975; 94-198. May 9, 1975.	May 1, 1975. May 14, 1975	94-113	May 5, 1975	
H.R. 4035/H. Res. 351—Provide congressional review of Presidential decisions removing control on oil products.	94-65. Mar. 14, 1975; C94-356. June 14, 1975.	June 5, 1975. July 17, 1975		Substituted S. 621. June 11, 1975. July 16, 1975.	(Vetoed July 21, 1975.)
H.R. 6860—Energy Conservation and Conversion Act (title IV Energy Trust Fund).	94-221. May 15, 1975	June 19, 1975	Hearings: Finance Committee, July 10–18. Markup began July 21.		
H. Res. 605/H. Res. 613/S. Res. 145—Disapproving President's proposed amendment to end petroleum allocation and to decontrol price of old oil.	94-372. July 18, 1975	July 22, 1975	(S. Res. 145) 84-286. July 21, 1975.	July 30, 1975	
S. 323—Protect franchised dealers in petroleum products.			94-120. May 13, 1975	June 20, 1975	
H.R. 3474/S. 598—Authorize ERDA Appropriations for fiscal year 1976.	94-294. June 13, 1975	June 20, 1975	94-104. May 6, 1975	July 31, 1975	
S. 1716/H.R 7001—Nuclear Reg. Commission, 1976	94-260. June 4, 1975	do	94-174. June 17, 1975		
H.R. 8122—Fiscal year 1976 appropriations, Public Works for water and power development and energy research.	94-319. June 20, 1975	June 24, 1975			
S. 740—National Energy Production Board			(Nearing markup)		
S. Con. Res. 13/H. Con. Res. 115—Congressional approval of distribution of special nuclear material to International AEC.		Mar. 17, 1975	94-8. February 13, 1975	February 19, 1975	
S. 521—Outer Continental Shelf Lands Act				July 30, 1975	
S. Con. Res. 14/H. Con. Res. 116—Congressional approval of distribution of special nuclear material to EURATOM.		Mar. 17, 1975	94-9. Feb. 13, 1975	Feb. 19, 1975	
S. Con. Res. 15/H. Con. Res. 114—Congressional approval to extend on existing atomic energy agreement between the United States and Israel.		Mar. 11, 1975	94-10. Feb. 13, 1975	Feb. 19, 1975	
H.R. 4799—Rural electrification loan program amendments.	94-353. July 14, 1975				
H.R. 4888—Provide loans to small businesses economically injured due to disruption in service of public utilities.	94-288. June 12, 1975	June 17, 1975			
S. 391—Coal leasing amendments			94-296. July 23, 1975		

STATES OF ACTIVE ENERGY RELATED BILLS

SELECTED ENERGY RELATED LEGISLATION IN THE 94TH CONG.

Goal and task bill number, title	House report, date	House date passed	Senate report, date	Senate date passed	Public Law date signed
I. REDUCE DEPENDENCE ON FOREIGN OIL					
H.R. 1767—Suspend President's authority to impose oil import fees for 90 days.	94-1, Jan. 30, 1975	Feb. 6, 1975	94-11, Feb. 19, 1975	Feb. 19, 1975	Vetoed Mar. 4, 1975.
S.J. Res. 12—Prohibit oil import tariffs, fees, quotas for 60 days.			On calendar Feb. 20, 1975		
H.R. 6860 (H.R. 5005)—Energy Conservation and Conversion Act (establish oil import quotas title I).	94-221, May 15, 1975	June 19, 1975			
H.R. Res. 505—Rule for debate on 6860	94-255, June 3, 1975				
II. PROTECT AGAINST DISRUPTION IN OIL IMPORTS					
S. 622—Standby energy authorities	Referred to Interstate and Foreign Commerce, Apr. 15, 1975.		94-26, Mar. 5, 1975	Apr. 10, 1975	
S.J. Res. 48—Defense Production Act 1950, extended until Dec. 31, 1975.		Mar. 10, 1975		Mar. 6, 1975	Public Law 94-9, Mar. 21, 1975.
H.R. 7014—Energy Conservation and Oil Policy Act (titles II, III, IV).	Clean bill, introduced May 15, 1975; reported June 24, 1975.				
H.R. 5919—Establishes national strategic petroleum reserve (military).	94-156, Apr. 18, 1975				
H.R. 49—Develop petroleum reserves on public lands	94-81—pt. I, Mar. 18, 1975; Apr. 18, 1975, pt. II; Apr. 22, 1975, pt. III.				
H. Res. 416—Rule for considering H.R. 49 and 5919	94-167, Apr. 22, 1975				
S. 677—Establish national strategic petroleum reserves			94-260, June 26, 1975		
S. 1849—Extend Emergency Petroleum Allocation Act to Mar. 1, 1976.			94-220, June 23, 1975		
III. RESTRAIN AND RESHAPE ENERGY DEMAND					
H.R. 4485—Emergency Middle Income Housing Act (included building conservation as title III, dropped in conference report).	94-64, Mar. 14, 1975; C94-246, May 22, 1975.	Mar. 21, 1975; June 5, 1975; sustained June 25, 1975.	94-86, Apr. 18, 1975; C94-161, May 22, 1975.	Apr. 24, 1975, June 11, 1975.	Vetoed, June 24, 1975
H.R. 7014—Energy Conservation and Oil Policy Act (titles IV, V).	Clean bill, introduced May 15, 1975; reported June 24, 1975.				
H.R. 6860—Energy Conservation and Conversion Act (titles II, III, V)	94-221, May 15, 1975	June 19, 1975			
S. 622—Standby energy authorities (title II) energy conservation policy.	Referred to Interstate and Foreign Commerce, Apr. 15, 1975.		94-26, Mar. 5, 1975	Apr. 10, 1975	
S. 1730—Rail Transportation System, provide funds to repair.			94-134, May 13, 1975	May 16, 1975	
S. 281/H.R. 2051—Regional Rail Reorganization Act, amended 1975.	94-7, Feb. 19, 1975	Feb. 19, 1975	94-5, Jan. 27, 1975	Jan. 29, 1975	Public Law 94-5, Feb. 28, 1975.
S. 852/H.R. 4975 Amtrak Improvement Act, supp. funds for fiscal years 1975-77.	94-119, Mar. 26, 1975	Apr. 24, 1975	94-65, Apr. 9, 1975	May 13, 1975	Public Law 94-25, May 25, 1975.
H.R. 4481—Emergency employment appropriations (included $700,000,000 for railroad track repair, but deleted in final bill).	94-52, Mar. 7, 1975; C94-201, May 12, 1975.	Mar. 12, 1975; May 14, 1975; sustained June 4, 1975.	94-91, Apr. 22, 1975	Apr 25, 1975, May 16, 1975.	Vetoed May 28, 1975.
S. 1777—National Petroleum and Natural Gas Conservation and Coal Substitution Act.				Nearing markup	
H.R. 5899—Supplemental appropriations fiscal year 1975 (included $700,000,000 for railroad track repair, but deleted in final bill).	94-141, Apr. 10, 1975, C94-23	Apr. 15, 1975, June 9, 1975.	94-137, May 14, 1975	May 20, 1975, June 11, 1975.	Public Law 94-32, June 12, 1975.
S. 1518—Motor Vehicle Information and Cost Savings Act.			94-155, May 22, 1975	June 5, 1975	
S. 349—Truth in Energy Act of 1975			94-253, June 24, 1975		
S. 1883—Auto Fuel Economy Act of 1975			94-179, June 5, 1975		
S. Res. 59—Energy conservation month				Feb. 5, 1975	
IV. INCREASE DOMESTIC ENERGY SUPPLIES (INCLUDING ENERGY MANAGEMENT AND PRICING ISSUES)					
S. 71 H.R. 25—Strip Mining Control and Reclamation Act.	94-45, Mar. 6, 1975; C94-189, May 2, 1975.	Mar. 18, 1975; May 7, 1975; sustained June 10, 1975.	94-28 (S. 7), Mar. 5, 1975; 94-101, May 2, 1975.	Mar. 12, 1975, Mar. 20, 1975, May 5, 1975.	Vetoed May 20, 1975
H.R. 7014—Energy Conservation and Oil Policy Act (titles III and IV, oil price deregulation and conversion to other fuels).	94-340, June 24, 1975				
S. 692—Natural Gas Production and Conservation Act of 1975.			94-191, June 12, 1975		
S. 621—Petroleum price increase limitation (sets ceiling for all except "old" oil at Jan. 3, 1975 price, C. $11-$12 per barrel).			94-32, Mar. 7, 1975	May 1, 1975	
S. 622—Standby energy authorities (title I, increase ceiling on "old" oil produced by secondary, tertiary recovery, and title III, conservation to other fuels).	Referred to Interstate and Foreign Commerce, Apr. 15, 1975.		94-26, Mar. 5, 1975	Apr. 10, 1975	
H.R. 4035/H. Res. 351—Provide congressional review of Presidential decisions removing control on oil products.	94-65, Mar. 14, 1975	June 5, 1975		Substituted S. 621, June 11, 1975.	
H.R. 6860—Energy Conservation and Conversion Act (title IV. energy trust fund).	94-221, May 15, 1975	June 19, 1975			
H.R. 2166—Tax Reduction Act (includes increase in investment tax credit including public utilities, repeal of oil and gas depletion allowance, and changes in foreign tax credits from foreign oil extraction).	94-19, Feb. 25, 1975; C94-20, Mar. 26, 1975.	Feb. 27, 1975, Mar. 26, 1975.	94-36, Mar. 17, 1975	Mar. 22, 1975, Mar. 26, 1975.	Public Law 94-12, Mar. 29, 1975.
H. Con. Res. 218—1st concurrent resolution on the budget, fiscal year 1976: Natural resources, environment and energy outlays assumed, $11,600,000,000.	94-145, Apr. 15, 1975; 94-198, May 9, 1975.	May 1, 1975, May 14, 1975.	94-113	May. 5, 1975	
S. 994/H.R. 4224—Supplemental funds for improved nuclear safety measures, Nuclear Regulatory Commission, $50,200,000.	94-100, Mar. 20, 1975	Apr. 10, 1975	94-50, Mar. 20, 1975	Mar. 24, 1975	Public Law 94-18, Apr. 25, 1975.
H. Res. 412—Create a Select Committee on the Outer Continental Shelf.		Apr. 22, 1975			
H. Res. 427—Funding for study of OCS by select committee.	94-231, May 20, 1975	May 22, 1975			
S. 521—Outer Continental Shelf development			Ready for markup		
H. Res. 439—Disapproving proposed action by President to remove existing price controls relating to crude oil.	Approved, Interior Committee, May 14, 1975.				
S. 834—Amend the Mineral Leasing Act of 1920 to enable States to use funds from development of oil shale for purposes other than public roads and schools.			94-85, Apr. 18, 1975	Apr. 22, 1975	
S. 323—Protect franchised dealers in petroleum products.			94-120, May 13, 1975	June 20, 1975	
H.R. 3774/S. 598—Authorize ERDA appropriations for fiscal year 1976.	94-294, June 13, 1975	June 20, 1975	94-104, May 6, 1975		

SELECTED ENERGY RELATED LEGISLATION IN THE 94TH CONG.—Continued

Goal and task bill number, title	House report, date	House date passed	Senate report, date	Senate date passed	Public Law date signed
S. 1716/H.R. 7001—Nuclear Regulation Commission, 1976.	94-260, June 4, 1975	do	94-174, June 17, 1975		
H.R. 8122–Fiscal year 1976 appropriations, public works for water and power development and energy research.	94-319, June 20, 1975	June 24, 1975			
S. 740—National Energy Production Board			Nearing markup		
S. Con. Res. 13/H. Con. Res. 115—Congressional approval of distribution of special nuclear material to International AEC.		Mar. 17, 1975	94-8, Feb. 13, 1975	Feb. 19, 1975	
S. Con. Res. 14/H. Con. Res. 116—Congressional approval of distribution of special nuclear material to Euratom.		do	94-9, Feb. 13, 1975	Do.	
S. Con. Res. 15/H. Con. Res. 114—Congressional approval to extend an existing atomic energy agreement between the U.S. and Israel.		Mar. 11, 1975	94-10, Feb. 13, 1975	Do.	

APPENDIX II: SUMMARY OF MAJOR OMNIBUS PROPOSALS

A COMPARISON OF THREE CURRENT ENERGY PLANS

The three plans which are compared are:

1. "The President's Plan"—The summary includes some measures undertaken as administrative acts as well as the provisions of the Administration's omnibus energy bill, introduced in the Senate as S. 594 on February 5, 1975 and in the House as H.R. 2633 and H.R. 2650 on February 4, 1975. An official summary was reprinted in the CONGRESSIONAL RECORD, February 5, 1975, pp. 2439–43.

2. "Ways and Means"—The summary is taken from the suggested alternative proposals drawn up by eight task forces made up of the Democratic members of the House Ways and Means Committee and issued March 3, 1975. A text is reprinted in the CONGRESSIONAL RECORD, March 4, 1975, p. 5149–5153. The draft proposals differ somewhat from the provisions of H.R. 5005 introduced by Mr. Ullman, March 17, 1975.

3. "Democratic Majority"—The summary is drawn from the recommendations prepared jointly by the Democratic Policy and Steering Committee of the House and Democratic Policy Committee of the Senate as the Democratic Majority's comprehensive proposals covering both energy and economic recovery. Entitled, "The Congressional Program of Economic Recovery and Energy Sufficiency," it was announced February 27, 1975 and was printed by the Senate Democratic Policy Committee for use by Members of Congress.

A COMPARISON OF 3 CURRENT ENERGY PLANS

Goal and task	President's plan	Ways and Means	Democratic majority
I. Reduce dependence on foreign oil	Essential	Agree—but not so fast and not through tariffs	Agree—but economic restoration is Nation's highest priority.
By what means?	Import fees, tariffs, and excise taxes: Rely on price and market to lower imports, through lowered consumption.	Quantitative controls: Import quotas, Federal Petroleum Purchasing Agency to buy all imports.	Conservation mainly: Let new National Energy Production Board decide whether import quotas or other means are needed.
How much and how fast?	1,000,000 bbl/d, end 1975; 2,000,000 bbl/d end 1976. But this still means rise in imports from 5,300,000 bbl/d, 1975 to 5,800,000 bbl/d, 1977 (administration figures).	1,000,000 bbl/d over 2 to 3 yr, an estimated 400,000 bbl/d 1976.	Believe total program will reduce "domestic consumption of imported petroleum" 500,000 bbl/d, 1st yr; 1,600,000 bbl/d, 2d yr; 5,000,000 bbl/d, 1980.
Reduce and limit imports to what levels?	3,000,000 to 5,000,000 bbl/d by 1985	To about 25 percent of expected domestic oil output by "early 1980's" [estimated 4,000,000 bbl/d based on estimated domestic oil production of 15,800,000 bbl/d in 1985].	To about 10 percent of expected domestic energy consumption by 1985. [Estimated 4,500,000 bbl/d based on plan's target of holding energy consumption to 45,000,000 bbl/d in oil equivalent in 1975.]
II. Protect against disruption of imports	Essential	Agree	Agree.
By creating a system of strategic petroleum reserves.	Fully explore, develop and produce all (4) naval petroleum reserves. Use oil and revenue gained to create a national petroleum reserve stockpile of not more than: 1,000,000,000 bbl for civilian use. 3,000,000 bbl—military use. Reserve 20 percent of production NPR No. 4 for strategic reserves; balance for the public economy. (Note: It is anticipated that NPR No. 4 will be able to produce a minimum of 2,000,000 bbl/d by 1985. 80 percent of this would be 1,600,000 bbl/d for current public consumption.) Require any domestic importer or refiner to maintain stored petroleum reserves as determined by President.	Accumulate reserve stockpile by— Federal purchase of imports (outside any quota limit) and/or From naval petroleum reserves. Goal "during next few years": 50 percent of annual imports, (e.g., 6 mo. supply); at import level of 5,000,000 bbl/d, this would equal 600,000,000 bbl.	Accumulate reserve stockpile by— Federal purchase of imports and from naval petroleum. From naval petroleum reserves, OCS and market place. Goal: 3,000,000 bbl/d for 6 mo by 1980. [Equals 500,000,000 bbl] and 3,000,000 bbl/d for full year by 1985 [equals 1,000,000,000 bbl.] National Energy Production Board would "oversee establishment".
Authorize standby energy authority including particularly:	Essential To deal with future embargoes, international commitments, other emergencies.	Agree But in addition:	Agree. But the allocation and other standby authority should be vested in the National Energy Production Board, and we should extend allocation system now to "accomodate" reduced dependence by "managing and controlling" excessive consumption.
Allocation of fuels	To be invoked only if President finds emergency situation exists.	Mandatory allocation of oil needs to be continued in any case to insure shifts from oil and other conservation measures. Continue current legislative authority and FEA allocation system. (Public Law 93–159).	
End-user consumer rationing	Only in emergency, e.g., embargo	Agree	Agree.
III. Restrain and reshape demand	Essential	Agree on goal but not on method	Agree on goal but not on method.
By what means in general?	Rely mainly on increased prices, jawboning for voluntary compliance, modest subsidies and relaxed auto emission requirements.	Specific incentive and disincentive taxes and subsidies for specific conservation targets, plus selected mandatory conservation measures.	Similar to ways and means plus extended mandatory allocation program to manage and control excessive energy consumption.
By what means specifically?			
Increase prices	(a) Import fees, tariffs on imported oil (b) Excise taxes on domestic oil and gas (c) Deregulate old oil (d) Deregulate new gas (e) Establish oil floor price	(a) Reject (b) Reject general tax—Propose specific taxes on gasoline, inefficient autos. (c) and (d) Reject as conservation measure—but—propose phased deregulation to encourage increased production. (e) Reject	(a) Reject. (e) Reject—Recommend some price control to shield consumer from OPEC-inflated prices.
Improve auto fuel efficiency	Relax clean air standards on cars; voluntary effort by industry to improve 40 percent by 1980.	Auto efficiency tax, beginning 1977 model year of $0 to $500 for 20> —15 m.p.g. Tax credit for new auto purchase, graduated "Consider" mandatory fuel standards by 1979 model year.	Mandatory fuel and efficiency standards to improve 50 percent by 1980, 100 percent by 1985. Purchase rebates for low-use cars, excise tax for high-use car, R. & D. for low-fuel, low-polluting new auto prototype.
Gasoline tax	None	5 cents per gallon 1975, rising to 40 cents 1979	5 cents per gallon but primarily for revenue.
Insulate, retrofit residential and commercial buildings.	Design thermal efficiency standards for new buildings, to be promulgated through States (after about 4 yr). Finance 3-yr State "winterizing" program mainly for low-income homes—$9,000,000 1975, $55,000,000 1976–77.	"Consider" tax credits for residential energy improvements including solar equipment, and rapid amortization commercial solar equipment. Investment credits for industrial retrofitting on large scale.	Major loan guarantees, grant, tax credit program for insulation, etc., to upgrade 40,000,000 houses in 10 yr. Upgrade standards for new construction, especially Federal buildings.
Encourage conversion to coal	Relax clean air standards Expand authority to require conversion to coal	Relax clean air standards Require switch to coal "ASAP." 5-yr amortization of costs of new coal equipment	"Discourage" use of natural gas in new plants. Tax credit and loans to retrofit for coal; "suggests" current clean air standards not be increased for such plants.
More efficient electric utilities	Change "offpeak" pricing to encourage more balanced use. Permit increased rates submitted in this plan as method to expand supplies but effect could be restrained use.	"Encourage" experiments with utility rate design alternatives; establish rate restructuring under FPC.	Financing for improved transmission, extended lines. Better use of existing capacity, redesign rate structure.
Encourage mass transit	Supports mass transit (included in budget request).	Supported as object of energy trust fund expenditures. Use highway trust fund to expand mass transit Increase Federal aid to railroads	Added funding for public transport, railroad rehabilitation, electrification.

A COMPARISON OF 3 CURRENT ENERGY PLANS—Continued

Goal and task	President's plan	Ways and Means	Democratic majority
IV Increase domestic energy supply:			
Oil and natural gas:			
Price incentives	Deregulate old oil. Deregulate new gas. Establish floor price for oil.	Accept phased deregulation of oil and natural gas—over several years. Alternative approaches are being considered covering time frame of 5 to 5 yr. Reject floor prices.	Accept phased deregulation of oil and natural gas—over several years. But maintain control to separate price of domestic energy from OPEC control. United States should determine its own energy prices. Reject floor price.
Tax incentives	Retain depletion allowance [however, windfall tax would reduce base].	Eliminate depletion allowance on all crude oil as of Jan. 1, 1975 (H.R. 2166). Phase out small producers by Jan. 1, 1978. Eliminate depletion allowance for most natural gas.	Eliminate depletion allowance on all foreign drilling. Retain D/A only for small producers who do not operate retail outlets.
	Impose graduated tax (15 percent to 90 percent) which would phase out on all domestic crude to capture windfall profits. No plowback.	Graduated "windfall" profits tax plus plow back	Excess profits tax, avoidable by "plowback" reinvestment. Proceeds to energy trust fund.
	No change in taxes which encourage U.S. companies to invest in oil/gas production aborad, but import fee of $1.20 on product imports to be increased to $2 per barrel after excise tax is enacted to keep excise tax from encouraging foreign refining.	"Neutralize" tax laws to remove incentives to invest abroad, several alternatives being considered.	Eliminate foreign tax subsidies so U.S. capital is not encouraged to invest abroad.
Alaskan oil and gas	Devote 80 percent NPR No. 4 output to current use (est. 1,000,000 bbl/d by 1985).	Not discussed in current proposal	Develop NPP's rapidly to make "estimated 10,000,000,000 to 40,000,000,000 bbl" available for "storage or commercial use."
	Legislation to be submitted for constructing a natural gas pipeline from Alaska.	Not discussed in current proposal	"Expedited consideration" of natural gas delivery system from Alaska.
Outer Continental Shelf	Accelerated development and production under existing law, including lease sales in Atlantic, Pacific, and Gulf of Alaska.	No mention	Revise OCS Act to accelerate "exploration consistent with public interest", public data bank, production under leases to prevent withholding, mandatory unitization.
Enlist more independent producers.	No special provision but antitrust legislation to be enforced against "price fixing and bid-rigging" (In Oct. 8, 1974, address, reaffirmed Jan. 15, 1975.)	No special provision except possible delay in eliminating depletion allowance for small producers. No special antitrust provision.	Change bidding system for all Federal leases "to permit greater participation by small companies." Similar possible concession on depletion allowance. Strengthen antitrust laws to promote free enterprise and completition.
Coal:			
Environmental considerations	Strip mining—Modified version of vetoed bill. Design new program of coal leasing.	Strip mining reclamation and mine safety programs are listed as programs which could be funded from an energy trust fund.	Enact the Strip Mining Control Act.
Tax incentives	No special provision, investment credit increased for all investors to 12 percent for 1 yr.	5-yr amortization new coal mining and coal using equipment and associated railroad expansion. 50-yr amortization gradings and bores "might be considered."	No special provision: mentions "Coal conversion incentives of major proportion" to induce shift of all electric utilities and heavy industrial boilers in 10 yr but coal mining not mentioned as candidate for major loans, etc.
Capital incentives	No special provision	"Capital must be raised for opening new coal mines."	
Nuclear	Expedited licensing and siting (separate legislation) and 1976 budget increase of $41,000,000 for nuclear safeguards and waste management.	Tax incentives suggested to "encourage and facilitate expansion" if environmental issues are settled.	No special provisions.
Alternate fuels	National synthetic fuels commercialization program (announced Jan. 15, 1975) to produce 1,000,000 bbl/d synthetic fuels by 1985 from oil shale and coal. Rely on ERDA for continuing program in other fuels development.	Recycled oil—tax incentives to encourage. Solid wastes as fuel—tax and other incentives. Geothermal—expand definition of intangible drilling expense to include costs associated with geothermal. Solar energy—tax incentives to encourage retrofitting. Synthetic oil and gas; "Be alert" to possible encouragement measures.	National Energy Production Board to directly undertake or finance on contract or joint venture; commercial demonstration of synthetic fuels oil shale; MHD; Geothermal; Solar.
Research and development	To be administered by and through ERDA and its budget.	To be financed in part through an energy trust fund.	To be financed in part through an energy trust fund, similar to highway trust fund, into which 5 cents gasoline tax would be paid.
Energy management measures designed to speed up development and production of energy supplies.	Reform utilities regulation to allow increased rates to finance capital expansion—readjust off-peak pricing—allow full pass through of all costs. Expedite energy facilities planning and siting: FEA prepares a national plan; States prepare related management plans.	No special provisions	Reform utilities rate structure and speed up FPC and State regulatory procedures, but reject any automatic pass-through on cost. Enact regional planning mechanism in which States can participate and resolve regional concerns through other agencies.

ADDITIONAL STATEMENTS

U.S. AGRICULTURAL EXPORTS: A RECORD IN WHICH WE CAN ALL BE PROUD

Mr. HUMPHREY. Mr. President, I wish to point out a recent report by the Department of Agriculture regarding our agricultural exports.

It is a very informative release what has been happening with our agricultural exports over the past few years. It is estimated, for example, that exports require the production from 96 million acres, or 1 out of every 3½ acres harvested in 1974.

About two-thirds of the wheat and rice output, over half of the soybeans and cattle hides, about two-fifths of the tobacco, over one-third of the cotton, and about one-fourth of the feed grains went to overseas markets in fiscal 1975.

In 1975, while the value of farm exports increased by $300 million, the tonnage actually declined from a record 100 million tons to 85 million tons.

The report also documented what happened with particular commodities. As an example, cotton exports declined 3.8 million bales—a sharp reduction from the 5.7 million bales a year earlier. Exports of soybeans and soybean products of $4.1 billion were about $500 million below the record of the preceding year.

Japan, with purchases of $3.2 billion, remained the largest customer of U.S. agricultural exports. Exports to the Soviet Union totalled about $400 million, down about $100 million from the previous year.

A table at the end of the report indicates that U.S. agricultural exports contributed over $12 billion toward our balance of trade. Obviously, this is a powerful and positive force in our international economic position.

While this is an obviously impressive record, it is clear to me that we need to develop a policy position with regard to our agricultural exports. There has been a very significant increase in world demand for our agricultural products which has been a part of the increased competition for commodities on an international basis. Unfortunately, our farmers are confused and dismayed as to what the position of the administration may be regarding sales abroad.

We have no clearly defined rules to deal with a short supply or a bumper crop supply situation. This lack of a clearly defined policy invites sharp price fluctuations which have been a troublesome problem over the last couple of years and in particular for our livestock producers.

The record of U.S. agricultural exports is even more impressive when seen in the light of fluctuating prices and ever uncertain weather and input availabilities. The American farmer deserves far more credit than he has received for his contribution to the U.S. economy. What other segment has made such a contribution and yet received so little in the way of recognition?

Mr. President, I ask unanimous consent that this report be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

Secretary of Agriculture Earl L. Butz reported today that U.S. agricultural exports in the fiscal year just ended reached an all-time high of $21.6 billion—producing a $12 billion surplus in our agricultural trade.

This $12 billion agricultural surplus made up deficits of $10 billion in nonagricultural trade, giving the United States an over-all favorable balance of trade of $2.2 billion for fiscal 1975, the second straight year of trade surpluses. The surpluses in 1974 and 1975 were made possible by strong positive balances in agricultural trade.

"The surplus in agricultural trade the past year has helped to stabilize the dollar, to strengthen our international economic position, and to pay for high-cost petroleum imports," the Secretary said. "Imported petroleum cost over $25 billion in fiscal 1975, and in a very real sense these imports were paid for by U.S. grains, soybeans, and other farm product exports.

"Moreover, this high level of exports was essential to American farmers, who have expanded crop acreage in order to meet world market needs. During the past fiscal year, exports required the production from 96 million acres of U.S. cropland—one out of every 3½ acres harvested in calendar 1974. Around two-thirds of the wheat and rice output, over half of the soybeans and cattle hides, around two-fifths of the tobacco, over one-third of the cotton, and about one-fourth of the feed grains went to overseas markets in fiscal 1975.

"Without continued large exports, farm acreage would inevitably be reduced—under the weight of falling farm prices, government restrictions, or a combination of the two."

The Secretary noted that, while farm exports in fiscal 1975 were about $300 million above the earlier record of $21.3 billion the preceding year, the value increase stemmed from higher prices. Export tonnage declined from a record 100 million tons in fiscal 1974 to about 85 million tons in fiscal 1975. Still, the 1975 tonnage was the third highest on record. An estimated $20.5 billion of the total represented commercial sales, the remainder concessional sales or outright donations.

Over half of the export value increase occurred in grains and grain preparations. Export values of tobacco, vegetables and fruits were also higher in 1974/75. Values declined for soybeans and soybean products, animal products, and cotton.

Feed grain exports fell to 34 milion tons in 1975 from 44 million tons a year earlier. But higher prices pushed the value up 7 percent to a record $4.8 billion. The decline occurred primarily to Japan, the USSR and the People's Republic of China. Exports of 11 million tons to the enlarged European Community were only slightly below a year earlier. The sharp reduction in U.S. production and the sharply higher prices limited U.S. exports during fiscal 1975.

Exports of soybeans and soybean products of $4.1 billion were about $500 million below the record of the preceding year. Soybean meal shipments of 4.7 million tons were down 5.7 million tons from a year earlier. Value of meal fell even more because of a 25 percent drop in export prices. However, exports of soybean oil rose nearly one-fifth to 1.4 billion pounds, and value rose to a record $490 million.

U.S. cotton exports of 3.8 million running bales were sharply below the 5.7 million a year earlier. Depressed world economic conditions sharply reduced the demand for textiles in the major developed countries. Most of the decline in U.S. exports occurred to the Far East countries.

Tobacco exports of 639 million pounds were slightly below a year earlier. However, higher prices pushed the value up 12 percent to over $910 million.

The value of fruit and vegetables exports gained nearly one-fifth during the current year. Pulses accounted for most of the value gain, but fresh fruits and vegetables also rose substantially. Mexico sharply stepped up its purchases of U.S. dried beans because of the reduced crop there.

Exports of animal and animal products of $1.7 million were slightly below a year earlier. Value declines occurred in live animals, poultry meat and meat products, hides and skins, and meats. Only exports of dairy products were up during fiscal 1975. The unusually large beef output around the world reduced import requirements and prices for most meats and livestock in most overseas markets.

During fiscal 1975, significant changes occurred in the principal markets for U.S. agricultural exports. Exports to West and South Asia rose sharply, but exports to the centrally planned economies fell precipitously during this period of time. Exports to Western Europe in 1974/75 totaled about $6.9 billion dollars, excluding shipments, slightly above the record of a year earlier. In spite of the economic slowdown in a cost-price squeeze in the livestock industry, Western Europe has maintained its livestock production at the level of recent years. Drought in Southern Spain and Portugal also stepped up the need for agricultural products.

Japan continued to be the largest market for U.S. agricultural exports in fiscal 1975, with purchases of $3.2 billion. Although volume was down, higher prices maintained the value. Japan was the top country market for feed grains, soybeans, inedible tallow, cattle hides, whole pork, fresh citrus, cotton and tobacco. It was also the second largest single-country market for U.S. wheat and an important market for many other U.S. farm products.

Farm export shipments to the Soviet Union totaled around $400 million, down about $100 million from a year earlier. The decline occurred primarily in wheat and feed grains. High prices and reduced U.S. production discouraged exports to the USSR during fiscal 1975. However, with record U.S. crop prospects in 1975 and increased Soviet needs, U.S. exports are expected to rise substantially in the current fiscal year ending next June 30. In fact, sales already reported will result in sizeable increases in both volume and value of exports to the USSR.

Exports to developing countries in Asia increased to 4,456 million in fiscal year 1975 from 3,446 million a year earlier. Exports to Latin America were $2.4 billion, the same as last year's record. U.S. exports to Africa totaled over $1.1 billion, up slightly from the preceding year. The principal commodities exported were wheat, feedgrains and vegetable oils.

Exports to the People's Republic of China totaled slightly over $300 million, sharply below the $851 million in fiscal 1974. The improved crop conditions in the PRC and the relatively tight foreign exchange situation contributed to the reduction in U.S. exports.

U.S. AGRICULTURAL TRADE BALANCE

[Million dollars]

	Exports	Imports	Trade balance
1970	6,718	5,592	+1,126
1971	7,753	5,828	+1,925
1972	8,046	6,048	+1,998
1973	12,902	7,324	+5,578
1974	21,293	9,549	+11,744
1975	21,582	9,578	+12,004

RAPE PREVENTION AND CONTROL

Mr. MATHIAS. Mr. President, I am deeply grateful to my colleagues in the Senate and House of Representatives who gave their overwhelming support to S. 66 the Health Services and Nurse Training Act which became public law on July 29, 1975. Title II of this act is of special importance to me because it contains a section which provides for rape prevention and control. On September 13, 1973, almost 2 years ago, I introduced S. 2422 a bill to establish a National Center for the Prevention and Control of Rape and provide financial assistance for a research and demonstration program into the causes, consequences, prevention, treatment, and control of rape.

Today I wish to pay special tribute to the hundreds of citizens from across the United States who tirelessly and unselfishly lobbied the halls of Congress in behalf of this measure. Without them, the Rape Prevention and Control Act would not have become law. Many of the citizens who wrote or called their Senators and Representatives did so in behalf of organizations to which they belong. For instance, the National Organization for Women, under the guidance of the late Ann Scott, Ms. Maryanne Largen, NOW's rape task force coordinator, and Ms. Casey Hughes, NOW's legislative director, mobilized hundreds of its members and other organizations to work for passage of this critical piece of legislation. I will always remain grateful to them. But I am also indebted to the many private citizens, who simply upon hearing about this bill, called me and Members of both bodies to express their strong support and offer their assistance.

The rape prevention and control section of this act holds out a promise to the citizens of this Nation. It promises that the Federal Government will lend its weight to a national effort against the crime of rape. It promises that the Nation will receive a better understanding of the nature and scope of rape, the impact of this crime on the victim, the family, our society, and the status of women in this country. It promises that we will seek better methods of preventing rape; that we shall provide improved treatment, justice and redress for the victims; that we shall provide assistance to those that wish to reform their existing policies, procedures, and laws concerning rape and sexual assaults, and the treatment of victims. Our next task now is to fulfill those promises. Mr. President, I ask unanimous consent that title III, part D of the Health Services and Nurse Training Act be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

"PART D—RAPE PREVENTION AND CONTROL

"RAPE PREVENTION AND CONTROL

"SEC. 231. (a) The Secretary shall establish within the National Institute of Mental Health an identifiable administrative unit to be known as the National Center for the Prevention and Control of Rape (hereinafter in this section referred to as the 'Center').

"(b) (1) The Secretary, acting through the Center, may, directly or by grant, carry out the following:

"(A) A continuing study of rape, including a study and investigation of—

"(i) the effectiveness of existing Federal, State, and local laws dealing with rape;

(ii) the relationship, if any, between traditional legal and social attitudes toward sexual roles, the act of rape, and the formulation of laws dealing with rape;

"(iii) the treatment of the victims of rape by law enforcement agencies, hospitals or other medical institutions, prosecutors, and the courts;

(iv) the causes of rape, identifying to the degree possible—

"(I) social conditions which encourage sexual attacks, and

"(II) the motives of offenders, and

"(v) the impact of rape on the victim and the family of the victim;

"(vi) sexual assaults in correctional institutions;

"(vii) the actual incidence of forcible rape as compared to the reported incidence of forcible rape and the reasons for any difference in such incidences; and

"(viii) the effectivenes of existing private and local and State government educational, counseling, and other programs designed to prevent and control rape.

"(B) The compilation, analysis, and publication of summaries of the continuing study conducted under subparagraph (A) and the research and demonstration projects conducted under subparagraph (E). The Secretary shall annually submit to the Congress a summary of such study and projects together with recommendations where appropriate.

"(C) The development and maintenance of an information clearinghouse with regard to—

"(i) the prevention and control of rape;

"(ii) the treatment and counseling of the victims of rape and their families; and

"(iii) the rehabilitation of offenders.

"(D) The compilation and publication of training materials for personnel who are engaged or intended to engage in programs designed to prevent and control rape.

"(E) Assistance to community mental health centers and other qualified public and nonprofit private entities in conducting research and demonstration projects concerning the prevention and control of rape, including projects (i) for the planning, developing, implementing, and evaluating of alternative methods used in the prevention and control of rape, the treatment and counseling of victims of rape and their families, and the rehabilitation of offenders; (ii) for the application of such alternative methods; and (iii) for the promotion of community awareness of the specific locations in which, and the specific social and other conditions under which, sexual attacks are most likely to occur.

"(F) Assistance to community mental health centers in meeting the costs of providing consultation and education services respecting rape.

"(2) For purposes of this section, the term 'rape' includes statutory and attempted rape and any other criminal sexual assault (whether homosexual or heterosexual) which involves force or the threat of force.

"(c) The Secretary shall appoint an advisory committee to advise, consult with, and make recommendations to him on the implementation of subsection (b). The Secretary shall appoint to such committee persons who are particularly qualified to assist in carrying out the functions of the committee. A majority of the members of the committee shall be women. Members of the advisory committee shall receive compensation at rates, not to exceed the daily equivalent of the annual rate in effect for grade GS–18 of the General Schedule, for each day (including traveltime) they are engaged in the performance of their duties as members of the advisory committee and, while so serving away from their homes or regular places of busines, each member shall be allowed travel expenses including per diem in lieu of subsistence, in the same manner as authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently.

"(d) For the purpose of carrying out subsection (b), there are authorized to be appropriated $7,000,000 for fiscal year 1976, and $10,000,000 for fiscal year 1977.

RATIFICATION OF THE GENOCIDE CONVENTION

Mr. **PROXMIRE**. Mr. President, I recently reread the American Bar Association's reasons for not endorsing ratification of the Genocide Convention. The principal attitude which they communicate to me is one of a loser in a game of marbles. They say that during the negotiations which gave the treaty its wording, the Soviet Union got everything it wanted, and we retreated on nearly every point. They say that they manipulated the wording of the treaty to their benefit, so that they could persecute minorities in their country, but we could not persecute them in ours.

The facts, Mr. President, are that whoever managed to capture the votes of the scores of nations present at the sessions, the provisions of the treaty must apply to all nations equally. If the treaty forbids persecution of black people in the United States, then it forbids persecution of the Jewish people in the Soviet Union, Asian people in Uganda, Catholic people in Northern Ireland, and Native American people everywhere in our hemisphere. Now, I do not believe that the policies of the governments I have mentioned constitute genocide, nor do I think that a court of law would so find. However, I point out that the fact that the Soviet Union gives its consent to a treaty does not mean that the treaty is inherently bad. We must still look at the treaty on its own merits.

This treaty is a good one. It does not threaten the rights of any person. It does not surrender the sovereignty of any nation. It is a proper and decent statement of principles which this Nation has always supported. Let us now put our money where our mouths are and promptly ratify this important human rights treaty.

NEW HEW SECRETARY

Mr. **BAKER**. Mr. President, I commend the President for nominating Dr. Forrest David Mathews to be Secretary of Health, Education, and Welfare, and I am pleased that his nomination has been confirmed by the Senate.

I have been impressed by Dr. Mathews' leadership while serving as president of the University of Alabama. His personality, integrity, and intellect have made him an important force in the development of the university, the State of Alabama, and the southern region.

Dr. Mathews holds undergraduate and graduate degrees from the University of Alabama and a doctorate in the history of American education from Columbia University. As a historian, Dr. Mathews is especially endowed with a deep knowledge of the varieties and shades of life and thought in America, the backgrounds that have led us to where we are and the hopes of Americans for the future. I cannot think of a more valuable qualification for the man who is to head an agency of the executive branch which administers our Federal education, health, and welfare programs.

Named 1 of the 10 outstanding young men of the Nation in 1970, Dr. Mathews has been invited to speak by governments and businesses in Spain, Korea, and China. He has served with the Federal Reserve System, the Southern Growth Policies Board, the Southern Regional Education Board, the Southern Association of Colleges and Schools, the American Revolution Bicentennial National Advisory Council, the American Council on Education, and many other civic, professional, and national organizations. His father and grandfather were public school teachers and administrators in his hometown of Grove Hill, Ala., and in other small communities in Alabama, Georgia, and Florida. This family's sense of community and service to others is reflected in his own choice of vocation, in his concern for the future, and in his great willingness to accept positions of public responsibility.

If he can bring to the administration of HEW the same type of leadership he has brought to the University of Alabama in academic, athletic, and affirmative civil rights actions, the American people will be well pleased and the Congress well justified in their endorsement of his nomination. I am confident that HEW and the Nation will profit by his service, and I look forward to working with him in the days ahead.

IMPROVING THE QUALITY AND INTEGRITY OF AMERICAN-PRODUCED FOOD

Mr. **HUDDLESTON**. Mr. President, in recent weeks, the integrity of the American agricultural export system and the quality of our agricultural products have gotten wide play in the media. However, the problem is of longer duration and it has been related in the past by foreign purchasers of our commodities.

From citrus fruits to grains, foreign buyers are increasingly reluctant to buy from the United States and some are even saying, "No sale."

Considering that 25 percent of our grains make it into the export trade, this has serious implications for the income of American farmers.

Now that giant market is threatened by scandal involving bribery and fraud in federally licensed grain inspection procedures; suspected skimming of grain off export cargoes by the operators of certain grain elevators; and laxity by the U.S. Department of Agriculture in fulfilling its obligation to insure the quality of U.S. grain shipments.

My Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices, along with Senator HUMPHREY's Subcommittee on Foreign Agricultural Policy, is conducting a detailed investigation into this situation. In addition to hearings we have investigators in the field who are reporting to us on a routine basis.

American farmers produce the finest agricultural products in the world. It is a terrible thing that bribery and corruption could cast doubts around the world about the quality of those products.

But it seems to me that there are larger issues here concerning what happens to U.S.-produced food once it leaves the farm. How is it cared for and protected so that it reaches American and foreign consumers in the best possible condition?

Further, do we need to change grading standards to encourage and reward farmers for producing grain which has maximum quality and protein levels? In other words, is it possible that our present grain grading system inhibits farmers from producing the best quality products?

In connection with the handling and transportation of grain, my subcommittee has held a number of field hearings in many States to determine what the problems may be; and they are many.

And some of those problems are tied in one way or another with the conditions of America's railroad system. Eight northeastern railroads have filed for bankruptcy. The Rock Island Railroad has followed suit, and as many as four more midwestern railroads may be expected to join this parade by the end of the year.

Billions of dollars in low-interest Government loans to the railroads will be maturing in the next few years, and the refinancing of that debt at interest rates up to 300 percent higher will be another serious blow to the railroad industry.

It is now evident that Congress will shortly have to expand its concern for the northeastern railroads to the industry as a whole.

Railroads do not go broke overnight. It is a long process which involves deteriorating rights-of-way and rolling stock. It involves the abandonment of thousands of miles of rural rails at the point where food is produced or processed.

Few industries are more sensitive to transportation interruptions or more essential to the Nation's health and safety than food. In the aggregate, food is the Nation's largest and perhaps its most complex business. Consumers presently spend over $111 billion annually on groceries at over 200,000 food stores.

The Department of Labor estimates that for a low- or middle-income family of four, between one-fourth and one-third of their total expenditures are for food. For lower-income families, food is the largest single expense.

A significant and growing share of consumers' expenditures each year for food is accounted for by distribution costs involved in moving commodities from farm to market.

One area where marketing costs for food could be reduced substantially is in the efficiency of rail movements, according to the National Commission on Productivity. In a 1973 report, a special commission task force found that although rail rates had increased 38 percent since 1967, railroad cars were moving food across the country at a slower pace than they did 20 years ago. What is more, the cars were moving only 12 percent of the time, and moving with a load only 7 percent of the time.

The Commission said:

> Enormous productivity gains could flow from an improved transportation system, not only from faster service but from more efficient packaging and handling that would make it possible.

The Penn Central alone handles 24.6 percent of all canned and processed fruits, vegetables, and seafoods shipped by rail; 23.6 percent of all the dairy products that move by rail; and 21.8 percent of all meat and poultry shipped by rail.

This is the same railroad that had 3,000 derailments during the first 6 months of 1974, and 8,000 miles of tracks that are unsafe at any speed.

Circumstances such as these will have a dramatic effect on our ability to move food from rural America to the urban centers. This will be particularly true if rail abandonment is not examined in connection with alternative highway capabilities along routes to be abandoned.

Because Federal-aid programs have focused primarily on building new roads rather than on upgrading existing roads, many farmers and businessmen who lose their rail lines will be hard pressed to get their commodities to mainline railheads, or to use trucks as an alternative mode.

I am also concerned about the cost of maintaining a viable rail system in this country, particularly given the current status of the economy and the size of the projected Federal deficit.

During the 52 years following the initial grant to the Illinois Central in 1850, Congress and the General Land Office turned over 155 million acres of the public domain to the railroads. The Union Pacific and the Central Pacific Railroads received financial assistance of between $16,000 and $45,000 for each mile of track constructed.

State and local governments gave land grants, rights of eminent domain, exemption from taxation, loans, money grants, and assistance in floating securities.

The railroad companies defaulted on most of the money loaned, causing State and local governments to shoulder a debt of $300,000,000. One historian concludes that three-fourths of the cost of railway construction was borne by public authorities. And frankly, it appears that we may be headed down this road again.

In 1937, then-Senator Harry S. Truman, recalled that the first train robbery was in 1873 on the Rock Island Railroad. Jesse James stole $3,000. Senator Truman went on to say:

> About thirty years after . . . the holdup, the Rock Island went through a looting by some gentlemen known as the "Tin Plate Millionaires." They used no guns, but they ruined the railroad and got away with seventy million dollars or more. They did it by means of holding companies.

Senator Truman went on to say that he thought Congress ought to take a hard look at the railroads every 5 to 10 years. I agree.

If we are to maintain a viable system of commerce, we must have a highly functional transportation system. That system is now in serious disrepair, and it is in jeopardy.

In our studies of problems associated with agricultural marketing, we have met many fine railroad executives who are trying to do a good job under many adverse conditions.

However, we, as well as the Interstate Commerce Commission, have seen indications of black marketing of rail cars to country grain elevators. Allegedly grain companies charged elevators, and ultimately producers, 1 to 15 cents a bushel for supplying cars which the grain companies controlled, but which were owned by the railroads. ICC now has this matter under investigation.

We have been led to wonder why, during the 11 years that the merger of the Rock Island and the Union Pacific was under consideration that the Rock Island was allowed to deteriorate so badly. On the Rock Island mainline between Oklahoma City and Memphis there are neat piles of grain on either side of the track which has leaked out of badly damaged cars. The hunters have a field day shooting game birds attracted to the grain. But that is not merely grain along those rails. It is someone's money and hard work.

We have been led to wonder if some railroads which are owned by conglomerates have not had their assets taken to feed other corporations within the conglomerate.

We have been led to wonder why railroads like the Union Pacific and the Southern have been able to make reasonable profits on their investments while others are forced to come to the Government for financial help. We tend to believe the excuse of having too many unprofitable lines is not sufficient.

We have wondered why, when it was determined that the management of the Penn Central was not doing a good job that the old managers were retained and a new set of managers were added.

We have wondered why railroads have been permitted to accomplish de facto line abandonment a few years prior to applying for abandonment to the ICC, in order to prove the need to abandon. And we wonder why abandonments are never considered from the standpoint of a total rail system, rather than as isolated parts not related to an entire railroad.

While I do not deny that there is a need for considerable amounts of abandonment of duplicative track, the Rail Services Planning Office of ICC has proven to my satisfaction that the 34-car-per-year abandonment rule is not a reasonable basis on which to consider abandonment.

One of the most serious problems which we encountered in our studies, conducted prior to the present scandal, was that of dirty or damaged freight cars causing the contamination or loss of food products.

On May 5 of this year, Senator TALMADGE, as chairman of the Committee on Agriculture and Forestry, wrote to Secretary Butz asking for a report of a joint task force on rail car contamination.

I ask unanimous consent that this report be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
AGRICULTURAL MARKETING SERVICE,
Washington, D.C., June 2, 1975.

Hon. HERMAN E. TALMADGE,
Chairman, Committee on Agriculture and Forestry, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Enclosed is a report on the Current Status of the Efforts to Control Contamination of Agricultural Commodities While in Transit. This report is prepared in response to your request of May 5, 1975, addressed to Secretary Butz and the interim reply forwarded to you by Assistant Secretary Feltner on May 19, 1975.

Sincerely,

F. L. PETERSON,
Administrator.

CURRENT STATUS REPORT

EFFORTS TO CONTROL CONTAMINATION OF AGRICULTURAL COMMODITIES WHILE IN TRANSIT

The U.S. Department of Agriculture has been involved with other governmental agencies in a concerted effort to reduce contamination of agricultural commodities while in transit for more than 1 year. The initial impetus for the effort came from the Food and Drug Administration when they announced in April 1974 that a conference would be held to discuss the problem of food contamination in railroad cars. The Food and Drug Law Institute and FDA—cosponsors of the conference—invited representatives of the food industry, railroad and governmental agencies involved in control of food contamination to participate. The conference was held September 10–11, 1974, at the Stouffer's National Center Inn, Arlington, Virginia.

Prior to the conference, representatives of interested government agencies, including the Department of Agriculture, railroad and trade associations met to plan the program for the conference. This group decided to limit the scope of the conference program to railroad box cars and hopper cars with the idea that a concerted effort could be made to attack the problem of contamination if the scope was limited.

The program could later be extended to other means of transportation, if success was attained. The objective of the conference was to define the problem of railroad car sanitation and to formulate and recommend solutions aimed at solving the major difficulties contributing to contamination of food products while in transit. An Action Committee was established which was to set the tone for the conference and also to follow up on the problems identified during the conference.

The Department of Agriculture serves on the Action Committee, along with the Food and Drug Administration, Environmental Protection Agency, Federal Railroad Administration, Association of Food and Drug Officials, Interstate Commerce Commission, and several industry representatives. From the outset, the FDA stressed its support for voluntary specifications and a self-inspection system rather than governmental regulations as a means of controlling such contamination. The major problems visualized by the FDA were contamination from pesticides, toxic chemicals, salmonella, and aflatoxin development, as well as from insect and rodent contamination. The FDA pointed out that if an effective voluntary system could not be achieved, it would give serious consideration to promulgation of its own specifications for carriers of the various classes of food and institute an effective enforcement system.

As a result of the conference, a list of 12 specific problems and 14 approaches to attack them was established. The conference asked the chairman and the co-chairman of the Action Committee to assign agencies and organizations to attack these problem areas and to recommend a specific approach for resolving the indicated problems. At a later meeting of the Action Committee, some of the problem areas were combined and a total of 10 task forces were established to deal with particular aspects of the problems as follows:

No. 1—Improve Category Use Program; Clearly Define and Maintain Car Specifications; Devise Methods to Advise Shippers of Prior Loadings.

No. 2—Establish Industry, Government, and Rail Carriers Review Board (Freight Car Sanitation Board).

No. 3—Increase Fleet of New Cars and Improve Present Fleet; Review Feasibility of Top Loading Boxcars.

No. 4—Establishment of Good Transportation Practices.

No. 5—Government's Role and Responsibility in Rail Car Sanitation.

No. 6—Develop Uniform Rail Car Fumigation and Other Treatment Standards.

No. 7—Design Specifications for Proper Product Packaging and Palletizing; Develop Improved Product Handling Systems.

No. 8—Devote Research to Car Cleaning Technology.

No. 9—Improving Utilization of Existing Car Fleets.

No. 10—Rate Structures for Rail Car Utilization.

Each of these task forces has met since January of 1975 and has recommended a specific action for resolving the problem to the full Action Committee. The Department of Agriculture has representatives on 8 of the 10 task forces and chairs the one charged with developing uniform rail car fumigation and other treatment standards. The Action Committee presently is considering the recommendations of the task forces. Another meeting of the Action Committee will be held within the very near future to assign final action that should and can be taken by each governmental agency and industry organization to resolve the problems of in-transit food contamination.

Mr. HUDDLESTON. Mr. President, the box car fleet which hauls much of the Nation's grain is in terrible disrepair. Often the cars are in such bad condition that country elevators do not even bother to pay for cooperage—repair—because emergency repairs will simply not be adequate. These cars leak, and they are subject to rodent and insect infestation.

To a great extent these cars are being replaced by covered hoppers. But the road beds of many rural branch lines are plainly not in good enough condition to permit the use of the covered hoppers. They would simply fall off the track. Therefore, the increased use of covered hoppers will force many country elevators out of business.

The benefits of using covered hoppers come from several sources. The largest of these is that a railroad's cost of moving a car does not vary directly with the size or weight of the car.

On a bushel basis, railroads have reflected their economies from hopper cars into their freight rates for grain. These rates declined substantially between 1958 and 1966.

In addition to reduced transportation charges, covered hopper cars offer other benefits. They can be unloaded by gravity in about 8 minutes, and because they are metal and have no side doors, they require no coopering or grain doors and are much less likely to become insect infected.

But I suspect that the covered hopper is playing a role in a problem that appears to be gaining significance in corn marketing.

Harvesting of corn with modern machinery that both picks and shells corn results in high moisture content at harvest. Improperly dried, high moisture corn offers a favorable medium for aflatoxin molds and other microorganisms.

These microorganisms flourish in dark, moist, warm places. The covered hopper car is essentially a closed metal box, and moving between the Corn Belt and New Orleans its interior is about as dark, moist, and warm as any self-respecting mold would want.

All of this leads me to suspect that the covered hopper is a fine place to bring about aflatoxin contamination of corn.

In fairness to the hopper car, much less grain will remain in the car after unloading than often remains in a boxcar, and the hopper is less likely to arrive at a country elevator with broken grain doors or used lumber and other trash inside. At the same time, I suspect that the interior of the hopper is seldom inspected, while the boxcar is always inspected prior to loading.

We have found that a substantial number of cars are misrouted. This situation fails to give the shipper whose car is misrouted the service he needs, and it deprives another shipper the use of the misrouted car. These misrouting errors cost the railroads between $15 to 20 million a year.

Fortunately, due to the pioneering efforts of the Southern Railroad, all of the Nation's railroads are now installing an automatic car identification system which will do a much better job of keeping track of cars.

Another delay problem results because the grain hauling system operates much like an urban transit system during rush hour. Much of the product is shipped at only one time of the year. This puts pressure on the railroads to deliver cars to many points simultaneously, and it backs up grain at country elevators, necessitating the storage of grain on the streets of small farm towns.

The increasing number of hopper cars and the increased storage capacity on the farm and at terminal points seem to have alleviated this traffic problem somewhat.

However, the traffic generated by the 1973 Russian grain deal was enormous, with grain backed up out in the country as well as waiting on sidings at the Port of Houston.

Grain was often shipped at that time in open top hopper cars covered with plastic sheets. The rains came and men at the terminals had to climb into the cars and shovel the grain out by hand. All during this period, heat was building up in the grain at points where it could not be rotated causing product quality loss.

The Interstate Commerce Commission is supposed to regulate car supplies during these critical traffic periods. However, the ICC turned this job over to the railroads themselves. This caused a number of problems as conflicts developed between some of the railroads and certain of the port elevator operators. These conflicts resulted in serious delays.

New Orleans and Houston are the largest grain shipping ports. Some of the facilities at New Orleans are being rebuilt for greater capacity and efficiency. However, the two railroad yards at Houston are in terrible physical condition, and are not adequate to handle the business at the port.

Now that the pressure from the Russian sale is over, the grain companies have been taking it on the chin from some of the railroads.

During the late sixties and the early part of this decade, the grain companies were encouraged to buy their own cars or lease them on long-term contracts.

Now that the rail system is more able to handle harvest-time shipments, railroads are refusing in some instances to haul cars other than their own. This leaves the grain companies with large investments which cannot be paid off by keeping the cars on the move.

Because of the growing number of rail abandonments, particularly in the Midwest, the large grain companies are putting more and more of their elevators on railroad main lines or where there will be more than one transportation option open to them.

The small, farmer-owned elevators by and large do not have this capability, and despite the efforts of the Bank for Cooperatives to get the small elevators to pool their resources to build jointly operated terminal elevators, this will not happen fast enough to save many of the small elevators.

My observations lead me to believe that all of the improvements in the technology of grain handling seem to favor big business operations.

Furthermore, the present marketing system fails to provide adequate incentives for reducing physical damage to grain. Great variation, for instance, can occur in the degree to which No. 2 yellow corn is susceptible to breakage and molding without an accompanying variation in price.

Inadequate grading technology is one reason for the lack of correlation between quality and price.

Fluctuations in quality that can occur from one supplier to another reduce to both handlers and users the value of extra quality. The full value of reduced physical damage, including reduced breakage, can be realized only if the handler and the user have a dependable supply of a consistent quality, enabling them to adapt their handling and processing to the higher quality. Shipments of grain whose identity is preserved assures the quality of individual lots, but they cannot prevent the fluctuation in quality that can occur from one supplier to another.

Users of corn far from the Midwest sources of supply cannot afford to be tied to a single source of supply. If a single supplier in the United States could guarantee a supply of No. 2 yellow corn of seed quality at no increase in price, that advantage would probably not outweigh the advantages to a foreign importer seeking alternative sources of supply.

Improved quality could be of especially great value for export corn. It is unfortunate that because of the large number of sellers that any extra quality of corn supplied by a few individual U.S. suppliers is of little value to foreign users.

This would seem to indicate an approach to grading which would make prices respond more to higher levels of quality. Because fluctuations in quality that can occur from one supplier to another reduce to users the value of extra quality, and because users of corn remote from sources of supply cannot afford to be tied to a single source, the quality of all U.S. open-market grain must be improved before the extra quality of any part of it will have its maximum value.

Research and education on the reasons for the disparity between quality and price might provide the necessary stimulation for the improvement of quality.

Appropriate grain standards are critical for orderly and efficient marketing. They are even more important to the export trade because the opportunity for examination of the product is limited and there are high transportation costs involved.

While U.S. standards are the basis of much of the world's grain trade, inappropriate specification in grading leaves the U.S. grain trade vulnerable to other suppliers in a buyer's market. As a result, the United States plays the role of residual supplier for the more competitive products like wheat and corn.

The current grain standards have changed only moderately since their original implementation many years ago. The lack of change has been cited as an indication that the standards are adequate.

But, the acceptance of the standards might simply be because they are based on the same factors that grain merchants have always used.

A number of recent developments suggest that the standards are not adequate—that they might be penalizing farmers and retarding market development:

First. Composition of grain is not homogeneous, but current standards do not reflect variance in protein, oil, or starch content;

Second. Milling and use characteristics vary considerably for grains, but these differences are not considered;

Third. Because of the lack of consideration of composition in grading, high lysine corn, high oil yielding, and less brittle corn varieties have not received much attention from farmers because they get no premium for growing them;

Fourth. Adequate standards and appropriate pricing differentials are critical to the question of grain quality. This is because a large share of quality deterioration in handling is subject to human control, but it also results in increased costs; and

Fifth. Current sampling techniques are generally not adequate, and extreme variances are often noted between total lots and samples.

Certainly there would be costs associated with more comprehensive standards, but this could be a transfer of costs. Currently, processors and users of grain provide this service at high cost, especially since the products they receive are not always what they desire.

If insurance of delivery of specified products could be achieved, premiums could be expected. At least a share of these premiums would accrue to farmers to insure production of premium grades of grain.

With incentives for quality, it is not too difficult to foresee a time when high premium grains are shipped in containers to avoid handling damage and insure high quality from farm to consumer.

In addition to quality problems as the result of harvesting, handling and transporting agricultural products, the issue of contamination is emerging as an area that must be of substantial concern to our agricultural sector. One of the most recent episodes of contamination occurred in 1973 in Michigan. The effects of a chemical fire retardant being mixed into livestock feed are still appearing.

A recent article in the Wall Street Journal recounts the episode in detail. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, July 1, 1975]

MICHIGAN FARMERS CONTINUE TO COMPLAIN ABOUT HEALTH HAZARD FROM 1973 ACCIDENT

(By John R. Emishwiller)

STANWOOD, MICH.—It was a nightmare for farmers. An obscure industrial chemical had accidentally been mixed into animal feed and had gone undetected for more than a year. Some animals were dying. Tens of thousands of cattle, sheep and hogs and 1.5 million chickens were quarantined, with all of these ultimately to be destroyed.

Meantime, unknown quantities of meat, milk and eggs from the contaminated animals had found their way onto Midwestern dinner tables. When news of the problem got out, consumers anxiously awaited word on the health consequences for humans. But then the tension eased last year because no ill effects were found.

So, the nightmare—one of the worst cases of contamination in U.S. farm history—seemed to be over.

But for people like Ronald Creighton the episode is neither gone nor forgotten. Some cattle and chickens on Mr. Creighton's 40-acre farm here were wiped out by the contamination problem, but that's the least of his worries. Lately, the 29-year-old farmer has been beset with fatigue, severe and nagging joint aches and a painfully swollen knee that have made his farm chores difficult and forced him to abandon a job with a county road commission.

"Sometimes it takes me an hour just to get up and get going in the morning," he says. And recently his doctor gave him more bad news—tests indicate his liver may be damaged.

EFFECT ON FARM FAMILIES

Nobody is sure just what is causing Mr. Creighton's ailments or similar complaints by some other Michigan farmers. But one theory is that while the general public may have escaped any ill effects from the contamination, those who relied most heavily on the afflicted animals for food—the farmers and their families—may not have been so lucky.

That theory has caused a smoldering controversy between farmers and health officials that has raised new questions not only about the bizarre accident here but also about how any such cases might be dealt with elsewhere in the future.

The trouble began here in 1973, when a major chemical concern, Michigan Chemical Co., accidentally supplied a large batch of a commercial fire retardant, polybrominated biphenyl, or PBB, to Farm Bureau Services, a farmers' cooperative, instead of a feed supplement that had been specified. The PBB was mixed into feed that then went to several hundred Michigan farms. The accident wasn't pinpointed until a year later, after it became clear something was making a large number of animals ill.

As soon as the contamination of the feed was found, state health officials moved quickly to quarantine and destroy the sickest animals. They also set standards for PBB content in food products that they say are so low as to eliminate any risk from marginally affected animals still on the market. And they successfully assured the public that food previously consumed from the afflicted animals didn't pose any general health threat, because the amount eaten by any typical consumer would have represented only a tiny part of his overall diet.

But Mr. Creighton and some others aren't typical in this case. In the year before the contamination was discovered, thousands of Michigan farm dwellers ate a concentrated daily diet of products from their own tainted livestock. Some farmers, doctors and independent researchers now fear that the result for this group may be PBB-related illnesses.

HEALTH OFFICIALS' FINDINGS

So far, the suspicion is unproven. The Michigan Department of Public Health has repeatedly stated it hasn't been able to find any conclusive evidence of human sicknesses caused by the PBB debacle. It recently published a long-awaited scientific study of several hundred farmers that concluded "no disease or symptom that occurred consistently" could be isolated.

But a number of farmers remain unconvinced. For example, 50-year-old Leonard Rehkopf, a Big Rapids, Mich., farmer says he has suffered from headaches, fatigue and swollen finger joints. And he blames PBB, which he says has been found in his system through blood tests. Similarly, Douglas Warner, a Charlevoix, Mich., farmer who lost his herd last year to the chemical accident, worries that PBB may have caused some of his health problems.

Such health problems aren't universal among farmers who lost animals to PBB. But some observers agree that there has been at least a curious pattern in some cases. For example, Dr. David Salvati, a Big Rapids physician, says that besides Mr. Creighton, he has 32 other patients from farms where PBB-tainted food was consumed who show traces of liver damage. And Dr. Walter Meester, a Grand Rapids clinical toxicologist, adds that signs of liver damage have turned up in "some" of the 20 PPB related patients he has tested. Both physicians avoid any flat judgments, but Dr. Meester says there is "a logical suspicion that warrants further study."

Some research studies on rats and mice have also raised questions. One federal Food and Drug Administration experiment indicated PBB could cause such things as retarded growth and enlarged livers in the test animals. An Ann Arbor, Mich., medical researcher says signs of a high birth-defect rate turned up in the offspring of rodents fed large doses of PBB. But in both cases the scientists caution that such tests aren't conclusive and aren't necessarily meaningful for humans.

LACK OF INFORMATION

Because PBB was never intended to be used in connection with food products, little was known about its health effects.

Dr. John Isbister, chief of the state health department's bureau of community health, insists that his agency has been "doing everything within our capabilities to identify a health problem" from PBB. But "we haven't found any patterns of illness" so far, he says.

He suggests that some complaints that, patients ascribe to PBB may have different sources. For example, one case of hair loss was traced to a ringworn fungus, whereas the victim suspected PBB. Health officials add that the entire PBB debacle, with its huge economic losses are many farmers, has put great nervous and emotional strain on many victims, which could indirectly account for some illnesses.

Still, some farmers argue that health officials have been too slow to aid them, and a few darkly suggest that because they are only a small group, they are being overlooked by an indifferent state and federal health bureaucracy.

"They're trying to sweep us under a rug," contends Mr. Rehkopf, the Big Rapids farmer. And Mr. Warner of Charlevoix charges health officials with "just breezing over things because if they said something bad, it might hurt sales" of the state's farm products.

Dr. Isbister and other health officials bristle at such accusations. The state's first report on the possible effect of PBB on farm families, took 10 months to complete, but "this is very deliberate work and it has to be accurate and meaningful," Dr. Isbister says. He adds that by early this year he had assigned 12 to 15 staff members to the project to help speed it to conclusion, roughly double the number working on it initially.

LONG-TERM STUDY BEGINS

Dr. Isbister recently took a public tour at some rural communities in the state to answer questions from curious or nervous farmers. His department, with the help of the federal government, has also set up plans for a long-term study of PBB's health effects on about 6,000 farmers here. The broad study could take up to 15 years to complete and may ultimately yield more definitive answers about the chemical's effects. But so far the health department is still trying to wring $225,000 in first-year costs from governmental budgets.

The lack of any standby system for handling such man-caused accidents particularly troubles some people, including Michigan farmer Frederick Halbert, who led the investigation that helped identify the PBB in the animal feed in the first place. The young chemical-engineer-turned-farmer spent thousands of dollars of his own money on research and telephone calls prodding government agricultural and health establishments to action on the farmers' complaints more than a year ago.

"The bureaucracies still seem to have very little internal energy" for such problems, he says, perhaps because only a few thousand people seem to be directly affected. But he sees this state's PBB accident as just one of a new kind of potential hazard from the proliferation of exotic man-made chemicals, and he believes that information developed here could provide clues for dealing with any future contaminations.

Some officials agree that there may be a lesson in the controversy here. An aide to Michigan Sen. Philip Hart, for example, suggests that tighter food controls and a plan for compensating victims of such accidents may be needed. He says he fruitlessly searched federal health programs for possible help for Michigan farmers. "I can see why they're upset. We have plans for bailing out everything under the sun from Lockheed to the Penn Central," he says, but nothing to deal with an accident such as occurred here.

Meantime, the effects of the PBB issue continue to ripple. Farm Bureau Services, the cooperative that supplied the feed to the farmers, has settled about 300 damage claims from farmers for about $22 million, and another 300 claims are outstanding. The cooperative, in turn, has a $200 million suit pending against its supplier, Michigan Chemical.

Officials are still debating whether the allowable PBB-content standard for food products in the state should be lowered further. One agriculture expert estimates that a lower standard would mean the ultimate destruction of another 20,000 head of cattle on top of the 23,000 already taken off the market.

Mr. HUDDLESTON. To sum up, the quality of the products produced on American farms can be controlled at the farm level with proper premium incentives to producers. Their continued quality depends greatly on the appropriateness of grades and standards, and on the condition of the U.S. transportation system, physical damage in handling, mold infestation, insect and rodent infestations, and the introduction of foreign material.

All of these things go far beyond the current scandal involving improper inspections at port terminals. But many of these problems serve to focus on the importance of these inspections in maintaining the integrity of American farm products abroad.

Mr. President, Senators HUMPHREY, DOLE, and TALMADGE have introduced Senate Joint Resolution 88 which would deal in detail with the recently revealed grain inspection and grading scandal at our gulf ports. This resolution will aid in restoring confidence in the integrity and quality of American grains.

I intend to offer two amendments in committee to Senate Joint Resolution 88 which, in my judgment, will be highly beneficial to our agricultural sector. I will propose that language be included in Senate Joint Resolution 88 which would require the USDA to undertake a 1-year study regarding contamination, transportation, and handling of agricultural products. At its conclusion, the findings of this study will be reported to Congress including recommendations on methods to maintain or increase agricultural product quality.

I intend to further propose a committee amendment which will require the USDA to initiate a study and report its findings to Congress regarding the appropriateness of the current grain standards for marketing in the 1970's.

Grain standards are critical for orderly marketing. In the case of export; consistent, reliable, and definitive standards are even more important because the opportunity for personal examination is limited and high costs are involved in grain movement. In addition, U.S. grain standards become the de facto world standards because of U.S. trade dominance.

The continued and improved integrity and quality of our agricultural products is essential to the income of the farmer and essential as a $12 billion positive factor in our balance of trade. It is also important because insuring quality is the right thing to do. Many of the underdeveloped nations who receive our farm products have no other means to judge the quality of what they are receiving other than the word of the U.S. Government.

We must keep our word, and we must maintain our reputation as the greatest agricultural nation on Earth.

NATIONAL ECONOMIC PLANNING BILL

Mr. JAVITS. Mr. President, as part of the ongoing debate over national economic planning, as embodied in the legislation Senator HUMPHREY and I have introduced, the Balanced Growth and

Economic Planning Act of 1975, I wish to call to the attention of my colleagues an article on the subject by Arthur Schlesinger, Jr., which appeared in the Wall Street Journal today. I would also ask that the letters to the editor of the Wall Street Journal in reply to my article on economic planning be printed in the RECORD. The four letters that the Journal has published all oppose the bill, but Senator HUMPHREY and I have encouraged a debate on the subject as we ought to do—and this means the presentation of both sides of the argument.

Mr. President, I wish also to include an interview that appeared in the Saturday Review with members of the Harvard Business School faculty. The reply of Prof. George C. Lodge was a superb and compact overview of the profound economic and social changes taking place in this country.

Mr. President, I ask unanimous consent that these articles and letters be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, July 30, 1975]

LAISSEZ-FAIRE, PLANNING AND REALITY

(By Arthur Schlesinger, Jr.)

In recent weeks the main lines of President Ford's thinking about the economy have emerged with commendable clarity. In the name of "maximum freedom for private enterprise," he is proclaiming a crusade against the awful state of "regulatory bondage" in which, as he sees it, the American government is holding the oppressed and helpless American businessman. "I hear your cries of anguish and desperation," he told one audience of capitalists, as if they were inmates of a Soviet forced labor camp. "I will not let you suffocate." If only he had shown comparable sympathy for Solzhenitsyn!

Inveighing against "the mistaken, stupid idea that regulation protects people," the President argues that the public interest can be served best "through the market place" and proposes de-regulation as a primary goal of national policy. As for inflation, his solution for that, he recently acknowledged, is mass unemployment. "As you bring down the inflation," he has said, "We [an interesting pronoun] may have to suffer for a short period of time higher unemployment than we like." He has called for the partial denationalization of atomic energy, with the future production of enriched uranium turned over to private ownership (apparently under terms that guarantee profits to the private owners). The "critical choice" in the months ahead, he tells us, is between a "free" economy and "an economy whose vital decisions are made by politicians while the private sector dries up and shrivels away."

A certain amount of this may be discounted as the pre-campaign oratory or a man who has a natural concern about heading off Ronald Reagan. But enough of it corresponds to what we know about Gerald Ford as a Congressman to suggest that he probably is, on this range of questions, personally the most conservative President since Herbert Hoover. One doubts whether Eisenhower or even Nixon had Mr. Ford's gallant confidence that the unregulated market place is a sure guarantee of full employment, stable prices, decent wages and working conditions, protection for the consumer and truth in the securities markets. One must call this confidence gallant because it runs squarely against the evidence of history. It was, of course, the sad but indisputable fact that the unregulated market place achieved none of these things which got the national government into the business of regulation in the first place.

MARKET PLACE FAILURES

And it is also the fact that the unregulated market place is patently unable to deal with urgent problems in our day. It has manifestly failed, for example, to control inflation while avoiding mass unemployment. Friedrich von Hayek, the high priest of laissez faire, admitted the other day that, under his creed, "We cannot avoid substantial long-term unemployment." Ford's own economists expect high unemployment till the end of the decade Nor can the unregulated market place contain the administrative power over prices exerted by concentrated industries. Nor can the unregulated market place cope with problems like oil that are essentially political rather than economic in character. Nor can the unregulated market place bring about the reconstruction and expansion of our mass transit system which would be both helpful in re-employment and essential in the conservation of energy. Nor can the unregulated market place meet the nations needs for health care, education, housing, welfare, solvent cities and environmental protection.

It is the obvious impotence of the unregulated market place in face of the hard problems of our time which has led some members of Congress—notably Senators Hubert Humphrey and Jacob Javits—to introduce the Balanced Growth and Economic Planning Act of 1975. This bill springs in part from a group called the Initiative Committee for National Economic Planning; and I must declare my own interest, for I was among those who signed that committee's statement. More formidable signers include economists like J. K. Galbraith, Wassily Leontief and Robert R. Nathan, labor leaders like Leonard Woodcock of the UAW, Arnold Miller of the Mine Workers and Jerry Wurf of the Federation of State, County and Municipal Employes and, it should be noted, business leaders like Robert McNamara, Stanley Marcus, Philip Klutznick, Robert Roosa of Brown Brothers Harriman, William F. May of American Can, W. Michael Blumenthal of Bendix, J. Irwin Miller of Cummins Engine, Arjay Miller of the Stanford Business School and Alfred C. Neal of the Committee for Economic Development.

The Humphrey-Javits bill would be regarded as innocuous in any other highly industrialized country. It would create an Economic Planning Board in the Executive Branch, establish procedures for industry and labor participation in the setting of economic targets and provide for congressional approval or disapproval of all plans developed by the board. The essence of the planning would be the gathering of information, the estimation of national resources and requirements and the coordination of national policies. There would be no enforcement authority, no interference with the making of private decisions, no revision of the pattern of ownership, no action except on the basis of legislation. The bill, in short, would give the nation the analytical, though not the enforcement, machinery to do for itself what every large corporation does every day in the way of advance planning.

Our radicals are naturally suspicious of all this. They recall that the idea of national planning received its first powerful endorsement in this country before World War I from George W. Perkins of J. P. Morgan and Company. They recall the summons to national planning during the depression by men like Gerard Swope of General Electric and Henry I. Harriman of New England Power. They recall Joseph P. Kennedy writing in 1936, "An organized functioning society requires a planned economy. . . . Planned action is imperative, or else capitalism and the American scheme of life will be in serious jeopardy." They remember how business took over the NRA in the early New Deal, as it has taken over nearly all the regulatory agencies that cause President Ford such distress.

In view of all this, it is astonishing to note the hysteria the Humphrey-Javits bill has provoked in fundamentalist business circles. Walter B. Wriston of Citicorp has called it "a program designed to destroy the free-market system and with it our personal liberty." Wriston even challenges the proposition that "government regulation of goods and services is a legitimate function of government." Thomas A. Murphy of General Motors predicts that "inevitably someone—maybe all of us—would lose some freedom." This overkill is, I say, astonishing, except for those venerable enough to remember the same hysteria with which business leaders in other days fought Social Security, unemployment compensation, stock exchange regulation, the guarantee of bank deposits, food stamps, the Employment Act of 1946—fought, indeed, all the forms of government intervention which, by saving business in 1975 from a ghastly collapse in the style of 1929–32, permit savants like Wriston and Murphy to run on so about the beauties of the market place. If those earlier attacks on government regulation had succeeded, one shudders to think what real trouble the nation would be in today.

HISTORY'S SPECIAL RELISH

I do not believe that national planning is a panacea. The left wing fear that business will capture the planning mechanisms is not without substance. The European and Japanese experience in national planning reveals problems as well as achievements. In addition, the failure of economic (and all other types of) foresight is a salient fact of life. History outwits us all, and does so all the time, and seems to take special relish in outwitting businessmen and economists.

Still, when laissez-faire zealots object that planning will infallibly get us into a mess, one can only comment that it is hard to imagine a greater mess than the refusal to plan has got us into already: the worst inflation in a generation, the highest unemployment in 35 years, the worst decline in real output in nearly 40 years, the worst deficit in the balance of payments ever, the worst peacetime budgetary deficits ever, the worst energy shortages ever, the worst crises in municipal finance ever. Is more of this the glorious future that Ford, Wriston, Murphy and the rest are holding out to the American people?

And it is sheer irresponsibilty to denounce the mild Humphrey-Javits measure as contemplating, in Wriston's phrase, an "economic police state." It was the same sort of irresponsibility that led most Americans to stop paying any attention to the self-righteous and self-serving wails of business leaders in the 1930s. If the American businessmen want W. H. Whyte to write a sequel to his sterling book of 1952 "Is Anybody Listening?," Wriston and Murphy are pointing out the direction in which they should go. It is almost as irresponsible for an American President to pretend that the country can get along without government regulation. For the reality is that we will continue to have government regulation—and that we will not lose our freedom.

Joseph P. Kennedy's question of 40 years ago is still to the point: "Should we try to have a balance between regulation and individualism, or should we revert to an uncontrolled individualistic scheme?" The answer is self-evident: We must strive for a better balance—a balance that will enable us to meet some of the problems the unregulated market place can never meet—and stop confusing our minds and dissipating our energies by trying to transform manageable differences over degree into a religious war.

Letters to the Editor of the Journal

ONLY TOO OBVIOUS

Editor, The Wall Street Journal:

The statist implications of Senator Javits' July 8 article on "The Need for National Planning" are only too obvious. He argues for state intervention in the economy for "social ends." But are the rights of society actually his concern?

Senator Javits opposes the removal of minimum wage laws so that "teenagers and unskilled workers [can] get badly needed employment . . . for decent wages." But it is minimum wage laws which are the *cause* of unemployment among these groups, since they raise wages above the market price.

Senator Javits complains that the elderly subsist on inadequate diets. This may be true for some of them, but the cause is government initiated inflationary policies that force up prices and thus penalize people on fixed incomes.

The Senator argues that our educational system produces illiterates. This is true. The reason is that the public school system has a coercive monopoly over education and thus competition (which could lower costs and increase quality) is prohibited.

If the Senator is genuinely interested in the good of society, why doesn't he advocate repeal of the minimum wage laws, the elimination of deficit spending and tax credits for education?

Senator Javits wants people to "express their choices through other means than their wallets." Does this mean, for example, that if people want cheaper housing than the free market offers then they should be given government grants to buy it? If so, then the real meaning of Mr. Javits' statement is: people should be able to express their choices *through other people's wallets* (i.e., through forcible taxation)!

Senator Javits claims that government economic planning is no different in principle than corporate planning. There is one difference: corporate planning is based on the principle of trade (e.g., planning what investments to make based on projected sales). Government planning involves coercion (forcing corporations to produce what the government wants regardless of market conditions). The result of the latter policy is inevitably waste, arbitrariness, and the destruction of individual rights.

My question is: if Senator Javits is so concerned with social ends, why does he advocate policies which contradict these goals?

Edwin A. Locke,

Professor of Business and Management, University of Maryland, College Park, Md.

BAD NEWS

Editor, The Wall Street Journal:

One thing you can say for Senator Jacob K. Javits is that he never deviates from his on-going design of socializing America. I read his article with considerable concern: It is awesome to say the least.

On February 25, 1974, Senator Hubert H. Humphrey introduced Bill S. 3050. This bill was designed to establish an Office of Balanced National Growth and Development. In 1975 we now witness a reintroduction of this bill under, perhaps, another title and cosponsored by Senators Humphrey and Javits. I read that bill from cover to cover and it scared me to death.

The entire proposal is designed to affix a strait-jacket around the United States. Using the regional system which is now in effect in the United States, it would cross county, state and local lines regularly. It would eliminate freedom of choice in most areas of our normal, day-to-day living. It is a bureaucrat's dream and one only has to read the bill once to get an idea of the vast number of new offices, agencies and personnel that would be required to direct this "economic planning."

In Senator Javits' article, he mentions freedom of choice and relates it to such items as hair sprays and razor blades. He makes no mention of Social Security which no longer is a freedom of choice because of government edict.

The only reason anybody would be looking at planning for government is because it has become too big, which is its basic problem. I urge everybody to read this bill thoroughly to get a long-range view of just what the social state planners have in mind for us.

It is bad news.

Milton Heath, Jr.

Sherborn, Mass.

ENOUGH GOVERNMENT

Editor, The Wall Street Journal:

I wish to express my explicit and unreserved disapproval of the Economic Planning Bill sponsored by Senators Javits and Humphrey. After reading Mr. Javits' defense of the bill I am certain that the proposed planning board is only one more attempt by well-meaning (and some not-so-well-meaning) legislators to deprive us of our personal freedoms. Economic freedom is a precedent condition for enjoying other rights. Not that civil rights subordinate, but rather because the economic self-sufficiency derived from a free enterprise economy is requisite for enjoyment of such rights. It is absurd to believe that civil rights can subsist in a planned economy where the right to economic self-determination has been purloined.

What the planners really want is to substitute their judgment and values for the people of America. It is intellectual elitism, the basic implicit premise of socialism and welfarism. It is the continued concentration of power into the hands of the few with a promise of economic prosperity and an improved quality of life for the many. It is a base, dishonest and immoral demagoguery.

I do not want more government interference in my business or my personal life. I want to make my own choices—and in doing so my own errors. I want the satisfaction of my successes and the personnal happiness which can only be found in an America where man, as an individual, can fulfill his destiny.

Paul Adams

Canoga Park, Calif.

PRAY TELL

Editor, The Wall Street Journal:

Senator Javits complains that the source of our present economic difficulty may be too great a concern with efficiency in government. But he doesn't say where that efficiency is lurking.

Does he have in mind the Post Office? New York City? HEW? Congress?

I say the Senator has a sacred duty to root out the governmental efficiency he has spotted and expose it for all of us to see.

Frederick T. Van Veen

Concord, Mass.

[From the Saturday Review]

Recovery and Beyond

(An SR-Harvard Business School Colloquium)

Mr. Lodge, how do you see the future role of business in our society? Will capitalism as we know it be retained, in strengthened form? Or will we see fairly major changes in the relationship between government and business?

Professor Lodge. Well, if you'll forgive me, I don't think I'll use the word *capitalism*. Nor will I use *socialism* or *communism*, because I don't think any of these terms mean anything anymore. What I see happening is a widespread systemic disintegration within our country. This disintegration has been going on for about 80 years now. Right now, it's a very extreme and dangerous phase. Signs of decay are in evidence everywhere: there's the declining motivation in the workplace, the lowering of productivity, increased labor costs, and the weakened authority of all our institutions and the people who are supposed to run them.

Another sign of disintegration is our inability to make crucial trade-offs about what the community needs, for example, between clean air, pure water, energy, the economy, jobs. Then there are the many special-interest groups that heavily influence our sorting out of these trade-offs, as in the case of the milk lobby. The upshot is an increasing fragmentation of government in the face of our need for increasing concentration.

Now, let me start off by making some predictions, and then let me explain why I think these predictions make sense. First, it strikes me that sooner or later, in one way or another, we are going to have significantly greater and more comprehensive government we are going to have more government planning. The question is not really whether planning; the question is, Is it going to be effective or ineffective?

Secondly, I predict that there will be more use of the corporate charter and of procedures related to the corporate charter, in order to control corporations—that is, to harmonize them with the public interest. Anti-trust laws that simply try to ensure competition and regulation will become less important. I see the corporate charter as being an increasingly important instrument for defining the purposes and functions of giant corporations—the oil companies, for example.

Thirdly, inside the corporation there will be increasing structural reorganization, or else, there will be continued deterioration. And these reorganizations will threaten the old idea of the contract and the old idea of managerial authority based on property rights. I believe more and more employers and employees will think in terms of a consensual, rather than a contractual, process. I would predict that, increasingly managerial authority will not derive from some mystical body of shareholders operating through some board of directors in a very obscure process. Rather, managerial authority will derive from the managed (the alternate source being, of course, government).

Now then, the issues that all this raises have to do with adaptation and timing—typical issues being the possibility of keeping democracy afloat, centralization versus elitism. These are the kinds of issues that I see.

Now, in order to understand any of these problems, I think one has to take a systemic, overall, holistic approach to the malaise that troubles us. And for that purpose I have found useful the notion of *ideology*. Ideology is a complicated term. The way I define it is this: the bridge by which a society gets from values, essentially non-controversial values such as justice and self-fulfillment and survival, to the real world. It is a framework of ideas for making values explicit and defining them. It is both dynamic and transient. It is not dogmatic. It is that nucleus of ideas by which institutions—business institutions, governments, universities, and so on—are made legitimate. It provides the rationale and justification for these institutions—for their power, their influence, and their work.

Now, what's happening in America—and, as I say, it's been happening for a long time—is that we are operating under an old set of ideas, five in number, which are slipping away. These five ideas used to make our institutions legitimate, but the ideas have been eroded, and a new set of them has been coming in to take their place.

The process has not been a conscious one. It has not been the work of Maoists or some conspiratorial group. Instead, his displacement and replacement of ideas have resulted from pragmatic, experiential activity on the part of corporations and government and universities and all of us.

The five ideas of the traditional dominant ideology are these: individualism, property rights as guarantors of individual rights, the open marketplace as a restraint on property abuses, the notion of the limited state, and specialized scientific analysis as the key to knowledge.

These time-honored ideas are, in important respects, giving way to another set of outlooks, particularly with respect to large corporations. These new ideas haven't been around very long, and we are much less sure of them. But it seems clear that they are inexorably taking the place of the kind of atomism and individualism that is implicit in what might be called the John Wayne conception of society and the individual.

For want of a better term, I have dubbed this new set of societal ideas and ideals "communitarianism." That is to say, we become fulfilled by being part of a group, part of an organization, part of a complex, crowded thing. If this "thing," this societal context, is well designed, it makes full use of our talents and our resources and our capabilities. If it is poorly designed, we are alienated, frustrated, turned off, purposeless, and take to drink and drugs and late-night TV.

So the old idea of equality of opportunity has, as I see it, been replaced by an interesting new one, which you could call equality of result or equality of representation. For instance, the law now says that it isn't enough for a corporation to provide equality of opportunity. It has to have equality of result or representation: you've got to have so many men telephone operators, so many women vice-presidents. You've got to have minority groups spread up and down the corporate hierarchy, roughly in proportion to their numbers in the community. That's a very new idea, radically different from the old way.

In place of the idea of *contract* I would put *consensus*. Thus, we see a variety of attempts and experiments by business to increase productivity and increase motivation by designing new forms under the heading, "worker participation in management" or "organizational development."

In place of property rights have come the rights of *membership*. Much more important to most individuals in America today than concern over whether they own any property (which increasingly few do) is the question whether they have certain rights as citizens or as members of a large group. That is, as a citizen of the United States, you now have the confident expectation that you will survive. You have a right to survive, you have a right to income, you have a right to health, you have a right to a variety of things that the community has said are yours.

In place of competition to satisfy consumer desires, we see an increasing importance placed on community need, on economies of scale, on efficiency, on beating the Japanese, and on many other things.

The fourth idea among the five "old regime" ideas mentioned a moment ago was Locke's notion that government should be limited, even quiescent. But we are now developing, in a fairly clumsy form, to be sure, an active planning state. We have had this state in varying degrees for the last 50 years or more. One of the difficulties with this whole transition is that nobody recognizes it or makes it explicit.

How we organize state planning depends very much on whether we explicitly acknowledge that the state should have a planning function that it doesn't have now. The question is, Is the change going to happen intelligently, or is it going to happen stupidly and wastefully? And is it going to happen after great institutions have sunk into the mud, or is it going to happen before they do so that we can make these transitions more or less efficiently?

The last of the Lockean Five—scientific specialization—is giving way to *holism*, the conception that a whole cannot be understood without an analysis of its parts. Ecology is perhaps the best example, but there are many others.

We now know that we live in a fragile spaceship, in a fragile biosphere, and that there are limits to growth. We don't quite know what they are, but they're there. We also know that there are scarcities, but that somehow we must manage this, again, holistic, systemic problem.

These, then, are the philosophical basics around which we must build a new prosperity for America.

ERDA THINKS BIG, IT SHOULD CONSIDER SMALL TOO

Mr. McINTYRE. Mr. President, in an article from Not Man Apart one point comes out that I have stressed during hearings before the Select Committee on Small Business: We must think small in the development of solar energy.

In the article the editors make the point that the Energy Research and Development Administration is determined to push for large solar energy projects rather than encourage the development of small units that can be easily installed on homes or office buildings to provide solar heat.

In its upcoming plan, I would hope that ERDA does not retain its "big is better" idea to the exclusion of small solar energy equipment development.

I ask unanimous consent that the article from Not Man Apart be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From Not Man Apart, Mid-July 1975]

ERDA Backs Solar Research

Focus Is on Size, Centralization

ERDA, the Energy Research and Development Administration, has chosen four giant corporations to develop a large-scale solar power plant: Boeing, Honeywell, Martin Marietta, and McDonnell Douglas. To be built and tested within five years, the plant would consist of a boiler atop a tower, with banks of mirrors reflecting sunlight up to it. ERDA officials say the plant will have a capacity of 10,000 kilowatts, "enough electricity to heat 5,000 homes."

Development of solar energy is long overdue, but we cannot greet this announcement with unalloyed approbation. For one thing, the roster of companies selected suggests that the selection criteria may have been inappropriate. (I.e., big war contractors must be kept economically healthy, whether or not they are best qualified to do the job.) Because solar development is barely beginning, the giant companies whose interests are largely elsewhere would seem to have little if any advantage over smaller companies that have sprouted up with solar energy development as their sole objective.

We also worry about symptoms of electromania on the part of ERDA. Electricity is not the only form of energy, nor is it always the best. Because of inefficiencies in the conversion of heat into electricity at the power plant, six or seven units of heat are wasted for every three or four units that are successfully converted. This makes electricity an inherently inefficient means of heating space or water. Yet ERDA thinks of 10,000 kilowatts as "enough to heat 5,000 homes."

More fundamentally, it seems that ERDA is afflicted with the notion that power must be supplied from a large-scale, centralized source. The only "advantage" of centralization is that it creates "natural monopolies" for giant utility companies to exploit. The beauty of solar energy is that it delivers itself, free, to places where energy is needed. To concentrate on centralized solar power plants throws away one of the greatest advantages inherent in solar energy. What we ought to be working toward is maximum use of on-site solar equipment for space and water heating.

As for solar-generated electricity, our objective should be to take maximum advantage of solar energy's free distribution by developing small or medium-sized solar power plants to serve anywhere from a few houses to whole neighborhoods of a large city. The idea might be to limit power plants to a size no larger than can serve an area over low-voltage distribution lines—which can easily be buried underground. Overhead transmission lines and their omnipresent towers could be recycled without noticeably degrading the esthetic quality of our landscapes, into aluminum, copper, steel, and other materials in short supply.

Come on, ERDA, think small. Think decentralization.

A REPORT ON STEWARDSHIP

Mr. HRUSKA. Mr. President, on June 16, 1975, Catherine Bedell and Joseph Parker completed a 4-year stewardship as Chairman and Vice Chairman, respectively, of the U.S. Tariff Commission and its successor agency, the U.S. International Trade Commission. In 1971, at the beginning of their terms, Mrs. Bedell and Mr. Parker were presented with a variety of problems and obstacles. As their first work priority, they began a study of the Commission's inherent deficiencies and organizational weaknesses. Once the specific problem areas had been defined, assistance from the Congress and the President was sought to rebuild the Commission. During the 4-year period, this work has progressed tremendously. But it is not completed. According to Mrs. Bedell and Mr. Parker,

> One of our major goals, that of the efficient reorganization of the agency has not yet been accomplished. In our judgment, this is essential if the Commission is to carry out its responsibilities efficiently and to provide the assistance to the Congress and the President that is expected. As heretofore indicated, our work in this respect was interrupted, but the major studies and analyses have been completed. The problems have been identified, and the course of direction is clear.
>
> In our judgment, with improved reorganizational effectiveness, the Commission can establish and maintain a higher state of readiness and be in a position to provide the Congress and the President with timely advice and economic foresight on the complicated issues relating to international trade.

I wish to congratulate Catherine Bedell and Joseph Parker on their outstanding stewardship. I shall look forward to working with Mrs. Bedell and Mr. Parker in the future, as they continue to serve as Commissioners on this important governmental body.

Mr. President, I ask unanimous consent that "A Report on Stewardship," by Catherine Bedell and Joseph O. Parker, U.S. International Trade Commission, be printed in the Record.

There being no objection, the report was ordered to be printed in the Record, as follows:

A Report on Stewardship

(By Catherine Bedell, Chairman, and Joseph O. Parker, Vice Chairman, U.S. International Trade Commission, 1971–75)

On June 16, 1975, we completed four years of service as Chairman and Vice Chairman of the United States Tariff Commission and its successor agency, the United States International Trade Commission. On June 17, 1975, a new Chairman and Vice Chairman of the Commission assumed these responsibilities under a provision of the Trade Act of 1974 which provides for the rotation of these two positions every eighteen months.

It is with this in mind that we are submitting a brief review of our stewardship for the last four years—one of the busiest and most challenging periods in the Commission's 59-year history.

Upon the assumption of the duties of our offices, we began studying, reviewing and analyzing the work of the Commission in order to make an assessment of its operations and the performance of its statutory responsibilities.

We found a number of weaknesses and deficiencies. The Commission did not have an organizational structure with well-defined lines of authority and responsibility that provided for the kind of supervision and coordination necessary to achieve an efficient operation. The principal units or divisions of the Commission tended to operate more or less autonomously.

The agency was struggling to meet a sharply rising workload. Investigations to be conducted pursuant to statutory direction had more than tripled over the previous year. Complex studies of major significance requested by the President and the Congress pertaining to the competitiveness of U.S. industry, multinational enterprises, customs valuation, and tariff and non-tariff trade barriers were far behind schedule. Appropriate administrative controls were varied and inadequate. A professional staff of unique expertise and ability had been weakened by declining appropriations and was in need of better direction to meet the increased workload and the new demands being made on the Commission. There was an urgent need for modern management and personnel techniques. The building was in a poor state of repair. Working conditions were inefficient and in need of upgrading.

On the basis of our analyses, it was apparent that the agency was understaffed and underbudgeted and was ill prepared to cope with either the demands being placed upon it by a rapidly mounting caseload, or with the demands being placed upon it by the President and the Congress because of prospective international trade negotiations.

After defining the nature of the Commission's problems, our first step was to set up procedures to expedite the completion of pending major studies. A number of other actions were taken to assure that the agency would fulfill its statutory responsibilities and improve its capability to be more responsive to the needs of the Executive and Legislative Branches of government.

The assistance and support of the Executive and Legislative Branches in a budget and staff building process were sought and obtained. Appropriations increased from $4.4 million in FY 1971 to $8.9 million in FY 1975. The Commission's authorized ceiling of permanent positions for the same period increased from 255 to 400.

Concurrently with the budget and staff building process, consideration was given to the whole question of improved management and organizational effectiveness. Previous management studies and executive reorganization plans in which recommendations had been made but never adopted were reviewed.

At the Commission's request, the Office of Management and Budget brought together a group of experts from the Civil Service Commission and other departments of the Federal Government to assist in analyzing the Commission's internal organization and administrative and management procedures. The report of this expert group was submitted to the Commission for its consideration.

Upon further analysis of this and other reports, the Commission instructed the staff to develop a reorganization plan designed to meet specific needs. As the Commission was about to take action on these recommendations, the Congress began its consideration of legislation which ultimately became the Trade Act of 1974. The Chairman of the Senate Committee on Finance requested the Commission to defer action on any internal organization decision until the Congress had worked its will on the Commission's statutory functions, and it had had the benefit of the views of the General Accounting Office.[1] We have been advised that the General Accounting Office has completed its review, and the report of the Comptroller General has recently been forwarded to the Senate Finance Committee.

While reorganization was aimed at the long-range overall improvement of the agency's operations, it was necessary for the Commission to take a number of actions that enabled it to conduct more efficiently its day-to-day operations within the existing organization. The Commission established the position of Executive Director and delegated to that office extensive responsibilities for internal administrative minutiae which gave the Commission more time to devote to substantive policy.

An Office of Personnel and Management Systems was established. That office has enabled the Commission to improve personnel management and to assure compliance with Civil Service Commission regulations and requirements, thus meeting the criticisms that had been made by the Civil Service Commission. This has resulted in major improvements in the Commission's recruitment techniques and procedures, and enabled the Commission to meet its personnel needs more expeditiously.

A survey and review was also made of the Commission's records management capability with assistance from the National Archives and Records Service. This review disclosed a number of deficiencies, which are being corrected. Historical records and other records not needed on a current basis have been transferred to Archives.

Important steps were also taken to improve the working environment for Commission employees, including building renovations and an upgrading of office space and facilities and an overall improvement of employee work conditions. Internal communications have been improved. Greater use has been made of automatic data processing, microfiche, and other mechanical aids to improve the quality and capability of the Commission's work and to improve work productivity.

While taking these steps, work continued on the long-term goal of improving and strengthening the Commission in all areas of responsibility. Requests were made and approval was given by the General Services Administration and the Congress for a major renovation of the Commission building which is designed to bring the building up to Federal standards in all respects. All the necessary preparatory work has been done, and the course of direction has been set on the $5.7 million program.

One of our major goals, that of the efficient reorganization of the agency has not yet been accomplished. In our judgment, this is essential if the Commission is to carry out its responsibilities efficiently and to provide the assistance to the Congress and the President that is expected. As heretofore indicated, our work in this respect was interrupted, but the major studies and analyses have been completed. The problems have been identified, and the course of direction is clear. As soon as the report is received from the Comptroller General and the Commission has heard further from the Chairman of the Senate Finance Committee, it will be in a position to complete its reorganizational task.

In our judgment, with improved reorganizational effectiveness, the Commission can establish and maintain a higher state of readiness and be in a position to provide the Congress and the President with timely advice and economic foresight on the complicated issues relating to international trade.

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[1] The Commission had earlier requested assistance from the General Accounting Office but was advised that it would not be able to respond because of its pending workload.

ANOTHER PROPAGANDA CAMPAIGN ON THE BUDGET OF DEFICIT

Mr. HUMPHREY. Mr. President, in January of 1973 the administration prepared a book called "The Battle of the Budget, 1973." This book was a propaganda kit prepared for high-level administration spokesman, and was aimed at influencing public opinion in support of the President's budget. The primary focus of this propaganda campaign was to paint the Congress as a bunch of big-time spenders and to scare the public about the possible consequences of not accepting the President's proposals.

This propaganda campaign was pursued throughout the spring and summer of 1973 via speeches by Nixon administration spokesmen and a series of highly political radio broadcasts provided by various Government agencies which small local radio stations broadcast throughout this country. The Comptroller General of the United States ultimately ruled that these radio broadcasts were illegal.

I had sincerely hoped that this sort of propaganda effort was ended when the administration was required to withdraw "The Battle of the Budget" kit and to remove its political announcements from the radio waves.

Unfortunately, it appears that this is not the case. I direct your attention to three articles from the New York Times, the Washington Post, and the Wall Street Journal, all reporting on statements made in a press conference by Secretary of the Treasury William Simon and OMB Director James Lynn. Let me quote briefly from each of these articles:

The New York Times:

> The Ford Administration . . . warned today that Congress was in the process of producing a deficit in the current fiscal year well above the President's target of $60 billion. . . . Mr. Lynn cited . . . areas of congressional action and inaction that he said could increase the . . . deficit above President's target of $60 billion. . . . Mr. Lynn said that every month Congress failed to act added to the deficit.

The Washington Post:

> Two top Ford Administration economic officials said yesterday that the nation had a record peacetime budget deficit in the fis-

> cal year just ended and warned that it could be nearly twice as high in the current fiscal year unless Congress curbs its spending. . . . Lynn and Simon both warned that not only could congressional action send the budget deficit soaring in fiscal 1976 which began July 1, they also admonished Congress for not paying enough attention to future effects of spending actions taken this year.

The Wall Street Journal:

> Indeed, Budget Director James Lynn, armed with charts and statistics, warned that the Federal deficit in each of the next two fiscal years could exceed $80 billion unless Congress rejects spending legislation currently being considered and approves budget cuts the President has suggested.

The Wall Street Journal goes on to call this campaign exactly what it is, "stepping up the Ford administration's propaganda campaign directed at Congress to hold the line on Federal spending."

It is a sad state of affairs when the administration has to rely on Secretary Simon, a former bond-trader and Director Lynn, an attorney, to discuss the economic plight in which this country finds itself. The truth of the matter is that the administration has no competent economists who are willing to honestly say that the present deficit we are facing is the fault of a big spending Congress. Let me quote what the President's own Council of Economic Advisers said about this deficit:

> These are large deficits but they reflect the short-fall in receipts and increased unemployment benefits stemming from the weak economy.

The President's economic advisers have stated quite candidly that if the economy were strong and the unemployment level were in the 4 to 5 percent range, then we would have a budget surplus, not a budget deficit.

By refusing to admit that this deficit is the result of recession, not a profligate Congress, the administration is trying to blame Congress for the results of its own economic mismanagement. Unfortunately, it has enjoyed some success in the news media.

Let us get a few facts straight. First of all, the administration is still saying that Congress may exceed the President's $60 billion deficit target. That is absolutely correct. The Congress, by concurrent resolution, has established a target amount of spending of $367 billion. Our best estimate on receipts indicate that this will produce a deficit in the range of $68–$69 billion. So it is perfectly true that we are going to exceed the President's $60 billion target. We voted on it and it will not be an accident when it occurs. Congress has the constitutional authority to decide appropriations, not the President.

Of course, the reason that we have judged such large deficits to be necessary is the weak state of the economy. Economic management by this and the previous administration has been so poor that we judged a significant amount of support to be necessary to get the economy back on a real growth path. When the deficit is recorded as exceeding $60 billion, we should not be ashamed of it—it may not taste very good, but it is the necessary medicine.

With respect to the target spending level of $367 billion, the situation is as follows: The House of Representatives has underway or completed action on roughly $273 billion of the total. The Senate has underway or completed action on about $216 billion. Presidential requests not yet acted on in the House of Representatives total about $96 billion and those not yet acted upon by the Senate total about $153 billion. This means that if action presently underway is completed and if spending appropriations are approved as the President has requested, total outlays would be approximately $369 billion. The most recent Treasury estimates, which are typically too low, project Federal revenues at $299 billion, thus producing a budget deficit of approximately $70 billion.

It would appear from the stories carried in the press that administration estimates of budget deficits in excess of $80 billion were arrived at by totaling up all of the various proposals Congress may consider. As we all know, Congress examines a large number of prospective programs each year but only approves a fraction of the total examined. If Congress spent every dime that it considers spending, doubtless the deficit would exceed $80 billion. But we all know that that is simply not a realistic projection—Congress will not approve every proposal. I would point out that only a few months ago those same spokesmen were talking about deficits in excess of $100 billion.

A second shortcoming in the administration's propaganda campaign is the lack of discussion of its own tax proposals. The administration is currently considering tax proposals designed to encourage capital spending by businesses. These measures may very well be needed. But, they will also have the effect of reducing total corporate taxes collected by the Government and, therefore, enlarging the deficit. If the administration decides to support such a program, then it will have to admit openly that its own tax policies are contributing to the size of the Federal deficit.

In closing, Mr. President, let me remind my colleagues that the recent remarks of Mr. Lynn and Mr. Simon were reported in the press throughout the country, often front page propaganda. The statement I have just made will not receive such attention. It is our responsibility, as we return to our homes for the August recess, to educate our constituents on the facts of this matter. I can assure you that with such a propaganda campaign underway from the administration it will not be an easy task.

I ask unanimous consent that the article from the Wall Street Journal be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BUDGET DEFICIT ROSE TO $44.21 BILLION IN JUNE 30 YEAR, SETTING 30-YEAR HIGH

WASHINGTON.—The federal government spent $44.21 billion more than it collected in the year ended June 30, the biggest budget deficit in 30 years, the White House announced.

And President Ford's budget advisers acknowledged that prospects of keeping the current fiscal year's deficit below $60 billion have all but vanished.

Indeed, Budget Director James Lynn, armed with charts and statistics, warned that the federal deficit in each of the next two fiscal years could exceed $80 billion unless Congress rejects spending legislation currently being considered and approves budget cuts the President has suggested.

"That much red ink in the midst of an economic recovery would be a catastrophe—a catastrophe of inflation," asserted Mr. Lynn, stepping up the Ford administration's propaganda campaign directed at Congress to hold the line on federal spending.

PROJECTIONS EXCEEDED

The budget deficit in fiscal 1975 was $2 billion larger than estimated only two months ago and almost $10 billion wider than last February's budget projection. The deficit also was well above fiscal 1974's $3.5 billion and was the biggest deficit since $47.47 billion in 1945. Government spending programs aimed at ending the steepest economic recession since the late 1930s were responsible for boosting the size of last fiscal year's deficit.

Fiscal 1975 receipts totaled $280.92 billion, compared with $264.93 billion a year earlier, while outlays were $325.13 billion, up from $268.39 billion a year before.

Mr. Lynn said that the $60 billion "ceiling" that President Ford has sought on the current fiscal year deficit will be exceeded by $1.3 billion next week if Congress doesn't act on White House spending-cut requests before it adjourns Friday for its annual August recess. Such action by Congress this week isn't expected.

The White House budget chief said the potential deficit for fiscal 1976 is a record $88 billion, assuming Congress extends recently adopted tax cuts, fails to adopt Ford administration spending-cut requests and approves outlays recommended in pending legislation.

Mr. Lynn said the budget deficit in fiscal 1977, assuming that the President's current budget policies aren't changed, would be $34 billion. That figure, he asserted, could climb to above $80 billion by congressional initiatives being considered currently and by other circumstances. An extension of tax cuts could boost the deficit $13 billion in fiscal 1977, he said.

FISCAL YEAR SWITCH

Congress in 1974 passed a law that will alter the structure of U.S. fiscal years starting in 1976. The current fiscal year will end as it normally would next June 30. However, then will follow a three-month "transition" period, ending Sept. 30, with fiscal 1977 beginning Oct. 1 of next year.

Treasury Secretary William Simon reiterated his concern that hefty budget deficits during a period of economic recovery would refuel inflation and also would "crowd" corporate borrowers from the nation's financial markets. "We've got to be concerned that inflation remains in the 6% to 7% range," he said, urging congressional spending restraint.

Mr. Simon, however, wouldn't say how much the deficit of the next two fiscal years would be raised by tax measures the Ford administration is expected to propose Thursday for boosting capital spending by corporations. These measures are likely to include steps to reduce corporate tax liability that, if approved, would reduce federal collections and raise the deficit.

Mr. Simon said he hasn't decided whether the recent tax deductions for individuals and businesses should be extended into calendar 1976. He said, however, that if the economic recovery moves ahead of schedule, he is likely to oppose an extension.

MARIGOLD FESTIVAL AT WINTERVILLE

Mr. BAKER. Mr. President, on June 14, I had the pleasure of attending the Fifth Annual Marigold Festival at Winterville, Ga.

The festival has attracted national interest and the attention of marigold lovers throughout the Nation, including my friend David Burpee, president of the W. Atlee Burpee Co. and developer of the "Dirksen Marigoid," who was also in attendance.

The city of Winterville, a small community located near Athens, Ga., adopted the marigold as its official flower in 1971. Since that time, under the dynamic leadership of Mayor Wesley Whitehead, the city has made its Annual Marigold Festival the focus of a remarkably successful effort at restoration, renovation, and community development. Through the Marigold Festival, the city of Winterville hopes to promote national interest in the adoption of the marigold as the American floral emblem as part of the National Bicentennial Celebration, an effort which I am more than pleased to join as cosponsor of Senate Joint Resolution 43, introduced by the distinguished majority leader (Mr. Mansfield) and myself on March 3 of this year.

In addition to my pleasure in helping to promote this goal, however, I was immensely impressed by the accomplishments of Mayor Whitehead and the citizens of Winterville in achieving a rejuvenation of their community in conjunction with the Annual Marigold Festival.

I would like to share with my colleagues a summary of Winterville's experience which was prepared by Ms. Cleo Crosby Norris. My late father-in-law, Senator Everett M. Dirksen, in the course of his efforts to secure approval of legislation to designate the American marigold as our national flower, once said:

> The marigold beguiles the senses and ennobles the spirit of man.

Nowhere is the ennobling quality of the marigold more evident than in Winterville, Ga., a community which has united behind a flower with remarkably refreshing results.

Mr. President, I ask unanimous consent that Ms. Norris' comments on Winterville be printed in the Record.

There being no objection, the comments were ordered to be printed in the Record, as follows:

Notes on Winterville, Ga.

(By Clio Crosby Norris)

Georgia's smallest county (Clarke) has only two cities within its boundaries: Athens, home of the University of Georgia, the nation's first chartered state university; and Winterville, home of the nation's first Marigold Festival. The two had 1970 populations, respectively, of 44,342 and 551.

What those 551 persons have been able to accomplish in recent years is in the classic tradition of American grassroots survival. In 1970 Wesley Whitehead was serving the second year of his first term as mayor; four equally new city officials were serving their second year as councilmen.

The quiet little "bedroom" community looked bedraggled even to them—although they were unanimous in condemning a roving reporter who took a long shot of the railroad track, overgrown with weeds, and the abandoned depot, and labeled Winterville a "ghost town". One of their early actions was to retrieve for city-government use an abandoned one-room frame building in which early justices of the peace had held court and which had at times been used as a voting place.

Alongside the depot, on the town square, was a small park where towered two magnificent deodar cedars, planted years before in a period of civic pride. The mayor wondered if a fountain between the two trees might accentuate the shabbiness of the town and cause the whole community to look critically at itself. He told the Council that a native son, then a successful landscape architect in another state, had offered to give plans for a fountain in honor of his parents; that several persons had offered contributions toward a fountain; and that he would guarantee that donations would cover the entire cost if the Council would permit the temporary use of funds lying idle for several years in a City savings account.

The fountain became a reality, and people did begin to look: at the railroad station that was being used to store strong-smelling and rat-breeding feed; at the frame building across the square that had successfully housed two of the community's doctors (Drs. Carter and Coile) but that then was sagging, unpainted, and often flooded from a caving roof; at other buildings, on or near the square, that were in serious disrepair.

The mayor continued to talk about the possibility of rejuvenating Winterville. When, after two years, he was returned to office, he felt that the voters had directed him to act. He asked a civic group to recommend a flower to the Mayor and Council. Early in 1971 the marigold was adopted as the city's official flower, and a Council on Community Affairs was appointed, with a representative from each civic group, to advise the Mayor and Council. In mid-June of that year, the community staged the nation's first Marigold Festival.

One of the heart-warming sights of the first parade was a small boy (reported in the 1970 Census of Population as the one "other race"—nonwhite, nonblack—person in Winterville) riding on a very small donkey and almost hidden under a giant sombrero. He was one of the many children who have been taken into the hearts and homes of residents of the town. If the Census Population could count the percentage of homes where children are sheltered through loving-kindness alone, rather than through obligation, Winterville would undoubtedly rank among the first in the nation.

At the second Marigold Festival, in 1972, the Carter-Coile Museum was dedicated as a memorial to country doctors, reportedly the first of its kind in the nation. The museum building had been restored almost wholly by volunteer craftsmen. The sign on the door was done, as a gift, by a local resident, a retired member of the University of Georgia Art faculty. During the dedication ceremony a retired black public-school teacher presented to the Museum trustees a fund raised in her honor by former pupils.

The third Festival, in 1973, highlighted the railway station, rescued from its feed-shortage days, repaired, and looking like a storybook illustration in its marigold (and railway) colors of yellow and deep red.

The fourth Festival, in 1974, saw the dedication of a community library, housed in another small-scale frame building, this one moved from the former "poor farm" of Clarke County. Mrs. Everett Dirksen was the featured speaker.

Winterville soon was referred to as the place "where the marigold works its magic."[1] The "friendship flower" brought the people of the community together as they staged successive Marigold Festivals. Two modest residential developments brought in new citizens, and their talents—along with these of residents of neighboring developments—have been put to use. The mayor has shown an unusual ability for matching people to jobs needing to be done and for securing the contribution of services. Since he took office in 1969, Winterville has (in addition to the activities already mentioned):

Secured from the Clarke County Board of Education the use of an idle school building as a community center and voting place, and laid carpeting and hung draperies in part of the building;

Organized and trained a volunteer fire department, purchased a new fire truck, and built a fire hall (all of which lowered insurance rates in the city);

Moved from one part-time police officer to a full-time, Academy-trained force, with adequate vehicles and other equipment;

Appointed a Planning and Zoning Commission that is functioning actively;

Replaced a half acre of borrowed land being used as a city park with four acres of recently purchased land.

The community has changed in other ways. A general practitioner, one of rare breed that prefers small towns, built a medical center in 1973, aided only by a $1,000 "loan" by area residents for land. A pharmacy in the center is owned and operated by a young registered pharmacist who was pleased not to have to move away from home to find an occupational opportunity. A dentist is scheduled to take up residence within the next year. Another young native has built a headquarters facility for his trucking company.

One of the town's civic clubs has a new, well-equipped building. Another is converting an abandoned residence into club quarters. One church has dedicated an educational annex, and another has started construction of a $284,000.00 facility.

Several long-time residents have built new homes in or adjacent to Winterville, and one native who has been living in a neighboring town has moved his family into his great grandfather's renovated home. A number of other old homes have been restored by young newcomers.

In its earliest years what is now Winterville was an area of scattered farm homesteads. In 1841 the first Augusta-to-Athens train took on water at "Six-Mile Station" (six miles from Athens). Later the stop was called "Winter," the name of the German who tended the tracks and water. In 1866 another Winter was named first postmaster of the new post office of Winterville. In 1904 the city was incorporated. In the 1920s the town was a center of agri-business activities. In the 1950s little was left but homes and the school. In 1955 city and county schools were consolidated and the Winterville High School was closed. Community spirit, which had rallied behind championship athletic teams, faded. The marigold has brought it back.

Besides bringing the people of Winterville together, the Friendship Flower has brought cities together. In 1973 and 1974 visits were exchanged by marigold enthusiasts of Winterville and Pekin, Illinois (1970 population 31,375), home of the late Senator Everett Dirksen, champion of the marigold as the national flower.

Winterville is disturbed that the United States of America has gone 200 years without a national flower and wants the country to adopt the marigold as a kind of Bicentennial present to itself—"Marigolds for America."[1] The nation could use some of the kind of magic the marigold has worked in Winterville.

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[1] Slogans used by Joan Biles, coordinator of Winterville's marigold festivals.

THE LOBBYING ON LAND USE

Mr. ABOUREZK. Mr. President, I have long been in favor of a National Land Use Policy Act, and strongly supported the bill which passed the Senate both in 1972 and 1973.

This legislation attempts to find a solution to our national land use crisis by encouraging conservation of natural resources, authorizing grants to the States for land-use programs, coordinating Federal actions concerning land use, requiring land-use planning for the public lands and encouraging cooperation among the States concerning land-use problems of interstate dimension.

At a time when the whole future of our American landscape is at stake, when new urban growth threatens to engulf an area greater than the entire State of New Jersey within a decade, we must reconcile the superficially antagonistic goals of growth and preservation. Population growth and industrial expansion require we build as much before the end of this century as we have built during the previous three centuries. If we want to save our resources from being any more irretrievably damaged, if we want to preserve and enhance the quality of life in America, it is necessary to engage in a national debate involving all American citizens on the rational and harmonious use of our land.

This is what proposed land use planning legislation would do: it does not create single planning system for the entire country, but restores power to the States, local governments and individual citizens by giving them the possibility of devising and planning the development of their resources without yielding only to the forces of individualism and economic interest. Ironically, the proposed legislation does not require the States by granting them financial and technical assistance for development programs, while at the same time clearly specifying that it does not authorize or permit the Secretary—of the Department of Interior—to manage or regulate non-Federal lands, through the issuance, approval, or disapproval of substantive State land use policies, standards or criteria, or as a condition of eligibility for grants under this act.

The most important aspect of this legislation is that it respects the interests and allows the participation of American citizens and their local governments; it reaffirms the rights of owners of property and protects the local governments from undue interference in land use decisions of purely local concern. It makes sure that American citizens have a voice in any decision affecting their own property and entitles them to adjust or revise existing land use controls.

Finally this legislation attempts to coordinate Federal policies which, because of the lack of consistent land use policies, have resulted in needless conflicts, and thereby have been impaired and unnecessarily costly for the public. The Washington Post has recently published two articles on the importance of the land use planning legislation that had been under consideration in the House of Representatives. As these two articles describe how H.R. 3510 proceeds by cautious steps to launch a nationwide debate on land use policies to meet our projected needs and promote our general welfare, weighing the long-term benefits of any future development for the general public, I ask unanimous consent that they be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

THE LOBBYING ON LAND USE

The pressures are building up as the House Interior Committee approaches consideration of H.R. 3510, the land use planning bill reported by a subcommittee chaired by Rep. Morris K. Udall (R-Ariz.). Committee members are being importuned in various ways by representatives of state and local governments, environmental groups, farmers, realtors, energy companies, construction firms and countless other interests. The lobbying is doubly intense because key votes in the committee are expected to be close, and leading opponents such as Rep. Sam Steiger (R-Ariz.) and the U.S. Chamber of Commerce are fighting hard to keep the legislation from reaching the House floor.

The controversy is understandable since land use policies affect everyone. What is regretable is that some of the busiest lobbyists are distorting the issues involved and fostering confusion and alarm. The Chamber of Commerce has told its members, for instance, that H.R. 3510 "amounts to a national zoning ordinance" which would snatch power away from local government and destroy private property rights. The bill does nothing of the kind. Some earlier proposals did contain more-or-less coercive elements, but such features are not included in H.R. 3510. The bill would simply provide aid to states that choose to develop comprehensive programs for making land-use decisions involving key public facilities, large-scale developments, projects with regional impact and areas of critical state concern. Moreover, H.R. 3510 would not dictate any particular planning approach: Each state would be free to determine how much responsibility should rest with local government and what functions regional or state agencies should perform.

Actually, two kinds of distortions are involved in the charge that H.R. 3510 would inject the federal government into local domains. In addition to misrepresenting the bill, that argument also ignores the fact that federal policies already have a major impact on land use. The federal-aid highway and sewer construction programs are obvious examples. Federal environmental laws, especially the clean air and clean water acts, have given the Environmental Protection Agency vast potential power to influence land use by setting pollution limits, restricting growth and vetoing proposed facilities. Widespread concern about case-by-case intervention by EPA has already led a number of states and localities to improve their own planning processes to minimize the need for federal dictation on environmental grounds. Thus it is not too much to say, as the National Association of Realtors and other groups have pointed out, that legislation such as H.R. 3510 would actually restore power to state and local governments by helping them to solve major land-use problems themselves.

Apart from these misrepresentations, what seems to trouble some groups most about land-use legislation is the possibility that new kinds of planning processes might unduly limit growth. This worry should not be dismissed as merely some selfish concern of land developers or logging companies or others. For the general concept of America as a land of perpetual expansion still has enormous force and popular appeal. The fact is, however, that the nation's land is not infinite and after generations of rapid, haphazard growth, the limits of the continent have become apparent. There is no room to satisfy all the competing claims on fertile farmland, fragile natural areas, water resources or placid communities. That is why communities and states should improve their abilities to evaluate their resources and to make hard choices in an orderly way. Helping them to do so is the purpose of H.R. 3510—and it is too important a purpose to be obscured by distortion and false alarms.

VOTE ON LAND USE

The lobbying has reached a feverish intensity as the House Interior Committee approaches its final vote on the land-use planning bill (H.R. 3510). The bill survived an early test last month by a slim margin, 22–20, but several committee members are said to be reconsidering their stands. Ideally, the forthcoming congressional recess should provide time for calm reflection. But interested groups on both sides of the controversy are poised to turn up the pressure in key members' districts next week.

Though the campaign against H.R. 3510 has grown increasingly frenetic, the bill itself is far more temperate than some earlier proposals in this field. Contrary to opponents' claims, the measure would not stop development. It would not dictate a federal land-use or zoning plan. And it would not impose any single planning system on the 50 states. Instead, the bill would encourage, but not compel, states to take inventories of their valuable land resources and set up comprehensive programs for making decisions about important areas, large-scale developments, major public facilities and projects with regional impact. The resulting planning structures would no doubt vary greatly from state to state, reflecting the diversity of land-use problems, existing programs and governmental traditions across the land. In the Washington area, for instance, most counties already have sophisticated planning efforts under way and regional cooperation is well advanced. H.R. 3510 would not upset those programs, but could complement them by stimulating better management of growth on the fringes of the metropolitan area and helping the states find better ways to evaluate large projects such as major energy facilities.

There is reason to be concerned about federal involvement, in land-use decisions that can best be made by state and local governments. That concern properly arises, however, not from H.R. 3510, but from the laws already on the books that inject federal agencies into land-use issues in a hundred different ways under labels such as highway construction, pollution control, flood-plain protection, sewer construction and park development. These laws, enacted and administered in disconnected ways, have produced reams of confusing and conflicting regulations which often delay decision-making and lead to federal intervention of the most arbitrary sort. Far from compounding such problems, H.R. 3510 would reduce them by fostering coordination among federal agencies and by enhancing the ability of state and local governments to weigh competing interests and make hard decisions more rationally.

All in all, the bill is conservative in the most fundamental sense. It recognizes that America is running out of room, that tough choices among conflicting goals and interests affecting land resources must be made—and that those judgments should be reached in ways that respect and accommodate the diverse circumstances and concerns of different areas. This is, in short, a modest bill but a very important one. The House committee should vote to send it on to the House floor.

ALF LANDON'S CURIOSITY

Mr. PEARSON. Mr. President, Alf Landon is 87 years old, but in both mind and body, he is much younger.

Alf Landon from Topeka has often been years ahead of accepted Washington thinking, particularly in regard to foreign policy issues.

I suspect that the key to understanding Alf's vigor and his political philosophy in his driving, unceasing curiosity. He has today, as always, an unquenchable thirst for knowledge concerning affairs of state.

One of the best descriptions of these characteristics of Alf Landon that I have seen recently appeared in the Hutchinson News in an article by Stuart Awbrey describing lunch with Alf Landon which has, over the years, become something of an institution.

Mr. President, I ask unanimous consent that the article, "Luncheon with Landon," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LUNCHEON WITH LANDON

(By Stuart Awbrey)

TOPEKA.—His fork fiddles with a mound of roast beef and mashed potatoes, occasionally scooping a mouthful when there is a pause in the conversation. At 87, the Governor's appetite is in good working order.

His eyes twinkle as he surveys the dozen gathered around his luncheon table at the Topeka Club. News people, mostly, plus a vice-chancellor and a son-in-law. He listens intently, occasionally poking through the fog of table talk to say, "Now, to sum up what you have been saying, it comes down to this. . ."

He is in his element. Politics, the tidbits of the world from Topeka to Taipeh, the communicators, the memories of a more innocent day.

Our comic strip pun last week, with its reference to "Elf Landon," seemed most appropriate. In spirit, a little bit of puck combines in the Governor with a calm assurance that all can be right with the world, if we only keep our wits about us.

He certainly has kept his.

"There's something comforting, listening to a man recall what he did in 1912," mused Peter Macdonald as we drove away from the capital.

Ostensibly, we gathered to visit with Joe Galloway, the UPI's chief for Southern Asia, in town to renew old friendships.

But when you sit down with Alf Landon, Southern Asia is too small a corridor to contain the conversation.

It roamed from the Days of the Bull Moose to the flaky fortunes of Martha Keys; from the duplicity of Indira Gandhi to the puzzle of Sargent Shriver's emergence as a presidential candidate; from Singapore's Raffles hotel to the maneuvers of Texaco in the abandoned oil fields of Allen county.

And intermittently, the Governor says:

"Now, what we're saying here can be reduced to these points. . ."

Strangers to Kansas have found it perplexing that a provincial governor who was thrust into national prominence by the political circumstances of 1936 was pushing a form of detente with Communist China 20 years ago, long before Kissinger.

But after they visit with him, the question is answered. Alf Landon is not a provincial man. Parochialism is not in his nature. Although he does know more than most of us about how to recover Southeast Kansas oil in the second or third try, he also knows about Indonesia's mineral wealth.

(Were you aware, for example, that Indonesia exports nearly all of its own oil to Japan because it is of the superior grade that the Japanese want for their machines, and then imports oil from the Mid-East for Indonesia's own use? Or that 40 percent of the known supplies of U.S. oil are still down there, waiting to be pumped up?)

The secret of Alf Landon is curiosity.

It may even be what keeps him young.

He gives you the impression that everyone, even a newspaper editor, has something to add to his crowded warehouse of facts. He can find in a survey conducted in a college classroom a clue to the 1976 presidential elections. An Irish professor passing through town gives him insights into the Kennedys. An Asian correspondent contributes to his bewilderment about Watergate and international reaction to our troubles.

Landon's luncheons are almost as famous as the Landon Lectures. They are private, and that's a pity.

Some should be taped and spread for public consumption. The dialogs may not be exactly Socratic, but they would add measurably to people's comprehension of the world around us—from Salina to Singapore, and points between.

ABBOTT-NORTHWESTERN HOSPITAL HELPS ELDERLY

Mr. HUMPHREY. Mr. President, on July 8, Mr. George G. Adamovich, administrator of the Abbott Hospital Division, Abbott-Northwestern Hospital, Inc., in Minneapolis testified before the House Select Committee on Aging, Subcommittee on Health and Long Term Care.

The hospital has worked very closely with the Minneapolis Age and Opportunity Center and its program of comprehensive services to senior citizens. These services provide alternatives to the institutionalization of older persons and provide the elderly with support to live independently and with dignity.

Abbott-Northwestern Hospital, Inc., is a voluntary nonprofit hospital located in the center city of Minneapolis. It operates two acute general hospitals approximately 1½ miles apart. Through the merger of prestigious hospitals in the Twin Cities—the Abbott Hospital, the Northwestern Hospital, and later the Sister Kenny Institute—this corporation now supports 849 beds, has over 2,700 employees, and provides over 230,000 days of patient care, which all amounts to one of the largest health care facilities in Minnesota.

Mr. Adamovich stated that the merger of these facilities testifies to the recognition by the Board of Directors that medium-sized hospitals, located in the downtown area, cannot go it alone in a time of rising costs, changing consumer expectations, and revolution in our health care delivery system.

Having a patient population including some of the wealthiest and some of the poorest residents of the area, the hospital has not only developed acute medical-surgical services, but new specialized programs such as an alcoholic treatment and chemical dependency program with both acute and residential facilities, a community mental health center featuring inpatient and outpatient care for all age groups, and also community controlled, hospital funded neighborhood counseling center.

It is important to note that to this day there are no Federal funds in this program.

Testimony showed that there are far too many senior citizens in need of medical care whose physical condition continues to deteriorate because they cannot afford the high cost of medical care, even with the help of medicare. This program has removed the financial barriers that are keeping the elderly from obtaining adequate health care.

Mr. President, I ask unanimous consent that the testimony of George G. Adamovich be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

TESTIMONY BY GEORGE G. ADAMOVICH, ADMINISTRATOR, ABBOTT HOSPITAL DIVISION, ABBOTT-NORTHWESTERN HOSPITAL, INC., MINNEAPOLIS, MINN.

Mr. Chairman, my name is George Adamovich. I am Administrator of the Abbott Hospital Division of the Abbott-Northwestern Hospital Corporation. Our Hospital has worked closely with the Minneapolis Age and Opportunity Center program of comprehensive services to Senior Citizens since the very beginning when Mrs. Krause, and her committee of Senior Advisors, first developed the comprehensve concept of alternatives to institutionalization to support the Senior in independence with dignity—a plan at the same time bold and visionary, and, practical and cost effective.

It has been a rare privilege to participate in the development of a program which, for the first time, brings together a fully-coordinated system of health and supportive social services to attack the practical and complex problems of maintaining the health and independence of our elderly population. The issues to be faced in providing for the health and well-being of our elderly population cuts across all income and social levels. Of particular significance is the thrust of this program which attacks effectively the massive problems of the near poor or "corridor" population whose income is above Medical Assistance level and below a level to sustain quality of life. It has freed this group from the harsh reality of choosing between health and food, and, between independent living in the community and institutionalization. I am convinced that we already have demonstrated the cost effectiveness together with the enormous positive social implications of this unique system for maintaining the health and independence of our elderly population. We are grateful to know that we have had a role in the development of a program which has such enormous impact on the dignity and quality of life for so many people in our community. It has truly set a pace for the Nation!

Mr. Chairman, with your permission, I will take a moment to describe the background and characteristics of Abbott-Northwestern Hospital, the organization which I represent. Abbott-Northwestern Hospital, Inc. is a voluntary non-profit hospital located in the center city of Minneapolis, Minnesota, with assets of over $38 million, and operating two acute general hospitals approximately one and one half miles apart. Its Board of Directors, chaired by Mr. Dean McNeal, is a broadly representative group of distinguished citizens who volunteer their time directing the affairs of this public trust. Mr. Robert C. Millar is President of the Hospital and its Chief Executive Officer.

Abbott-Northwestern came into existence in January, 1970, through a merger of two prestigious Hospitals in the Twin Cities—Abbott Hospital, having 343 beds located at 110 East 18th Street, and, Northwestern Hospital, having 465 beds, located at Chicago and

27th Street. In April, 1975, the American Rehabilitation Foundation, known as the Sister Kenny Institute, merged with Abbott-Northwestern Hospital and is co-locating with the Northwestern Division. The Corporation now operating 849 beds, having over 2,700 employees, providing over 230,000 days of patient care, is one of the largest providers of health care in Minnesota.

The merger of these facilities testifies to the recognition by the Board of Directors that medium-sized hospitals, located in the downtown area, cannot go-it-alone in a time of rising costs, changing consumer expectations, and revolution in our health care delivery system.

Our Board of Directors, recognizing the sophistication of its Medical Staff and Hospitals, began to develop a Regional Medical Center. Abbott-Northwestern is a partner in the Minneapolis Medical Center, Inc., which includes the Children's Health Center. Together we share services, work to eliminate unnecessary and costly duplication and share services and expertise with many Hospitals throughout Minnesota, and some in neighboring Wisconsin.

In June of this year, the Executive Committee of our Board of Directors has recommended the study of the feasibility of consolidating all center-city acute facilities on one campus as a means to avoid costly duplication and control operating costs. Of great significance was the further recommendation that a feasibility study be undertaken to develop a major Senior Center embracing the important components of Education and Research in the field of aging, and, utilizing major existing facilities as a nucleus for this development. This development is testimony to the accomplishments of the Minneapolis Age and Opportunity Center in vividly demonstrating that the challenges of aging are an issue of major national concern.

Abbott-Northwestern, in addition to a full range of acute medical-surgical services, has developed exciting new specialized programs, such as an alcoholic treatment and chemical dependency program with both acute and residential facilities, a Community Mental Health Center featuring inpatient and outpatient care for all age groups—together with a Community controlled, hospital funded Neighborhood Counseling Center. There are to date no Federal funds in this program. The Hospital has recognized a growing responsibility for providing accessibility to service to the immediate neighborhood, and, supports community medicine through decentralized community clinics.

So, we have as our patient population some of the wealthiest people and some of the poorest people in the Metropolitan Area. The Hospital views itself as a member of the local community and has tried to participate as a responsible member of that Community in preserving our City as a good place in which to live and work. One might look upon our concern with the Community as enlightened self-interest; we feel we can remain healthy only in a healthy community.

Abbott-Northwestern shares the growing National concern relative to availability, accessibility and the rising cost of health. We are convinced that quality health care now costly will continue to climb in cost because the realities of inflation, rapidly advancing technology and consumer expectations conspire inevitably to make it so. I believe that those who would portray it otherwise are indulging fantasy.

In addition to the basic requirement that we as a nation, meeting the challenge that "health care is a right of all citizens," adequately funding services to the disadvantaged, we must recognize that health care is not only the doctor and the hospital. If we are to contain or reduce the rising cost of health care, we must begin to adequately fund outpatient and home health services which provide appropriate and rational alternatives to costly inpatient care for many of our citizens. The Minneapolis Age and Opportunity Center "medi-supportive" program provides dramatic evidence of the accuracy of this viewpoint.

Thank you, Mr. Chairman. At a later point in our presentation, I will cover the economic issue, relative to this Program.

Mr. Chairman, in working with the Minneapolis Age and Opportunity Center over several years, including a pilot clinic organized on a fee for service model, we became painfully aware of the tremendous barrier to health care of the deductible and co-insurance features of the Medicare program, and, the reluctant failure of so many Senior Citizens to obtain needed medical services. Many Senior Citizens frankly admitted they thought Medicare would pay their medical bills and were bitterly disappointed when this was not true. Senator Domenici, in November of 1974, described this reality by saying that "Medicare has in many ways become a broken promise to the Elderly."

While M.A.O. became critically aware that the cost constraints for most Seniors were a major disincentive to obtaining necessary medical care for a significant number of Seniors, we could only speculate on the scope of this problem. In statistical data on Minnesota's elderly (attached), we found that benefits for health services on behalf of Medicare enrollees exceeds the national average for the hospital portion of the program, and is less than the national average for the medical portion of the program.

Those same statistics confirm that the environment in which M.A.O. operates is in many ways more favorable than one might find in other parts of the country—making the experience of M.A.O. even more dramatic.

We at Abbott-Northwestern discussed with M.A.O. the possibility of accepting Medicare payments as total payment for all primary health care provided by the Clinic and all hospitalization. In addition, we explored making drugs available at near cost to Clinic participants.

On the side of proceeding with such a policy was the obvious need, although the real magnitude was not then known. We feel strongly that hospitals, as the community's largest (if not only) organized health care resource must take initiative, and assume some risk, in defining health care needs and developing programs to meet those needs. It was clear to us that Medicare was not doing the job, as widely believed.

Also, on the plus side, in terms of economics, was the probable increased hospital and ancillary service utilization that would result from hospital participation in such a program.

Inpatient days in hospitals throughout the country are declining for various reasons. Underutilization of hospitals tends to increase cost per patient day; so any appropriate new activity that would legitimately bring about better utilization of the hospital would tend to reduce the cost per patient day, which is terribly important when considering the social, political and legal constraints we are under to hold the line on increasing costs.

On the negative side of proceeding with a free service pricing policy were the obvious costs of absorbing the deductibles, co-insurance and non-allowable cost features of Medicare, plus the capital cost of providing remodeled space for an expanded program. We had no clear way, of course, of accurately estimating either the increased revenue or increased expenses, but we attempted to do so, and with Board approval decided to proceed.

A M.A.O. Newsletter announced that the expanded program for the Senior Citizens' Clinic would offer to a couple, having income of $5,500 or less, or a single person, having an income of $4,500 or less, primary health care and hospital services at no cost above Medicare. In addition, prescription drugs would be available at cost plus minimal handling charges.

In conjunction with the new pricing policy, Abbott-Northwestern agreed to remodel space in a building across the street from our Emergency Room and giving the Abbott-Northwestern/Minneapolis Age and Opportunity Center Senior Citizens' Clinic a home of its own.

Mrs. Krause has discussed and Mr. Kramer will review the incredible impact of patient demand and our shock at what we found to be the state of their health.

We feel that the lesson is dramatic—there are too many Senior Citizens in acute need of medical care whose physical condition continues to deteriorate because they cannot afford medical care, even with Medicare. By removing the financial barriers, as we have done, the people not only seek care, but far exceed our present capabilities to adequately respond to those needs.

There is pressure nationally to reduce the number of acute hospital beds. This appears on the surface desirable because they are not effectively utilized. On the other hand, wouldn't we, as health professionals, and as a Nation, look ridiculous a few years from now, if after reducing the number of hospital beds, we found a large unmet need and had to replace them?

I am convinced that unmet need in the elderly population and among other age groups of the blind, handicapped, poor and near poor, would appropriately and fully utilize available health facilities in any metropolitan area of the Country where the disadvantaged concentrate, if financial barriers were elimnated.

The announcement of this Clinic, it is fair to say, created a number of shock waves in the medical and hospital community. It is a credit to the Hennpin County Medical Society, and particularly to key physicians in each of our hospital's medical groups, who formed the professional organization called Community Medical Associates, P.A. (C.M.A.), that were able to overcome many initial reservations concerning the program and move ahead. Dr. Roger Farber, M.D., whose testimony was introduced today, is a member of the C.M.A. Board. Subsequent favorable articles in the "Medical World News," and "American Medical Association News" further assisted in acceptance of this program.

It would not be appropriate to discuss the impact of this program without reviewing the economic issues implicit in the program. The statement I most often hear is that we must be "making money" from these additional Medicare patients. I would like to underscore categorically that no one can make a profit, or for that matter even a reasonable net gain for maintaining equipment and facilities, from Medicare patients.

In a nutshell, Medicare pays either allowable cost or billed charges, whichever is lower. This means if you underprice your services, you will lose money; if you price your services above cost, Medicare will discount its payment. This is essentially true of Blue Cross patients as well, which, together with Medicare, accounts for 60% of the hospital's revenue.

A key question we are also asked regularly is "how can the hospital afford to absorb the deductibles, non-allowed costs, and co-insurance costs of Medicare?" We have recently completed an in-depth economic analysis with the assistance of our auditors on the effect of this program on the Clinic and hospital during the start-up year, 1974. In preface, I must say that if the Senior program bore full cost accounting overhead of the hospital operation, rather than the incremental costs realized to serve these patients, the loss would be significant. However, as long as the number of inpatients generated from this program are not so great as to require a major change in staffing patterns throughout the hospital, the program benefits the hospital operation through shared overhead which reduces the cost per patient day for all patients.

It is important to remember that clinics organized in this financial pattern are practical only on a limited, demonstration basis. In no way can we assume that all Hospitals are capable of accepting Medicare as full payment. What must be done is to correct through Legislative action the deficiencies inherent in Medicare so that providers—doctors, hospitals and supportive service agencies—can be fairly reimbursed for services they provide to Senior Citizens.

There is no question that the complexity of such a program, the capital investment necesary to deliver the service, programmatic expertise, and the many uncertainties and variables in estimating financial impact are major roadblocks to most health care providers who might be interested in experimenting with such a program. This places a special sense of urgency on the need to make available educational and research funds to take advantage of what has been developed in this Program.

It is no small concern to us who are responsible for the delivery of health care, that the Country is heading rapidly toward a program of National Health Insurance, and, that it may be patterned after Medicare. No greater disservice could be done to the American people than to build in, for all Americans, the serious inadequacies of the present Medicare system.

Surely we would not quarrel with Aristotle, who said: "If we believe men have any personal rights at all as human beings, they have an absolute right to such a measure of good health as society, and society alone, is able to give them."

Medicare coverage is directed solely at episodic acute care. Specifically, it provides no coverage for routine health screening or preventive health measures. To be covered by Medicare, the patient must manifest specific symptoms. It would seem obvious that proper diagnostic screening contributes significantly to early detection of disease, the prevention of unnecessary disability and death, and, consequently to the quality of life. Such a regressive position has no place in a national health insurance plan.

Furthermore, the legislative mandate of coverage for Seniors under Medicare has been systematically reduced by the bureaucratic policy decisions of the Executive Branch of Government. Specifically, when Medicare first became law, 80% of a Senior's health care was covered, today it has been whittled down to less than 40%.

In effect, the Federal policy has become one to contain cost by further reducing coverage to Seniors at a time when fixed income groups, are being hardest hit by inflation. An attempt has been made to justify this policy on the theory that Seniors will abuse their right to health care unless deductibles and co-insurance are ever increased. Harry Schwartz in his book, "The Case for American Medicine," articulates this philosophy as follows: "It is difficult not to suspect that some people covered by Medicare are simply demanding more hospital care because they see it as free or cheap." Our experience would show that such a policy promotes the rapid deterioration of the ailing Senior and results in premature institutionalization at a major cost to the taxpayer, and, reduces the quality of life of our aging population.

To us it is obvious that he has little understanding of the psychosocial characteristics of Seniors.

The proposal of Secretary Weinberger and H.E.W. to further curb reimbursement to physicians under Medicare and thereby discourage acceptance of assignment (or acceptance of Medicare as full payment), which only means that the Senior must pay more himself out of an already limited income, adds to the already staggering burden of coping with cost of living. In the same proposal, the Federal government proposes to eliminate the 8.5% Medicare Nursing-cost differential, increasing the burden to non-Medicare patients and further jeopardizing the financial stability of American Hospitals.

Of no small importance, is the fact that Medicare fails to provide for preventive health measure, important diagnostic tests such as the pap smear for cervical cancer, drugs, and dental services. Its recognition of the important supportive home health services is so limited as to be virtually non-existent.

The Nader Report, "Old Age, The Last Segregation," makes some important observations about societal attitudes toward Seniors. I quote: "There is a colossal amount of collective callousness that pervades society, from organization to the individual level."

It goes on to say:

"In 1969 the American people spent five billion dollars on preparations to keep them looking young; in 1970, the Federal Government spent one and one-third billion dollars on Old Age Assistance—in our single-minded pursuit of youth we have systematically ignored those who are old."

And finally the Report quoting Commissioner John B. Martin of the Administration on Aging:

"Older Americans have been expected to be content with half measures—discounts, tax concessions, reduced bus fares, and charity from their children or voluntary agencies. They have watched as the special needs of other segments of the population are rightfully understood and met, while their own special needs for mobility, for increased socialization, for the sense of worth which comes from productive capacity, go unheeded."

Beyond the economic considerations, we must examine the appropriateness of such a special program as M.A.O. within the changing role of the hospital and the changing social environment. Central cities throughout the country are in jeopardy as they are their facilities become outdated, as the neighborhoods in which they are located deteriorate, and as they see their occupancy and revenue decline.

The central cities of America cannot afford to lose their Hospitals. In the urban areas, it is these institutions which help provide the backbone to revitalize citizen interest in their communities and organize resources to meet health care needs of the Community.

These realities mandate that we explore alternative mechanisms for making health care accessible, and explore new roles for the hospital, new relationships with citizens, and new ways of organizing health care resources to deliver care, if we are to be effective stewards of our public trust.

New patterns of health care must include an effective partnership of health and human services to maximize health care delivery while minimizing cost. Components of such a system in Britain are described in Senator Kennedy's book. "In Critical Condition—The Crisis in American Health Care." The Minneapolis Age and Opportunity Center's comprehensive program provides a unique example in this country of such an approach.

In 1961, the White House Conference on Aging said: "The need to expand institutional facilities should not discourage non-institutional alternatives, particularly treating the individual in his own home."

A recent report of the General Accounting Office suggested that "wider use of" alternatives to traditional health care could save 81.7 million in short-term general hospital days, or about $3 billion in 1970 operating costs.

In the face of a major national move toward National Health Insurance in some form in the near future, it is vital that government, and the providers of health and human services, work closely together to insure that the best system is developed in the public interest. Toward that end, funding must be made available for education, research and development in alternative approaches to health care delivery—focusing on those which are both human effective and cost effective.

Mr. Chairman, I would like to thank you and this distinguished Committee for inviting us to share with you our experiences and findings in a program of comprehensive services to Senior Citizens.

NEW MARIHUANA RESEARCH

Mr. JAVITS. Mr. President, with Senators Cranston, Brooke, Nelson and Tunney I have sponsored S. 1450, a bill to decriminalize the possession of small amounts of marihuana and to substitute a system of civil fines up to $100. The bill is currently before the Senate Subcommittee on Juvenile Delinquency.

In view of our interest in keeping the Senate advised concerning the ongoing study and research undertaken by various groups throughout the country on this question, I wish to call the Senate's attention to the recent conference by the Drug Abuse Council in Washington on marihuana research.

Its findings show that there is as yet no direct evidence that marihuana causes any serious mental illness. Nineteen scientists participated in this conference.

Similarly, a recent study done for the Center for Studies of Narcotic and Drug Abuse of the National Institute of Mental Health concluded that marihuana smoking in Jamaica, where the consumption by heavy users is said to be 10 to 25 times that of U.S. users, has failed to confirm any serious adverse affects.

Mr. President, I ask unanimous consent that the summary report of the Drug Abuse Council which I cited, an article in the New York Times by Walter Sullivan, of July 9, 1975, entiled "Marihuana Study by United States Finds No Serious Harm," and an article in the New York Times by Leslie Oelsner, July 13, 1975, and entitled "In a Sometimes Bitter Fight, States and Cities Are Easing Marihuana Laws," be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Drug Abuse Council Conference on Methodological Issues in Recent Cannabis Research

AN EXECUTIVE SUMMARY REPORT

In response to reports of direct links between the use of marihuana and various health hazards, the Drug Abuse Council sponsored a January 1975 conference in Washington, D.C. on methodological issues of recent marihuana research. Participating in the conference were 19 scientists, recognized international experts on research techniques presently employed for studying the effects of marihuana. These investigators, who represented the disciplines of genetics, immunology, endocrinology, pharmacology, internal medicine, psychiatry, neurology, and psychology provided their best, up-to-date objective statements on controversial issues in marihuana research.

Discussion focused on research areas of current concern with general consensus as follows:

There are major difficulties in applying results from animal research to investigations with humans.

In humans, the use of retrospective studies—that is, investigation in which questions are asked about the effects of drug use after the use has already begun, are often confusing because of the many different factors that might influence the outcome. Preferable are investigations in which the important tests are made on an individual before he starts using marihuana and then continuing the investigation with the same individual after he begins using marihuana.

Large scale epidemiological investigations similar to those which established associations between smoking cigarettes and health hazards, will be required to identify certain health consequences of chronic marihuana use. Since these studies of intensive, long-term marihuana consumers have not been done, our knowledge of the drug's chronic effects is still limited.

Marihuana can impair the T-cell—one type of white blood cell—mediated component of the human immune response, but it is unclear what significance this alteration has for the total immune response and hence for the susceptibility to disease.

There is no definitive evidence that the use of marihuana causes any serious mental illness, or produces persistent generalized decrements in motivation in the form of an amotivational syndrome. Similarly, in the few well done studies completed to date, there has been no evidence of marihuana induced brain damage.

While there is not as yet definite evidence that marihuana represents a danger to human genetic and reproductive processes, the fact that marihuana can alter DNA synthesis suggests the possibility of deleterious consequences. (DNA is a basic component of chromosomes and is considered to be the repository of hereditary characteristics.) Since marihuana easily crosses the placental barrier, the use of marihuana by pregnant women is especially unwise.

Under certain conditions, marihuana does reduce levels of human testosterone—a male sex hormone, but once again, more research is needed to determine the significance of this finding.

As further investigations of chronic marihuana users are completed, it is probable that other health hazards of the drug will be identified. One should be aware of the inevitable time lag between the widespread use of a drug and the recognition of its long-term adverse effects. Smoking cigarettes, with its long history as a "harmless drug habit" is only one of many examples. However, our present state of knowledge indicates that although there are always ample reasons to be concerned about the use of any drug, there are no new reasons to be especially disturbed by the use of marihuana.

Further research is obviously needed. Such research is necessarily complex and inevitably requires the investment of expertise, time, and research funds. As is true in most areas of science, the focus on short term, immediate payoffs is neither an efficient nor desirable method of acquiring the body of knowledge necessary to make informed decisions. Also of importance in the emotionally charged area of drug use is utilizing the final check process of presenting research results to the scrutiny of scientific colleagues, before demonstrating them to a non-scientific audience who do not have always the background to make critical assessments.

The conference proceedings will be published by Academic Press in August 1975.

[From the New York Times, July 9, 1975]

MARIJUANA STUDY BY U.S. FINDS NO SERIOUS HARM

(By Walter Sullivan)

A federally contracted study of marijuana smoking in Jamaica, where the consumption by heavy users is said to be 10 to 25 times that of their American counterparts, has failed to confirm any serious adverse effects.

The only significant difference found between smokers and nonsmokers was that among smokers there was a slightly higher incidence of hypoxia, or reduced delivery of oxygen, to tissues by the bloodstream.

It was suspected, however, this this may result from the use of tobacco, which is customarily mixed with the marijuana by Jamaicans.

The study was done for the Center for Studies of Narcotic and Drug Abuse of the National Institute of Mental Health. It was directed by Drs. Vera Rubin and Lambros Momitas of the Research Institute for the Study of Man at 162 East 78th Street in New York.

Participating as well were the University of the West Indies and 35 physicians, psychiatrists, other specialists and staff members.

The report of its findings, in book form, became available last week. At the same time the Drug Abuse Council, an independent, Washington-based organization, reported the findings of 19 experts who met in January to assess various attempts to determine the risks of marijuana use.

SIGNIFICANCE OF CHANGES

They agreed that smoking the herb can bring about certain bodily changes but said the significance of those changes was uncertain.

"Large-scale epidemiological investigations similar to those which established associations between smoking cigarettes and health hazards will be required to identify certain health consequences of chronic marijuana use," said a summary of the drug council's findings.

"Since these studies of intensive, long-term marijuana consumers have not been done," it added, "our knowledge of the drug's chronic effects is still limited." The council was set up in 1972 by the Ford Foundation and three other foundations to provide independent guidance in coping with drug abuse.

In a forward to the Jamaican study, Raymond Philip Shafer, who headed President Nixon's National Commission on Marijuana and Drug Abuse, hailed it as "the first intensive, multidisciplinary study of marijuana use to be published."

He cited a comment by the late Oliver Wendell Holmes, former United States Supreme Court Justice, that dragons in dark caves are far more fearsome than in daylight. It is therefore refreshing, he writes, to have "an objective study which not only exposes but demolishes many emotional and 'fright-symbolic' dragons" regarding marijuana use.

Mr. Shafer, a law school classmate of President Ford and former Governor of Pennsylvania, is now an aide to Vice President Rockefeller.

In 1973 his drug abuse commission recommended abolition of penalties for private use of and possession of marijuana, but this was not welcomed by President Nixon.

CONTRADICTIONS ARE NOTED

The Jamaican report is discussed by Dr. Erich B. Goode, associate professor of sociology at the State University of New York in Stony Brook, in the July 4 issue of Science. It is, he writes, "one of the most significant sets of findings on cannabis ever assembled in a single study."

Cannabis is the scientific name of the plant genus from which marijuana is derived. Dr. Goode is an authority on its effects and is clearly in sympathy with the report's findings. He notes that they contradict earlier reports of chromosome damage, loss of the ability to combat disease, brain damage and loss of motivation derived from marijuana use.

On Tuesday, for example, this newspaper published a letter on the subject by Dr. Gabriel Nahas and several others at Columbia University's College of Physicians and Surgeons.

"Recent medical evidence," they wrote, "indicates that long-term marijuana smoking in amounts currently used in the U.S. is associated with the following hazards:

"Hormonal imbalance, inhibition of spermatogenesis, lung damage, impairment of immunity, increased formation of chromosome deficient cells with possible damage to the offspring, interference with memory and speech and impairment of driving performance."

The evidence for immunity impairment was reported in 1973 by Dr. Nahas and his colleagues in Science. Last April, in the same journal, a group from the Veterans Administration Hospital in Washington, D.C., reported findings that "differ completely" from those of Dr. Nahas.

In evaluating such research the Drug Abuse Council's summary states that marijuana "can impair" that component of the human immune response mediated by one type of white blood cell (the T cell). "But," it continues, "it is unclear what significance this alteration has or the total immune response and hence for the susceptibility to disease."

Jamaica was chosen for the study there because of the high rate of marijuana consumption in a sociological setting basically different from that in the United States. Instead of being socially frowned upon, it is generally accepted, with the nonuser being regarded as the nonconformist.

It is not used in a recreational context but as an "energizer" for those doing heavy work. Studies based on videotapes and other recording devices showed that workers performed better when using cannabis than when not doing so.

Fear in the United States that such use leads to lethargy "is not borne out by the life histories of Jamaican workingclass subjects or by objective measurements," the report says. These, it adds, indicate that heavy use "does not diminish work drive or work ethic."

Furthermore, it says, "There is no evidence of any causal relationship between cannabis use and mental deterioration, insanity, violence or poverty." The only medical differences found between smokers and nonsmokers were circulatory and lung effects that could be attributed to tobacco.

The Drug Abuse Council summary reflects a similar assessment. The experts found "no definite evidence" of mental illness, persistent loss of motivation or brain damage. However they gave more credence to evidence of an effect on the synthesis of DNA (the key substance of the genetic process).

This did not necessarily represent any threat to human genetics or reproduction, they said, but added: "Since marijuana easily crosses the placental barrier, the use of marijuana by pregnant women is especially unwise."

EFFECT ON SEX HORMONE

The summary also notes that "under certain conditions" use of the herb reduces levels of testosterone, the male sex hormone, but again, it said, the significance of this was unclear.

While further health hazards will probably be identified, the summary added, "Our present state of knowledge indicates that, although there are always ample reasons to be concerned about the use of any drug, there are no new reasons to be especially disturbed by the use of marijuana."

Nor was there evidence that the users tended to become inured and turn to other drugs. Hard drug usage is low. Furthermore Mr. Shafer suggests that the use of marijuana cuts down on alcoholism.

Alcoholics account for less than one per cent of mental hospital admissions in Jamaica, whereas in other Caribbean areas where the herb is little used, admissions of alcoholics run as high as 55 per cent.

In his review Dr. Goode says that "only by examining the use of a drug in a wide range of settings and environments can we piece together anything like a well-rounded picture of what it does to people."

"For most drugs," he adds, "What we know comes from studies on a narrow range of subjects—usually American, and usually "captive" prison, hospital or college populations." He says that, while marijuana is technically outlawed in Jamaica, its use is so widely accepted that the study could be done there far more readily than in the United States.

The Jamaican report is entitled "Ganja in Jamaica," ganja being the term for marijuana used on that island. It is a Hindi word as use of the herb was introduced by East Indian laborers in the nineteenth century. The Jamaican marijuana appears to be a more potent form than the Mexican variety familiar to Americans.

The report says that whereas the typical American user consumes only one or two marijuana cigarettes a week, a moderate Jamaican user smokes the equivalent of five to eight a day. A heavy Jamaican user was said to smoke in excess of eight a day. Because the Jamaican herb is more potent, the Jamaican user's intake of the active ingredient was said to be 10 to 25 times that of his American counterpart.

According to the report, the Jamaican users raised the suggestion that many of the effects reported by the American users may be subjective. Few of the Jamaicans reported the sensations described by American users, such as a sharpening of taste, enhanced hearing and appreciation of music or loss of a sense of elapsed time.

A variety of medical and psychological tests were performed on matched groups of 30 smokers and 30 nonsmokers. However, it was difficult to find as many as 30 who had never smoked cannabis. Chronic users were asked not to smoke while in a hospital for the tests, and no withdrawal symptoms were observed.

While in-depth medical examinations were given to each subject, some of the effects, such as allegedly impaired sperm production, were not tested as they had not been reported when the two-year project was began in 1970.

The report, published by Mouton at the Hague in the Netherlands, is being distributed by MacFarland Publications of Scotch Plains, N.J.

Mr. Shafer did not contend that marijuana is entirely safe. "There are always risks inherent in the use of any 'drug,' including aspirin," he wrote. To what extent a harmful effect "is inherent in the substance and to what extent in the society or in the consumer is the research problem that must be divorced from spurious issues, especially in the case of marijuana."

"Everyone agrees," he concluded, that "continuing research and evaluation are necessary.

[From the New York Times, July 13, 1975]

In a Sometimes Bitter Fight, States and Cities Are Easing Marijuana Laws

(By Lesley Oelsner)

WASHINGTON, July 12.—The criminal penalties for the private possession of marijuana are beginning to fall; so are the criminal sanctions for smoking marijuana, at least at home.

They are being toppled, in an often bitterly fought nationwide drive, by a combination of politics, practicality and a growing sense that the typical marijuana smoker is not a criminal.

In the last two months, Alaska, Maine, Colorado and California have enacted laws that make the possession of small amounts of marijuana in one's home a civil offense rather than a crime, punishable only by a small fine.

Alaska's Supreme Court went a step further, ruling unanimously on May 27 that the right to privacy protected an adult's possession of marijuana intended for personal use.

"It appears that the use of marijuana, as it is presently used in the United States today, does not constitute a public health problem of any significant dimensions," the court said.

Next week the Ohio Senate and the District of Columbia City Council will each hold hearings on similar so-called "decriminalization" legislation involving private possession of small amounts of marijuana. In both cases prospects for enactment are considered strong.

In Minnesota, one house of the state Legislature has passed a similar measure and the other house is expected to do so when it reconvenes in January.

In Hawaii, where the president of the state Senate, John T. Ushijima, strongly favors the abolition of criminal penalties, decriminalization is also considered likely in the next session.

In other places, prosecutors are deciding on their own not to enforce anti-marijuana laws. In Montgomery County, Md., State's Attorney Andrew L. Sonner announced on June 26 that his office would no longer prosecute "small" cases involving possession in the home.

HASHISH INCLUDED

In some areas, such as Alaska, hashish—a stronger though similar substance—is included in the decriminalization laws.

All of this takes place in the face of decades of stringent antimarijuana laws throughout the country and rapidly rising arrests for marijuana use or possession. Oregon enacted a decriminalization law in October, 1973, reducing the penalty for possession of less than an ounce to $100, with a traffic-citation-like system rather than arrest. Until this year, though, it was the only state with such a law.

The new trend still does not go so far as many reformers would like—removing all legal penalties for both possession and use, at least for adults. Legislatures in some states such as Illinois and South Carolina defeated or killed decriminalization bills this year, and in some areas, especially the South, resistance to change remains strong.

Nevada, Vermont and Wyoming tightened their marijuana laws this year, albeit slightly, so that all strains of marijuana are included in the general prohibition.

Legislatures in about half the states considered decriminalization bills this year, and in some areas, the bills picked up strong support.

In Arizona and New Hampshire, while one house of each legislature defeated bills, the other house passed them. In New Jersey, Attorney General William Hyland supports decriminalization for possession of small amounts for personal use; in Wisconsin, the state Controlled Substances Board favor decriminalization, and the chairman of the board, Dr. Joseph Benforade, says that the board plans to recommend to the Governor that decriminalization legislation be introduced in January.

SIGNIFICANT DECISION

In New York, Governor Carey—while not making a major effort on marijuana law reform—has stated his support for it.

Two bills are pending in Congress, one calling for removal of all penalties and one providing for a civil fine for possession of small amounts, similar to those enacted in states such as Oregon.

Also, in the latest development in a lengthy lawsuit brought by the National Organization for the Reform of Marijuana Laws, the major reform organization working on the matter, an administrative judge in the Justice Department's Drug Enforcement Administration recently issued a decision that could lead to significant reform.

Judge Lewis P. Parker found that the United States could, consistent with its international treaty obligations, shift "canabis" and "cannabis resin"—the products that generally make up marijuana—from the most controlled list of drugs to a lesser list, and that it could decontrol cannabis seeds and artificial cannabis altogether.

The major potential impact of the ruling, according to Peter Meyers, counsel for the National Organization for the Reform of Marijuana Laws, is in the medical area. Reclassification of marijuana could lead to authorization of its use for medical purposes, he said.

The administrator of the Drug Enforcement Administration, Henry S. Degin, is expected to decide soon whether to accept Judge Parker's recommendation.

The new decriminalization laws and bills reflect a common pattern: Private possession, generally in the home, is a civil rather than a criminal offense if the amount is small—one ounce in some places, 100 grams (about three ounces) in other places—with a citation, similar to a traffic ticket, given. The fine is relatively small, $100 or $200.

As a practical matter, this means smoking at home won't be punished as a crime either, according to Mr. Meyers. Among other things, many states' old laws on marijuana prohibited possession but not use; also, various court rulings centered on the question of whether an example of use—passing a "joint" around at a party—was enough to meet the ban on possession, and not on whether the use was a crime in itself.

Some of the new laws and bills also reduce penalties for other offenses. Public display or consumption in Colorado is subject to arrest but punishable only by a maximum sentence of a $100 fine and a 15-day jail term.

However, some of the laws and bills restate or increase the penalties for sale of marijuana and other drugs.

This raises the question: Why is it a crime—often punishable by lengthy prison terms—to sell people marijuana if it is not a crime for these people to have the marijuana sold them?

The answer lies in the trend toward decriminalization, in the reasons for the trend and for the opposition to it.

Involved are public opinion; the rising number of marijuana arrests, more than 400,000 last year, often of young people who may be burdened by the arrest records for life; the growing popularity of marijuana, not just for teen-agers and college students but for members of the middle class; the developing scientific research about the effects of marijuana; moral and religious scruples; the huge bother and cost (about $100-million a year just in California) of enforcing marijuana laws; and extensive lobbying efforts across the country by the National Organization for the Reform of Marijuana Laws, directed by a lawyer named Keith Stroup.

Then there is the decades-old view of marijuana as a dangerous drug.

* * * of North Carolina, who said: "We feel that marijuana is a stepping stone to harder drugs and oftentimes the person selling marijuana also has harder drugs to sell."

There are disputes even in scientific circles about the effects of marijuana.

In 1972, the National Commission on Marijuana and Drug Abuse called for the abolition of criminal penalties for the personal possession and private use of the drug. However, it also concluded that because of scientific uncertainty about the effects, the laws should continue to discourage marijuana use—hence, selling for profit should still be a crime.

Last week, a federally sponsored study of marijuana smoking in Jamaica—an area of heavy consumption—found no serious adverse effects. However, other studies have had conflicting findings.

Mr. Stroup favors a "legally controlled market" in which sales and purchases within those controls carry no penalties. Some controls are necessary, he said, to prevent sales to children, and ensure "quality," so that no dangerous materials are mixed in with marijuana.

THE PAY RAISE AND CONGRESSIONAL RESPONSIBILITY

Mr. BIDEN. Mr. President, 2 days ago the Senate approved legislation to increase our own salaries, as well as those of top Federal executives, members of the Federal judiciary, the Vice President, and Cabinet officers.

The legislation provides that these top Federal officials will be included within the cost-of-living increases given yearly to Federal workers under terms of existing law providing for adjustments to insure comparability between private and Federal workers.

Yesterday, by a one-vote margin, the House of Representatives approved our version of this legislation, and sent it to the White House. President Ford is on record in support of this bill, and he is expected to sign it.

I voted against this bill because I consider it a poor way of conducting the Nation's business, and I want to direct these remarks to what I consider to be a bad precedent.

First, let me say that while I do not think now is the time to raise the salaries of the best paid men and women in Government, given the current state of the economy, I am not insensitive to the legitimate needs of Federal executives, Federal judges, Cabinet officers, or my colleagues here in Congress.

Indeed, a strong case can be made for raising the salaries of Federal executives and others. I do think that Members of Congress are worthy of a raise in salary; it has been 6 years since the last increase, and inflation has taken a strong toll. I am particularly sensitive to the plight of the Federal judiciary. A number of Federal judges have resigned because they can no longer afford to serve on the bench, given the income many of these men and women are capable of commanding by simply returning to the private practice of law.

So, Mr. President, I agree that a strong case can be made for raising Federal executive pay scales.

However, the reason I opposed the legislation before us on July 29 was the method involved.

I object to the practice of automatic indexing of pay increases—not only for Members of Congress, Federal judges, and others, but for the entire Federal bureaucracy as well.

What we have done, Mr. President, is to take the final step in virtually abandoning our own control over the purse strings—a power we enjoy under the Constitution—on the matter of Federal pay scales. True, we can always reject the pay increases recommended by the administration, but that turns the question around, and leaves us only a negative authority.

For decades, Mr. President, Congress has steadily given away its own constitutional authority. We have a special committee in the Senate which has spent months of research in detailing all the emergency powers we have surrendered to the President, and they run into the hundreds.

The question at hand does not involve Presidential emergency powers, but it does involve an equally pressing issue: the question of congressional responsibility.

Congress, it seems to me, has both a responsibility and an obligation to confront the question of Federal salary levels openly and honestly. If an increase in salaries is appropriate and necessary, we should have the courage to vote the issue up or down on the merits. And that should apply to the entire Federal bureaucracy, as well as ourselves.

I fear, Mr. President, that if we continue with the concept of "indexing" the Federal bureaucracy—that is, providing for virtually automatic pay increases, promotions, and other benefits—we will reach the point where the bureaucracy becomes unmanageable. Indeed, we may already have reached that point.

Once again, let me stress one point: It is not a question of the merits of a pay increase that bothers me; rather, it is the idea that on a matter of such substance, Congress should abandon its own responsibility.

If we keep this up, the time will come Mr. President when it is no longer a question of tension between the President and Congress, but a conflict between an unelected bureaucracy on the one side and an elected President and an elected Congress on the other.

I think the legislation we passed on Wednesday was unwise. We will come to regret what we have done. I can only hope that the President, before it is too late, sees the danger in this kind of legislation and vetoes this bill.

DEATH OF STATE SENATOR EDGAR A. BROWN

Mr. THURMOND. Mr. President, I recently had the occasion to inform this body of the death of one of South Carolina's ablest and most dedicated servants, former State Senator Edgar A. Brown of Barnwell. At that time, I commented on the high regard which Senator Brown had earned in the hearts and minds of his colleagues.

On June 29, 1975, a memorial service for Senator Brown was held in the South Carolina State Senate, a chamber in which Senator Brown had served with distinction for many years. The speakers at the service included a number of his closest friends who are among South Carolina's most noted leaders. These men spoke with eloquence. I had the good fortune to be present myself, and I can testify that the occasion was as memorable as it was appropriate. In order to complete my documentation of the life of Senator Brown, I ask unanimous consent that excerpts from these proceedings be printed in the Record.

There being no objection, the excerpts were ordered to be printed in the Record, as follows:

Memorial Service of Senator Edgar A. Brown

REMARKS OF DR. GEORGE E. MEETZE, CHAPLAIN, SOUTH CAROLINA SENATE

I invite your thinking upon two passages of Holy Scripture:

John 11:25: "Jesus said unto her, I am the resurrection and the life; he that believeth in me, though he were dead, yet shall he live; And who-so-ever liveth and believeth in me shall never die."

Psalm 1:3: "And he shall be like a tree planted by rivers of water, that bringeth forth his fruit in his season; his leaf also shall not wither; and whatsoever he doeth shall prosper."

How completely right was our late beloved friend, John Cauthen, when he said in his documentary that "Senator Brown was a man of all seasons".

We are gathered today—caught up between earth and heaven, to praise God and give thanks for the fruitful life of this "Servant of God", Edgar Allan Brown. The press and many others have told you of his exploits in the realm of politics, business and industry. I, as his Chaplain and friend for twenty-six years, witness today that he was a man of faith. His faith, nurtured in his home and his beloved Methodist Church, was the warm, illuminating fire by which he set his goals, found sustenance for his hours of need and provided strength for his achievements.

Robert Browning expresses his sentiments when he said in Rabbi Ben Ezra:

"Grow old along with me!
The best is yet to be,
The last of life, for which the first was made;
Our times are in his hand
Who saith, 'A whole I planned,'
Youth shows but half; trust God;
See all, nor be afraid!"

What did his faith do for him? This man who walked for four score and nearly seven years among his fellows, with the great and with the humble, with the rich and the poor, whose simple word, yea, whose mere nod, committed millions of dollars to this cause or that, one project or another, the fulfillment of this dream or perhaps a different one!

His faith gave him character! He was a man of steel—fine honed, and bright! It affected the very molecules of the man. His character gave him convictions that led him to great combat in the political arena, and gave him finesse in business.

His faith gave him compassion. He was happy to say "yes" to the humblest in need, even as he could say "no" to unjustified appeals. Of him, too, it can be said that he lived and died: "With malice toward none, and with charity for all."

His faith gave him humility. He was foresquare with his fellowman, but he was humble toward his God. He would be the first entering Heaven's Gate to sing:

"Just as I am without one plea
But that Thy blood was shed for me.
O Lamb of God, I come, I come."

His faith gave him a perspective on power. He was deeply involved with political power, economic power and nuclear power; but believed that there is needed a higher power to direct and control all these other forms of power. Here he voted with St. Paul who said:

"I am not ashamed of the Gospel;
It is the power of God for salvation
To every one who has faith,
To the Jew first and also to the Greek"
(Romans 1:16)

His faith gave him a perspective on knowledge. He was a builder of Universities and Colleges. Every pupil and every teacher, and the entire ETV program, felt the dynamics of his concern for knowledge. But he would be the first to say "Amen" to the Biblical injunction: "The fear of God is the Beginning of wisdom."

There was beating in his soul the spirit of spiritual knowledge expressed by Alfred Lord Tennyson:

"Strong Son of God, immortal Love,
Whom we, that have not seen thy face,
By faith, and faith alone, embrace
Believing where we cannot prove;

Thine are these orbs of light and shade;
Thou madest life in man and brute;
Thou madest death; and lo, thy foot
Is on the skull which thou hast made.

Thou wilt not leave us in the dust;
Thou madest man, he knows not why;
He thinks he was not made to die;
And thou hast made him: thou are just.

Thou seemest human and divine,
The highest, holiest manhood, thou;
Our wills are ours, we know not how;
Our wills are ours, to make them thine.

Our little systems have their day;
They have their day and cease to be;
They are but broken lights of thee,
And thou, O Lord, art more than they.

We have but faith: we cannot know;
For knowledge is of things we see;
And yet we trust it comes from thee,
A beam of darkness; let it grow.

Let knowledge grow from more to more,
But more of reverence in us dwell;
That mind and soul, according well,
May make one music as before."

Finally, his faith gave him a hope for the life to come. In his soul he rejoiced in the words of the Saviour: "I am the resurrection and the life." And Senator, Senator Gressette has already said to your friends today, Tennyson's words we've heard you use in this hallowed chamber to bring solace to others who have mourned: "Sunset and Evening Star."

He loved his family, and many are the anecdotes lovingly related about his loved ones at home. What a wonderful thought that, across the bar, the Pilot has taken him home to his dear Annie, and their only daughter, Emily.

For us here, we loved him. His very presence was inspiring. He was a tower of strength. His mantle has fallen upon younger shoulders. But memory shall hold open that door for his presence, and power, and influence, to come though as long as the name "Edgar Brown" is remembered, looking over shoulders, tugging at sleeves and consciences.

When these granite walls are crumbled into dust, his shadow, with his hat and cane, will be here still.

And so we take him back to his beloved Barnwell with the words ringing in our ears to challenge us to future tasks:

"He was like a tree planted by the river—"

"He that believeth in me . . . shall never die."

Amen:

Lord, now lettest thou thy servant depart in
peace;
According to thy word;
For mine eyes have seen thy salvation;
which thou hast prepared before the
face of all people;
A light to lighten the Gentiles; and the
Glory of Thy people Israel.
Glory be to the Father; and to the Son, and
to the Holy Ghost;
As it was in the beginning, is now, and ever
shall be, World without end. Amen

Please stand. Let us pray.

O God, before whose face the generations rise and pass away, The strength of those who labor, and the response of the blessed dead, We give thanks to Thee for the life and labors of thy servant, Edgar, Make us deeply sensible to the shortness and uncertainty of human life; and let thy Holy Spirit lead us through this present world in holiness and righteousness all the days of our life; that, when we have served thee in our day and generation, we may be gathered to our fathers, having the testimony of a good conscience, in the confidence of a certain faith, in the comfort of a holy hope, in favor with thee our God, and in perfect charity with all mankind; through Jesus Christ our Lord.

Help us so to live that, when our summons comes, we may go as "one who wraps the drapery of his couch about him, and lies down to pleasant dreams" in the Name of Him who taught us to pray together:

"Our Father, who art in heaven, Hallowed be thy Name, Thy Kingdom come, Thy will be done, on earth as it is in Heaven. Give us this day our daily bread; And forgive us our trespasses, as we forgive those who trespass against us; And lead us not into temptation, but deliver us from evil. For thine is the kingdom, and the power, and the glory, forever and ever. Amen."

The benediction:

The Lord bless thee, and keep thee.
The Lord make his face shine upon thee, and
be gracious unto thee.
The Lord lift up his countenance upon thee,
and give thee peace;
In the Name of the Father, and of the Son,
and of the Holy Ghost. Amen.

REMARKS OF SENATOR GRESSETTE

On behalf of the South Carolina State Senate I would like to welcome each one of you to this special memorial service to pay tribute to Senator Edgar A. Brown. All South Carolinians share with me today our deep sense of loss for our beloved friend and colleague. From my vantage point serving with Senator Brown over the years, I feel that it is so appropriate that this service take place in the chambers he loved so dearly. Senator Brown was our colleague, he was our counselor, but most important he was our leader. A merciful God blessed and endowed him with a brilliant mind, a clearness of vision, and a capacity for leadership that few mortal men have equalled. And with these attributes the Senator from Barnwell in return provided, for more than half a century, the kind of leadership that was essential for our beloved State to rise to stand proudly as it does today.

Edgar Brown lived a long and prestigious life. We will miss him dearly. Yet, knowing Senator Brown as I did, I am reminded of a poem by Alfred, Lord Tennyson which sums up what I hope our feelings are today. Senator Brown took great delight in it and I know he would want the words to be repeated to his many friends and family. Its title is "Crossing the Bar".

Sunset and evening star,
And one clear call for me!
And may there be no moaning of the bar,
When I put out to sea,
But such a tide as moving seems asleep,
Too full for sound and foam,
When that which drew from out the
boundless deep
Turns again home.
Twilight and evening bell,
And after that the dark!
And may there be no sadness of farewell,
When I embark;
For though from out our bourne of Time
and Place
The flood may bear me far,
I hope to see my Pilot face to face
When I have crossed the bar.

At this time I would like to call on Reverend George E. Meetze, Chaplain of the Senate for the invocation.

REMARKS BY SENATOR REMBERT C. DENNIS

Because he contributed so richly to the history of South Carolina and its State Senate, it is as it should be that we are gathered here today to honor the memory . . . life's work . . . accomplishments . . . and personal magnitude of Edgar Allan Brown.

In these halls, he conducted his mission as the chief architect of progress for modern South Carolina. Indeed, this Chamber must have absorbed something of the very essence of the Senator from Barnwell . . . for we know that he has helped make the great legislative body that meets here . . . an instrument for good government in South Carolina. And we know, that his presence will be felt here . . . for all time to come.

I am honored to speak on behalf of my colleagues in the Senate. I am privileged to have been Senator Brown's student, having known him since I came to this Hall as a Senate page some 45 years ago. I am somewhat overwhelmed in remembering his vital leadership of our great and beloved State.

To have known Edgar Brown was to know greatness. To work with him was like walking alongside a giant of human kindness . . . warmth . . . humor . . . intelligence . . . and ability.

The Senator's life was very long and rich in achievement. Each aspect of it is worthy of being fondly recalled. A continuing theme of this man's life was his reputation as a fighter . . . as a defender of positive ideas . . . as a progressive man. He battled to overcome youthful illness . . . he struggled to work from court stenographer . . . to attorney . . . to solicitor . . . and to a business, political, and legal career of colossal dimensions.

I shall remember the Senator as a fighter who won . . . almost without exception . . . the causes to which he was dedicated . . . causes for the healthy progress of South Carolina in so many ways. Every man who has ever served in this Chamber shares a common bond with this great man who worked in this Senate as ably and as long as did any other.

I had the honor of serving with Senator Brown during his battles for the fiscal integrity of South Carolina. Our State must always be grateful for the atmosphere of fiscal well-being and responsibility which the Senator engineered. He created budgets which not only balanced expenditures with income . . . but which also provided maximum services for all South Carolinians . . . applying every dollar in the most efficient way possible. That has been vitally important to making our great State what it is today.

"The Bishop" always prudently balanced these costs to the people . . . as he managed their financial affairs. He counted each State dollar with great care. Yet, he gave his all to his people . . . never counting the cost to himself for serving each of us.

Through the years, I sat for hours with Senator Brown and was constantly amazed at the incredible capability of his mind to trace the ebb and flow of the State's finances. The most remarkable fact, however, was that his keen financial ability never wavered from its one major purpose . . . an improved life for South Carolinians.

His willingness to help others is the living tribute to the memory of Edgar Brown . . . that will go on . . . forever. He was a man of great vision . . . and he applied that vision to daily life with careful skill.

Dollars were symbols of an ability to lift South Carolina . . . to improve the teaching of our children . . . to provide for the development of our ports . . . the promotion of our industrial growth . . . for improved public health . . . and maximum assistance for the mentally retarded.

We must never forget Senator Brown's dedication to people and the fact that his financial genius was always aimed at helping people.

"The Bishop's" love of people was always reflected in the mirror of his deep, warm smile . . . the constancy of his sense of humor . . . and his genial brotherhood with all good men, everywhere. People were his friends . . . and he, theirs. All of us who knew him were touched by the charisma of his personality . . . and changed by the depth of his regard for his fellow man.

I have seen the Bishop on many occasions take the gavel to chair a conference committee when issues between the bodies seemed insoluble. Yet, with his wit and charm and under his leadership a conference report would be fashioned so as to be sound and unanimously agreed to.

South Carolina is accustomed to great men. Yet, the memory of Edgar Brown stands tall . . . Giant-like . . . among them. Our esteemed and beloved friend received many honors during his long and fruitful life. Each of them was a reflection of a unique application of his imagination and his charity.

Today . . . when suddenly . . . unexpectedly tragedy has taken the Senator from us . . . we must content ourselves with living in a world which is a better place because he walked and worked here. We will miss him. South Carolina misses his benevolent genius already.

I suggest that we all give praise . . . to Almighty God that created Edgar Brown . . . that he placed him in South Carolina . . . that he granted us the privilege of knowing him . . . of working with him . . . learning from him and reaping the benefits of the rich harvests he cultivated for the advancement of us all.

Senator, we again salute you here, and perhaps some day when we, too, "crossed the bar," we can hear you again as you rap the gavel with that left hand and say, "Gentlemen of the Senate, will you please be in order."

Governor Edwards, Senator Brown's family and friends of Senator Brown:

The author Ralph Waldo Emerson once wrote that "An institution is the lengthened shadow of one man."

We are today gathered beneath a shadow, a giant shadow which extends the length and breadth of this entire State.

We are in the presence of greatness, and because it is an enduring greatness, generations of South Carolinians will know and understand the significance of this moment for all of us.

There is a natural inadequacy anyone feels in trying to assess the qualities of an individual, and why one person emerges above the others, and seems possessed of certain strength, certain grace, and certain courage.

Perhaps the inadequacy stems from the fact that we try too hard to determine what a man is, or what a man was, or what a man had.

In the case of Edgar Brown, it is far more meaningful to remember not what he possessed, but what he gave; not what he owned, but what he shared; not what he was, but what he did to guide and shape the lives of others.

The inner strength of Edgar Brown became the perseverance and determination of an entire state to overcome adversity and to prevail over its many obstacles.

The grace of Edgar Brown became the spirit of tolerance and understanding which has brought the peoples of our state together as never before.

The courage of Edgar Brown became the fortitude of South Carolinians to accept the challenges of the times, and to respond not with fear or suspicion, but with confidence and good cheer.

The Edgar Brown we knew will be remembered by each of us in our own very special, and very private, ways.

No one who knew him—presidents and paupers, friends and rivals, colleagues and strangers—were not touched by his life, and by his own personal warmth.

We will treasure those thoughts and those memories, and will consider ourselves among the fortunate for having had them.

But we are here today not simply on behalf of ourselves, and not simply on behalf of a grateful—and saddened—state.

We are here on behalf of all of those who will never have the chance to meet and know Edgar Brown, and yet whose lives will be immeasurably enriched by the gifts which this man bestowed upon his state.

We are here on behalf of the citizens of distant generations who will be served by a government made strong, effective and responsible because Edgar Brown believed in financial integrity and fiscal responsibility and fought for those principles right here on this Senate floor.

We are here on behalf of those hundreds of thousands of South Carolinians who have educational opportunities brought right into their homes and classrooms electronically, because Edgar Brown had the vision to see before anyone the wisdom of a statewide educational television network.

We are here on behalf of those generations of school children who will thank Edgar Brown for saying, 20 years ago, "I suggest that we must strive from here on for the truth, that we put first things first, and that we move on toward a program of education which will educate our children for useful and productive lives."

We are here on behalf of Americans who are beneficiaries of the great faith which Edgar Brown placed in our political system, and the great energies which he devoted to its protection and strengthening.

Edgar Brown never flinched at the use of the word "politician" because he gave it great dignity and integrity.

Perhaps better than any of us, he understood that the institution of free government was based upon the will of the human spirit, and as such it would always require give-and-take, push-and-pull, trial-and-error.

He put it best himself several years ago when he said, "A man can dream, plan, and consult, but in the end, especially in the wheeling and dealing of politics, a man must have the feel, keep his courage up when the going is roughest, and follow his best hunches.

"You get only so far with blueprints for action.

"There's always some fellow in the legislative halls who is apt to wreck the best laid plans, so you've got to be ready to square off and punch and counter-punch with the best of them."

I cannot think of a better description of Edgar Brown. He had the visions of greatness, but what separated him from the dreamers was the fact that he also had the courage when the going got rough, and was willing to square off, and punch, and counter-punch for what he believed in.

And that is why we will always live in the lengthened shadow of this man who not only dreamed, hoped and planned, but fought, struggled and succeeded in making this state the embodiment of the great personal qualities which he possessed.

He was a plain-spoken man, with great wit and charm, and with unfailing candor.

He brought to the State of South Carolina a giant intellect—and an even bigger heart—and he gave of it all unselfishly for the benefit of his fellowman.

No one gave more, no one accomplished more, and no one deserves more in the way of gratitude and appreciation than does Edgar Brown.

Emerson had another passage which I should like to share with you.

He wrote: "When nature removes a great man, people explore the horizon for a successor; but none comes, and none will.

"His class is extinguished with him."

With Edgar Brown, we have truly lost one of a special breed, one of special kind.

But let us not today simply mourn the loss; let us rejoice in the great gifts which will remain in this state forever.

Instead of farewell, let us say "Thank you."

Because South Carolina is today a far better place in which to live because of Edgar Brown's life and service.

In conclusion, perhaps we can best describe the life of Edgar Brown in the words of Shakespeare: "And the elements so mixed in him that Nature might stand up and say to all the world—This was a man."

BICENTENNIAL CAN BE MEANINGFUL

Mr. MONDALE. Mr. President, an article in the summer 1975 issue of Minnesota History by Mr. Russell W. Fridley, director of the Minnesota State Historical Society. Mr. Fridley's article entitled, "Bicentennial Can Be Meaningful," perceptively draws our attention to the need to insure that our Bicentennial observance is characterized more by dignity than by commercialism. Mr. Fridley's concern about the tone of this celebration is one that I share. In the truest sense, we are not celebrating a series of battles or even a victorious war as much as we are the birth of an idea. Without the idea—without the vision—the battles would not have been worth the fighting and the victory would have counted for little.

Throughout the country, Americans have already begun to participate in pageants and to reenact historical events. In Minnesota, we have dedicated our Bicentennial observance to the preservation of the natural beauty in which our State abounds. The Minnesota observance, I believe, captures the essence of the Bicentennial concept in its most majestic form. We are emphasizing the harmony of man and his environment. This, Mr. President, is an observance worthy of emulation.

We are going to have fun in the course of the Bicentennial year. We are planning outings and festivals which will give enjoyment to many people. It is my hope, however, that we give due recognition to those intangible spiritual values that are, in the most profound sense, the cause of our celebration.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BICENTENNIAL CAN BE MEANINGFUL

(By Russell W. Fridley)

The one thing that seems to be forgotten—or at the very least submerged—in the nation's observance of the bicentennial of the American Revolution is the Revolution. The launching of the official celebration a few weeks ago with the re-enactment of the Battle of Lexington, Massachusetts, by 1975-style minutemen and redcoats may well have Minnesotans asking themselves: "What is the shape of the bicentennial effort, and how do we relate to it?"

National planning for the lengthy observance, begun almost a decade ago, has been a disaster. Commercialized, politicized, devoid of any historical perspective, the official twenty-two-month celebration of the birth of the American republic 200 years ago has already squandered millions of dollars and several valuable years that should have been devoted to fruitful planning. The result is that there is no national observance worthy of the name.

Similar follies have been committed at the state level, with far too many states, including Minnesota, waiting for federal funds to pay for the major portion of the bicentennial observance. The money, when it did come, was disappointingly small and late in arriving. Also, Minnesota—like most states—has cast such a broad umbrella over its bicentennial celebration that *quantity* of programs rather than *quality* becomes the index of a successful commemoration, and virtually any project is eligible for consideration as a bicentennial event. The successor to the original national commission—the American Revolution Bicentennial Administration—has not improved much on its predecessor. For ineptitude and lack of leadership, it has substituted an incredible superstructure of bureaucracy that has slowed down the flow of what federal funds are available to augment state and local efforts.

Not all the problems, however, can be blamed on the uncertainty and inadequacy of the official national effort, sad though it has been. There is also the public mood. Vietnam, Watergate, the energy crisis, inflation, recession, and unemployment are hardly the stuff from which a successful national celebration is made. Americans simply are not in a frame of mind to celebrate. It is as though they are echoing what Max Lerner recently wrote: "What a crazy time to hold a bicentennial celebration! No one really wants it; no one's heart is in it. There is nothing to cheer about and little to celebrate. So why go through the motions?"

Yet, I would argue, there is much to celebrate—not with souvenirs, commercialism, floats, and short-lived extravaganzas but with sober reflections on where our nation has been these past two centuries. The bicentennial does commemorate the cardinal event in American history. The United States is the oldest form of government on the face of the earth. It was the fruit of the first successful revolution by a people. It was the first consciously constructed system of government with the consent of the governed, limited though that consent was by today's standards. The American Revolution was a true one in the sense that it threw overboard many of the time-honored institutions of the Old World—the established church, monarchy, aristocratic titles, primogeniture, and many others. That our form of government has endured the stresses of 200 years of turmoil and trauma is itself cause for serious celebration.

Some semblance of a cohesive bicentennial effort has, fortunately, begun to emerge. There undoubtedly will be a number of excellent public events across the country that will re-examine the American experience in a worthwhile manner. The National Endowment for the Humanities, for example, is sponsoring the American Issues Forum. The Minnesota American Revolution Bicentennial Commission has granted financial support to a number of state and local projects that will enrich our collective understanding as a state. Among these are a history of labor in Minnesota, studies and exhibitions of the state's ethnic minorities, an exhibition on Midwest art and architecture, and a number of historic preservation projects. Undoubtedly, the bicentennial will be most significant at the "grass roots" level with volunteer local effort coming through to make this anniversary truly meaningful.

What the experience may suggest, with memories of the debacle of the Civil War centennial still fresh in our minds, is that a satisfactory, let alone notable, birthday observance is difficult, if not impossible, to carry out on a national scale.

The Minnesota Historical Society believes that the greatest public good that can stem from the 200th anniversary of nationhood is a deepened sense of history on the part of Americans. Because of the painful 1960s and uncertain 1970s, we are attempting to take a 200-year look at American history when actually most of us are looking at the history of the last twenty years with short-range, despairing lenses that unfavorably distort the long-range record.

It is with this problem before us that the Minnesota Historical Society has planned its bicentennial program. Relating Minnesota to the American Revolution in a literal sense is not the easiest task. So much of the Minnesota tradition was forged decades after the American Revolution by waves of immigrants just before and after the Civil War. Yet the links with the Revolutionary War period are there and should be explored. Some of these associations are the subject of this special issue of *Minnesota History* that editor Ken Carley and his associates have put together. Later in the year, on September 27, the society's 126th annual meeting will focus on the American Revolution. A special exhibit of society collections relating to the Revolutionary War era, including items from the Allyn K. Ford Collection treated elsewhere in this magazine, will provide a further highlight. Finally, the restoration of Old Fort Snelling will enter its concluding phase during the 1975–77 biennium.

The bicentennial may yet provide us with an opportunity to strengthen our social fabric and national spirit—not with re-enactments as at Lexington and Concord and Fort Ticonderoga—but by cultivating our understanding of that remarkable founding generation which, in spite of making mistakes, left us heir to a governmental system that has survived the toughest test of all—that of time.

John Adams wrote to Thomas Jefferson in 1815: "What do you mean by the Revolution? The war? That was no part of the Revolution; it was only an effect and consequence of it. The Revolution was in the minds of the people, and this was effected, from 1760 to 1775 in the course of fifteen years before a drop of blood was shed at Lexington."

Recently, a contemporary observer wrote: "As a people we have been through much, have suffered scars, have had illusions stripped away. The effort to find ourselves must be quiet rather than noisy, inward rather than outward, reflective rather than celebrative. Let's skip the bicentennial and do some self-exploring."

Those two statements, 160 years apart, illustrate and sum up the rich potential the bicentennial can have for each of us—in our individual and collective lives.

ALF LANDON COMMENTS

Mr. PEARSON. Mr. President, on Monday, July 28, Alf Landon sent a public letter to President Ford commenting on the administration's rail transportation proposals, Vice President Rockefeller, and the Turkish arms embargo. Mr. Landon's comments are straightforward and to the point, and I request unanimous consent that a copy of his letter to the President be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Alf M. Landon Radio Stations,
Topeka, Kans., July 28, 1975.

Hon. Gerald R. Ford,
President,
The White House,
Washington, D.C.

Dear Mr. President: It is good to have your considerate and warm letter of June 17th.

I note the big step taken last week by the U.S. Railway Association in line with your monumental and far-sighted proposal for again making the railroads into a vital part of our transportation system by consolidation reducing duplicated lines.

I could not agree more with the statements just made by Senators Pearson and Dole regarding the position of Vice President Rockefeller in the Republican Party.

The failure in the House of Representatives to repeal the embargo on arms for Turkey is not a defeat for you, Mr. President. It is a betrayal of good sense in our foreign relations. By not following your policy, the loser is obviously our great country.

With admiration and respect,
Alf M. Landon.

ENERGY CONSERVATION TAX CREDITS

Mr. McINTYRE. Mr. President, as a Senator from a State which has seen the price of home heating double in the past 2 years, I would like to point out the necessity for helping our citizens increase the efficiency of their home heating equipment.

At hearings before the Senate Finance Committee, Lewis Sheketoff of Hartford, Conn., encouraged the Senate to consider one way of helping us increase the efficiency of our heating equipment: He suggested tax incentives for installation of better home heating equipment.

During the past few months I have been looking into the possibilities of developing solar heat as a means to supplement oil, natural gas, and electricity for home heating. Unfortunately, solar heat is not available to all our homeowners because of manufacturing constraints, costs, and even the positioning of homes. However, all homeowners have a chance to install more efficient home heating equipment. I would hope the Senate would consider incentives for more efficient home heating such as those outlined by Mr. Sheketoff.

I ask unanimous consent that Mr. Sheketoff's testimony before the Senate Finance Committee be printed in the Record.

There being no objection, the testimony was ordered to be printed in the Record, as follows:

Testimony by Lewis Sheketoff

My name is Lewis Sheketoff. I am President of Automatic Comfort, Inc., of Hartford, Conn., a large, independent home heating oil and gasoline jobber-distributor company serving the metropolitan Hartford, Conn., area. I am also President of the Independent Connecticut Petroleum Marketers Association, an affiliate of New England Fuel Institute. With me is Charles H. Burkhardt, Executive Vice President and Managing Director of the New England Fuel Institute and Mr. Robert Fawcett, Past President of NEFI and Chairman of its Fuel Oil Supply Committee.

We are appearing today on behalf of the New England Fuel Institute (NEFI) to present comments in regard to the Bill passed by the House of Representatives, H.R. 6860. We specifically are presenting testimony on four matters of vital concern to the 1300 independent retail and wholesale home heating oil distributors throughout New England who are members of the New England Fuel Institute.

Its members serve two and one-half million retail home heating oil customers and market about 85% of the four billion, two hundred million gallons of No. 2 home heating oil sold in the New England area at the retail level and 40% of the gallonage sold at the wholesale level.

The four matters that are of vital concern to the life and continuation of the independent home heating oil marketers of New England are: 1) the quota system, 2) the auction system, 3) ad valorem taxes and 4) tax incentive provisions that would result in increasing the efficiency of millions of home and commercial heating systems.

QUOTAS

New Englanders in general, and those of us in the heating oil business in particular, are well qualified to talk about import quotas. Ours was the first region and the first industry to feel the impact of the Mandatory Oil Import Program established in 1959. As the Committee may recall, shortages of residual fuel oil began to occur in the early 1960's and the product was exempted from controls in 1966. Home heating oil shortages began to appear in various parts of New England during the Winter of 1966–67 and became chronic, reaching their worst in the Winter of 1972–73, when the product was also completely exempted from controls. Many independent fuel oil businesses were harmed, many homes and consumers nearly ran out of oil. It was only the effective work of our dealers and a break in sustained cold weather that prevented widespread disaster.

Therefore we wish to offer this Committee our comments based on actual experience.

This Institute and its members strongly oppose the quota system established by Section III of H.R. 6860. It should be deleted in its entirety. Our reasons are as follows:

It is unnecessary. A quota system may make some sense as a means of limiting imports when foreign prices are lower than domestic, as was the case in the 1960's. But now foreign prices are much higher than domestic. In such a situation every barrel cut from domestic consumption means a barrel cut from imports, as importers will reduce purchases of the high priced foreign barrel first.

This is happening in New England now. Effective voluntary conservation efforts by consumers have resulted in a sharp drop in consumption of home heating and residual oils. Imports of these products has dropped correspondingly.

In short, no one is buying abroad unless they absoutely have to. We don't need the Government to discourage imports; the market place is doing so and will continue to do so if the government does not upset this mechanism.

A quota system is cumbersome and bureaucratic. The Congress should clearly understand what will happen. If it adopts quota controls, the Congress will give rise to another substantial bureaucracy, another set of complex, contradictory regulations and a never-ending series of complaints, hearings and attempts to change the program. We have already been through this in New England. The rest of the country should realize that quota represents one more massive step into Government control over our economy with all its contradictions, disruptions and inefficiencies, to say nothing of the great cost.

New England thought it was rid of such controls in 1973 when the old quota system was abandoned. But now it is back again. We cannot emphasize too strongly our fears as to the damage and trouble the new bureaucracy will cause.

An effective quota system will cause serious shortages. The key word is "effective." If a quota system really works, then it will hurt many people in several regions. Somewhere consumers are going to have to go without oil—it may be the homeowner of New England or Middle Atlantic Regions, the electric generating plants in the Middle West or the natural gas consumers in the Southwest. But everyone should be aware that all regions are vulnerable. New Englanders who have suffered continual shortages can attest to this.

An effective quota is a government-imposed embargo. What the OPEC nations imposed on this country in 1973–74 we are now apparently planning to do to ourselves. Many proponents of the quota system in the House told us that we should not worry, the quota levels have been set high enough so that no one will be hurt. This is a contradiction. Why have a quota at all? If the import levels are to be so high as to be meaningless, then why create a massive bureaucracy with all the cost and controls for no worthy purpose?

We would like to amplify one point just made, this is, the relationship of a quota to natural gas supplies. There have been many complaints from states and leaders in the Southwest that we in New England have been over-consuming their precious resource, natural gas. First of all, most of that gas is not going to New England—we're an oil consuming region—but rather to other parts of the Northeast and the Middle West.

But we agree with the substance of the complaint. We share the concern of our friends in the Southwest and support their desire to keep their natural gas for their own use and needs. And this is why we are opposed to a quota system. With a quota system when oil shortages are created in oil-consuming regions, consumers really have only one alternate fuel—natural gas. They will demand more gas. Thus a quota system will cause more natural gas to be piped out of the Southwest. This is a major reason why a quota system is self defeating.

A quota system will cause higher prices. We will address ourselves to the impact of the auction system on prices in a moment. All know that when a commodity is in short supply, the price goes up. This is what happened under the old quota system and what will happen under a newly imposed quota system. Again, the Congress should be clear on what it is doing to the hard-pressed consumer in high oil consumptive regions.

A quota system will hurt independent importers and marketers. Either by accident or design H.R. 6860 eliminates a feature of the current import license system that was designed to help independent importers and marketers. When the license system was established in 1973, many independent importers were granted a right to import a certain portion of their volumes of home heating oil and residual fuel oil on a fee-free basis. These rights were granted through 1980. A firm commitment was made by the Federal Government to these importers: Presidential Proclamation 4210, April 18, 1973. H.R. 6860 in its present form, destroys that commitment.

As a result, the independent importers and the retail dealers they serve will be placed at a severe disadvantage in competition with major oil companies.

Therefore, we strongly recommend that this Committee examine this issue closely and take steps to insure that the firm commitment made to independents in 1973 is carried forward.

A quota system will discourage the construction of new refineries. The New England Fuel Institute has, for nearly a decade, supported the construction of new refineries in New England. We believe they are vital to our region; we believe that, as an oil-consuming area, we must not ask that other areas bear all the burdens of refining our oil.

During the 1960's, refinery construction was effectively stifled by the import quota system. This was particularly true along the East Coast, where capacity actually declined by more than 1 million barrels per day during that decade.

Now, just as we are about to embark upon some refinery construction in New England, the prospect of a quota system is shutting the door again. As we have indicated, a quota raises the prospect of a shortage of crude oil, and no one is going to commit hundreds of millions of dollars to a new facility unless they are sure that they can get all the crude oil required.

As New Englanders we wish to see refineries built. It will not come about if a quota system is imposed.

AUCTION SYSTEM

While we are strongly opposed to the quota system, we are even more strongly opposed to the auction system established by Section 112 of H.R. 6860. It is the wrong method at the wrong time.

Our basic objection is that it cannot possibly work and are convinced it won't. There will be mass confusion, mass bureaucracy, wild fluctuations in prices at times, and higher prices for all products; the import distribution system could literally become paralyzed in times of heavy demand. Further, we believe an auction system is illegal, since it will force imposition of unequal import charges on certain regions at certain times, most especially in New England during the heavy demand months of Winter.

In addition, the auction will severely cause economic damage to independent importers and marketers and the consumers they serve. As we have said, the auction is going to force heating oil prices upward in an irregular pattern, particularly in months when demand is high and more people are bidding for quotas. We are aware that there is a set-aside for independent importers, but here again we believe it is not going to work. Independents will be forced to bid against each other and costs will go up; losing bidders will be short of oil and will lose customers thereby disrupting established market patterns and threatening the market share of the independents.

A close examination of the auction system will reveal its inconsistencies, serious defects and illegality. We are certain that this Committee will make such an examination and will come to understand the nightmare that lies ahead if the auction method of obtaining quotas is adopted.

Again, the Institute strongly urges that the entire auction system be deleted.

SUPPLEMENTAL FEES, AD VALOREM TAXES

There are two aspects of the import system set forth in Title *I* in *H.R.* 6860 which deserve support and which should be included in the final bill.

First, we welcome the fact that in Section 121(f), the House has eliminated the entire supplemental fee system. We strongly urge that this Committee do likewise. Our strong opposition to the entire supplemental fee program has been continually expressed from its inception early this year. The added fees are unfair and inflationary; they place a heavy cost burden on the very consumers—the homeowners, the factories, the hospitals, the schools and industries that have already done their utmost to conserve home heating and residual fuel oils throughout our region. The result of supplemental fees has been higher prices and no additional savings.

Supplemental fees have resulted in too great a burden on the consumers of heating oil and too small a burden on consumers of gasoline. They simply are inequitable and unworkable.

Second, it is well that the House has, in Section 121, established a modest and workable ad valorem duty system of 2% on crude oil and 5% on products. This should be enacted into law as the basic import duty provision without a combined quota—auction system.

There is, however, one serious omission in the House bill. We referred earlier to the fee-free licenses granted to independent importers under Presidential Proclamation 4210. In order to carry forward the firm commitment made to these independents in 1973 and in order to insure their competitive viability, this Institute urges that the same fee-free system be carried forward and applied to the ad valorem taxes.

Further, we firmly emphasize that the way to cut back on imports is to cut back on domestic consumption. Each barrel of reduction in domestic use is translated almost directly into a barrel reduction of imports. That is where the focus of action and emphasis must be placed—on reducing consumption—rather than on constructing a complex system of fees, (which is the Administration's policy), quotas and auctions, which is the method of the House of Representatives.

TAX INCENTIVE PROVISION FOR HEATING EQUIPMENT

The increase in efficiency of existing centrally heated homes through upgrading or replacement of older heating systems is of vital and continuing importance to the objective of preserving fuel. Since more than 50 million homes are heated by gas and/or oil, or derive their domestic hot water or heating from either fuel or a combination of them, which in millions of cases is further complemented by the use of electricity for hot water and/or heat or auxiliary heating, it is absolutely necessary in order to achieve any marked degree of conservation at the multiple consumer level, that there be some incentive to homeowners and multi-dwelling building owners to upgrade or replace this building heating equipment to obtain a marked degree of conservation.

This is an absolute condition that was neglected in Title II, Part 3 of H.R. 6860. Therefore, while Title II, Part 3 of H.R. 6860 includes tax credits for expenditures on the installation of residential insulation, the installation of solar energy equipment, and the purchase of electric motor vehicles, it has a glaring omission because it doesn't include a section that would provide tax incentives for improving the efficiency of conventional, residential heating and/or cooling systems.

Vast quantities of gas, oil and electricity are used in residential buildings and homes throughout the United States with no incentive whatsoever for the owners or operators of these homes and buildings to increase the efficiency of the conventional heating and cooling equipment, and thereby achieve a considerable reduction in the use of energy. This could be reflected by a marked reduction in the quantity of such fuels that is imported.

By providing tax benefits for upgrading currently existing home energy systems, Congress would achieve two objectives that have become issues of national priority. Improvements in these systems would result in lower fuel bills for the homeowner, thereby reducing the inflationary strain on households. Secondly, reduction of fuel consumption by efficiency improvements would assist the conservation effort by reducing dependence on foreign sources of energy.

The purpose of Title II, Part 3 is to encourage fuel conservation through tax incentives; hence, New England Fuel Institute proposes that the following provisions be added:

A tax credit to provide for improvement, according to standards developed by the National Bureau of Standards and administered by FEA and HUD, in the efficiency of a residential heating and/or cooling system up to a total expenditure of $2,000.

Conversions from one fuel to another would be prohibited and conventional, traditional market patterns would not be disturbed, thereby, preserving the market share of the small independents, as mandated by Congress in the Emergency Petroleum Allocation Act of 1973. The qualified system expenditures would be those made after March 17 1975 and before January 1, 1978, but only if the building was used as the owner's principal residence on March 17, 1975.

The tax credit would be limited in the case of joint ownership, and the credit would be available to tenant stockholders in cooperative housing corporations and condominium owners.

This material parallels the proposed tax credit authority for insulation and solar energy equipment, except in denying a credit for efficiencies gained by conversion to a heating or cooling system using a different fuel or form of energy. Changes from one fuel to another make it difficult to calculate an efficiency improvement, but more important, such conversions could easily work against the national goals of conservation and reduced dependence on foreign oil.

Conversion to electricity could be exceedingly wasteful, as about half of the nation's electricity is generated with natural gas or oil with a conversion efficiency of only 29.4%, as noted by the National Petroleum Council. Because direct oil or natural gas heat is so much more efficient than electric heat generated with those fuels, it would substantially waste astronomical quantities of fossil fuels through conversion to electricity.

Conversion to natural gas would jeopardize the stability of America's economy by disrupting the fuel oil market, and would further strain the limited amount of natural gas that will be available in diminished quantities over the next five years. Through diversion of new or existing supplies of natural gas or oil to homes, industry would be deprived of the few precious supplies it still receives, and would be forced to convert to more expensive alternative fuels. Such increased costs would result in reduction of manufacturing or production, employment cutbacks and increased wholesale prices. When the slow-down and cutback of gas supply occurs, employee lay-offs will follow and further perpetuate and aggravate the present recession and unemployment.

Finally, conversions from gas or electric heating systems to oil would increase demand for fuel oil and conflict with the national policy objective of conserving petroleum by reducing demand for foreign oil imports.

In view of this, there is a strict and imperative necessity for stimulating conservation, without conversion, by tens of millions of residential property owners. The psychological impact alone, of such a tax incentive stimulating tens of millions of homeowners to improve the efficiency of their heating equipment, would be a tremendous asset in developing national thinking and purpose toward achieving conservation goals. It is the tax incentive for improving the efficiency of conventional heating and/or cooling systems that could stimulate almost every homeowner in America who faces any type of cold weather or winter, to improve the operating efficiency of his heating system. The practical impact of a tax incentive would provide this.

It would be worth 20 million in billboards, hundreds of millions of lines of newspaper print, thousands of hours of television messages—it would be worth more than any conservation message that all the media combined could make upon the public to encourage them to conserve energy. A tax incentive for increasing the efficiency of conventional, residental heating and/or cooling equipment is of such vast importance and of such an individual impactive nature that it *must* be considered—it cannot be ignored. It is the "sine qua non" of public cooperation during the continuing energy crisis that would reduce consumption of oil, gas and electricity, and, thereby, directly reduce imports.

In conclusion, NEFI wishes to thank the Committee for this opportunity of presenting our viewpoint. Your decisions on H.R. 6860 are of vital importance to the independent branded and unbranded heating oil dealers and consumers of New England. Your actions will determine the direction of our energy policies and our economy and prosperity for years to come.

Thank you very much.

WORLD NEED FOR OUR FARMERS' PRODUCT

Mr. TOWER. Mr. President, if there was every any doubt about world need for our farmers' product, the official figures released by the U.S. Department of Agriculture for fiscal year 1975 should put an end to such skepticism.

The value of our agricultural exports hit an all-time high of $21.6 billion. And export tonnage was the third highest in our history at 85 million tons.

Our net balance of exports over imports was a whopping $12 billion in the agricultural sector, enough to cover a deficit in nonagricultural trade and yield an overall balance of payments surplus of $2.2 billion.

According to USDA, our exports of agricultural commodities were just about enough to pay for our imports of petroleum, which cost $25 billion, as Secretary Butz pointed out, "in a very real sense these imports were paid for by U.S. grains, soybeans and other farm product exports."

The prices farmers received from their foreign customers were up sharply from fiscal year 1974, accounting for the record-high dollar figure despite a drop in tonnage from the previous year.

Mr. President, I would like to officially congratulate every American farmer for the great job done in 1975. Together, American farmers have more than tripled the amount of exports in the last 5 years, and have achieved a net trade balance of more than 10 times that of 1970. This is an astounding feat for 5 years work. The figures are a tribute to the productivity of free market agriculture.

Mr. President, I ask unanimous consent that the report from the Department of Agriculture be printed in the Record.

There being no objection, the report was ordered to be printed in the Record, as follows:

RECORD FARM EXPORTS RESULT IN OVERALL U.S. TRADE SURPLUS

Washington, July 29.—Secretary of Agriculture Earl L. Butz reported today that U.S. agricultural exports in the fiscal year just ended reached an all-time high of $21.6 billion—producing a $12 billion surplus in our agricultural trade.

This $12 billion agricultural surplus made up deficits of $10 billion in nonagricultural trade, giving the United States an over-all favorable balance of trade of $2.2 billion for fiscal 1975, the second straight year of trade surpluses. The surpluses in 1974 and 1975 were made possible by strong positive balances in agricultural trade.

"The surplus in agricultural trade the past year has helped to stabilize the dollar, to strengthen our international economic position, and to pay for high-cost petroleum imports," the Secretary said. "Imported petroleum cost over $25 billion in fiscal 1975, and in a very real sense these exports were paid for by U.S. grains, soybeans, and other farm product exports.

"Moreover, this high level of exports was essential to American farmers, who have expanded crop acreage in order to meet world market needs. During the past fiscal year, exports required the production from 96 million acres of U.S. cropland—one out of every 3½ acres harvested in calendar 1974. Around two-thirds of the wheat and rice output, over half of the soybeans and cattle hides, around two-fifths of the tobacco, over one-third of the cotton, and about one-fourth of the feed grains went to overseas markets in fiscal 1975.

"Without continued large exports, farm acreage would inevitably be reduced—under the weight of falling farm prices, government restrictions, or a combination of the two."

The Secretary noted that, while farm exports in fiscal 1975 were about $300 million above the earlier record of $21.3 billion the preceding year, the value increase stemmed from higher prices. Export tonnage declined from a record 100 million tons in fiscal 1974 to about 85 million tons in fiscal 1975. Still, the 1975 tonnage was the third highest on record. An estimated $20.5 billion of the total represented commercial sales, the remainder concessional sales or outright donations.

Over half of the export value increase occurred in grains and grain preparations. Export values of tobacco, vegetables and fruits were also higher in 1974/75. Values declined for soybeans and soybean products, animal products, and cotton.

Feed grain exports fell to 34 million tons in 1975 from 44 million tons a year earlier. But higher prices pushed the value up 7 percent to a record $4.8 billion. The decline occurred primarily to Japan, the USSR and the People's Republic of China. Exports of 11 million tons to the enlarged European Community were only slightly below a year earlier. The sharp reduction in U.S. production and the sharply higher prices limited U.S. exports during fiscal 1975.

Exports of soybeans and soybean products of $4.1 billion were about $500 million below the record of the preceding year. Soybean meal shipments of 4.7 million tons were down 5.7 million tons from a year earlier. Value of meal fell even more because of a 25 percent drop in export prices. However, exports of soybean oil rose nearly one-fifth to 1.4 billion pounds, and value rose to a record $490 million.

U.S. cotton exports of 3.8 million running bales were sharply below the 5.7 million a year earlier. Depressed world economic conditions sharply reduced the demand for textiles in the major developed countries. Most of the decline in U.S. exports occurred to the Far East countries.

Tobacco exports of 639 million pounds were slightly below a year earlier. However, higher prices pushed the value up 12 percent to over $910 million.

The value of fruit and vegetables exports gained nearly one-fifth during the current year. Pulses accounted for most of the value gain, but fresh fruits and vegetables also rose substantially. Mexico sharply stepped up its purchases of U.S. dried beans because of the reduced crop there.

Exports of animal and animal products of $1.7 million were slightly below a year earlier. Value declines occurred in live animals, poultry meat and meat products, hides and skins, and meats. Only exports of dairy products were up during fiscal 1975. The unusually large beef output around the world reduced import requirements and prices for most meats and livestock in most overseas markets.

During fiscal 1975, significant changes occurred in the principal markets for U.S. agricultural exports. Exports to West and South Asia rose sharply, but exports to the centrally planned economies fell precipitously during this period of time. Exports to Western Europe in 1974/75 totaled about $6.9 billion dollars, excluding shipments, slightly above the record of a year earlier. In spite of the economic slow down in a cost-price squeeze in the livestock industry, Western Europe has maintained its livestock production at the level of recent years. Drought in Southern Spain and Portugal also stepped up the need for agricultural products.

Japan continued to be the largest market for U.S. agricultural exports in fiscal 1975, with purchases of $3.2 billion. Although volume was down, higher prices maintained the value. Japan was the top country market for feed grains, soybeans, inedible tallow, cattle hides, whole pork, fresh citrus, cotton and tobacco. It was also the second largest single-country market for U.S. wheat and an important market for many other U.S. farm products.

Farm export shipments to the Soviet Union totaled around $400 million, down about $100 million from a year earlier. The decline occurred primarily in wheat and feed grains. High prices and reduced U.S. production discouraged exports to the USSR during fiscal 1975. However, with record U.S. crop prospects in 1975 and increased Soviet needs, U.S. exports are expected to rise substantially in the current fiscal year ending next June 30. In fact, sales already reported will result in sizeable increases in both volume and value of exports to the USSR.

Exports to developing countries in Asia increased to 4,456 million in fiscal year 1975 from 3,446 million a year earlier. Exports to Latin America were $2.4 billion, the same as last year's record. U.S. exports to Africa totaled over $1.1 billion, up slightly from the preceding year. The principal commodities exported were wheat, feedgrains and vegetable oils.

Exports to the People's Republic of China totaled slightly over $300 million, sharply below the $851 million in fiscal 1974. The improved crop conditions in the PRC and the relatively tight foreign exchange situation contributed to the reduction in U.S. exports.

U.S. agricultural trade balance

[In millions of dollars]

	Exports	*Imports*	*Trade balance*
1970	6,718	5,592	+1,126
1971	7,753	5,828	+1,925
1972	8,046	6,048	+1,998
1973	12,902	7,324	+5,578
1974	21,293	9,549	+11,744
1975	21,582	9,578	+12,004

FURTHER STATEMENT ON SALE OF GRAIN TO THE SOVIET UNION

Mr. STONE. Mr. President, Monday's Congressional Record, on page 25430, will reflect that I made a statement in which I urged that the United States halt further grain sales to the Soviet Union until there are investigations by both the administration and the Congress into the wisdom of such further sales. I called for such a moratorium because the American people were originally told that the Soviets would need to buy a maximum of approximately 10 million metric tons of American wheat, corn, barley, and other feed grains. Secretary of Agriculture Earl Butz told the Agriculture Committee that 10 million metric tons was the maximum in his testimony before us on July 11, 1975.

Now we find that the Secretary has revised his estimate upward, and it may be necessary for the Soviets to purchase approximately 15 million metric tons of wheat, corn, and other feed grains. I do not want a repeat of the ridiculous situation which was the result of the 1972 Soviet "wheat deal" in which the Soviets purchased approximately 19 million metric tons of American grain. As we all know, that purchase left us with supply shortages of wheat and other feed grains. Those shortages caused grain and feed prices to rise. The rise in the price of grain was not only inflationary to the consumer but was also inflationary to the livestock producers who had to pay more for their cattle and hog feeds. And those price increases were passed on to the American consumer in increased meat costs. This spiral has been called one of the major factors for the recession we are in today, and I do not want to see it exacerbated.

Since I made Monday's statement, it has been revealed that the entire Iowa corn crop is greatly threatened by a lack of rain. Iowa officials have stated that unless they get heavy rains within the next several weeks, the intense heat presently existing will wipe out the great majority of the Iowa corn crop, which is scheduled to be approximately 650 million bushels—20 percent of all corn grown in America. It is vital that these sales be halted until we know the condition of our corn crop.

It has just been reported that Arthur Burns, Chairman of the Board of Governors of the Federal Reserve System, has called the *potential* sale to the Soviets embarrassing. He has stated that the estimates of the Soviets need for grain "frightened" him and predicted that the sale of millions of tons of our grain is going to take "additional money out of the paycheck of every worker."

Yesterday, two of the Nation's largest food processors raised wholesale prices on flour and sugar. These higher flour prices are the first solid indication of the impact that the Soviet purchases of our grain will have on *our economy*. General Mills raised wholesale flour prices 1.6 cents a pound effective tomorrow. The increase affects flour purchases on grocery shelves. The Washington Post reported that a spokesman for Pillsbury Co., another major American miller, stated that the price rise is related to "developments in the world domestic grain markets, especially the Soviet Union developments and the possibility of drought there and their purchase of American grain." He then stated:

> Since July 3, 1975, Kansas City September wheat futures have gone from $3.10 a bushel to $4. This would justify an increase in family flour prices of $2 a hundredweight.

Mr. President, all of these factors—the worsening drought in the Soviet Union which make increased grain purchases a definite possibility, the drought affecting the Iowa corn crop, the sharp rise in future prices for wheat, corn and barley since July 3, Chairman Burns' statement, and the first announced flour price hike—make it imperative that all further sales to the Soviet Union be halted pending a congressional monitoring of the wisdom and degree of further grain sales to the Soviets.

At my request, Senator Talmadge has agreed to convene oversight hearings by the Senate Agriculture Committee immediately upon returning from the recess in early September. Soviet grain sales will affect the livestock, dairy, poultry and other agribusiness industries will affect the American consumer in addition to the obvious effect on bread and flour. These hearings will present a forum in which it can be determined by the Congress and the American people whether or not further grain sales are then in the national interest.

AN ASSESSMENT OF CONGRESS

Mr. HUGH SCOTT. Mr. President, yesterday the Speaker of the House of Representatives gave his assessment of the Congress' achievements to date. As with other subjective reports, this one was rampant with revisionism. While boldly proclaiming those few things that the Congress did, the Speaker conveniently avoided mentioning all that they did not do—and that includes passing any meaningful energy bills.

Permit me, then, to give my own assessment, using the Speaker's own points of reference. Herewith, a more accurate review of the Speaker's claims, as it would appear in the newspaper:

WASHINGTON, D.C.—Senate Republican Leader Hugh Scott said Thursday the 94th Congress in its first seven months failed to blunt the recession, often cut taxes in the wrong places, and acted to keep unemployment high despite resistance from President Ford.

Scott's mid-session assessment came as the Democratic controlled Congress prepared to start a month-long vacation after giving up in despair on Friday.

It also came, as some observers noted, as the Senate Democrats finally threw in the towel on the New Hampshire election dispute, after seven months of refusing to consider proper protests—an act not noted by any Democratic congressional leader.

The assessment also touched heavily on the energy crisis, an issue on which Democrats cannot agree among themselves, since the House worked for weeks without agreement on an energy program of its own. Of a thousand bills, only two have emerged and survived.

"The mood of conciliation first advanced by President Ford in his State of the Union Message foundered on Democratic partisanship," said Scott.

"The Republican program proved too strong," noted Scott, referring to the action of, "this most indolent of Congresses."

"Despite vetoes of highly irresponsible legislation," Scott said, "the Congress, while not overriding the vetoes, failed to come up with alternatives of its own, other than by the passage of 'second-try' bills, as the Speaker calls them, which gave the President what he thought wise in the first place. What the Speaker is really saying is that Presidential vetoes worked—and resulted in better legislation."

Scott concluded his assessment with a recommendation that the Congress, if still unwilling to act responsibly, take the rest of the year off so that it can find out what the American people really want—instead of giving them a lot of what they do not want.

A REGULATORY JUNGLE

Mr. MOSS. Mr. President, in yesterday's Washington Post, an article appeared by Meg Greenfield calling attention to the difficulties of regulation which are evident to the American people in their everyday lives. I agree with Miss Greenfield and with President Ford that we must cut through the regulatory jungle and work to review and modernize our system. I met with the President in late June as one of the congressional delegates to his regulatory reform summit, and I know that we have a willing partner on the part of the President to restore the regulatory system to efficient and manageable proportions. While our first concern will be the independent regulatory agencies, much of what we learn can be translated into the overall regulatory process.

I think that regardless of the nature of the agency, the independent regulatory agency actions or regulations issued by a department, the following lessons have been learned about regulatory programs;

First. Efficient regulatory programs have, in the past, suffered from a chronic lack of independence from political and economic pressures. This has resulted in a dillution of the effectiveness of the regulations. Tough standards formulated within a department are sent upstairs.

By the time these standards find their way through the labyrinth of the secretary's office, the Office of Management and Budget, and perhaps even the west wing of the White House, the final standards or regulations bear little resemblance to the initial public interest oriented proposal.

Second. Deliberate efforts to deny the efficacy of regulatory rules have not been as devastating as the budget and appropriations process that has consistently starved programs. A department fails to fight for adequate funds, OMB consistently pairs whatever the department requests; and finally the Congress is less than diligent in insuring that the programs it passes are given the appropriations they need.

Third. While industry, through its voluntary standards organizations, possesses great technical knowhow to contribute to the development of sound regulations, the delegation of regulation responsibility to voluntary standards organizations or reliance on those standards by the Government results in chronically inadequate, lowest common denominator standards, which oftentimes are anticompetitive.

Fourth. In its zeal to afford procedural safeguards, the Congress has too often in legislation frozen the regulatory process in procedural molasses.

Fifth. Regulatory programs have often lacked a comprehensive data base essential to enlightened standard setting.

Sixth. Secrecy is the ally of stagnant bureaucracy. The enemy of regulation grounded in the public interest. Protection of true trade secrets is a valid objective where precisely circumscribed. But with this narrow exception, all of the other processes which make up the regulatory machinery must be wide open to public scrutiny.

Seventh. Congress and the public must be kept fully informed and kept welcome as participants in the regulatory process. The voice of the public must be granted at least equal access to the regulatory process as the regulated. The standard-setting process must, of course, guarantee to affected industries the right to be heard and to have assurance that its presentations of fact and argument are seriously considered. Equally, citizen advocates both within and without Government must have access to the regulators so that regulation does not grow into a partnership of convenience between the regulator and the regulated, with the public interest subverted, and all but forgotten.

Eighth. It is not enough for an agency to have the power to set standards or issue regulations. It must have the power and the resources to assure that the regulations are being met. The power to obtain access to relevant records and to inspect premises where that is appropriate for compliance of critical requisites.

Ninth. The agency must have available to it a range of sanctions which will reflect the range of culpability from simple negligence to the intentional violation of standards or regulations. To those who have taken the position in the past that criminal sanctions are not appropriate for legislation dealing with business executives, I say that the evidence demonstrates that they are tragically wrong. Under competitive pressure, even the very largest of manufacturing enterprise is unhappily capable of placing individuals in positions of executive responsibility who will knowingly violate the regulations. It is not enough to fine a corporation. Those individuals responsible must be subject to suitable penalties.

The recent passage by the Senate of Senate Resolution 71 providing for a regulatory reform analysis to be conducted by the Committee on Commerce and the Committee on Government Operations is a major step in reviewing, analyzing, and changing the regulatory process which has come under such severe criticism in recent months. It is a continuing process, one to which I am devoted and will direct much of my attention.

Mr. President, I ask unanimous consent that the article by Meg Greenfield in the Washington Post of July 30, 1975, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CAN MR. FORD BREAK THE RULES?

(By Meg Greenfield)

President Ford has been saying he intends to cut back the tangled growth of federal rules and regulations that are choking so many worthy enterprises in American life. I wish him well. I don't think he has a hope of succeeding.

This gloomy appraisal begins with the fact that the compulsive formulation of conflicting, irrelevant and unworkable rules is far from being an exclusive aberration of the federal government. It may reach its finest flower there, but the competition at all levels of American life is intense enough to suggest that what we are dealing with here is a national way of doing things.

Shortly before the President told a recent White House conference, for example, that it had taken 45,000 pages of small print just to list the federal rules and regulations promulgated last year, Governor Brown of California was making a similar point about conditions in his state: he compared the several hundred thousand words it had taken the authors of the Old Testament to say what they had to about acceptable human behavior with the 5 million words it had taken the state-federal welfare establishment to spell out the rules for receiving public assistance in California.

In municipal affairs, things are hardly different. Only very small children do not know that police, fire, health and housing department corruption in many big cities rests in part on payoffs made against official threats to enforce a welter of city regulations that are archaic and immobilizing. And in labor-union life, the threat of invoking the fine print is equally ominous: "working to rules" means more or less ceasing to work at all. It is worth noting that the U.S. Senate, which harbors some of the most outspoken critics of all this, can itself only get down to business in the morning by selectively suspending its rules.

Plainly Ford is up against something more complicated than a mere encrustation of old federal regulatory and bureaucratic orders that are working against new needs—as, for example, the ICC rule that obliged some truckers to take out-of-the-way routes during last year's gasoline shortage. For one thing, the increasing federal role in practically everyone's affairs continues to create a strange combination of opportunity and obligation on the part of federal agencies to establish rules of conduct.

To cite a case, Congress has enacted legislation permitting married couples to deduct a given sum from their taxes for the cost of child care that permits both parents to work. Fine. Only the IRS—understandably—wants no cheating, no writing off of maids and the rest. So it has felt obliged to formulate rules and guidelines governing—yes—the amount of house cleaning the deducted baby-sitter may perpetrate. Tomorrow's headline all but writes itself: Sitter charged with excessive vacuuming/employer claims work-related cleanup/child jailed.

Still, much more than a mere enlargement of the federal capacity to busybody seems to me to be involved here. I think there is a dynamic at work among both federal government officials and the affected public that puts a premium on framing impossible new rules and preserving impossible old ones. It begins with a desirable goal or public policy, moves on to a bureaucratic decision to transfer the onus of enforcement from individuals to ostensibly fair and immutable pages of written rules and builds up a body of regulation that acquires a political, symbolic and legal life of its own. The result may be awful, but you can bet that at least six citizens' groups, two federal judges and 30 senators will be ready to come between the agency and any attempt to revise ("weaken," "gut") such rules.

We had an example of how the thing works in Washington recently when some university chancellors challenged a set of conditions HEW was trying to impose on them as the price of receiving federal contracts. The agreement they had been asked to sign concerned their schools' taking "affirmative action" to overcome racial, ethnic and sexual discrimination in employment practices. The document itself, however, did not mandate action that would have directly resulted in making their practices more fair. Rather, it required them to make up to an estimated 100,000 separate statistical analyses concerning their employees at a cost of several hundred thousand dollars—and report the findings back to HEW. It was the nearest thing to an insane government publication that I have ever read.

What made this episode especially interesting to me was that in the course of looking into it I could not find a single official who was responsible for the document who had anything good to say about it. It appeared to be a product of assorted political, interagency, legal and citizen-group pressures. Nor was there anyone who could readily turn it off: five days elapsed between the stated commitment of the Secretaries of HEW and Labor to revise the government's demands and their ability to do so. Finally, even among the various rights groups who had been pushing for tougher government action, there was widespread acknowledgment that this approach had very little to do with overcoming discrimination.

Why do the bureaucrats do it in the first place? I think I know. When I try to imagine how HEW or any other government agency would deal with Solomon's most familiar administrative challenge, I come up with two different conclusions that have one thing in common. Either they would invoke federal regulation CR (03X-14) and actually cut the baby in half, or his contending mothers, under regulation DL-9B (15), would still be filing documents before an interagency proceeding when he had reached the age of 43. But either way, the government officials in question would have avoided judgment, responsibility, the burden of using their wits and a particular kind of trouble. By formulating endless rules, we put the problem on "automatic," and there are very few officials in this town who are willing to take the heat that goes with trying to make common-sense rulings—instead of just more rules.

And why do the rest of us go along? Probably because we have an abiding fear of discretionary government and a misplaced belief in the capacity of written regulations to ensure fairness and to prevent our officeholders from treating us in capricious or tyrannical ways. Now the regulations themselves have become tyrannical, but this comes at a moment when government officials are feeling anything but audacious and when the public is awash in suspicion concerning both their competence and good faith.

So I don't think the President is going to get very far with his admirable intentions. The bureaucrats don't have the guts to substitute good judgment for bad rules. And the rest of us don't have the confidence—either in them or in each other—to make the bureaucrats try.

WAS MALTHUS RIGHT?

Mr. TOWER. Mr. President, the title of a recent business week article asks the question, "Was Malthus Right?", concerning the ability of humankind to feed itself. The article quotes Philip Handler, president of the National Academy of Sciences, as saying that Malthus was, indeed right.

The problem as viewed both in Government and in the private sector is that our ability to increase farm productivity through implementing new technologies is threatened by the lack of adequate funds for research. President Ford has asked the National Academy of Sciences to develop a "crash program" to assist in increasing food production. Hopefully, funding for such a program will be forthcoming when President Ford presents his program.

It was not so long ago that increased food production was the farthest thing on our minds here in the Senate. For years, the problem we faced was to hold down production to keep our farmers from going broke. But the last 4 years have changed that, and today we can see that increases in population, especially in the less developed nations, threaten to wipe out any gains in food production which accrue through technological breakthroughs.

One of the bright spots in this dreary outlook is the result of work done in my home State, in a small town named Muleshoe.

In Muleshoe, a grain hybrid called triticale is being developed and marketed in bakery products which, I understand, are both tasty and more nutritious than products derived from wheat. Triticale, a cross between wheat and rye, was first produced as a whim of nature, but was found to be unable to reproduce itself. In 1937, scientists at Iowa State University discovered how to induce fertilization, and the hybrid has been refined since that time to the point that hundreds of strains of the grain are now commercially available.

The value of triticale is its potential for high yields and rich protein content. In a world facing increasing food needs, and decreasing ability to meet those needs, this grain yields two to three times as much grain as either wheat or rye, and contains more protein than either of its parents. Tests conducted at Texas Tech University, at Lubbock, Tex., revealed that triticale has a protein efficiency ratio comparable to soy concentrate. Additionally, the grain is so hardy that it can be grown anywhere wheat grows, and is said to be more drought-resistant.

Mr. President, I am indeed proud of the efforts undertaken in my home State to market and produce triticale. And I am equally proud of the efforts made by America's universities, from Iowa State to Texas Tech, to further our ability to meet food needs in the coming years. I firmly believe that our State and national governments can play a very positive role in this effort, by providing adequate funding for future research efforts. Together with private enterprise and academia, Government scientists can make a vital contribution to the prevention of world hunger and malnutrition.

Mr. President, I ask unanimous consent that the article entitled "Was Malthus Right?" along with several articles which have appeared in the Texas Press concerning the development of triticale, be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

Was Malthus Right?

"The power of population is indefinitely greater than the power in the earth to produce subsistence for man."—Thomas Robert Malthus British economist, 1789.

"Malthus was right."—Philip Handler, President, National Academy of Sciences, 1975.

For 175 years, it seemed that Malthus had miscalculated. Mankind contradicted him by applying more and more technology to food production. Now many experts like the president of the prestigious National Academy of Sciences think that Malthus was right. Worldwide population growth is on a rampage, far outracing technological advances in agriculture. And as population pressures multiply, a steadily growing portion of the world's arable land is being diverted to urban and industrial uses. Within 25 years, based on current levels of population growth and agricultural productivity, the world's supply of arable land will not be large enough to match the world's food needs. Even in the U.S., where population growth had been slowing for several years, the growth appears to be speeding up again.

Many developing countries, of course, already face a full-blown food crisis. The U.N. Food & Agriculture Organization calculates that one-eighth of the world's 4-billion people are severely malnourished. And each year, the population increases by another 80-million people—the entire number that inhabited the world when the Pyramids were being built 5,000 years ago. In fact, Harvard health historian Jean Mayer notes that there has been a famine somewhere in the world almost every year since 1945. He considers the world's food supply precariously balanced and believes that a crop failure in

North America, or in two other areas, would leave the world in "very bad shape."

U.S. Secretary of State Henry Kissinger issued an even darker warning at the World Food Conference in Rome last November. At the present rate of population growth of 2% a year, he said, the gap between the grain that the developing countries produce and what they will need will rise from 25-million tons a year to 85-million tons by 1985. "The world has come to depend on a few exporting countries, and particularly the U.S., to maintain the necessary reserves," he said. "But reserves no longer exist, despite the fact that the U.S. has removed virtually all of its restrictions on production and our farmers have made an all-out effort to maximize output."

The long-run need. Weather permitting, the U.S. could have a record harvest this year, and Europe even has a few commodities in surplus. Over the long haul, however, record harvests alone will not be enough. Agricultural production needs a quantum jump. The urgency of this need is multiplying pressures for a massive research effort on agricultural productivity, a neglected field up to now.

In Russia, one of the largest importers of U.S. grains, scientists are pursuing a broad spectrum of agricultural research, including the growing of plants on permafrost soil. In the U.S., President Ford has asked the National Academy of Sciences to draw up a crash program that would help the world produce more food. NAS staffers even speculate about a Ford-promoted "Manhattan Project" in food that would rival the effort that produced the atomic bomb. They claim this may show up in the Administration's budget next year.

Less conspicuously, scores of major U.S. companies are also taking a harder look at agricultural research. SmithKline Corp., for instance, is studying how cows digest and use their food. The company hopes to make the process more efficient. Similarly, an internationally recognized Du Pont biochemist feels that plants evolved the wrong way. He claims that current yields of wheat, rice, and some of the world's other major food crops are only half of what they could be.

No easy way. Thomas J. Army, vice president for research at Great Western Sugar Co., in Denver, warns that in 15 or 20 years, "we're all going to be in a huge mess if we don't undertake intensive food and agricultural research." A. Richard Baldwin, vice-president for research at Cargill, Inc., the big Minneapolis grain dealer, declares: "There is no way you will be able to feed the people who will be living on this earth in the year 2000 by using the technology that exists today."

Producing more food will not be easy. A blue-ribbon committee of the NAS cites "the first major faltering" in the nation's food production system. Suddenly, the U.S. is farming all of its tillable land, although as recently as 1973 the government paid farmers more than $1 billion to take feed-grain acreage out of production. With corn and other crops, yields per acre continue to increase. But soybeans have stubbornly resisted a breakthrough in yield. For years, fertilizer seemed to hold the key to increased production. However, its price not only quadrupled during the energy crunch but the "yield response" to fertilizer is finally leveling off. In the production of both plant and animal foods, scientists also claim that "impenetrable" biological ceilings may lie ahead.

One of the biggest challenges of all will be changing some basic attitudes toward agricultural research. Only a few years ago, there were grain surpluses, and Congress had no interest in research that would produce more surpluses. Talcott W. Edminster, head of the Agriculture Dept.'s Agricultural Research Service, explains: "Even three years ago, if I had gone up to Congress and asked for funds to learn how to produce more of something, I would have been laughed off the Hill and fired by the department. 'Production' was a dirty word."

Not enough money. Over the last few years, of course, research efforts in many fields have been cut back. But agricultural research is among those suffering the most. Edminster's budget officer, John R. Victor, says: "We are really operating at the 1964 level in terms of the purchasing power of our research dollar." After actually declining in the late 1960s, the ARS research budget has inched up to about $400-million for fiscal 1976—barely 2% of total federal research expenditures. At the department's once-hallowed research center in Beltsville, Md., one researcher complains: "When a scientist retires, he isn't replaced, so we don't get any new blood."

A figure on busines spending for agricultural research is more elusive. The USDA's Victor, however, cites government estimates that federal and state governments and industry spent a total of $1.6-billion on food research last year. Allowing for inflation, this is roughly equal to the spending of a decade ago.

Even on such shoestring budgets, agricultural research is making some important strides. John A. Pino, director of agricultural sciences for the Rockefeller Foundation, notes, "We have the technology today to have a rice explosion in South America. What is needed is just putting the pieces together"—in other words, getting the message out to the farmer.

Other research efforts may lead to breakthroughs that will change the whole technology of agriculture. Here are some of the most promising among them·

THE "BAD" ENZYME

Ralph W. F. Hardy, an associate research director at Du Pont, covers his office blackboard with formulas and diagrams and then taps his chalk protestingly on the words "ribulose bisphosphate carboxylase." He says, "This enzyme is an evolutionary disaster so far as agriculture is concerned." The enzyme, or catalyst, a component of some plants, causes their complex chemistry to use carbon dioxide and—to Hardy's distaste—oxygen. The carbon dioxide reaction is good, he says. It produces carbohydrates, which animals and mankind want from plants. But Hardy calls the reaction with oxygen "useless." And a few chemical steps further along, the oxygen causes plants to give off valued carbon dioxide, which means wasting energy.

Hardy is convinced that certain major plants can make better use of carbon dioxide. He and his colleagues have proven in field tests with soybeans that the more efficiently soybeans handle carbon dioxide, the more nitrogen they "fix," meaning that they make their own fertilizer.

The Hardy group gave soybeans more "carbon nutrition," as Hardy calls it, by flowing carbon dioxide over the plants in small outdoor enclosures. The result was that the plants fixed nearly six times as much of their own nitrogen, one of the farmer's highest costs these days. On top of this, the bean yield doubled. Each soybean plant has a biological potential for producing 800 pods but averages only 20 to 40. The Du Pont plants produced up to 100.

Flowing carbon dioxide over the 56-million acres of soybeans that U.S. farmers will plant this year is obviously impossible. Yet out of such research, Hardy maintains, the "next wave" of farm production tools may be plant growth regulators. "If you only had a chemical that would eliminate the photorespiratory process [the useless reaction with oxygen]," he speculates almost to himself—without finishing the sentence. Monsanto Co. has already begun selling Polaris, a sugar cane ripener or regulator. Du Pont would like to come up with a similar product for soybeans.

THE NEW PLANTS

Research into "plant cell culture" could open the way for scientists actually to design plants in the test tube rather than in laborious field crossbreeding. Scientists hope to alter plants already in existence, tailoring nutritional content, disease resistance, and other factors affecting plant productivity and food value.

More dramatically, but with far less certainty, researchers are also trying to create new plants with new characteristics. One long-time dream in agriculture, for instance, has been to impart the nitrogen-fixing or fertilizer-making capability of leguminous plants (peas, beans, clover) to the all-important cereal grains (wheat, corn, rice). Scientists disagree on whether this can be done, let alone how soon.

Such research starts from the fact that cell walls can be dissolved by enzymes. Nonrelated cells are brought into contact and, with chemical stimulus, fusion occurs. A new cell is created with the life components of both parents. At Canada's Prairie Regional Laboratory in Saskatoon, Saskatchewan, Oluf L. Gamborg, a young plant biologist, has crossed oats and soybeans in the test tube.

However, plant cell researchers face two very difficult questions. Peering through their microscopes into a "soup" of cells, how do they distinguish the hybrid cells from those of the parents? And if they do somehow identify them, how do they get the desired cells to produce roots and shoots and grow into plants? So far, the "re-creation" has been achieved exclusively in plants unimportant to mankind, not in the major food crops.

Gamborg and Peter S. Carlson of Michigan State University, another leader in plant cell research, claim that the problem of "regeneration" from the fused cells is only "technical" in nature. Gamborg predicts that breakthroughs could come in just a few years. Then, with the techniques perfected, he says, "we will give the plant breeders something to work with." Carlson feels that breakthroughs are probably further off. August Kehr, the scientist who is in charge of the USDA's modest plant cell research operation, says, "No one possesses the imagination to predict what these new plants will really be like."

MORE VEGETABLES

The U.S. now devotes 14,750 acres a year to growing fresh cucumbers. Using high-yield planting techniques being perfected at the USDA's Coastal Plain Experiment Station in Tifton, Ga., a mere 3,700 acres would be sufficient for the entire crop. Some researchers have produced 1,700 bu. of summer squash per acre, compared with the average 300 to 400 bu.

Soil scientist Cas Jaworsky says his approach is a little like enclosing the bottom half of a plant in a greenhouse. First fertilized, the soil is then fumigated to kill pests and weeds seeds. Water and more fertilizer are supplied through an underground trickle-irrigation system. A plastic film, which biodegrades at harvest time, acts as a mulch for the fumigant and *moisture* and keeps the weeds down. Depending upon whether the soil is to be kept warm or cool, either a light or dark film is used. Jaworsky says the system's big advances in the next few years will center on its use with multiple or successive crops. USDA researchers are now cycling as many as three crops: pepper plants in spring, squash in July, and cabbage and Brussel sprouts in autumn.

Station director Broadus Brown estimates that farming with the system may cost $1,000 per acre, compared with $300 to $400 for conventional methods. "If you bomb," says a researcher, "you've got three or four times as much invested. But the potential is tremendous."

MYSTERIOUS BIRDS

Compared with the chicken, the turkey is a productive slouch. Yet turkey meat is also one of the world's best sources of protein. The main problem is that the turkey hen is a poor reproducer. She lays less than half the year, produces less than half as many eggs as a chicken, and nearly one-third of the eggs are infertile. The turkey tom is a problem, too. Like the rooster, his semen has so far resisted scientific efforts to freeze it for use in artificial insemination.

Thus an average turkey farm with 10,000 to 30,000 hens must maintain a costly number of food-consuming toms—one for every five females (vs. one for every 20 among egg-laying chickens and one for every 12 among broilers). Crews of five or six workers must also race around the turkey farm, collecting and injecting the semen, which must be used within an hour after it has been collected.

Howard L. Opel, an endocrinologist and one of the USDA's top turkey researchers in Beltsville, notes that a process for freezing semen might cut turkey production costs as much as 10c per bird, or 2c per lb, at retail. These, of course, are hefty sums in the highly cost-sensitive poultry industry. However, Opel adds, "If we could extend the laying season to year-round, you might cut the cost of turkeys by 10c per lb."

To achieve a longer laying season, Opel is trying to minimize or eliminate "broodiness," or the shifting of a turkey's attention from laying to nesting and hatching. Opel's main target is a hormone called catecholamine, which influences broodiness. "If we get the right balance of the hormone," he says, "theoretically you'll get an egg a day"—the record for chickens.

OMNIVOROUS ANIMALS

Animal No. 1486 at the USDA's Beltsville Research Center is a 1,350-lb Aberdeen Angus bull. Since he left his mother's milk 11 years ago, the bull has eaten nothing but wood pulp and urea, a white, powdery fertilizer. A few years ago, No. 1486 got loose on the center's lawn but appeared mystified by the grass.

Robert R. Oltjen, an expert in animal nutrition, says, "You can really classify these 'guys' as Disposalls. They will eat urea, corncobs, fat, newspapers." At Beltsville, even manure is being recycled through cattle, with results that Oltjen calls "encouraging." Some researchers, in fact, go so far as to predict that cattle raisers of the future will be poultry growers who feed litter from their chickens to steers.

"What you have," says Oltjen, speaking of his unusual cows, "is a fermentation vat that you can dump all this 'garbage' into." Oltjen praises the unique capability of "ruminants"—cattle, sheep, goats, deer, and certain other animals—to upgrade the poorest food into excellent protein: meat and milk. Amid soaring grain prices and charges that 132-million U.S. cattle are competing with the world's hungry millions for grain, the USDA is trying to find how poorly cattle can be fed and still remain healthy and productive.

Smith Kline also picked ruminants for major research that is underway at the company's Applebrook Research Center in the hills of Pennsylvania near Westchester. Research director George Scott calls the work "breakthrough chemistry." One inefficiency that Scott hopes to overcome, for instance, is the energy loss that occurs when cattle belch off gas, particularly methane. This sacrifices hydrogen atoms that could be used in productive metabolism.

The key to halting the waste is finding chemicals that will keep the gas from forming. As part of the same research effort, Smith Kline technicians are also looking for chemicals that will inhibit or prevent cows from "degrading" valuable nutrients during the digestive process.

BEEF SCIENCE

As much as anyone, Keith E. Gregory is responsible for the kicking of sacred cows in the U.S. Gregory runs the USDA's Meat Animal Research Center near Clay Center, Nebr. Since the longhorn left the scene, U.S. cattlemen have stressed three breeds: purebred Herefords, Angus, and shorthorns. Gregory has done pioneering work on the benefits of crossbreeding for improved characteristics. The feedlots of Gregory's 35,000-acre facility are filled with breeds long common in Europe but only now receiving major commercial attention in the U.S.: milky-white Charolais from France, huge but docile Chianina from Italy, yellow Gelbvieh from Germany. At a young age, these cattle have little fat and plenty of lean meat.

For years, Gregory says, U.S. cattle producers overemphasized the traditional purebreds and "a high level of art with very little science." He contends that such animals "matured too early at too light a weight and got too fat." The fat trim of a USDA "choice," or top-grade, animal may run up to a wasteful 30%, Gregory notes.

At the same time, Gregory and a deputy, Daniel B. Laster, are also trying to increase a cow's reproductive ability. Right now, only 60% of matings are fertile, and just 80% of those bred cows give birth to a calf that lives to weaning. In his research, Laster has identified a uterine protein that influences pregnancy. It is present at high levels in cows used for uninterrupted breeding. Laster hopes to find a way to increase the protein in all cows. Alternately, it would be possible to weed out cows with low protein levels.

Cutting the losses. Neither Laster nor any other agricultural researcher expects quick, easy answers to the world's developing food crisis. For all the scientific advances that may lie ahead in plant and animal research, the problems of agricultural productivity will continue to be formidable and complex. Modern plant breeding has produced some highly productive lines—but at a high cost. The genetic base of many major crops is now narrow, increasing vulnerability to a disease that can devastate an entire crop. This happened with a U.S. corn crop in 1970.

At the same time, roughly 10% of the U.S. soybean crop is lost every year just in harvesting. The reason: mechanical difficulties with the harvesting equipment, which manufacturers are doggedly trying to correct. Because of hail damage, farmers lose another 2¼% of some 20 basic crops, at an estimated annual cost of $650-million. Then, once produced, vast quantities of food spoil or are contaminated on the way to the consumer. Some officials speculate that half of what India produces or buys may not end up feeding humans.

Distortions. Often the export food that does not spoil or otherwise become contaminated goes into black-market channels, further distorting and aggravating the basic problem of scarcity. In fact, the grain inspection scandals that are now rocking major U.S. ports (BW–June 9) are partly traceable to the extraordinary foreign demand for American farm products. This spurt in demand began in 1972. Within a year, corn exports doubled. Soybean prices quadrupled. Suddenly, grain men saw big money to be made, and short-weighting and improper grading began spreading in the country's $10-billion-a-year grain export trade.

One of the most formidable problems of all has been the lag in research spending, especially by federal agencies. Sylvan H. Wittwer, dean of the Agricultural Experiment Station at Michigan State University, says, "If food is important, it is not reflected in investment on the national level." Wittwer may have a chance to correct this. He is a member of a special NAS committee that will report to President Ford on how the U.S. can produce more food. As a beginning, Wittwer's committee is already calling for a dramatic new emphasis on food research, particularly new research to feed Americans and the world after 1985, when the productivity gains available from today's farm technology have been exhausted.

THE AMAZING STORY OF TRITICALE

Triticale (Pronounced "Trit-i-cay-lee") is truly the first grain that man has had a hand in creating. Originating a whole new species has heretofore taken millions of years of evolution, and fact that scientists have been able to do it in the laboratory opens up the exciting possibility that other "super-plants" will be developed. It is a cross between wheat and rye, and was first observed in nature in the 1870's in Europe. However, at that time, genetically it was unable to produce fertile seeds. The trouble with rye-wheat matings was that the chromosome numbers of the two species are different.

The Durham wheat used in some crosses has fourteen chromosomes in its sex cells; those of rye have just seven. When brought together, the two sets did not form pairs; they strung out as twenty-one single chromosomes. Without pairs to divide, a rye-wheat plant couldn't possibly form sex cells. It was a new species, but it was already the end of the line. In 1937 a team of botanists discovered a natural drug, colochicine, which they used in wheat-rye matings, and the result was the creation of the world's first fertile Triticale.

The initial commercial variety of Triticale was not released until late in the 1960's. This came after an expenditure of hundreds of thousands of dollars and untold hours of frustrating research on the part of scientists from many countries throughout the world. Recent results are conclusive that Triticale has developed to the point that it can be considered the world's newest food and feed grain.

Triticale is really a fascinating plant. It offers the hope of better nutrition and more healthful diets for millions of the world's undernourished. Boasting a much higher protein content than traditional grains, such as corn, wheat, oats or rye. The quantity of its protein is only surpassed by its quality. Essential life sustaining amino acids are naturally present in each Triticale seed in the most perfect package of protein power the plant breeding world has ever seen. This miracle is a tribute to man's technology working in harmony with the building blocks of nature.

Triticale can be grown in any country of the world where wheat is grown, which means that in time Triticale will be harvested any month of the year. It has the ability to produce two or three times more per acre than either of its parents.

[From the Amarillo Daily News and Globe-Times]

TRITICALE QUALITY TESTED IN TEXAS TECH LABS

The food and nutrition department at Texas Tech University studied Triticale for the past year and a half, analyzing the nutritional and culinary properties of the man-made grain and products from it.

Under the direction of department chairman Dr. S. P. Yang, associate professor Clara McPherson, assistant professor Margarette Harden and students, Triticale has been experimented with in two phases: its nutritional value and its uses in the kitchen.

Graduate Student Carmen Castro worked with the whole grain in her research for a master's thesis on Triticale's protein quality. In feeding Triticale and other cereals to test rats, she found that the protein efficiency ratio (PER) of the man-made grain was higher than that of wheat or rye and comparable to that of soy concentrate. Maxine Billinger, another graduate student, is currently studying the use of Triticale flour in foods, particularly in bread.

Mrs. Harden said that, in addition to examining the chemical composition of the grain, Tech has also been concerned with Triticale as an ingredient for foods.

Professor McPherson said Tech's efforts thus far have shown that Triticale has "great potential" as a new source of nutritious food. Research, such as the projects at Tech, are necessary to show people how to use the grain, she said.

Because of the increased concern about nutrition around the world and the possibilities of Triticale, "the time is right for it," Mrs. Harden said.

[From the Big Spring Herald]

Protein Qualities Hailed by Scientists

Nutritionists are impressed with the quality and quantity of protein in Triticale.

Laboratory tests have shown the protein content in some samples of the grain to range up to more than 20 per cent. Texas Tech researchers found 16.4 per cent protein in Triticale they recently analyzed, compared to 9 to 14 per cent for wheat. But, scientists say, all proteins are not the same. The real test of a food's protein is the protein efficiency ratio (PER), that is, how effectively the protein is assimilated and used by the body.

At Texas Tech, for example, an experiment was conducted to determine how Triticale in the diet affected growth. Laboratory animals were fed three different diets, using Triticale, wheat or soy concentrate. Each diet contained 10 per cent protein and each was supplemented with the same levels of fat, vitamins and minerals.

After four weeks of feeding, the animals on the Triticale diet had registered about four times the growth of those on wheat and more growth than those on soy concentrate. From the animal studies, Tech researchers calculated protein efficiency ratios—numbers indicating the quality of protein, with higher numbers showing better quality. The PER of Triticale was 1.50, compared to 0.48 for wheat and 1.40 for soy concentrate.

Dr. S. P. Yang, chairman of Tech's food and nutrition department, said of the findings that "protein qualities of Triticale were significantly higher than that of wheat."

[From the Abilene Reporter-News]

Century of Research Behind Triticale Loaf

Triticale got its name the same way it got its distinctive properties—by combining wheat and rye.

The name is compounded from triticum, the botanical name for wheat, and secale, the name for rye.

Although no one had a name for it at the time, the cross between wheat and rye was probably occurring in nature for centuries before it was first correctly identified.

It was not until a hundred years ago that European botanists established the existence of a wheat-rye hybrid, produced as a whim of nature. They were able to duplicate the cross, but the resulting grain was infertile, incapable of reproducing itself.

The problem with Triticale, when nature created it, was an imbalance of chromosomes from its wheat and rye parents. For example, wheat used in some crosses has 14 chromosomes in its sex cells, while rye has only seven. In the natural hybrid, the chromosomes strung out in a single chain, rather than forming pairs which could divide for reproduction.

Nature had done all it could do with Triticale, and the hybrid grain appeared destined to be a footnote in biology textbooks. In 1937, however, scientists at Iowa State University discovered that the chemical colchicine could cause a plant to double its genetic machinery. When used in the mating of wheat and rye, the chemical agent produced a grain that could reproduce, and those first fertile seeds became the ancestors of all of the present-day Triticale varieties. Man's ingenuity had accomplished in a few years what nature might not have been able to create for centuries.

The early experimental strains of Triticale were not without flaws. The plants tended to be weak, with grain that was small and shriveled. Years of further research eliminated the defects, and in the 1960s, the first commercial varieties of Triticale became available to farmers. Since then, hundreds of strains of the grain have been perfected. Triticale grown now by High Plains farmers is milled into the flour used as an ingredient in Tritibread.

Plant scientists believe that, because of its nutritional value and its ability to produce larger yields per acre than some other grains, Triticale will be important in the fight against the world's hunger. Since Triticale can be grown in any country that produces wheat, they say the time will come when Triticale will be harvested somewhere every month of the year.

[From the Lubbock Avalanche-Journal]

Dr. Yang Outlined the Significance of Tech's Work With Triticale by Saying:

"Over half of the adult population and about two-thirds of the children of the world consume diets inadequate in calorie and protein. Shortage of calorie and protein in caused by overpopulation and lack of land suitable for agriculture. It is estimated that the same arable land available today will have to feed twice the present population of the world by the year 2000.

"In the underprivileged young children, protein-calorie malnutrition is a very serious health problem. It permanently impairs physical and mental growth, and in severe cases, leads to death. Evidence of malnutrition related to poverty among preschool children has been found in surveys conducted in Mississippi, Louisiana, Tennessee and Texas. A nutrition survey of 10 states in the United States found that the lower one-third of the population (according to income) consumes less high quality protein foods such as meat, milk, and eggs than the upper two-thirds.

"Cereal grains are important sources of dietary calories and protein for the majority of people in the world. They are universally available and relatively inexpensive. However, cereal grains generally have a low level of protein and poor nutritional value due to deficiencies in certain essential amino acids such as lysine and methionine. In order to meet the increasing calorie and protein needs, methods for increasing the production, marketing and nutritional value of cereal grains must be developed.

"Preliminary results at Texas Tech University showed that the protein efficiency ratio of Triticale was markedly higher than that of wheat and similar to soy concentrate.

"It seems the new grain, Triticale, is a major breakthrough in alleviating the world protein and calorie deficiencies."

[From the Dallas Morning News]

New Grain Brings Hope

(By Richard Morehead)

Austin.—Triticale, a new grain which may relieve greatly the world's food-nutrition problems, is a fascinating discovery on our recent trip to the Texas Panhandle South Plains.

Pronounced trit-i-cay-lee, the hybrid cross of wheat and rye yields two or three times as much grain per acre as either of its parents, and provides 40 per cent more protein.

In Floydada, we bought Tritibread, baked by Mead Bakeries of Amarillo. It is a few cents per loaf more expensive than wheat bread and is much tastier, like an improved variety of whole wheat bread.

Our friend, famed biochemist Roger J. Williams of the University of Texas, should love triticale. It goes into bread as whole grain, using enriched wheat flour as a binder.

Nutritionist Dr. Williams for many years has been contending that ordinary processing of wheat bread removes much of its essential food value. Bakery officials disagree, but Roger Williams has gained the attention both of the baking industry and the medical profession by his unrelenting campaign for better nutrition to maintain health and prevent disease.

MARKETING SHORTAGE

Triticale Foods Corp. of Muleshoe is developing and promoting the new grain. Besides bread, triticale flour and pancake mix are being marketed.

One handicap still is the shortage of marketing facilities as compared to wheat and other grains. Triticale weighs 50 pounds per bushel; wheat 60 pounds per bushel. Triticale brings $5 a bushel, according to a Floyd County farmer who grew some of the grain this year. But no local purchaser was available and the triticale had to be hauled 30 miles for sale. Three or four years ago, seed grain triticale cost $80 a bushel.

By contrast, wheat was selling at Floydada elevators for $3.05 a bushel early in July, down more than $2 a bushel from last year's high. News that the Russians are in the market for American wheat caused prices to rise this month, and was greeted with joy in the wheat belt.

Farmers believe they are being blamed unfairly for the rising cost of groceries, since their net income has risen much less than the city wage earner's. Also, there is relatively little relationship between the price of wheat and the cost of bread.

While wheat and cotton are still moneymakers, when weather conditions are favorable, farmers turn increasingly to such new crops as sunflowers to make oil and meal. Two-hundred-thousand acres of gorgeous golden sun flowers adorn the South Plains, and the crop is being grown as far south as Central Texas. Frito-Lay Co. of Dallas is the major purchaser of sunflower seed to use in its food processing.

Yet triticale may prove to be the most useful new crop in the world. It can be grown anywhere wheat grows, and is said to be more resistant to drought.

It is truly the first man-made grain. Triticale first was noticed in Western Europe 100 years ago, the result of accidental cross-fertilization of wheat and rye. But the grain wouldn't reproduce a seed.

In 1937, botanists introduced a natural drug, colochicine, in the wheat-rye mating. This produced the correct arrangement of chromosomes for the grain to reproduce, and now triticale grows directly from seed.

HEALTHFUL HOPE

Triticale foods attaches the story of the grain's development to each package of flour it puts into grocery stores.

"It offers the hope of better nutrition and more healthful diets for millions of the world's under-nourished," the story relates. It boasts "a much higher protein content than traditional grains such as corn, wheat, oats, or rye. The quantity of its protein is surpassed only by its quality. Essential life-sustaining amino acids are naturally present in each triticale seed in the most perfect package of protein power the plant breeding world has ever seen."

[From the Lubbock Avalanche-Journal]

Value of Triticale Explored by Tech

Some varieties of a man-made cereal, triticale, which is produced on the South

Plains, have a higher yield and contain more protein than their parents, wheat (Triticum) and rye (Secale).

Those are the findings from research conducted by the department of food and nutrition in the College of Home Economics at Texas Tech.

Citing significance of triticale, Tech representatives have said an international symposium on triticale will be held Sept. 18–19 at the KoKo Center at Avenue Q and 50th Street with a view toward considering potential of the crop to West Texas.

Careful studies of the nutritional value of triticale produced in the Muleshoe are, the "World's Capital of Triticale," have been made by Dr. S. P. Yang, chairman of the department of food and nutrition, and Carmen Castro, a graduate student in food and nutrition.

Specifically, they found the triticale contained 16.4 per cent protein while commonly available wheat flour and rye flour only contained 12 per cent protein.

ESSENTIAL FOR GROWTH

Further analysis of the tritical protein showed it contained 3.95 per cent of lysine and 2.83 per cent of methionine. Comparable values of wheat protein flour were 1.66 percent and 1.97 per cent.

Lysine and methionine are two of the essential amino acids which are required for supporting normal growth of young maintaining the well-being of adult. These two amino acids are present in limiting quantities in most of the cereals, Dr. Yang said.

"Cereals such as wheat, rice and corn are the most important human foods in the world" Dr. Yang pointed out, "providing needed calories, protein and other essential nutrients.

"They were domesticated from wild varieties by men many thousands of years ago: but all the improvements in growing and processing, we are still unable to produce sufficient quantities of these cereals to feed the rapidly increasing world population."

MAN-MADE CEREAL

Unlike the other cereals, triticale is manmade in that about 100 years ago German plant breeders produced the first triticale by crossing wheat and rye.

Researchers at Tech studied the protein quality of triticale with young male rats. Three experimental diets containing triticale, wheat and soybean meal at the same protein level, 10 per cent, were fed to three groups of young rats. These diets were also supplemented with same quantities of fat, vitamins and minerals.

In four weeks the rats fed the triticale diet gained 60 grams in body weight and had a protein efficiency ration of 1.57. The PER use the method that nutritionists use for measuring the protein quality of food—the higher the value, the better the protein quality.

The comparable values of the wheat diet were 13 grams and PER of 0.41; and of soybean, 15 grams and PER of 1.45.

HIGHER THAN WHEAT

"These findings showed that protein qualities of triticale were significantly higher than of wheat" Dr. Yang explained.

Baking quality of triticale flour was tested in the department of food and nutrition by Assistant Prof. Margarette L. Harden and research assistants Dana Campbell, Debbie Archer and Maxine Billinger.

They tested a variety of products, including biscuits, pancakes, waffles, muffins, coffee cakes, breads, cookies and cakes.

The international symposium on triticale to be held Sept. 18–19, will be sponsored by the colleges of Agricultural Sciences and Home Economics of Tech with support grants from the Graduate School, Plains Cooperative Oil Mills and Triticale Foods Corporation in conjunction with the 50th Anniversary observance of Tech.

Twenty-six scientists from Canada, Great Britain, Mexico, Sweden and the United States will present the recent research findings on cytogenetics, breeding, cultural practices, functional, properties, new food products, nutritional value, and marketing of this man-made cereal.

HEALTH BENEFITS FOR EASTERN EUROPEAN WAR VETERANS

Mr. BUCKLEY. Mr. President, I am pleased to cosponsor S. 2204, a bill to provide veterans' medical care for certain members of the allied forces in the First and Second World Wars. The House of Representatives has already passed more limited legislation in this regard, and the Senate may wish to alter this bill in light of the action by the House. But it is my hope that the essential merits of this proposal will not be lost in our discussion of its details.

For this legislation would benefit only Americans, persons who fought against this country's enemies during the First and Second World Wars and who have, since that time, been citizens of the United States for at least 10 years. Especially in the case of the free Polish and Czechoslovak armies, we face a matter of principle: America's enduring debt of gratitude toward those who, even after their homelands were conquered by our foes, bravely fought on, wherever and however they could.

At the end of World War II, thousands of Eastern Europeans who had fought Hitler's army likewise resisted Russian occupation of their countries. Many of them came to the United States, became proud and exemplary citizens, and, as in the State of New York, are conspicuous for their patriotic devotion to this land they love. They were not, however, entitled to veterans' medical care from the United States or any of our allies; and they of course could not receive such care from the Communist regimes which had driven them into exile. But each of them had fought in place of an Allied soldier, perhaps an American. That is why several of the Allies, including Great Britain, Australia, Canada, and New Zealand, have already enacted provisions somewhat similar to those of this bill. It is my hope that the United States will now do its part to recognize the heroic contributions of those men to the cause of freedom.

The importance of this legislation, however, extends beyond its immediate beneficiaries. Especially this week, as the President of the United States goes to Helsinki to affirm the European boundaries drawn in steel by the Soviet Union in 1945, it behooves us all to remember the example which the people of Eastern Europe have, time and again, given to the world: in the resurrection of their nationhood in 1918, in their resistance to totalitarian invaders in 1939, in the Hungarian revolution that stirred the hearts of mankind in 1956, in the Polish uprising of the same year, in protest demonstrations by the peoples of the Baltic States, and most recently, in the renaissance of Czechoslovak independence during the cruelly crushed Prague springtime of 1968.

They have repeatedly taught the world a lesson in the love of liberty. The Soviet Government has learned it well and is therefore anxious to have the United States formally ratify its domination of Eastern Europe. Sad to say, there are those in our own Government who have not learned that lesson.

For their sake, I repeat it here. The veterans to whom this bill would extend medical benefits are living evidence of man's will to be free. Their lives are testimony against tyranny. They remind us that what has been may be again, that the captive lands of Eastern Europe may once more assert their nationhood, even in defiance of Soviet military superiority. Even in defiance of détente.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

SUPPLEMENTARY EXPENDITURES BY THE SELECT COMMITTEE TO STUDY GOVERNMENTAL OPERATIONS WITH RESPECT TO INTELLIGENCE AGENCIES

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 334, Senate Resolution 218.

The ACTING PRESIDENT pro tempore. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 218) authorizing supplemental expenditures through February 1976 by the Select Committee To Study Governmental Operations With Respect to Intelligence Agencies for an inquiry and investigation relating to the intelligence activities carried out by or on behalf of the Federal Government, reported with an amendment.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution which had been reported from the Committee on Rules and Administration with an amendment to strike out all after the enacting clause and insert the following:

That S. Res. 21, Ninety-fourth Congress, agreed to January 27, 1975, as amended, is further amended—

(1) by striking out in section 5 "September 1, 1975." and inserting in lieu thereof "February 29, 1976.";

(2) by striking out in section 6 "September 1, 1975," and inserting in lieu thereof "February 29, 1976,"; and

(3) by striking out in section 6 "$1,150,000" and "$300,000" and inserting in lieu thereof "$2,250,000" and "$600,000", respectively.

The amendment was agreed to.

Mr. CHURCH. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask

unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. NELSON. Mr. President, I send to the desk an amendment to the pending business and ask unanimous consent for its immediate consideration.

The ACTING PRESIDENT pro tempore. Without objection, the amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Wisconsin (Mr. NELSON) for himself and others proposes an amendment.

The amendment is as follows:

At the end of the resolution, add the following:

SEC. 2. (a) It is the sense of the Senate that the Senate should consider, after proper Committee review, all appropriate legislative proposals, including any made by the Senate Select Committee To Study Government Operations With Respect to Intelligence Activities, to establish a permanent Congressional oversight committee or committees or other mechanism to provide continuing Congressional oversight of the intelligence activities of the Federal Government and to act upon such proposals by March 1, 1976.

(b) It is the sense of the Senate that the Senate should, by June 1, 1976, pass such appropriate legislation as may be necessary in order to assure that the intelligence activities of the Federal Government are effective and consistent with the Constitution and laws of the United States.

Mr. GRIFFIN. Mr. President, is there a unanimous-consent request pending?

The ACTING PRESIDENT pro tempore. No.

Mr. GRIFFIN. It is my understanding that the resolution is pending and this is offered as an amendment thereto.

The ACTING PRESIDENT pro tempore. That is correct.

The question is on agreeing to the amendment.

Mr. NELSON. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

FEDERAL COAL LEASING AMENDMENTS ACT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business be laid aside temporarily and the Senate return to the unfinished business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Under the previous order, the Senate will now resume consideration of S. 391, which the clerk will state by title.

The assistant legislative clerk read as follows:

S. 391, a bill to amend the Mineral Leasing Act of 1920, and for other purposes.

The Senate resumed consideration of the bill which had been reported from the Committee on Interior and Insular Affairs with an amendment to strike all after the enacting clause and insert the following:

That title I of this Act may be cited as the "Federal Coal Leasing Amendments Act of 1975".

TITLE I

SEC. 101. (a) Subsection 2(a) of the Act of February 25, 1920 (41 Stat. 438) as amended (30 U.S.C. 201 (a)) is hereby amended to read as follows:

"SEC. 2. (a) (1) The Secretary of the Interior is authorized to divide any lands subject to this Act into coal leasing tracts of such size as he deems appropriate and thereafter he shall, in his discretion, upon the request of any qualified applicant or on his own motion, from time to time, offer such lands or deposits of coal for leasing, and shall award leases thereon by competitive bidding on either a royalty or bonus bidding basis, and if on a bonus bidding basis with either deferred or installment payments of the bonus which shall be specified in the notice of sale. A reasonable number of leasing tracts shall be reserved and offered for lease in accordance with this section to public bodies, including Federal agencies, rural electric cooperatives, or nonprofit corporations controlled by any of such entities: *Provided*, That the coal so offered for lease shall be for use by such entity or entities in implementing a definite plan to produce energy for their own use or for sale to their members or customers (except for short-term sales to others).

"(2) No lease sale shall be held for land where the United States owns the surface and subsurface unless the lands containing the coal deposits have been included in a comprehensive land use plan prepared by the Secretary or, in the case of lands within the National Forest System, the Secretary of Agriculture and such sale is consistent with such plan. No lease sale shall be held for coal deposits underlying lands not owned by the United States if the Secretary determines that development of such coal deposits would be inconsistent with any applicable State or local land use plan, except where the Secretary finds that such coal development would be in the national interest.

"(3) In preparing such land use plans, the Secretary of the Interior or, in the case of lands within the National Forest System, the Secretary of Agriculture, or in the case of a finding by the Secretary of the Interior that because of non-Federal interest in the surface or insufficient Federal coal, no Federal comprehensive land-use plans can be appropriately prepared, the responsible State entity shall consult with appropriate State agencies and local governments and general public and shall provide an opportunity for a public hearing on proposed plans prior to their adoption, if requested by any person having an interest which is, or may be, adversely affected by the adoption of such plans.

"(4) Leases covering lands the surface of which is under the jurisdiction of any Federal agency other than the Department of the Interior may be issued only upon consent of the other Federal agency and upon such conditions as it may prescribe with respect to the use and protection of the nonmineral interests in those lands.

"(5) No competitive lease of coal shall be approved or issued until after the notice of the proposed offering for lease has been given in a newspaper of general circulation in the county in which the lands are situated in accordance with regulations prescribed by the Secretary.

"(b) Any person, association, or corporation holding a lease of coal lands or coal deposits under the provisions of this Act shall, with the approval of the Secretary of the Interior, upon a finding by him that it would be in the interest of the United States, secure modifications of the original coal lease by including additional coal lands or coal deposits contiguous to those embraced in such lease, but in no event shall the total area added by such modifications to an existing coal lease exceed one hundred and sixty acres, or add acreage larger than that in the original lease, whichever is less. The Secretary may prescribe new terms and conditions which shall be consistent and applicable to all of the acreage in such modified lease."

(b) The provisions of subsection (a) of this section shall be subject to any valid existing right to a lease established pursuant to a prospecting permit issued under section 2(b) of the Mineral Leasing Act of 1920 (41 Stat. 438) as amended (30 U.S.C. 201(b)) prior to the date of enactment of this Act.

SEC. 102. Subject to valid existing rights, subsection 2(b) of the Act of February 25, 1920 (41 Stat. 438), as amended (30 U.S.C. 201(b)), is redesignated as subsection 2(c) and is amended to read as follows:

"(c) (1) The Secretary may, under such regulations as he may prescribe, issue to any person an exploration license. No person may conduct coal exploration for commercial purposes for any coal on lands subject to this Act without such an exploration license. Each exploration license shall be for a term of not more than two years and be subject to a reasonable fee. The issuance of exploration licenses shall not preclude the Secretary from issuing coal leases at such times and locations as he deems appropriate. No exploration license will be issued for any land on which a coal lease has been issued. Each exploration license shall contain such reasonable conditions as the Secretary may require, including conditions to insure the protection of the environment, and shall be subject to all applicable Federal, State, and local laws and regulations. Upon violation of any such conditions or laws the Secretary may revoke the exploration license. An exploration license shall confer no right to a lease under this Act.

"(2) A licensee may not remove any coal for sale but may remove a reasonable amount of coal from the lands subject to this Act included under his license for analysis and study. A licensee must comply with any rules and regulations of the Federal agency having jurisdiction over the surface of the lands subject to this Act. Exploration licenses covering lands the surface of which is under the jurisdiction of any Federal agency other than the Department of the Interior may be issued only upon such conditions as it may prescribe with respect to the use and protection of the nonmineral interests in those lands.

"(3) An applicant for an exploration license shall submit to the Secretary an exploration plan. The exploration plan will set forth, in the degree of detail established in regulations issued by the Secretary, specific work to be performed, the manner in which it will be performed and compliance with environmental, health and safety standards of all Federal, State, and local laws and regulations. As promptly as possible after submittal of the plan, the Secretary shall approve or disapprove the plan or require that it be modified. No exploration license shall be issued prior to approval of the exploration plan by the Secretary.

"(4) The licensee shall furnish to the Secretary copies of all data (including, but not limited to, geological, geophysical, and core drilling analysis) obtained during such exploration. The Secretary shall maintain the confidentiality of all data so obtained until after the areas involved have been leased or until such time as he determines that making the data available to the public would not damage the competitive position of the licensee, whichever comes first.

"(5) Any person who willfully conducts coal exploration for commercial purposes on lands subject to this Act without an exploration license issued hereunder shall be subject to a fine of not more than $1,000 for each day of violation. All data collected by said person on any Federal lands as a result of such violation shall be made immediately available to the Secretary, who shall make the data available to the public as soon as it is practicable. No penalty shall be assessed under this subsection without proper notice and an opportunity for a hearing.".

Sec. 103. Section 7 of the Act of February 25, 1920 (41 Stat. 439; 30 U.S.C. 207), is hereby amended to read as follows:

"Sec. 7. (a) A coal lease shall be for a term of twenty years and for so long thereafter as coal is continuously produced in quantities which, in the judgment of the Secretary, would justify the continued operation of the mine or mines. The Secretary shall, by regulation, prescribe annual rentals on leases of not less than $1 per acre or fractions thereof. A lease shall require payment of a royalty based on the value of the coal produced in such amount as the Secretary shall determine, but not less than 5 per centum of the value of the coal. The lease shall include such other terms and conditions as the Secretary shall determine. Such rents, royalties, and other terms and conditions of the lease will be subject to readjustment at the end of its primary term of twenty years and at the end of each ten-year period thereafter if the lease is extended by production.

"(b) At the discretion of the Secretary, leases issued under this Act may, upon the application of the leaseholder, in the interest of conservation or otherwise in the public interest, be consolidated into logical mining units which may include land not owned by the United States. The Secretary may require among other things that (1) production on any lease in a logical mining unit will be construed as production on all leases in that unit, (2) the rentals and royalties for all Federal leases in a logical mining unit may be combined, and advanced royalties paid for any lease within a logical mining unit may be credited against such combined royalties, and (3) leases issued before the date of enactment of this Act may be included with the consent of all lessees in such logical mining unit, and, if so included, shall be subject to the provisions of this section.

"(c) By regulation the Secretary may require a lessee under this Act to form a logical mining unit, and may provide for the determination of participating acreage within a unit: *Provided*, That, if the terms and conditions of participation in such a unit cannot be agreed upon they shall be determined by the Secretary after a notice to the participants and opportunity for a hearing.

"(d) Where production is prevented by strikes or other circumstances neither caused by nor attributable to the lessee, the Secretary may, if in his judgment the public interest will be served thereby, provide in the lease for payment in advance of a minimum royalty in lieu of continuous production under the lease.

"(e) Within three years of issuance of a lease and before development operations begins which may cause a significant environmental disturbance, the lessee shall submit to the Secretary a development plan. The development plan will set forth, in the degree of detail established in regulations issued by the Secretary, specific work to be performed, the manner in which coal extraction will be conducted and applicable environmental and health and safety standards will be met, and a time schedule for performance. As promptly as possible after the lessee submits a plan, the Secretary shall approve or disapprove the plan or require that it be modified. Where the land involved is under the surface jurisdiction of another Federal agency, that other agency must consent to the terms of such approval. Where the surface of the land involved is in non-Federal ownership, the Secretary shall consult with the surface owner before approving or revising the plan. The Secretary may approve revisions of development plans if he determines that revision will lead to greater recovery of the mineral or protection of the environment, improve the efficiency of the recovery operation, or is the only means available to avoid severe economic hardship on the lessee.

"(f) Each lease issued under this Act shall provide that such lease is subject to termination for failure to develop the lease with due diligence. At the time a tract is offered for lease the Secretary shall publish a proposed time schedule for development of the lease. Unless relieved of the obligation by the Secretary for good cause, failure to develop the lease according to said schedule shall be prima facie evidence of failure to develop with due diligence. The time schedule shall provide for development within seven years except for good cause which shall be stated by the Secretary.".

Sec. 104. Section 35 of the Act of February 25, 1920 (41 Stat. 450), as amended (30 U.S.C. 191), is further amended by striking the period at the end of the proviso and inserting in lieu thereof the language as follows: ": *And provided further*, That all moneys paid to any State from sales, bonuses, royalties, and rentals of coal deposits in public lands may be used by such State and its subdivisions, giving priority to those subdivisions of the State socially or economically impacted by development of Federal coal, for (1) planning, (2) construction and maintenance of public facilities, and (3) provision of public services, as the legislature of the State may direct.".

Sec. 105. Subsection 2(c), section 3, and section 4 of the Act of February 25, 1920 (41 Stat. 438) as amended (30 U.S.C. 202) are hereby repealed.

Sec. 106. Section 27(a)(1) of the Act of February 25, 1920 (30 U.S.C. 184(a)(1)), is amended as follows:

"Sec. 27. (a) (1) No person, association, corporation, or any subsidiary, affiliate, or persons, controlled by or under common control with such person, association, or corporation shall take, hold, own, or control at one time, whether acquired directly from the Secretary under this Act or otherwise, coal leases or permits on an aggregate of more than forty-six thousand and eighty acres in any one State, but in no case greater than an aggregate of one hundred and fifty thousand acres in the United States: *Provided*, That any person, association, or corporation currently holding, owning, or controlling more than an aggregate of one hundred and fifty thousand acres in the United States on the date of enactment of this Act shall not be required on account of this subsection to relinquish said leases or permits: *Provided, however*, That in no case shall such person, association, or corporation be permitted to take, hold, own, or control any further Federal coal leases or permits until such time as their holdings, ownership, or control of Federal leases or permits has been reduced below an aggregate of one hundred and fifty thousand acres within the United States.".

Sec. 107. Section 3 of the Mineral Leasing Act for Acquired Lands (30 U.S.C. 352) is amended by striking out "(b) set apart for military or naval purposes, or (c)" and insert in lieu thereof "or (b)".

Sec. 108. (a) The Secretary is authorized and directed to prepare and maintain a Federal coal leasing program. The leasing program shall indicate as precisely as possible the size, timing, and location of coal leasing activity which the Secretary determines will best meet national energy needs for the five-year period following its approval or reapproval in a manner consistent with the following principles:

(1) timely and orderly development of Federal coal resources;

(2) environmental protection; and

(3) receipt of fair market value for public resources.

(b) The program shall include estimates of the appropriations and staffing required of all existing Federal programs necessary to prepare the required environmental impact statements, obtain resource data, and any other information needed to decide the order in which areas are to be scheduled for lease, to make the analyses required prior to offering tracts for lease, and to supervise operations under every lease in the manner necessary to assure compliance with the requirements of the law, the regulations, and the lease.

(c) The Secretary shall, by regulation, establish procedures for receipt and consideration of nominations for areas to be offered for lease or to be excluded from leasing, for public notice of and participation in development of the leasing program, for review by State and local governments which may be impacted by the proposed leasing, and for coordination of the program with land use and resource management programs of any State. These procedures shall be applicable to any revision or reapproval of the leasing program.

(d) The Secretary shall pubish a proposed leasing program in the Federal Register and submit it to the Congress within one year after enactment of this section.

(e) After the leasing program has been approved by the Secretary or after June 30, 1977, whichever comes first, no Federal coal leases may be issued unless they are for areas included in the approval leasing program.

(f) The Secretary may revise and reapprove the leasing program at any time and he must review and reapprove the leasing program at least once each year.

Sec. 109. Section 1 of the Act of February 25, 1920, as amended (30 U.S.C. 181), is amended by adding the following after the first sentence: "Coal or lignite may be leased to a governmental entity (including any corporation primarily acting as an agency or instrumentality of a State) which produces electrical energy for sale to the public if such governmental entity is located in the State in which such lands are located.".

Sec. 110. Subject to valid existing rights, subsections 2(c) and 2(d) of the Act of August 31, 1964 (78 Stat. 710; 30 U.S.C. 201–1) are hereby repealed.

Sec. 111. Section 35 of the Act of February 25, 1920 (41 Stat. 450), as amended (30 U.S.C. 191), is further amended by deleting "52½ per centum thereof shall be paid into, reserved" and inserting in lieu thereof "30 per centum thereof shall be paid into, reserved", and is further amended by striking the period at the end of the proviso and inserting in lieu thereof the language as follows: *And provided further*, That an additional 22½ per centum of all moneys received from sales, bonuses, royalties, and rentals of public lands under the provisions of this chapter shall be paid by the Secretary of the Treasury as soon as practicable after December 31 and June 30 of each year to the State within the boundaries of which the leased lands or deposits are or were located; said additional 22½ per centum of all moneys paid to any State on or after January 1, 1976, shall be used by such State and its subdivisions as the legislature of the State may direct giving priority to those subdivisions of the State socially or economically impacted by development of minerals leased under this Act for (1) planning, (2) construction and maintenance of public facilities, and (3) provisions of public services.

TITLE II

SEC. 201. This title may be cited as the "Federal Lands Surface Mining Control and Reclamation Act of 1975".

FEDERAL LANDS PROGRAM

SEC. 202. (a) No later than six months after the date of enactment of this Act, the Secretary shall promulgate and implement a Federal lands program which shall be applicable to a surface coal mining and reclamation operations taking place pursuant to any Federal law on any Federal lands: *Provided*, That except as provided in section 230 the provisions of this title shall not be applicable to Indian lands. The Federal lands program shall, at a minimum, incorporate all of the requirements of this title and shall take into consideration the diverse physical, climatological, and other unique characteristics of the Federal lands in question.

(b) Such a Federal lands program shall not be promulgated and implemented by the Secretary until he has—

(1) published the proposed program in the Federal Register and afforded interested persons and State and local governments a period of not less than forty-five days after such publication to submit written comments thereon;

(2) obtained the written concurrence of the Administrator of the Environmental Protection Agency with respect to those regulations promulgated under this section which relate to air or water quality standards promulgated under the authority of the Federal Water Pollution Control Act, as amended (33 U.S.C. 1151–1175, and the Clean Air Act, as amended (42 U.S.C. 1857 et seq.); and

(3) held at least one public hearing on the proposed program.

The date, time, and place of any hearing held on the proposed program shall be set out in the publication of the proposed program. The Secretary shall consider all comments and relevant data presented at such hearing before final promulgation and publication of the Federal lands program.

(c) The requirements of this title and the Federal lands program shall be incorporated by reference or otherwise in any Federal mineral lease, permit, or contract issued by the Secretary which may involve surface coal mining and reclamation operations. There shall also be incorporated into any such lease, permit, or contract the requirements of any State law regulating surface coal mining in the State in which the Federal lands involved are located, if the Secretary finds that the requirements of the State law provide for the regulation of surface coal mining and reclamation operations in accordance with the requirements of this title and the regulations issued by the Secretary pursuant to this title. The Secretary shall publish any such finding as part of the regulations containing the Federal lands program. Incorporation of such requirements shall not, however, limit in any way the authority of the Secretary to subsequently issue new regulations, revise the Federal lands program to deal with changing conditions or changed technology, and to require any surface mining and reclamation operations to conform with the requirements of this title and the regulations issued pursuant to this title.

(d) After the date of enactment of this title, no Federal lease, permit or contract which may involve surface coal mining and reclamation operations may be issued by the Secretary until the Federal lands program required by this title is in full force and effect.

(e) The Secretary may enter into an agreement with a State to provide for a joint Federal-State program covering a permit or permits for surface coal mining and reclamation operations on non-Federal and Federal lands which are interspersed or checkerboarded and which should, for conservation and administrative purposes, be regulated as a single management unit. To implement a joint Federal-State program the Secretary may enter into agreements with the States, may delegate authority to the States, or may accept a delegation of authority from the States for the purposes of avoiding duality of administration of a single permit for surface coal mining and reclamation operations. Such an agreement may only be entered into with a State that has a State law regulating surface coal mining which the Secretary has found, pursuant to subsection (c) of this section, provides for the regulation of surface coal mining and reclamation operations on non-Federal lands in accordance with the requirements of this title and the regulations issued by the Secretary pursuant to this title.

PERMITS

SEC. 203. (a) On and after six months from the date of enactment of this title, no person shall engage in or carry out any surface coal mining and reclamation operations pursuant to any Federal law on any Federal lands unless such person has first obtained a permit issued by the Secretary pursuant to the Federal lands program provided for in this title.

(b) All permits issued pursuant to the requirements of this title shall be issued for a term not to exceed five years and shall be non-transferable: *Provided*, That a successor in interest to a permittee who applies for a new permit within thirty days of succeeding to such interest and who is able to obtain the bond coverage of the original permittee may continue surface coal mining and reclamation operations according to the approved mining and reclamation plan of the original permittee until such successor's application is granted or denied.

(c) A permit shall terminate if the permittee has not commenced the surface coal mining and reclamation operations covered by such permit within three years of the issuance of the permit: *Provided*, That with respect to coal to be mined for use in a synthetic fuel facility, the permittee shall be deemed to have commenced surface mining operations at such time as the construction of the synthetic fuel facility is initiated.

(d)(1) Any valid permit issued pursuant to this Act shall carry with it the right of successive renewal upon expiration with respect to areas within the boundaries of the existing permit. The holder of the permit may apply for renewal and such renewal shall be issued, subsequent to public hearing upon the following requirements and written findings by the Secretary that—

(A) the terms and conditions of the eixsting permit are being satisfactorily met;

(B) the present surface coal mining and reclamation operation is in full compliance with the environmental protection standards of this title and the Federal lands program pursuant to this title;

(C) the renewal requested does not jeopardize the operator's continuing responsibility on existing permit areas;

(D) the operator has provided evidence that the performance bond in effect for said operation will continue in full force and effect for nay renewal requested in such applicaiton as well as any additional bond that the Secretary might require pursuant to section 206; and

(E) any additional revised or updated information required by the Secretary has been provided. Prior to the approval of any provide notice to the appropriate public authorities.

(2) If an application for renewal of a valid permit includes a proposal to extend the mining operation beyond the boundaries authorized in the existing permit, the portion of the application for revision of a valid permit which addresses any new land areas shall be subject to the full standards applicable to new applications under this title.

(3) Any permit renewal shall be for a term not to exceed the period of the original permit established by this title. Application for permit renewal shall be made at least one hundred and twenty days prior to the expiration of the valid permit.

APPLICATION REQUIREMENTS

SEC. 204. (a) Each application for a surface coal mining and reclamation permit pursuant to a Federal lands program under the provisions of this title shall be accompanied by a fee as determined by the Secretary. Such fee shall be based as nearly as possible upon the actual or anticipated cost of reviewing, administering, and enforcing such permit issued pursuant to a Federal lands program. The Secretary may develop procedures so as to enable the cost of the fee to be paid over the term of the permit.

(b) The permit application shall be submitted in a manner satisfactory to the Secretary and shall contain, among other things—

(1) the names and addresses of (A) the permit applicant; (B) every legal owner of record of the property (surface and mineral), to be mined; (C) the holders of records of any leasehold interest in the property; (D) any purchaser of record of the property under a real estate contract; (E) the operator if he is a person different from the applicant; and (F) if any of these are business entities other than a single proprietor, the names and addresses of the principals, officers, and resident agent;

(2) the names and addresses of the owners of record of all surface and subsurface areas within five hundred feet of any part of the permit area;

(3) a statement of any current or previous surface coal mining permits in the United States held by the applicant and the permit identification;

(4) if the applicant is a partnership, corporation, association, or other business entity, the following where applicable: the names and addresses of every officer, partner, director, or person performing a function similar to a director, of the applicant, together with the name and address of any person owning, of record or beneficially either alone or with associates, 10 per centum or more of any class of stock of the applicant and a list of all names under which the applicant, partner, or principal shareholder previously operated a surface mining operation within the United States;

(5) a statement of whether the applicant, any subsidiary, affiliate, or persons controlled by or under common control with the applicant, has ever held a Federal or State mining permit which subsequent to 1960 has been suspended or revoked or has had a mining bond or similar security deposited in lieu of bond forfeited and, if so, a brief explanation of the facts involved;

(6) a copy of the applicant's advertisement to be published in a newspaper of general circulation in the locality of the proposed site at least once a week for four successive weeks, and which include the ownership, a description of the exact location and boundaries of the proposed site sufficient so that the proposed operation is readily locatable by local residents, and the location of where the application is available for public inspection;

(7) a description of the type and method of coal mining operation that exists or is proposed, the engineering techniques pro-

posed or used, and the equipment used or proposed to be used;

(8) the anticipated or actual starting and termination dates of each phase of the mining operation and number of acres of land to be affected;

(9) evidence of the applicant's legal right to enter and commence surface mining operations on the area affected;

(10) the name of the watershed and location of the surface stream or tributary into which surface and pit drainage will be discharged;

(11) a determination of the hydrologic consequence of the mining and reclamation operations, both on and off the mine site, with respect to the hydrologic regime, quantity and quality of water in surface and ground water systems including the dissolved and suspended solids under seasonal flow conditions and the collection of sufficient data for the mine site and surrounding area so that an assessment can be made of the probable cumulative impacts of all anticipated mining in the area upon the hydrology of the area and particularly upon water availability;

(12) when requested by the Secretary, the climatological factors that are peculiar to the locality of the land to be affected, including the average seasonal precipitation, the average direction and velocity of prevailing winds, and the seasonal temperature ranges;

(13) an accurate map or plan to an appropriate scale clearly showing (A) the land to be affected as of the date of application and (B) all types of information set forth on topographical maps of the United States Geological Survey of a scale of 1:24,000 or larger, including all manmade features and significant known archeological sites existing on the date of applications. Such a map or plan shall among other things specified by the Secretary show all boundaries of the land to be affected, the boundary lines and names of present owners of record of all surface areas abutting the permit area, and the location of all buildings within one thousand feet of the permit area;

(14) cross-section maps or plans of the land to be affected including the actual area to be mined, prepared by or under the direction of and certified by a registered professional engineer, or registered land surveyor and a professional geologist (when specific subsurface information is deemed essential and requested by the regulatory authority), or other qualified personnel at State universities, showing pertinent elevation and location of test borings or core samplings and depicting the following information: the nature and depth of the various strata of overburden; the location of subsurface water, if encountered, and its quality; the nature and thickness of any coal or rider seam above the coal seam to be mined; the nature of the stratum immediately beneath the coal seam to be mined; all mineral crop lines and the strike and dip of the coal to be mined within the area of land to be affected; existing or previous surface mining limits; the location and extent of known workings of any underground mines, including mine openings to the surface; the location of aquifers; the estimated elevation of the water table; the location of spoil, waste, or refuse areas and topsoil preservation areas; the location of all impoundments for waste or erosion control; any settling or water treatment facilities; constructed or natural drainways and the location of any discharges to any surface body of water on the area of land to be affected or adjacent thereto; and profiles at appropriate cross sections of the anticipated final surface configuration that will be achieved pursuant to the operator's proposed reclamation plan;

(15) a statement of the result of test borings or core samplings from the permit area, including logs of the drill holes; the thickness of the coal seam found, an analysis of the chemical properties of such coal; the sulfur content of any coal seam; chemical analysis of potentially acid or toxic forming sections of the overburden; and chemical analysis of the stratum lying immediately underneath the coal to be mined; and

(16) information pertaining to coal seams, test borings, or core samplings as required by this section shall be made available to any person with an interest which is or may be adversely affected: *Provided*, That information which pertains only to the analysis of the chemical and physical properties of the coal (excepting information regarding such mineral or elemental content which is potentially toxic in the environment) shall be kept confidential and not made a matter of public record.

(c) Each applicant for a permit shall be required to submit to the Secretary as part of the permit application a certificate issued by an insurance company authorized to do business in the United States certifying that the applicant has a public liability insurance policy in force for the surface mining and reclamation operations for which such permit is sought, or evidence that the applicant has satisfied other State or Federal self-insurance requirements. Such policy shall provide for personal injury and property damage protection in an amount adequate to compensate any persons damaged as a result of surface coal mining and reclamation operations and entitled to compensation under the applicable provisions of State law. Such policy shall be maintained in full force and effect during the terms of the permit or any renewal, including the length of all reclamation operations.

(d) Each applicant for a permit shall be required to submit to the Secretary as part of the permit application a reclamation plan which shall meet the requirements of this title.

(e) Each applicant for a surface coal mining and reclamation permit shall file a copy of his application for public inspection with the recorder at the courthouse of the county or an appropriate official approved by the Secretary where the mining is proposed to occur, except for that information pertaining to the coal seam itself.

RECLAMATION PLAN REQUIREMENTS

SEC. 205. (a) Each reclamation plan submitted as part of a permit application pursuant to a Federal lands program under the provisions of this title shall include, in the degree of detail necessary to demonstrate that reclamation required by the Federal lands program can be accomplished, a statement of:

(1) the identification of the entire area to be mined and affected over the estimated life of the mining operation and the size, sequence, and timing of the subareas for which it is anticipated that individual permits for mining will be sought;

(2) the conditions of the land to be covered by the permit prior to any mining including;

(A) the uses existing at the time of the application, and if the land has a history of previous mining, the uses which preceded any mining; and

(B) the capability of the land prior to any mining to support a variety of uses giving consideration to soil and foundation characteristics, topography, and vegetable cover;

(3) the use which is proposed to be made of the land following reclamation, including a discussion of the utility and capacity of the declaimed land to support a variety of alternative uses and the relationship of such use to existing land use policies and plans, and the comments of any State and local governments or agencies thereof which would have to approve or authorize the proposed use of the land following reclamation;

(4) a detailed description of how the proposed postmining land use is to be achieved and the necessary support activities which may be needed to achieve the proposed land use;

(5) the engineering techniques proposed to be used in mining and reclamation and a description of the major equipment; a plan for the control of surface water drainage and of water accumulation; a plan, where appropriate, for backfilling, soil stabilization, and compacting, grading, and appropriate revegetation; an estimate of the cost per acre of the reclamation, including a statement as to how the permittee plans to comply with each of the requirements set out in section 212;

(6) the steps to be taken to comply with applicable air and water quality laws and regulations and any applicable health and safety standards;

(7) the consideration which has been given to developing the reclamation plan in a manner consistent with local, physical environmental, and climatological conditions and current mining and reclamation technologies;

(8) the consideration which has been given to insuring the maximum practicable recovery of the mineral resource;

(9) a detailed estimated timetable for the accomplishment of each major step in the reclamation plan;

(10) the consideration which has been given to making the surface mining and reclamation operations consistent with applicable State and local land use plans and programs;

(11) all lands, interests in lands, or options on such interests held by the applicant or pending bids on interests in lands by the applicant, which lands are contiguous to the area to be covered by the permit;

(12) the results of test borings which the applicant has made at the area to be covered by the permit, including the location of subsurface water, and an analysis of the chemical properties including acid forming properties of the mineral and overburden: *Provided*, That information about the mineral shall be withheld by the regulatory authority if the applicant so requests;

(13) a detailed description of the measures to be taken during the mining and reclamation process to assure the protection of (A) the quantity and quality of surface and ground water systems, both on- and off-site, from adverse effects of the mining and reclamation process, and (B) the rights of present users to such water; and

(14) such other requirements as the Secretary shall prescribe by regulation.

(b) Any information required by this section which is not on public file pursuant to other law shall be held in confidence by the Secretary.

PERFORMANCE BONDS

SEC. 206. (a) After a surface coal mining and reclamation permit application has been approved but before such a permit is issued, the applicant shall file with the Secretary, on a form prescribed and furnished by the Secretary, a bond for performance payable, as appropriate, to the United States, and conditional upon faithful performance of all the requirements of this title and the permit. The bond shall cover that area of land within the permit area upon which the operator will initiate and conduct surface coal mining and reclamation operations within the initial term of the permit. As succeeding increments of surface coal mining and reclamation operations are to be initiated and conducted within the permit area, the permittee shall file with the Secretary an additional bond or bonds to cover such increments in accordance with this section. The amount of the bond required for each bonded area shall depend upon the reclamation requirements of the approved permit and shall be determined by the Secretary on the basis of at least two independent estimates. The amount of the bond shall be sufficient to assure the completion of the reclamation plan if the work had to be performed by a third party in the event of forfeiture and in no case shall the bond be less than $10,000.

(b) Liability under the bond shall be for the duration of the surface coal mining and reclamation operation and for a period coincident with operator's responsibility for vegetation requirements in section 212.

The bond shall be executed by the operator and a corporate surety licensed to do business in the State where such operation is located, except that the operator may elect to deposit cash, negotiable bonds of the United States Government or such State, or negotiable certificates of deposit of any bank organized or transacting business in the United States. The cash deposit or market value of such securities shall be equal to or greater than the amount of the bond required for the bonded area.

(c) The Secretary may accept the bond of the applicant itself without separate surety when the applicant demonstrates to the satisfaction of the Secretary the existence of a suitable agent to receive service of process and a history of financial solvency and continuous operation sufficient for authorization to self-insure or bond such amount.

(d) Cash or securities so deposited shall be deposited upon the same terms as the terms upon which surety bonds may be deposited. Such securities shall be security for the repayment of such negotiable certificate of deposit.

(e) The amount of the bond or deposit required and the terms of each acceptance of the applicant's bond shall be adjusted by the Secretary from time to time as affected land acreages are increased or where the cost of future reclamation obviously changes.

PERMIT APPROVAL OR DENIAL

SEC. 207. (a) Upon the basis of a complete mining application and reclamation plan or revision or renewal thereof, as required by this title and pursuant to a Federal lands program under the provisions of this title, including public notification and an opportunity for a public hearing as required by section 210, the Secretary shall grant or deny the application for a permit and notify the applicant in writing. Within ten days after the granting of a permit, the Secretary shall notify the State and the local official who has the duty of collecting real estate taxes in the local political subdivision in which the area of land to be affected is located that a permit has been issued and shall describe the location of the land.

(b) No permit, revision, or renewal application shall be approved unless the applicant affirmatively demonstrates and the Secretary finds in writing on the basis of the information set forth in the application or from information otherwise available which will be documented in the approval, and made available to the applicant, that—

(1) all the requirements of this title and the Federal lands program have been complied with:

(2) the applicant has demonstrated that reclamation as required by this title and the Federal lands program can be accomplished under the reclamation plan contained in the permit application;

(3) the assessment of the probable cumulative impact of all anticipated mining in the area on the hydrologic balance specified in section 204(b) has been made and the proposed operation thereof has been designed to prevent significant irreparable offsite damage to hydrologic balance;

(4) the area proposed to be mined is not included within an area designated unsuitable for surface coal mining pursuant to section 219 of this title or is not within an area under study for such designation in an administrative proceeding commenced pursuant to subsection 219(b) (unless in such an area as to which an administrative proceeding has commenced pursuant to subsection 219(b) of this title, the operator making the permit application demonstrates that, prior to the date of enactment of this title, he has made substantial legal and financial commitments in relation to the operation for which he is applying for a permit); and

(5) the proposed surface coal mining operation, if located west of the one hundredth meridian west longitude, would not have a substantial adverse effect on alluvial valley floors underlain by unconsolidated stream laid deposits where farming can be practiced in the form of flood irrigated or naturally subirrigated hay meadows or other crop lands, excluding undeveloped range lands, where such valley floors are significant to the practice of farming or ranching operations, including potential farming or ranching operations if such operations are significant and economically feasible.

(c) The applicant shall file with his permit application a schedule listing any and all notices of violations of this title and any law, rule, or regulation of the United States or of any department or agency in the United States pertaining to air or water environmental protection incurred by the applicant in connection with any surface coal mining operation during the one-year period prior to the date of application. The schedule shall also indicate the final resolution of any such notice of violation. Where the schedule or other information available to the Secretary indicates that any surface coal mining operation owned or controlled by the applicant is currently in violation of this title or such other laws referred to in this subsection, the permit shall not be issued until the applicant submits proof that such violation has been corrected or is in the process of being corrected to the satisfaction of the regulatory authority, department, or agency which has jurisdiction over such violation.

REVISION OF PERMITS

SEC. 208. (a)(1) During the term of the permit the permittee may submit an application, together with a revised reclamation plan, to the Secretary for a revision of the permit.

(2) An application for a revision of a permit shall not be approved unless the Secretary finds that reclamation as required by this title and the Federal lands program can be accomplished under the revised Reclamation Plan. The revision shall be approved or disapproved within a period of time established by the Federal lands program. The Secretary shall establish guidelines for a determination of the scale or extent of a revision request for which all permit application information requirements and procedures, including notice and hearings, shall apply: *Provided*, That revisions which propose a substantial change in the intended future use of the land or significant alterations in the Reclamation Plan shall, at a minimum be subject to notice and hearing requirements.

(3) Any extensions to the area covered by the permit except incidental boundary revisions must be made by application for another permit.

(b) No transfer, assignments, or sale of the rights granted under any permit issued pursuant to this title shall be made without the written approval of the Secretary.

(c) The Secretary may require reasonable revision or modification of the permit provisions during the term of such permit: *Provided*, That such revision or modification shall be subject to notice and hearing requirements established by the Federal lands program.

COAL EXPLORATION PERMITS

SEC. 209. (a) The Federal lands programs shall include a requirement that coal exploration operations which substantially disturb the natural land surface be conducted under permit issued by the Secretary.

(b) Each application for a coal exploration permit pursuant to a Federal lands program under the provisions of this title shall be accompanied by a fee established by the Secretary. Such fee shall be based, as nearly as possible, upon the actual or anticipated cost of reviewing, administering, and enforcing such permit issued pursuant to a Federal lands program. The application and supporting technical data shall be submitted in a manner satisfactory to the Secretary and shall include a description of the purpose of the proposed exploration project. The supporting technical data shall include, among other things—

(1) a general description of the existing environment;

(2) the location of the area of exploration by either metes or bounds, lot, tract, range, or section, whichever is most applicable, including a copy of the pertinent United States Geological Survey topographical map or maps with the area to be explored delineated thereon;

(3) a description of existing roads, railroads, utilities, and rights-of-way, if not shown on the topographical map;

(4) the location of all surface bodies of water, if not shown on the topographical map;

(5) the planned approximate location of any access roads, cuts, drill holes, and necessary facilities that may be constructed in the course of exploration, all of which shall be plotted on the topographical map;

(6) the estimated time of exploration;

(7) the ownership of the surface land to be explored;

(8) a statement of the right by which the applicant intends to pursue his exploration activities and a certification that notice of intention to pursue such activities has been given to the surface owner;

(9) provisions for reclamation of all land disturbed in exploration, including excavations, roads, drill holes, and the removal of necessary facilities and equipment; and

(10) such other information as the Secretary may require.

(c) Specifically identified information submitted by the applicant in the application and supporting technical data as confidential concerning trade secrets or privileged commercial or financial information which relates to the competitive rights of the applicant shall not be available for public examination.

(d) If an applicant is denied a coal exploration permit under this title, or if the Secretary fails to act within a reasonable time, then the applicant may seek relief under the appropriate administrative procedures.

(e) Any person who conducts any coal exploration activities in connection with surface coal mining operations under this title without first having obtained a permit to explore from the Secretary or shall fail to conduct such exploration activities in a manner consistent with his approved coal exploration permit, shall be subject to the provisions of section 215.

PUBLIC NOTICE AND PUBLIC HEARINGS

SEC. 210. (a) At the time of submission of an application for a surface coal mining and reclamation permit, or revision of an existing permit, pursuant to the provisions of this title, the applicant shall submit to the Secretary a copy of his advertisement of the ownership, precise location, and boundaries of the land to be affected. At the time of submission such advertisement shall be placed in a local newspaper of general circulation in the locality of the proposed surface mine at least once a week for four consecutive weeks. The Secretary shall notify various local governmental bodies, planning agencies, and sewage and water treatment authorities, or water companies in the locality in which the proposed surface mining will take place, notifying them of the operator's intention to surface mine a particularly described tract of land and indicating the application's permit number and where a copy of the proposed mining and reclamation plan may be inspected. There local bodies, agencies, authorities, or companies have obligation to submit written comments within thirty days on the mining applications with respect to the effect of the proposed operation on the environment which are within their area of responsibility. Such comments shall be made available to the public at the same location as are the mining applications.

(b) Any person with a valid legal interest or the officer or head of any Federal, State, or local governmental agency or authority shall have the right to file written objections to the proposed initial or revised application for a permit for surface coal mining and reclamation operation with the Secretary within thirty days after the last publication of the above notice. If written objections are filed and a hearing requested, the Secretary shall then hold a public hearing in the locality of the proposed mining within a reasonable time of the receipt of such objections. The date, time, and location of such public hearing shall be advertised by the Secretary in a newspaper of general circulation in the locality at least once a week for three consecutive weeks prior to the scheduled hearing date. The Secretary may arrange with the applicant upon request by any party to the administrative proceeding access to the proposed mining area for the purpose of gathering information relevant to the proceeding. At this public hearing, the applicant for a permit shall have the burden of establishing that his application is in compliance with the applicable laws. Not less than 10 days prior to any proposed hearing, the Secretary shall respond to the written objections in writing. Such response shall include the Secretary's preliminary proposals as to the terms and conditions, and amount of bond of a possible permit for the area in question and answers to material factual questions presented in the written objections. The Secretary's responsibility under this subsection shall in any event be to make publicly available his estimate as to any other conditions of mining or reclamation which may be required or contained in the preliminary proposal. In the event all parties requesting the hearing stipulate agreement prior to the requested hearing, and withdraw their request, such hearing need not be held.

(c) For the purpose of such hearing, the Secretary may administer oaths, subpena witnesses, or written or printed materials, compel attendance of the witnesses, or production of the materials, and take evidence including but not limited to site inspections of the land to be affected and other surface coal mining operations carried on by the applicant in the general vicinity of the proposed operation. A verbatim transcript and complete record of each public hearing shall be ordered by the Secretary.

DECISIONS OF THE SECRETARY AND APPEALS

SEC. 211. (a) If a public hearing has been held pursuant to section 210(b), the Secretary shall issue and furnish the applicant for a permit and persons who are parties to the administrative proceedings with the written finding of the Secretary, granting or denying the permit in whole or in part and stating the reasons therefor, within thirty days of said hearings.

(b) If there has been no public hearing held pursuant to section 210(b), the Secretary shall notify the applicant for a permit within a reasonable time, taking into account the time needed for proper investigation of the site, the complexity of the permit application and whether or not written objection to the application has been filed, whether the application has been approved or disapproved. If the application is approved, the permit shall be issued. If the application is disapproved, specific reasons therefor must be set forth in the notification. Within thirty days after the applicant is notified that the permit or any portion thereof has been denied, the applicant may request a hearing on the reasons for the said disapproval. The Secretary shall hold a hearing within thirty days of such request and provide notification to all interested parties at the time that the applicant is so notified. Within thirty days after the hearing the Secretary shall issue and furnish the applicant, and all persons who participated in the hearing, with the written decision of the Secretary granting or denying the permit in whole or in part and stating the reasons therefor.

(c) Any applicant or any person who has participated in the administrative proceedings as an objector, and who is aggrieved by the decision of the Secretary, or if the Secretary fails to act within a reasonable period of time, shall have the right of appeal for review by a court of competent jurisdiction in accordance with State or Federal law.

ENVIRONMENTAL PROTECTION PERFORMANCE STANDARDS

SEC. 212. (a) Permit issued under Federal lands program pursuant to this title to conduct surface coal mining operations shall require that such surface coal mining operations will meet all applicable performance standards of this title, and such other requirements as the Secretary shall promulgate.

(b) General performance standards shall be applicable to all surface coal mining and reclamation operations and shall require the operation as a minimum to—

(1) conduct surface coal mining operations so as to maximize the utilization and conservation of the solid fuel resource being recovered so that reaffecting the land in the future through surface coal mining can be minimized;

(2) restore the land affected to a condition at least fully capable of supporting the uses which it was capable of supporting prior to any mining, or higher or better uses of which there is a reasonable likelihood, so long as such use or uses do not present any actual or probable hazard to public health or safety or pose any actual or probable threat of water diminution or pollution, and the permit applicants' declared proposed land use following reclamation is not deemed to be impractical or unreasonable, is not inconsistent with applicable land use policies and plans, does not involve unreasonable delay in implementation, and is not violative of Federal, State, or local law;

(3) with respect to all surface coal mining operations backfill, compact (where advisable to insure stability or to prevent leaching of toxic materials), and grade in order to restore the approximate original contour of the land with all highwalls, spoil piles and depressions eliminated (unless small depressions are needed in order to retain moisture to assist revegetation or as otherwise authorized pursuant to this title): *Provided, however*, That in surface coal mining which is carried out at the same location over a substantial period of time where the operation transects the coal deposit, and thickness of the coal deposits relative to the volume of the overburden is large and where the operator demonstrates that the overburden and other spoil and waste materials at a particular point in the permit area or otherwise available from the entire permit area is insufficient, giving due consideration to volumetric expansion, to restore the approximate original contour, the operator, at a minimum, shall backfill, grade, and compact (where advisable) using all available overburden and other spoil and waste materials to attain the lowest practicable grade but not more than the angle of repose, to provide adequate drainage and to cover all acid-forming and other toxic materials, in order to achieve an ecologically sound land use compatible with the surrounding region: *And provided further*, That in surface coal mining where the volume of overburden is large relative to the thickness of the coal deposit and where the operator demonstrates that due to volumetric expansion the amount of overburden and other spoil and waste materials removed in the course of the mining operation is more than sufficient to restore the approximate original contour, the operator shall after restoring the approximate control, backfill, grade, and compact (where advisable) the excess overburden and other spoil and waste materials to attain the lowest grade but not more than the angle of repose, and to cover all acid-forming and other toxic materials, in order to achieve an ecologically sound land use compatible with the surrounding region and that such overburden or spoil shall be shaped and graded in such a way as to prevent slides, erosion, and water pollution and is revegetated in accordance with the requirements of this title;

(4) stabilize and protect all surface areas including spoil piles affected by the surface coal mining and reclamation operation to effectively control erosion and attendant air and water pollution;

(5) remove the topsoil from the land in a separate layer, replace it on the backfill area, or if not utilized immediately, segregate it in a separate pile from other spoil and when the topsoil is not replaced on a backfill area within a time short enough to avoid deterioration of the topsoil, maintain a successful cover by quick growing plant or other means thereafter so that the topsoil is preserved from wind and water erosion, remains free of any contamination by other acid or toxic material, and is in a useable condition for sustaining vegetation when restored during reclamation, except if topsoil is of insufficient quantity or of poor quality for sustaining vegetation, or if other strata can be shown to be more suitable for vegetation requirements, then the operator shall remove, segregate, and preserve in a like manner such other strata which is best able to support vegetation;

(6) restore the topsoil or the best available subsoil which is best able to support vegetation;

(7) protect offsite areas from slides or damage occurring during the surface coal mining and reclamation operations, and not deposit spoil material or locate any part of the operations or waste accumulations outside the permit area;

(8) create, if authorized in the approved mining and reclamation plan and permit, permanent impoundments of water on mining sites as part of reclamation activities only when it is adequately demonstrated that—

(A) the size of the impoundment is adequate for its intended purposes;

(B) the impoundment dam construction will be so designed as to achieve necessary stability with an adequate margin of safety compatible with that of structures constructed under Public Law 83–566 (16 U.S.C. 1006);

(C) the quality of impounded water will be suitable on a permanent basis for its intended use and that discharges from the impoundment will not degrade the water quality in the receiving stream;

(D) the level of water will be reasonably stable;

(E) final grading will provide adequate safety and access for proposed water users; and

(F) such water impoundments will not result in the diminution of the quality or quantity of water utilized by adjacent or surrounding landowners for agricultural, industrial, recreational, or domestic uses;

(9) seal all auger holes with an impervious and noncombustible material in order to prevent drainage;

(10) minimize the disturbances to the prevailing hydrologic balance at the minesite and in associated offsite areas and to the quality and quantity of water in surface and ground water systems both during and after surface coal mining operations and during reclamation by—

(A) avoiding acid or other toxic mine drainage by such measures as, but not limited to—

(i) preventing or removing water from contact with toxic producing deposits;

(ii) treating drainage to reduce toxic content which adversely affects downstream water upon being released to water courses;

(iii) casing, sealing, or otherwise managing boreholes, shafts, and wells and keep acid or other toxic drainage from entering ground and surface waters;

(B) conducting surface coal mining operations so as to prevent, to the extent possible using the best technology currently available, additional contributions of suspended solids to streamflow or runoff outside the permit area above natural levels under seasonal flow conditions as measured prior to any mining, and avoiding channel deepening or enlargement in operations requiring the discharge of water from mines;

(C) removing temporary or large siltation structures from drainways after disturbed areas are revegetated and stabilized;

(D) restoring recharge capacity of the mixed area to approximate premining conditions;

(E) replacing the water supply of an owner of interest in real property who obtains all or part of his supply of water for domestic, agricultural, industrial, or other legitimate use from an underground or surface source where such supply has been affected by contamination, diminution or interruption proximately resulting from mining;

(F) preserving throughout the mining and reclamation process the essential hydrologic functions of alluvial valley floors in the arid and semiarid areas of the country; and

(G) such other actions as the Secretary may prescribe;

(11) with respect to surface disposal of mine wastes, tailings, coal processing wastes, and other wastes in areas other than the mine working or excavations, stabilize all waste piles in designated areas through construction in compacted layers including the use of incombustible and impervious materials if necessary and assure the final contour of the waste pile will be compatible with natural surroundings and that the site can and will be stabilized and revegetated according to the provisions of this title;

(12) refrain from surface coal mining within five hundred feet from active and abandoned underground mines in order to prevent breakthroughs and to protect health or safety of miners: *Provided*, That the Secretary shall permit an operator to mine closer to an abandoned underground mine: *Provided*, that this does not create hazards to the health and safety of miners; or shall permit an operator to mine near, through or partially through an abandoned underground mine working where such mining through will achieve improved resource recovery, abatement of water pollution, or elimination of public hazards and such mining shall be consistent with the provisions of the title;

(13) design, locate, construct, operate, maintain, enlarge, modify, and remove, or abandon, in accordance with the standards and criteria developed pursuant to subsection (e) of this section, all existing and new coal mine waste piles consisting of mine wastes, tailings, coal processing wastes, or other liquid and solid wastes and used either temporarily or permanently as dams or embankments;

(14) insure that all debris, acid forming materials, toxic materials, or materials constituting a fire hazard are treated or disposed of in a manner designed to prevent contamination of ground or surface waters or sustained combustion;

(15) insure that explosives are used only in accordance with existing State and Federal law and the regulations promulgated by the Secretary, which shall include provisions to—

(A) provide adequate advance written notice by publication and/or posting of the planned blasting schedule to local governments and to residents who might be affected by the use of such explosives and maintain for a period of at least two years a log of the magnitudes and times of blasts; and

(B) limit the type of explosives and detonating equipment, the size, the timing and frequency of blasts based upon the physical condition of the site so as to prevent (i) injury to persons, (ii) damage to public and private property outside the permit area, (iii) adverse impacts of any underground mine, and (iv) change in the course, channel, or availability of ground or surface water outside the permit area;

(16) insure that all reclamation efforts proceed in an environmentally sound manner and as contemporaneously as practicable with the surface coal mining operations;

(17) insure that the construction, maintenance, and postmining conditions of access roads into and across the site of operations will control or prevent erosion and siltation, pollution of water, damage to fish or wildlife or their habitat, or public or private property: *Provided*, That the Secretary may permit the retention after mining of certain access roads where consistent with State and local land use plans and programs and where necessary may permit a limited exception to the restoration of approximate original contour for that purpose;

(18) refrain from the construction of roads or other access ways up a stream bed or drainage channel or in such proximity to such channel so as to seriously alter the normal flow of water;

(19) establish on the regraded areas, and all other lands affected, a diverse, effective and permanent vegetative cover native to the area of land to be affected and capable of self-regeneration and plant succession at least equal in extent of cover to the natural vegetation of the area; except, that introduced species may be used in the revegetation process where desirable and necessary to achieve the approved postmining land use plan;

(20) assume the responsibility for successful revegetation, as required by paragraph (19) above, for a period of five full years after the last year of augmented seeding, fertilizing, irrigation, or other work in order to assure compliance with paragraph (19) above, except in those areas or regions of the country where the annual average precipitation is twenty-six inches or less, then the operator's assumption of responsibility and liability will extend for a period of ten full years after the last year of augmented seeding, fertilizing, irrigation, or other work: *Provided*, That when the Secretary approves a long term intensive agricultural postmining land use, the applicable five- or ten-year period of responsibility for revegetation shall commence at the date of initial planting for such long term intensive agricultural postmining land use: *Provided further*, That when the Secretary issues a written finding approving a long term, intensive, agricultural postmining land use as part of the mining and reclamation plan, the Secretary may grant exceptions to the provisions of paragraph (19) above; and

(21) meet such other criteria as are necessary to achieve reclamation in accordance with the purposes of this title, taking into consideration the physical, climatological, and other characteristics of the site, and to insure the maximum practicable recovery of the mineral resources.

(c) (1) The Federal lands program shall include procedures pursuant to which the Secretary may permit variances for the purposes set forth in paragraph (3) of this subsection.

(2) Where an applicant meets the requirements of paragraphs (3) and (4) of this subsection a variance from the requirement to restore to approximate original contour set forth in subsection 212(b) (3) or 212(d) of this section may be granted for the surface mining of coal where the mining operations will remove an entire coal seam or seams running through the upper fraction of a mountain, ridge, or hill (except as provided in subparagraph (4) (A) hereof) by removing all of the overburden and creating a level plateau or a gently rolling contour with no highwalls remaining, and capable of supporting postmining uses in accord with the requirements of this subsection.

(3) In cases where an industrial, commercial (including commercial agricultural), residential or public facility (including recreational facilities) development is proposed for the postmining use of the affected land, the Secretary may grant a variance for a surface mining operation of the nature described in subsection (c) (2) where—

(A) after consultation with the appropriate land use planning agencies, if any, the proposed development is deemed to constitute an equal or better economic or public use of the affected land, as compared with the premining use;

(B) the equal or better economic or public use can be obtained only if one or more exceptions to the requirements of section 212 (b) (3) and section 212(d) (1) are granted;

(C) the applicant presents specific plans for the proposed postmining land use and appropriate assurances that such use will be—

(i) compatible with adjacent land uses;

(ii) obtainable according to data regarding expected need and market;

(iii) assured of investment in necessary public facilities;

(iv) supported by commitments from public agencies where appropriate;

(v) practicable with respect to private financial capability for completion of the proposed development;

(vi) planned pursuant to a schedule attached to the reclamation plan so as to integrate the mining operation and reclamation with the postmining land use; and

(vii) designed by a registered engineer in conformance with professional standards established to assure the stability, drainage, and configuration necessary for the intended use of the site;

(D) the proposed use would be consistent with adjacent land uses, and existing State and local land use plans and programs;

(E) the Secretary provides the governing body of the unit of general-purpose government in which the land is located and any State or Federal agency which the Secretary, in his discretion, determines to have an interest in the proposed use, an opportunity of not more than sixty days to review and comment on the proposed use;

(F) a public hearing is held in the locality of the proposed surface coal mining operation prior to the grant of any permit including a variance; and

(G) all other requirements of this title will be met.

(4) In granting any variance pursuant to this subsection the Secretary shall require that—

(A) the toe of the lowest coal seam mined and the overburden associated with it are retained in place as a barrier to slides and erosion:

(B) the reclaimed area is stable;

(C) the resulting plateau or rolling contour drains inward from the outslopes except at specified points;

(D) no damage will be done to natural watercourses;

(E) all other requirements of this title will be met.

(5) The Secretary shall promulgate specific regulations to govern the granting of variances in accord with the provisions of this subsection, and may impose such additional requirements as he deems to be necessary.

(6) All exceptions granted under the provisions of this subsection shall be reviewed not more than three years from the date of issuance of the permit, unless the applicant affirmatively demonstrates that the proposed development is proceeding in accordance with the terms of the approved schedule and reclamation plan.

(d) The following performance standards shall be applicable to steep-slope surface coal mining and shall be in addition to those general performance standards required by this section: *Provided, however,* That the provisions of this subsection shall not apply to those situations in which an operator is mining on flat or gently rolling terrain, on which an occasional steep slope is encountered through which the mining operation is to proceed, leaving a plain or predominantly flat area;

(1) Insure that when performing surface coal mining on steep slopes, no debris, abandoned or disabled equipment, spoil material, or waste mineral matter be placed on the downslope below the bench or mining cut, except that where necessary soil or spoil material from the initial block or short linear cut of earth necessary to obtain initial access to the coal seam in a new surface coal mining operation can be placed on a limited and specified area of the downslope below the initial cut if the permitee demonstrates that such soil or spoil material will not slide and that the other requirements of this subsection can still be met: *Provided,* That spoil material in excess of that required for the reconstruction of the approximate original contour under the provisions of paragraphs 212(b)(3) or 212(d)(2) or excess spoil from a surface coal mining operation granted a variance under subsection 212(c) may be permanently stored at such offsite spoil storage areas as the Secretary shall designate and for the purposes of this title such areas shall be deemed in all respects to be part of the lands affected by surface coal mining operations. Such offsite spoil storage areas shall be designed by a registered engineer in conformance with professional standards established to assure the stability, drainage, and configuration necessary for the intended use of the site.

(2) Complete backfilling with spoil material shall be required to cover completely the highwall and return the site to the approximate original contour, which material will maintain stability following mining and reclamation.

(3) The operator may not disturb land above the top of the highwall unless the Secretary finds that such disturbance will facilitate compliance with the environmental protection standards of this section: *Provided, however,* That the land disturbed above the highwall shall be limited to that amount necessary to facilitate said compliance.

(4) For the purposes of this section, the term "steep slope" is any slope above twenty degrees or such less slope as may be defined by the Secretary after consideration of soil, climate, and other characteristics of a region or State.

(e) The Secretary, with the written concurrence of the Chief of Engineers, shall establish within 135 days from the date of enactment, standards and criteria regulating the design, location, construction, operation, maintenance, enlargement, modification, removal and abandonment of new and existing coal mine waste piles referred to in section 212(b)(13) and section 213(b)(5). Such standards and criteria shall conform to the standards and criteria used by the Chief of Engineers to insure that flood control structures are safe and effectively perform their intended function. In addition to engineering and other technical specifications, the standards and criteria developed pursuant to this subsection must include provisions for review and approval of plans and specifications prior to construction, enlargement, modification, removal or abandonment; performance of periodic inspections during construction; issuance of certificates of approval upon completion of construction; performance of periodic safety inspections; and issuance of notices for required remedial or maintenance work.

SURFACE EFFECTS OF UNDERGROUND COAL MINING OPERATIONS

SEC. 213. (a) The Secretary shall promulgate rules and regulations directed toward the surface effects of underground coal mining operations, embodying the following requirements and in accordance with the procedures established under this title.

(b) Each permit issued pursuant to this title and relating to underground coal mining shall require the operator to—

(1) adopt measures consistent with known technology in order to prevent subsidence to the extent technologically and economically feasible, maximize mine stability, and maintain the value and use of such surface lands, except in those instances where the mining technology used requires planned subsidence in a predictable and controlled manner: *Provided,* That nothing in this subsection shall be construed to prohibit the standard method of room and pillar continuous mining;

(2) seal all portals, entryways, drifts, shafts, or other openings between the surface and underground mine working when no longer needed for the conduct of the mining operations;

(3) fill or seal exploratory holes no longer necessary for mining, maximizing to the extent practicable return of mine and processing waste, tailings, and any other waste incident to the mining operation, to the mine workings or excavations;

(4) with respect to surface disposal of mine wastes, tailing, coal processing wastes, and other wastes in areas other than the mine workings or excavations, stabilize all waste piles created by the permittee from current operations through construction in compacted layers including the use of incombustible and impervious materials if necessary and assure that the leachate will not pollute surface or ground waters and that the final contour of the waste accumulation will be compatible with natural surroundings and that the site is stabilized and revegetated according to the provisions of this section;

(5) design, locate, construct, operate, maintain, enlarge, modify, and remove, or abandon, in accordance with the standards and criteria developed pursuant to section 213(e), all existing and new coal mine waste piles consisting of mine wastes, tailings, coal processing wastes, or other liquid and solid wastes and used either temporarily or permanently as dams or embankments;

(6) establish on regraded areas and all other lands affected, a diverse and permanent vegetative cover capable of self-regeneration and plant succession and at least equal in extent of cover to the natural vegetation of the area;

(7) protect offsite areas from damages which may result from such mining operations;

(8) eliminate fire hazards and otherwise eliminate conditions which constitute a hazard to health and safety of the public;

(9) minimize the disturbances to the prevailing hydrologic balance at the mine-site and in associated offsite areas and to the quantity of water in surface ground water systems both during and after coal mining operations and during reclamation by—

(A) avoiding acid or other toxic mine drainage by such measures as, but not limited to—

(i) preventing or removing water from contact with toxic producing deposits;

(ii) treating drainage to reduce toxic content which adversely affects downstream water upon being released to water courses;

(iii) casing, sealing, or otherwise managing boreholes, shafts, and wells to keep acid or other toxic drainage from entering ground and surface waters; and

(B) conducting surface coal mining operations so to prevent, to the extent possible using the best technology currently available, additional contributions of suspended solids to streamflow or runoff outside the permit area above natural levels under seasonal flow conditions as measured prior to any mining, and avoiding channel deepening or enlargement in operations requiring the discharge of water from mines.

(10) with respect to other surface impacts not specified in this subsection including the construction of new roads or the improvement or use of existing roads to gain access to the site of such activities and for haulage, repair areas, shortage areas, processing areas, shipping areas and other areas upon which are sited structures, facilities, or other property or materials on the surface, resulting from or incident to such activities, operate in accordance with the standards established under section 212 of this title for such effects which result from surface coal mining operations: *Provided,* That the Secretary may make such modifications in the requirements imposed by this subparagraph as are deemed necessary by the Secretary due to the differences between surface and underground coal mining.

(c) In order to protect the stability of the land, the Secretary shall suspend underground coal mining under urbanized areas, cities, towns, and communities and adjacent to industrial or commercial buildings, major impoundments, or permanent streams if he finds imminent danger to inhabitants of the urbanized areas, cities, towns, and communities.

(d) The provisions of this title relating to permits, bonds, inspections and enforcement, public review, and administrative and judicial review shall be applicable to surface coal mining and reclamation operations incident to underground coal mining with such modifications to the permits application requirements, permit approval or denial procedures, and bond requirements as are deemed necessary by the Secretary due to the differences between surface and underground coal mining. The Secretary shall promulgate such modifications in accordance with the rulemaking procedure established in section 202 of this title.

INSPECTIONS AND MONITORING

SEC. 214. (a) The Secretary shall cause to be made such inspections of any surface coal mining and reclamation operations as are necessary to enforce the Federal Lands program, and for such purposes authorized representatives of the Secretary shall have a right of entry to, upon, or through any surface coal mining and reclamation operations.

(b) For the purpose of administering and enforcing any permit under this title, or of determining whether any person is in violation of any requirement of this title—

(1) the Secretary shall require any permittee to (A) establish and maintain appropriate records, (B) make monthly reports to the regulatory authority, (C) install, use, and maintain any necessary monitoring equipment or methods, (D) evaluate results in accordance with such methods, at such locations, intervals, and in such manner as the Secretary shall prescribe, and (E) provide such other information relative to surface coal mining and reclamation operations as the Secretary deems reasonable and necessary;

(2) for those surface coal mining and reclamation operations which remove or disturb strata that serve as acquifers which significantly insure the hydrologic balance of water use either on or off the mining site, the Secretary shall specify those—

(A) monitoring sites to record the quality and quality of surface drainage above and below the minesite as well as in the potential zones on influence;

(B) monitoring sites to record level, amount, and samples of ground water and acquifers potentially affected by the mining and also directly below the lowermost (deepest) coal seam to be mined;

(C) records of well logs and borehole data to be maintained; and

(D) monitoring sites to record precipitation.

The monitoring data collection, and analysis required by this section shall be conducted according to standards and procedures set forth by the Secretary in order to assure their reliability and validity; and

(3) the authorized representatives of the Secretary, without advance notice and upon presentation of appropriate credentials (A) shall have the right of entry to, upon, or through any surface coal mining and reclamation operations or any premises in which any records required to be maintained under paragraph (1) of this subsection are located; and (B) may at reasonable times, and without delay, have access to and copy any records, inspect any monitoring equipment or method of operation required under this title.

(c) The inspections by the Secretary shall (1) occur on an irregular basis averaging not less than one inspection per month for the surface coal mining and reclamation operations covered by each permit; (2) occur without prior notice to the permittee or his agents or employees; and (3) include the filing of inspection reports adequate to enforce the requirements of and to carry out the terms and purposes of this title and the Secretary shall make copies of such inspection reports immediately and freely available to the public at a central location in the pertinent geographic area of mining. The Secretary shall establish a system of continual rotation of inspectors so that the same inspector does not consistently visit the same operations.

(d) Each permittee shall conspicuously maintain at the entrance to the surface coal mining and reclamation operations a clearly visible sign which sets forth the name, business address, and phone number of the permittee and the permit number of the surface coal mining and reclamation operations.

(e) Each inspector, upon detection of each violation of any requirement of this title, shall forthwith inform the operator in writing, and shall report in writing any such violation to the Secretary.

(f) Copies of any records, reports, inspection materials, or information obtained under this title by the Secretary shall be made immediately available to the public at central and sufficient locations in the county, multicounty, and State area of mining so that they are conveniently available to residents in the areas of mining.

(g) No authorized representatives of the Secretary performing any function or duty under this title shall have a direct or indirect financial interest in any underground or surface coal mining operation. Whoever knowingly violates the provisions of the above sentence shall, upon conviction, be punished by a fine of not more than $2,500, or by imprisonment of not more than one (1) year, or by both. The Secretary shall (1) within 60 days after enactment of this title, publish in the Federal Register, in accordance with 5 U.S.C. 553, regulations to establish methods by which the provisions of this subsection will be monitored and enforced by the Secretary, including appropriate provisions for the filing by such employees and the review of statements and supplements thereto concerning any financial interest which may be affected by this subsection, and (2) reports to the Congress on March 1 of each calendar year on actions taken and not taken during the preceding year under this subsection.

PENALTIES

SEC. 215. (a) In the enforcement of this title, any permittee who violates any permit condition or who violates any other provision of this title, may be assessed a civil penalty by the Secretary, except that if such violation leads to the issuance of a cessation order under section 218, the civil penalty shall be assessed. Such penalty shall not exceed $5,000 for each violation. Each day of a continuing violation may be deemed a separate violation for purposes of penalty assessments. In determining the amount of the penalty, consideration shall be given to the permittee's history of previous violations at the particular surface coal mining operation; the appropriateness of such penalty to the size of the business of the permittee charged; the seriousness of the violation, including any irreparable harm to the environment and any hazard to the health or safety of the public; whether the permittee was negligent; and the demonstrated good faith of the permittee charged in attempting to achieve rapid compliance after notification of the violation.

(b) A civil penalty shall be assessed by the Secretary only after the person charged with a violation described under subsection (a) of this section has been given an opportunity for a hearing. Where such a public hearing has been held, the Secretary shall make findings of fact, and he shall issue a written decision as to the occurrence of the violation and the amount of the penalty which is warranted, incorporating, when appropriate, an order therein requiring that the penalty be paid. Any hearing under this section shall be of record and shall be subject to section 554 of title 5 of the United States Code. Where the person charged with such a violation fails to avail himself of the opportunity for a public hearing, a civil penalty shall be assessed by the Secretary after the Secretary has determined that a violation did occur, and the amount of the penalty which is warranted, and has issued an order requiring that the penalty be paid.

(c) If no complaint, as provided in this section, is filed within thirty days from the date of the final order or decision issued by the Secretary under subsection (b) of this section, such order and decision shall be conclusive.

(d) Interest at the rate of 6 per centum or at the prevailing Department of the Treasury borrowing rate, whichever is greater, shall be charged against a person on any unpaid civil penalty assessed against him pursuant to the final order of the Secretary, said interest to be computed from the thirty-first day after issuance of such final assessment order.

(e) Civil penalties owed under this Act, either pursuant to subsection (c) of this section or pursuant to an enforcement order entered under section 222 of this title, may be recovered in a civil action brought by the Attorney General at the request of the Secretary in any appropriate district court of the United States.

(f) Any person who willfully and knowingly violates a condition of a permit issued pursuant to the Federal lands program Act or fails or refuses to comply with any order issued under section 221 or section 222 of this title, or any order incorporated in a final decision issued by the Secretary under this title, except an order incorporated in a decision issued under subsection (b) of this section or section 227 of this title, shall, upon conviction, be punished by a fine of not more than $10,000, or by imprisonment for not more than one year or both.

(g) Whenever a corporate permittee violates a condition of a permit issued pursuant to the Federal lands program or fails or refuses to comply with any order issued under section 218 of this title, or any order incorporated in a final decision issued by the Secretary under this title except an order incorporated in a decision issued under subsection (b) of this section or section 227 of this title, any director, officer, or agent of such corporation who willfully and knowingly authorized, ordered, or carried out such violation, failure, or refusal shall be subject to the same civil penalties, fines, and imprisonment that may be imposed upon a person under subsections(a) and (f) of this section.

(h) Whoever knowingly makes any false statement, representation, or certification, or knowingly fails to make any statement, representation, or certification in any application, record, report, plan, or other document filed or required to be maintained pursuant to this title or any order or decision issued by the Secretary under this title, shall, upon conviction be punished by a fine of not more than $10,000, or by imprisonment for not more than one year or both.

RELEASE OF PERFORMANCE BONDS OR DEPOSITS

SEC. 216. (a) The permittee may file a request with the Secretary for the release of all or part of a performance bond or deposit. Within thirty days after any application for bond or deposit release has been filed with the Secretary, the operator shall submit a copy of an advertisement placed on five successive days in a newspaper of general circulation in the locality of the surface coal mining operation. Such advertisement shall be considered part of any bond release application and shall contain a notification of the precise location of the land affected, the number of acres, the permit number and the date approved, the amount of the bond filed and the portion sought to be released, and the type and the approximate dates of reclamation work performed, and a description of the results achieved as they relate to the operator's approved reclamation plan. In addition, as part of any bond release application, the applicant shall submit copies of letters which he has sent to adjoining property owners, local government bodies, planning agencies, and sewage and water treatment authorities, or water companies in the locality in which the surface coal mining and reclamation activities took place, notifying them of his intention to seek release from the bond.

(b) Upon receipt of the notification and request, the Secretary shall within a reasonable time conduct an inspection and evaluation of the reclamation work involved. Such evaluation shall consider, among other things, the degree of difficulty to complete any remaining reclamation, whether pollution of surface and subsurface water is occurring, the probability of continuance of future occurrence of such pollution, and the estimated cost of abating such pollution.

(c) The Secretary may release in whole or in part said bond or deposit if the authority is satisfied that reclamation covered by the bond or deposit or portion thereof has been accomplished as required by this title according to the following schedule:

(1) When the operator completes the backfilling, regrading, and drainage control of a bonded area in accordance with his approved reclamation plan, the release of 60 per centum of the bond or collateral for the applicable permit area;

(2) After revegetation has been established on the regraded mined lands in accordance with the approved reclamation plan. When determining the amount of bond to be released after successful revegetation has been established, the Secretary shall retain that amount of bond for the revegetated area which would be sufficient for a third party to cover the cost of reestablishing revegetation and for the period specified in section 212 for operator responsibility of reestablishing revegetation. No part of the bond or deposit shall be released under this paragraph so long as the lands to which the release would be applicable are contributing suspended solids to streamflow or runoff outside the permit area above natural levels under seasonal flow conditions as measured prior to any mining and as set forth in the permit.

(3) When the operator has completed successfully all surface coal mining and reclamation activities, but not before the expiration of the period specified for operator responsibility in section 212:

Provided, however, That no bond shall be fully released until all reclamation requirements of this title are fully met.

(d) If the Secretary disapproves the application for release of the bond or portion thereof, the Secretary shall notify the permittee, in writing, stating the reasons for disapproval and recommending corrective actions necessary to secure said release.

(e) With any application for total or partial bond release filed with the Secretary, the Secretary shall notify the unit of general purpose local government in which a surface coal mining operation is located by certified mail at least thirty days prior to the release of all or a portion of the bond.

(f) Any person with a valid legal interest or the officer or head of any Federal, State, or local governmental agency shall have the right to file written objections to the proposed release from bond to the Secretary within thirty days after the last publication of the above notice. If written objections are filed, and a hearing requested, the Secretary shall inform all the interested parties, of the time and place of the hearing, and hold a public hearing in the locality of the surface coal mining operation proposed for bond release within thirty days of the request for such hearing. The date, time, and location of such public hearings shall be advertised by the Secretary in a newspaper of general circulation in the locality twice a week for two consecutive weeks.

(g) For the purpose of such hearing the Secretary shall have the authority and is hereby empowered to administer oaths, subpena witnesses, or written or printed materials, compel the attendance of witnesses, or production of the materials, and take evidence including but not limited to inspections of the land affected and other surface coal mining operation carried on by the applicant in the general vicinity. A verbatim transcript and a complete record of each public hearing shall be ordered by the Secretary.

CITIZEN SUITS

SEC. 217. (a) Except as provided in subsection (b) of this section, any person having an interest which is or may be adversely affected may commence a civil action on his own behalf—

(1) against any person including—

(A) the United States,

(B) any other governmental instrumentality or agency to the extent permitted by the eleventh amendment to the Constitution who is alleged to be in violation of the provisions of this title or the regulations promulgated thereunder, or an order issued by the Secretary.

(C) any other person who is alleged to be in violation of any rule, regulation, order, or permit issued pursuant to this title; or

(2) against the Secretary to the extent permitted by the eleventh amendment to the Constitution where there is alleged a failure of the Secretary to perform any act or duty under this title which is not discretionary with the Secretary.

(b) No action may be commenced—

(1) under subsection (a)(1) of this section—

(A) prior to sixty days after the plaintiff has given notice in writing under oath of the violation (i) to the Secretary, (ii) to the State in which the violation occurs, and (iii) to any alleged violator; or

(B) if the Secretary has commenced and is diligently prosecuting a civil action in a court of the United States to require compliance with the provisions of this title, or any rule, regulation, order, or permit issued pursuant to this title, but in any such action in a court of the United States any person may intervene as a matter of right; or

(2) under subsection (a)(2) of this section prior to sixty days after the plaintiff has given notice in writing under oath of such action to the Secretary, in such manner as the Secretary shall by regulation prescribe, except that such action may be brought immediately after such notification in the case where the violation or order complained of constitutes an imminent threat to the health or safety of the plaintiff or would immediately affect a legal interest of the plaintiff.

(c)(1) Any action respecting a violation of this title or the regulations thereunder may be brought only in the judicial district in which the surface coal mining operation complained of is located.

(2) In such action under this section, the Secretary, if not a party, may intervene as a matter of right.

(d) The court, in issuing any final order in any action brought pursuant to subsection (a) of this section, may award costs of litigation to any party, whenever the court determines such award is appropriate. The court may, if a temporary restraining order or preliminatry injunction is sought, require the filing of a bond or equivalent security in accordance with the Federal Rules of Civil Procedure.

(e) Nothing in this section shall restrict any right which any person (or class of persons) may have under this or any statute or common law to seek enforcement of any of the provisions of this title and the regulations thereunder, or to seek any other relief (including relief against the Secretary).

(f) Any resident of the United States who is injured in any manner through failure of any operator to comply with any rule, regulation, order, or permit issued pursuant to this title may bring an action for damages (including attorney fees) in an appropriate United States district court.

ENFORCEMENT

SEC. 218. (a)(1) Whenever, on the basis of any information available to him, including receipt of information from any person, the Secretary has reason to believe that any person is in violation of any requirement of this title or any permit condition required by this title, the Secretary shall order Federal inspection of the surface coal mining operation at which the alleged violation is occurring unless the information available to the Secretary is a result of a previous Federal inspection of such surface coal mining operation. When the Federal inspection results from information provided to the Secretary by any person, the Secretary shall notify such person when the Federal inspection is proposed to be carried out and such person shall be allowed to accompany the inspector during the inspection.

(2) When, on the basis of any Federal inspection, the Secretary or his authorized representative determines that any condition or practices exist, or that any permittee is in violation of any requirement of this title or any permit condition required by this title, which condition, practice, or violaton also creates an imminent danger to the health or safety of the public, or is causing, or can reasonably be expected to cause significant, imminent environmental harm to land, air, or water resources, the Secretary or his authorized representative shall immediately order a cessation of surface coal mining and reclamation operations or the portion thereof relevant to the condition, practice, or violation. Such cessation order shall remain in effect until the Secretary or his authorized representative determines that the condition, practice, or violation has been abated, or until modified, vacated, or terminated by the Secretary or his authorized representative pursuant to subparagraph (a)(5) of this section.

(3) When, on the basis of a Federal inspection which is carried out during the enforcement of the Federal lands program, the Secretary or his authorized representative determines that any permittee is in violation of any requirement of this title or any permit condition required by this title, but such violation does not create an imminent danger to the health or safety of the public, or cause or can be reasonably expected to cause significant, imminent environmental harm to land, air, or water resources, the Secretary or his authorized representative shall issue a notice to the permittee or his agent fixing a reasonable time but not more than ninety days for the abatement of the violation.

If, upon expiration of the period of time as originally fixed or subsequently extended, for good cause shown and upon the written finding of the Secretary or his authorized representative, the Secretary or his authorized representative finds that the violation has not been abated, he shall immediately order a cessation of surface coal mining and reclamation operations or the portion thereof relevant to the violation. Such cessation order shall remain in effect until the Secretary or his authorized representative determines that the violation has been abated, or until modified, vacated, or terminated by the Secretary or his authorized representative pursuant to subparagraph (a)(5) of this section.

(4) When, on the basis of a Federal inspection which is carried out during the enforcement of the Federal lands program, the Secretary or his authorized representative determines that a pattern of violations of any requirements of this title or any permit conditions required by this title exists or has existed, and if the Secretary or his authorized representative also find that such violations are caused by the unwarranted failure of the permittee to comply with any requirements of this title or any permit conditions, or that such violations are willfully caused by the permittee, the Secretary or his authorized representative shall forthwith issue an order to the permittee to show cause as to why the permit should not be suspended or revoked. Upon the permittee's failure to show cause as to why the permit should not be suspended or revoked, the Secretary or his authorized representative shall forthwith suspend or revoke the permit.

(5) Notices and orders issued pursuant to this section shall set forth with reasonable specificity the nature of the violation and the remedial action required, the period of time established for abatement, and a reasonable description of the portion of the

surface coal mining and reclamation operation to which the notice or order applies. Each notice or order issued under this section shall be given promptly to the permittee or his agent by the Secretary or his authorized representative who issues such notice or order, and all such notices and orders shall be in writing and shall be signed by the Secretary or such authorized representatives. Any notice or order issued pursuant to this section may be modified, vacated, or terminated by the Secretary or his authorized representative.

(6) the Secretary may request the Attorney General to institute a civil action for relief, including a permanent or temporary injunction, restraining order, or any other appropriate order in the district court of the United States for the district in which the surface coal mining and reclamation operation is located or in which the permittee thereof has his principal office, whenever such permittee or his agent (A) violates or fails or refuses to comply with any order or decision issued by the Secretary under this title, or (B) interferes with, hinders, or delays the Secretary or his authorized representatives in carrying out the provisions of this title, or (C) refuses to admit such authorized representative to the mine, or (D) refuses to permit inspection of the mine by such authorized representative, or (E) refuses to furnish any information or report requested by the Secretary in furtherance of the provisions of this title, or (F) refuses to permit access to, and copying of, such records as the Secretary determines necessary in carrying out the provisions of this title. Such court shall have jurisdiction to provide such relief as may be appropriate. Temporary restraining orders shall be issued in accordance with rule 65 of the Federal Rules of Civil Procedure, as amended. Any relief granted by the court to enforce an order under clause (A) of this section shall continue in effect until the completion or final termination of all proceedings for review of such order under this title, unless, prior thereto, the district court granting such relief sets it aside or modifies it.

DESIGNATING AREAS UNSUITABLE FOR SURFACE COAL MINING

SEC. 219. (a) (1) The Secretary shall conduct a review of the Federal lands to determine, pursuant to the standards set forth in paragraphs (2) and (3) whether there are areas on Federal lands which are unsuitable for all or certain types of surface coal mining operations: Provided, however, That the Secretary may permit surface coal mining on Federal lands prior to the completion of this review. When the Secretary determines an area on Federal lands to be unsuitable for all or certain types of surface coal mining operations, he shall withdraw such area or condition any mineral leasing or mineral entries in a manner so as to limit surface coal mining operations on such area.

(2) Upon petition pursuant to subsection (b) of this section, the Secretary shall designate an area as unsuitable for all or certain types of surface coal mining operations if the Secretary determines that reclamation pursuant to the requirements of this title is not feasible.

(3) Upon petition pursuant to subsection (b) of this section, a surface area may be designated unsuitable for certain types of surface coal mining operations if such operations will—

(A) be incompatible with existing land use plans or programs; or

(B) affect fragile or historic lands in which such operations could result in significant damage to important historic, cultural, scientific, and esthetic values and natural systems; or

(C) affect renewable resource lands in which such operations could result in a substantial loss or reduction of long-range productivity of water supply or of food or fiber products, and such lands to include aquifers and aquifer recharge areas; or

(D) affect natural hazard lands in which such operations could substantially endanger life and property, such lands to include areas subject to frequent flooding and areas of unstable geology.

(b) Any person having an interest which is or may be adversely affected shall have the right to petition the Secretary to have an area designated as unsuitable for surface coal mining operations, or to have such a designation terminated. Such a petition shall contain allegations of facts with supporting evidence which would tend to establish the allegations. Within ten months after receipt of the petition the Secretary shall hold a public hearing in the locality of the affected area, after appropriate notice and publication of the date, time, and location of such hearing. After a person having an interest which is or may be adversely affected has filed a petition and before the hearing, as required by this subsection, any person may intervene by filing allegations of facts with supporting evidence which would tend to establish the allegations. Within sixty days after such hearing, the Secretary shall issue and furnish to the petitioner and any other party to the hearing, a written decision regarding the petition, and the reasons therefor. In the event that all the petitioners stipulate agreement prior to the requested hearing, and withdraw their request, such hearing need not be held.

(c) Prior to designating any land areas as unsuitable for surface coal mining operations, the Secretary shall prepare a detailed statement on (i) the potential coal resource of the area, (ii) the demand for coal resources, and (iii) the impact of such designation on the environment, the economy, and the supply of coal.

(d) Subject to valid existing rights no surface coal mining operations except those which exist on the date of enactment of this title shall be permitted—

(1) on any lands within the boundaries of units of the National Park System, the National Wildlife Refuge Systems, the National System of Trails, the National Wilderness Preservation System, the Wild and Scenic Rivers System, including study rivers designated under section 5(a) of the Wild and Scenic Rivers Act and National Recreation Areas designated by Act of Congress;

(2) on any Federal lands within the boundaries of any national forest except surface operations and impacts incident to an underground coal mine;

(3) which will adversely affect any publicly owned park or places included in the National Register of Historic Sites unless approved jointly by the Secretary and the Federal, State, or local agency with jurisdiction over the park or the historic site;

(4) within one hundred feet of the outside right-of-way of any public road, except where mine access roads or haulage roads join such right-of-way line and except that the regulatory authority may permit such roads to be relocated or the area affected to lie within one hundred feet of such road, if after public notice and opportunity for public hearing in the locality a written finding is made that the interests of the public and the landowners affected thereby will be protected; or

(5) within three hundred feet from any occupied dwelling, unless waived by the owner thereof, nor within three hundred feet of any public building, school, church, community, or institutional building, public park, or within one hundred feet of a cemetery.

(e) Determinations of the unsuitability of land for surface coal mining, as provided for in this section, shall be integrated as closely as possible with present and future land use planning and regulation processes at the Federal, State, and local levels.

(f) The requirements of this section shall not apply to lands on which surface coal mining operations are being conducted on the date of enactment of this Act or under a permit issued pursuant to this Act, or where substantial legal and financial commitments in such operations were in existence prior to September 1, 1974.

PUBLIC AGENCIES, PUBLIC UTILITIES, AND PUBLIC CORPORATIONS

SEC. 220. Any agency, unit, or instrumentality of Federal, State, or local government, including any publicly owned utility or publicly owned corporation of Federal, State, or local government, which proposes to engage in surface coal mining operations which are subject to the requirements of this title shall comply with the provisions of this title.

REVIEW BY SECRETARY

SEC. 221. (a) (1) A permittee issued a notice or order by the Secretary pursuant to the provisions of section 218 of this title, or pursuant to the Federal lands program or any person having an interest which is or may be adversely affected by such notice or order or by any modification, vacation, or termination of such notice or order, may apply to the Secretary for review of the notice or order within thirty days of receipt thereof or within thirty days of its modification, vacation, or termination. Upon receipt of such application, the Secretary shall cause such investigation to be made as he deems appropriate. Such investigation shall provide an opportunity for a public hearing, at the request of the applicant or the person having an interest which is or may be adversely affected, to enable the applicant or such person to present information relating to the issuance and continuance of each notice or order or the modification, vacation, or termination thereof. The filing of an application for review under this subsection shall not operate as a stay of any order or notice.

(2) The permittee and other interested persons shall be given written notice of the time and place of the hearing at least five days prior thereto. Any such hearing shall be of record and shall be subject to section 554 of title 5 of the United States Code.

(b) Upon receiving the report of such investigation, the Secretary shall make findings of fact, and shall issue a written decision, incorporating therein an order vacating, affirming, modifying, or terminating the notice or order, or the modification, vacation, or termination of such notice or order complained of and incorporated his findings therein. Where the application for review concerns an order for cessation of surface coal mining and reclamation operations issued pursuant to the provisions of section 218 of this title, the Secretary shall issue the written decision thirty days of the receipt of the application for review, unless temporary relief has been granted by the Secretary pursuant to subparagraph (c) of this section or by a United States district court pursuant to subparagraph (c) of section 222 of this title.

(c) Pending completion of the investigation required by this section, the applicant may file with the Secretary a written request that the Secretary grant temporary relief from any notice or order issued under section 218 of this title, or the Federal lands program together with a detailed statement giving reasons for granting such relief. The Secretary shall issue an order or decision granting or denying such relief expeditiously: *Provided*, That where the applicant requests relief from an order for cessation of surface coal mining and reclamation operations issued pursuant to section 218 of this title, the order or decision on such a request shall be issued within five days of its receipt. The Secretary may grant such relief, under such conditions as he may prescribe, if—

(1) a hearing has been held in the locality of the permit area on the request for temporary relief in which all parties were given an opportunity to be heard;

(2) the applicant shows that there is substantial likelihood that the findings of the Secretary will be favorable to him; and

(3) such relief will not adversely affect the health or safety of the public or cause significant, imminent environmental harm to land, air, or water resources.

(d) Following the issuance of an order to show cause as to why a permit should not be suspended or revoked pursuant to section 218, the Secretary shall hold a public hearing after giving written notice of the time, place, and date thereof. Any such hearing shall be of record and shall be subject to sections 554 of title 5 of the United States Code. Within sixty days following the public hearing, the Secretary shall issue and furnish to the permittee and all other parties to the hearing a written decision, and the reasons therefor, concerning suspension or revocation of the permit. If the Secretary revokes the permit, the permittee shall immediately cease surface coal mining operations on the permit area and shall complete reclamation within a period specified by the Secretary, or the Secretary shall declare as forfeited the performance bonds for the operation.

JUDICIAL REVIEW

Sec. 222. (a) All orders or decisions issued by the Secretary pursuant to this title shall be subject to judicial review only in the United States district court for the locality in which the surface coal mining operation is located. Such review shall be in accordance with the Federal Rules of Civil Procedure. In the case of a proceeding to review an order or decision issued by the Secretary under section 215 of this title, the court shall have jurisdiction to enter an order requiring payment of any civil penalty assessment enforced by its judgment. The availability of review established in this subsection shall not be construed to limit the operation of the rights established in section 217.

(b) The court shall hear such petition or complaint solely on the record made before the Secretary. The findings of the Secretary if supported by substantial evidence on the record considered as a whole, shall be conclusive. The court may affirm, vacate, or modify any order or decision or may remand the proceedings to the Secretary for such further action as it may direct.

(c) In the case of a proceeding to review any order or decision by the Secretary under this title, including an order or decision issued pursuant to section 221 of this title pertaining to any order issued under section 218 of this title for cessation of surface coal mining and reclamation operations, the court may, under such conditions as it may prescribe, grant such temporary relief as it deems appropriate pending final determination of the proceedings if—

(1) all parties to the proceedings have been notified and given an opportunity to be heard on a request for temporary relief;

(2) the person requesting such relief shows that there is a substantial likelihood that he will prevail on the merits of the final determination of the proceedings; and

(3) such relief will not adversely affect the public health or safety or cause significant imminent environmental harm to land, air, or water resources.

(d) The commencement of a proceeding under this section shall not, unless specifically ordered by the court, operate as a stay of the action, order or decision of the Secretary.

SPECIAL BITUMINOUS COAL MINES

Sec. 223. The Secretary is authorized to and shall issue separate regulations for those special bituminous coal surface mines located west of the one hundredth meridian west longitude which meet the following criteria:

(a) the excavation of the specific mine pit takes place on the same relatively limited site for an extended period of time;

(b) the excavation of the specific mine pit follows a coal seam having an inclination of fifteen degrees or more from the horizontal, and continues in the same area proceeding downward with lateral expansion of the pit necessary to maintain stability or as necessary to accommodate the orderly expansion of the total mining operation;

(c) the excavation of the specific mine pit involves the mining of more than one coal seam and mining has been initiated on the deepest coal seam contemplated to be mined in the current operation;

(d) the amount of material removed is large in proportion to the surface area disturbed;

(e) there is no practicable alternative method of mining the coal involved;

(f) there is no practicable method to reclaim the land in the manner required by this title; and

(g) the specific mine pit has been actually producing coal since January 1, 1972, in such manner as to meet the criteria set forth in this section, and because of past duration of mining, is substantially committed to a mode of operation which warrants exceptions to some provisions of this title.

Such alternative regulations shall pertain only to the standards governing onsite handling of spoils, elimination of depressions capable of collecting water, creation of impoundments, and regarding to the approximate original contour and shall specify that remaining highways are stable. All other performance standards in this title shall apply to such mines.

DEFINITIONS

Sec. 224. For the purposes of this Act—

(1) "Secretary" means the Secretary of the Interior, except where otherwise described;

(2) "commerce" means trade, traffic, commerce, transportation, transmission, or communication among the several States, or between a State and any other place outside thereof, or between points in the same State which directly or indirectly affect interstate commerce;

(2) "surface coal mining operations" means—

(A) activities conducted on the surface of lands in connection with a surface coal mine or surface operations and surface impacts incident to an underground coal mine, the products of which enter commerce or the operations of which directly or indirectly affect interstate commerce. Such activities include excavation for the purpose of obtaining coal including such common methods as contour, strip, auger, mountaintop removal, box cut, open pit, and area mining, and in situ distillation or retorting, leaching, or other chemical or physical processing, and the cleaning, concentrating, or other processing or preparation, loading of coal for interstate commerce at or near the mine site: *Provided, however,* That such activities do not include the extraction of coal incidental to the extraction of other minerals where coal does not exceed 16⅔ per centum of the tonnage of minerals removed for purposes of commercial use or sale or coal explorations subject to section 209 of this title; and

(B) the areas upon which such activities occur or where such activities disturb the natural land surface. Such areas shall also include any adjacent land the use of which is incidental to any such activities, all lands affected by the construction of new roads or the improvement or use of existing roads to gain access to the site of such activities and for haulage, and excavations, workings, impoundments, dams, ventilation shafts, entryways, refuse banks, dumps, stockpiles, overburden piles, spoil banks, culm banks, tailings, holes or depressions, repair areas, storage areas, processing areas, shipping areas and other areas upon which are sited structures, facilities, or other property or materials on the surface, resulting from or incident to such activities;

(4) "surface coal mining and reclamation operations" means surface mining operations and all activities necessary and incident to the reclamation of such operations after the date of enactment of this title;

(5) "Federal lands" means any land, including mineral interests, owned by the United States without regard to how the United States acquired ownership of the land and without regard to the agency having responsibility for management thereof, except Indian lands;

(6) "Indian lands" means all lands, including mineral interests, within the exterior boundaries of any Federal Indian reservation, notwithstanding the issuance of any patent, and including rights-of-way, and all lands including mineral interests held in trust for or supervised by any Indian tribe;

(7) "Indian tribe" means any Indian tribe, band, group, or community having a governing body recognized by the Secretary;

(8) "reclamation plan" means a plan submitted by an applicant for a permit under the Federal lands program which sets forth a plan for reclamation of the proposed surface coal mining operations pursuant to section 205;

(9) "person" means an individual, partnership, association, society, joint stock company, firm, company, corporation, or other business organization;

(10) "permit" means a permit to conduct surface coal mining and reclamation operations issued by the Secretary pursuant to the Federal lands program;

(11) "permit applicant" or "applicant" means a person applying for a permit;

(12) "permittee" means a person holding a permit;

(13) "other minerals" means clay, stone, sand, gravel, metalliferous and nonmetalliferous ores, and any other solid material or substances of commercial value excavated in solid form from natural deposits on or in the earth, exclusive of coal and those minerals which occur naturally in liquid or gaseous form;

(14) "appropriate original contour" means that surface configuration achieved by backfilling and grading of the mined area so that it closely resembles the surface configuration of the land prior to mining and blends into and complements the drainage pattern of the surrounding terrain, with all highwalls, spoil piles, and depressions eliminated except that water impoundments may be permitted where the regulatory authority determines that they are in compliance with section 212(b)(8) of this Act;

(15) "operator" means any person, partnership, or corporation engaged in coal mining who removes or intends to remove more than two hundred and fifty tons of coal from the earth by coal mining within twelve consecutive calendar months in any one location;

(16) "permit area" means the area of land indicated on the approved map submitted by the operator with his application, which area of land shall be covered by the operator's bond as required by section 206 of this Act and shall be readily identifiable by appropriate markers on the site;

(17) "unwarranted failure to comply" means the failure of a permittee to prevent the occurrence of any violation of his per-

mit or any requirement of this title due to indifference, lack of diligence, or lack of reasonable care, or the failure to abate any violation of such permit or the Act due to indifference, lack of diligence, or lack of reasonable care;

(18) "alluvial valley floors" means the unconsolidated steam laid deposits holding streams where water availability is sufficient for subirrigation or flood irrigation agricultural activities, but does not mean upland areas which are generally overlain by a thin veneer of colluvial deposits composed chiefly of debris from sheet erosion, deposits by unconcentrated runoff or slope wash, together with talus, other mass movement accumulation and windblown deposits.

(19) "imminent danger to the health or safety of the public" means the existence of any condition or practice, or any violation of a permit or other requirement of this title in a surface coal mining and reclamation operation, which condition, practice, or violation could reasonably be expected to cause substantial physical harm to persons outside the permit area before such condition, practice, or violation can be abated.

OTHER FEDERAL LAWS

SEC. 225. (a) Nothing in this title shall be construed as superseding, amending, modifying, or repealing the Mining and Minerals Policy Act of 1970 (30 U.S.C. 21a), the National Environmental Policy Act of 1969 (42 U.S.C. 4321–47), or any of the following Acts or with any rule or regulation promulgated thereunder, including, but not limited to—

(1) The Federal Metal and Nonmetallic Mine Safety Act (30 U.S.C. 721–740).

(2) The Federal Coal Mine Health and Safety Act of 1969 (83 Stat. 742).

(3) The Federal Water Pollution Control Act (79 Stat. 903), as amended (33 U.S.C. 1151–1175), the State laws enacted pursuant thereto, or other Federal laws relating to preservation of water quality.

(4) The Clean Air Act, as amended (42 U.S.C. 1857 et seq.)

(5) The Solid Waste Disposal Act (42 U.S.C. 3251–3259).

(6) The Refuse Act of 1899 (33 U.S.C. 407).

(7) The Fish and Wildlife Coordination Act of 1934 (16 U.S.C. 661–666c).

(b) Nothing in this title shall affect in any way the authority of the Secretary or the heads of other Federal agencies under other provisions of law to include in any lease, license, permit, contract, or other instrument such conditions as may be appropriate to regulate surface coal mining and reclamation operations on land under their jurisdiction.

(c) To the greatest extent practicable each Federal agency shall cooperate with the Secretary in carrying out the provisions of this title.

(d) Implementation of the Federal lands programs, pursuant to this title, shall constitute a major action within the meaning of section 102(2) (C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332).

EMPLOYEE PROTECTION

SEC. 226. (a) No person shall discharge, or in any other way discriminate against, or cause to be fired or discriminated against, any employee or any authorized representative of employees by reason of the fact that such employee or representative has filed, instituted, or caused to be filed or instituted any proceeding under this title, or has testified or is about to testify in any proceeding resulting from the administration or enforcement of the provisions of this title.

(b) Any employee or a representative of employees who believes that he has been fired or otherwise discriminated against by any person in violation of subsection (a) of this section may, within thirty days after such alleged violation occurs, apply to the Secretary for a review of such firing or alleged discrimination. A copy of the application shall be sent to the person or operator who will be the respondent. Upon receipt of such application, the Secretary shall cause such investigation to be made as he deems appropriate. Such investigation shall provide an opportunity for a public hearing at the request of any party to such review to enable the parties to present information relating to the alleged violation. The parties shall be given written notice of the time and place of the hearing at least five days prior to the hearing. Any such hearing shall be of record and shall be subject to section 554 to title 5 of the United States Code. Upon receiving the report of such investigation the Secretary shall make findings of fact. If he finds that a violation did occur, he shall issue a decision incorporating therein his findings and an order requiring the party committing the violation to take such affirmative action to abate the violation as the Secretary deems appropriate, including but not limited to, the rehiring or reinstatement of the employee or representative of employees to his former position with compensation. If he finds that there was no violation, he shall issue a finding. Orders issued by the Secretary under this subsection shall be subject to judicial review in the same manner as orders and decisions of the Secretary are subject to judicial review under this title.

(c) Whenever an order is issued under this section to abate any violation, at the request of the applicant a sum equal to the aggregate amount of all costs and expenses (including attorneys' fees) to have been reasonably incurred by the applicant for, or in connection with, the institution and prosecution of such proceedings, shall be assessed against the persons committing the violation.

(d) The Secretary shall conduct continuing evaluations of potential losses or shifts of employment which may result from the enforcement of this title or any requirement of this title including, where appropriate, investigating threatened mine closures or reductions in employment allegedly resulting from such enforcement or requirement. Any employee who is discharged or laid off, threatened with discharge or layoff, or otherwise discriminated against by any person because of the alleged results of the enforcement or requirements of this title, or any representative of such employee, may request the Secretary to conduct a full investigation of the matter. The Secretary shall thereupon investigate the matter, and, at the request of any interested party, shall hold public hearings on not less than five days' notice, and shall at such hearings require the parties, including the employer involved, to present information relating to the actual or potential effect of such limitation or order on employment and on any alleged discharge, layoff, or other discrimination and the detailed reasons or justification therefore. Any such hearing shall be of record and shall be subject to section 554 of title 5 of the United States Code. Upon receiving the report of such investigation, the Secretary shall promptly make findings of fact as to the effect of such enforcement or requirement on employment and on the alleged discharge, layoff, or discrimination and shall make such recommendations as he deems appropriate. Such report, findings, and recommendations shall be available to the public. Nothing in this subsection shall be construed to require or authorize the Secretary to modify or withdraw any enforcement action or requirement.

PROTECTION OF GOVERNMENT EMPLOYEES

SEC. 227. Section 1114, title 18, United States Code, is hereby amended by adding the words "or of the Department of the Interior" after the words "Department of Labor" contained in that section.

ALASKAN SURFACE COAL MINE STUDY

SEC. 228. (a) The Secretary is directed to contract with the National Academy of Sciences-National Academy of Engineering for an indepth study of surface coal mining conditions in the State of Alaska in order to determine which, if any, of the provisions of this title should be modified with respect to surface coal mining operations in Alaska.

(b) The Secretary shall report on the findings of the study to the President and Congress no later than two years after the date of enactment of this title.

(c) The Secretary shall include in his report a draft of legislation to implement any changes recommended to this title.

(d) Until one year after the Secretary has made this report to the President and Congress, or three years after the date of enactment of this title, whichever comes first, the Secretary is authorized to suspend the applicability of any provision of this title, or any regulation issued pursuant thereto, to any surface coal mining operation in Alaska from which coal has been mined during the year preceding enactment of this title if he determines that it is necessary to insure the continued operation of such surface coal mining operation. The Secretary may exercise his suspension authority only after he has (1) published a notice of proposed suspension in the Federal Register and in a newspaper of general circulation in the area of Alaska in which the affected surface coal mining operation is located, and (2) held a public hearing on the proposed suspension in Alaska.

(e) There is hereby authorized to be appropriated for the purpose of this section $250,000.

STUDY OF RECLAMATION STANDARDS FOR SURFACE MINING OF OTHER MINERALS

SEC. 229. (a) The Chairman of the Council on Environmental Quality is directed to contract with the National Academy of Sciences-National Academy of Engineering, other Government agencies or private groups as appropriate, for an in-depth study of current and developing technology for surface and open pit mining and reclamation for minerals other than coal designed to assist in the establishment of effective and reasonable regulation of surface and open pit mining and reclamation for minerals other than coal. The study shall—

(1) assess the degree to which the requirements of this title can be met by such technology and the costs involved;

(2) identify areas where the requirements of this title cannot be met by current and developing technology;

(3) in those instances describe requirements most comparable to those of this title which could be met, the costs involved, and the differences in reclamation results between these requirements and those of this title; and

(4) discuss alternative regulatory mechanisms designed to insure the achievement of the most beneficial post-mining land use for areas affected by surface and open pit mining.

(b) The study together with specific legislative recommendations shall be submitted to the President and the Congress no later than eighteen months after the date of enactment of this title: *Provided*, That, with respect to surface or open pit mining for sand and gravel the study shall be submitted no later than twelve months after the date of enactment of this title: *Provided further*, That with respect to mining for oil shale and tar sands that a preliminary report shall be submitted no later than twelve months after the date of enactment of this title.

(c) There are hereby authorized to be appropriated for the purpose of this section $500,000.

INDIAN LANDS

SEC. 230. (a) The Secretary is directed to study the question of the regulation of surface mining on Indian lands which will achieve the purposes of this title and recognize the special jurisdictional status of these lands. In carrying out this study the Secretary shall consult with Indian tribes. The study report shall include proposed legislation designed to allow Indian tribes to elect to assume full regulatory authority over the administration and enforcement of regulation of surface coal mining on Indian lands.

(b) The study report required by subsection (a) together with drafts of proposed legislation and the view of each Indian tribe which would be affected shall be submitted to the Congress as soon as possible but not later than January 1, 1976.

(c) On and after one hundred and thirty-five days from the enactment of this title, all surface coal mining operations on Indian lands shall comply with requirements at least as stringent as those imposed by subsections 212(b)(2), 212(b)(3), 212(b)(5), 212(b)(10), 212(b)(13), 212(b)(19), and 212(d) of this title and the Secretary shall incorporate the requirements of such provisions in all existing and new leases issued for coal on Indian lands.

(d) On and after thirty months from the enactment of this title, all surface coal mining operations on Indian lands shall comply with requirements at least as stringent as those imposed by sections 204, 205, 206, 207, 212, 213, 214, and 216 of this title and the Secretary shall incorporate the requirements of such provisions in all existing and new leases issued for coal on Indian lands.

(e) With respect to leases issued after the date of enactment of this title, the Secretary shall include and enforce terms and conditions in addition to those required by subsections (c) and (d) as may be requested by the Indian tribe in such leases.

(f) Any change required by subsection (c) or (d) of this section in the terms and conditions of any coal lease on Indian lands existing on the date of enactment of this title, shall require the approval of the Secretary.

(g) The Secretary shall provide for adequate participation by the various Indian tribes affected in the study authorized in this section and not more than $700,000 of the funds authorized in section 235 shall be reserved for this purpose.

SURFACE OWNER PRODUCTION

SEC. 231. (a) The provisions and procedures specified in this section shall apply where coal owned by the United States under land the surface rights to which are owned by a surface owner as defined in this section is to be mined by methods other than underground mining techniques. In order to minimize disturbance to surface owners from surface coal mining of Federal coal deposits, the Secretary shall, in his discretion but, to the maximum extent practicable, refrain from leasing such coal deposits for development by methods other than underground mining techniques.

(b) Any coal deposits subject to this section shall be offered for leases pursuant to section 2(a) of the Mineral Leasing Act of 1920 (30 U.S.C. 201a), except that no award shall be made by any method other than competitive bidding.

(c) Prior to placing any deposit subject to this section in a leasing tract, the Secretary shall give to any surface owner whose land is to be included in the proposed leasing tract actual written notice of his intention to place such deposits under such land in a leasing tract.

(d) The Secretary shall not enter into any lease of such coal deposits until the surface owner has given written consent and the Secretary has obtained such consent, to enter and commence surface mining operations, and the applicant has agreed to pay in addition to the rental and royalty and other obligations due the United States the money value of the surface owner's interest as determined according to the provisions of subsection (e).

(e) The value of the surface owner's interest shall be fixed by the Secretary based on appraisals made by three appraisers. One such appraiser shall be appointed by the Secretary, one appointed by the surface owner concerned, and one appointed jointly by the appraisers named by the Secretary and such surface owner. In computing the value of the surface owner's interest, the appraisers shall first fix and determine the fair market value of the surface estate and they shall then determine and add the value of such of the following losses and costs to the extent that such losses and costs arise from the surface coal mining operations:

(1) loss of income to the surface owner during the mining and reclamation process;

(2) cost to the surface owner for relocation or dislocation during the mining and reclamation process;

(3) cost to the surface owner for the loss of livestock, crops, water, or other improvements;

(4) any other damage to the surface reasonably anticipated to be caused by the surface mining and reclamation operations; and

(5) such additional reasonable amount of compensation as the Secretary may determine is equitable in light of the length of the tenure of the ownership; *Provided*, That such additional reasonable amount of compensation may not exceed the value of the losses and costs as established pursuant to this subsection and in paragraphs (1) through (4) above, or one hundred dollars ($100.00) per acre, whichever is less.

(f) All bids submitted to the Secretary for any such lease shall, in addition to any rental or royalty and other obligations, be accompanied by the deposit of an amount equal to the value of the surface owner's interest computed under subsection (e). The Secretary shall pay such amount to the surface owner either upon the execution of such lease or upon the commencement of mining, or shall require posting of bond to assure installment payments over a period of years acceptable to the surface owner, at the option of the surface owner. At the time of initial payment, the surface owner may request a review of the initial determination of the amount of the surface owner's interest for the purpose of adjusting such amount to reflect any increase in the Consumer Price Index since the initial determination. The lessee shall pay such increased amount to the Secretary to be paid over to the surface owner. Upon the release of the performance bonds or deposits under section 216, or at an earlier time as may be determined by the Secretary, all rights to enter into and use the surface of the land subject to such lease shall revert to the surface owner.

(g) For the purpose of this section the term "surface owner" means the natural person or persons (or corporation, the majority stock of which is held by a person or persons who meet the other requirements of this section) who—

(1) hold legal or equitable title to the land surface;

(2) have their principal place of residence on the land; or personally conduct farming or ranching operations upon a farm or ranch unit to be affected by surface coal mining operations; or receive directly a significant portion of their income, if any, from such farming or ranching operations; and

(3) have met the conditions of paragraphs (1) and (2) for a period of at least three years prior to the granting of the consent. In computing the three-year period the Secretary may include periods during which title was owned by a relative of such person by blood or marriage during which period such relative would have met the requirements of this subsection.

(h) Where surface lands over coal subject to this section are owned by any person who meets the requirements of paragraphs (1) and (2) of this subsection (g) but who does not meet the requirements of paragraph (3) of subsection (g), the Secretary shall not place such coal deposit in a leasing tract unless such person has owned such surface lands for a period of three years. After the expiration of such three-year period such coal deposit may be leased by the Secretary, provided that if such person qualifies as a surafce owner as defined by subsection (g) his consent has been obtained pursuant to the procedures set forth in this section.

(i) Nothing in this section shall be construed as increasing or diminishing any property rights held by the United States or by any other land owner.

(j) The determination of the value of the surface owner's interest fixed pursuant to subsection (e) or any adjustment to that determination made pursuant to subsection (f) shall be subject to judicial review only in the United States district court for the locality in which the leasing tract is located.

(k) At the end of each two-year period after the date of enactment of this title, the Secretary shall submit to the Congress a report on the implementation of the Federal coal leasing policy established by this section. The report shall include a list of the surface owners who have (1) given their consent, (2) received payments pursuant to this section, (3) refused to give consent, and (4) the acreage of land involved in each category. The report shall also indicate the Secretary's views on the impact of the leasing policy on the availability of Federal coal to meet national energy needs and on the availability of Federal coal to meet national energy needs and on receipt of fair market value for Federal coal.

(l) This section shall not apply to Indian lands.

(m) Any person who gives, offers or promises anything of value to any surface owner or offers or promises any surface owner to give anything of value to any other person or entity in order to induce such surface owner to give the Secretary his written consent pursuant to this section, and any surface owner who accepts, receives, or offers or agrees to receive anything of value for himself or any other person or entity, in return for giving his written consent pursuant to this section shall be subject to a civil penalty of one and a half times the monetary equivalent of the thing of value. Such penalty shall be assessed by the Secretary and collected in accordance with the procedures set out in subsections 215(b), 215(c), 215(d), and 215(e) of this title.

(n) Any Federal coal lease issued subject to the provisions of this section shall be automatically terminated if the lessee, before or after issuance of the lease, gives, offers or promises anything of value to the surface owner or offers or promises any surface owner to give anything of value to any other person or entity in order to (1) induce such surface owner to give the Secretary his written consent pursuant to this section, or (2) compensate such surface owner for giving such consent. All bonuses, royalties, rents and other payments made by the lessee shall be retained by the United States.

(o) The provisions of this section shall become effective on February 1, 1976. Until February 1, 1976, the Secretary shall not lease any coal deposits owned by the United States under land the surface rights to which are not owned by the United States, unless the Secretary has in his possession a document which demonstrates the acquiescence prior to February 27, 1975, of the owner of the surface rights to the extraction of minerals within the boundaries of his property by current surface coal mining methods.

FEDERAL LESSEE PROTECTION

SEC. 232. In those instances where the coal proposed to be mined by surface coal mining operations is owned by the Federal Government and the surface is subject to a lease or a permit issued by the Federal Government, the application for a permit shall include either:

(1) the written consent of the permittee or lessee of the surface lands involved to enter and commence surface coal mining operations on such land, or in lieu thereof:

(2) evidence of the execution of a bond or undertaking to the United States or the State, whichever is applicable, for the use and benefit of the permittee or lessee of the surface lands involved to secure payment of any damages to the surface estate which the operations will cause to the crops, or to the tangible improvements of the permittee or lessee of the surface lands as may be determined by the parties involved, or as determined and fixed in an action brought against the operator or upon the bond in a court of competent jurisdiction. This bond is in addition to the performance bond required for reclamation under this title.

ALASKA COAL

SEC. 233. Nothing in this title shall be construed as increasing or diminishing the rights of any owner of coal in Alaska to conduct or authorize surface coal mining operations for coal which has been or is hereafter conveyed out of Federal ownership to the State of Alaska or pursuant to the Alaska Native Claims Settlement Act, provided that such surface coal mining operations meet the requirements of this title.

WATER RIGHTS

SEC. 234. Nothing in this title shall be construed as affecting in any way the right of any person to enforce or protect, under applicable law, his interest in water resources affected by a surface coal mining operation.

AUTHORIZATION OF APPROPRIATIONS

SEC. 235. There are hereby authorized to be appropriated such sums as are necessary for the implementation of this title.

The ACTING PRESIDENT pro tempore. The Senator from Montana is recognized.

Mr. METCALF. Mr. President, I ask unanimous consent that Mike Harvey, Dan Dreyfus, Lucille Langlois, Mary P. Flanagan, and Pat Barry, of the Committee on Interior and Insular Affairs staff be granted the privileges of the floor during consideration of and voting on S. 391.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. METCALF. In behalf of Senator HOLLINGS, I ask unanimous consent that Mary Jo Manning of his staff be allowed the same floor privileges throughout the day.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. FANNIN. Will the Senator yield for a unanimous-consent request?

Mr. METCALF. I am delighted to yield to the distinguished Senator from Arizona.

Mr. FANNIN. Mr. President, I ask unanimous consent that the following staff members be accorded privileges of the floor during debate on S. 391: Harrison Loesch, David Stang, Fred Craft, Roma Skeen, Mary Adele Shute, Gaye Vaughan, Margaret Lane, Sunny Nixon, Tom Imeson, Doug Smith, and Tom Biery.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. FANNIN. Mr. President, I ask unanimous consent that the regular germaneness rule apply on S. 391.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. METCALF. Mr. President, today I call up S. 391.

S. 391 has two broad purposes. Title I makes a number of badly needed changes in the law governing leasing of Federal coal. Title II would make the basic surface coal mining and reclamation standards of the recently vetoed Federal Surface Mining Control and Reclamation Act of 1975 (H.R. 25) applicable to Federal coal development.

Title I would make seven basic changes in the provisions of the Mineral Leasing Act of 1920 relating to development of Federal coal resources:

First. All leasing would be done under a 5-year program designed to meet national needs for Federal coal in a manner consistent with timely and orderly development of Federal coal resources; environmental protection; and receipt of fair market value for public resources.

Second. Coal leases would be issued by competitive bidding only.

Third. Leases would be issued after adoption of comprehensive land use plans prepared in consultation with State and local governments and with ample opportunty for public review.

Fourth. Prospecting permits and preference right leases would be eliminated.

Fifth. Coal leases would be for a specified term of 20 years and so long thereafter as coal is produced.

Sixth. Within 3 years after obtaining a coal lease, the lessee would have to submit a development plan. When the plan is approved, it would have to be followed, unless it was amended.

Seventh. The revenue sharing provision of the Mineral Leasing Act of 1920 would be amended to broaden the purposes for which the States can use their share of coal leasing revenues. In addition, the States' share would be increased from 37½ to 60 percent.

These changes will help to assure that any future Federal coal leasing program gives the public a fair market return for its resources and provides the maximum amount of protection to the environment.

Even more important, S. 391 will help to assure orderly and timely coal development based on comprehensive land use planning. This requirement is particularly critical in light of the anticipated Federal coal leasing program in the Northern Great Plains. The committee is concerned about the possibility that the current energy situation will lead to premature decisions to proceed with large-scale coal leasing when the impacts of such action are not fully understood. The issuance of such leases could, for all practical purposes, commit the land, water, and air resources of the area to development of surface mines, electric generating plants, coal gasification and liquefaction plants, water impoundments, and new communities without adequate consideration of other alternatives and environmental, social, and economic impacts, and without adequate opportunity for advance planning by the communities involved.

Title II would apply to Federal lands and Federal coal, the basic surface coal mining and reclamation standards of the recently vetoed strip mining bill (H.R. 25).

I want to stress that this title does not, and I emphasize does not, apply to private lands and does not include the reclamation fee which was included in H.R. 25.

The Federal Government owns about half of the recoverable coal reserves in the United States. In the past production of these resources has been limited. Now, however, there is great interest in development of these Federal coal deposits, which are located primarily in the Western States.

There has been great emphasis on the need to increase coal production and, in particular, the production of Federal coal. Plans are to double coal production for 1985, according to the Federal Energy Administration, the Energy Research and Development Administration, and the National Petroleum Council. There are also measures now pending before the Congress to require substitution of coal for other fossil fuels, which would further increase the need for greater coal output. In response to this interest, the Secretary of the Interior is developing a new coal leasing program.

The enactment of S. 391 is a necessary and significant step toward development of a rational Federal coal leasing policy and program, and a requisite of the Senate's constitutional mandate to protect our public resources. But, in addition to this, Mr. President, it is imperative that careful environmental protection standards be established for our Federal lands before they are entirely ravaged.

According to President Ford, there is no need for Federal surface mining legislation, since 21 States have recently upgraded their State mining laws. They say that the Nation can afford to rely on State reclamation laws to protect its land and water. But lack of enforcement of State laws has been a major reason for enactment of Federal minimum standards. More importantly, this argument totally ignores the fact that State laws do not apply to the 50 percent of the Nation's recoverable coal reserves which are owned by the Federal Government.

The Constitution gives to Congress a special responsibility to protect the Federal lands. We cannot rely on the States, or much less the current administration to fulfill this obligation for us.

We cannot shirk this responsibility, particularly at a time when protection and careful development of the Federal lands is so crucially needed.

For this reason, title II contains the basic mining and reclamation standards of H.R. 25 as vetoed. It assures that no coal leasing will take place on Federal lands until these standards are enforced on those lands. The title makes these provisions applicable only to Federal lands; it does not apply to private lands. It would assure that mining on Federal lands at least is carefully regulated and our national resources protected.

Mr. President, both opponents and proponents of H.R. 25 have urged me and other members of the Interior Committee not to include title II in this bill. The proponents say that its enactment will lessen the chances for enactment of a Federal law regulating surface mining on non-Federal lands.. The opponents say that title II will lead the administration, which supports title I, to veto the bill and then the much-needed leasing reform will not become law.

I cannot accept either argument. Both titles of S. 391 are needed to assure responsible Federal coal development. I believe that the 94th Congress will carry out its responsibility to protect the public lands and that S. 391 will become law—with or without the President's signature.

I urge Senate approval of S. 391.

Mr. President, I ask unanimous consent that the text of the section-by-section analysis of title I of this bill be printed in the Record at the end of these remarks.

There being no objection, the analysis was ordered to be printed in the Record, as follows:

Section-by-Section Analysis of Title I of S. 391

Section 1. This section designates the official citation of Title I of the Act as the "Federal Coal Leasing Amendments Act of 1974."

Section 101(a) amends Subsection 2(a) of the Mineral Leasing Act of 1920, as amended (30 U.S.C. 201(a)). Subsection 2(a) presently authorizes the Secretary of the Interior to issue coal leases by competitive bidding "or by such other methods as he may by general regulation adopt," in tracts of 40 acres or multiples thereof.

Paragraph (1) would provide that leases could be issued only by competitive bidding on either a royalty or bonus bidding basis. If bonus bidding is used payments will be on either deferred on installment basis. This requirement is designed to permit a wider opportunity for competition for Federal coal leases.

The Committee feels strongly that the Federal Government should receive fair market value for public resources being used by private parties. Awarding leases by competitive bidding should help assure that this goal is achieved. The changes in the rental and royalty rates provided by Section 103 of S. 391 will be another significant step toward fair return.

This paragraph also provides that a reasonable number of leasing tracts shall be reserved and offered for lease to public bodies, including Federal agencies, rural electric cooperatives, or nonprofit corporations controlled by any of such entities. It provides that any coal leased shall be for use by such entity or entities in implementing a definite plan to produce energy for their own use or for sale to their members or customers (except for short-term sales to others).

The Committee believes it is desirable to establish a program to grant leases on a preferential basis to consumer owned utilities or organizations controlled by them. Such a program would stimulate competition in the coal industry by allowing new organizations to obtain and develop coal leases.

The major precedent for disposal of national resources in this manner is in the Federal hydroelectric program. State and local governments, and non-profit electric cooperatives have the first opportunity to obtain power generated at Federal projects. This anti-monopoly feature has supported competition in the utility industry and has prevented private profit-making entities from totally controlling a resource owned by the public.

Any organization eligible for preferential treatment will, of course, be required to pay royalties to the Federal Treasury and to use the coal itself or sell it to other organizations eligible for preferential treatment. The lessee would also be subject to the same terms of development as other lessees.

Paragraph (2) provides that no lease sale shall be held for land where the United States owns both the surface and subsurface unless the lands containing the coal deposits have been included in a comprehensive land use plan prepared by the Secretary or, in the case of lands within the National Forest System, the Secretary of Agriculture, and such sale is consistent with such plan.

Where the surface is not in Federal ownership, no lease sale shall be held if the Secretary determines that development of such coal deposits would be inconsistent with any applicable State or local land use plan, except where the Secretary finds that such coal development would be in the national interest.

The Committee does not want to give the States a veto over Federal coal development. This provision puts some "teeth" into the coordination requirement but allows Federal coal leasing which would be inconsistent with State and local plans.

Paragraph (3) provides for consultation among Federal, State and local governments on preparation of land use plans and directs that a public hearing be held if requested by an interested person.

The Committee believes that decisions to issue Federal coal leases and thus permit development of the coal resource must be made after full consideration of all the resource values of the lands involved and impacted by such development, the present and potential uses of these lands and the anticipated impact of coal development on these resources and uses. The National Resource Lands Management Act of 1974 (S. 424) which was passed by the Senate on July 8, 1974, directs the Secretary of the Interior to prepare comprehensive land use plans for management of all the national resource lands under principles of multiple use and sustained yield. A similar bill (S. 507) will be reported by the Committee soon. This is the kind of land use plan contemplated by the amendment.

New subsection 2(b) provides limited authority for noncompetitive additions to existing leases of not to exceed 160 acres. This would replace the existing provisions for non-competitive issuance of coal leases. These are Section 3 which allows modification of existing leases to include contiguous coal deposits (30 U.S.C. 203) and Section 4 which permits issuance of a new lease where coal deposits under existing law will be exhausted within three years (30 U.S.C. 204). These sections are repealed in Section 105 of S. 391.

Subsection 101(b) specifies that the changes made in existing law by Subsection 101(a) are subject to any valid existing right to a lease established pursuant to a prospecting permit issued under section 2 (b) of the Mineral Leasing Act of 1920 (41 Stat. 438) as amended (30 U.S.C. 201(b)) prior to the date of enactment of S. 391.

The Committee intends to maintain the status quo with respect to any such rights, and not to enlarge or diminish them in any way. Each permittee will have to assert any claim of right which can be judged on its merits by the Secretary and the courts without regard to the provisions of Subsection 101(a).

Section 102 would repeal, subject to valid existing rights, Subsection 2(b) of the 1920 Act which authorizes the issuance of coal prospecting permits and preference right leases.

Subsection 2(b) now provides that where prospecting or exploratory work is necessary to determine the existence or workability of coal deposits in an area, the Secretary of the Interior is authorized to issue prospecting permits for a term of two years. The permit entitles the permittee to the exclusive right to prospect for coal on the land described therein. A holder of a coal prospecting permit who shows, before the expiration of his permit, that the land included in the permit contains coal in commercial quantities, is entitled to a preference right lease for all or part of the land included in the prospecting permits.

The Secretary could establish minimum annual royalties at the time of issuance of the lease so as to encourage diligent development and production.

New Subsections 7(b) and 7(c) provide specific authority for the Secretary to consolidate leases into logical mining units so that production with a unit rather than on a single lease would satisfy renewal and diligence requirements. Authority to unitize leases would give the Secretary and lessees greater flexibility in planning the development of leases so that there is a maximum recovery of coal with a minimum impact on the environment. The authority would be particularly valuable in planning for the development of lands where some tracts are federally owned and some privately owned. Mining units could then be designated to encompass private lands, thus ensuring the development of isolated Federal tracts which ordinarily might not be developed.

New Subsection (d) authorizes the Secretary to provide for a minimum royalty payment in lieu of production, if production is prevented by strikes or other circumstances not the fault of the lessee. The Committee believes that this limited exception to the production requirements is needed to be fair to lessees.

New Subsection 7(e) requires that within three years after obtaining a lease and before significant environmental disturbance, the lessee would have to submit a development plan to the Secretary for approval. This plan would have to set out specific work to be performed, the manner in which coal extraction would be conducted and applicable environmental and health and safety standards would be met and a time schedule for performance. No such plans are required under existing law. However, there are Department of the Interior regulations which call for such plans.

If the surface of the lands involved are under the jurisdiction of another Federal agency, that agency *would have* to consent to the plan. When the surface of the land involved is in non-Federal ownership the Secretary is directed to consult with the surface owner before approving the plan.

Development plans may be revised if the Secretary determines that revision will lead to greater recovery of the mineral or protection of the environment, improve the efficiency of the recovery operation, or is the only means available to avoid severe economic hardships on the lessee.

This plan would have to be consistent with the reclamation requirements of Title II.

New Subsection 7(f) provides that leases will be subject to termination for failure to develop the lease with due diligence. At the time a tract is offered for lease the Secretary shall publish a proposed time schedule for development of the lease. Unless relieved of the obligation by the Secretary for good cause, failure to develop the lease according to the schedule would be prima facie evidence of failure to develop with due diligence. The time schedule shall provide for development within seven years except for good cause which shall be stated by the Secretary.

The Committee believes that this requirement will help to assure diligent development of leased coal deposits rather than holding them for speculative purposes. At the same time, it gives some administrative discretion to the Secretary to make adjustments where circumstances warrant.

The Administration has recommended repeal of this provision of the law. The Committee agrees with the Administration that the prospecting permit-preference right lease method of allocating Federal coal resources is no longer appropriate or necessary. The preference right lease is inconsistent with the fair market value principle discussed above. The Federal government has since 1920 accumulated considerable information about Federal coal resources. This information, which should be continually improved, provides an adequate base for leasing decisions.

Section 102 also adds a new subsection 2 (c) to the 1920 Act which gives express authority for coal exploration permits.

The Committee wishes to stress that the repeal of Subsection 2(b) is expressly "subject to valid existing rights" and thus is not intended to affect any valid prospecting permit outstanding at the time of enactment of the amendments. Any applications for preference right leases based on such permits could be adjudicated on their merits and preference right leases issued if the requirements of Subsection 2(b) of the 1920 Act and other applicable law, such as the National Environmental Policy Act of 1969, were met.

Section 103 amends Section 7 of the 1920 Act which deals with term of leases and lease rentals and royalties.

First, it provides that coal leases would be for a specified term of 20 years and so long thereafter as coal is produced. The existing law provides that leases "shall be for indeterminant periods upon condition of diligent development." No federal coal lease has ever been cancelled for lack of diligent development. This is despite the fact that a study done by the Council on Economic Priorities showed that of 474 coal leases there had been no production at all from 321 leases. This provision has been criticized by the General Accounting Office and the Administration has recommended its repeal.

The Committee believes that the purpose of leasing Federal coal is to have that coal produced to meet the nation's energy needs. The existing law has been interpreted to allow lessees to hold leases without production for as long as they see fit. The amendment would prevent this from happening under future leases.

The Committee expects that the Secretary will define by regulation "production" to assure that leases are maintained only by bona fide commercial development and not by token production.

Second, this section increases the minimum annual rental to $1.00 per acre per year. The present law provides for a minimum annual rental per acre of 25¢ in the first year, 50¢ in the second, third, and fourth, and fifth years and $1.00 thereafter.

Third, royalties would be based on the value of the coal and be set at not less than 5% of such value.

The present minimum royalty is five cents per ton. It has been the general practice of the Secretary to set the royalty at a flat rate per ton. The Committee believes that in the future the royalty should be a percentage of the value of the coal produced on the lease. This is essential if the people are to receive a fair return for their coal, particularly when coal values are increasing rapidly.

Rentals and royalties could be adjusted at the end of the first 20 years and at the end of each ten-year period thereafter.

Section 104 would amend the revenue sharing provisions of the Mineral Leasing Act of 1920 to broaden the purposes for which the 37½% share of coal leasing revenues paid to the states can be used. Under existing law these funds can be used only for roads and schools. The amendment provides that the funds may be used for (1) planning, (2) construction and maintenance of public facilities, and (3) provision of public services. Thus, in addition to roads and schools, the money could be used to help relieve the heavy burden that rapid large-scale development would place on state and local governments for other public services such as police and fire protection and water and sewer facilities. Testimony at the Committee's hearings, particularly those held in Montana and Wyoming, clearly indicated that state and local officials are deeply concerned about the impact of coal development on their ability to provide such services. The amendment is similar to S. 834 dealing with oil shale leasing revenues which was passed by the Senate on April 22.

Section 105 repeals Subsection 2(c), and Sections 3 and 4 of the 1920 Act. The purposes of Sections 3 and 4 are described under Subsection 101 above.

Section 2(c) of the Mineral Leasing Act prohibits any railroad company from obtaining federal coal leases, other than "for its own use for railroad purposes". Since all commercial railroads have converted from coal to diesel fuel the result is that no meaningful use of coal from federal leases is now possible for them. Section 2(c) also imposes restrictive acreage limitations on railroads which are not applicable to other lessees. The reason for these restrictions has long ceased to exist. They were placed on railroads because of the unfair advantage it was believed they might have over other coal producers because they owned their own transportation capability. However, there are other existing regulatory controls intended to prevent any possible transportation advantage of railroads. The "commodities clause" of the Interstate Commerce Act (49 U.S.C. § 1. (8)) clearly prohibits any railroad company from transporting in interstate commerce coal "mined or produced by it, or under its authority, or which it may own in whole or in part, or in which it may have any interest, direct or indirect."

Three times in the period 1957–1966 the Senate has passed legislation repealing section 2(c). (S. 2069, 85th Cong.; S. 1192, 87th Cong.; S. 3070, 89th Cong.)

After careful consideration of the 2(c) issue, the Public Land Law Review Commission in its 1970 report, *One Third of the Nation's Land*, recommended its repeal. In general it recommended that "restrictions on public land mineral activity that are no longer relevant to existing conditions should be eliminated so as to encourage mineral exploration and development". (PLLRC Rept., p. 135.) Specifically with respect to section 2(c), it recommended that "restrictions upon the leasing of public land coal deposits to railroad companies should be removed", reasoning as follows (*Id.* at 136):

The fears of monopolistic control which led to the enactment of the existing restrictions no longer are applicable. The importance of pipelines and truck transportation and the growing use of minemouth generation have materially reduced any competitive advantages railroads may once have had over other coal producers. Furthermore, it appears that other Federal laws, such as the antitrust laws, are far more effective in regulating the competitive position of the railroads than the public land laws.

Section 106 amends the provisions of Section 27(a) (1) of the 1920 Act which prevents any person holding more than 46,080 acres of coal leases in any one State. The statewide limit is retained and a national limit of 150,000 acres is added. This limitation is another means to prevent excessive control of Federal coal by a few large companies.

In view of the fact that as of April 1975, the largest Federal leaseholder had less than 80,000 acres, this ceiling does not seem unreasonable.

Section 107 eliminates the prohibition in the Mineral Leasing Act for Acquired Lands (30 U.S.C. 352) against leasing lands acquired by the United States and "set apart for military or naval purposes." The Committee sees no reason why such lands should not be subject to leasing. Since, under the terms of the Act, no lease could be issued without the consent of the Secretary of Defense, elimination of the prohibition should not have any adverse impact on Defense Department programs.

Section 108 directs the Secretary to prepare and maintain a Federal coal leasing program. The leasing program shall indicate as precisely as possible the size, timing, and location of coal leasing activity which the Secretary determines will best meet national energy needs for the five-year period following its approval or reapproval in a manner consistent with the following principles:

(1) timely and orderly development of Federal coal resources;

(2) environmental protection; and

(3) receipt of fair market value for public resources.

Subsection 108(b) provides that the program shall include estimates of the appropriations and staffing required of all existing Federal programs necessary to prepare the required environmental impact statements, obtain resource data, and any other information needed to decide the order in which areas are to be scheduled for lease, to make the analyses required prior to offering tracts for lease, and to supervise operations under every lease in the manner necessary to assure compliance with the requirements of the law, the regulations, and the lease.

The Committee intends that these estimates represent the Secretary's best judgment of actual needs rather than the views of the Office of Management and Budget as to what funding levels are appropriate for inclusion in the President's Budget.

Subsection 108(c) directs the Secretary to establish procedures for receipt and consideration of nominations for areas to be offered for lease or to be excluded from leasing, for public notice of and participation in development of the leasing program, for review by State and local governments which may be impacted by the proposed leasing, and for coordination of the program with land use and resource management programs of any State. These procedures are applicable to any revision or reapproval of the leasing program.

Subsection 108(d) calls for publication of a proposed leasing program in the Federal Register and its submission to the Congress within one year after enactment of this section.

Subsection 108(e) provides that after the leasing program has been approved by the Secretary on or after June 30, 1977, whichever comes first, no Federal coal leases may be issued unless they are for areas included in the approved leasing program.

Subsection 108(f) authorizes the Secretary to revise and reapprove the leasing program at any time and directs him to review and reapprove the leasing program at least once each year.

The requirement for annual reapproval is designed to assure that the program fully reflect current information and changing conditions. Obviously, substantial changes in the program may be required in some years, which in others there may be little or no change.

The Committee does not intend that the Secretary develop land use plans for all Federal coal lands as part of the leasing program. The basic purpose of the program is to let Congress, all interested units of Federal, State, and local government and the general public know what coal leasing activity is planned during the next five years.

Section 109 amends Section 1 of the 1920 Act to make it clear that a governmental entity (including any corporation primarily acting as an agency or instrumentality of a State) which produces electrical energy for sale to the public is eligible to acquire a Federal coal lease. The governmental entity must be located in the same State as the Federal coal deposits.

Section 110 repeals, subject to valid existing rights, subsections 2(c) and 2(d) of the Act of August 31, 1964 (78 Stat. 710; 30 U.S.C. 201–1). These subsections authorize contracts for collective prospecting, development or operation of coal leases and exempt from acreage limitations any coal leases subject to such contracts.

The Committee believes that these little-used provisions are not needed. They would be largely superseded by the authorization for creation of logical mining units provided by Section 103 of S. 391.

Section 111 increases from 37½% to 60% the share of 1920 Act lease revenues paid to the State in which the lease is located.

These revenues derive from the leasing of federal coal, gas, phosphate, sodium, potassium, oil, oil shale, native asphalt, and solid and semi-solid bitumen and bituminous rock (including tar sands). The additional 22.5 per cent would be earmarked specifically for (1) planning, (2) construction and maintenance of public facilities, and (3) provision of public services, in those areas suffering impact problems as a result of energy development. Thirty per cent of the payments would remain in the Reclamation Fund.

Mr. JACKSON. Mr. President, Senate approval of the Federal Coal Leasing Amendments Act will be a major step forward in much-needed modernization of the laws governing development of federally owned energy resources. It is one of a number of measures being developed by the Interior Committee.

The Federal Government owns over 50 percent of the fossil fuels energy resources in the United States. These resources are on the public lands, the offshore area known as the Outer Continental Shelf—OCS—and in reserved mineral interests underlying private lands.

No one knows just how much the public owns but recent estimates of energy resources indicate that the Federal Government holds, of the total national endowment: 37 percent of the crude oil; 43 percent of the natural gas; 50 percent of the coal; 80 percent of the oil shale; 50 percent of the recoverable geothermal energy; and 50 percent of the uranium.

The management of these public resources is perhaps the most important energy policy responsibility of the Federal Government. Furthermore, the Constitution gives Congress special responsibilities for public resources.

The bill we are considering today deals with 50 percent of the Nation's recoverable coal reserves.

Yesterday the Senate passed S. 521, the OCS bill, which deals with a major portion of our domestic oil and gas resources.

Mr. President, this is the second time in little more than a year that the Senate has approved a Federal coal bill and an OCS bill. The House of Representatives did not act on either bill last year. However, this year, the House is working in both areas and we can expect to send both bills to the President within a few months.

I congratulate the junior Senator from Montana for his outstanding leadership in developing the legislation we are considering today. He is the Senate's recognized expert on Federal coal development policy. S. 391 is his bill. It embodies the kind of carefully balanced approach and deep concern about our public lands and resources for which he is well known.

Mr. FANNIN. Mr. President, I rise to announce my very grave concerns about S. 391, a bill to amend the Mineral Leasing Act of 1920. I have the greatest regard for the distinguished Senator from Montana, the floor manager of the bill. He has been very cooperative and certainly has worked diligently on this legislation. I realize his sincerity in attempting to accomplish the objective we all have of trying to increase the energy production of this country. But I think that this is the wrong move. I regret very much the need to object to this bill because I do believe that there are some changes which need to be made in the Mineral Leasing Act, but I do not think this is the way to do it.

This act has for some 50 years now been the vehicle by which coal deposits on most Federal lands are made available for development. The act is flexible and has proven workable. The committee for the second straight Congress has concentrated on modernizing this law. I am in concert with my Interior Committee colleagues on the majority of changes which we made. However, I am concerned that our efforts will not be realized because we have attached a very controversial surface mining amendment to this bill.

The record is very clear as to why I have opposed this title II which is the surface mining bill which the President vetoed on May 20, 1975. That bill, you will recall, would have dictated to every coal mining State, Federal reclamation standards. That is not the source of the problem now. This Congress moved to preempt State laws which were tailored to specific geologic and climatic conditions because of a fundamental distrust of State enforcement abilities. When the surface mining bill was before the Senate, I asked the questions, "Is it that the land is not really not being reclaimed under State enforcement? What is the evil or the problem which necessitates this Federal law?" Those questions remain unanswered to this date. H.R. 25, under the guise of being a reclamation bill which supposedly allowed surface mining if the land could be reclaimed, was really a measure designed to preclude the mining of coal by surface mining methods in as many instances as possible.

That ban philosophy was woven throughout the bill. Entire provisions were dedicated to listing areas which would be unsuitable for surface mining even if they could be fully reclaimed. Any land could be designated as unsuitable for surface mining if such operations would be, first, incompatible with existing land use plans or programs; second, affect fragile or historic lands which could result in significant damage to important historic, cultural, scientific, and esthetic values, and national systems; third, affect renewable resource lands; and fourth, affect natural hazard lands. In addition, a total ban would be imposed upon any lands within the boundaries of units of the National Park System, the National Wildlife Refuge System, the National System of Trails, the National Wildlife Preservation System, or any Federal lands within the boundaries of national forests, and the list goes on.

These lands should only be set aside if reclamation cannot be achieved. These land use prohibitions are totally inconsistent with our national effort to become energy self-sufficient. Remember these lands are set aside from surface mining not because the land could not be reclaimed, but because some other land use has priority. The ban on national forests alone will cost us 7 billion tons of coal resources which are 30 percent of the Federal surface minable coal. These infirmities are integral to the amendment which this committee adopted. The committee's action are, I am afraid, politically motivated and it is unfortunate because the creation of an energy policy must be a bipartisan effort. The only difference between this amendment, which is title II of S. 391, and the surface mining bill which President Ford vetoed on two earlier occasions, is that it now applies only to Federal lands.

Even back during the time when we were debating the surface mining issue, I felt, with others, the real emphasis and goal of those advocating unreasonable restrictions was to preclude western strip mining. Historically our western coal reserves have not been developed because there has been no market for low-sulfur, low Btu Federal coal. The passage of the Clean Air Act and plans for coal gasification and liquefication facilities have created a definite market for this coal. Some of our colleagues have argued that the current energy situation will lead to premature decisions to proceed with large scale leasing when the impacts on such action are not fully understood. They argue the issuance of such leases could, for all practical purposes, commit the land, water and air resources of the area to development of surface mines, electric generating plants, coal gasification and liquefaction plants without adequate consideration of other alternatives and environmental impacts.

Mr. President, the National Environmental Policy Act, better known as NEPA, precludes this situation from happening. This transparent argument merely is a shield to hide behind the real intent of abolishing western strip mining. We must be honest with ourselves and recognize that all major Federal actions require thorough, exhaustive NEPA scrutiny, thus the wholesale leasing of Federal lands will require a comprehensive examination of all alternatives and all environmental impacts. We can see through this shield to the real intent with this strip mining bill that precludes mining even though reclamation can be achieved.

The Secretary of the Interior has authority and has exercised this authority to put strong reclamation standards in coal leases. Even now the Department is revising and updating reclamation standards so do not be misled into believing that these wetsern coal lands are now unprotected.

Mr. President, it will be argued on this floor that this bill merely regulates Federal lands and thus State and private coal will be allowed to be mined. I draw the attention of my colleagues to the landownership patterns in the West in order to understand the immense influence which Federal land has on adjacent non-Federal lands. This complex coal and surface ownership pattern will prevent the formulation of logical mining units. Coal does not follow specific property lines and surface mining restrictions imposed on the Federal land will also restrict the adjacent non-Federal land. We just cannot afford to tie up 85 percent of this Nation's low-sulfur coal reserves at this critical period of foreign energy dependence. For every ton of coal we do not mine we must replace it with costly crude oil.

One reason the President vetoed the strip mining bill was because of coal production losses caused by the ban on mining in alluvial valleys in the West. Thirty-three to sixty million tons or 5.5 percent of our total annual coal production would be lost by this ban. I just cannot understand my colleagues voting for such coal losses and perpetuating this struggle over unreasonable surface mining regulation.

Mr. President, the coal leasing program is in shambles now even without the passage of a damaging surface mining bill. The Federal Government has only leased seven short-term coal leases since 1973 and because of the recent June decision of the District of Columbia Court of Appeals in Sierra Club against Morton, the Secretary is prevented from taking any action in the Northern Great Plains of Wyoming, Montana, and North Dakota which hold 48 percent of the Nation's coal reserves. I caution my colleagues against believing that passage of S. 391 will end this moratorium. It will only complicate an already chaotic situation.

Mr. President, there is another myth which I want to dispel. We will hear it said that the coal companies and coal speculators have held Federal coal leases without developing them in order to grow rich at the expense of the consumers of this Nation. We are always cited to the 16.1 billion tons of coal already under lease and the question as to the need for additional leases to be let when this 16 billion tons has not been totally developed. The minority views chart this 16 billion tons and show only 0.000 billion tons to 4.01 billion tons are yet uncommitted. This is the only amount that can be used to meet existing and future coal demands. This obviously is not enough coal.

Mr. President, we must get on with the leasing of our Federal low-sulfur coal if our country is going to meet the energy demands of the 1980's and 1990's. Nobody, but nobody, has been holding Federal coal leases for speculation because they wanted to but only because there has been no market for this western coal. It takes literally up to 30 years to plan, construct, and use coal from Federal leases for thermal electric powerplants, coal gasification plants, or any other energy facility. These are the reasons why there has been very little coal production on the Federal leases to date, and the action which we take today will further prolong the firm planning and utilization of this valuable domestic resource.

Mr. President, I hope that we come to our senses before it is too late, before we succumb to foreign dominance of our energy sources—the dollar outflow of American capital—the loss of American jobs—the ludicrousness of a piecemeal inflexible coal program. I call upon my colleagues to vote against S. 391 if title II is not deleted. I predict the President will once again veto this measure if it reaches his desk in its present form.

Mr. President, I feel, from the message that came from the President with his veto, it is very evident that this will happen. I hope we can have this mineral leasing bill in a proper form so that the President will be in position to approve it.

Mr. President, I reserve the remainder of my time.

The **ACTING PRESIDENT** pro tempore. The Chair should have announced at the outset that the time for debate is limited to 2 hours to be equally divided and controlled by the Senator from Arizona (Mr. FANNIN) and the Senator from Washington (Mr. JACKSON), with 1 hour on any amendment in the first degree, and with 30 minutes on any amendment in the second degree, debatable motion, appeal, or point of order.

Mr. HANSEN. Mr. President, regarding the provisions of section 223 for special bituminous coal mines, I understand that the section applies only to pits which were operational prior to January 1, 1972, and that only specific pits, not entire operations which may cover thousands of acres, are eligible. It is also my understanding that the regulatory authority should examine the long-range operational plan for eligible pits to ascertain the necessity for special treatment. As expressed in the Senate report, in some cases, the regulatory authority may determine that the reworking of old pits or combination of existing pits on a mined site will provide an opportunity for a mining operation to so adjust as to meet the basic provisions of the act. Would the Senator not agree, however, that in like manner, a combination of existing pits may be eligible for the special treatment provided in section 223 where such combination meets the special standards of the section, and there has been a commitment to a mode of operation which makes adjustment to the basic standards of the act difficult and not practicable?

Mr. METCALF. Yes; I would agree.

AMENDMENT NO. 834

Mr. MOSS. Mr. President, I call up my amendment No. 834 and ask that it be stated.

The **ACTING PRESIDENT** pro tempore. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Utah (Mr. Moss) proposes an amendment numbered 834: At the end thereof add the following new title, title III.

The amendment is as follows:

AMENDMENT NO. 834

At the end thereof add the following new title:

TITLE III

SEC. 301. This title may be cited as the "Coal Mining Technology and Manpower Development Act".

STATEMENT OF PURPOSE

SEC. 302. It is the purpose of this Act to advance the technology and training of technologists needed to increase the production of coal in a safe and environmentally acceptable manner.

DEFINITIONS

SEC. 303. As used in this Act, the term—

(1) "community college" means any junior college, postsecondary vocational school, technical institute, or any other educational institution (which may include a four-year institution of higher education or a branch thereof) in any State which—

(A) is legally authorized within such State to provide a program of education beyond secondary education;

(B) admits as regular students persons who are high school graduates or the equivalent, or at least eighteen years of age;

(C) provides a two-year postsecondary educational program leading to an associate degree, or acceptable for credit toward a bachelor's degree, and also provides programs of postsecondary vocational, technical, occupational, and specialized education;

(D) is a public or other nonprofit institution;

(E) is accredited as an institution by a nationally recognized accrediting agency or association, or if not so accredited—

(i) is an institution that has obtained recognized preaccreditation status from a nationally recognized accrediting body, or

(ii) is an institution whose credits are acceptable on transfer, by not less than three accredited institutions, for credit on the same basis as if transferred from an institution so accredited.

(2) "Commissioner" means the Commissioner of Education, and

(3) "Director" means the Director of the National Science Foundation.

DEVELOPMENT OF COMMUNITY COLLEGE PROGRAMS FOR THE ADVANCEMENT OF COAL TECHNOLOGY AND COAL TECHNOLOGY MANPOWER STUDIES

SEC. 304. (a) The Director of the National Science Foundation, after consultation with the National Academy of Engineering, is authorized and directed to—

(1) develop improved curricula for use by community colleges in programs for training of technologists needed to increase the production of coal in a safe and environmentally acceptable manner,

(2) conduct, by contract or other arrangement, demonstration projects applying the curricula developed under paragraph (1) of this subsection; and

(3) conduct research designed to identify

the manpower goals and needs of the United States for increasing the production of coal in a safe and environmentally acceptable manner.

(b) Curricula developed under subsection (a) of this section shall include the training of technologists in the fields of—

(1) the extraction, preparation, and the transportation of coal,

(2) the reclamation of coal mined land,

(3) the disposal of coal mine wastes,

(4) the chemical and physical analysis of coal and materials such as water and soil, that are involved in the coal mining process, and

(5) the improvement of health and safety of coal mine employees.

(c) Curricula developed under subsection (a) of this section shall, to the maximum extent practicable, be designed to meet the needs of existing personnel in the coal mining process and to enable coal mine employees to upgrade their skills.

ADMINISTRATIVE PROVISIONS

Sec. 305. (a) In carrying out his functions under section 4 of this Act, the Director is authorized to—

(1) make use of the resources of community colleges in developing curricula under subsection (a) of section 304, to the maximum extent possible;

(2) obtain consultative services as provided under section 3109 of title 5, United States Code;

(3) pay transportation expenses, and per diem in lieu of subsistence expenses, in accordance with chapter 57 of title 5, United States Code, for travel between places of recruitment in duty, and while at places of duty, of persons appoined for emergency, temporary, or seasonal services in the field service of the National Science Foundation;

(4) utilize, on a reimbursable basis, the services of any personnel made available by any department, agency, or instrumentality, including any independent agency, of the Federal Government; and

(5) enter into contracts and other arrangements as he deems necessay to utilize, to the maximum extent feasible, the resources of other departments, agencies, or instrumentalities, including independent agencies, of the Federal Government.

(b) Upon request of the Director the head of any department, agency, or instrumentality of the Federal Government is authorized to furnish to the Director such information as may be necessary to carry out his functions under section 304 of this Act.

ADVISORY COUNCIL ON COAL MINING TECHNOLOGY EDUCATION

Sec. 306. (a) There is established an Advisory Council on Coal Mining Technology Education which shall be composed of—

(1) the Director of the National Science Foundation, who shall be Chairman;

(2) the Commissioner of Education;

(3) the Director of the Bureau of Mines of the Department of the Interior;

(4) the President of the National Academy of Engineering;

(5) the Director of the United States Geological Survey;

(6) the Director of Mining Enforcement and Safety Administration of the Department of the Interior; and

(7) six members appointed by the Director from among individuals who by virtue of experience or training, are knowledgeable in the field of coal mining technology, and who are representative of community colleges, industrial users of coal and coal derived fuels, the coal industry, labor, and institutions concerned with preservation of the environment.

(b) The Advisory Council shall advise the Director with respect to the general administration of this title, and furnish such additional advice as he may request.

(c) The Advisory Council shall make an annual report of its findings and recommendations (including recommendations for changes in the provisions of this title) to the President not later than March 31 of each calendar year. The President shall transmit each such report to the Congress.

(d)(1) Members of the Council who are not regular officers or employees of the United States Government shall, while serving on business of the Council, be entitled to receive compensation at rates fixed by the Director, but not exceeding the daily rate prescribed for GS-18 of the General Schedule under section 5332 of title 5, United States Code, and, while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

(2) Members of the Council who are officers or employees of the Government shall be reimbursed for travel subsistence, and other necessary expenses incurred by them in carrying out their duties on the Council.

(e) Whenever a member of the Council appointed under clauses (1) through (5) is unable to attend a meeting, that member shall appoint an appropriate alternate to represent him for that meeting.

FINANCE ASSISTANCE TO COMMUNITY COLLEGES

Sec. 307. (a) The Commissioner is authorized to make grants to community colleges to carry out programs for the training of technologists in the field of coal mining and technology.

(b) In making grants under subsection (a) of this section the Commissioner shall give priority to—

(1) community colleges located in States having abundant coal reserves, and

(2) training programs implementing curricula developed under section 304 of this Act.

APPLICATIONS FOR FINANCIAL ASSISTANCE

Sec. 308. (a) Each community college desiring to receive a grant under this Act shall submit an application to the Commissioner, at such time, in such manner, and containing or accompanied by such information, as the Commissioner deems necessary. Each such application shall—

(1) describe with particularity the program for training technologists in the field of coal mining and technology, including provisions for such supplementary demonstration projects or short-term seminars as the community college determines will best carry out the purposes of this Act;

(2) set forth policies and procedures to assure that Federal funds made available under this Act for any fiscal year will be so used as to supplement and, to the extent practical, increase the level of funds that would, in the absence of such Federal funds, be available for the purposes described in section 305, and in no case supplant such funds:

(3) provide that fiscal control and fund accounting procedures will be established as may be necessary to assure the proper disbursal of, and accounting for, Federal funds paid to the State under this Act; and

(4) provide that reasonable reports will be furnished in such form and containing such information as the Administrator may reasonably require and such reports will be kept and access furnished thereto as the Administrator may find necessary to assure the correctness and verification of such reports.

(b) The Commissioner may approve any application that meets the requirements of subsection (a).

PAYMENTS

Sec. 309. (a) The Commissioner shall pay to the community college which has an application approved under section 308 an amount equal to the amount needed for the purposes set forth in that application.

(b) Payments under this Act may be made in installments and in advance or by way of reimbursement, with necessary adjustments on account of overpayments or underpayments.

WITHHOLDINGS

Sec. 310. Whenever the Commissioner, after reasonable notice and opportunity for hearing to any community college, finds that there has been a failure to comply substantially with any provision set forth in the application of that community college approved under section 308, the Commissioner shall notify the community college that further payments will not be made under this Act until he is satisfied that there is no longer any such failure to comply. Until he is so satisfied, no further payments shall be made under this Act.

ADMINISTRATION OF FINANCIAL ASSISTANCE

Sec. 311. (a) The Commissioner may delegate any of his functions under this Act except the making of regulations to any officer or employee of the Office of Education.

(b) In administering the provisions of this Act for which he is responsible, the Commissioner is authorized to utilize the services and facilities of any department, agency, or instrumentality of the Federal Government and of any other public agency or institution in accordance with appropriate agreements, and to pay for such services either in advance or by way of reimbursement as may be agreed upon.

AUTHORIZATION OF APPROPRIATIONS

Sec. 312. (a) There are authorized to be appropriated to carry out section 4 of this Act, $4,000,000 for the fiscal year 1975, and $8,000,000 for the fiscal year 1976 and each of the four succeeding fiscal years.

(b) There are authorized to be appropriated to carry out the provisions of section 306 of this Act such sums as are necessary.

(c) There are authorized to be appropriated to carry out the provisions of section 307 of this Act not to exceed $5,000,000 for the fiscal year 1976, and not to exceed $10,000,000 for the fiscal year 1977 and each of the three succeeding fiscal years.

Mr. MOSS. Mr. President, I will explain the amendment in the course of this discussion today. I have discussed it with the manager of the bill and its provision is familiar, I think, to all of the Senate since it has been before us previously.

Mr. FANNIN. What is the number of the amendment?

Mr. MOSS. The number of the amendment is 834. It is printed and should be on the Senator's desk.

Mr. President, I ask unanimous consent that I might be shown as a cosponsor of S. 391, the bill that is before the Senate.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MOSS. Mr. President, I ask unanimous consent that Steve Merrill may be granted the privilege of the floor during this debate.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MOSS. Mr. President, I join my good friend Lee Metcalf in support and sponsorship of S. 391, the Federal Coal Leasing Amendment Act of 1975. I agree with him that there are some badly needed changes in the law governing leasing of Federal coal.

Development of the Federal coal is a

necessity if we are to meet our goals of independence from foreign energy supplies. In my State we have 8 million tons of coal reserve.

The steel industry of Utah and California uses coking coal of high unit value mined in the Uintah region of Utah and Colorado. The role of coking coal is important in the Western States' economies, even though the reserves are small in comparison with other supplies that can be used for power generation or direct conversion to other forms of energy. The deposits of privately owned coking coal are being rapidly depleted, so future supplies will be almost totally from Federal lands.

At the last count there were some 200 existing Federal leases for coal within my State. Only 20 of those are producing leases. I do not condone holding valuable coal leases for purposes other than production. This piece of legislation would remedy that situation and require the Federal lessee to develop his lease and produce coal for our energy needs now.

There are several other sections of this law which are particularly helpful to my State as well as other Western States in a like situation. I call attention to section 101 which provides that a reasonable number of leasing tracts shall be reserved and offered for lease to public bodies, including Federal agencies, rural electric cooperatives, or nonprofit corporations controlled by any of such entities. It provides that any coal leased shall be for use by such entity or entities in implementing a definite plan to produce energy for their own use or for sale to their members or customers—except for short-term sales to others.

I commend the committee for its efforts to give consumer-owned utilities a preferential basis for competing in the leasing business.

For many years we have given State and local governments and nonprofit cooperatives the first opportunity to obtain power generated at Federal projects.

In addition section 109 gives to a governmental entity within each State clear authority to acquire coal leases within such State.

I am pleased to support efforts to broaden the revenue-sharing provisions of the Mineral Leasing Act so that our hard-pressed communities faced with boomtown problems brought about by enhanced energy needs can use their State's share of funds for purposes such as police and fire protection and water and sewer facilities.

As for the reclamation requirements which are a part of this legislation, I must add, Mr. President, we ought to test on the Federal lands the effect of our long years of legislative inquiry into the merits of surface mining. Most of Utah's coal is deep and surface mining less of a problem for us, but there are other States which could be devastated. We should protect our land inheritance while developing our resources.

The Federal Government owns 50 percent of the recoverable coal reserves. We have a constitutional responsibility over the land and a responsibility to our people.

Now, Mr. President, turning to the amendment which I have called up, this amendment which I am proposing is entitled "The Coal Mining Technology and Manpower Development," amendment. It incorporates the Coal Mining Technology and Manpower Development Act, S. 1994, which I introduced June 23, 1975.

In our effort to expand the production and diversify the sources of domestic energy, we must not overlook the need to develop sufficient manpower with appropriate skills to do the job. This is particularly true of coal mining. Coal presently provides only 17 percent of our energy even though it constitutes 93 percent of the fossil fuel reserves of the United States. Project Independence anticipates an increase in production of 10 percent per year through 1985 in order to raise output to more than 1 billion tons of coal. This goal, in the judgment of the National Academy of Engineering, will require 125,000 additional skilled workers, more than one-half of the projected increase for all energy production, electric power generation, and energy transportation in the decade ahead.

The problem in coal mining is not merely one of numbers. So far the general unemployment rate has assured the industry an adequate labor supply, but many of the new recruits are poorly trained. Shortages of experienced miners are beginning to appear and will become acute, for a large proportion of the work force is concentrated in the older and younger age groups.

Nearly 30 percent of the United Mine Workers' membership will be eligible for retirement under the terms of the present contract. One-third of the union's members is under 30 with experience ranging from a few days to no more than 2 or 3 years. In this, the most hazardous of industrial occupations, they are the most frequent victims of accidents. Of the 132 miners killed on the job in 1974, 38 had less than 1 year's mining experience.

The private sector has long assumed the major burden of recruiting and training skilled coal workers, and it is taking new initiatives. In recent years, however, a number of junior colleges, technical colleges, and vocational schools have created training programs. In my own State, for example, the College of Eastern Utah in Price will construct a $2 million center to provide training for high school students, a 2-year associate degree in mining technology, an extension course for recertifying mine electricians, and a university preparatory general science course.

The UMW foresees the necessity of establishing a dozen new training centers, supported by Federal as well as State and industry funds. The administration has said, in its Project Independence Report, that it would be appropriate for the Federal Government to provide educational grants "to encourage the expansion of degree and nondegree programs in fields involving advanced skills and knowledge."

My amendment would provide two kinds of assistance to public and nonprofit institutions. First, the National Science Foundation would conduct studies of manpower needs, research in coal mining technology and curricula, and demonstration projects applying the results of that research. Second, the Office of Education would make direct grants to community colleges to train electricians, machine operators, mechanics, mine safety supervisors, foremen, and other skilled coal workers. "Community college" is defined, as in the Higher Education Act, to include junior colleges, postsecondary vocational schools, technical institutes, and 4-year colleges offering programs of occupational and specialized education. Institutions in States having abundant coal reserves would be eligible for the financial assistance. In the short period since the introduction of this bill, it has received the enthusiastic endorsement of college officials in Kentucky, West Virginia, and Pennsylvania, as well as Utah.

Mr. President, these programs must be accompanied by efforts to develop new technologies for coal production and conversion, new techniques of land reclamation, and new programs in mineral research. These are authorized by S. 26, the Mining Minerals Resources Research Act, which I introduced earlier this year, and S. 62, the Coal Research Laboratory and Energy Research Fellowship Act, which the distinguished minority leader, Senator HUGH SCOTT, introduced with my support. As a first step, however, the amendment I introduce today would do much to insure the safe, efficient, expanded production of coal and to enable thousands of men and women to qualify for jobs that will be available.

Mr. President, I believe this amendment expands and makes applicable the terms of the general bill before us. It is tailored to additional training in the field of coal production. This bill, I believe, is much needed and I feel this amendment would improve it. I would ask that the manager of the bill accept the amendment. I believe it would improve the bill before us.

Mr. FANNIN. Mr. President, without questioning the benefits that would accrue from this particular amendment, I understand that the amendment is being considered in the Committee on Labor and Public Welfare under S. 1944.

Mr. MOSS. Yes, there is a bill containing this same language that is now before the committee. However, it fits well into this matter and can be handled right here.

Mr. FANNIN. Mr. President, because of the time element involved, because we are almost at the time before we recess for a month, and we are trying to accomplish as much as possible in the way of getting legislation approved, it is not the desire of the Senator from Arizona to hold up an amendment, but I do not feel that this amendment is in order. It is not germane, in my opinion. Mr President, I would ask a ruling on the question of the germaneness of this amendment.

The ACTING PRESIDENT pro tempore. When the Senate is operating under a unanimous-consent agreement, a point of order on an instant amendment as to germaneness is not in order until the Senator offering the amendment **or** the proponents of the amendment have used the time allotted or yielded it back.

Mr. FANNIN. I withhold the point of order, then, until the time has expired.

The ACTING PRESIDENT pro tempore. The Senator from Utah has 19 minutes remaining.

Mr. METCALF. Will the Senator from Utah yield to me?

Mr. MOSS. I am happy to yield.

Mr. METCALF. I agree with my friend from Arizona that this amendment is inappropriate.

I congratulate the Senator from Utah for offering the amendment. I feel that the kind of training and the kind of education that the Senator from Utah contemplates are certainly worthwhile.

I do not know about the point of order which has been raised. I would hope, not in connection with this amendment of the Senator from Utah but some of the other amendments that are pending, that we would confine the bill to coal mining and related subjects rather than timber sales and some of the other things that have been suggested.

I do congratulate the Senator from Utah for a constructive and statesmanlike approach to this very dangerous occupation. Whether the amendment goes into this bill or whether it comes out of the Labor and Public Welfare Committee, I certainly will support it.

Mr. MOSS. Mr. President, I should point out the total thrust of this amendment is to train and develop appropriate manpower for the increase in the production of coal. In my State we already have a shortage. They are advertising in the newspapers for coal miners. They are trying to find them, to bring them in. We are trying to open up more of our mines all the time. So, we are already in a shortage period for trained coal miners.

We have a lot of unemployed people, but I tried to point out in my remarks that to send untrained people into the mines to do the very technical work that we have—and our mining is almost totally underground—is a dangerous business and should not be foisted upon untrained people.

Second, they are not efficient. They cannot do the work of those who are trained in this area. So this is a vocational training program to get us the manpower that we need to do the job.

If this bill passes and we open up a lot more of our coal areas to leasing and production, and put all the force that we can behind increased production in order to add coal as a greater source of energy to take up the slack from petroleum and natural gas, then we need the people to do the job.

I think it is germane. If the ruling is adverse I will seek an appeal.

I would certainly hope that it would not be excluded because of objections as to whether or not it is germane. I must protest that and show it is directly involved in the thrust of the bill that is before us, which is the Federal Coal Leasing Amendments Act of 1975.

Mr. FANNIN. Mr. President, I regret that it happens to be the particular amendment of the Senator from Utah. Certainly, I join my colleague, the manager of the bill, in commending him for this activity and for the work he has done in regard to what may be a very much needed service.

As the Senator realizes, my State of Arizona would benefit from this particular legislation. At the same time, if we start accepting this nongermane amendment to this legislation which we are trying to get passed this morning, it could lead to many others. I do know that many Senators do have nongermane amendments that would be offered. The Senator from Arizona does not want to be in a position where he is taking a point of issue on a particular amendment from the Senator from the State of Utah, where both of our States would benefit. But I do not think it would be proper for this amendment to be accepted and other amendments that are not germane to be considered.

At the time it is proper and in order, I will make a point of order, but I want the distinguished Senator from Utah to realize that the point of order is not being made because of my objection to this amendment. I will agree that the Senator from Arizona has not had time to thoroughly study the amendment.

I do not know about hearings, but I would think that this is an amendment that is far reaching and, certainly, as I stated, would be beneficial. I just have to say, however, that because of the time element I do not think it is in order to consider the amendment at this time.

Mr. MOSS. Mr. President, I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. Is all time yielded back?

Mr. FANNIN. Mr. President, I make a point of order on the germaneness of this amendment.

The ACTING PRESIDENT pro tempore. The amendment introduces new subject matter in the jurisdiction of another committee and, therefore, is not germane.

Mr. FANNIN. Mr. President, I thank the Chair.

Mr. MOSS. Mr. President, I appeal the ruling of the Chair, and I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk called the roll, and the following Senators answered to their names:

[Quorum No. 69 Leg.]

Fannin
Mansfield
Metcalf
Moss
Nelson
Stevenson

The PRESIDING OFFICER (Mr. STEVENSON). A quorum is not present.

Mr. MOSS. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms is directed to execute the order of the Senate.

Pending the execution of the order, the following Senators entered the Chamber and answered to their names:

Abourezk
Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Buckley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Curtis
Dole
Domenici
Eagleton
Fong
Ford
Garn
Glenn
Gravel
Griffin
Hansen
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Jackson
Javits
Johnston
Kennedy
Laxalt
Leahy
Long
Magnuson
Mathias
McClellan
McClure
McGovern
McIntyre
Mondale
Montoya
Morgan
Muskie
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

Mr. ROBERT C. BYRD. I announce that the Senator from Mississippi (Mr. EASTLAND), the Senator from Wyoming (Mr. MCGEE), and the Senator from Hawaii (Mr. INOUYE) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. GOLDWATER) is necessarily absent.

The PRESIDING OFFICER. A quorum is present.

Mr. MOSS. Mr. President, I ask for the yeas and nays on the appeal from the ruling of the Chair.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MOSS. Mr. President, I understand that this matter is debatable. I shall take about 2 minutes to acquaint the Senate with what the situation is.

This is as simple a matter of whether or not an amendment that I have before the Senate, No. 834, is germane. I had an understanding that this was going to be accepted, and I was a little surprised that we got into this situation. I understand that germaneness was added to the controlled time just this morning, apparently in advance of making the objection that is now before this body, and on which the appeal was taken.

The bill that we are considering is the Federal Coal Leasing Act, the whole thrust of which is to produce more coal in Federal lands, and other regulatory matters surrounding that. The amendment has to do with training coal miners. It provides that grants can be made to vocational schools, community colleges, and others which have a curriculum for developing the extraction, preparation, transportation of coal, the reclamation of coal-mined lands, the disposal of coal-mine wastes, the chemical and physical analysis of coals and materials such as water and soil that are involved in the coal-mining process, and the improvement of health and safety of coal mine employees. It seems to me, Mr. President, that it is germane to the thrust of the bill. For that reason, I have appealed the ruling of the Chair that it is nongermane.

I yield back the remainder of my time.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METCALF. Mr. President, I ask unanimous consent that Mr. Richard Grundy, Mr. Barry Meyer, Mr. Grenville Garside, and Mr. Mike Glassman be allowed the privileges of the floor during the debate and vote on S. 391.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Vote.

Mr. MOSS. I yield back my time.

The PRESIDING OFFICER. Is all time yielded back?

Mr. FANNIN. I yield back my time.

The PRESIDING OFFICER. All time is yielded back. The question is: Shall the decision of the Chair stand as the judgment of the Senate? The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate.

The PRESIDING OFFICER. The Senate will be in order.

The legislative clerk resumed the call of the roll.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate, Mr. President. The Senate has much work to do today, and we can move faster if we have order in the Senate.

The PRESIDING OFFICER (Mr. HASKELL). The Senate will be in order.

The legislative clerk resumed and concluded the call of the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Mississippi (Mr. EASTLAND), the Senator from Hawaii (Mr. INOUYE), and the Senator from Wyoming (Mr. MCGEE), are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. GOLDWATER), is necessarily absent.

The result was announced—yeas 70, nays 25, as follows:

[Rollcall Vote No. 363 Leg.]

YEAS—70

Allen
Baker
Bartlett
Beall
Bellmon
Biden
Brock
Brooke
Buckley
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Cranston
Curtis
Dole
Domenici
Eagleton
Fannin
Fong
Glenn
Gravel
Griffin
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Jackson
Javits
Johnston
Kennedy
Laxalt
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McIntyre
Metcalf
Morgan
Nelson
Nunn
Packwood
Pearson
Percy
Proxmire
Randolph
Roth
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stone
Taft
Talmadge
Thurmond
Tower
Weicker
Williams
Young

NAYS—25

Abourezk
Bayh
Bentsen
Bumpers
Burdick
Clark
Culver
Ford
Garn
Hansen
Huddleston
Humphrey
McClure
McGovern
Mondale
Montoya
Moss
Muskie
Pastore
Pell
Ribicoff
Schweiker
Stevenson
Symington
Tunney

NOT VOTING—4

Eastland
Goldwater
Inouye
McGee

So the ruling of the Chair was sustained as the judgment of the Senate.

Mr. METCALF. Mr. President, I move to reconsider the vote by which the ruling of the Chair was sustained.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed.

Mr. METCALF. Mr. President, I wish to call up an amendment, but before that I yield to the Senator from Nevada.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate? Business can be expedited if we have order in the Senate. We have a lot work to do and a long, long, long, long day.

The PRESIDING OFFICER. The Senate will be in order.

THE FEDERAL AVIATION ACT OF 1958 RELATING TO WAR RISK INSURANCE

Mr. CANNON. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 8564.

The Presiding Officer laid before the Senate H.R. 8564, to amend the Federal Aviation Act of 1958 Relating to War Risk Insurance.

The PRESIDING OFFICER. Without objection, the bill will be considered as having been read twice by its title and the Senate will proceed to its consideration.

Mr. CANNON. Mr. President, this bill which passed the House on July 29, would extend until May 7, 1976, the aviation war risk insurance program provided for in the Federal Aviation Act. Under present law, this program, which has been in existence since 1951, will expire on September 7 of this year.

In the past, Congress has renewed this program for 5-year periods. However, this year the air carriers who receive insurance coverage under the program have requested that Congress broaden the program so as to provide insurance to the carriers for such acts as sabotage, hijackings and other acts of violence which are technically not war risks.

The House Committee on Public Works and Transportation held hearings on the carriers' request to broaden the program but were unable to obtain from the administration a recommendation on the extent to which the law should be broadened. Therefore, that committee approved an extension of the act for 9 months and required the administration to study this question and provide a report within 90 days, giving its recommendation to the Congress so that we might more effectively assess the merits of the airlines' request.

This approach appears to me to be a sound one—it continues the present program with a view toward possible changes next year depending upon the President's recommendations.

Basically, the war risk insurance program provides insurance coverage to airlines for war risks which the airlines cannot obtain at fair or reasonable rates in the private insurance market. In return for this protection, the airlines pay premiums to the Government which over the life of the program have amounted to $13.7 million. Claims against the Government, we are told by the Department of Transportation, have been less than a thousand dollars since 1951.

This is a meritorious program which enables U.S. air carriers to provide airlift services both to the Government and to private individuals into areas the carriers might be unwilling to serve absent the insurance program. As my colleagues are well aware, there are many trouble spots around the globe where the danger of hostilities is ever present but which nonetheless require U.S. flag airline service to meet the needs of Government and commerce. This legislation will allow the airlines to continue to offer air transportation to these parts of the world knowing that they will be insured against acts of war. I urge the Senate to support this important program by passing this extension bill.

THE PRESIDING OFFICER. The bill is open to amendment. If there be no amendments to be proposed, the question is on the third reading of the bill.

The bill was ordered to be read a third time.

The bill was read a third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 8564) was passed.

Mr. CANNON. I thank the Senator for yielding.

FEDERAL COAL LEASING AMENDMENTS ACT OF 1975

The Senate continued with the consideration of the bill (S. 391) to amend the Mineral Leasing Act of 1920, and for other purposes.

Mr. METCALF. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 19, insert a period at the end of line 22 and strike out lines 23 and 24.

Mr. METCALF. Mr. President, when we held hearings on this legislation, Congressman PICKLE, of Texas, appeared before the committee, and testified about a municipally owned coal plant in his district. He submitted an amendment. The amendment applied to municipally owned, or publicly owned utilities, but it would only apply to plants located within the same State as the Federal coal.

In North Dakota, for instance, there is Basin Electric, which mines coal and sells it in several States.

This amendment is to take care of that proposition, that municipally owned electric companies can lease Federal coal outside of the State in which the utility is located. It was an oversight of the committee.

Mr. HANSEN. Mr. President, I would like to join with the distinguished floor manager of the bill in endorsing this amendment. What he says is entirely accurate. We have had constituents in Wyoming express the very same concern that is addressed by this amendment. It has the support of this side of the aisle.

The PRESIDING OFFICER. Is all the time yielded back?

Mr. HANSEN. I yield back the remainder of my time.

Mr. METCALF. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. METCALF. Mr. President, I send another amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. METCALF. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 24, line 18, Strike period and insert: "; except a person conducting surface coal mining and reclamation operations under a Federal lease issued prior to the date of enactment of this title may conduct such operations beyond such period if an application for a permit has been filed in accordance with the provisions of this title, within nine months from the date of enactment of this title and the initial administrative decision has not been rendered on such application.

Mr. METCALF. I have had a long letter from the American Mining Congress, as have many other Senators. There is a good deal of criticism about the bill in this letter, but there is one minor point that the American Mining Congress has brought out in an 8-page letter that merits our attention. This is a grandfather clause designed to remedy a defect in the bill as we excerpted it from the whole Strip Mining Act. It provides that an operator can continue to mine on existing surface coal operations until the Secretary has issued a decision on his application for a permit under title II of the bill.

This is a grandfather clause that will permit mining to continue in the same way that we provided that it would continue under H.R. 25. When we pulled out title V from H.R. 25 we neglected to provide for continued mining on existing mines. It was not anybody's intention to shut down such existing operations.

Mr. HANSEN. Mr. President, I know the distinguished minority floor manager of the bill just arrived in the Chamber.

I think it would be fair to say that this amendment, too, has our enthusiastic support. It treats fairly those operators who have been in business and who would be adversely affected by the terms of this bill, absent this amendment. I support it.

Mr. METCALF. I yield back the remainder of my time.

Mr. HANSEN. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

SENATOR RANDOLPH SUPPORTS REVISION OF FEDERAL COAL LEASING POLICIES

Mr. RANDOLPH. Mr. President, the committee report on this legislation states a fact that should be foremost in our minds as we seek solutions to our Nation's energy problems. The report says:

> Coal is one of America's most abundant energy resources. It makes up almost 75 percent of the nation's fossil fuel reserves.

This availability of coal—over half of the world's supply—makes it imperative that we use it to meet many of our growing energy demands. If we are to increase our reliance on coal, however, we must also use it wisely and obtain the maximum value from our reserves. As great as they are, our domestic coal supplies—like our oil—are not inexhaustible.

A large amount of America's coal lies under land owned by the Federal Government. I represent a State that is one of our largest producers of coal, but West Virginia has relatively little ownership of that resource by the Federal Government. The widespread distribution of coal reserves, however, and their importance to our country's future cause me to concern myself with any proposal that relates to the production and use of coal.

The Federal Coal Leasing Amendments Act of 1975 is a legislative response to the need to modernize the policies of the Federal Government in the management of coal lands under its control.

At this time in our country's history, when national policies should be promoting greater coal utilization, enactment of this act is desirable. The measure would provide for the orderly and timely development of coal leases on Federal lands consistent with national environmental policies.

I am gratified that the bill applies the provisions of the Federal Surface Mining Control and Reclamation Act of 1975 to coal development on Federal lands. This measure was unwisely vetoed by the President, but the Committee on Interior and Insular Affairs has recommended that its carefully devised provisions be made effective with respect to lands owned by the United States.

Extending the requirements of this act to coal developments on the Federal lands will enable the Department of the Interior to obtain actual experience under the provisions of this measure. Thus an evaluation will be possible of the impact of such a program on coal production consistent with national environmental concerns.

Historically, leases by the Federal Government of coal on public lands have not required the actual production of coal. As a consequence, over 780,000 acres, containing over 16 billion tons of recoverable coal reserves, are under lease. Production from these leases in 1974 amounted to only 22 million tons, less 3 percent of total national supply. The General Accounting Office and the Bureau of Mines determined in 1970 that some 761,000 acres of public and acquired lands covered by outstanding Department of the Interior permits were held principally by coal brokers—not coal producers. Evidence indicates that these coal rights were obtained for speculative purposes rather than with the intention to initiate production. The General Accounting Office pointed out in its May 20, 1974, report, that when the majority of these coal resources are leased they are lost from the U.S. energy supply system.

When the Department of the Interior imposed its moratorium on further coal leases in March, 1974, existing leases affecting recoverable coal reserves on Federal lands were sufficient to maintain 1975 levels of production for 540 years. Projections of Federal production from Federal lands anticipate a rise from 1975 levels of 39 million tons to some 111 million tons in 1985 and 175 million tons by the year 2000. The life of these reserves at the rate of production in the year 2000 is estimated to be 118 years.

It is evident that there is ample coal under existing leases to meet our projected energy demands for coal production from the Federal lands through the year 2000. However, under present law such production is not assured.

The bill under consideration requires production within 7 years in order to obtain a new lease. This provision would assure the production of coal in an orderly fashion. Similar assurances should be provided for existing leases to prevent them from being held indefinitely as a speculation against higher profits in the future.

AMENDMENT NO. 838

Mr. RANDOLPH. Mr. President, I send to the desk an amendment (No. 838) and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

REPORT

> SEC. 112. The Secretary shall report to the Congress within one hundred and twenty days of enactment of this Act on the status of the development of and production from outstanding coal leases and prospecting permits, including the acreage and estimated tonnages of coal and the identity of the lessees or permittees. Such report, among other matters, shall include the recommendations of the Secretary for additional administrative or legislative action as he deems necessary and desirable to accomplish the purposes of this Act.

Mr. RANDOLPH. Mr. President, the Senator from West Virginia has had the opportunity to discuss the pending amendment with the able Senator from Montana (Mr. METCALF), the manager of the bill for the majority, and the able Senator from Arizona (Mr. FANNIN), who is the manager of the bill on behalf of the minority.

There is a question that I wish to pose at this time. There is a feature in this important bill—and it is a highly important bill—on which perhaps clarification could be given to the Senator from West Virginia by the Senator from Montana in line with the amendment which is proposed.

I am strongly in agreement with the provisions of this measure that require the mining of coal to take place on leased lands within a specified period of time. This is intended to assure that new leases are not procured and held inactive for purely speculative purposes.

I am concerned somewhat about the 761,000 acres of public lands on which coal mining permits are presently held primarily by coal brokers, not coal producers. These vast acreages contain millions of tons of valuable coal—an energy source that is likely to be lost from the national supply at this time, when it is very sorely needed. So if I could have a response from Senator Metcalf to the question, does the measure, as he understands it, include provisions that require either the mining or the surrender of existing leases which are not placed in production within a specified period of time. Do the same requirements that apply to the old leases?

In connection with these lands, we are intensely interested that production move forward in a reasonable time.

Mr. METCALF. Mr. President, will the Senator from West Virginia yield to me a moment so that I may yield to the Senator from South Carolina, and then I will respond to the Senator's question?

Mr. RANDOLPH. Yes, I am delighted to cooperate with the manager of the bill.

PRIVILEGE OF THE FLOOR

Mr. THURMOND. Mr. President, I thank the able Senator from Montana.

I ask unanimous consent that Mr. Harrill of my staff be accorded the privilege of the floor during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that my legislative assistant, Sally Horn, be permitted the privileges of the floor during consideration of S. 391 and the Conference Report on H.R. 6674.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. Mr. President, I ask unanimous consent that Jane Matthias of my staff be accorded the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FANNIN. Mr. President, I ask unanimous consent that George Vest be given floor privileges during the remainder of the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METCALF. Now, Mr. President, I wish to respond to the question propounded by the Senator from West Virginia.

I share the Senator's concern about the need to obtain production from the Federal coal lands which are already under lease. The background of the Federal coal leasing program which led to this existing situation has been explored in some detail by the committee at its hearings this year and last. This background is summarized in the committee's report.

Much of the problem lies with the provisions of the existing law and the terms of leases issued under it. The changes proposed by S. 391 are designed to assure that production will take place within a reasonable time by any leases issued in the future. The provisions in S. 391 dealing with logical mining units should help to encourage production of some existing coal leases.

The Interior Department has assured us that they will vigorously enforce the requirements of existing leases for diligent developments. The Department has proposed changes to its regulations to assist in this effort. This is a difficult situation to resolve by legislation because validly issued leases convey rights to the lessees which may be protected under the Constitution. Each case may differ. Thus, we must encourage the Secretary of Interior to fulfill his commitments to vigorously enforce provisions of existing leases.

Mr. RANDOLPH. Mr. President, I appreciate the assurance of the able Senator that that is the intent of the bill, in response to the questions that I have asked. I am very grateful for the attention given by the Senator from Montana and others who have explored the importance of this matter.

Mr. METCALF. If the Senator will yield further, it was a concern of many members of the committee, including the distinguished Senator from Colorado presently presiding (Mr. Haskell) that we do enforce the existing leases, that we require these people to mine the coal and get rid of these speculators that the distinguished Senator from West Virginia mentioned.

Mr. RANDOLPH. Yes; we are interested in production and not brokerage profits, and I appreciate the Senator's response.

Mr. FANNIN. Mr. President, I commend the distinguished Senator from West Virginia. He has taken great leadership in this field over the years, and been tremendously helpful in the passage of legislation to assist in meeting the energy needs of our Nation.

This is another instance in which he has had great interest and is desirous of better communication between Congress and the departments of the Government, the Department of the Interior in particular, and is working toward that end.

I commend the Senator for offering this particular proposal, and I am very pleased to give it support.

Mr. RANDOLPH. I am appreciative to the Senator from Arizona and the Senator from Montana, and I appreciate also the intense interest of many others, including the present Presiding Officer, the Senator from Colorado (Mr. Haskell).

The PRESIDING OFFICER. Do Senators yield back their time on the amendment?

Mr. RANDOLPH. I yield back the remainder of my time.

Mr. FANNIN. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from West Virginia.

The amendment was agreed to.

Mr. RANDOLPH. Mr. President, in section 2 of the bill the Secretary of the Interior is authorized to divide lands into coal leasing tracts which are offered on a competitive-bid basis. Special provision is made for the leasing of coal tracts to public bodies, rural electric cooperatives, or non-profit corporations.

The committee thus has acknowledged the unique problems facing consumer-owned utilities and other organizations in obtaining long-term coal supplies.

Similar treatment would appear desirable to stimulate synthetic fuels development in the United States. This type of a policy could provide a major impetus for synthetic fuels development. It also would complement the program of the Energy Research and Development Administration and the loan guarantee program in S. 598 which was reported by the Senate Interior Committee on July 22, 1975.

Mr. RANDOLPH. Mr. President, at this point I had intended to offer a second amendment today.

The PRESIDING OFFICER. Who yields time?

Mr. METCALF. I yield the Senator from West Virginia such time as he may need.

Mr. RANDOLPH. I had intended to offer a second amendment at this time. It will not be formally presented.

However, I believe it is a matter of importance and should be made part of the Record, along with a copy of the remarks I had intended to offer and certain comments that I have received on the proposed amendment.

I call particular attention to a letter from the Environmental Policy Center of July 30, signed by John L. McCormick. The letter from that environmental group expresses his understanding of the reason that motivated me in the first instance to think in terms of the amendment. It was an amendment that I hoped would stimulate and encourage the commercialization of coal gasification and liquefaction plants. The letter indicates that perhaps there should be further study and reconsideration of this proposal. I say only that, it was my desire—and Mr. McCormick has indicated in his letter to me that he knows of my efforts in this regard—to also maintain a balanced focus of attention on the tremendous coal reserves and able work force of Appalachia and the East.

Mr. President, I ask unanimous consent to have my prepared statement on this matter, a copy of the amendment, and the letter reserved to be printed in the Record at this point.

There being no objection, the material was ordered to be printed in the Record, as follows:

Amendment on Special Coal Leases To Support Synthetic Fuels Development

This amendment which I intended to offer recognizes the special role that synthetic fuels from coal must serve in our country's future energy supplies.

Coal is chemically rich; as such it is our most versatile domestic energy resource. Because of its physical and chemical characteristics, it can be synthesized into liquid and gaseous forms, as well as used directly as a boiler fuel.

Nevertheless, coal varies considerably in its physical and chemical characteristics. Therefore, synthetic fuels technologies must be tailored to the properties of the coal supply. This requires that the engineers and scientists designing the facility know in advance the coal supply that is to be used for a specific installation.

Mr. President, for this reason the amendment I had intended to offer authorizes the Secretary of the Interior to set aside a reasonable number of coal leasing tracts for synthetic fuels development. In the process, the Secretary is to consider the size of a tract necessary to support a synthetic fuels facility. This evaluation also is to consider the physical and chemical characteristics of the coal as well as the total amount necessary to support a synthetic fuels installation for the life of the project.

Because such leases represent preferential treatment, the coal offered under such special leases is restricted to synthetic fuels uses. If the lease is not used for this purpose and construction is not begun on the synthetic fuels facility within three years of obtaining the lease, then the lease is forfeited.

This provision might have provided a major impetus for synthetic fuels development. It also complements the programs of the Energy Research and Development Administration in this area. In addition, it is consistent with the Federal loan guarantee program for synthetic fuels technologies provided for in S. 598 which was reported by the Senate Interior Committee on July 22 and will be considered by this body later this week.

The energy programs of the Congress and the Administration envision a limited number of synthetic fuels installations over the next ten years to prove the technical and economic feasibility of the production of gaseous and liquid fuel from coal on a commercial basis. In his January 15 State of the Union Message, President Ford anticipated that ten such facilities would be constructed during this period. Their production would be equivalent to an estimated 0.5 to 1.0 million barrels of oil per day.

Mr. President, this amendment could contribute to the achievement of this national objective and the promotion of greater energy self-sufficiency.

On page 8, line 8, at the conclusion of the paragraph 2(a)(1), add the following: "In addition, a reasonable number of coal leasing tracts of such size as the Secretary of the Interior deems appropriate for the support of the synthetic fuels facility on the basis of the quantities and the physical and chemical characteristics of the coal contained therein may be reserved and offered for lease in accordance with this section: *Provided*, That the coal so offered for lease shall be used only for this purpose by the lessee and the construction of such synthetic fuels facility shall be initiated within three years of obtaining such lease.".

ENVIRONMENTAL POLICY CENTER,
Washington, D.C., July 30, 1975.

Senator JENNINGS RANDOLPH,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR RANDOLPH: I have reviewed the amendment which you are proposing for S. 391, the Federal Coal Leasing Act. That amendment would authorize the Secretary of the Interior to set aside a reasonable number of coal leasing tracts for synthetic fuels development. While I realize your intention is to stimulate and encourage commercialization of coal gasification and liquefaction plants, I feel that this amendment is not necessary and will discourage rather than encourage competition among bidders for Federal coal leases.

Those companies in a position to invest the capital and technology in synthetic fuels ventures are for the most part the major oil and gas companies. Several already have large lease holdings of Federal coal which they have not begun to develop. Assuming that a coal gasification plant requires about 280 million tons of coal during the life of the plant, the coal tonnage represented in these existing leases is equivalent to scores of gasification plants and liquefaction plants. I have attached a list of those companies most likely to construct coal conversion plants around their reserves and the amount of Federal acreage under lease.

Since much of the coal in the Northern Great Plains is subbituminous coal and found in very thick deposits, the chemical characteristics of that coal is fairly constant. Subbituminous coal is generally considered non-caking coal whereas bituminous coal is a caking type coal. Therefore, the western subbituminous coal is acceptable as a feedstock for the Lurgi gasification process and there does not seem to be any difficulty in finding subbituminous deposits which have all the characteristics sought by a company. For these reasons the authority to set aside select tracts of land for gasification and liquefaction companies could result in their securing additional Federal coal acreage and holding on to the acreage they already have under lease. Furthermore, one of the primary considerations in chosing a tract of coal for gasification or any type of coal development venture is the economics of extracting the coal. This entails thickness of the coal seam and depth and nature of the overburden. If the Secretary chooses these parameters as criteria for setting aside the coal tracts that would give an unfair advantage to gasification and liquefaction interests over electrification interests.

Finally, the Environmental Policy Center is in agreement with you that coal gasification and liquefaction are technologies that do exist and will probably come on line in the near future. However, we are concerned that there is not enough interest being placed on using Eastern and Central states coal reserves as the feedstock for these plants. There is entirely too much interest on the part of the Administration in using Western states coal instead. The Lurgi process of gasification requires a non-caking coal, subbituminous coal as a feedstock. With further research that process can be designed to handle bituminous West Virginia and Kentucky coal. But, if all the capital dollars flow into the West for the first generation of gasification plants there will be little or no incentive to carry on the needed research for the utilization of Eastern coals. The industry has sufficient coal tied up in the west for gasification and liquefaction. We in the East must demand that the Nation accept as a part of a National Energy Policy that the areas of greatest demand and greatest resource base be given first crack at assembling the capital and technology for the coal conversion complexes which the President has called for.

I hope that you will reconsider offering your amendment to S. 391 and continue your efforts to focus attention on the tremendous coal reserves and able work force of Appalachia and the East.

Sincerely,

JOHN L. MCCORMICK.

Leasee:	*Acreage*
Atlantic Richfield	44, 844
Continental Oil Co	63, 948
Eastern Gas & Fuel Association	1, 910
El Paso Natural Gas Co	67, 298
Exxon Corp	15, 498
Gulf Oil Corp	20, 587
Peabody Coal Co	179, 528
Kerr-McGee	10, 729
Mobil Oil Corp	4, 000
Shell Oil Co	30, 247
Sun Oil Co	21, 240
Texaco Inc	9, 417
Utah International	55, 638
Total	524, 884

Total Federal leases to date, 939,608 acres under 474 leases.

The above companies represent 56% of the acreage leased by the Government.

Mr. RANDOLPH. I thank the chairman of the subcommittee for providing me the opportunity to offer the earlier amendment and to provide in the RECORD an explanation of the other amendments which was not presented.

Mr. METCALF. I thank the Senator from West Virginia.

The Senator from West Virginia has been long interested and concerned in coal mining. The State he represents is one of the leading coal-mining States of the Nation. He has contributed a great deal to the consideration of this entire legislation, and I am delighted that we were able to assist in the matter.

Mr. RANDOLPH. I am appreciative of the Senator's words, because there is a very real need for synthetic liquid fuel in this country.

To step back into history, in the middle forties we passed the Synthetic Liquid Fuels Act of 1944, which was sponsored by the late Senator from Wyoming (Mr. O'MAHONEY), and in the House of Representatives at that time by the Senator from West Virginia, who is speaking. The programs begun then, under that measure, frankly, should not have been dropped, but there came that period of time when we felt that we could do business as usual. We did it, and we lost valuable years.

But I hope that from this discussion, the materials that will appear in the RECORD, and further counseling with the environmental groups, that we may address this subject again in the future.

I again thank the knowledgeable Senator from Montana.

Mr. President, the Federal Coal Leasing Amendments Act of 1975 represents a significant and positive improvement in present Federal coal leasing policies by fostering production from the Federal coal leases which will promote greater energy self-sufficiency for our country. Therefore, it is consistent with congressional and administration programs to foster greater coal utilization.

The able Senator from Montana (Mr. METCALF) has provided leadership in bringing this legislation to the Senate.

Mr. METCALF. I thank the Senator from West Virginia.

The PRESIDING OFFICER. The bill is open for further amendment.

Mr. STEVENS. Mr. President, will the Senator from Arizona yield me some time?

Mr. FANNIN. I am pleased to yield to the Senator from Alaska.

How much time does the Senator wish?

Mr. STEVENS. Five minutes will be sufficient.

Mr. FANNIN. I am very pleased to yield 5 minutes.

Mr. STEVENS. Mr. President, I ask the manager of the bill, the distinguished Senator from Montana, a question concerning this definition of "the appropriate original contour" that appears on page 84 of this bill. I am particularly concerned about this, I say to my good friend, because of the fact that much of our coal is located in areas that are permafrost country, and the ground is many times 50 percent or more frozen water, ice, and when that overburden is removed, the ice is thawed, and the water runs off. We obviously do not have enough overburden remaining to restore the original contour by backfilling and grading. I will be most happy to have the members of the Committee on Interior and Insular Affairs visit the one still operative mine, that has a very innovative means of improving the contour, and had revegetation in those areas, that I think is an example of good mining practices in an area such as that.

But this bill exempts the one operating mine. But those mines that are closed that could reopen, as I understand it, would have to meet this original contour concept. Am I correct in that? Is it the intent of the committee that the original contour must be restored in the event of strip mining operations?

Mr. METCALF. The Senator from Alaska, if he will yield to me, has called attention to a typographical error on line 24 on page 104 of the committee amendment. Subsection 14 there says: "appropriate original contour," and it should be "approximate original contour."

Mr. President, I ask unanimous consent that the committee amendment be corrected to change that to "approximate original contour."

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METCALF. Let me say to the Senator from Alaska that there has been some discussion on this very subject. Many times they do not have enough backfill to restore the original contour. For instance, in Montana and Wyoming, for example, they have veins where the coal veins are 150 feet thick, and it is obvious as we go through that area and remove 150, 100, or 40 feet of coal, or whatever it is, there is not enough backfill to take care of it.

That is why we said "the approximate original contour," and try to make restoration and reclamation as closely as possible resemble the original contour, but recognizing that in ordinary mining operations sometimes it is not possible to go back to the original contour.

Mr. STEVENS. In terms of the original contour, as it now states, "the approximate original contour," is it again, though, the intent of the committee assuming that there is, let us say, 20 feet less top soil to be replaced, that to the extent possible the operator must try to restore the original contour, or is it sufficient if he improves the original contour and utilizes the land in a manner with which I am sure the Senator is familiar? We can put that rock in first and put the top soil or good soil in last, and actually have an area that is capable of being farmed or used for raising grass for cattle.

Again, I can show the Senator where that is being done in Alaska today, and I am sure the Senator is familiar with it. But that is not the approximate original contour in the sense of taking what the natural contour of the land was before the overburden was removed and its replacement.

Obviously the edges, where the overburden was removed, have been graded down, and they have improved the contour. But it does not look at all like it originally did.

I am worried about this "approximate," and I thank the Senator for that amendment, the approximate original contour concept. I would hope that we may have some legislative history to the effect that there is an intent here to improve the utilization of the land, after strip mining, and, if that can be demonstrated, that this approximate original contour concept is really for the areas where there can be no improvement after strip mining.

Will the Senator agree with that concept?

Mr. METCALF. Yes, I agree.

I assure the Senator from Alaska that this matter was discussed in the markup of the bill; it was discussed in hearings. We all felt that this concept of approximate original contour did not necessarily mean that they restore the elevation or haul fill in from some other place to fill the excavation, but to try to do the best they can to require reclamation and restoration with the overburden removed during mining.

The PRESIDING OFFICER (Mr. LEAHY). The time of the Senator has expired.

Mr. FANNIN. Mr. President, I yield time to the Senator from Alaska.

Mr. STEVENS. What the Senator from Montana is saying is very important. He is saying that the important thing is that strip mining land must be restored to the extent possible for beneficial use and that we do not expect an operator to have to haul fill and gravel for miles in order to restore the original elevation or to take action which would restore the contour lines as they existed before the strip mining started.

Our seams are 50 to 60 feet thick. In addition, we have the problem of the overburden being partially frozen water and this gravel suspended in frozen water. When that happens and we remove that, obviously we cannot come near to restoring the original contour. But we can, and we do, have practices to improve the utilization of the land after the strip mining has taken place. I think that has happened as the price of coal has gone up. We have been able to do that.

Mr. METCALF. The whole idea, I say to the Senator from Alaska, is that we require the miner to put back the soil or the rock, or whatever it is, that he took out. We do not require him to haul backfill in from some other place.

I especially call attention to the fact that section 228 of the bill recognizes that there is a special problem with coal in Alaska. It sets forth an instruction to the Secretary to provide a study to take care of the special climatic conditions that the Senator has described.

The Senator from Idaho was very active in working out some of this language, and perhaps he can respond.

Mr. McCLURE. Mr. President, will the Senator from Alaska yield?

Mr. STEVENS. I should like to ask the manager of the bill one other question.

Mr. METCALF. I think the Senator from Idaho wants to talk on the subject that we are talking about at this time.

Mr. STEVENS. All right. I yield.

Mr. McCLURE. This is one of the most troublesome matters, and it caused us in the committee the most amount of comment. Perhaps it is the matter discussed most by people outside. That is, what are the reclamation requirements, and how does the language "approximate original contour" apply to the reclamation requirement?

The Senator from Alaska should know that it was our intention that these matters, where it is impossible to restore it to the way it was before, would be considered under the preplanning requirement that the reclamation is improved before the mining can be commenced. So the peculiar problems such as the Senator mentioned in the perma frost areas would be taken care of in the preliminary approval of the reclamation plan. Even outside of those peculiar circumstances, where some adaptation of the plan has to be made, there is provision for a change in the use which would be approved prior to the beginning of the mining. I think it all can be taken care of at that level.

However, people should understand that "approximate original contour" does not mean that it has to be put back exactly as it was before.

What we are getting at is that in many areas where there is a gently rolling, hilly terrain, we do not want to go in there and level it all out, right across the country, for miles, without any attempt to blend it into the terrain that existed before, the terrain that is on both sides of the mining operation.

Mr. STEVENS. I appreciate the Senator from Idaho's comment.

I do not like to use the word "impossible." It is not completely impossible. It would be possible, but we would have to go down to the creek beds and take the gravel out of the creek beds and truck it up 10, 15, or 20 miles, which would harm the creek beds which normally are fishery producers.

I see no reason to impose just a test of impossibility. I think feasibility has a great deal to do with it, and necessity.

If it is an area where there is obviously a great population base and there are esthetic requirements with respect to restoring the normal rolling hills, as the Senator mentioned, I can understand that. But in very remote areas, where the cost of restoring even approximate original contour would be prohibitive, it would destory the feasibility of the coal mine.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. STEVENS. I yield.

Mr. McCLURE. I do not want to overstate what we have done, because I do not think economic feasibility is the test, even in remote areas.

Mr. STEVENS. I agree with that, but I think it is a factor.

Mr. McCLURE. I do not disagree with that.

Mr. STEVENS. The availability of additional material to restore what would be the approximate original contour and the effect of removal of that gravel or overburden from somewhere else, and what it would do to the other area, is an important factor. But it seems to me that unless the people who are going to administer this act, if it becomes law, understand that we are not going to be hidebound and tell people, "Unless you can restore the approximate original contour, you cannot strip mine coal," I do not think there is going to be a coal mining operation in my State.

Mr. McCLURE. I agree with the Senator from Alaska that it would make no sense at all, in order to reclaim a coal mined area, to impose a burden on some other area, to get fill material and restore what had been removed in the coal mining area. I believe that in most of the areas we are talking about, the surface mining operation would extend over some distance. In many instances, it may be a half mile wide and 5 or 6 miles long. Certainly, a 60-foot differential in elevation because of the removal of a 60-foot seam of coal cannot be termed, in that distance, a deviation from approximate original contour. I think we should want it to be understood in that vein as well.

Mr. STEVENS. I thank the Senator.

Mr. METCALF. Mr. President, if the Senator will yield, I point out that this whole problem was discussed, and section 212 provides a standard and provides an exception for the very thing about which the Senator from Alaska is speaking. It says:

> That in surface coal mining which is carried out at the same location over a substantial period of time where the operation transects the coal deposit, and thickness of the coal deposits relative to the volume of the overburden is large and where the operator demonstrates that the overburden and other spoil and waste materials at a particular point in the permit area or otherwise available from the entire permit area is insufficient, giving due consideration to volumetric expansion, to restore the approximate original contour.

So we are talking about exactly the question that the Senator from Alaska raises, where there is insufficient overburden or where a great volume of coal is taken out. All the operator has to do is to put back the overburden he took out.

Mr. STEVENS. I say to the Senator from Montana that we are referring to the concept explained in the proviso on page 31, I thought that was referring to open pit mining as opposed to strip mining. Is it the intention of the committee that it apply to both open pit and strip mining?

Mr. METCALF. Yes. The whole general concept of this bill is surface mining of coal. We have not gone into what open pit mining is concerned with nonferrous metals. This provides for environmental protection standards any time anyone takes the overburden off and removes coal by surface mining.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. METCALF. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 48 minutes.

Mr. FANNIN. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Arizona has 40 minutes.

Mr. METCALF. I yield myself such time as I may require.

Mr. STEVENS. As I understood the Senator from Montana, he made a very important statement, at least so far as the understanding of this Senator is concerned, that those standards apply to open pit as well as surface mining terms of this concept of the face of the seam.

Mr. METCALF. We do not differ at all on this. Open pit mining, surface mining, any removal of coal by the technique of taking the overburden off and removing the coal, is covered by this legislation.

Mr. STEVENS. I thank the Senator.

On page 124, there is section 233, which is the Alaska section that I asked to put in the bill that was originally passed by the Senate to protect the lands of the State and of the Native people under the Alaska Native Claims Settlement Act. At the time that bill passed the Senate, it applied to lands in private ownership. This bill now applies, as I understand it, to lands that are in Federal ownership. Is that correct?

Mr. METCALF. That is correct.

Mr. STEVENS. I inquire of the Senator from Montana if he has any objection to deleting the proviso that appears on page 124 at line 9, where it says, "provided that such surface mining operations meet the requirements of this title."

That was added in conference, as I recall. At the time, privately owned lands within the States would have been subject to the provisions of this title. The lands of the State of Alaska, when they go out of Federal ownership, are in State ownership, and the Native Claims lands are in private ownership. If that proviso is maintained, as I understand it, the lands of my State and the lands of the Native people of my State are subject to the surface mining coal regulations when no other private lands would be subject to such regulation. I meant to try to protect that, and the State has very aggressive, I might say, surface mining standards that would apply to both State lands and the Native lands. As a result of the fact that this bill now applies only to Federal lands, that section, which was originally intended to be a protection for our people, now becomes a provision, with that proviso, that makes this apply to private lands in my State and State lands, where it does not apply to State and private lands in any other State, as I understand it.

Am I correct in that?

Mr. METCALF. Yes, I think the Senator from Alaska is correct. As the Senator knows, this was material that was provided in conference and the whole bill was excerpted, insofar as title II is concerned, from the conference committee report. But I think the Senator does point out the fact that because of the special situation of the Alaska Native Claims Settlement Act, it is private land. A proviso that especially relates to Alaska coal would provide some control over surface mining coal operations on private land that is not contemplated by this legislation. This legislation contemplates only Federal land in the public domain.

I would acquiesce in an amendment, if the Senator wants to offer it, to strike that proviso, beginning at "provided that such surface mining coal operations meet the requirements of this title." It does apply only to Alaska land.

Mr. STEVENS. I should like to offer an amendment, then.

Mr. METCALF. The Senator is referring to section 233 and that provision relating solely to Alaska coal. So we are talking about the same thing.

Mr. STEVENS. Yes. I would like a period after "act" on line 9, on page 124 of the bill, and strike the language which reads, "provided that such surface coal mining operations meet the requirements of this title." That would make this consistent and make it apply only to Federal lands in my State and not disturb what I originally intended to do.

Mr. METCALF. I think the Senator has raised a question that we can take care of by that amendment.

The PRESIDING OFFICER. Will the Senator send his amendment to the desk?

Mr. STEVENS. Mr. President, I offer that amendment at this time.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> On page 124, line 9, strike the "," after "Act," and add a period, and beginning with "provided" strike all down through line 11.

Mr. METCALF. In view of our discussion, I concur in that amendment.

Mr. STEVENS. I thank the Senator from Montana. Having explained it already, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. STEVENS. I am indebted to the Senator from Montana, and I appreciate his explanation. With that explanation, I am happy to support the bill.

Mr. METCALF. I am indebted to the Senator from Alaska for correcting a misprint in the bill, and also for correcting an oversight that occurred when we made this bill apply only to Federal lands.

Mr. McCLURE. Will the Senator from Arizona yield for one clarification?

Mr. FANNIN. I am very pleased to yield to the Senator from Idaho.

Mr. McCLURE. The Senator from Montana had made some answer in response to a question by the Senator from Alaska with regard to coverage in this bill of open pit mining. I think we should point out that the language of the bill and that of the report are somewhat at variance on this. It might need some clarification. I refer to page 102 of the bill, the definition of surface mining. On line 6, it specifically says it includes open pit.

On page 35 of the report, under the description of the same operation, it says "except open pit." I think we should make reference to the fact that the bill would control, rather than would the report, in that particular instance and that the only qualification that should be made to the comment made by the Senator from Montana is that there is a special section dealing with special bituminous coal mines in that section 223.

Section 223 would have some variation with respect to those particular mines, but not otherwise.

Mr. METCALF. That is correct. We have recognized in that section that there are special climatic conditions in Alaska that do not occur in the lower 48. We wrote that in at the suggestion of the Senator from Alaska, when the whole surface mining bill was considered previously, before the President vetoed it.

Mr. McCLURE. Section 223 probably has reference more particularly to the situation that exists in the existing mines in Wyoming.

Mr. METCALF. The Senator will recall that during the discussion in conference, it was found there are a couple of mines existing at the present time, that are open pit mines, that were especially considered and grandfather clauses were provided for those mines.

Mr. McCLURE. But there is a little confusion that otherwise would not attend, because it appears in the report that open pit is excluded, whereas the language of definition of the bill, with the exception of that one special section——

Mr. METCALF. I suppose the usual standards of interpretation would apply. I do not think it was ever intended or contemplated that the report would change the exact language of the bill. If there is ambiguity, the Senator from Idaho is correct that the language of the bill is binding and controlling.

Mr. STEVENS. I understand that, if I may say so; I know it is binding. I also believe it could have been interpreted to apply only to open pit. The Senator has said it does apply to surface mining, too.

Mr. METCALF. I hope that the legislative record we made on the floor today will make it explicit that we have explained what we are attempting to do.

Mr. STEVENS. I thank the Senator.

The PRESIDING OFFICER. The bill is open for further amendment.

Mr. METCALF. Mr. President, I was withholding this amendment until after the Senator from Arizona submitted an amendment. I understand he is not going to submit it.

Mr. FANNIN. Mr. President, I should like to talk on it.

The PRESIDING OFFICER. The amendment will be stated.

Mr. METCALF. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with and that it be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

On page 10, line 16, delete all after the word "is" and insert "hereby repealed."

On page 10 delete all of lines 17–24.

Delete all of pages 11 and 12.

On page 13, delete all of lines 1 and 2.

On page 43, at the end of line 12, insert "No exploration license will be issued for any land on which a coal lease has been issued."

On page 44, line 25, delete the word "recalamation" and insert "reclamation."

On page 45, after line 5, insert the following new subsections (c) and (d) and redesignate the subsequent subsections:

"(c) A licensee may not remove any coal for sale but may remove a reasonable amount of coal from the lands subject to this Act included under his license for analysis and study. A licensee must comply with any rules and regulations of the Federal agency having jurisdiction over the surface of the lands subject to this Act. Exploration licenses covering lands the surface of which is under the jurisdiction of any Federal agency other than the Department of the Interior may be issued only upon such conditions as it may prescribe with respect to the use and protection of the nonmineral interests in those lands."

"(d) The licensee shall furnish to the Secretary copies of all data (including, but not limited to, geological, geophysical, and core drilling analysis) obtained during such exploration. The Secretary shall maintain the confidentiality of all data so obtained until after the areas involved have been leased or until such time as he determines that making the data available to the public would not damage the competitive position of the licensee, whichever comes first."

On page 45, on line 12 before the word "If" insert the following:

"As promptly as possible after submittal of the plan, the Secretary shall approve or disapprove the plan or require that it be modified. No exploration license shall be issued prior to approval of the exploration plan by the Secretary."

On page 45, at the end of line 22, insert the following:

"All data collected by said person on any Federal lands as a result of such violation shall be made immediately available to the Secretary, who shall make the data available to the public as soon as it is practicable."

Mr. METCALF. This is an amendment which resolves some inconsistencies that have been discovered between the provisions of title 1, which relate to the Mineral Leasing Act of 1920, and title 2, which was excerpted from the Coal Leasing Act, and provides for exploration permits on Federal land.

It just puts the language of these titles together and retains the basic provisions of those titles.

Mr. President, I yield back my time.

Mr. FANNIN. Mr. President, I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Montana.

The amendment was agreed to.

Mr. FANNIN. Mr. President, it is not the desire of the Senator from Arizona to delay action on this bill, but just to take a couple of minutes to explain the consensus of this legislation.

In the opening statement, the Senator from Arizona attempted to indicate his great concern with the stipulation in title 2 of the bill. This title is just a rerun of the surface mining bill and, as stated in previous remarks, it is quite all-encompassing.

But let us look at the problems we have in this country when we realize that 80 percent of our energy uses are in gaseous or liquid form and the domestic reserve is estimated to be only 17 percent of our total available energy resources.

In contrast, coal represents 80 percent of the Nation's total energy resources, but is supplying only 17 percent of current requirements, and, Mr. President, in the last 10 years that has gone down from over 20 percent to that 17 percent.

The representation of the distinguished Senator from Montana has been that this would not affect the production of coal, but the Senator from Arizona, as the Senator realizes, differs with that feeling and I want to make these remarks with the realization that Members of this body will understand what is involved.

There were 400 million tons of coal used last year by electric powerplants. This should be doubled, we realize that we need to develop that coal, we only have 600 million tons that are being produced today.

The National Academy of Engineering predicts domestic coal production should and could increase from 600 million tons per year in 1973 to a level of 1,260,000,000 tons per year by 1985. But that will not happen if we place restrictions on the production of coal.

In other words, we will have to bring into production one deep and one surface mine for the next 10 years, averaging 2 million tons per year.

Mr. President, we cannot place barriers in the path of the production of coal. For each 5 million tons not mined, we must import 21½ million barrels of oil.

Mr. President, the Senator from Arizona is not going to offer an amendment to delete title II because the understanding we now have is that the Department of the Interior will have regulations forthcoming very shortly.

We realize it will take some time for those to be implemented, but at the same time I am hoping that an indication of exactly what they will be will be forthcoming in time for consideration before this legislation is adopted, before it passes through the procedure of going through the House and the conference committee work involved. It would be involved before it is completed.

Mr. President, I will not offer the amendment at this time.

Mr. President, I yield to the Senator from Wyoming such time as he requires.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. HANSEN. Mr. President, the Interior Committee has worked long and hard on this bill as has already been observed by the distinguished floor manager.

I would like to take this occasion to pay my respect and to express my high esteem to him and to the excellent staff which the Interior Committee has, both the majority and the minority staff. I appreciate their diligence, their willingness to inform us, and their availability to minority members as well as majority members.

I share the concern that has been expressed by the senior Senator from Arizona and I, too, along with him, have reflected upon the possible desirability of offering an amendment to strike some sections of the bill.

I voted with the majority to report S. 391 from committee because it contains several needed revisions of the Mineral Leasing Act of 1920. As Senators know from last night when we adopted an amendment in the Outer Continental Shelf bill that is also incorporated in this bill, I was particularly pleased that the committee agreed to incorporate in section 111 an amendment of mine which would amend 30 U.S.C. 191 to return to the State of origin an additional 22.5 per cent of the revenues which are paid by mining companies to the Federal Government from leasable minerals extracted within the borders of the State involved.

Now, Wyoming has a very legitimate concern in this coal that is being extracted, and I would call attention to the report on this bill, which was reported out through Senator METCALF, who is the chairman of this particular subcommittee, and of course, as we know, he is the floor manager of the bill.

In 1975, the estimated production from recoverable coal reserves on Federal lands committed to leasing and projected production from Federal coal leased lands for 1975 through the year 2000 shows that for this year, 1975, it is estimated that from these reserves, these Federal coal leases, there will be recovered a total of 38.9 million tons, and of that amount nearly half, or 18.9 million tons, will come from the State of Wyoming.

It is precisely because of this fact that I am aware, along with the Senator from Montana, the Senators from Utah, the Senators from North and South Dakota, and others, that there is going to be a very severe impact as we develop these mineral resources. In trying to prepare for this impact we were able last night to include on the Outer Continental Shelf bill an amendment which will provide for an additional return of mineral royalties to the States that are suffering impact from energy development.

That will provide an extra and additional 22.5 percent. The additional 22.5 percent would reduce the 52.5 percent which now is designated for the Reclamation Fund to 30 percent. This 22.5 percent would be earmarked for first, planning, second, construction and maintenance of public facilities, and, third, provision of public services, in those areas suffering impact problems as a result of energy development. The increased return to the predominately rural Western States is needed to provide front-end money to deal with the sudden population increases and other problems accompanying rapid development of energy to meet national energy requirements.

Title II of the bill as reported from committee contains reclamation standards which were incorporated in H.R. 25. Although I feel reclamation of mined lands is necessary and the restoration of mined land to agricultural production or to other prior or better uses has my full support, I have strong reservations about section 231, the Surface Owner Protection Section. In my opinion the bill does not compensate adequately those ranchers willing to permit mining. There is little inducement, given the formula compensation in section 231, for a rancher to rearrange his operation and/or to relocate for a surface mining operation. Ranchers and farmers deserve to be adequately compensated for permitting a disruption in their operations that might involve decades in view of such things as the surface owners' payments of the taxes over the years on their lands. The result of this limitation will probably be a refusal to lease by the surface owners and a lock-up of Federal coal, which would be regretable at a time when domestic energy is so clearly needed to reduce our dependence on foreign energy sources. As an alternative, some surface owners may choose to sell their lands to coal companies to circumvent the strict limit on compensation for leasing. Such a sale would probably take such lands out of agricultural production, a use which the committee in other sections has attempted to retain.

The bill provides for the consolidation of leases into logical mining units so that, among other things, production on one lease may be considered production on all leases. However, one surface owner, who is denied what he may consider compensation adequate to justify granting the right to surface mine, could withhold his consent and by doing so could render infeasible the surface mining of an area many, many times the size of his surface owned lands, if his lands were strategically situated within the greater mining unit.

My concern is also directed to section 207, which requires that a surface coal mining applicant must affirmatively demonstrate that:

> The proposed surface coal mining operation, if located west of the one hundredth meridian west longitude, would not have a substantial adverse effect on alluvial valley floors underlain by unconsolidated stream laid deposits where farming can be practiced in the form of flood irrigated hay meadows or other crop lands, excluding undeveloped range lands, where such valley floors are significant to the practice of farming or ranching operations, including potential farming or ranching operations if such operations are significant and economically feasible.

While the objective of the concept is commendable it is not practicable to impose such a restriction. If lands can be reclaimed, and I think it has been persuasively demonstrated that they have been and are being reclaimed in the West, it makes sense not to exclude these lands. Those surface owners who own the land over Federal coal should be given the opportunity to grant or deny the mining on their lands just as other surface owners are given the right.

One amendment which was incorporated in section 103(f) which concerns me is the practicality of requiring development of the lease within 7 years subject to termination if development is not made in that time period. Although the committee's intent was to prohibit speculation through this diligence requirement, and I would concur with this intent, practice often has shown because of long lead times and capital requirements a definite time requirement for devleopment may be unrealistic. This time limit would require mining when mining during that time may be uneconomic and unnecesarily disruptive. It is both economically and environmentally unacceptable to require mining on all leases within the 7 years when one tract could be completely mined out and reclaimed before another is initiated. This progressive mining would have the advantage of retaining more land in agricultural production and yet would give the coal purchaser a secure source through a long-term contract from several coal leases. Because of these particularities, which are only indicative of various other drawbacks originating from a set time limit, the committee modified the 7 year requirement if good cause is shown.

I am hopeful other revisions will provide the flexibility and reform needed to update the Mineral Leasing Act of 1920 and so accommodate current needs.

Mr. BARTLETT. Mr. President——

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. METCALF. Mr. President, I yield such time as the Senator from Oklahoma desires.

Mr. BARTLETT. I thank the distinguished Senator from Montana. I shall be very brief, Mr. President.

I rise in opposition to S. 391, a bill to amend the Federal Mining Leasing Act of 1920, in its present form. I am gravely concerned that because this bill contains many of the provisions of the vetoed surface mining bill it will exacerbate our already intolerable dependence upon foreign sources of energy.

The President has urged in Project Independence a doubling of coal production by 1985 and the Democrats in their answer to Project Independence called for more than a doubling of coal production by 1985.

There is also a plethora of proposals pending before the Congress which would encourage or mandate the greater utilization of our coal resources. S. 1777, Senator RANDOLPH's bill on coal conversion, for example, contemplates production of more than 2 billion tons in the 1930's.

These proposals can never come to fruition if we pass bills such as this which would in fact curtail current production and lock up future coal reserves. It takes 4.3 barrels of oil to make up for every ton of coal which we cannot mine and utilize. This Nation cannot afford such a dollar drain, much less an uncertain availability of energy.

Mr. President, even though this bill primarily restricts the development of western coal, we must realize there are adverse impacts which will be felt throughout the entire United States. Much of the western coal is slated to be shipped to the Midwest, the west coast, and the south central regions for thermal electric generation. This electricity is in turn distributed in and out of these regions.

Since I have been in the Senate, we

have been faced with very simple choices of going ahead with the development of domestic energy resources. But on every occasion we have hindered and defeated the quest for self-sufficiency. The President very succinctly demonstrated the ramifications of H.R. 25, the strip mining bill. Those losses were documented and never refuted by any experts.

Provisions which ban mining in certain areas, such as in alluvial valley floors and in national forests, regardless of whether the land can be adequately reclaimed, are still present in this bill. There is tremendous potential for other losses in coal production because of the "citizen suit" provisions, the "designation of areas unsuitable for mining" provisions, the "surface owner protection" provisions, and the inevitable court interpretations of many of the other ambiguous terms and sections.

Although the proponents of this legislation claim that it will have minimum impact on coal production, an objective look at the specific provisions will reveal that its true purpose is to delay and prevent mining in the West in as many instances as possible.

Why is it that we have made this energy problem so unrealistic as to blind us to the consequences? We are doing to ourselves what no foreign nation could do to us by military force. Truly we are embarked on a self-destruction course and this bill is just one more nail in the coffin.

My colleague, Senator Fannin, has pointed out that Western low sulphur coal is vital to our commitment to clean air and vital in this period of diminishing natural gas and oil production. The West offers 103 billion tons of coal. The proponents of this bill are apparently not willing to trust the Secretary of Interior with the responsibility of the reclamation of those Federal lands. Coal leases today carry stringent environmental safeguards and such laws as the National Environmental Policy Act insure environmental consideration.

Mr. President, I do not support S. 391 and I urge my colleagues to vote against it.

The PRESIDING OFFICER. The bill is open to further amendment.

If there is no further amendment to be proposed, the question is on the third reading of the bill.

The bill was ordered to a third reading and was read the third time.

Mr. METCALF. Mr. President, I want to make a couple of brief comments about title II.

May I first yield?

The PRESIDING OFFICER (Mr. Stone). The Senator from Vermont.

Mr. METCALF. Mr. President, as I said in my opening statement, title II of this bill is based on previous surface mining legislation vetoed by the President.

After months of hearings, and one of the longest conferences I can ever remember, we adopted a surface mining bill last year, which the President vetoed, despite the fact that we acquiesced in many of his objections.

The PRESIDING OFFICER. The Senate will be in order. The Senators will clear the well and take their seats. If they wish to converse, withdraw to the cloakrooms. The Senate staff will take their seats. Senators will withdraw if they wish to converse.

The Senator from Montana is recognized.

Mr. METCALF. We had a long conference. We had a great deal of discussion. We have had a lot of hearings. We have tried to agree to objections that the administration has made. We have acknowledged what Mr. Zarb, the Federal Energy Administrator, said in his news report on a TV show when he announced that the President was going to veto the last bill. We have acknowledged the statement that President Ford made in his veto message that 90 percent of the coal being produced today is being produced in States where, since 1971, there have been increased reclamation standards by State law. But the only agency that can take care of the Federal coal is the Congress of the United States, and the Congress of the United States has the responsibility under the Constitution to protect the public domain.

So we have excerpted from the vetoed bill only those portions that relate to the public lands. We are, for the time being, leaving to the States the responsibility to take care of privately owned and State lands. But we cannot delegate to the States the control over the public domain. That is all that this bill does. It carries our our constitutional responsibility that only the Congress can protect the Federal lands.

Most of the coal that is going to be mined, especially the coal in the eastern part of the United States, will be mined under State laws—Ohio, Pennsylvania, West Virginia and so forth—and this bill is imperative in order to take care of the protection of our Federal lands.

Mr. President, I ask for the yeas and nays on passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. METCALF. Mr. President, I yield back the remainder of my time.

Mr. FANNIN. I yield back the remainder of my time.

The PRESIDING OFFICER. The bill having been read the third time, the question is: Shall the bill pass?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may proceed for 1 minute.

The PRESIDING OFFICER. The Senator from West Virginia.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, would it be agreeable to proceed with the ERDA legislation immediately after the action on this measure, with the understanding that the military procurement conference report could be called up at any time? Under the unanimous consent agreement of yesterday, the military procurement conference report is supposed to follow on immediately upon the disposition of this measure.

Mr. METCALF. I think there is some urgency on ERDA and I would hope that that would be agreed to.

Mr. ROBERT C. BYRD. I repeat, would it be agreeable to take up ERDA at this point with the understanding that the military procurement conference report which is scheduled to come up immediately upon the disposition of mineral leasing——

Mr. HOLLINGS. Mr. President, reserving my right to object, and I do not believe I will object—I have great difficulty sometimes understanding the English language—no mention has been made of the excess profits tax bill. I have tried to understand from the leadership whether there has been any agreement on that. All I have so far is a news report.

Does this in any way lay down or make any unanimous-consent agreement with respect to the excess profits tax?

Mr. ROBERT C. BYRD. No.

Mr. HOLLINGS. I have no objection, then.

The PRESIDING OFFICER. Is there objection? Hearing none——

Mr. BAKER. Mr. President, in response to the distinguished majority whip, as far as I am personally concerned, that is fine. I have not conferred with anyone else on this side, but it is certainly agreeable to me.

Mr. ROBERT C. BYRD. Do we have the Senators who are handling the ERDA legislation on the floor?

UNANIMOUS-CONSENT AGREEMENT—S. 598

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of the mineral leasing bill, the Senate proceed to the consideration of the ERDA legislation, with the proviso that at any time during the consideration of that measure Mr. Stennis, who is the manager of the conference report on military procurement, can call up that conference report, proceed with it, and also with the further understanding that if the leadership, as was the understanding on last evening, at any time after 2 o'clock today wishes to take up the matter involving Turkey, Greece, and Cyprus, the leadership can do so.

The PRESIDING OFFICER. Is there objection?

Mr. CHURCH. Reserving the right to object, Mr. President, I would like to ask the distinguished majority whip if he could also include in that unanimous-consent request the consideration following this rollcall of the resolution which would extend the select committee, this having been fully discussed and cleared on both sides of the aisle. The hope had been that we could have taken it up earlier this morning, but additional clearances were necessary. I do not anticipate it will take any time, but I would like to get it done. I am wondering if following this vote——

Mr. ALLEN. I am going to object to that for the moment.

Mr. ROBERT C. BYRD. Do I understand the distinguished Senator from Alabama to be objection to the request by Mr. Church?

Mr. ALLEN. For the time being, until I can look into it a little more.

Mr. ROBERT C. BYRD. The Senator is not objecting to the request I had made earlier?

Mr. ALLEN. No.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL COAL LEASING AMENDMENTS ACT OF 1975

The Senate continued with the consideration of the bill (S. 391) to amend the Mineral Leasing Act of 1920, and for other purposes.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass?

The yeas and nays have been ordered, and the clerk will call the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Mississippi (Mr. Eastland), and the Senator from Wyoming (Mr. McGee) are necessarily absent.

I further announce that, if present and voting, the Senator from Wyoming (Mr. McGee) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. Goldwater) is necessarily absent.

The result was announced—yeas 84, nays 12, as follows:

[Rollcall Vote No. 364 Leg.]

YEAS—84

Abourezk
Baker
Bayh
Beall
Bentsen
Biden
Brock
Brooke
Buckley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Dole
Domenici
Eagleton
Fong
Ford
Garn
Glenn
Gravel
Hansen
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Tower
Tunney
Weicker
Williams
Young

NAYS—12

Allen
Bartlett
Bellmon
Byrd,
Harry F., Jr.
Curtis
Fannin
Griffin
Helms
Hruska
Laxalt
Scott,
William L.
Thurmond

NOT VOTING—3

Eastland
Goldwater
McGee

So the bill (S. 391) was passed, as follows:

S. 391

An act to amend the Mineral Leasing Act of 1920, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title I of this Act may be cited as the "Federal Coal Leasing Amendments Act of 1975".

TITLE I

Sec. 101. (a) Subsection 2(a) of the Act of February 25, 1920 (41 Stat. 438) as amended (30 U.S.C. 201(a)) is hereby amended to read as follows:

"Sec. 2. (a)(1) The Secretary of the Interior is authorized to divide any lands subject to this Act into coal leasing tracts of such size as he deems appropriate and thereafter he shall, in his discretion, upon the request of any qualified applicant or on his own motion, from time to time, offer such lands or deposits of coal for leasing, and shall award leases thereon by competitive bidding on either a royalty or bonus bidding basis, and if on a bonus bidding basis with either deferred or installment payments of the bonus which shall be specified in the notice of sale. A reasonable number of leasing tracts shall be reserved and offered for lease in accordance with this section to public bodies, including Federal agencies, rural electric cooperatives, or nonprofit corporations controlled by any of such entities: *Provided*, That the coal so offered for lease shall be for use by such entity or entities in implementing a definite plan to produce energy for their own use or for sale to their members or customers (except for short-term sales to others).

"(2) No lease sale shall be held for land where the United States owns the surface and subsurface unless the lands containing the coal deposits have been included in a comprehensive land use plan prepared by the Secretary or, in the case of lands within the National Forest System, the Secretary of Agriculture and such sale is consistent with such plan. No lease sale shall be held for coal deposits underlying lands not owned by the United States if the Secretary determines that development of such coal deposits would be inconsistent with any applicable State or local land use plan, except where the Secretary finds that such coal development would be in the national interest.

"(3) In preparing such land use plans, the Secretary of the Interior or, in the case of lands within the National Forest System, the Secretary of Agriculture, or in the case of a finding by the Secretary of the Interior that because of non-Federal interest in the surface or insufficient Federal coal, no Federal comprehensive land-use plans can be appropriately prepared, the responsible State entity, shall consult with appropriate State agencies and local governments and general public and shall provide an opportunity for a public hearing on proposed plans prior to their adoption, if requested by any person having an interest which is, or may be, adversely affected by the adoption of such plans.

(b) The provisions of subsection (a) of this section shall be subject to any valid existing right to a lease established pursuant to a prospecting permit issued under section 2(b) of the Mineral Leasing Act of 1920 (41 Stat. 438) as amended (30 U.S.C. 201(b)) prior to the date of enactment of this Act.

Sec. 102. Subject to valid existing rights, subsection 2(b) of the Act of February 25, 1920 (41 Stat. 438), as amended (30 U.S.C. 201(b)), is hereby repealed.

Sec. 103. Section 7 of the Act of February 25, 1920 (41 Stat. 439; 30 U.S.C. 207), is hereby amended to read as follows:

"Sec. 7. (a) A coal lease shall be for a term of twenty years and for so long thereafter as coal is continuously produced in quantities which, in the judgment of the Secretary, would justify the continued operation of the mine or mines. The Secretary shall, by regulation, prescribe annual rentals on leases of not less than $1 per acre or fractions thereof. A lease shall require payment of a royalty based on the value of the coal produced in such amount as the Secretary shall determine, but not less than 5 per centum of the value of the coal. The lease shall include such other terms and conditions as the Secretary shall determine. Such rents, royalties, and other terms and conditions of the lease will be subject to readjustment at the end of its primary term of twenty years and at the end of each ten-year period thereafter if the lease is extended by production.

"(b) At the discretion of the Secretary, leases issued under this Act may, upon the application of the leaseholder, in the interest of conservation or otherwise in the public interest, be consolidated into logical mining units which may include land not owned by the United States. The Secretary may require among other things that (1) production on any lease in a logical mining unit will be construed as production on all leases in that unit, (2) the rentals and royalties for all Federal leases in a logical mining unit may be combined, and advanced royalties paid for any lease within a logical mining unit may be credited against such combined royalties, and (3) leases issued before the date of enactment of this Act may be included with the consent of all lessees in such logical mining unit, and, if so included, shall be subject to the provisions of this section.

"(c) By regulation the Secretary may require a lessee under this Act to form a logical mining unit, and may provide for the determination of participating acreage within a unit: *Provided*, That, if the terms and conditions of participation in such a unit cannot be agreed upon they shall be determined by the Secretary after a notice to the participants and opportunity for a hearing.

"(d) Where production is prevented by strikes or other circumstances neither caused by nor attributed to the lessee, the Secretary may, if in his judgment the public interest will be served thereby, provide in the lease for payment in advance of a minimum royalty in lieu of continuous production under the lease.

"(e) Within three years of issuance of a lease and before development operations begin which may cause a significant environmental disturbance, the lessee shall submit to the Secretary a development plan. The development plan will set forth, in the degree of detail established in regulations issued by the Secretary, specific work to be performed, the manner in which coal extraction will be conducted and applicable environmental and health and safety standards will be met, and a time schedule for performance. As promptly as possible after the lessee submits a plan, the Secretary shall approve or disapprove the plan or require that it be modified. Where the land involved is under the surface jurisdiction of another Federal agency, that other agency must consent to the terms of such approval. Where the surface of the land involved is in non-Federal ownership, the Secretary shall consult with the surface owner before approving or revising the plan. The Secretary may approve revisions of development plans if he determines that revision will lead to greater recovery of the mineral or protection of the environment, improve the efficiency of the recovery operation, or is the only means available to avoid severe economic hardship on the lessee.

"(f) Each lease issued under this Act shall provide that such lease is subject to termination for failure to develop the lease with due diligence. At the time a tract is offered for lease the Secretary shall publish a proposed time schedule for development of the lease. Unless relieved of the obligation by the Secretary for good cause, failure to develop the lease according to said schedule shall be prima facie evidence of failure to develop with due diligence. The time schedule shall provide for development within seven years except for good cause which shall be stated by the Secretary.".

Sec. 104. Section 35 of the Act of February 25, 1920 (41 Stat. 450), as amended (30 U.S.C. 191), is further amended by striking the period at the end of the proviso and inserting in lieu thereof the language as follows: ": *And provided further*, That all moneys paid to any State from sales, bonuses, royalties, and rentals of coal deposits in public lands may be used by such State and its subdivisions, giving priority to those subdivisions of the State socially or economically impacted by development of Federal coal, for (1) planning, (2) construction and maintenance of public facilities, and (3) provision of public services, as the legislature of the State may direct.".

SEC. 105. Subsection 2(c), section 3, and section 4 of the Act of February 25, 1920 (41 Stat. 438) as amended (30 U.S.C. 202) are hereby repealed.

SEC. 106. Section 27(a)(1) of the Act of February 25, 1920 (30 U.S.C. 184(a)(1)), is amended as follows:

"SEC. 27. (a)(1) No person, association, corporation, or any subsidiary, affiliate, or persons, controlled by or under common control with such person, association, or corporation shall take, hold, own, or control at one time, whether acquired directly from the Secretary under this Act or otherwise, coal leases or permits on an aggregate of more than forty-six thousand and eighty acres in any one State, but in no case greater than an aggregate of one hundred and fifty thousand acres in the United States: *Provided*, That any person, association, or corporation currently holding, owning, or controlling more than an aggregate of one hundred and fifty thousand acres in the United States on the date of enactment of this Act shall not be required on account of this subsection to relinquish said leases or permits: *Provided, however*, That in no case shall such person, association, or corporation be permitted to take, hold, own, or control any further Federal coal leases or permits until such time as their holdings, ownership, or control of Federal leases or permits has been reduced below an aggregate of one hundred and fifty thousand acres within the United States.".

SEC. 107. Section 3 of the Mineral Leasing Act for Acquired Lands (30 U.S.C. 352) is amended by striking out "(b) set apart for military or naval purposes, or (c)" and insert in lieu thereof "or (b)".

SEC. 108. (a) The Secretary is authorized and directed to prepare and maintain a Federal coal leasing program. The leasing program shall indicate as precisely as possible the size, timing, and location of coal leasing activity which the Secretary determines will best meet national energy needs for the five-year period following its approval or reapproval in a manner consistent with the following principles:

(1) timely and orderly development of Federal coal resources;

(2) environmental protection; and

(3) receipt of fair market value for public resources.

(b) The program shall include estimates of the appropriations and staffing required of all existing Federal programs necessary to prepare the required environmental impact statements, obtain resource data, and any other information needed to decide the order in which areas are to be scheduled for lease, to make the analyses required prior to offering tracts for lease, and to supervise operations under every lease in the manner necessary to assure compliance with the requirements of the law, the regulations, and the lease.

(c) The Secretary shall, by regulation, establish procedures for receipt and consideration of nominations for areas to be offered for lease or to be excluded from leasing, for public notice of and participation in development of the leasing program, for review by State and local governments which may be impacted by the proposed leasing, and for coordination of the program with land use and resource management programs of any State. These procedures shall be applicable to any revision or reapproval of the leasing program.

(d) The Secretary shall publish a proposed leasing program in the Federal Register and submit it to the Congress within one year after enactment of this section.

(e) After the leasing program has been approved by the Secretary or after June 30, 1977, whichever comes first, no Federal coal leases may be issued unless they are for areas included in the approved leasing program.

(f) The Secretary may revise and reapprove the leasing program at any time and he must review and reapprove the leasing program at least once each year.

SEC. 109. Section 1 of the Act of February 25, 1920, as amended (30 U.S.C. 181), is amended by adding the following after the first sentence: "Coal or lignite may be leased to a governmental entity (including any corporation primarily acting as an agency or instrumentality of a State) which produces electrical energy for sale to the public.".

SEC. 110. Subject to valid existing rights, subsections 2(c) and 2(d) of the Act of August 31, 1964 (78 Stat. 710; 30 U.S.C. 201–1) are hereby repealed.

SEC. 111. Section 35 of the Act of February 25, 1920 (41 Stat. 450), as amended (30 U.S.C. 191), is further amended by deleting "52½ per centum thereof shall be paid into, reserved" and inserting in lieu thereof "30 per centum thereof shall be paid into, reserved", and is further amended by striking the period at the end of the proviso and inserting in lieu thereof the language as follows: *And provided further*, That an additional 22½ per centum of all moneys received from sales, bonuses, royalties, and rentals of public lands under the provisions of this chapter shall be paid by the Secretary of the Treasury as soon as practicable after December 31 and June 30 of each year to the State within the boundaries of which the leased lands or deposits are or were located; said additional 22½ per centum of all moneys paid to any State on or after Jnuary 1, 1976, shall be used by such State and its subdivisions as the legislature of the State may direct giving priority to those subdivisions of the State socially or economically impacted by development of minerals leased under this Act for (1) planning, (2) construction and maintenance of public facilities, and (3) provisions of public services.

SEC. 112. The Secretary shall report to the Congress within one hundred and twenty days of enactment of this Act on the status of the development of and production from outstanding coal leases and prospecting permits, including the acreage and estimated tonnages of coal and the identity of the leasees or permittees. Such report, among other matters, shall include the recommendations of the Secretary for additional administrative or legislative action as he deems necessary and desirable to accomplish the purposes of this Act.

TITLE II

SEC. 201. This title may be cited as the "Federal Lands Surface Mining Control and Reclamation Act of 1975".

FEDERAL LANDS PROGRAM

SEC. 202. (a) No later than six months after the date of enactment of this Act, the Secretary shall promulgate and implement a Federal lands program which shall be applicable to all surface coal mining and reclamation operations taking place pursuant to any Federal law on any Federal lands: *Provided*, That except as provided in section 230 the provisions of this title shall not be applicable to Indian lands. The Federal lands program shall, at a minimum, incorporate all of the requirements of this title and shall take into consideration the diverse physical, climatological, and other unique characteristics of the Federal lands in question.

(b) Such a Federal lands program shall not be promulgated and implemented by the Secretary until he has—

(1) published the proposed program in the Federal Register and afforded interested persons and State and local governments a period of not less than forty-five days after such publication to submit written comments thereon;

(2) obtained the written concurrence of the Administrator of the Environmental Protection Agency with respect to those regulations promulgated under this section which relate to air or water quality standards promulgated under the authority of the Federal Water Pollution Control Act, as amended (33 U.S.C. 1151–1175, and the Clean Air Act, as amended (42 U.S.C. 1857 et seq.); and

(3) held at least one public hearing on the proposed program.

The date, time, and place of any hearing held on the proposed program shall be set out in the publication of the proposed program. The Secretary shall consider all comments and relevant data presented at such hearing before final promulgation and publication of the Federal lands program.

(c) The requirements of this title and the Federal lands program shall be incorporated by reference or otherwise in any Federal mineral lease, permit, or contract issued by the Secretary which may involve surface coal mining and reclamation operations. There shall also be incorporated into any such lease, permit, or contract the requirements of any State law regulating surface coal mining in the State in which the Federal lands involved are located, if the Secretary finds that the requirements of the State law provide for the regulation of surface coal mining and reclamation operations in accordance with the requireemnts of this title and the regulations issued by the Secretary pursuant to this title. The Secretary shall publish any such finding as part of the regulations containing the Federal lands program. In corporation of such requirements shall not, however, limit in any way the authority of the Secretary to subsequently issue new regulations, revise the Federal lands program to deal with changing conditions or changed technology, and to require any surface mining and reclamation operations to conform with the requirements of this title and the regulations issued pursuant to this title.

(d) After the date of enactment of this title, no Federal lease, permit or contract which may involve surface coal mining and reclamation operations may be issued by the Secretary until the Federal lands program required by this title is in full force and effect.

(e) The Secretary may enter into an agreement with a State to provide for a joint Federal-State program covering a permit or permits for surface coal mining and reclamation operations on non-Federal and Federal lands which are interspersed or checkerboarded and which should, for conservation and administrative purposes, be regulated as a single management unit. To implement a joint Federal-State program the Secretary may enter into agreements with the States, may delegate authority to the States, or may accept a delegation of authority from the States for the purposes of avoiding duality of administration of a single permit for surface coal mining and reclamation operations. Such an agreement may only be entered into with a State that has a State law regulating surface mining which the Secretary has found, pursuant to subsection (c) of this section, provides for the regulation of surface coal mining and reclamation operations on non-Federal lands in accordance with the requirements of this title and the regulations issued by the Secretary pursuant to this title.

PERMITS

SEC. 203. (a) On and after six months from the date of enactment of this title, no person shall engage in or carry out any surface coal mining and reclamation operations pursuant to any Federal law on any Federal lands unless such person has first obtained a permit issued by the Secretary pursuant to the

Federal lands program provided for in this title; except a person conducting surface coal mining and reclamation operations under a Federal lease issued prior to the date of enactment of this title may conduct such operations beyond such period—if an application for a permit has been filed in accordance with the provisions of this title, within nine months from the date of enactment of this title and the initial administrative decision has not been rendered on such application.

(b) All permits issued pursuant to the requirements of this title shall be issued for a term not be exceed five years and shall be non-transferable: *Provided,* That a successor in interest to a permittee who applies for a new permit within thirty days of succeeding to such interest and who is able to obtain the bond coverage of the original permittee may continue surface coal mining and reclamation operations according to the approved mining and reclamation plan of the original permittee until such successor's application is granted or denied.

(c) A permit shall terminate if the permittee has not commenced the surface coal mining and reclamation operations covered by such permit within three years of the issuance of the permit: *Provided,* That with respect to coal to be mined for use in a synthetic fuel facility, the permittee shall be deemed to have commenced surface mining operations at such time as the construction of the synthetic fuel facility is initiated.

(d) (1) Any valid permit issued pursuant to this Act shall carry with it the right of successive renewal upon expiration with respect to areas within the boundaries of the existing permit. The holder of the permit may apply for renewal and such renewal shall be issued, subsequent to public hearing upon the following requirements and written findings by the Secretary that—

(A) the terms and conditions of the existing permit are being satisfactorily met;

(B) the present surface coal mining and reclamation operation is in full compliance with the environmental protection standards of this title and the Federal lands program pursuant to this title;

(C) the renewal requested does not jeopardize the operator's continuing responsibility on existing permit areas;

(D) the operator has provided evidence that the performance bond in effect for said operation will continue in full force and effect for any renewal requested in such application as well as any additional bond that the Secretary might require pursuant to section 206; and

(E) any additional revised or updated information required by the Secretary has been provided. Prior to the approval of any extension of permit the Secretary shall provide notice to the appropriate public authorities.

(2) If an application for renewal of a valid permit includes a proposal to extend the mining operation beyond the boundaries authorized in the existing permit, the portion of the application for revision of a valid permit which addresses any new land areas shall be subject to the full standards applicable to new applications under this title.

(3) Any permit renewal shall be for a term not to exceed the period of the original permit established by this title. Application for permit renewal shall be made at least one hundred and twenty days prior to the expiration of the valid permit.

APPLICATION REQUIREMENTS

SEC. 204. (a) Each application for a surface coal mining and reclamation permit pursuant to a Federal lands program under the provisions of this title shall be accompanied by a fee as determined by the Secretary. Such fee shall be based as nearly as possible upon the actual or anticipated cost of reviewing administering, and enforcing such permit issued pursuant to a Federal lands program. The Secretary may develop procedures so as to enable the cost of the fee to be paid over the term of the permit.

(b) The permit application shall be submitted in a manner satisfactory to the Secretary and shall contain, among other things—

(1) the names and addresses of (A) the permit applicant; (B) every legal owner of record of the property (surface and mineral), to be mined; (C) the holders of records of any leasehold interest in the property; (D) any purchaser of record of the property under a real estate contract; (E) the operator if he is a person different from the applicant; and (F) if any of these are business entities other than a single proprietor, the names and addresses of the principals, officers, and resident agent;

(2) the names and addresses of the owners of record of all surface and subsurface areas within five hundred feet of any part of the permit area;

(3) a statement of any current or previous surface coal mining permits in the United States held by the applicant and the permit identification;

(4) if the applicant is a partnership, corporation, association, or other business entity, the following where applicable: the names and addresses of every officer, partner, director, or person performing a function similar to a director, of the applicant, together with the name and address of any person owning, of record or beneficially either alone or with associates, 10 per centum or more of any class of stock of the applicant and a list of all names under which the applicant, partner, or principal shareholder previously operated a surface mining operation within the United States;

(5) a statement of whether the applicant, any subsidiary, affiliate, or persons controlled by or under common control with the applicant, has ever held a Federal or State mining permit which subsequent to 1960 has been suspended or revoked or has had a mining bond or similar security deposited in lieu of bond forfeited and, if so, a brief explanation of the facts involved:

(6) a copy of the applicant's advertisement to be published in a newspaper of general circulation in the locality of the proposed site at least once a week for four successive weeks, and which includes the ownership, a description of the exact location and boundaries of the proposed site sufficient so that the proposed operation is readily locatable by local residents, and the location of where the application is available for public inspection;

(7) a description of the type and method of coal mining operation that exists or is proposed, the engineering techniques proposed or used, and the equipment used or proposed to be used;

(8) the anticipated or actual starting and termination dates of each phase of the mining operation and number of acres of land to be affected;

(9) evidence of the applicant's legal right to enter and commence surface mining operations on the area affected;

(10) the name of the watershed and location of the surface stream or tributary into which surface and pit drainage will be discharged;

(11) a determination of the hydrologic consequence of the mining and reclamation operations, both on and off the mine site, with respect to the hydrologic regime, quantity and quality of water in surface and ground water systems including the dissolved and suspended solids under seasonal flow conditions and the collection of sufficient data for the mine site and surrounding area so that an assessment can be made of the probable cumulative impacts of all anticipated mining in the area upon the hydrology of the area and particularly upon water availability;

(12) when requested by the Secretary, the climatological factors that are peculiar to the locality of the land to be affected, including the average seasonal precipitation, the average direction and velocity of prevailing winds, and the seasonal temperature ranges;

(13) an accurate map or plan to an appropriate scale clearly showing (A) the land to be affected as of the date of application and (B) all types of information set forth on topographical maps of the United States Geological Survey of a scale of 1:24,000 or larger, including all manmade features and significant known archeological sites existing on the date of applications. Such a map or plan shall among other things specified by the Secretary show all boundaries of the land to be affected, the boundary lines and names of present owners of record of all surface areas abutting the permit area, and the location of all buildings within one thousand feet of the permit area;

(14) cross-section maps or plans of the land to be affected including the actual area to be mined. prepared by or under the direction of and certified by a registered professional engineer, or registered land surveyor and a professional geologist (when specific subsurface information is deemed essential and requested by the regulatory authority), or other qualified personnel at State universities, showing pertinent elevation and location of test borings or core samplings and depicting the following information: the nature and depth of the various strata of overburden; the location of subsurface water, if encountered, and its quality; the nature and thickness of any coal or rider seam above the coal seam to be mined; the nature of the stratum immediately beneath the coal seam to be mined; all mineral crop lines and the strike and dip of the coal to be mined within the area of land to be affected; existing or previous surface mining limits; the location and extent of known workings of any underground mines, including mine openings to the surface; the location of aquifers; the estimated elevation of the water table; the location of spoil, waste, or refuse areas and topsoil preservation areas; the location of all impoundments for waste or erosion control; any settling or water treatment facilities; constructed or natural drainways and the location of any discharges to any surface body of water on the area of land to be affected or adjacent thereto; and profiles at appropriate cross sections of the anticipated final surface configuration that will be achieved pursuant to the operator's proposed reclamation plan;

(15) a statement of the result of test borings or core samplings from the permit area, including logs of the drill holes; the thickness of the coal seam found, an analysis of the chemical properties of such coal; the sulfur content of any coal seam; chemical analysis of potentially acid or toxic forming sections of the overburden; and chemical analysis of the stratum lying immediately underneath the coal to be mined; and

(16) information pertaining to coal seams, test borings, or core samplings as required by this section shall be made available to any person with an interest which is or may be adversely affected: *Provided,* That information which pertains only to the analysis of the chemical and physical properties of the coal (excepting information regarding such mineral or elemental content which is potentially toxic in the environment) shall be kept confidential and not made a matter of public record.

(c) Each applicant for a permit shall be required to submit to the Secretary as part of the permit application a certificate issued by an insurance company authorized to do business in the United States certifying that the applicant has a public liability insurance policy in force for the surface mining and reclamation operations for which such permit is sought, or evidence that the applicant has satisfied other State or Federal self-insurance requirements. Such policy shall provide for personal injury and property damage protection in an amount adequate to compensate any persons damaged as a result of surface coal mining and reclamation operations and entitled to compensation under the applicable provisions of State law. Such policy shall be maintained in full force and effect during the terms of the permit or any renewal, including the length of all reclamation operations.

(d) Each applicant for a permit shall be required to submit to the Secretary as part of the permit application a reclamation plan which shall meet the requirements of this title.

(e) Each applicant for a surface coal mining and reclamation permit shall file a copy of his application for public inspection with the recorder at the courthouse of the county or an appropriate official approved by the Secretary where the mining is proposed to occur, except for that information pertaining to the coal seam itself.

RECLAMATION PLAN REQUIREMENTS

SEC. 205. (a) Each reclamation plan submitted as part of a permit application pursuant to a Federal lands program under the provisions of this title shall include, in the degree of detail necessary to demonstrate that reclamation required by the Federal lands program can be accomplished, a statement of:

(1) the identification of the entire area to be mined and affected over the estimated life of the mining operation and the size, sequence, and timing of the subareas for which it is anticipated that individual permits for mining will be sought:

(2) the conditions of the land to be covered by the permit prior to any mining including:

(A) the uses existing at the time of the application, and if the land has a history of previous mining, the uses which preceded any mining; and

(B) the capability of the land prior to any mining to support a variety of uses giving consideration to soil and foundation characteristics, topography, and vegetable cover;

(3) the use which is proposed to be made of the land following reclamation, including a discussion of the utility and capacity of the declaimed land to support a variety of alternative uses and the relationship of such use to existing land use policies and plans, and the comments of any State and local governments or agencies thereof which would have to approve or authorize the proposed use of the land following reclamation;

(4) a detailed description of how the proposed postmining land use is to be achieved and the necessary support activities which may be needed to achieve the proposed land use;

(5) the engineering techniques proposed to be used in mining and reclamation and a description of the major equipment; a plan for the control of surface water drainage and of water accumulation; a plan, where appropriate, for backfilling, soil stabilization, and compacting, grading, and appropriate revegetation; an estimate of the cost per acre of the reclamation, including a statement as to how the permittee plans to comply with each of the requirements set out in section 212;

(6) the steps to be taken to comply with applicable air and water quality laws and regulations and any applicable health and safety standards;

(7) the consideration which has been given to developing the reclamation plan in a manner consistent with local, physical environmental, and climatological conditions and current mining and reclamation technologies;

(8) the consideration which has been given to insuring the maximum practicable recovery of the mineral resource;

(9) a detailed estimated timetable for the accomplishment of each major step in the reclamation plan;

(10) the consideration which has been given to making the surface mining and reclamation operations consistent with applicable State and local land use plans and programs;

(11) all lands, interests in lands, or options on such interests held by the applicant or pending bids on interests in lands by the applicant, which lands are contiguous to the area to be covered by the permit;

(12) the results of test borings which the applicant has made at the area to be covered by the permit, including the location of subsurface water, and an analysis of the chemical properties including acid forming properties of the mineral and overburden: *Provided*, That information about the mineral shall be withheld by the regulatory authority if the applicant so requests;

(13) a detailed description of the measures to be taken during the mining and reclamation process to assure the protection of (A) the quantity and quality of surface and ground water systems, both on- and off-site, from adverse effects of the mining and reclamation process, and (B) the rights of present users to such water; and

(14) such other requirements as the Secretary shall prescribe by regulation.

(b) Any information required by this section which is not on public file pursuant to other law shall be held in confidence by the Secretary.

PERFORMANCE BONDS

SEC. 206. (a) After a surface coal mining and reclamation permit application has been approved but before such a permit is issued, the applicant shall file with the Secretary, on a form prescribed and furnished by the Secretary, a bond for performance payable, as appropriate, to the United States, and conditional upon faithful performance of all the requirements of this title and the permit. The bond shall cover that area of land within the permit area upon which the operator will initiate and conduct surface coal mining and reclamation operations within the initial term of the permit. As succeeding increments of surface coal mining and reclamation operations are to be initiated and conducted within the permit area, the permittee shall file with the Secretary an additional bond or bonds to cover such increments in accordance with this section. The amount of the bond required for each bonded area shall depend upon the reclamation requirements of the approved permit and shall be determined by the Secretary on the basis of at least two independent estimates. The amount of the bond shall be sufficient to assure the completion of the reclamation plan if the work had to be performed by a third party in the event of forfeiture and in no case shall the bond be less than $10,000.

(b) Liability under the bond shall be for the duration of the surface coal mining and reclamation operation and for a period coincident with operator's responsibility for vegetation requirements in section 212. The bond shall be executed by the operator and a corporate surety licensed to do business in the State where such operation is located, except that the operator may elect to deposit cash, negotiable bonds of the United States Government or such State, or negotiable certificates of deposit of any bank organized or transacting business in the United States. The cash deposit or market value of such securities shall be equal to or greater than the amount of the bond required for the bonded area.

(c) The Secretary may accept the bond of the applicant itself without separate surety when the applicant demonstrates to the satisfaction of the Secretary the existence of a suitable agent to receive service of process and a history of financial solvency and continuous operation sufficient for authorization to self-insure or bond such amount.

(d) Cash or securities so deposited shall be deposited upon the same terms as the terms upon which surety bonds may be deposited. Such securities shall be security for the repayment of such negotiable certificate of deposit.

(e) The amount of the bond or deposit required and the terms of each acceptance of the applicant's bond shall be adjusted by the Secretary from time to time as affected land acreages are increased or where the cost of future reclamation obviously changes.

PERMIT APPROVAL OR DENIAL

SEC. 207. (a) Upon the basis of a complete mining application and reclamation plan or a revision or renewal thereof, as required by this title and pursuant to a Federal lands program under the provisions of this title, including public notification and an opportunity for a public hearing as required by section 210, the Secretary shall grant or deny the application for a permit and notify the applicant in writing. Within ten days after the granting of a permit, the Secretary shall notify the State and the local official who has the duty of collecting real estate taxes in the local political subdivision in which the area of land to be affected is located that a permit has been issued and shall describe the location of the land.

(b) No permit, revision, or renewal application shall be approved unless the applicant affirmatively demonstrates and the Secretary finds in writing on the basis of the information set forth in the application or from information otherwise available which will be documented in the approval, and made available to the applicant, that—

(1) all the requirements of this title and the Federal lands program have been complied with;

(2) the applicant has demonstrated that reclamation as required by this title and the Federal lands program can be accomplished under the reclamation plan contained in the permit application;

(3) the assessment of the probable cumulative impact of all anticipated mining in the area on the hydrologic balance specified in section 204(b) has been made and the proposed operation thereof has been designed to prevent significant irreparable offsite damage to hydrologic balance;

(4) the area proposed to be mined is not included within an area designated unsuitable for surface coal mining pursuant to section 219 of this title or is not within an area under study for such designation in an administrative proceeding commenced pursuant to subsection 219(b) (unless in such an area as to which an administrative proceeding has commenced pursuant to subsection 219(b) of this title, the operator making the permit application demonstrates that, prior to the date of enactment of this title, he has made substantial legal and financial commitments in relation to the operation for which he is applying for a permit); and

(5) the proposed surface coal mining operation, if located west of the one hundredth meridian west longitude, would not have a substantial adverse effect on alluvial valley floors underlain by unconsolidated stream laid deposits where farming can be practiced in the form of flood irrigated or naturally subirrigated hay meadows or other crop lands, excluding undeveloped range lands, where such valley floors are significant to the practice of farming or ranching operations, including potential farming or ranch-

ing operations if such operations are significant and economically feasible.

(c) The applicant shall file with his permit application a schedule listing any and all notices of violations of this title and any law, rule, or regulation of the United States or of any department or agency in the United States pertaining to air or water environmental protection incurred by the applicant in connection with any surface coal mining operation during the one-year period prior to the date of application. The schedule shall also indicate the final resolution of any such notice of violation. Where the schedule or other information available to the Secretary indicates that any surface coal mining operation owned or controlled by the applicant is currently in violation of this title or such other laws referred to in this subsection, the permit shall not be issued until the applicant submits proof that such violation has been corrected or is in the process of being corrected to the satisfaction of the regulatory authority, department, or agency which has jurisdiction over such violation.

REVISION OF PERMITS

SEC. 208. (a)(1) During the term of the permit the permittee may submit an application, together with a revised reclamation plan, to the Secretary for a revision of the permit.

(2) An application for a revision of a permit shall not be approved unless the Secretary finds that reclamation as required by this title and the Federal lands program can be accomplished under the revised Reclamation Plan. The revision shall be approved or disapproved within a period of time established by the Federal lands program. The Secretary shall establish guidelines for a determination of the scale or extent of a revision request for which all permit application information requirements and procedures, including notice and hearings, shall apply: *Provided*, That any revisions which propose a substantial change in the intended future use of the land or significant alterations in the Reclamation Plan shall, at a minimum be subject to notice and hearing requirements.

(3) Any extensions to the area covered by the permit except incidental boundary revisions must be made by application for another permit.

(b) No transfer, assignments, or sale of the rights granted under any permit issued pursuant to this title shall be made without the written approval of the Secretary.

(c) The Secretary may require reasonable revision or modification of the permit provisions during the term of such permit: *Provided*, That such revision or modification shall be subject to notice and hearing requirements established by the Federal lands program.

COAL EXPLORATION PERMITS

SEC. 209. (a) The Federal lands programs shall include a requirement that coal exploration operations which substantially disturb the natural land surface be conducted under permit issued by the Secretary. No exploration license will be issued for any land on which a coal lease has been issued.

(b) Each application for a coal exploration permit pursuant to a Federal lands program under the provisions of this title shall be accompanied by a fee established by the Secretary. Such fee shall be based, as nearly as possible, upon the actual or anticipated cost of reviewing, administering, and enforcing such permit issued pursuant to a Federal lands program. The application and supporting technical data shall be submitted in a manner satisfactory to the Secretary and shall include a description of the purpose of the proposed exploration project The supporting technical data shall include, among other things—

(1) a general description of the existing environment;

(2) the location of the area of exploration by either metes or bounds, lot, tract, range, or section, whichever is most applicable, including a copy of the pertinent United States Geological Survey topographical map or maps with the area to be explored delineated thereon;

(3) a description of existing roads, railroads, utilities, and rights-of-way, if not shown on the topographical map;

(4) the location of all surface bodies of water, if not shown on the topographical map;

(5) the planned approximate location of any access roads, cuts, drill holes, and necessary facilities that may be constructed in the course of exploration, all of which shall be plotted on the topographical map;

(6) the estimated time of exploration;

(7) the ownership of the surface land to be explored;

(8) a statement describing the right by which the applicant intends to pursue his exploration activities and a certification that notice of intention to pursue such activities has been given to the surface owner;

(9) provisions for reclamation of all land distributed in exploration, including excavations, roads, drill holes, and the removal of necessary facilities and equipment; and

(10) such other information as the Secretary may require.

(c) A licensee may not remove any coal for sale but may remove a reasonable amount of coal from the lands subject to this Act included under his license for analysis and study. A licensee must comply with any rules and regulations of the Federal agency having jurisdiction over the surface of the lands subject to this Act. Exploration licenses covering lands the surface of which is under the jurisdiction of any Federal agency other than the Department of the Interior may be issued only upon such conditions as it may prescribe with respect to the use and protection of the nonmineral interests in those lands.

(d) The licensee shall furnish to the Secretary copies of all data (including, but not limited to, geological, geophysical, and core drilling analysis) obtained during such exploration. The Secretary shall maintain the confidentiality of all data so obtained until after the areas involved have been leased or until such time as he determines that making the data available to the public would not damage the competitive position of the licensee, whichever comes first.

(e) Specifically identified information submitted by the applicant in the application and supporting technical data as confidential concerning trade secrets or privileged commercial or financial information which relates to the competitive rights of the applicant shall not be available for public examination.

(f) As promptly as possible after submittal of the plan, the Secretary shall approve or disapprove the plan or require that it be modified. No exploration license shall be issued prior to approval of the exploration plan by the Secretary. If an applicant is denied a coal exploration permit under this title, or if the Secretary fails to act within a reasonable time, then the applicant may seek relief under the appropriate administrative procedures.

(g) Any person who conducts any coal exploration activities in connection with surface coal mining operations under this title without first having obtained a permit to explore from the Secretary or shall fail to conduct such exploration activities in a manner consistent with his approved coal exploration permit, shall be subject to the provisions of section 215. All data collected by said person on any Federal lands as a result of such violation shall be made immediately available to the Secretary, who shall make the data available to the public as soon as it is practicable.

PUBLIC NOTICE AND PUBLIC HEARINGS

SEC. 210. (a) At the time of submission of an application for a surface coal mining and reclamation permit, or revision of an existing permit, pursuant to the provisions of this title, the applicant shall submit to the Secretary a copy of his advertisement of the ownership, precise location, and boundaries of the land to be affected At the time of submission such advertisement shall be placed in a local newspaper of general circulation in the locality of the proposed surface mine at least once a week for four consecutive weeks. The Secretary shall notify various local governmental bodies, planning agencies and sewage and water treatment authorities, or water companies in the locality in which the proposed surface mining will take place, notifying them of the operator's intention to surface mine a particularly described tract of land and indicating the application's permit number and where a copy of the proposed mining and reclamation plan may be inspected. There local bodies, agencies, authorities, or companies have obligation to submit written comments within thirty days on the mining applications with respect to the effect of the proposed operation on the environment which are within their area of responsibility. Such comments shall be made available to the public at the same locations as are the mining applications.

(b) Any person with a valid legal interest or the officer or head of any Federal, State, or local governmental agency or authority shall have the right to file written objections to the proposed initial or revised application for a permit for surface coal mining and reclamation operation with the Secretary within thirty days after the last publication of the above notice. If written objections are filed and a hearing requested, the Secretary shall then hold a public hearing in the locality of the proposed mining within a reasonable time of the receipt of such objections. The date, time, and location of such public hearing shall be advertised by the Secretary in a newspaper of general circulation in the locality at least once a week for three consecutive weeks prior to the scheduled hearing date. The Secretary may arrange with the applicant upon request by any party to the administrative proceeding access to the proposed mining area for the purpose of gathering information relevant to the proceeding. At this public hearing, the applicant for a permit shall have the burden of establishing that his application is in compliance with the applicable laws. Not less than 10 days prior to any proposed hearing, the Secretary shall respond to the written objections in writing. Such response shall include the Secretary's preliminary proposals as to the terms and conditions, and amount of bond of a possible permit for the area in question and answers to material factual questions presented in the written objections. The Secretary's responsibility under this subsection shall in any event be to make publicly available his estimate as to any other conditions of mining or reclamation which may be required or contained in the preliminary proposal. In the event all parties requesting the hearing stipulate agreement prior to the requested hearing, and withdraw their request, such hearing need not be held.

(c) For the purpose of such hearing, the Secretary may administer oaths, subpena witnesses, or written or printed materials, compel attendance of the witnesses, or production of the materials, and take evidence including but not limited to site inspections of the land to be affected and other surface coal mining operations carried on by the applicant in the general vicinity of the proposed operation. A verbatim transcript and complete record of each public hearing shall be ordered by the Secretary.

DECISIONS OF THE SECRETARY AND APPEALS

SEC. 211. (a) If a public hearing has been held pursuant to section 210(b), the Secretary shall issue and furnish the applicant for a permit and persons who are parties to the administrative proceedings with the written finding of the Secretary, granting or denying the permit in whole or in part and stating the reasons therefor, within thirty days of said hearings.

(b) If there has been no public hearing held pursuant to section 210(b), the Secretary shall notify the applicant for a permit within a reasonable time, taking into account the time needed for proper investigation of the site, the complexity of the permit application and whether or not written objection to the application has been filed, whether the application has been approved or disapproved. If the application is approved, the permit shall be issued. If the application is disapproved, specific reason therefor must be set forth in the notification. Within thirty days after the applicant is notified that the permit or any portion thereof has been denied, the applicant may request a hearing on the reasons for the said disapproval. The Secretary shall hold a hearing within thirty days of such request and provide notification to all interested parties at the time that the applicant is so notified. Within thirty days after the hearing the Secretary shall issue and furnish the applicant, and all persons who participated in the hearing, with the written decision of the Secretary granting or denying the permit in whole or in part and stating the reasons therefor.

(c) Any applicant or any person who has participated in the administrative proceedings as an objector, and who is aggrieved by the decision of the Secretary, or if the Secretary fails to act within a reasonable period of time, shall have the right of appeal for review by a court of competent jurisdiction in accordance with State or Federal law.

ENVIRONMENTAL PROTECTION PERFORMANCE STANDARDS

SEC. 212. (a) Permit issued under Federal lands program pursuant to this title to conduct surface coal mining operations shall require that such surface coal mining operations will meet all applicable performance standards of this title, and such other requirements as the Secretary shall promulgate.

(b) General performance standards shall be applicable to all surface coal mining and reclamation operations and shall require the operation as a minimum to—

(1) conduct surface coal mining operations so as to maximize the utilization and conservation of the solid fuel resource being recovered so that reaffecting the land in the future through surface coal mining can be minimized;

(2) restore the land affected to a condition at least fully capable of supporting the uses which it was capable of supporting prior to any mining, or higher or better uses of which there is a reasonable likelihood, so long as such use or uses do not present any actual or probable hazard to public health or safety or pose any actual or probable threat of water diminution or pollution, and the permit applicants' declared proposed land use following reclamation is not deemed to be impractical or unreasonable, is not inconsistent with applicable land use policies and plans, does not involve unreasonable delay in implementation, and is not violative of Federal, State, or local law;

(3) with respect to all surface coal mining operations backfill, compact (where advisable to insure stability or to prevent leaching of toxic materials), and grade in order to restore the approximate original contour of the land with all highwalls, spoil piles and depressions eliminated (unless small depressions are needed in order to retain moisture to assist revegetation or as otherwise authorized pursuant to this title): *Provided, however,* That in surface coal mining which is carried out at the same location over a substantial period of time where the operation transects the coal deposit and thickness of the coal deposits relative to the volume of the overburden is large and where the operator demonstrates that the overburden and other spoil and waste materials at a particular point in the permit area or otherwise available from the entire permit area is insufficient, giving due consideration to volumetric expansion, to restore the approximate original contour, the operator, at a minimum, shall backfill, grade, and compact (where advisable) using all available overburden and other spoil and waste materials to attain the lowest practicable grade but not more than the angle of repose to provide adequate drainage and to cover all acid forming and other toxic materials, in order to achieve an ecologically sound land use compatible with the surrounding region: *And provided further,* That in surface coal mining where the volume of overburden is large relative to the thickness of the coal deposit and where the operator demonstrates that due to volumetric expansion the amount of overburden and other spoil and waste materials removed in the course of the mining operation is more than sufficient to restore the approximate original contour, the operator shall after restoring the approximate contour, backfill, grade, and compact (where advisable) the excess overburden and other spoil and waste materials to attain the lowest grade but not more than the angle of repose, and to cover all acid-forming and other toxic materials, in order to achieve an ecologically sound land use compatible with the surrounding region and that such overburden or spoil shall be shaped and graded in such a way as to prevent slides, erosion, and water pollution and is revegetated in accordance with the requirements of this title;

(4) stabilize and protect all surface areas including spoil piles affected by the surface coal mining and reclamation operation to effectively control erosion and attendant air and water pollution;

(5) remove the topsoil from the land in a separate layer, replace it on the backfill area, or if not utilized immediately, segregate it in a separate pile from other spoil and when the topsoil is not replaced on a backfill area within a time short enough to avoid deterioration of the topsoil, maintain a successful cover by quick growing plant or other means thereafter so that the topsoil is preserved from wind and water erosion, remains free of any contamination by other acid or toxic material, and is in a usable condition for sustaining vegetation when restored during reclamation, except if topsoil is of insufficient quantity or of poor quality for sustaining vegetation, or if other strata can be shown to be more suitable for vegetation requirements, then the operator shall remove, segregate, and preserve in a like manner such other strata which is best able to support vegetation;

(6) restore the topsoil or the best available subsoil which is best able to support vegetation;

(7) protect offsite areas from slides or damage occurring during the surface coal mining and reclamation operations, and not deposit spoil material or locate any part of the operations or waste accumulations outside the permit area;

(8) create, if authorized in the approved mining and reclamation plan and permit, permanent impoundments of water on mining sites as part of reclamation activities only when it is adequately demonstrated that—

(A) the size of the impoundment is adequate for its intended purposes;

(B) the impoundment dam construction will be so designed as to achieve necessary stability with an adequate margin of safety compatible with that of structures constructed under Public Law 83-566 (16 U.S.C. 1006);

(C) the quality of impounded water will be suitable on a permanent basis for its intended use and that discharges from the impoundment will not degrade the water quality in the receiving stream;

(D) the level of water will be reasonably stable;

(E) final grading will provide adequate safety and access for proposed water users; and

(F) such water impoundments will not result in the diminution of the quality or quantity of water utilized by adjacent or surrounding landowners for agricultural, industrial, recreational, or domestic uses;

(9) seal all auger holes with an impervious and noncombustible material in order to prevent drainage;

(10) minimize the disturbances to the prevailing hydrologic balance at the mine-site and in associated offsite areas and to the quality and quantity of water in surface and ground water systems both during and after surface coal mining operations and during reclamation by—

(A) avoiding acid or other toxic mine drainage by such measures as, but not limited to—

(i) preventing or removing water from contact with toxic producing deposits;

(ii) treating drainage to reduce toxic content which adversely affects downstream water upon being released to water courses;

(iii) casing, sealing, or otherwise managing boreholes, shafts, and wells and keep acid or other toxic drainage from entering ground and surface waters;

(B) conducting surface coal mining operations so as to prevent, to the extent possible using the best technology currently available, additional contributions of suspended solids to streamflow or runoff outside the permit area above natural levels under seasonal flow conditions as measured prior to any mining, and avoiding channel deepening or enlargement in operations requiring the discharge of water from mines;

(C) removing temporary or large siltation structures from drainways after disturbed areas are revegetated and stabilized;

(D) restoring recharge capacity of the mined area to approximate premining conditions;

(E) replacing the water supply of an owner of interest in real property who obtains all or part of his supply of water for domestic, agricultural, industrial, or other legitimate use from an underground or surface source where such supply has been affected by contamination, diminution or interruption proximately resulting from mining;

(F) preserving throughout the mining and reclamation process the *essential* hydrologic functions of alluvial valley floors in the arid and semiarid areas of the country; and

(G) such other actions as the Secretary may prescribe;

(11) with respect to surface disposal of mine wastes, tailings, coal processing wastes, and other wastes in areas other than the mine working or excavations, stabilize all waste piles in designated areas through construction in compacted layers including the use of incombustible and impervious materials if necessary and assure the final contour of the waste pile will be compatible with natural surroundings and that the site

can and will be stabilized and revegetated according to the provisions of this title;

(12) refrain from surface coal mining within five hundred feet from active and abandoned underground mines in order to prevent breakthroughs and to protect health or safety of miners: *Provided*, That the Secretary shall permit an operator to mine closer to an abandoned underground mine: *Provided*, That this does not create hazards to the health and safety of miners; or shall permit an operator to mine near, through or partially through an abandoned underground mine working where such mining through will achieve improved resource recovery, abatement of water pollution, or elimination of public hazards and such mining shall be consistent with the provisions of the title;

(13) design, locate, construct, operate, maintain, enlarge, modify, and remove, or abandon, in accordance with the standards and criteria developed pursuant to subsection (e) of this section, all existing and new coal mine waste piles consisting of mine wastes, tailings, coal processing wastes, or other liquid and solid wastes and used either temporarily or permanently as dams or embankments;

(14) insure that all debris, acid forming materials, toxic materials, or materials constituting a fire hazard are treated or disposed of in a manner designed to prevent contamination of ground or surface waters or sustained combustion;

(15) insure that explosives are used only in accordance with existing State and Federal law and the regulations promulgated by the Secretary, which shall include provisions to—

(A) provide adequate advance written notice by publication and/or posting of the planned blasting schedule to local governments and to residents who might be affected by the use of such explosives and maintain for a period of at least two years a log of the magnitudes and times of blasts; and

(B) limit the type of explosives and detonating equipment, the size, the timing and frequency of blasts based upon the physical condition of the site so as to prevent (i) injury to persons, (ii) damage to public and private property outside the permit area, (iii) adverse impacts on any underground mine, and (iv) change in the course, channel, or availability of ground or surface water outside the permit area;

(16) insure that all reclamation efforts proceed in an environmentally sound manner and as contemporaneously as practicable with the surface coal mining operations;

(17) insure that the construction, maintenance, and postmining conditions of access roads into and across the site of operations will control or prevent erosion and siltation, pollution of water, damage to fish or wildlife or their habitat, or public or private property: *Provided*, That the Secretary may permit the retention after mining of certain access roads where consistent with State and local land use plans and programs and where necessary may permit a limited exception to the restoration of approximate original contour for that purpose;

(18) refrain from the construction of roads or other access ways up a stream bed or drainage channel or in such proximity to such channel so as to seriously alter the normal flow of water;

(19) establish on the regraded areas, and all other lands affected, a diverse, effective and permanent vegetative cover native to the area of land to be affected and capable of self-generation and plant succession at least equal in extent of cover to the natural vegetation of the area; except, that introduced species may be used in the revegetation process where desirable and necessary to achieve the approved postmining land use plan;

(20) assume the responsibility for successful revegetation, as required by paragraph (19) above, for a period of five full years after the last year of augmented seeding, fertilizing, irrigation, or other work in order to assure compliance with paragraph (19) above, except in those areas or regions of the country where the annual average precipitation is twenty-six inches or less, then the operator's assumption of responsibility and liability will extend for a period of ten full years after the last year of augmented seeding, fertilizing, irrigation, or other work: *Provided*, That when the Secretary approves a long term intensive agricultural postmining land use, the applicable five- or ten-year period of responsibility for revegetation shall commence at the date of initial planting for such long term intensive agricultural postmining land use: *Provided further*, That when the Secretary issues a written finding approving a long term, intensive, agricultural postmining land use as part of the mining and reclamation plan, the Secretary may grant exceptions to the provisions of paragraph (19) above; and

(21) meet such other criteria as are necessary to achieve reclamation in accordance with the purposes of this title, taking into consideration the physical, climatological, and other characteristics of the site, and to insure the maximum practicable recovery of the mineral resources.

(c) (1) The Federal lands program shall include procedures pursuant to which the Secretary may permit variances for the purposes set forth in paragraph (3) of this subsection.

(2) Where an applicant meets the requirements of paragraphs (3) and (4) of this subsection a variance from the requirement to restore to approximate original contour set forth in subsection 212 (b) (3) or 212(d) of this section may be granted for the surface mining of coal where the mining operations will remove an entire coal seam or seams running through the upper fraction of a mountain, ridge, or hill (except as provided in subparagraph (4) (A) hereof) by removing all of the overburden and creating a level plateau or a gently rolling contour with no highwalls remaining, and capable of supporting postmining uses in accord with the requirements of this subsection.

(3) In cases where an industrial, commercial (including commercial agricultural), residential, or public facility (including recreational facilities) development is proposed for the postmining use of the affected land, the Secretary may grant a variance for a surface mining operation of the nature described in subsection (c) (2) where—

(A) after consultation with the appropriate land use planning agencies, if any, the proposed development is deemed to constitute an equal or better economic or public use of the affected land, as compared with the premining use;

(B) the equal or better economic or public use can be obtained only if one or more exceptions to the requirements of section 212 (b) (3) and section 212(d) (1) are granted;

(C) the applicant presents specific plans for the proposed postmining land use and appropriate assurances that such use will be—

(i) compatible with adjacent land uses;

(ii) obtainable according to data regarding expected need and market;

(iii) assured of investment in necessary public facilities;

(iv) supported by commitments from public agencies where appropriate;

(v) practicable with respect to private financial capability for completion of the proposed development;

(vi) planned pursuant to a schedule attached to the reclamation plan so as to integrate the mining operation and reclamation with the postmining land use; and

(vii) designed by a registered engineer in conformance with professional standards established to assure the stability, drainage, and configuration necessary for the intended use of the site;

(D) the proposed use would be consistent with adjacent land uses, and existing State and local land use plans and programs;

(E) the Secretary provides the governing body of the unit of general-purpose government in which the land is located and any State or Federal agency which the Secretary, in his discretion, determines to have an interest in the proposed use, an opportunity of not more than sixty days to review and comment on the proposed use;

(F) a public hearing is held in the locality of the proposed surface coal mining operation prior to the grant of any permit including a variance; and

(G) all other requirements of this title will be met.

(4) In granting any variance pursuant to this subsection the Secretary shall require that—

(A) the toe of the lowest coal seam mined and the overburden associated with it are retained in place as a barrier to slides and erosion;

(B) the reclaimed area is stable;

(C) the resulting plateau or rolling contour drains inward from the outslopes except at specified points;

(D) no damage will be done to natural watercourses;

(E) all other requirements of this title will be met.

(5) The Secretary shall promulgate specific regulations to govern the granting of variances in accord with the provisions of this subsection, and may impose such additional requirements as he deems to be necessary.

(6) All exceptions granted under the provisions of this subsection shall be reviewed not more than three years from the date of issuance of the permit, unless the applicant affirmatively demonstrates that the proposed development is proceeding in accordance with the terms of the approved schedule and reclamation plan.

(d) The following performance standards shall be applicable to steep-slope surface coal mining and shall be in addition to those general performance standards required by this section: *Provided, however*, That the provisions of this subsection shall not apply to those situations in which an operator is mining on flat or gently rolling terrain, on which an occasional steep slope is encountered through which the mining operation is to proceed, leaving a plain or predominantly flat area;

(1) Insure that when performing surface coal mining on steep slopes, no debris, abandoned or disabled equipment, spoil material, or waste mineral matter be placed on the downslope below the bench or mining cut, except that where necessary soil or spoil material from the initial block or short linear cut of earth necessary to obtain initial access to the coal seam in a new surface coal mining operation can be placed on a limited and specified area of the downslope below the initial cut if the permittee demonstrates that such soil or spoil material will not slide and that the other requirements of this subsection can still be met: *Provided*, That spoil material in excess of that required for the reconstruction of the approximate original contour under the provisions of paragraph 212(b) (3) or 212(d) (2) or excess spoil from a surface coal mining operation granted a variance under subsection 212(c) may be permanently stored at such offsite spoil storage areas as the Secretary shall designate and for the purposes of this title such areas shall be deemed in all respects to be part of the lands affected by surface coal mining operations. Such offsite spoil storage areas shall be

designed by a registered engineer in conformance with professional standards established to assure the stability, drainage, and configuration necessary for the intended use of the site.

(2) Complete backfilling with spoil material shall be required to cover completely the highwall and return the site to the approximate original contour, which material will maintain stability following mining and reclamation.

(3) The operator may not disturb land above the top of the highwall unless the Secretary finds that such disturbance will facilitate compliance with the environmental protection standards of this section: Provided, however, That the land disturbed above the highwall shall be limited to that amount necessary to facilitate said compliance.

(4) For the purposes of this section, the term "steep slope" is any slope above twenty degrees or such less slope as may be defined by the Secretary after consideration of soil, climate, and other characteristics of a region or State.

(e) The Secretary, with the written concurrence of the Chief of Engineers, shall establish within 135 days from the date of enactment, standards and criteria regulating the design, location, construction, operation, maintenance, enlargement, modification, removal and abandonment of new and existing coal mine waste piles referred to in section 212(b) (13) and section 213(b) (5). Such standards and criteria shall conform to the standards and criteria used by the Chief of Engineers to insure that flood control structures are safe and effectively perform their intended function. In addition to engineering and other technical specifications, the standards and criteria developed pursuant to this subsection must include provisions for review and approval of plans and specifications prior to construction, enlargement, modification, removal or abandonment; performance of periodic inspections during construction; issuance of certificates of approval upon completion of construction; performance of periodic safety inspections; and issuance of notices for required remedial or maintenance work.

SURFACE EFFECTS OF UNDERGROUND COAL MINING OPERATIONS

SEC. 213. (a) The Secretary shall promulgate rules and regulations directed toward the surface effects of underground coal mining operations, embodying the following requirements and in accordance with the procedures established under this title.

(b) Each permit issue pursuant to this title and relating to underground coal mining shall require the operator to—

(1) adopt measures consistent with known technology in order to prevent subsidence to the extent technology and economically feasible, maximize mine stability, and maintain the value and use of such surface lands, except in those instances where the mining technology used requires planned subsidence in a predictable and controlled manner: *Provided*, That nothing in this subsection shall be construed to prohibit the standard method of room and pillar continuous mining;

(2) seal all portals, entryways, drifts, shafts, or other openings between the surface and underground mine working when no longer needed for the conduct of the mining operations;

(3) fill or seal exploratory holes no longer necessary for mining, maximizing to the extent practicable return of mine and processing waste, tailings, and any other waste incident to the mining operation, to the mine workings or excavations;

(4) with respect to surface disposal of mine wastes, tailing, coal processing wastes, and other wastes in areas other than the mine workings or excavations, stabilize all waste piles created by the permittee from current operations through construction in compacted layers including the use of incombustible and impervious materials if necessary and assure that the leachate will not pollute surface or ground waters and that the final contour of the waste accumulation will be compatible with natural surroundings and that the site is stabilized and revegated according to the provisions of this section;

(5) design, locate, construct, operate, maintain, enlarge, modify, and remove, or abandon, in accordance with the standards and criteria developed pursuant to section 212(e), all existing and new coal mine waste piles consisting of mine wastes, tailings, coal processing wastes, or other liquid and solid wastes and used either piles consisting of mine wastes, tailings, coal processing wastes, or other liquid and solid wastes and used either temporarily or permanently as dams or embankments;

(6) establish on regraded areas and all other lands affected, a diverse and permanent vegetative cover capable of self-regeneration and plant succession and at least equal in extent of cover to the natural vegetation of the area;

(7) protect offsite areas from damages which may result from such mining operations;

(8) eliminate fire hazards and otherwise eliminate conditions which constitute a hazard to health and safety of the public;

(9) minimize the disturbances to the prevailing hydrologic balance at the mine-site and in associated offsite areas and to the quantity of water in surface ground water systems both during and after coal mining operations and during reclamation by—

(A) avoiding acid or other mine drainage by such measures as, but not limited to—

(i) preventing or removing water from contact with toxic producing deposits;

(ii) treating drainage to reduce toxic content which adversely affects downstream water upon being released to water courses;

(iii) casing, sealing, or otherwise managing boreholes, shafts, and wells to keep acid or other toxic drainage from entering ground and surface waters; and

(B) conducting surface coal mining operations so as to prevent, to the extent possible using the best technology currently available, additional contributions of suspended solids to streamflow or runoff outside the permit area above natural levels under seasonal flow conditions as measured prior to any mining, and avoiding channel deepening or enlargement in operations requiring the discharge of water from mines.

(10) with respect to other surface impacts not specified in this subsection including the construction of new roads or the improvement or use of existing roads to gain access to the side of such activities and for haulage, repair areas, storage areas, processing areas, shipping areas and other areas upon which are sited structures, facilities, or other property or materials on the surface, resulting from or incident to such activities, operate in accordance with the standards established under section 212 of this title for such effects which result from surface coal mining operations: *Provided*, That the Secretary may make such modifications in the requirements imposed by this subparagraph as are deemed necessary by the Secretary due to the differences between surface and underground coal mining.

(c) In order to protect the stability of the land, the Secretary shall suspend underground coal mining under urbanized areas, cities, towns, and communities and adjacent to industrial or commercial buildings, major impoundments, or permanent streams if he finds imminent danger to inhabitants of the urbanized areas, cities, towns, and communities.

(d) The provisions of this title relating to permits, bonds; inspections and enforcement, public review, and administrative and judicial review shall be applicable to surface coal mining and reclamation operations incident to underground coal mining with such modifications to the permits application requirements, permit approval or denial procedures, and bond requirements as are deemed necessary by the Secretary due to the differences between surface and underground coal mining. The Secretary shall promulgate such modifications in accordance with the rulemaking procedure established in section 202 of this title.

INSPECTIONS AND MONITORING

SEC. 214. (a) The Secretary shall cause to be made such inspections of any surface coal mining and reclamation operations as are necessary to enforce the Federal Lands program, and for such purposes authorized representatives of the Secretary shall have a right of entry to, upon, or through any surface coal mining and reclamation operations.

(b) For the purpose of administering and enforcing any permit under this title, or of determining whether any person is in violation of any requirement of this title—

(1) the Secretary shall require any permittee to (A) establish and maintain appropriate records, (B) make monthly reports to the regulatory authority, (C) install, use, and maintain any necessary monitoring equipment or methods, (D) evaluate results in accordance with such methods, at such locations, intervals, and in such manner as the Secretary shall prescribe, and (E) provide such other information relative to surface coal mining and reclamation operations as the Secretary deems reasonable and necessary;

(2) for those surface coal mining and reclamation operations which remove or disturb strata that serve as aquifers which significantly insure the hydrologic balance of water use either on or off the mining site, the Secretary shall specify those—

(A) monitoring sites to record the quality and quantity of surface drainage above and below the minesite as well as in the potential zone of influence;

(B) monitoring sites to record level, amount, and samples of ground water and aquifers potentially affected by the mining and also directly below the lower most (deepest) coal seam to be mined;

(C) records of well logs and borehole data to be maintained; and

(D) monitoring sites to record precipitation.

The monitoring data collection, and analysis required by this section shall be conducted according to standards and procedures set forth by the Secretary in order to assure their reliability and validity; and

(3) the authorized representatives of the Secretary, without advance notice and upon presentation of appropriate credentials (A) shall have the right of entry to, upon, or through any surface coal mining and reclamation operations or any premises in which any records required to be maintained under paragraph (1) of this subsection are located; and (B) may at reasonable times, and without delay, have access to and copy any records, inspect any monitoring equipment of method of operation required under this title.

(c) The inspections by the Secretary shall (1) occur on an irregular basis averaging not less than one inspection per month for the surface coal mining and reclamation operations covered by each permit; (2) occur without prior notice to the permittee or his agents or employees; and (3) include the filing of inspection reports adequate to enforce the requirements of and to carry out the terms and purposes of this title and the Secretary shall make copies of such inspection reports immediately and freely available to the public at a central location in the pertinent geographic area of mining. The Secretary shall establish a system of continual rotation of inspectors so that the same inspector does not consistently visit the same operations.

(d) Each permittee shall conspicuously maintain at the entrance to the surface coal mining and reclamation operations a clearly visible sign which sets forth the name, business address, and phone number of the permittee and the permit number of the surface coal mining and reclamation operations.

(e) Each inspector, upon detection of each violation of any requirement of this title, shall forthwith inform the operator in writing, and shall report in writing any such violation to the Secretary.

(f) Copies of any records, reports, inspection materials, or information obtained under this title by the Secretary shall be made immediately available to the public at central and sufficient locations in the county, multicounty, and State area of mining so that they are conveniently available to residents in the areas of mining.

(g) No authorized representative of the Secretary performing any function or duty under this title shall have a direct or indirect financial interest in any underground or surface coal mining operation. Whoever knowingly violates the provisions of the above sentence shall upon conviction, be punished by a fine of not more than $2,500, or by imprisonment of not more than one (1) year, or by both. The Secretary shall (1) within 60 days after enactment of this title, publish in the Federal Register, in accordance with 5 U.S.C. 553, regulations to establish methods by which the provisions of this subsection will be monitored and enforced by the Secretary, including appropriate provisions for the filing by such employees and the review of statements and supplements thereto concerning any financial interest which may be affected by this subsection, and (2) reports to the Congress on March 1 of each calendar year on actions taken and not taken during the preceding year under this subsection.

PENALTIES

SEC. 215. (a) In the enforcement of this title, any permittee who violates any permit condition or who violates any other provision of this title, may be assessed a civil penalty by the Secretary, except that if such violation leads to the issuance of a cessation order under section 218, the civil penalty shall be assessed. Such penalty shall not exceed $5,000 for each violation. Each day of a continuing violation may be deemed a separate violation for purposes of penalty assessments. In determining the amount of the penalty, consideration shall be given to the permittee's history of previous violations at the particular surface coal mining operation; the appropriateness of such penalty to the size of the business of the permittee charged; the seriousness of the violation, including any irreparable harm to the environment and any hazard to the health or safety of the public; whether the permittee was negligent; and the demonstrated good faith of the permittee charged in attempting to achieve rapid compliance after notification of the violation.

(b) A civil penalty shall be assessed by the Secretary only after the person charged with a violation described under subsection (a) of this section has been given an opportunity for a hearing. Where such a public hearing has been held, the Secretary shall make findings of fact, and he shall issue a written decision as to the occurrence of the violation and the amount of the penalty which is warranted, incorporating, when appropriate, an order therein requiring that the penalty be paid. Any hearing under this section shall be of record and shall be subject to section 554 of title 5 of the United States Code. Where the person charged with such a violation fails to avail himself of the opportunity for a public hearing, a civil penalty shall be assessed by the Secretary after the Secretary has determined that a violation did occur, and the amount of the penalty which is warranted, and has issued an order requiring that the penalty be paid.

(c) If no complaint, as provided in this section, is filed within thirty days from the date of the final order or decision issued by the Secretary under subsection (b) of this section, such order and decision shall be conclusive.

(d) Interest at the rate of 6 per centum or at the prevailing Department of the Treasury borrowing rate, whichever is greater, shall be charged against a person on any unpaid civil penalty assessed against him pursuant to the final order of the Secretary, said interest to be computed from the thirty-first day after issuance of such final assessment order.

(e) Civil penalties owed under this Act, either pursuant to subsection (c) of this section or pursuant to an enforcement order entered under section 222 of this title, may be recovered in a civil action brought by the Attorney General at the request of the Secretary in any appropriate district court of the United States.

(f) Any person who willfully and knowingly violates a condition of a permit issued pursuant to the Federal lands program Act or fails or refuses to comply with any order issued under section 221 or section 222 of this title, or any order incorporated in a final decision issued by the Secretary under this title, except an order incorporated in a decision issued under subsection (b) of this section or section 227 of this title, shall, upon conviction, be punished by a fine of not more than $10,000, or by imprisonment for not more than one year or both.

(g) Whenever a corporate permittee violates a condition of a permit issued pursuant to the Federal lands program or fails or refuses to comply with any order issued under section 218 of this title, or any order incorporated in a final decision issued by the Secretary under this title except an order incorporated in a decision issued under subsection (b) of this section or section 227 of this title, any director, officer, or agent of such corporation who willfully and knowingly authorized, ordered, or carried out such violation, failure, or refusal shall be subject to the same civil penalties, fines, and imprisonment that may be imposed upon a person under subsections (a) and (f) of this section.

(h) Whoever knowingly makes any false statement, representation, or certification, or knowingly fails to make any statement, representation, or certification in any application, record, report, plan, or other document filed or required to be maintained pursuant to this title or any order or decision issued by the Secretary under this title, shall, upon conviction be punished by a fine of not more than $10,000, or by imprisonment for not more than one year or both.

RELEASE OF PERFORMANCE BONDS OR DEPOSITS

SEC. 216. (a) The permittee may file a request with the Secretary for the release of all or part of a performance bond or deposit. Within thirty days after any application for bond or deposit release has been filed with the Secretary, the operator shall submit a copy of an advertisement placed on five successive days in a newspaper of general circulation in the locality of the surface coal mining operation. Such advertisement shall be considered part of any bond release application and shall contain a notification of the precise location of the land affected, the number of acres, the permit number and the date approved, the amount of the bond filed and the portion sought to be released, and the type and the approximate dates of reclamation work performed, and a description of the results achieved as they relate to the operator's approved reclamation plan. In addition, as part of any bond release application, the applicant shall submit copies of letters which he has sent to adjoining property owners, local governmental bodies, planning agencies, and sewage and water treatment authorities, or water companies in the locality in which the surface coal mining and reclamation activities took place, notifying them of his intention to seek release from the bond.

(b) Upon receipt of the notification and request, the Secretary shall within a reasonable time conduct an inspection and evaluation of the reclamation work involved. Such evaluation shall consider, among other things the degree of difficulty to complete any remaining reclamation, whether pollution of surface and subsurface water is occurring, the probability of continuance of future occurrence of such pollution, and the estimated cost of abating such pollution.

(c) The Secretary may release in whole or in part said bond or deposit if the authority is satisfied that reclamation covered by the bond or deposit or portion thereof has been accomplished as required by this title according to the following schedule:

(1) When the operator completes the backfilling, regrading, and drainage control of a bonded area in accordance with his approved reclamation plan, the release of 60 per centum of the bond or collateral for the applicable permit area;

(2) After revegetation has been established on the regraded mined lands in accordance with the approved reclamation plan. When determining the amount of bond to be released after successful revegetation has been established, the Secretary shall retain that amount of bond for the revegetated area which would be sufficient for a third party to cover the cost of reestablishing revegetation and for the period specified in section 212 for operator responsibility of reestablishing revegetation. No part of the bond or deposit shall be released under this paragraph so long as the lands to which the release would be applicable are contributing suspended solids to streamflow or runoff outside the permit area above natural levels under seasonal flow conditions as measured prior to any mining and as set forth in the permit.

(3) When the operator has completed successfully all surface coal mining and reclamation activities, but not before the expiration of the period specified for operator responsibility in section 212:

Provided, however, That no bond shall be fully released until all reclamation requirements of this title are fully met.

(d) If the Secretary disapproves the application for release of the bond or portion thereof, the Secretary shall notify the permittee, in writing, stating the reasons for disapproval and recommending corrective actions necessary to secure said release.

(e) With any application for total or partial bond release filed with the Secretary, the Secretary shall notify the unit of general purpose local government in which a surface coal mining operation is located by certified mail at least thirty days prior to the release of all or a portion of the bond.

(f) Any person with a valid legal interest or the officer or head of any Federal, State, or local governmental agency shall have the right to file written objections to the proposed release from bond to the Secretary within thirty days after the last publication of the above notice. If written objections are filed, and a hearing requested, the Secretary shall inform all the interested parties, of the time and place of the hearing, and hold a public hearing in the locality of the surface coal mining operation proposed for bond release within thirty days of the request for such hearing. The date, time, and location of such public hearings shall be advertised by the Secretary in a newspaper of general circulation in the locality twice a week for two consecutive weeks.

(g) For the purpose of such hearing the Secretary shall have the authority and is hereby empowered to administer oaths, subpena witnesses, or written or printed materials, compel the attendance of witnesses, or production of the materials, and take evidence including but not limited to inspections of the land affected and other surface coal mining operation carried on by the applicant in the general vicinity. A verbatim transcript and a complete record of each public hearing shall be ordered by the Secretary.

CITIZEN SUITS

SEC. 217. (a) Except as provided in subsection (b) of this section, any person having an interest which is or may be adversely affected may commence a civil action on his own behalf—

(1) against any person including—

(A) the United States,

(B) any other governmental instrumentality or agency to the extent permitted by the eleventh amendment to the Constitution who is alleged to be in violation of the provisions of this title or the regulations promulgated thereunder, or an order issued by the Secretary,

(C) any other person who is alleged to be in violation of any rule, regulation, order, or permit issued pursuant to this title; or

(2) against the Secretary to the extent permitted by the eleventh amendment to the Constitution where there is alleged a failure of the Secretary to perform any act or duty under this title which is not discretionary with the Secretary.

(b) No action may be commenced—

(1) under subsection (a)(1) of this section—

(A) prior to sixty days after the plaintiff has given notice in writing under oath of the violation (i) to the Secretary, (ii) to the State in which the violation occurs, and (iii) to any alleged violator; or

(B) if the Secretary has commenced and is diligently prosecuting a civil action in a court of the United States to require compliance with the provisions of this title, or any rule, regulation, order, or permit issued pursuant to this title, but in any such action in a court of the United States any person may intervene as a matter of right; or

(2) under subsection (a)(2) of this section prior to sixty days after the plaintiff has given notice in writing under oath of such action to the Secretary, in such manner as the Secretary shall by regulation prescribe, except that such action may be brought immediately after such notification in the case where the violation or order complained of constitutes an imminent threat to the health or safety of the plaintiff or would immediately affect a legal interest of the plaintiff.

(c)(1) Any action respecting a violation of this title or the regulations thereunder may be brought only in the judicial district in which the surface coal mining operation complained of is located.

(2) In such action under this section, the Secretary, if not a party, may intervene as a matter of right.

(d) The court, in issuing any final order in any action brought pursuant to subsection (a) of this section, may award costs of litigation to any party, whenever the court determines such award is appropriate. The court may, if a temporary restraining order or preliminary injunction is sought, require the filing of a bond or equivalent security in accordance with the Federal Rules of Civil Procedure.

(e) Nothing in this section shall restrict any right which any person (or class of persons) may have under this or any statute or common law to seek enforcement of any of the provisions of this title and the regulations thereunder, or to seek any other relief (including relief against the Secretary).

(f) Any resident of the United States who is injured in any manner through failure of any operator to comply with any rule, regulation, order, or permit issued pursuant to this title may bring an action for damages (including attorney fees) in an appropriate United States district court.

ENFORCEMENT

SEC. 218. (a) Whenever, on the basis of any information available to him, including receipt of information from any person, the Secretary has reason to believe that any person is in violation of any requirement of this title or any permit condition required by this title, the Secretary shall order Federal inspection of the surface coal mining operation at which the alleged violation is occurring unless the information available to the Secretary is a result of a previous Federal inspection of such surface coal mining operation. When the Federal inspection results from information provided to the Secretary by any person, the Secretary shall notify such person when the Federal inspection is proposed to be carried out and such person shall be allowed to accompany the inspector during the inspection.

(b) When, on the basis of any Federal inspection, the Secretary or his authorized representative determines that any condition or practices exist, or that any permittee is in violation of any requirement of this title or any permit condition required by this title, which condition, practice, or violation also creates an imminent danger to the health or safety of the public, or is causing, or can reasonably be expected to cause significant, imminent environmental harm to land, air, or water resources, the Secretary or his authorized representative shall immediately order a cessation of surface coal mining and reclamation operations or the portion thereof relevant to the condition, practice, or violation. Such cessation order shall remain in effect until the Secretary or his authorized representative determines that the condition, practice, or violation has been abated, or until modified, vacated, or terminated by the Secretary or his authorized representative pursuant to subparagraph (a) of this section.

(c) When, on the basis of a Federal inspection which is carried out during the enforcement of the Federal lands program, the Secretary or his authorized representative determines that any permittee is in violation of any requirement of this title or any permit condition required by this title, but such violation does not create an imminent danger to the health or safety of the public, or cause or can be reasonably expected to cause significant, imminent environmental harm to land, air, or water resources, the Secretary or his authorized representative shall issue a notice to the permittee or his agent fixing a reasonable time but not more than ninety days for the abatement of the violation. If, upon expiration of the period of time as originally fixed or subsequently extended, for good cause shown and upon the written finding of the Secretary or his authorized representative, the Secretary or his authorized representative finds that the violation has not been abated, he shall immediately order a cessation of surface coal mining and reclamation operations or the portion thereof relevant to the violation. Such cessation order shall remain in effect until the Secretary or his authorized representative determines that the violation has been abated, or until modified, vacated, or terminated by the Secretary or his authorized representative pursuant to subparagraph (a) of this section.

(a) When, on the basis of a Federal inspection which is carried out during the enforcement of the Federal lands program, the Secretary or his authorized representative determines that a pattern of violations of any requirements of this title or any permit conditions required by this title exists or has existed, and if the Secretary or his authorized representative also find that such violations are caused by the unwarranted failure of the permittee to comply with any requirements of this title or any permit conditions, or that such violations are willfully caused by the permittee, the Secretary or his authorized representative shall forthwith issue an order to the permittee to show cause as to why the permit should not be suspended or revoked. Upon the permittee's failure to show cause as to why the permit should not be suspended or revoked, the Secretary or his authorized representative shall forthwith suspend or revoke the permit.

(e) Notices and orders issued pursuant to this section shall set forth with reasonable specificity the nature of the violation and the remedial action required, the period of time established for abatement, and a reasonable description of the portion of the surface coal mining and reclamation operation to which the notice or order applies. Each notice or order issued under this section shall be given promptly to the permittee or his agent by the Secretary or his authorized representative who issues such notice or order, and all such notices and orders shall be in writing and shall be signed by the Secretary or such authorized representatives. Any notice or order issued pursuant to this section may be modified, vacated, or terminated by the Secretary or his authorized representative.

(f) the Secretary may request the Attorney General to institute a civil action for relief, including a permanent or temporary injunction, restraining order, or any other appropriate order in the district court of the United States for the district in which the surface coal mining and reclamation operation is located or in which the permittee thereof has principal office, whenever such permittee or his agent (A) violates or fails or refuses to comply with any order or decision issued by the Secretary under this title, or (B) interferes with, hinders, or delays the Secretary or his authorized representatives in carrying out the provisions of this title, or (C) refuses to admit such authorized representative to the mine, or (D) refuses to permit inspection of the mine by such authorized representative, or (E) refuses to furnish any information or report requested by the Secretary in furtherance of the provisions of this title, or (F) refuses to permit access to, and copying of, such records as the Secretary determines necessary in carrying out the provisions of this title. Such court shall have jurisdiction to provide such relief as may be appropriate. Temporary restraining orders shall be issued in accordance with rule 65 of the Federal Rules of Civil Procedure, as amended. Any relief granted by the court to enforce an order under clause (A) of this section shall continue in effect until the completion or final termination of all proceedings for review of such order under this title, unless, prior thereto, the district court granting such relief sets it aside or modifies it.

DESIGNATING AREAS UNSUITABLE FOR SURFACE COAL MINING

SEC. 219. (a)(1) The Secretary shall conduct a review of the Federal lands to determine, pursuant to the standards set forth in paragraphs (2) and (3) whether there are areas on Federal lands which are unsuitable for all or certain types of surface coal mining operations: *Provided, however,* That the Secretary may permit surface coal mining on Federal lands prior to the completion of this review. When the Secretary determines an area on Federal lands to be unsuitable for all or certain types of surface coal mining operations, he shall withdraw such area or condition any mineral leasing or mineral entries in a manner so as to limit surface coal mining operations on such area.

(2) Upon petition pursuant to subsection (b) of this section, the Secretary shall designate an area as unsuitable for all or certain types of surface coal mining operations if the Secretary determines that reclamation pursuant to the requirements of this title is not feasible.

(3) Upon petition pursuant to subsection (b) of this section, a surface area may be designated unsuitable for certain types of surface coal mining operations if such operations will—

(A) be incompatible with existing land use plans or programs; or

(B) affect fragile or historic lands in which such operations could result in significant damage to important historic, cultural, scientific, and esthetic values and natural systems; or

(C) affect renewable resource lands in which such operations could result in a substantial loss or reduction of long-range productivity of water supply or of food or fiber products, and such lands to include aquifers and aquifer recharge areas; or

(D) affect natural hazards lands in which such operations could substantially endanger life and property, such lands to include areas subject to frequent flooding and areas of unstable geology.

(b) Any person having an interest which is or may be adversely affected shall have the right to petition the Secretary to have an area designated as unsuitable for surface coal mining operations, or to have such a designation terminated. Such a petition shall contain allegations of facts with supporting evidence which would tend to establish the allegations. Within ten months after receipt of the petition the Secretary shall hold a public hearing in the locality of the affected area, after appropriate notice and publication of the date, time, and location of such hearing. After a person having an interest which is or may be adversely affected has filed a petition and before the hearing, as required by this subsection, any person may intervene by filing allegations of facts with supporting evidence which would tend to establish the allegations. Within sixty days after such hearing, the Secretary shall issue and furnish to the petitioner and any other party to the hearing, a written decision regarding the petition, and the reasons therefor. In the event that all the petitioners stipulate agreement prior to the requested hearing, and withdraw their request, such hearing need not be held.

(c) Prior to designating any land areas as unsuitable for surface coal mining operations, the Secretary shall prepare a detailed statement on (i) the potential coal resource of the area, (ii) the demand for coal resources, and (iii) the impact of such designation on the environment, the economy, and the supply of coal.

(d) Subject to valid existing rights no surface coal mining operations except those which exist on the date of enactment of this title shall be permitted—

(1) on any lands within the boundaries of units of the National Park System, the National Wildlife Refuge Systems, the National System of Trails, the National Wilderness Preservation System, the Wild and Scenic Rivers System, including study rivers designated under section 5(a) of the Wild and Scenic Rivers Act and National Recreation Areas designated by Act of Congress;

(2) on any Federal lands within the boundaries of any national forest except surface operations and impacts incident to an underground coal mine;

(3) which will adversely affect any publicly owned park or places included in the National Register of Historic Sites unless approved jointly by the Secretary and the Federal, State, or local agency with jurisdiction over the park or the historic site;

(4) within one hundred feet of the outside right-of-way of any public road, except where mine access roads or haulage roads join such right-of-way line and except that the regulatory authority may permit such roads to be relocated or the area affected to lie within one hundred feet of such road, if after public notice and opportunity for public hearing in the locality a written finding is made that the interests of the public and the landowners affected thereby will be protected;

(5) within three hundred feet from any occupied dwelling, unless waived by the owner thereof, nor within three hundred feet of any public building, school, church, community, or institutional building, public park, or within one hundred feet of a cemetery.

(e) Determinations of the unsuitability of land for surface coal mining, as provided for in this section, shall be integrated as closely as possible with present and future land use planning and regulation processes at the Federal, State, and local levels.

(f) The requirements of this section shall not apply to lands on which surface coal mining operations are being conducted on the date of enactment of this Act or under a permit issued pursuant to this Act, or where substantial legal and financial commitments in such operations were in existence prior to September 1, 1974.

PUBLIC AGENCIES, PUBLIC UTILITIES, AND PUBLIC CORPORATIONS

SEC. 220. Any agency, unit, or instrumentality of Federal, State, or local government, including any publicly owned utility or publicly owned corporation of Federal, State, or local government, which proposes to engage in surface coal mining operations which are subject to the requirements of this title shall comply with the provisions of this title.

REVIEW BY SECRETARY

SEC. 221. (a) (1) A permittee issued a notice or order by the Secretary pursuant to the provisions of section 218 of this title, or pursuant to the Federal lands program or any person having an interest which is or may be adversely affected by such notice or order or by any modification, vacation, or termination of such notice or order, may apply to the Secretary for review of the notice or order within thirty days of receipt thereof or within thirty days of its modification, vacation, or termination. Upon receipt of such application, the Secretary shall cause such investigation to be made as he deems appropriate. Such investigation shall provide an opportunity for a public hearing, at the request of the applicant or the person having an interest which is or may be adversely affected, to enable the applicant or such person to present information relating to the issuance and continuance of each notice or order or the modification, vacation, or termination thereof. The filing of an application for review under this subsection shall not operate as a stay of any order or notice.

(2) The permittee and other interested persons shall be given written notice of the time and place of the hearing at least five days prior thereto. Any such hearing shall be of record and shall be subject to section 554 of title 5 of the United States Code.

(b) Upon receiving the report of such investigation, the Secretary shall make findings of fact, and shall issue a written decision, incorporating therein an order vacating, affirming, modifying, or terminating the notice or order, or the modification, vacation, or termination of such notice or order complained of and incorporated his findings therein. Where the application for review concerns an order for cessation of surface coal mining and reclamation operations issued pursuant to the provisions of section 218 of this title, the Secretary shall issue the written decision within thirty days of the receipt of the application for review, unless temporary relief has been granted by the Secretary pursuant to subparagraph (c) of this section or by a United States district court pursuant to subparagraph (c) of section 222 of this title.

(c) Pending completion of the investigation required by this section, the applicant may file with the Secretary a written request that the Secretary grant temporary relief from any notice or order issued under section 218 of this title, or the Federal lands program together with a detailed statement giving reasons for granting such relief. The Secretary shall issue an order or decision granting or denying such relief expeditiously: *Provided*, That where the applicant requests relief from an order for cessation of surface coal mining and reclamation operations issued pursuant to section 218 of this title, the order or decision on such a request shall be issued within five days of its receipt. The Secretary may grant such relief, under such conditions as he may prescribe, if—

(1) a hearing has been held in the locality of the permit area on the request for temporary relief in which all parties were given an opportunity to be heard;

(2) the applicant shows that there is substantial likelihood that the findings of the Secretary will be favorable to him; and

(3) such relief will not adversely affect the health or safety of the public or cause significant, imminent environmental harm to land, air, or water resources.

(d) Following the issuance of an order to show cause as to why a permit should not be suspended or revoked pursuant to section 218, the Secretary shall hold a public hearing after giving written notice of the time, place, and date thereof. Any such hearing shall be of record and shall be subject to sections 554 of title 5 of the United States Code. Within sixty days following the public hearing, the Secretary shall issue and furnish to the permittee and all other parties to the hearing a written decision, and the reasons therefor, concerning suspension or revocation of the permit. If the Secretary revokes the permit, the permittee shall immediately cease surface coal mining operations on the permit area and shall complete reclamation within a period specified by the Secretary, or the Secretary shall declare as forfeited the performance bonds for the operation.

JUDICIAL REVIEW

SEC. 222. (a) All orders or decision issued by the Secretary pursuant to this title shall be subject to judicial review *only* in the United States district court for the locality in which the surface coal mining operation is located. Such review shall be in accordance with the Federal Rules of Civil Procedure. In the case of a proceeding to review an order or decision issued by the Secretary under section 215 of this title, the court shall have jurisdiction to enter an order requiring payment of any civil penalty assessment enforced by its judgment. The availability of review established in this subsection shall not be construed to limit the operation of the rights established in section 217.

(b) The court shall hear such petition or complaint solely on the record made before the Secretary. The findings of the Secretary if supported by substantial evidence on the record considered as a whole, shall be conclusive. The court may affirm, vacate, or modify any order or decision or may remand the proceedings to the Secretary for such further action as it may direct.

(c) In the case of a proceeding to review any order or decision issued by the Secretary under this title, including an order or decision issued pursuant to section 221 of this title pertaining to any order issued under section 218 of this title for cessation of surface coal mining and reclamation operations, the court may, under such conditions as it may prescribe, grant such temporary relief as it deems appropriate pending final determination of the proceedings if—

(1) all parties to the proceedings have been notified and given an opportunity to be heard on a request for temporary relief;

(2) the person requesting such relief shows that there is a substantial likelihood that he will prevail on the merits of the final determination of the proceedings; and

(3) such relief will not adversely affect the public health or safety or cause significant imminent environmental harm to land, air, or water resources.

(d) The commencement of a proceeding under this section shall not, unless specifically ordered by the courts, operate as a stay of the action, order or decision of the Secretary.

SPECIAL BITUMINOUS COAL MINES

SEC. 223. The Secretary is authorized to and shall issue separate regulations for those special bituminous coal surface mines located west of the one hundredth meridian west longitude which meet the following criteria:

(a) the excavation of the specific mine pit takes place on the same relatively limited site for an extended period of time;

(b) the excavation of the specific mine pit follows a coal seam having an inclination of fifteen degrees or more from the horizontal, and continues in the same area proceeding downward with lateral expansion of the pit necessary to maintain stability or as necessary to accommodate the orderly expansion of the total mining operation;

(c) the excavation of the specific mine pit involves the mining of more than one coal seam and mining has been initiated on the deepest coal seam contemplated to be mined in the current operation;

(d) the amount of material removed is large in proportion to the surface area disturbed;

(e) there is no practicable alternative method of mining the coal involved;

(f) there is no practicable method to reclaim the land in the manner required by this title; and

(g) the specific mine pit has been actually producing coal since January 1, 1972, in such manner as to meet the criteria set forth in this section, and because of past duration of mining, is substantially committed to a mode of operation which warrants exceptions to some provisions of this title.

Such alternative regulations shall pertain only to the standards governing onsite handling of spoils, elimination of depressions capable of collecting water, creation of impoundments, and regrading to the approximate original contour and shall specify that remaining highways are stable. All other performance standards in this title shall apply to such mines.

DEFINITIONS

SEC. 224. For the purposes of this Act—

(1) "Secretary" means the Secretary of the Interior, except where otherwise described;

(2) "commerce" means trade, traffic, commerce, transportation, transmission, or communication among the several States, or between a State and any other place outside thereof, or between points in the same State which directly or indirectly affect interstate commerce;

(3) "surface coal mining operations" means—

(A) activities conducted on the surface of lands in connection with a surface coal mine or surface operations and surface impacts incident to an underground coal mine, the products of which enter commerce or the operations of which directly or indirectly affect interstate commerce. Such activities include excavation for the purpose of obtaining coal including such common methods as contour, strip, auger, mountaintop removal, box cut, open pit, and area mining, and in situ distillation or retorting, leaching, or other chemical or physical processing, and the cleaning, concentrating, or other processing or preparation, loading of coal for interstate commerce at or near the mine site: *Provided, however,* That such activities do not include the extraction of coal incidental to the extraction of other minerals where coal does not exceed 16⅔ per centum of the tonnage of minerals removed for purposes of commercial use or sale or coal explorations subject to section 209 of this title; and

(B) the areas upon which such activities occur or where such activities disturb the natural land surface. Such areas shall also include any adjacent land the use of which is incidental to any such activities, all lands affected by the construction of new roads or the improvement or use of existing roads to gain access to the site of such activities and for haulage, and excavations, workings, impoundments, dams, ventilation shafts, entryways, refuse banks, dumps, stockpiles, overburden piles, spoil banks, culm banks, tailings, holes or depressions, repair areas, storage areas, processing areas, shipping areas and other areas upon which are sited structures, facilities, or other property or materials on the surface, resulting from or incident to such activities;

(4) "surface coal mining and reclamation operations" means surface mining operations and all activities necessary and incident to the reclamation of such operations after the date of enactment of this title;

(5) "Federal lands" means any land, including mineral interests, owned by the United States without regard to how the United States acquired ownership of the land and without regard to the agency having responsibility for management thereof, except Indian lands;

(6) "Indian lands" means all lands, including, mineral interests, within the exterior boundaries of any Federal Indian reservation, notwithstanding the issuance of any patent, and including rights-of-way, and all lands including mineral interests held in trust for or supervised by any Indian tribe;

(7) "Indian tribe" means any Indian tribe, band, group, or community having a governing body recognized by the Secretary;

(8) "reclamation plan" means a plan submitted by an applicant for a permit under the Federal lands program which sets forth a plan for reclamation of the proposed surface coal mining operations pursuant to section 205;

(9) "person" means an individual, partnership, association, society, joint stock company, firm, company, corporation, or other business organization;

(10) "permit" means a permit to conduct surface coal mining and reclamation operations issued by the Secretary pursuant to the Federal lands program;

(11) "permit applicant" or "applicant" means a person applying for a permit;

(12) "permittee" means a person holding a permit;

(13) "other minerals" means clay, stone, sand, gravel, metalliferous and nonmetalliferous ores, and any other solid material or substances of commercial value excavated in solid form from natural deposits on or in the earth, exclusive of coal and those minerals which occur naturally in liquid or gaseous form;

(14) "approximate original contour" means that surface configuration achieved by backfilling and grading of the mined area so that it closely resembles the surface configuration of the land prior to mining and blends into and complements the drainage pattern of the surrounding terrain, with all highwalls, spoil piles, and depressions eliminated except that water impoundments may be permitted where the regulatory authority determines that they are in compliance with section 212 (b) (8) of this Act;

(15) "operator" means any person, partnership, or corporation engaged in coal mining who removes or intends to remove more than two hundred and fifty tons of coal from the earth by coal mining within twelve consecutive calendar months in any one location;

(16) "permit area" means the area of land indicated on the approved map submitted by the operator with his application, which area of land shall be covered by the operator's bond as required by section 206 of this Act and shall be readily identifiable by appropriate markers on the site;

(17) "unwarranted failure to comply" means the failure of a permittee to prevent the occurrence of any violation of his permit or any requirement of this title due to indifference, lack of diligence, or lack of reasonable care, or the failure to abate any violation of such permit or the Act due to indifference, lack of diligence, or lack of reasonable care;

(18) "alluvial valley floors" means the unconsolidated stream laid deposits holding streams where water availability is sufficient for subirrigation or flood irrigation agricultural activities, but does not mean upland areas which are generally overlain by a thin veneer of colluvial deposits composed chiefly of debris from sheet erosion, deposits by unconcentrated runoff or slope wash, together with talus, other mass movement accumulation and windblown deposits.

(19) "imminent danger to the health or safety of the public" means the existence of any condition or practice, or any violation of a permit or other requirement of this title in a surface coal mining and reclamation operation, which condition, practice, or violation could reasonably be expected to cause substantial physical harm to persons outside the permit area before such condition, practice, or violation can be abated.

OTHER FEDERAL LAWS

SEC. 225. (a) Nothing in this title shall be construed as superseding, amending, modifying, or repealing the Mining and Minerals Policy Act of 1970 (30 U.S.C. 21a), the National Environmental Policy Act of 1969 (42 U.S.C. 4321–47), or any of the following Acts or with any rule or regulation promulgated thereunder, including, but not limited to—

(1) The Federal Metal and Nonmetallic Mine Safety Act (30 U.S.C. 721–740).

(2) The Federal Coal Mine Health and Safety Act of 1969 (83 Stat. 742).

(3) The Federal Water Pollution Control Act (79 Stat. 903), as amended (33 U.S.C. 1151–1175), the State laws enacted pursuant thereto, or other Federal laws relating to preservation of water quality.

(4) The Clean Air Act, as amended (42 U.S.C. 1857 et seq.).

(5) The Solid Waste Disposal Act (42 U.S.C. 3251–3259).

(6) The Refuse Act of 1899 (33 U.S.C. 407).

(7) The Fish and Wildlife Coordination Act of 1934 (16 U.S.C. 661–666c).

(b) Nothing in this title shall affect in any way the authority of the Secretary or the heads of other Federal agencies under other provisions of law to include in any lease, license, permit, contract, or other instrument such conditions as may be appropriate to regulate surface coal mining and reclamation operations on land under their jurisdiction.

(c) To the greatest extent practicable each Federal agency shall cooperate with the Secretary in carrying out the provisions of this title.

(d) Implementation of the Federal lands programs, pursuant to this title, shall constitute a major action within the meaning of section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332).

EMPLOYEE PROTECTION

Sec. 226. (a) No person shall discharge, or in any other way discriminate against, or cause to be fired or discriminated against, any employee or any authorized representative of employees by reason of the fact that such employee or representative has filed, instituted, or ceased to be filed or instituted any proceeding under this title, or has testified or is about to testify in any proceeding resulting from the administration or enforcement of the provisions of this title.

(b) Any employee or a representative of employees who believes that he has been fired or otherwise discriminated against by any person in violation of subsection (a) of this section may, within thirty days after such alleged violation occurs, apply to the Secretary for a review of such firing or alleged discrimination. A copy of the application shall be sent to the person or operator who will be the respondent. Upon receipt of such application, the Secretary shall cause such investigation to be made as he deems appropriate. Such investigation shall provide an opportunity for a public hearing at the request of any party to such review to enable the parties to present information relating to the alleged violation. The parties shall be given written notice of the time and place of the hearing at least five days prior to the hearing. Any such hearing shall be of record and shall be subject to section 554 to title 5 of the United States Code. Upon receiving the report of such investigation the Secretary shall make findings of fact. If he finds that a violation did occur, he shall issue a decision incorporating therein his findings and an order requiring the party committing the violation to take such affirmative action to abate the violation as the Secretary deems appropriate, including, but not limited to, the rehiring or reinstatement of the employee or representative of employees to his former position with compensation. If he finds that there was no violation, he shall issue a finding. Orders issued by the Secretary under this subsection shall be subject to judicial review in the same manner as orders and decisions of the Secretary are subject to judicial review under this title.

(c) Whenever an order is issued under this section to abate any violation, at the request of the applicant a sum equal to the aggregate amount of all costs and expenses (including attorneys' fees) to have been reasonably incurred by the applicant for, or in connection with, the institution and prosecution of such proceedings, shall be assessed against the persons committing the violation.

(d) The Secretary shall conduct continuing evaluations of potential losses or shifts of employment which may result from the enforcement of this title or any requirement of this title including, where appropriate, investigating threatened mine closures or reductions in employment allegedly resulting from such enforcement or requirement. Any employee who is discharged or laid off, threatened with discharge or layoff, or otherwise discriminated against by any person because of the alleged results of the enforcement or requirements of this title, or any representative of such employee, may request the Secretary to conduct a full investigation of the matter. The Secretary shall thereupon investigate the matter, and, at the request of any interested party, shall hold public hearings on not less than five days' notice, and shall at such hearings require the parties, including the employer involved, to present information relating to the actual or potential effect of such limitation or order on employment and on any alleged discharge, layoff, or other discrimination and the detailed reasons or justification therefore. Any such hearing shall be of record and shall be subject to section 554 of title 5 of the United States Code. Upon receiving the report of such investigation, the Secretary shall promptly make findings of fact as to the effect of such enforcement or requirement on employment and on the alleged discharge, layoff, or discrimination and shall make such recommendations as he deems appropriate. Such report, findings, and recommendations shall be available to the public. Nothing in this subsection shall be construed to require or authorize the Secretary to modify or withdraw any enforcement action or requirement.

PROTECTION OF GOVERNMENT EMPLOYEES

Sec. 227. Section 1114, title 18, United States Code, is hereby amended by adding the words "or of the Department of the Interior" after the words "Department of Labor" contained in that section.

ALASKAN SURFACE COAL MINE STUDY

Sec. 228. (a) The Secretary is directed to contract with the National Academy of Sciences-National Academy of Engineering for an indepth study of surface coal mining conditions in the State of Alaska in order to determine which, if any, of the provisions of this title should be modified with respect to surface coal mining operations in Alaska.

(b) The Secretary shall report on the findings of the study to the President and Congress no later than two years after the date of enactment of this title.

(c) The Secretary shall include in his report a draft of legislation to implement any changes recommended to this title.

(d) Until one year after the Secretary has made this report to the President and Congress, or three years after the date of enactment of this title, whichever comes first, the Secretary is authorized to suspend the applicability of any provision of this title, or any regulation issued pursuant thereto, to any surface coal mining operation in Alaska from which coal has been mined during the year preceding enactment of this title if he determines that it is necessary to insure the continued operation of such surface coal mining operation. The Secretary may exercise his suspension authority only after he has (1) published a notice of proposed suspension in the Federal Register and in a newspaper of general circulation in the area of Alaska in which the affected surface coal mining operation is located, and (2) held a public hearing on the proposed suspension in Alaska.

(e) There is hereby authorized to be appropriated for the purpose of this section $250,000.

STUDY OF RECLAMATION STANDARDS FOR SURFACE MINING OF OTHER MINERALS

Sec. 229. (a) The Chairman of the Council on Environmental Quality is directed to contract with the National Academy of Sciences-National Academy of Engineering, other Government agencies or private groups as appropriate, for an in-depth study of current and developing technology for surface and open pit mining and reclamation for minerals other than coal designed to assist in the establishment of effective and reasonable regulation of surface and open pit mining and reclamation for minerals other than coal. The study shall—

(1) assess the degree to which the requirements of this title can be met by such technology and the costs involved;

(2) identify areas where the requirements of this title cannot be met by current and developing technology;

(3) in those instances describe requirements most comparable to those of this title which could be met, the costs involved, and the differences in reclamation results between these requirements and those of this title; and

(4) discuss alternative regulatory mechanisms designed to insure the achievement of the most beneficial post-mining land use for areas affected by surface and open pit mining.

(b) The study together with specific legislative recommendations shall be submitted to the President and the Congress no later than eighteen months after the date of enactment of this title: *Provided*, That, with respect to surface or open pit mining for sand and gravel the study shall be submitted no later than twelve months after the date of enactment of this title: *Provided further*, That with respect to mining for oil shale and tar sands that a preliminary report shall be submitted no later than twelve months after the date of enactment of this title.

(c) There are hereby authorized to be appropriated for the purpose of this section $500,000.

INDIAN LANDS

Sec. 230. (a) The Secretary is directed to study the question of the regulation of surface mining on Indian lands which will achieve the purposes of this title and recognize the special jurisdictional status of these lands. In carrying out this study the Secretary shall consult with Indian tribes. The study report shall include proposed legislation designed to allow Indian tribes to elect to assume full regulatory authority over the administration and enforcement of regulation of surface coal mining on Indian lands.

(b) The study report required by subsection (a) together with drafts of proposed legislation and the view of each Indian tribe which would be affected shall be submitted to the Congress as soon as possible but not later than January 1, 1976.

(c) On and after one hundred and thirty-five days from the enactment of this title, all surface coal mining operations on Indian lands shall comply with requirements at least as stringent as those imposed by subsections 212(b)(2), 212(b)(3), 212(b)(5), 212(b)(10), 212(b)(13), 212(b)(19), and 212(d) of this title and the Secretary shall incorporate the requirements of such provisions in all existing and new leases issued for coal on Indian lands.

(d) On and after thirty months from the enactment of this title, all surface coal mining operations on Indian lands shall comply with requirements at least as stringent as those imposed by sections 204, 205, 206, 207, 212, 213, 214, and 216 of this title and the Secretary shall incorporate the requirements of such provisions in all existing and new leases issued for coal on Indian lands.

(e) With respect to leases issued after the date of enactment of this title, the Secretary shall include and enforce terms and conditions in addition to those required by subsections (c) and (d) as may be requested, by the Indian tribe in such leases.

(f) Any change required by subsection (c) or (d) of this section in the terms and conditions of any coal lease on Indian lands existing on the date of enactment of this title, shall require the approval of the Secretary.

(g) The Secretary shall provide for adequate participation by the various Indian tribes affected in the study authorized in this section and not more than $700,000 of the funds authorized in section 235 shall be reserved for this purpose.

SURFACE OWNER PROTECTION

Sec. 231. (a) The provisions and procedures specified in this section shall apply where coal owned by the United States under land the surface rights to which are owned by a surface owner as defined in this section is to be mined by methods other than underground mining techniques. In order to minimize disturbance to surface owners from surface coal mining of Federal coal deposits, the Secretary shall, in his discretion but, to the maximum extent practicable, refrain from leasing such coal deposits from development by methods other than underground mining techniques.

(b) Any coal deposits subject to this section shall be offered for leases pursuant to section 2(a) of the Mineral Leasing Act of 1920 (30 U.S.C. 201a), except that no award shall be made by any method other than competitive bidding.

(c) Prior to placing any deposit subject to this section in a leasing tract, the Secretary shall give to any surface owner whose land is to be included in the proposed leasing tract actual written notice of his intention to place such deposits under such land in a leasing tract,

(d) The Secretary shall not enter into any lease of such coal deposits until the surface owner has given written consent and the Secretary has obtained such consent, to enter and commence surface mining operations, and the applicant has agreed to pay in addition to the rental and royalty and other obligations due the United States the money value of the surface owner's interest as determined according to the provisions of subsection (e).

(e) The value of the surface owner's interest shall be fixed by the Secretary based on appraisals made by three appraisers. One such appraiser shall be appointed by the Secretary, one appointed by the surface owner concerned, and one appointed jointly by the appraisers named by the Secretary and such surface owner. In computing the value of the surface owner's interest, the appraisers shall first fix and determine the fair market value of the surface estate and they shall then determine and add the value of such of the following losses and costs to the extent that such losses and costs arise from the surface coal mining operations:

(1) loss of income to the surface owner during the mining and reclamation process;

(2) cost to the surface owner for relocation or dislocation during the mining and reclamation process;

(3) cost to the surface owner for the loss of livestock, crops, water, or other improvements;

(4) any other damage to the surface reasonably anticipated to be caused by the surface mining and reclamation operations; and

(5) such additional reasonable amount of compensation as the Secretary may determine is equitable in light of the length of the tenure of the ownership: *Provided*, That such additional reasonable amount of compensation may not exceed the value of the losses and costs as established pursuant to this subsection and in paragraphs (1) through (4) above, or one hundred dollars ($100.00) per acre, whichever is less.

(f) All bids submitted to the Secretary for any such lease shall, in addition to any rental or royalty and other obligations, be accompanied by the deposit of an amount equal to the value of the surface owner's interest computed under subsection (e). The Secretary shall pay such amount to the surface owner either upon the execution of such lease or upon the commencement of mining, or shall require posting of bond to assure installment payments over a period of years acceptable to the surface owner, at the option of the surface owner. At the time of initial payment, the surface owner may request a review of the initial determination of the amount of the surface owner's interest for the purpose of adjusting such amount to reflect any increase in the Consumer Price Index since the initial determination. The lessee shall pay such increased amount to the Secretary to be paid over to the surface owner. Upon the release of the performance bonds or deposits under section 216, or at an earlier time as may be determined by the Secretary, all rights to enter into and use the surface of the land subject to such lease shall revert to the surface owner.

(g) For the purpose of this section the term "surface owner" means the natural person or persons (or corporation, the majority stock of which is held by a person or persons who meet the other requirements of this section) who—

(1) hold legal or equitable title to the land surface;

(2) have their principal place of residence on the land; or personally conduct farming or ranching operations upon a farm or ranch unit to be affected by surface coal mining operations; or receive directly a significant portion of their income, if any, from such farming or ranching operations; and

(3) have met the conditions of paragraphs (1) and (2) for a period of at least three years prior to the granting of the consent.

In computing the three-year period the Secretary may include periods during which title was owned by a relative of such person by blood or marriage during which period such relative would have met the requirements of this subsection.

(h) Where surface lands over coal subject to this section are owned by any person who meets the requirements of paragraphs (1) and (2) of this subsection (g) but who does not meet the requirements of paragraph (3) of subsection (g), the Secretary shall not place such coal deposit in a leasing tract unless such person has owned such surface lands for a period of three years. After the expiration of such three-year period such coal deposit may be leased by the Secretary, provided that if such person qualifies as a surface owner as defined by subsection (g) his consent has been obtained pursuant to the procedures set forth in this section.

(i) Nothing in this section shall be construed as increasing or diminishing any property rights held by the United States or by any other landowner.

(j) The determination of the value of the surface owner's interest fixed pursuant to subsection (e) or any adjustment to that determination made pursuant to subsection (f) shall be subject to judicial review only in the United States district court for the locality in which the leasing tract is located.

(k) At the end of each two-year period after the date of enactment of this title, the Secretary shall submit to the Congress a report on the implementation of the Federal coal leasing policy established by this section. The report shall include a list of the surface owners who have (1) given their consent, (2) received payments pursuant to this section, (3) refused to give consent, and (4) the acreage of land involved in each category. The report shall also indicate the Secretary's views on the impact of the leasing policy on the availability of Federal coal to meet national energy needs and on receipt of fair market value for Federal coal.

(l) This section shall not apply to Indian lands.

(m) Any person who gives, offers or promises anything of value to any surface owner or offers or promises any surface owner to give anything of value to any other person or entity in order to induce such surface owner to give the Secretary his written consent pursuant to this section, and any surface owner who accepts, receives, or offers or agrees to receive anything of value for himself or any other person or entity, in return for giving his written consent pursuant to this section shall be subject to a civil penalty of one and a half times the monetary equivalent of the thing of value. Such penalty shall be assessed by the Secretary and collected in accordance with the procedures set out in subsections 215(b), 215(c), 215(d), and 215(e) of this title.

(n) Any Federal coal lease issued subject to the provisions of this section shall be automatically terminated if the lessee, before or after issuance of the lease, gives, offers or promises anything of value to the surface owner or offers or promises any surface owner to give anything of value to any other person or entity in order to (1) induce such surface owner to give the Secretary his written consent pursuant to this section, or (2) compensate such surface owner for giving such consent. All bonuses, royalties, rents and other payments made by the lessee shall be retained by the United States.

(o) The provisions of this section shall become effective on February 1, 1976. Until February 1, 1976, the Secretary shall not lease any coal deposits owned by the United States under land the surface rights to which are not owned by the United States, unless the Secretary has in his possession a document which demonstrates the acquiescence prior to February 27, 1975, of the owner of the surface rights to the extraction of minerals within the boundaries of his property by current surface coal mining methods.

FEDERAL LESSEE PROTECTION

Sec. 232. In those instances where the coal proposed to be mined by surface coal mining operations is owned by the Federal Government and the surface is subject to a lease or a permit issued by the Federal Government, the application for a permit shall include either:

(1) the written consent of the permittee or lessee of the surface lands involved to enter and commence surface coal mining operations on such land, or in lieu, thereof;

(2) evidence of the execution of a bond or undertaking to the United States or the State, whichever is applicable, for the use and benefit of the permittee or lessee of the surface lands involved to secure payment of any damages to the surface estate which the operations will cause to the crops, or to the tangible improvements of the permittee or lessee of the surface lands as may be determined by the parties involved, or as determined and fixed in an action brought against the operator or upon the bond in a court of competent jurisdiction. This bond is in addition to the performance bond required for reclamation under this title.

ALASKA COAL

Sec. 233. Nothing in this title shall be construed as increasing or diminishing the rights of any owner of coal in Alaska to conduct or authorize surface coal mining operations for coal which has been or is hereafter conveyed out of Federal ownership to the State of Alaska or pursuant to the Alaska Native Claims Settlement Act.

WATER RIGHTS

Sec. 234. Nothing in this title shall be construed as affecting in any way the right of any person to enforce or protect, under applicable law, his interest in water resources affected by a surface coal mining operation.

AUTHORIZATION OF APPROPRIATIONS

Sec. 235. There are hereby authorized to be appropriated such sums as are necessary for the implementation of this title.

Mr. METCALF. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. CHURCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

PRIVILEGE OF FLOOR—H.R. 6674

Mr. LEAHY. I request unanimous consent that Herbert Jolovitz and Doug Racine of my staff be allowed the privilege of the floor during the debate and vote on the conference report on the military procurement authorization bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION APPROPRIATIONS AUTHORIZATION, 1976

The PRESIDING OFFICER. Pursuant to the previous order, the Senate will now proceed to consider S. 598, which the clerk will state.

The legislative clerk read as follows:

A bill (S. 598) to authorize appropriations to the Energy Research and Development Administration in accordance with section 261 of the Atomic Energy Act of 1954, as amended, section 305 of the Energy Reorganization Act of 1974, an section 16 of the Federal Nonnuclear Energy Research and Development Act of 1974, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Joint Committee on Atomic Energy, with an amendment; and subsequently reported from the Committee on Interior and Insular Affairs, with amendments.

The amendment of the Joint Committee on Atomic Energy is to strike all after the enacting clause and insert:

TITLE I—AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 1976

Sec. 101. There is hereby authorized to be appropriated to the Energy Research and Development Administration in accordance with the provisions of section 261 of the Atomic Energy Act of 1954, as amended, section 305 of the Energy Reorganization Act of 1974, and section 16 of the Federal Nonnuclear Energy Research and Development Act of 1974:

(a) For "Operating expenses", $3,476,729,000.

(b) For "Plant and capital equipment", including construction, acquisition, or modification of facilities, including land acquisition; and acquisition and fabrication of capital equipment not related to construction, a sum of dollars equal to the total of the following amounts:

FOSSIL ENERGY DEVELOPMENT

(1) Coal.—

Project 76–1–a, clean boiler fuel demonstration plant (A–E and long-lead procurement), $20,000,000.

SOLAR, GEOTHERMAL, AND ADVANCED ENERGY SYSTEMS DEVELOPMENT

(2) Physical Research.—

Project 76–2–a, accelerator and reactor improvements and modifications, $4,000,000.

NUCLEAR ENERGY DEVELOPMENT

(3) Fusion Power Research and Development.—

Project 76–3–a, tokamak fusion test reactor, Princeton Plasma Physics Laboratory, Plainsboro, New Jersey, $23,000,000.

Project 76–3–b, 14 Mev intense neutron source facility, Los Alamos Scientific Laboratory, New Mexico, $22,100,000.

Project 76–3–c, 14 Mev high intensity neutron facility, Lawrence Livermore Laboratory, California, $5,000,000.

(4) Fission Power Reactor Development.—

Project 76–4–a, modifications to reactors, $4,000,000.

Project 76–4–b, sodium components test installation steam and feed-water system modification, Liquid Metal Engineering Center, Santa Susana, California, $7,700,000.

(5) Fission Power Reactor Development.—

Project 76–5–a, test reactor area fire main replacement, Idaho National Engineering Laboratory, Idaho, $2,200,000.

(6) Nuclear Materials.—

Project 76–6–a, additional facilities, high level waste storage, Savannah River, South Carolina, $68,000,000.

Project 76–6–b, additional high level waste storage facilities, Richland, Washington, $35,000,000.

Project 76–6–c, supplemental N reactor irradiated fuel storage, Richland, Washington, $2,500,000.

Project 76–6–d, uprate electrical switchyards for Roane substation, Oak Ridge, Tennessee, $8,100,000.

Project 76–6–e, conversion of existing steam plants to coal capability, gaseous diffusion plants and Feed Materials Production Center, Fernald, Ohio, $12,200,000.

Project 76–6–f, radioactive liquid waste system improvements, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho, $5,800,000.

NATIONAL SECURITY

(7) Weapons.—

Project 76–7–a, MK 12A MINUTEMAN III production facilities, various locations, $3,000,000.

Project 76–7–b, plutonium metallurgy building modifications, Lawrence Livermore Laboratory, California, $1,000,000.

Project 76–7–c, limited life component exchange facility, Charleston, South Carolina, $13,900,000.

(8) Weapons.—

Project 76–8–a, a fire wall construction, Bendix Plant, Kansas City, Missouri, $2,000,000.

Project 76–8–b, fire protection improvements, Los Alamos Scientific Laboratory, New Mexico, $4,450,000.

Project 76–8–c, PHERMEX enhancement, Los Alamos Scientific Laboratory, New Mexico, $6,150,000.

ENVIRONMENTAL AND SAFETY RESEARCH

(9) Biomedical and Environmental Research.—

Project 76–9–a, modifications and additions to biomedical and environmental research facilities, $3,200,000.

(10) General Plant Projects.—$64,670,000.

(11) Construction Planning and Design.—$6,000,000.

(12) Capital Equipment.—Acquisition and fabrication of capital equipment not related to construction, $240,347,000.

Sec. 102. Limitations.—(a) The Administration is authorized to start any project set forth in subsections 101(b) (1), (2), (3), (4), (6), (7), and (9) only if the currently estimated cost of that project does not exceed by more than 25 per centum the estimated cost set forth for that project.

(b) The Administration is authorized to start any project set forth in subsection 101(b) (5) and (8) only if the currently estimated cost of that project does not exceed by more than 10 per centum the estimated cost set forth for that project.

(c) The Administration is authorized to start any project under subsection 101(b) (10) only if it is in accordance with the following:

(1) The maximum currently estimated cost of any project shall be $750,000 and the maximum currently estimated cost of any building included in such project shall be $300,000: Provided, That the building cost limitation may be exceeded if the Administration determines that it is necessary in the interest of efficiency and economy.

(2) The total cost of all projects undertaken under subsection 101(b) (10) shall not exceed the estimated cost set forth in that subsection by more than 10 per centum.

(d) The total cost of any project undertaken under subsection 101(b) (2), (3), (4), (6), (7), and (9) shall not exceed the estimated cost set forth for that project by more than 25 per centum unless and until additional appropriations are authorized under section 261 of the Atomic Energy Act of 1954, as amended: *Provided,* That this subsection will not apply to any project with an estimated cost less than $5,000,000.

(e) The total cost of any project undertaken under subsection 101(b) (5) and (8) shall not exceed the estimated cost set forth for that project by more than 10 per centum, unless and until additional appropriations are authorized under section 261 of the Atomic Energy Act of 1954, as amended: *Provided,* That this subsection will not apply to any project with an estimated cost less than $5,000,000.

Sec. 103. Amendment of Prior Year Acts.—(a) Section 101 of Public Law 91–273, as amended, is further amended by (1) striking from subsection (b) (1), project 71–1–f, process equipment modifications, gaseous diffusion plants, the figure "$295,100,000" and substituting therefor the figure "$478,100,000"; and (2) striking from subsection (b) (9), project 71–9, fire, safety, and adequacy of operating conditions projects, various locations, the figure "$193,000,000" and substituting therefor the figure "$240,000,000".

(b) Section 101 of Public Law 93–60, as amended, is further amended by (1) striking from subsection (b) (1) project 74–1–g, cascade uprating program, gaseous diffusion plants, the figure "$183,100,000" and substituting therefor the figure "$259,600,000"; and (2) striking from subsection (b) (2), project 74–2–c, high energy laser facility, Lawrence Livermore Laboratory, California, the figure "$20,000,000" and substituting therefor the figure "$25,000,000".

(c) Section 101 of Public Law 93–276 is amended by (1) striking from subsection (b) (1), project 75–1–a, additional facilities, high level waste handling and storage, Savannah River, South Carolina, the figure "$30,000,000" and substituting therefor the figure "$33,000,000"; (2) striking from subsection (b) (1), project 75–1–c, new waste calcining facility, Idaho Chemical Processing Plant, National Reactor Testing Station, Idaho, the figure "$20,000,000" and substituting therefor the figure "$27,500,000"; (3) striking from subsection (b) (3), project 75–3–e, addition to building 350 for safeguards analytical laboratory, Argonne National Laboratory, Illinois, the figure "$3,500,000" and substituting therefor the figure "$4,300,000"; (4) striking from subsection (b) (6), project 75–6–C, position-electron joint project, Lawrence Berkeley Laboratory and Stanford Linear Accelerator Center, the figure "$900,000" and substituting therefore the figure "$11,900,000"; and (5) striking from subsection (b) (7), project 75–7–c, intermediate-level waste management facilities, Oak Ridge National Laboratory, Tennessee, the figure "$9,500,000" and substituting therefor the figure "$10,500,000".

(d) Section 106 of Public Law 91–273, as amended, is further amended by deleting the present text thereof and substituting therefor the following:

"Sec. 106. Liquid Metal Fast Breeder Reactor Demonstration Program—Fourth Round.—(a) The Energy Research and Development Administration (ERDA) is hereby authorized to enter into cooperative arrangements with reactor manufacturers and others for participation in the research and development, design, construction, and operation of a Liquid Metal Fast Breeder Reactor powerplant, in accordance with criteria approved by the Joint Committee on Atomic Energy, without regard to the provisions of section 169 of the Atomic Energy Act of 1954, as amended. Appropriations are hereby authorized for the aforementioned cooperative arrangements as shown in the basis for arrangements as submitted in accordance with subsection (b) hereof. In addition, ERDA may agree to provide assistance in the form of waiver of use charges during the term of the cooperative arrangements without regard to the provisions of section 53 of the Atomic Energy Act, as amended, by waiving use charges in an amount not to exceed $10,000,000.

"(b) Before ERDA enters into any arrangement or amendment thereto under the authority of subsection (a) of this section, the basis for the arrangement or amendment thereto which ERDA proposes to execute (including the name of the proposed participating party or parties with whom the arrangement is to be made, a general description of the proposed powerplant, the estimated amount of cost to be incurred by ERDA and by the participating parties, and the general features of the proposed arrangement or amendment) shall be submitted to the Joint Committee on Atomic Energy, and a period of forty-five days shall elapse while Congress is in session (in computing such forty-five days, there shall be excluded the days on which either House is not in session because of adjournment for more than three days): *Provided, however,* That the Joint Committee, after having received the basis for a proposed arrangement or amendment thereto, may by resolution in writing waive the conditions of all, or any portion of, such forty-five-day period: *Provided further,* That such arrangement or amendment shall be entered into in accordance with the basis for the arrangement or amendment submitted as provided herein: *And provided further,* That no basis for arrangement need be resubmitted to the Joint Committee for the sole reason that the estimated amount of the cost to be incurred by ERDA exceeds the estimated cost previously submitted to the Joint Committee by not more than 15 per centum. Notwithstanding the foregoing, ERDA, in each of its annual budget submissions, shall submit for the information and review of the Joint Committee in the exercise of its oversight responsibility, the anticipated obligations and costs for the ensuing fiscal year for the project authorized under subsection (a) of this section.

"(c) The ERDA is hereby authorized to agree, by modification to the definitive cooperative arrangement reflecting such changes therein as it deems appropriate for such purpose, to the following: (1) to execute and deliver to the other parties to the definitive contract, the special undertakings of indemnification specified in said contract, which undertakings shall be subject to availability of appropriations to ERDA and to the provisions of section 3679 of the Revised Statutes, as amended; and (2) to acquire ownership and custody of the property constituting the Liquid Metal Fast Breeder Reactor powerplant or parts thereof, and to use, decommission, and dispose of said property, as provided for in the definitive contract."

SEC. 104. RESCISSION.—(a) Public Law 92–314, as amended, is further amended by rescinding therefrom authorization for a project, except for funds heretofore obligated, as follows:

Project 73–5–d, modifications to TREAT facility, National Reactor Testing Station, Idaho, $1,500,000.

(b) Public Law 93–60, as amended, is further amended by rescinding therefrom authorization for a project, except for funds heretofore obligated, as follows:

Project 74–3–e, modifications to TREAT facility, National Reactor Testing Station, Idaho, $2,500,000.

(c) Public Law 93–276, as amended, is further amended by rescinding therefrom authorization for a project, except for funds heretofore obligated, as follows:

Project 75–13–a, hydrothermal pilot plant, $1,000,000.

TITLE II—AUTHORIZATION OF APPROPRIATIONS FOR THE PERIOD JULY 1, 1976, THROUGH SEPTEMBER 30, 1976

SEC. 201. There is hereby authorized to be appropriated to the Energy Research and Development Administration in accordance with the provisions of section 261 of the Atomic Energy Act of 1954, as amended, section 305 of the Energy Reorganization Act of 1974, and section 16 of the Federal Nonnuclear Energy Research and Development Act of 1974:

(a) For "Operating expenses", $1,014,039,000.

(b) For "Plant and capital equipment", including construction, acquisition, or modification of facilities, including land acquisition; and acquisition and fabrication of capital equipment not related to construction, a sum of dollars equal to the total of the incremental amounts of the following:

FOSSIL ENERGY DEVELOPMENT

(1) COAL.—

Project 76–1–a, clean boiler fuel demonstration plant (A–E and long-lead procurement), $8,000,000.

SOLAR, GEOTHERMAL, AND ADVANCED ENERGY SYSTEMS DEVELOPMENT

(2) PHYSICAL RESEARCH.—

Project 76–2–a, accelerator and reactor improvements and modifications, $1,000,000.

NUCLEAR ENERGY DEVELOPMENT

(3) FUSION POWER RESEARCH AND DEVELOPMENT.—Project 76–3–a, tokamak fusion test reactor, Princeton Plasma Physics Laboratory, Plainsboro, New Jersey, $7,000,000.

(4) GENERAL PLANT PROJECTS.—$15,900,000.

(5) CONSTRUCTION PLANNING AND DESIGN.—$1,500,000.

(6) CAPITAL EQUIPMENT.—$58,926,000.

SEC. 202. LIMITATIONS.—(a) The Administration is authorized to start any project set forth in subsections 201 (b) (1), (2), and (3) only if the currently estimated cost of that project does not exceed by more than 25 per centum the estimated cost set forth for that project.

(b) The Administration is authorized to start any project under subsection 201(b) (4) only if it is in accordance with the following:

(1) The maximum currently estimated cost of any project shall be $750,000 and the maximum currently estimated cost of any building included in such project shall be $300,000: *Provided,* That the building cost limitation may be exceeded if the Administration determines that it is necessary in the interest of efficiency and economy.

(2) The total cost of all projects undertaken under subsection 201(b) (4) shall not exceed the estimated cost set forth in that subsection by more than 10 per centum.

(c) The total cost of any project undertaken under subsection 101(b) (2) and (3) shall not exceed the estimated cost set forth for that project by more than 25 per centum, unless and until additional appropriations are authorized under section 261 of the Atomic Energy Act of 1954, as amended: *Provided,* That this subsection will not apply to any project with an estimated cost less than $5,000,000.

SEC. 203. AMENDMENT OF PRIOR YEAR ACTS.—(a) Section 101 of Public Law 91–273, as amended, is further amended by striking from subsection (b)(2), project 71–1–f, process equipment modifications, gaseous diffusion plants, the figure "$473,100,000" and substituting therefor the figure "$510,100,000".

(b) Section 101 of Public Law 93–60, as amended, is further amended by striking from subsection (b)(1), project 74–1–g, cascade uprating program, gaseous diffusion plants, the figure "$259,600,000" and substituting therefor the figure "$270,400,000".

TITLE III—GENERAL PROVISIONS

SEC. 301. The Administration is authorized to perform construction design services for any Administration construction project whenever (1) such construction project has been included in a proposed authorization bill transmitted to the Congress by the Administration and (2) the Administration determines that the project is of such urgency that construction of the project should be initiated promptly upon enactment of legislation appropriating funds for its construction.

SEC. 302. Any moneys received by the Administration may be retained and used for operating expenses (except sums received from disposal of property under the Atomic Energy Community Act of 1955 and the Strategic and Critical Materials Stockpiling Act, as amended, and fees received for tests or investigations under the Act of May 16, 1910, as amended (42 U.S.C. 2301; 50 U.S.C. 98h; 30 U.S.C. 7)), notwithstanding the provisions of section 3617 of the Revised Statutes (31 U.S.C. 484), and may remain available until expended.

SEC. 303. Transfers of sums from the "Operating expenses" appropriation may be made to other agencies of the Government for the performance of the work for which the appropriation is made, and in such cases the sums so transferred may be merged with the appropriation to which transferred.

SEC. 304. When so specified in an appropriation Act, any amount appropriated for "Operating expenses" or for "Plant and capital equipment" may remain available until expended.

TITLE IV—OAK RIDGE HOLIFIELD NATIONAL LABORATORY

SEC. 401. The Holifield National Laboratory at Oak Ridge, Tennessee, shall hereafter be known and designated as the "Oak Ridge Holifield National Laboratory". Any reference in any law, map, regulation, document, record, or other paper of the United States to the Holifield National Laboratory or to the Oak Ridge National Laboratory shall be held to be reference to the "Oak Ridge Holifield National Laboratory."

The amendments of the Committee on Interior and Insular Affairs are as follows:

On page 18, at line 15, strike out

(a) For "Operating expenses", $3,476,729,000. and insert:

(a) For "Operating Expenses", for the following programs, a sum of dollars equal to the total of the following amounts:

(1) FOSSIL ENERGY DEVELOPMENT—

(A) Coal, $274,973,000.

(B) Petroleum and Natural Gas, $48,647,000.

(C) Oil Shale, $25,113,000.

(2) SOLAR ENERGY DEVELOPMENT—$96,200,000.

(3) GOETHERMAL ENERGY DEVELOPMENT.—$33,870,000.

(4) ADVANCED ENERGY SYSTEMS RESEARCH—$68,900,000.

(5) CONSERVATION RESEARCH AND DEVELOPMENT—

(A) Electric Power Transmission, $11,830,000.

(B) Advanced Automotive Power Systems, $18,000,000.

(C) Energy Storage Systems, $23,100,000.

(D) End-use Conservation, $31,000,000.

(E) Improved Conversion Efficiency, $5,000,000.

(F) Urban Waste Conversion, $30,000,000.

(6) OTHER PROGRAMS—$3,107,000 of which—

(A) $31,500,000 shall be available for general new programs in Environmental and safety Research and Scientific and Technical Education in support of Nonnuclear Energy Technologies;

(B) $18,000,000 shall be available for new programs of Physical Research in Molecular and Materials Sciences in support of Nonnuclear Energy Technologies;

(C) $3,200,000 shall be available pursuant to section 14 and section 16 of Public Law 93–577 as follows:

(i) $1,700,000 for the National Bureau of Standards;

(ii) $500,000 for the Council on Environmental Qauilty; and

(iii) $1,000,000 for the Water Resources Council.

On page 20, beginning with line 12, strike out

Fossil Energy Development

(1) Coal.

Project 76–1–a, clean boiler fuel demonstration plant (A–E and long-lead procurement), $2,000,000.

Solar, Geothermal, and Advanced Energy Systems Development

And insert:

NONNUCLEAR ENERGY DEVELOPMENT

(1) Nonnuclear Energy Development.—

Project 76–1–a, Clean boiler fuel demonstration plant (A–E and long-lead procurement), $20,000,000.

Project 76–1–b, High Btu synthetic pipeline gas demonstration plant, $20,000,000.

Project 76–1–c, Low Btu fuel gas demonstration plant, $15,000,000.

Project 76–1–d, Low Btu combined cycle demonstration plant, $5,000,000.

Project 76–1–e, Fluidized bed direct combustion demonstration plant, $13,000,000.

Project 76–1–f, Five megawatt solar thermal test facility, $5,000,000.

Project 76–1–g, Ten megawatt central receiver solar thermal powerplant, $5,000,000.

Project 76–1–h, Geothermal powerplant (steam), Raft River, Idaho (A–E and long-lead procurement), $5,000,000.

Project 76–1–i, Geothermal powerplant, Buffalo Valley, Nevada, $5,000,000.

On page 24, in line 7, strike out "$240,347,000" and insert "$245,347,000."

On page 24, beginning with line 9, insert:

SEC. 102. IN SITU OIL SHALE DEVELOPMENT.—(a) The Administrator is authorized and directed in consultation with the Secretary of the Interior to select an appropriate tract of public land for the demonstration of production of oil from shale by in situ methods.

(b) Upon selection of the tract, the Secretary shall issue a lease to the Administrator and the Administrator pursuant to the authority of the Federal Nonnuclear Energy Research and Development Act of 1974 (88 Stat. 1878; 42 U.S.C. 5901 et seq.) shall invite proposals from potential non-Federal participants to enter into a cooperative arrangement for the demonstration of in situ production of oil from shale wherein the Federal share of costs associated with the undertaking shall include the right to utilize the land included in the lease without royalties or other consideration: *Provided*, That the lease shall contain such terms and conditions for environmental protection and timely and orderly development as the Secretary shall determine to be in the public interest.

(c) The Administrator is hereby authorized to select and enter into a cooperative arrangement with an appropriate non-Federal entity for the purpose of performing necessary tests and pilot operations and ultimately for the demonstration of in situ production of oil from shale upon the tract selected pursuant to subsection (a) of this section with the objective of achieving a demonstration of a commercial-size facility capable of producing 30,000 barrels per day or more and operating as a demonstration facility for at least one year. The Administrator is authorized to transfer the lease to the non-Federal participant for continued commercial production at the conclusion of the demonstration phase: *Provided*, That such transfer shall be on such terms and conditions as the Administrator may have negotiated with the non-Federal participants.

(d) Upon selection of a cooperative arrangement pursuant to this section, the Administrator shall transmit a detailed report to the Congress describing the agreement and setting forth the schedule for the demonstration.

(e) Nothing in this section shall be construed as preventing the Secretary or the Administrator from pursuing alternative means for encouraging demonstrations of in situ production of oil from shale.

SEC. 103. LOAN GUARANTEE PROGRAM FOR SYNTHETIC FUELS.—(a) It is the purpose of this section to—

(1) assure adequate Federal support to foster a joint government and industry demonstration program capable by 1985 of producing synthetic fuels from coal and oil shale equivalent to at least one million barrels of oil per day, and to assure adequate financial support to those enterprises seeking to employ renewable energy sources to generate power or heat on a commercial scale;

(2) authorize loan guarantees for the construction and operation of commercial facilities for the conversion of domestic coal and oil shale into synthetic fuels and for the construction and operation of facilities deriving energy from renewable sources; and

(3) further the national energy policies enunciated in the Federal Nonnuclear Energy Research and Development Act of 1974 (88 Stat. 1878; 42 U.S.C. 5901 et seq.).

(b)(1) The Administrator is authorized, in accordance with the provisions of this section, section 7 of the Federal Nonnuclear Energy Research and Development Act of 1974 (88 Stat. 1878; 42 U.S.C. 5901 et seq.), and such rules and regulations as he shall prescribe, and after consultation with the Secretary of the Treasury, to guarantee and to make commitments to guarantee the payment of interest on, and the principal balance of, bonds, debentures, notes, and other obligations issued by or on behalf of any person for the purpose of financing the construction and operation of (A) commercial facilities for the conversion of domestic coal and oil shale into synthetic fuels, including but not limited to, such synthetic fuels from coal as high-Btu gaseous fuels compatible for mixture and transportation with natural gas by pipeline, low-Btu gaseous fuels suitable for boiler use in compliance with applicable environmental requirements, liquid fuels for transportation uses, and petrochemicals; and (B) facilities to generate power or heat in commercial quantities utilizing as their energy source direct solar, wind, ocean thermal gradient, bioconversion, or geothermal resources: *Provided*, That the outstanding indebtedness guaranteed under this section at no time shall exceed $6,000,000,000: *Provided, further*, That up to $2,500,000,000 of guarantees shall be available for projects to produce high-Btu gaseous fuel compatible for mixture and transportation with natural gas by pipeline.

(2) An applicant for a loan guarantee under this section shall provide evidence in writing to the Administrator in such form and with such content and other submissions as the Administrator deems necessary to reaonably protect the interests of the United States. Each guarantee and commitment of guarantee shall be extended in such form, under such terms and conditions, and pursuant to such regulations as the Administrator deems appropriate.

(3) The Administrator is authorized to approve any modification of any provision of a guarantee or a commitment to guarantee such an obligation, including the rate of interest, time of payment of interest or principal, security, or any other terms or conditions, upon a finding by the Administrator that such modification is equitable, not prejudicial to the interests of the United States, and has been consented to by the holder of such obligation.

(c) The Administrator shall guarantee or make a commitment to guarantee under subsection (b) only if—

(1) the Administrator is satisfied that competition among private entities for the construction or operation of the system or component to be assisted under this section will be in no way limited or precluded;

(2) the Secretary of the Treasury and the Administrator are satisfied that the financial assistance applied for is necessary to encourage financial participation by private lenders or investors;

(3) the amount guaranteed does not exceed 75 per centum of the total project cost of the facility assisted provided that during the period of construction the guaranteed amount may exceed 75 per centum of such project costs until the construction of the facility is completed as determined by the Administration;

(4) the Administrator has determined that there will be a continued reasonable assurance of full repayment.

(d) No guarantee or commitment to guarantee an obligation entered into by the Administrator pursuant to this section shall be terminated, canceled, or otherwise revoked, except in accordance with reasonable terms and conditions prescribed by the Administrator. Such a guarantee or commitment to guarantee shall be conclusive evidence that the underlying obligation is in compliance with the provisions of this section and that such obligation has been approved and is legal as to principal, interest, and other terms. Such a guarantee or commitment shall be valid and incontestable in the hands of a holder as of the date when the Administrator entered into the contract of guarantee or commitment to guarantee, except as to fraud, duress, mutual mistake of fact, or material misrepresentation by or involving such holder.

(e)(1) If there is a default by the obligor in any payment of interest or principal due under an obligation guaranteed by the Administrator under this section and such default has continued for sixty days, the holder of such obligation or his agents have the right to demand payment of such unpaid amount from the Administrator. Within such period as may be specified in the guarantee or related agreements, but not later than forty-five days from the date of such demand, the Administrator shall promptly pay to the obligee or his agent the unpaid interest on and unpaid principal of the obligation guaranteed by the Administrator as to which the obligor has defaulted, unless the Administrator finds that there was no default by the obligor in the payment of interest or principal or that such default has been remedied.

(2) If the Administrator makes a payment under paragraph (1) of this subsection, he shall have all rights specified in the guarantee or related agreements with respect to any security which he held with respect to the guarantee of such obligation, including, but not limited to, the authority to complete, maintain, operate, lease, sell, or otherwise dispose of any property acquired pursuant to such guarantee or related agreements.

(3) If there is a default under any guarantee or commitment to guarantee an obligation the Administrator shall notify the Attorney General. Upon such notification, the Attorney General shall take such action against the obligor or any other parties liable thereunder as is, in his discretion, necessary to protect the interests of the United States. The holder of such obligation shall make available to the United States all records and evidence necessary to prosecute any such suit.

(f)(1) The Administrator is directed to submit a report to the Congress within ninety days of enactment of this section setting forth his recommendations on the best opportunities to implement a program of Federal financial assistance with the objective of demonstrating production of the equivalent of one million barrels of oil per day by synthetic fuels processes by 1985 utilizing the authority set forth in this section and other forms of Federal assistance provided for in the Federal Nonnuclear Energy Research and Development Act of 1974 (88 Stat. 1878; 42 U.S.C. 5901 et seq.).

(2) The Administrator is directed to submit a full and complete report on each proposed guarantee or commitment to guarantee pursuant to this section to the appropriate committees of the Congress and such guarantee or commitment to guarantee shall not be finalized under the authority granted by this section prior to the expiration of ninety calendar days (not including any day on which either House of the Congress is not in session because of an adjournment of more than three calendar days to a day certain) from the date on which the Administrator's report on the proposed guarantee or commitment to guarantee is received by the Congress.

(g) There is hereby authorized such funds as necessary to carry out the purposes of this section.

On page 32, in line 1, strike out "102" and insert "104".

On page 32, in line 3, strike out "(b)" and insert "(1)".

On page 33, in line 16, strike out "103" and insert "105".

On page 37, in line 20, strike out "104" and insert "106".

On page 38, in line 20, strike out

(a) For "Operating expenses", $1,014,039,000.

And insert:

(a) For "Operating Expenses", for the following programs, a sum of dollars equal to the total of the following amounts:

(1) FOSSIL ENERGY DEVELOPMENT.—

(A) Coal, $45,175,000.

(B) Petroleum and natural gas, $13,480,000.

(C) Oil shale, $6,540,000.

(2) SOLAR ENERGY DEVELOPMENT.—$24,300,000.

(3) GEOTHERMAL ENERGY DEVELOPMENT.—$4,425,000.

(4) ADVANCED ENERGY SYSTEMS.—$15,460,000.

(5) CONSERVATION RESEARCH AND DEVELOPMENT.—

(A) Electric Power Transmission, $2,673,000.

(B) Advanced Automotive Power Systems, $4,500,000.

(C) Energy Storage Systems, $5,500,000.

(D) End-use Conservation, $8,000,000.

(E) Improved Conversion Efficiency, $1,250,000.

(F) Urban Waste Conversion, $7,500,000.

(6) OTHER PROGRAMS.—$951,308,000 of which—

(A) $7,875,000 shall be available for general new programs in Environmental and Safety Research and Scientific and Technical Education in support of Nonnuclear Energy Technologies;

(B) $4,500,000 shall be available for new programs of physical research in molecular and materials sciences in support of nonnuclear energy technologies;

(C) $800,000 shall be available pursuant to section 14 and section 16 of Public Law 93-577 as follows:

(i) $425,000 for the National Bureau of Standards;

(ii) $125,000 for the Council on Environmental Quality; and

(iii) $250,000 for the Water Resources Council.

On page 40, strike out

Fossil Energy Development

(1) Coal.

Project 67-1-a, clean boiler fuel demonstration plant (A-E and long-lead procurement), $8,000,000.

Solar, Geothermal, and Advanced Energy Systems Development

And insert:

NONNUCLEAR ENERGY DEVELOPMENT

Project 76-1-a, Clean Boiler Fuel Demonstation Plant (A-E and Long-Lead procurement), $8,000,000.

Project 76-1-b, High Btu synthetic pipeline gas demonstration plant, $5,000,000.

Project 76-1-c, Low Btu fuel gas demonstration plant, $3,750,000.

Project 76-1-d, Low Btu combined cycle demonstration plant, $1,250,000.

Project 76-1-e, Fluidized bed direct combustion demonstration plant, $3,250,000.

Project 76-1-f, Five megawatt solar thermal test facility, $1,250,000.

Project 76-1-g, Ten megawatt central receiver solar thermal powerplant, $1,250,000.

Project 76-1-h, Geothermal powerplant (steam), Raft River, Idaho (A-E and long-lead procurement), $1,250,000.

Project 76-1-i, Geothermal powerplant, Buffalo Valley, Nevada, $1,250,000.

On page 42, in line 3, strike out "$58,926,000" and insert "$60,176,000".

On page 43, beginning with line 19, insert:

SEC. 301. The Administrator, through reprograming, may increase any program prescribed in paragraphs (1)(A) through (5)(E) and 6 (A), (B), (C), inclusive, of subsection 101(a) and paragraphs (1)(A) through (5)(E) and 6 (A) (B), (C), inclusive, of subsection 201(a) and the capital equipment for the above programs as provided in section 101(b)(12) and section 201(b)(6): *Provided,* That no program may, as a result of reprograming, be decreased by more than 10 per centum: And, *provided further,* That no proposed reprograming action shall be effective unless (A) a period of fifteen legislative days has passed after the Administrator has transmitted to the President of the Senate, the Speaker of the House of Representatives, the Committee on Interior and Insular Affairs of the Senate, the Committee on Science and Technology of the House of Representatives and the Appropriations Committees of the Senate and the House of Representatives a written notice of the proposed reprograming actions, and (B) no such committee before the expiration of such period has transmitted to the Administrator written notice to the effect that such committee has objection to the proposed action.

On page 44, in line 15, strike out "301" and insert "302".

On page 44, in line 23, strike out "302" and insert "303".

On page 45, in line 8, strike out "303" and insert "304".

On page 45, in line 14, strike out "304" and insert "305".

On page 45, beginning with line 18, insert:

SEC. 306. The Administrator shall, by December 31, 1975, and by the end of each fiscal year thereafter, submit a report to the Congress detailing the extent to which small businesses and nonprofit organizations are being funded by the research, development, and demonstration programs of ERDA, and the extent to which small business involvement pursuant to section 2(d) of Public Law 93-438, the Energy Reorganization Act of 1974, is being encouraged by ERDA.

OIL DEREGULATION AND WINDFALL PROFITS TAX

AMENDMENT NO. 854

Mr. LONG addressed the Chair.

The PRESIDING OFFICER. The Senator is recognized.

Mr. LONG. Mr. President, I send to the desk a proposed amendment, which I would suggest be considered in connection with a revenue bill. It is a significant and important amendment. I regret that it does not do everything that should be done in the energy tax area. There are a great many other matters pertaining to this that the Finance Committee is still working on.

But this amendment provides a proposed tax on windfall profits which should go into effect in the event that the President vetoes the retention of the allocating program.

Mr. President, I know there are some who feel that the passage of this amendment might make it easy for the President to veto the allocation bill.

If I understand what people in politics and government say, every communication I have had from this administration indicates to me there is very little doubt about the fact that the President has felt that he has done about all he can do to compromise with the parties that might not share his view, and he is not going to have any choice but to veto the allocation bill. If that should be the case, there would be some large windfall profits to be made.

Mr. CHURCH. Mr. President, a parliamentary inquiry, just to straighten out our situation. Are we operating on limited time?

The PRESIDING OFFICER. The Senator is correct.

Mr. CHURCH. On whose time is the Senator speaking?

Mr. LONG. Mr. President, I ask unanimous consent that I may proceed for 2 minutes.

Mr. CHURCH. Very well.

The PRESIDING OFFICER. Is there objection?

Mr. CURTIS. Mr. President, reserving the right to object, will the Chair make that 5 minutes? This is a rather important matter.

Mr. HOLLINGS. Mr. President, reserving the right to object——

The PRESIDING OFFICER. The Chair has not yet announced——

Mr. HOLLINGS. Reserving the right to object, Mr. President, I have no objection to listening to the distinguished Senator from Louisiana. I would object to either taking that up or having any misunderstanding about this unanimous-consent request, other than merely listening to the Senator as he speaks, but not to take any action or any change parliamentarily that we have ERDA under consideration.

Mr. ROBERT C. BYRD. There is plenty of time on the bill.

Mr. LONG. All I ask is to talk for a couple of minutes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senator from Louisiana be permitted to speak and that the time be charged against the bill. There is plenty of time on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, I have no doubt that if the President does what every communication I have had indicates he is firmly determined to do, and that is to veto a further extension of the allocation program, then having failed in an effort to compromise with Congress, the President will call upon us to pass a windfall profits tax.

It is true that this Government does have the power to tax retroactively, but the Government has no power to compel people to keep records retroactively. It would not be to the advantage of individuals to keep the records which would support the tax. The courts have been very sympathetic to the position of a taxpayer when the Government seeks to tax him retroactively with regard to the problem of whether it can require him to keep the records upon which the tax can be assessed. That being the case, in situations such as this it is very difficult to levy a retroactive income tax.

If we are going to have the kind of confrontation that it appears we are in for, this tax should go into effect immediately upon the expiration of the allocation program. Otherwise, I do not see that the President would have any choice, upon vetoing the extension of the allocation program, but to call us back.

Mr. President, I send the amendment to the desk. It is not being offered to any particular measure. I send it to the desk and ask that it be printed.

The PRESIDING OFFICER. The amendment will be received and will be printed.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. CURTIS. The distinguished chairman has devoted a great deal of time to energy matters. The committee held hearings on the particular subject, and we were in executive session, dealing with many matters relating to energy.

Are we to understand that what now has been submitted by the chairman lifts from those proceedings only that portion dealing with the windfall profits tax?

Mr. LONG. Yes. This amendment contains only that which, in my judgment, Congress would be irresponsible to go home without doing. The President, of course, can call us back; and I have no doubt that if we do not do something of this sort, and if the President vetoes that allocation extension bill, as I am led to believe he will, then he will have no choice but to call Congress back immediately.

Mr. CURTIS. The point I want to establish in the RECORD is that as to these other matters relating to conservation, solar energy, coal, and a variety of things, the Senate will have an opportunity at a later time to work its will. But this zeros in on the windfall profits tax.

Mr. LONG. That is exactly the point. This is the one thing that would have to be done before Congress returns from its recess. It seems to me that, just by way of passing what must be done, Congress has this choice. It can take care of this matter now or, if it wants to do so, it can wait and see what the President does. Every communication I have received indicates that he is going to veto the allocation program. That being the case, it seems to me that unless we are advised that he has made some further compromise or has agreed to extend it for 60 days, or something like that, unless we have an indication that the President is going to do other than what I have been told he is going to do, that will be the situation.

Mr. HOLLINGS. Mr. President, I wonder whether I may be extended the same courtesy, to proceed for not to exceed 5 minutes, the time to be charged equally against both sides?

Mr. CHURCH. Mr. President, I ask unanimous consent that the same courtesy be extended to the distinguished Senator from South Carolina.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR

Mr. NELSON. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. HOLLINGS. I yield.

Mr. NELSON. Mr. President, I ask unanimous consent that the following staff members be accorded the privileges of the floor during consideration of and votes today on these matters:

First, Senate Resolution 218; and

Second, my resolution to establish a timetable for Senate consideration of and action on legislative proposals relating to continuing congressional oversight of government intelligence and other surveillance activities.

Raymond Calamaro and Linda Lichter of my staff; Paul Hoff, Dick Casad and Jim Davidson of the Government Operations Committee; Joel Merkel of Senator JACKSON's staff, and Bill Jackson of Senator CRANSTON's staff.

Mr. BEALL. Mr. President, will the Senator yield?

Mr. HOLLINGS. I yield.

Mr. BEALL. Mr. President, I ask unanimous consent that Ken Biederman of my staff be permitted the privilege of the floor during the consideration of and votes on the conference report of the military procurement authorization.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BARTLETT. Mr. President, I ask unanimous consent that Tom Biery of my staff have the privilege of the floor during the consideration of this bill and the amendment of the Senator from Louisiana.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senate will be in order, and Senators will take their seats. The galleries will be in order. Those in the galleries are invited guests and are asked not to converse.

Mr. HOLLINGS. Mr. President, the chairman of the Committee on Finance is to be thanked for sending the amendment to the desk to be printed, so that we can all receive copies of it.

Obviously, many of us are concerned with the struggle on energy. I was trying to get amendments prepared that would be desirable to have included in any meaningful excess profits tax measure, and up to this time all I can find to amend is a news release.

Now, hopefully, we will correct that situation.

Further, it means that what we have, in essence, the remainder of today and tomorrow to consider a very important piece of legislation. We know from hard experience that tax legislation, generally speaking, has a lot of rabbits in it. We have to study it closely if we are to find them. In essence, for example, we must make certain that the legislation has a provision with respect to excess profits. I think if we make it into a true excess profits tax, there will be a different group prolonging the discussion and extending amendments to try to change the matter or, rather, hold it up.

Let me press specifically, the subject of what the President intends. Congress has made clear its intent. Congress has spoken throughout the year, and not in a negligent fashion.

This is the first time I have had an uninterrupted 2 minutes, so I will take advantage of it by stating the fact that when the President announced his program in January and took to the highways and byways of Kansas, Atlanta, and Houston, meeting with Mayors and Governors, we in Congress listened to our constituency, just as the Governors and Mayors listened to the distinguished President, and we had a showdown vote.

While the President had taken action for an excise tax, we in Congress, on February 19, disapproved it. We took action. It was reported, of course, that the President had taken action and we had not. But in fact we had. We just did not have a sufficient number of votes to override the veto which occurred on March 6.

Be that as it may——

Mr. BARTLETT. Will the Senator yield?

Mr. HOLLINGS. I am not going to yield. I have limited time and I have yielded before and lost my time. I want to list for my colleagues what we have done with respect to energy legislation that forms the genesis of an alternative to the President's no win, high price policy. Disapproval of the excise tax was point No. 1. Repeal of the oil depletion allowance came about as point No. 2, and it saved this Government $3 billion a year. In this time of inflation and recession, here comes a Democratic Congress historically saving money for the taxpayers—$3 billion a year. Still, the oil company profits have been bigger and increasing, they continue to be greater than the year before.

Then, point No. 3, the Strip-Mining Act was enacted as part of our effort to get this country back to coal. It was vetoed, but we tried to change that; we tried twice to compromise with the President, but it has been twice vetoed.

Then there is the Standby Energy Authorities Act which is in conference. The Appliance Labeling Act is No. 5, passed by the Senate. The Automobile Fuel Economy Act is No. 6, the Strategic Reserves Act is No. 7, the Naval Petroleum

Reserves Development Act was No. 8, the coal conversion and extension of price controls legislation is No. 9 and once again was vetoed by the President. We have again passed this extension in S. 1849 in the Senate and I understand it has recently today passed the House unamended and will soon go to the President.

The Coastal Zone Amendments Act was number 11; the Offshore Drilling Act was passed at 10:30 last night, S. 521, and is No. 12.

We have No. 13, the ERDA bill, now under consideration, managed by the distinguished Senator from Idaho, and the Energy Production Mobilization Board bill will be reported out the first part of September. Last, we have passed the Railroad Rehabilitation and Industrial Conservation Act.

Now, the House has extended the Allocation Act for 6 months by passing S. 1849 by a vote of 309 to 119—an overwhelming, almost 3 to 1 vote on the House side for an extension of 6 months, an overwhelming vote on the Senate side for an extension of 6 months—not taking advantage of the President and his program and he not taking advantage of us.

In that light, if he wants to veto, this country is going to be in a fix. I believe he will not veto this extension. But the point is that we do not want, under the subterfuge of excess profits, to have a veto appear as a responsible and objective handling of the people's affairs on energy. When we come right down to it, we should not set up a ruse which puts the President in a position of saying, "Well, yes, we have taken off all controls, but I have acted responsibly since we have an excess profits tax." That would be very, very misleading, Mr. President.

Mr. DOLE. Will the Senator yield?

Mr. HOLLINGS. Yes.

Mr. DOLE. I think the time is going to be divided.

Let me ask a question and maybe the Senator from South Carolina or the Senator from Louisiana can answer it. I agree with the Senator from South Carolina that there is no realistic way we are going to pass this amendment. In the first place, there will be no time agreement on it and we are not certain when it will come up.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. DOLE. May I have 2 additional minutes?

Mr. FANNIN. I yield 2 additional minutes to the Senator from Kansas.

Mr. DOLE. I believe that the Committee on Finance, in the last 2 weeks, has spent probably a total of 25 to 35 hours trying to come up with some constructive approach to windfall profits. I ask the chairman, does he think there is any realistic possibility of this being done before we vacate the premises tomorrow evening?

Mr. LONG. Will the Senator yield?

Mr. HOLLINGS. I yield.

Mr. LONG. I am just trying to look down the road and see what will happen, because in my Navy days, they told me one thing: One ought to try to be foresighted, try to think ahead.

Trying to look at what is likely to happen, I will be very surprised if the President, as of now, does not veto the extension of the allocation program. If the President vetoes the allocation program, then, in my judgment—and I do not care what attitude one might take about the desirability of the President's continuing the allocation program, if it is vetoed and there is a confrontation as there is now on this oil problem—then the record on the Committee on Finance is that both the liberals and the conservatives, after thinking it over, have concluded that they had no choice but to go ahead and vote for an excess profits tax, because the price is going to go up from $5 to $13.

I am confident that when those who think about it, particularly those who have not been too attuned to the industry's point of view think about it, they are going to conclude that there ought to be an excess profits tax rather than to let someone make an unconscionable profit. I have no doubt that when the Senate thinks about it, such a measure will pass by a large majority. There is very little reason why conservatives or Democrats should vote against a tax to tax away unintended windfall-type profits, which will be very, very large in some cases.

Mr. DOLE. Does the Senator expect action by tomorrow evening?

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. FANNIN. I yield 3 minutes to the Senator from Kansas.

Mr. LONG. If I might just answer the question, if the Senate could just look down the road far enough, it would see that it is going to vote for a windfall tax if the windfall occurs, and I predict that it will do just that. Maybe I have just been taught to think in those terms, but I had a little experience in the Navy where one is supposed to think ahead about these things before the ship sinks.

There is no doubt in my mind that when those who have not had the same opportunity that we have had to think about it get through considering the matter, they will conclude that we really have no alternative but to pass the windfall tax. The Senate committee recommended that out by a vote of 13 to 1.

Mr. GRAVEL had a somewhat different attitude about this matter. He does not feel that that will be much in the way of windfall profits, and he explains why he has this view.

I have no doubt that the overwhelming majority of us, including several of us who have been very sympathetic to the problems of the industry and understand the problems of that industry, will vote in this ratio for a windfall profits tax. I have no doubt that, if the Senate is convinced that complete decontrol is going to happen, the Senate will vote for a windfall tax.

Mr. DOLE. Would the Senator from South Carolina join in that response?

Mr. HOLLINGS. Let me respond by saying there are two fundamental approaches to the solution of this problem. One is the indirect price approach of the President. The other is the direct approach of the majority of the Congress, and the pieces of our approach are beginning to fall into place. If we had been king for a day and if we had first passed an energy bill to oversee the direct use of energy, regulation of automobiles, fuel economy, use of natural gas under boilers, and other proposals similar to those I listed earlier, our approach would certainly have appeared as a more coherent program and everyone could have understood it better. But the fact remains that this program is on course now and will be further developed and passed, no doubt, when we return in September.

In contrast, we have already compromised into the President's programs and into the OPEC cartel's programs. We have compromised from 35 cents to 62 cents for a gallon of gas. We have compromised $2 of the President's $3 tariff program. All of this is just continuing to raise the price, hoping that indirectly it will have an effect.

But it has not worked. We are down 500,000 barrels per day in domestic refinery production, and imports are on the increase. We only plead with the President to work along with Congress on this particular extension and not callously stand up and say, "I veto; my program is working, I have a program." That is pure nonsense.

Mr. DOLE. I think the question is what are we going to do when push comes to shove?

Mr. HOLLINGS. We are right there now. Push is to shove. That is why I am standing here. I hope that we can go ahead and get the President back around to where he was last fall. He had "Whip Inflation Now" and voluntary conservation. We are trying now to write those voluntary conservation measures into the statutory law of the United States. If we can do that, then, Sylvia Porter, Gerald Ford, the National Congress by an overwhelming majority, and the people of the country are back together.

Mr. DOLE. Will the Senator from South Carolina be willing to take up the Committee on Finance proposal tomorrow?

Mr. HOLLINGS. I will be willing to discuss it, not only tomorrow but Saturday and right along, as long as the last man is here.

Mr. DOLE. I thank the Senator from South Carolina.

Mr. HOLLINGS. I thank the distinguished Senator from Kansas.

ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION APPROPRIATIONS AUTHORIZATION, 1976

The Senate continued with the consideration of the bill (S. 598) to authorize appropriations to the Energy Research and Development Administration in accordance with section 261 of the Atomic Energy Act of 1954, as amended, section 305 of the Energy Reorganization Act of 1974, and section 16 of the Federal Nonnuclear Energy Research and Development Act of 1974, and for other purposes.

Mr. CHURCH. Mr. President, I ask the Chair if the amendments of the Joint Committee on Atomic Energy and the Committee on Interior and Insular Affairs have been adopted and considered as original text for purposes of further amendment.

The PRESIDING OFFICER. They have not, as of yet, been adopted.

Mr. CHURCH. I ask unanimous consent that they be agreed to and considered as original text for the purpose of further amendment.

The PRESIDING OFFICER. Is there objection?

The Chair hears none. Without objection, the amendments are agreed to.

Mr. CHURCH. Mr. President, I ask unanimous consent that the following Interior Committee staff members be accorded the privilege of the floor during consideration of S. 598: Dan Dreyfus, Ben Yamagata, Owen Malone, Will Smith, Ben Cooper, Winfred Craft, Richard Grundy, and Bill VanNess.

The PRESIDING OFFICER. Without objection, it is so ordered.

TECHNICAL AMENDMENTS

Mr. CHURCH. Mr. President, I send to the desk a set of technical and perfecting amendments to correct discrepancies in the bill as reported and ask that they be adopted en bloc.

The PRESIDING OFFICER. Is there objection? The Chair hears none. Without objection, the amendments are considered and agreed to en bloc.

The amendments which were agreed to en bloc are as follows:

Title I, p. 19, line 13—delete "$3,107,107,000" and insert "$3,180,749,000".

Title I, p. 21, line 14—after Nevada, insert "(A–E and long-lead procurement)".

Title I, p. 27, line 14—before "or" insert "renewable energy resources".

Title II, p. 38, line 25—delete "$45,175,000" and insert "$45,200,000".

Title II, p. 39, line 1—delete "$13,480,000" and insert "$13,430,000".

Title II, p. 39, line 18—delete "$951,308,000" and insert "$967,896,000".

Title II, p. 40, line 25 and 26—make "Boiler Fuel Demonstration Plant" lower case, also make "Long-Lead" lower case.

Title II, p. 41, line 16—after Nevada, insert "(A–E and long-lead procurement)".

Title II, p. 43, line 21—change "(5)(E)" to "(5)(F)".

Title II, p. 43, line 22—change "(5)(E)" to "(5)(F)".

Mr. CHURCH. Mr. President, for the information of the Senate, it is the intention of the managers of the bill that the nuclear portion of the bill be considered first. Certain amendments are anticipated for that portion of the bill, after which the nonnuclear portion will be considered.

So I would like at this time to yield.

Mr. FANNIN. Mr. President, before that, I ask unanimous consent that the following members be granted privilege of the floor during the debate and voting on S. 598: Harrison Loesch, Fred Craft, Margaret Lane, Sunny Nixon, Tom Biery, Tom Imeson, Mike Glasmann and Nolan McKean.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHURCH. Mr. President, the distinguished Senator from New Mexico will manage the atomic portion of the bill and for that purpose I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. MONTOYA. I thank the Senator from Idaho.

Mr. President, I ask unanimous consent that Mr. Zenker of the joint committee staff be granted privilege of the floor during consideration of the bill S. 597, also George Murphy, James Graham and William Parler.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MONTOYA. Mr. President, the bill now under consideration, S. 598, would authorize appropriations for fiscal year 1976 and for the transition quarter for the Energy Research and Development Administration, otherwise known as ERDA.

I am certain that my colleagues will agree that the programs to be funded under this authorization are indeed absolutely essential to this Nation. A continuing supply of energy is vital to our economy, national defense, and general well-being. It is now widely appreciated that we need to develop new and improved energy sources in order to assure that our future needs are met. At the same time, we need to develop the technology which will permit us to make more efficient utilization of our existing resources and to conserve energy as much as possible. We are depending upon ERDA to help us meet these objectives.

The bill we are considering today includes funding for both nuclear and nonnuclear energy R. & D. programs. I am personally convinced that we need to support aggressive programs in both areas. In my view, this Nation should be working on every promising energy option that could conceivably be available to us in the 1980's and beyond. We will be far better off in the future if we have a host of options to choose from in meeting our massive energy requirements.

Since ERDA did not become operable until early this year, its initial budget request essentially just represented a combination of several predecessor agency requests. Thus, it has been necessary—particularly in the nonnuclear areas—to make recommendations for certain adjustments in the request—primarily to intensify the nonnuclear efforts. I fully support the move in this direction and specifically agree with the recommendations made by my colleagues on the Senate Interior Committee. I am particularly pleased to see that work on solar energy is to be substantially expanded.

It was the overall conclusion of the Joint Committee that the administration's authorization requests for the nuclear programs of ERDA were generally adequate. The committee believes that the funds it has recommended be provided to ERDA will permit the continuation of vigorous nuclear programs—both in the civilian and national security areas. By letter dated July 25, 1975, ERDA requested that certain adjustments be made in the funding for several of the nuclear programs. I will have more to say about this at a later point in today's discussion.

The major nuclear programs which will be supported under this authorization are as follows:

Physical Research.—Basic research—through accelerators and other facilities—which is aimed at better understanding the nature of the material making up the universe.

Fusion Research.—Development effort directed towards the attainment of safe and economic controlled fusion energy—involving the fusing together of light atoms at very high temperatures.

Fission Research.—The development of advanced reactors—such as the LMFBR, HTGR, molten salt breeder—which will permit vastly increased utilization of our nuclear fuel resources—uranium and thorium.

Nuclear Materials.—The program which will assure that this country has sufficient enriched uranium to fuel our Nation's civilian power reactors in the years ahead.

National Security.—The program which will enable the United States to continue to maintain a nuclear weapons capability to serve as a deterrent against possible enemy attack. This program also supports a strong effort on laser-fusion—an alternate approach for achieving a practical fusion reaction for civilian use.

Environmental and Safety Research.—The program which assures that the nuclear efforts are carried out in a safe and environmentally acceptable manner. Work is also included under this category on the artificial heart and nuclear medicine.

These are all important activities which deserve the continuing support of the Congress.

Let me take a few moments to point out the major areas where the Joint Committee recommended in its report on S. 598 (No. 94–104) that increases be provided for the programs under our jurisdiction.

A total increase of $89.4 million was recommended for fusion, of which $76.6 million is for the magnetic confinement fusion program and $12.8 million is for the laser fusion program. These increases would allow ERDA to expand its efforts in this important energy R. & D. endeavor.

The committee also recommended a total increase of $8.3 million for R. & D. on the safeguarding of weapons and the security of nuclear materials.

In order that the artificial heart program might continue, the committee recommended an increase to the ERDA budget of $4.4 million, since the ERDA budget request did not include any funds for this very worthwhile program.

Another project which the committee considers to be worthwhile is the positron-electron joint project, which would provide for construction of an electron-positron ring, storing particles up to 15-billion electron volts energy circulating in opposite directions. The committee believes that this project will provide a powerful new tool for detailed study of the weak interactions which are expected in electron-positron collisions. Accordingly, we recommend that $11 million for this project be added to ERDA's budget request.

As indicated earlier, the committee has just received by letter dated July 25, an administration request to amend its fiscal year 1976 budget. This involves changes to a number of ERDA's nuclear programs. A statement explaining these changes—as modified by the committee—along with amendments which will implement the changes, will be made at the appropriate time.

These are the highlights of the nuclear portions of the ERDA bill, as reported out by the Joint Committee. The committee conducted a very thorough review of the budget request, and believes that the bill reported out provided for the minimum authorization necessary to carry out the ERDA's nuclear programs. It was reported out without dissent by either House or Senate members of the Committee, and I urge its favorable consideration.

Now, Mr. President, I would like to make a statement, and I yield myself such time as I may consume, concerning the committee amendments which become necessary by virtue of the revised budget request.

As I stated before in my opening statement on the bill, on July 25, 1975, ERDA submitted to the Congress a proposed budget amendment which requests increases in the ERDA budget as originally submitted to the Congress on February 4, 1975. The net effect of the ERDA's proposed amendment on S. 598 as reported out by the Joint Committee on May 6, 1975, would be an increase of $142.2 million for fiscal year 1976 and an increase of $12.7 million for the transition quarter.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point ERDA's amendment as proposed in Dr. Seaman's letter dated July 25, 1975, and related material.

There being no objection, ERDA's proposed amendment and related material were ordered to be printed in the RECORD, as follows:

U.S. ENERGY RESEARCH AND
DEVELOPMENT ADMINISTRATION,
Washington, D.C. July 25, 1975.

Hon. JOHN O. PASTORE,
Chairman, Joint Committee on Atomic Energy, Congress of the United States.

DEAR MR. CHAIRMAN: On July 21, 1975 the President submitted to Congress for its consideration, amendments to the Energy Research and Development Administration's budget for the fiscal year 1976 and the transition period, July 1, 1976 through September 30, 1976. The amendments request appropriations in the amount of $279,100,000 for fiscal year 1976, of which $220,250,000 is for "Operating Expenses" and $58,850,000 is for "Plant and Capital Equipment". The amendments also request $44,400,000 for the transition period, of which $41,100,000 is for "Operating Expenses" and $3,300,000 is for "Plant and Capital Equipment".

The enclosures to this letter summarize the effects of these amendments on ERDA's programs and show the changes being requested as compared to the original budget submitted to Congress. Detailed justification material are being provided separately to your committee.

These proposed amendments are for necessary additional funding to ensure a strong, balanced energy research and development program to improve safeguards for nuclear weapons and materials, to maintain uranium enrichment production levels, and to provide for new contractual arrangements for uranium enrichment customers. The energy portion of the requested amendments reflects ERDA's reconsideration of the 1976 budget in connection with its development of the energy research and development plan requested by Congress.

We would appreciate your early consideration of our request. Please let us know if you should require any additional information.

Sincerely,

ROBERT F. FRI,
Deputy Administrator.

ENCLOSURE 1

SUMMARY OF ACCRUED OPERATING COSTS BY PROGRAM RECONCILED TO NET OBLIGATIONS

[In thousands of dollars]

	Fiscal year 1976			Transition period		
	Previous estimate to Congress	Amendment	Amended estimate to Congress	Previous estimate to Congress	Amendment	Amended estimate to Congress
Fossil energy development	311, 267	12, 400	323, 667	55, 830	3, 700	59, 530
Coal	279, 473	4, 900	284, 373	46, 300	1, 300	47, 600
Petroleum and natural gas	23, 647	4, 700	28, 347	7, 230	1, 400	8, 730
Oil shale	8, 147	2, 800	10, 947	2, 300	900	3, 200
Solar, geothermal, and advanced energy systems development	421, 143	22, 410	443, 553	101, 730	6, 892	108, 622
Solar energy development	57, 100	9, 600	66, 700	14, 500	2, 900	17, 400
Geothermal energy development	28, 370	2, 800	31, 170	3, 050	800	3, 850
Advanced energy systems research	23, 173	9, 900	33, 073	3, 880	3, 150	7, 030
Physical research	312, 500	110	312, 610	80, 300	42	80, 342
Conservation research and development	32, 170	18, 000	50, 170	7, 883	5, 217	13, 100
Electric energy systems	11, 830	4, 170	16, 000	2, 673	1, 427	4, 100
Industry conservation	1, 200	800	2, 000	400	100	500
Buildings conservation	1, 200	3, 500	4, 700	400	800	1, 200
Transportation	8, 240	1, 760	10, 000	2, 060	640	2, 700
Cross-sectoral conservation	9, 700	7, 770	17, 470	2, 350	2, 250	4, 600
Nuclear energy development	1, 633, 915	106, 956	1, 740, 871	472, 439	7, 141	479, 580
Fusion power R. & D.	120, 000	0	120, 000	37, 000	0	37, 000
Fission power reactor development	443, 675	—37, 216	406, 459	130, 745	—19,157	111, 588
Naval reactor development	186, 200	0	186, 200	52, 900	0	52, 900
Space nuclear systems	30, 900	0	30, 900	8, 000	0	8, 000
Nuclear materials	828, 940	142, 772	971, 712	236, 494	25, 898	262, 392
Advanced isotope separation technology	24, 200	1, 400	25, 600	7, 300	400	7, 700
National security	938, 460	12, 734	951, 194	242, 031	3, 672	245, 703
Weapons	873, 515	1, 734	875, 249	223, 925	672	224, 597
Laser fusion	54, 000	10, 000	64, 000	15, 100	3, 000	18, 100
Nuclear materials security	10, 945	1, 000	11, 945	3, 006	0	3, 006
Environmental and safety research	197, 675	4, 000	201, 675	52, 000	1, 300	53, 300
Biomedical and environmental	156, 515	0	156, 515	40, 500	0	40, 500
Waste management	36, 000	4, 000	40, 000	10, 100	1, 300	11, 400
Operational safety	5, 160	0	5, 160	1, 400	0	1, 400
Program support	200, 018	11, 150	211, 168	52, 488	3, 078	55, 566
Program direction	168, 614	11, 150	179, 764	44, 547	3, 078	47, 625
Community operations	7, 650	0	7, 650	1, 914	0	1, 914
Security investigations	12, 290	0	12, 290	2, 825	0	2, 686
Information services	9, 480	0	9, 480	2, 686	0	2, 825
EEO assigned facilities	1, 984	0	1, 984	516	0	516
Cost of work for others	12, 660	0	12, 660	3, 095	0	3, 095
Other costs and credits	0	0	0	0	0	0
Total accrued costs—Direct program	3, 747, 308	187, 650	3, 934, 958	987, 496	31, 000	1, 018, 496
Increase or decrease in selected resources	332, 349	49, 100	381, 449	124, 505	27, 800	152, 305
Total obligations for direct program	4, 079, 657	236, 750	4, 316, 407	1, 112, 001	58, 800	1, 170, 801
Less revenues applied	—675, 670	—16, 500	—692, 170	—94, 700	—17, 700	—112, 400
Net obligations (financed by appropriated funds)	3, 403, 987	220, 250	3, 624, 237	1, 017, 301	41, 100	1, 058, 401

ENCLOSURE 2

SUMMARY OF PLANT AND CAPITAL EQUIPMENT OBLIGATIONS BY PROGRAM

[In thousands of dollars]

	Fiscal year 1976			Transition period		
	Previous estimate to Congress	Amendment	Amended estimate to Congress	Previous estimate to Congress	Amendment	Amended estimate to Congress
Fossil energy development	20,425	0	20,425	8,200	0	8,200
Coal	20,000	0	20,000	8,000	0	8,000
Petroleum and natural gas	100	0	100	100	0	100
Oil shale	325	0	325	100	0	100
Solar, geothermal, and advanced energy systems development	54,720	6,500	61,220	10,925	0	10,925
Solar energy development	0	0	0	0	0	0
Geothermal energy development	620	0	620	200	0	200
Advanced energy systems research	0	0	0	0	0	0
Physical research	54,100	6,500	60,600	10,725	0	10,725
Conservation research and development	2,450	900	3,350	500	240	740
Electric energy systems	1,700	300	2,000	200	280	480
Industry conservation	0	0	0	0	0	0
Buildings conservation	0	0	0	0	0	0
Transportation	0	400	400	0	40	40
Cross-sectoral conservation	750	200	950	300	−80	220
Nuclear energy development	609,850	31,200	641,050	130,950	2,500	133,450
Fusion power R. & D.	24,200	20,500	44,700	7,350	2,500	9,850
Fission power reactor development	159,500	0	159,500	12,100	0	12,100
Naval reactor development	14,700	0	14,700	2,000	0	2,000
Space nuclear systems	2,600	0	2,600	650	0	650
Nuclear materials	405,650	10,700	416,350	108,050	0	108,050
Advanced isotope separation technology	3,200	0	3,200	800	0	800
National security	163,320	19,600	182,920	30,181	500	30,681
Weapons	146,200	15,600	161,800	28,370	0	28,370
Laser fusion	14,100	4,000	18,100	1,200	500	1,700
Nuclear explosives applications	0	0	0	0	0	0
Nuclear materials security	3,020	0	3,020	611	0	611
Environmental and safety research	28,300	0	28,300	5,050	0	5,050
Biomedical and environmental research	17,550	0	17,550	3,640	0	3,640
Waste management	9,870	0	9,870	1,190	0	1,190
Operational safety	880	0	880	220	0	220
Program support	4,652	650	5,302	1,170	60	1,230
Program direction	3,902	650	4,552	1,040	60	1,100
Community operations	0	0	0	0	0	0
Security investigations	0	0	0	0	0	0
Information services	750	0	750	130	0	130
EEO assigned facilities	0	0	0	0	0	0
Construction planning and design	6,000	0	6,000	1,500	0	1,500
Total obligations	889,717	58,850	948,567	188,476	3,300	191,776

CHANGES REQUIRED IN CONSTRUCTION PROJECT AUTHORIZATIONS

1. Projects previously included in the original request to Congress.

FISCAL YEAR 1976

Project 76-3-a, tokamak fusion test reactor (A-E and long-lead procurement), Princeton Plasma Physics Laboratory, Plainsboro, New Jersey, $7,500,000 is changed to read:

Project 76-3-a, tokamak fusion test reactor, Princeton Plasma Physics Laboratory, Plainsboro, New Jersey, $23,000,000.

TRANSITION PERIOD

Project 76-3-a, tokamak fusion test reactor (A-E and long-lead procurement), Princeton Plasma Physics Laboratory, Plainsboro, New Jersey, $3,000,000 is changed to read:

Project 76-3-a, tokamak fusion test reactor, Princeton Plasma Physics Laboratory, Plainsboro, New Jersey, $5,500,000.

2. New Projects not included in the original request to Congress requiring authorization.

Project 76-3-b, rotating target neutron source, Lawrence Livermore Laboratory, California, $5,000,000.

Project 76-7-d, water control and recycle project, Rocky Flats, Colorado, $3,100,000.

Project 76-13, safeguards and security upgrading, various locations, $32,800,000.

3. Additional projects to be rescinded previously authorized under Public Law 93-276.

Project 75-5-e, high temperature gas reactor fuel reprocessing facility, National Reactor Testing Station, Idaho, $10,100,000.

Project 75-5-f, high temperature gas reactor fuel refabrication pilot plant, Oak Ridge National Laboratory, Tennessee, $3,000,000.

ERDA BUDGET AMENDMENT—OPERATING EXPENSES AND CAPITAL EQUIPMENT

[In thousands of dollars,

	Operating		Capital equipment	
	1976	Transition	1976	Transition
ERDA request:				
Laser fusion	5,300	3,000		
Light water technology	7,000	2,500		
Nuclear materials:				
Nuclear fuel cycle R. & D	16,600	5,700		
Conceptual design	10,000	3,400		
Process development	8,000	2,900		
Advanced isotope separation	1,900	600		
Program support	11,150	3,078	650	60
Waste management	5,300	1,700		
Cascade power	99,500			
Safeguards	1,366	528		
Total	166,116	23,406	650	60
Less: Reduction to LMFBR program	−60,500	−10,700		
Total, ERDA request	105,616	12,706	650	60
Plus: Proposed committee add-ons:				
Light water breeder reactor	8,000			
Molten salt breeder reactor	1,000	400		
Net Authorization	114,616	13,106	650	60

Mr. MONTOYA. Mr. President, the budget amendment was not unexpected in view of the fact that the joint committee's report on the ERDA authorization preceded the overall energy research and development plan which the Administration of ERDA, as required by law, submitted to the Congress on June 30, 1975. Most of the increases in the proposed amendment relate to programs which were considered and, in some instances were emphasized, by the committee during the authorization hearings. The increases are primarily in the areas of:

First, increased electrical power costs for the operation of the gaseous diffusion plants—$99.5 million.

Second, upgrading the safeguards for the protection of special nuclear materials—$38.1 million.

Third, expanded research and development program, particularly as related to the nuclear fuel cycle and light water reactor technology—$128.8 million.

The increases are partially offset by a $71.2 million reduction in the liquid metal fast breeder reactor program. Most of these increases are noncontroversial and, indeed, are needed by ERDA.

Accordingly, I will offer the necessary amendments to S. 598 to cover the increases which the joint committee believes should be made. An item which is being deleted from the proposed amendment is $4 million in fiscal year 1976 and $1.3 million in the transition period for conceptual design efforts related to a proposal for a private uranium enrichment facility. Mr. President, the administration has sought in a separate legislative message which has been introduced by request as S. 2035, specific authority to provide governmental assurances to provide enterprise seeking to construct and operate uranium enrichment facilities. The committee has already begun the process of carefully and exhaustively evaluating that legislative request. In view of that fact, no funds should be used to contract for conceptual design work with any one of the prospective private participants. It would certainly seem premature to include in the authorization, funds which are earmarked specifically for private entry into the uranium enrichment business.

The committee recommends that the funds be used instead for research and development on the reprocessing of used nuclear fuel from commercial power reactors as well as any other research and development which, independent of private entry into the uranium enrichment business, is needed to provide now for the contingency that the initial additional uranium enrichment capacity will have to be provided by the Government.

It is noted that the ERDA amendment does not include two increases, which ERDA sought to be included, but which were overruled by OMB. These are an increase of $1.4 million for the molten salt breeder reactor program and $8 million for the light water breeder reactor program. The committee believes that these modest increases should be made in these backup breeder programs.

Mr. President, the ERDA proposed budget amendment will require that amendments be offered to various sections in S. 598 because funds for operating expenses, capital equipment and line item construction projects are involved. I ask unanimous consent that these amendments be considered en bloc.

Mr. JACKSON. Mr. President, the bill now before the Senate is, without question, one of the most important measures the Senate will consider in this session of the Congress.

S. 598 is the first annual authorization bill for the new Energy Research and Development Administration. As the Senate knows, ERDA was established by the Energy Reorganization Act of 1974. The purpose of that act was to reorganize the Federal Government's energy research and development programs—to end the fragmentation and duplication of effort that characterized those programs when they were distributed throughout the bureaucracy—in the Department of the Interior, the Atomic Energy Commission, the National Science Foundation, NASA, and the Department of Housing and Urban Development.

Under the Energy Reorganization Act, ERDA is now responsible for the nuclear research and nuclear weapons programs formerly administered by the old Atomic Energy Commission. In addition, the new agency has the leadership role in implementing the broad array of nonnuclear energy research programs enacted in the 93d Congress: the Nonnuclear Energy Research and Development Act of 1974, the Solar Energy Research, Development and Demonstration Act of 1974, the Solar Energy Heating and Cooling Demonstration Act of 1974, and the Geothermal Energy Research, Development and Demonstration Act of 1974.

This impressive body of legislation demonstrates the Congress' commitment and determination to advance our Federal energy research and development programs on all fronts, to accelerate the development and demonstration of new, environmentally acceptable alternative energy sources; to advance the Nation toward the goal of domestic energy self-sufficiency, and to hasten the day when we can be rid of our present undue reliance on unreliable foreign sources of essential energy supplies.

Briefly stated, ERDA's mandate and challenge is to provide the Nation the new and advanced energy technologies we so sorely need to meet our present and increasing energy requirements—and assure the prosperity and national security of future generations of Americans. The new agency's mission is to improve upon existing energy technologies, to explore new energy sources and new energy technologies; to develop new technology, and to demonstrate the economic viability of alternative energy sources.

So, the ERDA mission—Mr. President—is, without question, of overriding importance. The eyes of the Congress and the eyes of the Nation will be on the agency as it moves ahead with its critically important job.

As I have said, ERDA is responsible for both our nuclear and nonnuclear energy research programs. The agency is also responsible for our nuclear weapons program. The present authorization bill contains funding for all of these programs.

Because of this program mix, when it was introduced in February, the bill was jointly referred to the Joint Committee on Atomic Energy and the Committee on Interior and Insular Affairs. The Joint Committee considered the administration's requests as they relate the ERDA's nuclear research and weapons programs. The bill's recommendations in those areas are the work of the Joint Committee. The Senate Interior Committee has jurisdiction over ERDA's nonnuclear energy research and development programs: the fossil, solar, geothermal, and advanced energy systems research. The Interior Committee's actions on the bill apply only to the nonnuclear programs, and the committee expresses neither approval nor disapproval of those parts of the bill over which it has no jurisdiction.

Overall, S. 598 authorizes $4,736,107,000 for ERDA's nuclear and nonnuclear programs for fiscal year 1976, an increase of $448,653,000 above the administration request, and $1,242,312,000 for the transition period, an increase of $112,135,000 above the administration request.

Major increases are recommended in the nonnuclear research, development, and demonstration programs, which are the responsibility of the Interior Committee. The total increase for the nonnuclear R. & D. programs for fiscal year 1976 amounts to $448,653,000. The corresponding increase for the transition period totals $112,135,000. The recommended changes are large, but so is the nonnuclear energy R. & D. job ahead. As I have said they demonstrate the Interior Committee's determination to see to it that our nonnuclear energy R. & D. programs are moved ahead as rapidly as possible—and with a sense of urgency.

I want to highlight some of the major increases and other changes in the bill recommended by the Interior Committee. For fossil energy development, which includes programs in coal, oil and gas, and oil shale R. & D., the administration's request of $311,267,000 for operating expenses has been increased to $348,733,000, an increase of $37,466,000. The administration's request for $9,000,000 for plant and capital equipment expenditures in fiscal year 1976 has been increased by $53,000,000 to provide funding for four additional coal demonstration plants—instead of the single project requested by the administration. The committee's action increases the coal R. & D. program by more than 90 million dollars—$90,466,000.

In the very popular and highly promising area of solar energy R. & D., the administration request for $57,100,000 in operating expenses has been increased to $96,200,000, an increase of $39,100,000, or almost 70 percent. In addition, the committee has recommended $10 million for plant and capital equipment expenditures in fiscal year 1976 to hasten the construction of two solar thermal projects that have as their goal the generation of electric power using solar heat.

The committee's increases have been designed to strengthen and accelerate the national solar heating and cooling demonstration program that is now getting underway, the solar thermal program for the generation of electric power, the solar cell—photovoltaic—research program, wind energy conversion research, the bioconversion program, and the ocean thermal conversion program. Increases have been recommended across-the-board and in amounts that can be applied effectively over the remainder of this fiscal year by ERDA to advance its solar programs.

The geothermal authorization request of $28,370,000 has been increased by $5,500,000 in operating expense money and by $10,000,000 in plant and capital equipment funding to accelerate demonstration projects. Geothermal has been too long in the analysis and design stage. It is time to move it out of the laboratory and to demonstrate electric power generation in the field. That is the thrust of the committee's action.

Funding for work on advanced energy systems such as MHD—magnetohydrodynamics—and fuel cells has been greatly increased. The administration request for $23,173,000 has been increased to $68,900,000. The Government's treatment of these admittedly high risk, but very promising technologies has bordered on neglect. It is time for the government to mount aggressive programs in MHD and fuel cells—to provide the wherewithal for evaluating and demonstrating their potential. If these technologies can be economically harnessed the benefits to the Nation would be enormous.

Finally, the conservation research and development budget requested by the administration has been dramatically increased from $32,170,000 to $118,930,000—an additional $86,760,000.

Mr. President, these are the highlights of the Interior Committee's budgetary recommendations. Overall, the committee recommends operating expense increases more than 30 percent above the administration request, and a plant and capital equipment authorization almost double that requested by the administration. Comparable pro rata increases have been recommended for the transition period.

Outside the budgetary area the committee recommends other actions designed to accelerate demonstration projects in situ oil shale recovery and in the commercial-scale recovery of synthetic fuels from coal, oil shale, and nonconventional energy sources.

The bill has been amended by the committee to authorize a cooperative venture by ERDA, the Secretary of the Interior, and private industry, to demonstrate in situ oil shale recovery on selected Federal oil shale land.

The bill also includes a committtee amendment originated by the distinguished senior Senator from West Virginia, sponsored in committee by myself—to authorize the ERDA Administrator to establish a Federal loan guarantee program to stimulate the commercial-scale demonstration of synthetic fuels from coal, oil shale, and unconventional energy sources.

In his state of the Union message in January, President Ford proposed a national synthetic fuels commercialization program capable of producing 1 million barrels per day of coal-derived and oil shale fuels by 1985. Subsequently, Senator PASTORE's ad hoc committee to the Senate Democratic Conference called for a similar program to demonstrate the commercial recovery of synthetic fuels from coal. Senator RANDOLPH moved to make such a program a reality earlier this month when he introduced S. 2066—the Synthetic Fuels Act of 1975. The bill proposed a program of loan guarantees to facilitate the capital investment needed to advance commercial-size, coal-derived synthetic fuel enterprises. At that time, the bill was characterized by Senator RANDOLPH as "the single most important action that can be taken by the Federal Government to expedite the commercial development of a domestic synthetic fuels industry." I agree—and was pleased to cosponsor S. 2066.

As incorporated in this ERDA authorization bill, Senator RANDOLPH's bill has been broadened by the committee to embrace oil shale and solar and geothermal demonstration projects as well as coal-related projects.

Under the amendment, the ERDA Administrator is authorized to guarantee and to make commitments to guarantee the payment of interest and the principal on bonds, notes, and other obligations issued to finance the construction and operation of commercial synthetic fuel projects, including coal gasification and liquifaction plants, and oil shale recovery plants. The aggregate of guarantees outstanding at any one time would be limited to $6 billion, of which $2.5 billion would be earmarked for high-Btu coal gasification projects for the production of fuels compatible for mixture and transportation with natural gas by pipeline. The guarantee for any one project would be limited to not more than 75 percent of the project cost. In order to assure proper congressional oversight of the program, the amendment requires that ERDA submit a report to the appropriate committees of the Congress on each proposed guarantee or commitment to guarantee. ERDA's final action would be deferred for 90 days after the submission of its report to afford the Congress an opportunity to disapprove of the project—if that action is indicated.

I am satisfied, Mr. President, that the committee's amendment is soundly conceived and well structured. And I am convinced that this kind of Federal assistance is absolutely essential to launch a synthetic fuel industry in the United States. The technology for synthetic fuels production exists today and is ready for commercial demonstration. The barrier is an economic one. Capital is not available at reasonable interest rates to launch our synthetic fuels industry. The production by 1985 of the synthetic fuels equivalent of 1 million barrels of oil per day will require a capital investment over the next 5 to 7 years of about $20 billion. The marketplace does not now provide sufficient incentives for this kind of outlay for a pioneer industry. It is up to the Government to provide that incentive. The present loan guarantee amendment is well designed to do just that. I commend Senator RANDOLPH for his initiative and am pleased that the Interior Committee has included this feature in the hill.

Finally, Mr. President, I want to note that within the Interior Committee this bill has been the responsibility of the Subcommittee on Energy Research and Water Resources under the very able chairmanship of our distinguished colleague from Idaho, Senator FRANK CHURCH. I want to congratulate Senator CHURCH and Senator MARK HATFIELD, the ranking minority member of the subcommittee—and all of the members of the subcommittee for a job well done. Under Senator CHURCH's leadership the subcommittee worked diligently to fashion a set of ERDA authorizations designed to provide the Nation an aggressive, well-balanced energy research and development in fiscal year 1976. They have done their work well, and I commend them for it.

This bill is also a bipartisan effort of the Interior Committee. It represents a cooperative effort of both the majority and minority. There can be nothing partisan about the need to accelerate the Nation's energy research and development programs as we strive to achieve domestic energy independence. My good friend Senator PAUL FANNIN, the ranking minority member of the committee and all members on the minority side contributed greatly to the committee's work on this bill. I want to commend them for their efforts and thank them for their support.

S. 598 was reported unanimously by the Interior Committee. It is a good bill and I urge the Senate to accept its committee's recommendations.

Mr. BENTSEN. Mr. President, I am very pleased that the legislation now before the Senate, S. 598, includes a Federal loan guarantee program for the commercial development of new and alternative energy sources.

Senator RANDOLPH and I have been advocating this approach for many months. I first introduced this proposal last March as a part of S. 973. In fact, just last week the Senate Finance Committee approved my proposal as part of the energy-tax bill, H.R. 6860, which the committee is presently marking up.

I now join Senator RANDOLPH in urging swift congressional approval of loan guarantees for alternative energy sources.

Any comprehensive energy program must focus both on increasing domestic energy supplies and decreasing wasteful use of energy. Traditional fuels such as oil, natural gas and coal are our primary source of energy and they will be for some years to come. But we must develop new alternative domestic sources of energy to meet our future needs and reduce our reliance on foreign sources of oil. We need an all-out program, with both private and public participation, to produce energy from alternative sources.

The United States has large supplies of coal and oil shale as well as a nondepleting supply of municipal and agricultural wastes. Solar energy is an inexhaustible energy source. Our enormous coal reserves can be converted into synthetic gas or oil which are both in short supply. Oil shale is a potentially vast source of oil. Municipal and agricultural organic wastes can be converted into such useful fuels as methane and methanol and this waste conversion also helps solve the extremely serious solid waste disposal problem facing municipalities across our country.

The technology currently exists to produce synthetic fuels but this technology will remain in the pilot stages for many years unless there is an effective national program to encourage commercial-size development. A potentially vast source of energy will be unnecessarily denied to the American people unless commercial demonstration projects are launched soon to determine the economic and environmental feasibility of the various synthetic fuel technologies.

It takes a tremendous capital outlay to construct a commercial synthetic fuels plant such as for coal gasification. Private companies are understandably reluctant to commit the enormous investments for these projects because of one threat. The Middle Eastern countries now set an arbitrarily high price for their oil but their cost of oil production is still low.

Anytime they wish they could indulge in price wars to destroy all competitors who had financed alternate sources of energy. Synthetic fuels could be made uncompetitive at the whim of foreign governments. Potential investors are concerned that years from now some foreign nations, which can produce oil for as little as 20 cents a barrel, may again sell petroleum to the United States at levels so low they would simply price synthetic fuels out of the market and bankrupt those who had invested in such facilities. This proposal for a loan guarantee program would simply help spread the risk of these investments which are so important to achieving long term self-sufficiency in energy.

There is substantial precedent for Federal loan guarantee programs, dating back as far as the Reconstruction Finance Corporation in 1932. Since then a wide variety of Federal laws have authorized loan guarantees for such sectors of the economy as our railroads, the merchant marine, hospitals, new communities and financially troubled corporations. Last year the Congress approved a Federal loan guarantee program in conjunction with the community adjustment assistance program of the trade bill.

Perhaps the best example of Government assistance for the development of a synthetic material involves the highly successful Government program during World War II, for the emergency development of synthetic rubber. Prior to World War II, the United States was almost entirely dependent on Far Eastern natural rubber. In June, 1940, the President declared rubber a strategic and critical material and a Government program was initiated to produce synthetic rubber. During the war several dozen plants were established capable of producing about 1 million long tons of synthetic rubber a year. The Government owned the synthetic rubber plants and operated them through contracts with private companies. After the war, these plants were gradually sold to private enterprise.

A Federal loan guarantee program for new energy sources would not represent any direct financial outlays by the Federal Government. It would provide loan guarantees to encourage companies to embark on expensive energy development projects by offering them protection against Arab-created price fluctuations.

I think it is important that Government assist private industry in meeting the enormous costs of developing synthetic fuels because the support is not going to come from anywhere else.

A fledgling synthetic fuels industry could be destroyed overnight by substantial price cuts by the oil-producing nations. Price uncertainty will continue to be a major deterrent to private investment in novel alternative U.S. energy sources so long as there is uncertainty over the long-term energy situation. Loan guarantees would help encourage the production of these synthetic fuels by spreading the risk of investment. However, the proposal also recognizes that we cannot develop a viable synthetic fuel industry unless private companies retain some of the risk and some of the incentives for efficiency and the adoption of cost-effective technologies. That is why the companies themselves would generally have to come up with 25 percent of the cost. And, when you are dealing with large sums of money—that will insure the cost effectiveness.

This Federal loan guarantee program can help assure the development of alternative domestic energy at reasonable prices by helping private industry obtain financing at reasonable interest rates. The cost of producing synthetic fuels involves primarily the cost of financing expensive facilities. The loan guarantee program will enable companies to obtain loans at lower interest rates and the lower financing costs will translate directly into cheaper prices to the consumer for synthetic fuels.

One important application of this loan guarantee program, where it is environmentally feasible, would be coal gasification—the conversion of coal into synthetic gas.

Our natural gas shortage translates into plant shutdowns, lost jobs, brownouts and blackouts. During the relatively mild winter just past, U.S. interstate pipelines fell roughly 11 percent short of contracted deliveries to industry. In National Petroleum Council studies even the most optimistic assumptions project that demand for natural gas will reach 39 trillion cubic feet in 10 years with U.S. production hitting only 32 trillion.

The conversion of coal, which is an abundant domestic energy source, to synthetic gas can help replace critically scarce natural gas over the long term.

We are the Saudi Arabia of the world when it comes to coal reserves. According to the National Academy of Sciences there are 3.3 trillion tons of coal in proved reserves and undiscovered resources in the United States. And the technology already exists to convert this coal into a sulfur-free natural gas—into the energy equivalent of 12 trillion barrels of oil. The big problem is making this process economically and environmentally feasible. We must make every effort to overcome these obstacles, but it will take money.

With existing technology, coal can be converted to medium Btu gas, for example, to help fuel the heavy industries, electric utilities, chemical and fertilizer plants which now consume two-thirds of all natural gas. This in turn would release huge supplies of scarce natural gas for commercial and residential use.

Another promising use of loan guarantees is the conversion of organic solid waste into fuel. This is still highly experimental but one EPA report predicts that the process of converting organic solid waste into energy could be producing the equivalent of several hundred thousand barrels of oil per day by 1980. It would also save cities across the country large sums currently spent on municipal waste disposal which is rapidly becoming one of the most serious problems facing municipalities across the Nation.

Officials in the city of Seattle, for example, indicate that their plans to convert solid waste into methanol or ammonia on a commercial scale would be greatly accelerated if loan guarantees were made available to the private companies that will undertake the solid waste conversion projects.

In conclusion, Mr. President, enactment of this loan guarantee program would help determine the economic and environmental feasibility of commercial-scale development of new and alternative energy sources.

Mr. JACKSON. Mr. President, as we have discussed, it is my understanding that the ERDA's fiscal year 1976 budget includes an estimated increase in revenues of $30 million from sales of steam from the nuclear reactor in Hanford to the Washington Public Power Supply System. The existing contract between ERDA and the supply system provides for a steam payment of $22.5 million a year. This contract expires in the fall of 1977. ERDA and the supply system are currently negotiating a new contract which, among other things, could change the amount paid for steam.

The Joint Committee on Atomic Energy, on page 38 of its report on S. 598, states in its comments on ERDA's budget that the revenue estimates appear reasonable. In view of the existing contract between ERDA and the supply system and of the current negotiations on a new contract, ERDA's estimated revenues are just that—estimates. If ERDA is to receive additional revenues for steam made available to the supply system, any such increase will depend on the contract negotiations. I understand that the Joint Committee recognizes that ERDA's estimate of revenues could be reduced as a result of the negotiations.

Mr. MONTOYA. Yes; the committee understands it to be an estimate only.

Mr. BAKER. Mr. President, I rise in support of S. 598, a bill to authorize appropriations to the Energy Research and Development Administration for fiscal year 1976 and the transition period ending September 30, 1976.

My distinguished colleague, the gentleman from New Mexico (Mr. MONTOYA) has summarized the committee's recommendations for the nuclear portions of the bill. Accordingly, I would just like to make some brief overall remarks regarding the ERDA program.

I believe that there is unanimous agreement that the mission of ERDA—the development of new and improved energy sources—is among the most important in Government. This country is literally depending on ERDA for its very survival. I note—and wholeheartedly endorse—the substantial increases in funding recommended for the nonnuclear energy R. & D. programs on coal, oil and gas, solar, geothermal, conservation, and others. I have long believed that this country needs to work on all possible energy sources. On the other hand, we can ill afford to take any action which will jeopardize the nuclear option since it has already been proven safe, economic, and environmentally acceptable, and it will be needed regardless of the progress we make in the nonnuclear programs.

Nuclear power is already playing an important role in enabling our country to satisfy its energy demands. Nuclear powerplants now supply about 8 percent of our Nation's electricity. This share is expected to increase to 25 percent by 1985 and to over 50 percent by the turn of the century.

Nuclear power is the only new energy option now available with proven capability to supply large amounts of economic power with minimal environmental impact. If nuclear power is to achieve its full potential, however, we must have a continuing strong research and development program on the breeder reactor. The key to the breeder effort is the Clinch River demonstration plant, which needs to be given full support by the Congress so that it can move expeditiously forward.

As the reported bill demonstrates, the Joint Committee also continues to encourage expeditious research and development to demonstrate the feasibility of fusion power, a resource of unlimited, long-range potential.

In summary, I join with Senator MONTOYA in the support of this legislation. The committee's recommendation, in my opinion, provides the ERDA with the resources necessary to effectively continue to carry out its nuclear programs. I, therefore, urge favorable consideration of this bill.

Mr. MONTOYA. Mr. President, I send to the desk a series of amendments. I ask unanimous consent that the reading of the amendments be dispensed with, and that the amendments be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments considered en bloc, are as follows:

On page 19, line 13: strike out "$3,180,749,000" and insert "$3,295,365,000".

On page 39, line 18: strike out "$967,896,000" and insert "$981,002,000".

On page 24, line 8: strike the figure "$245,347,000" and insert "$245,997,000".

On page 42, lines 3 and 4: strike the figure "$60,176,000" and insert "$60,236,000".

On page 23, after line 14, add the following:

Project 76–7–d, water control and recycle project, Rocky Flats, Colorado, $3,100,000.

On page 24, after Line 8 add the following:

"(13) SAFEGUARDS AND SECURITY UPGRADING."

Project 76–13, safeguard and security upgrading, various locations, $32,800,000.

On Page 38, after Line 9, add the following:

Project 75–5–e, high temperature gas reactor fuel reprocessing facility, National Reactor Testing Station, Idaho, $10,100,000. Project 75–5–f, high temperature gas reactor fuel refabrication pilot plant, Oak Ridge National Laboratory, Tennessee, $3,000,000.

Mr. MONTOYA. Mr. President, the first amendment would strike the operating expenses figure on page 19, line 13, of S. 598 and substitute "3,295,365,000".

This amendment would provide for an increase in the operating expenses for the program increases covered in ERDA's proposed amendment as well as in the two programs mentioned above for which ERDA sought a modest increase.

Mr. President, on page 39, line 18, the figure $967,896,000 for the transition quarter should be stricken and replaced by the figure $981,002,000. This second amendment would simply provide for the increases in these programs for the transition period.

Mr. President, the third amendment would increase the authorization for capital equipment by $650,000 in fiscal year 1976, and the fourth amendment which would increase that authorization by $60,000 in the transition period. All of the increased authorization would be for the procurement of administrative equipment needed to meet the requirements of the ERDA field offices, their subordinate area offices, and the Washington headquarters. Included are such items as office machines—typewriters, calculators, adding machines—office furniture, security and protection equipment, reproduction equipment, and library equipment.

In summary, ERDA needs these funds to provide the necessary equipment to permit its program support personnel to function effectively.

Mr. President, the fifth amendment to S. 593, would add $3.1 million for a construction project at the ERDA's Rocky Flats plant.

This project is needed to collect, treat, and recycle sanitary waste water from the ERDA plant at Rocky Flats, Colo. Its completion will prevent possible contaminants or pollutants from being released offsite and will allow the plant to be in complete compliance with all phases of the Federal Water Control Act Amendments of 1974. Completion of this recycle program is a major element in retaining local public confidence in the Energy Research and Development Administration and its Rocky Flats operation.

The project consists of a water treatment plant which includes the special equipment needed to remove the special type of contaminants and pollutants which are associated with the Rocky Flats operation.

Mr. President, the sixth amendment to S. 598 would add an authorization of $32.8 million for a safeguards and security upgrading project at various ERDA installations. This project will provide for improved physical protection and security at ERDA locations where special nuclear materials, devices, or weapons are located, shipped, or processed. Included would be the design and construction of new facilities, the modification and upgrading of existing facilities, such as guard houses, vaults, and communication centers, and the procurement and installation of inspection and security protection systems, such as perimeter fencing, lighting, and electronic detection equipment. The project would improve the capability to detect and respond effectively to unauthorized personnel intrusion, as well as a terrorist attack by armed intruders.

Mr. President, this is a much needed project which should be initiated as soon as possible.

Mr. President, I would like to briefly explain the seventh amendment to rescind the funds authorized in fiscal year 1975 by the joint committee for two facilities:

Project 75–5–e—high temperature gas reactor fuel reprocessing facility—$10.1 million.

Project 75–5–f—high temperature gas reactor fuel refabrication plant—$3 million.

The high temperature gas reactor—HTGR—is an advanced type of reactor which promises a significant improvement in the utilization of fuel. This reactor concept utilizes the thorium-uranium fuel cycle rather than the uranium-plutonium fuel cycle utilized in today's reactors—the light water type. Considerable developmental effort is still required to develop the technology for reprocessing and refabricating the thorium-uranium fuel. The committee strongly endorsed the Government involvement and participation in this program when it originally authorized the two projects. The committee did, however, limit the funds to only those required for architect-engineering services and the procurement of long lead-time components and equipment.

Subsequent to consideration of the fiscal year 1975 request, it has turned out that the total estimated cost for these two pilot facilities has substantially increased. Furthermore, General Atomic, the reactor supplier for the HTGR, has indicated that a significantly different R. & D. program may be required to develop the reprocessing and refabrication technology. This revised plan includes the possible addition of a larger integrated facility and the elimination of one or both of the two previously authorized projects. It is in light of these developments that ERDA has requested the recession of the two pilot projects.

Mr. MUSKIE. Mr. President, the events of the last 2 years will force all of us in the Congress to make many difficult decisions about our Nation's energy future. One such decision faces us today: Shall we put off development of the breeder reactor or move ahead now to demonstrate its feasibility?

This decision is difficult because it involves the sincere concern of many people about the safety of nuclear energy. I share that concern about nuclear safety, and especially the safety of breeder technology. But I am also persuaded that we must continue breeder research and development to help fulfill the promise of the billions of dollars already invested in fission technology. If it works, the breeder reactor could provide a significant portion of our electricity by the 21st century, replacing our declining fossil fuels and conserving conventional uranimum resources.

I am in favor of pursuing research and development on all of our major energy options including some that may turn out to be more attractive than this one, such as solar electric, solar thermal, fusion and geothermal power. We should also include a major effort in end-use conservation.

I am voting against the amendment

offered by the junior Senator from California and for the continued development of the breeder because I think we must continue to answer these questions—will the breeder reactor work as planned, and will it work safely? They cannot be answered properly until a demonstration powerplant is built.

Nuclear power presents may unanswered environmental questions which ought to slow the pace of commercial development. Questions have been raised about storage of radioactive waste, safeguards for plutonium and uranium, transportation of nuclear materials and reactor safety. These questions give me great reservations about the present state of the nuclear art. These questions must be addressed and they must be answered favorably before a commitment to a great increase in nuclear power would be wise. Whether we continue with the breeder or not, these basic reservations about nuclear power will remain. However, the decision to continue research and development should be independent of the decision to deploy commercial powerplants. The Clinch River breeder reactor is primarily a development project, an essential step towards learning the merits and demerits of this technology. We need this information to properly assess the potential of the breeder reactor.

I also have great reservations about the use of plutonium, an exceedingly dangerous material, but these must be answered whether the breeder is built or not, and the Nuclear Regulatory Commission is in the process of doing so in connection with plutonium recycling for conventional reactors.

ERDA has identified three so-called "inexhaustible" energy supplies to supply our needs in the 21st century and beyond: Breeder reactors, solar energy and fusion. The problem is that we do not know now which, if any, of these will be technically feasible as well as environmentally and economically acceptable. We must continue research and development on all three. A vote against the Clinch River plant would be a vote to go more slowly than prudence dictates in the search for an environmentally acceptable solution to our energy problems. In this sense, it would be irresponsible to prejudge Clinch River and by so doing to limit our environmental, as well as energy options.

Those in favor of this amendment warn us that this is our last chance to say no to the breeder. I do not accept this argument. I reserve the right to call a halt to the commercial development of the breeder at any time that it is shown to be in the public interest to do so.

We must continue to develop other promising energy sources, and S. 598, the ERDA authorization bill, certifies our commitment to this goal. And as these other resources are developed, we must answer the questions about the breeder reactor. Only then may we make an informed decision about its potential relative to our real options.

The amendments were agreed to en bloc.

Mr. MONTOYA. Mr. President, I send to the desk another amendment, which is a perfecting amendment, and ask for its immediate consideration. I ask unanimous consent that reading of the amendment be dispensed with. I will make an explanatory statement with respect to it.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Page 35, line 19, immediately after "authorized" add the following: "for the period consisting of the fiscal year ending June 30, 1976 and the interim period following that fiscal year and ending September 30, 1976."

Mr. MONTOYA. Mr. President, the purpose of this amendment is to remove any uncertainty on the question of whether, in future fiscal years, additional funds for the Clinch River demonstration plant project will have to be first authorized. The joint committee amended the language in the Energy Research and Development Administration's authorization request for fiscal year 1976 to make it quite clear that the funding authorization being recommended by the committee for this project was only for fiscal year 1976 and the transition quarter, although the project itself had been, and remains, fully authorized by the Congress in 1970—Public Law 91-273. Nevertheless, there are some who apparently continue to suggest that funds for the project for future fiscal years will not have to be authorized. Since the question of the need for future funding authorizations has been resolved, this matter need not any longer be an issue which would require further consideration and debate. To remove any possible doubt in this regard, my amendment would add the words "for the period consisting of the fiscal year ending June 30, 1976, and the interim period following that fiscal year and ending September 30, 1976," after the word "authorized" on page 35, line 19 of the bill.

I urge my colleagues to accept this amendment which is noncontroversial and has been agreed to by the other body.

Mr. BENTSEN. Mr. President, I appreciate Senator MONTOYA's action regarding this amendment.

Mr. President, the amendment would require that the breeder reactor demonstration program be reviewed for the fiscal year 1977 budget. The House has written this requirement into its version of this bill, and I feel it wise that the Senate take the same action to serve as a precedent for annual authorization review of the breeder program.

As written, S. 598 has as its control issue the national priority for development of domestic nuclear energy and the breeder reactor. The bill provides an open-ended authorization for the breeder demonstration program. ERDA's emphasis on nuclear energy and the breeder program is demonstrated by the fact that 80 percent of the fiscal year 1976 budget is nuclear related and a full 26 percent is devoted to the liquid metal fast breeder reactor—LMFBR. Thus, the bill under consideration merits our full scrutiny as a statement of future policy direction in the development of nuclear and alternative energy sources. And I firmly believe we should review this consideration on a yearly basis.

As I mentioned, the ERDA bill contains an open-ended authorization for the funding of construction and operation of a nuclear demonstration breeder reactor of 350 megawatts at Clinch River, Tenn. Substantial questions surrounds the economic, safety, and environmental aspects of breeder R. & D. The initial question on everyone's mind as we examine the ERDA budget is whether priority should be given the breeder in R. & D. funding, especially in view of a limited R. & D. budget which must accommodate development of all alternative energy resources.

Perhaps, we should reevaluate our priority on the breeder. But, to adequately face this task we must have all the facts. I believe a continuation of R. & D. will supplement the studies completed and those being conducted. And, to further expand our knowledge of the program, we should provide annual authorization review of the program.

Some of the facts are in on the breeder, several GAO studies, numerous cost/benefit studies, analyses of cost overruns, and the proposed final environmental impact statement. Yet many critical issues have not been adequately studied or resolved relating to the breeder.

Two major reports are pending in the general area of the breeder development program. First, a special issues report from GAO on the fast breeder regarding "promises and uncertainties" should be released some time in August. Second, a subcommittee of the Joint Atomic Energy Committee has completed hearings on the breeder program and the Clinch River breeder reactor which should also be available soon. Both of these documents add to the voluminous detail on the breeder which must be digested to intelligently direct our energy policy.

Mr. President, cost/benefit is a critically important consideration of any project financed by the taxpayers. Current cost/benefit studies on the breeder reactor vary greatly, ranging from nearly $90 billion to a negative figure of several billion dollars. The wide variance in the net benefit in the various studies confuses our proper energy policy assessment regarding the breeder at this time, and again demonstrates the need for continued assessment of the breeder program.

Mr. President, I ask unanimous consent that a comparative table of the various cost/benefit studies on the breeder be inserted in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

COMPARISON OF COST/BENEFIT ANALYSES OF THE BREEDER REACTOR

Source	Date of introduction	Uranium cost	Elec. demand increase (percent)	Discount rate (percent)	Gross[1] benefit	R. & D.[1] cost	Net[1] benefit remaining
NSF	1994	(2)	4	10	14.2	5.4	8.8
Staufer	1987	(2)	6	6-12.36			87.0
NRDC	1987	(2)	3.75		6.7	4.7	20.0
AEC (1971)	1986	(2)	5	7	21.5	2.4	19.1
NSF	1994	(3)	4	10	4.2	5.0	—.8
Staufer	1987	(3)	6	6-12.36			44.0
NRDC	1987	(3)	4		4.8	4.7	.1
NRDC	1987	(4)			.04	4.7	—4.3

[1] Calculated in billions.
[2] High.
[3] Low.
[4] Low w./low elec. demand.

Note: Capital Cost differential between light water reactors and LMFBR's for all calculations is $100 a kilowatthour. Contributions of advanced energy sources are not considered in any of the analyses.

Mr. BENTSEN. There are further concerns that must be addressed by continued assessment of the breeder program which were aptly capsuled by Dr. Robert Seamans recently before the Joint Atomic Energy Committee. Dr. Seamans stated that, first, significant problems exist in reactor safety, safeguards, and waste management that must be resolved prior to commercialization, and that, second, environmental acceptability and economic feasibility must be considered also prior to commercialization.

Let me point out a few concerns related to Dr. Seamans' statement that require more detailed analysis. First, the possibility and effect of plant accidents has been assessed as far greater in the breeder than in light water reactors. Second, the problems of plutonium theft and terrorism, plutonium black markets, and "homemade" bombs by terrorists have been discussed earlier today, and deserve additional consideration as we study the wisdom of the breeder. Finally, nuclear waste and the storage of that waste have also been mentioned, and are critical problems which must be further addressed.

There is one further question which I think merits serious attention before final decisions are made on the breeder program, and that is siting. Two nuclear plants in New York have recently been abandoned due to geological problems with the site locations. Mr. President, in 1969, the AEC estimated that only 200 sites would be available in the United States for light water reactors through 1990. Yet, the Government Accounting Office and the Nuclear Regulatory Commission have prepared tables showing that the present number of light water reactors and the projected number of breeder reactors will exceed 260 by 1990 and over 1,400 by the year 2000. I ask unanimous consent that these tables be added at this point in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

CURRENT AND PROJECTED NUMBER OF NUCLEAR REACTORS IN THE UNITED STATES

Light water reactors

Operating	53
Granted construction permits	63
Under operating license review	26
Not applied for operating license	37
Under construction permit review	76
Site work approved, safety review	13
Under review	63
Ordered	29
Publicly announced	21
Total	242

Source: NRC.

Plant projections: LMFBR

[Cumulative total]

1986–87	1
1988–89	9
1990–91	22
1992–93	46
1994–95	80
1996–97	126
1998–99	186
2000–19	1,178

Source: GAO.

Mr. BENTSEN. The tables clearly illustrate that the total reactors now being projected for the United States exceeds AEC projections for numbers of sites available.

Although GAO's estimates are considered by some to be inflated, they indicate the need for three or four breeder sites per State by the year 2000, in addition to approximately five light water reactors. Then, in the year 2020 this figure would jump to more than 20 breeder sites per State. And the resulting complications are clear: First, public opposition; second, routing of power lines; third, necessity of low population density areas; and fourth, geological stability. Thus the question of nuclear siting is another significant question that has not been addressed.

Mr. President, for these several reasons I cannot emphasize strongly enough the necessity of full assessment of the breeder demonstration project at Clinch River prior to commercialization. In 1972, the Joint Committee on Atomic Energy in its report, "Basis for the Proposed Arrangement for Liquid Metal Fast Breeder Reactor Demonstration Plant," emphasized the need for continued review in detail of the demonstration project prior to construction. I believe that the committee was correct in its emphasis. Yet the nuclear industry and some in ERDA continue to point out that Congress has not mandated annual authorization reviews for the breeder demonstration plant. Indeed, S. 598 provides open-ended authorization through the completion of the demonstration project.

In summary, Mr. President, my amendment would make it clear that the Congress will review the project before fiscal year 1977 funds can be expended. In this respect, my language is identical to the language added to the bill in the House, and I hope my colleagues will concur.

Mr. LEAHY. Mr. President, I strongly support the amendment to delay funding for 1 year on the controversial Clinch River breeder reactor demonstration plant.

Apart from my very real concerns over the need for the breeder reactor and the serious risks involved with it, I am extremely concerned over the fiscal soundness of the proposed Clinch River project.

The possible expense of the breeder undertaking is staggering. The correct price tag is $10 billion for the overall breeder reactor program and $1.7 billion to $2.1 billion for Clinch River. Almost one-third of ERDA's budget for energy research and development for fiscal year 1976 is for this single reactor program—more than the combined allocations for fossil energy, solar energy, geothermal energy, advanced energy research, and energy conservation. Moreover, the ultimate costs of the breeder are likely to be much higher. The estimated cost of the Clinch River plant has tripled in the last 3 years, and onsite construction has not even begun. We have no reason to believe these cost overruns will cease. It is the Federal Government which will have to absorb the total amount of these overruns because the 700 utilities which have together agreed to contribute $250 million to Clinch River have adamantly refused to contribute more or to absorb any portion of the open-ended financial risk.

A decision to commit funds of this magnitude should be made only for projects which Congress is sure are properly planned, designed and managed. This cannot be said for the Clinch River demonstration plant being designed and built before there has been an opportunity to gain cost-saving experience from the fast flux test facility, the billion dollar test breeder now being built at Hanford, Wash. That facility, if properly programed, should suggest at least some things about the appropriate design of any demonstration plant that is built. If Clinch River construction begins next year as planned, the design of long leadtime components of that plant will be fixed, and these components ordered before the final design of the Hanford facility is fixed, and even before its final safety analysis is made. In short, it is better to learn from the Hanford experience before building any demonstration plant, Clinch River or otherwise.

Competent economic analysis both inside and outside the Federal Government strongly indicate that the breeder reactor is being developed ahead of its time. EPA, for example, has pointed out that the overall breeder program could be delayed from 4 to 12 years without penalty. Other independent experts have similarly concluded that the high capital cost of the breeder reactor and the projected slackening in electricity demand due to increasing energy prices make the breeder effort a decade or more premature.

Obviously, if the overall program should be delayed, then the Clinch River plant construction should also be delayed and its priority position reconsidered, particularly since the timing of the demonstration plant has always been keyed to the timing of the overall breeder program.

The pending amendment calling for a 1-year delay is the minimum necessary to insure that the Congress has an opportunity to give deliberate and careful consideration to the timing of the breeder reactor program, and the efficiency of the current program which is focused heavily on the Clinch River plant. We will be in a much better position to make these decisions a year from now than we are today.

This intervening year can be used to consider in detail the results of the energy R. & D. studies ERDA is now preparing. It can be used to develop and consider the information called for in the amendment from the Office of Technology Assessment. It can be used to explore the desirability of greater reliance upon foreign expertise, and to inquire further whether the utilities are willing to accept a share of the open-ended financial risk of the Clinch River project. With this and other information in mind, we will be in a much better position to act on this matter.

Mr. McCLURE. Will the Senator yield?

Mr. MONTOYA. Yes.

Mr. McCLURE. We are certainly prepared to accept this amendment.

The PRESIDING OFFICER. The Chair, in his capacity as a Senator from Florida, suggests the absence of a quorum. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MONTOYA. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MONTOYA. Mr. President, I ask unanimous consent that consideration of the pending amendment be suspended so that another amendment can be offered.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 812

Mr. JACKSON. Mr. President, I call up my amendment No. 812, which is at the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Washington (Mr. JACKSON) for himself and Mr. PASTORE proposes amendment numbered 812.

The amendment is as follows:

On page , line , insert the following:

TITLE V—AIR TRANSPORTATION OF PLUTONIUM

SEC. 501. The Energy Research and Development Administration shall not ship plutonium in any form by civil aircraft whether exports, imports, or domestic shipments: *Provided*, That any exempt shipments of plutonium, as defined by section 502, are not subject to this restriction. This restriction shall be in force until the Energy Research and Development Administration has certified to the Joint Committee on Atomic Energy of the Congress that a safe container has been developed and tested which will not rupture under crash and blast testing equivalent to the crash and explosion of a high-flying aircraft.

SEC. 502. For the purposes of this title, the term "exempt shipments of plutonium" shall include the following:

(1) Plutonium shipments in any form designed for medical application.

(2) Plutonium shipments which pursuant to rules promulgated by the Administrator of Energy Research and Development are determined to be made for purposes of national security, public health and safety, or emergency maintenance operations.

(3) Shipments of small amounts of plutonium deemed by the Administrator of Energy Research and Development to require rapid shipment by air in order to preserve the chemical, physical, or isotopic properties of the transported item or material.

Mr. JACKSON. Mr. President, I call up amendment No. 812, submitted by Senator PASTORE and myself, dealing with air shipments of plutonium by the Energy Research and Development Administration.

This amendment curtails the shipment of plutonium, with certain specified exceptions, until such time as ERDA certifies to the Joint Committee on Atomic Energy that a safe, crashproof container has been developed.

This amendment will force action by ERDA on the development of a crashproof container for air shipments of this highly toxic material—a matter which should have been taken care of long ago.

In the interim—prior to the development of such a container—the amendment permits airshipment of plutonium—

First, for medical application;

Second, where the ERDA administrator determines—pursuant to specific regulations—that air shipment is necessary for purposes of national security, public health, and safety or emergency maintenance operations; or

Third, where rapid transportation is required to preserve chemical, physical, or isotopic properties of material.

Mr. President, I anticipate that ERDA will move promptly to certify the containers used for these air shipments. This amendment will underline the emphasis which the Congress places on the importance of safety in handling plutonium.

Mr. President, amendment No. 812, which Senator PASTORE and I have introduced to the ERDA authorization, would curtail shipments of plutonium by ERDA on civil aircraft unless and until ERDA certifies to the Joint Committee on Atomic Energy that a crashproof, safe container has been developed and tested and made available for these shipments. Since the introduction of the amendment, my staff has determined that use of the phrase civil aircraft in the amendment as printed would permit ERDA to ship plutonium by air for reasons unrelated to national security or military requirements.

We intend by the amendment to reach all nonmilitary shipments of plutonium. I think this is the reasonable policy and the responsible policy. I am, therefore, asking that my amendment be modified by the deletion of the term "civil" at the end of line 3 of section 501. I fully expect that, notwithstanding this change, the amendment will in no way restrict or curtail shipments of plutonium affecting national security or the military. Indeed, shipments of plutonium which are made by air for reasons of national security are specifically and clearly exempted in section 502 of the amendment.

The PRESIDING OFFICER. The amendment will be so modified.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. JACKSON. I yield.

Mr. PASTORE. Mr. President, I think it must be said, in full fairness, that both ERDA and the Nuclear Regulatory Commission are very much concerned about this problem and are doing something about it; but this is a precautionary measure, Mr. President, in which I think we are all interested. That is the reason for this amendment. The word "civil" is being taken out because we wish to make sure that the amendment applies to all air transportation.

There are certain exemptions. Section 502 spells out exemptions for medical applications, which would only be in small amounts, or where it is determined that air shipment is necessary for national security, or where rapid transportation is required in order to preserve the chemical, physical, or isotopic properties of the material.

So, Mr. President, I am happy not only to join in sponsoring the amendment with my distinguished friend from Washington, but to urge its adoption as a matter of commonsense.

Mr. BAKER. Mr. President, will the Senator yield briefly so that I may inquire about the nature of the modification?

Mr. PASTORE. I yield.

Mr. BAKER. I was out of the room when it was adopted. Do I understand that amendment 812 has been modified by striking out, at the end of line 3 of page 1 of the amendment, the word "civil"?

Mr. PASTORE. That is right.

Mr. BAKER. My question is, this applies only to ERDA; it does not apply to the DOD?

Mr. PASTORE. We have the exemptions right in the law, including an exemption for military purposes.

Mr. BAKER. I know; but this does relate only to ERDA?

Mr. JACKSON. The amendment relates only to ERDA. May I further state that, as the Senator from Rhode Island (Mr. PASTORE) points out, in the case of ERDA there is a national security exemption, where a finding is made. So where ERDA is in support of the Department of Defense, an exemption is in order upon a proper showing.

Mr. BAKER. Mr. President, I do not have any further questions. I just wanted to make sure that we all understood. As Senators know, some of our weapons contain plutonium, and surely we are not trying to make this apply to those.

Mr. PASTORE. No, no, the Senator is absolutely correct on that.

Mr. RIBICOFF. Mr. President, I associate myself with the amendment of Mr. JACKSON. His amendment restricts certain air shipments of plutonium by the Energy Research and Development Administration—ERDA—until ERDA has certified that it has developed a container capable of withstanding the crash and explosion of a high-flying aircraft.

This amendment requires that air shipments of plutonium by the Energy Research and Development Administration—ERDA—be covered by the rulemaking requirement of the Jackson amendment, whether such shipments are made on civilian or military aircraft.

The amendment would require ERDA to establish rules for exempting shipments of plutonium by military aircraft in the identical manner required by ERDA for exempting plutonium shipments by civilian aircraft "for purposes of national security, public health and safety, or emergency maintenance operations."

Fortunately, ERDA's Sandia National Laboratory is now developing a container to eliminate most of the risk of shipping plutonium by air. It is designed to prevent the spread of plutonium over a large area in the event that a high-flying aircraft carrying the container crashes.

The container presently being used to transport plutonium by air was found in tests conducted at Sandia National Laboratory in 1972 not to be capable of withstanding the combined impact, heat, and penetration effects of an air crash. For example, the lids of the container came off when it was dropped at a velocity of 130 feet per second, while the terminal velocity of an aircraft before impact is estimated at between 235 and 325 feet per second.

The importance of developing a crash-proof container for shipping plutonium by air cannot be minimized. Plutonium is the most toxic manmade substance—one thirty-millionth of an ounce, less than a pollen grain, will cause cancer if inhaled or swallowed. Thus, dispersal of even gram quantities of plutonium, as the result of an air crash, could have grievous effects on a community.

Expert testimony in a court action being brought by the attorney general of New York, in an effort to bar air shipments of plutonium over the State, asserts that the dispersal of a shipment of less than 3 pounds of plutonium in the New York metropolitan area could result in death by lung cancer to tens of hundreds of thousands of residents, and the evacuation of millions.

Two incidents involving U.S. military aircraft have resulted in the release of substantial amounts of plutonium into the environment, fortunately in unpopulated areas. Nevertheless, operations to remove dispersed plutonium in Palomares, Spain, cost $500,000,000 and involved stripping 600 acres of vegetation and removing 5 acres of topsoil. A similar operation in Thule, Greenland, cost $300,000,000 and involved removal of snow, ice, and water in 67 25,000-gallon tanks. Obviously, the costs of evacuating and decontaminating a densely populated area in the United States would be astronomical by comparison.

Last year, a panel of experts formed by the Joint Committee on Atomic Energy recommended the prohibition of shipments of plutonium by air, "unless a determination is made that the air shipment is necessary for the security of the nation." The panel reported:

> The danger of an aircraft accident and resulting risk of contamination from plutonium . . . is sufficiently grave as to warrant their total restriction to ground and water transportation.

Until such time as a container is certified to contain plutonium under aircraft-accident conditions, it is essential that nonessential air shipments of plutonium be eliminated. They can be moved by train or ship in crash-proof containers or in special armored trucks that already have been developed.

The House already has passed a similar amendment banning nonessential shipments of commercially owned plutonium by the Nuclear Regulatory Commission on any kind of aircraft, pending NRC's certification of a crash-proof container.

Mr. President, I commend my good friend, Senator JACKSON, for offering an amendment that will go a long way toward assuring the American people that our Government will not ship unthinkably toxic plutonium except under the safest possible conditions, and—until those conditions can be met with a crash-proof container—under the most compelling circumstances.

At the same time I would hope it is clear that if plutonium is hazardous enough for these compelling circumstances to be spelled out by ERDA when shipping by civilian aircraft, ERDA should also be required to spell them out with respect to military-aircraft shipments.

Such a rulemaking requirement would not prevent ERDA from making shipments of plutonium or plutonium-bearing weapons by military aircraft; it would only mandate ERDA to publicly establish at the outset the special circumstances that would make such shipment necessary.

Preventing nonessential air shipments of Government-owned plutonium by ERDA is the purpose of the Jackson amendment, and I support it. We must insure that there are no nonessential shipments by military as well as civilian aircraft, without imposing any restrictions on essential military shipments. I urge its adoption.

The PRESIDING OFFICER. Who yields time?

Mr. JACKSON. I am prepared to yield back the remainder of my time.

Is all remaining time yielded back?

Mr. MONTOYA. Yes.

The PRESIDING OFFICER. The question is on agreeing to the amendment (No. 812), as modified, of the Senator from Washington (Mr. JACKSON).

The amendment was agreed to.

Mr. MONTOYA. Mr. President, I now ask that the Senate return to the consideration of the previous amendment.

Mr. BAKER. Mr. President, before the Senate does that, would the Senator yield to me for a brief inquiry?

Mr. MONTOYA. I yield.

Mr. BAKER. I have a couple of amendments that I believe are not controversial and we can bring them up whenever the distinguished manager wishes. I am here and available.

Mr. MONTOYA. This is the amendment with respect to the Clinch River project. It is a clarifying amendment, and it is already before the Senate.

Mr. BAKER. All right. Which amendment are we considering?

Mr. MONTOYA. I do not know whether a number has been assigned to it, but it is the amendment dealing with the clarification that the funding is on a yearly basis for the Clinch River project.

Mr. BAKER. Mr. President, could the clerk inform us of the number of the amendment?

The PRESIDING OFFICER. Will the Senator repeat his request?

Mr. BAKER. I just wondered if the clerk can report the number of the amendment.

Mr. PASTORE. Why do we not have the amendment read?

The PRESIDING OFFICER. The amendment has been reported, but the amendment will be reported again.

The assistant legislative clerk read as follows:

> The Senator from New Mexico (Mr. MONTOYA) proposes an amendment as follows:
>
> Page 35, line 19, immediately after "authorized" add the following:
>
> "for the period consisting of the fiscal year ending June 30, 1976 and the interim period following that fiscal year and ending September 30, 1976."

The PRESIDING OFFICER. The Chair, in its capacity as a Senator from Florida, suggests the absence of a quorum. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PASTORE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PASTORE. I understand we are ready for a vote on this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Mexico (Mr. MONTOYA).

The amendment was agreed to.

Mr. MONTOYA. Mr. President, I wish to state for the RECORD that the amendment which has just been agreed to is similar to a printed amendment that had been submitted by the Senator from Texas (Mr. BENTSEN). The exact wording is taken from the amendment which was proposed by the Senator from Texas, and I want the RECORD to show that.

The PRESIDING OFFICER. The RECORD will so show.

Mr. McCLURE. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. MONTOYA. I yield.

PRIVILEGE OF THE FLOOR

Mr. McCLURE. I ask unanimous consent that Mike Hathaway of my staff be accorded the privilege of the floor during all stages of the proceedings on this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TUNNEY. I make the same request in behalf of Bob Feyer of my staff.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from New Mexico is recognized.

Mr. BAKER. Mr. President, will the Senator yield briefly?

Mr. MONTOYA. Yes, I yield to the Senator from Tennessee.

Mr. BAKER. Mr. President, I have an amendment which I wish to call up at this time.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

AMENDMENT NO. 849

Mr. BAKER. Mr. President, I call up my amendment No. 849 which is at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. BAKER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 46, line 5, strike "Holifield".

One page 46, line 9, strike "Holifield".

On page 46, line 11, insert the following new section:

"SEC. 402. The Heavy Ion Research Facility under construction at Oak Ridge, Tennessee, is hereby designated as the 'Holifield Heavy Ion Research Facility'. Any reference in any law, regulation, map, record, or other document of the United States to the Heavy Ion Research Facility shall be considered a reference to the 'Holifield Heavy Ion Research Facility'.".

Mr. BAKER. Mr. President, the amendment which I am offering would preserve the traditional designation of the Oak Ridge National Laboratory, while on the other hand, paying tribute to former Congressman Chet Holifield by renaming the heavy ion research facility in Oak Ridge as the "Holifield Heavy Ion Research Facility." This amendment, which is reflective of the substantial concerns voiced by residents of the Oak Ridge area, reaches a wise balance between the understandable desire to pay tribute to Mr. Holifield's distinguished services in the field of atomic energy, and the substantial pride of Oak Ridge and all Tennesseens in the historic role played by the Oak Ridge National Laboratory in the nuclear era.

The House of Representatives has already acted in this respect.

I am prepared to yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment.

The amendment was agreed to.

Mr. GRAVEL. Mr. President, I ask unanimous consent that Ken Burkett of my staff be accorded the privilege of the floor during the course of debate on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 553

Mr. TUNNEY. Mr. President, I call up my amendment No. 553 to the pending bill and ask unanimous consent that the amendment be considered en bloc.

The PRESIDING OFFICER. Will the Senator send the amendment to the desk?

Mr. TUNNEY. Mr. President, I also ask unanimous consent——

Mr. BAKER. Mr. President, reserving the right to object, I am sorry, but I did not hear the Senator.

Mr. TUNNEY. I asked unanimous consent that the amendments be considered en bloc.

The PRESIDING OFFICER. That one amendment be considered en bloc?

Mr. TUNNEY. There are various portions of the amendment. It is a printed amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TUNNEY's amendment No. 553, as as follows:

On page 18, line 15, strike "$3,476,729,000.", and insert in lieu thereof "$3,382,629,000.".

On page 25, line 10, after the word "authorized" insert "for fiscal year ending September 30, 1976".

On page 27, after line 10, insert the following:

"(d) No funds authorized by this section shall be expended for on-site construction of the Clinch River Breeder Reactor demonstration plant or for procurement of any plant component, related items, or of long-lead items for such plant.

"(e) The Office of Technology Assessment is required to assess and report to the Congress not later than one year from the date of enactment of this Act on the following: national electrical energy demand projections; the availability of uranium and the factors which affect uranium supply; the optimal mix of nuclear reactors to extend uranium supplies; the advantages and disadvantages of each type of breeder reactor; the costs and benefits of the Liquid Metal Fast Breeder Reactor program; the environmental impacts of the Liquid Metal Fast Breeder Reactor program; the safety implications of the design of the Clinch River Breeder Reactor demonstration plant; the utilization of foreign technology in the effort to extend uranium resources and in the development of the Liquid Metal Fast Breeder Reactor; and the costs, benefits, and feasibility of alternative energy resources. There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this subsection.".

The PRESIDING OFFICER. The Chair inquires, is this the amendment of the Senator for which 2 hours was allotted?

Mr. President, I ask that my amendment be modified in the following manner to make it conform to the amended version of S. 598 reported by the Committee on Interior and Insular Affairs.

Mr. President, I send to the desk this modification.

The PRESIDING OFFICER. Is there objection to the modification of the amendment?

Without objection, the amendment will be modified.

Mr. TUNNEY's amendment No. 553 is modified, is as follows:

On page 18, line 15, strike "$3,476,729,000.", and insert in lieu thereof "$3,382,629,000.".

On page 25, line 10, after the word "authorized" insert "for fiscal year ending September 30, 1976".

On page 27, after line 10, insert the following:

"(d) No funds authorized by this section shall be expended for onsite construction of the Clinch River Breeder Reactor demonstration plant or for procurement of any plant component, related items, or of long-lead items for such plant.

"(e) The Office of Technology Assessment is required to assess and report to the Congress not later than one year from the date of enactment of this Act on the following: national electrical energy demand projections; the availability of uranium and the factors which affect uranium supply; the optimal mix of nuclear reactors to extend uranium supplies; the advantages and disadvantages of each type of breeder reactor; the costs and benefits of the Liquid Metal Fast Breeder Reactor program; the environmental impacts of the Liquid Metal Fast Breeder Reactor program; the safety implications of the design of the Clinch River Breeder Reactor demonstration plant; the utilization of foreign technology in the effort to extend uranium resources and in the development of the Liquid Metal Fast Breeder Reactor; and the costs, benefits, and feasibility of alternative energy resources. There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this subsection.".

Delete the language at page 1, lines 1 and 2.

Change page line 3, page 1 to read "page 35, line 19" rather than "page 25, line 10".

Change the language of line 4, page 1 to read "for the fiscal year ending June 30, 1976 and the transition period ending September 30, 1976", rather than "for fiscal year ending September 30, 1976."

Change line 5, page 1, to read "page 37, line 20" rather than "page 27, line 10."

(The amendment is so modified.)

Mr. TUNNEY. Mr. President, I ask for the yeas and nays on my amendment as modified.

The PRESIDING OFFICER. Is there a sufficient second?

At this time there is not a sufficient second.

Mr. TUNNEY. Mr. President, today I am calling up an amendment to S. 598, the ERDA authorization bill for fiscal year 1976 and the transition quarter.

Senators PHILIP HART, METCALF, ABOUREZK, CRANSTON, BIDEN, LEAHY, CLARK, and MONDALE have joined me in sponsoring this amendment.

The main purpose of the proposal is a simple one: to prohibit the procurement of long-lead items for the Clinch River Breeder Reactor demonstration plant during the coming fiscal year and the transition quarter.

Such a prohibition would result in the deletion of some $94.1 million in authorizations from the ERDA budget for that period.

While the purpose is simple, the underlying issues which lead me to offer this amendment are numerous and complex. However, I believe that it is fair to say that they can be reduced to the question of whether Congress retains the power and the willingness to review and vary the pace and direction of our national energy research and development effort as changing conditions warrant such variations.

Mr. President, the Clinch River facility is an ambitious project designed to

take a further step in the development of a commercial liquid metal fast breeder reactor—LMFBR—for this country. That plant, which will cost at least $1.73 billion, represents a major commitment to the maintenance of maximum effort on the LMFBR program.

That program is an attempt to stretch our capacity for the production of electricity by means of nuclear fission. The LMFBR extends fuel capacity of present nuclear power plants—so-called light-water reactors—by utilizing uranium more efficiently, and by converting nonfissionable uranium-238 into plutonium. Plutonium, a fissionable material, can then be used to fuel light-water reactors and other breeders. There is no question that once problems connected with LMFBR's are solved, those reactors could furnish us with virtually limitless resources of fuel for fission-powered nuclear electrical plants.

If the only question before us today concerned the LMFBR's theoretical capacity to produce fuel for fission power, we would have to spend very little time on the issue. But the Congress is taking significant steps today to authorize the further development of a demonstration program leading eventually to the commercialization of the LMFBR. When we consider that prospect, we get to very legitimate, very substantial questions relating to the LMFBR program. First, do we need an LMFBR at all? Second, if we do decide that we need an LMFBR, when should we have it available?

The decision that we do need a commercial LMFBR has been already made of course. It was made in the 1960's and has been reaffirmed on several occasions since then, not least by the Congress in providing funding for the LMFBR program—both for the base program of research and development, and in allowing development of the Clinch River to proceed. And that decision may have been a legitimate one, at the time it was made, in spite of the grave and still unsolved environmental and social problems connected with the breeder technology.

However, we have now come to a time when the premises of rapid development of the LMFBR are open to serious challenge. It is those challenges which we seek to evaluate by giving the Congress 1 year of time to review the LMFBR program comprehensively. The only way to do that effectively is to prevent the negotiation and letting of contracts for long-lead items to be used in the construction of the Clinch River demonstration plant.

It is safe to say that a vigorous debate exists over the question of the pace and timing of LMFBR development. That debate centers on the economic analysis of the relative costs and benefits associated with development of the LMFBR, and there is substantial disagreement about the respective cost-benefit analyses. However, in spite of these disagreements, most analysts both for and against breeder development seem to agree on the fact that there are several critical factors to be determined in deciding whether and how to proceed with research and development of the Clinch River breeder facility and ultimately the LMFBR itself.

Those factors are uranium supply, future electrical demand, and the availability of alternatives to furnish electrical power.

When the decision was made to proceed at full speed with the development of the LMFBR, the analysis was based heavily on these three factors. The Atomic Energy Commission expected rapid depletion of uranium supplies, continued large increases in demand for electricity, and no other alternative technologies widely available to provide needed energy. The analysis went something like this: Quadrupling of demand for electricity by the end of the century would require the construction and operation of large numbers of light water reactors, which in turn would lead to rapid depletion of uranium resources and higher prices for LWR electricity. Under the circumstances, the LMFBR would be required to be commercially available, both to produce fuel for LWR's and to provide electricity at commercially competitive rates.

Events of recent months have cast serious doubt on those hypotheses. The Atomic Energy Commission's estimate of uranium reserves at $30 per pound, set at 2.5 million tons in the Proposed Final Environmental Statement on the LMFBR program, has been revised upward—first to 3.45 million tons, and then to 3.6 million tons by ERDA. In ERDA's National Energy Plan, released on June 30, the impact of that estimate is detailed in full.

Even using ERDA's conservative estimate, and using its most pessimistic projections of increases in electrification, uranium reserves are shown to be sufficient to last well beyond the year 2000. Using ERDA's preferred scenario, with a mix of available technologies, we will have committed only about 43 percent of the available 3.6 million tons by the year 2000, about 1.5 million tons. That means that we are going to have uranium included in this 1½ million tons dedicated to the light water reactors for their lifetime in the year 2000. That is considered. So we would still have used up only 43 percent of the available supplies by the year 2000.

Uranium supply is not the only variable which has changed in the past several years. ERDA and the utilities in defending the breeder have projected that electrical energy demand will continue to grow at its historical level of approximately 6 percent, resulting in a quadrupling of demand for electricity by the year 2000, and supposedly straining the capacity of our conventional nuclear and nonnuclear electrical generating capacity. Yet, in recent months, many experts and organizations have taken issue with those estimates of 6-percent yearly growth, suggesting that growth will in fact be lower.

Anybody who has had to pay a utility bill recently, who has had to pay for some electricity, knows what the increase in the price of electricity has been and how every homeowner is becoming a great deal more conscious of those electricity bills and is turning off lights, is not using air-conditioning in the profligate manner in the past, and, in the case of the wintertime, is lowering the thermostat.

So this 6 percent per year projected increase is ridiculous, in my view—and I might say it is not just my view.

For example, the FEA and the Energy Resources Council suggest that demand will grow at about 5 percent through 1985, and at 4 to 5 percent from 1985 to 2000. The Ford Foundation energy policy project foresees electrical demand growth of 3.3 percent through 1985 under its technical fix scenario, and at 2.4 percent from 1985 to 2000. So, there is substantial uncertainty about the 6-percent growth figures on which the present schedule of the LMFBR program is based.

Mr. PASTORE. Mr. President, will the Senator yield on that point?

Mr. TUNNEY. I yield on the Senator's time.

Mr. PASTORE. Is that all right with the manager of the bill?

Mr. MONTOYA. Mr. President, I yield the Senator whatever time he desires.

Mr. PASTORE. Mr. President, the Senator makes a very valid point, that our people today, because of the high price of electricity, are using a little less of it. There is no question about that. They are using a little less because of the price, and the price is high because of the high price of the importation of foreign oil and because the cost of our newly discovered oil has risen to about $13.50 per barrel of crude. The President of the United States is going a step further. He wants to decontrol the old oil.

As I said yesterday, if we keep going the way we are going now, the housewives of America will have to wash their dishes in long johns; otherwise, they are going to freeze to death. I realize that.

The point I am making is this: Does it not occur to the Senator that that is the reason why we should develop nuclear energy? For the simple reason that we are going to run out of petroleum; for the simple reason that we are going to be subjected to pressures on the part of foreign governments?

So the point here is to develop a source of energy that not only will consume some uranium but also will produce more fuel than it consumes. That is the purpose of the breeder reactor, pure and simple.

Now we are being told that perhaps we are going too fast. We cannot go fast enough. Otherwise, this energy problem is going to catch up with us, and the time is going to come when America will have to live in the dark or with a brownout.

I say very frankly that we already have taken $71 million out of this program, and we already have slowed it down. I am beginning to wonder whether those who are trying to slow it down even more are absolutely against the program.

We instituted this as a matter of priority. We have authorized the breeder reactor. Some problems are involved, but unless we get on with the job, we will never resolve the problems.

The argument being made here is, "Let's get all the answers before we go forward." That is like saying to Henry Ford, back when he invented the flivver, "You prove to us that you have the Continental; otherwise, you can't have the flivver." After all, the big job does not come the first time. You have to experiment. Take the nuclear sub *Nautilus*. Look at the improvement we have made on it.

Take the nuclear aircraft carrier *Enterprise*. It has eight reactors. The *Nimitz* only has two, and it has two because we started out with eight with the *Enterprise* and cut it down to two with the *Nimitz*.

That is the progress of America. You have to get started, and that is all we are doing here.

I say to my friend from California that we have knocked out $71 million. The House put the $71 million in other categories. We too are willing to take the $71 million from the budget on the breeder reactor.

I do not see why this is being resisted by the Senator from California. We are trying to do this with all reason. If any more is going to be chopped off, it will cost that much more later. There are certain long-time leads that you have to contend with in any project if you do not want to end up with it costing too much. After all, we do not want to end up putting our shirt in this.

The Senator from California makes a good argument. The Senator says that the American public is using less energy today and that because we are going to slump, we should live with the slump. I say we should turn it around and lift it. I would like to see the day when the American public will go back to 6 percent more energy growth and we will have the energy we need. If the Senate goes along with some of these projects, in due time we will have it.

The reactor we are making today is better than the reactor we made 10 years ago. Time is progress. You need to research and develop. This is just a demonstration plant, pure and simple. How long are you going to stay away from it before you prove it is commercially sound?

When Dr. Seamans appeared before our committee, I said:

> Doctor, don't you wait until we have sunk too much money in this. You tell us as soon as you possibly can whether or not this is practical and commercial. Otherwise, let's stop it.

He sent back a letter, which I have here. This is what Dr. Seaman says in the letter:

> I am absolutely convinced that we must pursue research, development, and demonstration of the LMFBR concept as a matter of high priority.

When we get that from ERDA—from the head man in ERDA—if we do not believe him, I say why do we not fire him?

Mr. BAKER. Mr. President, will the Senator yield?

Mr. TUNNEY. Mr. President, it is my time.

I have some answers to the points that the Senator from Rhode Island raised that I would like just to continue to give a few minutes of remarks that I had prepared. I tried to develop these arguments in an orderly fashion and I shall continue to give the rest of my statement. I shall try to condense it. I think it is very important to lay out in the record that nobody is talking today about eliminating the breeder. As a matter of fact, we are going to have $450 million for the breeder, if this amendment carries. We are going to have about $550 million if it fails. So nobody is talking about eliminating the breeder.

As a matter of fact, 35 percent of the entire ERDA budget is designated for the breeder. That is not what I call skimping on the breeder. That $450 million is not peanuts. That is what is going to be left if this amendment carries.

What it does say, however, is that we are going to spend 1 year taking a look at the Clinch River breeder. There is expert testimony—Dr. Rose of MIT, a great advocate of the breeder, came down before our committee and testified he thought we ought to delay a year or two, because he said that this technology at the Clinch River is probably already outdated; it is 10 years old.

Nobody is talking about eliminating the breeder. Nobody is talking about that yet.

Mr. PASTORE. If the Senator will yield, that is like telling me if we have a four-legged table, we can get along with three legs. Does the Senator know what is going to happen? That table is going to tip over, that is what is going to happen.

When the Senator says $450 million, the big question here is to do what we have to do in the gradualism that we have promoted. In order to save the taxpayers' money along the way and accomplish our ultimate result, how much money do we need? That is why we have knocked out the $71 million, because they cannot use it. But the Senator wants to knock it all out.

Mr. TUNNEY. $94 million—the difference between 70 and 94 is $24 million.

Mr. PASTORE. That is right, and the Senator is cutting out all of the long lead items, which are absolutely necessary to promote the demonstration plant. That is the point.

Mr. TUNNEY. If possible——

Mr. PASTORE. I am not going to interrupt the Senator any further.

Mr. TUNNEY. I should like to finish my few remarks, because I think it is important to lay out to the Senate in orderly fashion what my view is with respect to the breeder.

Of course, the events of the past have considerably changed our perspectives on the feasibility of alternatives to nuclear power for providing energy. This is very important, because one of the main justifications for the breeder was that we did not have alternatives. Only in the past 2 years has the Federal Government given serious attention to the question of development of nonnuclear alternatives.

We are talking about alternatives. When the breeder was decided upon, it was felt that there were no alternatives. Solar power, wind, geothermal and the like, have been adequately funded for only a minimal period of time. Four years ago, we had spent less than $1 million cumulatively on solar research and development; less than $1 million cumulatively on geothermal research and development. That was 4 years ago. Today, however, these programs are much larger.

As a matter of fact, we are going to have an amendment today to increase the amount of solar research and development up to $150 million for the next fiscal year.

Many experts feel that solar power alone can furnish at least 10 percent of our energy by the year 2000, and the National Science Foundation—not an inconsequential institution—estimates that nonbreeder sources could well account for almost 80 percent of our energy by the year 2020, a far cry from ERDA's estimate that the breeder will have to furnish 50 percent of our energy by that year.

It seems clear that there are substantial differences of opinion on these variables. The reevaluations of recent months all run counter to the assumptions made in the decision to proceed on the breeder and the Clinch River project at a rapid rate. That is, many responsible experts now feel that we will have lower demand for electricity, longer lasting inexpensive uranium supplies, and alternatives able to assume far more of our energy burden than was previously anticipated. All those factors suggest that a reevaluation of the timing of the breeder program is in order. The point is not that these new evaluations are completely correct and that the AEC and ERDA assumptions are completely wrong. Rather, we simply do not know what is right and what is wrong or whether our present schedule for breeder development is rational or not.

Yet we are preparing to make a major commitment to the breeder by authorizing long-term commitments for the Clinch River plant. If that decision is ill-timed, we may be committing ourselves and our country to spending billions of unnecessary dollars and we may end up wasting those billions of dollars, as well as creating technological and social problems of a giant order.

Consider the following: The breeder electricity will end up costing at least $50 to $100 per kilowatt more than power from conventional light-water reactors due to the increased capital costs. That is accounting for a lowered cost due to experience. So we are talking about energy that is $50 to $100 per kilowatt more expensive.

Experts believe that the breeder power will not be economically competitive until the price of uranium goes to at least $50 a pound. We already know from ERDA's own projections that this is not going to happen in this century, at least in 1975 dollars. Most experts believe that it will not happen during the first several decades of the 21st century, either. Until it does, breeder power cannot be a commercial reality. Yet we persist in proceeding with plans to build the Clinch River plant and have it operational by the year 1984.

What are we going to do then? We shall have a $2 billion structure producing electricity which may not be commercially competitive for 35 to 40 years, if ever. It is going to be a marvelous monument. We can all go down there and look at it and say what great geniuses we are, and there it is going to sit, producing energy that is going to be so much more expensive than can be commercially consumed that we are going to have to subsidize the selling of it.

But there is a good chance that the Clinch River plant may be nothing more than a white elephant permanently. It may well be that at some future point, we are going to decide that we do not need the breeder, particularly if some of the research that is now going on with solar and geothermal and liquefaction and gasification of coal, and fusion—if this pans out, as it may well, the consequences of a premature decision would be unfortunate, to say the least. We would be required to fund a project with no real prospect of commercial results for decades after its completion.

The billions of dollars spent in the program between now and its completion would come from a very limited research and development budget.

I point out that as we move ahead with the breeder, that is going to subtract funds that are going to be available for these other alternatives—solar, geothermal, fusion, and so on.

It is not my intention to take up the Senate's time with a long-winded explanation of why many of us feel that the breeder presents problems, but I should like to point out to Senators that we are not talking about a technology that has been proven, despite the fact that there is an operating breeder in France and there is an operating breeder in the Soviet Union, and there is an operating breeder in England. They are very different types of breeders from what we are going to have in this country and they could not be licensed in this country because of safety factors. Nobody really knows what the costs of the energy that is being produced by the French or the British or the Soviet plant are. But we do know one thing: It is very expensive and we know that it is a lot more expensive than is commercially feasible at the moment.

I point out with respect to the safety of the Soviet breeder that a trip was taken by Robert Allen, vice president of Bechtel Corp. to the Soviet Union.

This comes from an article, "Safety of Soviet Breeders Questioned," in Energy Digest of June 17, 1975:

> Soviet breeder reactor designs may incorporate inadequate provisions for safety and reliability, according to Robert D. Allen, vice president of Bechtel Corporation. Allen was one of 50 nuclear engineers who reportedly visited two Soviet breeders recently under the auspices of the European Nuclear Society and the American Nuclear Society. After inspecting the 350 Mw Shevchenko breeder (eastern shore of the Caspian Sea) and the 600 Mw Beloyarsk unit (Ural Mts.) Allen reportedly observed: "Either we are right and they are going to have terrible problems with reliability and safety, or we have gone too far."
>
> Allen described how he and his colleagues were astounded to learn, "before we knew where we were," that their guides had taken them atop the reactor's "rotating plug," which is used to position fuel elements. Despite their hosts' assurances that ample shielding was in place, the nuclear experts apparently felt uneasy. Allen also noted crude workmanship in the reactors concrete structural elements, wiring and instrumentation. Allen opined that electrical circuits were too close together for safety. The Soviets apparently have had their share of trouble developing leak-proof stainless steel welds. Dr. Hans Bethel of Cornell University recounts a water and sodium explosion at Shevchenko which, "spread a rather nasty cloud of sodium hydroxide (lye) over the country side." Allen qualifies, however, that every country involved with breeders is having problems in this area.

But I would like to just wind up these additional remarks by saying that when this program got started, it was supposed to be a program shared 50–50 with the public utilities.

If this bill passes the way it came out of the committee, it is going to mean that about 85 percent of the tab, at least, is going to be picked up by the Federal Government.

Now, if this is so darn good, why are not the utilities prepared to continue picking up about 50 percent of the action? But they are not.

As a matter of fact, I see the Senator from Wisconsin here, my friend, who led the fight some years ago on the SST. It reminds me very much of that fight because that started off to be a shared cost technology with the aerospace companies putting up their fair share.

In the end, it became almost 100 percent a federally subsidized project.

But we had, originally, in this program 50–50 sharing. If this bill goes through, it will be about, at least, 85 to 15, and it is also possible that it is going to end up costing the Federal Government 100 percent from now on in.

The reason I say that is that if there is any substantial change in the contract with the contractor, the private contractor, by the Federal Government, the contractor has the option to bail out completely, and it seems clear today that there are going to be some substantial changes.

For instance, a core catcher which, in all probability, is going to be required. It is under review now that a core catcher is designed to prevent, in the case of a melt-down, the core from exploding and sending plutonium all over the countryside and radiation all over the neighborhood, and that core catcher is a substantial change in the contract.

If they decide to go ahead with that core catcher, the private contractor is going to be able to bail out and the only way that the Federal Government is going to get that thing built is to put up 100 percent of the cost.

That is something that has not come out clearly, and for those people concerned about the costs of this program it is something which I feel should be evaluated.

There is another thing, to me, which necessitates a delay in going ahead with this program for at least a year, and it is that we are having so many reviews being done.

The ERDA, for instance, is reviewing the program itself. The final environmental statement is not due for at least another 3 months, and the ERDA Internal Review Board is charged with reviewing this statement, this environmental impact statement.

I am quoting the proposed Final Environmental Statement:

> Presents the breeder program as though it must be accepted or rejected as a whole, thereby depriving the Administrator of the opportunity to choose the optimal structure and pace from among the full range of available courses.

And that is ERDA's own statement, or one of their internal divisions, one of their own statements.

It may very well be that we will want to have a more measured pace with the breeder and nobody is saying to do away with it. We are talking about taking about $94 million from this program, putting off the decision on long lead items for at least 1 year at Clinch River.

It may be, that represents an archaic technology. It may well be, as a doctor from MIT said, that we ought to wait a year or two to see if we can get a better or newer technology for that demonstration plant.

Mr. President, I yield to the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I rise to support the amendment of the Senator from California (Mr. TUNNEY).

This amendment, it seems to me, is desirable for many reasons from a cost standpoint, from a safety standpoint, also because, in my view, the project simply, technically, is not ready to go ahead.

I urge the Senate to adopt the Tunney amendment requiring a pause for reconsideration before forging ahead with the Clinch River breeder reactor. A reassessment is necessary before committing the country to this course of action with its significant prospect of wasting billions of energy R. & D. dollars. It is also a course which, if it reaches fruition, may involve grave perils for mankind.

For 30 years now the world has rushed into the nuclear age with the United States in the lead. The Atomic Energy Commission and the nuclear industry have pressed ahead with weapons development, with reactors for ships and submarines, and with peaceful uses of the atom such as heart pacemakers and electricity generation. These have been very impressive achievements by dedicated people both in government and in industry.

But it is time to pause in the development of the breeder reactor. A pause is needed for several reasons:

First. We must get control of the program's costs before proceeding. At present the program is generating appalling cost overruns while standing still or actually losing ground on its schedules and goals.

Second. The engineering testing that must precede the demonstration plant is incomplete. The Clinch River design is gold-plated and poorly suited for its purpose. In other words, we are just not yet ready to go into a costly demonstration project yet.

Third. The breeder raises momentous new problems of proliferation and protection of weapons-grade materials and radioactive wastes that have not yet been adequately addressed.

THERE IS TIME TO PAUSE

The revolution in energy prices in the past 2 years has undermined the case for rushing ahead with the breeder. This case rests on the proposition that uranium for nuclear power will be in short supply by the year 2000 without the fuel-efficient breeder technology. This argument was never very convincing and now has broken down.

In a report issued in April, the Environmental Protection Agency stated that reductions in electricity demand following from higher electric rates and conservation efforts would stretch our uranium supplies by an estimated 12 years. This delays the need for the breeder. The charts displayed here on the Senate floor indicate the size of the power demand reduction by the year 2000. Higher energy prices also would make available much greater supplies of uranium.

These facts are now recognized even by ERDA. Dr. Robert Seamans himself, the Administrator of ERDA, stated on May 8 with regard to the breeder:

> The commercialization date can be somewhat delayed. I believe, yes, we do have time to take additional stock of the present program . . . (Joint Economic Committee Hearing, May 8).

URANIUM SUPPLIES

ERDA adopts the AEC estimate of 3.4 million tons of recoverable high-grade uranium resources in the United States. This estimate is confined to the volumes of uranium that occur within 440 feet of the surface in areas of known uranium occurrence. Of course, this excludes many deposits in other areas or at greater depths. Today's higher energy prices make deeper mining entirely feasible.

It is true that demand for uranium may grow rapidly and that there are long leadtimes in bringing it to market. But the uranium industry is young and has not begun to exhaust its potential. There were those who said in 1900 that we were running out of oil and could never satisfy the gasoline demands of rising numbers of automobiles. The idea of running out of uranium may be just as wrong.

New, higher uranium prices will unleash a vigorous search for new reserves. The current price of $15 per pound of U_3O_8 is twice as high as a year ago, and power costs are so insensitive to uranium prices that the fuel could go to more than $100 per pound and still be competitive. Milton Searl of the electric utilities—has estimated U.S. uranium available at less than $100 per pound at nearly four times the level set by ERDA. Prof. John P. Holdren of the University of California has concluded in a comprehensive study of nuclear power that—

> Existing reactor technologies . . . could meet even the most enthusiastic projections . . . of nuclear generation through 2020 from presently known domestic uranium supplies, exploitable at $50 per pound of U_3O_8 or less . . . (*The*) *urgency often ascribed to early deployment of LMFBRs on grounds of uranium availability is, in fact, illusory* (emphasis added).

Mr. President, I ask unanimous consent that I may yield 1 minute to the Senator from New Mexico without losing my right to the floor for a unanimous-consent request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MONTOYA. Mr. President, I thank the Senator from Wisconsin.

Mr. President, a few minutes ago, we adopted two amendments, on page 19, line 13, we substituted the figures with one amendment, and page 39, line 18, we substituted other figures.

I am informed by the Parliamentarian that this matter was out of order and I now ask unanimous consent that the adoption of the amendment be considered in order retroactively.

The PRESIDING OFFICER. Without objection——

Mr. GRAVEL. Reserving the right to object, that was on page 19, the Church amendment the Senator referred to?

Mr. MONTOYA. No, it was not.

Mr. GRAVEL. What amendment would that do——

The PRESIDING OFFICER. The amendments increase the figure the Church amendment increased.

Mr. GRAVEL. Well, the Senator from Alaska has an amendment that would go to some figures on that page and I can circumvent that by amending other figures.

What I would like to do, I would not object to the Senator's request if put in as a unanimous-consent request that I may alter figures on line 13, and I would go along with it.

So my amendment would then be germane under the rules. This is not a question of germaneness under the rules, because I was precluded, but dealing with this figure directly, I can do it through indirection, it would save a lot of time if the Senator——

The PRESIDING OFFICER. Is there objection to the request that the amendments will be considered as having been in order and that the Senator from Alaska may offer an amendment to that figure?

Mr. BAKER. Mr. President, reserving the right to object, I apologize to the Senator from Alaska. I am not tracking what he is talking about.

Mr. GRAVEL. Perhaps I can explain again. Reserving the right to object, may I have the——

The PRESIDING OFFICER. The Chair will explain, if the Senators will suspend their colloquy.

Mr. PROXMIRE. Mr. President, I hope this will not be charged to my time.

The PRESIDING OFFICER. It will not be charged to the Senator's time.

The Senator from Idaho amended two figures, and then the Senator from New Mexico offered two amendments to amend the same two figures, which were agreed to, but were not in order.

That is where we are.

Mr. BAKER. And the question now is, one, whether or not those might be considered in order retroactively; and, two, whether or not the Senator from Alaska can make another amendment?

The PRESIDING OFFICER. To offer an amendment to modify those.

Mr. GRAVEL. Just one number of those pages. I can do it through indirection.

Mr. BAKER. I am sure the Senator can.

What page is it?

Mr. GRAVEL. Page 19, line 13, called "Other Programs," and I would have amendments just going to those figures, and it would accommodate the body as it would accommodate me personally.

Mr. MONTOYA. Mr. President, will the Senator yield?

Mr. GRAVEL. I am happy to yield.

Mr. MONTOYA. I would have no objection to the Senator offering an amendment to this one item. I would have no objection at all, and that may be included in my unanimous-consent request.

Mr. GRAVEL. I would not object to the Senator from New Mexico's request.

The PRESIDING OFFICER. Is there objection?

Mr. McCLURE. Mr. President, reserving the right to object, might I inquire of the Chair if there is an agreement that amendments must be germane?

The PRESIDING OFFICER. (Mr. PEARSON). The Chair will have to examine the agreement.

Mr. GRAVEL. The Senator from Alaska will tell the Senator from Idaho that my amendments will be germane.

The PRESIDING OFFICER. The Chair will advise the Senator that there is a provision for germaneness.

Mr. McCLURE. Might I inquire if the Senator from Alaska is asking that the provision requiring that the amendments be germane be waived?

Mr. GRAVEL. No, I have no such request. My amendments are germane.

The PRESIDING OFFICER. The Chair will advise that the Senator is asking to offer an amendment to amend a figure already in the amendment.

Is there objection? The Chair hears none. It is so ordered.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. MONTOYA. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of S. 598.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 553, AS MODIFIED

Mr. PROXMIRE. Mr. President, as I understand, the colloquy was not taken out of the time of the Tunney amendment, is that correct?

The PRESIDING OFFICER. That is correct.

Mr. PROXMIRE. Mr. President, the estimated costs of the breeder have gone up at a simply unbelievable rate. Total program costs have risen from $3.9 billion in 1968 to $10.7 billion today. That is more than doubling in 7 years. And schedules are slipping literally as fast as time goes by.

The Clinch River demonstration project has risen from $699 million in 1972 to $1.7 billion today, even before the first shovel of earth has been lifted at Clinch River. According to a GAO report on the cost and schedule for the Clinch River project, this latter estimate was hastily pared down from $2.1 billion at the behest of ERDA officials apprehensive that "with such high costs the project could be in trouble." Meanwhile the estimated completion date for the project is more distant than before.

Topping the Clinch River project by far, however, is the cost overrun on the so-called Fast Flux Test Facility, which will test fuels and components for the demonstration plant. Its estimated cost has gone up to more than 11 times the original 1967 projection. This must be a near record for abusing the taxpayer and playing the Congress for a sucker. Meanwhile, the estimated schedule for full operation of the facility has slipped by 6 years over the past 8.

Mr. President, any program, whether it is a military program, a health program, an education program, that has this really outrageous overrun performance should be carefully examined by the Congress. I think there is a strong case under these circumstances for us to take a year or so and look it over. That is all Senator TUNNEY would ask us to do.

So the cost of the breeder has gone up as fast as the price of oil itself. This may be no coincidence. The high price of oil has pulled up the prices of other energy sources, including that of electricity. This has opened a gap between nuclear generating costs and the prices of alternative energy forms.

Prices abhor a vacuum, and this cost gap was an invitation to price boosts in the nuclear industries. In fact, the price of uranium has doubled since 1974, and generating plants have soared in cost to fill this gap, even though new nuclear generating capacity is being ordered and placed in service more slowly than anticipated. The sense of urgency for energy independence also has placed the breeder contractors in a strong position.

So part of what we are seeing, I suspect, is the breeder contractors coming in for their share of the OPEC-generated profits that are percolating throughout the energy industries.

In any event, Congress has been hooked again on a project with grossly understated costs. Again we have been drawn into a pet agency-contractor boondoggle and are being taken for a long ride. So we face another test of Congress' determination to control the Federal purse strings effectively. If we are to pass this test, we must say stop, and order a careful new look at the justification, the costs and the design of the breeder program. That is what the Tunney amendment would do.

Make no mistake: There is a joker hidden even in these cost estimates. This joker is the assumption that private industry—the manufacturers and utilities—will chip in at least $1.7 billion for a second demonstration plant following the Clinch River project and then will fund all subsequent development costs. It is assumed that the taxpayers' share of the second demonstration plant will be only $300 million. For the follow-on project to get started on schedule the industry contribution would have to be committed before the Clinch River reactor is even completed. And this is not very likely.

Do not forget that the utilities were required by the original authorization to foot no less than half of the Clinch River project's costs. Of the 1972 cost estimate of $699 million, however, they never were willing to contribute more than $277 million, or 40 percent. As the costs skyrocketed, the taxpayers' representatives—AEC and ERDA—made a deal to limit the utilities' share to $257 million—only 15 percent of the present estimated total—and accepted for the taxpayer an unlimited share now estimated at $1.4 billion. Government promoters of the supersonic transport played the same joker on us 10 years ago but never got away with this much.

Let us put the utilities' attitude into perspective. This industry expects to spend over $300 billion on new facilities in the next 10 years. They could themselves develop the breeder, which its supporters tell us is the only way to generate adequate electricity after the year 2000. But they are willing to put less than one one-thousandth of their investment funds into breeder development.

Either the utilities do not believe that the breeder is the wave of the future, or else they expect to get it free of charge from Uncle Sam. After all, the administration not long ago named it a top national priority. In keeping with this, administration officials have told GAO that Federal subsidies for follow-on demonstration plants might have to go as high as $2 billion if private support cannot be attracted.

The most convincing reason to pause in the funding of the Clinch River plant is that the technical preparations have not been satisfactorily completed.

Even if there were no overrun, even if it were right on time, up to this point, I think it is clear that the Clinch River design is not satisfactory.

Projects providing technical inputs are behind schedule, and major technical gaps, such as those in the fuel recycle technology, must be filled before the breeder can function commercially. So we are calling for a delay in the money to match the progress in research and engineering.

Mr. TUNNEY. Will the Senator yield?

Mr. PROXMIRE. Yes.

Mr. TUNNEY. It is interesting to note that at the present time we are in a situation where the Nuclear Regulatory Commission is undertaking a 3-year study to determine whether or not we should have plutonium reprocessing as a fact in being in this country.

They are trying to determine whether or not this technology is safe. We are not going to know the answer to that for 3 years, and yet the breeder program assumes that we are going to have plutonium reprocessing. There is no way that a breeder can work without a plutonium reprocessing plant in operation.

Mr. PROXMIRE. The Senator is saying, as I understand him, that if we conclude, after 3 years, that it is not safe, it means that we have wasted and thrown away hundreds and hundreds of millions of dollars, in fact, over $1.5 billion.

Mr. TUNNEY. Yes. There is no question about that. And the breeder that was originally estimated to cost about $2.5 billion is now estimated to cost $10.7 billion, and it may well be before we are through that it will be somewhere in the neighborhood of $15 billion, $16 billion, or $17 billion; and if this program is to be successful, we will have to have plutonium reprocessing.

Yet the whole program which Congress established just last year says we ought to have a 3-year study to determine whether we are going to have plutonium reprocessing in this country.

Mr. PROXMIRE. So what the Senator from California is asking us to do is look where we are going?

Mr. TUNNEY. Exactly.

Mr. PROXMIRE. To take off the blinders and see what is ahead of us?

Mr. TUNNEY. Let me read a quotation from the GAO report. It says:

> Special problems are licensing by NRC of plutonium recycling, a process essential to economically viable LMFBR's, and a decision whether LMFBR's need core catchers or other additional containment to guard against core disruptive accidents, including recriticality.

If we are going to fund this program at the rate we are funding it, and they get this Clinch River demonstration project started on the line, there will be tremendous pressure on the regulatory agency to say, "Let us build that plutonium reprocessing plant," even though, in their best judgment, it may not be acceptable.

Mr. PROXMIRE. I think the Senator makes an irrefutable point for anyone who believes in our proceeding, not only as to fiscal responsibility, but also with regard to the health and safety of our people. There will be enormous economic pressure, and all of us know of occasions when economic pressures in our Government and other governments have resulted in decisions that are unwise, foolish, and dangerous, but we have gone ahead because of the amounts of money that have already been spent.

What the Senator is doing, as I understand, is trying to prevent that, and not only to save money, but to save lives.

Although I shall not go deeply into the matters of plutonium proliferation and nuclear wastes, it should be clear to all that the decision being considered here is not just a matter of providing for future electric power requirements. That is very important. But this decision also carries with it potentially cataclysmic dangers for mankind that are only now being fully perceived by people outside the secretive nuclear complex. Momentous new problems, such as those of safeguarding plutonium and enriched uranium from potential weapons makers, would take on a new order of magnitude with the further development and ultimate proliferation of the breeder reactor. This is truly a fateful decision for mankind.

In closing, let me cite the view of Professor David Rose, a top nuclear physicist at MIT, who said:

> My first choice—to delay construction of the CRBR one or two years while carrying out a substantial review—rests on the belief that a better program will come from a thorough review, that time exists for the work, and that the delay will not lead to dissolution of the present program.

Mr. President, I offer a perfecting amendment at this point, which would insert new language in the section of the Tunney amendment dealing with prohibitions on long lead time procurements.

The PRESIDING OFFICER. The Chair would advise the Senator that the amendment is not in order until the time on the Tunney amendment has all been used up or yielded back.

The Senator may ask unanimous consent to do so.

Mr. GRAVEL. Mr. President, will the Senator yield?

Mr. TUNNEY. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 19 minutes.

Mr. TUNNEY. I yield 2 minutes to the Senator from Alaska.

Mr. GRAVEL. Mr. President, I have two items that I wish to insert in the RECORD dealing with the danger of plutonium in our society, prepared by Dr. John Gofman, showing the correlation with respect to plutonium fallout and the incidence of cancer or potential cancer in our society.

I think they are very relevant to the matter now under discussion, and I ask unanimous consent that they be printed in the RECORD at this point.

There being no objection, the documents were ordered to be printed in the RECORD, as follows:

THE CANCER HAZARD FROM INHALED PLUTONIUM

(By John W. Gofman)

FOREWORD

The calculations presented here, and in the other reports of this CNR series, represent a first approximation of the biological hazards from plutonium exposure.

In essence, these are studies of the dosimetry of plutonium exposure. There are certain critical voids in mankind's knowledge of the physical and physiological parameters which determine the dosimetry, and thus we have made necessary assumptions which are all clearly identified.

It is anticipated that as additional data become available, the calculations herein will be updated to take them into account.

SUMMARY OF CONCLUSIONS

(1) The lung cancer potential in humans from inhaled insoluble compounds of plutonium (such as PuO_2 particles) have been grossly underestimated by such authoritative bodies as the International Commission on Radiological Protection and the British Medical Research Council.

(2) The term "lung cancer dose", used freely in this report, has a specific scientific definition, namely, the reciprocal of the lifetime lung cancer risk per unit of radiation, whatever be the units discussion. In more popular terms, one "lung cancer dose" of a carcinogen such as plutonium introduced into a population will assure one extra lung cancer death.

(3) The lung cancer hazard of plutonium inhalation is much higher for cigarette-smoking humans than for non-smokers. The calculations presented here suggest the following values for inhalation of insoluble plutonium particulates.

For Cigarette-Smokers: Pu^{239}

(a) 0.058 micrograms deposited Pu^{239} represents one "lung cancer dose".

(b) 7,830,000,000 "lung cancer doses" per pound of Pu^{239}.

Reactor-Pu:

(a) 0.011 micrograms deposited reactor-Pu represents one "lung cancer dose".

(b) 42,300,000,000 "lung cancer doses" per pound of reactor-Pu.

For Non-Smokers: Pu^{239}

(a) 7.3 micrograms deposited Pu^{239} represents one "lung cancer dose".

(b) 62,600,000 "lung cancer doses" per pound Pu^{239}.

(a) 1.4 micrograms deposited reactor-Pu represents one "lung cancer dose".

(b) 338,000,000 "lung cancer doses" per pound of reactor-Pu.

(4) While the estimated hazard is about 127 times lower for non-smokers than for smokers, the hazard for non-smokers for reactor-Pu, which is what nuclear energy provides, is indeed severe. Clearly, there would be no source of comfort available even if no one in the population smoked cigarettes.

(5) The reason for the gross underestimate by ICRP or BMRC is their use of a totally unrealistic, "idealized" model for the clearance of deposited plutonium from the lungs and bronchi, plus their non-recognition of the bronchi as the true site for most human lung cancers. The erroneous model used by such organizations fails totally to take into account the effect of cigarette-smoking upon the physiological function of human lungs.

(6) Plutonium nuclides, or other alpha particle-emitting nuclides, in an insoluble form, represent an inhalation hazard in a class some five orders of magnitude more potent, weight for weight, than the potent chemical carcinogens.

(7) The beagle dog data on lung cancer production from inhaled plutonium already are in good general accord with the human estimates of this report, even though it is widely realized that the current beagle data must be overestimating the lung cancer dose. When the beagle data became available at lower dosages, it is virtually certain that they will not be significantly different from the human estimates.

(8) None of the calculations presented in this report make any use of "hot particle" theories and are in no way dependent upon such theories. Unfortunately, so much effort has been expended, for example, by the British Medical Research Council, in countering "hot particle" theories that they overlooked the real cancer hazard derivable from straightforward dosimetry, as presented here. It turns out that dosimetry provides cancer risk estimates well within order of magnitude agreement with those predicted by Geesaman-Tamplin-Cochran.

(9) "The lung cancer potential of insoluble particles of plutonium compounds should result in worldwide rejection of nuclear fission energy involving any kind of plutonium handling or recycling. No meaningful mitigation of this problem would be achieved even if cigarette smoking stopped totally."

THE CANCER HAZARD FROM INHALED PLUTONIUM

(By John W. Gofman*)

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INTRODUCTION

At this critical juncture for societal choices of energy supply for the future, one possible choice is a nuclear fission economy based upon the element plutonium (element 94). Tamplin and Cochran[1] have pointed out that the U.S. AEC projected that over 4 million megawatts of nuclear capacity will be installed between 1970 and 2020. Based upon this estimate, Tamplin and Cochran pointed out that over the lifetime of these plants this installed capacity could result in a cumulative flow of approximately 200 million kilograms (440 million pounds) of plutonium through the nuclear fuel cycle. Putting this much plutonium "through the nuclear fuel cycle" means plutonium becomes a commonplace article of commerce, being handled by thousands of workers and being transported on highways, railways, and airways in numerous shipments per day.

Plutonium is widely recognized as a potent carcinogen, and is of particular concern in the form of insoluble particles of plutonium dioxide (PuO_2) as a very potent agent for the production of lung cancer in man. Estimates have been made by several individuals and groups of the number of human lung cancers to be expected for the inhalation of specified quantities of PuO_2 particles. Such estimates range over several orders of magnitude, with Cohen[2] providing the lowest estimate, Tamplin-Cochran[1] providing the highest estimate, and the British Medical Research Council[3] providing evidence suggesting an intermediate value. Unfortunately, the problem has been clouded by needless polemic discussion of whether or not the "hot particle" hypothesis (Geesaman)[4] is correct. The issue of PuO_2 particle carcinogenicity can be approached in a straightforward manner with no reference whatever to "hot particle" theories.

It is our purpose here to present such a straightforward analysis leading to some reasonable limits for the expected numbers of human lung cancers for the inhalation of plutonium particulates. There are certain crucial voids in our knowledge of the behavior and disposition of PuO_2, once deposited in the lung. As a result, the estimate of the number of cancers becomes dependent upon the assumptions used where evidence is lacking. Cohen, in his analysis, simply overlooked the important problems of behavior of the PuO_2 in the lung. The British Medical Research Council paid lip service to certain of the problems, but then neglected to indicate how failure to address the problems might provide a falsely low estimate of lung cancer hazard from plutonium inhalation.

DETAILED ANALYSIS OF LUNG CANCER INDUCTION BY PLUTONIUM

The analysis of the lung cancer-producing properties of inhaled plutonium particulates (usually, but by no means neessarily, insoluble particles of PuO_2) proceeds by several steps.

Step 1: Analysis based upon the known carcinogenicity of x-rays, gamma rays, and neutrons for human lung tissue, followed by analysis of the dose to be delivered to lung tissue by inhaled particulates of plutonium, assuming the plutonium delivers its radiation to the entire mass of broncho-pulmonary tissue. Since the nuclear power industry will provide mixtures of plutonium nuclides, rather than the predominant nuclide, Pu^{239}, the analysis will consider effects of Pu^{239} and effects of Pu mixtures from nuclear power reactors, to be designated simply as "reactor-Pu".

Step 2: Analysis of the nature of the problem of non-uniform distribution of plutonium within the lung and the crucial problem of which cells in the broncho-pulmonary system are involved in human lung cancer production.

Step 3: Final estimates of the probable limits to be placed upon the lung cancer expectations per pound of plutonium deposited in lung tissue of human populations.

Step 1. Analysis based upon the known carcinogenicity of x-rays, gamma rays and neutrons for human lung tissue.

There has been, for several years, conclusive evidence that human population groups exposed to x-rays, or to combinations of x-rays, gamma rays, and neutrons have developed an excess of lung cancers that must be attributed to radiation exposure. Gofman and Tamplin[5-23] have presented comprehensive analysis of the quantitative aspects of such lung cancer production. More recently

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Footnotes at end of article.

the BEIR Committee presented its analysis of the same evidence.[24] We shall discuss the differences (minor, at best) in the conclusions to be derived from both analyses. There is abundant additional proof that bronchopulmonary irradiation produces lung cancer in man from the tragic experience of uranium (and other) miners exposed to radon gas and daughter products of radon. However, we shall refrain from using these latter data for quantitative purposes because virtually everyone realizes that dose estimation in rads or rems is exceedingly tenuous at best for the miners.

The analysis of Gofman-Tamplin led to the conclusion that, for diffuse lung irradiation, 1 rem means 2% increase over the spontaneous lung cancer death rate each year in an exposed population, once the latent period of some 10–15 years is passed.[25] Precisely how long this 2% per year increase (in lung cancer death rate) persists is not known from direct evidence. A modestly conservative estimate (agreed to by many observers) is a persistence of 30 years, but persistence for the remainder of the life span of the exposed population cannot be ruled out. The BEIR Committee recognized this uncertainty in its report. The value of 2% increase over spontaneous lung cancer death rate, according to Gofman-Tamplin, applies for young adults of the 20–30 year age range.

Some workers have analyzed lung (and other cancer) production by radiation in terms of the absolute number of cancers produced per rem exposure of a population, with no reference to a percent increase over the spontaneous occurrence rate. Cohen has chosen this approach, with the strange statement that:

"It may be noted that our calculations employed the "absolute risk" model of Reference 5 (the BEIR report) rather than the "relative risk" model. Primarily this is because the age-dependent risk of each type of cancer is not readily available, and the calculations are more complex. In ref. 5, the relative risk model gives a two times larger effect. However, the available evidence tends to support the absolute risk model and it seems to be preferred by most experts in the field, so its use is justified by our aim to determine the most probable effects."

The available evidence, in the opinion of the present author, is very much in favor of the opposite conclusion—namely, that the relative risk method has very sound foundation indeed. (A variety of pertinent sources of evidence points strongly to radiation action as a multiplier of other carcinogenic influences) (e.g., radiation multiplies the effect of cigarette smoking in the uranium miners). If radiation acts as a multiplier, then the best approach is the relative risk method, with a specified percent increase over the spontaneous cancer fatality rate per rem of exposure. The BEIR Committee was unable to choose between the two approaches, commenting as follows: (p. 99, BEIR Report)

"Absolute risk estimates are generally more useful for purposes of radiation protection than are relative risk estimates, because they specify directly the number of persons affected. On the other hand, if the risk due to radiation were found to increase in proportion to the natural risk, then the relative risk would provide the more appropriate estimate. Since the existing knowledge of radiation carcinogenesis is not always sufficient to indicate which type of estimate applies best in a given situation, both the absolute risk (where possible) and the relative risk are given in this report."

Since the present author considers the scientific evidence overwhelmingly in favor of the relative risk method, that method (including BEIR's relative risk estimates) will be used in all calculations here. It is a very simple matter, as will be noted, to convert the relative risk estimates, scientifically sound, into absolute numbers of lung cancer fatalities. Moreover, in periods of rapidly changing lung cancer death rates (such as the 1940–1975 period in the USA), the relative risk method can avoid serious errors of under-estimation. The absolute risk method, using data for populations exposed in or before 1945, may be truly irrelevant in making estimates for the real world of 1975.

The most recent datum from the American Cancer Society provides the estimated value, 63,500 lung cancer deaths per year (1975) for men in the USA.[26] Virtually all these lung cancer deaths are in men over 25 years of age, so they may be taken to occur in a population of approximately 50 million men (those over 25 years of age).

The spontaneous (or as BEIR calls it, the "natural") lung cancer death rate, therefore, is $63500/5x10^7$ or $1.27x10^{-3}$/year. Expressed otherwise, this means 1.27 fatal lung cancers per 1000 persons per year, spontaneously occurring in men over 25 years of age.

If we now utilize the Gofman-Tamplin figure of a 2% increase over the spontaneous rate per rem of exposure, we arrive, per rem, at the following: (0.02) $(1.27x10^{-3})$, or $2.54x10^{-5}$/year as the expected increase in lung cancer fatalities per year per rem of exposure. Henceforth in this discussion, we shall refer to estimates arrived at in this manner as "Gofman-Tamplin" estimates.

The BEIR Committee arrived at a somewhat lower percentage increase per rem of exposure. However, BEIR realized that the exposed subjects had not been followed long enough to be sure they were on the "plateau" of observed effects. We may quote BEIR Report (p. 156) as follows:

"It is possible, therefore, that in the final analysis the absolute risk in these groups will approach $2/10^6$/year/rem and the relative risk will reach 0.5% or higher. For the three groups (miners and Japanese survivors) in which up-to-date information is available, it is significant that many new cases have been added during the past few years."

This is a powerful admission by the BEIR Committee. They are admitting that their estimate is only four-fold lower than Gofman-Tamplin and admitting that when all the evidence is in, they may be even closer to Gofman-Tamplin estimates.

Let us not anticipate the future, and simply proceed utilizing the BEIR figure of 0.5% increase in relative risk per year per rem, realizing that it is not a most conservative public health estimate.*

Since 0.5% is ¼ of 2%, we would say that BEIR should conclude that the risk of fatal lung cancer, for USA subjects in 1975, is $\frac{1}{4} \times 2.54 \times 10^{-5}$/year/rem, or 6.3×10^{-6}/year/rem.

Henceforth in this discussion, we shall refer to estimates based upon this number as "BEIR" estimates.

Cohen, in his analysis, quotes BEIR as giving "The cancer risk of radiation to the lung as 1.3×10^{-6}/year-rem for adults". This low figure, based upon absolute data from 1945, may be truly irrelevant for exposure of populations today.

Henceforth in this discussion, we shall refer to Cohen's analysis based upon the 1.3×10^{-6} lung cancer deaths/year-rem as the "Cohen" estimate.

It was stated above that most observers (including BEIR Committee) consider the "plateau" effect may persist for 30 years, or even longer. And while not truly conservative (in the absence of positive knowledge), we shall, for present purposes, utilize the potential underestimate of 30 years on the "plateau".

This leads to the following total lung cancer production per rem as follows:

"Gofman-Tamplin"

$$30 \times 2.54 \times 10^{-5} = 7.62 \times 10^{-4}$$

lung cancer deaths per lifetime-man-rem.

"BEIR" $30 \times 6.3 \times 10^{-6} = 1.89 \times 10^{-4}$ lung cancer deaths per lifetime-man-rem.

"Cohen" $30 \times 1.3 \times 10^{-6} = 3.9 \times 10^{-5}$ lung cancer deaths per lifetime-man-rem.

THE CONCEPT OF THE "LUNG CANCER DOSE"

It has become commonplace recently to alter such presentations of risk into another format, namely, that which describes "the lung cancer dose". This is a simple and useful way to present the estimates. If the lifetime risk is x per man-rem, then the "lung cancer dose" is $(1/x)$ man-rems.

Thus, for illustration, if the lifetime risk is 1 out of 10, which means 0.1 per man-rem, then the "lung cancer dose" is 1/0.1, or 10 man-rem.

Applying this relationship to the estimates above, we derive the following:

"Lung Cancer Dose", in man-rem

"Gofman-Tamplin" $1/7.62 \times 10^{-4}$, or 1310 man-rem.

"BEIR" $1/1.89 \times 10^{-4}$, or 5290 man-rem.

"Cohen" $1/3.9 \times 10^{-5}$, or 25,600 man-rem.

CALCULATION (STEP 1 LEVEL) OF "LUNG CANCER DOSE" FOR INSOLUBLE INHALED PLUTONIUM PARTICLES

The Cohen approach (which we shall here term Step 1 level calculations) is to calculate plutonium dosage as though the dose were distributed throughout the entire mass of lung tissue. While it will be shown below (Step 2 calculation) why this is *not* reasonable, it will suffice for Step 1 calculations. Cohen has used the reasonable value of 570 grams as the lung mass for average man (exclusive of blood). Further, Cohen has applied a factor of 10 for conversion of rod to rem for the alpha-particle radiation of plutonium. The British Medical Research Council Report suggests (p. 10) a value of 10–20 for this conversion. Again, even though possibly not conservative enough, we shall use the Cohen value of 10 for conversion of rods to rems.

To convert microcuries of plutonium deposited to dose in rems, Cohen has used the equation:

Dose in rems/day $= 51$ EQ/M rems/day-microcurie

where $E =$ energy deposited by alpha radiation in MEV

$M =$ mass of organ in grams

$Q =$ quality factor (the ratio of rems to rads, or the ratio of carcinogenic damage of the Pu alpha particles to that of gamma rays of the same energy).

(E for $Pu^{239} = 5.1$ MEV; $Q = 10$; $M = 570$ grams)

We shall accept all this for Step 1 calculation purposes, except to re-iterate that using $M = 570$ grams assumes distribution of the dose to the whole lung tissue mass. In Step 2 calculations below, this crucial issue will be treated in detail.

Using the equation above, Cohen arrives at 2000 rems (for that portion of the plutonium presumed to be retained in the lung with a 500 day half-time for removal) per microcurie of deposited plutonium (Pu^{239}). We shall return later to this "500 day half-time for removal," but for Step 1 calculation, the 2000 rems per microcurie will be accepted. Incidentally, since the other Pu nuclides in "reactor-Pu" will have E values not very different from the 5.1 MEV for Pu^{239}, the same calculation will apply per microcurie of other Pu nuclides.

Since we have, above, assigned for the "Cohen" estimate, a value of 25,600 man-rem as the "lung cancer dose," it follows that 1 microcurie of Pu^{239} delivers 2000/25600, or *0.08* "lung cancer doses".

Expressed otherwise, 1/0.08, or 12.5 microcuries Pu^{239} (For "Cohen" estimates) deposited provide one "lung cancer dose".

Footnotes at end of article.

* See Note 1 in "Supplemental Notes."

In Cohen's paper, he used a risk of "about 4.7 percent" per microcurie instead 8% per microcurie by including the risk for children (erroneously, we believe) and the risk for adults well beyond 30 years of age. Since we are comparing all estimates for adults 20–30 years of age, we have made the minor adjustment in Cohen's estimate back to 8% per microcurie (as per his Figure 2).

Cohen stated, additionally, that of all the plutonium particulates inhaled, only 25% is retained for potential deposition, and he therefore multiplies his "lung cancer dose" by a factor of 4. Since all these discussions relate to deposited plutonium, rather than inhaled plutonium, it is inappropriate to utilize this particular factor of 4. Thus, we shall leave the "Cohen" estimate at 12.5 microcuries deposted Pu^{239} per "lung cancer dose" or per "lung cancer death".

There are 16.3 micrograms of Pu^{239} required to provide 1 microcurie of Pu^{239} alpha radiation. (This is directly calculable from the 24,000 year half-life of Pu^{239}).

Therefore, the "Cohen" estimate becomes (12.5) (16.3), or 204 micrograms of Pu^{239} deposited per "lung cancer dose".

For "BEIR" estimate, with 5290 man-rems per "lung cancer dose," we calculate 5290/2000, or *2.65* microcuries Pu^{239} per "lung cancer dose".

Converting to micrograms, $2.65\times16.3=43.2$ micrograms Pu^{239} deposited per "lung cancer dose".

For "Gofman-Tamplin" estimate, with 1310 man-rems per "lung cancer dose," we calculate 1310/2000, or *0.66* microcuries Pu^{239} deposited per "lung cancer dose".

Converting to micrograms, $(0.66\times16.3)=$ 10.8 micrograms Pu^{239} deposited per "lung cancer dose".

All these data are summarized in Table 1.

TABLE 1.—Step 1 calculation (assuming distribution of plutonium-239 throughout entire lung mass)

[Estimate]

Man-Rem per "Lung Cancer Dose":	
"Gofman-Tamplin"	1,310
"BEIR"	5,290
"Cohen"	25,600
Micrograms Pu^{239} deposited per "Lung Cancer Dose":	
"Gofman-Tamplin"	10.8
"BEIR"	43.2
"Cohen"	204

Cohen has pointed out, correctly, that the mixture of plutonium nuclides from power reactors contains, in addition to Pu^{239}, several shorter-lived nuclides. Therefore, he states, correctly, that reactor-grade Pu is some 5.4 times as hazardous by weight as pure Pu^{239} (as high as 10 times in high burn-up light water-reactor fuel). Taking this 5.4-fold hazard factor into account, we arrive at the estimates in Table 2.

TABLE 2.—Step 1 calculation (assuming "reactor-Pu" distributed throughout entire lung mass)

[Estimate]

Micrograms Reactor Grade Pu per "Lung Cancer Dose":	
"Gofman-Tamplin"	2.0
"BEIR"	8.0
"Cohen"	37.8

We are now in a position to make a Step 1 estimate of the "lung cancer doses" per pound of Pu^{239} or per pound of reactor-grade Pu. The reader may well ask "Why calculate per pound of plutonium?" The answer is simply this. For considerations of the hazard posed by a plutonium-based nuclear fission energy economy, we know the number of pounds expected to be in daily commerce, and thus it is well to know the number of "lung cancer doses" involved in such an economy.*

The calculation itself simply involves the number of micrograms per pound and the number of micrograms per "lung cancer dose".

1 pound=454 grams or, 1 pound=$4.54\times10^2\times10^6=4.54\times10^8$ micrograms.

Illustratively, we may calculate the number of "lung cancer doses" per pound of Pu^{239} in the form of insoluble PuO_2 particles or other finely dispersed insoluble Pu compounds.

From Table 1, for "Gofman-Tamplin" estimates, we have 10.8 micrograms Pu^{239} deposited per "lung cancer dose".

Therefore, "Lung Cancer Doses" per pound of $Pu^{239}=4.54\times10^8/10.8$, or 42,000,000 "lung cancer doses".

Similar calculations, for all three estimates, both for Pu^{239} and "reactor-Pu" are presented in Table 3.

TABLE 3.—Step 1 calculation, "Lung Cancer Doses" per pound of Plutonium

[Estimate]

"Lung Cancer Doses" per pound Pu^{239}:	
"Gofman-Tamplin"	42,000,000
"BEIR"	10,500,000
"Cohen"	2,225,000
"Lung Cancer Doses" per pound Reactor-Pu:	
"Gofman-Tamplin"	227,000,000
"BEIR"	56,800,000
"Cohen"	12,000,000

It must be reiterated here that all calculations of Step 1 type assume that the plutonium is distributed throughout the entire lung tissue mass. It does not assume uniformity of dose, but rather that the entire lung mass is the distribution region for the plutonium. As will be shown in Step 2 below, this may mean that the estimates of Table 3 represent minimum, rather than probable, estimates of the "lung cancer doses" per pound of plutonium.

Step 2: Analysis of the Nature of the Problem of Non-Uniform Distribution of Plutonium Within the Lung and the Crucial Problem of Which Cells in the Broncho-pulmonary System are Involved in Human Lung Cancer Production.

When a population is irradiated by X-rays, gamma-rays, or neutrons, and a dose is properly estimated for lung, we can expect, correctly, that the dose in rems to all segments of the lung-bronchus system is, to a good first approximation, everywhere identical. Under these circumstances it is reasonable to state that 570 grams of lung tissue have been irradiated. Even if some of the tissue (e.g. cartilage, smooth muscle, fibro-elastic support tissue) is not at all involved in cancer production, the dose estimate to the critical tissue susceptible to cancer production is still correct.

For inhaled particulate matter, estimation of the radiation dose as though the particles are distributed into 570 grams of lung tissue can be totally absurd. For example, it is extremely unlikely that any significant part of the inhaled particulates lodges in such tissues as bronchial cartilage, bronchial smooth muscle, walls of pulmonary arteriovenous network, or in fibro-elastic tissue. Therefore, the deposited particulates are distributed into some mass of tissue (including the critical cells for development of lung cancer) much less than 570 grams in mass. How much less? A reasonable first approximation, eliminating cartilage, fibro-elastic support tissue, arterial and venous walls, smooth muscles, and nerves, is that the relevant mass of tissue for distribution of the inhaled plutonium particulates cannot be more than one-half of 570 grams. Though this is just a beginning of Step 2 considerations, it immediately permits revision of Table 3 estimates upward by a factor of two. The revised results are presented in Table 4.

TABLE 4.—(Preliminary Step 2 Calculation, based upon 0.5x570, or 285 grams as the Lung Tissue Mass) "'Lung Cancer Doses" per pound of Plutonium

[Estimate]

"Lung Cancer Doses" per pound Pu^{239}:	
"Gofman-Tamplin"	84,000,000
"BEIR"	21,000,000
"Cohen"	4,450,000
"Lung Cancer Doses" per pound Reactor-Pu:	
"Gofman-Tamplin"	454,000,000
"BEIR"	113,600,000
"Cohen"	24,000,000

THE REVELANT TISSUE FOR LUNG CANCER PRODUCTION

It is well known that the large preponderance of "lung" cancers arise in the bronchi rather than in the parenchymal lung tissue. Indeed it is this preponderance that accounts for lung cancer generally being referred to as bronchiogenic cancer. The BEIR report recognizes this, as does the British Medical Research Council Report. McCallum[27] states that such cancers are rare in the trachea or the two main-stem bronchi. The cancers are also relatively rare in the bronchioles. So the crucial tissue at risk must be the segmental bronchi, and, within these, the epithelial layer of the bronchi. What is really required is an estimate of the dose delivered by insoluble plutonium particles to this critical tissue, where almost all of the bronchiogenic cancers arise. The British Medical Research Council Report recognized this requirement, but in an apparent zeal for a pejorative analysis of the Geesaman-Tamplin-Cochran "hot particle" thesis, the B.M.R.C. report simply failed to address the most crucial problem of all.

"The very fate of human societies may well rest upon this issue, considering the proposed handling of some 440 million pounds of plutonium (and reactor-grade at that) in the next 50 years in a plutonium-based nuclear fission energy economy."

It is strange indeed that virtually all workers (Cohen, British Medical Research Council, ICRP, and others) have seemed fascinated by the 25% of inhaled plutonium deposited in the tissues beyond the bronchi, when virtually all the cancers arise in the bronchi. It almost seems as though the prevailing mood is that if a serious problem is simply neglected, it may disappear.

THE DOSE TO RELEVANT TISSUE

As will become evident below, it is no simple matter, in the current state of our ignorance, to calculate the true dose from insoluble PuO_2 particles to the relevant bronchial tissue.

All the above-mentioned groups or individuals have made use of a model for lung dynamics developed by a Task Group of the ICRP.[28] This model may be totally irrelevant for the question of exposure of the relevant bronchial cells. What does this model suggest, and where may it fail seriously in the real-life situation?

The model suggests that when PuO_2 particles are inhaled that some 8% deposits in the "tracheo-bronchial" region and some 25% deposits in the deep respiratory tissue ("pulmonary tissue"). It further assumes that the PuO_2 deposited in the tracheo-bronchial region is rapidly cleared into the intestine via the naso-pharynx, with 99% being cleared in less than a day. For the "pulmonary tissue" (tissue beyond the terminal bronchioles), the model suggests that 40% of the deposited PuO_2 is cleared in a day and 40% is cleared with a half-time of some 500 days. The remaining 20% is presumed, in the model, to be cleared via lymph and blood. The 80% (including the 40%

Footnotes at end of article.

* See Note 2 in "Supplemental Notes."

rapidly cleared plus the 40% slowly cleared) are presumed to go back up through the tracheo-bronchial system to nasopharynx and thence to intestine.

This model is totally based upon the assumption of normally functioning epithelium of the bronchial system, particularly of normally functioning cilia* to propel the particles back up the tracheo-bronchial tree. If that ciliary function is impaired, then all the assumptions concerning clearance rate can be vastly in error, if applicable at all.

While the Task Group of ICRP was quite happy that the model seemed in reasonable accord with experimental animal data on a variety of particulate materials, the model may be irrelevant for humans in real-life circumstances.

Let us recall that most lung cancers (bronchiogenic cancers in man) occur in smokers of cigarettes. Roughly such cancers are 10x as likely in cigarette smokers than in non-smokers. This being the case, we really need to know what the circumstances of PuO_2 deposition and retention will be in cigarette smokers in the population, since this will overwhelmngly determine the bronchiogenic lung cancer effects.

In the extensive studies of lung cancer reported by the Surgeon General,(29) one outstanding set of facts was pointed out, based upon the work of Auerbach et al (30).

(a) There is considerable alteration of bronchial epithelium in cigarette smokers.

(b) There is a serious loss of ciliary presence in cigarette smokers (to say nothing of function of what cilia remain).

If our cigarette smokers have a serious loss of ciliary presence and function, of what use is a model that predicts clearances based upon intact ciliary function? We must face the possibility that, as a result of impairment or loss of ciliary function, PuO_2 deposited in the tracheo-bronchial epithelial region of man may be cleared extremely slowly. Further, the PuO_2 coming back up from the deep plumonary tissue may also be hung up in the bronchial region, since it is assumed that the ciliary function is what propels it on, ultimately to the intestine.

It will indeed be no easy task to ascertain, for cigarette smoking humans, precisely what the clearance rates are for PuO_2 in human bronchial tissue. But it would represent the height of public health irresponsibility either (a) to assume that an invalid, irrelevant model provides answers or (b) to neglect the problem simply because it is difficult.

AN APPROACH TO ESTIMATION OF THE PLUTONIUM DOSE TO RELEVANT BRONCHIAL CELLS

There are two parts to this estimate:

(a) Estimation of the fraction of tracheo-bronchial region that is relevant for bronchiogenic cancer.

(b) Estimation of the clearance of PuO_2 particles by bronchial epithelium with impaired ciliary function, as in cigarette smoking humans.

(a) Estimation of the Relevant Part of the Tracheo-Bronchial Region

In the Task Group publication (28) it is estimated that the air volume of nasopharynx plus tracheo-bronchial region down through terminal bronchioles is 133 cm^3, of which 50 cm^3 is assigned to the nasopharyngeal volume. This leaves 83 cm^3 for the entire tracheo-bronchial region. Since virtually no cancers arise in the trachea, we can subtract approximately 33 cm^3 for the tracheal volume, leaving 50 cm^3. The right and left mainstem bronchi (also rarely involved in cancer) represent a volume of approximately 11 cm^3, so this leaves 39 cm^3 for the bronchial region, including the terminal bronchioles. As a reasonable first approximation, ½ of this volume will be assigned to the relevant bronchi, and ½ to the volume of smaller bronchial branches plus bronchioles. Therefore, we have, finally, approximately 20 cm^3 for the volume in relevant bronchi. From Gray's Anatomy (31), the diameter of such intrapulmonary bronchi can be estimated as approximately 0.23 cm. (or radius=0.115 cm.).

Treating these bronchi as cylindrical tubes,

Volume=πr^2h, where h=equivalent length of total bronchi of this class $20=5.14\ (0.115)^2h$ or, $h=20/(3.14)\ (0.013)=20/0.04=500$ cm.

To calculate the surface area of such bronchi, we use: $Area=2\Pi rh=2\Pi(0.115)\ 500=(6.28)\ (0.115)\ (500)=361\ cm^2$

A reasonable approximation for average height of the stratified columnar epithelium of these bronchi is 30 microns, or 3×10^{-3} cm.

Therefore, Volume of Epithelial Tissue=Area$\times$cell layer height$=361\times3\times10^{-3}=1083\times10^{-3}\sim1\ cm^3$

Since the density of soft tissue is ~1 gram/cm^3, it follows that the mass of relevant bronchial tissue is ~1 gram.

(b) Estimation of the Clearance of PuO_2 Particles by Bronchial Epithelium with Impaired Ciliary Function

The work of Auerbach et al (cited in the Surgeon General's Report on Smoking) shows the following severe losses of cilia in cigarette smokers (Table 5). These were controlled studies in which the pathologist did not know the smoking habits for the cases studied.

The Surgeon General's report comments as follows on loss of ciliary function (Ref. 29, pp 269-270:

"Inhibition of ciliary motility following exposure to tobacco tars, cigarette smoke, or its constituents has been demonstrated frequently with experimental use of respiratory epithelium from a wide variety of animal species." (17 references quoted).

"Similar results have been obtained with ciliated human respiratory epithelium." (2 references). "Although all investigations have been conducted in vitro, the uniformity of the inhibitory effects in a number of different experimental models is impressive."

Table E.—(Data of Auerbach et al) Loss of Cilia and Epithelial Cell Abnormality

Group	No. cases	No. slides studied	Percent of slides with cilia absent and averaging 4 or more cell rows in depth
Never smoked regularly	65	3, 324	1. 1
Ex-cigarette smokers	72	3, 436	4. 1
Cigarettes—½ pk/day	36	1, 824	4. 7
Cigarettes—½-1 pk/day	59	3, 016	7. 9
Cigarettes—1-2 pks/day	143	7, 062	16. 9
Cigarettes—2 pks/day	36	1, 787	37. 5

As noted in Table 5, over and above the loss of cilia there is marked abnormality in the epithelial layer of the bronchi.* Whether these altered epithelial cells may more avidly engulf PuO_2 particles than do normal epithelial cells, either by phagocytosis or endocytosis, is totally unknown. It is possible that the failure of clearance of PuO_2 by such regions may be seriously enhanced over and above the failure of clearance due to the absence of cilia. The Auerbach data reveal the absurdity of the model used by ICRP, by Cohen, and by BMRC for evaluation of PuO_2 clearance by the real population expected to be exposed to PuO_2 inhalation. In the heavy smokers, who will contribute *most* of the lung cancers, 37.5% of the cells have lost their cilia entirely. We can, therefore, with sound reason, presume that such regions of absent ciliary function will clear PuO_2 particles slowly, if at all. It would not be at all conservative, for such regions, to assume that the half-time for clearance is 500 days for PuO_2 particles.

QUANTITATIVE TREATMENT OF SMOKERS AND NON-SMOKERS FOR PLUTONIUM LUNG CANCER HAZARD

Inasmuch as the strong evidence indicates a different physiological handling of PuO_2 particulates for smokers versus non-smokers (henceforth, smokers will be considered to mean cigarette smokers), it is essential to consider these as separate sub-populations. The first step in such separate handling is to re-estimate the risks of lung cancer for smokers versus non-smokers.

For the overall male population (USA), the spontaneous lung cancer rate$=1.27\text{x}10^{-3}/$year. (P.5, this report). Two subpopulations will be considered as a very reasonable approximation: ½ the men as non-smokers; ½ the men as smokers (all cigarette smokers combined).

Let x=lung cancer rate for non-smokers and 10x=lung cancer rate for smokers (P. 15, this report).

Then, overall rate$=(½)\ (x)+½\ (10x)=1.27\text{x}10^{-3}$ or, $11x/2=1.27\text{x}10^{-3}$; $x=0.23\text{x}10^{-3}$/year; $10x=2.3\text{x}10^{-3}$/year.

With these evaluations of (x) and (10x), it is possible to convert all tables presented above into separate tables for smokers and for non-smokers. Wherever risks are involved, values for smokers (compared with overall population) must be multiplied by $2.3\text{x}10^{-3}/1.27\text{x}10^{-3}$' or a factor of *1.81*.

Values for non-smokers (compared with overall population) must be multiplied by $0.23\text{x}10^{-3}/1.27\text{x}10^{-3}$ or a factor of *0.181*.

Table 3 can now be converted to one which treats smokers and non-smokers separately. These converted data, utilizing the factors above (1.81 and 0.181), are presented in Table 6.

Table 6.—Step 1 Calculation: Separate Data for Smokers and Non-Smokers

Lung Cancer Doses per Pound of Plutonium*

[Estimate]

FOR CIGARETTE SMOKERS	
"Lung Cancer Doses" per pound Pu^{239}:	
"Gofman-Tamplin"	76, 000, 000
"BEIR"	19, 000, 000
"Cohen"	4, 030, 000
"Lung Cancer Doses" per pound Reactor-Pu:	
"Gofman-Tamplin"	411, 000, 000
"BEIR"	103, 000, 000
"Cohen"	21, 700, 000
FOR NON-SMOKERS	
"Lung Cancer Doses" per pound Pu^{239}:	
"Gofman-Tamplin"	7, 600, 000
"BEIR"	1, 900, 000
"Cohen"	403, 000
"Lung Cancer Doses" per pound Reactor-Pu	
"Gofman-Tamplin"	41, 100, 000
"BEIR"	10, 300, 000
"Cohen"	2, 270, 000

*Note.—This is still a Step 1 calculation assuming plutonium distributed into the entire 570 grams of (bloodless) lung tissue mass.

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* Cilia are specialized hair-like structures arising from the surface of lining cells, with the functon of propeling material.

Footnotes at end of article.

*Normal epithelium would show one or two cell rows in depth. Note that Table 5 describes the slides showing four or more cell rows in depth.

Step 3 Calculations of Lung Cancer Hazard from PuO_2 for Smokers and Non-Smokers

(a) **The Cigarette Smokers:**

As a result of the presence of large regions of cilia-free bronchi, coupled with potentially impaired ciliary function in additional regions, it is highly reasonable to estimate that clearance from cilia-free bronchial regions will be comparable with that estimated for cilia-free pulmonary regions. This leads to T½=500 days for clearance for such cilia-free regions. From Table 5, cigarette-smokers of more than 1 pkg. per day average 25% cilia-free regions.

Therefore, if we asume 25% of bronchi will show impaired clearance, we can hardly be overestimating the effect. It may not be conservative enough.

In the ICRP Task Group Model it is assumed that 25% of inhaled PuO_2 deposits in pulmonary tissue 8% of inhaled PuO_2 deposits in tracheobronchial region.

It is further assumed by ICRP that only 60% of the PuO_2 deposited in pulmonary tissue is retained for long-term clearance and that none of the PuO_2 deposited in the tracheobronchial tree is retained for long-term clearance.

With impaired ciliary clearance for 25% of the bronchial region, we shall asume (a) that 25% of that deposited in tracheobronchial tree is subject to retention. 25% of 8%=2% of total. Moreover, we shall use ICRP's estimate that 40% of this clears within a few days, leaving 0.6x2=1.2% for long-term retention. (b) Further, of the 40% coming up rapidly (as per ICRP) from the pulmonary region that 25% of this 40% is retained in the bronchial region. 25% of (40% of 25%)=2.5% is retained, additionally, of which 60% is retained long-term. Long term, therefore=1.5%. Therefore, total retained for long-term clearance becomes 1.2+1.5=2.7% in bronchial region.

The ICRP Model allows 60% of 25%, or 15%, of total to be retained in pulmonary region, providing dose to this region.

Since we have just calculated 2.7% to be retained in the bronchial region, it follows that the bronchial region has a radiation source=2.7/5, or *0.18* as strong as the pulmonary region.

But to estimate dose to bronchial region, we must also incorporate the estimated tissue mass (bronchial) irradiated. This was shown above to be one gram.

Therefore, the overall radiation dose to bronchial region=(0.18)x(570)x(Dose to pulmonary region) = (103) x (Dose to pulmonary region).

This dose, in the cigarette smokers, will completely dominate the additional dose received by the pulmonary region.

It is now posible to estimate the lung cancer doses per pound of PuO_2 by applying this factor of 103 as a multiplier for all the values for smokers in Table 6. The results of this calculation are presented in Table 7.

TABLE 7.—Step 3 Calculation: Final estimate of PuO_2-induced Lung Cancers in Cigarette Smokers

[Estimate]

"Lung Cancer Doses" per pound Pu^{239}:	
"Gofman-Tamplin"	7, 830, 000, 000
"BEIR"	1, 960, 000, 000
"Cohen"	415, 000, 000
"Lung Cancer Doses" per pound Reactor-Pu	
"Gofman-Tamplin"	42, 300, 000, 000
"BEIR"	10, 600, 000, 000
"Cohen"	2, 240, 000, 000

The number of micrograms Pu per lung cancer dose is now readily estimated for the cigarette smokers. For example, from Table 7, the Gofman-Tamplin estimate is 7,830,000,000 lung cancer doses per pound Pu^{239}.

1 pound=$4.54x10^8$ micrograms

Therefore, $7.83 \times 10^9/4.54\times 10^8$=lung cancer doses per microgram. The micrograms per lung cancer dose is the reciprocal, or $4.54x10^8/7.83\times 10^9=0.058$ micrograms. In a similar fashion all the values of Table 7 can be treated to provide the estimate of Table 8.

TABLE 8.—Final Step 3 Estimates of Micrograms PU per Lung Cancer Dose in Cigarette Smokers

[Estimate]

Micrograms Pu^{239} per lung cancer dose:	
"Gofman-Tamplin"	0. 058
"BEIR"	0. 23
"Cohen"	1. 10
Micrograms Reactor-Pu per lung cancer dose:	
"Gofman-Tamplin"	0. 011
"BEIR"	0. 043
"Cohen"	0. 203

(b) The Non-Smokers

For this population sub-group, the Auerbach data (Table 5) shows the following:

Never Smoker Regularly: 1.1% of bronchial regions show cilia absent.

Ex-Cigarette Smokers: 4.1% of bronchial regions show cilia absent.

We shall weight the "never smoked" twice as heavily as the ex-cigarette smokers and arrive at a value of 2% as an average for bronchial regions showing cilia absent in a cross-section of non-smokers.

For the cigarette smokers, a value of 25% was used above for the bronchial regions showing ciliary absence. Therefore, we arrive at the estimate that, whatever dosage of the relevant bronchi is taken for cigarette smokers, the appropriate value for non-smokers is 2/25, of (0.08) of that dosage. The number of expected lung cancers from plutonium inhalation in non-smokers will therefore be (0.008) × (lung cancers expected in smokers). (0.08 for source strength and 0.1 for cigarette-lung cancer risk.)

Accordingly, Table 9, providing lung cancer doses per pound of Pu for non-smokers is derived from Table 7 by multiplying all values by (0.008).

Table 10, providing micrograms Pu per lung cancer dose, is derived from Table 8 by dividing all values by (0.008).

TABLE 9.—Final Step 3 Estimate of PuO_2 Induced Lung Cancers per Pound in Non-Smokers

[Estimate]

Lung cancer doses per pound Pu^{239}:	
"Gofman-Tamplin"	62, 600, 000
"BEIR"	15, 700, 000
"Cohen"	3, 300, 000
Lung cancer doses per pound Reactor-Pu:	
"Gofman-Tamplin"	338, 000, 000
"BEIR"	85, 000, 000
"Cohen"	17, 900, 000

TABLE 10.—Final Step 3 Estimates of Micrograms Pu per Lung Cancer Dose in Non-Smokers

[Estimate]

Micrograms Pu^{239} per lung cancer dose:	
"Gofman-Tamplin"	7. 3
"BEIR"	28. 8
"Cohen"	138. 0
Micrograms Reactor-Pu per lung cancer dose:	
"Gofman-Tamplin"	1. 4
"BEIR"	5. 4
"Cohen"	25. 4

In the treatment here, both for smokers and non-smokers, no crediting was given to diminish ciliary function over and above ciliary absence. It is quite possible that we have underestimated the hazard of plutonium inhalation as a result. Nevertheless, the preference is to understate the hazard wherever data are not absolutely firm, provided all concerned realize that there may well be an understatement.

GENERAL DISCUSSION

Are the estimates too high or too low?

It is evident from all the discussion up to this point that certain key parameters of physiological function are not available through direct experimentation evidence for humans. One fact, however, is outstanding—that is the failure of authoritative bodies such as ICRP or BMRC to come to grips with the real-life problem of bronchopulmonary retention of PuO_2 particles in cigarette-smoking humans. This failure has led them to the use of a totally unrealistic and probably irrelevant model which drastically underestimates the lung cancer hazard of PuO_2 inhalation. One may ask whether the retention in bronchial tissue, secondary to loss of ciliary function, will really lead to a 500-day half-time for clearance of PuO_2 particles. We simply don't know, but it is just as reasonable to expect on even longer retention time as it is to hope for a shorter retention time. Since ciliary function is the mechanism counted upon for differentiating rapid clearance in the bronchi versus slow clearance in the pulmonary region, the absence of effective ciliary function makes it reasonable, as a first approximation, to expect clearance times to become identical.

If there be any intrinsic more rapid clearance mechanism (aside from cilia) for bronchial cells than for pulmonary cells, such mechanism is totally hypothetical. Indeed, the effect can be such as to worsen the estimates.

One may ask whether the metaplastic and hyperplastic epithelium of the bronchi of cigarette-smoking humans is more or less active in the engulfing of PuO_2 particles than is the normal epithelium. We simply don't know, but it is, a priori, equally probable that such epithelium can be less, equally or more active in engulfing PuO_2 particles. The burden of proof that metaplastic and/or hyperplastic epithelium is less active in engulfing PuO_2 particles would rest upon those who think it may be less active. From what we know about the general physiology of injured or inflammatory tissue, the expectation, if anything, is for greater phagocytic activity, not less. And this would make the PuO_2 carcinogenicity worse than calculated, not better.

The hazard of dispersal of plutonium oxide aerosols

Cohen endeavored to show that plutonium dispersal was not as bad as general opinion has held it to be. The seriousness of his under-estimate of the cancer hazard of inhaled PuO_2 aerosols is evident in this report. Thus, comparison of Cohen's 2,225,000 lung cancer doses per pound of Pu^{239} (Table 3) with the final "Gofman-Tamplin" estimate of 7,830,000,000 for cigarette-smoking humans, show that Cohen is low by a factor of 7,830,000,000/2,225,000, or 3520 times too low. Even for the non-smokers, his estimate is some 30 times too low.

In view of these serious under-estimates of the lung cancer hazard from inhaled Pu, most of his estimates of the hazard of plutonium dispersal will require scaling up by a factor of 3520 times.

Cohen, in his general thesis that plutonium, while very toxic, is not as toxic as many have thought, presented a calculation that insoluble reactor grade Pu is roughly 60 times more carcinogenic than benzpyrene. Benzpyrene is a now-famous substance, being one of the most potent chemical hydrocarbon carcinogens known. If we correct Cohen's estimate by the 3520 fold factor required, his estimate would then be that reactor grade Pu is roughly 211,000 times

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Footnotes at end of article.

as carcinogenic as benzpyrene for smokers. It would seem that this revision would materially enhance the carcinogenic stature of plutonium for Cohen.

In consideration of "lung cancer doses" per pound of plutonium it must be recalled that this reflects the expected number of fatal lung cancers per pound of deposited plutonium. The question of how much of dispersed PuO_2 actually gets deposited is a wholly separate issue, based largely upon meteorology and dispersal conditions. Thus, if plutonium is dispersed and falls out over the ocean, there are few humans around to inhale it, so very few of the cancers can occur. On the other hand, dispersal with fallout in a city can lead to very drastic consequences in lung cancer fatalities.

It has been estimated that the nuclear weapons testing of the 1950s and 1960s has resulted in the worldwide fallout of some 11,500 pounds of plutonium-239 equivalent.[35] Some have suggested that if plutonium is so virulent a carcinogen as it appears to be, why haven't more cases of lung cancer occurred as a result of this fallout? The author has calculated the consequences of this plutonium fallout, and these consequences will be presented in a separate report.[32] Huntington has repeatedly raised the question of whether the increasing epidemic of lung cancer may be, in part, due to plutonium fallout.[33] Huntington may well have raised one of the most crucial public health issues of our time.

Comparison of human data with experimental Beagle data

The British Medical Research Council Report has reviewed the beagle dog studies of Bair and Thompson.[34] The initial depositions were between 3 nanocuries and 50 nanocuries of Pu-239 per gram of bloodless lung. Even at the lowest level (3 nanocuries per gram of lung), essentially 100% of the dogs died of lung cancer. We know, therefore, that 3 nanocuries per gram of bloodless dog lung is at least one "lung cancer dose." As BMRC pointed out, the true "lung cancer dose" could be much lower, and on-going experiments at lower doses will be required to test this issue.

But, there are sufficient data already to compare the beagle evidence with the human calculations presented in this report.

3 nanocuries per gram $=3x10^{-3}$ microcuries per gram.

To scale to human, with a 570 gram bloodless lung we have $3x10^{-3}x570$, or $1710x10^{-3}$, or 1.7 microcuries of Pu-239 at least one "lung cancer dose."

Conversion to micrograms, $1.7x16.3=27.1$ micrograms of Pu-239 is at least one "lung cancer dose."

In Table 8, "Gofman-Tamplin" estimates are that 0.058 micrograms is the lung cancer dose for cigarette smoking humans, and in Table 10, the similar estimates are that 7.3 micrograms of Pu^{239} is the lung cancer dose for non-smoking humans.

Curiously enough it has been overlooked that beagle dogs raised in laboratories are not in the habit of smoking cigarettes. If a relevant comparison is to be made with humans, the appropriate treatment would be to compare the beagle data with the estimates for non-smoking humans.

Let us compare these values directly:

For the beagle dog (a non-smoker): 27.1 micrograms Pu^{239} is at least one lung cancer dose.

For the human (non-smoker): 7.3 micrograms Pu^{239} is one lung cancer dose.

As the BMRC report pointed out, virtually 100% of the beagles developed lung cancer at 3 nanocuries per gram of bloodless lung. It would be in the realm of miracles that the 3 nanocuries/gram happened to coincide with one lung cancer dose. In all likelihood, the true lung cancer dose for non-smoking beagle dogs is lower than 3 nanocuries per gram, and quite possibly considerably lower, just as was pointed out by the British Medical Research Council Report. Since the beagle data are even now so close to the estimates calculated here, it seems virtually certain that the newer beagle data will not be significantly different from the human estimates.

The Standards for "Permissible" Exposure to Plutonium, Occupational and for the Public-at-Large

The existing guidelines for "permissible" exposures to plutonium particulates permit:

(a) Occupational workers: Maximum lung burden=0.016 microcuries.

(b) Public-at-Large: Permissible burden for the average person=0.0005 microcuries.

Tamplin and Cochran[1]**, at the time of** releasing their report, stated that the current guidelines make it extremely likely, indeed almost certain, that exposed individuals (occupationally-exposed) would develop fatal lung cancers.

It is of interest to test this prediction of Tamplin and Cochran against the calculations of this report, calculations that in no way depend upon the hot particle approach utilized by Tamplin and Cochran.

Predictions for occupational exposure

Since 16.3 micrograms represent 1 microcurie of Pu^{239}, the occupational permissible burden of 0.016 microcuries represent 0.26 micrograms of Pu^{239} equivalent.

For cigarette-smoking workers

1 lung cancer dose=0.058 micrograms (Table 8). Therefore, each worker is permitted to acquire a lung burden of 0.26/0.058, or 4.5 lung cancer doses. Since it only takes one lung cancer to kill a human, it is something of an overkill to guarantee 4.5 fatal lung cancers per worker. For these workers, therefore, we not only agree with Tamplin-Cochran, but we believe they understated the hazard.

For non-smoking workers

1 lung cancer dose=7.3 micrograms (Table 10). Therefore, each worker is permitted to acquire a lung burden of 0.26/7.3, or 0.036 lung cancer doses. Therefore, the expectation is that approximately one such worker out of thirty would develop fatal lung cancer at the permissible dose.

Predictions for the public-at-large

The implications of this report's calculations for the public-at-large are much more startling. The permissible average burden of 0.0005 microcuries of Pu^{239} corresponds to 0.0082 micrograms of Pu^{239} equivalent.

The population of the USA is roughly ½ non-smokers, ½ cigarette smokers. Since there are some 10^8 males per generation, at the current US population size, there are 5×10^7 cigarette smokers and 5×10^7 non-smokers.

Total lung cancer doses, for cigarette smokers, $5\times10^7\times0.0082/0.058=5\times10^7\times0.14=7\times10^6$ lung cancer doses.

Total lung cancer doses, for non-smokers, $5\times10^7\times0.0082/7.3=5\times10^7\times0.0011=0.06\times10^6$ lung cancer doses.

Combining these, we have 7,060,000 extra fatal lung cancers that can be expected in USA males per generation if the population exposure to plutonium approached that which regulations now permit.

Since these lung cancers would occur over a 30-year period, the expectation would be for 7,060,000/30, or 235,000 extra fatal cancers per year in men. Since the current lung cancer fatality rate, from all causes combined, is 63,500 per year in men, the conclusion must be drawn that governmental regulatory bodies are not disturbed over causing an additional four times as many lung cancer deaths as are now occurring.

Many serious public health experts consider 63,500 lung cancer fatalities per year to represent a most serious epidemic. How should they view the burgeoning plutonium-based nuclear fission energy economy, proceeding under regulatory standards that would permit a four-fold increase supplementary to this epidemic?

SUPPLEMENTAL NOTES

Note 1: The BEIR relative risk percentage refers to adults. If it were restricted to 20–30 year old adults, the BEIR value might have to be increased even further than the 0.5% value used in this report (for BEIR). This entire present report, for consistency, compares all estimates for males in the 20–30 year age range (see p. 3, this report).

Note 2: Calculation of fatal doses per pound of a toxic material of commerce may, at first glance, appear to represent an effort to exaggerate toxicity. This is incorrect. Indeed, it will be quite relevant, in the future, to describe all industrial pollutants in a similar manner. For substances handled in commerce in pound or ton quantities, a rational reference framework will be to require toxic or fatal doses per pound.

Some observers have pointed out that society has handled many highly toxic non-radioactive pollutants in pound or ton quantities. Since, in general, no careful followup studies have ever been made for most such pollutants, it may well be that a societal reappraisal of such non-radioactive pollutants is urgently indicated.

FOOTNOTES

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Estimated Production of Human Lung Cancers by Plutonium From Worldwide Fallout

(By John W. Gofman*)

FOREWORD

The calculations presented here, and in the other reports of this CNR series, represent a first approximation of the biological hazards from plutonium exposure.

In essence, these are studies of the dosimetry of plutonium exposure. There are certain critical voids in mankind's knowledge of the physical and physiological parameters which determine the dosimetry, and thus we have made necessary assumptions which are all clearly identified.

It is anticipated that as additional data become available, the calculations herein will be updated to take them into account.

SUMMARY OF CONCLUSIONS

1. Worldwide fallout of plutonium-239 (and other plutonium nuclides (from past atmospheric weapons tests have produced a sizeable, and reasonably well estimated, deposition of plutonium in the lungs of inhabitants of the Northern Hemisphere.

2. Since the lung cancers expected per microgram of plutonium inhaled are available (Reference 1), it is a straightforward matter to estimate how many persons have been irreversibly committed to develop plutonium-induced fatal lung cancer.

3. For the USA alone, it is estimated that 116,000 persons have been committed to plutonium-induced lung cancer. In the entire Northern Hemisphere, the total number is 1,000,000 persons.

4. Since the latent period is over for a sizeable part of the plutonium fallout exposure, many of these estimated lung cancer fatalities must be occurring annually now. Probably in the entire Northern Hemisphere, of the order of 10,000 must be dying annually of plutonium-induced lung cancer.

5. Lung cancers, once induced, do not identify themselves as to cause. This is the reason that the absurd, although common, statement can be made that "cancers due to plutonium haven't been observed."

6. The experience of the small groups of Manhattan Project plutonium workers or the Rocky Flats plutonium workers is totally consistent with the expectations for plutonium-induced lung cancer presented here. By no means can these groups provide any comfort whatever for those hoping for a lesser carcinogenicity of inhaled plutonium.

7. Based upon the data presented here for fatal lung cancers already committed by weapons plutonium fallout in the USA, an estimate can be made for future lung cancers to be produced by the developing nuclear power industry. If that industry contains its plutonium 99.99% perfectly, it will still be responsible for 500,000 additional fatal lung cancers annually. This would mean increasing the total death rate in the United States by 25% each year, since 2,000,000 persons currently die from all causes combined.

INTRODUCTION

Plutonium inhaled in the lung, particularly in the form of such insoluble particulates as plutonium dioxide (PuO_2), is one of the most potent lung cancer-producing agents known. Gofman has recently estimated the carcinogenicity of such particles both for smokers of cigarettes and for nonsmokers.[1] The results are best expressed in "lung cancer doses", where *one* "lung cancer dose" is the reciprocal of the lifetime risk per unit of carcinogen. Thus, as an example, if the lifetime risk of lung cancer per deposited microgram of Pu^{239} is x, then the "lung cancer dose is (1/x) micrograms.

For *deposited* Pu^{239}, the findings were:

For Cigarette Smokers (males), 0.058 μg. Pu^{239}=one lung cancer dose.

For non-Smokers (males), 7.3 μg. Pu^{239}= one lung cancer dose.

Plutonium has several nuclides, so that it is important to specify whether pure Pu^{239} is at issue, or some mixture of nuclides. Cohen [14], for example has estimated reasonably that usual reactor plutonium is 5.4 times as hazardous per microgram deposited in the lung, because of the admixture of shorter-lived plutonium nuclides. A convenient way to deal with unknown mixtures of plutonium nuclides is to determine the alpha particle activity in Curies (or some subunit such as picocuries) of Pu^{239} equivalent, and then convert to micrograms, utilizing 16.3 micrograms Pu^{239}=1 microcurie Pu^{239}.

As a result of worldwide fallout of plutonium from weapons tests conducted in the atmosphere, it is estimated that approximately 320,000 Curies of Pu^{239} equivalent received global dispersion and fallout.[9] Some part of this fallout was inhaled by humans, particularly in the Northern Hemisphere, and is now part of the measured body burden of plutonium observed. In view of the extremely high lung cancer potential of plutonium inhalation, it is important to evaluate how many lung cancer fatalities are currently being caused by inhaled fallout plutonium and how many cases are to be expected in the future.

As will become evident in the body of this report, the plutonium inhaled from worldwide weapons test fallout may have already created, irreversibly, one of the prime public health problems of our era.

ANALYSIS OF THE LUNG CANCER INDUCTION BY PLUTONIUM FALLOUT

The only additional parameter required beyond those cited above concerning micrograms plutonium per lung cancer dose is the average quantity of plutonium inhaled by humans. In an elegant treatment of this problem, Bennett [2] has provided the estimate that the cumulative inhalation intake through 1972 has been approximately 42 picocuries per person. Since so high a fraction of the total inhaled was inhaled during 1962–1964, and since the years before exceeded the years after, an excellent approximation is that 1962 be taken as an average time of inhalation. Bennett pointed out further that the analysis of tissue burdens suggested the fallout plutonium was most likely to behave like PuO_2 such behavior being what ICRP Task Group on Lung Dynamics would refer to as Class Y compounds (highly insoluble particles).[8]

The calculation of expected number of lung cancers will proceed as in Reference,[1] followed by two adjustment factors,

(1) an adjustment for the fact that persons inhaled the plutonium in 1962 versus 1975,

(2) an adjustment (minor in nature) for the retention in bronchopulmonary tissue of the 0.4 micron fallout particles versus those considered in Reference (1).

FIRST STEP CALCULATIONS

In Reference 1, the conversion of inhalation to deposition is represented by a factor of four. Therefore, 42 picocuries inhaled represents 10.5 picocuries deposited.

Conversion to picograms of Pu^{239} equivalent yields, (10.5) (16.3) =171 picograms Pu^{239} equivalent deposited.

Lung Cancer Dose, for cigarette smokers= 0.058 *micro*grams deposited, for non-smokers=7.3 *micro*grams deposited.

We shall now consider the generation of males in the USA that received the fallout. There was, of course, a spectrum of men, ranging from children through men of advanced age. The treatment of the problem in Reference 1 was for 20–30 year old men. Since the sensitivity of the group under 20 is higher for cancer induction by radiation, and for the group over 30 is lower for cancer induction, a very good approximation is arrived at by considering the entire generation of men to have received the plutonium fallout at the age range 20–30 years.*

Secondly, we shall assume 50% of the men were cigarette smokers; 50%, non-smokers.

At a US population size of —$2x10^8$ people (1962), (approximately ½ men, ½ women), we arrive then at $5x10^7$ cigarette smokers (male), $5x10^7$ non-smokers (male).

Lung plutonium deposition in each of these groups is $(5\times10^7)\times(171)=855\times10^7$ picograms.

Conversion to micrograms yields (855×10^7) $\times (10^{-6}$=8550 micrograms Pu^{239} equivalent deposited per 5×10^7 men.

For the smokers, Lung Cancer Doses= 8550/0.058=147,000.

For the non-smokers, Lung Cancer Doses= 8550/7.3=1170.

Total Lung Cancer Doses=147,400+1170 148,600.

From the definition of the "lung cancer dose", it follows that this calculation means there will occur 148,600 extra long cancer deaths in the generation of men receiving plutonium fallout.

For women in the population, there are two considerations to make before calculation.

The spontaneous lung cancer rate for

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Footnotes at end of article.

* See Notes [1] and [2] in "Supplemental Notes".

women is approximately 0.27 that of men.* While part of that difference may well be accounted for by the difference in cigarette smoking, that is not yet certain, so an intrinsically lower sensitivity will be utilized for women ($0.27\times$that of men).

Second, we shall divide the female population into 20% of cigarette smokers and 80% non-smokers. Therefore,

For 2×10^7 cigarette smoking women (versus 5×10^7 smoking men), expected lung cancers doses$=2\times10^7/5\times10^7\times(0.27)\times147{,}400=15{,}900$.

For 8×10^7 non-smoking women (versus 5×10^7 non-smoking men), expected lung cancers doses$=8\times10^7/5\times10^7\times(0.27)\times1170=500$.

Adding all groups, we have: $148{,}600+15{,}900+500=165{,}000$ extra lung cancer deaths from weapons-test plutonium fallout, before making the two adjustments described above. These must now be considered.

Adjustment 1

Since all radiation effects are calculated relative to the spontaneous rates in operation at the time of dosage, we must use the 1962 spontaneous lung cancer fatality rate rather than the 1975 rate of Reference.[1]

From the recent American Cancer Society estimates [4] it appears a best estimate is that the spontaneous lung cancer fatality rate for 1962 was 38/62.5, or *0.61* times as high for 1975.

Therefore, the first adjustment leads to, $(165{,}000)\times(0.61)=$ *100,700* extra lung cancer deaths from plutonium fallout.

Adjustment 2

In the treatment developed in Reference [1], the initial deposition in lung was taken as 8% to tracheobronchial region, 25% to pulmonary region.

This led to an estimate that the radiation source to the cancer-relevant cells of the bronchi was 0.18 times as strong as that for the pulmonary region for cigarette smokers.

Bennett recommends, for the 0.4 micron particles of plutonium fallout, that appropriate values are, 8% to tracheobronchial region, 32% to pulmonary region.

Correcting the pulmonary region (32% instead of 25%) leads to the relevant bronchial cells having a source 1.15 times stronger; thus, $(1.15)(0.18)=(0.207)$ times that of the pulmonary region.

Therefore, the adjustment factor is 1.15 for this effect. The final adjustment of the expected lung cancer deaths leads to: $(1.15)\times(100{,}700)=116{,}000$ extra lung cancer deaths in the U.S. population (men + women combined) as a result of weapons-test plutonium fallout.*

This represents the best estimate within the framework of data and assumptions that appears to deserve use at this time.

EXPECTED TIME DISTRIBUTION OF THESE EXTRA LUNG CANCER DEATHS

When cancer is induced by ionizing radiation, there is a period of time, the so-called latent period, before any extra cancer deaths appear in the exposed population. That latent period is somewhere in the neighborhood of 10–15 years for many types of cancer (only about 5 years for leukemia). Thereafter, the cases of cancer increase until the maximum effect is observed, generally called the "plateau" effect. This plateau may last 30 years, or even the whole remaining lifespan of the exposed population. But it must also be remembered that plutonium (or other radiation) operates as a multiplier of the "spontaneous" (or "natural") occurrence rate of fatal cancers. Most (though not all) cancers show an increasing rate of occurrence with age in a population. Thus, even if radiation doubles the spontaneous rate, at an early period of life the absolute number of cancers occurring will be low. As the exposed population becomes older, the radiation-induced cases will occur in increasingly large absolute numbers. For lung cancer, we can estimate how the radiation-induced fatalities will occur, once the latent period is passed. The Surgeon General's report on Smoking and Health provides the requisite data for estimating the distribution of cases. Using data from that report (p. 138)[5], the following tabulation has been prepared, Table 1.

TABLE 1.—Expected Distribution of Lung Cancer Fatalities by Age Group, After the Latent Period is Over

Age Group:	Percent of ultimate number of cases
Under 40 years of age	0.2
Under 50 years of age	2.2
50–55 years of age	3.2
55–60 years of age	6.8
60–65 years of age	11.3
65–70 years of age	17.6
Between 70–80 years of age	58.8

In 1975, some 13 years after our "average" time of receiving the plutonium dose, the latent period is just about over, so the lung cancer cases should be starting to occur. However, the largest proportion of the persons who received plutonium fallout were under 35 years of age in 1962. Thus, when these individuals reach 50 years of age, the data of Table 1 suggest that only about 2.2% of the total number of radiation induced lung cancer fatalities should be $(0.022)\times(116{,}000)$, or 2550 deaths.

The expected rate will climb fairly rapidly. For example, when the individuals are in the 60–65 year age bracket, the data of Table 1 indicate that 11.3% of the total number of plutonium-induced cancers will occur, and $(0.113)\times(116{,}000)=13{,}100$ deaths. Similar calculations can be made for any age bracket. Thus, our existing epidemic of fatal lung cancers will become materially increased from plutonium fallout already received, even if all other factors productive of lung cancer remain constant.

There is a special reason for appreciation of age distribution of expected cases. In the community of nuclear energy proponents there seems to exist the expectation that all the cases will occur in a very short time. When the full 116,000 lung cancer deaths don't materialize immediately, we can probably count upon nuclear proponents to say, "See, plutonium isn't all that bad".

The number of weapons-test plutonium-induced lung cancer deaths occurring right now is probably of the order of 1,000 cases per year in the USA, since the latent period is just about over. Over the next couple of decades this number will rise steadily in annual rate. Worldwide, the now-occurring plutonium-induced lung cancer deaths must be of the order of 10,000 cases per year.

WORLDWIDE LUNG CANCER PRODUCTION FROM PLUTONIUM FALLOUT

The plutonium fallout from atmospheric weapons testing is worldwide in scope, with the Northern Hemisphere receiving most of the fallout. While Bennett's calculation of 42 picocuries was derived from New York data, there is no reason to doubt that this is a reasonable approximation worldwide (Northern Hemisphere).

Based upon World Health Statistics,[4] the spontaneous lung cancer death rates, age adjusted (1968–69), and averaged over 33 countries of the Northern Hemisphere is 33.3 per 100,000 compared with 44.0 per 100,000 in the USA for the same time period.

Since the relative risk method relates radiation to spontaneous cases, the worldwide (Northern Hemisphere) rate, for plutonium fallout, must be adjusted downward by the factor 33.3/44.0 or 0.76.

As a first approximation, the Northern Hemisphere population, which received the fallout, was some 10 to 15 times that of the USA. Let us use 10×, to allow for possible differences in fallout received (possibly an underestimate).

Therefore, estimated worldwide (outside USA) cases of fatal lung cancer induced by plutonium fallout is $(116{,}000)\times(0.76)\times(10)$, or 882,000 extra deaths.

Combining USA + outside USA, the total$=$ 998,000 extra deaths. Probably some 10,000 extra deaths are occurring annually right now.

LIFE EXPECTANCY CONSIDERATIONS

There have been some nuclear advocates who have pointed out that radiation-induced cancers tend to occur late in life, say 60 years of age and later, and that the problem is therefore not serious. What these individuals fail to realize is that the life expectancy at 60 years of age, without benefit of plutonium poisoning, is about 15 years. Would the 60 year olds appreciate losing 15 years of life from plutonium-induced lung cancer?

ARE THE ESTIMATES CONSISTENT WITH EXPERIENCE?

There are few specified population samples with known documented exposure to plutonium deposition in the lung. Two exceedingly small groups are known. The first is represented by 25 Manhattan Project workers who had been discovered to excrete plutonium in their urine, and who, as a result, have been under surveillance. Hempelmann and co-workers [6] have reported on the results of such surveillance. The second is represented by 25 workers who received significant lung burdens in the course of the Rocky Flats fire in 1965.

Without any meaningful quantitative approach, a number of observers have suggested that the non-occurrence of lung cancer to date in these two groups means a relatively low lung carcinogenicity for plutonium. Bair, for example,[7] has suggested this. Nonquantitative approaches can lead not only to absurd, irrelevant conclusions, but also to very serious underestimations of extremely crucial cancer hazards. It behooves us, therefore, to ascertain here whether the experience to date for the Manhattan Project workers or the Rocky Flats workers is or is not consistent with the estimates presented above for the lung cancer of plutonium inhalation.

THE MANHATTAN PROJECT WORKERS

At the outset it must be emphasized that the lung inhalation of plutonium by these 25 workers is exceedingly poorly known. This group cannot be treated as in the treatment above, simply because no inhalation data are available. However, some rough estimates can be made for these workers based upon body burdens measured many years after the exposure had occurred. The problem of estimating initial lung deposition from body burden measured 10–27 years after the exposure is severe. Therefore, at best it would be foolish for anyone to base serious conclusions about plutonium carcinogenicity on the tenuous data for these Manhattan Project workers. However, as a rough effort to ascertain order of magnitude consistency with prediction, it is worthwhile to look at this plutonium exposure experience.

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*In the relative risk method (see Reference [1]), all radiation effects are calculated as being proportional to the spontaneous occurrence rate of the particular cancer under consideration.

Footnotes at end of article.

* See Note [4] in Supplemental Notes.

Footnotes at end of article.

There is every reason to consider that inhalation, rather than ingestion, represents the source of the ultimate body burden of the Manhattan Project workers. Thus, if we really knew the body burden, it would be possible to state that originally this burden had been in the bronchopulmonary system. The difficult problems are to know the body burden at a time of decades beyond exposure, to know how to correct this burden back in time (which involves knowing accurately the fraction of plutonium lost from lung via the gastrointestinal tract), and lastly, but extremely importantly, to know the degree of solubility of the initial plutonium deposited in the lungs.

All of these factors are subject to serious error for these workers, which accounts for the statement above concerning the foolishness of serious conclusions based upon the experience of this group of workers.

Hempelmann and co-workers[6] recently reported on several estimates of the "current" body burden, measured at several times, between 1953 and 1972. These authors suggest that their 1972 estimates are probably their best estimates. However, the excretion curve they utilize for periods beyond a few thousand days, based upon relatively short-term measurements of Langham (for periods shorter than 1500 days), are grossly at variance with estimates that the ICRP model suggests for liver and skeleton clearance or that Bennett uses. The nature of the difference is such as to lead Hempelmann and co-workers to overestimate the body burden of these workers by a large factor.

The ICRP model suggests (see Bennett)[3]

For liver, $T\frac{1}{2}=40$ years, for man. (40 years $=14{,}600$ days).

For bone, $T\frac{1}{2}=100$ years, for man. (100 years$=36{,}500$ days).

Therefore, for liver clearance, daily elimination fraction$=0.693/14600$, or 4.7×10^{-5}/day and, for skeleton clearance, daily elimination fraction$=0.693/36500$, or 1.9×10^{-5}/day.

If, as the ICRP model suggests, the liver and skeletal reservoirs are equal in size, then overall excretion would be, daily elimination rate$=\frac{1}{2}\ (4.7\times10^{-5})\ \div\ \frac{1}{2}(1.0\times10^{-5})=(2.35\div0.95)\times10^{-5}=3.3\times10^{-5}$/day.

The body burden estimates of Hempelmann and co-workers, for their 1972 evaluation (which they prefer) are based upon an excretion fraction at 27 years (9855 days) of $\sim2.4\times10^{-6}$/day. Their estimate is at variance with what the ICRP model suggests, what ICRP itself suggests[8], and the $T\frac{1}{2}$ values for liver and skeleton calculated above.

The body burden estimated by Hempelmann and co-workers should be reduced by this corrected factor for excretion, which is factor of $2.4\times10^{-6}/3.3\times10^{-5}$, or 0.073.

For the 25 Manhattan Project workers, the 1972 cumulative body burden (all individuals combined) $=2.44$ microcuries Pu^{239} equivalent (per Hempelmann et al).

Applying the correction factor, 0.073, for excretion, We have

Cumulative body burden $(1972)=(0.073)(2.44)=0.178$ microcuries.

We presume, since inhalation was the prime route of access for the plutonium, that all this body burden was originally in the lung. But we must allow, additionally, for the loss of plutonium from the lung via the gastrointestinal tract. Of lung-deposited plutonium, the ICRP Task Group model suggests:[8]

40% rapidly lost via gastrointestinal tract

40% lost with $T\frac{1}{2}=500$ days via gastrointestinal tract

20% clear to (lymph blood).

Therefore, at times long compared with lung clearance, the body burden should be 1/5 of the initial lung deposit, if the gastrointestinal clearance fraction is correct. Bennett has suggested the ICRP model may overestimate the g.i. tract loss. In any case, use of the factor of 5 to convert from current body burden to initial lung deposit cannot underestimate the initial lung deposit, since it credits gastrointestinal excretion maximally.

Therefore, conversion of body burden, cumulative, for 25 workers, to initial lung deposit, cumulative, yields $(5)\times(0.178)=0.89$ microcuries Pu^{239} equivalent.

In micrograms, $(0.89)\times(16.3)=14.5\ \mu$ugs Pu^{239} as cumulative initial lung deposit.

The smoking history is not available for these men, so we can assume they may have been comparable with the population-at-large, ½ smokers, ½ non-smokers.

Therefore, 7.25 μugs Pu^{239} is cumulative deposition in smokers; 7.25 μgs Pu^{239} is cumulative deposition in non-smokers.

ESTIMATION OF LUNG CANCER DOSES, CUMULATIVE, IN MANHATTAN PROJECT WORKERS

Before calculation of expected lung cancer doses in the Manhattan Project workers, there are two adjustment factors required:

(a) Exposure was in 1945. From Vital Statistics data, the spontaneous lung cancer rate in 1945 was 0.22 times that of 1975.

(b) Exposure was, in all probability, to relatively soluble compounds of plutonium, from the nature of the work described for the men. Indeed, Hempelmann and co-workers refer to just 2 of the men as "most likely received exposure to plutonium oxide."

We can, therefore, reasonably assign 90% of the cumulative exposure to Class W compounds; 10% to Class Y compounds.

This would represent an average clearance $T\frac{1}{2}$ of $(0.9)\ (50)+(0.1)\ (500)=95$ days.

This would require lung exposures to be corrected by 95/500, or a factor of (0.19), since all the dosimetry calculations are based upon $T\frac{1}{2}=500$ days for PuO_2 type aerosols.

Finally, therefore, the lung cancer doses, to be applicable to this group, can be corrected for (a) 1945 exposure, and (b) 90% Class W compounds.

Therefore, for the Manhattan Project workers, for smokers, lung cancer dose $(0.058)\times(1/0.22)\times(1/0.19)=1.39\ \mu$gs. Pu^{239} for non-smokers, lung cancer dose $(7.3)\times(1/0.22)\times(1/0.19)=175\ \mu$gs. Pu^{239}

Among the cigarette smokers, cumulative initial lung deposit$=7.25\ \mu$gs. so there were $7.25/1.39=5.2$ lung cancer doses.

Among the non-smokers, cumulative initial lung deposit$=7.25\ \mu$gs. so there were $7.25/175=0.04$ lung cancer doses.

The total, cumulative among the 25 workers, is 5.24 lung cancers, as a lifetime expectation.

Hempelmann and co-workers describe these men as "in their early 50s". Examination of Table 1 indicates that by the early 50s, the men should have developed approximately 3.5% of their lifetime expectation in lung cancers, or $(0.035)\times(5.24)=0.2$ lung cancer cases. Since lung cancer cases can't be fractional, we can say there are 4 chances out of 5 that at the "early 50s" we will observe zero cases; 1 chance out of 5 that one case would have been observed.

The observation of zero cases is directly in accord with the calculations above that indicate the very high probability (4/5) of observing zero cases.

Finally, the conclusion is reached that the Manhattan Project experience is totally consistent with the plutonium lung cancer expectations of this report and of Reference 1. No comfort whatever can be drawn from these Manhattan Project experiences concerning any hoped-for lowering of the lung cancer hazard of plutonium inhalation.

THE ROCKY FLATS WORKERS

For this group of plutonium-exposed workers the data are much better than for the Manhattan Project workers. First, measurements by body counting were made within a very short period after the inhalation exposure. Second, Mann and Kirchner[9] reported that the exposure was to PuO_2 particles, so we know that Class Y behavior, with a $T\frac{1}{2}=500$ days for lung clearance, should be applicable.

The data for the individual exposures were recently provided by Rocky Flats Management.* The mean value for the deposition, expressed by Rocky Flats as a time-weighted-average over the 12 months following exposure, for the 25 workers was 31.6 nanocuries, or 0.032 microcuries. This time-weighted average should closely approximate the lung deposition.* The smoking habits of the workers at exposure remains unknown, so we shall approximate this as ½ cigarette smokers, ½ non-smokers. The average age at exposure was 43.6 years.

For 0.032 microcuries, the lung deposition would have been $(0.032)\ (16.3)$, or 0.51 micrograms per worker. For 25 workers, the aggregate dose$=25\times0.51$, or 12.8 micrograms of Pu^{239} equivalent.

Therefore, for the cigarette smokers, dose$=\frac{1}{2}\times12.8=6.4$ micrograms for non-smokers, dose$=\frac{1}{2}\times12.8=6.4$ micrograms.

ESTIMATION OF LUNG CANCER DOSES IN THE ROCKY FLATS WORKERS

(a) The exposure occurred in 1965. From Vital Statistics data,[4] the spontaneous lung cancer death rate in 1965 was 0.69 times that for 1975.

(b) Mann-Kirchner's evidence indicates that the exposure, in all probability, was to PuO_2, so Class Y (insoluble) behavior is expected.

For the cigarette smokers, 1 Lung cancer dose is, therefore, 0.058/0.69, or 0.084 micrograms Pu^{239}.

For the non-smokers, 1 Lung cancer dose is, therefore, 7.3/0.69, or 10.6 micrograms Pu^{239}.

Therefore, for the cigarette-smoking Rocky Flats workers, the lifetime expectation is 6.4/0.084, or 76.2 lung cancer doses.

For the non-smokers, the lifetime expectation is 6.4/10.6, or 0.6 lung cancer doses.

Adding these two groups, the lifetime expectation for the Rocky Flats workers is ~77 lung cancer doses, provided the workers were at a mean age of 25 years at exposure. But since the mean age at exposure was 43.6 years, this expectation must be reduced approximately for the lower risk associated with exposure at ages beyond 25 years (see Supplemental Note[1]). From Table IV of the Supplemental Note, it is calculated that for exposure at 43.6 years of age, the risk per rad (or rem) is ¼ that for exposure at 25 years of age. Therefore, $\frac{1}{4}\times77=19.3$ lung cancer doses as the final corrected lifetime expectation for the Rocky Flats workers.

In order to maximize the expectation, we shall assume that by 1975, ten years after exposure, the latent period for cancer development is over. From Table 1, it is estimated that for men at 53.6 years $(43.6+10)$, approximately 3.5% of the lifetime expectation should have occurred.

Therefore $(0.035)\times(19.3)$, or 0.68 lung cancers should have occurred. For an expectation of 0.68 cases, the probability is about 0.5 that zero cases will have been observed. And even this is conservative, since the period to reach the full plateau is quite likely to be greater than 10 years. Thus, the nonoccurrence of lung cancers in this small group of workers by 1975 is totally consistent with the lung cancer potential for PuO_2 exposure derived here and in Reference ([1]). In

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Footnotes at end of article

*Supplemental Note[2] provides the individual case data.

no way is a lesser carcinogenicity of plutonium suggested by the Rocky Flats experience.

The time to observe the Rocky Flats workers will be in the next five to ten years. These workers did receive exposure to PuO_2 in a respirable particle size and did receive appreciable doses. Their lung cancer death rate some 10 years beyond 1975 will be of great importance. We can hope, for the sake of the workers, that fewer than 50% were cigarette smokers at exposure. Also, since the lung cancer risk is diminished in ex-smokers, it is to be hoped that the workers were advised to cease cigarette smoking after plutonium exposure.

GENERAL DISCUSSION

The calculations presented indicate that at least 998,000 premature lung cancer deaths can be expected to have been irreversibly committed throughout the Northern Hemisphere as a result of plutonium weapons-test fallout.* It is also expected that, worldwide, these must by now be yielding some 10,000 or more lung cancer fatalities per year. But since the lung cancer caused by plutonium exposure do not carry any flag that tells us that these particular cases are the ones caused by plutonium exposure, the absurd statement is possible that "I don't know anybody that's died as a result of exposure to plutonium, do you?"[11]

Perhaps biology will evolve, in time, to accommodate the proponents of nuclear energy, by having each cancer sprout a flag indicating each origin. Until that time, we will have to resort to public health science to derive rational understanding of such problems as plutonium induction of lung cancer.

The effort to downgrade plutonium carcinogenicity by pointing to non-occurrence of lung cancers in the small groups of Man hattan Project and Rocky Flats workers is here shown to be a vain effort. The non-occurrence at this early time is in excellent accord with expectations.

It is the documented history of the promotion of nuclear energy that the cancer hazard of radiation has been underestimated on virtually every possible occasion. When the full story became evident with the passage of sufficient time for the radiation-induced cancers to develop, the authoritative bodies responsible for radiation protection have revised their estimates upward. Thus, it was possible for the National Committee on Radiation Protection to state in 1954[12] that 36,000 millirems would be without effect upon humans, while the BEIR Committee in 1972 estimated that 100 millirems per year (3000 millirems in 30 years) might be anticipated to cause 3500 additional cancer deaths per year.[13] (p. 90–BEIR report).

Bair has recently stated:

"There has been no recorded instance of cancer in man resulting from the internal deposition of any plutonium isotope in the more than three decades that plutonium has been used. The excellent record has resulted from extremely effective control methods."

There is no reasonable framework in which the Bair statement can be defended. It may even be supposed that Bair may wish to reject all the calculations of this report and of Reference[1]. In that event, Bair would be forced to examine his own published data on lung cancer induction by PuO_2 in the beagle dog. The maximum difference between his beagle data and these calculations for humans is a factor of 3.7 fold.[1]

Therefore, instead of 998,000 lung cancer fatalities irreversibly committed by plutonium exposure, Bair would have to estimate at least 270,000 fatal lung cancers irreversibly committed. This is a long way from the suggestion above of no cancers from plutonium exposure.

Bair would be correct that the plutonium-induced cancers are not "recorded". But that is only because human cancers have not evolved to the point of printing out a label indicating which of the various carcinogens caused the particular case in point.

SOME IMPLICATIONS OF THE LUNG-CANCER-PLUTONIUM FALLOUT ESTIMATES FOR THE DEVELOPING NUCLEAR POWER INDUSTRY

The current estimates indicate the number of fatal lung cancers produced for a known fallout intensity. It becomes possible, therefore, to estimate, for various degrees of containment achieved, what the expected number of lung cancers will be from the nuclear power industry. It cannot be assured that the nature of fallout particles from releases in the nuclear power industry will be identical with that for weapons testing. The situation could be worse, equal, or better. The best estimate, within current knowledge, is that the fallout will be similar in character. The calculations will proceed from an estimate of the amount of weapons-test plutonium fallout over the USA to an estimate of the amount, in comparison, that would fall out at various levels of containment in the nuclear power industry. The lung cancer consequences are then directly available by comparison with the results of this report for weapons-test plutonium fallout.

A first approximation to the total plutonium deposition in the 50 states of the USA can be obtained from Bennett's data for New York.[3] His estimate is that the cumulative deposition through 1972 is 2.65 millicuries per km^2 for the New York area. Assuming the average deposition for the USA is not far different from that for New York, this means that for the USA, with an area (including Alaska+Hawaii) of 3.62×10^6 mi^2 or 9.27×10^6 km^2, the total deposition was $(9.27\times10^6)(2.65)=2.46\times10^7$ millicuries, or 2.46×10^4 curies Pu^{239} equivalent. Conversion to grams yields $(2.46\times10^4)\ (16)=3.94\times10^5$ gms. Conversion to pounds yields $3.94\times10^5/454$, or $0.87\times10^3=870$ pounds. So, approximately 900 lbs. of plutonium were deposited in the USA through 1972 from weapons testing.

The Tamplin-Cochran estimate (see Reference[1]) is that the developing nuclear power industry, from AEC projections, will involve the handling of 400 million pounds for plants installed through the year 2020. Since this will be reactor-grade plutonium, it will be approximately 5 times as α-active as the weapons grade plutonium. Therefore all cancer estimates must be multiplied by five-fold to correct for reactor-Pu versus Pu^{239}.

In the calculations presented here, the deposition of 900 pounds of weapons plutonium has committed some 116,000 lung cancers for the USA. It is instructive to ask what various levels of containment in the nuclear power industry imply for the future production of lung cancers. For such an estimate, it will be assumed that the inhaled plutonium per pound of Pu dispersed will be comparable to that for weapons fallout. In fact, it may turn out to be equal to, greater or less than the case for weapons fallout.

Containment perfection (percent):	Pounds Pu Dispersed	Lung cancers produced (corrected for reactor grade Pu)
99	4, 000, 000	2, 575, 000, 000
99. 9	400, 000	257, 500, 000
99. 99	40, 000	25, 750, 000
99. 999	4, 000	2, 575, 000
99. 9999	400	257, 500
99. 99999	40	25, 750

Considering the fallibility of men and equipment plus circumstances of accidents, it would hardly be surprising that containment will not be better than 99.99%, and that represents excellent containment under industrial circumstances. The lung cancer production would be, for such excellent containment, a total of some 25,750,000 cases. Since these cases would be spread over about 50 years, it would represent 500,000 additional lung cancer fatalities per year. Since the current death rate from *all* causes combined in the USA is about 2,000,000 per year, a nuclear-based energy economy with 99.99% perfection in plutonium containment could mean a 25% annual increase in total death rate from this one source alone. The prospects seem hardly less gloomy even for 99.99% perfection in containment, a containment level that falls squarely in the miracle realm.

It is to be noted that the assumption being made here is that under the circumstances of plutonium release from the nuclear power industry, the plutonium dispersal would be limited to USA, rather than worldwide.

SUPPLEMENTAL NOTES

Note 1: Sensitivity to induction of cancer by ionizing radiation is age-dependent. The following table (excerpted from Reference 10) describes the sensitivity variation quantitatively.

TABLE IV.—(From Reference 10) Variation in Cancer Induction per rad with Age

Age at irradiation (years):	Increase in cancer mortality rate per rad (in Plateau Region) (percent)
In utero	50
0–5	10
6–10	8
11–15	6
16–20	4
21–30	2
31–40	1
41–50	0. 5
51–60	0. 25
61 and beyond	Assumed negligible.

(These estimates represent a step function approximation in reasonable accord with the data points available in the text.)

Note 2: It has been stated here and in Reference 1 that the period on the plateau of radiation effects may be 30 years or it may be the entire lifespan of the exposed population. It must be pointed out that if the plateau truly lasts only 30 years, then the estimated number of lung cancer deaths from inhalation of weapons-test plutonium fallout would require revision, most probably in a downward direction. Crudely, this would be so because for those individuals exposed early in life, e.g. below 20 years of age, the 30-year plateau period (after the latent period) could be over before these individuals have reached the ages characterized by high absolute lung cancer fatality rates.

A more refined treatment would also require consideration of the additional fact that for those exposed while very young, the cigarette smoking factor is almost certainly absent, so that there would be a revision required in the lung cancer dose for such individuals. Such a refined treatment, similar to that of Reference 10, would divide the population exposed by age decade at time of exposure, would calculate an appropriate lung cancer dose for each age decade, and would calculate the absolute numbers of expected fatalities for various plateau durations, particularly for 30 years and for the remaining lifespan of the exposed populations.

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* See Note [2] in "Supplemental Notes". Footnotes at end of article.

The currently-presented calculations really represent a hybrid calculation. They tend to underestimate the overall effect by crediting only 30 years as the period at risk. On the other hand, for the reasons stated above relating to expiration of the plateau period, they tend to overestimate the overall number of cancers. The refined calculations will be presented in a later report of this series. It must be emphasized, however, that ultimately the real resolution to the problem must come from determination of plateau duration in humans through continued followup of exposed population groups, e.g., the Hiroshima-Nagasaki and spondylitis groups.

Note 3: The individual exposure data for the 25 Rocky Flats workers are not recorded in the published literature, nor are their ages. Since the Rocky Flats Management was exceedingly cooperative in providing these data, they are reproduced as Table V below.

The immediate lung deposition in these workers versus time-weighted average (as in Table V) would depend critically upon the exact time after exposure for each initial measurement and on the very early clearance fraction of deposited PuO_2 in man. Since these are not available, there is no way to correct the data here for these effects. At most, the lung cancer expectation would not be increased by a factor of two, so that no change in conclusions reached would be indicated. And since the expectation has been maximized by assumption of full plateau by 10 years, the argument presented is further strengthened.

Note 4: It is highly probable that the bulk of the exposure reflected in Bennett's inhalation estimates are from direct fallout of plutonium rather than from resuspension of already deposited plutonium. Estimation of contributions from resuspension is difficult, during a period when direct fallout is still occurring. To the extent that resuspension occurs in the future, the estimated numbers of lung cancers will increase beyond the estimates presented here.

Note 5: In the discussion of the Manhattan Project and Rocky Flats workers, the possibility of having more lung cancer doses than the number of workers was included. It is self-evident that it only takes one cancer to kill a person. However, it is essential to allow for multiple lung cancer doses per person for correct analysis. In actual observation, effects arising from this are manifested as an earlier appearance of the lung cancers that would be otherwise expected.

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Mr. GRAVEL. I thank the Senator from California, and yield back the remainder of the time he gave me.

The PRESIDING OFFICER. Who yields time?

Mr. MONTOYA. I yield to the Senator from Rhode Island.

Mr. PASTORE. Mr. President, I am beginning to wonder just what the point of the adversaries to this breeder reactor is. Do they want a delay? Do they think we are going too fast? Do they think we underestimated in the beginning, or do they want it thrown out completely? If you listen to them very attentively, I tell you frankly, you get confused as to exactly what they want us to do.

Now we have this GAO report kicked around here quite a bit. Let us see what GAO said about this reactor:

> 1. It should be emphasized that . . . estimated resources can only be made available if uranium mining and milling production can be expanded fast enough to meet the demand. Estimated resources become proven reserves only after their presence has been verified.
>
> 2. Economic promise of the LMFBR.
>
> The economic promise of the LMFBR is that it would supply the United States with electricity at an economical cost sometime in the future when generating plants powered by fossil fuels, other nuclear fission reactors, and unconventional sources—such as solar, geothermal and organic waste—may not be sufficient to meet the full demand for electricity.
>
> In terms of American consumers this promise could mean energy when they need it and at a price they can afford.

That is what the GAO's "Issue Paper to the Congress," July 31, 1975, says.

I am not a physicist. I am not an engineer. I am not a scientist. I do not know if my colleagues are; maybe they are. Maybe they got a degree at MIT. I did not get a degree at MIT. I did not even go to college. But I can listen to people. I can listen to these men who are Nobel Prize winners and have come in here and testified for this breeder reactor. I have listened to them, day in and day out.

But try to get the Senators who oppose the breeder reactor to listen to them, and they are not there. The experts end up just talking to their staffs, and the first thing you know, we have got a big document read here on the floor of the Senate. You might think they were all Nobel Prize winners.

Let us face it, Mr. President; the question is, do we want it, or not? If we do not want it, why not put in an amendment and say, "Let us cut out the breeder reactor once and for all?"

No, we are subjected to scares of our plutonium reactor. They say, "We have not looked at the design enough."

I have not looked at the design, but I have to listen to somebody. I say, "If you cannot listen to Dr. Seamans, you ought to fire him; you are wasting your money."

Sure, I know there is an overrun. Sure, I know they underestimated the cost. But let me tell you this: The United Kingdom has a breeder reactor. France has a breeder reactor. Russia has a breeder reactor. Japan is working on a breeder reactor. What is wrong with America?

What is wrong with America?

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. HUMPHREY. And they have developed those breeder reactors out of a great deal of the aid paid for by this country.

Mr. PASTORE. That is right. So they are taking advantage of it, and these people here are telling us, "Just pour it under the rug, forget it, there is enough oil, enough coal, enough this and that."

Turn on your spigot and see what happens. It does not run. There is not any oil; the price goes up and up and up, but the product is not there.

Mr. HUMPHREY. Will the Senator yield further?

Mr. PASTORE. I yield.

Mr. HUMPHREY. The Senator said he did not go to MIT. I want to say they need him. They need him; I am serious. The Senator from Rhode Island has spent months on these matters. He knows that I held hearings just on the economic impact, and I did not come out of that hearing feeling that we ought to stop this program.

Mr. PASTORE. I want to tell my friend from Missouri——

[Laughter.]

Mr. PASTORE. I mean Minnesota.

Mr. HUMPHREY. I will take Missouri, also, if the Senator does not mind.

Mr. PASTORE. I say to my friend

from Minnesota that I have a Phi Beta Kappa from the "College of Hard Knocks." and this is all I have to show, a Phi Beta Kappa from the "College of Hard Knocks." I am not a scientist, a physicist, or an engineer. But I have to listen to someone.

Mr. HUMPHREY. But the Senator is a good Senator.

Mr. BAKER. Mr. President, will the Senator yield?

Mr. PASTORE. The Senator can bet his bottom dollar on that. I yield to the Senator from Tennessee.

Mr. BAKER. Mr. President, I rise to render support to the eloquent statement of the chairman of the Joint Committee on Atomic Energy.

I had the privilege of serving with him not only on the Joint Committee on Atomic Energy but on the Committee on Commerce and to be involved with him on a number of issues in my career in the Senate. He is a man of extraordinary perception and great effectiveness, and there is no place that he is more effective than in his dealing with requirements for the energy needs of this country in the future.

I think his point is well taken. I think the debate here is really whether or not we are going to depend on nuclear power as one of our options in the future in this country.

As far as I am concerned I think there is no alternative. I think we have to do it.

In the words of one distinguished scientist, it is not a question of whether we want to have nuclear energy in terms of fission power and fusion power, as well as solar power and geothermal power. We have to have them all. We have to bet on all of them because we can be sure of this: All of them are not going to be as effective as we might wish.

Of course, in the time that we have been debating nuclear power and more particularly the breeder, I have heard it first said: Look, let us wait, because we are going to be able to have fusion before long, and fusion reaction is so much better, cleaner, and so much more economical.

But there is a big difference between fission and fusion.

We know with fusion we have some fundamental scientific questions to be determined, and we have, first, to demonstrate the scientific feasibility of that process before we dare bet our pile of chips on fusion.

That is not so here. We know we can generate power and generate it safely in abundant quantities with a fission reactor, but we also know that, if we are going to depend on fission power into the future, beyond the eighties, we have to do it with the breeder because, if we do not pretty soon, we are going to be right back in the same shape with uranium and fissionable materials as we are now with petroleum. We are going to have to get it from abroad, and not only will the energy policy of this country be at the mercy of others but international relationships and economic policy will also.

Mr. TUNNEY. Mr. President, will the Senator yield just on that point?

Mr. BAKER. I will on the time of the Senator from California.

Mr. TUNNEY. That is right, it will be on my time.

On the uranium point, will the Senator not agree that there has been a substantial increase upward in the estimates of the amount of available uranium in this country?

Mr. BAKER. The answer to the question, of course, is that there are increases in total reserves that we know to be available, but, by the same token, if we are to install mining and refining facilities that are necessary to supply complex, efficient powerplants to serve the United States into the year 2000 it would be astronomically expensive. The only reasonable way to do it is to use the breeder reactor and a complex of plants to provide not only the power but to provide the fuel as well.

Mr. TUNNEY. I wish to make a point. At the time the breeder was programed by the AEC and Congress first approved of it, there was estimated to be 2½ million tons of uranium. It is now estimated there are 3.6 million tons of uranium. It is now estimated that there is more than enough uranium to last well into the year 2000 with the estimated number of fission light water reactor powerplants that are going to be coming on line.

Mr. BAKER. Mr. President, I am not yielding on my time. It was the agreement at this time that this time be charged against the time of the Senator from California.

I think his statement is incorrect. If I understood him to say that we had enough newly discovered uranium to provide the requirements of this country into the year 2000 I believe him to be incorrect. If he is talking about the number of plants that we have coming on line now by the year 2000 he may be correct. I do not know.

But the point of the matter is that we cannot depend on an efficient power cycle to supply the needs for power in the United States of America without going to the breeder reactor concept. We cannot do it. The Russians cannot do it. The British cannot do it. The French cannot do it. No one can do it, on the basis of the available uranium reserves that we know or can predict in this country, not for the reactors that are under construction or may be brought into construction in the next few years, but for those which will be constructed in the year 2000 and beyond when we will have to depend on the productivity of the breeder cycle in order to supply that requirement.

Back to the point I was making before I yielded to the Senator from California, I then heard that we ought to wait on fission power from the breeder until we see what we can do with fusion. That sort of died down after the scientists got their words across in hearings and periodicals, that fusion is a good idea. Some day we may achieve controlled fusion but we know that the development of fusion will require huge capital intensive physical plants, and fusion development is going to be at least as expensive, if not more expensive, than the development of the breeder reactor for commercial use in the United States.

Then some say that there will be no waste material products from fusion that we do not have to worry about fusion because there are no waste products, and that we do not have to store them some place. But do not believe it.

This country is going to be up to its ears in tritium if we go to a fusion process, and we are going to have to, and that is another problem this country is going to have to solve, with Federal funds, in my judgment.

Aside from our hopes and our aspirations for fusion, some turn to the proposition that maybe we can supply the Nation's energy needs with coal, liquefaction of coal, and gasification of coal.

Maybe we can. I hope we can, and I strongly supported all the research projects that have come before Congress which I believed to be of real merit for federally funded projects to try to demonstrate the feasibility of coal gasification and coal liquefaction. But one of these days we will run out of that, also. It is not a question of either/or. We need both. We need to go forward with this simultaneously.

I hear suggestions that we ought to solve our energy needs with geothermal power. Maybe we should. But there are huge scientific problems there.

Dr. Teller, for instance, suggests that we drill very deep holes into the mantle of the Earth and detonate hydrogen bombs out in the country, pump water into them, and get steam back in return.

Maybe we can do that.

I must say to my colleagues that compared to the problems that still confront us, compared with the imponderables that still confront us in our continuing evolution and development of the breeder program, an artificially stimulated geothermal program is huge by comparison.

Mr. President, my point is this: I do not believe that an argument can be made that we ought to lay aside the breeder because of some other prospect appears more attractive. We have to pursue every single reasonable energy source we can think of if there is any expectation that the next generation will enjoy the same abundance of power that this generation has enjoyed and, hence, the same standard of living.

We have to pursue them all, and it is going to take Federal funds to do it.

Mr. President, the argument was made by the distinguished Senator from California, for whom I have great respect and personal affection, that this is, after all, just a small reduction in the amount of money that we are going to have for the breeder program—the difference between a $94 million reduction and a $71 million reduction, or some such figure.

There is a big difference because what happens in the Tunney amendment is it goes very directly and with exquisite precision to the very heart of the breeder demonstration program.

The other reduction, the $71.2 million reduction, that was adopted by the House of Representatives and agreed to by the Joint Committee on Atomic Energy and is appropriate because of the delays that have been encountered in the breeder program.

But the $94.1 million proposal, goes directly to the long leadtime developmental items in the Clinch River breeder demonstration project.

Some say we know the Clinch River breeder design may not be the last word, but all we have to do is to wait a little. Ought we not to wait a little? Should we not wait and see if we cannot do a better job?

Maybe we can build a cow catcher or core catcher, whatever it is, on the next one.

I say, to my friends in the Senate, the very nature, purpose, and rationale for building a demonstration plant is to test what we think we know.

I believe that ERDA and our distinguished scientists in this country are wise enough to know that they do not know exactly how best to design the ultimate breeder reactor. But we know that if we do not get started, we never will know.

The next step, Mr. President, is a demonstration project, and that is precisely what we are dealing with here.

The question before the Senate, I submit, is whether or not we will go forward in the next step in the fission reactor program, and no less than that. If the Tunney amendment is agreed to, we will not be able to build a demonstration reactor in the foreseeable future.

As Dr. Seamans and others pointed out, if we stop now, we will lose the momentum, we will destroy the morale, we will destroy the credibility of the program, and this country will fall even further behind the other industrialized nations of the world in its development of vital energy alternatives.

I thank the Senator for yielding.

Mr. MONTOYA. Mr. President, I yield myself such time as I may require.

I have listened to the arguments here this afternoon, and in my opinion, the amendment boils down to this: It boils down not simply to a 1-year suspension, which is reflected just by a monetary reduction. It amounts to this: Knocking out the funding for procurement items for this fiscal year will mean that the continuity of the project is going to be suspended; and then, eventually, when there is a decision to fund it again, we will have to start all over again, and it will cost the Government a great deal more money to start this project.

This amendment would provide no funds in fiscal year 1976 and the transition quarter for the construction of procurement of long leadtime components for the Clinch River breeder demonstration plant. The Office of Technology Assessment would be required to conduct a 1-year study, under the amendment, of the entire breeder program.

Dr. Seamans, the Administrator of ERDA, has informed the committee that the deletion of funds for the procurement of long leadtime components would destroy the momentum of the program and would damage, perhaps irretrievably, our chances to continue to develop one of the most promising and essential long-range options our country has, one which would utilize a virtually inexhaustible resource.

Many of the scientists who appeared before the committee and who collectively evaluated the breeder program tell us that eventually this type of technology would provide for 60 percent of the energy needs of our country.

Mr. President, my distinguished colleague has contributed greatly in all the activities of the Joint Committee on Atomic Energy, particularly in his close and in-depth consideration of the breeder program. I agree with him, as do my colleagues on the committee, that the breeder program must be the subject of continuing oversight by Congress. We conducted exhaustive hearings on the initial projections by the AEC and then the projections which were brought to us by ERDA of the cost of the breeder project.

I admit that the projections have varied from year to year. The total cost on the breeder project from 1948 to 1974 was $1.8 billion. In 1969, the AEC projected that the total cost up to the year 2020 would be $3.9 billion.

This year, in the hearings, we asked them additional questions and asked them to give us the new projection, and it is now estimated that the breeder project will cost $10.7 billion up to the year 2020, caused primarily by escalation, design changes, and contingencies.

What does this mean, besides the large figure? It means that by the year 2020, it is estimated that this country will spend, in developing other technologies—solar energy, gasification, fusion, and others—$120 billion, and this represents only one-tenth. This will result, in the end, in supplying more energy than all the other technologies that might be developed. That is the projection made to us by some of the scientists.

The point has been made about the GAO report. The GAO report does not say that we should suspend the Clinch River project. The GAO report does not say that we should abort the effort to engage in research and development with respect to the breeder project.

Dr. Seamans says that if the amendment proposed by the distinguished Senator from California is adopted, the technology developed up to now will abort and that the component procurement would be especially crippling during the course of this year, because many of the items that have to be ordered by this money are long-term items.

The GAO report says:

> The LMFBR program should be clearly identified and recognized for what it is: a research and development program. There has been premature concern and emphasis on commercializing the LMFBR at a time when the Nation is years away from demonstrating that commercial-size LMFBR plants can be operated reliably, economically, and safely.

I read further from the GAO report:

> The most logical course of action is to pursue the LMFBR program on a schedule which recognizes that the program still is in a research and development stage. Not until some point in the future, perhaps 7 to 10 years from now, need a firm decision be made as to whether the Nation will commit itself to the LMFBR as a basic central station energy source. At that time, many of the uncertainties of today should be reduced or eliminated, particularly if priority efforts are made to resolve as many as possible between now and then.

As I stated earlier, we have received some expert testimony which indicates that we would be making a tragic mistake if we were to do away with the procurement items which would make possible the start of the Clinch River demonstration plant.

This is what would happen. The reduction reflected by the amendment would have the following immediate adverse consequences on the Clinch River project:

First, Contracts for major long-term procurement of components—that is, the reactor vessel, heat exchangers, steam generators, turbine generators—would have to be terminated or renegotiated. Some of the contracts and subcontracts are with sole sources of supply. All of them involve development work, some of which would require at least 3 or more years;

Second. At least 600 engineering jobs would be affected and;

Third. The priority demonstration project would be reduced to a skeleton mothball effort which would require a period of at least 2 years to get the project moving again, once we refund it.

The amendment, in effect, would create a vacuum of several years in the project which would take several years to replace. The impact on the morale of the people in the organizations which have been assembled to construct and operate this project would undoubtedly be affected adversely by the hiatus. It is unlikely that highly qualified and dedicated people would stand in the wings and wait to see whether the momentum would be restored for this priority project.

Looking to the future, any such delay is indeed false economy, in view of the spiraling escalation which already has been a major cause of the much criticized increase in cost estimates for the breeder program.

The apparent objective of the amendment is to permit a further study of the project by the Office of Technology and Assessment. I would not for a moment question the contributions of that office, but this study can go on, irrespective of whether or not we refuse to fund the project.

I earnestly question, though, whether there is a need for another study of the question of the need for the demonstration plant, a plant which is part and parcel of a ongoing research and development program. There have been at least a half-dozen major studies of the breeder program over the past decade.

The program has been identified as one of the top priority energy research and development projects since 1962; it was authorized by Congess in 1970; it has been designated as a top priority project by the present and previous administrations; it has the overwhelming support of the scientific and technical community of this country and of the world; it has received the support of Dr. Seamans on the basis of his independent review; all of the other industrialized nations of the world are proceeding with breeder demonstration projects and most of their plants are in operation, as stated by the Senator from Rhode Island a few moments ago.

In view of the overwhelming support for the need to develop breeder technology—which can only be done by demonstration—there is simply no sound reason why the demonstration project should be placed on a reverse course for the conduct of yet another study. There is, of course, no disagreement on the need for additional studies and information prior to reaching any final decision on the commercialization of the breeder. That decision need not be made for well over a decade from now and, when it is made, the vital information from the operation of the demonstration plant will have become available for analysis and utilization to assure design improvements for later generation breeders.

In the meantime, Congress can continue to have oversight over what progress is made, over new cost projections, and over the procurement of items that are essential and other accomplishments as we go along.

For all these reasons, I urge my colleagues in the Senate to vote against the amendment which would, indeed, cripple a program which is so vital to the long-range economic and national security well-being of our Nation.

Mr. SYMINGTON. Will the Senator yield?

Mr. MONTOYA. Yes, I yield to the Senator from Missouri.

Mr. SYMINGTON. Mr. President, as a member of the Joint Committee on Atomic Energy, I have studied this question over a period of many years. Although I have great respect for the distinguished Senator from California, I fully agree with the remarks just made by the distinguished senior Senator from New Mexico, who is an expert in this field himself.

In the discussion that took place, the able Senator from Rhode Island, the chairman of the Joint Committee, talked about what we now face, loss of petroleum. I think one of the chief reasons we should expedite this matter is that we could add to "the loss of petroleum," the word "the loss of petroleum control," which is becoming increasingly apparent as we wrestle with the entire energy program.

To me, it would be inconceivable if, at this stage, while everything else is going up, we should stop this program because of additional cost.

The PRESIDING OFFICER. The Senator from California is recognized.

Mr. TUNNEY. Mr. President, there are just a few points which I think it is important to underline here. No. 1, to compare the breeder program of the United States and the programs of England and France is like comparing apples and oranges. The technologies are very different. The Senator, my very distinguished friend, the very able Senator from Rhode Island, says he is not a scientist, that maybe there are some people in the Senate who are scientists, but he is not one and he has to rely on the scientists. I am not a scientist and I am relying on scientists who say it would be a good idea to slow this program down.

This is not a question of gutting the program. We are still leaving in the budget $87.4 million for the Clinch River breeder reactor. Even if my amendment passes, we are leaving in design, engineering, and R. & D. funds. What we are saying is that they cannot spend money on capital expenditures.

I think it is important to point out that in the Soviet Union, with their breeder program, they have had two accidents recently. In the English program, last year, it was in operation 9 days. The French program, "The Phenix," is deemed much too expensive and much too large ever to achieve commercial application.

The thing that we are trying to do is say let us stretch this thing out and make it a reasonable, rational program. Maybe we do need a breeder. I do not think anyone knows. Certainly the GAO does not know, after they have just completed an intensive study. The GAO, in a report released today, said:

> Both the LMFBR issues and solutions are not clear-cut. They are complex and brittle with uncertainties. In our judgment, these uncertainties argue against extreme actions which, on the one hand would expand and accelerate, or, on the other hand, abandon the LMFBR program.

That is exactly what we are doing today, expanding and accelerating the program. I am not an expert, but I can make some public policy, I hope. At least, I have a right to vote on public policy, and we are having to make these policy judgments all the time in this place.

The question is, we have only so much money to spend on technology, on research and development. We are already spending 35 percent of our R. & D. budget for energy on the breeder program, a one-shot deal—despite the fact that ERDA says that the breeder program is in the same general bag as solar and fusion insofar as its potential is concerned. Its potential for commercialization is not going to be realized until after the year 2000.

Why do we have to move ahead with this program at such a pace?

I might say that in projections of a couple of years ago, it was estimated by the AEC—now ERDA—that if we had commercialization of the breeder, in the early 1980's—which is now ridiculous; we are not going to have it. It was assumed that if we could have it by the early 1980's, by the year 2020, we would have 30,000 tons of plutonium on hand. What are we going to do with 30,000 tons of plutonium, the most toxic substance known to man? One-millionth of a gram produces cancer. There are no safeguards. The safety features of the breeder reactor itself are subject to great doubt. There is no reason that we have to move ahead at such a pell-mell pace.

There are some people in the scientific community who hope that we never will have to build a breeder because of the danger of the plutonium and the fact that we have so little ability to manage the wastes. As I say, the Nuclear Regulatory Commission has deferred for 3 years a final decision on whether or not they are going to allow the building of plutonium reprocessing plants. If they are going to delay 3 years in making that decision, what are we, for heaven's sake, doing going ahead, pell-mell, with a program that is going to be totally dependent upon those plutonium reprocessing plants in order to work?

I know there is a great deal of faith in this body. We always are relying on science and technology to pull us through; the famous "technology fix." It is always going to help us. But the fact of the matter is that our globe is more polluted today than ever before as a result of technology. Sometime, we have to come up with a technology fix that is going to prevent that problem or we may suffocate in our own wastes.

We have had nuclear technology since the forties and still, we do not know how to handle nuclear wastes. We bury it in lead coffins, in salt mines, and everyone knows that if we have a crack in one of those lead caskets and the plutonium wastes get into the water system, it could pollute hundreds of thousands of square miles of the water table in this country or any other country.

The fact that the French are doing it, I do not think is a justification for us to do it.

Since when did we have to rely on the French to dictate to us what our technology program is going to be in this country?

It may just well be that our children and grandchildren will be thanking us for having delayed this program, whereas the grandchildren of the French architects of this program will not be around.

But the point simply is that the United States does not have the imperatives that the French do to go ahead with this breeder program.

We have got vastly more energy in this country per capita than the French do, we have vastly more energy in this country per capita than the English do, or the Germans do.

If we take a look at the figures in the per capita reserves of billion of metric tons in this country, we have 1,100 billion metric tons of reserves of coal, we have got over 4.9 billion tons of oil.

So what we are talking about is that we have very little need for this kind of pellmell rush to a program for a breeder project, as in the case of the French and British because they have substantially fewer reserves. For instance, the French do not have any oil at all, the United Kingdom has practically none, West Germany has none, and the coal reserves are much less for the French, the Germans, and the English. Uranium reserves are much less than we have in this country.

There is just no need to go ahead with this program as quickly as we are.

I cannot help but feel if we are really talking seriously about this, and I assume we are in talking about this program, we have got to realize that the present capital cost for powerplants in this country have a great variation, depending upon the source of the fuel.

For instance, it is $720 per kilowatt capacity for the average light water reactor, for coal plants it is $570 per kilowatt, but for the Clinch River breeder, it is going to be $3,400 per kilowatt.

Mr. TUNNEY. Yes.

Mr. FORD. The Senator is not taking into consideration the lifetime of the generating plant and the continual cost of fuel. The capital investment may be correct, but the life of that capital investment will go down and the utility will generate its power at much less cost over the life of the generating plant.

So though the Senator is using these figures now, the cost of coal, gas, will continue through the lifetime of that generating unit, and the capital investment here is the initial and it is high, but the lifetime of the generating plant will put the utility in the homeowner's possession at a much less cost.

Mr. TUNNEY. I am not an expert in evaluating the relative costs of the capacity, but I do have experts who have given us some figures.

Mr. FORD. I have an expert, too.

Mr. TUNNEY. And they have said this, that with the light water reactor, it will be able to sell its electricity at a far lower cost than the breeder reactor until such time as the price of uranium goes up from $30 now a pound to $50 a pound, and it is not estimated that it is going up to $50 a pound until well into the 21st century—well into the 21st century—and some experts say that the breeder will not be competitive with the light water reactor until the price of uranium goes up to $1 million a pound.

Now, we are talking about 35, 40, 50 years—35, 40, or 50 years—by that time we may have 50 percent of the energy in this country generated by solar energy. I say, solar energy is a lot cleaner. I do not think there is a person on this floor that would not rather have solar energy for our needs, rather than this breeder with the kind of plutonium it breeds.

I cannot, for the life of me, understand why we cannot have a measured growth program, or even if my amendment carries for Clinch River itself, over $87 million, we do not want them to start ahead with the capital cost.

For instance, we have a fast-flux reactor now which is a component of the breeder, it is a test facility under construction. We may learn some things from that facility which will enable us to jump beyond the Clinch River technology, and that is why Dr. Rose, the physicist at MIT, says that we ought to delay a year or two, because maybe we do not need Clinch River, maybe we can go into another technology beyond.

Mr. FORD. The Senator's word there that is very significant is "maybe."

Mr. TUNNEY. Well, it may be; yes, it may be, and maybe the breeder is never going to be able to generate the electricity commercially, either.

Mr. FORD. Well, on 4 pounds of fuel, or $18 a gram, I think it was pretty good.

Mr. TUNNEY. The problem, of course, nobody suggests the breeder is now anywhere in the ball park commercially. Nobody suggests it. It is not.

We are talking about what it might be 10, 15, 20, 30, 35 years from now. It is not now.

Mr. PASTORE. Will the Senator yield?

Mr. TUNNEY. Yes, I yield to the Senator from Rhode Island.

Mr. PASTORE. The phrase the Senator was using was "pell-mell."

We are not doing that. That is exactly where the Senator and I differ.

I quite agree with the Senator that this should not be a crash program, and it is not. But when we graduate a program in a progressive system, we have got to take a lot of things into account and listen to a lot of people as to what we can do and what we cannot do as to making this progression that is absolutely necessary.

That is the reason why we took out $71 million. Much of that was done at my behest.

Mr. TUNNEY. I know that.

Mr. PASTORE. Because when Doctor Seamans came before our committee, I told him distinctly at that time that there had been overruns in this program, there were many problem that were attendant to the program, no question at all about it, that breeder development has become adopted, as a matter of policy, as a high priority item.

Now, tell us to go back and sharpen up the pencils and come back with a minimum figure which will show that we can keep on through research and development, to get to what? Not to a commercial reactor, but to a demonstration plant.

We will never know the answers that have been raised by the Senator, everything else is speculative, it is not a matter of prognostication, a matter of guessing here and there. It is like everything else, it is like building an automobile, we can never know how good we have built it until we try to run it, and that is exactly it.

Now, of course, on these lead items, we are not being extravagant. We have taken the same position. I know the position that the Senator from California is trying to make. The only trouble with the Senator is that he is suffocating the program; he is not slowing it down, he is suffocating it, and if he suffocates it too much, he kills it.

All I say is that if he suffocates it that much, why not just knock it out completely and I will have no more worries. I will have no more worries, I have got everybody telling me about this is the most toxic material in the world. Of course, I know it is toxic. They say it will injure people. Well, we will have to be careful.

I have three children, six grandchildren. They mean more to me than life itself, and does the Senator think for 1 minute that I am going to pollute them, that I am going to pollute them and that I am going to go out to kill them? Of course not. I am just as much concerned about these matters the Senator raises.

But all we are talking about here is what we have shaved the thing down to where we are slowing down the program as we are going along very cautiously, where we are studying day by day all the attendant problems that may be connected with it.

We have taken it up with Dr. Seamans and said, "Come back," and he did, and that is exactly what we are doing.

The Senator says we do not need lead time. Who says that? When we get in a demonstration plant, there are certain things that might take 2, 3, 4, 5 years to produce. We have got to start on that. Otherwise, it will cost us more, more, more, more, as we go along.

Let me say this: We have not yet commercialized the breeder reactor. We may never commercialize the breeder reactor; I do not know. But in this day and age, at this point in time, to use an outworn phrase—at this point in time we have reached a point that, because of the situation in the world on energy, we should explore every avenue to find out if it is there.

The Senator says solar. Well, solar might be all right in Southern California where they have a lot of sun, where they raise tomatoes, potatoes, some of the best produce in the world. Come up to the cold parts of Rhode Island on a gloomy, cold, rainy day and what am I going to do with solar? Freeze to death? What am I going to do with solar? I cannot get it. The Senator says solar is the answer. Is it really the answer? I do not know. That is the reason why we are spending billions and billions.

Our committee put the money in there, more money than ever before, more money for thermonuclear research. We are doing everything we possibly can. But the way I get the connotation of the argument today it is that we are proceeding on a dangerous path, so let us cut it out.

Well, if that is it, put in an amendment. Let us stop the breeder reactor and have it over with. But we cannot slow it down any more than we have already slowed it down without suffocating it and costing the people of the country a lot more money.

Mr. MUSKIE. Will the Senator yield?

Mr. PASTORE. I do not have the floor.

The PRESIDING OFFICER. All the time has expired.

Mr. TUNNEY. Was the Senator from Rhode Island speaking on my time or his time?

The PRESIDING OFFICER. The Senator was speaking on the time of the Senator from California.

Mr. TUNNEY. That is the worst deal I ever heard of.

Mr. PASTORE. How much time did I take?

The PRESIDING OFFICER. Ten minutes.

Mr. PASTORE. I yield 10 minutes. We have to give him 10 minutes. I took 10 minutes away from him.

Mr. MONTOYA. I yield 10 minutes for the Senator from Idaho and 10 minutes to the Senator from California.

Mr. PASTORE. How much time have we left?

The PRESIDING OFFICER. Twenty-one minutes.

Mr. PASTORE. Give him 10 minutes.

The PRESIDING OFFICER. The Senator has 10 minutes.

Mr. TUNNEY. I thank the Senator.

The Senator from Rhode Island makes the point that the Senator from California is trying to suffocate the program. I do not think leaving over $400 million in a program is suffocating. That is what we are going to be leaving in it if my amendment carries.

Mr. PASTORE. This is a multibillion dollar program. It all makes a difference.

Mr. TUNNEY. I know. But what we are asking for is simply this: We are asking for a cut of 244 million effective dollars from what the Senator was suggesting, a cut of $70 million, and what does it relate to? Long lead items. If we have the capital construction start at Clinch River and we get these long lead items, what is going to happen? Next year the advocates of this program will come and say, "Last year we granted the long lead items and now we have the program going. We have to go ahead with it or we will waste all the money we spent last year." This is the critical year and the Senator knows it.

Mr. PASTORE. No, I do not know it. I do not know it.

Mr. TUNNEY. This is the critical year for Clinch River. Not for the whole breeder program but for Clinch River. I would say that we might very well, next year or the year after, decide to go ahead and fund design other than Clinch River. We might wait until the Fast Flux Test Facility is completed. The Senator from California is simply asking that we proceed in an orderly and rational fashion. What we are doing here is building the demonstration plant before the test plant facility is even completed and working. That test facility is not going to be completed for another couple of years. Of course, it is behind schedule. But it is not going to be completed for another couple of years. So why are we doing what we have done in military appropriation programs so often, laying 10 keels all at the same time? Then when you make a mistake with one keel, you have to replace all of them. Why do we go ahead and build this demonstration plant before the Fast Flux Test Facility is built and operating, which will be a major contributor to the demonstration plant?

I feel that the argument of those who believe that we ought to stretch this out just 1 year is especially strong and compelling. I cannot understand why my friend from Rhode Island does not accept the amendment.

The PRESIDING OFFICER (Mr. Packwood). Who yields time?

Mr. MONTOYA. I yield 10 minutes to the Senator from Idaho.

Mr. McCLURE. I thank the Senator.

Mr. President, we have heard a number of arguments and each invite answers.

Mr. President, the LMFBR is the logical continuation of the development of peaceful nuclear energy and not a journey into untried and unknown technology. Work on breeder reactors dates back to 1946 with the very first electric power produced by a nuclear reactor being a breeder, the EBR–I. This reactor, located in Idaho, was successfully operated until 1963. Its successor EBR–II is also in Idaho and has now accumulated 11 years of safe and reliable operations, producing over 1 billion kilowatthours of electrical energy.

The United States has built and operated six sodium-cooled breeder reactors of varying size since 1951. Idaho has played a key role in this long history of experiments, research, and testing vital to the development of the critical components of the breeder program.

In addition to the experimental breeder reactors, Idaho is the site for a variety of other unique nuclear research facilities such as the transient reactor experiment and test facility, which is used to evaluate the behavior of fuels and structural materials under representative accident conditions in a fast reactor.

These facilities and the extensive research program conducted at them are part of a comprehensive scientific and engineering program that has been exploring each and every aspect of the technology required for the breeder reactor, to insure that it will be safe and reliable.

The United States is not alone in conducting an extensive breeder research program. Liquid metal cooled reactors programs are underway in the United Kingdom, France, Japan, Germany, and the U.S.S.R. In fact, seven LMFBR's are in full operation or in initial shakedown throughout the world.

France, England and West Germany have moved forward more aggressively than the United States in their commitment to breeder reactor demonstration plants.

In fact, recent reports in the press indicate that France has signed an agreement to help Brazil build a breeder reactor. This agreement follows right on the heels of the signing of a wide-ranging nuclear sales agreement between West Germany and Brazil.

As Congressman Mike McCormack of the Joint Committee on Atomic Energy recently reported after a trip to breeder reactors and research facilities in Europe, these countries are unanimous in their belief that the breeder reactor is needed to supplement conventional fossil fuel and nuclear fuel sources in meeting their future electricity requirements. And as in the United States, their technical judgment is that the liquid metal breeders have the most promise and have therefore been accorded the highest priority in their energy programs.

The long history of step-by-step careful research and testing that has preceeded this point in our development of LMFBR's; the extensive experience gained world-wide; the unanimity of judgment of the technical and scientific personnel familiar with this technology that it is safe, reliable and practical; and the experience of Idaho which has lived in harmony and safety with breeder research facilities for over 25 years, gives me confidence that we are now ready, and indeed must, move on to the next step—the completion of the LMFBR demonstration reactor.

Mr. President, I ask unanimous consent to have printed in the Record at this point an article by Mr. F. C. Olds, senior editor of Power Engineering, which appeared in that magazine in September 1974.

There being no objection, the article was ordered to be printed in the Record, as follows:

Phenix Fast Reactor: Big Boost for the Breeders

(By F. C. Olds, Senior Editor)

(Note.—France's new 250-MWe fast breeder reactor power station was tied into the national grid and taken to full power just 66 months after site work began. The plant has performed very well for the first 50 full power days (to the date of this writing). Low capital cost of the plant is as impressive as its construction schedule, start-up, and operation.)

Phenix is a first-of-a-kind fast breeder reactor power station. It pumps its full 250 MW into the national grid to demonstrate the feasibility of generating commercial electricity with fast breeders.

The Phenix project is a triumph on several counts. The plant itself was built, tied into the grid, and brought to full power just five and a half years from the start of site work. This was within six months of the original time schedule, and the final cost was within 7% of the original estimate—two substantial achievements.

Plant start-up was smooth. The procedures had been planned, studied, and rehearsed for two and a half years. Start-up began with sodium filling in January of 1973. First criticality occurred eight months later after 91 of the 103 fuel assemblies had been loaded. Three days later, measurements had confirmed that this core was exactly the reference core set two years before when the fuel enrichment was specified.

From first criticality to full power, the reactor output was increased in careful steps over a period of six and a half months. Tests and measurements at each step confirmed that the design parameters had been achieved, and that the main components conformed satisfactorily to specifications.

The start-up and initial operations were punctuated by characteristic problems, most of which associated with the conventional parts of the plant.

There were 14 occurrences that caused unscheduled shutdowns. A few were baffling, but all were solved. It is reported that there are a few problems associated with proprietary aspects of the reactor, but that these are not of serious nature.

Design power level of Phenix is 563 MWt. In its first sustained run, it performed comfortably at 567 MWt. All readouts were good, as were references to baseline data. This leads to confidence that the unit ultimately will run at something above its nominal gross output of 250 MWe. The design net thermal efficiency is 41.5%.

THE PURPOSE OF PHENIX

Three goals for the Phenix plant were stated clearly. The first was to prove the feasibility of generating electricity commercially with fast breeder reactors. Beyond this, the purposes were to improve fuel technology and to verify design, material, and component performance.

Accommodating these three goals in the design required that there be some compromise between operational simplicity and the ability to experiment. The main purpose of the plant, however, proving feasibility, remained dominant. An operationally safe successful Phenix was important to the next French venture, 1200-MWe Super Phenix. There were other aspects as well—national prestige, personal reputations, and international FBR market aspirations.

UNIQUE PROJECT ORGANIZATION

The outcome of the Phenix project thus far in terms of capital cost, construction schedule, design features, and early operation is a direct result of the way the design effort was organized, the goals that were set, and the way the project was managed.

The design team was made up of experts in all the disciplines that are involved in the whole plant. These include physics, metallurgy, mechanics, construction, operation, safety, and so on. The team worked out the routine design features and thrashed out the problems.

During the entire design process, the team maintained close liaison with the safety division of the Commissariat à l'Energie Atomique (CEA). These CEA safety experts were not part of the design team, but advisory to it and functioned independently from the full complement of safety men on the team.

This liaison between the design team and CEA's safety experts assured that due attention to safety was incorporated in the design and that the design would meet CEA requirements. Essentially, the plans were being reviewed and agreed upon each step of the way.

Ultimately, a design safety report was written and submitted to the Licensing Department of the Industry Ministry. Following routine, this department consulted with an interministerial advisory committee on nuclear installations (C.I.I.N.B.) about the report, and eventually issued the license for Phenix.

At this point, Phenix Project management considered the design fixed. Implicit in this procedure is the contention that technical matters are entrusted to qualified men, and that their diverse views during design development will expose and properly resolve the questions of reactor safety.

SAFETY OF PHENIX DESIGN

The design of Phenix has been kept as simple as possible. The head of the project, Mr. R. Carle (now Chief Executive and Chairman of the Board of Technicatome) believes firmly that a higher degree of safety is inherent in simpler systems, that too much mechanism interferes with the assurance of safety. Therefore, some features useful for exploration are not included in Phenix, and safety systems depend as much as possible on passive devices and simple mechanisms.

Design capitalized on safety information from various reactor types around the world. For breeders specifically, mature technology was available from such workhorses as EBR II, Dounreay and Rapsodie, and great knowledge had come from SEFOR and Fermi I.

Except for a few features, Phenix is a mild extrapolation from Rapsodie. It makes maximum use of the safety features and components already proved in this eminently successful reactor.

The maturity of the technology used in Phenix is reflected in the way the unit went on line and up to full power. The ability to freeze the design early, the low capital cost, and the short construction schedule are additional evidence of maturity.

RAPSODIE BACKGROUND

The LMFBR program in France began in 1957 with a cadre of 10 men under the direction of Mr. Pierre Zaleski, now Directeur at Technicatome and Conseiller Scientifique to EDF. Rapsodie's preliminary design was produced in 1959; construction began in 1962; full power was achieved in 1967. Revisions to increase maximum power began in 1969, and Rapsodie Fortissimo reached power in 1970. The decision to use mixed oxide was made in 1963.

EXTRAPOLATION TO PHENIX

Rapsodie is a 40-MWt unit. Phenix output is 567 MWt, total, from its three loops. Aside from size, the principal difference between the two machines is that Rapsodie is a loop type and Phenix is a pool type. This is the first experience in France with a pool FBR, and thus far it is enthusiastically received. (PFR in the U.K. also is a pool-type FBR, but it is a quite different approach to this type of system. The German and Japanese designs are loop type, and the Russian include loop and pool types.

Pressure in the sodium circuits is low, consequently in the size scale-up of pipe and valves from Rapsodie to Phenix the problem of heavy walls is not present. Similarly, the increase in pump size was of no great consequence from a design standpoint.

Each of the three primary pumps in Phenix is served by two IHXs which do not differ greatly from the Rapsodie IHX. One IHX per pump would have been preferable, but the extrapolation would have been large.

In short, the scale-up was engineered to give significant increase in size with minimum risk of untried systems and components.

Phenix concept is believed by its proponents capable of covering a power range of from 250 MWe to 500 MWe. For Super Phenix at 1200 MWe the concept could not be maintained completely. For example, the Phenix steam generator will not be extrapolated beyond 500 MWe. A new design will be needed for Super Phenix, but this is the biggest departure from Phenix design foreseen.

For simplicity of design, Phenix does not load follow, but both the 500-MWe and 1200-MWe designs will.

THE COST OF PHENIX

The announced cost of Phenix was interestingly low, and caused a good deal of discussion and speculation. The original base estimate for Phenix in 1968 dollars was about $100 million. The following items were included or excluded:

Included

1. All engineering and design cost.
2. Cost of building protype components.
3. All component testing, except for a one-year run on three steam generator modules.
4. Start-up costs.
5. Spare part allowance of 2%.

Not included

6. R&D costs.
7. Fuel material or fabrication.
8. Interest during construction.

The final base cost, reduced back to 1968 dollars, showed only a 7% increase due to technical additions such as added systems, resolution of uncertainties, or bona fide under-estimates by manufacturers.

If the final base cost, reflecting the eight items above and the 7% addition, is escalated to 1974 dollars using the French national indices of prices, the total comes to $140 million.

If the eight ground rules above are applied to Demo I estimates, and if this cost is moved back to 1974 and adjusted for 350 MWe in Demo I vs 250 MWe in Phenix, the U.S. unit will show about twice the Phenix cost.

There were several reasons for the low cost of Phenix. Its construction was based on engineering which changed little during the project. Specifications issued to vendors generally could say precisely what was required, and in great detail. The project organization, which was described earlier, contributed much to cost performance. Further, regulatory people were not constantly moving the targets.

There was another factor. In the words of M. Cregut, site construction manager, "We pushed pretty hard on the construction work." And there was pride—not spoken but so evident—men proud of the project and individual achievements, proud of the science and of the technology, and proud for France.

A U.S. PRENIX–450

The French offer a 450-MWe version of Phenix. Its design falls largely within the safety and technology envelopes of the completed 250-MWe plant. There is some international interest in this design, and the French have derived some numbers for one built in the United States.

Construction time from start of the reactor building to start of sodium loading might take five years. Phenix took less than four. It might take a year to bring the 450-MWe unit to full power. Phenix took 14½ months, but extra time because it was a prototype.

If construction on the 450-MWe unit were to start in 1975, sodium loading would begin in 1980 and full power would be reached in 1981. Its cost would be about $500 million on the basis of the eight ground rules and referencing $140 million for Phenix in 1974.

U.S. LICENSE FOR PHENIX–450

The foregoing assumes, of course, that Phenix design would be licensable in the United States. The French designers intended that it should be. They were determined that if there were to be an international market in breeders, the French design would be competitive on all counts.

Phenix safety considerations are substantial. For example, its design basis accident (dba) took 380 megajoules as the energy to be contained. In contrast, FFTF dba uses about 150 MJ of energy, and Demo I uses about 300. Phenix is designed to withstand an earthquake of magnitude 7 on the international scale. The reactor would scram during the shock but be in condition for immediate restart. At magnitude 8, some repairs might be required prior to restart.

Present Phenix is designed against internal missiles. Plane crash protection has been added for the Phenix-450 design and for Super Phenix.

There are many other safety considerations in the design; these few are cited simply to indicate the intensity of the French views on safety.

This is all well and good, but if the French brought their design to the United States for a licensing review, it would very likely be greeted with the assumption that nearly everything would fail. The French designers might, therefore, apply this assumption to their design before they brought it over. From this basis, they could laminate their present safety provisions with another layer of redundancies.

When they submitted this augmented design to the United States licensing review process, it would very likely still be greeted with the assumption that nearly everything would fail.

SAFETY PROBABILITY STUDY NEEDED

Zaleski sees an almost absolute necessity for probabilistic studies of fast reactors. These would be similar to the so-called Rasmussen study being conducted for LWRs.

Safety of a machine or system cannot be proved as such. Designers and engineers traditionally have used experience, judgment, and empirical methods for design and construction. Today's political and social pressures, however, have all but voided that process for designing reactor systems. It has become very easy for almost anyone to mount a successful attack on one or another safety feature of a nuclear power plant. Such attacks are not bounded by scientific or engineering knowledge and serve to force design criteria ever farther into the realm of the incredible.

Knowledge for probabilistic studies is quite well established. The use of this knowledge in the Rasmussen study for LWRs comes seven years too late. For the FBR, the situation is even more severe. The FBR is making its entry into an already stressed situation. Thus, the need is here now for such a study—perhaps, Zaleski feels, conducted on an international basis as a cooperative venture.

Without such a study, Zaleski feels that probably the breeder will be judged a more difficult and hazardous technology than the LWR. The Phenix people feel strongly that just the opposite is true.

OUTAGE OF JUNE 1974

Phenix was taken off the line in early June after running 46 equivalent full power days. This was a planned outage to install redesigned hydraulic actuators on the quick-closing outlet valves on the steam generators.

These valves must close quickly against 200 bar, and while the original actuators were strong enough, they were slightly slow. This was found during preoperational testing, and the safety commission permitted plant start-up only with the proviso that it be shut down as soon as new actuators were available for installation. Otherwise, this run would have been longer.

No fuel was removed at this outage; there was no evidence of leakers; and the many vibration and sonic detectors had picked up no chatter or excessive vibration.

The sodium pool was viewed by periscope. The reflection on the surface was so perfect that the location of the surface could not be determined until it was riffled by starting a pump.

The system drained clean. There was no analogy in Phenix to the crud deposition in the LWRs, and maintenance is not beset by exposure problems in most areas. For example, there is access to control rod mechanisms and the IHX upper heads without shielding, and sodium piping likewise may be dismantled without shielding. This follows the past seven years' experience with Rapsodie. Consequently, the need for contract maintenance is not anticipated.

It may be of interest that research for this article took the author to Paris and Marcoule for eight days of interviews and discussions. Visits to the plant at Marcoule were during the outage—a particularly good time to tour such a facility. It was during the second visit, on July 10, that the first pumps were started to bring the plant back on line. Criticality was reached on July 14 and full power on the 15th.

OTHER FEATURES OF THE DESIGN

Phenix components and systems have been described in good detail elsewhere in the literature of 1970–72. There are a few points, however, which are of interest here.

Start-up is slowed by the rate at which the head of the reactor vessel reheats. It is relatively massive and is insulated from the hot pool by the argon blanket. The present schedule allows 36 hours to bring the sodium from shutdown temperature of 250 C to operating temperature of 560 C. A different roof design is contemplated for subsequent units to cut restart by half or more.

FUEL

Half of the Phenix core is uranium oxide and half is mixed oxide, UO_2–PuO_2. The mixed oxide portion is very much like the Rapsodie fuel. However, the Phenix core being larger has a different spectrum and a program is underway to learn everything necessary about the new core. The swelling of stainless steel cladding is one major phenomenon to be explored thoroughly.

Fuel subassemblies are 4.3 m long and each of the 103 core subassemblies contains 217 pins. The active core height is about 1 m and its volume is about 1 cu m.

The first fuel subassembly is scheduled to be removed from the core in August 1974. Thereafter, one subassembly will be removed every two months. Fuel handling is manually controlled. Under-sodium viewing is done with sonar and imaging on a CTR. There is an adjacent hot cell for fuel examination.

It is anticipated that the first core will achieve a burnup of 50,000 MWDT, and the plan is for subsequent cores to reach 80,000 MWDT consistently. This is considered essential for an economically attractive breeder.

Higher burnups, in the 100,000 MWDT range, would be useful, but economic studies will have to be made later to determine optimum parameters.

To date, more than 16,000 mixed oxide pins have been irradiated in Rapsodie. Some of these have exceeded 14% burnup (120,000 to 130,000 MWDT) and the average is about 8%.

DOUBLING TIME

Phenix was not designed with doubling time as its prime objective. It was to be a safe, successful FBR from the operational standpoint. Breeding ratio was to be as high as possible without exceeding certain bounds of conservatism and some economic constraints. Target breeding ratio was 1.1.

System doubling time for the Super Phenix design is about 40 years. Probably this is not the ultimate for mixed oxide fuels. Zaleski believes that a system doubling time of around 20 years may be achievable, but that this might be the best—at least for the time being—with mixed oxide.

MONITORING THE FUEL IN THE CORE

Just above each fuel subassembly in the outlet sodium stream there are two thermocouples that continuously record the temperature of the stream. If any one outlet temperature deviates from the set value by 5 C, there is an alarm. For 10 C deviation there is automatic shutdown of the reactor. In addition, bubbles from a leaking fuel pin will strike one or the other thermocouple at different times causing irregularities in the recording. This system has been used successfully at Rapsodie.

There is also a continuous sampler above each subassembly. This draws off a small stream of sodium for anaylsis and detection of delayed neutrons. Finally, there is monitoring of core conditions by ultrasonic instrumentation.

FUEL TEMPERATURE CALCULATED

Each fuel pin is spiral wire wrapped for purposes of spacing and flow control. Flow and temperature at all points within the subassembly are calculated by computer. Separate calculations are required—i.e., for the interstices between pins and for those between pins and the shell. Maximum hot spot temperature is calculated to be 700 C.

There is a high confidence that excessive local conditions in the fuel would be detected and indicated early enough by the thermocouples, bubble monitoring, fission gas indications, or delayed neutron detectors.

NATURAL CIRCULATION COOL-DOWN

The pool-type design maintains a bath of sodium around the core and primary circuit at all times. This and other design provisions makes it possible for the reactor to cool itself down by natural circulation of the sodium in the extremely unlikely event of loss of all forced circulation of sodium.

Such an event requires a good many systems and components to fail, including both diesel generators. If this happened, pump flywheels would maintain circulation for three minutes. At this point, decay heat would be 4 MWt, and the system can handle this solely by natural circulation. Such a cooldown has been run with all pumps off and the control rods maintaining 4 MWt. While the pattern of heat distribution in the core during this test differed from that of an actual event, the test showed that the capacity is there to dissipate perhaps as much as 7 MWt with natural circulation.

VESSEL AND PIPE ARE SUSPENDED

The reactor vessel diameter will increase 14 cm as it comes up to temperature; the vessel height will increase 10 cm at the same time.

These changes are accommodated by hanging the vessel, including its thermal insulation and main containment vessel, from a system of 21 pretensioned hangers. The total suspended weight, including 800 tons of sodium, is 3000 tons. Suspension permits the vessels to expand downward freely, a big advantage. The design appears less difficult than many commonplace engineering jobs such as suspension bridges, ocean tankers, and skyscrapers, but actual experience with it is meager.

Sodium piping is of normal thickness and most of it is hung from carefully pretensioned hangers.

There is little anchoring and whole sections of pipe move in response to a light touch. This has advantages both for cost and for seismic design.

STEAM GENERATOR

Rapsodie generates no electricity; hence, it could not offer a steam generator design. For Phenix, a design was selected on the basis that it would be reliable, that a leak would be easy to detect, and that a faulty module would be easy to isolate and change out.

Each steam generator consists of a vertical bank of large S-shaped tubes. Seven small pipes run through the tubes and are connected to headers at both ends. Water enters the pipes and leaves as steam; sodium flows through the tubes around the pipes.

This design was tested by running three full-size modules for a year at EDF's sodium test facility. Actual leak detection was tested over and over before the design was accepted for the plant.

If a leak were to occur, quick-closing valves on the sodium, water, and steam lines would isolate the module. The sodium would be dumped to an inerted tank on the lower level. A stack from this tank to the roof would be opened to permit the hydrogen from the $Na\text{-}H_2O$ reaction to escape and burn.

REFLECTIONS ON PHENIX

France is proud of this reactor, but at the same time concerned that there are not already some companion FBRs in successful operation. The world FBR program is not exactly a vigorous one in terms of full-scale units.

Certainly the Phenix project offers some basis for comparing various ways of approaching organizational, engineering, safety, social, economic, and philosophical aspects of such reactor plants. Some of the striking features of the project have been noted here; a good deal has yet to be learned as operation continues. But regardless of how long or successfully Phenix operates from this point on, it has taken a long step on the still difficult road to the full breeder economy.

TABLE 1. PHENIX FAST BREEDER REACTOR POWER PLANT

Main characteristics

Thermal power, 567 MWt.
Gross electrical power, 250 MWe.
Primary sodium temperatures, 385–552 C.
Secondary sodium temperatures, 343–544 C.
Nominal cladding temperature, 641 C.
Steam temperature & pressure, 510 C–163 bar.
Primary pump speed, 810 rpm.
Secondary pump speed, 770 rpm.
Water flow, evaporator inlet, 750 t/h.

TABLE 2. PHENIX FAST BREEDER REACTOR POWER PLANT

Significant dates

Date, milestone, time increment, cumulative time

1968 Oct.; Site work started.
1969 Apr. 1; Reactor building started; 5 mo.; 5 mo.
1969 May; First concrete poured; 1 mo.; 6 mo.
1973 Jan.; Finish construction, Sodium filling started; 45 mo.; 4 yr. 3 mo.
1973 Aug.; Core loading; 7 mo.; 4 yr. 10 mo.

1973 Aug. 31; First criticality; 1 mo.; 4 yr. 11 mo.

1973 Nov. 1; Synchronize to grid; 2 mo.; 5 yr. 1 mo.

1973 Dec. 13; First power; 1½ mo.; 5 yr. 2½ mo.

1974 Mar. 12; Fullpower; 3 mo.; 5 yr. 5½ mo.

TABLE 3. PHENIX FAST BREEDER

Reactor Power Plant.

Nonprogrammed Shutdowns.

During Plant Start-up.

During turbine by-pass operation

3 times: Unsatisfactory operation of auxiliaries.

3 times: Bad quality of steam generator feedwater.

2 times: Failure of drive, secondary sodium pump.

2 times: Initiated by core temp. processing system.

During turbine operation for power

2 times: Failure of drives, one primary and one secondary sodium pump.

1 time: Initiated by failure of the grid.

1 time: Problem with standby diesels.

Mr. McCLURE. Mr. President, the reason I wanted to respond is because it seems to me that the arguments against this project have been very greatly overstated. One thing that the Senator from California has repeatedly stated here is that we must not do this pellmell.

We have been working with breeder reactors in the United States for a good many years, and there are at least seven operating breeder reactors, liquid metal fast breeder reactors, in operation at various places in the world today. Is this pellmell? Congress, after a long development period, authorized this program 5 years ago. For 5 years we have been working on it in the development phase. The Senator from California says all he wants is orderly development. As a matter of fact, we are getting orderly development.

Mr. TUNNEY. Will the Senator yield for the yeas and nays on the amendment?

Mr. McCLURE. For that purpose, without losing my right to the floor.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. MONTOYA. On the amendment or the motion to table?

Mr. TUNNEY. On both.

The PRESIDING OFFICER. Is there objection? Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. McCLURE. Mr. President, I am very much concerned that there might be some misunderstanding concerning the effect of the fast breeder reactor on our environment. Let me ask the people who are in opposition to the development of the fast breeder reactor what their alternative is, so far as the environment is concerned.

The Senator from California has indicated that there are a great number of scientists or experts who are opposed to this.

There are great experts and scientists who are opposed to any further gas or oil drilling offshore. They are opposed to strip mining of coal onshore. They are opposed to the development of geothermal energy because of pollution. They are opposed to every alternative that we come up with. The result, of course, is that the time does escape from us. I would point out, too, the French experience in the building of the Phoenix reactor and how long we have been working on ours. They built and put on line their Phenix reactor in 4 years, and they did it at a cost of $120 million.

If we are stretching out time periods, as indeed we are, that is a result of our own restrictions on progress. If, as a matter of fact, costs have ballooned, and they have, that is the result of our own restrictions and our own requirements in construction. It is not inherent in the design. It is not inherent, except we impose greater restrictions than do the French or do the Soviets in regard to environmental and safety requirements.

I am in favor of imposing those requirements, but I think it should not be pointed out that that is inherent in the fast breeder reactor.

The Senator from California has indicated the cost comparison, but what the Senator from California has failed to do in cost comparisons with light water reactors is to add into the light water reactors all the R. & D. costs for light water reactors. He wants to add in all the R. & D. costs in the breeder reactor but he wants to leave them all out of the other. That kind of comparison is absolutely unfair to the development of a new technology which might be of benefit to mankind rather than a curse to mankind.

I want to mention, too, that the fast breeder reactor takes something which is now a radioactive waste from the light water reactor and makes it a useful product for mankind.

The Senator made reference awhile ago to the great quantity of plutonium that would be produced. But what he neglected to say was how much radioactive waste was used in that production, and what was the reduction in the radioactive waste that would have to be stored otherwise.

We do have a storage problem with radioactive waste. It seems to me what we must focus on are two things: one is the best utilization of the resource we have—uranium. The question of how much we have is subject to some dispute. Of course, it is subject always to the cost curve, at what price do you get the uranium out. As the price goes up, you have larger reserves. At a lower price, your reserve is smaller.

That is something that a great many people fail to recognize when they look at oil and gas reserves and coal reserves in the United States. There is a related cost with recovery of that energy resource.

But when we look at the amount of uranium that will be consumed in light water reactors, let us not forget to project, during the life of those light water reactors, all the uranium that will be consumed during their life—not just during the time the breeder reactor would be started, but during the entire life of all of the light water reactors; and that is one thing that is often left out in calculating the consumption of uranium in light water reactors.

Mr. TUNNEY. Mr. President, will the Senator yield?

Mr. McCLURE. I yield.

Mr. TUNNEY. The charts that I have put up in the back of the room are calculations of various agencies as to what the resources of uranium are for this country. They show what the availability of that uranium would be, assuming the construction of light water reactors and the production of energy through light water reactors.

It is estimated that by the year 2000, using today's normal growth pattern, there is going to be consumption of only 43 percent of the uranium that is in reserve in this country at $30 per pound. It is assumed in those estimates that there is uranium dedicated to those plants for the life of those plants, if they are constructed by 2000.

Therefore, by the year 2000, we will still have almost 60 percent of the available uranium reserves available, undedicated to any reactor.

Mr. McCLURE. Mr. President, I think one of the things that we must look at as we try to develop our strategy for meeting the energy needs of this country is what kind of mass strategy we will use. I think the Senator has made a reference to what is ordinarily referred to as "scenario No. 5" developed by ERDA.

Let us take a look at what they suggest in their projected needs for that particular year and that particular scenario.

We would need 416 nuclear powerplants, of 1,000 megawatts each. Eighty of them would be breeder reactors. Under their scenario, we would need 400 geothermal powerplants of 100 megawatts each. We would need some 200 to 400 solar electric powerplants of 100 megawatts each. We would need 220 coal-fired powerplants of 1,000 megawatts each. We would need 140 synthetic oil and gas plants, producing the equivalent of 50,000 barrels of oil a day from coal. We would then add 80 shale plants, producing the equivalent of 50,000 barrels of oil a day.

It would be assumed that we had by then converted to electric automobiles; we would have 15,000 solar-heated homes; and we would have to have the supporting infrastructure for every one of those diverse items.

There would also have to be—and this is very important—major changes in use systems to achieve a 25-percent reduction in demand growth. Concentration is also figured into that particular scenario developed by the Federal Energy Administration.

I think when we look down at what happens, we should ask ourselves, do we want to take those 450 nuclear powerplants, 80 of which would be breeders and 370 of which would be light boiling water reactors, and put into them the uranium out of which we would get about 1 percent of the potential energy, and waste 98 or 99 percent of the potential energy of the uranium run through those 370 plants? That is what the Senator is asking us to do—waste a resource—because the breeder reactor takes that uranium from which we have extracted less than 2 percent of the energy and converts it into other fuels from which we can extract more energy.

So what the Senator from California is suggesting is that we take this uranium and waste over 98 percent of it. That, to me, is an unconscionable waste of a very valuable resource, and future generations will not applaud that, they will condemn us for it.

I want to talk for a moment about what some scientists say about breeder reactor programs. Let me make reference to a letter by Dr. Philip Handler, president of the National Academy of Sciences. I am sure the Senator is familiar with that, a letter of February 25 of this year. The letter reads in part:

> Rational planning . . . demands that we look to nuclear energy to become a major source of electrical power. "Conventional" reactors would do—if the uranium supply were not limited. But the uranium supply is limited and we dare not exhaust it in the same manner as we consumed petroleum lest we markedly constrain the future of the human race. To be sure, uranium and thorium are recoverable from very dilute ores, but only at very high energy and environmental costs. And that seems to leave us with only one option, a breeding cycle which, together with increased coal usage, can "buy" the time in which to develop solar and fusion energy as major sources for future generations.

Let me read also from the views of Lord Tuckerman, of the University of Oxford, quoting from one of the Romains lectures delivered on November 27 of last year. He concluded with these words:

> The opponents of the U.S. nuclear power program have never suggested any viable alternative.

The PRESIDING OFFICER. The Senator from New Mexico has 2 minutes remaining.

Mr. McCLURE. I thank the Senator for yielding.

Mr. MONTOYA. I yield the remaining 2 minutes to my colleague from New Mexico.

Mr. DOMENICI. Mr. President, I shall not take the 2 minutes, because the Senator from Idaho basically quoted from the letter of Dr. Handler of the National Academy of Sciences which I wanted to quote from. I ask unanimous consent that his entire letter be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL ACADEMY OF SCIENCES,
Washington, D.C., February 25, 1975.

Hon. JOHN TUNNEY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR TUNNEY: I have been privileged to see a portion of the transcript of a hearing in which you quoted from a speech by me to the witness, Dr. Robert Seamans, Administrator of ERDA, and asked him for his comments. Your quotation was entirely accurate and, in turn, Dr. Seamans' response was entirely appropriate. Because that quotation no longer adequately represents my views in this extremely critical matter, may I take occasion to convey to you my current thoughts with respect to the matter under consideration, viz., appropriate national policy with regard to the development of a breeder reactor to be deployed for the commercial generation of electric power.

Last September, when I made the statement in question, I was profoundly disturbed by the magnitude of the problems which would be generated by large-scale installation of breeder reactors. I still am. But in the interim, I have been ever more impresed by another array of facts which I had not fully considered last September:

1. American reserves of petroleum and natural gas seem to be significantly smaller than we had believed. Significant gains in their production now seem most unlikely. Moreover, worldwide petroleum and natural gas supplies may be deemed reliable for perhaps only another 30–50 years. A child born in 1930 will have lived through the period during which 85–90 percent of all petroleum and natural gas underlying the 50 American states will have been consumed. A child born in 1960 will probably live through the period when a similar fraction of all of the petroleum and natural gas on the planet will be consumed.

2. Oil shale and tar sands are available only in limited quantity. In any case, their exploitation poses huge environmental problems; the net energy gain in their conversion to crude petroleum is uncertain; and the resultant crude will be decidedly more expensive than the current international price for crude petroleum, despite the fact that the latter is vastly greater than production costs.

3. Coal is abundant. But strip mining offers large environmental problems; western coal is found in regions where the water supply is insufficient to assure rehabiliation of the mined land, much less to permit coal gasification or liquefaction. Eastern coal must be taken from deep mines, a hazardous procedure with serious attendant loss of life by accidents and from pulmonary disease. Mining technoolgy leaves much to be desired; miners are and will continue to be in short supply. And removal of sulfur and chlorine from coal will require as yet undeveloped technology if high sulfur, average or high chlorine coal is to be burned directly as fuel for power production. Hence, the cost of energy from coal must rise substantially. Moreover, projections of the rate of depletion of the oil and natural gas supplies, compared with the rate of growth of the coal supply, strongly suggests that the latter process will not fill the energy gap to be created by the former, particularly if our national demand for energy continues to grow at all. These considerations are equally relevant, whether the coal is burned directly or is utilized for the production of synthetic natural gas, synthetic petroleum, methanol or hydrogen.

4. The future of forest products as a possible bulk source of energy requires careful study and, certainly, is not presently clear.

5. Solar energy will find usage but not as a major source of electrical power in the foreseeable future; fusion as a source of commercial power is still in the research, not the development stage. Hence, formulation of national energy policy cannot, today, rely on successful early development of these processes, since their future is simply not predictable.

6. Rational planning, therefore, demands that we look to nuclear energy to become a major source of electrical power. "Conventional" reactors would do—if the uranium supply were not limited. But the uranium supply is limited and we dare not exhaust it in the same manner as we consumed petroleum lest we markedly constrain the future of the human race. To be sure, uranium and thorium are recoverable from very dilute ores, but only at very high energy and environmental costs. And that seems to leave us with only one option, a breeding cycle which, together with increased coal usage, can "buy" the time in which to develop solar and fusion energy as major sources for future generations.

Unfortunately, as others have noted, that may force us into a "Faustian bargain" and the actual terms of that bargain must be established with the greatest possible certainty.

For these reasons, in a revised version of the speech which you quoted, my approach to the "breeder problem" has been altered. A copy of that revision is attached. The relevant statement now reads as follows:

". . . one need not invoke the possibility of an unlikely catastrophic accident to consider that this may be an insupportable scenario. . . . Before such a program is implemented, it must be examined in the most intimate detail and the public must be satisfied that the risk of future generations is of an acceptable order; that the latter is the case is not self-evident at this time."

I continue to hold that position. But it should not be interpreted as an argument against the development of a breeder reactor, using whichever of the alternative breeding cycles and design choices proves to be most reliable, safe, and economic. If such can be developed, and the risk reduced to acceptable levels, a reasonable future for the United States can be in prospect. And that can only be done if we continue with an aggressive program of research and development directed at that goal. The problems which give us concern with respect to the overall safety of a system of breeder reactors can only be understood and usefully addressed if the attempt is made—as it must be. At this writing a future without the breeder reactor as a source of electrical power must be viewed as a future in which the lifestyles of Americans will be drastically altered—and not for the better. Food would be more costly and less abundant, as would all fabricated materials and products. Transportation and housing would become more expensive, etc., etc. And there would be great danger of loss of those social gains which have been so hard won within our own lifetimes. Hence, although one must continue to watch his development closely, I find it an absolute necessity that the research and development, and perhaps a demonstration program, be pursued with great vigor.

At the same time, I find an increasingly urgent need for the most detailed, objective analysis possible of all the risks and benefits associated with alternative conventional and breeder reactors as sources of power. No such analysis is available. The Academy would be pleased to serve the Nation in this regard.

Sincerely yours,

PHILIP HANDLER.

Mr. DOMENICI. I just make the point that as late as February 25, 1975, he had reevaluated the energy position of the United States and gone through every source, and now looks at our present posture with great dismay and great concern. He has looked at coal and all the other sources, and he concludes that while we are proceeding down those alternatives, it would be utter folly for America not to proceed, as an alternative, to perfect the technology of the breeder reactor. Indeed, he says that if some of the other things fail, the future is bleak for the United States in terms of a future without the breeder reactor.

I think that is all the Senator from Rhode Island and my senior colleague are saying: Proceed through the R. & D., and demonstrate the process, so that if we need that at some point in time, it is there. If one of the other sources, solar or geothermal is better, or coal, or if fusion develops more quickly, we may never have to use it; but I heartily concur with Dr. Handler that the future is bleak at this point without something like the breeder reactor in the arsenal for future use.

Mr. **BROCK**. Mr. President, will the Senator yield?

Mr. **DOMENICI**. I yield.

Mr. **BROCK**. I compliment the Senator on a precise and cogent exposition of the entire position. I completely agree with him, and appreciate the remarks that he has made.

Mr. **TUNNEY**. Mr. President——

The **PRESIDING OFFICER**. The Senator from California has 4 minutes remaining.

Mr. **TUNNEY**. I would like to point out that Dr. Handler also said some things that were not addressed by my friend from Idaho, and I think I know why. This, for example, is one thing that Dr. Handler said:

> One need not invoke the possibility of an unlikely catastrophic accident to consider that this may be an insupportable scenario. . . . Before such a program is implemented, it must be examined in the most intimate detail and the public must be satisfied that the risk of future generations is of an acceptable order; that the latter is the case is not self-evident at this time.

I quote another paragraph from the same letter:

> At the same time, I find an increasingly urgent need for the most detailed, objective analysis possible of all the risks and benefits associated with alternative conventional and breeder reactors as sources of power. No such analysis is available. The Academy would be pleased to serve the Nation in this regard.

I point out that the Academy is now serving the Nation in this regard. It is conducting a $2 million study program, which is going to be available 2 years from now. Unfortunately, if my amendment fails it will be too late to be of consequence because we will have already gone ahead and spent the money for the capital construction. Then all the arguments will be made in the Senate that we have to wrap the program up in ribbons and give the Clinch River reactor to the American people. I fear that there is nothing we will be able to do at that point to stop it.

We ought to let the National Academy of Sciences do their study, as Dr. Handler suggested that they should. Then we should have Congress evaluate it before we go ahead and continue this program at its present pace.

I am prepared to yield back the remainder of my time.

Mr. **CRANSTON**. Mr. President, I rise in support of the efforts of my distinguished colleague from California to delete certain funds from the nuclear breeder reactor program. The funds my colleague is seeking to delete would be used to take a major step down the road toward commercialization of the breeder reactor—a technology about which I have some grave reservations.

The amendment, which I am cosponsoring, would strike $94 million from a total program in the upcoming fiscal year of $542 million. It would strike a portion of the funds slated for the Clinch River breeder reactor itself. Out of this total $542 million, the administration proposes to spend $181 on the Clinch River breeder reactor. The Tunney amendment would strike only $94 million from this amount, leaving intact what is needed to continue design and engineering studies.

The whole point of the amendment is to eliminate those portions of the funds from the total program that would be used to begin procurement of the long-lead time items—the major equipment of the reactor itself. The procurement of these is, indeed, the major step toward construction of the Clinch River breeder reactor.

The breeder reactor will not be economically competitive with other energy sources until the costs of uranium and the demand for electricity rise substantially above their current levels. Even proponents of the breeder reactor acknowledge that the breeder will not be economically competitive until well into the next century.

So let us be clear that we are not talking about cutting back on a program that is going to solve our energy dilemma next year, or in 10 years or even in 20 years. The breeder will not be providing electricity to the people of the United States—even if we proceeded on the current timetable—until the next century. The breeder is a long range energy option. In this context, it is clear that we can afford to wait a year or two before we commit major funds toward the procurement and construction of the Clinch River breeder reactor.

In that short period of delay it is hoped that some of the unanswered questions about breeder technology can be seriously addressed.

The principal advantage of the breeder is its ability to produce or "breed" more plutonium than it needs to operate. Today's generation of light water reactors also produce plutonium, but the breeder is designed to produce more of this fuel than it consumes. By the year 2020, the AEC projected total plutonium generation to exceed 30,000 tons, principally from the liquid metal fast breeder reactor, LMFBR.

Plutonium, unfortunately, is probably the most dangerous and most toxic substance known to man. It is, in a word, fiendishly toxic: a millionth of a gram of plutonium has been shown capable of causing cancer in animals. Plutonium 239, the principal isotope of the element, has a half life of 24,000 years, so that its radioactivity is undiminished on human time scales. A decision to proceed with a reactor which produces more and more of this substance carries with it a responsibility for future generations, unmatched perhaps by any previous actions of mankind.

Plutonium is also the substance from which nuclear bombs are fashioned. An amount the size of a softball is enough for the production of a nuclear explosive capable of mass destruction. It is widely recognized that the design and manufacture of a crude nuclear weapon is not a technically difficult task and it is more than conceivable that a group of terrorists, with a minimum understanding of physics, could fashion a crude bomb capable of incredible damage. In the "plutonium economy" which would accompany the use of the breeder reactor on a wide scale, a plutonium black market and nuclear theft and terrorism become very real concerns.

In addition, the LMFBR itself is believed to be less safe than today's light water reactors. The LMFBR core, where the heat is generated, is far more compact than a light water reactor core. The coolant for the LMFBR is liquid sodium. Should the coolant fail for any reason, a meltdown could occur. In the event of a meltdown, the breeder's highly enriched fuel could conceivably rearrange itself into a more compact configuration of enough "critical mass" to cause an explosion of sufficient magnitude to breech the containment vessel. If this were to occur, plutonium—that highly toxic substance—would be released into the atmosphere. I acknowledge that this possibility of explosion is arguable. However, it is of sufficient concern to ERDA that serious consideration is being given to reactor modifications—specifically the addition of a "core catcher."

For these and many other reasons—well elaborated by my colleague from California—I strongly support the amendment and urge the Senate to approve it.

LIQUID METAL FAST BREEDER REACTOR: PROMISES AND UNCERTAINTIES

Mr. **BAKER**. Mr. President, the General Accounting Office, GAO, has just released an important report concerning the liquid metal fast breeder reactor, LMFBR, program. The report identifies and assesses the major issues relevant to the Federal Government's role in the development of this vitally important energy technology.

In issuing the report, GAO has indicated that is intended to assist congressional and other decisionmakers as they deal with the LMFBR issues and with the controversy that surrounds them. My preliminary review of the paper suggests that GAO has done an admirable job in laying out the issues in language which should be readily understandable to all interested in this program. Though I do not necessarily subscribe to all the conclusions and recommendations of the report, I do believe that GAO has made an extremely valuable contribution, and I want to commend the Comptroller General and his staff as well as the consultants who worked on the report for a fine job.

I ask unanimous consent to include at the close of my remarks part 11 of the report, which presents the overall conclusions and recommendations.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

(See exhibit 1.)

Mr. **BAKER**. In view of the considerable discussion which has been underway with respect to the advisability of providing additional authorization for the LMFBR program in the ERDA bill (S. 598) I would like to briefly cite several of the particularly pertinent conclusions from the report for my colleagues

> Both the LMFBR issues and the solutions are not clear cut; they are complex and riddled with uncertainties. In our judgment, these uncertainties argue against extreme

actions which, on the one hand, would expand and accelerate or, on the other hand, abandon the LMFBR program.

First, the United States clearly should not abandon the nuclear fission option at this time, nor should it abandon the LMFBR R&D effort. Uncertainties regarding the scientific, technical, or economic feasibility of potential alternative energy sources; the problems of increased reliance on fossil fuel; and uncertainties regarding the ability and willingness of the Nation to conserve fuel—all make these unrealistic courses of action.

Second, the LMFBR program should be clearly identified and recognized for what it is: An R&D program. There has been premature concern and emphasis on commercializing the LMFBR at a time when the Nation is years away from demonstrating that commercial-size LMFBR plants can be operated reliably, economically, and safely. It is unlikely that utilities will make major financial commitments in advance of such proof, which may not be available until the mid-1980's.

* * * * *

Fifth, the most logical course of action is to pursue the LMFBR program on a schedule which recognizes that the program still is in an R&D stage. Not until some point in the future, perhaps 7 to 10 years from now, need a firm decision be made as to whether the Nation will commit itself to the LMFBR as a basic central station energy source. At that time, many of the uncertainties of today should be reduced or eliminated, particularly if priority efforts are made to resolve as many as possible between now and then.

Mr. President, I believe that this report, written by a group independent of those in Government and industry responsible for carrying out the program, clearly supports the need to proceed with the LMFBR research and development program and the Clinch River demonstration plant which is a vital element of the overall program. This country needs new sources of energy. The LMFBR is one of the most promising options that can help meet this need.

This option should not be jeopardized.

EXHIBIT 1

[From GAO Issue Paper to the Congress, July 31, 1975]

THE LIQUID METAL FAST BREEDER REACTOR: PROMISES AND UNCERTAINTIES

PART II—CONCLUSIONS AND RECOMMENDATIONS

Conclusions

Our purpose was to identify and assess the issues relevant to key questions facing LMFBR decisionmakers:

Does the United States need an LMFBR and, if so, when?

Should the Federal Government continue to develop the LMFBR?

What are the benefits, costs, and risks?

What are the options?

Both the LMFBR issues and the solutions are not clear cut; they are complex and riddled with uncertainties. In our judgment, these uncertainties argue against extreme actions which, on the one hand, would expand and accelerate or, on the other hand, abandon the LMFBR program.

The LMFBR is controversial because it is the most likely vehicle by which nuclear fission may become an assured energy source through the 21st century and beyond. The LMFBR is controversial because decisions must be made in the face of uncertainties with respect to need, economics, and safety. Lastly, it is controversial because research and development to resolve these uncertainties is an expensive, and often time consuming, matter.

Some of the uncertainties and problems are unique to the LMFBR. However, the problems of safeguarding nuclear materials and the problems of radioactive waste disposal often cited by LMFBR critics are already present with existing reactors. With an LMFBR economy, these problems would become quantitatively worse. Without the LMFBR, however, uranium resources might be depleted while there is still a need for fission-generated power. In the broader context, therefore, the LMFBR is intimately intertwined with the benefits and risks to society from continued use of nuclear fission in any form.

As set forth in this paper, critical uncertainties concerning the LMFBR include:

The rate of growth in the use of electricity in the years ahead.

The extent to which nuclear fission power will be required to meet the future demand for electrical energy.

The amount of recoverable uranium resources at current and anticipated future prices and the resultant implications for when LMFBRs would be needed.

The economic feasibility of LMFBRs.

The ability to deal adequately with environmental, safety, and safeguards concerns including diversion of nuclear materials and disposal of radioactive waste. Special problems are licensing by NRC of plutonium recycling, a process essential to economically viable LMFBRs, and a decision whether LMFBRs need core catchers or other additional containment to guard against core disruptive accidents, including recriticality.

The status of development of foreign LMFBR programs and their implications for our domestic efforts.

If these uncertainties are resolved, two important management issues will require decisions also.

The level of Federal Government support necessary to build the NCBR which is to follow the Clinch River demonstration plant. At present, ERDA contemplates a Government subsidy of $300 million, but it recognizes the amount could go much higher if utilities and the nuclear industry are unwilling to provide the bulk of financial support for its development.

The extent to which utilities will commit themselves in the 1970s and early 1980s to purchasing commercial LMFBRs for delivery in the late 1980s and early 1990s, before the availability of results from the CRBR demonstration or from nuclear fuels testing in FFTF.

In the face of the uncertainties, we believe the following general conclusions are appropriate.

First, the United States clearly should not abandon the nuclear fission option at this time, nor should it abandon the LMFBR R&D effort. Uncertainties regarding the scientific, technical, or economic feasibility of potential alternative energy sources; the problems of increased reliance on fossil fuel; and uncertainties regarding the ability and willingness of the Nation to conserve fuel—all make these unrealistic courses of action.

Second, the LMFBR program should be clearly identified and recognized for what it is: an R&D program. There has been premature concern and emphasis on commercializing the LMFBR at a time when the Nation is years away from demonstrating that commercial-size LMFBR plants can be operated reliably, economically, and safely. It is unlikely that utilities will make major financial commitments in advance of such proof, which may not be available until the mid-1980s.

Third, given the history of slippage in this program and the likelihood that future experience will be similar, it does not appear reasonable to attempt to accelerate the R&D schedule. It will be difficult to maintain the current schedule.

Fourth, whatever action is taken by the United States on nuclear power and the LMFBR, the problems of nuclear safety and safeguards will not go away. Many foreign governments appear likely to rely significantly on nuclear fission power in the future, including LMFBRs. These governments are not concerning themselves initially with commercialization problems, but are attempting to demonstrate that LMFBRs can operate reliably, economically, and safely. A unilateral decision on the part of the United States to abandon nuclear power or the development of the LMFBR will not change this situation.

Fifth, the most logical course of action is to pursue the LMFBR program on a schedule which recognizes that the program still is in an R&D stage. Not until some point in the future, perhaps 7 to 10 years from now, need a firm decision be made as to whether the Nation will commit itself to the LMFBR as a basic central station energy source. At that time, many of the uncertainties of today should be reduced or eliminated, particularly if priority efforts are made to resolve as many as possible between now and then.

Recommendations

We recommend that, to help resolve existing uncertainties, the heads of the responsible Federal agencies and the Congress take the following actions to:

1. Obtain adequate information on domestic uranium resources at current and anticipated future prices.

We recommend that ERDA expedite the work and final report of its National Uranium Resource Evaluation Program currently scheduled for completion in 1980.

We recommend that the Congress explore with ERDA, the Geological Survey, and the Federal Energy Administration the feasibility of establishing a program to thoroughly appraise the U.S. uranium resource base by having the Federal Government conduct or sponsor extensive exploratory drilling, including such program and funding authorizations as may be needed.

2. Explore the development of policies and mechanisms which are acceptable to society to deal with the outstanding environmental and safety questions.

We recommend that ERDA and NRC give higher priority to developing adequate systems to safeguard nuclear materials, particularly at the vulnerable points of transport.

We recommend that ERDA and NRC decide how to deal with the possibility of LMFBR core disruptive accidents, including recriticality, and whether to include a core catcher or some greater structural integrity in the overall containment system.

We recommend that ERDA and NRC proceed now to establish a relatively permanent underground storage system so designed that wastes are retrievable if necessary sometime in the future. ERDA and NRC must make decisions on the management of radioactive wastes and implement a program soon if we are to proceed with expanding nuclear power in any form.

We recommend that ERDA work with EPA in developing an accelerated program of research in the environmental and health aspects of coal mining and use to better enable the Nation to know whether coal is an alternative to fission power or only a complement to it.

3. Improve the Nation's understanding of and cooperation with foreign government efforts to develop LMFBRs.

We recommend that ERDA take the lead in examining the feasibility of information exchange arrangements with foreign governments and consider carefully obtaining franchises to use foreign technology for domestic production of LMFBR systems and components. Also, purchasing total LMFBR sys-

> tems and components from foreign sources should be closely examined.
>
> We recommend that NRC and ERDA intensify efforts to identify and resolve the problems in NRC's licensing the French LMFBR system and components for use in the United States, since France may be the most advanced in large plant LMFBR experience.
>
> 4. Extend and improve projections of demand for electrical energy as more information becomes available.
>
> We recommend that ERDA, working with the Federal Energy Administration, analyze the extent to which recent trends are the result of increased energy conservation and indicative of reduced growth rates in years ahead or are simply aberrations from normal growth curves which can be expected to resume under more favorable economic conditions.
>
> As better information becomes available in the years ahead and the Nation strives for a balanced energy R&D program, we recommend also that the Congress periodically and systematically reassess, with appropriate inputs from the agencies concerned, the Nation's major energy options. Such reassessment should consider the Nation's ability and willingness to conserve energy as well as the changing status of all energy supply options.
>
> We support ERDA's recent decision to ask the National Academy of Sciences to review the LMFBR program. Such a review from a technical viewpoint can help provide a broader base for considering the current status of the LMFBR, as well as other nuclear and nonnuclear energy alternatives.

SAFETY RECORD OF NUCLEAR POWERPLANTS

Mr. MONTOYA. Mr. President, the development of nuclear technology in the United States has been characterized by an overriding concern for the health and safety of the public and for the protection of the environment. The safety record in comparison to other industrial activities has been excellent. No member of the general public has received a radiation exposure in excess of prescribed standards as the result of operation of any type of civilian nuclear powerplant in the United States. While there have been malfunctions in operating plants, to date, no accidents have occurred in civilian nuclear powerplants which have resulted in death or injuries to the general public.

The safety record of nuclear power was discussed in an April 28, 1975, report to the American Physical Society, entitled, "Report to the American Physical Society by the Study Group on Light Water Reactor Safety." The report was the work of 12 highly respected physical scientists. I would like to briefly quote from its conclusions and recommendations:

> A central issue in the operation of light-water reactors is the prevention of a major release and widespread dispersal of radioactivity, which could have serious consequences to the public. The safety record of light-water reactors to date has been excellent, in that there has been no major release of radioactivity. These reactors have been designed with numerous safety features, engineered to prevent foreseeable accidents. These safety features are backed up by other safety features intended to prevent major release of radioactivity in the event of an accident. Moreover, very conscientious efforts have been made in developing the procedures and practices involved in licensing, quality assurance, operation, and inspection of these reactors to insure sound construction and operation within specified safety limits.

Notwithstanding this record, there still remains a small possibility that an accident would occur in a nuclear plant which would result in a significant number of fatalities and injuries. The best judgment of the experts, however, is that this possibility is very low indeed, and that the risks from nuclear plants are much less than others that exist in our society.

It is important to keep in mind that ours is not a riskless society. To cite just a few well-known statistics,[1] each year there are about 50,000 deaths and 5 million injuries due to automobile accidents; about 20,000 deaths and 1 million injuries from falls; and 7,500 deaths and 300,000 injuries due to fires. In the natural disaster category, there are annually on the average about 100 deaths each from tornadoes and hurricanes; 160 deaths from lightning; and, of course, hundreds of injuries due to these phenomena.

It has been estimated[1] that an individual's risk of fatality due to automobile accidents is about 1 in 4,000 and that the risk of fatality due to tornadoes is about 1 in 2.5 million. By contrast, the risk of fatality due to a nuclear reactor accident has been calculated[1] to be in the range of 1 in 300 million—or about 100 times less than being killed from a tornado.

To put the risks of nuclear plants into further perspective, one should consider the hazards associated with fossil-fuel powerplants. It is rather difficult to precisely establish the number of injuries and deaths due to the effluents—the sulfur dioxides, the nitrous oxides, the particulates, and the other toxic substances—from powerplants burning coal and oil. However, it is generally accepted by the scientific community that these normal operating effluents from fossil plants are adversely affecting and causing the shortening of lives of several thousand people annually.[2]

Mr. BEALL. Mr. President, as we in the Congress work to solve our Nation's pressing energy problems, time and again we return to the need for nuclear energy. Without greater utilization of nuclear energy, I do not believe that our Nation, and in fact the entire world, can meet our energy needs. Thus I have encouraged the development of expanded nuclear capacity.

However, when we talk of nuclear energy, inevitably we must also consider the safety aspects. Recently, I was pleased to read an excellent article in the July issue of Foreign Affairs magazine by two distinguished individuals, William O. Doub and Joseph M. Dukert. Both these gentlemen have outstanding credentials in the nuclear energy field, and have made several excellent points in their article on what course the world must follow to safeguard the proper use of nuclear energy. I ask unanimous consent that this fine article be printed in the RECORD for the benefit of my colleagues.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MAKING NUCLEAR ENERGY SAFE AND SECURE

(By William O. Doub and Joseph M. Dukert)

Between now and the end of this century there is no realistic hope of meeting world energy needs without a substantial increase in the use of nuclear energy; commercial nuclear reactors are bound to multiply three- or four-fold even over the next 10 to 15 years. Commercial nuclear materials must be safeguarded against diversion or misuse by nations or individuals. At the same time, nuclear reactor designs and associated fuel cycle facilities now in common use present both real and public-perception problems as to their safe operation and the safe storage of the radioactive wastes they generate.

More and more these problems are seen to be global concerns. By far the greatest risk in the expanded use of nuclear energy is that it may contribute to the spread of nuclear weapons. Such nuclear proliferation was the main subject to the Review Conference just concluded in Geneva, five years after the coming into force of the Nuclear Nonproliferation Treaty (NPT). But the question of nuclear proliferation, vital as it is, is only part of the overall problem. Basically, the question is whether, and if so how, the use of the "peaceful atom" can be expanded to meet the world's energy needs without incurring unacceptable public risks of any sort. Although experts like to draw a technical distinction between "safety" and "safeguards"—and only the latter came in for extensive review at Geneva—in fact the regulation and control of the whole nuclear fuel cycle is often so closely related as to be almost impossible to divide into discrete parts.

Obviously, much of the problem of additional nuclear-weapons countries is political in nature: if a nation is determined, as India was, to demonstrate the ability to build its own nuclear weapons, probably no international framework can prevent it from doing so; the raw materials and the technology exist, to that point where no amount of international policing consistent with present concepts of national sovereignty—let alone the acute sensitivity of many nations today—can prevent nations from developing and exploding "devices" which are for all practical purposes weapons. To deter such decisions remains a matter of "high politics," concerned partly with the damping of regional rivalries, and in considerable part with the actions and attitudes of the superpowers and other nuclear-weapons nations with respect to their own nuclear capabilities.[1]

But at the level of practical action and day-to-day operation, it is also vital to have as strong a multinational framework as possible for the control of nuclear facilities and materials. Only through such a framework can nations, especially those which want nuclear facilities but not weapons, have confidence that others are playing the game fairly; only through such a framework can both safety and safeguards be steadily improved; and only so, in the long run, can the world hope to achieve a bearable balance between expansion and risk. It is the thesis of this article that the basis for such a framework already exists, in the International Atomic Energy Agency headquartered in Vienna, and that a major task for the next two to three critical years is to expand and solidify the functions and operations of the IAEA. We conclude with the proposal that there be established Regional Nuclear Centers to handle the expanding world need for key nuclear fuel cycle facilities, and that such facilities be placed under the safety and safeguards surveillance of the IAEA.

II

The IAEA came into being in 1957 as an affiliated agency of the United Nations, with the dual function of promoting the peaceful application of nuclear energy and of trying to avoid the diversion of fissile nuclear materials into weapons production. Although its roots lay in President Eisenhower's "atoms for peace" initiative of December 1953, from the first the organization had the full support of the Soviet Union, as well as the participation of a large number of nations including those with some nuclear capacity and those which looked primarily to receiving nuclear materials and facilities. The first Director-General of the IAEA was an American, former Congressman Sterling Cole. One of the first American representatives to the IAEA, who served for nine years, was Henry deWolf Smyth of Princeton, a former AEC Commissioner and author of the Smyth Report. From the beginning, the staffing and operation of the Agency have been serious, professional, and to a remarkable degree non-political. As the U.N. membership and voting patterns have expanded and changed, the IAEA has gone on little affected (except in size). Today, its members total 100 countries, and the Director-General is a Swedish scientist, Dr. Sigvard Eklund, who has served in that position since 1961.

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[1] Reactor Safety Study—("Rasmussen" Report) U.S. Atomic Energy Commission DRAFT report, issued August 1974.

[2] See, for example, Hearings of Joint Committee on Atomic Energy on Environmental Effects of Producing Electric Power, October-November 1969.

For its first ten years, the IAEA focused primarily on its principal goal of spreading the peaceful fruits of nuclear technology—radioisotopes for medicine, agriculture and industry, reactors for research and power. According to the ground rules laid down by the cooperating superpowers which made the birth of IAEA possible, the Agency has never been in a position to limit or influence the military programs of the countries already possessing nuclear weapons. IAEA has no disarmament or arms-control function, (although nothing in its Statute would prevent its exercise of such responsibilities if, for example, they grew out of a future SALT negotiation). But safeguards against diversion have always been an aspect of the worldwide security structure to which IAEA was expected to contribute.

Initially this safeguarding role was limited to "source" and "special nuclear material"—i.e., natural uranium and uranium containing various degrees of enrichment in the fissionable isotope U–235—and equipment supplied under IAEA aegis, including the fissile material contributed to worldwide research by the United States during President Eisenhower's administration. Gradually IAEA's status as an official international inspector was extended to other transfers, in which the supplier nation and the receiving nation or group of nations signed authorizing accords with the Agency. The greatest expansion of IAEA's safeguarding duties came with the NPT, which named the Agency specifically to monitor compliance with its provisions.[9]

Acting under this charter, the IAEA is now authorized to conduct inspection operations in at least 92 countries, with an inspection staff of approximately 70 technical personnel and a budget for this function of about $5 million (out of a total Agency budget of $35 million). It is, to put it bluntly, a shoestring operation at present; let us return in a moment to its technical adequacy and to what would be needed to expand and strengthen safeguard operations.

Even if its own operations have remained on a relatively small scale, the IAEA has been an important catalytic force in the framing and extension of proper standards for safeguarding nuclear operations. In the latter stages of the negotiation of the NPT in the late 1960s, President Johnson made an offer to open U.S. domestic commercial nuclear facilities to IAEA inspection. This offer was reaffirmed last September, on behalf of President Ford, in a speech by Dr. Dixy Lee Ray, then Chairman of the Atomic Energy Commission, and it was understood that it was to take effect as soon as Japan and the EURATOM countries had completed ratification of the NPT. The offer was apparently motivated initially by two considerations: first, to assure other nations that surveillance would not hamper their industrial commercial nuclear development, and secondly, to demonstrate that any presumed interference with internal operations caused by IAEA inspections would not enable nuclear-vendor nations—specifically the United States—to gain a competitive advantage.

Today the conditions of the U.S. offer seem about to be met. In early May, just prior to the convening of the Review Conference, Belgium, the Federal Republic of Germany, Italy, Luxembourg, and the Netherlands, all members of EURATOM, deposited their final ratifications; similar action by Japan seems imminent. Hence, although the American nuclear industry has always been less than enthusiastic with respect to the idea of full-fledged IAEA inspection in this country—so that there may be some foot-dragging—it now seems imperative and wholly desirable that IAEA inspections take place at US. commercial installations. In considerable degree this would reduce the validity of the argument that the "haves" are unwilling to accept international inspection for themselves, while insisting on it for others.

Now, of course, the question is whether other nuclear-weapons countries will follow the American lead and accept IAEA inspection—an obligation from which they were exempted in the original NPT. Britain has in the past followed a course parallel to that of the United States, and can be expected to continue to do so. France and China, of course, are not NPT signatories; France, however, has declared that she will conduct herself as if she were, with respect to commercial operations as well as exports, and her civil program is under EURATOM safeguards. The Soviet Union, unfortunately, has a long tradition of resisting any foreign inspection whatever, and has given no sign of change. But even if the U.S. action should not be emulated, it is an important step forward, which will add considerably to the prestige and stature of the IAEA.

The same is true of another major, and little-noted, action of the past year that came *through* the IAEA but technically not *from* the Agency. Since a total of 36 member-states of the United Nations have failed to sign the NPT—while another 15 have signed but not ratified—the application of IAEA safeguards has been in continuing danger of being breached or neglected on a wide scale. As a direct result of these considerations there came about last August an informally coordinated initiative by ten nations representing the majority of present nuclear supplier states, including both the Soviet Union and the United States. In virtually identical letters to the Director-General of the IAEA, delivered on August 22, 1974, the ten nations separately undertook to tighten controls on their own individual exports of certain items to any country which is not a party to the NPT. Thereafter, any receiving country will be required to accept IAEA safeguards, promise not to use the material in nuclear explosives (even for peaceful purposes), and provide assurances that the imported items will not be re-exported in a way that could circumvent NPT objectives. Although the move still leaves loopholes (e.g., France has not yet agreed to go along), it is especially important in that its impact goes far beyond the categories of uranium and plutonium alone. The new restrictions apply to a carefully constructed "Trigger List" which includes complete reactors, reactor components, and certain important materials—such as "heavy water" and "nuclear grade graphite"—which are essential to some types of reactors.

With this agreement among most of the major suppliers of nuclear power plants, the IAEA is now in a much stronger position than ever before. While presently primarily directed at the problem of safeguards against diversion by a recipient nation, the expanded IAEA role could potentially embrace—the present writers believe that it *should* embrace—agreed standards for protective measures against terrorists and for safe operation. Let us now look in turn at each of these areas of present or potential operation.

III

Any discussion of the problems of safety and safeguards—whether against diversion by nations or diversion by private individuals or groups—requires a short technical preface on the stages of the nuclear fuel cycle. In brief:

1. Most nuclear reactors today use uranium enriched to a maximum of roughly 3.5 percent. While this is well below the percentage required for weapons-grade material, the enrichment process used is of course the same for both, the material being put through the separation process additional times to raise its enrichment level. Thus, *enrichment facilities* could be a major point of diversion. In practice, up to the present, the cost and power requirements of enrichment facilities have meant that only a few major individual countires have them—chiefly the nuclear-weapons countries exempt from IAEA inspection (unless they follow the U.S. lead mentioned earlier). The major multinational enrichment facilities of EURODIE and EURENCO, which are currently under construction, use different technical processes; however, these facilities will be under IAEA safeguards.

If some new and vastly simplified enrichment technique should be developed, it could be a different story. However, despite recent reports about the application of laser techniques, we do not believe these have been adequately demonstrated for commercial use in the foreseeable future.

2. Once the raw uranium is enriched to the necessary degree for reactor fuel, there is the stage of *fuel fabrication*, where uranium is formed into pellets and encased in tubing to form fuel assemblies. At this stage the uranium itself remains a perfectly homogeneous mixture of different types of uranium nuclei, which cannot be separated chemically. The mixture works perfectly well in releasing heat gradually within a reactor, but could not be built into a nuclear bomb.

3. During *reactor operation* itself, the fission process produces highly radioactive byproducts in the fuel that would be extremely hazardous to a would-be terrorist or hijacker.

Thus, by the time economic and technical considerations dictate that the assemblies should be replaced by fresh fuel bundles, each ceramic pellet contains a mixture of some remaining Uranium-235 (the bomb-making kind), a considerable amount of unused U–238 (the more common kind), a variety of plutonium isotopes and a bizarre hodge-podge of other by-products—some of which are intensely radioactive. This "spent" fuel is shipped in heavily shielded casks to storage pools or nuclear reprocessing plants. Short of that point, it is virtually immune to hijacking because of the sheer bulk and weight of the casks (normally 30 to 100 tons) and their own "self-protecting" radioactivity inside the massive shield.

4. Most critical is the stage of *reprocessing*. The spent fuel contains only reduced amounts of the original U–235, but new and significant amounts of plutonium, which of course is potential bomb material. After the fuel bundles have been dismantled, chopped into pieces, and dissolved in vats, it is not difficult from a chemical standpoint to separate the uranium from the plutonium and both of these from the highly radioactive waste residue; but the entire process must be carried out by remote control within expensive concrete "hot cells." In the case of India, what was done was to take the spent fuel from a Canadian-supplied research reactor (which was not subject to IAEA safe-

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Footnotes at end of article.

guards) and then to build a small chemical reprocessing plant to extract the plutonium.

However, in practice, very little reprocessing of commercial fuel has actually been carried out to date, at least in the West. Most of the spent fuel produced by commercial reactor operations remains intact in storage pools. Only a small number of fresh fuel bundles have been produced from mixtures of recycled plutonium and uranium—just enough to demonstrate that such fuel can be used satisfactorily in commercial power plants.

There might be a tendency to delay reprocessing indefinitely if it were not of such great potential importance both as to economics and to environmental protection. Starting in the 1980s, recycling of plutonium can reduce the world's need for fuel enrichment capacity by 10–15 percent, cut uranium mining requirements by 20–25 percent, and simplify the disposal of the highly radioactive wastes by compressing them into physically and chemically inert solids. All this is true *without* considering the advanced reactors specifically called "breeders."

5. Finally, there is the problem of *transportation* and *physical security of containers* at each of these stages. As noted, the spent fuel material being moved from the reactor to the reprocessing facility may be dangerous but it is not of weapons grade in the form in which it is transported. In the event that reprocessed fuel including plutonium is used in reactors in the future, however, its transportation would include weapons-grade materials.

This simplified description of the nuclear fuel cycle demonstrates that safeguards can concentrate on strategic points; they do not have to cover every move, since diversion is only physically or chemically possible at a few key stages. Hence, under the present distribution of enrichment facilities, fuel fabrication plants, and commercial reactors, even the small IAEA inspection force can in practice do an effective job. It does this by auditing records, by studying the plans of nuclear facilities, and by periodically examining the sites themselves. The Agency also uses automated remote monitoring devices and places seals on equipment and shipments to ensure that nothing goes into or comes out of them without being detected. IAEA inspectors normally announce their visits in advance, but there are also provisions for unscheduled inspections. Furthermore, when large quantities of plutonium or highly enriched uranium are being processed, the inspectors may actually remain in residence around the clock at the facility. Through a comprehensive "Blue Book" laying down the regimen for one-site inspections of various types of facilities, standards and techniques for inspecting reactor operation have been developed to a high point. For enrichment plants—because of the relative newness of the undertaking—safeguarding methods are less fully developed, and improvements are needed.

Essentially, IAEA offers the ability to detect diversion of bomb material within a relatively short time—and thereby to discourage it from taking place. It is true that any nation could ignore the mild sanctions of the IAEA itself—the worst the Agency can do is expel a member and call its violations to the attention of the U.N. Security Council—but it is equally accurate that *any* treaty obligation might be evaded. The Agency is a warning system rather than a policeman.

What are the problems for the future? They are not, we believe, primarily technical; with foreseeable improvements, IAEA inspection can remain abreast of the job. Rather, in addition to increased commitment, the real problems are now those of money and manpower.

What will be needed in the years to come for a credible and effective safeguards program? And how can it be funded? The "Blue Book" ground rules were set up several years ago, and some U.S. experts now suggest that greater access (and thus more inspection time) might be needed in the future. However, the maximum times allotted in that document can probably be used as safe averages for projections. Thus, the authors use a rule of thumb that a team of four inspectors—devoting roughly 50 percent of its time to actual on-site inspection—could cover a dozen reactor units each year. In the case of a medium-sized reprocessing plant, however, the same group might have to devote its full time to that single operation. All things considered, further calculations indicate that the safeguard staff of IAEA must rise sharply—but that it need not exceed 500 by 1985. A reasonable budget then, *for safeguards alone*, might be in the neighborhood of $50 million annually. In terms of percentages, this would represent an extremely rapid growth curve; but in absolute terms of dollars and manpower it is really quite modest.

Dr. Fred C. Iklé, Director of the U.S. Arms Control and Disarmament Agency, has been outspoken in urging greater U.S. financial support of the IAEA; and he is confident that Congress will recognize the value of such expenditures. But the funding of an international operation of this sort introduces special complexities. With the basic IAEA budget divided among member-states under the "U.N. Formula"—which now sets the U.S. share at slightly more than one-fourth of the total—there is no precedent for a single country like the United States unilaterally to bring about such a dramatic increase in an international activity, no matter how willing and anxious the Administration and Congress might be.

The dilemma could be resolved in part by making voluntary contributions "in kind," which is the way most IAEA technical aid is handled. This seems a logical way to help the IAEA meet its growing responsibilities in research and development work on safeguards. Ideally, the cost of safeguards should be shared by a multitude of nations. Furthermore, there are dangers in trying to maintain such an important function on the uncertain base of purely voluntary contributions.

Fairness probably requires that there should be some relationship between the amount a nation pays and the extent to which it benefits from the application of nuclear power. Thus, U.S. Representative Mike McCormack has toyed with the idea of what might be called an international "safeguard insurance premium" to be based on the energy capacity of each power reactor and to be paid by the user nation. Using the rough calculations cited above, the inspection cost per reactor might range in 1985 from about $130,000 per year for the largest reactor being built in this country to half that or less for the smaller units now contemplated by a number of countries overseas. If these costs were counted as part of each reactor's operating expense, they would be minor; yearly fuel costs for a large power reactor are commonly measured in tens of millions of dollars.

Financial support alone is not enough, however, to assure the development of a competent inspection corps. Any international bureaucracy is subject to the pressures of political favoritism; and even if this were not the case there might be problems in recruiting an adequately multinational staff of the size and talent envisioned. Here again, the necessity of enhancing IAEA's prestige becomes obvious. The appeal of service for a limited period (perhaps two or three years) in an international "Safewatch Corps" must be transmitted by every reasonable channel to the pertinent academic and industrial communities around the world. Professional advantages of the assignment might be explained, but the service to the cause of peace and order also needs to be stressed.

It appears, then, that with a major multiplication of its present effort the IAEA can provide adequate safeguards against undetected diversion of nuclear materials by nations. If there are to be difficulties, they will arise in connection with the expansion of enrichment and reprocessing facilities; to this theme we shall return.

IV

What, then, of the protection of nuclear materials against diversion by criminals or political terrorists? Here the primary measures being taken today are on a national basis; the IAEA has not yet assumed a direct role, although its so-called "Gray Book" (entitled *Recommendations for the Physical Protection of Nuclear Material*) gives some technical guidance, and has recently been reviewed and strengthened. In fact, the subject has been approached in a very gingerly way by the United States and other major nations, not merely because some nations consider it a domestic political problem but for the reason that the techniques used in this country and elsewhere to protect commercial nuclear materials closely parallel those used to guard weapons themselves. (These include security checks, multiple electronic barriers, armored vehicles with two-way communication, and self-immobilizing features to prevent hijacking.) At least until recently, it has been argued that to reveal the specifics of these measures to an international organization would increase the risks of some penetration of the U.S. security system.

At present, however, the U.S. position appears to be changing. Addressing the U.N. General Assembly in September 1974, Secretary Kissinger proposed that the IAEA take the responsibility for drafting "an international convention for enhancing physical security against theft or diversion of nuclear material"—to include "specific standards for protecting materials while in use, storage, and transfer." And in the same speech the Secretary said that the United States would make "specific proposals to strengthen safeguards to the other supplier countries." In accordance with this last suggestion, reliable sources now report that Washington may soon propose a conference of representatives from the United States, the United Kingdom, the Soviet Union, France, Germany and others to discuss specifically international transport of nuclear materials, with the discussion probably extending more generally to minimum standards for physical protection in other respects.

If such a conference is held—as it should be—the problem will be to get an adequately frank international discussion of the measures various countries have developed individually. Here, too, the IAEA may have a role; for example, one way to accomplish the desired results might be for all major supplier nations to supply releasable data to an internationally respected "think tank" such as the International Institute for Applied Systems Analysis in Vienna, where sicentists with nuclear know-how from both communist and Western countries are already working together in cooperation with IAEA. At any rate, the problem of potential hijacking is now sufficiently serious to warrant a previously rejected frankness on all sides.

V

As noted earlier, safeguards against unauthorized diversion and the issue of safety of operation present problems that, while conceptually distinct, may contain technical factors that overlap. Nonetheless, it is often important for the purpose of analysis to keep the two concepts separate.

In the field of nuclear safety, much like physical security, the IAEA has never had the firm charter it has enjoyed from the outset in respect to safeguards. Yet as a practical matter of carrying out its job of spreading peaceful nuclear technology, the IAEA has necessarily become engaged in safety matters and has quietly built a record of accomplishment. For example, in 1972, acting on a reported disregard of safety procedures in the operation of a research reactor within its safeguards jurisdiction, the Agency inspected and found deficiencies and thereafter adopted a policy of inspecting each such reactor at least annually. These inspections now use Agency-promulgated minimum safety standards.

Another relevant example is the field of radioactive-material transport. Most shipments of radioactive material have little or nothing to do with the reactor fuel cycle; the great majority consist of items used by medicine, agriculture and industry. It would be absurd to treat a small amount of "tracer" material (which a patient will eventually swallow during diagnosis or treatment) in the same fashion as a cask of spent reactor fuel; the framing of sensible regulations demands that the thousands of different materials be distinguishable. Recently the IAEA produced a system of categorizing radioactive materials which will presumably become universal: the U.S. Department of Transportation, for example, agreed to adopt the system by reference in its regulations. There is still room for differences among nations in the substance of internal transport regulations; and space here does not permit an analysis even of those currently in effect in the United States. (They are remarkably strict and have proved effective.) But now at least—thanks to the IAEA—the various sets of regulations share a common international language. Negotiations to bring them into accord—whether by bilateral or multilateral agreements—have been facilitated enormously; and this is only an early hint of what an organization like the IAEA might accomplish in the future.

The Agency is engaged now in a two-year study of the safety criteria used by different member-nations in regard to the operation of nuclear power plants. Some countries, including Japan, follow the U.S. regulatory lead closely; but others have quite divergent philosophies. In the Soviet Union, for instance, far less importance is attached to the need for the design of the mammoth steel-and-concrete "containment shell" which surround every commercial U.S. power reactor. The attitudes of the French and Germans—both important international suppliers—show similar inconsistencies in approach. It would be too much to expect the IAEA to reconcile the various national regulatory codes into a single set of standards; differences in reactor design would be enough to make that impossible even if national sensibilities were not involved. But the Agency may be able to stimulate discussions (and eventual agreement) on underlying safety criteria. This would undoubtedly offer a greater measure of safety assurance and reliability to all users of nuclear-generated electricity. The international exchange of operating data, including that on problem areas, is already taking place. The discussion of reactor-safety specifics within the forum of the IAEA has been little publicized, but its importance is bound to increase in a world whose citizens will count nuclear power plants in the thousands within one generation.

Today, while there is concern over the assured safety of the transportation and use of nuclear materials, public worry over nuclear safety focuses mainly on the storage of radioactive wastes. Is there an answer to this problem, and can the IAEA usefully contribute to its formulation and implementation?

The radioactive wastes in question have in fact been produced in large quantities by the weapons-production programs of the United States and other nations over nearly 30 years. The problem is by no means a new one related to the now-foreseeable spread of commercial nuclear reactors; for scale only, it may be noted that if the number of reactors increases at the highest rates now predicted in any responsible forecast, it would probably be at least 30 years before they produced as much waste as weapons programs have already produced. But the fact that the problem is not new does not mean that it is not formidable.

Up to now, the United States and other nations have taken different approaches to the problem. In this country, wastes are now stored primarily in solidified or liquefied form at ground level in heavily shielded containers—a technique adequate, it is believed, to contain the waste for hundreds of years. In Germany, however, a form of underground storage is being used, while in Japan consideration is being given to all forms of long-term waste disposal.

What seems clear is that none of the existing methods has yet come to grips with the tremendously long-term character of the problem, since we are dealing with materials some of which will remain radioactive or toxic, or both, for periods running into thousands of years. It is in such terms that disposal in containers whose own survival is not totally assured, not to mention suggested disposal at sea, seems far too risky for the world as a whole.

The National Academy of Sciences in this country has repeatedly recommended that the solution should be solidification of the waste and disposal in tunnels deep in the earth. There are locations in the southwestern part of the United States where there are large beds of salt that are totally dry, self-sealing as to seismic disturbances and sure to outlast the radioactivity of the nuclear wastes. Under the NAS proposal, there would be a "pilot-plant stage" during which the waste casks could be recoverable; after a suitable test period the tunnels could be refilled with salt and permanently sealed—safe disposal for hundreds of millennia.

Such a proposal was, in fact, on the verge of being accepted by the Atomic Energy Commission as far back as 1973. Then Watergate paralysis throughout the upper echelons of government discouraged any action which might "make waves," and no action was taken to begin the project—which had been stymied once before in the spring of 1972 by the premature announcement of a site in Kansas that later proved to be impractical.

Now that the functions of the AEC have been divided between the Nuclear Regulatory Commission (NRC) and the Energy Research and Development Administration (ERDA), the whole matter is being restudied. When a decision finally comes, it will probably be essentially the same one that could have been promulgated two years ago; but now the date is likely to be 1976 or later. Meanwhile, the number of licensed commercial nuclear power plants in this country will have doubled—from about 35 at that time to approximately 70—while outside the United States, as has been pointed out, the pace of expansion will be even quicker. Pending a determination of the American position, it is perhaps idle to talk of international standards on this most difficult of all safety questions. The IAEA may, however, have a useful role to play in coordinating the sharing of information on solutions to the problem.

VI

It is time now to move from what has been said about the problems of safeguards and safety, and see if some wider conclusions may not emerge from looking at all the problems together.

We have already noted that for economic reasons a very substantial expansion of reprocessing facilities will be needed in the next ten years in order to provide the necessary fuel for a growing world nuclear market. The need exists for a great many new enrichment plants as well. Yet at the same time we have noted that reprocessing and enrichment are presently, from the standpoint of adequate safeguards, the most critical of all phases of the nuclear fuel cycle—for the simple reason that it is only through reprocessing that plutonium is produced, while only enrichment can produce weapons-grade uranium. Finally, when it comes to the question of the safe storage of radioactive wastes, we have noted that the best solution presently visualized would call for the wastes to be solidified—and thus reduced very greatly in bulk—and committed to suitable deep geologic formations.

To these factors of economics, safeguards, and safety, one should add a dose of politics. If the necessary facilities for reprocessing and enrichment continue to be located in the present nuclear "have" nations—basically those with weapons, as well as developed nations like Japan and West Germany—then the sense of discrimination already acutely felt by the nuclear "have-not" developing nations can only be increased, and with it their urge to have a nuclear weapons capability of their own—if only for the psychological effect. If, as a second possibility, the construction of reprocessing and enrichment facilities is done by individual nations, "have" or "have-not," as each may desire individually, then adequate inspection and regulation becomes more difficult if not almost impossible. A nation with either capability will have to be treated as the equivalent of a potential weapons nation.

There is a third possibility, however. It is one that many in this country and abroad, as well as American and Soviet "international civil servants" at the IAEA, have been studying from the standpoint of economic and technical feasibility. This proposal would be to establish a series of Regional Nuclear Centers around the world. Such sites might contain reprocessing facilities, fuel fabrication plants, and perhaps enrichment and waste handling facilities—in addition to some nuclear power units to generate electricity. The centers would provide service to a number of countries, and could be multinationally financed. They should be limited to countries which are parties to the NPT, and they would, of course, have to be safeguarded by the IAEA, which should also inspect their design and site selections, and be involved in their direct operation.

Reprocessing and enrichment are uneconomical enterprises unless they are tied to a fairly large number of power reactors—perhaps two dozen or more. In the case of many countries which do not now possess nuclear weapons, there is little economic or technical incentive to enrich or to reprocess. Yet several such countries do one or both on a laboratory scale, and others are considering the step, which could be a prelude to weapons-making. The existence and availability of such service facilities in various regions would help remove any lingering temptation to expand national enterprises. This, in turn, would contribute greatly to curbing the perils of diversion and enhancing public support for the "peaceful atom." At the same time, a concerted move to introduce Regional Nuclear Centers at a proper pace would have other advantages. It could eliminate reliance on too narrow a worldwide base for such services in the future and avoid bottlenecks in the international development of the nuclear fuel cycle.

We believe that this proposal makes sense. We have approached it, as it were, from the empirical standpoint: How can the necessary reprocessing be done with adequate safeguards and in a way most consistent with long-term safety? One might equally have come at the problem from a more political perspective: How can the "have-not" nations be made to feel honestly that they are not being discriminated against, but indeed have "a piece of the action"? Either way, the proposal is a sound one—as Professor Mason Willrich noted in congressional testimony in late April (after this article had been drafted), this is not a case where efficiency is at war with other consideration; rather, as he put it, the choice for a future pattern of nuclear power development lies between "economic efficiency and international security or economic nationalism and global insecurity."[4]

Just how multinational the structure of such Regional Nuclear Centers could be made, as a practical matter, is difficult to judge at this early stage. But it seems essential to us that the IAEA—whose staff has been a major source of the idea—should be engaged from the outset in the kind of creative planning that will be needed if the idea is to come to fruition.

VII

Apart from issues of materials diversion at key points of the fuel cycle, one of the most common sticking points in any discussion of enhanced international safeguards is the issue of "peaceful nuclear explosions" (PNEs). Some nations like India contend that their dedication to peace is a sufficient safeguard in itself. The Soviets argued that their own PNEs are distinct from test explosions of weapons and should be exempt from any limitation on the size of weapons tests.

While nuclear explosive technology is quite distinct from reactor technology, there is virtually no qualitative difference between a PNE and a weapon. The *use* of an explosive can be monitored, however, and it is on this basis that U.S. and Soviet negotiators are trying to arrange mutual reassurances about future PNEs. Nevertheless, they have not gone far enough to reassure the U.S. Congress and the rest of the world. In the authors' opinion, the time is ripe for both superpowers to allow IAEA observers to witness any future PNEs under the conditions described by the IAEA Director-General's Memorandum more than four years ago.[5]

That memo applied to PNEs which might be provided to non-weapons countries as part of the technical assistance pledged under the NPT. Formulated by a group of experts including five from the Soviet Union, the document makes clear that observers would not need "physical or instrumental or visual access to the internals of the nuclear explosive or . . . design information pertaining thereto." Part of their job, in fact, would be to make sure that such details were safeguarded. They would, however, be permitted to watch the detonation to make sure that it took place as scheduled, use simple instruments to determine its yield, inspect the site afterwards, and satisfy themselves generally that the explosion was carried out for the declared peaceful purpose and no other.

The question of whether or not the benefits of PNEs outweigh their costs is not germane to the observational agreements suggested here. Whether or not the reality of the perceived benefits of PNEs lives up to the expectations of some is a matter in large part still to be decided. Regardless of that ultimate decision, assurance that PNEs are actually "peaceful" will do much to enhance world security. It must be pointed out, however, that IAEA observation of PNEs is neither a new idea, nor necessarily foolproof. As Dr. Iklé has pointed out, a sophisticated MIRV warhead might quite possibly be tested under the guise of constructing a dam. What is called for here is a meaningful first step, not a complete solution.

In summary, the International Atomic Energy Agency is not without its problems. The Nonproliferation Treaty is far from a perfect treaty. Yet both have been workable and valuable in the past. In order for both to remain so in the future, there is no choice, in our opinion, but to strengthen systematically the stature, capabilities, and responsibilities of the IAEA. The best hope of linking substantial progress at the 1980 NPT Review Conference with arms-limitations agreements among the nuclear-weapons countries lies in the rapid achievement of this objective.

The United States and other nations must accept the realization that they individually cannot contain or assure the peaceful exploitation of nuclear energy. To put it bluntly, if the difficulties that have surrounded the U.S. "offers" to Egypt and Israel in 1974 prove anything, it is that attempts by individual supplier nations to impose safeguards and other conditions on the sharing of nuclear technology on an ad hoc basis will be viewed as discriminatory and thus unacceptable by recipient nations. Nor will attempts to impose such discriminatory agreements prevent the transfer of nuclear technology; nations seeking to take advantage of the peaceful uses of nuclear power will merely go elsewhere. On the other hand, it is naïve to suggest that any nuclear-supplier nation will accept the consequences of even a limited moratorium.

It may perhaps in one sense be fortuitous that the energy crisis facing mankind has occurred at this particular time in the evolution of nuclear power. The worldwide movement to nuclear technology focuses direct attention on the economic, technical, safety, and safeguards advantages of establishing a series of Regional Nuclear Centers in various areas of the world. Such centers, which should be multinationally financed, would serve to relieve national incentives to develop individual fuel cycle capabilities by providing service to a number of countries now entering the nuclear market. The IAEA should be involved in the selection of sites for such regional centers and in their design as well as operation.

There is no acceptable alternative: the safe exploitation of nuclear power on an international scale can only be accomplished within the framework of an international agency and universally applicable safeguards—and perhaps eventually safety standards. The proposals made in this article to strengthen the IAEA can do much to enable this U.N. agency to become a central tool, as well as a moral force, in ensuring that this vital imperative becomes reality.

FOOTNOTES

[1] See George H. Quester, "Can Proliferation Now Be Stopped?" *Foreign Affairs*, October 1974.

[2] Article III of the NPT specifically requires each non-nuclear-weapon State Party to the Treaty to accept safeguards as promulgated pursuant to the Statute of the IAEA for ". . . the exclusive purpose of verification of the fulfillment of its obligations assumed under this Treaty with a view to preventing diversion of nuclear energy from peaceful uses to nuclear weapons or other nuclear explosive devices. . . . The safeguards required by this article shall be applied on all source or special fissionable material in all peaceful nuclear activities within the territory of such State under its jurisdiction, or carried out under its control anywhere." The NPT specifies that safeguards shall be implemented in a manner designed to avoid hampering the economic or technical development or international cooperation in the field of peaceful nuclear activities.

The Treaty also requires that each non-nuclear-weapon State Party to the Treaty ". . . shall conclude agreements with the International Atomic Energy Agency to meet the requirements of this article. . . ."

[3] *The Structure and Content of Agreements between the Agency and States Required in Connection with the Treaty on the Non-Proliferation of Nuclear Weapons*, INFCIRC/153, IAEA, May 1971.

[4] Hearings before the U.S. Senate Committee on Government Operations on the Export Reorganization Act of 1975, April 24, 1975, mimeographed text received from the author.

[5] "Nuclear Explosions for Peaceful Purposes—International Observation by the Agency," IAEA Board of Governors Document GOV/1433, 13 January 1971.

Mr. THURMOND. Mr. President, I rise in opposition to the Tunney amendment to S. 598, the ERDA authorization bill.

The amendment which is proposed by the Senator from California would prohibit the construction or purchase of equipment for the Clinch River Breeder Reactor plant. When the potential of this facility is considered, it is very sensible to me that we should go forward with our first, large-scale demonstration plant. The earlier we can get the Clinch River Breeder Reactor plant on line, the better off our Nation will be.

It is imperative that the United States explore every energy source available, and it makes good sense for us to develop nuclear energy to the greatest extent possible. For the Senate to discard the Clinch River Breeder facility at this time would be risky and imprudent.

Mr. CRANSTON. Mr. President, I rise in support of the amendment offered by my good friend and colleague from California. This amendment would add a modest 16.5 million increase for advanced automotive power systems research in fiscal year 1976 and the transition quarter.

The funds authorized by this amendment would expand the very essential work that we need to make the automobile a more efficient user of energy. The automobile is the great energy waster. It consumes some 25 percent of our total energy consumption. Money spent to improve the energy-efficiency of the automobile is money well spent.

I commend by colleague for his amendment and for his diligent efforts on this issue. I urge support of the amendment.

Mr. TUNNEY. I yield back my time.

Mr. MONTOYA. I yield back the remainder of my time, Mr. President, and I move to table the amendment.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the motion to table the amendment.

The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Mississippi (Mr. Eastland), the Senator from Wyoming (Mr. McGee) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. Goldwater) is necessarily absent.

The result was announced—yeas 66, nays 30, as follows:

[Rollcall Vote No. 365 Leg.]

YEAS—66

Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Brock
Buckley
Bumpers
Burdick
Cannon
Chiles
Church
Curtis
Dole
Domenici
Eagleton
Fannin
Fong
Ford
Garn

Glenn
Griffin
Hansen
Hartke
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Laxalt
Long
Magnuson
McClellan
McClure
McIntyre
Montoya
Morgan
Moss
Muskie
Nunn
Pastore
Pearson
Pell
Percy
Randolph
Ribicoff
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Weicker
Young

NAYS—30

Abourezk
Bayh
Biden
Brooke
Byrd, Harry F., Jr.
Byrd, Robert C.
Case
Clark
Cranston
Culver
Gravel
Hart, Gary W.
Hart, Philip A.
Haskell
Hatfield
Kennedy
Leahy
Mansfield
Mathias
McGovern
Metcalf
Mondale
Nelson
Packwood
Proxmire
Roth
Schweiker
Stone
Tunney
Williams

NOT VOTING—3

Eastland
Goldwater
McGee

So the motion to lay on the table Mr. TUNNEY'S amendment was agreed to.

MILITARY CONSTRUCTION AUTHORIZATIONS

Mr. SYMINGTON. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 1247.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1247) to authorize certain construction at military installations, and for other purposes, as follows:

Strike out all after the enacting clause and insert:

TITLE I

SEC. 101. The Secretary of the Army may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary pubic works, including land acqusition, site preparation, appurtenances, utilities, and equipment for the following acquisition and construction:

INSIDE THE UNITED STATES

UNITED STATES ARMY FORCES COMMAND

Defense Support Activity (Fargo Building), Boston, Massachusetts, $8,000,000.

Fort Bragg, North Carolina, $13,214,000.

Fort Campbell, Kentucky, $60,680,000.

Fort Carson, Colorado, $10,732,000.

Fort Hood, Texas, $46,281,000.

Fort Sam Houston, Texas, $870,000.

Fort Lewis, Washington, $31,861,000.

Fort George G. Meade, Maryland, $2,892,000.

Fort Ord, California, $32,209,000.

Fort Polk, Louisiana, $54,361,000.

Fort Richardson, Alaska, $545,000.

Fort Riley, Kansas, $14,879,000.

Fort Stewart/Hunter Army Airfield, Georgia, $40,100,000.

UNITED STATES ARMY TRAINING AND DOCTRINE COMMAND

Fort Benning, Georgia, $44,212,000.

Fort Eustis, Virginia, $633,000.

Fort Gordon, Georgia, $6,945,000.

Fort Jackson, South Carolina, $14,546,000.

Fort Knox, Kentucky, $42,898,000.

Fort Lee, Virginia, $719,000.

Fort McClellan, Aabama, $41,090,000.

Fort Rucker, Alabama, $13,239,000.

Fort Sill, Okahoma, $15,772,000.

Fort Leonard Wood, Missouri, $4,984,000.

UNITED STATES ARMY MATERIAL COMMAND

Aberdeen Proving Ground, Maryland, $5,000,000.

Aeronautical Depot Maintenance Center, Texas, $642,000.

Army Materials and Mechanics Research Center, Massachusetts, $976,000.

Natick Laboratories, Massachusetts, $222,000.

Redstone Arsenal, Alabama, $1,571,000.

Sierra Army Depot, California, $1,160,000.

White Sands Missile Range, New Mexico, $3,715,000.

Yuma Proving Ground, Arizona, $778,000.

UNITED STATES ARMY COMMUNICATIONS COMMAND

Fort Huachuca, Arizona, $7,517,000.

Camp Roberts, California, $415,000.

UNITED STATES MILITARY ACADEMY

United States Military Academy, West Point, New York, $3,883,000.

UNITED STATES ARMY HEALTH SERVICES COMMAND

Fort Detrick, Maryland, $972,000.

Walter Reed Army Medical Center, Washington, District of Columbia, $3,580,000.

POLLUTION ABATEMENT

Various locations: Air Pollution Abatement, $2,647,000.

Various locations: Water Pollution Abatement, $51,846,000.

DINING FACILITIES MODERNIZATION

Various locations, $16,547,000.

ENERGY CONSERVATION

Various locations, $31,963,000.

NUCLEAR WEAPONS SECURITY

Various locations, $2,652,000.

OUTSIDE THE UNITED STATES

UNITED STATES FORCES COMMAND

Fort Buchanan, Puerto Rico, $2,480,000.

EIGHTH UNITED STATES ARMY, KOREA

Various locations, $9,281,000.

UNITED STATES ARMY SECURITY AGENCY

Various locations, $1,176,000.

UNITED STATES ARMY, EUROPE

Germany, various locations, $20,599,000.

Various locations: For the United States share of the cost of multilateral programs for the acquisition or construction of military facilities and installations, including international military headquarters, for the collective defense of the North Atlantic Treaty Area, $80,000,000 and an additional $20,000,000 for the period July 1, 1976, through September 30, 1976: *Provided*, That, within thirty days after the end of each quarter, the Secretary of the Army shall furnish to the Committees on Armed Services and on Appropriations of the Senate and House of Representatives a description of obligations incurred as the United States share of such multilateral programs.

NUCLEAR WEAPONS SECURITY

Various locations, $34,000,000.

SEC. 102. The Secretary of the Army may establish or develop Army installations and facilities by proceeding with construction made necessary by changes in Army missions and responsibilities which have been occasioned by (1) unforeseen security considerations, (2) new weapons developments, (3) new and unforeseen research and development requirements, or (4) improved production schedules if the Secretary of Defense determines that deferral of such construction for inclusion in the next Military Construction Authorization Act would be inconsistent with interests of national security, and in connection therewith to acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities and equipment; in the total amount of $10,000: *Provided*, That the Secretary of the Army, or his designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization will expire upon enactment of the fiscal year 1977 Military Construction Authorization Act except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to that date.

SEC. 103. Section 108(a), Public Law 88–390 as amended, is amended under the heading "INSIDE THE UNITED STATES," in section 101 as follows:

(1) With respect to Letterman General Hospital, California, strike out $15,424,000 and insert in place thereof $15,704,000.

(b) Public Law 88–390 as amended, is amended by striking out in clause 1 of section 602 $257,098,000 and $308,159,000 and inserting in place thereof $257,378,000 and $308,439,000, respectively.

SEC. 104. (a) Public Law 90–110, as amended, is amended under the heading "INSIDE THE UNITED STATES," in section 101 as follows:

With respect to "Fort Lee, Virginia" strike out $2,575,000," and insert in place thereof "$3,615,000."

(b) Public Law 90–110, as amended, is amended by striking out in clause (1) of section 802 "$288,355,000" and "$391,748,000" and inserting in place thereof "$289,395,000" and "$392,788,000", respectively.

SEC. 105. (a) Public Law 92–145, as amended, is amended under the heading "INSIDE THE UNITED STATES," in section 101 as follows:

(1) With respect to "Walter Reed Army Medical Center, District of Columbia," strike out "$112,500,000" and insert in place thereof "$134,652,000."

(b) Public Law 92–145, as amended, is amended by striking out in clause (1) of section 702 "$363,626,000" and "$405,607,000" and inserting in place thereof "$385,778,000" and "$427,759,000," respectively.

SEC. 106. (a) Public Law 93–166, as amended, is amended under the heading "INSIDE THE UNITED STATES" in section 101 as follows:

(1) With respect to "Fort Polk, Louisiana," strike out "$29,276,000" and insert in place thereof "$44,536,000".

(2) With respect to "Eglin Air Force Base, Florida," strike out "$2,950,000" and insert in place thereof "$3,461,000."

(3) With respect to "Fort Rucker, Alabama," strike out "$3,987,000" and insert in place thereof "$4,810,000."

(4) With respect to "Fort Leonard Wood, Missouri," strike out "$44,482,000" and insert in place thereof "$54,283,000."

(5) With respect to "Aeronautical Depot Maintenance Center, Texas," strike out "$6,284,000," and insert in place thereof "$7,353,000."

(6) With respect to "Natick Laboratories, Massachusetts," strike out "$466,000," and insert in place thereof "$617,000."

(7) With respect to "White Sands Missile Range, New Mexico," strike out "$3,843,000" and insert in place thereof "$6,339,000."

(8) With respect to "Yuma Proving Ground, Arizona," strike out "$6,472,000" and insert in place thereof "$7,991,000."

(b) Public Law 93–166, as amended, is amended by striking out in clause (1) of section 602 "$485,827,000" and "$599,927,000" and inserting in place thereof "$517,457,000," and "$631,557,000," respectively.

SEC. 107. (a) Public Law 93–552 is amended under the heading "INSIDE THE UNITED STATES" in section 101 as follows:

(1) With respect to "Fort Benning, Georgia," strike out "$36,827,000" and insert in place thereof "$37,156,000."

(2) With respect to "Fort Jackson, South Carolina," strike out "$19,078,000," and insert in place thereof "$21,269,000."

(b) Public Law 93–552 is amended under the heading "OUTSIDE THE UNITED STATES" in section 101 as follows:

With respect to "Fort Buckner, Okinawa," strike out "$532,000," and insert in place thereof "$944,000."

(c) Public Law 93–552 is amended by striking out in clause (1) of section 602 "$491,695,000," "$120,184,000" and "$611,879,000" and inserting in place thereof "$494,215,000," "$120,596,000," and "$614,811,000," respectively.

TITLE II

SEC. 201. The Secretary of the Navy may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment for the following acquisition and construction:

INSIDE THE UNITED STATES

THIRD NAVAL DISTRICT

Naval Submarine Base, New London, Connecticut, $17,513,000.

Naval Weapons Station, Earle, New Jersey, $879,000.

Naval Underwater Systems Center, New London, Dresden, New York, $150,000.

NAVAL DISTRICT, WASHINGTON

Naval District, Washington, District of Columbia, $1,704,000.

Naval Research Laboratory, Washington, District of Columbia, $4,824,000.

National Naval Medical Center, Bethesda, Maryland, $100,000,000.

Uniformed Services University of the Health Sciences, Bethesda, Maryland, $64,900,000.

Naval Ship Research Development Center, Carderock, Maryland, $550,000.

Naval Surface Weapons Center, Dahlgren, Virginia, $2,375,000.

FIFTH NAVAL DISTRICT

Commander in Chief, Atlantic Fleet, Norfolk, Virginia, $4,246,000.

Fleet Combat Direction Systems Training Center, Atlantic, Dam Neck, Virginia, $4,383,000.

Naval Air Station, Oceana, Virginia, $3,293,000.

Naval Weapons Station, Yorktown, Virginia, $14,743,000.

SIXTH NAVAL DISTRICT

Naval Air Station, Cecil Field, Florida, $2,557,000.

Naval Air Station, Jacksonville, Florida, $3,382,000.

Naval Station, Mayport, Florida, $3,169,000.

Naval Hospital, Orlando, Florida, $2,978,000.

Naval Training Center, Orlando, Florida, $5,588,000.

Naval Air Station, Pensacola, Florida, $4,282,000.

Naval Air Station, Whiting Field, Florida, $967,000.

Charleston Naval Shipyard, Charleston, South Carolina, $2,748,000.

Fleet Ballistic Missile Submarine Training Center, Charleston, South Carolina, $250,000.

Naval Station, Charleston, South Carolina, $2,100,000.

Polaris Missile Facility Atlantic, Charleston, South Carolina, $195,000.

Naval Air Station, Pensacola, Florida, $450,000 from funds authorized in this Act for other projects at Pensacola Naval Air Station.

EIGHTH NAVAL DISTRICT

Naval Personnel Center, New Orleans, Louisiana, $21,300,000.

Naval Support Activity, New Orleans, Louisiana, $1,856,000.

NINTH NAVAL DISTRICT

Naval Training Center, Great Lakes, Illinois, $10,448,000.

Navy Public Works Center, Great Lakes, Illinois, $1,151,000.

ELEVENTH NAVAL DISTRICT

National Parachute Test Range, El Centro, California, $1,345,000.

Long Beach Naval Shipyard, Long Beach, California, $3,322,000.

Naval Air Station, Miramar, California, $20,746,000.

Naval Air Station, North Island, California, $13,817,000.

Naval Construction Battalion Center, Port Hueneme, California, $1,920,000.

Naval Electronics Laboratory Center, San Diego, California, $3,795,000.

Naval Training Center, San Diego, California, $5,455,000.

TWELFTH NAVAL DISTRICT

Naval Weapons Station, Concord, California, $264,000.

Naval Air Station, Moffett Field, California, $2,400,000.

Naval Air Station, Fallon, Nevada, $554,000.

THIRTEENTH NAVAL DISTRICT

Naval Regional Medical Center, Bremerton, Washington, $29,959,000.

Naval Air Station, Whidbey Island, Washington, $1,082,000.

FOURTEENTH NAVAL DISTRICT

Naval Submarine Base, Pearl Harbor, Hawaii, $2,605,000.

Naval Communication Station, Honolulu, Wahiawa, Hawaii, $2,500,000.

MARINE CORPS

Marine Corps Base, Camp Lejeune, North Carolina, $13,423,000.

Marine Corps Air Station, Cherry Point, Noth Carolina, $3,547,000.

Marine Corps Air Station, New River, North Carolina, $1,983,000.

Marine Corps Air Station, Beaufort, South Carolina, $2,782,000.

Marine Corps Air Station, Yuma, Arizona, $1,164,000.

Marine Corps Supply Center, Barstow, California, $700,000.

Marine Corps Base, Camp Pendleton, California, $9,480,000.

Marine Corps Air Station, El Toro, California, $2,000,000.

Marine Corps Base, Twentynine Palms, California, $3,159,000.

Marine Corps Air Station, Kaneohe Bay, Hawaii, $5,410,000.

TRIDENT FACILITIES

Various locations, Trident Facilities, $186,967,000, of which not more than $7,000,000 shall be available for community impact assistance as authorized by section 608 of Public Law 93–552.

POLLUTION ABATEMENT

Various locations, Air Pollution Abatement, $3,262,000.

Various locations, Water Pollution Abatement, $44,827,000.

ENERGY CONSERVATION

Various locations, $28,828,000.

NUCLEAR WEAPONS SECURITY

Various locations, $6,580,000.

OUTSIDE THE UNITED STATES

TENTH NAVAL DISTRICT

Atlantic Fleet Weapons Range, Roosevelt Roads, Puerto Rico, $2,128,000.

ATLANTIC OCEAN AREA

Naval Air Station, Bermuda, $78,000.

Naval Air Station, Guantanamo Bay, Cuba, $3,264,000.

Naval Station, Guantanamo Bay, Cuba, $450,000.

INDIAN OCEAN AREA

Naval Support Activity, Diego Garcia, Chagos Archipelago, $13,800,000.

PACIFIC OCEAN AREA

Naval Communication Station, Finegayan, Guam, Mariana Islands, $1,200,000.

Naval Security Group Activity, Hanza, Okinawa, $697,000.

POLLUTION ABATEMENT

Various locations, Water Pollution Abatement, $250,000.

SEC. 202. The Secretary of the Navy may establish or develop Navy installations and facilities by proceeding with construction made necessary by changes in Navy missions and responsibilities which have been occasioned by: (1) unforeseen security considerations, (2) new weapons developments, (3) new and unforeseen research and development requirements, or (4) improved production schedules, if the Secretary of Defense determines that deferral of such construction for inclusion in the next Military Construction Authorization Act would be inconsistent with interests of national security, and in connection therewith to acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities and equipment, in the total amount of $10,000,000: *Provided*, That the Secretary of the Navy, or his designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization will expire upon enactment of the fiscal year 1977 Military Construction Authorization Act, except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to that date.

SEC. 203. (a) Public Law 90–408, as amended, is amended under the heading "INSIDE THE UNITED STATES," in section 201 as follows:

(1) With respect to "Naval Coastal Systems Laboratory, Panama City, Florida," strike out "$9,397,000" and insert in place thereof "$11,321,000".

(2) With respect to "Naval Postgraduate School, Monterey, California," strike out "$1,847,000" and insert in place thereof "$2,064,000".

(b) Public Law 90–408, as amended, is amended by striking out in clause (2) of section 802 "$244,059,000" and "$250,924,000" and inserting in place thereof "$246,200,000" and "$253,065,000", respectively.

SEC. 204. (a) Public Law 91–511, as amended, is amended under the heading "INSIDE THE UNITED STATES," in section 201 as follows:

(1) With respect to "OMEGA Navigation Station, Haiku, Oahu, Hawaii," strike out "$3,162,000" and insert in place thereof "$3,762,000".

(b) Public Law 91–511, as amended, is amended by striking out in clause 2 of section 602 "$247,869,000" and "$275,007,000" and inserting in place thereof "$248,469,000" and "$75,607,000," respectively

SEC. 205. (a) Public Law 92–545, as amended, is amended under the heading "INSIDE THE UNITED STATES," in section 201 as follows:

(1) With respect to "Naval Shipyard, Charleston, South Carolina," strike out "$5,316,000," and insert in place thereof "$7,916,000."

(2) With respect to "Naval Shipyard, Puget Sound, Bremerton, Washington," strike out "$5,992,000" and insert in place thereof "$7,792,000."

(b) Public Law 92–545, as amended, is amended by striking out in clause (2) of section 702 "$488,493,000" and "$533,410,000" and inserting in place thereof "$492,893,000" and "$537,810,000," respectively.

SEC. 206. (a) Public Law 93–166, as amended, is amended under the heading "INSIDE THE UNITED STATES," in section 201 as follows:

(1) With respect to "Naval Station, Norfolk, Virginia," strike out "$18,183,000" and insert in place thereof "$20,472,000."

(2) With respect to "Long Beach Naval Shipyard, Long Beach, California," strike out "$6,808,000" and insert in place thereof "$11,508,000."

(3) With respect to "Navy Public Works Center, San Diego, California," strike out "$2,471,000" and insert in place thereof "$5,982,000."

(4) With respect to "Puget Sound Naval Shipyard, Bremerton, Washington," strike out "$2,300,000" and insert in place thereof "$3,531,000."

(5) With respect to "Naval Station, Pearl Harbor, Hawaii," strike out "$4,060,000" and insert in place thereof "$4,824,000."

(6) With respect to "Marine Corps Air Station, Cherry Point, North Carolina," strike out "$1,821,000" and insert in place thereof "$9,700,000."

(7) With respect to "Marine Corps Air Station, New River, North Carolina," strike out "$3,245,000" and insert in place thereof "$6,755,000."

(8) With respect to "Marine Corps Supply Center, Barstow, California," strike out "$6,210,000" and insert in place thereof "$6,862,000."

(9) With respect to "Marine Corps Air Station, Kaneohe Bay, Hawaii," strike out "$5,988,000" and insert in place thereof "$6,495,000."

(b) Public Law 93–166, as amended, is amended by striking out in clause (2) of section 602 "$522,006,000" and "$580,839,000," and inserting in place thereof $547,049,000" and "$605,822,000," respectively.

SEC. 207. (a) Public Law 93–552, is amended under the heading "INSIDE THE UNITED STATES," in section 201 as follows:

(1) With respect to "Naval Air Station, Cecil Field, Florida," strike out "$6,893,000" and insert in place thereof "$9,214,000."

(2) With respect to "Naval Station, Mayport, Florida," strike out "$3,239,000" and insert in place thereof "$3,654,000".

(3) With respect to "Naval Air Station, Corpus Christi, Texas," strike out "$1,830,000" and insert in place thereof "$5,430,000."

(4) With respect to "Naval Air Station, Miramar, California," strike out "$11,772,000" and insert in place thereof "$13,732,000."

(5) With respect to "Naval Air Station, North Island, California," strike out "$12,943,000" and insert in place thereof "$14,903,000."

(6) With respect to "Naval Station, Adak, Alaska," strike out "$7,697,000" and insert in place thereof "$10,642,000."

(7) With respect to "Puget Sound Naval Shipyard, Bremerton, Washington," strike out "$393,000" and insert in place thereof "$623,000."

(8) With respect to "Marine Corps Air Station, Kaneohe Bay, Hawaii," strike out "$5,497,000" and insert in place thereof "$5,606,000."

(b) Public Law 93–552 is amended by striking out in clause (2) of section 602 "$509,498,000" and "$550,956,000" and inserting in place thereof "$523,038,000" and "$564,496,000," respectively.

TITLE III

SEC. 301. The Secretary of the Air Force may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment for the following acquisition and construction:

INSIDE THE UNITED STATES

AEROSPACE DEFENSE COMMAND

Tyndall Air Force Base, Panama City, Florida, $10,697,000.

AIR FORCE LOGISTICS COMMAND

Kelly Air Force Base, San Antonio, Texas, $5,535,000.

McClellan Air Force Base, Sacramento, California, $3,461,000.

Newark Air Force Station, Newark, Ohio, $2,117,000.

Robins Air Force Base, Warner Robins, Georgia, $6,517,000.

Tinker Air Force Base, Oklahoma City, Oklahoma, $8,104,000.

Wright-Patterson Air Force Base, Dayton, Ohio, $8,038,000.

AIR FORCE SYSTEMS COMMAND

Edwards Air Force Base, Muroc, California, $5,330,000.

Eglin Air Force Base, Valparaiso, Florida, $8,390,000.

Kirtland Air Force Base, Albuquerque, New Mexico, $5,373,000.

AIR TRAINING COMMAND

Columbus Air Force Base, Columbus, Mississippi, $1,453,000.

Craig Air Force Base, Selma, Alabama, $419,000.

Keesler Air Force Base, Biloxi, Mississippi, $43,140,000.

Lackland Air Force Base, San Antonio, Texas, $104,596,000.

Laughlin Air Force Base, Del Rio, Texas, $11,017,000.

Lowry Air Force Base, Denver, Colorado, $9,162,000.

Randolph Air Force Base, San Antonio, Texas, $5,128,000.

Vance Air Force Base, Enid, Oklahoma, $1,270,000.

Webb Air Force Base, Big Spring, Texas, $4,382,000.

ALASKAN AIR COMMAND

Eielson Air Force Base, Fairbanks, Alaska, $471,000.

Elmendorf Air Force Base, Anchorage, Alaska, $568,000.

Various Locations, $12,468,000.

HEADQUARTERS COMMAND

Andrews Air Force Base, Camp Springs, Maryland, $6,906,000.

Bolling Air Force Base, Washington, District of Columbia, $3,089,000.

MILITARY AIRLIFT COMMAND

Altus Air Force Base, Altus, Oklahoma, $996,000.

McChord Air Force Base, Tacoma, Washington, $1,189,000.

McGuire Air Force Base, Wrightstown, New Jersey, $1,740,000.

Scott Air Force Base, Belleville, Illinois, $1,488,000.

STRATEGIC AIR COMMAND

Beale Air Force Base, Marysville, California, $3,590,000.

Carswell Air Force Base, Fort Worth, Texas, $1,992,000.

Fairchild Air Force Base, Spokane, Washington, $1,000,000.

Griffiss Air Force Base, Rome, New York, $372,000.

Kincheloe Air Force Base, Kinross, Michigan, $670,000.

Malmstrom Air Force Base, Great Falls, Montana, $622,000.

Offutt Air Force Base, Omaha, Nebraska, $1,437,000.

Plattsburgh Air Force Base, Plattsburgh, New York, $400,000.

Vandenberg Air Force Base, Lompoc, California, $2,696,000.

Wurtsmith Air Force Base, Oscoda, Michigan, $447,000.

TACTICAL AIR COMMAND

Cannon Air Force Base, Clovis, New Mexico, $1,876,000.

George Air Force Base, Victorville, California, $3,646,000.

Langley Air Force Base, Hampton, Virginia, $1,336,000.

Luke Air Force Base, Glendale, Arizona, $439,000.

Mountain Home Air Force Base, Mountain Home, Idaho, $8,541,000.

Nellis Air Force Base, Las Vegas, Nevada, $990,000.

Seymour Johnson Air Force Base, Goldsboro, North Carolina, $612,000.

POLLUTION ABATEMENT

Various locations: Air pollution abatement, $600,000.

Various locations: Water pollution abatement, $10,098,000.

ENERGY CONSERVATION

Various locations, $46,952,000.

SPECIAL FACILITIES

Various locations, $9,866,000.

NUCLEAR WEAPONS SECURITY

Various locations, $7,909,000.

OUTSIDE THE UNITED STATES

UNITED STATES AIR FORCES IN EUROPE

Germany, $5,346,000.
United Kingdom, $13,524,000.
Various locations, $74,738,000.

UNITED STATES AIR FORCE SECURITY SERVICE

Various locations, $981,000.

SPECIAL FACILITIES

Various locations, $2,666,000.

NUCLEAR WEAPONS SECURITY

Various locations, $5,591,000.

SEC. 302. The Security of the Air Force may establish or develop classified military installation and facilities by acquiring, construction, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, in the total amount of $3,982,000.

SEC. 303. The Secretary of the Air Force may establish or develop Air Force installations and facilities by proceeding with construction made necessary by changes in Air Force missions and responsibilities which have been occasioned by: (1) unforeseen security considerations, (2) new weapons developments, (3) new and unforeseen research and development requirements, or (4) improved production schedules, if the Secretary of Defense determines that deferral of such construction for inclusion in the next Military Construction Authorization Act would be inconsistent with interests of national security, and in connection therewith to acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the total amount of $10,000,000: *Provided*, That the Secretary of the Air Force, or his designee, shall notify the Committee on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any pubic work undertaken under this section, including those real estate actions pertaining thereto. This authorization will expire upon enactment of the fiscal year 1977 Military Construction Authorization Act, except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to that date.

SEC. 304. (a) Section 301 of Public Law 91–511, as amended, is amended under the heading "INSIDE THE UNITED STATES" as follows:

(1) Under the subheading "AIR TRAINING COMMAND" with respect to "Laughlin Air Force Base, Del Rio, Texas", strike out "$310,000" and insert in place thereof "$375,000".

(2) Under the subheading "AIR TRAINING COMMAND" with respect to "Reese Air Force Base, Lubbock, Texas", strike out "$1,047,000" and insert in place thereof "$1,110,000".

(3) Under the subheading "AIR TRAINING COMMAND" with respect to "Webb Air Force Base, Big Spring, Texas", strike out "$349,000" and insert in place thereof "$416,000'.

(b) Public Law 91–511, as amended, is further amended by striking out in clause (3) of section 602 "$192,133,000" and "$256,385,000" and inserting in place thereof "$192,328,000" and "$256,580,000", respectively.

SEC. 305. (a) Section 301 of Public Law 92–145, as amended, is amended under the heading "INSIDE THE UNITED STATES" as follows:

(1) Under the subheading "AIR TRAINING COMMAND" with respect to "Lowry Air Force Base, Denver, Colorado", strike out "$8,435,000" and insert in place thereof "$8,902,000".

(b) Public Law 92–145, as amended, is further amended by striking out in clause (3) of section 702 "$226,697,000" and "$247,560,000" and inserting in place thereof "$227,164,000" and "$248,027,000", respectively.

SEC. 306. (a) Section 301 of Public Law 92–545, as amended, is amended under the heading "INSIDE THE UNITED STATES" as follows:

(1) Under the subheading "AIR FORCE SYSTEMS COMMAND" with respect to "Edwards Air Force Base, Muroc, California", strike out "$534,000" and insert in place thereof "$828,000".

(b) Public Law 92–545, as amended, is further amended by striking out in clause (3) of section 702 "$234,125,000" and "$292,683,000" and inserting in place thereof "$234,419,000, and $292,977,000", respectively.

SEC. 307. (a) Section 301 of Public Law 93–166, as amended, is amended under the heading "INSIDE THE UNITED STATES" as follows:

(1) Under the subheading "STRATEGIC AIR COMMAND" with respect to "Kincheloe Air Force Base, Kinross, Michigan", strike out "$2,430,000" and insert in place thereof "$2,893,000".

(b) Section 301 of Public Law 93–166, as amended, is amended under the heading "OUTSIDE THE UNITED STATES" as follows:

(1) Under the subheading "UNITED STATES AIR FORCES IN EUROPE" with respect to "Germany", strike out "$5,181,000" and insert in place thereof "$6,663,000".

(2) Under the subheading "UNITED STATES AIR FORCE SOUTHERN COMMAND" with respect to "Howard Air Force Base, Canal Zone", strike out "$927,000" and insert in place thereof "$1,827,000".

(c) Public Law 93–166, as amended, is further amended by striking out in clause (3) of section 602 "$260,727,000"; "$21,302,000"; and "$283,029,000" and inserting in place thereof "$261,190,000"; "$23,684,000" and "$258,874,000", respectively.

SEC. 308. (a) Section 301 of Public Law 93–552, is amended under the heading "INSIDE THE UNITED STATES" as follows:

(1) Under the subheading "AIR TRAINING COMMAND" with respect to "Reese Air Force Base, Lubbock, Texas", strike out "$836,000" and insert in place thereof "$1,194,000".

(2) Under the subheading "AIR TRAINING COMMAND" with respect to "Webb Air Force Base, Big Spring, Texas", strike out "$776,000" and insert in place thereof "$1,673,000".

(b) Public Law 93–552, is further amended by striking out in clause (c) of section 602 "$307,786,000" and "$390,773,000" and inserting in place thereof "$309,041,000" and "$392,028,000", respectively.

TITLE IV

SEC. 401. The Secretary of Defense may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, for defense agencies for the following acquisition and construction:

INSIDE THE UNITED STATES

DEFENSE INTELLIGENCE AGENCY

Bolling Air Force Base, Washington, District of Columbia, $70,900,000.

DEFENSE MAPPING AGENCY

Defense Mapping Agency Topographic Center, Bethesda, Maryland, $195,000.

DEFENSE SUPPLY AGENCY

Defense Depot, Memphis Tennessee, $377,000.

Defense Electronics Supply Center, Dayton, Ohio, $96,000.

Defense Fuel Support Point, Melville, Newport, Rhode Island, $352,000.

Defense Fuel Support Point, Norwalk, California, $197,000.

Defense Property Disposal Office, Colorado Springs, Colorado, $440,000.

Defense Property Disposal Office, Elmendorf, Alaska, $403,000.

Defense Property Disposal Office, Monterey, California, $635,000.

Defense Personnel Support Center, Philadelphia, Pennsylvania, $1,400,000.

NATIONAL SECURITY AGENCY

Fort George G. Meade, Maryland, $3,012,000.

POLLUTION ABATEMENT

Various locations: Air pollution abatement, $2,426,000.

Various locations: Water pollution abatement, $322,000.

ENERGY CONSERVATION

Various locations, $175,000.

OUTSIDE THE UNITED STATES

DEFENSE NUCLEAR AGENCY

Johnston Atoll, $4,033,000.

Enewetak Auxiliary Airfield, $14,100,000.

DEFENSE SUPPLY AGENCY

Defense Property Disposal Office, Nuremberg, Germany, $500,000.

Defense Property Disposal Office, Seckenheim, Germany, $237,000.

SEC. 402. The Secretary of Defense may establish or develop installations and facilities which he determines to be vital to the security of the United States, and in connection therewith to acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the total amount of $10,000,000: *Provided*, That the Secretary of Defense, or his designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including real estate actions pertaining thereto.

SEC. 403. (a) Public Law 92–545, as amended, is amended under the heading "INSIDE THE UNITED STATES", "DEFENSE SUPPLY AGENCY" in section 401 as follows:

With respect to "Defense General Supply Center, Richmond, Virginia" strike out "$1,171,000" and insert in place thereof "$1,365,000".

(b) Public Law 92–545, as amended, is amended by striking out in clause (4) of section 702 "$33,004,000" and inserting in lieu thereof "$33,198,000".

SEC. 404. (a) Public Law 93–166, as amended, is amended under the heading "DEFENSE SUPPLY AGENCY" in section 401 as follows:

With respect to "Defense Depot, Tracy, California," strike out "$747,000" and insert in place thereof "$1,384,000".

(b) Public Law 93–166, as amended, is amended by striking out in clause (4) of section 602 "$10,000,000" and inserting in place thereof "$10,637,000".

TITLE V—MILITARY FAMILY HOUSING

SEC. 501. The Secretary of Defense, or his designee, is authorized to construct or acquire sole interest in existing family housing units in the numbers and at the locations hereinafter named, but no family housing construction shall be commenced at any such locations in the United States, until the Secretary shall have consulted with the Secretary of the Department of Housing and Urban Development, as to the availability of suitable private housing at such locations. If agreement cannot be reached with respect to the availability of suitable private housing at any location, the Secretary of Defense shall notify the Committees on Armed Services of the Senate and the House of Representatives, in writing, of such differences of opinion, and no contract for construction at such location shall be entered into for a period of thirty days after such notification has been given. This authority shall include the authority to acquire land, and interests in land by gift, purchase, exchange of Government-owned land, or otherwise. If the Secretary of Defense, or his designee, determines it is in the best interests of the Government to acquire sole interest in privately owned or Department of Housing and Urban Development held family housing units in lieu of construction, the Department of Defense may do so: *Provided*, That family housing units so purchased do not exceed the cost limitations specified in section 502 of this Act nor the limitations on size specified in title 10, United States Code, section 2684: *Provided further*, That no interest in family housing units shall be acquired through the exercise of eminent domain authority.

(a) The Department of the Army, two thousand one hundred units, $73,500,000.

Fort Ord, California, three hundred and fifty units.

Fort Stewart/Hunter Army Airfield, Georgia, seven hundred and fifty units.

Fort Polk, Louisiana, one thousand units.

(b) The Department of the Navy, six hundred and seventy-eight units, $23,730,000.

Naval Facility, Nantucket, Massachusetts, eighteen units.

Marine Corps Base, Camp Lejeune, North Carolina, two hundrd and fifty units.

Naval Complex, Bangor, Washington, four hundred units.

Naval Radio Station, Sugar Grove, West Virginia, ten units.

SEC. 502. (a) Authorizations for the construction of family housing provided in section 501 of this Act shall be subject, under such regulations as the Secretary of Defense may prescribe, to the following limitations on cost, which shall include shades, screens, ranges, refrigerators, and all other installed equipment and fixtures, the cost of the family unit, design, supervision, inspection, overhead, the proportionate costs of land acquisition, site preparation, and installation of utilities.

(b) The average unit cost for all units of family housing constructed in the United States (other than Alaska and Hawaii) shall not exceed $35,000 and in no event shall the cost of any unit exceed $51,000.

(c) When family housing units are constructed in areas other than those specified in subsection (b), the average cost of all such units shall not exceed $45,000, and in no event shall the cost of any unit exceed $51,000.

Sec. 503. The Secretary of Defense, or his designee, is authorized to accomplish alterations, additions, expansions, or extensions not otherwise authorized by law, to existing public quarters at a cost not to exceed—

(1) for the Department of the Army, $35,000,000.

(2) for the Department of the Navy, $34,230,000, including $7,200,000 for energy conservation projects.

(3) for the Department of the Air Force, $51,000,000, including $16,000,000 for energy conservation projects.

(4) for the Defense Supply Agency, $127,000.

Sec. 504. Notwithstanding the limitations contained in prior Military Constructon Authorization Acts on cost of construction of family housing, the limitations on such cost contained in section 502 of this Act shall apply to all prior authorizations for construction of family housing not heretofore repealed and for which construction contracts have not been executed prior to the date of enactment of this Act.

Sec. 505. The Secretary of Defense, or his designee, is authorized to construct or otherwise acquire at the locations hereinafter named, family housing units not subject to the limitations on such cost contained in section 502 of this Act. This authority shall include the authority to acquire land, and interests in land, by gift, purchase, exchange of Government-owned land, or otherwise. Total costs shall include shades, screens, ranges, refrigerators, and other installed equipment and fixtures, the cost of the family unit, and the costs of land acquisition, site preparation, design, supervision, inspection, overhead, and installation of utilities.

(a) Bethesda Naval Hospital, Maryland, one unit, at a total cost not to exceed $70,000.

(b) Twelve family housing units at various overseas locations for the Defense Intelligence Agency, at a total cost not to exceed $1,320,000. This authority shall be funded by use of excess foreign currency when so provided in Department of Defense Appropriation Acts.

(c) Three family housing units in Cairo, Egypt, at a total cost not to exceed $180,000. This authority shall be funded by use of excess foreign currency when so provided in Department of Defense Appropriation Acts.

(d) Naval Base, Keflavik, Iceland, two hundred and fifty units, at a total cost not to exceed $17,500,000.

Sec. 506. The Secretary of Defense, or his designee, is authorized to accomplish repairs and improvements to existing public quarters in amounts in excess of the $15,000 limitation prescribed in section 610(a) of Public Law 90–110, as amended (81 Stat. 279, 305), as follows:

Fort McClellan, Alabama, twenty-six, $465,900.

Fort Richardson, Alaska, two hundred and eight units, $4,000,000.

Fort McNair, Washington, District of Columbia, five units, $195,000.

Fort Sill, Oklahoma, thirty-two units, $654,400.

Fort Eustis, Virginia, one hundred eighty-five units, $3,140,000.

Fort Lewis, Washington, one hundred thirty-six units, $2,503,000.

Naval Station, Adak, Alaska, thirty-six units, $665,000.

Public Works Center, Pearl Harbor, Hawaii, one hundred forty-five units, $2,500,000.

Marine Corps Recruit Depot, Parris Island, South Carolina, one hundred seventy-eight units, $2,685,800.

Sec. 507. (a) Section 515 of Public Law 84–161 (69 Stat. 324, 352), as amended, is further amended by (1) striking out "During fiscal years 1975 and 1976", and (2) revising the third sentence to read as follows: "Expenditures for the rental of such housing facilities, including the cost of utilities and maintenance and operation, may not exceed: For the United States (other than Alaska, Hawaii, and Guam) and Puerto Rico, an average of $245 per month for each military department, or the amount of $325 per month for any one unit; and for Alaska, Hawaii, and Guam, an average of $310 per month for each military department, or the amount of $385 per month for any one unit."

(b) Section 507(b) of Public Law 93–166 (87 Stat. 661, 676), as amended, is further amended by striking out "$355", "$625", and "twelve thousand" in the first sentence, and inserting in lieu thereof "$380", "$670", and "fifteen thousand", respectively.

Sec. 508. There is authorized to be appropriated for use by the Secretary of Defense, or his designee, for military family housing as authorized by law for the following purposes:

(1) for construction or acquisition of sole interest in family housing, including demolition, authorized improvements to public quarters, minor construction, relocation of family housing, rental guarantee payments, and planning an amount not to exceed $208,277,000, including $1,900,000 for the period July 1, 1976, through September 30, 1976.

(2) for support of military family housing, including operating expenses, leasing, maintenance of real property, payments of principal and interest on mortgage debts incurred, payment to the Commodity Credit Corporation, and mortgage insurance premiums authorized under section 222 of the National Housing Act, as amended (12 U.S.C. 1715m), an amount not to exceed $1,434,676,000, including $308,739,000 for the period July 1, 1976, through September 30, 1976.

Sec. 509. Section 509 of Public Law 93–552 (88 Stat. 1745, 1759), is hereby amended by changing the period to a comma and by adding "except as authorized by the Committees on Armed Services of the Senate and House of Representatives for unusual circumstances resulting from excessive noise, adverse environmental conditions, or health of the occupants."

TITLE VI

GENERAL PROVISIONS

Sec. 601. The Secretary of each military department may proceed to establish or develop installations and facilities under this Act without regard to section 3648 of the Revised Statutes, as amended (31 U.S.C. 529), and sections 4774 and 9774 of title 10, United States Code. The authority to place permanent or temporary improvements on land includes authority for surveys, administration, overhead, planning, and supervision incident to construction. That authority may be exercised before title to the land is approved under section 355 of the Revised Statutes, as amended (40 U.S.C. 255), and even though the land is held temporarily. The authority to acquire real estate or land includes authority to make surveys and to acquire land, and interests in land (including temporary use), by gift, purchase, exchange of Government-owned land, or otherwise.

Sec. 602. There are authorized to be appropriated such sums as may be necessary for the purposes of this Act, but appropriations for public works projects authorized by titles I, II, III, IV, and V, shall not exceed—

(1) for title I: Inside the United States, $638,310,000; outside the United States, $167,536,000; or a total of $805,846,000.

(2) for title II: Inside the United States, $686,407,000; outside the United States, $21,867,000; or a total of $708,274,000.

(3) for title III: Inside the United States, $379,135,000; outside the United States, $102,846,000; section 302, $3,982,000; or a total of $485,963,000.

(4) for title IV: A total of $109,800,000.

(5) for title V: Military Family Housing $1,642,953,000.

Sec. 603. (a) Except as provided in subsection (b), any of the amounts specified in titles I, II, III, and IV of this Act, may, in the discretion of the Secretary or Director of the Defense Agency concerned, be increased by 10 per centum when inside the United States (other than Hawaii and Alaska); and by 15 per centum when outside the United States or in Hawaii and Alaska, if he determines that such increase (1) is required for the sole purpose of meeting unusual variations in cost, and (2) could not have been reasonably anticipated at the time such estimate was submitted to the Congress. However, the total cost of all construction and acquisition in each such title may not exceed the total amount authorized to be appropriated in that title.

(b) When the Secretary of Defense determines that a project within the amount named for any construction or acquisition in title I, II, III, or IV of this Act must be increased by more than the applicable percentage prescribed in subsection (a), the Secretary or Director of the defense agency concerned may proceed with such construction or acquisition after a written report of the facts relating to the increased cost of such project or any reductions in approved scope of the project, and including a statement of the reasons for such increase, has been submitted to the Committees on Armed Services of the Senate and House of Representatives, and either (1) thirty days has elapsed from date of submission of such report or (2) both committees have indicated approval.

(c) The Secretary of Defense shall submit an annual report to the Congress identifying each individual project which has been placed under contract in the preceding twelve-month period and with respect to which the then current working estimate of the Department of Defense based upon bids received for such project exceeded the amount authorized by the Congress for that project by more than 25 per centum. The Secretary shall also include in such report each individual project with respect to which the scope was reduced in order to permit contract award within the available authorization for such project. Such report shall include all pertinent cost information for each individual project, including the amount in dollars and percentage by which the current working estimate based on the contract price for the project exceeded the amount authorized for such project by the Congress.

Sec. 604. Contracts for construction made by the United States for performance within the United States and its possessions under this Act shall be executed under the jurisdiction and supervision of the Corps of Engineers, Department of the Army, or the Naval Facilities Engineering Command, Department of the Navy, or such other department or Government agency as the Secretaries of the military departments recommend and the Secretary of Defense approves to assure the most efficient, expeditious, and cost-effective accomplishment of the construction herein authorized. The Secretaries of the military departments shall report annually to the President of the Senate and the Speaker of the House of Representatives a breakdown of the dollar value of construction contracts completed by each of the several construction agencies selected together with the design, construction supervision, and overhead fees charged by each of the several agents in the execution of the assigned construction. Further, such contracts (except architect and engineering contracts which, unless specifically authorized by the Congress shall continue to be awarded in accordance with presently established procedures, customs, and practice) shall be awarded, insofar as practicable, on a competitive basis to the lowest responsible bidder, if the national security will not be impaired and the award is consistent with chapter 137 of title 10, United States Code. The Secretaries of the military departments shall report annually to the President of the Senate and the Speaker of the House of Representatives with respect to all contracts awarded on other than a competitive basis to the lowest responsible bidder.

SEC. 605. As of January 1, 1977, all authorizations for military public works, including family housing, to be accomplished by the Secretary of a military department in connection with the establishment or development of installations and facilities, and all authorizations for appropriations therefor, that are contained in titles I, II, III, IV, and V of the Act of December 27, 1974, Public Law 93–552 (88 Stat. 1745), and all such authorizations contained in Acts approved before December 28, 1974, and not superseded or otherwise modified by a later authorization are repealed except—

(1) authorizations for public works and for appropriations therefor that are set forth in those Acts in the titles that contain the general provisions;

(2) authorizations for public works projects as to which appropriated funds have been obligated for construction contracts, land acquisition, or payments to the North Atlantic Treaty Organization, in whole or in part before January 1, 1977, and authorizations for appropriations therefor;

(3) notwithstanding the repeal provisions of section 605 of the Act of December 27, 1974, Public Law 93–552 (88 Stat. 1745, 1761), authorizations for the following items which shall remain in effect until January 1, 1978:

(a) Barracks with mess construction in the amount of $535,000 at Camp A. P. Hill, Virginia, that is contained in title I, section 101 of the Act of November 29, 1973 (87 Stat. 661), as amended.

(b) Barracks with mess construction in the amount of $476,000 at Camp Pickett, Virginia, that is contained in title I, section 101 of the Act of November 29, 1973 (87 Stat. 661), as amended.

(c) Military Police Barracks with support facilities construction in the amount of $1,831,000 and confinement facility construction in the amount of $6,287,000 at Fort Leonard Wood, Missouri, that is contained in title I, section 101 of the Act of November 29, 1973 (87 Stat. 661), as amended.

(d) Barracks Complex construction in the amount of $8,622,000 at Fort Ord, California, that is contained in title I, section 101 of the Act of November 29, 1973 (87 Stat. 662), as amended.

(e) Barracks construction in the amount of $2,965,000 at Aberdeen Proving Ground Maryland, that is contained in title I, section 101 of the Act of November 29, 1973 (87 Stat. 662), as amended.

(f) Barracks with mess construction in the amount of $466,000 at Natick Laboratories, Massachusetts, that is contained in title I, section 101 of the Act of November 29, 1973 (87 Stat. 662), as amended.

(g) Barracks without mess construction in the amount of $3,060,000 at Fort Greely, Alaska, that is continued in title I, section 101 of the Act of November 29, 1973 (87 Stat. 662), as amended.

(h) Relocate Weapons Ranges from Culebra Complex in the amount of $12,000,000 for the Atlantic Fleet Weapons Range, Roosevelt Roads, Puerto Rico, that is contained in title II, section 204 of the Act of November 29, 1973 (87 Stat. 668), as amended.

(i) Authorization for acquisition of lands in support of the Air Installation Compatible Use Zones at Various Locations not limited to those in the original project in the amount of $12,000,000 that is contained in title III, section 301 of the Act of October 25, 1972 (86 Stat. 1145), as amended by section 605(3)(K) of the Act of December 27, 1974 (88 Stat. 1762), as amended.

(j) Authorization for acquisition of lands in support of the Air Installation Compatible Use Zones at Various Locations not limited to those identified in the original project in the amount of $18,000,000 that is contained in title III, section 301 of the Act of November 29, 1973 (87 Stat. 671), as amended.

SEC. 606. None of the authority contained in titles I, II, III, and IV of this Act shall be deemed to authorize any building construction projects inside the United States in excess of a unit cost to be determined in proportion to the appropriate area construction cost index, based on the following unit cost limitations where the area construction index is 1.0:

(1) $35.00 per square foot for permanent barracks;

(2) $37.00 per square foot for bachelor officer quarters;

unless the Secretary of Defense, or his designee, determines that because of special circumstances, application to such project of the limitations on unit costs contained in this section is impracticable: *Provided*, That notwithstanding the limitations contained in prior Military Construction Authorization Acts on unit costs, the limitations on such costs contained in this section shall apply to all prior authorization for such construction not heretofore repealed and for which construction contracts have not been awarded by the date of enactment of this Act.

SEC. 607. Chapter 159 of title 10, United States Code, is amended:

(1) By striking out the figure "$300,000" in the item relating to section 2674 in the analysis and inserting "$400,000" in place thereof.

(2) By striking out the figure "$300,000" in the catchline of section 2674 and inserting "$400,000" in place thereof.

(3) By striking out the figures "$300,000," "$100,000," and "$50,000" in section 2674(b) and inserting "$400,000," and "$200,000," and "$75,000," respectively, in place thereof.

(4) By striking out the figure "$50,000" in sections 2674(a) and (e) and inserting "$75,000" in place thereof.

(5) By striking out "quarterly" in section 2662(b) and inserting in place thereof, "annually."

(6) By striking section 2662(c) and inserting in place thereof:

"This section applies only to real property in the United States, Puerto Rico, Guam, the American Virgin Islands, American Samoa and the Trust Territory of the Pacific Islands. It does not apply to real property for river and harbor projects or flood control projects, or to leases of Government-owned real property for agricultural or grazing purposes or to any real property acquisition specifically authorized in a Military Construction Authorization Act."

(7) By adding the following new subsection to section 2667:

"(f) Notwithstanding clause (3), subsection (a), real property and associated personal property, which have been determined excess as the result of a Defense installation realignment or closure, may be leased to State or local governments pending final disposition if:

"(1) The Secretary concerned determines that such action would facilitate State and local economic adjustment efforts, and

"(2) The Administrator, General Services Administration, concurs in the action."

(8) By adding the following new section:

"SEC. 2672 a. Acquisition: interests in land when need is urgent. Subject to the provisions of 10 U.S.C. 2662, the Secretary of a military department may acquire any interest in land that—

"(1) he or his designee determines is needed in the interest of national defense; and

"(2) is required to maintain the operational integrity of a military installation; and

"(3) considerations of urgency do not permit the delay necessary to include the required acquisition in an annual Military Construction Authorization Act.

"Appropriations available for military construction will be used for the purposes of this section. The authority to acquire an interest in land under this section includes authority to make surveys and acquire interests in land (including temporary use), by gift, purchase, exchange of land owned by the United States, or otherwise."

(9) By striking from the catchline and analysis relating to section 2675 the second colon and all that follows:

(10) By striking the following words from the first sentence of section 2675, "that are not located on a military base and".

SEC. 608. In addition to all other authorized variations of cost limitations or floor area limitations contained in this Act or prior Military Construction Authorization Acts, the Secretary of Defense, or his designee, may permit increases in the cost limitations or floor area limitations by such amounts as may be necessary to equip any projects with solar heating and/or cooling equipment.

SEC. 609. The Secretary of the Navy or his designee is authorized and directed to convey to the Guam Power Authority an agency of the Government of Guam without monetary consideration but subject to such reservations and terms and conditions as the Secretary of the Navy or his designee should determine to be necessary to protect the interests of the United States, all rights, titles, and interests of the United States, in and to those certain parcels of real property situated at Cabras Island, territory of Guam known and identified as lot 257 and lot 261 containing 63.58 acres, more or less.

SEC. 610. The Secretary of Defense shall submit an annual report to Congress which shall set forth, with respect to each contract of more than $500,000 for construction outside the United States and its possessions which is authorized pursuant to this Act, a summary of the number and nationality of the foreign nationals who were hired to perform services in regard to such contract during the reporting period, the type of skills provided by such foreign nationals, and the average hourly or other wage rate paid to foreign nationals in each skill category.

SEC. 611. Titles I, II, III, IV, V, and VI of this Act may be cited as the "Military Construction Authorization Act, 1976."

TITLE VII

GUARD AND RESERVE FORCES FACILITIES

SEC. 701. Subject to chapter 133 of title 10, United States Code, the Secretary of Defense may establish or develop additional facilities for the Guard and Reserve Forces, including the acquisition of land therefor, but the cost of such facilities shall not exceed—

(1)) For the Department of the Army:

(a) Army National Guard of the United States, $54,745,000.

(b) Army Reserve, $44,459,000.

(2) For the Department of the Navy: Naval and Marine Corps Reserves, $34,800,000.

(3) For the Department of the Air Force:

(a) Air National Guard of the United States, $55,100,000.

(b) Air Force Reserve, $16,500,000.

SEC. 702. The Secretary of Defense may establish or develop installations and facilities under this title without regard to section 3648 of the Revised Statutes, as amended (31 U.S.C. 529), and sections 4774 and 9774 of title 10, United States Code. The authority to place permanent or temporary improvements on lands includes authority for surveys, administration, overhead, planning, and supervision incident to construction. That authority may be exercised before title to the land is approved under section 355 of the Revised Statutes, as amended (40 U.S.C. 255), and even though the land is held temporarily. The authority to acquire real estate or land includes authority to make surveys and to acquire land, and interests in land (including temporary use), by gift, purchase, exchange of Government-owned land, or otherwise.

SEC. 703. Chapter 133, title 10, United States Code is amended by striking out the figure "$25,000" in paragraph (2) of section 2233a, and inserting the figure "$50,000" in place thereof.

SEC. 704. This title may be cited as the "Guard and Reserve Forces Facilities Authorization Act, 1976."

Mr. SYMINGTON. Mr. President, I move that the Senate disagree with the amendment of the House and request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer (Mr. Pearson) appointed Mr. Stennis, Mr. Symington, Mr. Jackson, Mr. Cannon, Mr. Harry F. Byrd, Jr., Mr. Leahy, Mr. Tower, Mr. Thurmond, and Mr. Goldwater conferees on the part of the Senate.

ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION APPROPRIATIONS AUTHORIZATION, 1976

The Senate continued with the consideration of the bill (S. 598) to authorize appropriations to the Energy Research and Development Administration in accordance with section 261 of the Atomic Energy Act of 1954, as amended, section 305 of the Energy Reorganization Act of 1974, and section 16 of the Federal Nonnuclear Energy Research and Development Act of 1974, and for other purposes.

Mr. GRAVEL. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The assistant legislative clerk proceeded to read the amendment.

Mr. GRAVEL. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On Page 18, line 23, strike "$96,200,000.", and insert in lieu thereof "$158,788,000."

And on Page 39, lines 3 and 4, strike "$24,300,000.", and insert in lieu thereof $42,040,000."

Mr. GRAVEL. Mr. President, it will not take me long to explain this amendment.

Mr. BAKER. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. GRAVEL. I am happy to yield.

Mr. BAKER. I ask unanimous consent that Mr. A. B. Culvahouse, of my staff, be accorded the privilege of the floor for the balance of the day.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROOKE. Mr. President, I ask unanimous consent that Meg Powell, of my staff, be accorded the privileges of the floor during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MONTOYA. Mr. President, will the Senator yield?

Mr. GRAVEL. I am happy to yield.

Mr. MONTOYA. Mr. President, I suggest to the Senator from Alaska that I would appreciate it very much if he would discuss that when the Senator from Idaho, who is managing that portion of the bill, comes into the Chamber.

Mr. GRAVEL. Will the Senator repeat that, please?

Mr. MONTOYA. I ask the Senator to withhold his amendment until the Senator from Idaho comes into the Chamber. Our arrangement was that I would handle the nuclear part of the ERDA bill and he would, toward the last, handle the other part of it.

Mr. GRAVEL. I shall be happy to do that.

While waiting, I might pose a question to the Senator from New Mexico.

I have one amendment that goes to the military aspects of this bill. I had asked the ERDA people to give me a briefing on the very fundamental questions that I feel any Senator should be informed of before voting. I know the Senator from South Dakota (Mr. Abourezk) made a similar request. We were summarily denied a briefing, they saying that this information had been given to Congress through the proper committees.

That is reminiscent of the attitude that existed when we used to have the secret CIA committee, when they were the only ones who knew what was going on. I am deeply disturbed that an agency of the Government would refuse to brief a Senator of the United States on something as vital as our nuclear capability. This is where the heart of the nuclear arms race is.

If I could very quickly show some charts, they will show this is the heart of the matter.

We spent weeks fighting the Defense budget as it came out of the Committee on Armed Services. But the heart of the matter on the arms race between ourselves and the Soviet Union is not in the Defense budget, it is in this ERDA budget. This part of the budget has never been challenged or brought into question seriously, in the entire history of this Nation. So the arms race goes on unabated.

All I request is to have a briefing by ERDA. I hope that the manager of the bill will join me in, really, dealing a blow to this executive arrogance, where they can say, "This stuff is too secret to tell you people, who are Senators of the United States, who develop the policy of the United States." My attitude is if this is too secret for us to know about it, we really have lost control. That is the reason why we have a situation like this.

The chart closest to me, on the right, shows that we have 8,500 nuclear strategic weapons, which is the ability to destroy the Soviet Union 40 times, and that the Soviet Union has 2,800 weapons, the ability to destroy the United States 10 times.

We see that, as a result of SALT negotiations, we have been much more aggressive in increasing our arsenal than the Soviet Union. I think if the American people understood this, I think if every Senator understood it, the debate on this subject and the amendment I have could be much more meaningfully treated.

My offering this amendment on the military aspects of it is like tying both my hands. All I have is this information, which was given to me by lay people, and the ERDA people say this is too secret to tell us about.

The defense of this country, the survival of this world is not too secret for the American people to know something about.

Mr. PASTORE. Will the Senator yield on that point?

Mr. GRAVEL. I am happy to yield.

Mr. PASTORE. I understand that the Senator has not submitted his amendment yet.

Mr. GRAVEL. I was accommodating the Senator from New Mexico, who said that on my solar amendment, he wanted to wait until the Senator from Idaho or somebody else was in the Chamber. I am just using up time, because this issue is something I wanted to bring up, an amendment to the bill.

Mr. MONTOYA. Will the Senator yield?

Mr. GRAVEL. Yes, I yield.

Mr. MONTOYA. Will the Senator offer his amendment now so that we can start working on it?

Mr. GRAVEL. I can do that, but I think we could still address this question.

Mr. MONTOYA. Call it up immediately so it will be under controlled time.

Mr. GRAVEL. We are under controlled time right now. We are under my solar controlled time. I was just seeking to make inquiry. There is no effort to cause any extreme delay. I think this is a reasonable request by a Senator of the executive branch which has been summarily dismissed. I hope that my more senior colleagues will support me in this request to have the executive come up and give me and other Senators a briefing.

Mr. PASTORE. If the Senator will permit me now, first of all, let me say to my distinguished friend from Alaska that I hope he will not pursue this matter too much on the floor. We may get ourselves—I hope we shall go rather slowly on this.

Mr. President, may we have order, please? This is very, very sensitive and important.

The PRESIDING OFFICER. The Senate will be in order.

Mr. PASTORE. No one understands it better than the Senator from Alaska.

Frankly, this matter has disturbed me for many, many years; that is, the level at which we engage ourselves in this particular area. Our committee has been very, very carefully scrutinizing in that respect.

As a result of the Cyprus situation and a few other incidents in other parts of the world, several Senators have approached me, telling me that they had talked with the administration or with the ERDA Agency, asking that they be briefed in this very sensitive area. When the atomic energy law was originally drawn, realizing the fact that much of this information is very classified and top secret, it was provided in the law that the Joint Committee on Atomic Energy should be fully and currently advised as to any developments that occurred. There was an obvious reason for that. It is that if we begin to talk about this matter too loosely, it would finally get out and only be aid and comfort to the enemy. So we had to be very careful.

On the other hand, there is the argument that we have been elected by the people of our States to represent them in the U.S. Senate and we have to pass on these matters. We have to cast our votes, and how do we cast our vote unless we are told what it is all about? That is a very valid argument, one which I have recognized for a long time. Consequently, because of the fact that several Senators have talked to me, and I think some have talked to Mr. BAKER, I had a personal conversation with the Secretary of Defense, Mr. Schlesinger. I explained the whole situation to him and I told him that the time has come when Senators will have to assume the responsibility of this information, and if it is given to them, they cannot impart it or give it to anybody else. They assume full responsibility in making sure that it does not get out. Possibly, once they have the information, we could meet in executive session to discuss some of these problems.

As a result of that, agreement was reached that soon after we come back here in September, we can meet on it. I am circulating a letter today, notifying the Members. This is the letter:

JULY 31, 1975.

DEAR COLLEAGUE: Several Senators have approached us with regard to the question of the numbers and types of U.S. nuclear weapons in Europe and the Middle East.

We have consulted with the Secretary of Defense, James R. Schlesinger, and he has agreed that he will instruct several of his aides who are competent in this area—

Including himself; I am going to ask him to come up, too.

to cooperate with the Joint Committee on Atomic Energy in briefing interested Senators on this matter and answering questions that might be of interest to individual Senators.

I need not remind you that this is highly classified, top secret information which cannot be imparted to anyone except to the Senators receiving it.

Please let me know if you are interested in such a briefing by calling the Committee's Executive Director, George F. Murphy, Jr., who can be reached on 225-6171.

After hearing from you, I will arrange for a date for such a briefing in the classified room of the Joint Committee on Atomic Energy at a convenient time after our return in early September.

Sincerely yours,
JOHN O. PASTORE,
Chairman.
HOWARD H. BAKER, JR.,
Ranking Republican Senate Member.

This letter will be signed by Mr. BAKER and myself.

That, I believe, is an answer to the Senator's problem and I think he has a valid point. I would add this—the one thing about the Joint Committee of Energy, is that in all the years that it has existed, there has never been a leak.

I hope that the Senators will understand the sensitivity of this information and make sure it is not revealed to anyone.

Mr. GRAVEL. I really want to commend the initiative of the Senator from Rhode Island because some of us felt not only insulted as individuals, but really, that our ability was impaired in discharging our office, because the final decision in democracy should be made by elected officials.

Of course, I had a group from ERDA come up to my office and sit there and tell me it was a situation of secrecy, they could not tell me. I said:

> Just give me, a Senator, no staff, a brief statement that you want to give.

Mr. PASTORE. But they are not the ones to do it.

Mr. GRAVEL. I realize that now.

Mr. PASTORE. They cannot do it under the law, but we do have people who can do it and we are going to do it.

Mr. GRAVEL. Would the Senator then join with me in realizing it, because this is the natural conclusion of things, how can we as a body make this decision today on this subject when as a matter of course we know nothing about it?

Mr. PASTORE. Well, the Senator does know something about it, but he will have to rely on the good sense and judgment of the Joint Committee on Atomic Energy. We have nine Members from the House and nine Members from the Senate. I realize that does not answer the Senator's question fully, but that has been the system up to now and I would hope in the future we can make certain modifications, but I would hope we would not use that as an impediment to passing this bill.

Mr. GRAVEL. Let me ask this question of the Senator from Rhode Island, and he is well aware of the tradition we had in the past with a committee in the Senate and in the House which watched the CIA——

Mr. PASTORE. I know, I know, I was waiting for the Senator to say that.

Mr. GRAVEL. Well, I think it is a legitimate criticism.

If we have tried these procedures before, they have been terribly fallible. I know my colleague is the first to recognize that. So the reliance on that procedure one more time, we do not have a vote in an intelligent process, there is nothing here, the arms race goes unabated.

Now, is there anything critical—this is my question—is there anything critical that will happen to our national defense posture if this facet of the budget is not approved until, let us say, the first week in September, maybe a day after we have our briefing and have a secret debate? Probably this is the most gargantuan responsibility we have as not Senators, as human beings, on this earth because we are talking about the capacity to destroy all humankind.

Now, is it so much to ask that we wait until September so that more of us are informed as to what this responsibility is?

Mr. PASTORE. When it goes that way this afternoon, I do not know. I have nothing to do with scheduling the legislation. As a matter of fact, I only found out last night this was being put down in the pending business today.

I do not know how long this will take, but I repeat again, if it spills over until September, we can do it the Senator's way, but I hope if we can get to it now the Senator would realize the good judgment of that committee insofar as the recommendations are concerned.

We watched this thing very closely, and I assure the Senator—I assure the Senator—we want to be just as careful as he does.

I repeat again, I would not want to see this thing go over until September because it is an authorization bill and it seems we should do something about it.

Mr. GRAVEL. In answer to my question, would the Senator, who has been really gracious, I really have no disrespect in this request, he has been very accommodating thus far, we are just talking a little further. I really do not see where our national defense would be imparied by waiting 30 days until more Members are informed.

Now, if the Senator were to make a argument to me that, well, things are going to happen between now and then that will imperil or limit the President's ability to do something, I might be persuaded by it. But if it is just a question of delay to make the Democratic process more effective, then that delay certainly cannot be too much to ask because the Senator is presently taking the initiative to make this position more effective.

The only problem is, when we acquire this knowledge, we will not be able to put it to use for another year.

Mr. PASTORE. Will the Senator do me a favor, please, and take it up with MIKE MANSFIELD. It is up to him whether or not we resolve this today or we do it after we come back, but this is a matter for the leadership.

Mr. GRAVEL. Could I impose upon the Senator from Rhode Island? I think that is very accommodating, and I will not bring it up any further, but that he go with me to the majority leader and take his counsel as to the time it might be postponed to, because the Senator has already played a leadership and helpful role?

Mr. PASTORE. Frankly, I will not do that, but if the majority leader feels he must go along with the Senator's request, that is entirely up to him. But I cannot become a party to it because of the fact that I feel that we should go forward as we have in previous years.

But I recognize the merit of the Senator's argument, and I say to the Senator frankly, if Mr. MANSFIELD decides to go over to September, that is his responsibility and I will not quarrel with it.

Mr. GRAVEL. I want to thank the Senator from Rhode Island. He has been most helpful and he will be responsible for this body being more educated on this subject because of his initiative.

Mr. President, I yield to the Senator from New Mexico.

Mr. DOMENICI. Just for a unanimous-consent request.

Mr. GRAVEL. I am happy to yield to the Senator.

Mr. DOMENICI. Mr. President, I ask unanimous consent that Parlo West be granted privilege of the floor during this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAVEL. Mr. President, I ask the Senator from New Mexico if he is prepared to take up my solar amendment at this point, to deal with that?

I would be happy to withhold until a later time today.

Mr. MONTOYA. If the Senator would withhold it, so that other amendments with respect to ERDA may be brought up.

Mr. GRAVEL. Surely.

Mr. MONTOYA. With respect to the ERDA authorization.

Mr. GRAVEL. I am happy to accommodate the Senator from New Mexico, if he could just advise me when.

Mr. MONTOYA. I understand the Senator from South Dakota has an amendment with respect to the ERDA authorization; is he prepared to offer his amendment at this time?

The PRESIDING OFFICER. Does the Senator from Alaska withdraw the amendment?

Mr. GRAVEL. No, Mr. President, I ask that the amendment be laid aside to accommodate the Senator from New Mexico. I do not wish to withdraw it.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. MONTOYA. Now, I ask if there is any amendment with respect to the ERDA authorization, nuclear part?

Mr. TAFT. Mr. President——

The PRESIDING OFFICER. Are there any other amendments?

Mr. GRAVEL. Yes, I have one.

Mr. TUNNEY. Mr. President, may I ask a question?

The PRESIDING OFFICER. The Senator from New Mexico has the floor. He was asking if there were any other amendments.

Mr. TUNNEY. Will the Senator yield?

Mr. MONTOYA. I would like to get an answer to my query, Mr. President. Are there any other amendments?

The PRESIDING OFFICER. Are there any other amendments to be offered?

Mr. GRAVEL. In reply, as to amendments, one on solar already called up, another dealing with conservation that I will call up.

I presume the same person will handle the conservation, so I would accommodate the Senator from New Mexico on the scheduling if he could tell me when he wants it called up.

The PRESIDING OFFICER. Does the Senator from California have an amendment?

Mr. TUNNEY. Mr. President, I just ask unanimous consent that Dan Jaffe, Allan Hoffman, and Mike Brownlee be granted privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TAFT. Mr. President, I ask unanimous consent that Tom Block be granted privilege of the floor during the debate and vote on this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TAFT. If I may have the attention of the Senator from New Mexico, Mr. President, I have an amendment relating to the authorization for ERDA, for gas exploration and research, gas shale, does the Senator from New Mexico wish to take that or——

Mr. MONTOYA. Under the previous agreement, because of the dual jurisdiction, two committees, it was agreed that the Senator from Idaho would manage the Interior part of the bill.

Mr. TAFT. This, as I understand it, is ERDA; the reason I raised the question, this is ERDA.

Mr. MONTOYA. They are handling part of ERDA too.

Mr. TAFT. Yes.

Mr. CHURCH. I will handle it.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. MONTOYA. I understand that there are no further amendments at this point to the part of the bill which is handled by the Joint Committee on Atomic Energy.

The PRESIDING OFFICER. There are none that have been offered. The Chair cannot guarantee there will be none.

Mr. MONTOYA. Except for the amendment by Mr. BAKER, if he is ready.

The PRESIDING OFFICER. Is the Senator from Tennessee ready?

Mr. BAKER. Mr. President, I am ready.

AMENDMENT NO. 851

Mr. BAKER. Mr. President, I call up my amendment No. 851 and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. HELMS). The amendment will be stated.

The legislative clerk read as follows:

The Senator from Tennessee (Mr. BAKER) proposes amendment No. 851.

Mr. BAKER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Add at the end of the bill the following new title:

TITLE V—ASSISTANCE PAYMENTS AMENDMENTS

SEC. 501. Chapter 9 of the Atomic Energy Community Act of 1955 (42 U.S.C. 2391 et seq.) is amended—

(1) by striking out "Commission" each time it appears in sections 91 and 94, the first time it appears in section 92, and where it appears in section 93, and inserting in each instance in lieu thereof the following: "Administrator";

(2) by striking out "atomic energy" in section 91a(2) and inserting "Energy Research and Development Administration" in lieu thereof:

(3) by striking out "its" in section 91d;

(4) by striking out "itself" in section 91e.

(5) by striking out the period at the end of the first sentence of section 91a, and inserting in lieu thereof the following: ": *Provided further*, That the Administrator is also authorized to make payments of just and reasonable sums to Anderson County and Roane County, Tennessee.";

(6) by inserting immediately after "Richland School District" in section 91d, but before the closing of parentheses, the following: "; or not less than six months prior to June 30, 1986, in the case of Anderson County and Roane County, Tennessee:;

(7) by striking out "Commission" in the catchlines of sections 92 and 94;

(8) by striking out "Commission' the second time it appears in section 92, and inserting "Energy Research and Development Administration" in lieu thereof; and

(9) by striking out the final period in section 93 and inserting in lieu thereof the following: "; and in the case of Anderson County and Roane County, Tennessee, shall not extend beyond June 30, 1986.".

The PRESIDING OFFICER. The Senate will be in order while the Senator is speaking.

Mr. BAKER. Mr. President, the purpose of this amendment is to authorize, but not require, the Administrator of ERDA to make assistance payments to Anderson and Roane Counties, Tenn., under the criteria set forth in section 91 of the Atomic Energy Community Act of 1955. These are the counties in which both the city of Oak Ridge and the Federal nuclear and related facilities are located. Such assistance has been authorized and funds have been appropriated for the past several years. Including the counties in the Community Act would simply authorize the Administrator of ERDA to enter into contracts with the two counties for future payments, which would continue to require the appropriations of funds.

Hearings have been conducted by the Joint Committee on this question and the record made at those hearings provides a convincing case that financial assistance payments under the criteria of the Community Act should be made to these two counties. The record of the hearings justifies the need for the proposed amendment to the Community Act in order to correct an inequity created by the operations of the Federal Government at Oak Ridge. It is essential that the community at Oak Ridge maintain a level of services which will attract and maintain well-qualified personnel for the national energy program being pursued in the Federal facilities at Oak Ridge. This set of circumstances applies not only within the city of Oak Ridge but also extends into the counties from which the Federal Government carved the Oak Ridge reservation during World War II.

The need to maintain an adequate level of governmental services imposes financial burdens on the counties as well as the city of Oak Ridge, but the Community Act now permits payments only to the city of Oak Ridge and not to the counties. In addition, the location of the Federal facilities and their size, being the largest single employer at a single location in the State of Tennessee, is such that they deter other large industries from coming into the counties and effectively lower the tax base which could otherwise be available to them. As a result, Anderson and Roane Counties, respectively, have the first and third highest tax rates in the State of Tennessee and are now faced with either increasing that already high tax rate or decreasing the level of services to their citizens. Decreasing the level of services is not an acceptable choice when viewed in light of the objectives of the Community Act and the needs of the Federal Government at Oak Ridge.

Mr. President, I ask unanimous consent that a section-by-section analysis of the amendment and related background material be printed in the RECORD at this point.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS

Section 91. of the Atomic Energy Community Act of 1955, as amended, is amended to authorize ERDA to make assistance payments of just and reasonable sums to Anderson County and Roane County, Tenn., by adding the two counties to those entities eligible to receive payments in accordance with the criteria of subsection a.

Section 91.d. of the Community Act is amended to provide that not less than 6 months prior to June 30, 1979, the Administrator shall present to the Joint Committee recommendations as to the need for any further assistance payments to Anderson County and Roane County, Tenn. If the Community Act is not further amended, any payments made pursuant to contracts entered into after June 30, 1979, would be on a year-to-year determination.

The criteria in Section 91.a. are to be applied by the Administrator of ERDA in determining assistance payments of just and reasonable sums to Anderson County and to Roane County, Tennessee. These criteria are to be interpreted and applied by the Administrator so that the assistance payments to these counties are on the same basis as are the payments which are now made to the City of Oak Ridge.

The criterion in Section 91.a.(1) provides that the Administrator of ERDA shall consider the approximate real property taxes and assessments for local improvements which would be paid "upon property within the community if such property were not exempt from taxation by reason of Federal ownership." Section 21.b.(1) in the Community Act defines "community" in a way which excludes the major ERDA plants and facilities at Oak Ridge from the criterion in Section 91.a.(1).

It is not necessary, and could be confusing to redefine "community" to include the boundaries of the two counties. This is especially so in view of the legislative history of the Community Act[1] which indicates the exclusion of the major plants and facilities was a deliberate decision with full recognition, however, that it was the very existence of these plants and facilities which justified the assistance payments.

In view of the objective to provide for assistance payments to the two counties under the same criteria as now are used to determine the payments to the City of Oak Ridge, it is apparent that, for purposes of assistance to these two counties, the word "municipal" in Sections 91.a. (2) and (4) shall be deemed also to include appropriate governmental services rendered by the two counties.

The Administrator of ERDA has stated that in determining a just and reasonable payment he will consider the amount of assistance payments added to the ERDA fiscal year 1975 budget for the two counties by the Congress and the amounts, if any, that may be added to the fiscal year 1976 budget as general guidance as to the levels of any future payments to be made to the counties. The amounts added by the Congress to the ERDA budgets are consistent with the criteria of Section 91.a. These amounts, however, were added by the Congress without consultation with the counties and that the counties in their testimony did not stipulate an amount which they considered equitable but spoke only in general terms.

In its discussions and negotiations with the counties, ERDA should be open to suggestions from the counties with regard to the amounts of financial assistance. The amounts offer general guidance and should not be considered as a ceiling and may well be changed as the result of further analysis of data heretofore or hereafter presented by the counties.

In addition, the amendment makes certain technical amendments to recognize the transfer of functions and responsibilities of the former Atomic Energy Commission to the Energy Research and Development Administration.

Section 92. is amended to substitute the "Administrator" and "Energy Research and Development Administration" in lieu of Commission. These technical amendments also recognize the transfer of functions and responsibilities of the former Atomic Energy Commission to the Energy Research and Development Administration.

Technical amendments are made to Section 93. to substitute the Administrator for Commission in view of the transfer of functions and responsibilities of the former Atomic Energy Commission to the Energy Research and Development Administration.

Section 94. of the Community Act is amended to provide that the terms of any contract made by ERDA under the authority of Section 94., with Anderson County and Roane County, Tenn., shall not extend beyond June 30, 1979.

With regard to ERDA contractual authority under Section 94., the Community Act was amended in 1967 to require that henceforth any appropriations for further assistance payments under Section 91.a. must first be authorized by Congress. In accordance with Section 118.a., funds to satisfy any contractual obligations entered into by ERDA and the two counties would be requested to be included in authorizing and appropriation acts.

CHANGES IN EXISTING LAW

In accordance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law recommended by the bill accompanying this report are shown as follows (deleted matter is shown in black brackets and new matter is printed in italic; and existing law in which no change is proposed is shown in roman):

PUBLIC LAW 84–212

Atomic Energy Community Act of 1955

SEC. 91. BASIS OF ASSISTANCE TO CITIES AND OTHER STATE AND LOCAL ENTITIES.—

a. From the date of transfer of any municipal installations to a governmental or other entity at or for the community, the [Commission] *Administrator* shall, for a period of ten years, make annual assistance payments of just and reasonable sums to the State, county, or local entity having jurisdiction to collect property taxes or to the entity receiving the installation transferred hereunder: Provided, however, with respect to the Cities of Oak Ridge, Tennessee, and Richland, Washington, and the Richland School District, the [Commission] *Administrator* is authorized to continue to make assistance payments of just and reasonable sums after expiration of such ten-year period [.]*: Provided further, That the Administrator is also authorized to make payments of just and reasonable sums to Anderson County and Roan County, Tennessee.* In determining the amount and recipient of such payments the [Commission] *Administrator* shall consider—

(1) the approximate real property taxes and assessments for local imrovements which would be paid to the governmental entity upon property within the community if such property were not exempt from taxation by reason of Federal ownership;

(2) the maintaining of municipal services at a level which will not impede the recruitment or retention of personnel essential to [the atomic energy] *Energy Research and Development Administration* program;

(3) the fiscal problems peculiar to the governmental entity by reason of the construction at the community as a single purpose national defense installation under emergency conditions;

(4) the municipal services and other burdens imposed on the governmental or other entities at the community by the United States in its operations in the project area; and

(5) the tax revenues and sources available to the governmental entity, its efforts and diligence in collection of taxes, assessment of property, and the efficiency of its operations.

b. Special interim payments may be made under the provisions of this section to any governmental entity which—

(1) has a special burden due to the requirements under law imposed upon it in assisting in effectuating the purposes of this Act for which it will not otherwise receive adequate compensation or revenues; or

(2) will suffer a tax loss or lapse in place of which it will not receive any other adequate revenues until the new governmental entities contemplated by this chapter are receiving their normal taxes and performing their normal functions.

c. Payments made under this section shall be payments made for special burdens imposed on the local governmental entities in accordance with the second sentence of section 168 of the Atomic Energy Act of 1954. Payments may be made under this section notwithstanding the provisions of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), as amended.

d. With respect to any entity not less than six months prior to the expiration of the ten-year period referred to in subsection a. (or not less than six months prior to June 30, 1979, in the case of the Cities of Oak Ridge, Tennessee, and Richland, Washington, [and] the Richland School District, *and Anderson County and Roane County, Tennessee*), the [Commission] *Administrator* shall present to the Joint Committee on Atomic Energy [its] recommendations as to the need for any further assistance payments to such entity.

e. In exercising the authority of subsection 91.a. the [Commission] *Administrator* shall assure [itself] that the governmental or other entities receiving assistance hereunder utilize all reasonable, available means to achieve financial self-sufficiency to the end that assistance payments by the [Commission] *Administrator* may be reduced or terminated at the earliest practical time.

SEC. 92. [COMMISSION] REDUCTIONS.—Any payment which becomes due under section 91, prior to the transfer of all municipal installations at the commnuity may be reduced by such amount as the [Commission] *Administrator* determines to be equitable based on the municipal services then being performed by the [Commission] *Energy Research and Development Administration* and the municipal services then being performed by such governmental entity.

SEC. 93. AREA OF SERVICE.—The payments made pursuant to section 91. to transferees of municipal installations are in anticipation that the respective recipients of those payments furnish, or have furnished, for the community, the school, hospital, or other municipal services in respect of which the payments are made. Any such payment may be withheld, in whole or in part, if the [Commission] *Administrator* finds that the recipient is not furnishing such services for any part of the area so designated.

SEC. 94. [COMMISSION] CONTRACTS.—The [Commission] *Administrator* is authorized, without regard to section 3679 of the Revised Statutes, to enter into a contract with any governmental or other entity to which payments are required or authorized to be made pursuant to section 91., obligating the [Commission] *Administrator* to make such entity the payments directed or authorized to be made by section 91.: *Provided, however,* That the term of such contracts, in the case of the Cities of Oak Ridge, Tennessee, and Richland, Washington, [and] the Richland School District, *and Anderson County and Roane County, Tennessee, shall not* extend beyond June 30, 1979.

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[1] Report No. 84–1140, July 25, 1955.

BACKGROUND

SEC. 91. BASIS OF ASSISTANCE TO CITIES AND OTHER STATE AND LOCAL ENTITIES.—

a. From the date of transfer of any municipal installations to a governmental or other entity at or for the community, the Commission shall for a period of ten years, make annual assistance payments of just and reasonable sums to the State, County, or local entity having jurisdiction to collect property taxes or to the entity receiving the installation transferred hereunder *Provided, however,* with respect to the Cities of Oak Ridge, Tennessee, and Richland, Washington, and the Richland School District the Commission is authorized to continue to make assistance payments of just and reasonable sums after expiration of such ten-year period. In determining the amount and recipient of such payments the Commission shall consider—

(1) the approximate real property taxes and assessment for local improvements which would be paid to the governmental entity upon property within the community if such property were not exempt from taxation by reason of Federal ownership;

(2) the maintaining of municipal services at a level which will not impede the recruitment or retention of personnel essential to the atomic energy program;

(3) the fiscal problems peculiar to the governmental entity by reason of the construction at the community as a single purpose national defense installation under emergency conditions;

(4) the municipal services and other burdens imposed on the governmental or other entities at the community by the United States in its operations in the project area; and

(5) the tax revenues and sources available to the governmental entity, its efforts and diligence in collection of taxes, assessment of property, and the efficiency of its operations.[27a]

b. Special interim payments may be made under the provisions of this section to any governmental entity which—

(1) has a special burden due to the requirements under law imposed upon it in assisting in effectuating the purposes of this Act for which it will not otherwise receive adequate compensation or revenues; or

(2) will suffer a tax loss or lapse in place of which it will not receive any other adequate revenues until the new governmental entities contemplated by this chapter are receiving their normal taxes and performing their normal functions.

c. Payments made under this section shall be payments made for special burdens imposed on the local governmental entities in accordance with the second sentence of section 168 of the Atomic Energy Act of 1954. Payments may be made under this section notwithstanding the provisions of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), as amended.

d. With respect to any entity not less than six months prior to the expiration of the ten-year period referred to in subsection a. (or not less than six months prior to June 30, 1979, in the case of the Cities of Oak Ridge, Tennessee, and Richland, Washington, and the Richland School District), the Commission shall present to the Joint Committee on Atomic Energy its recommendations as to the need for any further assistance payments to such entity.[27b]

e. In exercising the authority of subsection 91 a. the Commission shall assure itself that the governmental or other entities receiving assistance hereunder utilize all reasonable, available means to achieve financial self-sufficiency to the end that assistance payments by the Commission may be reduced or terminated at the earliest practical time.[27b]

* * * * *

(Atomic Energy Act of 1954, as amended)

"SEC. 168. PAYMENTS IN LIEU OF TAXES.—In order to render financial assistance to those States and localities in which the activities of the Commission are carried on, and in which the Commission has acquired property previously subject to State and local taxation, the Commission is authorized to make payments to State and local governments in lieu of property taxes. Such payments may be in the amounts, at the times, and upon the terms the Commission deems appropriate, but the Commission shall be guided by the policy of not making payments in excess of the taxes which would have been payable for such property in the condition in which it was acquired, except in cases where special burdens have been cast upon the State or local government by activities of the Commission, the Manhattan Engineer District or their agents. In any such case, any benefit accruing to the State or local government by reason of such activities shall be considered in determining the amount of the payment.

* * * * *

ADDITIONAL BACKGROUND

A. ESTABLISHMENT OF THE ATOMIC ENERGY COMMUNITIES

When the atomic energy projects were started in secrecy during World War II by the Manhattan Engineer District (MED), at Oak Ridge, Tenn., Richland, Wash., and Los Alamos, N. Mex., many factors entered into the selections of the sites. One principal factor was distance from existing communities due to the need for extremely stringent security. It was, therefore, decided that towns would have to be built to house the employees at these installations. It was the desire of MED, and later the Atomic Energy Commission (AEC), to make these towns attractive to the large number of scientists and skilled employees whose abilities were, and still are, of vital importance to the progress of the federal program.

B. DISPOSAL OF COMMUNITIES

In 1955, the Congress enacted the Atomic Energy Community Act of 1955 providing for the disposal of the Government-owned communities at Oak Ridge and Richland. In 1962, on the recommendation of AEC, the Congress amended the Atomic Energy Community Act of 1955 to provide for the disposal of the community at Los Alamos.

In considering the adoption of the Community Act in 1955, the Joint Committee on Atomic Energy (JCAE) determined that the communities in which the atomic energy programs were located at Oak Ridge, Los Alamos, and Richland bear an important relation to AEC programs. Their effect on the recruitment and maintenance of personnel both in terms of numbers of workers and in the quality and morale of workers is sufficient to make the presence, attractiveness, and efficiency of the communities after disposal a continuing concern to the Federal Government. This determination is reflected in Section 91. of the Community Act, which requires the communities to maintain a level of services which will not impede the recruitment or retention of personnel essential to the Federal program and which authorizes the Federal Government to render financial assistance to the communities.

C. IMPACT OF FEDERAL ACTIVITIES

1. *Rapid Urbanization of Anderson and Roane Counties.*—The establishment of the Oak Ridge reservation and the creation of the Government constructed, owned, and operated community within the Oak Ridge reservation by MED; the subsequent operation of the facilities and community by the AEC; the disposal of the community by the AEC; and the present operation of the ERDA facilities and presence of thousands of facility employees as residents within the county boundaries have all created a unique situation for the counties. Literally, the Federal Government built a community, operated the community with higher than normal local services, and then disposed of the community. As a result, the counties have been rapidly transformed from a rural to an urban character. Under normal circumstances, it is possible that such a transition would have occurred in a gradual manner, but the presence of the Oak Ridge facility and the thousands of employees has accelerated the transformation, resulting in forced and unnatural changes. The Federal Government has shared in the benefits of this rapid change because the counties have, at an increasing cost to their taxpayers, improved the level of services that makes them attractive to the employees of ERDA and its contractors to finance this rapid change and to maintain the necessary level of services.

[27a] Public Law 90–190 (81 Stat. 575) (1967), sec. 2(1) added a completely new sec. 91a. For legislative history of Public Law 90–190, see appendix A, *infra*. Prior to amendment, sec. 91a. read as follows:

"a. From the date of transfer of any municipal installations to a governmental or other entity at or for the community, the Commission shall, for a period of ten years, make annual assistance payments of just and reasonable sums to the State, county, or local entity having jurisdiction to collect property taxes or to the entity receiving the installation transferred hereunder. In determining the amount and recipient of such payments, the Commission shall consider—

"(1) the approximate real property taxes and assessments for local improvements which would be paid to the governmental entity upon property within the community if such property were not exempt from taxation by reason of Federal ownership;

"(2) the maintaining of municipal services at a level which will not impede the recruitment or retention of personnel essential to the atomic energy program;

"(3) the fiscal problems peculiar to the governmental entity by reason of the construction at the community as a single purpose national defense installation under emergency conditions; and

"(4) the municipal services and other burdens imposed on the governmental or other entities at the community by the United States in its operations in the project area."

[27b] Public Law 90–190 (81 Stat. 575) (1967), see 2, substituted a complete new sec. 91d, added sec. 91e. For legislative history of Public Law 90–190, see appendix A. *infra*. Prior to amendment, see 91d, read as follows:

"d. With respect to any entity not less than six months prior to the expiration of the ten-year period referred to in subsection a, the Commission shall present to the Joint Committee on Atomic Energy its recommendations as to the need for any further contribution payments to such entity. If it recommends further contribution payments, it shall propose a definite schedule of such contribution payments which will provide for an orderly and reasonably prompt withdrawal of the Atomic Energy Commission from participation in and contribution toward local government."

While financial assistance was and is provided to the Oak Ridge community to enable it to establish its own government and to provide essential public services, none of these actions recognize that the community and its citizens are a part of the counties and in numerous ways create an impact upon the two county governments, their finances, and their levels of services. Additionally, the two counties are directly affected by the burdens of providing public services required for the ERDA-related employees and their families who live outside the City of Oak Ridge. Anderson and Roane Counties are faced with peculiar financial problems by reason of the ERDA presence and because of the construction within their boundaries of a federally owned and operated community which is now the City of Oak Ridge.

2. *Federal Facilities and the Local Tax Base.*—The ERDA reservation at Oak Ridge occupies approximately 10.5 percent of the land area of Roane County and 6.5 percent of Anderson County. The current gross value of facilities constructed by the Government is approximately $1.8 billion.

The original Oak Ridge reservation of about 58,000 acres (91 square miles) was carved out of Anderson and Roane Counties in 1942 and 1943. The disposal of the community of Oak Ridge and subsequent disposal of excess real property by AEC has reduced the reservation to its present size of about 38,000 acres, of which 36.5 percent lies in Anderson County and 63.5 percent in Roane County. The reservation occupies much of the land in the two counties considered suitable for industrial development and thus is an impediment to the broadening of the tax base of the two counties. The City of Oak Ridge is located in both counties (47.9 square miles in Anderson County and 40.5 square miles in Roane County), although the greatest concentration of private residences is in Anderson County.

As of June 30, 1974, ERDA investment as measured by Gross Book Value in plant and facilities in the two counties was as follows:

[In millions of dollars]

	Anderson County	Roane County	Total
Oak Ridge Gaseous Diffusion Plant		851	851
Holifield National Laboratory		249	249
Y-12	661		661
Other	31		31
Total	692	1,100	1,792

These holdings affect the counties in that they are immune from taxation which reduces the tax revenues of the county government. Additionally, these holdings occupy much of the land suitable for private industrial development and this limits the counties in achieving the full opportunity to broaden their tax base. The ERDA facility is the largest employer at a single location in the State of Tennessee. The magnitude of the ERDA requirements for manpower, housing, school, and associated services in the Oak Ridge area act as effective deterrents to attracting other large industry to the counties. The counties have succeeded, because of the untiring efforts of county officials and other dedicated citizens, in attracting some smaller industrial concerns.

The opportunity for self-help by the counties by broadening the industrial tax base is limited by the Federal presence and by the resulting high tax rate. The counties are faced with either increasing an already high tax rate or decreasing the level of services to their citizens (including ERDA-related employees and families). Neither choice is acceptable when viewed in the light of the objectives of the Community Act, one of which is to assure that a level of services is maintained which will attract and keep employees at the ERDA facilities.

The original MED project at Oak Ridge was temporary wartime construction. Most of the housing built by MED and the AEC was not of the commercial real estate residential development standards. The disposal of the community, therefore, resulted in placing on the area a large volume of low cost housing which provided a lower than normal tax base while requiring a higher than normal level of services for the occupants. This, coupled with the tax exempt nature of the Federal land holdings and facilities means that residential, farm, and small industrial properties must bear essentially the entire burden for county revenues raised from local sources through the property ad valorem tax.

3. *ERDA Employment and Payroll.*—The Federal Government's Oak Ridge complex is the largest employer at a single location in the State of Tennessee. The ERDA facilities at Oak Ridge provide employment for 15,304 persons as of December 31, 1974. Of these, 5,530 (36.2 percent) live in the City of Oak Ridge; 1,985 (13 percent) in Anderson County outside the City of Oak Ridge; 1,918 (12.5 percent) in Roane County outside the City of Oak Ridge; and the remaining 5,871 (38.3 percent) live in 23 other counties in the area.

As of December 1974, the annual ERDA payroll of ERDA's Oak Ridge facilities, excluding construction amounted to $205,414,107. Approximately 41 percent of this payroll remained in the City of Oak Ridge, and 23 percent remained in Anderson and Roane Counties, outside the City of Oak Ridge.

4. *Annual Payments Being Made to Anderson and Roane Counties and the City of Oak Ridge by ERDA.*—ERDA now makes annual tax loss payments (approximately $65,000 in fiscal year 1975) to each county under section 168 of the Atomic Energy Act of 1954, as amended. This section authorizes the Administrator of ERDA, at his discretion, to make payments in lieu of property taxes to local governments in localities in which ERDA has acquired property previously subject to State and local taxation. Section 168 provides that ERDA shall be guided by the policy of not making such payments in excess of the taxes which would have been payable for such property in the condition in which it was acquired, i.e., without consideration of buildings and improvements subsequently added by the Federal Government. The ERDA payment to the two counties is based on the current assessed value of the property in the condition in which it was acquired and the current property tax rate. Inasmuch as the State of Tennessee has a uniform property classification and appraisal law, the amounts paid by ERDA are comparable to those paid on similar unimproved land in the two counties.

ERDA also makes financial assistance payments to the City of Oak Ridge under the provisions of Section 91. of the Atomic Energy Community Act of 1955, as amended. Under the Act these payments are "... made for special burdens imposed on local governmental entities in accordance with ... the Atomic Energy Act of 1954 ..." In fiscal year 1975, the ERDA payment amounted to $1,422,030.

D. BURDENS VERSUS BENEFIT STUDY

Section 168 of the Atomic Energy Act of 1954, as amended, also authorizes the ERDA to make payments in excess of the tax loss payments in cases where special burdens have been cast upon the State or local government by activities of ERDA. In such cases, any benefit accruing to the State or local government by reason of such activities shall be considered in determining the amount of the payment. Both Anderson and Roane Counties requested annual payments of $1,000,000 under the burdens benefits provision in 1970. The Anderson County request was supported by a study. The Atomic Energy Commission, ERDA's predecessor, contracted with the University of Tennessee for an in-depth study to develop facts and data from which a determination could be made. The AEC concluded that while none of the studies constituted an adequate basis for quantifying special burdens over any benefits it found that the two counties were faced with peculiar fiscal problems by reason of the location of AEC operations and its employees within their boundaries and the construction within their boundaries of the federally owned and operated community that is now the City of Oak Ridge.

The AEC subsequently proposed to the Office of Management and Budget (OMB) that the AEC's fiscal year 1975 authorization be amended to provide for additional payments to the two counties. However, OMB did not concur. The JCAE subsequently added funds to the AEC's fiscal year 1975 authorization.[1]

Although the Commission concluded that the studies did not provide an adequate basis to quantify "special burdens" imposed upon Anderson and Roane Counties by the activities of the Commission within the meaning of Section 168 of the Atomic Energy Act of 1954, as amended, the Commission agreed that those local governments were faced with peculiar fiscal problems by reason of the location of the AEC operations and their employees within their boundaries. The Commission noted that Anderson and Roane Counties contain the City of Oak Ridge, which receives financial assistance under Section 91 of the Atomic Energy Community Act of 1955, as amended, and that the AEC reservation, which at one time included the federally-owned community which is now part of the City of Oak Ridge, was carved out of the boundaries of Anderson and Roane Counties. The Commission then concluded that the financial problems of the three local governments were substantially similar in nature and that, based on equitable principles, Anderson and Roane Counties should receive additional financial assistance. It was on this basis that the Commission then requested approval from OMB to recommend a revision of its fiscal year 1975 authorization bill.

The Administrator of ERDA, after reviewing the situation in 1975, reached a similar conclusion and ERDA's fiscal year 1976 budget request to OMB contained funds for Anderson and Roane Counties. Further, the Administrator looked favorably upon enactment of S. 1378. His reasoning was similar to that followed by the Commission. The OMB, however, deleted the funds from the fiscal year 1976 budget and did not concur in the Administrator's recommendation that S. 598 be enacted. The JCAE has added funds to ERDA fiscal year 1976 authorization.[2]

CHRONOLOGY OF ANDERSON AND ROANE COUNTIES' EFFORTS TO RECEIVE FINANCIAL ASSISTANCE

Fiscal year 1959: Initial In Lieu of Tax Payments to Counties—Lump Sum Settlements for Prior Years.

March 15, 1963: Local Office of AEC asked to consider study of Burdens over Benefits.

March 22, 1963: Request denied by AEC local office.

April 23, 1963: Headquarters office denies same request.

August 8, 1968: Letter from AEC to Mayor of Oak Ridge requiring City to comprehensively study all possible tax sources as condition of continuing study.

September 13, 1968: AEC "identifies" and directs what city tax sources to be studied.

Fall 1969: City requests permission to add study of toll enrichment as "source" of private non-AEC operating funds for city.

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[1] Report No. 93–773.

[2] S. Rept. 94–104.

January 17, 1969: AEC, through Deputy Manager directs city not to study uranium enrichment as tax source.

Early, 1970: Anderson County requests study be undertaken by independent outside group which would define Burdens over Benefits and be a well-known professional organization.

February 6, 1970: At a meeting in Germantown with Commissioners, Assistant General Manager, Comptroller, and community specialist, the Anderson County Committee was advised that it was illegal for the Federal Government to spend funds for a study that might result in requiring the Federal Government to make payments to a local government.

Fall 1970: Subsequent to AEC's decision not to finance a study by experts, Anderson County's Tax Study Committee interviewed eight different technical consulting groups, who declined to undertake such a study because of no known standard statistical technique or accounting procedure that would show burdens over benefits with accuracy. Anderson County then decided to undertake its own study.

September 30, 1970: Chief Counsel states enrichment fee is not legally advisable for the city or county payments because uranium by contract was titled to the commission while in Oak Ridge, even though work is done by private contractors, further stated federal statute would be required.

January 20, 1971: Letter by General Manager to County Judge expresses opposite conclusion in following direct quote:

"The present enrichment charge of $26 per unit of separative work was established in 1967 pursuant to formally established criteria which specified that the AEC charge would be based on the recovery of all appropriate costs of the enriching service. Included in these costs are all taxes actually paid by the Commission's contractors relating to the enriching services, a pro rata portion of the payments in lieu of taxes to Roane County and a pro rata portion of the financial assistance payments to the City of Oak Ridge."

February 25, 1971: Anderson County representatives met with Chairman and other AEC representatives in Washington and discussed the Anderson County Study and request for $1,000,000 annual payments.

March 16, 1971: Letter from Chairman to Judge stating the Commission Staff was analyzing the study.

March 24, 1971: Meeting with Oak Ridge City Council, reaffirms letter of January 20, 1971. Following is quoted from minutes of that meeting:

"Mr. Hollingsworth then asked his staff for various opinions, the concensus being that they could not administratively agree to permit the City of Oak Ridge to collect a tax or fee on uranium separative work charges. They stated that they now prorate $585,000 per year of the financial assistance payments to the City as well as a pro rata share of the $1.6 Million in state use tax to the separative work charges. They expect to continue this practice throughout the seventies.

"Mr. Hollingsworth indicated that changes were difficult to administratively come by because they now have to convince the Office of Management and Budget on every AEC detailed expenditure. Each new item the AEC places in the budget is questioned by the OMB and is often deleted. The OMB is extremely tight with the purse strings on all federal expenditures as everyone is aware. AEC is now submitting the FY '72 budget to Congress and the FY '73 budget will be presented in about 30 days."

July 9, 1971: Letter from General Manager, AEC to Judge stating that AEC had completed its analysis, concluding that the Anderson County Study did not constitute an adequate basis for arriving at a judgment as to the impact of the AEC's activities on the Anderson County Government. Further stated that the Commission "was prepared, *at its own expense*, to contract an independent party to make a study to assist the Commission in resolving this question," This is directly opposite to statement of February 6, 1970, "that it was illegal for the Federal Government to spend funds that might result in requiring the Federal Treasury to make payments to a local government.

August 4, 1971: Anderson County informed AEC that "the results of a study, under the narrow ground rules suggested by the Commission, would not be meaningful."

September 28, 1971: Anderson County affirmed its willingness to participate in the study but requested that the county be allowed a representative to work with U. T. and AEC.

December, 1971: AEC entered into a contract with the University of Tennessee, Business and Economic Research Center for the study requiring eighteen months at an approximate cost of $80,000,000. Anderson County, still feeling that such a study made under the limiting criteria set out in the contract would not be meaningful, agreed to cooperate with the U. T. Staff members making the study and furnish such information as was needed.

June 30, 1973: The U. T. Study was completed and substantiated Anderson County's study and request for financial assistance.

August 9, 1973: A meeting was held with the U. T. Study Team, AEC representatives and the Anderson County Committee, where certain study procedures and findings were questioned and explanations were given.

August 16, 1973: Anderson County representatives met with Oak Ridge AEC Manager who advised that the U. T. Study could be rejected even though it was made at the request of AEC. Anderson County requested that no definite AEC decision be made until a brief supplemental study could be submitted by Anderson County's Tax Study Committee.

December 10, 1973: Anderson County's Supplemental Study sent AEC Chairman Dixy Lee Ray, with copies to the other commissioners, and the Oak Ridge AEC offices.

January 3, 1974: AEC Commissioner Larson wrote Judge stating the AEC staff was ready to finalize its recommendation to the Commission.

February 13, 1974: Anderson County representatives met with Commissioner, and other AEC staff members, in an informal discussion regarding Anderson County's request for financial assistance.

February 22, 1974: Anderson and Roane County representatives met in Oak Ridge with AEC Chairman and others regarding this matter.

April 3, 1974: JCAE Report on Authorization Bill includes $250,000.00 for Anderson and $295,000.00 for Roane as payment for special financial burdens.

April 24, 1974: Testimony presented by Roane and Anderson Counties before Sub-Committee on Public Works and AEC Committee on Appropriations.

October 29, 1974: Payments received by Counties; Anderson $250,000.00 and Roane $295,000.00 under provision of P.L. 93-276 and P.L. 93-393 payments made in view of the special financial burden related to the AEC operations in Oak Ridge.

Conclusions of the Study by the Joint Tax Study Committee of the Roane and Anderson Counties

A. The Government nuclear facilities and activities of Oak Ridge dominate—

The Government-owned nuclear complex at Oak Ridge, together with the large ERDA and TVA land holdings, effectively dominate and control the basic economy in Roane and Anderson Counties. The magnitude of the Oak Ridge requirements for manpower, housing, school, utilities, and associated services and facilities, coupled with the single, large employer syndrome, are effective deterrents to attracting other large privately owned industry to the Counties.

B. Increased demands for county government services are attributable to the Government—

The Government-owned industrial complex at Oak Ridge is primarily responsible for the change in the Counties from rural to urban status, the permanent increases in County population, and demands for more and higher levels of County governmental services. The City of Oak Ridge, which is an integral part of both Counties, was created by the Federal Government and directly contributes to the unusual financial burdens imposed on the Counties.

C. Residential, farm, and private businesses bear an unfair, inordinate and excessive portion of requirements for county revenues from local sources—

The tax exempt Government-owned industrial complex at Oak Ridge does not contribute a fair share of the costs of County governmental services. This means that residential, farm, and other industrial properties must bear the entire burden for County revenues raised from local sources—namely the property *ad valorem* tax. The restricted property base for *ad valorem* tax purposes due to the exclusion of Federal land and the ERDA plant and equipment at Oak Ridge necessitate effective ad valorem tax rates which are excessive and inordinate in relation to those prevailing in comparable Tennessee counties.

D. AEC criteria for assessing burdens vs. benefits are illogical, contrary to P.L. 84-221, and the guidelines of the JCAE—

Roane and Anderson Counties are adversely affected by the existence and tax exempt status of the Government owned industrial complex at Oak Ridge to the same extent and in the same manner as the City of Oak Ridge. However, the AEC criteria for assessing burdens and benefits under Section 168 are illogical, contrary to the findings of the JCAE, and produce unconsionable results. The maintenance of County services at levels which do not impede the recruitment and retention of personnel for the Government-owned facilities is as significant for the continued success of the ERDA activities at Oak Ridge at the governmental services provided by the City of Oak Ridge.

Moreover, the special fiscal problems of the Counties due to the construction and operation of the Oak Ridge industrial complex, the creation of the City of Oak Ridge within the geographical boundaries of the Counties, and the other burdens imposed on the Counties by reason of the Government-owned facilities are essentially the same as those encountered by the City of Oak Ridge; i.e., inadequate property tax base for ad valorem taxes, requirements for governmental services commensurate with the needs of the Government-owned facilities.

The benefits to the Counties by reason of the Government facilities at Oak Ridge are no greater than those that would result if that industrial complex were privately owned. The burdens imposed on the Counties also are or would be essentially the same, with one exception: A privately owned industrial complex of equal size would provide a substantial amount of local tax revenues. The "tax loss" payments by ERDA on the unimproved value of the land removed from County tax rolls and the P.L. 81-874 payments for school children whose parents are employed by the Oak Ridge facilities do not begin to equate with the ad valorem taxes that would be contributed if these facilities were privately owned.

E. The rationale for annual assistance payments to the City of Oak Ridge is equally applicable to Roane and Anderson Counties—

The annual assistance payments to the City of Oak Ridge under P.L. 84–221 are in recognition of a government created situation that imposes peculiar financial problems on local governments that have responsibility for governmental services in the areas where the ERDA nuclear facilities are located and in which the employees at such facilities and their families, live. The Act recognizes that the establishment of large Government-owned industrial facilities employing many thousands of employees in isolated areas, and the attendant increase in requirements for local governmental services do generate burdens which should not be the sole responsibility of the residents of the area involved. The City of Oak Ridge is an integral part of the Counties, and approximately 62% of the personnel employed by the ERDA facilities are residents of the Counties. The impacts of the ERDA operations at Oak Ridge on local governments are the same for both the Counties and the City, and the responsibilities of the Counties extend to all ERDA personnel (and their families) whether they live in City or in the Counties outside the City. All of the justifications for annual assistance payments by ERDA to the City of Oak Ridge apply equally to the Counties and support a determination that the Federal Government also should make annual assistance payments to the Counties of just and reasonable sums.

Mr. MONTOYA. I have no objection to the amendment. I am prepared to yield back the remainder of my time.

Mr. BAKER. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the amendment was adopted.

Mr. MONTOYA. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 850

Mr. BAKER. Mr. President, I have one further amendment which I have discussed with the distinguished manager of the bill (Mr. Montoya) and the chairman of the Joint Committee on Atomic Energy (Mr. Pastore). If agreeable, I will call that amendment up now. I call up my amendment No. 850 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Tennessee (Mr. Baker) proposes amendment No. 850.

Mr. BAKER. Mr. President, I ask that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 23, after line 5, insert the following: "Project 76–6–g, additional facilities, enriched uranium production, locations undetermined, $25,000,000.".

Mr. BAKER. Mr. President, the administration has submitted to the Congress a legislative proposal under which governmental assurances would be provided to private industry so that it could provide the needed additional uranium capacity. That legislative proposal includes a section whch would authorize the Administrator of ERDA to initiate construction planning and design activities for expansion of an existing uranium enrichment facility.

There is no assurance at the moment whether the proposed legislation will be passed, when it will be passed, or the final form it will take in the event that it is passed. The committee has received testimony from ERDA and other Government officials, as well as from industry representatives, which emphasizes the need for priority action to be taken to provide additional uranium enrichment capacity. In view of the importance of the subject, and the uncertainties which surround the fate of the administration's proposal, there is an obvious need to implement now backup contingency measures. The administration's proposal as I have heretofore observed, would authorize a contingency backup.

In view of the fact that time is of the essence, the amendment which I am offering would permit ERDA to proceed promptly if it is determined that the Government must construct additional uranium enrichment capacity. Without such authority to permit conceptual design activities and research and development to proceed, the existing uranium enrichment gap could indeed be aggravated if the final legislative decision is for the Government, initially, to construct the needed additional capacity.

Mr. President, I ask unanimous consent to have printed in the Record at this point certain documents which have emanated from the White House.

There being no objection, the documents were ordered to be printed in the Record, as follows:

Summary Factsheet, the President's Plan for a Competitive Nuclear Fuel Industry

THE PRESIDENT'S ACTION

The President today announced administrative actions and a legislative proposal to:

Increase the United States' capacity to produce enriched uranium to fuel domestic and foreign nuclear power plants.

Retain U.S. leadership as a world supplier of uranium enrichment services and technology for the peaceful uses of nuclear power.

Assure the creation, under appropriate controls of a private, competitive uranium enrichment industry in the U.S.—ending the current Government monopoly.

Accomplish these objectives with little or no cost to taxpayers and with all necessary controls and safeguards.

BACKGROUND

The U.S. capacity for refining or "enriching" uranium to make fuel for nuclear electric generating plants is now fully committed.

Work on constructing new capacity must begin soon so that plants will be ready to meet domestic and foreign requirements by about 1983.

Efforts to encourage the creation of a competitive uranium enrichment industry have shown that certain forms of Government cooperation and temporary assurances are necessary to permit private firms to enter the industry.

The need for added capacity provides the opportunity for specific actions by the Government to encourage private entry.

HIGHLIGHTS OF THE PLAN

The President's plan includes:

A legislative proposal, the Nuclear Fuel Assurance Act of 1975, which would authorize the Government to enter into certain cooperative arrangements with private industrial firms that wish to finance, build, own and operate plants to provide uranium enrichment services.

A pledge by the President to foreign and domestic customers that the Government will assure that orders placed with private producers will be fulfilled as services are needed.

Opportunities for foreign investment, with control of these plants remaining in U.S. hands.

All necessary controls and safeguards concerned with (a) preventing the diversion of nuclear materials and the spread of sensitive technology, (b) environmental impact, (c) safety, and (d) antitrust.

To the Congress of the United States:

Every so often, a Nation finds itself at a crossroads. Sometimes, it is fortunate and recognizes it has a choice. Sometimes, it does not.

We are at such a crossroads in America today.

The course we select will touch the lives of most of us before the end of this century and surely affect the lives of generations of Americans yet to come.

Today, I am asking the Congress to join me in embarking this Nation on an exciting new course which will help assure the energy independence we seek and a significantly strengthened economy at the same time.

I am referring to the establishment of an entirely new private industry in America to provide the fuel for nuclear power reactors—the energy resource of the future. I am referring to uranium enrichment which is presently a Federal Government monopoly.

Without question, our energy future will become more reliant on nuclear energy as the supplies of oil and natural gas diminish.

The questions we must answer are (1) whether the major capital requirements for constructing new uranium enrichment facilities will be paid for by the Federal taxpayer or by private enterprise, and (2) whether a major new and expanding segment of our economy will be under the control of the Federal Government or the private sector.

The private sector has already demonstrated its capability to build and operate uranium enrichment facilities under contracts with the Federal Government. Since it is also willing to provide the capital needed to construct new uranium enrichment plants, I am asking the Congress to enact legislation to enable American industry—with all its financial resources, management capability and technical ingenuity—to provide the enriched uranium needed to fuel nuclear power plants.

I believe this is the proper and correct course for America to take. The alternative is continued Federal monopoly of this service at a cost to the taxpayers of at least $30 billion over the next 15 years.

The enrichment of uranium—which means, in brief, separating the fissionable U–235 in uranium from non-fissionable parts to provide a more potent mixture to fuel nuclear reactors—is an essential step in nuclear power production.

For more than twenty years, the United States Government has supplied the enrichment services for every nuclear reactor in America and for many others throughout the world. Our leadership in this important field has enabled other nations to enjoy the benefits of nuclear power under secure and prudent conditions. At the same time, this effort has been helpful in persuading other nations to accept international safeguards and forego development of nuclear weapons. In addition, the sale of our enrichment services in foreign countries has returned hundreds of millions of dollars to the United States.

These enrichment services have been provided by plants—owned by the Government and operated by private industry—in Oak Ridge, Tennessee, Portsmouth, Ohio, and Paducah, Kentucky. A $1-billion improvement program is now underway to increase the production capacity of these plants by 60 percent. But this expanded capacity cannot meet the anticipated needs of the next 25 years.

The United States is now committed to supply the fuel needs for several hundred nuclear power plants scheduled to begin operation by the early 1980's. Since mid-1974, we have been unable to accept new orders for enriched uranium because our plant capacity—including the $1-billion improvement—is fully committed.

In short, further increases in enrichment capacity depend on construction of additional plants, with seven or eight years required for each plant to become fully operational.

Clearly, decisions must be made and actions taken today if we are to insure an adequate supply of enriched uranium for the nuclear power needs of the future and if we are to retain our position as a major supplier of enriched uranium to the world.

It is my opinion that American private enterprise is best suited to meet those needs. Already, private industry has demonstrated its willingness to pursue the major responsibilities involved in this effort. With proper licensing, safeguards, cooperation and limited assurances from the Federal Government, the private sector can do the job effectively and efficiently—and at enormous savings to the American taxpayer. In this way, direct public benefits will be provided on a long-term basis by private capital, not by taxpayers.

Accordingly, I am proposing legislation to the Congress to authorize Government assurances necessary for private enterprise to enter into this vital field.

A number of compelling reasons argue for private ownership, as well as operation, of uranium enrichment plants. The market for nuclear fuel is predominantly in the private sector. The process of uranium enrichment is clearly industrial in nature.

The uranium enrichment process has the making of a new industry for the private sector in much the same tradition as the process for synthetic rubber—with early Government development eventually being replaced by private enterprise.

One of the strengths of America's free enterprise system is its ability to respond to unusual challenges and opportunities with ingenuity, vigor and flexibility. A significant opportunity may be in store for many firms—old and new—to participate in the growth of the uranium enrichment industry. Just as coal and fuel oil are supplied to electric utilities by private firms on a competitive basis, enriched uranium should be supplied to them in the same fashion in the future.

The energy consumer also stands to benefit. The production of nuclear power now costs between 25 and 50 percent less than electricity produced from fossil fuels. It is not vulnerable to the supply whims or unwarranted price decrees of foreign energy suppliers. And based on the past fifteen years of experience, commercial nuclear power has an unparalleled record of safe operation.

The key technology of the uranium enrichment process is secret and will remain subject to continued classification, safeguards and export controls.

But for several years, a number of qualified American companies have been granted access ot the Government's technology under carefully controlled conditions to enable them to assess the commercial potential for private enriching plants.

The Government-owned gaseous diffusion enriching plants have run reliably and with ever-improving efficiency for more than a quarter of a century. One private group has chosen this well-demonstrated process as part of its $3.5 billion proposal to build an enrichment plant serving 90 nuclear reactors here and abroad in the 1980's. Others are studying the potential of the newer gas centrifuge process. Though not yet in large-scale operation, the centrifuge process—which uses much less power than the older process—is almost ready for commercial application.

I believe we must move forward with both technologies and encourage competitive private entry into the enrichment business with both methods. A private gaseous diffusion plant should be built first to provide the most urgently needed increase in capacity, but we should proceed simultaneously with commercial development of the centrifuge process.

With this comprehensive approach, the United States can reopen its uranium enrichment "order book," reassert its supremacy as the world's major supplier of enriched uranium, and develop a strong private enrichment industry to help bolster the national economy.

For a number of reasons, a certain amount of governmental involvement is necessary to make private entry into the uranium enrichment industry successful.

The initial investment requirements for such massive projects are huge. The technology involved is presently owned by the Government. There are safeguards that must be rigidly enforced. The Government has a responsibility to help ensure that these private ventures perform as expected, providing timely and reliable service to both domestic and foreign customers.

Under the legislation I am proposing today, the Energy Research and Development Administration would be authorized to negotiate and enter into contracts with private groups interested in building, owning and operating a gaseous diffusion uranium enrichment plant.

ERDA would also be authorized to negotiate for construction of several centrifuge enrichment plants when more definitive proposals for such projects are made by the private sector.

Contract authority in the amount of $8 billion will be needed, but we expect almost no actual Government expenditures to be involved. In fact, the creation of a private enrichment industry will generate substantial revenues for the United States Treasury through payment of Federal income taxes and compensation for use of Government-owned technology.

Under the proposed arrangements, there will be an opportunity for foreign investment in these plants, although the plants will remain firmly under U.S. control. There will be no sharing of U.S. technology and, there will be limitations on the amount of capacity each plant can commit to foreign customers.

In addition, all exports of plant products will continue to be made pursuant to Governmental Agreements for Cooperation with other Nations. All will be subject to appropriate safeguards to preclude use for other than agreed peaceful purposes.

Foreign investors and customers would not have access to sensitive classified technology. Proposals from American enrichers to share technology would be evaluated separately, and would be subject to careful Government review and approval.

Finally, the plants proposed will be designed and built to produce low enriched fuel which is suitable only for commercial power reactors—not for nuclear explosives.

In the remote event that a proposed private venture did not succeed, this legislation would enable the Government to take actions necessary to assure that plants will be brought on line in time to supply domestic and foreign customers when uranium enrichment services are needed.

I have instructed the Energy Research and Development Administration to implement backup contingency measures, including continuation of conceptual design activities, research and development, and technology assistance to the private sector on a cost-recovery basis.

ERDA would also be able to purchase from a private firm design work on components that could be used in a Government plant in the unlikely event that a venture fails.

Finally, I pledge to all customers—domestic and foreign—who place orders with our private suppliers that the United States Government will guarantee that these orders are filled as needed. Those who are first in line with our private sources will be first in line to receive supplies under this assurance. All contracted obligations will be honored.

I also pledge that cooperative agreements made with private firms under the proposed new authority will fully reflect the public interest. In fact, all contracts will be placed before the Congress in advance of their effectiveness. The Congress will have full and complete review of each one.

In sum, the program I am proposing will take maximum advantage of the strength and resourcefulness of industry and Government.

It will reinforce the world leadership we now enjoy in uranium enrichment technology. It will help insure the continued availability of reliable energy for America. It will move America one big step nearer energy independence.

Although the development of a competitive nuclear fuel industry is an important part of our overall energy strategy, we must continue our efforts to conserve the more traditional energy resources on which we have relied for generations. And we must accelerate our exploration of new sources of energy for the future—including solar power, the harnessing of nuclear fusion and development of nuclear breeder reactors which are safe, environmentally sound and reliable.

I ask the Congress for early authorization of this program.

Gerald R. Ford.

The White House, *June 26, 1975.*

Text of Letters From the President to the Speaker of the House of Representatives and the President of the Senate

Dear Mr. President, Dear Mr. Speaker: I have today sent to the Congress a message describing my plan for securing the construction of additional uranium enrichment plants in the United States by private industry to meet the growing needs of the expanding nuclear power industry.

A critical element of this plan is legislation to authorize the Administrator of the Energy Research and Development Administration to enter into cooperative agreements with private firms to foster, through Government cooperation and temporary assurances, the creation of a competitive private uranium enrichment industry. I am enclosing a proposed bill, the Nuclear Fuel Assurance Act of 1975, which would provide the authority needed to achieve the objectives described in my message. A brief analysis of the bill is also enclosed.

I urge the Congress to pass this legislation at the earliest possible date so that we can take a major step toward our goal of energy independence.

Sincerely,

Gerald R. Ford.

A bill to authorize cooperative arrangements with private enterprise for the provision of facilities for the production and enrichment of uranium enriched in the isotope 235, to provide for authorization of contract authority therefor, and for other purposes

Be it enacted by the Senate and the House of Representatives of the United States of

America in Congress assembled. That this Act may be cited as the "Nuclear Fuel Assurance Act of 1975."

Sec. 2. Chapter 5. Production of special nuclear material of the Atomic Energy Act of 1954, as amended, is amended by adding at the end thereof the following Section:

"Sec. 45 Cooperative Arrangements for Private Projects to Provide Uranium Enrichment Services—

"a. The Energy Research and Development Administration is authorized, without regard to the provisions of Section 169 of this Act, to enter into cooperative arrangements with any person or persons for such periods of time as the Administrator of the Energy Research and Development Administration may deem necessary or desirable for the purpose of providing such Government cooperation and assurances as the Administrator may deem appropriate and necessary to encourage the development of a competitive private uranium enrichment industry and to facilitate the design, construction, ownership and operation by private enterprise of facilities for the production and enrichment of uranium enriched in the isotope 235 in such amounts as will contribute to the common defense and security and encourage development and utilization of atomic energy to the maximum extent consistent with the common defense and security and with the health and safety of the public; including, inter alia, in the discretion of the Administrator,

(1) furnishing technical assistance, information, inventions and discoveries, enriching services, materials, and equipment on the basis of recovery of costs and appropriate royalties for the use thereof;

(2) providing warranties for materials and equipment furnished;

(3) providing facility performance assurances;

(4) purchasing enriching services;

(5) undertaking to acquire the assets or interest of such person, or any of such persons, in an enrichment facility, and to assume obligations and liabilities (including debt) of such person, or any of such persons, arising out of the design, construction, ownership, or operation for a defined period of such enrichment facility in the event such person or persons cannot complete that enrichment facility or bring it into commercial operation: *Provided* that any undertaking, pursuant to this subsection 5, to acquire equity or pay off debt, shall apply only to individuals who are citizens of the United States, or to any corporation or other entity organized for a common business purpose, which is owned or effectively controlled by citizens of the United States; and

(6) determining to modify, complete and operate that enrichment facility as a Government facility or to dispose of the facility at any time, as the interest of the Government may appear, subject to the other provisions of this Act.

"b. Before the Administrator enters into any arrangement or amendment thereto under the authority of this section, or before the Administrator determines to modify, or complete and operate any facility or to dispose thereof, the basis for the proposed arrangement or amendment thereto which the Administrator proposes to execute (including the name of the proposed participating person or persons with whom the arrangement is to be made, a general description of the proposed facility, the estimated amount of cost to be incurred by the participating person or persons, the incentives imposed by the agreement on the person or persons to complete the facility as planned and operate it successfully for a defined period, and the general features of the proposed arrangement or amendment), or the plan for such modification, completion, operation or disposal by the Administrator, as appropriate, shall be submitted to the Joint Committee on Atomic Energy, and a period of forty-five days shall elapse while Congress is in session (in computing such forty-five days, there shall be excluded the days on which either House is not in session because of adjournment for more than three days) unless the Joint Committee by resolution in writing waives the conditions of, or all or any portion of, such forty-five day period: *Provided*, however, that any such arrangement or amendment thereto, or such plan, shall be entered into in accordance with the basis for the arrangement or plan, as appropriate, submitted as provided herein."

Section 3. The Administrator of the Energy Research and Development Administration is hereby authorized to enter into contracts for cooperative arrangements, without fiscal year limitation, pursuant to Section 45 of the Atomic Energy Act of 1954, as amended, in an amount not to exceed in the aggregate $8,000,000,000 as may be approved in an appropriation Act. In the event that liquidation of part or all of any financial obligations incurred under such cooperative arrangements should become necessary, the Administrator of the Energy Research and Development Administration is authorized to issue to the Secretary of the Treasury notes or other obligations up to the levels of contract authority approved in an appropriation Act pursuant to the first sentence of this section in such form and denomination, bearing such maturity and subject to such terms and conditions as may be prescribed by the Administrator with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturity at the time of issuance of the notes or other obligations. The Secretary of the Treasury shall purchase any notes or other obligations issued hereunder and, for that purpose, he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that Act, as amended, are extended to include any purchase of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States. There are authorized to be appropriated to the Administrator such sums as may be necessary to pay the principal and interest on the notes or obligations issued by him to the Secretary of the Treausry.

Section 4. The Administrator of the Energy Research and Development Administration is hereby authorized to initiate construction planning and design activities for expansion of an existing uranium enrichment facility. There is hereby authorized to be appropriated such sums as may be necessary for this purpose.

Bill Analysis

Section 1 of the proposed bill cites the Act as the "Nuclear Fuel Assurance Act of 1975."

Section 2 of the proposed bill would amend Chapter 5, Production of Special Nuclear Material, of the Atomic Energy Act, as amended, by adding a new Section 45, entitled "Cooperative Arrangements for Private Projects to Provide Uranium Enrichment Services."

Subsection a. of the new Section 45 would authorize the Administrator of the Energy Research and Development Administration (ERDA) to enter into cooperative arrangements with private enterprise to facilitate the development of a competitive private industry for the enrichment of uranium to make fuel for nuclear power plants. This subsection would enable the Administrator to promote private investment in the construction, ownership and operation of uranium enrichment plants by providing such Government cooperation and assurances as are determined to be necessary and in the best interests of the Government after detailed negotiation with selected individual proposers of enrichment services. Such negotiations would be directed toward obtaining arrangements most advantageous to the Government and the public interest and with a degree of risk to the private entrepreneurs consistent with the objective of creating a private competitive uranium enrichment industry.

Cooperative arrangements authorized by Section 45a could include such Government cooperation and assurances as enumerated in the bill, including the specific authority provided in subsection 45a(5), for the Government to acquire the assets or interests and assume the liabilities (including debt) of a private enrichment firm in the event—which is highly unlikely—that private industry could not complete a plant or bring it into operation. It is intended that any undertaking by the Government under subsection 45a(5) to acquire assets or interest and to assume liabilities of a private venture would terminate after approximately one year of commercial operation of a plant. The precise period would be defined during the negotiations of defined agreements. Any obligations to pay off debt and to acquire equity interest would be limited to citizens of the United States.

Subsection b. of the new Section 45 would provide for review by the Joint Committee on Atomic Energy of the basis for any cooperative arrangement, or amendment thereof, which the Administrator proposes to undertake, including the basis for acquiring assets or interests, or assuming liabilities of any private venture, and any plan the Administrator may have for modifying, completing, or disposing of any plant built under a cooperative agreement.

Section 3 of the proposed Nuclear Fuel Assurance Act would authorize the Administrator of ERDA to enter into contracts, pursuant to the new subsection 45a in an amount not to exceed $8 billion, as may be provided in appropriation Acts. This amount is an estimate of the total potential cost to the Government in the unexpected event that all private ventures covered by cooperative arrangements were to fail and it was then necessary for the Government to assume assets and liabilities of the ventures, take over plants, and compensate domestic investors. It is not expected that any of these funds would be expended for the assumption of private ventures, but the authorization is necessary to provide assurance, to customers and sources of debt financing for private producers, of the Federal Government's commitment to create a competitive industry.

Section 3 would also provide that, in the event of Government assumption of the debts, interests and liabilities of a private venture, the Administrator is authorized to secure funds through the Secretary of the Treasury to liquidate contract authority, up to the levels previously provided in an appropriations Act.

Section 4 of the proposed bill would authorize the Administrator of ERDA to initiate preliminary engineering design and planning for expansion of a Government-owned uranium enrichment facility for contingency purposes.

Mr. MONTOYA. Mr. President, we have analyzed the effect of this amendment. We are prepared to accept it. I yield back the remainder of my time.

Mr. BAKER. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BAKER. I move to reconsider the vote by which the amendment was agreed to.

Mr. PASTORE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. Who yields time?

The question recurs on the amendment of the Senator from Alaska (Mr. GRAVEL).

Mr. GRAVEL. Mr. President, I am prepared to take up my amendment. Is it satisfactory?

The PRESIDING OFFICER. We will suspend until the Senate is in order.

Mr. GRAVEL. Mr. President, in a recent report called "Solar Energy for Earth," the American Institute of Aeronautics and Astronautics said,

> The rapid development of terrestrial solar energy . . . is limited almost solely by economic rather than technological factors. . . . (S) olar energy could provide 10 to 20 percent of the world's energy supply by the year 2000 if its development and use are vigorously promoted.

This assessment is consonant with many other estimates of recent years. The AEC's Subpanel IX report on solar energy, written in 1973, says:

> Through widespread application of (solar) technologies it is estimated that 10 to 30 per cent of the Nation's required BTUs can be provided by the year 2000, and as much as 50 per cent by the 2020.

The FEA's Project Independence report on solar energy last November cited an "upper-bound" solar energy contribution of more than 35 quads in 2000. Present annual consumption in the United States is around 75 quads, a quad being a quadrillion (10^{15}), Btu's. The Ford Foundation energy policy project has estimated that, with conservation, U.S. energy demand in 2000 is likely to be about 120 quads.

The inherent desirability of solar energy seems to me to be indisputable. Its "fuel" supply is free, clean, and inexhaustible. Its technology is simple and benign. And contrary to the pessimistic appraisals of some vested energy interests, we need not wait till the 21st century to begin enjoying its benefits.

S. 598, authorizing appropriations through September 30, 1976, for the Energy Research and Development Administration, authorizes $96,200,000 for solar energy development in fiscal year 1976, and $24,300,000 for the period July 1, 1976, through September 30, 1976. I propose that these figures be raised to $158,788,000 and $42,040,000. It will offer an amendment to this effect, and I invite your support.

The increases I propose are in solar thermal conversion, photovoltiac conversion, and ocean thermal conversion. The Mitre Corp. has said that the theoretical potential of each one of these solar energy systems could exceed the entire electrical demand of the Nation.

Spending authority is also added for energy storage.

Mr. President, all we are asking for is an addition in the solar area of $36 million and $340,000. These sums are identical or slightly less than what the House has already passed. All we would be doing would be confirming sums to their level. I think at the present time, when we cry out in an energy crisis, when the Senate can show it is as parsimonious in the area of solar energy, we are missing the target and missing our responsibility. I see nothing wrong by increasing the authority. It shows the degree of commitment that we have to becoming a solor society rather than a plutonium society. I would hope that the manager of the bill would see this as not a great intrusion upon their decision-making process and would accept this amendment since we are talking about authorizations.

I reserve the remainder of my time and wish a comment from the manager of the bill.

The PRESIDING OFFICER. Who yields time?

Mr. CHURCH. Mr. President, I yield myself such time as I may require.

Mr. President, the distinguished Senator from Alaska has proposed amendments to the pending bill that would, first of all, increase the Interior and Insular Affairs Committee recommended authorizations for portions of ERDA's solar energy and conservation research program and, second, restate the committee's authorizations for those programs in terms of obligational authority rather than costs. For reasons that I will explain in a few moments, the amendment would have a drastic impact upon the committee's bill. In fact, it would leave the committee's bill in such chaos that we would have no firm idea how much we were authorizing at all.

Before I turn to the aspect of the amendment, let me say that I share the concern expressed by the distinguished Senator from Alaska about the potential importance of solar power. It is one of those exotic energy forms with great promise. The committee has not been unmindful of its importance. It should be noted that we increased the solar energy program by $39 million above the administration request.

The end use conservation budget has been increased from $3 million to $31 million. That is a factor of tenfold. The energy storage budget has been increased by $14 million, more than double the administration request.

Every effort has been to expand the monies made available to ERDA, not only directly in the solar field, but in those other related fields that touch on solar technology.

These increases have been as large as ERDA itself told the committee it was capable of managing in the coming year. There is a point beyond which it is not possible to expand the capacity of the department in a short period of months; and even though the committee is most anxious to move ahead as rapidly as possible in the solar energy field, we have gone as far as the agency says it is capable of going within the coming year.

So I would think that authorizing still higher levels of authority in this field would prove futile and could, indeed, result in a useless waste of public money.

This bill is just an annual bill. If the very substantial additional sums that the committee has added for solar purposes, all that the Department says it can usefully use, are put to work in the coming months, we can build on that foundation next year, and I think in doing so we will have exerted maximum pressure to expand this program within the limits of the possible, taking into account the need to protect public money against wasteful or extravagant expenditures that cannot be justified on the basis of the record and the testimony made before the subcommittee.

So that is the first basis on which I oppose the amendment offered by the distinguished Senator from Alaska. The second is even more important, I think, and that has to do with the different basis on which the Senator's amendment would fund the new authorization contained in this bill.

In letters inviting cosponsorship of his amendments Senator GRAVEL states that the Interior Committee and the Joint Committee used different bases in recommending authorizations—that Interior used cost budget figures and the Joint Committee used obligational authority figures. This is not the case. ERDA—like its predecessor agency, the AEC—conducts its business on a cost-based budget in accordance with the Budget and Accounting Act of 1950 and with the approval of the Comptroller General. Both the Interior Committee and the Joint Committee recommendations are based on that budget. Both use cost-based figures. To do otherwise would subject ERDA's nuclear and nonnuclear programs to different forms of accounting and budgeting, which would introduce an element of fiscal chaos with which the department could not possibly cope.

The committee carefully considered the question which budget approach to apply to the ERDA authorizations and concluded that the cost-based method applied by the Joint Committee—the method used over the years by AEC and now preferred by ERDA—is appropriate. Such a budget directly reflects annual spending and the actual level of effort being expended on authorized programs. The committee feels the cost-based budget approach will facilitate the monitoring and oversight of ERDA's programs.

For those reasons, Mr. President, I would strongly urge that the Senate disapprove this amendment.

I yield to the Senator from Arizona.

Mr. FANNIN. First of all, I commend the distinguished Senator from Idaho, the chairman of our subcommittee and the manager of the bill, for his outstanding leadership in this field of endeavor. He has taken a tremendous interest in this activity. He chaired the hearings that were involved in making these decisions.

I also commend the staff that worked so diligently with him and with the minority—both staffs, the majority staff and the minority staff—in seeking out information in order that a determination could be made as to the need that exists for moving forward at the most rapid pace consistent with good judgment the solar energy program as well as the other programs that are involved.

I commend the distinguished Senator from Idaho because he did exact from the witnesses from ERDA, the Director and other witnesses who were before us, affirmations as to just what could be done, and then gave them encouragement to do more than they had anticipated, as is reflected in the increase that he has mentioned, going from $57 million, the amount requested by ERDA, to the $96.2 million that is now in this legislation, in addition to the other requests that have been mentioned, solar energy, and buildings and facilities going from $21.6 million to $31.6 million.

As the distinguished manager of the bill has stated, we desire successes, and it would not be wise to expend money that would not, in his estimation and the estimation of the ERDA officials and those involved in the activity, produce results that are commensurate with the cost involved.

In fact, it has been, as I have observed, the desire of the chairman of the subcommittee to proceed as rapidly as possible with these programs, recognizing the tremendous need that we have.

I am very much aware of the potential in solar energy. We happen to have a great deal of sunshine in my State of Arizona, and we have been benefiting for many years as far as the use of solar energy is concerned. In fact, as far back as 1901, solar energy facilities in Tempe, Ariz., were being used to lift water from the river for irrigation of some land. That was 11 years before we became a State. So that indicates the length of time our particular State has been involved; and through the efforts of our great statesman, the late Senator Hayden, other projects were carried through. Tempe, Ariz., happened to be his hometown.

But, Mr. President, we do have funds in this bill to carry through the programs that I think, as the chairman of our subcommittee has stated, represent the necessary amount that can be efficiently spent by ERDA.

As to the request that has been made by the distinguished Senator from Alaska, I support his enthusiasm over solar energy; he is to be commended for wanting to go forward with a solar energy program, but at the same time I think the distinguished manager of the bill has very aptly covered exactly what is involved, and I support his position on the measure.

Mr. HASKELL. Mr. President, will the Senator from Idaho yield a minute to me?

Mr. CHURCH. I am happy to yield to the Senator from Colorado.

Mr. HASKELL. Mr. President, I congratulate the subcommittee chairman and the ranking minority member for the depth of consideration that they gave to this ERDA budget. I was present at many of the hearings and much of the markup sessions. As a result of their combined efforts, the ERDA budget was substantially increased. Conversations were held with ERDA officials to see how much they could usefully spend and, based upon these conversations and the hearings, the budget was expanded in a way that as much money as can be spent is in that budget. I underline that particular fact.

I merely again commend both the distinguished Senator from Idaho and the distinguished Senator from Arizona for their very thoughtful preparation of this budget.

Mr. CHURCH. I thank the Senator very much for his gracious response.

Mr. GLENN. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. CHURCH. I yield.

Mr. GLENN. Mr. President, I ask unanimous consent that Dave Halfmeister of my staff be accorded the privilege of the floor during consideration of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. GRAVEL. Mr. President, if I could pose a question or two to the Senator from Idaho, I would appreciate that. I have great respect for the Senator from Idaho, and I know that the committee has labored long and hard on this subject.

I am just trying to seek a greater commitment from this Nation in the area of solar power. It is not a new area to me. In 1971 I had an amendment, that was not taken, on this same budget item.

I do not understand why the Committee on Interior and Insular Affairs in its deliberations cannot realize this importance. They make the point that this money cannot be spent.

The scientific community does not agree with the Committee on Interior and Insular Affairs. By and large, they feel that this money can be spent.

The House of Representatives has already appropriated $142 million. They have authorized $198 million.

All I am asking for is an authorization of $158 million, which is less by some $40 million than the House of Representatives. So there will be a large area to compromise with the House. But the House of Representatives has already appropriated this money. So, obviously, they must be in extreme error because we cannot even spend this money from the Senate's point of view. I am not asking for an appropriation. All I am asking for is a commitment. There is going to be no waste of money.

ERDA is going to have to come before the Committee on Appropriations to receive authority for every cent in this budget.

We have to demonstrate to the American people that we are serious with respect to solar energy. I do not understand why the Committee on Interior and Insular Affairs has taken this parsimonious position when it has been so generous in other areas.

We rail against the oil industry. We rail against the atomic energy industry. Here we have a fuel, which is abundant as much as all outdoors, and the Senate stands there parsimoniously authorizing less, considerably less than the House of Representatives has already appropriated.

Why could not the committee raise its authorization authority, knowing full well that the Committee on Appropriations will do its job in meting out this money efficiently and effectively.

Mr. CHURCH. First of all, I say to the Senator, there is considerable confusion in the figures because the Senate bill is based upon a cost basis, that is to say, the authorization is based upon what we expect ERDA to spend next year for solar energy. The bill of the House of Representatives is based partly at least, upon obligational authority which is a different method of accounting.

If the Senator wants to compare the figures correctly, using the same basis of accounting, that is to say the cost basis that the Senate is applying, then the Senator is incorrect in his assertion that the Senate has been parsimonious, that we have failed to provide even as much money as the House of Representatives.

The fact is that, using the same accounting basis, the House of Representatives is providing $94,434,000 for expenditure next year in the solar field, while the Senate is providing $106,200,000. So, the facts are that the Senate is actually providing more money than the House of Representatives in this field, not less.

I can only reemphasize that the increases that the committee authorized for solar energy were very large. In the overall solar budget, for example, in the operating expenses budget, the administration requested $57,100,000; the Senate committee added $39,100,000, for a total of $96,200,000. That is in the operating expenses budget alone.

In addition to that, the Senate committee added $10 million in the plant and capital account for demonstration plant purposes, so that, in effect, the Senate committee practically doubled the administration's request in this field.

Mr. GRAVEL. If our colleague will permit me, the panel of technicians that advised ERDA felt they could spend a good deal more. It is when ERDA went to the OMB that it was trimmed back.

I am surprised that the Committee on Interior and Insular Affairs would buy that trimming back, because all of the scientists who have looked at the issue recognize that we can do more.

With respect to solar thermal, the Senate Committee on Interior and Insular Affairs approved $13 million. My amendment would add another $27 million to that or rather add $14 million.

The National Science Foundation said $37 million. Mitre Corp. said $15 million. The AEC subpanel 9 said $51 million.

We can believe any group we want.

If we are going to err, why not err in the authority to spend a lot of money going towards a solar economy?

We had our eggs in one basket in nuclear fuels for decades, and now we are beginning to rub up, and the argument our colleague makes to me is that it is just a big increase. The increase is even larger than our colleague is admitting to.

In 1971, this Government was spending $1.6 million on solar energy. I had an amendment for $3 million, and I could not even get a cosponsor and could not even bring it to a vote.

We are not talking in terms of $150 million. That is such a tremendous increase.

But the technicians will tell us that they are ready to move into hardware and they are ready to make this contribution for energy meaningful.

Let us spend the money. Let us go, and we should not hold back timidly and say, "My gosh, the increase is so large already."

It is not the size that counts. It is what we can masticate in our industrial system. We can masticate, as the House of Representatives pointed out, what they have appropriated. Our colleague can go to the fact that it is difficult to manage the figures, but the House of Representatives has appropriated $142 million; the House of Representatives has authorized $194 million. The Senate is authorizing $122 million. I am asking the Senate to authorize $158 million.

Is that so much to ask? It is not spending the money. It is telling the American people that we think there is a solar energy future. We are prepared to commit ourselves aggressively to this future.

What difficulty is there to the Committee on Interior and Insular Affairs? Why be so parsimonious? I do not understand. I really do not.

I will not buy the fact that we have done a lot already. We have not done enough. We are 10 years too late in solar energy.

We all recognize that we have been derelict in the past in not focusing on this issue, and now is our chance to play catchup.

We know that we spent a third of our energy budget back in the nuclear ear, and just a paltry $120 million in solar when we could move more aggressively. Let us at least match the wisdom of the House of Representatives in this area.

I would hope that the manager of the bill will accommodate us on this very humble request. We are not asking for appropriations. We are just asking for an authorization. That is just a wish; that is all. That is not spending any money. That is a wish that we could spend that money.

Mr. CHURCH. Mr. President, I fully respect the sincerity with which the Senator from Alaska speaks. He has had a long attachment to the development of solar energy technology. It goes back a number of years. He has been a pioneer in this effort. I would expect him to plead for the largest possible program. As a matter of fact, I think he has had the same sort of attachment to solar energy that I have had to geothermal energy, where I have been one of those trying to push this development along.

I can only say to the Senator that someone has to make a judgment on how much money can be spent usefully within a given year. It fell to our subcommittee to make that judgment, based upon the best testimony we could obtain.

I reiterate that if the Senate and House measures are based upon the same cost-accounting method, the Senate bill actually is larger than the House bill, and I think the figures will sustain me in that argument.

I reiterate that the experts who came before the committee—though each one might have been wedded to a different set of figures—the best experts we had, who spoke for ERDA, who were anxious to obtain additional money, told us that they could not absorb and usefully spend more money than the committee supplies for the coming year.

With respect to the Senator's argument that other panels have made studies that have indicated that still more money could be spent in this field, I submit that those panels were speaking of programs that could be developed over a series of years. As I indicated earlier, if one is speaking about a projected program over a series of years, then, naturally, the money figure will be higher, because we are dealing from a limited base. I believe that in the coming year, the committee figures will have expanded that base sufficiently that we will be able to progress from there to a still larger program in the year to come.

I know that the Senator will not be convinced by my argument. I simply say that the committee was charged with the responsibility of making a judgment. The committee heard the evidence. We tried to be as generous as possible within the framework of what the department, itself, felt it could utilize. I submit that we have been more generous than the House. We are well on our way.

I want to recognize that the Senate and the country owe a debt of gratitude to the persistence of the Senator from Alaska, who was one of the first to see the potentiality of solar energy as an alternative source of our heavy dependence upon petroleum.

Mr. GRAVEL. I appreciate the courtesy of the Senator from Idaho.

Constraints have been placed on ERDA by the Office of Management and Budget. I do not think they should be the final word in these things; we should be. But looking to what other technicians tell us, they tell us that the AEC has a subpanel of nine scientists across the country who made recommendations to the AEC, sort of an in-house group. They recommended $188 million. The Senate is recommending $122 million.

The Mitre Corp. made a study as to what could be handled, what could be masticated into the industrial system, and they came up with $150 million, but the Senate is recommending $122 million. The National Science Foundation, an objective group, made a study, also, as to what we could handle in these coming years, and they had $154 million.

All I am asking for is that we at least match these technicians and authorize less money, almost $40 million less than the House; and when the Senator goes to conference, he can break it in the middle.

My colleague has labored long and hard here with respect to excesses. We have thrown billions of dollars around elsewhere. We are not asking to spend this money but to authorize it. We could save the body a vote and save some time if this little bagatelle for solar energy—

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. GRAVEL. Mr. President, I ask unanimous consent to have printed in the RECORD several documents in connection with this matter.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FEDERAL ENERGY ADMINISTRATION, PROJECT INDEPENDENCE BLUEPRINT, FINAL TASK FORCE REPORT: SOLAR ENERGY

INTRODUCTION

The important objective of U.S. self-sufficiency in energy production requires development of domestic energy resources that are adequate to meet long-term U.S. demands. Fossil fuels, our present major source of domestic energy supplies, are being rapidly depleted. In the search for alternative domestic resources, it is clear that there are large opportunities and advantages to the utilization of solar energy. Solar energy systems offer the potential of an important contribution to self-sufficiency by 1990; and, in the long term, a capability of supplying a very large fraction of our new energy requirements. The widespread implementation of solar energy power systems can have a strong beneficial effect on the environment.

The sun is a large, continuing source of domestically available energy. Its energy is widely distributed in the United States, and its use does not disturb the earth's heat balance. There appear to be no insurmountable technical barriers to the implementation of solar energy systems and several systems show early promise of achieving cost competitiveness with conventional systems. Solar energy systems, moreover, would conserve domestic fossil fuels and reduce dependence on imports while creating new exportable technology products, thus improving the U.S. balance-of-trade. Sociological and environmental impacts resulting from the utilization of solar energy systems are expected to be relatively small.

Development of solar energy systems will provide producers and users of energy with alternative choices of energy supplies. Because solar energy is relatively available over the entire United States, it is possible to provide either small integrated solar energy systems at points of use (dispersed production), or large central power stations and associated distribution networks. Dispersed systems are much less vulnerable to single point failures or damage compared to large central power systems with associated power distribution centers.

However, sunlight is a relatively dilute form of energy compared to fossil and nuclear fuels and requires large collection areas to provide equivalent quantities of energy. Moreover, solar energy is intermittent with variations caused by weather and with daily and seasonal changes in the supply of sunlight and wind. Thus, in some applications, energy storage, or various types of backup systems, must be used with solar energy systems to provide adequate continuity and reliability of energy output. Since large collection structures and energy storage units tend to be relatively costly, many solar energy systems have higher initial costs than competing conventional technology.

In considering the cost competitiveness of solar energy systems, one needs to take into account life cycle costs, including fuel and environmental impact costs, in addition to initial capital expenditures. When this is done, solar energy systems are expected to be economically competitive with conventional systems sooner than if capital outlays, alone, are considered.

A large number of different technologies for utilizing solar energy have been shown to be technically feasible. The collection and conversion of solar energy can provide very large quantities of energy and fuel that can be used to heat and cool buildings, provide high temperature heat, and generate electricity. Technologies exist today to convert solar energy to a variety of useful energy forms. Some of the most promising of these have been included in the six solar energy programs currently being supported by the National Solar Energy Research Program.

These technology areas include:

Solar Heating and Cooling of Buildings (Includes Agricultural Applications);

Solar Thermal Energy Conversion;

Wind Energy Conversion;

Bioconversion to Fuels;

Ocean Thermal Energy Conversion; and

Photovoltaic Electric Power Systems.

POTENTIAL IMPACTS OF SOLAR ENERGY TECHNOLOGIES

The solar energy research program, which has been initiated, could lead to an aggressive development of six solar energy technologies. It follows, to a large degree, the "Accelerated R&D Program" for solar energy submitted by Subpanel IX, as an input to the report entitled, "The Nation's Energy Future."

The analysis of the potential contribution of each of six solar energy technologies to the national energy requirements has been based on two implementation scenarios, "Business-as-Usual" and "Accelerated." Each implementation scenario is assumed to start after a successful completion of the recommended R&D program, which proceeds through the demonstration phase for each solar energy technology. Widespread demonstration and commercial development would be the natural follow-up of the R&D program.

For the "Business-as-Usual" implementation scenario, the market penetration that could be expected for each solar energy technology has been estimated from the demonstration phase onward without employing special incentives. Because these technologies are at different stages of development, their relative potential contributions vary widely for any given year.

The "Accelerated" implementation scenario uses estimates of the contributions of these solar energy technologies from the demonstration phase onward based on the application of incentives to stimulate market penetration. The recommended incentives program would vary to some degree with each technology.

Although primary emphasis has been placed on Project Independence requirements up to 1990, the potential for solar energy contributions beyond 1990 have also been estimated since, in most cases, it is predicted that there will be significant increases in market penetration for these technologies in the 1990 to 2000 time period.

Table I–1 of this overview summarizes the estimated contributions of each of the solar energy technologies for these two scenarios. Each of the entries in Table I–1 is an estimate of a possible upperbound on the implementation of these solar energy technologies based on certain assumptions. These assumptions include the projected success of the recommended research program in solving the economic, technical, sociological, and institutional problems of solar energy systems; no limitations on the availability of capital needed to implement the required solar energy systems; reasonable assumptions on U.S. production capacities and materials availability; and, achievement of the estimated market penetration for these types of systems in the face of competition from other energy sources, but not including competing solar energy systems.

In actual practice, any of the above types of constraints could limit the projected contribution of some or all of these solar energy technologies, thereby decreasing the individual estimates for each technology shown in Table I–1. As the solar energy research program proceeds and these constraints are more carefully defined, decisions will be made on where the program emphasis will be placed to try to optimize the contributions of solar energy systems to the Nation's energy needs.

TABLE I–1, SUMMARY OF POTENTIAL IMPACTS OF SOLAR ENERGY TECHNOLOGIES

[Units of 10^{15} Btu/yr of output energy provided by solar energy systems]

	Implementation plan									
	1980		1985		1990		1995		2000	
	Accelerated	Business as usual	Accelerated	Business as usual	Accelerated	Business as usual	Accelerated	Business as usual	Accelerated	Business as usual
Heating and cooling	0.3	(0.01)	0.6	(0.3)	1.5	(0.6)	2.4	(1.3)	3.5	(2.3)
Solar thermal	0	(0)	.002	(.002)	.02	(.02)	.2	(.1)	1.3	(.6)
Wind conversion	.01	(.008)	.5	(.4)	2.0	(1.6)	3.4	(2.7)	5.0	(4.0)
Bioconversion	.06	(.06)	.3	(.1)	.9	(.2)	3.3	(.4)	15.0	(.7)
Ocean thermal	0	(0)	.03	(.03)	.2	(.1)	1.0	(.4)	7.0	(1.7)
Photovoltaic conversion	(1)	(1)	.01	(.003)	.3	(.07)	2.4	(.3)	7.0	(1.5)
Total U.S demand [2]	93		120		144		165.0		180.0	

[1] Negative.

[2] Estimates based on preembargo analyses. See, "The Nation's Energy Future," AEC. Dec. 1, 1973.

Note: Assumptions include (1) the successful completion of the recommended R. & D. program plan for solar energy technologies; and, (2) conventional fuel prices equivalent to $11 per barrel of oil.

As may be seen from Table I–1, the accelerated development program is required in order to have a significant impact on Project Independence goals by 1990—although substantial solar energy contributions may also be realized under the "Business-as-Usual" implementation by the year 2000.

It would be very optimistic to expect that all of these technologies would achieve the upper-bound levels shown in Table I–1. Rather, some mix of these technologies will probably be implemented, resulting in a lower total annual contribution of solar energy systems at any given time than would be indicated by the sum total of all of these estimated upper-bound contributions.

Table I–2 provides estimates of the equivalent number of barrels of fuel oil that would not need to be imported from foreign sources, if the implementation of each solar energy technology resulted in the production of the amounts of energy shown for each in Table I–1. In deriving these estimates it was assumed that:

1. The efficiency of conversion of fuel to electricity = 0.30

2. One barrel of oil is equivalent to 5.8×10^6 Btu

3. For fuel replaced by solar energy: 1×10^{15} Btu/Yr $= 0.17 \times 10^9$ BBL/Yr

4. For electricity replaced by solar energy: 1×10^{15} Btu/Yr $= 0.57 \times 10^9$ BBL/Yr

5. In this preliminary projection of reduced imports of fuel oil in Table I–2, all of the solar technologies except bioconversion are reducing the demand for electricity and thus the demand for fossil fuels to produce that electricity. Approximately 3.3 Btu's of fossil fuel energy are required to produce each Btu of electrical energy. Energy from bioconversion systems, on the other hand, are assumed to reduce the demand for fossil fuels on a one-for-one basis.

TABLE I–2, ESTIMATES OF POTENTIAL IMPACTS OF SOLAR ENERGY TECHNOLOGIES

[Units of equivalent millions of barrels per day of fuel oil saved]

	Implementation plan									
	1980		1985		1990		1995		2000	
	Accelerated	Business as usual	Accelerated	Business as usual	Accelerated	Business as usual	Accelerated	Business as usual	Accelerated	Business as usual
Heating and cooling	0.5	(0.01)	0.8	(.5)	2.5	(0.8)	3.8	(1.9)	5.5	(3.6)
Solar thermal	0	(0)	.003	(.003)	.03	(.03)	.3	(.2)	1.9	(.8)
Wind conversion	.02	(.01)	.8	(.6)	3.0	(2.5)	5.2	(4.1)	7.9	(6.3)
Bioconversion	.03	(.03)	.14	(.05)	.4	(.1)	1.6	(.2)	7.1	(.3)
Ocean thermal	0	(0)	.05	(.05)	.3	(.2)	1.6	(.5)	11.0	(2.7)
Photovoltaic conversion	(1)	(1)	.02	(.005)	.5	(.1)	3.8	(.5)	11.0	(2.5)
Potential total oil imports replaced	.5	(.05)	1.8	(1.2)	7.0	(3.7)	16.0	(7)	44.0	(16)
Value of oil saved per year at $11/bbl	$2B	($0.2B)	$8B	($6B)	$27B	($14B)	$66B	($30B)	$176B	($66B)

[1] Negative.

Estimates of the potential total upper-bound amounts of oil imports that would be replaced by energy derived from solar energy technologies and the associated costs of oil at $11 per barrel are also shown in Table I–2. The fraction of the upper-bound that is attainable in actual practice is subject to the same constraints as were discussed above for Table I–1.

If these reductions in oil requirements are used to reduce imports of foreign oil, the dollars saved in import costs would reflect favorably on the U.S. balance-of-payments. As can be seen from Table I–2, these potential reductions in oil import costs could amount to many billions of dollars, even by the early 1980's. This would far exceed the expected total costs of the recommended R&D program for solar energy technologies and could be used to pay for the domestic implementation of these technologies.

In addition to the "Accelerated" and "Business-as-Usual" implementation scenarios, a cursory assessment was made of the likely results of a "Minimum Viable" R&D program—one with about one-half that proposed for the first two scenarios and an implementation plan similar to the "Business-as-Usual" approach. In most instances, estimated market penetration by the year 2000 for this "Minimum Viable" R&D program is close to the "Business-as-Usual" scenario. It is estimated that the impacts of wind energy, ocean thermal, and photovoltaics systems would be delayed about five years with a "Minimum Viable" R&D program compared to that recommended. The principal difference is that the "Minimum Viable" R&D program would rule out parallel approaches currently included in the recommended program and reduce the probability of obtaining the impacts forecast.

The credibility of forecasting research results, utilization impacts, and market penetrations for solar technologies suffers in comparison with fossil fuel or nuclear energy systems where baseline technology is already established. Although the projections presented in this report of the potential contribution of solar energy to the Nation's energy needs may seem high in the more distant years, research results and expectations to date are very encouraging. The milestones developed for each area appear attainable, and research in the next few years will permit substantial improvement in the reliability of these projections.

SIGNIFICANCE AND BENEFITS OF UTILIZING SOLAR ENERGY

At an average energy conversion efficiency of five percent of the incoming solar energy flux, less than four percent of the U.S. continental land mass could supply 100 percent of the Nation's current energy needs. As an alternative to the use of land for converting solar energy to more usable forms, program elements in Bioconversion to Fuels and Ocean Thermal Conversion look to the use of ocean areas for energy conversion systems.

At present there are significant system development problems as well as issues of economies-of-scale involved in the utilization of solar energy systems on a large scale. However, solar energy does have the potential to contribute significantly to the national goal of long-term energy self-sufficiency while minimizing environmental degradation.

In addition, solar energy technology would be an exportable item for use in other energy-difficult areas of the world, and by being a relatively low technology may have more appeal to the developing nations.

Although the full impact of solar energy will probably not be visible for a decade or more, the economic viability of several important applications, such as Heating and Cooling of Buildings, Wind Energy Conversion, and Bioconversion to Fuels, may well be proven in the next five years. A reasonable extrapolation of solar energy system capabilities shows that solar energy could contribute from 15 to 30 percent of the Nation's total energy requirements about the turn of the century.

In most cases, photovoltaics being the primary exception, the achievement of practical solar energy systems will not require high technology. Thus, the research costs to develop solar energy should be relatively smaller in relation to the value of the energy that would be produced. If one uses a value of $1.50/million Btu, curent estimates indicate that the value of the fossil fuel to be saved in one program area alone (i.e., Heating and Cooling of Buildings), within seven years after practical systems become commercially available, more than equals the cost of the entire research program.

Another important consideration in planning the future mix of energy sources is a consideration of the effect of energy usage on the world's heat balance. Even though fluctuations in the Earth's average temperature have declined slightly since 1940, heat-island effects over major cities have already created significant changes in local climates caused primarily by waste heat rejection both at the generating sites and the end use points.

A realization of the problem of world heat balance, not completely quantifiable at this time, should alert responsible planners to attempt to alleviate or negate the effect. One conclusion can definitely be made: A major shift to utilization of solar energy by the year 2000 and beyond will reduce or negate the effects of rapidly growing energy consumption on our global climate through a reduction in waste heat rejection at the generating site. Solar energy is the only energy source which presently holds this promise.

Statement on Ocean Thermal Energy Conversion

(By Robert H. Douglass)

Thank you for your invitation to appear before this committee to discuss Ocean Thermal Energy Conversion. As it happens, we at TRW are at present completing a nine-month engineering study aimed at evaluation of the basic concepts proposed by recent investigators. Your invitation is therefore most timely. My name is Robert Douglass, and I am manager of Ocean and Energy Systems Projects at TRW, Incorporated. I am a mechanical engineer, and my background includes a variety of ocean engineering projects ranging from advanced submersibles to fisheries management. At present I am manager of TRW's program in ocean thermal energy. Our company was supported by Global Marine, Incorporated, and United Engineers and Constructors, Incorporated, as members of the TRW team in our current contract with the Energy Research and Development Administration, which was awarded in July 1974, in the amount of $391,000. A parallel award was made to Lockheed Ocean Systems. These two studies, while insulated from each other, yielded similar results in technical approach to the heat engine and potential economics. It was concluded by both industrial teams that OTEC systems might be highly competitive with oil-fired power plants, and that the potential was such as to favor system and technology development on an accelerated basis.

The work of recent investigators, including the Andersons, Carnegie-Mellon University, the University of Masachusetts, Johns Hopkins University, and many others, forms a rich body of literature which I commend to your attention. The very favorable economics projected for Ocean Thermal Energy Conversion (OTEC) in this literature are predicated, in our view, on realization, through research and engineering, of certain technological advances. The questions arise, "How far do we have to go and how hard will it be to get there? And if we achieve our goals what significance will it have for our country?" The thrust of our study was to answer these questions.

Our approach was to review and assimilate the previous work, evaluate the risk and potential of proposed concepts and innovations, synthesize a "baseline", or high-confidence system concept, and plot an experimental program. The "baseline" design then reflects that which we believe is possible and practical, that is, least risky, through utilization of current technology. An examination of this baseline then indicates where we are today, technically and economically, and relative "distance" to the goals of the proponents.

Our baseline system, depicted in the accompanying sketch, draws heavily on the technology of the off-shore industry. Our concept comprises a cylindrical concrete hull of 340 feet diameter and 170 feet height, displacing some 212,000 tons. While this might appear large to some, even larger concrete structures are under construction for North Sea deployment. Within the hull is housed the energy conversion system, which operates on a conventional thermodynamic principle, albeit on a very small temperature difference, that is, about 32 to 44°F between the "hot" side and the "cold" side. The heat exchangers are of conventional design and materials. A large pipe, similar in concept to an off-shore oil rig's riser pipe, is suspended from the platform to a depth of about 4,000 feet. System operation is very simple. Warm water from the ocean's surface layer is drawn into the plant's evaporators, where it heats a "working fluid," in this case ammonia, resulting in an ammonia vapor at about 150 psi which is fed to a turbine. The vapor thus drives the turbine, giving up about 50 psi and exhausting into the condenser unit. The condenser is fed cold water at, say, 40°F, drawn up from depth through the cold water pipe. The ammonia vapor is cooled again by the condenser to a liquid and returned to the evaporator, thus completing the thermodynamic loop. The turbine drives a conventional generator, thus producing electricity. This system is sized at 100 MWe net electrical output, although production units would undoubtedly be much larger.

We believe the design embodies both simplicity and practicality and its technical feasibility appears to us not to require new construction techniques nor materials.

As I mentioned, we are at present completing our study, and have not yet submitted our final reports to the ERDA. However, I am able to relate the following findings at this juncture:

1. OTEC has potentially favorable economics.

Costs for an OTEC plant, designed and constructed in accordance with current practice, or modest extrapolations thereof, were estimated at about $2000/KW or 34 mills/KWhr at a plant factor of 90%. A cost of the order of $1000/KW appears achievable through development along the lines suggested by the proponents, especially in the heat exchanger sub-system, which accounts for over half of the system's total cost. Other areas for improvement in cost are readily identifiable. At an intermediate point, say $1500/KW, OTEC plants would compete with oil-fired stations whose fuel (Residual No. 6, 0.5% sulfur) cost was $12 per barrel. Currently this fuel costs $13 to $16 per barrel.

The use of capital cost as a basis for comparison with alternative energy systems is perhaps misleading, since the fuel cost of OTEC plants is zero. A capital cost of $1000/KW for an OTEC plant, for example, translates to about 20 mills per kilowatt hour.

2. The energy resource is large and available.

Adequate temperature differences to support OTEC plants are generally available throughout the tropic and some sub-tropic oceans. Of near term interest are potential sitings in the Gulf of Mexico, the Florida Current and off Hawaii. For example, Professor Lavi of Carnegie-Mellon University has calculated a sustainable yield of 700,000 MWe from the Gulf of Mexico alone. It appears that availability of capital, rather than of the resource itself, might be the major constraint to rapidity of deployment of OTEC plants.

3. OTEC can have major near-term impact.

Since OTEC plants would be constructed in shipyards, costs and delays associated with site-specific engineering and construction, as in land-based power plants, are absent. Assuming yards can be made available, construction of 30,000 MWe installed capacity by 1990 appears achievable.

4. The risk-expectation trade-off is favorable.

The chief risks are in (1) failure to achieve goals in heat exchanger economics (including performance and reliability) and (2) uncertainties on the optimal form(s) of energy delivery in the time-frame of system deployment. However, commitment to full-scale development need not, and in our view should not, be made prior to reduction of risk and uncertainty through sub-system test and evaluation.

5. The technology base is powerful.

The scale of envisioned OTEC plants is comparable to on-going and deployed construction for North Sea oil operations.

6. Institutional barriers are relatively absent.

The government enjoys wide latitude in OTEC system development in that the socio-economic, political and other institutional barriers to large-scale exploitation of many innovations in energy systems are absent in the OTEC case. Freedom to occupy and utilize the high seas is an accepted premise and questions of land-use, dislocation of labor, or inimical societal factors are virtually non-existent.

7. There are many options for energy delivery.

While transmission of electrical power to a shore-based grid appears viable for OTEC plants sited in the Gulf of Mexico, the Florida Current or off Hawaii, utilization of OTEC generated power for energy-intensive processes such as ammonia or aluminum production, also appears attractive. Other options include nuclear fuel enrichment and synthesis of fuels (methyls and hydrogen).

8. Environmental impact is relatively low.

OTEC plants inherently do not involve the release of toxic or noxious substances to the environment. The chief environmental issues are (1) the potential for disturbance of the macro-scale thermal structure of the tropic ocean, and (2) the fate of the nutrient-laden water drawn from depth to supply the condensers. While detailed studies on the issues are underway, it is regarded by most investigators that a scale of OTEC deployment sufficient to cause noticeable alteration of the tropic oceanic thermal structure and balance is beyond any capital, labor or material resource that could be applied to OTEC for the foreseeable future. With respect to nutrient addition as a beneficial aspect of OTEC operation, since tropic seas are typically nutrient deficient, initial studies suggest that, unless otherwise constrained, the cold-water effluent will descend to a level beneath the euphotic zone.* Hence, potential for nutrient addition to the euphotic zone appears as a question requiring additional work.

The question of environmental impact will most likely be raised with respect to the yards in which OTEC plants are constructed. This issue is unevaluated.

9. Government initiative is essential.

The costs associated with research and development leading to commercial-scale demonstration of an OTEC plant are beyond the capabilities of even readily envisioned consortiums of large companies, were it not that utilities are traditionally conservative with respect to investment in innovative concepts. But it is not unreasonable to expect attraction of private capital, once the economics of a prototype have been demonstrated to be favorable.

Whether prior commitment of private capital is a reasonable aspiration will depend on incentives that the government brings to bear. But until certain crucial issues are resolved in heat exchangers, and to a lesser degree, in energy delivery, it would appear that only government sponsorship is viable.

In summary, OTEC appears to have the potential for major contribution to the national energy supply in a safe and environmentally acceptable manner. It compares favorably in technical and economic factors with other advanced energy systems. What is needed now is experimental data to resolve the key issues. We will shortly recommend an experimental program to the ERDA which would lead to deployment of a prototype system by 1979 or 1980.

THE SOLAR ALTERNATIVE

(Excerpts From "Transition," by the Oregon Office of Energy Research and Planning)

The most desirable energy source and delivery system for the future of Oregon, and the World, would be permanent, indigenous, safe, and reliable. The conversion equipment and processes would be adaptable to mass production, permit gradual integration of the newest technological breakthroughs, use abundant material resources, involve no secrecy or security precautions, and would not impose irreversible change on our natural ecosystems or culture.

We are, in fact, within one generation of the realization of such a system, which we call the solar alternative.

"The overall goal of Photovoltaic Conversion, as defined by the National Science Foundation in cooperation with numerous other Federal organizations, is to develop economically viable Photovoltaic Electric Power Systems (PEPS) suitable for a variety of terrestrial applications, including the generation of electricity for either dispersed buildings or central power systems, and capable of providing a significant amount of the Nation's energy requirements by the year 2000."—Dr. H. Guyford Stever, Director, National Science Foundation, Congressional Testimony, June, 1974.

"Dr. H. Richard Blieden, deputy director of the National Science Foundation's division of Advanced Energy, Research and Technology, says that solar energy's share of the nation's electric power needs could be as high as 30% by 2000."—Forbes Magazine, October 15, 1974.

The economics of solar space and water heating are already competitive with fossil fuel and electrical systems. The widespread application of solar thermal systems to household and commercial heating in Oregon would reduce the demand for fossil fuel and electricity, provide electrical load smoothing for the utilities, reduce household vulnerability to unexpected interruptions of power, and reduce heating bills. As reported in the October 15, 1974 issue of Forbes Magazine:

"Instead of using solar-produced electricity to heat and cool a house, it would probably be more efficient to control temperature by collecting and storing the sun's heat directly. And the National Science Foundation has committed $17 million this year to study just that.

"The NSF's Blieden believes that solar heating systems could reduce fuel use by 30% to as much as 70%."

The rapid transition to solar thermal application in Oregon will not involve major engineering problems. But it may require changes in building codes, zoning ordinances, trade union practices, traditional architectural and construction techniques, and mortgage practices, etc.

The feasibility of building solar farms and integrating them into large scale power grids rests on the question of capital costs (solar-electric conversion involves no fuel costs). Dr. Stever (NSF) has concluded:

"Our assessments indicate that single-crystal Si [silicon] solar photovoltaic conversion technology could be developed into a practical power system ready for wide-scale national application by the mid 1980's. The solar arrays for this system may cost less than $500 per peak KWe [(Kilowatts electrical)]."

"Our assessments also indicate that power sources incorporating even more advanced photovoltaic conversion technologies could be adopted to widescale terrestrial applications by the end of the century. These power sources, which would use solar arrays with projected costs as low as $100 per peak KWe would utilize thin film cells, such as those fabricated from Si or Cds/Cu_2S."—Congressional Testimony, June, 1974.

To achieve these cost estimates, vigorous Research and Development programs now underway must be maintained, and a steadily increasing production volume must be assured:

"At a recent NSF workshop a group of 21 industry experts under my chairmanship briefly studied how much money and time would be required to achieve this cost reduction and came up with the following: It would be possible by 1985 to achieve a cost of 50¢/peak watt or $500/peak KW with silicon cells of efficiency in the 18–20% range for quantities of cells producing ½ million peak kilowatts per year, and that by the year 2000, 10¢/peak watt or $100/peak KW cost would be reasonable in quantities of 50 million peak kilowatts per year. If the cells last for 30 years this corresponds to power costs of 5¢/KW-hr in 1985 and 1¢/KW-hr in 2000. It was estimated that the cost for the 1985 program would be about 25 million dollars.

"The original ERDA proposal I saw suggested 55 billion dollars be spent for breeder and fusion reactor R&D. The cost suggested above is only about 5% of this reactor R&D cost."—Dr. Paul Rappaport, Director, Process and Applied Materials Research Laboratory, Radio Corporation of America, Congressional Testimony, June, 1974.

The following excerpts from other published materials are included below as additional background information concerning the rapidly developing field of solar energy conversion technology.

Dr. H. Guyford Stever, Director, National Science Foundation, stated in testimony to Congress, June 1974:

"Sand, the source of silicon, is so abundant that it presents no resource limitations."

"2. Financial Resources: Capital Investment Requirements

"a. Residence—$3000/KW avg. (1985): $1000/KW avg (1990).

"b. Central Station—$1000/KW avg. (1990).

"D. Anticipated Time Scale for Commercial Acceptance

"Single crystal Si solar arrays for terrestrial use without sunlight concentrators are now sold at $30,000/peak KW, and the manufacturers state that they can supply these at $20,000/peak KW if large quantities are ordered. A reduction to $5000/peak KW appears likely if the present fabrication processes are simplified and automated, inefficient batch assembly processes are eliminated, and sunlight concentrators are used.

"A further decrease to less than $500/peak KW by the mid 80's could be obtained by developing the continuous growth of single crystalline Si ribbon (which has continuous cell and array fabrication process. Improvements in the conversion efficiency would provide further advantages such as a reduction in the cost per square meter of the arrays and a decrease in the requirements for land area and installations. The demonstration of an array cost of $100 to $300/peak KW for commercial production at the rate of 10^9 watts/year by 1990 has been forecast for arrays."

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*Upper layers of a body of water into which sufficient light penetrates to permit growth of green plants.

Mr. Eugene L. Ralph, Vice-President, Research and Development, Spectrolab, a Division of Textron, Inc. testified at Congress in June, 1974:

"1. There are no moving parts in the solar cell to wear out, therefore, they will last for a long time;

"2. Silicon solar cells are made from one of the most plentiful materials found on earth;

"3. The overall system efficiency can be expected to lie in the 10 to 15 percent range.

"4. The devices and array modules can be readily adapted to mass production techniques;

"5. The semiconductor industry is already a well-developed, high-technology, high-volume industry, and

"6. No major technological breakthroughs are required to insure that a close to competition situation can be achieved."

"If these key issues are addressed promptly, solar cell system costs could be reduced to $5 per peak watt by July of 1976, and $1 per peak watt by 1978. The fruits of the R&D activity would then provide the technology to achieve a cell cost of about $.30 per peak watt by 1983 . . . The cost projections were obtained by reviewing the literature and making comparisons to other industries that went through similar growth patterns."

"Question 8. What makes you believe that solar cells can be produced for as little as 50 cents per watt, and that there is no lower limit above this figure?

"Answer. I indicated in my statement that $.30 per watt for the silicon solar cell cost was projected. This was based on an analysis made by a group of people representing government, silicon manufacturers, and solar cell manufacturers which was referenced, Currin et al. in Figure 4. I have also made an analysis of how far silicon solar cell costs could be reduced using our conventional crystal growing and slicing techniques. This study showed that about $.50 per watt was possible and that about $1 per watt was achievable by 1977. Another factor that should not be overlooked is that by concentrating sunlight, one solar cell can put out much more power so the cost of the solar cell may not be as critical. All these factors and studies tend to confirm my belief that we are going to be very close to a competitive electric power cost with solar cells in the near future."

Dr. Charles E. Backus, College of Engineering Sciences, Arizona State University, also stated at Congressional Testimony in June, 1974:

"The nature of the solar cell combined with the high technology history of the electronic industry indicates that large cost reductions are possible as compared with highly material intensive solar thermal systems. The solar cell is an electronic product and complete system packaged in a manufacturing plant.

"The present cost of cells for terrestrial applications is more than an order of magnitude lower than space systems and is about $20/peak watt for about one kilowatt orders. It is expected that a one kilowatt system, involving some concentration, will be on the market next year for $5/peak watt. Concentration of sunlight onto cells can act as a large cost lever and could lower the cost of photovoltaic systems to competitive levels without even reducing the cost of the cells themselves. The large electronic companies have not been active until recently in the solar cell field since the space market of the past was very limited. It is indeed gratifying to see the two largest silicon producers in the world, Motorola and Texas Instruments, establish programs in photovoltaics. The largest problem to be overcome before large scale commercialization, in my opinion, is the development of an intermediate market that will provide an evolution of production facilities to get up to the throughput required for extremely low cost cells (20–50¢/peak watt)."

Dr. Paul Rappaport, Director, Process and Applied Materials Research Laboratory, Radio Corporation of America, testified at a Congressional hearing in June 1974:

"This solar cell is a rather remarkable device. It is made of silicon, one of the most abundant materials on the earth, it is of simple construction and has no moving parts. When sun shines on the cell it produces electricity with an efficiency of about 14 to 16%. Efficiencies as high as 19% have been measured for the best cells.

"Today, silicon cells can be bought in quantity at 20 dollars a watt, a factor of 100 times the cost objective. Costs of between 1 and 5 dollars a watt are considered to be possible in a few years if a scale-up of production were to take place.

"A difficulty is that there does not appear to be an intermediate market for solar cells that would allow a normal industrial growth from these present small quantities to the very large quantities needed for terrestrial applications. For example, if we were to supply 1% of our energy needs by solar cells today we would need 2 billion watts worth of cells or 20,000 times what we are manufacturing for space today. Under these conditions we would see some of the major silicon technology companies getting into the business fostering competition and cost reduction.

"There is agreement that the cost of single crystal silicon cells can be reduced substantially. There are three parts of the manufacturing process that are amenable to cost reduction; first, the starting material called polysilicon could be reduced in cost by a factor of 3 if one grade of material is required which does not have some of the special specifications as needed for present day application; second, a method of growing sheets of single crystal is needed so that loss in material and labor costs are avoided when slicing and dicing large ingots as is done today. Feasibility for this process has been established and a factor of ten savings seems reasonable; third, automatic fabrication of cells could produce a savings factor of over 20 in cost. It is therefore considered reasonable to expect a factor of 100 reduction below present day costs of solar cell manufacturing.

"At this point it is worth dispelling a myth about the practicality of solar energy. It has been said that much research has yet to be done before it can be considered for terrestrial applications. I say here that this is not so and that all the concepts so far mentioned have been proven to be feasible. They need to be engineered and scaled up to a production capacity. Then the second myth, that of high cost, will have been dispelled."

The Mitre Corporation in their Report to the National Science Foundation, December 1973 stated:

"Photovoltaic systems can be tied into fossil-fuel-powered electrical networks to reduce fuel requirements, or used on roof-tops with thermal heating systems to reduce area requirements, or used with wind energy systems to reduce area or storage requirements, or interconnected as dispersed collectors in large networks to reduce storage requirements. Hydrogen produced by photovoltaic-powered electrolysis units can be used as a storage medium, a fuel gas or an industrial feedstock.

"Silicon solar cells for terrestrial applications now cost $20 to $50 per Watt (peak) at 25° C, 10% efficiency, and are predicted to sell at the equivalent of $5 per Watt (peak) in 1974, using sunlight concentrators. Costs may drop to about $0.50 per Watt (peak) by 1985, and $0.10 per Watt (peak) by 2000, if anticipated design improvements are made, and production is approximately doubled each year until about 1990.

"Capital cost of battery storage is estimated to be about $80/KW+$2/hour; electrolysis units about $40/KW; DC-to-AC Inverters about $30/KW; fuel cells about $80/KW—all in mass-production quantities and large sizes.

"There will be no fuel costs for photovoltaic systems. Annual operating costs, including amortization of equipment, are estimated at about 17% of capital costs. These include those for inspection, cleaning, testing and repairing of collector units. Plant utilization factor of collectors will average about 18% for the U.S. and about 25% for the Southwestern U.S.

"Preliminary estimates indicate that by 1990 the price of electricity produced by photovoltaic systems may be reduced to about 10 to 15 mills per KWh, if the cost goals of the system are achieved. This would be competitive with electricity produced by 1990 designs of fossil-fueled turbogenerator plants, burning clean derivatives of coal, i.e. about 13 mills per KWh. It is estimated that hydrogen can also be produced by the system at a competitive price."

The October 15, 1974 issue of Forbes Magazine states:

"Now it looks as though costs could come down dramatically. Mobil Oil, for one, is betting that they will: It is ponying up $30 million for a five-year joint project with little ($44-million-revenues) Tyco Laboratories of Waltham, Mass.

"The key to bring in solar power at competitive cost is a major reduction in the price of silicon. Produced in small quantities at present by Monsanto, Dow Corning and Texas Instruments, silicon costs $35 a pound. It would have to come down to around $10 a pound to make the $600 to $750 per kw cost possible.

"Can the silicon price be slashed? The largest U.S. silicon producer, Dow Corning, set up decades ago by Dow Chemical and Corning Glass, is confident that it can.

"Says Jerold Noel, a solid-state physicist with the project: "The chances are very good for significantly lowering the price of silicon. In five years we think that pilot plants can be built for the entire process—from taking the silicon out of sand to the fabrication of working solar cell arrays, at or below the costs of nuclear power. There's no need for a theoretical breakthrough,' he sums up. 'This is an engineering problem.' "

"What does all this mean? That depends on how far you want to project it. It means that with solar cells no more efficient than the ones we have now, by year 2000 we could supply ALL of the nation's electricity needs provided we are willing to cover some 40,000 square miles—say, a third of the State of Arizona—with power-producing material."

" 'We have made a calculation,' says Noel, 'that the roof of an average house around Philadelphia could produce enough energy to supply the needs of the home, with enough left over to, say, charge an electric car.' "

Mr. CHURCH. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 13 minutes.

Mr. GRAVEL. I have completed my case.

Mr. CHURCH. I say to the Senator that his plea has been made eloquently. He can get off his knees now. [Laughter.]

Mr. GRAVEL. The Senator from Idaho never has noticed $30 million in some of these budgets, and he has it in his power to commit this.

I know that the Senator from Arizona's heart swells with a desire to do something, and $30 million will not even be reported by the press. [Laughter.] It is a nothing, but it would show a commitment——

The PRESIDING OFFICER. The Senator from Idaho has the floor.

Mr. CHURCH. Mr. President, I know that the distinguished Senator from Arizona can speak for himself; but it is well known in this Chamber that the Senator from Arizona is not a big spender. Yet, because he has recognized the enormous importance of finding alternative sources for fuel that will reduce our dependence on foreign imports, the price of which now is being established by the OPEC monopoly and has increased five-fold in the past 2 years, he has been a charger in that committee to obtain adequate financing to move ahead on a crash program basis. I say that because he is known to be frugal when it comes to public spending. In this case, in every place where it could be justified, he favored additional amounts of money, and I appreciate that, because I share with him the importance of establishing a real crash program in the field.

However, I reiterate that we have done all we can. The Senator from Alaska is saying that our bill is smaller than the House bill. It is not. When the two are compared on the basis of the same cost accounting, we are supplying more money than the House. We have very nearly doubled the administration's request in this field. ERDA tells us that is all it can spend usefully in the coming year.

Finally, Mr. President, as a clincher, if only I could persuade my good friend the Senator from Alaska, we have another provision in this bill that authorizes the Government to guarantee loans for solar plants, so that private capital is being attracted to investment in this field, with a Government guarantee that, hopefully, will add additional millions of dollars of private capital to the public money we are providing.

Add all this together, and I submit that we have gone as far as we can. On that basis, and that basis alone, I have to oppose the Senator's amendment.

Mr. GRAVEL. Mr. President, will the Senator permit me to make a request on his time, since I have no time?

Mr. CHURCH. I am happy to do that.

Mr. GRAVEL. The request I make is that the Senator be kind enough not to fight for it when we have the vote, and be silent, and I will work my heart out to see if I can get the votes.

Mr. FANNIN. Mr. President, I will take 1 minute to thank the distinguished Senator from Idaho for his kind remarks, and to say that the objective was to have a balanced program, to have an orderly program, in order that we can justify what is being done.

To spend more than would be necessary to bring the maximum results that we thought obtainable would have been a mistake; because, after all, we do want a return for the money that is invested.

The committee realizes that $25 billion is going out of this country for petroleum products; and for every barrel we can displace with solar energy, it is that much saved. So timing is tremendously important.

I commend the distinguished Senator from Alaska, as I did earlier, for his desire to go forward with the program. The committee feels that we are advancing as rapidly as possible, within reason, to attain the same results that he is discussing. We are doing more than the ERDA representatives anticipated would be done. They have been pushed to do more. The distinguished manager of the bill has insisted upon that, and I am sure that he will follow through.

The PRESIDING OFFICER (Mr. Mathias). The Senator's 1 minute has expired.

Mr. MOSS. Mr. President, as chairman of the Aeronautical and Space Sciences Committee I have followed carefully the development of this country's solar research and development program. While I think further coordination of activities between various agencies should be established, I think this Nation is about to make the necessary research and development commitments in this vitally important energy area.

I am concerned, however, that we are not doing enough to insure that the public will enthusiastically receive the new technologies that are being developed. The Interior Committee report on the ERDA authorization which we are now considering recognizes the need to support "technology transfer activities" which would include the dissemination of research results through "information systems, public media, educational institutions, workshops, symposia, and demonstration centers." (Page 45 of the Report 94–332).

While these technology transfer activities are important, I think ERDA should expand its horizons, or some other agency if ERDA is unwilling to do it, and really engage in a solar energy promotion program. As chairman of the Consumer Subcommittee of the Commerce Committee I have investigated the advertising practices of businesses in this country. I know how the persuaders in this country can motivate people. Why not use some professional techniques to motivate—but not manipulate—people to buy and use solar energy technology?

There are some organizations in this country well equipped to get the message across to the American people that solar energy is here and that it is time to take advantage of it. For example, a constituent of mine, Mrs. Lola Redford, talked to me about a possible Consumer Action Now project involving the placing of an entertaining, but informative short subject film on solar energy in movie theaters throughout the United States. This is the kind of consciousness raising that has to be done at the outset if the technology developed is ever to be significant in the marketplace.

It is my hope that ERDA will contract with outside groups who have good communicative skills so that the word on solar can be effectively spread. And any contracts that are consummated should not be so laden with redtape that the contractor can't get the job done in an effective and entertaining way.

Mr. GRAVEL. Mr. President, I ask for the yeas and nays.

Mr. CHURCH. I ask unanimous consent that the rollcall vote be limited to 10 minutes.

The PRESIDING OFFICER. Is there a sufficient second for the yeas and nays? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Does the Senator from Idaho yield back his time?

Mr. CHURCH. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment. The rollcall will be limited to 10 minutes.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Texas (Mr. Bentsen), the Senator from Mississippi (Mr. Eastland), and the Senator from Wyoming (Mr. McGee) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from New York (Mr. Buckley) and the Senator from Arizona (Mr. Goldwater) are necessarily absent.

The result was announced—yeas 34, nays 59, as follows:

[Rollcall Vote No. 366 Leg.]

YEAS—34

Abourezk
Allen
Biden
Burdick
Cannon
Case
Clark
Cranston
Gravel
Hart, Philip A.
Hathaway
Humphrey
Javits
Leahy
Long
Mansfield
Mathias
McGovern
McIntyre
Metcalf
Mondale
Moss
Nelson
Pell
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Sparkman
Stevens
Tunney
Weicker
Williams

NAYS—59

Baker
Bartlett
Beall
Bellmon
Brock
Brooke
Bumpers
Byrd,
Harry F., Jr.
Byrd, Robert C.
Chiles
Church
Culver
Curtis
Dole
Domenici
Eagleton
Fannin
Fong
Ford
Garn
Glenn
Griffin
Hansen
Hart, Gary W.
Hartke
Haskell
Hatfield
Helms
Hollings
Hruska
Huddleston
Inouye
Jackson
Johnston
Kennedy
Laxalt
Magnuson
McClellan
McClure
Montoya
Morgan
Muskie
Nunn
Packwood
Pastore
Pearson
Percy
Scott, Hugh
Scott,
William L.
Stafford
Stennis
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Young

NOT VOTING—6

Bayh
Bentsen
Buckley
Eastland
Goldwater
McGee

So Mr. Gravel's amendment was rejected.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. CHURCH. I move to lay the motion on the table.

The motion to lay on the table was agreed to.

Mr. HATFIELD. Mr. President, I would just like to take this time to commend the chairman of the committee (Mr. CHURCH) and especially the very extraordinarily well-qualified staff on both the majority and minority sides of the subcommittee who have recognized the great task and responsibility that this subcommittee has performed in coming up with a recognized ERDA capability.

It may seem very attractive to add a favorite amendment here and a favorite amendment there. But I think we have to realize that there are certain limitations on a brand new agency. As a member of the Subcommittee on Energy Research and Water Resources, I want to assure my colleagues that I, as one member of the committee—and I know my chairman is of the same mind—work very closely with ERDA, and as their capability increases we will support increased budgets. But I believe the committee has looked very carefully at this and in light of the capability of this new agency we have done exactly what is going to be most efficient and effective to pursuing the objectives and achieving the objectives of ERDA.

I thank the Chairman.

Mr. CHURCH. I thank the Senator very much for his contribution. I yield to the distinguished Senator from Ohio.

Mr. TAFT. Mr. President, I have an amendment at the desk and I ask the clerk to report it.

Mr. NELSON. Mr. President, may we have order in the Senate and have the Senators take their seats and clear the well.

The PRESIDING OFFICER. The Members of the Senate will take their seats. They will cease conversing in the well of the Senate.

The clerk will report the amendment of the Senator from Ohio.

The assistant legislative clerk read as follows:

On page 18, line 21, strike out "$48,647,000" and insert "$83,647,000".

Mr. TAFT. Mr. President, I yield briefly to the distinguished majority whip without losing my right to the floor.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator from Ohio and the distinguished Senator from Idaho.

I ask unanimous consent that the Senate go into executive session for not to exceed 1 minute to consider the nomination reported previously today from the Committee on Commerce of Mr. Asaph H. Hall.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL RAILROAD ADMINISTRATION

The assistant legislative clerk read the nomination of Asaph H. Hall of Maryland to be Administrator of the Federal Railroad Administration.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. HARTKE. Mr. President, I ask that the President be notified.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TAFT. Mr. President, I yield to the distinguished Senator from West Virginia without losing my right to the floor, for a unanimous-consent request.

Mr. RANDOLPH. Mr. President, I appreciate the cooperation of my colleague.

EDUCATION FOR ALL HANDICAPPED CHILDREN ACT

Mr. RANDOLPH. Mr. President. I ask the Chair to lay before the Senate a message from the House of Representatives on S. 6.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 6) to insure the right to an education for all handicapped children and to provide financial assistance to the States for such purpose, as follows:

Strike out all after the enacting clause, and insert:

SHORT TITLE

SECTION 1. This Act may be cited as the "Education for All Handicapped Children Act of 1975".

EXTENSION OF CERTAIN PROVISIONS

SEC. 2. (a)(1) Section 611(b)(2) of the Education of the Handicapped Act (20 U.S.C. 1411(b)(2)) (hereinafter in this Act referred to as the "Act") and section 611(c)(1) of the Act (20 U.S.C. 1411(c)(1)) each are amended by striking out "the Commonwealth of Puerto Rico,".

(2) Section 611(c)(2) of the Act (20 U.S.C. 1411(c)(2)) is amended by striking out "year ending June 30, 1975" and inserting in lieu thereof the following: "years ending June 30, 1975, and 1976, and for the fiscal year ending September 30, 1977".

(3) Section 611(d) of the Act (20 U.S.C. 1411(d)) is amended by striking out "year ending June 30, 1975" and inserting in lieu thereof the following: "years ending June 30, 1975, and 1976, and for the fiscal year ending September 30, 1977".

(4) Section 612(a) of the Act (20 U.S.C. 1412(a)) is amended—

(A) by striking out "year ending June 30, 1975" and inserting in lieu thereof "years ending June 30, 1975, and 1976, and for the fiscal year ending September 30, 1977"; and

(B) by striking out "fiscal year 1974" and inserting in lieu thereof "preceding fiscal year".

(b)(1) Sections 614(a), 614(b), and 614(c) of the Education Amendments of 1974 (Public Law 93-380; 88 Stat. 580) each are amended by striking out "fiscal year 1975" and inserting in lieu thereof the following: "the fiscal years ending June 30, 1975, and 1976, for the period beginning July 1, 1976, and ending September 30, 1976, and for the fiscal year ending September 30, 1977,".

(2) Section 614 of the Education Amendments of 1974 (Public Law 93-380; 88 Stat. 580) is amended by striking out subsection (e) and by redesignating subsection (f) as subsection (e).

(c)(1) Section 615(a) of the Education Amendments of 1974 (Public Law 93-380; 88 Stat. 582) is amended by striking out paragraph (1) and redesignating paragraph (2) as subsection (a).

(2) Section 615(a) of the Education Amendments of 1974, as so redesignated by paragraph (1), is amended by striking out "July 1, 1975" and inserting in lieu thereof "October 1, 1977".

(3) Section 615(d) of the Education Amendments of 1974 (Public Law 93-380; 88 Stat. 583) is amended by striking out "subsections (a)(1) and" and inserting in lieu thereof "subsection".

(d)(1) Sections 843(b)(1), 843(b)(2), and 843(b)(3) of the Education Amendments of 1974 (Public Law 93-380; 88 Stat. 611) each are amended by striking out "June 30, 1975" and inserting in lieu thereof "September 30, 1977".

(2) Section 843(b)(2) of the Education Amendments of 1974 (Public Law 93-380; 88 Stat. 611) is amended by striking out "sections 612(a)(2) and" and inserting in lieu thereof "section", and by striking out "are each" and inserting in lieu thereof "is".

AMOUNT OF ALLOCATION TO STATES

SEC. 3. Section 612(a) of the Act, as amended by section 2(a)(4), is amended by inserting immediately before the period at the end thereof the following: ", or $300,000, whichever is greater".

RULES

SEC. 4. Section 612 of the Act (20 U.S.C. 1411) is amended by adding at the end thereof the following new subsection:

"(d) The Commissioner shall, no later than one hundred and twenty days after the effective date of this subsection, prescribe and publish in the Federal Register such rules as he considers necessary to carry out the provisions of this section and section 611.".

STATEMENT OF FINDINGS AND PURPOSE

SEC. 5. (a) Section 601 of the Act (20 U.S.C. 1401) is amended by inserting "(a)" immediately before "This title" and by adding at the end thereof the following new subsections:

"(b) The Congress finds that—

"(1) there are more than eight million handicapped children in the United States today;

"(2) the special educational needs of such children are not being fully met;

"(3) more than half of the handicapped children in the United States do not receive appropriate educational services which would enable them to have full equality of opportunity;

"(4) one million of the handicapped children in the United States are excluded entirely from the public school system and will not go through the educational process with their peers;

"(5) there are many handicapped children throughout the United States participating in regular school programs whose handicaps prevent them from having a successful educational experience because their handicaps are undetected;

"(6) because of the lack of adequate services within the public school system, families are often forced to find services outside the public school system, often at great distance from their residence and at their own expense;

"(7) developments in the training of teachers and in diagnostic and instructional procedures and methods have advanced to the point that, given appropriate funding, State and local educational agencies can and will provide effective special education programs and related services to meet the needs of handicapped children;

"(8) State and local educational agencies have a responsibility to provide education for all handicapped children, but present financial resources are inadequate to meet the special educational needs of handicapped children; and

"(9) it is in the national interest that the Federal Government assist State and local efforts to provide programs to meet the educational needs of handicapped children.

"(c) It is the purpose of this title to assure that all handicapped children have available to them special education and related services designed to meet their unique needs, to assure that the rights of handicapped children and their parents or guardians are protected, to assist States and localities to provide for the education of all handicapped children, and to assess and assure the effectiveness of efforts to educate handicapped children.".

(b) The heading of section 601 of the Act (20 U.S.C. 1401) is amended to read as follows:

"SHORT TITLE; STATEMENT OF FINDINGS AND PURPOSE".

DEFINITIONS

SEC. 6. (a) Section 602 of the Act (20 U.S.C. 1402) is amended—

(1) in paragraph (1) thereof, by striking out "crippled" and inserting in lieu thereof "orthopedically impaired", and by inserting immediately after "impaired children" the following: ", or children with specific learning disabilities,";

(2) in the last sentence of paragraph (8) thereof, by inserting immediately before "other public institution" the following: "public educational agency or any";

(3) in the last sentence of paragraph (15) thereof, by inserting immediately after "environmental" the following: ", cultural, or economic"; and

(4) by adding at the end thereof the following new paragraphs:

"(16) The term 'special education' means specially designed instruction to meet the unique needs of a handicapped child as set forth in the individualized education program of such child, including classroom instruction, instruction in physical education, home instruction, and instruction in hospitals and institutions.

"(17) The term 'related services' means transportation, and such developmental, corrective, and other supportive services (including speech pathology and audiology, psychology, physical and occupational therapy, recreation, and medical and counseling services, except that such medical services shall be for diagnostic and evaluation purposes only) as may be required to assist a handicapped child to benefit from special education. Such term includes the early identification and assessment of handicapping conditions in children.

"(18) The term 'free appropriate public education' means special education and related services which (A) have been provided at public expense, under public supervision and direction, and without charge; (B) meet the standards of the State educational agency; (C) include an appropriate preschool, elementary, or secondary school education in the State involved; and (D) are provided in conformity with the individualized education program required under section 614(a)(7).

"(19) The term 'individualized education program' means an educational plan for each handicapped child developed jointly by the local educational agency and an appropriate teacher involved with the education of such child, in consultation with the parents or guardians of such child, and, whenever appropriate, such child, which includes (A) a statement of the present levels of educational performance of such child; (B) a statement of the desired instructional objectives; (C) a statement of the specific educational services to be provided to such child, and the extent to which such child will be able to participate in regular educational programs; (D) the projected date for initiation and anticipated duration of such services; and (E) objective criteria and evaluation procedures and schedules for determining, on at least an annual basis, whether instructional objectives are being achieved.

"(20) The term 'public educational agency' means any State educational agency or any other public agency approved by a State educational agency to provide special education and related services to handicapped children within the State involved.

"(21) The term 'excess costs' means those costs which are in excess of the average annual per student expenditure in a local educational agency during the preceding school year for an elementary or secondary school student, as may be appropriate, and which shall be computed after deducting (A) amounts received under this part or under title I or title VII of the Elementary and Secondary Education Act of 1965; and (B) any State, local, or private funds expended for programs which would qualify for assistance under this part or under such titles.".

(b) The heading for section 602 of the Act (20 U.S.C. 1402) is amended to read as follows:

"DEFINITIONS".

PAYMENTS

SEC. 7. Section 611 of the Act (20 U.S.C. 1411) is amended to read as follows:

"PAYMENTS

"SEC. 611. (a) The Commissioner shall make payments to each State in amounts which such State and the local educational agencies of such State are eligible to receive under this part. Any State receiving payments under this subsection shall distribute payments to the local educational agencies of such State in amounts which such agencies are eligible to receive under this part after the State educational agency has approved applications of such local educational agencies for allotments in accordance with section 613(f).

"(b) Payments under this part may be made in advance or by way of reimbursement and in such installments as the Commissioner may determine necessary.".

ALLOTMENTS TO LOCAL EDUCATIONAL AGENCIES

SEC. 8. (a) Section 612 of the Act (20 U.S.C. 1412) is amended—

(1) in the first sentence of subsection (a)(1) thereof, by striking out "for payments to States under section 611(b)" and inserting in lieu thereof "to make grants under this part";

(2) in subsection (a) thereof, by amending paragraph (2) to read as follows:

"(2) The Secretary of the Interior may receive an allotment under this subsection only after submitting to the Commissioner a plan which meets the applicable requirements of section 613(a) and which is approved by the Commissioner. The provisions of sections 613(c), 613(d), and 613(e) shall apply to any such plan.";

(3) in subsection (a)(1)(B) thereof, by striking out "such criteria as the Commissioner" and all that follows through "of this part" and inserting in lieu thereof "the provisions of paragraph (2)"; and

(4) by striking out subsections (b) and (c) and inserting in lieu thereof the following new subsections:

(b)(1) Except as provided in subsection (c)(1), from the total amount appropriated for any fiscal year, the Commissioner shall allot to each local educational agency an amount equal to the product of—

"(A) the number of handicapped children in the school district of the local educational agency who are enrolled in programs of free appropriate public education which meet the criteria established in section 614(a)(1); and

"(B) 50 per centum of the average per pupil expenditure in public elementary and secondary schools in the United States.

"(2) The number of handicapped children enrolled in any fiscal year in programs described in paragraph (1)(A) shall be equal to the average of the number of such children enrolled on October 1 and February 1 of the preceding fiscal year.

"(3) For purposes of paragraph (1)(B), the term 'average per pupil expenditure' has the meaning given if by section 403(16) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress).

"(4) Notwithstanding any other provision of this part, each State shall be entitled to a level of funding for any fiscal year which is at least equal to the level of funding which such State received for the fiscal year ending September 30, 1977, or $300,000, whichever is greater.

"(c)(1) The Commissioner, in determining the allotment of local educational agencies of the same State under subsection (b)(1), may not count handicapped children in such State under subsection (b)(1)(A) to the extent the number of such children is greater than 12 per centum of the number of all children aged five to seventeen, inclusive, in such State, and may not count, as part of such percentage, children with specific learning disabilities to the extent the number of such children is greater than one-sixth of such percentage.

"(2) For purposes of paragraph (1), the number of children aged five to seventeen, inclusive, in any State shall be determined by the Commissioner on the basis of the most recent satisfactory data available to him.

"(d)(1) If the sums appropriated for any fiscal year for making payments under this part are not sufficient to pay in full the total amounts which all local educational agencies are eligible to receive under this part for such fiscal year, the maximum amounts which all such agencies are eligible to receive under this part for such fiscal year shall be ratably reduced. In case additional funds became available for making such payments for any fiscal year during which the preceding sentence is applicable, such reduced amounts shall be increased on the same basis as they were reduced.

"(2) In the case of any fiscal year in which the maximum amounts for which local educational agencies are eligible have been reduced under the first sentence of paragraph (1), and in which additional funds have not been made available to pay in full the total of such maximum amounts under the last sentence of such paragraph, the State educational agency shall fix dates before which each local educational agency shall report to it on the amount of funds available to the local educational agency, under the provisions of subsection (b)(1) and paragraph (1), which it estimates that it will expend in accordance with the provisions of this part. The amounts so available to any local educational agency, or any amount which would be available to any other local educational agency if it were to submit an appropriate program, which the State educational agency determines will not be used for the period of its availability, shall be available for allocation to those local educational agencies, in the manner provided in the last sentence of paragraph (1), which the State educational agency determines will need additional funds to carry out approved programs, except that no local educational agency may receive an amount under this sentence which, when added to the amount available to it under paragraph (1), exceeds its allotment under subsection (b)(1).".

(b)(1) The Commissioner of Education shall, no later than one year after the effective date of this subsection, prescribe—

(A) regulations which establish specific criteria for determining whether a particular disorder or condition may be considered a specific learning disability for purposes of designating children with specific learning disabilities; and

(B) regulations which establish and describe diagnostic procedures which shall be used in determining whether a particular child has a disorder or condition which places such child in the category of children with specific learning disabilities.

(2) The Commissioner shall transmit any proposed regulation written under paragraph (1) to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Public Welfare of the Senate, for review and comment by each such committee, at least 15 days before such regulation is published in the Federal Register in accordance with section 431 of the General Education Provisions Act (20 U.S.C. 1232).

(3) For purposes of this subsection:

(A) The term "children with specific learning disabilities" means those children who have a disorder in one or more of the basic psychological processes involved in understanding or in using language. spoken or written, which disorder may manifest itself in imperfect ability to listen, think, speak, read, write, spell, or do mathematical calculations. Such disorders include such conditions as perceptual handicaps, brain injury, minimal brain dysfunction, dyslexia, and developmental aphasia. Such term does not include children who have learning problems which are primarily the result of visual, hearing, or motor handicaps, of mental retardation, of emotional disturbance, or of environmental, cultural, or economic disadvantage.

(B) The term "Commissioner" means the Commissioner of Education.

(4) The provisions of this subsection shall take effect on the date of the enactment of this Act.

(c) Effective on the date upon which final regulations prescribed by the Commissioner of Education under subsection (b) take effect, the amendment made by subsection (a) is amended, in paragraph (1) of section 612 (c) of the Act (as such paragraph would take effect on the effective date of subsection (a)), by striking out ", and may not count, as part" and all that follows through "one-sixth of such percentage".

(d) The heading for section 612 of the Act (20 U.S.C. 1412) is amended to read as follows:

"ALLOTMENT OF FUNDS; LIMITATION ON NUMBER OF CHILDREN COUNTED; REDUCTION NECESSITATED BY APPROPRIATION".

STATE PLAN REQUIREMENTS

SEC. 9. (a) Section 613(a) of the Act (20 U.S.C. 1413(a)) is amended—

(1) in paragraph (1) thereof, by striking out "(ii)" and inserting in lieu thereof "(iii)", and by inserting immediately after "throughout the State," the following: "(ii) which are designed to assure that, after September 30, 1978, no handicapped child residing in such State who is within an age group for which free public education is provided in such State shall be denied appropriate special education and related services,"; and

(2) by striking out "and" at the end of paragraph (12), by striking out the period at the end of paragraph (13) and inserting in lieu thereof a semicolon, and by adding at the end thereof the following new paragraphs:

"(14) provide that the State has an advisory panel, appointed by the Governor or any other official authorized under State law to make such appointments, composed of individuals involved in or concerned with the education of handicapped children, including handicapped individuals, teachers, parents or guardians of handicapped children, State and local education officials, and administrators of programs for handicapped children, which (A) advises the State educational agency of unmet needs within the State in the education of handicapped children; (B) comments publicly on any rules or regulations proposed for issuance by the State regarding the education of handicapped children and the procedures for distribution of funds under this part; and (C) assists the State in developing and reporting such data and evaluations as may assist the Commissioner in the performance of his responsibilities under section 616;

"(15) provide that the State educational agency shall (A) hear appeals from any local educational agency, or any parent or guardian of a handicapped child, with respect to the outcome of any hearing held as a result of any complaint presented in accordance with a grievance procedure established under section 617(a)(1); (B) establish and maintain compliance procedures in accordance with the provisions of section 617; (C) inform the Commissioner under section 617 with respect to the nature of any such appeal by the State educational agency; and (D) carry out any other requirement established by section 617;

"(16) provide that programs and procedures will be established to assure that funds received by the State or any of its political subdivisions under any other Federal program (including section 121 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 241c-2); section 305(b)(8) of such Act (20 U.S.C. 844a(b)(8)) or its successor authority; and section 122(a)(4) (B) of the Vocational Education Act of 1963 (20 U.S.C. 1262(a)(4)(B))) under which there is specific authority for the provision of assistance for the education of handicapped children, will be utilized by the State, or any of its political subdivisions, only in a manner consistent with the goal of providing a free appropriate public education for all handicapped children; and

"(17) provide that handicapped children in private schools and facilities will be provided special education and related services on the same basis as handicapped children in public elementary and secondary schools and at no cost to their parents or guardians, if such children are placed in or referred to such schools or facilities by the local educational aegncy involved as the means of carrying out the requirements of this part or any other applicable law requiring the provision of special education and related services to all handicapped children within such State, and that in all such instances the State educational agency shall assure that such schools and facilities meet standards which apply to public educational agencies and that children so served have all the rights they would have if served in public educational agencies.".

(b) Section 613(d)(2) of the Act (20 U.S.C. 1413(d)(2)) is amended—

(1) by inserting "(and to any local educational agency affected by any failure described in subparagraph (B))" immediately atfer "for hearing to such State agency";

(2) by striking out "substantially" in subparagraph (B);

(3) by inserting "or under the Federal programs specified in subsection (a)(16) within his jurisdiction and control to the extent that funds under such programs are available for the provision of assistance for the education of handicapped children" immediately after "to the State under this part" each place it appears therein; and

(4) by inserting at the end thereof the following new sentence:

"Any State educational agency or local educational agency in receipt of a notice pursuant to the first sentence of this paragraph shall, by means of a public notice, take such measures as may be necessary to bring the pendency of an action pursuant to this paragraph to the attention of the public within the jurisdiction of such agency.".

(c) Section 613 of the Act (20 U.S.C. 1413) is amended by adding at the end thereof the following new subsection:

"(f) A State educational agency shall approve any application transmitted by a local educational agency under section 614(a) if the State educational agency determines that such application meets the requirements of section 614(a), except that no such application may be approved until the State plan submitted by such State educational agency under subsection (a) is approved by the Commissioner under subsection (c).".

APPLICATION; ADMINISTRATION; EVALUATION; GRIEVANCE PROCEDURE; RULES

SEC. 10. Part B of the Act (20 U.S.C. 1411 et seq.) is amended by striking out section 614 and inserting in lieu thereof the following new sections:

"APPLICATION

"SEC. 614. (a) A local educational agency which desires to receive an allotment under this part for any fiscal year may transmit an application for such allotment to the appropriate State educational agency. Such application shall—

"(1) provide satisfactory assurance that payments under this part will be used for excess costs directly attributable to programs which—

"(A) provide that all children residing within the jurisdiction of the local educational agency who are handicapped, regardless of the severity of their handicap, and are in need of special education and related services will be identified, located, and evaluated, and provide for the inclusion of a practical method of determining which children are currently receiving needed special education and related services and which children are not currently receiving such education and services;

"(B) establish policies and procedures in accordance with detailed criteria prescribed by the Commissioner to protect the confidentiality of data and information developed or obtained under subparagraph (A);

"(C) establish—

"(i) a goal of providing full educational opportunities to all handicapped children, including (I) programs and procedures for the development and implementation of a comprehensive system of personnel development which shall include the in-service training of general and special educational, instructional, and support personnel, detailed procedures to assure that all personnel necessary to carry out the purposes of this part are appropriately and adequately prepared and trained, and the development of effective procedures for acquiring and disseminating to teachers of, and administrators of programs for, handicapped children significant information derived from educational research, demonstration, and similar projects, and for adopting, where appropriate, promising educational practices developed through such projects; (II) the provision of special education and related services to handicapped children, with first priority given to the provision of such education and services to handicapped children who are not receiving such education and services, and second priority given to the provision of such education and services to handicapped children, within each disability, with severe handicaps who are not receiving adequate special education and related services; (III) the maintenance of special facilities for handicapped children; (IV) the participation and consultation of parents or guardians of such children; and (V) to the maximum extent practicable, the provision of special services to enable such children to participate in regular educational programs;

"(ii) a detailed timetable for accomplishing such a goal; and

"(iii) a description of the kind and number of facilities, personnel, and services necessary to meet such a goal;

"(2) provide satisfactory assurance that (A) the control of funds provided under this part, and title to property derived from such funds, shall be in a public agency for the uses and purposes provided in this part, and that a public agency will administer such funds and property; (B) Federal funds expended for programs under this part shall be used to pay only the excess costs directly attributable to the education of handicapped children, and shall also provide satisfactory assurance that such funds shall be used to supplement and, to the extent practicable, increase the level of State, local, and private funds expended for the education of handicapped children, and in no case to supplant such State, local, and private funds; and (C) State and local funds will be used in the school district of such local educational agency to provide services in program areas which, taken as a whole, are at least comparable to services being provided in areas of such district which are not receiving funds under this part;

"(3) set forth effective procedures, including provisions for appropriate objective measurements of educational achievement, for evaluating at least annually the effectiveness of the programs in meeting the special educational needs of handicapped children;

"(4) (A) provide for making an annual report and such other reports to the State educational agency, in such form and containing such information (which, in the case of reports relating to performance, is in accordance with specific performance criteria related to program objectives), as may be reasonably necessary to enable the State educational agency to perform its duties under this part, including information relating to the educational achievement of handicapped children participating in programs carried out under this part; and

"(B) provide for keeping such records, and afford such access to such records, as the State educational agency may find necessary to assure the correctness and verification of such reports;

"(5) provide for making the application and all pertinent documents related to such application available to parents and other members of the general public, and provide that all evaluations and reports required under paragraph (4) shall be public information;

"(6) provide satisfactory assurance that the local educational agency has in effect a policy which assures all handicapped children the right to a free appropriate public education;

(7) provide satisfactory assurance that the local educational agency will maintain an individualized education program for each handicapped child, and will review (at least annually) and revise its provisions, whenever appropriate, in consultation with the parents or guardians of the handicapped child;

"(8) provide satisfactory assurance that policies and programs established and administered by the local educational agency shall be consistent with the provisions of the State plan of the State educational agency; and

"(9) provide satisfactory assurance that the local educational agency will establish and maintain a grievance procedure in accordance with the provisions of section 617.

"(b) (1) A State educational agency may disapprove any application transmitted by a local educational agency under subsection (a) if the State educational agency determines that such application does not meet the requirements of subsection (a).

"(2) (A) Whenever a State educational agency after reasonable notice and opportunity for a hearing, finds that a local educational agency, in the administration of an application for an allotment approved by the State educational agency under section 613(f), has failed to comply with any requirement set forth in such application, the State educational agency, after giving appropriate notice to the local educational agency, shall—

"(i) make no further payments to such local educational agency under section 611 (a) until the State educational agency is satisfied that there is no longer any failure to comply with the requirement involved; or

"(ii) take such finding into account in its review of any application for an allotment made by such local educational agency under subsection (a).

(B) The provisions of the last sentence of section 613(d) (2) shall apply to any local educational agency receiving any notification from a State educational agency under this paragraph.

"(c) (1) A State educational agency may, for purposes of the consideration and approval of applications under this section, require local educational agencies to transmit a consolidated application for allotments if such State educational agency determines that any individual application transmitted by any such local educational agency would be disapproved because such local educational agency would be unable to establish and maintain programs of sufficient size and scope to effectively meet the educational needs of handicapped children.

"(2) (A) In any case in which a consolidated application of local educational agencies is approved by a State educational agency under paragraph (1), the allotment which such local educational agencies may receive shall be equal to the sum of allotments to which each such local educational agency would be entitled under section 612(b) (1) if an individual application of any such local educational agency had been approved.

"(B) The State educational agency shall prescribe rules and regulations with respect to consolidated applications transmitted under this subsection which are consistent with the State plan and which provide participating local educational agencies with joint responsibilities for implementing programs receiving funds under this part.

"(C) In any case in which an intermediate educational unit or any other public educational agency is required pursuant to State law to carry out the provisions of this part, the joint responsibilities given to local educational agencies under subparagraph (B) shall not apply to the administration and disbursement of any allotments received by such intermediate educational unit or by such public educational agency. Such responsibilities shall be carried out exclusively by such intermediate educational unit or by such public educational agency.

"(d) In any case in which a State educational agency determines that a local educational agency—

"(1) is unable or unwilling to establish and maintain programs of free appropriate public education which meet the criteria established in subsection (a) (1);

"(2) is unable or unwilling to be consolidated with other local educational agencies in order to establish and maintain such programs; or

"(3) has one or more handicapped children who can best be served by a regional or State center designed to meet the needs of such children;

the State educational agency shall use the allotment which would have been available to such local educational agency to provide special education and related services directly to handicapped children residing in the area served by such local educational agency. The State educational agency may provide such education and services in such manner, and at such locations (including regional or State centers), as it considers appropriate, except that the manner in which such education and services are provided shall be consistent with the requirements of this part.

"(e) In any case in which a State educational agency determines that a local educational agency is adequately providing special education and related services to all handicapped children residing in the area served by such agency with State and local funds otherwise available to such agency, the State educational agency may reallocate funds (or such portion of those funds as may not be required to provide such education and services) made available to such agency, pursuant to section 612(b) (1), to such other local educational agencies within the State as are not adequately providing special education and related services to all handicapped children residing in the areas served by such other local educational agencies.

"(f) Notwithstanding the provisions of subsection (a) (2) (B), any local educational agency which is required to carry out any program for the education of handicapped children pursuant to a State law in effect before the date of the enactment of the Education for All Handicapped Children Act of 1975, shall be entitled to receive an allotment under section 612(b) (1) for use in carrying out such program, except that such allotment may not be used to reduce the level of expenditures for such program made by such local educational agency from State, local, or private funds below the level of such expenditures for the fiscal year prior to the fiscal year for which such local educational agency seeks such allotment.

"ADMINISTRATION

"Sec. 615. (a) In carrying out his duties under this part, the Commissioner shall—

"(1) cooperate with, and render all technical assistance necessary (directly or by grant or contract) to, the States in matters relating to the education of handicapped children and the execution of the provisions of this part;

"(2) provide such short-term training programs and institutes as may be necessary; and

"(3) disseminate information, and otherwise promote the education of all handicapped children within the States.

"(b) As soon as practicable after the effective date of this subsection, the Commissioner shall prescribe uniform categories and accounting procedures to be utilized by State educational agencies in submitting State plans under section 613(a) in order to assure equity among the States.

"EVALUATION

"Sec. 616. (a) The Commissioner shall measure and evaluate the impact of the program authorized under this part and the effectiveness of State efforts to assure the free appropriate public education of all handicapped children.

"(b) (1) In carrying out his responsibilities under this part, the Commissioner shall (A) conduct directly, or by grant or contract, such studies, investigations, and evaluations as are necessary to assure effective implementation of this part; and (B) provide for the evaluation of such programs through (i) the development of effective methods and procedures for evaluation; and (ii) conducting actual evaluation studies designed to test the effectiveness of activities supported by financial assistance under this part.

"(2) In addition to his responsibilities under paragraph (1), the Commissioner, through the National Center for Education

Statistics, shall provide to the appropriate committees of each House of the Congress and to the general public, at least annually, and shall update at least annually, the following information: (A) the number of handicapped children in each of the States who require special education and related services; (B) the number of handicapped children in each of the States receiving a free appropriate public education and the number of handicapped children not receiving a free appropriate public education; (C) the number of handicapped children in each of the States who are participating in regular classroom settings, consistent with the requirements of section 613(a)(13)(B), and the number of children who have been placed in separate classes or separate schooling, or who have been otherwise removed from the regular education environment; (D) the number of handicapped children residing in a public or private institutional setting, in each of the States, who are receiving a free appropriate public education, and the number of such children residing in such settings not receiving a free appropriate public education; (E) the amount of Federal, State, and local expenditures, in each of the States, specifically allotted for special education and related services; and (F) the number of personnel, by disability category, employed in the education of handicapped children, and the estimated number of additional personnel needed to adequately carry out the programs established pursuant to this part in each of the States.

"(3) The Commissioner, in providing information under paragraph (2)(E), may base such information upon a sampling of data available from States, State educational agencies, and local educational agencies.

"(c)(1) Not later than one hundred and twenty days after the close of each fiscal year, the Commissioner shall transmit to the appropriate committees of each House of the Congress a report on the progress being made toward the provision of free appropriate public education to all handicapped children, including a detailed description of all evaluation activities conducted under subsection (b).

"(2) The Commissioner shall include in each such report an analysis and evaluation of the effectiveness of procedures undertaken by the States to assure that handicapped children receive special education and related services in the last restrictive environment commensurate with their needs and to improve programs of instruction for handicapped children in day or residential facilities. Such analysis and evaluation shall include any recommendations for change in the provisions of this part, or any other Federal law providing support for the education of handicapped children. In order to carry out such analysis and evaluation, the Commissioner may conduct a statistically valid survey for assessing the effectiveness of individualized education programs.

"(d) The Commissioner may hire personnel necessary to conduct data collection and evaluation activities required by subsections (b) and (c) without regard to the provisions of title 5, United States Code, relating to appointments in the competitive service and without regard to chapter 51 and subchapter III of chapter 53 of such title, relating to classification and general schedule pay rates, except that no more than twenty such personnel shall be employed at any time.

"GRIEVANCE PROCEDURE

"SEC. 617. (a)(1) Any local educational agency which receives any assistance under this part shall establish and maintain a grievance procedure with respect to the provision of special education and related services to handicapped children by such agency. Any such grievance procedure shall provide parents or guardians of handicapped children, and handicapped children, an opportunity to present complaints with respect to the manner in which the handicapped child involved is being provided special education and related services by the local education agency.

"(2) Any local educational agency which receives a complaint in accordance with the procedure established under paragraph (1) shall conduct an investigation of such complaint. The local educational agency, upon completing such investigation, shall transmit a report of the findings of such investigation to the State educational agency, together with a description of any recommendation or disposition made by the local educational agency.

"(b)(1) Any person aggrieved by any recommendation or disposition made by a local educational agency in accordance with subsection (a)(2), may file an appeal with the State educational agency with respect to such action.

"(2) The State educational agency, upon receiving any appeal under paragraph (1), shall review the action of the local educational agency involved and shall conduct an investigation of the factual circumstances relating to the original complaint.

"(3) In any case in which the State educational agency receives a report from a local educational agency under subsection (a)(2), the State educational agency may, upon its own motion, conduct an investigation in the same manner as any investigation conducted under paragraph (2).

"(c) Any person participating in any hearing conducted by a local educational agency or a State educational agency under subsection (a) or subsection (b) shall be accorded the right to be accompanied and advised by counsel and by individuals with special knowledge or training with respect to the problems of handicapped children.

"(d)(1) If a State educational agency determines, as the result of any investigation conducted under subsection (b) and after reasonable notice and opportunity for hearing, that a local educational agency has failed to provide special education and related services in accordance with the provisions of this part, the State educational agency shall endeavor to correct such failure by informal methods of conference, conciliation, and persuasion. The State educational agency shall establish and maintain a procedure pursuant to which such agency may take such measures as may be necessary for the expeditious correction of any such failure in any case in which such agency is unable to correct any such failure through informal methods.

"(2) The State educational agency shall transmit to the Commissioner a report with respect to any determination of such agency under paragraph (1). Each such report shall contain a description of any action taken by the State educational agency to correct the failure involved. The State educational agency shall take into account its determination under paragraph (1) in its review of any application for an allotment made by the local educational agency involved under section 614(a).

"(3) The findings of fact of a State educational agency with respect to any determination of such agency under paragraph (1) shall be conclusive in any court of the United States if supported by substantial evidence, except that the court involved, for good cause shown, may remand the case to the State educational agency to take further evidence. Any new or modified findings of fact made by the State educational agency shall be conclusive if supported by substantial evidence.

"RULES

"SEC. 618. The Commissioner shall, no later than one hundred and twenty days after the effective date of this section, prescribe and publish in the Federal Register such rules as he considers necessary to carry out the provisions of this part, as amended by the Education for All Handicapped Children Act of 1975.".

EDUCATIONAL MEDIA AND MATERIALS CENTERS FOR THE HANDICAPPED

SEC. 11. Section 653 of the Act (20 U.S.C. 1453) is amended to read as follows:

"CENTERS ON EDUCATIONAL MEDIA AND MATERIALS FOR THE HANDICAPPED

"SEC. 653. (a) The Secretary is authorized to enter into agreements with institutions of higher education, State and local educational agencies, or other appropriate nonprofit agencies, for the establishment and operation of centers on educational media and materials for the handicapped, which together will provide a comprehensive program of activities to facilitate the use of new educational technology in education programs for handicapped persons, including designing, developing, and adapting instructional materials, and such other activities consistent with the purposes of this part as the Secretary may prescribe in such agreements. Any such agreement shall—

"(1) provide that Federal funds paid to a center will be used solely for such purposes as are set forth in the agreement; and

"(2) authorize such center, subject to prior approval by the Secretary, to contract with public and private agencies and organizations for demonstration projects.

"(b) In considering proposals to enter into agreements under this section, the Secretary shall give preference to institutions and agencies which have demonstrated the capabilities necessary for the development and evaluation of educational media for the handicapped.

"(c) The Secretary shall make an annual report on activities carried out under this section which shall be transmitted to the Congress.".

GRANTS FOR REMOVAL OF ARCHITECTURAL BARRIERS

SEC. 12. (a) Upon application by any State educational agency or local educational agency the Commissioner of Education may make grants to pay part or all of the cost of altering existing buildings and equipment in the same manner and to the same extent as authorized by the Act of August 12, 1968 (Public Law 90–480; 82 Stat. 718).

(b) For the purpose of carrying out the provisions of this section, there is authorized to be appropriated such sums as may be necessary.

(c) For purposes of this section—

(1) the term "State educational agency" has the meaning given it by section 602(7) of the Education of the Handicapped Act (20 U.S.C. 1402(7)); and

(2) the term "local educational agency" has the meaning given it by section 602(8) of such Act (20 U.S.C. 1402(8)).

CONGRESSIONAL DISAPPROVAL OF REGULATIONS

SEC. 13. (a) Section 431 (d)(1) of the General Education Provisions Act (20 U.S.C. 1232 (d)(1)) is amended by adding at the end thereof the following new sentence: "Failure of the Congress to adopt such a concurrent resolution with respect to any such standard, rule, regulation, or requirement prescribed under any such Act, shall not represent, with respect to such standard, rule, regulation, or requirement, an approval or finding of consistency with the Act from which it derives its authority for any purpose, nor shall such failure to adopt a concurrent resolution be construed as evidence of an approval or finding of consistency necessary to establish a prima facie case, or an inference or presumption, in any judicial proceeding.".

(b) Section 431(d)(1) of the General Education Provisions Act is amended by striking out "Such standard, rule, regulation, or requirement" and inserting in lieu thereof the following: "Any standard, rule, regulation, or requirement which has been reconsidered in accordance with subsection (b)(2)(A), or with respect to which such reconsideration has been waived under subsection (b)(2)(B), shall be transmitted in its proposed final form to the Speaker of the House of Representatives and the President pro tempore of the Senate. Any standard, rule, regulation, or requirement transmitted under the preceding sentence of this paragraph".

EFFECTIVE DATES

SEC. 14. (a) Except as provided in subsection (b), the foregoing provisions of this Act shall take effect at the close of June 30, 1975.

(b) The amendments made by sections 6, 7, 8(a), 8(d), 9, and 10 shall take effect at the close of September 30, 1977.

Amend the title so as to read: "An Act to amend the Education of the Handicapped Act to provide educational assistance to all handicapped children, and for other purposes.".

Mr. RANDOLPH. Mr. President, I move that the Senate disagree to the amendments of the House to the bill, S. 6, that is the Education For All Handicapped Children Act, and request a conference with the House of Representatives and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Senators RANDOLPH, CRANSTON, WILLIAMS, PELL, KENNEDY, MONDALE, HATHAWAY, STAFFORD, TAFT, SCHWEIKER, BEALL, and JAVITS conferees on the part of the Senate.

ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION APPROPRIATIONS AUTHORIZATION, 1976

The Senate continued with the consideration of the bill (S. 598) to authorize appropriations to the Energy Research and Development Administration in accordance with section 261 of the Atomic Energy Act of 1954, as amended, section 305 of the Energy Reorganization Act of 1974, and section 16 of the Federal Nonnuclear Energy Research and Development Act of 1974, and for other purposes.

Mr. THURMOND. Mr. President, I ask unanimous consent that Gary Clary of my staff be granted the privilege of the floor during this discussion.

Mr. TAFT. I yield for that purpose.

The PRESIDING OFFICER. Is there objection to the request of the Senator from South Carolina?

Without objection, it is so ordered.

Mr. TAFT. Mr. President, the amendment that I have called before the Senate would increase the authorization for ERDA for research and development of our natural gas supplies that lie within the Devonian shale deposits. The amount involved here is $35 million.

This Nation is facing a very real crisis with the shortage of natural gas. On past occasions I have urged that we act to remove the price constraints on gas exploration which have led to our present dilemma; but I am convinced that even with deregulation there is an urgent need to find new supplies of natural gas.

Gov. James Rhodes of Ohio has led the fight to educate the public as to the vast resources of natural gas that lie, nearly untapped, within the Devonian shale in the Appalachian Mountains. The Appalachian Regional Commission this year passed a resolution on June 18 urging that ERDA be given $100 million for Devonian shale gas exploration. Yet, when one examines the committee report on page 37, it states that only $15 million will be devoted directly or indirectly to Devonian shale.

The bill that has been reported by the committee provides for only one Devonian shale gas stimulation project.

On page 36 of the Interior Committee's report they state:

> It is the committee's judgment that research and development on releasing gas from the Devonian Shale in those areas that have not been naturally fractured is not being pursued at the maximum rate by ERDA. The specific authorization of $5 million for natural gas stimulation in Devonian Shale should be directed toward pursuing an accelerated research and development program on unfractured Devonian Shale. This effort should be conducted in parallel with current ERDA research and development efforts in massive hydraulic fracturing and the research and development efforts in Western shale where other massive natural gas sources are believed to exist.
>
> The $5 million increase will be used to initiate a cost sharing project with industry for a test program which will concentrate on new well completion and gas production stimulation techniques in the Devonian Shale. This program will be conducted in areas of the Devonian Shale where extensive natural fracturing has not occurred so that it will complement current or planned programs in massive hydraulic fracturing in the Devonian Shale.

But then, having made this statement, the committee earmarks only $5 million for one natural gas stimulation project in the Devonian shale region.

My amendment would increase the funds for Devonian shale research and development by $35 million. This, when added to the $15 million in the bill which is directly or indirectly going to Devonian shale gas efforts will bring us to a total figure of $50 million for that purpose.

The land mass in the Appalachian area varies greatly. To have meaningful research there will have to be demonstration projects in many different locations. There is also an urgent need for grants to be given to colleges, universities, research institutions and corporations which submit innovative concepts for shale research and development. It would be my expectation, if this amendment is adopted, that ERDA will use some of these funds for these types of grants.

I believe Congress must express its intention to fully support all research and development of the Devonian shale gas. If past experience is any indication, the FPC will not encourage private research. My amendment would provide sufficient funds for at least a meaningful beginning to a national effort to tap this vast resource.

According to current estimates, the five-state area of Pennsylvania, Ohio, West Virginia, Kentucky, and New York has 285 trillion cubic feet of natural gas. This figure is 48 trillion cubic feet more than the present estimate of the Nation's entire proven reserves. Our national current annual use is 22 trillion cubic feet.

So we are talking over 10 times our national use just on this deposit alone.

Thousands of homeowners depend on natural gas for their winter heat. One-half of all energy now used for industry comes from natural gas. The FPC projects that, for the year from April, 1975, to March, 1976, there is an anticipated national supply deficiency per year of nearly 3 trillion cubic feet. This will mean that, unless there are some dramatic developments, homes could go cold and factories could be forced to cut back jobs drastically or close.

I believe that the public demands more than lip service to energy development programs. We need a massive commitment of Federal funds.

I know that officials at the Energy Research and Development Administration argue that this money cannot be spent—they argued that to the committee. However, I have spoken to officials in industry and at private research institutions, and they assure me that there is a great deal more that can be done in this area than that planned by ERDA. I do not think that there is a more desparate area of concern to our citizens than the heating of their homes, and the saving of their jobs. My amendment will work for this goal.

This amendment will increase to $50 million the funds available directly or indirectly to Devonian shale gas exploration.

Of course, I pointed out that while this authorization is increased, the Appropriations Committee when it takes a look at this particular level of authorization, if we go to the $50 million figure, will, I am sure, examine whether or not the projects and proposals of ERDA with the additional authorization are justified and would justify a fall appropriation.

Mr. President, also, I would like to point out there is another development recently in connection with this. On May 8, when Mr. Orlofsky, the president of the Columbia Gas System, the principal distribution system in my State and in many other Middle Western States testified before the House Committee on Government Operations, he stated on page 32 some recommendations, and let me just read the recommendations, 3 and 4, in this connection:

> (3) Encourage exploration companies to develop and apply various novel stimulation techniques by cost-sharing programs with ERDA. ERDA should fund at least 60 percent of these field test programs.
>
> (4) Provide for grants to colleges, universities, research institutions and corporations which submit innovative concepts for shale research and development. Let's create the environment by having ERDA provide these grants.

At the same time, in the same testimony somewhat earlier, on page 31 of the House hearing, Mr. Orlofsky stated:

> The Columbia Gas System has announced today an $8.5 million eastern shale experimental program. This research and development program is being filed with the Federal

Power Commission today. The Governors of the various States in which we operate were briefed yesterday on this meeting with your subcommittee and of our $8.5 million shale experimental program. The program is contingent upon Columbia being able to obtain Federal Power Commission approval so that the company may recover the costs of the program in our rate structure. We all know that in a research and development program you may totally strike out. But if these experimental wells do prove to have any commercial value, the research account would be credited and the costs would then be brought into our property account. But we will have to await Federal Power Commission authorization before proceeding—that will insure us of recovery of our research and development costs, by rate increase.

Unfortunately, I have to report that the Federal Power Commission has not granted that request. In fact, they denied the request just yesterday, as I understand it, and have set hearings on the question. They said they could not go on without hearings. The hearings have not been set until September 15, and even if there are hearings held at that point it is obvious it will be months before it is approved in the fall.

Regulations are hindering private research matching funds that are needed. Because of the lower sales and the very high capital cost, Federal assistance in this area, in my opinion, is needed. It is needed in grants to the private systems; it is needed in independent research grants to institutions that will go out and do this work if the backing is provided to them.

Mr. President, to indicate the general interest that exists in this entire area, let me point out that I have a letter here—which I will ask unanimous consent to have printed in the Record—dated June 24 and addressed to the distinguished chairman of the subcommittee involved (Mr. Church), who is presently handling the bill, in which no less than 16 Congressmen from 6 States applied to the Senator and the committee to allow for this purpose some $100 million.

There being no objection, the letter was ordered to be printed in the Record, as follows:

House of Representatives,
Washington, D.C., June 24, 1975.

Hon. Frank Church,
U.S. Senate,
Washington, D.C.

Dear Senator Church: We know you and the members of the Energy Research and Water Resources Subcommittee share with us the concern over natural gas reserves in the United States. Unless Congress acts promptly, we are facing a severe natural gas shortage this winter.

Thousands of homeowners depend on natural gas for their winter heat. One-half of all energy now used for industry comes from natural gas. The FPC projects that for the year from April 1975 to March 1976 there is an anticipated national supply deficiency of nearly 3 trillion cubic feet compared to 2 trillion cubic feet in the year ending March 31, 1975. During the first three months of this year, net firm curtailments of natural gas in Region 2 (New York, Pennsylvania, New Jersey, Delaware, Maryland, District of Columbia, Virginia, West Virginia, and Ohio), according to the FPC, were 196 billion cubic feet or thirty percent of requirements.

The numbers alone make the natural gas situation deplorable. There are more factors behind these figures, though, including:

The potential loss of hundreds of thousands of jobs throughout the nation because industries do not have sufficient supplies; some of these have already occurred in the Northeast;

The loss of natural gas forces greater energy dependence on foreign oil at the very time we are attempting to become energy independent; and

The gas shortage foretells a potentially disastrous disruption to the recovery of our economy because industrial recovery will be seriously hampered.

At this point, there is ony one bright spot that might promise us some immediate relief until a gradual switch to alternate sources of energy can be developed. That is the natural gas contained in the Devonian shales underlying the Appalachian area states. Just five states (Pennsylvania, Ohio, West Virginia, Kentucky, and New York), are estimated to have 285 trillion cubic feet of natural gas which is 48 trillion cubic feet more than the nation's proven reserves.

On June 19, ERDA announced the signing of its initial contract to develop Devonian shale in the Appalachian states. A total of $2 million will be provided for fracturing stimulation in three test wells in Mingo County, West Virginia. This is a start, but much more can be done in the year ahead.

Presently before your Subcommittee is the ERDA authorization bill which carries an authorization of $4 million for experimental methods to recover these natural gas finds. Later this month, ERDA will be coming to Congress with additional energy plans and requests for supplemental funding. Our thinking in the House was that rather than delay the entire appropriation, we would consider additional items later. We believe, though, that the natural gas crunch will be so severe in the next few years that thinking must begin today on the natural gas problem, and the development of these Devonian shale reserves would appear to us to be a top priority. We believe it is imperative that the United States Congress make a major commitment to the development of these fossil fuel shales.

The natural gas situation is so acute that we cannot afford to do limited research for one or two years followed with a five or ten year development program. We need to move now, and move quickly, and on a major scale to explore and develop these resources.

A resolution (No. 375) urging $100 million for Devonian shale research by ERDA in the Appalachian states plus Illinois, Indiana, and Michigan, was adopted on June 18 by the Appalachian Regional Commission Governors who were led in this matter by Governor James Rhodes of Ohio. These governors agree that this is a major energy source that must be developed (See attached).

We urge greater funding for the development of the gas and oil shale reserves in the Appalachian region. We urge this because of the thousands of homes that need heat, industries that need energy, and workers that need jobs. We urge it because these reserves must be a key link in this nation's middle energy program to allow a smooth transition from our dependence on imported oil to alternate energy sources. We urge it as a vital step in the commitment by this Congress to solving the energy crisis.

We will leave it to the talented members of the Subcommittee to decide whether this initial authorization should be increased. But, we do not believe the initial $4 million authorized for this purpose will be sufficient to realize the full potential of this energy source. We look forward to working in the House in conjunction with your Subcommittee to realize the full potential of the energy source.

We thank you for your consideration and stand ready to help you in any way we can during your deliberations.

John P. Murtha, Pennsylvania; John M. Ashbrook, Ohio; Robert H. Mollohan, W. Va.; William S. Moorhead, Penna.; John H. Dent, Penna.; Jack F. Kemp, New York; Goodloe E. Byron, Maryland; Ralph S. Regula, Ohio; Richardson Preyer, N.C.; William Green, Penna.; Tennyson Guyer, Ohio; Clarence J. Brown, Ohio; Joseph M. McDade, Penna.; Joseph M. Gaydos, Penna.; William C. Wampler, Va.; John M. Slack, W. Va.; Albert W. Johnson, Penna.

Appalachian Regional Commission Resolution No. 375

A resolution urging the Energy Research and Development Administration to place at least $100 million on research for the production of natural gas from Devonian shale and for related purposes

Whereas, the Nation's energy needs require the development of all of its energy resources; and

Whereas, the Appalachian Region faces immediate and drastic curtailments of supplies of natural gas which can result in plant closings, adversely affecting hundreds of thousands of employees in the Region; and

Whereas, the Nation and the Appalachian Region have deposits of natural gas, including large deposits of Devonian shale throughout much of the Appalachian Region which can yield the natural gas needed to keep industry working; and

Whereas, the Energy Research and Development Administration is charged with developing new and improved technologies to provide the Nation with the capability to expand use of its domestic energy resources, including fossil fuel resources, in an economic and environmentally acceptable manner; and

Whereas, it is currently estimated that the Energy Research and Development Administration will expend over $2 billion in energy research and development in FY 1976 but only $365 million in fossil fuel research and development and only $25 million of that amount for petroleum and natural gas; and

Whereas, the need for increased supplies of natural gas is immediate and the Devonian shale deposits of Appalachia represents a potentially tremendous supply of natural gas; now, therefore, be it

Resolved, That the Appalachian Regional Commission urges the Energy Research and Development Administration to place urgent priority upon the immediate development and application of improved technologies for the production of natural gas, especially upon the production of natural gas from fracturing of Devonian shale, and to reallocate, commensurately with the emergency and magnitude of need, a far greater portion of the funds available to the Energy Research and Development Administration in FY 1976 to such purposes and to include at least $100 million for research and development of Devonian Shale Gas in the 13 Appalachian States and Michigan, Indiana and Illinois.

Mr. TAFT. Let me point out that if we do not move ahead on this, and move ahead fast, we are overlooking the possibility of getting additional gas developed quickly which can do something about relieving the really great threat to jobs.

Some Senators may have been aware

of discussions a week or so ago about the Commerce Committee investigators going to the Sandusky, Ohio, area to investigate an advertisement placed in the newspaper by a number of prominent citizens of the Sandusky area. In the Sandusky area alone these gentlemen affirmed in this ad, and we have checked with them since and they have backed up the figures, that unless there is some relief given in the area of natural gas by next winter they are going to lose 8,000 jobs that are presently existing in that area.

Nobody can tell me that is good for our economy or economic recovery.

In addition to the 16 Congressmen who wrote the letter to the chairman the Appalachian Regional Commission has also unanimously endorsed the proposal for the $100 million. I must say that I find $100 million a little excessive for the authorization.

I do think in this crisis area we ought to at least lift the $15 million limitation. I think it is definitely going to hold back what we are going to be able to do. I believe if we go to $50 million, that is a reasonable figure, a figure that can be used and will be used to promote the very much-needed research and development in this area.

Mr. President, I reserve the remainder of my time.

Mr. CHURCH. Mr. President, like the distinguished junior Senator from Ohio, Senator GLENN, his colleague, also has a great interest in developing shale. I would want to defer to him as a member of the committee to express the committee's reasons for opposition to this amendment. Before I do that, I promised the distinguished Senator from Oregon 1 minute.

Mr. GLENN. I thank the distinguished Senator very much. I am glad to reply on behalf of the committee and run through some of the reasoning that we went through in committee.

I might say, in starting out, that I share completely the concerns of my senior colleague from Ohio. The examples he gave of the potential for unemployment this winter in Ohio as a result of natural gas curtailments are rather tremendous, and have been discussed here in the Senate.

I believe the Senator from West Virginia (Mr. RANDOLPH) has indicated that Ohio might be impacted with 60,000 unemployed just on natural gas alone in the coming winter. So I share the concern of my senior colleague on the importance of this problem. I am sure we are going to be discussing it a lot more as the fall season moves in on us and as this gets to be more of a problem in Ohio.

Let me go into a little bit of the logic that the committee went through on this.

The report language, of course, specifies some $48,647,000 in the area of petroleum and natural gas development. The original ERDA request was for $22 million for petroleum and gas development. Of that initial total, $2.2 million was specified for Devonian shale. In addition $1.7 million was earmarked for technological development in Devonian shale, which might or might not occur in a particular Devonian area of drilling but might be developed at other places. These two items together in the initial ERDA budget brought the Devonian shale technique development up to $3.9 million.

The committee, after checking, added $20 million to that original $22 million request for petroleum and natural gas development. This action brought it up to $42 million. The natural gas stimulation and Devonian shale-type development budget was increased an additional $5 million by this action, bringing the total for that particular type of development up to $8.9 million.

In committee, after checking with ERDA and what their original requests were, I sponsored an amendment, which was accepted by the committee, which raised the specific Devonian shale development by another $5 million, bringing that type of development up to a total of $13.9 million.

There is an extra added feature with this $13.9 million. That is, it was specified that it be cost-shared to encourage as much industrial contribution to this same type development as possible. Past experience has indicated that probably another $10 million will be added onto that $13.9 million, bringing the total that we can expect to go into Devonian shale development and technological gas stimulation development up to around the $24 or $25 million mark. That figure is about three times what was spent during fiscal 1975. During fiscal 1975 about $8 million was committed by the Government and industry on a shared basis.

The $5 million that I sponsored in committee was estimated by ERDA to cut perhaps as much as 1 to 3 years time off the time to develop these new technologies for Devonian shale development.

When we talked to the ERDA people, they felt that this was quite an adequate amount and that more money than this would probably just be wasted. To the best of their knowledge this was a sufficient amount of money that could be extended on these new techniques and they did not need more than that particular amount. These are the reasons that we settled on this amount, which will come out to a total expenditure, if industry contributes on its own basis as it is fully expected they will, to around the $25 million figure to be spent on Devonian shale developments.

We have maps here, and we have a lot of information that could be read into the RECORD, and we could go into some of the other testimony given in committee, and some recounting of some of the talks we have had with ERDA along this line; but it was this type of logic that led us to this particular figure, and was the reason why we thought this would be completely adequate.

I thank the distinguished chairman of the subcommittee, the floor manager of the bill. I believe that presents the case for the committee.

Mr. CHURCH. I thank the Senator very much for his able statement of the case for the committee. I would only add to his argument that we are striving to keep this bill within the limits of the budgetary projection with which we are trying to live in the Senate, and even though we have added nearly half a billion dollars to the administration's request, in recognition of the urgency of pressing ahead with a crash program of development of alternative sources of fuel, we are still within that budgetary projection that we gave to the Budget Committee at the commencement of the year.

One reason why I oppose adding still further to the amount authorized in this bill is that we are going to break that budgetary estimate, and add further to the problem of living within the overall constraints of our projected budget for the year.

I have no further argument, Mr. President. I am willing to yield back the remainder of my time, but I defer first to the senior Senator from Ohio.

Mr. TAFT. I thank the Senator. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. TAFT. Mr. President, I shall not prolong this discussion greatly. I appreciate the full explanation given by my distinguished colleague from Ohio (Mr. GLENN) with regard to how they arrived at the figure they did.

Unfortunately, I do not think the amendment deals with the full problem.

I think I have pointed out, in dealing with Mr. Orlofsky's testimony, that the prospect is, unless we can get the Federal Power Commission to move faster than they have been accustomed to move, that these commercial matching funds, from companies which will have to recover their initial costs as the development progresses, are not going to be forthcoming. This has already happened within the last day or so. So I think we have a little rethinking to do, if the Senators are expecting the $24 million they are talking about, if the $10 million in matching funds the Senator mentioned are going to be included in the picture.

The only other point I would like to make in response to my colleague from Idaho is that, while the budgetary limit is of course of great concern to everyone involved, I point out that unless we do something about increasing the availability of natural gas, and very quickly, we will see revenue losses that will more than offset the value of any result of research and development. We will see revenue losses because we will see loss of jobs, with resultant loss of income tax from those jobs, the shutting down of companies, with the loss of income taxes due to declining corporate receipts, and a number of other effects on revenue that I am sure the chairman is familiar with.

So the budgetary limitation, while I am familiar with that problem, seems to me a short-sighted basis insofar as this particular decision is concerned.

Another factor that I would like to point out, that I think my colleague from Ohio has stated—and he will correct me if I am wrong—is that insofar as specific earmarking of the funds for a Devonian shale project is concerned, there is really only $5 million for this particular aspect of the project. Other money may well result from the other types of exploratory drilling done, and trying to stimulate the production of other wells, which is a simple process, may devolve and have some benefit in the Devonian shale area, but I believe this bill now only calls for one project, at a $5 million price, in Devonian shale drilling by ERDA.

According to the scientific advice to which we have been referring, the Appalachian area varies greatly, and the depth of the Devonian shale is a very variable thing. In some areas it is extremely deep, and in other areas becomes relatively shallow, and even has outcroppings. Due to the variance in the Appalachian land in this respect and others, I would suggest that merely one project of drilling in the Devonian shale is not going to be very meaningful. I think if we did it in four or five different areas with different techniques. With the funds I am suggesting we could expect far more quickly some results from which we could draw some conclusions as to how we can economically exploit this tremendous resource.

Mr. President, I reserve the remainder of my time.

Mr. GLENN. Mr. President, will the Senator yield for one comment?

Mr. TAFT. I believe the Senator has some time.

Mr. GLENN. On the question raised by the Senator, this is not just to be a one technique investigation. All the gas stimulation techniques are lumped together under the cost of development. It is not just one technique that is being looked at with that $5.2 million.

On page 34 of the committee report, there is listed another $14 million applicable to Devonian shale alone. But all this $25 million——

Mr. TAFT. But, if the Senator will yield, it does include matching funds.

Mr. GLENN. It would include matching funds, and the matching funds program has been successful during fiscal 1975. ERDA does not anticipate having any difficulty getting matching funds of the order of $25 million, as I have projected here.

As far as the immediate concern my senior colleague raised for this winter is concerned, no amount of Devonian shale development will help that. We will only help that problem by use of our existing gas supplies, or uncapping drilling already developed. No amount of new development would help that problem this winter, let alone the development of the Devonian shale this part of the bill addresses.

Mr. TAFT. I thank the Senator for his comments. The only point I would make in the matching funds area, I believe the Senator talked about fiscal year 1975, when a $8 million figure was the total expenditure for both government and industry. I do not know, but I assume that half of that was matching funds from industry, so the Senator is talking about $4 million from industry, as compared with $10 million needed in this I have to agree with the Senator; I particular area.

think most of what we are talking about here is, unfortunately, not in a position to remedy the possible gas shortage this winter. We must take steps to urge other legislative action to try to avoid that particular crisis.

But I would say that the additional funds, if they were made available, would perhaps help. We have had, in Ohio, some rather interesting developments of private contractors going around to large industrial plant sites drilling gas wells and reworking gas wells. For instance, the Lordstown plant in Ohio has developed a large additional supply of natural gas within its own plant.

They are supplementing their operation. I think at times they have been selling gas to other customers.

So, I think there is bound to be some spinoff, if we get additional funds involved to have more than one research project and offer grants to private institutions, such as the Battelle Institution, in Columbus to go out and engage in this kind of drilling and research.

I do not think we could just discount that. It is a possible alleviating source at a very early time.

Mr. GLENN. Mr. President, will the Senator yield?

Mr. TAFT. I am glad to yield.

Mr. GLENN. I make only one additional short comment. We have taken up enough time on this. I think the Senator points up a very important factor in research, science, and technological development; that is, we do not know what we are going to run into. We only, at best, make estimates starting out.

I think one of the most important features of this entire bill involves the fact that we wrote into this a flexibility of funds that I think is the key in any research project because we have written in a flexibility of 10 percent on some of the projects. On particular projects the ERDA Administrator, if he finds a project that is not going along well and it does not look like it is going to develop into anything fruitful, can take up to 10 percent of those funds, shuffle them over, add them to other funds, and make a major investment in a development area that looks more fruitful and is on the verge of a breakthrough.

With a project like this Devonian shale gas, if there are techniques that are brought to the administrator and look as though they are going to be very promising, he has this flexibility of funds to help several times over anything we are proposing here or over anything that my senior colleague has proposed.

They are very much aware of the necessity for natural gas, of course, and have at their beck and call the ability to put far greater funds than either one of us have proposed. I am sure they are going to avail themselves of the opportunity if the techniques so develop.

I thank my senior colleague.

Mr. TAFT. I thank the Senator.

I do not want to prolong this any more. I hope, in the discretionary area, with the competition that the Devonian shale gas exploration will have with other types of research and development, that funds will be allocated, but I see no assurance that it will happen under the provisions of this bill, particularly where there is an earmarked amount set aside by Congress for this purpose which unfortunately I feel to be totally inadequate.

Mr. President, I am ready to yield back the remainder of my time if the chairman is.

Mr. CHURCH. Mr. President, I want to briefly recap what has happened to this particular provision in the bill. When the administration first submitted the bill it asked for $4 million which could be used directly or indirectly for the purpose of developing the technology for extracting gas from Devonian shale. The committee increased the $4 million to $9 million, more than doubled it, and then the distinguished junior Senator from Ohio (Mr. GLENN), who has been a very valued member of the committee and very attentive to its work, made a powerful argument to add still another $5 million to take care of the particular needs of Devonian shale in the Appalachia. That made the total $14 million.

If we add $4 million in public money to the private money that is likely to be contributed, we have enlarged the program to the $24 and $25 million level, largely as a result of the persuasive arguments made by Senator GLENN.

We think that is all the money that can be usefully applied in the coming year. For that reason, though I recognize the sincerity of the Senator's motivation in offering this amendment, I really believe that the position that the committee has taken is sound and that the amendment ought to be defeated.

Mr. President, section 16 of the Federal Nonnuclear Energy Research and Development Act of 1974 requires that the Energy Research and Development Administration receive annual authorizations to carry forth programs of that agency.

On Febuary 4, 1975, S. 598 was introduced by Senator PASTORE and Senator JACKSON—by request—and jointly referred to the Senate Committee on Interior and Insular Affairs and the Joint Committee on Atomic Energy. By consent agreement, this bill was referred to the Joint Committee on Atomic Energy for action on the nuclear energy program requests, and was then referred to the Senate Interior and Insular Affairs Committee for action on the nonnuclear program requests.

The two committees limited their consideration of the bill to those areas within their respective legislative jurisdictions. Where there were areas of overlap, as in the physicial research program and the environment and safety program, both committees examined the request. However, changes made by the Senate Interior Committee in programs of overlapping jurisdictions are specifically intended for the nonnuclear portions of such programs.

The House of Representatives has already acted upon the authorization request for ERDA. The Senate must act as quickly. Successful research, development, and demonstration programs conducted by ERDA, in cooperation with private industry, is the key to energy independence.

For the past several months the Subcommittee on Energy Research and Water Resources of the Senate Interior Committee has carefully examined the first-ever authorization requested by ERDA. In the committee's judgment, the Ford administration's request for the agency's nonnuclear programs are woefully inadequate.

Congress, in enacting the Federal Nonnuclear Energy Research and Demonstration Act of 1974, mandated a major public effort in the development of nonnuclear energy technologies. Through the people's representatives a national commitment was made to dedicate the necessary financial and scientific and technical resources to this major undertaking and to accord proper priority toward building new nonnuclear energy options. But, where Congress conceived of a program similar to that which first landed an American on the Moon, this administration is moving in slow motion, as demonstrated by the budget request made.

The longer we take to get into high gear, the more dangerously susceptible we become to another, more severe, OPEC embargo. Imports, in the form of petroleum, petroleum products, and natural gas, account for 20 percent of the total domestic energy consumption at an annual cost of over $25 billion in 1974. If the oil exporting countries follow through with plans made in Gabon their next quarterly session in September will result in whopping new price increases to their oil consuming customers. Add to this threat the probability that a 10–12 cent-a-gallon increase in gasoline prices under the President's program will make only a small, almost imperceptible, dent in present consumption, far short of meeting the President's target of 1 million barrels a day by the end of 1975.

The intolerably high oil prices being imposed on the world by the Organization of Petroleum Exporting Countries—OPEC—coupled with the President's plan to decontrol the price of "old" domestic oil can lead to only one result: inflationary prices.

The fatal flaw in Mr. Ford's argument that higher energy prices will bring forth more supply and cut down demand is that the flip side of the coin shows that a rising inflation rate continually justifies increases in oil prices. This story of the dog chasing its tail discourages hope for regaining economic stability.

In addition to OPEC's plans and the President's program for decontrol and despite the oil embargo of October 1973, which brought our dependence on foreign oil to public view, we know that:

The domestic production of petroleum and natural gas is down;

The cost of an imported barrel of oil is up;

The rate of coal production has hardly changed;

Utility companies have cancelled or deferred for economic reasons, a substantial portion of additional planned electric-generating capacity; and

Consumers have been subject to significant price increases; however, substantial energy waste continues.

The United States is more vulnerable now than in the fall of 1973 to an oil embargo.

Clarifying these points is not meant as a doomsday report. It does call to mind, however, the gravity of the energy crisis and the continued vulnerability of our oil/automobile based economy.

While disagreements persist over policies and programs to enhance production of crude oil and to curb consumption, the Nation is not a hapless lamb with its jugular vein completely exposed. There is agreement that solutions to long-term energy needs must begin now and that a major research, development and demonstration program, if successful, is the only sure way to achieve relief from the OPEC stranglehold. The Interior Committee is unanimous in supporting a recommended increase in authorizations for the Energy Research and Development Administration over the President's request. This showing of bipartisan solidarity mirrors the importance the public places in the mission assigned to ERDA; that is, to provide the Nation, as quickly as technologically feasible, with energy supply options to meet growing energy demands.

I want to specifically indicate that neither the President's budget request for ERDA nor the increase recommended by the Interior Committee will provide the "technological fix" necessary to fully meet present energy demands.

ERDA recently issued the national energy plan for energy research, development and demonstration in which this very point was made. New energy options will take time to develop. And, despite the great visibility given new and exotic energy forms, the fact remains that the United States currently depends on coal, petroleum gases and liquids, hydroelectricity and nuclear power for 99 percent of its energy needs.

To help meet the near term energy demand and to assure energy supplies beyond 1985 an accelerated R. & D. program as proposed by the Interior Committee's additional authorizations will be needed to buy the Nation time to make a transition from energy needs based primarily upon petroleum and natural gas to new energy sources. For example, enhanced recovery of oil and natural gas which requires some technological development, will buy roughly 10 years of time. These additional 10 years are crucial to the country because they double the time available for the development of new energy sources. But, indicative of the Ford administration's program, the request in the petroleum and natural gas extraction program calls for a level of effort equal to that modestly achieved in fiscal year 1975. In these and other programs, the Interior Committee has uprooted the administration's "business-as-usual" approach and planted the seeds for Senate approval of an accelerated, but totally responsible, Federal energy research, development, and demonstration program.

To achieve this end and to embark the new Energy Research and Development Administration upon a program to provide energy alternatives at the earliest possible date, the committee makes the following recommendations:

1. An increase in authorizations of $370,653,000 for "operating expenses" in the nonnuclear programs administered by the Energy Research and Development Administration for fiscal year 1976.

2. Authorizations under "plant and capital equipment" for an additional eight demonstration-scale projects in non-nuclear technologies. For fiscal year 1976, such authorization would total $78,000,000.

3. With respect to the recovery of oil from shale by the situ method, the Administrator of ERDA is authorized, in cooperation with the Secretary of Interior, to select a tract of public land suitable for the demonstration of in situ oil shale recovery, and to enter into an agreement with private industry for the utilization of such tract for the demonstration of in situ oil shale recovery.

4. The Administrator of ERDA is authorized to establish a loan guarantee program for the commercial demonstration of synthetic fuels from coal and oil shale and of nonconventional energy sources.

5. An increase in authorizations of $92,635,000 for "operating expenses" in the nonnuclear programs administered by the ERDA for the transition period to the new fiscal year.

6. Authorizations under "plant and capital equipment" for the transition period to the new fiscal year to continue funding for eight demonstration scale prospects in nonnuclear technologies. For the transition period such authorizations would total $19,500,000.

7. The Administrator of ERDA is given authority to transfer funds between programs so long as (1) such transfers do not result in the reduction of funding for any one program by more than 10% of the amount authorized and (2) appropriate Congressional committees do not object to such transfers within 15 days of the announcement of the proposed transfer.

8. The Administrator is required to submit to the Congress a report detailing the extent of small business and non-profit organizations participation in the ERDA programs.

In addition to providing greater funding for petroleum and natural gas stimulation, the Interior Committee has authorized funding for work to begin on nine demonstration scale projects to demonstrate energy technologies in nonnuclear energy sources. These projects include demonstrations using as an energy source, coals, geothermal steam and the Sun's rays. The administration requested funding for only one demonstration scale project.

The Interior Committee also authorized the Administrator to select a tract of public lands and to enter into an agreement with private industry to demonstrate the feasibility of recovering oil from shale by the in situ method; the administration requested no such provision.

Further, in an effort to achieve some impact upon the projected energy shortfall before 1985, the committee adopted an amendment to authorize ERDA to establish a loan guarantee program by which the Government, with congressional approval, will guarantee loans of private financial concerns to private industry to build and operate commercial-sized plants. These plants are expected to produce high quality gas that can be mixed with natural gas, to produce fuel gas from coal for generating electricity and to produce energy and heat from solar, geothermal, and other renewable energy resources. This important program is expected to contribute an equivalent of 500,000 barrels of oil per day by 1985.

Finally, in an effort to protect the small businessman and entrepreneur from being engulfed by a few giant companies, the committee has made special efforts to see that these small companies and independent businessmen receive appropriate consideration and a chance to participate in ERDA's programs.

I also want to emphasize that the impact on the environment will be studied by ERDA as each new technology is developed. In this way, we can assure that the environmental impact will be known and planned for prior to full-scale development and that concern for the environment will be built in by forethought and not hindsight.

I ask unanimous consent that certain tables reflecting the actions of the Interior Committee appear at this point in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

The following table presents a short summary of the authorization requested by the Administration for fiscal year 1976 and the transition quarter and the effect of the Interior Committee's actions thereon:

[In millions of dollars]

	Fiscal year 1976		Transition quarter	
	ERDA authorization request	Interior Committee change	ERDA authorization request	Interior Committee change
Operating expenses:				
Programs	2,953.6	267.3	819.8	66.8
Selected resources	265.0	93.1	129.0	23.2
Program support	200.0	10.3	52.5	2.6
Plant and capital equipment	868.9	78.0	128.9	19.5
Total	4,287.5	448.7	1,130.2	112.1

OPERATING EXPENSES

The following table summarizes the ERDA's request for operating funds authorization under its major nonnuclear programs and the action of the Senate Interior and Insular Affairs Committee thereon:

FISCAL YEAR 1976 BUDGET ESTIMATES, SENATE INTERIOR AND INSULAR AFFAIRS COMMITTEE, AUTHORIZATION ACTION—SUMMARY TABLE

[In thousands of dollars]

	Fiscal year 1976			Transition period		
	Report to Congress	Senate Interior change	Total Senate Interior recommendation	Report to Congress	Senate Interior change	Total Senate Interior recommendation
Oporating expenses—costs: [1]						
Fossil energy development	311,267	37,466	348,733	55,830	9,340	65,170
Solar energy development	57,100	39,100	96,200	14,500	9,800	24,300
Geothermal energy development	28,370	5,500	33,870	3,050	1,375	4,425
Advanced energy systems	23,173	45,727	68,900	4,030	11,430	15,460
Conservation research and development	32,170	86,760	118,930	7,733	21,960	29,423
Physical research [2]	312,500	18,000	330,500	80,300	4,500	84,800
Biomedical and environmental [2]	156,515	31,500	188,015	40,500	7,875	48,375
CEQ, WEC, NBS	0	3,200	3,200	0	800	800
Program support	200,018	10,300	210,318	52,488	2,600	55,088
Change in selected resources	78,920	93,100	172,020	52,450	23,225	75,675
Total	1,200,033	370,653	1,570,686	310,881	92,635	403,516

[1] The Interior Committee has not considered the nuclear programs of ERDA and this table does not include either ERDA's request for the nuclear programs nor the actions taken by the Joint Committee on Atomic Energy with respect to those programs.

[2] Total program under cognizance of the Joint Committee and the Interior Committee.

PLANT AND CAPITAL EQUIPMENT

The following table summarizes the ERDA's request for plant and capital equipment funds authorization under its major non-nuclear programs and the action of the Senate Interior and Insular Affairs Committee thereon:

FISCAL YEAR 1976 BUDGET ESTIMATES, SENATE INTERIOR AND INSULAR AFFAIRS COMMITTEE AUTHORIZATION ACTION, PLANT AND CAPITAL EQUIPMENT—COSTS

[In thousands of dollars]

	Fiscal year 1976			Transition period		
	Budget to Congress	Senate Interior change	Total Senate Interior recommendation	Budget to Congress	Senate Interior change	Total Senate Interior recommendation
Fossil energy development:						
Coal—Plant:						
Project 76-1-a, clean fuel demonstration plant (A-E and long lead procurement)	9,000	0	9,000	3,500	0	3,500
Project 76-1-b, high Btu pipeline gas demonstration plant	0	$20,000	20,000	0	$5,000	5,000
Project 76-1-c, low Btu fuel gas demonstration plant	0	15,000	15,000	0	3,750	3,750
Project 76-1-d, low Btu combined cycle demonstration plant	0	5,000	5,000	0	1,250	1,250
Project 76-1-e, fluidized bed demonstration plant	0	13,000	13,000	0	3,250	3,250
Total, coal	9,000	53,000	62,000	3,500	13,250	16,750
Petroleum and natural gas: Capital equipment	75	0	75	75	0	75
Oil shale: Capital equipment	264	0	264	75	0	75
Total, fossil energy development	9,339	53,000	62,339	3,650	13,250	16,900
Solar energy development:						
Capital equipment	0	0	0	--------	0	0
Plant:						
Project 76-1-f, 5 MW solar thermal test facility	0	5,000	5,000	0	1,250	1,250
Project 76-1-g, 10 MW central receiver solar thermal powerplant	0	5,000	5,000	0	1,250	1,250
Total, solar energy development	0	10,000	10,000	0	2,500	2,500
Geothermal energy development:						
Capital equipment	485	0	485	150	0	150
Plant:						
Project 76-1-h, geothermal powerplant, Raft River, Idaho	0	5,000	5,000	0	1,250	1,250
Project 76-1-i, geothermal powerplant, Buffalo Valley, Nev	0	5,000	5,000	0	1,250	1,250
Total, geothermal energy development	485	10,000	10,485	150	2,500	2,650
Advance energy systems	0	0	0	0	0	0

FISCAL YEAR 1976 BUDGET ESTIMATES, SENATE INTERIOR AND INSULAR AFFAIRS COMMITTEE AUTHORIZATION ACTION, PLANT AND CAPITAL EQUIPMENT—COSTS—Continued

[In thousands of dollars]

	Fiscal year 1976			Transition period		
	Budget to Congress	Senate Interior change	Total Senate Interior recommendation	Budget to Congress	Senate Interior change	Total Senate Interior recommendation
Conservation research and development:						
Electric power transmission: capital equipment	1, 295	0	1, 295	150	0	150
Advanced automotive power systems: Capital equipment	0	0	0	0	0	0
Energy storage systems: Capital equipment	591	0	591	250	0	250
End use energy conservation: Capital equipment	0	0	0	0	0	0
Improved conversion efficiency: Capital equipment	0	0	0	0	0	0
Total, conservation research and development	1, 886	0	1, 886	400	0	400
Physical research: [1]						
Capital equipment:						
High energy physics	20, 320	0	20, 320	4, 850	0	4, 850
Nuclear science	5, 768	0	5, 768	1, 200	0	1, 200
Materials sciences	2, 365	2, 500	4, 865	750	625	1, 375
Molecular sciences	1, 915	2, 500	4, 415	750	625	1, 375
Other capital equipment	1, 180	0	1, 810	950	0	950
Total, capital equipment	32, 178	5, 000	37, 178	8, 500	1, 250	9, 750
Plant	16, 564	0	16, 564	4, 590	0	4, 590
Total, physical research	48, 742	5, 000	53, 742	13, 090	1, 250	14, 340
Biomedical and environmental research: [1]						
Capital equipment	9, 850	0	9, 850	2, 500	0	2, 500
Plant	10, 471	0	10, 471	2, 787	0	2, 787
Total, biomedical and environmental research	20, 321	0	20, 321	5, 287	0	5, 287
Total capital equipment	44, 738	5, 000	49, 738	11, 700	1, 250	12, 950
Total plant	36, 035	73, 000	109, 035	10, 877	18, 250	29, 127
Total, plant and capital equipment	80, 773	78, 000	158, 773	22, 577	19, 500	42, 077

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[1] Total program under cognizance of more than 1 committee.

Mr. CHURCH. Second, in an effort to expedite the filing of a report and the bill, S. 598 as amended, the Interior Committee filed the report without reviewing final galleys, and, as a result, a number of errors appear in the report. I shall ask unanimous consent that a list of the errors or omissions be printed in the RECORD to assist Senators by providing accurate descriptions regarding the bill.

Many will recall during the early 1960's President Kennedy's decision to embark this country upon a program to land an American on the Moon by the end of the decade. Few may have thought it possible when the President made the announcement. The development of new energy sources requires the same aggressive spirit and optimism.

The commitment we make now toward the development of new energy options, while costly, will provide the country with an opportunity to achieve energy independence; the alternative choice—continued dependence—is really no choice at all.

I ask unanimous consent that the list of errors be printed at this point in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

REQUIRED CHANGES IN COMMITTEE REPORT

On page 2 of the report, the number "$3,107,107,000" should be "$3,180,749,000".

On page 6 of the report, the number "(A) Coal, $45,175,000" should be "$45,200,000".

On page 6 of the report, the number "(B) Petroleum and natural gas, $13,480,000" should be "$13,430,000".

On page 6 of the report, the number "$951,308,000" should be "$967,896,000".

On page 7 of the report, the word "(5)(E)" should be "(5)(F)" in both instances where "(E)" occurs.

On page 23 of the report, the number "$410,733,000" should be "$53,000,000".

On page 23 of the report, the number "$329,473,000" should be "$347,973,000".

On page 23 of the report, the number "$431,143,000" should be "$66,450,000".

On page 28 of the report, the number "625" which appears in the table, should be "600"; and the number "5,875" should be "5,900".

On page 34 of the report, the number "20,000" which appears in the table, should be "25,000", and the number "42,065" should be "47,065", and the number "5,000" should be "6,200", and the number "11,730" should be "12,930".

On page 69 of the report, the number "$83,800,000" should be "$80,300,000" and the following numbers which appear in the table as "14,400" should be "19,400"; "14,100" should be "11,900"; "12,500" should be "11,200" and "83,800" should be "80,300".

On page 76 of the report the number "18,060" appearing in the table should be "18,000"; the number "118,990" should be "118,930"; the number "1,230" should be "1,250" and the number "28,903' should be "29,423".

On page 85 of the report, the number "400" should be "460"; the number "$9.0" should be "$10.3" and the number "$2.25" should be "$2.6".

On page 93 of the report, the number "$3,826,440,000" should be "$3,769,240,000"; and the number "$772,033,000" should be "$719,333,000".

On page 95 of the report, the number "$1,090,021,000" should be "$1,093,936,000" and the number "$151,088,000" should be "$151,153,000".

Mr. CHURCH. Mr. President, in connection with the yea and nay vote, I ask unanimous consent that it may be confined to 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHURCH. Mr. President, I yield back the remainder of my time.

Mr. GLENN. Mr. President, I ask unanimous consent that Leonard Bickwit, a member of my staff, be accorded the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Mississippi (Mr. EASTLAND), and the Senator from Wyoming (Mr. MCGEE) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from New York (Mr. BUCKLEY) and the Senator from Arizona (Mr. GOLDWATER) are necessarily absent.

The result was announced—yeas 19, nays 75, as follows:

[Rollcall Vote No. 367 Leg.]

YEAS—19

Baker
Case
Curtis
Dole
Fannin
Griffin
Hansen
Hruska
Javits
Laxalt
Mathias
Pearson
Roth
Schweiker
Scott, Hugh
Stevens
Taft
Thurmond
Weicker

NAYS—75

Abourezk
Allen
Bartlett
Bayh
Beall
Bellmon
Biden
Brock
Brooke
Bumpers
Burdick
Byrd,
Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church
Clark
Cranston
Culver
Domenici
Eagleton
Fong
Ford
Garn
Glenn
Gravel
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Huddleston
Humphrey
Inouye
Jackson
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
McClellan
McClure
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pell
Percy
Proxmire
Randolph
Ribicoff
Scott,
William L.
Sparkman
Stafford
Stennis
Stevenson
Stone
Symington
Talmadge
Tower
Tunney
Williams
Young

NOT VOTING—5

Bentsen
Buckley
Eastland
Goldwater
McGee

So Mr. TAFT's amendment was rejected.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Before the Senator proceeds, the Senate will be in order. Senators will take their seats and suspend conversation.

Mr. DOMENICI. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New Mexico (Mr. Domenici), for himself and Mr. Montoya, proposes an amendment.

Mr. DOMENICI. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 24, before line 3, insert the following: Project 76-9-b, modifications and additions to inhalation toxicology research facilities at Lovelace Foundation, $6,800,000.

Mr. DOMENICI. Mr. President, I offer an amendment to S. 598, a bill to authorize funds for fiscal year 1976 for the Energy Research and Development Administration. This amendment would authorize funds for the modification and additions to a laboratory facility in Albuquerque, N. Mex., at the Inhalation Toxicology Reseaerch Institute which is operated for ERDA by the Lovelace Foundation for Medical Education and Research. The authorization is $450,000 for architect-engineering and work—title I and II—in fiscal year 1976 and $6,350,000 for the remainder of the project in fiscal year 1976.

The purpose of this addition to the facility is to study the inhalation toxicity of airborne pollutants or effluents associated with all nonnuclear energy sources, such as coal conversion plants, geothermal plants, and catalytic converters on automobiles. There are serious gaps and voids in the medical knowledge on the effects of intermittent and prolonged exposure to effluents such as sulfur oxides, nitrogen oxides, hydrogen sulfide, and particulate matter. The function of this facility would be to help complete this body of knowledge as a part of the general program of the Assistant Administrator of Environment and Safety.

Historically, the Inhalation Toxicity Research Institute has performed a very high quality research related to the pulmonary and biological effects of inhaled radioactive particles such as might be encountered by uranium miners and reactor fuel processors. A substantial program has been conducted by the Institute on the effects of transuranic elements, such as plutonium. The current facility is totally utilized in this nuclear research program.

The director of this Institute is on two EPA advisory boards and the National Academy of Sciences panel currently analyzing the question of plutonium toxicity. These activities insure that the Director will be aware of any overlap or duplication of effort between ERDA and EPA programs.

The amendment I offer today, would provide for additional facilities intended to bring a nuclear-nonnuclear balance to the Institute. It would also help to bring a balance to the activities of the Assistant Administrator for Environment and Safety, Dr. James L. Liverman. This project is the highest priority construction item in the area of nonnuclear environment and safety according to Dr. Liverman. He has two other higher construction items, but both involve nuclear aspects of environment and safety, and are not clearly in the purview of this subcommittee. An additional aspect of the Institute project in comparsion to the other projects, is that it is not associated with a national laboratory. This guarantees a high degree of independence in bringing research results into the public view without any constraint regarding an adverse impact on funding for other programs.

I urge the Senate to adopt this amendment.

Mr. STEVENSON. Mr. President, will the Senator yield 1 minute for consideration of a noncontroversial matter?

Mr. DOMENICI. This is noncontroversial. I will not ask for the yeas and nays. I believe we have worked it out, and it will not take more than 3 minutes.

Mr. President, on behalf of myself and Senator Montoya, what we seek to do in this amendment is to add an important institutional capacity to a facility that is presently studying the toxicity of our air and the upper atmosphere as it concerns toxicity from nuclear sources. This facility is the leader in the field at this time. All we are doing with our amendment is seeking that it be given the capacity to expand and relate itself to nonnuclear toxicity in the atmosphere and the outer atmosphere.

I think we all know that in the few years to come, we will be using a great deal of coal. There is much we do not know about the effect of pollutants that will come from its use. This laboratory, with an expanded capacity, would be both nuclear and nonnuclear in terms of analyzing and relating pollutants in the air so that we would know more about it as we develop technologies and as we develop clean air rules, regulations, and standards.

The facility, as I indicated, is nuclear now. They are related functions. We are asking that it be permitted to expand in both roles and that it be granted the money to begin that transition into a dual role.

I talked with the distinguished majority leader on this, and the minority leader. I believe they agreed to the amendment.

I reserve the remainder of my time.

Mr. FANNIN. Mr. President, the Senator from New Mexico is to be commended for this amendment. This is an operation that needs to be covered. We do have problems. The Senator brings out the problem of geothermal plants. This is a new area we are going into. There are other areas that will be covered in the tests, and the investigation of just what would be involved as far as toxicity is concerned is very important. I feel that this is needed and that the continuation of the program that has been in effect there and the expansion to cover these new problems is very important. I feel that this amendment is very much needed and I shall support it.

Mr. DOMENICI. Before I yield back the remainder of my time, I thank my distinguished colleague, the senior Senator from New Mexico, for his cosponsorship. If this laboratory does become both a nuclear and nonnuclear toxicity evaluator for the upper atmosphere, it will be of benefit to the entire Nation. I thank him for his cosponsorship.

Mr. MONTOYA. Will the Senator yield to me for just 1 minute?

Mr. DOMENICI. I am delighted to yield to my distinguished colleague.

Mr. MONTOYA. In New Mexico, Mr. President, we have the expertise and we have gained enough knowledge in this type of research, and I commend my colleague from New Mexico for preparing the amendment, offering it, and for explaining to the Senate what we intend to do. I think it is a new approach which is sorely needed, not only in New Mexico but in the rest of the country. We have the expertise there to unfold the new type of research that is sorely needed.

Mr. DOMENICI. I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. FANNIN. I yield back my time.

The PRESIDING OFFICER. All time has expired. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HUMPHREY. Mr. President, I have an unprinted amendment which I send to the desk in behalf of myself and Senator Moss of Utah, Senator Gary W. Hart, Senator Gravel of Alaska, and Senator Kennedy of Massachusetts.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment..

Mr. HUMPHREY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following new section:

Sec. . As a part of the annual report required by section 15(a)(1) of the Federal Nonnuclear Energy Research and Development Act of 1974 (PL 93-577), the Administrator shall:

(a) detail the Solar Energy Division personnel level recommended for the current fiscal year by the Administrator and submitted to the Office of Management and Budget, and the personnel level authorized upon review by that Office; and

(b) detail progress toward completion by January 1, 1980, of the following Solar Energy Division targets:

(1) Wind energy conversion systems totaling 25 megawatts;

(2) A solar thermal central receiver powerplant of 10 megawatts capacity and

(3) Photovoltaic application test facilities with a capacity totaling 3 megawatts.

Mr. HUMPHREY. Mr. President, I yield to the distinguished Senator from Illinois without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTERNATIONAL ECONOMIC POLICY ACT AUTHORIZATIONS

Mr. STEVENSON. Mr. President, I report a bill, H.R. 5884, in behalf of the Committee on Banking, Housing, and Urban Affairs, and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 5884) to authorize appropriations for carrying out the provisions of the International Economic Policy Act of 1972, as amended, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. STEVENSON. Mr. President, this bill has been cleared on both sides of the aisle.

There being no objection, the Senate proceeded to consider the bill.

Mr. STEVENSON. Mr. President, I report a bill, H.R. 5884, on behalf of the Committee on Banking, Housing and Urban Affairs and ask for its immediate consideration.

Mr. President, this measure, which is noncontroversial, would authorize appropriations for the Council on International Economic Policy—CIEP—for fiscal years 1976 and 1977, and extend CIEP's authority to September 30, 1977, in conformity with the new fiscal year prescribed by the Congressional Budget Act of 1974. The amount involved is $1.650 million for fiscal 1976 and $1.670 million for fiscal year 1977.

Last year, Congress authorized $1.8 million—and appropriated $1.6 million—for fiscal 1975. The authorization on an annual basis is, therefore, down from what Congress authorized—and only slightly up from what it appropriated—for fiscal 1975. Such funds would permit a total permanent staff—excluding personnel detailed from other agencies—of 30, down from 31 for fiscal 1975.

In addition, the bill would provide an exemption for CIEP from the provisions of the United States Code regulating the employment and compensation of persons in the Federal service; and allow compensation in excess of the GS-15 level, but not in excess of the GS-18 level, for up to eight CIEP employees. Both provisions have been included in CIEP's appropriations bills in the past but are included in this measure at the suggestion of the Appropriations Committees.

This legislation is needed in order to permit CIEP's continued operation. Its current funding authorization expired on June 30, 1975, and temporary funding is now being provided pursuant to a continuing resolution.

Mr. President, CIEP was established by Congress in 1972 for the purpose of achieving more effective coordination of U.S. international economic policy within the executive branch. CIEP's Chairman is the Secretary of the Treasury. Its membership includes the heads of the major executive branch departments whose activities have an impact on international economic policy. Its Executive Director is subject to Senate confirmation.

There is substantial criticism that CIEP has not fulfilled its intended role and that the coordination of U.S. international economic policy is seriously deficient. That criticism is not without validity. But no purpose would be served by attempting to restructure CIEP and force a different mechanism on the President. And no purpose would be served by depriving the President of the resources he needs for effective policy coordination.

Moreover, recently there have been signs of improvement in administration efforts to coordinate international economic policy. CIEP is meeting more frequently; the Secretary of the Treasury indicates an intent to make greater use of CIEP; and the State Department has indicated that State will hereafter play a greater role in CIEP's deliberations.

The committee has every expectation of further improvement in the future. It sees evidence of an appreciation by the executive branch of the need for better coordination and an enhanced role for CIEP. It is in anticipation of earnest efforts to achieve a comprehensive and coordinated approach to international economic policy that the Committee has recommended passage of H.R. 5884. I, therefore, urge its passage.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H.R. 5884) was ordered to a third reading, read the third time, and passed.

ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION APPROPRIATIONS AUTHORIZATION, 1976

The Senate continued with the consideration of the bill (S. 598) to authorize appropriations to the Energy Research and Development Administration in accordance with section 261 of the Atomic Energy Act of 1954, as amended, section 305 of the Energy Reorganization Act of 1974, and section 16 of the Federal Nonnuclear Energy Research and Development Act of 1974, and for other purposes.

SOLAR ENERGY PROGRESS REPORTS

Mr. HUMPHREY. Mr. President, I share with many of my colleagues the concern that ERDA is not moving rapidly enough to develop solar energy. This concern is best shown, I think, by the action of the House in raising the fiscal year 1976 ERDA authorization for solar energy to $96.2 million from the requested $57.1 million. This upward revision, of course, has my full support.

Mr. President, the amendment which I have offered is a simple one. It reflects my conviction that Congress can and should do more than simply increase solar energy authorizations, as important as this is. I believe that Congress must take a direct hand in protecting and nurturing solar energy R. & D. projects.

That is the objective of my amendment.

This amendment will do two things.

First, it requires the ERDA Administrator to tell Congress each year what his own personnel level recommendations are in the upcoming year for the solar division—that is the number of positions he has recommended that OMB approve for solar R. & D. At the same time, we ask that the ERDA Administrator tell us the number of positions which OMB actually granted.

Second, this amendment also requires that the ERDA Administrator again, as a part of his annual report to Congress, detail progress being made toward meeting ERDA's 1980 targets in the areas of wind energy, solar thermal energy and so-called photovoltaics.

Mr. President, I believe that these modest reporting requirements would provide Congress with important additional information on the progress being made in carrying out Congress' mandate for the rapid development of solar energy.

I have discussed this amendment briefly with the floor managers for both the majority and the minority and understand that they are willing to accept this amendment.

Mr. President, I make note of the fact that in 1974, I authored the Solar Energy Research and Development Demonstration Act of 1974. It provided an authorization of up to $1 billion for solar energy research and development over a 5-year period. This amendment relates directly to some of the objectives of the act. I urge its adoption.

I have talked to the manager of the bill and I believe it has been cleared, as I recollect, with the minority manager of the bill. I hope it will be accepted.

Mr. CHURCH. Mr. President, I congratulate the Senator for offering this amendment. He and I both know much about wind energy and the potential use to which it can be put for the generations to come. The amendment gives us additional detail in the report than the bill otherwise requires. I think it is a most constructive amendment. I am happy to accept it.

Mr. FANNIN. Mr. President, this is a very constructive amendment. It is a bill which will give us an idea of just what is happening, what is going forward. Many have expressed on the floor today that they do not know how the programs are progressing. This does, I think, serve that purpose. I commend the distinguished Senator from Minnesota for the leadership he has taken. He has been the initiator of many programs on solar energy and other forms of energy, and certainly, it is a very wise piece of legislation he has offered.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. GARY W. HART. Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 31, line 16, after the word "shall" strike all through line 23, and insert in lieu thereof the following:

"be final under the authority granted by this section unless the proposed guarantee or commitment is disapproved by either the Senate or the House within 90 days that both Houses are in session."

Mr. GARY W. HART. Mr. President, I yield myself 10 minutes on this amendment.

Mr. President, we are in a period of time in which the roles of Congress and the executive branch are seeking a balance. In this very important legislation, we authorize a great deal of money to the Energy Research and Development Administration and authorize it to underwrite loans for new or proposed alternative sources of energy, many of which are badly needed to solve our Nation's energy supply. It seems to me important that Congress, in seeking to make those funds available and to authorize the appropriate administrator, needs also to keep constant watch over those funds to make sure that they are being properly administered.

Mr. President, the amendment which I am offering here would merely provide that, instead of the present provision, which requires the administrator to send to the appropriate committees of both Houses reports on proposed guarantees or commitments to guarantee substantial amounts of money that will be required by these new synthetic alternative energy supplies, those reports now come to Congress under the proposed section of the bill, and that they merely stay there for 90 days, then go into effect at the end of that 90-day period.

The amendment which I am offering with the distinguished Senator from West Virginia, the chairman of the Committee on Public Works (Mr. RANDOLPH), would provide that either House of Congress, during this 90-day period, could move to disapprove that guarantee or commitment.

I think it is important for our colleagues to realize that an oil shale retort, that a plant to liquefy coal or gasify coal, is a project requiring hundreds of millions of dollars of investment. These are not little projects.

Massive amounts of money are going to be required, and that is, in fact, the theory behind the provision in the law to permit the Administrator of ERDA to underwrite these loans and these guarantees, so that people can have some assurance that if we are going to invest this kind of money that that money will not be lost.

What I am suggesting here, Mr. President, and to my colleagues, is Congress has an affirmative responsibility to consider these guarantees, to look at them because of the massive amounts of money that are involved, the taxpayers' dollars that are being subjected to some jeopardy here, and if during that 90-day period either House of Congress finds that this is not in the best interests of the public, it is not in the public interest to underwrite this loan, then that individual House of Congress could disapprove that guarantee or that commitment.

I think it is a very small step. It is a definite step toward congressional responsibility in this new and emerging area, and I would encourage all of my colleagues to give this amendment serious consideration.

I am authorized by my colleague, the Senator from West Virginia (Mr. RANDOLPH), to say that he fully subscribes to this theory and believes it is in the best interest not only of the synthetic fuel program but also in the public interest and looking after the taxpayers' dollars.

I reserve the remainder of my time.

Mr. STEVENS. Mr. President, will the Senator give me an additional minute? Will the Senator from Colorado tell me what he means by 90 legislative days? A legislative day around here can be 2 weeks. Ninety days in session or 90 legislative days as they are kept track of by the Senate?

Mr. GARY W. HART. Ninety legislative days as they are kept track of by the Senate.

Mr. STEVENS. That could well be 2 or 3 months beyond the 90 days, I might say to my friend. I would normally say 90 days when the Senate was in session, but my question about this is that it really goes to the point of view of the delay factor that is involved in this, and the problem that involves, as I understand it, a review. There is already a review procedure under this bill. There already is a period for comment under the bill.

I just have to ask my friend if we are not, in effect, getting into painting the Senate into the corner that we are in on the mandatory allocation program. I call his attention to the provisions on page 5 of the report under (2):

> The Administrator is directed to submit a full and complete report on each proposed guarantee or commitment to guarantee pursuant to this section to the appropriate committees of the Congress and such guarantee or commitment to guarantee shall not be finalized under the authority granted by this section prior to the expiration of ninety calendar days (not including any day in which either House of the Congress is not in session because of an adjournment of more than three calendar days to a day certain. . . .

The problem with what my friend from Colorado is doing is after having submitted it to Congress for 90 days, and then we go ahead and there is no action, then the commitment is made, and then either House can come back and veto it despite the fact that it already was before Congress for 90 days.

Mr. GARY W. HART. Mr. President, will the Senator yield?

Mr. STEVENS. Yes.

Mr. GARY W. HART. My amendment strikes the language. I think the reading by the clerk suggested that we strike everything after the word "shall" in line 16.

The essence of the amendment is the same. It just puts a little more burden on Congress to look into these things, and if either House disapproves then a commitment cannot be made.

It is not going to delay projects, I do not think, unnecessarily and unreasonably. We are talking about projects which are going to take 3, 4, 5 years to construct anyway. There are hundreds of millions of dollars involved in most of them, and I just want to pin down the responsibility of Congress a little more. This, in fact, is not a disapproval provision in here. It says the report comes here and sits here for 90 days and then the commitment goes into effect. I just want to put into the language that either House can veto that, something that is implicit in the language already, and I am just calling it out.

Mr. STEVENS. I say to my friend—and I will not use any more of the time of the Senator from Arizona—but my good friend from Washington is sitting here, the chairman of the Committee on Commerce, and if such a report came up to our committee and any one of us did not like it we could have that fact made known to the chairman of the committee. He would call the administrator up before the committee for a hearing, and I can guarantee that that loan would not be made or guaranteed if there was an objection from a substantial portion of the committee.

What the Senator is doing though is formalizing and actually adding more delay to the process by the fact that he is falling into the mandatory allocation concept which, in fact, requires a formal action and time on the floor, and we can do it in a period of 2 hours in committee, and we have done it. I really do not think Congress needs this kind of veto power in order to have its impact upon the guarantee procedure.

I thank the Senator from Arizona.

Mr. FANNIN. Mr. President, I do oppose this amendment. At the present time the ERDA agency has a distinct responsibility. They have discretion. I certainly have confidence in the Director of ERDA and the procedures which they follow. We would be taking away from them some discretion they now have which, of course, is subject to review by the Committee on Appropriations because they naturally are subject to the Appropriations Committee's decisions.

Here we have a procedure that would declare a third review to be necessary. If we consider just what is involved, this guarantee is 75 percent of the loan, that is what the guarantee amounts to, so we are not going to have careless loans of $1 billion when we have a requirement that anyone getting that loan would have a 25-percent investment before he could qualify. So why should we have Congress get into the bookkeeping process. I do not think it is the desire to load the work of the Committee on Appropriations on any other committee. So this is just another procedure to follow that is not needed.

I do not see that it gives any protection that is not already given. So I do feel that the protection we now have is reasonable, and it will cover the need.

I ask the Senator from Colorado why he feels an appropriation review would not be sufficient, I mean a review by the Committee on Appropriations?

Mr. GARY W. HART. Mr. President, I am impressed with the amount of money involved here. We are not talking about small research projects. Presumably, the purpose of this act is to get new ideas, oil shale, coal gasification, and so forth. They are going to involve hundreds of millions of dollars, and I think the people of the United States want their elected representatives in either House of Congress to look at the terms of these agreements, the companies involved, what the commitments of the U.S. Government are, what the commitments of the contractor are, what kind of commitment the people of the United States are getting themselves into in case this project fails.

I think the appropriations process works fine, but it does give Congress an additional chance to see when a specific commitment is being made what the people of the United States are committing themselves to and what the contractors are committing themselves to.

Mr. FANNIN. Mr. President, everything the Senator said is in the process now. It is a repeat of some of the work that is being done.

Here we do have—certainly we do know the Committee on Appropriations has—the responsibility as to the funds that are going to be involved by ERDA and the other agencies and also when we are talking about millions of dollars, we are talking about projects we need in order to meet our energy crisis. That is the whole idea involved. If we do not go forward with some of these programs, and the delays are already evident, and I will just give one example—coal gasification, in that program we had a program that was going to start about 3 years ago and was going to start with about $600 million. They could not get, because of the conditions of the market, the funds needed for that because there is quite a risk involved. So this is where this money is applied, and that is the reason for this program.

What has happened? Three years later that same program will cost $850 million, because of that delay. Furthermore, we have a shortage of natural gas throughout this Nation, and so we are not able to take advantage of that particular opportunity to obtain a large quantity of natural gas for the purposes for which it is needed.

So here if we continue trying to place barriers in the path of the programs that are needed, and I am not talking in any way about doing away with a careful check by the Committee on Appropriations of what is going to be involved, it will be a review program, but the very procedure we follow today, and I do not feel anything the Senator has mentioned would be beneficial.

Mr. GARY W. HART. Well, what is the additional delay here?

Mr. FANNIN. Just the way it is set up as far as the procedures followed. Congress has not been in a position to just review bookkeeping procedures and ERDA is given responsibility——

Mr. GARY W. HART. Well, there is a 90-day limitation.

Mr. FANNIN. I understand that.

Mr. GARY W. HART. My amendment has that limitation.

Mr. FANNIN. I understand the procedure the Senator is putting into this particular amendment, the period, but the way in which it would be handled, I think, would be very cumbersome and certainly not add anything as far as the program.

Mr. GARY W. HART. If the Congress cannot act in 90 days, then it cannot act.

Mr. FANNIN. This is not the idea.

In the first place, this is a new procedure, something that I think is very cumbersome in the beginning and does take away, even with the bill, we are doing something we discussed in the committee that perhaps is not the best procedure to follow, if we are going through the regular procedure of the Committee on Appropriations.

Mr. GARY W. HART. Mr. President, I yield myself the remainder of my time, whatever is left.

The PRESIDING OFFICER. Who yields time?

Mr. GARY W. HART. I yield to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, as I understand the purpose of the Senator's amendment, it is really insurance that the Congress and the American people, through their representatives, have a very clear idea about who is getting these loan guarantees. Is that the intention of the Senator?

Mr. GARY W. HART. Precisely.

Mr. KENNEDY. I believe it is of interest, and it would be to the American people, if these loan guarantees were going to major oil companies such as Exxon. I believe there would be concern if a pattern of these billion dollar guarantees were directed to the major oil companies. It might be a rather clear indication about policy decisions being made by ERDA and we ought to know about that and be able to act on that knowledge. And I believe the American public would expect us to act on that knowledge.

No one is suggesting there are not other procedures to try and provide some protection contained within the bill itself, but there remains a great deal of discretion that I believe deserves specific congressional oversight, review and the obligation to approve or disapprove.

This will insure complete information to the Congress and the American people on the proposed outlay of these guarantees which reach up to $6 billion.

Mr. GARY W. HART. Well, the Senator is exactly right, otherwise, it is as if the Congress were legislating away its authority to underwrite laws to Lockheed, and all the rest of those kinds of loan guarantees that Congress has got into the pattern of making in the last few years.

But here, there is $6 billion, and telling the Administrator to go ahead and underwrite these loans, and so forth.

Mr. KENNEDY. We do not do that with housing or education, we do not just turn over $6 billion to the Secretary of HEW and say, "Do an education program."

We try in the Congress to craft specific legislative purpose and direction.

Let me ask, beyond this, in the extension of unrestricted guarantees for these alternative energy processes, there could very well be a danger of anticompetitive actions if they all went to the major companies. Therefore, I think that the public ought to know about these proposals.

Mr. GARY W. HART. Hopefully, these programs will be used to encourage competition.

Mr. KENNEDY. That is right.

Mr. GARY W. HART. In these industries, and if a handful are getting the loans, that will further concentration and decrease competition.

Mr. KENNEDY. It may very well be that these major companies have bona fide credentials, and meet all the criteria, but if we could see from an examination of these loan guarantees that the whole pattern and practice was clearly anticompetitive, then we might want to challenge that as a public policy decision.

I must say that I do think the Senator has made a convincing case.

I would feel that given the magnitude of these different undertakings, as the Senator has pointed out, occurring probably over 2, 3 or 4 years for development, the 90-day requirement does not seem to me an undue restriction, particularly when there are other opportunities for delay. This may expedite it. With the careful review of the Senate, opposing groups may be a lot more reluctant to challenge a decision when we have the facts previously laid out here in the Senate. It may very well achieve final decisions in the national interest, taking into account environmental values as well as energy needs, more expeditiously.

I thank the Senator for his explanation.

Mr. GARY W. HART. The Senator is exactly right, no 90 day delay in the law as it is now, and all I am saying is that during that period we can redefine what the 90 days represent.

I would be glad to negotiate that out. Either House can put a veto on this. If they do not, the program and the loan goes forward.

Mr. President, I would ask for the yeas and nays on this amendment.

Mr. PASTORE. The yeas and nays, Mr. President.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. FANNIN. Mr. President, I yield back the remainder of my time; but ERDA has the discretion. It is their responsibility. We have the point of view here in the Congress, the Committee on Appropriations has the responsibility.

There is a need for this third review and each loan being examined as the provision provides, and we must take into consideration that we have laws that certainly prohibit happening what the Senator referred to where we will have this concentration. We have the antitrust laws, we have antimonopoly laws. So the provisions he is talking about do not apply.

There is only a guarantee of 75 percent. So no industry is going out on a billion dollar project that he has referred to and put $250 million into it unless they have confidence.

So with that confidence and going to ERDA, I do not see it is necessary to have any further review.

Mr. SYMINGTON. Will the Senator yield?

Mr. GARY W. HART. Yes, I yield to the Senator from Missouri.

Mr. SYMINGTON. Mr. President, in recent years, more and more, it has been the custom to, in effect, imply that something is private industry when actually there is a Government guarantee behind it.

I have noticed over the years that the larger the company the better their chance of getting the guarantee.

I know of no drugstore or local grocer, or even a chain grocer, for that matter, that works in this country that gets this type and character of guarantee that is being proposed right now in other aspects of this energy picture.

In this particular case, I have the greatest respect for the Administer of ERDA, but I see no reason why, if the Government comes into the picture, he should not be able, willing, in fact anxious, from the standpoint of future, to present his position to the Congress.

Therefore, I shall support the amendment.

Mr. GARY W. HART. I thank the Senator from Missouri.

Mr. FANNIN. Mr. President, may I say to the Senator from Missouri, he does present in the conference and it goes to the proper committees.

Mr. SYMINGTON. Went to present it for approval, not just to wait a certain length of time.

The Senator from Arizona knows that I know about the 90-day period, and so forth, and so on.

I would like to see him come here and get approval, if we are going to use the public's money, that is the normal authorization appropriation procedure on the use of the taxpayers' money.

Mr. FANNIN. Mr. President, I have the greatest regard for the distinguished Senator from Missouri. I know of his great background in business and industry, his tremendous successes, but let me read:

> (2) The Administrator is directed to submit a full and complete report on each proposed guarantee or commitment to guarantee pursuant to this section to the appropriate committees of the Congress and such guarantee or commitment to guarantee shall not be finalized under the authority granted by this section prior to the expiration of ninety calendar days (not including any day on which either House of the Congress is not in session because of an adjournment of more than three calendar days to a day certain) from the date on which the Administrator's report on the proposed guarantee or commitment to guarantee is received by the Congress.

So this is fully covered and what he has said is fully protected.

Mr. SYMINGTON. Let me say to my able friend, to be sure that I at least thought I knew what I was talking about, the staff member went over the language very carefully. I have seen it work in the past and I still think it is a good amendment.

Mr. GARY W. HART. I am prepared to yield back the remainder of my time, but I would like to ask unanimous consent, since there was discussion about the 90-day period, to modify the amendment to read, "Within 90 days when both Houses are in session".

I think that will clarify the issue and Senators will know exactly what that time period is they are voting upon.

Mr. FANNIN. That is a longer period of time, but that is the privilege of the Senator, to modify his amendment.

The PRESIDING OFFICER. Without objection, the amendment is so modified.

Mr. GARY W. HART. I yield back the remainder of my time.

Mr. FANNIN. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Senators will clear the well. Will the Senators take their seats? The Senate will be in order. Will the Senators who wish to converse withdraw to the cloakrooms. Senators will take their seats. The Senate will be in order.

Senators will clear the well. Will the Senator clear the well? The clerk will not resume until the Senators are in their seats or have withdrawn to the cloakroom.

Mr. LONG. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. a parliamentary inquiry is not in order during the rollcall.

The Senators will clear the aisles and take their seats.

The legislative clerk resumed and concluded the call of the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Mississippi (Mr. EASTLAND), and the Senator from Wyoming (Mr. MCGEE) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from New York (Mr. BUCKLEY) and the Senator from Arizona (Mr. GOLDWATER) are necessarily absent.

The result was announced—yeas 42, nays 52, as follows:

[Rollcall Vote No. 368 Leg.]

YEAS—42

Abourezk
Bayh
Biden
Brooke
Bumpers
Burdick
Chiles
Clark
Cranston
Culver
Glenn
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Javits
Kennedy
Leahy
Mansfield
Mathias
McGovern
McIntyre
Metcalf
Mondale
Montoya
Muskie
Nelson
Pastore
Pell
Proxmire
Randolph
Ribicoff
Schweiker
Stevenson
Stone
Symington
Tunney

NAYS—52

Allen
Baker
Bartlett
Beall
Bellmon
Brock
Byrd,
Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Church
Curtis
Dole
Domenici
Eagleton
Fannin
Fong
Ford
Garn
Gravel
Griffin
Hansen
Hatfield
Helms
Hruska
Jackson
Johnston
Laxalt
Long
Magnuson
McClellan
McClure
Morgan
Moss
Nunn
Packwood
Pearson
Percy
Roth
Scott, Hugh
Scott,
William L.
Sparkman
Stafford
Stennis
Stevens
Taft
Talmadge
Thurmond
Tower
Weicker
Williams
Young

NOT VOTING—5

Bentsen
Buckley
Eastland
Goldwater
McGee

So Mr. GARY W. HART's amendment, as modified, was rejected.

Mr. FANNIN. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. CHURCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CHURCH. Mr. President, I yield briefly to the distinguished Senator from Nevada.

ANNOUNCEMENT OF THE OPENING OF THE SENATE MICROFILM CENTER

Mr. CANNON. Mr. President, it is a great pleasure to announce the opening of the Senate microfilm center—an event which all of us in the Senate have long awaited and eagerly anticipated. Authorized by the Committee on Rules and Administration and operated by the Sergeant at Arms, the microfilm center is in its final shakedown phase, and will open its doors immediately after Labor Day in room 11–C, Russell Office Building.

As our legislative and constituent paperwork grows to unmanageable proportions, many Senators have looked to microfilm as a partial solution to document filing problems. Among the advantages anticipated:

Save filing space in the office,

Prevent misfiling and lost documents,

Duplicate files for use in field offices,

Easy access to old archival files now stored in inaccessible locations, and

Master copies for duplication of files lost because of disaster.

Micrographics is a highly technical skill, and many Senators' offices will not have the trained personnel to cope with the new procedures and problems that microfilm will bring. In addition, it is important to recognize that microfilm by itself will not solve our information storage and retrieval problems. The services of the microfilm center must be coordinated with those of the computer center, the service department, and the equipment center in order to achieve an office system tailored to individual and unique requirements.

To insure that each office achieves the full benefits of microfilm, the Rules Committee has delegated to its Subcommittee on Computer Services, the responsibility for user support. They will be available to all offices wishing to make use of the Microfilm Center, as well as the personnel of the Center for special technical problems. Senators may make as much or little use of this consulting service as they choose.

To insure that Senators obtain full benefit of the Microfilm Center a Users' Guide detailing all the information necessary to implement and maintain a basic microfilm system will be published. This Users' Guide can be kept in your office to serve as a reference guide and training aid for each Senator's staff. The Users' Guide will be available early in August, in time for offices to begin preparing for the September opening of the Microfilm Center.

In anticipation of the large number of requests for service when the Center opens, the Rules Committee has established priorities of service, which are explained in detail in the Users' Guide. The philosophy of priority selection is to favor offices which devote some effort toward preparing their documents for filming. Consequently, offices which go through their files before sending them to the Center and remove staples, repair tears, and discard obsolete material will be given priority over offices which expect the microfilm technical personnel to do their work. Current files will be filmed before older, archival files, because they are more likely to be needed in a Senator's day-to-day activities.

Finally, a well-organized index to their files separate from the order in which the documents are stored will be a requirement for all users. The Senate Computer Center has such an index system available, and the Subcommittee on Computer Services will provide consulting for those offices desiring to use it.

All offices which decide to make use of the new Microfilm Center will be required to obtain initial authorization from the Rules Committee. The reason for this requirement is to be sure that the office is aware of the work and costs involved when embarking upon micrographics. Since there are a number of irreversible decisions to be made before your first document is even filmed, it is initially important that the office staff investigate fully every option available.

Mr. President, I know that the Senate can be proud of the modern and efficient Microfilm Center that will open in September. I want to commend the Sergeant at Arms for his planning and preliminary work. He has been able to attract several of the most outstanding technical personnel from Government and private industry, and has procured the most modern and efficient micrographics equipment on the market. I look forward to a major improvements in the Senate's ability to handle our paper avalanche following the opening of the new Microfilm Center.

ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION APPROPRIATIONS AUTHORIZATION, 1976

The Senate continued with the consideration of the bill (S. 598) to authorize appropriations to the Energy Research and Development Administration in accordance with section 261 of the Atomic Energy Act of 1954, as amended, section 305 of the Energy Reorganization Act of 1974, and section 16 of the Federal Nonnuclear Energy Research and Development Act of 1974, and for other purposes.

The PRESIDING OFFICER. The Senate is not in order. The Chair has been appropriately advised by the Senator from Louisiana (Mr. LONG) that the Chair does not have the power to instruct Senators to take their seats; but the Chair wishes and requests Senators to take their seats, and requests them, if they wish to converse, to withdraw to the cloakroom so that the Senate can be in order.

The Chair thanks the Senate for its cooperation.

Mr. TUNNEY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> The Senator from California (Mr. TUNNEY) proposes an amendment.

Mr. TUNNEY. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TUNNEY's amendment is as follows:

> On page 19, line 7, delete "$18 million." and insert in lieu thereof: "$31 million."
>
> On page 19, line 13, delete "$3,180,749,000" and insert in lieu thereof: "$3,185,082,000".
>
> On page 39, lines 11 and 12, delete "$4,500,000" and insert in lieu thereof: "$8,000,000".
>
> On page 39, line 18, delete "$967,896,000" and insert in lieu thereof: "$969,063,000".

Mr. TUNNEY. Mr. President, I know that the hour is late, and that there is a lot of other legislation we have to consider. What this amendment does is recognize that we have a very serious problem in the need to develop an engine that is energy-efficient and that will also be up to air pollution standards.

ERDA is working on developing such an engine. But we are only spending in ERDA, under the authorization that we would pass today, if it is not amended, $18 million. So what this amendment does is ask for $31 million. We feel that it is very important.

The PRESIDING OFFICER. The Chair requests the Senator to suspend.

The Chair advises that two parts of the amendment offered by the Senator from California are not in order because they seek to amend figures previously amended.

Mr. TUNNEY. When?

The PRESIDING OFFICER. Earlier today.

Mr. TUNNEY. Mr. President, I ask unanimous consent that they be considered.

The PRESIDING OFFICER. Is there objection to the amendment being in order?

Mr. CHURCH. Mr. President, reserving the right to object, I wonder does the Senator intend to press the amendment to a yea-and-nay vote?

Mr. TUNNEY. Really, since I talked to my distinguished friend from Idaho, I talked to Senator MAGNUSON, and he is very much in favor of the amendment. He feels it is important.

I wish the yea-and-nay vote on it because I think many people are really interested in this program. I think the issue is very clear.

I do not need to spend more than 1 minute on it.

I am prepared to have a vote almost immediately, if that is all right with the Senator.

Mr. CHURCH. Mr. President, I want to be fair with the Senator. I do not want to deprive him of a vote.

It seems to me the argument against his amendment is very strong. The hour is quite late. I will not raise the point of order. If the Senator wants a vote, it may be very well he can carry it. But I would hope that he would accommodate the Senate by shortening his argument as much as possible.

Mr. TUNNEY. My argument is going to take 1 minute more, and it is simply this——

Mr. ROBERT C. BYRD and Mr. FANNIN addressed the Chair.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, and I shall not object, if we can be assured of a vote by no later than 6:50 p.m.

Mr. TUNNEY. I am happy to have the vote at 6:45 p.m.

Mr. FANNIN. Mr. President, reserving the right to object, I have a request of the distinguished Senator. I do not want to get into the ramifications of why he has offered this amendment, other than to say that the committee did consider and did increase it. I just feel that if the amendment is not in order I would hope he would not press it.

We do not want to make an objection. At the same time, I feel that if it is not in order to this bill he should go through the Committee on Commerce and handle it properly.

Mr. TUNNEY. The thing I point out to my friend from Arizona is that the Committee on Commerce just had a bill pass the Senate which provided $350 million in total funding for such a program. So what we are trying to do here is to make some of the funds available so that ERDA can do the job that we have already in the Senate at least authorized them to do, and that is why I think it is perfectly reasonable to go from $18 million to $31 million when the Senate has already passed a bill in the last 2 weeks providing $350 million for this same program.

Mr. FANNIN. They passed the bill for something else. I do not know the reason for this.

I shall not object.

The PRESIDING OFFICER. Is there objection?

The PRESIDING OFFICER. Without objection, the amendment will be in order.

Mr. TUNNEY. I thank my friend from Idaho for being considerate.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the vote occur within 2 minutes.

Mr. TUNNEY. Two minutes.

The PRESIDING OFFICER. Without objection, the vote will take place in 2 minutes.

Mr. TUNNEY. Basically, the argument is very simple. We passed in the Senate a couple of weeks ago an authorization bill with $350 million to provide R. & D. to develop an engine that is clean and that is energy-efficient.

We had reports, for instance, from the National Academy of Science that air pollution causes 15,000 deaths a year, and that 62 percent of air pollution comes from automobile engines.

We also know that we can have extreme savings in gasoline and oil if we could get an energy-efficient car.

So what we are simply asking is that there be made a modest increase in the ERDA program and ERDA can use the money. ERDA can use the money. They have the program. They can use it.

I yield to my friend from New Mexico, who has been very interested in this problem.

Mr. DOMENICI. Mr. President, I do not want to delay the Senate at this very late hour.

But as the Senator from Arizona knows, however, what the Senator from California is talking about is a program that was suggested by Dixy Lee Ray to President Nixon 18 or 20 months ago, when she indicated that basic research and development on new technology of the internal combustion engine and automobility should have about $55 to $75 million a year invested in it without infringing on the private sector.

I know that the committee wants the private sector to do it. I am willing to go along with them and see what they do in a year. I do not think it is the same kind of research and development we are talking about.

I think we are talking about basic physics and basic laboratory type techniques, that they are not going to be able to develop new kinds of metals, new kinds of engines, and new automobility mechanisms and apparatus.

I do not think we would be infringing on the private sector.

However, it was considered seriously by the committee, and I wish to be a part of sharing the thrust that we made earlier.

I do not know that this is the right time to do it, but I would also say to those interested in ERDA having it that under this bill ERDA has it.

Under some other committee approach it will go to the Department of Transportation. I think it belongs in ERDA if we do it at all.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CHURCH. May I have 2 additional minutes?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senator be allowed 2 additional minutes and then the Senate will vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Idaho.

Several Senators addressed the Chair.

Mr. HOLLINGS. Mr. President, I thought maybe we could coordinate that a little and we could get these amendments and give them a little more time and coordinate that vote with final passage.

Mr. CHURCH. This will take 2 minutes, and then we will go to a vote on this if the Senator will allow it.

Mr. HOLLINGS. Very well.

Mr. CHURCH. Mr. President, first of all, we have $52 million for material sciences basic research in this field. We have $18 million for advanced automotive power systems, up from $8.2 million in the original administration request.

If there is ever a place that private industry in this country can do the job, it is the big automobile companies. They are only devoting $75 million a year to research.

Do we have to pay for everything?

The Senator speaks of the air pollution problem. We have established standards. We are requiring them to comply with those standards. Let them pay for this. They have the resources. They have the profits.

We have enough on the public plate without substituting public money for General Motors, Chrysler, and other big companies that can do this job for themselves.

We have even put some money in this bill, but it is enough. I do not think it ought to be increased.

For that reason, I hope that the amendment will be defeated.

Mr. FANNIN. Mr. President, I will just take 20 seconds.

The problem here is we have research going on all over the world with the Germans, French, Italians, and Japanese. Certainly we receive the advantage of that research in what they produce. This is absolutely unnecessary. I think it would be an added expense. We have provided enough money in the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The yeas and nays have not been ordered.

Mr. TUNNEY. I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. Is there a sufficient second?

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. Is there a sufficient second?

There is not a sufficient second.

Is there a sufficient second? There is a sufficient second.

The clerk will call the roll.

Mr. TUNNEY. Mr. President, I ask unanimous consent that the vote be for 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Mississippi (Mr. EASTLAND), the Senator from Minnesota (Mr. HUMPHREY), and the Senator from Wyoming (Mr. MCGEE) are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota (Mr. HUMPHREY) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from New York (Mr. BUCKLEY) and the Senator from Arizona (Mr. GOLDWATER) are necessarily absent.

The result was announced—yeas 23, nays 70, as follows:

[Rollcall Vote No. 369 Leg.]

YEAS—23

Abourezk
Bayh
Brooke
Case
Clark
Cranston
Domenici
Glenn
Hart, Gary W.
Hart, Philip A.
Haskell
Hollings
Javits
Long
Magnuson
Mansfield
Montoya
Muskie
Pell
Schweiker
Stevenson
Tunney
Williams

NAYS—70

Allen
Baker
Bartlett
Beall
Bellmon
Biden
Brock
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church
Culver
Curtis
Dole
Eagleton
Fannin
Fong
Ford
Garn
Gravel
Griffin
Hansen
Hartke
Hatfield
Hathaway
Helms
Hruska
Huddleston
Inouye
Jackson
Johnston
Kennedy
Laxalt
Leahy
Mathias
McClellan
McClure
McGovern
McIntyre
Metcalf
Mondale
Morgan
Moss
Nelson
Nunn
Packwood
Pastore
Pearson
Percy
Proxmire
Randolph
Ribicoff
Roth
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Weicker
Young

NOT VOTING—6

Bentsen
Buckley
Eastland
Goldwater
Humphrey
McGee

So Mr. TUNNEY'S amendment was rejected.

Mr. ABOUREZK. Mr. President, is it in order to ask for the regular order?

The PRESIDING OFFICER. It is in order.

Mr. ABOUREZK. I ask for regular order.

Mr. HOLLINGS and Mr. ABOUREZK addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I yield momentarily to my distinguished colleague from South Dakota.

VOLUNTARY CONTRIBUTIONS TO THE AMERICAN INDIAN POLICY COMMISSION

Mr. ABOUREZK. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 2073.

The PRESIDING OFFICER laid before

the Senate the amendments of the House of Representatives to the bill (S. 2073) to authorize the American Indian Policy Review Commission to accept voluntary contributions of services and for other purposes, as follows:

(1) Page 2, after line 5, insert:

Sec. 2. Section 4(c) of such resolution is amended to read as follows:

"(c) The Commission may fix the compensation of the members of such task forces at per annum gross rates or at a rate not to exceed the daily equivalent of the highest rate of annual compensation that may be paid to employees of the United States Senate generally.".

(2) Page 2, line 6, strike out "Sec. 2.", and insert "Sec. 3."

(3) Page 2, line 21, strike out "Sec. 3." and insert: "Sec. 4."

Mr. **ABOUREZK.** Mr. President, the House amendment to S. 2073 authorizes individuals appointed as task force members to be considered as full-time employees of the American Indian Policy Review Commission for purposes of reimbursement. This change in the Senate bill is acceptable to the chairman of the Subcommittee on Indian Affairs and the ranking minority member of that subcommittee, Mr. Bartlett. The House amendment further strengthens the American Indian Policy Review Commission and will permit it to carry out the statutory responsibilities.

Mr. President, I move that the Senate concur in the amendment of the House to S. 2073.

The **PRESIDING OFFICER.** Is there objection? The Chair hears none.

The amendment is agreed to.

ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION APPROPRIATIONS AUTHORIZATION, 1976

The Senate continued with the consideration of the bill (S. 598) to authorize appropriations to the Energy Research and Development Administration in accordance with section 261 of the Atomic Energy Act of 1954, as amended, section 305 of the Energy Reorganization Act of 1974, and section 16 of the Federal Nonnuclear Energy Research and Development Act of 1974, and for other purposes.

Mr. **HOLLINGS.** Mr. President, I call up an amendment on behalf of my distinguished colleague from Massachusetts (Mr. Kennedy), as well as Mr. Muskie, Mr. Gravel, Mr. Humphrey, and others, and ask the clerk to report it.

The **PRESIDING OFFICER.** The amendment will be stated.

The assistant legislative clerk read as follows:

At the end of title III, insert the following:

Sec. 307. The Administrator shall, as soon as practicable and consistent with design and feasibility studies, initiate construction of at least one demonstration offshore wind-electric generating facility.

Mr. **HOLLINGS.** Mr. President, this particular measure has been checked with the managers of the bill on both sides. In the New England area, there have been studies at the University of Massachusetts relative to the wind electric generating facilities. This amendment only asks that there be incorporated into the authorization certain language, which appears in the report itself, that high priority be given to this matter.

Mr. **KENNEDY.** Mr. President, the authorization for the Energy Research and Development Administration which we have before us today will enable the Nation to make substantial progress toward the development and commercial utilization of alternative energy sources. I want to take this opportunity to comment particularly on the authorization levels for ERDA's solar energy programs, and on the need for an accelerated effort within those programs to develop and demonstrate wind electric generating units, both onshore and offshore where strong and steady winds offer such great potential for the generation of electricity.

The ERDA authorization which the Interior Committee has sent to the Senate floor includes significant increases in the funding for these programs over the amounts requested by the administration. It allocates $96 million for solar energy programs, of which $15 million will be available for research, development and demonstration projects related to wind energy.

I also call to the attention of my colleagues the language included in the committee report accompanying the bill which emphasizes the importance of wind energy conversion:

> In the Committee's view, concerted and immediate attention must be focused on the early demonstration of both land-based and off-shore wind-electric generating units. The additional authorization recommended by the committee is intended to provide ERDA the wherewithal to materially advance its mission analysis and wind characteristics studies, to permit a larger number of field tests than is presently programmed, and to accelerate the development of cost-efficient megawatt-size systems. The committee expects that during fiscal year 1976 and the Transition Period steps will be taken to initiate construction of a megawatt size land-based wind-electric generating project, and that preparations for a megawatt size off-shore demonstration of wind conversion technology will be materially advanced.

Those of us who have spent a great deal of time near the sea know the great power of the wind and the work it can do. Its force against even a very small sail can drive a boat through the water at high speed. Off the coast of New England steady, strong winds could be harnessed to generate power for homes and businesses, and could relieve us from the burden of our dependence on oil and other scarce fossil fuels.

Even without energy storage facilities, wind energy offers a substantial supplement to present sources of electric power. Some industrial uses do not require continuity of supply. Added to present electric grids, wind power can permit fuel savings without being depended upon for the baseload. Used in conjunction with hydroelectric power, wind power can also provide baseload electricity by permitting the reservoir to fill while the wind is blowing so there will be more hydropower when the wind is not carrying the load.

For the large wind-electric generating facilities that could supply a substantial portion of our electric energy needs of the future, windy offshore seas offer a very favorable location. Conceptual designs of floating offshore units have been proposed, but no offshore units have been built. For this reason, and because this might be the most favorable location for wind power, it is particularly important that demonstration units should be designed and built soon for this environment.

In Massachusetts, at our university in Amherst, we are fortunate to have two of the most outspoken and dedicated proponents of the early demonstration and commercial utilization of wind energy. Prof. William Heronemus and Prof. David Inglis have both made trips to Washington to meet with Members of the Senate and to provide us with information on the need for an accelerated Federal program in this area. I have met with both of them and am impressed by the programs and plans they have presented.

I share their view that the need for new energy sources, both for the purpose of diversification and to add to our total supply, is so urgent that no reasonable effort should be spared to achieve cost-effective commercialization as quickly as possible.

Wind power was demonstrated on a megawatt scale tied to a commercial electric grid over 30 years ago. That demonstration took place in New England on a hilltop location near Rutland, Vt., and fed power into the central Vermont power grid in the period from 1941 to 1945. Based on that experience, the Professor Heronemus and Professor Inglis are convinced that large-scale generation of electricity by wind power should be economical today.

Mr. President, I urge ERDA to spare no effort in its wind energy program to develop and demonstrate offshore wind-electric generating facilities in the 2 megawatt range. Detailed impact, feasibility, design, and construction efforts must begin as soon as possible. An accelerated program should enable us to be making substantial progress toward completion of at least one 2-megawatt scale offshore system by 1978 or 1979. The additional funds authorized in the pending authorization, together with sufficient funding in the future, should provide ERDA with the resources needed to accomplish this mission.

Mr. President, I also ask unanimous consent to have printed at this point in the Record two memorandums prepared by Prof. David Inglis in support of an accelerated schedule for the development and commercial demonstration of wind energy, so that my colleagues in the Senate and those responsible for carrying out wind energy research, development, and demonstration programs at ERDA can carefully examine the merits of the strong case which has been made in support of such a schedule.

There being no objection, the memorandums were ordered to be printed in the RECORD, as follows:

WIND POWER MEMORANDUM

(By D. R. Inglis)

NEED FOR LARGE DEMONSTRATION UNITS NOW

JULY 26, 1975.

1. Wind power is rather unique among solar-related energy sources in being technically ready, without further R&D, for detailed design and construction. It was demonstrated on a megawatt scale tied to a commercial electric grid over thirty years ago.

2. Prospects for economic generation of electricity on a large scale are best for large wind turbines, in the two-megawatt range. Projections for quantity production based on the experience of thirty years ago, with allowance for the variability of the wind and of the dollar, indicate that large-scale generation of electricity by wind power should be economical today. If this is denied by nuclear enthusiasts it should be put to the test by vigorous promotion. It is much more nearly proven than was the case for nuclear power at a similar stage of promotion.

3. Some refinements of technique that may lead to future economies can be developed and tested on a smaller scale, such as with the 100-kilowatt machine at NASA-Lewis that was built for this purpose, but some design features do not scale simply and experience with full-scale machines is needed before performance and cost projections can be reliable and the commercial decision to go into quantity production can reasonably be made.

4. The need for new energy sources, both for the purpose of diversification and to add to the total supply, is so urgent that no reasonable effort should be spared to achieve cost-effective commercialization as quickly as possible.

5. Our example in the use of large-scale wind power will give the developing countries a new option that may help avoid some of the difficulties associated with their importing other power sources.

6. Before wind power can be depended upon to supply a large fraction of our electric energy needs, energy storage facilities will be needed and R&D to this end is appropriate. However, a substantial supplement to present sources of electric power can be made without special storage arrangements. Some industrial uses do not require continuity of supply. Simply added to present electric grids, wind power can permit fuel savings without being depended upon for the base load. For the initial stages of commercialization it is important that, when used in conjunction with hydroelectric power, wind power can also provide baseload electricity by permitting the river to fill the reservoir while the wind is blowing so there will be more hydropower when the wind is not carrying the load. The wind turbines need only be within transmission-line distance of the dam. This method has none of the inefficiency of the pumped storage facilities (which are only about 60 percent efficient) being used for peak loads in conjunction with present fuel-consuming power plants, since no extra pumping of water is involved.

7. Mountain tops and ridges, insofar as they are accessible and encounter no aesthetic objections, are among the favorable sites for wind turbines but they are limited in number. For the very many large wind machines that could supply a substantial fraction of our electric energy needs of the future, the western great plains and the windy offshore seas on the continental shelf are the most favorable locations. Conceptual designs of floating offshore units have been proposed, but there has been no experience with building them as there has been with land-based machines. For this reason and because this might turn out to be the most favorable location for wind power, it is particularly important that full-scale demonstration models, or at least one of them, should be designed and built soon for this environment. When in production, construction and assembly would be completed in shops resembling shipyards, rather than at remote sites, and finished units would be towed to their offshore moorings.

8. As compared with technology-intensive nuclear power, the construction of wind turbines and their supporting structures is low technology and labor intensive. At a time when industrial slack induced largely by energy shortage has contributed heavily to unemployment, providing energy by labor-intensive wind power meets two national needs at once. Workers who were making big autos could be making big wind turbines.

9. Concerning the cost of demonstration machines, the first machine of a kind, when design, site wind surveys, etc., are included, is expected to cost much more than subsequent units and should not be expected to be close to cost effective. The 1.25 megawatt machine operated in Vermont over thirty years ago cost 1.25 million 1942 dollars, all design and siting costs included. This translates to a bit less than 3 million 1975 dollars. This was actual cost when the company doing the construction and subcontracting wanted the answer to the practicability question, seeking to develop a new product, and thus required no profit for itself. For ERDA to do this a second time with some improvements but with wind surveys, etc. budgeted elsewhere, might be expected to cost a bit less than this. Recent conversations with members of ERDA's Division of Solar Energy and Wind Energy Conversion Branch indicate that the first 1-MW-scale machine will be another 1.25 MW turbine expected to cost between 3 and 4 million dollars. This seems compatible with the earlier experience with some allowance for additional administrative costs and profit motive. A 2½MW first demonstration machine would be expected to cost considerably less than twice this because design and siting costs would be only marginally greater. (In quantity production a machine in this range twice as large is expected to cost only slightly less than twice as much.) Thus a 2-MW-scale (specifically 2½ MW) first demonstration machine on land should cost around $5 million. Two of them of quite different support design should cost less than twice as much as one because some design elements, such as turbines, might be common to both.

ASPECTS OF WIND-POWER POLICY IN NEED OF CLARIFICATION

The main drawback to the extensive commercial use of wind for electric power is the large size of the units required for the most economic operation, about 2 megawatts generating capacity with a blade span of some 200 feet. It is generally agreed that the practicability of such large units cannot be convincingly established by experience with small models, though some improvements of design can be tested with them as the ERDA program is undertaking. The program is also designing a one-megawatt-scale machine similar in size and concept to the one in Vermont over thirty years ago, that may be completed in about three years, to be followed by perhaps four units in the two-megawatt range that may be completed about five years from now. If the four machines are sufficiently varied in design, this should provide experience on the basis of which a combined industrial and governmental decision could be made over five years from now to go into quantity production.

In view of the energy emergency, is it not true that with adequate funding this whole program could be condensed into about two years? Could not the four large machines be sufficiently varied as to explore various options, such as tall and short towers, machines on land and floating offshore? The larger machines would not have the benefit of experience with the smaller machine (beyond the experience of thirty years ago) but that would not cover all aspects of the various options anyway and it would be expected that improvements would be made in going from demonstration to production models.

Is it not sufficiently obvious, without protected and detailed feasibility and environmental studies, that large wind-electric turbines can be mounted to float offshore and that the sea environment with its remoteness from people and its relatively strong winds holds such important potentialities that their practicability should be explored now by the rapid design and construction of full-scale demonstration units?

Mr. HOLLINGS. I yield to the manager of the bill.

Mr. CHURCH. This is a so-called wind machine amendment. It would be a conflict of interest for us to oppose it.

I am happy to accept the amendment.

The PRESIDING OFFICER. Is all time yielded back?

Mr. FANNIN. Mr. President, I concur with the manager of the bill and commend the distinguished Senator from South Carolina for this amendment.

The PRESIDING OFFICER. Is all time yielded back?

Mr. FANNIN. I yield back my time.

Mr. CHURCH. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HOLLINGS and Mr. FONG addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I call up an unprinted amendment and ask that it be considered.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 45, line 26, add the following new section:

"SEC. 307. The Administrator shall ensure that the programs, projects, or facilities for which funds are authorized pursuant to subsections 101(a)(6)(A); 101(b) (9), (10), (11), and (12); and 201(a)(6)(A) shall not duplicate programs, projects, or research facilities funded by appropriations to the Department of Commerce for the National Oceanic and Atmospheric Administration. If any proposed program, project, or research facility proposed to be funded under such subsections relates to any coastal, marine, or meteorological program, project, or research facility administered by the National Oceanic and Atmospheric Administration, the Administrator shall consult with the Administrator of the National Oceanic and Atmospheric Administration. To the extent possible, the Administrator shall utilize the

> expertise, personnel, research facilities (including ships), and other resources of the National Oceanic and Atmospheric Administration, and shall develop joint programs, projects, and research facilities with the National Oceanic and Atmospheric Administration on a reimburseable basis."

Mr. HOLLINGS. I address my remarks to the managers of the bill. This is a matter to improve coordination between NOAA and ERDA with respect to NOAA facilities. It has been gone over with both sides and I understand that there is no objection to it.

Mr. President, I am concerned that the proposed ERDA authorizations for environmental research may lead to wasteful duplication of Government-sponsored research efforts. The result of such duplication would be the unnecessary establishment of costly new programs, projects, or even laboratory facilities at the taxpayers' expense.

Language appears in previous ERDA-related legislation which clearly demonstrates a congressional desire to avoid such overlap. For example, in section 2 of the Federal Nonnuclear Energy Research and Development Act of 1974, the 93d Congress stated that:

> Full advantage must be taken of the existing technical and managerial expertise in the various energy fields within Federal agencies.

In addition, section 110 of the Energy Reorganization Act of 1974 authorizes the Administrator of ERDA to—

> Establish programs to utilize research and development performed by other Federal agencies to minimize the adverse environmental effects of energy projects. The Administrator of the Environmental Protection Agency, as well as other agencies and departments, shall cooperate fully with the Administrator in establishing and maintaining such programs, and in establishing appropriate interagency agreements to develop cooperative programs and to avoid unnecessary duplication.

A major area for potential overlap is research on energy-related impacts on the marine and coastal zone environments. Being an offspring of the AEC, ERDA presently has little or no capability in biomedical and environmental areas germane to nonnuclear energy technologies. Nor does it presently have funds designated for the education and training of technical manpower in energy-related disciplines to carry out its nonnuclear missions. In particular, it lacks the in-house ocean, coastal, and atmospheric environmental expertise already present in the National Oceanic and Atmospheric Administration. Yet, in a detailed report submitted to the Interior Committee, we find that a considerable portion of the proposed environmental research money is to be spent on programs involving air and water pollution in the coastal zone, the impacts of nonnuclear facilities such as oil refineries and fossil fuel plants on coastal marine ecosystems, a new oceanography program off the southeast and Gulf coasts, as well as the environmental impacts of coastal and offshore power reactors. In addition, the environmental effects will have to be investigated that are associated with energy generation from ocean thermal gradients and biomass aquaculture. These are areas in which NOAA already has express authority along with expertise through, for example, the Sea Grant program which involves over 100 universities.

In addition, the Senate has recently passed S. 586 which explicitly makes energy facility planning a part of the coastal zone management program, a major responsibility of NOAA. Thus, there is a twofold rationale for research programs of the type mentioned above to be carried out, or at least jointly administered, by NOAA. The first is that NOAA already has expertise; the second is that NOAA will be the major end-user of the knowledge gained from the research and so should have a major input into the type of research carried out.

As it stands, S. 598 itself does not address the overlap problem. The committee report on this bill does—but only to a limited extent. The committee states on page 82 of the report that:

> The Assistant Administrator should be particularly mindful of the health and safety programs and the responsibilities of the Mine Enforcement and Safety Administration and of the National Institute of Occupational Safety as well as the programs and responsibilities of the National Oceanic and Atmospheric Administration. Further, the Assistant Administrator is directed to inform the Committee by written communication of any such arrangements in biomedical and environmental research to avoid needless duplication.

The problem with this statement is that it requires the Administrator only to be mindful and it does not require the Administrator to establish arrangements with other agencies, but only to inform the Interior Committee of those which may somehow come into existence.

In light of congressional intent to avoid duplication; of the environmental research programs which ERDA has expressed an interest in carrying out; of NOAA's existing expertise; and of the considerable leeway in the language of other legislation and the report on this bill, I am introducing this amendment to explicitly insure that ERDA, starting from scratch, does not duplicate the marine and coastal environmental research efforts of NOAA.

Specifically, this amendment provides that ERDA will use the funds authorized by S. 598 for programs which will not replicate those being carried out by NOAA with other appropriated funds, nor shall it duplicate NOAA's programs under S. 586, which recently passed this body, and which provides among other things for research and planning in connection with impacts from energy facilities. In other cases of programs involving atmospheric, marine and coastal environments and safety, those programs are to be conducted jointly with NOAA, along with those involving scientific and technical education in those specific areas.

I emphasize most strongly, however, that it is not my intent in introducing this amendment to restrict ERDA in its mission of seeing that the energy-related environmental consequences of its overall R. & D. efforts are fully investigated. Rather the intent is full utilization of existing NOAA expertise and avoidance of wasteful duplication.

Mr. CHURCH. I thank the Senator. We are all against duplication. The amendment is a salutary amendment.

Mr. President, as the committee understands it, this amendment is intended to prohibit duplication of programs and efforts in environmental and safety research and scientific and technical education programs related to nonnuclear energy technologies. Specifically, the amendment would prohibit ERDA from duplicating research and planning programs funded to the Department of Commerce for the National Oceanic and Atmospheric Administration and under the Coastal Zone Act Amendments of 1975 and similar enactments having to do with the impact of energy development on the coastal zone and the marine environment.

At page 81 of its report, the committee recognizes that environmental programs are already established in other agencies, such as NOAA, and that ERDA must take special steps to avoid wasteful duplications of effort.

At the same time, there must be full coverage of the entire range of environmental impacts related to nonnuclear energy development, and ERDA is responsible for seeing to it that all the bases are covered without unnecessarily duplicating other programs.

The committee—at pages 81–82 of its report—has directed ERDA to coordinate its activities with other Federal agencies, with specific attention to the program responsibilities of the National Oceanic and Atmospheric Administration. ERDA is expected to develop interagency agreements with NOAA and other agencies exercising environmental and safety program responsibilities to delineate cooperative programs to avoid wasteful duplication, and to advise the committee of all such arrangements. All of this is made clear in the committee's report.

I hope the Senate will agree to the amendment.

Mr. FANNIN. Mr. President, I yield back my time.

The **PRESIDING OFFICER.** The question is on agreeing to the amendment.

The amendment is agreed to.

Mr. GRAVEL and **Mr. FONG** addressed the Chair.

The **PRESIDING OFFICER.** The Senator from Hawaii.

Mr. FONG. Mr. President, I call up my amendment, which is at the desk and ask for its immediate consideration.

The **PRESIDING OFFICER.** The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. FONG. I ask unanimous consent that further reading of the amendment be dispensed with.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

The amendment is as follows:

> On page 18, line 23, strike out "$96,200,000" and insert "$97,100,000 of which $6,000,000 shall be available for ocean thermal energy conversion".
>
> On page 39, beginning with "$" on line 3, strike out all through the period on line 4 and insert "$24,550,000, of which $1,500,000

shall be available for ocean thermal energy conversion.".

Mr. FONG. I ask that Senator MATHIAS and Senator PELL be also included as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator is recognized.

Mr. FONG. Mr. President, on behalf of Senator INOUYE, Senator MATHIAS, Senator PELL, and myself, I am submitting an amendment to S. 598, the Authorization for the Energy Research and Development Administration, which would assure sufficient funds in fiscal year 1976 for the development of ocean thermal energy conversion. Our amendment would add $900,000 to "Solar Energy Development" on page 18, line 23, of the bill, and $250,000 to "Solar Energy Development" on page 39, line 3, of the bill. This would raise the level of authorization for ocean thermal energy conversion to the identical "costs" amount provided for in the House-passed bill (H.R. 3474), that is, $6 million.

Mr. President, I believe that a $900,000 increase for fiscal year 1976—July 1, 1975 through June 30, 1976—is a very modest and reasonable increase designed to bring the total costs authorization for OTEC in this bill to $6 million. This is the amount I have been advised is necessary to launch a well-developed ocean thermal energy conversion project in the current fiscal year.

As to the $250,000 increase for the transition period, Mr. President, this increase is to cover the 3-month period of July 1, 1976 through September 30, 1976, when our Nation switches to the new fiscal year periods which will run from each October 1 through each September 30.

As this transitional period is a one-time change representing a quarter of a year, one-fourth of the amount specified for the 1976 fiscal year is the appropriate amount to be authorized for the transition quarter. Therefore, Mr. President, the $250,000 figure was reached by taking approximately one-fourth of the $900,000 figure for the entire year, July 1, 1975, through June 30, 1976.

The version of S. 598 as reported by the Interior Insular Affairs Committee authorized only $5.1 million for OTEC costs. I am advised by the staff of the Senate Committee on Interior and Insular Affairs that raising the authorization "costs" level to $6 million reflects an obligation figure identical to the House-passed bill—H.R. 3474—so that an amendment to raise the "Obligations" authorization to $15.5 million as in the House bill is not needed.

Thus, our amendment would make S. 598 identical in effect and in intent with the House-approved bill in regard to funding for ocean thermal enrgy conversion.

With the increase of $900,000 in fiscal year 1976 and $250,000 in the transition quarter 1976, Congress can assure a stronger start in the drive to make practical the conversion of ocean thermal energy into electricity.

The advantages of ocean thermal energy conversion as opposed to nuclear energy are succinctly explained in the House debate on the authorization bill (H.R. 3474) on pages 19949 and 19950 of the June 20 CONGRESSIONAL RECORD. Among the advantages of OTEC over nuclear energy are: lower costs, earlier commercial feasibility, no radioactive waste storage problem, no pollution, fewer site problems, and no fuel hazards.

I ask unanimous consent that the pertinent portions of the RECORD containing the comparison be printed at the conclusion of my remarks, along with the data on solar energy development.

The PRESIDING OFFICER. Without objection, it is so ordered.

[See exhibit 1.]

Mr. FONG. Unless sufficient project funds are provided in fiscal year 1976, as the House provides, 1 year will be lost in launching an OTEC program for this country. I know that in my own State of Hawaii, a technical team composed of the University of Hawaii, Carnegie-Mellon University, and TRW, a large California technology corporation, is already assembled and actively preparing for such a project.

In addition, Hawaii has an ideal place for such an OTEC project. Ke-ahole Point in Hawaii has all the requirements for an outstanding OTEC site: excellent water mass properties, good bathymetry and bathythermal profiles, favorable weather conditions, high annual solar radiation, accessibility to nearby transportation, land availability, and superior technical and industrial support.

A 140-acre site owned by the State of Hawaii has already been designated by the Hawaii State Legislature for use as a natural energy laboratory. The State has committed $750,000 for extension of roads and utilities to the site. Finally, an ocean water temperature differential of 36 degrees Fahrenheit, suitable for OTEC tests, is available within 2,000 feet of the surface and less than a mile offshore.

Thus, I know at least in one place—Hawaii—the logistical, technical, and industrial expertise exists now and is ready to go, provided funding is forthcoming.

While our amendment adds $900,000 for ocean thermal energy conversion in fiscal year 1976 and $250,000 in the 1976 transition quarter, none of these funds is earmarked for any particular State or site. By bringing the funds into line with the House approved level for OTEC, we want to indicate thereby the intent of Congress that ERDA move forward with all due dispatch on the ocean thermal energy conversion research.

I am hopeful that, when ERDA chooses a site for the ocean thermal conversion project, ERDA will give careful consideration to the following factors:

First, the preparedness of such site;

Second, the total costs of such facilities;

Third, which site can start up without any delay;

Fourth, which site results in least costs with the minimum of delay; and

Fifth, which site can be located closest to the shore while still obtaining the desired ocean depth and temperature difference.

Among possible alternative sites, ERDA should take into consideration the fact that my State of Hawaii already has many advantages. Summarizing those advantages, Hawaii has: A technical team already assembled and actively working; land that is immediately available for test facilities; 2 years' environmental studies already completed; already appropriated funds; environmental approval already underway; and total community support.

Thus, Hawaii's environmental setting is unique, technologically sound, and I am informed commercially feasible. While I want to emphasize there is no earmarking of the funds in the amendment Senator INOUYE and I propose, I also want the record to show that we in Hawaii believe we can make a significant contribution to the advancement of ocean thermal energy research. The decision as to site for an OTEC demonstration facility remains with ERDA under our amendment.

On behalf of Senator INOUYE and myself, I, therefore, respectfully request that our amendment to S. 598 be approved so as to authorize $900,000 more for "Solar Energy Development" on page 18 of the bill, and $240,000 to "Solar Energy Development" on page 39 of the bill for ocean thermal energy development.

Mr. President, this amendment is introduced on behalf of Senator INOUYE, my colleague, Senator MATHIAS, Senator PELL, and myself. It seeks an additional $900,000 for ocean thermal energy conversion, to bring it up to the amount of $6 million.

It adds $250,000 for the transition period.

I have discussed this matter with the two managers of the bill and, I think, it is acceptable to them.

EXHIBIT 1

ARE THERE ALTERNATIVES TO PLUTONIUM BREEDER REACTOR?

Later this month, Congress will debate the 1976 ERDA budget. A large part of previous federal energy research and development expenditures have been for the plutonium breeder reactor. This has defeated the efforts to develop other promising sources of energy. The breeder proponents have justified this approach by asserting that there is no alternative to the breeder. The most recent challenge to this assertion comes from testimony by Robert Douglas of TRW Systems, a California engineering firm, who described an electrical energy generating system known as Ocean Thermal Energy Conversion (OTEC) to Congressman Morris Udall's Subcommittee on Energy and Environment on June 5. According to his testimony TRW predicts that commercial, competitive ocean thermal power plants can be developed sooner and cheaper than the plutonium breeder can be developed.

OCEAN THERMAL ENERGY CONVERSION VERSUS THE PLUTONIUM BREEDER REACTOR

What is it?

OTEC: A floating platform in the ocean which uses the difference in temperature between the surface water and deep water to generate electricity.

Breeder: A plutonium fueled nuclear reactor which uses the energy released in the splitting of plutonium nucleus to generate electricity.

How much will it cost?

OTEC: Total R & D costs are estimated at $.5–$1 billion.

Breeder: Total R & D costs are estimated at more than $10 billion.

How much are we spending on it now?

OTEC: $391,000 each to TRW and Lockheed Ocean Systems for feasibility studies.

Breeder: $450 million in 1975 and $490 million requested for 1976.

How much power can it produce?

OTEC: TRW estimates 30,000 megawatts electrical capacity installed by 1990. That is about what nuclear plants produce now. The ultimate resource is estimated at 700,000 MW in the Gulf of Mexico alone.

Breeder: It is doubtful that there will be any commercial breeder reactors by 1990.

How much R & D is necessary?

OTEC: TRW says the technology is available now, but commercial success will require development of an aluminum condenser to replace the titanium one currently considered. This is a comparatively simple technical problem.

Breeder: Numerous extremely difficult technical problems still plague the breeder, including its economic justification, safety, waste storage, siting, and fuel reprocessing to name a few.

WHAT PROBLEMS ARE INVOLVED?

Problem: Long term radioactive waste storage.

OTEC: None.

Breeder: Large quantities of radioactive wastes are generated which must be stored for up to 250,000 years.

Problem: Accident risks.

OTEC: None beyond the plant itself. Accident damage could be repaired due to the absence of radioactivity in the plant.

Breeder: Large accidents could cause tremendous and permanent damage by radiation, radioactive contamination, and loss of the investment in the plant.

Problem: Insurance.

OTEC: Insurable.

Breeder: Current nuclear fission reactors are not fully insurable and there is no indication that the breeder reactors will be more insurable than the current generation of uranium reactors.

Problem: Environmental impact.

OTEC: No known problems, but requires more investigation.

Breeder: Numerous difficult technical problems including heat discharge, possible leakages of wastes in the fuel cycle, and waste disposal.

Problem: Siting.

OTEC: No apparent problems due to the vast open ocean areas available.

Breeder: Very difficult problems because these plants must be located away from population centers, but close to power grids and cooling water.

Problem: Cost overruns.

OTEC: Even if cost overruns were 100%, the entire program would cost less than a single component of the breeder program, vis. the Clinch River Breeder Reactor now estimated at $2.1 billion.

Breeder: Cost overruns have been enormous. The Clinch River Breeder Reactor was originally projected to cost $700 million. The latest estimate (GAO) is $2.1 billion. The Fast Flux Test Facility (FFTF) was originally scheduled to cost $87 million and is now up to $993 million.

Problem: Sabotage.

OTEC: Effects of sabotage would be confined to the plant.

Breeder: Effects of sabotage could be disastrous and could affect the public outside the plant boundaries. If the terrorists obtain just 10–20 pounds of plutonium, it will be possible to fabricate a nuclear bomb that probably would explode.

Problem: Fuel hazards.

OTEC: Fuel for OTEC is free and innocuous, since it is just ordinary seawater.

Breeder: Plutonium is among the most hazardous substances known and will be required in large quantities if the breeders become a commercial reality.

In summary, the plutonium breeder reactor funding should be drastically reduced and the funds released should be used for developing clean, safe, and reliable alternate energy sources.

SOLAR ENERGY DEVELOPMENT, OCEAN THERMAL ENERGY CONVERSION

[In millions]

Fiscal year	Budget request costs	House Committee		House of Representatives		Senate Interior Committee	
		Costs	Obligations	Costs	Obligations	Costs	Obligations
1976	2.5	4.9	11.2	6.0	15.5	5.1	0
Trans. qtr	?	2.6	2.9	?	?	1.25	0

The PRESIDING OFFICER. The Senator from Idaho. The Senate will be in order.

Mr. CHURCH. Mr. President, there is an undertaking of $5.1 million in the bill for ocean thermal energy conversion. This amendment adds a modest amount to that.

I commend the distinguished Senator from Hawaii, Senator Fong, and his colleague, Senator Inouye, who has expressed to me a desire for this modest increase and, therefore, we approve the amendment and urge the Senate to approve it.

Mr. FANNIN. Mr. President, I support the amendment. It is one of the most promising matters that has come along in many years.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Hawaii.

The amendment was agreed to.

Mr. GRAVEL. Mr. President, I have an amendment at the desk which I call up at this time.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk proceeded to read the amendment.

Mr. GRAVEL. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 19, line 13, strike "$3,107,107,000." and insert in lieu thereof "$2,874,307,000."

At the end of the bill add a new title as follows:

TITLE V—NUCLEAR WEAPONS LIMITATIONS

Sec. 501. (a) The Secretary of Defense and the Administrator of the Energy Research and Development Administration are hereby directed to submit a report to the Congress before October 1, 1975, setting forth:

(1) the total number of nuclear weapons deployed by the United States as of the date of September 1, 1975, or the date the report is submitted to Congress, whichever is later; and

(2) the total potential explosive yield of such weapons.

(b) The United States shall not deploy nuclear weapons in excess of the number deployed as of September 1, 1975, or the date of the report above, whichever is later; nor shall the total potential yield of such weapons exceed the yield figure reported in such report; except that the President may authorize an increase in such number of deployed weapons and/or the potential yield thereof if—

(1) he reports to the Congress the extent of such increase, both in terms of increased number of nuclear weapons and in terms of increased potential explosive yield; and certifies to the Congress in writing that such increase is essential to the interest of the United States;

(2) sixty days of continuous session of the Congress have expired following the date on which certification with respect to such increase is received by the Congress; and

(3) neither House of Congress has adopted, within such 60-day period, a resolution disapproving such increase.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. GRAVEL. I yield.

Mr. ROBERT C. BYRD. I ask unanimous consent that there be a time limitation on this amendment of not to exceed 30 minutes for Mr. Gravel, 5 minutes for Mr. Pastore, and 5 minutes for Mr. Montoya.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a time limitation on each rollcall from here on out of 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAVEL. Mr. President, the hour is late and I will try to be brief and not use the half hour allotted to me. I think it is probably as significant an amendment as this body will ever vote on because it involves the guts of the nuclear race.

We often find ourselves asking how did we get to this level of nuclear capability. It has been done through this bill. This is the bill that handles the nuclear aspects of our nuclear capability.

According to the Center for Defense Information, the United States now deploys 8,500 strategic nuclear warheads and bombs—enough to annihilate every large Soviet city—100,000 or more population—40 times. The U.S.S.R. possesses 2,800 strategic nuclear weapons, according to the same source.

The PRESIDING OFFICER. The Senator will suspend just momentarily. The Senate will be in order. The Senator can proceed more rapidly if the Senate is in order. The Chair requests that Senators take their seats or go to the cloakrooms for their conversations. The Chair thanks the Senate.

The Senator will proceed.

Mr. GRAVEL. I thank the Chair.

Since the SALT I agreement, the Soviets have added 600 strategic bombs and warheads—force loadings—to their arsenal. In the same time, the United States has added more than 2,700 force loadings. We deploy four new strategic bombs per day, and retire one. Under the Vladivostok accords, the U.S. arsenal promises to climb to more than 20,000 strategic force loadings.

And all of this does not include tactical nuclear weapons, already believed to number 22,000 for the United States—including 7,000 U.S. nuclear weapons in Europe, with the explosive potential of 35,000 Hiroshimas.

Surely we must ask ourselves, with Secretary Kissinger: "What in the name of God is strategic superiority? What is the significance of it politically, militarily, operationally at these levels of numbers? What do you do with it?"

The unfortunate fact is, our Defense Establishment is finding something to do with it. Under the name of counterforce and under the delusion that limited, battlefield nuclear exchanges can take place without general nuclear war, our military is frankly seeking more latitude for the potential use of nuclear weapons. Counterforce and the nuclear "flexible response" doctrines are, in fact, rationalizations for a volume of destructive power which cannot be justified under the doctrine of deterrence.

Instead of questioning the need for more nuclear weapons, the United States is developing a dangerous new rationale for its production-line deployment of nuclear weapons.

Our nuclear weapons policy is not giving us security. It is giving us:

A perilously destabilizing arms race;

An executive whose secrecy and unaccountability are wholly inappropriate in a democracy;

An incredible burden of poisonous radioactive wastes—200 million gallons of high-level waste have been generated to produce weapons-grade plutonium—itself one of the most poisonous substances known to man;

A public ignorance of national policy and a coarsening of our national spirit.

The amendment would limit our nuclear weapons arsenal to present levels. In its first part, my amendment would cut $232.8 million from the fiscal year 1976 nuclear operating expenses. This corresponds to the amount identified for producing new nuclear materials for weapons, primarily plutonium.

We already have more than enough fissionable material to maintain an effective nuclear defense. As weapons improvements are made and as the need for newly designed weapons may arise, the plutonium from old and obsolete weapons can be used to maintain deterrent arsenal.

Such other nuclear materials as are needed for periodic replacement in existing weapons—especially tritium—may be produced under the money allocated for production and surveillance of weapons. This amount, $378.4 million, is left untouched by my amendment, as are budgets for weapons research and development, $284.5 million; testing, $210.6 million, and laser fusion research, $54 million.

The second part of my amendment, the "Nuclear Weapons Limitation" title, establishes a ceiling on our nuclear arsenal. It requires the Secretary of Defense and the Administrator of ERDA to report to the Congress our total current nuclear arsenal, both in terms of numbers of weapons—both strategic and tactical—and in terms of total megatonnage. These current holdings would become ceilings which could be exceeded by the President only upon notification of the Congress, and subject to congressional disapproval.

This amendment would help slow the arms race; it would be a step toward a reasonable defense posture; it would save money; it would reassert congressional authority in the nuclear arms area; it would open the nuclear arms question to public scrutiny and make available information that is now improperly kept secret; and it would retard the production of radioactive poisons.

In sum, it would increase the security of the United States.

Mr. President, I ask unanimous consent to have printed in the Record a report I have secured from the Library of Congress which shows that this Nation—I believe this is the first time this figure has been compiled and released publicly—has spent $45 billion plus on our nuclear capability in this regard.

There being no objection, the material was ordered to be printed in the Record, as follows:

The Library of Congress,
Congressional Research Service,
Washington, D.C., June 25, 1975.

To: Hon. Mike Gravel.

From: Richard P. Cronin, Analyst in National Defense.

Subject: Cost of Development and Production of Atomic Weapons, FY 1940–1975.

In response to your request of May 15, 1975, we have prepared the attached paper on the total cost of developing and producing nuclear weapons from early 1940, when small Federal grants were first advanced to explore the possibility of employing the fission process in a bomb, through the period ending June 30, 1975 (Fiscal Year 1975). The basic data was prepared at our request by the Energy Research and Development Administration (ERDA) budget office. We have augmented the incomplete information supplied by ERDA with data from other sources, independently evaluated the basic ERDA data through our own examination of prior year cost data from the annual budgets of the Atomic Energy Commission and added a share of overall program support costs not included in the ERDA estimate.

Cost of Developing and Producing Atomic Weapons[1] From Fiscal Year 1940 Through Fiscal Year 1975.

Based partly on data provided by the Energy Research and Development Administration (ERDA), successor in the nuclear field to the Atomic Energy Commission (AEC), independent sources of information on the cost of the Manhattan Project, AEC budget data and our own apportionment of agency-wide overhead costs, the total cost of developing and producing atomic weapons through FY 1975 is estimated at $45.5 billion. This total includes $2.2 billion expended by the Manhattan Engineer District during FY 1943–47 (as well as $15.1 million expended on feasibility research during FY 1940–43), $635.8 million expended by the AEC during FY 1947–48, $36.7 billion for basic weapons and related nuclear materials costs for the period FY 1949–75, and an additional estimate of $5.9 billion as a fair share of basic research, administrative and other overhead costs to be attributed to weapons development and production during FY 1949–75. Due to data source limitations, all atomic program costs prior to FY 1949 have been regarded as weapons related.

Prior to the present Fiscal Year 1976 President's Budget the entire program of the Atomic Energy Commission was counted as part of the National Defense functional category of the budget. Not all of the AEC budget, however, actually funds military programs, and not all of the military activities are related to atomic weapons. In recent years 40–50 percent of the AEC budget was devoted to defense activities, another 40–50 percent was for civilian energy purposes, and approximately 10 percent was devoted to general science and technology (including space). In Fiscal 1973 defense accounted for nearly 50 percent of the AEC budget while energy accounted for roughly 40 percent. In the FY 1976 ERDA budget request the relationship has been reversed, with energy programs taking the larger share.[2]

Defense related costs include three main categories: nuclear materials; weapons; and naval reactor development. Nuclear materials relates to "the production of special nuclear materials primarily for use in nuclear weapons and as fuel for nuclear reactors." Also included in this category of costs are funds for the development of information on raw material sources, for certain safety programs and for waste disposal. In the data presented in the President's budget both military and civilian aspects of this program are combined.

In presenting the data for this report ERDA made a judgmental division of the funds expended each year for nuclear materials, apportioning a share to weapons production. ERDA did not find it feasible to distinguish between nuclear materials for weapons production from those used in other military programs, especially naval reactor development. The amount shown in the attachment under the column "Nuclear Materials" is therefore somewhat overstated. Based solely on known non-materials costs attributable to the naval reactor development program compared to non-materials weapons costs, our estimate is that the total shown by ERDA for nuclear materials could be overstated by as much as $2 billion. Because this method of estimation may be unreliable, we have not attempted to adjust the data or exclude nuclear materials for the naval reactor program.

Except for this unavoidable overstatement of the cost of nuclear materials, the total figure of $45.5 billion represents only the costs associated with the development and production of atomic weapons, including a proportionate share of AEC/ERDA basic research and overhead costs. While atomic weapons costs now account for less than half of the ERDA annual budget, historically, the development and production of atomic weapons has absorbed some three-fourths of the total funds expended in the nuclear energy field since the first effort to construct atomic advice.

NUCLEAR MATERIALS SECURITY

The data shown under the "Weapons" column of the attachment from ERDA does not include funds for Nuclear Materials Security, although this program was included in the weapons category of recent AEC budgets and in the current ERDA budget request. This program was negligible prior to about FY 1969 and identifiable data first appears in the FY 1972 column of the FY 1974 budget request. From FY 1972–1975 some $26.3 million can be identified for this program. The FY 1971 column of the FY 1973 budget request includes $4.5 million for "Nuclear materials security and operational safety activities" under the Nuclear materials catergory. The current FY 1976 request for ERDA includes $14.0 million for Nuclear Materials Security under the Weapons category.

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[1] As defined in the Atomic Energy Act of 1954 (PL 83–703), Sec. 11.d., Atomic weapon "means any device utilizing atomic energy, exclusive of the means for transporting or propelling the device (where such means is a separable and divisible part of the device), the principle purpose of which is for use as, or for development of, a weapon, a weapon prototype, or a weapon test device." Thus the data basically covers bombs and warheads, not aircraft or missile delivery systems or nuclear submarines and other nuclear naval vessels.

[2] The precise percentages vary depending on whether net costs (after subtracting reimbursements) or total accrued costs are used.

ERDA/AEC NUCLEAR WEAPONS DEVELOPMENT AND PRODUCTION ACCRUED NET COSTS

[In millions of dollars]

Fiscal year	Program		
	Weapons [1]	Nuclear materials [1][2]	Total
1949	$191.3	$268.4	$459.7
1950	164.9	188.7	353.6
1951	197.5	414.4	611.9
1952	343.1	1,043.4	1,386.5
1953	296.8	1,256.5	1,553.3
1954	261.6	1,491.2	1,752.8
1955	280.2	1,347.8	1,628.0
1956	292.9	1,015.7	1,308.6
1957	381.2	1,071.5	1,452.7
1958	476.3	1,224.1	1,700.4
1959	524.0	1,290.9	1,814.6
1960	752.7	1,672.9	2,425.3
1961	535.2	1,313.1	1,848.3
1962	553.4	1,284.8	1,838.2
1963	742.4	1,058.8	1,801.2
1964	861.6	553.5	1,415.0
1965	819.0	619.0	1,438.1
1966	767.0	551.1	1,318.1
1967	752.2	296.9	1,049.6
1968	772.4	291.2	1,063.6
1969	1,021.8	223.8	1,245.4
1970	1,012.9	181.5	1,194.6
1971	972.0	180.0	1,152.4
1972	965.9	172.1	1,138.5
1973	982.5	196.1	1,178.6
1974	913.6	266.8	1,180.4
1975	1,035.1	272.4	1,307.0
1976 Congressional budget	1,059.5	365.1	1,424.8
Transition period	271.8	98.0	369.5
Total	18,200.8	20,209.7	38,410.5

[1] Includes only defense related costs of this program.

[2] Includes material costs associated with naval nuclear propulsion.

Note: Provided by ERDA. Accrued net costs identifies costs actually chargeable to each annual appropriation exclusive of income from services. Weapons excludes nuclear materials security.

Mr. GRAVEL. Mr. President, I will reserve the remainder of my time after I have heard comment from the Senator.

Mr. PASTORE. May I first make a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state the inquiry.

Mr. PASTORE. I ask whether or not this amendment is germane under the unanimous-consent agreement.

The PRESIDING OFFICER. The amendment is not germane.

Mr. PASTORE. Not germane.

Well now, Mr. President, I am not going to raise the point of germaneness because to me this matter is of such grave importance that I think the Senate of the United States should have a vote on it, whether it is germane or nongermane, because it is the perennial dilemma that confronts this country as to when enough is enough. But, in my humble opinion, this is a matter that has been of great concern to our Joint Committee on Atomic Energy in all the years I have served on that committee, beginning in 1952.

We have constantly scrutinized these requests by the administration, the Joint Chiefs of Staff, the Atomic Energy Commission, and we have always made it our duty to make sure that in every instance we did everything that was necessary to protect the security of this country and to insure it and at the same time not to spend a nickel more than was necessary.

There are those who feel the chances and the power to kill and the overkill has reached a point where, possibly, there is no return. But I think that the worst thing that this Senate can do tonight is to begin to unilaterally disarm the United States of America.

That is what this amendment amounts to.

First of all, there is no factual background for this amendment. As a matter of fact, only a short while ago the Senator from Alaska lamented the fact that he asked for a briefing and did not receive it and I made arrangement that that might be possible.

But I think the worst thing this Senate can do tonight is to begin to legislate on the floor as to what is necessary to guarantee the freedom of our people and guarantee the freedom of the free world.

So I say again, I am not prepared to raise the point of order, although I could easily do that and rather prolong the debate on this subject, but I say to my good friend from Alaska, I hope he would withdraw this amendment, that he would wait to be briefed.

This is an authorization bill; we will have an appropriation bill. If he feels that after his briefing he has substantial grounds upon which to base his amendment, he can do so at that time because appropriations count and authorizations only lead to appropriations.

But, Mr. President, I have been concerned about this. I think we have too much firepower in the world today, but we are not the only member of the nuclear club.

In 1946, under the Baruch plan, we tried at that time to internationalize the atomic bomb, and the Russians said, "No."

Then when Mr. Edward Teller said that he had the answer to the hydrogen bomb, that became a controversy and the members of the Joint Committee on Atomic Energy went down to see President Truman and we began to build the hydrogen bomb. It was said that the Russians would never have it, yet within 1 year after we exploded our hydrogen device, they exploded theirs.

Now we are pointing out on charts here that show we are so superior. Do not let that fool you. Do not let that fool you, the Russians have more megatons on their missiles than we do. They have achieved a MIRV and we thought it would take them some time to do it.

I say this, let us pursue détente, but do not let détente delude us because if we ever do, if we ever do we will do a great injustice to our children and our children's children.

So I say, Mr. President, I am not going to raise a point of order. I am going to let this be voted up or down as it stands and let the conscience of the Senate express itself tonight as to whether or not unilaterally we are going to start disarming the United States of America and begin this process of doing it by a floor amendment at this time.

Mr. JACKSON. Will the Senator yield?

Mr. PASTORE. I yield to the Senator.

Mr. JACKSON. Mr. President, I want to associate myself with the remarks of the able chairman of the Joint Committee on Atomic Energy.

I served on that subcommittee on the hydrogen bomb appointed by the late Brian McMahon, and the Senator from Rhode Island is completely right, we were told then that there was no possibility of the Russians' getting the hydrogen bomb, and they were just dead wrong.

The PRESIDING OFFICER. All time of the Senator from Rhode Island has expired.

Mr. GRAVEL. I yield the Senator whatever time he wants.

Mr JACKSON. One minute.

I would hope that my friend from Alaska would withdraw the amendment. We have not had a special hearing on this problem. We have continuous hearings on weapons requirements. When we look at the charts, of course, we have to look at delivery systems. The nuclear capability of a nation is not in terms of warheads alone, it is the number of warheads times deliverability, and if we cannot deliver it, it does not mean anything.

Finally, Mr. President, I would just observe that we are really in the midst of SALT talks. Is this the time, really, to turn around and completely revise our program in the midst of negotiations?

The President is in Helsinki.

The PRESIDING OFFICER. The time has expired.

Mr. JACKSON. Just half a minute.

Mr. GRAVEL. I yield the Senator half a minute, or another minute to the Senator if he desires.

Mr. JACKSON. I thank the Senator from Alaska.

I cannot think of anything more confusing in the time of international negotiations than to turn around and revise our whole stockpile when those matters are being negotiated.

Mr. President, I simply want to observe that the wise course here is to go into this matter after the Senator has had a briefing. I think when he has had access to this extremely sensitive information, he may have a different point of view. But do we want to legislate here on the floor of the Senate regarding the stockpile?

I would hope that he would withdraw his amendment and then, as the chairman of the committee indicated, if he feels after a proper briefing—and he is entitled to it—he still wants to prosecute the amendment, that is entirely understandable.

But I think that would be the wisest course.

The PRESIDING OFFICER. The Senator from New Mexico

Mr. MONTOYA. Mr. President, we held exhaustive hearings on every item in this bill, but we have never had a hearing as to the propriety of limitation of atomic weapons.

We have discussed the propriety of what we have and what is needed to substitute for the obsolescence that sets in every so often.

Now, let us bear in mind what this amendment does.

Subsection or paragraph 2 of the amendment reads as follows:

> The Secretary of Defense and the Administrator of the Energy Research and Development Administration are hereby directed to submit a report to the Congress before October 1, 1975,—

A public report of classified and unclassified material with respect to our strength in the field of atomic weapons.

It states further that the report must set forth:

> The total number of nuclear weapons deployed by the United States as of the date of September 1, 1975.

The PRESIDING OFFICER. The Senate is not in order. The Senate will be in order.

Mr. MONTOYA.

> (2) the total potential explosive yield of such weapons.

And here is a paragraph that is very significant, it is a mandate:

> The United States shall not deploy nuclear weapons in excess of the number deployed as of September 1, 1975, or the date of the report above, whichever is later; nor shall the total potential yield of such weapons exceed the yield figure reported in such report; except that the President may authorize an increase in such number of deployed weapons and/or the potential yield thereof if—
>
> (1) he reports to the Congress the extent of such increase, both in terms of increased number of nuclear weapons and in terms of increased potential explosive yield.

A major effect of this amendment is that it would be a unilateral action taken by the United States to disarm itself. It would be taken outside the structure of the complex and detailed strategic arms limitation negotiations that are now going on at Geneva with the Soviet Union.

We know that President Ford met with General Secretary Leonid Brezhnev at Helsinki yesterday morning. A central subject of their discussion, as reported in this morning's newspaper, was how those SALT negotiations could be moved along toward an agreement which would reduce the nuclear tensions between our two nations without causing a security disadvantage to our own country. For the Senate to pass this amendment now, would give the clear signal to the Soviet Union that they need compromise on nothing—they need reduce no system—they need to put a ceiling on no strategic system. For the Senate would have granted them a major advantage in the SALT negotiations. The Senate would have placed such ceilings upon the U.S. nuclear systems without requiring any price to be paid by the Soviet Union; without requiring any compromise by the Soviet Union. The President should be given a full opportunity to gain the maximum advantage from the SALT negotiations.

This amendment, would, in effect, remove from the hands of the President, a key element in the conduct of those negotiations which are of such great importance to our own future, but that of the rest of the world. Let us not at this time take such hasty action without even hearing from the executive branch what it believes would be the effect of this amendment upon the SALT negotiations.

As everyone here knows, in the manufacture of atomic weapons there is obsolescence and we must create new generations of weapons. This amendment prohibits the creation or manufacture of new generations of weapons to take care of the obsolescence. I think this is ill timed. Legislating on this vital matter on the floor of the Senate is a serious mistake, Mr. President.

For that reason, I oppose this amendment.

Mr. BAKER. A parliamentary inquiry. Mr. President.

The PRESIDING OFFICER. The Senator will state the parliamentary inquiry.

Mr. BAKER. Could I ask the amount of time remaining?

The PRESIDING OFFICER. The time of the Senator from New Mexico and the time of the Senator from Rhode Island has expired. The Senator from Alaska has 20 minutes.

Mr. GRAVEL. I will be happy to yield.

Mr. PASTORE. May I ask unanimous consent that 5 minutes be granted to the ranking Republican member of the Joint Committee on Atomic Energy?

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. BAKER. Mr. President, I thank the distinguished chairman of the Joint Committee for his unanimous-consent request and our colleague from Alaska for offering to yield time from his allocation so I could make a few brief remarks.

I have a great affection for the Joint Committee on Atomic Energy. I have served on it for a short period of time, but I have grown to have a respect for it and for the chairman and all the members of it, and the staff.

One of the things that pleases me about it is that as far as I know, and I believe I am correct, the Joint Committee on Atomic Energy has never had a leak of sensitive material since its creation in the 1940's. It has dealt with the most extraordinary, sensitive sort of material. It has dealt with the jurisdictional requirements for the construction of nuclear weapons since the beginning of the nuclear age.

Mr. President, this is not the time, however, to depart from that tradition of careful, calm appraisal of civilization's most awesome weapon and decide here tonight not just whether we should build weapons, but whether we should deploy them, and upon what authority, in the Senate of the United States in open session at 7:35 on Thursday night.

I most respectfully suggest, Mr. President, that this, in the vernacular of the times in my native State of Tennessee, ain't the way it ought to be done.

Mr. President, nobody will yield to me nor to the chairman of the Joint Committee in our concern for the safety of the deployment and storage of nuclear weapons. Nobody, I believe, in this Chamber, and I very much doubt in the Government of the United States, has expressed over a period of time greater concern for some of the inadequacies that we believe we see from time to time in the exact nature of the handling of these devices. But that is not to say that I think, nor do I believe any member of the committee thinks, nor the Senate, that we ought to materially change the fundamental defenses of the United States in a strategic sense in a single amendment to the ERDA authorization bill tonight.

Mr. President, without imposing on the time of the Senate any further, I very much hope that this amendment will be defeated, and defeated very handily indeed, and that the message that will go out from these deliberations tonight will be that this country, the United States, is still firm in its determination to maintain its strategic defenses inviolate.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. GRAVEL. I will summarize very briefly, Mr. President. I know these gentlemen are as much concerned about the problem as I am.

My amendment would not stop any new weapons from coming into being. There is adequate money to do that, so there is no attempt to stop the forward rush of technology in this regard. The only moneys that are cut by my amendment are moneys for new plutonium. They can recycle, they do recycle and they have the money to recycle in the present budget.

Next, my amendment does not touch the deployment issue at all. The Government can go ahead with its present deployment.

There are grounds to vote against my amendment, if you have those grounds, but do not vote against it on those grounds I just mentioned because my amendment does not do that.

The Senator from Rhode Island and the Senator from New Mexico spoke to a different issue. That is, when they talked about unilateral disarmament. My amendment does not bring about unilateral disarmament.

What my amendment does is to try to develop a new policy of sufficiency. Just by looking at the chart you can see that we have 8,500 strategic weapons. The Soviet Union has 2,800. We can destroy them 40 times. They can destroy us about 10 times. For the love of God, how many times do we have to be able to kill our enemy? Can we not be happy to pay for dead 15 or 20 times? Do we have to go on with the billions and billions of dollars to kill dead and dead and dead? Is there no limit to our paranoia and the amount of money that we want to feed that paranoia with? That is all I am trying to bring forth here, a little bit of sanity to the arms race as human beings. When we stand back and look at where we are in the world today, the word that comes forward is that we are all insane. That is right. How did we get there? How did we get to that point? We did it with $1 at a time. We did it with the appropriation of a well-meaning committee filled with well-meaning and conscientious gentlemen.

But I harken back to the situation we had when some of us had suspicions about the CIA and the FBI. We have the committees that are looking at them. We have a special subcommittee in the Armed Services Committee. They know what is going on. Yes, they know what is going on.

I will say they did not know what was going on, and that is the reason we have the mess in our intelligence situation.

I will submit to the body that we do not know what is going on with respect to our nuclear arms race. This issue has never been challenged on the floor of the Senate with this particular amendment, yet this is the guts of the nuclear arms race that we face.

There have been challenges. It is taken as a gimmick. Yet when I asked for a briefing from ERDA, they came to my office and told me they could not give it to me, that it was too secret. They said it was much too secret for a Senator to know.

It took the intervention of the Senator from Rhode Island, and I want to thank the Senator. Now we are going to get a briefing.

After the briefing, if it warrants, I will submit another amendment of this kind, attacking the money, not the authorization. I think it is important. I think it is important in order to establish a national dialog on this subject. If it is not on the subject, it is not even near the target.

The issue is when is enough enough? That vote can be very clearly made on this amendment. All I ask in this amendment is to use what we want out of the recycled uranium, plutonium, and so forth, to make new bombs. All this says is, "We have had enough and do not get new material. Make some bombs, but when you do make some new bombs, come back to the Congress, Mr. President, and tell us that you are making *x* amount more, that you can make 9,000, 10,000, 20,000 more. Tell us that you are going to do that, so that we know it and can debate it."

We have never been told. We have been faced with an impossible situation. As has been correctly stated by the Senator from New Mexico, this is so important that it is only left in the hands of the President—and a thousand other people who are not elected to office.

The **PRESIDING OFFICER**. Will Senators and staff withdraw if they wish to converse?

The Senator may proceed.

Mr. **GRAVEL**. Mr. President, I know the Senator from New Mexico and the Senator from Rhode Island feel this just as deeply as I do, and I know they realize I do feel it very deeply. It is just our beliefs. These beliefs we bring to our office when we come to the Senate.

I appreciate the courtesy of the Senators. The vote could have been held on a division, but I felt the additional policy was the vital part of it, because that involves, in the future, bringing the Senate of the United States into these decisions, which are most fundamental for this planet.

We are not talking about the United States of America. We are talking about the survival of the world, and there has got to be an end to it.

These policies I would initiate this evening I will make an effort to promote for the balance of my career, to seek to have a policy of sufficiency.

All we need to survive against our enemies is the ability to kill them a proper number of times. That is called deterrence. How much deterrence do we need? I think we could well have considerably less deterrence than we presently enjoy.

I would like to bring that matter under examination. That is the purpose of the amendment. It is not a matter of unilateral disarmament; it is the hope that we will be able to bring about a dialog among the Members of this body and among the people of the United States.

I thank the Senators for their courtesy. I yield back the remainder of my time, and request a yea and nay vote, up or down, on the amendment.

The **PRESIDING OFFICER**. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The **PRESIDING OFFICER**. The question is on agreeing to the amendment of the Senator from Alaska (Mr. Gravel). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. **ROBERT C. BYRD**. I announce that the Senator from Texas (Mr. Bentsen), the Senator from Mississippi (Mr. Eastland), and the Senator from Wyoming (Mr. McGee) are necessarily absent.

Mr. **GRIFFIN**. I announce that the Senator from New York (Mr. Buckley), and the Senator from Arizona (Mr. Goldwater) are necessarily absent.

The result was announced—yeas 9, nays 85, as follows:

[Rollcall Vote No. 370 Leg.]

YEAS—9

Abourezk
Clark
Gravel
Hart, Philip A.
Hartke
Haskell
Mansfield
McGovern
Nelson

NAYS—85

Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Biden
Brock
Brooke
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Cranston
Culver
Curtis
Dole
Domenici
Eagleton
Fannin
Fong
Ford
Garn
Glenn
Griffin
Hansen
Hart, Gary W.
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Laxalt
Leahy
Long
Magnuson
Mathias
McClellan
McClure
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NOT VOTING—5

Bentsen
Buckley
Eastland
Goldwater
McGee

So Mr. Gravel's amendment was rejected.

Mr. **PASTORE**. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. **CHURCH**. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The **PRESIDING OFFICER**. The bill is open to further amendment.

Mr. **CHURCH**. Mr. President, there are no further amendments.

The **PRESIDING OFFICER**. If there be no further amendment to be proposed, the question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. **MANSFIELD**. Mr. President, I ask for the yeas and nays.

The **PRESIDING OFFICER**. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. **PROXMIRE**. I understand that the Committee on Interior and Insular Affairs adopted an amendment to S. 598, the ERDA authorization bill, incorporating the substance of S. 2066 which is now pending before the Committee on Banking, Housing and Urban Affairs. S. 2066 would authorize loan guarantees to finance the construction and operation of commercial facilities for the conversion of domestic coal into synthetic fuels. The bill was referred to the Banking Committee in view of our jurisdiction over credit and loan guarantee programs.

In order to expedite the passage of the ERDA authorization legislation, I have not insisted that S. 598 be referred to the Banking Committee so that we may consider the loan guarantee amendment. However, I have reached an understanding with the chairman of the Committee on Interior and Insular Affairs and the manager of the bill that any future amendments to the loan guarantee program are within the jurisdiction of the Committee on Banking, Housing and Urban Affairs and, accordingly, would be referred to that committee. I would hope that this colloquy with the manager of the bill would further reaffirm this understanding.

Mr. **CHURCH**. I want to confirm what the Senator has said. The Interior Committee understands the interest and jurisdiction of the Committee on Banking, Housing and Urban Affairs in connection with S. 2066 and loan guarantee legislation generally. Senator Proxmire and Senator Jackson, the chairman of the Committee on Interior and Insular Affairs have reached an understanding on any future amendments to loan guarantee programs.

The loan guarantee authority included in this bill by the Interior Committee is urgently needed to advance the development of national synthetic fuels industry in this country to help overcome the Nation's dependence on foreign fuel supplies and to augment our natural gas supplies on an accelerated basis. ERDA is the logical agency to move the technologies involved into commercial-scale demonstrations, and this authorization bill is the right place to provide them the authority.

The chairman and the committee appreciate the cooperation of Senator PROXMIRE and his committee in facilitating the advancement of the loan guarantee program recommended in this bill.

Mr. HATHAWAY. Earlier this month, Senator MUSKIE and I wrote to the Interior Committee regarding our interest in implementation of section 6(b)(3)K of the Federal Nonnuclear Energy Research and Development Act. This section is a specific directive to ERDA to investigate the technical and economic feasibility of harnessing the tidal power of the oceans for the generation of electric power.

The Canadian Government recently indicated renewed interest in this concept by committing itself to a reevaluation of the tidal power potential of the Bay of Fundy on the Maine-Canadian border. Passamaquoddy Bay in the same area has long been of interest to both Canada and the United States as a site for tidal power development. This past spring, the Public Works Committee approved a resolution authorizing the Army Corps of Engineers to do a new feasibility study of the Passamaquoddy project—to update work done in the early 1960's.

In light of the renewed Canadian interest, the congressional directive to ERDA, and the public works resolution, a reevaluation of the Passamaquoddy project, coordinated with the Canadian Government's efforts, is particularly timely.

From repeated inquiries to ERDA and a review of the National Plan for Energy Research recently published by that agency, it appears that ERDA does not intend to undertake any in-depth studies in tidal power development.

I would hope that the manager of the bill could give us an indication of what the committee will be expecting from ERDA in this regard. I think it is clear that the 1975 act specifically anticipates that this potentially important alternative source of electric power be thoroughly explored.

Mr. CHURCH. I am pleased to respond to the Senator. This matter was, as you mentioned, recently brought to the committee's attention by way of a letter to the chairman from yourself and Senator MUSKIE. The committee is, of course, familiar wth the requirement in the Nonnuclear Act that ERDA investigate the technical and economic feasibility of generating electricity from tidal power. It was the committee's intention to address this subject in its report accompanying the bill. Unfortunately, the matter was inadvertently omitted.

I can assure the Senator that it is the committee's expectation that ERDA will allocate funds for this purpose and begin as soon as possible in fiscal year 1976, to carry out such an investigation in coordination with other appropriate Government agencies.

Mr. MUSKIE. Mr. President, S. 598, the first annual authorization bill for the new Energy Research and Development Administration known as ERDA, is an important bill because it shapes the budgetary commitment of the one Federal agency charged with developing an energy research and development strategy. Because research and development is critical to national energy independence, the success of ERDA, in large part, will determine how well we resolve our energy problems.

The funds provided in this bill will be directed towards a wide variety of civilian R. & D. programs including coal and oil shale, solar and geothermal, conservation and basic research, fusion power and nuclear fission, waste management and operational safety. Funds also will be directed for certain military programs including nuclear reactors for naval vessels, weapons technology and materials security.

For fiscal 1976, S. 598 as reported authorizes $4.8 billion in budget authority for ERDA, which will lead to outlays of $4.3 billion. This is $555 million in budget authority and $411 million in outlays above the amount requested by the administration.

How then does this bill stack up against the budget targets set by Congress last May, when passing our budget resolution? In the national defense function S. 598 authorizes $27 million in additional budget authority, a sum consistent with the congressional budget target.

In the general science, space, and technology function S. 598 authorizes $44 million in additional budget authority. Because the target budget in this function was identical to the administration's request, this add-on exceeds the target, though by a relatively small amount.

In the natural resource, environment, and energy function S. 598 adds $485 million in budget authority and $368 million in outlays to the administration's original request for ERDA. Although these are large sums of money they do not, by themselves, breach the budgetary target set for this function. This is so because in adopting a congressional budget target for natural resources, environment, and energy, the Congress wisely, in my opinion, allotted an additional $1.6 billion in budget authority and $1.5 billion in outlays above the President's request—in recognition that additional moneys would be needed largely for energy programs. The increase authorized by S. 598 falls within this congressionally approved target. Indeed, if appropriated, the increase would use up a significant portion of the additional funds.

I intend to vote for S. 598. It represents an energy plan of which, if funded, will start us on the way toward properly utilizing the various energy sources available to us.

I wish to note, however, that this bill as reported does not incorporate the recent plan for energy policy developed by ERDA entitled "creating energy choices for the future." This plan was developed too late for inclusion in the committees' version of S. 598. However, only a few days ago, the administration sent up an amendment to H.R. 8122, the Public Works-ERDA appropriations bill, that provides for these changes. This amendment will necessitate some changes in S. 598, and it is my understanding that an amendment will be offered on the floor to effect these changes. The amendment will increase slightly the totals for each of the functional categories within ERDA.

Recently I have expressed concern about the fiscal impact of legislation in the natural resources function that the Senate may soon consider and pass. Looking down the road, it is clear that if we appropriate the full authorizations contained in everything that we now seem likely to pass, we will exceed the budgetary target for natural resources, environment, and energy.

Let me direct your attention to page 27 of the Senate budget scorekeeping report dated July 28. Table C sets out the present situation. It shows that the additional legislation, if funded fully, would add $2.8 billion in budget authority and $1.1 billion in outlays for fiscal year 1976. If this is added to the remaining budget authority and outlays of current spending legislation, as is done in table A on page 25, the result is that the targets will be breached by $1.8 billion in budget authority and $0.2 billion in outlays, as the bottom line on page 25 clearly indicates.

If the congressional budget targets are breached, then the Senate Budget Committee, and ultimately the full Senate, will have to weigh very carefully what the appropriate response should be.

Indeed, as chairman of the Budget Committee, I myself intend to take a hard look at these forthcoming proposals and may be compelled to speak out in opposition to them if, as reported, they are likely to breach the budget targets we have set for ourselves.

Finally, let me say that I noted with interest that the Interior Committee's report on the bill mentions the Budget Committee's discussion last spring about funding levels for energy programs. While the Budget Committee, in reaching agreement on what overall level of funds would be appropriate. Did not approve or disapprove specific energy programs, I am pleased by this latest indication that the new budget process is taking hold in the Senate.

Mr. President, I ask unanimous consent to have printed in the RECORD a summary of fiscal year 1976 budget authority and budget outlays under this bill as reported.

There being no objection, the summary budget was ordered to be printed in the RECORD, as follows:

ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION—SUMMARY OF FISCAL YEAR 1976 BUDGET AUTHORITY AND BUDGET OUTLAYS BY DEFENSE, ENERGY, AND RESEARCH AND SPACE FUNCTIONS PER JCAE AND SIIAC AUTHORIZATION BILL (S. 598), AS REPORTED

[In thousands of dollars]

	Fiscal year 1976 budget authority				Fiscal year 1976 budget outlays			
	Defense	Energy	Research and space	Total	Defense	Energy	Research and space	Total
OPERATING EXPENSES								
Amounts in President's Budget	1, 627, 106	1, 375, 211	401, 670	3, 403, 987	1, 460, 961	1, 253, 976	358, 957	3, 073, 894
Changes:								
Fossil energy development: SIIAC		+54, 998		+54, 998		+37, 466		+37, 466
Solar energy development: SIIAC		+52, 148		+52, 148		+39, 100		+39, 100
Geothermal energy development: SIIAC		+7, 343		+7, 343		+5, 500		+5, 500
Advanced energy systems: SIIAC		+60, 984		+60, 984		+45, 727		+45, 727
Conservation R. & D.: SIIAC		+115, 680		+115, 680		+86, 760		+86, 760
Physical research:								
SIIAC			+24, 000	+24, 000			+18, 000	+18, 000
JCAE			+4, 000	+4, 000			+3, 000	+3, 000
Fusion power R. & D.: JCAE		+26, 573		+26, 573		+20, 000		+20, 000
Weapons: JCAE	+4, 667			+4, 667	+3, 500			+3, 500
Laser fusion: JCAE	+8, 000			+8, 000	+6, 000			+6, 000
Nuclear materials security: JCAE	+4, 000			+4, 000	+3, 000			+3, 000
Biomedical and environmental research:								
SIIAC		+42, 000		+42, 000		+31, 500		+31, 500
JCAE		+8, 660		+8, 660		+6, 500		+6, 500
CEQ, WRC, NBS: SIIAC		+3, 200		+3, 200		+3, 200		+3, 200
Program support: SIIAC		+10, 300		+10, 300		+10, 300		+10, 300
Community: JCAE		+2, 167		+2, 167		+2, 167		+2, 167
Information services: JCAE		+75		+75		+75		+75
Total changes, operating expenses	+16, 667	+384, 128	+28, 000	+428, 795	+12, 500	+288, 295	+21, 000	+321, 795
SIIAC		+346, 653	+24, 000	+370, 653		+259, 553	+18, 000	+277, 553
JCAE	+16, 667	+37, 475	+4, 000	+58, 142	+12, 500	+28, 742	+3, 000	+44, 242
Revised total operating expenses	1, 643, 773	1, 759, 339	429, 670	3, 832, 782	1, 473, 461	1, 542, 271	379, 957	3, 395, 689
PLANT AND CAPITAL EQUIPMENT								
Amounts in President's Budget	268, 410	569, 228	57, 079	894, 717	302, 231	464, 997	54, 646	821, 874
Less withdrawal of waste management project, retrievable surface storage facility, site undetermined		−5, 000		−5, 000		−800		−800
Revised plant and capital equipment request	268, 410	564, 228	57, 079	889, 717	302, 231	46, 197	54, 646	821, 074
Plant	176, 300	459, 225	21, 845	657, 370	201, 468	390, 618	19, 597	611, 683
Capital equipment	92, 110	105, 003	35, 234	232, 347	100, 673	73, 579	35, 049	209, 391
Changes:								
Plant:								
Fossil energy development, SIIAC:								
76–1–b, High-Btu pipeline demonstration plant		+20, 000		+20, 000		+20, 000		+20, 000
76–1–c, Low-Btu fuel gas demonstration plant		+15, 000		+15, 000		+15, 000		+15, 000
76–1–d, Low-Btu combined cycle demonstration plant		+5, 000		+5, 000		+5, 000		+5, 000
76–1–e, fluidized bed demonstration plant		+13, 000		+13, 000		+13, 000		+13, 000
Solar energy development, SIIAC:								
76–1–f, 5 megawatt solar thermal test facility		+5, 000		+5, 000		+5, 000		+5, 000
76–1–g, 10 megawatt control receiver solar thermal power plant		+5, 000		+5, 000		+5, 000		+5, 000
Geothermal energy development, SIIAC:								
76–1–h, geothermal power plant, Raft River, Idaho		+5, 000		+5, 000		+5, 000		+5, 000
76–1–i, geothermal power plant, Buffalo Valley, Nev		+5, 000		+5, 000		+5, 000		+5, 000
Physical research: 75–6–c, PEP, JCAE			+11, 000	+11, 000			+2, 000	+2, 000
Nuclear materials: 75–1–c, Waste calcining facilities, JCAE[1]								
Fusion power R. & D., JCAE:								
76–3–a, Tokamak FTR, Princeton		+15, 500		+15, 500		+2, 800		+2, 800
76–3–b, 14 MEV fac., Los Alamos		+3, 100		+3, 100		+600		+600
76–3–c, 14 MEV fac., Livermore Laboratory		+5, 000		+5, 000		+900		+900
Weapons, JCAE: 76–8–c, Phermex enhancement, Los Alamos	+6, 150			+6, 150	+1, 150			+1, 150
Total plant changes	+6, 150	+96, 600	+11, 000	+113, 750	+1, 150	+77, 300	+2, 000	+80, 450
SIIAC		+73, 000		+73, 000		+73, 000		+73, 000
JCAE	+6, 150	+23, 600	+11, 000	+40, 750	+1, 150	+4, 300	+2, 000	+7, 450
Revised plant total	182, 450	555, 825	32, 845	771, 120	202, 618	467, 918	21, 597	692, 133
Capital equipment:								
Physical research: SIIAC			+5, 000	+5, 000			+5, 000	+5, 000
Fusion power R. & D.: CAE		+4, 000		+4, 000		+2, 000		+2, 000
Laser fusion R. & D.: CAE	+4, 000			+4, 000	+2, 000			+2, 000
Total capital equipment changes	+4, 000	+4, 000	+5, 000	+13, 000	+2, 000	+2, 000	+5, 000	+9, 000
IIAC			+5, 000	+5, 000			+5, 000	+5, 000
JCAE	+4, 000	+4, 000		+8, 000	+2, 000	+2, 000		+4, 000
Revised capital equipment total	96, 110	109, 003	40, 234	245, 347	102, 763	75, 579	40, 049	218, 391
Total changes, plant and capital equipment	+10, 150	+100, 600	+16, 000	+126, 750	+3, 150	+79, 300	+7, 000	+89, 450
SIIAC		+73, 000	+5, 000	+78, 000		+73, 000	+5, 000	+78, 000
JCAE	+10, 150	+27, 600	+11, 000	+48, 750	+3, 150	+6, 300	+2, 000	+11, 450
Revised total plant and capital equipment	278, 560	664, 828	73, 079	1, 016, 467	305, 381	543, 497	61, 646	910, 524
Plant	182, 450	555, 825	32, 845	771, 120	202, 618	467, 918	21, 597	692, 133
Capital equipment	96, 110	109, 003	40, 234	245, 347	102, 763	75, 579	40, 049	218, 391
Total changes, operating expenses and plant and capital equipment	+26, 817	+484, 728	+44, 000	+555, 545	+15, 650	+367, 595	+28, 000	−411, 245
SIIAC		+419, 653	+29, 000	+448, 653		+332, 553	+23, 000	+355, 553
JCAE	+26, 817	+65, 075	+15, 000	+106, 892	+15, 650	+35, 042	+5, 000	+55, 692
Revised total operating expenses and plant and capital equipment	1, 922, 333	2, 424, 167	502, 749	4, 849, 249	1, 778, 842	2, 085, 768	441, 603	4, 306, 213

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[1] Authorization request reduced by $37,500,000; no effect on budget authority or budget outlays.

S. 598 AS REPORTED

	1976 budget outlays			
	Defense	Science	Natural resources	Total
President's budget	1,763	413	1,718	3,894
SIC add-on		23	333	356
JCAE add-on	16	5	35	56
Subtotal, Committee add-on	16	28	368	412
Total	1,779	441	2,086	4,30[illegible]

S. 598 AS REPORTED

	1976 budget authority			
	Defense	Science	Natural resources	Tota
President's budget	1,895	459	1,939	4,293
SIC add-on		29	420	449
JCAE add-on	27	15	65	107
Subtotal: Committee add-on	27	44	485	556
Total	1,922	503	2,424	4,849

Mr. GARY W. HART. Mr. President, I would like to commend Senators Pastore and Church and all of their colleagues on the committees on which they serve, for what appears to be a very good bill. Of particular interest to me is the section dealing with solar energy development.

I believe I am correct in stating that Senator Church's committee seeks an authorization for solar energy development of $106,200,000 for fiscal year 1976 costs and $26,800,000 for transition period costs. As the section of the committee report relating to solar development recognizes, solar-based energy systems provide one of the most attractive and promising of the Nation's alternative energy prospects. This statement is indeed true. I have witnessed firsthand the operation of many solar-based energy systems in my own State of Colorado. I have noted the widespread enthusiasm given solar energy by homeowners and businessmen who are seeking relief from our dependency on environmentally damaging and increasingly expensive fossil fuels. Scores of consumer and environmental organizations are involving themselves in the promotion of solar energy as can be seen by the ambitious Bicentennial solar energy exhibit involving ERDA and consumer groups working to develop the only energy-related Bicentennial exhibit for the Nation's Capital.

The public is far ahead of the politicians in their recognition of the potential values of solar energy utilization. The people of this country realize the advantage solar energy offers in helping address our energy problems, yet they are finding it difficult to obtain information on how to evaluate and install solar systems as opposed to conventional energy equipment. Hundreds of small businessmen, who have been and continue to be the pioneers in their field seek vital information to augment their own efforts to develop systems which will meet our energy needs. The information exists in many instances and much of it can be found within those Federal structures we have directed to collect and disseminate information relating to solar technologies.

Am I not correct in stating that Public Law 93-473, the Solar Energy Research, Development, and Demonstration Act of 1974, directs the Administrator of ERDA to establish and operate a Solar Energy Information Data Bank for the purpose of collecting, reviewing, processing, and disseminating information and data in all of the solar energy technologies?

Mr. CHURCH. That is correct, Senator.

Mr. GARY W. HART. It is also my understanding that the purpose of establishing this solar data bank was to provide information to promote consumer acceptance and broader utilization of solar energy technologies. However, this important mechanism is not addressed in this bill.

I do not mean to imply criticism of the work of the committee, for I have also reviewed the authorization levels requested by the Energy Research and Development Administration which fails to mention funding levels for a solar energy data bank. This is particularly perplexing in light of the testimony given by Dr. John Teem of ERDA before the House Science and Technology Committee on July 16, 1975, where he clearly recognizes the responsibility of ERDA to inform the industry and the public about all facets of these technologies and their progress through research and development. I am concerned that dissemination of information on solar technologies provided through the many projects being authorized today will be delayed in the bureaucratic morass we witness so frequently in Washington.

Such a situation is intolerable when this information is needed to help pull this country away from the widening chasm of the energy crisis. The important data being collected on solar energy needed by both consumers and developers must be well organized and vigorously disseminated on a broad scale if it is to have a timely impact. Technology utilization and information dissemination, as Dr. Teem puts it, is a vital link in Federal efforts to stimulate public demand and promote the development of solar industries.

I would like to ask the chairman of the subcommittee noting that the authorization has no provision for the solar information energy data bank, whether the subcommittee would not look unfavorably toward directing the Administrator of ERDA to provide a report to the chairman's committee detailing the progress that has been made in establishing a solar energy information data bank with the purpose of achieving the dissemination of information on a widespread basis?

Mr. CHURCH. I think that can be arranged.

Mr. GARY W. HART. Am I not correct in assuming that such an information bank would be included in the oversight activity of your committee?

Mr. CHURCH. The Senator is correct.

Mr. GARY W. HART. The development of an accessible data bank will be a major component in the rapid transition of solar technology to the commercial section. The committee report fully states the benefits of an emerging solar energy market and it is our responsibility that the information necessary to turn projections into reality is available to those who would put it to best use.

I appreciate the cooperation shown by the chairman as I am sure that we both share the goal of seeing the most promising solutions to our energy problems pursued to our Nation's best ability. Thank you.

Mr. MANSFIELD. Mr. President, there is no question of our Nation's insistent and urgent need for new energy concepts. As we approach the 21st century, we must look to broader uses of coal, geothermal energy, and new energy sources. Meanwhile, we desperately need to develop more effective ways of using presently available energy sources as well as those that may be developed under the provisions of this bill.

Since coal, oil, and gas must play the predominant role in supplying the energy needs of the Nation in the foreseeable future, it is vital that these fuels be utilized effectively. Since 1968, Senator Metcalf and I have worked long and hard to give the magnetohydrodynamics—MHD—technology an opportunity to prove its potential advantage over conventional generation methods. I am happy and appreciative to note the $50 million authorization provided by the Interior Committee in S. 598, the ERDA authorization bill, to back a national MHD program. I am confident that Dr. Seamans and Dr. White at ERDA are sincere in their statements that the MHD program will be accelerated at a pace consistent with a competent research, development, and demonstration program.

In addition, Mr. President, during the Interior Subcommittee on Water and Power Resources markup of S. 598, the distinguished Senator from Ohio (Mr. Glenn) argued strongly for ERDA to pursue a more aggressive program in the development of fuel cells. As a result, the Interior Committee report on S. 598 recommends a funding level for fuel cells in fiscal year 1976 of $10 million, a substantial increase over the $500,000 requested by the administration. I support this action by Senator Glenn and the Interior Committee so that the momentum of this important new technology is not lost.

Mr. President, fuel cells are one of the most promising candidates for near-term conservation of both energy supply and energy dollars. A fuel cell is a device representing an entirely new method of generating electricity. It converts chemical energy directly to electrical power. Fuel cell powerplants are capable of delivering up to 30 percent more energy from a given amount of fuel than conventional generating systems. Even larger savings are possible through recovery of heat created by the fuel cell.

Fuel cells can make a more efficient use of valuable petroleum resources in the near term while during the longer term, they will utilize derivatives of coal more efficiently. Viewed in the long term, fuel cells will be compatible and operate efficiently with all conceivable future fuels, whatever their origin. Fuel cells will make good neighbors: they will not emit sulfur dioxide or nitrogen oxides, they will be quiet and esthetically pleasing, and they will not consume cooling water.

Fuel cells are fully efficient and cost effective in relatively small sizes and can be installed near peak electric loads. In urban areas, this could postpone or eliminate the need for new electric transmission lines and allow a better match between an electric utility's peak load and its generating capacity. In rural areas, small public utilities and rural electric cooperatives could own and operate fully efficient, cost effective fuel cell power generators—rather than depend on outside sources of supply. Such smaller powerplants would also lend themselves to the efficient utilization of waste heat for other purposes.

Expedited development and utilization of first generation equipment will contribute significantly to the national goal of conserving oil and gas. Furthermore, it will establish a credibility base for further application and usefulness as well as a production base required to assure commercial success of integrated coal-fuel cell powerplant energy systems.

The electric utility industry, the gas utility industry, the Electric Power Research Institute, the American Public Power Association, and the National Rural Electric Cooperative Association have supported the research and development activities in fuel cell powerplants over the last 9 years. They have recommended to ERDA and the Congress that this privately financed program, which now represents an investment of $150 million of private funds, be supplemented and expedited by the Federal Government so that this investment is not lost and the benefits accruing to the Nation will be assured.

Mr. President, in view of the possible benefits of the fuel cell in the shorter and longer term, and considering the interest and significant investment industry has already made, I fully support Senator Glenn's efforts urging the $10 million in S. 598 for the fuel cell program. I urge ERDA to develop a fuel cell program that is commensurate with the potential benefits of this promising new technology.

I ask unanimous consent that statements in support of the fuel cell program by Dr. Jerry Plunkett, managing director of the Montana Energy and MHD Research and Development Institute, the National Public Power Association be printed in the Record.

There being no objection, the statements were ordered to be printed in the Record, as follows:

Telegram

Senator Mike Mansfield,
U.S. Senate,
Washington, D.C.

Dear Senator Mansfield: The Montana Energy and MHD Research and Development Institute Incorporated has recently learned of efforts by Senator John Glenn to support electro chemical fuel cells R and D in the ERDA budget.

The Institute has both interest and expertise in the fuel cells area and is in the process of considering what its role in this field should be. While we do not believe that the future application and complete technical feasibility of fuel cell technology is as yet clearly defined, we feel strongly that this technology should be adequately supported to the point where full definition can be effectively made. It is our understanding that fuel cell support proposed by ERDA is only 500,000 dollars for FY 76. This is entirely inadequate and condemns the technology to premature abandonment since industry cannot be expected to continue its annual multimillion dollar support to fuel cell R and D in light of this proposed Government indifference.

We respectfully suggest that you consider endorsing Senator Glenn's efforts to support fuel cell R and D technology by ERDA at a level sufficient to fully evaluate its potential. Included in this evaluation should be the potential application of fuel cells to the utilization of Montana coal.

Jerry D. Plunkett, Ph. D.,
Managing Director, Montana Energy and MHD Research and Development Institute Inc.

National Rural Electric
Cooperative Association,
Washington, D.C., July 31, 1975.

Hon. Mike Mansfield,
Old Senate Office Building,
Washington, D.C.

Dear Senator Mansfield: We are concerned that far too little attention is being given on the part of the Energy Research and Development Administration (ERDA) for developing two very promising methods of electric power generation, both of which show great potential as efficient and environmentally acceptable methods of producing electric power. The ERDA budget request for Magnetohydrodynamics (MHD) research and development is only $13,773,000 while the amount ear-marked for fuel cell research for fiscal 1976 is a mere $500,000.

We respectfully request your support of appropriations in the amount approved by the Senate Interior Committee which authorized $50 million for MHD and $10 million for the fuel cell research.

The membership of the National Rural Electric Cooperative Association went on record at its last annual meeting with strong resolutions (copy attached) urging greater research effort for both MHD and the fuel cell. NRECA, as you know, is the national service organization of some 950 consumer-owned cooperatives which provide electric service to about 25 million people in the rural and agricultural areas of 46 states, and in 2600 of the nation's 3100 counties.

We believe that it is vitally important that this nation move as rapidly as possible to develop, demonstrate and put into commercial operation new, more efficient methods of utilizing our nation's energy resources. MHD and fuel cell power systems both show excellent promise as energy conservation machines, and national research programs in both areas are essential.

Rural electric cooperatives currently generate only about one-third of the power they use, but most of their plants are coal fired. For this reason they are particularly interested in current research efforts to develop direct coal fired MHD, which we understand can attain projected efficiencies of up to 55%, and even higher when coupled with a conventional steam generator. We believe that such potentially rewarding research should be encouraged and should be funded to the extent necessary to achieve demonstration and commercial operation at the earliest possible date. Furthermore, we believe that a national MHD program and research center or institute should be established to coordinate and conduct such research efforts.

We also wish to call your attention to some of the specific and perhaps unique requirements of rural electric cooperatives that could likely be satisfied by development of fuel cell power plants, and to urge that expanded research be conducted in this area.

Many rural electric systems cover sprawling, often low density areas that can benefit from independent generation dispersed throughout. Because the loads include a large number of rural, residential and farm consumers, the load factors are now and the costs of purchasing peak and intermediate range power are very high. This situation calls for a certain amount of efficient, load following, independent generating equipment supplementing purchased or owned base power. I addition to reducing the cost of power, independent generation will improve system balance, stability and security.

The fuel cell is the only new technology which offers very efficient, modular electric generation in sizes that could be used by these small rural utilities and in the load following modes required. Furthermore, the fuel cell operates very efficiently at part load and is completely acceptable environmentally. For these reasons it can be located close to loads (in substations or at load centers or at end of line), reducing transmission, environmental problems, waste and cost. For the rural systems, except for large base load plants, the fuel cell offers the only acceptable approach to early, independent generation that reduces consumer cost and capital requirements and conserves fuel. In addition, it may be the only alternative to acquiring inefficient turbine equipment, if the capacity shortfall caused by recent cutback in new powerplant construction appears in the early 80's as forecast.

We are also interested in other concepts which might satisfy the energy requirements of our farm consumers more effectively. Our farm consumers require thermal energy for crop drying and processing electricity and fertilizer. We believe that coal will be the resource used to supply much of these requirements because of the proximity of coal supply to much of the farming area. We are intrigued with the possibility of combining these functions—electricity, fertilizer and thermal production in combined fuel cell/coal processing plants that might be located in centroids of farming areas, to provide a much more effective utilization of our coal resources. In this integrated plant concept the fuel cell may also supply the process water requirements critically important in many areas. We hope ERDA will investigate this concept.

Fuel cells will also operate on other synthetic fuels derived from shale, tar sands, solar and nuclear energy as well as oil and natural gas. And due to efficiencies that are much greater than conventional generators using gas and oil, fuel conservation benefits equal to 1 million bbls/day by 1985, expanding to 5 million bbls/day by year 2000 are possible.

Federal participation in the on-going privately financed fuel cell program is essential if these benefits are to be realized. Private industry has invested $150 million thus far, but, without major government support over the next few years the national asset represented by this investment could be lost.

In authorizing appropriations for ERDA for FY 1976, we are grateful that the Senate Interior Committee has wisely recognized the value to the nation of the fuel cell and MHD concepts by recommending an increase in funding to $10 million and $50 million respectively for these promising new methods of electric generation. Your continued support for program funding at these levels will be greatly appreciated.

Sincerely yours,
Robert D. Partridge,
Executive Vice President and General Manager.

RESOLUTION No. J-2

From: Research and Technological Development Committee.
Approved By: Resolutions Committee.
Subject: Support for Federally Financed Research.

Recognizing the limitations of voluntary contributions and the need for a massive Federally funded effort to accomplish necessary research to solve long-range energy supply problems, we urge that the President and the Congress give immediate and full commitment of sufficient Federal funds to implement such a multi-billion dollar research development and demonstration program. We respectfully urge additional emphasis on, and funding for research, development and demonstration work, on solar and geothermal energy, the fuel cell, fusion and for basic research to improve the efficiency with which coal is utilized through the development of magneto-hydrodynamics, coal gasification and coal liquifaction, and such other energy resources as might help to enhance overall energy availability of the future.

RESOLUTION No. J-4

From: Research and Technological Development Committee.
Approved By: Resolutions Committee.
Subject: Funding for Fuel Cell Electric Power Demonstration.

Rural electric systems urged the Federal Government to give immediate and strong funding support for research, development and demonstration to enhance ongoing efforts to develop fuel cell technology for electric power generation. Great strides have been made in bringing technology to the demonstration stage but substantial additional funding of at least $300 million over the next 8 years ($200 million for research, development and demonstration and $100 million for assistance in introducing it into service) is needed to insure its early availability and its many potential benefits, which include energy conservation, favorable environmental features, economic benefits and unique energy supply features, which would enhance electric service efficiency and reliability in rural areas.

FUEL CELLS*

Whereas, work on development of fuel cells for central station electric service has demonstrated that these machines offer potential operational, economic, and social benefits if brought to commercial fruition, and

Whereas, in the Federal Nonnuclear Energy Research and Development Act of 1974 the Congress directed the Energy Research and Development Administration to carry out activities "to commercially demonstrate the use of fuel cells for central station electric power demonstration", and

Whereas, fuel cells may offer special advantages to small and medium size publicly-owned electric utilities because they could be built in small mass-produced, low-leadtime modules and could provide increased generating efficiencies without dependence on economies of scale and with decreased environmental impact;

Now, therefore, be it *resolved:* that the American Public Power Association urges that the Federal government fund and implement a national fuel cell program to develop fully first generation fuel cell power plants for central station electric service, to demonstrate adequately prototypes of this power plant on public power systems, and to advance new fuel cell technologies which might broaden its use and benefits.

SENATOR RANDOLPH SUPPORTS SENATE APPROVAL OF AUTHORIZATION FOR FEDERAL ENERGY RESEARCH PROGRAMS

Mr. RANDOLPH. Mr. President, since 1959 I have advocated the adoption of a national energy policy. In Senate remarks I advocated that "our country's (energy) course must be planned . . . a national fuels policy looking toward the efficient and comprehensive use of our natural resources is overdue." The occasion was introduction of a Senate concurrent resolution with 43 Senate cosponsors, to create a congressional Joint Committee on a National Fuels Policy.

Subsequently, in June 1961, I reiterated this concern. The occasion was testimony before the Senate Interior Committee in support of legislation I introduced with 63 cosponsors to create a Senate Select Committee on a National Fuels Study. At that time I emphasized the need for establishment of a national energy policy, observing that:

> The United States of America, the richest country the world has ever known, is, by its own complacency, gradually placing itself at the mercy of those it should most diligently guard against. By neglecting to apprise ourselves of the true, unbiased, realistic picture of our own energy wealth and stability, we are gambling with our country's future.
>
> Every year that passes, in which we become more and more dependent on foreign oil to buttress our national economy and security perhaps is 1 year nearer disaster. What makes this all the more tragic is that it is unnecessary.

Mr. President, what is needed is an acceptance and solid national commitment to meeting our country's energy needs from domestic resources. We should have acted years ago. Federal energy research policies over the intervening years have consistently left considerable room for improvement. They have been geared principally to satisfying the needs of the electric utility industry through the preferential development of nuclear power. In the process many fossil fuel and unconventional energy alternatives were not developed in a timely manner and are not now available when needed to foster energy self-sufficiency.

Now is the time to focus on our country's overall energy needs for the future.

If this Nation is to become energy self-sufficient the United States must initiate a comprehensive and sustained energy program for the development of unconventional as well as traditional energy supplies.

Last year the Congress created the Energy Research and Development Administration to assure that nonnuclear energy alternatives would receive equitable treatment in the allocation of Federal financial assistance. However, when transmitted to the Congress in January 1975, the first ERDA budget, for fiscal year 1976, perpetuated the emphasis on nuclear electric power that has plagued Federal energy research for almost 25 years. This bias, in my judgment, contributed substantially to our present energy crisis. And the Congress cannot allow this to continue.

Tens of billions of dollars have been spent—in my judgment misspent—on nuclear power to date. After over two decades of Federal support in 1973 nuclear power satisfied less than 2 percent of our country's energy requirements. In addition, nuclear power continues to be plagued with unresolved safety, safeguard, and waste disposal problems.

As proposed in January 1975, the administration's energy research program did not assume the aggressive posture regarding nonnuclear technologies that is required. Fossil fuels in 1985 will be called on to supply 85 percent of our country's energy supplies; the proposed research budget for this area was less than 10 percent of ERDA's program. An analysis of individual program areas by the Congressional Office of Technology Assessment for the Interior Committee in February identified the implications of this bias for the future development of nonnuclear energy supply alternatives.

The Subcommittee on Energy Research and Water Resources, through the leadership of its chairman, the Senator from Idaho (Mr. CHURCH), has now provided in S. 598 a more reasonable balance to Federal energy research and development programs. The members of the subcommittee, and the full Interior Committee, are to be commended for their foresight and initiative. The committee has provided the status to such ERDA programs as energy conservation, fossil energy development, and solar energy, that are rightly deserved.

ENERGY CONSERVATION

As we approach the 21st century, the American consumer, and indeed the world, are faced with major shortages of petroleum. This is particularly true if present patterns of use for oil and natural gas are perpetuated, without improving their efficiency.

Precisely because refined petroleum products are uniquely suited for transportation purposes every effort must be made to conserve them; in the future these nonrenewable resources will be needed for critical transportation use.

The American consumer must be assured that tomorrow he will be provided sufficient energy supplies to maintain an acceptable standard of living. This will be accomplished if today we adopt and promote new energy conservation practices throughout our economy. Energy conservation offers the only option for reducing the rate of growth in energy conservation without adversely affecting the American consumers' standard of living.

The significance of energy conservation for the future was recognized in the President's 1975 state of the Union message and the congressional program of economy recovery and energy self-sufficiency. This area also was given the highest priority in the December 1973 Report to the President by then Atomic Energy Commission Chairman Dixy Lee Ray entitled, "The Nation's Energy Future." Chairman Ray's report advocated some $20 million for fiscal year 1975 and $32 million for fiscal year 1976—$552 million for the 2 years.

Energy conservation, however, was

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*Adopted by the 1975 Annual Conference of the American Public Power Association meeting in Boston, Massachusetts.

only nominally reflected in the ERDA proposed budget; it requested $32 million for fiscal year 1976 for this purpose. Although significant energy savings are possible in buildings and industrial processes, only $3 million was devoted to this area.

The increased authorization provided by the Interior Committee for energy conservation is warranted. The authorization for fiscal year 1976 was increased by $87 million to $119 million for this critical area.

The increases approved by the Interior Committee, as stated in the report on S. 598, are based on the—

> Firm conviction that although various studies of the potential for research and development to contribute to energy conservation may differ in detail, they do indicate that major reesearch, development and demonstration efforts can and should be undertaken immediately.

Mr. President, among the programs provided for are funds for, first, the development of methods of waste heat recovery, second, the recovery of energy and agricultural fertilizers from liquid wastes, third, the treatment and utilization of liquid waste-sewage sludge, and, fourth, the recovery of energy and useful material resources from solid waste.

While these programs are within the general authority of ERDA, the record should indicate that they overlap directly on program areas of the Environmental Protection Agency. These EPA programs are authorized in such environmental statutes as the Clean Air Act, the Federal Water Pollution Control Act, and the Solid Waste Disposal Act.

It thus is appropriate that the Interior Committee's report on S. 598 require coordination of ERDA's programs in this area with other Government agencies; in addition, a report to the Congress is required on this coordination.

In authorizing funds for these ERDA programs, the RECORD also should indicate that the principal Federal research, development, and demonstration programs in these areas now rest with the Environmental Protection Agency. This is particularly true for the recovery of energy and useful material resources from solid waste. Some $30 million is provided in the ERDA budget for assistance to State and local governments for this purpose; as chairman of the Committee on Public Works, I believe this program should be administered consistent with Federal policies already established in this regard.

As indicated, these funds are to be used for the design, construction, and operation of demonstration facilities. Their use for other than demonstration purposes would be inconsistent with congressionally established policies contained in the Solid Waste Disposal Act and proposed amendments presently under active consideration by the Committee on Public Works.

RESEARCH POLICY

Coal is our most versatile domestic energy resource. While it can be used directly as a boiler fuel to produce steam and electricity; it also can be synthesized into liquid and gaseous forms to serve utility markets and other uses such as transportation. By comparison uranium is only useable by nuclear reactors for the production of electricity; as such it serves a single end-use sector.

In recent years, the Congress has consistently supported efforts to substitute domestic coal supplies for natural gas and, in particular, for imported oil. Likewise, the Congress has supported expansion of general Federal research and development programs for fossil fuels.

In this regard the proposed ERDA budget was inadequate. If coal production is to be doubled by 1985, as required for our country to approach energy self-sufficiency, then the coal industry must be transformed from its present supply-limited posture to one that is limited only by demand. This will require that new technologies be developed from the mine mouth, through the transportation sector, to the point of end-use, including the disposal of waste residues.

The principal feature of a national energy research policy must be to recognize that coal must serve over 20 percent of the U.S. energy needs well into the 21st century. As submitted to the Congress, the administration's program focused on the end-uses of coal; it ignored the problems attendant to the mining and transportation of this energy resource.

New mining methods must be developed to increase coal production. Experimental mines should be established and operated under a system of Federal support, to demonstrate new mining methods as well as to provide for the training of highly skilled miners.

In increasing ERDA's authorization for fossil energy development, the Interior Committee emphasized funds for plant and capital equipment.

For example, although there is a vital national need for synthetic high-Btu gas as a substitute for natural gas, the administration did not request any capital funds whatever for construction of a demonstration plant to confirm the commercial application of this technology.

In the past the Senate, through the actions of the Appropriations Committee and the Interior Committee, has supported the on-going, joint Government-industry pilot plant program in this area. I therefore am concerned that S. 598 authorizes only $20 million for this purpose. While I do not wish to argue over numbers, I do want the record to note that I believe that ERDA should proceed at the most expeditious pace possible toward the pilot-plant demonstration of high-Btu coal gasification. This need, along with the serious consequences of emerging natural gas shortages, is recognized in the Interior Committee's report on S. 598. Thus I must reiterate my concern and urge that ERDA pursue this technology with all diligence. These moneys, in conjunction with the loan guarantee program provided for in S. 598, should provide ERDA the opportunity to significantly increase the new energy technologies available in our energy supply system.

SYNTHETIC FUELS

As noted in the committee report on this measure, in response to energy shortages during World War II, this Senator became one of the pioneer advocates of using coal to produce synthetic liquid fuels. The report states:

> Senate concern for energy research and development dates to 1943 with the introduction by Senator O'Mahoney, Chairman of the Senate Interior Committee, of the Synthetic Liquid Fuels Act. A similar measure was introduced by then Representative Jennings Randolph of West Virginia in the House of Representatives. Subsequent enactment of this measure in 1944 initiated an eight-year program for the construction and operation of demonstration plants to produce synthetic liquid fuels from coal, oil shale, agricultural and forestry products, and other substances in order to conserve and increase the oil resources of the United States.
>
> More recently, on March 2, 1961, Senator Randolph introduced Senate Resolution 105, providing for the creation of a Senate Special Committee on a National Fuels Study. The measure was passed September 11, 1961, and in 1962 the study group was established in the Committee on Interior and Insular Affairs, with ex officio members, including Senator Randolph, from other committees.
>
> The study group completed reports on various energy issues, including development of a domestic shale oil industry, the role of Government-sponsored energy research, and energy self-sufficiency.
>
> Since then, a number of Senate resolutions and bills have been passed relating to specific and particular energy research needs. But no comprehensive energy R. & D. program resulted.
>
> Subsequently in 1971, the Senate initiated the National Fuels and Energy Policy Study (under S. Res. 45, authored by Senator Randolph). The events leading up to the initiation of this study and described in the "Legislative History of Senate Resolution 45," prepared by the Senate Committee on Interior and Insular Affairs.

Mr. President, since those fateful years of World War II, and the earliest inception of the Randolph-O'Mahoney legislation, I have felt that the United States must have the capability to produce synthetic liquid fuels as well as pipeline quality gas from coal.

I believe this even more so today, than in yesteryear.

In his 1975 state of the Union message, President Ford proposed a national synthetic fuels commercialization program capable by 1985 of producing 1 million barrels of synthetic fuels and shale oil per day.

The need for a Federal synthetic fuels program also was enunciated in February 1975, by Senator PASTORE's ad hoc committee to the Senate Democratic Conference; it recommended in the congressional program of economic recovery and energy sufficiency that "a commercial demonstration of new synthetic fuels from coal should be undertaken with an ultimate production goal—by 1985—reaching the equivalent of 500,000 barrels of oil per day."

In my judgement this program is the single most important action that can be taken by the Federal Government to expedite the commercial development of a domestic synthetic fuels industry.

In the June 28, 1975, report of ERDA Administrator, Robert C. Seamans, Jr., to the President and the Congress, synthetic fuels from coal and greater coal utilization are correctly emphasized. While I endorse and commend ERDA's recommendations for creating new energy choices for the future, it is necessary that the United States develop and commercialize new energy technologies faster than proposed in the report.

In his state of the Union message, President Ford proposed by 1985 some 10 synthetic fuel plants. The ERDA plan envisions 140 synthetic oil and natural gas plants by the year 2000, each capable of producing the equivalent of 50,000 barrels of oil per day from coal. Similar major programs are set forth for solar and geothermal power, shale oil, and nuclear power.

In this regard the ERDA plan places too much emphasis on the long term, to the detriment of the immediate commercialization of known synthetic fuels technologies from coal. For this reason on July 8, 1975, I introduced S. 2066, the Synthetic Fuels Act of 1975; this measure was cosponsored by Senator HENRY M. JACKSON.

The measure was drafted to reflect incentives proposed during hearings on greater coal utilization, which were recently held by the Committee on Public Works in conjunction with the Senate's National Fuels and Energy Policy Study. In this regard, the provision also is consistent with the intent of the Federal loan guarantee program proposed by the Senator from Texas (Mr. BENTSEN) in S. 973, the Energy Conservation and Development Act, which was introduced on March 6, 1975. This leadership initiative by my colleague, a member of the Senate Finance Committee, is to be commended.

Subsequently, during the Interior Committee's consideration of S. 598, on July 22, 1975, Senator JACKSON offered and the committee approved, with amendments, the provisions of S. 2066 as section 103 of S. 598. As adopted this section authorizes ERDA to guarantee loans for the commercial demonstration of synthetic fuels and nonrenewable energy supplies. The purposes of this provision are:

To assure adequate Federal support to foster a joint Government and industry demonstration program capable by 1985 of producing synthetic fuels from coal and oil shale equivalent to at least 1 million barrels of oil per day;

To assure adequate financial support to those enterprises seeking to employ renewable energy sources to generate electricity or heat on a commercial scale; and

To further the policies enunciated in the Federal Non-Nuclear Energy Research and Development Act of 1974.

In order to accomplish these purposes, S. 598 authorizes the ERDA Administrator to guarantee the payment of interest on obligations issued for the purposes of financing the construction and operation of:

Commercial facilities for the conversion of domestic coal and oil shale into synthetic fuels, including, but not limited to, such synthetic fuels from coal as high Btu gaseous fuels compatible for mixture and transportation uses, and petrochemicals; and

Facilities to generate electricity or heat in commercial quantities utilizing as their source direct solar, wind, ocean thermal gradient, bioconversion, or geothermal resources.

The total outstanding guaranteed indebtedness at any time is limited to $6 billion.

As the report on S. 598 indicates, the Interior Committee intends that the ERDA Administrator give the highest priority to technologies to convert coal into high-Btu gaseous fuels compatible for mixture and transportation with natural gas by pipeline. For this purpose, $2.5 billion in guarantees are provided.

In the Interior Committee's judgment:

> Greater Federal incentives are needed to cut the Gordian Knot of economics for the first generation of pioneer synthetic fuels plants in this country. The market place does not now provide sufficient incentives or an adequate mechanism for encouragement of the establishment of this industry.

Individual project guarantees under section 103 may be 75 percent of the project cost. During actual construction the ERDA Administrator may guarantee up to 100 percent of the project cost; however, when construction is completed the guarantee shall be restricted to a maximum of 75 percent of the project's cost, including the costs of borrowing private capital.

Mr. President, the Interior Committee's report on S. 598 addresses the scope of the possibly eligible project costs as follows:

> The Committee recognizes that synthetic fuel projects can involve both mining and manufacturing facilities requiring extensive investment in resource assessment, resource acquisition, and development of necessary infrastructures and community facilities. Protection of the environment also can require costly environmental analysis and safeguards. Therefore, the Committee intends that the loan guarantee program be administered in a manner which recognizes the range of necessary investments to assure the project's viability consistent with applicable Federal and State environmental requirements. In this regard the Committee intends that the Administrator exercise the authority contained in section 103 so as to permit the project's costs to include, as necessary to assure the project's economic viability, any costs incurred in the acquisition or construction of a facility and in the preparation of the facility for normal operation, including, but not limited to, the costs of acquisition or construction of the plant and equipment, the acquisition of the technology, the acquisition of raw material reserves, site development, environmental analysis and environmental protection measures, community planning and development, and interest during construction.

Mr. President, at the present time, our country does not possess an adequate infrastructure to support the expeditious creation of a domestic synthetic fuels industry. If this is to be achieved in a timely fashion the Federal Government must encourage the commercialization of first generation technologies.

Methods for conversion of coal to gaseous—methane—or liquid—methanol—fuels are known. Extensive tests have been performed on coals from Illinois, North Dakota, Montana, and New Mexico. Large-scale applications and uses exist, or existed, in Germany, England, Australia, and South Africa. The basic technologies of gasification and liquefaction are in wide-scale use in other parts of the world, but nonexistent in the United States.

First generation technologies applicable to domestic noncaking and mildly caking coals for the production of low-Btu gas, high-Btu gas, and methanol are now ready for commercialization.

The emphasis of ERDA's present research and development efforts anticipate reducing synthetic gas prices by more than 10 percent but, significantly, not more than 15 percent. Under today's inflationary conditions this cost advantage could disappear in less than 2 years even should the second generation processes under consideration by ERDA prove fully successful.

Mr. President, a synthetic gaseous fuels plant built today with known technology will be competitive with a plant built in 3 or 4 years with a technology now under development.

The principal constraint to deployment of presently known technologies is the availability of sufficient capital at reasonable interest rates. Production by 1985 of synthetic gas equivalent to 1 million barrels of oil per day will require a total capital investment over the next 5 to 7 years of about $20 billion. By comparison this represents less than 10 percent of the planned investment in new electric power generation over the same period and is thus realistic.

Mr. President, synthetic substitutes for natural gas from coal are expensive. Nevertheless, for residential uses their costs compare very favorably with electric power generation from coal, which is accepted as a matter of course. For example, the cost of electricity from coal varies from $8 to $10 per million Btu's, while synthetic natural gas from coal costs about $3 to $4 per million Btu's.

For comparable capital investments the conversion of coal to methane thus is cheaper in first cost, more efficient, and produces much lower cost energy supply which also is cheaper to distribute than electricity.

In summary, the gasification of coal is competitive with electrification for the delivery of clean energy from a domestic energy source for small commercial and residential uses.

During this period when our country is faced with the dual problems of severe capital limitations and a shortage of environmentally acceptable fuels, a case can be made for this loan guarantee program.

Our immediate concern as representatives of the American people must focus on our country's economic problems.

The challenge will be to lay the groundwork for solutions to our energy supply problems at the same time we are coping with our current economic disruptions. This is accomplished in S. 598.

Mr. CRANSTON. I would like to ask a few questions of the distinguished floor manager of this bill, S. 598, the fiscal year 1976 authorization for programs of the Energy Research and Development Administration.

As the Senator may recall, I wrote to the Interior Committee prior to its final markup of S. 598 requesting that appropriate language be included either in the bill itself or the report to direct ERDA to undertake a comprehensive analysis of the feasibility of using methanol as an automotive fuel and as a fuel to power gas turbines used by electric utilities to meet periods of peak demand. I wonder if the distinguished Senator could advise me whether such language was included in the bill or the report?

Mr. CHURCH. I am delighted to respond to my good friend from California. On page 77 of the committee report, a paragraph was inserted which reads as follows:

> In connection with the advanced transportation power systems program the Committee directs ERDA, to undertake a comprehensive analysis to determine the feasibility and desireability of using methanol as a blend with gasoline for automotive fuel purposes. In addition, the Committee directs ERDA to study the feasibility and desireability of using methanol as a fuel to power the gas turbines frequently used by the electric utilities to meet periods of peak demand.

Mr. CRANSTON. I thank the Senator. I am very pleased that the committee included this language in its report directing that ERDA undertake this methanol study. It is my understanding that methanol can be used effectively as a blend with gasoline, but that there are some small technical and engineering problems that require further study before methanol could be utilized on a large scale. If we can solve these problems, methanol can stretch our available gasoline supplies significantly without a substantial alteration of the automobile engine and without major changes in our fuel marketing system. It could be, in short, a simple and quick way of adding to our existing gasoline supplies should we find ourselves in a shortage situation. Furthermore, methanol is relatively clean burning and can thus contribute to our efforts to achieve improved air quality. Methanol also looks promising as a fuel for the gas turbines used by electric utilities and I believe this application is properly included in the ERDA study directed by the Interior Committee.

I have one other question for the distinguished manager of the bill. I note that the committee has authorized $25 million for fiscal year 1976 and the transition quarter for the construction of a high Btu pipeline gas demonstration plant. This project provides for the conversion of coal to a high Btu pipeline quality gas which can be introduced into already existing pipelines. A significant feature of the plant design will be its ability to produce a range of products. Will the technology developed in this project enable this demonstration plant to produce methanol?

Mr. CHURCH. The Senator from California raises an interesting point. The language of the committee report makes clear—on page 27—that the unique design feature that the Senator referred to allows a modification of the shift cleanup system. Thus, the demonstration plant may be converted to the production of a number of fuels, including methanol.

Mr. CRANSTON. I thank the Senator for his clarifications, and I further want to thank him and the committee staff for cooperating with me on this request. I believe that methanol production and its introduction into our fuel marketing systems is of great importance. I look forward to the results of the ERDA studies on methanol.

DEVELOPING NEW ENERGY TECHNOLOGY: THE HIGHEST NATIONAL PRIORITY

Mr. HUMPHREY. Mr. President, I urge my colleagues to support the ERDA authorization bill now on the floor. It provides for a significant increase in the level and intensity of our energy research and development effort. And, contrary to past years, it provides for a much more balanced energy R. & D. effort between nuclear and nonnuclear energy forms. This is a most important development and one in which, as author of the Solar Energy Research, Development, and Demonstration Act of 1975, I take great satisfaction.

I am particularly pleased to see the sharp increase approved by the Senate Interior Committee for solar energy. In 1975, we spent or obligated about $50 million for all solar research, primarily by the National Science Foundation and the Energy Research and Development Administration. ERDA came to the Congress this year with a request of only $57.1 million for fiscal year 1976 in solar R. & D.—a far too modest increase for this vital program. The House raised that authorization, on a cost basis, to $96.2 million—an 80-percent jump. Senator CHURCH'S Subcommittee on Energy Research and Water Resources confirmed this increase and added an additional $10 million, specifically for two solar thermal research projects.

I am pleased also by another step taken in this legislation—to provide loan guarantees for projects employing new energy technologies.

The Congress has found itself in the embarrassing position of proving its critics partially correct. President Ford and others have accused us of moving far too slowly in developing an energy policy.

That criticism is largely directed at our unwillingness to rubberstamp the administration's inequitable, ineffective, and ill-conceived energy scheme; a scheme designed primarily to transfer dollars from consumers' pockets to oil company coffers. Those coffers are already overflowing.

The Congress has been active, but much of that activity has of necessity been spent straightening-out the administration's energy program. For example, in acting, successfully I hope, to head off the administration's old oil decontrol scheme, the Congress directly will save many jobs and prevent yet another leap in the rate of inflation next year.

Congress has also been active, as you know, Mr. President, in developing positive energy legislation, including provisions for an emergency oil stockpile and mandatory auto efficiency standards.

But, frankly, we have been too slow in developing a sound package of incentives to stimulate commercialization of new energy forms. Our primary focus has been on developing Government-financed prototype projects for new energy forms—and especially for solar devices, including wind, solar thermal, and ocean thermal devices. We have also funded a variety of other new energy R. & D. projects, including facilities to produce synthetic natural gas from coal and oil shale.

This focus on new technology prototypes is warranted in view of the only sketchy progress made in the past in developing alternative energy sources to the traditional oil, natural gas and coal. Put simply, the price of new technology energy was too high compared to pre-oil embargo fossil fuel prices.

In pressing for new technology energy R. & D. development, Congress should, however, also have provided for the next step in progressing from the drawing board to full commercialization; that next step is the establishment of demonstration projects. These projects should combine features of both prototype projects and full-scale commercial projects. Some protection for investors is necessary for such projects, but they should also be designed to stand on their own feet economically.

The specific type of Government assistance needed for these demonstration projects is loan guarantees to protect outside investors. Loan guarantees, in my opinion, is an appropriate and inexpensive way to encourage a flow of capital into new technology demonstration projects—a way which does not call for large outlays of Government funds.

Section 103 of S. 598, the fiscal year 1976 ERDA authorization bill, establishes for the first time, loan guarantees for new energy technology demonstration plants. It is a belated step, but a good one, nevertheless. And Senators RANDOLPH, FANNIN, CHURCH, and JACKSON are to be complimented for correcting this deficiency in our energy program.

Let me add one further point: The loan guarantee provisions apply to commercial facilities seeking to convert domestic coal and oil shale into synthetic fuels and for the establishment and operation of facilities using renewable energy sources—sources such as solar power, including wind, ocean thermal, solar thermal, photovoltaic, and bioconversion.

Mr. GRIFFIN. Mr. President, I wish to express my appreciation to the manager of the bill (Mr. CHURCH) and the Senator from Oregon (Mr. HATFIELD) for their efforts and assistance in connection with the committee's consideration of oil shale development in the Eastern United States.

Although these oil shale deposits must still be developed, there is no question about the tremendous potential. For example, it is estimated that the vast Antrim shale deposits underlying my own State of Michigan may contain as much as 2½ trillion barrels of oil—or 60 times the proven oil reserve in the entire United States.

I am pleased that the committee report specifies that some of the funds authorized are to be used for "aggressive development of in situ methods for Eastern oil shale on the Antrim shale deposits in Michigan."

The program is already underway to tap those deposits under the sponsorship of the Michigan Energy and Resource Research Association. Funding for this program has been sought from the Energy Research and Development Administration—and ERDA has indicated that the proposal is technically sound.

Although no Federal funds have previously been available for eastern shale development, it is my understanding that the administration has submitted a budget amendment requesting an additional $6 million for this purpose. I hope Congress will approve that request.

One of the advantages of the eastern oil shale deposits is their proximity to the area of the country with the greatest energy needs. Although conventional oil and gas development is increasing in my State, Michigan still must import 95 percent of its energy requirements, including a susbtantial portion from Canada.

Many other surrounding States are in a similar situation—and their energy needs will be aggravated if imports of Canadian oil and gas are reduced as planned. In fact, Canada has indicated that it may cut off all oil exports to the United States by the early 1980's.

Since it will take several years to determine the feasibility of developing the eastern shale deposits, it is important that funds are provided as soon as possible to get these efforts underway.

The committee bill would give us a good start down that road.

Mr. CHURCH. Mr. President, I ask the Chair to lay before the Senate a message from the House on H.R. 3474.

The PRESIDING OFFICER laid before the Senate H.R. 3474, an act to authorize appropriations to the Energy Research and Development Administration in accordance with section 261 of the Atomic Energy Act of 1954, as amended, section 305 of the Energy Reorganization Act of 1974, and section 16 of the Federal Nonnuclear Energy Research and Development Act of 1974, and for other purposes, which was read by its title.

The Senate proceeded to consider the bill.

Mr. CHURCH. Mr. President, I move to strike all after the enacting clause of H.R. 3474 and to substitute the text of S. 598, as reported and as amended.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Idaho.

The motion was agreed to.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. CHURCH. I yield.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the yeas and nays which have been ordered occur on H.R. 3474.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Mississippi (Mr. EASTLAND), and the Senator from Wyoming (Mr. MCGEE) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from New York (Mr. BUCKLEY) and the Senator from Arizona (Mr. GOLDWATER) are necessarily absent.

The result was announced—yeas 92, nays 2, as follows:

[Rollcall Vote No. 371 Leg.]

YEAS—92

Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Biden
Brock
Brooke
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Curtis
Dole
Domenici
Eagleton
Fannin
Fong
Ford
Garn
Glenn
Gravel
Griffin
Hansen
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Laxalt
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—2

Abourezk
Scott, William L.

NOT VOTING—5

Bentsen
Buckley
Eastland
Goldwater
McGee

So the bill (H.R. 3474), as amended, was passed, as follows:

Resolved, That the bill from the House of Representatives (H.R. 3474) entitled "An Act to authorize appropriations to the Energy Research and Development Administration in accordance with section 261 of the Atomic Energy Act of 1954, as amended, section 305 of the Energy Reorganization Act of 1974, and section 16 of the Federal Nonnuclear Energy Research and Development Act of 1974, and for other purposes", do pass with the following amendment:

Strike out all after the enacting clause and insert:

TITLE I—AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 1976

SEC. 101. There is hereby authorized to be appropriated to the Energy Research and Development Administration in accordance with the provisions of section 261 of the Atomic Energy Act of 1954, as amended, section 305 of the Energy Reorganization Act of 1974, and section 16 of the Federal Nonnuclear Energy Research and Development Act of 1974:

(a) For "Operating Expenses", for the following programs, a sum of dollars equal to the total of the following amounts:

(1) FOSSIL ENERGY DEVELOPMENT—

(A) Coal, $274,973,000.

(B) Petroleum and Natural Gas, $48,647,000.

(C) Oil Shale, $25,113,000.

(2) SOLAR ENERGY DEVELOPMENT—$97,100,000 of which $6,000,000 shall be available for ocean thermal energy conversion.

(3) GEOTHERMAL ENERGY DEVELOPMENT—$33,870,000.

(4) ADVANCED ENERGY SYSTEMS RESEARCH—$68,900,000.

(5) CONSERVATION RESEARCH AND DEVELOPMENT—

(A) Electric Power Transmission, $11,830,000.

(B) Advanced Automotive Power Systems, $18,000,000.

(C) Energy Storage Systems, $23,100,000.

(D) End-use Conservation, $31,000,000.

(E) Improved Conversion Efficiency, $5,000,000.

(F) Urban Waste Conversion, $30,000,000.

(6) OTHER PROGRAMS—$3,295,365,000 of which—

(A) $31,500,000 shall be available for general new programs in Environmental and Safety Research and Scientific and Technical Education in support of Nonnuclear Energy Technologies;

(B) $18,000,000 shall be available for new programs of Physical Research in Molecular and Materials Sciences in support of Nonnuclear Energy Technologies;

(C) $3,200,000 shall be available pursuant to section 14 and section 16 of Public Law 93–577 as follows:

(i) $1,700,000 for the National Bureau of Standards;

((ii) $500,000 for the Council on Environmental Quality; and

(iii) $1,000,000 for the Water Resources Council.

(b) For "Plant and capital equipment", including construction, acquisition, or modification of facilities, including land acquisition; and acquisition and fabrication of capital equipment not related to construction, a sum of dollars equal to the total of the following amounts:

NONNUCLEAR ENERGY DEVELOPMENT

(1) Nonnuclear Energy Development.—

Project 76–1–a, Clean boiler fuel demonstration plant (A–E and long-lead procurement), $20,000,000.

Project 76–1–b. High Btu synthetic pipeline gas demonstration plant, $20,000,000.

Project 76–1–c, Low Btu fuel gas demonstration plant, $15,000,000.

Project 76–1–d, Low Btu combined cycle demonstration plant, $5,000,000.

Project 76–1–e, Fluidized bed direct combustion demonstration plant, $13,000,000.

Project 76–1–f, Five megawatt solar thermal test facility, $5,000,000.

Project 76–1–g, Ten magawatt central receiver solar thermal powerplant, $5,000,000.

Project 76–1–h, Geothermal powerplant (steam), Raft River, Idaho (A–E and long-lead procurement), $5,000,000.

Project 76–1–i, Geothermal powerplant, Buffalo Valley, Nevada, (A–E and long-lead procurement), $5,000,000.

(2) PHYSICAL RESEARCH.—

Project 76–2–a, accelerator and reactor improvements and modifications, $4,000,000.

NUCLEAR ENERGY DEVELOPMENT

(3) FUSION POWER RESEARCH AND DEVELOPMENT.—

Project 76–3–a, tokamak fusion test reactor, Princeton Plasma Physics Laboratory, Plainsboro, New Jersey, $23,000,000.

Project 76–3–b, 14 Mev intense neutron source facility, Los Alamos Scientific Laboratory, New Mexico, $22,100,000.

Project 76–3–c, 14 Mev high intensity neutron facility, Lawrence Livermore Laboratory, California, $5,000,000.

(4) FISSION POWER REACTOR DEVELOPMENT.—

Project 76–4–a, modifications to reactors, $4,000,000.

Project 76–4–b, sodium components test installation steam and feed-water system modification, Liquid Metal Engineering Center, Santa Susana, California, $7,700,000.

(5) Fission Power Reactor Development.—

Project 76-5-a, test reactor area fire main replacement, Idaho National Engineering Laboratory, Idaho, $2,200,000.

(6) Nuclear Materials.—

Project 76-6-a, additional facilities, high level waste storage, Savannah River, South Carolina, $68,000,000.

Project 76-6-b, additional high level waste storage facilities, Richland, Washington, $35,000,000.

Project 76-6-c, supplemental N reactor irradiated fuel storage, Richland, Washington, $2,500,000.

Project 76-6-d, uprate electrical switchyards for Roane substation, Oak Ridge, Tennessee, $8,100,000.

Project 76-6-e, conversion of existing steam plants to coal capability, gaseous diffusion plants and Feed Materials Production Center, Fernald, Ohio, $12,200,000.

Project 76-6-f, radioactive liquid waste system improvements, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho, $5,800,000.

Project 76-6-g, additional facilities, enriched uranium production, locations undetermined, $25,000,000.

NATIONAL SECURITY

(7) Weapons.—

Project 76-7-a, MK 12A MINUTEMAN III production facilities, various locations, $3,000,000.

Project 76-7-b, plutonium metallurgy building modifications, Lawrence Livermore Laboratory, California, $1,000,000.

Project 76-7-c, limited life component exchange facility, Charleston, South Carolina, $13,900,000.

Project 76-7-d, water control and recycle project, Rocky Flats, Colorado, $3,100,000.

(8) Weapons.—

Project 76X8-a, fire wall construction, Bendix Plant, Kansas City, Missouri, $2,000,000.

Project 76-8-b, fire protection improvements, Los Alamos Scientific Laboratory, New Mexico, $4,450,000.

Project 76-8-c, PHERMEX enhancement, Los Alamos Scientific Laboratory, New Mexico, $6,150,000.

ENVIRONMENTAL AND SAFETY RESEARCH

(9) Biomedical and Environmental Research.—

Project 76-9-a, modifications and additions to biomedical and environmental research facilities, $3,200,000.

Project 76-9-b, modifications and additions to inhalation toxicology research facilities at Lovelace Foundation, $6,800,000.

(10) General Plant Projects.—$64,670,000.

(11) Construction Planning and Design.—$6,000,000.

(12) Capital Equipment.—Acquisition and fabrication of capital equipment not related to construction, $245,997,000.

(13) Safeguards and Facility Upgrading.—Project 76-13, safeguard and security upgrading, various locations, $32,800,000.

Sec. 102. In Situ Oil Shale Development.—(a) The Administrator is authorized and directed in consultation with the Secretary of the Interior to select an appropriate tract of public land for the demonstration of production of oil from shale by in situ methods.

(b) Upon selection of the tract, the Secretary shall issue a lease to the Administrator and the Administrator pursuant to the authority of the Federal Nonnuclear Energy Research and Development Act of 1974 (88 Stat. 1878; 42 U.S.C. 5901 et seq.) shall invite proposals from potential non-Federal participants to enter into a cooperative arrangement for the demonstration of in situ production of oil from shale wherein the Federal share of costs associated with the undertaking shall include the right to utilize the land included in the lease without royalties or other consideration: *Provided*, That the lease shall contain such terms and conditions for environmental protection and timely and orderly development as the Secretary shall determine to be in the public interest.

(c) The Administrator is hereby authorized to select and enter into a cooperative arrangement with an appropriate non-Federal entity for the purpose of performing necessary tests and pilot operations and ultimately for the demonstration of in situ production of oil from shale upon the tract selected pursuant to subsection (a) of this section with the objective of achieving a demonstration of a commercial-size facility capable of producing 30,000 barrels per day or more and operating as a demonstration facility for at least one year. The Administrator is authorized to transfer the lease to the non-Federal participant for continued commercial production at the conclusion of the demonstration phase: *Provided*, That such transfer shall be on such terms and conditions as the Administrator may have negotiated with the non-Federal participants.

(d) Upon selection of a cooperative arrangement pursuant to this section, the Administrator shall transmit a detailed report to the Congress describing the agreement and setting forth the schedule for the demonstration.

(e) Nothing in this section shall be construed as preventing the Secretary or the Administrator from pursuing alternative means for encouraging demonstrations of in situ production of oil from shale.

Sec. 103. Loan Guarantee Program for Synthetic Fuels.—(a) It is the purpose of this section to—

(1) assure adequate Federal support to foster a joint government and industry demonstration program capable by 1985 of producing synthetic fuels from coal and oil shale equivalent to at least one million barrels of oil per day, and to assure adequate financial support to those enterprises seeking to employ renewable energy sources to generate power or heat on a commercial scale;

(2) authorize loan guarantees for the construction and operation of commercial facilities for the conversion of domestic coal and oil shale into synthetic fuels and for the construction and operation of facilities deriving energy from renewable sources; and

(3) further the national energy policies enunciated in the Federal Nonnuclear Energy Research and Development Act of 1974 (88 Stat. 1878; 42 U.S.C. 5901 et seq.).

(b)(1) The Administrator is authorized, in accordance with the provisions of this section, section 7 of the Federal Nonnuclear Energy Research and Development Act of 1974 (88 Stat. 1878; 42 U.S.C. 5901 et seq.), and such rules and regulations as he shall prescribe, and after consultation with the Secretary of the Treasury, to guarantee and to make commitments to guarantee the payment of interest on, and the principal balance of, bonds, debentures, notes, and other obligations issued by or on behalf of any person for the purpose of financing the construction and operation of (A) commercial facilities for the conversion of domestic coal and oil shale into synthetic fuels, including but not limited to, such synthetic fuels from coal as high-Btu gaseous fuels compatible for mixture and transportation with natural gas by pipeline, low-Btu gaseous fuels suitable for boiler use in compliance with applicable environmental requirements, liquid fuels for transportation uses, and petrochemicals; and (B) facilities to generate power or heat in commercial quantities utilizing as their energy source direct solar, wind, ocean thermal gradient, bioconversion, renewable energy resources or geothermal resources: *Provided*, That the outstanding indebtedness guaranteed under this section at no time shall exceed $6,000,000,000; *Provided, further*, That up to $2,500,000,000 of guarantees shall be available for projects to produce high-Btu gaseous fuel compatible for mixture and transportation with natural gas by pipeline.

(2) An applicant for a loan guarantee under this section shall provide evidence in writing to the Administrator in such form and with such content and other submissions as the Administrator deems necessary to reasonably protect the interests of the United States. Each guarantee and commitment of guarantee shall be extended in such form, under such terms and conditions, and pursuant to such regulations as the Administrator deems appropriate.

(3) The Administrator is authorized to approve any modification of any provision of a guarantee or a commitment to guarantee such an obligation, including the rate of interest, time of payment of interest or principal, security, or any other terms or conditions, upon a finding by the Administrator that such modification is equitable, not prejudicial to the interests of the United States, and has been consented to by the holder of such obligation.

(c) The Administrator shall guarantee or make a commitment to guarantee under subsection (b) only if—

(1) the Administrator is satisfied that competition among private entities for the construction or operation of the system or component to be assisted under this section will be in no way limited or precluded;

(2) the Secretary of the Treasury and the Administrator are satisfied that the financial assistance applied for is necessary to encourage financial participation by private lenders or investors;

(3) the amount guaranteed does not exceed 75 per centum of the total project cost of the facility assisted provided that during the period of construction the guaranteed amount may exceed 75 per centum of such project costs until the construction of the facility is completed as determined by the Administrator;

(4) the Administrator has determined that there will be a continued reasonable assurance of full repayment.

(d) No guarantee or commitment to guarantee an obligation entered into by the Administrator pursuant to this section shall be terminated, canceled, or otherwise revoked, except in accordance with reasonable terms and conditions prescribed by the Administrator. Such a guarantee or commitment to guarantee shall be conclusive evidence that the underlying obligation is in compliance with the provisions of this section and that such obligation has been approved and is legal as to principal, interest, and other terms. Such a guarantee or commitment shall be valid and incontestable in the hands of a holder as of the date when the Administrator entered into the contract of guarantee or commitment to guarantee, except as to fraud, duress, mutual mistake of fact, or material misrepresentation by or involving such holder.

(e)(1) If there is a default by the obligor in any payment of interest or principal due under an obligation guaranteed by the Administrator under this section and such default has continued for sixty days, the holder of such obligation or his agents have the right to demand payment of such unpaid amount from the Administrator. Within such period as may be specified in the guarantee or related agreements, but not later than forty-five days from the date of such demand, the Administrator shall promptly pay to the obligee or his agent the unpaid interest on and unpaid principal of the obligation guaranteed by the Administrator as to which the obligor has defaulted, unless the Administrator finds that there was no default by the obligor in the payment of interest or principal or that such default has been remedied.

(2) If the Administrator makes a payment under paragraph (1) of this subsection, he shall have all rights specified in the guarantee or related agreements with respect to any security which he held with respect to the guarantee of such obligation, including, but not limited to, the authority to complete, maintain, operate, lease, sell, or otherwise dispose of any property acquired pursuant to such guarantee or related agreements.

(3) If there is a default under any guarantee or commitment to guarantee an obligation, the Administrator shall notify the Attorney General. Upon such notification, the Attorney General shall take such action against the obligor or any other parties liable thereunder as is, in his discretion, necessary to protect the interests of the United States. The holder of such obligation shall make available to the United States all records and evidence necessary to prosecute any such suit.

(f)(1) The Administrator is directed to submit a report to the Congress within ninety days of enactment of this section setting forth his recommendations on the best opportunities to implement a program of Federal financial assistance with the objective of demonstrating production of the equivalent of one million barrels of oil per day by synthetic fuels processes by 1985 utilizing the authority set forth in this section and other forms of Federal assistance provided for in the Federal Nonnuclear Energy Research and Development Act of 1974 (88 Stat. 1878; 42 U.S.C. 5901 et seq.).

(2) The Administrator is directed to submit a full and complete report on each proposed guarantee or commitment to guarantee pursuant to this section to the appropriate committees of the Congress and such guarantee or commitment to guarantee shall not be finalized under the authority granted by this section prior to the expiration of ninety calendar days (not including any day on which either House of the Congress is not in session because of an adjournment of more than three calendar days to a day certain) from the date on which the Administrator's report on the proposed guarantee or commitment to guarantee is received by the Congress.

(g) There is hereby authorized such funds as necessary to carry out the purposes of this section.

Sec. 104. Limitations.—(a) The Administration is authorized to start any project set forth in subsections 101(b) (2), (3), (4), (6), (7), and (9) only if the currently estimated cost of that project does not exceed by more than 25 per centum the estimated cost set forth for that project.

(b) The Administration is authorized to start any project set forth in subsection 101(b) (5) and (8) only if the currently estimated cost of that project does not exceed by more than 10 per centum the estimated cost set forth for that project.

(c) The Administration is authorized to start any project under subsection 101(b) (10) only if it is in accordance with the following:

(1) The maximum currently estimated cost of any project shall be $750,000 and the maximum currently estimated cost of any building included in such project shall be $300,000: *Provided,* That the building cost limitation may be exceeded if the Administration determines that it is necessary in the interest of efficiency and economy.

(2) The total cost of all projects undertaken under subsection 101(b) (10) shall not exceed the estimated cost set forth in that subsection by more than 10 per centum.

(d) The total cost of any project undertaken under subsection 101(b) (2), (3), (4), (6), (7), and (9) shall not exceed the estimated cost set forth for that project by more than 25 per centum unless and until additional appropriations are authorized under section 261 of the Atomic Energy Act of 1954, as amended: *Provided,* That this subsection will not apply to any project with an estimated cost less than $5,000,000.

(e) The total cost of any project undertaken under subsection 101(b) (5) and (8) shall not exceed the estimated cost set forth for that project by more than 10 per centum, unless and until additional appropriations are authorized under section 261 of the Atomic Energy Act of 1954, as amended: *Provided,* That this subsection will not apply to any project with an estimated cost less than $5,000,000.

Sec. 105. Amendment of Prior Year Acts.—(a) Section 101 of Public Law 91–273, as amended, is further amended by (1) striking from subsection (b)(1), project 71–1–f, process equipment modifications, gaseous diffusion plants, the figure "$295,100,000" and substituting therefor the figure "$478,100,000"; and (2) striking from subsection (b)(9), project 71–9, fire, safety, and adequacy of operating conditions projects, various locations, the figure "$193,000,000" and substituting therefor the figure "$240,000,000".

(b) Section 101 of Public Law 93–60, as amended, is further amended by (1) striking from subsection (b)(1), project 74–1–g, cascade uprating program, gaseous diffusion plants, the figure "$183,100,000" and substituting therefor the figure $259,600,000"; and (2) striking from subsection (b)(2), project 74–2–c, high energy laser facility, Lawrence Livermore Laboratory, California, the figure "$20,000,000" and substituting therefor the figure "$25,000,000".

(c) Section 101 of Public Law 93–276 is amended by (1) striking from subsection (b)(1), project 75–1–a, additional facilities, high level waste handling and storage, Savannah River, South Carolina, the figure "$30,000,000" and substituting therefor the figure "$33,000,000"; (2) striking from subsection (b)(1), project 75–1–c, new waste calcining facility, Idaho Chemical Processing Plant, National Reactor Testing Station, Idaho, the figure "$20,000,000" and substituting therefor the figure "$27,500,000"; (3) striking from subsection (b)(3), project 75–3–e, addition to building 350 for safeguards analytical laboratory, Argonne National Laboratory, Illinois, the figure "$3,500,000" and substituting therefor the figure "$4,300,000"; (4) striking from subsection (b)(6), project 75–6–c, positon-electron joint project, Lawrence Berkeley Laboratory and Stanford Linear Accelerator Center, the figure "$900,000" and substituting therefor the figure "$11,900,000"; and (5) striking from subsection (b)(7), project 75–7–c, intermediate-level waste management facilities, Oak Ridge National Laboratory, Tennessee, the figure "$9,500,000" and substituting therefor the figure "$10,500,000".

(d) Section 106 of Public Law 91–273, as amended, is further amended by deleting the present text thereof and substituting therefor the following:

"Sec. 106. Liquid Metal Fast Breeder Reactor Demonstration Program—Fourth Round.—(a) The Energy Research and Development Administration (ERDA) is hereby authorized to enter into cooperative arrangements with reactor manufacturers and others for participation in the research and development, design, construction, and operation of a Liquid Metal Fast Breeder Reactor powerplant, in accordance with criteria approved by the Joint Committee on Atomic Energy, without regard to the provisions of section 169 of the Atomic Energy Act of 1954, as amended. Appropriations are hereby authorized for the period consisting of the fiscal year ending June 30, 1976, and the interim period following that fiscal year and ending September 30, 1976, for the aforementioned cooperative arrangements as shown in the basis for arrangements as submitted in accordance with subsection (b) hereof. In addition, ERDA may agree to provide assistance in the form of waiver of use charges during the term of the cooperative arrangements without regard to the provisions of section 53 of the Atomic Energy Act, as amended, by waiving use charges in an amount not to exceed $10,000,000.

"(b) Before ERDA enters into any arrangement or amendment thereto under the authority of subsection (a) of this section, the basis for the arrangement or amendment thereto which ERDA proposes to execute (including the name of the proposed participating party or parties with whom the arrangement is to be made, a general description of the proposed powerplant, the estimated amount of cost to be incurred by ERDA and by the participating parties, and the general features of the proposed arrangement or amendment) shall be submitted to the Joint Committee on Atomic Energy, and a period of forty-five days shall elapse while Congress is in session (in computing such forty-five days, there shall be excluded the days on which either House is not in session because of adjournment for more than three days): *Provided, however,* That the Joint Committee, after having received the basis for a proposed arrangement or amendment thereto, may by resolution in writing waive the conditions of all, or any portion of such forty-five-day period: *Provided further,* That such arrangement or amendment shall be entered into in accordance with the basis for the arrangement or amendment submitted as provided herein: *And provided further,* that no basis for arrangement need be resubmitted to the Joint Committee for the sole reason that the estimated amount of the cost to be incurred by ERDA exceeds the estimated cost previously submitted to the Joint Committee by not more than 15 per centum. Notwithstanding the foregoing, ERDA, in each of its annual budget submissions, shall submit for the information and review of the Joint Committee in the exercise of its oversight responsibility, the anticipated obligations and costs for the ensuing fiscal year for the project authorized under subsection (a) of this section.

"(c) The ERDA is hereby authorized to agree, by modification to the definitive cooperative arrangement reflecting such changes therein as it deems appropriate for such purpose, to the following: (1) to execute and deliver to the other parties to the definitive contract, the special undertakings of indemnification specified in said contract, which undertakings shall be subject to availability of appropriations to ERDA and to the provisions of section 3679 of the Revised Statutes, as amended; and (2) to acquire ownership and custody of the property constituting the Liquid Metal Fast Breeder Reactor powerplant or parts thereof, and to use, decommission, and dispose of said property, as provided for in the definitive contract."

Sec. 106. Rescission.—(a) Public Law 92–314, as amended, is further amended by rescinding therefrom authorization for a project, except for funds heretofore obligated, as follows:

Project 73–5–d, modifications to TREAT facility, National Reactor Testing Station, Idaho, $1,500,000.

(b) Public Law 93–60, as amended, is further amended by rescinding therefrom authorization for a project, except for funds heretofore obligated, as follows:

Project 74–3–e, modifications to TREAT facility, National Reactor Testing Station, Idaho, $2,500,000.

(c) Public Law 93–276, as amended, is further amended by rescinding therefrom authorization for a project, except for funds heretofore obligated, as follows:

Project 75-13-a, hydrothermal pilot plant, $1,000,000.

Project 75-5-e, high temperature gas reactor fuel reprocessing facility, National Reactor Testing Station, Idaho, $10,100,000.

Project 75-5-f, high temperature gas reactor fuel refabrication pilot plant, Oak Ridge National Laboratory, Tennessee, $3,000,000.

TITLE II—AUTHORIZATION OF APPROPRIATIONS FOR THE PERIOD JULY 1, 1976, THROUGH SEPTEMBER 30, 1976

Sec. 201. There is hereby authorized to be appropriated to the Energy Research and Development Administration in accordance with the provisions of section 261 of the Atomic Energy Act of 1954, as amended, section 305 of the Energy Reorganization Act of 1974, and section 16 of the Federal Nonnuclear Energy Research and Development Act of 1974:

(a) For "Operating Expenses", for the following programs, a sum of dollars equal to the total of the following amounts:

(1) Fossil Energy Development.—

(A) Coal, $45,200,000.

(B) Petroleum and natural gas $13,430,000.

(C) Oil shale, $6,540,000.

(2) Solar Energy Development.—$24,550,000, of which $1,500,000 shall be available for ocean thermal energy conversion.

(3) Geothermal Energy Development.—$4,425,000.

(4) Advanced Energy Systems.—$15,460,000.

(5) Conservation Research and Development.—

(A) Electric Power Transmission, $2,673,000.

(B) Advanced Automotive Power Systems, $4,500,000.

(C) Energy Storage Systems, $5,500,000.

(D) End-use Conservation, $8,000,000.

(E) Improved Conversion Efficiency, $1,250,000.

(F) Urban Waste Conversion, $7,500,000.

(6) Other Programs.—$981,002,000 of which—

(A) $7,875,000 shall be available for general new programs in Environmental and Safety Research and Scientific and Technical Education in support of Nonnuclear Energy Technologies;

(B) $4,500,000 shall be available for new programs of physical research in molecular and materials sciences in support of nonnuclear energy technologies;

(C) $800,000 shall be available pursuant to section 14 and section 16 of Public Law 93-577 as follows:

(i) $425,000 for the National Bureau of Standards;

(ii) $125,000 for the Council on Environmental Quality; and

(iii) $250,000 for the Water Resources Council.

(b) For "Plant and capital equipment", including construction, acquisition, or modification of facilities, including land acquisition; and acquisition and fabrcation of capital equipment not related to construction, a sum of dollars equal to the total of the incremental amounts of the following:

NONNUCLEAR ENERGY DEVELOPMENT

(1) Nonnuclear Energy Development.—

Project 76-1-a, Clean boiler fuel demonstration plant (A-E and long-lead procurement), $8,000,000.

Project 76-1-b, High Btu synthetic pipeline gas demonstration plant, $5,000,000.

Project 76-1-c, Low Btu fuel gas demonstration plant, $3,750,000.

Project 76-1-d, Low Btu combined cycle demonstration plant, $1,250,000.

Project 76-1-e, Fluidized bed direct combustion demonstration plant, $3,250,000.

Project 76-1-f, Five megawatt solar thermal test facility, $1,250,000.

Project 76-1-g, Ten megawatt central receiver solar thermal powerplant, $1,250,000.

Project 76-1-h, Geothermal powerplant (steam), Raft River, Idaho (A-E and long-lead procurement), $1,250,000.

Project 76-1-i, Geothermal powerplant, Buffalo Valley, Nevada (A-E and long-lead procurement) $1,250,000.

(2) Physical Research.

Project 76-2-a, accelerator and reactor improvements and modifications, $1,000,000.

NUCLEAR ENERGY DEVELOPMENT

(3) Fusion Power Research and Development.—

Project 76-3-a, tokamak fusion test reactor, Princeton Plasma Physics Laboratory, Plainsboro, New Jersey, $7,000,000.

(4) General Plant Projects.—$15,900,000.

(5) Construction Planning and Design.—$1,500,000.

(6) Capital Equipment.—$60,236,000.

Sec. 202. Limitations.—(a) The Administration is authorized to start any project set forth in subsections 201(b) (2), and (3) only if the current estimated cost of that project does not exceed by more than 25 per centum the estimated cost set forth for that project.

(b) The Administration is authorized to start any project under subsection 201(b)(4) only if it is in accordance with the following:

(1) The maximum currently estimated cost of any project shall be $750,000 and the maximum currently estimated cost of any building included in such project shall be $300,000; *Provided*, That the building cost limitation may be exceeded if the Administration determines that it is necessary in the interest of efficiency and economy.

(2) The total cost of all projects undertaken under subsection 201(b)(4) shall not exceed the estimated cost set forth in that subsection by more than 10 per centum.

(c) The total cost of any project undertaken under subsection 101(b) (2) and (3) shall not exceed the estimated cost set forth for that project by more than 25 per centum, unless and until additional appropriations are authorized under section 261 of the Atomic Energy Act of 1954, as amended: *Provided*, That this subsection will not apply to any project with an estimated cost less than $5,0000,000.

Sec. 203. Amendment of Prior Year Acts.—(a) Section 101 of Public Law 91-273, as amended, is further amended by striking from subsection (b)(1), project 71-1-f, process equipment modifications, gaseous diffusion plants, the figure "$478,100,000" and substituting therefor the figure "$510,100,000".

(b) Section 101 of Public Law 93-60, as amended, is further amended by striking from subsection (b)(1), project 74-1-g, cascade uprating program, gaseous diffusion plants, the figure "$259,600,000" and substituting therefor the figure "$270,400,000".

TITLE III—GENERAL PROVISIONS

Sec. 301. The Administrator, through reprograming, may increase any program prescribed in paragraphs (1)(A) through (5)(F) and 6 (A), (B), (C), inclusive, of subsection 101(a) and paragraphs (1)(A) through (5)(F) and 6 (A), (B), (C), inclusive of subsection 201(a) and the capital equipment for the above programs as provided in section 101(b)(12) and section (b)(6): *Provided*, That no program may, as a result of reprograming, be decreased by more than 10 per centum: And, provided further, That no proposed reprograming action shall be effective unless (A) a period of fifteen legislative days has passed after the Administrator has transmitted to the President of the Senate, the Speaker of the House of Representatives, the Committee on Interior and Insular Affairs of the Senate, the Committee on Science and Technology of the House of Representatives and the Appropriations Committees of the Senate and the House of Representatives a written notice of the proposed reprograming actions, and (B) no such committee before the expiration of such period has transbeen included in a proposed authorization mitted to the Administrator written notice to the effect that such committee has objection to the proposed action.

Sec. 302. The Administration is authorized to perform construction design services for any Administration construction project whenever (1) such construction project has bill transmitted to the Congress by the Administration and (2) the Administration determines that the project is of such urgency that construction of the project should be initiated promptly upon enactment of legislation appropriating funds for its construction.

Sec. 303. Any moneys received by the Administration may be retained and used for operating expenses (except sums received from disposal of property under the Atomic Energy Commission Act of 1955 and the Strategic and Critical Materials Stockpiling Act, as amended, and fees received for tests or investigations under the Act of May 16, 1910, as amended (42 U.S.C. 2301; 50 U.S.C. 98h; 30 U.S.C. 7)), notwithstanding the provisions of section 3617 of the Revised Statutes (31 U.S.C. 484), and may remain available until expended.

Sec. 304. Transfers of sums from the "Operating expenses" appropriation may be made to other agencies of the Government for the performance of the work for which the appropriation is made, and in such cases the sums so transferred may be merged with the appropriation to which transferred.

Sec. 305. When so specified in an appropriation Act, any amount appropriated for "Operating expenses" or for "Plant and capital equipment" may remain available until expended.

Sec. 306. The Administrator shall, by December 31, 1975, and by the end of each fiscal year thereafter, submit a report to the Congress detailing the extent to which small business and nonprofit organizations are being funded by the research, development, and demonstration programs of ERDA, and the extent to which small business involvement pursuant to section 2(d) of Public Law 93-438, the Energy Reorganization Act of 1974, is being encouraged by ERDA.

Sec. 307. The Administrator shall ensure that the programs, projects, or facilities for which funds are authorized pursuant to subsections 101(a)(6)(A); 101(b) (9), (10), (11), and (12); and 201(a)(6)(A) shall not duplicate programs, projects, or research facilities funded by appropriations to the Department of Commerce for the National Oceanic and Atmospheric Administration. If any proposed program, project, or research facility proposed to be funded under such subsections relates to any coastal, marine, or meteorological program, project, or research facility administered by the National Oceanic and Atmospheric Administration, the Administrator shall consult with the Administrator of the National Oceanic and Atmospheric Administration. To the extent possible, the Administrator shall utilize the expertise, personnel, research facilities (including ships), and other resources of the National Oceanic and Atmospheric Administration, and shall develop joint programs, projects, and research facilities with the National Oceanic and Atmospheric Administration on a reimbursable basis.

Sec. 308. The Administrator shall, as soon as practicable and consistent with design and feasibility studies, initiate construction of at least one demonstration offshore wind-electric generating facility.

Sec. 309. As a part of the annual report required by section 15(a)(1) of the Federal Nonnuclear Energy Research and Development Act of 1974 (Public Law 93-577), the Administrator shall:

(a) detail the Solar Energy Division personnel level recommended for the current fiscal year by the Administrator and submitted to the Office of Management and Budget, and the personnel level authorized upon review by that Office; and

(b) detail progress toward completion by January 1, 1980, of the following Solar Energy Division targets:

(1) Wind energy conversion systems totaling 25 megawatts;

(2) A solar thermal central receiver powerplant of 10 megawatts capacity; and

(3) Photovoltaic application test facilities with a capacity totaling 3 megawatts.

TITLE IV—OAK RIDGE HOLIFIELD NATIONAL LABORATORY

SEC. 401. The Holifield National Laboratory at Oak Ridge, Tennessee, shall hereafter be known and designated as the "Oak Ridge National Laboratory". Any reference in any law, map, regulation, document, record, or other paper of the United States to the Holifield National Laboratory or to the Oak Ridge National Laboratory shall be held to be reference to the "Oak Ridge National Laboratory.".

SEC. 402. The Heavy Ion Research Facility under construction at Oak Ridge, Tennessee, is hereby designated as the "Holifield Heavy Ion Research Facility". Any reference in any law, regulation, map, record, or other document of the United States to the Heavy Ion Research Facility shall be considered a reference to the "Holifield Heavy Ion Research Facility.".

TITLE V—AIR TRANSPORTATION OF PLUTONIUM

SEC. 501. The Energy Research and Development Administration shall not ship plutonium in any form by aircraft whether exports, imports, or domestic shipment: *Provided*, That any exempt shipments of plutonium, as defined by section 502, are not subject to this restriction. This restriction shall be in force until the Energy Research and Development Administration has certified to the Joint Committee on Atomic Energy of the Congress that a safe container has been developed and tested which will not rupture under crash and blast testing equivalent to the crash and explosion of a high-flying aircraft.

SEC. 502. For the purposes of this title, the term "exempt shipments of plutonium" shall include the following:

(1) Plutonium shipment in any form designed for medical application.

(2) Plutonium shipments which pursuant to rules promulgated by the Administrator of Energy Research and Development are determined to be made for purposes of national security, public health and safety, or emergency maintenance operations.

(3) Shipments of small amounts of plutonium deemed by the Administrator of Energy Research and Development to require rapid shipment by air in order to preserve the chemical, physical, or isotopic properties of the transported item or material.

TITLE VI—ASSISTANCE PAYMENTS AMENDMENTS

SEC. 601. Chapter 9 of the Atomic Energy Community Act of 1955 (42 U.S.C. 2391 et seq.) is amended—

(1) by striking out "Commission" each time it appears in sections 91 and 94, the first time it appears in section 92, and where it appears in section 93, and inserting in each instance in lieu thereof the following: "Administrator";

(2) by striking out "atomic energy" in section 91a(2) and inserting "Energy Research and Development Administration" in lieu thereof;

(3) by striking out "its" in section 91d;

(4) by striking out "itself" in section 91e;

(5) by striking out the period at the end of the first sentence of section 91a, and insecting in lieu thereof the following: ": *Provided further*, That the Administrator is also authorized to make payments of just and reasonable sums to Anderson County and Roane County, Tennessee.";

(6) by inserting immediately after "Richland School District" in section 91d, but before the closing of parentheses, the following: "; or not less than six months prior to June 30, 1986, in the case of Anderson County and Roane County, Tennessee:;

(7) by striking out "Commission" in the catchlines of sections 92 and 94;

(8) by striking out "Commission" the second time it appears in section 92, and inserting "Energy Research and Development Administration" in lieu thereof; and

(9) by striking out the final period in section 93 and inserting in lieu thereof the following: "; and in the case of Anderson County and Roane County, Tennessee, shall not extend beyond June 30, 1986.".

Mr. CHURCH. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. FANNIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CHURCH. Mr. President, I ask unanimous consent that S. 598 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHURCH. I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of the Senate amendments to H.R. 3474.

The PRESIDING OFFICER. Without objection, it is so ordered.

RELATIONS BETWEEN THE UNITED STATES, GREECE, AND TURKEY

Mr. MANSFIELD. Mr. President, under the unanimous-consent agreement, I call up Calendar No. 336, S. 2230.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 2230) to authorize appropriations for the Board for International Broadcasting for fiscal year 1976; and to promote improved relations between the United States, Greece, and Turkey, to assist in the solution of the refugee problem on Cyprus, and to otherwise strengthen the North Atlantic Alliance.

The Senate proceeded to consider the bill.

ORDER OF PROCEDURE (S. RES. 231)—TIME LIMITATION AGREEMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business be laid aside temporarily and that the Senate turn to the consideration of Senate Resolution 231, and a resolution to be offered by the distinguished Senator from Wisconsin (Mr. NELSON), that there be a time limitation of 10 minutes, 5 minutes to the distinguished Senator from Idaho and 5 minutes to the distinguished Senator from Wisconsin.

The PRESIDING OFFICER. Without objection, it is so ordered.

ESTABLISHMENT OF A TIMETABLE FOR SENATE CONSIDERATION OF AND ACTION ON LEGISLATIVE PROPOSALS RELATING TO CONTINUING CONGRESSIONAL OVERSIGHT OF GOVERNMENT INTELLIGENCE AND OTHER SURVEILLANCE ACTIVITIES

Mr. NELSON. Mr. President, I send to the desk a Senate resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated by title.

The legislative clerk read as follows:

A resolution, (S. Res. 231) To Establish A Timetable For Senate Consideration Of And Action On Legislative Proposals Relating To Continuing Congressional Oversight Of Government Intelligence And Other Surveillance Activities.

Mr. NELSON. Mr. President, this is a resolution which I have discussed with the majority leader and the minority leader and the assistant minority leader. There is, as I understand it, no objection to taking up the resolution. I will simply read the resolving two paragraphs, which are quite brief:

Resolved, That it is the sense of the Senate that the Senate should consider, after proper Committee review, all appropriate legislative proposals, including any made by the Senate Select Committee, to Study Governmental Operations With Respect to Intelligence Activities, to improve existing or create additional congressional mechanisms to provide continuing congressional oversight of the intelligence or surveillance activities of the Federal Government and to act upon such proposals no later than by March 1, 1976.

Resolved, That it is the sense of the Senate that the Senate should, by June 1, 1976, pass such appropriate legislation as may be necessary in order to assure that the intelligence activities of the Federal Government are effective and consistent with the Constitution and laws of the United States.

I think the two resolving paragraphs are self-explanatory. I reserve the remainder of my time.

I am prepared to yield back the remainder of my time if there is no further consideration.

Mr. JACKSON. Mr. President, I ask unanimous consent to be added as a cosponsor to the resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JACKSON. Mr. President, the issue before the Senate is whether we should set a timetable for the Senate to act on legislation to provide a permanent oversight mechanism for U.S. intelligence-gathering and investigative agencies.

As one who has favored close congressional oversight of these agencies since I came to the Senate—as far back as 1956, I voted to establish a joint congressional committee to oversee the CIA—I am pleased to see a consensus developing that the Congress must play a more active role in overseeing the activities of the many intelligence and investigative agencies.

I believe that every thinking person agrees that there is a valid and vital role for these agencies to play. The CIA, the FBI, and the other intelligence agencies perform information gathering, analysis, and other functions which are essential to the national security of the United States. Many other agencies of the Government—such as the IRS, the SEC, the FTC, and others—engage in investigative activities incident to their civil and criminal enforcement responsibilities. The responsibilities which the Congress has assigned to these agencies are important and must be performed conscientiously and with strict adherence to applicable statutory mandates and to the overriding requirements of the Constitution.

Many of the problems faced by our country in the past few years have resulted from attempts to cover up or explain away clear abuses growing out of what was initially a legitimate and needed function of government. The future risk to the effective operation of these agencies is far greater if these matters do not see the light of day, than if they are held up to public scrutiny, and corrective action taken. Confidence in government is built on honesty, not deception.

I am pleased that Senator Church has joined with Senator Nelson and me as a cosponsor of this amendment. I am confident that the work of the Select Committee which Senator Church so ably chairs will be invaluable in formulating the necessary oversight procedures.

As an author of this amendment to establish a timetable for Senate action on a permanent oversight mechanism, I want to make it clear that it is not intended as an endorsement for any particular proposal. Senators Baker and Weicker who have introduced permanent oversight legislation have joined as cosponsors of this amendment. Senator Church whose Select Committee will be making oversight proposals is a cosponsor. Senators Nelson, Muskie, and I have a proposal on this subject also. All that is intended by this amendment is to commit the Senate to the establishment of a realistic time frame to consider oversight legislation so that a solution to this problem can be arrived at during the 94th Congress.

I believe that a target of March 1 is a realistic time frame. The Select Committee will have completed its inquiries by that time, and the appropriate legislative committees will have had a full opportunity to consider and report out a legislative proposal. Senate action by this date will assure adequate time for House consideration of such proposals as may be passed.

I call upon my colleagues to support this amendment as a step toward better protection of individual rights and liberty and the restoration of public confidence in our Government's intelligence gathering and investigative agencies. I believe the people and the organization involved deserve this commitment to action.

Mr. RIBICOFF. Mr. President, I fully support establishing a deadline now for considering ways to increase congressional oversight of the intelligence agencies.

The proposal that the Senate act no later than March 1, 1976, on the matter establishes a good, realistic deadline. It is my hope the Senate can in fact act before then.

The very disturbing disclosures by the Select Committee on Intelligence Actions, by other committees, and by the press have dramatized the need for prompt Senate consideration of ways to exercise effective congressional oversight over the intelligence agencies.

The country needs an effective and wise intelligence program. It also needs assurance that its intelligence program does not invade any citizen's constitutional rights. Effective congressional oversight can do much to help assure an effective intelligence program, uncover past abuses, and help prevent future abuses.

The need for greater congressional oversight of the Government's intelligence activities has been reemphasized in the last few months by the Commission on CIA Activities within the United States, headed by Vice President Rockefeller, and the Commission on the Organization of the Government for the Conduct of Foreign Policy, headed by Chairman Murphy.

Clearly the time has come for the Senate to commit itself today to taking some action. Only when the present questions about the activities of the intelligence agencies are resolved, and public confidence assured, can the intelligence agencies operate effectively.

The Government Operations Committee intends to commence work on the matter as soon as the Senate reconvenes after the August recess. The committee already has before it a number of proposals to create a new joint or select committee. Additional proposals will undoubtedly be made. Other committees will undoubtedly look at other proposals.

The committee will look at all the proposals before it with an open mind. Hearings on the proposals will be held at an early date in order that committee work on the proposals is completed well before the proposed March 1, 1976, deadline. The exact date of the hearings will depend on the work of the Select Committee on Intelligence Activities. The Government Operations Committee will coordinate its activities closely with the Select Committee so that nothing this committee does interferes with the very important work that must be done by the committee chaired by Senator Church.

I look forward to prompt Senate action on this vital issue.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 231) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. Res. 231

Whereas, The United States Senate has established, by S. Res. 21, a Select Committee To Study Governmental Operations with Respect To Intelligence Activities to conduct an important and far-reaching investigation and study of "the extent, if any, to which illegal, improper or unethical activities were engaged in by any agency or by any persons, acting either individually or in combination with others, in carrying out any intelligence or surveillance activities by or on behalf of any agency of the Federal Government";

Whereas, Numerous departments, agencies and other units of the United States Government have engaged and do engage in intelligence and other surveillance activities;

Whereas, These intelligence and other surveillance activities could pose a potential for abuse of constitutionally-protected rights and liberties which are essential to the concept of democratic self-government;

Whereas, There have been extensive allegations that government intelligence and other surveillance activities have resulted in violations of constitutionally-protected rights and liberties;

Whereas, The security of the Nation requires the preservation of the government's ability to engage in intelligence and other surveillance activities for legitimate purposes;

Whereas, The integrity of, and public confidence in, the government's intelligence and other surveillance activities require continuing congressional oversight to ensure that the government is conducting such activities only for legitimate purposes and in a lawful manner;

Whereas, Continuing congressional oversight of government intelligence and other surveillance activities can enable Congress to obtain the facts necessary to decide whether or not changes in operative laws are necessary or desirable; and

Whereas, Congress should now begin to establish a timetable to consider legislation to provide continuing congressional oversight of government intelligence and oversight activities in order to ensure that a Congressional judgment with respect to such legislation is made before the 94th Congress expires: Now therefore, be it

Resolved, That it is the sense of the Senate that the Senate should consider, after proper Committee review, all appropriate legislative proposals, including any made by the Senate Select Committee to Study Governmental Operations With Respect to Intelligence Activities, to improve existing or create additional congressional mechanisms to provide continuing congressional oversight of the intelligence or surveillance activities of the Federal Government and to act upon such proposals no later than March 1, 1976.

Resolved, That it is the sense of the Senate that the Senate should, by June 1, 1976, pass such appropriate legislation as may be necessary in order to assure that the intelligence activities of the Federal Government are effective and consistent with the Constitution and laws of the United States.

SUPPLEMENTAL EXPENDITURES BY THE SELECT COMMITTEE TO STUDY GOVERNMENTAL OPERATIONS WITH RESPECT TO INTELLIGENCE AGENCIES

Mr. CHURCH. Mr. President, I ask that Senate Resolution 218 be considered.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 218) authorizing supplemental expenditures through February 1976 by the Select Committee To Study Governmental Operations With Respect to Intelligence Agencies for an inquiry and investigation relating to the intelligence activities carried out by or on behalf of the Federal Government.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution (S.

Res. 218) authorizing supplemental expenditures through February 1976 by the Select Committee To Study Governmental Operations With Respect to Intelligence Agencies for an inquiry and investigation relating to the intelligence activities carried out by or on behalf of the Federal Government, which had been reported from the Committee on Rules and Administration with an amendment to strike out all after "Resolved" and insert:

That S. Res. 21, Ninety-fourth Congress, agreed to January 27, 1975, as amended, is further amended—

(1) by striking out in section 5 "September 1, 1975." and inserting in lieu thereof "February 29, 1976.";

(2) by striking out in section 6 "September 1, 1975," and inserting in lieu thereof "February 29, 1976,""; and

(3) by striking out in section 6 "$1,150,000" and "$300,000" and inserting in lieu thereof "$2,250,000" and "$600,000", respectively.

Mr. CHURCH. Mr. President, several days ago, this resolution was introduced by the distinguished Senator from Texas (Mr. TOWER) and myself. It was then referred to the Committee on Rules. It was approved by the Committee on Rules and reported back favorably to the Senate.

We have since cleared it on both sides of the aisle and we know of no objection to it.

Senate Resolution 218 would: First, extend the life of the Select Committee on Intelligence from September 2, 1975, through February 29, 1976; (second) increase its funding by $1,250,000, from $1,500,000 to $2,400,000; and (third) increase its allotment for consultants from $300,000 to $600,000.

As submitted Senate Resolution 218 would provide a separate funding of $1,250,000 for the select committee from September 2, 1975, through February 29, 1976. At the suggestion of the Rules Committee the select committee has agreed to an amendment which would couch the proposal in the established format—as an increment to the funds it has already received this year. By this means the select committee can continue to use unexpended funds on hand and has reduced its request for additional funds from $1,250,000 to $1,100,000.

At this time, I yield to my distinguished colleague, the Senator from Texas (Mr. TOWER) for such remarks as he would like to make.

Mr. TOWER. I will simply associate myself with the remarks of the distinguished Senator from Idaho. The time is required and the additional funding is required if we are to follow the mandate and the authorization conferred on us by the original resolution establishing the committee. I hope that the Senate will act expeditiously on this matter.

The PRESIDING OFFICER. The resolution is open to amendment.

If there be no further amendment, the question is on agreeing to the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

The resolution (S. Res. 218) as amended was agreed to.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. CHURCH. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table.

The motion to lay on the table was agreed to.

The title was amended so as to read: "A resolution authorizing supplemental expenditures through February 1976 by the Select Committee To Study Government Operations With Respect To Intelligence Activities for an inquiry and investigation relating to the intelligence activities carried out by or on behalf of the Federal Government."

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senator from Rhode Island, whom I had promised time to, be recognized for not to excced 3 minutes, with the time not to be taken out of the pending measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

NUCLEAR REGULATORY COMMISSION AUTHORIZATIONS

Mr. PASTORE. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 1716.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1716) to authorize appropriations to the Nuclear Regulatory Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974, and for other purposes, as follows:

Strike out all after the enacting clause, and insert:

TITLE I

SEC. 101. There is authorized to be appropriated to the Nuclear Regulatory Commission to carry out the provisions of section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974: $222,935,000 for fiscal year 1976 and $52,750,000 for the period from July 1, 1976 through September 30, 1976.

TITLE II

SEC. 201. Section 201(a) of the Energy Reorganization Act of 1974 is amended—

(1) by inserting "(1)" immediately after "SEC. 201. (a)"; and

(2) by adding at the end of such subsection the following:

"(2) The Chairman of the Commission shall be the principal executive officer of the Commission, and he shall exercise all of the executive and administrative functions of the Commission, including functions of the Commission with respect to (a) the appointment and supervision of personnel employed under the Commission (other than personnel employed regularly and full time in the immediate offices of commissioners other than the Chairman, and except as otherwise provided in the Energy Reorganization Act of 1974, (b) the distribution of business among such personnel and among administrative units of the Commission, and (c) the use and expenditure of funds.

"(3) In carrying out any of his functions under the provisions of this section the Chairman shall be governed by general policies of the Commission and by such regulatory decisions, findings, and determinations as the Commission may by law be authorized to make.

"(4) The appointment by the Chairman of the heads of major administrative units under the Commission shall be subject to the approval of the Commission.

"(5) There are hereby reserved to the Commission its functions with respect to revising budget estimates and with respect to determining upon the distribution of appropriated funds according to major programs and purposes."

The Nuclear Regulatory Commission shall not license any shipments by air transport of plutonium in any form, whether exports, imports or domestic shipments: *Provided, however,* That any plutonium in any form contained in a medical device designed for individual human application is not subject to this restriction. This restriction shall be in force until the Nuclear Regulatory Commission has certified to the Joint Committee on Atomic Energy of the Congress that a safe container has been developed and tested which will not rupture under crash and blast-testing equivalent to the crash and explosion of a high-flying aircraft.

SEC. 202. Subsection 201(c) of the Energy Reorganization Act of 1974 is amended by deleting the period at the end of the subsection and adding the following text: "; and except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed, shall be appointed for the remainder of such term.".

SEC. 203. Section 201(c) is amended to include the following: "For the purpose of determining the expiration date of the terms of office of the five members first appointed to the Nuclear Regulatory Commission, each such term shall be deemed to have begun July 1, 1975.".

Mr. PASTORE. Mr. President, I move that the Senate concur in the House amendment.

The motion was agreed to.

RELATIONS BETWEEN THE UNITED STATES, GREECE, AND TURKEY

The Senate continued with the consideration of the bill (S. 2230) to authorize appropriations for the Board for International Broadcasting for fiscal year 1976; and to promote improved relations between the United States, Greece, and Turkey, to assist in the solution of the refugee problem on Cyprus, and to otherwise strengthen the North Atlantic Alliance.

The PRESIDING OFFICER. On this bill there is a unanimous-consent agreement limiting debate to 2 hours, to be equally divided and controlled by the Senator from Missouri (Mr. EAGLETON) and the Senator from Alabama (Mr. SPARKMAN).

Who yields time?

Mr. ROBERT C. BYRD. Will the distinguished Senator from Alabama yield to me?

Mr. SPARKMAN. Yes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time allotted to Mr. SPARKMAN be 30 minutes instead of 1 hour.

The PRESIDING OFFICER. Is there objection?

Mr. EAGLETON. Reserving the right to object, Mr. President.

Mr. ROBERT C. BYRD. Senator

EAGLETON still has 1 hour. Senator SPARKMAN agreed to reduce his time to 30 minutes.

Mr. EAGLETON. I have no objection.

Mr. SPARKMAN. Mr. President, I yield myself such time as I may require.

Mr. President, the bill now before the Senate (S. 2230), which Senator CASE and I introduced yesterday, is clearly an unusual bill—joining, as it does, two such different subjects as Radio Free Europe and Radio Liberty, on the one hand, and arms aid to Turkey on the other. However, as my colleagues realize, this combination has been adopted simply as a way of facilitating swift congressional consideration of a matter of urgent importance: The relationship between the United States and Turkey.

As requires no elaboration, Mr. President, this relationship has been badly strained over recent months by events surrounding the conflict on Cyprus. One by one, these events have unfolded with the seeming inexorability of tragic drama. The misbegotten coup on Cyprus sponsored by the Greek junta, the violent Turkish-American military aid agree- of nearly half of Cyprus, the cut-off of military aid to Turkey by an American Congress responding to the violation of Turkish-American military aid agreements, the efforts of administration and congressional leaders to find a compromise which would honor both the principle of law and the value of Turkish-American relations, and finally, last week, the vote in the House of Representatives in which a compromise was narrowly defeated—this is the background of the critical situation which now confronts the Congress.

The urgency of this situation, Mr. President, has been highlighted this week by Turkish Government moves to change the status of highly important American bases in Turkey. The United States should never respond to coercion, by adversary or ally, but it is clear that prompt action by the Congress is now necessary if the long, mutually beneficial friendship and alliance between the United States and Turkey is to be preserved.

The bill which Senator CASE and I are now proposing, Mr. President, is quite simple in conception. Its effect is twofold. First, it provides for the authorization of fiscal year 1976 appropriations for the Board for International Broadcasting. This authorization is for $65,640,000, plus "such supplemental amounts as may be necessary for increases in salary, pay, retirement, or other employee benefits authorized by law and for other nondiscretionary costs." These appropriations will be used to pay the relatively small expenses of the Board itself, and to fund grants made by the Board to Radio Free Europe and Radio Liberty. This authorization is exactly the same as that approved by the Senate Foreign Relations Committee and reported to the Senate this week as a part of the omnibus Foreign Relations Act (S. 1517).

The second part of the bill now before us, Mr. President, is the provision relating to military assistance to Turkey. This provision is the same as the bill S. 846, as that bill was amended and reported by the House International Relations Committee on July 16. It has several elements, and I will mention only the most important. However, so that a detailed discussion of this provision may be generally available, I ask unanimous consent that there be printed in the RECORD at the conclusion of my statement a copy of the relevant portion of the House committee report.

The PRESIDING OFFICER (Mr. HASKELL). Without objection, it is so ordered.

(See exhibit 1.)

Mr. SPARKMAN. In essence, Mr. President, this Turkish aid provision has three parts. First, it authorizes the transfer to Turkey of those military items which—prior to the February 5 aid cutoff—Turkey had contracted to buy, but which today remain undelivered because of the cutoff. Second, it authorizes Turkey to purchase military items from the United States if such purchases are made outside of U.S. Government channels. Third, it permits the President to authorize U.S. Government sales, credits, and guarantees to Turkey—but not grants—once the fiscal year 1976 military aid legislation has been enacted, provided that Turkey observes the Cyprus cease-fire, does not increase its forces on Cyprus, and does not transfer to Cyprus any U.S.-supplied implements of war.

In proposing and supporting this bill, Mr. President, I am most certainly aware of the many arguments against a renewal of Turkish aid. I would like to address some of them briefly.

The argument against the resumption of aid begins, Mr. President, with the premise that Turkey violated provisions of American law when it used U.S. equipment in its invasion and seizure of a large portion of Cyprus. I do not challenge the truth of that proposition, Mr. President. I acknowledge it, as has the administration.

However, it must be said and explained that the issue is far from simple or clear-cut. As a guarantor of the independence of Cyprus under the 1960 accords, Turkey had a certain duty to protect the independence of Cyprus when the Greek Government — the military junta — helped to engineer the overthrow of Archbishop Markarios in July of 1974. At that moment, Turkey was caught between conflicting legal responsibilities, as well as being moved by powerful emotions. Had Turkey not acted to protect the Turkish-Cypriot minority, which seemed to the Turks to be threatened by the coup, Turkey would have had to ignore strong legal and moral obligations.

On the other hand, by acting, Turkey violated American law. It can of course be said, Mr. President, that Turkey should have consulted with the United States and endeavored to insure that every Turkish action was in keeping with the Turkish-American aid agreement. Certainly that would have been preferable. But Turkey did not. The long-festering resentment over the treatment of Turkish Cypriots and the emotional response to the coup erupted into precipitous action—which we can lament, but which we must at least try to comprehend. Turkey felt she had a strong moral and legal basis for her actions. And her concern for the prohibition against using American military equipment on Cyprus was probably mitigated considerably by the accumulation of evidence that Greece, for her part, had been systematically violating such agreements with the United States for years by secretly sending U.S. arms to Cyprus.

A second argument that is made against this compromise approach, Mr. President, is that if we resume our military aid to Turkey, we will have set a precedent encouraging other states to use American weapons without regard to bilateral agreements governing military aid. After the treatment Turkey has received, Mr. President, I think this argument is far from convincing. Clearly, all nations are now on notice that if they misuse American arms, they risk losing future access to those arms. The precedent about which I am concerned, Mr. President, is not that we will demonstrate an apathy about the terms of aid agreements but rather that we will appear to be a nation lacking in concern for the interests of long-standing allies, a nation that cannot be relied upon as a security partner. When we speak of precedents, it is this, I believe, which is the real danger.

A third argument which is made against a compromise, Mr. President, is that the Turkish military is hurting now, and thus Turkey will eventually have to make concessions on Cyprus. This argument, I should note, has a familiar ring from the Vietnam years. I believe we should have learned by now that proud nations, like proud people, are not easily subject to coercion. If it is true that the Turkish military is now undersupplied and in need of new arms shipments, which I believe it is, this should hardly be reason for our optimism. Turkey is an American ally, and if she is weakened, she simply becomes a weak ally. Moreover, as she turns elsewhere in an effort to fulfill her arms and security needs, there is the real danger that she will cease to be an ally at all.

Another important argument which must be dealt with is the claim that, by resuming arms aid to Turkey, we will jeopardize American relations with Greece. If that were true, Mr. President, that would certainly be a most important reason to vote against the bill. For profound reasons of emotion, heritage, and friendship, as well as for reasons of national security, the United States has an important interest in maintaining a sound and cordial relationship with the Greek people—all the more so now that democracy has been restored to the nation that gave it birth. But I sincerely do not believe that we are in a position of having to choose between good relations with Greece and good relations with Turkey. I believe we must seek both, and that one need not be sacrificed to the other.

The best judgment of our diplomats, Mr. President, is that a partial resumption of arms shipments to Turkey will not produce a major reaction in Greece. Indeed, many Greeks recognize that the arms embargo has become a factor which, if anything, is delaying a solution on Cyprus. Mr. President, there is only one way to improve and preserve the close relations we want with Greece, and that is to deal directly with Greece, and this bill makes provision for this important purpose by requiring the President, within 60 days of enactment, to submit to the Congress his recommendations for fiscal year 1976 economic and military assistance to Greece. This kind of direct approach, Mr. President, has a far sounder basis than any attempt to shape our relationship with Greece by allowing our relations and influence with Turkey to deteriorate into nonexistence.

It will also be argued, Mr. President, that this bill, which I have called a compromise, is not a compromise—that it simply gives Turkey everything it wants. This is incorrect. This bill has been carefully designed to place clear restrictions on the resumption of military aid. The bill allows absolutely no grant assistance and, most important, the bill provides for the immediate suspension of arms transfers if Turkey breaks the cease-fire on Cyprus, or if Turkey increases its troop strength on Cyprus, or if Turkey ships American-supplied weapons to Cyprus.

The bill is, in effect, a partial lifting of the arms embargo—representing a compromise between the administration, which wanted to lift the embargo immediately and entirely, and congressional opponents who wished to perpetuate the embargo totally and indefinitely. And I should not need mention, Mr. President, that if this bill is enacted, and Turkey then fails to demonstrate cooperation on Cyprus, this partial lifting can most certainly be reversed.

Still another argument, Mr. President, is that if we act now, it will be because we are giving in to the Turkish ultimatum concerning the closure of American bases. There is some irony in this argument, Mr. President, because I am sure that it is exactly the same argument that has been voiced time and again in the Turkish Parliament over the months since the American arms embargo was imposed: it has been said, I am sure, that no concessions on Cyprus should be made so long as Turkey was under the coercion represented by the American embargo. Now, in our own Legislature, we have the analogous argument being made: that no concessions should be made on Turkish arms aid so long as the United States is under the coercion represented by Turkey's reassessment of policy on American bases.

Mr. President, what I fear we are being reduced to is an international game of chicken—not, as usually happens, between adversaries, but rather, in this case, between longstanding allies. The time has come to rise above this. The national interest of both Turkey and the United States is served by the preservation of our friendship and alliance, and we should proceed now to do whatever is necessary to preserve it. Let us act now, not because of any ultimatum, but because it is in our national interest to act.

Mr. President, the current crisis in relations among Turkey, Greece, and the United States is a sad chapter in modern international relations. It is difficult to apportion blame in this complicated situation, and at this point it is also of little use. The task before us now is the perennial task of statesmanship: to reconcile principles that are often unreconcilable. I believe that the approach embodied in the bill that Senator CASE and I are proposing represents a reasonable compromise in this difficult situation. I sincerely hope that when we vote today, it will gain the overwhelming support of the Senate, and will then find the majority support in the House which I believe is now necessary for the preservation of American interests.

EXHIBIT 1

EXCERPT FROM HOUSE INTERNATIONAL RELATIONS COMMITTEE REPORT ON S. 846

SECTION 1

Section 1 reaffirms that in the interest of mutual defense and national security, it is the policy of the United States to seek to improve relations among the U.S. allies and between the United States and its allies. In particular, Congress recognizes that, due to their geographic positions on the southeastern flank of Europe, both Greece and Turkey play equally important roles in the North Atlantic Treaty Organization (NATO) and are, therefore, indispensable to the alliance. In light of the importance of both countries to NATO and to the U.S. national security, the Congress is prepared to assist in the modernization and strengthening of their respective armed forces.

Section 1 also reaffirms U.S. policy to assist refugees and other victims of armed conflict and to foster and promote international efforts to assist such persons in resuming normal and productive lives.

Section 1 particularly calls on the President to encourage and to cooperate in the implementation of multilateral programs under the auspices of appropriate international agencies for the relief of and assistance to refugees and other persons disadvantaged by the hostilities on Cyprus. Specifically, the committee recognizes the current needs of the refugees for housing and employment and urges the President to seek the formulation of such assistance through the appropriate multilateral channels.

SECTION 2

Subsection (a)(1) of section 2 states that, in order for the purpose of the bill to be carried out without awaiting the enactment of fiscal year 1976 foreign assistance legislation, the President is authorized to furnish to the Government of Turkey those defense articles and services for which contracts of sale were signed under sections 21 and 22 of the Foreign Military Sales Act on or before February 5, 1975, and to issue licenses for the transportation of arms, ammunition, and implements of war and related technical data to the Government of Turkey. In authorizing the delivery "notwithstanding any other provision of law" of articles contracted for prior to the effective date of the current statutory embargo, the committee has used standard superseding language also contained in various other provisions of foreign assistance legislation. This permits deliveries to be made without regard to section 620(x) of the Foreign Assistance Act of 1961. It should be emphasized, however, that the items to be delivered were purchased under contracts containing all of the assurances and undertakings required by applicable legislation. It is the committee's intention that these assurances and undertakings shall remain fully applicable. Further, the authorization made by this subsection is expressly effective only for so long as Turkey observes the cease-fire and neither increases its forces on Cyprus nor transfers to Cyprus any U.S.-supplied implements of war.

Subsection (a)(2) calls on the President to initiate discussions with the Government of Greece to determine Greece's most urgent economic and military assistance requirements.

Subsection (b) directs the President to submit to the Congress within 60 days after the enactment of this bill a report on such discussions, together with his recommendations for economic and military assistance to Greece for fiscal year 1976.

The committee finds subsections (a)(2) and (b) to be indispensable to this bill in that the provisions therein recognize a need for an evenhanded U.S. policy in the eastern Mediterranean and that the United States has significant national security interests in Greece as well as in Turkey.

SECTION 3

Subsection (a) of section 3 authorizes the President to suspend the arms embargo on Turkey with respect to sales, credits and guaranties under the FMS Act for procurement of defense articles and services which the President determines—and certifies to Congress—are necessary to enable Turkey to fulfill her NATO responsibilities. This suspension is to be only for so long as Turkey observes the cease-fire, does not increase its forces on Cyprus, and does not transfer to Cyprus any U.S.-supplied arms, ammunition, or implements of war. This last condition prohibits Turkish transfers to Cyprus of any U.S. defense articles as defined in section 644(d)(1) of the Foreign Assistance Act of 1961.

Subsection (b) directs the President to report to Congress every 60 days on progress made toward peaceful solution of the Cyprus conflict.

Subsection (c) provides that nothing in this section shall be construed as authorizing military assistance to Turkey—by grant or loan—under chapter 2 of part II of the Foreign Assistance Act or for transactions of Foreign Military Sales Act sales, credits, or guaranties under the bill for procurement of defense articles and services not determined by the President as needed for the fulfillment by Turkey of her responsibilities to NATO.

Subsection (d) stipulates that the authorities contained in section 3 shall become effective only upon enactment of foreign assistance legislation authorizing sales, credits and guaranties under the Foreign Military Sales Act for fiscal year 1976.

The committee added subsection 3(d) to permit the Congress sufficient time to determine what progress, if any, is made with respect to movement toward a solution of the Cyprus problem and to preclude the use of any funds made available for fiscal year 1976 pursuant to continuing resolution authority for the sale of defense articles or defense services to Turkey.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER (Mr. HASKELL). The Senator from Missouri.

Mr. EAGLETON. I yield 10 minutes to the distinguished Senator from Illinois.

Mr. STEVENSON. Mr. President, I thank the Senator from Missouri for yielding.

Mr. President, the issue raised by this bill is military assistance for Turkey.

This bill is, as the distinguished Senator from Alabama indicated, a compromise, but it is a compromise of uncompromisable American principle.

Mr. President, the administration's effort to reverse the decision of the House of Representatives with regard to the embargo on arms to Turkey is another example of its continuing willingness to subordinate principle to what it regards as pragmatism. The President is in Helsinki placing his stamp of approval on Soviet dominance in Eastern Europe, in hopes of ingratiating the United States with the Soviet Union. And here in Washington his administration is urging the Congress to pay the Turks blackmail. Over and again this administration subordinates principle and long-term interests of the United States to perceived practicalities of the moment.

The hundreds of millions of dollars and arms which the United States has sent to Turkey were for common defense against a common potential enemy. Their use by the Turks in the invasion of Cyprus was, to put it simply, a violation of the terms upon which they were accepted. The administration might have suspended arms delivery at once. It might have obeyed the law. Instead, it sought to evade the law and obliged Congress to uphold principle by enacting an embargo. That was not a vindictive act by the Congress. It was the result of an act by the Turkish Government. And that act of the Turkish Government, its aggressor, Cyprus, was the direct result of another pragramtic judgment by this administration. It subordinated principle again and as usual, when it supported the Greek junta which in turn overthrew the legitimate government of President Makarios in Greece.

Now the architects of the tragedy in the Eastern Mediterranean are asking the Congress to permit the resumption of arms deliveries on the ground that this would give us the leverage to induce the Turks to come to the negotiating table with concessions on Cyprus. We are asked to pay the price. The Turks, we are told, will not negotiate under duress. The Turks, we are told, are closing down our bases and will not permit them to open unless arms deliveries are resumed.

Mr. President, it is about time that one branch of the U.S. Government, at least, made it clear that the United States will not be pushed around by the Turks or anyone else and that this branch, at least, will not capitulate to such duress.

The resumption of arms shipments to Turkey would only encourage Turkish recalcitrance. It would suggest to other nations that they, too, can violate with impunity the terms upon which they accept U.S. arms. A principled and pragmatic U.S. position would underscore that Turkey brought on the embargo by its own action—and can lift it by its own action in Cyprus. That would be a truly pragmatic action. And by its reaffirmation of U.S. abhorrence for armed aggression, it would be a principled action.

Gen. James A. Van Fleet, who implemented the Truman doctrine against a Soviet inspired Communist insurgency in post-World War II Greece has said:

> As one whose entire career has been in the Armed Forces of the United States, I believe that our country and our NATO partners must stand against aggression, whether by friend or foe. To do otherwise would be a renunciation of a fundamental principle of our foreign policy—to oppose aggression, not aid or acquiesce in it. I must condemn the continued acts of Turkish aggression against Cyprus and its people. It is unconscionable that the government of the United States should surrender to the threat of Turkey to close our bases there. This is capitulation to blackmail and unworthy of our country.

By enforcing the law and letting Turkey reap the consequences of its aggression, the United States could begin to reestablish mutually amicable and beneficial relations with its ally, Greece. By its tilt to Turkey, the administration compounds the difficulties it has created in the Mediterranean. Greek sensibilities now prevent full Greek participation in NATO and the utilization by the United States of military facilities in Greece, including port facilities for the American fleet. By trying to have it both ways, the administration causes the United States and NATO to lose both ways.

In that connection, I quote a recent statement by Admiral Zumwalt:

> I believe the best interests of America and of NATO require the friendship of both Greece and Turkey.
>
> But to pit one country against another in this way is as dangerously inflammable and divisive in foreign policy as it is in the Halls of Congress. However, if a choice is to be forced between our military installations in Turkey and the continuation of the support of U.S. installations by a democratic government in Greece, then in my judgment, the Congress should cast a vote for Greece, and against the Kissinger amendment to lift the ban on U.S. arms to Turkey. In my opinion, existing and potential military bases in Greece are more important to us than our installations in Turkey.

It has been suggested that the bases in Turkey are necessary to verification of the SALT agreements. In that connection, Mr. President, I quote from a letter by the arms control expert, Herbert Scoville, Jr., to Congressman SEIBERLING:

> In sum the Turkish bases have only marginal utility in verifying past or possible future SALT agreements. . . . SALT cannot be reasonably used as a justification for making a decision on our Turkish aid program.

Mr. President, I ask unanimous consent that the text of this letter be included in the RECORD at the conclusion of these remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. STEVENSON. Mr. President, such a choice as this between allies is regrettable—and unnecessary. The real choice is between principle and its betrayal. If the United States upholds its law and refuses to reward the aggressor in Cyprus and the supplier of opium to American youth, and begins to reestablish its past relationship with Greece, then the Turks would have a powerful incentive to adopt a more conciliatory position with respect to Cyprus. In no event is there any justification for the Congress to be panicked into paying the Turkish blackmail.

It is past time, Mr. President, that the United States learned once again that it is possible for pragmatics and principle to coincide in the conduct of foreign policy. If the Congress goes along with this unprincipled, impulsive conduct of foreign policy, it will with a little more time make of the United States a reality of that apparition the pragmatists in this administration most fear, a "pitiful, helpless giant."

This bill, Mr. President, should be defeated, and I urge the Senate to do so.

I thank my colleague from Missouri for yielding.

EXHIBIT 1

JULY 20, 1975.

DEAR CONGRESSMAN SEIBERLING: This is in answer to your request for my views on the usefulness of our Turkish bases for verifying the SALT agreements. I understand that it has been argued that these bases are essential for ensuring that the Russians are not violating the SALT I ABM Treaty and Interim Agreement on Offensive Weapons and that they are also necessary if we are to verify any future agreements deriving from the Vladivostok Accords.

While there is no doubt that the Turkish bases provide useful information on certain aspects of the Soviet military complex, to say that they are essential for verifying past or future SALT agreements would appear to be such an exaggeration as to raise questions as to the sincerity of those making the statements.

First, with respect to the ABM Treaty, the bases would appear of marginal if any value. A glance at the globe will show their unsuitability for observations of the Soviet ABM Test Site at Sary Shagun, which is on Lake Balkash about 2,000 miles east of Turkey. That country is far less satisfactory for observing activities at the Test Site than would be bases in countries directly to the south. Turkey is not a good location for observing whether their radars are being tested in the ABM mode or their SAM missiles are being tested against incoming ballistic missiles. It has no value at all for verifying deployment of ABMs. While the Turkish bases are closer to the Russian ICBM, IRBM, or MRBM test launch areas, which are north of the Caspian Sea, information on such firings that might come from the Turkish bases is not of any great value in verifying the ABM Treaty.

The Turkish bases provide no information relative to the Interim Agreement on Offensive Weapons, since this agreement only freezes deployment of offensive missiles, not their development or testing. Information on deployment comes from observation satellites, not from surface observation posts. Thus, the Turkish bases have little if any value in verifying either of the SALT I Moscow Agreements.

It is harder to be so categorical relative to future agreements, since details on these are still unknown. However, looking at the Vladivostok Accords, it is doubtful whether the bases can be very important. As with the Interim Agreement, these bases have no relation to the ceiling on deployment of delivery vehicles.

They could be of some value relative to the ceiling on MIRVd missiles, since a factor here is what types of missiles have been tested with MIRVs. However, the key observation [point] to determine this is not at the launch end of the test range, but at the re-entry point which occurs on the Kamchatka Peninsula in the Pacific Ocean. Both of those areas are subject to observation from U.S. ships or land areas. It is these locations, not the Turkish bases, which have provided the information that the Secretary of Defense has used to announce Soviet MIRV tests. If observation of the launch areas were essential, then verification would be impossible, regardless of whether we had the Turkish bases, since there is nothing to prevent the Russians launching from one of their operational sites far from the Turkish bases. Finally, there are other land areas closer than Turkey for observing the current Soviet missile test launch area to the north of the Caspian Sea.

In sum, the Turkish bases have only marginal utility in verifying past or possible future SALT agreements. Other observation sites and satellites would appear much more useful. SALT cannot be reasonably used as a justification for making a decision on our Turkish aid program.

Herbert Scoville, Jr.,
Former Assistant Director of CIA for Scientific Intelligence and Deputy Director for Research.

Mr. **EAGLETON**. Mr. President, I thank my distinguished colleague from Illinois who has, at all junctures in this matter, been of great assistance and great support to the cause that at least the two of us deem to be just.

Mr. President, it is July 31, 1975. There is nothing earth-shaking about the announcement of today's date. And it is both quixotic and sad that a year ago tonight, on July 31, 1974, Greece and Turkey were negotiating at Geneva trying to achieve some kind of rational accommodation about Cyprus. Just 2 weeks later Turkey suddenly terminated those negotiations, and expanded its small beachhead in northern Cyprus to overwhelm, to engulf, and to digest the northern 40 percent of that island nation. So this is a sad anniversary of sorts.

This body has considered the Turkey-Cyprus-Greece question many, many times, as have our colleagues in the House. It is an issue that apparently will not go away insofar as the administration is concerned. The fundamental values that caused this body originally to make the decision it did to terminate military assistance and sales to Turkey, the fundamental value that caused that to happen late last year, is equally applicable tonight.

May I, Mr. President, give a brief history of this situation.

There are two laws on the books of this country, the Foreign Assistance Act of 1961 and the Foreign Ministry Sales Act, which state that any recipient nation of our military aid or sales shall not use that military equipment to commit an aggressive act against another nation.

The laws are simple, they are clear, and they are unchallenged. Even the State Department legal division agrees that this is the proper interpretation of the law, and agrees that what Turkey did in the utilization of our arms in initially invading and then reinvading northern Cyprus was in violation of those laws. It was from that premise that the Congress of the United States decided, as I think it had no choice but to do, to apply and enforce its foreign assistance and foreign military sales statutes.

These laws were not unusual or hackneyed legalisms that someone found on the bookshelf and then belatedly dusted off, much to the surprise of the Government of Turkey. That is not so, Mr. President, because twice before when Turkey had given strong indications of its desire to invade and conquer Cyprus these laws were invoked, and twice before Turkey desisted from its ambitions.

In 1964, then Under Secretary of State George Ball went to Turkey and informed them point blank, "If you persist in going ahead with your plans to invade Cyprus"—which they were then making—"the consequence of that will be that the United States will terminate its military sales and its military aid to the Government of Turkey."

Based on that very forthright presentation by Mr. Ball, Turkey desisted.

Then in 1967, Mr. President, the overwhelming, consuming desires of Turkey once again reared its ugly head. Once again the President of the United States, President Johnson, dispatched an emissary to inform Turkey as to what the law was. In this instance it was Mr. Cyrus Vance—I think he was then Deputy Secretary of Defense—who went to Ankara. He told the Turkish Government, as Mr. Ball had 3 years before, that if Turkey persisted, military sales and aid would be terminated.

That strong and unambiguous message from Vance was heeded and the invasion did not go forth.

But sadly for Cyprus, Mr. President, in 1974, just a year ago this time, in July of 1974, no message was sent to Ankara. The record is rather clear that the State Department was on notice: First, that a coup was about to take place on Cyprus and did nothing to avert it or to stop it, or to even give the courtesy of the information that they had to the head of state who was under the threat of assassination, Archbishop Makarios; and second, after the coup had taken place, the State Department was on notice of the intentions of Turkey to invade Cyprus. Invasion does not occur just instantaneously, Mr. President. Preparation has to be made; landing barges have to be prepared, et cetera.

We were on notice of what was going on in Turkey, and only at the last minute, at 1 minute before midnight, did Dr. Kissinger dispatch an emissary to Ankara, almost as the barges were being loaded up. That emissary, because he had no authority to do otherwise, meekly inquired of Turkey as to whether they would consider not invading Cyprus. No mention was made of the Foreign Assistance Act. No mention was made of the Foreign Military Sales Act. The precedents of 1964 and 1967 availed little, insofar as Secretary Kissinger was concerned, in the summer of 1974.

So the invasion took place. Forty thousand Turkish military men very easily and almost summarily overwhelmed Cyprus. One would wonder why they did not gobble up the whole thing, their military might was so overwhelming. The resistance was not there, because the Cypriot army is minuscule in comparison.

So there we have it, Mr. President, in all its sordid detail: a patently aggressive act, utilizing American equipment—guns, landing barges, airplanes, and so forth—to subjugate Cyprus.

Cyprus is a small nation, Mr. President, but what goes on with respect to small nations can have reverberating consequences for large nations. And what Turkey did, utilizing our equipment—they could not have committed the invasion if they had not had our equipment—transgresses both international morality and the rule of law.

There are many ingredients, Mr. President, in a nation's foreign policy. Pragmatism, I guess, rears its head in almost any foreign policy situation. One has to be pragmatic and practical under existing circumstances. But I think the most continuous ingredient of a decent foreign policy is that we respect the sovereignty of other nations, and we respect the rule of law.

Turkey did not respect our bilateral agreement with respect to the equipment we sent them; but, Mr. President, we must respect our own law. If we, tonight, should vote that Turkey can use our arms as they see fit, when they see fit, how they see fit, then, Mr. President, we are in practical effect repealing the Foreign Assistance Act and the Foreign Military Sales Act.

So that no one will think this is just a personal aberration of a few Senators who are trying to be petulant or peevish with respect to the Secretary of State, let me emphasize that other observers of the Eastern Mediterranean feel as do the Senator from Illinois and myself.

Mr. George Ball and Mr. Cyrus Vance, whom I mentioned earlier with respect to the activities that they had engaged in in 1964 and 1967, testified before the House International Relations Committee on July 10, 1975, just 3 weeks ago. I will read two excerpts from their testimony. They appeared jointly, and both endorsed this statement:

> Arms sales until 1973 remained in the area of three to four billion a year. This fiscal year is likely to go to 8.5 billion for sales alone and, we understand, perhaps as much as 11 billion sales and grants. To lift the ban on Turkey would dangerously undercut the conditions we have imposed on the use of all the arms we have provided up to this point for our various military aid and military sales programs.

Another quotation from the same testimony of Ball and Vance:

> Regarding the present proposal—

The proposal to repeal the embargo.

> Regarding the present proposal—the Turkish Government would regard this measure as a vindication of its past action and as removing any pressure to make significant concessions toward a Cyprus settlement. Undercutting the Greek Government and, if not jeopardizing its tenure, it would at least drive it to such hard positions as to make the possibility of fruitful negotiations highly dubious.

Continuing:

> It would create a widespread impression that no nation that has acquired arms from the United States need any longer pay attention to the conditions on which those arms were made available but would be free to use them in pursuit of its own interests in local conflicts.

I believe my distinguished colleague from Illinois (Mr. Stevenson) quoted from Admiral Zumwalt, the former Chief of Naval Operations. I ask unanimous consent, at the conclusion of my remarks, that the full text of the letter from Admiral Zumwalt be made a part of the Record, and I shall not belabor the Senate by reading it at this point.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

(See exhibit 1.)

Mr. **EAGLETON**. My attention was momentarily diverted, so I am not certain whether Senator Stevenson quoted from General Van Fleet. General Van Fleet, a distinguished four-star general, is one of the great military heroes of this country. He is not soft on Greece, soft on Turkey, or soft on Cyprus, Mr. President. He is not soft on anything. But he says:

> As one whose entire career has been in the armed forces of the United States, I believe that our country and our NATO partners must stand against aggression, whether by friend or foe. To do otherwise would be a renunciation of a fundamental principle of our foreign policy—to oppose aggression, not aid or acquiesce in it.

His entire letter, which I ask unanimous consent to have printed in the RECORD at the completion of my remarks, is a very strong condemnation of any foreign military aid or sales to Turkey under these conditions.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

[From the Washington Star, July 23, 1975]

VAN FLEET: NO ARMS FOR TURKEY

As former commander of the United Nations Forces in Korea (1951–53) and head of the United States Advisory and Aid Group in Greece (1948–50), I am writing to express my strong opposition to S. 846, as amended, the bill reported by the House Foreign Affairs Committee on July 11 to authorize the resumption of United States arms shipments to Turkey.

As one whose entire career has been in the armed forces of the United States, I believe that our country and our NATO partners must stand against aggression, whether by friend or foe. To do otherwise would be a renunciation of a fundamental principle of our foreign policy—to oppose aggression, not aid or acquiesce in it.

I must condemn the continued acts of Turkish aggression against Cyprus and its people. I must condemn the illegal use of United States-supplied military equipment to attack a small, defenseless nation and its citizens. Such acts are in violation of the Foreign Assistance and Foreign Military Sales Acts, Turkey's bilateral agreements with the United States, and the NATO and United Nations charters.

Congress, above all, must insist on fidelity to the rule of law and, therefore, to enforcement of these acts and agreements.

Moreover, Greece, our ally in two world wars, and the only surviving democracy in Eastern Europe, is the strategic key to the Eastern Mediterranean and more important than Turkey to the strategic interests of the United States and NATO. Unfortunately, Secretary of State Kissinger's course does grave and permanent damage to American relations with Greece.

It is unconscionable that the government of the United States should surrender to the threat of Turkey to close our bases there. **This is capitulation** to blackmail and unworthy of our country.

I, therefore, urge the removal of Turkish invasion forces from Cyprus and the immediate return of 200,000 refugees to their homes in accordance with the unanimous United Nations Resolution 3212.

The bill reported by the committee and which will be considered by the full House any day now resumes arms aid to Turkey without requiring any action whatsoever by Turkey, either on troop removal or allowing refugees to return to their homes.

Gen. JAMES A. VAN FLEET,
U.S. Army Retired.

Mr. EAGLETON. Mr. President, one has to consider what is the best interests of Turkey. I listened with great interest to the distinguished chairman of the Committee on Foreign Relations, and I pay tribute to him as a fine scholar of foreign affairs, and one who has repeatedly expressed his interest in NATO and in Europe. I do not take lightly what he said.

But Turkey has to decide whether the aggression she has committed on Cyprus, using our equipment, is so much in her interest as to destroy any other arrangements she may have with other nations, including the United States. I think Secretary Kissinger, whom I do not always quote approvingly, hit the nail on the head just last night, in a television interview that I watched on the CBS Evening News.

Speaking on Turkey, the Secretary said:

> The security arrangements between the United States and another country are presumably ultimately in the mutual interest of both countries.

And he went on to say:

> And the United States cannot be in a position of pleading to be able to defend its allies.

Hear those words, Mr. President. They are not mine. They are the words of our Secretary of State, who is in Helsinki, who has been talking to the Turkish premier.

This is not the first time he has made such a statement, I might add. In Atlanta, Ga., on June 23, 1975, again speaking on Turkey and Turkish aid, he said:

> We assume that our friends regard their ties to us as serving their own national purposes, not as privileges to be granted and withdrawn as means of pressure.

And he himself said in this same speech:

> Any ally whose perception of its national interests changes will find us prepared to adapt and end our treaty relationship. No ally can pressure us by a threat of termination. We will not accept that. Its security is more important to us than it is to itself.

I think those quotes from the Secretary of State express far more eloquently than I could, Mr. President, what is involved here insofar as Turkey is concerned.

If Turkey is insistent on cutting off its nose to spite its face, then no one, Mr. President, can save Turkey from its own self-inflicted peril.

If its desire to overwhelm Cyprus and to continue its subjugation of 40 percent of that nation is so predominant that it is willing to sacrifice what may well be in its own best national security interests, then we cannot help them.

God may be able to help them, but we mortals in the U.S. Congress cannot.

Thus, Turkey has to decide, on the one hand, how large its appetite is to continue to occupy Cyprus with our equipment and our weapons and, on the other hand, how important to their own national security the various bases are in Turkey.

There is a dispute as to how vital those bases are, in any event.

Admiral Zumwalt does not think they are indispensably vital. General Van Fleet does not think they are indispensably vital. Cyprus Vance does not think they are indispensably vital. George Ball does not think they are indispensably vital. And Mr. Herbert Scoville, the former Assistant Director of CIA for Scientific Intelligence and Deputy Director for Research, does not think they are indispensably vital.

Where are we now, Mr. President? We are at the point of deciding whether the United States of America, the largest arms seller in the world, is willing to succumb to blackmail from a country that has been the beneficiary of both aid and military sales for several years.

The precedent we set here I think is very important.

I have already dwelled on the two applicable statutory provisions, the Foreign Assistance Act, and the Foreign Military Sales Act, and those are the only two statutes, Mr. President, that give us any control over how our military equipment is to be used around the world. It is the only hook, as it were, that we have on all of this military equipment that we sell and distribute throughout the world.

Total American military equipment sales, grants, contracts, et cetera, all lumped together last year were $12 billion. Russia sold $5 billion; France, England, and Sweden sold $1 billion, and we sold $12 billion, more than twice the Soviet Union, France, England, and Sweden put together.

So what we do here tonight about arms to Turkey has a significance that transcends Cyprus, Greece, or Turkey, because it sends a message. It sends a message to all nations that have purchased or have received our military equipment that we do not mean business insofar as how our military equipment is used.

It says to the Shah of Iran, a large purchaser of American military equipment, "Mr. Shah, use it as you see fit; we are not enforcing those laws any more."

It says to Israel, a large recipient of our equipment, "Mr. Rabin, use that equipment that we have sent you any way, shape, or form you want; we do not have much say in that any more."

It says to Jordan, to whom we have sent equipment, and to whom it is at least intended by the President and Secretary Kissinger that we send even more, "King Hussein, use our equipment any way you want, commit any act you want with it, because we no longer are interested insofar as the distribution of our equipment is concerned."

That has to be the answer, Mr. President. There can be no other.

No Member of this body can rise after this debate and say:

> Well, now, wait a minute. We are just as sincere about these laws. We will not let Jordan do that. We will not let the Shah of Iran do that. We will not let Rabin do that. No, we will not. We mean what we say in those laws. We just do not want it to apply to Turkey.

It does not work that way Mr. President.

What is done here tonight sets an irrefutable precedent. It, in effect, repeals for all practical purposes the only two controlling statutes that are on the books.

So we decide: Do we give in to blackmail? We decide: Do we pay the ransom?

This is not kidnapping, Mr. President, but I guess it might be called basenapping. We have decided, as a part of our national policy, that we will pay no international ransoms. When any of our embassy personnel, our ambassadors, are kidnapped and ransomed, we will not pay the ransom.

A very distinguished American ambassador to the Sudan, Mr. Noel, was kidnapped. Ransom was demanded. We did not pay the ransom and Mr. Noel, a very fine and distinguished decent man, lost his life.

Why did we not pay the ransom? Probably, it was very tempting. When a man's life is at stake and with $1 million or $10 million, or whatever it is, perhaps you can save his life, it is very tempting to pay that ransom.

But the policy was we would not do it because to pay one ransom would only beget further kidnappings and further ransoming situations

When we pay one, then we have to pay two. When we pay two, then we have to pay three.

Thus, the very tough, but very necessary, policy, was made that we will pay no ransom for American people who are taken captive, be they in Argentina, the Sudan, or wherever some of these heinous crimes take place.

I say pay no ransom to Turkey tonight. I say do not go, as President Ford did this morning to the Premier of Turkey, and say:

> We will pay you $50 million, if you will let us keep our bases over there.

I would say paying a ransom of some $50 million for 50 Phantom jets, or 500 tanks demans, degrades, and deprecates this great country.

If we are going to get in the ransom business tonight, Mr. President, with Turkey, as surely as we are in session here tonight. the day will come in the future when we will be in the ransom business again on military bases.

We have 2,000 military bases around this globe. I did not misspeak, Mr. President, 2,000 military bases around the globe. Three hundred of them are considered of significant importance.

If Turkey extracts its ransom from us tonight, what will happen in a whole host of other nations that our military establishments are in their midsts? What demands will they in the future make from us?

The ransom price, Mr. President, will go up, up, and up.

Once we start traveling that very precarious road, there is no turning back. Once we get in the habit of paying ransom, of paying protection money, as the old gamblers used to extract, once we get into that business, Mr. President, we cannot turn back, because it is just as easy the second time once we have crossed that moral barrier, it is just as easy the second time to pay the next ransom and the next.

So, if we decide to go ahead and pay the ransom to Turkey, we are embarking on the bribery road, where the United States of America, that used to make as part of its foreign policy the rule of law as its fundamental precept, has now decided that we will pay wherever we can, and we will pay dearly.

So, Mr. President, I think the issue is even more persuasive now than it perhaps was 1 year ago, when all of this nasty business first began, when Cyprus was invaded.

In its earlier stages, it was very simplistically but very accurately a question of the rule of law and whether we would live up to our laws. But more recently it has taken on an additional element—the extraction of the ransom. Just as I would not have authorized the ransom for the kidnapping of Ambassador Noel, difficult as that decision would have been at that time, I will not vote to authorize a ransom for the Government of Turkey. I hope that other Senators who on previous occasions have supported this position will do likewise tonight.

Mr. President, how much time do I have remaining?

The **PRESIDING OFFICER**. The Senator has 24 minutes remaining.

Mr. **EAGLETON**. I reserve the remainder of my time.

EXHIBIT 1

STATEMENT BY ADM. E. R. ZUMWALT, JR.

Sunday marks the first anniversary of the invasion of Cyprus by Turkey. The Congress of the United States is locked into a collision course with the Secretary of State on fundamental U.S. foreign policy. The debate begins this week in the House of Representatives on Dr. Kissinger's proposal to lift the ban on further American arms to Turkey. In this escalating controversy, I commend to the attention of the Congress and the press a precise statement of the true moral issues and the best interests of the United States by General James A. Van Fleet, who implemented the Truman Doctrine against a Soviet inspired Communist insurgency in post-World War II Greece without loss of a single American in uniform:

As one whose entire career has been in the Armed Forces of the United States, I believe that our country and our NATO partners must stand against aggression, whether by friend or foe. To do otherwise would be a renunciation of a fundamental principle of our foregin policy—to oppose aggression, not aid or acquiese in it. I must condemn the continued acts of Turkish aggression against Cyprus and its people. It is unconscionable that the Government of the United States should surrender to the threat of Turkey to close our bases there. This is capitulation to blackmail and unworthy of our country.

History teaches and I accept the wisdom of a warning by a great allied leader in World War I, Clemenceau of France: "War is much too serious a matter to be entrusted to the military."

May I suggest a contemporary corollary to that Clemenceau axiom: "Peace is too complicated to be entrusted to any single diplomat."

Dr. Kissinger has marshalled his propagandists to convince Congress that U.S. installations in Turkey are technically more important than American relations with Greece. There is a supreme irony in this argument, because when the military junta was imposing a dictatorship on Greece, the argument then was that Greek bases were of most vital importance to NATO and the U.S. Sixth Fleet. Now that a Democratic Government has at long last returned to Greece, Dr. Kissinger tilts toward Turkey.

I believe the best interests of America and of NATO require the friendship of both Greece and Turkey.

But to pit one country against another in this way is as dangerously inflammable and divisive in foreign policy as it is in the Halls of Congress. However, if a choice is to be forced between our military installations in Turkey and the continuation of the support of U.S. installations by a democratic government in Greece, then in my judgement, the Congress should cast a vote for Greece, and against the Kissinger amendment to lift the ban on U.S. arms to Turkey. In my opinion, existing and potential military bases in Greece are more important to us than our installations in Turkey.

There is another matter of concern regarding Turkey. As the harvest of opium poppies begins this week in Turkey, all Americans should remember that Turkey unilaterally rescinded the ban on the growing of opium poppies for which U.S. Government agreed in return to pay Turkey $35 million over a three-year period. U.S. taxpayers have already supplied $15 million of this sum to Turkey.

Thus, to Turkey's aggression against the Island of Cyprus, using American arms, has been added her aggression against an entire generation of young Americans with opium grown in Turkish soil.

The current controversy has been distorted into a political test of strength between the Administration and what they have characterized as "the ethnic politics of the Greek lobby." That is a very un-American argument at a time when this nation of emigrants enters our Bicentennial Year. The ban on future American arms to Turkey is not an "ethnic" and certainly not a Greek issue. It is fundamental American policy on which in other times I have seen the Navy used as an instrument of enforcement. Twice the Sixth Fleet was ordered into the waters between Turkey and Cyprus as clear warning by an American President against Turkish aggression. And you will remember that there was no aggression because American policy was then crystal clear. Regrettably there was no policy at the time of the invasion of Cyprus last year. Today, only Congress can clarify American policy in this controversy. That is the challenge of the debate on the Kissinger amendment this week. Seven months ago, that policy was debated and a judgement was then made clear. By a margin of 199 votes in the House, the amendment calling for a ban on further American arms to Turkey was overwhelmingly passed. In my judgement that verdict should be repeated this week by the defeat of the Kissinger amendment, S. 846.

E. R. ZUMWALT, Jr.

The **PRESIDING OFFICER**. The Senator from Alabama has 15 minutes.

Mr. **SPARKMAN**. Mr. President, I yield the 15 minutes to the Senator from New Jersey, or such part of it as he may desire.

Mr. **CASE**. Mr. President, this is an issue on which there is no room and no justification for any recrimination among Members of this body. Those who oppose this bill and who have taken a similar position in the past have the very highest motives, and so do the sponsors of this bill. I will let the Senator from Alabama speak for me, and I will speak for him on that matter.

Seriously, it really comes down to a question—again, I hesitate to say it, but I do it only to sharpen the point, as it seems to us who sponsor this measure—of the old Biblical saying:

> The letter killeth but the spirit giveth life.

I hesitate to bring the Bible into it, because I do not want to suggest that we are any more ethical or even wiser than those who take the other position, but I believe this very deeply.

The real problem here is not one of enforcing a contract. We have an agreement with the Turks which I think, on reasonable interpretation, has been breached. We also have the option, as the other contracting party, to decide what to do about it. It is really as simple as that.

Above our obligation to enforce that contract, it seems to me, is our obligation to do what we think will be most effective in getting these two friends of ours, Greece and Turkey, out of the concrete in which they find themselves at this time. This is the heart of the matter.

Those who support this measure feel deeply that the way to get this thing moving toward a settlement in Cyprus, toward a reasonable modus vivendi, and then perhaps—at least, we hope—the establishment of a more lasting peace between these two ancient enemies, at least insofar as Cyprus is concerned, is not to enforce the letter of the law here but rather to give tangible evidence to the Turks, in this instance, that we can be flexible where flexibility is a matter of compassion and justice and wisdom above all.

It is not quite accurate to look upon a nation as an individual. A nation is composed of many individuals. A nation is a structure which has to have leadership, which sometimes has strong leadership and sometimes does not.

In relations between nations, each nation or the leaders of that nation have to understand the local, internal conditions of the other nation and the realities of those conditions. This is especially true when a larger country is dealing with a smaller country.

Those of us who support this measure believe that the encouragement of moderate government in both Greece and Turkey will be furthered by the legislation. This, I think, is very close to the heart of the matter.

It does no good, it seems to us, to stand upon the letter of our contractual rights if the enforcement of that contract is going to cause greater tragedy, greater suffering, and endanger the peace of the world through the flareup of a conflict in that very important part of the world.

So far as examples are concerned, I believe that the people have enough understanding to accept the truth of the position we take here—that conditions make very different the reactions and the results of the enforcement of a particular piece of paper, one time from another time. That is really the heart of what I have to say, Mr. President.

We believe that this action at least will give us a better chance to move these two countries toward a situation in which peace between them may be possible. We want this because we are friends, allies, and brothers at arms of both of them.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. CASE. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time not be charged to either side, unless the Senator from Missouri wishes to proceed at this time.

Mr. EAGLETON. No.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. EAGLETON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EAGLETON. Mr. President, I yield such time as he may need to the Senator from Washington (Mr. JACKSON).

Mr. JACKSON. Mr. President, I regret that the important issue of military transfers to Turkey should be before the Senate in the closing hours of the session and in such a manner as to intertwine the authorization for Radio Liberty and Radio Free Europe with a wholly different issue. On the question of Radio Free Europe and Radio Liberty there is a most welcome near-consensus in the Senate as to their importance. As to the transfer of military equipment to Turkey under present circumstances—blackmail on the part of the Turks and an uncompromising posture on the part of the administration, we are deeply divided. Under these circumstances, the Administration and the Turkish Government might have sought to begin a new phase in the dialog between them based on the President's existing authority to extend military aid with a view to moving toward a more constructive relationship than the one now existing. Unhappily, this has not come to pass.

Mr. President, this jerry-built measure now before us, conceived in haste and forced upon the Senate despite the fact that it cannot become law before the August recess, deserves to be recomitted to the Committee on Foreign Relations where the two issues—the radios and the Turkish aid question—can be sorted out in an orderly manner.

I urge my colleagues to join me in voting to send this bill back to the Committee. The alternative is to vote to authorize military equipment for Turkey despite the fact that we have enacted laws that now prohibit the extension of such aid and in the face of blatant blackmail that victimizes the security of the United States, of Turkey and the whole of NATO.

This last-minute effort on the part of the administration is ill-considered. It is an imposition on the Senate and its effect is to undermine the law of the land. If it passes there is no guarantee that our interests will be served, there is no guarantee that our base rights in Turkey will be restored permanently. All that we can be certain of is that we will have yielded to unwarranted pressure and that American weapons will support in an important sense the continuing occupation of Cyprus by Turkish Armed Forces.

Mr. President, in my judgment, this is the wrong approach. It is the wrong bill. It comes at the wrong time and it has been brought before us in the wrong way.

Mr. President, I yield back to the distinguished Senator from Missouri any remaining time that may have been allocated to me.

Mr. EAGLETON. Mr. President, I suggest the absence of a quorum and that the time be charged to neither side.

The PRESIDING OFFICER. Without objection, the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SPARKMAN. Will the Senator from Missouri use more of his time? We have 8 minutes left.

Mr. EAGLETON. I am trying to ascertain the whereabouts of the distinguished Senator from Minnesota (Mr. HUMPHREY) who intends to speak and, if I know the Senator from Minnesota, he will use a bit of our time, I can assure the Senator of that.

Mr. SPARKMAN. I saw him in the Chamber a few minutes ago.

Mr. President, I suggest the absence of a quorum ——

The PRESIDING OFFICER. The clerk will call the roll.

Mr. SPARKMAN (continuing). Without the time being charged to either side.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CHILES). Without objection, it is so ordered.

Mr. MANSFIELD. If the Senator will yield a half minute, Mr. President, may I express the hope that we will get on with this measure because the hour is getting late, and if we have quorum calls of this nature it just delays the proceedings. The Senator from Alabama only has 8 minutes, and the Senator from Missouri, I think, has about 20 minutes left, and I hope we will go on so that there will be no more quorum calls except to be charged to the participants involved.

Mr. WILLIAM L. SCOTT. Mr. President, I will say for the information of the Members in the Chamber that I will object to any waiver of time for quorum calls for the rest of the evening.

Mr. SPARKMAN. Mr. President, I yield to the Senator from Georgia (Mr. NUNN) 8 minutes or so much of that as he may care to use.

Mr. NUNN. Our strategic position throughout the Mediterranean depends upon maintaining the security relationships built up since the late 1940's in the NATO Alliance. Greece's partial withdrawal from NATO last summer, and our Nation's suspension of military aid to Turkey on February 5 of this year, have created a dangerous instability in NATO's southeastern flank, which creates new possibilities for Soviet involvement in that area.

The recent House vote to withhold military sales or assistance to Turkey was not in the best national security interests of the United States. It tore at the cohesiveness of the NATO alliance, placed dozens of our bases in jeopardy of being closed, rendered less reliable to NATO the forces of one of its stronger members and weakened the defense of the southern flank of NATO.

The importance of our bases in Turkey to the United States really cannot be overestimated. The geographic position of Turkey gives that country strategic significance. From American bases in Turkey Soviet ICBM testing is monitored on long-range radar.

As we try to negotiate a successful SALT II agreement, I think everyone ought to be on notice that part of the national capability to assure that any agreement is verifiable is being eroded at this very moment by the closure of the Turkish bases.

There is more at stake here than many people seem to realize.

Soviet mobilization of conventional troops, as during the Yom Kippur war of 1973, is extremely important to Israel, to the Middle East, and to our national security.

The Soviet navy, sailing from ports in the Black Sea into the Mediterranean, is closely watched and monitored from Turkey. This is extremely important, and anyone studying the history of World War I and World War II would realize that that particular area of the world, the Bosporus, is one of the crucial strategic areas in the world. In fact, the participation of Turkey with the other side during World War I, to the extent that they did, in the opinion of many historians, actually delayed the end of that war by a considerable amount.

The Cyprus crisis was the catalyst that started the whole chain of events which threatens to unravel the whole fabric of our Mediterranean security arrangements. I regret and deplore the actions which led to the current situation on Cyprus. However, I believe we must recognize that effective solutions will not be found by driving away an ally which is a party to that situation. America's leverage with Turkey—to push for a settlement in Cyprus that would help Greece and would help the people on Cyprus, both Greeks and Turks—has been terminated with the cutoff of all aid and the termination of all military deliveries, including those—and people do not realize this—that the Turkish Government has bought and paid for stored in this Nation.

This is not just a question of aid. In fact, the aid is the least important part of it. The question is whether we are going to withhold sales that have already been bought and paid for in this country from an ally.

There is no question but that the Turkish occupation was wrong; there is no question but that Greek Americans have every reason to be upset. They have every reason to lobby their elected officials to seek redress. However, ethnic politics cannot determine and should not determine the foreign policy of the United States.

As Senator MANSFIELD, our leader, said recently, "We are first and foremost Americans." When national interests are at stake, a cool consideration of the pluses and minuses of an action must be undertaken. This was our majority leader, and no one can speak better to this issue than he.

In closing, Mr. President, it is inevitable, it is absolutely inevitable, that the House will restore some aid or military sales authority to Turkey. It is inevitable that Congress will do that. Likewise, it is inevitable that the Turks must reduce their military forces on Cyprus and earnestly work for a solution there. The question is when are these two events going to take place? Will these two events, the resumption of sales to Turkey and the adoption of a reasonable policy toward Cyprus by the Turks take place in time to repair the breach that has developed.

The era of American-Turkish partnership may well be over unless these events take place in the very near future.

Nationalistic pride may have moved public opinion, both in Turkey and in this Nation, to the point where meaningful negotiations over Cyprus are possible. If the Turks have concluded that we, far from being a resolute leader with balanced judgment, are fickle, and bend to pressure, they will look to other sources for military support, and our NATO alliance, as well as our role as a world leader, will be weakened without doing anything positive for the people on Cyprus. In fact, we may further damage their interests.

Mr. President, I yield back to the Senator from Alabama.

Mr. SPARKMAN. Mr. President, may I ask how much time I have.

The PRESIDING OFFICER. The Senator from Alabama has 3 minutes remaining.

Mr. EAGLETON. I suggest the absence of a quorum, with the time to be charged against me.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. EAGLETON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EAGLETON. Mr. President, I yield such time as he may desire to the distinguished Senator from Minnesota (Mr. HUMPHREY).

Mr. HUMPHREY. Mr. President, the measure before us is not new, of course. We have debated this matter of public policy time after time. On one occasion, as the distinguished Senator from Missouri will recall, during the time of the consideration of the Foreign Assistance Act, I insisted at that time that there be additional time being given to our Government before the embargo on arms sales and arms shipments went into effect in relation to Turkey and its aggression upon the island of Cyprus.

I believe we extended the time in that particular period into the middle of February in the hopes that some movement might take place between the Turkish Government and the Government of Greece and the Government of Cyprus to indicate a willingness on the part of Turkey to come to grips with the serious problems of the refugees by the hundreds of thousands, or by the many thousands; the possibility of the opening of the international airport at Nicosia, the reduction of the numbers of Turkish troops, any one or all of these as indications of good faith on the part of the Government of Turkey that it was willing to seek a peaceful solution to what has become a very serious international situation that involved open attack with the use of American weapons on an independent country, the island or the country of Cyprus.

That did not work. I blame no one. It just did not produce results.

Since that time, innumerable efforts have been made by members of the Committee on Foreign Relations in our visits with the Secretary of State, as well as the President of the United States, to get the Government of Turkey to indicate by some action, modest action, that they were prepared as a government to negotiate a settlement of the problems that beset this small little country of Cyprus and the democracy of Greece.

None of these efforts have been successful. I understand that today the President of the United States in Helsinki met with the Prime Minister of Turkey.

According to the press dispatches that we have, the President suggested to the Prime Minister of Turkey that he was prepared to use the waiver authority, which is in the Foreign Assistance Act, I believe under section 614, to grant Turkey $50 million in military assistance.

It is also my understanding that the orders which are presently on the line amount to about $58 million. I may be in error as to the exact number.

But what I seek to point out is that the waiver authority which now exists in present law, a waiver authority, which I as a Senator and which I know other Senators feel that the President is entitled to use because it is part of the law, would accommodate for the immediate future, at least, most of the present needs of Turkey insofar as repair parts are concerned for her aircraft, and other materials that are necessary to maintain the combat efficiency of her military.

This offer was made today, according to what I have learned, by the President of the United States to the Prime Minister of Turkey. All I know is that the offer was not adequate to meet Turkey's demands.

I am not going to try to indicate that there was a rebuff or any sense of arrogance because I am sure that I have no such evidence, but I do know that our President tried to use the waiver authority which he has under the Foreign Assistance Act and it was not effective.

I want to say for the President that in the past when we have discussed this use of the waiver authority to provide grant assistance to Turkey, if our national security interests seemed involved, the President and his representative, the Secretary of State, have said they did not use it when we inquired as to why it had not been used because they did not want to be in the posture of trying to circumvent the action of the Congress in the cutoff of arms aid or arms sales to Turkey.

I believe that I can say that that was a position that was honorable and surely was within the spirit of the actions of the Congress taken several times.

I had intended earlier today to join with others in offering a substitute to this bill, S. 2230, that would have placed as an affirmation in the bill the current law; namely, section 614 in the Foreign Assistance Act, so that the President would know that the Congress had acted affirmatively again in the present circumstances.

But that seemed to be a fruitless course in light of the fact that the President had already taken this matter up in Helsinki with Turkish authorities.

Now, the last thing I want to do here is to inflame any relationship or whip up any emotion about our relationship with Greece and Turkey. Frankly, we need both of these allies and they need us. But may I say with great sincerity that we are not in Turkey only to help the United States, we are there also for the defense of Turkey and the defense of the NATO allies.

I want to say with equal candor that Turkey plays a very significant role in the NATO defense structure. We also know that many of the bases that have been used by American forces under bilateral understandings are important to us. As to how important, that is a question that would have to be measured by people more expert in these matters than I, but I am not happy with the fact, of course, that Turkey has seen fit to close some of those bases—or I should say more accurately, to take over those bases.

But I can understand Turkey's feeling about our embargo and, therefore, I do not stand in sharp criticism of their action.

But I want the Turks to also understand the feelings of many in this body, when that section 614 was put in the Foreign Assistance Act it was not by accident. This Nation has put weapons in the hands of dozens of nations, we have put the most powerful weapons that mankind has ever created in the hands of our NATO allies, and because those weapons have been into those hands and because many of those allies in the past have been anything but friendly to each other, to wit, Greece and Turkey for hundreds of years had problems, it was the judgment of the Congress—and I think very prudent and sensible judgment—that we should include in the Foreign Assistance Act, insofar as it applied to military sales and military assistance, a provision that stated that these weapons were only to be used for defense, and for mutual defense, and were not to be used for any purposes of aggression.

Now, I have traced for my colleagues some of the action that has been taken by the Congress.

I want to repeat that section 614 was not put in the Foreign Assistance Act as an accommodation to some Senator here in order to get a bill through. It was not put in there because somebody said, "Well, we ought to kind of just make sure the folks back home know that we are behaving."

Not at all. The NATO alliance was made up of nations that had many times in the past been at each other's throats and, hopefully, a whole new spirit could be engendered out of the NATO alliance.

Therefore, a provision was put into that law which stated as a matter of policy that weapons supplied by this Government and the taxpayers of the United States to allies could only be used for purposes of mutual defense or purposes of defense of one's own boundaries, territory and jurisdiction.

It is for this reason that the Senator from Missouri, and others, including myself, on several occasions have said that that provision of law should be honored.

I am not happy about the situation. Quite honestly, I even hesitated to say a word about it tonight because I realize the predicament in which our country finds itself. I also realize the predicament in which the President finds himself. Frankly, I would like to help the President.

Mr. CULVER. Mr. President, the Senate is not in order.

The PRESIDING OFFICER. The Senate will be in order.

Mr. HARTKE. Will the Senator yield?

Mr. HUMPHREY. I will, just as soon as there is some order in this body.

I do not need to make this speech tonight, Mr. President. Quite frankly, the only reason I am doing it is because there is some historical relevance here which needs to be stated. I know what my vote is going to be and I do not think I am going to convince anybody one way or the other. But I do think it is important that we understand why some Members of this body feel as they do. I can assure you, Mr. President, that the easy vote on the basis of what I would like in many ways to do, to help the President of the United States—because I have been close enough to a President to know the problems they have—would be to vote for the assistance, to lift the embargo.

I do not stand here as a paragon of virtue, because nobody in this body qualifies for that title. I simply say that section 614 in that Mutual Assistance Act or Foreign Assistance Act was put there for a purpose.

I want to tell this body right now that I realize that the Turks can say to us, "Get out. Your bases are not needed."

I hope that we understand that we are not in these countries simply because we are there to protect ourselves. There is no nation in the world that does more to protect others tonight and tomorrow and the months to come than the United States of America.

Mr. HARTKE. Will the Senator yield?

Mr. HUMPHREY. Yes.

Mr. HARTKE. Is it not true that no matter what else is said, taxpayers' money was used for a purpose other than the law stated? That was very simply it was to be used to protect themselves against the aggression from some Communist or other nation of that type.

Mr. HUMPHREY. That is correct.

Mr. HARTKE. Is that not all there is to it?

Mr. HUMPHREY. Basically——

Mr. HARTKE. Why go ahead and talk about everything else, about trying to protect the President? We did that in Vietnam and in a lot of other things. The fact of it is the arrangement was violated and that is all there is to it. Anyone who wants to put a stamp of approval now on the violation of law absolutely puts a stamp of approval on something which is inhumane.

Mr. HUMPHREY. I am not going to try to judge the virtue or the morality of my colleagues. I think there are honest differences of opinion here. I simply say that as far as I am concerned, this has been the most troublesome nation that I have dealt with in the Committee on Foreign Relations. It is somewhat, in a sense, almost like when we dealt with the Hawk missiles for the King of Jordan.

Here was the king who has been most moderate, most helpful in the Middle East. Here he comes and asks, and we agree, for a very large shipment, the sale of various high-powered, sophisticated weaponry. The question is: Do you help your friend and sell him the weapons? Or do you ask this other question: Is this necessary and is this in our national interest?

Senator CASE, of New Jersey, a great U.S. Senator, said that he felt that the sale of those 14 batteries was excessive; that it was not necessary for the defense of a country; that it could contribute to instability and to the danger of war in the Middle East.

Now, Mr. President, here we have another situation where we have a very good friend.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HUMPHREY. I will conclude by saying that I have to cast my vote to continue the present law and not to permit it to be amended.

The PRESIDING OFFICER. The Senator from Alabama has 3 minutes remaining.

Mr. SPARKMAN. Let me say a few things very fast, Mr. President.

First of all, I want to admit, and I did admit, that Turkey made a mistake when it went into Cyprus the way they did. I happened to be in London and met with some of the Turkish officials right at that time and I told them so. I told them they went in too far, too fast, and too aggressively. And they did. Certainly they made a mistake.

Mr. President, I want to point out that Turkey is the best listening post that we have in that part of the world. There it stands, right in the corner, right next to the Soviet Union.

We have some of the finest equipment in the world right there in Turkey.

Turkey has been a friend and ally, as she is now.

Greece has been a friend and ally. And I am proud to say that she is now.

There ought not to be any consideration of any conflict between Turkey and Greece. That is not the question. The question is, shall we help Turkey? Shall we remove an embargo that we placed against Turkey a good many months ago?

It is not a case of starting a brand new program. It is a case of going back to a program that we made under a bilateral agreement with Turkey, the United States and Turkey. I submit that for our own good, and for the good of the North

Atlantic Alliance, we ought to lift this embargo, not in its entirety, but to the extent that is provided in this bill.

I want to point out, too, that the power to the President is carried in this bill just like it is in the Nelson amendment. He has to comply with exactly the same conditions that are required in the Nelson amendment. So we certainly ought to feel easy so far as those sales are made. Grants are excluded. Grants are not included in this bill. It is sales.

The **PRESIDING OFFICER.** The time of the Senator from Alabama has expired.

ADDITIONAL STATEMENTS ON S. 2230

TURKISH ARMS COMPROMISE

Mr. **DOLE.** Mr. President, I am supporting the Turkey amendment at this time, in the hope that it may place the United States in a better position to help mediate some peaceful solution to the Cyprus problem.

As one who voted against lifting the ban on the sale of arms to Turkey in May, I continue to object strongly to the illegal use of American-supplied Turkish arms during the Cyprus invasion last year. But the responsibility rests heavily upon us at this time, I feel, to promote the cause of international security and stability. In my opinion, the amendment we are considering now represents a reasonable and useful compromise that will accomplish that purpose.

Specifically, the amendment would permit completion of those sales contracts with the Turkish government already being processed at the time of the arms embargo on February 5, 1975; it will permit the President to issue licenses for additional arms sales to Turkey where such supplies are clearly necessary for that country to meet its NATO commitment; and it directs the President to open negotiations with Greece for economic and military assistance, and to review the refugee situation in Cyprus. None of these provisions would take effect should Turkey violate the current ceasefire or use these arms in Cyprus. But they may well help to promote further progress in Cyprus negotiations.

I know that many others will agree with me that this is a sensible and practical method to insure that the humanitarian and security interests of all interested nations are respected.

At this point, it appears that nothing useful can be gained—indeed, much may be lost—if the U.S. Government chooses to ignore the realities of the critical international situation that now exists. The most constructive policy for the American Congress and for the administration to take at this time would be a positive and measured approach toward both Greece and Turkey that would strengthen the incentive for peace in both governments.

The arms embargo towards Turkey has not helped to resolve the misery and hostility that exists in the Mediterranean. It has, instead, blocked further progress toward peace and has seriously endangered vital intelligence and security interests of the United States as well, as the closing of American bases on Turkish soil during the past days has demonstrated. It is my understanding that several prominent spokesmen for the Greek cause in this country have already indicated their support for this amendment, and for the just compromise of differences that it may lead to.

I am giving this amendment my support at this time with the conviction that it does not condone or rationalize illegal use of American arms in the past, but that it does bolster American security interests in the Mediterranean region and does strengthen the chance for a resolution of the hostility and suffering that still exists in that part of the world.

Mr. President, I ask unanimous consent that a letter from Dean Alfange, past supreme president of the Order of Ahepa, written to the Speaker of the House, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

LAW OFFICES OF ALFANGE & FRIEDMAN,
New York, N.Y., July 30, 1975.

Hon. CARL ALBERT,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: As past Supreme President of the Order of Ahepa I support President Ford's plea for an acceptable compromise of the Turkish arms embargo in the hope that such compromise can lead the way toward a settlement of the awesome refugee problem and ultimately to a viable solution of the Cyprus issue.

Our first priority should be to mitigate the plight of 180,000 refugees who were driven from their homes by the Turkish invasion. Though this is strictly a humanitarian problem which justifies our involvement, in any event, in keeping with our traditions, I believe that a firm commitment on our part to its solution could possibly open the door to negotiations that would strengthen the strategic position of the United States in that critical sector of the world.

Such humane approach to the present crisis would, I think, lessen the prevailing pressures, the more so if it be made an integral part of any new proposal to be submitted to the Congress. I believe that amelioration of human suffering, on which I base my stand, is more important than anyone's political triumph.

I congratulate you on your determination to work out a solution of this difficult problem in the best interests of our country and everyone concerned.

Sincerely,

DEAN ALFANGE.

TURKISH AID

Mr. **MUSKIE.** Mr. President, I was among those who originally supported a suspension of military assistance to Turkey. The invasion of Cyprus by Turkish forces seemed to me to be a clear-cut violation of the Foreign Military Sales Act, the Foreign Assistance Act, and the agreement under which Turkey accepted the arms. When Turkey invaded Cyprus, the suspension of military aid should have been automatic under the law. When the administration failed to implement the law, Congress acted simply to insist that it be enforced.

The law which the Congress insisted be observed is a sound one: Nations which receive our military aid should understand that aid will be revoked when it is used contrary to American interests and for purposes which have nothing to do with legitimate self-defense.

The administration, however, argued that this action of Congress greatly reduced the administration's diplomatic flexibility in dealing with the Cyprus crisis. It was said that the ability of the United States to deal constructively with Turkey had been seriously undermined. Consequently, the administration urged the Congress in the strongest possible terms to reconsider its action.

What was involved in this controversy between the administration and the Congress was a matter of judgment: Would a resumption of military assistance to Turkey in fact lead to a more flexible and constructive attitude on the part of the Turkish government? Or would the resumption of aid reduce the pressure on the Government of Turkey to negotiate seriously over Cyprus?

When this issue was presented to the Senate, I made the judgment that the administration should be given the benefit of the doubt. After all, the responsibility for conducting the day-to-day business of U.S. foreign policy belongs to the President and the Secretary of State. Those individuals were adamant on the issue. So, after careful thought and with some continued misgivings, I supported the Senate bill which would have suspended the prohibitions then in effect against military assistance to Turkey.

What we are faced with today is quite a different situation. In retaliation against the suspension of military assistance, the Turks have occupied a number of our military bases in that country. Today, according to press reports, the Turkish government rejected an offer by our Government to compromise the matter with $50 million in military assistance grants which the law permits the President to offer notwithstanding the embargo on military sales and credits.

I deeply regret the decision of the Turkish government to reject this effort at an interim compromise solution.

Because of the Turkish action in occupying the bases and in rejecting the compromise offered today, the U.S. Government and the Congress have been placed in a most difficult position. For the Congress to reverse itself in response to the recent Turkish actions would set a most undesirable precedent which could adversely affect the U.S. position in many other countries in which we have military bases. In all such countries, we can only assume that a direct U.S. military presence is consistent with the security interests of the host country. As Secretary Kissinger said in a speech last month:

> We assume that our friends regard their ties to us as serving their own national purposes, not as privileges to be granted and withdrawn as a means of pressure. Where this is not the mutual perception, then clearly it is time for change.

In my judgment the Turkish government is acting in a way which raises serious questions about its own foreign policy objectives, its perception of its own security interests, and the depth of its commitment to NATO. If Turkey does not feel the existence of American bases in that country is consistent with its own security interests, the government should clearly say so. I do not believe the American people have any desire to support American bases in an inhospitable environment.

I therefore cannot support any attempt at this time, and under these circumstances, to reverse the policy of Congress. I deeply regret that the situation should have developed in this way, but I believe we now have no choice but to hold firm to the arms aid embargo until Turkey clarifies its real interests and its policy concerning the U.S. bases and its membership in the NATO Alliance. Therefore, I will support the motion to commit the bill now before us to the Foreign Relations Committee.

Mr. TUNNEY. Mr. President, today the Senate is again considering the removal of the arms embargo to Turkey. Last month, the Senate voted 41 to 40 to restore that arms assistance, but more recently the House defeated a similar measure supported by the President and Secretary Kissinger.

As a Chairman of a Committee of the North Atlantic Assembly—the Parliamentary affiliate of the North Atlantic Treaty Organization—I am seriously concerned about the dissolution of NATO's southern flank. After dealing closely with both Turkish and Greek delegates at NATO conferences for several years, I am all too aware of the important role that both Greece and Turkey play in defense of the alliance.

I agree with the President and Secretary Schlesinger that the closing of American bases in Turkey would be a tragedy for everyone involved, just as I believe that the Greek withdrawal from the NATO military structure was a tragedy. But more fundamental than even the maintenance of our military installations on Turkish soil is the threat to the very nature and meaning of the alliance.

The question we must ask ourselves is not whether NATO will survive an arms embargo to Turkey—it will—but rather, what kind of alliance we will have if Turkey's actions in Cyprus go unchallenged—what kind of alliance we will have if every alliance partner is free to use force every time it disagrees with the policies of another alliance partner? The answer, Mr. President, is no alliance at all. The Soviet Union will not even need a Warsaw Pact. They can simply sit by and watch as NATO member-states sabotage one another.

Two thousand years ago Thucydides, speaking of the crumbling Peloponnesian alliance, said:

> Each State pressed its own ends . . . which generally resulted in no action at all. . . . Each devoted more time to the prosecution of its own purposes than to the consideration of the general welfare. Each supposed that no harm would come of his own selfishness, that it was the business of another to do this or that—and so, as each separately entertained the same illusion, the common cause imperceptibly decayed.

Mr. President, if we continue to entertain the illusion that the interests of any one NATO member in retaining its troops on foreign soil are more important than the glue of peaceful settlement of disputes that holds NATO together, then the common cause will not merely imperceptibly decay, it will collapse.

Twice before, over the course of two decades, American Presidents were forced to intervene with the 6th Fleet to prevent an invasion of Cyprus. They acted strongly and the challenge passed. Last year this administration chose to ignore that same threat and ultimately rent the entire fabric of the southern flank. Now, as they are reaping what they themselves have sown, they have come to Congress and asked us to ratify those mistakes.

Regrettably, I will be forced to cast my vote against restoring arms assistance to Turkey. I have made my position clear to both the Turkish Government and to the administration. There is no Member of the U.S. Senate who would wish more strongly than I that this question could be resolved without an embargo. But so long as I have no indication that lifting the embargo will move us one step closer to settling the Cyprus question, I will continue to vote against renewal of arms shipments. The imperatives of American law and the needs of the alliance are clear: American aid is not meant to be used by NATO countries in aggression against one another.

Over a period of several weeks prior to the last Senate vote on the arms embargo I sought strenuously to receive any kind of indication that if the Senate took the first step by renewing arms aid to Turkey, the Turkish Government would respond in return. In my talks with administration officials and Turkish representatives at the NATO conference, and in meetings between my staff and various State Department representatives—including the American Ambassador to Turkey—I was unable to gain even the slightest private assurances that there would be a favorable Turkish response. Therefore, I am forced to vote against this measure, although I had hoped that progress which could have been made if Turkey were to be less intransigent would have allowed me to vote otherwise.

In an attempt to place the debate over the embargo and the importance of maintaining our presence in Turkey in perspective, I ask unanimous consent that a statement by former Chief of Naval Operations Adm. Elmo Zumwalt be printed in the Record immediately following my comments.

There being no objection, the statement was ordered to be printed in the Record, as follows:

STATEMENT BY ADM. E. R. ZUMWALT, JR.

Sunday marks the first anniversary of the invasion of Cyprus by Turkey. The Congress of the United States is locked into a collision course with the Secretary of State on fundamental U.S. foreign policy. The debate begins this week in the House of Representatives on Dr. Kissinger's proposal to lift the ban on further American arms to Turkey. In this escalating controversy, I commend to the attention of the Congress and the press a precise statement of the true moral issues and the best interests of the United States by General James A. Van Fleet, who implemented the Truman Doctrine against a Soviet inspired Communist insurgency in post-World War II Greece without loss of a single American in uniform:

As one whose entire career has been in the Armed Forces of the United States, I believe that our country and our NATO partners must stand against aggression, whether by friend or foe. To do otherwise would be a renunciation of a fundamental principle of our foreign policy—to oppose aggression, not aid or acquiesce in it. I must condemn the continued acts of Turkish aggression against Cyprus and its people. It is unconscionable that the Government of the United States should surrender to the threat of Turkey to close our bases there. This is capitulation to blackmail and unworthy of our country.

History teaches and I accept the wisdom of a warning by a great allied leader in World War I, Clemenceau of France: "War is much too serious a matter to be entrusted to the military."

May I suggest a contemporary corollary to that Clemenceau axiom: "Peace is too complicated to be entrusted to any single diplomat."

Dr. Kissinger has marshalled his propagandists to convince Congress that U.S. installations in Turkey are technically more important than American relations with Greece. There is a supreme irony in this argument, because when the military junta was imposing a dictatorship on Greece, the argument then was that Greek bases were of most vital importance to NATO and the U.S. Sixth Fleet. Now that a Democratic Government has at long last returned to Greece, Dr. Kissinger tilts toward Turkey.

I believe the best interests of America and of NATO require the friendship of both Greece and Turkey.

But to pit one country against another in this way is as dangerously inflammable and divisive in foreign policy as it is in the Halls of Congress. However, if a choice is to be forced between our military installations in Turkey and the continuation of the support of U.S. installations by a democratic government in Greece, then in my judgment, the Congress should cast a vote for Greece, and against the Kissinger amendment to lift the ban on U.S. arms to Turkey. In my opinion, existing and potential military bases in Greece are more important to us than our installations in Turkey.

There is another matter of concern regarding Turkey. As the harvest of opium poppies begins this week in Turkey, all Americans should remember that Turkey unilaterally rescinded the ban on the growing of opium poppies for which U.S. Government agreed in return to pay Turkey $35 million over a three-year period. U.S. taxpayers have already supplied $15 million of this sum to Turkey.

Thus, to Turkey's aggression against the Island of Cyprus, using American arms, has been added her aggression against an entire generation of young Americans with opium grown in Turkish soil.

The current controversy has been distorted into a political test of strength between the Administration and what they have characterized as "the ethnic politics of the Greek lobby." That is a very un-American argument at a time when this nation of emigrants enters our Bicentennial Year. The ban on future American arms to Turkey is not an "ethnic" and certainly not a Greek issue. It is fundamental American policy on which in other times I have seen the Navy used as an instrument of enforcement. Twice the Sixth Fleet was ordered into the waters between Turkey and Cyprus as clear warning by an American President against Turkish aggression. And you will remember that there was no aggression because American policy was then crystal clear. Regrettably there was no policy at the time of the invasion of Cyprus last year. Today, only Congress can clarify American policy in this controversy.

That is the challenge of the debate on the Kissinger amendment this week. Seven months ago, that policy was debated and a judgment was then made clear. By a margin of 199 votes in the House, the amendment calling for a ban on further American arms to Turkey was overwhelmingly passed. In my judgment that verdict should be repeated this week by the defeat of the Kissinger amendment, S. 846.

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent that a letter from Dean Alfange, past Supreme President of the Order of Ahepa, in support of an acceptable compromise of the Turkish arms embargo, written to the Speaker of the House of Representatives, Hon. Carl Albert, be printed in the Record.

There being no objection, the ordered to be printed in the Record, as follows:

Law Office of Alfange & Friedman,
New York, N.Y., July 30, 1975.

Hon. Carl Albert,
Speaker of the House of Representatives,
The Capitol, Washington, D.C.

Dear Mr. Speaker: As past Supreme President of the Order of Ahepa I support President Ford's plea for an acceptable compromise of the Turkish arms embargo in the hope that such compromise can lead the way toward a settlement of the awesome refugee problem and ultimately to a viable solution of the Cyprus issue.

Our first priority should be to mitigate the plight of 180,000 refugees who were driven from their homes by the Turkish invasion. Though this is strictly a humanitarian problem which justifies our involvement, in any event, in keeping with our traditions, I believe that a firm commitment on our part to its solution could possibly open the door to negotiations that would strengthen the strategic position of the United States in that critical sector of the world.

Such humane approach to the present crisis would, I think, lessen the prevailing pressures, the more so if it be made an integral part of any new proposal to be submitted to the Congress. I believe that amelioration of human suffering, on which I base my stand, is more important than anyone's political triumph.

I congratulate you on your determination to work out a solution of this difficult problem in the best interests of our country and everyone concerned.

Sincerely,

Dean Alfange.

ARMS EMBARGO TO TURKEY SHOULD BE TERMINATED

Mr. PEARSON. Mr. President, I rise today to state my continuing support for a suspension of the current prohibition against military assistance to Turkey. The able hand of the distinguished chairman of the Foreign Relations Committee, Senator John Sparkman, has produced a wise and workable amendment which we should approve.

Mr. President, the Congress expressed its opposition last February 5 to the Turkish invasion of Cyprus and to the administration's handling of that crisis. Having made our point, I believe it is now time for Congress to lift the prohibition on the shipment of military supplies to Turkey as is proposed in the Sparkman amendment. In passing S. 846, offered originally by our distinguished minority and majority leaders, Senator Hugh Scott and Senator Mike Mansfield, and which I was pleased to join in cosponsoring, the Senate acted wisely. The rather dramatic events of this past week serve to illustrate the folly of the House decision last Thursday, July 24, not to enact S. 846.

Mr. President, the Sparkman amendment offers us the opportunity to reaffirm our position on this critical issue and gives the House a chance to reconsider its action. I believe that a majority of both Houses will now conclude that the best interests of the United States are served by removing the Turkish arms embargo.

A continuation of the embargo cannot undo the events which led up to the invasion of Cyprus but it can surely complicate and distort our relationships in that part of Europe. The price of continuing the embargo will be very high indeed.

It is apparent that, given the political realities in Turkey, a continuation of the embargo will weaken, rather than strengthen, our hand in seeking a settlement of the Turkey-Greece-Cyprus disputes. It has already visibly weakened our security ties to Turkey, threatens to restrict U.S. strategic presence in the Mediterranean, and contributes to a deterioration of the southeastern flank of NATO.

Mr. President, the Cyprus issue has been with us since the mid-1950's. It involves Great Britain, Turkey, and Greece, and the so-called Guarantor Powers, and the issues are complex. Twenty percent of the people on that troubled island are Turks and give their allegiance to Turkey. Eighty percent are Greeks, but most of them seem to prefer independence.

Treaties were signed in 1960 creating the Cyprus Republic and assigning rights to both Greek and Turkish communities. These treaties have never become operational. There has been bloodshed between the two communities since 1960, and today the hatred and distrust run very deep. Both sides are equally and unequivocally convinced of the justice of their cause. Last summer, following the coup on Cyprus, Turkey sent its troops to that island and continues to occupy a portion of it. The tragic events which have occurred in Cyprus have resulted in great suffering and the creation of hundreds of thousands of refugees.

Mr. President, we have long-standing and important security relationships with Turkey. Turkey has been a member of NATO since 1951. During the Korean conflict, Turkish soldiers fought bravely alongside Americans.

Over the years, our security relationship with Turkey has broadened and deepened to the point where we have access to many installations ranging from an air base to intelligence facilities. We have access to Turkish airspace for our flights further east; and we have access to Turkish ports for ships of the 6th Fleet. American ships pass through the Turkish straits—the Dardanelles and the Bosporus—on their regular visits into the Black Sea. Unfortunately, this security relationship is disintegrating under the pressure of the arms embargo.

Nor can the arms embargo and the suspension of military assistance to Turkey help solve the Cyprus problem. The Turks, as we all are, are a proud and stubborn people. The overwhelming, almost unanimous opinion of the Turkish people is that its Government was not only justified, but obligated to intervene in Cyprus as it did. Representatives of the State Department tell us that no present Turkish Government can back down in the face of humiliating public pressure that this country is attempting to impose. They say, to do so would court vast internal opposition.

Mr. President, the evidence suggests that the embargo has stiffened the Turkish position and made any possibility of a settlement on Cyprus much more remote. Indeed, it may well be that it was the embargo which triggered the establishment of the Turkish Cypriot Republic.

Mr. President, because I am convinced that a continuation of the embargo will not contribute to solving the Cyprus problem and that it weakens United States-Turkish security ties and will lead ultimately to a further decline of NATO, I urge that the Senate act favorably on this amendment.

Mr. TAFT. Mr. President, I think that we are in danger of missing the main point on this whole issue. We are not deciding between a pro-Greek position of cutting off arms to Turkey, and a pro-Turkish position of supplying arms. In fact, to be pro-Greek, in a reasoned way with a long-term view, is to support supplying the necessary arms to Turkey.

As I noted on the floor on May 19:

> Some people have presented the issue here as if those who are concerned for the people of Cyprus and the people of Greece must favor continuing the cutoff of aid to Turkey, and that those who opposed the cutoff are somehow not interested in the Cypriot and Greek peoples. I am vitally interested in the future well-being of both the people of Cyprus and the Greek people; but, after careful consideration, that interest leads me to oppose the cutoff, not to favor it.
>
> If we continue to ban defense shipments to Turkey, we risk, first of all, severe and lasting damage to NATO, Particularly in South Europe. Now, I would point out that Greece rightly believes NATO to be vital to her own security. NATO was key in rescuing Greece from Communist attack not too many years ago. Greece is a member of NATO, not as a favor to the United States, but because the Greek people know that NATO is absolutely vital to the survival and freedom of Greece. Therefore, any action which would damage, or conceivably even destroy NATO in South Europe, is an immediate threat to Greece. My interest in the well-being of Greece forces me to recognize this fact.
>
> There are other important reasons also why my concern for the people of Greece and of Cyprus leads me to oppose the continuation of the aid cutoff. If the United States is perceived by Turkey as being totally aligned in this dispute, we will no longer be able to work as a mediator. In turn, the absence of effective mediation would create a real danger of full-scale war between Greece and Turkey.
>
> The Greeks are a valiant people, and I know and respect their military abilities. But weight of numbers of men make it virtually certain that Turkey would win such a war. I do not want to see this happen. I do not want to see Greece defeated by Turkey. I do not want to seek the Greek Government fall. I do not want to see the tradegy and suffering that such a war and defeat would bring to the people of Greece and of Cyprus. I think it is of critical importance to the Greek people that we be able to continue our mediation efforts.
>
> We must also ask—those of us who are longtime friends of the people of Greece—what instability in the region would mean to Greece internally. Either a collapse of NATO in South Europe or a defeat of Greece by

> Turkey in war would gravely endanger the present Greek Government. Personally, I fear that the current Government in Greece—a government which has brought democracy and progress to Greece—would fall, and that it would be replaced by a Government of the extreme left. I think that would be a tragedy for Greece. Greece could become another Portugal, and the Greek people could suffer a leftist dictatorship—the very thing they fought hard to avoid in the 1940's.
>
> This is, to me, something any friend of Greece and the Greek people must work to avoid; and working to avoid it means ending the cutoff of aid to Turkey, so as not to destroy NATO, or bring about a war between Greece and Turkey.
>
> I thus believe that true friends of Greece and Cyprus—and true friends of peace—must act to choose a course of moderation, a course which will preserve NATO, enable the United States to continue to mediate the Cyprus dispute, and prevent a leftist dictatorship in Greece. That means ending the aid cutoff.

Events since that time have borne out my warnings about the effect of a continued cutoff. Turkey has taken control of defense installations formerly under American control, installations where intelligence-gathering activities vital to U.S. security are—or rather were—carried out. The President has informed us that the shutdown of these activities is a serious blow to our national security.

As a member of the Armed Services Committee, I must be especially concerned by the defense implications of a rift between the United States and Turkey. I am not certain my colleagues are fully aware just how important Turkey is to our defense.

Turkey is important because of our own military activities there, especially the intelligence-gathering activities which I have just mentioned. A quick look at the map will show that there is no alternative site where these intelligence activities could be transferred. Only Turkey is in a geographic position where these activities can be undertaken. I would point out that these activities are directly related to our attempts to achieve strategic armaments control and reduction agreements with the Soviet Union. We use the Turkish bases to monitor Soviet compliance with these agreements, and were we unable to undertake such monitoring, it would be more difficult for us to enter into arms control agreements.

Turkey is critical to the defense of the Eastern Mediterranean, because of her control of the Dardanelles. The Dardanelles, the passage from the Black Sea into the Mediterranean, has been recognized for 2,000 years as one of the most strategically important points in the world. Throughout the 19th cenutry, a fixed point in British policy was the prevention of Russian control of the Dardanelles. Why? Because Britain knew that Russian control of that point would mean an unacceptable Russian threat to the Mediterranean, and to Britain's lifeline. Today, that remains true, with the difference that the Navy which Russia can project through the Dardanelles is not the Tsarist Navy, the Navy of Tsushima, but what may well be in some respects the most powerful fleet in the world. I would urge those of my colleagues who believe the United States has vital interests in the Mediterranean, particularly the eastern Mediterranean, to keep this point in mind.

Finally, Turkey is critical to NATO. Turkey fields a larger land army committed to NATO, than any other NATO member—1.1 million. The Turks have a long and distinguished military record, including as our allies in the Korean war. They are recognized as a potent military force, one that would constitute a major problem for the Soviet Union, in the event of a Soviet attack on NATO. The withdrawal of Turkey from NATO—and that could be an eventual consequence of continued American slaps in Turkey's face—would free a significant amount of Warsaw pact resources to be used against our already outclassed forces on the central front.

Turkey is thus important to America, to NATO, and to peace. Relations between the United States and Turkey, enabling the United States to serve as an honest broker between the parties in conflict, is of great importance in preserving peace between Turkey and Greece and in moving toward a settlement on Cyprus.

Our present course, of cutting off all defense aid to Turkey, has been counterproductive. It has damaged relations between the United States and Turkey, to the point of endangering operations important to American national security. It has not moved us one step closer to a settlement on Cyprus. It has not in any way reduced tensions between Greece and Turkey. It has been no service whatsoever to the people of Greece or Cyprus, or to anyone else, with the possible exception of a few retired diplomats of the professional "we could do it better" school, who have gotten a chance to get their deservedly forgotten names back in the papers.

The bankruptcy of our present policy must and will continue. It will continue to perpetuate the status quo on Cyprus. Only a change in policy can help the people of Cyprus, the people of Greece, and the prospect for peace.

Mr. SPARKMAN. I hope we will vote for this bill.

Mr. EAGLETON. Mr. President, I move to commit the bill to the Senate Committee on Foreign Relations.

The PRESIDING OFFICER. The question is on the motion to commit.

Mr. MANSFIELD and Mr. SPARKMAN addressed the Chair.

Mr. MANSFIELD. Is there a time factor connected with the motion to commit?

The PRESIDING OFFICER. Each side would have 10 minutes under the motion.

Mr. SPARKMAN. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state the parliamentary inquiry.

Mr. SPARKMAN. The motion is to recommit the bill to the Foreign Relations Committee. It never was committed there. Does the motion lie?

Mr. EAGLETON. My motion was to commit.

The PRESIDING OFFICER. The motion is to commit. Each side has 10 minutes. Who yields time?

Mr. EAGLETON. Mr. President, I ask for the yeas and nays on the motion.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. EAGLETON. Mr. President, I yield such time as I may consume, which will not exceed 10 minutes.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. EAGLETON. Mr. President, I will try to bring this to a close. First of all, I wish to thank my distinguished colleague from Minnesota for his timely and eloquent remarks. We need not repeat the history of the Cyprus problem. That is well known to all. In fact, we could stipulate those facts, even those referred to by the distinguished Chairman of the Foreign Relations Committee and the distinguished Senator from Georgia (Mr. NUNN), who admit that Turkey transgressed the law; admit that they invaded a neutral neighbor; admit that Turkey still occupies 40 percent of the island. They admit that Turkey has not the slightest intention of giving up any part of that island. They admit that Turkey has refused to share the Nicosia Airport. They admit that Turkey has refused to open the road between Nicosia and Famagusta. They admit that Turkey for 9 months has not occupied the new town of Famagusta but has now brought in new immigration from the Turkish mainland to occupy that town.

So they admit they have a rather sordid client. It is like a lawyer, pleading his case before a jury, who has to admit the prior convictions of his client. But he has to do the best with the case that he can. I think the distinguished Senator from Alabama and the distinguished Senator from Montana have done the best they could for their client.

But I can say the distinguished Senator from Minnesota, I think, has hit the argument foursquare. If we vote tonight to restore military aid to Turkey, we will have repealed the Foreign Assistance Act and the Foreign Military Sales Act. We will have repealed that one vestige of control we have over the arms we ship and sell around the world, some $12 billion worth last year. We will have told every other recipient nation they can do with our arms as they darn well please, Turkey being the precedent therefor.

I think it boils down to the question of whether we honor the ransom note. We are like the troubled family seated in the living room, and the note has arrived from the kidnapper which says the price is x dollars, and you have to decide whether to pay the ransom. You have to decide whether to go ahead with the blood money.

As I say, we decided that recently as a nation where the ransoming of our own officials in the State Department are concerned. We decided we would not pay the blood money, even when it came to the point where an Ambassador lost his life. And we should not pay it in this instance, Mr. President.

I repeat, if we do, if we travel the ransom road—and that is the road we are embarking on tonight—there will be no end. There will be no turning back; and the next nation that has one of our 2,000 military bases around the world, that decides to seize one of our military bases for ransom, they, too, will extract a price. There is no turning back, and we might as well decide the issue now.

I yield back the remainder——

Mr. HUMPHREY. Mr. President, before he does that, will the Senator yield?

Mr. EAGLETON. I yield to the Senator from Minnesota.

Mr. HUMPHREY. I wish someone in this body could assure us that if we do act on this measure tonight—and I have not the slightest idea how the vote will come out; I have been told it would most likely pass. I was one of those who wanted no amendments; I felt it was much better to have a straight up or down vote, because there were people here of very serious purpose on both sides, and I saw no reason for any amendments to fuzz it up.

But if we act tonight, what reason is there to believe the House of Representatives, which has turned this proposal down repeatedly, is going to act again, and act favorably?

What reason do we have to believe that? I have worked closely with members of the executive branch, and I am a troubled man on this issue. It is not an easy one. I have put the question to them, "Why put us through this ordeal? What assurance do we have that the other body, which you know is going out of town tomorrow just about as fast as a losing team gets out of the stadium, will act? They are going to be gone."

And they admit to me, "Yes, there will be only a few statements and they will be gone. There will be a rule out of the Rules Committee," they say, "early."

But if they get a rule early, who will be there to vote on it? We have had these experiences before. We have voted here and put people on the spot. Fine, I have already made my position clear. But when it is all done, I predict to you it will be an exercise in futility, because somebody will say, "This is another bargaining chip."

Mr. President, I want to tell you, we are chipping away at the old oak of the Republic until there are not many chips left. I do not think we ought to be doing things like this.

My point was, and I said it to the representatives of the executive branch and to some of my colleagues in this body, "Why not wait until the President and the Secretary of State get home from Helsinki? Why not wait until we hear what they have to say? We are coming back here in September. If this is as important as some people say, we can come back earlier; but I gather it is not quite that urgent. Why do we not find out something more than the Associated Press dispatches tell us?"

That is what we are relying on right now. That first dispatch made it look like the Turkish representatives were pretty rough on us. I have not said that tonight. I can understand the Turkish sense of pride. I can understand the problems they have in their government. I can even understand some we have in our government. But one thing I cannot understand is, what is the rush tonight?

We have had enough trouble here trying to do things in this Congress with the other body, on occasion, on controversial issues; and I was of the opinion that maybe acting with the kind of quiet diplomacy of which our Government is capable, after all, if Mr. Kissinger can get the Egyptians and the Israelis to talk and to yield, I do not think it is impossible that he might get some results here, unless we toss in the towel, between the Turkish Government and the Greek Government.

But after it is all through between Turkey and Greece, Cyprus is involved—a little country that had the second highest standard of living in Europe, and today is a wreck. Let me remind the Senate that Cyprus today is a poverty-ridden country. A year ago, as I say, it had the second highest standard of living in Europe. Hundreds of thousands of people ravaged by the terrible disaster of attack, aggression, and war.

I have never been there. I have no relatives there. My name is not Humphreyopolis. My name is Hum-Free; and I have no particular affiliations one way or another.

But one thing I am sure of: the United States of America, as it put out its arms around the world, had better make sure that they are not used for aggressive purposes upon people that we call our friends. That is what I worry about, and I think we have a very serious matter to discuss here tonight. That is why I did not want to discuss it this quickly. That is why I did not see the sense of urgency. We have gone along thus far.

Oh, I know the Turkish Government has taken over some bases. They have not thrown us out. No one can tell me here tonight we are not still getting information. No one can tell me the reconnaissance satellites are not working. No one can tell me we are not getting information from highly selective electronic devices that are placed in Turkey. No one can tell me that. I challenge anyone to tell me that.

I had some idea of what was going on in Turkey a few years ago. I do not know what they have put in there since. If it was for that——

The **PRESIDING OFFICER.** The time of the Senator from Missouri has expired.

Mr. SPARKMAN. Mr. President, I yield our time on this side to the Senator from Montana.

Mr. MANSFIELD. Mr. President, I yield first to the Senator from West Virginia.

ORDER OF PROCEDURE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the special orders are consummated tomorrow, the Senate proceed to the consideration of the conference report on military procurement, rather than tonight.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 9 A.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 9 a.m. tomorrow.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

RELATIONS BETWEEN THE UNITED STATES, GREECE AND TURKEY

The Senate continued with the consideration of the bill (S. 2230) to authorize appropriations for the Board for International Broadcasting for fiscal year 1976; and to promote improved relations between the United States, Greece, and Turkey, to assist in the solution of the refugee problem on Cyprus, and to otherwise strengthen the North Atlantic Alliance.

Mr. MANSFIELD. Mr. President, I am glad that someone has finally gotten around to talking about Cyprus, and, incidentally, about Greece.

I can say this to my distinguished colleague from Minnesota: Unless something is done, there will be no give, and there will be no relief for the tens of thousands, the hundreds of thousands of Cypriot refugees. If something is not done, the situation in the Aegean area is going to remain in the status quo, and that means there will be no settlement in sight, and the impasse which confronts that area and us at this time will remain.

Around the year 1960, the Republic of Cyprus was founded. Its future, its freedom, its independence, its integrity were guaranteed by Greece, by Turkey, and by Great Britain.

Some months ago, the Greek tyrants who were in control of Greece launched an attack against Cyprus, tried to kill Makarios, and put in temporarily a man by the name of Samson, a gangster and a thug, who tried to take over control of that island republic, and when he started on other Greeks, other Cypriots and Turks living on that island, it was then that the Turks came in.

I hold no brief for what the Greek colonels did. They were wrong.

Mr. STENNIS. May we have order, Mr. President.

The **PRESIDING OFFICER.** The Senate will be in order.

Mr. MANSFIELD. I hold no brief for what the Turks on the Island of Cyprus did, because they overreacted.

But I want to call to the attention of the Senators this fact, if the Senators believe in the most vital alliance with which this country is alined, NATO, in the minds eye of Senators visualize a map, Portugal on the west end, a very precarious country—we do not know what is going to happen there—Italy in the middle, the Communists have won sweeping elections in regions of Italy in the past several weeks; the Greeks are out of NATO, and Turkey with a 1,000-mile frontier with the Soviet Union, trying to get arms, for which it has already paid, which are in storage in this country and on which they are paying rent.

Do the Senators believe in NATO?

The Senator from Missouri is right when he brings to our attention the legality of the question which he raises. There is no doubt about it.

But what are we going to do to bring a settlement in that area? We cannot even move there now.

What about Karamanlis, one of the great statesman in Europe, buffeted on the right and the left? What is the albatross around his neck? Cyprus and its future.

What are we going to do to bring about hopefully a settlement in that area so that the Turks will withdraw their forces from Cyprus, so that the independence of Cyprus, which is composed of two nations, even at this time, really within one, so that the refugees can be taken care of? What are we going to do if we do not give some assistance at this time, not so much to maintain our bases in Turkey, important though they be, but to help the Cypriots, to help the Greeks? If they are going to be helped, they have to be helped from the outside, and the only country not a signatory to the integrity and the independence of Cyprus, the only country in a position to do so, if given the opportunity, is the United States of America.

So I say I hope that this motion to commit this bill to the Committee on Foreign Relations will fail.

I would hope that we would be aware of the fact that the House of Representatives is still in session, and three attempts to adjourn it tonight beginning at around 8 o'clock have failed.

What is the House of Representatives waiting for? Hopefully for action by the Senate.

Look at Turkey. If the Senators do not think it is not an important country, think of the thousand-mile frontier with the Soviet Union; think of the fact that Turkey is a Moslem country, which has down through the years adopted a hands-off policy as far as the Middle East is concerned.

Where are they going to get their arms—in Western Europe, in Eastern Europe, or in the Soviet Union?

I noticed by the ticker that the Soviets are contemplating sending helicopters to Turkey at the present time. It would be quite a coup for them.

Where are the Turks going to get the money—from the Arab countries?

And where are the Turks going to become more interested—in the Middle East, a cockpit if ever there was one.

I hope, may I say to our colleagues, that they will take all these factors into consideration, because the President is trying to bring about a settlement of sorts. He needs support. If our colleagues want to do something for Cyprus, if they want to do something for Greece, I say vote against the motion to commit and vote to pass the resolution reported out of the Committee on Foreign Relations.

I yield back the remainder of my time.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. Is all time yielded back?

All time having been yielded back, the question is on agreeing to the motion to commit.

Mr. SPARKMAN. Mr. President, have the yeas and nays been ordered?

The PRESIDING OFFICER. The yeas and nays were ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Mississippi (Mr. EASTLAND), the Senator from Wyoming (Mr. MCGEE), the Senator from Montana (Mr. METCALF), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from New York (Mr. BUCKLEY), and the Senator from Arizona (Mr. GOLDWATER) are necessarily absent.

The result was announced—yeas 43, nays 49, as follows:

[Rollcall Vote No. 372 Leg.]

YEAS—43

Abourezk
Bayh
Beall
Biden
Brooke
Burdick
Byrd, Harry F., Jr.
Cannon
Church
Cranston
Culver
Eagleton
Gravel
Hart, Gary W.
Hartke
Haskell
Hollings
Humphrey
Jackson
Javits
Kennedy
Laxalt
Leahy
Magnuson
McGovern
McIntyre
Mondale
Montoya
Moss
Muskie
Pastore
Pell
Percy
Proxmire
Ribicoff
Roth
Schweiker
Scott, William L.
Stevenson
Stone
Tunney
Weicker
Williams

NAYS—49

Allen
Baker
Bartlett
Bellmon
Brock
Bumpers
Byrd, Robert C.
Case
Chiles
Clark
Curtis
Dole
Domenici
Fannin
Fong
Ford
Garn
Glenn
Griffin
Hansen
Hart, Philip A.
Hatfield
Hathaway
Helms
Hruska
Huddleston
Inouye
Johnston
Long
Mansfield
Mathias
McClellan
McClure
Morgan
Nelson
Nunn
Packwood
Pearson
Randolph
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Symington
Taft
Thurmond
Tower
Young

NOT VOTING—7

Bentsen
Buckley
Eastland
Goldwater
McGee
Metcalf
Talmadge

So the motion to commit the bill to the Committee on Foreign Relations was rejected.

Mr. SPARKMAN. Mr. President, I move to reconsider the vote by which the motion was rejected.

Mr. CASE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The VICE PRESIDENT. The bill is open to amendment.

If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The VICE PRESIDENT. The bill having been read the third time, the question is, Shall it pass?

Mr. SPARKMAN. Mr. President, I ask for the yeas and nays.

The VICE PRESIDENT. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The VICE PRESIDENT. The clerk will call the roll.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that there be a 10-minute rollcall.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. EAGLETON. Mr. President, I ask unanimous consent that the order for the yeas and nays be negated. I do not see any reason to have them.

Mr. DOLE. I see no objection to that.

Mr. WILLIAM L. SCOTT. I object, Mr. President.

The VICE PRESIDENT. The objection is heard. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. CASE. Mr. President, may we have order?

The VICE PRESIDENT. Let us have order in the Chamber, please.

Mr. SPARKMAN. And in the galleries, Mr. President.

The VICE PRESIDENT. And the galleries as well. The clerk will not proceed until order is restored.

Mr. ROBERT C. BYRD. Mr. President, no debate is allowed on a rollcall, but there may be further votes tonight, for the information of the Senate.

The VICE PRESIDENT. The clerk may proceed to call the roll.

The second assistant legislative clerk resumed the call of the roll.

Mr. CASE. Mr. President, I ask for the regular order.

Mr. HUGH SCOTT. Mr. President, a Senator who has not voted is coming to the floor. He is entitled to that courtesy. The point was made last Tuesday.

Mr. CASE. I withdraw the request.

The second assistant legislative clerk resumed and concluded the call of the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Mississippi (Mr. EASTLAND), the Senator from Wyoming (Mr. MCGEE), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from New York (Mr. BUCKLEY) and the Senator from Arizona (Mr. GOLDWATER) are necessarily absent.

The result was announced—yeas 47, nays 46, as follows:

[Rollcall Vote No. 373 Leg.]

YEAS—47

Baker
Bartlett
Bellmon
Brock
Bumpers
Byrd, Robert C.
Case
Chiles
Clark
Curtis
Dole
Domenici
Fannin
Fong
Ford
Garn
Glenn
Griffin
Hansen
Hart, Philip A.
Hatfield
Hathaway
Helms
Hruska
Huddleston
Inouye
Johnston
Long
Mansfield
Mathias
McClellan
McClure
Metcalf
Nunn
Packwood
Pearson
Randolph
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Symington
Taft
Thurmond
Tower
Young

NAYS—46

Abourezk
Allen
Bayh
Beall
Biden
Brooke
Burdick
Byrd, Harry F., Jr.
Cannon
Church
Cranston
Culver
Eagleton
Gravel
Hart, Gary W.
Hartke
Haskell
Hollings
Humphrey
Jackson
Javits
Kennedy
Laxalt
Leahy
Magnuson
McGovern
McIntyre
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Pastore
Pell
Percy
Proxmire
Ribicoff
Roth
Schweiker
Scott, William L.
Stevenson
Stone
Tunney
Weicker
Williams

NOT VOTING—6

Bentsen
Buckley
Eastland
Goldwater
McGee
Talmadge

So the bill (S. 2230) was passed, as follows:

S. 2230

To authorize appropriations for the Board for International Broadcasting for fiscal year 1976; and to promote improved relations between the United States, Greece, and Turkey, to assist in the solution of the refugee problem on Cyprus, and to otherwise strengthen the North Atlantic Alliance

Be it enacted by the Senate and House of Representatives of the United States of America in Congres assembled, That section 8(a) of the Board for International Broadcasting Act of 1973 (22 U.S.C. 2877(a)) is amended—

(1) by striking out $49,990,000 for fiscal year 1975, of which not less than $75,000 shall be available solely to initiate broadcasts in the Estonian language and not less than $75,000 shall be available solely to initiate broadcasts in the Latvian language" in the first sentence and inserting in lieu thereof $65,640,000 for fiscal year 1976"; and

(2) by striking out "fiscal year 1975" on the second sentence and inserting in lieu thereof "fiscal year 1976".

SEC. 2. (a) (1) The Congress reaffirms the policy of the United States to seek to improve and harmonize relations among the allies of the United States and between the United States and its allies, in the interest of mutual defense and national security. In particular, the Congress recognizes the special contribution to the North Atlantic Alliance of Greece and Turkey by virtue of their geographic position on the southeastern flank of Europe and is prepared to assist in the modernization and strengthening of their respective armed forces.

(2) The Congress further reaffirms the policy of the United States to alleviate the suffering of refugees and other victims of armed conflict and to foster and promote international efforts to ameliorate the conditions which prevent such persons from resuming normal and productive lives. The Congress, therefore, calls upon the President to encourage and to cooperate in the implementation of multilateral programs, under the auspices of the Secretary General of the United Nations, the United Nations High Commissioner for Refugees, or other appropriate international agencies, for the relief of and assistance to refugees and other persons disadvantaged by the hostilities on Cyprus pending a final settlement of the Cyprus refugee situation in the spirit of Security Council Resolution 361.

(b) (1) In order that the purpose of this Act may be carried out without awaiting the enactment of foreign assistance legislation for fiscal year 1976 programs—

(A) the President is authorized, notwithstanding section 620 of the Foreign Assistance Act of 1961, to furnish to the Government of Turkey those defense articles and defense services with respect to which contracts of sale were signed under section 21 or section 22 of the Foreign Military Sales Act on or before February 5, 1975, and to issue licenses for the transportation to the Government of Turkey of arms, ammunition, and implements of war (including technical data relating thereto): *Provided,* That such authorization shall be effective only while Turkey shall observe the cease-fire and shall neither increase its forces on Cyprus nor transfer to Cyprus any United States supplied implements of war: *Provided further,* That the authorities contained in this section shall not become effective unless and until the President determines and certifies to the Congress that the furnishing of defense articles and defense services, and the issuance of licenses for the transportation of implements of war, arms and ammunition under this section are important to the national security interests of the United States; and

(B) the President is requested to initiate discussions with the Government of Greece to determine the most urgent needs of Greece for economic and military assistance.

(2) The President is directed to submit to the Speaker of the House of Representatives and to the Foreign Relations and Appropriations Committees of the Senate within sixty days after the enactment of this Act a report on discussions conducted under subsection (b) (1) (B), together with his recommendations for economic and military assistance to Greece for the fiscal year 1976.

(c) (1) Section 620(x) of the Foreign Assistance Act of 1961 is amended by striking out all after the word *"Provided,"* and inserting in lieu thereof the following: "That the President is authorized to suspend the provisions of this section and of section 3(c) of the Foreign Military Sales Act only with respect to sales, credits, and guaranties under the Foreign Military Sales Act, as amended, for the procurement of such defense articles and defense services as the President determines and certifies to the Congress are necessary in order to enable Turkey to fulfill her defense responsibilities as a member of the North Atlantic Treaty Organization. Any such suspension shall be effective only while Turkey shall observe the cease-fire and shall neither increase its forces on Cyprus nor transfer to Cyprus any United States supplied arms, ammunition, and implements of war.".

(2) Section 620(x) of the Foreign Assistance Act of 1961 is further amended by designating the present subsection as paragraph (1) and by adding at the end thereof the following new paragraph:

"(2) The President shall submit to the Congress within sixty days after the enactment of this paragraph, and at the end of each succeeding sixty-day period, a report on progress made during such period toward the conclusion of a negotiated solution of the Cyprus conflict.".

(3) Nothing in this section shall be construed as authorizing (A) military assistance to Turkey under chapter 2 of part II of the Foreign Assistance Act of 1961, or (B) sales, credits, or guaranties to or on behalf of Turkey under the Foreign Military Sales Act for the procurement of defense articles or defense services not determined by the President to be needed for the fulfillment of Turkey's North Atlantic Treaty Organization responsibilities.

(4) Pursuant to the provisions of this section, in the case of any letter of offer to sell any defense article or defense service pursuant to the Foreign Military Sales Act for $25,000,000 or more, the President shall submit to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate a statement containing (A) a brief description of the defense article or defense service to be offered, (B) the dollar amount of the proposed sale, (C) the United States Armed Force which is making the sale, and (D) the date on which any letter of offer to sell is to be issued. The letter of offer shall not be issued if the Congress, within twenty calendar days after receiving any such statement, adopts a concurrent resolution stating in effect that it objects to such proposed sale.

(5) This subsection shall become effective only upon enactment of foreign assistance legislation authorizing sales, credits, and guaranties under the Foreign Military Sales Act for fiscal year 1976.

MESSAGE FROM THE HOUSE

ENROLLED BILLS SIGNED

A message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

H.R. 2559. An act to amend title 39, United States Code, to apply to the United States Postal Service certain provisions of law providing for Federal agency safety programs and responsibilities, to provide for cost-of-living adjustments of Federal executive salaries, and for other purposes.

H.R. 8597. An act making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

H.R. 8714. An act to amend the Railroad Unemployment Insurance Act to increase employment and sickness benefits, and for other purposes.

The enrolled bills were subsequently signed by the Vice President.

EXECUTIVE REPORT OF A COMMITTEE

As in executive session, the following executive report of a committee was submitted:

By Mr. MAGNUSON, from the Committee on Commerce: John Holliday Holloman III, of Mississippi, to be a member of the Federal Power Commission.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

NATIONAL PRODUCTIVITY AND QUALITY OF WORKING LIFE ACT OF 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of S. 2195, with the understanding that there be a 6-minute limitation for debate, 3 minutes to Mr. NUNN and 3 minutes to Mr. PERCY, and that there be——

Mr. WILLIAM L. SCOTT. Reserving the right to object——

Mr. ROBERT C. BYRD. Will the Senator allow me to complete my request. May I say this bill is cleared on the calendar by unanimous consent, and both Mr. NUNN and Mr. PERCY want a rollcall vote. Therefore, I ask unanimous consent that at such time as S. 2195 is called up and made the pending business before the Senate there be a 6-minute limitation thereon to be equally divided between Mr. PERCY and Mr. NUNN, and that at the expiration of the 6 minutes a vote occur thereon.

The VICE PRESIDENT. Is there objection?

Mr. WILLIAM L. SCOTT. Reserving the right to object, I would ask the distinguished Senator why can we not vote on this tomorrow? It is 15 minutes of 11, and I see no purpose in voting tonight on any matter that we can vote on tomorrow.

Mr. ROBERT C. BYRD. Well, may I say that this is bargain basement night. [Laughter.] This is an opportunity to get——

Mr. WILLIAM L. SCOTT. Mr. President, I object.

Mr. ROBERT C. BYRD. This is an opportunity to get another rollcall vote for the expiration of only 6 minutes.

Mr. WILLIAM L. SCOTT. Mr. President, I object.

The VICE PRESIDENT. Objection is heard.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the remainder of the order be abrogated.

The VICE PRESIDENT. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session—there will be no more rollcall votes tonight—I ask unanimous consent that the——

Mr. EAGLETON. Mr. President, will the distinguished assistant majority leader yield to me?

The VICE PRESIDENT. May we have order in the Chamber, please?

Mr. EAGLETON. May I ask the Chair whether a motion to reconsider the previous vote will be in order?

The VICE PRESIDENT. Only by someone who has voted with the prevailing side or who did not vote.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate go into executive session to consider certain nominations on the Executive Calendar.

The VICE PRESIDENT. Is there objection?

The clerk will report the nomination.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

The VICE PRESIDENT. Let us have order in the Chamber, please.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

DEPARTMENT OF DEFENSE AUTHORIZATION ACT, 1976—CONFERENCE REPORT

Mr. ROBERT C. BYRD. Mr. President, I submit a report of the committee of conference on H.R. 6674, and ask for its immediate consideration.

The VICE PRESIDENT. The report will be stated by title.

The legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6674) to authorize appropriations during the fiscal year 1976, and the period of July 1, 1976, through September 30, 1976, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loans, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The VICE PRESIDENT. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of July 26, 1975, at pp. 25173.)

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate go into executive session to consider certain nominations at the desk, some of which were reported earlier today.

The motion was agreed to and the Senate proceeded to the consideration of executive business.

The VICE PRESIDENT. The clerk will report the first nomination.

THE JUDICIARY

The second assistant legislative clerk read the nomination of Richard D. Rogers, of Kansas, to be U.S. district judge for the district of Kansas.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate.

The VICE PRESIDENT. The Senators will please return to their seats and we will have order in the Senate so that everybody can hear the proceedings.

Mr. ROBERT C. BYRD. Mr. President, there have been certain nominations that have been reported from the Judiciary Committee. Those are the nominations that I wish to have called up.

Mr. PEARSON. Just one.

The VICE PRESIDENT. All right.

Mr. HELMS. Mr. President, may we have order? I cannot hear.

The VICE PRESIDENT, The Senate will be in order.

Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

Mr. MAGNUSON. Mr. President, parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. MAGNUSON. We are in executive session, is that correct?

The VICE PRESIDENT. That is correct.

Mr. MAGNUSON. There is the nomination at the desk

The VICE PRESIDENT. I cannot hear. Can we have order in the Senate, please?

Mr. ROBERT C. BYRD. Mr. President, the nomination to which the distinguished Senator from Washington refers is in my hand, and I send it to the desk.

The VICE PRESIDENT. The clerk will report the nomination.

Mr. MAGNUSON. I thought I would send it in.

FEDERAL POWER COMMISSION

The second assistant legislative clerk read the nomination of John Holliday Holloman III, of Mississippi, to be a member of the Federal Power Commission.

The VICE PRESIDENT. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, there are three nominations, three other nominations, that I ask to be called up.

The VICE PRESIDENT. Without objection, the clerk will read the three nominations.

DEPARTMENT OF LABOR

The second assistant legislative clerk read the nomination of Robert O. Anders, of Ohio, to be Under Secretary of Labor.

Mr. HELMS. Mr. President, we still cannot hear. May we have order in the Senate, and I suggest we do not continue until we do have order.

The VICE PRESIDENT. I believe that is an excellent suggestion. May we please have order so that everybody can hear the nominations.

Mr. HELMS. I thank the Chair.

The VICE PRESIDENT. There now being quiet, will the clerk please continue with the reading of the nominations.

Without objection, the nomination of Mr. Anders is considered and confirmed.

NATIONAL MEDIATION BOARD

The second assistant legislative clerk read the nomination of George S. Ives, of Maryland, to be a member of the National Mediation Board for the term expiring July 1, 1978.

The VICE PRESIDENT. Without objection, the nomination is considered and confirmed.

ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION

The second assistant legislative clerk read the nomination of James D. Isbister, of Maryland, to be Administrator of the Alcohol, Drug Abuse, and Mental Health Administration.

The VICE PRESIDENT. Without objection, the nomination is considered and confirmed.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

THE VICE PRESIDENT. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, with statements therein limited to 5 minutes each, for the purpose only of the introduction of bills and resolutions, petitions, memorials, and the receipt of committee reports.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. HUGH SCOTT. Will the Senator yield?

The VICE PRESIDENT. The Senator from Pennsylvania.

Mr. HUGH SCOTT. I move to reconsider the vote by which S. 2230 was passed.

Mr. GRIFFIN. I move to lay that motion on the table.

The VICE PRESIDENT. Did the Senator from Pennsylvania move to reconsider?

Mr. HUGH SCOTT. Yes.

Mr. GRIFFIN. And I moved to lay that on the table.

The VICE PRESIDENT. The Senator can enter the motion on this, but not make the motion.

Mr. HUGH SCOTT. What is that?

The VICE PRESIDENT. There is another legislative matter before the Senate which has a unanimous-consent agreement on it limiting debate and thus the motion is not in order.

Mr. HUGH SCOTT. I withhold it.

SENATE RESOLUTION 233—SUBMISSION OF A RESOLUTION RELATING TO SALE OF CERTAIN JOINT NEWSPAPER-BROADCAST PROPERTIES

Mr. BEALL. Mr. President, I am today submitting a "Sense of the Senate Resolution" calling on the Federal Communications Commission to come to an expeditious decision on the application for waivers filed by the Washington Star for the sale of joint newspaper-broadcast properties.

It is not my intention to interfere with or prejudice, in any way, the substance of the waiver requests filed by the Star. I believe it essential, however, that a timely decision be reached in this matter.

Certainly in this, the Nation's Capital, one can expect a high degree of journalistic enterprise. Competition is an essential element in the gathering and reporting of local and national news. For many long years, the Washington Star has been an aggressive and important factor in reporting the events of the times to the public.

Now the paper has fallen on hard times. It is in financial difficulties and the ownership of the newspaper is currently being negotiated. The newspaper's publisher has applied for ownership, but says that the paper's broadcasting properties are essential to a successful transition. I do not advocate this position, I merely present it.

The newspaper has filed petitions with the FCC for waivers of the regulations prohibiting multiple ownership of broadcasting and newspaper properties. The matter is further complicated by the fact that this is the first case to be considered under newly promulgated rulings by the FCC.

As I have stated, it is not my intention to prejudice or interfere in the substance of this matter. It is my intention, however, to state clearly to the Federal Communications Commission my objections to anything other than expeditious resolution of this matter.

Certainly the Star management or those seeking to purchase, needs to know how to go about the business of financial planning. A delay of the magnitude indicated by the FCC could virtually destroy the newspaper. One of Washington's two major daily newspapers is in financial trouble. It would be totally unconscionable if the newspaper were forced to stop its presses because an agency of the Federal Government could not make a decision on the matter in a timely manner.

I urge my colleagues to join me in this resolution to call on the Federal Communications Commission to come to an expeditious decision in this matter.

Mr. President, I send the resolution to the desk and ask unanimous consent that it be immediately considered.

The VICE PRESIDENT. Is there objection?

Several Senators addressed the Chair.

Mr. ROBERT C. BYRD. Mr. President, let the clerk state the title.

The legislative clerk read as follows:

A resolution to express the sense of the Senate that the Federal Communications Commission render a decision on the request of the Washington Star for a waiver of the multiple ownership rules as expeditiously as possible.

Mr. WILLIAM L. SCOTT. Mr. President, reserving the right to object, it was my understanding that the distinguished majority whip asked unanimous consent that there be time for routine morning business, that there not be any legislative business. So I make a point of order against the consideration of the matter under those circumstances.

Now, if there is a change in the statement of the distinguished Senator from West Virginia, I will object.

The PRESIDING OFFICER. (Mr. CHILES). It is not a motion, it is a unanimous-consent request and one can always make a unanimous-consent request. So the request is in order. The point of order does not lie. Is there objection?

Mr. WILLIAM L. SCOTT. I object.

The PRESIDING OFFICER. Objection is heard.

The resolution will go over under the rule.

The resolution, which was ordered to lie over, under the rule, is as follows:

S. RES. 233

Whereas The Washington Star newspaper was and is in financial difficulty;

Whereas the ownership of the Washington Star is being negotiated;

Whereas the management of The Washington Star alleges that the viability of the newspaper is dependent upon the purchase of the Washington Star Communications, Inc.;

Whereas The Washington Star has petitioned the Federal Communications Commission for waivers of its multiple ownership rules;

Whereas The Washington Star applied for such waiver to the Federal Communications Commission eight months ago;

Whereas the Federal Communications Commission decided on July 22 to hold public hearings which could result in a delay for more than a year;

Whereas it is in the public interest that there be competitive newspapers in the Nation's Capital; and

Whereas the Senate by the adoption of this resolution does not intend to prejudice the substance of this waiver request, to interfere with the regulatory process, or to influence the issue of the ultimate ownership of the newspaper, therefore be it

Resolved that it is the sense of the Senate that the Federal Communications Commission render a decision on this waiver request as expeditiously as possible so that bureaucratic delay will not be a contributing factor to the possible demise of one of two of Washington, D.C.'s major newspapers.

Mr. WILLIAM L. SCOTT. Mr. President, I believe that there are two sides to this matter that the distinguished Senator from Maryland has raised and I believe it should be discussed at some length.

Now, as I understand it, the present management of the newspaper wants the Federal Communications Commission to waive its rules, not hold a hearing. I believe a hearing is often desirable. How does one know the facts without hearing the evidence?

I am going to oppose this resolution and I ask at this time that if it comes up that I be afforded the opportunity to be notified and afforded the opportunity to oppose the resolution.

Mr. FORD. Will the Senator from Virginia yield?

Mr. WILLIAM L. SCOTT. I am glad to yield to the Senator.

The PRESIDING OFFICER. The Senator from Kentucky requests the Senator from Virginia to yield.

Mr. WILLIAM L. SCOTT. I am glad to yield to the Senator.

Mr. FORD. Did the Senator read the editorial in the Washington Post regarding this question?

Mr. WILLIAM L. SCOTT. No, I never read the Post, I——

Mr. FORD. Well I had noticed that many Members from the Senator's side have submitted editorials as it pertained to certain items that would be beneficial.

The Post even suggested that this be expedited so we could have two newspapers in this great metropolitan area of Washington, D.C.

I would hope that the Senator from Virginia would not object so we could have an opportunity to listen to the Senator from Maryland and we could have two newspapers to read in this community.

Mr. WILLIAM L. SCOTT. Mr. President, it is 11 o'clock, I do not think this is the time to be arguing. I will be ready to oppose the resolution at the proper time.

Mr. FORD. The Senator left early last night.

Mr. BEALL. Mr. President, I agree with the Senator from Virginia that it is not wise to argue the matter at this time in the evening.

I would only suggest that he read the resolution and he will find it quite pointedly suggests that we are making no comment as to the merit of the case of the present ownership, we are making no suggestion as to who the future owners should be.

All we are suggesting is that it would be a shame because of bureaucratic lethargy that a newspaper now in business in the District of Columbia would be caused to cease its operation.

All I suggest is that the FCC use all due haste in doing what it has to do, in rendering a decision in this case, so that the Federal bureaucracy cannot be held responsible for the demise of a newspaper that should be——

Mr. BROCK. Will the Senator yield?

Mr. BEALL. I yield to the Senator from Tennessee.

Mr. BROCK. I would like to compliment the Senator from Maryland. All he has asked is that the FCC act in a fashion so as to prevent the destruction of a newspaper simply because of inaction. He has not suggested any particular course of action that is within the competence and jurisdiction of the Federal Communications Commission, but he has said, for goodness sake, quit acting like a bunch of idiots and deal with the problem before bankruptcy solves the problem.

If the Senator will permit me, I would like the privilege of cosponsoring his resolution.

Will the Senator from Maryland permit me the privilege of joining him as a cosponsor, by unanimous consent?

Mr. BEALL. I ask unanimous consent that the Senator from Tennessee be named a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RANDOLPH. Mr. President, I would like to be made a cosponsor, also.

Mr. BEALL. Mr. President, I ask unanimous consent that the Senator from West Virginia be named a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. Would the Senator from Maryland add the name of the junior Senator from Kentucky as a cosponsor?

Mr. BEALL. I ask unanimous consent that the junior Senator from Kentucky be named a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL ROUTINE MORNING BUSINESS

The following additional routine morning business was transacted by unanimous consent:

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. BROCK:

S. 2258. A bill to establish a method whereby the Congress may assure a more effective use of tax dollars. Referred to the Committee on Government Operations.

By Mr. McGOVERN:

S. 2259. A bill to amend title XVI of the Social Security Act to permit the exclusion from the resources of an individual certain amounts set aside to defray such individual's funeral and burial expenses. Referred to the Committee on Finance.

By Mr. STENNIS (for Mr. EASTLAND) (for himself, Mr. STENNIS, and Mr. McCLELLAN):

S. 2260. A bill to establish improved programs for the benefit of producers and consumers of rice. Referred to the Committee on Agriculture and Forestry.

SENATE RESOLUTION 232—SUBMISSION OF A RESOLUTION RELATING TO THE NATIONAL PARK SERVICE

(Referred to the Committee on Interior and Insular Affairs.)

Mr. MOSS submitted the following resolution:

S. RES. 232

Whereas, the United States will celebrate the bicentennial of its birth as a nation in 1976, and

Whereas, the National Park System, an American concept, admired and copied by many countries in the world, as a symbol of dedication to the preservation of great natural phenomenon and beauty for the use and enjoyment of all people, and

Whereas, the availability of these resources for the inspiration and recreational benefit of all people is of primary importance, and

Whereas, the Congress of the United States enacted, and the President approved, Public Law 89–249, to provide for lodging, facilities and services to make these parks available for the use, enjoyment, and benefit of all people, and

Whereas, the policies of P.L. 89–249 cry for reaffirmation,

Now therefore, be it resolved: that the National Park Service, as the Federal agency entrusted with the responsibility for administering these areas be advised that it is the sense of the Senate of the United States that the National Park Service should take all appropriate action to carry out the terms of P.L. 89–249 to assure the availability of lodging and other services and facilities where appropriate in the National Park System, thus enabling all of our citizens to use and enjoy their National Parks, said use and enjoyment to be consistent with the obligation of said National Park Service to protect the Parks from irreparable harm, and

Be it further resolved: that this Resolution be spread on the records of the United States Senate and a copy thereof be furnished to the Secretary of the Interior and the Director of the National Park Service.

Mr. MOSS. Mr. President, today the Western Conference met to discuss the adoption of a resolution opposing National Park Service policy to phase out overnight lodging concessions in our national parks. The National Park Service seems determined to eliminate overnight lodging concessions from the national parks. This policy has important ramifications for those people who visit our national parks because it would limit the use of the parks which belong to the people. I am pleased to report that the Western Conference adopted a resolution affirming the statutory intent expressed in Public Law 89–249, that intent being to encourage private concessioners to provide and operate facilities to accommodate visitors to our national parks.

Contrary to congressional intent the National Park Service has interpreted Public Law 89–249 as the statutory basis for discontinuing overnight lodging facilities at Zion National Park. Interpreting the language of this law as a sanction for the removal of overnight lodging facilities blatantly misconstrues this statute.

It is the wish of the Western Conference that the following resolution be introduced in the Senate to express our opposition to the phaseout of overnight lodging facilities in our national parks.

AMENDMENT SUBMITTED FOR PRINTING

IMPORTATION FREE OF DUTY OF CERTAIN MATERIALS—H.R. 7715

AMENDMENT NO. 857

(Ordered to be printed and to lie on the table.)

Mr. MOSS submitted an amendment intended to be proposed by him to the bill (H.R. 7715) to extend until the close of June 30, 1978, the period during which certain dyeing and tanning materials may be imported free of duty.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PROXMIRE (for himself and Mr. TOWER) (by request):

S. 2233. A bill to amend the Federal Deposit Insurance Act (12 U.S.C. 1811–31b), and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. PROXMIRE. Mr. President, at the request of the Chairman of the Federal Deposit Insurance Corporation, Senator TOWER and I are introducing legislation to amend the Federal Deposit Insurance Corporation Act. This legislation contains a number of technical "housekeeping" amendments and will not effect any changes of a controversial nature.

I ask unanimous consent that the text of the bill, an analysis thereof, and a letter from Chairman Wille, be printed in the RECORD at the end of my remarks.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 2233

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. (a) Section of the Federal Deposit Insurance Act (12 U.S.C. 1813) is amended by deleting the word "only" in subsection (1)(5); by substituting "' domestic branch'" after the word "term" in subsection (o); by changing the period at the end of that subsection to a semicolon; and by inserting after such semicolon the following: "and the term 'foreign branch' means any office, place of business, or similar establishment located outside of the United States, its Territories, Puerto Rico, Guam, American Samoa, and the Virgin Islands."

(b) Section 18(d) of the Federal Deposit Insurance Act (12 U.S.C. 1828(d)) is amended by inserting "domestic" between "new" and "branch" and "such" between 'any" and "branch" in the first sentence thereof; and by designating the first two sentences as subparagraph (1) and adding after subparagraph (1) a new subparagraph as follows:

"(2) No State nonmember insured bank shall establish or operate any foreign branch, except with the prior written consent of the Corporation and upon such conditions and pursuant to such regulations as the Corporation may prescribe from time to time."

(c) Section 18 of the Federal Deposit Insurance Act (12 U.S.C. 1828) is amended by adding thereto the following new subsection (*1*);

"(1) When authorized by State law a State nonmember insured bank may, but only with the prior written consent of the Corporation and upon such conditions and under such regulations as the Corporation may prescribe from time to time, acquire and hold, directly or indirectly, stock or other evidences of ownership in one or more banks or other entities organized under the law of a foreign country or a dependency or insular possession of the United States and not engaged, directly or indirectly, in any activity in the United States except as, in the judgment of the Board of Directors, shall be incidental to the international or foreign business of such foreign bank or entity; and, notwithstanding the provisions of subsection (j) of this section (12 U.S.C. 1828(j)), such State nonmember insured bank may, as to such foreign bank or entity, engage in transactions that would otherwise be covered thereby, but only in the manner and within the limits prescribed by the Corporation by general or specific regulation or ruling."

Sec. 2. The sixth sentence of Section 7(a)(3) of the Federal Deposit Insurance Act (12 (U.S.C. 1817(a)(3)) is amended to read as follows:

"The correctness of said report of condition shall be attested by the signatures of at least two directors or trustees of the reporting bank, bank other than the officer making such declaration, with a declaration that the report has been examined by them and to the best of their knowledge and belief is true and correct."

Sec. 3. (a) Section 8(b)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1818(b)(1)) is amended to read as follows: "(b)(1) If, in the opinion of the appropriate Federal banking agency, any insured bank, bank which has insured deposits or any director, officer, employee, agent, or other person participating in the conduct of the affairs of such bank is engaging or has engaged, or the agency has reasonable cause to believe that the bank or any director, officer, employee, agent, or other person participating in the conduct of the affairs of such bank is about to engage, in an unsafe or unsound practice in conducting the business of such bank, or is violating or has violated, or the agency has reasonable cause to believe that the bank or any director, officer, employee, agent, or other person participating in the conduct of the affairs of such bank is about to violate, a law, rule, or regulation, or any condition imposed in writing by the agency in connection with the granting of any application or other request by the bank, or any written agreement entered into with the agency, the agency may issue and serve upon the bank and/or such director, officer, employee, agent, or other person a notice of charges in respect thereof. The notice shall contain a statement of the facts constituting the alleged violation or violations or the unsafe or unsound practice or practices, and shall fix a time and place at which a hearing will be held to determine whether an order to cease and desist therefrom should issue against the bank and/or the director, officer, employee, agent, or other person participating in the conduct of the affairs of such bank. Such hearing shall be fixed for a date not earlier than 30 days nor later than 60 days after service of such notice unless an earlier or a later date is set by the agency at the request of any party so served. Unless the party or parties so served shall appear at the hearing by a duly authorized representative, they shall be deemed to have consented to the issuance of the cease-and-desist order. In the event of a consent, or if upon the record made at any such hearing, the agency shall find that any violation or unsafe or unsound practice specified in the notice of charges has been established, the agency may issue and serve upon the bank and/or the director, officer, employee, agent, or other person participating in the conduct of the affairs of such bank an order to cease and desist from any such violation or practice. Such order may, by provisions which may be mandatory or otherwise, require the bank and/or its directors, officers, employees, agents and other persons participating in the conduct of the affairs of such bank to cease and desist from the same, and, further, to take affirmative action to correct the conditions resulting from any such violation or practice.

(b) Section 8(c)(1) and (2) of the Federal Deposit Insurance Act (12 U.S.C. 1818(c)(1) and (2)) are amended to read as follows: "(c)(1) Whenever the appropriate Federal banking agency shall determine that the violation or threatened violation or the unsafe or unsound practice or practices, specified in the notice of charges served upon the bank or any director, officer, employee, agent, or other person participating in the conduct of the affairs of such bank pursuant to paragraph (1) of subsection (b) of this section, or the continuation thereof, is likely to cause insolvency or substantial dissipation of assets or earnings of the bank, or is likely to otherwise seriously prejudice the interests of its depositors, the agency may issue a temporary order requiring the bank and/or such director, officer, employee, agent or other person to cease and desist from any such violation or practice. Such order shall become effective upon service upon the bank and/or such director, officer, employee, agent, or other person participating in the conduct of the affairs of such bank and, unless set aside, limited, or suspended by a court in proceedings authorized by paragraph (2) of this subsection, shall remain effective and enforceable pending the completion of the administrative proceedings pursuant to such notice and until such time as the agency shall dismiss the charges specified in such notice, or if a cease-and-desist order is issued against the bank and/or such director, officer, employee, agent or other person, until the effective date of such order.

"(2) Within ten days after the bank or any director, officer, employee, agent or other person participating in the conduct of the affairs of such bank has been served with a temporary cease-and-desist order, the bank and/or such director, officer, employee, agent or other person may apply to the United States district court for the judicial district in which the home office of the bank is located, or the United States District Court for the District of Columbia, for an injunction setting aside, limiting, or suspending the enforcement, operation, or effectiveness of such order pending the completion of the administrative proceedings pursuant to the notice of charges served upon the bank and/or such director, officer, employee, agent or other person under paragraph (1) of subsection (b) of this section, and such court shall have jurisdiction to issue such injunction."

Sec. 4. Section 8(q) of the Federal Deposit Insurance Act (12 U.S.C. 1818(q)) is amended to read as follows:

"(q) Whenever the liabilities of an insured bank for deposits shall have been assumed by another insured bank or banks, whether by way of merger, consolidation or other statutory assumption, or pursuant to contract, (1) the insured status of the bank whose liabilities are so assumed shall terminate on the date of receipt by the Corporation of satisfactory evidence of such assumption; (2) the separate insurance of all deposits so assumed shall terminate at the end of six months from the date such assumption takes effect or, in the case of any time deposit, the earliest possible date after the six-month period on which such time deposit could be withdrawn without penalty; and (3) the assuming or resulting bank shall give notice of such assumption to each of the depositors of the bank whose liabilities are so assumed within 30 days after such assumption takes effect. Where the deposits of an insured bank are assumed by a newly insured bank, the bank whose deposits are assumed shall not be required to pay any assessment upon the deposits which have been so assumed after the assessment upon the deposits which have been so assumed after the semiannual period in which the assumption takes effect."

Sec. 5. (a) Section 10(b) of the Federal Deposit Insurance Act (12 U.S.C. 1820(b)) is amended by inserting in the first sentence in lieu of the words between "(except a District bank)," and "and any closed insured bank," the following: "any institution making application to become an insured bank,".

(b) Section 10(c) of the Federal Deposit Insurance Act (12 U.S.C. 1820(c)) is amended by inserting in the first sentence between the words "insured banks," and the words "and affiliates thereof," the following: "institutions making application to become insured banks,".

(c) Section 10(c) of the Federal Deposit Insurance Act (12 U.S.C. 1820(c)) is amended by revising the last sentence thereof to read as follows: "For purposes of this section, the term 'affiliate' shall have the same meaning as where used in section 23A of the Federal Reserve Act except that the term 'member bank' in said section 23A and in section 2(b) of the Banking Act of 1933 shall be deemed to refer to an insured bank."

Sec. 6. Section 18(c)(1)(B) of the Federal Deposit Insurance Act (12 U.S.C. 1828(c)(1)(B)) is amended to insert the following after the word "deposits" therein: "(including liabilities which would be 'deposits' except for the proviso in Section 3(1)(5) of this Act)".

Sec. 7. Section 1114 of title 18, United States Code, is amended by adding at the end thereof, before the words "shall be punished," the words "or any attorney, liquidator, examiner, claim agent, or other employee of the Federal Deposit Insurance Corporation while in the performance of his official duties."

Sec. 8. Section 11 of the Federal Deposit Insurance Act (12 U.S.C. 1821) is hereby amended by adding thereto the following new subsection (m):

"(m) Notwithstanding any other provision of State or Federal law, any claims of a landlord for damages or indemnity for injury resulting from the rejection or abandonment of an unexpired lease of real estate to an insured bank which has been closed or taken over by the banking authority of the State or other bank supervisory authority shall in no event exceed the rent reserved by the lease, without acceleration, for the year next succeeding the date of the surrender of the premises to the landlord or the date of reentry by the landlord, whichever first occurs, whether before or after the closing of the bank, plus an amount equal to the unpaid rent accrued, without acceleration, up to such date."

Sec. 9. Section 5 of the Bank Service Corporation Act (12 U.S.C. 1865) is amended to read as follows:

"Whenever any bank subject to examination by a Federal supervisory agency causes to be performed, by contract or otherwise, any bank services for itself, whether on or off its premises,

"(1) such performance shall be subject to regulation and examination by such agency to the same extent as if the services were being performed by the bank itself on its own premises, and

"(2) the bank shall notify such agency of the existence of a service relationship within 30 days after entering into the service contract or performance of the service, whichever occurs first."

Federal Deposit Insurance
Corporation,
Washington, D.C., July 22, 1975.

Hon. Nelson Rockefeller,
President of the Senate
U.S. Senate
Washington, D.C.

Dear Mr. President: Enclosed for appropriate referral and consideration is a bill "To amend the Federal Deposit Insurance Act (12 U.S.C. 1811–31), and for other purposes" and a section-by-section analysis thereof. This bill contains a number of technical, "housekeeping" amendments to the Federal Deposit Insurance Act, but is not designed to effect any changes of a controversial nature.

Sincerely,

Frank Wille,
Chairman.

Enclosures.

Housekeeping Bill Proposals

SECTION-BY-SECTION ANALYSIS

Section 1.—This section of the bill would make clear that deposits payable at a foreign branch of an insured bank are not "deposits" covered by the Federal Deposit Insurance Act, would include a definition of "foreign branch" in the Act and would give the Corporation express authority over the establishment and operation of foreign branches and the acquisition of the shares of foreign banks by State nonmember insured banks similar to that exercised by the Federal Reserve with respect to foreign branches and foreign bank acquisitions of member banks. The Corporation believes this amendment is necessary in light of the establishment by some State nonmember insured banks of foreign offices and the acquisition by some such banks of stock in foreign banks.

Section 2.—This Section would amend the Federal Deposit Insurance Act to permit the signatures of two directors or trustees to attest to the correctness of a report of condition of an insured nonmember bank. The signatures of two directors or trustees are currently permitted by the Act only if the bank does not have more than three directors or trustees. Accordingly, when the Corporation receives a report of condition attested by the signatures of two directors or trustees, it often must undertake time-consuming investigations to determine the total number of directors or trustees of the insured nonmember bank.

Section 3.—This Section would amend paragraphs (b) and (c) of Section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818(b) and (c)) to provide that directors, officers, employees, agents and other persons participating in the conduct of the affairs of a bank may also be named in a cease-and-desist proceeding. Presently the appropriate regulatory agency can only move against the bank, and it is believed that the ability to reach officers, directors, etc., under cease-and-desist orders would result in a greater ability to correct the harm sometimes done to insured banks by such persons.

Section 4.—This Section would amend Section 8(q) of the Federal Deposit Insurance Act (12 U.S.C. 1818(q)) to provide that where the deposit liabilities of an insured bank are assumed by another insured bank the insurance of time deposits so assumed shall continue to be separately insured to the earliest maturity more than six months after the effective date of the assumption at which the depositor could be paid without penalty. Demand and savings deposits so assumed shall continue to be separately insured for a period of six months after the effective date of the assumption.

Section 5.—This Section would make clear that, in connection with an examination, the Corporation is authorized to take the testimony and subpoena the records of institutions making applications to become insured banks. Section 5 would also authorize the Corporation, in connection with the examination of an insured bank, to examine any company which is an "affiliate" of such bank as that term is used in Section 23A of the Federal Reserve Act (12 U.S.C. 371c), which, in conjunction with Section 18(j) of the Federal Deposit Insurance Act (12 U.S.C. 1828(j)), prohibits certain loans to affiliates of insured banks. The proposed amendment would conform the definitions of "affiliate" as used in these closely related contexts and would permit the Corporation to examine any bank holding company of which a nonmember insured bank is a subsidiary within the meaning of the Bank Holding Company Act, as well as any other subsidiary of such company.

Section 6.—This Section would amend Section 18(c)(1)(B) of the Federal Deposit Insurance Act (12 U.S.C. 1828(c)(1)(B)) to make clear that the Corporation's approval is necessary in connection with the assumption by an insured bank of the deposit liabilities of a foreign noninsured bank, notwithstanding the exclusion of such liabilities from the definition of the term "deposits" in Section 3(*l*)(5) of that Act (12 U.S.C. 1813(*l*)(5)).

Section 7.—This Section would amend 18 U.S.C. 1114 to make it a felony to kill or (under 18 U.S.C. 111) to *forcibly* assault, resist, oppose, impede, intimidate or interfere with an FDIC attorney, liquidator, examiner, claim agent or other FDIC employee who is acting in an official capacity. Such acts against Corporation employees engaged in their official duties are not presently Federal crimes, and the State sanctions which can be applied in these cases often differ in substance and application. The enactment of Section 7 would equally proscribe such acts in all States.

Section 8.—This Section of the bill would add a new provision to our Act which would limit the right of the lessor of leases entered into by insured banks for future rents in the event the bank is closed or is taken over by the State banking authority or other banking authority. This clause is patterned after comparable provisions contained in the Federal Bankruptcy Act which fix the right of a lessor of a bankrupt to receive future rents under an unexpired lease. These provisions are not presently applicable to banks. The need for this legislation is based on the fact that the Corporation, as insurer of deposits and receiver of most closed insured banks, both national and State, bears much of the risk and has the responsibility, both to itself and other creditors, to limit unnecessary expense to the receivership estate.

Section 9.—The Bank Service Corporation Act (12 U.S.C. 1861–65) presently requires federally regulated banks and persons performing certain clerical services for such banks to give written assurances that such services will be subject to Federal regulation and examination to the same extent as if they were performed by the bank itself. Section 9 would eliminate the requirement to furnish such assurances and would make the performance of such services automatically subject to Federal regulation and examination. The proposed amendment would also require every such bank to notify the appropriate Federal bank regulatory agency within 30 days of the existence of a service relationship.

By Mr. PROXMIRE:

S. 2234. A bill to abolish certain Federal agencies and for other purposes. Referred to the Committee on Government Operations.

A BILL TO ABOLISH 13 GOVERNMENT AGENCIES

Mr. PROXMIRE. Mr. President, today I am introducing a bill which would abolish 13 Government agencies. Congress has a genius for creating new departments, agencies, boards, commissions, and bureaus, but it almost never abolishes them. This bill is a modest beginning at reducing the size and inefficiency of the Federal Government. When fully in effect it would save the taxpayers over $700 million a year.

As chairman of the Senate Banking, Housing and Urban Affairs Committee, the Subcommittee on Priorities and Economy in Government of the Joint Economic Committee, and the Subcommittee on HUD-Independent Offices of the Appropriations Committee, which fund some of these agencies, I have had a particular interest in them.

Last year I introduced a bill to kill 17 agencies. With the death of the Economic Stabilization Act, which I helped to engineer through the Senate Banking Committee, 9 of the 17 were abolished. Now I am introducing a bill to kill the remaining eight plus five additional unnecessary agencies, boards, or commissions.

The bill would kill the ICC, the Selective Service System, the National Selective Service Appeal Board, the Overseas Private Investment Corporation, the so-called department of dirty tricks of the CIA plus any police, law enforcement, or internal security operation within the United States, the Small Business Administration, the civil defense functions of the Department of Defense, the Renegotiation Board, the President's Council on Physical Fitness and Sports, the Civil Aeronautics Board, the Occupational Safety and Health Review Commission, the Community Development Corporation, CDC, of the Department of Housing and Urban Development and the New Communities Administration of HUD.

Some necessary functions of existing agencies such as the disaster loan functions of the SBA, warnings against impending enemy attacks, and warnings against natural disasters are transferred to the Secretary of Commerce, the Secretary of Defense, and OMB respectively.

REASONS WHY AGENCIES SHOULD BE ABOLISHED

There are a great many reasons why these agencies should be abolished. They have outlived their usefulness or are failing to carry out the functions they were designed to carry out, or in some cases they are, in fact, promoting the opposite policies they were created to follow.

With respect to the specific agencies, here is why they should be killed:

Selective Service—No one is being drafted. No one can be drafted without a further act of Congress. Yet they have asked for $48 million to carry out their functions this year. Now that the Volunteer Army is a success, this agency should be killed.

National Selective Service Appeal Board.—The same reasons apply. They spent $33,000 last year for one member plus travel. Abolish it by law.

The Interstate Commerce Commission.—This agency was set up to prevent monopoly in transportation. Instead it promotes monopoly among railroads, barges, and truck lines. There is now enough competition in transportation that we can get rid of the ICC, which has more cobwebs than any agency in Government.

The Overseas Private Investment Corporation, OPIC.—This agency guarantees U.S. firms abroad against confiscation. But that should be reflected in their rate of return. It is not the function of taxpayers to provide bailout funds for ITT or other U.S. companies abroad.

CIA's department of dirty tricks and domestic U.S. police and internal security activities.—The CIA's covert activities abroad and illegal police activities at home got it into terrible trouble. The one thing the CIA does really well is to collect intelligence information. They should get on with that job and forget the 10 percent of their functions which have given them their bad name.

Small Business Administration.—Small business needs help. But this agency has been a repository for patronage and scandals rather than a help for small business. In order to get this proper function going we must end the SBA and give small business the means to help itself.

Civil Defense.—This has been the biggest boondoggle in the Government. In the nuclear age there is literally no place to hide.

The Renegotiation Board. — This agency could do a great job if it had the will and the authority. But it is now a toothless tiger. It must be reformed or killed.

The President's Council on Physical Fitness and Sports.—This agency is a good one. But if there were ever functions which are private rather than governmental they are physical fitness and sports. The President can perform his ceremonial functions with respect to American athletes without a minor bureaucracy.

The Civil Aeronautics Board.—The airlines are crying out for lower fares and full planes. But the CAB keeps prices high and planes half-empty. Competition for routes and in fares would be a great boon to the public. End the CAB.

The Occupational Safety and Health Review Commission.—This agency is a classic example of inefficiency, internal squabbles, and unnecessary functions. They have just published their 1973 report. Nothing they do which needs to be done could not be done by the Secretary of Labor. End the Commission and transfer its needed functions to the Labor Department.

The Community Development Corporation and the New Communities Administration of HUD.—These are the "new town" agencies. But new towns are upper middle class institutions with no specific functions that should be subsidized. They need so much front-end money most of them are broke or going broke in any case. This has been a mistaken experiment. We should get out of it—now.

I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2234

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "the Federal Agency Efficiency Act."

Sec. 2. The Interstate Commerce Commission is abolished.

Sec. 3. The Selective Service System is abolished.

Sec. 4. The National Selective Service Appeal Board is abolished.

Sec. 5. The Overseas Private Investment Corporation is abolished.

Sec. 6. Section 102 of the National Security Act of 1947, as amended (50 U.S.C. 403), is amended by adding at the end thereof a new subsection as follows:

"(g) (1) Nothing in this or any other Act shall be construed as authorizing the Central Intelligence Agency to—

"(A) carry out directly or indirectly, within the United States, either on its own or in cooperation or conjunction with any other department, agency, organization, or individual any police or police-type operation or activity, any law enforcement operation or activity, or any internal security operation or activity;

"(B) provide assistance of any kind, directly or indirectly, to any other department or agency of the Federal Government, to any department or agency of any State or local government, or to any officer or employee of any such department or agency engaged in police or police-type operations or activities, law enforcement operations or activities, or internal security operations or activities within the United States unless such assistance is provided with the prior, specific written approval of the President and of the Central Intelligence Agency oversight subcommittees of the Committees on Appropriations and the Committees on Armed Services of the Senate and the House of Representatives;

"(C) participate, directly or indirectly, in any illegal activity within the United States; or

"(D) engage in any covert action in any foreign country unless such action has been specifically approved in writing by the President and by the Central Intelligence Agency oversight subcommittees of the Committees on Appropriations and the Committees on Armed Services of the Senate and the House of Representatives.

"(2) As used in paragraph (1) (D) of this subsection, the term 'covert action' means covert action as defined by the National Security Council based on the commonly accepted understanding of that term within the intelligence community of the Federal Government and the practices of the intelligence community of the Federal Government during the period 1950 through 1970.".

Sec. 7. (a) The disaster loan functions of the Small Business Administration under section 7(b) of the Small Business Act are transferred to the Secretary of Commerce.

(b) The Small Business Administration is abolished.

Sec. 8. Except for—

(1) the functions of the Secretary of Defense relating to altering the public against an enemy attack, and

(2) the functions of any Federal agency relating to a warning system for impending natural disaster, as determined pursuant to regulations of the Office of Management and Budget,

all offices of the Department of Defense relating to civil defense are abolished.

Sec. 9. The Renegotiation Board is abolished.

Sec. 10. The President's Council on Physical Fitness and Sports is abolished.

Sec. 11. The Civil Aeronautics Board is abolished.

Sec. 12. The Occupational Safety and Health Review Commission is abolished.

Sec. 13. The Community Development Corporation (CDC) of the Department of Housing and Urban Development is abolished.

Sec. 14. The New Communities Administration of the Department of Housing and Urban Development is abolished.

Sec. 15. The President is authorized to take whatever action is necessary to carry out the provisions of this Act except that the President may not by Executive order or otherwise reestablish any office or agency abolished by this Act.

Sec. 16. All personnel, property, records, obligations, commitments, and unexpended balances of appropriations, allocations, and other funds which the Director of the Office of Management and Budget determines are used primarily in the administration of the disaster loan program under section 7(d) of the Small Business Act are transferred to the Department of Commerce.

Sec. 17. The provisions of this Act shall take effect thirty days after the date of its enactment.

By Mr. FANNIN (for Mr. Jackson and himself) (by request).

S. 2235. A bill to amend certain laws relating to livestock trespass on Indian lands. Referred to the Committee on Interior and Insular Affairs.

Mr. FANNIN. Mr. President, I introduce for myself and the distinguished chairman of the committee, Mr. Jackson, by request, an administration proposal to amend certain laws relating to livestock trespass on Indian lands.

I ask unanimous consent that the administration's comments transmitting the bill to Congress be printed in the Record following my brief remarks.

There being no objection, the material was ordered to be printed in the Record, as follows:

S. 2235

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, (a) That any person owning or having in his charge or possession any livestock (including but not limited to horses, mules, burros, cattle, goats, sheep, or swine) who willfully permits, drives, or otherwise conveys such livestock to range and feed or otherwise trespass on any trust or restricted land of any Indian or Indian tribe without the consent of said Indian or Indian tribe, shall be liable to such Indian or Indian tribe for a civil penalty of ten times the fair market daily value of grazing by such livestock, as established for the reservation or land involved and published from time to time by the Secretary of the Interior in the Federal Register, per trespassed unit of livestock per day or fraction thereof of trespass.

(b) Any person permitting such trespass, not otherwise willful, who shall fail to remove such livestock within five calendar days after notice by the Secretary of the Interior shall be deemed to be in willful trespass and liable to the penalty prescribed in subsection (a) hereof from the date of such trespass. Notice of trespass shall be given as prescribed by regulation of the Secretary.

(c) The first date of trespass for purposes of this Act shall be the date upon which the Secretary gives notice thereof.

Sec. 2(a) Any livestock found to be in trespass upon the trust or restricted land of any Indian or Indian tribe may be impounded by the Secretary of the Interior. Notice of such impoundment shall be given as prescribed by regulation of the Secretary.

(b) Any animal impounded as provided in this section may be claimed by the owner within the time specified in the notice, upon payment of the penalty prescribed in section 1 of this Act together with the necessary expenses and costs incurred (and as determined) by the Secretary. An animal not so claimed shall be sold and net proceeds thereof, after payment of said penalty and deduction of said necessary expenses and costs of the Secretary, shall be paid to the owner if claim and proof of ownership satisfactory to the Secretary are submitted within six months after the date of sale.

(c) The civil penalty and the net proceeds of sale, if not paid to the owner of the animal, shall be deposited in the Treasury of the United States to the credit of the tribe, to the extent tribal land is involved, or paid to the individual Indian owner or owners, to the extent that individually-owned land is involved. The necessary costs and expenses shall be deducted by the Secretary from the civil penalties and proceeds of sales under this Act and shall be deposited as reimbursements credited to appropriations currently available to the Secretary at the time of receipt.

Sec. 3. Any unbranded livestock over one year of age found running at large on trust or restricted land may be presumed to be in willful trespass and shall be subject to the provisions of this Act.

Sec. 4. For purposes of this Act willful intent shall be as found by the Secretary of the Interior: *Provided*, That the provisions of sections 551 to 559 and 701 to 706 of Title 5, United States Code shall be applicable to such findings: *Provided, further*, such findings shall be subject to judicial review in any action brought under section 5(b) of this Act.

Sec. 5. (a) Neither the imposition of any civil penalty nor any action by the Secretary of the Interior under this Act shall preclude either any civil action by the United States, an Indian, or an Indian tribe for damages caused by trespassing livestock or prosecution for any offense involved with such trespass.

(b) In addition to the enforcement authority provided in section 2 of this Act, the Secretary may bring an action to enjoin any trespass under this Act or to collect any civil penalty accruing under this Act. Such an action may also be brought by an Indian or Indian tribe whose land is involved in the trespass. Such actions shall be brought in (1) the court of Indian offenses or tribal court of record for the reservation or (2) in the United States district court for the judicial district in which the land involved in the trespass is located. Such courts are authorized and shall have jurisdiction to hear actions brought under this section.

Sec. 6. Section 2117 of the Revised Statutes, as amended (25 U.S.C. 179), is hereby repealed: *Provided*, That such repeal shall not bar penalties and suits for any trespass occurring prior to the enhancement of this Act if such suits are commenced within one year of enactment of this Act.

U.S. Department of the Interior,
Washington, D.C., July 18, 1975.

Hon. Nelson A. Rockefeller,
President of the U.S. Senate,
Washington, D.C.

Dear Mr. President: Enclosed is a proposed bill "To amend certain laws relating to livestock trespass on Indian lands."

We recommend that the bill be referred to the appropriate Committee for consideration, and that it be enacted.

The proposal would revise an outdated and ineffective statutory provision (25 U.S.C. 179) relating to the trespass of livestock on Indian lands. The general grazing regulations are codified in 25 CFR Part 151 with trespass specifically covered in 25 CFR 151.24.

A proposal to update the livestock trespass statute codified in 25 U.S.C. 179 was transmitted to the 91st Congress by this Department following the President's 1970 Message to the Congress on Indian Affairs. That proposal was resubmitted to the 92nd Congress, and to the 93rd Congress in which it was introduced as section 1 of H.R. 6375 and S. 1344.

The Indian Affairs Subcommittee of the House Committee on Interior and Insular Affairs had held hearings on H.R. 6375. Objections to section 1 were raised during the hearing and the Department proposed a compromise provision in a June 17, 1974 letter to the House Interior Committee. The enclosed draft bill is based upon section 1 of that compromise bill.

Section 1 of the bill provides that any person who willfully allows his livestock to trespass on trust or restricted land, without the consent of the Indian or Indian tribe involved, shall be liable for a penalty to such Indian or Indian tribute of ten times the fair market daily value of the grazing by such livestock for the land involved as determined by the Secretary of the Interior. This proposal avoids the result of a penalty becoming effective or excessive due to increased or decreased grazing costs.

Examples of "fair market daily value" of livestock grazing determined in 1974 include the $.23 per head (based on a $7.00 per month rate) on the Northern Cheyenne Reservation, Montana, and a 1970 determination of $.12 per head per day (based on $3.50 per month rate) on the Crow Reservation, also in Montana.

Section 1(b) would provide that an otherwise unwillful trespass shall be deemed to be willful if the trespassing livestock are not removed within five days after the Secretary of the Interior gives notice to the person permitting the trespass. Section 1(c) provides that the date of trespass shall be the date upon which the Secretary gives notice thereof.

Section 2 would authorize the Secretary of the Interior to impound any livestock trespassing on trust or restricted land, with notice of such impoundment being given as prescribed by regulations of the Secretary. The owner of any impounded livestock would be able to claim the impounded animal within the time specified in the notice upon the payment of the penalty prescribed by the bill for each impounded animal and the necessary costs and expenses incurred by the Secretary.

If not claimed within the time specified in the notice, an animal may be sold. The net proceeds of the sale, after payment of the penalty expenses and the deduction of the necessary costs and expenses of the Secretary, shall be paid to the owner of the animal upon satisfactory proof of ownership submitted within six months of the date of the sale.

Section 2 also provides that the penalty and the net proceeds of the sale of an animal not paid to the owner, shall be deposited in the United States Treasury to the credit of the tribe or to the individual Indian, depending upon whether tribal or individually owned land is involved.

Section 3 provides that any unbranded livestock over one year of age found running at large on trust or restricted land will be presumed to be in trespass and shall come under the provisions of the proposal.

Section 4 provides that the willfulness element of the trespass shall be determined by the Secretary, and that such determination will be subject to judicial review.

Section 5(a) leaves open the possibility of a civil action in any case where the trespassing animals cause damages or a criminal action for any violations of law which might have been associated with a trespass.

Section 5(b) provides for recourse by the Secretary or Indian land owner to: (1) the Secretary's court of Indian offenses or the tribal court of record for the reservation; or (2) the appropriate Federal district court where necessary to enjoin any trespass or collect penalties under the section. The provision set out in 25 U.S.C. 201 relating to the collection of penalties by judicial action will not be applicable to penalties under this proposal.

Section 6 repeals section 2117 of the Revised Statutes, as amended, (25 U.S.C. 179). Section 2117 provides for a fee of $1 per head of cattle driven onto or otherwise conveyed onto Indian land. This provision is not adequate in that the fee is too low in many instances to adequately protect Indian land from trespass by livestock. Section 1 of the proposal sets a penalty that will be adequate and effective as imposed upon those who permit their livestock to trespass on Indian land.

The Office of Management and Budget has advised that enactment of this proposed legislation would be consistent with the Administration's objectives.

Sincerely yours,

Morris Thompson,
Commissioner of Indian Affairs.

By Mr. TUNNEY (for himself and Mr. Cranston):

S. 2236. A bill to amend the National Labor Relations Act to provide that the duty to bargain collectively includes bargaining with respect to retirement benefits for retired employees. Referred to the Committee on Labor and Public Welfare.

Mr. TUNNEY. Mr. President, I am today introducing legislation to amend the National Labor Relations Act to provide that the duty to bargain collectively includes bargaining with respect to retirement benefits for retired employees. I am most pleased that the senior Senator from California (Mr. Cranston) has joined as a cosponsor of this important legislation.

This legislation became necessary when the Supreme Court, in Allied Chemical and Alkali Workers of America, Local Union No. 1 against Pittsburgh Plate Glass Co., held that retirees are neither employees nor members of a bargaining unit under the National Labor Relations Act and that retirees' benefits are not, within the meaning of sections 8(a)(5) and 8(d) of the act, a mandatory subject of bargaining as "terms of conditions of employment" of retirees. In making this judgment, the Court ignored the intent of Congress and the previous decision of the National Labor Relations Board which held that retirees continued to be "employees" under the act so that an employer was obligated to bargain about changes in their benefits.

Mr. President, it makes very good sense that we overturn the Supreme Court's decision on this matter. In most cases, employers have already recognized the mutual interest they have with their employees in bargaining over retiree benefits. The widespread existence of such bargaining means that this legislation is needed primarily to avoid leaving the issue of retiree benefits up to chance in those few situations where employers might decide to deal with retirees on a unilateral basis.

Legalisms aside, however, this legislation is vital because it would guarantee union members the freedom of action necessary to protect the interests of their fellow workers who have already retired. In this era of rampaging inflation, I believe it is essential that retired workers not be forgotten and that their unions have the protection of law as they fight to preserve a decent and dignified standard of living for their retired members.

Mr. President, at this point I ask unanimous consent that the text of my bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2236

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 8(d) of the National Labor Relations Act is amended—

(1) by inserting after "other terms and conditions of employment" the following: ", including retirement benefits for retired employees", and

(2) by inserting after "all the terms and conditions" in paragraph (4) of the proviso the following: "(including terms and conditions relating to retirement benefits for retired employees)".

By Mr. HARTKE:

S. 2238. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 to provide for the establishment of safety standards for the living quarters of recreational vehicles, and for other purposes. Referred to the Committee on Commerce.

Mr. HARTKE. Mr. President, the manufacture, sale, and use of recreational vehicles—motor homes, travel trailers, camping trailers, fifth-wheel travel trailers, truck campers, and pickup covers—has become widespread in recent years; the recreational vehicle industry affects the economic and leisure activities of thousands of people.

Because this industry is relatively new, there exists no comprehensive Federal regulations covering the safety aspects of the living quarters of these vehicles. At present, each State regulates the industry as it sees fit. The result is overlapping and often contradictory regulations that burden the manufacturers who must tailor their vehicles for each State, and which do not provide the necessary protection for consumers.

At the request of the National Association of Recreational Vehicle Manufacturers, I am introducing comprehensive regulatory legislation. It is essential that Congress address itself to the establishment of national safety standards for these vehicles, and I hope this bill will become the catalyst for such a discussion. Similar legislation was introduced in the House of Representatives by Congressman Charles J. Carney.

I ask unanimous consent that the text of the legislation be printed in the Record at this point.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2238

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Recreation Vehicle National Traffic and Motor Vehicle Safety Act of 1975".

Sec. 2. It is the purpose of this Act to confirm that the National Traffic and Motor Vehicle Safety Act of 1966 provides authority for the Secretary of Transportation to issue Federal motor vehicle safety regulations and standards, and take other actions, dealing with the safety aspects of electrical, plumbing, and heating installations in recreational vehicles, as defined herein; dealing with provision for emergency egress from such vehicles; and dealing with other aspects of the safety of living quarters of such vehicles; in order to minimize or preclude the possibility of unreasonable risk of death or injury to occupants or to the public from fire, explosion, electric shock, contaminated water, or the emission of noxious fumes or gases; and to indicate the intention of the Congress that the Secretary so regulate recreational vehicles.

Sec. 3. Section 102 of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1391) is amended by—

(1) inserting before the period at the end of paragraph (1) the following: ", including protection from the hazards of fire, explosion, electric shock, contaminated water, or noxious fumes or gases in the living quarters of recreational vehicles"; and

(2) adding at the end the following new paragraphs:

"(16) 'Recreational vehicle' means a motor vehicle or item of motor vehicle equipment primarily designed for highway travel and constructed to provide temporary living quarters for recreation, camping, travel, or office use; and which has its own motive power or is mounted on or drawn by a motor vehicle; which is of such a size and weight as not to require special highway movement permits; including a motor home, a travel trailer, a camping trailer, a fifth-wheel travel trailer, a slide-in-camper (truck camper), and a pickup cover; but not including a minibike, a snowmobile, a dunebuggy, a motorcycle, or other form of off-road or all-terrain vehicle.

"(17) 'Motor home' means a vehicular unit built on or permanently attached to a self-propelled motor vehicle chassis or chassis cab or van, which becomes an integral part of the completed vehicle and which is designed to provide temporary living quarters for recreation, camping, travel, or office use, including a chassis-mount camper and a van-camper type of motor home.

"(18) 'Travel trailer' means a vehicular unit, mounted on wheels, primarily designed and constructed to provide temporary living quarters for recreation, camping, travel, or office use; of such a size and weight as not to require special highway movement permits when drawn by a motor vehicle; and towed by a motor vehicle using a connecting device other than a fifth-wheel connecting device.

"(19) 'Camping trailer' means a vehicular unit, mounted on wheels, primarily designed and constructed to provide temporary living quarters for recreation, camping, travel, or office use; with side walls or other features which fold or can be lowered for towing in low silhouette by a motor vehicle and unfolded or raised at the campsite to provide such temporary living quarters; and towed by a motor vehicle using a connecting device other than a fifth-wheel connecting device.

"(20) 'Fifth-wheel travel trailer' means a vehicular unit, mounted on wheels, primarily designed and constructed to provide temporary living quarters for recreation, camping, travel, or office use; of such a size and weight as not to require special highway movement permits when drawn by a motor vehicle; and towed by a motor vehicle using a connecting device known as a fifth-wheel.

"(21) 'Slide-in-camper' (truck camper) means an item of motor vehicle equipment having a roof, a floor, and sides, designed to be mounted on and removable from the cargo area of a truck, or similar vehicle, by the user, for the purpose of providing temporary living quarters for recreation, camping, travel or office use.

"(22) 'Pickup cover' means an item of motor vehicle equipment having a roof and sides but without a floor, designed to be mounted on and removable from the cargo area of a truck, or similar vehicle, by the user and for the purpose of providing shelter for persons or property.

"(23) 'American National Standards Institute' means the national coordinating institution for voluntary standardization in the United States, headquartered at 1930 Broadway, New York, New York 10018."

Sec. 4. (a) Section 103(f) of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1392) is amended by striking out "and" at the end of paragraph (3); by striking out the period at the end of paragraph (4), and inserting in lieu thereof "; "; and by adding after paragraph (4) the following new paragraphs:

"(5) consider relevant industry standards applicable to the safety aspects of living quarters of recreational vehicles, including Standard A119.2 of the American National Standards Institute; and

"(6) consult with the Sectional Committee on Recreational Vehicles (Standard A119.2) of the American National Standards Institute."

(b) Section 103 of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1392) is amended by adding at the end the following new subsection:

"(j)(1) The Secretary shall issue, as initial Federal motor vehicle safety standards applicable to safety aspects of the living quarters of recreational vehicles, American National Standards Institute Standard A119.2 as such standard reads on a date selected by the Secretary, except that the Secretary may exclude from application any portion of Standard A119.2 which he determines is adequately covered by other Federal motor vehicle safety standards or other Federal standards or which he determines is inappropriate for issuance as a safety standard. Such initial standards shall be issued within ninety days of the enactment of the Recreational Vehicle National Traffic and Motor Vehicle Safety Act of 1975.

"(2) The Secretary shall thereafter issue, under this title I and in accordance with the procedures provided for therein, new and revised Federal motor vehicle safety standards applicable to the safety aspects of such living quarters except that where necessary such new and revised standards may be stated other than in performance terms and be similar in the expression of requirements to the format of Standard A119.2. Revisions of American National Standard A119.2 shall be considered in the development of such new and revised Federal motor vehicle safety standards.

"(3) The Secretary, in connection with both the initial safety standards and the new and revised safety standards, shall develop and prescribe as compliance with such standards an acceptable quality level which shall take into consideration and appropriately weigh those requirements of the standard which are critical, major, or minor as related to danger to life or health."

Sec. 5. The first sentence of section 158 (b) of the National Traffic and Motor Vehicle Safety Act of 1966, as amended by the Motor Vehicle and Schoolbus Safety Amendments of 1974 (15 U.S.C. 1418(b)) is amended to read as follows: "Every manufacturer of motor vehicles or tires shall cause the establishment and maintenance of records of the name and address of the first purchaser of each motor vehicle or tire produced by such manufacturer; and every dealer in recreational vehicles shall obtain and promptly furnish to the manufacturer of each recreational vehicle the name and address of the first purchaser thereof."

By Mr. HUGH SCOTT:

S. 2240. A bill to authorize the Administrator of General Services to investigate the feasibility of a temporary transfer of the enrolled copy of the Declaration of Independence from the custody of the National Archives to the custody of the Secretary of the Interior. Referred to the Committee on Government Operations.

Mr. HUGH SCOTT. Mr. President, I am introducing a bill today to authorize the Administrator of General Services to investigate the feasibility of a temporary transfer of the enrolled copy of the Declaration of Independence from the custody of the National Archives to the custody of the Secretary of the Interior.

A preliminary feasibility study conducted by the Library of Congress states:

> [G]iven all proper protection of the Declaration's helium container, and proper temperature control of the vehicle in which it will be moved, . . . the document would not suffer damage from a move.

The Library of Congress report further relates:

> [I]n order to provide the Declaration with the same degree of protection it currently enjoys in the Archives, significant precautions would necessarily have to be taken in the First Bank of the United States' interior rotunda, the Declaration's proposed Philadelphia resting place.

I support the idea of bringing the Declaration home to Philadelphia for 3 months of our bicentennial year, and I want to assure that a sound plan is developed in a timely fashion—an approach which will assure the security of one of our greatest national treasures.

By Mr. TUNNEY:

S. 2241. A bill entitled "The Utility Tax Deductibility Act." Referred to the Committee on Finance.

S. 2242. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit for a portion of utility cost incurred by individuals in connection with their principal residence. Referred to the Committee on Finance.

Mr. TUNNEY. Mr. President, while unemployment occupies the center of national attention, increases in the cost of utilities, food, and other essentials continue to erode our national wellbeing. Inflation has reduced average living standards by 4.1 percent in the last 12 months alone. For some Americans, however, the burden of inflation is far greater than that revealed by national average statistics. Energy and food price increases have hit with especially heavy impact on the living standards of low- and middle-income citizens who, of necessity, spend a high proportion of their income on these essentials.

Congress long ago created the food stamp program to assure that all Americans would have adequate nutrition. People have the same basic need for utilities to heat and power their homes as for food. It is time Congress recognized that recent utility cost increases have reached levels beyond the means of many citizens—both the poor and people of moderate means—by providing relief in the form of a partial offset to increased utility costs.

I am today introducing legislation which will be of significant benefit to all Americans, but especially to the elderly, the retired, and the millions of others living on low and moderate incomes.

I am offering two bills which aim at helping to relieve the burden of increased utility costs. The Utility Tax Deductibility Act would permit the deductibility of taxes paid by consumers of natural gas, fuel oil, electricity and other energy used for heating, cooling and providing electric power for their homes. The beneficiaries of this legislation are middle-income citizens who itemize their Federal deductions. It would end the unfair discrimination which now allows citizens to deduct most local and State taxes but denies them the right to deduct similar utility taxes. More importantly, it would allow a measure of relief from the ever-increasing cost of home energy-related utilities. Since Californians paid more than $250 million in 1974 utility taxes, the measure I am proposing will bring a significant amount of assistance to hard-pressed taxpayers.

The second bill I am introducing is the Utility Cost Assistance Act. It is aimed at assisting low and moderate income people by creating a refundable tax credit equal to the amount of qualified utility costs paid each year times a percentage based on a person's adjusted gross income. The amount of the tax credit is illustrated by the following table:

If the adjusted gross income of the taxpayer is— *Income*	The tax credit equals qualified utility costs times the percentage below *Percentage*
Not over $6000	25
Over $6000 but not over $7000	23
Over $7000 but not over $8000	21
Over $8000 but not over $9000	19
Over $9000 but not over $10,000	17
Over $10,000 but not over $11,000	15
Over $11,000 but not over $12,000	12
Over $12,000 but not over $13,000	9
Over $13,000 but not over $14,000	6
Over $14,000 but not over $15,000	3

Since the tax credit provided is refundable, persons with no tax liability or with a tax liability less than the amount of the credit are eligible for a direct cash payment. Qualified utility costs include the amounts paid by an individual for natural gas, fuel oil, electrical power, propane, coal or similar sources of energy for heating, cooling and providing electrical power for the home.

Mr. President, there are a number of reasons to single out low and moderate income people for special utility cost assistance.

The Washington Center for Metropolitan Studies Lifestyle and Energy surveys found that in 1972-73, lower-income households spent an average of more than 11 percent of their income on natural gas and electricity, as compared to less than 3 percent for households with annual incomes over $14,000.

This is despite the fact that the poor consumed only 56 percent as much electricity as the nonpoor and 82 percent as much natural gas.

Since 1973, the price of energy related items has skyrocketed. While the Consumer Price Index rose 8.8 percent between 1973 and 1974 and 12.2 percent between 1974 and 1975, the prices of energy-related items in the Consumer Price Index rose 11.4 percent between 1973 and 1974 and 16.6 percent between 1974 and 1975.

TABLE 1.—INDEXES OF RETAIL PRICES, FUEL AND UTILITIES, BY COMPONENT, U.S. AVERAGES

[(1967 = 100) unless otherwise stated]

	December 1972	November 1973	December 1973	1973 annual averages
All items	127.3	137.6	138.5	133.1
Fuel and utilities	121.9	132.1	135.8	126.9
Gas and electricity	122.5	129.8	131.0	126.4
Gas, all types	125.1	132.3	133.1	127.9
Residential heating	125.0	132.7	133.7	127.8
Other than residential heating	125.1	131.9	132.5	128.0
10 therms	125.7	134.4	134.6	130.2
25 therms	123.5	128.9	129.6	125.8
40 therms	125.3	131.7	132.4	127.8
Electricity	120.2	127.5	129.0	124.9
100 kWh	117.6	124.6	126.4	122.1
250 kWh	117.9	127.7	127.2	122.6
500 kWh	119.6	126.7	128.2	124.2
Fuel oil and coal	119.4	155.6	172.8	136.0
Fuel oil No. 2	117.0	154.2	171.8	134.5

TABLE 26.—THE PERCENTAGE OF FAMILY INCOME SPENT ON ENERGY DECLINES AS INCOME INCREASES

Income status	Average income	Average annual Btu's (millions per household)	Average annual cost per household	Percent of total annual income spent on energy
Poor: Total	[1] $2,500	207	$379	15.2
Natural gas		118	147	5.9
Electricity		55	131	5.2
Gasoline		34	101	4.0
Lower middle: Total	8,000	294	572	7.2
Natural gas		129	153	1.9
Electricity		80	167	2.1
Gasoline		85	252	3.2
Upper middle: Total	[2] $14,000	403	$832	5.9
Natural gas		142	166	1.2
Electricity		108	213	1.5
Gasoline		153	453	3.2
Well off: Total	[2] 24,500	478	994	4.1
Natural gas		174	200	.8
Electricity		124	261	1.1
Gasoline		180	533	2.2

[1] 77 percent of the poor had incomes less than $3,000.

[2] Calculated from unpublished census data.

Note: Electricity and natural gas expenditures based on billing data received from utilities. Gasoline expenditures estimated from respondents' quantitative information and the average 1972–73 price of 37 cents per gallon.

Source: Washington Center for Metropolitan Studies Lifestyle and Energy Surveys, 1972–73.

TABLE 1.—INDEXES OF RETAIL PRICES, FUELS AND UTILITIES, BY COMPONENT, U.S. AVERAGES

[1967=100]

Item	December 1973	November 1974	December 1974	1974 annual average
Consumer Price Index:				
U.S. all items	138.5	154.3	155.4	147.7
Feuls and utilities	135.9	157.1	158.4	150.2
Gas and electricity	131.0	154.0	156.7	145.8
Gas, all types	133.1	153.0	155.8	143.9
Residential heating	133.7	158.2	161.7	147.4
Other than residential heating	132.5	148.1	150.3	140.6
10 therms	134.6	150.9	153.0	142.2
25 therms	129.6	143.0	146.0	137.1
40 therms	132.4	148.4	150.3	140.7
Electricity	129.0	154.9	157.5	147.5
100 kWh	126.4	150.6	153.9	144.6
250 kWh	127.2	152.6	155.5	145.9
500 kWh	128.2	155.9	158.0	146.4
Fuel oil and coal	172.8	229.2	228.8	214.6
Fuel oil No. 2	171.8	224.5	223.9	213.0
Telephone service, residential	120.5	122.1	122.1	121.4
U.S. gasoline, regular and premium	131.9	159.0	159.1	159.9

With the prices of other essentials like food and clothing also rising, low- and moderate-income people are less able to shift their consumption from nonessentials. As a result, they have suffered disproportionately from the recent inflation.

A study on the "Impact of Rising Residential Energy Prices on the Low-Income Population" prepared by the Office of Income Security Policy of the Department of Health, Education, and Welfare recently reported that—

> Although the poor are somewhat more likely to live in warmer climates and occupy smaller homes, their home heating problems are for several reasons more serious. Low income households tend to live in homes with inadequate insulation, and are thus not able to economize on home heating. Because heating costs come in several large lump sums in the winter and with the poor less able to summon up cash reserves or obtain credit, it may be impossible for some low income households to pay their heating bills. Those hardest hit by the rising prices of home heating fuel are the poor who live in single-family homes in the coldest parts of the country and heat their homes with fuel oil. For such households, home heating costs during the coming winter will reach $80 per month, compared to about $60 per month last winter.

Furthermore, due to the inverted price schedules by which utility companies charge higher unit prices to customers using smaller amounts of energy, some low-income individuals may pay higher prices for their fuel.

Mr. President, we must face up to the facts on energy. Higher utility costs are here to stay. Utilities are basic elements of survival. Just as this Nation is committed to adequate housing and nutrition, we must also insure that no one must go without heat, cooking fuel, or electricity in their home. The legislation I am offering is a signific step toward such a commitment.

At this point, I ask unanimous consent that both bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 2241

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 164(a) of the Internal Revenue Code of 1954 (relating to deduction for taxes) is amended by inserting after paragraph (5) the following new paragraph:

"(6) State and local public utility taxes.".

(b) Section 164(b)(5) (relating to definitions and special rules) is amended to read as follows:

"(5) SEPARATELY STATED GENERAL SALES TAXES AND GASOLINE TAXES AND PUBLIC UTILITY TAXES.—If the amount of any general sales tax or of any tax on the sale of gasoline, diesel fuel, or other motor fuel or of any public utility tax is separately stated, then, to the extent that the amount so stated is paid by the consumer (otherwise than in connection with the consumer's trade or business) to his seller, such amount shall be treated as a tax imposed on, and paid by, such consumer.".

(c) Section 164(b) is amended by adding at the end thereof the following new paragraph:

"(6) PUBLIC UTILITY TAXES.—The term 'public utiilty taxes' means a tax imposed on the sale, furnishing, use, or consumption of natural gas, fuel oil, electrical power, propane, coal, or other similar products or sources of energy for heatng, cooling, and providing electrical power for the taxpayer to principal residence.

SEC. 2. The amendments made by the first section of this Act shall apply to taxable years beginning after December 31, 1974.

S. 2242

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowed) is amended by redesignating section 45 as 45A, and by inserting after section 44 the following new section:

"SEC. 45. UTILITY COSTS RELATED TO PRINCIPAL RESIDENCE OF TAXPAYER.

"(a) IN GENERAL.—There is allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to a portion, determined under subsection (b), of the utility costs paid or incurred by the taxpayer during the taxable year in connection with his principal residence.

"(b) DETERMINATION OF AMOUNT.—The amount of the credit allowed by subsection (a) shall be determined by multiplying the utility costs paid or incurred by the taxpayer for the taxable year in connection with his principal residence by the percentage applicable under the following table:

If the adjusted gross income of the taxpayer is—	The applicable percentage is—
Not over $6,000	25
Over $6,000 but not over $7,000	23
Over $7,000 but not over $8,000	21
Over $8,000 but not over $9,000	19
Over $9,000 but not over $10,000	17
Over $10,000 but not over $11,000	15
Over $11,000 but not over $12,000	12
Over $12,000 but not over $13,000	9
Over $13,000 but not over $14,000	6
Over $14,000 but not over $15,000	3
Over $15,000	0

"(c) LIMITATIONS.—

"(1) JOINT RESIDENTS.—In the case of taxpayers who share the same residence but file separate returns, the amount of the credit allowed under subsection (a) with respect to such residence shall be allocated among such taxpayers in a manner prescribed by the Secretary or his delegate, but in no case shall the sum of the amounts allowed to such individuals with respect to the same residence exceed 25 percent of the utility cost paid or incurred in connection with such residence for the taxable year.

"(2) APPLICATION WITH SECTIONS 162 AND 212.—No credit is allowable under subsection (a) for any amount for which a deduction is claimed under section 162 or section 212.

"(d) DEFINITION OF UTILITY COSTS.—For purposes of this section, the term 'utility costs' means amounts paid or incurred by an individual for natural gas, fuel oil, electrical power, propane, coal, or other similar products or sources of energy for heating, cooling, and providing electrical power for the taxpayer's principal residence.

"(e) REGULATIONS.—The Secretary or his delegate shall prescribe such regulations as are necessary to carry out the provisions of this section.".

(b)(1) Section 56(a)(2) of such Code (relating to imposition of minimum tax) is amended by striking out "and" at the end of clause (vi), by striking out the semicolon and the word "and" at the end of clause (vii) and inserting in lieu thereof a comma and the word "and", and by inserting after clause (vii) the following new clause:

"(viii) section 45 (relating to credit for utility expenses related to principal residence of taxpayer); and".

(2) Section 56(c)(1) of such Code (relating to tax carryovers) is amended by striking out the word "and" at the end of subparagraph (F), by striking out "exceed" at the end of subparagraph (G) and inserting in lieu thereof "and", and by inserting after subparagraph (G) the following new subparagraph:

"(H) section 45 (relating to credit for utility expenses related to principal residence of taxpayer), exceed".

(3) Section 6096 of such Code (relating to designation of income tax payments to Presidential Election Campaign Fund) is amended by striking out "and 44" and by inserting in lieu thereof a comma and "44 and 45".

(c) The table of sections for such subpart is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 45. Utility expenses related to principal residence of taxpayer.

"Sec. 45A. Overpayment of tax.".

SEC. 2. The amendments made by the first section of this Act apply to taxable years ending after the date of enactment of this Act.

By Mr. NUNN:

S. 2243. A bill to revise and improve the child support program established by part D of title IV of the Social Security Act. Referred to the Committee on Finance.

Mr. NUNN. Mr. President, the child support bill passed by Congress on December 20, 1974, and signed into public law by President Ford on January 4, 1975, represents a bill of rights for children—the right of every child to have some identity, the right of every child to have paternity established in a fair and efficient manner, and the right of every child to support from his natural parents. In essence, the primary beneficiaries are the children.

When the President signed Public Law 93–647, he issued a statement supporting the concepts of the program but expressed some reservations concerning the increased Federal role. In my opinion, President Ford's reservations do not reflect the deep principles and the real values the President has on the issue of child support. Rather his statement reflects the position of the Federal agencies involved. The President's statement has been a convenient vehicle for the bureaucracy to delay the issuance of regulations and the approval of funds to implement the program at both the Federal and State level.

Many Members of Congress and most of the citizens of this country are probably unaware of the President's long commitment to solving the problem of absent parents who fail to support their children and families.

In fact the first proposed legislation I could find concerning the absent parent who failed to provide for the support of his children and family was introduced on May 9, 1949 in H.R. 4850 by a freshman Congressman from Grand Rapids, Mich. He was not too well known then, but his name is now familiar to everyone. He was none other than Gerald R. Ford. On that same day, a similar bill, H.R. 4565, was introduced by Congressman Andrew Jacobs of Indiana. These two bills soon became known as the "runaway pappy" bills. H.R. 4580 provided for the enforcement of support orders in certain State and Federal courts, and to make it a crime to move or travel in interstate and foreign commerce to avoid compliance with such orders. Congressman Ford continued to introduce a similar bill in about eight different Congresses. The last such bill was H.R. 2309, which he introduced on January 8, 1973.

At the time he introduced H.R. 2309, Mr. Ford stated that this bill, and I quote:

> Would make child support orders enforceable in Federal courts. It would bring federal authority to bear on the problem of nonsupport by husbands and fathers who shirk their parental responsibilities. Passage of my bill will give legal sanction to the moral and social obligations every husband has to take care of his family.

I am puzzled as to how President Ford's administration has now urged passage of a bill removing all use of the Federal Courts in child support enforcement.

I further quote from Mr. Ford's introductory statement:

> We need the help of the federal government to get at husbands and fathers who refuse to support their children and flee to another state to escape their responsibilities. I think we should throw the forces of the federal government into the pursuit of fathers who run off and leave their families with no means of support. A man who abandons his children is just as much a felon as the man who steals an automobile.

With this background, Mr. Ford could scarcely be considered as the person behind the delay in putting the child support program into full operation. The statement he signed when approving Public Law 93–647, however, has been continuously used to delay the bill. Further, it has been used as a reason for not implementing certain portions of the bill. Finally, it has been used by the House managers of the recently passed H.R. 8598 to, for all practical purposes, gut the bill.

Mr. Ford, in his January statement, said he was in favor of the concepts of this child support program. He has shown for a period of over 25 years how strongly he feels about the subject. I believe it is time to publicly ask the President if his January statement reflects his true feelings about the child support program. I believe, instead, we have heard the voice of those in the Federal bureaucracy who would dilute the new law.

Millions of children are counting on this new program to have their identity established and to be supported by their natural father.

Mr. President, Public Law 93–647 not only represents a bill of rights for children, but removes from the taxpayer the burden of supporting children of absent parents.

In the last 3 years, the Finance Committee, under the leadership of the distinguished Senator from Louisiana, has been extremely active in pursuing the concepts outlined in the new child support program. The Finance Committee has always taken the lead in trying to help the children whose family could or would not help them. In this area, the committee has significantly increased the amount of child support that has been collected. Those who would delay the new regulations that are scheduled to go into effect August 1, 1975, often argue that the State should take care of dependent children since their parents do not have the funds to support them.

I would like to present some facts in this area:

In fiscal year 1973, there was approximately $190 million collected by those States who were active in the child support program. This increased to over $240 million in fiscal year 1974 and projecting the first half fiscal year 1975 collections to the full fiscal year of 1975, the amount collected just for recipients on the AFDC program will amount to over $265 million. There are also those who say that it is a waste of money and personnel to pursue absent parents, but let us look at those States that have programs to enforce and collect child support. What are they accomplishing? The average cost of collecting $1 of child support in these States is less than 25 cents for each dollar collected. That means, Mr. President, that of the $265 million collected this year from absent parents, the cost will be less than $75 million. It is apparent from these figures that there is a very large number of people who could and should support their children or their families. This burden, however, is left to the taxpayer because of weak collecting mechanisms.

I would include among the people who do not want an effective child support program many of the top echelon in the welfare segment of HEW. I do not include HEW Secretary Weinberger in that group. Mr. Weinberger has, in my opinion, endeavored to do the best that he could while being hobbled on every side by his employees in HEW. Mr. Weinberger's true feelings were expressed in his speech in California on July 22, 1975. He is against waste and programs that create dependency.

Perhaps the distinguished chairman of the Finance Committee was best able to express the problem with which the President and the Secretary of HEW are saddled. This was brought out in the chairman's statement during the confirmation hearings before the Senate Committee on Finance of Dr. David Mathews to be the new Secretary of the Department of Health, Education, and Welfare.

Senator Long stated:

> It has been my experience during about the past 12 years, that altogether too often the man who goes over to that Department even though he goes with the best intentions, in short order, becomes a representative of a fourth, or fifth, or sixth branch of this government. When someone from the Hill talks to the President about something, for example, they might come to complete agreement that it would be far better to take the employable people who are on welfare and put them to work doing something constructive. You have no difficulty coming to terms with the President on something like that. But the minute the Secretary of HEW gets in on the act, he has to talk to those people down there in that Department and, from that time on, nothing can be achieved.
>
> The President of the United States told me that the new child support program was his idea before it was mine. He said he had a bill in there for the runaway pappy long before I did, and he was for that kind of thing. Now, when he signed the bill, there was some language in his signing statement which does not sound like Gerald Ford at all to me, and I do not think it was composed by Mr. Weinberger. I think that it was somebody down at the Department that ran something through that was supposed to be a commitment. I do not think the President necessarily means some of those things. I think he just signed it because he was too busy to write the message for himself. But basically, the law he signed is a good law.

Section 1.—Federal Courts. One of the provisions of the child support program is the authorization for States to take civil actions to enforce child support obligations in the district courts of the United States.

Under this provision, HEW's duties would include approving applications from a State for permission to sue in Federal court in a situation where a prosecuting attorney or court in another State does not undertake to enforce the court order against a deserting father within a reasonable time. The originating State, under these circumstances, would be authorized to enforce the order against the deserting father in the Federal courts. A civil action may be brought in any judicial district in which the claim arose, the plaintiff resides, or the defendant resides. The House bill, H.R. 8598, would delete this provision entirely. My bill would revise the act—Social Security Act—to limit the number of cases that could be certified to Federal courts.

Mr. President, I agree with the distinguished chairman of the Senate Committee on Finance that the child support law which goes into effect on August 1, 1975, may need some correcting amendments. I do not agree, however, with the bureaucrats at HEW and those Members of the House who want to gut the entire program. For this reason, I am introducing my first bill containing amendments to revise and improve the new child support law.

This problem, which should not have arisen, was caused by HEW regulations which delegate to the offices of child support authority to receive and approve applications from States for permission to utilize Federal courts in situations in which the absent parent resides in another State and that other State refuses to act on a request from the State in which the mother is living. It was the intent of the child support law that the final certification to the Federal court would be made either by the Secretary or his special designee for child support at the HEW headquarters level. It was not intended that the Federal courts be overburdened by too many referrals of this nature. Furthermore, we wanted to assure that the top staff in HEW would do everything that it could to encourage the noncooperating States before finally certifying a case to the Federal courts. I realize, even if HEW does not, that some overzealous attorney in a State program could refer hundreds of cases for certification, and that the regional offices could certify most of these cases to the Federal courts. My amendment would clarify that the intent of Congress is to limit the number of cases sent to the Federal courts by making, as a part of the law, that the certification function will be performed by the Secretary or his designee for child support and not by any other individual.

CONSENT—SECTION 459

Mr. President, I believe that when Congress enacts a law, the administration should endeavor to the best of its ability to enforce it.

I do not know why, but there has been a considerable amount of "foot dragging" on the part of the administration, particularly concerning one of the provisions, section 459, that was effective on January 1. Public Law 93-647 was signed on January 4, and to date there have been no rules or regulations promulgated by the administration as to how the various departments, offices, and councils of the executive branch are going to process the writs of garnishment they are receiving. Since the law has been in effect, many departments have had to make ad hoc decisions as to what to do about the writs of garnishment that they have received. The Department of Defense and the Postal Service, very soon after the law was enacted, provided guidelines for processing these writs or statutory orders for withholding. We understand that there is an informal ad hoc committee working under the aegis of the Justice Department which includes members of at least the key departments of the executive branch which have been struggling with drafting implementing regulations since approximately March.

To speed up the prescribing of regulations in this area, the bill I am introducing includes clarification of the garnishment provision of section 459. It would authorize the President to issue regulations for the implementation of this section with respect to the executive branch and thus remove one of the alleged reasons for the delay in providing new regulations by the executive branch.

Officers and employees upon whom legal process may be served with respect to moneys payable to the various subdivisions of the Federal Government would in the case of the U.S. Senate, be designated by the President pro tempore of the Senate, in the case of the U.S. House of Representatives, be designated by the Speaker of the House, by the Administrative Office of the Courts in the case of the judicial branch of the Federal Government, by the Chief Justice of the Supreme Court in the case of the Supreme Court, and in other cases, by the President of the United States.

We have also defined several of the terms in the language to remove any confusion as to their meaning. One of the clarifications was made by adding that section 459 is applicable only to what any other private person in the State would be subject to.

"Legal process" refers to any procedure authorized or sanctioned by law, for the formal enforcement of a legal right or the obtaining of such remedy as the law allows, and includes, but is not limted to, execution, levy, attachment, garnishment, attachment execution, trustee process, and the statutory remedy for recovery of support and maintenance under the aid-to-families-with-dependent-children program established by this title—for example, in the States of Washington, Florida, and Georgia. Thus, the provisions of section 303 (a) of the Consumer Credit Protection Act—title 15, United States Code, section 1973(a)—shall not apply to orders for the support of any person—and debts arising under such orders—determined under administrative procedures which are established pursuant to State law and which afford substantive due process and provide for judicial review.

As used in section 459, the term "United States" means the Government of the United States, together with all of its branches, departments, agencies, and instrumentalities, and includes the government of the District of Columbia—together with all of its arms, branches, parts, agencies, or instrumentalities—the U.S. Postal Service, any Federal commission, or any wholly owned Federal corporation.

The term "based upon remuneration for employment" includes wages, salary, incentive pay, bonuses, or other remuneration for employment; such terms also includes payments under Federal programs if (a) the payment thereunder would not be payable except for past or present employment, and (b) the amount of such payment is directly or indirectly based—wholly or in part—on the amount or quantum of the remuneration paid or payable for the employment involved. Therefore, the provisions of section 459 would apply, for example, to payments under first, the civil service retirement program; second, the old age, survivors, and disability insurance program; third, the retirement and disability system established for the employees of the Foreign Service; fourth, the various retirement, annuity, and survivor benefit plans and programs established for members of the armed services or employees of the United States; fifth, the Railroad Retirement Act and the railroad unemployment insurance program; sixth, beneficiaries of life insurance policies provided under Government programs where the amount of coverage is directly or indirectly based—wholly or in part—on the amount of remuneration for the employment involved; seventh, the Federal program for compensation for work injuries of Federal employees; and eighth, the Longshoremen's and Harbor Workers' Compensation Act—but only in cases where the payments are made by the United States.

The provisions of section 459 would not apply, for example, to most benefits payable by the Veterans' Administration, because the amount of the benefit is determined on the basis of need or on the amount of disability rather than on the basis of the amount of remuneration paid for the employment service involved; however, such provision would apply in the case of benefits payable to the widow or widower under the dependence and indemnity compensation program for service-connected deaths.

The provision would not apply to State or locally administered programs even though such programs have been established under Federal auspices and there is Federal participation in the costs thereof, simply because the benefits paid out are not paid by the Federal Government. The State unemployment compensation programs are prime examples of this category. The provisions would also not apply to reimbursement of expenses incurred by individuals in connection with employment or allowances in lieu thereof. Per diem, travel, mileage reimbursement, or similar work-related expenses are prime examples of this.

It should be emphasized that the fact section 459 is applicable to particular moneys does not necessarily mean that those moneys will be subject to legal process; it merely means that the question of whether such moneys will be subject to legal process will be determined in accordance with State law in like manner as if the United States were a private person.

We have also provided that section 459 would be applicable to legal process brought in any particular case only if such process is served, by registered or certified mail with return receipt requested, on the governmental official who is designated to accept service of legal process in such a case, would not become effective prior to 30 days after the date on which service is made, and the official upon whom the legal process is served would have 5 days after the effective date in which to respond. There would also be a limit on the percentage of the individual's wages which the United States would pay under this section unless the individual is personally served.

Section 453—Parent Locator Service. All of us are aware of the importance of locating the absent parent whether it is to establish paternity or collect support. Service of process cannot ordinarily be effected without knowing the residence or business address of the defendant.

Thus, one provision of the child support statute is the establishment of a Federal Parent Locator Service—PLS—within the Department of HEW's separate child support enforcement unit. This unit, upon request of first, a local or State official with support collection responsibility under this program, second, a court with support order authority, or third, the agent of a deserted child not on welfare, will make available to the State PLS the most recent address and place of employment of a deserting parent and other pertinent information which it can obtain from HEW files or the files of any Federal agency, or of any State—regardless of whether such parent is under a court order to support. Information of a national security nature or information in highly confidential files such as those of the Bureau of the Census would not be divulged. The State agency for child support enforcement must also establish a service—with units at the local level—to locate absent parents.

The FPLS is computerized and is in operation now, at least for test and trial runs. Those States with computers will have terminals with input capability to the Federal PLS, but not into the records or data in the FPLS data bank. The Federal PLS will maintain separate data files for each State. States without terminals will be able to receive information through the Federal PLS by submission of the request on computer tape or cards or on designated forms. The Federal PLS will respond to any request from the State within 1 to 8 days, depending upon the day the request is received. The entire FPLS system is classified and maintained in a manner that would prevent any unauthorized data from being obtained from the system.

The Parent Locator Service at the Federal level will not use investigators or similar type personnel since it is basically designed to make national agency checks and checks with State agencies as necessary.

Before utilizing the Federal PLS, the State must make a reasonable and diligent effort to locate the absent parent through its own locator service, utilizing all appropriate local and State sources.

Most of the absent AFDC fathers have not disappeared. They are frequently living in the same county or city as their children. Many of the absent parents will be found within the same city and some even are not absent and will be found in the home of the applicant for or recipient of AFDC. Of the 57.4 percent of the fathers whose residence was known, the 1973 AFDC study showed that 25.4 percent were living in the same State and 19.5 percent of these were living in the same county as the AFDC family.

Under the HEW regulations issued pursuant to the child support, part of Public Law 93-647, there is no provision for the Social Security Administration—SSA—to provide the social security number of the absent parent to the State Parent Locator Service—SPLS—via the Federal Parent Locator Service in cases in which the State does not know and has not been able to ascertain social security numbers. This is contrary to the practice that has been in existence for over 20 years. During this time, the Social Security Administration has been providing the social security number of the absent parent to the State whenever the State requested the address and place of employment of the absent parent and did not provide the absent parent's social security number in its request to the Social Security Administration.

Since the language used in Public Law 93-647 for requesting location data from the Social Security Administration is similar to that previously used in the Social Security Act under which the SSA has provided the social security number of the absent parent to the States, we felt that Congress, in enacting the new law, was merely ratifying past procedures which included the submittal of the social security numbers of the absent parents to the State agency which was an integral part of the procedures.

These numbers are essential to the State and local agencies as an aid in locating absent parents. Without the social security number, the cost of locating the absent parent would increase tremendously and, in a large number of cases, it would be impossible to locate the missing parent.

However, the Social Security Administration, in reviewing the SSA regulations and operations to determine the necessary revisions to regulations to conform with the Privacy Act of 1974—Public Law 93-579 enacted December 31, 1974—has not found any provision in regulations or in public law authorizing it to provide the social security number of the absent parent to the State agency.

The House bill, H.R. 8598, would abolish the Federal Parents Locator Service and thus cause the States to need a large number of investigative staff to locate absent parents at a greatly increased cost for each person located. And, as I have previously stated, the State would not have the ability to locate many of them since, under the House-passed bill, the State could request information from IRS and social security only when the absent parent is under a court order to support or when the State has petitioned the courts for a support order. Any attorney knows the importance and necessity of a valid address for the defendants in child support cases. Can it be that the sponsors of the House-passed bill and HEW were not interested in establishing the paternity of children who are on AFDC, children whose only hope of having their identity established is through the help of adults. Why should these children be deprived of their rights to inheritance and to the various benefits provided by the government for children of deceased parents.

My bill would leave the Federal Parents Locator Service intact, would make a technical revision to the Social Security Act to include the requirement that the social security account number of the absent parent will be furnished to the State PLS, as was originally intended and which has been done in the past, and would emphasize the fact that only the State agency would have access to the Federal Parent Locator System.

Mr. President, I am not in favor of abolishing the IRS collection system for child support as the House-passed bill would do and have a number of questions about some of the other provisions. Mr. President, I am deeply troubled by the disregard for the Nation's children evidenced by the House-passed bill. There were only a few Representatives on the floor at the time the bill was discussed, and I trust that the many who were not will read H.R. 8598 and see what it actually does to harm children instead of what those who urged passage say it does.

Mr. President, I ask unanimous consent that a copy of Mr. Ford's statement concerning the "Runaway Pappy" bill contained in the January 18, 1973 Congressional Record, along with a copy of his original bill introduced in 1949 be printed in the Record following my remarks, together with the text of the bill I introduce today.

There being no objection, the material was ordered to be printed in the Record, as follows:

S. 2243

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

RECEIPT AND APPROVAL OF APPLICATIONS FOR PERMISSION TO UTILIZE FEDERAL COURTS

Section 1. (a) Section 452(a) of the Social Security Act (as enacted by section 101 of Public Law 93-647) is amended by adding at the end thereof the following new sentence: "The function and duty set forth in paragraph (8) shall be performed by the Secretary, or by the designee referred to in the preceding sentence, and shall not be performed by any other individual.".

(b) The amendment made by subsection (a) shall become effective August 1, 1975.

GARNISHMENT AND OTHER LEGAL PROCESS FOR ENFORCEMENT OF CHILD SUPPORT AND ALIMONY OBLIGATIONS

Sec. 2. (a) Section 459 of the Social Security Act is amended to read as follows:

"CONSENT BY THE UNITED STATES TO GARNISHMENT AND SIMILAR PROCEEDINGS FOR ENFORCEMENT OF CHILD SUPPORT AND ALIMONY OBLIGATIONS

"Sec. 459. (a) Notwithstanding any other provision of law, effective January 1, 1975, moneys (the entitlement to which is based upon remuneration for employment) due from, or payable by, the United States to any individual, including members of the armed forces, shall (subject to the provisions of subsection (b)) be subject, in like manner and to the same extent as if the United States were a private person, to legal process brought for the enforcement, against such individual, of his legal obligations to provide child support or make alimony payments.

"(b)(1) The provisions of subsection (a) shall be applicable to legal process brought in any particular case only if such process is served, by registered or certified mail with return receipt requested, on the governmental official who is designated, pursuant to subsection (c), to accept service of legal process in such a case.

"(2) Nothing in subsection (a) shall be construed to authorize or permit any legal process, referred to therein, to become effective prior to 30 days after the date on which service thereof is made in the manner described, and on the official referred to, in paragraph (1); and any such official upon whom such legal process is so served shall have 5 days after the date on which such legal process becomes effective in which to respond thereto.

"(3) Nothing in subsection (a) shall be construed to authorize or permit the United States, in complying with any legal process, referred to therein, to pay, out of the moneys otherwise payable by the United States to an individual, more than 50 per centum (or such lower amount as may be provided by State law) of so much of such moneys as would (except for this paragraph) be available to be paid over in compliance with any such legal process, if personal service of such process has not been made on such individual and the appropriate subdivision of the Federal Government has not been notified of such personal service.

"(c) (1) Officers and employees upon whom legal process may be served with respect to moneys payable by the various subdivisions of the Federal government shall, in the case of the United States Senate, be designated by the President pro tempore of the Senate, in the case of the United States House of Representatives, be designated by the Speaker of the House, in the case of the Supreme Court, by the Chief Justice of the Supreme Court, in the case of the Judicial Branch (other than the Supreme Court), by the Director of the Administrative Office of the United States courts, and in any other case, by the President of the United States.

"(2) The President shall issue regulations making the designations which he is required to make under paragraph (1), and shall prescribe such other regulations as may be necessary to carry out the provisions of this section.

"(d) As used in this section—

"(1) The term 'United States' means the Government of the United States, together with all of its branches, departments, agencies, and instrumentalities; and such term includes the Government of the District of Columbia (together with all of its arms, branches, parts, agencies, or instrumentalities), the United States Postal Service, any Federal Commission, or any wholly owned Federal corporation.

"(2) The term 'legal process' means any procedure, authorized or sanctioned by law, for the formal enforcement of a legal right or the obtaining of such remedy as the law allows, and includes, but is not limited to, execution, levy, attachment, garnishment, attachment execution, trustee process, and the statutory remedy for recovery of support and maintenance under the Aid to Families with Dependent Children program established by this table.

"(3) The term 'private person' means a person who does not enjoy any sovereign or other special immunity or privilege under the law.

"(4) The term 'based upon remuneration for employment' includes wages, salary, incentive pay, bonuses, or other remuneration for employment; such term also includes payments under Federal programs if (A) the payment thereunder would not be payable except for past or present employment, and (B) the amount of such payment is directly or indirectly based (wholly or in part) on the amount or quantum of the remuneration paid or payable for the employment involved."

(b) The provisions of section 303(a) of the Consumer Credit Protection Act (15 U.S.C. 1673(a)) shall not apply to orders for the support of any person (and debts arising under such orders) determined under administrative procedures which are established pursuant to State law and which afford substantive due process and provide for judicial review.

(c) The amendment made by subsection (a) shall become effective on the date of the enactment of this Act.

FURNISHING OF SOCIAL SECURITY NUMBERS OF ABSENT PARENTS BY PARENT LOCATOR SERVICE; CERTAIN REQUESTS FOR INFORMATION TO BE TRANSMITTED THROUGH STATE AGENCY

Sec. 3. (a) Subsection (b) of section 453 of the Social Security Act (as enacted by section 101 of Public Law 93-647) is amended—

(1) by striking out "address and place of employment" and inserting in lieu thereof "address, most recent place of employment, and social security account number", and

(2) by striking out "such information" the first place it appears and inserting in lieu thereof "the information requested".

(b) (1) Subsection (d) of such section 453 is amended by adding at the end thereof the following new sentence: "Any such request by a court (referred to in subsection (c) (2)) or by an individual (referred to in subsection (c) (3)) shall be filed with the State agency (if any) authorized to accept such request pursuant to an arrangement entered into pursuant to subsection (f).".

(2) Subsection (f) of such section 453 is amended by striking out "resident parents, legal guardians, or agents of a child described in subsection (c) (3)" and inserting in lieu thereof "any court (described in subsection (c) (2)) in the State or any individual (described in subsection (c) (3)) who is a resident of the State".

(c) The amendments made by this section shall become effective on August 1, 1975.

H.R. 4580

A bill to provide for the enforcement of support orders in certain State and Federal courts, and to make it a crime to move or travel in interstate and foreign commerce to avoid compliance with such orders

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Family Support Act".

Sec. 2. (a) The Congress hereby declares that every individual has a natural, moral, and social obligation to support the members of his immediate family, which obligation transcends the status of debt.

(b) The Congress further declares that, while sound national policy requires that migration from State to State be unrestricted, experience has disclosed that in the exercise of the right of migration and travel many persons leave behind them broken homes, dependent and neglected children, and spouses; that although the courts of the State in which the family resided may have properly ordered an individual to meet his natural, moral, and social obligations, once he has removed himself to another State he has a practical sanctuary against the rightful jurisdiction of the original State of residence.

(c) The Congress further declares that in other instances the departure preceded acquisition of jurisdiction over the person by the original State's courts with like result.

(d) It is the policy of Congress in enacting this Act to correct the evils outlined above (1) by requiring that orders of State courts directing individuals to meet their natural, moral, and social obligations to child and spouse shall be enforced in Federal and State courts in areas to which such individuals have migrated from the original State; (2) by giving Federal courts in States of which such migrants have become citizens original jurisdiction, in suits brought by citizens of other States, to order such migrants to meet such obligations, to the end that children and spouses will not suffer want or be made the objects of charity and thus become an unnecessary burden to the general public and be themselves thereby humiliated; and (3) by providing criminal penalties for persons who move or travel in interstate or foreign commerce to avoid compliance with support orders.

Sec. 3. Part VI of title 28 of the United States Code is hereby amended by inserting at the end thereof the following new chapter:

"CHAPTER 173—ENFORCEMENT OF STATE COURT SUPPORT ORDERS

"Sec.
2711. Definitions.
2712. Registration of support orders.
2713. Enforcement.
2714. Notice to original court.

"Sec. 2711. Definitions

"As used in this chapter—

"The term 'support order' means an order of a State court having jurisdiction over an individual, directing such individual to make payments periodically to (or for the support of) his spouse, former spouse, or child (whether the issue of his body, legitimate or illegitimate, or adopted).

"The term 'obligor', with respect to a support order means an individual who is directed to make payments under the order.

"The term 'obligee' means any person to whom the proceeds of a support order is payable for himself, or the use or benefit of another, or such beneficiary or his guardian or guardian ad litem.

"The term 'original court', with respect to a support order, means the court in which it was made.

"The term 'State' includes the Territories and the District of Columbia.

"The term 'registered', with respect to a support order, means registered under section 2712.

"Sec. 2712. Registration

"Any obligee of a support order may register the order in any district court of the United States for a district, and in any court of a state having jurisdiction of like matters, in which an obligor of the order resides, and which is outside the State in which the support order was made. Registration shall be accomplished by filing with the clerk of such court a certified copy of the support order and of each order of the original court modifying the support order.

"Sec. 2713. Enforcement

"(a) Any court in which a support order is registered shall entertain contempt proceedings, in the same manner as if the order were an order of such court, against an obligor who fails to comply with the order within thirty days after being served notice that it has been registered.

"(b) No proceedings to enforce a support order shall be begun in any court under this section unless a copy of each order of the original court modifying the support order is registered under section 2712.

"(c) The cost of enforcement proceedings under this section shall be taxed against the party against whom the issues are resolved. The obligor shall be required to pay a reasonable attorney fee to the obligee if the court finds the proceedings were necessary to compel the obligor to comply with the support order.

"Sec. 2714. Notice to original court

"When, in any court, any support order is registered or any proceedings are taken under section 2713 to enforce a support order, written notice of such action under the seal of such court shall be sent to the original court."

Sec. 4. Section 1332 of title 28 of the United States Code is hereby amended by striking out subsection (b) and inserting in lieu thereof the following:

"(b) Each district court located in a State shall have original jurisdiction, concurrent with State courts, of civil actions brought by a citizen of another State to order a citizen of the State in which the court is located to make payments periodically to (or for the support of) his spouse, or child (whether the issue of his body, legitimate or illegitimate, or adopted) if under the law of such State a State court is authorized to make such an order, as an incident to a divorce proceeding or otherwise. Nothing in this subsection shall authorize any district court to make a decree of divorce or separation, or to order an individual to make any payments to (or for the support of) a spouse who has without legal justification quit the home of such individual.

"(c) The words 'State' and 'States', as used in this section, include the Territories and the District of Columbia."

Sec. 5. The jurisdiction of the courts upon which jurisdiction is conferred by sections 3 and 4 of this Act shall not be affected by the amount in controversy, and such court shall have the power to enforce its orders by proceedings against either the person or property of the obligor, or both.'

Sec. 6. The table of contents of part I of title 18 of the United States Code is hereby amended by inserting after

"1. General provisions.............. 1"

the following:

"2. Abandonment or desertion of minor children .... 21".

Sec. 7. Part I of title 18 of the United States Code is hereby amended by inserting at the end of chapter 1 the following new chapter:

"CHAPTER 2—ABANDONMENT OF DEPENDENTS

"Sec.
21. Definitions.
22. Abandonment and desertion.
23. Prima facie evidence.
24. Testimony of wife.

"Sec. 21. Definitions

"As used in this chapter—

"The term 'support order' means an order of a State court having jurisdiction over an individual, directing such individual to make payments periodically to (or for the support of) his spouse, former spouse, or child (whether the issue of his body, legitimate or illegitimate, or adopted).

"The term 'State' includes the Territories and the District of Columbia.

"Sec. 22. Abandonment and desertion

"Any individual who, to avoid compliance with a support order, shall travel or move in interstate or foreign commerce, from the State in which such support order was issued or from any State in which proceedings have been instituted under chapter 173 of title 28 of the United States Code, shall be punished by a fine of not more than $2,500, or by imprisonment for not more than three years, or by both such fine and imprisonment.

"Sec. 23. Prima facie evidence

"For the purposes of this chapter, failure of any individual to comply with the terms of a support order, after travel or movement in interstate or foreign commerce shall constitute prima facie evidence that such individual so traveled or moved with intent to avoid compliance with such support order, if personal service (including service by registered United State mail) of a certified copy of such support order has been had on such individual.

"Sec. 24. Testimony of wife

"In all criminal proceedings under this chapter a wife may testify against her husband without his consent."

Sec. 8. Section 3237 of title 18 of the United States Code is hereby amended by inserting at the end thereof the following new paragraph:

"Any offense under the provisions of chapter 2 of this title, is a continuing offense and may be inquired of and prosecuted, in any district from, through, or into which, such offender so travels or moves, or in the district where the offender is found.".

"RUNAWAY PAPPY" BILL REINTRODUCED

The Speaker pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. Gerald R. Ford) is recognized for 5 minutes.

Mr. Gerald R. Ford. Mr. Speaker, I have today reintroduced my "runaway pappy" bill, a piece of legislation aimed at fathers who have fled to other States to escape paying child support.

My bill would make child support orders enforceable in Federal courts. It would bring Federal authority to bear on the problem of nonsupport by husbands and fathers who shirk their parental responsibilites.

Passage of my bill would give legal sanction to the moral and social obligations every husband has to take care of his family.

The main purpose of the bill is to try to deter a man from leaving a State to avoid paying for child support under an order obtained against him.

My bill grants jurisdiction to Federal officials to act in those cases where a man flees from one State to another to evade his obligations under a divorce decree or child support order issued by a State court. The bill makes it a crime for a man to move out of the State to avoid obeying the State court order.

The States cannot get uniform State action on this matter, and the cost of extradition from one State to another is too great for a State or local government.

We need the help of the Federal Government to get at husbands and fathers who refuse to support their children and flee to another State to escape their responsibilities. I think we should throw the forces of the Federal Government into pursuit of fathers who run off and leave their families with no means of support. A man who abandons his children is just as much a felon as the man who steals an automobile.

Under the proposed Federal law, non-support cases would be heard by Federal courts in the State where the fugitive father is residing at the time. He would be given the option of supporting his children or going to jail. It would not be necessary to return the man to the State where the nonsupport or desertion charges had been brought.

By Mr. MAGNUSON:

S. 2244. A bill to amend the Natural Gas Act. Referred to the Committee on Commerce.

EMERGENCY NATURAL GAS ACT AMENDMENTS

Mr. MAGNUSON. Mr. President, on behalf of myself, Mr. Pearson and Mr. Hollings, I introduce by request a bill to amend the Natural Gas Act submitted by the Chairman of the Federal Power Commission. This proposal is an emergency measure designed to help alleviate the curtailments which many interstate consumers of natural gas may suffer this winter. The Commerce Committee has of course recently reported by a vote of 10 to 8, S. 692, a bill to comprehensively reform the Natural Gas Act. The measure is now awaiting Senate floor consideration. No doubt it will be subject to extensive debate. Therefore, to assist in meeting the curtailment for this winter, it may be desirable to consider emergency legislation to deal with this near-term situation.

We will therefore carefully examine the measure proposed by the Chairman of the Federal Power Commission. If it offers the promise of providing relief that is in the public interest, we hope to take prompt action on it.

I ask unanimous consent that the letter dated July 28, 1975, from the Chairman of the Federal Power Commission to the Vice President and the language of the proposed amendment to the Natural Gas Act be printed in the Record at this point.

There being no objection, the bill and letter were ordered to be printed in the Record, as follows:

S. 2244

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. The Congress hereby determines that—

(a) domestic supplies of natural gas available for interstate commerce are not sufficient to meet present and anticipated national and regional needs;

(b) shortages of natural gas have created and are likely, in the near future, to continue to create severe economic dislocations and hardships;

(c) such shortages have jeopardized the normal flow of commerce and constitute a supply crisis which is a threat to the public health, safety, and welfare; and

(d) such shortages can, in part, be alleviated by granting the Federal Power Commission emergency authority to exempt temporarily certain activities and operations relating to the sale, transportation, transfer or exchange in interstate commerce of natural gas or of commingled natural gas and synthetic natural gas, from the provisions of the Natural Gas Act.

Sec. 2. That Section 7(c) of the Natural Gas Act is amended by adding at the end of such section the following:

Provided further, that within fifteen days after the passage of this amendment, the Commission may by regulation exempt from the provisions of this Act any activities or operations relating to the transportation, sale, transfer or exchange of natural gas, or of commingled natural and synthetic natural gas, or of liquefied natural gas, from any source other than Federal domain areas, by a producer, an interstate pipeline, intrastate pipeline or distributor, to or with an interstate natural gas pipeline company which does not have a sufficient supply of natural gas to fulfill its firm contractual requirements or interruptible requirements for residential, commercial or industrial needs for plant protection, feedstock or process uses for which no alternate fuel is available, and which is curtailing deliveries pursuant to a curtailment plan on file with the Commission, or to or with any purchaser or consumer of natural gas which has been purchased from such a pipeline, directly or indirectly. No exemption granted under this proviso shall exceed one hundred and eighty days in duration.

FEDERAL POWER COMMISSION,
Washington, D.C., July 28, 1975.

Hon. Nelson A. Rockefeller,
President of the U.S. Senate,
Washington, D.C.

Dear Mr. President: Transmitted with this letter for consideration by the appropriate committee are twenty copies of a draft bill to amend Section 7 of the Natural Gas Act, Subsection (c), (15 U.S.C. 717(f)).

The deepening and pervasive natural gas shortage, combined with shortages of clean, reasonably-priced alternate fuels, has confronted the Nation with an emergency of crisis proportions. A brief examination of the statistics regarding the curtailment of firm gas service by interstate pipelines gives some indication of the rapidly growing magnitude of this crisis. Net curtailments in this category (excluding curtailments between pipeline companies) amounted to 1,678 Bcf in 1974, as compared to 1,131 Bcf in 1973, 649 Bcf in 1972, 286 Bcf in 1971, and 17 Bcf in 1970. On a percentage basis, there was a shortfall of 13.58% in the supply of gas available for firm requirements during the period April, 1974 to March, 1975. The Commission's most recent estimate for the same period of 1975–1976 comes to 19.39%, an increase of approximately 42%.

Deliverable gas supplies are now inadequate, and are projected to continue in short supply over the short term, with demand increasing. The price of natural gas at the wellhead has lagged behind the price changes in other fuels and the present price relationship to the energy market, on a Btu basis, presents a clear economic contradiction. After careful analysis the Commission has concluded that workable competition exists in the natural gas production industry. Therefore the Commission believes that a monitored deregulation of new natural gas at the wellhead is the single most effective measure that can be taken today to alleviate the Nation's severe supply-demand imbalance. Commissioner Smith would initially limit deregulation to small producers who collectively control approximately 25% of the natural gas supplied to the interstate market, with the possibility that deregulation could be extended to all producers if fuel prices cease to be dominated by the OPEC cartel, and if small producer deregulation results in expanded exploration and development.

The Commission believes that deregulation must be accompanied by a system of price reporting and monitoring to assure that producers do not use the present shortage situation as an opportunity to indulge in practices which would result in restraint of trade. There must be strict surveillance by the Commission, the Department of Justice and other agencies, and strict enforcement of antitrust laws to safeguard against anticompetitive conduct in any market area. In order to provide assurance that increased producer revenues will be used to augment the supply of gas it may be necessary for Congress to require a "windfall profits" or "excess revenues" tax, coupled with a provision for appropriate tax credits for all investments made in energy research and development, including investments in gas exploration and development.

As an emergency measure to deal with the gas crisis in the short term until appropriate legislation deregulating new natural gas wellhead prices is enacted, the Commission recommends the enactment of the proposed amendment to Section 7(c) of the Natural Gas Act, which would enable the Commission to act quickly and effectively to counteract the critical shortage of natural gas supplies available to the interstate market. Under the amendment's terms, the Commission could grant exemptions from the provisions of the Natural Gas Act, not to exceed one hundred and eighty days in duration, to activities and operations relating to certain transportation, sales, transfers or exchanges of natural gas in interstate commerce. Exemptions could be granted for transactions between producers, interstate or intrastate pipelines, or distributors, to or with an interstate pipeline which does not have a sufficient supply of natural gas to fulfill its firm contractual requirements or interruptible requirements for residential, commercial or industrial needs for plant protection, feedstock and process uses for which no alternate fuel is available, and which is curtailing deliveries pursuant to a curtailment plan on file with the Commission. The exemption authority also would extend to transactions with purchasers or consumers of natural gas which has been purchased from such a pipeline, either directly or indirectly. Exemptions could not be granted to transactions involving gas produced from Federal domain areas, either onshore or offshore.

Enactment of the amendment would give interstate pipelines in curtailment and their direct or indirect sale customers a better opportunity to compete effectively for gas supplies not currently dedicated to the interstate market, thereby increasing the likelihood that the severity of near-term gas supply shortages can be reduced on a nationwide basis. Expansion of the interstate gas supply would further objectives of the Full Employment Act of 1946 by preventing industrial shutdowns and commercial interruptions resulting from temporarily insufficient gas supplies, and would also reduce the growing dependence of industrial and commercial users upon high-priced supplemental and alternate fuels, which has had a significant inflationary impact.

Pursuant to its interpretation of its authority under Section 7(c) of the Natural Gas Act, to exempt "temporary acts or operations" from the certificate requirements of the Act "in the public interest", the Commission for the purpose of alleviating critical gas shortages in the 1973–74 winter heating season adopted certain amendments to its regulations. By Order No. 491–B (38 F.R. 31289), the Commission extended from 60 to 180 days the allowable duration of temporary emergency sales of natural gas without Commission certification to jurisdictional pipelines operating under filed curtailment plans.

This policy resulted in the introduction of 200 billion cubic feet of gas into the interstate gas stream. However, the U.S. Court of Appeals for the District of Columbia, by its March 13, 1975 decision in the case of *Consumer Federation of America, et al.* v. *F.P.C.* (No. 73–2009), held that the Commission had exceeded its statutory authority by allowing 180-day emergency sales without certification. Another significant problem is posed by the recent holding of the U.S. Court of Appeals for the District of Columbia in the case of *John E. Moss, et al.* v. *F.P.C.*, 502 F.2d 461 (1974), that the Commission may not authorize abandonment of certain producer gas sales at the time it certifies the sales.

Although the Commission has received permission from the Solicitor General to seek a writ of *certiorari* in the *Consumer Federation* case, and the U.S. Supreme Court has granted *certiorari* in the *Moss* case, these decisions raise serious questions regarding the nature and scope of the Commission's jurisdiction to take prompt action to alleviate the nation's critical natural gas supply shortage. Consequently, the Commission recommends that Section 7(c) of the Natural Gas Act be amended to clarify the Commission's authority to exempt temporarily emergency sales, transportation, transfers and exchanges of natural gas from regulation in curtailment situations.

The Office of Management and Budget has advised "that there is no objection to the presentation of the proposal to the Congress and its enactment would be consistent with the Administration's objectives."

Sincerely,

John N. Nassikas,
Chairman.

By Mr. FONG:

S. 2245. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968, to include the Trust Territory of the Pacific Islands. Referred to the Committee on the Judiciary.

Mr. FONG. Mr. President, I am introducing a bill today which amends the definition of "State" in the Omnibus Crime Control and Safe Streets Act of 1968 to include the Trust Territory of the Pacific Islands. The omission of this area in the original legislation appears to have been an unintentional oversight.

Enactment of my bill will facilitate the creation of a local planning agency and will enable the Trust Territory to receive assistance from the Law Enforcement Assistance Administration to upgrade its criminal justice system and to carry out the purposes of the Juvenile Justice and Delinquency Prevention Act of 1974.

I hope that this measure will be acted upon promptly by the committee to which it is referred.

By Mr. BEALL (for himself and Mr. Ford):

S. 2246. A bill to amend the Communications Act of 1934 with respect to the renewal of licenses for the operation of broadcasting stations. Referred to the Committee on Commerce.

Mr. BEALL. Mr. President—for myself and the Senator from Kentucky (Mr. Ford) I introduce the Broadcast License Renewal Act.

Mr. President, many times, in our zeal to protect the public interest, we cause to be created complicated and cumbersome regulatory procedures that make it very difficult for those being controlled to develop, improve, and operate their businesses in the most effective, efficient, and economical manner. The result is that the protection for the public is not enhanced and the regulated industry is caused to bear an unnecessary and unproductive burden. Such is the case with broadcast licensing.

Mr. President, over the past several years, the broadcasting industry has found itself faced with a degree of instability that has been generated largely by an absence of identifiable standards which the Federal Communications Commission could apply in acting on license renewal applications. In addition, conflicting administrative and judicial decisions have led to confusion and ambiguity which have undermined the industry's ability to make rational, long-range business decisions. Equally distressing has been the unmanageable increase of paperwork and litigation thrust upon broadcasters at license renewal time. All of these problems for the broadcaster inevitably affect his ability to serve the public interest.

During the 93d Congress, we recognized the need for statutory clarification and simplification of the renewal process. Both Houses enacted legislation to reform license renewal procedures. Like the great majority of my colleagues, I supported last year's Senate bill and regret that it died in the closing days of the session since I believed, and continue to believe, that legislation is necessary in this area.

The bill I offer today is a companion measure to H.R. 5578, introduced in the House of Representatives by Congressmen Frey and Byron. This legislation will enhance broadcast journalism by giving a reasonable degree of security to licensees who operate in the public interest without unduly inhibiting the possibility for criticism of incumbent broadcast licensees. I would like to briefly highlight some of the essential provisions of this legislation.

First, it would authorize the Federal Communications Commission to grant a license for up to 5 years, only after a Commission determination that 5-year extension would serve the public interest. Accordingly, this would allow the FCC to mitigate the burdens of excessive paperwork and attorney fees which have been particularly overwhelming for smaller stations lacking the financial resources available to large market broadcasters. A longer license term, where justified, will provide greater stability for long-range investments in time, money, and effort necessary for high-quality public service without sacrificing the spur toward competitive, responsive programing. Moreover, the FCC has estimated that a 5-year license extension would reduce the number of renewal applications from 2,700 to 1,600 annually—roughly 40 percent. The Commission will therefore be able to screen each application more thoroughly and to give closer, more expeditious consideration to those applications which raise questions relating to the licensee's overall qualifications. As a result, licensees will be encouraged to remain committed to their responsibilities throughout the license term.

The bill would clarify the standards of performance to be applied at renewal time and provide assurance to the conscientious licensee that he will not lose his license because of the paper promises of a competing applicant. Specifically, the Commission is directed to establish ascertainment procedures by which each broadcaster must identify the problems, needs, and interests of his service area. The licensee's responsiveness to the locally ascertained problems, needs, and interests must be given major consideration during the Commission's evaluation of a renewal application, for community service is the cornerstone of the process of ascertainment.

By directing the Commission to prescribe different ascertainment procedures for different categories of broadcasting stations, we may expect broadcasters to tailor their programing more closely to the requirements of their individual listening audience.

I have been particularly concerned about the fact that present ascertainment procedures encourage broadcasters to focus their major emphasis upon the problems, needs, and interests of listeners within a community of license. By requiring licensees to ascertain the problems, needs, and interests of their "service area," the legislation I offer will extend broadcasters' present tunnel vision beyond artificially drawn political boundaries. We therefore may expect station operators to be encouraged to direct their programing toward a greater spectrum of their viewing audience.

Under the existing provisions of the Communications Act, all appeals from FCC decisions involving license renewal are within the inclusive jurisdiction of the U.S. Court of Appeals for the District of Columbia Circuit. The legislation I introduce would allow appeals from FCC decisions or orders to be brought in the U.S. court of appeals in the circuit where the broadcasting facility is located. This provision would undoubtedly assist the D.C. Court of Appeals to reduce their caseload, which presently has one of the longest median disposal times in the Nation. Moreover, allowing the appeal to be brought in the community of the licensee will be more convenient and less expensive for the parties involved.

Lastly, this legislation would help lift the burden of unnecessary paperwork from license-renewal applicants by authorizing "short form" renewal procedures and requiring the FCC to find innovative ways to consolidate the material now required from each licensee for renewal consideration.

Mr. President, the American listening audience would be far better served by broadcasters which are able to focus their resources more directly toward creative programing rather than the difficulties brought about by the existing outdated license-renewal system. I believe the legislation I offer today will promote the stability of the broadcasting industry but at the same time preserve the safeguards necessary to assure that broadcasters continue to operate in the public interest.

By Mr. BENTSEN (for himself and Mr. HUGH SCOTT):

S. 2247. A bill to authorize the President to suspend participation and to withhold payment of expenses with respect to any organ, commission, or other body of the United Nations which discriminatorily applies to any procedural rule or discriminatorily imposes any sanction. Referred to the Committee on Foreign Relations.

Mr. BENTSEN. Mr. President, the United Nations' founding 30 years ago was for the purposes of maintaining international peace and security and developing friendly relations among nations based on respect for the sovereignty and integrity of nations. The U.N. has served well in many respects but I am deeply concerned that it is straying from these basic principles. Increasingly frequent attempts by certain members of the U.N. to use that organization for narrow political purposes negate the very principles on which the U.N. was founded and mock its central function: to act as a forum for resolving disputes, for discussing common goals, and developing the means to implement those goals. The overriding goal, of course, is peace and harmony among nations.

Inviting terrorists to address the General Assembly and seeking to expel member nations for reasons which negate the spirit of the U.N. Charter, among other examples, are not the actions of a responsible, peace-seeking, egalitarian organization.

Mr. President, I am deeply concerned that when the 30th session of the General Assembly convenes next month in New York, there will be an attempt to expel Israel from the General Assembly or an effort to refuse to accept the credentials of her delegates.

A move to expel any U.N. member nation is intolerable. The United States must not stand by passively and acquiesce in what amounts to a violation of the spirit of the U.N. Charter, an attack on moral principle. The United States should oppose actions by a numerical majority which are not in the best interests of world peace, which call into question the continued usefulness and viability of that organization.

I welcome Secretary Kissinger's warning in Milwaukee that those who seek to manipulate U.N. membership by procedural abuse may well inherit an empty shell. But it is time to move from words to action.

I am today introducing legislation, on behalf of myself and the distinguished Senator from Pennsylvania (Mr. HUGH SCOTT), to authorize the President to suspend U.S. participation in and funding for any organ, commission, or other body of the U.N. which the President determines discriminates against any member nation in a manner inconsistent with the spirit of the U.N. Charter or if the President determines that a member is expelled or suspended for reasons contrary to the spirit of the U.N. Charter.

This legislation is a warning that the United States will not condone discrimination against any member nation of the U.N. and it will not stand in silence while other nations act in a fashion inimical to the interests of world peace and security.

I intend to push for Senate action on this legislation as soon as the Senate reconvenes after the August recess. I urge the Senate to lend its full support to this bill.

Mr. President, I ask unanimous consent that the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the United Nations Participation Act of 1945 (Public Law 72–264; 59 Stat. 619) is amended by adding at the end of Section 2 the following new subsection:

"(h) Notwithstanding any other provision of this Act, the President is authorized to—

"(1) direct any representative of the United States to cease participation, in whole or in part, for such period of time as the President may direct; and

"(2) withhold payment, in whole or in part, of the expenses apportioned the United States;

with respect to any organ, commission, or other body of the United Nations, including specialized agencies of the United Nations, which the President determines discriminates with respect to any country which is a member thereof in the application of the United Nations Charter or any rule of procedure or in the imposition of any sanction, or if the President determines that a member is expelled or suspended for reasons contrary to the spirit of the United Nations Charter.

By Mr. MOSS:

S. 2248. A bill to amend the Federal Cigarette Labeling and Advertising Act to require the Federal Trade Commission to establish acceptable levels of tar and nicotine content of cigarettes. Referred to the Committee on Commerce.

Mr. MOSS. Mr. President, I look upon the ninth report on smoking and health of the Department of Health, Education, and Welfare with mixed emotions. While I am pleased to see that the views which I have expressed on the hazards of tobacco smoking are reinforced and reaffirmed, I am dismayed at the continued frustrations which we have in formulating a sound and sensible program effectively to protect the American people from these hazardous products.

In each Congress since 1971, I have introduced legislation to have ceilings set for maximum permissible levels of tar, nicotine, and other hazardous components of cigarettes. In each Congress this proposal, whose soundness is documented by thousands of pages of medical studies, is ignored.

In February 1974, I attempted to have the Consumer Product Safety Commission set such standards under certain laws administered by the Commission. Even though the Commission denied having authority over the subject, the U.S. district court affirmed my view and directed the Commission to act. Subsequently, the Congress, under heavy political pressure, caved in to the tobacco interests and removed any vestige of authority lodged in the Commission.

It is now time for reason to rise above economic interest. I will continue my efforts to see the American public, both smoker and nonsmoker, be protected from the horrible toll of death and disability attributable to cigarette smoking.

I am today introducing legislation to

accomplish the objective called for by the report of HEW.

By Mr. SCHWEIKER (for himself and Mr. Hugh Scott):

S. 2249. A bill to authorize and direct the Secretary of Transportation to carry out a demonstration project for construction of a highway between Buffalo, N.Y., and Princeton, W. Va. Referred to the Committee on Public Works.

Mr. SCHWEIKER. Mr. President, on behalf of myself and my distinguished senior colleague from Pennsylvania, Senator Scott, I send to the desk legislation to make Pennsylvania Route 219 a 100 percent federally financed demonstration project.

This is a companion bill to legislation which is being introduced by our distinguished colleague in the other body, Mr. Murtha, together with several cosponsors. I commend Mr. Murtha for his initiative on this issue, and I hope this measure will be promptly enacted.

Mr. President, everyone in Pennsylvania knows that improvement of route 219 is a critically needed priority project. The 219 corridor extends 522 miles, and is the only major north-south route in western central Pennsylvania. Unfortunately, this highway desperately needs improvement—and until it is improved, Pennsylvanians and citizens in the surrounding States will be forced to continue paying a high price in highway fatalities, in economic decline, and in public inconvenience.

This legislation will mandate that improvement, Mr. President, by designating route 219 as a Federal demonstration project. Let me emphasize, though, that this legislation does not dictate the location of an improved route 219, and it does not limit the freedom of local citizens and their representatives to choose between competing proposals. In short, this bill does not permit the Federal Government to supersede the local decisionmaking process—but it does insure strong Federal support for this vitally needed action.

I ask unanimous consent that the text of this bill be printed in full following my remarks.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2249

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Transportation shall carry out a demonstration project for construction of a highway, approximately 522 miles in length between Buffalo, New York, and Princeton, West Virginia, along the corridor of U.S. Route 219. The Federal share of such project shall be 100 per centum of the cost thereof. There is authorized to be appropriated, out of the Highway Trust Fund, not to exceed $90,000,000 for each of the fiscal years 1976 through 1986 to carry out this Act.

By Mr. MONDALE (for himself, Mr. Stafford, Mr. Bumpers, Mr. Hatfield, Mr. Inouye, Mr. Kennedy, Mr. Leahy, Mr. Metcalf, and Mr. Young):

S. 2250. A bill to provide for a program of research to help better understand, identify, and to the extent possible, prevent or relieve pressures on families. Referred to the Committee on Labor and Public Welfare.

FAMILY RESEARCH BILL

Mr. MONDALE. Mr. President, today I am privileged to introduce along with Senator Stafford and Senators Bumpers, Hatfield, Inouye, Kennedy, Leahy, Metcalf, and Young, the family research bill of 1975.

Our bill is designed to increase our knowledge of the economic, sociological, and environmental pressures facing families today. Toward this end, it seeks to support a program of research to be carried out through the already established Federal relationship with land-grant colleges first formed under the Hatch Act of 1887, State agricultural experiment stations, and other qualified public or private nonprofit institutions, under the supervision and direction of the Secretary of Agriculture.

PURPOSE

Our bill provides financial support for a program of research to identify, understand, measure, and, to the extent practicable, develop knowledge essential to preventing and relieving pressures that families are experiencing in an increasingly complex and technological society.

THE NEED

Mr. President, in September 1973, the Senate Subcommittee on Children and Youth, which I am privileged to chair, held hearings on the trends and pressures affecting American families. Those hearings reinforced and confirmed our belief that the family unit is the fundamental and most important unit of society. As Dr. Robert Coles testified at our hearings:

> If the family is anything, it is the medium through which one generation teaches an ethical system of values to another generation. That is what the family is about. It is concerned with the ethical rearing of children.

This sentiment is echoed by experts such as Dr. Margaret Mead, curator emeritus, American Museum of Natural History, when she concluded, "as the family goes, so goes the nation." Dr. Urie Bronfenbrenner, professor of human development and family study at Cornell University, emphasized the importance and basic nature of the family when he testified:

> It is no accident that in a million years of evolution we have emerged with a particular form for the raising of children . . . and it is the family. We should be very careful in fiddling with something that has managed to do well for us long before we had Ph. D.'s, like myself, in child development.

But let us consider for a moment some of the changes which have occurred in American families over the last decades. Half of all American families are living in a different home than they lived in 5 years ago. The extended family—with a grandparent or other relative in the same household as the parents and children—is nearly extinct. One of every seven American children lives in a single parent home. And television has entered the home with such force that by age 16, the average child is likely to have watched 15,000 hours of television compared to the 10,000 hours he spent in school.

And yet, family life is so commonplace to us, that many of these changes are overlooked. From our work in the Senate, it is becoming increasingly obvious to me that we too often take families for granted, without considering the pressures they are experiencing.

During my decade in the Senate, I have served on as many or more of what might be called human problem committees as any one of my colleagues. I have been on the Subcommittees of Education, Migratory Labor, Indian Education, Health, Housing and Urban Development, Manpower and Poverty, Nutrition; chaired the Select Committee on Equal Educational Opportunity, and am currently serving as chairman of the Subcommittee on Children and Youth. For much of this time we have been dealing with problems that have often been directly related to pressures on families: housing problems, welfare problems, nutritional problems, the health problems, and all the rest.

The more I have focused on these problems, the more I am convinced of the absolute centrality and fundamental importance of healthy families in American life as the key, best, and superior way of raising children. There is really no substitute for a healthy family in developing a secure, physically sound, motivated child who has a sense of worth. And that is the base for a good citizen—a person who can be a participating and contributing member of society.

I want to underscore my belief that most American families are strong and healthy. And I do not wish to be an alarmist, but there are warning signals that cannot be ignored:

Today, teenage alcoholism and drug abuse continue to grow dramatically;

Suicide is the second leading cause of death for young Americans between ages 15 and 24;

Delinquency is so pervasive that experts now predict that 1 out of every 9 youngsters will have been in juvenile court by age 18, and

Child abuse continues to be a widespread and growing problem among all social and economic groups.

It is quickly obvious, as well, that these are not problems that just face poor families. The difficulties weigh more heavily on a poor family, than on a middle or upper income family, but many of these problems run across all social and economic levels.

I think the message is pretty clear. We cannot continue to ignore what is happening to American families.

We must realize that it is getting harder every day to be a good parent. Some of these difficulties arise from the hectic pace of life, and the overwhelming size of so many of the institutions and bureaucracies with which families must deal. In short, families are too often faced with what Dr. Margaret Mead has called, "burdens too great to bear."

THE FAMILY RESEARCH ACT OF 1975

Mr. President, the bill we are introducing today represents a modest effort to help us better understand the pressures on families, and ways in which these pressures can be relieved. This small bill will not solve the problems I have been discussing. It would be a mistake to expect that of it. But it does represent a very important first step toward the ultimate solution of many of these problems—a long overdue step that we should take without further delay.

I would now like to summarize how the Family Research Act of 1975 would work.

The legislation will utilize the Federal-State partnership for research established under the Hatch Act of 1887. Under this act, Federal and State governments have cooperatively funded research in agriculture, and in areas designed to improve the life of rural families. While most funding under this act has been concerned with production and marketing aspects of agriculture, some funds have been utilized for interdisciplinary research in areas affecting families, primarily in nutrition, clothing, housing, and home management. The research results have been used by the Cooperative Extension Service as it has worked with families throughout every State and county in the Nation. When enacted, this bill will provide additional resources to be spent solely on developing knowledge that will enable family serving agencies at State and national levels to assist rural and urban families as they cope with technological, economic and social change.

Under the Family Research Act, the Secretary of Agriculture is authorized to approve research programs submitted though State agriculture experiment stations if he finds that:

First, the research program is designed to identify, understand, or measure, and to the extent possible, develop knowledge essential to preventing and relieving pressure on families and improving their conditions.

Second, the research is directed by a unit that has consistently maintained a primary concern about families.

Third, that the program include specific provisions for the application of information on the results of its research with the Secretary of Agriculture, and with other family agencies of the State and Federal governments, especially the Cooperative Extension Service.

Each land grant college submitting a research program which is approved by the Secretary shall be entitled to an initial grant of $100,000 and an identical sum for each of the three succeeding years. $7.1 million is authorized for this purpose for each of the four fiscal years. In addition, supplemental grants are to be made available to these, and to other institutions, over this 4-year period. Authorizations are: Fiscal year 1977, $10,000,000; fiscal year 1978, $12,000,000; fiscal year 1979, $14,000,000; and fiscal year 1980, $16,000,000.

Research conducted under this act must be designed to build upon and strengthen the role of the family as the primary and fundamental influence on the development of the child, must be completely voluntary, and must insure the privacy of any families who choose to participate.

The Secretary of Agriculture is directed to consult with individuals representing organizations, institutions, or agencies that provide social services, institutions of higher education, governmental and private agencies, organizations, foundations, and consumers for the purpose of developing a plan for the implementation and coordination of research programs provided for under this act.

It is important to note that 1 year, the first year of the bill's enactment, has been purposely designed for planning and coordinating the research effort. This should help guard against duplication of efforts and help insure that attention will be given to the priority needs.

Mr. President, I would also like to take this opportunity to thank the American Home Economics Association for its help in developing this act. The AHEA has been a continued supporter of legislation that will improve the quality of families in the United States.

I ask unanimous consent that a copy of the bill itself, and a copy of the press release describing the bill be printed at this point in my remarks.

There being no objection, the bill and release were ordered to be printed in the RECORD, as follows:

S. 2250

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Family Research Act of 1975".

STATEMENT OF FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that—

(1) families are the most vital and fundamental institutions of this Nation; and

(2) it is essential that reasonable efforts be made to identify, understand, measure, and, to the extent practicable, develop knowledge essential to preventing and relieving pressures that families are experiencing in an increasingly complex and technological society.

(b) It is the purpose of this Act to increase knowledge of the economic, sociological, and other pressures under which families live today by authorizing a program of research to be carried out, under the supervision and direction of the Secretary of Agriculture, through State agricultural experiment stations and land grant colleges of the United States and by other qualified public and non-profit agencies and organizations.

DEFINITIONS

SEC. 3. As used in this Act—

(1) the term "Secretary" means the Secretary of Agriculture.

(2) The term "State agricultural experiment station" shall have the same meaning as provided in section 1 of the Hatch Act of March 2, 1887 (7 U.S.C. 361a).

(3) The term "land grant college" means any college established in accordance with the provisions of the Act of July 2, 1862, as amended (12 Stat. 503; 7 U.S.C. 301–305, 307, 308).

(4) The term "family" means a group of two or more persons related by blood, marriage, or adoption and residing together in a household.

INITIAL RESEARCH GRANTS

SEC. 4. (a) Each land grant college in the United States shall be eligible, as provided in this section, to receive funds for the purpose of carrying out programs of research on families in the United States.

(b) In order to be eligible for funds under this section any land grant college shall submit through its State agricultural experiment station a proposed research project to the Secretary. The Secretary shall approve any such research project if he finds that it (1) is designed to identify, understand, measure, and to the extent practicable, develop knowledge essential to preventing and relieving pressures on families in the United States; (2) is designed to evaluate various existing and proposed programs for meeting the needs of families in the United States; (3) is directed by a multi-disciplinary unit that will involve institutions, agencies, and professional groups that have consistently maintained a primary concern about families in the United States and the environment in which they function; (4) has been developed in consultation with the appropriate administrator of home economics, as designated by the president or the land grant college concerned; and (5) includes specific provisions for the exchange of information on the results of its research with the Secretary and other family service agencies of the State and the Federal government, including the Cooperative Extension Service of the Department of Agriculture.

(c) Each land grant college submitting a research project approved by the Secretary under this section shall be entitled to an initial grant of $100,000. No land grant college shall receive more than one initial grant.

(b) For the purpose of making initial grants under this section, there is authorized to be appropriated the sum of $7,100,000 for the fiscal year beginning October 1, 1976, and a like sum for each of the three succeeding fiscal years.

SUPPLEMENTAL GRANTS

SEC. 5. (a) In addition to initial grants made under section 4 of this Act, the Secretary is authorized to make a supplemental grant to any land grant college, State agricultural experiment station or public or private non-profit institution in the United States for the purpose of carrying out a research program on families in the United States. A supplemental grant may be made under this section only if—

(1) the research project for which the grant is made meets the criteria (1), (2), (3), and (5) specified in section 4(b) of this Act;

(2) the applicant for such grant agrees to finance, out of non-Federal funds, at least 20 per centum of the cost of the research program for which the grant is made under this section; and

(3) to comply with such other requirements as the Secretary may prescribe in order to insure that the purposes for which the grant is made are effectively carried out.

(c) In determining the amount of non-Federal funds expended by the recipient of any supplemental grant (as required by subsection (b)(2) of this section), the reasonable value of any services, supplies, facilities, and equipment determined by the Secretary to have been expended in connection with the research program on families approved by the Secretary under this section shall be included.

(d) For the purposes of making supplemental grants under this section, there is authorized to be appropriated the sum of $10,000,000 for the fiscal year beginning October 1, 1976; the sum of $12,000,000 for the fiscal year beginning October 1, 1977; the sum of $14,000,000 for the fiscal year beginning October 1, 1978; and the sum of $16,000,000 for the fiscal year beginning October 1, 1979.

CARRYOVER AUTHORITY FOR FUNDS

SEC. 8. Funds appropriated pursuant to this Act shall remain available for the purpose for which they were appropriated until expended.

STAFFING AND PRIVACY PROTECTION

SEC. 9. In carrying out the provisions of this Act, the Secretary shall take such action as he deems appropriate to insure continuity of staffing for the entire term of the research program and to insure that the privacy of families included in any study is fully and completely protected.

COORDINATION AND OTHER REQUIREMENTS

Sec. 10. Any State agricultural experiment station participating in a program of research under this Act must demonstrate to the Secretary that its research efforts are to be directed by a multi-disciplinary coordinating mechanism that involves institutions, agencies, and professional groups that have in the past been concerned about families and the environments within which they function.

PROGRAM REVIEW PANELS

Sec. 11. (a) From time to time during the fiscal year beginning July 1, 1975, the Secretary shall convene panels of individuals representing organizations, institutions, or agencies that provide social services, institutions of higher learning, governmental and private agencies, organizations, foundations, and consumers for the purpose of developing a plan for the implementation and coordination of the research programs provided for under this Act. In developing any such plan, the Secretary shall assess the status of current research efforts in order to eliminate unnecessary duplication, avoid methodological weaknesses of previous research efforts, and delineate the full scope of information that may be useful in developing such plan.

AUTHORITY TO CONTRACT FOR SPECIAL SERVICES

Sec. 12. The Secretary shall authorize State agricultural experiment stations and land grant colleges in carrying out research programs under this Act to expend funds received under this Act for the purpose of obtaining services and expertise of public and nonprofit institutions and organizations experienced in the field of research being conducted.

UTILIZATION OF COOPERATIVE STATE RESEARCH SERVICE

Sec. 13. In carrying out this Act the Secretary shall utilize the personnel, services, and facilities of the Cooperative State Research Service of the Department of Agriculture to the maximum extent practicable.

MATCHING REQUIREMENT

Sec. 14. No State agricultural experiment station or land grant college shall be eligible for funds under this Act in any fiscal year unless such station or college, as the case may be, expends in such fiscal year, on the same general type of research for which funds are made available under this Act, an amount of funds excluding funds made available under this Act) at least equal to the amount of funds such station or college averaged spending on such type of research in the three calendar years immediately preceding the calendar year in which this Act was enacted.

RULES AND REGULATIONS

Sec. 15. The Secretary is authorized to issue such rules and regulations as he deems appropriate to carry out the provisions of this Act.

Mondale Introduces Family Household Research Act

Washington, July 31.—Senator Walter F. Mondale (D-Minn.) today introduced the Family Household Research Act of 1975 to provide for the operation of a research program designed to study pressures on American families in order to "assist in understanding, strengthening and improving the quality and status of family life in the United States."

The program would be carried out through land grant universities, State agricultural experiment stations and other public and private non-profit institutions under the supervision of the Secretary of Agriculture.

The bill is the result of hearings held during the last Congress by the Senate Subcommittee on Children and Youth. Mondale chairs the Subcommittee.

The hearings, Mondale said, "reinforced and confirmed our belief that the family unit is the fundamental and most important unit of society. But let us consider some of the changes which have occurred in American families over the last decade. Half of all Americans are living in a different home than they lived in five years ago. The extended family . . . is nearly extinct," he said.

"And yet, family life is so commonplace to us, that many of these changes are overlooked. From our work in the Senate, it is becoming increasingly obvious to me that we often tend to take the families for granted, without considering the pressures they are experiencing."

Mondale, who has served on several so-called "human problem committees," declared that "the more I have focused on the problems of housing, welfare, nutrition and health, the more I am convinced of the fundamental importance of healthy families as the key, best and superior way of raising children.

"There is really no substitute for a healthy family in developing a healthy, secure, physically sound, motivated child who has a sense of worth—a person who can contribute to American society." In order to ensure the research strengthens families, the bill contains provisions protecting the family.

Calling the bill a "modest" one, Mondale termed the bill an "important beginning—a beginning that can provide the foundations for help and support for families in need."

Mr. STAFFORD. Mr. President, the bill which Senator Mondale and I have introduced today is a small beginning for the Congress and the Government to find out what impact our society is having on the family.

More information on the American family is needed if we in the Congress are to provide any meaningful help.

The structure and function of the family varies from one society to another and from one period in history to another. The changes which society, economics, and government policy thrust upon the family need to be studied because, without more knowledge, Federal, State, and local service programs may fail to assist families in improving their quality of living. Lacking such knowledge, programs with the noblest of intentions may further alienate these families from society and contribute inadvertently to their instability, continuing economic disadvantages, and frustration in life.

Given the dramatic, rapid changes now occurring in family structure and function, research to examine objectively and record this evolution can contribute to our knowledge about American families.

Mr. President, family research is not by any means a new development. For many years, since the Hatch Act of 1887, through the agricultural experiment stations and the system of land-grant colleges, departments of home economics have conducted research into areas that were identified as necessary for improving the life of rural families.

There are five characteristics of the proposed legislation which I would like to bring to the attention of my colleagues when considering this bill:

First. It builds on an existing administrative structure for research through which Federal and State funds flow.

Second. It will help to build institutional support for family and household research which has been too long sorely neglected.

Third. The first year of the bill's enactment has been set aside for planning for a coordinated research effort. This should avoid duplication of effort and assure that attention will be given to priority needs. The agriculture experiment stations, and the land grant universities, have been especially effective in this regard in the coordination of human nutrition research and clothing and textiles, and housing—and especially in the many areas of agricultural research on which American agriculture has been founded. This bill will simply strengthen the capacity of these institutions to give more emphasis to research needs of families.

Fourth. The ability to coordinate research at the State, regional, and National levels will also be utilized in broadening the scope and number of institutions that may participate in this research. The bill calls for research programs from institutions that are not land grant universities, but provides for coordination through the system to make best use of the limited dollars that will be available.

Fifth. This bill also provides for the dissemination of research findings. Through the land grant university system, the knowledge developed through this research can be translated into programs in cooperative extension where some 3,400 home economists are now working at the county level with literally millions of families. In addition, the bill will require that the research be made available to Federal and State agencies which provide services to families.

Mr. President I recommend this bill to my colleagues for their consideration.

By Mr. ABOUREZK:

S. 2252. A bill to amend section 402 of title 23, United States Code, relating to highway safety programs. Referred to the Committee on Public Works.

MANDATORY HELMET LAWS

Mr. ABOUREZK. Mr. President, I am introducing today for appropriate reference a bill which would repeal the requirement that States have a mandatory motorcycle helmet law in order to take advantage of their full share of Federal highway funds.

Mandatory helmet laws have always been controversial. One reason is that failure to wear a motorcycle helmet is in no way a crime against society or against an innocent bystander. The only "victim" is the rider who has made a conscious decision to wear a helmet or not to wear one.

Laws which have as their only purpose protection of an individual against himself or herself are not well conceived. And the monetary threat which in effect forces States to pass this sort of law puts an especially onerous burden on States to consider not the wisdom of a helmet law, but the financial loss if one is not passed.

I believe the Congress acted constructively in repealing the seatbelt-interlock requirement last year. The helmet law, in my opinion, falls into the same category.

There is one point I want to state clearly: I believe that motorcyclists should wear helmets. The traffic death statistics are horrifying. In every category of accident, the cycle rider suffers serious head injury and death no matter who is at fault in an accident. The motorcyclist is vulnerable to auto and truck drivers, road hazards, and his or her own possible error to a much greater extent than drivers protected by heavy cars.

Helmets cut down on death and serious injury. In my opinion, every cycle rider would be smart to wear a helmet at all times. But the fact is that cyclists should not make that decision based on the fact that they would be breaking the law. They should make that decision to protect themselves. Society assumes no risk; the bareheaded cycle rider assumes it all.

It is in exactly these circumstances that the people affected resist Federal legislation. People rightfully resent laws which protect them only from themselves. I urge the Congress to correct the situation by repealing the mandatory helmet law requirement as a condition for Federal highway funds.

By Mr. BELLMON (for himself and Mr. BARTLETT):

S. 2253. A bill to amend section 3015 of title 10, United States Code, to provide that the Chief of the National Guard Bureau shall be appointed to the reserve grade of lieutenant general. Referred to the Committee on Armed Services.

Mr. BELLMON. Mr. President, today I am introducing legislation, with Senator DEWEY BARTLETT as cosponsor, which would upgrade the position of Chief, National Guard Bureau from major general to lieutenant general.

The position of Chief, National Guard Bureau encompasses more wide-ranging responsibilities than any other military position currently authorized the grade of major general. This applies to both active and reserve components. He is directly responsible for the combat readiness of 400,000 Army National Guard and 97,000 Air National Guard members, including the diversified areas of command, control, strength, administration, logistics, construction, and training. The full-time civil service and various State employees directly respondent to the Chief, National Guard Bureau constitute a much larger work force than that of any other active or reserve component activity currently authorized the grade of major general.

Another area of supervision designated to the Chief, National Guard Bureau which evolves from our Defense budget and again exceeds that of any position of major general rank deals with total manpower and material assets. At the present time, both the Director, Army National Guard, and Director, Air National Guard, are major general positions and both are under the control and supervision of the Chief, National Guard Bureau. Additionally, the adjutants general of the various States are authorized the grade of major general, and again, policies and procedures that control National Guard assets and operations throughout the Nation are promulgated in the National Guard Bureau.

Also, a most important point and one that clearly shows the need for upgrading this position, is that all key Defense personnel with whom the Chief, National Guard Bureau must deal regarding policy and budget matters are senior to the Chief, either in military grade or civilian equivalent. In this particular area of operation it is also germane to consider that the Chief, National Guard Bureau occupies the only Reserve component office that must deal directly with both the Secretary of the Air Force and the Secretary of the Army.

With this in mind, I urge the Senate to adopt this legislation which will provide the needed incentive to attract highly professional and fully qualified officers to fill the position of Chief, National Guard Bureau in the future. The demands of our times and the constantly expanding responsibilities of this important position have outdistanced the restricted grade authorization of the current statute.

Mr. President, I ask unanimous consent that this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2253

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the third sentence of section 3015(c) of title 10, United States Code, is amended by striking out "major general" and inserting in lieu thereof "lieutenant general".

By Mr. McCLELLAN (for himself, Mr. HUGH SCOTT, Mr. PHILIP A. HART, and Mr. BURDICK):

S. 2255. A bill for the general revision of the Patent Laws, title 35 of the United States Code, and for other purposes. Referred to the Committee on the Judiciary.

PATENT LAW REVISION

Mr. McCLELLAN. Mr. President, as chairman of the Subcommittee on Patents, Trademarks, and Copyrights, I introduce for myself, Senator HUGH SCOTT, Senator PHILIP A. HART, and Senator BURDICK, a bill for the general revision of the patent laws, title 35 of the United States Code.

Although the patent laws have been frequently amended, and finally codified in 1952, the basic structure of the system has remained unchanged since 1836. The Subcommittee on Patents, Trademarks, and Copyrights has been engaged for a number of years in the consideration of legislation for the general revision of the American patent system. In addition to the subcommittee studies and hearings, patent revision has received considerable attention in the executive branch. President Johnson established the President's Commission on the Patent System, and President Nixon submitted a special message on patent reform during the 93d Congress.

While all members of the subcommittee have advocated modernization of the American patent system, significant differences of opinion have existed as to the means to be employed in improving the operation of the system, and the quality of American patents. These differences were reflected at the start of this Congress in the general patent revision or patent reform bills introduced by four members of the subcommittee.

The subcommittee has not taken hasty action. All interested parties have been afforded a full opportunity to make their view known to the members of the subcommittee.

The bill which is being introduced today reflects an effort by my subcommittee colleagues and myself to resolve issues that have divided us in the past. Such an undertaking necessarily means that not all sections of the bill incorporate my personal views. It is no secret that my views on some issues have not been shared by a majority of the subcommittee. I have also previously expressed concern at the incorporation in the patent code of provisions which would add to the complexity and costs of the patent system, while making little contribution to the improvement of the system.

An opportunity will exist in the House of Representatives for further detailed study of this very technical legislation. Meanwhile, I shall support my subcommittee colleagues in seeking action on this bill at an early date in the Committee on the Judiciary.

I wish to express the appreciation of the subcommittee to the many individuals and professional and trade associations that have assisted the subcommittee during the processing of this legislation.

Mr. PHILIP A. HART. Mr. President, I am glad to join the distinguished chairman (Mr. McCLELLAN) and two other members (Mr. BURDICK and Mr. HUGH SCOTT) of the Subcommittee on Patents, Trademarks, and Copyrights in cosponsoring the Patent Revision Act of 1975.

In 1966, the report of President Johnson's Commission on the Patent System recommended substantial overhaul of the system to raise the quality and reliability of the U.S. patent. In 1973, President Nixon transmitted to the Congress a special message seeking its reform and modernization. The complicated task of reforming our patent system has been before the subcommittee for almost 10 years, with wide differences of opinion splitting the subcommittee members for too many of those years. It is a tribute to Chairman McCLELLAN that today four of the five subcommittee members are able to support his bill.

The patent system in this country today is operating virtually unchanged since 1836, and is sorely in need of reform and modernization. Patents are being handled by this creaky system in such a way that roughly 70 percent of those patents litigated in appellate courts are held invalid and fewer than 20 percent of the litigated patents are held valid. It is true that only a small proportion of issued patents are litigated—but these are the ones that have a significant impact on the economy. At hearings during the 93d Congress before the Patents, Trademarks, and Copyrights Subcommittee, prominent patent counsel to major corporations contended that a majority of nonlitigated issued patents also are not of sufficient inventive quality to merit the issuance of a patent.

The bill introduced today, Mr. President, contains many provisions which also are included in S. 473, a patent bill I introduced earlier this year. I believe that the Patent Revision Act of 1975 accomplishes the essential goals of patent reform contained in that bill and in its predecessor compromise bill proposed during the 93d Congress by the distinguished minority leader (Mr. Hugh Scott) and myself. See 94th Congress, volume 121, No. 10, page 1714, Congressional Record, January 29, 1975; Hart, "Patent Reform—All Overview," 1973 Utah Law Review, 579 (Winter, No. 4).

While I cannot state that each and every provision in the bill is as I would draft it, I can and do support the bill as a whole and urge its prompt passage by the Senate. Its main thrust is that of reform, and it accomplishes in a sound way a badly needed overhaul of the patent system. Our system of issuing patents should be significantly improved under the Patent Revision Act of 1975.

Mr. HUGH SCOTT. Mr. President, I am delighted to join today with Chairman John McClellan and Senators Philip Hart and Quentin Burdick on a bill to revise the U.S. patent laws.

Under the leadership of Chairman McClellan, the Senate Subcommittee on Patents, Trademarks, and Copyrights has worked very hard for almost 10 years on a comprehensive reform of the patent system.

In the 93d Congress, I sponsored S. 2504, the administration backed legislation, and this year I put forward S. 1308 which was an improved version of S. 2504—93d Congress. Senators McClellan, Hart, and Fong have also advanced bills that the subcommittee has given close review.

The bill we all sponsor today is a compromise of the many diverse viewpoints the subcommittee has received from governmental and private sectors. I believe the bill as a whole represents a significant overall improvement of our patent system. Certainly, there may be particular sections each of us would like to reflect our own personal thinking. However, the bill must necessarily accommodate the vast number of approaches we have considered.

It is my personal hope that the Senate Judiciary Committee will act swiftly on the legislation. In order for the House to have sufficient time to review our analysis of patent reform, they should receive the bill as soon as possible.

At this point I would like to personally commend all members of the private bar, professional organizations, interested corporations, spokesmen for the administration and the general public for the invaluable assistance they have rendered to us as we have worked to produce legislation which would reform and improve our patent system.

By Mr. CLARK:

S. 2256. A bill to amend the U.S. Grain Standards Act in order to establish a Federal Grain Inspection Agency, to require that inspections made under such act be made by Federal employees, and for other purposes. Referred to the Committee on Agriculture and Forestry.

THE FEDERAL GRAIN INSPECTION ACT OF 1975

Mr. CLARK. Mr. President, last week a Federal grand jury in New Orleans, La., returned indictments against the Bunge Corp. and 13 of its employees. The grand jury alleged corporate involvement in the theft of large quantities of grain, achieved through the short-weighing of grain shipments over a 12-year period.

These indictments were only the latest developments in the intensive investigation into grain trade corruption, ably led by U.S. Attorney Gerald J. Gallinghouse. This investigation, originally brought to light by James Risser of the Des Moines Register, had already resulted in the indictment of 20 private, federally licensed grain inspectors, and others involved in the grain trade, in New Orleans and Houston. The alleged violations included bribery, perjury, conspiracy to defraud, interstate transportation of stolen property, and improperly influencing official inspection personnel. A number of those indicted have pleaded guilty or been convicted.

Early in July, I traveled to New Orleans for a first-hand look at the Nation's leading grain export port. In addition to viewing the operations of a large export elevator, I met with U.S. Attorney Gallinghouse and spent many hours interviewing various figures involved in the grain trade scandal.

The picture that emerged of grain handling in New Orleans—the point of departure for more than one-third of this Nation's grain exports—was not a pretty one. In my judgment, the problems in New Orleans cannot be solved by weeding out a few corrupt individuals. The problem is in the system itself—a system so rife with corruption and conflict of interest that I seriously doubt that much grain has left New Orleans in recent years without having been misgraded or short-weighted.

Congress has been quick to respond to the growing evidence of illegality, mismanagement, and conflict of interest in the grain trade. Even before the U.S. attorney's efforts became public, the Senate Foreign Relations Subcommittee on Multinational Corporations had launched a full scale investigation into the operations of the giant grain export firms. Seven of those companies—most of them multinational—control 90 percent of America's grain exports, and 80 percent of grain exports worldwide.

In June, the Senate Agriculture Committee met with a delegation of European grain buyers. Their report to the committee was startling—U.S. grain exports have declined so dramatically in quality that European buyers are increasingly turning to alternative sources of supply.

The Agriculture Committee proceeded to conduct hearings on the scandal and related problems of grain grading, handling, and weighing. What emerged from those hearings, among other things, was a clear picture of Department of Agriculture nonfeasance—or worse—in pursuing very serious problems in the grain inspection system, problems that should have been obvious for years. The growing scandal prompted the committee to hire additional investigative staff, and to employ the services of the General Accounting Office.

Mr. President, from the work of the Subcommittee on Multinational Corporations and the Committee on Agriculture, from the U.S. attorney's efforts in New Orleans, from the investigative reporting of the Des Moines Register and the New York Times, and from my own investigations in New Orleans and Iowa, I have reached a number of conclusions about what has gone wrong in America's grain trade.

The most glaring deficiency lies in the present grain inspection system. It is barely a system at all, but rather a confused hodge-podge of private, State, and Federal inspection agencies. Under the U.S. Grain Standards Act, the Federal Government is prohibited from performing initial inspections. This crucial task—determining the grade upon which the price of grain is based—is left to federally licensed, but private and State owned, inspection agencies.

In the inspection system, potential conflicts of interest are the norm, not the exception. Many of the boards of directors of the private agencies are dominated by representatives of the Nation's largest grain companies. Most of the agencies, State and private, operate at only one or two large elevators, giving rise to close relationships between company and agency that can seriously compromise the integrity of the inspection services.

In at least one case that has come to my attention, that relationship between grain company and inspection agency is even more direct. One of the five private inspection agencies in New Orleans was established with the help of a $10,000 loan from the grain company whose grain the agency was created to inspect. Despite that relationship, the new agency was licensed by the Department of Agriculture to perform official inspection functions.

In short, we have a system in which the loyalties of inspectors are to their clients, not to their task of providing professional, independent inspections of grain.

My second major point concerns the inadequacy of USDA supervision of the inspection system. For at least a decade, there has been hard evidence of problems within the inspection system—scores of complaints from foreign buyers, numerous allegations of illegality and malpractice, official reports of widespread dissatisfaction with U.S. grain exports. Yet only within the last 2 years has the Department taken steps to investigate such evidence, and their belated efforts may well have been prompted by the knowledge that the FBI had begun its own inquiry.

Part of the problem could stem from the large number of high-ranking USDA officials who move back and forth between the Department and the leading grain companies. To be sure, we need more information, but a GAO study which I requested has already produced considerable information on this disturbing practice.

Other deficiencies in the grain trade may be less exciting, but just as serious. The weighing of grain is almost totally unsupervised, creating a great potential for abuse. The grain theft scheme alleged in the Bunge indictments was supposedly based on short-weighing practices and the falsification of weight certificates.

The grain standards themselves—the established criteria for determining grade and, hence, price—seem to encourage blending and the addition of foreign material. Through such practices the seller can achieve the lowest quality of grain allowable under a given grade.

Serious difficulties exist as well in the manner in which grain is handled. Again, there are no established criteria for grain handling, and the practices now employed often result in severe damage to grain, especially as it is loaded onto ships after final inspection.

Mr. President, these serious problems in the grain trade must be solved. Such practices as bribery, misgrading, and shortweighing cannot be permitted. They are cheating farmers, they are cheating consumers, and they are hurting our reputation abroad.

Farm exports are absolutely vital to our economy. They paid for virtually all the oil we imported last year—some $22 billion worth. It would be exceedingly unwise for us to allow this important element in our trade balance to deteriorate through inaction.

American farmers work hard to produce a quality product—and that is what we should be delivering in the marketplace.

That is why today I am introducing the Federal Grain Inspection Act of 1975. This bill draws heavily from legislation introduced earlier by Iowa Congressmen Neal Smith (H.R. 8764) and Edward Mezvinsky (H.R. 7442), and by the distinguished Senator from Minnesota, Mr. Humphrey (S.J. Res. 88). But it has a number of new features as well.

The Federal Grain Inspection Act would fully federalize U.S. grain inspection, taking it totally out of State and private hands. Eliminating the private agencies will put an end to the inherent conflict-of-interest relationships that have bred corruption and malpractice. While these relationships are less direct with State inspection agencies, evidence indicates that these agencies have not worked too well either. In fact, recent news accounts indicate that at least one State agency is under Federal investigation. And I think we need the kind of uniformity and tight supervision that only a fully Federal system can provide.

As with the present sytem, the Federal Grain Inspection Act would require official inspection of export grain; but inspections would be performed solely by Federal employees. In addition, the new act would mandate Federal inspection at overseas destination points, when practical, to serve as a final check in the system and to insure that the quality of the grain we deliver is preserved en route.

Grain inspection at the interior markets would remain optional. There is simply no need to impose official inspection at the local level, where buyer and seller can meet face to face to conclude a transaction. But, if requested, official inspections would be performed, again only by Federal inspection personnel.

Under the proposed legislation, a new Federal Grain Inspection Agency would be established within the Department of Agriculture, with a Presidential appointee as Director, subject to Senate confirmation. The Agency and its Director would be given the sole statutory authority for grain inspection, grain standards, and—for the first time—grain weighing. The new Agency thus would be granted the kind of broad, independent authority necessary if we are to obtain tough, impartial administration of the U.S. Grain Standards Act.

There are a number of other important aspects of this legislation:

First. Grain companies would be required to identify their owners, directors, principal officers, and disclose other vital information.

Second. The Director of the new Agency would be required to develop grain grading standards that would encourage the delivery of high quality grain and discourage the addition of foreign material.

Third. The Agency would be funded with revenues from inspection fees; and

Fourth. The bill would impose strict new criminal provisions and penalties.

I ask unanimous consent that a summary of the basic provisions of the bill, followed by the text of the bill itself, appear in the Record at the conclusion of my remarks.

Mr. President, as the story of corruption in the grain trade continues to unfold—and the story is far from over—it will be crucial to keep in mind what is at stake: Not only grain exports, not only farm income, but also the integrity of the American system of doing business. The Federal Grain Inspection Act would go a long way toward curing the ills that beset the Nation's grain industry, and I urge its rapid adoption.

There being no objection, the summary and bill were ordered to be printed in the Record, as follows:

BASIC PROVISIONS OF THE FEDERAL GRAIN INSPECTION ACT

I. FEDERAL GRAIN INSPECTION AGENCY

A. Reorganizes the Department of Agriculture to establish a new Federal Grain Inspection Agency, which shall be solely responsible for carrying out the provisions of the U.S. Grain Standards Act.

B. Provides that the Director of the new Agency be appointed by the President, subject to the consent of the Senate.

C. Stipulates that all authority under the U.S. Grain Standards Act previously granted to the USDA (and in practice exercised by the Grain Division of the Agricultural Marketing Service) and the Secretary of Agriculture shall be in the hands of the Agency and its Director.

II. DUTIES OF THE DIRECTOR

A. To establish all policies, guidelines and regulations for administering the U.S. Grain Standards Act, including the setting of standards regarding the inspection of grain and—for the first time—the weighing of grain.

B. To establish procedures for the Agency to inspect and test all weights and scales used in the weighing of grain sold in interstate and foreign commerce.

C. To establish procedures for the Agency to inspect, monitor and standardize all grain grading equipment.

D. Within six months of enactment, to thoroughly review and re-draft where necessary the criteria for the grading and weighing of grain in order to:

1. Encourage and reward the production, maintenance and delivery of high quality grain;
2. Assure that U.S. grain is competitive in reputation for quality in the world market, and
3. Discourage the addition of foreign materials to grain.

E. To report to the Congress within 30 days any official complaint or contract cancellation related to the export of more than 100,000 bushels of any commodity, and the action taken by the Agency with respect to any such complaint or cancellation.

F. To investigate any complaint or contract cancellation regarding any official transaction with which the U.S. Grain Standards Act is concerned.

III. FEDERAL INSPECTION OF GRAIN

A. All U.S. grain exports must be inspected by licensed personnel of the Federal Grain Inspection Agency at the point of departure.

B. All U.S. grain exports must be inspected by licensed Agency personnel at the point of destination, unless the Director judges such inspection to be impractical in specific cases.

C. Inspection of domestic grain by licensed Agency personnel shall be made available upon request of any interested person.

IV. GRAIN COMPANY REGISTRATION

A. Any business firm engaged in the buying for sale or in the handling, weighing or transporting of grain for sale in interstate or foreign commerce must register with the Director of the Federal Grain Inspection Agency.

B. Firms that only occasionally or incidentally engage in such business shall not be required to register.

C. Firms required to register shall have to provide the Director with the firm name and principal address; names of all directors, principal officers and persons in a control relationship; lists of locations where the firm conducts substantial operations, and any other information the Director deems necessary to carry out this Act. Firms shall be required to renew their registrations annually, and to report any changes in the required information within 30 days.

D. The Director may suspend or revoke the certificate of registration of any firm found to be in violation of the U.S. Grain Standards Act. The Director shall revoke the certification of any firm convicted of a second violation of the Act for at least six months.

V. CRIMINAL PROVISIONS

A. Defines as criminal actions: deceptive weighing of grain, adulteration of grain, offering of bribes to federal grain inspectors (accepting bribes is already a crime under the U.S. Grain Standards Act), killing USDA employees (not now a federal offense).

B. Establishes the following penalties:

1. Persons who intentionally or knowingly violate the provisions of the U.S. Grain Standards Act shall be guilty of a felony, with a maximum penalty of 5 years imprisonment, a $10,000 fine, or both.
2. Persons recklessly violating the provisions of the Act shall be guilty of a misdemeanor, with a maximum penalty of 1 year/$5,000.
3. Persons who, through gross negligence, violate the Act shall be guilty of a misdemeanor, with a maximum penalty of 6 months/$3,000.

VI. FUNDING

The Federal Grain Inspection Agency will be funded through the assessment of inspection fees, which shall be set by the Director so as to cover the costs of the Agency incident to the performance of its duties.

VII. FEDERAL INSPECTION PERSONNEL

A. The Director shall issue licenses to Agency inspection personnel to ensure their competence. No person may perform official inspections unless he or she holds a valid license.

B. No Agency personnel may be financially interested in, employed by, or accept gratuities from any firm engaged in the merchandising of grain.

C. The Director may adopt rules to require the periodic rotation of Agency inspection personnel.

VIII. EMERGENCY POWERS

For one year, the Director is authorized to:

A. Issue regulations regarding improved sampling equipment and installation of electronic monitoring equipment in export elevators, and

B. To establish standards and procedures for the loading of export grain.

IX. OTHER PROVISIONS

Authorizes the Director to purchase grain grading and testing equipment at fair market value from private and state inspection agencies, if he determines such equipment to be useful in carrying out the provisions of the U.S. Grain Standards Act.

S. 2256

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Grain Inspection Act of 1975".

Sec. 2. (a) Section 3 (a) and (b) of the United States Grain Standards Act are amended to read as follows:

"(a) the term 'Director' means the Director of the Federal Grain Inspection Agency establisehd by section 3A of this Act.

"(b) the term 'Agency' means the Federal Grain Inspection Agency established by section 3A of this Act.".

(b) Section 3(j) is amended to read as follows:

"(j) the term 'official inspection personnel' means employees of the Agency who are authorized by the Director to perform specified functions involved in official inspection activities under this Act.".

(c) Section 3(m) is amended to read as follows:

"(m) the term 'official inspection agency' means the official inspection personnel located at an inspection point designated by the Director for the conduct of official inspection under this Act;".

(d) Sec. 3(u) is amended by striking out " 'deceptive loading, handling, or sampling' means any manner of loading, handling, or sampling" and inserting in lieu thereof " 'deceptive loading, handling, sampling, or weighing' means any manner of loading, handling, sampling, or weighing".

(e) Sec. 3 is further amended by adding at the end thereof the following new subsection:

"(v) the term 'dockage item' means material not used in determining the net weight of grain for purposes of buying and selling.".

(f) The United States Grain Standards Act is further amended by—

(1) striking out the words "Department of Agriculture" each time they appear and inserting in lieu thereof "Agency".

(2) striking out "Secretary" each time it appears and inserting in lieu thereof "Director".

Sec. 3. The United States Grain Standards Act is amended by inserting after section 3 the following new sections:

"ESTABLISHMENT OF FEDERAL GRAIN INSPECTION AGENCY

"Sec. 3A. (a) There is established in the Department of Agriculture an agency to be known as the Federal Grain Inspection Agency.

"(b) The Agency shall be headed by a Director to be appointed by the President by and with the advice and consent of the Senate. The Director shall be responsible for the administration of this Act.

"DUTIES OF THE DIRECTOR

"Sec. 3B. (a) It shall be the duty of the Director to establish the policies, guidelines, and regulations by which the Agency is to carry out the administration of this Act.

"(b) The Director shall be responsible for inspecting, monitoring, and standardizing all equipment used in connection with the grading of grain under this Act.

"(c) Notwithstanding any other provision of law, the Director shall be responsible for the inspection and testing of all weights and scales used in the weighing of grain sold, offered for sale, or shipped in interstate or foreign commerce, including all weights and scales used for the weighing of grain stored in warehouses licensed under the United States Warehouse Act.".

Sec. 4. (a) Section 4 (a) of the United States Grain Standards Act is amended by striking out

"is authorized to" and inserting in lieu thereof "shall".

(b) Section 4 (a) is further amended by striking out "handling" and inserting in lieu thereof "handling (including weighing)".

Sec. 5. Section 5 of the United States Grain Standards Act is amended to read as follows:

"Sec. 5. (a) Whenever standards are effective under section 4 of this Act for any grain—

"(1) no person shall ship from the United States to any place outside thereof any lot of such grain unless such lot is officially inspected in accordance with such standards on the basis of such samples taken after final elevation as the grain is being loaded aboard, or while it is in, the final carrier in which it is to be transported from the United States, and unless a valid official certificate showing the official grade designation of the lot of grain is promptly furnished by the shipper, or his agent, to the consignee with the bill of lading or other shipping documents covering the shipment; and

"(2) any lot of such grain shipped from the United States to any place outside thereof shall be officially inspected upon its entry into the foreign port of its destination for the purpose of determining whether such lot of grain is of the same kind, class, quality, and condition that it was certified to be upon official inspection in the United States, unless the country in which the port of destination is located prohibits such inspection.

"(b) All inspections of export grain required under this section shall be performed by employees of the Agency authorized by the Director to perform inspections under this Act.

"(c) The Director may waive any requirement of this section with respect to shipments from or to any area or any other class of shipments when in his judgment it is impracticable to provide official inspection with respect to such shipments.".

Sec. 6. (a) The heading of Section 7 of the United States Grain Standards Act is amended to read as follows:

"OFFICIAL INSPECTION AUTHORITY FOR CERTAIN EXPORT GRAIN AND CERTAIN OTHER GRAIN; FUNDING"

(b) Subsections (a) and (b) of section 7 are amended by striking out "is authorized to" and inserting in lieu thereof "shall".

(c) Section 7(e) is amended—

(1) by striking out "except when" and all that follows through "inspection agency" in the first sentence;

(2) by striking out the second sentence and inserting in lieu thereof the following: "The fees authorized by this paragraph shall, as nearly as practicable and after taking into consideration any proceeds from the sale of samples, cover the costs of the Agency incident to the performance of its duties in a normal year under this Act."; and

(3) by inserting the following immediately before the period at the end of the third sentence: ", including the salaries of Federal personnel engaged in duties authorized under this Act".

(d) Section 7(f) is amended to read as follows:

"(f) Unless otherwise agreed, the costs of official inspection performed under subsections (a) and (b) of this section shall be borne by the buyer.".

(e) Section 7 is amended by adding at the end thereof of a new subsection (g) as follows:

"(g) The Director may adopt rules and regulations to provide for the periodic rotation of official inspection personnel.".

Sec. 7. Section 8 of the United States Grain Standards Act is amended to read as follows:

"Sec. 8. (a) The Director shall, whenever he determines it necessary in order to administer the provisions of this Act, issue a license to any individual employed by the Agency or to any individual who is to be so employed as a result of being licensed under this section, upon presentation to the Director of satisfactory evidence that such individual is competent to perform all or specified functions involved in official inspection. The Director may authorize any competent employee of the Agency to perform all or specified functions involved in supervisory or appeal inspection or initial inspection of United States grain in Canadian ports. No person shall perform any official inspection functions for purposes of this Act unless he holds an unsuspended and unrevoked license or authorization from the Director under this Act.

"(b) The Director may require such examinations and reexaminations as he may deem warranted to determine the competence of any individual to perform any official inspection function under this Act.".

Sec. 8. Section 11 and the heading thereto of the United States Grain Standards Act is repealed.

Sec. 9. The United States Grain Standards Act is amended by redesignating sections 9 and 10 as sections 10 and 11, respectively, and by adding after section 8 a new section 9 as follows:

"PROHIBITION OF CERTAIN CONFLICTS OF INTEREST

"Sec. 9. No official inspection personnel shall—

"(1) be financially interested (directly or otherwise) in any business entity owning or operating any grain elevator or warehouse or engaged in the merchandising of grain;

"(2) be in the employment of, or accept gratuities from, any such entity; or

"(3) be engaged in any other kind of activity specified by regulation by the Director as involving a conflict of interest.".

Sec. 10. (a) Section 12(a) of the United States Grain Standards Act is amended by striking out "and every person licensed to perform any official inspection function under this Act".

(b) Section 12(c) of such Act is repealed.

Sec. 11. Section 13(a)(3) of the United States Grain Standards Act is amended by striking out "or sampling", and "or sampled" and inserting in lieu thereof "sampling, or weighing" and "sampled, or weighed", respectively.

(b) Section 13(a) of such Act is amended by striking out "or" at the end of clause (10), by striking out the period at the end of clause (11) and inserting in lieu thereof a semicolon, and by adding at the end thereof the following new clause:

"(12) engage in the falsifying of the weight of any grain shipped in interstate or foreign commerce;

"(13) adding to any grain shipment, after its purchase from the original producer, or after acceptance of such grain for storage or handling, any foreign material which would change the character or test weight of that grain from the test weight or character prevailing at time of first purchase;

but the foregoing provision of this clause shall not prohibit any grain from being fumigated to preserve its quality, or separate lots of grain of the same kind from being blended;

"(14) give, pay, or offer, directly or indirectly, to any official inspection personnel as defined by section 3(j) of this Act or to any officer or employee of the Agency authorized to perform any of the duties prescribed by this Act, or by the rules and regulations of the Director, any money or other thing of value, with intent to influence such official inspection personnel, officer or employee of the Agency in the discharge of any duty provided for in this Act, or by rules and regulations of the Director; or

"(15) fail to comply with the provisions of section 18 of this Act.".

(c) Section 13(a)(11) is amended by striking out "8, 11" and inserting in lieu thereof "9".

(d) Section 13(a) (1), (2), (3), (5), (6), and (b) (2), (3) are amended by striking "knowingly" wherever it appears.

(e) Section 13(c) is repealed.

Sec. 12. Section 14 of the United States Grain Standards Act is amended to read as follows:

"Sec. 14. (a) Any person who knowingly or intentionally commits any offense prohibited by section 13 shall be guilty of a felony and shall, on conviction thereof, be subject to imprisonment for not more than five years, a fine of not more than $10,000, or both.

"(b) Any person who recklessly commits any offense prohibited by section 13 shall be guilty of a misdemeanor and shall upon conviction thereof, be subject to imprisonment for not more than one year, a fine of not more than $5,000, or both.

"(c) Any person who negligently commits any offense prohibited by section 13 shall be guilty of a misdemeanor and shall, on conviction thereof, be subject to imprisonment for not more than six months, a fine of not more than $3,000, or both.".

Sec. 13. Section 16 of the United States Grain Standards Act is amended by—

(1) inserting "(a)" after "Sec. 16.";

(2) inserting "for suspension or revocation of a certificate of registration issued in accordance with section 18 of this Act" immediately after "Act" in the last sentence of such section; and

(3) adding at the end thereof a new subsection as follows:

"(b) The Director shall investigate the cancellation of any contract for the sale of grain required to be inspected under this Act or of any complaint regarding the operation or administration of this Act or any official transaction with which this Act is concerned.".

Sec. 14. Section 17(g) of the United States Grain Standards Act is amended by striking out all that follows "be subject to" and inserting in lieu thereof "imprisonment for not more than six months, a fine of not more than $3,000, or both."

Sec. 15. The United States Grain Standards Act is further amended by redesignating sections 18 and 19 as sections 21 and 22, respectively, and by inserting after section 17 the following new sections:

"REGISTRATION

"Sec. 18. (a) The Director shall provide, under such regulations as he may prescribe, for the registration of all persons engaged in the business of buying grain for sale in interstate or foreign commerce, or in the business of handling, weighing, or transporting of grain for sale in interstate or foreign commerce. No such person shall engage in any such business in interstate or foreign commerce unless he has registered with the Director and has an unsuspended or unrevoked certificate of registration; however, this subsection shall not apply to—

"(1) any person who only incidentally or occasionally buys for sale, or handles, weighs, or transports grain for sale and is not engaged in the regular business of buying grain for sale, or handling, weighing, or transporting grain for sale; or

"(2) any producer of grain who only incidentally or occasionally sells or transports grain which such person has purchased; or

"(3) any person who transports grain for hire and does not own a financial interest in such grain other than as a producer, feeder or processor; or

"(4) any person who buys grain for feeding or processing and not for the purpose of reselling and only incidentally or occasionally sells such grain as grain.

"(b) The Director shall charge and collect fees from any person registered pursuant to subsection (a) and a certificate of registration shall be issued to all persons who have registered. The amount of such fees shall be determined on the basis of the costs of the Director in administering the registration directed by subsection (a). Such fees shall be deposited in, and used as part of, the funds described in the third sentence of section 7(e).

"(c)(1) Any certificate of registration issued in accordance with this section shall contain —

"(A) the name and principal address of the business,

"(B) the names of all directors of such business,

"(C) the names of the principal officers of such business,

"(D) the names of all persons in a control relationship with respect to such business,

"(E) a list of locations where the business conducts substantial operations, and

"(F) such other information as the Director deems necessary to carry out the purposes of this Act.

"(2) For purposes of subparagraph (D) of paragraph (1), the word 'person' shall mean any individual or any business entity of whatever form.

"(3) For purposes of subparagraph (D) of paragraph (1), a person shall be deemed to be in a 'control relationship' with respect to a business required to register under subsection (a) if—

"(A) such person has an ownership interest of 10 percent or more in such business, or

"(B) a business or group of business entities, with respect to which such person is in a control relationship, have an ownership interest of 10 percent or more in such business.

For purposes of subparagraphs (A) and (B) of this paragraph, a person shall be considered to own the ownership interest which is owned by his or her spouse, minor children, and relatives living in the same household.

"(4) No information shall be required pursuant to subparagraph (F) of paragraph (1) unless the Director has submitted such requirement to the Congress, and the Congress, within 30 days, fails to provide by concurrent resolution that such information shall not be required.

"(d) The certificate of registration issued in accordance with this section shall be renewed annually. If there has been any change in the information required under subsection (c), the person holding such certificate shall, within 30 days of the discovery of such change, notify the Director of such change.

"SUSPENSION OR REVOCATION OF CERTIFICATE OF REGISTRATION

"Sec. 19. (a) The Director may suspend or revoke any certificate of registration issued under section 8 whenever, after the person holding such certificate has been afforded an opportunity for a hearing, the Director shall determine that such person has violated any provision of this Act or of the regulations promulgated thereunder. The Director may, without first affording such person an opportunity for a hearing, suspend any certificate of registration temporarily pending final determination whenever the Director deems such action to be in accordance with the purposes of this Act, except that the Director shall afford any such person an opportunity for hearing within thirty days after temporarily suspending such certificate of registration.

"(b) If any person holding a certificate of registration, or any employee of such person, is convicted or found guilty more than once of violating any of the provisions of section 13 of this Act, the Director shall revoke such certificate of registration for a period of at least six months for the second and each succeeding conviction or plea of guilty.

"REPORTS TO CONGRESS OF CONTRACT CANCELLATIONS

"Sec. 20. The Director shall notify the Congress within 30 days after receipt by him of any official complaint regarding faulty grain delivery or of the cancellation of any contract for the export of more than 100,000 bushels of any commodity. The Director shall also notify the Congress of the action taken by him with respect to any such complaint or cancellation.".

Sec. 16. Section 1114 of title 18 of the United States Code, as amended, is amended by—

(a) deleting the phrase "any employee of the Bureau of Animal Industry of the Department of Agriculture," and

(b) inserting immediately after the phrase "or of the Department of Labor" the words ", or of the Department of Agriculture".

Sec. 17. Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(101) Director of the Federal Grain Inspection Agency.".

Sec. 18. Notwithstanding any other provision of law, the Director of the Federal Grain Inspection Agency is authorized for a period of one year after the date of enactment of this Act—

(a) to issue such regulations as he may deem necessary in regard to improved sampling equipment in export elevators and the installation of electrical monitoring equipment in export elevators; and

(b) to establish standards and procedures for loading export grain to control the activities of elevator employees, longshoremen, grain trimmers, and others who participate in the loading of export grain.

Sec. 19. The Director of the Federal Grain Inspection Agency shall, within six months after the date of enactment of this Act, promulgate rules and regulations—

(a) changing and establishing the grading and weighing standards and procedures used in connection with the grading and weighing of grain sold, offered for sale, or shipped in interstate or foreign commerce. Such rules and regulations shall assure—

(1) that producers, handlers, and transporters of grain will be encouraged and rewarded for the production, maintenance, and delivery of high quality grain; and

(2) that in a normal year for each kind and class of such grain produced in the United States, there is a grade which is competitive in reputation for quality in the world market;

(b) under which all foreign material in grain is considered as a dockage item under the standards established by section 4 of the United States Grain Standards Act. Such regulations shall provide that dockage items, in relation to the total official sample, shall be expressed in whole numbers and to the nearest tenth of a percent of the next whole number.

Sec. 20. Notwithstanding the provisions of section 3709 of the Revised Statutes (41 U.S.C. 5) and section 302 of the Federal Property and Administrative Services Act of 1949, the Director of the Federal Grain Inspection Agency is authorized to negotiate for and purchase, from any person licensed (on the date of enactment of this Act) to perform official inspection functions under the United States Grain Standards Act, at fair market value, any testing or grading equipment, or any other personal property, which the Director determines to be useful in carrying out the purposes of this Act.

Sec. 21. The amendments made by this Act shall become effective 180 days after date of enactment.

By Mr. CASE:

S. 2257. A bill to amend the act of September 5, 1962, to authorize the acquisition of land for the Edison National Historic Site in the State of New Jersey, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

Mr. CASE. Mr. President, today I am introducing legislation to add 1.39 acres to the Edison National Historic Site at West Orange, N.J.

The Edison National Historic Site is made up of the home and laboratories where Thomas Alva Edison lived and worked for 44 years and is comprised of 20 acres—most of which were acquired by donations.

Addition of 1.39 acres will improve visitor access and enhance the overall appearance of the Edison Historic Site, according to information supplied to me by the Park Service. I am informed that the acreage is available and can be obtained for $75,000 which is authorized by my bill.

By Mr. McGOVERN:

S. 2259. A bill to amend title XVI of the Social Security Act to permit the exclusion from the resources of an individual certain amounts set aside to defray such individual's funeral and burial expenses. Referred to the Committee on Finance.

SSI BURIAL FUND

Mr. McGOVERN. Mr. President, we, the Congress, took great strides in enhancing the lives of many people through the enactment of the Supplemental Security Income—SSI—program in 1972. Prior to implementation of the SSI program in January 1974 there were approximately 3 million recipients of payments from the 50 States based on limited income and resources. To date, over 4 million aged, blind, and disabled are receiving very needed and worthwhile benefits from the SSI program.

However, even with the tremendous increase in the number of needy aged, blind, and disabled people who have been helped by the SSI program, estimates have ranged as high as 8 million people who may possibly qualify. It has been brought to my attention, as well as many of my colleagues, that we, the Congress, in our efforts to be fair and reasonable have placed a restriction that was unknown to us.

To understand this restriction, let me provide some background. Basically, to qualify for the SSI program, a person must be either aged, blind, or disabled and have limited income—$157.70–single person, $236.60—couple, and limited resources—$1,500–single person, $2,500–couple. At the time the SSI program was enacted in October 1972, the resource provision seemed adequate. The resource allowance still appears to be reasonable, adequate, and necessary for people on SSI to help them meet the expenses of emergencies and unknown, unexpected expenses.

The resource provision is so vitally important to the aged, the disabled, and the blind because for the most part these people do not have the ability to increase their income through work due to their advanced ages and infirmities. The vast majority of people receiving SSI use each dollar they receive to meet regular expenses; that is food and shelter. To illustrate, the elderly lady on SSI whose roof is damaged cannot have it repaired unless she has a reserve to rely on. It was for these unexpected happenings that the resource allowance was provided.

When we established the resource limitation, which for the most part is adequate, we did not take into consideration a known expenditure, one that is inevitable to all regardless of financial stature. That expenditure is death and with death there are considerable financial outlays. Many, if not most, SSI recipients do not want someone else, be it friend, relative, or government, to assume the burden for their final responsibilities.

How is it then, that the resource limitation, coupled with the inevitability of death, has prevented so many potentially eligible aged, blind, and disabled—especially the elderly needy—from qualifying for SSI? It has been a deterrent because a person's burial reserve must also be included as a resource. In our analysis of the resource provision we overlooked the fact that the resource limitation includes the amount necessary to be set aside for burial, which in effect is a very drastic limitation of the intended resource allowance. The advent of burial costs is a known fact but the cost is an unknown. A burial that cost $500 several years ago is now considerably more and an SSI recipient, not having a timetable for his death, does not know what the burial price tag will be for his death. Yet, since he has no ability to earn, he must provide today for a future cost that is unknown.

At present, an aged, blind, or disabled person with limited income but having excess resources can simply give away his resources to friends or relatives to meet the resource limitations. That person can also go out and squander his savings to qualify. However, those people who have managed to provide for their burial by saving over the years have integrity and simply will not give away their savings to qualify for a SSI benefit. A simple examination of the savings accounts of individuals having excess resources for burial will basically show only deposits and/or the periodic accrual of interest with few or no withdrawals. For the most part, these savings are regarded as untouchable, even in the face of starvation, eviction, or undue duress. Regardless of their financial situation, regardless of their seemingly impoverished level, many of the needy elderly of these great United States have set aside certain monies to cover burial costs because they have dignity and integrity.

Who are these people? They are the real silent majority. They are not ones to complain. They do not have the eloquent speakers to argue their situation and present their justified case. For the most part, they are thankful for the benefits provided them.

I believe it is our responsibility to rectify this inadequacy so that people with limited incomes who have had the foresight and fortitude to provide for their funeral costs should not be penalized from participating in the SSI program.

In this day of tremendous financial aid to other countries, can we afford to deprive many of our own deserving aged, blind, and disabled? I say we cannot and I am therefore introducing today a bill to amend the Social Security Act to allow an individual receiving supplemental security income to maintain as burial fund savings.

Mr. President, I ask unanimous consent that the text of this bill be printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2259

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the first sentence of section 1613 (a) of the Social Security Act is amended—

(1) by striking out "and" at the end of paragraph (4),

(2) by striking out the period at the end of paragraph (5) and inserting in lieu of such period "; and", and

(3) by adding after paragraph (5) the following new paragraph:

"(6) funds deposited in a qualified burial expense account (as defined in subsection (c)) for such individual, to the extent that such funds do not exceed such amount as the Secretary determines to be reasonable to meet funeral and burial costs for such individual."

(b) Section 1613 of the Social Security Act is further amended by adding at the end thereof the following new subsection:

"QUALIFIED BURIAL EXPENSE ACCOUNT

"(c) For purposes of subsection (a)(6), the term 'qualified burial expense account' means a trust or custodial account which is held by a bank (as defined in section 581 of the Internal Revenue Code of 1954) as trustee or custodian, and which is established for the purpose of meeting some or all of the funeral and burial expenses of a specific individual, but only if there is a written governing instrument creating such account and such instrument provides that funds in the account (other than interest earned thereon) shall be held and preserved in the account during the lifetime of such individual, and, upon the death of such individual, all of such funds (or such amount as is necessary) shall be used to pay the expenses incurred for the funeral and burial of such individual and any excess shall be disposed of in the manner provided by such written instrument."

By Mr. GRIFFIN (for himself, Mr. Philip A. Hart, Mr. Magnuson, Mr. Pearson, Mr. Beall, Mr. Hartke, and Mr. Moss):

S.J. Res. 120. A joint resolution to authorize and request the President to issue a proclamation designating the period from September 2, 1975, through September 8, 1975, as "National School Bus Safety Week". Referred to the Committee on the Judiciary.

NATIONAL SCHOOL BUS SAFETY WEEK

Mr. GRIFFIN. Mr. President, on behalf of myself and Senators Hart of Michigan, Magnuson, Pearson, Beall, HARTKE, and Moss, I am introducing for appropriate reference a resolution authorizing the President to declare the week of September 2 to 8 as "National School Bus Safety Week".

At a time when there is increased public awareness about the importance of traffic safety—reflected in the lowering of speed limits and other safety programs—it seems particularly appropriate to emphasize the safety of our schoolchildren. Their safety should have the highest priority.

Nearly 21 million students are transported to and from school each day. In the course of a school year, these students travel in schoolbuses a total of about 2.5 billion miles. While the schoolbus safety record is better than the overall traffic safety record, we cannot forget the fact that schoolbus-related accidents resulted in 125 fatalities and 4,500 injuries during the 1973–74 school year. This calls for continued efforts to assure the safest transportation possible for our school-age youth.

A national program is already underway to call public attention to the importance of schoolbus safety during the first week in September of this year. In fact, the chairman of this program is from my own State of Michigan. Furthermore, Governor Milliken recently signed an order declaring the week of September 2 to 8 as "Michigan School Bus Safety Week". And it is my understanding that several other States have taken similar action.

This resolution would enhance these efforts by focusing national attention on an important matter of public safety. I ask unanimous consent that the text of the resolution be printed in the RECORD following my remarks.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 120

Whereas nearly twenty-one million students are transported by schoolbus to and from school each day; and

Whereas the safety of these students deserves the highest priority; and

Whereas a national program is underway to call public attention to the importance of schoolbus safety during the first week in September of this year: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating the period from September 2, 1975, through September 8, 1975, as "National Schoolbus Safety Week" and calling upon the people of the United States and interested groups and organizations to observe that week with appropriate ceremonies and activities.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President.

SENATE PROCEDURE

Mr. WILLIAM L. SCOTT. Mr. President, before the Senate adjourns for the August recess I want to share my current newsletter to the people of Virginia with my colleagues in the Senate. I especially hope they will review the article entitled "Senate Procedure." We need to improve on scheduling the business of the Senate and I hope to have some proposals to offer when we reconvene after Labor Day, but in any event, it should stimulate the thinking of other colleagues and result in improved procedure.

I ask unanimous consent that the letter be printed in the RECORD.

There being no objection, the newsletter was ordered to be printed in the RECORD, as follows:

SENATOR BILL SCOTT REPORTS

EXTENSION OF VOTING RIGHTS ACT

Congress recently extended the temporary provisions of the Voting Rights Act of 1965 for an additional 7 years and agreeed to expand its coverage to additional states. Although there were 2 days of hearings before the Senate Judiciary Committeee and 5 days of floor debate, few changes were made from the House version of the bill because supporters, concerned that the measure would lapse unless extended prior to August 6, refused to seriously consider amendments.

An amendment I proposed to transfer jurisdiction over issues arising from the Act from the Federal District Court in the District of Columbia to the Federal District Court in the state where the controversy arose was defeated by a tie vote in committee and by a 38–57 vote on the Senate floor.

Another amendment to eliminate the requirement that the Chickahominy Indian language, now extinct, be printed on the ballots in Charles City County was adopted in committee but defeated on the Senate floor.

Still another amendment to use the date November 1, 1972 to determine whether a given state would be covered by the temporary provisions, rather than November 1, 1964, was also defeated, as was an amendment to require the same degree of proof of violations of voting rights in all states of the Union covered by the temporary provisions. In my opinion, the Constitutional prohibition against discrimination in voting because of race or color is valid and should be enforced throughout the country. However, it appears wrong to have one set of standards for most of the nation and other standards for Southern states, including a presumption that states having literacy tests and less than 50% of the adult population registered or voting in 1964 are presumed to discriminate in the voting process, and to require that any changes in the election laws within those states be validated by the United States Attorney General or the Federal Court of the District of Columbia.

Should you desire copies of my statement on the general bill or on any of the amendments referred to above, please let me know.

VETERAN'S COMPENSATION

The Congress recently passed a bill providing for a 10 percent increase in disability compensation for veterans rated from 10 to 50 percent disabled. A slightly higher increase of 12 percent was provided for veterans with a 60 to 100 percent disability rating.

The Dependency and Indemnity Compensation (DIC) benefits for survivors of veterans who have died of service-connected causes was increased by 12 percent. The effective date of this bill upon signing is August 1.

INDIAN OCEAN

On July 28, the Senate voted 53–43 to allow the military to expand our Navy facilities on Diego Garcia, a small atoll near the middle of the Indian Ocean. The expansion is said to be necessary due to the Soviet Naval presence in the area and a military buildup in Somalia. Because the major share of oil to consuming nations comes from the Persian Gulf area through the Indian Ocean, concern has been expressed regarding Soviet presence. Although the Soviet threat appears real, it does not seem reasonable for the United States to continue to police the entire world and to protect the oil supply of other nations unless they act in their own interest. Their need of that oil is far greater than ours, with 75% of Western Europe's oil requirements and 85% of Japan's oil requirements being imported from the Middle East, compared with 6% of our own supply.

We already have an American flagship and two destroyers homeported in Bahrain in the Persian Gulf, and there is an excellent base in South Africa available for our use. Moreover, we have atomic-powered warships, including two new aircraft carriers, which have no need for refueling for over 13 years. Thus we are able to protect our American interests without this proposed expansion.

Since France, England, and Australia all own islands within the Indian Ocean, it would appear reasonable for them to build bases at their own expense for use by the Free World. It seems to me that this is but one more example of our efforts to meet the military and economic needs of nations throughout the world, efforts which have resulted in our remaining at war or on the brink of war for more than a generation and have contributed greatly to our presently adverse economic conditions.

LORTON HEARINGS

A final hearing on S. 1243, my proposal to transfer the Lorton Penal Institutions from Fairfax County to the District of Columbia, is now scheduled for September 9, 1975, at 10 a.m. in Room 2228, Dirksen Senate Office Building in Washington, D.C.

As you may recall, there have been two previous days of hearings, in which officials of the Federal Government, District of Columbia, and Fairfax County appeared and testified. The Fairfax officials insisted on moving the facility and the District officials insisted that there was no place to construct a facility for more than 2,000 inmates within D.C. territory. After the hearings are completed, the committee will consider my proposal and all reasonable alternatives before determining the action to be taken.

Your comments and views are, of course, welcome, and may be addressed to Mr. James Meeker, Staff Director, Subcommittee on National Penitentiaries, 6306 Senate Office Building, Washington, D.C. 20510, or to me.

NEW HAMPSHIRE CONTEST

Congress finally decided to refer the New Hampshire Senate contest back to the State for a new election. As you may remember, Republican Louis C. Wyman was declared the winner last November 5 by 355 votes out of approximately 223,000 cast. Democrat John A. Durkin requested a recount. On November 27 Mr. Durkin was declared the winner by 10 votes by the Secretary of State of New Hampshire. Wyman appealed and on December 24 the State Ballot Commission unanimously declared Mr. Wyman elected by 2 votes and certified his election to the Senate.

When the Senate convened on January 14, unsuccessful efforts were made to declare the seat vacant and return the question to the people of New Hampshire for a new election. Instead, the Senate voted to have both contestants stand aside and referred the contest to the Senate Committee on Rules and Administration. The Committee, being unable to reach agreement, returned the matter to the full Senate. Since June 10, the Senate has been debating the questions raised by the Rules Committee and did not appear close to making a decision. A few days ago, however, both candidates agreed to a new election in order that the close contest could be decided by the people of their State.

Although it was a long, drawn-out process in the Senate, I believe most Senators are pleased that it has been referred back to the State, in view of the impossibility to determine this close contest to the satisfaction of the public generally. Let us hope that the new election to be conducted in early Fall will result in a clear-cut victory by one of the parties and that New Hampshire will once again have two Senators, as do all other States of the Union.

ABORTION ISSUE

Over the past several years, our office has received several thousand letters, petitions, telephone calls and visits from individuals regarding the abortion controversy. Both pro-abortion and anti-abortion groups are well organized and well informed on contacting members of the House and Senate. There are strong emotional feelings on both sides, in part generated by a Supreme Court decision invalidating many state laws on the subject. The Constitutional Amendments Subcommittee of the Senate Judiciary Committee has held hearings on a number of proposals, including one to completely ban abortions under all circumstances.

My own proposal would return jurisdiction to state governments and nullify the Supreme Court decision. This, of course, is not satisfactory to people who have strong opinions on either side of the controversy. However, we live in a nation of dual sovereignty. The federal government prevails where power has been delegated to it. The states prevail in other instances. Of course there are gray areas where state and federal authorities must attempt to resolve their conflicts. Yet, police power traditionally has been reserved to the states. The right to regulate the health and morals of the people, marriage and divorce, property rights, and other day-to-day matters affecting the lives of citizens is in the states and their political subdivisions under state police power. This is necessarily so in a country as large and diverse as our own.

The 1973 Supreme Court decisions invaded the legislative field and my proposed amendment would clarify the issue and restore full authority in state governments to determine the circumstances under which pregnancy may or may not be terminated. Of course, the issue would not be resolved uniformly among the states but neither do we have uniform marriage or divorce laws or uniformity within other fields reserved to the states under the Constitution.

PAMPHLETS AVAILABLE

A number of publications which may be of interest to you are available for distribution upon request:

Eggs in Family Meals—A Guide for Consumers.

Wood Siding—Installing, Finishing, Maintaining.

Federal Benefits for Veterans and Dependents

Infant Care

Removing Stains from Fabrics

How to Buy Fresh Vegetables

MEETING WITH CONSTITUENTS

It is always helpful to know the views of constituents regarding issues confronting the Congress. Therefore, during the Lincoln Day recess in February, I spent one day each visiting with constituents in Abingdon, Wytheville, Roanoke, and Danville. Similar visits were made during the Memorial Day recess at Staunton, Lynchburg, and Richmond. During the summer recess I plan to spend one day each in Fredericksburg, Hampton/Newport News area and the general Norfolk area. The schedule for these visits is as follows:

Aug. 28, Fredericksburg, Holiday Inn North:

9 a.m.—News conference.

10 a.m.–noon—Meeting with business community.

1–5 p.m.—General open door discussions with constituents.

Sept. 2, Norfolk, Lake Wright Motel:

9 a.m.—News conference.

10 a.m.–noon—Meeting with business community.

1–5 p.m.—General open door discussions with constituents.

Sept. 3, Hampton, Coliseum Holiday Inn:

9 a.m.—News conference.

10 a.m.–noon—Meeting with business community.

1–5 p.m.—General open door discussions with constituents.

In addition to these visits, I will be in the Richmond office on Friday, August 29, Federal Building, 400 N. 8th Street, to meet with any constituents who care to stop by from 10 a.m. to 4 p.m. You may want to call the office at 649–0049 to arrange an appointment but, of course, will be welcome at any time during the day.

SENATE PROCEDURE

Congress over the years has attempted to establish orderly procedures for the consideration of legislative proposals. Both Houses have the Constitution, other historic documents, and Jefferson's Manual as the basis for rules in their separate bodies. These documents are supplemented by rules of the Senate and the House. For example, the House of Representatives has a Rules Committee to determine what bills reported from legislative committees should be considered on the floor, whether they shall be subject to amendment, and the time limitation for their consideration.

The Senate does not have a similar committee. But the leadership of the majority party generally makes this determination and usually requests unanimous consent at the beginning of a daily session, or shortly prior to adjournment for the day, for consideration of specific bills, whether there shall be a time limitation, and whether amendments need be germane.

Frequently requests are made when Senators are attending committee hearings, reviewing their mail, conferring with constituents, or otherwise not available on the Senate floor. Senators are quite hesitant to object to unanimous consent agreements because the leadership of the majority party generally has the votes to bring up a bill in the absence of a consent agreement. This, of course, does not affect Senate tradition of unlimited debate and the rule requiring 60 Senators to agree to cloture. Nevertheless, the practical effect of the present procedure results in frequent changes of programs and a Senator not knowing the next order of business, the time the Senate is going to adjourn, or what other measures may be scheduled within a given period.

Many Senators are concerned about this matter and I have requested the office staff, the Legislative Counsel, and the Library of Congress to review Senate procedure to determine whether a way can be found to more fully acquaint all Senators with the business contemplated each day. One simple provision would be to have the majority leadership announce the program for the coming day before adjournment of the previous day and not to permit any change without a live quorum and a roll call vote authorizing the change. Another method worthy of consideration is a Senate Scheduling Committee to weigh relative importance of a matter reported by legislative committees and schedule them in an orderly manner. These are tentative thoughts to be thoroughly explored before being presented to the Senate.

SOMETHING TO PONDER

The policy of the American government is to leave their citizens free, neither restraining nor aiding them in their pursuits.—Thomas Jefferson.

NEW ECONOMIC POLICY URGED

Mr. HATFIELD. Mr. President, our economic problems are of such complexity that rarely do we feel that we have a comprehensive and clear idea of what is actually happening.

On May 19 of this year, our distinguished colleague from Massachusetts (Mr. Brooke) gave an address which I believe contains a remarkable economic analysis. The insights into our problems and the urgency of the argument are compelling.

Mr. President, I ask unanimous consent that Senator Brooke's remarks be printed in the Record.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

Statement by Senator Brooke

I am pleased to have this opportunity to speak with you today. I would like to take advantage of your inviation to discuss our nation's economic problems as well as legislation currently under consideration in Congress which I think may be of interest to you.

We are now experiencing an 8.9% rate of unemployment and a 6.6% rate of inflation. Economists tell us that economic history is largely made up of recurring alternate periods of recession and inflation. However, we have the worst of both possible worlds: we have suffered double digit inflation and are now threatened by double digit unemployment. It is important for us to realize how we arrived at this precarious state in order not to repeat the mistakes of the past.

Our economy was profoundly affected by decisions made in the year 1965. That year marked a watershed in economic policy, for it was in that year that we elected to increase substantially our expenditures to conduct the Vietnam War. Given that decision, we were forced to choose among four means of financing the war.

First, we could decrease other federal spending.

Second, we could increase taxes.

Third, the government could borrow in the capital market.

Fourth, the government could increase the money supply at an accelerated rate.

The first option, to reduce federal expenditures, was dismissed as inconsistent with the emerging Great Society. The second option, to increase taxes, was used belatedly and only to a limited etxent.

The first two options would have affected public and private consumption, but in choosing them, I believe, we could have avoided inflation, distortions in the capital market, and ultimately recession.

However, we chose, instead, the third option and fourth option, increasing federal borrowing and increasing the money supply. The government entered the capital market and diverted funds that would have gone to private investment which maintains and expands the nation's productive capacity. Interest rates did rise, but the larger firms, at least, were able to finance investment out of retained earnings. Smaller firms, notably in construction, bore the brunt of these higher rates.

To cushion the impact of rising interest rates, the Federal Reserve Board stepped up the rate of increase in the money supply. The effect of this action was predictable. When the rate of increase in the money supply exceeds the rate of increase in real production, inflation must follow. Relatively more dollars are chasing relatively less products, and the prices of those products are bid up. This phenomenon is now well understood. The long-run growth rate of the American economy averages 3% annually. When the rate of increase in the money supply averages more than that rate, prices must rise. This has been borne out by history. In fact, the only inflation in history which was not preceded by a rapid increase in money occurred 400 years ago when one-third of the population of Europe was destroyed by a plague.

During the first half of the 1960's, while the broadly defined money supply, M_2, increased at an annual rate of 5.6%, consumer prices ran at a 1.3% rate during the second half of the sixties, M_2 increased at a 7.2% rate, and prices at a 3.6% rate. And in the first half of the 1970's, as M_2 increased at a 9.4% rate, price increases jumped to a 6.9% rate.

The selection of a policy of monetary expansion to finance the increased federal expenditures of the last decade explains much of the inflation.

As to the recession in which we now find ourselves, there were three major causes.

First, we experienced the problem of malinvestment. When new money is pumped into the economy the funds flow first into the business community, as you know. When this money is flowing at too fast a rate, business tends to invest the funds in those projects which would ordinarily not be undertaken. And many of these new investments are in longer range projects with less assurance of payoffs.

Actually, these investments often failed because there was insufficient demand for them. If the new money had been provided by private saving, it would have been an indication that people preferred to save and delay consumption well into the future. These new investments then would have been sound. But people had not changed their spending and saving preference. There was no demand for more long term investment. And as this fact was discovered, business cut back and in doing so, fed recession.

A second factor behind the current recession is the residual effect of wage and price controls. In August 1971, public pressure to deal immediately with inflation led former President Nixon to adopt wage and price controls, in varying forms, were continued for almost three years.

In the aggregate, we cannot expect such controls to work. If money is being created at a faster rate than production as it was in the late 60's and early 70's, price increases at least in some industries must follow, whether we have controls or not. The new money will not be buried or ignored. It may be spent to bid up the price of goods in black markets in those cases where policing is difficult. Or it may be saved and invested; but this will bid up the price of productive capital, again in black markets when necessary.

In some industries, policing of the controls is relatively easy. In retail gasoline, for example, prices are displayed openly and are very difficult to fake. Prices are thus effectively held down by controls. The lower prices that result have two consequences. First, at lower prices, consumers purchase more. And second, at lower prices, there is less incentive for business to produce. More consumption plus less production yields shortages. And by the summer of 1973, two years subsequent to the imposition of controls, shortages were widespread.

Oil, as some economists had predicted, was only the most obvious example. We might not have been so vulnerable to the Arab oil embargo, if it had not been for these shortages.

A large number of commodity shortages also feeds recession. Without these commodities, the productive machinery cannot function. Bottlenecks delay production. The economy runs down. This occurred.

The third, and historically the most important, factor in recessions is a drop in the rate of increase in the money supply.

The economy accustoms itself to the existing rate of growth in the money supply. During the early 1970's, that rate was high and increasing. And although it was still high by historical standards, the Federal Reserve Board caused the rate of growth in the money supply to decline in 1973 and then to drop off sharply in the third quarter of 1974. The money supply was no longer keeping pace with price increases. Since price increases were already built into the economy by contracts and by expectations, there was not enough new money to finance an increased number of business transactions at the inflationary rate. The only possible result in the short run was to reduce the number of transactions. And that was, of course, recessionary.

But while this clearly precipitated the recession, its severity could not be explained by the monetary situation alone. The malinvestment subsequent to inflation and the shortages subsequent to the price controls both contributed.

The broad outline of the economic developments of the past decade is now clearly in view. Financing of certain increased federal expenditures over the past ten years was managed largely by creation of new money. Reductions in alternative government expenditures and tax increases were largely avoided. Either of these would have reduced current living standards, but they would have impacted less on investment. The consequence was inflation and the recession which such inflationary pressures necessitate. Furthermore, the attempt to control inflation by way of price controls served only to create shortages which themselves eroded the economic base. Most important, the rate of increase in the money supply declined precipitously.

I might add that these fundamental developments were aggravated by random factors: food supplies were hit by poor crop yields, wheat was sold to the Soviets, world demand for oil accelerated, we had an oil embargo subsequent to the Yom Kippur war and an extraordinary rise in OPEC prices since, and there was a devaluation of the dollar which pushed domestic prices up still faster. Most of these events are not expected to recur.

And now having analyzed the causes of the current inflation and recession we must decide where we go from here. As in 1965, we are today faced with major decisions. In fact, we are faced with essentially the same choices today that we had then.

First, reduce federal expenditures.

Second, increase taxes.

Third, increase government borrowing in the capital market.

Fourth, increase the money supply at an accelerated rate.

To choose either of these last two options would only be to repeat the mistakes of the past decade. Again to increase the money supply at an accelerated rate would send us into a new inflationary sequence. And coming on top of the one from which we are just emerging it would be far worse. I supported the Senate concurrent resolution to restrict the Federal Reserve System from increasing the money supply at arbitrary rates. This resolution was passed by the Congress in March, and Chairman Burns has indicated that the Federal Reserve Board will follow a policy of increasing the money supply at between 5 and 7½% over the next year.

It would also be dangerous to have the federal government move into the capital markets and divert funds needed by industry to maintain the nation's capital stock and to develop new and better methods of production. The United States already invests a smaller proportion of its GNP than any of the Western industrialized nations. And in the last decade, the proportion had declined further.

If we are to prevent even wider swings in inflation and recession, and deterioration in our private investment, we must not follow our past policies.

Two options remain; to cut federal expenditures or to increase taxes. I do not propose that we increase taxes, but I shall later suggest an alternative which will assure an adequate infusion of new money into the capital markets. But first let me address the need to control federal expenditures.

We must redouble our efforts to meet our national obligations in a more efficient and less costly manner. Both in the social and defense areas, we must get more for our money. Congress has already created new Budget Committees to scrutinize the federal budget and to make cost benefit studies of federal programs.

This marks a new departure for the Congress. In the past, federal programs were voted upon as they came up. Each was viewed on its own merits and without regard to its relationship to the federal budget as a whole. Under our new system, the budget will be viewed on an overall basis and expenditures and taxes will be set with the objective of avoiding inflation and recession.

Once the size of the total budget has been determined, the sixteen major functional areas from housing to defense will be evaluated. Then a budget will be recommended for each area based on our nation's diverse needs. This should improve government efficiency to a significant degree.

The Budget Committees have only begun their work this year. It will be another year they are fully operational. But at least a start has been made in the right direction.

Second, I believe we must do much more to encourage saving and investment by the average American family. Saving in this country is at one of the lowest rates in the industrialized world. As a nation we only save about 7% of our after tax income. The comparable figure for Germany is 11% and for Japan 30%. We must do better.

Rather than monetizing our debt by creating new money we should privatize it by encouraging new savings and investment. In the long run this will mean encouraging families to postpone consumption, and the decision to postpone consumption would have to be made an attractive one.

Inflation has been among the principle deterents to the small saver, and if savings are to increase there must be a public consensus that we have a national policy designed to curb inflation.

At the same time we must give the small saver a safe investment instrument which provides a reasonable return. There is no reason why banks should not provide this instrument once the Congress and our financial regulatory agencies come to grips with the problem of interest rate ceilings imposed under Regulation Q.

Also, it may be that our tax system should be adjusted to strike a new balance between the tax incentives available to savers and those which encourage spending.

National policies and legislation directed at long term economic problems will, of course, be developed only after a national debate in which you can and should play an important part. But of more immediate concern to you is legislation now pending which will have a direct impact on the banking industry.

The 94th Congress will probably witness the most far-reaching review of the operations of our bank regulatory agencies and banks themselves which has occurred in many years, and it is likely that important legislation affecting banks will be passed over the next two years.

Last week in the Banking Committee we held hearings on S. 1267, the Financial Institutions Act of 1975. This bill would authorize NOW accounts on a nationwide basis for all federally chartered, financial institutions. The bill would also allow all such institutions to offer regular checking accounts. It confers broader consumer lending powers on savings banks and savings and loan associations, and would provide for a tax credit of up to 3½% on interest income earned from residential mortgage loans for all financial institutions. I support the Financial Institutions Act, and I think there is a good chance that it will pass the Senate before the end of 1975.

Our Committee is also presently considering other legislation which would regulate the activities of banks and other financial institutions:

S. 1281, the "Home Mortgage Disclosure Act of 1975", which I have cosponsored, would require lending institutions to reveal the areas from which they obtain deposits and in which they make mortgage loans. Hearings have already been held on the bill, and the Committee will hold a markup session on it later this week.

At the same markup session, the Committee will consider H.R. 6207, which would prohibit the issuance by the Federal Home Loan Bank Board of regulations authorizing savings and loan associations to make variable rate mortgages.

In early June the Committee is expected to take up S. 245, the EFTS Moratorium Bill, which was introduced by Bill Proxmire and which would restrict the use of electronic funds transfer terminals by federally regulated institutions. I oppose this bill, which would indiscriminately ban the use of EFTS terminals.

In the House of Representatives, Congressmen Reuss and St Germain have announced that the House Banking Committee will undertake a study project on Financial Institutions and the Nation's Economy which will be known as the "FINE" study. This study will review:

The relationship between banks and thrift institutions;

The adequacy of federal regulations of financial institutions;

The structure and operations of the Federal Reserve System

Foreign operations of U.S. Banks; and

The operation of bank holding companies.

On the Senate side, no formal announcement of a study has been made. However, I expect that many of the same issues will be explored during the next two years by way of hearings on legislation or oversight hearings.

There is a growing public awareness of the important role banks play in our society, of their power and also, I must add, their vulnerability. Both in the press and in Congress interest in your industry has heightened.

We all know that confidence plays a large part in maintaining the strength of our financial institutions. If the public has confidence that our economy is running on a sound basis and that our financial intermediaries are well managed, as I believe they are on the whole, then commercial activity can proceed smoothly. A loss of confidence in our financial institutions, on the other hand, would pose a threat to our whole economy.

The banking business is changing rapidly, as you well know. And, of course, the Congress should, in setting national policy regarding bank regulation, keep itself informed. At the same time we should not let ourselves be drawn into the trap of legislating on the basis of the worst incident. And in conducting oversight investigations, we should keep in mind their effect on public confidence.

No doubt we will be experiencing difficult times in the years ahead. But I believe that if we can learn from the past, we shall prevail in the future.

TREASURY, POSTAL SERVICE, AND EXECUTIVE OFFICES APPROPRIATIONS, 1976 FUNDING FOR THE CIVIL SERVICE COMMISSION'S OFFICE OF VETERANS' AFFAIRS

Mr. CRANSTON. Mr. President, the conference report on H.R. 8597, the Treasury, Postal Service, and Executive Offices Appropriations Act, for 1976, was agreed to by both Houses of Congress yesterday. This measure contains $400,000 for use by the Civil Service Commission's Office of Veterans' Affairs.

I would like to take this opportunity to extend my deep appreciation to the distinguished chairman of the Appropriations Subcommittee on Treasury, U.S. Postal Service, and General Government (Senator Montoya) for his hard work and excellent efforts on this measure. I, particularly, am grateful that favorable consideration was given to the Civil Service Commission item.

I also want to thank my three distinguished colleagues on the subcommittee, Senators Bayh, Eagleton, and Hatfield, and my colleague from California in the House, Congressman Edward Roybal, for their able assistance and support in this effort.

Finally, I want to thank Senator Montoya's staff for the excellent cooperation and courtesy provided my staff during consideration of this measure.

Mr. President, the $400,000 contained in the conference report for the Civil Service Commission's Office of Veterans' Affairs is needed to insure that the Commission has the capacity to implement fully its broad new responsibilities pursuant to section 2014, added to title 38, United States Code by Public Law 93–508, the Vietnam Era Veterans Readjustment Act of 1974. This new section sets forth the policy of the United States to promote and provide the maximum employment and job advancement opportunities within the Federal Government for qualified disabled veterans and veterans of the Vietnam era.

Mr. President, on May 12, 1975, the distinguished chairman of the Senate Committee on Veterans' Affairs (Mr. Hartke), and committee member Senator Randolph, joined me in writing to Chairman Montoya outlining our concerns regarding the Commission's new responsibilities and the need for a $400,000 increase for these purposes. Mr. President, I ask unanimous consent that the text of our letter be printed in the Record at this point.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Committee on Veterans' Affairs,
Washington, D.C., May 12, 1975.

Hon. Joseph M. Montoya,
Chairman, Subcommittee on Treasury, U.S. Postal Service, and General Government, Committee on Appropriations, Washington, D.C.

Dear Mr. Chairman: We are writing to urge your Subcommittee to include, in the FY 1976 Treasury, Postal Service, and General Government Appropriations Act, $400,000 for use by the Civil Service Commission's Office of Veterans Affairs.

Mr. Chairman, this appropriation is needed to ensure that the Commission has the capacity to implement fully its broad new responsibilities pursuant to section 2014, added to title 38, United States Code, by P.L. 93–508, the Vietnam Era Veterans Readjustment Act of 1974.

This new section sets forth the policy of the United States to promote and provide the maximum employment and job advancement opportunities within the Federal Government for qualified disabled veterans and veterans of the Vietnam era. In order to further this policy, the Commission has been given the following specific responsibilities by Congress in section 2014:

(1) Prescribing the regulations according to which each department, agency, and instrumentality in the Executive Branch will include in its affirmative action plan for the hiring, placement, and advancement of handicapped individuals (as required by section 501(b) of P.L. 93–112, the Rehabilitation Act of 1973), a separate specification of plans to promote and carry out such affirmative action with respect to disabled veterans.

(2) Prescribing the regulations according to which Vietnam era veterans will be eligible for veterans readjustment appointments under subsection (b) of section 2014.

(3) Reviewing and evaluating the implementation of all provisions of section 2014, and the activities of each Federal department, agency, and instrumentality in carrying out these provisions.

(4) Submitting annual reports to the Congress on activities carried out under section 2014.

Mr. Chairman, the need for the prompt and effective implementation of these provisions was made painfully clear with the recent release of April unemployment data. The unemployment rate for young, Vietnam-era veterans, which has for too long been nearly twice the national rate, has now soared to an astronomical 22.8 percent!

The new provisions of law—designed specifically to deal with this problem—will accomplish little, however, if the Commission does not have the capacity to carry out its responsibilities efficiently and effectively. Adequate resources are needed to enable the Commission to promote and monitor all efforts within the Federal government to employ veterans, as well as to fulfill the Commission's own very specific responsibilities for this program.

Currently, the Commission's Office of Veterans' Affairs has one full-time and one part-time employee; in each of the ten Federal regions, a GSC employee is assigned, among numerous other duties, responsibilities as a Veterans Federal Employment Representative. We strongly believe that this present level of staffing, established prior to enactment of section 2014, is totally inadequate for the Commission to meet its new statutory responsibilities.

Mr. Chairman, the $400,000 we are requesting—which would fund 30 full-time positions in the Commission's central office and regional and area offices—is a minimal amount for these important tasks. This is the amount for which, it is our understanding, the Commission unsuccessfully requested O.M.B. approval.

We hope you and the members of the Committee will consider this recommendation favorably, and we are most grateful for your assistance in this matter.

Sincerely,

Vance Hartke, *Chairman.*
Alan Cranston.
Jennings Randolph.

Mr. CRANSTON. Mr. President, at hearings of the House Appropriations Subcommittee on Treasury, Postal Service, and General Government, Congressman Roybal asked Commission witnesses a number of detailed questions concerning these new responsibilities. On June 18, 1975, Senators Hartke, Randolph, and I wrote to Chairman Montoya regarding the additional information developed at this hearing with respect to the Commission's Office of Veterans' Affairs. I ask unanimous consent that the text of our June 18 letter and the attached excerpts from the hearing transcript be printed in the Record at this point.

There being no objection, the material was ordered to be printed in the Record, as follows:

Committee on Veterans' Affairs,
Washington, D.C., June 18, 1975.

Hon. Joseph M. Montoya,
Chairman, Subcommittee on Treasury, U.S. Postal Service, and General Government, Committee on Appropriations, United States Senate, Washington, D.C.

Dear Mr. Chairman: We are writing to provide you with additional information concerning our May 12, 1975, request that your Subcommittee include, in the FY 1976 Treasury, Postal Service, and General Government Appropriations Act, $400,000 for use by the Civil Service Commission's Office of Veterans Affairs.

As you will recall, we felt that these funds were needed to ensure that the Commission has the capacity to implement fully its broad new responsibilities pursuant to section 2014, added to title 38, United States Code, by P.L. 93-508, the Vietnam Era Veterans Readjustment Act of 1974.

At hearings of the House Appropriations Subcommittee on Treasury, Postal Service, and General Government, Congressman Edward Roybal asked Commission witnesses a number of detailed questions concerning these new responsibilities. The consensus of the Commission representatives, in responding to Congressman Roybal's questions, was that without additional funds the Office of Veterans Affairs would be able to do little more—in terms of fulfilling its new responsibilities—than completing initial planning steps.

We have attached the appropriate pages of this raw hearing transcript for your information, and we have underscored those passages which we feel reflect, most clearly, the situation the Commission is confronting.

Mr. Chairman, we believe this material makes a strong record for the need for these additional funds, and we hope that you and the members of the Committee will review the Commission's testimony and consider our recommendation favorably.

We are most grateful for your assistance in this matter.

Sincerely,

Vance Hartke.
Alan Cranston.
Jennings Randolph.

Excerpts From Hearing Transcript

VIETNAM ERA VETERANS' READJUSTMENT ACT OF 1974

Mr. Roybal. Going to another subject, the Commission has been given very broad new responsibilities under section 2014 added to title 38, United States Code, by Public Law 93-508. That is the Vietnam Era Veterans' Readjustment Act of 1974. In addition to setting forth U.S. policy to promote and provide maximum employment and job advancement opportunities within the Federal Government for qualified disabled veterans and veterans of the Vietnam era, section 2014 requires the Commission to carry out several specific tasks.

I would like to have you explain these new responsibilities.

Mr. Hampton. First let me say that on Vietnam era veterans we have had a special employment effort for them by Presidential order for some time. Last year, for instance, there were some 100,000 Vietnam era veterans hired under the special Vietnam veterans employment authority as well as under other authorities. We have worked with the Labor Department veterans staff, the Veterans' Administration, and with veterans organizations in terms of jobs, outreach, recoupment, and things of that kind. So we had an ongoing program. There were some specific steps that are required of the Civil Service Commission by this particular act and Mr. Mickle has a status report as to where we stand today.

FISCAL YEAR 1976 REQUESTED BUDGET AMENDMENT

I might say at the outset, though, that we had requested an amendment to the fiscal year 1976 budget to put some additional funds into this program. We were denied those funds and requested to reprogram. That is a favorite word these days. I don't know what the impact of that is going to be. I just got that decision letter about 2 or 3 days ago, and we are reassessing.

We don't have any idea what we are going to be reprogramming yet because we have not gotten our budget and our budget level has already been cut considerably. We have reprogrammed until the pencil is pretty dull in terms of coming up with new funds. We will know later on when we have had a chance to complete the assessment and * * *.

CSC RESPONSIBILITIES UNDER THE VIETNAM VETERANS' ACT

Mr. Hampton. Yes; I am going to have Mr. Mickle go through this. What I am saying is that there are new requirements in that law and they require that there be action plans submitted and that those action plans be reviewed and approved and that reports be prepared for the Congress.

Action plans require a considerable amount of attention if they are going to have any effect. Also, how do you evaluate? This means that how are we to know the people who submitted the action plans are doing what they say they are? That costs money, too.

I would like for Mr. Mickle to tell you what is taking place since the passage of the act.

Mr. Mickle. In terms of the act, let me abbreviate these and we can expand when you want. In the interest of time, the tone of the whole act is positive outreach and maximum effort. The tone of that. Within that there are a number of specific requirements assigned to the Commission. Specifically, the Government-wide leadership in regard to the place of these groups, assisting Federal Agencies in developing affirmative action plans for placement and advancement of these groups, monitor and evaluate the agency implementation of the act, increase liaison with veterans and veterans organizations, both nationally and on a local level throughout the country, to obtain, analyze and publish at least semiannually reports of agency activities under the act.

Finally, if annual reports are required to Congress, terms of the progress made.

As soon as the act was passed, we developed a comprehensive plan of implementation to get the program started. This included the necessary instructions and guidance that you need, both to Federal agencies and in terms of what they must do, and to our own field installations in terms of their role under this act. That has been carried out. Also, in any new piece of legislation there is a problem in addition to requirements. I think, of obtaining understanding of what really is intended and meant and must be done, to identify problems that may be foreseen, in California or in the field, we didn't see initially here.

In that regard we held a telethon with our regions, with people throughout the country in our organization to discuss the act, discuss what we have set out, to get their feedback on problems. There have been meetings of the inner-agency advisory group to tell an agency what we put out to be sure they understood it and what was expected of them. In addition, the chairman sent to agency heads a memorandum asking and urging their support and commitment to this program. All these things that we had in our action plans have been done.

One area where there has been some slippage has been in the area of statistics. We want to do more in obtaining statistics from our basic personnel data files and this is a matter of programing and obtaining this data. That is being worked on.

In terms of initial implementation, as of May 1975, I think our record is good in terms of what we have done to get this act launched.

REPROGRAMING OF FISCAL YEAR 1975 FUNDS

Mr. Rosen. This we did, I might say, out of this reprograming since the law was passed in December of 1974 and we were not on anybody's doorstep saving, "We can not turn a wheel unless we have more money," even though in all candor we were strapped. These things had to get going and we got going on it. Then came the next step of saying, now, we talked about a full year's implementation in 1976 and doing the kinds of things that Mr. Hampton referred to, and this is where we felt we needed additional resources and where at least at this stage that has been denied to us in terms of amendments to the budget.

However, the Commissioners have discussed this and it is their intention to request OMB to include funds in the first supplemental for fiscal year 1976. We will be going forward with that early next fiscal year.

Mr. Mickle. I might add, while our implementation has been very good at this point I would not want to leave the impression if the money was not approved by OMB our continued implementation would be the same high level as it would be if we had the money. Obviously we have to make some adjustments in scale. I think to do all the things required would be more a matter of level of effort required to put in it.

OUTREACH PROGRAM TO HANDICAPPED VETERANS

Mrs. Spain. When you are dealing with severely handicapped people, be they veterans or civilians, you have to have a dynamic Outreach program. These people have been disappointed so many times that they tend to retreat within themselves. You have to reach out for them and encourage them to come forward and take advantage of the services the Government offers with the end result of getting them into productive employment and off of the tax receiving rolls. A great part of the budget would go for this Outreach program in the field.

VETERANS FEDERAL EMPLOYMENT REPRESENTATIVES

Mr. Roybal. My information is that the implementation of this program is not adequate. Is it true that only 1½ persons in the central office are assigned to this program and that in each of the 10 CSC regional offices 1 person carries responsibility for veterans Federal employment, among other duties?

Mrs. Spain. That is correct.

Mr. Rosen. I beg to differ with the vice chairman. I think it's correct but only in part. We made a major change several years ago. Congressman Roybal, in strategy on how we were going to do the job that we had to do, and we were determined to do, in terms of meeting the needs of veterans.

Commissioner Andolsek for a number of years has been, within the Commission itself, the key focal point for assuring that we would have a vigorous effort in which the total Commission would be involved. At the Commissioner level, this has been a prime concern.

Then what we did, Congressman Roybal, is this: We used to have a full-time individual on veterans affairs in every regional office in the Commission. He stood over here separate and out of the mainstream of activity. He had a lot of retail business.

But the issue was that our area offices, from which the jobs were really being filled, were not integrated deeply into this effort. So our major change in strategy was to say: "All right, let's get this veterans Federal employment representative in the regional offices integrated with the staffing operation. And then let's say to every area office"—65 of them around the country—"one of your responsibilities is this matter of veterans service, and we want a person identified there, not necessary full time, so that it would be clear who would be rendering service. We just don't have the kinds of resources to be able to pay a full-time person on this and a full-time person on the handicapped and a full-time person on the rehabilitated offender. So we do have to merge these things.

Clearly, there has been an identification of responsibility and there has been a recognition by all of these offices and a followup by us in management to assure that they do that outreach effort.

What is involved with this new law is, just as Vice Chairman Spain has indicated, that what the Congress was telling us was, regardless of what you have been doing before on veterans, we want a special effort here, including that personal outreach in counseling that Mrs. Spain referred to. This is largely what we wanted the additional funds for.

Congressman Roybal, to be able to add specific people to actually go ahead and provide additional one-to-one counseling in that kind of outreach.

But if we don't get the money, we are going to use our existing organization. We are just not going to let this law sit unattended to. But we will not be able to do it as fully and as adequately as we would want.

Mr. Roybal. Then the implementation is not adequate.

Mr. Rosen. To date it is adequate. In other words, in terms of what anyone, I think, could reasonably except would have occurred from the time it became law in December 1974 to the present time. I believe we have done everything that reasonably could be expected to be done. We haven't heard from the committee, which was primarily concerned, that we have fallen short.

Mr. Roybal. That could be expected to be done reasonably?

Mr. Rosen. Yes, sir.

Mr. Roybal. That means the word reasonably is based on the personnel that you have, based on your resources or based on what?

Mr. Rosen. Based on what needs to be done, Congressman, to tool up an effort with a new program. The planning steps which Mr. Mickle referred to were essential make-ready steps to get everybody informed, to get them aboard. But now comes the important step. Now comes the work, really. Everybody knows what the policies are. The instructions are out. Now, we should have staff, starting the beginning of the fiscal year, to do this. This is where we anticipate not having what we need, sir.

Mr. Andolsek. I think the record should also show the number of hires since the Commission first went for special authority to hire Vietnam veterans, which was years and years ago.

Mr. Mickle. It runs over 20,000 appointments a year, Commissioner.

Mr. Roybal. What you have now is adequate for the purposes of setting up the structure?

Mr. Rosen. That is right.

Mr. Hampton. The implementation, when you go into the secondary stages of the program and you start having a direct relationship with the people you are to serve, is where the additional costs come in. Yes, we can shift around within our bureaus to write instructions to the agencies and to prepare special materials for our regional directors and area office managers to use in dealing with the veterans organization, but the day-to-day implementation will start coming into being. Quite frankly, I do not know how we are going to reprogram this.

Mr. Roybal. I understand the situation better than I did before. I have additional questions I would like to submit for the record and have you answer them, please.

Mr. CRANSTON. Mr. President, the above material makes a strong record for the need for additional funds for the Commission, and I am most grateful to the committee members for sustaining the Senate position on this item so that the necessary funds will be available for this important purpose.

CHILD CARE LEGISLATION

Mr. BUCKLEY. Mr. President, I recently testified before the Senate Subcommittee on Children and Youth regarding proposed child care legislation. Because this is an important issue and because I am seriously concerned by certain aspects of it, I ask unanimous consent that my testimony, with a minor revision, together with testimony of several witnesses whom I obtained for the hearing be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Statement by Senator James L. Buckley

I believe that this legislation is much improved from its 1971 and 1972 predecessors. However, I am still concerned about certain inherent aspects and expectations of the legislation, and about inevitable pressures from political and vested interest groups on the direction and implementation of this legislation. I refer, in part, to the pressure for institutionalized care in day care centers. The potential harm to young children from the often impersonal, inadequate care received in such centers has been documented, and I have several articles and papers discussing these facts to submit for the record. I believe that a generally preferable approach is that of neighborhood family day care homes, discussed in articles I wish to submit for the record by Dr. Arthur Emlen, an expert in the field who has had numerous contracts with the Children's Bureau of H.E.W. Family day care more closely approximates the developmental ideal of home and maternal care, which I understand Dr. Lorand will discuss briefly.

Such day care homes can be regulated and linked to special public delivery systems for health, nutritional, educational, and other services. Those teachers who are in search of jobs could be trained as Home Start-type teachers, working with family day care mothers and with parents and children in their own homes. This approach to early childhood education, I might add, has been demonstrated generally to be much more effective and less costly than the Headstart approach to ECE, to which I believe Dr. Schaefer will attest. Of course, there would be a need to overcome the reluctance of some teachers to deal with parents.

A related aspect that concerns me is the endorsement implicit in the legislation and explicit elsewhere, of institutional Early Childhood Education. But, as I just pointed out, the evidence indicates that home-based ECE is more effective and less costly. A recent evaluation of HEW's HomeStart program is included in the materials I have for the record. In fact, research now coming to light indicates that institutionalized ECE may even be generally detrimental to a child's future educational achievement. I am submitting a preliminary paper on this issue by Dr. Raymond Moore, Director of the Hewitt Research Center, given in 1973 at the International Research Institute for Man-Centered Environmental Sciences and Medicine in Germany.

While there is some need for improved day care services, the evidence does not show a need for a large new program. What is known of demand indicates that there is relatively little demand by mothers for day care centers, given other child care alternatives. And yet, there are powerful professional interest groups exerting strong pressures for this undesired and undesirable form of child care. A report entitled "Children of Working Mothers," which appeared in the May 1974 *Monthly Labor Review*, pointed out that as yet "little is known about the current supply of and demand for child care services and facilities."

The article called for a new survey, as did the Child Welfare League of America in its recent testimony before Congressional committees. I would also urge such a study.

The need for a vast day care program is usually based on the relatively few licensed day care centers in existence compared to the much larger number of pre-school children whose mothers work. This approach assumes that such children are receiving inadequate care if they are not in a day care center. Research has indicated, however those children not in day care centers are usually receiving as good, and often better, care than they would in the impersonal, institutional setting of a day care center. Dr. Arthur Emlen, Director of the Regional Research Institute for Human Services, Portland State University, has done and published considerable research on the nature and supply of informal neighborhood child care services. He has found that a large and generally quite effective and reliable network of neighborhood child care arrangements exists in most areas. He urges that we build on the existence and the strengths of this natural system, rather than try to supplant it.

I support quality child care when it is necessary, and I support special high quality child care services for those children who are developmentally disadvantaged, handicapped, abused, neglected, or otherwise receiving harmful care. But I would also point out that high quality care can also be given to the average child by a grandmother or a neighbor. The vital ingredients of quality care are not the services and the facilities provided; they are the nature, frequency and consistency of the interaction and the relationship between the child and its caregiver—and I use the singular "caregiver" advisedly—for multiple caregivers tend to create multiple psychological problems in young children.

A related problem I see in the legislation is an implicit, if not explicit, endorsement of the acceptability and appropriateness of institutional day care for the general child population—a view unequivocally opposed by a group of Washington, D.C. child psychiatrists in 1972, and recently reaffirmed by them. They argue that such day care presents serious psychological hazards for the average young child.

On occasion it has been said that this legislation is essentially intended to upgrade present day care services. But the implication is unmistakable both in the legislation, and in various statements made about it, that this is but the beginning of a program which is intended to become vastly larger in the future. By its very nature the legislation would stimulate a demand for institutional day care services.

In 1972 I predicted that new day care legislation would stimulate demand for such services, which would in turn lead to inexorable economic pressures for reducing the quality of those services, and consequently would lead to irreparable psychological damage to many young children. Present Federal day care standards are already being violated. And just this past week I urged HEW not to further water down its new proposed child/staff ratios for day care centers which already are watered down compared to those endorsed in the 1972 day care legislation. The response was that HEW was under nearly irresistable pressure, particularly economic, to weaken the standards.

Another issue which has been given only cursory and superficial examination is the question of need for new day care services. A report entitled "Children of Working Mothers," which appeared in the May 1974 *Monthly Labor Review,* pointed out that still "little is known about the current supply of and demand for child care services and facilities." The article called for a new survey, as did the Child Welfare League of America in its testimony before these committees. Dr. Emlen, Professor at the School of Social Work, Portland State University, has done considerable work, however, on the nature and supply of informal neighborhood child care services. Articles by him which I have submitted at the outset of my testimony discuss this subject. What is known of demand indicates that there is relatively little demand by mothers for day care centers, given other child care alternatives. And yet, there are powerful professional interest groups exerting strong pressures for this undesired and undesirable form of child care.

Many women's groups have applauded, and even demanded, legislation such as this in order, it is said, that women may be freed from child care responsibilities and may be more able to fulfill their potential by going to work. Mr. Chairman, such a position underestimates, as does our society in general, the great contribution made to the well-being of our society by mothers in the role of homemakers. There are few jobs more important, and less-honored, in our society. In this regard, I would like also to submit a most interesting document, the Statement of Principles of the Women's Action Alliance of Australia.

In connection with this issue, Mr. Chairman, a choice has to be made. Are we, in this kind of legislation, in favor of the rights of children, or the rights of Women's Liberationists, as well as the interests of various professional groups? Surely both sets of rights have significant value and validity, but they are rights in conflict. As numerous child specialists have noted, you cannot have it both ways. Dr. Hunberto Nagera, Director of the Child Psychoanalytic Institute at the Children's Hospital of the University of Michigan, stated the problem well: "It is most unfortunate that many spurious issues have attached themselves to the question of Day Care Centers. For example, women liberation movements, that in their legitimate search for equality of rights and opportunities make blind demands for Day Care facilities without considering the equal rights of the child to develop intellectually and emotionally as fully as possible. . . . I want to make it quite clear that I have no objection whatsoever to women's legitimate rights for equality of opportunities, education and the like. But I do have, as I state elsewhere (1972), the strongest objection to neglecting the similarly legitimate rights of infants, especially since they cannot speak up for themselves and cannot look after their best interest." These committees must choose, and I assume that their overriding concern will remain the rights of children who have no organized lobby of their own.

While it is heralded as supportive of the family, I am afraid that this legislation accommodates and encourages, by subsidy and subtle endorsement, the socio-economic pressures and factors undermining the family in our society today. Some of these pressures and factors have been well discussed by Dr. Bronfenbrenner in his recent article, "The Origins of Alienation."

We have taken a stand against the harm to the natural environment which our materialist, industrialized society promotes. It is also similarly time to take a stand against the harm which our modern society, including our government, does to the family.

Unfortunately, this legislation seems to do the opposite, by directly subsidizing and by subtly encouraging or coercing mothers to leave the home. We should instead explore ways by which public policy can help strengthen the family, the most important social unit in society, and help to discourage the separation of parents and children, as well as husbands and wives, which leads to so much personal and social alienation and destructiveness in our society.

I would like to close by quoting from a speech by a very wise and good woman, Annikki Suviranta, given at the 12th Congress of the International Federation for Home Economics, in Helsinki Finland in 1972.

"In primitive countries, children are brought up and educated entirely at home. . . . In the industrialized State, education is being shifted more and more to the community, starting from increasingly younger ages. Nowadays parents have very little say in what their children are taught. Sometimes they don't even know what they're being taught. In other words, education is becoming totalitarian—something imposed from the top downwards.

"To give their children the confidence and security they need to grow into balanced individuals, parents should look after them themselves and keep them company as much as possible in early childhood. This means that parents must alter their order of priorities in deciding how to spend their free time.

"Industrialized society often alienates parents and children—especially as the children grow older. Young people at school learn other values and a different culture from that of their parents. To satisfy the economic demands of the young, parents have to spend more and more time just making money. This leaves them very little time to follow changes in Society and bring their children up accordingly. Young people alienated from their families are insecure and unhappy. They seek a meaning to their lives, but they do it in ways that are not always best for Society.

"But the main problems of industrialized society are moral and ethical, not material. Their solution has posed a serious challenge to the family and home. . . . If it fails, the result may well be a form of human pollution that will destroy Mankind.

"The economic valuation of housework is rising—along with women's wages on the labour market. It has been found that services supplied within the home are quite as valuable as the same services purchased from outside. In just the same way. I think people will before long come to realize that the "psychological and emotional services" provided at home—mental health, equilibrium and comfort—are the most important things in life. In the abundance of commodities supplied by industrialization, we must learn how to set up orders of priority and make sensible choices. Priority must go to spiritual values. . . . We are learning to recognize our rights. We must also recognize our duties and responsibilities—and do so on a world scale."

Mr. Chairman, as I indicated, I have a number of studies, papers and articles which I request be placed in the hearing record. I would also ask that the written statements of a number of individuals who were unable to appear in person be added to the record if their statements arrive before the record is closed.

Dr. Earl S. Schaefer is a psychologist who is well-known in the fields of child development and family relations. He is past Chief of the Section on Early Child Care Research at the National Institute of Mental Health, where he did extensive work on early childhood education projects in Washington, D.C. At present he is a professor in the Department of Maternal and Child Health and Senior Investigator in the Frank Porter Graham Child Development Center, at the University of North Carolina in Chapel Hill. He is a fellow of the American Psychological Association, as well as a member of the National Council of Family Relations, the Society for Research in Child Development, the American Association for the Advancement of Science, and the American Public Health Association. He is currently conducting research through grants from the National Institute of Mental Health and the Office of Child Development at HEW. Dr. Schaefer has published innumerable articles on child development and early childhood development and early childhood education in leading scholarly and popular journals.

Dr. Rhoda L. Lorand received a Doctorate in psychology from Columbia University. She is a professor in the Graduate Department of Guidance and Counseling at Long University, where she conducts courses and workshops for teachers and probation officers. Since 1950, Dr. Lorand has also conducted the private practice of psychotherapy with children, young adults, and parents, specializing in the treatment of children with learning disabilities. As a teacher, she was on the Mayor's Committee on Nursery Schools for underprivileged children in New York City in 1944 and 1945. From 1951 to 1958, she was on the staff of the New York Medical Center, specializing in the treatment of children and in parent guidance. She also serves as a psychotherapist at the Vanderbilt Clinic of Psychiatry of Presbyterian Hospital. Dr. Lorand has published the "Therapy of Learning Problems" in the book, *Adolescents, Psychoanalytic Approach to Problems and Therapy*. Her book, *Love, Sex and the Teenager,* has been published in German and Spanish and was selected by the National Book Committee to be included in all VISA portable Book Kits. Her husband is an internationally respected psychoanalyst and author.

Dr. Arthur C. Emlen is Director of the Regional Research Institute for Human Services, Portland State University. He has done extensive research on the availability and the provision of child services, and has published a considerable number of articles on these subjects.

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Testimony submitted by Dr. Arthur C. Emlen, Director, Regional Research Institute for Human Services, Portland State University.

STATEMENT OF EARL S. SCHAEFER, PROFESSOR OF MATERNAL AND CHILD HEALTH, UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL

I am Earl S. Schaefer, Professor of Maternal and Child Health, at the University of North Carolina at Chapel Hill, a developmental psychologist with 22 years of experience in research on the influence of families and the professions upon child development. I am very grateful for this opportunity to offer my support for improved services for children and families. My goal today is to present a point of view, derived from ten years of research on early intervention, on the most cost-effective way of providing these services. I would like to summarize that point of view and also request that two papers that further develop it be entered into the record of this hearing. The first paper—which has a title that represents more of a hope than a reality—"Child Development Research and the Educational Revolution: The Child, The Family and the Education Profession" presents a very different perspective from that held by some of the educators who have appeared at these hearings. The second paper—"The Scope and Focus of Research Relevant to Intervention: A Socio-Ecological Perspective"—also presents a perspective on research and professional services that is relevant to planning programs for children and families.

The evolution of my opinions about the most effective way to influence child care and child development began with research findings that the level of intellectual functioning of children from every social group is established during the first three years of life. At that time, several major studies also found that schools are unsuccessful in changing the level of functioning initially developed and subsequently maintained by family and community. From the early research I developed a hypothesis of the need to provide intellectual stimulation during the second and third year of life in order to stimulate intellectual development. Although I had published research that showed the influence of parental behavior upon intellectual development, my lack of faith in parents and in our ability to work with parents led to the development of a child-centered tutoring program in the home. In that infant education research project, tutors went into homes with a major goal of providing enriched experience and language stimulation for the child. Evaluation of the Infant Education program showed that beginning tutoring at 15 months of age was rather late because some children already showed the effects of early deprivation. When we ended the tutoring at three years, the differences in behavior and mental test scores between the tutored group and the control suggested that the tutoring had a significant effect upon the child's development. However, a three year follow-up showed no long-term effects upon the child's academic skills. From my infant education experience I concluded that we had begun relatively late, that we had ended our work too soon, and that we had the wrong focus—upon the child, rather than upon working with the parents.

The contrast between my child-centered program and Levenstein's parent-centered program suggests that working with parents is far more cost-effective even on a short-term basis, but far more effective on a long-term basis. We saw children in over three hundred visits in the home over a 21 month period. Levenstein worked with parents in the home for approximately thirty-two visits over a seven month period. Her work with parents, which involved fewer visits over a shorter time period, had a short-term effect equivalent to our longer and more intensive child-centered program.

The evaluation of our child-centered program found no significant long-term effects on academic skills. The follow-ups on Levenstein's parent-centered intervention are relatively good, suggesting that working with parents can produce enduring changes in parental education and child development.

Reviews by Bronfenbrenner and by Lazar and Chapman of the effectiveness of early parent-centered intervention and of programs to influence parenting skills also suggest that providing support for parental care is a more effective day of fostering the development and well-being of children. Characteristics of family care of children, as contrasted to characteristics of professional and institutional care, may explain the greater effectiveness of strengthening and supporting families. Characteristics of family care include: priority, duration, continuity, amount, extensity, intensity, pervasiveness, consistency, and responsibility. Thus the family has an early, continuing, and cumulative impact upon child development that cannot be replaced by schools or day care centers. Equality of educational opportunity cannot be provided by day care centers or schools alone. Strengthening and supporting family care and education of the child is a far more effective way of influencing child development than child-centered education or day care. Of course, adequate day care of children of working mothers is important, but adequate parental care of children is even more essential.

Many current and proposed prorgams to provide services for children are based upon a classroom perspective of professional and institutional perspective on child care and education. This perspective assumes that the best way to provide care or education for the child is to bring the child under the direct care or supervision of professionals, preferably in a day care center or classroom. The major goal is to provide direct services to children that supplement family care and education. The importance of the famliy for child development and the success of parent-centered early intervention suggest a contrasting life time and life space, or ecological perspective, that emphasizes the child's interactions with his family and community. The ecological perspective suggests that strengthening and supporting family care of the child would be more cost-effective than providing direct care and education for the child.

Although the current U.S. Commissioner of Education, T. H. Bell, supports schools that work with parents and communities, many educators do not share that perspective. Perhaps a professional institutional perspective has led to recommendations that family services be removed from the proposed legislation. The ecological perspective suggests that the family services component should be strengthened rather than eliminated. The lack of understanding by some educators of the importance and of the needs of families also suggests that the administration of child and family programs should be assigned to an agency or agencies that have active research, demonstration, and training programs that focus upon families as well as the isolated individual child. Although coordination of the programs that influence families and children is desirable, the contributions made by a number of government agencies to intervention, child development and family research suggest that diversity of effort should be continued. Different approaches determined by the different roles of several agencies have probably contributed more than a single program could have offered. For example, intervention research that have provided a basis for the Home Start program of the Office of Child Development has been funded by the National Institute of Mental Health, the National Institute of Child Health and Human Development, as well as by the Office of Child Development itself.

Although my major goal today is to support an emphasis on family services, I recognize the need for quality day care for many children. However, I fear that community planning for child care may often provide for group day care only. The relative effectiveness of different types of services and the principle that parents should have options, alternatives and freedom of choice of child care suggest that every community should also provide family services and psychological and economic supports for parental care of children. My concern is that providing a subsidy for group child care without providing equal financial benefits for parents who choose to care for their own children or choose to make other child care arrangements may be a form of economic coercion. Offering a mother food, health services, and education for her child in group day care without offering comparable assistance for child care in the home can be viewed as a form of both psychological and economic coercion: either the mother uses the group day care that is provided by the community or receives no assistance in child care. My awareness of this problem was increased by the fact that the cost of group day care for a single child in some cities is greater than the welfare payment for a family of four. Establishing the principle that adequate support for family care be provided, as well as adequate support for group day care, would influence the development of future child and family services.

I suggest that the Child and Family Services Act support the development of options, alternatives and choices for parents in child care and education. The Office of Child Development is developing alternatives in early education in the Head Start and Home Start programs and has found the Home Start program of one family visit a week is as effective as a Head Start program in influencing child development. I suggest that the Child and Family Services Act mandate the provision of such options and alternatives in every participating community and mandate that equal financial support be provided for different child care choices by parents.

My evaluation of research achievements during the ten years since the beginning of Head Start is that we have learned much that is of both scientific and social significance. What we have learned suggests that a major goal of both research and the professions that provide services to families and children is to develop a comprehensive support system for family care and education of children. Research on family influences on child development and early intervention shows both the necessity and the feasibility of increasing both maternal and paternal acceptance and involvement in the care and education of the child. The research findings strongly suggest that strengthening and supporting parental involvement will contribute more to the health, education and welfare of children than programs that supplement, and occassionally supplant, family care of the child.

Statement of Dr. Rhoda Lorand

As Senator Buckley observed on an earlier occasion "The basic concern of this committee—the well-being of America's children—is a concern which we all share. Yet there is considerable controversy as to what in the long run will best enhance their well-being and as to what may in fact, be harmful to it."

It appears to me that The Family Services Act of 1975 contains some fundamental contradictions. On the one hand it intends to help children have a full chance to participate in American life, yet it makes no provisions for rescuing the tragic children whose parents or guardians are too emotionally disturbed themselves to either recognize the need for help or to request it. The poet, Ned O'Gorman, who has run a nursery school in Harlem which he started nearly ten years ago and which is privately supported, eloquently and movingly describes the lives of a few of such children in the June 1st N.Y. Times Sunday Magazine. "They came to us out of torments that would make stones weep," he says. I would like to insert the entire article into the Record of these hearings.

Day-care facilities and other home and health services would not be requested by many other parents in addition to the drug-addicted, alcoholic or mentally ill adults described by Mr. O'Gorman. There are many immature and inadequate mothers who leave babies, toddlers, and pre-schoolers alone at night (indicating that night-care centers might be one of the most valuable services to provide for the poor), and other mothers who even find it too difficult, for example, to find the motivation to arise in the morning and bring a pre-schooler to a day-care center situated within their own housing project. The result is that the child is a prisoner in a crib most of the day while the mother remains alseep, circumstances which greatly retard its cognitive development and its future school performance.

These are the children who are cheated of a full chance in American life and it would seem that our first priority should be to formulate plans to rescue these youngsters however difficult and complex the task assuredly will be. I would think that the one **billion eight-hundred-fifty million dollars** requested for the first three years of operation of The Child and Family Services Act of 1975, would be better spent on rescuing these children, who, if left in the conditions in which they now live, will begin to prey on society at an early age and will spend the major portion of their ruined lives in penal or mental institutions at great cost to taxpayers.

However difficult and complex the task assuredly will be, it ought to command top priority for concerned and compassionate citizens as well as for the merely practical—if one computes the cost to the nation of their probable future assaults upon society, and eventual incarceration.

Secondly, the bill emphasizes the wish to strengthen family life, yet there is an unmistakeable emphasis on the promotion of day-care as a beneficial experience for children. While no one will deny that for certain children even the most ordinary day-care facility is preferable to the only alternatives available to them, there appears to be a complete ignoring of the voluminous clinical evidence that young children develop best when in the care of their mothers (assuming the mother is reasonably normal) and that the emotional sustenance provided by the mother's loving care and interest are indispensable to cognitive growth. In other words what is ignored is the clinically proven fact that physical, cognitive, emotional, and social development take place concurrently and are most interdependent during the earliest years of a child's life. It is therefore a great mistake to encourage women to leave their pre-schoolers in institutional day-care and take employment. The June 1975 issue of Psychiatric Annals is devoted to the mental health of children. Findings of value to this committee are reported therein. "The most effective Head Start program studied used the mother's presence in the classroom and parents in every phase of program development and implementation to provide effective learning for the child." According to the author, child psychiatrist Dr. I. N. Berlin, the reporting of such research has still not essentially altered the parents' role in most current Head Start programs" and he notes that it is difficult to overcome the prejudice of administrators and teachers who see parents in an adversary and not a collaborative role. It is not unreasonable to conclude that the reason for the failure of Head Start to fulfill its intended goal of improving a child's learning ability is that most have done nothing to help mothers become more involved with their pre-schoolers. Referring to the "unachieved potential in maternal and infant programs" Dr. Berlin notes that it is very difficult to help follow health professionals to become concerned about the psychologic development of the child and to recognize that part of their job is to enhance the mother-in skills of these young women. "The success of such early intervention programs in a few instances makes it clear that legislation that turns programs over to the usual medical review of their work to help them change their approach, tends to undermine the full potential impact of such a program." He describes the extraordinary differences between the mothers and babies who were part of a well-cordinated program where the mothers were helped to understand the importance to their child's development of cuddlings, talking, singing and playing with the infant by showing them films of non-stimulated infants, for example.

It was possible to later observe these subjects when they became kindergartners. "They were the most alert, curious, friendly, physically active, and joyous in their approach to others (p. 40).

Since it is plainly this kind of beginning which gives children a chance to realize their maximum potential, I would hope that this is what concerned legislators would stress.

Another highly significant program, which is raising the IQ of pre-schoolers by 15 points on an average is reported on in the current CARNEGIE QUARTERLY. The initial project largely funded by the NIMH. With additional support from Carnegie Corp. and other foundations it is now being duplicated and monitored with about 900 children in 30 places ranging from an Indian reservation to an industrial city. The children who have experienced this program have fewer behavior problems, which is not surprising since they are happier and learning is not fraught with frustration. "Moreover, the second child in a family who enrolls in the program, averages 81.9 points higher than the first child—to the Carnegie Foundation its suggests enhanced "Parenting skills"—I would add it indicates also the results of stimulation from a more knowledgeable and active older sibling. The Verbal Interaction Project, as it is called has been singled out by the American Institutes for Research in the Behavioral Sciences as one of only 10 projects out of several hundred compensatory education programs across the country that could be labelled "successful," and was chosen as a model program by the U.S. Office of Education. Mothers are shown how to be involved from the start in working with their children with games and reading to them and questioning them. I would ask that a brochure describing the project be included in the Record.

This is the direction that our efforts should be taken—to enhance the mother-child relationship and mothering abilities—the proven basis of learning ability and emotional well-being, not in the direction of institutional care.

The provisions of the legislation under consideration today seem to be based on misinformation or an inadequate knowledge of the emotional—cognitive development of the child, and its connection with the parent-child relationship.

The bill is presented as a measure designed to help the poor and marginal families, yet the children who are destined for private schools will not be excluded.

The privacy and rights of parents will be safeguarded, the bill assures, but there are at least two provisions which give carte blanche to the Secretary to install any problem or take any action which in his opinion furthers the spirit of the legislation.

The problem is to be voluntary. If the poor do not apply will they be subject to subtle or overt coercion or will those in command be satisfied with fulfilling the requests for services of more fortunate applicants?

The primary purpose of the bill, it is said, is to give children of mothers who are forced to work, the opportunity to develop to their fullest potential and that one must avoid subjecting children to "mind-numbing custodial care." This means that the children must be cared for by people who like and enjoy youngsters, who understand what to expect of children at each age from infancy on, who are patient, kind, reliable, honest, conscientious and dependable and with whom the child can establish a long-term relationship. Whatever efforts are made in day-care centers to stimulate a little child's intellect will only be effective if the child likes the adult who is interacting with him. Otherwise he will turn away and may be completely turned off learning because it will be associated in his mind with the unpleasantness of contact with a disliked individual.

As if the above were not a tall enough order to fill, the proponents of the bill plan to combine it with the amelioration of the unemployment problem in depressed and deprived areas. As many of the local people as possible will be hired as paraprofessionals in child-care and for other positions which may bring them into frequent contact with the children. The said fact is that many of these people, having themselves been treated with a combination of harshness and neglect as children have been rendered quite incapable of treating children in any other way, because there is a compulsion in all of us, clinical evidence reveals, to handle children in the way we ourselves were handled. It is an early and indelibly etched pattern which can usually only be altered by intensive therapy or through experience on a sustained basis of warmth and kind consideration from an authority, who unconsciously represents a new parent figure.

One cannot be too careful in the choice of one's parent. Mark Twain observed—and the same applies to the hiring of parent surrogates. A child's cognitive abilities are stimulated and enhanced by contact with people who make him feel happy. He is motivated to know more about them and the world they represent.

He identifies with them, tries to live up to their demands on him in order to please them. The child who is hurt, neglected, unhappy or frightened withdraws into himself and tries to know as little as possible about the paingiving world around him, or else may feel the need to continually attack it in order to overcome his feeling of helplessness or to express his rage and disorder to overcome his feeling of helplessness or to express his rage and disappointment because of emotional frustration. Such attitudes are vitally important components in learning disabilities. The need to not know and the presence of unmanageable quantities of rage are among the prime causes of learning blocks.

"Every parent knows the importance of the first 5 years of life" Senator Mondale said in his address to the Senate. Would that every parent did know this and acted on it. (As a matter of fact there are many parents, especially among the uneducated but also within the ranks of Women's Lib who have no real understanding of the crucial importance of that early period.) He continued: "We know that these beginning years are the formative years—they are the years in which permanent foundations are laid for a child's feelings of self worth, his sense of self-respect, his motivation, his initiative, and his ability to learn and achieve." This statement is clinically valid, but can the Senator possibly believe that a day-care center is capable of supplying the long-term love and discipline which enable the child to gain mastery over his instincts? Only as a result of such mastery does he have at his disposal the energies of sublimated drives which enable him to become a self-controlled, law-abiding, achieving little citizen. These accomplishments are an important source of his sense of self-worth and self-respect, all of which began as he viewed himself in terms of the beaming expression of love and joy with which his mother viewed him.

Over and over again it has been demonstrated that that which gives a child the greatest chance to achieve his maximum potential in life—a stated goal of this bill—is the opportunity to spend his first five years in the loving care of a normally devoted mother, yet, the Senator quotes with approval statements of the Director of the Woman's Bureau of the U.S. Department of Labor who, in arguing strongly for day care for all classes of women's requirements claims that it is of importance to middle class women to be able to upgrade their standard of living. She adds, that "Women with professional and technical skills can continue to contribute their skills and talents to fill the needs of our society in health, science, business and industry, politics and other fields. Day care in fact, is a boon to women of all economic levels who want the freedom to choose for themselves their own life style and decide for themselves how they can best contribute (translation: how much they are willing to give) to the well-being of their families."

Certainly none of these women can be considered poor and in need of government assistance, yet it appears that the proposed facilities will be at their disposal.

Those statements represent the position of the universal-day-care proponents and of Women's Lib (often one and the same) many of whose members openly express their belief that child care and homemaking are the most degrading of all human activities. How does this square with the statements of appreciation of the importance of the family and the desire to strengthen family life which are emphasized in the bill as well as in the Senator's introduction? The mother will be freed to make a contribution to the world of work while neglecting the opportunity to enhance the development and happiness of her own babies, toddlers and preschoolers. The younger her children are, as clinical studies have definitively proven, the more damaged they will be emotionally, developmentally and cognitively by the impersonality and the changing personnel characteristic of institutional care. Where the mother is unable to function, daytime "foster home" care with a small family on a continuous basis is the only safe arrangement for the child's development during its earliest years.

Taking into consideration the following facts: that a recent HEW survey of 607 day-care centers in 9 different states revealed that a staggering 70% "failed to meet Federal health and safety requirements" (children's lives were actually endangered in some of them); that 40% "failed to meet the minimal but essential Federal standards for staff-child ratios": that the former Director of HEW's Office of Child Development, Dr. Edward Zigler observed that in "many instances we are paying for service that is harmful to children"; that Senator himself concedes that the conditions in some of the day-care centers are "an absolute disgrace with tragic and profound effects on children and families" (all quotations from the Congressional Record, op. cit. p. S1637). Is it wise to plan a massive increase in the number of these institutions before making a rigorous and exhaustive study to pinpoint the causes and sources of the corruption, inefficiency, the heartless and dangerous neglect of the children, and to determine whether it is in fact possible to eliminate such abuses if we are going to have an astronomical number of these centers, even if 5% of the total funding is spent "monitoring and enforcing standards." The most flagrant abuses may be reduced but where will all the needed conscientious and incorruptible monitors be found?

In addition, a great many of the provisions and the programs of this legislation already seem to be contained in various welfare services provided under the Social Security Act. A recent New York Times article discusses these programs and the failure of a number of states to meet their requirements and regulations. I ask that the article be included in the record.

Assuming for the sake of argument that they are available, can individuals whose character defects permit them to cheat, neglect and endanger the health of the children they have been hired to nurture and protect, be monitored into becoming conscientious and caring? No more than irritable, impatient, hostile, sarcastic, punitive and spiteful people can be monitored into becoming the patient, kindly, tolerant and understanding caretakers needed by the children if they are to feel safe and happy and if they are to be helped by the center to lay those "permanent foundations which will result in the child's developing feelings of self worth, self-respect, motivation, initiative," etc.

Everyone contemplating the provisions of the Family Services Act of 1975 owes it to himself to read the article by former Representative Edith Green entitled "The Educational Entrepreneur" (*The Public Interest* No. 28, Summer 1972) excerpts from which are appended. The article presents in detail some of the shocking facts uncovered as a result of her investigation of the Office of Education. I ask that these excerpts be included in the record.

We are entitled to ask what reasons there are for believing that the proposed Office of Child and Family Services will be any less liable to "the inefficiency, confusion, waste, breakdown and corruption (active or passive)" which Representative Green found to characterize the functioning of the Office of Education, or that the proposed Office of Child and Family Services will acquire the services of professionals and agencies any less guilty of corruption and "rampant commercialism and profiteering" than those patronized by the powerful Office of Education. It would appear that The Child and Family Services Act of 1975 can readily become a monumental example of what Rep. Green calls "the education-poverty-industrial complex". Are the individuals at HEW who will administer this Act fundamentally different in any way from those at the Office of Education?

In his sponsoring address to the Senate, Mr. Mondale, in stressing the imperative need, in his opinion, for institutionalized child-care, cited statistics on the disappearance of the extended family, which left mothers without the needed help in caring for their children while they were at work. There seems, however, to be an information gap. According to the University of Michigan's Institute for Social Research which surveyed 5,000 families in 1973, "only 8% of the families with young children and working mothers took their children to either a day care center or a nursery school. About half used some method which involved another family member as a sitter, and nearly a quarter either had husbands who worked a split-shift so that they could share in the responsibility of child care, or had a job which they could do at home. *Almost half of the families interviewed did not pay anything for child care, including families in both low and high income strata* [Emphasis added] Most of this 'free' care was provided either by parents or other relatives and might involve what amounts to a non-monetary exchange system.

"Contrary to the fears of some employers who balk at hiring mothers because they fear sitting arrangements will breakdown, the study found that child care was not only inexpensive, it was also reliable. Even those who used the least reliable methods and lived in circumstances most conducive to disruptions had an average of only one or two breakdowns in child care a year." (*ISR Newsletter*, p. 7, Institute for Social Research of the University of Michigan. Winter 1975. P.O. Box 1248 Ann Arbor, Michigan 48106)

Recently the Today show featured an account of a cooperative day-care center in which parents, as well as grandparents, took turns caring for the children, at no cost to anyone. Of course there are neighborhoods where this system cannot work because there are too many troubled people. They are the ones who do require government assistance and other services which they usually reject, such as psychotherapeutic help. But it is a tremendous asset to a child's development to have parents who keep full responsibility for his well-being and are able to enter into and maintain cooperative relationships with other parents. It enhances the parents' sense of self-worth and the child identifies with the excellent self-image of the parent, thereby enhancing his own self-image. Too many well-meaning social planners and legislators fail to understand this. While bemoaning the decline in the authority of the family, they promote all sorts of measures which deprive the parents of authority or encourage them to yield it to others. Instead there should be widespread encouragement of cooperative ventures through government citations of merit and widespread publicity. All available funds should be used for the intensive care of the deeply troubled people who really cannot function adequately without assistance.

The proposed attempt to offer comprehensive psychological testing and treatment is doomed to failure. The number of professionals qualified to offer such services is infinitessimal compared to the number which would be needed if this bill were to become law. There is much evidence that the uneducated poor tend to resent and reject psychological services. If available, the likelihood is that they would be requested mainly by the middle and upper middle class parents, and it is important to keep in mind that this bill is promoted as aid to the poor. There may of course be a plan in the offing to train paraprofessionals to give psychological tests and provide therapy. Last year a program was begun to make therapists of the unemployed ethnic poor. There seems to be no limit to the programs of dubious value which can find support from the Federal government.

I would urge that instead of building sterile, day-care centers for the separation of children from their mothers that the funds be spent on keeping mothers and children together and on enhancing the mother-child relationship and with it the happiness, self-esteem, and the learning potential of the child.

Statement by Arthur C. Emlen, Professor, School of Social Work and Director, Regional Research Institute for Human Services, Portland State University

My name is Arthur Emlen. I reside at Alder Circle, Lake Oswego, Oregon. I am Professor of Social Work and Director of the Regional Research Institute for Human Services at Portland State University in Portland, Oregon.

I appreciate having an opportunity to submit testimony before this committee. For the past ten years I have been doing research in child care, and I have given a good deal of thought to what our approach to day care should be in this country. I am generally regarded as a critic of the day care movement, but I have been, I hope, a constructive critic. I assess the need for day care programs very differently than the way the need usually is presented to legislative bodies. So I should like to summarize my concerns and make some recommendations.

This committee knows well that organized day care facilities still serve less than 10 percent of the children of working mothers and that disadvantaged children are not reached in radically greater proportions. The statistics of organized day care are used to argue for new facilities, as if they were the answer. I have criticized the need for arguments in some detail in a series of articles (Emlen, 1972; 1973; 1974). It is my belief that we should face up to a hard conclusion: that the very concept of a day care, as it has been packaged and delivered, is a serious mistaken approach. It cannot be financed on a large scale because the costs exceed political reality; it offers to the poor highly visible benefits that the ineligible help to subsidize but cannot enjoy themselves. Day care as we know it could not be delivered on a large scale without creating ghastly bureaucratic problems having great risks for children and families.

Day care as we know it even if it could be financed and delivered on a large scale would not be used on a large scale, because it is not adapted to the family life or preferences of vast proportions of day care consumers.

Our national preoccupation with center care and an imagined need to create formally organized day care operations has blinded us to the existence and value of informal child care arrangements which are the day care resources for most children. The various kinds of informal child care—home care and family day care, care by kin and care by kith—have great merit as well as some problems which have been neglected in legislation for services. My own research has documented the impressive viability of family day care and I mean small privately arranged, unlicensed informal care by friends and neighbors. Others have documented the developmental values for children of such care.

I believe that the evidence warrants a completely new way of looking at day care. Instead of asking, "How many new day care facilities should we create?", we should be asking, "How can we expand, facilitate, and improve existing patterns of child care that families are already using?" We should stop trying to use day care centers for full-day day care. With rare exceptions they are not well adapted to that purpose. Rather, the virtues of a limited group care experience should be made available to all children in a universal pre-school program two half-days per week. Informal arrangements in family homes should be relied upon for full-time care, just as they are now, only willingly and as a matter of sound policy. Such informal care does need to be strengthened in a variety of ways for which legislation would be required. For example, information and referral services made accessible at the neighborhood level are needed to remedy the distress of feeling that day care is not available, and to improve the manner in which child care is selected. Our own research in Portland, Oregon, has demonstrated how a neighborhood approach to information and referral can discover good child care and assist those seeking it.

With this bill and related legislation I would urge the committee to give priority to those policies, programs, and services that improve the quality of family and neighborhood life for all families, that strengthen the ability of parents to raise their children, as well as select and maintain supplemental child care arrangements of their own choosing.

The legislation we really need, in my judgment, will assure the minimum income needs of young families so they can purchase child care, if they wish and of the kind they want; provide universal pre-school as a part-time supplement to informal care; provide information and referral programs that can assess needs and resources in all neighborhoods; assist communities with a child care development program designed to improve family and neighborhood life and all existing forms of child care; and require effective regulation of formally organized day care.

The vast majority of informal child care arrangements involve small numbers of children well below the licensing limits. It is the licensable situations that have unfavorable adult-child ratios. Legislation that plays into the hands of those with a vested interest in formal day care facilities will only expand the scope of virtually uncontrollable approaches to day care. The informal systems of child care, although they defy official regulation, are amenable to improvement through highly decentralized neighborhood approaches. Needed, however, is a program to address needs at that level.

In conclusion, your committee probably hears mostly from those who seek to deliver child care services in organized facilities; my plea is to give serious attention to the vast majority of day care consumers who are not part of an articulate constituency. These consumers have not been represented fairly by the organized day care interests. Day care needs have been misdiagnosed and misrepresented by the day care movement. It is time to pursue a more democratic approach to day care that is based on greater faith in the child rearing potentials of family settings, if once given the benefit of supportive policies and services.

Thank you for giving me this opportunity. Attached also are copies of reprints that amplify my remarks.

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NORTH KOREAN ADVERTISEMENTS

Mr. GARN. Mr. President, I would like to draw to the attention of all Members an editorial published in the July 21 edition of Barron's.

The article reports on a recent Accuracy on Media analysis on North Korean advertisements run by our American newspapers, focusing particularly on an ad which appeared in the New York Times. In its study, AIM enumerates the misleading or flatly inaccurate statements the ad contains, and questions the willingness of a paper whose stated policy is to accept nothing outside "the bounds of decency, good taste, and the requirements of factual accuracy" to run such material.

This underlines a very evident pattern in the approach to the Korea issue by members of Government and the media. It is an attitude which, if communicated to the American people as a whole, could have serious effect on the future stability of the Pacific region.

As the article points out, our citizens are being taught today there is at best no difference between the governments of North and South Korea—that both are dictatorships differing only in their basic ideological orientation. But the distortion does not end here, as the situation described above illustrates. The same "civil libertarians" who derive such anguish from President Park's restrictions, repeatedly slough over the harsh, repressive practices of the North Korean Government. Consequently, although lip service is paid to the fact that North Korea is a dictatorship, the residual impression is that Park's government is far harsher than any Communist regime.

Mr. President, this staggering misconception must be corrected. North Korea, the subject of such sympathetic treatment by many U.S. observers, is a brutal police state. The state of that country can be depicted in no other light. The Government's policies have resulted in regimented lives and the destruction of individual freedoms and personal initiative—as witnessed by the country's sagging economy.

There is no comparison on any level between the lives of North and South Korean citizens. If this distinction is not clear to Americans, whose exposure to North Korean repression has been cursory at best, it is understood perfectly by the South Koreans. It was only a month ago, on the 25th anniversary of the North Korean invasion of the South, that a million South Koreans staged an anti-Communist rally in Seoul. Most of President Park's opponents were present; in spite of their differing views on the present leader, they are virtually unanimous in preferring his policies to the Communist alternative.

Mr. President, in our systematic attacks on South Korea's Chung Hee Park we are playing a dangerous game. By continually undermining the Government—although this be in the name of democracy—we are in fact undermining the freedoms enjoyed by South Koreans—which, I repeat, are denied to the citizens of the North; by eroding the Government's position and creating further political instability, we are destroying the chances of full democracy being restored. By showing ourselves an increasingly reluctant ally of South Korea, we ourselves are laying the groundwork for a Communist invasion of this country.

Mr. President, the record must be set straight. The people of South Korea stand to lose a great deal by a Communist takeover—the threat of which is real and tangible. We must stop equivocating on conditions of life in North Korea, and on the differences between Kim Il Sung and President Park. It is vital we restore our full support to South Korea. The continued freedom of its people and the stability of the whole Pacific area depend on it.

At his time, Mr. President, I ask unanimous consent that the editorial, "Friends With Warts, But South Korea Remains Well Worth Defending," be printed in the Record along with an article from the June 1975 edition of Accuracy in Media, entitled "South Korea under Attack."

There being no objection, the material was ordered to be printed in the Record, as follows:

[From Barron's, July 21, 1975]

FRIEND WITH WARTS BUT SOUTH KOREA REMAINS WELL WORTH DEFENDING

(By Robert M. Bleiberg)

In Barron's (so our promotion department like to say), "advertising, too, is read for profit." Elsewhere, it can be a pleasant change from the editorial content, a thought that crossed our mind the other day as we were reading The New York Times. Eyes glazing from the relentless quota of bad news, we came upon a five-column advertisement on page 16 last Wednesday which promptly rekindled our interest. "The Strange Case of Kim Il Sung's Ad," ran the headline, "Reported as a public service by Accuracy in Media (AIM)." In the body of the text, the nonprofit educational organization took dead AIM at an ad recently run in the Times (via the Korean Information Office in Stockholm, Sweden) by the government of North Korea. In particular, AIM rejected as "of questionable accuracy" a number of statements by Kim Il Sung, the country's Communist leader, notably: "U.S. imperialism and South Korea's ruling clique are intensifying their fascist repression of the south Korean people and further stepping up their preparation of war against the northern half of the Republic." The Times, said AIM, citing chapter and verse, has publicly stated that ads of any kind must stay within "the bounds of decency, good taste and the requirements of factual accuracy." Kim Il Sung, AIM in effect alleged, had made the policy a scrap of paper.

* * * * *

By the standards of the Federal Trade Commission, which has been known to split hairs over shaving commercials, the words of the political prophet invariably honored in his own country with the title "our respected and beloved leader" leave much to be desired. With the quotation cited above, as well as several other choice samples culled from the controversial ad, Accuracy in Media has chosen to focus on the political distortions. In economic matters, the views of Premier Kim emerge as equally slanted. Thus, turning to the full text, we read: "Upholding the banner of three revolutions—ideological, technical and cultural—our people are now all mobilized in the grand socialist construction to fulfill the Six-Year Plan ahead of schedule. . . ." Again, "encouraged by the successful socialists construction in the northern half of the Republic, the people of all strata in south Korea are waging an increasingly dynamic struggle against fascism and for democracy, and the colonial military fascist rule of U.S. imperialism and its stooges (not lackeys?) is sinking into a serious crisis."

Communist propaganda. to be sure, and easy to shrug off. But not when it finds so ready an echo in U.S. journalistic and political circles. According to AIM, one syndicated columnist here, discussing the dangers which President Ford might run into on his Far Eastern trip, remarked that "Siberia, with Secretary Brezhnev, will be safer than Seoul, with the dictator, Chung Hee Park." (Observed AIM acidly: "The ruler of the U.S.S.R., who does not even hold a state office, is referred to by his title. President Park, who has been elected to that office four times," is called "dictator.") Another columnist not long ago described North Korea as a "left-wing dictatorship" and South Korea as a "right-wing dictatorship." On Capitol Hill, voices (fortunately, in the light of the all-too-recent debacle in South Vietnam, for the moment muted) long have urged curtailing military aid to South Korea; pulling back the strategically placed U.S. Second Division, now astride the invasion routes from the north, to less exposed positions; or bugging out.

Truth, as Joseph Goebbels could testify and most of the 20th Century stands witness, is rarely a match for the Big Lie. Yet neither Kim Il Sung nor fellow travelers should go unanswered. North Korea's leader may find his handiwork "grand," but the facts suggest otherwise. In the 'Sixties, for example, the Six-Year Plan stretched out to ten; if the current Plan is running ahead of schedule, as Kim boasts, it will be the first time in history. Back in 1945, North Korea started out roughly equal to South Korea in numbers of people and far superior in natural resources. Yet thanks to "socialist construction," the country in more than a generation has shown little population growth, while living standards (even measured by official figures, which in Communist lands understate the percentage of gross national product going to the military) have lagged badly.

As to equating "right-wing" and "left-wing" dictatorship, perhaps it's all the same to "liberals." The people of South Korea (who, unlike their luckless counterparts north of the Demilitarized Zone, are in the main free to lead their own lives and come and go as they please) see things differently. In May and June, as the 25th anniversary of the outbreak of the Korean War approached, a million South Koreans (including most of the political opponents of President Park) staged huge rallies to denounce Communism and voice their allegience to the government. Repressive and corrupt though Park may be, compared to Kim Il Sung, said Time Magazine, he looks "positively Jeffersonian." Kim has launched one war of aggression against a peaceful neighbor, and, to judge by the massive tunnels unearthed from time to time below the DMZ, he some- sonian." **Kim has launcred one war of aggres-** last year killed Park's wife). Hatred of the U.S. and all it stands for, underscored repeatedly by such ugly incidents as seizure of the Pueblo and the recent assault on an

American Army officer, has been escalated to the level of state policy. The first rule of warfare, cold or otherwise, is "Know your enemy." Even in a day-and-age of so-called detente, it's vital to distinguish friend from foe.

Even a friend—like South Korea—with warts. Nobody condones the political pressures—"a demand by high party officials," so the chairman of the board of Gulf Oil Corp. told a Senate Foreign Relations subcommittee—which led the company to contribute $4 million to the powers-that-be in Seoul. Since early 1974, President Park has been ruling by a series of more-or-less harsh emergency "decrees," under which private mail is opened and dissidents jailed without the legal safeguards which Americans take for granted. In the latest issue of the Far Eastern Economic Review, a correspondent writes as follows from Seoul: "Focus of the controversy was on a Public Security Bill the Government wanted to be passed in order to control the large number of political prisoners whose terms will expire in this and coming years. These prisoners were convicted on charges of spying for North Korea or violating the country's stringent anti-communist and national security laws. . . . The law stipulates that these ex-prisoners, as well as those who 'speak favourably of North Korea,' may, at an appropriate time, be placed under surveillance, restricted in activity or placed in special detention centres. With an estimated 30,000 people falling into the categories covered by the law, the legislation is a prescription for further suppression."

While undoubted blemishes on the body politic, such measures have failed to reverse South Korea's economic progress. True, the quantum jump in the price of crude (all of which comes from abroad) as well as that of other imported raw materials, has triggered inflation and led to a huge deficit in the balance of payments (unlike that of North Korea, which has defaulted on some of its obligations—readily by foreign credits). Yet the economic record is impressive. In the past decade or so, gross national product has increased by roughly 10% per year, GNP per capita from $87 to $511 (half again as much as that of North Korea). In January-March, with the rest of the world deep in its worst postwar slump, Korean real GNP rose at a yearly rate of over 5%.

And in the first five months of 1975, foreign interests committed themselves to invest $140 million, slightly more than last year's record-breaking sum.

Compared to the north, moreover, the south—by any yardstick save what has been called "the doctrine of the immaculate ally"—looks spotless. Here is Time Magazine's harsh appraisal of what Kim Il Sung has wrought: "No other country can rival North Korea in its thoroughgoing control over every aspect of the lives of its 15 million citizens . . . In nearly three decades of totalitarian rule, the Korean Workers' Party (as the Communist Party is called) has eliminated all traces of political opposition and most private property. The state owns and operates all manufacturing and service enterprises, while peasants have been forced to surrender all but a tiny portion of their land to collective or state farms.

"The practice of Buddhism, Confucianism, Christianity and animism has been suppressed. Movement about the country is impossible without a travel permit. Every forum for publicly criticizing government or party has been destroyed. . . ."

* * * * *

A police state at home, North Korea—thanks to the first "no-win" war ever waged by the U.S., in a dress rehearsal for Vietnam—has never ceased its aggression abroad. Infiltrators and saboteurs regularly cross the border dispatched south of the DMZ (and just as regularly are caught, often with the help of allegedly oppressed peasants). According to National Review, the Korean who tried to assassinate Park (and succeeded in killing his wife) was a Communist, inspired, indoctrinated and financed by agents of the "respected and beloved leader." As to the U.S., even the handful of relatively sympathetic observers permitted to set foot inside North Korea has been shocked by the all-embracing, systematic campaign of hatred waged by the Reds. No difference between "left-wing" and "right-wing" dictatorship, north and south? Tell it to the Marines.

[From Accuracy in Media, Inc., Report, June 1975]

SOUTH KOREA UNDER ATTACK

With the communist mop-up of Indochina virtually completed, South Korea is now under attack. Not a military attack, but a propaganda attack. As was the case in the Vietnam war, an important part of the propaganda barrage is directed at the American public. It is being transmitted through important segments of our news media.

South Korea has a strong military force and the people are intensely anti-communist, but they need the assurance of arms and supplies from the United States if they are to successfully resist an attack from the north. The best deterrent to such an attack is the presence of some 42,000 American troops on the border with North Korea. They provide concrete assurance that the United States will help defend South Korea, as it did 25 years ago.

The communist strategy is to use propaganda to undermine the American commitment to the defense of South Korea. The themes are the same as those that were used so successfully to sap American support for South Vietnam. The government of South Korea is to be portrayed as repressive and corrupt, not too different from that of North Korea, and therefore unworthy of American support.

Here is an excellent example of this theme as expressed in The New York Times on June 22.

In 1950, South Korean President Syngman Rhee mocked democracy and ruled by intimidation. Today, President Park Chung Hee makes Rhee look the amateur in techniques of political suppression. Censorship, emergency decrees barring criticism of the regime, and imprisonment for political offenses are a way of life. The opposition to Park is large, growing and increasingly frustrated. It comprises university students, intellectuals and journalists, and the country's numerous and well-educated Christians. South Korea is internally explosive. Denied a legitimate means for redressing grievances and subject to forcible suppression, Park's opponents and victims could strike violently against the regime. (Gaddis Smith, New York Times, Magazine, June 22, 1975, p. 15).

This has been a recurrent theme in *The New York Times* for almost a year. On August 2, 1974, *The Times* published a story on page 2 headlined: "Painful Korean Issue in U.S.: Seoul's Curbs on Dissenters Stir Opposition to Aid." *The Times* was able to quote two members of Congress who can generally be relied upon to criticize aid to any anti-communist government and Professor Edwin O. Reischauer of Harvard, a former U.S. ambassador to Japan. Reischauer, also a leading opponent of aid to Vietnam, recommended withdrawing some of our troops from Korea and cutting military aid to bring pressure on the Korean government to make political changes. If they did not respond, he favored withdrawing all troops and running the risk of seeing South Korea fall to the communists. (In an interview with AIM, Reischauer said this was still his recommendation, but he now favors delaying implementation for six months to a year to permit people to get over the shock of the Vietnam detente before making our next retreat).

The Times has, we believe, devoted more space to reporting on the state of civil liberties in South Korea than any other newspaper in this country. In the first three months of 1975, *The Times* carried 27 stories which discussed anti-government protests and restrictions on civil liberties in South Korea. That is over two a week. In the same period they did not print a single story about the state of civil liberties in North Korea.

Reading these stories, one is impressed by the fact that they are all about activities, or measures against activities, which would be virtually unthinkable in North Korea or any other communist country. For example, several of the stories concerned a newspaper, *Dong-A Ilbo*, which was subjected to official pressure because of its criticism of government policy. The readers were not reminded that under the North Korean regime, whose troops were poised thirty miles from the South Korean capital, this problem could never have arisen for the simple reason that the North Korean government runs all the newspapers and other media in its territory.

This is not the only sense in which *The Times* has neglected to put its reporting on the South Korean restrictive measures into proper context. On October 1, 1974, the North Korean dictator, Kim Il Sung, made a speech declaring that the greatest task confronting North Korea was reunifying the country at the earliest possible date. He outlined three steps to be taken to achieve this. One was to actively support and encourage "the democratic movement" in the South, i.e., those in the South that were opposed to the Park Government. Another was "to increase solidarity with the international revolutionary forces," which means the solicitation of the help of communist governments and their supporters in other countries.

The Times might well review its own performance and ask whether it did not go beyond normal news reporting and become a part of the campaign to support and encourage those in the South that were opposed to the Park Government. Not only was the concentration on South Korea abnormal, but some of the stories run by *The Times* hardly qualified as genuine news.

For example, on February 3, 1975, *The Times* printed a story headlined: "South Korean Army's Loyalty to Park Shows Signs of Cracking." This was based on such evidence as a statement made by a long-retired admiral living in Japan, and the sending of a couple of letters to the editor by army personnel. With that kind of evidence, it would be easy to do a much bigger story claiming that the loyalty of the U.S. Army was showing signs of cracking. *The Times* should ask itself if this was news reporting or a psychological warfare gambit.

SHRUGGING OFF REPRESSION

We are not suggesting that *The Times* or anyone else should ignore legitimate news of dissent and repression. But note the double standard applied by *The Times*.

After Yugoslavia had arrested scores of critics of the government, fired eight professors and expelled two Americans, here is how *The Times* sought to put all this in perspective:

"Despite the arrests and university dismissals, there is little organized dissent in Yugoslavia. Occasionally, incidents come to light involving anti-government guerrillas or terrorists. . . . They have found no perceptible backing among Yugoslavs. President Tito himself apparently remains respected everywhere, at least as a kind of father figure. . . . But for the moment the nation seems little interested in the views of a handful of obscure dissidents."

The Times has reported some of the activities of the Yugoslav dissidents, notably the protests of the writer, Mihailo Mihailov, but as the above quote indicates, there was no effort to try to build this into a campaign.

The contrast is even more marked when we examine *The Times'* treatment of repression in North Korea. Here *The Times* is almost totally silent even though the repression is as total as in any country in the world. The author of the June 22 article quoted above did feel obligated to say a word about the nature of the regime that would like to take over the South. Here is what he said:

"The Pyongyang government imposes the strictest Communist discipline; the state, embodied in a cult of Kim, is all; and Kim, rigid and doctrinaire, employs a rhetoric resembling that of Stalin or Mao a generation ago."

That is all. Note that he speaks of "discipline", not total repression. He talks of the "cult of Kim" but not of the absurd deification of the dictator. If Park makes Syngman Rhee look amateurish, one would have to say that Kim makes Park look like Thomas Jefferson. He simply does not tolerate any dissidents and he certainly does not permit reporters for the American press to roam freely around his domain to ferret out his misdeeds.

EQUATING THE SOUTH AND THE NORTH

The propaganda objective of the communists is to persuade the American people, and key lawmakers, that there is no essential difference between Park Chung Hee of South Korea and Kim Il Sung, the ruler of the North.

One tactic is to get people thinking of Park as a dictator, not as an elected president. Thus Charles Bartlett in his syndicated column of October 26, 1975, spoke of the dangers President Ford might encounter on his Far Eastern trip in these words: "Siberia, with Secretary General Brezhnev, will be safer than Seoul with the dictator, Chung Hee Park." The ruler of the U.S.S.R., who does not even hold an official state office, is referred to by his title. President Park, who has been elected to that office four times, is referred to as "dictator."

Another syndicated columnist, Clayton Fritchey, in his column of May 27, 1975, spoke of "Dictator Park" and the "tyrannical president, Gen. Park." He described North Korea as "a left-wing dictatorship" and South Korea as "a right-wing dictatorship." He said that when "attention is again focused on the brutal repressions of the undemocratic government of South Korea, Congress and the public will have to ask themselves if they want to risk another 500,000 casualties and another $150 billion in trying to salvage still another military government."

The Nation in a May 24, 1975 editorial said Park headed "an extremely unpopular dictatorial regime which has been under constant attack from its domestic opposition."

The Washington Post on June 22, said that if recently adopted measures were fully implemented, South Korea "will be on its way to becoming a mobilized society with striking similarities to the one it vows to oppose."

THE OTHER SIDE OF THE COIN

Columnists Evans and Novak, writing from the vantage point of Seoul, Korea, where they talked with both President Park and his political opponents, provided some perspective sadly missing from the output of many of their journalistic colleagues. On June 19, they wrote:

"The most important political development in this potential battleground for a shooting war is a deepening feeling by President Park Chung Hee's political opponents that much as they deplore his harsh security measures, the anti-Park campaign by American liberals poses a worse danger for South Korea.

"That feeling stems from widespread acceptance here of this axiom: internal disunity might induce North Korean dictator Kim Il Sung to attack or the U.S. Congress to remove American forces . . . The right message is that united opposition to communism takes precedence over internal politics with a totality never approached in South Vietnam. Furthermore, one reason for restraint by Park's political foes is that his security measures, while probably excessive, fall short of thorough repression. Less than a democracy today, South Korea is not a true police state either. Thus it would be tragic irony if concern over Korean human rights triggered a war with ominous world implications."

Our news media, led by *The New York Times*, have magnified the opposition, downplayed the support of the Park government and neglected to impress upon the American public the constant danger posed by North Korea. We have discussed the concentration on the dissidents in *The Times*. We will note briefly the way in which *The Times* has downplayed support of President Park and the threat from the North.

On May 10, a crowd estimated at one million persons rallied in Seoul to express their opposition to communism and support of the government. Opposition leaders participated. Resolutions adopted by acclamation called on the U.S. to strengthen its commitment to defend South Korea. Activities detrimental to national unity in the face of the communist threat were condemned and President Park's call for stern measures was endorsed.

This was reported in *The New York Times* on May 13 in three inches on an inside page, at the tail end of a story saying that the opposition in Korea was supporting new security measures.

On June 7, another huge rally in Seoul was attended by over one million persons, including 1000 delegates from over 60 nations. Defense of South Korea against the communist threat was the major theme of the rally, with prominent religious leaders stressing the absence of religious and other freedoms in communist countries. Representatives of 17 religious groups spoke. This huge rally was totally ignored by the American news media. *The Times*, which had found so much space to report on the activities of a handful of religious dissidents, found no room to report this massive expression of the feelings of the Korean people. AIM learned of it from articles in *The Rising Tide*, the bi-monthly paper of the Freedom Leadership Foundation.

On March 21, two North Korean defectors held a press conference in Seoul to tell how they had helped build tunnels across the Demilitarized Zone between North and South Korea for use in an invasion of the South. They said many tunnels were under construction and that orders had been given for their completion before October 10, 1975, in order to prepare for a war to capture control of the South. A number of tunnels have been discovered by the South Koreans and sealed. Apparently many others have not yet been found. This press conference was not reported by *The New York Times*.

The Strange Case of Kim Il Sung's Ad

While readers of *The New York Times* have not read many news stories from North Korea, they have not been completely denied information about the thoughts and accomplishments of Kim Il Sung, the dictator who has ruled the country for the past thirty years. Kim is fond of buying full page ads in *The Times*, which he uses to keep the readers abreast of his speeches.

One of these ads appeared on May 31, 1975, with a large heading: "President Kim Il Sung Talks on Korea's Reunification." The edition delivered in Washington gave no indication that this was a paid ad. It was merely signed: "Korean Information Office, Stockholm, Sweden." The ads AIM has run in *The Times* have always had to be labeled "advertisement" at the top.

What is more important, we noted many statements in Kim's ad that were of questionable accuracy. Here are some quotes which we considered inaccurate:

"The people of all strata in South Korea are waging an increasingly dynamic struggle against fascism and for democracy, and the colonial military fascist rule of U.S. imperialism and its stooges is sinking into a serious crisis."

"U.S. imperialism and south Korea's ruling clique are intensifying their fascist repression of the south Korean people and further stepping up their preparation of war against the northern half of the Republic."

"The problem of whether there is peace or war in Korea now depends, in the last analysis, on the attitude of the United States, which actually holds all power in south Korea and lords it over there."

"The U.S. imperialist and the Japanese militarists seek the permanent division of Korea, the former to reduce south Korea to their permanent colony and military base and the latter to take hold of south Korea as their permanent commodity market."

We knew from our own experience that *The Times* insists on factual accuracy and good taste in ads that it accepts. AIM wrote to the Chairman and President of *The Times*, Mr. Arthur Ochs Sulzberger, to inquire whether the above statements and others like them were considered to be accurate and in good taste by *The Times*. We also noted that at the annual shareholders' meeting in April, Mr. Sulzberger had said that when *The Times* carried communist propaganda, it was always labeled. We asked about the fact that there was no indication that this was an ad paid for by the communist government of North Korea.

AN EVASIVE RESPONSE

Mr. John D. Pomfret, Assistant to the Publisher, responded promptly to our letter, but he evaded the main issue. He said the word "advertisement" did appear above the ad, but it was "conceivable that it was omitted in an early edition," which it was.

Mr. Pomfret explained that Mr. Sulzberger's remark about labeling propaganda applied only to "sourcing our own news material." Paid ads, we infer, are exempt from that requirement.

Finally, Mr. Pomfret simply ducked the issue of accuracy and taste, saying that *The Times* prints "dozens of opinion ads with which we disagree." Mr. Pomfret did not say where *The Times* stood on the question of factual accuracy and good taste in such ads.

In response, AIM quoted an editorial published in *The Times* on June 16, 1972, which made it crystal clear that even opinion ads were required to remain within "the bounds of decency, good taste and the requirements of factual accuracy." The editorial said *The Times* would not knowingly publish an advertisement containing "a clear misstatement of fact or a distorted quotation." This editorial cited as a regrettable failure to live up to this policy an ad critical of Israel that had been published on June 6, 1972.

We also pointed out to Mr. Pomfret that he himself had writen to AIM to say that he was under "no obligation to permit publication of an advertisement that I know contains inaccuracies." In another letter to AIM, dated April 25, 1974, Mr. Pomfret said that he would "not knowingly permit an advertiser to misstate the facts."

We pointed out that our experience in running ads in *The Times* had shown that they were very meticulous about the language used. For example, in one ad we wanted to say: "This is a report on the credibility of Anthony Lewis." *The Times* refused to run the ad unless we changed that to read: We raise a question concerning the reports of Anthony Lewis." We wanted to say: "Five days after the false report was front-page news in *The Times,* Lewis reluctantly conceded its falsity." *The Times* insisted on: "Five days after the disputed report was front-page news in *The Times,* Lewis reported the consensus that it was erroneous."

We concluded: "There is no question that Kim Il Sung's language was tasteless and abrasive. Many of his statements are demonstrably factually inaccurate. I think it is perfectly valid to ask why *The Times* did not apply its long standing policy in this case. Why did you not insist on factual accuracy, as you said you should have done in the case of the June 6, 1972 ad . . .? Why did you not insist on tempering the immoderate language . . .? Does Kim Il Sung rate special treatment? If so, why?"

Mr. Pomfret acknowledged the letter but said he saw no point in carrying on the correspondence since our preconceptions were clear and he had no hope of changing them. We have informed Mr. Sulzberger that we think *The Times* has an obligation to reconcile its June 16, 1972 policy statement with its May 31, 1975, Kim Il Sung ad.

MEDICAL EDUCATION

Mr. JAVITS. Mr. President, our Nation is confronted with critical and complex problems respecting health manpower: physician geographic and specialty maldistribution and our increasing reliance on graduates of foreign medical schools who are not U.S. citizens.

The American taxpayers have been providing through unique capitation grant assistance increased financial support to America's medical, dental, and other health professions schools. Unique because no other professional or graduate schools receive funding support comparable to capitation grants.

The institutions which educate this country's medical, dental, and other health professionals consider themselves—and I believe appropriately—to be a natural resource, thus deserving substantial, continuing Federal funding from tax revenues.

Large sums have already been expended by the Government for these purposes. And the schools say more is needed. I agree.

However, as legislators, I believe we must insure that the taxpayers' dollars that support medical education at the same time guarantee to the people who are paying for such education that they are provided health care by the medical manpower pool whose education they subsidized—and which profession is privileged to be exceptionally well financially rewarded.

A recent editorial from the Wall Street Journal of July 9, 1975, addresses itself to this vital health manpower issue and I ask unanimous consent that the editorial be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From the Wall Street Journal, July 9, 1975]

Something for Nothing

An interesting if inconclusive parlor game would be to figure out where the blame lies for the something-for-nothing attitude that seems to be growing in America. The overwhelming first choice would probably be the politicians, who are indeed only too happy to use tax money for agricultural subsidies, federal educational aid, bigger Social Security checks and government programs of every description. But it can be argued with equal plausibility that politicians, however much they can be faulted for lacking courage to say no, are merely responding to pressures from various parts of the public.

As evidence that politicians aren't solely or even largely to blame, look what happens on those rare occasions when Congress does try to say no: Members of the House Health Subcommittee have been ganged-up on by medical and dental students who object to a proposed bill that would force them to repay some of the federal funds given their schools to pay for their education.

Subcommittee chairman Paul Rogers (D.-Fla.) noted that the government pays at least half the cost of training doctors. Since almost half the 110 medical schools in the country claim to be in financial trouble, Congressman Rogers said the subcommittee agreed to continue giving medical and dental schools $2,000 a year for each student. In return, students would have to agree to repay the subsidy after graduation—in cash when they could afford it, or by serving in areas of the country that need doctors and dentists.

Congressman Rogers thinks that a reasonable request, since if the $2,000 was withdrawn students would have to pay higher tuition costs. Rep. James Hastings, R.-N.Y., thinks so also. But he is especially concerned by the attitude, expressed in the letters and petitions from the students, that "the taxpayers owe them an education."

This attitude is all the more surprising in view of the fact that, according to The Washington Post, doctors (who earn an average net income of $52,000 annually) and dentists (who net $37,500) are among the nation's highest paid professions and receive direct federal subsidies for their education. But to read excerpts from the letters of protest, one would think Congress planned to banish them naked and starving into the cruel world, saddled with a crushing debt that had to be repaid immediately.

We have no wish to single out medical and dental students. But the fact that students in those privileged professions feel they have a right to be subsidized by taxpayers, few of whom will ever come close to attaining the students' eventual financial heights, shows just how out of joint so much of our thinking and priorities have become. It helps explain why it is hard for politicians to turn a deaf ear to other "gimme" demands. It also helps explain why, although everybody and his brother denounce the welfare state and creeping bureaucracy, they keep right on growing. And they'll keep right on growing until there's a change in the popular attitude that government favoritism is wrong except when it affects me.

SENATOR HUGH SCOTT SUPPORTS LEGISLATION ON HUMAN NEEDS

Mr. JAVITS. Mr. President, in the past few years the state of the economy has made it essential that Congress support and enact certain programs aimed at alleviating burdens which have faced many Americans. In this Congress and in the 93d Congress we have sought to provide public service jobs programs, to extend unemployment benefits, to correct inequities in the administration of the social security system, and to provide education benefits and incentives, to name just a few.

Our distinguished colleague, from Pennsylvania, Senator Hugh Scott, has been a leader in each of these areas. As ranking Republican on the Senate Labor and Public Welfare Committee, I ask unanimous consent to have printed in the Record the fine legislative record of Senator Scott on human needs.

There being no objection, the material was ordered to be printed in the Record, as follows:

Senator Hugh Scott's Legislative Record

HUMAN NEEDS—94TH CONGRESS

Legislation

S. 1—a bill to codify, revise, and reform Title 18 of the United States Code; to make appropriate amendment to the Federal rules of criminal procedure; to make conforming amendments to criminal provisions to other titles of the United State Code.

S. 357—a bill to amend Title II of the Social Security Act to increase to $4,800 the amount of outside earning permitted each year without deductions from benefits thereunder.

S. 388—a bill to amend the Social Security Administration Titles II, VII, XVI, XVIII, and XIX to provide for the administration of the old age, survivors, and disability insurance program, the supplemental security income program and the Medicare program by a newly established independent Social Security Administration to separate Social Security trust fund items from the General Federal budget to prohibit the mailing of certain notices with Social Security and supplemental security income benefit checks.

S. 445—a bill to assure that an individual or family, whose income is increased by reason of a general increase, in monthly benefits will not, because of such increase, suffer a loss of or a reduction in the benefits the individual or family has been receiving under certain Federal or Federally assisted programs.

S. 446—a bill to amend Title II of the Social Security Act to provide that an individual's entitlement to benefits shall continue through the month of his death. (Except where the continuation of such entitlement and the consequent delay in the payment of survivor benefits would reduce the total amount payable to the family.)

S. 451—a bill to amend Title XVIII of the Social Security Act to provide for coverage under part B of Medicare for routine exfoliative cytology tests for the diagnosis of uterine cancer.

S. 472—a bill to provide for the implementation of a full employment policy through the establishment of a Federal full employment board.

S. 565—a bill to amend Title 28, United States Code; to provide more effectively for bilingual proceedings in all district courts of the United States.

S. 607—a bill to extend the authorization for the emergency job programs for one year.

S. 766—a bill to amend the Emergency Unemployment Compensation Act of 1974 so as to increase from 13 to 26 the maximum number of weeks for which an individual may receive emergency compensation thereunder.

S. 767—a bill to amend the Emergency Jobs and Unemployment Assistance Act of 1974 so as to increase from 26 to 39 the maximum number of weeks an individual may receive unemployment assistance under the special unemployment assistance program.

S. 936—a bill to amend the IRS Code of 1953 to allow a deduction for certain amounts paid by a taxpayer for tuition and fees in providing certain education for himself, his spouse, and his dependents.

S. 1163—a bill to amend part B of Title XVIII to broaden Home Health Services.

S. 1249—a bill to amend the IRS Code of 1954 to allow a deduction for certain education for himself, his spouse, and his dependents.

S. 1326—a bill to provide assistance to unemployed persons and for other purposes.

S. 1454—a bill to revise and extend the Public Health Service Act.

S. 1496—a bill to amend Title XVIII of the Social Security to authorize expanded home health services under Medicare.

S. 1619—a bill to extend and revise programs for sickle cell anemia.

S. 1664—a bill to amend the Lead Based Paint Poisoning Prevention Act.

S. 1729—a bill to amend Title II of the Social Security Act to eliminate the special dependency requirements for entitlement to husbands and widowers insurance benefits to provide benefit changes so that other benefits for husbands, widowers and fathers will be payable on the same basis as benefits for wives, widows and mothers, and to permit the payment of benefits to a married couple on their combined earnings where that method of computation provides a higher combined benefit.

S. Con. Res. 11—a concurrent resolution to express as a national policy that all citizens have the right to live and work in a barrier free environment.

Amendment to H.R. 2166—Tuition and Fees for Education.

Votes

Voted for Surface Mining Control and Reclamation Act of 1975.

Voted for amendment to provide for a 10-year term for the appointment of the Director of the Federal Bureau of Investigation.

HUMAN NEEDS—93D CONGRESS

Legislation

S. 253—a bill to provide an additional permanent judgeship for the Middle District of Pennsylvania.

S. 566—a bill to define the circumstances in which foreign states are immune from the jurisdiction of the United States courts and in which execution may not be levied on their assets.

S. 567—a bill to revise Title 28 of the United States Code.

S. 582—a bill providing social service for the aged.

S. 607—a bill to strengthen the Lead Based Paint Poisoning Prevention Act.

S. 667—a bill to amend the Public Health Service Act to provide for the protection of the public health from unnecessary medical exposure to ionizing radiation.

S. 716—a bill to amend Chapter 235 of Title 18, United States Code, to provide for the appellate review of sentences imposed in criminal cases arising in the district courts of the United States.

S. 780—a bill to amend the Clayton Act by adding a new section to prohibit sales below costs for the purpose of destroying the competition or eliminating a competitor.

S. 871—a bill to amend Title V, United States Code, to correct certain inequities in the crediting of National Guard technician service in connection with the civil service retirements.

S. 1082—a bill to repeal the bread tax.

S. 1378—a bill to encourage earlier retirement by permitting Federal employees to purchase into the civil service retirement system based on employment in Federal programs operated by State and local governments under Federal funding and supervision.

S. 1451—a bill to amend the Food, Drug, and Cosmetic Act to require the disclosure of ingredients on the labels of all foods.

S. 1475—a bill to amend the Internal Revenue Code of 1954 to allow a double investment credit for certain property placed in service in rural areas which will assist in providing new employment opportunities.

S. 2264—a bill to provide civil service retirement credit for certain language instructors of the Foreign Service Institute, Department of State.

S. 2513—a bill to amend the Social Security Act by adjusting a new title thereto which will provide insurance against the costs of catastrophic illness by replacing the medicaid program with a General medical assistance plan for low income people, and by adding a new title, XV, thereto which will encourage and facilitate at reasonable premium charges, and for other purposes.

S. 2528—a bill to amend the Social Security Act to provide the States with maximum flexibility in their programs of assistance under the public assistance titles of that act.

S. 2756—a bill to provide health care insurance for people of the United States and to improve the availability of health care services.

S. 2801—a bill to amend the Food, Drug, and Cosmetic Act with respect to safe vitamins and minerals.

S. 2864—a bill to amend the Public Health Service Act to expand the authority of the National Institute of Arthritis, Metabolism, and Digestive Diseases in order to advance a national attack on arthritis.

S. 2868—a bill to provide for tax counseling to the elderly in the preparation of their Federal Income Tax Returns.

S. 2963—Criminal Justice Information Control and Protection of Privacy Act. Imposed certain restrictions upon the type of information which can be collected and disseminated by law enforcement agencies.

S. 2964—Criminal Justice Information Systems Act of 1974.

S. 3069—a bill to extend through December 1974 the period during which benefits under the supplemental security income program on the basis of disability may be paid without interruption pending the required disability determination.

S. 3100—a bill to amend the Older Americans Act of 1965 to extend the Nutrition Program for the Elderly.

S. 3143—a bill to amend titles II, VII, XI, XVI, XVIII, and XIX of the Social Security Act.

S. 3167—a bill to eliminate the special dependency requirements for entitlement to husband's and widower's insurance benefits so that benefits for husbands and widowers will be payable on the same basis as benefits for wives and widows.

S. 3168—a bill to permit the payment of benefits to a married couple on their combined earnings record.

S. 3169—a bill to provide that an insured individual otherwise qualified, may retire and receive full old-age insurance benefits, at any time after attaining the age of 60, if he has been forced to retire at that age by Federal law, regulation, or order.

S. 3970—a bill to provide that any individual who has 40 quarters of coverage, whenever acquired, will be insured for disability benefits thereunder.

S. 3548—a bill to establish the Harry S. Truman Memorial Scholarships, and for other purposes.

S. 3626—a bill to assure that an individual or family whose income is increased by reason of a general increase in monthly social security increase, will not, because of such increase, suffer a loss of or reduction in the benefits the individual or family has been receiving under Federal or federally assisted programs.

S. 3898—a bill to amend the Internal Revenue Code of 1954 to allow for certain amounts paid by a taxpayer for tuition and fees in providing certain education for himself, his spouse, and his dependents.

S. 4082—a bill to amend the Social Security Act to establish a consolidated program of Federal financial assistance to encourage provision of services by the states.

S.J. Res. 80—authorizes the President to issue annually a proclamation designating the month of May in each year as "National Arthritis Month."

Amendment to S. 821—to improve the quality of juvenile justice in the United States and to provide a comprehensive approach to the problems of juvenile delinquency.

Amendment to S. 1539—to make clear that the bill is not intended to purport to prevent the courts from upholding the Constitution.

Amendment to S. 3265—a bill to establish job protection for persons serving on Federal juries.

Amendment to S. 3585—to amend the Food, Drug and Cosmetic Act with respect to safe vitamins and minerals.

Amendment to H.R. 16900—to assure that HEW retains its present authority to enforce Title VI of the 1964 Civil Rights Act and Title IX of the Education Amendments of 1972.

Amendment to H.R. 16900—appropriates $9 million for Eisenhower College, Seneca Falls, N.Y.

Votes

Voted for amendment to reallocate funds for student assistance programs to emphasize the Basis Educational Opportunity Grants Program.

Voted for Federal Fire Prevention and Control Act.

Voted for amendment to provide that no student be required to reveal information about his personal or family life without parental consent.

Voted for Education Amendments of 1974.

Voted for amendment to prohibit the Department of Defense, in carrying out any program under which financial assistance is provided to persons pursuing an educational program (other than persons enrolled in a ROTC program) from denying assistance to enrollees in such a college or university solely on the grounds that such institutions had previously terminated its ROTC program.

Voted for Vietnam Era Veteran's Readjustment Assistance Act of 1974. Amendment to add a new section to provide cost of living increases in educational assistance and subsistance allowances for veterans.

Voted for Public Health Service Act Amendments.

Voted for Departments of Labor, and Health, Education, and Welfare and Related Agencies Bill.

Voted for amendment to appropriate $9 million for Eisenhower College, Seneca Falls, N.Y.

Voted for amendment to increase from $120 to $146 million funding for supplementary services authorized under Title III of the Elementary and Secondary Education Act.

Voted for amendment calling for $5.7 million for purposes of alcohol and drug abuse education.

Voted for Rehabilitation Act of 1972.

Voted for Veterans Health Care Expansion Act of 1973.

Voted for Veterans Drug, Alcohol Treatment and Rehabilitation act of 1973.

Voted for amendment to authorize an additional $100 million for special rural area grants through fiscal year 1976.

Voted for Health Maintenance Organization and Resources Development Act of 1973.

Voted for National Health Care Institute Delivery Act of 1973.

Voted for Emergency Medical Services Systems Development Act of 1973.

Voted for amendment to appropriate $100.3 million for regional medical programs, Hill-Burton, health man-power programs and biomedical research.

Voted for amendment to adjust the value of food stamp allotment to reflect changes in food prices.

Voted for Amendments of 1973 to Federal Law Relating to Explosives.

Voted for Agricultural-Environmental and Consumer Protection Appropriation Act of 1974.

Voted for Child Abuse Prevention and Treatment Act.

Voted for Emergency Medical Services Systems Act of 1973.

Voted for National Research Service Awards and Protection of Human Subjects Act.

Voted for National School Lunch and Child Nutrition Act Amendments.

Voted for amendment to cover certain maintenance drugs under part A of medicare.

Voted for amendment to maintain existing Federal standards for child day care programs.

Voted for National Cancer Act Amendments of 1974.

Voted for amendment to permit health insurers a role in the national no-fault auto insurance system.

Voted for Emergency Chlorine Allocation Act of 1974.

Voted for National Research Act.

Voted for Comprehensive Drug Abuse Prevention and Control Act of 1970 amendments.

Voted for amendments to provide that the Food and Drug Administration continue to regulate vitamins and minerals as foods.

Voted for Health Manpower and Shortage Area Assistance Act of 1974.

Voted for Transportation Safety Act of 1974.

Voted for amendments to provide additional sentences for commission of a felony with the use of a firearm.

Voted for amendment to provide mandatory sentences for persons convicted as pushers of hard narcotics who were not addicts themselves.

Voted for Victims of Crime Act of 1973.

Voted for amendment to require 75 percent of block grant funds under the Omnibus Crime Control Act Safe Streets Act be given directly to States and eligible units of local government.

Voted for amendment to provide for the appointment of the Director of the FBI; limits to one ten-year term the period which an FBI Director could serve.

Voted for amendment to transfer from the District of Columbia government to the U.S. Bureau of Prisons in the Department of Justice the jurisdiction over Lorton penal institution.

Voted for Antitrust Procedures and Penalties Act.

Voted for amendment to set penalties for persons convicted of embezzlement of political contributions.

Voted for Extradition Treaties with Italy.

Voted for Treaty with Uruguay on Extradition and Cooperation in Penal Matters.

Voted for amendment to prohibit the execution of a pregnant woman.

Voted for amendment to provide a criminal penalty for the second offense of a willful black marketeering of petroleum products.

Voted for amendment to establish rational criteria for the mandatory imposition of the sentence of death.

Voted for amendment to bar U.S. economic aid to any government which permits the production of opium poppies and which does not effectively prevent the diversion of opium and its derivaties into illicit markets.

Voted to establish rules of evidence for certain courts and proceedings.

Voted for a 5.6% cost of living increase in social security benefits to become effective January 1, 1974.

Voted to increase monthly benefits under supplementary security income program to $140 per individual and $210 per couple.

Voted for amendment to increase the retirement test under social security from $2,400 to $3,000 annually and to reduce from 72 years to 70 years the age of applicability.

Voted for amendment to reduce from 60 to 55 years the age of eligibility for widows to receive actuarially reduced social security benefits.

Voted for Social Security Amendments of 1973.

Voted for Social Security Act Amendments.

Voted for Labor-Management Relations Act Amendments.

Voted for Emergency Employment Amendments of 1973.

Voted for amendment to provide a selective public employment subsidy in areas of high, persistent, unemployment, and to provide assistance to underemployed as well as unemployed.

Voted for amendment to increase from $5 to $10 million funds for rural housing for domestic farm labor.

Voted for Special Employment Assistance Act of 1974.

Voted for amendment to provide loans to small business concerns for adjustment assistance as a result of base closings.

Voted for amendment to assure that proprietary information was excluded from the scope of the public.

Voted for the State-Federal Meat and Poultry Inspection Amendments.

Voted for the Agriculture and Consumer Protection Act of 1973.

Voted for the Truth in Lending Amendments of 1973.

Voted for the Energy Emergency Act.

Voted for amendment to exempt small businesses from provisions which authorize CPA to obtain reports and answers to questions from businesses.

Voted for the amendment to provide that the Federal Trade Commission line-of-business reports be restricted to information on sales or receipts.

EDUCATION BEGINS TO TAKE A LOOK AT PEACE ACADEMY—AND LIKES IT

Mr. HARTKE. Mr. President, one important aspect of the establishment of the George Washington Peace Academy as envisioned in my bill S. 1976 during our Bicentennial celebration in 1976 is the reaction established educational institutions may have to a separate entity to study peace.

As I have mentioned before, there is a need for an intense study of the dimensions of peace among nations in order to inform decisionmakers of alternative resolutions to conflict situations. It is important that peace be considered in total as an interdisciplinary study which will explore the many disciplines of which a few are the following: Political science, economics, psychology, sociology, anthropology, history, law, geography, demography, linguistics, intercultural communications, international relations, ethology, physics, philosophy, and literature. This exploration will result in the development of new methodologies, paradigms, and understandings of that relationship between two or more nations without the use of force to settle disputes.

Mr. President, the past president of the National Education Association, Helen D. Wise, has written me a letter indicating their support and assistance in any possible way to have S. 1976 enacted. I ask unanimous consent to have her letter printed at this point.

There being no objections, the letter was ordered to be printed in the Record, as follows:

National Education Association,
Washington, D.C., July 23, 1975.

Hon. Vance Hartke,
Russell Senate Office Building,
Washington, D.C.

Dear Senator Hartke: Thank you for sending with your letter of June 24, a copy of the Congressional Record reprint containing your introductory statement and bill, S. 1976. Please accept our congratulations on a masterful job of drafting this important piece of legislation.

Stephen Cloud of your staff already has been in regular touch with our staff regarding cooperative efforts in support of the bill. We want you to know that not only is your introductory statement to the bill the basis for an excellent article in one of the NEA publications, but that we stand ready to bring in representatives from our state and local associations to testify and/or assist in any other possible way at the appropriate time.

We would welcome an opportunity to provide input to the Ad Hoc Advisory Committee which you are forming in support of the Academy, and I hope you will feel free to call upon us. Be assured that you have our support and best wishes for continued success.

Sincerely,

Helen D. Wise,
NEA Past President, Chairperson,
NEA Bicentennial Committee.

Mr. HARTKE. Further, the American Council on Education, Bulletin of the International Education Project, carried an informative and detailed article on the educational aspects of my bill. I ask unanimous consent to have the American Council on Education article printed in the Record, to inform my colleagues of what the educational community is saying about the George Washington Peace Academy.

There being no objection, the article was ordered to be printed in the Record, as follows:

Senator Hartke Introduces Bill for U.S. Peace Academy

Using the military service academies as his model, Sen. Vance Hartke (D-Ind.) has introduced a bill calling for the creation of the George Washington Peace Academy. Hartke and co-sponsor Mark O. Hatfield (R-Ore.) seek to have S. 1976 enacted as the first piece of legislation in the Bicentennial year.

Hartke states in the introduction to the bill that "there is a need for an intense study of peace among nations in order to inform decision makers of alternative resolutions to conflict situations. The philosophy of peace does not have boundaries nor bases which can be understood within the academic community. It is important that peace be considered in total as an interdisciplinary study which will explore the many disciplines of which a few are the following: political science, economics, psychology, sociology, anthropology, history, law, geography, demography, linguistics, intercultural communications, international relations, ethnology, physics, philosophy, and literature. This exploration will result in the development of new methodologies and new understandings."

The idea for the Academy was drawn from the last will and testament of George Washington, in which Washington bequeathed in perpetuity 50 shares in the now-defunct Potomac Co. "toward the endowment of a university—under the auspices of the general government." Presumably, this cryptic reference was to the "Peace Establishment" Washington had earlier spoken of.

The Academy would have a two-fold mission:

To train individuals in the development of a posture which would relieve the tension of a conflict situation; and

To train individuals in existing and new methodologies which will be extracted from the arts of negotiation, arbitration, conciliation, and mediation.

In addition the Academy would hold seminars for government agency officials to provide them with current information as conflict situations affecting American foreign policy develop in the international community.

The Academy would be governed by a 24-member Board of Trustees including the President, persons from Congress and the Executive agencies, the U.S. Ambassador to the UN, the Chancellor of the Academy and 18 Presidential appointees. The actual administrative responsibilities will be carried out by the Chancellor, the Deans of Faculty and Students, four senior professors, and four students.

The Academy would have the authority to make grants to post-secondary educational institutions to further their studies and pursuits, in an effort to supplement rather than supplant the work of existing institutions. It would have the authority to appoint as needed other assistant and associate professors, visiting professors, foreign professors, etc., and to extend leaves of absence to members of the faculty for sabbaticals at other educational institutions.

As many as 500 full-time students may be enrolled in the Academy. Each Member of Congress may nominate two candidates to take the competitive examination for admission, and one-half of the entering student body will be selected from this group. Between 10–20 percent may be from a foreign country, and 30–40 percent may be American students selected from regular application procedures. Each student will be appointed by the President, and will be eligible to receive a stipend and travel expenses.

Students must have already attained a B.A. degree, or the equivalent, and upon completion of two years of instruction at the Academy will be awarded a Master of Arts degree. Each U.S. student selected for admission to the Academy must sign an agreement to serve in a public or private non-profit agency or international organization, or with an agency, office or department of government for a period of up to two years upon completion of the course of instruction.

Hartke hopes to bring S. 1976 before the Senate Labor and Public Welfare Committee within the next several months.

WORLD FOOD SHORTAGE

Mr. **HARTKE**. Mr. President, the present world food shortage is a serious situation we as a nation cannot ignore. The office of Public Affairs and Government Relations, Lutheran Council in the United States of America, has published an astute analysis of the problem as well as some thoughtful actions we should consider.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Office of Public Affairs and Government Relations, Lutheran Council in the U.S.A., June 15, 1975]

U.S. FARM POLICY AND THE FOOD CRISIS

(By Richard W. Priggie)

In working toward the goal of alleviating world hunger, the church has often overlooked the problems confronting that sector of our society which produces the commodities that are eventually used for overseas relief purposes: namely, the farmer. We have come to take for granted the capacity of our farmers to produce beyond our domestic needs so ample surpluses are left to be used in feeding the world's hungry. Several developments in the past few years have called this assumption into question.

1966–74: BOOM OR BUST

The prevailing view of the world food situation in the late 1960s was profoundly optimistic. This was the period of the so-called "Green Revolution" and was accompanied by low energy prices as well as very favorable crop years throughout the world. Consequently, between 1966 and 1971, agricultural production increased more rapidly than population growth in developed and underdeveloped nations of the world.

Several weather related catastrophes combined to reduce world grain production by more than three per cent in 1972. The Soviet Union suffered a dry summer following a winter kill, with a shortfall of close to 20 million tons of grain. Interestingly, Russia had faced greater shortages in 1963 (30 million tons) and 1965 (24 million tons) and absorbed most of those deficits through reduced grain consumption by livestock. In contrast, it made up the entire 1972 shortfall by imports, purchasing 18 million tons of U.S. grain. A substantial decline in the world fish catch since 1969 also put pressure on the Soviet Union, as well as Japan, to make up lost fish protein by increased grain purchases. To make matters worse, 1972 was a year of severe droughts in Argentina, Australia and the Sahel; typhoons in the Philippines; and an inadequate monsoon in India.

These adverse circumstances combined to require the three major grain exporting countries—USA, Canada, Australia—to increase grain exports by 26 million tons in 1972 and to reduce their carryover stocks from 92 to 58 million tons—a 20-year low. As grain supplies declined, prices rose.

Farmers in the USA, Canada and Australia responded by increasing their planting 10 percent. But export demand continued at high levels, resulting in a further drain on grain stocks in 1973–74.

Rising grain prices stimulated an additional seven per cent increase in U.S. grain acreage in 1974. But disastrous weather resulted in the worst growing season experienced here in a quarter century. With the average grain yield down 20 per cent, prices again soared.

Because of the record high prices, grain consumption for feed in the U.S. is expected to be down 22 per cent in 1975 from 1972–73. This situation and the fact that the Soviet Union has become a net exporter of grain, that Japanese imports of U.S. grain are expected to decline for the first time in many years, and that Australia has vastly increased export availabilities, add up to an easier supply—and a substantial decline in U.S. grain prices.

By last March 15 the Department of Agriculture reported the average of all farm prices was 15 per cent below a year earlier. Farmers expenses for production items, interest, taxes and wages were up $10 billion from 1973, a 15 per cent jump. The escalating cost of fuel hit farmers hard. Fertilizer costs averaged some 70 per cent above 1973, and seed prices were up one-third. These increases, combined with the decline in grain prices, resulted in a $5 billion drop for farmers in realized net income from 1973.

Could this "boom or bust" cycle of the past three years been avoided? A great deal of evidence indicates yes. As Fred H. Sanderson writes in a recent article, "The Great Food Fumble," the reason why our reserve stocks were unable to stabilize prices during this period of fluctuating supply and demand was that "in the five years from 1968 to 1972, the policies of the United States and of other grain exporting countries were dominated by a soft market and the fear of surpluses."

In Canada and the U.S. in the 1950s and early 1960s huge excess stocks were allowed to accumulate under government control. Consequently, as soon as stocks had recovered moderately from their low in 1967, these two countries took steps to restrain production of wheat and coarse grain. Between 1967 and 1972 the U.S. cut back 18 million acres, Canada 9 million acres. If this acreage had been held at the 1967 level, more than 100 million tons of additional grain would have been available to meet the crises of supply and demand which arose in 1972.

During these five years, while "Food for Peace" shipments were being drastically curtailed, payments to U.S. farmers for keeping cropland out of production were sharply increased. Nearly $4 billion more was paid to farmers to prevent food production than the cost of the government's buying the same amount of food from farmers.

Perhaps the most unjustified use of production restraints imposed by the Department of Agriculture came in 1972 itself, when the department withheld 62 million acres from production. The $4 billion paid to farmers not to farm that year almost doubled the previous annual payment. Even after the detrimental effects of the massive Soviet buying had become clear. Secretary Earl Butz ordered five million acres of wheat land to be idled in September of that year.

Admittedly, to see solutions to a problem with the benefit of hindsight is easy, but this was not the first time in recent experience that the U.S. faced a significant upsurge in export demand. The USSR leaned heavily upon us during its 1963 and 1965 crop failures which, as noted earlier, were more severe than the one experienced in 1972. What made the '72 situation different was that we were less prepared for it. In 1963, for example, U.S. and Canadian carryover stocks totaled 46 million tons, representing 100 per cent of the average annual disappearance (domestic consumption plus exports) during the previous three years in 1972 these stocks amounted to only 39 million tons or 70 per cent of our annual domestic needs, and total international grain supplies had dwindled to 10 per cent of annual world needs.

LEGISLATIVE ACTION

To encourage U.S. farmers to produce to capacity so that the increased domestic and foreign demands for grain could be met. Congress enacted the "Agriculture and Consumer Protection Act of 1973" in August of that year. This law sought to insure producers against losses if their expanded production resulted in market prices falling below established "target prices." Should this situation arise, the government would pay the farmer the difference between the target price and the current market price. An all-important clause which would have raised target prices automatically when production costs rose was deleted in the House-Senate conference committee.

With operating expenses sykrocketing and target prices remaining at 1973 levels. Congress passed an emergency farm bill last April. It would have raised support levels to assure that farmers retained sufficient incentives for increased production. President Ford vetoed the bill on May 1, and Congress sustained the veto.

ALTERNATIVES FOR ACTION

What can be done to provide the farmer with a reasonable economic incentive to encourage production of enough food for fulfilling our foreign and domestic obligations?

1. Reserves of basic farm commodities could once again be built up to a level which would provide for one year's needs.

The National Farmers Union suggests the following method of doing this without establishing a formal government reserve: raise the level of non-recourse government loans on farm commodities to 90 per cent of parity (the statistically determined "fair" return for the farmer on a particular commodity), and when an oversupply causes market prices to fall below the loan level, the farmer could receive a government loan and put his crop into storage in an acceptable on-farm or commercial facility. During the years when demand exceeds supply, such as in 1972, rising prices would cause the farmer to take his grain out of storage, sell it at the higher price and pay off the government loan. If the market price continued for a long period of time to be below the loan level and the government assumed control of an amount of grain exceeding 100 per cent of annual domestic needs, a supply management system such as acreage allotments or marketing quotas could be put into effect.

The important point is that a substantial buffer stock seems necessary to cover weather related emergencies and other increases in demand and to provide a base upon which an international system of grain reserves could be set up to aid nations most seriously affected by hunger.

2. To facilitate expanded production, a price support system could be set up to insure that farmers disposable income is comparable to that of the non-farm population.

Consulation of Farmers on World Hunger, held this past February in Iowa under sponsorship of the American Lutheran Church declared: ". . . we do not ask for an assured profit, but rather for protection against a total wipeout economically, so that we may continue producing." Such protection is not presently available but would seem to be provided by target prices and loan levels at least as high as those in the recently vetoed emergency farm bill as long as cost-of-production escalator clauses were included. Some farm groups see the ultimate objective as supporting prices of farm commodities at 90–100 per cent of parity.

3. The myth that the interests of the consumer and the farmer are somehow different should be exposed as false.

Both farmers and consumers have an interest in stabilizing prices in an unstable market. As the Consumer Federation of America pointed out last March: "Federal programs to support adequate farm income are as essential to the nation's economic policy as minimum wages. The critical issue is not whether consumers should support farm income policies but whether such policies are adequately designed and implemented to insure that consumer interests are properly considered and weighed with the interest and need of family farmers."

In this connection, a full-scale investigation of the nation's food processing and distribution system seems warranted. The question arises that if the real income of farmers is declining, then who is causing the continual rise in food prices to the consumer in the marketplace? Some say that an inflationary economy is the cause, but other recent studies have concluded that the "middleman"—food processors and giant retail chains—is making excess profits at the expense of both the farmer and consumer.

FARMERS AND THE CHURCH

The issues involved in U.S. farm policy are extremely complex, and farmers themselves differ widely on solutions. While three of the four major farm organizations favor a certain amount of price supports on farm commodities when needed, the largest of the four, the American Farm Bureau Federation, argues that the agricultural community operate under "the market price system."

The church has long supported the concept of the family farm as a mainstay of our national economy and social structure. It would be anomolous for us to expect the individual agricultural entrepreneur, often at his own economic peril, to bear the brunt of an unstable price-production situation at a time when the nation and world need his work and production more than ever.

We in the church should strive to understand the ways in which our farm sector operates as well as delineate the most important steps needed in order for the farmer to produce at capacity while receiving a fair return on his commodities. Only then will we be able to talk about the complex interrelated issues of which countries have the greatest need, how much grain we should give them, what channel will be used for distribution, and how we can best contribute to the agricultural and economic development of these nations.

IS REGULATORY REFORM DOOMED TO FAILURE?

Mr. FANNIN. Mr. President, for those of us in Congress who are optimistic about achieving regulatory reform, the article by Meg Greenfield which appeared in the Washington Post yesterday should be a reminder that the going will be rough.

Clearly, Ms. Greenfield thinks our chances for success are slim indeed. As Ms. Greenfield sees it, efforts to reform the regulatory process will necessarily be frustrated by a combination of bureaucratic inertia and public docility.

The author commends President Ford for taking the initiative on regulatory reform but does not believe he will get very far with his good intentions. In Ms. Greenfield's own words:

> Plainly Ford is up against something more complicated than a mere encrustation of old federal regulatory and bureaucratic orders that are working against new needs . . . For one thing, the increasing federal role in practically everyone's affairs continues to create a strange combination of opportunity and obligation on the part of federal agencies to establish rules of conduct.

The problem, in the view of Ms. Greenfield, is that once a desirable goal or public policy is implemented, bureaucratic dynamism takes over the regulatory process, with the result that a simple benevolent notion soon is converted into a mammouth undigestible scheme of conflicting, irrelevant, and unworkable rules.

In Ms. Greenfield's opinion, the indolent and unthinking regulators just cannot seem to help themselves, while the awestruck public seems to go along with the process.

> The bureaucrats don't have the guts to substitute good judgment for bad rules. And the rest of us don't have the confidence—either in them or in each other—to make the bureaucrats try.

Mr. President, I certainly hope that Meg Greenfield is unduly pessimistic. In my view, the situation is neither insoluble nor inevitable. I, for one, am pleased that President Ford has not only announced his intention to improve the regulatory process but has already set in motion the procedures at the White House for accomplishing this fact.

Already, at least one major independent regulatory agency, the Civil Aeronautics Board, has undertaken a special staff study for improving its own policies and procedures. Such efforts in self-criticism are to be commended. In addition, I am pleased by the serious interest on the part of Congress in improving regulatory process, even eliminating unnecessary agencies and costly regulations, through the legislative process. Of course, the Members of Congress are responding to their constituents who have become aware that Government overregulation is costly and harmful to them, both in terms of the higher prices they pay for goods and services and in terms of diminution of their personal freedoms. Regulation is indeed anticonsumer, and the consumers are beginning to make themselves heard in Washington.

All of these signs are encouraging. Let us hope they will lead to something more than rhetoric. Let us hope that the gloomy forecasts of doubting Thomases, like Meg Greenfield, will be proven wrong. Nevertheless, the obstacles in the success described by Meg Greenfield must be overcome if regulatory reform is to be successful.

Mr. President, I ask unanimous consent that the text of this article "Can Mr. Ford Break the Rules?" be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

CAN MR. FORD BREAK THE RULES?

(By Meg Greenfield)

President Ford has been saying he intends to cut back the tangled growth of federal rules and regulations that are choking so many worthy enterprises in American life. I wish him well. I don't think he has a hope of succeeding.

This gloomy appraisal begins with the fact that the compulsive formulation of conflicting, irrelevant and unworkable rules is far from being an exclusive aberration of the federal government. It may reach its finest flower there, but the competition at all levels of American life is intense enough to suggest that what we are dealing with here is a national way of doing things.

Shortly before the President told a recent White House conference, for example, that it had taken 45,000 pages of small print just to list the federal rules and regulations promulgated last year, Governor Brown of California was making a similar point about conditions in his state: he compared the several hundred thousand words it had taken the authors of the Old Testament to say what they had to about acceptable human behavior with the 5 million words it had taken the state-federal welfare establishment to spell out the rules for receiving public assistance in California.

In municipal affairs, things are hardly different. Only very small children do not know that police, fire, health and housing department corruption in many big cities rests in part on payoffs made against official threats to enforce a welter of city regulations that are archaic and immobilizing. And in labor-union life, the threat of invoking the fine print is equally ominous: "working to rules" means more or less ceasing to work at all. It is worth noting that the U.S. Senate, which harbors some of the most outspoken critics of all this, can itself only get down to business in the morning by selectively suspending its rules.

Plainly Ford is up against something more complicated than a mere encrustation of old federal regulatory and bureaucratic orders that are working against new needs—as, for example, the ICC rule that obliged some truckers to take out-of-the-way routes during last year's gasoline shortage. For one thing, the increasing federal role in practically everyone's affairs continues to create a strange combination of opportunity and obligation on the part of federal agencies to establish rules of conduct.

To cite a case, Congress has enacted legislation permitting married couples to deduct a given sum from their taxes for the cost of child care that permits both parents to work. Fine. Only the IRS—understandably—wants no cheating, no writing off of maids and the rest. So it has felt obliged to formulate rules and guidelines governing—yes—the amount of house cleaning the deducted baby-sitter may perpetrate. Tomorrow's headline all but writes itself. Sitter Charged with Excessive Vacuuming/Employer Claims Work-Related Cleanup/Child Jailed.

Still, much more than a mere enlargement of the federal capacity to busybody seems to me to be involved here. I think there is a dynamo at work among both federal government officials and the affected public that puts a premium on framing impossible new rules and preserving impossible old ones. It begins with a desirable goal or public policy, moves on to a bureaucratic decision to transfer the onus of enforcement from individuals to ostensibly fair and immutable pages of written rules and builds up a body of regulation that acquires a political, symbolic and legal life of its own. The result may be awful, but you can bet that at least six citizens' groups, two federal judges and 30 senators will be ready to come between the agency and any attempt to revise ("weaken," "gut") such rules.

We had an example of how the thing works in Washington recently when some university chancellors challenged a set of conditions HEW was trying to impose on them as the price of receiving federal contracts. The agreement they had been asked to sign concerned their schools' taking "affirmative action" to overcome racial, ethnic and sexual discrimination in employment practices. The document itself, however, did not mandate action that would have directly resulted in making their practices more fair. Rather, it required them to make up to an estimated 100,000 separate statistical analyses concerning their employees at a cost of several hundred thousand dollars—and report the findings back to HEW. It was the nearest thing to an insane government publication that I have ever read.

What made this episode especially interesting to me was that in the course of looking into it I could not find a single official who was responsible for the document who had anything good to say about it. It appeared to be a product of assorted political, interagency, legal and citizen-group pressures. Nor was there anyone who could readily turn it off: five days elapsed between the stated commitment of the Secretaries of HEW and Labor to revise the government's demands and their ability to do so. Finally, even among the various rights groups who had been pushing for tougher government action, there was widespread acknowledgment that this approach had very little to do with overcoming discrimination.

Why do the bureaucrats do it in the first place? I think I know. When I try to imagine how HEW or any other government agency would deal with Solomon's most familiar administrative challenge, I come up with two different conclusions that have one thing in common. Either they would invoke federal regulation CR (03X-14) and actually cut the baby in half, or his contending mothers, under regulation DL-9B (15), would still be filing documents before an interagency proceeding when he had reached the age of 43. But either way, the government officials in question would have avoided judgment, responsibility, the burden of using their wits and a particular kind of trouble. By formulating endless rules, we put the problem on "automatic," and there are very few officials in this town who are willing to take the heat that goes with trying to make common-sense rulings—instead of just more rules.

And why do the rest of us go along? Probably because we have an abiding fear of discretionary government and a misplaced belief in the capacity of written regulations to ensure fairness and to prevent our officeholders from treating us in capricious or tyrannical ways. Now the regulations themselves have become tyrannical, but this comes at a moment when government officials are feeling anything but audacious and when the public is awash in suspicions concerning both their competence and good faith.

So I don't think the President is going to get very far with his admirable intentions. The bureaucrats don't have the guts to substitute good judgment for bad rules. And the rest of us don't have the confidence—either in them or in each other—to make the bureaucrats try.

VITAL U.S. INDUSTRY THREATENED BY SPECIALTY STEEL IMPORTS

Mr. SCHWEIKER. Mr. President, I want to call to the attention of my colleagues the devastating impact of unrestricted foreign imports on our domestic specialty steel industry.

Specialty steel is not "big" steel. The companies which make specialty steel are almost exclusively small companies, although they employ a total of nearly 65,000 workers—and the giants of the steel industry generally do not manufacture specialty items at all. Specialty steel includes tool steel and stainless steel, and is essential to our entire economy, particularly the machine tool and defense industry sectors.

Unfortunately, the vital specialty steel industry is now under strong pressure from foreign competitors. Through the first 4 months of this year, imports of stainless steel were nearly 73 percent above the same period of 1974, while tool steel imports were holding close to last year's pace. By the end of April, total 1975 steel imports had reached 5,106,000 tons, up 45 percent from the 3,520,000 tons of foreign steel which arrived in this country during the first 4 months of last year. The U.S. trade deficit in steel mill products for January–April 1975 totaled more than $1.2 billion.

Mr. President, this flood cannot continue, without severe consequences to the health of our economy, and our defense capability. This Nation must have a strong specialty steel industry—and no industry can compete indefinitely against that kind of cut-rate foreign competition.

I hope this Congress—and this Government—will monitor this situation closely, so that our vital industrial capability in the specialty steel sector is not undermined.

WHAT I THINK COULD STEP UP THE ECONOMY OF THE COUNTRY AND HOW I COULD BECOME INVOLVED

Mr. PASTORE. Mr. President, I send to the desk for myself and my colleague, Senator Pell, a copy of the Gaspee Days essay by Pamela Ann Watts of Warwick, R.I., entitled "What I Think Could Step Up the Economy of the Country and How I Could Become Involved," and ask unanimous consent that it be printed in the Record, along with the resolution of the City Council of the City of Warwick, requesting the Rhode Island congressional delegation to include this fine essay on our economy in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

[The City of Warwick]

Resolution of the City Council
No. R-75-155

RESOLUTION REGARDING GASPEE DAYS ESSAY

Resolved, That the Rhode Island Congressional Delegation is respectfully requested to have the Gaspee Days Essay, composed by Pamela Ann Watts, copy of which is attached hereto, read into the Congressional Record of the United States of America.

The City Clerk is directed to forward a copy of this Resolution to the Rhode Island Congressional Delegation.

This Resolution shall take effect upon its passage.

What I Think Could Step Up the Economy of the Country and How I Could Become Involved

(By Pamela Ann Watts)

Sir Anthony Hope Hawkins, in the "Dolly Dialogues," wrote: "Economy is going without something you do want, in case you should, someday, want something you probably won't want." In this piece of humorous philosophy lies the key to stepping up the economy of our own country. Then, as now, our ingrained attitude was to conscientiously save our money for that mythical rainy day. The old adage of "A penny saved is a penny earned" is deeply rooted in our heritage. But times have changed and with it, our needs have changed. Quite simply, our unstable economy needs the stimulation and support of our money. Taking our clue from Hawkins, we should buy what we do want now rather than going without it.

The most basic contribution we can make to our troubled economy is to get more money into circulation. This can only be accomplished by spending our money on products we want, especially on hard goods. Buying an appliance or car, for example, increases the need for the production of a quantity of parts and this, in turn, creates more jobs for the unemployed. Once we begin to spend our money a bit, business inventories will go down and to replenish their supplies will require more production and consequently, more jobs.

If we initiated a program similar to the one constructed under Franklin D. Roosevelt's administration (NRA–WPA) we could create jobs for the unemployed that would also be of great value to our nation; jobs such as planting trees and landscaping some of our deteriorating countryside or rehabilitating impoverished ghetto areas.

We need to talk plainly and openly about our country's economic situation. If the economy's problems were made apparent in layman's terms through articles and advertising, Americans would be more motivated and less hesitant to spend their money. This would also boost our emotional outlook on the economy, which is vital to its recovery. Many people are far too gloomy over America's economic status. We need to instill confidence in each other about our country, for optimism is as contagious as laughter and mirth. Gaining confidence and assurance that our country is still strong will help us to loosen those precious purse strings.

As individuals, it is difficult to take our hard earned money and spend it when we fear what the future may hold. But it is in times such as these that our prided American bravery and perseverance is brought forth and tested. I have never known the Ameican people not to be able to rise to any occasion and unit together courageously for a common cause.

In addition to what I have already said, there are many ways I hope personally to become involved in stepping up the country's economy. I intend to spend my tax rebate as a start. And the money I saved due to the reduction in income taxes will also be poured back into the economy.

While attending the University of Rhode Island, I shall devote more attention to the study of economics which will enable me to make an intelligent contribution towards a sound economic philosophy. And I hope to take advantage of social gatherings with family and friends to discuss the economic situation and how it is best remedied.

Most importantly, I hope to become involved by spreading my cheer and faith in our economy and in our country to all those I meet.

FEA IN THE DARK—VI

Mr. METCALF. Mr. President, five times in the past 3 weeks, I have called to the attention of my colleagues that the Federal Energy Administration, saving money by working in the dark, did an "information survey to," in the words of an FEA press release dated July 8, "discover the impediments to the completion of electric utility plants" in this country.

There has been criticism of this survey from State and local groups in Montana. This criticism is in the Record.

Three weeks after I called this problem to the attention of FEA Administrator Zarb, he managed to send me a reply. I ask unanimous consent that it be printed at this point in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Federal Energy Administration,
Washington, D.C., July 29, 1975.

Hon. Lee Metcalf,
U.S. Senate,
Washington, D.C.

Dear Senator Metcalf: Thank you for your letters of July 9 and 16 on behalf of the Northern Plains Resource Council regarding the Federal Energy Administration's recent survey of power plant problems.

On June 13, 1975, President Ford endorsed a recommendation by his Labor-Management Committee that a task force be established "to discover impediments to the completion of electric utility plants and to take steps to relieve this particular situation whenever possible."

To provide a valid information base for this effort FEA undertook a survey of utilities which have experienced delays or cancellations in plant construction. This effort began on June 18, and was scheduled to conclude on July 19 with a report to me. The purpose of the survey was to:

1. Define and understand the explicit nature and status of current problems on a plant-specific basis;

2. Determine what actions are now being pursued and what actions the task force could undertake (if appropriate) to alleviate the problem; and

3. Determine the impact which would result from resolution of the problem(s).

It was not the purpose of the survey to push the construction of power plants on an individual or wholesale basis.

In undertaking this survey, FEA made a sincere effort to contact and meet with representatives of all groups and individuals with an interest in the construction of power plants. Although the primary definition of problems was to be obtained directly from the utilities, the survey attempted to cross-check the data with other infomed sources such as the financial community or state and Federal regulatory agencies. This "cross-check" effort included environmental and consumer organizations.

On June 30, I sent telegrams to 72 utilities requesting their cooperation in meeting with the FEA survey teams, either at the utilities' offices or at FEA regional offices. Due to the July 4th holiday, meetings could not begin until July 7. This permitted only twelve days to gather and analyze information. Ten survey teams were sent out, roughly corresponding to the ten FEA regions. Each team attempted to visit one coal plant and one nuclear plant under construction in addition to their general utility meetings.

To inform as many people as possible about our actions, we communicated with the National Governor's Conference, the National Association of Regulatory Utility Commissioners, and the Chairman of FEA's Utility and Regulatory Advisory Committees. A press release was issued on July 8, copies of which were delivered to Congressional offices by FEA personnel.

In addition, the FEA Consumer Affairs/Special Impact Representative in each of our regional offices was requested to contact major environmental and consumer groups within the respective region and schedule meetings at their convenience. The FEA consumer specialists contacted those organizations which they considered to be representative of a cross-section of interests in each region. The survey teams met with 27 consumer/environmental organizations, and in two instances made special visits after the formal survey had ended, to accommodate several other interested groups.

In Region VIII, which includes Montana, meetings were held with Environmental Action of Colorado, the League of Women Voters, and Utilities Information Service. The director of Colorado's state energy office attended the meeting. We regret that other interested groups, such as the Northern Plains Resource Council, were not also contacted directly by FEA. (FEA's survey team did, however, have lunch with several members of the Council.) Within the time frame available, we tried to meet with as many groups and individuals as possible.

Let me emphasize that the purpose of the survey was not to solve construction problems or to interfere with local actions. It was to compile and validate factual information from all sources. The information gathered on the Colstrip plants is attached for your information. (I have also attached copies of telegrams, lists of meetings, etc. that will assist you in evaluating our effort).

Nationally, the survey data indicate that current delays in construction are primarily due to financing problems, demand uncertainties, and regulatory processes based on legislative requirements.

None of these problem areas is amenable to rapid solution by the task force. Other areas, such as labor and equipment shortage problems, were cited infrequently as the causes of delay. If, however, the economic situation changes, these problems could increase in importance. When the report is ready for distribution, I will forward a copy to you.

We greatly appreciate the input we have received from those who participated in the survey. With their continued cooperation and assistance, the future development of electric power will be channeled in a positive manner to the benefit of all groups.

Sincerely,

Frank G. Zarb,
Administrator.

Mr. METCALF. Mr. President, Mr. Zarb's reply to my inquiry raises more questions than it answers.

He says the agency "made a sincere effort to contact and meet with representative of all groups and individuals with an interest in the construction of powerplants." But his gumshoes did not bother to check in with concerned State or local people in Montana.

It is true that the agency issued a press release on the visit to Montana. It was delivered to my office on the same day that the FEA "information survey" team was in the State. That constitutes something less than timely notification.

Mr. Zarb reports that his gumshoes met with concerned people in "region VIII, which includes Montana." The people they met with were groups presumably in Denver, several hundred miles from Montana.

Mr. Zarb says the purpose of the survey "was to compile and validate factual information from all sources." Yet his people put the survey in Montana solely into the hands of the Montana Power Co.

I am sure that the FEA "greatly appreciates the input we have received from those who participated in the survey." I am sure that "with their continued cooperation and assistance, the future development of electric power will be channeled in a positive manner." But I am not at all sure that this channelization will be "to the benefit of all groups."

RECENT DEVELOPMENTS IN SOUTHEAST ASIA

Mr. BEALL. Mr. President, I think we all concede that April 30 will be remembered as a very significant date in the history of this Republic. The surrender of the South Vietnamese Government and the corresponding success of the Communist-led wars of national liberation in both South Vietnam and Cambodia represented a failure for American policy in that region of the world. I would stress the fact that this was an American policy because it was pursued by at least four Presidents and eight Congresses, with people representing all segments of our political life responsible for its development and execution.

Twelve weeks after the fact, I hope we are beginning to learn from the mistakes we made throughout our Indochina experience and, being able to analyze this matter constructively, lay the groundwork for a new, firm and effective foreign policy.

We might begin by focusing our attention on several long- and short-range aspects of this problem, so as to gain a better perspective.

One immediate problem is how to resettle the remaining anti-Communist refugees who fled their country to avoid retaliation from victorious North Vietnamese forces. There are still approximately 68,800 South Vietnamese refugees now being processed in the Philippines, Wake Island, Guam, and at military bases in the United States. As of today, 63,345 refugees have been resettled including 5,328 who were relocated in other countries. Another 2,232 refugees have expressed a desire to return to Vietnam. Approximately 55,760 Vietnamese are currently housed at 4 military installations in the United States.

I have been advised that most of these refugees are middle class and approximately half of them are under 25 years of age. Sixty percent of the refugees are fluent in English and only 20 percent speak no English at all. In recent years the United States has been absorbing approximately 400,000 new refugees each year. Like all of my colleagues, I received a large number of letters expressing concern about the influx of these Vietnamese refugees. The problem looks more manageable when we stop to think that the total number of refugees involved is approximately the same as the seating capacity of the Rose Bowl in California. When you add in the additional factor that over half of them are women and children, who will not be competing with Americans for jobs, the problem becomes increasingly manageable.

This does not mean that these refugees will be absorbed into our society without some difficulties. I would, however, point out that we should look at it from their point of view. These refugees have lost everything. They have lost their country, they have lost a long and drawn out war, they have been uprooted from their traditional culture, and many will encounter cultural and language barriers upon arriving in the United States. But I think we should never forget the inscription which appears on the Statue of Liberty:

> Give me your tired, your poor, Your huddled masses yearning to breathe free, The wretched refuse of your teeming shore, Send these, the homeless, tempest-tossed, to me: I lift my lamp beside the golden door.

We are truly a Nation of immigrants and our 210,000,000 people comprise a varied mixture of ethnic backgrounds. People have been drawn to the United States from all corners of the world in the hope of achieving the goals that were so articulately enunciated by our forefathers in the Declaration of Independence and our Nation's Constitution. Today the United States is blessed with a multiplicity of cultural inputs that make us a vital, vigorous, and growing Nation; able to meet and overcome the challenges that confront us. I believe that the soon to be Vietnamese-Americans will be absorbed into the mainstream of American life with a minimum of difficulty and make a valuable contribution to our Nation's future just as earlier groups of immigrants have done.

In the midst of the controversy surrounding these refugees, I was pleased to receive a telephone call from Mr. Keith Smith, on behalf of some community leaders in Salisbury, Md. In this small city on Maryland's eastern shore, a group of business and religious leaders had met to discuss the possibility of bringing a number of Vietnamese families to Salisbury for permanent settlement. These community leaders came to me in the hope that I could place them in contact with the appropriate Federal officials who would be able to assist them in this undertaking. To date, 17 individual refugees and 4 families have been relocated in Salisbury. All are employed full time and all have housing. The community reception has been excellent and I would point out, Mr. President, that all of this has been achieved with local resources instead of Federal aid. More recently the community of New Windsor, Md., has undertaken a significant refugee resettlement program. I was encouraged by these demonstrations of compassion during this difficult time and I think the people of communities like Salisbury and New Windsor should be commended and congratulated for their foresight and their continued adherence to the American dream, Mr. President, I ask unanimous consent that the articles entitled "7 Vietnamese and Their Captain To Work in Shore Chicken Plant," which appeared in the Salisbury Sunday Times on June 15, 1975, "Salisbury Helping Refugees" from the Baltimore Sun of July 2, 1975, and "40 Vietnamese Families Find Brethren in New Windsor" which appeared in the Baltimore Sun on Monday, July 7, 1975, be printed in the RECORD at the conclusion of my remarks. [Exhibit No. 1.]

In addition, Mr. President, I ask unanimous consent that the following items be printed in the RECORD at the conclusion of my remarks:

First. "Sponsorship for Vietnamese Refugees Lags" from the Christian Science Monitor of June 6, 1975. [Exhibit No. 2.]

Second. "Many Viet Refugees Face Winter in Camps" which appeared in the July 8, 1975, edition of the Washington Star. [Exhibit No. 2.]

Third. Material on the refugee resettlement program prepared by the Department of State's Interagency Task Force for Indochina. [Exhibit No. 3.]

Fourth. Material prepared by the Department of HEW regarding its activities relative to the resettlement program. [Exhibit No. 4.]

The PRESIDING OFFICER. Without objection, it is so ordered. [See exhibits Nos. 1, 2, 3, 4.]

Mr. BEALL. Mr. President, on July 10, I attended a reception sponsored by the Andrews Air Force Base Security Police Wives Organization which was designed to raise money, clothing, canned foods, and so forth. The proceeds from this function were used to help resettle the six members of the Tan family. Lt. Col. Edward Johnson, Commander of the Security Squadron at Andrews Air Force Base, served with Mr. Tan during his tour of duty in South Vietnam, and he is now sponsoring the Tan family.

Earlier this week, Lieutenant Colonel and Mrs. Dao, several of their children, and their American sponsor—Colonel Schaffer—met with me briefly in my office. Colonel Schaffer is currently hosting 12 members of the Dao family in his home. Like Colonel Johnson, he had worked with Colonel Dao in South Vietnam. I believe that Lieutenant Colonel Johnson, Colonel Schaffer, the security police wives, and all the other individuals and groups who are helping to sponsor and resettle Vietnamese refugees are to be commended for their service to their fellow man.

A second area of concern is whether or not we should provide any reconstruction funds to South Vietnam and Cambodia. My basic inclination is to say that we should not provide any substantial amounts of aid to these nations. The Soviet Union and the People's Republic of China infused massive amounts of armaments into the Vietcong, the North Vietnamese, the Khmer Rouge, and the Pathet Lao thus making the military successes possible. This was done in violation of the Paris Peace Accords. Thus I believe that the primary responsibility for reconstructing Vietnam and Cambodia falls upon Moscow, Peking, and Hanoi.

Several other factors mitigate against using U.S. taxpayers' dollars—channeled either directly or indirectly through international organizations—to Communist controlled Indochina. The North Vietnamese have not, in over 2 years, made any substantive effort to account for American servicemen missing in action in Southeast Asia. In addition, reports from Cambodia would indicate that a significant program of exterminating political opponents is underway. It is still too early to gage the extent of the "bloodbath" in Cambodia. Whether a widespread and visible "bloodbath" develops in South Vietnam is still undetermined but the people in the newly occupied regions of Indochina are being subjected to a new and brutal form of totalitarianism. Also, I have been distressed to read accounts of the situation in Laos. The appetite for conquest of the leaders in Hanoi appears not to have been satisfied by their successful aggression against South Vietnam, Cambodia, and two-thirds of Laos. If Laos totally falls, as now appears certain, it may well indicate that a continuing series of Communist inspired "Wars of National Liberation" will be aimed at the remaining non-Communist Southeast Asian nations. For these and other reasons, I do not believe it would be appropriate for us to aid the new rulers of South Vietnam and Cambodia to consolidate their hold on these hapless people.

A third issue of immediate concern to us must be the reassurance of our allies. Even in the wake of the failure of our policy in Indochina, the United States stands as the most powerful nation in the free world but we cannot enjoy the luxury of even a brief period of isolationism. I am periodically reminded that power is an obligation not a privilege and the United States has a continuing obligation to protect its vital interests and those of our allies in the cause of freedom and the maintenance of world peace.

In recent weeks I have heard many comments by foreign leaders expressing the sentiment that their confidence in the American commitment is unchanged. It is obvious to me that the responsible leader of any of our Nation's allies could not say anything else. I believe, however, there is considerable evidence that our allies do have reservations about the future direction of our foreign policy. This uncertainty could lead to insecurity and a possible destabilization of the international environment if not checked promptly. I, therefore, believe that it is important for us to quietly but firmly reassert our role in a responsible way so as to reassure our allies and alert our adversaries of our continuing determination to preserve world peace. Uncertain allies might choose the route of neutralism or develop an independent nuclear deterrent—nuclear proliferation—as a means of accommodating their own national needs. Uncertain adversaries might well set the stage for potential confrontations that could be very dangerous to the cause of world peace.

Fourth, on the domestic front, I believe that the Congress and the executive branch must evolve a responsible relationship for the conduct of foreign policy. Secretary Kissinger was right when he stated that a successful foreign policy is one that is sustainable over a long period of time. The Congress, the executive branch, and the American people have an obligation to ourselves, to the free world, and to the cause of world peace to resolve these internal differences so that we can agree upon a basic strategy for the conduct of our foreign policy during the last quarter of the 20th century.

Fifth, during the next several months, as the dust settles in the wake of the Indochina disaster, I think we should hold to a steady course in the conduct of our foreign policy. We should maintain our Nation's position of military strength. In light of the defeat our policy has sustained in Southeast Asia, the continuing instability of the Middle East, and the grave uncertainties surrounding future developments in Cyprus, Greece, Turkey, Spain, Italy, India, Portugal Angola, and Argentina; I believe it is safe for us to conclude that the international environment is neither stable nor conducive to American interests. Whenever the international environment becomes less conducive to our national interests, our security is adversely affected. Thus I believe we must continue to bear the burden necessary to maintain a strong and unassailable military posture.

One absolutely important element of our Nation's military strength is the support of the people. Earlier this year, I mailed questionnaires to over 700,000 Maryland families. Approximately 120,000 replies were received and I was encouraged to find that 56 percent of those who replied answered yes to the question "in view of the current Soviet military strength, do you favor an increase in the U.S. defense budget?" With the support of our people we can maintain an adequate military establishment to deter aggression and maintain world peace. Popular support makes our power more credible because we can demonstrate to the world that we have the will to use our power if needed.

Mr. President, I came to the Congress, as a Member of the House of Representatives in January of 1969. American involvement in the conflict in Southeast Asia had reached its peak the year before and the new administration was committed to disengaging our forces in an expeditious manner. I supported the twin objectives of the administration's policy of terminating our direct military role in Indochina while seeking to maintain the right of the people of South Vietnam and Cambodia to determine their own destiny. I likewise supported President Ford's use of American forces to evacuate American personnel and "at-risk" South Vietnamese and Cambodians from Southeast Asia. I believe that the President's actions were consistent with both the spirit and the letter of the War Powers Act.

In closing, Mr. President, I believe that most Americans are troubled but relieved that the final chapter of our involvement in Indochina has at last come to an end. The failure of our Southeast Asian policy has been damaging to us and disastrous to the people of South Vietnam, Cambodia, and Laos. But we are people who tend to look to the future rather than to the past.

What America needs now is to evolve a new and constructive foreign and military policy. We cannot responsibly retreat into neoisolationism or a military posture that is inadequate to meet our Nation's needs. Improved relations with People's Republic of China, and détente with the Soviet Union can lay the foundation for a more peaceful future. But the bases of this brighter future depends on a strong America. For the foreseeable future, peace will be preserved by a real balance of power tempered with continual negotiations.

I am optimistic about the future of world peace, but I am equally realistic about the difficulties involved in maintaining it.

The exhibits follow:

[Exhibit No. 1]

Seven Vietnamese and Their Captain To Work in Shore Chicken Plant

(By Glen Tolbert)

There was expectation in the air as members of Faith Lutheran Church and Mayor Elmer F. Ruark sat on the front steps of the church's office building awaiting the first eight Vietnamese refugees to be relocated in the Lower Eastern Shore area.

The Vietnamese men were late after being picked up Friday at Baltimore-Washington International Airport because they stopped on their way to Salisbury to eat Vietnamese food at the Asian Restaurant in Cambridge.

Forty-five minutes after the scheduled three p.m. arrival, the first of three automobiles pulled into the grassy lot in front of the church building. A 29-year-old former South Vietnamese Air Force captain and pilot, Phouc Nguyen Troung, stepped out of a car driven by the Faith Lutheran Church pastor, Donald Bauer.

The other cars were quickly emptied of their refugee passengers. Seven Vietnamese airplane mechanics followed their former captain to where Mayor Ruark stood in front of the building.

There was a flurry of handshakes and eight badly mispronounced foreign names as the mayor welcomed the men to Salisbury.

Then there was time for the stories.

The former captain seemed to still shoulder the responsibilities of leadership as members of the group clustered around reporters holding notebooks open.

In broken English he tried to tell his story and those of the men gathered behind him and trying to understand the questions.

Troung told of the group's flight from Saigon during the last day's of the Thieu regime when he piloted his Cessna observation craft into Thailand. The other men followed in another American-built plane, a four engine C130 cargo plane.

From Thailand the group went to Guam where they were cleared along with thousands of other refugees for Eglin Air Force Base in Florida.

Their arrival in Salisbury was the end of a two-month odyssey from a war-torn homeland.

The details of the trip were discussed. There were clothes to be handed out which were provided by both the Faith Lutheran and the Bethany Lutheran Churches who are sponsoring the men.

The former soldiers were all taken into the church office building to try to size up wide waisted blue jeans and broad shouldered American made clothing for their small frames.

There was also a representative of the Showell Poultry Co. on hand to give $20 to each man along with a warning that "some of the other guys at work might try to make you buy them beer or get your money so be careful with it." The men will go to work next week in the plant's processing department at Showell.

After the money was put away—here was time for a few more questions and when Troung was asked about the cultural and other differences between his country and what he had seen here there was silence.

The question was asked again. He replied. "I understand. It is just a difficult question. Back in Saigon I still have a wife who I am in contact with through the Red Cross. She is still there. The other men are not married. I think the difference here is, well, I think the difference here is that the Americans have freedom."

Troung then turned toward the building with the seven other former Vietnamese soldiers following where punch and cake was served.

As they ate, Pastor Don Bauer and Pastor Robert Sorenson talked of five other families their congregations plan to sponsor.

Another group, The Resource Coordinating Committee for Vietnamese Refugees plans to relocate some 15 other Vietnamese families, some of whom may be arriving here next week.

All of this is just fine with Mayor Ruark.

"I'm pleased that these people will be coming into our areas," the mayor said. "I believe our economy can carry the numbers that I have heard proposed. There may be some reluctance among residents here, but I don't think it is anything deeply rooted. We have been able to assimilate others of all races without trouble. For its size Salisbury is very cosmopolitan in that respect."

The eight men smiled as the mayor nodded in their direction.

"We have never worked in a chicken plant before," Troung told the mayor and representatives of the Press, "but we will try very hard."

Salisbury Helping Refugees

(By Peter A. Jay)

Salisbury.—Those of us who had decided the crisis of the Vietnamese refugees is over, or if not over at least being capably handled by someone or other, had better look again. The situation is a mess.

That it need not be so is apparent here in Salisbury, where a small informal committee has been quietly doing what we as a nation are still scratching our heads and shuffing our feet over. They have brought refugees to their town, found them lodging, found them jobs. They have not used public money to do this, and have generally been successful in spite of government refugee programs, not because of them.

Louis Carman, one of the members of the local Vietnamese Refugee Committee, estimates that it will cost Salisbury about $1,000 to help each family get started. The money has already been raised for the first three families to arrive here, and each family already has at least one member working.

Eight other Vietnamese, all veterans of the Vietnamese Air Force, are also newly employed near Salisbury. They have been given housing, and we are working in one of the chicken-processing plants that are basic to the economy of the Lower Eastern Shore. Their pay is $2.65 an hour.

I mentioned this to a Washington friend, and he looked appalled. "2.65 an hour? Isn't that the minimum wage?" he asked. As a matter of fact, it is 55 cents over the minimum wage, but his reaction was illuminating, for it demonstrates an ideological undercurrent that could affect the entire refugee situation.

There is a school of thought, especially among liberal, educated and well-intentioned people, that characterizes as exploitation the offering of menial jobs to Vietnamese refugees—jobs as domestic servants, chicken-pluckers, dishwashers. It is at bottom an arrogant, snobbish and dangerous philosophy, and it will be a tragedy if it infects the refugees.

It probably won't, however, for the Vietnamese will see through it, and use whatever jobs they can get now as stepping stones to better lives later. One young man, some of whose family I knew in Saigon, arrived in Washington recently speaking hardly a word of English. He immediately took a job as a house painter. Exploitation? Racist America grinding up a fellow man's life in the service of white men's capitalism? Call it that if you wish my guess is that this young man and his wife will be sending their children through college 10 years from now.

The refugees stand to become a considerable asset to this country. New statistics now indicate that nearly 90 per cent of the heads of households are educated, middle-class people, many with graduate degrees and nearly all with useful skills. But getting them out of the camps and into jobs is difficult, as the Salisbury people and others have found.

I have discovered this personally recently, working on behalf of Thu Ba Hoc and Ta Manh Chuyen and their families. They are brothers-in-law of a close friend of mine, a Vietnamese journalist named Vu Thuy Hoang. Both men are still in the refugee center at Fort Chaffee, Ark., and both want out.

Once they are, they ought to be employable. Dr. Hoc is a surgeon, though not yet certified for practice here. Mr. Chuyen worked as a hospital administrator, but will take any job he can get. These men are going to make it in this strange new country, given half a chance; they are young (each is 34) and educated, with an adequate command of English. But the process, the governmental stamping-and-sealing required to get them and their families out and settled, is painfully slow.

"All we've tried to do here is get them a house, get them employed, make them part of our community and keep them off welfare," says Louis Carman of his group's efforts here. "But whatever we've accomplished has been done privately. The government is in one devil of a mess with this program."

What we need now is a renewed, community-based effort to empty the refugee camps as quickly as possible. Sponsorship of a refugee or refugee family is not to be taken lightly, but it is a responsibility that ought to be shouldered by all of us—individually or through groups—who are able to lend a hand.

How do you begin? You call 800-368-1180, from Maryland, or 632-9800 in Washington. I can tell you that when you call you will be beginning an often frustrating process, but I can also tell you it is nothing to what the refugees are still going through.

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40 Vietnamese Families Find Brethren in New Windsor

(By Steven M. Luxenberg)

New Windsor—A small but well-organized Vietnamese resettlement program, directed here by the Church of the Brethren and headed by an unpaid volunteer, has placed 40 Vietnamese families since it began two months ago.

Some of the families, however, are still at temporary quarters at refugee camps—awaiting final word on housing and employment. Four of the families are destined for Maryland.

On Friday, Harold and Muriel Creeger, of Smithsburg, are to pick up Lu Thanh Phouc, 29, at Indiantown Gap, Pa.

According to Mrs. Creeger, Mr. Phouc is a skilled electrician, welder and carpenter, with seven years of training.

"He'll live here as long as he wants," Mrs. Creeger said yesterday, referring to her house in the Catoctin Mountains, near Camp David. "With his experience, we don't anticipate having any trouble helping him find a job."

The resettlement program is administered by the Brethren Service Center, a worldwide refugee and humanitarian relief agency based in New Windsor and financed by the Church of the Brethren.

The service center has helped refugees in the past, including the Hungarians who came to the United States following the upheaval in that country in 1956.

The Church of the Brethren has set aside $50,000 from its "emergency disaster fund" for the Vietnamese refugees, most of which is being spent for transporting the families from the camps to their new homes.

Jean A. Kauffman, an unpaid volunteer who is coordinating the effort, works out of a small office in the service center's medical supply warehouse.

She took over for McKinley Coffman, the center's director of refugee programs, after Mr. Coffman went to Fort Chaffee, Ark., to help with the immediate problems at the camp itself.

Since May 19, when she arrived in New Windsor, Mrs. Kauffman has devised a system for matching up Vietnamese families and their skills with communities where those particular skills are useful.

"Most of the 30,000 refugee families—the average family is about seven—are government workers, particularly those in the first group to arrive," Mrs. Kauffman said.

"But managerial skills are no good if they can't speak the language," she said. "If a man ran a grocery store for 40 years in Vietnam, he can't do that here without speaking the language."

For the most part, large groups—rather than individuals—have offered to sponsor the refugees. And the service center requires that all sponsors have the support of the local Brethren congregation.

"Many people can't afford to go it alone," Mrs. Kauffman said. "We like to see a local congregation get together, form a committee, and collect funds."

She tells potential sponsors that they will need at least $500 to start, and that they must be prepared to assist the refugees for at least six months if necessary.

"One group told me that they had $300, and I said forget it," she said.

According to recently formulated guidelines, sponsors must "assist the family in finding housing, employment, school opportunity for the children and furnishings for the house. . . . The congregation must be responsible for as much financial obligation as needed. If this would be in excess of the local church potential, assistance can be requested from the [national] disaster fund."

In addition to placing Mr. Phouc with the Creegers, Mrs. Kauffman arranged for a family of eight to settle near Easton, where the local church is sponsoring them collectively.

Mrs. Norman Fike, a member of the church's committee, said that her group has rented a house for Nyugen Kim Binh and his family.

Mrs. Fike said that the house will be ready after July 15, and that the church has two job offers for Mr. Binh, who is waiting with his family at Indiantown Gap.

[Exhibit No. 2]

Sponsorship for Vietnamese Refugees Lags

(By David Winder)

Los Angeles.—Wanted: more sponsors of Vietnam refugees.

It now appears that thousands of refugees—originally expected to stay in U.S. resettlement camps only a few months—may be in the centers for several more months. And some, officials have said, may have to stay where they are for several years.

The problem concerns assurances of homes and job offers in the United States.

"Sponsorship is going too slowly," says Elinor Green of the Intergovernmental Task Force for Vietnamese Refugees in Washington, D.C. Without the necessary sponsorship, the camps could not be cleared of existing refugees to make way for thousands more still waiting to come into the country.

It is estimated that there are some 50,000 in four refugee camps: Camp Pendleton, here in Southern California, Fort Chaffee in Arkansas, Eglin Air Force Base in Florida, and, the latest addition, Indiantown Gap in Pennsylvania. Meanwhile, another 50,000 are marking time in The Philippines, Guam, and Wake Islands.

Of the approximately 120,000 refugees expected to be settled in the U.S., only some 25,000 have been sponsored and have left the refugee camps.

An additional 1,878 from Camp Pendleton, 553 from Fort Chaffee, and 338 from Eglin had been sponsored and were ready to go at the end of last month.

This, however, still leaves some 90,000 to 100,000 refugees who must either get sponsorship or have their sponsorship verified.

Centers such as Camp Pendleton were established primarily for a 90-day period—and longer only if necessary. It now looks almost certain that it will take much longer to get most of the refugees to their new communities in the United States.

And the longer resettlement takes, it is believed here, the greater the need for Congress to increase the refugee aid fund, which now stands at $507 million.

Miss Green cited instances of a "warm-heated person with no job" or a householder "willing to take eight people into one room of his two-bedroom apartment" as sponsors who would not meet the practical test of acceptance.

Altogether 20,000 calls for some kind of assistance have poured into the Intergovernmental Task Forces office since the start of the refugee exodus late in April. In some cases a single sponsor—a church or an institution—has offered to sponsor several hundred people.

But the word from Washington is that a "Lot more sponsors are needed."

One thing that pleases federal officials and volunteer agencies is a turnabout as they see it in the public's attitude toward refugees from indifference or even hostility to a more embracing welcome.

Meanwhile a United Nations representative says there are more than 1,000 refugees who want to return to Vietnam.

Each refugee who wants to return must complete a 29-item questionnaire, said Mohamad Gharib, the UN representative.

"Over 1,000 here and at other camps in the U.S. and elsewhere have indicated a desire to return," the UN official stated. "But I think that number will increase."

MANY VIET REFUGEES FACE WINTER IN CAMPS

(By Henry S. Bradsher)

The program to settle Vietnamese refugees in the United States has fallen behind its optimist goals. It now looks as if a sizable number will still be in camps through the winter.

Some officials working in the program are worried about adequate winter arrangements. Another camp may have to be opened in order to provide proper shelter for refugees accustomed to South Vietnam's warmer climate.

Although spokesmen for the program insist it is moving right along, they now admit slippage from the goal of clearing the camps by October. Others involved in the program are pessimistic about long-term prospects for fitting a sizable number of refugees into American life.

So far, 129,646 persons have entered the government's refugee network. Plans are being made to accommodate up to 10,000 more who are expected to arrive within 60 days from temporary refuge in South Korea, Hong Kong, Malaysia and Singapore.

Homes have been found for 48,338 persons, including 4,536 who went to other countries.

The Communist authorities in Saigon have not indicated whether they will accept the 2,325 who have said they want to go home. Detailed questionnaires required by Saigon have been forwarded there by the United Nations' high commissioner for refugees on 600 of these prospective returnees.

The 256 persons flown from the United States to Guam last weekend will have to wait there until Saigon sends a decision through U.N. channels. Most of the 2,325 had never left Guam for this country.

The prospective returnees have been publicly described as having changed their minds about coming to the United States, but, in fact, some of them never intended to leave South Vietnam.

A number of fishermen, for instance, have said they were scooped up by American ships through misunderstandings while going about their normal business. Others were crewmen on planes and helicopters flown out of South Vietnam during the American evacuation.

The official target for settling all those who decide to remain in this country is the end of this calendar year, set back from October. But some senior people in the program say that the end of the fiscal year, next June 30, looks like a more attainable target.

Voluntary agencies that are working with government funds to try to settle refugees report they are now getting more offers to handle groups of them. Individual offers for Vietnamese families continue to flow in directly to the government's refugee task force.

But there is criticism inside the program with the way offers are being matched with refugees. Some think only the easy cases have been disposed of, and that hopes of settling those without marketable talents or good English comprehension might be poor.

The task force plans to close the tent city at Camp Pendleton, Calif., which now has 17,495 persons, and the un-winterized buildings at Indiantown Gap, Pa., with 16,230, by Oct. 1. Even that date might be too late for Indiantown Gap, where frost could come by Sept. 15 and the bins that were full of gift blankets and warm clothing are now empty.

Those left in these camps will be concentrated in the other two domestic ones, according to task force plans. They are Camp Chaffee, Ark., with 23,226 persons now, and a tent city at Eglin Air Force Base, Fla., with 5,372.

Some officials doubt that Eglin will prove adequate, however. And the Army Medical Corps says that no more than 18,000 persons should be accommodated in Chaffee under winter conditions.

Because of its hopes of settling everyone before too long, the task force has resisted the idea that another military camp will have to be opened.

But some officials are beginning to think about preparing another camp in a coordinated and careful way, rather than waiting until cold weather forces a crash program.

[EXHIBIT No. 3]

ASSISTANCE TO INDOCHINA REFUGEES—TOLL-FREE NUMBER ESTABLISHED FOR THE PUBLIC

The Inter-Agency Indochina Task Force has been receiving hundreds of telephone calls a day from Americans who wish to sponsor a specific Vietnamese family or are willing to offer such sponsorship or other assistance to families selected by resettlement agencies. All such calls should now be directed to the following toll-free number: 800–368–1180 (or simply 632–9800 if the caller is in the D.C. area). A bank of telephones will be manned by operators who will ask for the particulars which the voluntary resettlement agencies require in order to match sponsors with appropriate families after they arrive at one of the three reception centers in the United States: Camp Pendleton, California; Fort Chaffee, Arkansas; or Eglin Air Force Base, Florida.

Members of the public who have previously filed or mailed affidavits of support, or who have notified their local Immigration and Naturalization Service of their willingness to sponsor a specific family, are advised to repeat this information to an operator at the toll-free 800–368–1189 office.

Individuals wishing to make cash contributions may send their checks to the local chapter of the American Red Cross marked for "Assistance to Refugees from Indochina," or to any of the following voluntary agencies:

U.S. Catholic Conference Migration and Refugee Services, 1312 Massachusetts Avenue, N.W., Washington, D.C.

American Fund for Czechoslovak Refugees, 1709 Broadway, Room 1316, New York, N.Y. 10019.

Church World Service, Immigration & Refugee Program, 475 Riverside Drive, New York, N.Y. 10027.

Lutheran Immigration & Refugee Service, 315 Park Avenue South, New York, N.Y. 10010.

United Hias Service, Inc., 200 Park Avenue South, New York, N.Y. 10003.

Tolstoy Foundation, Inc., 250 West 57th Street, New York, N.Y. 10019.

International Rescue Committee, 386 Park Avenue South, New York, N.Y. 10016.

American Council for Nationalities Service, 20 West 40th Street, New York, N.Y.

Traveler's Aid-International Social Services, 345 East 46th Street, New York, N.Y.

The Inter-Agency Indochina Task Force has also been receiving hundreds of calls from Americans seeking information on the whereabouts of relatives and friends who may have been evacuated from Vietnam and who have not yet arrived in this country. Because of the numbers of evacuees involved, their widely-scattered locations, even on the single island of Guam, and the pace of their onward movement to the continental United States, it has not been possible to devise an acceptable locator system and callers have been advised to await word that is certain to come to them from the incoming families. The public is urged not to attempt to telephone Guam or any of the three reception centers in an effort to find Vietnamese families. Such calls tie up the switchboards and delay a self-locating process on the part of the refugees who are trying to reach their American friends. Self-locating is in fact well under way, as the families and friends of the 10,000 Vietnamese who have already left the three reception centers for their new communities can attest.

PROCESSING OF INDOCHINESE REFUGEES

This message establishes guidelines and procedures for processing Indochinese refugees quickly through the reception areas in the United States while still insuring that the refugees are properly resettled and that the possibility of their becoming a public charge is reduced. The goal is to make Indochinese refugees self-supporting members of their communities in the shortest possible time.

GENERAL

The guidelines and procedures set forth in this message should be followed at each processing center. However, the Senior Civil Coordinator may modify these procedures to fit his particular needs. He should notify the Inter-Agency Task Force, Washington, D.C., of major changes.

Processing should be accomplished expeditiously. Arriving refugees should begin processing as soon as practicable. The elements of processing are: (A) Reception; (B) Immigration and Naturalization Service In-Processing; (C) Issuance of Social Security Numbers; (D) Health, Education, Welfare, Health and Social Services Counselling; (E) Sponsorship Verification; (F) INS Final Processing (Security Check Verification); (G) Final Outprocessing and Travel.

SECURITY CLEARANCES

Results of security checks are required before release from refugee camps for all refugees 17 and over except: (A) relatives of either American citizens or permanent resident aliens; and (B) former U.S. Government employees having had valid security clearances. Security checks on persons in these categories will be performed after they have arrived at their final destination.

SPONSORSHIP

With certain exceptions, refugees require sponsors to assist in insuring that the refugees do not become public charges and to help each refugee make the transition from refugee status to status as a self-sufficient member of his community.

Sponsorship can take the form of an offer of support, employment or both. However, the sponsor must also be ready to help the refugee with some of the less tangible aspects of resettlement such as adjustment to a new culture, acquainting the refugee with American law and requirements. Sponsorship is not a formal, legal commitment. However, the sponsor undertakes a clear moral commitment to help the refugee to the best of his ability.

SPONSORSHIP REQUIREMENTS

A sponsor, in conjunction with an appropriate Volag, will be expected to:

1. Receive the refugee and his family;
2. Provide shelter and food, until the refugee becomes self-sufficient. Shelter need not be in the residence of the sponsor but must be adequate;
3. Provide clothing and pocket money;
4. Provide assistance in finding employment and in school enrollment for children;
5. Cover ordinary medical costs or medical insurance.

Once employment is obtained, the sponsor will assist the refugee to locate permanent housing, acquire minimal furniture and arrange for utilities.

PROCESSING OF REFUGEES BY CATEGORY

The following procedures will apply for the processing of various refugee categories:

1. Refugees without sponsors

Voluntary agencies will play the major role in resettling refugees by matching them with specific sponsors by obtaining the pledges of individuals, churches or community groups to resettle the refugees and by matching other offers of sponsorship that are not specific as to persons or family. (Annex A).

The Department of State has received a number of offers for sponsorship, employment, housing and material assistance. These offers will be made available to the Volags for verification and follow-up. Similar offers received at the reception centers should be referred to Voluntary Agency representatives at the centers.

2. Refugees specifically named by a sponsor

Offers to sponsor a named individual or family which can be matched with refugees of the same name at the camps should be referred to a Volag for verification. Because of the similarity of Vietnamese names, the Volag should first verify that the correct refugees have been located. In cases where a sponsor has named a specific family or the refugee has named a proposed sponsor, the Volag will make appropriate inquiries of the sponsor to confirm his willingness to help the refugee and to verify the plans for resettling the refugee. The responsibilities the sponsor is assuming will be expained to the sponsor. As required, the Volag will arrange for a local check to determine insofar as possible whether the sponsor has the means needed for sponsorship.

Prospective sponsors should be requested to send a statement or telegram to the individual refugee in care of the American Red Cross at the local camp or to clarify to the Volag representative in the sponsor's locality that he understands the obligations of sponsorship and will make every effort to provide or assist the named refugees in obtaining housing, employment and other assistance which will lead to self-sufficiency. Statement should be signed and contain address and telephone of sponsor. We are asking the Volags to publicize the availability of their direct-name sponsorship service. (Annex B).

If the sponsor is determined to be responsible by the Volag, INS will authorize the release of the refugee from camp. Those cases considered doubtful by the Volag will be rejected and the refugee will be resettled by other voluntary agency efforts.

3. Refugees with independent means

Certain refugees may have access to personal resources which will enable them to be self-sustaining. These refugees may require only brief counselling to direct them to a resettlement location. A single adult or family with at least one adult with facility in English, vocational skills and a general idea of a resettlement location can meet the self-sustaining test if the family has average resources of $4000 per capita, exclusive of transportation. A board at each camp comprised of officials of State, INS and HEW will make the determination of self-sufficiency and authorize release from camp. Refugees determined to have adequate personal funds should not be maintained at camps at USG expense once security checks are completed.

The board will interview the refugee and determine whether he can adequately meet the above test of self-sufficiency. If he does, he will be certified for departure from camp without referral to a Voluntary Agency and without the requirement for sponsorship.

4. Relatives of American citizens and permanent aliens

HEW, with the assistance of the Red Cross, will verify the willingness and ability of the named relative to "sponsor" and resettle the refugee. Once confirmed, INS will release those refugees without an additional sponsorship requirement. If HEW decides the sponsor is unable to care for the refugees, the case will be passed to an accredited Voluntary Agency for processing. "Relatives" of U.S. citizens includes spouse, parents, grandparents, children, grandchildren, unmarried siblings and handicapped dependents.

5. Offers by former employers

If sponsorship is offered by a former employer, the offer will be reviewed by the board established under Section 3, and if the former employer is deemed to be responsible—a major corporation, charitable group or USG—the refugee will be released to the employer without Voluntary Agency assistance. If the employer cannot offer the full range of sponsor services, he should be put in touch with an approved resettlement Voluntary Agency.

If an employer proposes to send the refugee outside the United States to work, the refugee should consult with INS to ensure that appropriate travel and re-entry documents are issued.

6. Travel

The refugee may travel at his own expense, the expense of his sponsor, or government expense. Government-paid travel should not be relied upon and at a minimum, partial payment by the sponsor or refugee should be attempted. However, government-paid travel is preferred over jeopardizing sponsorship or depriving the refugee of essential funds required for resettlement. In order to determine eligibility for government travel expenses, the assets of the refugee or sponsor should be verified by HEW before travel is authorized at government expense. Documentation of the lack of ability of the refugee or sponsor to finance travel is required. Attached at Annex C is a sample form which may be used by the refugee or sponsor to authenticate the requirement for travel at government expense.

CLEARANCES

This message has been cleared with the appropriate government agencies and has been discussed with the Voluntary Agencies.

AMENDMENT TO SPONSORSHIP GUIDANCE

Reference: State 115936.

1. You should add the following category to cover sponsorship by state and local government.

2. A) If a state or local unit of government wishes to qualify as a sponsor for a group of refugees, they must assume primary responsibility for mobilizing organizations and individuals in that state, city, or county and for securing local sponsors. Offers of sponsorship would be received and screened by the unit of government, preferably through a refugee task force comprised of public/private voluntary sector. States and local governments should be certain not to solicit potential sponsors from accredited voluntary resettlement agency sources.

B) A project manager from the state/community would go to nearest reception center with their resettlement proposal. If approved by the on-site civil coordinator/INS/HEW representative they will be certified to arrange selection and relocation of refugees.

C) Costs incurred by the unit of government will be reimbursed by Dept. of State up to $500 per capita as soon as resettlement is completed. No VOLAG certification at the reception site is required—nor will VOLAG receive reimbursement. Government unit should sign the same assurances that are required from other sponsors—they will make every effort to enable the refugees to become self-sufficient, and will provide long-term guidance in securing housing, employment, etc. The state or local government must also be prepared to assume responsibility for relocating refugees should original sponsorship arrangements fail. Specific monetary guidance will be contained in separate contractual arrangements.

[EXHIBIT NO. 4]

HEW NEWS

Secretary Caspar W. Weinberger announced today that HEW will provide 100 percent reimbursement to States for welfare, medical assistance, and social services for Vietnamese and Cambodian refugees who need such help after they have been resettled in American communities.

Purpose of the policy is to prevent refugees from becoming a burden on State or local resources in instances in which a resettlement plan breaks down and a refugee may have to turn to a State agency for help or preliminary advice.

Today's action, which confirmed advice to the States on April 29 pending the enactment of legislation, was taken under the Indochina Migration and Refugee Assistance Act of 1975 which was signed by President Ford on May 23. Under that Act, $405 million was appropriated for Vietnamese and Cambodian refugee costs, of which $100 million was appropriated to HEW to cover initial medical treatment and screening, education, welfare, and health costs on behalf of the refugees.

"The refugees will be resettled by national voluntary resettlement agencies or by State or local governments, and they will all have sponsors who undertake to provide shelter, food, and help in finding employment," Secretary Weinberger said. "This is our goal at all times. However, in any large-scale refugee resettlement program, some refugees will have to seek aid from State agencies. In those instances, our policy will assure that the refugees do not become a burden on State or local resources, and so for public assistance, medical assistance, and social services the normal State matching will not be required."

John A. Svahn, Acting Administrator of HEW's Social and Rehabilitation Service, to which the refugee assistance program was assigned by Congress, said "the refugee assistance program is temporary and the funds are limited. We expect, however, that most of the sponsored families and individuals will not need welfare because they will become self-sufficient."

Mr. Svahn added that "the States now manage a $25 billion a year Federal-State public assistance system. We are sure that the States represent the best means of carrying out this special program as well. The 100 percent Federal reimbursement policy will include the States' administrative expenses, within certain limitations.

In its instructions to the States, SRS issued the following guidelines:

Unlike the Aid to Families with Dependent Children Program (AFDC), assistance will be provided to eligible refugees on the basis of need whether or not children are involved.

States must verify that a sponsorship has broken down before cash assistance can be provided. They must also notify the resettlement agency so it can try to find another sponsor.

In order to avoid a breakdown in sponsorship, medical assistance would be provided when major medical needs arise which a sponsor is unable to meet even though he can continue his other efforts on behalf of a refugee family.

If a State finds that refugees in a community apply for welfare shortly after arrival, the States must immediately inform an SRS Regional Office, which will work with the voluntary resettlement agencies to prevent a recurrence.

The amount of cash assistance to the eligible refugees will be the same as that paid by the State to its American AFDC recipients.

In order to speed up the welfare process, States can issue the first cash grant on an emergency basis.

HEW News

HEW Secretary Caspar W. Weinberger today announced that Vietnamese and Cambodian refugees wishing to enroll in postsecondary institutions this fall are eligible for financial assistance under the Basic Educational Opportunity Grants and the Guaranteed Student Loan programs.

Vietnamese and Cambodian students who were in this country prior to the fall of those two governments will be able to take advantage of these funding opportunities as a result of a recent ruling of the U.S. Immigration and Naturalization Service (INS). The INS said that Vietnamese and Cambodians who entered the U.S. as non-immigrants and who desire to stay may, upon request, be granted permission to remain indefinitely and to accept full-time employment.

In addition, they may also be designated as "refugees" under the immigration laws. The INS advises that any Vietnamese or Cambodian student desiring clarification of his immigration status should contact his local INS office for advice.

HEW News

HEW Secretary Caspar W. Weinberger today announced that HEW will make one-time-only grants this fall to help defray emergency costs of instructing Vietnamese and Cambodian school children in school districts enrolling high concentrations of such children.

"We expect refugee families to be dispersed widely across the Nation," Secretary Weinberger said. "In those instances where concentrations develop, however, this funding opportunity will assure the refugee school children do not become a burden on State or local school budgets."

To be eligible to apply for a grant, the number of refugees enrolled by a district must exceed either 100 students or one percent of the district's total enrollment, whichever is less. For districts exceeding that minimum enrollment, grants will be made based on number of refugees enrolled who exceed the threshold level.

The amount granted to a district for each refugee student above the district's threshold will vary from $200 to $300, with the exact figure to be determined by a formula, similar to the formula used in the ESEA Title I program, which will take into account the actual cost of instruction within the State in which the district is located.

THE PRESIDENT SHOULD CONTINUE OIL DECONTROL NEGOTIATIONS WITH THE CONGRESS

Mr. HUMPHREY. Mr. President, I am alarmed that the administration has misinterpreted congressional action on the issue of oil decontrol. We intend to continue seeking a compromise with the President on oil pricing, and I urge him not to act unilaterally closing the door now to further negotiations on decontrol. That can only result in sudden decontrol August 31. And that will carry a heavy cost in terms of higher energy prices, lost jobs, and slashed consumer incomes which virtually insures another recession.

Since January, Congress and the President have been seeking a compromise on oil pricing—with Congress restraining the administration's push for sharply higher oil prices.

The President's two oil decontrol proposals in January and April were rejected when Congress refused to ratify them. Counterproposals from Congress, including elimination of the oil import duty and a rollback of old oil prices were vetoed.

Last week, the House rejected the third Presidential proposal—which called for oil decontrol to occur over 30 months. This week, the House passed and sent to the Senate a second oil price rollback proposal. Finally, the President's fourth decontrol proposal—abolishing oil price controls after 39 months—was rejected after debate by the House.

In September, the Senate will complete action on the second congressional oil price rollback proposal and send it to President Ford.

That is a history of negotiations—a history of proposal, and counterproposal designed to result in a compromise pricing system for domestic oil.

But it has been a negotiation recently marked by bluster and threats by administration personalities — personalities hopefully acting without support from the White House.

Let there be no mistake: Congress wants oil decontrol negotiations to continue. It was for that reason alone that S. 1849—extending present price controls on oil for 6 more months—was passed. Yet, Congress hears that the President will veto this simple 6-month extension, that he will act to allow immediate oil decontrol to occur on August 31 by failing to sign legislation to extend oil price controls.

The President should not unilaterally and precipitously end negotiations over oil pricing by vetoing this measure.

Congress wants these negotiations to continue. But the President must sign this bill or the price of oil will be completely decontrolled on August 31.

The Joint Economic Committee has evaluated the impact of immediate oil decontrol, coupled with the $1.50 per barrel oil price rise by OPEC widely predicted for October 1. The impact would be devastating.

It would transfer upward of $40 billion over the next year from consumers to oil companies and OPEC nations. This reduction in disposable incomes will retard recovery in real output or GNP, holding it at a growth rate barely sufficient to allow for natural labor force expansion. This low growth rate, therefore, will prevent reduction in unemployment; in fact, unemployment will remain above 8.5 percent at least through 1976. That means some 700,000 jobs will be lost in the midst of our worst postwar recession.

Prices through 1976 will rise 50 percent faster than now predicted, with gasoline, fertilizer, food, and chemicals rising much faster. The Consumer Price Index could increase by up to 10 percent by next summer. Growth in real GNP would be cut by one-third.

In short, oil decontrol will create another energy recession. It will do to us next year exactly what the OPEC cartel did to us last year.

In Minnesota, the impact will be magnified because of our dependence on agriculture.

It will raise the oil bills of Minnesota farmers by almost $200 million; that means the average farm family will face an $1800 leap in oil, gas and diesel product costs over the next year.

It will raise the electric bills of Minnesota food producers by 30 percent or more—pushing their total electricity costs by next summer close to $70 million.

It will mean a jump in the typical family's energy and food costs of $850.

It will mean gasoline prices by next summer of 70 cents per gallon. And they could go much higher because we would be defenseless to control prices charged by the oil companies. Diesel prices will be between 45 cents and 50 cents per gallon.

Finally, the prices of fertilizer will jump by close to 50 percent pushing:

Ammonia to 25 cents per pound;
Dry nitrogen to 30 cents per pound;
Phosphate to 30 cents per pound; and
Potash to 15 cents per pound.

Mr. President, these economic effects will be catastrophic in their impact on our sagging economy and on the tens of millions of American families desperately struggling to make ends meet during the worst recession in 40 years. The President must agree to continue to negotiate with Congress and extend price controls in the meantime. To do otherwise would be the most blatant single act of economic irresponsibility by any President in this century.

FEDERAL SALARY ADJUSTMENTS

Mr. PERCY. Mr. President, I wholeheartedly support the action taken by the Senate and the House this week in providing for cost-of-living salary adjustments for Federal employees who have previously been excluded from such increases by statutory salary ceilings.

On many occasions I have called for salary increases for members of the Federal judiciary. While practically all other Federal employees have enjoyed cost-of-living salary adjustments, the salaries of Federal judges have remained frozen since 1969. In effect such individuals have suffered a drop in real income of 45 percent in this period of 6 years.

For far too long we have neglected our responsibility to insure that Federal service remains attractive enough financially to draw and hold the most competent and talented men and women this country has to offer.

Although I feel this was the right thing to do for all Federal employees, I feel most strongly where members of the Federal judiciary are concerned.

Before passage of this legislation, Federal District Court Judges received $40,000; Federal appellate court judges, $42,500; and Associate Justices of the Supreme Court, $60,000. While these figures seem ample at first glance, a simple comparison with salaries of other professionals in the United States proves this not to be the case.

In the period between 1969 and 1974, most—non-Federal—executives' salaries have increased approximately 37 percent, and in 1975 these salaries may increase by up to 10 percent more. Almost half of the States in the Union are paying their State judges at rates equal to or greater than those paid to U.S. Federal Judges. For example, in my own State of Illinois, as of January 7, 1975, State justices received amounts of $50,000, $45,000, $42,500, and $37,500 for supreme court, appellate court, circuit court, and associate justices respectively.

I applaud the action of the House and Senate, and am pleased that we have finally made a beginning in righting a grave injustice.

ONE WORLD TO SHARE: MINNESOTA AGRICULTURE REPORTS ON THE INTERNATIONAL WOMEN'S YEAR CONFERENCE

Mr. HUMPHREY. Mr. President, it is my pleasure to call to the attention of my colleagues the excellent reporting that has been typical of Minnesota Agriculture under the direction of Milton Hakel, who has served as editor of this fine publication for 18 years.

Milt Hakel attended the United Nations International Women's Year World Conference in Mexico City, June 19 through July 2 and brought back a comprehensive and most informative series of articles for the thousands of readers of Minnesota Agriculture, which is published by the Minnesota Farmers Union.

This publication devoted an entire section of its July 10 issue, some 20 pages, to extensive coverage of the Conference.

Mr. President, some of our people seem to think that our farming communities are interested only in issues which have a direct bearing on agriculture. But I submit these articles, which constitute only a sampling of the articles on the Conference, as definitive evidence to the contrary. I would venture to say that Minnesota Agriculture readers will be better informed about the proceedings of this conference than most of our colleagues in the Congress.

Unfortunately, limitations on space make it impossible for me to include all of these fine articles. But I believe it is important for my colleagues to have an opportunity to read and study the few I am able to include in the Record.

Thousands of delegates, representing 131 nations, attended this historic conference to define and illuminate the problems which confront women around the world. A good deal of the discussion centered around the unique position of women in developing countries and the necessity that they be given a primary role in development.

Editor Hakel put his finger on the core issues:

> To answer the question whether IWY really made any difference, he says, we ask this question—can the world again ever be the same after it has heard about and recognized:
>
> That half of the world's two billion women live in varying stages of poverty, squalor and malnutrition?
>
> That 40 percent of the women of the world—about 800 million—cannot read or write?
>
> That many of the worst conditions are among farm and rural women of the poorest nations, tied to poverty by a world which lacks a global policy in food?
>
> That in some backward nations women are little more than beasts of burden?
>
> That in all countries women, at least to an extent, are conditioned by the educational system to a secondary role in society?
>
> That in some areas sexual exploitation of women for profit is still scandalously common?

The Women's Year Conference focused on these and other areas of urgent importance to men and women in all nations.

Conducted under the auspices of the United Nations, delegates to the conference wrestled with problems of development, education, population, and, of course, employment policies—in individual nations and within the United Nations itself.

The conference represented an acknowledgement by the international community that the problems encountered by women are universal. While the problems are more acute in some nations than others, all must share the common goal of enhancing the lives of women and encouraging their participation in national life.

Secretary-General Kurt Waldheim emphasized the international aspect of the problem when he said:

> We have now reached a stage in the development of international understanding when we have come to realize that the great problems which afflict us now, and which will confront us even more severely in the future unless we resolve them, are not capable of solution by individual nations, or even groups of nations.

While, as with any multinational conference, there were some who sought to disrupt the proceedings or to enage in political haranguing, Mr. Hakel reports that the delegates were, by-and-large, united in their efforts to address forthrightly the long-neglected problems associated with the status of women.

Mrs. Beverly Manley, leader of the Jamaican delegation, emphasized in simple but eloquent terms the importance of cooperation rather than confrontation between men and women when she said, "We have, after all, only one world to share."

I believe there is much to learn from these articles, Mr. President. I do not know of any publication which devoted as much effort and space to coverage of this important conference. This is a fine example of the way citizens in rural areas are kept informed of national and international events. Publications such as Minnesota Agriculture play an extremely valuable role in developing understanding and cooperation among nations. I personally am very proud of this excellent coverage of the IWY Conference, and I hope that my colleagues will find these articles to be informative and helpful.

Mr. President, I ask unanimous consent that several articles from the July 10, 1975, issue of Minnesota Agriculture be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

One Man's Opinion—After Mexico City—This World Will Never Again Be Quite The Same

(By Milton D. Hakel)

The delegate from Jamaica—Mrs. Manley—summed it up the best when she said that cooperation and understanding between men and women is imperative because, after all, "we have only one world to share."

Her balanced perspective, unfortunately, did not prevail among all delegates. The conference was hurt, as usual, by one-dimensional people with a set political speech to recite.

These who put politics ahead of discussion of women's conditions almost side-tracked the conference with their outcries about Zionism, colonialism apartheid and the American control of the Panama canal.

But the conference was always yanked back to reality by Mrs. Sipila and by others such as the distinguished French Secretary of State for Women's Affairs, Francoise Giroud, who warned that the conference "should not be detoured towards political matters, relegating the women's cause to a secondary level."

"The objective of the Conference is to reduce and eliminate the gap between the status of men and women," she continued. "If we join in other struggles and leave women's struggles until tomorrow, we may find ourselves in a new world, but it will still be a world run by men."

Mexico was an appropriate locale for the conference—the heart of the Latin American practice of "machismo" (male dominance)—it needed the exposure to frank talk about discrimination against women.

It was a difficult conference because the situation of women varies so greatly from the rich countries to those in the most primitive stages—and even within countries themselves. It was understandably difficult for women of the U.S. and Latin American or African countries to find a common ground.

Since UN conferences can only bring out conditions and seek a consensus, but cannot assure action by the UN member nations, it is a common reaction to dismiss the proceedings as having resulted in nothing. Some were therefore disappointed with the Mexico City sessions and worried that the recommendations would "simply gather dust in some bureaucrat's desk drawer."

But, if the Conference was understood to be a "consciousness raising" effort, as it surely was, then the results can only be assessed as time goes on.

To answer the questions whether IWY really made any difference, we ask this question—can the world again ever be the same after it has heard about and recognized—

That half of the world's two billion women live in varying stages of poverty, squalor and malnutrition?

That 40 percent of the women of the world—about 800 million—cannot read or write?

That many of the worst conditions are among farm and rural women of the poorest nations, tied to poverty by a world which lacks a global policy on food?

That in some backward nations women are little more than beasts of burden?

That in all countries women at least to an extent are conditioned by the educational system to a secondary role in society?

That in some areas sexual exploitation of women for profit is still scandalously common?

From here on, everything depends on the follow-through. We expect history to show that the International Women's Year and the world conference were truly a turning point.

The U.S. Document on Equality and Development

Designation of an International Women's Year is in itself an admission—an admission that in the workings of most societies, past and present, tradition has accorded women an inferior role and status and that the time for change has come. It is also a signal that certainly at this point in history, failure to use women's full potential impedes the development not only of the societies themselves but of women as individuals, violating their human rights.

IWY has chosen, as two of its basic goals, equality for women, and their integration in development. These goals are inextricably interrelated. They rest upon the world commitment to human rights and human worth and to the development of societies in a manner which makes it possible to fulfill human aspirations and potentials. Each is indispensable to the other. Equality without development means shared misery and frustration. Development without equality may mean a worsened situation for many women, both those whose main sphere of activity is the home and those who work outside. Similarly, achieving one of the goals helps achieve the other. Development creates new situations and changes which make it possible for women to win a new, more equal status. And the full, equal participation of women in the development process can make the difference between success and failure of development itself.

Excluding women from full participation has contributed to the lack of success of some development efforts in the past, and constituted a waste of human resources. Failure to seek their counsel and to meet their needs has even created new problems which stand in the way of further development.

There is growing evidence that development in some countries or areas, far from contributing to the advance of women, has actually been taking place at their expense. Women who shared a traditional agrarian system find themselves displaced by modern agricultural techniques carried out almost universally by men. Most women are left out of modern agricultural training and assistance programs even though, as in Africa for example, they may do as much as 70 per cent of all agricultural work. Women also constitute the cheap and exploited labor force for new industries where neither law nor practice assures equality of pay for equal work of humane working conditions. Many join the rural exodus to the cities, where, if they find jobs at all, they find virtually no child care facilities. For far too many women, in short, the principal meaning of "development" is "insecurity."

In the industrially developed countries, for their part, women know all too well that development does not automatically bring equality for women. In spite of some two hundred years of struggle for women's rights in industrialized countries, women are still largely absent from the centers of power in the economic and political structures of these societies. Their economic and social contribution through work in the home is largely unrecognized or undervalued. They still are concentrated disproportionately in low-paying jobs. Even their legal rights are still inferior to those of men in many places.

The IWY task is thus to promote equality and development as a single objective in terms of the particular stage of development and its political, social and economic system of each country. It is an essential part of the common effort to achieve a more just, humane, equitable and productive world order.

The campaign for women's rights has been part of the historic movement for human rights, first in industrial societies and then in the developing sections of the world. The 18th century Declaration of the Rights of Man was echoed in the demands of early European and American feminists in movements for the extension of education, abolition of slavery, and decent working conditions for the poor. More recently they are demanding rights once considered the privilege of an elite group—the right to vote, economic opportunity, equal pay, equal legal and personal status. They are asking effective partnership and participation with men in centers of power where decisions are made—participation sufficient in numbers, competence and support to command respect and attention. At the same time they are aware that political participation by women and the holding of public office is not just a matter of rights. It is essential in order to assure that the point of view and "voice of women" is heard, that their experience, their wisdom and the needs of which they are aware may enter into the basic considerations on which social policies are based.

Participation in decision-making should involve, not just outstanding women with special status, but homemakers and women heads of families as well as those women who together often make up large segments of some population—workers, peasant women, non-literate women, women of minority and indigenous groups, young women, old women. These voices need to be heard, their rights as people, their actual and potential contribution to society should be recognized. In virtually all societies today, whatever their institutional structure or stage of development, it will require new initiatives to bring this about. A major result of IWY should be to stimulate and support such initiatives.

Equality and development thus imply basic changes in institutional structures, national and international. They imply a new mentality which discards the stereotypes which separate the spheres of women and men and cast women in demeaning or limited roles. They require positive efforts to build up new images of women in new roles, while searching out and discouraging the use of sex stereotypes in educational materials, public utterances and in all communications media. A major function of IWY is to arouse worldwide awareness of how negative stereotypes of women work against not only the advancement of women, but the development of socities in all parts of the globe.

The hangovers of past practices, conditions and attitudes constitute obstacles which challenge the determination and the ingenuity of all who seek to translate the aims of IWY into achievements. Old ways and viewpoints persist, deeply rooted in the minds and habits of both men and women in spite of new outlooks and new systems, the efforts to rally world opinion through international declarations, the impact of technology, and the examples offered by some countries in particular fields of action. A main task of IWY is to overcome these obstacles which stand in the way of achieving this goal.

We in the United States are committed to pursuit of the combined IWY goal of equality and development, although recognizing that achieving this long-run goal implies, for us as no doubt for others, modifications in many existing economic and social structures. Against this background, we support the UN efforts to bring about the full development of the potentials of women equally with men and their sharing of family, community, national and international responsibilities to create more just and equitable societies.

U.S. STATEMENT TO THE IWY CONFERENCE

In her official statement to the IWY plenary, U.S. delegate to the conference, Mrs. Pat Hutar, declared that equality and development are goals inextricably related and achievement of one helps the other.

"The full, equal participation of women in the development process can make the difference between the success or failure of development itself," she declared.

"The United States is prepared to introduce a draft declaration on equality and development that embraces these two basic goals. To achieve the third goal of International Women's Year—strengthening the role of women in establishing world peace—women must use their political power to assure that Governments actively pursue the goal of disarmament, and should assert their rights in government agencies and on international delegations responsible for arms control and disarmament, Mrs. Hutar continued.

The Conference must insist that the United Nations and its agencies provide opportunities for women to rise to the highest levels, and ensure that priority is given to projects within the United Nations Development Program (UNDP) that integrate women into the development process.

A majority of Governments have committed themselves to the principles of equality and the integration of women in development.

Conference participants must assume the responsibility for assuring that their Governments will put into action the measures to be called for by the World Plan of Action.

Women are learning that to compete is all right, and that they must build support systems within existing structures to change the degrading sex-role stereotyping and images of women in the mass media which perpetuate false depictions of women. Change will be accelerated when women serve in program planning, policy and decision-making roles in society.

THE CONCLUSION—TEN-YEAR "WORLD PLAN OF ACTION" IS APPROVED; MAPS END TO DISCRIMINATION

The United Nations' world conference of International Women's Year closed July 2 in Mexico City after having adopted a ten-year World Plan of Action, designed to reduce discrimination on account of sex.

The "blueprint for equality," a massive document, won unanimous approval in the official UN conference. It contains more than 200 points but the central ones advocate the need to increase the role of women in decision-making processes in their own country, but particularly in the UN and its agencies where women hold only a small percentage of the top positions.

The World Plan of Action urges the total integration of women into the development process in all fields in their own countries.

It recommends provisions for improving the health, nutrition and child care.

The World Plan calls for research and continued evaluation and monitoring of the status of women around the world.

The plan is not binding in itself since it is a UN document and the implementation will really depend upon the member governments and what they choose to do.

However, the World Plan will be taken up by the UN Council on the Status of Women when it meets in 1976, and progress will be reviewed at a follow-up conference set tentatively for 1980 in Iran.

The plan calls for prohibitions on forced child marriages, equal access to education and to sharing of household duties.

It links illiteracy and ignorance, poverty and under-development with the low status of women in many parts of the world.

While the document does not mention abortion, it does say women should have the right to decide freely and responsibly on the number and spacing of their children and to have the information and the means to exercise that right.

The World Plan narrowly averted being sidetracked because of controversy in regard to numerous resolutions offered by many delegations. It survived without major amendment after the controversial, politically-motivated resolutions were lumped together in a separate statement of principle.

The statement of principle called for the redistribution of economic power from rich to poor nations, condemned Zionism, imperialism and colonialism.

It specifically censured the military regime in Chile, the Israeli occupation of certain Palistinian lands and the white supremacy regimes ruling in several African nations.

The U.S. and Israel were the only nations voting against the political resolution, but 18 other nations abstained from voting.

Mrs. Helvi Sipila, the secretary-general of the IWY conference and the top-ranking woman in the UN structure, termed the World Plan a real beginning and urged participants of the conference and the accompanying Tribune sessions to carry their fight home.

There had been disappointment and resentment earlier that the Tribune sessions, for non-governmental participants was not structured to adopt policy recommendations to the official UN conference. Some participants from developing nations had spent considerable work developing a revised World Plan of Action.

At a stormy session of the Tribune, Mrs. Sipila said: "I know how much you want to be involved in something which would promote the interests of women."

But she reassured the audience, the "UN is nothing when it comes to implementation.

"Only you can do something about changing your laws—you are the ones who elect people to the parliaments and bodies where the decisions are made."

She urged women to create a network of women for the future, united to look after the implementation of the recommendations emerging from the official conference.

Two Major U.S. Initiatives Accepted

Although the United States did come under the typical political criticism and hostility as an imperialist and exploiting nation commonly heard at UN sessions, conduct of the U.S. delegation led by Mrs. Pat Hutar, Jill Ruckelshaus and Jewel LaFontant did result in acceptance of several ideas put forth by the American delegation.

Two ideas, while not adopted in the exact form, did nevertheless appear in principle in conference recommendations:

That the UN and its agencies should involve women to a greater extent in top-level responsibilities;

That women must be fully integrated and involved in the development process in their nations.

Only 3 per cent of top UN posts now are held by women.

"It would be ludicrous, if at the first world conference held on the issue of women's rights, the delegations failed to put themselves strongly on record demanding that the UN itself put its own house in order," said Barbara White, U.S. ambassador to the UN.

Although harrassed by hostility and interruptions, the U.S. delegates maintained a calm and dignified posture and listened sympathetically to views of women of the least developed countries.

Demands for a new world economic order by the developing nations were received sympathetically by U.S. officials.

A meeting at the U.S. embassy at which U.S. delegate Daniel Parker, AID administration, was to present a briefing on U.S. policy, was disrupted when a group of black and Mexican-American feminists seized the microphone and conducted the meeting in their own way.

The U.S. initiative on women and development declared that "we recognize that equal rights of all members of the human family constitute the foundations of freedom, economic and social justice, development and peace, to which all nations and governments are irrevocably committed."

In regard to the new world economic order, the U.S. paper on women and development said:

"We in the United States are committed to pursuit of the combined IWY goal of equality and development, although recognizing that achieving this long-run goal implies, for us as no doubt for others, modifications in many existing economic and social structures. Against this background, we support the UN efforts to bring about the full development of the potentials of women equally with men and their sharing of family, community, national and international responsibilities to create more just and equitable societies."

Mrs. LaFontant, a negro who serves as deputy solicitor general of the U.S., said that changing laws is just a first step.

"I am a firm believer that when you change laws, you change behavior, and from there, later on, attitudes begin to change. Whether it be black rights or women's rights, they go hand in hand," she said.

Colossal Waste of Women's Potential Is Intolerable, Says FAO Official

The colossal waste of the potentialities of women is intolerable for it retards the economic and social development of the entire society.

So declared E. M. Ojala, Assistant Director General of the Food and Agriculture Organization, to number of high posts in the Phillipines are held by women.

Woman is not an adversary of population—must be mobilized, Dr. Ojala said. For while there are "vast areas of the world where the human population as a whole is underdeveloped, no one can deny that almost everywhere women are far behind men of the same society in the achievement of their potential development."

Dr. Ojala, who heads FAO's Economic and Social Policy Department, pointed out that "over fifty per cent of humanity is still rural, and dependent primarily on agriculture, forestry or fishing—more than two thousand million people in all. When we discuss the conditions of rural women in the developing world, we are referring to almost one thousand million women of all ages. Our priority concern at this Conference is with the role and status of women as daily participants in agricultural production and rural development."

Dr. Ojala said "we know the rural women's life in the developing regions is one of drugery, both of their roles, as housewife and farm worker."

Women's inequality starts long before she works in the fields or runs a household. It is particularly prevalent in schooling. Education is considered as more necessary for boys than for girls. Girls have far fewer opportunities to be trained for jobs outside the house.

"In the rural areas of developing countries," Dr. Ojala said, "women are often illiterate or have only a few years of education. These limitations handicap their contribution not only in the house but also as major agricultural producers. Expecially in sub-Sahara Africa and Southeast Asia women are responsible for much of the work in the fields. Yet, despite the major participation of women in agriculture, extension services seldom reach them. Even when they do, they seldom oriented toward women's role as decisionmaker in the planting, harvesting and marketing of crops."

Contrary to what one might think, the introduction of modern technology has not really lightened woman's burden. "Farm mechanization has not been of much help to her," Dr. Ojala told the women's conference. "It is usually the man who has access to and derives the main benefits from the new techniques, and any additional hand labor that is required is relegated to women. All these factors thus continue to keep her at the level of an unskilled farm laborer."

The FAO assistant director general saw three kinds of constraints on women seeking equality. Deeply-imbedded social and cultural traditions reflecting particular environmental and historical conditions are difficult to change. Secondly, inadequate data and analyses of the conditions and attitudes of rural women make it hard for policy-makers to draw up and carry out relevant and effective programs. Finally, women may not be aware of their opportunities.

"To promote women's awareness of their potential role and contributions," Dr. Ojala continued, "access to new ideas and opportunities for discussing them must be provided through such means as extension and farm women's training courses, and participation in cooperatives, farmers' organizations and other rural groups."

Information gaps and age-old attitudes are no excuse for doing nothing or waiting, Dr. Ojala emphasized. "Enough is already known," he said, "to initiate many programs benefitting rural women. In FAO, activities of this nature have in fact, been an important part of the work program from the start."

Picking out a few examples, Dr. Ojala cited the FAO's long-standing home economics program, which includes components of family resource management and nutrition education. He also pointed to a model project in Kenya, based on the Better Family Living Program (PBFL), which has been copied in other countries. This project seeks to create awareness of the relationship between family size and child spacing and total family and community welfare. The FAO's Integral Rural Development Program tries to improve the position of women and increase their participation in development.

Dr. Ojala also mentioned the pre-school and school feeding programs in cooperation with the World Food Program which currently reach over a million mothers and about 5 million pre-school children. He readily conceded that "these programs are not enough."

Some measure of the dimensions of the hunger problem among women is suggested by the FAO estimate that "three out of ten rural women regularly do not have enough to eat. Poverty and hunger are thus a normal part of life for a large proportion of rural women in developing countries."

Dr. Ojala saw a promising initiative for the 1976–77 biennium in "the proposed setting up by FAO of an Inter-Regional Women's Development Task Force which, at the request of governments, will be responsible for stimulating innovative approaches and strategies for the integration of rural women in development on a country by country basis."

Another step taken was the decision to make the role of women in rural development a specific agenda item at the FAO Conference in November.

Finally, the 66th session of the FAO Council has just passed a resolution "requesting the Director-General to ensure that current programs and projects in nutrition, agriculture and rural development be reviewed by all Departments and Divisions concerned with these activities, with a view to the incorporation of a suitable component benefitting women."

Says Jamaican Delegate—Exploitation Must Give Way Before Larger Goal of Equality Is Achieved

Mrs. Beverly Manley, head of the Jamaican delegation, told the UN IWY conference that the problem of the status of women has to be seen in the "larger context of exploitation" which is as old as history and takes many forms.

Wife of the prime minister of Jamaica, Mrs. Hanley said that "at whatever level it operates, exploitation and equality cannot co-exist in the same system."

She pleaded for cooperation of the sexes rather than confrontation if the goals of IWY are to be met.

"We have, after all, only one world to share," she said. "All forms of exploitation must be disposed of before the larger ideal of equality can be attained.

Mrs. Hanley asserted that the history of Jamaica demonstrates the moral strength of the Jamaican women and their vital role in the "dynamics of national reconstruction." Further measures are being taken toward the "attainment of this equal, uninhibited participation."

Jamaica is aware, she said that "the position of women in the society cannot be radically transformed by piece-meal tinkering," and that one cannot "take a system committed to exploitation and hope to save one group from the consequences of exploitation by passing laws, mouthing platitudes or attending conferences."

The greatest responsibility rests with the Member States of the United Nations to develop innovative programs of assistance and practical co-operation, including training programs for women, in order to transform women in each society into an "integral and fully mobile element in the work force."

At the same time, the international order has to be changed: "We must recognize now that our world cannot advance if it is one-quarter rich and three-quarters poor," she insisted.

WORLD FOOD PROGRAM'S EMPHASIS ON NUTRITION AIDS WORLD'S MOTHERS

J. A. Annan, director of the UN World Food Program, said the program needs continuous strong support from U.N. member governments, even though its financing is "not as precarious" as it was a year ago.

Since the World Food Program (WFP) was set up in 1963 to give direct food aid encouraging social and economic development, it has distributed food worth more than $1,700 million ($1.7 billion) benefiting people in 93 developing countries. WFP has aided the improvement of the status of women by its impact on nutrition, enabling mothers to bring healthier babies into the world, as well as teaching them about child care, better eating habits and how to limit and space their children. Annan said.

"Food aid has made it possible for women and girls to have an education, learn a vocation or become literate." Food aid encourages community development projects which offer women non-traditional roles. In order for WFP specific efforts on behalf of IWY aims to be effective, "there must be a deliberate and conscientious effort on the part of Governments to use WFP's aid for this purpose," he added.

ECHEVERRIA BEATS THE DRUMS FOR A NEW INTERNATIONAL ECONOMIC ORDER

Stumping for leadership of the non-aligned nations of the world, President Luis Echeverria Alvarez of Mexico made another plea for a new world economic order when he spoke at the opening plenary of the UN International Women's Year conference.

It was a theme he has been espousing for several years and repeated a major effort he made as a featured speaker at the World Food Conference last November in Rome.

Echeverria firmly linked together the hopes for liberation of women and aid to the underprivileged with the attainment of a more rational world economic system.

The Mexican president declared that women of both rich and poor countries, regardless of their social class, are victims of discrimination.

"For this reason," he said, "women constitute an enormous revolutionary reserves in the world today."

He urged that discrimination be attacked in both developed and developing countries but acknowledged that because of differing circumstances the strategies might have to be different.

Echeverria urged women to view the problems of their sex in a greater spirit of solidarity.

"It will avail humanity very little if women improve their status without being aware of the need to further the cause of the underprivileged classes in the rest of the world," he warned. "An alliance between the two groups would establish two fronts in the single struggle for equality."

Commenting upon the family, the President said that children should see their mother not only as a kindly human "but also as an active one participating in the process of collective change."

He warned that the type of work and the type of education offered to women should be considered carefully, because technology alone will not necessarily lead to either equality or development.

"As long as the political, economic and moral bases of modern life are not changed, technological advances will benefit only a minority and will heighten the contrast between the islands of opulence and the oceans of poverty and helplessness," he stated.

Living standards for most of the world's people have not improved in the past two decades, he explained, because the conditions of economic exchange are still governed by force and because there is no global strategy to deal with them.

"Improvement in the condition of women can only come about when efforts in this direction are linked to action on other fronts—armaments, neo-colonialism, racial discrimination, threats of force and assaults on territorial independence," he insisted.

Feminists in the past have been concerned mainly with the issue of women's rights, he said, but the problem is to achieve the women's revolution in a way which will give a decisive impetus to the transformation of society and will not just result in the repetition of the maladjustments, imbalances and unjustices with which men have oppressed women.

SAYS IWY SECRETARY-GENERAL HELVI SIPILA—ONLY TWO WEEKS TO CHANGE CENTURIES OF OPPRESSION

Welcoming participants to the IWY conference, Secretary-General Helvi Sipila noted that "we have only two weeks before us to devise an appropriate strategy to overcome centuries of oppression and discrimination."

She urged participants not to spend time talking issues too remote from the stated objectives of IWY.

"We must keep in mind that men and women are equally affected by the future of our world. It is therefore their joint responsibility to determine their common destiny. Men cannot claim an exclusive right to shape the future of our world. It is high time for them to accept the challenge and share with women in the decision-making process. It is also a sepcial challenge for women to assume these decision-making responsibilities. In practice when women are no longer denied equal opportunities and when men share in full the responsibilities traditionally assigned to women in the family," she declared.

Too often in the past, she noted, women's rights have been considered independently of human rights, and women's problems regarded as somehow removed and separated from the "real" problems confronting society. Ironically, this "separate" Women's Year is conceived precisely to break through such separatist thinking by demonstrating this interdependence of world problems and women's inferior status. It is high time to acknowledge that the denial of women's rights and opportunities is at the very root of our development problems and socio-economic ills—including illiteracy, malnutrition, mass poverty and unchecked rates of population growth.

She explained that admittedly, the status of women differs significantly from country to country, due to cultural, political, economic and social factors. There are also wide divergencies in the condition of women within countries themselves, particularly between rich and poor, rural and urban, privileged and under-privileged.

"Women's participation in decision-making and planning remains minimal in most countries. There is no country in the world where women are represented proportionately to their numbers. If we examine the inner sanctums of the world's leaders and see whom they consult on a day to day basis, we see that, save a few exceptions, the fountainheads of power are totally in the hands of men," she contended.

"The participation of women in international affairs, both bilaterally and multilaterally, is still desperately low everywhere. This is also true in all organizations with the United Nations system, both in their decision-making bodies and in their Secretariats It must be born in mind, however, that the United Nations is only a reflection of the world as it is, and not as we could like it to be," she added.

UN'S KURT WALDHEIM OPENS CONFERENCE—WOMEN'S RIGHTS NOT A LUXURY MATTER, BUT A FUNDAMENTAL WORLD NEED

United Nations Secretary-General Kurt Waldheim termed the International Women's Year conference a "historic moment in the struggle for women's rights."

"It is now our task to close the wide gap between declarations of principle and actual practice," he said.

Had the world community implemented the principles regarding equality of the sexes which appear in the UN charter and the Universal Declaration of Human-Rights, there would have been no need for International Women's Year or a world conference, he added.

"We have now reached a stage in the development of international understanding when we have come to realize that the great problems which afflict us now, and which will confront us even more severely in the future unless we resolve them, are not capable of solution by individual nations, or even groups of nations. But we have also begun to realize that these problems, also, are closely interlinked, and cannot be resolved individually. The problem of the role of women in society, food, population, the environment, human settlements, health, and education are not single problems. Each is a component part of the complex system that dominates the lives of all of us, nations and individuals, irrespective of sex, creed, ideology or race. There is no single answer to any of these matters individually; certainly there is no single solution to them collectively," he said.

Waldheim emphasized that the key to our approach must be our comprehension that these matters are universal in nature, are interdependent, and can only be tackled through co-operation and mutual understanding. Let us also frankly recognize that we have much yet to learn about our planet, and of the societies that inhabit it. We are engaged in a journey of discovery, to discover what the facts and the problems are, before we can reach agreed solutions as to how those problems can be resolved. This provides us with a challenge and an opportunity which are even greater than those envisaged by the Founders of this unique World Organization thirty years ago.

"This Conference must be seen in this context of our groping towards a better understanding of the complexities of modern society, and discovering how we may work together effectively to meet the legitimate and pressing demands of the present generation and protect the interests of those yet unborn," he continued.

"The specific purpose of this Conference is not only to devise agreed strategies to bring justice and opportunity to that half of the human race which suffers from in some cases overt, and in others covert, discrimination, but also through their cooperation and participation to advance social progress for all. But we do this in a wider context. We must look to the long-term interests of the human race as a whole.

"The issues which face this Conference cannot be briefly described. Although they include fundamental issues of basic human rights, it is not simply a human rights question. Although it involves serious and important economic issues, it is not merely a debate about economics. While it will concern itself with the need to abolish legislation and practices which discriminate against women, it is not only concerned with legalities. Each of these elements forms a part of the much wider program—the establishment of real justice and opportunities for women,"he added.

Vicki Lofquist's Mexico City Diary—IWY Participants Needed No Prompting To "Speak Out"

(By Vicki Lofquist)

Editor's Note.—Vicki Lofquist, U of M radio newscaster, covered the U.N. International Women's Year conference in Mexico City virtually in its entirety, beginning with the journalists encounter preceding the U.N. meeting and continuing to its concluding stages. A documentary with her taped interviews will be heard over Radio Station KUOM later this month. In this diary, she recounts for Minnesota Agriculture readers, her impressions of the compulsive speaking, the grappling for microphones and the competition of ideas in the world's first international meeting devoted to problems of women.

JUNE 15

The plane ride is less convenient than I might have hoped. We were scheduled to switch planes in Kansas City and then fly on to Mexico City with only a brief stop in Dallas, Texas. Arriving at the K.C. airport, those bound for Mexico are told that the scheduled plane was damaged and we will be rerouted. We embark on an undamaged plane and make an up and down, zig-zag motion towards the city of the convention site. The plane stops in Oklahoma City, then Dallas, next to Houston where we switch planes for the completion of the excursion.

With a call from the airport, I confirm a room in a hotel which my guidebook states is the safest place for a woman traveling alone. The airport limousine takes me to a dignified, older hotel located in the "Zona Rosa"—an area filled with art galleries, boutiques, and nice restaurants.

I place my bags in my hotel room and leave to find some place to eat dinner. I stop in at the restaurant next to my hotel—an "open 24 hours", formica-laden place called "Denny's" which specializes in U.S. hamburger cuisine. (Not a very bold leap into this foreign culture.)

JUNE 16–18

The Journalists Encounter While I Adjust to the Altitude. The United Nations planned an "Encounter for Journalists" to be held the three days preceding the opening of the conference. I find this period a good time for my orientation to the city and to the organization of the conference. I wander the city in order to find the press center and my press-pass, and also attend several of the speeches at the "encounter." People make promises that there will be special International Women's Year buses to ease the problems of traveling the five miles from the Governmental Conference to the Tribune or nongovernmental conference. I also receive several warnings to make my visit pleasant:

1) The high altitude of Mexico City will make you tired and cause a loss of appetite—be sure to get plenty of sleep.

2) The traffic is aggressive and often haphazard—cross the streets with caution.

3) The food may cause an ailment referred to as "La Turista" which makes the digestive workings of your body go crazy. (These warnings ranged from a simple "don't drink the tap water" to a more thorough "don't eat anything that isn't cooked.")

Except for succumbing to an occasional temptation to eat a raw tomato, I was willing to follow these guidelines and felt well prepared for the start of the conference.

JUNE 19

Unable to find an IWY bus, I catch a ride with others going to the opening of the Governmental Conference. It's apparent as the delegates assemble that the vast majority are women. The phenomenon is intoxicating—thousands of people whose strength has just recently been recognized gathered to discuss ideas, issues, and methods which have never had such a forum.

The opening speeches rose to the occasion. The speech by Mexican President Echeverria brings up an issue which will pervade the conference. He calls for a "new economic order" for the world which he says is necessary for the liberation of women.

Helvi Sipila, Secretary-General of International Women's Year, suggests the enormity of the task the conference is to undertake. She says, "We have only two weeks to devise an appropriate strategy so as to overcome centuries of oppression and discrimination."

The Tribune opening later in the afternoon is even more festival-like. Mariachi bands play as the participants flood in to hear Mrs. Echeverria. Afterwards, the bands continue to play and people mingle and talk about their expectations for the conference.

JUNE 20

The speeches by the government delegates begin and I find the most interesting is given by Elizabeth Reid from Australia. She begins by defining sexism as the artificial ascription of roles, behavior, and even personalities to people on the basis of sex alone.

Later in the day at the Tribune, I listen to a panel on the topic of "Women Across Cultures." Betty Friedan is among the panelists and she gives an encouraging history of the progress of U.S. women and makes passionate pleas that we should join together as an international movement. I admire her thoughts, but think she might be skipping a few steps in the development of a cross-cultural women's movement.

After the panelists speeches, members of the audience are allowed to have the microphone. The audience uses the access to the microphone to claim their own time—they vent feelings of frustration, criticize their delegations, or speak about issues which particularly concern them. The participants are very concerned people, but as a group they lack a focus for this energy.

At the end of the day, I return to my hotel room and suffer a surprise attack of 'La Turista."

JUNE 21

I sleep, groan, and drink purified water.

JUNE 22

Although I feel a bit tentative, I venture out of the hotel to visit Chapultepec Park with friend. We see a special photographic exhibit of women at a museum in the park. One picture is of birth and my friend mentions that she wants that experience in her life. (My fantasies of child birth and child rearing are not very active.)

JUNE 23

My plans are to start the day early so I can hear a speech to be given by the Swedish Prime Minister. While eating breakfast at the hotel, I'm joined by Germaine Greer. (I've admired her work for years and am a bit awed by her presence.) She begins conversation by confiding she thinks she's getting "La Turista." I keep up my part of the dialogue by briefly outlining my recent illness.

The subject matter of our breakfast exchange wanders to the problem of malnutrition in women. Germaine informs me that in some countries where there is a scarcity of food, the women often first suffer from malnutrition. This is because the wife will feed larger amounts to their husbands and children. We both realized this was an international custom—she remarks that while she was married she would give larger portions to her husband, and I admit to this behavior with men in my life. We pondered the implications of this cross cultural bond. Perhaps most women in the world shared this self-denying role? And, perhaps it indicated the problems of discussing problems across cultural lines—for our habits might make us less hearty folks, while the custom in other countries could cause grave illness and death.

Eventually our "La Turista" haunted breakfast is finished and we go our separate ways. I forget to tell her I admire her work and am by now too late to hear the Swedish Prime Minister's speech.

At the Tribune, I listen to a panel discussion on "Law and the Status of Women." One panelist raises the issue of polygamy which again makes me consider the difficulty of understanding the problems of women in different countries. A feminist group in the U.S. might discuss the pros and cons of marriage, but it would be idle coversation to discuss the problem of a man who marries many women for his benefit.

Later in the day I attend a "Speak Out" organized by the Tribune participants. It's designed so anyone can speak in front of the group with the hope that some international focus can be achieved. But, people at the mike still concentrate on specific concerns rather than a productive discussion of what the Tribune can do. It's decided later the "Speak Out" will write amendments for the World Plan of Action.

JUNE 24

The Tribune participants continue working on the amendments. Someone pin-points the feelings of urgency shared by many people when she says, "If we can't do anything within the next hour, we won't be able to do anything for the next hundred years." There's a strong feeling that since the United Nations has dedicated this year to women, we must make use of this attention. And, that if we let this unprecedented situation pass-by without significant action, next year people may not listen.

JUNE 25

Several press conferences are to be held today. The first I attend is given by Elizabeth Reid, the Australian delegate. She criticizes the Governmental Conference for wandering to issues other than women.

The next press conference is held by Vilma Espin de Castro, the sister-in-law of Fidel Castro and the head of the Cuban delegation. I have recently spoken to another reporter who had just visited Cuba with McGovern this spring. The reporter told me he saw very little to make him think the role of women in Cuba had changed significantly.

Vilma Espin de Castro and her translator work as a fine team. With the translator translating closely behind every few sentences, it's almost a musical arrangement.

Castro acknowledges that not everything has been changed in the sixteen years of the revolution. But, she says Cuba is attempting to solve any problems. She says they are attempting to create the "man of the future." U.S. feminists would probably question her language, she might have said "person of the future."

At the end of the day, I speak with Arvonne Fraser who is one of the U.S. delegates. She's been an advisor to the U.N. Commission on the Status of Women, a former president of the Women's Equity Action League. She tells me she thinks the U.S. delegation is representative of a wide cross-section of the country and points out that it includes several minority group members, a labor union woman, plus a Pennsylvania coal miner's daughter and herself—the child of a Minnesota farmer.

She's elated tonight over the progress of her Conference work group. The group which consists of twenty women from every continent has unanimously agreed on a resolution concerning education.

She invites me to a gathering of the Women's Equity Action League.

JUNE 26

The WEAL gathering proves to be a comfortable place for conversation. The Women's Equity Action League members have invited several guests who mingle in the crowd. There's a dignified woman from Trinidad who began the League of Women Voters in her country, and a Swedish gynecologist who informs me that it's common for women to be doctors in Sweden. Also in the crowd is the president of a Swedish feminist organization which has existed for ninety years.

JUNE 27

I speak at length with the president of the Swedish organization. She tells me women in her country have achieved equal status before the law, and that progress has been made towards recognition of wider societal responsibilities towards children.

She talks of a recent experimental program conducted by her government to encourage the hiring of women in non-traditional jobs. The Swedish government is giving special bonuses to industries which hire women for jobs which have been traditionally held by men.

She also cites an innovative method used by her group to solve the problem of sexist advertising. She told me her group felt the use of naked women to sell products was both offensive to women and insulting to consumers. Three years ago her organization made a non-award to the worst example of sexist advertising. After choosing the most blantent ad, they invited the company to pick up the award and asked the press to cover the event. The company didn't show up, but the press coverage promoted discussion of the issue. The next year they had problems finding an offensive ad, and this year they couldn't find any company using this exploitative advertising technique.

In the afternoon, Helva Sipila comes to the Tribune and politely turns down the amendments written by the non-governmental participants. She explains that it's unprecedented to accept the Tribune's amendments and urges the crowd to take their struggles home. She is received with standing ovations before and after her speech, but segments of the crowd are upset and frustrated.

These feelings break out into the most chaotic moments of the conference. Microphone grabbing begins, the mikes are turned off, and one woman jumps on top of the panelists' table to continue her speech amidst cheers, boos, and general confusion.

JUNE 27

Nothing is scheduled for the conference and so I decide to venture out as a tourist. I join a group of people on a tour to the pyramids. Introductory comments reveal that I'm in the city to attend the Women's Conference. A Mexican couple told me they've read about yesterday's chaos in the Spanish language newspapers. They say these actions confirm the notion that women should not have leadership roles. I defend myself and the conference by pointing out that the confusion at the conference is quite minimal compared to the hostility between nations which have escalated to wars. Their reaction is rather nonplussed.

JUNE 28

I continue my tourist activities by visiting the anthropology museum. At night I read a novel by Kurt Vonnegut which is refreshing in its lack of significance to anything I've been doing or thinking for the last two weeks.

JUNE 29

Arriving at the governmental conference, I listen to speeches in the general session, then move on to a U.S. press conference. They report their unsuccessful attempt to introduce the word "sexism" to the World Plan of Action. It seems that while nations agree there shouldn't be discrimination against women, many felt the word "sexism" was inappropriate for a United Nations document.

The Tribune by now is quite calm. Many people have left and those remaining hold small discussion groups.

JULY 1

I prepare for today's departure by packing my bags and going out to sip my last cup of cuppicino in a "Zona Rosa" cafe. My thoughts during the taxi ride to the airport wander to both the craziness and the lucid moments of the conference. I look forward to drinking water from the tap.

UN AGENCIES SEE GAINS FROM WOMEN'S INVOLVEMENT IN WORLD AFFAIRS

Ms. L. E. Oberg of the United Nations Environment Program (UNEP) declared that women can be an effective revolutionary force to liberate the world from its past.

Women can make a great contribution through their own close association with nature and natural cycles, she said. They can use their own unique female qualities to raise standards of living.

The UNEP speaker urged women in the richer countries to avoid wasting resources in a world of so much poverty and to take the responsibility of fostering development and improvement of life without destroying the environment.

Dr. Charles A. Egger, deputy executive director of UNICEF, said the agency is anxious to collaborate with women leaders and governments in working towards a more meaningful human future for mothers and children.

Kalmen Kaplansky of the International Labor Organization (ILO) reported that the "equal pay for work of equal value" principle written into the ILO constitution in 1919, has been ratified to date only by 84 countries, leaving 43 other ILO member states who have still not done so. He said he hoped further progress could be achieved before the ILO's world conference on employment to be held in Geneva in June, 1976.

Dr. David Tejada, assistant director-general of the World Health Organization (WHO) reported that the 28th World Health assembly held last month had urged member governments to widen the opportunities available to women in the health field.

WHO said that too many millions of women are underprivileged in health care. "A great many of the world's people are receiving only minimal, non-permanent health care, or none at all," he reported.

Death rates in childbirth are still shamefully high in many areas.

Rafael Salas, executive director for the UN Fund for Population Activities, said that even though women are directly concerned with population policy, they have not become involved in the top level of the agency to any extent.

R. Bruce Stedman, assistant administrator for the United Nations Development Programe (UNDP), said the agency is tackling the problem of the lack of access for women to knowledge, education and training. UNDP is urging governments to design education and training projects aimed specifically at meeting women's real needs.

ENERGY CRISIS: IT'S REAL

Mr. PERCY. Mr. President, on June 27, I gave a speech on the floor of the Senate admonishing Congress that its lack of action on adopting mandatory energy conservation measures would result in either an intolerable dependency on foreign sources of energy or severe energy shortages. I pointed out that our domestic energy production has leveled off at a time when our energy demand has grown enormously. I stated that gasoline consumption in this country is up to preembargo 1973 levels and rising fast. For over 2 years I have asserted that conservation is the key to future energy security for America and on more than one occasion I have introduced legislation to increase the Federal excise tax on gasoline and legislation to impose a penalty tax on energy inefficient automobiles.

The great mistake being made by many Members of Congress is in their belief that failure to act will assure their reelection. But in my judgment they are wrong. The American people will be far more incensed if they are faced with long lines at gasoline stations, brownouts, blackouts, or cold homes some winter because their elected officials took the path of least political resistance.

In an article which appeared in the New York Times on July 27, Tom Wicker writes that:

> A Gallup poll taken last spring showed that the memory of the gasoline shortage of 1973–74 had faded and less than half of those sampled believed there was any such thing as an energy crisis.

I would submit that the American people's "fading memory" is at least partly related to congressional inaction on energy-related issues. Undoubtedly, the lack of leadership in Washington leads Americans to believe that there is no crisis.

Now it is the eve of a 1 month congressional recess—6 months since the President announced his relatively bold and far-reaching national energy program. The Senate has passed some energy bills in the past month but not one mandatory energy conservation measure has been enacted into law. The facts remain the same—gasoline is the only petroleum product which is not now being conserved. Yet Americans all over the country are setting off in their high gasoline consuming monsters without having a real understanding of either the scope or the urgency of the energy situation. Why should they? Their elected leaders are going away for a month having done nothing about adopting any real conservation measures to even partially discourage the use of automobiles.

Mr. President, I believe that Tom Wicker's recent article entitled "Energy Crisis: It's Real" eloquently and lucidly states the situation and the remedy. His remarks coincide in large part with my own position on the energy dilemma and I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, July 27, 1975]

ENERGY CRISIS: IT'S REAL

(By Tom Wicker)

Maybe President Ford's new "compromise" proposal on oil price decontrol over a 39-month period, together with a gradually rising price ceiling, will break the deadlock that has developed between him and the Democratic Congress on energy policy. But the first reaction of the Democrats is not promising, since many see the Ford proposal as both inflationary and ineffective.

But the Democrats themselves offer even less. The House having so far defaulted on the energy problem, particularly on the question of an increase in the Federal gasoline tax, the Senate Finance Committee now appears to be on the same road to nowhere. Its proposal for stiff new taxes on gas-guzzling cars not only runs squarely into the danger of sacrificing jobs in the hard-pressed auto industry; it is also a proposal that already has been defeated in the House.

The floundering in Washington on what ought to be considered one of the major problems facing the country may reflect public indifference. A Gallup poll taken last spring showed that the memory of the gasoline shortage of 1973-74 had faded and that less than half of those sampled believed there was any such thing as an energy crisis.

This is mindless optimism. Aside from the immediate prospect that the oil-producing nations might raise oil prices again, and that political disputes in the Middle East could bring on a new embargo on oil shipments to the United States, the long-term energy crisis is real, serious and not about to go away. Only a few pieces of evidence are needed to support this assertion:

Forty per cent of the oil consumed in the United States is imported and thus subject to sharp price increases or embargo. New England supplies only 9.1 per cent of its energy needs, for example, while the New England-New York area meets 80 per cent of its energy consumption with oil, most of which is imported.

The National Academy of Sciences reports that it is "essentially impossible" for this country's oil production to rise enough in the next decade for the United States to achieve energy independence. There will never again be a large annual increase in the nation's production of gas and natural gas, according to the N.A.S. report.

The Atomic Energy Commission has revised its plans to introduce breeder reactors for nuclear power by the 1980's. That date has been pushed back to sometime in the 1990's. Development of breeder reactors has been slowed by several critical problems—the possibility that terrorists might be able to steal fissionable materials, the hazardous transportation of radioactive materials, the elimination of radioactive waste. Because of these problems, Secretary of Commerce Rogers Morton and Federal Energy Administrator Frank Zarb have announced a cooling of interest on the part of the Ford Administration in crash programs to develop breeder reactors.

With the development of nuclear energy and possible energy independence far in the future, immediate crises could hurt badly. The oil embargo of 1973 was 100 per cent effective, reducing the flow of oil into this country from the Middle East from 1.2 million barrels a day in September, 1973, to a bare 19,000 barrels a day through January and February, 1974.

The nation already faces one serious shortage—of natural gas—with the start of the cold season only three months away. Although current reserves of oil are now at about 280 million barrels, a February inventory by the Federal Power Commission found that reserves of natural gas are far down. On June 6, the F.P.C. announced that natural gas utilities estimated they would fall 20 per cent short of firm requirements over the next twelve months. Secretary Morton has warned that the East Coast from New Jersey south, and the states of Ohio, Illinois, Indiana and Iowa, would have unmet natural gas needs in the coming winter.

Even if satisfactory Middle East political arrangements, precluding another embargo, could be assumed, and even if imported oil at reasonable prices could be counted upon in the near future, the real energy crisis would remain. The "vast" Middle East oil reserves, at present and projected rates of consumption, will be entirely depleted in thirty years, the National Academy of Sciences has reported.

Worse, the N.A.S. reports also that the estimated oil reserves of the entire world will be exhausted in fifty years, unless something is done soon to produce alternative sources of energy on a scale large enough to supply a major portion of the world's energy consumption—of which, that of the United States is a huge percentage.

Alternative sources of energy on that scale are not now in sight. For the foreseeable future the only feasible course is conservation, and the only sensible target is the vast amount of gasoline wasted daily in this country in the thirsty tanks of millions of huge and inefficient automobiles. That is the central problem neither the President nor Congress seems willing to face.

NEW RESIDENTIAL FACILITIES FOR THE HANDICAPPED IN MINNESOTA—COURAGE CENTER

Mr. HUMPHREY. Mr. President, I would like to call attention to the progress that the State of Minnesota has made in the development of new residential facilities for the handicapped.

The Courage Center, located in Golden Valley, Minn., serves those nonretarded severely and physically handicapped individuals who, as a result of polio, diving, auto, or other forms of accidents, require a bridge between the home and the community or the hospital and the community.

Courage Center helps those individuals who have potential, but because of handicap and or transportation problems, need that bridge to help them gain a useful role in society.

The first half of the center, at a cost of $3.5 million, is now complete. Stage I includes those rehabilitation facilities that provide such needed services as work experience, on-the-job training, occupational therapy, physical therapy, a gymnasium, a library, and many other services.

Stage II of the center, the Courage Residence, is expected to be open by January 1, 1976, costing $1.75 million. This 64-bed facility will provide short-term as well as long-term care. Courage Residence will be a transitional apartment complex in which each person can live individually. A very important result of having this residence is that it will allow an outreach to the rest of the State. In addition, it will provide around-the-clock service.

By far one of the most important parts of this program is the fact that it will use a broad number of community resources. This will allow the handicapped individual and the community to interact with one another and to better understand each other.

The St. Anthony Rehabilitation Inn is being designed to meet one of America's highest priorities, the construction of long-term facilities for the handicapped. This barrier-free facility will provide care for those young individuals with cerebral palsy, muscular dystrophy, multiple sclerosis, or spinal cord injuries.

There is a great need in this country to not only help the handicapped person equip himself to live in the community, but also to educate the American public about the needs of these individuals that must be met, so that they can assume the useful role in our society of which they are capable. This facility will do its part by teaching the young handicapped individual how to live with his or her handicap, and by providing rehabilitation so that these individuals can enter into the stream of American life. Plans are now being made to use as many public programs as possible.

The facility will have 8 individual cottage areas with 15 beds each. The atmosphere will be as close to a home as possible. Each of the eight areas will have its own dining room, kitchen, and day care room so that a youngster can enjoy some privacy if he or she chooses to do so. The facility also includes a large area for entertainment. Also to be included are a barber shop, beauty shop, occupational education, physical therapy, and other programs that will aid the resident.

The facility has been through various stages in its four years of planning. I hope that this facility can soon go into operation as it is greatly needed in the State.

The Phoenix project, providing skilled nursing care, also will be barrier free. It will serve young adults with developmental disabilities. This facility is scheduled to open in September of 1976.

A new innovation at the Phoenix project will be known as the "In-House Activity Center." There will be three different community sources, each providing activities for eight residents, at the center.

The Phoenix project is different because it is the first long-term facility for the physically handicapped in the area. It plans to staff a physical therapist, occupational therapist, and a speech pathologist full-time.

I am proud of the fact that the State of Minnesota is progressing in the development of residential facilities for those individuals who are physically handicapped.

Mr. President, I ask unanimous consent that a further statement on these facilities be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

New Residential Facilities in Minnesota

Progress in the development of residential facilities for physically handicapped citizens has been announced by Louis M. Groenheim, Director, Physically Handicapped Office, State Department of Public Welfare.

Now under construction is Courage Center, a 64-bed facility in Golden Valley, Minnesota. The Center will serve high-level, non-treated cerebral palsied individuals who are young adults. The objective is to provide rehabilitation and cultural enrichment for a period of one to five years. The cost is $1.7 million which includes a year-round swimming pool. Already operational is the library, gymnasium, cafeteria and living room area, and supportive services: occupational therapy, physical therapy and speech therapy.

The St. Anthony Rehabilitation Inn is a residential facility designed to provide long-term care for young adults with spinal cord injuries, cerebral palsy, muscular dystrophy or multiple sclerosis. The Inn will be a 120-bed facility offering living units of 15 residents in eight wings. The location is six blocks from the University of Minnesota, and the estimated cost is $2.3 million for "bricks and mortar."

The Phoenix Project is a non-profit organization set up to serve the mentally retarded as well as multiply handicapped young adults with developmental disabilities. It will accommodate 48 residents separated into four wings of 12 individuals each. The estimated cost of the facility will be in the area of $2 million. The two and one half acre site is located on a bluff near the west side overlooking the airport and downtown St. Paul.

VOTING BILL EMBODIES STILL MORE MISCHIEF

Mr. THURMOND. Mr. President, an editorial recently appeared in The State newspaper of Columbia, S.C., on the subject of the Voting Rights Act of 1965 which has now, to my great sorrow, been extended for 7 years. It is an eloquent and forceful piece of writing, as anyone can see. In addition, I believe it to be representative of the thinking of the people of my State on a matter which is of special concern to them. I hope that my colleagues will take the time to read it.

At the time of the publication of this article, the Senate had not yet approved the 7-year extension. However, the intervening argument and action in this chamber have done nothing to invalidate the points it has to make. Rather, they have confirmed these points. What 1 week ago was only prospective discrimination against the South is now discrimination in fact. Fear has given way to resentment. Southerners, under the terms of the new law, will continue to be punished for an offense of which they are not guilty—discrimination against minority voters. It also imposes a penalty—suspension of literacy tests and supervision of elections from Washington—which creates greater inequities than those it was designed to eradicate.

My feelings, though, are well enough known here that I need not elaborate upon them at the present time. Instead, I shall defer to the more novel voice of the editor of The State, asking unanimous consent that his editorial be printed in the Record at the conclusion of my remarks.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From the Columbia (S.C.) State, July 25, 1975]

Voting Bill Embodies Still More Mischief

A bad law is about to become worse through the misguided efforts of congressional "do-gooders" who conceive it their duty to enthrone Uncle Sam as the source of all righteousness and power in the United States.

We refer to the Voting Rights Act of 1965, which is about to be renewed for the second time. It originally was to have terminated in 1970, but was renewed for another five years. Now, it seems certain to be extended for a period of years, but in expanded form.

The original intent of the legislation, or so it was stated, was to increase the participation of blacks in the elective process. (There are some persons so uncharitable as to charge the Democratic Congress with designing the act as a means of pillorying Southern states which supported Republican Barry Goldwater against the late Lyndon B. Johnson in 1964.)

But whatever the aim of the measure, it incorporated an ingenious "triggering" device which made it applicable to those Southern states in which fewer than 50 per cent of the eligible voters had cast ballots in the 1964 Presidential election. The fact that many citizens simply failed to vote for reasons sufficient unto themselves was ignored, as was the absence of any substantial charges of racial discrimination in the conduct of elections in several states, notably including South Carolina.

The impact of the Voting Rights Act was two-fold: it suspended the use of literacy tests and it required all political subdivisions within an affected state to go, hat in hand, to the Justice Department (or a federal court in Washington) before making any changes in election laws or procedures.

It is asinine to expect intelligent voting in these times of complicated issues and political double-talk if illiterates can participate willy-nilly in the elective process. And it is manifestly a strong-arm tactic to make every electoral change, regardless of its import and local application, subject to clearance by the federal government.

But not only would both of these features be included in the extended act, there would be added another requirement—provision for conducting bilingual elections in those areas where as many as 5 per cent of the voting age citizenry comprise a single-language minority.

Really, this is getting pretty far out in terms of appeasing the minorities. The United States is an English-speaking nation—a fact well known to immigrants (legal and illegal) whether they cross the Atlantic, the Pacific, the Caribbean, or just the Rio Grande to reach our country. If their goal is to become Americans, then they should willingly assume the challenge of becoming literate in the language of their adopted country.

Will those areas in which the South Vietnamese refugees are concentrated have to prepare election materials in Vietnamese?

It is a silly business, contrary not only to American tradition but to common sense. Yet this is just the sort of grand gesture which appeals to those politicians and professional zealots whose hearts bleed for anyone who seems in the least "disadvantaged," to borrow one of their favorite terms.

But American citizenship is worth working for if it is worth having at all. It is too much to ask that those who would participate as citizens learn to read and write as Americans have been required to do in years past?

EXCELLENT RECORD OF HEAD START PROGRAM IN SERVING CHILDREN IS THREATENED BY PROPOSED RESCISSION OF FUNDING

Mr. HUMPHREY. Mr. President, I was appalled to learn that yesterday, July 30, the President proposed a $7,000,000 rescission from the Head Start budget which would initiate special services for handicapped children enrolled in Head Start. I find it incredible that the President would choose to cut $7 million from that portion of the Head Start budget which is in the greatest need of funds for improving the quality of services to children.

This Presidential proposal is an affront as we look upon the outstanding progress of the Head Start program over the past 10 years.

In reflecting on my years in public service in both the legislative and executive branches of Government, there are few programs or efforts with which I have been associated that have met with greater success and have had greater impact on children than that of the Head Start program. I am proud to have been a part of the efforts of creating this marvelous program, and over the years I have watched its growth with great interest.

Across this Nation, Head Start is operating in 9,400 centers and the program has been established in every State and territory. There were 103,000 volunteers involved this past year, many of them parents, with 79,000 professionals and nonprofessionals employed in the local programs. In the past 10 years, 5.3 million children have been served at a cost of approximately $3.1 billion.

Head Start has been a leader in preschool education and has become a term synonymous with early childhood development. As we all know, those preschool years are among the most critical years in life, when social, emotional, educational and health patterns are formed. These patterns developed during those early years follow us through the balance of our lives. This is why Head Start has played such an important role for these millions of disadvantaged children.

As I have traveled the State of Minnesota, I have seen a number of Head Start programs in action. And let me tell you, when you get a bunch of these 3- to 6-year-olds in one place, like a Head Start center, there is action. During the past year there were a total of 4,436 children served in Minnesota. And 1,082 children were served in the summer Head Start program, 190 in the full-year, full-day day care program, and 3,164 served in the part-day program. There are a total of 29 grantees with 149 centers containing 211 classrooms. Minnesota received $1,522,956 during fiscal year 1975 for Head Start.

I have seen what this program can do in our State and I continue to be committed to it.

Mr. President, I would like to advise the Senate that J. B. "Bill" Yutzy will retire after 31 years in the Federal servive. For the past 5 years, he has been a regional program director for the Office of Child Development, in the Department of Health, Education and Welfare, in Seattle, Wash. In addition to his work with Head Start and the Office of Child Development, he has had a long and distinguished career with the Public Health Service, in San Francisco and Washington, D.C. where his commitment to civil rights and children's programs is well known and highly regarded.

As Grover Cleveland wrote upon acceptance of this nomination as Governor of New York:

> Public Officers are the servants and agents of the people, to execute the laws which the people have made.

Bill Yutzy has done this with distinction. For those who have worked with him, he is known, admired, respected and loved for his ability to lead, and to serve in carrying out those laws. Upon his retirement we congratulate him, and thank him for his contribution and hard work.

Yutzy was the regional program director in Seattle, where a lead GAO audit team was located for the preparation of an in-depth audit of the Head Start program. Through his assistance, the team received a first-hand view of what Head Start looked like during 1972 and 1973.

It is important to note the fact that Head Start has been one of the most studied programs administered by the Federal Government. As a result of these many studies we have learned much about the program and how to replicate it in other early childhood development programs.

The purpose of the GAO Audit was to review specific program activities, such as parent participation, eligibility, recruitment, average daily attendance and services to the handicapped. These kinds of oversight studies are most helpful to those of us in the Congress, who want to assist in improving the quality of these programs. Head Start is a wonderful program, and this report will help to make it better.

Mr. President, I ask unanimous consent that excerpts from the GAO Report to the Congress entitled "Project Head Start: Achievements and Problems" be printed in the Record.

There being no objection, the excerpts were ordered to be printed in the Record, as follows:

[Comptroller General's Report to the Congress]

PROJECT HEAD START: ACHIEVEMENTS AND PROBLEMS

(Office of Human Development—Department of Health, Education, and Welfare)

DIGEST—WHY THE REVIEW WAS MADE

Because of Head Start's substantial Federal funding, the need to follow up on previous GAO recommendations, and the Congress' continuing interest in this program, GAO assessed the program's results and its management by the Office of Child Development, within the Department of Health, Education, and Welfare's (HEW's) Office of Human Development.

FINDINGS AND CONCLUSIONS

Results of Head Start

Since 1965 Head Start has delivered educational, health, nutritional, and social services to over 5.3 million children and their families at a cost of approximately $3.16 billion. It has also provided opportunities for parental participation in the development, conduct, and overall program direction at the local level.

The Office of Child Development's overall goal for Head Start is to develop greater social competence in economically disadvantaged children. The Office defines "social competence" as a child's everyday effectiveness in dealing with his environment and later responsibilities in school and life.

Although there are difficulties involved in measuring Head Start's results, several independent studies concluded that the Office of Child Development's goal has been partially realized, especially from a short-range view.

Specifically, the consensus is that Head Start participants are better prepared to enter local schools than their disadvantaged, nonparticipating peers. Most studies concluded that educational gains of Head Start graduates progressively declined after the children left the program and were virtually lost by the end of third grade. This loss of early gains may be attributed to intervening factors, such as home environment, community environment, and perhaps even local school programs.

Recent research, however, suggests that if a child continues to attend a special program or receives special attention beyond that given in the regular school system, short-term gains may be sustained.

Parent participation

The Economic Opportunity Act of 1964, as amended, states that Head Start will provide for direct participation of parents of Head Start children in the development, conduct, and overall program direction at the local level.

The Office of Child Development's Head Start policy is predicated on the concept that the program's success demands the fullest involvement of parents or parental substitutes.

To meet this goal, the Head Start Manual of Policies and Instructions sets forth the following opportunities for parent participation

Involvement in decisionmaking for program planning and operation,

Use in the classroom as paid employees, volunteers, or observers,

Involvement in developing support activities, and

Work with their own children in cooperation with Head Start staff (primarily through home visits by teachers).

Grantees achieved only limited success, however, in obtaining parental involvement. Parents were neither regularly volunteering in the classroom nor attending local Head Start center committee meetings. Home visits by teachers were also infrequent.

Services to the handicapped

The Economic Opportunity Amendments of 1972 require that at least 10 percent of the total national enrollment opportunities in Head Start be available for handicapped children and that services be provided to meet their special needs.

To comply with congressional intent that Head Start enroll handicapped children, including those with more than marginal handicaps, Head Start grantees are encouraged to serve the severely handicapped.

Although Head Start has served handicapped children, it has generally not served severely handicapped children. Local officials said additional resources, including professional staff, training facilities, and equipment, were needed to adequately serve the severely handicapped. Until HEW provides a means for obtaining needed resources, local programs should not be expected to enroll severely handicapped children.

Legislation also requires that the Office of Child Development report annually to the Congress on the status of handicapped children in Head Start, including numbers served, their handicapping conditions, and services provided.

In gathering data for this report, the Office requested that Head State grantees provide their data early in the program year, and many grantees provided information when they were underenrolled or before all children had been medically screened and/or diagnosed.

Several grantees reported more handicapped children than data could support, and GAO questions the Office's statistics on the number of handicapped children enrolled in Head Start.

In several cases children were incorrectly classified as handicapped. To minimize this possibility, local programs should obtain professional confirmation before identifying the child as handicapped.

Administrative problems

Although Head Start has provided many services to participants, certain improvements could make the program more effective.

Head Start requires that not more than 10 percent of enrolled children be from nonpoor families. GAO analyzed the income eligibility and found at least 25 percent of the authorized enrollment were nonpoor. Ineligible children were being served because grantees had not adequately verified family income or had misinterpreted the eligibility guidelines.

Four of the grantees reviewed were underenrolled in school years 1972–73 and 1973–74 because their recruitment efforts were not begun early enough nor continued long enough to maintain full enrollment throughout the school year.

Many grantee problems, including recruitment and eligibility as well as underenrollment, were previously identified through HEW regional office monitoring and GAO reviews.

These problems continue because the three HEW regional offices reviewed were not effectively following up on problems identified in monitoring reports to insure that grantees were taking corrective actions.

HEW audit reports and regional office officials concluded that followup on recommendations in monitoring reports was inadequate because of limited regional staff available.

In addition, HEW regional offices were not aware of problems until monitoring occurred because they did not systematically receive data on grantees' activities to make earlier determinations of compliance with Head Start guidelines and help HEW focus its field resources.

RECOMMENDATIONS

The Secretary of HEW should direct the Office of Child Development to:

Help local project officials in identifying and implementing alternative means for involving more parents in the program;

Identify and provide a means for obtaining the resources, including professional staff, training, facilities, and equipment, needed for Head Start to adequately serve severely handicapped children before encouraging local programs to enroll such children;

Ascertain that local programs obtain professional confirmation before any Head Start child is classified as handicapped;

Require grantees to obtain documentation demonstrating eligibility from families applying for Head Start to insure that no more than 10-percent nonpoor families are served;

Require grantees to emphasize early and continuous recruitment to better insure full enrollment;

Require grantees experiencing high absenteeism to overenroll after considering staff-student ratios and causes of absenteeism;

Assess the current processes used by regional offices during monitoring of Head Start grantees to determine whether staff time and resources are being efficiently used; and

Systematically acquire the information needed by regional offices to help HEW focus its field resources on problems.

AGENCY ACTIONS AND UNRESOLVED ISSUES

HEW concurred with GAO's recommendations and described actions taken or planned to implement them. Appendix II contains a complete text of HEW's comments.

MATTERS FOR CONSIDERATION BY THE CONGRESS

This report contains information which should assist committees and Members of Congress with their legislative responsibilities relating to Project Head Start.

Because of the specialized services needed by severely handicapped children and the lack of resources in Head Start to provide for both them and the present enrollment of nonhandicapped and marginally handicapped children, the Congress may wish to consider whether the program is appropriate for meeting the needs of severely handicapped children.

An alternative that should be considered is whether funding other preschool programs specifically designed for the severely handicapped, such as those supported by the Office of Education's Bureau of Education for the Handicapped, would better achieve desired objectives.

NEW HAMPSHIRE SEAT

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent to print in the RECORD an editorial in today's New York Times on declaring the contested New Hampshire senatorial seat vacant.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

NEW HAMPSHIRE REPLAY

It took seven months of battling; but reason finally won out yesterday in the United States Senate. The Senate Democratic majority accepted the fact that it could not force acceptance of the Democratic nominee as the winner in the closely-contested New Hampshire election. Both Democrats and Republicans in the Senate had been playing political games; but the Senate vote yesterday at last declaring the New Hampshire seat vacant, left the way open for what was the best solution all along, a new election in the Granite State.

Majority Leader Mike Mansfield and his deputy, Senator Robert C. Byrd, remained adamant to the very end, maintaining that they were protecting the constitutional prerogative of the Senate to "be the judge of the elections . . . of its own members"; but the fact remains that the Constitution's most basic principle is that the people should rule. In a contest as close as this, a new election was surely the fairest solution. The Senator from New Hampshire should represent that state's voters, not a majority of 99 Senators.

PRODUCERS VERSUS NONPRODUCERS

Mr. GARN. Mr. President, recently we have heard quite a bit about the distinctions between producers and nonproducers in our society. Of course, we owe a tremendous debt to our producers, and when we talk of producers, the manufacturing community stands at the forefront.

The State of Utah is fortunate to have an association of manufacturers which is actively concerned with the interests of the general public and active in pursuit of the goal of abundance for all. In the current issue of NAM Reports, published by the National Association of Manfacturers, the executive vice president of the Utah affiliate, Mr. Robert E. Halladay, has outlined the history and accomplishments of the Utah Manufacturers Association.

I am proud of the manufacturing community in Utah, and ask unanimous consent that this fine tribute to these producing members of our society be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ACHIEVEMENT AND A VITAL ROLE

(By Robert E. Halladay, Executive Vice President, Utah Manufacturers Association

For 69 years the Utah Manufacturers Association has played a vital role in achieving a competitive economic climate for business and industry within the state it serves, first settled in 1847 by Mormon pioneers.

Today, the opportunities for private manufacturing to grow and prosper look brighter than ever as the rest of the nation increasingly looks to Utah and the Mountain West for energy, natural resources and a growing variety of products.

At the same time, the challenges on many fronts to such economic progress appear fully as compelling as any ever faced by the early settlers of the state.

To overcome them, and make the most of the opportunities, will take new thinking, involvement and enlightened leadership, as never before, by the producers of Utah and their association, especially in education, local government and public affairs.

The Utah Manufacturers Association undertakes this purpose with a record of solid achievement that spans more than a half century.

Utah's oldest association of private producers was born at the Utah State Fair of 1905, when industrialists discussed the idea as they manned their exhibits. Later that fall, businessmen gathered at a mass meeting and selected 15 directors, who promptly named a new president.

In the beginning, the manufacturers launched a vigorous campaign, which continues today, to convince their fellow citizens that products made in the state were equal in quality and value to those imported from the East.

At first, this was not easy. Many believed the state's economic future rested mainly on farming and mining. Few took seriously the potential of the state for producing finished goods.

The tremendous change in public acceptance of Utah products can be seen from comparing the minutes of early meetings with those of today.

Meanwhile, as time went on, the Utah Manufacturers Association expanded its role and moved to meet new challenges to the ability of its members to manufacture products profitably in the state. Today, the objectives of the Utah Manufacturers Association are:

To maintain in Utah a good industrial climate.

To properly publicize the quality and diversity of Utah goods and services.

To present prompt and accurate information to enable state legislators and members of Congress to make fair decision on legislation affecting industry.

To represent the industrial interest before city, county, state and federal agencies.

To establish in the public mind an increasingly favorable attitude toward business and industry through effective public reasons.

In carrying out these objectives, the UMA serves as the recognized representative of private industry before the Utah State Legislature, as well as municipal and county units of government. It is directly involved in legislation, government controls, federal procurement, freight rates, taxation, business licenses, unemployment compensation, industrial zoning, air and water pollution, safety regulations and other problems of common concern to management.

The association also monitors legislation in Washington and registers the views of its members with federal representatives from Utah on issues important to manufacturing. To support all its activities, the UMA maintains a library of important resource information and material.

The association keeps its members advised of significant developments in any of the fields of industrial interest and organizes appropriate action to support member firms whenever the situation warrants. The program is effective and the cost is small because almost every Utah manufacturer and related enterprise participates and shares the moderate expenses.

UMA has just one product—service. The service is not limited to UMA members but is freely extended to all the industry of the state. The association endeavors without charge or obligation to aid small enterprises to establish themselves. Such service yields dividends when these firms reach maturity and become actively identified with the association which serves them constantly.

How well the UMA has achieved its objectives is shown by the following growth figures: In 1905, manufacturing employment stood at 8000, the payrolls reached $5.2 million and the value added by manufacturing was $14 million. Our golden anniversary showed manufacturing jobs had reached 38,000, payrolls increased to $150 million and value added by manufacturing stood at $340 million. This year average employment in manufacturing was 68,000 and in 1973 total manufacturing payroll reached $549,692,373 while value added was a healthy $1,319,000,300.

A thorough study was made recently in a program to enroll former members. UMA directors were pleased by the very small number of manufacturers who had dropped out over the years. In almost every instance the firms not now listed discontinued membership because of mergers or sales (in which case the successor company generally is on our active roll) or because of withdrawal by the firm from the manufacturing field.

There is no such thing as a group of dissatisfied former members of the association. When it is realized that virtually every manufacturing enterprise of any size or quality in Utah has identified itself with UMA through the years, this truly is a tribute to the program and achievements of the Association.

It is estimated that members of the Utah Manufacturers Association employ more than 90 per cent of the work force in Utah industry.

Comments in a recent brochure testify to the role and acceptance the UMA has earned over the years.

Governor of Utah (Democrat):

"The importance of industry in Utah is paramount and cannot be overemphasized. Of considerable importance and impact is the Utah Manufacturers Association as they represent the industry of Utah. Your organization has historically been very effective in expressing the opinion of the industrialist as it might affect the State and local businesses.

"The amount of time that is available by community and State leaders to hear certain aspects of business life often precludes our being able to listen to more than those who represent a particular segment. This office would urge that manufacturers join with the Utah Manufacturers Association, work with the organization, and insist that it remain an active and viable aspect of business life."

Calvin L. Rampton,
Governor.

President of Utah State Senate (Republican):

"As president of the Utah State Senate, I have been greatly impressed with the factual and courteous manner in which the Utah Manufacturers Association has represented the manufacturing community of Utah in its relationship with the Utah Legislature.

"Contact of this kind is extremely important so that legislators may get first-hand information regarding the effect of proposed legislation on the business community."

Warren E. Pugh,
Senate president.

Largest employer:

"Some group associations are marked by little action, culminating in a routine feeding upon itself. This certainly is not true of the Utah Manufacturers Association. The UMA remains viable in our community because of its effective communications and involvement with the public at large, special interest groups and various government entities. Meaningful representation for Utah industries and businesses is continuously being demonstrated by UMA's staff and directors. Indeed, I feel that any Utah business not affiliated with UMA is shortchanging itself by virtue of the benefits which only UMA can render."

B. B. Smith,
General Manager,
Utah Copper Division,
Kennecott Copper Corp.

One of our smallest employers:

"It is rewarding to be associated with the UMA whose avowed goals and purposes of upgrading and strengthening the industrial climate are consistently and diligently pursued.

"The strong and respected influence with the state and national legislators is of inestimable worth to all manufacturing concerns in the state regardless of size and/or prestige.

"I congratulate them for their many worthwhile contributions."

C. M. Wonnacott,
President,
Dixie Apparel, Inc.

ECONOMIC PROBLEMS AND BLACKS

Mr. BROOKE. Mr. President, economic indicators show that our Nation is at long last beginning to emerge from its severe recession. But, unfortunately, the twin evils of inflation and unemployment continue to devastate the lives of millions of Americans. And for black Americans, in particular, there is little question that there is still a depression.

Earlier this week the National Urban League held its 65th annual conference in Atlanta, Ga. Conference participants, including many national leaders, spent 4 days discussing and analyzing the economic problems that have had such a disproportionate effect on blacks and other minorities.

One of the most distinguished and active participants was Vernon Jordan, the executive director of the National Urban League. His leadership was the guiding force behind the conference's success. And I would like to share with the Senate the perceptive and inspiring speech that Mr. Jordan gave to the opening session of the conference. In his remarks, he eloquently focuses on the economic problems besetting our minorities and carefully outlines programs which will lead to the solution of these problems.

Mr. President, I ask unanimous consent to have Vernon Jordan's remarks printed in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

Keynote Address at the 65th National Urban League Annual Conference

(By Vernon E. Jordan, Jr., Executive Director)

We meet tonight at the beginning of the Bicentennial that celebrates our nation's 200th anniversary, and the ideals of life, liberty, and the pursuit of happiness that are the bedrock of the American ideal. It has been a year of great turmoil, of terrible Depression, and of hardship for black people. In the midst of this difficult time, it must be remembered that while some of our gains have been eroded, others are intact, especially the growing political power of black voters, thanks to the Voting Rights Act, whose tenth anniversary we will mark next week. And in this International Women's Year, we see fruition of the movement to extend the rights and liberties so long denied half the human race.

As we think of the ideals that powered the American Revolution 200 years ago, we must also be aware of the perversion of those ideals, symbolized by the coming first anniversary of the resignation of a President of the United States.

I recall the old song that goes: "The song is ended, but the melody lingers on." Nixon is gone, but his legacy lingers on. The overt crimes and gross abuses of power have been publicized, corrected to a degree, and will be guarded against in the future. But the deeper legacy has not been dealt with at all. That legacy of divisiveness and of economic warfare against poor and working people must be exorcised if our nation is to recapture its self-respect.

Among the mistakes of the past with which we have yet to come to grips is Vietnam. Whatever each of us may have felt about the War, in retrospect it is clear that there was no vital U.S. interest in Vietnam, no compelling reason to risk lives and fortune in a fruitless war to defend a corrupt dictatorship, and no justification for the many crimes against decency and humanity that were committed there.

We cannot absorb the true lessons and meaning of the Vietnam experience into our history while continuing to punish the innocent victims of America's war policy. To finally heal the founds of war, we must take positive steps toward a national reconciliation that does right by those who fought and those who didn't; by those who felt their overriding duty was to their government, and those whose first call was to conscience.

That is why I call for complete, immediate, universal, and unconditional amnesty.

The legal and economic burdens placed on the backs of millions of young men must be lifted—now. Those who resisted the war should be welcomed back without penalty. Those with less than honorable discharges should be restored to their full rights and privileges. And those who enlisted or were drafted into that bitter War and came back only to find unemployment and discrimination, should get the hero's welcome of jobs and equal opportunity to go along with their medals and memories.

I did not come lightly to this position in favor of total amnesty. Rather, it is the result of my experience on the Presidential Clemency Board, an experience that brought home to me the full unfairness of the treatment accorded the different categories of people caught up in the snares of our system of military justice.

Many hundreds of thousands of young men were unfairly denied conscientious objector status, often because they were unable to articulate their moral objections. Some were drafted or enlisted and even fought at the front, and then deserted for compelling personal reasons, or were saddled with bad discharges because of capricious or arbitrary ruling by superior officers. Most of these young men are white, but a disproportionate number are black, especially among the over 200,000 Vietnam-era veterans with less-than-honorable discharges.

Bad discharges amount to life-long punishment for veterans who are stripped of the rights and benefits deriving from their service, barred from government jobs, and often denied private sector employment. Bad discharges thus carry with them penalties absurdly inappropriate to the real or imagined offenses, often minor, that have sometimes been imposed for racially-inspired reasons.

It is time to wipe the slate clean. It is time to finally end the war by ending the punishment inflicted upon those who refused to take part in it. It is finally time to end the war for those whose service didn't meet the standards of those who sent them into battle. President Ford, who was compassionate enough to pardon Richard Nixon, should also be compassionate enough to pardon those who were right about an evil war, and those whose service for their country has resulted in the unfair, life-long punishment of a bad discharge.

And it is the height of hypocrisy for those who continue to oppose amnesty to be indifferent to the plight of jobless veterans. These men risked their lives in a war whose wisdom they questioned, and their reward has been the right to stand in unemployment lines. Black men fought and died in disproportionate numbers in Vietnam and now we are again disproportionately unemployed in civilian life. Over 100,000 black Vietnam-era veterans are out of work, and the jobless rate for black veterans aged 20-to-24 is over 30 percent.

The rates for white veterans are somewhat better, but in sheer numbers, white Vietnam-era veterans make up an army of the unemployed by themselves—well over half a million.

The unemployment these veterans suffer is a betrayal by their country, just as the mounting black unemployment is a national betrayal of the promises of the Second Reconstruction. We are now in an economic Depression that has had a terrible impact on the groups within our population who face a hard struggle to survive even in times that are considered good for the rest of the country.

The official unemployment statistics are frightening enough, but it is only when we go beyond the official definitions and get into counting live, warm bodies, that we see just how devastating this Depression has been.

The official definition of the labor force leaves out discouraged workers, it leaves out part-time workers who want full-time work; it leaves out over seven million people who, by any measure other than the official one, are unemployed.

One of the National Urban League's significant advances in the past year has been the development of the NUL Hidden Unemployment Index that reveals—from unreleased official statistics—the true unemployment situation. In the Urban League we don't seasonally-adjust workers into jobs they don't actually have. In the Urban League we don't use statistical sleight-of-hand to put a cosmetic veneer on ugly unemployment figures. And neither should the U.S. government.

The Labor Department should scrap its present misleading formulas for counting the unemployed and should adopt the National Urban League's formulation. The media should stop their practice of merely printing government press releases verbatim and start publicizing data that more accurately inform the public of the true economic situation.

The extent of hardship and joblessness in the nation is appalling.

Three million blacks and twelve million whites are out of work.

While the government and the media talk about nine percent unemployment, the true rate for white workers is almost 15 percent, while the rate for blacks is an incredible 26 percent—or more than one out of four.

In many inner-city ghetto areas, half of all workers are unemployed, and at least two-thirds of black teenagers are jobless.

The issue is no longer whether the economic gains of the Second Reconstruction will be preserved; the issue has become whether or not black people will survive the massive assault on their ability to earn their daily bread.

Our government has busied itself, not with drastic steps to get the country back to work again, but with soothing predictions that the economy is bottoming out and that later this summer, or by fall, business will improve and prosperity will return.

Some of these predictions of an improved economy say that all economic indices will improve except one—unemployment. And this is supposed to be good news. To which I say in the words of Isaiah: "Woe unto them that call evil good and good evil." The Administration may think the economy is beginning to float like a butterfly, but it actually stings like a bee, and black people are the ones being stung.

Continued toleration of high unemployment amounts to a form of criminal negligence. Families that had made the long, slow, painful climb up the economic ladder have been pushed back down into poverty and dependence. The toll has been enormous in broken hopes, in increased crime, in family breakups, in sharply rising suicide rates, in drug and alcohol abuse—all traceable to unemployment levels a civilized country should consider intolerable. Compared to the coverup of this devastating unemployment situation, the Watergate coverup was just a tea party.

The right to a decent job should be as precious as the rights to free speech and to a free press, because if a person is ill-fed, ill-clothed, and ill-housed, those rights become meaningless. Democracy has never worked where people are hungry; a full stomach is a precondition of liberal democratic values.

This is something that appears not to be understood by our national leadership. President Ford has rightly won high marks for his candor, his openness, and his personal integrity. But those qualities of character have yet to be translated into constructive policies and actions.

It is not enough just not to be Richard Nixon. It is not enough to come to our meetings and talk about our problems and not to do anything about them. It is not enough to expect black people to be passively patient while the economy recovers too slowly to get us back to work in this decade. And it is not enough, in a time of Depression, to cling to outmoded fiscal and economic policies, to veto job and housing legislation, and to be deaf to the cries of pain rising from the poor and the jobless.

The Republican Administration and the Democratic-controlled Congress have both failed black people on the economic front. The President's lack of action has been matched by a Congress that fails to provide the leadership and the alternative policies the country needs. The Congress has passed some promising legislation into law, but it has been unable to override vetoes of other important bills. It has failed to come up with anything resembling a comprehensive set of policies to get the country out of the Depression. Long on rhetoric, short on performance, sums up the role of Congress while people are going hungry and looking for work.

And not only have the President and Congress done nothing constructive about the economy, but they have also played games with legislation dealing with expansion and extension of our voting rights.

The future of American democracy is tightly bound up with its ability to create a more just, more equal society. The President and the Congress have failed to suggest policies that would achieve this. The National Urban League is taking the responsibility then, to present a plan to place a minimally-decent level beneath which no individual or family would be allowed to fall.

The first step in this plan was presented last year when we called for a National Full Employment Policy that would guarantee to each and every person capable of work a decent job at a decent wage. That Full Employment Policy would include:

Incentives to private industry to hire and train workers.

A modernized federal works program along the lines of the old WPA to build the bridges, schoolhouses and homes people need; and

A vastly expanded public service employment program to provide jobs that will improve our schools, hospitals, public safety, conservation, and other essential public services.

Out of this Conference will come the second major element of our plan to make this society work for all—an income maintenance program to replace a welfare system that destroys families, discourages work, demeans both giver and recipient, and arouses hostility and rage instead of compassion and concern.

Everyone is aware of at least some of the many faults embedded in the hodgepodge loosely called "welfare," but its worst fault is the basic fact that the so-called welfare system doesn't work. Nearly 25 million Americans, most of them white, live in families whose income is below the artificially-low poverty level, and half of the people remain below that level even after receiving welfare aid, food stamps, and other programs that purport to reduce poverty. These many programs are costly to administer and don't do the job they're intended to do. At the same time there is a reverse welfare system that distributes billions of dollars to middle and upper income people through tax loopholes.

The National Urban League proposes a national income security program that does away with the degrading welfare system and reforms the tax system. We propose adoption of a universal refundable credit income tax that would assure every American a liveable minimum income. The basic components of the CIT would include:

A basic annual grant, or tax credit, to all.

Persons whose annual earnings are above a designated level would have the grant taxed away from them, while those below that level would keep all or part of the grant.

Families who are above the poverty level but below the level at which the grant is taxed away would benefit because a portion of their grant would remain in their hands. This means that working people of modest incomes would get the income assistance they need but for which they do not qualify under the present system.

No means tests, no work requirements, no coercive local regulations or other stigmatizing elements would be part of the system. Payments are automatic, through the tax system, and would be a matter of right.

Almost everyone would pay taxes at a flat rate, but because everyone gets a tax credit and because glaring loopholes are closed, our system of taxation would be more fair than the present illusion of a progressive tax system that actually takes more from the pockets of moderate income working people than it does from the rich.

The essential point is that the universal, refundable tax credit offers a way to rationalize an irrational tax system that favors the rich at the expense of working people, and a means of reducing the numbers of the poor. While the cost of such a program depends upon the amount of the tax credit and the level of the primary tax rate, it would amount to not much more than the cost of the present system that leaves poverty intact and is expensive and inefficient.

A few years ago, such a proposal would seem very far out, but thinking in this country has progressed to the point where it is a feasible alternative to programs that don't work. Earlier this year, a form of tax credit actually became law, and from that faint beginning, we have hopes that a full CIT will be enacted. The tax cut bill passed this spring provides for a $400 credit against a taxpayer's first $4,000 of income. If the credit is larger than the tax owed, the taxpayer gets a check for the difference. Which means that poor and moderate-income families got federal checks ranging up to $400 in a mini-system similar to the one we propose.

A reform of this magnitude will take time, time that is not available to the many millions in need now. Thus, we call for an immediate emergency, federally-financed floor under the present welfare system, with cost-of-living escalators and mandated coverage for families in need.

A CIT that puts a floor under family income for all, combined with a full employment policy that provides decent jobs for all workers, is a double thrust at the roots of poverty and the social ills that arise from it. The CIT is a pro-work, pro-family, pro-dignity, proposal for a humane, responsive society.

And such a universal system that benefits all poor people and all working people will go a long way toward healing the scars caused by competition for scarce jobs in a society that refuses to insure decent minimum standards for everyone.

The Depression has been marked by confrontations over fewer and fewer jobs. Black people, who had been promised a bigger slice of an expanding pie, have now found that when serving time comes around, the pie has shrunk and all we're left with is a piece of the crust.

As more employers lay off workers, and as local governments tighten their belts and cut back on essential services and jobs, black workers are finding that, as last hired, they're first fired. Blacks, veterans, women, and young people are told that, because of the rigid seniority system, they've got to lose their jobs. In this Depression, sacrifices are demanded from some while benefits continue to flow to others.

Equity demands greater flexibility. It makes more sense for everyone to bear a smaller part of the burden than for some to bear all of it. Shared work, raise freezes, and other devices to avoid lay-offs are unpleasant and if possible, should be avoided. But where this is no alternative, they are preferable to lay-offs that take work and paychecks away from those who can afford to lose neither. And while I recognize the traditional importance of the seniority system, I would urge our friends in the labor movement to recall the title of their old union anthem, "Solidarity Forever", and "forever" doesn't just mean "in good times." True solidarity for working people means sticking together to protect their hard-won gains, but when the crunch comes, solidarity also means sticking together to insure that some workers won't have to give up their jobs to preserve the jobs of others.

Seniority versus affirmative action is typical of the hard, bitter choices being made today, choices that should be unnecessary in a rational economy. Affirmative action, never really tried, always the sad stepchild of an economy that excludes blacks from full participation, is now all but dead. The private sector is lagging, the public sector all but rejects it, and the commitment to make up for past discrimination is today all but invisible. The moment is ripe for those of us making our separate protests over this situation to come together to map out a strategy to deal with this body blow against black workers. The moment is here for black people and other minorities to come together in unity behind affirmative action and to save this lifeboat from destruction by the jaws of the sharks of unemployment, seniority, and discrimination.

The conflict over jobs, the increased reluctance to take bold steps to end the Depression, and the sheep-like indifference of the American people to their loss of earning power and economic livelihood add up to a picture of a country that has lost faith in its ability to control its destiny.

Public indifference to the effects of the Depression, like public indifference to black efforts to be truly equal in our society is rooted in a complex set of anti-social attitudes of which racism must be considered a prime factor.

How else can we explain official assurances that the urban crisis is over at a time when the nation's cities, now increasingly black, are scenes of suffering unparalleled since the thirties? How else can we explain official attempts to convince black organizations that no special efforts need to be made to create jobs at a time when a fourth of our people are out of work? How else can we explain a foreign policy that neglects Black Africa, places at the head of the African Desk a diplomat African nations object to, and is formulated by Secretary of State Kissinger, who has managed to fly all over the world but has never yet set foot on the soil of a black African nation?

I do not believe that the nation's silence in the face of hard times and racial strife will long continue. As the Depression drags on, as its effects hit those who are now complacent and indifferent, the situation will change. The direction of that change is in question today. It may find an outlet in the kind of creative leadership that puts through a full employment policy and a minimum income guarantee.

But there is also the danger of change from a different direction, the danger that frustration and division will erupt into a negative movement behind a false leader, a demagogue with dictatorial ambitions. No nation is immune from the kind of mass insanity that brought a Hitler out of a Depression-ridden Germany.

It is in that context that we must examine more closely the incredible claims of George Wallace to the Presidency.

In past years, it was easy to dismiss the Wallace movement as merely the last, dying cry of rabid segregationists fighting the futile fight to turn back the clock. But the explosive conditions of a national Depression raise the possibility that people may turn to the populist promises Wallace offers.

Black people have a first-hand acquaintance with Wallace and what he stands for, but white people are in desperate need of education on the subject. The current, recycled version of George Wallace is supposed to be different from the one that stood in the schoolhouse door. I submit to you that there is no change. Just as there never was a "New Nixon," there is no "New Wallace."

Many Americans may have gut reactions to his demagogic appeals on behalf of "the little man", but haven't put them to the test by measuring the rhetoric against the record of his years as Alabama's Governor. If we look at that record, this is what we find:

In spite of Wallace's supposed support of the working man, Alabama is one of the few states without a minimum wage law, and ranks thirty-first among the 50 states in weekly unemployment benefits and thirty-seventh in disability compensation wages.

Wallace presides over a state that, out of the 50 states, ranks fiftieth in per pupil educational expenditures, forty-eighth in infant survival, and forty-eighth in armed forces intelligence tests.

Alabama has the most regressive tax system in the country, with a low ceiling placed on taxes by the wealthy and a soak-the-poor sales tax on everything including food and medicine.

It is clear from all this—and more—that after a dozen years of political control of the State of Alabama, George Wallace has built a record of warfare against the very working people he claims to represent at the national level.

The extent to which he has suckered the public into believing his absurd claims is a measure of the conspiracy of silence in the media that never bothered to look into the locked closets of Alabama politics.

It's time to end that silence now. It's time, especially, for the other Democratic candidates to find the guts to come out and say openly what they are all too willing to say behind closed doors—that the Wallace candidacy is a fraud and an attempt to split the country. It's time for the other candidates to publicly state that they will not run on or support any ticket that includes this man.

At a time in history when the President has awesome powers, even life and death powers over all of us since his hand is on the nuclear button, it is obvious that George Wallace is intellectually, morally, emotionally, and physically incapable of discharging the responsibilities of the President of the United States.

My concern about Wallace's candidacy, like my concern about the employment situation, about justice for Vietnam resisters and veterans alike, and my concern for helping to reconstruct a more just America are all based on the conviction that our democracy must be made to work for all. These are indeed bleak times, times that test the survival powers of democratic government.

It often seems as if ideals like freedom, liberty, and equality have lost their meaning for many Americans today. But for black people, those concepts still live and breathe; they still move us. They cannot be taken lightly by a people who just got the vote ten years ago, the right to work eleven years ago, the right to fair housing seven years ago, and the right to quality integrated schools only twenty years ago. That most of these rights are honored more in the breach than the observance only sharpens our hunger for freedom, and for the ideals of democracy and equality.

Our struggle is perpetual, unending. Issues may change, personalities may change, but the end goal of equality remains in the elusive distance, always to be sought after. It is much like a ship on the ocean, the faster the ship moves, the faster the horizon moves, too—always farther away, always changing and becoming a new, distant goal.

We may take heart from our past successes, from conquering new horizons, while remaining aware that a horizon is not a boundary, and that each advance means more travel to the goal no society has yet reached. But we have faith that the goal of human equality and brotherhood will be reached, that our nation will fulfill it, and that our efforts will help create it.

Some people may say that's just a dream. But I say we need some dreams these days. We need to revive the ability to dream, to cherish a vision of a better world.

Dreams can come true. Who among us who remembers what this City and this State used to be like for black folk can deny that? As a boy growing up here in the late thirties and early forties, I remember that black folk drank from fountains marked "Colored," rode the backs of buses, worked on shares, were under the virtual total domination of white supremacy, had no rights the law respected, and risked their lives if they tried to register to vote.

In the midst of that oppression, some people held fast to dreams of the future; they dreamt of black people voting and controlling their own destinies. Yes, people like John Wesley Dobbs, A. T. Walden, Ralph Mark Gilbert, William Boyd, Jesse O. Thomas, C. L. Harper, Rufus Clement, and Primus King dreamt bright dreams in a nightmare world. And today, because of their dreams and their work, Maynard Jackson is in the Mayor's Office, Andrew Young is in the Congress, Julian Bond is in the State Senate, 22 blacks are in the Georgia State Legislature, and 176 black people hold elective positions in this State.

But beyond the vast political changes that have taken place here are the social and economic changes that have been revolutionary. The face of Atlanta and Georgia have been changed in the past two decades. From the death of the county-unit system and the growth of political democracy to the widespread desegregation of school systems to the opening up of employment opportunities unheard of in the past, this City and this State have taken a giant step into the Twentieth Century.

And these changes have come about because dedicated men and women dared, dreamed, and delivered. They followed up their dreams with the hard, gritty work to make them come true. We who have come after these pioneers can do no less. We in the 1970's must also dare, dream and fight, and work to fulfill our noblest hopes and aspirations.

So we've got to keep on dreaming and working. We never though we'd get this far, but we've come this far by faith and work. Now let's turn our dreams to the future. If a black man can be Mayor of Atlanta, he can be Governor of Georgia. If a black man can sit in the House of Representatives, he can sit in the U.S. Senate. If a black man can be in the Georgia State Senate, he can be President or Vice President of the United States.

Yes, we need once again to dream with Martin, of a nation in which white and black join hands in brotherhood all over this land.

We need to dream once again with Malcolm, of the day when black people stand in power and in pride, all over this land.

We need once again to dream with Whitney, of a nation in which the powerful and the powerless join hands in mutual respect and concern, all over this land.

Yes, we need dreams, and we need to keep on working and fighting to fulfill those dreams all over this land. For, "We are soldiers in the army, We've got to fight although we have to cry, We've got to hold up the bloodstained banner, We've got to hold it up until we die."

As we walk in the valley of the shadow of inequality and hardship, let us hold fast to our dreams of reaching the bright hilltop of justice and righteousness.

Yes, we dream, we fight, we believe, we have faith. We say, with Langston Hughes:

Hold fast to dreams
For if dreams die
Life is a broken-winged bird
That cannot fly.

Hold fast to dreams
For if dreams go
Life is a barren field
Frozen with snow.

Working, fighting, believing, dreaming, let this Conference begin.

SUPERSONIC TRANSPORT

Mr. CANNON. Mr. President, last week we saw an attempt to stop the supersonic Concorde from landing in the United States. Fortunately, reason prevailed over emotion and the attempt was defeated, although only by a narrow margin.

I now have in my possession an article which appeared in the Cleveland Press relating Toronto, Canada's bid for the first supersonic air routes. Since it impinges upon New York's potential for being the gateway to Europe, I ask unanimous consent for the article to be placed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Flights and Fliers: Toronto Bids for First Supersonic Air Routes

(By Charles Tracy)

Toronto is staging an all-out effort to be the first city in North America with supersonic air service by the Anglo-French Concorde supersonic transport.

Toronto is bidding to be the leading city of Canada and of the continent. It's in a prestige battle with Montreal and showing definite progress in the opinion of Air Canada airline officials and aviation industry executives.

Leo Schefer, spokesman for British Aircraft Corp. in Washington, D.C., said the Concorde will start flying into Toronto or Montreal early next year on trans-Atlantic flights from London.

With a cruising speed of 1400 mph, the Concorde will make the Atlantic crossing to London in 3 hours 10 minutes. The sleek delta-wing airliner will seat 120 passengers and fly at 60,000 feet altitude.

The service from Toronto will provide Clevelanders a more convenient, faster gateway to Europe than New York City where Concorde landing rights are still being debated.

Air Canada operates five flights daily to Toronto from Cleveland Hopkins Airport. Flying time is 45 minutes.

Allowing 1 hour 15 minutes for connecting to a Concorde, Clevelanders could land in London only 5 hours 10 minutes out of Hopkins, less than half the time now required.

Next year Air Canada will start nonstop flights from Hopkins to Montreal.

Schefer said the Concorde will make daily flights between London and Gander, Newfoundland, next month for two weeks in a series of route tests. The plane will be operated by British Airways.

That airline's Ontario manager, J. E. S. Hullah, said the test flights will be 100% supersonic except for brief periods at the start and end of the flight when the Concorde is climbing away from the airport or descending to land.

In a previous test flight a Concorde flew from London to Gander in 2 hours 58 minutes. Next month's flights might be faster.

Air France and British Airways will start the first regularly scheduled Concorde service next January. The French airline will link Paris with Dakar, Senegal, on the west coast of Africa, and Rio de Janeiro, Brazil.

The British line will curve down from London to Bahrein, a British possession on an island in the Persian Gulf, Singapore and Australia.

The British began test flights on the route Monday.

In Australia recently, Secor Browne, former Civil Aeronautics Board chairman, said the Concorde will provide the greatest business stimulus for that nation since recovery from the Depression.

Browne, a director of Pneumo Dynamics Inc., said international business travel will insure the Concorde's success.

"It will empty all first-class seats aboard all subsonic international planes," said Browne.

He said Australia had greater need than most nations for supersonic air service because of its remoteness. The scheduled London-to-Melbourne flight time will be 13.5 hours.

Seven route flights between Singapore and Melbourne are planned before Aug. 8.

INTERNS HECKLE THE PRESIDENT

Mr. PERCY. Mr. President, on July 23, 1975, the White House extended an invitation to the members of the Bi-Partisan Interns Committee to tour the White House and be greeted by the President. It has come to my attention that a number of those attending were distressed over the discourteous response to the President on behalf of a few interns. Others I am sure felt that it was healthy. I have no doubt that the President was able to handle himself well. The question, I suppose, could be asked, "Was the White House, where the interns were guests of the President, the proper time and place to heckle the President of the United States?" I ask unanimous consent to have printed in the Record a letter to the President from Kimberly Kent, an intern in my office, expressing her strongly felt reactions.

There being no objection, the letter was ordered to be printed in the Record, as follows:

July 30, 1975.

The President,
The White House, Washington, D.C.

Dear Mr. President: I would like to extend my personal thanks to you and members of your staff for so graciously welcoming the Congressional interns to the White House on July 23. The occasion was a memorable event and a valuable part of my learning experience this summer.

I regret that there was a lack of respect for you personally and for the office of the President of the United States by some interns attending the function. The verbal outcries by some in the audience were most disconcerting to those who were interested in hearing your views. It was not a question of political agreement with the issues discussed, but one of courtesy and tolerance for opposing viewpoints. I feel you were not afforded the proper respect due the President. I trust that you will not judge the majority of the interns by the performance of a few, and that you will continue to sponsor this important event.

Thank you again for the opportunity to visit the White House and to meet with you.

Sincerely,

Kimberly S. Kent,
Intern to Senator Charles H. Percy.

THE MARIANAS

Mr. PELL. Mr. President, the experience of the United States in Asia has been a long and complicated one. Indeed, it is possible to trace a history embracing two centuries of commercial, political, and social contacts. Since the Second World War, however, American involvement in this part of the world has intensified. The United States has had a major interest in the reconstruction of Japan, the Chinese civil war, the Korean war, the establishment of SEATO and ANZUS, and the war in Indochina. Presently, the U.S. 7th Fleet patrols the Pacific; bases are maintained in Guam, the Philippines, Okinawa, and Japan; with 42,000 American troops stationed in South Korea alone. The United States maintains important economic relations with Japan and other countries in the area, while diplomatic efforts continue to seek improved relations with allies and adversaries alike.

Today, however, the newest chapter in this association of the United States and Asia is being written. For the first time in over a half century, the United States stands on the threshold of annexing new territory, thereby extending U.S. sovereignty to a small group of islands some 3,000 miles west of Hawaii. Specifically, the administration has requested that Congress approve the proposed covenant by which the Northern Mariana Islands would enter into commonwealth status with the United States; as the House of Representatives has already approved this request, the decision now lies in the hands of the Senate.

The Marianas themselves consist of 14 small islands inhabited by less than 15,000 people, part of a larger group of more than 2,000 Pacific islands known collectively as Micronesia. A bitterly sought prize of World War II, Micronesia has been administered by the United States as a "strategic trust" under a United Nations mandate since 1947. Throughout this period, the United States has been responsible for the well-being and development of the Micronesian people, and is currently providing economic assistance at the rate of $60 million a year.

In recent years, however, the political relationship between the United States and Micronesia has been one characterized by increasing strain. The Congress of Micronesia, a body formed in 1965 representing the 115,000 inhabitants of Micronesia, has desired a revision of its trustee status. Negotiations have thus far failed to produce a compromise acceptable to both the United States and Micronesia, with American opposition to Micronesia's demand for the option of eventual independence providing the major stumbling block.

Beginning in 1972, the United States, frustrated by this impasse with Micronesia, began courting the Marianas alone, and early this year a covenant was finalized calling for a Marianan commonwealth similar in nature to that enjoyed by Puerto Rico and Guam. Just last month, the people of the Marianas voted overwhelmingly to accept this covenant, and now only the Senate stands in the way of the Marianas becoming part of the United States.

Advocates of the covenant have stressed the historic responsibility of the United States for the welfare of the people of the Marianas, and the clear mandate for annexation reflected by the recent vote. Also, the Marianas are being touted as a strategic necessity for the United States, providing an excellent contingency or "fallback" base for American military forces in the Pacific Ocean.

Yet, many troubling questions are created by this proposed annexation. The extension of the American flag to additional areas in Asia inevitably raises charges of colonialism and imperialism throughout the international community. In addition, by having encouraged this special relationship with the Marianas, the United States is contradicting the will of the majority of Micronesians who look unfavorably upon this proposed dismantling of their potential country. Hence, not only will the separation of the Marianas have a detrimental effect on the American position in the United Nations where opposition to this proposal already exists, but it promises to have a profound impact on the future of Micronesia and the course of American-Micronesian relations.

Equally serious are the military and strategic questions that must be considered. The contention that the Marianas are necessary as a contingency base for the United States in Asia is an example of expensive, premature "worst possible case" thinking. Even with the recent loss of facilities on the Asian mainland, the United States continues to enjoy the use of base facilities in the Philippines, Japan, Okinawa, and Guam. It is thus difficult to see the need for yet another multimillion dollar air-naval complex, especially as Guam is only 100 miles away from the proposed base at Tinian in the Marianas.

The debate on whether the United States should proceed with the proposed admission of the Marianas is a complex one. Once again, though, it appears that a project with major long-term implications for the foreign policy of the United States is being rushed through the Congress without adequate scrutiny. Politically, the advantages represented by friendship with the Marianas might be more than offset by bringing about the hostility of Micronesia.

Similarly, the proposed base in the Marianas might prove not only expensive, but on balance a strategic liability for the United States, as it is not difficult to imagine increased Soviet and Chinese activity resulting in the area—perhaps someday with the assistance of a disgruntled Micronesia.

To date, the Senate Interior Committee has held one day of hearings on the proposed annexation. For an issue with such far-ranging implications for both the United States and the peoples in that part of the world, this is inadequate. Further study is required, and additional testimony regarding foreign policy implications is a must.

In conclusion, I am pleased to attach to my remarks two editorials from the New York Times which ask some of the fundamental questions requiring consideration before the United States moves ahead on this proposal. I ask unanimous consent that the two editorials entitled, "Planting the Flag" and "Destiny Unmanifest," which appeared in the New York Times of June 29, 1975, and July 28, 1975, respectively, be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Times, June 29, 1975]

PLANTING THE FLAG

The United States is poised on the verge of a questionable new economic and military commitment thousands of miles overseas, without as yet even a semblance of serious Congressional consideration.

By executive branch decision and planning, the Mariana Island chain of the western Pacific has been offered commonwealth status under the formal sovereignty of the United States. If carried through, this would become the first territorial annexation by this country since 1925.

Even if such a historic transaction were straightforward and without controversy, it would have seemed proper for the Congress to be consulted and involved from the early planning stages. As it happens, the proposed annexation of the Marianas is far from straightforward and it is surrounded by controversy.

The United States may already be in defiance of the United Nations in drawing a political separation between the Northern Marianas and the broader Micronesia Trust Territory, which the U.N. assigned as a single unit to United States administration in 1948. As local authorities across Micronesia began to agitate for eventual independence, the United States singled out the more docile Marianas for special treatment. American negotiators agreed to provide some $140 million in development funds annually for seven years, announced plans for a lucrative new naval base and presented the islands' 15,000 residents with a take-it-or-leave-it-choice. A plebiscite this month produced the expected result, a vote of nearly 80 percent in favor of commonwealth status and the prospect of becoming United States citizens.

The strategic reasons for extending United States sovereignty deep into the Pacific, 3,300 miles west of Hawaii and alongside the established base at Guam, may have merit—but this may well be vitiated by the increased responsibilities and exposure. That is a decision which the Pentagon or the White House cannot be allowed to make on their own.

When all the relevant decisions are finally submitted to Congress, as President Ford said they will be soon, legislators need feel no obligation to give the rubber-stamp approval that is apparently expected of them. Here is one opportunity for the Congress to consider carefully a possible new American commitment in all its implications—political, economic and military—before discovering a *fait accompli*.

[From the New York Times, July 28, 1975]

DESTINY UNMANIFEST

With a haste that is both unnecessary and ominous, the Congress is moving toward rubber-stamp approval of a far-reaching strategic commitment that Americans may come to regret. This is the covenant granting commonwealth status—hence United States citizenship and sovereignty—for the northern Mariana island chain in the western Pacific.

After perfunctory moments of debate with fewer than 25 members on the floor, the House of Representatives gave its approval by voice vote last week to this country's first territorial annexation since 1925. The Administration is seeking equally rapid and unquestioning action by the Senate.

There are countless questions about this whole issue which have yet to be considered by more than a handful of the Congress, involving this country's relations with the United Nations and with the other peoples of the Pacific Trust Territory, not to mention the entire defense and strategic posture of the United States in the Pacific.

"Commonwealth" is a vague juridical term, but under the covenant approved by a vast majority of the Marianas population in a plebiscite last month, the islands would receive financial and legal privileges even more generous in some ways than those accorded the other American commonwealth, Puerto Rico. The strangest feature in the present discussion—or lack therof—is the ease with which a political change of this magnitude is contemplated; many legislators seem to regard it as the most natural development in the world for the United States simply to extend citizenship and sovereignty to another people who have asked for it.

It seems to us that the burden of proof falls upon advocates of annexation to justify why the United States should extend its responsibilities in this way. What are the specific and worthwhile benefits which the United States would receive from this new association? Perhaps eventually a convincing case will be made. A series of legal steps lies ahead before the change can be effected, including far from automatic approval by the United Nations, which assigned Pacific trust obligations to the United States in 1947.

But this is the first and last formal occasion for Congress to express its will on joining the Marianas to the United States. If the Senate allows itself to be steamrolled into a little-understood proposition now, it will be on weak ground to complain once the problems arise.

DISCLOSURE OF INCOME, INCOME TAXES PAID, FINANCIAL HOLDINGS, AND OUTSIDE SOURCES OF INCOME FOR 1974

Mr. SCHWEIKER. Mr. President, as a U.S. Senator, I believe it is in the public interest to make a disclosure periodically of my income, Federal income taxes paid, financial holdings, and outside sources of income

Therefore, today, Mr. President, I am voluntarily disclosing my 1974 income, Federal income taxes paid in 1974, financial holdings, and outside sources of income in 1974. My 1974 honoraria were publicly disclosed in accordance with Senate rules.

For the calendar year 1974, my wife and I had an adjusted gross income of $61,978.89—line 15 of our Federal return—and we paid $14,561.53 in Federal income taxes. In addition, we have paid the Pennsylvania State income tax since its inception, and I have also paid the Worcester Township, Montgomery County, Pa., wage tax since its inception.

The only stocks which my wife and I owned in 1974 were Harleysville Life Insurance Co., Merrill Lynch & Co., and National Gypsum Co. My wife and I received dividend income from these stocks.

We held no real estate other than that at Worcester, Pa., and McLean, Va. Our other holdings were life insurance policies for the protection of our family, two automobiles, and household furnishings.

I hold no business directorship, business position, or partnership, and receive no director's fees, consultant's fees, or salary aside from my U.S. Senate salary. When I was first elected to Congress in 1960, I resigned all such business positions.

THE HELSINKI SUMMIT

Mr. McCLURE. Mr. President, I join my distinguished colleague from New York in his call "for a full and complete disclosure in public hearings of all proceedings and agreements reached during the conference on security and cooperation in Europe prior to the President's participation in the Helsinki summit."

This is a particularly appropriate time to call for public hearings on this issue. As this week is Captive Nations Week, we reflect upon the circumstances surrounding the Soviet conquest of Eastern Europe. We should reexamine the ambiguities in, and misunderstandings of the terminology used during discussions with the Soviet Union during World War II. It was precisely due to a failure to know how the Communists would interpret agreements at Yalta, Potsdam and elsewhere which substantially contributed to the demise of liberty in Eastern Europe.

For example, at Yalta, the Russians agreed to the restoration of democratic government in Poland. Yet by this they meant Soviet style one-party puppet "democracy" as practiced in their own country. They thus demanded the exclusion of genuinely democratic Polish leaders from the Government. Since an entirely different set of definitions must be used in negotiations with Communist regimes, we must be totally aware of what inferences the Soviets may eventually draw from any agreement with the West before—and I particularly stress the word before—we sign any agreement.

Even now we continue to learn through bitter experience of the so-called Paris Peace Accord what can be done with an agreement ostensibly designed to end the war. We now witness the ludicrous spectacle of the North Vietnamese maintaining that they never violated the basic terms of the cease-fire, and even that the United States committed the violations of the cease-fire and must now fulfill the agreement by extending them aid for the reconstruction of the country they destroyed through their aggression. They contend that without such reparations they will continue to refuse to give us information on our MIAs that had been promised even before the so-called cease-fire took effect. The Communists have thus managed to construe the words of the Paris Accords in such a manner to solidify their aggression and frustrate our efforts to salvage the lives of refugees. It is our efforts which have been denounced as gross violation of the accords. The Soviet Union, Communist China, and other Communist allies of Hanoi have completely supported this dishonest interpretation of a solemn agreement.

With that painful memory before us, we are still haunted by the spectacle of the enslavement of the people of Eastern Europe. We must be more vigilant than ever before about agreements with Communist regimes. I believe that prior to any agreement concerning Europe in the conference on security and cooperation, we must have an opportunity to examine such an agreement here.

The President never submitted the Paris Peace Accord to the Senate but simply signed it as an Executive agreement. Euphoria produced by the thought that the war would end prevents questions about the failure to consult Congress on the specific provisions of the accords. Now, again, we are told to anticipate a presidential signature to the European conference on security and cooperation which was negotiated secretly with the Soviet Union. It would allegedly resolve problems resulting from World War II. If this agreement climaxes the end of World War II the way the Paris Accords terminated the Vietnam war we are again courting disaster.

Technically this vehicle is not a "treaty," but only an agreement of intent. Therefore no Senate approval is required. Nonetheless, the Congress should have an opportunity to examine this agreement of intent prior to a Presidential signature. We can only have united American support for our foreign policy when we know what that foreign policy is. Presidential agreements are now the major instruments used to devise American foreign policy. The legislative branch of the Government can only be expected to support the agreements of the executive branch if they are fully informed about their nature and content. Therefore, before the final document is signed we should be publicly apprised of the terms of the completed agreement.

So far only a few bits and pieces of the anticipated agreement have leaked out. This limited information should give us considerable cause for concern about the final product. Even the New York Times reflected substantial skepticism about the results of the conference. In an editorial on "the 35-nation summit" the Times—June 20, 1975—summarized the proceedings as follows:

> The lengthy document drafted at Geneva by hundreds of diplomatts over thousands of hours has as many holes in it as a Swiss cheese and has been converted into a declaration of intent, rather than a binding agreement. Otherwise, no accord at all would have been possible.

The major result of the conference appears to be a final agreement that will confirm the boundaries of Eastern Europe as the Soviet Union has determined them by force of arms since the Second World War. The Soviet Union has attempted to ratify its conquests in this manner since the end of the war. It would give them an added weapon in the event of uprisings as in Hungary and Czechoslovakia. In an article appearing in the New York Times on June 23, the Nobel Prize winning writer Alexandr Solzhenitsyn expressed his concern about the plight of others who, like himself, have suffered under Communist rule. On the European conference, he wrote as follows:

> Soon, at the 35-nation European security talks, the countries of Western Europe will confirm the slavery of their brother countries of the East, all the while believing they are strengthening the prospects of peace.

Because of what we have been able to learn of the prospective agreement we should question, as Solzhenitsyn does, whether the true security of either Europe or the United States is served by the impending agreement. Through the so-called Basket I section of the agreement, the Soviets receive assurances of the inviolability of frontiers and a confirmation, in effect, of their right to rule over the peoples of Eastern Europe. While we tacitly acknowledge the validity of the so-called Brezhnev doctrine by this agreement, we must seriously ask just what security do we gain in return. While the Soviets still may interfere massively in the affairs of Eastern Europe, as they did in 1968 in Czechoslovakia, we do not secure their pledge to cease interference in the internal affairs of the countries of Western Europe, including our NATO allies.

In fact, during the very negotiations which were to guarantee the security of Europe, the Soviet Union was extending massive assistance to the Communist Party of Portugal. Reliable estimates place direct Soviet assistance to the Portuguese Communists at upwards of $50 million. It is certainly a tribute to Soviet skill that they can balance negotiations which would keep the West from interfering with, and at the same time engaging in, "their affairs," driving a valuable ally out of NATO as they attempt to undermine Portugal's April election results.

This is just one illustration of how the Soviets interpret non-interference in the affairs of other nations. Thus while the security of the Soviet Union may well be enhanced by this agreement, the security of Western Europe will not be increased. But to the extent Western countries delude themselves into believing that this paper agreement provides them some additional security, their mistake may prove dangerous.

Last, I wish to touch upon a frequent apology given for the nature of the agreement. We have been told that the agreement is only a statement of intent and, consequently, the final document should not be regarded as particularly important. This reasoning has been given for both the dearth of news coverage on the conference and the seemingly casual attitude toward it taken by our Government. But this explanation is inadequate.

If the agreement is unimportant, why have we been attending periodic meetings for the last 2 years, in order to negotiate and sign such a document?

If the agreement has no immediate importance, why do we set an arbitrary deadline for a final agreement before we have either all the difficulties resolved or before we have any opportunity to examine the specific details of the document?

If the concluding result of the conference has little significance, why have 35 nations seen fit to send representatives to the meetings and insist that their own particular problems be addressed in the final document?

If it is of little consequence, why must the details of both the negotiations and the final text be kept under lock and key? Why can not even this allegedly limited "agreement of intent" be openly arrived at?

And a final and most disturbing question: Why does the Soviet Union press so vigorously for a final agreement now? Should not the Kremlin's anxiety for a speedy agreement make us doubly suspicious about the potential use they might make of the final document?

Only when these questions receive satisfactory answers can the American people be expected to support the final agreement. Therefore, I urge that before he signs, the President should advise the Congress and the American people of what he is committing them to, and what will be the implications for our allies and those citizens of the captive nations. This much at least we owe to ourselves and the people of Eastern Europe whose plight we reflect upon this week.

I ask unanimous consent that the articles by Solzhenitsyn in the New York Times to which I have referred be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the New York Times, June 23, 1975]

The Big Losers in the Third World War

(By Aleksandr I. Solzhenitsyn)

Paris.—When the Second World War followed on the heels of the First, the question that obsessed everyone was whether World War III would follow in turn. How many concessions and sacrifices were made to delay it, in the hope of perhaps avoiding it altogether?

But very few have noticed, or have had the courage to admit, that World War III has already happened, that it has already passed into history. It ended this year—with the free world soundly defeated.

World War III began immediately after World War II. The seeds were planted as that war ended, and it first saw the light of day at Yalta in 1945, as the cowardly pens of Roosevelt and Churchill, anxious to celebrate their victory with a litany of concessions, signed away Estonia, Latvia, Lithuania, Moldavia, Mongolia, condemned to death or to concentration camps millions of Soviet citizens, created an ineffectual United Nations Assembly, and finally abandoned Yugoslavia, Albania, Poland, Bulgaria, Rumania, Czechoslovakia, Hungary, and East Germany.

World War III began, differently from its two predecessors, not with an exchange of notes breaking off relations, or with massive air raids. It began clandestinely; it insinuated itself into the world under cover of pseudonyms: "democratic" change approved by 100 per cent of the population; Cold War; peaceful coexistence; normalization; realpolitik; détente, or trade agreements that served only the aggressor. Trying to avoid World War III at any price, the West permitted it, allowed it to devastate and enslave twenty countries, and to change the face of the earth.

Under careful scrutiny, the last thirty years are clearly a long, though tortuous, decline of the West—nothing but a descent, a plummeting downward, nothing but enfeeblement and decadence. The powerful Western countries that emerged victorious from the first two World Wars have been intent on courting weakness during these thirty years of peace, squandering real or potential allies, ruining their credibility, abandoning territory and populations to an implacable enemy: immense, populous China, their most important ally during World War II, North Korea, Cuba, North Vietnam, and now South Vietnam and Cambodia; Laos is about to go; Thailand, South Korea and Israel are threatened; Portugal is leaping into the same abyss. Finland and Austria await their fate with resignation, impotent to defend themselves and clearly with no reason to expect assistance from abroad.

It is impossible to mention all the small African and Arab countries that have become the puppets of Communism, as well as so many others, even in Europe, that must submit in order to survive. The United Nations, a total failure, the worst democracy in the world, the plaything of irresponsibility, has become a platform from which to ridicule the West, a reflection of its brutal fall from power.

Therefore, if the victors have been transformed into the vanquished by surrendering more countries and peoples than were ever surrendered following any military capitulation in history, it is no mere figure of speech to say that World War III has already taken place and has ended in the West's defeat.

Today, as the longest and most dramatic battle of this war, that of Vietnam, ends tragically in the assassination of thousands and the imprisonment of millions of others, we rack our brains in vain to uncover occasions during the last thirty years when the West succeeded in maintaining its positions.

We might indeed say there were three: Greece in 1947, West Berlin in 1948, and South Korea in 1950. These three cases inspired faith and hope in the West. But review them in the present context: Which of the three today has sufficient strength to resist enslavement? Who will defend them when they are threatened? What Senate will ratify the shipment of arms and aid? Who will not prefer tranquility to their freedom? Does the Atlantic alliance, which has already lost four countries, still exist? When valiant Israel was defending itself with unfailing solidarity, Europe capitulated, country after country, before the threat of fewer Sunday afternoon outings in the family auto.

Two or three glorious decades of this kind of peaceful coexistence and the very concept of the West will disappear from the face of the earth.

World War III was precipitated in the West's most vulnerable spot, the human desire to prolong prosperity at the price of illusory concessions. Which explains the joy expressed at each new agreement (as if any one of them had ever been respected by the Soviet Union except when it served its purposes). Soon, at the 35-nation European security talks, the countries of Western Europe will confirm the slavey of their brother countries of the East, all the while believing they are strengthening the prospects for peace.

I have described the situation as it appears clearly to the average man of the Eastern countries, from Poznan to Canton. But Western spirits will need considerable firmness and Western eyes will need to be particularly clear-sighted to discern and accept the evidence of the methodical, constant, and triumphant instigation of violence and bloodshed throughout the world emanating from one source for almost sixty years.

They need only consult the map of the world to see which countries are already marked for the next holocaust.

Of course, no one has the right to demand that the West undertake the defense of Malaysia, Indonesia, Formosa, or the Philippines; no one can dare blame it for not wanting to do so. But those young men who refused to bear the pain and anguish of the far-away war in Vietnam will not have passed the age of military service before they—not their sons—must fall in defense of America. But by then it will be too late.

There is no longer any point in asking how to prevent World War III. We must have the courage and lucidity to stop the Fourth. Stop it we must; not fall to our knees as it approaches.

[From the New York Times, June 20, 1975]

The 35-Nation Summit

Soviet concessions in the past few weeks on many of the issues still outstanding in the 35-nation Conference on Security and Cooperation in Europe have brought one of history's strangest diplomatic transactions close to completion.

In 31 months of negotiation, Moscow has sought a surrogate World War II peace treaty to ratify the territorial status quo. The Western and neutral participants have been intent on improving, not freezing, the status quo. The lengthy document drafted in Geneva by hundreds of diplomats over thousands of hours has as many holes in it as a Swiss cheese and has been converted into a declaration of intent, rather than a binding agreement. Otherwise, no accord at all would have been possible.

The whole enterprise could still be blocked by Soviet refusal to go the last mile on advance notice of military maneuvers, the most important issue not yet fully resolved. But the likelihood now is that final compromises on the document will be made, perhaps even in time to permit its ceremonial signing at a 35-nation summit meeting in Helsinki in late July as Leonid Brezhnev desires.

To dignify the document in this way will be sad—and may even be demeaning for the Western leaders who participate. But what would be particularly dangerous would be to permit the meeting to confirm in American and West European eyes the illusion that all the basic questions dividing the Soviet and Western worlds have been satisfactorily settled.

In return for accepting the principle of the "inviolability of frontiers," the West has obtained a reference to the possibility of border changes by peaceful means and a series of modest Soviet pledges to freer movement of persons and information. Moscow will thereby get what it wants immediately—the summit meeting that will seem to consecrate the status quo. But it will be years before the West will know how much, if at all, the Soviet Union will carry out its own vague promises. So far, détente has brought a severe tightening-up of police controls within the U.S.S.R.

More serious, détente has failed to inhibit Soviet arms shipments to Vietnam and the Middle East and the seizure of most of the levers of power in Portugal by a Moscow-aligned Communist party. No progress of importance has been made in the NATO-Warsaw Pact mutual force reduction talks in Vienna. The Soviet-American strategic arms limitation talks (SALT II) are running into difficulty.

If a 35-nation summit conference cannot be delayed until these uncertainties are cleared away, it should at least be utilized for some frank talk—privately and publicly—to avoid euphoria in the West and to put Moscow on notice that détente must be a two-way street.

ERDA CONSTRUCTION VITAL TO NATION'S FUTURE

Mr. FANNIN. Mr. President, we have all been talking about the fact that "the days of cheap and abundant energy are over." In recognition of that fact, we established two new energy agencies during the last Congress and are continuing to seek ways of providing this country with a sound energy future.

In considering the authorizations for the new Energy Research and Development Administration, the Senate Interior Committee spent many weeks, under the able direction of Senator CHURCH, studying the potential of alternate energy forms and the necessary incentives and assistance for their development. The many innovative energy alternatives which we discussed during our review of S. 598 should, under the guidance of ERDA, be brought into commercial competition with our traditional fossil fuels much more quickly than if their development were left to the private sector alone. Hopefully, these energy development programs will accomplish in months what would normally take industry alone many years to achieve.

In this effort, however, we certainly do not want to discourage industry research and development or simulate what is already being done by the private sector. I do not think we can emphasize strongly enough how vital this agency's contribution is to our Nation's future. The entire world is faced with the growing competition for our scarce natural resources, so we must concentrate on reducing our dependence on these scarce resources and developing our ability to utilize clean and abundant alternatives.

At this time, I would like to share with my colleagues an article on geothermal potential in the Southwest, which appeared in the Eastern Arizona Courier, noting that resources' many advantages, and an article from the Tri-Valley Dispatch, which explores the paradox of our natural gas policy, strengthening our vital need to develop alternative energy sources.

I ask unanimous consent that the articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Eastern Arizona Courier, July 23, 1975]

PROFESSOR SEES ADDED ROLE OF GEOTHERMAL ENERGY HERE

SAFFORD.—With fossil fuels becoming increasingly scarce, and their price increasing dramatically, the search for at least one alternative energy source may focus in southeastern Arizona, and southwest New Mexico, according to a New Mexico State professor.

Dr. Chandler Swanberg, head of the geophysics department at the university, in Las Cruces, described what he thinks are possibilities for development of geothermal resources to members of the Safford-Graham County Chamber of Commerce Friday.

Swanberg expressed the belief that the nation's commitment to fossil fuels such as coal and oil, as the primary means of turning its wheels, may have to come to an end. He cited availability problems, in the Past 18 months compounded by the Middle East cartel. His view is that certain areas of the country including this part of the southwest, may have an economically and environmentally feasible alternative near at hand.

Because the Valley area has a number of hot springs that are surface indications of deep geothermal activity, Dr. Swanberg and student assistants have spent the early part of the summer charting hot spring locations here, and taking water temperature readings. Their work here has been part of a survey of the southern New Mexico-Arizona border area.

Dr. Swanberg traced the process of fossil fuel to electrical energy conversion. Wells must be drilled, the oil pumped, transported to a refinery, processed there, shipped to a generating plant, then burned to produce heat to, in turn, produce steam, which is then fed into the turbines to turn the generators.

In contrast, geothermal energy in its raw natural form, shows up at the surface under controlled conditions as live steam and under sufficient pressure to be fed into turbine generators.

The implication of this shortened route between energy source and energy conversion is that geothermal alternatives can be practical and economically feasible, according to advocate Swanberg.

On the advantage side of the geothermal energy ledger, he said, are a number of other important considerations. One is the absence of the environmental and ecological complications often associated with the need to burn fuels to produce the steam for electrical energy generation.

Geothermal power demands no vast amounts of water which are necessary to be converted into steam, an important consideration for arid lands. Rather than create a demand for water, the geothermal process would produce water as a byproduct—an advantage in the southwest that might be a problem elsewhere.

A further advantage might be the economical extraction of suspended minerals from the water reduced from the steam. That process would require large holding ponds, not practical in areas where land values are extremely high due to a high level of development, but possible in the southwest where there are large tracts of idle land.

The speaker, discounted the disadvantages of the geothermal approach to energy production and spent little time dealing with the few marginal complaints against the process that he could itemize. They were in the area of theoretical objection, and Swanberg was more interested in playing up what he felt was a timely alternative to a worsening national energy situation.

He said it was estimated that about a thousand times the energy needed from geothermal sources to meet the world's energy needs, was escaping untapped, and that encouraging the release of the energy by drilling was not going to create any kind of imbalance.

The additional drain represented by what would be needed for electrical energy production to cut down on fossil fuel consumption would be of no consequence, he maintained.

Slides showing existing geothermal taps in several areas of the United States were screened and contributed to the professor's explanation of his contentions. Several dealt with a plant near San Francisco which is currently producing two-thirds of the total electrical energy needs of that city, and which has a potential geothermal source sufficient to more than double its electrical operate off the existing volume of available steam would be needed.

In the absence of surface manifestations such as hot springs and geysers, geophysical testing can be employed to determine the likely presence of sufficient geothermal activity at a reasonable depth to justify drilling. Wells sunk to tap the heat sources will range from 4,000 to 6,000 feet in depth, Professor Swanberg said.

But what is accomplished? Electrical energy is produced cheaply. Useable minerals are present for extraction, adding to the economic feasibility of the overall operation, and a water source is developed. In some instances, he said, it may even be possible to use the hot water that is a turbine system by-product, in a central heating system on a community scale. There may be applications for geothermal energy sources in the state's mining operations, he said.

Swanberg indicated that his research into regional feasibility would continue, and said he would be available to the Chamber at a later date, to report on any further findings resulting from his study.

[From the Tri-Valley Dispatch, July 23 and 24, 1975]

SOUTHWEST GAS CO. PRESIDENT RAPS INDECISION ON ENERGY PLAN

"There is a dangerous mood of indecision and procrastination at the national level in all matters that touch upon energy," W. M. Laub, president of Southwest Gas Corp., said today.

Laub said the energy problem is the most serious issue facing the nation today because it is basic to all facets of American life—transportation, the home, national security, industry and jobs.

"Yet, a year and a half after the Arab oil embargo the country has no national energy policy and Congressional action on the matter is moving through the Senate and House at an agonizingly slow crawl," he said.

The choices to be made are hard choices and are not necessarily popular with Congressmen's constituents back home, Laub said. Like most Americans they agree on the need for cutting back fuel consumption, but cannot agree on who must pay more and who must do without.

"Only President Ford has the guts to tell it like it is, instead of the way we wish it were.

"The President has stated the problem this way: Either we have adequate oil and natural gas at moderately increased prices, or we have increasing shortages, and eventually rationing, at artificially low prices."

One of the hard choices, according to Laub, is cutting gasoline consumption and oil imports. These are not liked by the voters, but the consequences of not cutting them are frightening.

He said another hard choice is deregulation of natural gas prices in the field. By keeping the price low, Congress has created an artificial shortage that is getting worse each year.

As a result of this Federal pricing policy he said much-needed energy that is available in this country is staying in the ground while we import it at several times the domestic cost.

He pointed out that the price ceiling for interstate gas in the U.S. is 51 cents per thousand cubic feet. The same quantity of gas being imported from Canada will cost $1.60 commencing Nov. 1, which is the value the market place puts upon the energy.

"The distributing utility, like Southwest Gas, is at the end of the line in all this Federal procrastination" Laub added. "We are the ones who must face the customer. And we are the ones who will have to explain that we cannot take on any new accounts, and our new customers must look elsewhere for more expensive energy.

"Meanwhile, the Congress refuses to face the hard facts and make the hard choices. The national posture is indecision and procrastination, hoping the problem will evaporate and let us return to bygone days of cheap and abundant energy.

"New natural gas produced in the U.S., the most sought after fuel because of its clean-burning characteristics, has a regulated price of 51 cents per million BTU, an equivalent amount of oil is priced at $2, while coal, unregulated, costs up to 85 cents per million BTU. With this sort of imbalance provided by Federal regulation, is there any reason to wonder why natural gas is in short supply?

Laub added that the huge natural gas reserves of Alaska were discovered more than seven years ago but that not one cubic foot of this gas or oil has moved to the lower 48 states.

The country has had two successive warm winters, which has deferred a serious winter energy crisis, according to Laub. "But we are living on borrowed time," he added.

He said natural gas supplies half the energy used by industry and that in the event of a cold winter much of this may have to be curtailed for residential use. This could lead to factory shutdowns and more unemployment.

"There are no easy answers to our energy dilemmas and there is no cheap way out," Laub stated. "But unless our elected officials face the real world and start making decisions, popular or not, we'll all be chopping firewood. And in the desert, that is a pretty dim prospect.

FIREWOOD SCARCITY

Mr. CRANSTON. Mr. President, I would like to draw to the attention of my colleagues in the Senate an important article which appeared in last Sunday's Washington Post. The author, Erik Eckholm, a researcher with World Watch Institute, discusses another significant aspect of the energy crisis—one that may well go unnoticed by the more affluent, industrialized nations, but one which strikes the lifeline of the world's rural poor.

While the short-run problem of firewood scarcity may barely raise an eyebrow in our country, the ecological implications take on international dimensions of which we ought to be aware.

I ask unanimous consent, Mr. President, that the article entitled "Cheaper Than Oil, But More Scarce" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 27, 1975]

CHEAPER THAN OIL, BUT MORE SCARCE

(By Erik P. Eckholm)

For one-third of the world's people, the energy crisis does not mean the dwindling reserves and high prices of petroleum. It means something much more basic—the daily scramble to find the wood needed to cook dinner.

Their search for wood was once a simple chore. But now, as forests recede, it requires long hours—in some areas a day's labor.

Ingenious chemists busy themselves devising ever more sophisticated wood products, but at least half the timber cut in this world still fulfills wood's first roles for man—as cooking fuel and a source of warmth. The vast majority in most poor countries still depends on firewood for fuel, and all too often the population expansion is out-pacing the growth of new trees.

As firewood prices rise, so does the economic burden on the urban poor. One morning on the outskirts of Katmandu, Nepal's capital city, I watched a steady flow of people—men and women, children and the very old—trudge into the city with heavy, neatly chopped and stacked loads of wood on their backs. I asked my taxi driver how much their loads, for which they had walked several hours into the surrounding hills, would sell for. "Oh, wood, a very expensive item!" he exclaimed without hesitation. Wood prices are a primary topic of conversation in Katmandu these days. "That load cost 20 rupees now. Two years ago it sold for six or seven rupees." Firewood prices have risen even faster than kerosene prices.

Firewood and charcoal prices are climbing throughout most of Asia, Africa and Latin America. Those who can, pay the price and thus must forego consumption of other essential goods. Wood is simply accepted as one of the major expenses of living. In Niamey, Niger, deep in the drought-plagued Sahel in West Africa, the average manual laborer's family is now spending nearly one-fourth of its income on firewood. In Ouagadougou, Upper Volta, the portion approaches 30 per cent. Those who can't pay so much may hike out into the surrounding countryside to forage—if enough trees are within a reasonable walking distance. Otherwise, they may scrounge about for twigs, garbage or anything that can be burned.

When I visited the chief conservator of forests in Pakistan's North West Frontier Providence, he spoke in a somewhat resigned tone of stopping his car the previous day to prevent a woman from pulling bark off a tree. "I told her that peeling the bark off a tree is just like peeling the skin off a man," he said. Of course, the woman stopped, intimidated by what may be the most personal encounter with such a senior civil servant she will have in her lifetime, but she doubtless resumed her practice shortly, for what else, as the chief conservator himself asked, was she to do?

It is not in cities but in rural villages that most peole in the affected countries live and where most firewood is burned. The rural, landless poor in parts of India and Pakistan now face a new squeeze on their meager incomes. In the past, they have generally been able to gather wood for free among the trees scattered through farmlands, but as wood prices in the towns rise, firewood is being commercialized and landlords naturally see an advantage in carting available timber into the nearest town for sale rather than giving it to the nearby laborers.

With the farmland trees and the scrubby woodlands of unfarmed areas depleted by these pressures, both the needy and the ever-present entrepreneurs are forced to poach for fuel wood in the legally protected, ecologically and economically essential national forest reserves. The gravity of the poaching problem in India has been reflected in the formation of special mobile guard squads and mobile courts to try captured offenders, but law enforcement measures have little effectiveness in such an untenable situation. Acute firewood scarcity has undermined administrative control even in China, where trees on commune plantations are sometimes uprooted at night for fuel almost as soon as they are planted.

Trees are becoming scarce in the most unlikely places. Nepalese foresters told me that in some of the most remote villages in the world, deep in the once heavily forested foothills of Nepal, journeying out to gather firewood and fodder is now an entire day's task. Just one generation ago the same expedition required no more than an hour or two.

Because those directly suffering its consequences are mostly illiterate, and wood shortages lack the photogenic visibility of famine, the firewood crisis has not provoked much world attention. And in a way there is little point in calling this a world problem, for fuel wood scarcity, unlike oil scarcity, is always localized in its apparent dimensions. To say that firewood is scarce in Mali or Nepal is of no immediate consequence to the boy scout building a campfire in Pennsylvania, whereas his parents have already learned that decisions in Saudi Arabia can keep the family car in the garage.

Unfortunately, however, the consequences of firewood scarcity are seldom limited to the economic burden placed on the poor of a particular locality. The accelerating destruction of forests throughout Afria, Asia and Latin America, caused in part by fuel gathering, lies at the heart of what will likely be the most profound ecological challenge of the late 20th Century—the undermining of the land's productivity through soil erosion, increasingly severe flooding, creeping deserts and declining soil fertility.

The dust-bowl years in the great plains of the '30s taught Americans the perils of devegetating a region prone to droughts. The images, provided by John Steinbeck in "The Grapes of Wrath," of the human dislocation wrought by that interaction of man, land and climate could easily be applied today to large semi-arid stretches of Africa along the northern and southern edges of the Sahara and around the huge Rajasthan Desert in northwest India.

Citizens in towns such as Namey are paying a much higher price than they realize for their cooking fuel.

The caravans that bring in this precious resource are contributing to the southward encroachment of the Sahara itself and, more important, the creation of desert-like conditions in a wide band below the desert's edge. Virtually all trees within 40 miles of Auagadougou have been burned as fuel by the city's people, and the circle of land "strip-mined" for firewood—without reclamation—is continually expanding.

Once land in these areas is denuded, topsoil starts blowing in the wind. Sorely needed rainfall quickly runs off the bare landscape, rather than soaking in, and soon, when the predictable drought arrives, an inhospitable wasteland—a man-made desert—has been created.

In the Indian subcontinent, the most pernicious single result of firewood scarcity is probably not the destruction of tree cover itself, but the alternative—burning cow dung—to which a good share of the people in India, Pakistan and Bangladesh have been forced. In many areas, hand-molded dung patties have been the only source of fuel for generations, but now, by necessity, their use is spreading further. Between 300 million and 400 millions tons of dung are burned annually for fuel in India alone, robbing farmland of badly needed nutrients and organic matter. The plant nutrients wasted annually in this fashion in India equal more than a third of the country's chemical fertilizer use. Dung is also used for cooking rather than fertilizer in the Sahelian zone of Africa, Ethiopia, Iraq and the nearly treeless Andean valleys and slops of Bolivia and Peru.

Even more important than the loss of agricultural nutrients is the incalculable damage done to soil quality through the failure to return manures to the fields. Organic matter preserves soil structures and fertility, reduces erosion by wind or water and helps the soil withstand droughts.

Firewood scarcity, then, is intimately linked to the food problem facing many countries in two ways. Deforestation and the diversion of manures to use as fuel are sabotaging the land's ability to produce food. Meanwhile, as an Indian official put it, "Even if we somehow grow enough food for our people in the year 2000, how in the world will they cook it?"

The firewood crisis is in some ways more, and in others less, intractable than the energy crisis of the industrialized world. Resource scarcity can usually be attacked from either end, through the conservation of demand or the expansion of supply.

The world contraction in demand for oil in 1974 and early 1975 has temporarily eased the shortage, but the firewood needs of the developing countries cannot be massively reduced in this fashion. The energy system of the truly poor contains no easily trimmed fat like 4,000 to 5,000-pound private automobiles. Furthermore, a global recession does little to dampen the demand for firewood as it temporarily has in the case of oil. The unfortunate truth is that the amount of wood burned in a particular country is almost completely determined by the number of people who need it.

Even if the demographers are surprised by quick progress on the population front, the demand for basic resources like firewood will still push many countries to their limits. Fortunately, trees, unlike oil, are a renewable resource when properly managed. The logical immediate response to the firewood storage is to plant more trees—in plantations, on farms, along roads and on unused land.

The concept is simple, but its implementation is not. Governments in nearly all the wood-short countries have had tree-planting programs for some time, but several problems have plagued these programs from the beginning.

One is the sheer magnitude of the need for wood and the scale of the growth in demand. Population growth, which surprised many with its acceleration in the '50s and '60s, has swallowed the moderate tree-planting efforts of several countries almost without any noticeable impact.

Even when the political will is there and the funds are allocated, implementing a large-scale reforestation campaign is a surprisingly complex and difficult process. Planting millions of trees and successfully nurturing them to maturity is not a technical, clearly boundaried task like building a dam or a nuclear power plant. Tree-planting projects almost always become deeply enmeshed in the political, cultural and administrative tangles of a rural locality; they touch upon, and are influenced by, the daily living habits of many people and they frequently end in failure.

Most of the regions with too few trees also have too many cattle, sheep and goats. The leaves of a young sappling present an appetizing temptation to a foraging animal, and a herdsman, even if he keeps careful control of his own animals, may reason that if he doesn't let his eat the foliage, someone else will let theirs. Marauding livestock are prime destroyers of three-planting projects throughout the less developed world.

Village politics can undermine a program as well. An incident from Ethiopia a few years back presents an extreme case, but its lessons are plain. A rural reforestation program was initiated as a public works scheme to help control erosion and supply local wood needs. The planting jobs were given to the local poor, mostly landless laborers who badly needed the low wages they could earn in the planting program. Seedlings were distributed, planting commenced, and all seemed to be going well—until the overseers journeyed out to check the progress. They found that in many areas the seedlings were being planted upside down.

The laborers, of course, well knew the difference between roots and branches; they also knew that, given the feudal land-tenure system in which they were living, all the benefits of the planting would flow one way or another to their lords. They were not anxious to work efficiently for substandard wages on a project that brought them almost no personal returns.

Whatever the success of tree-planting projects, the wider substitution of alternative energy sources would contribute greatly to solving the firewood problem. A shift from wood-burning stoves to those using natural gas, coal or electricity has indeed been a dominant global trend in the last century and a half. As recently as 1850, wood met 91 per cent of the fuel needs of the United States, but today, in the economically advanced countries, scarcely any but the intentionally rustic, and scattered poor in the mountains, chop wood by necessity any more. In the poor countries, too, the proportion of wood users is falling gradually, but the hopes of foresters and ecologists for a rapid reduction of pressures on retreating woodlands through a faster shift to kerosene—usually the most feasible wood substitute—withered overnight in December, 1973, when OPEC announced its new oil prices.

Fossil fuels are not the only alternate energy source being contemplated, and over the long-term many of those using firewood, like everyone else, will have to turn in other directions. Nothing, for example, would be better than a dirt-cheap device for cooking dinner in the evening with solar energy collected earlier in the day.

Indian scientists have experimented for decades with an ideal-sounding device that breaks down manures and other organic waste into methane gas for cooking and a rich compost for the farm. More than 8,000 of these bio-gas plants, as they are called, are now being used in India. Without a substantial reduction in cost and further technological simplification, however, they will, at best, slowly infiltrate the hundreds of thousands of rural villages where the fuel problem is growing. Still, relatively simple, small-scale devices like these will likely be the fuel source of the future in the poor countries.

In his essay "Buddhist Economics," E. F. Schumacher praises the practical as well as esoteric wisdom in the Buddha's teaching that his followers should plant and nurse a tree every few years. Unfortunately, this ethical heritage has been largely lost, even in the predominantly Buddhist societies of Southeast Asia. In fact, most societies today lack an ethic of environmental cooperation, an ethic not of conservation for its own sake but of human survival amid ecological systems heading toward collapse.

This will have to change, and fast. More than anything else, the inexorable growing demand for firewood calls for tree-planting efforts on a scale more massive than any most bureaucrats have ever even contemplated, much less planned for. The suicidal deforestation of Africa, Asia and Latin America must somehow be slowed and reversed.

Deteriorating ecological systems have a logic of their own; the damage often builds quiety and unseen for many years, until one day the system collapses with lethal vengeance. Ask anyone who lived in Oklahoma in 1934 or Chad in 1975.

A HARD LOOK AT ONE SCHOOL PROBLEM IN NASHVILLE

Mr. BROCK. Mr. President, an article written by Ginger Kaderabek of the Nashville Banner takes a hard look at our school problem in Nashville. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD as follows:

BUSING "MISFIRED"—VU PROFESSOR TAKES SECOND LOOK

(By Ginger Kaderabek)

The Vanderbilt University professor who served as co-director for a survey that prompted government support for crosstown busing now says busing has "misfired."

"The goals sought by large scale busing are highly desirable, but the negative consequences of busing are larger than we thought," said Ernest Q. Campbell, dean of Vanderbilt's graduate school and a sociology professor.

Campbell was co-director of the sociological survey that produced the scientific backing for busing.

James S. Coleman, the principal author of the 1966 "Coleman Report" which showed that black students in integrated schools learn somewhat better than their counterparts in segregated schools, recently said that busing backfired, causing widespread "white flight" and resulting in greater segregation than before.

The big problem wth an attempt to improve educational opportunity by integrating schools is that the major differences in scholastic achievement seem to be related to home environment rather than to anything the schools do, Campbell said.

"It's very important to remember that when we talk about school effects on learning, we are not talking about the strongest effects. The important things are those which happen outside of school.

"But when we began looking at things which make a small difference, it became clear that when lower class kids go to school with a good complement of middle class kids, they do better in their schoolwork.

"By the way, it is also clear that under these circumstances, they think less well of themselves."

Campbell emphasized that the report never mentioned busing. However, he said, busing was a reasonable use of the findings of the report. "That translation of the findings into social policy was reasonable. It turned out that it misfired, but it was worth trying," he said.

"What the advocates of busing did not see from the beginning is that any gains are not going to be major.

"Any gain would be a modest improvement in a mammoth problem. That point became largely obscured and lost as busing became the remedy."

Even to attain this small improvement, "any busing policy assumes that the middle class school clientele will remain in the public schools," Campbell said. When the middle class began to leave the public schools because of busing, the possibility of learning gains for the lower income students left also.

"The real problem with busing is that the gains are not commensurate with the costs. There are losses that go with making it terribly inconvenient for children and parents to get from home to school.

"There is the loss of informal contact with teachers and classmates in nonschool settings. Your classmates become people you only see at school." He said this is probably true in any large school or in rural areas, but this was made worse by busing.

"In addition, the more inconvenient it is to get between home and school, the bigger the payoff should be when children get to school and neither blacks nor whites have found that payoff."

Although busing may not be the way to do it, Campbell commented, "In my view, it is very much in the national interest to preserve racial contact and prevent racial isolation and separation in public institutions.

"So the goal of increasing interracial institutions and interactions should be important in strategy."

However, he termed the concept of making the racial composition of each classroom the same "a pretty ridiculous goal. And the larger the city, the more ridiculous that goal becomes, given present housing patterns.

"Some other conception of reasonableness than racial balance in every school has to be found. I hate to be in a 'back to the drawing boards' mode, but I think that is where we are."

Coleman and many others have maintained that part of the busing's troubles are because the courts are not the place to initiate social change.

Campbell disagreed. He said, "much as I hate to say so," the courts were the only way. "I can't see any reason in history for black people to believe that white-dominated community agencies will represent their interests and act justly to them. Relief through the courts had to come because it was coming from anywhere else," he said.

The sociology professoir emphasized that with "all this talk about means and techniques, it is awfully important not to lose track of the real problem."

The real problem the Coleman Report found is the extreme difference in performance between blacks and whites. For example, the study found that in the metropolitan areas of the South, by the 12th grade, blacks were 3.3 grades behind whites in verbal ability, 3.5 grades behind in reading comprehension, and 4.4 grades behind in math achievement. Blacks were behind by about the same amount all over the country.

Many experts have attacked studying black achievement through standardized achievement tests such as were used in the Coleman study, claiming that these tests are oriented toward the white middle class.

However, Campbell noted that those things measured by achievement tests—levels of knowledge of reading, standard English, math, and so on—reflect those things which make for success in the present society.

"Blacks cannot have equal opportunity" until they can compete in these areas, Campbell said. An intensive education program focused on blacks might help, but "we can't say if we equalize performance, the problem is solved," Campbell said.

"In a diverse, pluralistic nation, it is important for people to know each other and have an occasion for contact."

In outlining the beginnings of the Coleman Report, Campbell said he and Coleman were hired as consultants by the Office of Education when Congress required that a study be made on the extent of inequality in educational opportunity.

"Congress didn't say what it meant by inequality, so we gathered data for several meanings which seemed possible."

Campbell said the researchers of the study, the largest sociological survey ever made in America with the exception of the census, took a "limited conception" of what schools are for—that schools are supposed to "teach children standard knowledge organized around various subjects and disciplines."

They decided to determine what things affect how much children learn and whether those things distributed according to race, Campbell said.

Campbell concluded that the time has come to examine the problem and try to determine what actions can be taken to improve the educational situation for blacks and whites.

"The real danger is that we won't look, that we will be so discouraged by busing that we just retreat," he said.

POLLUTION CONTROL

Mr. **BROCK**. Mr. President, this Nation has committed itself to securing a better environment by major reductions in air and water pollution. A good deal of legislation has been enacted on this subject, and the public may feel the problem is well on the way to being solved.

Yet it appears that the current program to end pollution may not be working very well. It is estimated that by the 1980's, the cost of antipollution regulations could reach $60 billion a year, much of it spent wastefully and inefficiently. Ambitious goals may be postponed as compliance with the intricate, often inequitable regulations becomes impossible. The Congress has chosen to deal with an issue of enormous technological and economic complexity by means of a regulatory system. Such a system, with its mass of detail, its inflexibility, its demand for a vast enforcement bureaucracy, and its inevitable delays due to litigation is not well suited to handling the pollution problem.

We ought to take a long, hard look at an alternative method—the use of economic incentives in the form of direct taxes on pollutants. Such taxes would, for the first time, put a definite price on pollution. In their own interest, industries and municipalities who pollute the air and water would try to lower the price by cutting their emissions. They would use what they believed to be the most efficient means of doing so, not the choice of some agency in Washington.

This alternative method to pollution control is considered in a thoughtful and timely study by Allen V. Kneese and Charles L. Schultze, "Pollution, Prices, and Public Policy", from the Brookings Institution. The authors make the point that it is no longer sufficient for Congress to decide on a goal, that the method used to implement that goal is just as important. For a number of especially complex and intricate issues—pollution, energy, health care—the blunt instrument of Federal regulation may be an inappropriate response.

Mr. President, I ask unanimous consent that a summary of this study be printed in the Record.

There being no objection, the summary was ordered to be printed in the Record, as follows:

A Close, Critical Look at Pollution Control

When the Congress legislates an interstate highway program, increases social security benefits, or authorizes a military weapon system, the costs appear in the federal budget and are explicitly considered in the decision to go ahead. Not so with environmental protection laws. Most of their cost will be borne not by the federal government but by individuals in the form of costlier electricity, fuel, paper, and automobiles, and by state and local taxpayers in higher costs for municipal waste treatment. In *Pollution, Prices, and Public Policy,* Allen V. Kneese and Charles L. Schultze analyze current federal efforts to curb air and water pollution, and conclude that they are neither effective nor efficient. They propose an alternative strategy that seems to them likelier to deliver clean air and water at socially acceptable costs.

Kneese and Schultze estimate conservatively that the overall national cost of attaining the goals set by the 1970 Clean Air Amendments and the 1972 Water Pollution Control Act during the next ten years could reach about $500 billion, or $60 billion a year toward the end of the period. Expenditures on that scale, absorbing 10 percent of the growth in per capita income that might otherwise be used to raise living standards or the quality of life generally, represent a massive shift in national priorities. Even modest improvements in the efficiency of pollution control programs could save the nation scores of billions of dollars.

Why so expensive? The costs of controlling pollution are determined by the stringency of the goals, the time allowed to meet them, and the efficiency of the control programs. Kneese and Schultze point out that the failure of previous control policies and the deterioration of air and water quality in the 1960s led the Congress to adopt extremely ambitious goals—ultimately zero discharge, in the case of water pollution. Removing the last few percentage points of pollutants—even were it technically feasible, which is doubtful—raises costs by very large amounts.

The relation between costs and deadlines is clearly shown by the case of automobile emission controls. The authors believe that the very short time allowed for meeting the tough requirements imposed on car manufacturers by the 1970 act virtually assures retention of the internal combustion engine with its costly, complex, and hard-to-maintain emission control devices, thereby adding as much as $23.5 billion a year to the nation's bill for automotive transport.

Given costs approaching half a trillion dollars over the next ten years or so, Kneese and Schultze see a strong case for building greater efficiency into control programs. The federal government relies on detailed regulation and severe penalties to curb the amount of pollutants business firms, cities, and consumers may discharge into the environment, and on large subsidies to cities and firms for building wastewater treatment plants. Costs aside, the authors emphasize that this regulation-cum-subsidy strategy is ill suited to influence the millions of business and consumer decisions that affect the environment every day. For the United States contains at least 55,000 industrial sources of water pollution in scores of industries, each facing different economic conditions and located on watercourses with differing environmental characteristics. Some 120 million cars, trucks, and buses spew forth air pollutants. The trouble with the hard-line regulatory approach is that if the system is simple enough to be handled by a central bureaucracy, it will be very inefficient; but if it seeks to accommodate this country's economic diversity while applying effluent standards that minimize costs, the regulatory task becomes impossible.

In place of regulation, Kneese and Schultze advocate a strategy based on nationwide effluent and emission charges—taxes levied on each unit of air- and water-polluting substance discharged by a firm or municipality into the environment—designed so that economic self-interest would "enforce" controls at less cost than the present system.

A simple example illustrates the efficiency of an effluent charge in reducing biological oxygen demand (BOD, a common source of industrial water pollution). If a charge of, say, 10 cents a pound were levied on BOD, each firm along a watercourse would weigh the charge against the cost of waste reduction so as to minimize its total costs. Since the cost of removing an additional unit of waste usually rises with the percentage removed, it would pay each firm to clean up its wastewater to the point at which its incremental cost of removal equaled the effluent charge. Economic incentives would encourage a pattern of waste management among firms and municipalities that should minimize the costs of control for a river basin as a whole, and—perhaps most important—provide a steady incentive to design and adopt improved technology. Thus, effluent and emission charges could elicit the desired responses without an omniscient regulatory agency and at much lower cost. Kneese and Schultze cite a study of the Delaware Estuary—an especially instructive case—indicating that effluent charges could achieve a given water quality objective at about half the cost of a regulatory strategy aimed at uniform reductions by all the firms in the region.

Revenues from effluent charges could be used to establish regional pollution management agencies that would work under federal guidelines in carrying out the planning and public works needed for effective pollution control in river basins and airsheds. The regional approach to water pollution already is combined with effluent charges in France, Great Britain, the Netherlands, and Czechoslovakia, and is on the way to enactment in West Germany.

For stationary sources of air pollution, the authors believe this strategy could be equally if not more effective than for water pollution. With respect to automobiles, Kneese and Schultze first would relax the present law on exhaust emissions sufficiently to eliminate the need for catalytic converters, then progressively institute a "smog tax" on cars over the rest of the decade until in 1981 the tax on a car still polluting at the 1974 new-car level would exceed the several hundred dollars per car associated with the catalytic system. The smog tax, based on an idea advanced by the Rand Corporation some years ago, could lead to the large-scale introduction of clean engines before the end of the 1970s.

One may well ask why the Congress hasn't already used markets and the price system as instruments of public policy instead of the regulatory approach. One reason is that the economic approach stresses incentives rather than rights and duties—the policy tools most familiar to the lawyers who predominate in the House and Senate. Another is that the Congress continues to focus on what the federal government ought to do, though how the job should be done has become equally critical. Using the environmental issue to illustrate the shortcomings of traditional legislative approaches to policymaking, Kneese and Schultze drive home two lessons:

The Congress can no longer get by on political skills alone, necessary though they are. It must supplement those skills with staff resources able to provide the technical and analytical help that is essential in dealing with difficult social issues.

The blunt instrument of central regulatory controls is not an effective device for federal intervention in complex economic relationships. Far more than in the past, legislative action must emphasize the creation of new incentives and new institutions that harness the self interest of individuals and business firms toward socially desirable goals.

Allen V. Kneese, a professor of economics at the University of New Mexico, was until May 1974 director of the Quality of the Environment program at Resources for the Future, Inc., of Washington, D.C. Charles L. Schultze is a senior fellow in the Brookings Economic Studies program. Their study, sponsored jointly by Resources for the Future and Brookings, was supported by grants from the Carnegie Corporation and the Richard King Mellon Foundation.

POSTAL RATES

Mr. BROCK. Mr. President, we are again faced with the possibility of an increase in postage rates. Since Congress tried the great experiment of allowing the Post Office to be run by a private concern, but yet subsidized by the Government, we have seen increased prices and poorer service. The former Governor of California, Ronald Reagan, has written an interesting article in essence asking Congress to give private enterprise a try.

Mr. President, I ask unanimous consent that Mr. Reagan's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Conservative Digest, July 1975]

WHAT WE CAN DO ABOUT THE POST OFFICE MESS

(By Ronald Reagan)

And now the Post Office is about to take another nick out of your pocketbook.

Remember back to 1971 when the so-called "independent" Postal Service took over from the inefficient, patronage-bound old Postal Department? It was launched with great fanfare.

Service was going to be better; automated equipment would keep pace with increased volume and postal workers would be happier and more efficient. There was even some hope that, in time, the Postal Service would be self-sufficient and there'd be no more annual deficits funded by our tax dollars.

Well they did discover advertising. Bright new posters on the walls of every post office urging patrons to collect stamps. Money orders were redesigned, signs became bilingual, someone designed a new "logo" and ads ran in cities all over America asking the citizens to please be patient about the slow deliveries.

And, they did streamline things. Saturday deliveries were eliminated in residential areas; weekday deliveries were cut back; some services previously available in post offices six days a week were cut to five. The cost of a First Class stamp went up. And up. Up 67 percent just since the "new" Postal Service came into being.

Something else went up too in these four years. The Postal Service's annual deficit rose from $175 million to an expected $500 million this year.

There are four ways they can deal with this problem. They can of course raise the price of stamps again. Or they can cut services to the public again.

Or, third, Congress can reward the Postal Service with a fatter subsidy. Right now it's about one-an-a-half billion dollars a year. Some Congressmen would choose the subsidy. It's better than raising the price of stamps or cutting service because subsidies are less visible and so produce fewer howls from the people.

But as I said there is a fourth choice. A recently issued study by the House of Representatives on how the Postal Service affects small firms reports that private postal firms have shown "that they can provide postal services at less cost and more dependably than the present postal system."

So far, they've only been allowed to handle Third Class and packages. Now some of these independent firms have asked for permission to deliver First Class mail. Why shouldn't we, the people, ask Congress to let them—at least on a test basis. We could tie one little string to the deal.

Last year when Congress approved a bill to help save the railroads in the Northeast Corridor, it included a provision designed to encourage the railroads to seek new capital through Employee Stock Ownership Plans. The idea was to make the employees stockholders—part owners of the railroads they worked for—thus giving them a vital stake in the efficient operation of the railroads.

We could do the same with independent postal companies. Give a postal employee a good job in a private postal system, plus a piece of the action and, who knows, we might just see the return of the three-cent stamp one day. And that's a compromise on my part because I remember when they were only two cents.

EXPULSION OF ISRAEL FROM UNITED NATIONS OPPOSED

Mr. McGOVERN. Mr. President, few American organizations have contributed more to the efforts to strengthen American foreign policy and develop a peaceful world than SANE. Recently, the cochairmen of SANE, Symour Melman and Representative ANDREW YOUNG, urged Arab, Communist, and Third World countries to reject the threat by some governments to seek the expulsion of Israel from the United Nations and to pursue, instead, "peaceful solutions based on common interest in the Middle East."

I ask unanimous consent that the text of their letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

[From SANE News, July 27, 1975]

KEEP ISRAEL IN U.N., SANE URGES ARAB COMMUNIST, THIRD WORLD NATIONS

We are writing as a citizens' organization which has worked since 1957 against the militarization of our government's foreign policy, to urge at this time of delicate diplomacy that your government help promote a peaceful political settlement of the conflict in the Middle East.

There are many approaches to a peaceful settlement—and we enclose a statement on the problem issued jointly by SANE and World Federalists USA in 1974—but one action that would not lead in that direction is the expulsion of a principal party to the dispute from the United Nations or its subdivisions.

We therefore hope that your government will oppose any move to expel Israel from the UN.

A useful vantage point from which to view the current situation is to recall that the State of Israel was the creation of the UN, as was a Palestinian Arab state whose existence was terminated by the war of 1948. Military hostilities compounded the difficulties in 1948, and political hostilities directed selectively against one small state would further compound the difficulties in 1975.

The expulsion of Israel from the UN would grievously damage both the prospects for peace in the Middle East and the broader fabric of relations between the industrialized nations and the less developed countries. Just as there can be no military solutions to the conflict in that turbulent region, there can be no solutions to the global problems that affect all peoples without new forms of international cooperation.

The expulsion of Israel from the UN would chill the hopes of those who believe in the process of negotiation, strengthen the hand of those who believe in military confrontation, and increase tensions on both sides. As the antithesis of a political approach, it would encourage the pursuit of military options.

The expulsion of Israel from the UN would undoubtedly aggravate the dangerous arms race already under way in the Middle East. As we have seen elsewhere, modern arms races lead to a staggering burden for all participants even if the arms are never used. In the case of the Middle East, the increasingly sophisticated weapons flowing to both sides are likely to be used unless there is a settlement.

The expulsion of Israel from the UN would generate reactions within the United States which could have far-reaching repercussions on the prospects for international cooperation. The drastic step of withdrawing financial support for the UN would become a serious possibility, and the U.S. government would receive widespread support from the American people. The American reaction might not stop even there. It could affect the whole range of relations with less developed countries.

The expulsion of Israel from the UN would start a sequence of events which could lead to the further erosion of the United Nations at a time when the world needs stronger international institutions. Once a majority of member states decides to expel those with political differences, the UN will soon cease its existence as a world organization of even limited functions.

Logic compels pursuit of political solutions based on common interest in the Middle East, as elsewhere. We trust that your government agrees, and will apply that logic to the search for a peaceful settlement.

WAYS FOR FARMERS TO HOLD DOWN TAXES ON LAND DEALS

Mr. McGOVERN. Mr. President, the August 1975 issue of the Farm Journal, a business mazagine of American agriculture, contains a short but concise statement on "Ways To Hold Down Taxes on Land Deals," by Mark E. Battersby. The farmer in today's complex economy in addition to being versed in agronomy, pesticides, animal medicine must also recognize tax ramifications of real estate transactions especially when these transactions take place at a time when there are unharvested crops or involve the sale of dwellings located on the premises to be transferred. This article certainly does not intend to carefully cover the U.S. tax laws under such circumstances, but it does serve to alert farmers and ranchers to possibilities in limiting their tax exposure under certain conditions. I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Ways To Hold Down Taxes on Land Deals

(By Mark E. Battersby)

It's easy to overlook tax angles in buying and selling real estate if you don't deal in it very often. Most of us don't. But when you're involved in real estate, a goof may cost you thousands of dollars in taxes that could be legally avoided.

"The most common mistake farmers make—and I made it myself once—is to fail to allocate the purchase price where it belongs when you buy a farm," a Louisiana farm owner and professional writer pointed out recently.

You need to establish the right "basis" for the land. That is, determine how much of the price you paid for that alone; how much you paid for unharvested crops; how much you paid for such things as buildings, storage facilities, irrigation facilities and timber. One reason is that the land will appreciate in value, very likely, while the buildings and facilities depreciate.

The amount you allocate to land will be the basis you'll use for figuring taxes when and if you sell it or it is involved in estate settlement.

The amount you allocate to unharvested crops will be your starting point in figuring the net profit (or loss) realized on your income tax the year you sell the crops. The net profit will be ordinary income. So the higher the cost allocation to the crops, the less income there will be to pay tax on.

Amounts paid for buildings, equipment, other facilities and timber will give you a basis for setting up depreciation schedules and figuring depletion of timber and capital gains when and if you sell.

You probably won't want to do this yourself. Get the help of a professional, such as a banker, real estate broker or appraiser. And don't forget mineral rights and water rights, if they are included in the purchase price and considered valuable in your location.

Now if you're selling, you will do well to consider making the transfer of property while the crops are still unharvested. This is because proceeds from the sale attributable to crops are eligible for long-term capital gain treatment, if the farm itself has been held over six months. Normally, when crops are harvested and sold separately, you have ordinary income to report.

Transferring a farm to a son or daughter can be a confusing, tax-costing experience, too.

If you're in this spot—either buying or selling—you are well aware that markets and weather can make it tough on a young buyer if a fixed price is set. But you also recognize that a lifetime spent building up a farm or ranch property deserves a good living in retirement.

One way to protect a young buyer and older seller is to sell the farm for a consideration in the form of a percentage of the annual farm receipts over a number of years.

A young buyer would not be entitled to a tax deduction for any payments made under such an agreement. He could deduct only the interest which would be a reasonable part of an installment sale. But parents, on the other hand, would not be taxed for those payments received until their basis or original cost in the farm was recovered. After the basis is paid, the balance of the return from the sale of the farm would be taxable, but at the preferential capital gains rate, of course.

For obvious reasons, this kind of transaction should never be attempted without a carefully-drawn contract between the parties.

When you sell your home along with your farm, where are you going to move next? It makes a difference in taxes.

For example, if you sell your home with the farm at a profit and within one year reinvest some or all of the proceeds in a home or another farm containing a residence where you will live, the profit attributable to the farm residence sold will not be taxed. This is also true if you reinvest the appraised value of your farm residence in a house in town.

ARE ENVIRONMENTAL REGULATIONS HURTING THE ECONOMY?

Mr. HUMPHREY. Mr. President, on July 29, the Chairman of the Board of Governors of the Federal Reserve System, Arthur Burns, appeared before the Joint Economic Committee. As is always, Dr. Burns presented very useful, informative testimony.

There was, however, one portion of his statement which I feel needs further clarification. His statement came down quite hard on the impact of environmental regulations on business activity. The fact that they do impact some industries quite heavily is well accepted. However, an incomplete and therefore distorted picture is often presented when just these industries are cited.

For instance, Burns' testimony cited the fact that in 1974, "producers of iron and steel, nonferrous metals, and paper devoted more than 20 percent of their capital budgets to pollution control." He neglected to add that these three industries are the most heavily impacted ones and that the great majority of the Nation's industries are, and will be, allocating less than 10 percent of their capital budgets to pollution control.

There is also the additional problem of the lack of a consistent definition of what constitutes a pollution abatement expenditure. Thus, different surveys present very different pictures of the impact of given industries. For example, according to the May 1975 McGraw Hill survey, total pollution control expenditures as a percent of capital spending in 1974 was 16.6 percent in the paper industry and only 9.3 percent in the iron and steel industry, percentages well below the "over 20 percent" cited by Dr. Burns.

The main lesson to be learned with regard to the question of what impact environmental regulations are having both on industries and the economy is that there is a wide variety of impacts to be considered and that focussing on any given one can give a very biased view.

Last November, the Joint Economic Committee held 3 days of hearings with top Government officials and business leaders with the goal of ascertaining the full range and magnitude of these various economic impacts. Because of the detailed testimony we received and also the written responses to further questions we submitted to the witnesses, this goal was accomplished.

Robert Hamrin, an economist on the JEC staff, wrote a paper summarizing what was learned in these hearings as well as other recent information he had collected and analyzed. This paper was published in the May-June 1975 issue of Challenge magazine under the title, "Are Environmental Regulations Hurting the Economy?" This paper discusses many points that are usually not raised, such as the stimulatory effects of pollution abatement programs which are creating many more jobs than they are destroying.

Thus, in addition to examining the effort of environmental regulations on such macreoeconomic variables as GNP, the CPI and the unemployment rate, Dr. Hamrin also provides a detailed analysis of the more micro, distributional effects such as plant closings, jobs gained and destroyed and the specific impacts on the electric utility and automobile industries.

Mr. President, I ask unanimous consent that this highly informative article on the economic impact of environmental regulations from Challenge magazine be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Are Environmental Regulations Hurting the Economy?

(By Robert Hamrin)

In 1974, the major economic variables—the consumer price index, the unemployment rate and the real GNP—were all heading in the wrong direction. With such severe economic problems, both top Administration officials and leading business executives questioned whether the federal government's environmental regulations so burdened the economy that they should be relaxed.

In light of the numerous books and articles published in the past decade by environmental economists, to say nothing of all the reports churned out by the Environmental Protection Agency (EPA) in its five years of existence, one might ask why such a debate over the economic impact of environmental regulations even exists. Actually, so much of the work of economists was designed to justify the use of effluent charges or to develop models of the interactions among the environment, energy and the economy, that little had been done on the actual expenditures and their past and anticipated effects. To help resolve the debate, the Joint Economic Committee (JEC) of Congress conducted three days of hearings on the problem in November 1974, inviting testimony from leading government officials concerned with the environment and from executives of three major industries which have been heavily impacted by environmental regulations. The aim of the hearings was to obtain the latest information on the way in which, and the degree to which, environmental expenditures have contributed to the recent inflation; but they also were concerned with whether such expenditures had recessionary implications—whether they resulted in a decrease in investment spending, output or employment. The material presented at the hearings provided the basis for the following discussion of the effects of environmental regulations on the national economy, on the growth patterns and product prices of many of our major industries, and, on course, on the American citizen as taxpayer, consumer and worker; for improving the quality of our environment certainly costs each one of us something.

POLLUTION CONTROL EXPENDITURES

The Council on Environmental Quality (CEQ) has recently released figures on actual pollution abatement expenditures for 1973 and estimated expenditures for the decade 1973–82. These costs are all expressed in 1973 dollars and are incremental costs, meaning that they result specifically from the response to federal environmental legislation enacted since 1965. As Table 1 shows, the total annual costs in 1973 were $6.3 billion, and expenditures are expected to reach $194.8 billion for the 1973–82 decade. This estimate is considered to define the maximum probable costs to the nation, since basically it assumes the installation of end-of-pipe treatment for air and water pollution abatement rather than less costly production process changes, and also because the CEQ's unit cost assumptions are generally high.

TABLE 1.—ESTIMATED INCREMENTAL POLLUTION CONTROL EXPENDITURES

[In billions of 1973 dollars]

	1973			1982			Cumulative: 1973–82		
Pollutant/medium	O. & M. costs[1]	Capital costs[2]	Total annual costs[3]	O. & M. costs	Capital costs	Total annual costs	Capital investment[4]	O. & M. costs	Total costs
Air pollution:									
Public	0.1	0.1	0.2	0.5	0.2	0.7	1.7	8.8	5.4
Private	2.2	1.2	3.4	12.4	7.2	19.6	47.6	81.1	127.9
Water pollution:									
Public	1.1	.1	1.2	1.4	1.3	2.7	16.6	12.8	24.4
Private	.5	0.5	1.1	1.9	1.5	3.4	14.2	14.5	26.6
Radiation from nuclear powerplants	NA	NA	NA	.05	.05	1.0	.3	.08	.3
Solid waste:									
Public	.1	.1	.2	.3	.1	.4	1.0	2.2	2.9
Private	.1	<.05	.1	.5	<.05	.5	<.05	2.3	2.3
Land reclamation surface mining[5]	.3	0	.3	.6	0	.6	0	5.0	5.0
Total	4.4	2.0	6.4	17.7	10.3	28.0	81.4	121.8	194.8

[1] Operating and maintenance costs.

[2] Interest and depreciation.

[3] O. & M. plus capital costs.

[4] Actual investment in plant and equipment, cited here to indicate real resources cost.

[5] Only includes coal mining.

Source: Adapted from Council on Environmental Quality, Fifth Annual Report, Table 12, p. 175.

Note: Incremental costs are expenditures made pursuant to Federal environmental legislation beyond those that would have been made in the absence of this legislation.

Many interesting features and trends are manifest in the totals, as seen in Table 1. Most strikingly, the real cost of pollution control will more than quadruple over the decade, with 1982 expenditures totalling 28 billion 1973 dollars. The remarkably high share represented by air pollution control costs—73 percent—is due largely to the increasing impact of automobile environmental controls, which will account for 65 percent of the air pollution expenditures in 1982. (The figures for 1973 were 57 percent and 39 percent, respectively.) Another important trend is that operating and maintenance (O&M) costs will increase relative to capital investment costs. In fact, the cumulative figures show O&M costs to be 50 percent greater than capital investment costs. This is again due to air pollution control, since controlling water pollution will require more capital investment dollars than O&M dollars over the decade.

A final key point is that $77 billion of the $194.8 billion total will be paid directly by consumers (mobile source and solid waste collection), while the government and electrical utilities will each pay $32 billion, with the remainder falling on all other industries. This translates into the following shares, which provide an easy way to remember where pollution control will have an impact over the coming decade: the public sector and electric generating plants will each bear one-sixth of the total cost, while the private automobile industry and all other industries will absorb one-third of the costs each.

To view these billion-dollar figures in some perspective, the annual abatement costs in 1973 were just less than 0.5 percent of the GNP. The percentage figure will peak in 1976 at 1.7 percent before dropping again. Over the decade, the $195 billion cumulative figure falls just short of 1.0 percent of the expected total GNP. Perhaps a more meaningful measure is the average cost per person, which was nearly $40 in 1973 and will double to $80 by 1976 before falling off. For a family of four, these per capita figures imply that the maximum percentage of median family income the abatement costs will absorb is 2.0 percent in 1976, compared to 0.5 percent in 1972.

These costs to consumers will be fairly evenly divided between higher auto expenditures, increased prices on other goods and services and increased taxes. This division is important, since the distributional impact according to income level is affected significantly by whether the direct cost of pollution control is borne by industrial polluters or by the federal, state or local governments. The impact becomes increasingly more progressive (greater relative burden on the rich) as the direct costs are borne by, in order; electric utilities and automakers, other industries and local governments, state governments and the federal government.

INFLATIONARY IMPLICATIONS

During the recent severe inflationary period, many people may have had the gut feeling that the large number of dollars being spent on pollution control must be contributing significantly to inflationary pressures. It was quite firmly established at the JEC hearings that this was not the case. Four independent estimates by the CEQ, Chase Econometrics, the Brookings Institution and Data Resources, Inc., were presented. All yielded essentially the same conclusion expressed by the CEQ in its testimony: "pollution abatement expenditures are not having and will not have a significant impact upon the rate of inflation."

For the year ending March 1974, the CEQ estimated that the sum total of all environmental expenditures had contributed about 0.5 percent of the 17 percent increase in the wholesale price index (WPI) for that period. As for the near future, Table 2 shows that environmental expenditures are expected to add 0.3 percent annually to the consumer price index (CPI) over the 1973–76 period, while over the entire decade (1973–82) no discernible effect will be seen on the CPI (0.3 percent cumulative increase) and only small effects on the WPI and the GNP deflator.

Administrator Russell Train bluntly stated the official EPA position on the relationship between environmental expenditures and our inflationary problem when he told the Joint Economic Committee: "Any conceivable alteration of the environmental program would not make a dent in our inflationary problem, because more fundamental causes are involved in inflation."

TABLE 2.—PERCENTAGE CONTRIBUTION OF POLLUTION ABATEMENT EXPENDITURES TO PROJECTED CHANGES IN PRICE INDEXES

	CPI	WPI	GNP deflator
Increase, 1975–76	0.5	2.0	0.9
Cumulative increase to 1976	.8	2.6	1.2
Average increase, 1973–76	.3	.9	.4
Increase, 1981–82	−.2	−.1	0
Cumulative increase to 1982	.3	2.4	.9
Average increase, 1973–82	.03	.2	.1

Source: Based on Chase Econometric Associates, Inc., 1974 estimates, as presented at the Joint Economic Committee hearings, November 1974.

RECESSIONARY IMPLICATIONS

Granted that the inflationary implications are not serious, there is another, equally important question, particularly in a recession such as the United States is currently experiencing: what are the effects of environmental expenditures on employment and real output? To what extent do they discourage expenditures for new plant and equipment, or cause construction delays, plant closings or layoffs? Does the job creation resulting from the production of pollution control equipment outweigh these negative effects? Recent studies have dealt with these and related questions. When they are viewed as a whole, they provide a definitive conclusion: although certain industries have been heavily impacted through their large outlays for pollution control, the aggregate economy is expected to be stimulated in the next few years by environmental expenditures.

Investment and economic growth. Let us examine the key economic variables relating to cyclical trends. Perhaps the most important one is investment, because if dollars for pollution control investments displace investment dollars for new plant and equipment, there will be an adverse impact on the rate of increase in labor productivity, which in turn will depress economic growth. For 1974, estimated private pollution control investments (excluding mobile sources) equalled about 3 percent of gross private domestic investment and 6 percent of all plant and equipment investment. This 6 percent probably will not be exceeded in the coming decade, when the average should be 3 percent of total plant and equipment expenditures.

The extent to which other investment will be displaced has been estimated by Chase Econometrics to be $0.40 for every dollar spent on pollution control. Their analyses have also concluded that the displacement will be predominantly in areas other than plant and equipment expenditures, such as residential construction.

The conclusion that new plant and equipment spending will not be seriously affected is firmly supported by the most comprehensive analysis of this topic prepared by the Department of Commerce. The department concluded an extensive industry survey and found that only 2 percent of the firms studied had reduced their plant and equipment expenditures because of pollution control measures. The representative of the petroleum industry at the JEC environmental hearings also supported this general conclusion by stating that "no capital project has been abandoned exclusively because of specific environmental regulations." In light of these findings, plant and equipment modernization probably will not be significantly delayed by pollution control expenditures, and therefore labor productivity will not be seriously impaired. If this is true, the expenditures will have no impact on the "full employment GNP" growth rate.

Plant closings and unemployment. One cannot discuss the area of investment and economic growth without determining whether plants have been forced to close due to environmental regulations. From January 1971, when the EPA established an "Economic Dislocation Early Warning System," until June 1974, there were 69 industrial plant closings involving about 12,000 jobs. Federal government action was responsible for only 14 of the 69 closings, however, and of these 14, only 9 were due solely to federal enforcement, the other 5 resulting from federal-state enforcement action. While 12,000 jobs were involved, only three industries were heavily impacted (more than 500 employees involved): paper and allied products (3,882), primary metals (2,511) and chemicals and allied products (2,138). But these closings did not add 12,000 to the number of unemployed, for many workers were quickly hired by other firms. Also diminishing the impact is the likelihood that, since most of the plants were quite old and marginal, the environmental regulations only accelerated an inevitable process. Apart from the actual closings, an additional 81 plants have been threatened with closure as identified in the Warning System. The closing of these plants could potentially dislocate an additional 44,000 workers.

Longer term projections for water pollution control alone from the 1977 requirements for Best Practicable Control Technology Currently Available (BPCTCA) indicate 300 to 500 possible plant closures. This forecast is likely to be high, since it assumes a requirement of end-of-pipe treatment rather than less expensive process changes. The unemployment resulting over the decade from these closings is expected to be relatively slight—7,436 to 14,957 for 29 of the 30 industries examined so far. The iron and steel industry has a maximum potential loss of 29,000 jobs, but the impact probably will be alleviated by EPA action and high prices and profits. Only two industries besides iron and steel are threatened with a more than 6 percent unemployment rate due to BPCTCA requirements: cane sugar (maximum of 16 percent) and fertilizers (maximum of 12 percent).

The EPA's position on the effluent standards promulgated in the 1972 Federal Water Pollution Control Act Amendments was expressed in its report, *The Economics of Clean Water—1973:* "other things being equal, the economic factors examined will not be serious constraints in meeting effluent standards." Conversely, it does not appear that environmental regulations will be solely responsible for a significant number of plant closings or for much additional unemployment, although some industries certainly will be experiencing rather large impacts.

DISTRIBUTIONAL IMPACT ON INDUSTRIES

The impact of environmental expenditures on aggregate economic variables has been shown to be quite small; nevertheless, these expenditures do have (as the last section briefly conveyed) a significant impact on a few key industries. Table 3 presents the two primary variables indicating this impact: total pollution abatement expenditures, and these expenditures as a percentage of total capital expenditures.

This table supports the CEQ's contention that the industries which appear to be the most significantly affected are electric utilities; petroleum refining; iron and steel; pulp and paper; nonferrous and primary metals; stone, clay, glass and cement; chemicals; and food and kindred products. These eight industries accounted for 80 percent of the total estimated private pollution control investments in 1974. Not only are their levels historically high, but all of these industries expect to show much greater 1974 expenditures, four of them anticipating increases of greater than 50 percent over 1973 levels—stone, clay, glass and cement (100 percent); petroleum refining (67 percent); iron and steel (65 percent); and food and kindred products (52 percent). These are all "basic industries," which means they can send ripples throughout the economy; and they are generally energy-intensive industries, which means they already face serious cost increases.

TABLE 3.—POLLUTION CONTROL EXPENDITURES OF INDUSTRIES

[In dollar amount and as percentage of capital spending]

Industry	Actual 1973		Planned 1977	
	Dollar amount (millions)	Percent of capital spending	Dollar amount (millions)	Percent of capital spending
Iron and steel	$206	11.7	$488	20.1
Nonferrous metals	301	18.0	213	7.9
Electrical machinery	105	3.7	111	3.1
Machinery	145	4.2	251	5.1
Autos, trucks and parts	233	11.2	244	10.0
Aerospace	23	10.2	19	2.7
Other transportation equipment	9	4.3	20	6.1
Fabricated metals	136	7.2	171	7.3
Instruments	31	2.9	96	5.4
Stone, clay, and glass	134	9.0	163	8.8
Other durables	131	6.5	176	8.5
Total durables	1,454	7.6	1,952	7.8
Chemicals	455	10.2	609	9.8
Paper	424	22.8	373	15.8
Rubber	97	6.2	72	4.2
Petroleum	692	12.7	852	11.2
Food and beverages	$194	6.3	$269	6.9
Textiles	27	3.5	76	8.7
Other nondurables	48	3.1	64	4.8
Total nondurables	1,937	10.3	2,315	9.6
All manufacturing	3,391	8.9	4,267	8.7
Mining	207	7.6	165	4.3
Railroads	44	2.2	93	3.0
Airlines	224	9.3	121	16.4
Other transportation	34	2.0	66	3.5
Communications	256	2.0	506	3.0
Electric utilities	1,212	7.6	3,841	13.2
Gas utilities	41	1.5	92	2.3
Commercial [1]	278	1.3	168	.7
All business	5,687	5.7	9,319	7.0

Source: McGraw-Hill, "Seventh Annual McGraw-Hill Survey of Pollution Control Expenditures," May 1974.

[1] Figures based on large chain, mail order and department stores, insurance companies, banks and other commercial businesses.

A fundamental problem in this area is the lack of a consistent definition of what constitutes a pollution abatement expenditure. Table 4 shows diverse "actual" 1973 figures cited in three major studies for the eight industries listed above.

It should be noted that the Conference Board's figures are substantially lower in all cases because their 212 companies represented only about one-fourth of the total annual sales of the country's top 100 corporations. This just highlights the lesson that one is very likely to obtain a different idea of differential industry impact from each examined source. In fact, the oil industry representative at the JEC hearings presented a $682 million figure, which is much higher than the expenditures reported for the petroleum industry by McGraw-Hill and the Conference Board. Certainly we need more standardization in the definition of pollution control expenditures; we also need one comprehensive annual survey to serve as the definitive report of industry expenditures.

One might also analyze the impact on industry by looking at the mean capital expenditures per company within each industry. Table 5 shows the figures for the two industries with the largest mean values and the average for all of the same companies in the Conference Board Report.

A final way to view the impact of pollution control expenditures on industries is as a percentage of value of shipments, shown in Table 6. This table projects a remarkably consistent increase in the percentages from 1973 to 1980—slightly more than double for each of the industries. The table also shows that, even in these more seriously impacted industries, environmental expenditures are not a large proportion of total value added and therefore should not have a substantial impact upon prices or output.

TABLE 4.—CAPITAL EXPENDITURES FOR POLLUTION ABATEMENT IN 8 MAJOR INDUSTRIES IN 1973

	McGraw-Hill [1]		BEA [2]		Conference board [3]	
	Expenditures (millions of dollars)	Percent of capital spending	Expenditures (millions of dollars)	Percent of capital spending	Expenditures (millions of dollars)	Percent of capital spending
Electric utilities	1,212	7.6	1,409	8.7	710	10.6
Petroleum	692	12.7	555	10.3	421	9.7
Iron and steel	206	11.7	230	16.3	NA	NA
Pulp and paper	424	22.8	355	18.8	136	15.2
Nonferrous and primary metals	301	18.0	523	32.1	NA	NA
Stone, clay, glass and cement	134	9.0	144	9.6	49	12.1
Chemicals	455	10.2	416	9.6	164	8.3
Food and kindred products	194	6.3	152	5.0	35	8.0

[1] McGraw-Hill, "Seventh Annual McGraw-Hill Survey of Pollution Control Expenditures," May 1974.

[2] U.S. Department of Commerce, Bureau of Economic Analysis, "Survey of Current Business," vol. 54, July 1974.

[3] Conference Board, "Conference Board Record," September 1974, p. 16.

TABLE 5.—MEAN PER-COMPANY CAPITAL EXPENDITURES

[In millions of dollars]

Industry	1973	1974
Petroleum	32.4	43.9
Public utilities	30.8	40.0
All sample companies	9.5	13.6

Source: Conference Board, Conference Board Record, September 1974, p. 17.

TABLE 6.—POLLUTION CONTROL EXPENDITURES AS A PERCENTAGE OF VALUE OF SHIPMENTS, SELECTED INDUSTRIES, 1973 AND 1980

Industrial sector	Costs [1] as percentage of value of shipments	
	1973	1980
Paper and pulp	0.42	0.88
Chemical	.40	.86
Petroleum refining	.43	.99
Stone, clay and glass	.25	.56
Primary metals	.80	2.00
(5-industry average)	.50	1.00
(All manufacturing average)	.20	.50

[1] Calculated on the basis of annual costs.

Source: Council on Environmental Quality, testimony before the Joint Economic Committee on Nov. 22, 1974.

Let us examine in more detail the electric utility industry, which has the largest total pollution expenditures. Over the next decade, electrical utilities will spend $15 billion to $20 billion on capital expenditures for environmental purposes. Although this is a staggering amount, it still constitutes less than 10 percent of their anticipated total capital expenditures, which are $215 billion for this period. The total effect is expected to be a 5 to 10 percent rise in costs nationwide. This translates into an annual cost increase of less than 1 percent. The small increase is certainly overshadowed by the quantum leap in fuel prices that the utilities have experienced.

A critical factor in determining the impact on electric utilities of the 1983 Best Available Technology requirements as established in the 1972 amendments is the number of exemptions that will be granted. Any operator or owner who can demonstrate that the guidelines on water pollution are more stringent than required to protect the balanced indigenous population of aquatic life in the effluent zone will be exempted from the requirements. Table 7 indicates the economic impact with and without exemptions. Once again, only a small price increase and a minor adverse effect on capacity and fuel efficiency are expected, even if no exemptions are granted.

TABLE 7.—ECONOMIC IMPACTS OF BEST AVAILABLE TECHNOLOGY REQUIREMENTS OF 1972 FEDERAL WATER POLLUTION CONTROL ACT

	Before exemptions	After exemptions
Capital investment (1974–83) (billions of 1974 dollars)	6.6	4.1
Price increase (percentage cost to final user)	2.2	1.5
Capacity penalty (percentage of national capacity)	1.0	.6
Fuel penalty (percentage of national demand for energy)	.3	.2

Source: Environmental Protection Agency, Economic Impact of the Federal Environmental Program, November 1974.

The extent to which pollution control expenditures are "passed through" to the consumer in the form of higher product prices is quite important, for it will determine the actual burden a particular firm or industry must bear. Economists have long pointed out that such expenditures are definitely part of the cost of producing the product and should therefore be "internalized" into the product price and ultimately borne by the consumers of the product. The degree of pass-through will vary considerably among industries, depending upon industry structure, substitutability of the product, elasticity of demand for the product and size of pollution control expenditure. Usually the entire cost cannot be passed on because of the availability of substitute products and imports. Moreover, smaller plants in an industry may be constrained in their price increases by larger firms with lower unit costs. The Chase Econometrics model estimated the amount of pass-through to range from about 85 percent up to 100 percent. Several microeconomic studies have given figures very close to this, with an average of about 90 percent of the increased costs passed on in higher prices.

The auto industry has had very little trouble (until, perhaps, quite recently) in passing through all of its increased costs due to pollution control. The emission control devices on 1975 cars cost from $130 to $200 extra, with $165 as the estimated average cost across all makes and models. The additional cost for 1977 model cars over that for 1975 models will be $50 to $150, according to manufacturers' estimates. However, the EPA estimates the increment to be only $20, since the large majority of 1975 cars will already have complete emission control systems installed. The magnitude of the impact, not only on consumers but also on the economy, can best be grasped through aggregate expenditure figures. Between 1968 and 1973, the consumer had paid $2 billion for emission controls which covered about 60 million cars. However, the EPA estimates that, in approximately the same number of years (1974–80), the additional initial costs will total $26 billion for emission controls. And these large figures do not represent even half the impact, for the operating and maintenance costs amounted to $7 billion up to 1973 and may be as high as $35 billion in the 1974–80 period. The pass-through must be quite complete, since such tremendous expenditures are not projected to affect substantially the industry's ability to raise needed capital nor will they affect its profits.

Price increases are not the only means of recovering costs. In certain cases, costs may be offset by raw materials recovery, water reuse and energy recovery. Sometimes pollution controls can even lead to the development of improved technology in nonenvironmental respects, as, for example, better fuel economy or performance in autos. Although there are very few companies which can say, like Dow Chemical, that they have made a profit on some pollution control expenditures, the financial returns from recycling and reduced water use can in some instances substantially reduce the costs of pollution control.

STIMULATORY EFFECTS

Estimates regarding the stimulatory effects of environmental expenditures on the economy, though quite intriguing, are often neglected. Yet the latest Chase Econometrics study shows that such stimulation will definitely occur in the next few years, when it will certainly be needed in the economy.

As Table 8 indicates, the GNP will be somewhat higher for each year up to 1977 due to pollution abatement expenditures. This stimulatory effect will be countered by a slightly depressing effect after 1977, so that the net effect on the GNP over the remainder of the 1970s is essentially nil.

The unemployment rate practically mirrors the GNP trend. The increased investment for pollution control will provide an initial stimulus to employment in the next several years. It is significant that the unemployment rate in 1975 is estimated by Chase to be 0.4 percent lower than it would be if there were no pollution abatement expenditures. But as with GNP, the yearly changes cancel themselves, so that there turns out to be no net effect on the overall average unemployment rate over the 1973–82 decade.

TABLE 8.—ESTIMATED IMPACT OF POLLUTION CONTROL EXPENDITURES ON KEY ECONOMIC VARIABLES, 1974–82

	1974	1975	1976	1977	1978	1979	1980	1981	1982
Gross national product, current dollars:									
Baseline projection	1,405.1	1,557.9	1,738.9	1,931.2	2,149.6	2,354.0	2,555.8	2,762.7	3,008.9
With pollution control costs	1,413.8	1,586.8	1,779.1	1,962.0	2,157.7	2,344.5	2,550.7	2,775.8	3,030.9
Percent difference	.62	1.86	2.31	1.59	.38	−.40	−.20	.47	.73
Gross national product, 1973 dollars:									
Baseline projection	1,279.5	1,303.1	1,364.0	1,455.2	1,514.0	1,570.6	1,619.1	1,664.3	1,726.2
With pollution control costs	1,286.9	1,323.4	1,379.0	1,432.5	1,491.8	1,539.3	1,594.9	1,654.7	1,723.4
Percent difference	0.58	1.56	1.10	−.19	−1.47	−1.99	−1.49	−.58	−.16
Implicit GNP deflator, 1973=100:									
Baseline projection	109.8	119.5	127.5	134.5	141.9	149.8	157.8	166.0	174.3
With pollution control costs	109.8	119.9	129.0	136.9	144.6	152.3	159.9	167.7	175.8
Percent difference	0	.33	1.18	1.78	1.90	1.67	1.33	1.02	.86
Consumer price index, 1973=100:									
Baseline projection	110.9	120.5	128.6	136.4	144.6	152.9	161.3	169.4	178.6
With pollution control costs	111.0	121.0	129.4	138.0	146.4	154.6	162.5	170.6	179.0
Percent difference	.09	.41	.62	1.17	1.24	1.11	0.74	.41	.22
Wholesale price index, 1973=100:									
Baseline projection	121.0	135.5	142.2	148.7	155.8	162.7	169.1	175.2	181.5
With pollution control costs	121.1	136.8	146.2	153.5	160.5	167.0	173.2	179.4	185.8
Percent difference	.08	.96	2.81	3.23	3.02	2.64	2.42	2.40	2.37
Unemployment rate, percent:									
Baseline projection	5.2	5.5	5.3	4.8	4.4	4.4	4.5	4.7	4.6
With pollution control costs	5.1	5.1	5.0	4.8	4.6	4.8	4.8	4.8	4.7
Percent difference	−1.92	−7.27	−5.66	0	4.55	9.09	6.67	2.13	2.17
Fixed investment in producers durable equipment, constant dollars:									
Baseline projection	91.4	95.7	102.8	109.3	116.7	121.8	126.4	130.4	135.6
With pollution control costs	93.8	102.4	107.4	110.2	114.4	117.7	123.0	129.0	135.4
Percent difference	2.63	7.00	4.47	0.82	−1.97	−3.37	−2.69	−1.07	−.37

Source: Chase Econometric Associates, Inc., as presented at Joint Economic Committee hearings, November 22, 1974.

Let us look briefly at some specific facts underlying the effect of pollution control investment on employment. The Bureau of Labor Statistics has estimated that each billion dollars of expenditures on sewage treatment projects creates 20,000 jobs. At present, 50,000 workers are engaged in such labor (certainly a helpful input in the presently depressed construction industry), and by June 30, 1977, there will be 125,000 jobs in the EPA-financed construction activity alone.

A 1972 study by Arthur D. Little, Inc., showed that, as a result of federal legislation in this decade, approximately 75,000 jobs will be created. Many of these jobs will open in the rapidly growing pollution control equipment industry. In fact, this same study revealed that there are approximately 300 firms in the air equipment industry and 400 firms involved in the water treatment and water pollution control industries. Total sales in 1971 were just under $1 billion, almost evenly divided between air and water, while a rough estimate for 1973 would be $2 billion. Approximately 50 percent of this sales volume was concentrated in 10 firms, which experienced a return on equity from 8.0 percent to 14.5 percent, with the average just above 10 percent.

ARE THE BENEFITS GREATER THAN THE COSTS?

In the final analysis, the critical question is whether America is receiving environmental benefits, the value of which is greater than the expenditures for achieving them. If so, the expenditures cannot be considered inherently inflationary, for we are really getting more than we are paying for. Unfortunately, the technique of assessing benefits in quantifiable terms comparable with costs is still in its infancy. In fact, it may well be impossible to put a dollar figure on an increased life span, less pain from illness or conservation of the beauty of our land and water. At present, we can only measure the benefits in terms of such things as decreased medical costs, decreased absenteeism and increased property values.

The administrator of the Environmental Protection Agency, in his testimony to the JEC, indicated the agency's awareness of the limitations to such quantifying, and described its present attempts at analysis:

"But the current state of benefits assessment does not allow us to perform cost-benefit analysis of marginal or incremental decisions such as we face when we set an emissions standard or grant a permit. Benefits assessment is still very much in the realm of research. It is important that we develop this research rapidly so that we can ultimately make environmental decisions on a solid theoretical basis, but at the current time cost-benefit analysis is not a very useful tool in environmental policy analysis.

"Instead of cost-benefit analysis we must rely primarily on assessment of the cost and economic impacts of alternative levels of control. With this type of analysis we can at least identify what the effects of the control costs will be for several alternative standards and consider which standard is warranted based on our judgment of the value of the environmental improvement."

Nevertheless, some benefit estimates have been made that are at least useful for admittedly rough overall cost-benefit comparison. The most basic type of cost-benefit estimate simply compares the direct pollution control costs with the benefits (reduced damages) gained from the expenditures. As shown earlier, the costs were $6.4 billion in 1973 and are estimated to average $19.4 billion over the next ten years. One of the first comprehensive sets of benefit estimates was the EPA's 1970 figures showing annual benefits of $12 billion from the control of air pollution and of $13 billion from the control of water pollution. More recent EPA research showed that measurable annual damages of $11.2 billion from particulates and sulfur oxide are more than twice the necessary annual control expenditures. Finally the more recent study by the National Academy of Sciences and the National Academy of Engineering concluded that the tangible benefits from cleaner air alone are $15 billion to $20 billion per year, without even taking into account intangible aesthetic and ecological values and risk reduction. Not included in these figures was a recent projection by an advisory committee to the Federal Power Commission which underscores the seriousness of the large dollar amounts. According to the committee's estimate, the adverse effects on health attributable to failure to meet clean air standards could be considerable, possibly reaching 6,000 excess or premature deaths per year by 1980. Thus, if even the order of magnitude of these three benefit estimates is at all accurate, then the benefits from controlling pollution have exceeded, and clearly will continue to exceed, the control costs.

A more sophisticated analysis would have to integrate into this simple cost-benefit framework the quantified output, price and employment effects. This extremely complex task will have to await a time when benefit assessment is much further advanced. However, the results in Table 8 allow us to describe the general dimensions and directions of these other macroeconomic variables. The effect of pollution control expenditures on output, in terms of GNP measured in 1973 dollars, is virtually nonexistent over the 1973–82 decade and thus cannot be added to the cost or benefit side. The addition to inflationary pressures, which should legitimately be counted with the resource costs, has been quite small and will continue to be so, as seen in the cumulative 1982 GNP deflator and consumer price indexes. On the other hand, because the economy will need a stimulus this year and probably in 1976, the employment effect should be added to the benefit side because of the net positive employment that will be generated in the next few years. Thus, the basic dollar-for-dollar benefit-cost comparison, clearly showing that the value of environmental gains has been greater than the costs of achieving them, is further strengthened when these broader output, price and employment effects are considered.

GRAIN SALES TO THE SOVIET UNION

Mr. PERCY. Mr. President, only 2 short years ago, the Permanent Subcommittee on Investigations investigated the economic impact of the largest grain purchase in our country's history—the 1972 Soviet grain purchase.

That purchase, which should have benefited every segment of our economy, instead resulted in excessive prices to the consumer for grain products and meat, without appreciably helping most American farmers who sold too early at too low prices.

The subcommittee met again today to take a sober look at the current major grain purchases by the Soviet Union to make certain we do not have a repeat performance of 1972. We want to be certain that neither the consumer nor the hard-pressed farmer financially suffer as a result of these purchases. Quite the opposite, we want the farmer, who for too many years was underpaid for his crops, to benefit from these purchases. From all indications, we are headed for a bumper crop of feed grains throughout most of the country, including my own State of Illinois. Illinois farmers—all farmers—deserve to get fair prices for their crops. But, there is no need for consumers to once again be faced with runaway price increases rung up at the supermarket checkout counter with each purchase of a loaf of bread, a box of breakfast cereal, a bag of flour, or a pound of ground beef.

There is some concern about the current purchases by the U.S.S.R. of over 10 million tons of grain, due to conflicting reports we have received on their potential impact on prices. There is greater concern as to the impact of additional sales of 5 to 10 million tons of grain from the present crop—amounts which, from all indications, seem to be in the ballpark at least in terms of Soviet needs. Agriculture Secretary Butz says sales to date will not have an inflationary impact. Federal Reserve Board Chairman Burns says the sales will result in sharply increased food prices. Just yesterday, one of the major millers announced an increase in the wholesale price of flour, which industry sources say is directly attributable to the higher prices caused by current purchases.

The subcommittee is currently seeking the facts in a dispassionate, thoughtful manner. We know that the Government has improved its ability to collect intelligence concerning the world-wide grain market, and the day-to-day sales by American companies. For example, the Agriculture Department now requires grain exporters to report, within 24 hours, sales of 100,000 metric tons or more. This was not required in 1972. But notice of after-the-fact purchases, while helpful, does not give us a clue to ongoing negotiations which might—in the absence of an existing voluntary agreement by the major grain companies—involve additional sales of millions of tons of American grain.

For now, we want to objectively examine these purchases, prior to the next round of sales, to determine their possible impact at all levels of the economy. Otherwise, if we stood by twiddling our thumbs until all the purchases were completed, we would be left with no recourse except to criticize and complain without really helping the American consumer or the American farmer—and in the final analysis, the American economy.

This matter is of the utmost importance to all Americans. Food is the most basic component of our economy, as well as by far our largest export.

The testimony of Richard E. Bell, Assistant Secretary of Agriculture for International Affairs and Commodity Prices, should be of particular interest to all who are concerned about the present state of grain exports to the U.S.S.R. and the impact they will have on domestic prices. Although I question segments of Mr. Bell's statement, I think it is worthy of particular note in that it shows us that constant vigilance is needed if the mistakes of the past are not to be repeated.

Mr. President, I ask unanimous consent to have printed in the RECORD at this time the statement given earlier today by Richard E. Bell.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF RICHARD E. BELL

Prospects are for record crops in the United States this year. In the case of wheat, a record winter crop is already in—or virtually so—a total of 1,634 million bushels. The Department estimates for spring and drum wheat crops would bring the total 1975 wheat crop to 2,187 million bushels. In the case of corn, the July forecast is for 6,046 million bushels. That also would be a record crop and 30 percent above the weather damaged crop of last year.

In the past few weeks, the Soviet Union has purchased substantial amounts of wheat and corn against the record 1975 crops. The fact that we have sold grain to the U.S.S.R. is in itself no surprise. We have been expecting all along that the Soviets would be buyers of U.S. grains from our 1975 crops, particularly feed grains and some high quality wheat. Moreover, we knew early in this season that the grain crops in the Soviet Union would probably not reach their production goals. In mid-April, we estimated the crop at 120 million tons—below the Soviet goal of 215.7 million tons. Last year's crop was also below plan. As conditions declined, we reduced our estimate on June 9, again on July 9, then on July 24 we lowered it further to our current estimate of 185 million tons. Those estimates were all made public.

At present, the Department is estimating total U.S.S.R. grain imports in 1975/76 at around 20 million tons. The quantities of grain that the Soviets finally will import will depend on a number of factors including weather conditions during the remainder of the U.S.S.R. growing season, Soviet decisions regarding grain utilization and internal transportation logistics within the Soviet Union.

As of now, the Soviets have purchased in world markets something over 14 million tons of wheat, corn, and barley. They bought 2 million tons of hard spring wheat and 1 million tons of durum wheat from the Canadians. They also bought 750,000 tons of wheat from Australia. The remaining purchases were contracted with U.S. exporters; this includes 4.5 million tons of wheat, 4.7 million tons of corn, and 1.1 million tons of barley. The barley will likely not originate in the United States, and in fact most of the sales by U.S. exporters were made on an "all origin" basis, meaning that the selling firm has the option of selecting the country from which the sales will be shipped. The Department of Agriculture expects, however, that most of the wheat and corn in these contracts will originate in the United States. Please bear in mind also that of the 4.5 million tons of wheat, only 3.7 million tons was purchased against the 1975 crop. The remainder will be shipped after the harvest of the 1976 crop begins.

Mr. Chairman, I would like to call the Subcommittee's attention to the requirements for reporting U.S. export sales of grains, soybeans and soybean meal to the Department of Agriculture. Exporting firms must report to the Department within 24 hours sales of 100,000 metric tons or more to one destination, or sales reaching 200,000 tons for the week. They must report all sales on a weekly basis. All this information is published on a regular basis. In fact, the sales to the Soviet Union have been made public almost within hours of the completion of sales as a result of informal reporting from the companies involved. We were kept advised by the companies as they proceeded with negotiations, almost from the beginning. As an additional precaution, we have now formally requested of exporters that they inform us in advance of all negotiations that may result in large sales.

As a result of this reporting system, formal and informal, we have made information fully and promptly available to farmers, the public, the press, and the Congress. We do not expect further sales to the Soviet Union until there is more definitive information on the summer and fall-harvested crops, both in the United States and in the Soviet Union. We do, however, expect the Soviets to seek more grains from the United States at a later time. In the case of the United States, the August 11 crop report, assessing prospects as of August 1, will give us firmer indications of the corn and spring grain crops.

I hope the Subcommittee will bear in mind that American farmers must export in order to maintain the incentives to generate the high levels of production that we have in this country. It is important to consumers that farmers produce the large volumes that bring efficiencies of scale and assure abundance for all. American farmers typically export up to two-thirds of their wheat and one-fourth of the corn sold off farms. As of now, sales of 1975 U.S. wheat to the Soviet Union amount to only 6 percent of the expected crop. Sales of 1975 U.S. corn to the Soviets amount to 3 percent of the expected crop. These amounts are not large enough to distort the export projections that we have been using for 1975/76. Farmers need these sales to help provide a market for the large crops they are producing—crops which they planted in the expectation of large and unfettered exports.

The sales made thus far to the Soviet Union from our 1975 crops are still well within the ranges we reckoned when making our current overall export projections for corn and wheat for the 1975/76 marketing season. The current projection for overall corn exports is 1,100 million to 1,300 million bushels (28 to 33 million metric tons). The current projection for wheat is 1,050 million to 1,200 million bushels (28.6 to 32.7 million metric tons). We can make further sales of both corn and wheat to the Soviet Union and still remain within these overall export projections. Exports of these levels will permit a substantial rebuilding of stocks of both wheat and feed grains (see attached tables), permit an increase in livestock feeding and also permit us to meet fully our food aid shipments under the P.L. 480 Food for Peace Program. All this can be done with a minimal increase in U.S. food prices.

With 1975 large expected crops, farmers experienced substantial declines in prices of major commodities during the winter of 1974–75. However, the beginning of Soviet buying activity and the earlier downward adjustments in our estimates of the U.S.S.R. crop reversed the drop in prices of corn and wheat. But they still have not returned to the levels of last fall. Both wheat and corn prices are $1 to $1.25 below what they were last October. Wheat prices have been declining during the past 2 days.

It is true that farm prices do have some effect on consumer prices. But this effect is often not as great as it is portrayed. Raw agricultural commodiites are not generally consumed directly by humans. As a result, farm prices have little direct effect on consumer prices.

For example, assuming no change in margins after the commodity leaves the farm, a dollar a bushel rise in the price of wheat alone would add no more than 1½ cents a loaf to the price of bread. The index of consumer prices for food consumed at home might rise by 4/10 of 1 percent, accounting for a rise of less than 1/10 of 1 percent in the overall consumer price index.

A 50-cent a bushel rise in the price of corn would add only 2½ percent to the overall price of livestock products at retail and only 3/10 of 1 percent to the consumer price index.

Any potential impact on prices must be balanced against the need for farmers to receive fair returns—and thus be able and willing to plant abundantly in subsequent years. American farmers must have the opportunity to market overseas in order to move the large crops they are producing. The Soviet purchases in 1975 are a part of that export market—just as the Japanese, Europeans, and others are a part of that market.

Finally, Mr. Chairman, a high level of agricultural exports is crucial if the United States is going to sustain a favorable international trade balance. This past fiscal year we exported nearly $22 billion worth of agricultural products, $12 billion more than we imported. The surplus in agricultural trade more than offset a $10 billion deficit in nonagricultural trade to give us an overall favorable trade balance. The recent export sales of grain to the Soviet Union are worth about $1.3 billion in export earnings. These sales, plus others we are making or will make to other countries, will enable us to buy imported goods and services which we must have if we are to maintain a high standard of living. Furthermore, Mr. Chairman, the favorable trade balance spurred by our agricultural exports has led to a strengthening of the U.S. dollar in international currency markets. The stronger dollar lowers the costs of imported goods and helps hold down the cost of living.

TABLE 1.—U.S. WHEAT SUPPLY AND USE

[In millions of bushels]

	Marketing year [1]		
	1973–74	1974–75	1975–76 projected
Beginning stocks	438	247	319
Production	1,705	1,793	2,187
Imports	4	2	1
Total supply	2,147	2,042	2,507
Domestic use	751	683	809–784
Exports	1,149	1,040	1,050–1,200
Total use	1,900	1,723	1,859–1,984
Ending stocks	247	319	648–523

[1] Marketing year beginning July 1.

TABLE 2.—U.S. CORN SUPPLY AND USE

[In millions of bushels]

	Marketing Year [1]		
	1973–74	1974–75	1975–76 projected
Beginning stocks	709	483	360
Production	5,647	4,651	6,046
Imports	1	1	1
Total supply	6,357	5,135	6,407
Feed	4,193	3,250	3,800–4,000
Food, seed, and industrial use	438	450	465
Exports	1,243	1,075	1,300–1,100
Total use	5,874	4,775	5,565
Ending stocks	483	360	842

[1] Beginning Oct. 1.

INTERVIEW WITH ALLEN P. STULTS

Mr. PERCY. Mr. President, in a recent interview Allen P. Stults, chairman and chief executive officer of American National Bank & Trust Co. of Chicago, made a comment that has long been a sentiment of mine. He said:

> Government's tampering with the basic components of our economy—supply, demand, and prices—was, is, and always will be detrimental.

Mr. Stults is a former president of the American Bankers Association and is one of Chicago's—and the Nation's—most distinguished bankers.

I ask unanimous consent that an article by Nick Poulos, financial editor of the Chicago Tribune, be printed in the RECORD. The article, entitled "Stults Hits Government Economic Tampering," describes the interview with Allen Stults.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

STULTS HITS GOVERNMENT ECONOMIC TAMPERING

By Nick Poulos

"Our country is suffering from the sickness of an overgoverned society," Banker Allen P. Stults was ruminating.

"Government's tampering with the basic components of our economy—supply, demand, and prices—was, is, and always will be detrimental.

"And every government intervention is harmful. Without exception, it hurts the long-range economic well-being of the country."

Stults, chairman and chief executive officer of American National Bank & Trust Company of Chicago, told his visiting interviewer that most of the country's ills could be solved by simply letting the economy operate without interference.

"Our markets are the most efficient elements of our economy," Stults continued. "They properly assess and they properly price. Price functions as the chastiser, the punisher of the over-supplier.

"The economic health of our country is the key to our overall well-being, and profits are the barometer of economic health.

"These profits are the sole source—directly or indirectly—of financing all cultural, educational, and social activities.

"In a free enterprise system where there are no uncontrollable monopolies, there is no way profits can be too high. With our free markets working so that prices are determined by supply and demand factors, there's no way profits can be obscene.

"The higher the profits the better, because there is more money available to finance the better life in this country."

Stults noted an observation by journalist Eric Sevareid that the "chief cause of problems is solutions."

The implication, Stults said, is that unqualified people try to solve certain problems, or people qualified for other things are asked to solve problems in an area they should never attempt.

"Tom Martin, the educator who wrote 'Malice in Blunderland,' said our problems are caused by the 'provocative purveyors of panaceas,'" the banker added.

As for the state of the economy, Stults said the country's major problems have bottomed out.

"Our problems are mostly behind us—what we have to do now is fight the solutions," he said.

Stults noted that housing and autos are on their way back up, that inventory reduction for all practical purposes has been completed. Consumer confidence also has seen its low, and the inflation trend is favorable, he added.

Stults marveled at the ability of the economy to withstand the shock of double-digit inflation, the energy crisis, and unprecedented political upheaval, and an all-time low in consumer confidence—all, occurring in a relatively short period of time.

"Even in this recession, the economy is functioning to the benefit of more than 95 per cent of our citizens," he said. "This hasn't been given the kind of recognition it deserves."

Stults had criticized a couple of decisions President Ford made early in his administration [the pardoning of Richard Nixon and the amnesty offer to Viet Nam War deserters] without first consulting his advisers or members of the Congress.

"If Ford had devised a game plan—which I don't think he did—I don't believe he could have done a better job of showing the nation he was a strong decision-maker," said the banker.

"But since then, I think he has done an excellent job; demonstrating he is a thoughtful statesman who does use his advisers, careful not to shoot from the hip, yet capable of decisive action as in the case of the Mayaguez ship seizure.

"He's made great strides in building the confidence of the nation in the fact it has an honest, dedicated statesman at the helm."

BOSTON CITY COUNCIL ENDORSES HUMPHREY-JAVITS PLANNING LEGISLATION

Mr. HUMPHREY. Mr. President, planning for the future is a necessary exercise we all perform. Businesses do it. Individuals do it. And government at all levels has tried to do it, but often with only scattered and disjointed results. When our metropolitan areas have attempted long-term economic and growth planning—and many cities have tried very hard to plan wisely—they have been cheated, For, as a rule, any plan is only as reliable as its least certain part, and the Federal role in municipal planning has been very uncertain indeed.

We have, quite bluntly, left America's cities holding the bag. We have started programs with matching funds that we have not followed through upon, and local taxpayers have had to finance the whole burden. Today, the legacy of such myopic policy is New York with unsellable bonds, Detroit which pays usurious rates to raise money in the capital markets, and people living in degrading states of privation.

Is it any surprise then when the city of Boston passes a resolution urging the Federal Government to plan ahead as well as their own city has tried to do?

In endorsing the Balanced Growth and Economic Planning Act of 1975 Senator JAVITS and I are sponsoring, the resolution notes—

> The City of Boston has a definite stake in thoughtful and well-planned national fiscal policies.

I should add, so do all American cities, and all Americans. Our bill would provide a centralization of the research needed for projecting probable future needs and the implied long-range intentions of a Federal Government fulfilling those needs. How can cities help but benefit?

Councilman Larry DiCara who originated the Boston resolution, said:

> Our city has been a victim, not a beneficiary, of often well-intended but misguided Federal help. Senator Humphrey and Javit's bill would be a big step toward preventing problems like those we now face in loan programs, home improvement, and other areas.

Mr. President, I ask unanimous consent that the Boston City Council resolution be printed in the RECORD for the consideration of those in the Senate who shall decide whether we plan coherently and efficiently, or continue running the country by the seat of our pants.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

CITY OF BOSTON IN CITY COUNCIL

> Whereas, this country is in dire economic straits typified by high inflation and unemployment, and
>
> Whereas, part of the responsibility for the economic crisis in this country can be traced to lack of planning and preparation for the contingencies of the oil crisis and the end of the late Sixties boom, and
>
> Whereas, a bill is pending in Congress, drafted by the Initiative Committee for National Economic Planning and sponsored by Senators Humphrey and Javits to make long-range economic planning recommendations to Congress, and
>
> Whereas, the bill would set up a three-person planning board in the Executive Office of the President which, every other year, would submit guidelines for corporate and government agencies subject to Cabinet and Congressional approval, and
>
> Whereas, the City of Boston has a definite stake in thoughtful and well-planned national fiscal policies; now, therefore, be it
>
> *Resolved*, That the Boston City Council in meeting assembled endorses such planning bill and encourages its enactment by the Congress of the United States, and be it further
>
> *Resolved*, That a copy of this resolution shall be mailed to Senators Humphrey and Javits and to the Initiative Committee for National Economic Planning.
>
> In City Council July 14, 1975. Adopted.

INCOMES DOWN—POVERTY UP IN 1974

Mr. HUMPHREY. Mr. President, 1974 was a terrible year for the pocketbook and the bank account. The average American took one-two blows last year from the twin economic villains of recession and inflation, a predictable—and predicted—result of ill-advised administration policies. Congress cannot now afford to gloat with an "I told you so" attitude, but must start anew to seek cooperation from the administration in climbing from the current trough.

More Americans were in poverty last year than in 1973 as median family income dropped at a nearly unprecedented rate to a level below that of 1972. This information, contained in a new Census Bureau report, provides one of the clearest statistical pictures of what happened in 1974 when the brunt of the recessionary tailspin struck.

While the President claims unemployment affects only those without jobs in defending his anti-inflation program, it is apparent from the census figures that the real income drop was caused more by recession than inflation. Though the Nation has experienced inflation ever since World War II, real median income has declined in virtually every recession during the period, but never as fast as last year. Beating inflation with unemployment is rather like cutting off one's nose to spite the face.

The survey by the Census Bureau showed money income for the average family rising 6.5 percent to $12,840, but dipping 4 percent in constant dollars. The recession's effect was highlighted by the fact that for the full-time employed, median money income jumped 10 percent, almost keeping pace with 11-percent inflation. But even the fortunate with jobs lost 1 percent of their real purchasing power. Median black income trailed median white income by more than $5,500, a tragedy in a country committed to egalitarian principles.

On the poverty front, in a battle that we had been slowly winning, the news was likewise awful. There were more than 1¼ million more people below the poverty level of income in 1974 than in 1973. More than one in every nine Americans—24.3 million—had less than enough money coming in last year to live at what the Government defines as a meager but decent existence. This is only the fourth year since 1959 that the number living in poverty has increased.

The elderly suffered more than their share, as usual, with 15.7 percent of those over 65 in poverty. The Census Bureau report noted:

> This was the first time since 1970, when substantial increases in Social Security benefits were enacted, that the number of aged poor did not decline.

Senator CHURCH'S Social Security Cost-of-Living Improvement Act, which I am cosponsoring, would help this dismal situation by supporting the creation and use of a special Consumer Price Index for social security payments to our senior citizens.

While those who need more detailed data should consult the report, entitled, "Money Income and Poverty Status of Families and Persons in the United States: 1974 (Advance Report)," the staff of the Joint Economic Committee has prepared a table which compares some of the important 1974 statistics with those of previous years. Mr. President, I ask unanimous consent that the table be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	1968	1969	1970	1971	1972	1973	1974
Real median family income (1974 dollars)	12,236	12,689	12,531	12,523	13,103	13,373	12,836
Percent change from previous year	4.4	3.7	−1.2	−.1	4.6	2.1	−4.0
Americans living in poverty (in thousands)	25,389	24,147	25,420	25,559	24,460	22,973	24,260
Percent of all Americans living in poverty	12.8	12.1	12.6	12.5	11.9	11.1	11.6

Source: Bureau of the Census.

VETO OF H.R. 5901—1976 EDUCATION APPROPRIATIONS

Mr. JAVITS. Mr. President, on July 25, 1975, the President vetoed H. R. 5901, the fiscal year 1976 appropriations bill for the Education Division and related agencies of DHEW. This constituted the first such veto of an appropriation bill during this Congress.

In his veto message, the President stated that—

> This appropriation bill is too much to ask the taxpayers—and our economy—to bear.

I want to emphasize that this appropriation bill actually falls below the congressional budget resolution for education for fiscal year 1976. Perhaps more importantly, however, I do not believe that these appropriations are "too much."

Analysis of the amounts available for fiscal year 1976, as contained in H.R. 5901, compared to the respective amounts in fiscal year 1975 will show an increase of only $255 million, or 3.6 percent. Now this, in the light of an annual increase in the Consumer Price Index for fiscal year 1975 of 8.5 percent, is not "too much." On this basis, in order to maintain education programs at current levels, a real dollar increase of $598 million would be necessary. Thus, H.R. 5901 falls $343 million short when compared to the previous year's purchasing power.

In the States and localities, approximately 80 percent of education budgets is payroll for teachers and staff. School districts around the country are experiencing record budget deficits, with the net result of program termination and staff firing. Further reductions in Federal programs at this time will only aggravate the problem, creating more unemployment and greater dependency on public support programs.

The President has specifically singled out higher education and impact aid as being too high in H.R. 5901. He stated that:

> In these two areas alone, Congress had added $913 million to my proposals.

To begin with, the President's budget asked for a $712 million cut from fiscal year 1975 in these two areas for fiscal year 1976. Thus, in referring to $913 million over the President's budget, one must keep in mind the magnitude of the President's original proposed cut, as well as the fact that the $913 million includes an increase in funds for the 3-month budget transition period. Likewise, he referred to a $434 million increase in higher education over his proposal. Again of the $434 million cited, $322 million is restoration of his fiscal year 1976 proposed cut from fiscal year 1975, leaving a net increase for higher education of only $112 million. Impact aid contains a 3.7 percent increase, but the education amendments of 1974, which President Ford signed into law last year, provides for the funding in block of certain groups of impact aid children. The statutory language mandates that all eligible children at three prescribed levels—known as "tiers"—be supported, or else no funds may be spent. H.R. 5901 simply provided sufficient funding for the first two tiers according to the authorizing statute.

Another point to note when analyzing this bill is that there must be a sorting out of the advanced funding amounts for fiscal years 1976 and 1977. These amounts must be placed in the proper fiscal year in which they will be available. I ask unanimous consent to have printed in the RECORD at this time some charts prepared by the very capable staff of the New York State Department of Education.

There being no objection, the charts were ordered to be printed in the RECORD, as follows:

EDUCATION DIVISION AND RELATED AGENCIES
(H.R. 5901)

Summary of changes funds available for fiscal year 1976

Conference agreement	$7,294,679,100
Senate bill	7,493,378,000
House bill	7,158,995,000
President's budget estimate	6,184,339,000
1975 comparable appropriation	[1] 7,039,568,000
Conference agreement compared with	
Senate Bill	−198,698,900
House Bill	+135,684,100
President's Budget Estimate	+1,110,340,100
1975 Comparable Appropriation	[2] +255,111,100
President's Budget Estimate, FY 1976, compared with—1975 comparable appropriation	[3] 855,229,000

[1] Includes $119,800,000 for College Work-Study in Supplemental Appropriation (P. L. 94-41).

[2] This represents a 3.6% increase, while the Consumer Price Index change during FY 75 was an 8.5% increase.

[3] This represents a 12.2% decrease.

Changes—Funds available for fiscal year 1976 compared with 1975 comparable appropriations

Title I, grants for the disadvantaged	+$24,000,000
Support and innovation grants	+31,393,000
Bilingual education	+13,500,000
Other elementary and secondary education	+8,350,000
Elementary and secondary education (subtotal)	+77,243,000
Impact area aid	+23,984,000
Education for the handicapped	+26,516,000
Occupational, vocational and adult education	−4,225,900
Student assistance	+120,913,000
Institutional assistance	−7,125,000
Personnel development	−2,250,000
Library resources	−250,000
Innovative and experimental programs	+17,993,000
Student loan insurance fund	+4,187,000
Higher education facilities loan and insurance fund	−509,000
Education activities overseas	+1,000,000
Office of Education, salaries and expenses	+4,595,000
National Institute of Education	−356,000
Assistant Secretary for Education	+3,640,000
Special institutions	−10,244,000
Total	+255,111,100

Changes—Fiscal year 1977 advance funded programs compared with 1976 comparable appropriations

Title I, grants for the disadvantaged	+$150,000,000
Support and innovation grants	+11,633,852
School libraries and instructional resources	+10,000,000
Handicapped State grant program	+10,000,000
Adult education	+4,000,000
Total	+185,633,852

Mr. JAVITS. Mr. President, these make the necessary distinctions and put H.R. 5901 into its proper perspective. Some data available on H.R. 5901 does not readily make this necessary comparison. In these tables the fiscal year 1976 conference agreement figure contains the advanced funding for fiscal year 1977, while the fiscal year 1975 figure does not contain the advanced funding for fiscal year 1976. Since there is a $186 million increase in advanced funds, from fiscal year 1976 to fiscal year 1977, the net increase in all programs for the Education Division from fiscal year 1975 to fiscal year 1976 is made to appear inflated.

Mr. President, I believe this unfortunate veto decision by the President represents an effort to change the funding priorities already enacted into law. The student assistance authorizing legislation is expiring in June 1976. This and other parts of the Higher Education Act are under active consideration in the Labor and Public Welfare Committee. We are carefully reviewing the operation of these programs. Yet to date the administration has made no comprehensive legislative proposal for their extension. We have only this veto and the consistently unrealistic budget proposals which repeat recommendations previously rejected by the Congress. Possibly a new Secretary at HEW will be able to provide more realism. David Matthews is himself a former university president. On July 17, he testified before the Labor and Public Welfare Committee that he intends to be an advocate and a protagonist for education matters. The expiration at the end of this fiscal year of the Higher Education Act will certainly give him an opportunity to carry out his stated intention. We look forward to this; but the statute currently requires a certain mix of funding. The President's budget proposal cannot be permitted to change the law of the land.

I urge my colleagues in both the House and the Senate carefully to review the real size of the increases in H.R. 5901. I believe they will conclude, as I have, that great restraint was shown by the Congress, and that only the most urgent and pressing of our many unmet needs in education have been addressed and that this bill should become law, so that needed funds may flow to our schools and colleges.

AGONY AND SOUL SEARCHING IN CORPORATE BOARD ROOM

Mr. PERCY. Mr. President, I ask unanimous consent that a remarkable byline article by Jerry Landauer in the Wall Street Journal of today stemming from the hearings of the Multi-National Subcommittee of the Foreign Relations Committee be printed in the RECORD:

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, July 31, 1975]

WHEN THE BOSS GETS IN TROUBLE

(By Jerry Landauer)

WASHINGTON.—Businessmen are forever asking why their reputations keep dropping in the eyes of the public. For part of the answer, they might look at what's been happening in the board rooms and executive suites of Northrop Corp., Ashland Oil Inc., and Phillips Petroleum Co.

The chief executive officers of these three large companies—Thomas V. Jones, Orin E. Atkins, and W. F. Martin—have been found guilty, or have conceded they were guilty, of unlawful use of company funds. The misconduct generally involved the creation and illegal disbursement of corporate slush funds for political purposes.

The lawbreaking, in itself, is remarkable. Men of such stature might be assumed to have personal standards that would rule out illegality, particularly when it consists of efforts to subvert the American political process.

But what is perhaps more remarkable than the lawbreaking is the manner in which the boards of directors of the three companies have responded to it. Far from firing the men, the boards have issued expressions of support for the wrongdoers. Furthermore, directors of Phillips and Ashland even have sought to excuse the illegality by arguing that such practices were widespread or that the men didn't know the laws were being enforced.

And today, Messrs. Jones, Atkins and Martin are continuing to run Northrop, Ashland and Phillips.

Several other cases, loosely similar to these, have come to light, mainly as a result of investigations related to Watergate. But of those that have been resolved so far, these three best typify the type of violations involved. Also, they well illustrate the forgive-and-forget approach that seems to be emerging as the most prevalent response of corporate directors to this latest wave of high-level illegality.

While corporate directors, and the malefactors themselves, have been offering a variety of self-serving justifications for all this wrongdoing, hardly anyone of responsibility in American business has spoken out sternly against the actions of his peers. Last week, Irving S. Shapiro, chairman of Du Pont Co., did acknowledge, however, that the illegal campaign contributions of some companies "have cast a cloud on the character and the credibility of corporations." Mr. Shapiro reaffirmed Du Pont's policy against corporate contributions to federal campaigns (such contributions are illegal), and announced that the company is establishing a public register of solicitations of, and contributions from, Du Pont executives personally. Such candor on the subject of political contributions is far from typical of big business, however.

Meanwhile, the Securities and Exchange Commission has brought suits against some offenders and has implied that more suits lie ahead unless businessmen themselves put an end to the abuses.

PUBLIC LOSS OF CONFIDENCE

Commissioner A. A. Sommer Jr. of the SEC discussed the problem in a speech the other day. He noted a Harris Poll reporting that the number of Americans expressing a "great deal of confidence" in business leaders had dropped from 55% to 27% between 1966 and 1973. "Businessmen," Mr. Sommer said, "have been singularly slow to raise their voices in criticism of the conduct of their fellow businessmen, conduct which inevitably hurts all businessmen."

Referring to revelations of "deceit, cunning and deviousness" among prominent corporate officials, Mr. Sommer declared that it's time for businessmen to devise "within their community a means of developing and enforcing a code of responsibility." Business, he added, "constantly complains of the intrusion of government in its affairs. I can think of no better antidote to this tendency than strong action by businessmen to prove . . . that they are truly concerned with the conduct of their fellow businessmen. . . ."

The companies known to have broken the law by contributing corporate funds to President Nixon's 1972 campaign include some of America's largest: Gulf Oil Corp., Goodyear Tire & Rubber Co., Braniff Airways Inc., American Airlines Inc. and Minnesota Mining & Manufacturing Co.

Of all the slush-fund cases, however, only at 3M does it appear possible that any executive might go to jail. Some 3M officials engaged in suspicious tax maneuvers while retrieving $100 bills paid as "legal fees" in Switzerland, funds that then were channeled into political campaigns. Two former executives have been indicted for tax fraud and, if convicted, could go to jail.

The generally light judicial treatment of wrongdoers stems partly from a crucial decision made by Watergate Special Prosecutor Archibald Cox in October 1973. Faced with the near-impossibility of uncovering corporate slush funds without help from insiders, Mr. Cox announced that his office would charge the "primarily responsible" corporate official in each case with a misdemeanor, rather than a felony. He hoped, correctly as it turned out, that this would prompt companies to come forward voluntarily with admissions of guilt.

As these misdemeanor cases have gone to court, judges have tended to go lightly on the first offenders involved. Thus the sentences so far have consisted only of relatively small fines.

To understand the slush-fund violations, it's useful to look closely at the cases of Phillips, Northrop and Ashland, about which quite a bit is known now, partly because of public documents arising from SEC investigations.

At Phillips, Mr. Martin became involved, as senior vice president, in a complex kickback scheme requiring overseas contractors to channel $2.6 million through foreign conduits for deposit in Swiss accounts; of this sum the company allocated $585,000 for political purposes. Mr. Martin accepted the task in 1968 of "monitoring" kickback payments from one contractor and he moved cash from Switzerland to company headquarters. As president of Phillips in 1973, Mr. Martin personally gave corporate cash to two tight-fisted subordinates who didn't care to spend even $500 of their own money for tickets to political dinners. Mr. Martin wasn't charged with any crime. In accord with the policy laid down by Prosecutor Cox, the government negotiated a misdemeanor plea with Mr. Martin's predecessor, William W. Keeler; Mr. Keeler was fined $1,000.

Now that the slush fund has been uncovered, the Phillips board concedes Mr. Martin's "participation in the program of unlawful political contributions." But the directors, in a special report to shareholders, sought to excuse him saying he had "for the most part" merely "acquiesced" in misconduct initiated long ago by his superiors. The directors added that to take "any action" against him would "distract" him from making money for shareholders.

At Northrop, Mr. Jones masterminded an elaborate plan to launder corporate money through a consultant in Paris. Some $50,000 from this slush fund went (unknown to Mr. Jones) for hush-money payments to the Watergate burglars. To conceal the illegal fund, Mr. Jones induced three Northrop executives to prepare bogus, backdated promissory notes intended to prove that an earlier $100,000 Northrop payment to the Nixon campaign hadn't come from corporate coffers, in violation of law.

The Senate Watergate Committee, in a report to the Senate, described the following activities of Mr. Jones in connection with the slush fund: He personally brought the bogus documents to Washington; he prepared fake correspondence with the Paris consultant; he lied to the General Accounting Office; he signed an untruthful answer to questionnaires from the Watergate Committtee; he lied to the Federal Bureau of Investigation, and he gave perjured testimony to a federal grand jury (which Watergate prosecutors let him recant).

Mr. Jones pleaded guilty to a felony. He could have been imprisoned for five years, but Federal Judge George Hart instead levied a $5,000 fine on the executive—who was earning $225,000 a year.

Even before Mr. Jones' sentencing in May, 1974, the Northrop board agreed to keep him as chairman and Mr. Jones agreed to reimburse Northrop for illegal contributions and for "other company expenses which have resulted from these contributions." Six months later, however, the board—while praising his "integrity"—waived the reimbursement pledge. Instead of repaying his share of Northrop's $1 million outlay for lawyers and auditors, Mr. Jones was permitted to pay just $50,000—which the company quietly loaned him, at less than the prime rate of interest.

Then, in Senate testimony last month, Mr. Jones acknowledged that he may have unintentionally signaled subordinates to pay $450,000 in bribes to two generals in Saudi Arabia. Following this new disclosure, Northrop's directors burdened him with a "heavy share of the responsibility for irregularities and improprieties" within the company. They accepted his resignation as chairman—but kept him on as president and chief executive officer, although they implied that he might be replaced in the next year. Northrop's growth "can to a large measure be credited to his efforts," directors said.

While at Ashland Oil . . .

Similarly, directors of Ashland Oil forgave chief executive officer Orin Atkins for being convicted of a misdemeanor (the executive pleaded no contest). They also excused his participation in generating an $800,000 slush fund and his "error" in making "inaccurate" statements to Watergate prosecutors about illegal political payments.

Mr. Atkins once personally withdrew $125,000 from the company's account in a Geneva bank and carried half the cash to corporate headquarters in Ashland, Ky., where it eventually was used for political contributions. (The company's assistant secretary carried the other half.) Nevertheless, Ashland's directors are unanimously resolved to keep Mr. Atkins on the job. Like Northrop's board, Ashland's pointed to the company's growth under Mr. Atkins' "forceful leadership." Mr. Atkins merely acted in what he thought was the company's "best interests," the board explained, and in any case he didn't think federal laws prohibiting corporate contributions were being enforced.

This argument, implying that a law's nonenforcement somehow justifies its violation, isn't based on fact. "U.S. Starts Enforcing Laws Barring Political Gifts by Firms, Unions," a front-page headline in this newspaper said in November, 1969. An accompanying article cited indictments that had been brought against 10 corporations and it quoted warnings that the government would henceforth prosecute not only corporations but executives, too. "It's going to be hard for anybody to plead surprise after so many prosecutions in such a short time," an assistant attorney general was quoted as saying.

In fact, the Justice Department leveled a 13-count indictment in 1971 against United Mine Workers President W. A. (Tony) Boyle for arranging $49,250 in illegal union political gifts. Mr. Boyle's widely publicized trial began just as corporations were restocking slush funds for election year 1972. In June the union boss was found guilty on all counts. The government demanded a maximum sentence in order to deter "others in a position of trust." A federal judge sent him to jail for three years.

INVASIONS OF PRIVACY

Mr. JAVITS. Mr. President, our entire tax system of self-assessment is based upon the principle of privacy. Yet this principle has been invaded in too many cases in recent years. In fiscal 1973, the IRS investigated 58 cases in which confidential tax information was allegedly disclosed illegally to outside interests. The number of cases jumped to 103 in fiscal 1974 and in only the first 3 months of fiscal 1975 the IRS has completed or has under investigation a total of 119 cases. This clearly indicates the need for action.

To help remedy this situation, I have joined with Senator Weicker and 26 of my other colleagues in cosponsoring S. 199, a bill to restrict the authority for inspection of tax returns and the disclosure of the information it contains. This measure would require the President to request, in writing, the tax return of any taxpayer in a matter not connected with tax collection or enforcement of tax laws. This bill has already won the support of President Ford and IRS Commissioner Alexander. I urge my colleagues to give this bill speedy approval and restore the principle of confidentiality to the returns of every American taxpayer. I ask unanimous consent a news story by Alan Emory, Watertown, N.Y., Washington correspondent on this subject to be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Watertown Daily Times, Watertown, N.Y. Thursday, July 17, 1975]

Invasion of Privacy Spurs Tax Form Bill

(By Allan Emory)

Washington.—Two years ago a special agent of the Internal Revenue Service discovered copies of a taxpayer's income tax returns attached to a report by a private investigator retained by an insurance firm.

Larry S. Dabrow, an IRS revenue officer in Philadelphia, eventually admitted he had provided the copies to retain the private eye's good will, because the insurance investigator had helped provide him with information.

A four-year employe of the IRS Midwest Service Center in Kansas City, Mo., sold confidential tax information to two private detectives for $25 in cash. The information came from a tax return of a former husband of a client of one of the detectives.

Mrs. Evelyn Cottrell Morris of the California State Franchise Tax Board was indicted in 1968 for converting, selling and improperly disclosing photocopies of federal income tax returns of three taxpayers.

According to the IRA, Dabrow was sentenced to two years' probation and fined $350 last year.

Mrs. Patricia McNally, the Kansas City IRS employe, changed a not-guilty plea to nolo contendare and was placed on 30 days' probation after the judge said he would have ordered her jailed had it not been for a small dependent child. The two private detectives, arrested and charged with conspiracy, pleaded guilty and were fined $250 each, as well as being placed on probation for two years.

Mrs. Morris received a six-month suspended sentence, was placed on probation for three years and was fined $500.

The IRS said it completed 58 cases of income tax information disclosure in fiscal 1973, another 103 cases the following year and, between June 30 and Sept. 30, 1974, wound up 30 more cases, with 89 listed as pending.

Criminal prosecutions included the three cases listed, and that of Revenue Officer James L. Seago, Sr., stationed in San Jose, Calif. The IRS says Seago gave private investigator John A. Pearne of San Jose a copy of a tax return in return for plane tickets to British Columbia for himself and his family.

Both men were indicted on bribery, disclosure and conspiracy charges, and both were found guilty in 1971. Seago was given a year's probation, while the investigator received a suspended year's prison sentence, three years' probation and a $1,000 fine. The convictions were upheld in 1972.

Congress is now considering legislation to tighten the privacy of individual income tax returns.

IRS Commissioner Donald C. Alexander has given his blessing to tough legislation sponsored by Rep. Jerry Litton, D-Mo., and Sen. Lowell P. Weicker, Jr., R-Conn., which received President Ford's endorsement at a White House meeting in October.

Since then, however, the Justice Department has complained that the legislation would hamper criminal prosecutions.

The legislation would require the President to request, in writing, the tax return of any taxpayer in a matter not connected with tax collection or enforcement of tax laws.

Now any federal agency head may inspect a return if he maintains it involves a matter officially before his agency. State and local officials also may have access to returns. So may congressional committees.

Asst. IRS Commissioner W. C. Rankin, Jr., says the IRS has investigated "more than 200 complaints of alleged disclosure violations in the last three years alone." The inquiry program became formalized in March, 1972. Only four cases were prosecuted.

Rankin said many complaints were found "without * * * taxpayers had liens filed against them that were a matter of public record. In other cases, he added, taxpayers themselves turned data over to attorneys or courts in domestic proceedings.

In three cases, however, the IRS released information under the disclosure laws, only to have it released by another individually illegally.

One involved former Gov. David Hall of Oklahoma, whose 1971 and 1972 tax returns were given to the U.S. attorney for the Western Oklahoma District by the IRS. On March 25, 1974, a federal court order required grand jury information to be disclosed to the IRS and all other evidence be handed over to the Oklahoma attorney general.

The U.S. attorney's office, said Rankin, complying with the court order, "erroneously released tax information relating to Governor Hall to the Oklahoma state attorney general's office, which, in turn, made the information available to members of the Oklahoma state legislature."

In another case the U.S. attorney for North Carolina's eastern district resigned after apparently making improper disclosures of tax information. The information turned up in 1972 articles in Raleigh and Charlotte newspapers indicating the IRS regional counsel had recommended criminal prosecution of 13 persons involved in a 1968 political campaign, citing names, city locations and background information on the 13.

The third centered on New Hampshire Gov. Meldrim Thomson's apparent use of information from federal tax returns for non-tax purposes.

New Hampshire law requires business returns filed with the state to be accompanied by a portion of the federal tax return.

Rankin maintained it was "impossible to determine whether there had been a violation of the federal disclosure statute" since the information could have come from state records, rather than from the IRS.

EXPLORATORY DRILLING

Mr. PERCY. Mr. President, last evening the Senate engaged in an intense and heated debate over an amendment offered by Senator Jackson to S. 521, the Outer Continental Shelf Management Act. The amendment, which was finally adopted by a vote of 46 to 41, provided for an experimental program in which the Department of the Interior would contract for exploratory drilling in the Outer Continental Shelf. This drilling would be limited to the purposes of either: First, determining the presence or absence of commercial quantities of oil or gas; or second, exploring geological structures for national security or environmental reasons or to expedite development in frontier areas. Funding for the experimental program would be limited to a maximum of $500 million.

During the debate in the Senate, opponents of the amendment asserted repeatedly that this exploratory drilling program would be the "first step toward nationalization of the oil industry," representing an unprecedented intrusion by the Federal Government into a position of competition with oil producing companies.

Mr. President, if I thought for 1 minute that such a program actually was the first step toward nationalization of the oil industry, I would have opposed it vigorously. I have opposed all proposals for Federal oil and gas corporations and similar unwarranted interventions into the private sector. However, I am convinced that this limited exploratory drilling program would not lead in the direction of nationalization.

The purpose of the program is simply to provide the means for our Government to learn more about the energy resources that are in the public domain. The oil and gas in the Outer Continental Shelf is owned by the people of the United States, and in this fading era of fossil fuels the American people have a right to know how much of this form of energy we have left.

A recent report of the U.S. Geological Survey demonstrated just how little we now know about our resources. The latest Geological Survey report estimated that our Nation's total undiscovered reserves of oil are only about one-third the amount estimated by the same agency just 1 year ago. In other words, the bottle on the shelf is only one-third full.

If our imports were embargoed and we had to rely completely on our own domestic oil resources, these total undiscovered reserves would last only 8 to 21 years at present consumption rates. It is well known that if we had to rely solely on domestic sources, our proven oil reserves would last only 10 years at present consumption rates, so it is crucial for our energy survival that we obtain an accurate estimate of our undiscovered reserves. An exploratory drilling program under contract by the private sector to the Interior Department would help to obtain such an accurate estimate. It is not enough to confirm the presence of geological formations conducive to oil and gas. The actual presence of the oil and gas must be confirmed by drilling.

A more accurate estimate of undiscovered reserves would also be beneficial to the Government in determining the value of its leases. In the past, the leasing of offshore oil lands has often resembled a roulette game, with high stakes for both the Government and the industry. An exploratory drilling program would help to reduce the risk for both, provide greater assurance that the public will obtain adequate revenues from the leases, and allow greater opportunity for the entry of smaller producers into the lease bidding competition.

For these reason, I voted for the exploratory drilling amendment to the OCS management bill. I will fight any effort to distort this program so as to fulfill the fears of its opponents.

BUDGET BUSTING

Mr. PERCY. Mr. President. I would have been hard pressed to vote against a conference report which makes significant improvements in child nutrition programs. As a member of the Select Committee on Nutrition and Human Needs, I have fought many battles to improve and expand these programs.

However, the Senate will be faced with a choice between approving a bill which goes well above the first concurrent resolution on the budget approved by the Senate or adhering to the guidelines we have adopted.

I cannot support unnecessary budget-breaking spending for nutrition programs anymore than I can for military construction. I do this with the understanding that there is room for significant compromise on the costs of the nutrition bill.

It is my understanding that the Senate managers of the bill have agreed to reconvene the conference committee and propose an amendment which would significantly reduce its cost. It is also my understanding that this effort was rebuffed by House managers for the bill.

If the Senate votes against this conference committee report, it is my hope that the conference committee will be able to adopt the proposed reduction suggested by Senate managers. This proposal is acceptable to many of the strongest supporters of child nutrition programs. By voting against the conference committee report I feel I can both preserve the integrity of the child nutrition programs and at the same time preserve the integrity of the new congressional budgeting procedures.

MARKUP PLANNED FOR GRAIN INSPECTION LEGISLATION

Mr. HUMPHREY. Mr. President, I wish to share with my colleagues a letter which Senator Dole and I have sent to all members of the Senate Committee on Forestry and Agriculture regarding the current grain inspection problem.

On September 11, the Foreign Agricultural Policy Subcommittee and the Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices will conduct a markup session on Senate Joint Resolution 88 which is designed to help alleviate the current grain inspection problems which have been reported in great detail in the news media.

The legislation which I have introduced along with the Senators Dole and Talmadge would basically attempt to deal with the immediate problems before us. It would increase the penalties for law violations and provide the Secretary of Agriculture with a number of important authorities to clear up this situation.

The Department of Agriculture has not yet provided its recommendations for permanent legislation, and it looks now as if the Department will not be forwarding its recommendations for permanent changes for some time to come.

Before finalizing permanent legislation, a number of issues must be resolved, including whether changes may be required in the grades and standards for grain, whether the weighing procedures should be changed, and, above all, what changes may be needed in our grain inspection system.

The chairman of the House Agricultural Committee, Congressman Foley, and I have asked the General Accounting Office to conduct an in-depth study which would help provide a solid foundation for permanent legislation. This study will not be completed until early 1976.

Obviously, we will need to gather additional information on some of these basic issues.

This is an extremely complex problem, and we do not propose to act irresponsibly. We want to help rather than jeopardize our export markets.

We have already held extensive hearings, and our investigators have been amassing a wealth of information. We have now been able to add some temporary staff which should be helpful in dealing with this problem.

It is my hope that our subcommittees will be able to report out legislation along the lines of Senate Joint Resolution 88.

Mr. President, I ask unanimous consent that the letter which was sent to the members of the Committee on Agriculture and Forestry be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Committee on Agriculture
and Forestry,
Washington, D.C., July 31, 1975.

Hon. Dick Clark,
U.S. Senate,
Washington, D.C.

Dear Dick: On June 4 we introduced, together with the Chairman, S.J. Res. 88, an emergency bill to provide authority to the Secretary of Agriculture to restore confidence in the U.S. Grain Inspection System. Subsequently, the Foreign Agricultural Policy Subcommittee and the Subcommittee on Agricultural Production, Marketing and Stabilization of Prices have held joint hearings on both the grain inspection system and S.J. Res. 88.

On June 19 the subcommittees heard extensive testimony from Under Secretary Campbell and other USDA officials. In addition, 25 questions were proposed to Under Secretary Campbell to clarify questions raised in the June 19 hearing. These questions and answers are contained in Volume 1–A of the hearing record.

On July 8 the subcommittees conducted hearings on S.J. Res. 88 and heard from all interested parties who wished to testify. This hearing record, which will contain a great deal of information in addition to the statements made on July 8, will be published shortly. Therefore, we have established a good hearing record on which to base consideration of corrective legislation.

In the attached letter of June 24 we requested the Comptroller General to do a very thorough investigation of the entire grain marketing system—from country elevator to foreign port. We requested that the General Accounting Office do a complete and independent investigation of not only grading and inspection of grain, but also the handling, drying and transportation of grain. The General Accounting Office indicates that it cannot possibly have a final report ready before February 15, 1976. However, we do expect to receive interim reports.

On July 26 the Senate approved the Committee's request for additional funding to carry out the investigation. Therefore, we now have the services of a full-time investigatory attorney, as well as the investigators who have been assigned to us by the General Accounting Office. In addition, the regular Committee staff will be devoting considerable attention to this investigation.

Once an investigation such as this is begun, it must be carried out to its logical conclusion and every abuse must be thoroughly aired. Indeed, the request we have made to the General Accounting Office and its commitment to fulfill this request insures that such a thorough investigation will take place.

However, in the meantime the continued disclosure of wrongdoing and problems in our grain export system could seriously jeopardize our reputation as a reliable supplier of grain in world markets. Therefore, we believe it is imperative that the Congress move promptly to pass corrective legislation.

A number of approaches have been suggested—ranging from increased and improved Federal supervision of our current system to an all-Federal system. Whatever course of action the Congress decides to take, two things are clearly evident:

(1) It will take the Congress some time to agree on good permanent legislation. This is true because a host of issues must be considered. We must consider Federal supervision of weights as well as grades, the efficacy and appropriateness of the grades and standards themselves, and problems in the handling and transportation of grain which may have an impact on grain quality.

(2) Even if we immediately enacted permanent legislation to change our present system to an all-Federal or a Federal-State system, it would take two to three years to fully implement such a system. Hundreds of additional grain inspectors would have to be hired. According to the Department of Agriculture it takes one to three years to fully train a grain inspector. If legislation for a Federal-State cooperative program is enacted, it would take some time to work out cooperative Federal-State agreements.

Therefore, we feel that the wiser course is to pass temporary legislation such as S.J. Res. 88, which would increase criminal sanctions and give the Secretary of Agriculture greatly expanded authority to immediately take corrective action to restore confidence in our grain exports during the current marketing year. Such an approach would in no way jeopardize the passage of the long-term, comprehensive legislation which would eventually be considered. However, it would protect our grain exports, our farmers, and our economy while we conduct the investigation and undertake thorough consideration of permanent legislation.

The Subcommittee on Foreign Agricultural Policy and the Subcommittee on Agricultural Production, Marketing and Stabilization of Prices will hold a joint executive session on September 11 at 10:00 A.M. We ask for your support of S.J. Res. 88, with any modifications you may wish to propose.

With every good wish, we are

Sincerely,
Hubert H. Humphrey,
Chairman, Subcommittee on Foreign Agricultural Policy.
Bob Dole,
Ranking Minority Member.

ANNIVERSARY OF THE INVASION OF CZECHOSLOVAKIA

Mr. PERCY. Mr. President, 7 years ago foreign troops put an end to Czechoslovakia's spring of freedom. It is fitting that we should remember the democratic aspirations of the people of Czechoslovakia as this unhappy anniversary approaches.

Between the two world wars, the Czechoslovak Republic, which was created with the support of the American negotiators at the Versailles peace conference, was a model of political democracy and social progress.

It is a tribute to the Czechoslovak people—and to the tenacity of the democratic ideal itself—that their commitment to democracy has not been diminished by the adversity which befell them in 1948.

CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, is there further morning business?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

PENDING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, what is the pending business before the Senate?

The PRESIDING OFFICER. The pending business is a conference report on H.R. 6674.

Mr. ROBERT C. BYRD. I thank the Chair.

RECESS UNTIL 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 9 a.m. tomorrow.

The motion was agreed to; and at 11:01 p.m. the Senate recessed until tomorrow, Friday, August 1, 1975, at 9 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 31, 1975:

FEDERAL RAILROAD ADMINISTRATION

Asaph H. Hall, of Maryland, to be Administrator of the Federal Railroad Administration.

FEDERAL POWER COMMISSION

John Holliday Holloman III, of Mississippi, to be a member of the Federal Power Commission for the remainder of the term expiring June 22, 1976.

DEPARTMENT OF LABOR

Robert O. Aders, of Ohio, to be Under Secretary of Labor.

NATIONAL MEDIATION BOARD

George S. Ives, of Maryland, to be a member of the National Mediation Board for the term expiring July 1, 1978.

ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION

James D. Isbister, of Maryland, to be Administrator of the Alcohol, Drug Abuse, and Mental Health Administration.

(The above nominations were approved subject to the nominee's commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.)

THE JUDICIARY

Richard D. Rogers, of Kansas, to be U.S. district judge for the district of Kansas.

EXTENSIONS OF REMARKS

RICHMOND, CALIF.—THEN AND NOW

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. MILLER of California. Mr. Speaker, on August 7, 1975, the city of Richmond, Calif. will be celebrating its 70th anniversary as a chartered city. And indeed, Richmond has a great deal to celebrate. This city has emerged from a small village farm community into a city which has more unrealized potential than any other city in the San Francisco Bay Area.

Before the war Richmond, Calif. was a small industrial city sprawled along a low-lying point on the northeastern shore of San Francisco Bay. At that time, 24,000 people lived in one-family houses on the unshaded streets, chiefly supported by the 4,000 who worked in the Standard Oil refinery, the Ford assembly plant, and a dozen smaller industries on the marshy waterfront. Storage tanks dotted the hills of Point Richmond, and the smell of oil hung heavy in the air. It was not a pretty place—Richmond people who could afford to, lived outside the limits on the El Cerrito hills, and motorists knew it only as a place to drive through—but it was law-abiding, financially sound, with good schools and a good government. Richmond prided itself on its efficiency and self-sufficiency. Things were going along fine and most people were pretty well satisfied. Everybody knew everybody else, and marketing on Macdonald Avenue left plenty of time for chatting on street corners, admiring the view of Mount Tamalpais across the bay.

By 1945 the view was about the only thing left of the old Richmond. Four Kaiser shipyards and a prefabrication plant had been built on the waterfront. As a result, 100,000 people lived where 24,000 lived before. Huge barracks-like public housing projects covered the mud flats between the harbor and the town. The sidewalks were blocked by gaping strangers in cowboy boots, blue jeans, and sombreros. Women in slacks and leather jackets and shiny scalers' helmets waited in long lines to buy food. Nobody knew anybody, children went to over-crowded schools in two shifts. Streets cracked under heavy traffic, and overloaded sewers were backed up. City expenditures rose from $800,000 in 1940 to $1,800,000 in 1944; the income from property taxes from $700,000 to only $1,070,000.

Old Richmondites were torn between pride and resentment. They were proud of the yards, of the ships sliding into the bay—one-fifth of all the Liberty ships were built in Richmond. But they felt their privacy had been destroyed. A few of them moved away to Berkeley and Oakland, and many of them did their shopping in nearby San Francisco. But a booming business brought to town by the newcomers caused properties to rise 300 and 400 percent in value; the circulation of the Richmond Independent jumped from 6,000 daily to 35,000; shopkeepers were making 5 or 6 times what they made before.

This major reshaping of Richmond came about primarily through the efforts of the Richmond Chamber of Commerce. In 1939 the members of the Chamber of Commerce, notably Fred D. Parr of the Parr-Richmond Terminal Corp., saw a chance to take place in the preparedness program of the United States and at the same time boost Richmond. Negotiations were begun with the Maritime Commission, with Henry Kaiser and W. A. Bechtel. A year later Mr. Kaiser showed a definite interest in Richmond. And the final conferences turned out to be even more fruitful than the far-sighted Mr. Parr had dreamed. Construction of the first shipyard was begun in January 1941, and 2 years later four shipyards, containing 27 ways and basins, and a prefabrication plant had been built on the filled-in shore. As the number of workers increased, as recruits from all over the country poured in, Richmond, the self-sufficient little city with facilities for 24,000 inhabitants, was swamped. There was no room for those who were there already. More kept coming.

The small hotels and rooming houses quickly overflowed. Families slept in cars and on cots in the downtown shops. The Federal Public Housing Authority and the Farm Security Administration put up the first of 14,000 housing units and dormitories on the mud flats between the harbor and the town. The Maritime Commission built another 10,000 units—later taken over by FFHA, and private builders added 8,000 small houses. Altogether about 30,000 dwelling units were constructed between 1941 and 1943. But 90,000 men and women were working in the yards, 10,000 in other Richmond industries, and many of them had to find shelter outside the town, had to find transportation to and from the yards. New roads were built, old San Francisco-Oakland ferries were reconditioned, discarded New York El cars were brought across the country and set on a new electric railway running 12 miles from Oakland, but tired welders, scalers, and riveters still had to stand in line to get anywhere.

Yet, in spite of the confused and often distressing conditions in which they lived, the men and women who flocked to Richmond did a remarkable job of shipbuilding. In less than 3 years 486 Liberty ships were delivered. The average construction time per ship was 48.5 days as compared to a 78.5-day average for all other Liberty shipyards.

The year 1943 saw the peak of the shipyard's employment, the peak of Richmond's anguish. The city fathers spoke of their town as a "municipal cripple," of "the wounded city"; Mattie Chandler refused to run for reelection as mayor; the city manager, James McVittie, began preparation of a report designed to wring Federal funds from Congress and he called it "An Avalanche Hits Richmond." The report was later summarized under the title "A City Earns the Purple Heart." Mr. McVittie, who averted the city's collapse but almost collapsed himself, wrote that:

> Even normal social controls could not be maintained. The result was congestion and utter confusion. Richmond was literally bursting at the seams.

What happened to Richmond was an example of what happaned to many other U.S. cities during the war. The truth was plain in the crowded schools, operating in three and sometimes four shifts; in the filthy trailer camps around the edges of town; in the untended children swarming the muddy compounds of the housing projects; and in the puzzled faces of unroofed, unwelcomed Oklahomans and Texans. The city was broke. The new industry and the housing projects, government-owned, were tax exempt and the city property tax did not begin to meet expenditures.

Now 30 years later at the mark of Richmond's 70th anniversary as a chartered city, and far from those days of uncertainty and instability, the city of Richmond has emerged as a city of incredible strength and stability. Richmond, with all the potential of the San Francisco Bay area mirrored in its many industries and deepwater port, today is referred to as a "city in the path of progress". Sixteen billion tons of cargo, 30 percent of all the cargo in the bay area, move across its docks annually. The Santa Fe Railway maintains its marshalling yards for all east bound traffic in Richmond, and the Standard Oil Co.'s huge refinery—one of the largest west of the Mississippi River is a mainstay of the city.

The extensive availability of resources has allowed Richmond to accomplish many of the essentials other communities are still talking about. All the schools are earthquake proof. A secondary sewage treatment plant was built.

Richmond will be the first bay area city to have all its drainage problems solved by a massive underground storm drain construction program now underway.

Such essentials are the foundation of the rebirth taking place within the city of Richmond. They represent the nonvisible aspects of progress. The visible ones include the new $30 million Western Regional Social Security Program Center, which offers a striking beginning to Richmond's new skyline. Before the end of 1975, this center will employ close to 2,000 people. Other visible aspects of progress include: a $40 million Western Regional Postal Bulk Mail Center; a $60 million regional shopping center which will create approximately 3,000 jobs and some $3 million annual tax revenues; a new 1,000-acre regional park; and the locating of the Bay Area Transit Station in the downtown area which has provided a favorable impact on the city by allowing direct access to and from neighborhood bay area communities.

Presently the city of Richmond is working on plans to redevelop its old Port Area—where Kaiser Liberty ships were launched through World War II, into what promises to be a most ambitious marina-port complex. The two major development components of the plan include the port terminal complex to serve container vessels, and a marina complex with associated commercial and residential development. The potentials of this development appear to be far beyond any other project heretofore undertaken by the city of Richmond.

In concluding this historical account of Richmond's progress, it should be noted that the road to progress for Richmond has not been an easy one. There have been many rough spots which had to be smoothed out. But somehow through all this, Richmondites, even though sometimes torn between pride and resentment, have been able to move forward along the path of progress. The future looks bright and Richmond is facing the future with confidence and serenity because the citizens of Richmond believe the future is greater than the past.

FORMER DEMOCRATIC NATIONAL CHAIRMAN, JAMES A. FARLEY, CELEBRATES 87TH BIRTHDAY

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. MURPHY of New York. Mr. Speaker, I would like to take a few minutes out of our busy schedule to recognize a man who has dedicated a significant part of his life to the betterment of our Government. The man is James Aloysius Farley, a name I am sure we are all familiar with. He served as chairman of the National Democratic Committee from 1932–40 and was later appointed Post Master General under the Roosevelt administration. On May 30, 1975, the former Cabinet member celebrated his 87th birthday. Displaying the same keenness as he did back in his earlier days, Jim now spends an active day as honoragy chairman of the Coca-Cola Export Corp. in New York City. My long-term friend held a prebirthday conference and a number of articles were subsequently published in newspapers across the country on the occasion of this memorable event. One article which I feel particularly reflects the achievements of his longevous life, was written by Bob Considine for the Sunday Herald Advertiser of Boston, Mass.; and it reads as follows:

FARLEY SAYS, "WE NEED AN FDR TODAY"

(By Bob Considine)

NEW YORK.—A few pearls from the lips of James Aloysius Farley on the occasion of his 87th birthday. No old pappy guy, Jim. He is keen of mind, firm of step, 6 feet 2½ inches high, tips the beam at 180 (but never tipples), and he's as straight as the great Indian Chief Cochise. (Gesundheit!)

"President Ford is a nice enough fellow, but we need something more than that today. We need a Franklin Roosevelt. People forget that in Roosevelt's first hundred days in the White House he pushed through a hundred major projects to fight unemployment and Depression and rid the country of fear. There's just nobody around today who is like him. He was the right man in the right place at the right time. This country always has a habit of coming up with the right man when things look darkest. Who would have thought Harry Truman and Lyndon Johnson would have become outstanding presidents? But they were. LBJ was the best-flitted of all."

"Ted Kennedy? How can he be a candidate? When a man says he won't consider running under any circumstances come what may, he should be believed. I don't care what his brother-in-law says! Personally, I was disappointed in Kennedy when he gave so little support to Hubert Humphrey in '68. Gene McCarthy gave even less. Just walked away from the ticket. If they had pulled together, we could have beaten Nixon."

"Why didn't I ever seek national elective office? Well, if Roosevelt hadn't run for a third term in 1940, the Democratic candidate would almost certainly have been Secretary of State Cordell Hull. In all the forecasts leading up to Roosevelt's decision to run, Hull was listed the No. 1 prospect, and I was No. 2. I would have been his Vice President."

"I don't think the Post Office should have been removed from the direct control of the government. It's been badly handled ever since, in my estimation. Its people just don't seem to have the dedication they had in the past. Maybe that's one of the causes of slow service. As for the price of a regular first class stamp, 10 cents, and the prospect that it will go to 13 cents, well, that would have been inconceivable to me when I was Postmaster General and stamps had gone up from two to three cents. Everything else has gone up in price lately, that's true. But a ten-cent stamp, or a 13-cent stamp! That's just hard for me to believe."

(In answer to a question from grand master reporter Jimmy Kilgallen, equally spry at 87.) "Do I think I've missed anything in life by never having taken a drink? Well, Jim, I took the pledge when I was 20, and from the looks of some of those who never got around to it, I don't think I've missed anything."

"What do I do here at Coca Cola Export? Well, I dictate answers to my mail through most of the day, using sometimes two, even three secretaries. For example, I receive an average of 2,000 letters on my birthday. I answer every one of them personally. My memory is still good, which helps when the birthday greetings are just signed 'Mike' or 'Mary,' with no last names. I still sign my name in green ink. It doesn't last as long as black, but it's been a part of me for a long time. Once upon a time I had to re-sign the appointment certificates of 3,000 postmasters because the green signature had faded completely out. The legality of the appointment was at stake."

"My choice for Democratic nominee? It's much too early. Let's see how things shape up in the primaries next year. Right now I'm mostly concerned with helping to get the Democratic National Convention for New York. We haven't had a convention since 1924. That's ridiculous, for a great city like this."

"The greatest fighter I ever saw before, during and after my years as New York state boxing commissioner? Jack Dempsey. There were many other great heavyweights, of course. Gene Tunney, naturally. Max Schmeling, if you will. Jersey Joe Walcott was under-rated. So was Jack Sharkey. As for Joe Louis, he would have given any fighter who ever lived a lot of trouble. Including Dempsey. Muhammad Ali? Oh, he's a fine boxer and an entertaining guy. But I was talking about real fighters."

"On my birthday I'm going to go to Mass and Holy Communion at 7:30 at St. Patrick's then drop back here at the office and do some work until 10:30 when the car arrives. It'll take me up to Rockland County to St. Peter's Cemetery, where my parents are buried, then to the James A. Farley Middle School and Immaculate Conception Academy near Grassy Point, where I was born, then to Gate of Heaven Cemetery, in Westchester, where my wife Bess is buried, then back to town to have a birthday dinner with my children and grandchildren . . . at Giambelli's the best restaurant in town," concluded last year's winner of the Fighting Irish of Notre Dame's Laetare Medal, and prime member of the Ancient Order of Hibernians and the Society of the Friendly Sons of St. Patrick in the City of New York.

WRIGHT AMENDMENT ON MARGINAL WELLS

HON. JIM WRIGHT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. WRIGHT. Mr. Speaker, when the House resumes consideration of H.R. 7014, I intend to offer an amendment which I should like to explain at this point. I am submitting the text of the amendment for printing in today's RECORD.

This amendment would add a new section to follow section 301 which applies to oil pricing policy.

The amendment would create in Federal law a new category of oil wells known as "marginal wells." These would be treated in the same way as "stripper wells" and oil from these wells would be treated as "new oil" for pricing purposes.

The definition of a "marginal well" is taken directly from a statute which has been in effect in the State of Texas for more than 30 years. It recognizes the direct relation which exists between depth of the well and the volume of oil which must be produced in order for the well to be economically viable.

For example, if it is economically feasible to continue production at 10 barrels a day from a well at the depth of 2,000 feet, one should be able to produce 20 barrels daily if he is to continue pumping from a depth of 4,000 feet, 25 barrels from 6,000 feet, up to 30 barrels from a depth of 8,000 feet, and up to 35 barrels daily if he must produce from even deeper strata.

These still are relatively small oil wells, and, because of their marginal economic viability, the vast majority of them are operated by relatively small independent producers.

Under present law, these small producers are permitted to recover and sell at market price no more than 10 barrels daily—subject to certain administrative interpretations—even if they must incur the greater expense of drilling and pumping from strata of 8,000 feet and greater depths.

Numbers of them are actually losing money on these marginal operations today. Some are facing the necessity of closing down the wells and pulling out the pipe. If this is done, a very great deal of recoverable petroleum could be lost to the country forever.

The Interstate Oil Compact Commission, recognizing this problem, estimates that there may be a total of some 2.5 billion barrels of recoverable oil involved.

This amendment certainly will not enrich any large oil producers. It could allow many small producers to stay in business. It could help the country recover a substantial amount of oil which otherwise might be irretrievably lose to the American public.

PUBLICATION OF SOLAR INDUSTRY SURVEY

HON. MIKE McCORMACK

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. McCORMACK. Mr. Speaker, solar energy today is widely recognized as an important energy resource of the future. Over the past 5 years, Congress has dramatically increased the Nation's commitment to Federal solar research and development programs. In addition private companies are now offering a wide variety of solar energy products and related services.

Most of the solar energy businesses today are small by contemporary standards. Many do not have the sophisticated marketing know-how to get their products into the mainstream of American commerce. Consequently, the homeowner or businessman interested in applying this technology often finds it difficult or impossible to find the right company with the goods or services needed. Many times these individuals turn to their Congressmen for assistance. Unfortunately, we have not always been able to respond as completely as we would like, because of a lack of adequate data. We have been the victims of an information gap in an area of vital concern to our constituents.

Mr. Speaker, I am pleased to announce today the publication of a new document by the Subcommittee on Energy Research, Development and Demonstration which should help greatly in bridging this information gap. Under the leadership of Chairman Olin E. Teague of the full Committee on Science and Technology, the subcommittee has issued a document entitled "Survey of Solar Energy Products and Services—May 1975." It presents detailed information on 170 different solar products and services offered by 137 different organizations. The survey includes complete mailing addresses, and for most organizations, a name and telephone number is also provided to expedite obtaining additional information.

One copy of this "Survey of Solar Energy Products and Service—May, 1975" is being sent to each Member of the House and Senate. This will assist each of us to better respond to the many inquiries received on this important subject. Additional copies of the publication can be obtained by constituents, Government agencies and businesses from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. The cost is $4.60 each.

This valuable listing of products and services related to solar energy conversion could not have been completed in such a short time without the full and timely response of the solar energy industry. I would like to express my thanks to each firm represented for its wholehearted cooperation. I recognize that some firms or individuals may not appear in the survey due to lack of information about their activities. I hope they will submit similar information to the subcommittee for a possible future up-dating of this document.

I would like to express my appreciation to Glen Moore and Lorri Hummel Roligh of the Congressional Research Service, and Lloyd B. Craine, Staff Consultant to the Committee on Science and Technology, who performed the survey and prepared it for publication.

CITIZEN SAM ERVIN SPEAKS ON CONSUMER PROTECTION

HON. JOHN N. ERLENBORN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. ERLENBORN. Mr. Speaker, for more than 20 years, this Congress had the good fortune to know the wisdom and perception of Sam Ervin, judge, lawyer, scholar, and Senator from North Carolina. For about 10 of those years, Senator Sam instructed and exhorted us about the dangers of what was then proposed as the Consumer Protection Agency. He was heard, and heeded.

Senator Sam Ervin retired with the close of the 93d Congress; but citizen Sam Ervin, I have learned, is every bit as fearful of the CPA, by whatever name. A letter the former Senator sent June 23 to House Government Operations Committee Chairman JACK BROOKS recently came to my attention. In it, Senator Ervin begged rejection of the notion that the problems created by Federal agencies can be solved by creation of still another Federal agency. I ask my colleagues to read his sage advice as only he can convey it:

MORGANTON, N.C.,
June 23, 1975.

Hon. JACK BROOKS,
Chairman, Committee on Government Operations, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: I am one of the people of the United States. I respectfully ask that you hear my concerns.

The Federal bureaucracy has become like the third curse of Moses—a suffocating plague of frogs brought forth from out of where they belong into the villages and the very houses of the people.

My concerns about the creeping intrusion are well illustrated by the proposed Consumer Protection Acts of 1975 which are being considered now by one of your subcommittees. I have had an intimate appreciation of both the complex legal issues and the heated political pressures which have surrounded these bills since 1970 when I participated in the first Congressional debate on them.

These proposals would add yet another self-willed Federal agency to the burgeoning mass that now exists. The unnecessary new bureaucracy would be called the Agency for Consumer Protection under the House bill or the Agency for Consumer Advocacy under the slightly different Senate bill. Under previous bills, the additional agency was sometimes called the Consumer Protection Agency.

A review of the current bills, H.R. 7575 and S. 200, shows the confusing name shuffling to be of no moment—both bills contain all that was revolting in their unsuccessful predecessors. And, sadly, there are even new dangers in these 1975 versions.

If one of these bills should be passed by Congress, it will demonstrate that the National Legislature has lost touch with reality. Such a bill also could well prove to be another vehicle for further erosion of Congressional prestige by successful veto.

These bills simply cannot withstand rational scrutiny. One need only consider their premise: Because the bureaucracy has become too pervasive to enable consumers to appear before existing Federal agencies, it is proposed that Congress create yet another Federal agency before which consumers also will not appear.

Adoration at the altar of anthropomorphism follows from the faulty premise: The new layer of bureaucracy is to become the consumer who never appears. It is to divine the most important interests of consumers, and tell other agencies and real consumers where the consumer interest lies.

This attempted institutionalization of something so diffused and personal as the interests of 210 million consumers is roughly parallel to decreeing that all marriages should be made by matching Federal computer readouts or that the Government will issue a daily menu which all families should implement at mealtimes.

It cannot work. There is no such thing as a single, clear-cut interest of consumers in government decision-making.

I am well aware that, during the hearings in the House last Congress, Ralph Nader offered what he said was an example of an interest of consumers which was "quite clear." His example? Mandatory installation of seat belt devices in automobiles!

Can he not see the danger in his own thinking? He is not really supporting an advocate of the views of the missing consumer. He is supporting an advocate only of consumers who agree with the advocate.

Further, the danger of this authoritarian approach is severely compounded by the extraordinary powers the bills would confer on the new agency, powers put there to assure that the positions advocated by the agency get implemented.

The new bureaucracy would have all the rights of a regulatory agency, yet none of the responsibiliites. It would have more power than real consumers ever dreamed of exercising.

These powers all involve legal complexities which need not be discussed here. They have been set forth in necessary detail in my minority views on S. 707 last year and in the perceptive minority views on S. 200 this year by my very distinguished friend and uncommon defender of the common man, Senator Jim Allen.

Indeed, it seems that the immensity of these powers is finally being discovered by some of the ardent supporters of a new consumer bureaucracy. A look at the Senate debate this year is very instructive in this regard.

Organized labor saw to it that a complete gag was put on the new consumer bureaucracy's intended advocacy in labor-related matters. Then came the broadcasters who proved to a majority of the Senate that the consumer unit could, and probably would, put them out of business at license renewal time. Their special interests were exempted.

If labor unions and broadcasters deserved protection from this new bureaucracy, farmers must need equal protection, thought a majority of the Senate, and so farmers received a broad special interest exemption.

Following these, a host of narrower special interest exemptions were put into S. 200. If the trend continues in the House, we may see created a consumer agency with nothing to say. This would be a refreshing approach to creating Federal bureaucracies. Maybe such an agency would have time to listen to the people.

In summary, Mr. Chairman, the bills before you are not merely bad bills, they are dangerous bills poorly conceived. A mere reading beyond their glorious titles will demonstrate this to be so.

I ask you to do everything within your power to see that these bills suffer the fate of their predecessors.

Since I consider this bill one of the most unwise legislative proposals ever made to the Congress, I ask that this statement be made a part of the hearing record before your Committee.

Sincerely yours,

SAM J. ERVIN, Jr.

U.S. FOREIGN POLICY TOWARD THE BALTIC STATES

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. BELL. Mr. Speaker, today I am introducing a House concurrent resolution which deals with specific proposals concerning the U.S. foreign policy toward the Baltic States. Our policy of détente with the Soviet Union has added to previous misconceptions regarding the relationship between the Soviet Union and the Baltic States—the Republic of Lithuania, the Republic of Latvia, and the Republic of Estonia.

Many Americans have come to believe that this relationship is simiar to that which exists between our States and this Nation as a whole. Nothing could be further from the truth. The relationships differ historically, culturally, and politically.

As do most European nations, the Baltic States have histories dating back many hundreds of years. Estonia and Latvia were independent nations until the 13th century when a militant Germanic order conquered the two countries. Later, in the 18th century, as a result of a war between Sweden and Russia, czarist Russia absorbed Estonia and much of Latvia. Eventually, all of Latvia came under Russian rule.

Lithuania remained independent throughout the 13th century. Through confrontations with the Mongol-Tartars from the east, and wars with the Germans from the west, Lithuania grew into a vast empire which reached from the Baltic Sea to the Black Sea. In 1386 it united with Poland to become the Polish-Lithuanian Commonwealth which lasted until 1795 when it was absorbed by Russia during the third partition of Poland-Lithuania. Throughout the subsequent 125 years of Russian occupation, the Lithuanians rebelled many times, although never successfully.

Taking advantage of the unstable situation existing in Europe in 1918, all of the Baltic States regained national independence and became autonomous republics. In 1922, having been convinced of the stability of the new governments and of their popular support by their people, the United States recognized the three republics. This policy continues today. The three republics also entered the League of Nations, thereby gaining official international recognition as autonomous republics.

During the many years of Russian occupation, the czars tried unsuccessfully to Russify the Baltic States. Their stern measures included the deportation of thousands of Balts, the elimination of books and of the publishing of books written in the native languages, and the attempted conversion of the Catholic Lithuanians and the Protestant Latvians and Estonians to the Russian Orthodox faith.

In discussing these measures, we need to understand the importance of such changes on these countries—countries that pride themselves on their cultures, especially their languages. None of the three, distinct, Baltic languages are related to the Russian language. Estonian is part of the Finno-Ugrian branch of the Indo-European language tree, while the Lithuanian and Latvian languages, which are somewhat related to each other, form their own branch. The Baltic languages differ from German, Polish, and especially Russian, which is not only a Slavic language, but also uses the Cyrillic alphabet. The Baltic languages are written in Roman letters.

The use of the Roman alphabet symbolizes the "Westerness" of the Baltic States which is reflected throughout their cultures. Never isolated, and constantly in contact with the West through the Baltic seaway, the Baltic's Western outlook continues even today in their dress, arts, and literature.

Unfortunately, the Republics of Lithuania, Latvia, and Estonia were situated between the Soviet Union and Nazi Germany, a highly unenviable position in 1940. Having signed the Molotov-Ribbentrop Pact of 1939, Joseph Stalin and Adolf Hitler neatly divided eastern Europe between themselves; consequently, since 1940, the Baltic Republics have been occupied by the Soviet Union.

In July of 1940, the Soviet Union organized elections in the Baltic States, claiming that the people overwhelmingly voted to join the Union of Soviet Socialist Republics. Tass reported this news, which was published in the London Times one day before the elections were over.

For the past 35 years, the Russian-dominated government in Moscow has attempted to snuff out all nationalistic and resistance movements within the Baltic States. One such method has been the mass deportation of the Baltic people to Siberia. According to the third interim report of the Select Committee on Communist Aggression, in the House of Representatives, 83d Congress, 2d session:

It has been calculated that altogether 124,467 persons had been either executed, deported or forced to leave for Russia from the Baltic countries during one year of Soviet occupation in 1940–1941. Of these losses, 59,732 fell on Estonia, 34,250 on Latvia and 30,485 on Lithuania.

The cumulative effect of these deportations on the Baltic States has been devastating. Journalist Murray Seeger reported the following statistics in the Los Angeles Times on March 17, 1974, which show the effect of the Russian deportation and colonization effort:

	Ethnic (percent)		Russian (percent)		Ethnic growth (1959–70) (percent)	Population (in millions)	
	1959	1970	1959	1970		1959	1970
Estonia	74.6	68.0	20.0	24.0	0.2	1.2	1.35
Latvia	62.0	56.8	26.1	29.8	.2	2.1	2.36
Lithuania	79.3	84.1	8.8	8.6	1.2	2.7	3.1

In the same article, Mr. Seeger writes:

> The Soviets apparently thought the passage of time would make the new life under Moscow rule more attractive to the younger generation than it was to their parents. But many Baltic youths have proved to be strongly nationalistic in spirit and unimpressed with the accomplishments of Soviet power.

Many recent news reports support Mr. Seeger's statements. In February of 1972, over 17,000 protesting Lithuanians sent a petition to Soviet Premier Leonid Brezhnev and United Nations Secretary-General Kurt Waldheim asking for freedom of religion. The year 1972 also saw four self-immolations in the Lithuanian city of Kaunas, the first of whom was Romas Kalanta, a university student. Massive riots which involved both workers and students followed these immolations. Not all of the opposition has been spontaneous, however.

A well-organized network of students and clergy have started to publish "The Chronicle of the Catholic Church in Lithuania," a periodic underground publication which documents the oppression of the Catholic Lithuanians and the violations of human and civil rights in general. Because of the success of this publication, I understand that Moscow has sent KGB agents into Lithuania to try to suppress the popular "Chronicle."

In Latvia, even Latvian Communists have risen in opposition to the tremendous Russification going on in their country. Estonian Government officials have taken similar steps. Baltic nationalism was not eliminated by the czarist governments. It appears as if it will continue to thrive.

Many claim that the United States has no right to deal with the "internal affairs" of another country. To accept this supposition, the fact still remains that when we deal with the Baltic States' relations with the Soviet Union, we are dealing with international affairs, not internal affairs. We are dealing with the occupation of these countries by the Russians for strategic reasons. The Russians need the Baltic ports and desire the buffer zone which the Baltic States create between the Soviet Union and the West.

The gentleman from Illinois (Mr. Derwinski) previously introduced House Concurrent Resolution 296 which calls on the American delegation to the European Security Conference not to recognize the incorporation of the Baltic States into the Soviet Union. This is a resolution which deserves, I believe, the full support of Congress. I cosponsored this measure, yet, we must go further.

Mr. Speaker, my bill takes into account the tremendous differences between the Russian and Baltic people. It calls on the President and the Secretary of State to work constructively, through peaceful channels, toward the removal of Russian armies and Soviet bureaucrats from the Baltic States. This bill also contains provisions regarding the graphic representation of the Baltic States on publicly and privately published maps, which would help inform all Americans of the plight of the Baltic people.

The complete text of my resolution follows:

Concurrent Resolution

Expressing the sense of Congress with respect to the Baltic States.

Whereas the United States, since its inception, has been committed to the principle of self-determination;

Whereas this essential moral principle is also affirmed in the Charter of the United Nations;

Whereas the Union of Soviet Socialist Republics is, according to its constitution, a voluntary federation of autonomous republics;

Whereas the three Baltic republics (the Republic of Lithuania, the Republic of Latvia, and the Republic of Estonia) did not become member republics of the Union of Soviet Socialist Republics voluntarily, but rather were occupied militarily by Russian armed forces in the early days of World War II and subsequently incorporated by force into the Union of Soviet Socialist Republics and have since been governed by governments approved by, and subservient to, the government of the Union of Soviet Socialist Republics;

Whereas the ethnic make-up of the Baltic peoples (the Lithuanians, Latvians, and Estonians) is distinctly foreign in language, culture, common traditions, and religion from that of the Russian people;

Whereas, by deportation and dispersion of the native populations of the Baltic States to Siberia and by a massive colonization effort in which Russian colonists replace the displaced native peoples, the Soviet Union threatens complete elimination of the Baltic peoples as a culturally, geographically, and politically distinct and ethnically homogeneous population;

Whereas, despite such treatment, the spirit of the citizens of the Baltic States is not broken and the desire of the citizens of the Baltic States for national independence remains unabated;

Whereas the United States has consistently refused to recognize the unlawful Soviet occupation of the Baltic States and has continued to maintain diplomatic relations with representatives of the independent Republics of Lithuania, Latvia, and Estonia; and

Whereas the United Nations and the United States delegation to the United Nations have consistently upheld the right of self-determination of the people of those countries in Asia and Africa that are, or have been, under foreign imperialist rule: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress—

(1) the President and the Secretary of State should take all necessary steps to bring the Baltic States question before the United Nations and to urge that the United Nations request the Soviet Union—

(A) to withdraw all Russian and other non-native troops, agents, colonists, and controls from the Republics of Lithuania, Latvia, and Estonia, and

(B) to return all Baltic exiles from Siberia and from prisons and labor camps in the Soviet Union;

(2) until the Baltic States become independent, the Secretary of State should, through such channels as the United States Information Agency and other information agencies of the United States Government, do his utmost to bring the matter of the Baltic States to the attention of all nations by means of special radio programs and publications;

(3) the United States should not agree to the recognition, by any international conference, of the Soviet Union's unlawful annexation of Lithuania, Latvia and Estonia, and it should remain the policy of the United States not to recognize in any way the annexation of the Baltic States by the Soviet Union;

(4) the President should require that all government map publishers, and should request that all private map publishers, show, on all maps of Europe, the Republics of Lithuania, Latvia, and Estonia as independent states, with a footnote explaining that the military occupation and forced incorporation into the Soviet Union of Lithuania, Latvia, and Estonia has never been recognized by the United States;

THE POPPY WHOSE SAP IS ANTI-LIFE

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. CLAY. Mr. Speaker, heroin addiction in the United States is now epidemic in magnitude. Further complicating the problem is Turkey's refusal to responsibly supervise the disposition of her poppy crop.

Mr. Speaker, Representative Charles Rangel fully details the Turkish attitude and the administration's response to it in a New York Times op-ed piece which appeared July 19. I commend this article to my colleagues' attention and now insert it in the Record:

The Poppy Whose Sap Is Anti-Life

(By Charles B. Rangel)

Washington.—The deadly red opium poppies of Turkey are again in full bloom—legally.

When the Turkish Government announced its unilateral decision to lift the ban on opium-poppy cultivation, in violation of executive agreements, it gave repeated assurances that it would act to prevent illegal diversion of opium gum, the raw material for heroin. But now the poppies are being harvested without any evidence that adequate controls have been imposed.

Pious promises are not sufficient to block the flow of Turkey's drugs into the United States.

There have been some arrests of Turkish farmers for planting more than their quota of poppies, but the "cautious optimism" of many Turkish and American officials over successful policing of the crop is still unwarranted. As one spokesman for the Drug Enforcement Administration realistically noted, "Their record on controlling the farmers has not been good in the past."

Since the planting of the new crop last

fall, United States Federal and state law-enforcement agencies report that heroin stockpiled during the ban is being released for sale. The dealers anticipate additional supplies from the 1975 crop.

The Drug Enforcement Administration has admitted that it cannot effectively stem the flood of drugs into our country. The truth of that confession is already evident on the streets of New York. Higher quality heroin from the stockpiles is now available in greater quantity. In fact, the Drug Enforcement Administration has told me that the latest Turkish crop will hit New York's streets in late August and early September.

While the 1975 crop is estimated to be 50 per cent larger than earlier crops, the Administration has adopted a "don't step on anyone's toes" attitude. Our representatives at the State Department and at the United Nations are content to dance in diplomatic circles and ignore Turkey's failure to act. Apparently they have also forgotten that the United States paid Turkish farmers over $35 million not to grow opium poppies. Initial White House opposition to the lifting of the ban has melted into politely expressed concern over possible diversion without insistence on workable controls.

In addition, the United States is giving another $3 million in technical aid to Turkey to help enforce the new regulations.

Secretary of State Kissinger traveled to Turkey in May to discuss the Cyprus situation. President Ford is now pushing Congress to resume arms sales to Turkey.

Despite the vote of the House International Affairs Committee to lift the arms embargo, many members of Congress feel that no satisfactory agreement can be reached on either Cyprus or military aid without strong Turkish action to prevent drug traffic.

Turkey asks America to trust her good faith. In light of how little we have learned about how Turkey intends to insure that her crop is used only for pharmaceutical purposes, that is a naive request while heroin addiction continues at a tragic rate.

While newsmen have been given access to the poppy fields as part of a Turkish public-relations offensive, experts from the Drug Enforcement Administration and the United Nations have been denied full opportunity to supervise the policing effort.

The Ford Administration cannot sit silently while a bumper crop of poppies is harvested and the incidence of heroin abuse in New York City rises to the epidemic levels of the late nineteen-sixties. The President should promptly convene the National Security Council to devise a strategy for combating the smuggling of narcotics into the United States.

When President Ford speaks of maintaining American strength in world affairs, he should keep in mind the lives of hundreds of thousands of our own youth, not simply the seizure of a merchant ship.

ACADEMIC FREEDOM?

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. SYMMS. Mr. Speaker, in this time when academic freedom and promoting the free marketplace of ideas are popular concepts, we see a trend nationwide toward so-called alternative schools, providing special curricula or teaching methods to meet the needs and desires of pupils and parents. Many such schools are of a "traditional" nature, emphasizing "old fashioned" and basic educational material, while rejecting many newer and socially more liberal methods and ideas. What I consider to be the best schools are those which are independent and self-supporting in that where there is no Government funding, there tends to be no Government control, and policy matters are left to those parents and members of the community supporting the institution. Moreover, students learn by example the workings of a business, rather than experiencing the all too frequent syndrome of getting something for nothing. In education, the ability to win Government grants has become an asset of great merit, so a school which prefers to balance its ledgers while operating free from Government assistance naturally draws the scorn of those dependent on Federal handouts who are embarrassed by a competitor's success.

We are all familiar with such schools on the primary and secondary educational levels, and many of us know of colleges, some granting graduate degrees, which operate in this manner. To my knowledge, however, there is only one American law school which can claim these distinctions: the Delaware Law School of Wilmington, Del.

The following account of the Delaware Law School's history was prepared at my request by the school:

The Delaware Law School was started in 1971 by Dean Alfred Avins, a conservative constitutional law scholar, on his own money ($1,900), and several other conservatives, as a private, non-profit, independent law shcool, which accepted no governmental funds and emphasized traditional legal education. By fall, 1972, it had purchased and fully paid for the law school buildings, which now consist of a former church and four adjoining residences used as office and administration areas. By fall, 1973, the school library was opened, which contained over 40,000 volumes, obtained for about $50,000, which is approximately 10% of their appraised value. During the 1974–74 academic year, the school had over 500 students and ten full-time faculty; during 1974–75, it had 670 students and 13 full-time faculty. The school ended the 1974 fiscal year with no debt and about a $500,000 surplus.

"The school's first class was scheduled to graduate in June, 1975. In order to take a bar examination and to practice law, it is necessary in most states to graduate from a law school on the approved list of the American Bar Association. Thus, the ABA performs a pseudo-public function which merits the attention of public servants like ourselves. The House of Delegates of the A.B.A. approves only those schools recommended by the Council of the Section of Legal Education and its Accreditation Committee, groups of 18 and 6 lawyers and legal academics. These bodies act on recommendation of an academic inspection team chosen by Professor James P. White of Indianapolis Law School. The Consultant and the other academics are in fundamental disagreement with the philosophy of Dr. Avins,

In order to be approved or accredited, the school must meet certain "standards", which are so vague that they leave a wide latitude for subjective evaluation. For example, it is required that the faculty be "competent", leaving to the inspection process the determination of whether the school meets this standard. The Delaware Law School was inspected four times to determine whether it met the "standards" for approval. This first inspection, held in January 1974, produced a report co-authored by White which criticized almost all aspects of the school, and concluded that the students, faculty, and dean lacked "intellectual spark" and were afflicted with "academic ennui." The second inspection, conducted in May 1974, by two deans and a law librarian, recommended physical cosmetics such as trimming bushes, mowing the lawn better, library re-arrangement, etc. What these features of a school have to do with the quality of education merits serious questioning.

In the summer of 1974 White told parents of students that the school would never be accredited if Avins remained Dean, and also urged the elimination of conservatives from the faculty and Board of Trustees. In view of their need to take a bar examination, the students asked Avins to retire as Dean. A new Dean was obtained, and various cosmetic changes were made to comply with A.B.A. requirements, such as carpeting the buildings. In January 1975, White returned as an inspector, with Avins and other conservatives still not dislodged from the faculty and Board of Trustees. Although the school already had exceeded the qualitative and quantitative specifications used for approving other small law schools, White again wrote an unfavorable report, criticizing the Board of Trustees, the faculty, the financial stability, and various other miscellaneous matters.

With only one more A.B.A. meeting before the July 1975 bar examinations, the school had to do whatever White, the Accreditation Committee and the Council insisted was necessary for approval of its first graduating class of 260 students. White informed the Board of Trustees that it must merge the Delaware Law School with another college or university which would eliminate the objectionable conservative Trustees and lead to elimination of conservative faculty as well. To emphasize this point, the May 1975 inspection team told the Trustees that the remaining "deficiencies", an inadequate Board of Trustees and lack of finances, could only be cured in time by merger. Faced with the need to allow law graduates to take the bar examination, the law school Trustees voted to become a stock corporation and issue a share of stock, representing ownership, to a local Pennsylvania college, to gain approval.

Mr. Speaker, this merger is in effect for the present time, but the Delaware Law School plans to continue pressing for its independence. In my mind, there is no reason why the study of law should be excepted from the free marketplace of ideas, and why varying approaches to the subject should be forbidden. Yet in violation of basic rules of fairness and tolerance, the Delaware Law School is being forced to comply with dictates which threaten its very existence as a traditional and conservative school. The arbitrary and discriminatory judgments against this institution merit review by my colleagues. The infractions cited are ones which have been waived or ignored in considering other schools for accreditation, and the entire sequence of events outlined above causes one to question the objectivity of the ABA's evaluation process.

Attorneys perform many crucial functions in America's system of justice, and for them to all be cut from the same mold would be a national tragedy indeed.

RACE, ECONOMICS, AND PUBLIC POLICY

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. RANGEL. Mr. Speaker, these hard economic times threaten to reverse the progress that minorities have made rectifying unfair employment practices. The "last hired, first fired" axiom is corroborated every month with the release of increasingly grimmer unemployment statistics.

The tie between economics and racism was recognized 40 years ago by W. E. B. DuBois. His thoughts on this subject have achieved even greater importance today in light of our present economic situation.

I would like to share with my colleagues an article entitled "Race, Economics and Public Policy," written by Dr. Vivian W. Henderson, president of Clark College in Atlanta, Ga.

This article focuses on some of Mr. DuBois' theories, many of which are still very relevant today. I offer it now for my colleagues' attention:

RACE, ECONOMICS AND PUBLIC POLICY

(By Dr. Vivian W. Henderson)

When one examines current dimensions of race relations, economics, and public policy while reflecting upon W. E. B. DuBois, a basic observation emerges: DuBois was not an economist in the classical sense that we associate with Richard Ricardo, Alfred Marshall, or the moral philosopher, Adam Smith. Yet, DuBois was deeply interested in, and understanding of, all aspects of economics and may have been the earliest person to bring into focus the impact of economic forces on workers and people in the context of their racial characteristics. Even Karl Marx, with his disdain for capitalism and his view of the system's inevitable exploitation of labor, did not see fit to deal with the most obvious exploitation of labor in his day—that inherent in the system of slave trade and slavery.

DuBois, in his inquiries and thoughts, coupled the problems of race with problems of the working class. He was the first to articulate in systematic fashion the problem of racial discrimination, segregation, racist brutality, and the exploitation of labor, and to show how they were determined by an economic system (in the South) based upon concepts and theories of racial supremacy.

Along with voting rights and education, DuBois considered economic opportunity vital to the advancement of black people. His observation in the 1930s is as valid today as it was then. In the 1930s, DuBois made the point "that in a world where economic dislocation had become so great as ours, a mere appeal based on the old liberalism, a mere appeal based on justice and further and further effort at legal decision, was missing the essential need; the essential need was to guard and better the chances of Negroes, educated and ignorant, to earn a living, safeguard their incomes and raise the level of their employment." To him, economic advancement had to involve the right to work, trade unions, collective bargaining, as well as business ownership and development. It had to involve the organization and maintenance of cooperatives, and agricultural development and farm ownership, as well as ownership of houses. While he did not spin clearly enunciated economic theories, he constantly involved economic thought in his writings and protests as he pointed the way for blacks in their search for advancement strategies.

I shan't attempt in these reflections to detail the economic concerns of DuBois, but I must summarize a few. Although heavily aware of racial segregation and discrimination in trade unions, he, nonetheless, pushed for the right of blacks and others to belong to trade unions. He was an advocate of trade unions, but he never hesitated to condemn discrimination by the American Federation of Labor and the railroad brotherhoods. He worked hard to bring about rapprochement between black workers and the unions; on the other hand, he defended the rights of blacks to "scab" against the unions when denied job opportunities.

DuBois supported black businesses, but he also insisted that the goal should be social benefit rather than financial profit. He urged participation in the cooperative movement and encouraged blacks to migrate out of the South to the North and the West, not only to escape the terror of lynching and other forms of racial brutality, but also to obtain better jobs for themselves and better educational opportunities for their children. In fact, while DuBois pushed for farm and home ownership in the South for blacks, he was highly skeptical about possibilities for blacks to earn a decent living in the South, particularly as farmers.

In sum, DuBois saw and said on several occasions that disenfranchisement of the American black worker from full participation in the economic process was the most extraordinary and vital disenfranchisement in the world. His viewpoint was that of a skeptic of the American industrial process built upon capitalism, and worker relationships to that process, as well as that of a group of people suffering double jeopardy because of race and racial exploitations.

Finally, it must be observed that in his thoughts about economics, just as in his considerations of the larger social framework, DuBois captured the "twoness" he so aptly described in his *Souls of Black Folk:*

"From the double life every Negro must live, as a Negro and as an American, as swept on by the current of the nineteenth century, while yet struggling in the eddies of the fifteenth century, . . . from this must arise a painful self-consciousness, an almost morbid sense of personality and a moral hesitancy which is fatal to self-confidence . . . and this must produce a peculiar wrenching of the soul, a peculiar sense of doubt and bewilderment. Such a double life, with double thoughts, double duties, and double social classes, must give rise to double words and double ideals and tempt the mind to pretense or revolt, to hypocrisy and radicalism."

That "twoness" was always on his mind and that is why, in summary, DuBois economic strategies often reflect him as being on both sides of the coin regarding several questions. These reflections, at any rate, place in at least a partial framework the range of concerns embraced by DuBois on matters pertaining to economic advancement of black people.

I should like now to offer a partial analysis of what the evolutionary process has yielded black people as economic participants and the implications of these facts for public policy today and tomorrow.

The process of positive change for blacks in the United States' economy has been painfully slow and erratic. Several facts, however, stand out in that process:

1. Little has been gained by blacks by way of normal, unfettered, and conventional operations of the marketplace. Because racial impediments were forced upon the market, black workers suffered the burdens of dual labor markets and black income recipients and consumers suffered racial dualism in [spending] markets involving such areas as housing, health, education, investments, business, and a host of phenomena associated with various aspects of credit and finance.

2. Economic advancement of black people, like other aspects of the racial problem, was virtually *nil* until public policy, in the form of executive orders, court decisions, legislation, and social programming, was applied and put into being by national policy promoting equal opportunity for blacks. Most of this has come only within the last quarter of the century.

3. It is a fact that the greatest economic gains by blacks have come from public policy measures enacted to achieve economic advancement for all people. This not only includes measures such as those embodied in the New Deal, but also fiscal, monetary, manpower and employment programs and policies that generated full employment in the economy. In other words, only when there has been intervention by the Federal Government in the economic and social process, have we seen gains of any significance in the economic affairs of black folks; likewise, where there has been neglect by government, black folks have failed to advance and often they have retrogressed.

4. Blacks have been, and continue to be, only at the margins of economic activity. As marginal economic participants, they suffer disproportionate economic insecurity as a group, particularly under conditions of changing technology and employment structures. Throughout history and until this day, the masses of black folks have not gained a real toehold in the economic process. This is so for all the reasons that W.E.B. Du Bois pointed up, and, as one looks at the present and projects into the future, the forces of economics appear to say rather clearly that in the absence of new public policy measures to generate full employment, correct inflation, and guarantee jobs, things will get worse before they get better.

At no time have we witnessed more significant paradoxes in the society. On the one hand, there is all around us formerly unheard of material progress and great advances in technology; we have the highest levels of employment in history; some 81 million are employed, of whom 8.5 million are black; per capita income continues to grow. (Per capita income is a major index of two things. First, the results of contributions to production of goods and services by individuals; and second, an index of how income recipients share in benefits from the productive or economic process.) There are more black children and youth in schools and colleges than ever before; and we are experiencing a growing number of blacks with middle and upper incomes in the economic profile of black people. The market identified with black people, the Negro market, is at an all-time high of 55 billion dollars. On the other hand, certain members of the population, in growing numbers, do not share in the prosperity of the system and the nation. Significant numbers are shut out of the system and are bypassed by material progress. Consequently, while there is a growing proportion of black families classified as middle and upper income, there is a disproportionate number of black families victimized by unemployment, hunger, and poverty. Moreover, there is a growing income differential between those groups of blacks who "have" and those blacks who "have not," and between the "have" and "have not" blacks and whites.

The latest report from the Bureau of the Census shows that while there were one million *fewer* persons living in poverty in the general population in 1972 than in 1971, for blacks, the number increased by 300,000 from 7.4 million to 7.7 million. In other words, while poverty was declining for the general population, it was increasing for blacks.

The important point is that gains experienced by blacks during and immediately after World War II were abated by the onslaught of major technological advances which took hold about 1956 or 1957. Blacks were on a track that pointed toward achieving parity in the economy in the immediate post-World War II period, but in the late 1950s and early 1960s; this course was altered and there has not been much statistical change since. Blacks were at the "take-off" point for economic advancement immediately after World War II. Public policy was beginning to work to reduce the impact of racial discrimination and segregation; yet, at the point when educational opportunities were beginning to unfold, and when upward mobility was on the horizon, technology escalated occupations out of the reach of the masses of black workers while structures of industrial employment were altered as sources of employment and income. For example:

1. About 1957, occupations moved from low and semi-skilled to higher technically-oriented jobs and white collar, professionally-oriented occupations.

2. For the first time in the late 1950s, we had a higher proportion of workers employed in service-producing industries than in goods-producing industries. (Manufacturing, agriculture, mining, and construction make up the goods-producing industries; transportation, government, communications, finance, insurance, and real estate, and services make up the service-producing industries.) Computers and automation were introduced in large scale in the late 1950s. Farm mechanization and technology had already displaced large numbers of black folks from rural and farm areas. That, along with the pull of urbanization, forced blacks into nonrural areas and the urban centers where their skills did not match up with employment opportunities.

3. Then, today, we have a crisis of economic dislocations best summarized by the simultaneous and unprecedented rise of inflation and unemployment. Blacks, along with such groups as the elderly, welfare recipients, and poor whites, suffer extra burdens from these problems.

This brings me to the heart of the situation, the most important and significant development and force impinging upon the economic and social situation of black people in America.

In the current situation, which has evolved from the days of Du Bois and which provides the basic question for future strategy, race can no longer be considered the primary force conditioning the lives of black people in the United States. Today, race relations—as important as they are, and as much as we must press and work with public and private sectors to deal with this country's racial problems—racism, and racial practices must be seen in tandem with the pervasive and difficult problems of economic class distinctions.

The black person's fundamental problem in 1974 and for the foreseeable future is a hard core economic class problem generated by rapid advances in technology, changes in the industrial and employment structure, escalation of occupational requirements, growing differentials in the distribution of income, and such public policy forces as increasingly regressive tax structures at local, state, and national levels.

Paradoxes such as these are symbolic of our times. The anxieties that surround us in race relations are overridden with economic class problems. They are part of the economic forces that fall foremost upon blacks because they are black and historical recipients of racial oppression. Economics can be a brutal force—it has little respect for the cry of black consciousness. Thus, the anguish and frustrations in the racial picture today must be viewed within the framework of forces that generated and produced them; the harsh realities of class, slum life, high unemployment, low income, regressive taxes; the disproportionate burdens inflicted upon poor people who as income recipients and consumers are powerless victims of unprecedented inflation in the economy; as well as decreasing real benefits received from the economic process by the working poor.

Out of this framework emerges two faces of the economic problem embraced by black people. Du Bois in his writings saw clearly and dealt with the face of economic insecurity of blacks, but I have not grasped in his perceptions an awareness of the phenomenon of an upward shift in distribution of income for blacks and growing differentials between blacks who "have" and those who "have not," as well as between whites and blacks.

Economic insecurity among blacks is evidenced by four basic indices:

1. The first is unemployment. Average annual unemployment among blacks stays around 11 per cent in general, in terms of governmental statistics. Even setting aside those who do not get counted, the unemployment rate for blacks in general is and always has been twice that of whites. But more significant than the macro picture is the status of sub-groups among blacks and other minorities. In many racial ghettos, as many as one of every three black workers is looking for a job and can't find one; one-third (33 per cent) of the black teenagers look for jobs and can't find them. Among blacks in some poverty pockets, unemployment is as high as 40 per cent. These are people who are looking for a job and can't find one. By definition, unemployment includes only those of the working age population who are looking for work and can't find a job. It does not include those not in the labor force.

2. The second index is underemployment. This involves the "working poor," and it includes those who work full time at poverty wages; those who work involuntarily part-time, and those who are at the mercy of seasonal employment. The working poor make up an estimated 45 per cent of the black employment force. This is a disturbing statistic and it appears to be growing.

Economic determinism means different things to different people, but we are at a point where the question is what the unemployed and the underemployed will do as an economic class vis-a-vis a racial group. I hesitate to make the projection, but it appears that the concept of working poor coupled with the concept of economic class makes up an "underclass" which will not differentiate between those who work and those who assume roles of income dependency (and here I exclude those who should not be in the work force). This underclass, with new organizational techniques, particularly in the public sector and in the essential services areas, will become protest forces in the economic warfare for the benefits from the nation's products and services.

The issue will not be race, though race will be involved. The issue will be who gets what from the shrinking economic pie in real terms. In other words, income distribution will increasingly be the issue. The underclass "understands" the distribution of burdens because they are the recipients of disproportionate burdens. They "understand" the maldistribution of benefits because they are not the recipients of the benefits they see around them. As a result, the working poor and the dependent poor are coming to understand the power of protest which is another form of expressing and forcing their countervailing power in relation to profits, rents, interests, dividends, prices, wages, and taxes.

3. The third index is the disillusioned worker. This is the person who gives up seeking employment, who disappears from the labor force, becomes an idle person and a risk or a social deviant; or goes on welfare. Teenagers and members of the working age population under 25 are particularly vulnerable to the idle and deviant group when they become disillusioned or do not find their way into the labor force.

Labor force participation among blacks has steadily declined during the past two decades. In 1960, 80 per cent of black males in the working age population were in the labor force; in 1972, they were 73 per cent, a loss of seven percentage points.

4. All these factors reflect themselves in the fourth index of economic insecurity and that index is income. Income, more than anything else, summarizes all the variables which condition economic security and welfare for the individual and the family.

Two points are to be made regarding income. First, black people have made significant gains in their income status since World War II. This is obvious even to the casual observer. The average black family has experienced income growth from $3,000 in 1950 to $6,860 in 1972; the white family had $11,850 on the average in 1972. Thus, the income of black families was about 59 per cent of that of white families on the average, and in the South it was only about 52 per cent. This is about the same as it was in 1959.

As I mentioned before, on the other side of the coin is the aggregate of income found in the black population plus an impressive upward shift in the distribution of income among blacks. However, this upward shift is offset by growing differentials in the distribution of income within the black population. Nonetheless, it is here that the market potential comes to full bloom. For example, the proportion of black families with incomes over $8,000 has risen from less than 18 per cent to 32 per cent since 1964. The proportion with incomes over $7,000 is about 44 per cent. About 28 per cent have incomes over $10,000. Very clearly about 30 per cent of the black families experience middle or upper income status. This is about eight times the situation two decades ago. (All data cited has been adjusted for price change in terms of 1969 dollars.) This adds up to a Negro market value today of about 55 billion dollars which is three times the 17 billion we expressed in the earlier 1950s when we first brought this to the attention of the American public.

These are important and impressive characteristics of the economic status of black folks. But I must constantly warn of the fact that 30 per cent of all black families live in abject poverty compared with eight per cent of the white families; and second, while blacks make up 11 per cent of the population, they make up 32 per cent of all poor families, and this has grown by three percentage points since 1969.

Moreover, the dollar differential between the income of the average white family and black family continues to expand. In 1947, the difference was $2,500; today, it is about $3,800. This means that the process of catch-up is difficult, to say the least. After all, it is dollars that people spend, not percentages, and it is the dollars white families are holding that are out-distancing the dollars black families are holding. Black folks, in general, are having to run twice as fast just to keep up.

What this all adds up to is two faces of the same coin: improvements in education, more blacks in middle-income groups, a strong and highly concentrated Negro market, all on one side, and on the other side, entrenched poverty, growing rigidity in class difference, unemployment and underemployment, and increasing welfare. The great question is whether the masses of blacks will become a permanent underclass in America. This is why it is so important to recognize the role of economic class in contrast to race, per se, as critical to the problem and as a primary target in race relations strategy today.

Large proportions of blacks still have not experienced tangible benefits from civil rights gains of the fifties and sixties and expectations of the black masses in the areas of economic security, employment, and income have fallen short of fulfillment. At the very least, blacks should enjoy the same distribution as others.

Thus open school enrollment means nothing to the family or child whose life is confined to the racial ghetto. Open housing occupancy means nothing to the man whose status in the job market denies him the means with which to acquire a house in the first place. Equal job opportunity is an empty promise unless enough jobs of the right kind, at decent wages, are available for those who need them; and the best consumer program has little or no significance to the income recipient who enjoys little or no discretion in the use of his or her income, particularly under conditions of high prices, high interest rates, tight money and credit.

There are sharply focused voids and vacuums between opportunity, access, and outcome, between the few who are making it and the masses who are not. There is a sharp delineation between remedies emanating from law and a prevalence of hard core realities associated with economically and socially victimized people. These factors describe the new and profound stage in race relations—the most difficult and urgent stage—it is one facet of a very important question: Black American, What Now?

I now turn to what I view as the basic implications of this partial analysis and responses to the question regarding strategy for black Americans.

The most striking and plaguing implication involves not only the limited understanding of the economic dimensions in race relations but also conflict in goals in race relations themselves.

Du Bois, in the 1930s, was joined by another distinguished scholar, James Weldon Johnson, in addressing the question of goal conflicts prevailing at that time. There was conflict in goals then, and there is a conflict today. Then, as now, the debate was over racial separatism and isolation as a goal, philosophy, and strategy, in contrast to racial desegregation and integration. Then there were calls for blacks to return to Africa—today there is talk by some groups about the same kind of strategy. Then, as now, there were calls for development of economic and political power among blacks. The difference is that in 1934, blacks were rigidly segregated by national and state policy; today, there is national policy and "commitment," regardless of how poorly executed, to a racially desegregated and integrated society.

Obviously, no one can quarrel with building economic and political power. Certainly strategy calls for fulfillment of the economic potential of the group—that in and of itself is power. Development of a high sense of black self-respect and racial pride is highly desirable and certainly black folks ought to have their own agenda in the war on race, poverty, and economic class. But the question is, how far do good intentions in these respects go toward diverting efforts and attention from realities associated with the economic and political process and liberation of black people by way of that process? For example, every professional organization in social and political fields and in higher education now has a *black caucus* and not a single black caucus can reconcile its own limited resources with pursuit of a variety of objectives which are seldom agreed upon.

Another example is the situation in our central cities where the brothers have been yelping about ghetto economic development and black capitalism. Both are espoused, proposed, and articulated as solutions to the economic problems of black folk. Indeed, black capitalism was the major program advanced by President Nixon purportedly to solve economic problems of blacks. The fact is that ghetto economic development ought to occur for its own sake and because racial ghettos need economic and social development. Ghetto economic development alone cannot solve the economic problems of black folks or even make a serious dent in the problem of economic class. Likewise, blacks should be encouraged and helped to be entrepreneurs and businessmen not because of the mistaken notion that this will solve the economic problems of blacks, but because we need more blacks in business. Blacks need blacks who know how to negotiate the system. Blacks need a substantive managerial class as part of the population profile of black people. The danger today is the preoccupation of blacks with retaliation against whites rather than getting on with the matter of generating public policy to get at the fundamental economic problems of the society and the underclass.

My guess is that the renewed sense of pride and identity on the part of blacks will continue through the seventies and will be further translated into action programs involving politics, education, and business. Blacks will expect to be recognized for their worth as blacks as well as consumers, voters, producers, and human beings.

The success of the blacks will rely less and less on conventional wisdom regarding civil rights and, increasingly, blacks will turn their old and new organizations into collective groups of union-type movements to press demands for a better stake and benefits from the gross national product; of the nation. The working poor will become better organized to get a better piece of the action. Even the professional and white collar workers in black institutions will organize.

In the short-run, blacks will further attempt to utilize a variety of isolation techniques to group themselves for planning and developing strengths while continuing to work within larger groups. Black caucuses will continue to spring up in the short-run, but I suspect at the end of the decade or thereabouts, the black caucuses will give way to fairly well developed coalitions among blacks and whites, and particularly among political and economic groups.

In other words, there will be increased realization that if all racial prejudice and discrimination and all racism in America were erased today, all the ills brought by the process of economic class distinction and economic depression of the masses of black people would remain.

The answer is found in public policy where tax laws should be made more progressive and less regressive; where jobs are guaranteed and at decent wages; where there are not moratoriums on housing construction but policies to stimulate housing construction; where education and health are not secondary to defense spending, but are of first priority on the national agenda; and where full employment is a realized and continuing achievement.

Today we are in the midst of an economic crisis which, because of reasons included in this partial analysis, falls most heavily upon blacks, poor people, the elderly, the handicapped, and the dependent population.

In all probability, Du Bois would not voice surprise at the serious class problem today or its entrenchment in the economic situation, or the impact of the industrial and economic organization and policies employed by the United States upon the underclass. If he were here, he probably would project a kind of social upheaval unparalleled in this country primarily because of the battle of countervailing powers (big labor, big business, big government, and helpless consumers) over slices of the real no-growth economic pie and the powerless position of the sub-groups of income recipients, and dependents and the rising strength of organized workers in public and private essential service industries.

The economic future of blacks in the United States is bound up with that of the rest of the nation. Policies, programs, and politics designed in the future to cope with the problems of the poor and the victimized will also yield benefits to blacks. In contrast, any efforts to treat blacks separately from the rest of the nation are likely to lend to frustrations, heightened racial animosities, and a waste of the country's resources and the precious resources of black people.

HOME HEALTH CARE—PART XXI

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. KOCH. Mr. Speaker, together with 13 House cosponsors, I have introduced H.R. 4772 and H.R. 4774, the National Home Health Care Act of 1975. The bill has been given equally strong support in the Senate where it has been introduced as S. 1163 by Senators Frank Moss and Frank Church, respective chairmen and the Senate Subcommittee on Long Term Care and Committee on Aging, Hugh Scott, Senate minority leader, and Senators Williams, Domenici, and Tunney.

To discuss the need for home health care and the public support this proposal is receiving, it is my intention to place statements in the Record several times a week by experts and lay persons commenting on the legislation.

This is the 21st in the series:

[From the Bergen (N.J.) Evening Record, July 24, 1975]

Nursing Home Alternative

A spate of investigations into the multi-billion-dollar nursing home industry has produced sensational headlines but scant remedial action. Even so, the stories of willful neglect of patients and manipulations of Medicaid and Medicare funds may have had value. They've focused attention on an industry that has been regarded for too long as the only source of care for the aged and infirm. Alternatives are being considered, and many of these make sense financially and in humanitarian terms.

When Rep. Andrew Maguire of Bergen County recently conducted a seminar on the problems of the aged, many of those who attended called for provision of health care for the elderly at home, not in nursing homes.

Reporter Eileen Ogintz, writing in The Record this week, revealed that more than 1,200 elderly Bergen residents who can't afford the weekly rates charged by local nursing homes are forced to seek care in places as distant as 150 miles.

Even if enough bed space for those in need were available in Bergen County, would nursing homes necessarily be the best way to care for the aged infirm?

Even the best-run nursing homes must be custodial institutions in which patients are subject to severe depressions because they've had a traumatic shock—they have been stripped of their lifelong belongings and familiar surroundings and made to enter a place in which they fear they will die. Psychologists call this "transplantation shock." Physicians believe it actually shortens patients' lives.

Medicaid alone pays out more than $3.75 billion each year for nursing home care, fully half the country's total nursing home bill. Unless alternatives are provided this bill not only will keep rising but the return in the form of good patient care will keep dropping.

And there are alternatives. In Great Britain an intricate network of services for the elderly has drastically reduced the nursing home population.

In this country, a promising idea is the geriatric day-care center, a cross between a day hospital and a senior citizens' center. In one such center in Baltimore a cost study has revealed that day care for the elderly infirm, including the cost of food, is 25 per cent less expensive than nursing home care.

Since 1973, New York's St. Vincent's Hospital has cared for 245 aged, homebound patients, offering home-delivered meals, personal grooming, house-keeping, transportation, and medication. The service is privately funded, and has forestalled nursing home placement for 70 of the first 170 patients in the program.

Similar services are to be offered in Wisconsin to 3,500 low-income elderly persons beginning this fall—with a difference. Wisconsin has been granted a waiver by the federal government enabling the state to use nursing home Medicaid payments for its home-care experiment.

At least $200 million a year in Medicaid payments to nursing homes could be saved through use of home health-care programs, says Rep. Edward I. Koch of New York. Why, then, aren't these programs being used more extensively?

Given full funding by Congress and encouragement through use of Medicare and Medicaid programs, home health-care programs here could be as successful as they have been in Great Britain. Rep. Koch has introduced legislation that would permit the use of Medicaid and Medicare funds for the full range of home health-care services. The bill has attracted 111 cosponsors. Hearings are to be held before two congressional subcommittees this fall.

The Koch bills make sense. Those interested in securing better care for the aged infirm at less expense should voice their support by writing to Rep. Koch at his Washington office, Rayburn House Office Building, Washington, D.C. 20515.

PROF. JOHN D. O'REILLY, JR., OF BOSTON UNIVERSITY

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. CONTE. Mr. Speaker, I was deeply saddened to learn of the death this week of Prof. John D. O'Reilly, Jr., of Boston College.

Professor O'Reilly taught at Boston College Law School for 39 years. I was privileged to have been among his students and to have benefited from his legal knowledge, judicial example and sound advice on the art and scholarship of law.

His career was long and distinguished. He received a bachelor's degree from Georgetown University in 1928 and then embarked on his law career, graduating from Boston College Law School in 1932, attending Georgetown University Law School and earning a master of laws degree from Harvard University.

Prior to returning to his alma mater, Boston College Law School, in 1936, he was a professor of law at San Francisco University where he also served for a period as acting dean.

In addition to teaching, he was a special assistant to the U.S. Attorney General and served as the New England regional counsel of the Federal Public Housing Authority. He held those posts during the 1940's.

With his passing, Boston College has lost an erudite professor and an eminent scholar. At this time, I express my sincere sympathy to Professor O'Reilly's wife Louise and the entire O'Reilly family.

MILWAUKEE JOURNAL CALL FOR HOUSE TO RECONSIDER TURKISH ARMS DEAL

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. ZABLOCKI. Mr. Speaker, the Cyprus issue has caused a great outburst of passion and emotion-filled statements by both sides of the issue. The bitterness has been so great that it has nearly brought Greece and Turkey to the brink of war on three separate occasions.

Mr. Speaker, as you well know, the House refused last week to modify the arms embargo on Turkey. In so doing, it rejected what was in my opinion the most evenhanded proposal to deal with two good NATO allies that could have been produced in this emotionally-charged situation. This unfortunate and I hope temporary refusal of the House to help bring peace to Cyprus has already started a descending spiral of events which will be further damaging to U.S. national security interest and jeopardize future arms control agreements.

In an editorial which appeared on July 27, the Milwaukee Journal correctly pointed out that the partial suspension of the arms embargo on Turkey was designed to bring an evenhanded policy in the Eastern Mediterranean, to help get negotiations off dead center, to promote our national security interests, and ultimately to bring peace in Cyprus.

Mr. Speaker, I would like to share this editorial with our colleagues in the hope that those who opposed the original compromise will reconsider their decision and support the compromise. Without such legislation, a peaceful settlement is most unlikely and the present situation could well deteriorate to an unretrievable state. Such an unfortunate development would work against the interest of all involved—Greece, Turkey, Cyprus, and most importantly, the United States.

The editorial follows:

[From the Milwaukee Journal, July 27, 1975]

TURKISH ARMS DEAL

The House did not strengthen American foreign policy in the Eastern Mediterranean by its refusal to lift the ban on arms sales to Turkey. It should reconsider its action.

At issue was whether the US should continue to supply arms to a country that had used them for nondefense purposes, contrary to the requirements of US law. Turkey had used its American supplied military equipment to invade and occupy a large portion of Cyprus. Thus, in the pure sense, the House was enforcing the law in the face of a blatant violation.

But many other motives were co-mingled in the vote. The Turks did not help themselves by their crude blackmail threats to close American bases in their country. There has been a constant struggle lately between the executive and Congress on a variety of issues. This could have been viewed by some House members as an issue where they could hold sway over the executive. A strong Greek lobby in Congress also was at work.

Whatever motives caused defeat of president's request to lift the ban, it will have few, if any positive effects. US-Turkish relations will continue to sour. Turkish relations in NATO will be further strained. Most of all, the White House's ability to induce movement in Greek-Turkish negotiations over Cyprus will be reduced to nil. Under these circumstances, the pressures of Turkish internal politics will make it impossible for the current Turkish government to compromise.

The president was not asking for the moon in the House bill. Turkey would have been allowed to receive only arms it had already ordered and partially paid for. The president would have had to keep Congress appraised of progress in the Cyprus talks. And further arms supplies could later have been blocked if a Cyprus agreement failed. It was a compromise worth supporting in light of the US interests at stake.

LEGISLATION TO HALT AID TO INDIA

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. ASHBROOK. Mr. Speaker, since Indira Gandhi's conviction for corrupt election practices, the retreat from liberty in India has become a rout. Political leaders who have committed the crime of disagreeing with the Indian dictator have been arrested, full censorship of domestic and foreign news is in existence, foreign reporters have been expelled, civil rights have been abrogated—the list goes on. Not only has Indira Gandhi arrested leaders and followers of opposition parties but also has arrested members of her own Congress Party who expressed distaste of her actions. Unfortunately the message is all too clear: A frantic effort by the Indian leader to stay in power.

Let us remember that since 1953 the U.S. Government has given over $9 billion in aid to India. When private contributions by American citizens and charitable organizations are included the figure is even higher. A year ago more than $2.2 billion in loans to India by the United States was forgiven. The major rationale for this aid has been that India is the largest democracy in the world and should be supported. That rationale no longer exists.

India's record in the United Nations has been one of opposition to the United States. In other areas of diplomacy the leaders of India have shown that they would rather be friendly with the Soviet Union than with this country. When South Vietnam was falling to the Communists, the Indian Foreign Minister stated this was "gratifying."

The text of my resolution on this subject (H.R. 8888) follows:

> No funds of the United States Government except for those necessary for the operation (salaries, maintenance, etc.) of the Embassy and consular offices of the United States will be used to aid India until the President certifies to the Congress that the democratic liberties and civil rights existing before the June 26, 1975 actions of that government have been restored.

I have reintroduced this resolution with the following Members as cosponsors: Mr. Bauman, Mr. Burgener, Mr. Devine, Mr. Downey of New York, Mr. Gilman, Mr. Hansen, Mr. Ketchum, Mr. Koch, Mr. Long of Maryland, Mr. McDonald of Georgia, Mr. Rousselot, Mr. Symms, and Mr. Whitehurst.

HELSINKI AND THE OCCUPATION OF CZECHOSLOVAKIA

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. HYDE. Mr. Speaker, today the President is in Helsinki to sign the accords produced by the so-called conference on European Security and Cooperation. This conference was first suggested by the Kremlin in 1954 and its culmination is surely a triumph for Soviet diplomacy. It is singularly appropriate to take note that August 21 marks the seventh anniversary of the "Soviet Day of Shame" in which Soviet forces brutally occupied Czechoslovakia.

It is in this context that we should clear away the rhetoric and propaganda and take a good hard look at what this conference really signifies. In my judgment this conference stands in the place of a treaty settling World War II, a treaty that has never even come close to acceptance because it would have to ratify in a legal sense what the years have seemed to confirm in a factual sense, namely the conquest of the East European nations by the Soviet Union.

We are asked to accept under the umbrella of "inviolability of national borders" the direct violation of the borders of Latvia, Lithuania, and Estonia, Romania, Poland, and the brutal conquests of Hungary in 1956 and Czechoslovakia in 1968.

Additionally we are to see what détente really means to the Soviets. It means we are to mute our criticism of their totalitarian system, we are to turn away from those who would revive the cold war such as Solzhenitsyn, terming their warnings "threats to peace," and continue transmitting to them our technology and foodstuffs on easy credit terms.

We are also to agree to what the Communists term the "free movement of people and ideals," which predictably will authorize increased dissemination of Communist propaganda and the proliferation of Soviet agents whose sole task is to subvert and undermine the non-Communist world.

We can take some small solace in the fact that the Helsinki accord is not a treaty, nor enforceable as such. But it has enormous symbolic value in enhancing Soviet prestige and legitimating its conquest of the captive nations.

Portugal's present agony is an example of what détente means to the Soviets. Dedicated Soviet trained, financed, and supported Communists are in the throes of seizing power and murdering freedom in Portugal.

Yalta will have its place in history as a tragic example of substituting wishful thinking in place of unsentimental reality. Let us pray, as we recall the tragedy of the seventh anniversary of the shameful Soviet occupation of Czechoslovakia, that we are capable of learning something from history, and that Helsinki in 1975 will not take its place with Yalta in 1945 as another capitulation to totalitarianism on the bloody altar of expediency.

VEPCO SERVICE DOWN WHILE PROFITS UP

HON. JACK BROOKS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. BROOKS. Mr. Speaker, the efforts of the Virginia Electric & Power Co. to secure rate increases of almost $140 million a year at the same time their service is rapidly declining can only be described as arrogant disregard of the rights of their customers. Vepco's president insists that his company will face a "financial emergency" if the people of Virginia are not required to fork over millions of more dollars a year to finance more construction and investment for the company. Last October, Vepco was granted a $98 million emergency surcharge which it has been imposing on the residents of Virginia. Now they not only want that lucrative revenue made permanent, they want an additional $40 million a year in permanent revenues. State agencies and consumer groups contend that the $40 million should be disallowed and $37 million of the $98 million surcharge should be refunded.

Meanwhile, Vepco's service goes down, down, down.

Mr. Speaker, I insert in the Record a recent article appearing in the Washington Post entitled "Vepco President Warns of Crisis":

VEPCO PRESIDENT WARNS OF CRISIS

(By Paul G. Edwards)

Richmond, July 3.—Virginia Electric and Power Co. president T. Justin Moore warned today that any refund of the emergency rate increase granted Vepco last fall "would undoubtedly precipitate another financing emergency."

The Virginia State Corporation Commission allowed Vepco to increase charges to i's customers by $98 million last Oct. 1 after Moore testified at an emergency rate case that his company would be unable to continue selling new stock and bond issues to finance construction without higher rates.

Vepco is now asking the SCC to make the emergency award permanent and add another $40 million a year in permanent revenues to it. Lawyers for a half dozen consumer groups and state agencies have told the SCC, however, that Vepco should be required to refund up to $37 million of the emergency award.

The calls for refunds and complaints against electricity charges from about two dozen public witnesses came during the first day of hearings on the Vepco request Wednesday. Today, a group of 140 businessmen from throughout the state represented by Thomas Boushall, former chairman of the Bank of Virginia, warned the SCC not to jeopardize the quality of electric service with inadequate rates for Vepco.

Moore said a refund would jeopardize the company. "Clearly," he said, "the requirement of any refund of emergency rate relief, at a time when the company's earnings are still far below the level of several years ago, would cause existing and potential investors to lose confidence in the future prospects of Vepco as a worthwhile investment, and undoubtedly precipitate another financing emergency."

Vepco is asking the SCC to approve a 15.75 per cent return on the investment of common stockholders, the owners of the company, while opponents of the increase are urging a maximum of 13 per cent.

Moore said continuing inflation prevents Vepco from earning the return approved by the SCC. He said that even if the company's request is approved in full, the return on common stock this year would be below 14 per cent.

The Vepco hearings are scheduled to continue through the end of the month. Commissioner Junie L. Bradshaw announced Wednesday that for the first time transcripts of the hearings will be made available to the public in cities other than Richmond. One copy will be placed in George Mason University library in Fairfax City and another in the Old Dominion University library in Norfolk.

NIGHT ILLUMINATION FOR WASHINGTON MONUMENT, LINCOLN MEMORIAL AND JEFFERSON MEMORIAL DURING 1976

HON. MARK W. HANNAFORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. HANNAFORD. Mr. Speaker, on July 29, I introduced House Joint Resolution 592, to provide that the Washington Monument, the Lincoln Memorial, and the Jefferson Memorial be illuminated all night during the calendar year 1976.

During 1976 it is estimated that 50 million Americans and friends from foreign lands will visit Washington, D.C. This large number of visitors demonstrates the worldwide interest in participating in our Bicentennial celebration. I believe the additional lighting will greatly enhance the beauty of our Nation's Capital as well as serve as a constant reminder of our Bicentennial.

The National Park Service informed me that the additional cost for lighting all three monuments for the entire year is only $15,000. I believe this is a small price relative to the esthetic beauty and inspiration these illuminated monuments will provide.

I urge my colleagues to support this resolution.

VICTIM OF A TRAGIC ACCIDENT

HON. JOHN YOUNG

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. YOUNG of Texas. Mr. Speaker, we who serve in the U.S. House of Representatives are always grateful for the deep interest shown by constituents in our continual efforts toward good government.

That is why, today, I urge you to join me in a memoriam for the victim of a tragic accident that occurred June 12, 1975 in Washington, D.C.

Thirty-eight year old Cecil Leo Trainor died Tuesday, June 24 from injuries sustained in an auto-pedestrian mishap while touring the Nation's capital with a group of 22 students and teachers on an educational excursion sponsored by the International Thespians Society.

His death ended a brief but brilliant career that inspired many youth to become better Americans.

More than 500 friends, former students, colleagues, and admirers, gathered at Louise High School in Texas on the evening of June 30 for an ecumenical memorial service.

The Rev. Mark A. Wells, pastor of the First Baptist Church in Louise, told the congregation that:

> Any eulogy by ministers was really inadequate as compared to the eulogy which would be echoed across the years to come by students, parents, and others of the community which his life had touched.

The Reverend Wells concluded with a prayer:

> That God would give us the wisdom to know that He is too wise to make a mistake, too good to do us wrong, and that He will provide our every need, and that the Master will in some way help us to be better Christians because of the beautiful life and even the tragic death of Cecil, our brother.

The Rev. Patrick Heekins, Roman Catholic priest on temporary duty at St. Procopius Catholic Church in Louise, delivered the invocation that began:

> Almighty and Eternal God, grant your inspirational grace to this assembly gathered to remember in prayerful gratitude your servant Cecil.
>
> In life he believed in and followed your Divine Son in faith, hope and love.

Father continued:

> We pray that he may now inherit the reward which Our Saviour promised to those who are faithful to Him.
>
> We give God thanks for having shared Cecil's fruitful life. For the gift of memory by which that association is enshrined and can be vividly recalled.

The Rev. William P. Treude, pastor of the Louise United Methodist Church, quoted Scripture text—John 10:10, "I came that they may have life, and have it abundantly."

Reverend Treude stated:

> Cecil's life was lived abundantly because he had turned his very being over to Jesus. He accepted the promise, made it his own, and lived his abundant life as a blessing to others and to the glory of God.
>
> "He taught—because he lived daily with the Teacher who makes life full and rich and abundant.
>
> "He was a friend—because he had accepted and been received by a Friend Whose presence brings peace and joy—which the world can neither give nor take away.
>
> He could save people from their fears, their faults, their anxieties—themselves—because he had experienced the saving grace of the Savior of mankind.

Mr. Trainor's teaching colleagues also confirmed this concluding thought as Laverne Loving of his native Goliad recalled "Cecil could recognize an obscure talent in a student and bring it out."

Mr. Trainor worked with university interscholastic league speech and drama activities and students in the State meet speech contests for 5 of his 6 years at Louise High School, winning first in 1971 and 1973. His drama groups advanced to regional competition in 1973 and 1974.

Mr. Trainor sponsored high school debate workshops at Texas Lutheran and Southwest Texas State College and initiated speech tournaments at Goliad and Louise High Schools.

He represented Texas at the National University Extension Association Committee on Discussion and Debate Materials in Chicago, Ill., in 1973 and had worked on speech and debate topics for Texas U.I.L. competition.

He was a member of Pi Kappa Delta, Alpha Psi Omega, Phi Kappa Psi, Texas Speech Communication Association, South Texas Communication Association, Texas State Teachers Association and Speech Communication Association of America.

Mr. Trainor had just completed his sixth year of teaching English, speech and journalism and coaching activities in Louise High School. Previously he had taught at Edna High School, Lajes Dependent School in Portugal, Goliad High School, Texas A. & I., Texas Lutheran College, Southwest Texas State and the University of Houston Victoria Center.

He earned his bachelor of science and his master of arts degrees from Stephen F. Austin State and had taken post-graduate work at several colleges and universities, including the University of Houston and the University of Texas.

Mr. Trainor was recognized by the Louise-Hillje Chamber of Commerce as "Educator of the Year" in 1973.

Mr. and Mrs. David Hall of Wharton witnessed his teaching assignments at Southwest Texas State but recalled his "real love was teaching at the high school level."

The former neighbors were told by Mr. Trainor that "high school students really get caught up in the excitement and challenges presented by production of plays and speech activities."

Cecil Leo Trainor was interred in Cotton Valley, La.

But his legacy lives on, especially in the minds of young men and women who were favorably influenced by this great humanitarian and educator.

We offer condolences to his parents, Mr. and Mrs. Cecil Trainor, Sr., and a sister, Mary Margaret, all of Bryan; and to the entire Louise community upon the loss of a truly exceptional American.

His friendly words, smiling countenance and infectious exuberance for life are traits that all of us should try to emulate in the years to come.

FOUNTAIN SUBCOMMITTEE HEARINGS ON FEDERAL-STATE-LOCAL FISCAL RELATIONS

HON. L. H. FOUNTAIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. FOUNTAIN. Mr. Speaker, the Intergovernmental Relations and Human Resources Subcommittee, which I have the privilege of chairing, held 7 days of hearings this month on the subject of fiscal relations in the American federal system. The purpose of these hearings was to obtain the views of leading scholars on the major issues in intergovernmental fiscal relations as background for the subcommittee's forthcoming hearings on bills to extend general revenue sharing and to authorize a new program of countercyclical assistance to State and local governments.

I believe the testimony presented in the hearings offers valuable factual information and insights that should be taken into account when the Congress considers the enactment of any Federal aid program. I urge my colleagues to read this comprehensive hearing record when it is printed.

In the meantime, I want to make available to the Members a summary of the very useful statement on Federal and State aid systems made by the staff of the Advisory Commission on Intergovernmental Relations.

As pointed out by the ACIR witness, Federal financial aid to State and local governments has increased approximately 2,900 percent in little more than a quarter century. However, the form of Federal assistance has changed dramatically over the past decade, moving from virtually complete reliance on the categorical approach to the present combination of grants: categorical, 76 percent; block, 10 percent; and revenue sharing together with other general support aid, 14 percent.

It is noteworthy that the number of categorical grants has continued to increase rapidly despite the adoption of block or consolidated grants and general revenue sharing. Within the categorical classification, however, project grants have grown at a much faster rate than formula grants. Moreover, ACIR has found that the bulk of the criticism leveled against categorical grants—problems of overlap, insufficient information, varying matching and administrative requirements—has been directed against the project grants.

A summary of the ACIR statement follows:

Federal and State Aid Systems—An Overview

To place the Federal and State aid systems in better perspective, the following observations of a general nature are offered:

Our nation has developed a problem-by-problem approach to working out new program and fiscal responsibilities. This approach is necessitated by the wide divergencies among the 50 State and 38,000 units of local general governments, 16,000 school districts and 24,000 special districts.

Federal and State aid programs, while of critical importance, are but two of several aid approaches. Other mechanisms include tax credits, deductibility of State and local taxes from Federal adjusted gross income, adoption of "circuit-breaker" programs, authorization of local sales-income taxes and direct provision of services.

This arsenal of aid approaches range from the centralized to the decentralized poles of the spectrum. For present purposes, it is important to recognize that Federal and State grant programs generally occupy the middle ground of the spectrum—categorical grants leaning a little more toward the centralizing pole; revenue sharing, more toward the decentralizing market.

Equalization is but one of several Federal and State aid objectives. Our analysis shows the Federal aid system to be mildly equalizing, though State aid, aside from the public education function, generally is not.

Like many other areas of public concern, it is somewhat easier to obtain agreement in the intergovernmental field on what is wrong than it is on what should be done to set it right. We have, however, been able to muster sufficient agreement to take remedial action when it becomes apparent that one of our basic values—unity, equity, diversity, accountability, responsiveness and efficiency—are clearly threatened. The continuing and increasingly difficult test of our federal system is to reconcile these values.

The following findings are based on two current ACIR studies, *The Intergovernmental Grant System: Policies, Processes, and Alternatives* and *The Growth in the Public Sector*. Since both studies are in their early stages, many of these findings are tentative and subject to possible future change. Final conclusions and Commission recommendations will be reached over the coming year.

THE CURRENT FEDERAL AID PATTERN

Over the past quarter century Federal assistance to State and local governments grew dramatically in dollar amounts, number of programs, and types of functions aided. Equally significant, it was subject to major changes in program emphasis and in forms of intergovernmental transfers during this period.

In fiscal year 1974, Federal financial aid to State and local governments in the form of grants and shared revenues totalled $46 billion; recent revised estimates point to a grant outlay of over $60 billion in 1976. This fiscal '76 figure represents no less than a 2900 percent increase for the past quarter century as the comparable magnitude for 1949 was $2 billion.

Three fourths of the growth in Federal aid from 1969–1974 can be attributed to five functional classifications: natural resources, environment and energy—from 1.8 percent of the 1969 total to 4.4 percent in 1974; income security—from 23.7 percent to 24.6 percent; law enforcement and justice—from 0.1 percent to 1.4 percent; health—15.8 percent in both years and revenue sharing and general purpose fiscal assistance—from 1.9 percent to 14.6 percent.

Over the past decade, the form of Federal assistance to States and localities was dramatically modified with the shift first moving from a categorical approach to a combination of categorical and block grants, and then to a tripartite system which included general revenue sharing. Block grants represent 10 percent of the Federal assistance; revenue sharing and general support aid, 14.3 percent; and categorical grants, though tripling in dollar amount since 1966, now account for a little over three-quarters of the estimated 1975 Federal assistance—compared to 98 percent of the 1966 total.

Categorical Aid Characteristics. Categorical grants, the chief form of Federal aid, jumped from 160 programs in 1962, to 379 in January 1967, to approximately 498 by one count and nearly 600 by another in 1974. Impressive as these numbers are, they must be handled with some caution, given the major problems associated with counting separate authorizations as against separate appropriations, and with separate programs authorized under a single authorization. Within the categorical sector, project grants numbered 100 in 1962, about 280 at the end of 1966, and well over 400 by 1974. Despite this growth in numbers, project grants in 1974 represented only about one-third of Federal categorical outlays.

What this suggests is that the bulk of the criticism leveled against the categoricals—problems of overlap, insufficient information, varying matching and administrative requirements—was levelled against the more numerous, but fiscally less significant sector. Formula-based grants obviously have expanded as well and, while the diversity between and among these remains considerable their numbers and associated management requirements are more manageable, at least relatively.

Block Grant Emergence. During the past nine years, five block grants have emerged. Conceptually, a block grant is supposed to embody at least four differentiating traits:

It gives recipient jurisdictions fairly wide program discretion;

Its administrative, fiscal reporting, and program requirements are geared to keeping grantor intrusiveness to a minimum, while not ignoring broad national goals.

Its formula-based distribution provision narrows grantor administrative discretion and provides some sense of fiscal certainty for grantees; and

Its eligibility provision is fairly specific, relatively restrictive, and tends to favor general governments.

Block grants now include Partnership in Health (PHA); Law Enforcement Assistance (LEAA); Social Services (SSA); Comprehensive Employment and Training (CETA) and Housing and Community Development (HCDA). Aside from the Safe Streets Legislation, where a new program of broad functional scope was initiated, the block grants came into being by merging previously existing separate categoricals.

All five block grants meet the eligibility and formula distribution criteria. The results appear to be more mixed with regard to the program discretion and grantor obtrusiveness standards.

Federal Aid to Localities. Beginning with the low-rent public housing programs in 1937, there has been a growing tendency to make Federal grants directly to units of local government. In 1967, the Commission identified some 68 grants from which funds could be paid directly to localities. At present, there are over 90 such programs plus an additional 46 which entail State review and comment—but not approval. While the data on number of programs are somewhat shaky, the dollar amounts are comparatively firm. Direct Federal intergovernmental expenditures to local governments rose from $237 million in 1952 to more than three times that figure, a decade later and then to $11 billion, more than 47 times the 1952 amount, by 1973.

Equalization and Federal Assistance. Equalization of fiscal capacities can be said to take place when poorer jurisdictions receive more assistance than do their more affluent counterparts. This equalization can be achieved either by incorporating factors such as per capita income—designed as an approximate measure of recipient fiscal capacity—into the allocation formula or by matching requirements, where lesser matching is required for the poorer recipients. In some grants, it should be noted, no formula is required; nonetheless, the administering agency may in fact adopt a formula consistent with the statutorily cited factors, as the best means of providing assistance to eligible jurisdictions.

At present, at least 40 Federal programs incorporate an income measure in determining the allocation of available funds.

To test the equalization tendency of Federal grants among States, simple rank-order correlations were performed relating State per capita income to: (1) total 1974 Federal aid per capita; (2) general revenue sharing per capita; and (3) total Federal aid other than general revenue sharing—a measure of both Federal categorical and block grants, 1974.

Two conclusions emerged from this analysis. First, Federal assistance as measured in the three ways discussed above does tend to equalize fiscal capacities among States, but only very mildly. Second, there are only miniscule differences among the three aid approaches in their equalization power. The coefficients produced all tend to cluster around −30; if equalization had been "perfect," this coefficient would have been −1.00. While this equalization seems mild, it is a stronger relationship than existed in 1966, when the coefficient was +.075. Exclusion of Hawaii, Alaska and the District of Columbia on the basis of their being atypical States help to improve the equalization measure in both years for total Federal aid, the combined categorical-block measure, but *not* for general revenue sharing. On the other hand, general revenue sharing has a somewhat stronger tendency to equalize tax effort (the ratio of State-local tax revenue to State personal income) than does either of the other two measures of Federal aid.

Equalization is but one of several objectives for disbursing Federal assistance. Because categorical grants attempt also to stimulate the provision of services, promote demonstration or innovative projects, compensate for the underprovision of services that would result because benefits spill over into jurisdictions other than the one financing the particular service, some have concluded that the unconditional grant is the preferred instrument when equalization is the objective. Moreover, equalization seems a more appropriate concern in people related programs—rather than capital development projects—particularly where a nationwide level of services is sought. Even where equalization is desired, however, political realities suggest that this concern must be combined with other objectives to secure legislative adoption.

Federal Grants and Regional Cost Variations. At present, there is no explicit pro-Federal grants do, however, indirectly reflect cations to regional cost differentials. Some Federal grants do, however, indirectly reflect cost factors but such compensation is neither scientific nor deliberate. Although it is impossible to estimate the degree to which cost differentials are reflected in Federal grants, certain types of grants—those with fixed matching requirements, those based on project costs and those using factors such as tax effort or per capita income which may reflect costs—may capture to some extent cost variations. Even for these types of grants, however, the compensation for cost differences is difficult to measure since it is not generally possible to hold all other relevant differences in abeyance.

The case for cost indexing a grant is strongest where grant programs are designed to have level benefit structures in "real" terms. The major difficulty, should cost indexing be desired, is the lack of appropriate cost indices. To use existing measures of price and cost variations would seemingly simply substitute one set of inequities for another, as none of the presently available measures were designed to be appropriate for reflecting such variations. Indeed, the cost in terms of dollars and man-hours necessary to develop a comprehensive index of inter and intra-State cost differences would be considerable.

THE NATURE AND MAGNITUDE OF THE FLOW OF STATE AID TO LOCAL GOVERNMENT

State aid totalled $40.8 billion in 1973, the latest year for which data is presently available, and is currently approximately at the $50 billion mark. Although about 20–25 percent of State aid represents money that originates at the Federal level and is passed-on by the State to its local governments, the great majority of such financial assistance is raised by the State sector. Such assistance is provided for general local government support, education, welfare, highways, public health, public hospitals and a miscellaneous and combined purposes category that is largely a collection of municipal-urban programs. Public education is—and always was—by far the largest single component of the State aid package, accounting for more than 57 percent of the 1973 total.

In terms of types of grants, formula based—not project grants—are the overwhelmingly preferred transfer mechanism, accounting for nearly $36.0 billion of the $36.8 billion in State aid for 1972 and representing 1809 of the 2120 State grants for that year, the last for which individual program data is available.

Growth. Perhaps the most obvious, though nonetheless significant fact to be noted about State aid is its virtually uninterrupted growth during the twentieth century. The most dramatic expansion in State aid has taken place during the past twenty-five years. Not until 1952 did State aid reach the $50 billion level; ten years later, it had more than doubled. In the most recent ten year period, however, State aid more than tripled—rising from $10.9 billion in 1962 to the 1972 mark of $36.8 billion. Even when adjusted for price changes and population growth or when expressed as a ratio of total local revenue, the story of State aid is a story of growth throughout the twentieth century.

Composition. The sole significant and sustained trend in the composition of State aid has been the relative decline in State support for public highways. The 7.2 percent figure registered in 1972 for this functional area was the third lowest for the entire century, reflecting the expanded scope of State aided activities over the years.

Recipient Governments. The largest single slice of State aid is channeled to school districts for the support of public education. Over the period 1957–1972, the share of State aid received by school districts held virtually steady at or near the 50 percent mark. Counties and cities are the second and third largest State aid recipient governmental units, receiving 26.3 and 23.4 percent, respectively. Although neither jurisdictional type recorded on uninterrupted trend in the share of State aid received, there has been a perceptible narrowing of the differential, in favor of the municipalities. Counties, however, have continuously received the largest share—though the margin of difference which stood at 7.4 percentage points in 1957 was narrowed to 2.9 percentage points in 1972.

Recent Innovative Forms of State Aid. Although the vast majority of State aid continues to be channeled for the support of the "big four"—education, highways, welfare, general local support—the provision of financial assistance for programs and functions of an urban-municipal character has grown rapidly in the past five years, though still accounting for a small part, roughly 3 percent of the 1972 State aid total.

To illustrate, 12 States had a total of 18 programs in the fields of public housing and urban renewal in 1972, with State aid totalling $100.9 million; by way of contrast, only seven States provided a total of about $67 million in 1967. State support for water and sewer programs rose even more dramatically—from 10 programs and $26.3 million in 1967 to 33 programs and $37.4 million five years later. Mass transit, supported by only three States in 1967 and commanding a mere $48 million, rose to a total of seven States, supporting eight individual programs, totalling $116 million in 1972.

In total, there were some 220 programs of State assistance for urban-municipal functions, totalling $948 million in 1972. The most widespread of these programs were library aid (42 programs) water and sewer facilities (33), airports (32), and police and/or firemen's pensions (23). For the remaining program areas, the State response is sporadic, rather than widespread.

The Relationship of State Aid to Direct Provision of Services. States also aid local governments by assuming direct responsibility for the provision of public services. The State of Hawaii stands out as an extreme example of direct provision of services. It assumes, for example, complete administrative and financial responsibility for public welfare and elementary and secondary education.

For all States, intergovernmental expenditures, expressed as a percent of total State general expenditures, has increased modestly in the recent past—from 34.9 percent in 1962 to 35.7 percent in 1967 and to 37.2 percent in 1972. Among individual States in 1972, the proportion extended from a low of 2.6 percent in Hawaii to a high of 57.5 percent in New York.

There is some evidence that these States directly providing services tend to do so at the expense of providing intergovernmental aid. This "trade-off" shows up, although only mildly, in the highway and public welfare categories; it did not emerge, however, in the education function or the total of State aid.

The Scope of State Revenue Sharing With Local Government. State government revenue sharing programs in 1972 accounted for $4.3 billion or 10.2 percent of State aid. In dollar terms, this is roughly the same as the $4.1 billion Federal revenue sharing to local governments provided in fiscal 1975.

The State programs are split nearly 50–50 between these incorporating equalization features and those that do not. Just under $1.0 billion of this type of State assistance is returned to localities specifically on an origin basis; an additional $764 million is sent back in the form of in-lieu payments. Of the $1.7 billion that is considered equalizing, more than $1.2 billion is allocated on the basis of population—a tax equalization factor that may accomplish the redistribution objective of Federal revenue sharing where the dominant tax instrument is a progressive personal income tax but is less likely to do so in State aid systems.

State Aid and the Equalization of Local Fiscal Resources. The equalization objective in State-local fiscal relations is virtually confined to the education function and is nearly absent in other public programs. Of the total $36.8 billion in State aid, $15.1 billion or 42 percent was apportioned by measures that suggest an equalizing intent. This $15.1 billion breaks down as follows:

$13.1 billion, public education;

$1.7 billion, State revenue sharing programs;

$568 million, public highways;

$24 million, miscellaneous and combined—largely the urban-municipal aid;

$21 million, public welfare; and

$7 million, public health.

Central City-Suburb Comparisons. This general absence of equalization in the State-local transfer system also emerged from a 1970 analysis of the 72 largest metropolitan areas. Within these metro areas State and State-administered Federal aid average $123 per capita in the central cities versus $121 in the suburbs. Only those central cities in the Northeast fared better than their suburban counterparts ($148 versus $128 per capita). Direct Federal-local aid, however, while smaller in magnitude was a mitigating factor—favoring all but seven central cities in the 72 metro areas throughout the country and averaging $28 per capita in the central city vs. $9 in the outside areas for the nation as a whole.

In terms of a functional breakdown, central cities were generally at a disadvantage in education aid ($65 per capita vs. $83 per capita) but favored in noneducational assistance ($86 per capita compared to $47 per capita).

A TRIBUTE TO THOMAS A. P. WALTON

Hon. Yvonne Brathwaite Burke

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mrs. BURKE of California. Mr. Speaker, it is with great sorrow that I have learned of the death of my great friend, Thomas Walton. Tom believed passionately in the use of the ballot as a means of attaining social progress. For over 25 years, he was a deputy registrar of voters for Los Angeles County. In that capacity, he registered more than 150,000 voters, thus establishing a record unsurpassed in California history.

Born May 5, 1902, in Ohio, Tom Walton was orphaned when his mother died in childbirth. His father had died before Tom was born. As a child, Tom did not have the opportunity to attend school. Nevertheless, he learned to read by seeking the help of other children. Tom continued to read avidly throughout his life, developing an extensive library, which contributed to his self-education.

In 1947, he met and married the former Anqilla Hodo, who provided inspiration, support, and companionship in his endeavors. Tom worked variously as a steward, cook, circus hand, construction worker, and finally as a real estate broker and labor union official. However, Tom's greatest accomplishments were in the area of human rights, where he became involved in both national and local struggles.

Tom Walton leaves with us a legacy of social concern stemming from his firm belief in the dignity of the individual. His record in the area of voting rights will stand for many years as a challenge to others.

THE HANDICAPPED EDUCATION ACT

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. ZEFERETTI. Mr. Speaker, the other day, the House passed the Handicapped Education Act which will go a great distance toward bringing equal educational rights to millions of handicapped Americans. There are large numbers of handicapped children in our country in desperate need of special education and related services. Yet, they are not receiving them. The House's favorable action the other day amends the existing act, making this a permanent authority and institutionalizing the Government's commitment to helping the handicapped.

One of the most important elements in the bill is that money appropriated under the legislation will go directly to aiding handicapped children and will not be mingled in general education budgets. Money from the act must be spent after a school district computes and determines the average expenditure for each student in the district, and spends that amount of money on each handicapped child before Federal dollars are spent. It costs more to serve handicapped children. And it was our intent to insure that this money should be used to provide services beyond what any student in a school system would receive.

The bill includes a requirement for development of individualized educational programs for each handicapped child. There would be plans developed jointly by local agencies, the teacher, and parents. It would include evaluation of a child's present educational performance, goals sought, specific services to be provided, dates for the services, and criteria for evaluating whether objectives are being met. In this manner, we also hope to continue progress in the home.

The new bill will make it possible for children with specific learning disabilities to be included in the Federal definition of the word handicapped, thereby, including those who have been left out in the past. The first priority for services under this act will go to children not now receiving special services. The second priority will be for children with the worst handicaps, those who are not receiving adequate services or education.

I think it is vital to understand how many children are involved. For example, there are approximately 8 million handicapped children in the United States, only 3.9 million of whom are receiving an appropriate education. Therefore, over 50 percent of our Nation's handicapped children are currently being denied the educational opportunities which they deserve and of which they are in desperate need. In addition, the statistics illustrate that 1.75 million of these youngsters receive no education at all.

Therefore, I think it is vital for America to know that many of these children are not being given sufficient aid, and that existing efforts, no matter how sincere, have not been as effective as many of us have wished them to be. It is our duty to legislate effectively on behalf of our handicapped and their families. Elementary compassion should govern our actions as well as common sense. The anguish of many parents can be alleviated, and many of these youngsters can be enabled to lead far more fruitful lives as a result of this meaningful reform. As a sponsor of the original bill, I believe the Congress has acted wisely by passing the measure, and in a bipartisan manner. It is my fervent hope that there will be no further difficulties in signing the bill into law, no further difficulties in aiding the millions of handicapped Americans throughout our Nation.

AN ACCURATE CONGRESSIONAL RECORD

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. STEIGER of Wisconsin. Mr. Speaker, for the benefit of our colleagues considering House Resolutions 568, 569, 570, 581, and 630, mandating a more verbatim account of floor proceedings in the Congressional Record, I have been introducing into the Record pertinent comments on this issue by authorities on the congressional process.

Many of these items have pointed out the danger of misinterpretation of legislative intent because of revisions and extensions. Avoiding this danger is the primary purpose of the above resolutions. They will not prohibit our colleagues from inserting in the Record items that were not stated on the floor. The Record should be more than a transcript of the floor debates. The Record is most helpful when it contains all of the philosophical and political argument that is necessary and relevant to our deliberations. It is almost always helpful when one of our colleagues inserts in the Record an article by a noted authority on a topic of current legislative interest.

My chief concern is that we may see a return of the practice whereby the judicial branch of our Government ignores the record of debate when considering the intent of Congress.

The history of judicial interpretation of legislation during the late 19th century was one of judge-made law and judicial veto. The courts developed their own rules of statutory interpretation that made for strict construction of statutes and changed the common law as it had been evolving by the courts themselves over the prior decades in deciding similar disputes. When the meaning of a statute could be alleged to be vague or ambiguous, as it sometimes was because of poor draftsmanship, judge-made law was the result. It was quite a number of years before courts looked at the record of our deliberations in determining legislative intent. George Galloway wrote of this change in approach in "Legislative Process in Congress" (1953):

> In discovering the intent of the legislature the courts were slow to draw upon the legislative history of the statutes. As late as 1897, remarks Hurst, a leading opinion of the United States Supreme Court noted "general acquiescence in the doctrine that debates in Congress are not appropriate sources of information from which to discover the meaning of the language of a statute passed by that body." In recent decades, however, there has been a gradual change in the techniques of statutory interpretation. The abstract canons of construction of the nineteenth century have been replaced by increasing reliance on committee hearings and reports, congressional debates, and legislative journals, as well as executive messages, the long-standing interpretation of the laws, their enforcement, and public acquiescence in such administrative construction.
>
> To be sure, the courts continue to participate in policy making through the shrewd selection and manipulation of the materials of legislative history in their interpretation of the statutes. But the new approach marks a significant change in judicial attitude toward the relative merits of statutory vs. common law. For some time now, according to Hurst, the courts have "sought to view an act in terms of its own particular genealogy, and in effect to fashion their principle of construction from the materials of the statute's own environment and origins." Whatever the causes of the shift in methods of statutory interpretation, "in the second quarter of the twentieth century judges plainly lacked the serene self-confidence and assurance of wisdom and rightness with which their predecessors had made a native common law and, firmly and sometimes arrogantly, had explicitly or under guise of interpretation wielded a veto over legislative judgment."

As Prof. Howard Mantel predicts in his article "The Congressional Record: Fact or Fiction of the Legislative Process," we may well return to the judicial philosophy of ignoring the debates in the Congressional Record if they are an inaccurate and misleading indicator of the floor proceedings.

A HAND-UP NOT A HAND-OUT

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. ROUSSELOT. Mr. Speaker, the citizenry of the United States are a proud and competent people. They neither require nor demand many of the programs that Congress feels obliged to enact. Yet once a program is started, it quickly becomes an institution and is defended on the basis of its indispensability.

When designing these programs, Congress consistently underestimates the ability and intelligence of the American people. My constituents reject this paternalistic attitude on the part of Government. The people of this country are beginning to see that patronizing Federal programs does not solve problems which can be better handled on an individual level.

In the following editorial, which appeared on Thursday, July 17, in my hometown paper, the San Marino Tribune, I find a reaffirmation of the rejection by the American people of expanding governmental paternalism. The editorial refers to the food stamp program. I have cosponsored legislation (H.R. 8146) that would curb the expansion of the food stamp program before it too becomes another permanent and unnecessary institution. I urge my colleagues to join me in support of this legislation and I commend to them the following editorial:

[From the San Marino (Calif.) Tribune, July 17, 1975]

A HAND-UP—NOT A HAND-OUT!

Perhaps you have seen the tabloid-size advertisement featured recently in some newspapers bearing the headline: "How to Save $120 to $2400 a Year by Participating in the U.S. Food Stamp Program." The paid advertisement goes on to announce that "a government ruling" last year extended food stamp coverage to "twenty million Americans."

"But," the message continues, "to date more than 15,000,000 of these newly eligible citizens have not claimed their benefits. Why?"

Reasons given are that most of these people are not aware of the law; others think that eligibility is based on gross income, and others are "too embarrassed" to apply for the dole.

We believe that the real reason some "15,000,000 Americans" (if, indeed, that is an accurate figure) have not asked for food stamps is that they prefer to earn money for their food and other necessities, and not ask for a government hand-out. Americans have never been afraid to work, and work hard, for their homes and families. They are ready and willing to do so now. "A decent day's pay for a decent day's work" is not an old-fashioned slogan; it reflects the attitude of most Americans today.

In addition, Average Joe Citizen is not so dumb that he thinks the government is giving him something for nothing. Every dollar handed out by the bureaucracy costs many more dollars in government overhead and costs. You can bet that the philanthropic distributors of food stamps are not contributing their time and efforts for the cause they so nobly espouse; on the contrary, they expect to get paid and paid well for their generous distribution of taxpayer money.

The strangest thing about the advertisement is that the readers are solicited to send $3.50 for a booklet to tell about the food stamp program. In fact, the government itself will provide the information, through the Government Printing Office, for a few pennies. Of course, the real cost is probably much higher; but don't worry; you'll pay for the rest of the cost when the IRS comes around to collect your money next April 1976.

APOLLO-SOYUZ: STAR SAILOR FROM PLANET EARTH

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. TEAGUE. Mr. Speaker, in the July 14, 1975, issue of the Taunton Daily Gazette, Mrs. Barbara M. Greenwood, commentator on our national space program, has reviewed the history of our national space program leading to the Apollo-Soyuz test project. Mrs. Greenwood's article provides a historical perspective of the Apollo-Soyuz test project, and I commend it to the reading of my colleagues:

[From the Taunton Daily Gazette, July 14, 1975]

APOLLO-SOYUZ: STAR SAILOR FROM THE PLANET EARTH

(By Barbara M. Greenwood)

A milestone in international space cooperation was achieved on May 24, 1972 when the United States and the Soviet Union agreed on the organization, development, scheduling and conducting of a test-docking mission in earth orbit. The mission would be carried out by a Soviet Soyuz spacecraft and a United States Apollo spacecraft.

Following the signing, both delegations hammered out the initial problems which always preclude any mission i.e. mission model and operational plans, control and guidance, docking mechanisms, means of communication and tracking, life support systems and crew transfer.

"We are on the first stage of a very long and difficult journey" so said Professor Konstantine D. Buchuyev, Soviet Director of the Apollo-Soyuz Test Project, and he concluded with ". . . we have succeeded in identifying and solving basic and important problems, without the solution of which further work on this project would be impossible."

We Americans have a strange philosophy about "our way of life." Some feel that space exploration is a waste of money and useless. We feel that "anything not immediate is not worth having." Ponder this for a moment: the most immediate and perhaps valuable gains from space exploration are knowledge and technology. Without knowledge nothing can be accomplished!

The first is obvious.

Man, by learning about his environment, learns about himself. The second goal—productivity—aside from being obvious, is imperative! Most of our problems can be surmounted only by a global effort, a coordinated attack involving the whole world. Space offers the ideal vehicle—in some cases the only one—for such an effort.

This first international manned space flight, scheduled for lift-off tomorrow, is particularly significant as an important first step toward possible future cooperation. Dr. James C. Fletcher said, ". . . it is our hope that this first mission is the precursor of future joint manned and unmanned efforts . . . such cooperative programs will enable both countries to better serve all mankind and continue vigorous efforts to expand our understanding of science and development of new technology for better life on earth."

CLOSING THE GAP

Economically, it has already brought thousands of workers back on the job and has helped to close the gap in our manned space flight program (what with the completion of our exciting Skylab missions) thereby keeping together our unique technical and management resource—our Apollo team—for work on the space shuttle and other important future programs.

The Apollo-Soyuz Test-Docking Mission will primarily contribute to our space rescue techniques, the enhancement of international cooperation through mutual confidence and trust built up in space efforts and will open the way for future joint space missions that will eliminate duplication and cut costs of space flight programs.

Efforts to develop U.S.-USSR cooperation in space research was agonizingly slow and dates back to the first planning of space projects in 1955 for the International Geophysical Year. In a series of international meetings, U.S. scientists and those of other nations sought to develop conventions for wide exchange of space data. More specific efforts were made at various times, but were not generally fruitful, until after the successful manned orbital flight of our astronaut, John Glenn, on Feb. 20, 1962. The result was a three-part bilateral space agreement in June 1962. This agreement provided coordinated launchings by the two countries of experimental meteorological satellites and for the exchange of data of a Washington-Moscow channel; launchings by each country of satellites equipped with abstract magnetometers and the subsequent exchange of data in order to arrive at a map of the earth's magnetic field in space; and joint communications experiments by means of the United States' passive satellite Echo II. These talks also led to another agreement in November 1965 for the preparation of publication of a joint U.S.-Soviet review of space biology and medicine. Unfortunately, these agreements were not fully realized. A new phase of U.S.-Soviet space relationship began in 1969 with the former administrator of NASA, Dr. Thomas O. Paine, in correspondence to President Keldysh and Academician Blagonravov of the Academy of Sciences, USSR, regarding general scientific fields as well as in rendezvous and docking of manned spacecraft. These talks began in 1970 and reached their climax in 1972.

EXCHANGE OF DATA

These broader talks included an exchange of lunar samples obtained in the Apollo and Luna programs; direct efforts by the U.S. National Oceanographic and Atmospheric Agency and the Soviet Hydrometeorological Service to improve the exchange of weather satellite data (which dated from 1964) so as to achieve operational utility; coordination of networks of meteorological rocket soundings along selected meridional lines; development of a program for coordinated surface, air and space research over specified international water areas and exchange of results of coordinated measurements made by each country over similar land sites in their respective territories to investigate the natural environment in areas of common interest, beginning with the oceans and vegetation; joint consideration of the most important scientific objectives for the rapid exchange of results from the scientific investigation of near-earth space, the Moon and the planets—allowing each country to take the objectives and work of the other into account in planning its own program; and exchange of detailed medical information of man's reaction to the space environment. Integrated working groups were immediately established in order to recommend and finalize the necessary steps. These groups have been meeting on a business-like basis and have been most productive in receiving and exchanging lunar samples plus sharing information of planet probes by each country.

The tentative flight plan is for the Soviet

Union to launch Soyuz into a maneuverable orbit and about 7½ hours later, on the other side of the world, our Apollo will lift off on a Saturn 1B rocket from Florida achieving an orbit of approximately 125 statute miles above earth. Proceeding with their rendezvous sequence designed to bring the two spacecraft close together, the eventual docking will be 143 statute miles above earth.

DECAY OF NEIGHBORHOODS IN CITIES

HON. MARTIN A. RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. RUSSO. Mr. Speaker, one of the great issues of the day is the decay of neighborhoods in our great metropolitan areas. The Federal Government has established many programs to deal with housing and community development. Unfortunately, these initiatives have not functioned as well in practice as they were supposed to in theory.

Sections of my own district, covering portions of the south side of Chicago and certain southern and western suburbs, is experiencing this nationwide difficulty. Thus, I am deeply concerned that officials of the Federal Government take steps to make the housing laws work as intended and correct the problems which confront our communities.

One Federal official who is doing his part to make this Government work for the people is Mr. John L. Waner, director of the Chicago area office of the U.S. Department of Housing and Urban Development. Mr. Waner recently testified before the Manpower and Housing Subcommittee on the subject of mortgage servicing and HUD property management.

At this time I would like to submit my introductory remarks concerning Mr. Waner and an editorial from the Chicago Tribune of July 24, commending him on his courageous stand during testimony for the review of our colleagues.

REMARKS BY REP. MARTIN A. RUSSO

Mr. Chairman, it is a pleasure to appear before you and your colleagues of the Manpower and Housing Subcommittee. I certainly commend your efforts to date in trying to come to grips with the serious housing difficulties which have arisen in so many parts of the country.

As you know, tomorrow, I will have the opportunity to appear before you and detail my own views on the problems with FHA and FNMA in my own Chicago metropolitan area. Today, however, I have the honor of presenting a man who is on the front line of trying to do something effective about housing in my home area. He is John L. Waner, a native Chicagoan, Director of the Chicago area office of the U.S. Department of Housing and Urban Development.

As such he is responsible for the administration and funding of all the department's programs throughout the State of Illinois, and many I add—he is to be commended for his forthright efforts to make sense out of the mess so many of these programs have become.

Mr. Waner, who started as an apprentice plumber, and is still a card carrying member of that union, was a successful businessman and civil leader for more than 25 years before he first entered Government service in 1960 as the Director of the Federal Housing Administration for Northern Illinois. During that tenure, he gained a reputation for cutting red tape and received very deserved accolades for his aggressive administration on all FHA programs.

He went back to the private sector in 1962 establishing once again several new successful business ventures. In 1971, he became the area director for all HUD programs when they decentralized the regional office and opened the Chicago HUD area office where he is currently a full time career employee.

Upon assuming that post, he instituted many reforms by starting a general housecleaning of incompetent personnel and served notice on the construction industry that the old "caveat emptor" or "buyer beware" is a thing of the past. As a result of his vigorous endeavors, dozens of builders and contractors have been brought in to show cause why their right to do business with FHA should not be terminated. Buyers of either existing or new houses with FHA-insured mortgages are again assured of quality homes.

As was often the case our late colleague Congressman John Kluczynski summarized things best: "I congratulate and support Mr. John Waner, FHA director for HUD in the Chicago area. Without regard to anything but the life and continued economic and physical health of the great city of Chicago Mr. Waner has begun a series of reforms in the Chicago office of FHA. Among the reforms instituted by Mr. Waner are tightened home inspection procedures; the supplying of legal services and counseling to home buyers; and most importantly, the courageous cleanup of what had turned into an ugly racket of fraud and bribery of Federal employees. Mr. Waner has cooperated fully with the law enforcement agencies and has made every attempt to reform a program designed to benefit the little man. Many responsible citizens join me in this recognition of Mr. Waner's service to the city of Chicago."

In closing, I would like to point out that Mr. Waner and I are of different political persuasions—he has been an active and successful leader in his party over the years. He was honored with the Republican candidacy for Mayor of Chicago in 1967. He has always been a hard, but clean fighter in the political wars and is honored for his integrity by Republicans and Democrats alike.

Though we bear different labels, John Waner and I are united in one conviction—the housing statutes of this Nation must at last be made to work for the benefit of our people.

I pledge to both Mr. Waner and this committee my own continuing strong efforts in this vital struggle.

And now I commend to your attention the views of one of the most knowledgeable and dedicated public men in the city of Chicago—the Honorable John L. Waner.

[From the Chicago Tribune, July 24, 1975]

MR. WANER TELLS OFF HIS BOSSES

One of the rarest and most gladdening sights these days is that of a bureaucrat who doesn't act like one. This is why we applaud John Waner, who heads the Chicago office of the Department of Housing and Urban Development. Appearing before a House Government Operations subcommittee on housing, Mr. Waner lit into his bosses in Washington, blaming them for winking at Chicago's scandal-ridden federal housing programs and for undercutting his efforts to clean up the mess.

Referring to The Tribune's articles exposing the $4 billion of annual waste caused by the interaction of greedy mortgage companies and a complacent HUD, Mr. Waner told the subcommittee that "much of the criticism leveled against us in the recent Tribune series is founded in fact." He recalled that he had confronted mortgage bankers with proof that the houses they were "maintaining" were "in such a deplorable state, it was reminiscent of the Berlin blitz"; and that when he tried to find out which of the mortgage companies had been paid for keeping up the ruined houses, his superiors in Washington withheld the information.

Referring to HUD as "the great white father," Mr. Waner excoriated the department for sending in a "hit team" of efficiency experts who trimmed his office force to 40 per cent of what he needed, "wrecking the hell out of the morale of our staff."

True, Mr. Waner exempted HUD Secretary Carla Hills from his mass indictment. But this was more a matter of fairness than of currying favor. For one thing, Mrs. Hills has shown, in her short time on the job, an unprecedented interest in cleaning house: For another, Mr. Waner is experienced enough in government to know that cabinet secretaries come and go, while bureaucracies go on forever.

Mr. Waner's blunt speech won't win him many friends in Washington, but the taxpayers will be cheered to know he's on their side.

S. 66 OVERRIDE

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 29, 1975

Mr. LEHMAN. Mr. Speaker, on Tuesday an overwhelming bipartisan majority of the House of Representatives voted to override the administration veto of S. 66, the Community Mental Health Centers Amendments of 1975. I was proud to join my colleagues in voting to reaffirm the support of Congress for these much-needed programs, which directly affect the health of the American people.

I have been a strong and consistent supporter of this legislation, because I feel that many Americans today do not receive proper health care, either for physiological disorders or for psychological problems. This act will go a long way toward educating the American people in prevention of medical problems, and toward providing quality professional health care for all Americans, regardless of income or place of residence.

The administration's policy of government by veto, based on strangling fiscal restraint, ignores the fact that in difficult economic times many more people are unable to find or afford quality health care. I hope that the action of the Congress on this vital legislation indicates a growing awareness that the real and pressing needs of the people must prevail.

Mr. Speaker, this week's action on this important and farsighted legislation demonstrates that the vast majority of Congress recognizes a simple fact: Health care is not an area for compromise or retreat for the sake of accommodation, but, rather, an area for strong and progressive improvement. Medical services are a necessity, not a luxury. S. 66 provides the basis for years of progress in health fields, and, ultimately, for excellent medical care for all.

MR. ROONEY AND TRUTH IN BUDGETING

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. BLANCHARD. Mr. Speaker, on Monday, July 28, I introduced the Truth in Budgeting Act, H.R. 8968. The object of this bill is to control the ever-increasing Federal budget. It would do this by requiring congressional review of all spending programs on a regular basis. Generally only budget increases and new programs are now subject to review.

The Truth in Budgeting Act presents a great opportunity for Members of Congress to harness the mushrooming Federal budget. It offers Congress a vehicle to cut wasteful Government spending, to allocate our resources in the most productive manner and to fulfill its important oversight function regarding Federal spending and programs.

This bill will transform the budget into a statement of current, rather than past national priorities. No longer will the dead hand of the past lock a future Congress into unreviewed programs. Congress will conduct an ongoing review, constantly updating the budget to fulfill the current needs of the country.

The resources of the American taxpayers are not unlimited. If we are to have new programs, we must limit the old programs. The Truth in Budgeting Act will have a significant impact upon allocating our limited resources in the most efficient manner possible.

Coincidentally, on the same day I introduced H.R. 8968, the CBS television network broadcast an enlightening news special entitled "Mr. Rooney Goes to Washington." This excellent example of investigative journalism, written and produced by Andrew A. Rooney, was full of examples supporting the need for a Truth in Budgeting Act. For the consideration of the Congress and the American people, a number of relevant excerpts follow:

EXCERPTS

CBS News Writer-Producer ROONEY. My name is Andy Rooney. Several months ago CBS sent me to Washington to see what a non-political reporter with no previous knowledge of that place could find out about it. It was a good assignment, like spending two months as a tourist in a foreign country with the company paying the bills. In the next hour, I'm going to tell you what I was able to find out about the bureaucracy—and what I wasn't able to find out. * * *

Two and three-quarters million people are paid $35-billion a year to work for the Federal Government. We kept trying to find out exactly why it is our Government has grown so big and why there are so many bureaus in the bureaucracy. * * *

One of the reasons seems to be that almost every committee, every agency or every department is established by law, but there's never anything in that law about putting the agency out of business when its job is done. Once established, a Government agency, like a Government job, is practically immortal. If a committee or agency has a name that makes it sound out-of-date, it doesn't go out of business; it just changes its name.

We kept asking people if what they were doing was really necessary or if it was something the Government ought to be doing for us. We thought maybe Civil Defense was something out-of-date that we could do without. We had a nice talk with the Director of Civil Defense—John E. Davis. The first thing we found out was it isn't called that any more.

JOHN E. DAVIS. Two years ago, we changed our name to Defense Civil Preparedness Agency. We wanted to be more inclusive, to look at natural disasters as well as preparation against survival from a nuclear attack.

ROONEY. Well, people say that you are an agency in search of a mission.

DAVIS. Quite to the contrary, this organization has taken on a currency role and I refer to the natural disasters we have frequently occurring in practically all sections of the United States. There's none that escape—tornadoes, hurricanes, earthquakes, winter storms.

ROONEY. I'm confused about the Office of Emergency Preparedness in relation to you. Is there any overlapping there?

DAVIS. We are the Office of— Oh, Office of Emergency Preparedness? Of course, that was a year ago in July, by Executive Order. It was separated and part of it now, of the Office of Emergency Preparedness, is called Office of Preparedness, which is in GSA, responsible generally for the continuity of Government and certain emergency plans that were—had been associated with OEP. And part of it, the—the disaster relief generally, FDAA, Federal Disaster Assistance Agency, is over in HUD. And they administer the rehabilitation and—and have some responsibilities for assisting states as we do, but they've been—we—we've been assigned the mission of helping local communities prepare for these natural disasters. And that generally is where we get the authorities for what we're doing in the natural disaster field.

ROONEY. We've been looking at some of your literature that you've been publishing and we're particularly interested in this one—"Protecting Mobile Homes From High Winds". Is telling people how to protect their mobile homes from tipping over a function of Government?

DAVIS. It's just one of these things that was done because of our professional knowledge and the fact that it was something that people wanted today.

ROONEY. I was taken with this on phrase in here. "Mobile homes meet a real need in our society: they are attractive, comfortable, and provide low-cost housing." Now, for a Government booklet to say mobile homes are attractive! I never heard anybody call a mobile home attractive before.

DAVIS. Well, it's——

ROONEY. Why would a Government booklet call a mobile home attractive?

DAVIS. Well, I think that—This is a matter of opinion. Certainly the manufacturers of mobile homes (and I imagine those that live in it) to them, that is the case. And so it's all a relative thing.

ROONEY. What is your budget, total budget?

DAVIS. Eighty-two million dollars last year and it appears that it's under consideration by the Congress now, and I think it will be approximately the same amount.

* * * * *

In 1930, half of all Government employees were mailmen. Now there are a lot more mailmen, but they represent only 25% of all Government workers. And back then, there was no such thing as a Department of Health, Education and Welfare. Our health, education and welfare were pretty much our own business.

Well, of course, things have changed. Today there are 127,000 HEW employees. The Agency occupies space in fifty-seven buildings in the Washington area alone.

We thought it would be interesting to find out how many Government buildings there are in the Washington area. We asked the General Services Administration for a complete list. They told us they didn't have one, but they could get us one—for a hundred and fifty dollars. So we paid them a hundred and fifty dollars, and here's the list they gave us.

This is a list of every Government building in the Washington area. [Computer printout unravels to the floor] It seemed like a good idea at the time. I don't know exactly how to show it to you, but every one of those lines represents a building. As far as I know, this is the only one of these lists in existence.

Now this is a list of every building our Government owns all over the world. The CIA may have a pad or two in Budapest that isn't listed here, but substantially these are our real estate holdings—something like 500,000 buildings our Government owns.

The General Services Administration is an interesting operation. What it is, it's a combination landlord and superintendent for all Government buildings. If you need a whole new building or just a box of rubber bands, you go to the General Services Administration. Now, this is their catalog: about anything you'd want in here, and there are quite a few things you wouldn't want, too.

Here's a chair. They have sixteen different kinds of chairs, for instance. There are eighteen grades of Government servants, so I suppose there's one chair for each grade. And we figure the bottom two grades have to stand. * * * *

ROONEY. This chart on the wall here shows all the ranks of Civil Service workers in Government. There are eighteen different grades (and there are ten steps in each grade too) but we're not going to get into that. And we aren't going to get into double dipping either. In Washington, double dipping is the practice of retiring from the Army, Navy or Air Force, and then taking a job in Civil Service so that you get two salaries.

There are most Government workers in Grade Five—172,000. Each of them makes the minimum of $9,000. And it costs the Government a billion and a half. Grades 16, 17, and 18 all make $36,000. You'll see that Grade 16 is listed at thirty-five-five, but actually Grade 16 makes $36,000 too—after he's been in the Government for about twenty minutes. It's one of the problems in Government. All three top grades make the same, so there's not much advantage to getting to be the boss—except possibly you get to go home a little early on Friday.

The Civil Service Payroll represents only half of what the Government pays out in salaries every year. The names in this book represent something else. These are the people who work for Government but are not Civil Service. In other words, these people were all appointed to their jobs. This thing really makes good reading, too. Look at some of the titles in here! We've taken some out and posted them here on the board.

Secretary to the Secretary
Secretarial Attendant to the Secretary
Chauffeur to the Secretary

Apparently the Chauffeur doesn't have a Secretary himself.

And then there are all these Confidential people:

Confidential Staff Assistant
Confidential Staff Assistant to the Associate Director
Confidential Assistant
Confidential Staff Assistant
Confidential, confidential, confidential!

In Washington, a Confidential Assistant is the person, if you don't want to know something, you go and ask him and he won't tell you.

This is a beauty:

Associate Deputy Administrator
Deputy Associate Administrator

And down, in further:

Deputy Assistant Secretary
Special Assistant to the Assistant Secretary
Staff Assistant to the Deputy Assistant Secretary
Assistant Administrator for Administration
Deputy Assistant Administrator for Administration

And it goes on like that.

Government officials are always saying there aren't any more Federal employees now than there were twenty years ago. This sounds good until you fiind out what the reason is. The reason is an awful lot of Government work in Washington is being done by private companies now, on contract.

I grew up thinking Big Government and Big Business were enemies. Well, imagine how surprised I was to find out they're really best friends—very close buddies. As a matter of fact, in Washington they get along so good it scares the life out of you.

The Department of Defense, for instance, has eighty thousand people on its payroll who arrange contracts with private companies who actually do the work. There are hundreds of companies in Washington which do nothing but advise the Government.

Here's a little example we looked into. This is a report on Urban Mass Transportation presented by the Secretary of the Department of Transportation to the President of the Senate. At the time it was Gerald Ford.

DEAR MR. PRESIDENT: I am pleased to submit the Department's study of Urban Mass Transportation, needs and financing, et cetera . . .

Sincerely,

CLAUDE S. BRINEGAR.

Well, now, you'd think this had been prepared by the Department of Transportation, wouldn't you? Well, it wasn't. It was prepared by a private company called Peat, Marwick and Mitchell. We got hold of the contract Peat, Marwick had to do this study. They were paid $260,564 to do this. Would anyone know it was done by them? Would the Senate or the public know? Not from anything you could find in this book—because Peat, Marwick and Mitchell's name isn't mentioned anywhere in it—not even in fine print.

The trouble with contracting is that it makes it even harder for all of us to find out where our money's going. We tried for months to get someone at Peat, Marwick and Mitchell to talk to us about this. They refused.

FOOD STAMP ABUSES MUST BE ELIMINATED

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. EVINS of Tennessee. Mr. Speaker, certainly we all recognize our moral responsibility to assist those who are disadvantaged, handicapped, and underprivileged. However, as we all know, there have been many abuses reported in the administration of the food stamp program.

In this connection, the Nashville Banner in a recent editorial called for action to eliminate such abuses.

Because of the interest of my colleagues and the American people in this most important subject, I place the editorial in the RECORD herewith.

The editorial follows:

FOOD STAMP ABUSES MUST BE ELIMINATED

It is no rarity, while grocery shopping in most American neighborhoods, to observe customers paying for their purchases with food stamps—those pieces of paper that are "bought" from the federal government at one price and then exchanged for merchandise at higher valuation. The taxpayers make up the difference.

The sight is so common, and some of the stamp-users so often give the appearance of being at least as prosperous as the cash-paying customers, that we may wonder instinctively whether the food-stamp program is serving properly the purpose for which it was created, and stopping right there.

Answer: it obviously is not. Evidence mounts that the thing has grown into a rip-off not only of the taxpaying public in general but often particularly of the people who legitimately and urgently need the help of discounted food.

Since the food-stamp program was started a decade ago, the case load has increased 4,227 per cent—but if that boost seems sizable, the increase in the program's costs amounts to 14,000 per cent. Approximately one of every four Americans now is eligible for food stamps and 57 per cent of those eligible are above the federal government's official poverty line.

The program already is expected to cost taxpayers $5.2-billion for 1975.

It boggles the mind, all the more when we observe that many fully deserving people are inadequately helped by the program. These include some elderly retired folk who must submit to certain eligibility deductions while neighbors of perhaps considerable means find ways to manipulate their way in.

Legislation to correct food-stamp abuses has been introduced in Congress by Sen. James Buckley, C-N.Y., and Rep. Bob Michel, R-Ill.

As described by the Birmingham News, the Buckley-Michel measure "is designed to halt the astronomic growth of the stamp program, to improve the nutrition provided for the truly needy, to tighten administrative procedures to reduce fraud and speed up processing of applicants, and to remove from eligibility a number of non-needy persons with relatively high incomes who now qualify for food stamps."

Let it be noted that the legislation would cut out some recipients, as should be done, but it could bring increased benefits to those who still qualify. And the sponsors think it would save the taxpayers from $2-billion to $2½-billion a year.

Food stamps should go to worthy, needy people. That is all.

SPECIAL REPORT FROM WASHINGTON

HON. JAMES H. (JIMMY) QUILLEN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. QUILLEN. Mr. Speaker, a few months ago I sent a legislative questionnaire to the postal patrons in my congressional district.

The seven questions covered a range of foreign and domestic issues before this Congress.

The returns have been tabulated, and on August 1 I am sending the results of the returns to the residents of my district in a special report from Washington.

I would like to make the results available for readers of the RECORD.

REPORTS FROM WASHINGTON

DEAR FRIENDS: It is obvious that the people in the First District are vitally interested in the issues facing our Nation, as reflected by the many responses to my 1975 questionnaire.

The results have now been tabulated. While husbands and wives reporting together expressed only insignificant differences for the most part, on several questions there was an important difference between men and women reporting for themselves. Several legislative issues were covered by this year's survey, focusing on both foreign and domestic affairs, and concentrating on current topics affecting the lives of all Americans.

A total of 177,000 questionnaires were mailed and 18,972 answers were received, indicating that this year's rate of return (10.7%) is still high when compared with the national average, even though last year's percentage was 11.8.

The question receiving the most favorable response was number six, "Should the use of nuclear energy be expanded by constructing more nuclear power plants to ease the energy crisis?", with 83.7%. The tabulation revealed that 84.0% "His" and 83.4% "Hers" felt more nuclear power plants should be constructed, while 9.5% "His" and 11.2% "Hers" were in opposition. Only 6.5% "His" and 5.4% "Hers" were undecided on this question.

The third question, "Should the U.S. relinquish sovereignty over the Panama Canal?", was one of the questions showing a marked difference between men and women reporting for themselves. Although 83.1% "His" and 83.6% "Hers" were decidedly against such action, 11.7% "His" and 10.1% "Hers" preferred to release dominion over this area . . . 5.2% "His" and 6.3% "Hers" remained as undecided.

Question four, "In an effort to help livestock producers and other farmers, would you favor eliminating foreign imports of meats and farm products?", also gained a very definite response . . . only 2.8% "His" and 3.9% "Hers" showing an undecided status. Voting in favor of this elimination of foreign imports were 64.4% "His" and 69.2% "Hers." Negative findings were recorded as 32.8% "His" and 26.9% "Hers."

Interestingly, answers to question five—"Do you favor voter registration by postcard rather than the present requirement to register in person?"—indicated this method was not desired, with 74.7% "His" and 75.1% "Hers" opposed to this change, and 22.8% "His" and 22.1% "Hers" in favor of postcard registration. Showing no definite preference were 2.5% "His" and 2.8% "Hers."

On question two, a multiple choice question dealing with the Middle East situation, constituents were asked their views about American policy should war break out again. The greatest percentages, 37.5% "His" and 42.5% "Hers", favored complete neutrality, but an almost equal number, 41.6% "His" and 35.4% "Hers", favored supporting Israel with arms and aid. The Arab States received little support, only 1.0% "His" and 0.7% "Hers," with votes for aid to both Israel and the Arab States showing percentages of 3.2 "His" and 2.9 "Hers" from the First District.

Significant figures of 99.1% "Hers" and 98.7% "His" against support for Arab States on the second question were noted, and equally high negative responses of 96.0% "His" and 96.4% "Hers" against support of arms and aid for both sides were indicated. Lower percentages of 55.0 "His" and 47.9 "Hers" were shown as negative responses to the completely neutral policy, and results of 50.3% "His" and 56.6% "Hers" were tabulated as being against support to Israel with arms and aid.

"Do you favor granting resettlement aid to South Vietnamese refugees", is question number one, and was opposed by 53.6% of those responding, while being supported by 40.8%. On this issue men reporting only for themselves actually favored such aid by a small margin—49.2%, as opposed to 47.8% against. They were the only group to favor this assistance.

This question evoked the most divided response, with the least difference between yes and no votes.

OVERALL DISTRICT RESULTS

[In percent]

	Yes		No		Undecided	
	His	Hers	His	Hers	His	Hers
1. Do you favor resettlement aid to the South Vietnamese refugees?	41.4	40.3	53.7	53.7	4.9	6.0
2. If war were to break out in the Middle East, what do you think American policy should be?						
(a) Stay completely neutral?	37.5	42.5	55.0	47.9	7.5	9.6
(b) Support Israel with arms and aid?	41.6	35.4	50.3	56.6	8.1	8.0
(c) Support Arab States with arms and aid?	1.0	.7	98.7	99.1	.3	.2
(d) Supply both sides with arms and aid?	3.2	2.9	96.0	96.4	.8	.7
3. Should the United States relinquish sovereignty over the Panama Canal?	11.7	10.1	83.1	83.6	5.2	6.3
4. In an effort to help livestock producers and other farmers, would you favor eliminating foreign imports of meats and farm products?	64.4	69.2	32.8	26.9	2.8	3.9
5. Do you favor voter registration by postcard rather than the present requirement to register in person?	22.8	22.1	74.7	75.1	2.5	2.8
6. Should the use of nuclear energy be expanded by constructing more nuclear powerplants to help ease the energy crisis?	84.0	83.4	9.5	11.2	6.5	5.4
7. Do you favor a windfall profits tax on big oil companies to assure that they are not unjustly enriched at the expense of gasoline and fuel consumers?	82.4	79.8	11.2	14.2	6.4	6.0

I want to take this opportunity to express my thanks to all for making this year's survey so successful. Your participation means a lot to me, and will assist me greatly as these issues come before the Congress.

Sincerely,

James H. Quillen.

M. SGT. ROBERT NEWELL IRELAND

HON. WM. J. RANDALL

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. RANDALL. Mr. Speaker, far too infrequently, too many of us, myself in that number, take the time to ponder or thoughtfully consider the plight of our missing-in-action in Southeast Asia. Of course, we are all beset with the constant pressures of pending legislation, yet I have a feeling of guilt that I have not done enough to try, some way, somehow, to determine the status of all these missing men. I make these comments at this time because of a recent communication from Mrs. Frances Thompson, the sister of Sergeant Ireland, MIA.

Master Sergeant Ireland was born on July 11, 1935, in Osceola, Mo., the county seat of St. Clair County, which is one of the family of counties in west-central Missouri which it is my honor to represent in Congress. Later in life, Sergeant Ireland attended school in Clinton, Mo., the county seat of Henry County, directly north of St. Clair County.

Bob Ireland was the flight engineer on an AC-130 that had flown out of Ubon Air Base, Thailand. It was on April 22, 1970, that his aircraft was shot down about 31 miles west of Chavane, in southern Laos. He was one of 11 crewmen. The U.S. Air Force lists 10 as missing in action, and it is known that 1 was rescued. However, an overseas news agency in April 1970 released information that six crewmen perished in the crash, but that four were missing and perhaps alive, and one was known rescued.

Sergeant Ireland's sister, Mrs. Frances Thompson, has recently requested that I cosponsor the Montgomery resolution, House Resolution 335. I herewith announce that I have joined the gentleman from Mississippi in his efforts to locate the men missing in action.

VIVA stands for "Voices in Vital America," an organization which describes itself as "dedicated to those who preserve our freedom, shall it forever endure." Diane M. Consolo, director of VIVA in Washington, D.C., advised us by letter that on July 11, 1975, M. Sgt. Robert Newell Ireland, missing in action, will be 40 years old. She suggested that we give recognition to Sergeant Ireland in the Congressional Record. In a recent conversation with Bob Ireland's sister, Mrs. Thompson, I promised that his name would appear in the Congressional Record in July, the month of his birth, with a recitation of the pertinent facts of his service in Laos and the date of his missing-in-action over Laos.

Mr. Speaker, it is my honor and privilege to comply with the request of VIVA and of Mrs. Thompson and express my hope and prayer that by some miracle of divine providence, M. Sgt. Robert Newell Ireland may be located, repatriated, and returned to his loved ones.

HAWAII CONFERENCE POINTS THE WAY TO GREATER UNDERSTANDING BETWEEN THE UNITED STATES AND JAPAN

HON. SPARK M. MATSUNAGA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. MATSUNAGA. Mr. Speaker, the recently concluded United States-Japan Conference on Cultural and Educational Cooperation, held in Hawaii June 21–23, 1975, points the way to improved understanding between the two nations. The committee recognized the need for improved communication between the two countries which share many of the same problems brought on by rapid technological advancement. The participating members were much encouraged by Secretary of State Kissinger's call for early enactment of the Japan-United States Friendship Act, a proposal pending in the House which would provide funds for educational and cultural exchange programs between the two countries.

Knowing that my colleagues will be greatly interested in the activities of the Joint Committee on United States-Japan Cultural and Educational Cooperation, I am submitting for inclusion in the Congressional Record a copy of the communique issued at the close of the recent meeting in Hawaii.

COMMUNIQUE

The Joint Committee on United States-Japan Cultural and Educational Cooperation met in Hawaii, June 21–23, 1975.

The Committee took special note of the growing importance of the cultural and educational factors in achieving mutual understanding between Japan and the United States. It recognized the increased importance of improved communication between the two countries in a world drawn together by interdependence. Both countries were seen to share numerous societal problems brought on by rapid technological innovation, especially the information explosion.

In this atmosphere, the Committee reviewed progress made in carrying forward the recommendations of CULCON VII which met in Tokyo in June, 1974. These included cooperative projects and activities in the fields of American studies, education, Japanese studies, journalist exchange, museum, and television.

The Committee was gratified to note that there has been a marked increase in private participation on both sides, thus highlighting the unique feature of CULCON, which is the cooperation between government and private representatives to further mutual understanding. Greater activity by the subcommittees of CULCON suggests the possibility of increased cooperation among them.

The organization of the Joint Committee was discussed and it was agreed to ask the panel chairmen to consider what modfiications might be recommended to CULCON VIII.

The Committee welcomed the June 18th announcement by Secretary of State Kissinger that the U.S. Administration would seek to integrate and obtain approval this year of proposals before the U.S. Congress to establish a Japan-U.S. Friendship Fund for the expansion of cultural and educational activities between both nations.

In reviewing activities related to CULCON, the Committee particularly noted:

1. The Conference of Asian and Pacific American Studies Specialists to be held in September 1975 in Japan and the Bicentennial World Conference on American Studies to be held in Washington, D.C. in September 1976.

2. The work in the field of education for international understanding to develop educational materials on each other's country for elementary and secondary schools.

3. The increased efforts by Japanese government and private organizations to publish books and articles on Japan translated into English.

4. The increased importance of exchanging journalists as a means of narrowing the communication gap.

5. Plans for exchanging museum exhibitions and other related programs in the coming years.

6. The prospect of new cooperation in cultural and educational television in both countries.

7. The need for a library subcommittee and separate subcommittees for television and print media and recommended their establishment to CULCON VIII.

A. AMERICAN STUDIES

The Committee received with satisfaction the Japanese Association of American Studies' report, "Current Status of the Study of America in Japanese Universities," an extensive accumulation of data sponsored by the Fulbright Commission in Japan, and noted the progress of American Studies in Japan.

The Hawaii meeting influenced the subcommittee by directing attention outside the field of higher education and research toward public and adult education, professional internships, the teaching of English, and public information. The opportunity to contribute to the discussion of the concerns of other subcommittees, including the proposed subcommittee on libraries, is viewed with anticipation.

It was reported that the Asia and Pacific Regional Conference of American Studies Specialists will be held on 4–7 September at the Institute of International Studies and Training Center in Fujinomiya City with the participation of fourteen nations. Approximately fifty people will attend the conference from abroad and roughly the same number from Japan. The subjects to be discussed are: (1) American Revolution, (2) Influence of American civilization on other countries, and (3) Problems relating to American Studies in the participating countries.

Recommendations:

1. Taking advantage of the Regional Conference, at which most of the subcommittee members will be in attendance, there should be a joint subcommittee meeting in Tokyo on September 8, 1975.

2. The Committee recommends the following agenda for the joint meeting: (a) Report on Hawaii meeting; (b) Role and scope of American Studies Subcommitte; (c) Evaluation of Asian Bicentennial Conference; (d) Report on Washington Bicentennial Conference for 1976; (e) Response to "Current Status of the Study of America in Japanese Universities"; (f) Future of Kyoto American Studies Seminar; (g) CULCON VIII; (h) Progress reports on—translations, book orders, teacher orientation, student exchange, counseling and accreditation, financing: public and private, joint and cooperative research and bibliographies, faculty and scholarly exchange, and cooperation with the United Nations University.

EDUCATION

The meeting concerned with education for international understanding discussed the final arrangements for the opening of the joint seminar which is scheduled to begin three weeks hence at the East-West Center.

The new Office of Education publication, "Film Resources on Japan," was presented at the meeting. It inventories more than 550 films and filmstrips about Japan available in the United States, which can be used for multiple educational purposes.

Finally, the Committee noted with approval the U.S. Office of Education decision to assist four new East Asian Studies centers in American colleges and universities located in regions not currently well served by the existing USOE centers. One center is in North Carolina and an important part of that Center's program is collaboration with the North Carolina State Department of Education and the CULCON project on education for mutual understanding in elementary and secondary education.

Recommendations:

A variety of possible activities for future consideration by the joint subcommittee was considered. Some of these might be initiated during the coming year and some could be undertaken following the completion of the present project. Among the possibilities for building bridges for understanding between educators and educational systems in the two countries are:

1. Expanding and improving links between elementary and secondary schools and teacher education institutions in both countries.

2. Establishing and/or strengthening facilities and service in both countries to assit visiting teachers from the other country with their study interests, including the developing of curriculum materials.

3. Increasing access to reliable, up-to-date information about the educational system, issues, and developments in the other country. To help expand the dialogue between Japanese and American educators across language barriers, various possibilities for publishing articles in English by Japanese educators about education in Japan were considered. For example, occasional issues of specialized existing journals might be devoted to U.S.-Japan educational subjects. The reverse need was also considered—helping the Japanese side to select particularly significant articles from the wide collection of writing on education in American professional journals for translation into Japanese.

C. JAPANESE STUDIES

The Committee expressed its appreciation for the efforts of the Japan Foundation and the Expo '70 Foundation to strengthen Japanese language training and improve library resources in the U.S. to disseminate the results of Japanese scholarship to an international audience. It noted, as well, progress in integrating the study of Japan into teaching and research by social scientists outside of Japan and in expanding Japanese studies at the undergraduate level in the United States. The Japan Foundation's "Introductory Bibliography for Japanese Studies and Books on Japan" were well received. The work of the newly established Japanese Language Division of the Natural Research Institute on the Japanese Language also was noted with appreciation.

Recommendations:

1. Precise, up-to-date data about institutions, scholars and activities in Japanese studies should be compiled through the efforts of both sides for presentation to CULCON VIII.

2. More specialists from Japan should teach in American universities.

3. Joint research projects in Japanese studies need more solid American financing.

4. The quality and quantity of English abstracts and translations of Japanese scholarly works need improving (and the Committee will give special priority to this problem).

5. A Japanese mission to survey Japanese studies in the U.S. should be sent to the U.S., possibly in the spring of 1976, and an American mission to survey facilities for Americans to study in Japan should be considered.

D. JOURNALIST EXCHANGE

Substantial time was devoted to a discussion of the exchange of journalists between the U.S. and Japan. Recognition was given to another of the International Press Institute bilateral seminars for newspapermen which will be held in Racine, Wisconsin this coming November. The changing roles of the two nations in Asia will be explored during the seminar discussions.

It was reemphasized that one of the important and effective ways to fill the communication gap between Japan and the U.S.A. and to deepen the understanding of the general public in both countries is the exchange of mass-media people, including publishers, editorial writers, columnists, journalists, and magazine writers.

Recommendation:

1. Details of the respective exchange of grant-type programs should be widely disseminated among the individual professional organizations concerned with management, editorial or reporting responsibilities. As an example, attention should be given to making the Fulbright program for working newsmen more widely known throughout the profession.

E. LIBRARY

Recommendations:

1. It was recommended to establish a Library Subcommittee with the following suggested objective and activities:

a. The primary objective of the subcommittee would be to improve access of Japanese to American material and American access to Japanese materials.

b. A number of possible activities that the subcommittee may wish to explore would include the interchange and training of personnel, interchange of publications, interlibrary cooperation, the establishment of documentation centers especially in the social sciences, and the need for specialized bibliographies.

2. The committee expressed the view that the proposed Library Subcommittee when officially established, should maintain close liaison with other subcommittees of CULCON, especially the Japanese Studies, American Studies and Education Subcommittees as it formulates and implements its programs.

3. Establishment of this subcommittee should be at an early date and that a preparatory meeting be held in Tokyo or Kyoto before or after the Third Japan-U.S. Conference on Libraries and Information Science in Higher Education to be held in Kyoto in October 1975 to work out a plan on activities for the future.

F. MUSEUM EXCHANGE

In the field of museum exchange, details were discussed concerning the exhibition "Collected Masterworks from Art Museums of the United States" which will be held in Tokyo and Kyoto during 1976 to celebrate the U.S. Bicentennial. Other exhibitions including the Shinto Exhibition, Chinese Ceramics from Japanese collections and Kamakura Sculpture were also discussed.

Recommendations:

1. With regard to future exchanges, it was agreed that the following should be discussed further:

a. The appropriate interval between major Japanese exhibitions to be sent to the United States.

b. Use of the museum subcommittee as an information center among American museums for the planning of art exhibitions to and from Japan.

c. Better balance in the exchange of exhibitions between the United States and Japan.

d. Financial guidelines for the sharing of expenses between the sender and recipient of exhibitions.

G. TELEVISION

The Committee considered the next T.V. Program Festival with a view to promoting the program exchange more effectively. It noted the important role of P.B.S. in this area. Further, providing United States cultural and educational television programs to Japan and showing Japanese produced magazine television programs over P.B.S. stations in the United States was discussed.

The establishment of an American Subcommittee was noted with appreciation in view of the need for continuity on the U.S. side.

The Committee discussed Sister Station affiliations and expressed satisfaction regarding progress in this area.

Recommendations

1. Considering that the most promising opportunity for Japanese educational and cultural programs to be viewed by the most American people would be on Public Broadcasting Stations (P.B.S.), it is recommended that consideration be given to holding the 3rd Television Program Festival at the National Association of Educational Broadcasting (N.A.E.B.) Meeting in mid-November 1975 or in 1976. In the case of the 1975 NAEB Meeting, the Japanese program entries would come mainly from the group of programs in custody of the Japan Society in New York. Final decision on this issue will be made after consultation with the B.P.C.J.

2. Information should continue to be exchanged on type and subject of programs to be exchanged considering other country's program needs.

3. To further the exchange of information regarding Sister Station activities a newsletter could be developed by the Broadcasting Programming Center of Japan and the Japan Society.

H. CULCON VIII

The Committee recommended that CULCON VIII be held in Washington, D.C. in May 1976. In view of the celebration of the American Bicentennial in 1976, it was also recommended that private organizations be invited to sponsor and organize, in consultation with CULCON, a special symposium on a major theme of common interest to both countries to be held in conjunction with CULCON VIII.

ARMS TO TURKEY

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. LAGOMARSINO. Mr. Speaker, the Los Angeles Times has, I submit, very accurately described the present Turkey impasse:

SHORTSIGHTEDNESS—AND WORSE

The refusal of the House to lift the U.S. arms embargo against Turkey is an ill-considered and mischievous action that should not be allowed to stand.

It is clear that the House vote will not serve its supposed purpose of driving the Turkish army from the 40% of Cyprus that it occupies. It will not speed negotiations on a political settlement between Greek and Turkish Cypriots. But it has already succeeded in jeopardizing the effectiveness and future existence of U.S. military and intelligence facilities in Turkey, and in so doing has weakened American national security.

Only on the most narrow and dubious of legal grounds can the House action be justified. When Turkey used U.S.-supplied arms on Cyprus a year ago it violated congressionally imposed restrictions by employing the weapons for nondefense purposes. The Turkish move against Cyprus, however, was plainly more a provoked act of intervention than an instance of aggression. The mitigation can't be ignored.

Turkey was responding to an attempted putsch by elements of the majority Greek Cypriot community that, in connivance with the military regime in Athens, was seeking national union with Greece. Had that effort succeeded, the island's Turkish inhabitants might have faced expulsion, or worse. The Turkish intervention prevented that, but in turn led to an occupation and de facto partition of Cyprus that cannot be supported. But the situation on Cyprus today will not be rectified by the House vote.

Instead, there is now a possibility that the Turks will make good on their threat to close down at least some U.S. facilities in Turkey. That would be a serious blow to the U.S. military position in the eastern Mediterranean, it would mean a further weakening of NATO's southern flank and, perhaps most important of all, it could interfere significantly with U.S. intelligence monitoring of military activities in the Soviet Union.

Senate Majority Leader Mike Mansfield says that 25% of American intelligence on the Soviet Union is derived from Turkish monitoring bases. The relation to U.S. security is evident.

The Senate perceived the dangers to U.S. interests of losing facilities in Turkey, and accepted a sensible compromise plan that would permit limited resumption of arms shipments.

The failure of the House to concur in this plan is shortsighted and irresponsible. The House can and must reverse itself, must correct its mistake before more harm is done.

THE HOLE IN THE DONUT

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. PEPPER. Mr. Speaker, the Dade County Board of County Commissioners recently petitioned the Congress to make an in-depth study of the social, economic, and environmental effects of the proposed termination by the National Park Service of agricultural activities in an area of Everglades National Park known as the Hole in the Donut.

I insert this resolution in the RECORD at this point:

RESOLUTION NO. R-570-75

Resolution requesting the Federal Congress to make an in-depth assessment of the social, economic and environmental effects that will result from terminating farming activities in the hole-in-the-donut farmland within Everglades National Park

Whereas, a group of prominent citizens from the South Dade area presented a resolution, a copy of which is attached hereto, to the Board of County Commissioners of Dade County at its regular meeting on June 4, 1975; and

Whereas, the Board conducted a public hearing at that time on the relative advantages and disadvantages of farming activity within the Hole-in-the-Donut area, and heard detailed presentations from many citizens, a representative of the Federal Department of the Interior, and a representative of the National Park Service, on the subject matter of the resolution; and

Whereas, the Board feels that there may be grave economic effects experienced in South Dade County if all farming activity in the Hole-in-the-Donut area is terminated and several thousand migrant workers who are presently employed in the fields thrown out of work as they and their families are forced into accepting welfare or other forms of charity,

Now, therefore, be it resolved by the Board of County Commissioners of Dade County, Florida:

SECTION 1. The Board goes on record as approving and supporting the attached resolution submitted to it by the group of prominent citizens from South Dade County.

SECTION 2. The Board recommends to the Federal Congress that it make an in-depth assessment of the social, economic and environmental effects that would result from the abrupt termination of all agricultural and farming activity in the Hole-in-the-Donut area before it permits such activity to be ended.

SECTION 3. The Clerk of the Board is directed to send a certified copy of this resolution to each of the two (2) Senators and the fifteen (15) Congressmen from Florida who serve in the Federal Congress.

The foregoing resolution was offered by Commissioner Harry P. Cain, who moved its adoption. The motion was seconded by Commissioner Clara Oesterle, and upon being put to a vote, the vote was as follows:

Neal F. Adams, Aye; Harry P. Cain, Aye; Sidney Levin, Aye; Clara Oesterle, Aye; Beverly B. Phillips, Nay; James F. Redford, Jr., Nay; Sandy Rubinstein, Nay; Harvey Ruvin, Absent; and Stephen P. Clark, Aye.

The Mayor thereupon declared the resolution duly passed and adopted this 4th day of June, 1975.

RESOLUTION BEFORE THE DADE COUNTY COMMISSION CONCERNING THE HOLE-IN-THE-DONUT FARMLAND IN EVERGLADES NATIONAL PARK, JUNE 4, 1975

The South Dade County community, as well as the growers and their farmworkers, seek an Executive review of the pending agricultural lease terminations and appropriate Congressional action to permit continued farming in Everglades National Park's Hole-in-the-Donut via an accommodation with the National Park Service.

Whereas, The Hole-in-the-Donut agricultural lands possess environmental factors unique among farmlands in South Dade County, Florida and the Nation; and

Whereas, These unique factors result in crop yields unmatched on any other Florida farmland utilizing identical agronomic techniques; and

Whereas, These unique factors allow crop production during a time period (mid-March through April) when harvesting of similar crops is not economically feasible on any other Florida acreage; and

Whereas, The land planted in tomatoes in the Hole-in-the-Donut represents one-third of the total Dade County tomato acreage and produces nearly one-half of the Dade County tomato production ($24 million of $52 million this past season); and

Whereas, The quality of the Donut crop has been consistently demonstrated to be superior to crops from other Dade County farmland; and

Whereas, Continuous agricultural production has been a part of the Hole-in-the-Donut regional ecosystem for 60 years and was specifically protected within Park borders by the 1958 Public Law which fixed the Park boundary; and

Whereas, Continuous agricultural land-use in the Donut long preceded the establishment of Everglades National Park, and therefore continued crop production does not set a commercial land-use precedent for the future in our National Park Service system; and

Whereas, No significant adverse impact on Park flora and fauna has been conclusively demonstrated; and

Whereas, The termination of Donut agriculture stems from an amendment to the 1970 bill (H.R. 17789) by an understandably protective but demonstrably misinformed committee of Congress; and

Whereas, More than 3,000 migrant farmworkers, with some 9,000 dependents, find employment in the Donut for six weeks each year at a time when no alternative employment opportunities are available in Florida; and

Whereas, The sociological effects of the impending eviction may well reach far beyond the limits of Homestead, Florida City and Dade County; and

Whereas, The South Dade County growers and packers have $300 million invested in equipment and physical plant that will be placed in jeopardy due to the probable domino effect on the tomato industry of this closing; and

Whereas, The adverse economic impact will intensify as it spreads throughout the national agri-industry that supports production in the Donut; and

Whereas, Termination of Donut agriculture will undoubtedly result in the clearing and farming of lands immediately adjacent to Everglades National Park wilderness (Taylor Slough watershed) with potentially greater ecological adversity to Park hydrology and natural systems than continued Donut farming; and

Whereas, The proposed participation of the farming community in the attempt to restore abandoned fields to native plant and wetland communities is a positive ecological benefit from continued farming in the Donut; and

Whereas, Farming in the Donut could become a valuable case history in sophisticated land-use management demonstrating compatible and even beneficial use of lands adjacent to wilderness; and

Whereas, Conflicts between the Park and local residents and migrant farmworkers can be expected to intensify with an attendant loss of citizen support for National Park Service programs.

Therefore, be it resolved by the Board of County Commissioners of Dade County, Florida, on this fourth day of June, 1975, that under no circumstances should farming be eliminated from the Hole-in-the-Donut prior to an in-depth assessment of the social, economic and environmental impact of the impending action by the National Park Service.

NAVY'S QUESTIONABLE SELECTION OF F-18

HON. JIM WRIGHT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. WRIGHT. Mr. Speaker, the more closely one looks at the Navy's very questionable selection of the so-called F-18 as its lightweight fighter aircraft, the more one wonders about the whole process which went into that selection.

The New York Times today, in an article by John W. Finney, sheds a little more light on this subject, and I believe this article will be of interest to all Members of this body.

Mr. Speaker, I submit this article to appear at this point in the RECORD:

[From the New York Times, July 30, 1975]

STUDY QUESTIONS NAVY SELECTION OF F-18

(By John W. Finney)

WASHINGTON, July 29.—A study by the Library of Congress has concluded that the Navy failed to follow budgetary procedures laid down by Congress in selecting the F-18 as its new "low-cost" fighter plane.

The study was made public today by Representative Dale Milford, Democrat of Texas, as the multibillion-dollar F-18 program, the subject of intense industrial competition, approached a decisive point in Congress.

The House defense appropriations subcommittee has scheduled a vote Thursday to determine whether to provide the first installment of $110-million for the program. The subcommittee, headed by Representative George H. Mahon, Texas Democrat, was believed narrowly divided on what has developed into one of the more controversial issues in this year's defense budget.

Effectively the study, prepared by the Congressional Research Service of the Library of Congress in response to a request by Representative Milford, added legal questions to the cost problems besetting the F-18 program.

Both the Office of Management and Budget and the Defense Department's Office of Program Analysis and Evaluation have found that the Navy has understated by about $1.6-billion the projected costs of its new fighter program over the next five years.

Rather than cancel the program—a possibility raised by the budget analysts—Defense Secretary James R. Schlesinger has ordered the F-18 program to proceed, apparently on the understanding that the Navy will be permitted to increase its projected five-year budget.

Mr. Mahon has expressed concern to reporters over a potential "cost-overrun" in the F-18 program. In Congressional and aerospace industry circles, the opinion is that the fate of the program may turn on legal questions—whether the Navy complied with Congressional directives in choosing the F-18 this spring.

THE AIR FORCE CHOICE

The Senate and House Appropriations Committees specified in their conference report on last year's defense appropriations bill that the Navy, for its new "low-cost" fighter, was to choose a "derivative" of a new fighter that had been selected by the Air Force.

In January the Air Force selected the F-16 fighter proposed by the General Dynamics Corporation in Forth Worth. In May, the Navy rejected a carrier version of the F-16 that had been proposed by the LTV Aerospace Corporation of Dallas, the home district of Mr. Milford. The Navy selected the McDonnell Douglas Corporation of St. Louis to build the F-18, a carrier version of the plane that had been rejected by the Air Force.

LTV has challenged the legality of the Navy's selection in a protest filed with the General Accounting Office, the Congressional watchdog agency, which is not expected to reach a decision until late August.

The Navy maintains that it was not legally bound by a directive contained in a conference committee report that is frequently used by the appropriations committees to restrict spending by the executive branch.

Representative Les Aspin, Democrat of Wisconsin, has protested that the position the Navy has taken "raises the most serious questions concerning the relationship between Congress and the executive branch" and "poses a serious threat to the Constitutional precept of Congressional control of the purse."

The Navy contends that it obtained Congressional approval for a "reprograming" of its funds so that it could select the F-18 rather than the F-16. The Navy cites letters from Deputy Defense Secretary William P. Clements Jr. to the House and Senate Appropriations Committees in March, suggesting that the Navy might select a plane other than the F-16.

The Library of Congress study found, however, that the Clements letter did not constitute a "reprograming" action; that, it noted is a "highly formalized and structured process" between the Defense Department and the Congressional committees for shifting funds from one program to another. The study found that none of four committees involved had interpreted the Clements letters as requests for reprograming.

PLANS FOR REPLACEMENTS

In what amounts to a $6-billion program, the Navy plans to purchase 400 F-18's as "low-cost" fighters to supplement its costly F-14 fighters, produced by the Grumman Aerospace Corporation of Bethpage, L. I., and 400 more as light attack-bombers, to replace its A-7's, produced by LTV.

Senator Jacob K. Javits, Republican of New York, wrote to Mr. Schlesinger questioning the legality of the Navy's selection of the F-18 and suggesting that it would be cheaper if the Navy purchased the F-14 instead, and continued production of the A-7.

The Office of Management and Budget says continued purchasing of the F-14, which the Defense Department has limited to 390 planes, would be about $1-billion cheaper than buying 400 F-18 fighters. Studies by Grumman are said to show that continued production of the F-14 after 1981 would let the Navy stay within its five-year budget.

ARIZONA'S JOHN RHODES

HON. SAM STEIGER

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1975

Mr. STEIGER of Arizona. Mr. Speaker, I would like to share with the Members of the House an article from the July 17 edition of the Phoenix Gazette focusing on our distinguished minority leader, John Rhodes. In my view, the author of this article, Mr. John Kohle, accurately highlighted the outstanding qualities and attributes that the "man from Mesa" possesses—qualities and attributes that make him an outstanding Representative of Arizona's First Congressional District and an outstanding minority leader. The article follows:

Representative John Rhodes Made No Waves and No Enemies on Way to Power

(By John Kolbe)

Columnist George Will is credited with the definitive observation on the most powerful Arizonan in Washington:

"One glance tells you that God had a congressman in mind when he made John Rhodes."

Indeed, this stocky, unimposing man with the easy smile who has represented Arizona's 1st District for 23 consecutive years (longer than anyone has served this state on the Potomac next to the legendary Carl Hayden and Henry Ashurst) is the quintessential congressman.

Until this new crop of hellions descended on Capitol Hill and drastically altered our notions of what its 535 elected officials are like, a composite description of a House member would have produced a portrait with striking similarities to the GOP minority leader.

Patient. No firebrand, he made peace with the often-stultifying "system" early, ran his share of the errands, made more than his share of friends, and waited for lightning to strike.

Moderate. Although owner of a strongly conservative voting record, Rhodes is a man of personal moderation and gentility.

(The story is told of a ravishing blonde arriving unannounced at his hotel room door after a long day of campaigning, with a bucket of champagne and two glasses. Nonplussed, he thanked her, sent her on her way, and then asked his accompanying staff aide if he would like some champagne before bed. With most anyone else, the story would be apocryphal; in Rhodes' case, it's true.)

Flexible. While sticking to his own personal guns, Rhodes is keenly aware of the conflicting pressures on his Republican charges. With the mark of the natural leader, he issues commands sparingly, and never lets his stockpile of political IOU's get dangerously low.

Above all, circumspect. Even in his most private moments, Rhodes seldom talks "out of school." The zaniest or most power-hungry of his colleagues seldom come in for more than the mildest criticism.

He is, in short, a true man of the House.

And if that sounds like a portrait of paralyzing blandness, it troubles him little. For it is that combination of habits, instincts and convictions which has made him not only Arizona's most valuable political resource, but also one of the most clout-heavy men in Washington.

To be sure, his new eminence has had a generous nudge from events of the past couple of years. Three in particular.

First, there was Gerald Ford's elevation to Number Two, which left open the minority leader's post, to which Rhodes succeeded by the first unanimous vote in at least four decades.

At the time, in December 1973, it seemed a hollow achievement—this honor of leading a badly outnumbered band of GOP souls lost in the mire of a scandal brought on by their own embattled President. But the two later events took care of that.

Second, Mr. Ford won another promotion, and John Rhodes' future was secure, at least through 1976.

For along with one-time defense boss Melvin Laird, there was probably no one on Capitol Hill who enjoyed a closer personal relationship with the new President, a rapport which includes not only a political alliance of 20 years' standing, but also membership in a little-publicized weekly prayer group which has shifted its meeting site to the Oval Office.

And even that wasn't enough to assure the Rhodes niche, although his steady performance during the long Nixon trauma earned him a footnote in the art of political tightrope-walking.

It was the 1974 election—with all the appearance of a GOP (and Rhodes) Waterloo—which made his reputation.

For along with a crop of 75 new Democratic members hell-bent on reforming Congress and the world came a never-ending migraine for Speaker Carl Albert, and new divisions in a party justly famed for its internal wars.

"Who could have anticipated the idiocy we've seen in this Congress?" Rhodes muses with a shake of the head. "They've done it for us."

But the man from Mesa also learned another key lesson at the last election—namely, that leadership clout does not always translate into power at the polls. He got the scare of his political life.

So, even since, he's been quietly mending his home fences, returning home (nine times in the first six months of this year, more than usual for a man with his heavy leadership load) whenever possible, pressing the flesh, making speeches.

It's no accident that his second district office, manned by former state Republican staff chief Jim Wymore, is about to open in Tempe, better to look after the wants of frustrated voters.

And it is also no accident, one suspects that Atty. Gen. Bruce Babbitt and Senate Majority Leader Alfredo Gutierrez, both young and articulate Democratic comers whose names have been bandied about as possible 1st District contenders, are saying privately they want no part of the race against Rhodes.

Which will probably leave the field once again to eager Pat Fullinwider, the Tempe housewife who gave him the scare last time out. But with the element of surprise gone, the betting is she won't be quite as scary again.

A MID-COURSE CORRECTION IN THE WATER POLLUTION CONTROL ACT

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1975

Mr. KASTEN. Mr. Speaker, I am introducing legislation today that can have a significant impact in accelerating the efforts being made across the country to bring an end to the harmful discharge of inadequately treated municipal sewage into our Nation's waterways. In enacting the Federal Water Pollution Control Act Amendments of 1972, Public Law 92-500. Congress sought "to restore and maintain the chemical, physical and biological integrity of the Nation's waters." The program devised to reach this ambitious and admirable goal represents one of the most comprehensive and complex legislative programs to combat environmental pollution that any industrialized nation has ever attempted.

While I believe that the course set out in the 1972 Water Pollution Control Act will ultimately lead to a network of clean lakes, streams and rivers of which we can all be proud, we do need to assess periodically the progress and problems encountered in administering the act and make mid-course corrections when justified. The bill which I introduce today, amending section 204(b) of the 1972 Act, is such a mid-course correction. Its passage will eliminate an unduly restrictive provision of the existing law that has thwarted the construction of much-needed municipal waste water treatment facilities.

As currently enacted into law, section 204(b) requires that the operation and maintenance of federally funded waste water treatment works be financed through a system of direct user charges so that each recipient of waste treatment services pays its proportionate share of the costs of operation and maintenance of the facility. In theory, the present section 204(b) requirement would seem to raise little objection, but as a practical matter this requirement has served to retard the waste water treatment construction grant program.

Many communities across the country have for years financed the operation of their sewage treatment works through an ad valorem tax-based system. This system has worked well: communities have been able to finance their treatment works in an equitable fashion without incurring large administrative expenses in collecting the necessary revenues. Unless section 204(b) is amended, those communities which have historically utilized an ad valorem tax approach to financing the operation of their sewage treatment plants will be placed in the untenable position of having either to abandon their present, efficient systems of financing their sewage treatment plants or be declared ineligible to receive Federal funds to construct new and improved facilities. In some communities, local laws stipulate that ad valorem taxes are the only authorized means to finance waste treatment works.

I do not believe there is adequate justification to sustain the present section 204(b) requirement. Requiring communities that have a proven history of meeting the operational expenses of their sewage plants through an ad valorem tax-based system to develop new financing system is an unwarranted Federal intrusion into an area that need not be so rigidly controlled from Washington. The original goal of section 204(b)—to insure that the users of publicly funded facilities pay their fair share of the maintenance costs—is preserved in the amendment I am introducing.

Proportionally among the classes of users—industrial, commercial, and residential—would be maintained and a system of industrial surcharges implemented so that industrial users of a municipal sewage treatment plant would pay their proportional share of operating expenses and be given an incentive to reduce the volume and strength of their wastes.

The soundness of the amendment I introduce today is indicated by the broad support it has received. It has the backing of the U.S. Environmental Protection Agency which has already drafted an environmental impact statement reporting that the advantages of allowing communities to continue ad valorem tax-based systems plus variable surcharges outweighed the potential adverse impacts which were found not to be significant. State and local pollution control officials testified in congressional hearings this spring that they support the use of ad valorem taxation and I have noted the bipartisan support in Congress for this legislation.

Given the proven efficiency of an ad valorem tax approach, I can find little reason for Washington to require communities across the country to make an administratively complex and costly switch to a direct user charge system. At present, the Environmental Protection Agency has withheld the full Federal share of waste water treatment construction grants to communities that utilize ad valorem tax systems. It is estimated that approximately 25 percent of the Nation's urban population is in cities with ad valorem systems. Failure to amend section 204(b) can only work to hamper implementation of the construction grants program under the Federal Water Pollution Control Act and impede the efforts being made across the country to halt the discharge of environmentally offensive substances into our waterways.

DR. LESLIE MILES

HON. GOODLOE E. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1975

Mr. BYRON. Mr. Speaker, the Washington Post of Thursday, July 24, had an interesting article on Dr. Leslie Miles of Lonaconing, Md.

Dr. Miles is Lonaconing's only doctor and its Episcopal priest as well. These dual activities keep Dr. Miles on a tight schedule. He was ordained in 1972 having studied for the priesthood while practicing medicine.

He is pastor of St. Peter's Episcopal Church with 66 communicants plus about 25 children in Sunday school. Every afternoon Miles treats 30 to 40 patients in his office. He also makes several house calls every day, about 15 to 20 each week both in the town of Lonaconing and in the surrounding area.

I read the Washington Post article with great interest, and I want to congratulate Dr. Miles on his many achievements as outlined in the Post story.

TV ADVERTISING'S EFFECTS ON CHILDREN

HON. LOUIS FREY, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1975

Mr. FREY. Mr. Speaker, July 14–17, the House Subcommittee on Communications held hearings on broadcast advertising and children, a problem which I have been personally concerned with for many years.

In this regard, I would call the Members' attention to an article written by our colleague, TIMOTHY WIRTH, on the effects of advertising on children, which appeared in the July 17 edition of the Washington Post. Although I do not share Mr. WIRTH's views in their entirety, his comments deserve the consideration of all the Members.

The article follows:

TV ADVERTISING'S EFFECTS ON CHILDREN

(By Timothy E. Wirth)

Living in the middle of the long, drowsy golden age of American story-telling, Henry Wadsworth Longfellow could afford to rhapsodize about the entertaining of children:

> Between the dark and the daylight,
> When the night is beginning to lower,
> Comes a pause in the day's occupations,
> That is known as the Children's Hour.

But storytelling has long since given way to television. There is still that time between daylight and dark, but there is also now at least one occupation that doesn't pause then. When the Children's Hour rolls around, television advertisers are hard at work.

Some advertisers are, as the Surgeon General might say, a hazard to health. Here is an excerpt from a leaflet circulated among local fireworks vendors by a large East Coast fireworks firm:

"With the Bicentennial rapidly approaching, there will be a tremendous influx of tourists in the Metropolitan Area. Fireworks should be one of the best selling items ever. What better way to celebrate the 200th anniversary of our great Nation than by enjoying fireworks, 'An American Tradition' on the 4th of July.

". . . As always, we are conducting an aggressive [sic] TV advertising campaign, for our assortments. For two weeks prior to the 4th of July, we have scheduled twenty-seven (27) commercials per week on Channel 20 (WDCA) during the following popular children's programs: Buggs [sic] Bunny, Magilla Gorilla, Speed Racer, The Munsters, Bewitched, Hogan's Heroes, Get Smart, Superman, Gilligan's Island, The Cisco Kid, and Bozo's Circus."

To its credit, WDCA decided—after criticism from the American Academy of Pediatricians and a pressure group called Action for Children's Television (ACT)—not to broadcast this child-centered invitation to self-injury.

Even so, the general question, difficult but unavoidable will remain: Is there any correlation between the advertisement of products that are potentially harmful to children and harm actually done to children by themselves?

Several public interest groups, notably ACT and the Council on Children, Media and Merchandising, have argued for several years that there is such a correlation. ACT, for instance, armed with evidence that vitamin preparations, especially those with iron added, are hazardous to children, has been prodding vitamin manufacturers into withdrawing their advertising from television during children's hours. Meanwhile, the Council on Children has petitioned both the Federal Communications Commission and the Federal Trade Commission to police the commercials shown to children, especially commercials for nonprescription drugs, painkillers, sedatives, and the like.

The council points out, for example, that frequently advertised over-the-counter drugs are frequently implicated in accidental poisonings of children. According to the federal government's National Clearing House for Poison Control Centers, in 1973 there were 6,576 reported accidental aspirin poisonings among children under five, and 2,218 more cases in the general category of "analgesics." This could be simply because analgesics are among the most common of all household products, but it might also be, as charged, because children have these products dangled before them on TV.

This question—whether or not TV commercials lure children into self-injury—is one of the questions being discussed this week in House communications subcommittee hearings on advertising commonly seen by children.

Never openly conceding that there is a correlation between drug advertising and drug poisoning among children, the broadcasters and advertisers have nonetheless implicitly conceded much of the case by agreeing not to show such products during the traditional children's hours on Saturday and Sunday morning. The National Association of Broadcasters (NAB) boasts that, under its code for self-policing children's television, "Medical remedies can't be sold in or near children's programs. The Code is one way broadcasters meet their responsibilities to youngsters."

Yet Neilsen ratings show that during a typical two-week period last autumn, 23 of the 40 programs most popular among children featured commercials for over-the-counter drugs. The total number of drug ads was 67, for 23 different products, including Geritol, Anacin, Bayer aspirin, Di-Gel and Alka-Seltzer. Each of these products is named with some frequency in the reports to the government on accidental child poisoning.

How can this be? How can it be that the broadcast industry itself prohibits showing drug commercials to children, yet children are often exposed to such ads anyway? The answer is that the structure of industry self-regulation is weakened by the loopholes in it.

This structure has two pillars. One is the NAB, to which about 60 per cent of television stations belong. The other is the advertising industry's National Advertising Review Council, which maintains a Children's Review Unit, under the auspices of the Council of Better Business Bureaus. Both groups use a set of guidelines on what constitutes unfair or deceptive or potentially harmful advertising for children's television.

Both groups are aware of the special vulnerability of children to advertising, particularly children of pre-school, pre-cynical age. As John W. Macy, Jr., chairman of the Council of Better Business Bureaus, said in his announcement of the creation of the Children's Review Unit, "We recognize that an audience of children is a special one and we are now taking steps to assure that ads aimed at this audience are reviewed in a special way."

The major loophole in the self-regulatory structure—aside from the fact that it does not cover some 40 per cent of broadcast outlets and that it also lacks an enforcement mechanism—is the industry's definition of "children's programming time." As proclaimed by the NAB in June 1974, it is "those hours other than prime time in which programs initially designed primarily for children under twelve years of age are scheduled."

Practically speaking, this means that the advertising guidelines are in force only for one kind of program and only during the traditional "children's hours," Saturday and Sunday mornings.

The fact is that the programs which attract the largest child audiences are not children's shows. Nor are they family programs, nor athletic contests. The programs that are watched by the largest number of children are those which are also watched by the largest number of adults. In the country of the young, M*A*S*H outranks "The Wheelie-Chopper Bunch."

Robert Choate, chairman of the Council on Children, Media and Merchandising, has pointed out to both government and industry that both have persistently refused to come to grips with the main point: that children make up consistently large minorities of the audiences of certain popular adult programs and, therefore, are consistently exposed to advertising for products that, while safe for adults, can be harmful to the young.

When pressed on this point, broadcasters and advertisers simply act as if they hadn't heard, doggedly repeating, as Emilie Griffin of the Children's Review Unit did in a letter to Choate, that self-regulation's purview extends only to "advertising directed to children age 11 and under which appears in children's programs or publications or in programs in which the majority audience is children." And what if "The Rookies," ranked number seven among children, carries an ad for Bayer aspirin? Or "The Waltons," at number four, advertises Geritol? "They are classed as adult advertising," says Ms. Griffin mechanically.

The advertisers can hardly feign ignorance of the fact that children do not confine their viewing to weekend mornings. They get better demographic information than anyone, and they know that great numbers of children watch popular adult evening programs. They know too that many kids plug themselves into the weekday afternoon soap-and-game show circuit. The toy and hobby industry, for instance, knows where to reach its market; 64 per cent of its advertising dollar in 1974 went either to weekday evening or night television or to dayitme TV.

If the private sector continues to refuse to extend its self-policing operation, it may be that the government will have to help it do that job. It is, of course, possible that broadcasters and advertisers will be able to show that children are neither harmed nor deceived by the advertising that adult-oriented television exposes them to and that, therefore, current self-regulation is sufficient. The congressional hearings are aimed at finding out who is right—the industry or its critics.